



Bankrate: Mortgage Rates Spike After Trump Victory

NEW YORK, N.Y. – Nov. 9, 2016 – Mortgage rates were only modestly changed as the nation went to the voting booth, with the benchmark 30-year fixed mortgage rate rising to 3.73 percent, according to Bankrate.com’s weekly national survey. But rates have rocketed higher ever since Donald Trump was declared the winner. The 30-year fixed mortgage has an average of 0.23 discount and origination points.

The larger jumbo 30-year fixed had slid to 3.73 percent, while the average 15-year fixed mortgage rate nosed higher to 2.97 percent. Adjustable mortgage rates were only slightly changed heading into Wednesday, with the 5-year ARM and 7-year ARM inching higher to 3.15 percent and 3.33 percent, respectively.

Mortgage rates increased sharply throughout the day today, much of the increase coming after data had been gathered for the survey. The election of Donald Trump was shocking to many, but the reaction of U.S. financial markets on Wednesday was a surprise, as well. Contrary to expectations of a sharp drop in stock prices, as had been seen overseas as news broke of the election result, and an expected decline in bond yields, the yield on long-term government bonds actually spiked. President-elect Trump’s acceptance speech soothed investors’ nerves and the prospects of higher government spending and more government borrowing for infrastructure improvements sent long-term Treasury yields racing higher. The 10-year Treasury note yield soared above 2 percent on Wednesday, closing at 2.07 percent, the highest since Jan. 22.

At the current average 30-year fixed mortgage rate of 3.73 percent, the monthly payment for a \$200,000 loan is \$923.96.

SURVEY RESULTS

30-year fixed: 3.73% -- up from 3.69% last week (avg. points: 0.23)

15-year fixed: 2.97% -- up from 2.96% last week (avg. points: 0.18)

5/1 ARM: 3.15% -- up from 3.14% last week (avg. points: 0.27)

Bankrate's national weekly mortgage survey is conducted each Wednesday from data provided by the top 10 banks and thrifts in 10 top markets.

For a full analysis of this week's move in mortgage rates, go to

<http://www.bankrate.com/finance/mortgages/mortgage-analysis-110916.aspx>

The survey is complemented by Bankrate's weekly Rate Trend Index, in which a panel of mortgage experts predicts which way the rates are headed over the next seven days. Half of the panelists expect further increases in the next week, while 40 percent predict that mortgage rates will level off at this point. Just 10 percent forecast a pullback in mortgage rates over the next seven days.

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