



## **Bankrate: Mortgage Rates Hit 27-Month High**

NEW YORK – December 22, 2016 – Mortgage rates climbed for the eighth consecutive week, with the benchmark 30-year fixed mortgage rate zooming to the highest level since September 2014 at 4.31 percent, according to Bankrate.com's weekly national survey. The 30-year fixed mortgage has an average of 0.24 discount and origination points.

The larger jumbo 30-year fixed similarly climbed to 4.36 percent, and the average 15-year fixed mortgage rate hit 3.56 percent, the highest in more than 2-1/2-years. Adjustable mortgage rates followed suit in hitting multi-year highs, with the 5-year ARM ascending to 3.56 percent and the 7-year ARM bounding higher to 3.80 percent.

Mortgage rates extended a streak of increases that began in late October but took off in earnest after Election Day. This week saw another big jump after expectations for three Fed interest rates hikes in 2017 – rather than two – were revealed at last week's FOMC meeting. Mortgage rates continue to be driven higher by the consensus forecast of tax cuts and fiscal stimulus that spur faster economic growth and higher inflation in 2017. With investors acting on what appears to be a truly best case scenario, the odds of market volatility and recalibration are growing should the reality not match up to those lofty expectations.

At the current average 30-year fixed mortgage rate of 4.31 percent, the monthly payment for a \$200,000 loan is \$990.92.

### **SURVEY RESULTS**

30-year fixed: 4.31% -- up from 4.18% last week (avg. points: 0.24)

15-year fixed: 3.56% -- up from 3.42% last week (avg. points: 0.21)

5/1 ARM: 3.56% -- up from 3.45% last week (avg. points: 0.36)

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-122116.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. The panelists don't expect changes in mortgage rates over the coming week, with 70 percent voting this way. Just 30 percent forecast continued increases while none indicated that mortgage rates would drop in the next week.

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