



Bankrate: Mortgage Rates Return to Highest Level in More than 2 Years

NEW YORK – January 26, 2017 – Mortgage rates reversed course, unwinding the decreases seen over the previous three weeks and returning to the levels seen in late December that are the highest since September 2014. The benchmark 30-year fixed mortgage rate is now 4.32 percent, according to Bankrate.com's weekly national survey. The 30-year fixed mortgage has an average of 0.28 discount and origination points.

The larger jumbo 30-year fixed jumped to 4.31 percent, and the average 15-year fixed mortgage rate climbed to 3.51 percent. Adjustable mortgage rates were up noticeably as well, with the 5-year ARM escalating to 3.51 percent and the 7-year ARM ascending to 3.75 percent.

Bond yields and mortgage rates resumed their climb over the past week following comments from Fed Chair Janet Yellen about the prospect of rising interest rates over the next couple years that also reinforced the glass-half-full optimism that investors have about the new Trump administration. Mortgage rates are closely related to yields on long-term government bonds. The likelihood of reduced regulation, and the possibility of tax cuts and additional fiscal stimulus through infrastructure spending, have buoyed hopes for faster economic growth and boosted the odds of higher inflation in the coming years. Either, or both, would certainly be consistent with the Federal Reserve continuing to boost interest rates.

At the current average 30-year fixed mortgage rate of 4.32 percent, the monthly payment for a \$200,000 loan is \$992.09.

SURVEY RESULTS

30-year fixed: 4.32% -- up from 4.18% last week (avg. points: 0.28)

15-year fixed: 3.51% -- up from 3.41% last week (avg. points: 0.24)

5/1 ARM: 3.51% -- up from 3.45% last week (avg. points: 0.30)

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/mortgagerates>

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 mortgage rates to rise, while 42 percent predict mortgage rates will be in a holding pattern, remaining more or less unchanged over the next week. Just 8 percent of the respondents forecast a decline in mortgage rates in the coming week.

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