



Bankrate: Mortgage Rates Slide to 5-Month Low

NEW YORK – May 18, 2017 – With a flurry of news breaking in Washington, mortgage rates moved to the downside with the benchmark 30-year fixed mortgage rate falling to a five-month low of 4.15 percent, according to Bankrate.com's weekly national survey. The 30-year fixed mortgage has an average of 0.25 discount and origination points.

The larger jumbo 30-year fixed slid to 4.08 percent, and the average 15-year fixed mortgage rate dropped to 3.35 percent. Adjustable mortgage rates were on the decline as well, with the 5-year ARM sinking to 3.42 percent and the 7-year ARM reverting to where it had been two weeks ago at 3.62 percent.

There's nothing like a good old fashioned political crisis to make investors nervous and bring mortgage rates lower. Mortgage rates are closely related to yields on long-term government bonds, which have been in high demand amid the turmoil in Washington. While the White House scandal was the catalyst for a measurable drop in the past couple days, mortgage rates had already moved a bit lower thanks to a slower than expected rise in consumer prices. Another factor helping keep long-term yields, and mortgage rates by extension, in check is that the Federal Reserve seems poised to raise short-term interest rates as soon as June. An increase in short-term rates can be seen as good news by long-term bond investors as it keeps the inflation genie in the bottle.

At the current average 30-year fixed mortgage rate of 4.15 percent, the monthly payment for a \$200,000 loan is \$972.21.

SURVEY RESULTS

30-year fixed: 4.15% -- down from 4.22% last week (avg. points: 0.25)

15-year fixed: 3.35% -- down from 3.44% last week (avg. points: 0.21)

5/1 ARM: 3.42% -- down from 3.48% 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/finance/mortgages/mortgage-analysis-051717.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 majority of the panelists, 58 percent, see the decline in mortgage rates continuing while

42 percent expect mortgage rates to remain more or less unchanged over the next week. Interestingly, none of this week's respondents predict a rebound in mortgage rates in the next seven days.

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