



Bankrate: Mortgage Rates Inch Higher

NEW YORK – June 29, 2017 – Mortgage rates were slightly higher for the second week in a row, as the benchmark 30-year fixed mortgage rate rose to 4.07 percent, according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.17 discount and origination points.

The larger jumbo 30-year fixed nosed up to 4.01 percent, and the average 15-year fixed mortgage rate was up to 3.31 percent. Adjustable mortgage rates were somewhat mixed, with the 5-year ARM climbing to a three-month high of 3.52 percent while the 10-year ARM held at 3.87 percent.

Mortgage rates were little changed once again, rising very modestly for a second consecutive week but remaining near low levels not seen since November 2016. Despite the weakening economic momentum evidenced by worse than expected durable goods orders and a drop in pending home sales, mortgage rates and bond yields moved a bit higher. Concerns that the Federal Reserve will further scale back the economic stimulus and that the European Central Bank may begin doing so as well pushed bond yields higher. Mortgage rates are closely related to yields on long-term government bonds. The prospect of central banks – who have been the biggest buyers of long-term bonds – winding down their purchases and letting their portfolios run off caused a bit of selling pressure that took bond prices lower and yields higher. Bond prices and yields move inversely to one another. But the sluggish trend in U.S. economic data is unmistakable and should it continue, the markets, the Fed or both will eventually have to acknowledge it.

At the current average 30-year fixed mortgage rate of 4.07 percent, the monthly payment for a \$200,000 loan is \$962.92.

SURVEY RESULTS

30-year fixed: 4.07% -- up from 4.05% last week (avg. points: 0.17)

15-year fixed: 3.31% -- up from 3.27% last week (avg. points: 0.12)

5/1 ARM: 3.52% -- up from 3.47% last week (avg. points: 0.25)

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-062817.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. A bit more than half of the panelists, 57 percent, don't expect much change, saying mortgage rates will be more or less unchanged over the next week. The remaining 43 percent predict an increase in rates. Interestingly, none of this week's respondents forecast a decline in mortgage rates in the coming week.

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