



## **Bankrate: Mortgage Rates Inch Lower as Fed Holds Rates Steady**

NEW YORK – July 27, 2017 – Mortgage rates were down slightly leading into this week's meeting of the Federal Open Market Committee, with the benchmark 30-year fixed mortgage rate dipping to 4.09 percent, according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.24 discount and origination points.

The larger jumbo 30-year fixed nosed up to 4.08 percent, and the average 15-year fixed mortgage held steady at 3.31 percent. Adjustable mortgage rates were mixed, with the 3-year ARM up to 3.52 percent, the 5-year ARM retreating to 3.50 percent and the 10-year ARM unchanged at 3.91 percent.

Mortgage rates were little changed over the week, despite yo-yoing up and down in the interim. Bond yields and mortgage rates initially climbed on strong corporate earnings and a rising stock market, only to settle back as the Fed's concerns about low inflation came to the fore once again. Mortgage rates are closely related to yields on long-term government bonds. The Fed holds plenty of both in the \$4.5 trillion portfolio they are intending to start ratcheting back in the near future. Being the biggest buyer and biggest holder of these securities helped bring rates down and keep them there throughout the economic recovery. Just how much upward pressure we see on mortgage rates as they slowly unwind their holdings remains to be seen.

At the current average 30-year fixed mortgage rate of 4.09 percent, the monthly payment for a \$200,000 loan is \$965.24.

### **SURVEY RESULTS**

30-year fixed: 4.09% -- down from 4.11% last week (avg. points: 0.24)

15-year fixed: 3.31% -- unchanged from last week (avg. points: 0.18)

5/1 ARM: 3.50% -- down from 3.52% last week (avg. points: 0.32)

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-072617.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. There

is no clear consensus this week, with 42 percent of this week's respondents expecting mortgage rates to remain more or less unchanged. One-third predict a decline and the remaining 25 percent forecast an increase in mortgage rates over the coming week.

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