



Bankrate: Mortgage Rates Slide to Start 2017

NEW YORK – January 5, 2017 – Mortgage rates started off 2017 much differently than they finished up 2016 as mortgage rates pulled back, breaking a streak of nine consecutive weekly increases. The benchmark 30-year fixed mortgage rate settled at 4.21 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 pulled back to 4.28 percent, and the average 15-year fixed mortgage rate dropped to 3.45 percent. Adjustable mortgage rates were mostly lower as well, with the 5-year ARM slipping to 3.50 percent and the 7-year ARM sinking to 3.77 percent.

After rising for nine weeks in a row and twelve out of thirteen weeks during the fourth quarter of 2016, mortgage rates retreated. The run-up in both bond yields and mortgage rates was predicated on expectations for government stimulus and tax cuts that would boost the pace of economic growth and the level of inflation. As 2016 came to a close and 2017 got underway, some skepticism has begun to creep in about the timing and effectiveness of any stimulus matching up to investors' very rosy expectations. Both bond yields and mortgage rates reversed course in response.

At the current average 30-year fixed mortgage rate of 4.21 percent, the monthly payment for a \$200,000 loan is \$979.20.

SURVEY RESULTS

30-year fixed: 4.21% -- down from 4.32% last week (avg. points: 0.28)

15-year fixed: 3.45% -- down from 3.57% last week (avg. points: 0.22)

5/1 ARM: 3.50% -- down from 3.57% 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/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. The panelists are fairly evenly divided this week, with 36 percent expecting mortgage rates to continue falling and an equal 36 percent forecasting that mortgage rates will remain more or

less unchanged over the coming week. The remaining 28 percent of respondents predict mortgage rates will resume their climb during the next seven days.

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