



Bankrate: Mortgage Rates Rebound Slightly

NEW YORK – July 14, 2016 – After moving notably lower for two weeks post-Brexit, mortgage rates bounced back a bit, with the benchmark 30-year fixed mortgage rate now at 3.57 percent, according to Bankrate.com's weekly national survey. The 30-year fixed mortgage has an average of 0.23 discount and origination points.

The larger jumbo 30-year fixed was up modestly from last week's record low, to 3.67 percent. This rate is higher than the average conforming rate for just the sixth time in the past year. The average 15-year fixed mortgage rate held at 2.85 percent. Adjustable mortgage rates rose from last week's three-year lows, with the 5-year ARM jumping to 3.04 percent and the 7-year ARM climbing to 3.23 percent.

When bond yields reached record lows in the Brexit aftermath, mortgage rates came along for the ride as mortgage rates are closely related to the yields on long-term government bonds. But a strong jobs report had some investors thinking the bond market was a little overbought, so between soft demand at a Treasury auction and lightening up of positions, we saw bond yields and mortgage rates bounce back slightly. For context however, last week was the low point of 2016 and the second-lowest level on record, while this week is the second-lowest level of 2016. Even amid better U.S. economic news, the backdrop of slow global economic growth, low inflation and negative interest rates remains – all of which serve to keep a lid on mortgage rates.

This time last year the average 30-year fixed mortgage rate was 4.17 percent, which carried a monthly payment of \$974.54 on a \$200,000 loan. At the current average rate of 3.57 percent, the monthly payment for the same size loan is \$905.92, resulting in savings of more than \$68 per month for a homeowner refinancing now.

SURVEY RESULTS

30-year fixed: 3.57% -- up from 3.52% last week (avg. points: 0.23)

15-year fixed: 2.85% -- unchanged from last week (avg. points: 0.20)

5/1 ARM: 3.04% -- up from 2.95% last week (avg. points: 0.26)

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-071316.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. Nearly three-quarters of this week's panelists – 73 percent – predict that mortgage rates will remain more or less unchanged in the coming week while 18 percent expect mortgage rates to rise. Just 9 percent forecast a decline in mortgage rates over the next seven days.

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