



Bankrate: Mortgage Rates Inch Higher

NEW YORK – Nov. 3, 2016 – Mortgage rates were slightly higher this week with the benchmark 30-year fixed mortgage rate inching to 3.69 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 rose to 3.74 percent, while the average 15-year fixed mortgage rate climbed to 2.96 percent. Adjustable mortgage rates increased this week as well, with the 5-year ARM moving up to 3.14 percent and the 7-year ARM jumping to 3.32 percent.

With inflation finally on the rise, mortgage rates moved higher for the fourth time in the past five weeks. The benchmark 30-year fixed mortgage rate hit the highest level since mid-June, erasing the Brexit-induced decline that lasted all summer and much of the fall. Even though the Federal Reserve held off on raising interest rates, they pointed to increased inflation and inflation expectations, which are the factors that have been pushing bond yields and mortgage rates higher. Inflation is the worst enemy of a long-term bond investor as it erodes the value of the fixed payments the investor receives. Mortgage rates are closely related to long-term government bond yields because mortgages are often packaged together and sold as bonds. With uncertainty about the election gripping financial markets, the course financial markets take in the coming days will depend on how events in an already wacky election unfold.

At the current average 30-year fixed mortgage rate of 3.69 percent, the monthly payment for a \$200,000 loan is \$950.22.

SURVEY RESULTS

30-year fixed: 3.69% -- up from 3.64% last week (avg. points: 0.23)

15-year fixed: 2.96% -- up from 2.93% last week (avg. points: 0.19)

5/1 ARM: 3.14% -- up from 3.11% 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-110216.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 panelists – 60 percent – expect mortgage rates to remain more or less unchanged over the next week. The remaining respondents are mixed with 20 percent predicting a rise in mortgage rates and 20 percent forecasting a decline over the next seven days.

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