



Bankrate: Mortgage Rates Inch Lower

NEW YORK – January 12, 2017 – Mortgage rates moved lower for a second consecutive week to start 2017, with the benchmark 30-year fixed mortgage rate sitting at 4.20 percent, according to Bankrate.com's weekly national survey. The 30-year fixed mortgage has an average of 0.24 discount and origination points.

The larger jumbo 30-year fixed retreated to 4.24 percent, and the average 15-year fixed mortgage rate dropped to 3.41 percent. Adjustable mortgage rates were mixed, with the 5-year ARM nosing higher to 3.52 percent and the 7-year ARM sinking to 3.73 percent.

Following the headlong increase in November and December, both bond yields and mortgage rates are now moving in a much tighter range. Economic data remains consistently solid, but isn't blowing anybody's hair back. The prospective government stimulus upon which very high hopes have been pinned remains speculative, and the next big move in rates could be predicated on legislative action or inaction post-Inauguration Day. One other potential catalyst for rate movement in the months ahead will be inflation, which investors haven't needed to pay much attention to in a long time. Two readings – producer prices and consumer prices – are due for release in the coming week.

At the current average 30-year fixed mortgage rate of 4.20 percent, the monthly payment for a \$200,000 loan is \$978.03.

SURVEY RESULTS

30-year fixed: 4.20% -- down from 4.21% last week (avg. points: 0.24)

15-year fixed: 3.41% -- down from 3.45% last week (avg. points: 0.20)

5/1 ARM: 3.52% -- up from 3.50% last week (avg. points: 0.30)

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-011117.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. More than half of the panelists – 55 percent – expect mortgage rates to be in a holding pattern, remaining more or less unchanged over the next week. A little more than one quarter, 27 percent, predict further declines in mortgage rates while just 18 percent forecast an increase in the coming week.

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