Bankrate: Mortgage Rates Tie Record Low

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NEW YORK, Nov. 29, 2012 /PRNewswire/ -- It was a mixed week for mortgage rates, with fixed mortgage rates trickling lower, while adjustable rate loans bounced higher. The benchmark 30-year fixed mortgage rate tied the record low of 3.52 percent, according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.38 discount and origination points.

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To see mortgage rates in your area, go to http://www.bankrate.com/funnel/mortgages/.

The average 15-year fixed mortgage rate held at 2.86 percent while the larger jumbo 30-year mortgage inched lower to 4 percent, resetting a record low for the 5th week in a row. The 3-year ARM moved higher to 2.89 percent and the popular 5-year ARM bounced up to 2.74 percent.

The uncertainty of the fiscal cliff outcome has businesses, consumers, and financial markets uncertain and that uncertainty is good for mortgage rates. Mortgage rates are closely related to yields on long-term government bonds, with both declining in times of uncertainty. Expect mortgage rates to remain at these levels as long as the fiscal cliff talks drag on.

The last time mortgage rates were above 6 percent was Nov. 2008. At the time, the average 30-year fixed rate was 6.33 percent, meaning a \$200,000 loan would have carried a monthly payment of \$1,241.86. With the average rate now 3.52 percent, the monthly payment for the same size loan would be \$900.32, a difference of \$341 per month for anyone refinancing now.

SURVEY RESULTS

30-year fixed: 3.52% -- down from 3.53% last week (avg. points: 0.38)

15-year fixed: 2.86% -- unchanged from last week (avg. points: 0.32)

5/1 ARM: 2.74% -- up from 2.70% last week (avg. points: 0.39)

Bankrate's national weekly mortgage survey is conducted each Wednesday from data provided by the top 10 banks and thrifts in the top 10 markets.

For a full analysis of this week's move in mortgage rates, go to http://www.bankrate.com.

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. Most panelists don't see mortgage rates moving much at all, with 70 percent expecting mortgage rates to hold steady in the next seven days. Twenty-three percent predict mortgage rates will fall and just 7 percent forecast an increase in mortgage rates in the coming week.

For the full mortgage Rate Trend Index, go to http://www.bankrate.com/RTI.

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