

## Bankrate: Mortgage Rates Jump on News of Fed Stimulus

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NEW YORK, Dec. 20, 2012 /PRNewswire/ -- Mortgage rates posted the biggest one week increase since March, with the benchmark 30-year fixed mortgage rate jumping from 3.52 percent to 3.62 percent, according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.31 discount and origination points.

(Logo: <http://photos.prnewswire.com/prnh/20040122/FLTHLOGO>)

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

The average 15-year fixed mortgage rate was up more modestly to 2.89 percent and the larger jumbo 30-year mortgage climbed back over the 4 percent threshold to 4.07 percent. Adjustable rate mortgages were mostly higher, with the 3-year ARM moving to 2.93 percent and the 5-year ARM now at 2.78 percent, both the highest since August.

Mortgage rates posted these sudden increases following last week's announcement of additional stimulus by the Federal Reserve. While this newly announced bond-buying program is designed to keep long-term interest rates and mortgage rates low, the initial reaction was opposite because of concerns that the Fed's printing of more money would eventually lead to higher inflation. Not to worry, however, as the fiscal cliff issue is still at center stage and as year-end draws closer without an agreement, that is likely to push bond yields and mortgage rates back down.

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 3.62 percent, the monthly payment for the same size loan would be \$911.54, a difference of \$330 per month for anyone refinancing now.

### SURVEY RESULTS

30-year fixed: 3.62% -- up from 3.52% last week (avg. points: 0.31)

15-year fixed: 2.89% -- up from 2.85% last week (avg. points: 0.24)

5/1 ARM: 2.78% -- up from 2.74% last week (avg. points: 0.27)

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. Two-thirds of panelists, 67 percent, see mortgage rates increasing further over the coming week. One quarter expect mortgage rates to remain more or less unchanged and just 8 percent forecast a decline in the next seven days.

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