

Bankrate: Mortgage Rates Rise for 4th Consecutive Week

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NEW YORK, Aug. 23, 2012 /PRNewswire/ -- Mortgage rates moved higher once again, with the average rate on the benchmark 30-year fixed mortgage rising to a two-month high of 3.91 percent according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.45 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 increased to 3.12 percent while the larger jumbo 30-year mortgage was up more modestly, nosing higher to 4.43 percent. Adjustable mortgage rates were mostly lower, with the 5-year ARM moving down to 2.9 percent and the 7-year ARM sliding to 2.98 percent.

The eerie quietness on the European debt front, the better tone of U.S. economic data, and the rallying stock market have combined to lead bond yields and mortgage rates higher. Mortgage rates are, after all, closely related to long-term government bond yields. But the European debt crisis hasn't been resolved and the economy is not strong enough to put all our worries to rest, particularly with the fiscal cliff looming, so don't expect mortgage rates to continue moving higher. In fact, one hiccup and we could well see mortgage rates heading 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 3.91 percent, the monthly payment for the same size loan would be \$944.48, a difference of \$297 per month for anyone refinancing now.

SURVEY RESULTS

30-year fixed: 3.91% -- up from 3.86% last week (avg. points: 0.45)

15-year fixed: 3.12% -- up from 3.05% last week (avg. points: 0.36)

5/1 ARM: 2.90% -- down from 2.93% 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. The panelists can agree on one thing, mortgage rates aren't headed any higher. None of the respondents indicated mortgage rates would climb in the next seven days, but 42 percent predicted mortgage rates would fall back. Most however, 58 percent, expect mortgage rates to remain more or less unchanged over the coming week.

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

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