

Bankrate: Mortgage Rates Post First Increase of 2012

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NEW YORK, Jan. 26, 2012 /PRNewswire/ -- After weeks of very little movement, mortgage rates were up slightly this week. The average 30-year fixed mortgage rate rose to 4.25 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 increased to 3.45 percent, while the jumbo 30-year fixed mortgage rebounded from last week's record low to settle at 4.62 percent. The average 3-year and 5-year adjustable mortgage rates increased for the second week in a row, rising to 3.31 percent and 3.09 percent, respectively.

Fixed mortgage rates increased for the first time in the New Year. Even a modest increase, from 4.18 percent to 4.25 percent on the 30-year fixed, was enough to reach a two-month high. But the Federal Reserve's pronouncement about keeping short-term interest rates on hold even longer than expected, until late 2014, is likely to unwind the modest increase of the past week. Mortgage rates have been remarkably static over much of the past three months, with the average 30-year fixed mortgage rate staying in a range of less than one-tenth of a percentage point.

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 4.25 percent, the monthly payment for the same size loan would be \$983.88, a difference of \$258 per month for anyone refinancing now.

SURVEY RESULTS

30-year fixed: 4.25% -- up from 4.18% last week (avg. points: 0.31)

15-year fixed: 3.45% -- up from 3.39% last week (avg. points: 0.30)

5/1 ARM: 3.09% -- up from 3.06% last week (avg. points: 0.31)

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. There is no clear consensus this week, with 44 percent of the panelists expecting rates to rise further, while 31 percent predict that mortgage rates will fall back. Just 25 percent forecast that mortgage rates will remain more or less unchanged over the next seven days.

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

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