

Bankrate: Mortgage Rates Pull Back

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NEW YORK, Dec. 27, 2012 /PRNewswire/ -- Following last week's jump, mortgage rates pulled back this week, with the benchmark 30-year fixed mortgage rate sliding to 3.59 percent according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.34 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 fell to 2.87 percent and the larger jumbo 30-year mortgage held at 4.07 percent. Adjustable rate mortgages were mixed, with the popular 5-year ARM inching lower to 2.77 percent, while the 3-year and 7-year ARMs were a touch higher, both to 2.95 percent.

Mortgage rates pulled back this week as worries re-emerged about the approaching fiscal cliff. The prospects for an economic slowdown – or outright recession – should the U.S. go over the fiscal cliff for any length of time helps drive demand for the safety and security of U.S. government bonds. Mortgage rates are closely related to yields on long-term government bonds.

The last time mortgage rates were above 5 percent was Apr. 2011. At the time, the average 30-year fixed rate was 5.07 percent, meaning a \$200,000 loan would have carried a monthly payment of \$1,082.22. With the average rate now 3.59 percent, the monthly payment for the same size loan would be \$908.17, a difference of \$174 per month for anyone refinancing now.

SURVEY RESULTS

30-year fixed: 3.59% -- down from 3.62% last week (avg. points: 0.34)

15-year fixed: 2.87% -- down from 2.89% last week (avg. points: 0.24)

5/1 ARM: 2.77% -- down from 2.78% last week (avg. points: 0.32)

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 overwhelming majority of respondents, 86 percent, see mortgage rates remaining more or less unchanged over the coming week. Just 14 percent forecast a decline, and no one expects further increases over the next seven days.

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

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