

Bankrate: Mortgage Rates Pull Back

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NEW YORK, March 29, 2012 /PRNewswire/ -- The average rate on the benchmark 30-year fixed mortgage rate retreated to 4.23 percent, according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.39 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 down modestly to 3.44 percent, while the jumbo 30-year fixed mortgage slid to 4.77 percent. Adjustable mortgage rates moved lower also, with the average 5-year ARM reversing course and falling back to 3.14 percent and the 10-year adjustable sinking to 3.68 percent.

Mortgage rates dropped back after spiking higher last week. Renewed concerns about the effect of higher gasoline prices on the U.S. economy as well as slower growth in China contributed to this week's rate retreat. Mortgage rates are closely related to yields on long-term government bonds, so any condition that increases demand for bonds – such as worries about the economy – also helps bring about lower mortgage rates.

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 4.23 percent, the monthly payment for the same size loan would be \$981.54, a difference of \$260 per month for anyone refinancing now.

SURVEY RESULTS

30-year fixed: 4.23% -- down from 4.29% last week (avg. points: 0.39)

15-year fixed: 3.44% -- down from 3.48% last week (avg. points: 0.36)

5/1 ARM: 3.14% -- down from 3.24% last week (avg. points: 0.35)

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 isn't a majority opinion, but 42 percent of panelists forecast further declines in mortgage rates in the coming week. The others are evenly split, with 29 percent predicting an increase while an equal 29 percent expect mortgage rates to 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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