Bankrate: Mortgage Rates Climb to 4-Month High

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NEW YORK, Jan. 10, 2013 /PRNewswire/ -- Mortgage rates reached the highest level since September, with the benchmark 30-year fixed mortgage rate jumping to 3.67 percent this week, according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.32 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 was modestly higher to 2.92 percent and the larger jumbo 30-year mortgage increased to 4.10 percent. Adjustable rate mortgages inched higher, with the popular 5-year ARM nosing up to 2.77 percent and the 7-year ARM ticking higher to 2.93 percent.

All the euphoria in the immediate aftermath of the fiscal cliff deal seems bound to give way to renewed concerns as we draw closer to the debt ceiling deadline. With a contentious debate expected on raising the debt ceiling and much wrangling over spending cuts, the nervousness and uncertainty that is sure to develop will likely help bring bond yields and mortgage rates lower during the first quarter of this year. 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 3.67 percent, the monthly payment for the same size loan would be \$917.18, a difference of \$165 per month for anyone refinancing now.

SURVEY RESULTS

30-year fixed: 3.67% -- up from 3.58% last week (avg. points: 0.32) 15-year fixed: 2.92% -- up from 2.88% last week (avg. points: 0.26) 5/1 ARM: 2.77% -- up from 2.76% last week (avg. points: 0.30)

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/mortgagerates.

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 the respondents, 67 percent, expect mortgage rates to remain more or less unchanged over the coming week. One-quarter – 25 percent – predict mortgage rates will decline and just 8 percent see mortgage rates rising over the next seven days.

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

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