

## Bankrate: Mortgage Rates Spike to 5-Month High

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NEW YORK, March 22, 2012 /PRNewswire/ -- The average rate on the benchmark 30-year fixed mortgage rate increased to the highest point since last October, rising to 4.29 percent, according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.42 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 jumped to 3.48 percent, while the jumbo 30-year fixed mortgage soared to a five-month high of 4.85 percent. Adjustable mortgage rates were higher across the board, with the average 5-year ARM climbing to 3.24 percent and the 7-year adjustable ascending to 3.43 percent.

More good news on the U.S. economy and a decreasing likelihood of further Fed bond-buying stimulus had bond investors headed for the exits over the past week, pushing mortgage rates to the highest level in five months. Mortgage rates are closely related to yields on long-term government bonds. Despite the sudden increase, mortgage rates are still at extremely attractive levels, not only for homebuyers but for the legions of homeowners now eligible to refinance through the revised Home Affordable Refinancing Program referred to as HARP 2.0. But an improving economy was bound to bring rates up from the record-low levels we've enjoyed in recent months.

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 4.29 percent, the monthly payment for the same size loan would be \$988.57, a difference of \$253 per month for anyone refinancing now.

### SURVEY RESULTS

30-year fixed: 4.29% -- up from 4.15% last week (avg. points: 0.42)

15-year fixed: 3.48% -- up from 3.38% last week (avg. points: 0.32)

5/1 ARM: 3.24% -- up from 3.14% last week (avg. points: 0.40)

**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/finance/news/kiss-low-mortgage-rates-goodbye.aspx?ic\\_id=Top\\_Financial%20News%20Center\\_link\\_1](http://www.bankrate.com/finance/news/kiss-low-mortgage-rates-goodbye.aspx?ic_id=Top_Financial%20News%20Center_link_1).

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 panel is pretty evenly divided this week, with 38 percent forecasting further increases in mortgage rates, 31 percent expecting mortgage rates to decline, and an equal 31 percent predicting mortgage rates will 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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