

Bankrate: Mortgage Rates Rebound

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NEW YORK, Jan. 24, 2013 /PRNewswire/ -- Fixed mortgage rates increased following positive economic news, with the benchmark 30-year fixed mortgage rate rising to 3.66 percent this week, according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.35 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 jumped to a 4-month high of 2.94 percent and the larger jumbo 30-year mortgage climbed to 4.08 percent. Adjustable rate mortgages were all over the map, with the 3-year ARM increasing to 2.96 percent, the 5-year ARM dropping to 2.71 percent and the 7-year ARM holding at 2.88 percent.

The past week saw positive reports on housing starts and a drop in weekly unemployment claims, which coupled with good news on the corporate earnings front, powered mortgage rates higher. With the debt ceiling debate delayed, the most dire economic scenarios are alleviated for now, which should keep a floor under bond yields and mortgage rates at least until talk of government spending cuts heats up. 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 3.66 percent, the monthly payment for the same size loan would be \$916.05, a difference of \$166 per month for anyone refinancing now.

SURVEY RESULTS

30-year fixed: 3.66% -- up from 3.60% last week (avg. points: 0.35)

15-year fixed: 2.94% -- up from 2.89% last week (avg. points: 0.29)

5/1 ARM: 2.71% -- down from 2.74% 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. A little over half of respondents, 54 percent, expect mortgage rates to remain more or less unchanged over the coming week. Roughly three-in-eight - 38 percent – predict mortgage rates will rise and just 8 percent see mortgage rates declining over the next seven days.

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

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