

## Mortgage rates rise to 4-month high

by Bend\_Weekly\_News\_Sources

Mortgage rates broke out of a narrow range, rising to the highest point since January. According to Bankrate.com's weekly national survey of large lenders, the average 30-year fixed mortgage rate is now 6.42 percent and has an average of 0.26 discount and origination points.

The average 15-year fixed rate mortgage, popular for refinancing, increased by a similar amount, to 6.15 percent. With larger loans, the average jumbo 30-year fixed rate climbed to 6.64 percent. On adjustable rate mortgages, the average one-year ARM nudged higher to 6.08 percent while the 5/1 ARM jumped up to 6.32 percent.

Mortgage rates increased by one-tenth of a percentage point this week, but after three months of comparatively little movement, this was enough to mark a 4-month high. For more than three months, the average 30-year fixed rate mortgage fluctuated within a very narrow range, about one-sixth of one percentage point. The culprit wasn't economic data, as the economic calendar has been quiet in the past week. Rather, a surge in corporate debt issuance and the unwinding of some positions by bond traders pushed bond yields and mortgage rates upward. Mortgage rates are closely related to yields on long-term government bonds.

Fixed mortgage rates have increased one-quarter percentage point in the past two months. In mid-March, the average 30-year fixed mortgage rate got as low as 6.16 percent. At the time, a \$165,000 loan would have carried a monthly payment of \$1,006.30. With the average 30-year fixed rate now 6.42 percent, the same loan originated today would carry a monthly payment of \$1,034.25. Fixed mortgage rates still remain a compelling refinancing alternative for adjustable rate borrowers facing sharp payment adjustments.

### SURVEY RESULTS

30-year fixed: 6.42% -- up from 6.32% last week (avg. points: 0.26)

15-year fixed: 6.15% -- up from 6.05% last week (avg. points: 0.26)

5/1 ARM: 6.32% -- up from 6.24% last week (avg. points: 0.26)

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.

The survey is complemented by Bankrate's weekly forward-looking Rate Trend Index, in which a panel of mortgage experts predicts which way the rates are headed over the next 30 to 45 days. Expect further increases say the panelists, with 62 percent predicting that mortgage rates will rise. Just 15 percent forecast a decline, while 23 percent say rates will remain more or less unchanged in the next 30 to 45 days.

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