

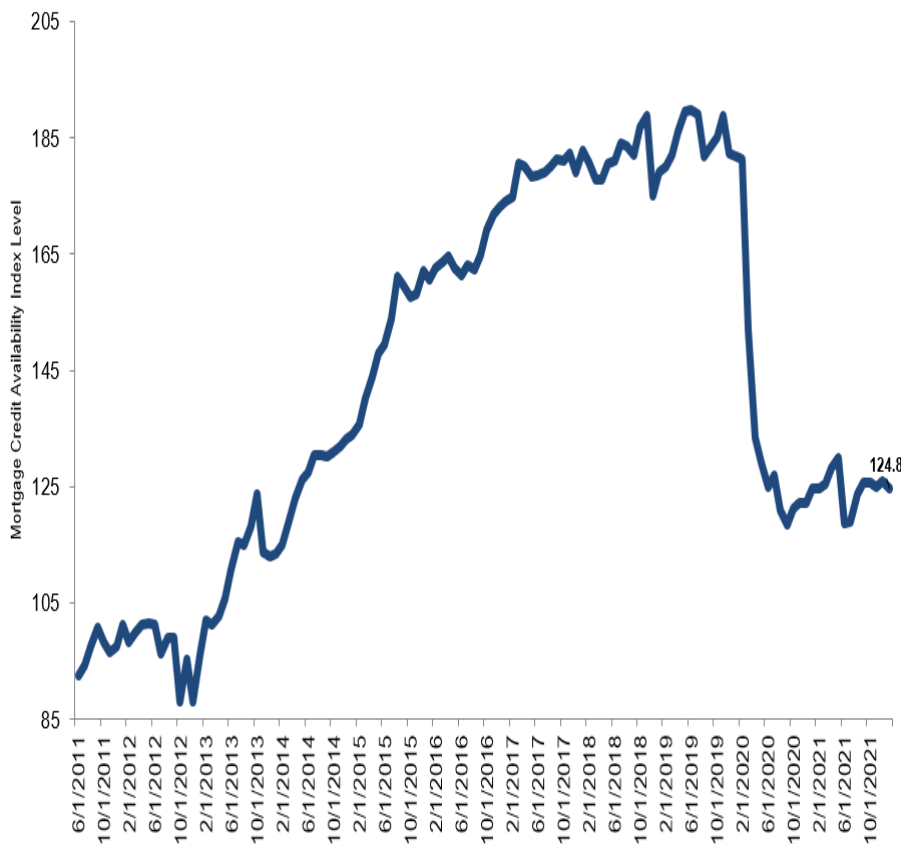


Conforming Loan Access at Nine Year Low

Even as the economy is improving, access to mortgage credit fell in January as investors cut back their demand for some products. The Mortgage Bankers Association (MBA) said its Mortgage Credit Availability Index (MCAI) for the month fell **0.9 percent** to 124.8. A decline in the MCAI indicates that lending standards are tightening, while increases in the index are indicative of loosening credit.

Four components make up the MCAI and only the index reflecting access to government guaranteed **products** moved higher. The **Conventional** MCAI decreased 2.5 percent, while the Government MCAI increased by 0.7 percent. The Conventional MCAI has two components of its own; the **Jumbo** MCAI decreased by 1.6 percent, and the **Conforming** MCAI fell by 4.2 percent.

Mortgage Credit Availability Index, Index Level by Month
(NSA, 3/2012=100)



“Credit availability declined to its lowest level since August 2021, even as the economy and job market continued to improve,” said Joel Kan, MBA’s Associate Vice President of Economic and Industry Forecasting. “The decline in credit supply came at a time of rising mortgage rates and limited inventory, which add to the challenges that some prospective buyers are facing. The supply of conforming mortgage credit dropped to its lowest level dating back to 2013, driven by a decrease in investor demand for loan programs catering to borrowers with higher LTVs and lower credit score profiles.”



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Added Kan, "Prior to last month, there were six months of increasing jumbo credit supply, driven by strong demand, rapid home-price appreciation, and the overall strength in the economy. That growth streak ended last month, as investors reduced their willingness to purchase jumbo loans and also raised credit requirements."

The MCAI and each of its components are calculated using several factors related to borrower eligibility (credit score, loan type, loan-to-value ratio, etc.). These metrics and underwriting criteria for over 95 lenders/investors are combined by MBA using data made available via a proprietary product from Ellie Mae. The resulting calculations are summary measures which indicate the availability of mortgage credit at a point in time. Base period and values for total index is March 31, 2012=100; Conventional March 31, 2012=73.5; Government March 31, 2012=183.5.