HOUSING CONNECTION
Mortgage and Real Estate News That Matters

Mortgage Applications Stabilized Despite Last Week's Higher Rates

Mortgage applications have been making logical moves recently with higher rates causing a sharp deceleration in refinance activity. Purchases are off their recent highs as well, but in much better shape in the bigger picture.

In this week's report, released by the Mortgage Bankers Association (MBA) today, mortgage **rates moved up** yet again, setting another new multi-year high. It's no surprise, then, to see applications fall further, but it's definitely a surprise to see refinances move higher, even if only microscopically.

That means that **purchase** applications were responsible for dragging the average down last week. In both cases, the moves were modest, and each index remains at its lowest levels since the start of the pandemic. Here's a quick rundown:

- **Overall** applications
  - seasonally adjusted = down 0.7%
  - not seasonally adjusted = up 1%
- **Refi** applications
  - up 1%
- **Purchase** Applications
  - seasonally adjusted = down 2%
  - non seasonally adjusted = up 1%
- Market share
  - Refinance = 49.9
  - Purchase = 50.1
- FHA share = 8.6 vs 8.7% previously
- VA share = 10.2 vs 9.9% previously
- Avg 30yr fixed rate = 4.15% vs 4.06% previously

The interest rate story is very interesting at the moment as the first two days of the current week saw one of the **largest drops** in well over a decade. Prospective refinances thus had much more incentive to get off the fence, but any such effect would not show up until next week's report.

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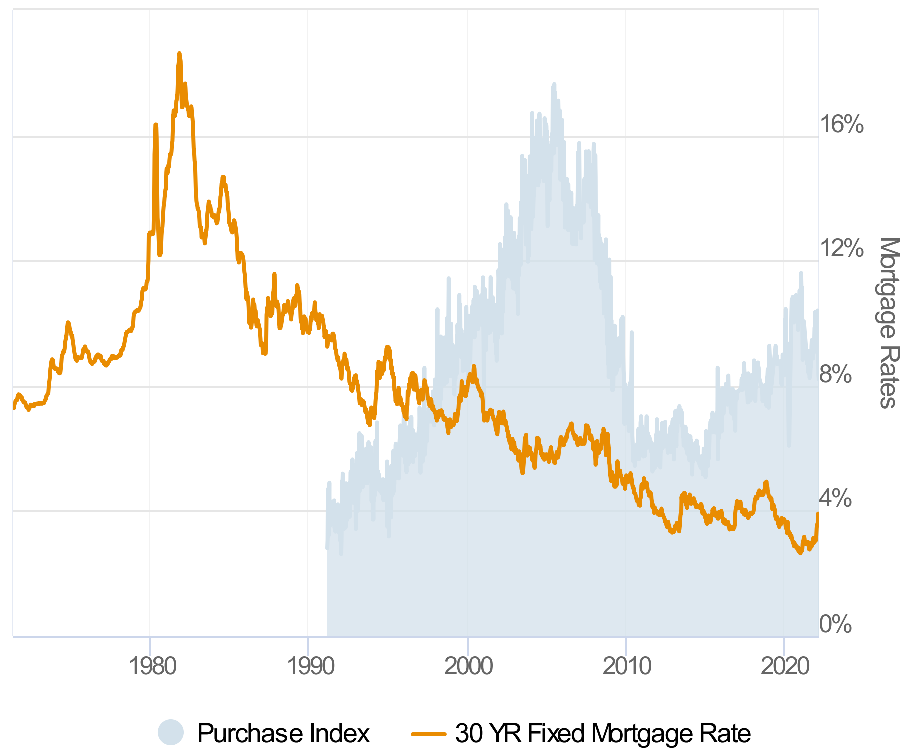
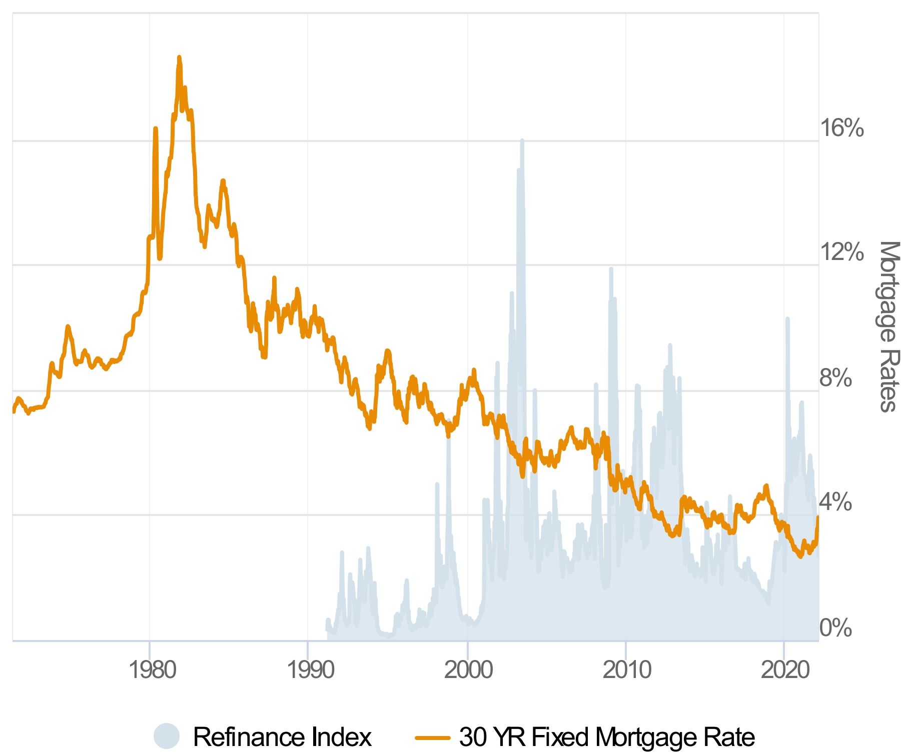

16%
12%
8%
4%
0%
Mortgage Rates
1980
1990
2000
2010
2020
Purchase Index
30 YR Fixed Mortgage Rate


16%
12%
8%
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