

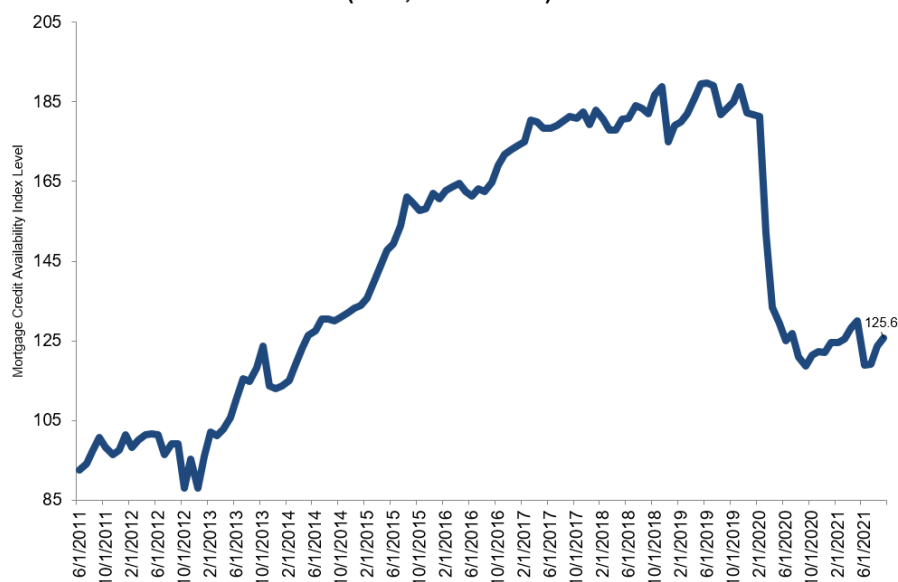


## Lenders Offer More Jumbo Loan Options as Credit Standards Ease Slightly

Access to jumbo mortgages increased nearly 6 percent in September, pulling the Mortgage Bankers Association's (MBA's) Mortgage Credit Availability Index (MCAI) higher for the third straight month. **The index rose 1.5 percent to 125.6, its highest level since May.** An increase in the index indicates a loosening of credit standards. The index was benchmarked to 100 in March 2012.

The Conventional MCAI increased 4.5 percent, while the Government MCAI decreased 0.7 percent. Of the component indices of the Conventional MCAI, the Jumbo MCAI was 5.8 percent higher, and the Conforming MCAI rose by 2.6 percent.

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



Joel Kan, MBA's Associate Vice President of Economic and Industry Forecasting said, "Last month's expansion was driven by a 4.5 percent increase in the conventional index, while the government index slightly decreased. Even with increases in seven out of nine months thus far in 2021, **total credit availability is still around 30 percent less than it was in February 2020 before the pandemic.**"

Added Kan, "We are still seeing elevated rates of home-price appreciation and lenders are responding by offering a wider range of loans to accommodate qualified buyers. Jumbo credit availability increased almost 6 percent to its highest level since March 2020, with more loan programs for non-QM jumbos and loans catering to self-employed borrowers or those with non-traditional sources of income. The conforming index indicated a greater supply of loans for cash-out refinances, investor properties, and adjustable-rate mortgages (ARMs). Even as mortgage rates continue to rise, **cash-out refinances remain an option for borrowers who have sufficient home equity and need additional cash.**"



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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.