



## Purchase Applications Remain Resilient While Refis Keep Sliding

The correlation between interest rates and mortgage refinance demand is extremely strong and predictable. Rates go up, refis go down. Rates skyrocket to the highest levels in years, refis slump to the lowest levels in years. That's a story that has unsurprisingly been playing out ever since mortgage rates hit their last significant low in August 2021.

The decline in refinance activity has been surprisingly linear, however, and is only recently getting down to the long-term lows seen in 2018. The most recent week saw one of the bigger declines of this contraction cycle with refi apps falling 14 percent according to the weekly application survey from the Mortgage Bankers Association (MBA).

Purchases continue to do much better by comparison, both in recent terms and in the longer run. They were only down 2 percent this week, and have been mostly flat for the past few weeks at levels that are still better than most of the past decade with the exception of the post-covid demand surge.

(NOTE: the top portion of the following chart is MND's daily rate data and not MBA's weekly data. You can always visit [THIS LINK](#) to see how the two compare).



**Jason Wood**

Mortgage Advisor & VA  
Loan Specialist, VA Loan  
Guy

[www.valoanguyusa.com](http://www.valoanguyusa.com)

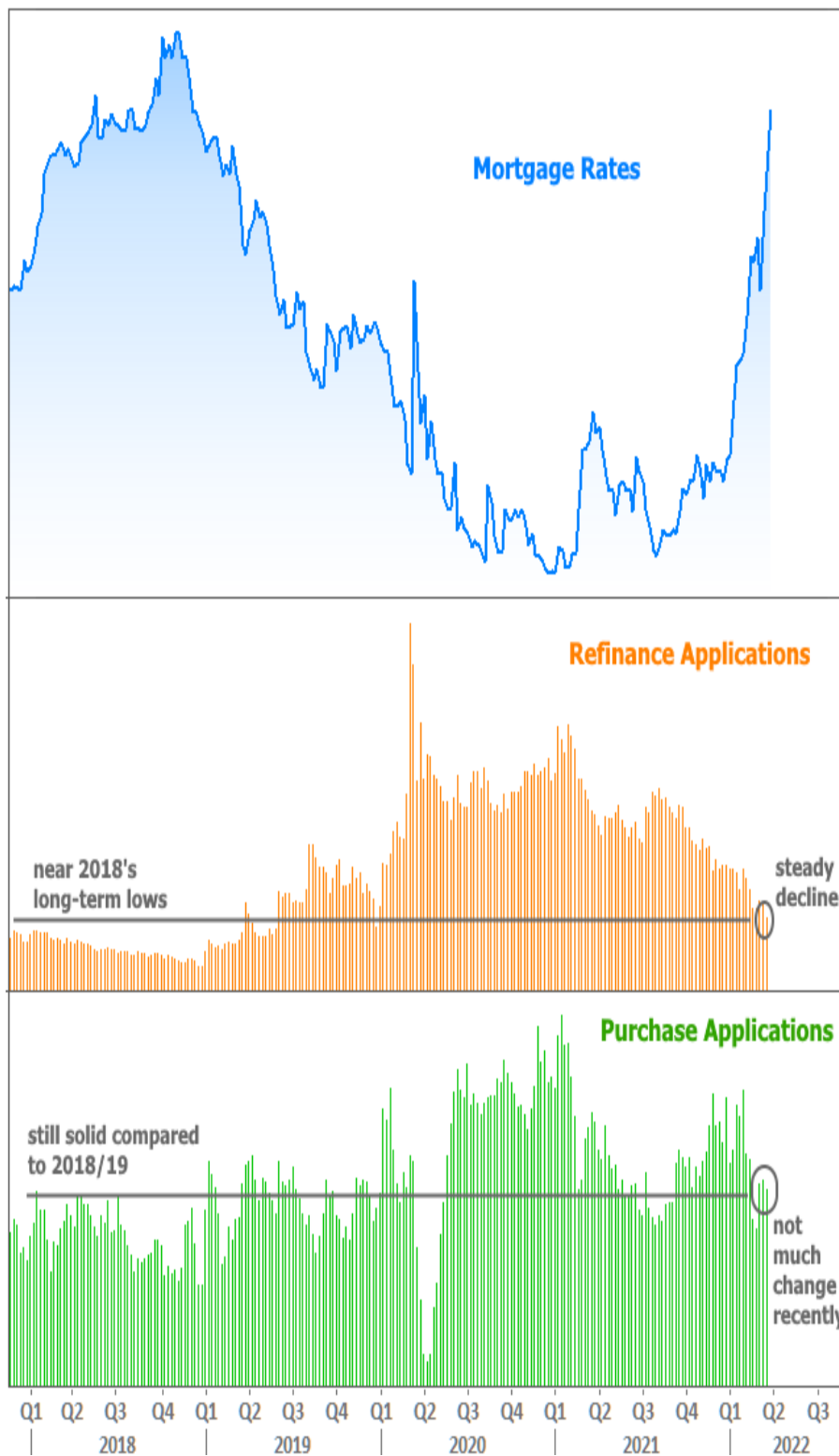
P: (760) 350-3989

M: (760) 217-0820

2714 Loker Ave. W.  
Carlsbad CA 92010\_\_\_\_  
317293

**VA Loan Guy®**





Notably, this data pertains to last week and thus hasn't yet had a chance to reflect the exceptionally big jump in rates seen early this week. Other highlights include:

- Refinances are now only 44.8% of the total, down from 48.4% last week
- No major change in the FHA share at 8.8%
- VA share dropped to 9.8 from 10.5%
- MBA logged a rate increase to 4.50% from 4.27% week-over-week
- Jumbo loans were only up to 4.11% from 4.02%