



Mortgage Credit Remains Tight

Two full years after the COVID-19 virus upended life the Mortgage Bankers Association's (MBA's) Mortgage Credit Availability Index (MCAI) remains some 50 points below the range where it had hovered for several years before the pandemic hit.

MBA says the index, fell 07 percent in March, to 125.1. A decline in the MCAI indicates that lending standards are tightening, while increases in the index are indicative of loosening credit.



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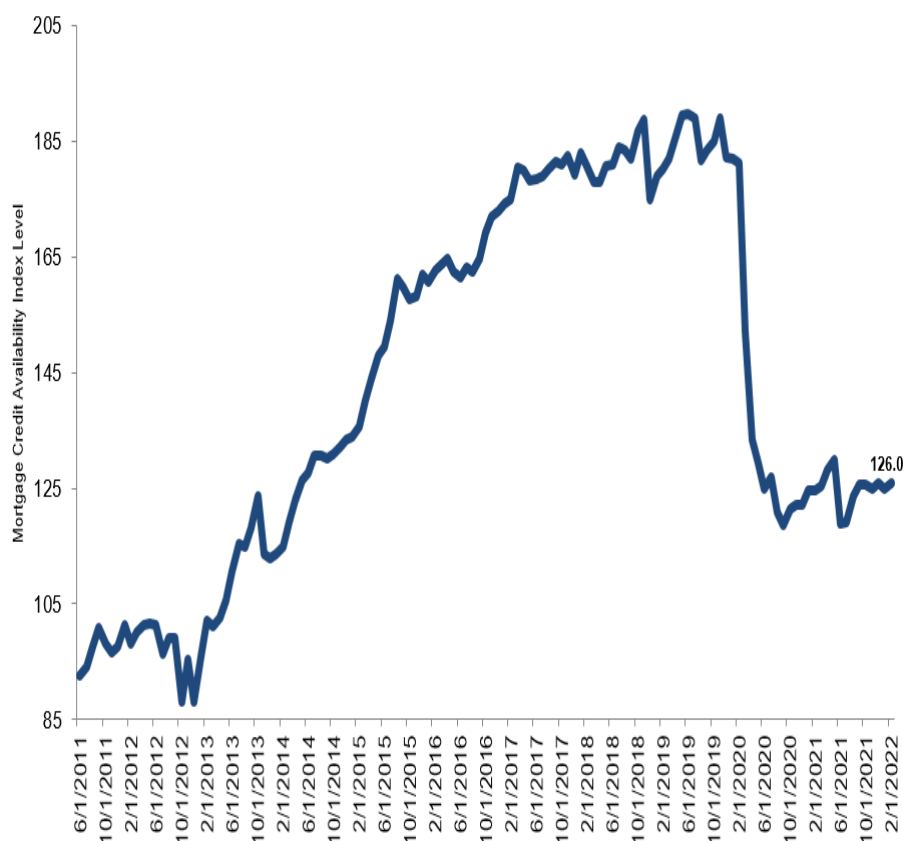
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**Mortgage Credit Availability Index, Index Level by Month
(NSA, 3/2012=100)**



The MCAI has four components. The Conventional MCAI increased 0.3 percent, while the Government MCAI decreased by 1.6 percent. Of the component indices of the Conventional MCAI, the Jumbo MCAI increased by 1.5 percent, and the Conforming MCAI fell by 1.9 percent.

Joel Kan, MBA's Associate Vice President of Economic and Industry Forecasting said, "Overall credit availability was down slightly in March, driven by a reduction in higher LTV, lower credit score programs. Credit availability has gradually trended higher since mid-2021 but remains around 30 percent tighter than it was in early 2020. There were also mixed trends for the various loan categories, as conventional loan credit availability increased for the second month in a row, while government credit supply decreased to its tightest level since February 2014. Additionally, jumbo credit expanded for the tenth time in the past 12 months but remained almost 40 percent lower than the pre-pandemic level."

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 Ice Mortgage Technology. 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.