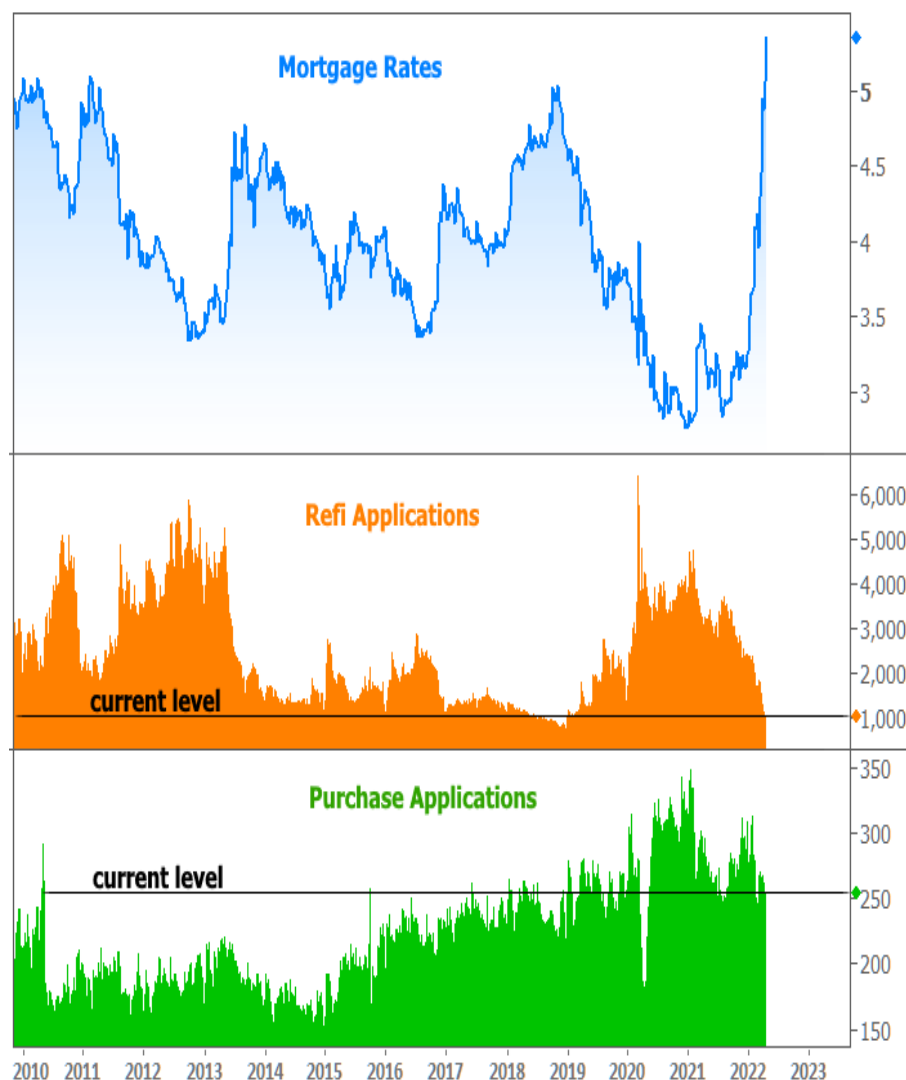




Mortgage Applications Still Falling; Purchases Still Looking Resilient

The Mortgage Bankers Association's (MBA) latest weekly mortgage application data shows an ongoing and unsurprising decline in refinance applications. The index is nearly back to its most recent major lows from the end of 2018 which effectively mark the lower boundary going back to 2001. In other words, refi demand hasn't been much lower for more than 20 years.

Purchases have been and continue to be a different story. Granted, there was 3 percent week-over-week decline in seasonally adjusted terms (2 percent, unadjusted), but the index continues to operate in territory that's much healthier, historically.



Is there a risk that rising rates could eventually overshadow that resilience? Anything's possible, but history suggests more meaningful shocks to homebuying demand come from things other than rates. The following chart takes the rate/purchase metrics back even farther. Several of the rate spikes that wreaked havoc on refis had very little effect on purchases.



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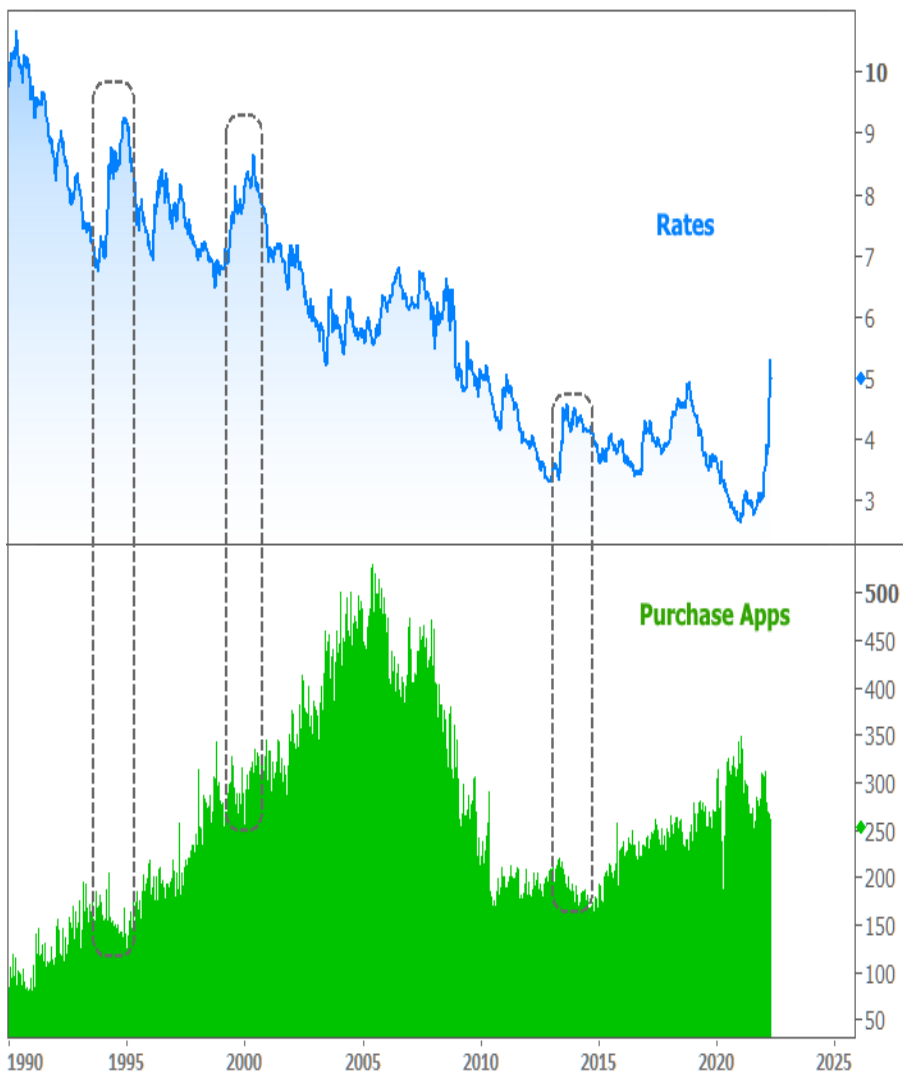
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MBA's Joel Kan nonetheless notes "In a housing market facing affordability challenges and low inventory, higher rates are causing a pullback or delay in home purchase demand as well. Home purchase activity has been volatile in recent weeks and has yet to see the typical pick up for this time of the year."

MBA didn't comment on last week being a holiday week with many businesses closed for Good Friday. This can cause distortions as it falls on a different date from year to year (and in a much wider spread than many holidays with variable calendar dates).

Other highlights from today's data include:

- Refi apps = 35.7% market share
- ARM share = 8.5% of all apps, highest since 2019
- FHA share = 9.9% vs 9.5% previously
- MBA survey 30yr fixed rate = 5.2%, which does a very good job of matching MND's own daily tracking
- Jumbo 30yr fixed rate = 4.76% vs 4.68% last week