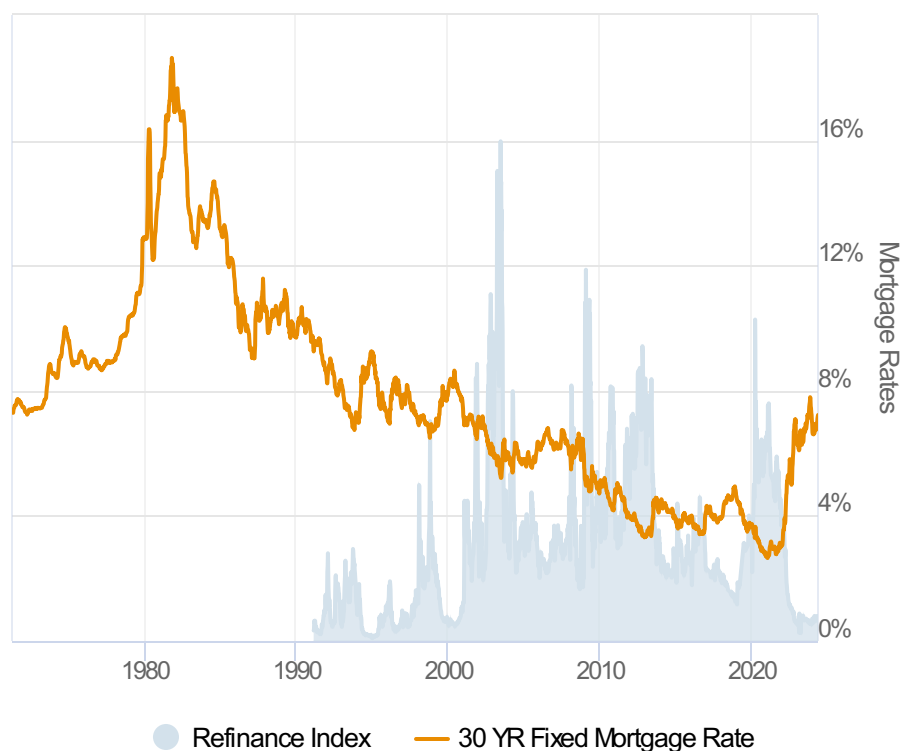




Small Improvement in Rates Has Little Effect on Mortgage Volume

A bit of easing in mortgage rates prompted a tiny uptick in refinancing during the week ended October 28, but overall **mortgage application volume continued its long slide**. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of that volume, decreased 0.5 percent on a seasonally adjusted basis from one week earlier and was 1.0 percent lower on an unadjusted basis.

The Refinance Index **gained 0.2 percent from the previous week but was still 85 percent lower than the same week one year ago**. The refinance share of mortgage activity increased to 28.6 percent of total applications from 28.2 percent the previous week.



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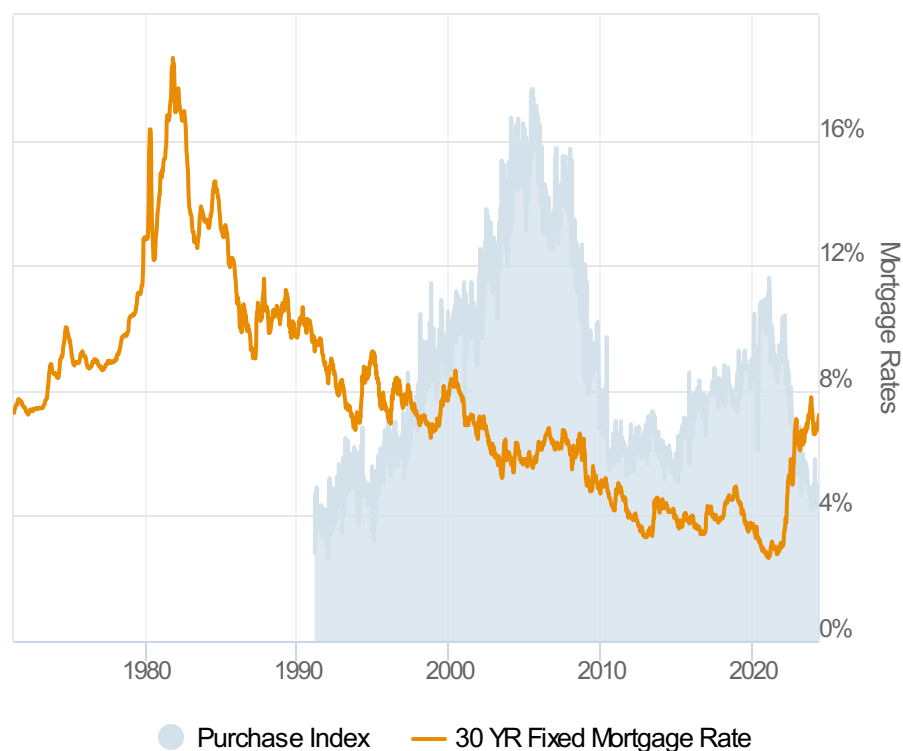
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The seasonally adjusted **Purchase Index** decreased by **1 percent** from one week earlier and was two percent lower before adjustment. It was the sixth straight week for lowering purchase mortgage volume which it **now 41 percent below its level during the same week in 2021**.



Joel Kan, MBA’s Vice President and Deputy Chief Economist said mortgage applications declined for the sixth consecutive week despite a slight drop in rates. “The 30-year fixed rate decreased for the first time in over two months to 7.06 percent, but remained close to its highest since 2002,” he said. “Apart from the ARM loan rate, **rates for all other loan types were more than three percentage points higher than they were a year ago**. These elevated rates continue to put pressure on both purchase and refinance activity and have added to the ongoing affordability challenges impacting the broader housing market, as seen in the deteriorating trends in housing starts and home sales.”

Added Kan: “With most homeowners locked into significantly lower rates, refinance applications continued to run more than 80 percent below last year’s pace, while the refinance share of applications was 28.6 percent – the **fifth straight week below 30 percent**.”

Other highlights from MBA’s Weekly Mortgage Applications Survey:

- The FHA share of total applications decreased to 13.5 percent from 13.9 percent compared to the prior week and the VA share dipped to 10.3 percent from 10.7 percent. The USDA share remained at 0.5 percent.
- The average size of a mortgage loan during the week was \$357,000, down from \$362,900 a week earlier and the size of a purchase mortgage averaged \$394,000, down from \$402,400.
- The 7.06 percent average contract rate for conforming 30-year fixed-rate mortgages (FRM) was 10 basis points lower than the prior week’s average. Points declined to 0.73 from 0.88.
- The average contract interest rate for 30-year FRM backed by the FHA decreased to 6.70 percent from 6.79 percent, with points decreasing to 1.18 from 1.59.
- The rate for the 15-year FRM was 6.37 percent with 1.05 point. The prior week the average was 6.39 percent, with 1.52 point.
- The average contract interest rate for 5/1 adjustable-rate mortgages (ARMs) decreased to 5.79 percent from 5.86 percent, with points increasing to 0.9 from 0.88.
- The ARM share of activity decreased to 11.8 percent from 12.7 percent.
- The rate for jumbo 30-year FRM posted the week’s only increase, rising to an average of 6.55 percent from 6.53 percent. Points increased to 0.7 from 0.68.

