

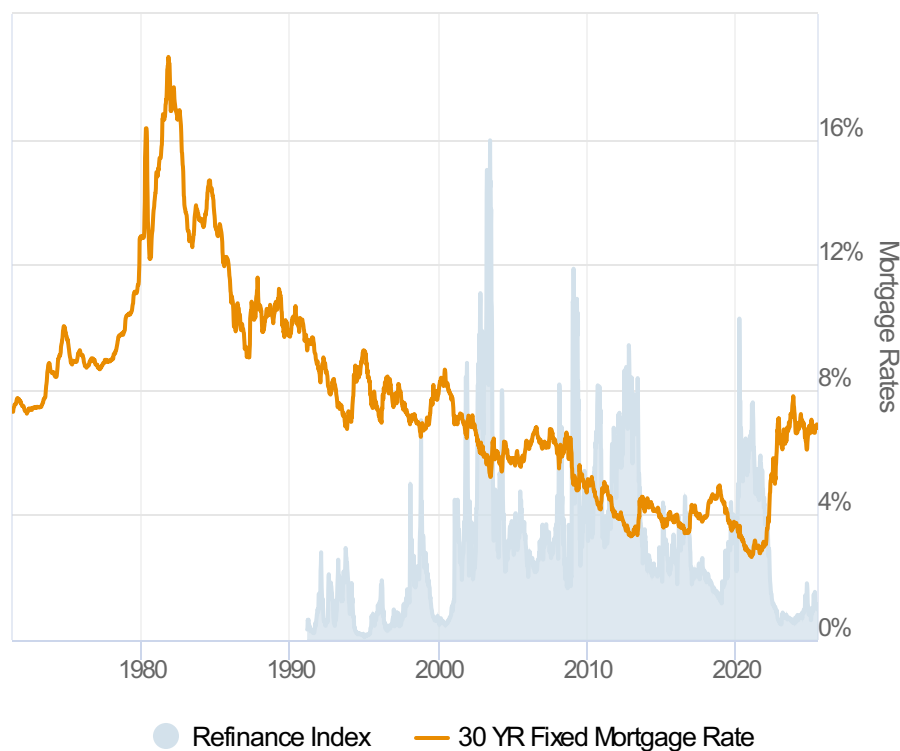


Purchase Applications Tick Higher Despite Growing Costs

The Mortgage Bankers Association (MBA) reports yet another decline in overall mortgage application volume during the week ending November 4. Applications for purchase mortgages did increase slightly, reversing a six-week downhill slide.

MBA's Market Composite Index, a measure of total application volume, was down another 0.1 percent on a seasonally adjusted basis from one week earlier and was 2 percent lower on an unadjusted basis.

The **Refinance Index decreased 4 percent** from the previous week and was **87 percent lower than the same week one year ago**. The refinance share of mortgage activity decreased to 28.1 percent from 28.6 percent the previous week.



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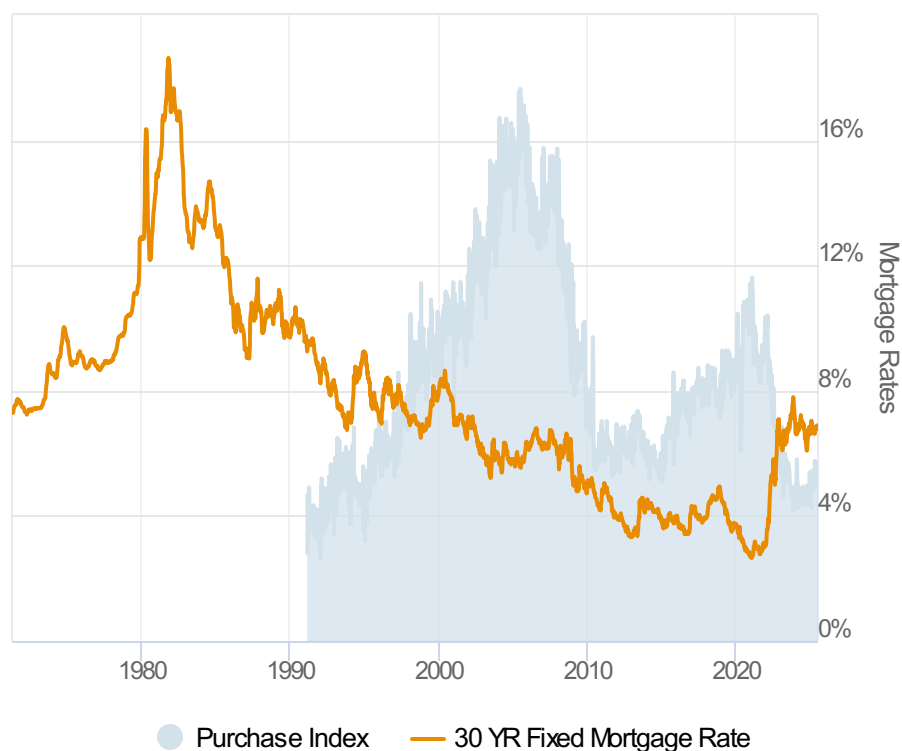
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The seasonally adjusted **Purchase Index** gained **1 percent from one week earlier** while the unadjusted Purchase Index was 2 percent lower. Application volume is now 41 percent lower than during the same week in 2021.



“Mortgage rates edged higher last week following news that the Federal Reserve will continue raising short-term rates to combat high inflation,” Joel Kan, MBA’s Vice President and Deputy Chief Economist said. “The 30-year fixed rate remained above 7 percent for the third consecutive week, with increases for most loan types. **Purchase applications increased for the first time after six weeks of declines** but remained close to 2015 lows, as homebuyers remained sidelined by higher rates and ongoing economic uncertainty. Refinances continued to fall, with the index hitting its lowest level since August 2000.”

Other data from MBA’s Weekly Mortgage Applications Survey include:

- The FHA share of total applications decreased to 13.3 percent from 13.5 percent the prior week. Both the VA and USDA shares were unchanged at 10.3 percent and 0.5 percent, respectively.
- The average size of a mortgage loan climbed to \$368,100 from \$357,900. Purchase loans averaged \$403,000, up from \$394,900 the previous week.
- The average contract interest rate for 30-year fixed-rate mortgages (FRM) with conforming loan balances increased to 7.14 percent from 7.06 percent. Points increased to 0.77 from 0.73.
- Jumbo 30-year FRM had a rate of 6.50 percent with 0.78 point, down from an average of 6.55 percent with 0.70 point the prior week.
- The average contract interest rate for FHA-backed 30-year FRM jumped to 6.86 percent from 6.70 percent, with points increasing to 1.37 from 1.18.
- Fifteen-year FRM rates rose 3 basis points to 6.40 percent. Points averaged 1.13 compared to 1.05 the prior week.
- The share of applications for adjustable-rate mortgages (ARMs) increased from 11.8 percent of the total to 12.0 percent as rates remained significantly below those for fixed-rate products. Last week’s average for 5/1 ARMs was 5.87 percent with 0.92 point, up from 5.79 percent with 0.90 point a week earlier.