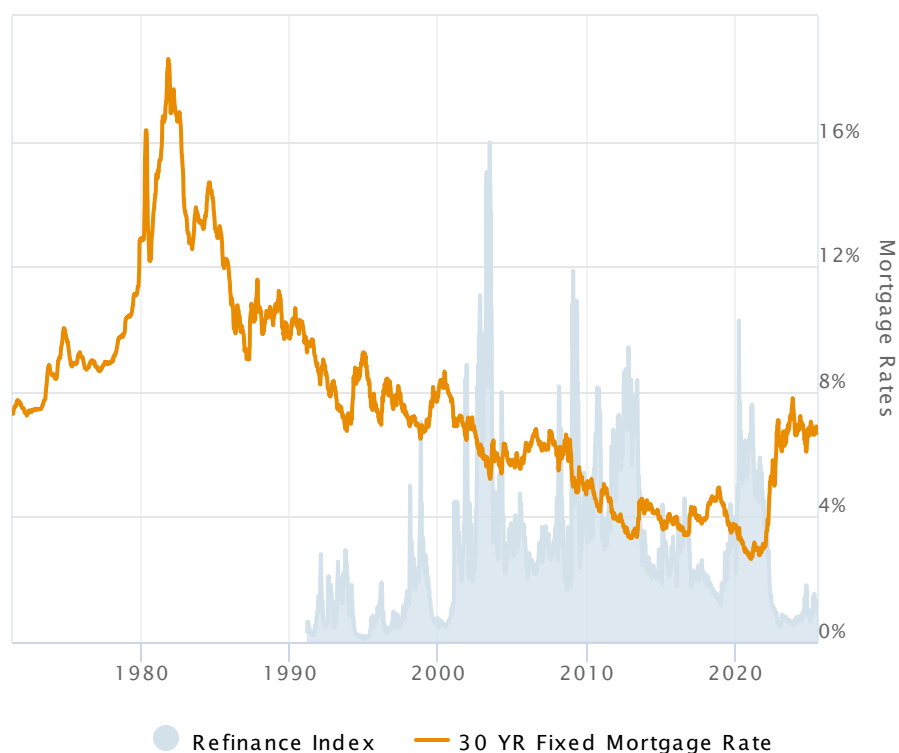


## Mortgage Applications Off to Promising Start in New Year

Mortgage application activity gained ground for the second straight week, with significant increases across the board during the week ended January 13. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of **loan application volume**, **increased 27.9 percent on a seasonally adjusted basis** and was 32 percent higher on an unadjusted basis compared with the previous week.

**The Refinance Index rose 34 percent** week-over-week but remains 81 percent below its level during the same week one year ago. Refinance applications made up 31.2 percent of those submitted during the week compared to 30.7 percent during the week ended January 6.



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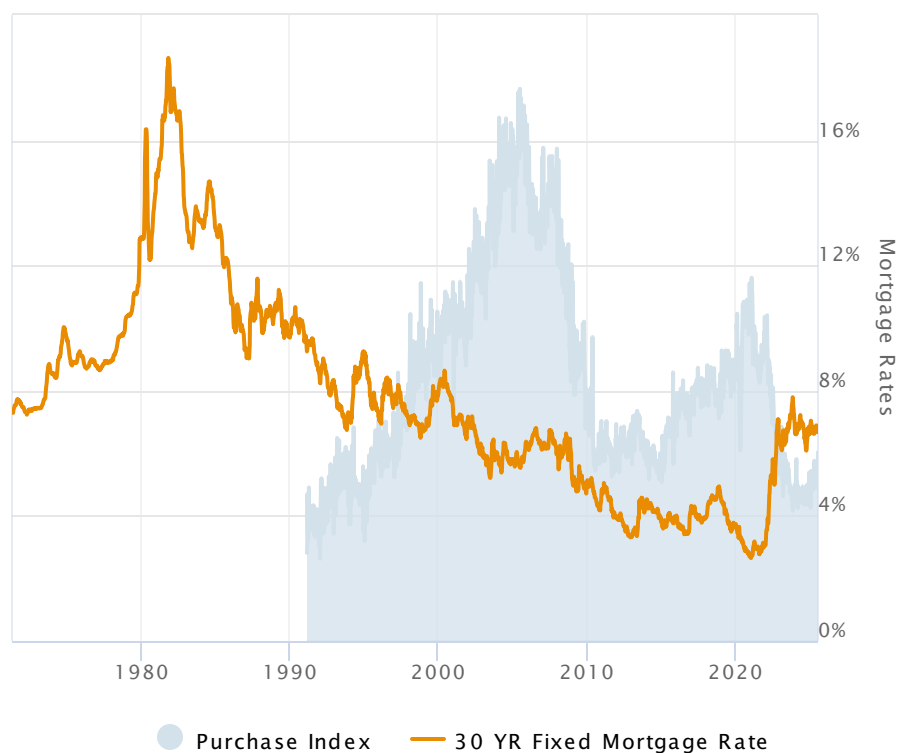
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The seasonally adjusted **Purchase Index** rose **25 percent** from one week earlier and was 32 percent higher on an unadjusted basis. Purchasing activity was down 35 percent on an annual basis.



“Mortgage application activity rebounded strongly in the first full week of January, with both refinance and purchase activity increasing by double-digit percentages compared to last week, which included the New Year’s holiday observance,” said Mike Fratantoni, MBA’s SVP and Chief Economist. “Despite these gains, refinance activity remains more than 80 percent below last year’s pace and purchase **volume remains 35 percent below year-ago levels.**”

Added Fratantoni, “Mortgage rates are now at their lowest level since September 2022, and about a percentage point below the peak mortgage rate last fall. As we enter the beginning of the spring buying season, lower mortgage rates and more homes on the market will help affordability for first-time homebuyers.”

Other data from MBA’s Weekly Mortgage Applications Survey:

- Loan sizes increased week-over-week with the average for all loans growing from \$349,900 to \$358,100 and purchase loan sizes rising to \$401,300 from \$389,000.
- The FHA share of total applications decreased to 13.0 percent from 13.4 percent and the VA share from 13.2 percent to 11.8 percent. The USDA share of applications remained at 0.6 percent.
- The average contract interest rate for 30-year fixed-rate mortgages (FRM) with conforming loan balances decreased to 6.23 percent from 6.42 percent, with points falling to 0.67 from 0.73.
- The rate for 30-year FRM with loan balances exceeding the conforming limit of \$726,200 ticked down to 6.08 percent from 6.09 percent, with points easing to 0.40 from 0.66.
- Thirty-year FRM backed by the FHA had a rate of 6.26 percent with 1.05 points. The prior week the average was 6.39 percent, with 1.03 points.
- The average contract interest rate for a 15-year FRM dropped to 5.58 percent from 5.94 percent, and points declined to 0.54 from 0.62. The average rate for 5/1 adjustable-rate mortgages (ARMs) declined 6 basis points to 5.31 percent from 5.37 percent while points rose to 0.74 from 0.72.
- The ARM share of activity decreased from 7.4 percent of total applications to 6.6 percent.

