

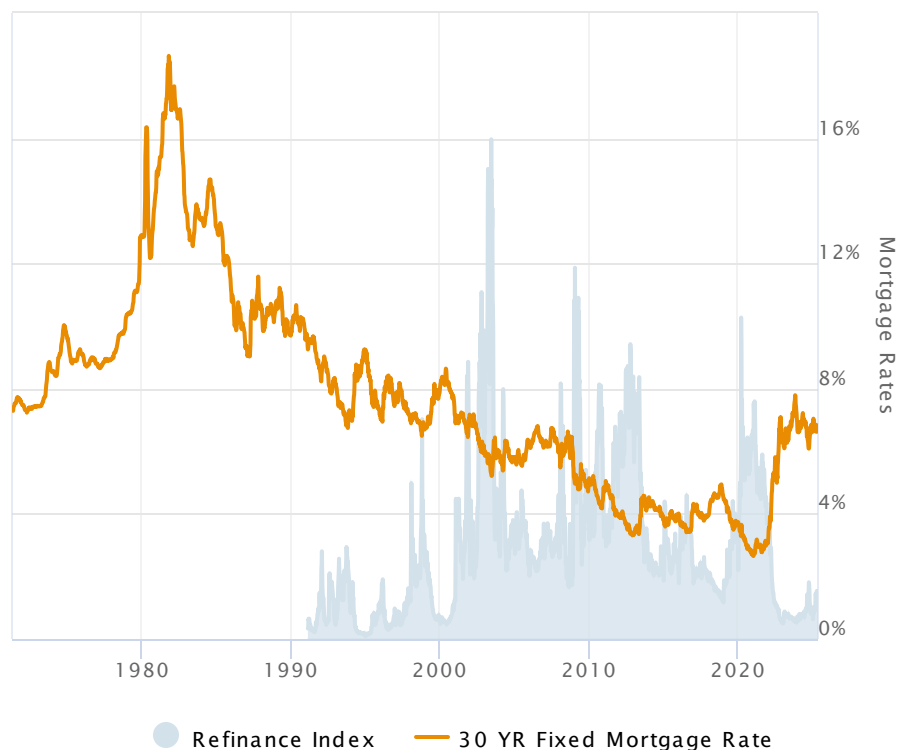


## Mortgage Application Volume Up Slightly, Despite Higher Rates

Mortgage applications activity increased for the first time in three weeks during the period ending March 3, despite the slight increase in rate. The degree of that change is a little muddled by revisions to nearly two months of data from earlier in the year. Those revisions are explained at the end of this report.

The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of mortgage loan application volume, increased 7.4 percent on a seasonally adjusted basis compared to the previous week. On an unadjusted basis, the Index was up 9 percent.

**The Refinance Index rose 9 percent** from the previous week and was 76 percent lower than the same week in 2022. The refinance share of mortgage activity increased to 28.9 percent of total applications from 28.7 percent.



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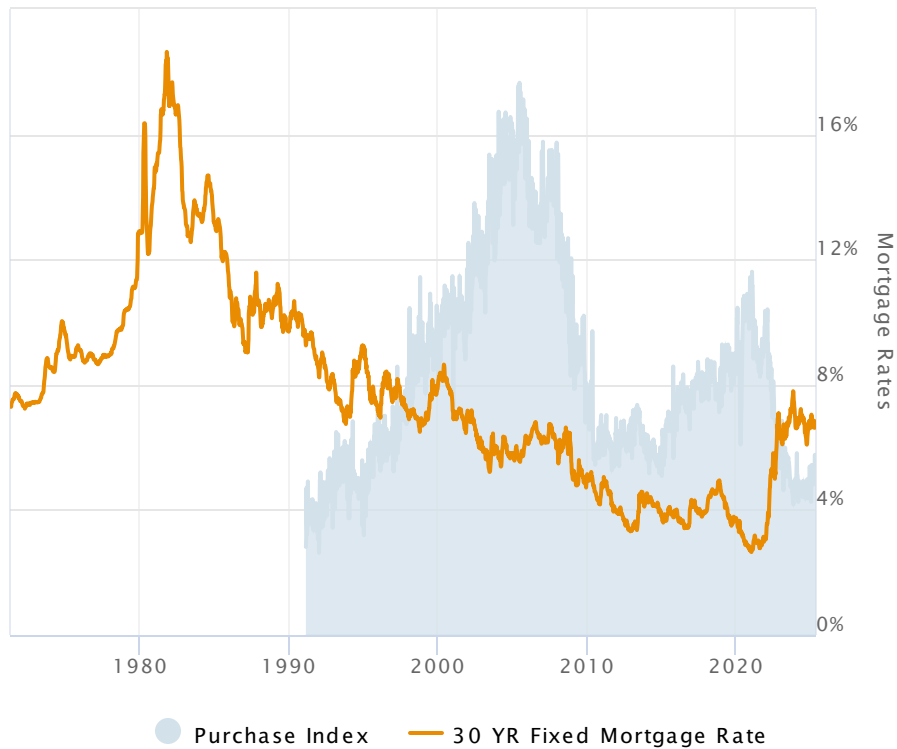
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The Purchase Index was 7 percent higher than the prior week on a seasonally adjusted basis and up 9 percent before adjustment. Purchase volume has declined 42 percent on an annual basis.



“Mortgage rates continued to increase last week. The 30-year fixed rate rose to 6.79 percent – the highest level since November 2022 and 270 basis points higher than a year ago,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. “Even with higher rates, there was an uptick in applications last week, but this was in comparison to two weeks of declines to very low levels, including a holiday week. **Comparing the application indices from a year ago, purchase applications were still down 42 percent, and refinance activity was down 76 percent.** Many borrowers are waiting on the sidelines for rates to come back down.”

#### Other Highlights from MBA’s Weekly Mortgage Applications Survey

- The average loan size increased from \$376,100 to \$379,200 while the size of a purchase loan declined from \$428,400 to \$425,700.
- The FHA share of applications increased to 12.8 percent from 12.0 percent and the VA share rose to 2.0 percent from 11.6 percent . The USDA share was unchanged at 0.5 percent from the week prior.
- The 6.79 percent average contract interest rate for conforming 30-year fixed-rate mortgages (FRM) was 8 basis points higher than the prior week. Points moved to 0.80 from 0.77.
- Jumbo 30-year FRM had a rate of 6.49 percent with 0.59 point. The prior week the average was 6.44 percent with 0.49 point.
- Thirty-year FRM with FHA backing saw an 11 basis point increase in its average rate, to 6.56 percent. Points rose to 1.21 from 1.19.
- The rate for 15-year FRM averaged 6.25 percent, up from 6.13 percent the prior week. Points increased to 1.01 from 0.93.
- The 5/1 adjustable-rate mortgage (ARM) increased an average of 2 basis points to 5.75 percent. Points averaged 0.95, up from 0.86 the previous week.
- The ARM share of activity increased from 8.1 percent the previous to 8.6 percent of total applications.

MBA said it had received revised data from one of its survey participants covering a seven week period (January 13 through February 24, 2023) The volume changes reported above are compared to the results as reflected in the revised report from the week ending February 24.

- The prior data showed lower purchase and higher refinance application volume than the revised data.
- The non- seasonally adjusted market index shows only small changes in some of the seven weeks while the unadjusted purchase index is higher across all weeks after the revisions.
- Despite the revisions, the seasonally adjusted purchase index was still at a 28-year low for the during the week ended February 24.
- The unadjusted refinance index is lower across all weeks post-revision compared to pre-revision.
- Interest rates were largely unaffected by the changes.