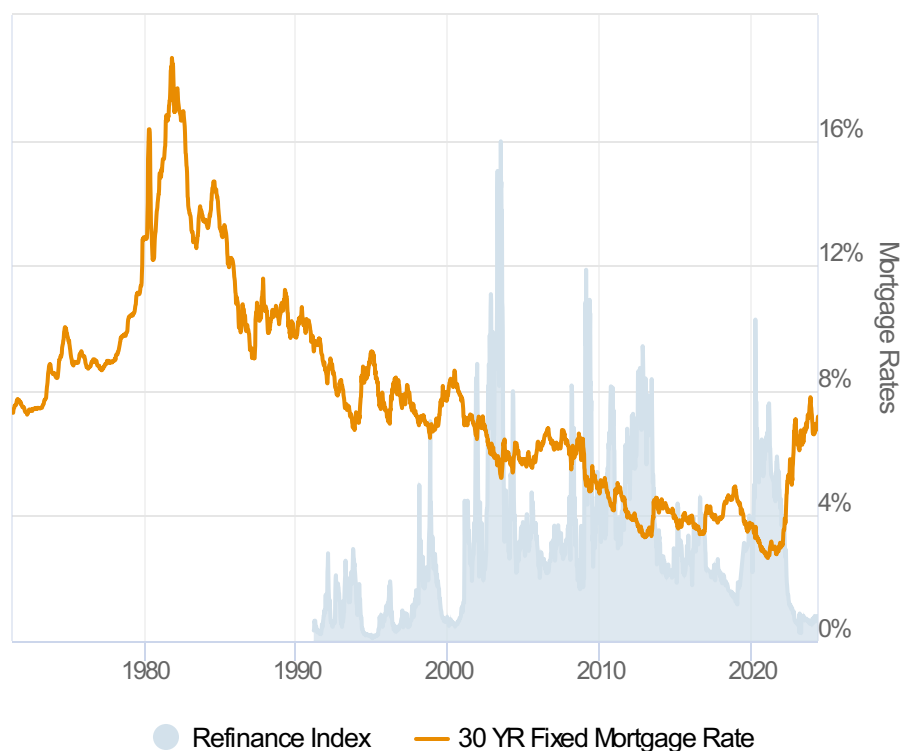




Mortgage Application Volume Inches Higher as Rates Find Their Footing

A second week of declining interest rates prompted another increase in mortgage activity last week, the third in as many weeks. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of mortgage loan application volume, **gained 3.0 percent on both a seasonally adjusted and unadjusted basis.**

The Refinance Index was 5 percent higher than the week ended March 10 but was down by 68 percent from the same week in 2022. Refinancing accounted for 28.6 percent of applications, up from 28.2 percent a week earlier.



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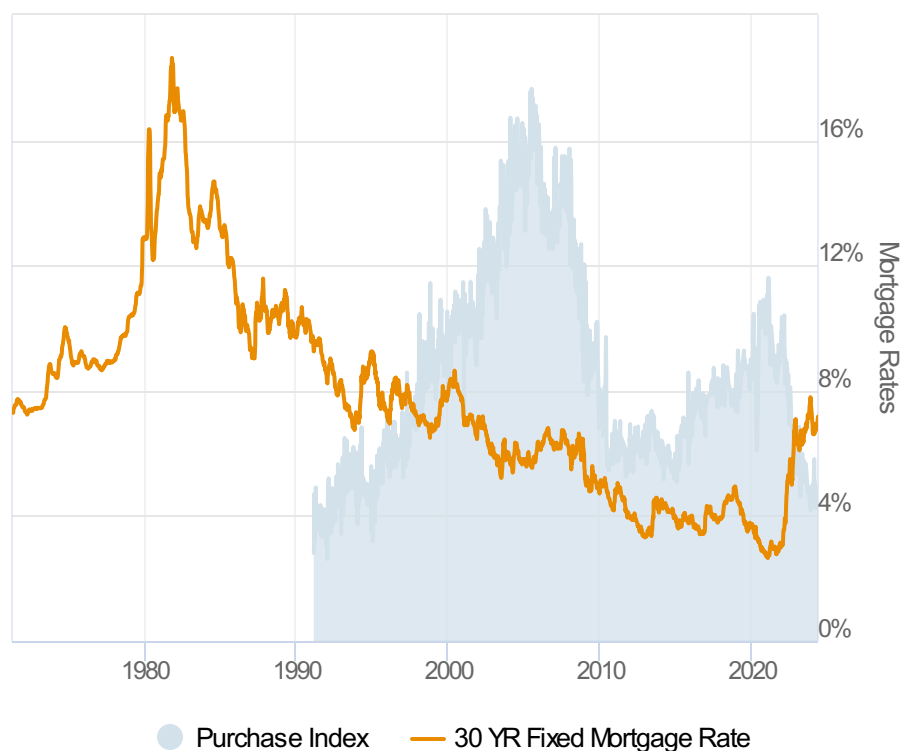
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The seasonally adjusted Purchase Index increased 2 percent from one week earlier and was up 3 percent on an unadjusted basis. Purchase activity is 36 percent lower year-over-year.



"Treasury yields declined last week, driven by uncertainty over the health of the banking sector and worries about the broader impact on the economy. Mortgage rates declined for the second week in a row, with the 30-year fixed rate dropping to 6.48 percent, the lowest level in a month," said Joel Kan, MBA's Vice President and Deputy Chief Economist. **"However, mortgage rates have not dropped as much as Treasury rates due to increased MBS market volatility.** The spread between the 30-year fixed and 10-year Treasury remained wide at around 300 basis points, compared to a more typical spread of 180 basis points."

Other Highlights from MBA's Weekly Mortgage Applications Survey

- Loan sizes increased for all mortgages, rising from \$382,000 to \$389,000. The average for purchase loans increased by \$7,100 to \$437,700.
- The FHA share of total applications decreased to 12.3 percent from 12.9 percent and the VA share of total applications dipped to 11.7 percent from 11.9 percent. The USDA share was unchanged at 0.5 percent.
- The 6.48 percent rate for conforming 30-year fixed-rate mortgages (FRM) was 23 basis points lower than the prior week's average. Points decreased to 0.66 from 0.79.
- The rate for jumbo 30-year FRM decreased to 6.30 percent from 6.39 percent, with points lowering to 0.55 from 0.61.
- FHA-backed 30-year FRM rates averaged 6.32 percent with 1.07 points. The prior week the averages were 6.58 percent and 1.20 points.
- The average contract rate for 15-year FRM declined to 6.02 percent from 6.14 percent, with points decreasing to 0.60 from 0.77.
- The 5/1 adjustable-rate mortgage (ARM) rate dropped 11 basis points to 5.58 percent and points to 0.75 from 0.87.
- ARM applications were only negligibly higher than the prior week with an 8.6 percent share.