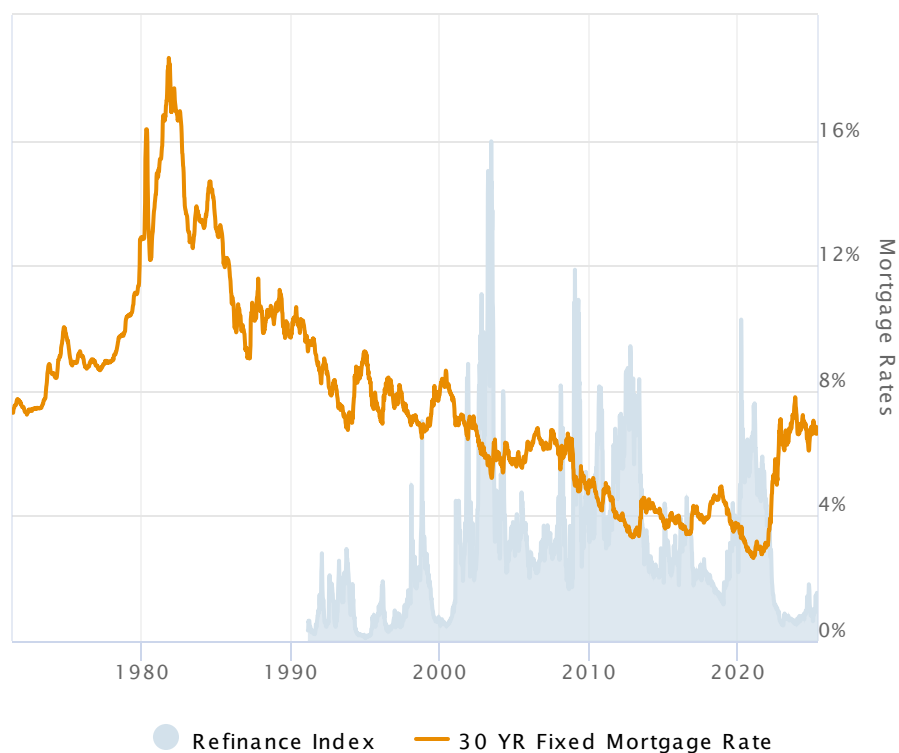




## Mortgage App Volume Improves for Fourth Consecutive Week

Applications for both home purchases and refinancing rose for the fourth time during the week ended March 24. The Mortgage Bankers Association (MBA) said its Market Composite Index, a **measure of application volume, increased 2.9 percent** on a seasonally adjusted basis and 3.0 percent unadjusted compared to the week ended March 17.

**The Refinance Index was 5 percent higher** than the previous week and the refinance share of activity increased to 29.1 percent of total applications from 28.6 percent. The Index was 61 percent lower than the same week in 2022.



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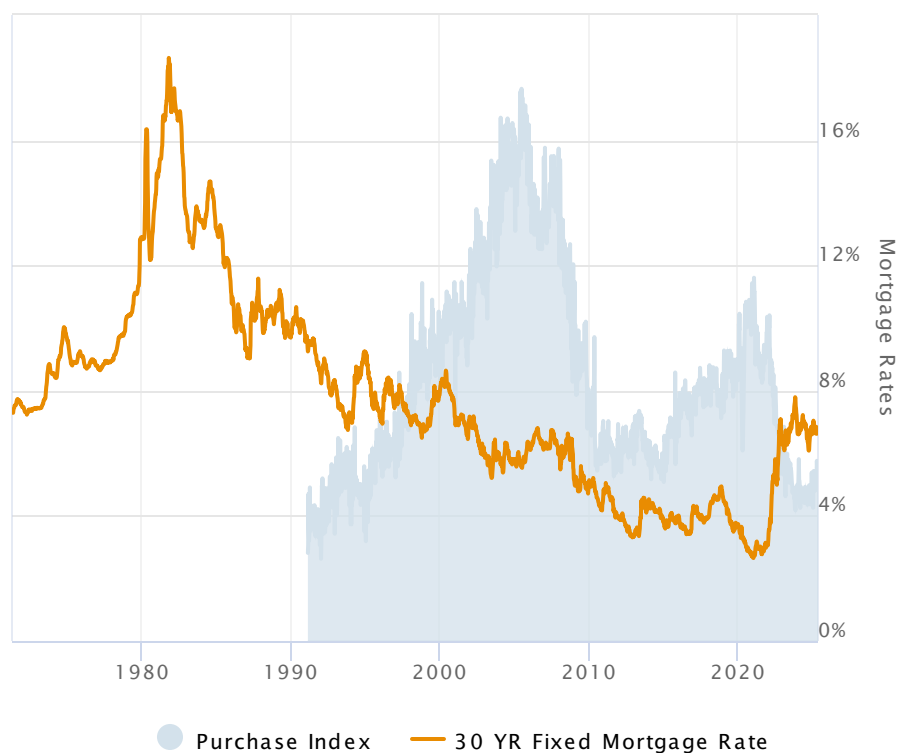
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**Purchase applications were 2.0 percent higher** than the prior week on both an adjusted and an unadjusted basis but the unadjusted Purchase Index was 35 percent lower than the same week a year earlier.



“Application activity increased as mortgage rates declined for the third straight week. The 30-year fixed rate declined to 6.45 percent, the lowest level in over a month,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. “While the 30-year fixed rate remained 1.65 percentage points higher than a year ago, homebuyers responded, leading to a fourth straight increase in purchase applications. Home price growth has slowed markedly in many parts of the country, which has helped to improve buyers’ purchasing power. **Purchase applications remain over 30 percent behind last year’s pace**, but recent increases, along with data from other sources showing an uptick in home sales, is a welcome development.”

Home prices, as reflected in loan sizes showed more than the usual week-over-week variation, The average fell more than \$5,000 to \$384,300 and the average purchase loan declining \$7,200 to \$430,500. Comparing that number to the average purchase loan size of \$452,900 during the same week in 2022 appears to further confirm Kan’s contention.

He added, “Refinance activity also picked up last week, but remains 61 percent below last year’s pace. **Most homeowners still have rates significantly lower than current levels**, leaving only a small pool of borrowers with an incentive to refinance.”

#### Other Findings from MBA’s Weekly Mortgage Application Survey

- FHA had a 12.3 percent share of total applications, unchanged from the prior week while the VA share ticked down 0.1 point to 11.6 percent. The USDA share was 0.5 percent as it has been for months.
- The 6.45 percent average contract interest rate for conforming 30-year fixed-rate mortgages (FRM) was 3 basis points lower than the rate the prior week. Points dropped to 0.62 from 0.66.
- The average contract interest rate for jumbo 30-year FRM decreased to 6.27 percent from 6.30 percent. Points dipped to 0.54 from 0.55.
- Thirty-year FHA-backed FRM had a 1 basis point increase in the average rate to 6.33 percent. Points dropped to 0.93 from 1.07.
- There was a 18 basis point plunge in the average rate for 15-year FRM to an average of 5.84 percent. Points averaged 0.57 compared to 0.60 the prior week.
- The average rate for 5/1 adjustable-rate mortgages (ARMs) increased to 5.62 percent from 5.58 percent, with points rising to 0.91 from 0.75.
- The ARM share of activity fell to 7.7 percent of total applications from 8.6 percent.

