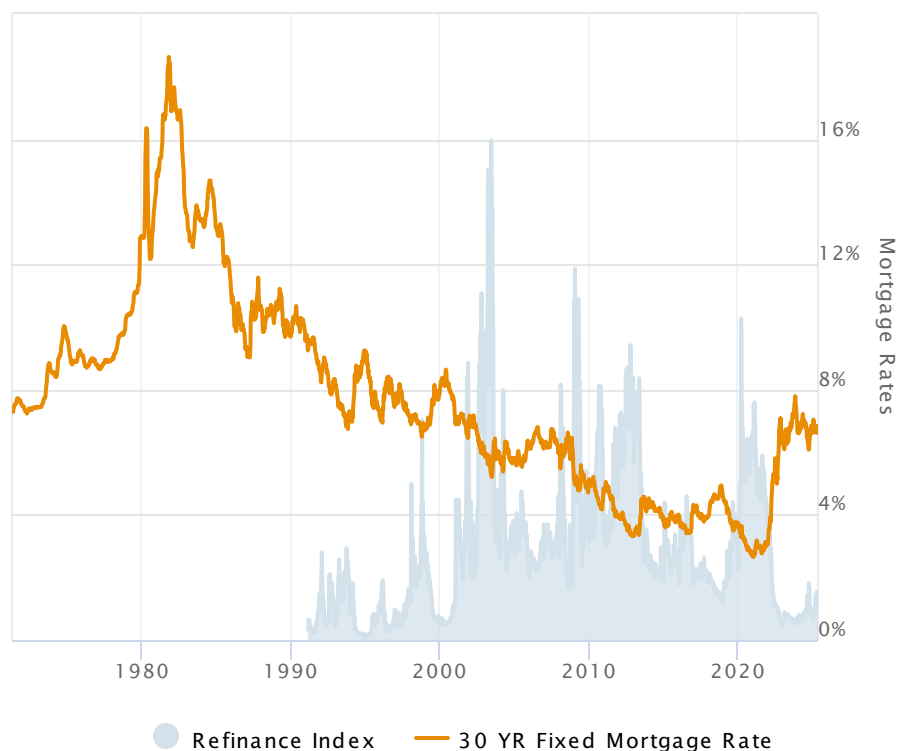




## Weekly Mortgage Application Volume Declines 4%

March was a good month for the mortgage market with application volume growing for four straight weeks, but as the month ended, so did the winning streak. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of mortgage loan application volume, decreased 4.1 percent on a seasonally adjusted basis during the week ended March 31. On an unadjusted basis, the Index was down by 4 percent compared with the previous week.

**The Refinance Index fell 5 percent** from the previous week and was 59 percent lower than the same week one year ago. The refinance share of mortgage activity decreased to 28.6 percent of total applications from 29.1 percent.



The seasonally adjusted **Purchase Index decreased 4 percent** and was 3 percent lower before adjustment. The Index is now down 35 percent compared to the same week in 2022.



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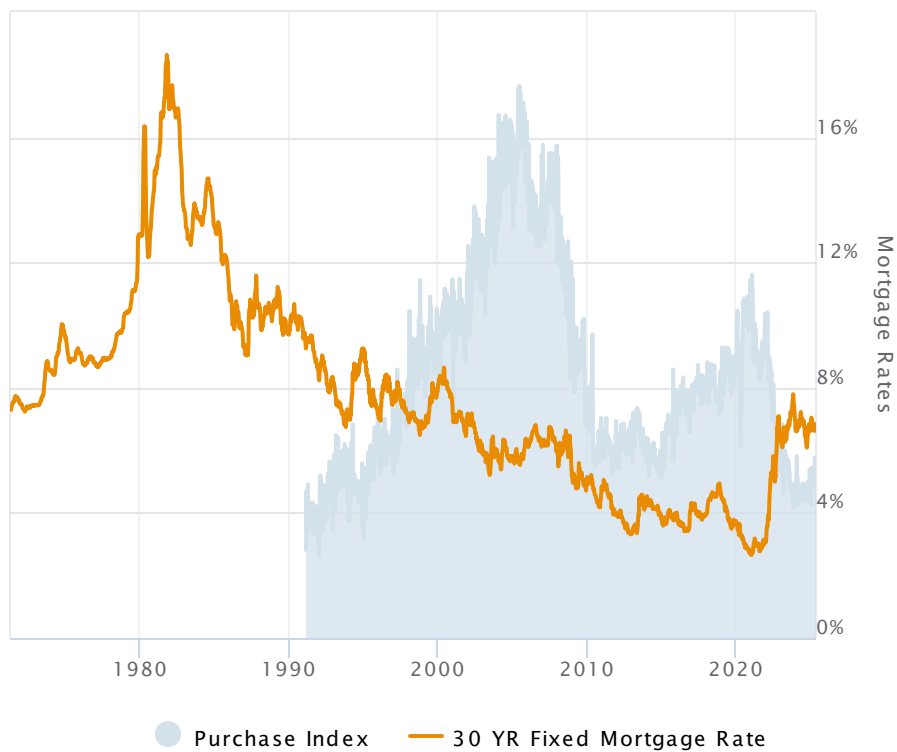
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“Spring has arrived, but the housing market is missing the customary burst in listings and purchase activity that typically mark the season. After four weeks of increasing purchase application activity, volume declined a bit this week even with another small drop in mortgage rates,” said Mike Fratantoni, MBA’s SVP and Chief Economist. “Additionally, refinance application volume continues to be quite low. Although the mortgage rate for conforming balance loans declined by five basis points over the week to 6.40 percent, the mortgage rate for jumbo loans increased by nine basis points to 6.36 percent. While we have seen relative weakness at the high end of the housing market in recent months, the divergence in rates suggests that banks may be tightening credit in response to recent challenges, preserving balance sheet capacity as deposit balances have declined. **In recent years, most jumbo loans have been kept on depository balance sheets.**”

Added Fratantoni: “At the entry-level segment of the market, purchase applications for both FHA and VA loans decreased last week. We do expect strong demand from first-time homebuyers over the next several years given the large number of millennials hitting peak first-time homebuyer age, **but affordability remains a real challenge in this environment.**”

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

- The average loan size declined from \$384,300 to \$381,100 and purchase loans moved from \$430,500 to \$428,000.
- The FHA share of total applications decreased to 12.0 percent from 12.3 percent and the VA share fell to 11.0 percent from 11.6 percent. USDA loans accounted for 0.6 percent of the total.
- The 5-basis point decline in the average contract interest rate for conforming 30-year fixed-rate mortgages (FRM) was accompanied by a drop in points from 0.62 to 0.59.
- While the rate for jumbo 30-year FRM increased 9 basis points, points eased back to 0.47 from 0.54.
- The rate for 30-year FRM backed by FHA was unchanged at 6.33 percent, with points decreasing to 0.92 from 0.93.
- The average rate for 15-year FRM was 5.97 percent with 0.54 point. The prior week it was 5.84 percent, with 0.57 point.
- The 5/1 adjustable-rate mortgage (ARM) had a rate of 5.61 percent, 1 basis point lower than the prior week with points increasing to 1.02 from 0.91.
- The ARM share of activity decreased from 7.7 percent to 7.2 percent of total applications.