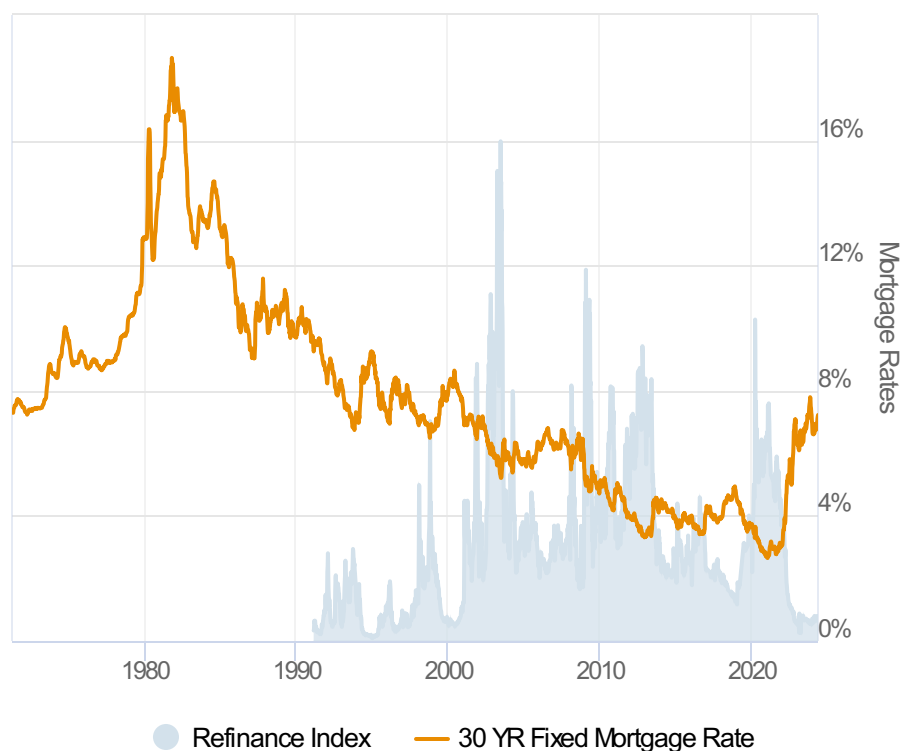


Mortgage Application Volume Responds Quickly to Recent Rate Drop

Mortgage applications increased last week for the fifth time in six weeks. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of mortgage loan application volume, **increased 5.3 percent on a seasonally adjusted basis** compared to the previous week and was **up 6.0 percent before adjustment**.

Applications for home purchases accounted for nearly all of the gains, but the Refinance Index did eke out a 0.1 percent increase. **Refinance activity is now 57 percent lower than the same week one year ago**. Refinancing accounted for 27.0 percent of applications compared to 28.6 percent during the last week of March.



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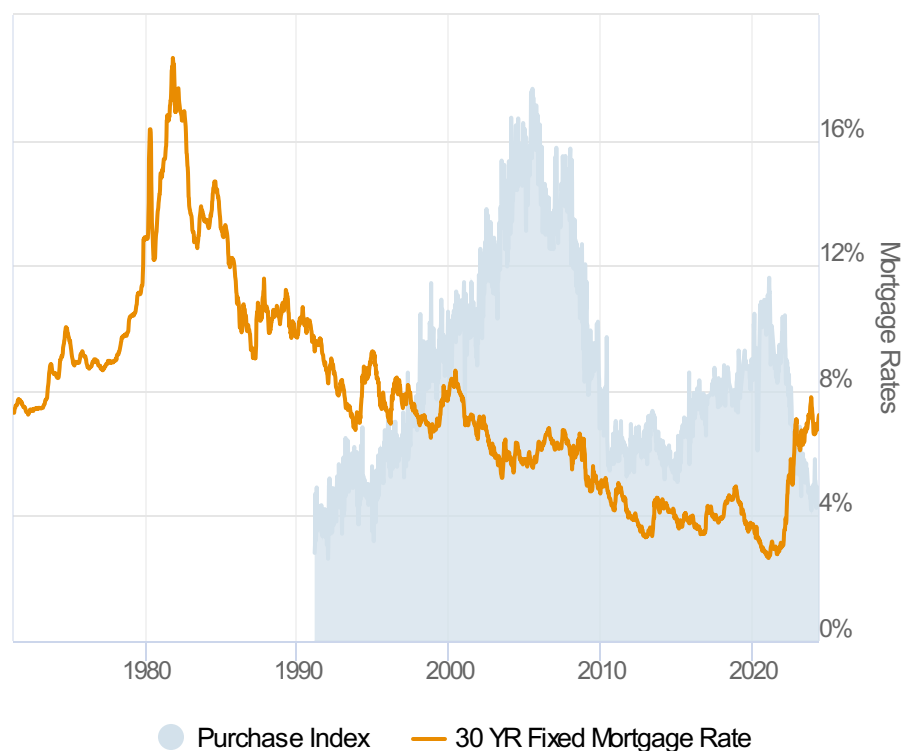
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The seasonally adjusted **Purchase Index** increased 8.0 percent and was 9.0 percent higher on an unadjusted basis. The unadjusted index was 31 percent lower than in the first week of April in 2022.



“Incoming data last week showed that the job market is beginning to slow, which led to the 30-year fixed rate decreasing to 6.30 percent – the lowest level in two months,” said Mike Fratantoni, MBA’s SVP and Chief Economist. “Prospective **homebuyers this year have been quite sensitive to any drop in mortgage rates**, and that played out last week with purchase applications increasing by 8 percent. Refinance application volume was a mixed bag with total volume essentially flat, conventional volume down for the week, but VA refinance volume increasing. The level of refinance activity remains almost 60 percent below last year, as most homeowners are currently locked in at much lower rates.”

Highlights from MBA’s Weekly Mortgage Applications Survey

- Loan sizes increased last week. The average loan was \$387,700, up from \$ 381,100 the prior week. Purchase loans rose from an average of \$428,000 to \$481,900.
- The FHA share of total applications increased to 12.3 percent from 12.0 percent the week prior and the VA share jumped to 12.8 percent from 11.0 percent. Only 0.5 percent of applications were for USDA loans.
- The 6.30 percent average contract interest rate for conforming 30-year fixed-rate mortgages (FRM) represented a 10-basis point decrease from the prior week. Points dipped to 0.55 from 0.59.
- The average rate for jumbo 30-year FRM was also down 10 basis points to 6.26 percent from 6.36 percent, with points decreasing to 0.42 from 0.47.
- Thirty-year FRM with FHA guarantees had an average rate of 6.29 with 0.91 point. The prior week the rate was 6.33 percent with 0.92 point.
- The most significant change was in the rate for 15-year FRM. That rate decreased to 5.78 percent from 5.97 percent. Points ticked up to 0.57 from 0.54.
- The 5/1 adjustable-rate mortgage (ARM) had a rate of 5.51 percent with 0.9 points compared to 5.61 percent with 1.02 points.
- The adjustable-rate mortgage (ARM) share of activity decreased to 6.0 percent of total applications from 7.2 percent.