



Mortgage Application Volume Increases Despite Higher Rates

Mortgage application volume increased during the week ending April 21. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of that volume, rose 3.7 percent on a seasonally adjusted basis compared to the prior week and was 5 percent higher before adjustment.

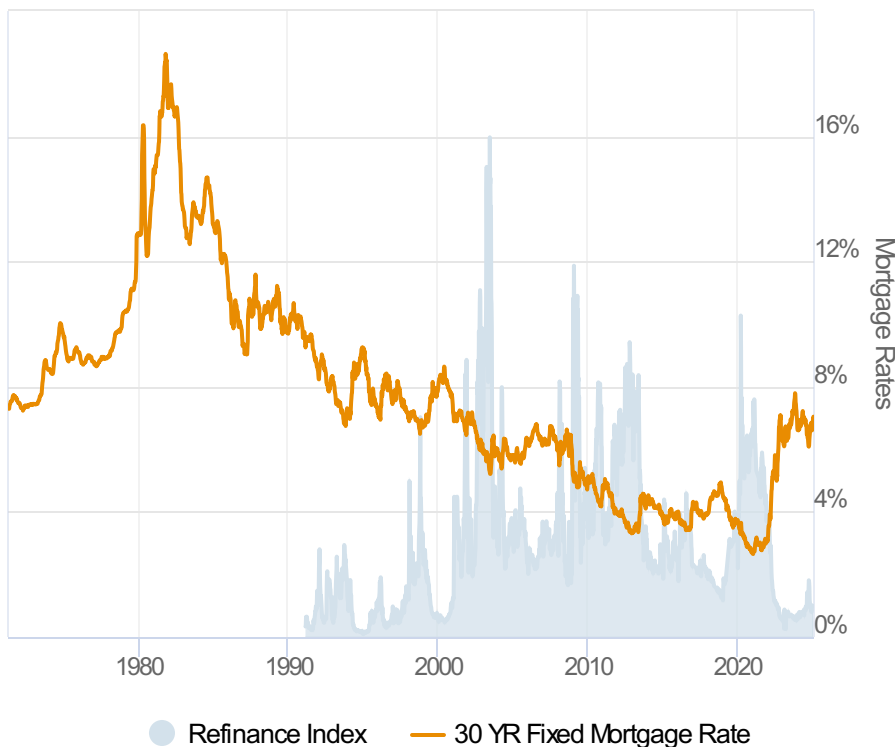
The Refinance Index increased 2 percent from the previous week but was 51 percent lower than the same week one year ago. The refinance share of mortgage activity decreased to 26.8 percent of total applications from 27.6 percent the previous week. Refinancing accounted for 35 percent of applications during the same week in 2022.



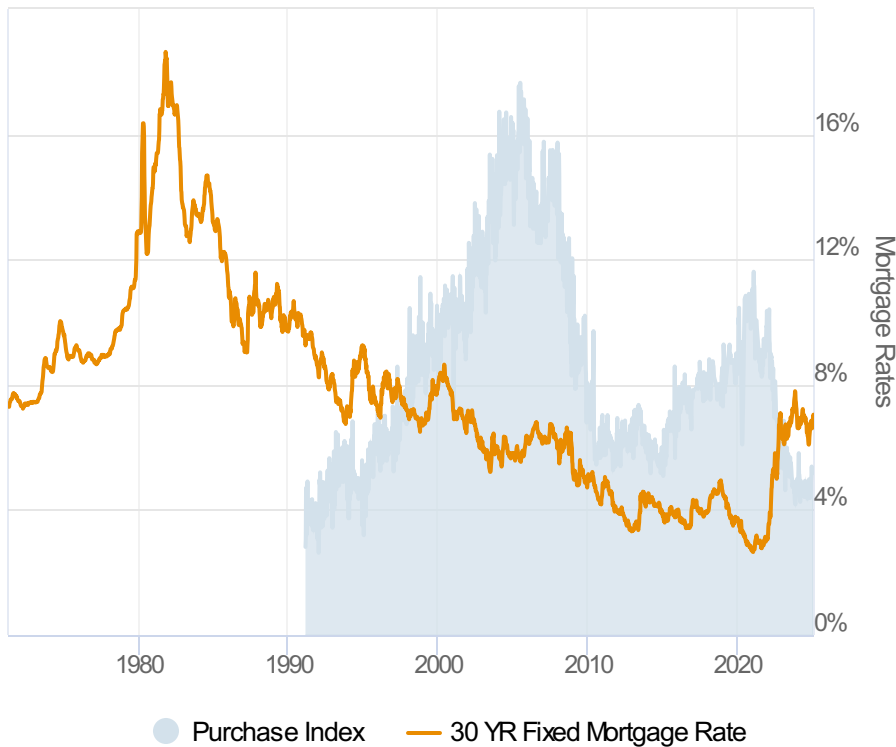
Richard Ray
Managing Partner, Caliver Beach Mortgage

Caliver Beach Mortgage
P: (240) 552-5369
M: (202) 390-4483

500 Redland Court Suite 300
Owings Mill 21117
NMLS License Look Up
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The seasonally adjusted **Purchase Index** was up **5 percent week-over-week** and 6 percent higher on an unadjusted basis. Purchase mortgage volume was 28 percent lower than the same week one year ago.



“Both conventional and government home purchase applications increased last week. However, **activity was still nearly 28 percent below last year’s pace**, as high mortgage rates and low supply have slowed the market this year, even as home-price growth has decelerated in many markets across the country,” Joel Kan, MBA’s Vice President and Deputy Chief Economist said. “Refinance applications also increased last week but remained at half of last year’s levels. Although incoming data points to a slowdown in the U.S. economy, markets continue to expect that the Fed will raise short-term rates at its next meeting, which have pushed Treasury yields somewhat higher. As a result of the higher yields, **mortgage rates increased for the second straight week to their highest level in over a month**, with the 30-year fixed rate now at 6.55 percent.”

Highlights from MBA’s Weekly Mortgage Applications Survey

- Loan sizes slipped slightly from the week ended April 14. The overall average was \$384,600, down from \$389,200 and purchase loans declined from an average of \$437,700 to \$431,600.
- The FHA share of applications decreased to 12.6 percent from 12.7 percent and the VA share to 11.2 percent from 11.7 percent. The USDA share of 0.4 percent was the lowest of the year.
- The average contract interest rate for conforming 30-year fixed-rate mortgages (FRM) increased to 6.55 percent from 6.43 percent, with points unchanged at 0.63.
- Jumbo 30-year FRM had an average rate of 6.40 percent with 0.51 point. The prior week the rate was 6.28 percent with 0.51 point.
- Thirty-year FHA-backed FRM rates averaged 6.41 percent, 8 basis points higher than the prior week. Points increased to 1.04 from 0.94.
- There was an increase of 14 basis points in the average contract interest rate for 15-year FRM to 6.03 percent. Points declined to 0.56 from 0.65.
- The average contract interest rate for 5/1 adjustable-rate mortgages (ARMs) decreased to 5.47 percent from 5.56 percent, with points jumping to 1.18 from 0.72.
- The ARM share of activity rose from 6.3 percent of the week’s applications to 6.7 percent.

