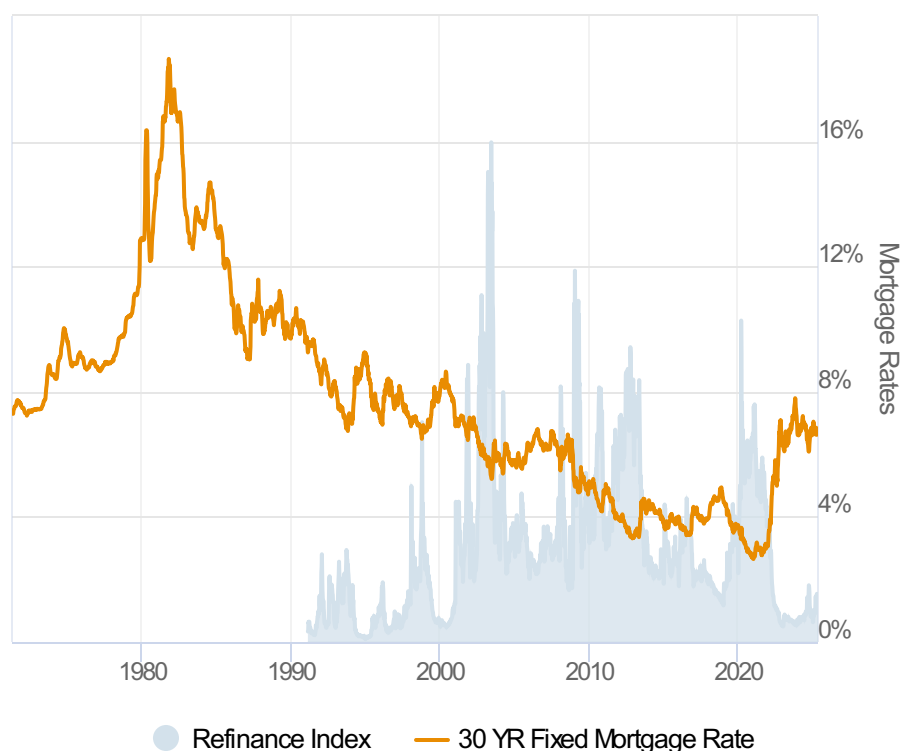


Mortgage Application Volume Boosted by Fed Comments

The volume of mortgage applications increased last week for both home purchases and refinancing. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of that volume, **increased 6.3 percent on a seasonally adjusted basis and was 7 percent higher on an unadjusted basis** compared with the previous week.

The Refinance Index increased rose by 10 percent but remains 44 percent lower than the same week one year ago. The refinance share of mortgage activity increased to 28.0 percent of total applications from 27.2 percent the previous week.



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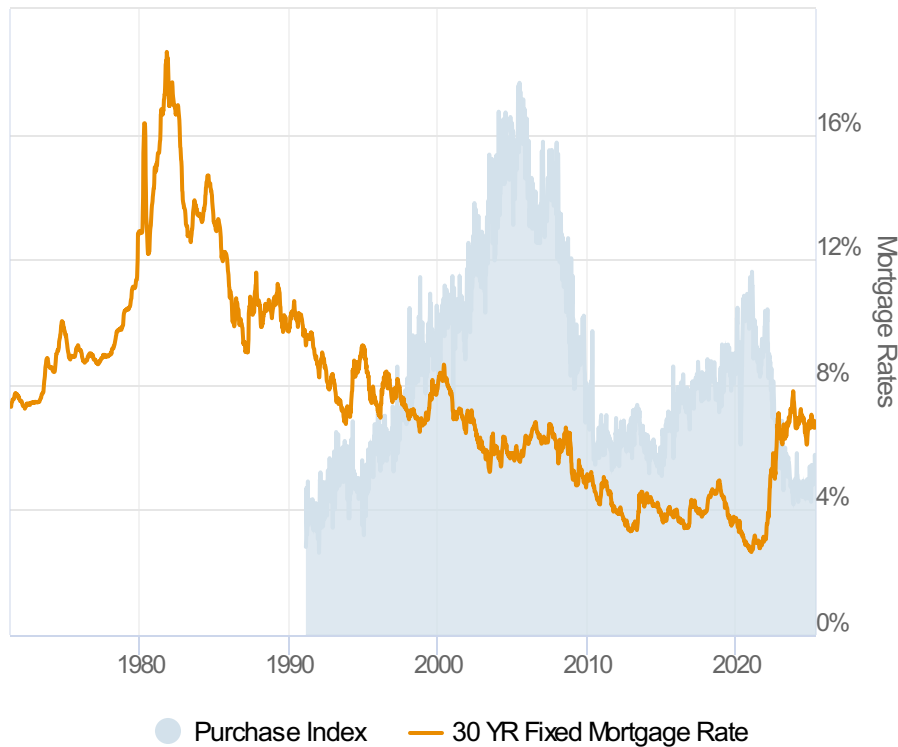
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The seasonally adjusted **Purchase Index** was up **5 percent**. Before adjustment that index was 5.3 percent higher for the week, lagging its level a year earlier by 32 percent.



Joel Kan, MBA's Vice President and Deputy Chief Economist said, "Mortgage applications responded positively to a drop in rates last week, as the Fed signaled a potential pause at the current level for the federal funds rate in anticipation of inflation slowing and tightening financial conditions that will slow economic and job growth. Mortgage rates for all surveyed loan types decreased over the week with the 30-year fixed rate at 6.48 percent.

"Purchase applications increased 5 percent last week but were still more than 30 percent below last year's level. Lower rates from week to week have helped buyers in the market," Kan said, "but limited for-sale inventory remains a challenge for many homebuyers. **Refinance activity jumped 10 percent to its highest levels since September 2022**, although there is only a small pool of borrowers who can benefit from refinancing with rates at these levels."

Highlights from MBA's Weekly Mortgage Applications Survey.

- Loan amounts changed only slightly from the prior week. The average loan size increased from \$393,600 to \$395,000 while purchase loans were \$300 lower at \$440,700.
- The FHA share of applications dipped to 12.1 percent from 12.5 percent and the VA share grew to 12.9 percent from 11.3 percent. USDA applications accounted for 0.4 percent of the total.
- The 6.48 percent average contract rate for conforming 30-year fixed-rate mortgages (FRM) was 2 basis points lower than the rate a week prior, with points decreasing to 0.61 from 0.63.
- The rate for jumbo 30-year FRM decreased to 6.33 percent from 6.37 percent while points dipped to 0.51 from 0.54.
- Thirty-year FRM with FHA backing had an average rate of 6.41 percent with 1.01 points. The prior week that rate was 6.43 percent with 1.02 point.
- The rate for 15-year FRM dropped 10 basis points to 5.91 percent, with points increasing to 0.58 from 0.55.
- The introductory rate for 5/1 adjustable-rate mortgages (ARMs) averaged 5.35 percent down from 5.48 percent, with points decreasing to 0.79 from 1.14.
- The ARM share of total applications fell to 6.8 percent from 7.3 percent.