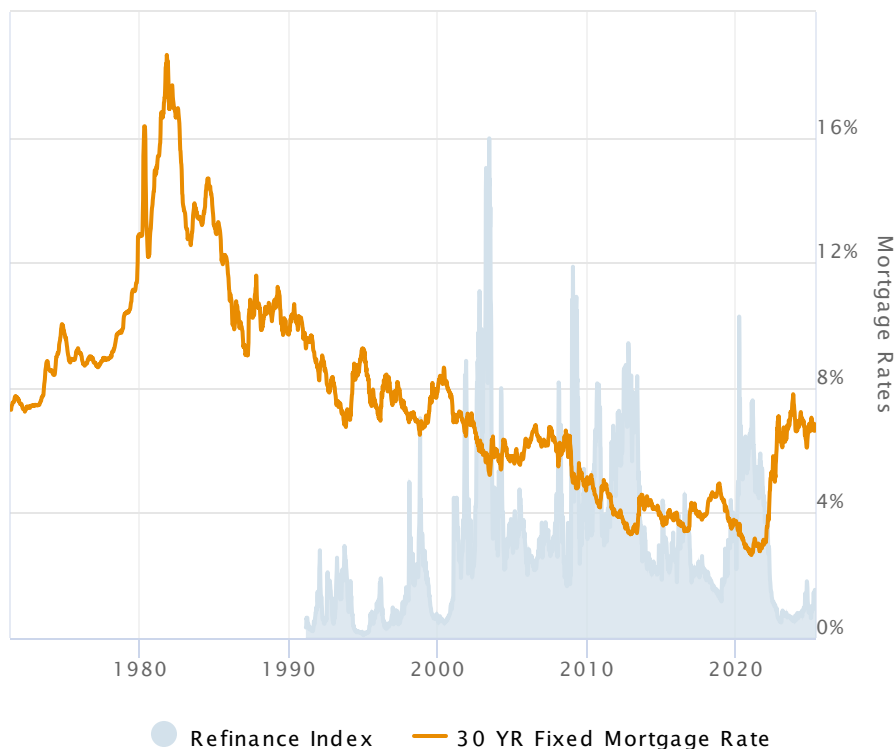




Weekly Mortgage Apps Drift Lower

Rising rates and sparse inventories continue to hamper the mortgage market. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of mortgage loan application volume, decreased 3.7 percent on a seasonally adjusted basis during the week ended May 26 and was down 5.0 percent on an unadjusted basis. It was the third straight week of slowing activity.

The Refinance Index decreased 7 percent from the previous week and was 45 percent lower than the same week in 2022. The refinance share of mortgage activity decreased to 26.7 percent of total applications from 27.4 percent the previous week.



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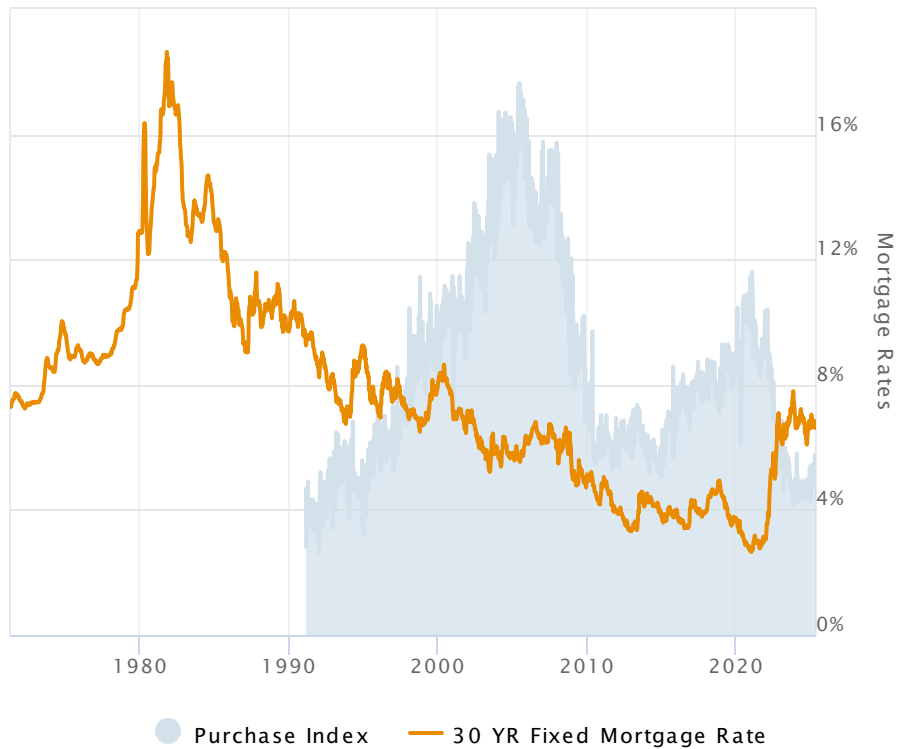
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The seasonally adjusted **Purchase Index** was down 3 percent compared to the prior week and 4 percent before adjustment. The index was 31 percent lower than the same week one year ago.



“Inflation is still running too high, and recent economic data is beginning to convince investors that the Federal Reserve will not be cutting rates anytime soon. Mortgage rates for conforming balance 30-year loans were being quoted above 7 percent by some lenders last week, and the weekly average at 6.9 percent reached the highest level since last November,” said Mike Fratantoni, MBA’s Senior Vice President and Chief Economist. **“Application volumes for both purchase and refinance loans decreased last week due to these higher rates.** While refinance demand is almost entirely driven by the level of rates, purchase volume continues to be constrained by the lack of homes on the market.”

Other Data from the MBA Weekly Mortgage Applications Survey

- The overall size of loans was \$391,000 with purchase loans averaging \$439,400. Each was the smallest average in six weeks.
- The FHA share of total applications increased to 12.7 percent from 12.5 percent and the VA share decreased to 12.1 percent from 12.5 percent. USDA applications accounted for 0.5 percent of the total, unchanged from the prior week.
- The average contract interest rate for 30-year fixed-rate mortgages (FRM) meeting conforming loan limits increased to 6.91 percent from 6.69 percent. Points jumped to 0.83 from 0.66.
- Rates for jumbo 30-year FRM rose to 6.78 percent with 0.76 point from 6.57 percent, with 0.57 point.
- The rate for FHA-backed 30-year FRM was 6.85 percent, up from 6.56 percent. Points ticked up to 1.26 from 1.24.
- Fifteen-year rates averaged 6.41 percent with 0.84 point. The prior week the average was 6.15 percent, with 0.72 point.
- Interest rates for 5/1 adjustable-rate mortgages (ARMs) fell to 5.39 percent from 5.73 percent, with points decreasing to 0.46 from 1.19.
- The ARM share of activity increased from 6.7 to 6.8 percent of total applications.