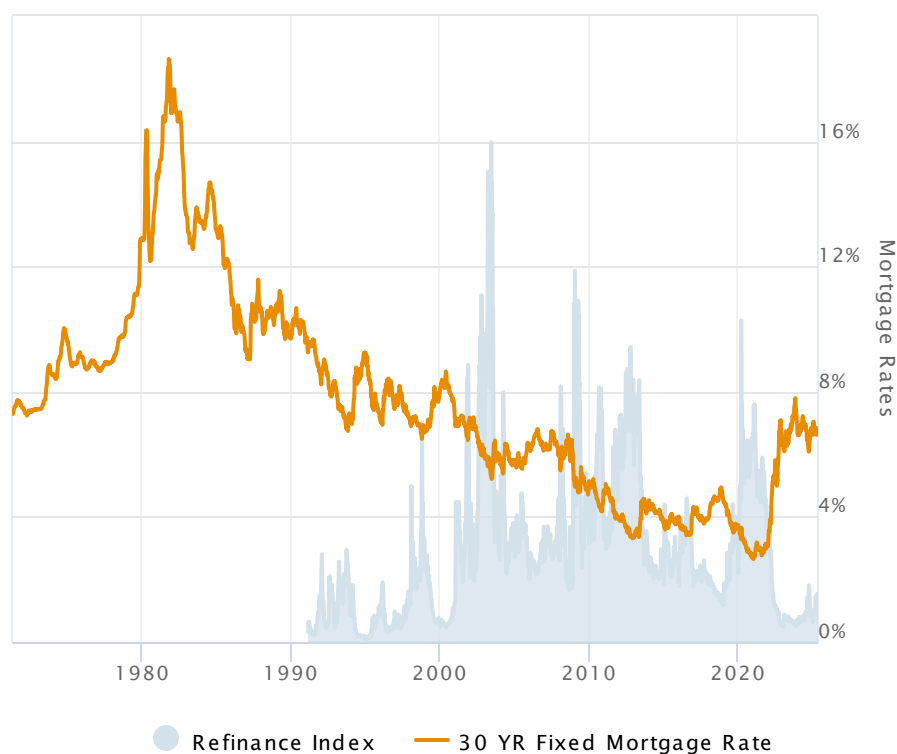


## Mortgage Applications Fall for the Fourth Straight Week

The four-day business week accompanying the Memorial Day Holiday contributed to a further slowdown in mortgage applications. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of application volume, decreased 1.4 percent on a seasonally adjusted basis and dropped 12 percent on an unadjusted basis.

**The Refinance Index decreased 1.0 percent** from the previous week and was 42.0 percent lower than the same week one year ago. The refinance share of mortgage activity increased to 27.3 percent from 26.7 percent the previous week.



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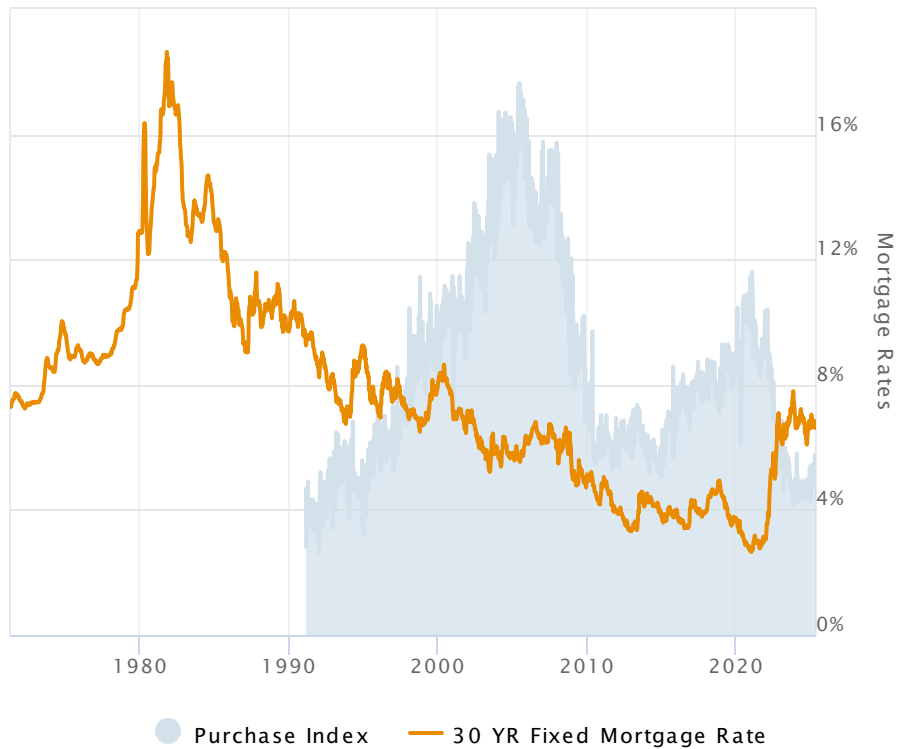
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The seasonally adjusted **Purchase Index** dipped **2.0 percent**. The unadjusted index was down 13.0 percent week-over-week and 27 percent on an annual basis.



“Mortgage rates declined last week from a recent high, but **total application activity slipped for the fourth straight week**,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. “The 30-year fixed rate dipped to 6.81 percent; 10 basis points lower than last week but still the second highest rate of 2023 to date.

“Overall applications were more than **30 percent lower than a year ago, as borrowers continue to grapple with the higher rate environment**. Purchase activity is constrained by reduced purchasing power from higher rates and the ongoing lack of for-sale inventory in the market, while there continues to be very little rate incentive for refinance borrowers. There was less of a decline in government purchase applications last week, which was consistent with a growing share of first-time home buyers in the market.”

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

- Loan sizes dropped by about \$10,000 last week. The overall loan size was \$381,200 with purchase loans averaging \$429,700.
- The FHA share of total applications increased to 13.2 percent from 12.7 percent and the VA share increased to 12.5 percent from 12.1 percent. USDA loan applications accounted for 0.4 percent of the total.
- The 6.91 percent average rate for conforming 30-year fixed-rate mortgages (FMR) was accompanied by a point drop from 0.83 to 0.66.
- Jumbo 30-year FRM had an average rate of 6.74 percent compared to 6.78 percent the prior week. Points fell to 0.56 from 0.76.
- Thirty-year FRM with FHA guarantees declined from 6.85 percent, with 1.26 points to 6.73 percent with 1.15 points.
- The rate for 15-year fixed-rate mortgages decreased to 6.25 percent from 6.41 percent, with points decreasing to 0.62 from 0.84.
- The average contract interest rate for 5/1 adjustable-rate mortgages (ARMs) increased to 5.93 percent from 5.39 percent, with points increasing to 0.96 from 0.46.
- The ARM share of activity was unchanged at 6.8 percent.