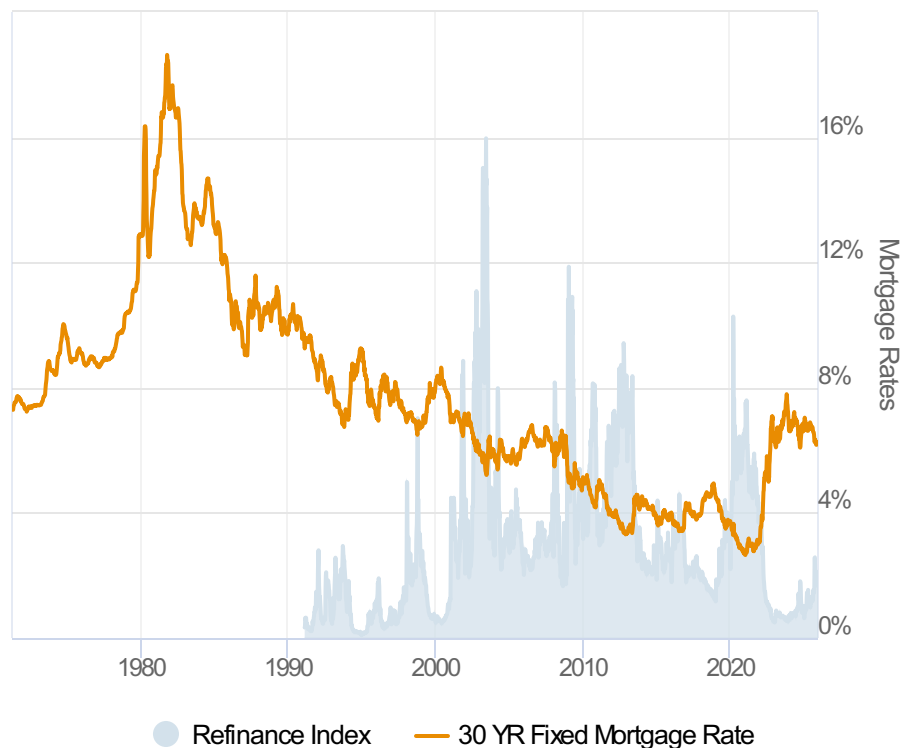


Mortgage Application Volume Fairly Flat, Despite Lower Rates

The Mortgage Bankers Association (MBA) said home purchase activity increased last week, allowing for a small gain in its Market Composite Index. That index, a measure of mortgage loan application volume, increased 0.5 percent on a seasonally adjusted basis although it was down 1.0 percent compared with the previous week before adjustment.

The **Refinance Index decreased 2 percent from the previous week** and was 40 percent lower than the same week one year ago. The refinance share of mortgage activity decreased to 26.9 percent of total applications from 27.3 percent the previous week.



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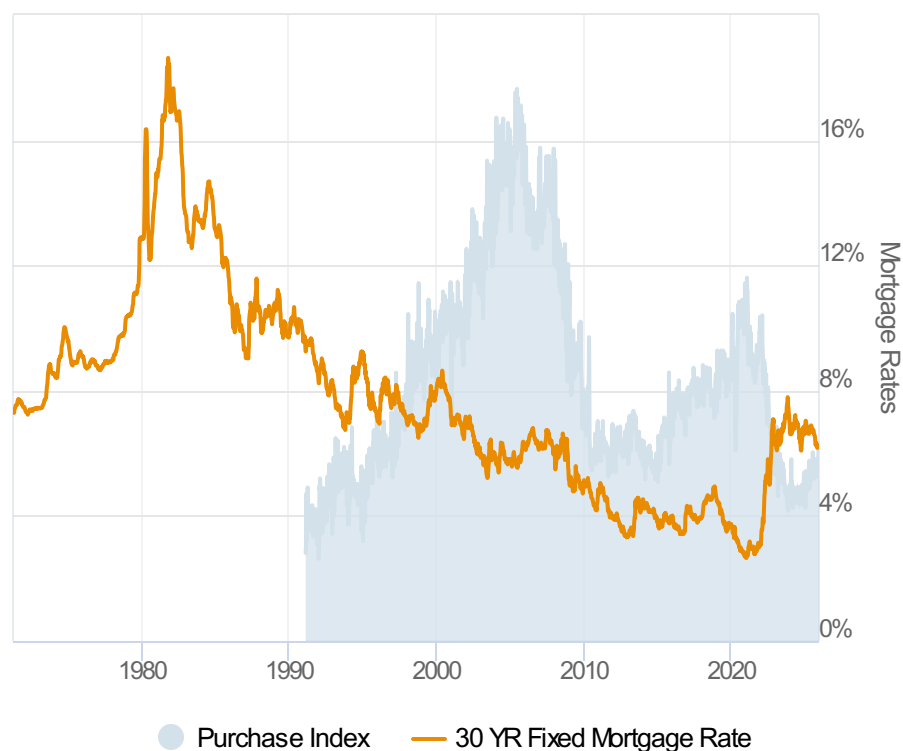
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The seasonally adjusted **Purchase Index** increased **2 percent** although it was 0.1 percent lower compared to a week earlier before adjustment. The index was down 32 percent from the same week in 2022.



“The 30-year fixed mortgage rate declined for the third consecutive week to 6.73 percent, while other mortgage rates saw mixed results,” Joel Kan, MBA’s Vice President and Deputy Chief Economist said. **“Purchase applications increased, driven by a 2 percent gain in conventional purchase applications and a 3 percent increase in FHA purchase activity,”** “First-time homebuyers account for a large share of FHA purchase loans, and this increase is a sign that while buyer interest is there, activity continues to be constrained by low levels of affordable inventory. Refinance applications continued their decline after the previous week’s increase, with the refinance share of applications just below 27 percent.”

Added Kan, “The rate for jumbo loans exceeded the conforming rate for the second straight week – the last time jumbo rates were higher was in December 2021. **Tighter liquidity conditions have prompted jumbo lenders to pull back**, increasing rates in the process.”

Other Highlights from MBA’s Weekly Mortgage Applications Survey

- Loan sizes averaged \$383,200 during the week and purchase loans \$428,400. Each was about \$3,000 larger than the prior week.
- The FHA share of total applications increased to 13.3 percent from 13.0 percent while the VA share dipped to 11.9 percent from 12.6 percent. USDA loans accounted for 0.4 percent of the total.
- The average contract rate of 6.73 percent for conforming 30-year fixed-rate mortgages (FRM) was 4 basis points lower than the previous week, Points averaged 0.64, down from 0.65.
- The jumbo FRM rate increased to 6.80 percent from 6.79 percent, with points decreasing to 0.49 from 0.50.
- Thirty-year FRM with FHA backing had a rate of 6.74 percent, up from 6.70 percent. Points fell to 1.03 from 1.14.
- Rates for 15-year FRM increased to 6.26 percent from 6.25 percent, with points decreasing to 0.71 from 1.05.
- The average contract interest rate for 5/1 adjustable-rate mortgages (ARMs) jumped to 6.09 percent from 5.90 percent and points increased to 1.4 from 1.17.
- The ARM share of activity decreased to 6.3 percent of total applications from 6.5 percent.