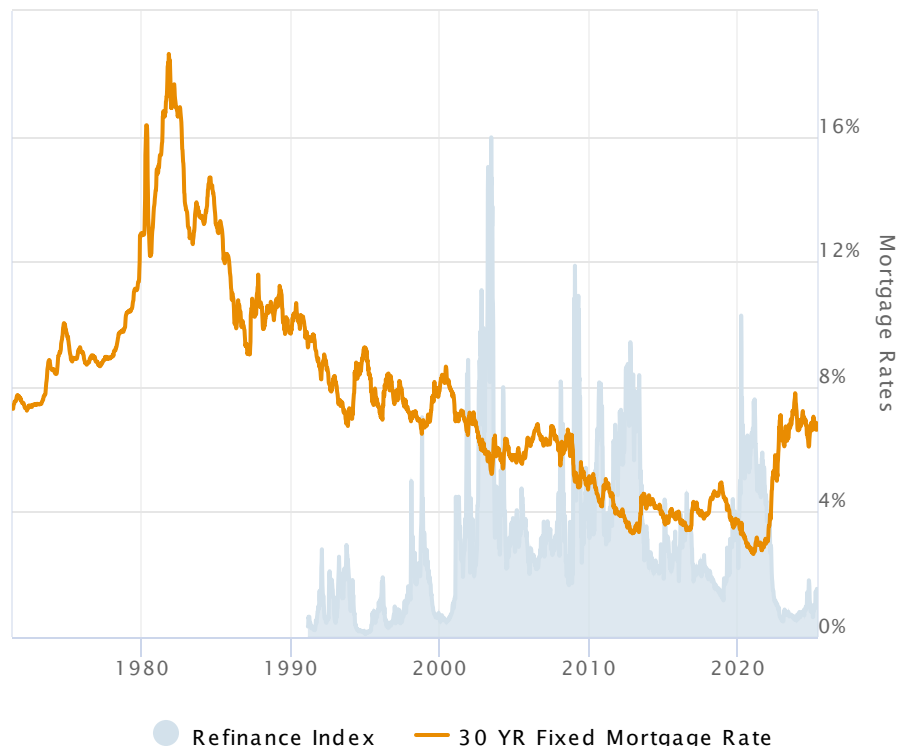




## Mortgage Application Volume Up Slightly During Holiday Week

The Mortgage Bankers Association (MBA) reports a slight increase in the volume of mortgage applications during the week ended July 7. MBA's seasonally adjusted Market Composite Index **increased 0.9 percent on a seasonally adjusted basis from one week earlier**, although it took an additional adjustment accounting for the Independence Day holiday to push it into positive territory. On an unadjusted basis, the Index dropped 19 percent compared with the previous week.

**The Refinance Index decreased 1.0 percent** from the previous week and was 39 percent lower than the same week one year ago. The refinance share of mortgage activity decreased to 26.8 percent of total applications from 27.4 percent.



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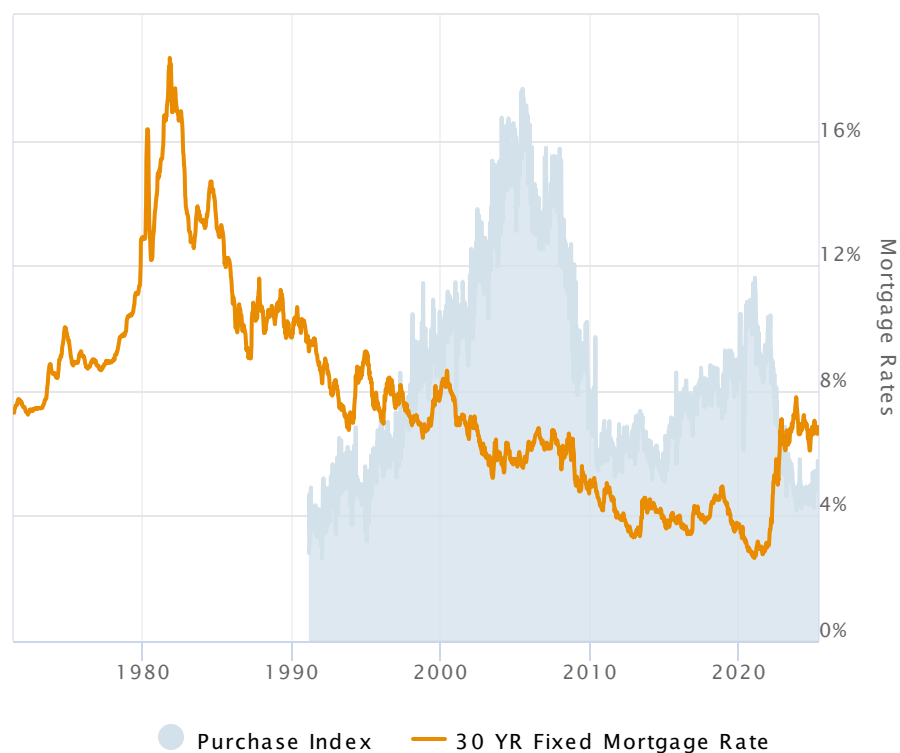
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The seasonally adjusted **Purchase Index** increased **2.0 percent** from one week earlier but was down **19 percent** before **adjustment**. Purchase applications were 26 percent below their level the same week in 2022.



“Incoming economic data continue to send mixed signals about the economy, said Joel Kan, MBA’s Vice President and Deputy Chief Economist. “The overall impact Treasury yields higher last week as markets expect that the Federal Reserve will need to hold rates higher for longer to slow inflation. All mortgage rates in our survey followed suit, with the 30-year fixed rate increasing to 7.07 percent, the highest level since November 2022. The jumbo rate also increased to 7.04 percent, a record high for the jumbo series, which dates back to 2011.”

Added Kan, “The rise in purchase activity was driven by increases in **both FHA and VA purchase applications**. The refinance index dropped to its lowest level since early June, as demand for rate/term and cash-out refinances remains extremely low with mortgage rates over 7 percent.”

#### Other Highlights from MBA’s Weekly Mortgage Application Survey

- Loan sizes, which had declined for five straight weeks, rose slightly last week. The average size was \$380,200 compared to \$378,800 while purchase loans grew by about \$2,500 to \$426,100.
- The FHA share of total applications increased to 13.3 percent from 13.0 percent and the VA share increased to 12.6 percent from 11.7 percent. USDA loan applications accounted for 0.4 percent of the total, unchanged from the prior week.
- The 7.07 percent rate for conforming 30-year fixed-rate mortgages (FRM) was 22 basis points higher than the prior week and points increased to 0.74 from 0.65.
- The jumbo 30-year FRM rate was up 9 basis points week-over-week. Points decreased to 0.59 from 0.64.
- The average FHA loan rate was 6.86 percent with 1.23 points. Compared to the previous week’s 6.68 percent with 0.98 point.
- Fifteen-year FRM rates averaged 6.42 percent with 1.22 points, up from 6.30 percent with 0.91 point.
- The average contract interest rate for 5/1 adjustable-rate mortgages (ARMs) increased to 6.24 percent from 6.00 percent, with points increasing to 1.42 from 1.23.
- The ARM share of activity was 6.6 percent, up from 6.2 percent the prior week.