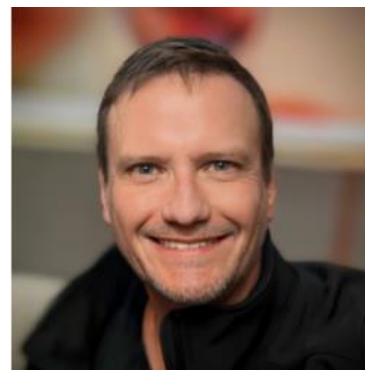
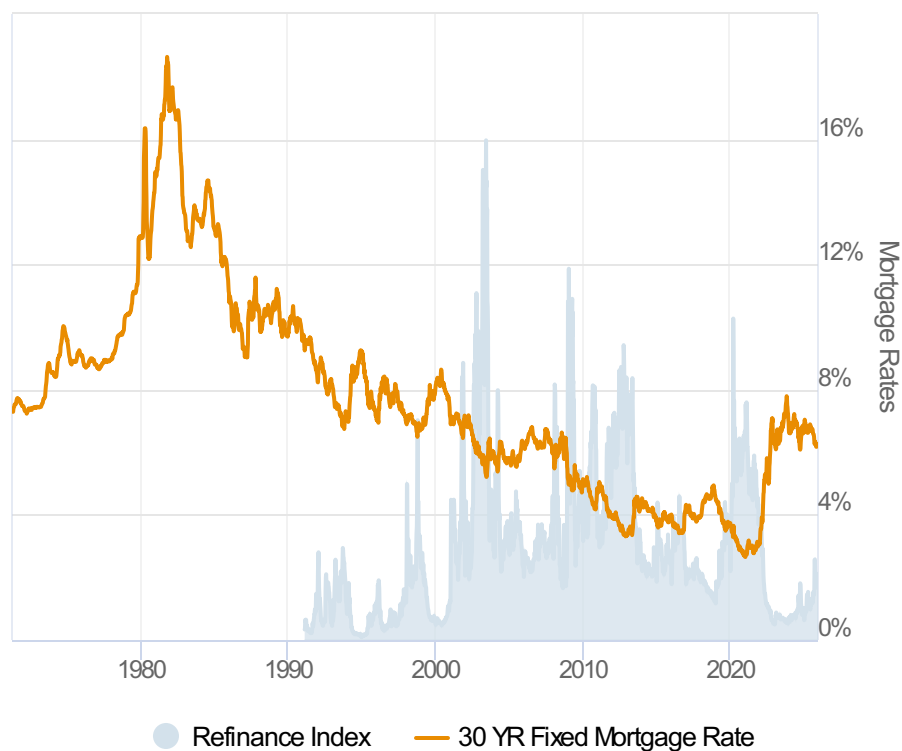


## Mortgage Application Activity Hits 28-Year Lows

A powerful hurricane and an approaching three-day weekend may have offset the impact of an improvement in interest rates during the week ended September 1. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of mortgage loan application volume, failed to extend its first increase since mid-July into a second week. The Index decreased 2.9 percent on a seasonally adjusted basis and 5.0 percent before adjustment.

The **Refinance Index decreased 5 percent** from the previous week and was 30 percent lower than the same week one year ago. The refinance share of mortgage activity dipped to 30.0 percent of total applications from 30.1 percent.



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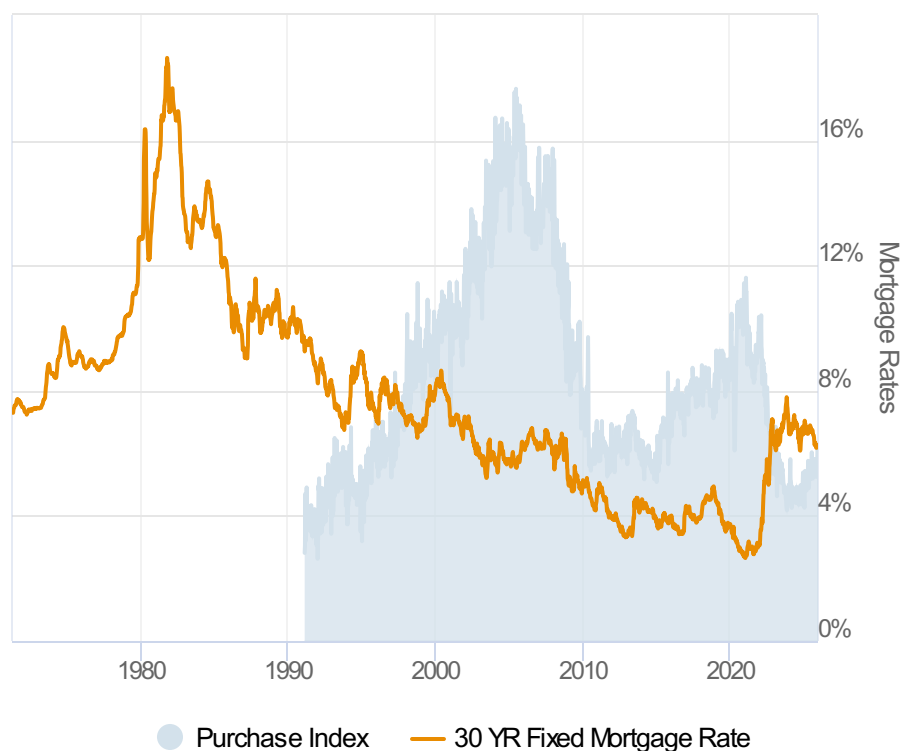
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The Purchase Index was down 2.0 percent and 5.0 percent on seasonally adjusted and unadjusted bases compared to the previous week. It was 28 percent lower than the same week one year ago.



“Mortgage applications declined to the **lowest level since December 1996**, despite a drop in mortgage rates. Both purchase and refinance applications fell, with the purchase index hitting a 28-year low, as prospective buyers remain on the sidelines due to low housing inventory and elevated mortgage rates,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. “The 30-year fixed mortgage rate decreased to 7.21 percent last week, but rates remained more than a full percentage point higher than a year ago, despite mixed data on the health of the economy and signs of a cooling job market. The refinance index dropped to its lowest level since January 2023, driven by a 6 percent decline in conventional refinances.”

#### Additional Data from MBA’s Weekly Mortgage Applications Survey

- Both overall and purchase loan sizes dipped by a little more than \$5,000 week-over-week. The average loan was \$361,700 and purchase loans averaged \$408,800.
- The FHA share of total applications increased to 13.7 percent from 13.2 percent and the VA share fell to 11.3 percent from 11.6 percent. The USDA share of total applications ticked up to 0.6 percent from 0.4 percent the week prior.
- The 7.21 percent average contract interest rate for conforming 30-year fixed-rate mortgages (FRM) was down 10 basis points compared to the previous week. Points decreased to 0.69 from 0.73.
- Jumbo 30-year FRM also had an average rate of 7.21 percent compared to 7.28 percent the prior week. Points rose to 0.76 from 0.66.
- The rate for 30-year FRM with FHA backing declined to 7.03 percent from 7.10 percent, with points decreasing to 0.95 from 1.09.
- Fifteen-year FRM rates averaged 6.66 percent with 0.86 point. The prior week’s averages were 6.72 percent and 1.11 points.
- The rate for 5/1 adjustable-rate mortgages (ARMs) fell to 6.33 percent from 6.48 percent, with points decreasing to 1.11 from 1.20.
- The ARM share of activity dropped to 6.7 percent of total applications from 7.5 percent.