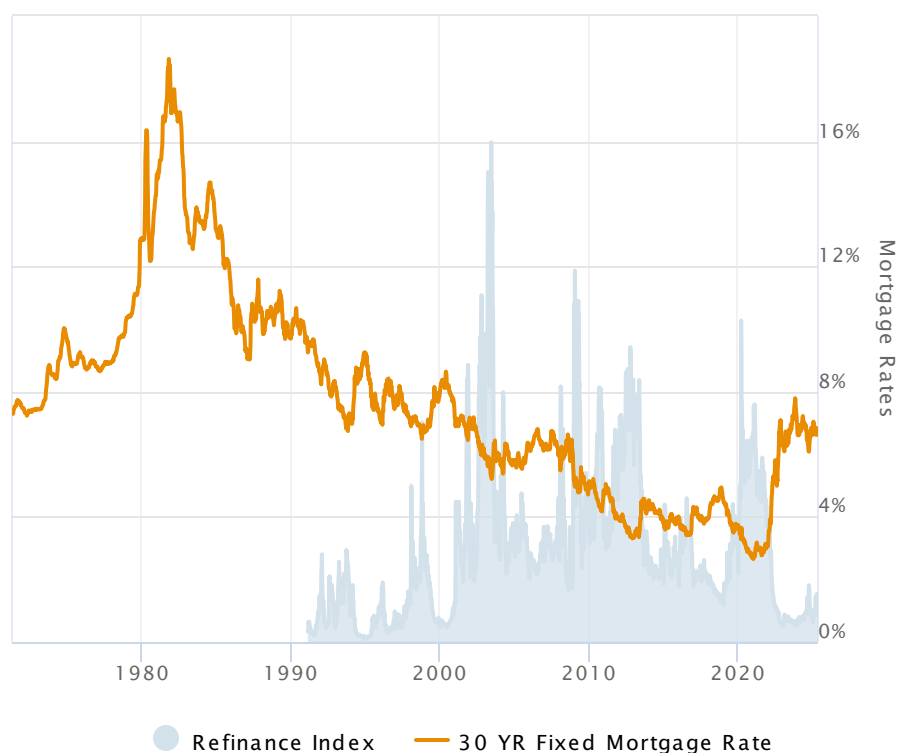


## Mortgage App Volume Rebounds from Holiday Doldrums

Mortgage application activity bounced back from the holiday-shortened prior week but is **still running significantly below historic levels**. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of application volume, increased 5.4 percent on a seasonally adjusted basis during the week ended September 15. On an unadjusted basis, the Index increased 16 percent compared with the week that started with Labor Day.

**The Refinance Index rose 13 percent week-over-week** and was 29 percent lower than the same week in 2022. The refinance share of mortgage activity increased to 31.6 percent of total applications from 29.1 percent the previous week.



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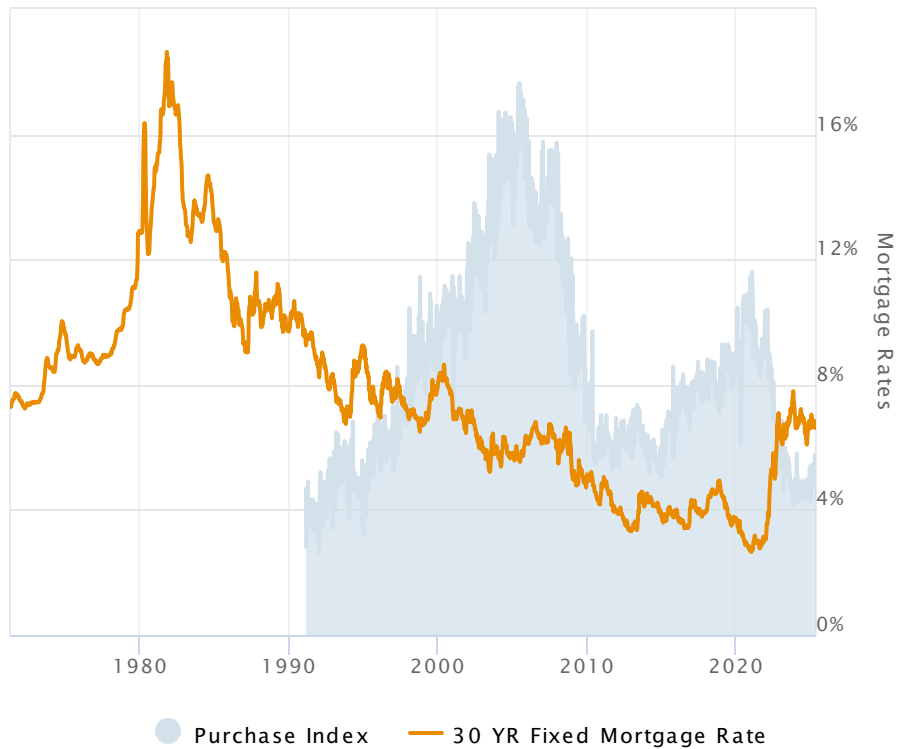
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The seasonally adjusted Purchase Index gained 2.0 percent compared to the prior week. The unadjusted Purchase Index increased 12 percent and was 26 percent lower than the same week one year ago.



“Mortgage applications increased last week, despite the 30-year fixed rate edging back up to 7.31 percent – its highest level in four weeks,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. “Purchase applications increased for conventional and FHA loans over the week but remained 26 percent lower than the same week a year ago, **as homebuyers continue to face higher rates and limited for-sale inventory**, which have made purchase conditions more challenging. Refinance applications also increased last week but are still almost 30 percent lower than the same week last year.”

Added Kan, “The average loan size on a purchase application was \$416,800, the highest level in six weeks. Home prices in many markets have been supported by low inventory and resilient housing demand for available homes.”

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

- The average size of a purchase loan, \$416,800, was almost \$4,000 higher than the prior week while the overall size of loans drifted down from \$368,100 to \$365,600.
- The FHA share of total applications was unchanged at 14.2 percent while the VA share dipped to 11.0 percent from 11.3 percent. USDA applications accounted for 0.4 percent of total applications, identical to the previous week.
- The 7.31 percent average contract interest rate for conforming 30-year fixed-rate mortgages (FRM) was 4 basis points higher than a week earlier. Points were unchanged at 0.72.
- The rate for jumbo 30-year FRM increased to 7.32 percent from 7.25 percent, with points increasing to 0.80 from 0.72.
- Thirty-year FHA-backed FRM had a rate averaging 7.08 percent with 0.91 point. The prior week the rate was 7.04 percent, with 0.98 point.
- Fifteen-year FRM rates declined by an average of 10 basis points to 6.62 percent while points increased to 1.08 from 1.01.
- The average contract interest rate for 5/1 adjustable-rate mortgages (ARMs) decreased to 6.42 percent from 6.59 percent, with points decreasing to 1.10 from 1.16.
- The ARM share of activity decreased to 7.2 percent of total applications from 7.5 percent.