

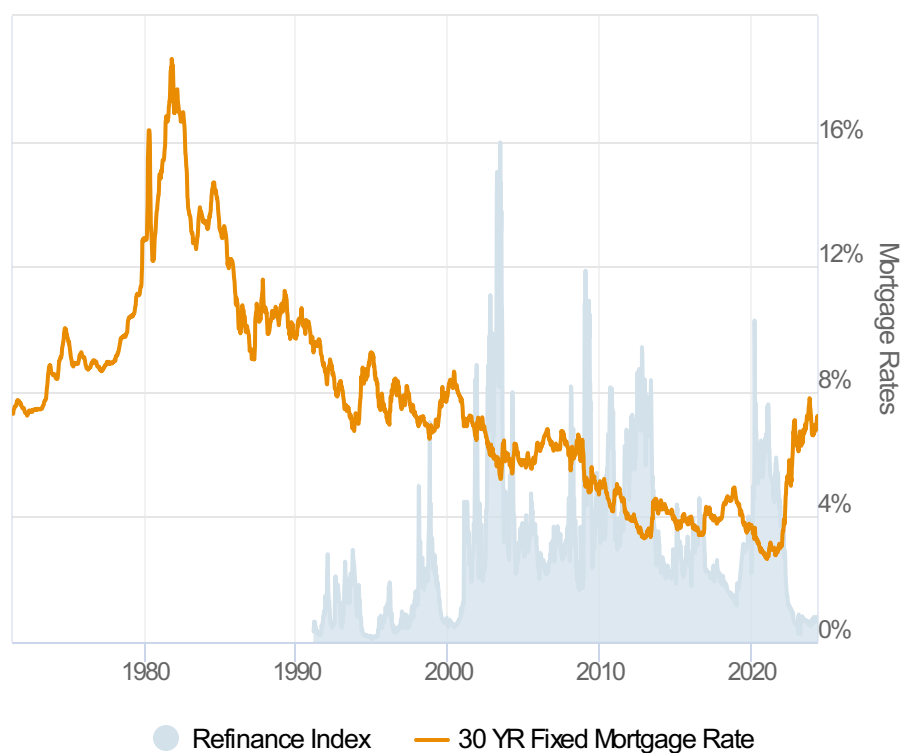


Mortgage Volume Index at 28-Year Low

Mortgage applications fell again last week as interest rates rose into the high 7 percent range. The Mortgage Brokers Association (MBA) said its Market Composite Index, a measure of mortgage loan application volume, decreased 6.9 percent on a seasonally adjusted basis from one week earlier and was **down 7.0 percent on an unadjusted basis**.

There was a federal holiday (Columbus Day) during the week, but MBA did not find it necessary to adjust its data to account for the limited impact on mortgage activity.

The Refinance Index decreased 10.0 percent from the previous week and was 12.0 percent lower than the same week one year ago. The refinance share of mortgage activity decreased to 30.5 percent of total applications from 31.6 percent the previous week.



Dale R. Packer, MBA

Owner/Broker, Great American Lending LLC

GreatAmericanLending.us

M: (801) 391-6566

dale@greatamericanlending.us

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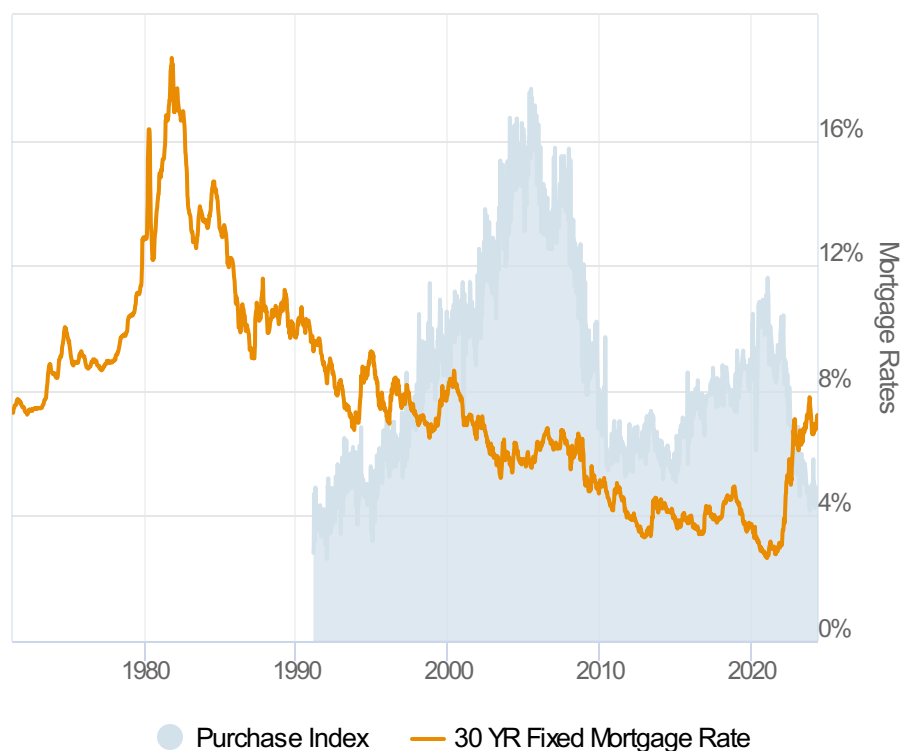
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The seasonally adjusted Purchase Index decreased to 6.0 percent and the unadjusted version declined by 5.0 percent compared with the previous week. Application activity was 21 percent lower than the same week in 2022.



“Applications decreased to their lowest level since 1995, as the 30-year fixed mortgage rate increased for the sixth consecutive week to 7.70 percent – the highest level since November 2000,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. **“Both purchase and refinance applications declined, driven by larger drops for conventional applications.** Purchase applications were 21 percent lower than the same week last year, as homebuying activity continues to pull back given reduced purchasing power from higher rates and the ongoing lack of available inventory. The ARM share was 9.3 percent, the highest share in 11 months, as some borrowers look for alternative ways to lower their monthly payments. Refinance activity was at its lowest level since early 2023. There is very limited refinance incentive with mortgage rates at multi-decade highs.”

Other Highlights from MBA’s Weekly Mortgage Application Survey

- Loan sizes declined again with the average falling from \$365,900 to \$362,500 while purchase loan sizes dropped \$9,000 to \$412,600.
- The FHA share of total applications increased to 14.8 percent from 14.4 percent and the VA share grew to 10.7 percent from 10.2 percent. The USDA share of total applications was unchanged at 0.5 percent.
- The 7.70 percent contract interest rate for conforming 30-year fixed-rate mortgages (FRM) was 3 basis points higher than the prior week. Points dipped to 0.71 from 0.75.
- Rates for jumbo 30-year FRM dropped from 7.70 percent to 7.56 percent. Points increased to 0.85 from 0.57.
- The FHA-backed 30-year FRM had an average rate decline of 4 basis points to 7.36 percent. Points moved down to 1.02 from 1.08.
- The average contract interest rate for 15-year FRM ticked up to 6.98 percent from 6.97 percent, with points decreasing to 1.04 from 1.18.
- The rate for 5/1 ARMs averaged 6.52 percent with 1.50 points. The prior week the rate was 6.33 percent with 0.90 point.
- The adjustable-rate mortgage (ARM) share of activity increased to 9.3 percent of total applications from 9.2 percent.