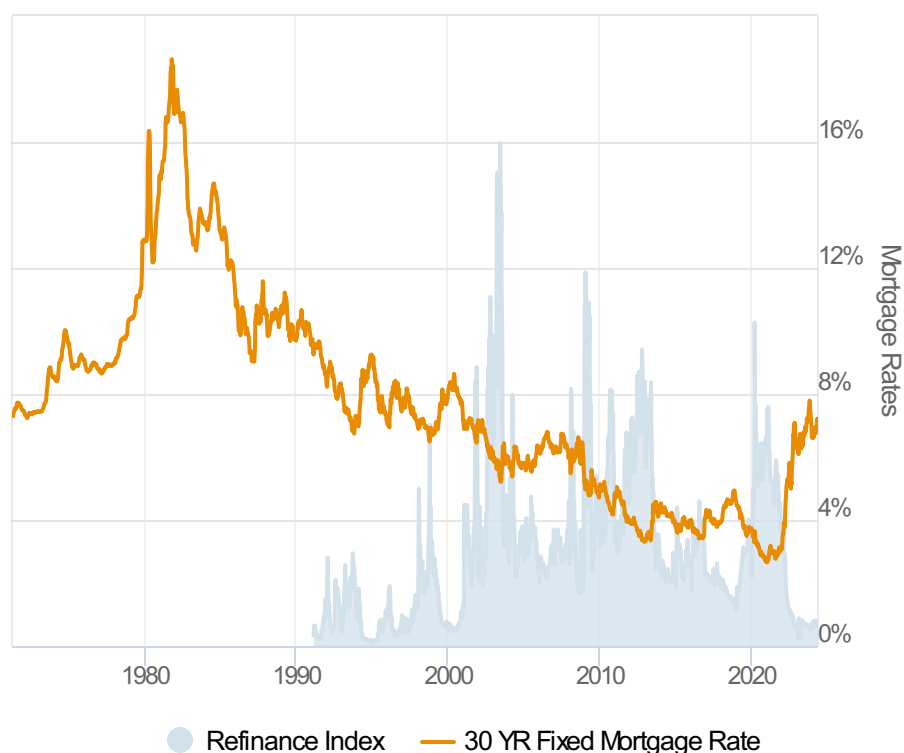




Lower Rates Beckon Some Borrowers Back

An improved (albeit slightly) mortgage interest rate environment helped push the volume of mortgage applications higher during the week ending November 17. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of that volume, grew 3.0 percent on a seasonally adjusted basis from one week earlier. However, it declined fractionally on an unadjusted basis.

The Refinance Index increased 2 percent from the previous week and was 4 percent lower than the same week one year ago. The refinance share of mortgage activity represented 32.4 percent of total applications, up from 31.9 percent the previous week.



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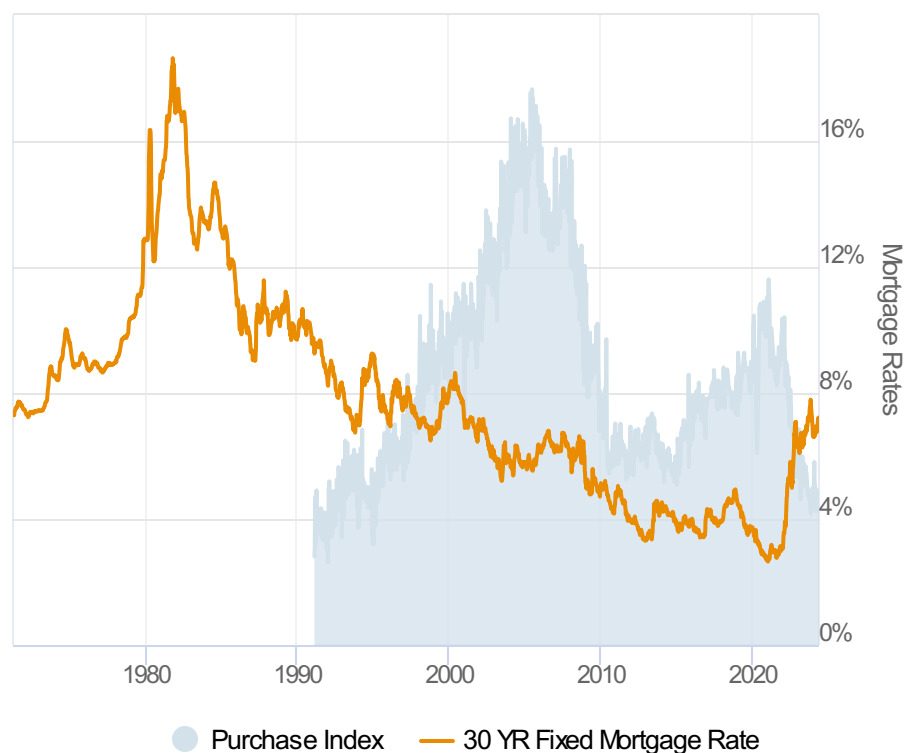
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The seasonally adjusted **Purchase Index** rose 4.0 percent from the prior week but declined 1.0 percent unadjusted. Purchase applications were 20 percent lower than the same week one year ago.



“U.S. bond yields continued to move lower as incoming data signaled a softer economy and more signs of cooling inflation. Most mortgage rates in our survey decreased, with the 30-year fixed mortgage rate decreasing to 7.41 percent, the lowest rate in two months,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. **“Mortgage applications increased to their highest level in six weeks but remain at very low levels.** Purchase applications were up almost four percent over the week, on a seasonally adjusted basis, as both conventional and government purchase loans saw increases. The average loan size on a purchase application was \$403,600, the lowest since January 2023. This is consistent with other sources of home sales data showing a gradually increasing first-time homebuyer share.”

Added Kan, “Refinance applications increased 1.6 percent last week, but the level of refinances continues to be well below historical averages, given that most borrowers already have a rate well below current market rates.”

Additional Information from MBA’s Weekly Mortgage Applications Survey

- The adjustable-rate mortgage (ARM) share of applications has deflated as quickly as it rose in the early fall. The share last week was 8.3 percent compared to 10.7 percent during the week ended October 17.
- As noted above, loan sizes fell back last week to an average of \$351,000 compared to \$355,799 a week earlier and the average purchase loan size dropped \$3,000 week-over-week.
- The FHA share of applications increased to 14.8 percent from 14.4 percent and the VA share rose to 11.3 percent from 11.2 percent. The USDA share of total applications dipped to 0.4 percent from 0.5 percent.
- The 7.41 average contract rate for conforming 30-year fixed-rate mortgages (FRM) was 20 basis points lower than the prior week and points decreased to 0.62 from 0.67.
- The interest rate for 30-year FRM with jumbo loan balances averaged 7.51 percent, a 14-basis point reduction, and points dipped to 0.62 from 0.67.
- The rate for 30-year FRM backed by the FHA fell from 7.36 percent last week to 7.19 percent. Points decreased to 0.79 from 0.85.
- Fifteen-year FRM carried an average rate of 6.89 percent with 0.76 point. The prior week the rate was 6.94 percent, with 1.00 point.
- The average contract interest rate for 5/1 ARMs increased to 6.76 percent from 6.65 percent. Points rose to 0.82 from 0.72.

