



Mortgage Apps Rise 8%, Purchase Volume Remains Soft

Mortgage application volume rose modestly during the week as mortgage rates marked time. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of mortgage loan application volume, increased 3.7 percent on a seasonally adjusted basis compared to the previous period, a week in which the data contained an adjustment to account for the MLK holiday. On an unadjusted basis, the Index increased 8.0 percent week-over-week.

Alan Holom

SVP, Stockman Bank

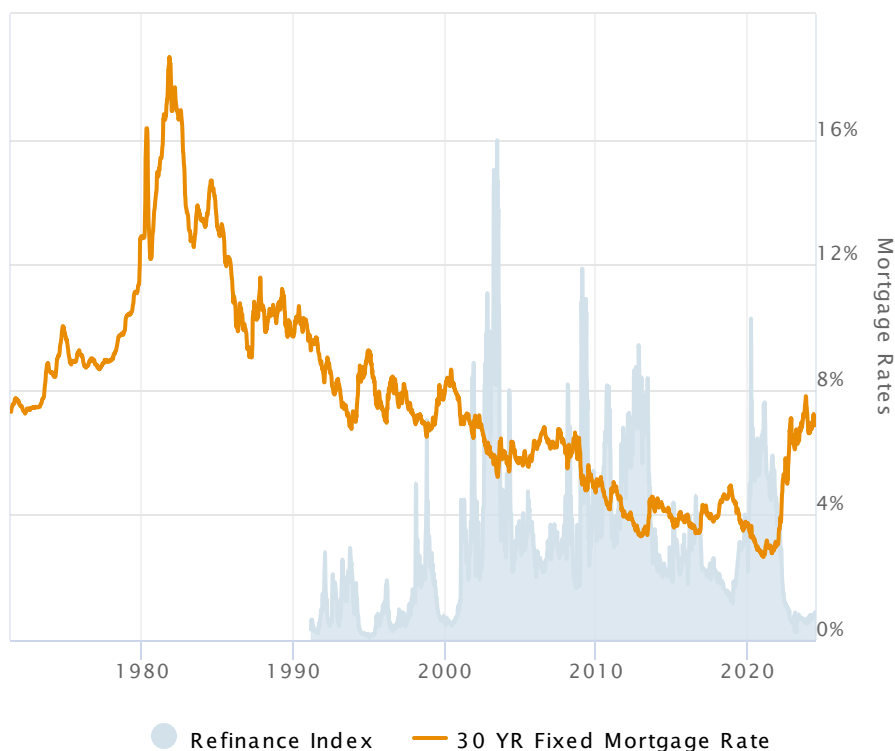
www.stockmanbank.com

P: (406) 234-8438

2700 King Ave

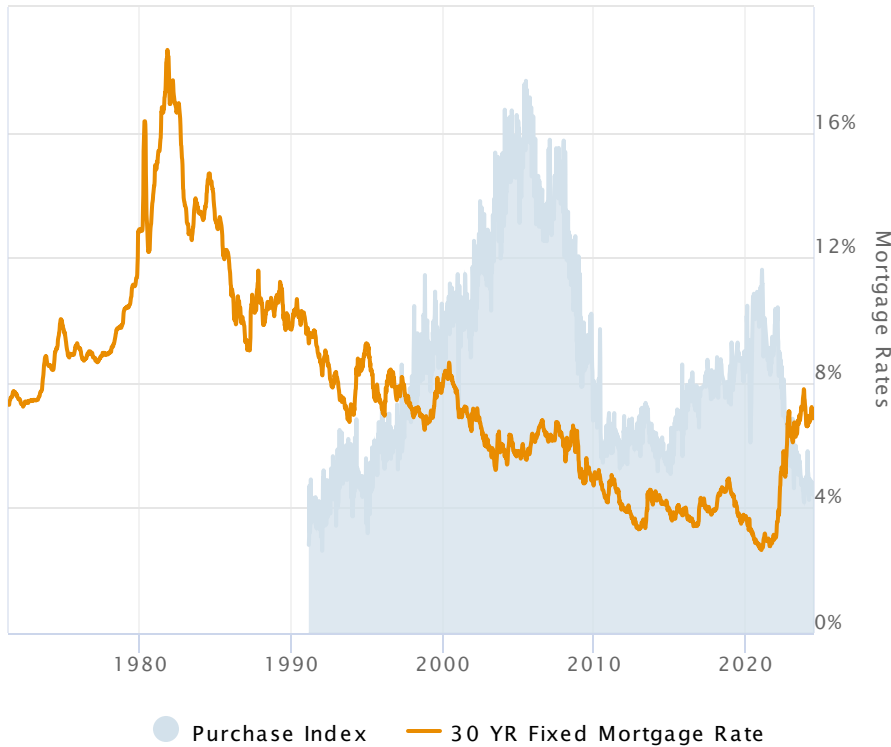
Billings MT 59102

The Refinance Index gained 12.0 percent from the previous week and was 1.0 percent higher than the same week in 2023. Refinancing accounted for 35.4 percent of the week's volume, up from 34.2 percent the previous week.



● Refinance Index — 30 YR Fixed Mortgage Rate

The seasonally adjusted **Purchase Index** ticked down **1.0 percent** and was 6.0 percent higher before adjustment. Volume was 19 percent below its level during the same week one year ago.



“Mortgage rates have stayed close to where they started the year, despite swings in Treasury yields because of slowing inflation offset by stronger than expected readings on the job market. The 30-year fixed mortgage rate was 6.8 percent, a slight increase from last week,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. “Rates at these levels have not prompted much of a reaction in the refinance market, as most homeowners have mortgages with much lower rates. However, **purchase activity has been strong to start 2024 compared to the final quarter of 2023**. However, activity is still weaker than a year ago because of low housing supply.”

Other Data from MBA’s Weekly Mortgage Applications Survey

- Loan sizes, an indicator of home prices, retreated during the week. The average fell \$4,500 to \$380,300 while purchase loan sizes declined from \$444,100 to \$384,800.
- The FHA share of total applications dipped to 13.1 percent from 13.8 percent and the VA share grew to 14.1 percent from 13.3 percent. USDA loans held steady with a 0.4 percent share.
- The 6.80 percent average contract rate for conforming 30-year fixed-rate mortgages (FRM) represented an increase of 2 basis points from the prior week. Points dipped to 0.59 from 0.65.
- The rate for 30-year FRM with jumbo loan balances dropped to 6.88 percent from 6.94 percent, with points increasing to 0.47 from 0.45.
- Thirty-year FRM with FHA backing had an average rate of 6.57 percent with 0.84 point. The previous week the rate averaged 6.61 percent, with 0.79 point.
- A 7-point increase in the average rate for 15-year FRM brought that rate to 6.41 percent, Points jumped from 0.53 to 0.71.
- The rate for 5/1 adjustable-rate mortgages (ARMs) dropped 9 basis points to 6.14 percent with points decreasing to 0.48 from 0.59.
- The ARM share of activity decreased to 6.4 percent of total applications from 6.6 percent a week earlier.