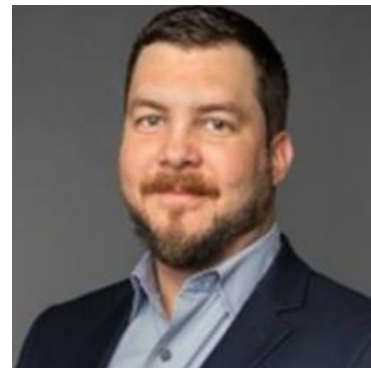




## Persistent High Rates Have Application Volume Stuck in Neutral

Mortgage application activity drifted lower again last week, the third straight week of mostly fractional declines. The Mortgage Bankers Association's Market Composite Index, a measure of application volume, decreased 0.6 percent on a seasonally adjusted basis from one week earlier and 0.1 percent before adjustment.

The Refinance Index declined by 2.0 percent from the previous week and was 5.0 percent lower than the same week one year ago. The refinance share of mortgage activity slipped to 30.3 percent from 30.8 percent the previous week.



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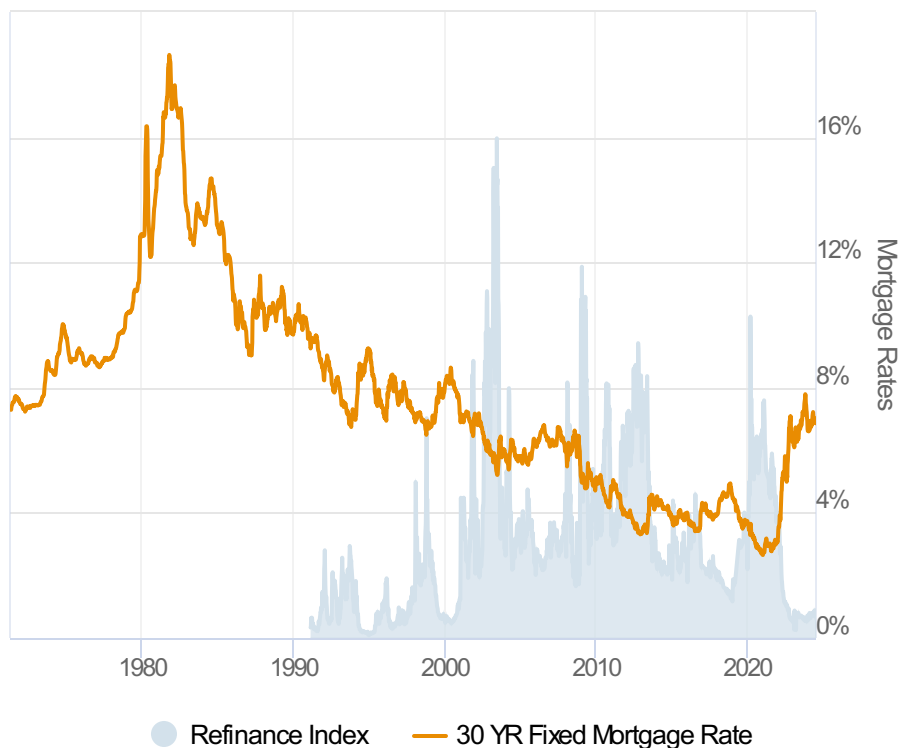
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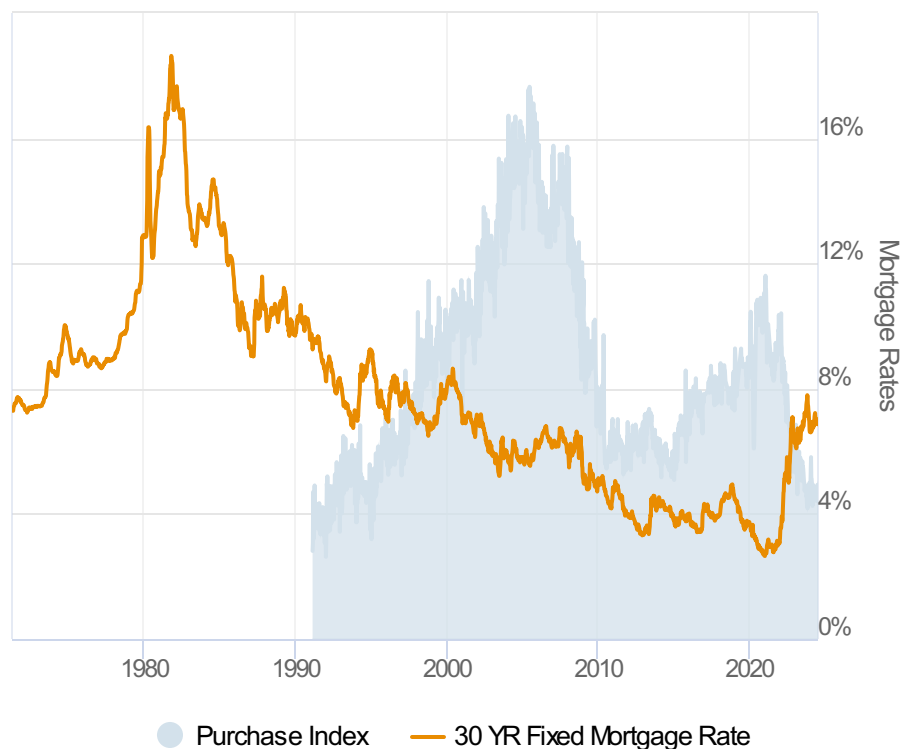


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● Refinance Index    — 30 YR Fixed Mortgage Rate

The seasonally adjusted Purchase Index ticked down by 0.1 percent week over week but did move 1.0 percent higher on an unadjusted basis. Purchase activity was 13.0 percent lower than during the same week in 2023.



“Mortgage rates moved lower last week, but that did little to ignite overall mortgage application activity. The 30-year fixed mortgage rate declined slightly to 6.91 percent, while the 15-year fixed-rate decreased to its lowest level in two months at 6.35 percent,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. **“Elevated mortgage rates continued to weigh down on home buying.** Purchase applications were unchanged overall, although FHA purchases did pick up slightly over the week. Refinance applications decreased to fall 5 percent below last year’s pace.”

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

- Loan sizes rose last week, with the average rising from \$387,000 to \$395,500. The size of loans for home purchases jumped to \$453,000 from \$441,800. During the same week in 2023, the average loan size was only slightly lower at \$381,100 while the average for purchase loans has increased from \$428,000.
- The FHA share of total applications dropped to 11.7 percent from 12.0 percent while the VA share edged up to 12.1 percent from 12.0 percent. USD applications accounted for a 0.5 percent market share once again.
- The 6.91 percent average rate for conforming 30-year fixed-rate mortgages (FRM) represented a 2-basis point decline from the prior week. Points dipped to 0.59 from 0.60.
- The average contract interest rate for 30-year FRM with jumbo loan balances decreased to 7.06 percent from 7.14 percent, with points increasing to 0.57 from 0.38.
- Thirty-year FRM with FHA backing had a rate of 6.74 percent with 0.90 point. The prior week the rate averaged 6.75 percent with 0.97 point.
- The 15-year FRM average decreased to 6.35 percent from 6.46 percent with a decline in points to 0.56 from 0.75.
- The average contract interest rate for 5/1 adjustable-rate mortgages (ARMs) rose 10 basis points to 6.37 percent and points increased to 0.68 from 0.64.
- The ARM share of activity was unchanged at 7.0 percent of total applications.