



## Mortgage App Volume Ticks Higher Despite Higher Rates

Mortgage interest rates rose for the second straight week, and so did the volume of mortgage applications. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of that volume, increased 3.3 percent on an adjusted basis from one week earlier and 4.0 percent before adjustment.

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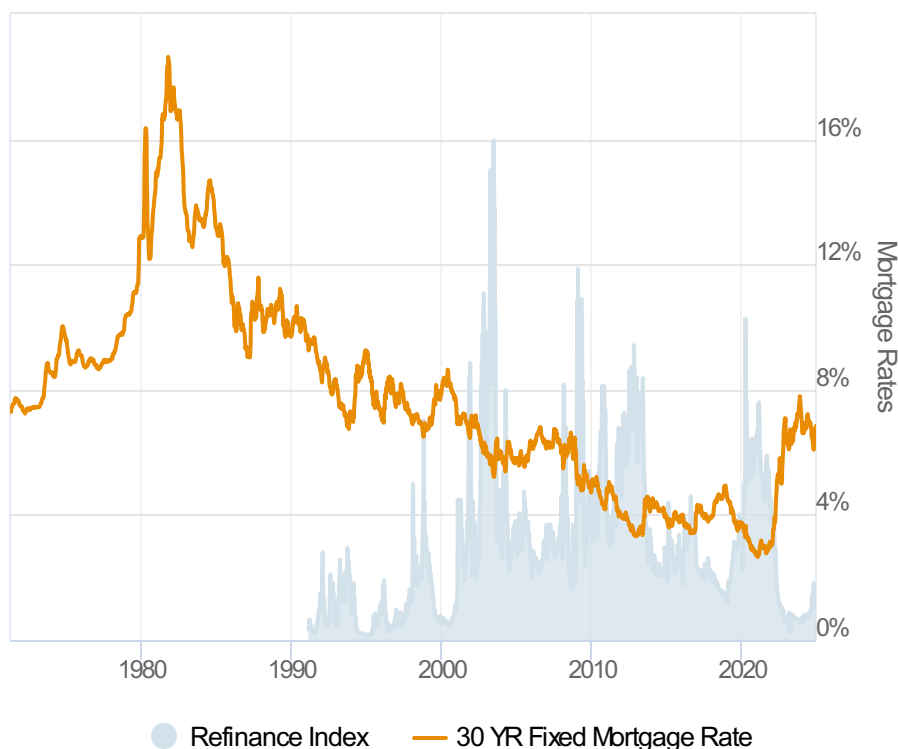
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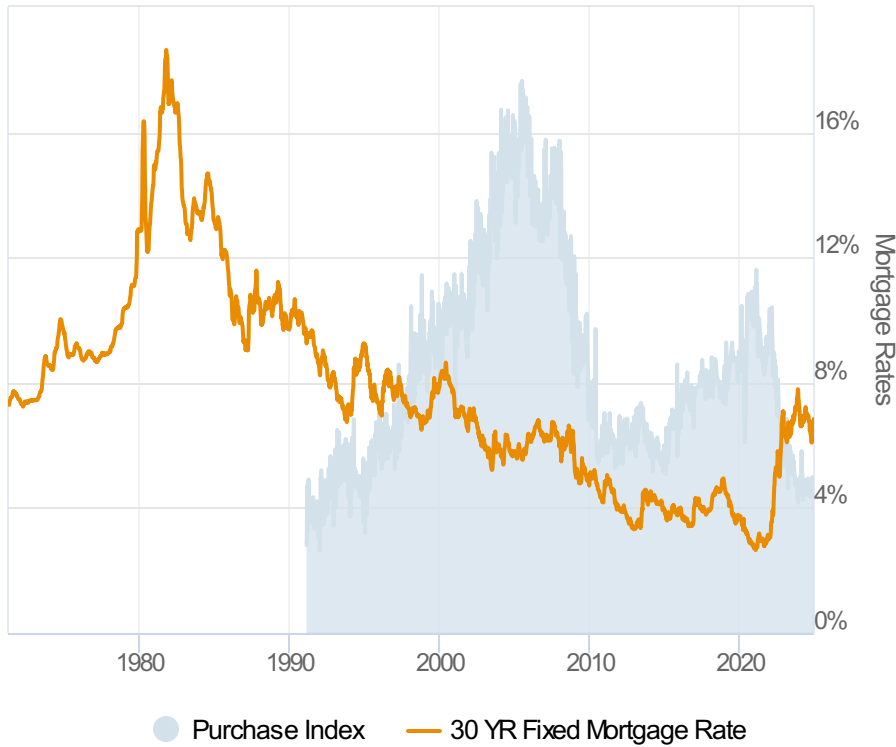
Billings MT 59102

**The Refinance Index increased 0.5 percent** from the previous week and was 11 percent higher than the same week one year ago. The refinance share of activity decreased to 32.1 percent from 33.3 percent the previous week.



● Refinance Index    — 30 YR Fixed Mortgage Rate

The seasonally adjusted **Purchase Index** was up 5 percent from one week earlier, and the unadjusted version was 6.0 percent higher. Purchasing activity was down 10 percent compared to the same week in 2023.



“Rates increased for the second consecutive week, driven by incoming data indicating that the economy remains strong and inflation is proving tougher to bring down. Mortgage rates increased across the board, with the 30-year fixed rate at 7.13 percent – reaching its highest level since December 2023,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. **“Despite these higher rates, application activity picked up, possibly as some borrowers decided to act in case rates continue to rise.** Purchase applications drove most of the increase but remain at low levels of around 10 percent behind last year’s pace. Refinance applications increased very slightly, driven by a 3 percent gain in conventional applications.”

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

- Loan sizes, both overall and for home purchasing, dipped by about \$2,000. The average loan was \$386,200 while purchase loans came in at \$447,900.
- The FHA share of total applications increased to 12.3 percent from 12.1 percent and the VA share fell to 12.4 percent from 14.0 percent. USDA applications again accounted for a 0.4 percent share.
- The average rate for conforming 30-year fixed-rate mortgages (FRM), 7.13 percent, was 12 basis points higher than the rate the previous week. Points increased to 0.65 from 0.59.
- The average rate for jumbo 30-year FRM increased to 7.40 percent from 7.13 percent, with points declining to 0.46 from 0.56.
- Thirty-year FRM backed by the FHA had a rate of 6.90 percent with 0.99 point. The previous week the rate was 10 basis points lower, and points averaged 0.93.
- The average rate for 15-year FRM jumped to 6.64 percent from 6.46 percent, and points rose to 0.64 from 0.60.
- The rate for 5/1 adjustable-rate mortgages (ARMs) increased to 6.52 percent from 6.41 percent, with points decreasing to 0.60 from 0.67.
- The ARM share of activity increased to 7.3 percent of total applications from 6.9 percent the prior week.