



Mortgage App Volume Declines Across the Board

The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of mortgage loan application volume, fell back for the first time in three weeks during the week ended April 19 as interest rates continued to rise. The Index declined 2.7 percent on a seasonally adjusted basis from one week earlier and was 2.0 percent lower before adjustment.

Alan Holom

SVP, Stockman Bank

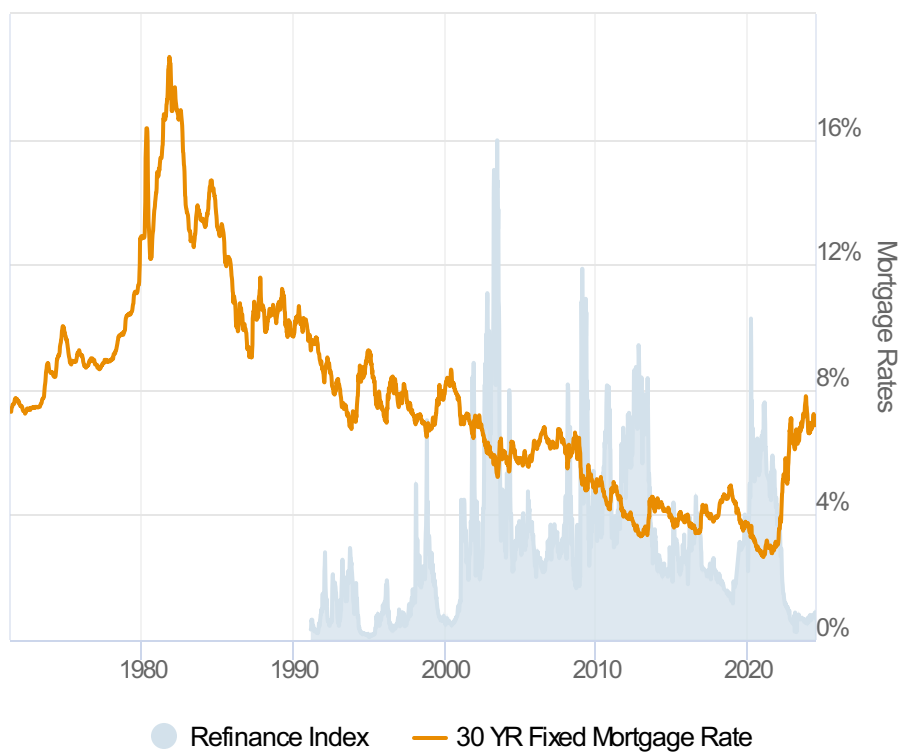
www.stockmanbank.com

P: (406) 234-8438

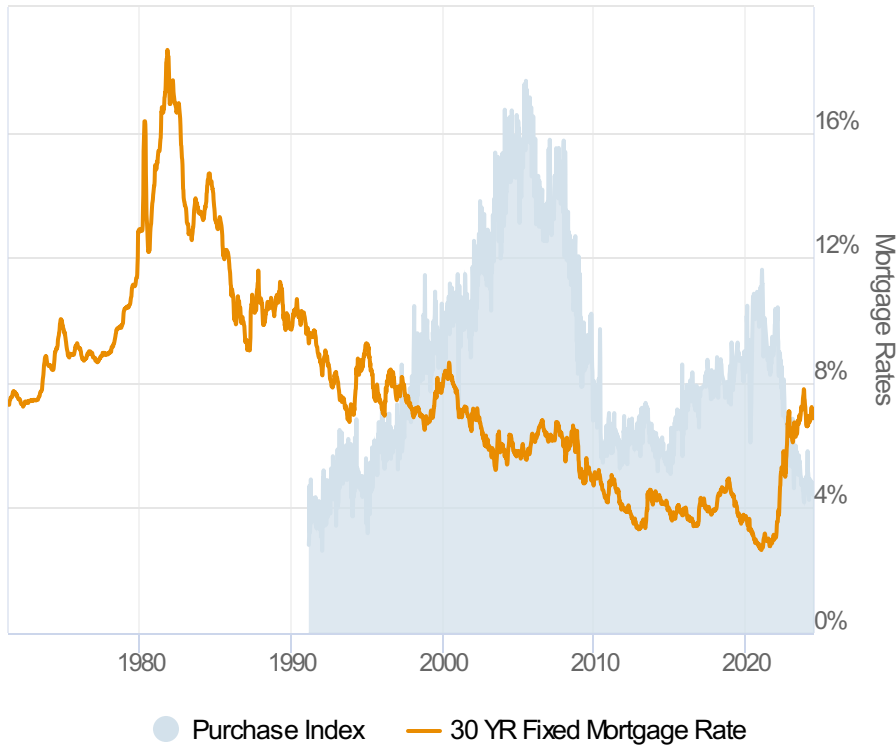
2700 King Ave

Billings MT 59102

The Refinance Index decreased 6.0 percent from the previous week and was 3.0 percent higher than the same week in 2023. The refinance share of applications was also down, declining to 30.8 percent from 32.1 percent the previous week.



The seasonally adjusted Purchase Index decreased 1.0 percent, the fifth decline in the last six weeks. The unadjusted Purchase Index did increase fractionally but was 15 percent lower than during the same week one year ago.



“Mortgage rates continued to move higher last week, reaching their highest levels since late 2023 and putting a damper on applications activity. The 30-year fixed rate increased for the third consecutive week to 7.24 percent, the highest since November 2023,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. **“Purchase applications declined, as home buyers delayed their purchase decisions due to strained affordability and low supply.** The ARM share of applications increased to 7.6 percent, consistent with the upward trend in rates, as buyers look to reduce their potential monthly payments.”

Other Data from MBA’s Weekly Mortgage Applications Survey

- Loan sizes continued to trend lower. The average application amount fell from \$386,200 the week ended April 12 to \$381,900 while purchase loans averaged \$10,000 less at \$437,900.
- The FHA share of total applications increased to 12.8 percent from 12.3 percent and the VA share dipped to 11.7 percent from 12.4 percent. USDA loan applications were unchanged at a 0.4 percent share.
- The 7.24 percent average contract interest rate for conforming 30-year fixed-rate mortgages (FRM) was 11 basis points higher than the prior week’s average. Points increased to 0.66 from 0.65.
- The rate for jumbo 30-year FRM rose to 7.45 percent from 7.40 percent, with points increasing to 0.56 from 0.46
- Thirty-year FRM with FHA backing had a rate of 7.01 percent with 0.94 point. The previous week the rate was 6.90 percent with 0.99 point.
- Fifteen-year FRM rates rose an average of 11 basis points to 6.75 percent while points were unchanged at 0.64.
- The average contract interest rate for 5/1 adjustable-rate mortgages (ARMs) increased to 6.64 percent from 6.52 percent, with points increasing to 0.87 from 0.60.
- The 7.6 percent share of applications going to ARMs was a 0.3-point increase week-over-week.