

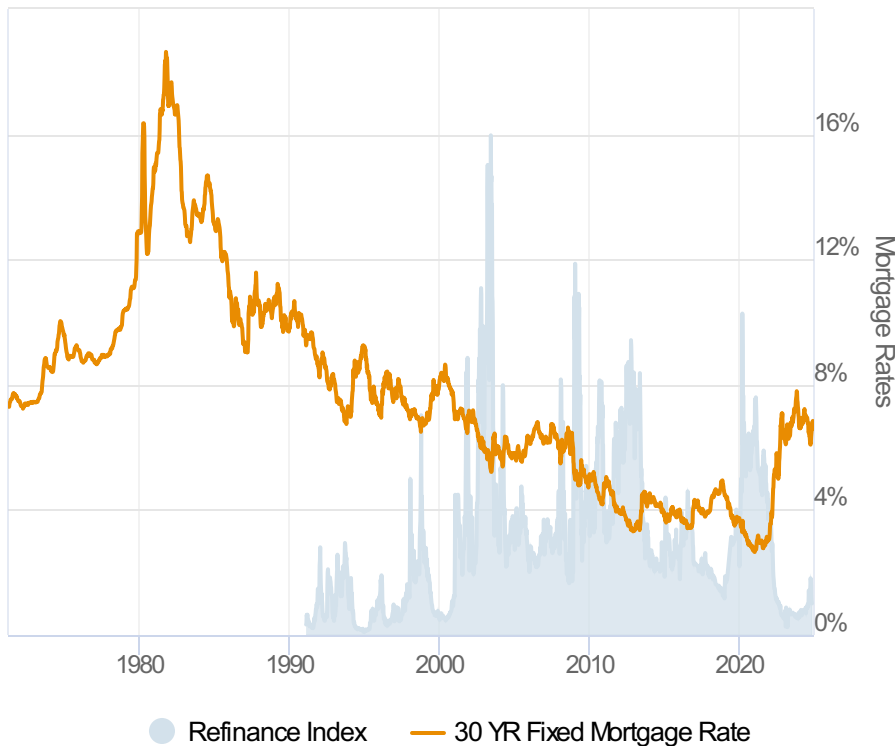


Purchase Activity Rises, MBA Forecasts More of Same

There was a slight increase in mortgage application volume during the week ended June 14. For a change, it was accounted for by the home purchasing component.

The Mortgage Bankers Association says its Market Composite Index, a measure of loan application volume, increased 0.9 percent on a seasonally adjusted basis **although it lost 0.1 percent before adjustment compared with the previous week.**

The Refinance Index decreased 0.4 percent from the prior week and was 30 percent higher than the same week one year ago. The refinance share of mortgage activity remained unchanged at 35.2 percent of total applications.



Black Diamond
Mortgage Brokers, Black
Diamond Mortgage
Corporation

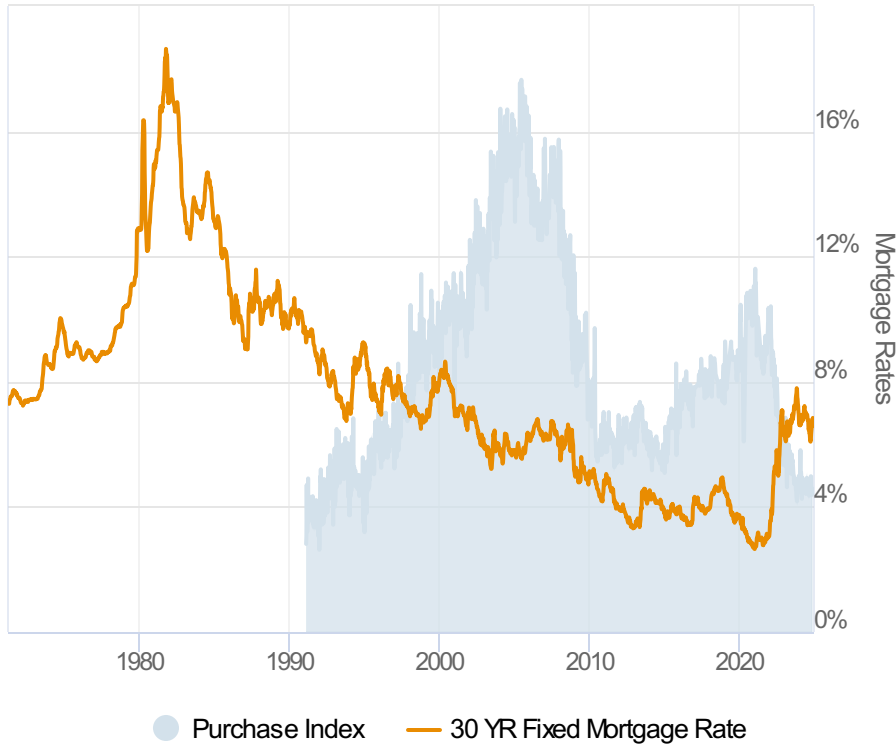
www.blackdiamondmortgage.com

P: (406) 862-4999

307 Spokane Ave
Whitefish MT 59937
209137



Purchase loan applications rose 2.0 percent from one week earlier, its second straight positive performance. The unadjusted Purchase Index decreased 0.1 percent compared with the previous week and was 12 percent lower than the same week one year ago.



“Mortgage rates dropped last week following the latest inflation data and the FOMC meeting, with the 30-year conforming rate dropping to 6.94 percent and reaching its lowest level since the end of March,” said Mike Fratantoni, MBA’s SVP and Chief Economist. “Purchase applications increased a small amount for the week, led by applications for conventional loans. Refinance application volume was also down slightly for the week but remains about 30 percent higher than this time last year.”

Added Fratantoni, “Purchase volume is still more than 10 percent behind last year’s pace, but MBA is forecasting a pickup in home sales for the remainder of the year as more inventory is hitting the market.”

Highlights from MBA’s Weekly Mortgage Application Survey

- The average loan size slipped \$900 to \$372,300 while loans for home purchasing fell from \$428,700 to \$420,300.
- The FHA share of total applications decreased to 12.7 percent from 13.1 percent while the VA share increased to 14.8 percent from 14.7 percent. The USDA share of applications was unchanged at 0.4 percent.
- The 6.94 average contract rate for conforming 30-year fixed-rate mortgages (FRM) was down 8 basis points compared to the prior week. Points decreased to 0.61 from 0.65.
- Jumbo 30-year FRM had an average rate of 7.12 percent, down from 7.18 percent, with points decreasing to 0.48 from 0.54.
- The average rate for 30-year FRM backed by the FHA decreased to 6.79 percent from 6.87 percent, with points increasing to 0.93 from 0.92.
- Fifteen-year FRM rates averaged 6.47 percent, a 13-basis point drop from the prior week. Points increased to 0.60 from 0.55.
- Adjustable-rate products (ARMs) also enjoyed some rate relief. The popular 5/1 ARM rate decreased to 6.27 percent from 6.45 percent, with points increasing to 0.96 from 0.81.
- The ARM share of activity fell to 6.0 percent of total applications from 6.3 percent the previous week.