

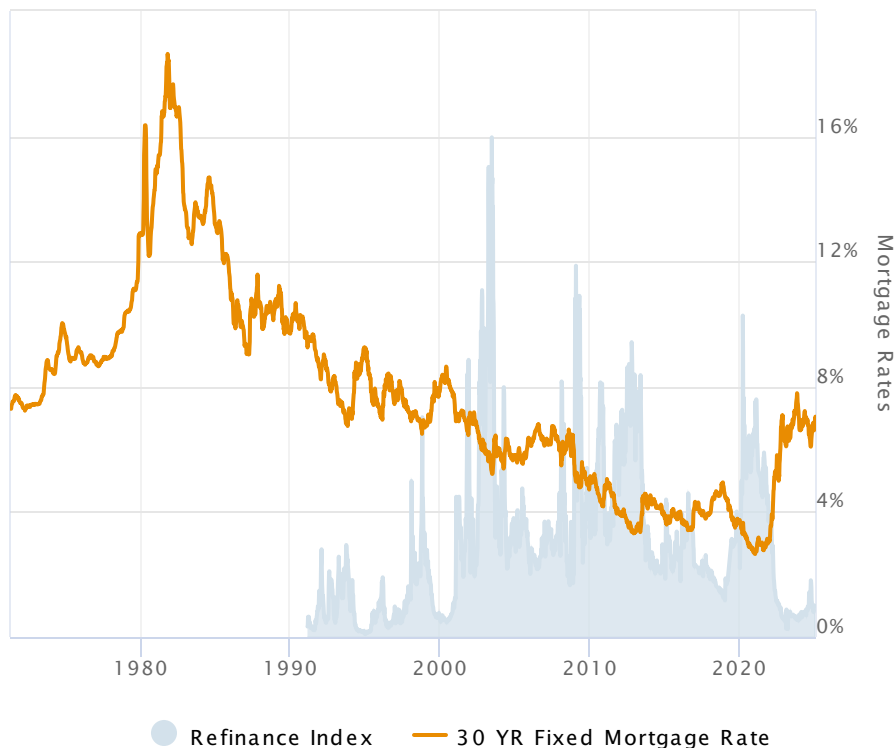


Mortgage Apps Stall as Borrowers Seem to be Waiting on Fed

The mortgage market **seemed to be in a wait-and-see mode** last week as the Federal Reserve signaled a might, maybe, we are thinking about it, approach to a September rate cut. In the interim, most interest rates inched lower.

The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of mortgage loan application volume, increased 0.5 percent on a seasonally adjusted basis from one week earlier and fell 1.0 percent on an unadjusted basis.

The **Refinance Index dipped 0.1 percent** from the previous week but has now climbed to an 85 percent lead over the same week one year ago. The refinance share of applications increased to 46.6 percent of the total, up from 46.3 percent the prior week.



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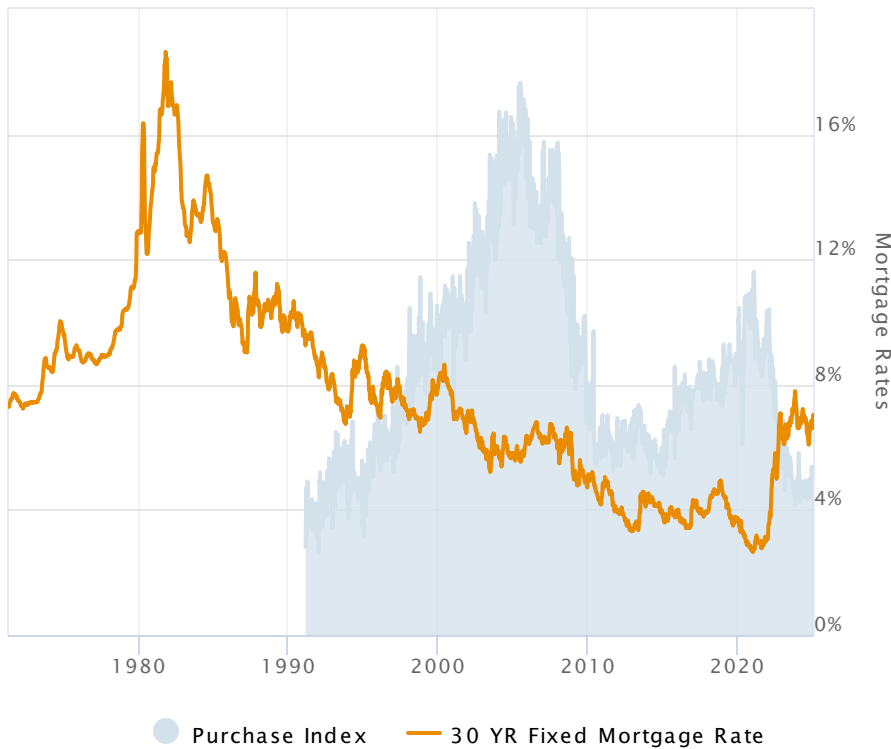
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The seasonally adjusted **Purchase Index** increased **1.0 percent** but was **1.0 percent lower before adjustment**. Purchase applications were 9.0 percent lower than the same week one year ago.



“Mortgage rates declined for the fourth consecutive week, with the 30-year fixed rate at 6.44 percent, the lowest since April 2023. Rates have now come down more than 80 basis points from a year ago,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. “Mortgage applications were slightly higher, driven by marginally stronger purchase activity. Refinance applications were essentially unchanged but are still 85 percent higher than last year as borrowers continue to act – particularly FHA and VA borrowers. As observed in recent weeks, **despite lower rates, purchase applications have not moved much**. Prospective homebuyers are staying patient now that rates are moving lower and for-sale inventory has started to increase.”

Other Highlights from MBA’s Weekly Mortgage Applications Survey

- Loan sizes were also flat. The average size dipped to \$372,100 from \$372,600 and purchase loans rose \$700 to \$427,000.
- The FHA share of total applications decreased to 15.3 percent from 15.6 percent and the VA share rose to 15.9 percent from 15.3 percent. USDA applications claimed a 0.4 percent share, unchanged from the prior week.
- The 6.44 percent interest rate for conforming 30-year fixed-rate mortgages (FRM) was 6 basis points lower week-over-week. Points also decreased, to 0.54 from 0.60.
- The rate for jumbo 30-year FRM rose to 6.75 percent from 6.68 percent, with points decreasing to 0.39 from 0.56.
- Thirty-year FRM had a rate decrease of 6 basis points to 6.36 percent while points increased to 0.80 from 0.78.
- The average contract interest rate for 15-year fixed-rate mortgages decreased to 5.88 percent from 6.04 percent, with points decreasing to 0.68 from 0.71.
- The rate for 5/1 adjustable-rate mortgages (ARMs) dropped from 6.25 percent to 5.98 percent, with points increasing to 0.65 from 0.57.
- The ARM share of activity was unchanged at 5.5. percent.