

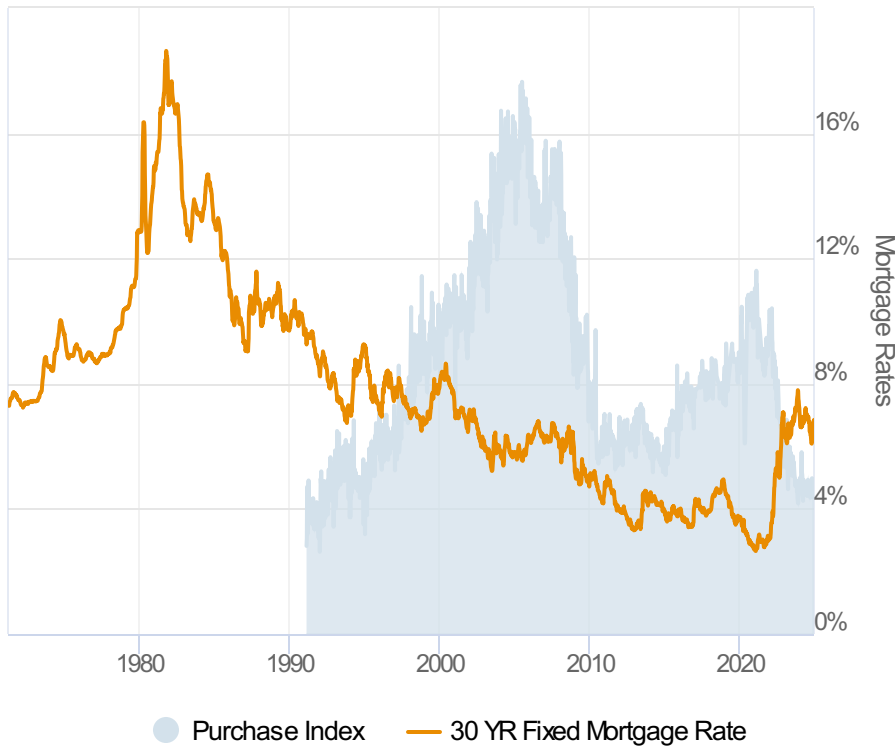


Purchase Applications Respond to Another Small Rate Dip

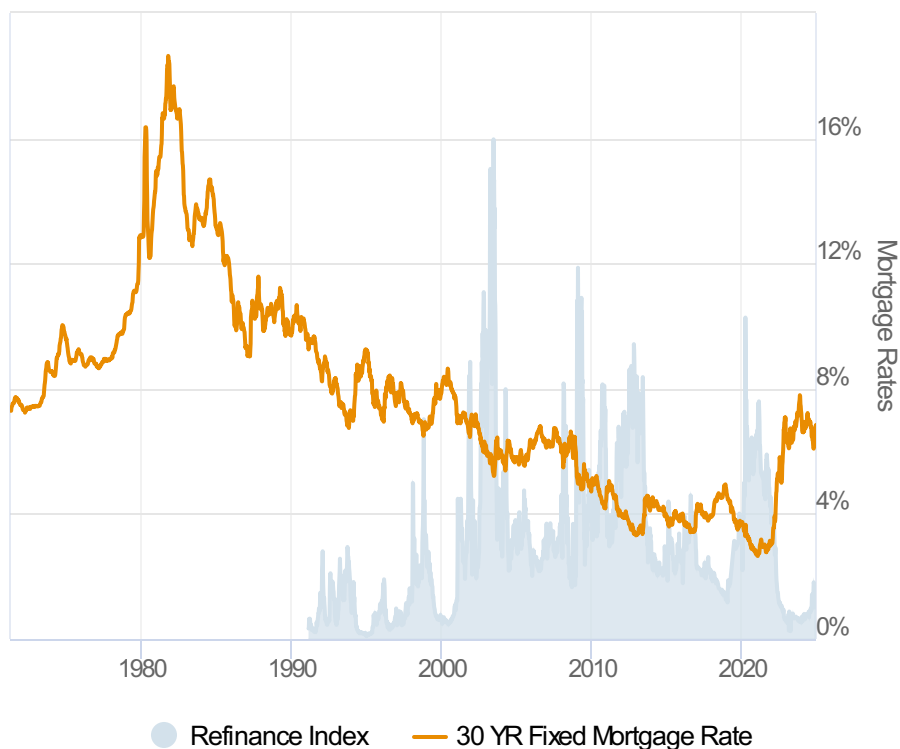
Alan Holom
SVP, Stockman Bank
www.stockmanbank.com
P: (406) 234-8438
2700 King Ave
Billings MT 59102

Interest rates continued their slow decline last week while application volume is inching up almost as slowly. The Mortgage Bankers Association (MBA) reports a **1.6 percent increase in its seasonally adjusted Market Composite Index**, a measure of mortgage loan application volume. On an unadjusted basis, the Index gained 0.2 percent over the prior week.

Applications for **home purchase financing took the lead, rising 3.0 percent** on a seasonally adjusted basis and was up 1.0 percent before adjustment. The Purchase Index has now narrowed what was once a double-digit deficit to a -4.0 percent year-over-year gap.



The Refinance Index decreased 0.3 percent from the previous week and was 94 percent higher than the same week one year ago. Refinance applications made up 46.4 percent of the total, down from 46.6 percent the previous week.



“Most mortgage rates moved lower last week, with the 30-year fixed rate edging down slightly to 6.43 percent. Purchase applications increased more than 3 percent over the week and are inching closer to last year’s levels, with government purchase applications leading the increase,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. “**Refinance applications were slightly down but continued to show strong annual gains** as borrowers with higher rates have been refinancing to lower their monthly payments. Similar to purchase activity, refinance activity has picked up across the various loan types.”

He added, “The refinance share of applications averaged almost 46 percent in August, the highest monthly average since March 2022.”

More Data from MBA’s Weekly Mortgage Applications Survey

- Average loan sizes increased last week. The overall size of a loan was \$378,200 compared to \$372,100 and purchase loans averaged \$427,400, a \$400 increase from the prior week.
- The FHA share of applications decreased to 14.6 percent from 15.3 percent and the VA share grew to 16.7 percent from 15.9 percent. The USDA share was again unchanged at 0.4 percent.
- The 6.43 percent average interest rate for conforming 30-year fixed-rate mortgages (FRM) was 1 basis point lower than the prior week. Points increased to 0.56 from 0.54.
- Interest rates for jumbo 30-year FRM averaged 6.73 percent with 0.35 point the prior week the rate was 6.75 percent with 0.39 point.
- Thirty-year FRM backed by the FHA saw a 6-basis point decline to an average of 6.30 percent. Points were unchanged at 0.80.
- The average rate for a 15-year FRM increased to 5.98 percent from 5.88 percent, with points decreasing to 0.64 from 0.68.
- Rates for 5/1 adjustable-rate mortgages (ARMs) were unchanged at 5.98 percent, with points increasing to 0.76 from 0.65.
- The ARM share of applications remained at 5.5 percent.