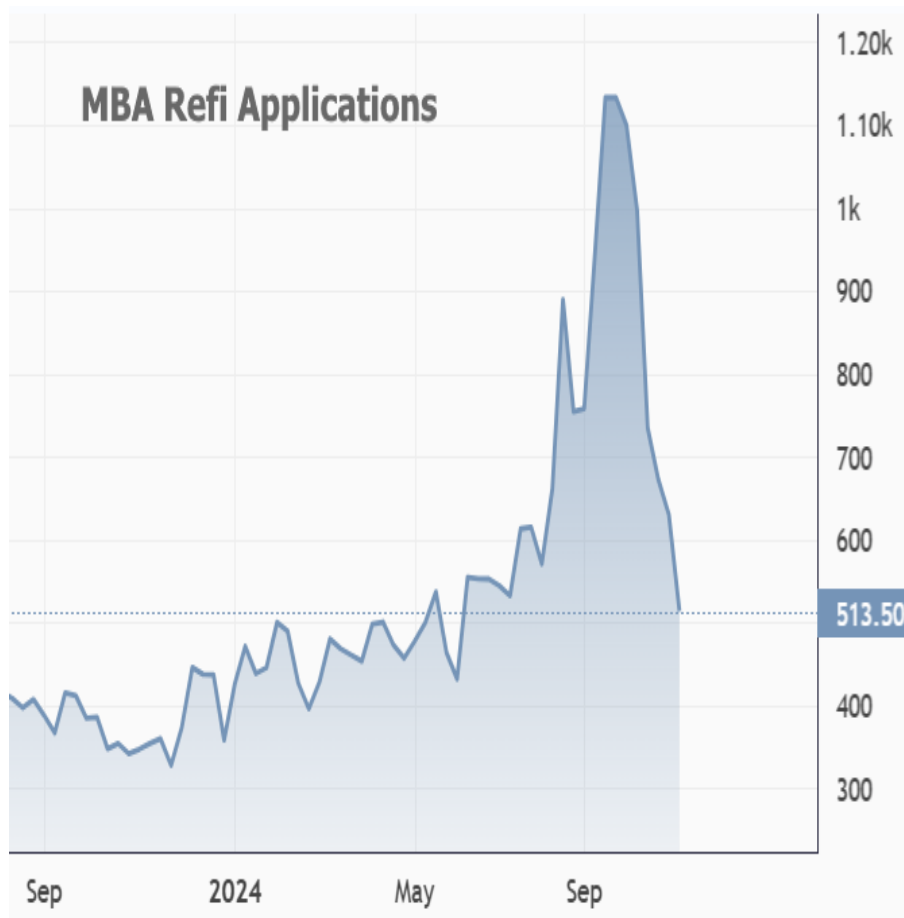




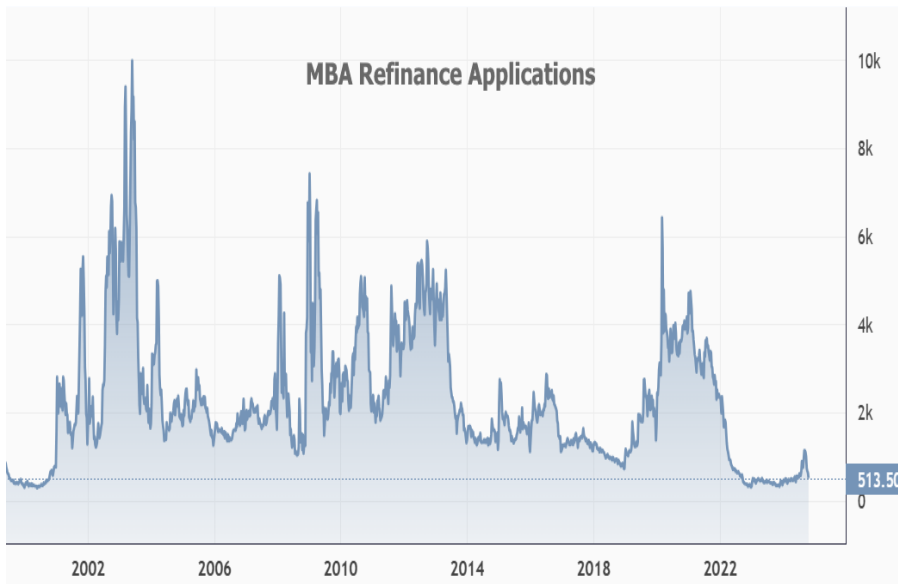
Mortgage Demand Regressing Amid Rapid Rate Spike

In today's weekly mortgage application survey from the MBA, the average 30yr fixed mortgage rate only rose from 6.73 to 6.81%. Meanwhile, daily average rates are already back over 7%. Any way you slice it, rates have been rising quickly and the fallout is completely unsurprising when it comes to refinance applications.



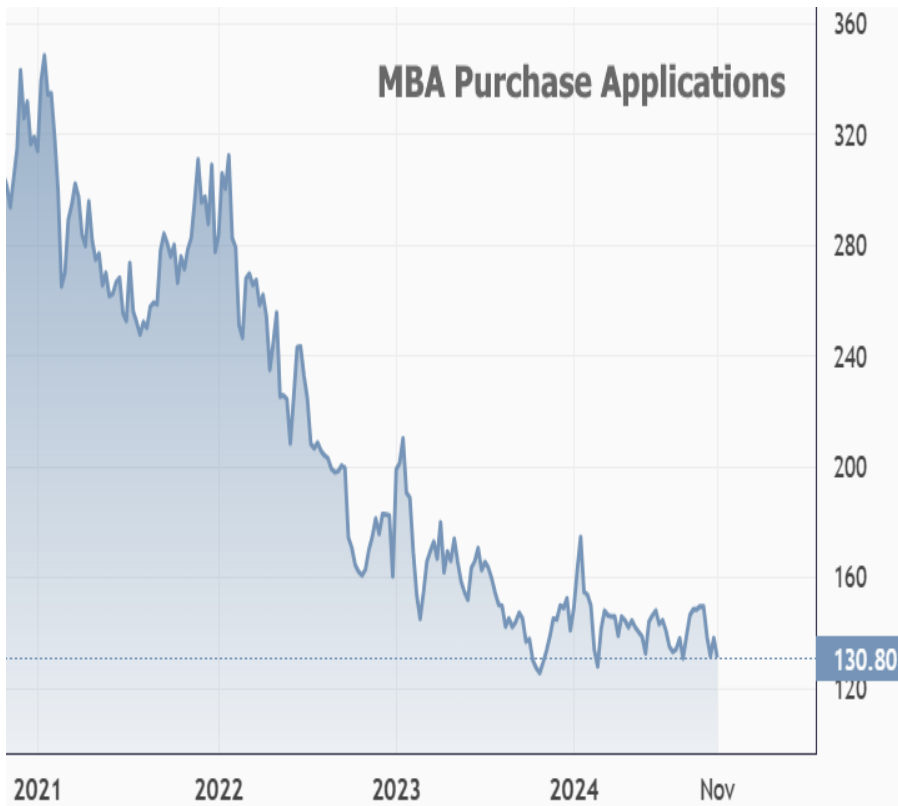
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For context, here's how the past year fits in the bigger picture:



Refinance applications wax and wane with interest rates. The present environment is particularly restrained by the fact that so many people refinanced to such low rates in 2020-2022. At the moment, the only group of borrowers with a rate-based refinance incentive are those who purchased or refinanced in late 2023 when rates were near 8%.

Purchase applications are much more even-keeled, but also not loving the current rate/affordability environment.



Other highlights from this week's survey:

- Refinances accounted for 39.9% of total applications, down from 43.1% last week
- Average loan size fell below \$300k
- FHA loans were 15.5% of total vs 16.4% last week
- VA loans were 12.5% of total vs 14.6% last week
- Conventional rates were 6.81 up from 6.73 vs jumbo rates at 6.98 (up from 6.77... a much bigger jump)
- ARM rates fell from 6.20 to 6.05, but upfront costs increased from 0.59 to 0.84.