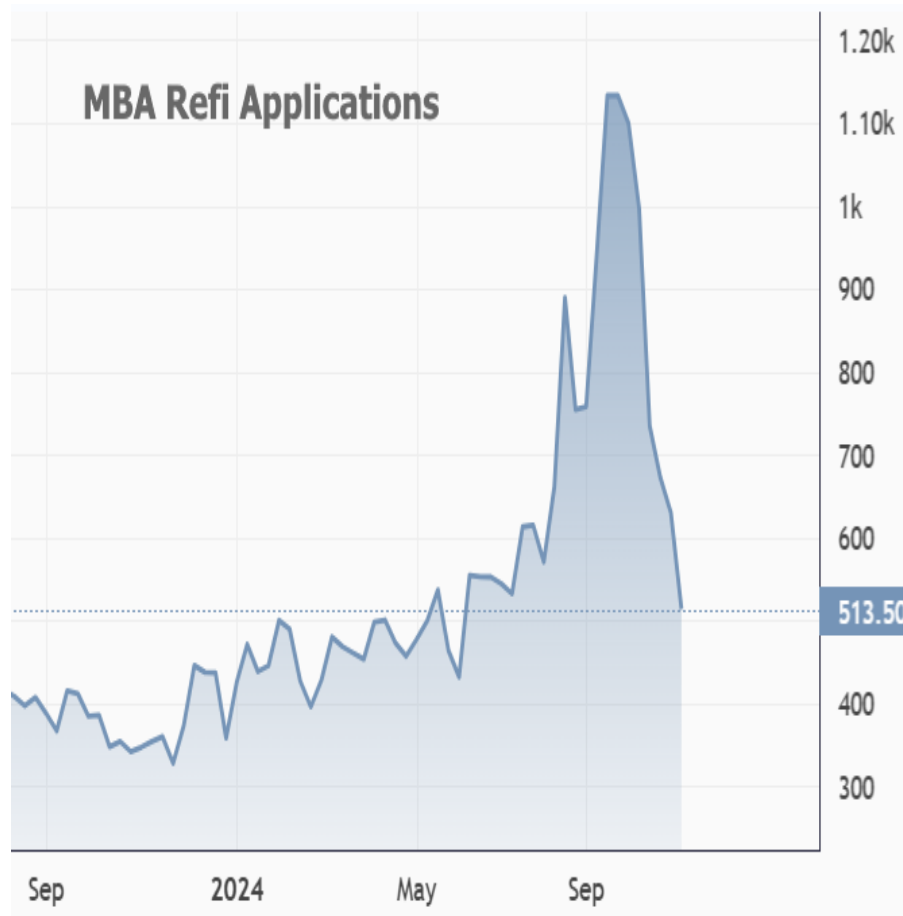




Mortgage Demand Regressing Amid Rapid Rate Spike

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.



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

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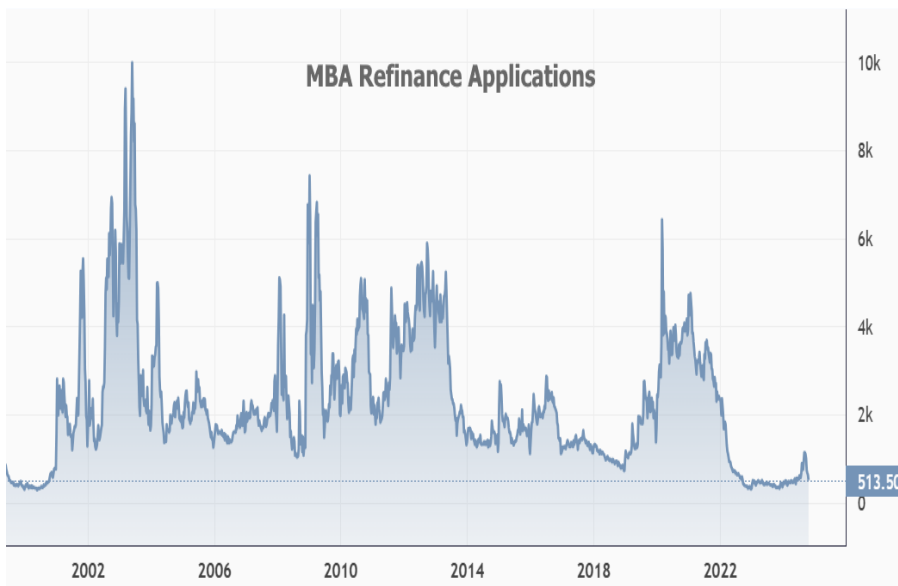


A DIVISION OF



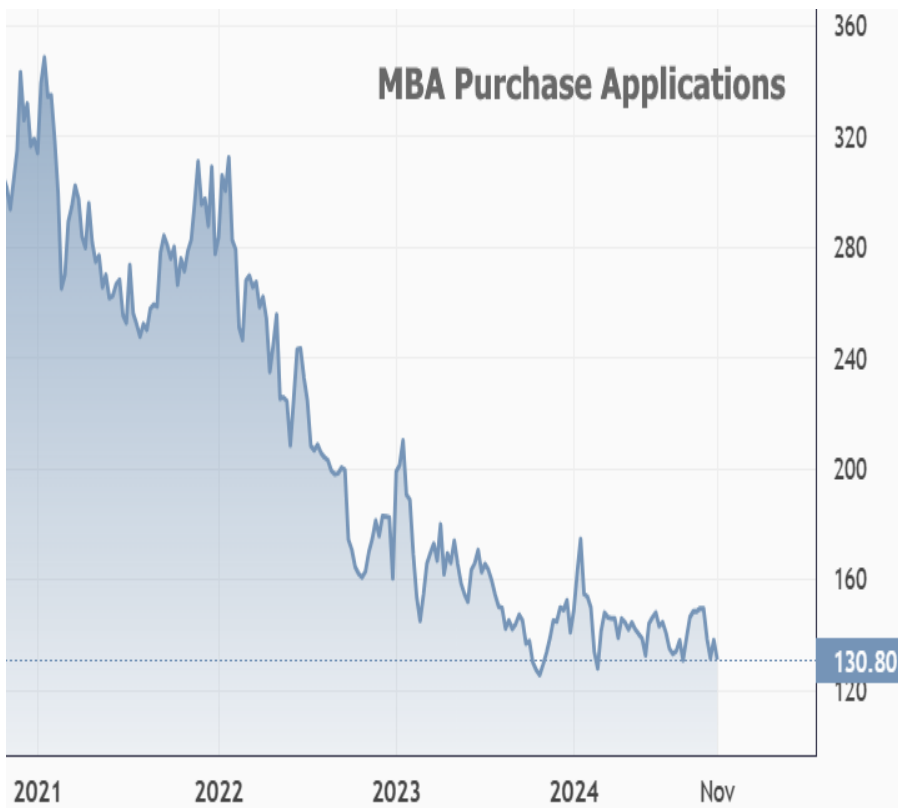
Luminate Bank





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.