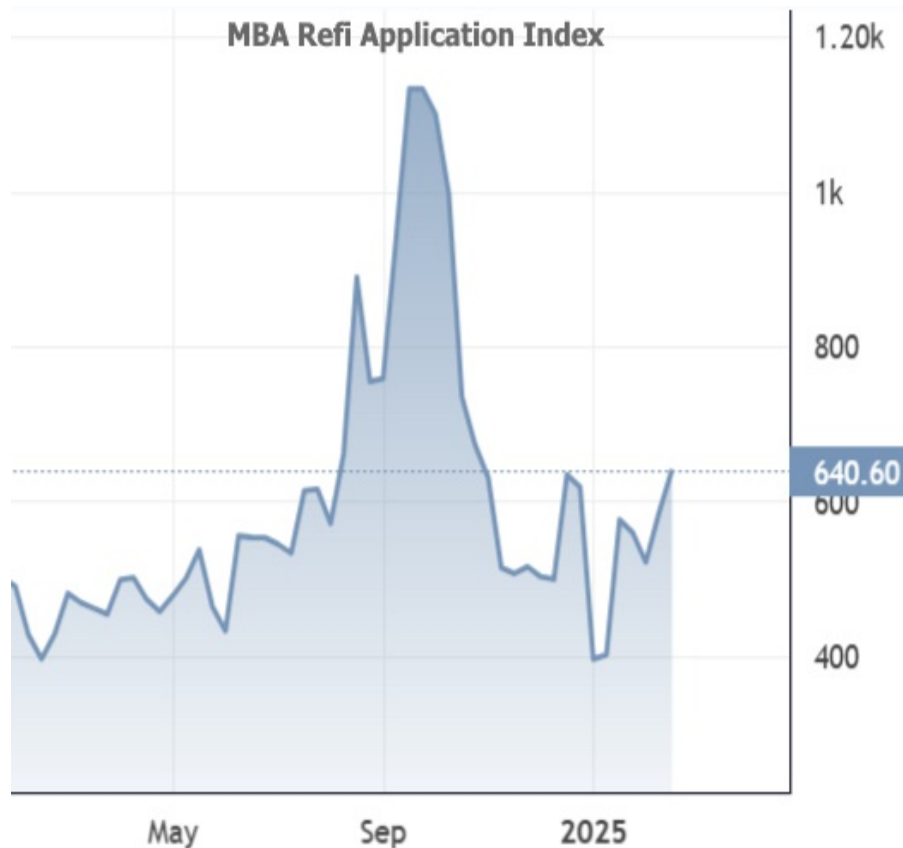




Refi Demand at 3 Month High Thanks to Lower Rates

In this week's update on mortgage applications from the Mortgage Bankers Association (MBA), purchases continued a modest retreat but refinance demand improved for the 2nd week in a row. This was just barely enough for the Refi index to hit the highest levels since October 2024.

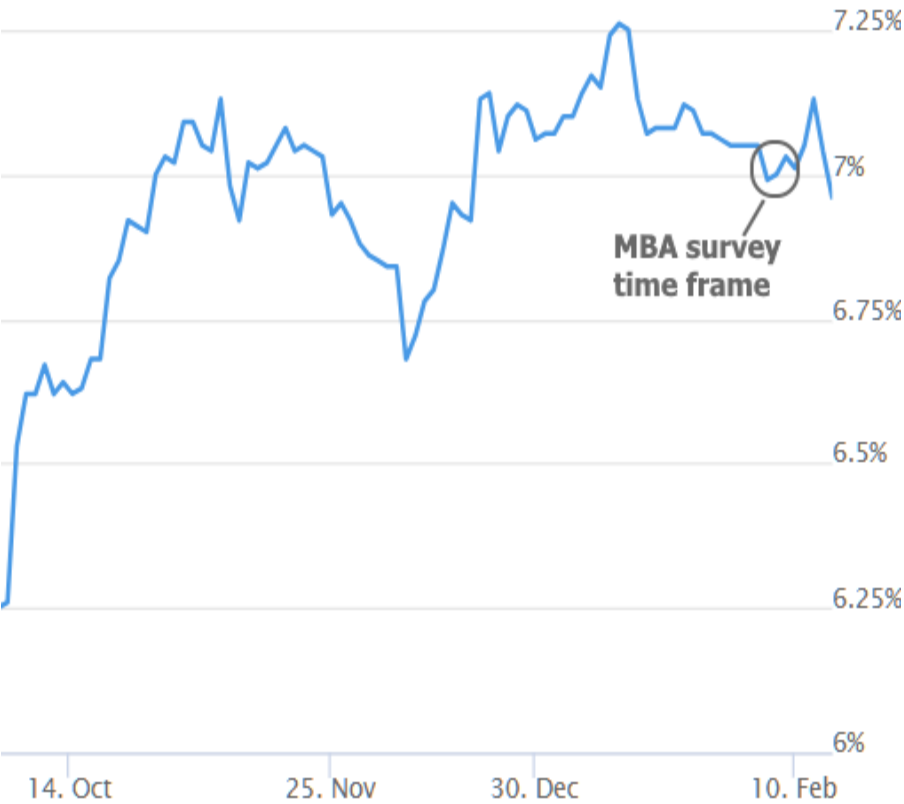


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The uptick makes sense in light of the mortgage rate situation last week. Rates had been inching slowly to the lowest levels in almost 2 months as of Monday morning. Wednesday brought a noticeable drop and there wasn't much of a bounce for the rest of the week.

30yr Fixed Mortgage Rate Index (MND)



As has been and continues to be the case, all of the volatility seen in the past year represents only a fraction of the longer-term range. Here's the same refi index over a longer time frame.



The purchase side of the market is typically never as responsive to rates in the short term, and last week was no exception. MBA's purchase app index moved down for the 3rd week in a row, although it's still closer to the top of the recent range.

MBA Purchase App Index



In the bigger picture, purchase applications suffer from the same jarring adjustment experienced across the housing market with the epic rate spike in 2022.

MBA Purchase App Index



Here's a breakdown of this week versus last week in several categories of loans in terms of market share:

- Refinances
 - 40.2 vs 39.0
- FHA Loans
 - 16.0 vs 16.2
- VA Loans
 - 14.6 vs 13.3

Survey respondents had 30yr fixed rates at 6.95 with 0.64 points, down slightly from 6.97 in the previous week. Jumbo loans were down to 6.96 from 7.01 and ARM rates moved up to 6.20 from 6.07.