

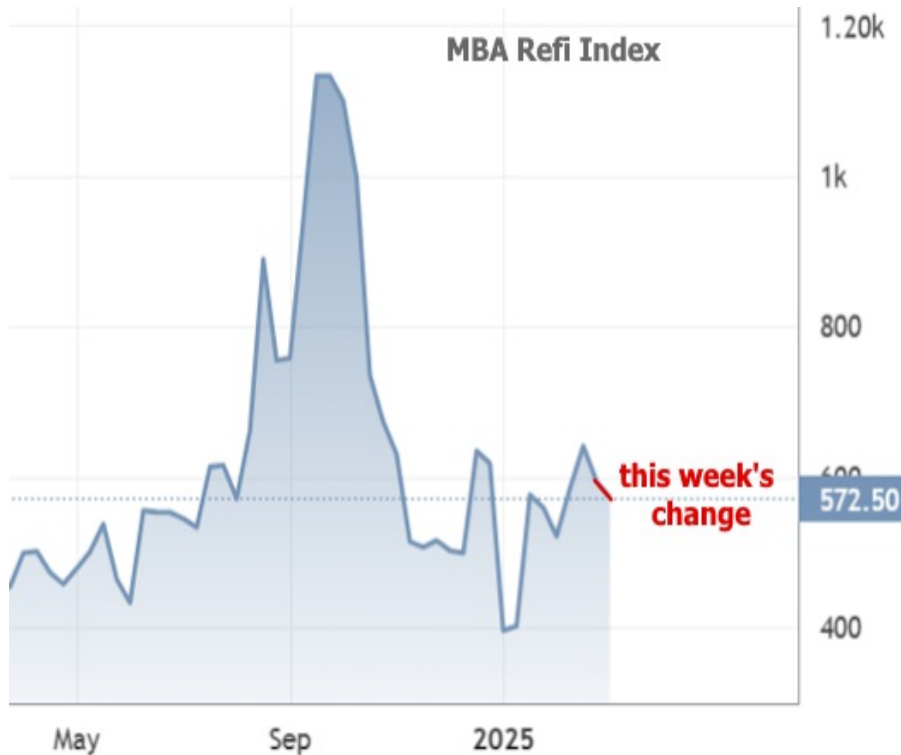


Why Didn't Refi Demand Spike This Week?

As is the case almost every week of the year, the Mortgage Bankers Association released its weekly mortgage app survey this week, showing the changes in purchase and refinance applications.

We can skip right past any discussion or analysis of the purchase application index as it was almost identical to last week, not to mention reluctant to be influenced by interest rate movement in the first place.

Refinance demand, on the other hand, is notoriously beholden to rate fluctuations. As such, it was somewhat surprising to see the refi index **decline** by about 3.6%. After all, last week's mortgage rates were lower than the previous week's, and continued to fall throughout the week.



While it's true that rates were lower last week, it's important to remember MBA's methodology. Application data is collected through the previous Friday and then reported on the following Wednesday. Mortgage rates only began moving lower in any serious way on Thursday. That means the survey didn't have much time to benefit from the rate drop this time around.

Given the pace of rate improvement since then, it would be a much bigger surprise to see another counterintuitive movement in next week's data. If precedent is an indication, refi demand could once again challenge the best levels since October 2024.



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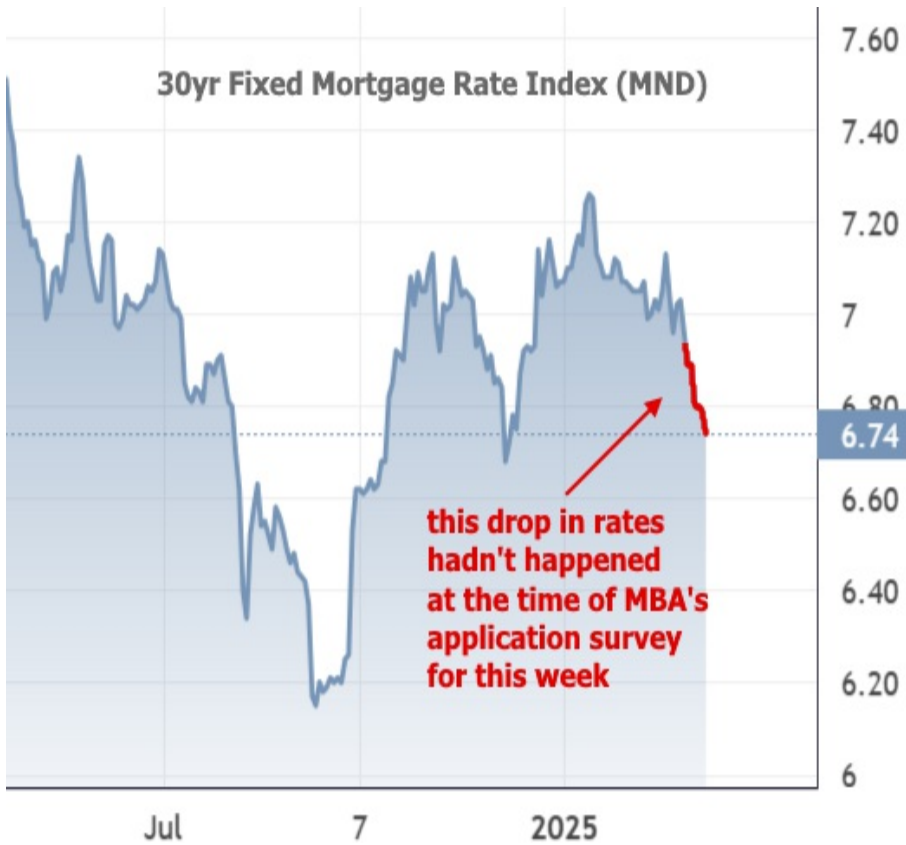
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30yr Fixed Mortgage Rate Index (MND)



**this drop in rates
hadn't happened
at the time of MBA's
application survey
for this week**