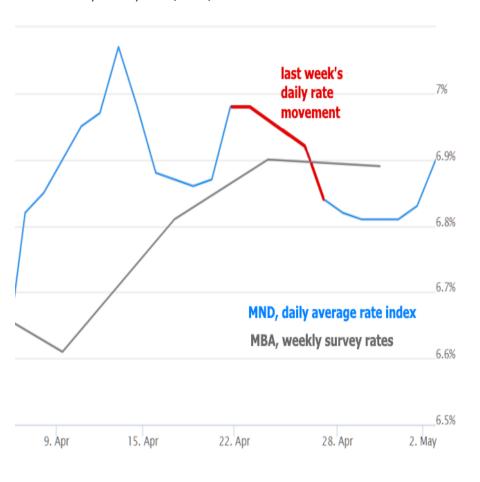


Mortgage rates were in the process of falling by the end of last week, but they made additional headway during the first half of the present week. That means this week's mortgage application survey from the Mortgage Bankers Association (MBA) may be reflecting hesitation due to the elevated rates at the beginning of last week.

The chart below shows the day to day rate movement (MND) during the survey week as well as the weekly survey rate (MBA).





Black Diamond

Mortgage Brokers, Black Diamond Mortgage Corporation

www.blackdiamondmortgage.com **P**: (406) 862-4999

307 Spokane Ave Whitefish MT 59937 209137



Mortgage rates are not perfectly correlated with mortgage application activity--especially for purchases. But the fairly quick rate spike in the early part of the week jives with the modest drops in both the refi and purchase indices from MBA.



Both sets of application data are still higher than their average level from the past 2 years.

MBA adds that demand for purchase applications "continues to be subdued by broader economic uncertainty and signs of labor market weakness," according to Joel Kan, MBA's Vice President and Deputy Chief Economist.