# Falling Rates Spark Modest Rebound in Mortgage Applications

Mortgage application activity rebounded last week as falling rates boosted both purchase and refinance demand. The Mortgage Bankers Association's weekly survey for the week ending August 1, 2025, showed a 3.1% increase in the seasonally adjusted Composite Index from the prior week.

"Mortgage rates moved lower last week, following declining Treasury yields as economic data releases signaled a weakening U.S. economy," said Joel Kan, MBA's Vice President and Deputy Chief Economist. "As a result, the 30-year fixed rate decreased for the third straight week to 6.77%, and applications for both purchase and refinance increased."

The Refinance Index rose 5% week-over-week and is 18% higher than the same week in 2024.

MBA Refi Index
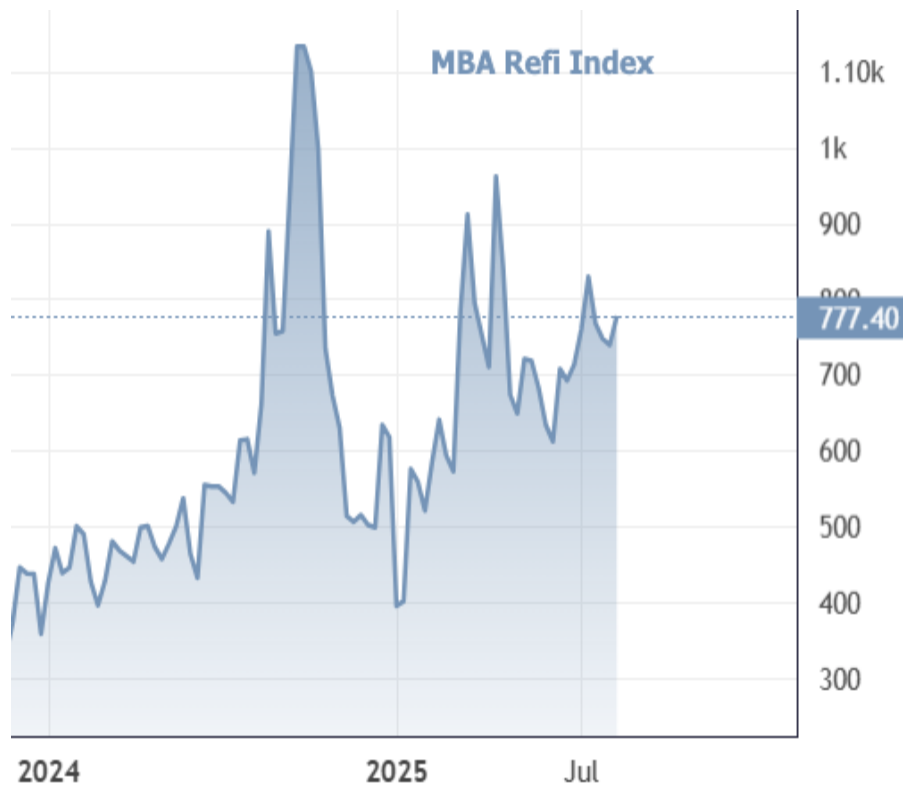
The seasonally adjusted Purchase Index increased 2% (unadjusted up 1%) and is also 18% above year-ago levels.

Kladi Bekolli
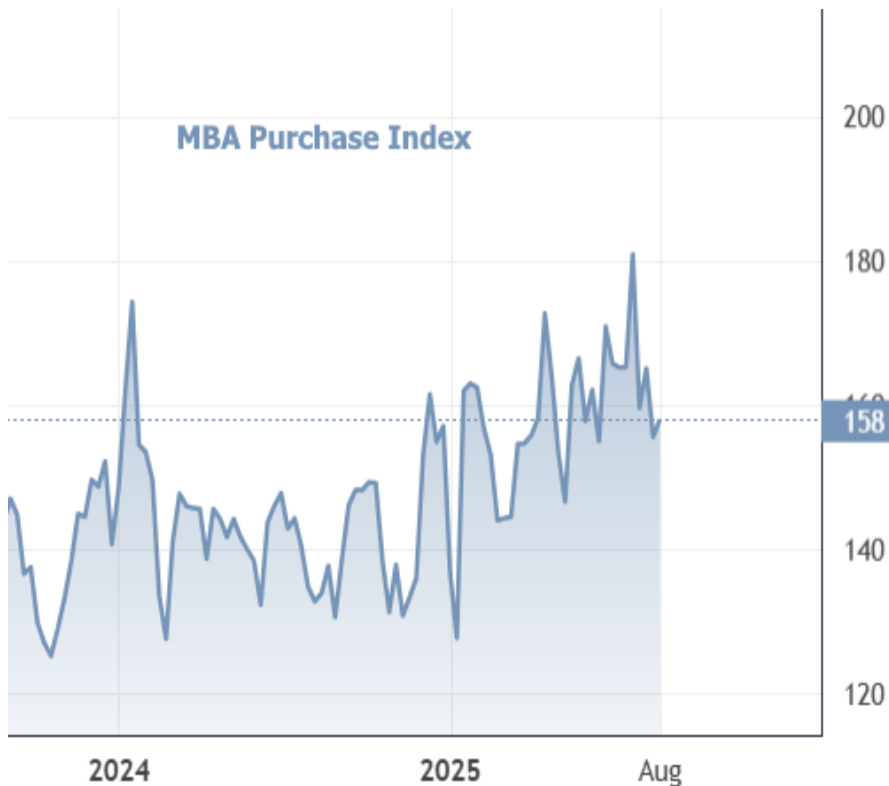
Besa Home Mortgage

besahomemortgage.com
P: (305) 745-9500
M: (248) 365-4455 x____

876 Horace Brown Dr
Madison Heights MI 48081

EQUAL HOUSING LENDER

EQUAL HOUSING OPPORTUNITY

MBA Purchase Index

The refinance share of total mortgage applications increased to 41.5% from 40.7% the previous week. It's now at its highest level since April. The adjustable-rate mortgage (ARM) share rose to 8.5%. FHA share edged down to 18.5% from 18.8%, while VA share increased to 13.3% from 12.2%.

Mortgage Rate Summary:
- **30yr Fixed:** 6.77% (from 6.83%) | **Points:** 0.59 (from 0.60)
- **15yr Fixed:** 6.03% (from 6.12%) | **Points:** 0.66 (from 0.64)
- **Jumbo 30yr:** 6.65% (from 6.74%) | **Points:** 0.59 (from 0.51)
- **FHA:** 6.47% (from 6.56%) | **Points:** 0.81 (from 0.83)
- **5/1 ARM:** 6.06% (from 6.22%) | **Points:** 0.49 (from 0.51)

Rates have been very flat in the present week, but generally holding the low levels achieved after last Friday's jobs report. This should make for solid refi demand in next week's application data. The next wave of momentum could shift for better or worse after next Tuesday's inflation data.