



Refi Demand Improves While Purchase Applications Edge Lower

Mortgage applications decreased modestly last week, with overall volume slipping 1.2%. The Mortgage Bankers Association's weekly survey showed a decline in the seasonally adjusted Composite Index for the week ending August 29, 2025.

Alan Holom
SVP, Stockman Bank
www.stockmanbank.com
P: (406) 234-8438
2700 King Ave
Billings MT 59102

"Mortgage rates declined last week, with the 30-year fixed rate falling to its lowest level since April at 6.64 percent. However, that was not enough to spark more application activity," said Joel Kan, MBA's Vice President and Deputy Chief Economist. "Refinance applications saw a small increase, driven by FHA and VA refinances, but conventional refinances declined. Purchase activity pulled back, after a four-week run of increases, as slower homebuying activity led to declines in applications across loan types."

The Refinance Index rose 1% from the previous week and is 20% higher than the same week a year ago.



The Purchase Index decreased 3% on a seasonally adjusted basis but remains 17% above last year's level.



The refinance share of total mortgage applications increased to 46.9%. ARM share rose to 8.8%. FHA share moved up to 19.9%, while VA share climbed to 13.8%.

Mortgage Rate Summary:

- **30yr Fixed:** 6.64% (from 6.69%) | **Points:** 0.59 (from 0.60)
- **15yr Fixed:** 5.84% (from 6.03%) | **Points:** 0.84 (from 0.77)
- **Jumbo 30yr:** 6.58% (from 6.67%) | **Points:** 0.39 (from 0.44)
- **FHA:** 6.31% (from 6.35%) | **Points:** 0.74 (from 0.80)
- **5/1 ARM:** 5.90% (from 5.94%) | **Points:** 0.34 (from 0.68)

Mortgage rates continued to move mostly lower since MBA's survey cut-off and, in daily terms, are at a new 11-month low today. This should help sustain refinance momentum, while purchase demand is typically less readily influenced by rates over such short time horizons.