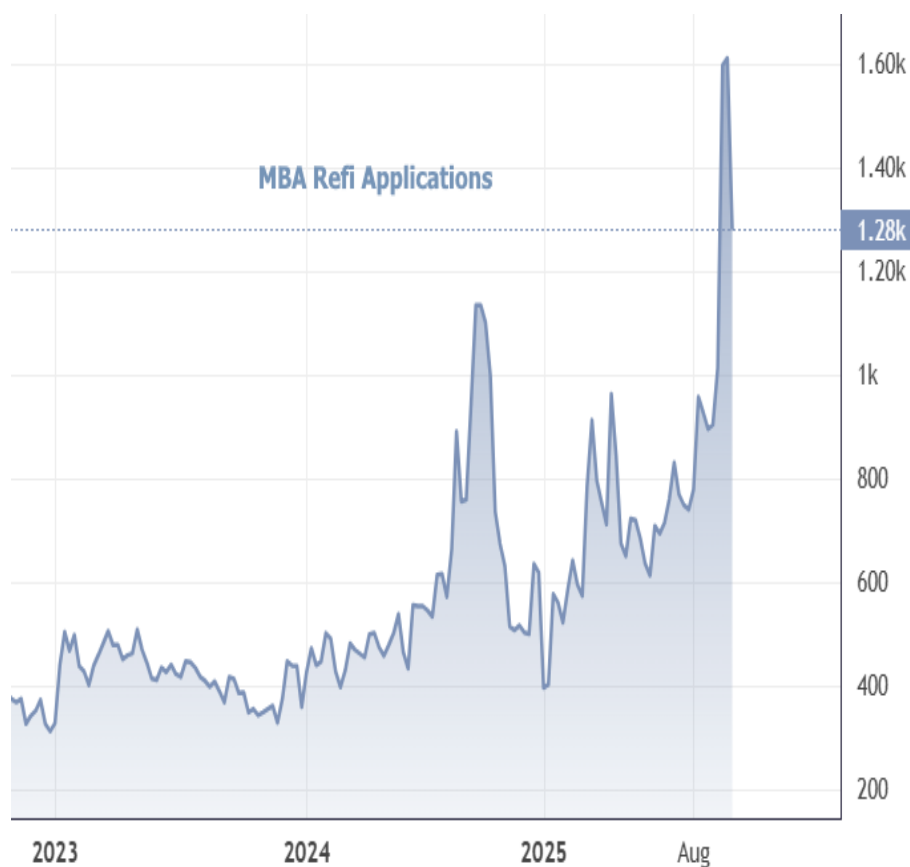




Mortgage Apps Drop Sharply, But It Was Still The 3rd Best Week in 3 Years

Mortgage application activity dropped sharply last week as higher rates cut into both refinance and purchase demand. According to MBA's Weekly Applications Survey for the week ending September 26, total volume fell 12.7% on a seasonally adjusted basis and 13% unadjusted.

The Refinance Index decreased 21% from the previous week but remains 16% higher than the same week one year ago. The pullback was broad-based, with double-digit declines across conventional and VA refinancing after rates climbed to three-week highs. Apart from the previous 2 weeks, the index was at the highest levels in more than 3 years.



Travis Waters

Sr. Mortgage Advisor,
Union Home Mortgage

P: (219) 286-2211
twaters@uhm.com

Valparaiso IN 46383
150593



"Mortgage rates increased to their highest level in three weeks as Treasury yields pushed higher on recent, stronger-than-expected economic data. After the burst in refinancing activity over the past month, this reversal in mortgage rates led to a sizeable drop in refinance applications, consistent with our view that refinance opportunities this year will be short-lived," said Joel Kan, MBA's Vice President and Deputy Chief Economist.

Purchase applications edged lower, with the seasonally adjusted index down 1% and the unadjusted index down 2%, though both measures remain 16% stronger than a year ago.



The refinance share of mortgage activity decreased to 55.0% of total applications. The adjustable-rate mortgage (ARM) share fell to 8.4%. The FHA share increased to 16.8%, while the VA share declined to 16.2%.

Mortgage Rate Summary:

- **30yr Fixed:** 6.46% (from 6.34%) | **Points:** 0.61 (from 0.57)
- **15yr Fixed:** 5.76% (from 5.70%) | **Points:** 0.68 (from 0.69)
- **Jumbo 30yr:** 6.54% (from 6.44%) | **Points:** 0.40 (from 0.34)
- **FHA:** 6.24% (from 6.14%) | **Points:** 0.76 (from 0.74)
- **5/1 ARM:** 5.74% (from 5.53%) | **Points:** 0.46 (from 0.49)