Mortgage Apps Dip, But Demand Still Running Strong After September Surge

Mortgage application activity declined again last week, though the drop was more moderate than the prior week's pullback. According to MBA's Weekly Applications Survey for the week ending October 10, total volume fell 1.8% on a seasonally adjusted basis and 2% unadjusted.

The Refinance Index slipped 1% from the previous week but remains 59% higher than the same week one year ago. Refi activity has flattened out after September's surge but continues to hold at elevated levels as some FHA borrowers take advantage of a rate gap of more than 10 basis points below conventional loans.

"Mortgage rate movements were mixed last week, with the 30-year fixed rate decreasing slightly to 6.42 percent. Mortgage applications were lower than the week before, as conventional and VA applications saw declines," said Joel Kan, MBA's Vice President and Deputy Chief Economist. "FHA applications saw a stronger week, and FHA refinance applications in particular increased 12 percent as the FHA rate stayed more than 10 basis points lower than the conventional fixed rate. Purchase applications declined for the third consecutive week but remained 20 percent ahead of last year's pace as improving inventory conditions in certain markets continue to maintain homebuyer interest."

Purchase applications decreased 3% from the previous week on a seasonally adjusted basis and 2% unadjusted, but were still 20% stronger than a year ago. Activity continues to show resilience relative to last year's depressed levels as buyers respond to slightly better inventory conditions.

Dan Frio
Sr Mortgage Loan Officer, The Frio Team Powered by Peoples Bank & Trust
www.TheRateUpdate.com
P: (844) 775-5626
M: (630) 360-3490
524 Main St
Hazard ky 41701
246527

EQUAL HOUSING OPPORTUNITY

The refinance share of mortgage activity increased to 53.6% of total applications. The adjustable-rate mortgage (ARM) share declined to 9.3%. The FHA share climbed to 20.5%, while the VA share dropped to 14.9%.

Mortgage Rate Summary:

- **30yr Fixed:** 6.42% (from 6.43%) | **Points:** 0.61 (from 0.60)
- **15yr Fixed:** 5.77% (unchanged) | **Points:** 0.70 (from 0.79)
- **Jumbo 30yr:** 6.47% (from 6.60%) | **Points:** 0.53 (from 0.44)
- **FHA:** 6.19% (unchanged) | **Points:** 0.76 (from 0.73)
- **5/1 ARM:** 5.63% (from 5.49%) | **Points:** 0.59 (from 0.74)

Mortgage rates have been mostly steady in October, trading near their lowest levels since mid-September. That stability has kept refi activity from retreating further, but recent gains in Treasury yields suggest rate volatility could return if economic data surprises in the weeks ahead.