



Weaker Purchase Demand Offset by Stronger Refis

Mortgage application activity edged lower last week, driven by purchases, but the decline was marginal compared to recent swings. According to MBA's Weekly Applications Survey for the week ending October 17, total volume slipped 0.3% on a seasonally adjusted basis and 0.2% unadjusted.

The Refinance Index rose 4% from the previous week and was 81% higher than the same week one year ago. The uptick was driven by a 6% increase in conventional refinances and a 12% jump in FHA refinances as borrowers capitalized on the lowest rates in a month.

Mat Russo

Senior Executive Vice President, First Continental Mortgage

www.getmyloanfast.com

P: (512) 771-4733

M: (512) 771-4733

mrusso@fcmchou.com

8911 Capital of Texas Hwy, Suite 4300

Austin TX 78759

292549



“The lowest mortgage rates in a month spurred an increase in refinance activity, including another pickup in ARM applications,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. “The refinance index increased 4 percent, driven by a 6 percent increase in conventional refinances and a 12 percent increase in FHA refinance applications, as borrowers remain attentive to these opportunities to lower their monthly mortgage payment. VA refinances bucked the trend and were down 12 percent.”

Purchase applications decreased 5% from the previous week on a seasonally adjusted basis and 5% unadjusted, but remained 20% stronger than a year ago. While activity has cooled from early-fall highs, demand remains resilient amid improving inventory and a more stable rate environment.

