

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.



Sandro Pansini Souza

Branch Manager, Beyond Financing, Inc.

www.beyondfinancing.com

M: (857) 615-0836

pansini@beyondfinancing.com

999 Broadway
Saugus MA 01906

LOAN OFFICER NMLS#1625542
COMPANY NMLS#2394496



Beyond Financing, Inc.



EQUAL HOUSING
OPPORTUNITY

"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.

MBA Purchase Apps



The refinance share of mortgage activity increased to 55.9% of total applications from 53.6% the week prior. The adjustable-rate mortgage (ARM) share climbed to 10.8%. The FHA share rose to 21.8%, while the VA share declined to 13.5%.

Mortgage Rate Summary:

- **30yr Fixed:** 6.37% (from 6.42%) | **Points:** 0.59 (from 0.61)
- **15yr Fixed:** 5.74% (from 5.77%) | **Points:** 0.67 (from 0.70)
- **Jumbo 30yr:** 6.39% (from 6.47%) | **Points:** 0.37 (from 0.53)
- **FHA:** 6.12% (from 6.19%) | **Points:** 0.72 (from 0.76)
- **5/1 ARM:** 5.55% (from 5.63%) | **Points:** 0.62 (from 0.59)