HOUSING CONNECTION
Mortgage and Real Estate News That Matters

Calmer Week For Mortgage Apps

Mortgage application activity was essentially flat last week, almost impressively so. After much recent volatility, the index is finding a brief moment of stability, and borrowers seem content continue to weigh affordability challenges and wait for clearer movement in rates. The Mortgage Bankers Association (MBA) reported that applications decreased **0.3%** (seasonally adjusted) for the week ending February 6, while rising **2%** on an unadjusted basis.

Purchase demand softened modestly. The seasonally adjusted Purchase Index slipped **2%** from the prior week, while unadjusted purchase applications increased 4% and were **4%** higher than the same week one year ago.

Refinance activity posted a small gain. The Refinance Index rose **1%** from the previous week and remained **101%** higher than a year earlier.

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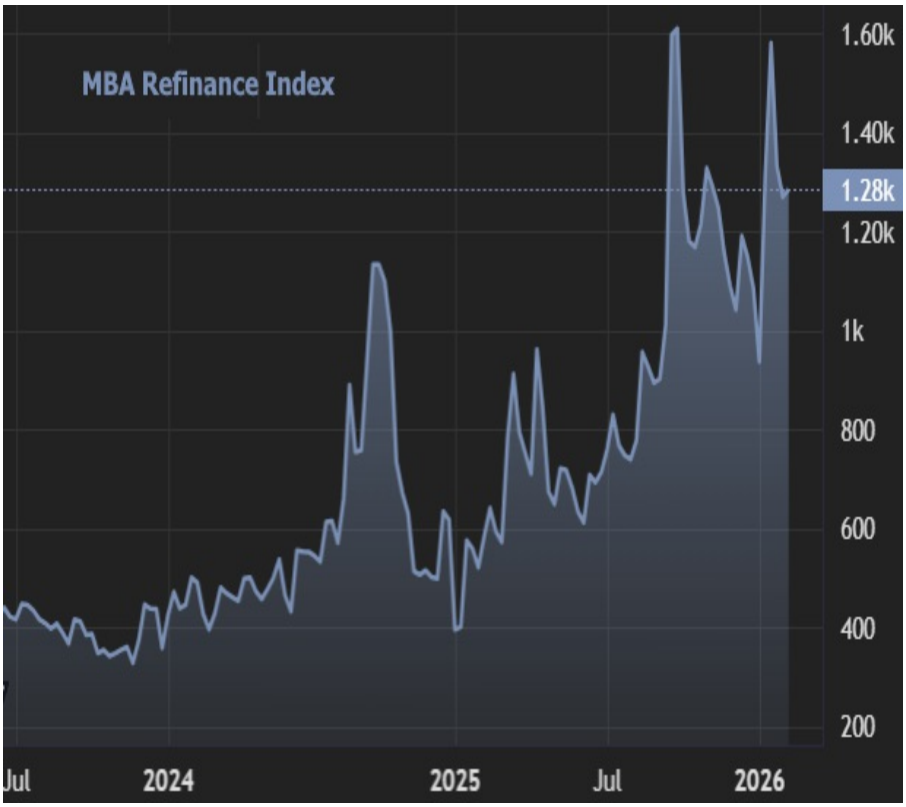

Joel Kan, MBA's Vice President and Deputy Chief Economist, described the week as a mixed bag across loan types. While the 30-year fixed rate held steady at 6.21%, conventional applications declined for both purchases and refinances as some borrowers wait for a more meaningful drop in rates or migrate toward other loan types and products.

And they appear to be doing just that, as FHA and ARM products saw an increase in apps last week. Kan noted that FHA purchase and refinance applications increased, supported in part by FHA rates that remained roughly 20 basis points below the conforming 30-year fixed rate. He added that borrowers are increasingly turning to FHA loans as affordability pressures persist. At the same time, the ARM share climbed to a seven-week high, with ARM rates running nearly a full percentage point below comparable fixed rates.

The composition of application activity shifted slightly. The refinance share of total applications decreased to **56.4%**, while ARM share increased to **8.0%**. FHA share rose to **18.4%**, VA share increased to **16.0%**, and USDA share held steady at **0.4%.**

Mortgage Rate Summary:

- **30yr Fixed:** 6.21% (unchanged) | **Points:** 0.56 (unchanged)
- **15yr Fixed:** 5.65% (from 5.61%) | **Points:** 0.68 (from 0.63)
- **Jumbo 30yr:** 6.30% (from 6.32%) | **Points:** 0.34 (unchanged)
- **FHA:** 6.01% (from 6.04%) | **Points:** 0.68 (from 0.67)
- **5/1 ARM:** 5.33% (from 5.37%) | **Points:** 0.67 (from 0.58)

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