Mortgage Demand Calm Before The Storm?

Mortgage application activity edged ever-so-slightly higher last week, with the Mortgage Bankers Association (MBA) reporting an increase of **0.4%** on a seasonally adjusted basis for the week ending February 20.

Refi applications continue to do the heavy lifting. The Refinance Index increased **4%** from the previous week and was **150%** higher than the same week one year ago. Conventional refinance applications rose 5% for the week, while VA refinances jumped 26%, as rates declined to their lowest levels since September 2022.

Notably, rates have moved even lower this week and have held these new multi-year lows in very stable fashion. If history is any guide, this should lead to an even higher refi index next week.

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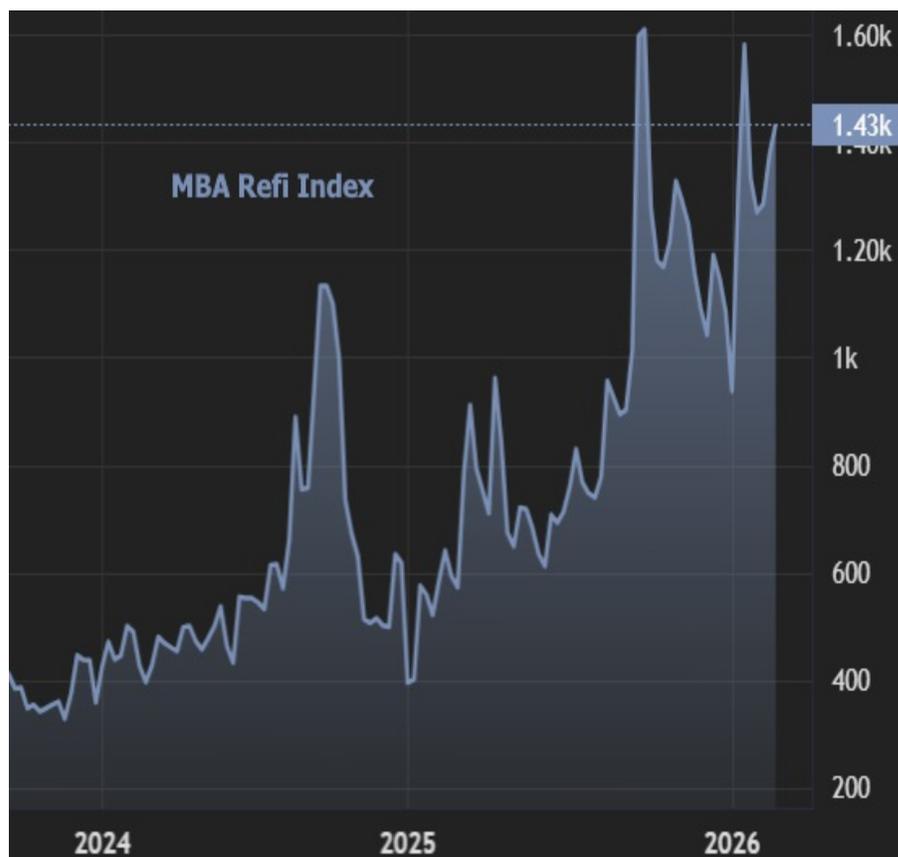www.ABLEMortgage.com
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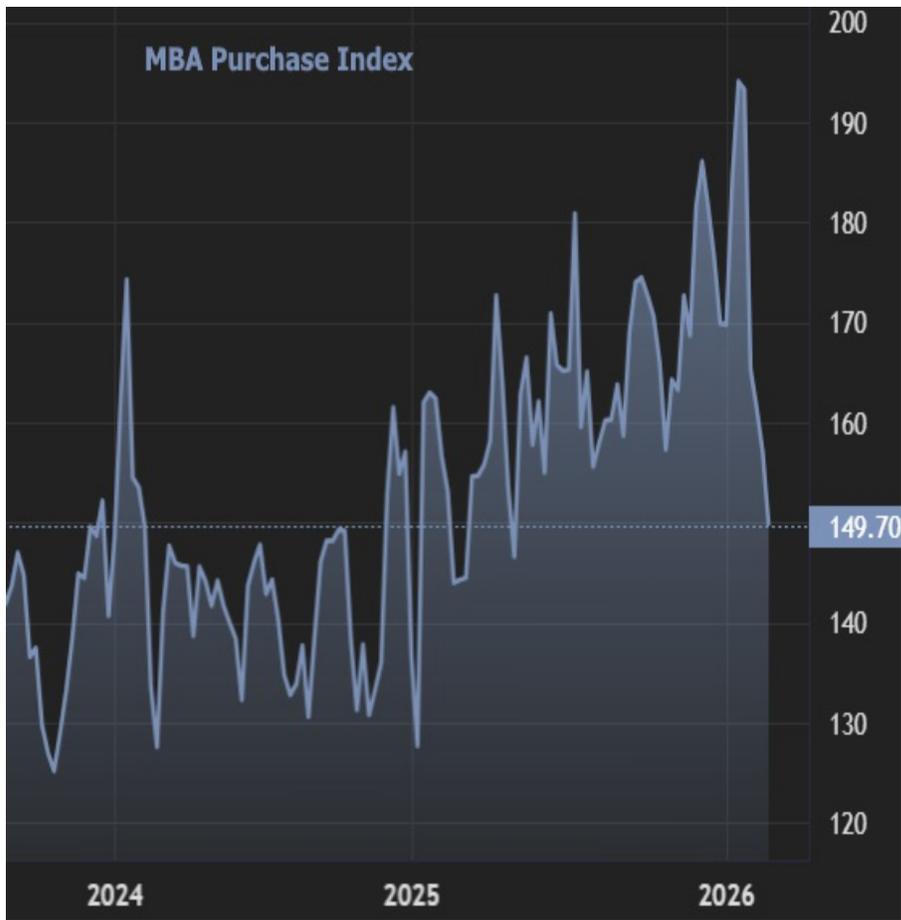justin@ablemortgage.com

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Purchase demand moved lower, falling **5%** on a seasonally adjusted basis, though activity remains **12% higher** than the same week one year ago.

MBA Purchase Index

Joel Kan, MBA's Vice President and Deputy Chief Economist, attributed the modest increase in overall activity to declining Treasury yields, which helped push the 30-year fixed rate to its lowest level in several months.

The composition of activity shifted further toward refinances. The refinance share of total applications increased to **58.6%** from 57.4% the prior week, while ARM share held steady at **8.2%**. FHA share decreased to **16.1%**, VA share rose to **18.7%**, and USDA share remained unchanged at **0.4%**.

Mortgage Rate Summary:
- **30yr Fixed:** 6.09% (from 6.17%) | **Points:** 0.53 (from 0.56)
- **15yr Fixed:** 5.48% (from 5.50%) | **Points:** 0.70 (from 0.73)
- **Jumbo 30yr:** 6.20% (from 6.21%) | **Points:** 0.42 (from 0.27)
- **FHA:** 5.97% (from 5.99%) | **Points:** 0.65 (unchanged)
- **5/1 ARM:** 5.23% (from 5.29%) | **Points:** 0.41 (from 0.62)