



Reality Check For Refi Demand

NOTE: the rates discussed in this article are from MBA's weekly survey and pertain to last week. This week's rates have already moved significantly higher according to our daily data.

Mortgage application activity fell sharply last week as rising rates weighed on demand. The Mortgage Bankers Association (MBA) reported a decrease of **10.9%** on a seasonally adjusted basis for the week ending March 13.

The decline was driven primarily by refinance activity. The Refinance Index dropped **19%** from the previous week, though it remained **69%** higher than the same week one year ago. MBA noted that conventional refinance applications saw the steepest pullback, as rates moved notably higher over the past two weeks.

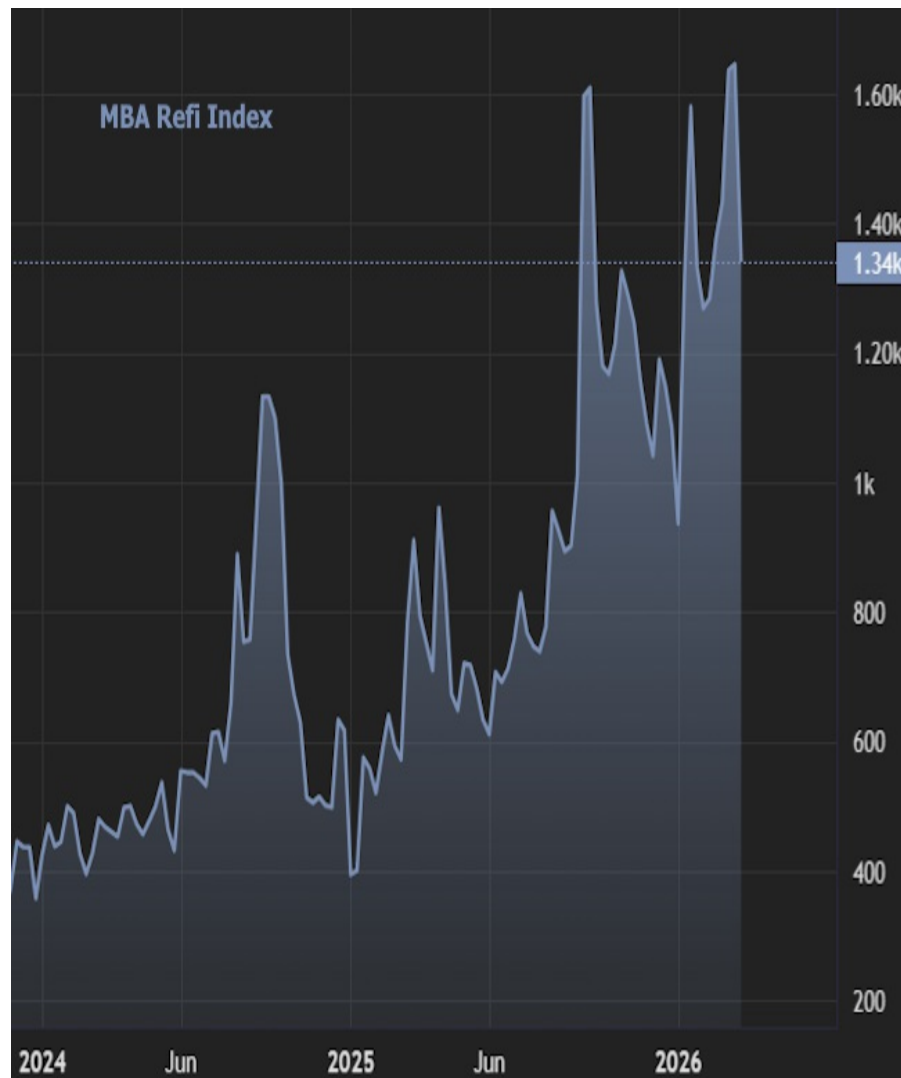
Alan Holom

SVP, Stockman Bank

www.stockmanbank.com

P: (406) 234-8438

2700 King Ave
Billings MT 59102



Purchase demand proved more resilient. The seasonally adjusted Purchase Index increased **1%** from one week earlier and was **12% higher** than the same week one year ago. Gains in FHA and VA purchase activity helped offset flat conventional demand, with improving inventory and slower home price growth continuing to support year-over-year strength.



According to Joel Kan, MBA's Vice President and Deputy Chief Economist, mortgage rates moved higher alongside Treasury yields, driven in part by elevated oil prices and broader inflation concerns tied to geopolitical developments. The average 30-year conforming mortgage rate rose to its highest level since December 2025.

The composition of activity shifted notably away from refinances. The refinance share of total applications decreased to **52.3%** from 57.8% the prior week, while ARM share declined to **8.0%**. FHA share increased to **19.4%**, VA share rose to **16.7%**, and USDA share remained unchanged at **0.4%**.

Mortgage Rate Summary:

- **30yr Fixed:** 6.30% (from 6.19%) | **Points:** 0.63 (from 0.58)
- **15yr Fixed:** 5.66% (from 5.54%) | **Points:** 0.73 (from 0.68)
- **Jumbo 30yr:** 6.39% (from 6.26%) | **Points:** 0.34 (from 0.30)
- **FHA:** 6.08% (from 6.02%) | **Points:** 0.70 (unchanged)
- **5/1 ARM:** 5.65% (from 5.26%) | **Points:** 0.67 (from 0.64)