



No Surprise: Refi Demand Sapped by Rate Spike

Mortgage application activity declined for the second consecutive week as rising interest rates continued to weigh on demand. The Mortgage Bankers Association (MBA) reported a decrease of **10.5%** on a seasonally adjusted basis for the week ending March 20.

Both major components moved lower. The Refinance Index fell **15%** from the previous week, though it remained **52%** higher than the same week one year ago.



Purchase activity also softened, with the seasonally adjusted Purchase Index declining **5%** and running **5%** above year-ago levels.



Cardinal Mortgage Services

cardinal-mtg.com



MBA Purchase Index



According to MBA’s Joel Kan, persistently elevated Treasury yields—driven in part by higher oil prices and inflation concerns —pushed mortgage rates higher across the board. The average 30-year fixed rate climbed to its highest level since October 2025, further eroding refinance incentives and dampening purchase demand.

The composition of activity shifted further away from refinances. The refinance share of total applications decreased to **49.6%** from 52.3% the prior week, while ARM share increased slightly to **8.1%**. FHA share rose to **19.7%**, VA share declined to **15.9%**, and USDA share edged up to **0.5%**.

Mortgage Rate Summary:

- **30yr Fixed:** 6.43% (from 6.30%) | **Points:** 0.65 (from 0.63)
- **15yr Fixed:** 5.83% (from 5.66%) | **Points:** 0.80 (from 0.73)
- **Jumbo 30yr:** 6.45% (from 6.39%) | **Points:** 0.56 (from 0.34)
- **FHA:** 6.15% (from 6.08%) | **Points:** 0.75 (from 0.70)
- **5/1 ARM:** 5.75% (from 5.65%) | **Points:** 0.68 (from 0.67)