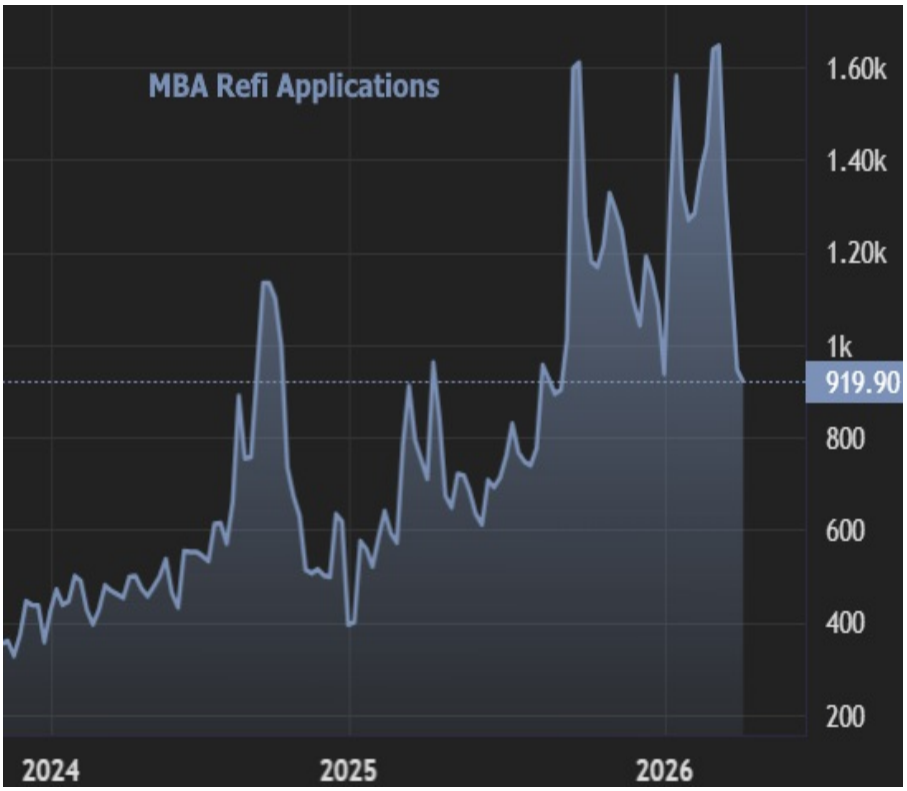
HOUSING CONNECTION
Mortgage and Real Estate News That Matters

Mortgage Demand Contracted at a Slower Pace Last Week

Mortgage applications dipped again last week, though the pace of decline slowed considerably. The Mortgage Bankers Association (MBA) reported a **0.8% decrease** on a seasonally adjusted basis for the week ending April 3.

Refinance activity continued to weaken, with the Refinance Index falling **3%** from the previous week and now sitting **4%** below year-ago levels. The slowdown reflects a sharp drop in borrower incentive following the recent run-up in rates.



Purchase activity showed modest resilience, with the seasonally adjusted Purchase Index rising **1%** from the prior week. However, demand remains softer overall, with purchase applications down **7%** compared to the same time last year—the first annual decline since early 2025.

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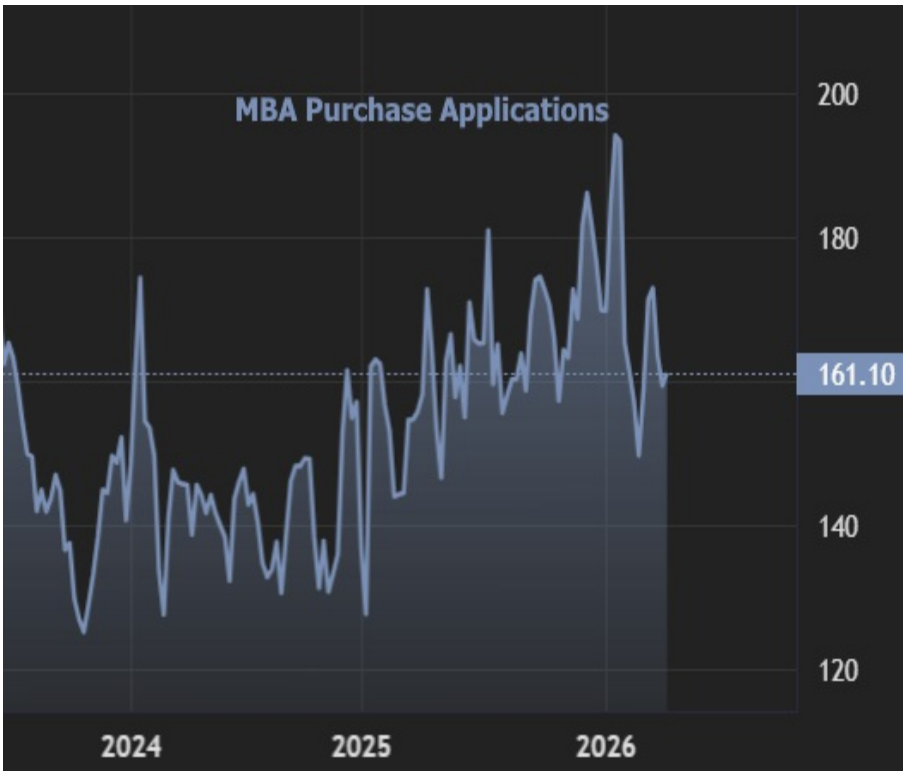

MBA's Joel Kan said "higher mortgage rates and continued economic uncertainty weighed down on mortgage applications again last week," adding that refinance demand has dropped to its lowest level since December 2025. He also pointed out that some segments of the market are holding up better, particularly FHA and ARM loans, which continue to benefit from relatively lower rates and improving housing inventory in certain markets.

Application composition shifted slightly, with refinance share decreasing to **44.3%** from 45.3% the prior week. ARM share increased to **8.6%**. FHA share edged down to **19.3%**, while VA share held steady at **16.1%** and USDA share remained unchanged at **0.5%**.

Mortgage Rate Summary:

- **30yr Fixed:** 6.51% (from 6.57%) | **Points:** 0.61 (from 0.65)
- **15yr Fixed:** 5.90% (from 5.89%) | **Points:** 0.74 (from 0.75)
- **Jumbo 30yr:** 6.54% (from 6.59%) | **Points:** 0.35 (from 0.43)
- **FHA:** 6.22% (from 6.25%) | **Points:** 0.73 (from 0.81)
- **5/1 ARM:** 5.60% (from 5.67%) | **Points:** 0.68 (from 0.56)

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