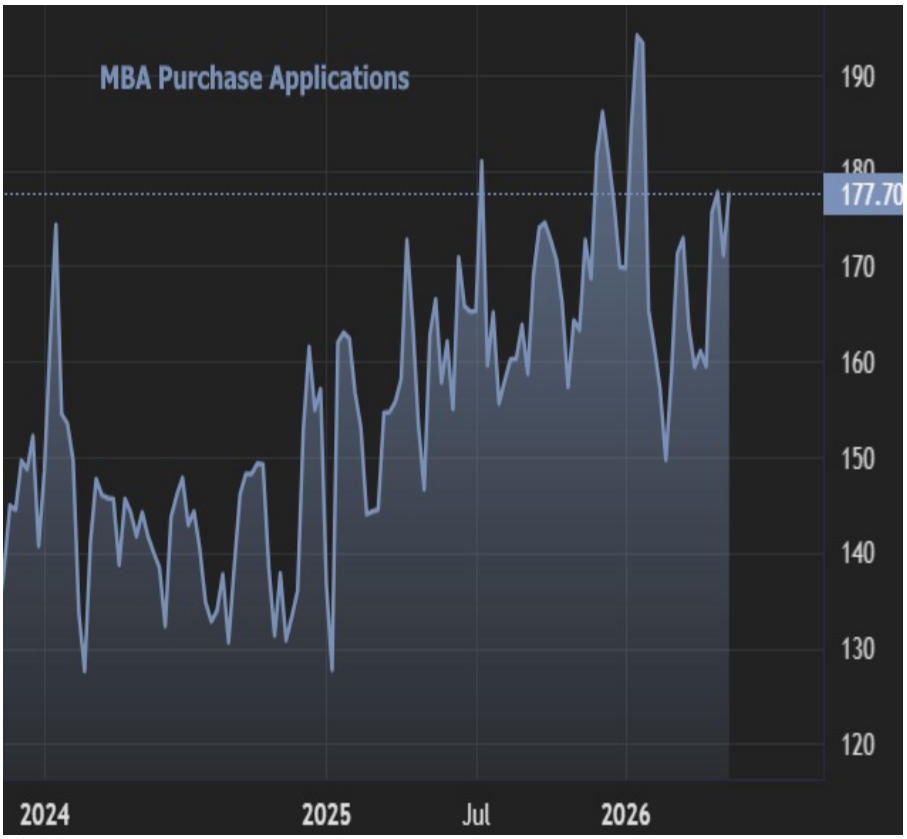
HOUSING CONNECTION
Mortgage and Real Estate News That Matters

Purchase Activity Lifts Mortgage Applications Despite Higher Rates

Mortgage applications increased modestly last week, as stronger purchase activity more than offset a slight decline in refinances. The Mortgage Bankers Association (MBA) reported a **1.7% increase** in total application volume on a seasonally adjusted basis for the week ending May 8.

The gain was driven entirely by home purchase demand, which continued to show resilience despite mortgage rates remaining near recent highs. The seasonally adjusted Purchase Index increased **4%** from the prior week and was **7%** higher than the same week one year ago.



Refinance activity, meanwhile, edged lower. The Refinance Index declined **1%** week over week but remained **28%** above year-ago levels. Even so, refinance share slipped to its lowest point since July 2025, reflecting the limited incentive for many borrowers to refinance at current rate levels.

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The average 30-year fixed mortgage rate increased slightly to **6.46%** from 6.45%, marking the highest level in five weeks. Despite the uptick, purchase demand improved across all major loan categories. Note: this data was collected before the rate spike at the end of the week (captured in MND's daily rate index)

MBA's Joel Kan said, "Purchase applications were higher over the week and 7 percent ahead of last year's pace, with all loan types showing increases in purchase activity, as potential homebuyers shrugged off the current economic and mortgage rate uncertainties and returned to the market."

Kan also noted that refinance applications softened slightly, led by conventional and VA refinances. Refinance activity accounted for just over 40% of total applications, the lowest share seen since mid-2025.

Application composition shifted modestly, with refinance share decreasing to **40.8%** from 42.0% the previous week. ARM share held steady at **8.8%**. FHA share increased slightly to **17.9%**, while VA share remained unchanged at **14.9%** and USDA share stayed at **0.5%**.

Mortgage Rate Summary:

- **30yr Fixed:** 6.46% (from 6.45%) | **Points:** 0.63 (from 0.66)
- **15yr Fixed:** 5.83% (unchanged) | **Points:** 0.68 (from 0.73)
- **Jumbo 30yr:** 6.48% (from 6.47%) | **Points:** 0.55 (from 0.47)
- **FHA:** 6.16% (from 6.12%) | **Points:** 0.75 (from 0.74)
- **5/1 ARM:** 5.70% (from 5.60%) | **Points:** 0.86 (from 0.83)

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