HOUSING CONNECTION
Mortgage and Real Estate News That Matters

Mortgage Apps Pull Back Modestly

Mortgage applications eased again last week even as borrowing costs moved lower, suggesting that modest rate relief was not enough to bring borrowers back in force. The Mortgage Bankers Association (MBA) reported a **2.5% decrease** in total application volume on a seasonally adjusted basis for the week ending May 29.

The decline was led by refinance activity, which slipped **2%** from the previous week. Refinance demand remained **20%** higher than the same period one year ago, however, underscoring that activity is still running above 2025's pace even as it softens week to week.

Purchase demand also pulled back, though the move was more modest. The seasonally adjusted Purchase Index fell **3%** week over week and was still **7%** above year-ago levels.

The average 30-year fixed mortgage rate decreased to **6.57%** from 6.65%, but the drop was not enough to spark a meaningful pickup in demand. MBA's Joel Kan said easing energy prices tied to developments in the Middle East helped push rates slightly lower, though "the retreat in rates... did not lead to an increase in mortgage applications."

Kan added that purchase applications were still ahead of last year's pace, but were at their slowest weekly level since April, while refinance activity was at its weakest since last June. He also noted that the 30-year fixed rate eased to 6.57%, while the 5-year ARM rate edged higher, reflecting a flattening yield curve.

Adjustable-rate mortgage activity also weakened. The ARM index fell **12%** over the week, and ARM share dropped to **8.5%** from 9.4% the previous week. Meanwhile, the refinance share of mortgage activity ticked up to **38.0%** from 37.5%.

Application composition shifted across several government-backed categories. FHA share declined to **17.0%** from 17.2%, while VA share increased to **14.4%** from 13.2%. USDA share was unchanged at **0.5%**.

Mortgage Rate Summary:

- **30yr Fixed:** 6.57% (from 6.65%) | **Points:** 0.67 (from 0.65)
- **15yr Fixed:** 5.93% (from 5.97%) | **Points:** 0.76 (from 0.84)
- **Jumbo 30yr:** 6.66% (from 6.68%) | **Points:** 0.35 (from 0.42)
- **FHA:** 6.26% (from 6.31%) | **Points:** 0.75 (from 0.79)
- **5/1 ARM:** 5.82% (from 5.81%) | **Points:** 0.88 (from 0.82)

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