HOUSING CONNECTION
Mortgage and Real Estate News That Matters

Higher Refi Demand Despite Higher Rates

Mortgage application volume declined again last week as higher borrowing costs weighed on home purchase demand. The Mortgage Bankers Association (MBA) reported a **2.7% decrease** in total application volume on a seasonally adjusted basis for the week ending July 10, even as refinance activity posted a modest rebound.

Purchase applications fell **7%** from the previous week on a seasonally adjusted basis and were **2%** lower than the same week one year ago, marking a pullback after purchase demand had outpaced year-ago levels in recent weeks.



Refinance activity moved in the opposite direction, with the Refinance Index increasing **4%** from the prior week. Despite mortgage rates climbing higher, refinance applications remained **7%** above year-ago levels, supported by stronger FHA and VA refinance activity.



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“Mortgage applications declined as the 30-year fixed rate increased to 6.65 percent, the highest level since August 2025. Purchase applications were down over the week and dipped below last year’s pace in the week following the July 4th holiday,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. “Despite higher mortgage rates, refinance applications increased, led by FHA and VA refinance applications rising 9 and 10 percent, respectively.”

The refinance share of mortgage activity increased to **43.2%** from 40.6%, while the adjustable-rate mortgage (ARM) share declined to **7.1%** from 7.8%.

Government-backed lending accounted for a larger share of applications. FHA applications increased to **17.7%** of total activity from 16.4%, VA share rose to **13.6%** from 13.0%, and USDA share held steady at **0.5%**.

Mortgage Rate Summary:

- **30yr Fixed:** 6.65% (from 6.58%) | **Points:** 0.67 (from 0.64)
- **15yr Fixed:** 6.05% (from 5.99%) | **Points:** 0.88 (from 0.71)
- **Jumbo 30yr:** 6.62% (from 6.50%) | **Points:** 0.54 (from 0.42)
- **FHA:** 6.33% (from 6.28%) | **Points:** 0.81 (from 0.79)
- **5/1 ARM:** 5.75% (from 5.84%) | **Points:** 0.93 (from 0.94)

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