Mortgage Applications Fall 6.4% as Rates Continue Upward March

Mortgage application activity pulled back last week as higher borrowing costs weighed on both home purchase and refinance demand. The Mortgage Bankers Association (MBA) reported a **6.4% decrease** in total application volume on a seasonally adjusted basis for the week ending July 24.

Purchase applications decreased **4%** from the previous week on a seasonally adjusted basis but remained **3%** higher than the same week one year ago. While housing inventory has improved in some markets, elevated mortgage rates continue to challenge affordability for many prospective buyers.

Refinance activity weakened more sharply, with the Refinance Index falling **10%** from the prior week and dropping **2%** below year-ago levels. The decline suggests that fewer homeowners have an incentive to refinance as rates continue to climb.

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“Following last week’s spike in oil prices, mortgage rates moved higher, with the 30-year fixed rate increasing to 6.76 percent, the highest rate since August 2025,” said Joel Kan, CMB, MBA’s Vice President and Deputy Chief Economist. “This upward trajectory in rates continues to significantly impact refinance borrowers, with a 10 percent decline in refinance applications, including a steeper drop in government refinances. Despite housing inventory increasing in certain markets, higher rates have added to ongoing affordability challenges for many homebuyers, which drove the decrease in purchase activity over the week.”

The refinance share of mortgage activity decreased to **39.5%** from 41.2%, while the adjustable-rate mortgage (ARM) share increased to **8.1%** from 7.7%.

Government-backed lending also accounted for a slightly smaller share of applications. FHA loans represented **16.9%** of total activity, down from 17.0%, while the VA share declined to **12.6%** from 13.2%. The USDA share edged lower to **0.4%** from 0.5%.

Mortgage Rate Summary:

- **30yr Fixed:** 6.76% (from 6.69%) | **Points:** 0.69 (from 0.62)
- **15yr Fixed:** 6.15% (from 6.04%) | **Points:** 0.84 (from 0.87)
- **Jumbo 30yr:** 6.70% (from 6.44%) | **Points:** 0.52 (from 0.45)
- **FHA:** 6.41% (from 6.34%) | **Points:** 0.88 (from 0.74)
- **5/1 ARM:** 5.98% (from 5.97%) | **Points:** 1.23 (from 1.11)

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