HOUSING CONNECTION
Mortgage and Real Estate News That Matters

Another Modest Drop in Mortgage Apps, But Next Week Should Bounce

Mortgage application activity declined for a second consecutive week as higher borrowing costs continued to weigh on both purchase and refinance demand. The Mortgage Bankers Association (MBA) reported a **2.9% decrease** in total application volume on a seasonally adjusted basis for the week ending July 31.

Purchase applications decreased **4%** from the previous week on a seasonally adjusted basis and were **3%** lower than the same week one year ago. Elevated mortgage rates continue to challenge affordability, dampening buyer demand despite improved housing inventory in some markets.

Refinance activity also softened, with the Refinance Index falling **2%** from the prior week and remaining **9%** below year-ago levels. As rates moved higher, fewer homeowners had an incentive to refinance.

"In the wake of the July FOMC meeting, longer-term rates increased, pushing the 30-year fixed mortgage rate to 6.81 percent, its highest level in more than a year," said Mike Fratantoni, MBA's SVP and Chief Economist.

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Next week's data will likely bounce back higher given that rates have dropped noticeably so far in August. Per MND's daily rate tracking, 30yr fixed rates hit 2 week lows on Wednesday and moved even lower on Friday.

Mortgage Rate Summary:

- **30yr Fixed:** 6.81% (from 6.76%) | **Points:** 0.65 (from 0.69)
- **15yr Fixed:** 6.13% (from 6.15%) | **Points:** 0.73 (from 0.84)
- **Jumbo 30yr:** 6.72% (from 6.70%) | **Points:** 0.52 (unchanged)
- **FHA:** 6.43% (from 6.41%) | **Points:** 0.75 (from 0.88)
- **5/1 ARM:** 6.03% (from 5.98%) | **Points:** 0.99 (from 1.23)