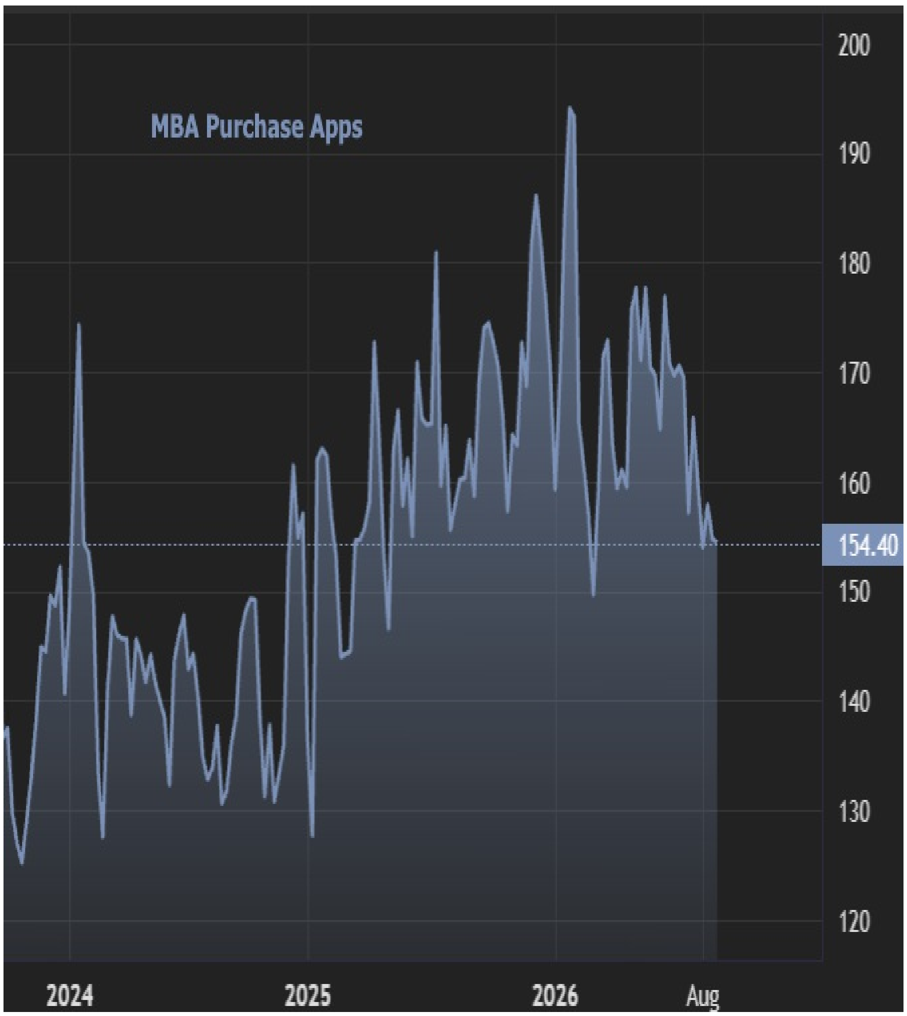
Mortgage Demand Remains Stalled as Rates Move Higher

Mortgage application activity softened last week, with both purchase and refinance demand moving lower as mortgage rates climbed to their highest level in three weeks. The Mortgage Bankers Association (MBA) reported a **1.0% decrease** in total application volume on a seasonally adjusted basis for the week ending August 21.

Purchase applications were down **0.3%** from the previous week on a seasonally adjusted basis and **5% below** the same week one year ago. FHA applications accounted for much of the weekly decline, falling **7%**.



Refinance demand also lost some ground. The Refinance Index fell **2%** from the previous week and remained **17%** below year-ago levels. FHA and VA refinance applications saw particularly notable declines, while the average refinance loan size fell to its lowest level since June 2025.

Jon Holifield
Guaranteed Rate
(NMLS#118077)

"Mortgage rates reached their highest level in three weeks, with the 30-year fixed rate up slightly to 6.78 percent. Mortgage rates have increased around 20 basis points over the past two months, which has dampened refinancing activity," said Joel Kan, MBA's Vice President and Deputy Chief Economist.

Despite the pullback in refinancing, refinances accounted for a slightly larger share of overall activity, rising to **42.0%** from 41.9% the previous week. The adjustable-rate mortgage (ARM) share also ticked higher, reaching **7.9%** from 7.7%.

The average contract rate for a 30-year fixed mortgage increased to **6.78%** from 6.77%, while the rate for jumbo 30-year loans rose to **6.73%** from 6.71%. The 15-year fixed rate increased to **6.10%** from 6.08%, and the 5/1 ARM rate climbed to **5.98%** from 5.94%.

Mortgage Rate Summary:

- **30yr Fixed:** 6.78% (from 6.77%) | **Points:** 0.66 (from 0.65)
- **15yr Fixed:** 6.10% (from 6.08%) | **Points:** 0.90 (from 0.82)
- **Jumbo 30yr:** 6.73% (from 6.71%) | **Points:** 0.50 (from 0.48)
- **FHA:** 6.46% (from 6.45%) | **Points:** 0.82 (unchanged)
- **5/1 ARM:** 5.98% (from 5.94%) | **Points:** 0.88 (from 0.87)