

HOUSING CONNECTION

Mortgage and Real Estate News That Matters

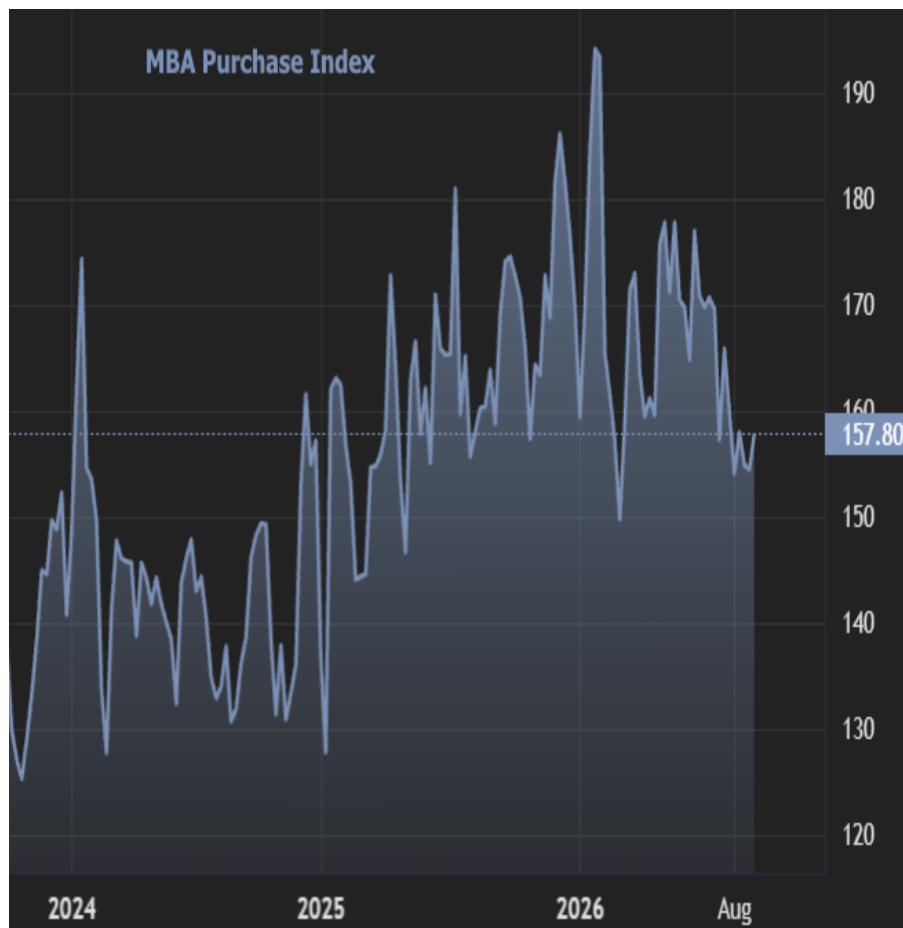
A message from Marc Erickson:

For informational purposes only. This is not a commitment to lend or extend credit. Information and/or dates are subject to change without notice. All loans are subject to credit approval. Rates vary based upon market conditions and borrower qualification.

Mortgage Applications Rebound Modestly as ARM Share Hits Five-Week High

Mortgage application activity showed some signs of life last week, with a modest increase in purchase demand helping offset another decline in refinancing as mortgage rates reached their highest level in four weeks. The Mortgage Bankers Association (MBA) reported a **0.8% increase** in total application volume on a seasonally adjusted basis for the week ending August 28.

Purchase applications held down the fort, rising **2%** from the previous week on a seasonally adjusted basis. Activity was still **0.2% below** the same week one year ago, but the relatively stable year-over-year comparison suggests buyers are continuing to transact despite mortgage rates hovering near 7%.



Marc Erickson

Mortgage Guide, Excel Financial Group, LLC

www.themortgagemarc.com

P: (720) 295-0704

M: (720) 295-0704

123 N College Avenue
Fort Collins CO 80524
1245157



Ehric Wolfe

REALTOR®, Coldwell Banker Realty

www.coloradowolfhomes.com

P: (970) 691-5299

ehric@coloradowolfhomes.com

3665 John F Kennedy Parkway
Fort Collins CO 80525



Refinance demand moved in the opposite direction. The Refinance Index fell **1%** from the previous week and remained **19%** below year-ago levels. Refinances also represented a slightly smaller share of overall activity, slipping to **41.8%** from 42.0% the previous week.



"Mortgage rates reached their highest levels in four weeks as investors' **concerns about inflation** and **growing deficits push yields higher** across the globe," said Mike Fratantoni, MBA's SVP and Chief Economist.

There was another sign of borrowers adjusting to the rate environment. The adjustable-rate mortgage (ARM) share of activity climbed to **8.0%**, its highest level in five weeks, as the average rate for a 5/1 ARM fell to 5.94%. FHA loans accounted for a smaller share of applications, while the VA share increased noticeably from the previous week.

The average contract rate for a 30-year fixed mortgage increased to **6.79%** from 6.78%, while the rate for jumbo 30-year loans rose to **6.76%** from 6.73%. The 15-year fixed rate increased to **6.14%** from 6.10%, while the 5/1 ARM rate fell to **5.94%** from 5.98%.

Mortgage Rate Summary:

- **30yr Fixed:** 6.79% (from 6.78%) | **Points:** 0.65 (from 0.66)
- **15yr Fixed:** 6.14% (from 6.10%) | **Points:** 0.86 (from 0.90)
- **Jumbo 30yr:** 6.76% (from 6.73%) | **Points:** 0.40 (from 0.50)
- **FHA:** 6.49% (from 6.46%) | **Points:** 0.82 (unchanged)
- **5/1 ARM:** 5.94% (from 5.98%) | **Points:** 0.66 (from 0.88)