Only a Modest Decline For Mortgage Apps. Next Week Should Improve

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Mortgage applications continued to lose ground as mortgage rates held near their highest levels in nearly three years. The Mortgage Bankers Association (MBA) reported a **2.7% decline** in total mortgage application volume for the week ending October 9.

That's an important date, because a substantial majority of a fairly sharp decline in interest rates occurred AFTER October 9. As such, next week's data is a great opportunity to see the impact of lower rates.

Purchase activity took another step back, with the seasonally adjusted Purchase Index falling **4%** for the week and running **16% below year-ago levels**. Refinances were nearly unchanged, slipping just 0.4%, but remained **56% lower** than a year earlier.

The average 30-year fixed mortgage rate edged up to **7.50%**, its highest level since November 2023 and more than a percentage point above its level a year ago. MBA's Joel Kan notes, “As a result, borrowers continue to rely more on ARM loans to help lower their monthly payments."

ARMs accounted for **10.5% of all applications**, the highest share since October 2025. The refinance share also ticked higher, reaching 37.7% of total applications from 37.0% the previous week, with a 5% drop in FHA refinance applications being the main driver of the small overall decline.

Mortgage Rate Summary:

- **30yr Fixed:** 7.50% (from 7.49%) | **Points:** 0.83 (from 0.84)
- **15yr Fixed:** 6.87% (from 6.71%) | **Points:** 0.90 (from 1.05)
- **Jumbo 30yr:** 7.49% (from 7.39%) | **Points:** 0.70 (from 0.52)
- **FHA:** 7.19% (from 7.14%) | **Points:** 1.21 (from 1.36)
- **5/1 ARM:** 6.54% (from 6.43%) | **Points:** 1.13 (from 1.69)

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