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

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)

Paul Gowen
Broker/Owner, Willamette Falls Financial
www.willamettefallsfinancial.com
P: (503) 922-1499
M: (503) 381-0736
4800 Meadows Rd
Lake Oswego OR 97035
272830

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