HOUSING CONNECTION
Mortgage and Real Estate News That Matters

Mortgage Applications Aren't Ready to Rebound Just Yet

Mortgage applications continued to decline even as mortgage rates finally moved lower. The Mortgage Bankers Association (MBA) reported a **5.3% drop** in total application volume for the week ending October 16, despite the first weekly decline in mortgage rates in more than two months.

The average 30-year fixed mortgage rate fell to **7.41%** from 7.50% the previous week. That improvement wasn't enough to revive demand, with both purchase and refinance applications moving lower.

The seasonally adjusted Purchase Index fell **7%** for the week and was **18% below year-ago levels**. Refinances fared somewhat better, declining 2%, though activity remained **59% lower** than a year earlier.

“Purchase applications fell 18 percent behind last year's pace, as higher rates are pricing buyers out of the market,” said MBA's Joel Kan, who also noted that adjustable-rate mortgages remain an option for qualified borrowers looking for lower rates. ARMs held steady at **10.5% of applications**, with rates nearly a full percentage point below the 30-year fixed average.

The refinance share of total applications increased to **39.0%** from 37.7% the previous week. That shift came despite the decline in refinance volume, reflecting the steeper drop in purchase applications.

Mortgage Rate Summary:

- **30yr Fixed:** 7.41% (from 7.50%) | **Points:** 0.75 (from 0.83)
- **15yr Fixed:** 6.73% (from 6.87%) | **Points:** 0.73 (from 0.90)
- **Jumbo 30yr:** 7.33% (from 7.49%) | **Points:** 0.60 (from 0.70)
- **FHA:** 7.13% (from 7.19%) | **Points:** 1.15 (from 1.21)
- **5/1 ARM:** 6.46% (from 6.54%) | **Points:** 1.11 (from 1.13)

Bridget McNamara
Loan Officer, Community Mortgage Partners
P: (303) 489-0221
M: (303) 489-0221
5406 N Highway 67
Sedalia CO 80135
146437

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