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)

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