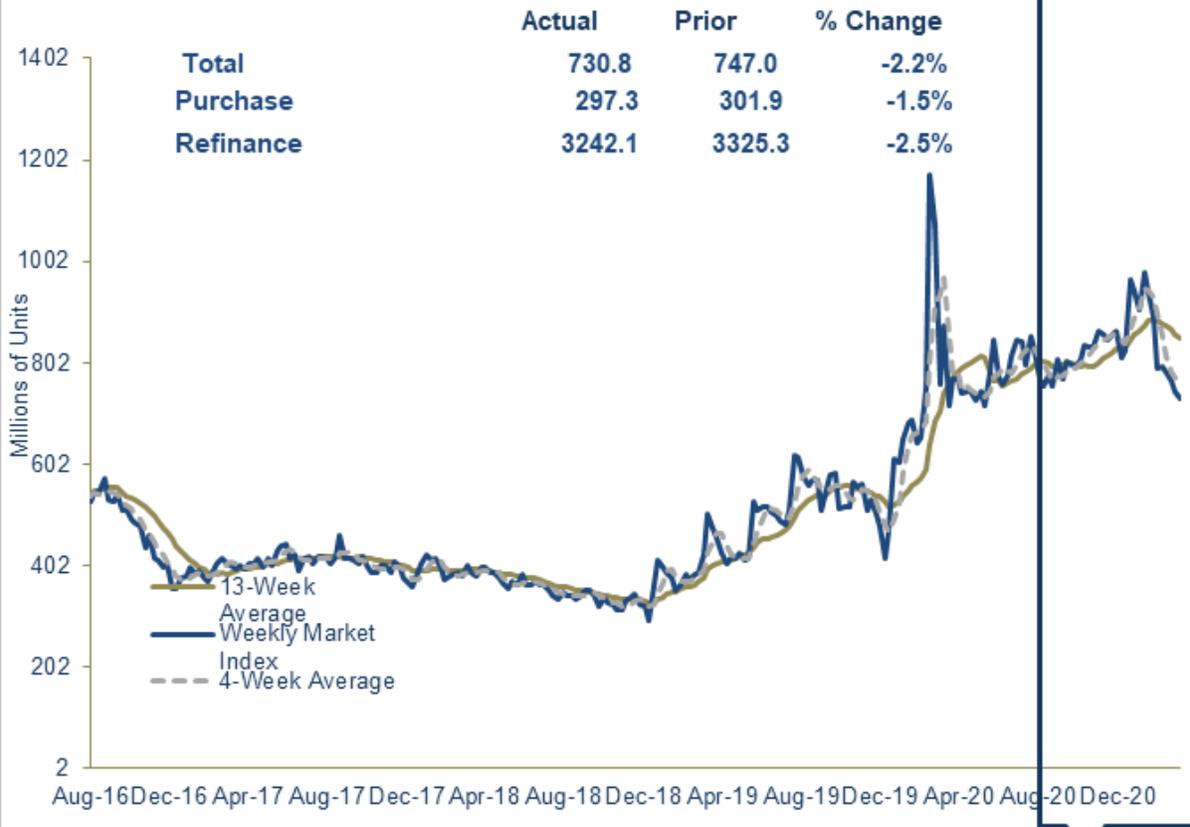


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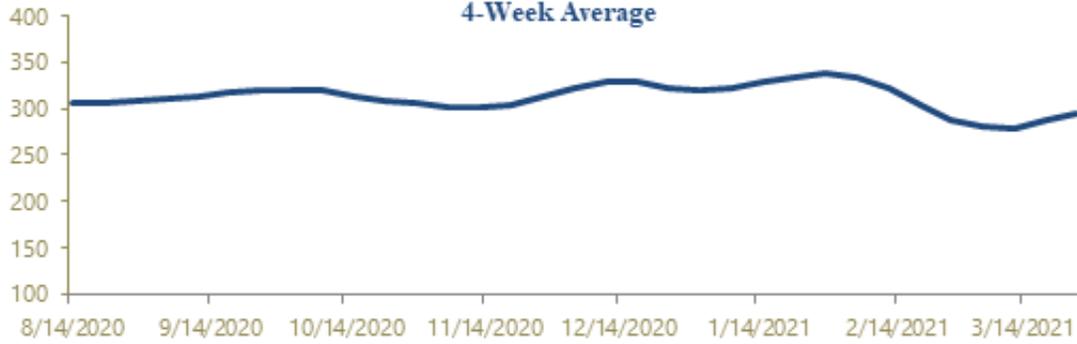
Mortgage Apps: Purchases Edge Lower

Bottom Line: Mortgage applications fell modestly as purchase volumes finally appeared vulnerable to higher mortgage rates. The average 30-year fixed-rate mortgage was mostly steady near 3 3/8%, ~50bps above the lows seen in December. Refinancing volumes fell sharply again and were down 30% from the highs set at the end of January. Purchase volumes often hold up in the initial move to higher mortgage rates as would-be homebuyers rush to close deals when rates start to rise after a long period of declining, low rates. While still early in this cycle, the rush of closings might be coming to an end. Still, housing activity remains strong amid meager inventory. These dynamics bear watching in the coming weeks and months as homebuyers adjust to less favorable affordability amid higher interest rates and higher home prices. Finally, we should highlight that the MBA reported total loans in forbearance fell below 5% for the first time since the pandemic.

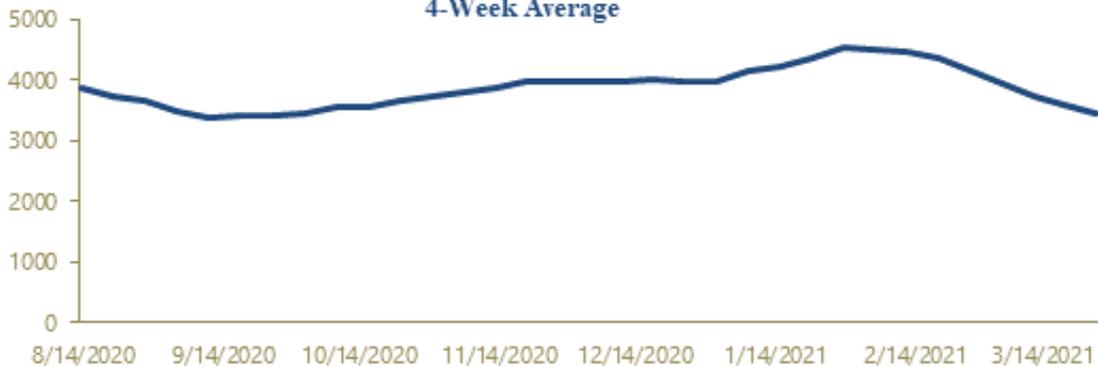
Mortgage Applications



Purchase Index 4-Week Average



Refi Index 4-Week Average



The MBA Mortgage Applications Index FELL by 2.2% during the week ended March 26 to 730.8, sharply below its 13 week average of 851.8 and 16.4% BELOW its year-ago level.

The Purchase Index FELL by 1.5% to 297.3, modestly below its 13 week average of 308.1 but 40.4% ABOVE its year-ago level.

The Refinance Index FELL by 2.5% to 3,242. With this decline, refinancing activity is sharply below its 13 week average of 4,033 and 32.2% BELOW its year-ago level.

Contract Mortgage Rates FELL with the 30-year fixed rate declining by 3 bps to 3.33% and the 15-year fixed rate declining by 1 bp to 2.71%.

Key findings of MBA's Forbearance and Call Volume Survey - March 15 to March 21, 2021

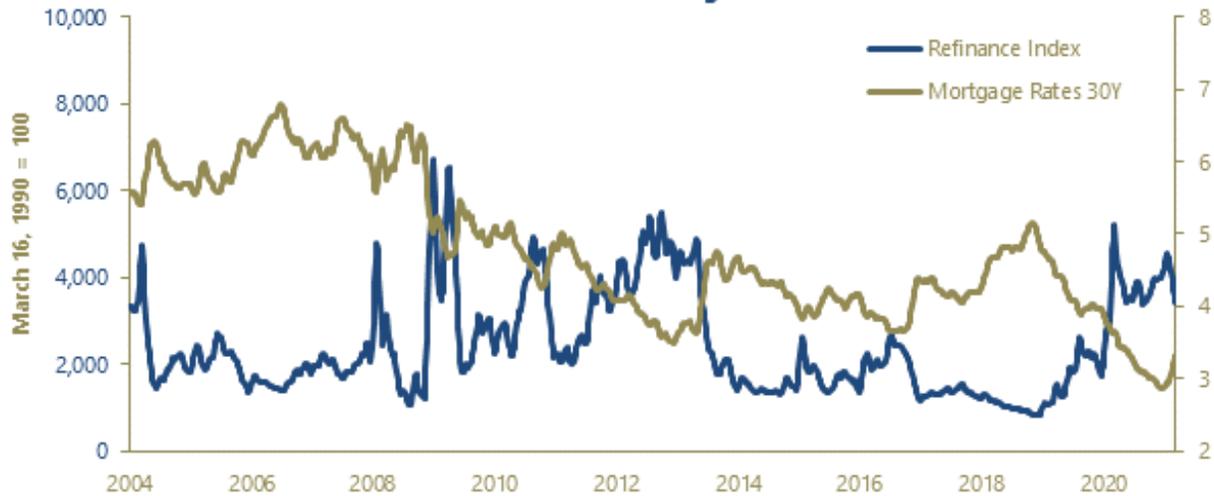
- Total loans in forbearance decreased by 9 basis points relative to the prior week: from 5.05% to 4.96%.
 - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 7.03% to 6.83%.
 - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 2.83% to 2.77%.
 - The share of other loans (e.g., portfolio and PLS loans) in forbearance decreased relative to the prior week: 8.91% to 8.90%.
- By stage, 13.8% of total loans in forbearance are in the initial forbearance plan stage, while 83.4% are in a forbearance extension. The remaining 2.8% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) remained flat relative to the prior week at 0.05%, the lowest level since the week ending March 15, 2020.
- Of the cumulative forbearance exits for the period from June 1, 2020, through March 21, 2021:
 - 26.9% represented borrowers who continued to make their monthly payments during their forbearance period.
 - 26.5% resulted in a loan deferral/partial claim.
 - 14.8% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
 - 14.1% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
 - 8.3% resulted in a loan modification or trial loan modification.

- 7.6% resulted in loans paid off through either a refinance or by selling the home.
- The remaining 1.8% resulted in repayment plans, short sales, deed-in-lieu or other reasons.
- Weekly servicer call center volume:
 - As a percent of servicing portfolio volume (#), calls decreased from the previous week from 9.2% to 8.9%.
 - Average speed to answer increased from 2.5 minutes to 2.7 minutes.
 - Abandonment rates increased from 6.1% to 7.0%.
 - Average call length increased from 8.1 minutes to 8.3 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of March 21, 2021:
 - Total: 4.96% (previous week: 5.05%)
 - IMBs: 5.23% (previous week: 5.37%)
 - Depositories: 5.10% (previous week: 5.15%)

MBA's latest Forbearance and Call Volume Survey covers the period from March 15 through March 21, 2021, and represents 74% of the first-mortgage servicing market (37.1 million loans).



Refinancing Index vs Mortgage Rate 4-Week Average



Purchase Index vs. Existing Home Sales



	26-Mar	19-Mar	12-Mar	5-Mar	26-Feb	19-Feb	12-Feb	5-Feb	29-Jan	13 Wk Avg	Year Ago
Market Index	730.8	747.0	766.2	783.8	794.5	790.6	892.6	940.4	981.1	851.8	874.6
Percent Change	-2.2	-2.5	-2.2	-1.3	0.5	-11.4	-5.1	-4.1	8.1	-14.2	-16.4
Non-seasonally Adj. % Chg	-2.0	-2.1	-1.8	-0.5						-7.3	-15.1
Purchase Index	297.3	301.9	294.3	289.0	269.7	264.9	299.5	318.8	334.6	308.1	211.7
Percent Change	-1.5	2.6	1.8	7.2	1.8	-11.6	-6.1	-4.7	0.1	-3.5	40.4
Refinancing Index	3,242	3,325	3,505	3,659	3,850	3,848	4,337	4,549	4,746	4,033	4,781
Percent Change	-2.5	-5.1	-4.2	-5.0	0.1	-11.3	-4.7	-4.2	11.4	-19.6	-32.2
Refinance % of Total	60.6	60.9	62.9	64.5	67.5	68.5	69.3	70.2	71.4	68.2	75.9
Percent Change	-0.5	-3.2	-2.5	-4.4	-1.5	-1.2	-1.3	-1.7	1.0	-11.2	-20.2
% of ARMs	3.4	3.2	2.7	3.0	2.9	2.7	2.4	2.3	2.2	2.5	3.2
30-Year Fixed Rate	3.33	3.36	3.28	3.26	3.23	3.08	2.98	2.96	2.92	3.08	3.47
15-Year Fixed Rate	2.71	2.72	2.67	2.63	2.64	2.56	2.47	2.50	2.44	2.54	3.05
5-Year ARM on 30-Year	2.85	2.79	2.82	2.69	2.84	2.83	2.83	2.92	2.88	2.78	3.35

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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March 31, 2021

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