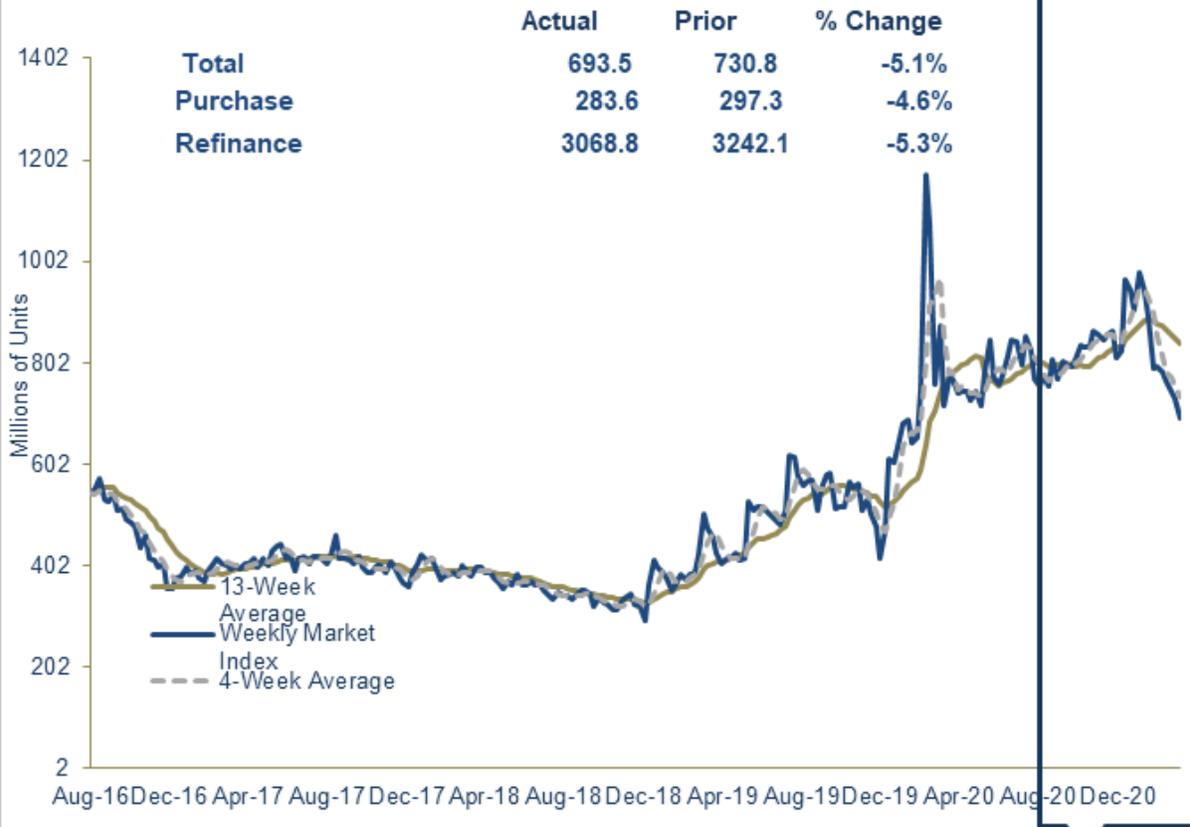


07.Apr.2021

Mortgage Apps: Lower Ahead of Holiday

Bottom Line: Applications for both mortgage purchases and refinancing fell about 5% in the week that included the Good Friday holiday. These indices are not seasonally adjusted around the Easter holiday as there is no US bank holiday. Thus, we would expect lower volumes late last week and early this week. On a trend basis, purchase applications have held up very well, despite higher mortgage rates, while applications for refinancing have slipped sharply. 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. We will be watching purchase volumes closely in the coming weeks and months as the rush of closings would typically be coming to an end by now. Still, housing activity remains strong amid meager inventory.

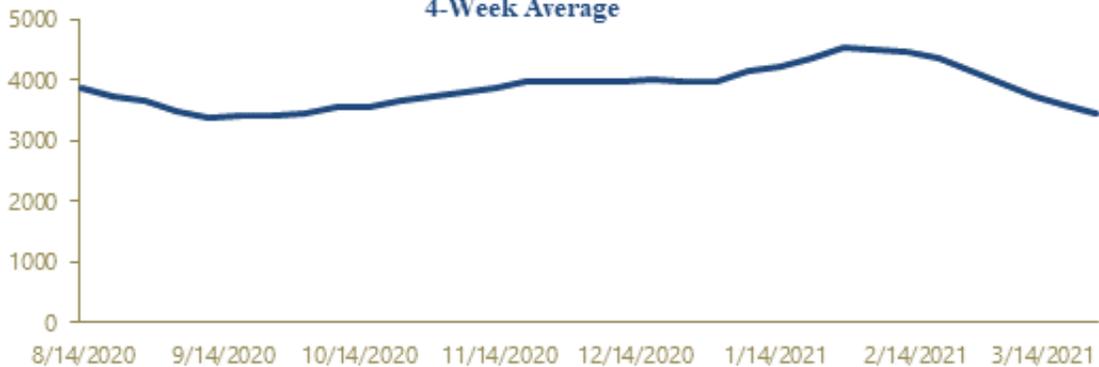
Mortgage Applications



Purchase Index 4-Week Average



Refi Index 4-Week Average



The MBA Mortgage Applications Index FELL by 5.1% during the week ended April 2 to 693.5, sharply below its 13 week average of 841.5 and 3.4% BELOW its year-ago level.

The Purchase Index FELL by 4.6% to 283.6, moderately below its 13 week average of 305.8 but 52.6% ABOVE its year-ago level.

The Refinance Index FELL by 5.3% to 3,069. With this decline, refinancing activity is sharply below its 13 week average of 3,968 and 20.4% BELOW its year-ago level.

Contract Mortgage Rates ROSE with the 30-year fixed rate increasing by 3 bps to 3.36% and the 15-year fixed rate increasing by 3 bps to 2.74%.

Key findings of MBA's Forbearance and Call Volume Survey - March 22 to March 28, 2021

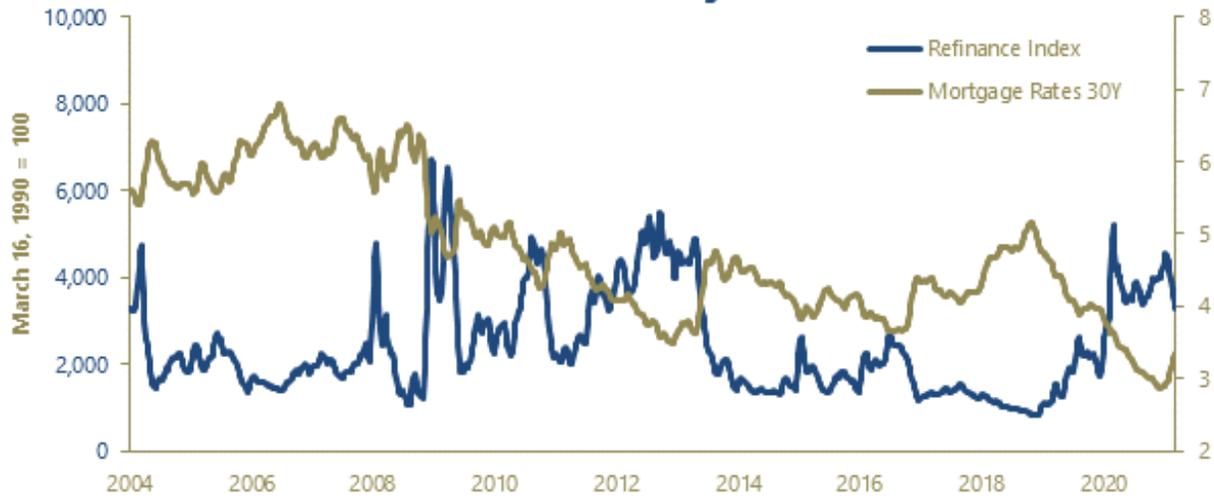
- Total loans in forbearance decreased by 6 basis points relative to the prior week: from 4.96% to 4.90%.
 - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 6.83% to 6.78%.
 - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 2.77% to 2.72%.
 - The share of other loans (e.g., portfolio and PLS loans) in forbearance decreased relative to the prior week: from 8.90% to 8.80%.
- By stage, 13.7% of total loans in forbearance are in the initial forbearance plan stage, while 84.1% are in a forbearance extension. The remaining 2.2% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) decreased relative to the prior week: from 0.05% to 0.04%, the lowest level since the week ending March 15, 2020.
- Of the cumulative forbearance exits for the period from June 1, 2020, through March 28, 2021:
 - 26.6% resulted in a loan deferral/partial claim.
 - 26.5% represented borrowers who continued to make their monthly payments during their forbearance period.
 - 14.7% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
 - 13.9% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.

- 9.0% 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 1.7% 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 8.9% to 8.1%.
 - Average speed to answer decreased from 2.7 minutes to 1.7 minutes.
 - Abandonment rates decreased from 7.0% to 4.1%.
 - Average call length decreased from 8.3 minutes to 7.9 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of March 28, 2021:
 - Total: 4.90% (previous week: 4.96%)
 - IMBs: 5.18% (previous week: 5.23%)
 - Depositories: 5.03% (previous week: 5.10%)

Mortgage Interest Rates 4-Week Average 30-Year Fixed Rate, 15-Year Fixed Rate



Refinancing Index vs Mortgage Rate 4-Week Average



Purchase Index vs. Existing Home Sales



	2-Apr	26-Mar	19-Mar	12-Mar	5-Mar	26-Feb	19-Feb	12-Feb	5-Feb	13 Wk Avg	Year Ago
Market Index	693.5	730.8	747.0	766.2	783.8	794.5	790.6	892.6	940.4	841.5	718.2
Percent Change	-5.1	-2.2	-2.5	-2.2	-1.3	0.5	-11.4	-5.1	-4.1	-17.6	-3.4
Non-seasonally Adj. % Chg	-4.8	-2.0	-2.1	-1.8						-13.4	-2.0
Purchase Index	283.6	297.3	301.9	294.3	289.0	269.7	264.9	299.5	318.8	305.8	185.9
Percent Change	-4.6	-1.5	2.6	1.8	7.2	1.8	-11.6	-6.1	-4.7	-7.2	52.6
Refinancing Index	3,069	3,242	3,325	3,505	3,659	3,850	3,848	4,337	4,549	3,968	3,853
Percent Change	-5.3	-2.5	-5.1	-4.2	-5.0	0.1	-11.3	-4.7	-4.2	-22.7	-20.4
Refinance % of Total	60.3	60.6	60.9	62.9	64.5	67.5	68.5	69.3	70.2	67.2	74.2
	-0.5	-0.5	-3.2	-2.5	-4.4	-1.5	-1.2	-1.3	-1.7	-10.3	-18.7
% of ARMs	3.7	3.4	3.2	2.7	3.0	2.9	2.7	2.4	2.3	2.6	3.3
30-Year Fixed Rate	3.36	3.33	3.36	3.28	3.26	3.23	3.08	2.98	2.96	3.12	3.49
15-Year Fixed Rate	2.74	2.71	2.72	2.67	2.63	2.64	2.56	2.47	2.50	2.57	3.04
5-Year ARM on 30-Year	2.92	2.85	2.79	2.82	2.69	2.84	2.83	2.83	2.92	2.80	3.39

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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April 7, 2021

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