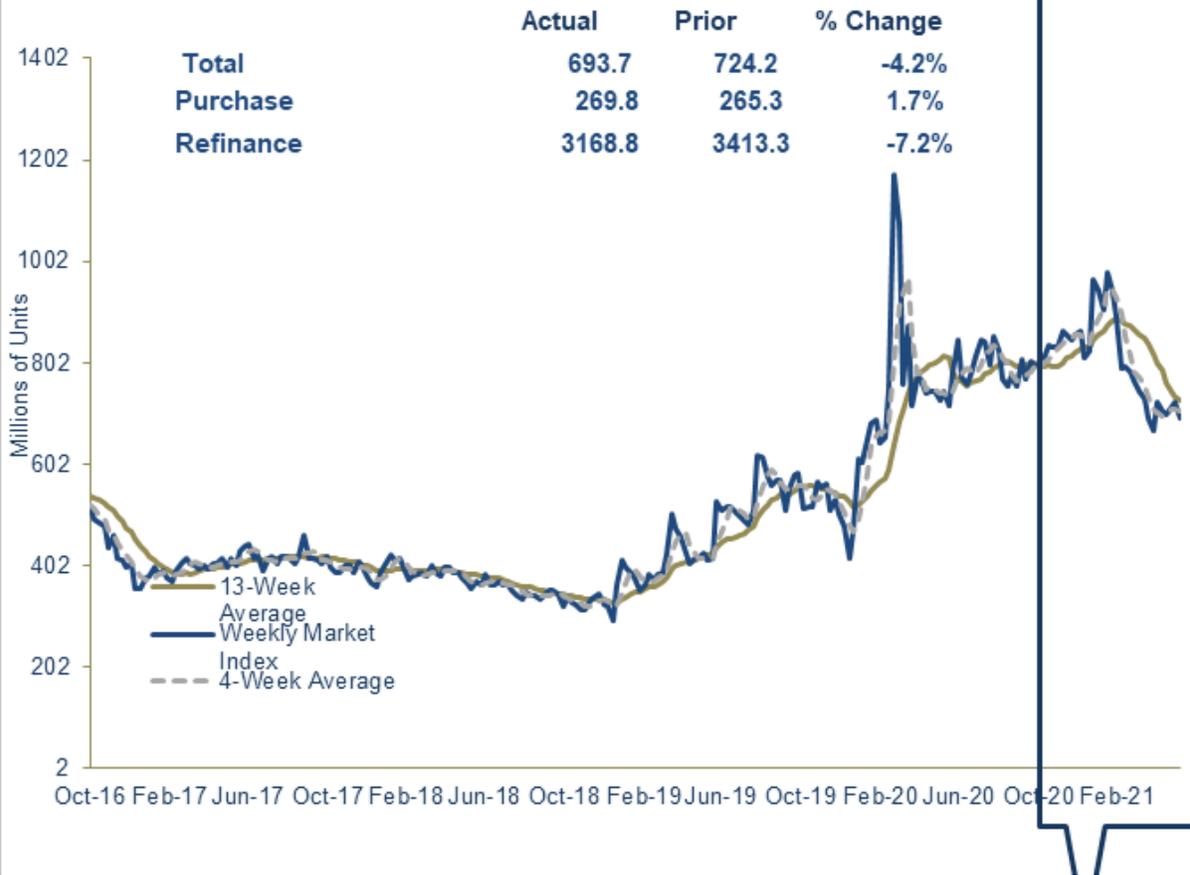


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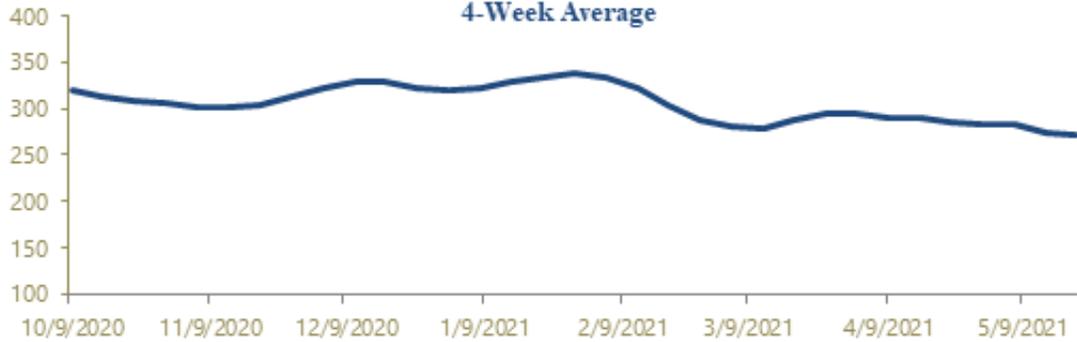
Mortgage Apps: Purchases Inch Higher As Refis Fall

Bottom Line: Mortgage applications for purchases rose just slightly but remained in a modest downtrend, while refi applications fell more. After hitting 2.85% in December on the average 30-year fixed-rate mortgage, rates rose 50bps by mid-March, then retraced about 25bps of the move before edging higher by 8bps in the last two weeks to 3.18%. Freddie Mac's survey commitment rate stood at 3%. The broad move higher in rates since January has cleared weighed on mortgage (and by extension, housing) activity. While the level of purchase applications remains robust, the trend is firmly heading in the wrong direction and could be an early signal that the strength in housing-related economic activity might be ebbing. Rates have dropped modestly this week, but it will likely take mortgage rates closer to 2.7% to spark renewed activity.

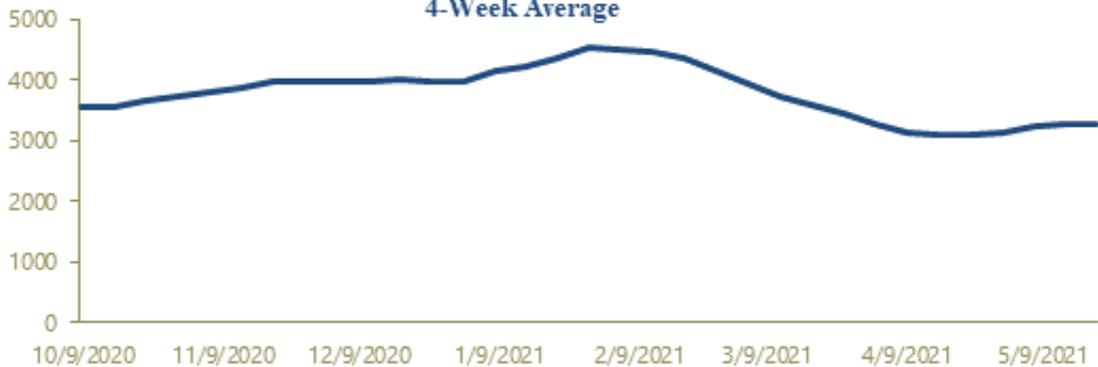
Mortgage Applications



Purchase Index 4-Week Average



Refi Index 4-Week Average



The MBA Mortgage Applications Index FELL by 4.2% during the week ended May 21 to 693.7, modestly below its 13 week average of 726.8 and 7.1% BELOW its year-ago level.

The Purchase Index ROSE by 1.7% to 269.8, modestly below its 13 week average of 283.0 and 4.1% BELOW its year-ago level.

The Refinance Index FELL by 7.2% to 3,169. With this decline, refinancing activity is modestly below its 13 week average of 3,310 and 8.6% BELOW its year-ago level.

Contract Mortgage Rates were MIXED with the 30-year fixed rate increasing by 3 bps to 3.18% and the 15-year fixed rate declining by 1 bp to 2.53%.

Key findings of MBA's Forbearance and Call Volume Survey - May 10 to May 16, 2021

- Total loans in forbearance decreased by 3 basis points relative to the prior week: from 4.22% to 4.19%.
 - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 5.61% to 5.59%.
 - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 2.24% to 2.21%.
 - The share of other loans (e.g., portfolio and PLS loans) in forbearance remained the same relative to the prior week at 8.26%.
- By stage, 11.8% of total loans in forbearance are in the initial forbearance plan stage, while 82.9% are in a forbearance extension. The remaining 5.3% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) increased relative to the prior week: from 0.04% to 0.05%.
- Of the cumulative forbearance exits for the period from June 1, 2020, through May 16, 2021:
 - 27.2% resulted in a loan deferral/partial claim.
 - 24.8% represented borrowers who continued to make their monthly payments during their forbearance period.
 - 15.0% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
 - 14.1% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
 - 9.9% resulted in a loan modification or trial loan modification.
 - 7.4% resulted in loans paid off through either a refinance or by selling

the home.

- The remaining 1.6% 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 increased from the previous week from 8.0% to 8.4%.
 - Average speed to answer decreased from 1.8 minutes to 1.7 minutes.
 - Abandonment rates decreased from 6.1% to 5.2%.
 - Average call length decreased from 7.9 minutes to 7.7 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of May 16, 2021:
 - Total: 4.19% (previous week: 4.22%)
 - IMBs: 4.38% (previous week: 4.42%)
 - Depositories: 4.35% (previous week: 4.35%)

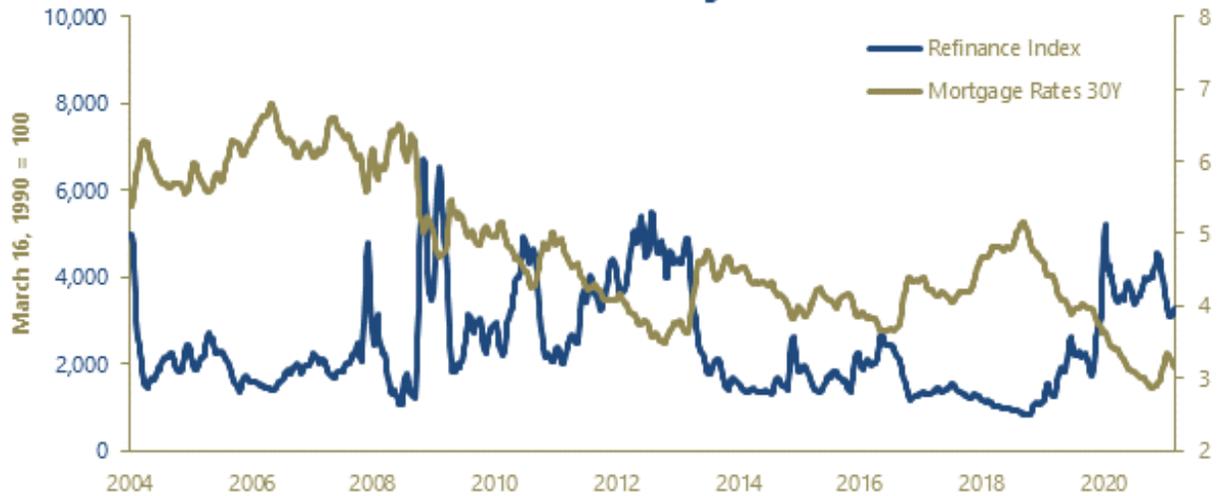
Mortgage Interest Rates 4-Week Average 30-Year Fixed Rate, 15-Year Fixed Rate



Purchase Index vs. Existing Home Sales



Refinancing Index vs Mortgage Rate 4-Week Average



	21-May	14-May	7-May	30-Apr	23-Apr	16-Apr	9-Apr	2-Apr	26-Mar	13 Wk Avg	Year Ago
Market Index	693.7	724.2	715.3	700.4	706.6	724.8	667.7	693.5	730.8	726.8	746.5
Percent Change	-4.2	1.2	2.1	-0.9	-2.5	8.6	-3.7	-5.1	-2.2	-4.6	-7.1
Non-seasonally Adj. % Chg	-4.2	0.8	2.3	-0.5						-3.5	-6.8
Purchase Index	269.8	265.3	276.7	274.5	281.4	295.5	279.5	283.6	297.3	283.0	281.2
Percent Change	1.7	-4.1	0.8	-2.5	-4.8	5.7	-1.4	-4.6	-1.5	-4.7	-4.1
Refinancing Index	3,169	3,413	3,281	3,189	3,185	3,220	2,917	3,069	3,242	3,310	3,466
Percent Change	-7.2	4.0	2.9	0.1	-1.1	10.4	-5.0	-5.3	-2.5	-4.3	-8.6
Refinance % of Total	61.4	63.3	61.3	61.0	60.6	60.0	59.2	60.3	60.6	61.8	62.6
	-3.0	3.3	0.5	0.7	1.0	1.4	-1.8	-0.5	-0.5	-0.7	-1.9
% of ARMs	4.0	3.9	3.8	3.9	3.5	3.6	3.6	3.7	3.4	3.5	3.4
30-Year Fixed Rate	3.18	3.15	3.11	3.18	3.17	3.20	3.27	3.36	3.33	3.24	3.42
15-Year Fixed Rate	2.53	2.54	2.49	2.54	2.55	2.65	2.67	2.74	2.71	2.62	2.87
5-Year ARM on 30-Year	2.81	2.58	2.57	2.76	2.59	2.67	2.60	2.92	2.85	2.73	3.08

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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May 26, 2021

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