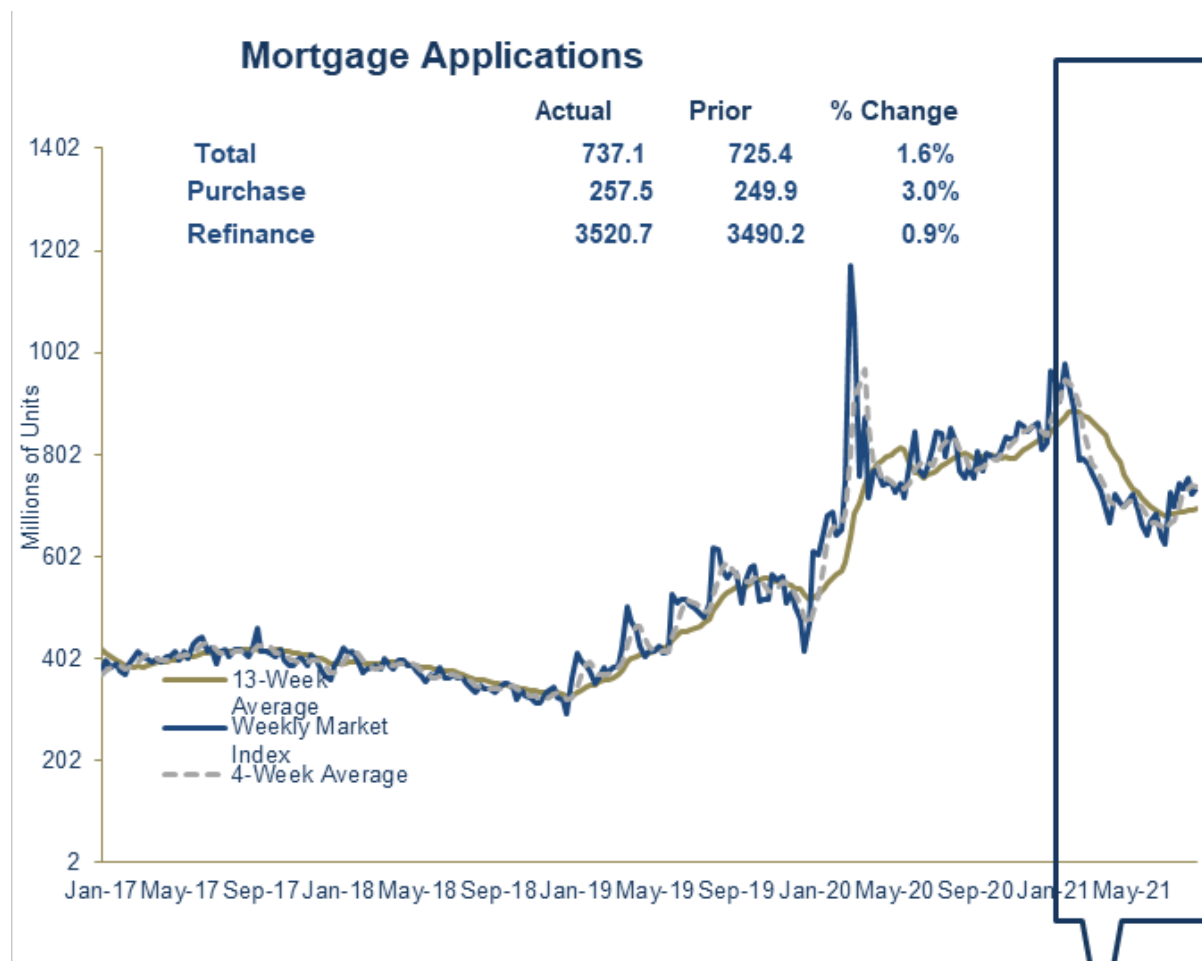
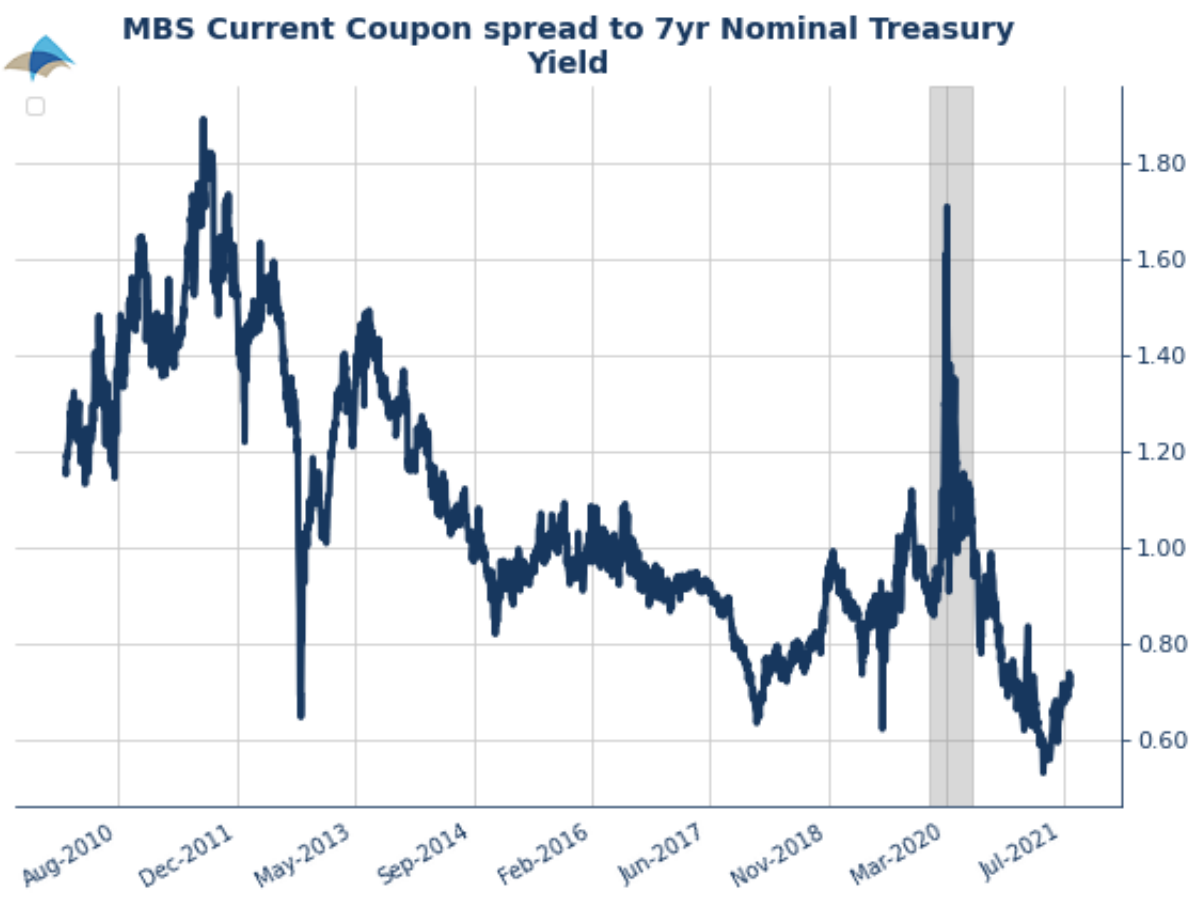
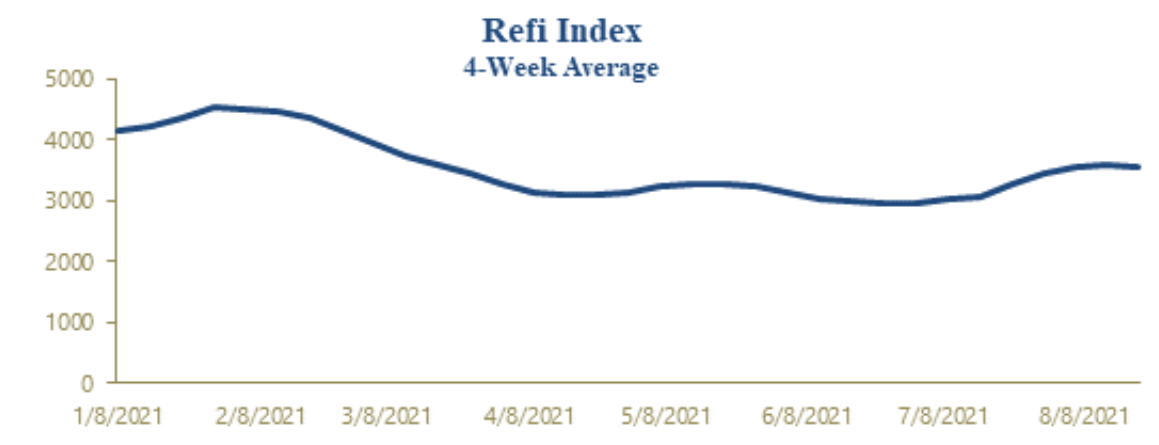
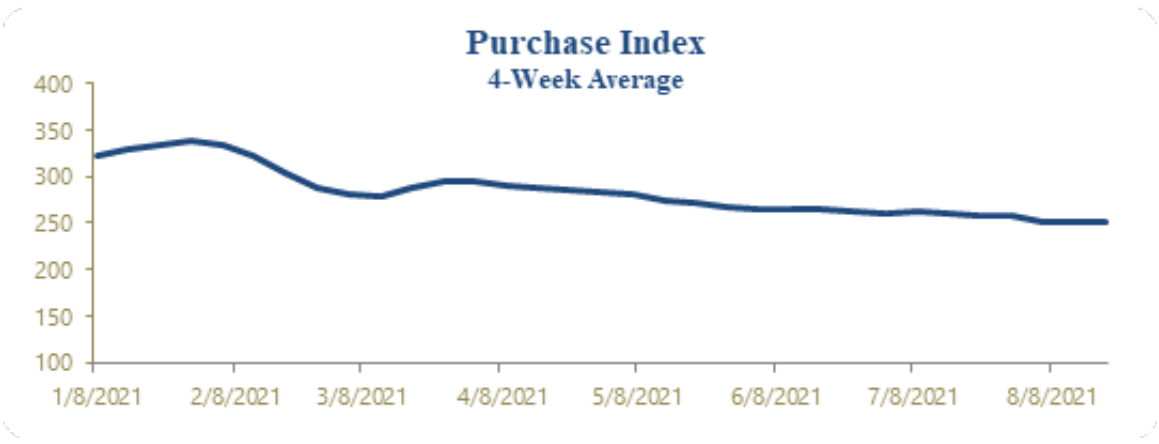


25.Aug.2021

Mortgage Apps: Sluggish Volumes Continued

Bottom Line: Mortgage application volume remained sluggish last week with only a slight move higher as rates dipped modestly. Realtors reported slightly lower average 30-year fixed mortgage rates at 3.03%, down 3bps, but secondary markets were largely unchanged. Current coupon yields in the secondary market were little changed, closing at 1.78%, and were little changed this week through Tuesday. Trends are mixed to lower for both purchase and refi applications. **Largely confirmed by the latest existing and new home sales data, housing market activity appears to be plateauing at a historically moderate to strong pace as buyers struggle with affordability in an environment where rates would need to decline substantially again to offset the higher prices in most markets.**





The MBA Mortgage Applications Index ROSE by 1.6% during the week ended

August 20 to 737.1, modestly above its 13 week average of 696.9 but 4.3% BELOW its year-ago level.

The Purchase Index ROSE by 3.0% to 257.5, slightly below its 13 week average of 257.9 and 17.0% BELOW its year-ago level.

The Refinance Index ROSE by 0.9% to 3,521. Despite this increase, refinancing activity is moderately above its 13 week average of 3,246 and 2.9% ABOVE its year-ago level.

Contract Mortgage Rates FELL with the 30-year fixed rate declining by 3 bps to 3.03% and the 15-year fixed rate declining by 3 bps to 2.38%.

Key findings of MBA's Forbearance and Call Volume Survey - August 9 to August 15, 2021

- Total loans in forbearance decreased by 1 basis point relative to the prior week: from 3.26% to 3.25%.
 - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 3.95% to 3.92%.
 - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 1.69% to 1.66%.
 - The share of other loans (e.g., portfolio and PLS loans) in forbearance increased relative to the prior week: from 7.05% to 7.15%.
- By stage, 10.0% of total loans in forbearance are in the initial forbearance plan stage, while 82.3% are in a forbearance extension. The remaining 7.7% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) decreased relative to the prior week: from 0.06% to 0.05%.
- Of the cumulative forbearance exits for the period from June 1, 2020, through August 15, 2021, at the time of forbearance exit:
 - 28.3% resulted in a loan deferral/partial claim.
 - 22.6% represented borrowers who continued to make their monthly payments during their forbearance period.
 - 16.1% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
 - 13.1% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
 - 11.1% 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 1.4% 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 relative to the prior week: from 7.5% to 7.3%.
 - Average speed to answer remained the same at 1.5 minutes.
 - Abandonment rates decreased from 5.0% to 4.6%.
 - Average call length increased from 7.5 minutes to 7.9 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of August 15, 2021:
 - Total: 3.25% (previous week: 3.26%)
 - IMBs: 3.48% (previous week: 3.46%)
 - Depositories: 3.35% (previous week: 3.36%)

MBA's latest Forbearance and Call Volume Survey covers the period from August 9 through August 15, 2021 and represents 74% of the first-mortgage servicing market (36.9 million loans).



Purchase Index vs. Existing Home Sales



Refinancing Index vs Mortgage Rate 4-Week Average



	20-Aug	13-Aug	6-Aug	30-Jul	23-Jul	16-Jul	9-Jul	2-Jul	25-Jun	13 Wk Avg	Year Ago
Market Index	737.1	725.4	754.8	734.3	747.0	698.3	727.5	627.0	638.8	696.9	770.6
Percent Change	1.6	-3.9	2.8	-1.7	7.0	-4.0	16.0	-1.8	-6.9	5.8	-4.3
Non-seasonally Adj. % Chg	0.9	-4.3	2.5	-1.7						6.3	-4.4
Purchase Index	257.5	249.9	252.0	247.5	251.9	255.8	273.3	252.4	255.2	257.9	310.2
Percent Change	3.0	-0.8	1.8	-1.7	-1.5	-6.4	8.3	-1.1	-4.8	-0.2	-17.0
Refinancing Index	3,521	3,490	3,684	3,571	3,633	3,268	3,362	2,791	2,857	3,246	3,423
Percent Change	0.9	-5.3	3.2	-1.7	11.2	-2.8	20.4	-2.3	-8.2	8.4	2.9
Refinance % of Total	67.3	67.3	68.0	67.6	67.5	64.9	64.1	61.6	61.9	64.3	62.6
	0.0	-1.0	0.6	0.1	4.0	1.2	4.1	-0.5	-1.0	4.6	7.5
% of ARMs	3.1	3.2	3.2	3.4	3.5	3.3	3.5	3.3	3.6	3.5	2.6
30-Year Fixed Rate	3.03	3.06	2.99	2.97	3.01	3.11	3.09	3.15	3.20	3.09	3.11
15-Year Fixed Rate	2.38	2.41	2.35	2.33	2.36	2.46	2.48	2.52	2.56	2.46	2.70
5-Year ARM on 30-Year	2.68	2.90	2.52	2.93	2.81	2.74	3.02	2.94	2.98	2.77	3.14

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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August 25, 2021

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