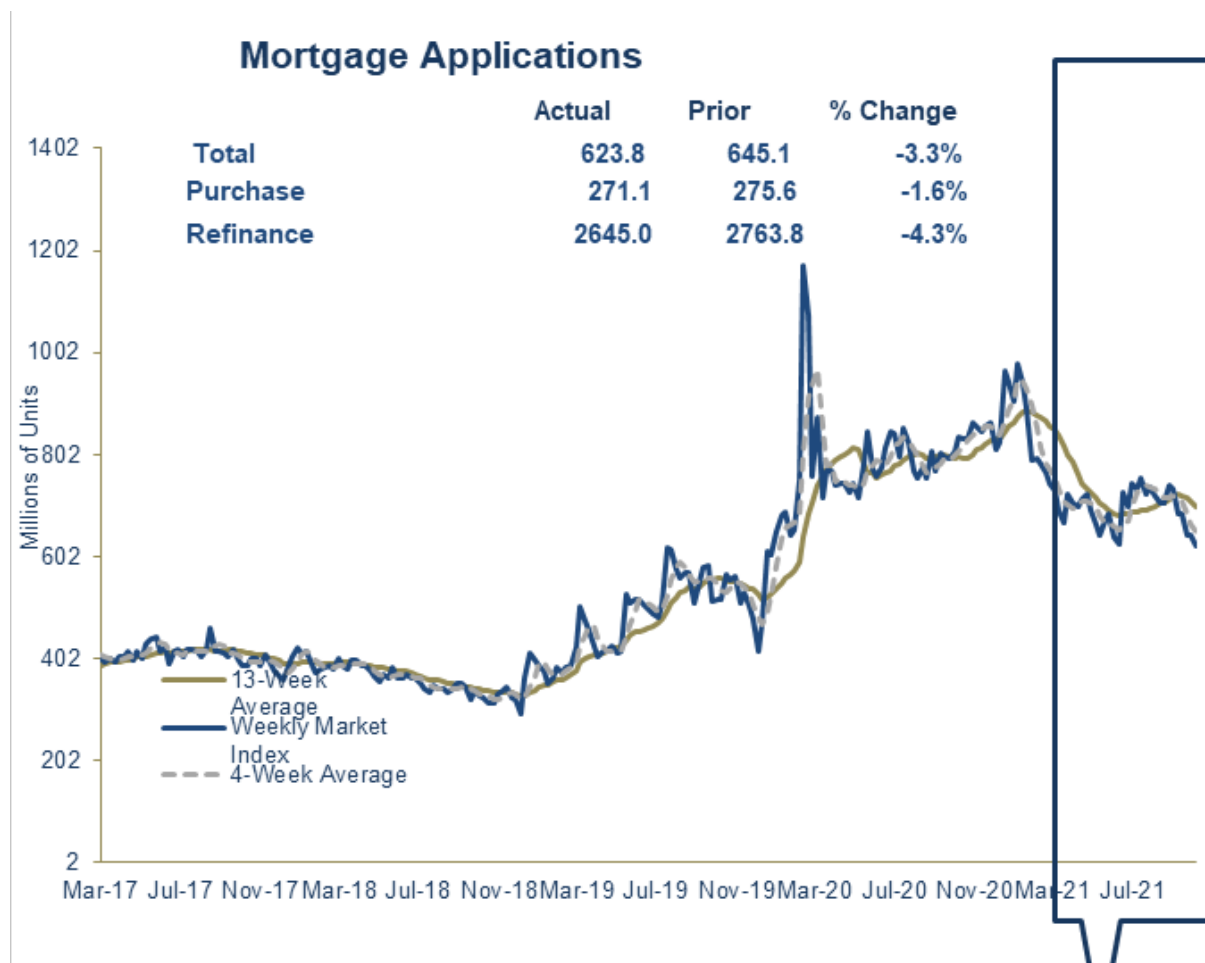


03.Nov.2021

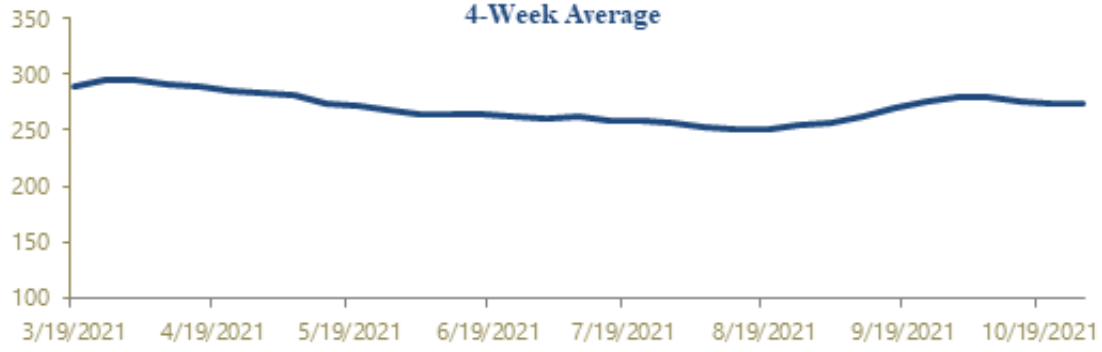
Mortgage Apps: Decline After Rebound, Despite Lower Rates

Bottom Line: Mortgage applications fell again last week after rebounding slightly following sharp declines earlier this month and late last. The purchase index slipped just slightly, but the refi index fell over 4%, despite a slight decrease in mortgage rates. The 30-year fixed-rate mortgages averaged 3.24%, down slightly but still up from 3% in early August. Current coupon yields in the secondary market were down -11.0 bps last week, closing at 2.0%, and were little changed this week through Tuesday.

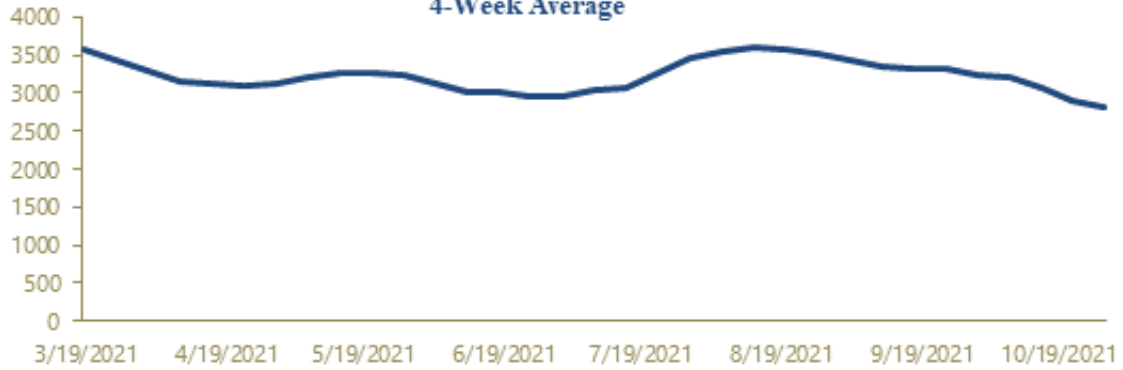
Overall, the trend in rates has shifted, and so have the trends in applications for refis and now purchases.



Purchase Index
4-Week Average



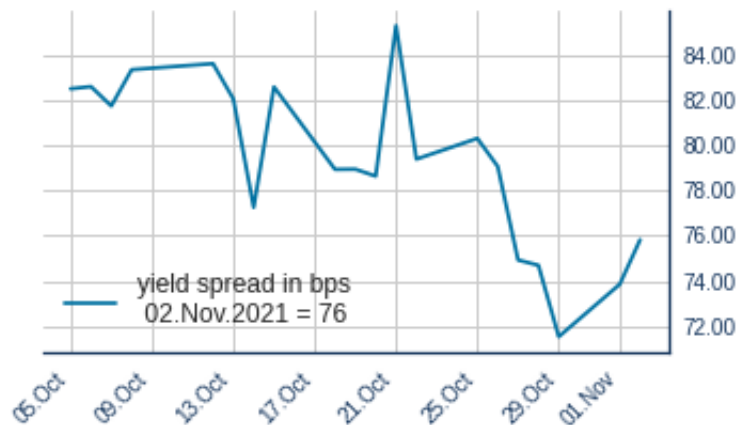
Refi Index
4-Week Average



MBS Current Coupon Yield



MBS Current Coupon spread to Blend of Treasury Yields



The MBA Mortgage Application Index FELL -3.3% at 624.0, BELOW the 13-week average of 701.0 and -25.6% BELOW the year-ago level.

The Purchase Index FELL -1.6% at 271.0, ABOVE the 13-week average of 268.0 but -10.0% BELOW the year-ago level.

The Refinancing Index FELL -4.3% at 2645.0, BELOW the 13-week average of 3199.0 and -33.0% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** FELL 6bps to 3.34, ABOVE the 13-week average of 3.20 and 22bps ABOVE the year-ago level.

Key findings of MBA's Forbearance and Call Volume Survey - October 18 to October 24, 2021

- Total loans in forbearance decreased by 6 basis points relative to the prior week: from 2.21% to 2.15%.
 - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 2.72% to 2.65%.
 - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 1.00% to 0.97%.
 - The share of other loans (e.g., portfolio and PLS loans) in forbearance decreased relative to the prior week: from 5.21% to 5.13%
- By stage, 15.6% of total loans in forbearance are in the initial forbearance plan stage, while 74.2% are in a forbearance extension. The remaining 10.2% are forbearance re-entries, including re-entries with extensions.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) remained the same relative to the prior week at 0.04%.
- Of the cumulative forbearance exits for the period from June 1, 2020, through October 24, 2021, at the time of forbearance exit:
 - 29.1% resulted in a loan deferral/partial claim.
 - 20.6% represented borrowers who continued to make their monthly payments during their forbearance period.
 - 16.7% 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 a loan modification or trial loan modification.
 - 12.0% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
 - 7.1% 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 7.7% to 5.9%.
 - Average speed to answer decreased from 2.1 minutes to 1.5 minutes.
 - Abandonment rates decreased from 5.7% to 4.0%.
 - Average call length decreased from 7.9 minutes to 7.8 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of October 24, 2021:
 - Total: 2.15% (previous week: 2.21%)
 - IMBs: 2.43% (previous week: 2.49%)
 - Depositories: 2.07% (previous week: 2.11%)

MBA's latest Forbearance and Call Volume Survey covers the period from October 18 through October 24, 2021, and represents 73% of the first-mortgage servicing

market (36.7 million loans).

source: Mortgage Banker's Association

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



	29-Oct	22-Oct	15-Oct	8-Oct	1-Oct	24-Sep	17-Sep	10-Sep	3-Sep	13Wk Avg	Year Ago
Market Index	623.8	645.1	643.0	686.1	684.5	734.9	742.7	707.9	705.6	700.8	838.2
Percent Change	-3.3	0.3	-6.3	0.2	-6.9	-1.1	4.9	0.3	-1.9	-11.0	-25.6
Non-seasonally Adj. % Chg	-3.8	0.2	-6.2	0.4						-11.8	-25.6
Purchase Index	271.1	275.6	266.2	279.8	275.7	280.4	283.9	277.9	258.4	268.3	301.2
Percent Change	-1.6	3.5	-4.9	1.5	-1.7	-1.2	2.2	7.5	-0.2	1.1	-10.0
Refinancing Index	2,645	2,764	2,808	3,023	3,038	3,360	3,391	3,186	3,292	3,199	3,950
Percent Change	-4.3	-1.6	-7.1	-0.5	-9.6	-0.9	6.5	-3.2	-2.8	-17.3	-33.0
Refinance% of Total	61.9	62.2	63.3	63.9	64.5	66.4	66.2	64.9	66.8	65.3	68.7
	-0.5	-1.7	-0.9	-0.9	-2.9	0.3	2.0	-2.8	0.0	-5.3	-9.9
% of ARMs	32	31	33	34	34	34	29	33	25	32	21
30-Year Fixed Rate	3.24	3.30	3.23	3.18	3.14	3.10	3.03	3.03	3.03	3.11	3.01
15-Year Fixed Rate	2.58	2.59	2.54	2.48	2.45	2.43	2.34	2.34	2.37	2.43	2.55
5-Year ARM on 30-Year	2.88	2.89	3.09	3.08	2.54	2.77	2.51	2.68	2.56	2.76	2.67

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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November 3, 2021

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