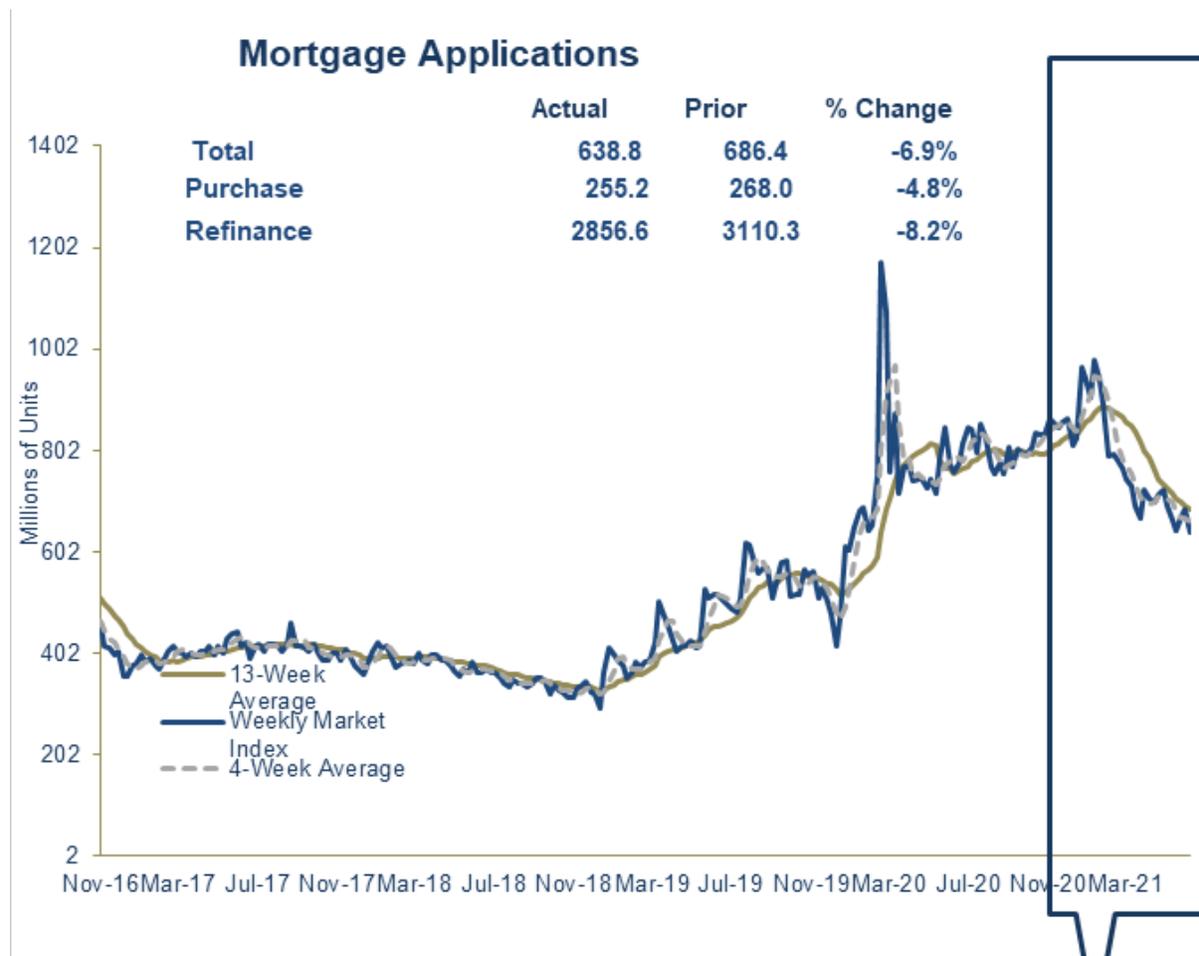
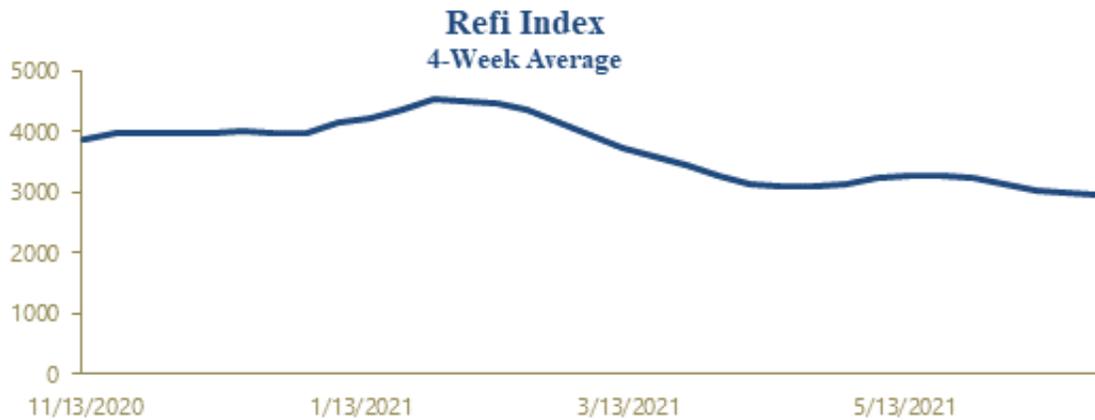


30.Jun.2021

## Mortgage Apps: Slumping Into Quarter-End

**Bottom Line:** Applications for purchases and refinancing fell last week, accelerating a modest downtrend in place throughout much of the 2nd Quarter. Realtors reported average 30-year mortgage rates of 3.20%, a rebound to the highest level since mid-April. The pace of gains in housing markets has decelerated over the course of the 2nd Quarter, and these application data suggest continued slowing is likely in the 3rd Quarter. Housing remained an important driver of growth in the early estimates of 2nd Quarter growth, but it will likely offer much less contribution in the 3rd Quarter. That said, the market for single-family homes remains tight in nearly all regions, which should provide a floor for activity.





**The MBA Mortgage Applications Index** FELL by 6.9% during the week ended June 25 to 638.8, moderately below its 13 week average of 687.3 and 15.8% BELOW its year-ago level.

**The Purchase Index** FELL by 4.8% to 255.2, modestly below its 13 week average of 272.3 and 17.3% BELOW its year-ago level.

**The Refinance Index** FELL by 8.2% to 2,857. With this decline, refinancing activity is moderately below its 13 week average of 3,102 and 15.0% BELOW its year-ago level.

**Contract Mortgage Rates** were MIXED with the 30-year fixed rate increasing by 2 bps to 3.20% and the 15-year fixed rate declining by 2 bps to 2.56%.

### Key findings of MBA's Forbearance and Call Volume Survey - June 14 to June 20, 2021

- Total loans in forbearance decreased by 2 basis points relative to the prior week: from 3.93% to 3.91%.
  - By investor type, the share of Ginnie Mae loans in forbearance

- decreased relative to the prior week: from 5.15% to 5.13%.
- The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 2.05% to 2.02%.
- The share of other loans (e.g., portfolio and PLS loans) in forbearance decreased relative to the prior week: from 7.98% to 7.97%.
- By stage, 10.7% of total loans in forbearance are in the initial forbearance plan stage, while 83.1% are in a forbearance extension. The remaining 6.2% are forbearance re-entries.
- 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 June 20, 2021:
  - 27.8% resulted in a loan deferral/partial claim.
  - 23.9% represented borrowers who continued to make their monthly payments during their forbearance period.
  - 15.2% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
  - 13.8% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
  - 10.3% resulted in a loan modification or trial loan modification.
  - 7.5% resulted in loans paid off through either a refinance or by selling the home.
  - The remaining 1.5% 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 relative to the prior week: from 7.0% to 7.2%.
  - Average speed to answer increased from 1.3 minutes to 1.5 minutes.
  - Abandonment rates increased from 4.2% to 4.9%.
  - Average call length decreased from 7.8 minutes to 7.6 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of June 20, 2021:
  - Total: 3.91% (previous week: 3.93%)
  - IMBs: 4.03% (previous week: 4.05%)
  - Depositories: 4.14% (previous week: 4.16%)

MBA's latest Forbearance and Call Volume Survey covers the period from June 14 through June 20, 2021, and represents 74% of the first-mortgage servicing market (37.0 million loans).

## Mortgage Interest Rates

4-Week Average

30-Year Fixed Rate, 15-Year Fixed Rate

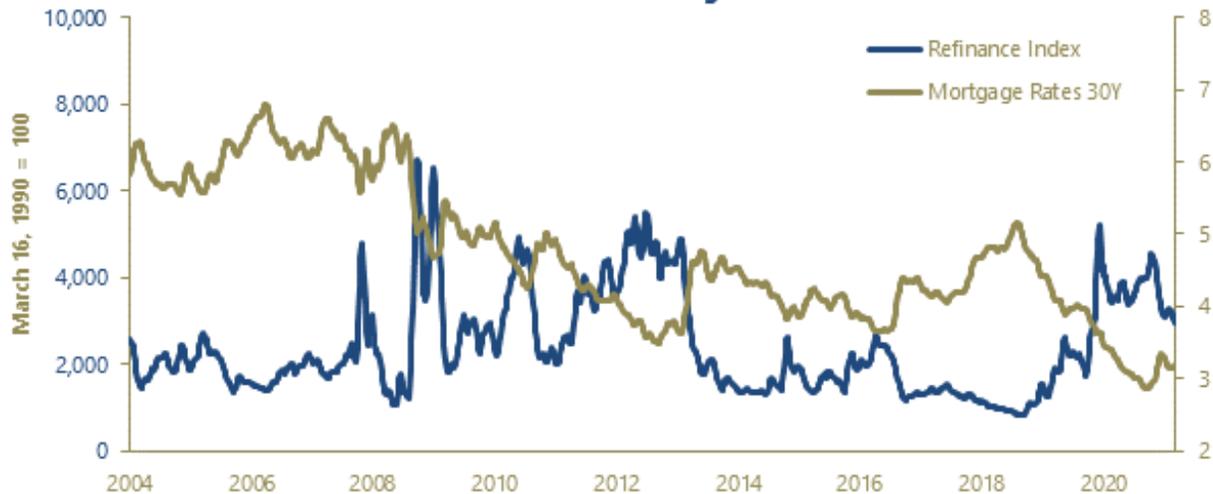


## Purchase Index vs. Existing Home Sales



## Refinancing Index vs Mortgage Rate

4-Week Average



	25-Jun	18-Jun	11-Jun	4-Jun	28-May	21-May	14-May	7-May	30-Apr	13 Wk Avg	Year Ago
<b>Market Index</b>	<b>638.8</b>	<b>686.4</b>	<b>672.4</b>	<b>645.4</b>	<b>665.9</b>	<b>693.7</b>	<b>724.2</b>	<b>715.3</b>	<b>700.4</b>	<b>687.3</b>	<b>758.9</b>
<b>Percent Change</b>	<b>-6.9</b>	<b>2.1</b>	<b>4.2</b>	<b>-3.1</b>	<b>-4.0</b>	<b>-4.2</b>	<b>1.2</b>	<b>2.1</b>	<b>-0.9</b>	<b>-7.1</b>	<b>-15.8</b>
<i>Non-seasonally Adj. % Chg</i>	<i>-7.2</i>	<i>1.4</i>	<i>14.7</i>	<i>-13.3</i>						<i>-8.3</i>	<i>-15.9</i>
<b>Purchase Index</b>	<b>255.2</b>	<b>268.0</b>	<b>266.3</b>	<b>262.1</b>	<b>261.4</b>	<b>269.8</b>	<b>265.3</b>	<b>276.7</b>	<b>274.5</b>	<b>272.3</b>	<b>308.7</b>
<b>Percent Change</b>	<b>-4.8</b>	<b>0.6</b>	<b>1.6</b>	<b>0.3</b>	<b>-3.1</b>	<b>1.7</b>	<b>-4.1</b>	<b>0.8</b>	<b>-2.5</b>	<b>-6.3</b>	<b>-17.3</b>
<b>Refinancing Index</b>	<b>2,857</b>	<b>3,110</b>	<b>3,027</b>	<b>2,869</b>	<b>3,022</b>	<b>3,169</b>	<b>3,413</b>	<b>3,281</b>	<b>3,189</b>	<b>3,102</b>	<b>3,359</b>
<b>Percent Change</b>	<b>-8.2</b>	<b>2.8</b>	<b>5.5</b>	<b>-5.1</b>	<b>-4.6</b>	<b>-7.2</b>	<b>4.0</b>	<b>2.9</b>	<b>0.1</b>	<b>-7.9</b>	<b>-15.0</b>
<b>Refinance % of Total</b>	<b>61.9</b>	<b>62.5</b>	<b>61.7</b>	<b>60.4</b>	<b>61.3</b>	<b>61.4</b>	<b>63.3</b>	<b>61.3</b>	<b>61.0</b>	<b>61.1</b>	<b>61.2</b>
	<b>-1.0</b>	<b>1.3</b>	<b>2.2</b>	<b>-1.5</b>	<b>-0.2</b>	<b>-3.0</b>	<b>3.3</b>	<b>0.5</b>	<b>0.7</b>	<b>1.2</b>	<b>1.1</b>
<b>% of ARMs</b>	<b>3.6</b>	<b>3.9</b>	<b>3.8</b>	<b>3.9</b>	<b>3.7</b>	<b>4.0</b>	<b>3.9</b>	<b>3.8</b>	<b>3.9</b>	<b>3.8</b>	<b>3.2</b>
<b>30-Year Fixed Rate</b>	<b>3.20</b>	<b>3.18</b>	<b>3.11</b>	<b>3.15</b>	<b>3.17</b>	<b>3.18</b>	<b>3.15</b>	<b>3.11</b>	<b>3.18</b>	<b>3.19</b>	<b>3.29</b>
<b>15-Year Fixed Rate</b>	<b>2.56</b>	<b>2.58</b>	<b>2.49</b>	<b>2.52</b>	<b>2.56</b>	<b>2.53</b>	<b>2.54</b>	<b>2.49</b>	<b>2.54</b>	<b>2.57</b>	<b>2.81</b>
<b>5-Year ARM on 30-Year</b>	<b>2.98</b>	<b>2.69</b>	<b>2.69</b>	<b>2.54</b>	<b>2.54</b>	<b>2.81</b>	<b>2.58</b>	<b>2.57</b>	<b>2.76</b>	<b>2.69</b>	<b>3.04</b>

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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June 30, 2021

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