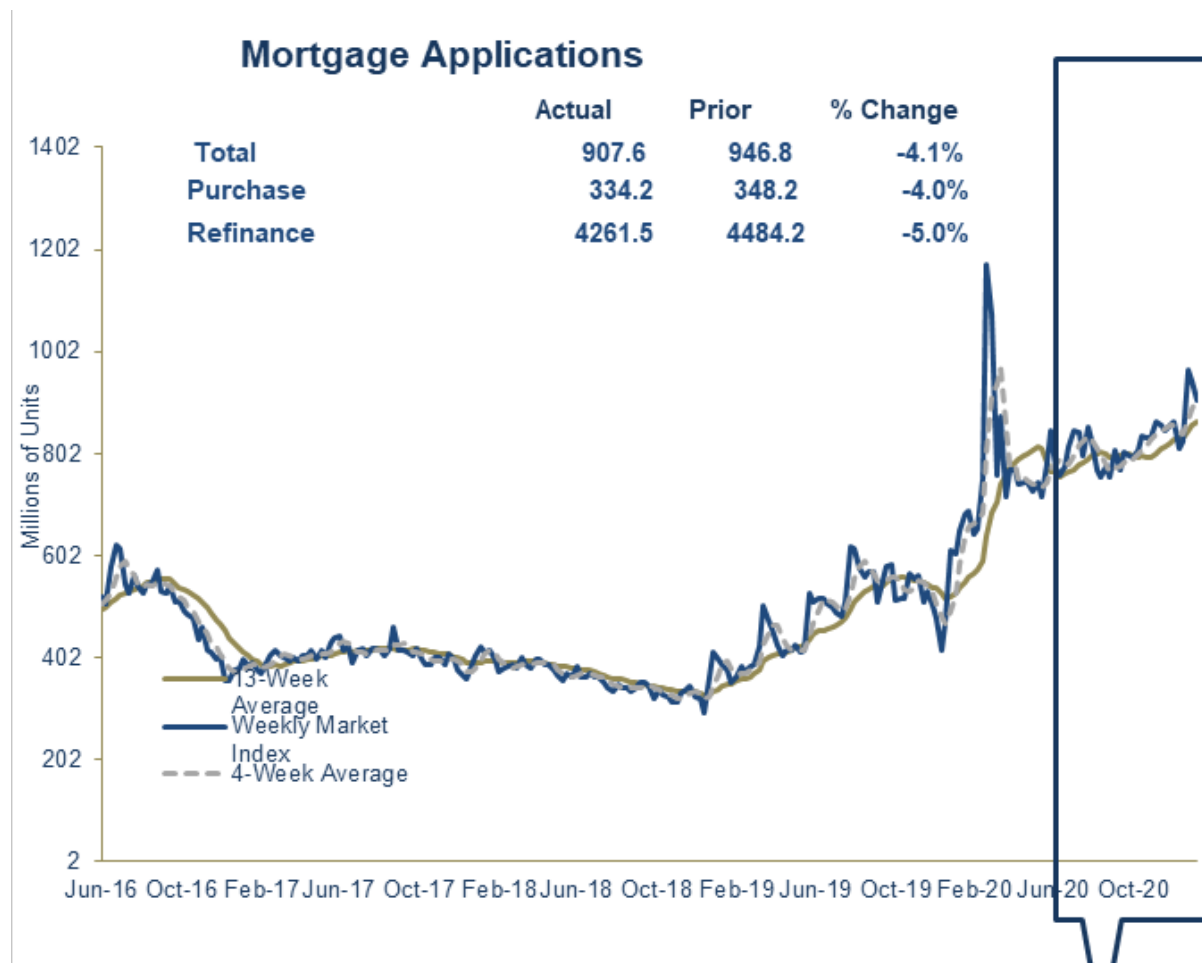
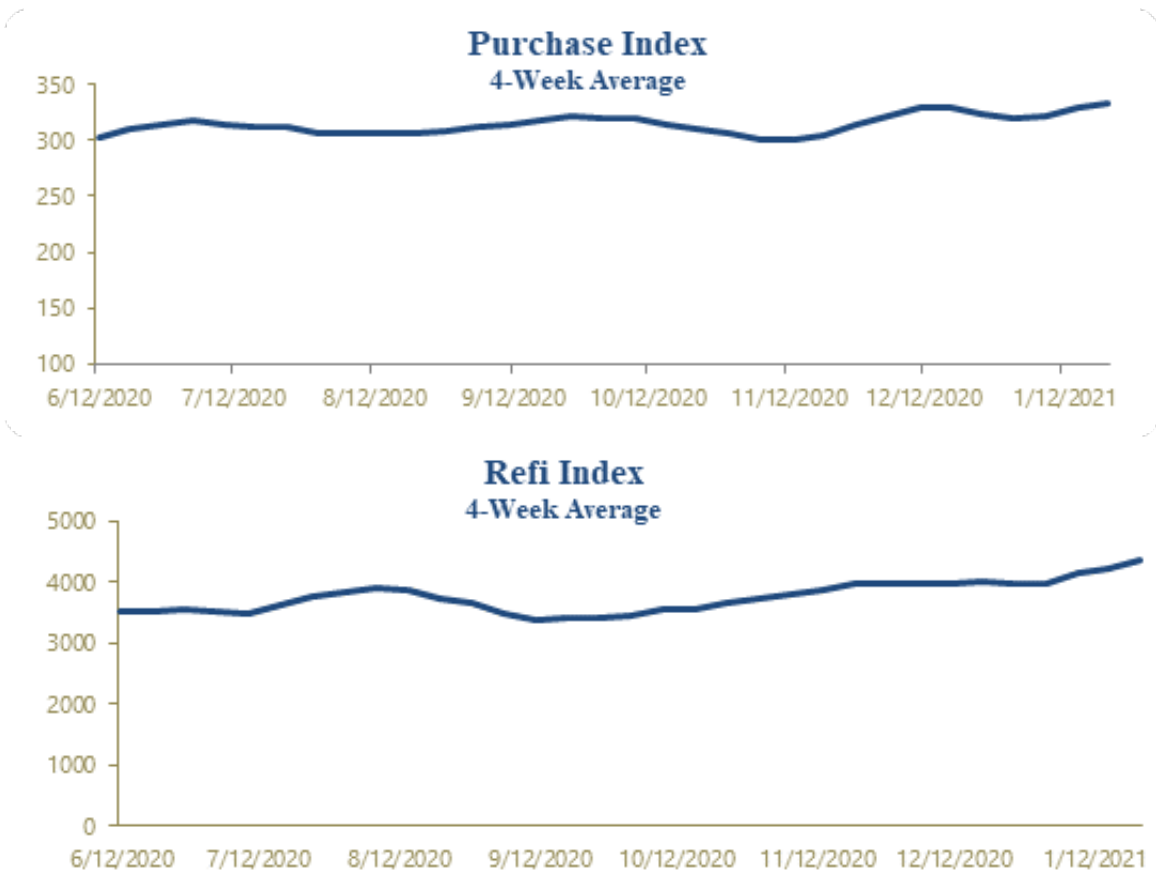


27.Jan.2021

Mortgage Apps: Modest Decline, Trend Still Higher

Bottom Line: Up about 10bps on the year, realtors reported that average mortgage rates hit 2.95% last week, slowing applications for both purchase and refinance mortgages. On a trend basis, though, both purchase and refinancing applications remain in uptrends as mortgage rates are still not far from historic lows. Freddie Mac's 30-year fixed commitment rate averaged 2.78% through much of mid-January after hitting a historic low of 2.65% in the first days of the year. So far this week, the secondary mortgage market suggests rates to borrowers could be declining again already. Overall, activity in housing markets remains robust but clearly at a point where it remains even more highly sensitive to rates than usual.





The MBA Mortgage Applications Index FELL by 4.1% during the week ended January 22 to 907.6, modestly above its 13 week average of 865.8 and 39.7% ABOVE its year-ago level.

The Purchase Index FELL by 4.0% to 334.2, modestly above its 13 week average of 321.8 and 6.5% ABOVE its year-ago level.

The Refinance Index FELL by 5.0% to 4,262. With this decline, refinancing activity is modestly above its 13 week average of 4,085 and 65.1% ABOVE its year-ago level.

Contract Mortgage Rates were MIXED with the 30-year fixed rate increasing by 3 bps to 2.95% and the 15-year fixed rate declining by 5 bps to 2.43%.

Key findings of MBA's Forbearance and Call Volume Survey - January 11 to January 17, 2021

- Total loans in forbearance decreased by 1 basis point relative to the prior week: from 5.37% to 5.38%.
 - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 7.67% to 7.61%.

- The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 3.13% to 3.11%.
 - The share of other loans (e.g., portfolio and PLS loans) in forbearance increased relative to the prior week: from 8.68% to 8.94%.
- By stage, 18.17% of total loans in forbearance are in the initial forbearance plan stage, while 79.31% are in a forbearance extension. The remaining 2.52% are forbearance re-entries. Total weekly forbearance requests as a percent of servicing portfolio volume (#) remained the same relative to the prior two weeks at 0.07%.
- Of the cumulative forbearance exits for the period from June 1, 2020 through January 17, 2021:
 - 28.7% represented borrowers who continued to make their monthly payments during their forbearance period.
 - 25.4% resulted in a loan deferral/partial claim. ◦ 15.7% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
 - 13.4% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
 - 7.5% resulted in loans paid off through either a refinance or by selling the home.
 - 7.4% resulted in a loan modification or trial loan modification.
 - The remaining 1.9% 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 9.2% to 9.1%.
 - Average speed to answer decreased from 3.6 minutes to 2.4 minutes.
 - Abandonment rates decreased from 9.1% to 6.4%. ◦ Average call length decreased from 8.5 minutes to 8.0 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of January 17, 2021:
 - Total: 5.38% (previous week: 5.37%)
 - IMBs: 5.79% (previous week: 5.79%)
 - Depositories: 5.36% (previous week: 5.33%)

MBA's latest Forbearance and Call Volume Survey covers the period from January 11 through January 17, 2021, and represents 74% of the first-mortgage servicing market (37.0 million loans).

source: Mortgage Banker's Association

Mortgage Interest Rates

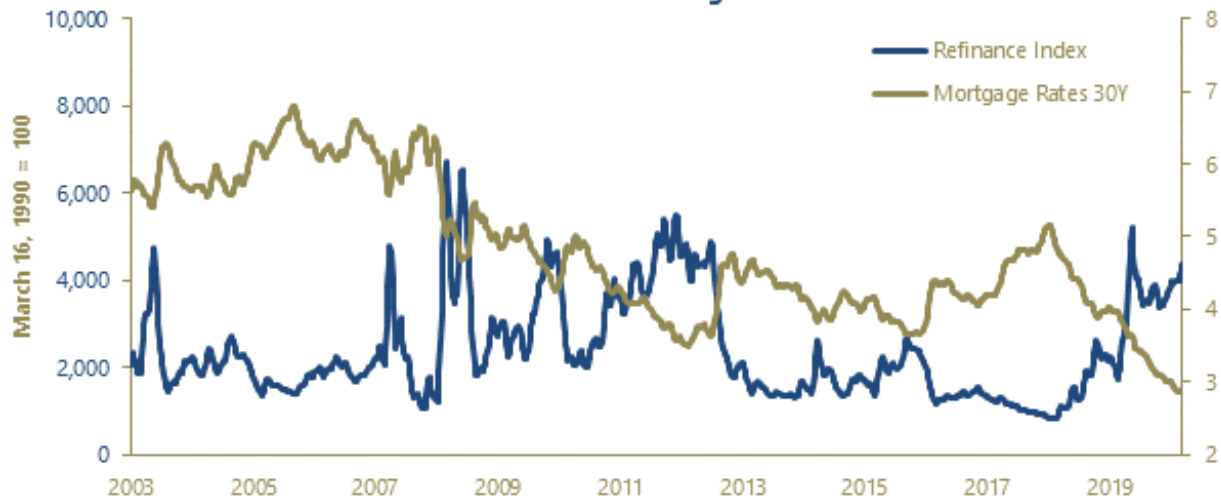
4-Week Average

30-Year Fixed Rate, 15-Year Fixed Rate



Refinancing Index vs Mortgage Rate

4-Week Average



Purchase Index vs. Existing Home Sales



	22-Jan	15-Jan	8-Jan	1-Jan	25-Dec	18-Dec	11-Dec	4-Dec	27-Nov	13 Wk Avg	Year Ago
Market Index	907.6	946.8	965.2	827.2	813.7	863.9	857.3	848.3	858.2	865.8	649.8
Percent Change	-4.1	-1.9	16.7	1.7	-5.8	0.8	1.1	-1.2	-0.6	4.8	39.7
<i>Non-seasonally Adj. % Chg</i>	<i>-2.8</i>	<i>-1.3</i>	<i>68.6</i>	<i>2.2</i>						<i>13.3</i>	<i>56.8</i>
Purchase Index	334.2	348.2	338.9	313.8	318.8	316.3	331.6	325.7	342.9	321.8	313.7
Percent Change	-4.0	2.7	8.0	-1.6	0.8	-4.6	1.8	-5.0	9.0	3.8	6.5
Refinancing Index	4,262	4,484	4,706	3,918	3,803	4,169	4,015	3,959	3,891	4,085	2,581
Percent Change	-5.0	-4.7	20.1	3.0	-8.8	3.8	1.4	1.8	-4.6	4.3	65.1
Refinance % of Total	70.7	72.3	74.8	73.5	72.9	74.8	72.7	72.0	69.5	71.8	60.4
	-2.2	-3.3	1.8	0.8	-2.5	2.9	1.0	3.6	-2.3	-1.5	17.1
% of ARMs	2.2	2.1	1.6	1.7	2.0	1.9	1.8	1.7	1.8	1.9	4.7
30-Year Fixed Rate	2.95	2.92	2.88	2.86	2.90	2.86	2.85	2.90	2.92	2.92	3.81
15-Year Fixed Rate	2.43	2.48	2.39	2.40	2.42	2.43	2.49	2.51	2.53	2.48	3.24
5-Year ARM on 30-Year	2.60	2.76	2.66	2.63	2.57	2.71	2.58	2.60	2.63	2.67	3.15

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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January 27, 2021

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