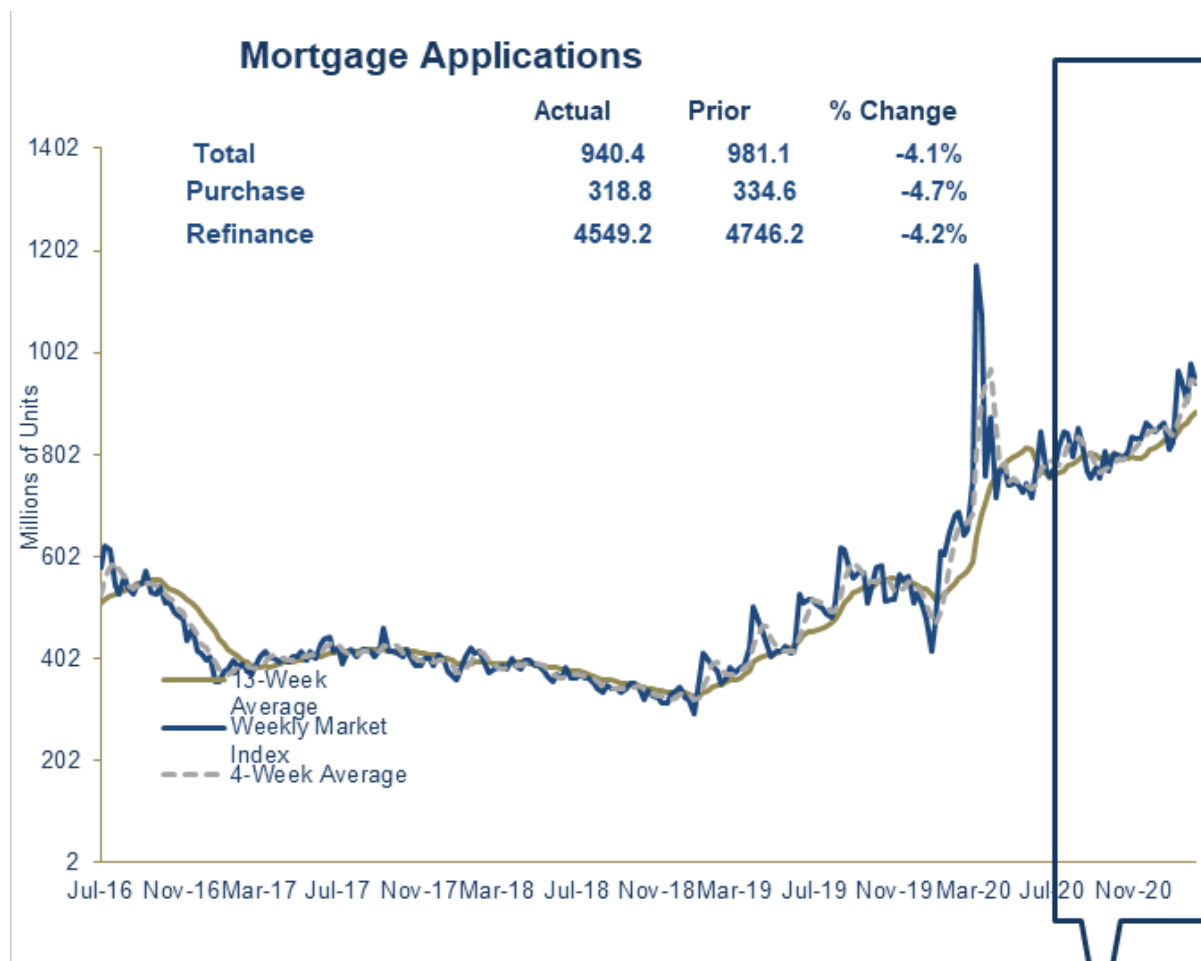


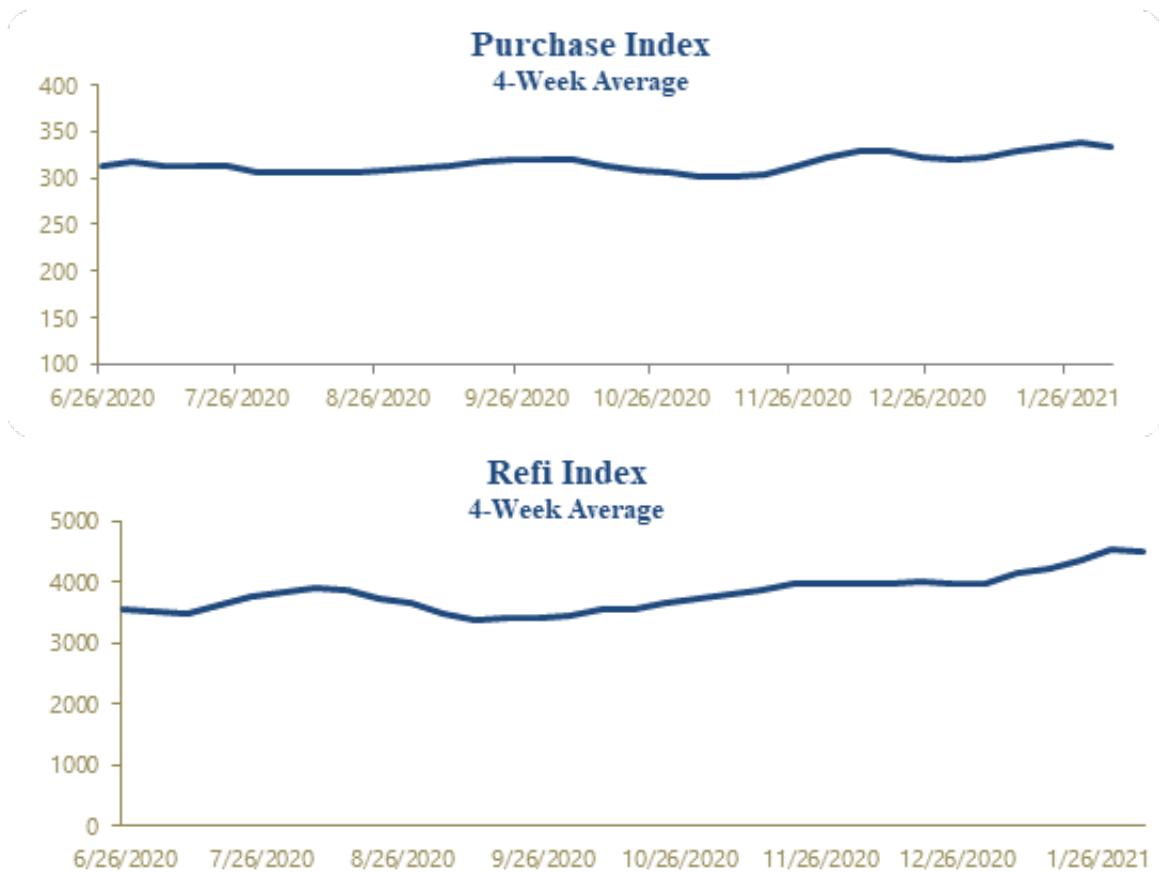
10.Feb.2021

## Mortgage Apps: Rates Inch Higher, Apps Slide

**Bottom Line:** Application volumes remained hypersensitive to rate levels, falling last week as rates inched higher. There's a clear "elbow" developing in the refinancing function around the 2 3/4% level on Freddie Mac's 30-year mortgage survey rate. Last week saw yields in the secondary market push modestly higher, edging the primary market rates over 2 3/4% for the best credits and likely over 3% in many cases. Applications for both purchases and refinancings fell in response.

Overall though, the trend remains higher for both refinancing and purchase applications. The mortgage market is back to its highly efficient ways in terms of refinancing. And purchase activity remains in an uptrend as demand for single-family homes remained strong to start 2021.





**The MBA Mortgage Applications Index** FELL by 4.1% during the week ended February 5 to 940.4, modestly above its 13 week average of 885.0 and 36.4% ABOVE its year-ago level.

**The Purchase Index** FELL by 4.7% to 318.8, modestly below its 13 week average of 326.3 but 19.2% ABOVE its year-ago level.

**The Refinance Index** FELL by 4.2% to 4,549. With this decline, refinancing activity is moderately above its 13 week average of 4,191 and 45.6% ABOVE its year-ago level.

**Contract Mortgage Rates** ROSE with the 30-year fixed rate increasing by 4 bps to 2.96% and the 15-year fixed rate increasing by 6 bps to 2.50%.

### Key findings of MBA's Forbearance and Call Volume Survey - January 25 to January 31, 2021

- Total loans in forbearance decreased by 3 basis points relative to the prior week: from 5.38% to 5.35%.
  - By investor type, the share of Ginnie Mae loans in forbearance

- decreased relative to the prior week: from 7.51% to 7.46%.
  - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 3.10% to 3.07%.
  - The share of other loans (e.g., portfolio and PLS loans) in forbearance decreased relative to the prior week: from 9.16% to 9.14%.
- By stage, 16.52% of total loans in forbearance are in the initial forbearance plan stage, while 80.98% are in a forbearance extension. The remaining 2.50% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) increased relative to the prior week: from 0.06% to 0.07%.
- Of the cumulative forbearance exits for the period from June 1, 2020 through January 31, 2021:
  - 28.4% represented borrowers who continued to make their monthly payments during their forbearance period.
  - 25.5% resulted in a loan deferral/partial claim.
  - 15.6% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
  - 13.5% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
  - 7.7% 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 1.8% 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 7.2% to 8.4%.
  - Average speed to answer decreased from 2.4 minutes to 2.2 minutes.
  - Abandonment rates decreased from 6.7% to 6.2%.
  - Average call length remained unchanged relative to the prior two weeks at 8.0 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of January 31, 2021:
  - Total: 5.35% (previous week: 5.38%)
  - IMBs: 5.73% (previous week: 5.77%)
  - Depositories: 5.36% (previous week: 5.37%)

## 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



	5-Feb	29-Jan	22-Jan	15-Jan	8-Jan	1-Jan	25-Dec	18-Dec	11-Dec	13 Wk Avg	Year Ago
<b>Market Index</b>	<b>940.4</b>	<b>981.1</b>	<b>907.6</b>	<b>946.8</b>	<b>965.2</b>	<b>827.2</b>	<b>813.7</b>	<b>863.9</b>	<b>857.3</b>	<b>885.0</b>	<b>689.5</b>
<b>Percent Change</b>	<b>-4.1</b>	<b>8.1</b>	<b>-4.1</b>	<b>-1.9</b>	<b>16.7</b>	<b>1.7</b>	<b>-5.8</b>	<b>0.8</b>	<b>1.1</b>	<b>6.3</b>	<b>36.4</b>
<i>Non-seasonally Adj. % Chg</i>	<i>-2.5</i>	<i>10.2</i>	<i>-2.8</i>	<i>-1.3</i>						<i>18.9</i>	<i>35.9</i>
<b>Purchase Index</b>	<b>318.8</b>	<b>334.6</b>	<b>334.2</b>	<b>348.2</b>	<b>338.9</b>	<b>313.8</b>	<b>318.8</b>	<b>316.3</b>	<b>331.6</b>	<b>326.3</b>	<b>267.4</b>
<b>Percent Change</b>	<b>-4.7</b>	<b>0.1</b>	<b>-4.0</b>	<b>2.7</b>	<b>8.0</b>	<b>-1.6</b>	<b>0.8</b>	<b>-4.6</b>	<b>1.8</b>	<b>-2.3</b>	<b>19.2</b>
<b>Refinancing Index</b>	<b>4,549</b>	<b>4,746</b>	<b>4,262</b>	<b>4,484</b>	<b>4,706</b>	<b>3,918</b>	<b>3,803</b>	<b>4,169</b>	<b>4,015</b>	<b>4,191</b>	<b>3,124</b>
<b>Percent Change</b>	<b>-4.2</b>	<b>11.4</b>	<b>-5.0</b>	<b>-4.7</b>	<b>20.1</b>	<b>3.0</b>	<b>-8.8</b>	<b>3.8</b>	<b>1.4</b>	<b>8.6</b>	<b>45.6</b>
<b>Refinance % of Total</b>	<b>70.2</b>	<b>71.4</b>	<b>70.7</b>	<b>72.3</b>	<b>74.8</b>	<b>73.5</b>	<b>72.9</b>	<b>74.8</b>	<b>72.7</b>	<b>72.0</b>	<b>65.5</b>
	<b>-1.7</b>	<b>1.0</b>	<b>-2.2</b>	<b>-3.3</b>	<b>1.8</b>	<b>0.8</b>	<b>-2.5</b>	<b>2.9</b>	<b>1.0</b>	<b>-2.5</b>	<b>7.2</b>
<b>% of ARMs</b>	<b>2.3</b>	<b>2.2</b>	<b>2.2</b>	<b>2.1</b>	<b>1.6</b>	<b>1.7</b>	<b>2.0</b>	<b>1.9</b>	<b>1.8</b>	<b>1.9</b>	<b>6.2</b>
<b>30-Year Fixed Rate</b>	<b>2.96</b>	<b>2.92</b>	<b>2.95</b>	<b>2.92</b>	<b>2.88</b>	<b>2.86</b>	<b>2.90</b>	<b>2.86</b>	<b>2.85</b>	<b>2.91</b>	<b>3.72</b>
<b>15-Year Fixed Rate</b>	<b>2.50</b>	<b>2.44</b>	<b>2.43</b>	<b>2.48</b>	<b>2.39</b>	<b>2.40</b>	<b>2.42</b>	<b>2.43</b>	<b>2.49</b>	<b>2.47</b>	<b>3.20</b>
<b>5-Year ARM on 30-Year</b>	<b>2.92</b>	<b>2.88</b>	<b>2.60</b>	<b>2.76</b>	<b>2.66</b>	<b>2.63</b>	<b>2.57</b>	<b>2.71</b>	<b>2.58</b>	<b>2.69</b>	<b>3.21</b>

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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February 10, 2021

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