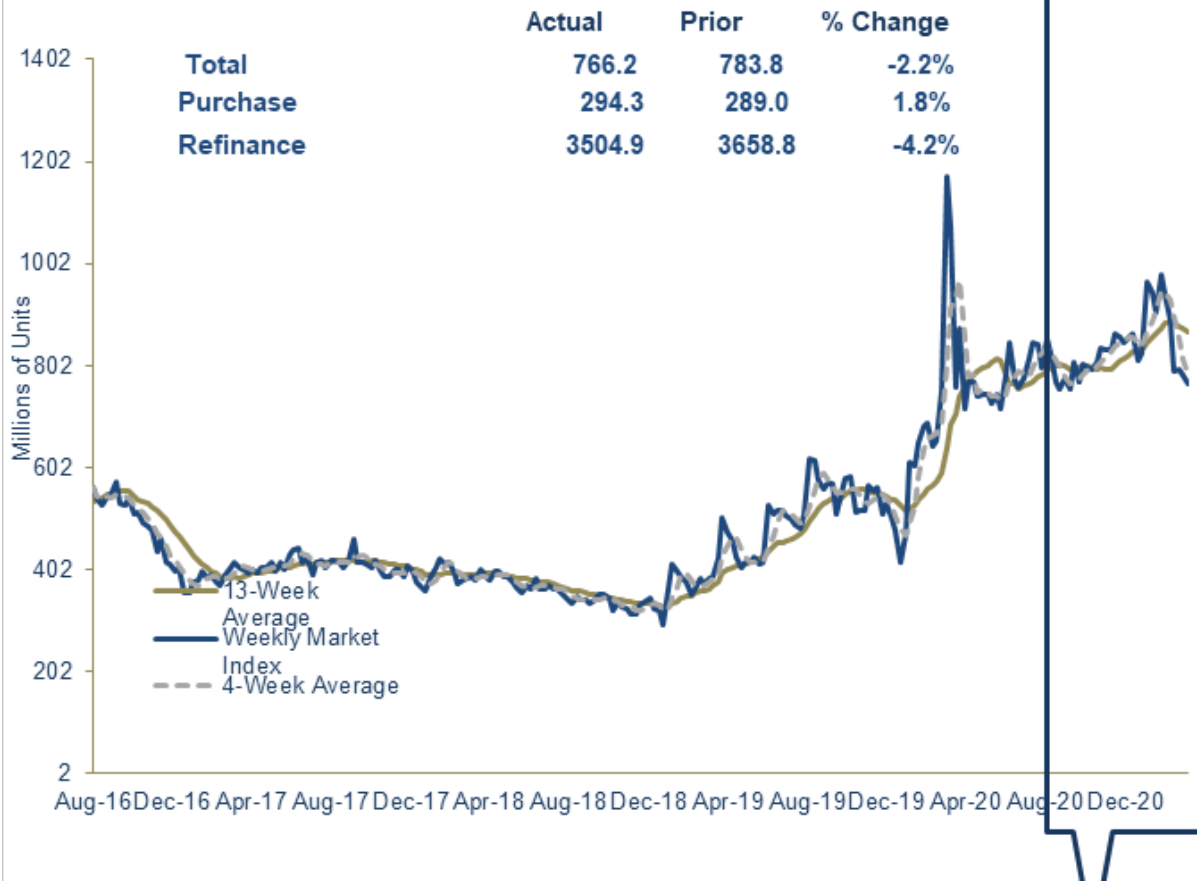


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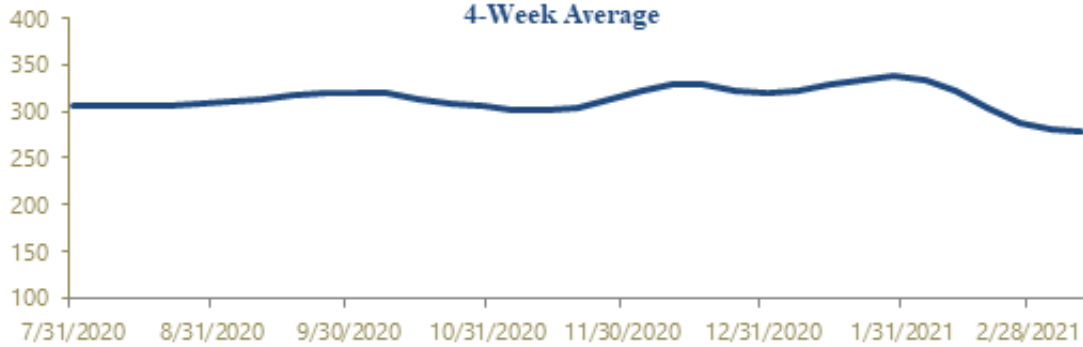
Mortgage Apps: Refis Dropped But Purchases Inched Higher

Bottom Line: Mortgage applications fell slightly overall as refis tumbled but purchase volumes rose for the second week in a row. The average 30-year fixed-rate mortgage was 3.28%, up slightly and still well off the lows of late December and early January. Refinancing volumes fell sharply again and were down nearly 25% from the highs set at the end of January. Purchase volumes inched higher. It is typical to see would-be homebuyers rush to close deals when rates start to rise after a long period of declining, low rates. There appears to be evidence of that in this cycle, and this will bear close watching in the coming weeks. Overall, housing activity remains strong even with less refinancing activity, but purchase activity will be increasingly fragile. Much more above 3.25% on the 30-year fixed-rate mortgage risks slowing housing activity, one of the most important economic recovery drivers. With this morning's bond market selloff, secondary mortgage market rates are pushing back above the highs seen in late February.

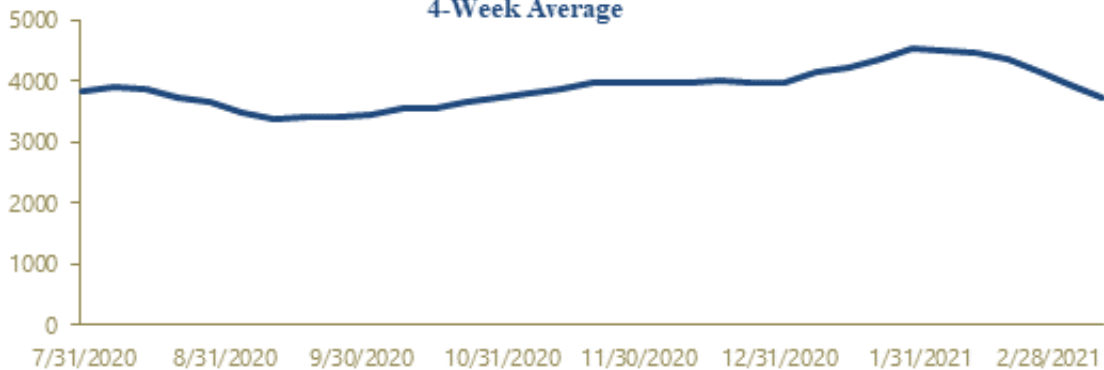
Mortgage Applications



Purchase Index 4-Week Average



Refi Index 4-Week Average



The MBA Mortgage Applications Index FELL by 2.2% during the week ended March 12 to 766.2, sharply below its 13 week average of 867.2 and 28.6% BELOW its year-ago level.

The Purchase Index ROSE by 1.8% to 294.3, modestly below its 13 week average of 310.8 but 5.8% ABOVE its year-ago level.

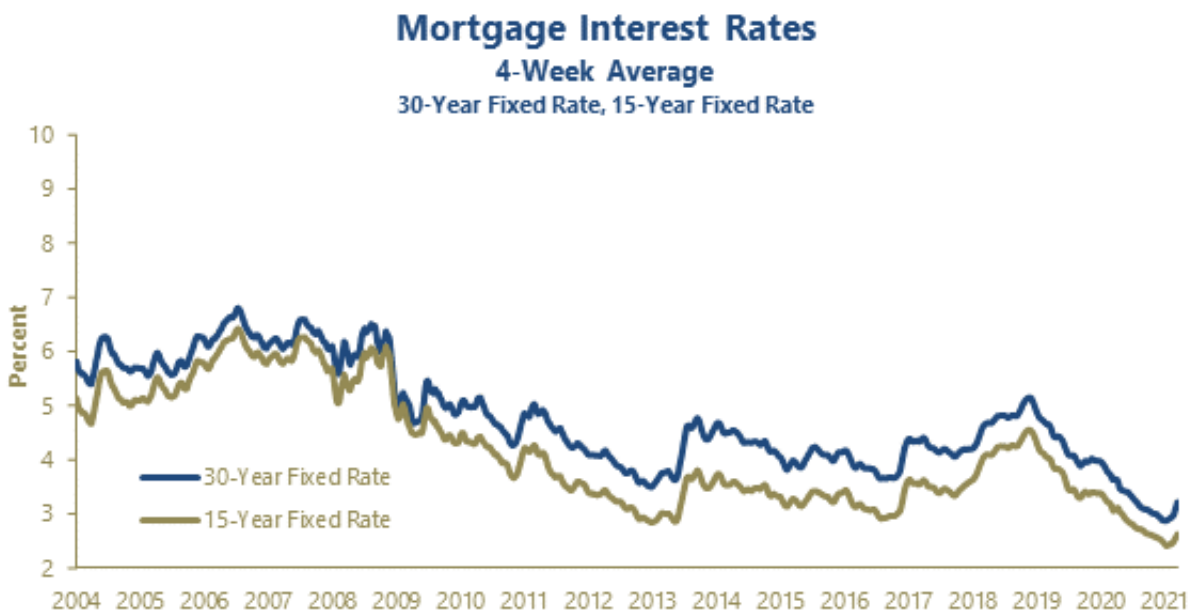
The Refinance Index FELL by 4.2% to 3,505. With this decline, refinancing activity is sharply below its 13 week average of 4,141 and 39.1% BELOW its year-ago level.

Contract Mortgage Rates ROSE with the 30-year fixed rate increasing by 2 bps to 3.28% and the 15-year fixed rate increasing by 4 bps to 2.67%.

Key findings of MBA's Forbearance and Call Volume Survey - March 1 to March 7, 2021

- Total loans in forbearance decreased by 6 basis points relative to the prior week: from 5.20% to 5.14%.
 - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 7.28% to 7.16%.
 - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 2.94% to 2.88%.
 - The share of other loans (e.g., portfolio and PLS loans) in forbearance remained unchanged relative to the prior week at 9.05%.
- By stage, 14.1% of total loans in forbearance are in the initial forbearance plan stage, while 83.3% are in a forbearance extension. The remaining 2.6% 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 March 7, 2021:
 - 27.3% represented borrowers who continued to make their monthly payments during their forbearance period.
 - 26.1% resulted in a loan deferral/partial claim.
 - 15.0% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
 - 14.1% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
 - 8.1% resulted in a loan modification or trial loan modification.

- 7.6% 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 8.7% to 10.0% - the highest level since the week ending April 19.
 - Average speed to answer increased from 2.6 minutes to 4.1 minutes.
 - Abandonment rates increased from 6.1% to 10.1%.
 - Average call length increased from 8.1 minutes to 8.5 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of March 7, 2021:
 - Total: 5.14% (previous week: 5.20%)
 - IMBs: 5.45% (previous week: 5.51%)
 - Depositories: 5.19% (previous week: 5.28%)



Refinancing Index vs Mortgage Rate 4-Week Average



Purchase Index vs. Existing Home Sales



	12-Mar	5-Mar	26-Feb	19-Feb	12-Feb	5-Feb	29-Jan	22-Jan	15-Jan	13 Wk Avg	Year Ago
Market Index	766.2	783.8	794.5	790.6	892.6	940.4	981.1	907.6	946.8	867.2	1073.6
Percent Change	-2.2	-1.3	0.5	-11.4	-5.1	-4.1	8.1	-4.1	-1.9	-11.6	-28.6
Non-seasonally Adj. % Chg	-1.8	-0.5	1.5	-10.2						-1.3	-27.8
Purchase Index	294.3	289.0	269.7	264.9	299.5	318.8	334.6	334.2	348.2	310.8	278.1
Percent Change	1.8	7.2	1.8	-11.6	-6.1	-4.7	0.1	-4.0	2.7	-5.3	5.8
Refinancing Index	3,505	3,659	3,850	3,848	4,337	4,549	4,746	4,262	4,484	4,141	5,751
Percent Change	-4.2	-5.0	0.1	-11.3	-4.7	-4.2	11.4	-5.0	-4.7	-15.4	-39.1
Refinance % of Total	62.9	64.5	67.5	68.5	69.3	70.2	71.4	70.7	72.3	70.3	74.5
	-2.5	-4.4	-1.5	-1.2	-1.3	-1.7	1.0	-2.2	-3.3	-10.5	-15.6
% of ARMs	2.7	3.0	2.9	2.7	2.4	2.3	2.2	2.2	2.1	2.3	6.4
30-Year Fixed Rate	3.28	3.26	3.23	3.08	2.98	2.96	2.92	2.95	2.92	3.01	3.74
15-Year Fixed Rate	2.67	2.63	2.64	2.56	2.47	2.50	2.44	2.43	2.48	2.50	3.10
5-Year ARM on 30-Year	2.82	2.69	2.84	2.83	2.83	2.92	2.88	2.60	2.76	2.75	3.19

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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March 17, 2021

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