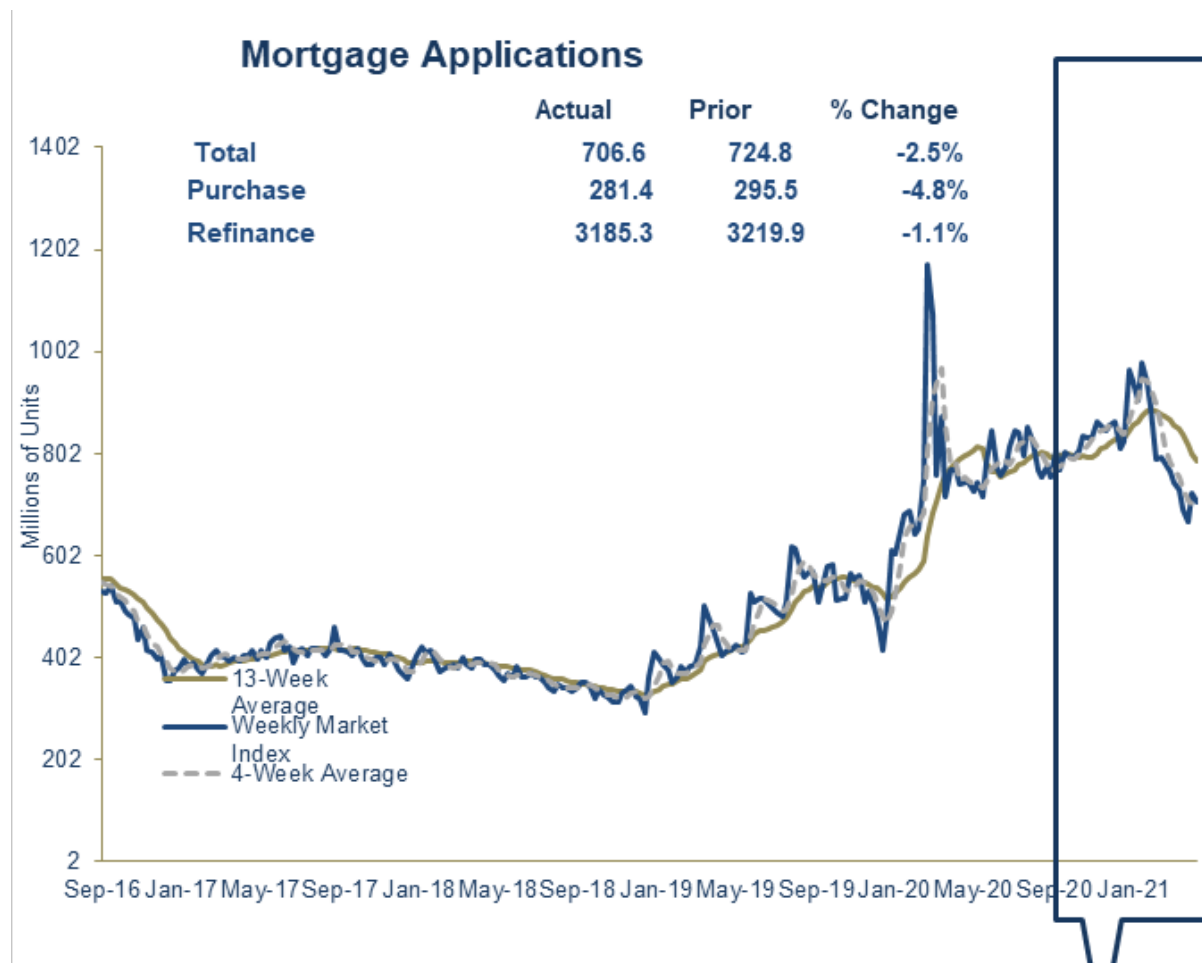
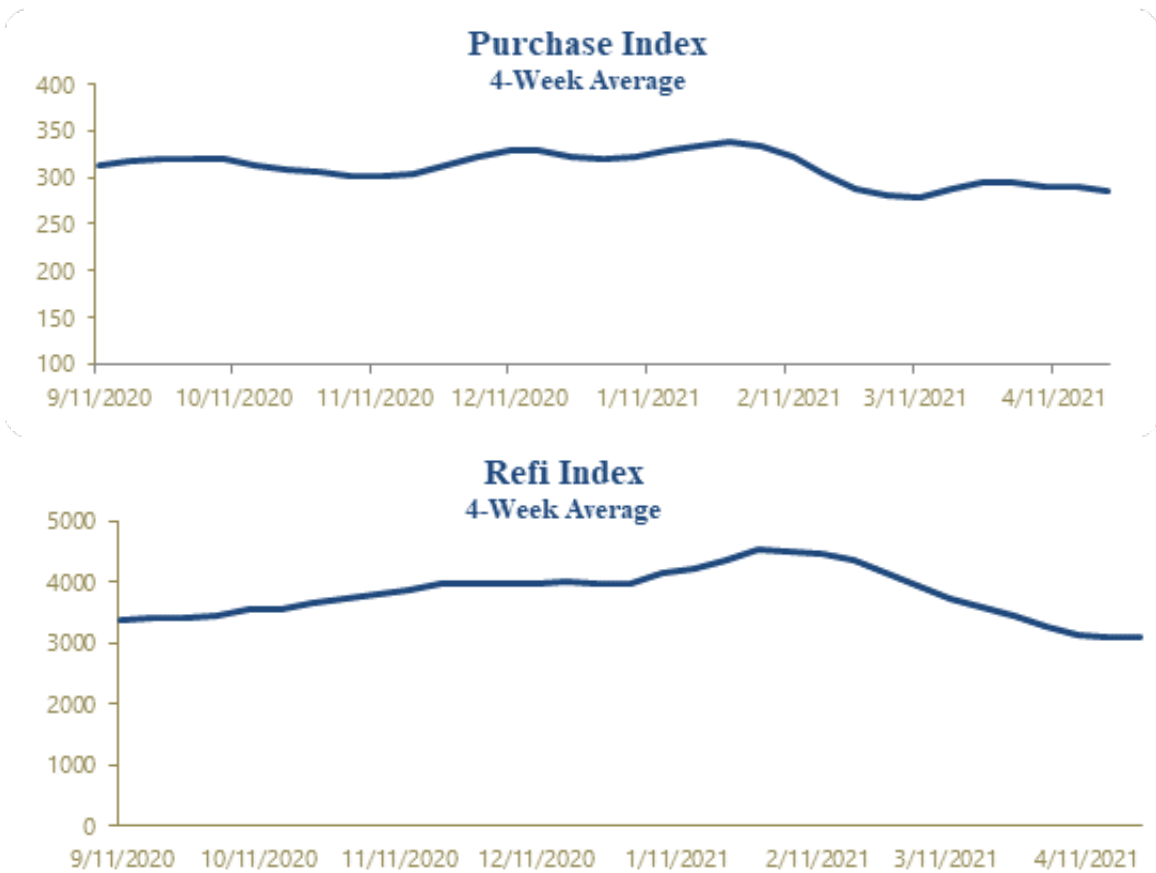


28.Apr.2021

## Mortgage Apps: Downward Shift in Trend?

**Bottom Line:** Secondary markets were quiet last week as realtors reported seeing an average of 3.17% on 30-year fixed-rate mortgages, down 10bps over the prior two weeks and well off the highs of 3.36% seen in early April. Still, purchase activity slipped modestly, and refinancing applications fell slightly. The steady ascent of purchase volumes has clearly lost upward momentum, and the trend in refis has potentially turned lower from near-record levels. While there are still seasonal issues around Spring Break, and it is too early to call a shift in the trend, these trends bear watching. These data could signal a deceleration in the housing market, a critical component of the recovery.





**The MBA Mortgage Applications Index** FELL by 2.5% during the week ended April 23 to 706.6, sharply below its 13 week average of 786.1 and 5.0% BELOW its year-ago level.

**The Purchase Index** FELL by 4.8% to 281.4, modestly below its 13 week average of 293.1 but 35.3% ABOVE its year-ago level.

**The Refinance Index** FELL by 1.1% to 3,185. With this decline, refinancing activity is sharply below its 13 week average of 3,650 and 18.4% BELOW its year-ago level.

**Contract Mortgage Rates** FELL with the 30-year fixed rate declining by 3 bps to 3.17% and the 15-year fixed rate declining by 10 bps to 2.55%.

### Key findings of MBA's Forbearance and Call Volume Survey - April 12 to April 18, 2021

- Total loans in forbearance decreased by 1 basis point relative to the prior week: from 4.50% to 4.49%.
  - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 6.16% to 6.09%.
  - The share of Fannie Mae and Freddie Mac loans in forbearance

- remained the same relative to the prior week at 2.44%.
- The share of other loans (e.g., portfolio and PLS loans) in forbearance increased relative to the prior week: from 8.34% to 8.42%.
- By stage, 12.9% of total loans in forbearance are in the initial forbearance plan stage, while 82.4% are in a forbearance extension. The remaining 4.7% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) increased relative to the prior week: from 0.05% to 0.06%.
- Of the cumulative forbearance exits for the period from June 1, 2020, through April 18, 2021:
  - 26.9% resulted in a loan deferral/partial claim.
  - 25.4% represented borrowers who continued to make their monthly payments during their forbearance period.
  - 14.6% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
  - 14.4% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
  - 9.6% 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 1.6% 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 7.9% to 8.5%.
  - Average speed to answer decreased from 1.4 minutes to 1.2 minutes.
  - Abandonment rates increased from 4.6% to 9.6%.
  - Average call length remained flat at 8.0 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of April 18, 2021:
  - Total: 4.49% (previous week: 4.50%)
  - IMBs: 4.72% (previous week: 4.72%)
  - Depositories: 4.64% (previous week: 4.67%)

MBA's latest Forbearance and Call Volume Survey covers the period from April 12 through April 18, 2021, and represents 74% of the first-mortgage servicing market (37 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



	23-Apr	16-Apr	9-Apr	2-Apr	26-Mar	19-Mar	12-Mar	5-Mar	26-Feb	13 Wk Avg	Year Ago
<b>Market Index</b>	<b>706.6</b>	<b>724.8</b>	<b>667.7</b>	<b>693.5</b>	<b>730.8</b>	<b>747.0</b>	<b>766.2</b>	<b>783.8</b>	<b>794.5</b>	<b>786.1</b>	<b>743.4</b>
<b>Percent Change</b>	<b>-2.5</b>	<b>8.6</b>	<b>-3.7</b>	<b>-5.1</b>	<b>-2.2</b>	<b>-2.5</b>	<b>-2.2</b>	<b>-1.3</b>	<b>0.5</b>	<b>-10.1</b>	<b>-5.0</b>
<i>Non-seasonally Adj. % Chg</i>	<i>-2.1</i>	<i>9.0</i>	<i>-3.2</i>	<i>-4.8</i>						<i>-6.9</i>	<i>-3.5</i>
<b>Purchase Index</b>	<b>281.4</b>	<b>295.5</b>	<b>279.5</b>	<b>283.6</b>	<b>297.3</b>	<b>301.9</b>	<b>294.3</b>	<b>289.0</b>	<b>269.7</b>	<b>293.1</b>	<b>208.0</b>
<b>Percent Change</b>	<b>-4.8</b>	<b>5.7</b>	<b>-1.4</b>	<b>-4.6</b>	<b>-1.5</b>	<b>2.6</b>	<b>1.8</b>	<b>7.2</b>	<b>1.8</b>	<b>-4.0</b>	<b>35.3</b>
<b>Refinancing Index</b>	<b>3,185</b>	<b>3,220</b>	<b>2,917</b>	<b>3,069</b>	<b>3,242</b>	<b>3,325</b>	<b>3,505</b>	<b>3,659</b>	<b>3,850</b>	<b>3,650</b>	<b>3,901</b>
<b>Percent Change</b>	<b>-1.1</b>	<b>10.4</b>	<b>-5.0</b>	<b>-5.3</b>	<b>-2.5</b>	<b>-5.1</b>	<b>-4.2</b>	<b>-5.0</b>	<b>0.1</b>	<b>-12.7</b>	<b>-18.4</b>
<b>Refinance % of Total</b>	<b>60.6</b>	<b>60.0</b>	<b>59.2</b>	<b>60.3</b>	<b>60.6</b>	<b>60.9</b>	<b>62.9</b>	<b>64.5</b>	<b>67.5</b>	<b>64.3</b>	<b>71.6</b>
	<b>1.0</b>	<b>1.4</b>	<b>-1.8</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-3.2</b>	<b>-2.5</b>	<b>-4.4</b>	<b>-1.5</b>	<b>-5.8</b>	<b>-15.4</b>
<b>% of ARMs</b>	<b>3.5</b>	<b>3.6</b>	<b>3.6</b>	<b>3.7</b>	<b>3.4</b>	<b>3.2</b>	<b>2.7</b>	<b>3.0</b>	<b>2.9</b>	<b>3.0</b>	<b>2.9</b>
<b>30-Year Fixed Rate</b>	<b>3.17</b>	<b>3.20</b>	<b>3.27</b>	<b>3.36</b>	<b>3.33</b>	<b>3.36</b>	<b>3.28</b>	<b>3.26</b>	<b>3.23</b>	<b>3.18</b>	<b>3.43</b>
<b>15-Year Fixed Rate</b>	<b>2.55</b>	<b>2.65</b>	<b>2.67</b>	<b>2.74</b>	<b>2.71</b>	<b>2.72</b>	<b>2.67</b>	<b>2.63</b>	<b>2.64</b>	<b>2.61</b>	<b>2.98</b>
<b>5-Year ARM on 30-Year</b>	<b>2.59</b>	<b>2.67</b>	<b>2.60</b>	<b>2.92</b>	<b>2.85</b>	<b>2.79</b>	<b>2.82</b>	<b>2.69</b>	<b>2.84</b>	<b>2.79</b>	<b>3.29</b>

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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April 28, 2021

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