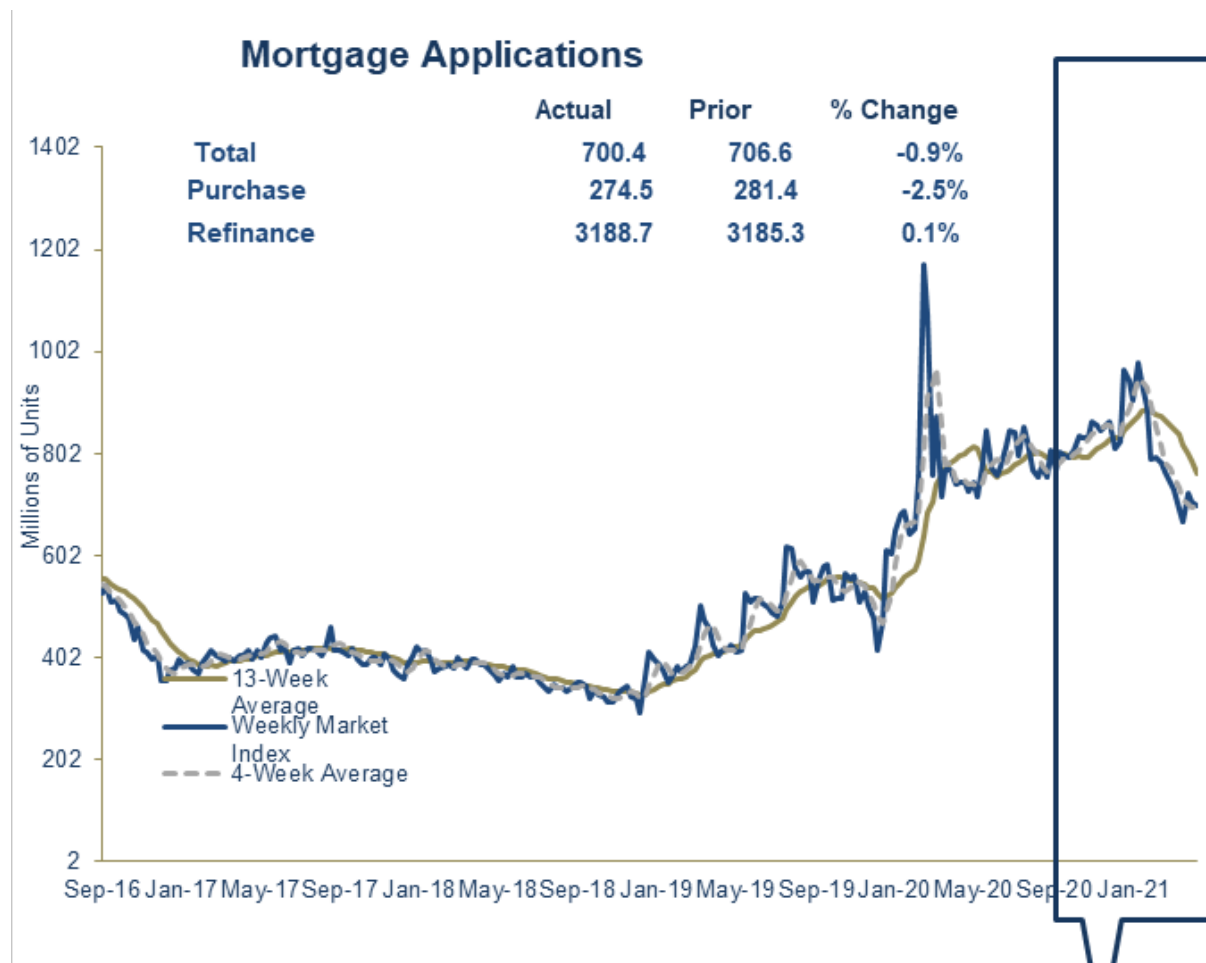
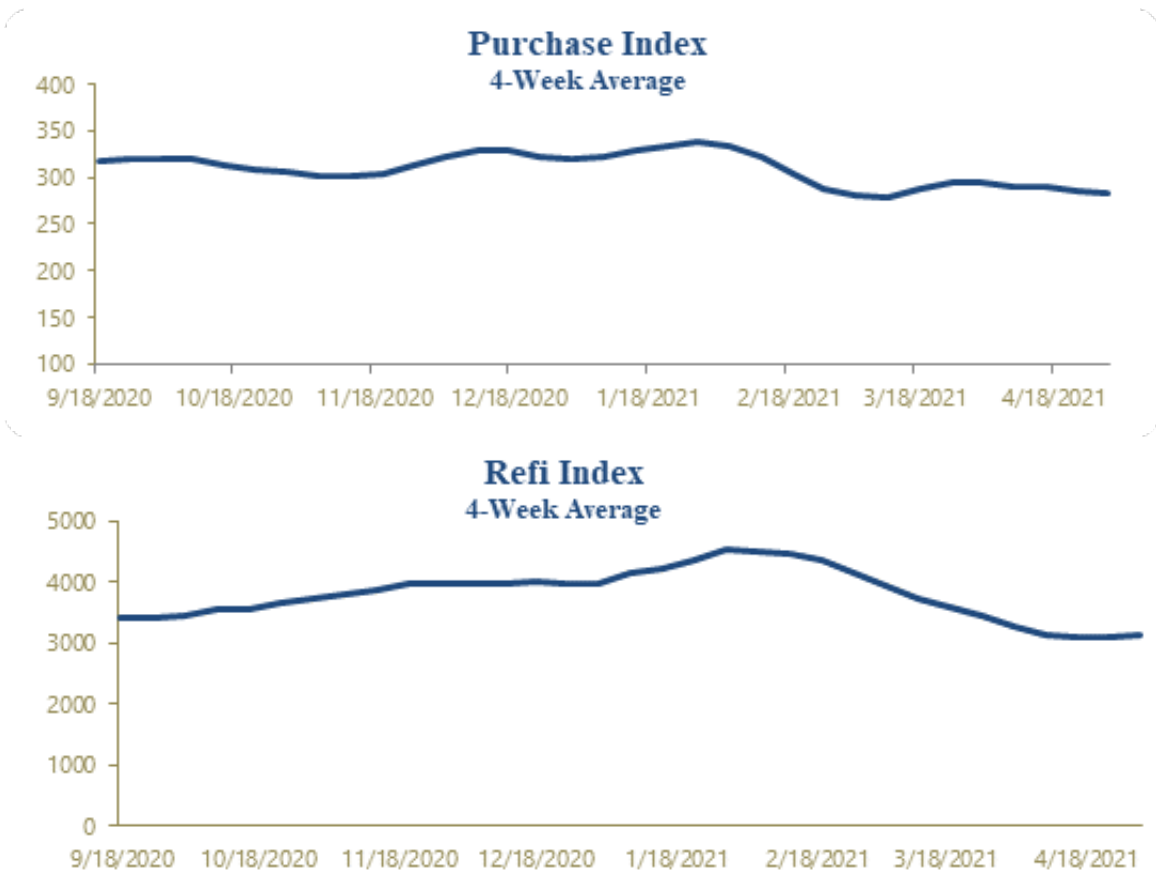


05.May.2021

Mortgage Apps: Slow April - A New Trend?

Bottom Line: Mortgage applications fell slightly in the final week of April, led by declines in purchase applications. Despite mortgage rates falling about 20bps over the course of the month, applications for both purchases and refis fell over the course of the months. While it is still too early to call a definitive shift in trend, these data points are concerning for the overall trend in housing. Slower application volumes may indicate potential borrowers are feeling the effects of lower affordability amid higher mortgage rates (still up over 30bps since December even after dropping nearly 20bps) and higher home prices. These data will be increasingly important to watch as the summer home-selling season gets started.





The MBA Mortgage Applications Index FELL by 0.9% during the week ended April 30 to 700.4, moderately below its 13 week average of 764.5 and 5.9% BELOW its year-ago level.

The Purchase Index FELL by 2.5% to 274.5, modestly below its 13 week average of 288.5 but 24.8% ABOVE its year-ago level.

The Refinance Index ROSE by 0.1% to 3,189. Despite this increase, refinancing activity is moderately below its 13 week average of 3,530 and 16.9% BELOW its year-ago level.

Contract Mortgage Rates were MIXED with the 30-year fixed rate increasing by 1 bp to 3.18% and the 15-year fixed rate declining by 1 bp to 2.54%.

Key findings of MBA's Forbearance and Call Volume Survey - April 19 to April 25, 2021

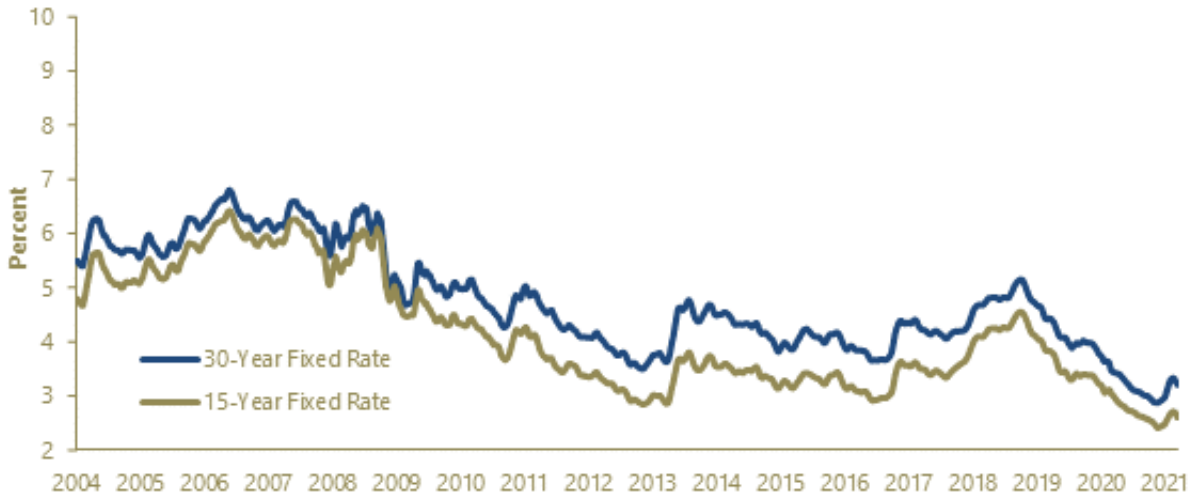
- Total loans in forbearance decreased by 2 basis points relative to the prior week: from 4.49% to 4.47%.
 - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 6.09% to 6.02%.

- The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 2.44% to 2.42%.
 - The share of other loans (e.g., portfolio and PLS loans) in forbearance increased relative to the prior week: from 8.42% to 8.55%.
- By stage, 12.8% of total loans in forbearance are in the initial forbearance plan stage, while 82.3% are in a forbearance extension. The remaining 4.9% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) decreased relative to the prior week: from 0.06% to 0.05%.
- Of the cumulative forbearance exits for the period from June 1, 2020, through April 25, 2021:
 - 27.0% resulted in a loan deferral/partial claim.
 - 25.3% 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 decreased from the previous week from 8.5% to 6.4%.
 - Average speed to answer remained flat relative to the prior week at 1.2 minutes.
 - Abandonment rates decreased from 9.6% to 2.8%, a survey low.
 - Average call length remained flat at 8.0 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of April 25, 2021:
 - Total: 4.47% (previous week: 4.49%)
 - IMBs: 4.70% (previous week: 4.72%)
 - Depositories: 4.62% (previous week: 4.64%)

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



	30-Apr	23-Apr	16-Apr	9-Apr	2-Apr	26-Mar	19-Mar	12-Mar	5-Mar	13 Wk Avg	Year Ago
Market Index	700.4	706.6	724.8	667.7	693.5	730.8	747.0	766.2	783.8	764.5	744.2
Percent Change	-0.9	-2.5	8.6	-3.7	-5.1	-2.2	-2.5	-2.2	-1.3	-8.4	-5.9
<i>Non-seasonally Adj. % Chg</i>	<i>-0.5</i>	<i>-2.1</i>	<i>9.0</i>	<i>-3.2</i>						<i>-5.5</i>	<i>-4.6</i>
Purchase Index	274.5	281.4	295.5	279.5	283.6	297.3	301.9	294.3	289.0	288.5	220.0
Percent Change	-2.5	-4.8	5.7	-1.4	-4.6	-1.5	2.6	1.8	7.2	-4.8	24.8
Refinancing Index	3,189	3,185	3,220	2,917	3,069	3,242	3,325	3,505	3,659	3,530	3,836
Percent Change	0.1	-1.1	10.4	-5.0	-5.3	-2.5	-5.1	-4.2	-5.0	-9.7	-16.9
Refinance % of Total	61.0	60.6	60.0	59.2	60.3	60.6	60.9	62.9	64.5	63.5	70.0
	0.7	1.0	1.4	-1.8	-0.5	-0.5	-3.2	-2.5	-4.4	-3.9	-12.9
% of ARMs	3.9	3.5	3.6	3.6	3.7	3.4	3.2	2.7	3.0	3.1	3.0
30-Year Fixed Rate	3.18	3.17	3.20	3.27	3.36	3.33	3.36	3.28	3.26	3.20	3.40
15-Year Fixed Rate	2.54	2.55	2.65	2.67	2.74	2.71	2.72	2.67	2.63	2.62	2.93
5-Year ARM on 30-Year	2.76	2.59	2.67	2.60	2.92	2.85	2.79	2.82	2.69	2.78	3.20

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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May 5, 2021

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