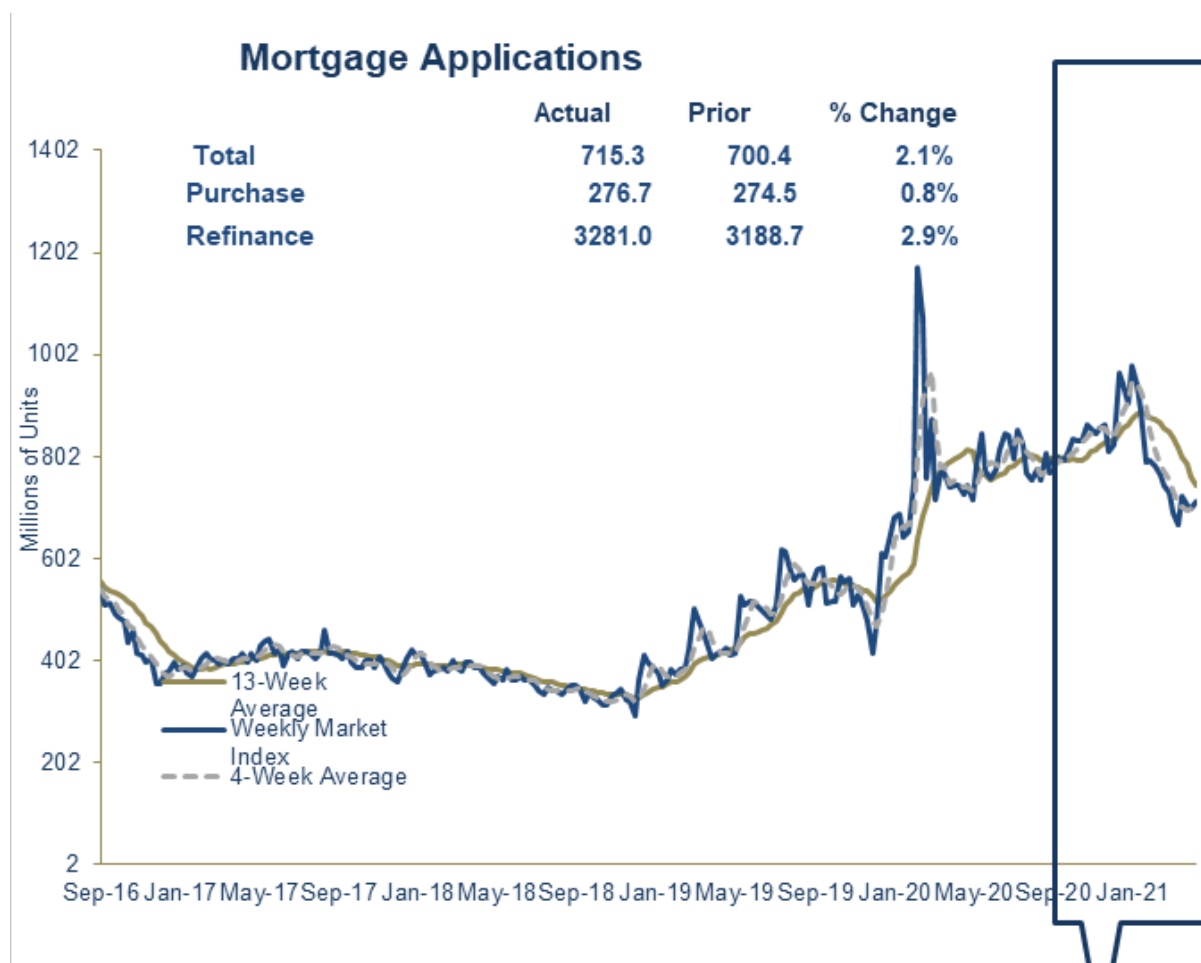
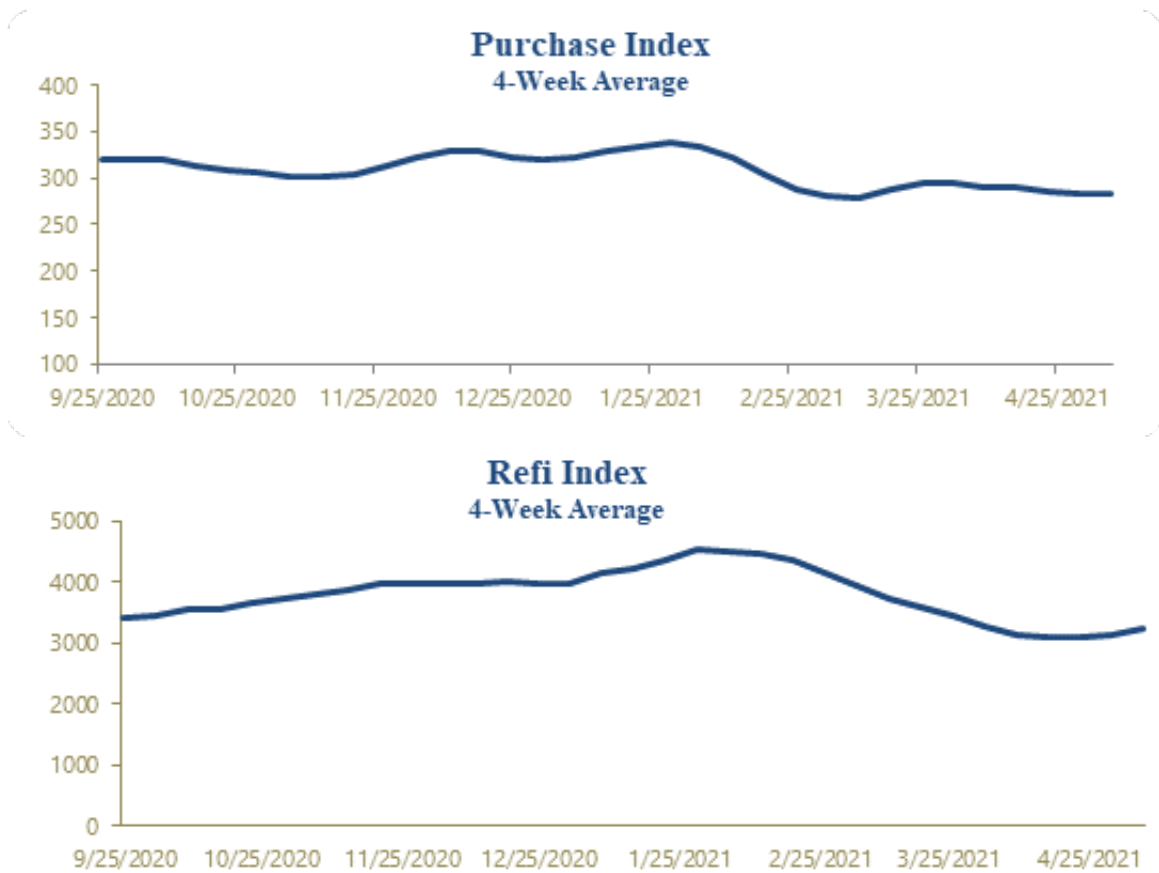


12.May.2021

Mortgage Apps: Slight Uptick After Slow April

Bottom Line: Mortgage applications rose slightly in the first week of May, led by an increase in refinancing as rates hit a recent low of 3.11%. After hitting 2.85% in December on the average 30-year fixed-rate mortgage, rates rose 50bps by mid-March but retraced about 25bps of the move through last week. While purchase applications initially held up in the move to higher rates, applications mostly tracked rates in March and April. This week the current coupon mortgage in the secondary market is up about 8bps, so applications will bear watching in the coming weeks to see if borrowers' rate sensitivity remains high. Overall, mortgage applications remain historically high but have clearly lost the upward momentum seen in the wake of the monetary stimulus last year.





The MBA Mortgage Applications Index ROSE by 2.1% during the week ended May 7 to 715.3, modestly below its 13 week average of 747.2 and 4.2% BELOW its year-ago level.

The Purchase Index ROSE by 0.8% to 276.7, modestly below its 13 week average of 285.2 but 13.7% ABOVE its year-ago level.

The Refinance Index ROSE by 2.9% to 3,281. Despite this increase, refinancing activity is modestly below its 13 week average of 3,433 and 11.5% BELOW its year-ago level.

Contract Mortgage Rates FELL with the 30-year fixed rate declining by 7 bps to 3.11% and the 15-year fixed rate declining by 5 bps to 2.49%.

Key findings of MBA's Forbearance and Call Volume Survey - April 26 to May 2, 2021

- Total loans in forbearance decreased by 11 basis points relative to the prior week: from 4.47% to 4.36%.
 - By investor type, the share of Ginnie Mae loans in forbearance

- decreased relative to the prior week: from 6.02% to 5.82%.
 - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 2.42% to 2.32%.
 - The share of other loans (e.g., portfolio and PLS loans) in forbearance remained unchanged relative to the prior week at 8.55%.
- By stage, 12.5% of total loans in forbearance are in the initial forbearance plan stage, while 82.2% are in a forbearance extension. The remaining 5.3% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) remained unchanged relative to the prior week at 0.05%.
- Of the cumulative forbearance exits for the period from June 1, 2020, through May 2, 2021:
 - 26.9% resulted in a loan deferral/partial claim.
 - 25.3% represented borrowers who continued to make their monthly payments during their forbearance period.
 - 14.8% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
 - 14.2% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
 - 9.8% 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 6.4% to 7.8%.
 - Average speed to answer increased from 1.2 minutes to 1.8 minutes.
 - Abandonment rates increased from 2.8% to 4.4%.
 - Average call length increased from 8.0 minutes to 8.1 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of May 2, 2021:
 - Total: 4.36% (previous week: 4.47%)
 - IMBs: 4.58% (previous week: 4.70%)
 - Depositories: 4.47% (previous week: 4.62%)

MBA's latest Forbearance and Call Volume Survey covers the period from April 26 through May 2, 2021, and represents 74% of the first-mortgage servicing market (36.9 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



	7-May	30-Apr	23-Apr	16-Apr	9-Apr	2-Apr	26-Mar	19-Mar	12-Mar	13 Wk Avg	Year Ago
Market Index	715.3	700.4	706.6	724.8	667.7	693.5	730.8	747.0	766.2	747.2	746.7
Percent Change	2.1	-0.9	-2.5	8.6	-3.7	-5.1	-2.2	-2.5	-2.2	-4.3	-4.2
<i>Non-seasonally Adj. % Chg</i>	<i>2.3</i>	<i>-0.5</i>	<i>-2.1</i>	<i>9.0</i>						<i>-1.9</i>	<i>-3.3</i>
Purchase Index	276.7	274.5	281.4	295.5	279.5	283.6	297.3	301.9	294.3	285.2	243.3
Percent Change	0.8	-2.5	-4.8	5.7	-1.4	-4.6	-1.5	2.6	1.8	-3.0	13.7
Refinancing Index	3,281	3,189	3,185	3,220	2,917	3,069	3,242	3,325	3,505	3,433	3,709
Percent Change	2.9	0.1	-1.1	10.4	-5.0	-5.3	-2.5	-5.1	-4.2	-4.4	-11.5
Refinance % of Total	61.3	61.0	60.6	60.0	59.2	60.3	60.6	60.9	62.9	62.8	67.0
	0.5	0.7	1.0	1.4	-1.8	-0.5	-0.5	-3.2	-2.5	-2.4	-8.5
% of ARMs	3.8	3.9	3.5	3.6	3.6	3.7	3.4	3.2	2.7	3.3	2.9
30-Year Fixed Rate	3.11	3.18	3.17	3.20	3.27	3.36	3.33	3.36	3.28	3.22	3.43
15-Year Fixed Rate	2.49	2.54	2.55	2.65	2.67	2.74	2.71	2.72	2.67	2.62	2.92
5-Year ARM on 30-Year	2.57	2.76	2.59	2.67	2.60	2.92	2.85	2.79	2.82	2.75	3.26

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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May 12, 2021

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