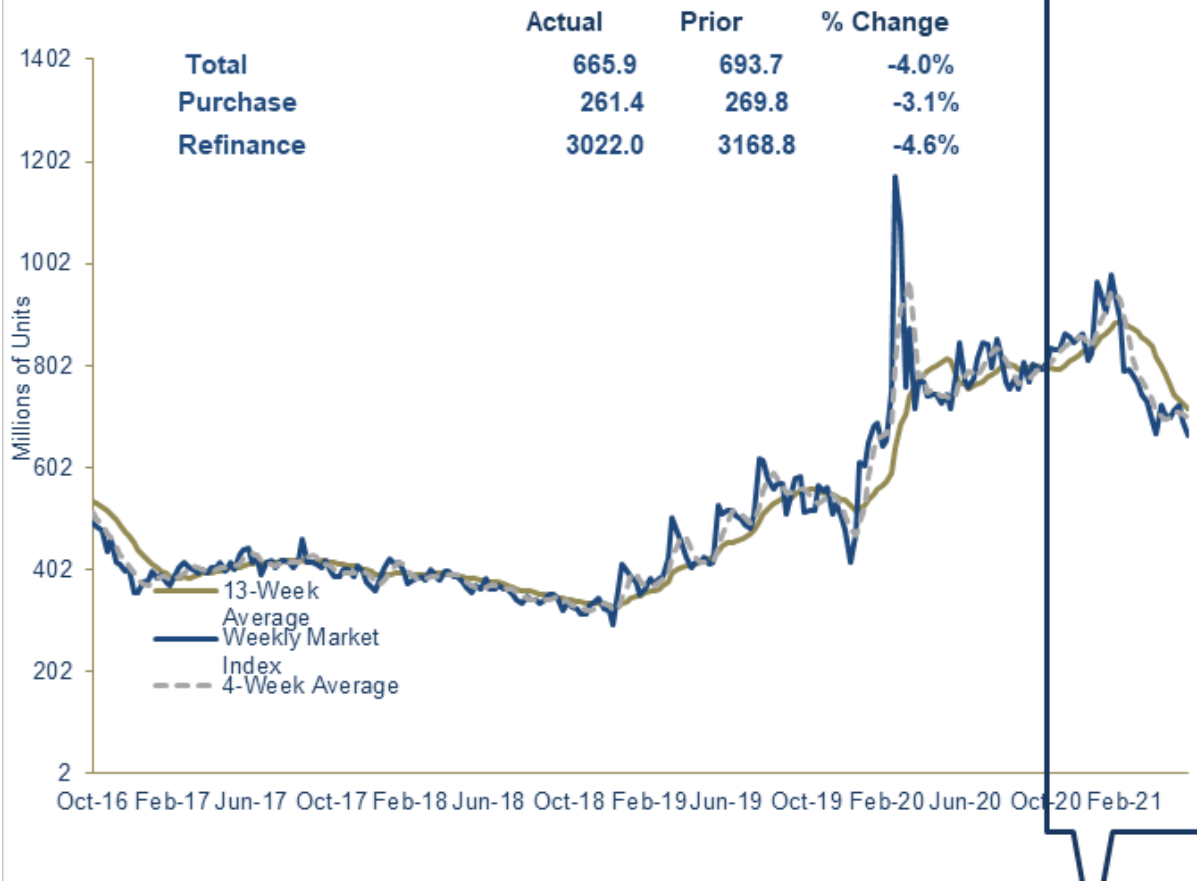


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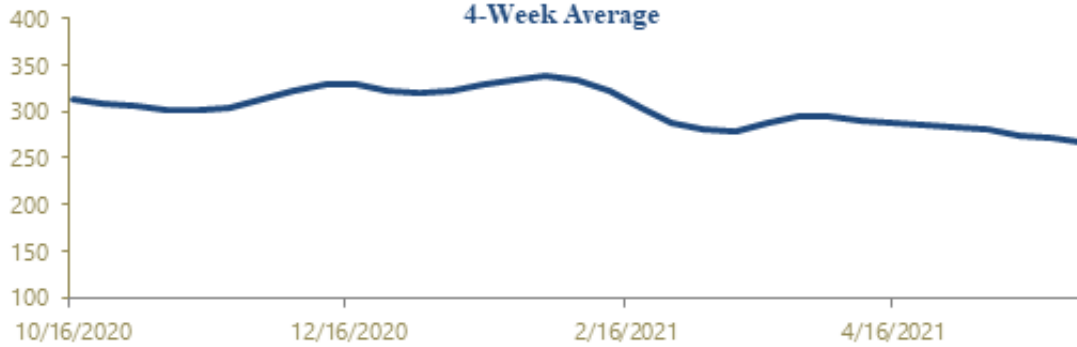
Mortgage Apps: Continued Slow Deterioration in Volumes

Bottom Line: Applications for both purchases and refinancing fell in the final week of May. Mortgage rates stand 30-35bps above the lows seen in December but are about 10-15bps below the highest rates seen in mid-March. For the most part, applications have been trending modestly lower since mid-February. While there hasn't been a sharp acceleration to the downside, there are also few signs of stabilization as the 30-year mortgage rate averages between 3 1/8 and 3 1/4%. Lower affordability with rates over 3% and continued higher home prices amid tight supply conditions continues to weigh on purchase activity. Refinancing activity, meanwhile, continues to slow as most credit-worthy borrowers with enough incentive to refinance have already done so. Overall, mortgage applications continue to offer early hints of slower housing activity after robust activity in 2020 and early this year.

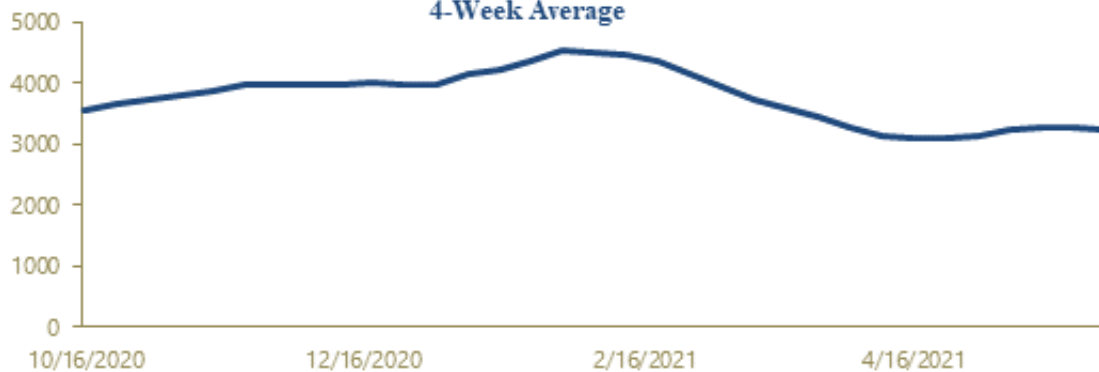
Mortgage Applications



Purchase Index 4-Week Average



Refi Index 4-Week Average



The MBA Mortgage Applications Index FELL by 4.0% during the week ended May 28 to 665.9, moderately below its 13 week average of 716.9 and 7.2% BELOW its year-ago level.

The Purchase Index FELL by 3.1% to 261.4, moderately below its 13 week average of 282.3 and 11.7% BELOW its year-ago level.

The Refinance Index FELL by 4.6% to 3,022. With this decline, refinancing activity is modestly below its 13 week average of 3,246 and 4.6% BELOW its year-ago level.

Contract Mortgage Rates were MIXED with the 30-year fixed rate declining by 1 bp to 3.17% and the 15-year fixed rate increasing by 3 bps to 2.56%.

Key findings of MBA's Forbearance and Call Volume Survey - May 17 to May 23, 2021

- Total loans in forbearance decreased by 1 basis point relative to the prior week: from 4.19% to 4.18%.
 - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 5.59% to 5.55%.
 - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 2.21% to 2.19%.
 - The share of other loans (e.g., portfolio and PLS loans) in forbearance increased relative to the prior week: from 8.26% to 8.37%.
- By stage, 11.6% of total loans in forbearance are in the initial forbearance plan stage, while 82.8% are in a forbearance extension. The remaining 5.6% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) remained the same relative to the prior week at 0.05%.
- Of the cumulative forbearance exits for the period from June 1, 2020, through May 23, 2021:
 - 27.3% resulted in a loan deferral/partial claim.
 - 24.7% represented borrowers who continued to make their monthly payments during their forbearance period.
 - 15.0% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
 - 14.1% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
 - 9.9% 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 1.5% 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 8.4% to 6.5%.
 - Average speed to answer decreased from 1.7 minutes to 1.3 minutes.
 - Abandonment rates decreased from 5.2% to 4.1%.
 - Average call length remained the same at 7.7 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of May 23, 2021:
 - Total: 4.18% (previous week: 4.19%)
 - IMBs: 4.36% (previous week: 4.38%)
 - Depositories: 4.34% (previous week: 4.35%)



Purchase Index vs. Existing Home Sales



Refinancing Index vs Mortgage Rate 4-Week Average



	28-May	21-May	14-May	7-May	30-Apr	23-Apr	16-Apr	9-Apr	2-Apr	13 Wk Avg	Year Ago
Market Index	665.9	693.7	724.2	715.3	700.4	706.6	724.8	667.7	693.5	716.9	717.7
Percent Change	-4.0	-4.2	1.2	2.1	-0.9	-2.5	8.6	-3.7	-5.1	-7.1	-7.2
<i>Non-seasonally Adj. % Chg</i>	-4.6	-4.2	0.8	2.3						-6.8	3.0
Purchase Index	261.4	269.8	265.3	276.7	274.5	281.4	295.5	279.5	283.6	282.3	296.0
Percent Change	-3.1	1.7	-4.1	0.8	-2.5	-4.8	5.7	-1.4	-4.6	-7.4	-11.7
Refinancing Index	3,022	3,169	3,413	3,281	3,189	3,185	3,220	2,917	3,069	3,246	3,167
Percent Change	-4.6	-7.2	4.0	2.9	0.1	-1.1	10.4	-5.0	-5.3	-6.9	-4.6
Refinance % of Total	61.3	61.4	63.3	61.3	61.0	60.6	60.0	59.2	60.3	61.3	59.5
	-0.2	-3.0	3.3	0.5	0.7	1.0	1.4	-1.8	-0.5	-0.1	3.0
% of ARMs	3.7	4.0	3.9	3.8	3.9	3.5	3.6	3.6	3.7	3.5	3.5
30-Year Fixed Rate	3.17	3.18	3.15	3.11	3.18	3.17	3.20	3.27	3.36	3.23	3.37
15-Year Fixed Rate	2.56	2.53	2.54	2.49	2.54	2.55	2.65	2.67	2.74	2.62	2.85
5-Year ARM on 30-Year	2.54	2.81	2.58	2.57	2.76	2.59	2.67	2.60	2.92	2.71	3.05

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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June 2, 2021

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