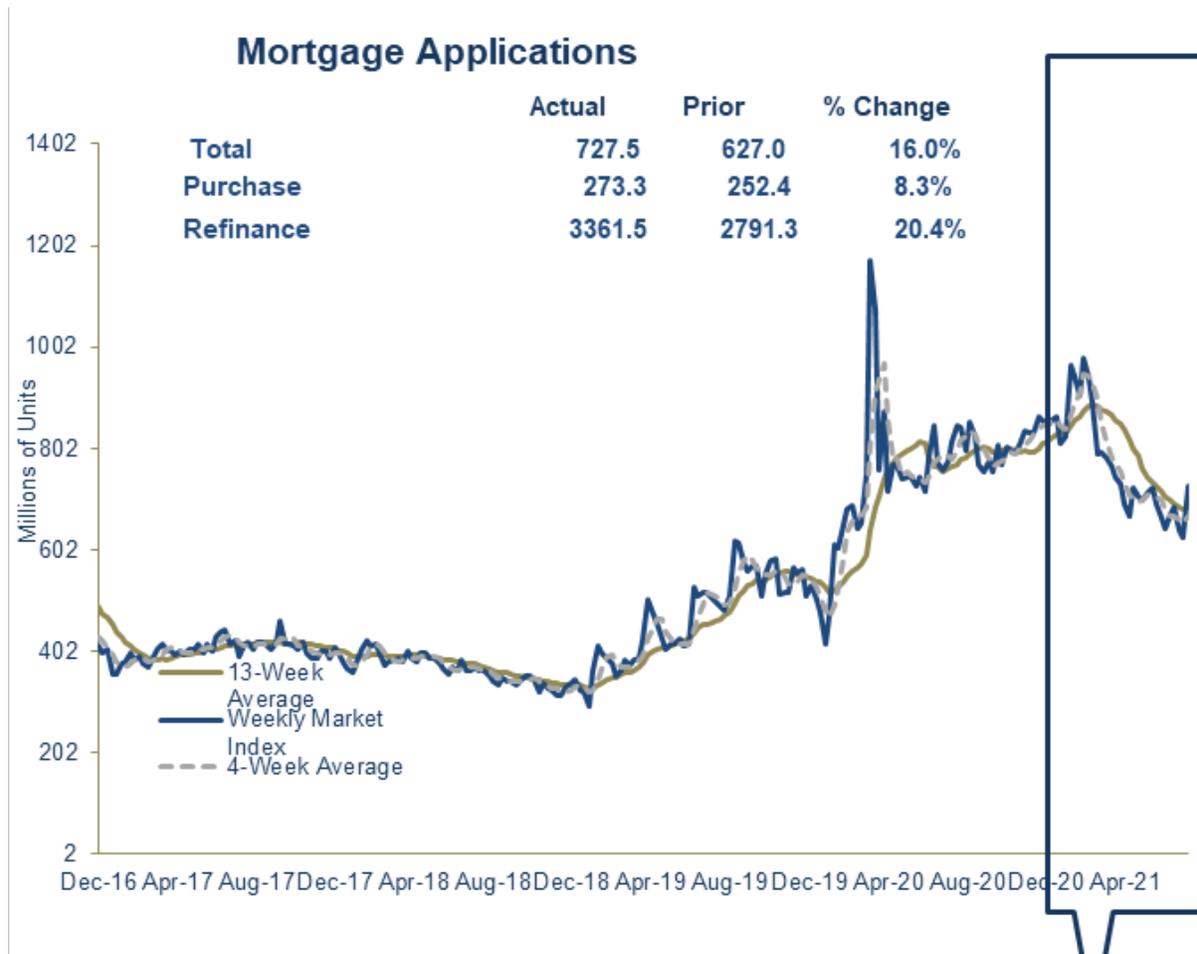
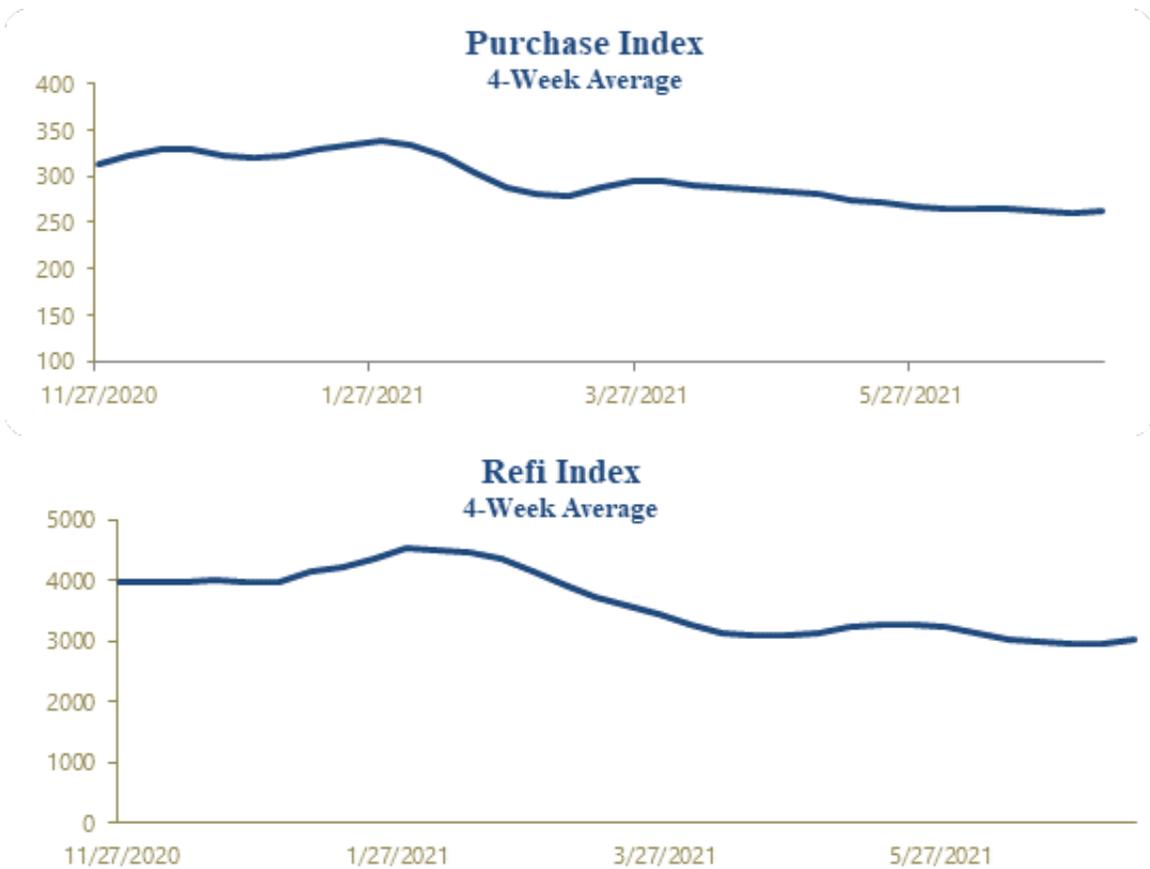


14.Jul.2021

## Mortgage Apps: Rebound Mostly Due to Adjustments

**Bottom Line:** Applications for mortgage purchases and refinancing jumped last week, but the figures were heavily skewed by seasonal adjustments around the 4th of July holiday. Unadjusted data showed about a 7% decline in applications. After hitting 3.20%, the highest level since mid-April, the average 30-year mortgage rate fell, hitting 3.09% last week. That appears to be sparking a modest increase in refinancing, with the unadjusted tally for refinancing applications edging higher. For now, the modest decline in rates has not been enough to push purchases higher amid tight supply, high prices, and rates that are still about 3/8ths of a point above the lows seen late last year.





**The MBA Mortgage Applications Index** ROSE by 16.0% during the week ended July 9 to 727.5, modestly above its 13 week average of 686.8 but 10.8% BELOW its year-ago level.

**The Purchase Index** ROSE by 8.3% to 273.3, slightly above its 13 week average of 269.4 but 10.5% BELOW its year-ago level.

**The Refinance Index** ROSE by 20.4% to 3,362. Despite this increase, refinancing activity is moderately above its 13 week average of 3,115 but 10.9% BELOW its year-ago level.

**Contract Mortgage Rates** FELL with the 30-year fixed rate declining by 6 bps to 3.09% and the 15-year fixed rate declining by 4 bps to 2.48%.

#### **Key findings of MBA's Forbearance and Call Volume Survey - June 28 to July 4, 2021**

- Total loans in forbearance decreased by 11 basis points relative to the prior week: from 3.87% to 3.76%.
  - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 5.10% to 4.78%.

- The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 1.99% to 1.91%.
  - The share of other loans (e.g., portfolio and PLS loans) in forbearance increased relative to the prior week: from 7.92% to 7.94%.
- By stage, 10.8% of total loans in forbearance are in the initial forbearance plan stage, while 82.7% are in a forbearance extension. The remaining 6.5% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) remained the same relative to the prior week at 0.04%.
- Of the cumulative forbearance exits for the period from June 1, 2020, through July 4, 2021:
  - 27.8% resulted in a loan deferral/partial claim.
  - 23.5% represented borrowers who continued to make their monthly payments during their forbearance period.
  - 15.5% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
  - 13.5% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
  - 10.7% 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 increased relative to the prior week: from 5.9% to 7.3%.
  - Average speed to answer increased from 1.0 minutes to 1.5 minutes.
  - Abandonment rates increased from 3.3% to 4.5%.
  - Average call length increased from 7.8 minutes to 8.0 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of July 4, 2021:
  - Total: 3.76% (previous week: 3.87%)
  - IMBs: 3.87% (previous week: 4.00%)
  - Depositories: 3.98% (previous week: 4.11%)

MBA's latest Forbearance and Call Volume Survey covers the period from June 28 through July 4, 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

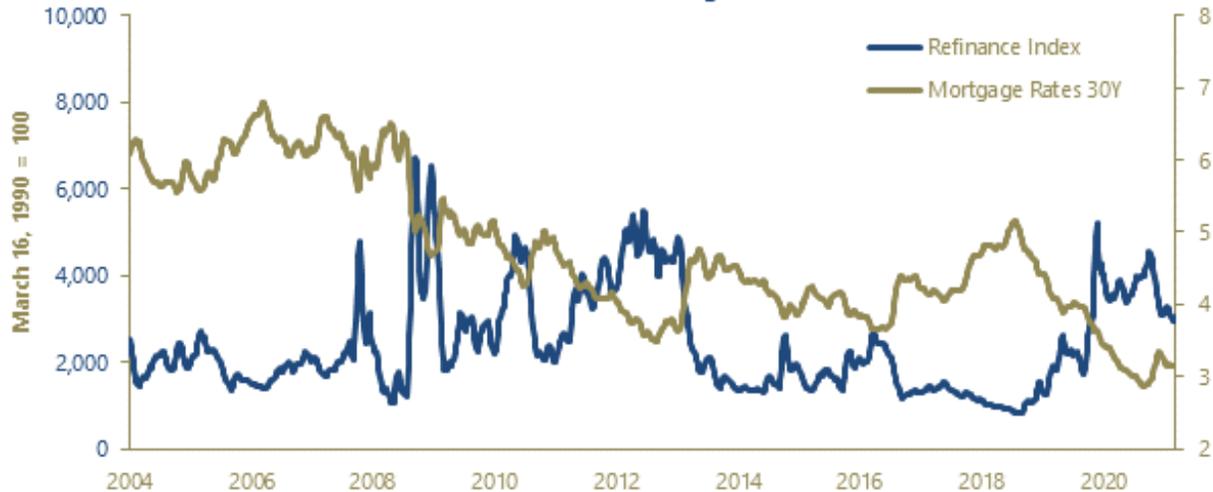


## Purchase Index vs. Existing Home Sales



## Refinancing Index vs Mortgage Rate

4-Week Average



	9-Jul	2-Jul	25-Jun	18-Jun	11-Jun	4-Jun	28-May	21-May	14-May	13 Wk Avg	Year Ago
<b>Market Index</b>	<b>727.5</b>	<b>627.0</b>	<b>638.8</b>	<b>686.4</b>	<b>672.4</b>	<b>645.4</b>	<b>665.9</b>	<b>693.7</b>	<b>724.2</b>	<b>686.8</b>	<b>815.5</b>
<b>Percent Change</b>	<b>16.0</b>	<b>-1.8</b>	<b>-6.9</b>	<b>2.1</b>	<b>4.2</b>	<b>-3.1</b>	<b>-4.0</b>	<b>-4.2</b>	<b>1.2</b>	<b>5.9</b>	<b>-10.8</b>
<i>Non-seasonally Adj. % Chg</i>	<i>-7.3</i>	<i>-1.9</i>	<i>-7.2</i>	<i>1.4</i>						<i>-15.0</i>	<i>-28.7</i>
<b>Purchase Index</b>	<b>273.3</b>	<b>252.4</b>	<b>255.2</b>	<b>268.0</b>	<b>266.3</b>	<b>262.1</b>	<b>261.4</b>	<b>269.8</b>	<b>265.3</b>	<b>269.4</b>	<b>305.4</b>
<b>Percent Change</b>	<b>8.3</b>	<b>-1.1</b>	<b>-4.8</b>	<b>0.6</b>	<b>1.6</b>	<b>0.3</b>	<b>-3.1</b>	<b>1.7</b>	<b>-4.1</b>	<b>1.5</b>	<b>-10.5</b>
<b>Refinancing Index</b>	<b>3,362</b>	<b>2,791</b>	<b>2,857</b>	<b>3,110</b>	<b>3,027</b>	<b>2,869</b>	<b>3,022</b>	<b>3,169</b>	<b>3,413</b>	<b>3,115</b>	<b>3,774</b>
<b>Percent Change</b>	<b>20.4</b>	<b>-2.3</b>	<b>-8.2</b>	<b>2.8</b>	<b>5.5</b>	<b>-5.1</b>	<b>-4.6</b>	<b>-7.2</b>	<b>4.0</b>	<b>7.9</b>	<b>-10.9</b>
<b>Refinance % of Total</b>	<b>64.1</b>	<b>61.6</b>	<b>61.9</b>	<b>62.5</b>	<b>61.7</b>	<b>60.4</b>	<b>61.3</b>	<b>61.4</b>	<b>63.3</b>	<b>61.6</b>	<b>64.2</b>
	<b>4.1</b>	<b>-0.5</b>	<b>-1.0</b>	<b>1.3</b>	<b>2.2</b>	<b>-1.5</b>	<b>-0.2</b>	<b>-3.0</b>	<b>3.3</b>	<b>4.0</b>	<b>-0.2</b>
<b>% of ARMs</b>	<b>3.5</b>	<b>3.3</b>	<b>3.6</b>	<b>3.9</b>	<b>3.8</b>	<b>3.9</b>	<b>3.7</b>	<b>4.0</b>	<b>3.9</b>	<b>3.7</b>	<b>3.0</b>
<b>30-Year Fixed Rate</b>	<b>3.09</b>	<b>3.15</b>	<b>3.20</b>	<b>3.18</b>	<b>3.11</b>	<b>3.15</b>	<b>3.17</b>	<b>3.18</b>	<b>3.15</b>	<b>3.16</b>	<b>3.19</b>
<b>15-Year Fixed Rate</b>	<b>2.48</b>	<b>2.52</b>	<b>2.56</b>	<b>2.58</b>	<b>2.49</b>	<b>2.52</b>	<b>2.56</b>	<b>2.53</b>	<b>2.54</b>	<b>2.54</b>	<b>2.70</b>
<b>5-Year ARM on 30-Year</b>	<b>3.02</b>	<b>2.94</b>	<b>2.98</b>	<b>2.69</b>	<b>2.69</b>	<b>2.54</b>	<b>2.54</b>	<b>2.81</b>	<b>2.58</b>	<b>2.72</b>	<b>3.00</b>

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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T.J. Connelly, Head of Research

July 14, 2021

Steven A. Wood, Senior Economic Adviser