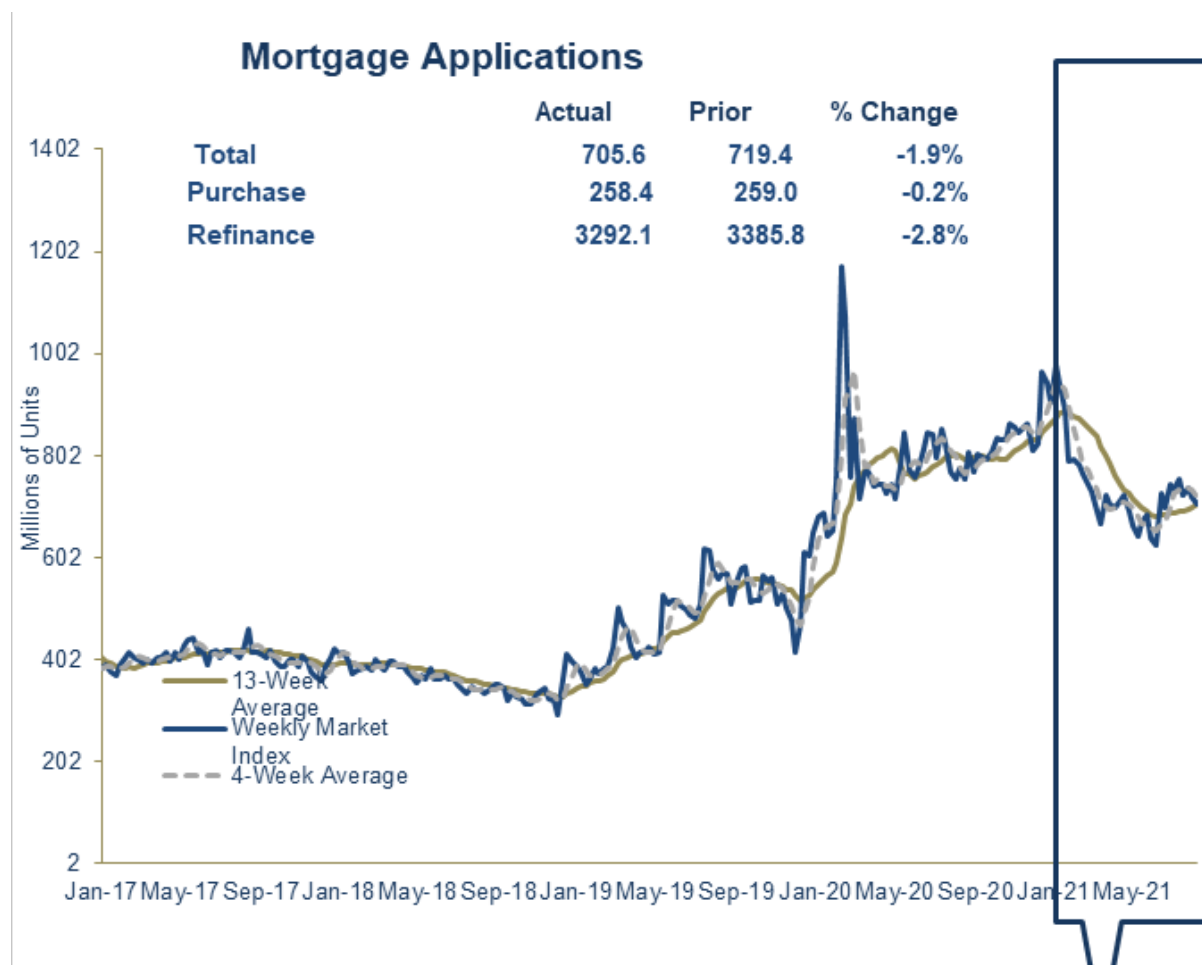


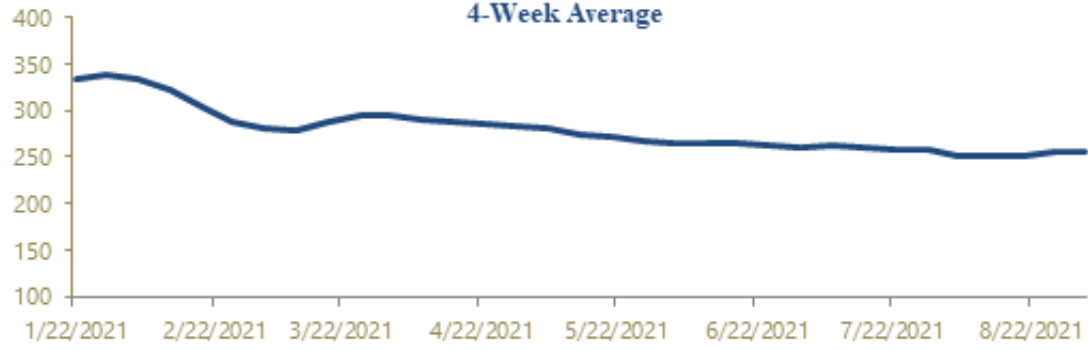
08.Sep.2021

## Mortgage Apps: Sluggish Volumes Continued

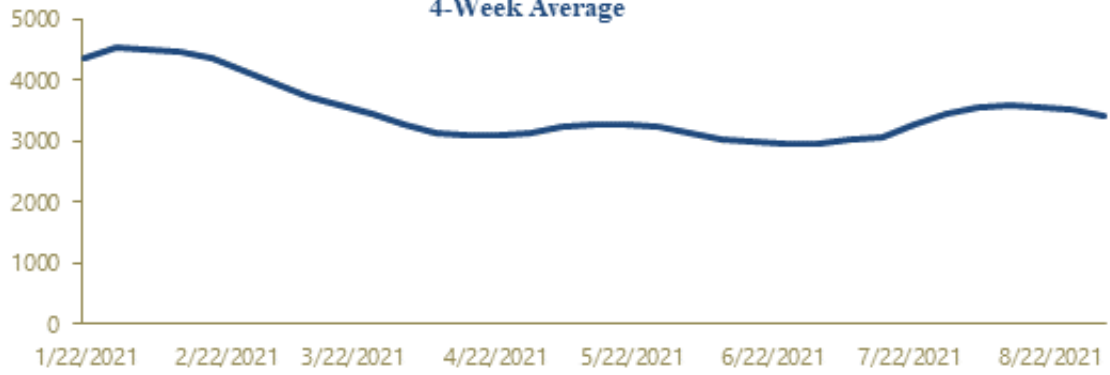
**Bottom Line:** Mortgage application volume slipped again last week as purchase applications fell slightly and refis slipped again. Current coupon yields in the secondary market were up 2 bps last week, closing at 1.79%, and were up 3 bps this week through Tuesday. Realtors reported average 30-year fixed-rate mortgages were unchanged at 3.03%. Trends remained mixed to lower for both purchase and refi applications. Largely confirmed by the latest existing and new home sales data, housing market activity appears to be plateauing at a historically moderate to strong pace as buyers struggle with affordability in an environment where rates would need to decline substantially again to offset the higher prices in most markets.



**Purchase Index**  
4-Week Average



**Refi Index**  
4-Week Average

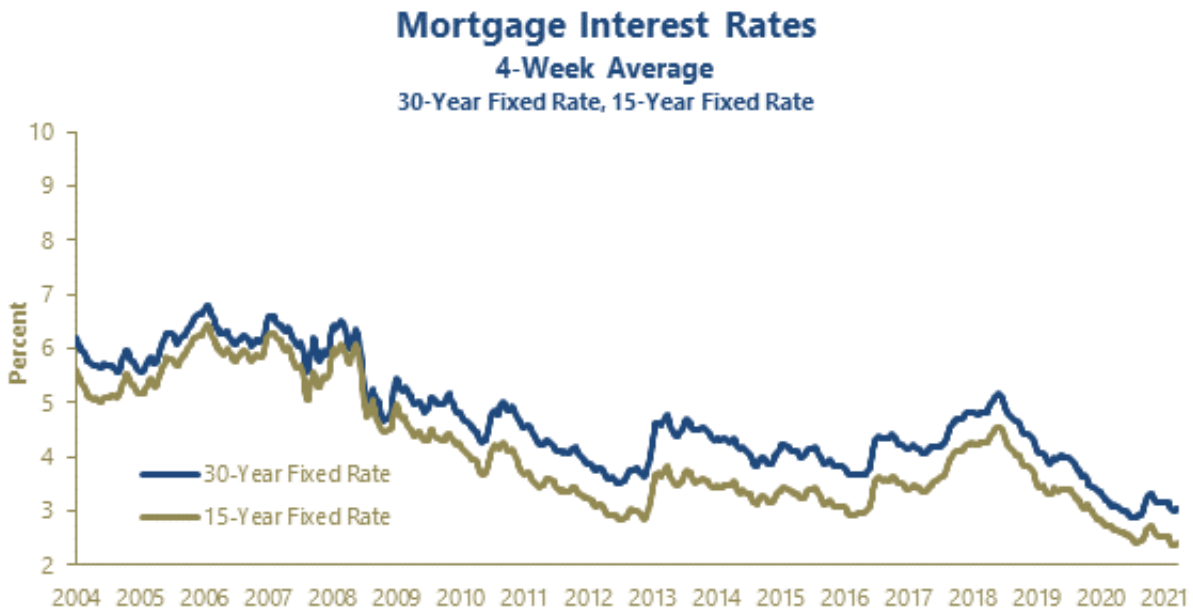




## Key findings of MBA's Forbearance and Call Volume Survey - August 16 to August 22, 2021

- Total loans in forbearance decreased by 2 basis points relative to the prior week: from 3.25% to 3.23%
  - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 3.92% to 3.63%.
  - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 1.66% to 1.63%.
  - The share of other loans (e.g., portfolio and PLS loans) in forbearance increased relative to the prior week: from 7.18% to 7.52%.
- By stage, 10.6% of total loans in forbearance are in the initial forbearance plan stage, while 81.2% are in a forbearance extension. The remaining 8.2% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) decreased relative to the prior week: from 0.05% to 0.04%.
- Of the cumulative forbearance exits for the period from June 1, 2020, through August 29, 2021, at the time of forbearance exit:
  - 28.4% resulted in a loan deferral/partial claim.
  - 22.4% represented borrowers who continued to make their monthly payments during their forbearance period.
  - 15.9% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
  - 13.0% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
  - 11.4% 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 1.4% 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 relative to the prior week: from 6.3% to 5.8%.
  - Average speed to answer decreased from 1.2 minutes to 1.0 minutes.
  - Abandonment rates decreased from 3.8% to 3.3%.
  - Average call length increased from 8.0 minutes to 8.1 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of August 29, 2021:
  - Total: 3.23% (previous week: 3.25%)
  - IMBs: 3.49% (previous week: 3.50%)
  - Depositories: 3.33% (previous week: 3.35%)

MBA's latest Forbearance and Call Volume Survey covers the period from August 23 through August 29, 2021 and represents 74% of the first-mortgage servicing market (36.9 million loans).



## Refinancing Index vs Mortgage Rate

### 4-Week Average



	3-Sep	27-Aug	20-Aug	13-Aug	6-Aug	30-Jul	23-Jul	16-Jul	9-Jul	13 Wk Avg	Year Ago
<b>Market Index</b>	<b>705.6</b>	<b>719.4</b>	<b>737.1</b>	<b>725.4</b>	<b>754.8</b>	<b>734.3</b>	<b>747.0</b>	<b>698.3</b>	<b>727.5</b>	<b>705.7</b>	<b>776.7</b>
Percent Change	-1.9	-2.4	1.6	-3.9	2.8	-1.7	7.0	-4.0	16.0	0.0	-9.2
Non-seasonally Adj. % Chg	-2.7	-3.2	0.9	-4.3						-1.1	-8.9
<b>Purchase Index</b>	<b>258.4</b>	<b>259.0</b>	<b>257.5</b>	<b>249.9</b>	<b>252.0</b>	<b>247.5</b>	<b>251.9</b>	<b>255.8</b>	<b>273.3</b>	<b>257.5</b>	<b>317.7</b>
Percent Change	-0.2	0.6	3.0	-0.8	1.8	-1.7	-1.5	-6.4	8.3	0.4	-18.7
<b>Refinancing Index</b>	<b>3,292</b>	<b>3,386</b>	<b>3,521</b>	<b>3,490</b>	<b>3,684</b>	<b>3,571</b>	<b>3,633</b>	<b>3,268</b>	<b>3,362</b>	<b>3,307</b>	<b>3,415</b>
Percent Change	-2.8	-3.8	0.9	-5.3	3.2	-1.7	11.2	-2.8	20.4	-0.5	-3.6
<b>Refinance % of Total</b>	<b>66.8</b>	<b>66.8</b>	<b>67.3</b>	<b>67.3</b>	<b>68.0</b>	<b>67.6</b>	<b>67.5</b>	<b>64.9</b>	<b>64.1</b>	<b>65.2</b>	<b>63.1</b>
	0.0	-0.7	0.0	-1.0	0.6	0.1	4.0	1.2	4.1	2.4	5.9
<b>% of ARMs</b>	<b>2.5</b>	<b>3.2</b>	<b>3.1</b>	<b>3.2</b>	<b>3.2</b>	<b>3.4</b>	<b>3.5</b>	<b>3.3</b>	<b>3.5</b>	<b>3.3</b>	<b>2.2</b>
<b>30-Year Fixed Rate</b>	<b>3.03</b>	<b>3.03</b>	<b>3.03</b>	<b>3.06</b>	<b>2.99</b>	<b>2.97</b>	<b>3.01</b>	<b>3.11</b>	<b>3.09</b>	<b>3.07</b>	<b>3.07</b>
<b>15-Year Fixed Rate</b>	<b>2.37</b>	<b>2.39</b>	<b>2.38</b>	<b>2.41</b>	<b>2.35</b>	<b>2.33</b>	<b>2.36</b>	<b>2.46</b>	<b>2.48</b>	<b>2.44</b>	<b>2.62</b>
<b>5-Year ARM on 30-Year</b>	<b>2.56</b>	<b>2.80</b>	<b>2.68</b>	<b>2.90</b>	<b>2.52</b>	<b>2.93</b>	<b>2.81</b>	<b>2.74</b>	<b>3.02</b>	<b>2.79</b>	<b>2.99</b>

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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T.J. Connelly, Head of Research

September 8, 2021

Steven A. Wood, Senior Economic Adviser