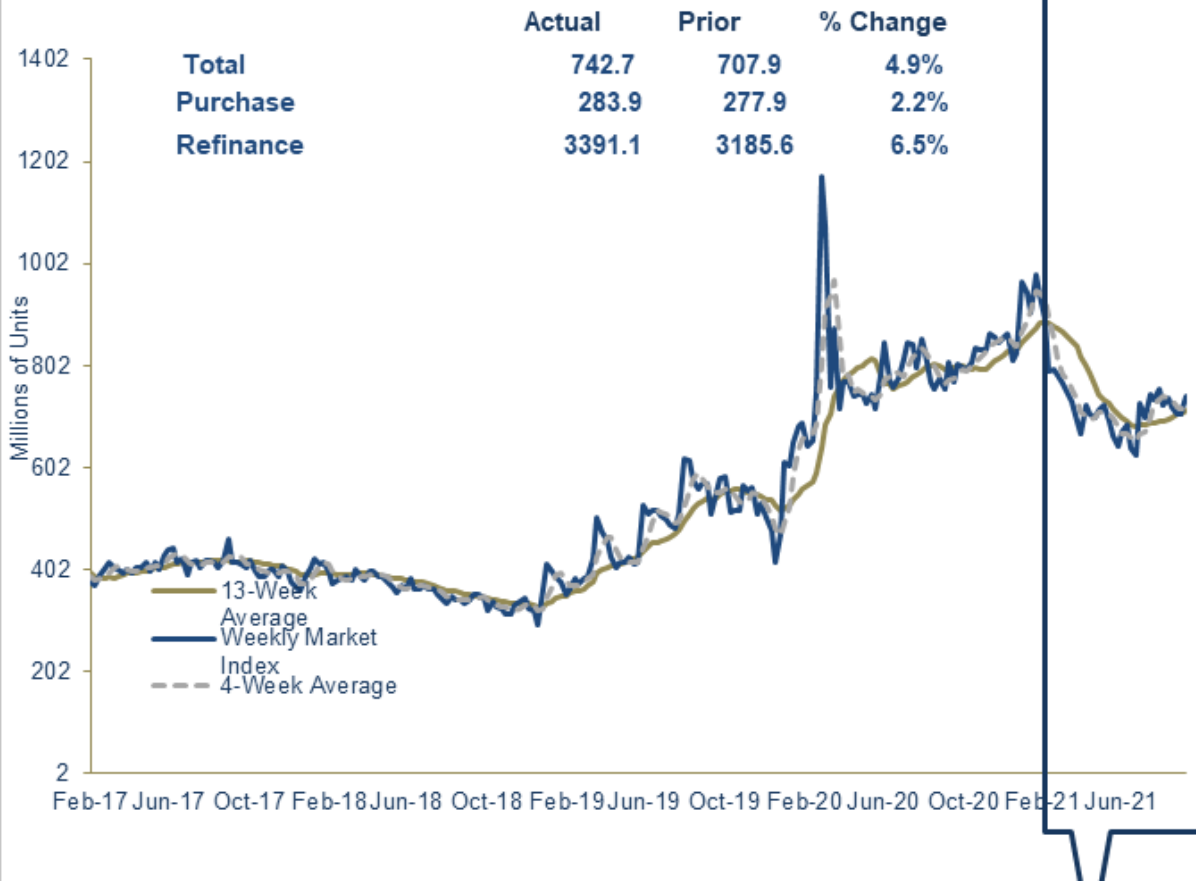


22.Sep.2021

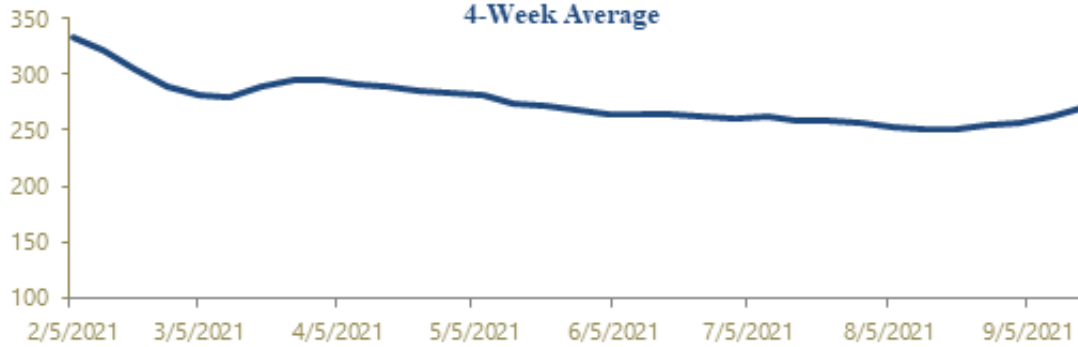
Mortgage Apps: Uptick Led By Refis

Bottom Line: Mortgage applications rose last week, led by a 6.5% jump in refi apps. Purchase applications rose for the second week in a row, pushing the trend, measured by the 4-week average, slightly higher. While still below levels seen in the Spring, purchase applications have rebounded from the lows seen in August. Realtors reported that their clients saw steady 30-year mortgage rates, despite increasing interest rate volatility in the secondary markets. Current coupon yields in the secondary market were up 5 bps last week, closing at 1.85%, and were down -2.0 bps this week through Tuesday. Overall, trends remained mixed for both purchase and refi applications. Most indicators suggest housing plateaued at a still historically robust level. But, so far, most high-frequency data, like this application report, suggest continued robust activity and few signs of any further slowdown.

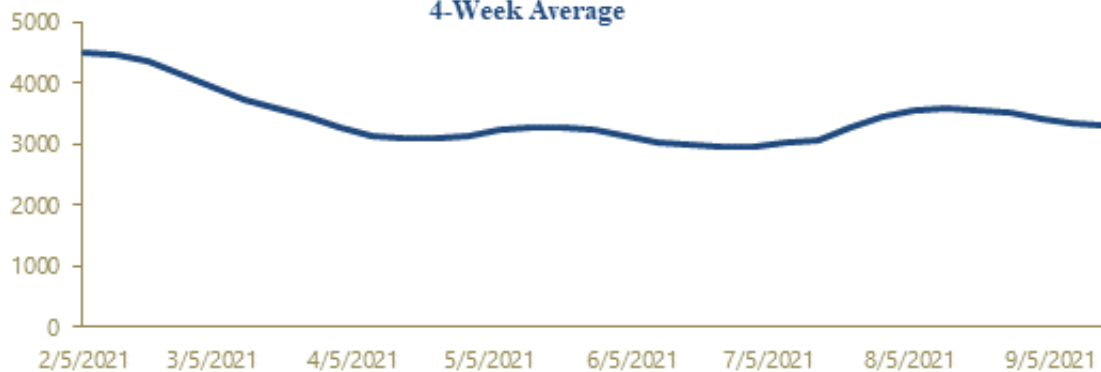
Mortgage Applications



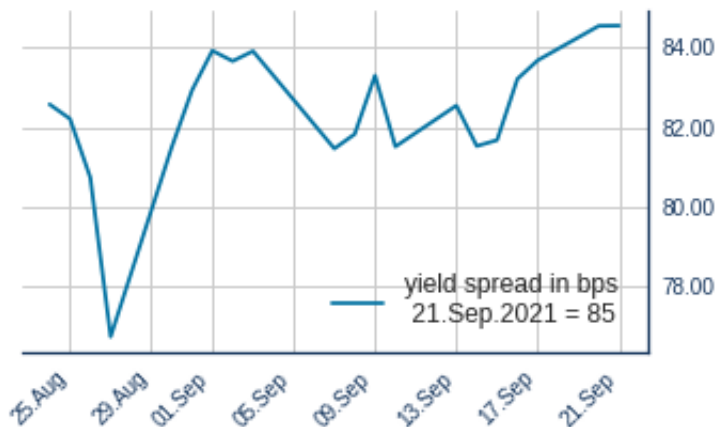
Purchase Index 4-Week Average



Refi Index 4-Week Average



MBS Current Coupon spread to Blend of Treasury Yields



The MBA Mortgage Applications Index ROSE by 4.9% during the week ended September 17 to 742.7, modestly above its 13 week average of 712.8 but 8.1% BELOW its year-ago level.

The Purchase Index ROSE by 2.2% to 283.9, moderately above its 13 week average of 259.6 but 13.2% BELOW its year-ago level.

The Refinance Index ROSE by 6.5% to 3,391. Despite this increase, refinancing activity is slightly above its 13 week average of 3,341 but 5.3% BELOW its year-ago level.

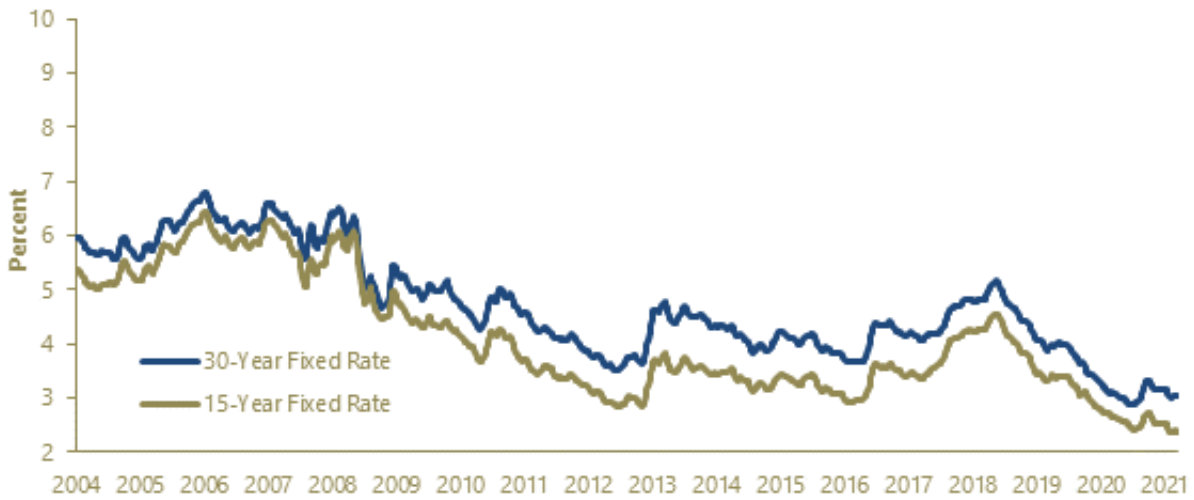
Contract Mortgage Rates were MIXED with the 30-year fixed rate unchanged at 3.03% and the 15-year fixed rate was unchanged by 0 bp to 2.34%.

Key findings of MBA's Forbearance and Call Volume Survey - September 6 to September 12, 2021

- Total loans in forbearance decreased by 8 basis points relative to the prior week: from 3.08% to 3.00%.
 - By investor type, the share of Ginnie Mae loans in forbearance remained the same relative to the prior week at 3.39%.
 - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 1.52% to 1.47%.
 - The share of other loans (e.g., portfolio and PLS loans) in forbearance decreased relative to the prior week: from 7.27% to 6.95%.
- By stage, 11.3% of total loans in forbearance are in the initial forbearance plan stage, while 80.2% are in a forbearance extension. The remaining 8.5% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) remained the same relative to the prior week at 0.05%.
- Of the cumulative forbearance exits for the period from June 1, 2020, through September 12, 2021, at the time of forbearance exit:
 - 28.6% resulted in a loan deferral/partial claim.
 - 21.9% represented borrowers who continued to make their monthly payments during their forbearance period.
 - 16.4% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
 - 12.7% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
 - 11.6% resulted in a loan modification or trial loan modification.
 - 7.4% 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 7.7% to 6.3%.
 - Average speed to answer increased from 1.6 minutes to 1.8 minutes.
 - Abandonment rates increased from 4.0% to 4.8%.
 - Average call length increased from 8.2 minutes to 8.3 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of September 12, 2021:
 - Total: 3.00% (previous week: 3.08%)
 - IMBs: 3.25% (previous week: 3.33%)
 - Depositories: 3.10% (previous week: 3.15%)

source: Mortgage Banker's Association

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



	17-Sep	10-Sep	3-Sep	27-Aug	20-Aug	13-Aug	6-Aug	30-Jul	23-Jul	13 Wk Avg	Year Ago
Market Index	742.7	707.9	705.6	719.4	737.1	725.4	754.8	734.3	747.0	712.8	808.5
Percent Change	4.9	0.3	-1.9	-2.4	1.6	-3.9	2.8	-1.7	7.0	4.2	-8.1
Non-seasonally Adj. % Chg	16.0	-10.4	-2.7	-3.2						3.4	-8.0
Purchase Index	283.9	277.9	258.4	259.0	257.5	249.9	252.0	247.5	251.9	259.6	327.0
Percent Change	2.2	7.5	-0.2	0.6	3.0	-0.8	1.8	-1.7	-1.5	9.4	-13.2
Refinancing Index	3,391	3,186	3,292	3,386	3,521	3,490	3,684	3,571	3,633	3,341	3,580
Percent Change	6.5	-3.2	-2.8	-3.8	0.9	-5.3	3.2	-1.7	11.2	1.5	-5.3
Refinance % of Total	66.2	64.9	66.8	66.8	67.3	67.3	68.0	67.6	67.5	65.8	64.3
Percent Change	2.0	-2.8	0.0	-0.7	0.0	-1.0	0.6	0.1	4.0	0.7	3.0
% of ARMs	2.9	3.3	2.5	3.2	3.1	3.2	3.2	3.4	3.5	3.2	2.2
30-Year Fixed Rate	3.03	3.03	3.03	3.03	3.03	3.06	2.99	2.97	3.01	3.06	3.10
15-Year Fixed Rate	2.34	2.34	2.37	2.39	2.38	2.41	2.35	2.33	2.36	2.41	2.64
5-Year ARM on 30-Year	2.51	2.68	2.56	2.80	2.68	2.90	2.52	2.93	2.81	2.77	3.19

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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September 22, 2021

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