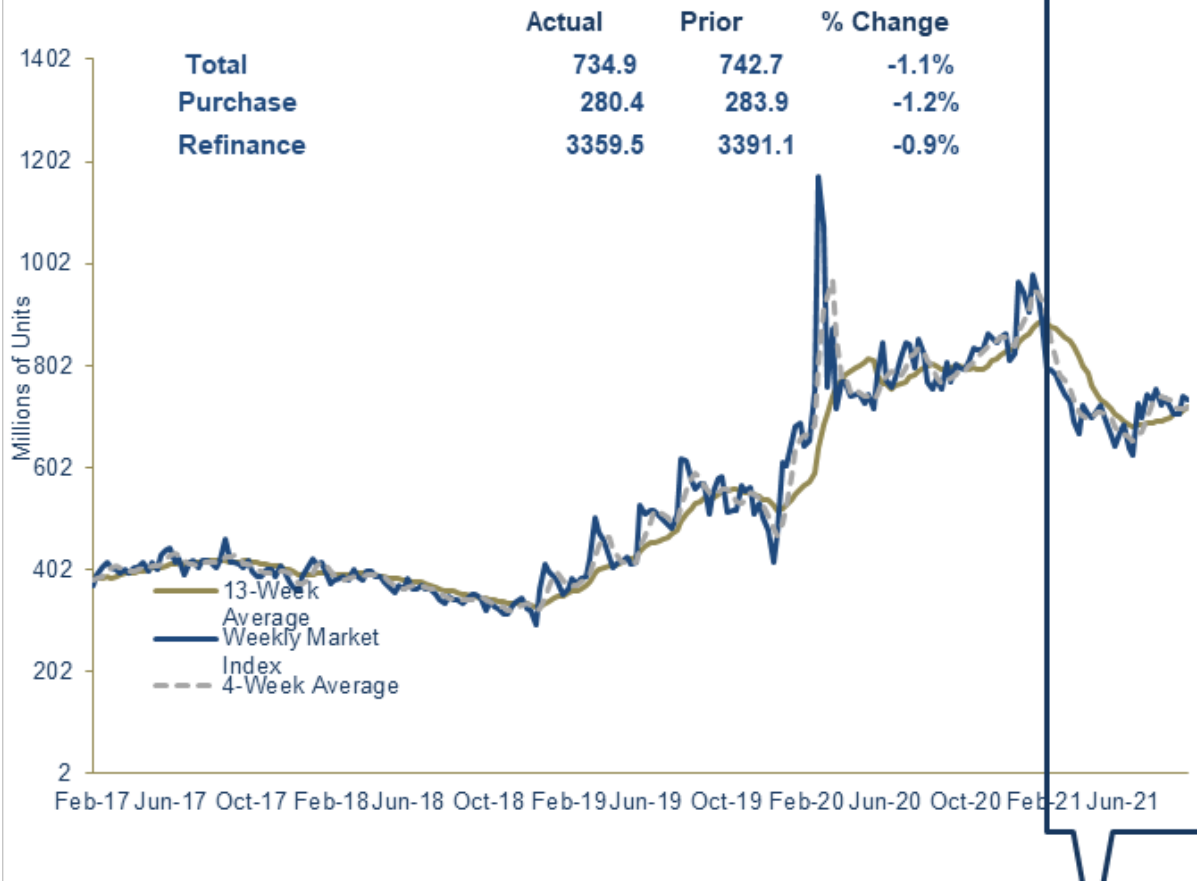


29.Sep.2021

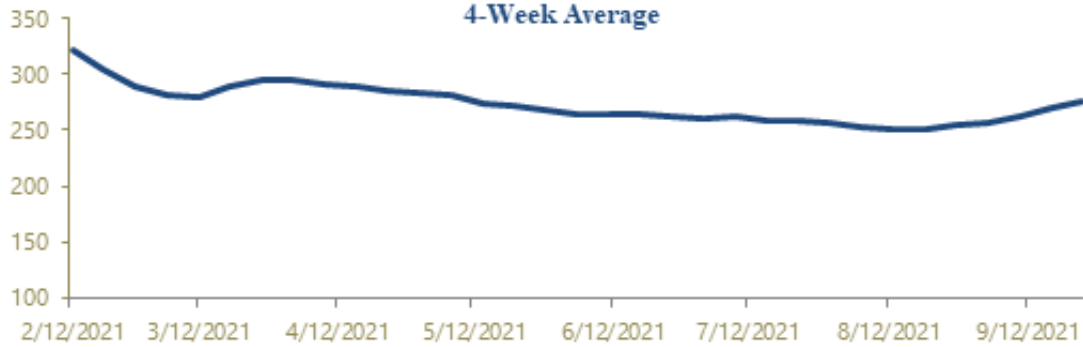
Mortgage Apps: Slight Decline As Rebounds Prove Short-Lived

Bottom Line: Mortgage applications fell last week as realtors reported higher average mortgage rates for the first time in over a month. Applications for both refis and purchases fell just slightly after rebounding in the prior week. Current coupon yields in the secondary market were up 8.0 bps last week, closing at 1.93%, and were up 7.0 bps this week through Tuesday. With volatility low for over a month, markets haven't tested the sensitivity of mortgage applications to rates in some time. We expect applications continued to fall this week with rates higher. Overall, trends remain mixed for both purchase and refi applications. Most indicators suggest housing plateaued at a still historically robust level. And until the rate move, most high-frequency data had suggested few signs of any further slowdown -- but that will be put to the test in the coming weeks amid higher mortgage rates.

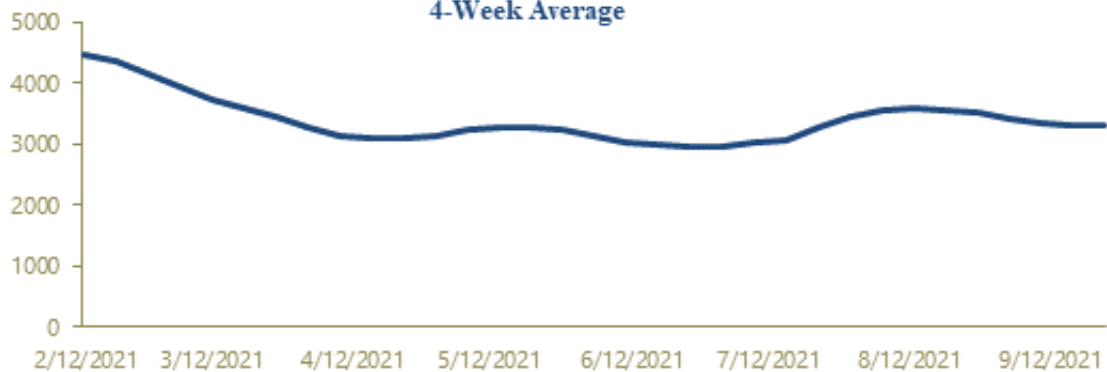
Mortgage Applications



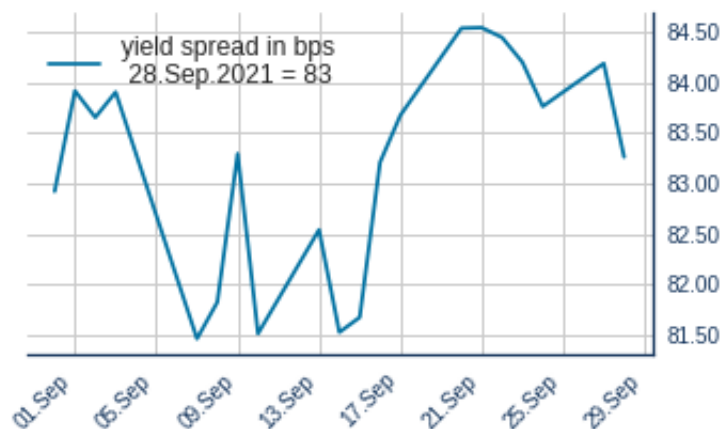
Purchase Index 4-Week Average



Refi Index 4-Week Average



MBS Current Coupon spread to Blend of Treasury Yields



The MBA Mortgage Applications Index FELL by 1.1% during the week ended September 24 to 734.9, modestly above its 13 week average of 720.1 but 4.5% BELOW its year-ago level.

The Purchase Index FELL by 1.2% to 280.4, moderately above its 13 week average of 261.5 but 12.6% BELOW its year-ago level.

The Refinance Index FELL by 0.9% to 3,360. With this decline, refinancing activity is slightly below its 13 week average of 3,380 but 0.4% ABOVE its year-ago level.

Contract Mortgage Rates ROSE with the 30-year fixed rate increasing by 7 bps to 3.10% and the 15-year fixed rate increasing by 9 bps to 2.43%.

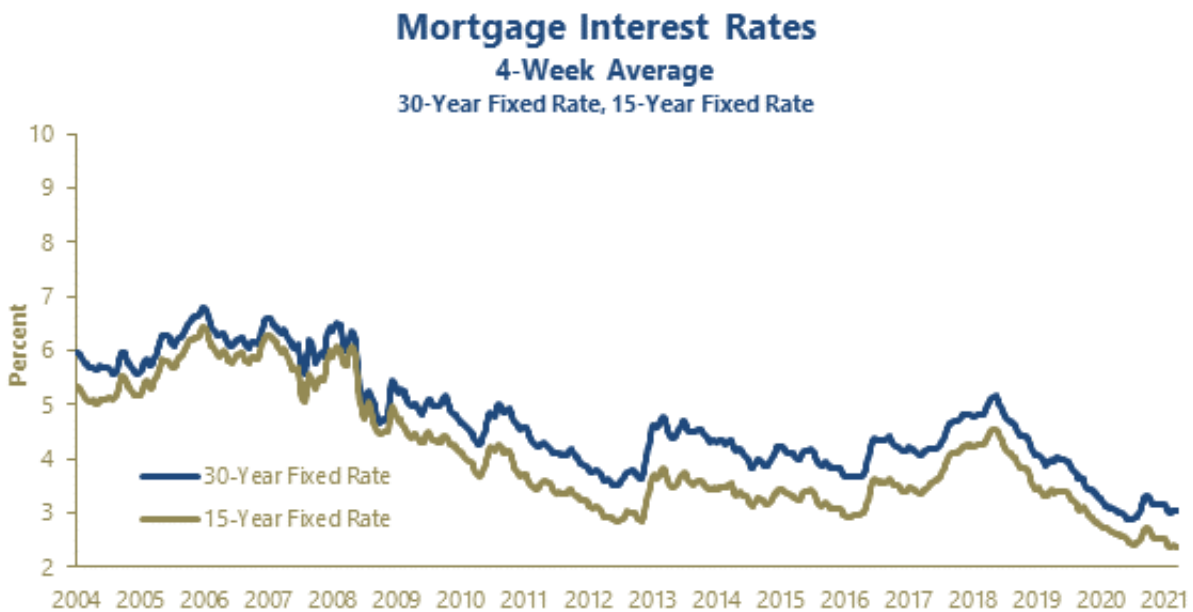
Key findings of MBA's Forbearance and Call Volume Survey - September 13 to

September 19, 2021

- Total loans in forbearance decreased by 4 basis points relative to the prior week: from 3.00% to 2.96%.
 - By investor type, the share of Ginnie Mae loans in forbearance increased relative to the prior week: from 3.39% to 3.42%.
 - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 1.47% to 1.44%.
 - The share of other loans (e.g., portfolio and PLS loans) in forbearance decreased relative to the prior week: from 6.95% to 6.91%.
- By stage, 12.0% of total loans in forbearance are in the initial forbearance plan stage, while 79.3% are in a forbearance extension. The remaining 8.7% 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 19, 2021, at the time of forbearance exit:
 - 28.7% resulted in a loan deferral/partial claim.
 - 21.8% represented borrowers who continued to make their monthly payments during their forbearance period.
 - 16.3% 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.
 - 11.8% 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 increased relative to the prior week: from 6.3% to 7.9%.
 - Average speed to answer decreased from 1.8 minutes to 1.7 minutes.
 - Abandonment rates decreased from 4.8% to 4.5%.
 - Average call length decreased from 8.3 minutes to 8.2 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of September 19, 2021:
 - Total: 2.96% (previous week: 3.00%)
 - IMBs: 3.24% (previous week: 3.25%)
 - Depositories: 3.06% (previous week: 3.10%)

MBA's latest Forbearance and Call Volume Survey covers the period from September 13 through September 19, 2021, and represents 74% of the first-mortgage servicing market (36.8 million loans).

source: Mortgage Banker's Association



Refinancing Index vs Mortgage Rate 4-Week Average



	24-Sep	17-Sep	10-Sep	3-Sep	27-Aug	20-Aug	13-Aug	6-Aug	30-Jul	13 Wk Avg	Year Ago
Market Index	734.9	742.7	707.9	705.6	719.4	737.1	725.4	754.8	734.3	720.1	769.6
Percent Change	-1.1	4.9	0.3	-1.9	-2.4	1.6	-3.9	2.8	-1.7	2.0	-4.5
Non-seasonally Adj. % Chg	-1.3	16.0	-10.4	-2.7						1.4	-4.3
Purchase Index	280.4	283.9	277.9	258.4	259.0	257.5	249.9	252.0	247.5	261.5	320.9
Percent Change	-1.2	2.2	7.5	-0.2	0.6	3.0	-0.8	1.8	-1.7	7.2	-12.6
Refinancing Index	3,360	3,391	3,186	3,292	3,386	3,521	3,490	3,684	3,571	3,380	3,347
Percent Change	-0.9	6.5	-3.2	-2.8	-3.8	0.9	-5.3	3.2	-1.7	-0.6	0.4
Refinance % of Total	66.4	66.2	64.9	66.8	66.8	67.3	67.3	68.0	67.6	66.1	63.3
	0.3	2.0	-2.8	0.0	-0.7	0.0	-1.0	0.6	0.1	0.4	4.9
% of ARMs	3.4	2.9	3.3	2.5	3.2	3.1	3.2	3.2	3.4	3.2	2.2
30-Year Fixed Rate	3.10	3.03	3.03	3.03	3.03	3.03	3.06	2.99	2.97	3.05	3.05
15-Year Fixed Rate	2.43	2.34	2.34	2.37	2.39	2.38	2.41	2.35	2.33	2.40	2.65
5-Year ARM on 30-Year	2.77	2.51	2.68	2.56	2.80	2.68	2.90	2.52	2.93	2.76	2.95

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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September 29, 2021

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