

15.Dec.2021

Mortgage Apps: Refis Slide, Purchases Steady

Bottom Line: Mortgage applications were notably lower in the first full week of December following some volatility due to seasonal adjustments around Thanksgiving. Resuming the trends seen over the quarter, applications for refinancing were notably lower, while purchase application volume was slightly higher and still trending up after bottoming in August. Secondary mortgage market spreads remained wide, especially relative to longer-maturity Treasuries, with the yield curve flattening. Current coupon yields have hovered just over 2%, with the primary mortgage rate averaging about 3.40% adjusted for points paid. Overall, mortgage volumes continue to slow as homeowners who have the incentive and ability to refi have already done so. Still, purchase volumes remain historically robust amid a strong housing market.



The MBA Mortgage Application Index FELL -4.0% to 592.0, BELOW the 13-week average of 656.0 and -31.0% BELOW the year-ago level. Non-seasonally adjusted the index FELL -5.5%.

The Purchase Index ROSE slightly, UP 0.7% to 297.0, ABOVE the 13-week average of 284.0 but -10.4% BELOW the year-ago level.

The Refinancing Index FELL -6.4% to 2350.0, BELOW the 13-week average of 2803.0 and -41.4% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** was nearly unchanged at 3.41%, ABOVE the 13-week average of 3.32%, and 16bps ABOVE the year-ago level.

Purchase Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBA 30-yr Fixed Mortgage Effective Rate



Recent Trends

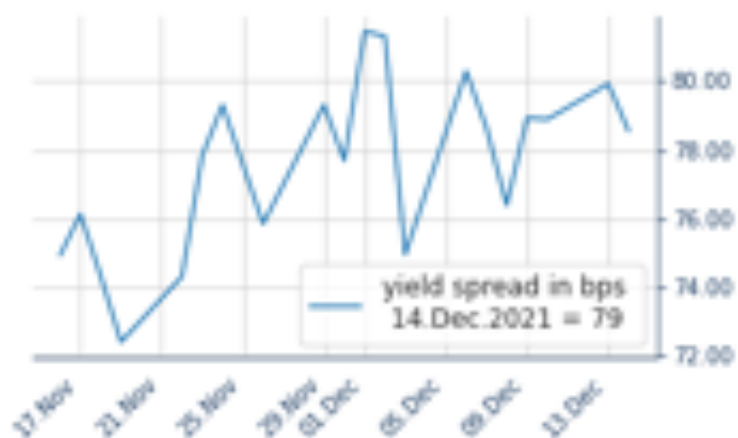
Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBS Current Coupon Yield



MBS Current Coupon spread to Blend of Treasury Yields



Mortgage Rates





Weekly MBA Mortgage Application Survey	10.Dec	03.Dec	26.Nov	19.Nov	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	591.70	616.40	604.20	651.30	604.05	638.38	655.52	732.55
Week % Chg	-4.00	2.00	-7.20	1.80				
Total Apps NSA % Chg.	-5.46	44.64	-36.71	0.10				
Purchase Index	297.20	295.20	310.70	295.70	296.20	291.82	284.03	282.84
Purch. Idx - % Chg.	0.68	-4.99	5.07	4.67				
Refinance Index	2350.50	2511.50	2304.50	2706.20	2431.00	2636.68	2802.82	3352.90
Refi. Idx - % Chg.	-6.41	8.98	-14.84	0.42				

Ref % Tot	63.30	63.90	59.40	63.10	63.60	62.23	63.42	65.02
MBA 30-yr Fixed Mortgage Effective Rate	3.41	3.41	3.43	3.35	3.41	3.34	3.32	3.23
MBA 30-yr Fixed Points	0.39	0.39	0.43	0.36	0.39	0.39	0.36	0.36
MBA 15-yr Fixed Mortgage Contract Rate	2.58	2.62	2.63	2.59	2.60	2.58	2.53	2.51
MBA 15-yr Fixed Mortgage Effective Rate	2.58	2.62	2.63	2.59	2.60	2.58	2.53	2.51
MBA 15-yr Fixed Points	0.34	0.31	0.31	0.34	0.33	0.34	0.30	0.31
MBA 5-yr ARM Effective Rate	2.75	2.98	2.48	3.00	2.87	2.80	2.82	2.76

source: Mortgage Banker Association via Bloomberg Professional