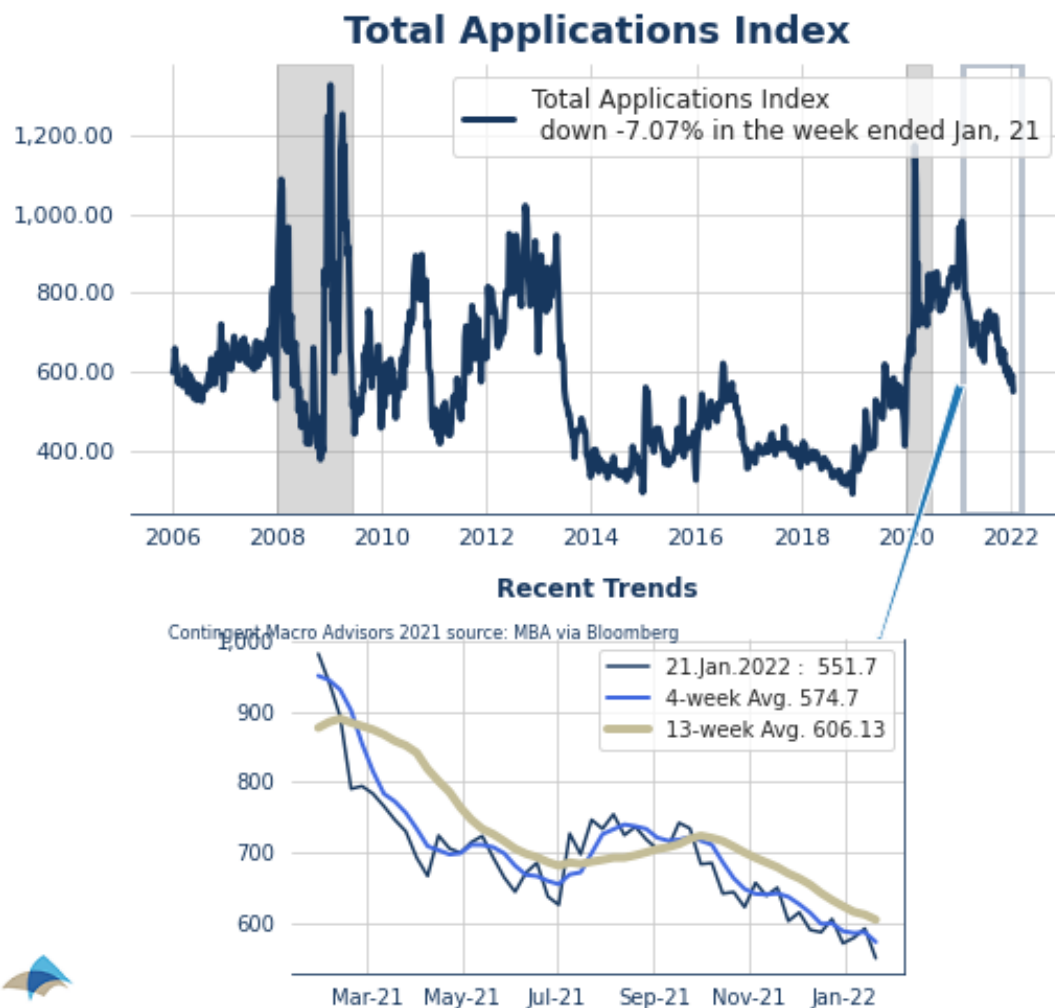


26.Jan.2022

Mortgage Apps: Refis Fall Sharply

Bottom Line: As 30-year mortgage rates pushed towards 4%, applications for refinancing plunged. Purchase applications, so far resilient, fell only slightly. While the trend in refinancing is firmly lower, the trend in purchase activity is still modestly higher. While mortgage rates moving back to pre-pandemic levels should slow housing activity, it has remained remarkably robust so far. That said, it is too early to make a firm conclusion about the medium-term trend in housing. Historically we've seen sidelined buyers jump into the market after a sharp increase in mortgage, buoying activity for a month or two before volumes slow. Finally, spreads for TBA mortgages in the secondary market have been volatile but appear to be stabilizing after the recent widening. That market bears close watching as we get more information on the Fed's plans for its balance sheet and the potential for it to allow its mortgages to runoff.



The MBA Mortgage Application Index FELL sharply, DOWN -7.1% to 552.0, BELOW the 13-week average of 606.0 and -39.2% BELOW the year-ago level. Non-seasonally adjusted the index FELL -5.6%.

The Purchase Index FELL -1.8% to 300.0, ABOVE the 13-week average of 292.0 but -10.2% BELOW the year-ago level.

The Refinancing Index FELL sharply , DOWN -12.6% to 1989.0, BELOW the 13-week average of 2449.0 and -53.3% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** ROSE 8bps to 3.85%, ABOVE the 13-week average of 3.47% and 27bps ABOVE the year-ago level.

Purchase Index

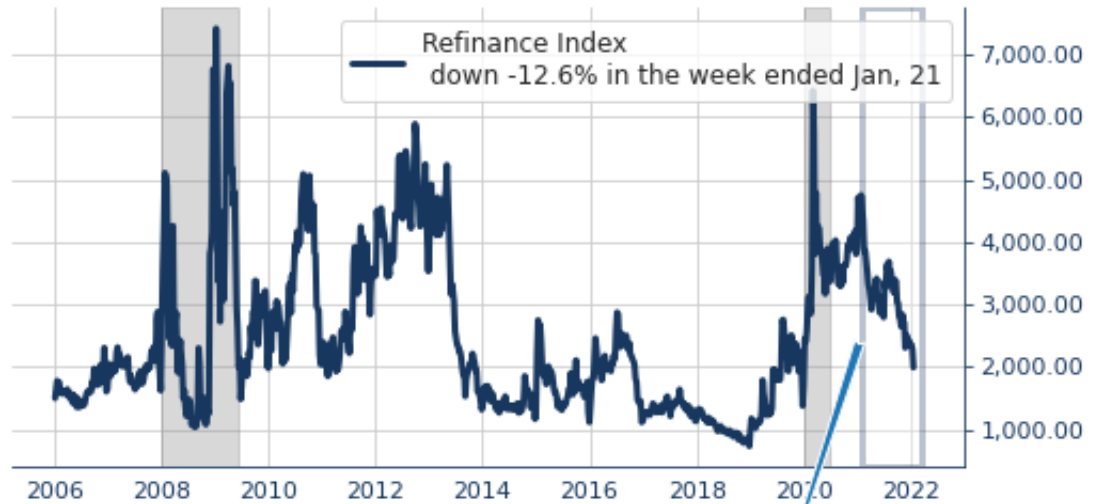


Recent Trends

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

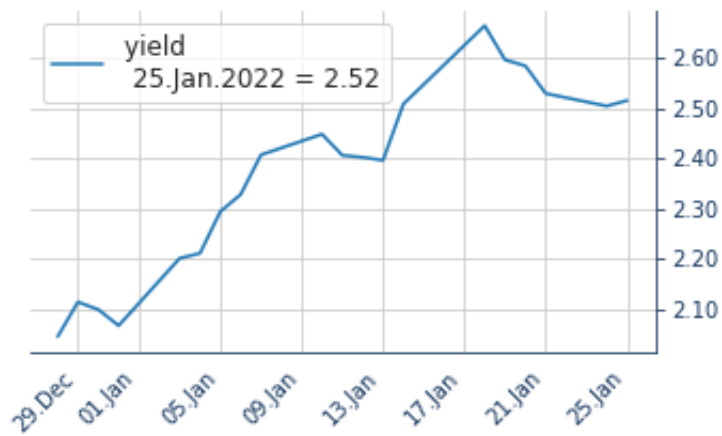


Recent Trends

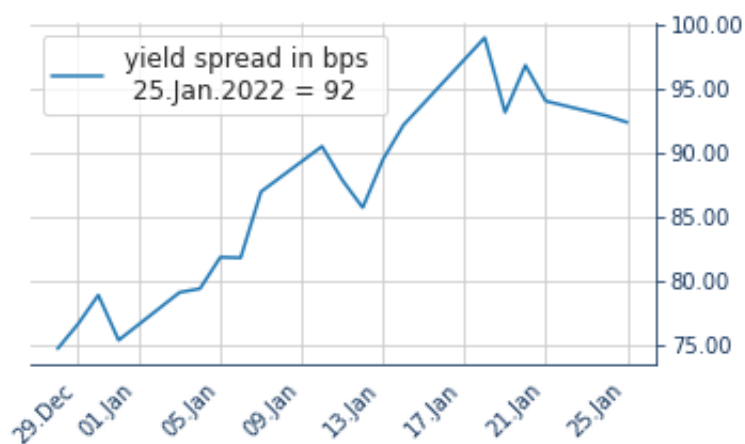
Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBS Current Coupon Yield



MBS Current Coupon spread to Blend of Treasury Yields

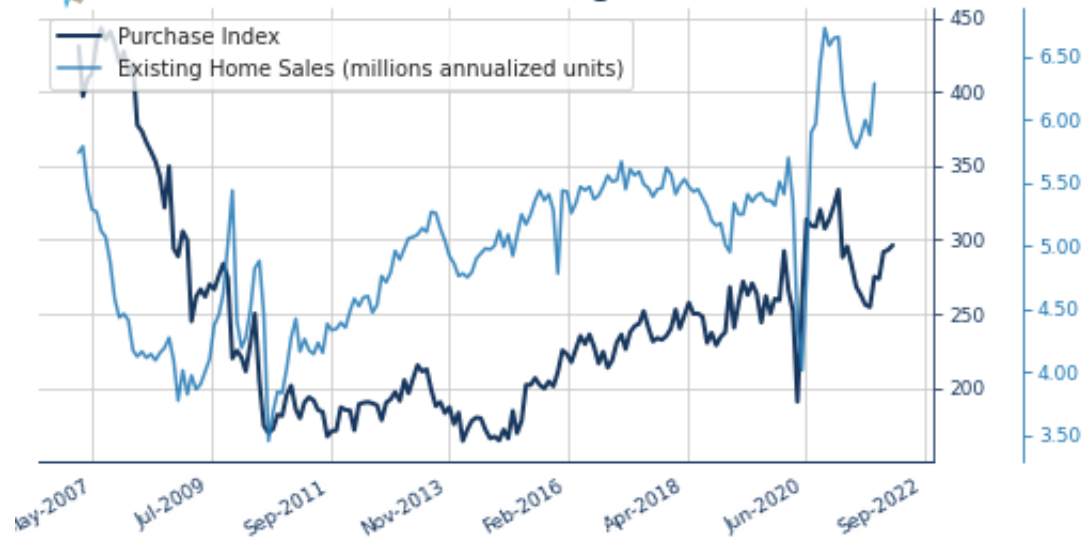


Mortgage Rates

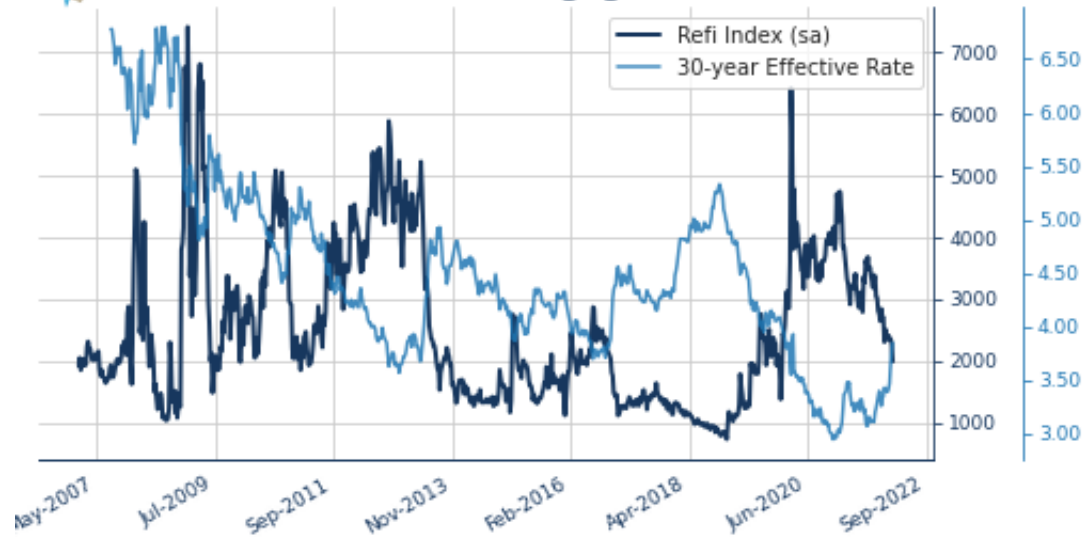




Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	21.Jan	14.Jan	07.Jan	31.Dec	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	551.70	593.70	580.60	572.80	575.33	595.28	606.13	697.35
Week % Chg	-7.10	2.30	1.40	-5.60				
Total Apps NSA % Chg.	-5.64	3.04	45.70	-4.82				
Purchase Index	300.10	305.70	283.40	277.30	296.40	293.18	291.81	278.85
Purch. Idx - % Chg.	-1.83	7.87	2.20	-10.17				
Refinance Index	1989.40	2276.30	2349.80	2351.30	2205.17	2405.46	2448.81	3130.57
Refi. Idx - % Chg.	-12.60	-3.13	-0.06	-2.49				

Ref % Tot	55.80	60.30	64.10	65.40	60.07	64.34	62.52	63.78
MBA 30-yr Fixed Mortgage Effective Rate	3.85	3.77	3.65	3.47	3.76	3.42	3.47	3.30
MBA 30-yr Fixed Points	0.43	0.45	0.45	0.48	0.44	0.41	0.41	0.38
MBA 15-yr Fixed Mortgage Contract Rate	3.00	2.95	2.73	2.60	2.89	2.60	2.66	2.55
MBA 15-yr Fixed Mortgage Effective Rate	3.00	2.95	2.73	2.60	2.89	2.60	2.66	2.55
MBA 15-yr Fixed Points	0.39	0.43	0.35	0.31	0.39	0.31	0.34	0.32
MBA 5-yr ARM Effective Rate	3.18	3.04	3.03	2.45	3.08	2.74	2.85	2.79

source: Mortgage Banker Association via Bloomberg Professional