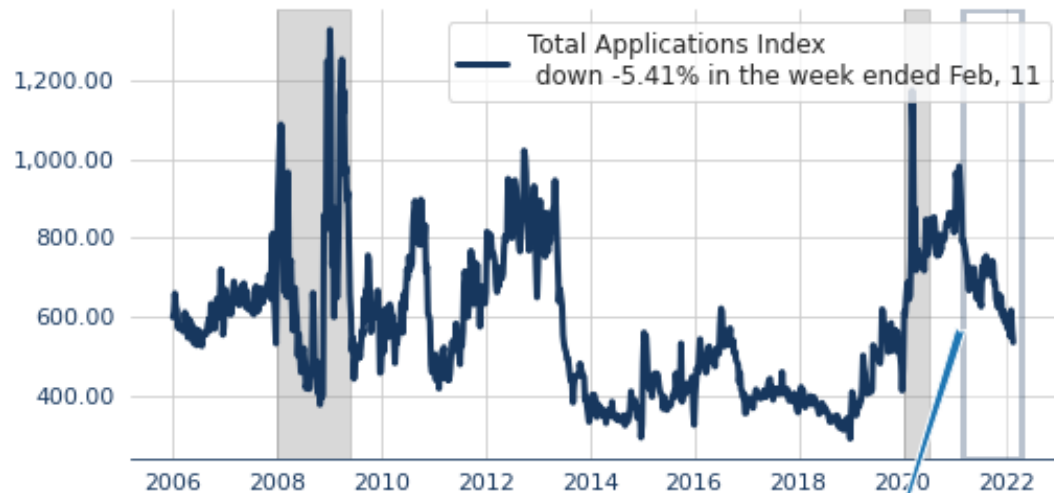


16.Feb.2022

Mortgage Apps: Further Declines as Rates Push Towards 4.25%

Bottom Line: Mortgage applications fell further last week as the average 30-year mortgage rate hit 4.18% (adjusted for points paid). As Treasury curves bear flattened secondary mortgage market spreads widened, pushing primary market rates higher. The current coupon yield in the secondary market neared 3% for the first time since the pandemic. Overall, the trend in total applications has been slower since September, when average effective mortgage rates first started to move higher. Refinancing activity has closely tracked rates and is now back to early 2020 levels. Purchase activity meanwhile has proven more resilient to higher rates but is now starting to fall. This bears watching as homeowners start to think about the spring and early summer selling season.

Total Applications Index



Recent Trends



The MBA Mortgage Application Index FELL -5.4% to 537.0, BELOW the 13-week average of 591.0 and -39.8% BELOW the year-ago level. Non-seasonally adjusted the index FELL slightly , DOWN -3.0%.

The Purchase Index FELL slightly , DOWN -1.2% to 279.0, BELOW the 13-week average of 295.0 and -6.8% BELOW the year-ago level.

The Refinancing Index FELL sharply , DOWN -8.9% to 1989.0, BELOW the 13-week average of 2322.0 and -54.1% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** ROSE sharply, UP 23bps to 4.18%, ABOVE the 13-week average of 3.63% and 35bps ABOVE the year-ago level.

Purchase Index

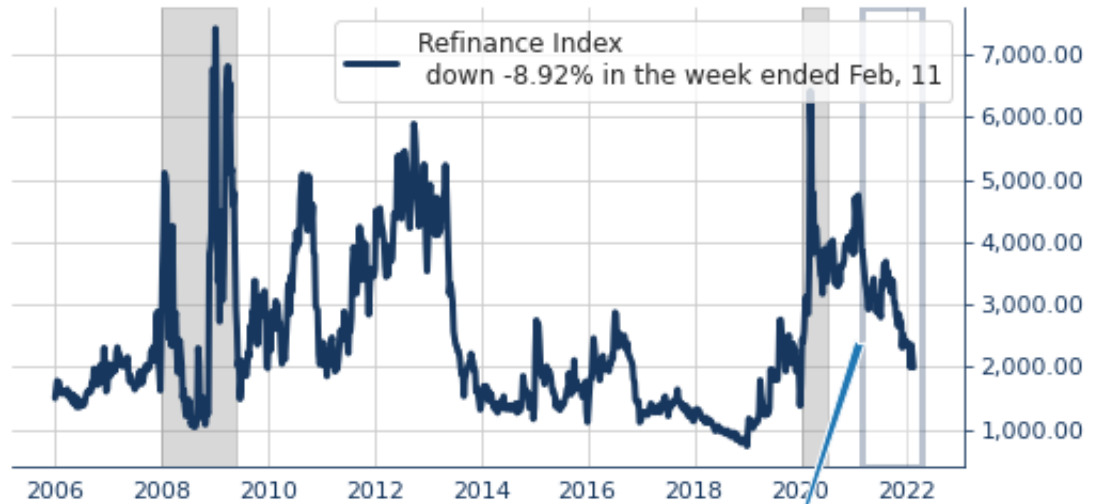


Recent Trends

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

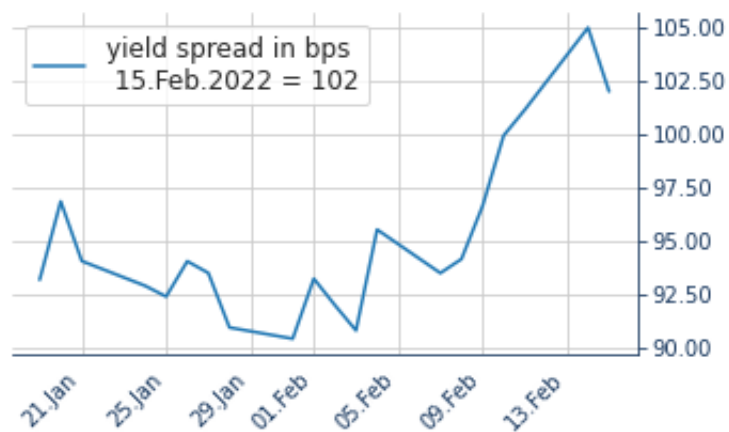


Recent Trends

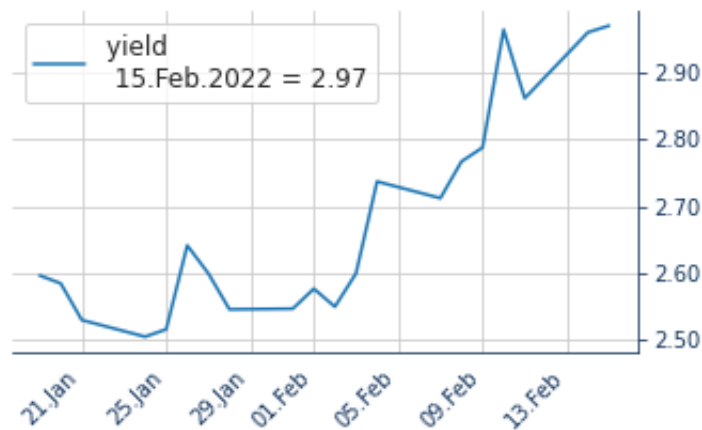
Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBS Current Coupon spread to Blend of Treasury Yields

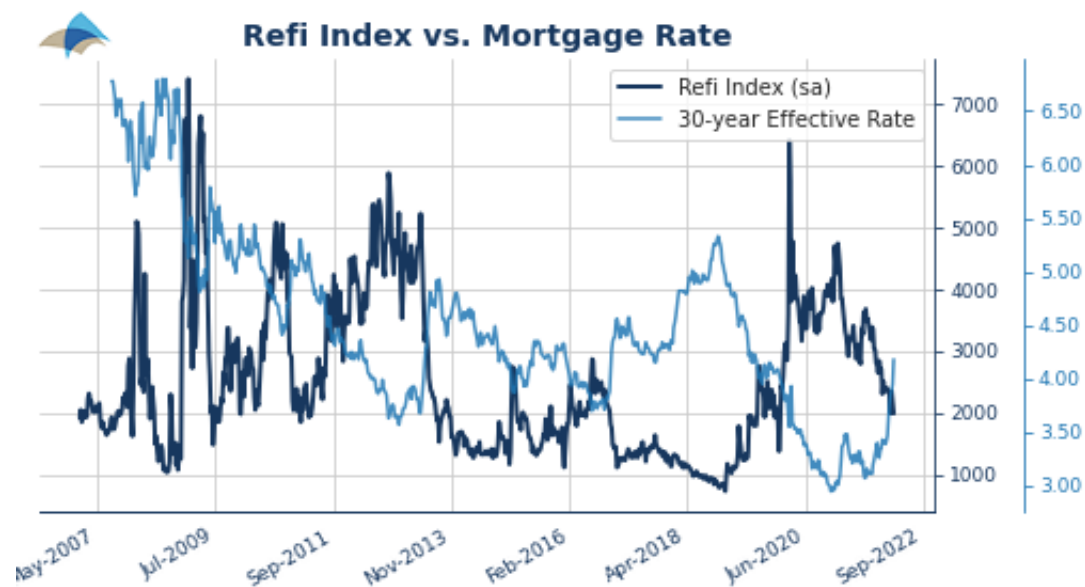
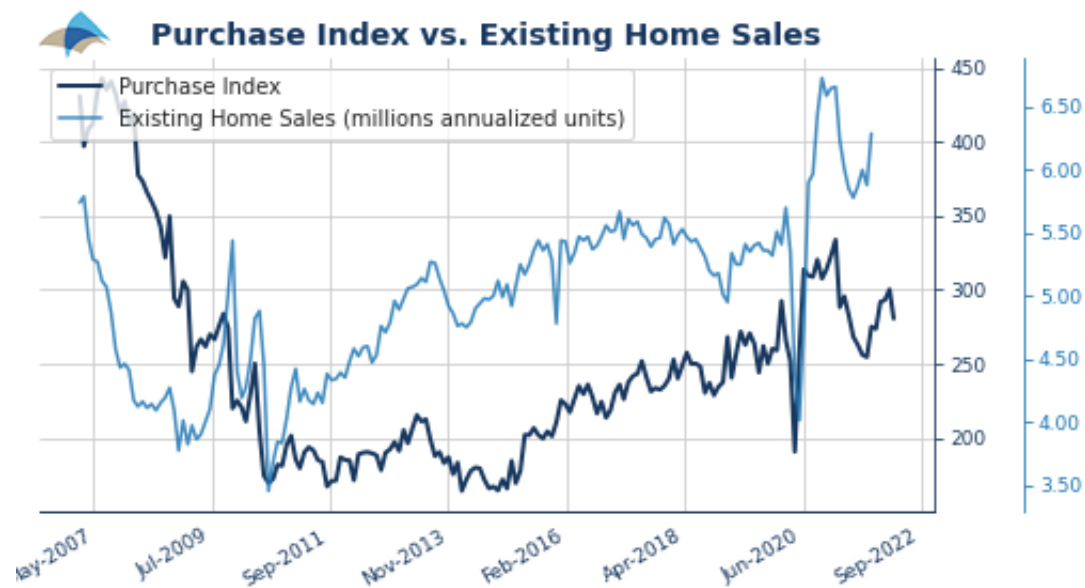


MBS Current Coupon Yield



Mortgage Rates





Weekly MBA Mortgage Application Survey	11.Feb	04.Feb	28.Jan	21.Jan	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	537.00	567.70	617.80	551.70	552.35	585.95	590.80	676.36
Week % Chg	-5.40	-8.10	12.00	-7.10				
Total Apps NSA % Chg.	-2.98	-5.57	15.42	-5.64				
Purchase Index	279.00	282.30	312.20	300.10	280.65	300.35	295.00	277.32
Purch. Idx - % Chg.	-1.17	-9.58	4.03	-1.83				
Refinance Index	1988.80	2183.50	2355.40	1989.40	2086.15	2242.72	2321.63	2993.94
Refi. Idx - % Chg.	-8.92	-7.30	18.40	-12.60				

Ref % Tot	52.80	56.20	57.30	55.80	54.50	59.38	60.82	62.93
MBA 30-yr Fixed Mortgage Effective Rate	4.18	3.95	3.89	3.85	4.06	3.79	3.63	3.35
MBA 30-yr Fixed Points	0.45	0.40	0.41	0.43	0.43	0.43	0.42	0.38
MBA 15-yr Fixed Mortgage Contract Rate	3.37	3.16	3.01	3.00	3.27	2.92	2.80	2.59
MBA 15-yr Fixed Mortgage Effective Rate	3.37	3.16	3.01	3.00	3.27	2.92	2.80	2.59
MBA 15-yr Fixed Points	0.50	0.47	0.41	0.39	0.48	0.39	0.37	0.33
MBA 5-yr ARM Effective Rate	3.36	3.13	3.09	3.18	3.25	3.08	2.92	2.80

source: Mortgage Banker Association via Bloomberg Professional