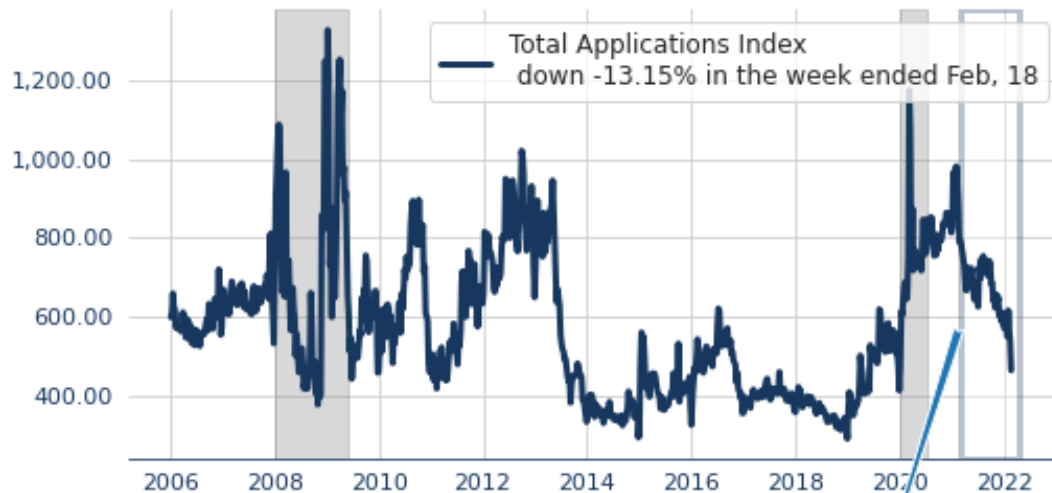


23.Feb.2022

Mortgage Apps: Second Week of Sharp Declines

Bottom Line: Mortgage applications fell further last week as the average 30-year mortgage rate held over 4% for the second week in a row. Secondary mortgage market spreads remained wider, holding over 100bps to a blend of Treasuries. Purchase applications fell notably with that index nearing the lowest levels 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 had been proving 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

Contingent Macro Advisors 2021 source: MBA via Bloomberg



The MBA Mortgage Application Index FELL sharply, DOWN -13.1% to 466.0, BELOW the 13-week average of 577.0 and -41.0% BELOW the year-ago level. Non-seasonally adjusted the index FELL -11.1%.

The Purchase Index FELL sharply, DOWN -10.1% to 251.0, BELOW the 13-week average of 292.0 and -5.4% BELOW the year-ago level.

The Refinancing Index FELL sharply, DOWN -15.6% to 1678.0, BELOW the 13-week average of 2243.0 and -56.4% BELOW the year-ago level.

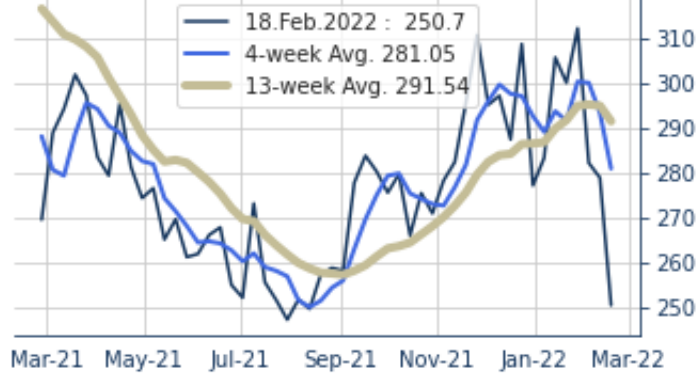
The effective (adjusted for points paid) **30-year mortgage rate** ROSE slightly, UP 2bps to 4.2%, ABOVE the 13-week average of 3.69% and 30bps ABOVE the year-ago level.

Purchase Index

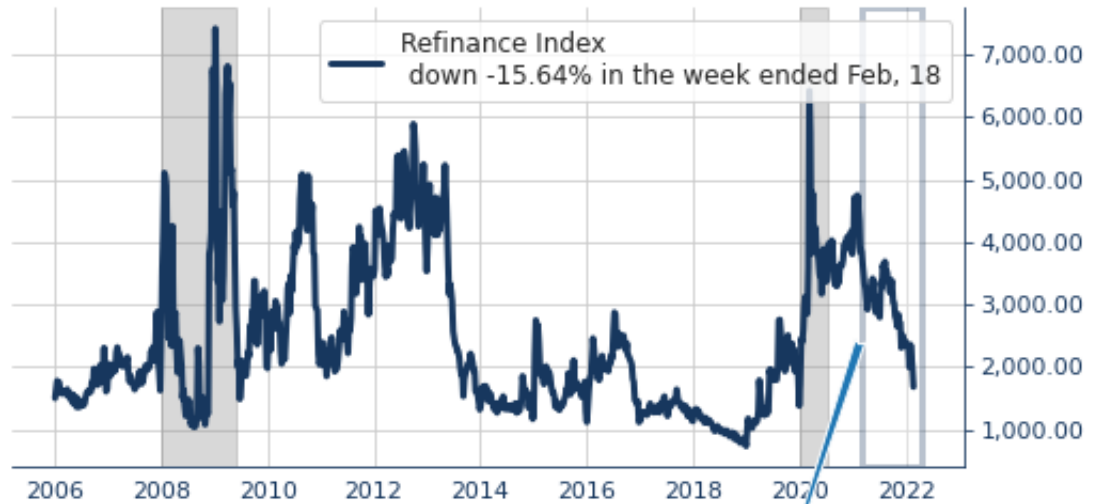


Recent Trends

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

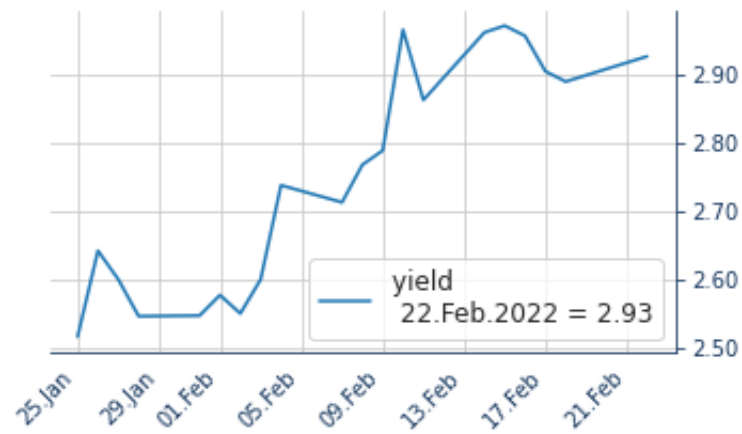


Recent Trends

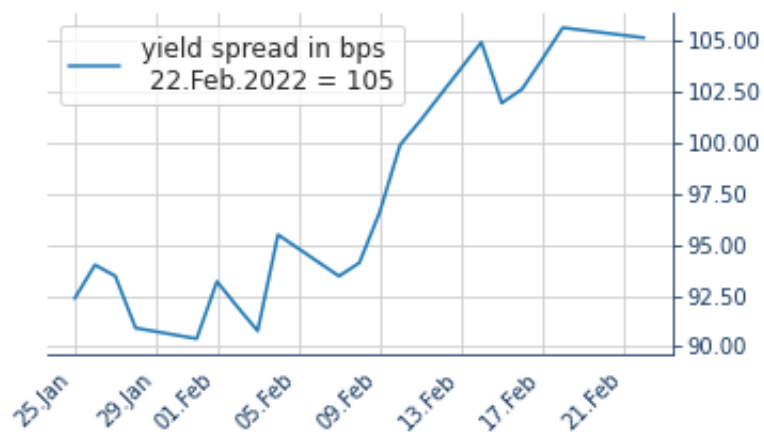
Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBS Current Coupon Yield



MBS Current Coupon spread to Blend of Treasury Yields

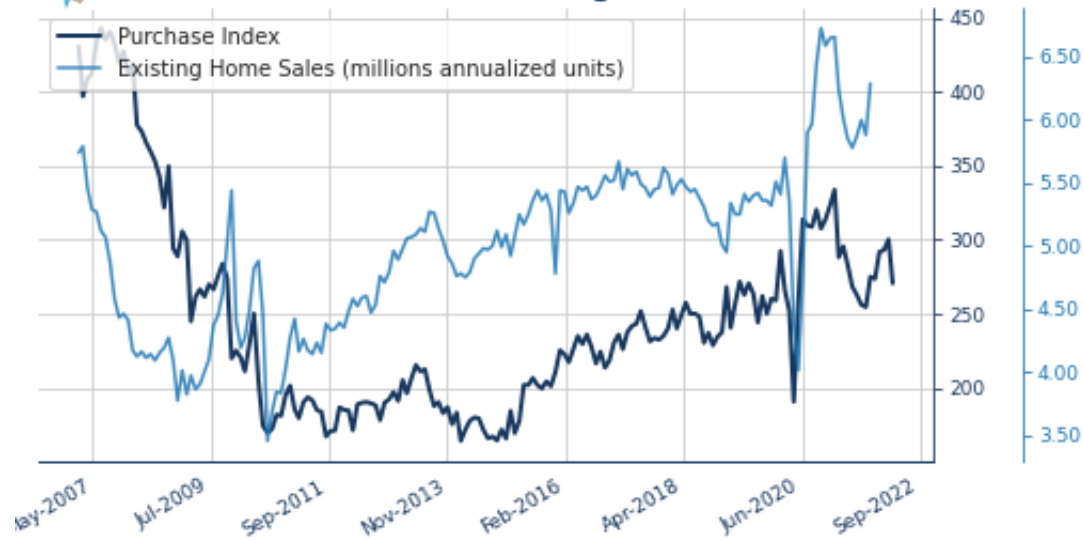


Mortgage Rates

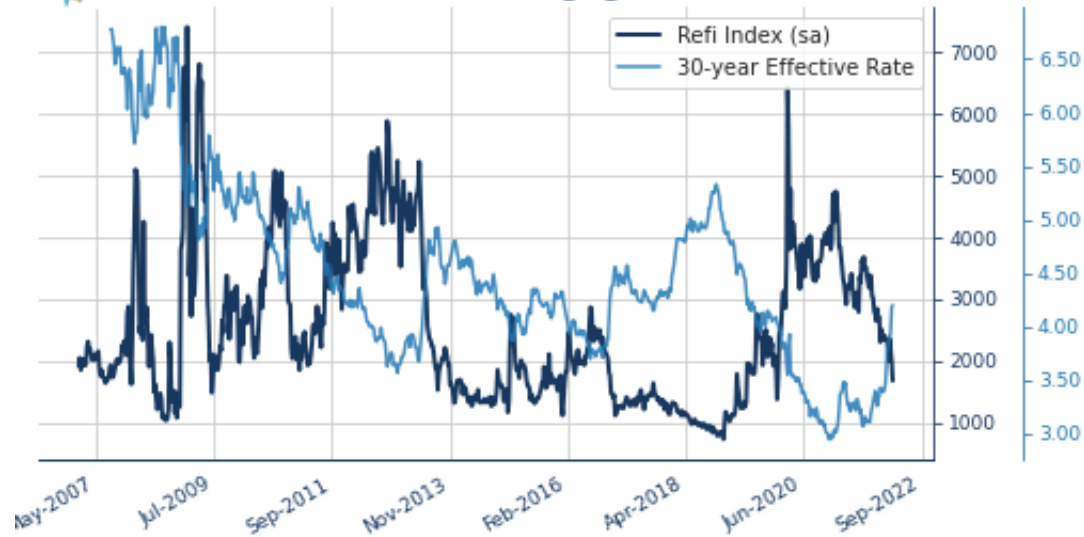




Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	18.Feb	11.Feb	04.Feb	28.Jan	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	466.40	537.00	567.70	617.80	523.70	585.95	576.58	670.13
Week % Chg	-13.10	-5.40	-8.10	12.00				
Total Apps NSA % Chg.	-11.14	-2.98	-5.57	15.42				
Purchase Index	250.70	279.00	282.30	312.20	270.67	300.35	291.54	277.05
Purch. Idx - % Chg.	-10.14	-1.17	-9.58	4.03				
Refinance Index	1677.70	1988.80	2183.50	2355.40	1950.00	2242.72	2242.52	2952.20
Refi. Idx - % Chg.	-15.64	-8.92	-7.30	18.40				

Ref % Tot	50.10	52.80	56.20	57.30	53.03	59.38	59.82	62.57
MBA 30-yr Fixed Mortgage Effective Rate	4.20	4.18	3.95	3.89	4.11	3.79	3.69	3.37
MBA 30-yr Fixed Points	0.48	0.45	0.40	0.41	0.44	0.43	0.43	0.38
MBA 15-yr Fixed Mortgage Contract Rate	3.42	3.37	3.16	3.01	3.32	2.92	2.87	2.61
MBA 15-yr Fixed Mortgage Effective Rate	3.42	3.37	3.16	3.01	3.32	2.92	2.87	2.61
MBA 15-yr Fixed Points	0.45	0.50	0.47	0.41	0.47	0.39	0.38	0.33
MBA 5-yr ARM Effective Rate	3.26	3.36	3.13	3.09	3.25	3.08	2.94	2.81

source: Mortgage Banker Association via Bloomberg Professional