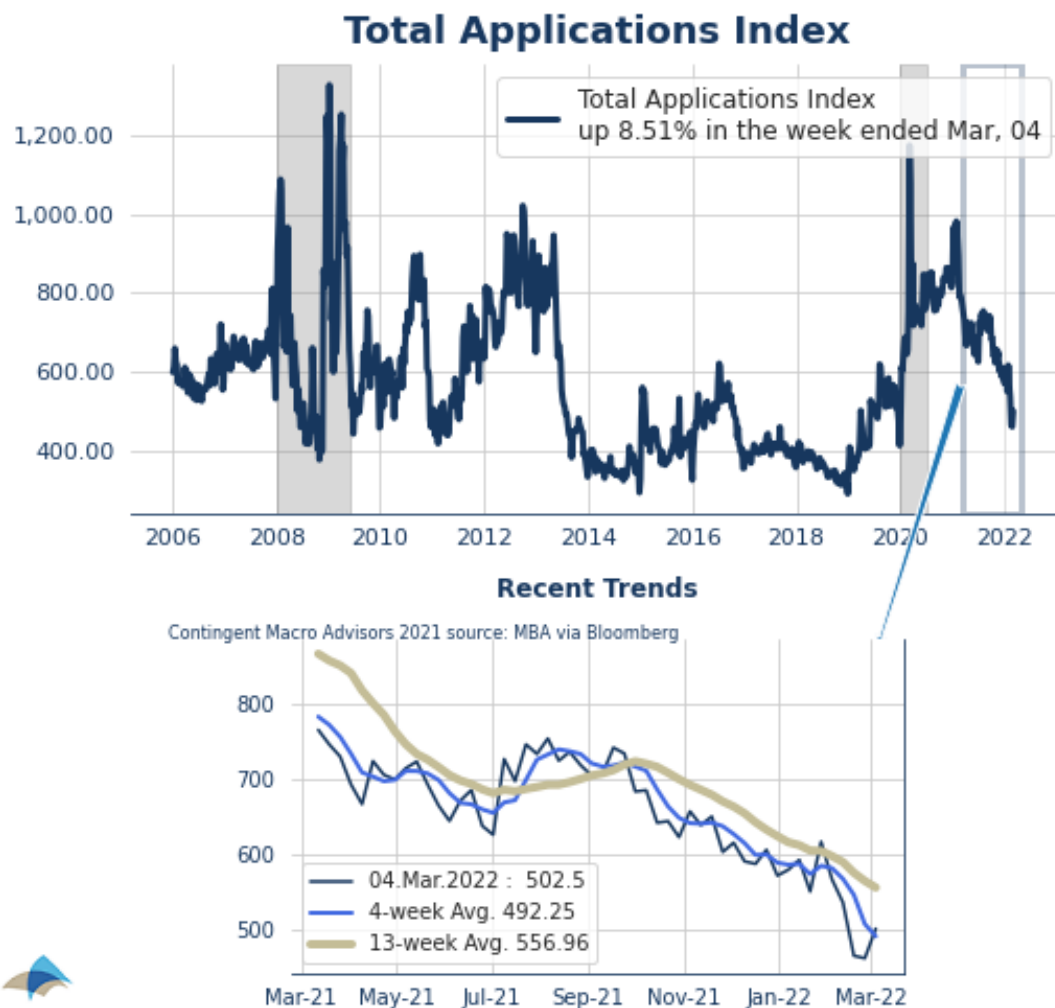


09.Mar.2022

## **Mortgage Apps: Rebound Amid Brief Rate Reprieve**

**Bottom Line:** Mortgage applications rose after three straight weeks of declines as mortgage rates fell slightly, dipping back below 4.25% for the effective average 30yr fixed mortgage. But the trends in applications for refinancing and purchases remain lower, and we often see homebuyers and potential refinancers who missed lower rates, submit applications at the first sign of any reprieve in a move to higher rates. Interest rate volatility remains high. Current coupon yields in the secondary market were down -16.0 bps last week, closing at 2.76%, but were up 16.0 bps this week through Tuesday. Overall, the housing market remains tight but the historic mortgage rate volatility will discourage many homebuyers.



**The MBA Mortgage Application Index** ROSE sharply , UP 8.5% to 502.0, BELOW the 13-week average of 557.0 and -35.9% BELOW the year-ago level. Non-seasonally adjusted the index ROSE 9.5%.

**The Purchase Index** ROSE sharply , UP 8.6% to 268.0, BELOW the 13-week average of 284.0 and -7.4% BELOW the year-ago level.

**The Refinancing Index** ROSE 8.5% to 1830.0, BELOW the 13-week average of 2142.0 and -50.0% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** FELL -6bps to 4.22%, ABOVE the 13-week average of 3.82% and 25bps ABOVE the year-ago level.

## Purchase Index

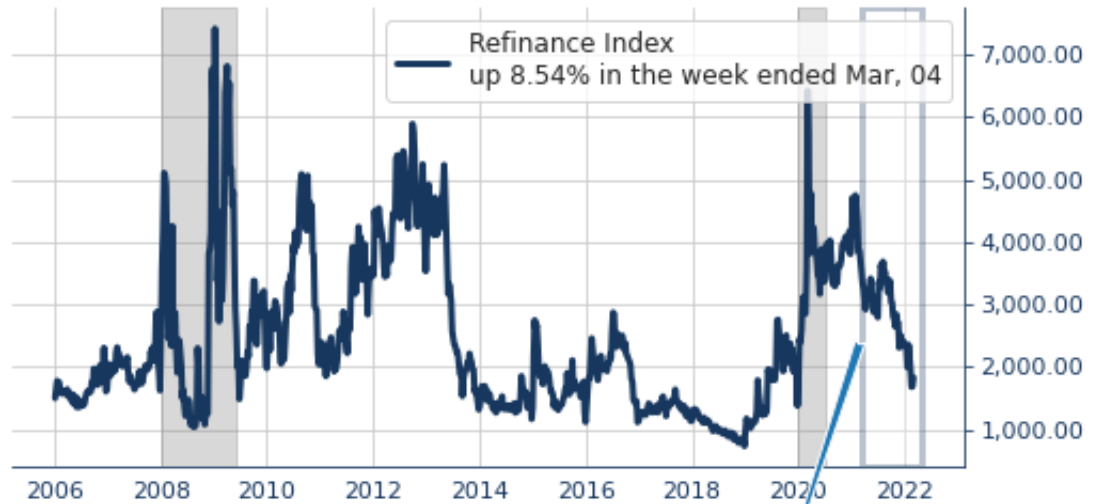


## Recent Trends

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

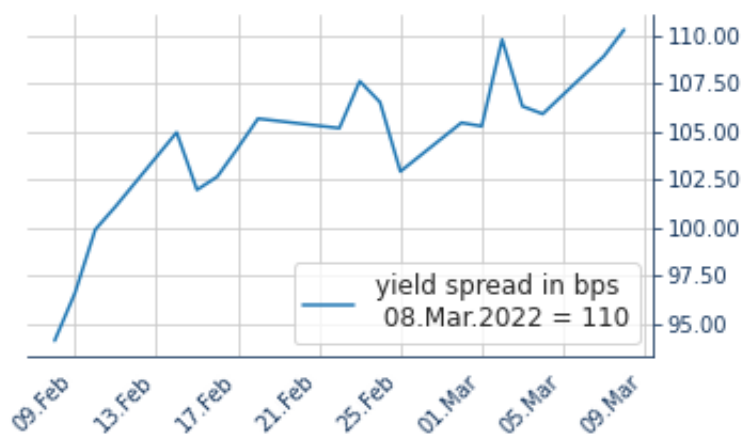


## Recent Trends

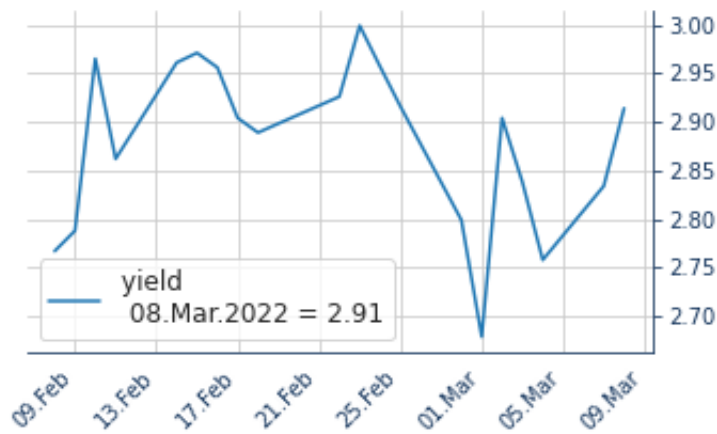
Contingent Macro Advisors 2021 source: MBA via Bloomberg



## MBS Current Coupon spread to Blend of Treasury Yields



## MBS Current Coupon Yield

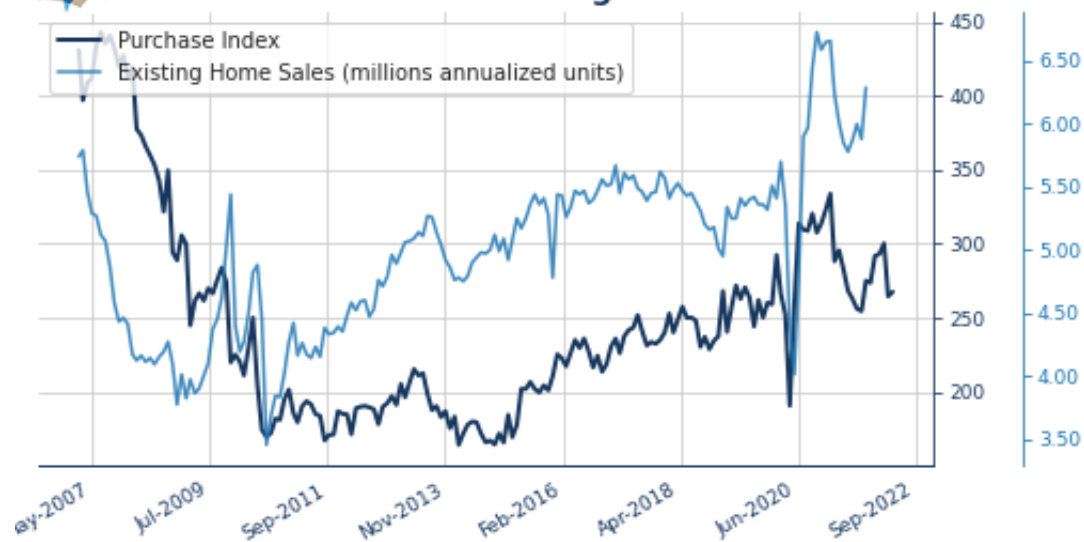


## Mortgage Rates

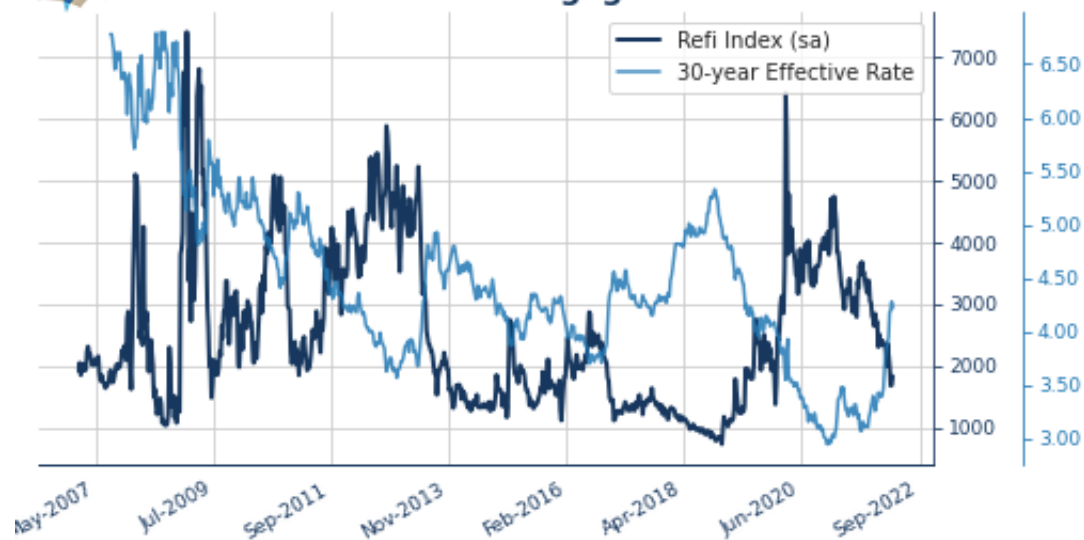




## Purchase Index vs. Existing Home Sales



## Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	04.Mar	25.Feb	18.Feb	11.Feb	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
<b>Total Applications Index</b>	<b>502.50</b>	<b>463.10</b>	<b>466.40</b>	<b>537.00</b>	<b>502.50</b>	<b>508.55</b>	<b>556.96</b>	<b>658.34</b>
<b>Week % Chg</b>	<b>8.50</b>	<b>-0.70</b>	<b>-13.10</b>	<b>-5.40</b>				
<b>Total Apps NSA % Chg.</b>	<b>9.51</b>	<b>0.83</b>	<b>-11.14</b>	<b>-2.98</b>				
Purchase Index	267.60	246.30	250.70	279.00	267.60	264.57	284.46	276.18
Purch. Idx - % Chg.	8.65	-1.76	-10.14	-1.17				
Refinance Index	1829.70	1685.70	1677.70	1988.80	1829.70	1883.92	2142.47	2875.40
Refi. Idx - % Chg.	8.54	0.48	-15.64	-8.92				



Ref % Tot	49.50	49.90	50.10	52.80	49.50	52.25	57.98	61.94
MBA 30-yr Fixed Mortgage Effective Rate	4.22	4.28	4.20	4.18	4.22	4.15	3.82	3.41
MBA 30-yr Fixed Points	0.44	0.44	0.48	0.45	0.44	0.44	0.43	0.38
MBA 15-yr Fixed Mortgage Contract Rate	3.39	3.47	3.42	3.37	3.39	3.35	2.99	2.64
MBA 15-yr Fixed Mortgage Effective Rate	3.39	3.47	3.42	3.37	3.39	3.35	2.99	2.64
MBA 15-yr Fixed Points	0.46	0.47	0.45	0.50	0.46	0.47	0.40	0.33
MBA 5-yr ARM Effective Rate	3.38	3.44	3.26	3.36	3.38	3.30	3.05	2.84

source: Mortgage Banker Association via Bloomberg Professional