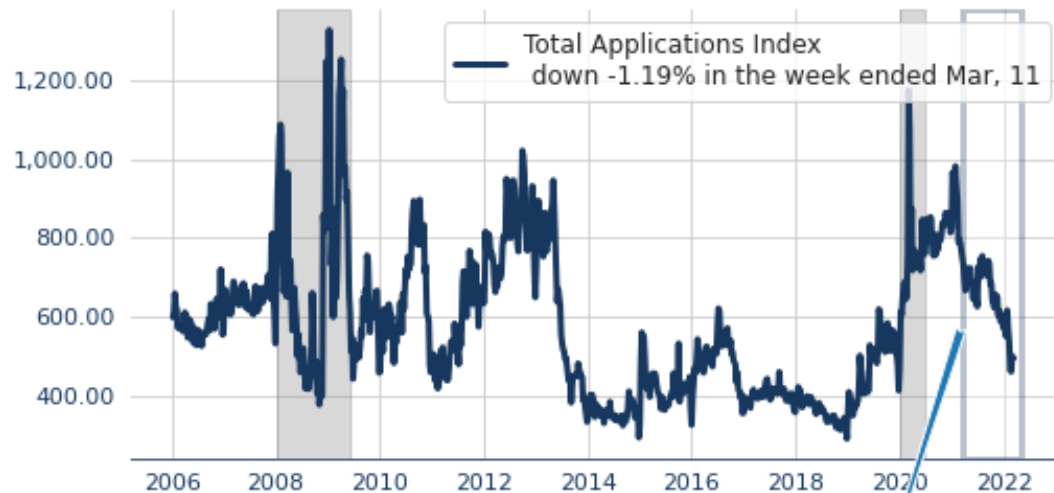


16.Mar.2022

Mortgage Apps: Only Slight Decline Amid Higher Rates

Bottom Line: Mortgage applications fell only slightly amid continued mortgage rates volatility as the average effective 30-year rate jumped 20bps to 4.42% last week. While the trends in both refinancing and purchase applications remain lower, purchase applications have proven remarkably resilient amid higher rates. Ahead of today's FOMC meeting, where they will almost surely hike 25bps, mortgage rates were notably higher. Current coupon yields in the secondary market were up 31.0 bps last week, closing at 3.07%, and were up 19.0 bps this week through Tuesday. Markets will be listening closely to any guidance on the Fed's balance sheet, especially the mortgage holdings. But guidance might be limited until they have more conclusions at the May meeting.

Total Applications Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



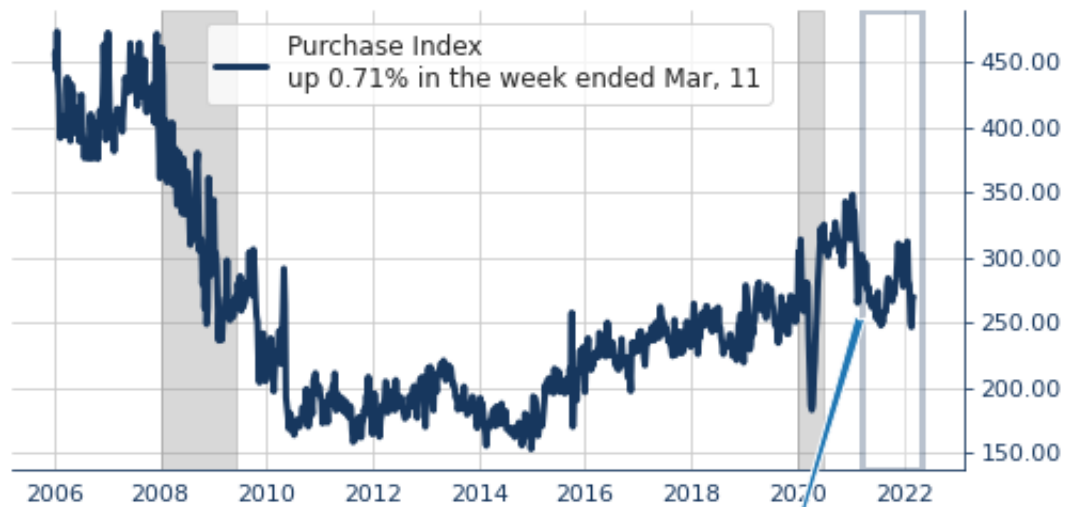
The MBA Mortgage Application Index FELL slightly, DOWN -1.2% to 496.0, BELOW the 13-week average of 550.0 and -35.2% BELOW the year-ago level. Non-seasonally adjusted the index was nearly unchanged, DOWN -0.6%.

The Purchase Index ROSE slightly, UP 0.7% to 270.0, BELOW the 13-week average of 282.0 and -8.4% BELOW the year-ago level.

The Refinancing Index FELL -2.8% to 1778.0, BELOW the 13-week average of 2098.0 and -49.3% BELOW the year-ago level.

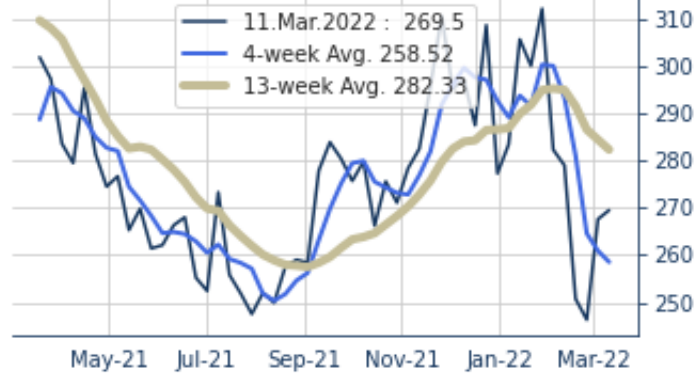
The effective (adjusted for points paid) **30-year mortgage rate** ROSE sharply, UP 20bps to 4.42%, ABOVE the 13-week average of 3.9%, and 30bps ABOVE the year-ago level.

Purchase Index

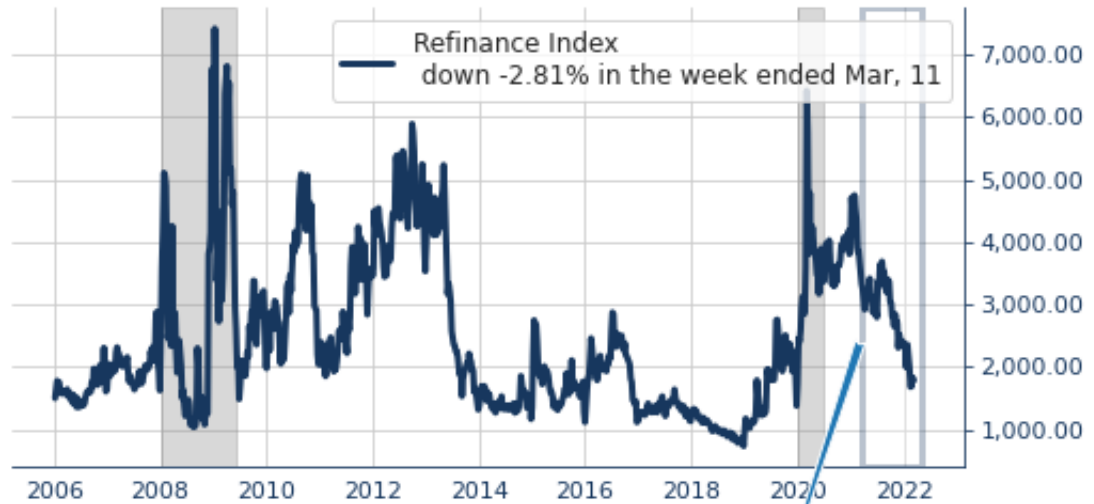


Recent Trends

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

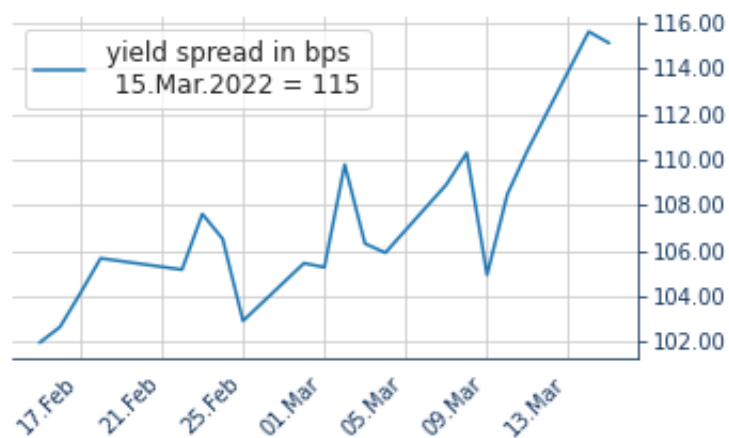


Recent Trends

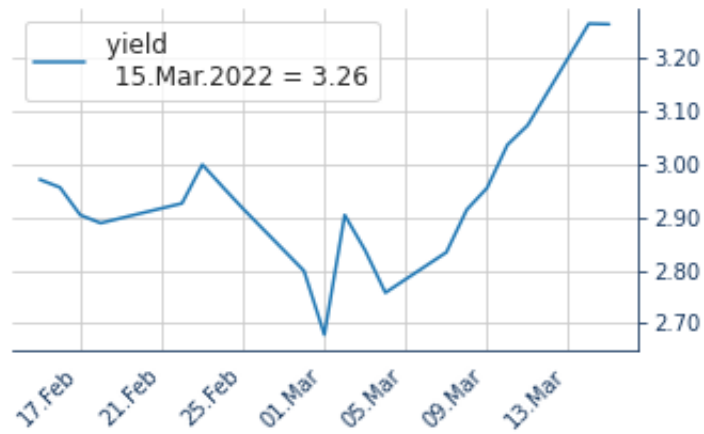
Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBS Current Coupon spread to Blend of Treasury Yields



MBS Current Coupon Yield

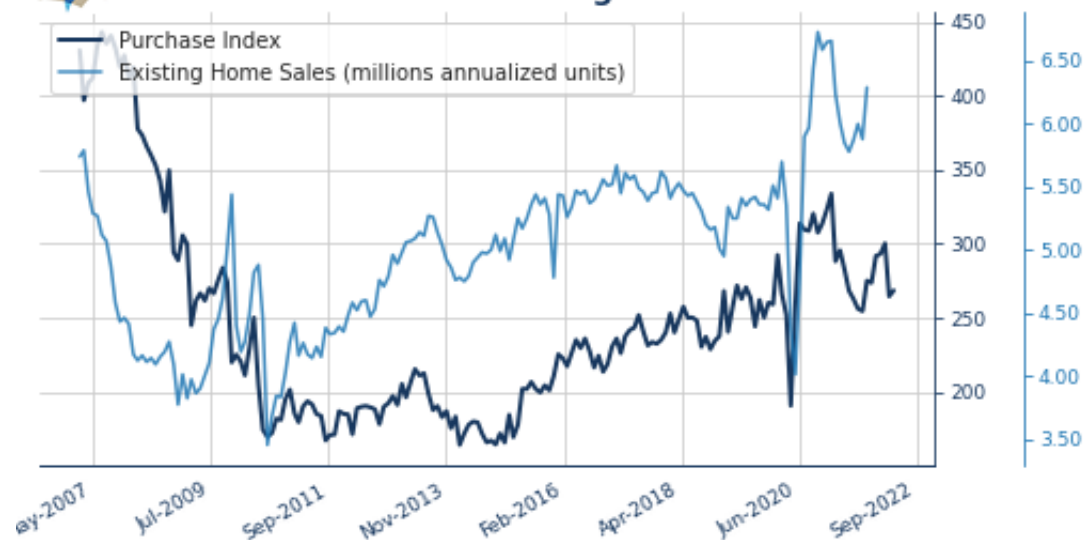


Mortgage Rates





Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	11.Mar	04.Mar	25.Feb	18.Feb	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	496.50	502.50	463.10	466.40	499.50	508.55	549.64	653.16
Week % Chg	-1.20	8.50	-0.70	-13.10				
Total Apps NSA % Chg.	-0.62	9.51	0.83	-11.14				
Purchase Index	269.50	267.60	246.30	250.70	268.55	264.57	282.33	275.71
Purch. Idx - % Chg.	0.71	8.65	-1.76	-10.14				
Refinance Index	1778.30	1829.70	1685.70	1677.70	1804.00	1883.92	2098.45	2842.19
Refi. Idx - % Chg.	-2.81	8.54	0.48	-15.64				

Ref % Tot	48.40	49.50	49.90	50.10	48.95	52.25	56.84	61.67
MBA 30-yr Fixed Mortgage Effective Rate	4.42	4.22	4.28	4.20	4.32	4.15	3.90	3.43
MBA 30-yr Fixed Points	0.54	0.44	0.44	0.48	0.49	0.44	0.44	0.38
MBA 15-yr Fixed Mortgage Contract Rate	3.55	3.39	3.47	3.42	3.47	3.35	3.06	2.65
MBA 15-yr Fixed Mortgage Effective Rate	3.55	3.39	3.47	3.42	3.47	3.35	3.06	2.65
MBA 15-yr Fixed Points	0.46	0.46	0.47	0.45	0.46	0.47	0.41	0.33
MBA 5-yr ARM Effective Rate	3.36	3.38	3.44	3.26	3.37	3.30	3.10	2.85

source: Mortgage Banker Association via Bloomberg Professional