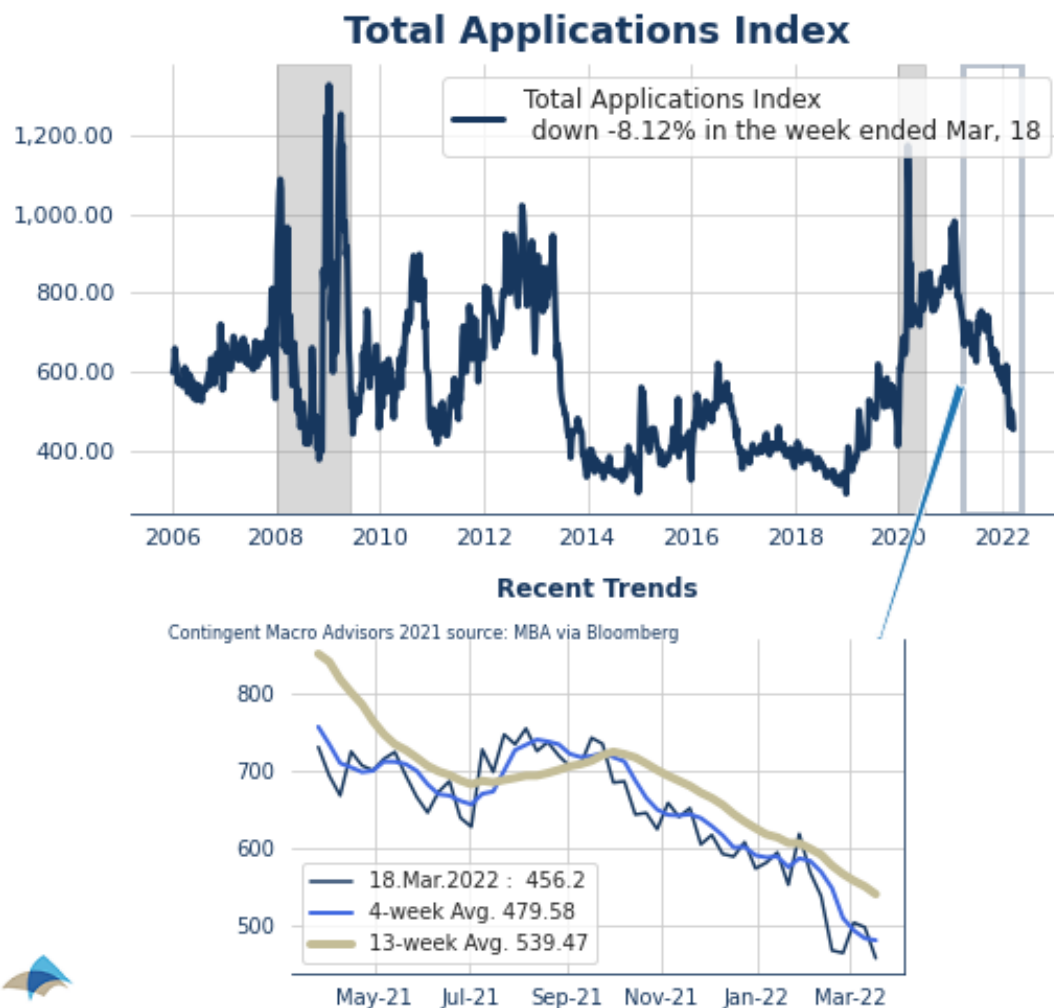


23.Mar.2022

Mortgage Apps: Sharp Decline As Rates Near 4.75%

Bottom Line: Mortgage rates jumped last week and pushed above 4.75% this week in the case of many 30-year mortgages. Applications for refinancing tumbled to the lowest levels since the pandemic but remained modestly above the lows seen in 2019. Purchase applications had shown resilience to higher rates, rebounding earlier this month after losing steam in the first two months of the year. But that rebound has now lost momentum again. For now, purchase activity is running near late 2019 levels and still well above the lows of 2018. Overall, higher mortgage rates are weighing on mortgage activity as expected, but purchase volumes are proving somewhat resilient amid tight housing supply. Finally, it is important to note that mortgage spreads to Treasuries have stabilized at wider levels, suggesting the sharp acceleration higher in mortgage rates might be losing momentum.



The MBA Mortgage Application Index FELL sharply, DOWN -8.1% to 456.0, BELOW the 13-week average of 539.0 and -38.9% BELOW the year-ago level. Non-seasonally adjusted the index FELL -7.5%.

The Purchase Index FELL -1.5% to 265.0, BELOW the 13-week average of 281.0 and -12.1% BELOW the year-ago level.

The Refinancing Index FELL sharply , DOWN -14.4% to 1523.0, BELOW the 13-week average of 2031.0 and -54.2% BELOW the year-ago level.

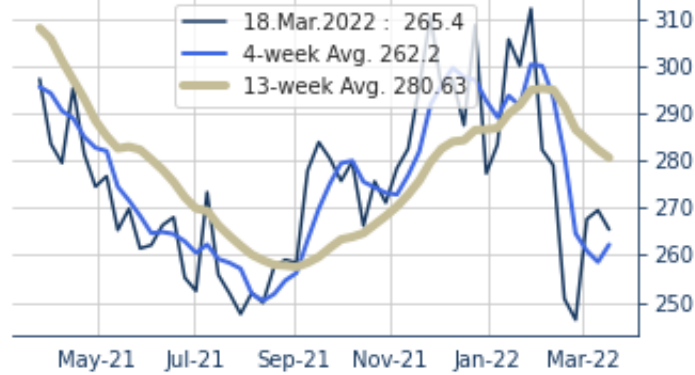
The effective (adjusted for points paid) **30-year mortgage rate** ROSE sharply, UP 26bps to 4.68%, ABOVE the 13-week average of 4.0% and 34bps ABOVE the year-ago level.

Purchase Index

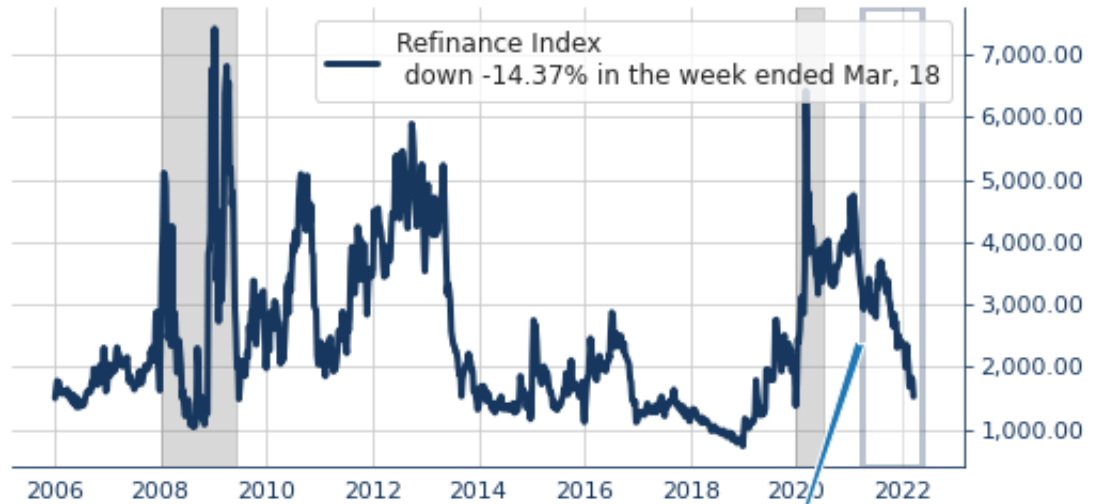


Recent Trends

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

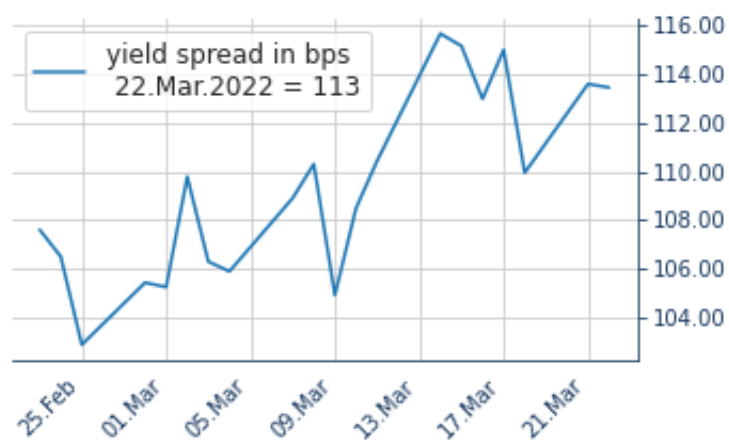


Recent Trends

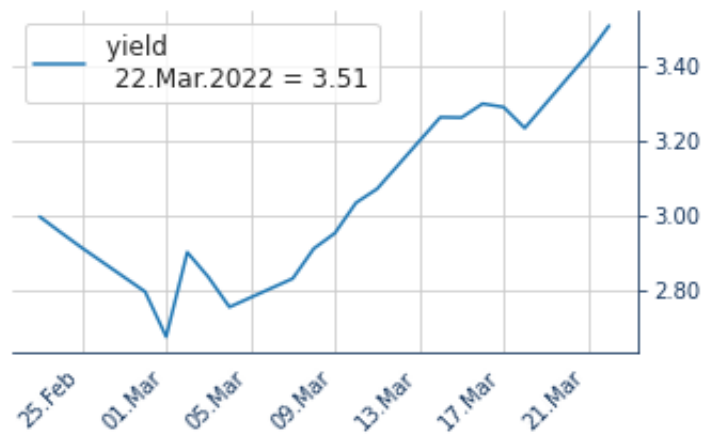
Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBS Current Coupon spread to Blend of Treasury Yields



MBS Current Coupon Yield

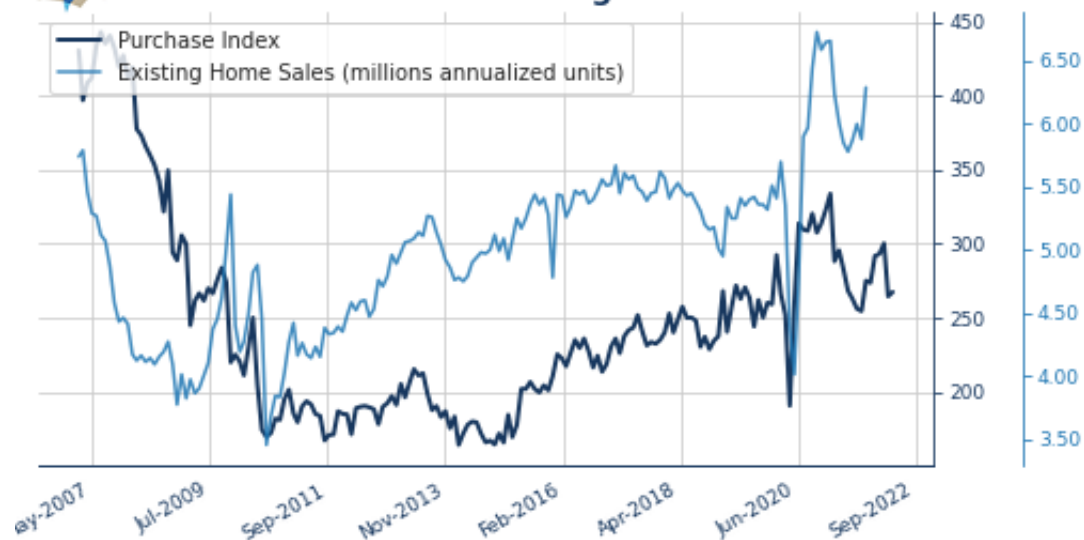


Mortgage Rates





Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	18.Mar	11.Mar	04.Mar	25.Feb	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	456.20	496.50	502.50	463.10	485.07	508.55	539.47	647.57
Week % Chg	-8.10	-1.20	8.50	-0.70				
Total Apps NSA % Chg.	-7.54	-0.62	9.51	0.83				
Purchase Index	265.40	269.50	267.60	246.30	267.50	264.57	280.63	275.01
Purch. Idx - % Chg.	-1.52	0.71	8.65	-1.76				
Refinance Index	1522.70	1778.30	1829.70	1685.70	1710.23	1883.92	2030.76	2807.53
Refi. Idx - % Chg.	-14.37	-2.81	8.54	0.48				

Ref % Tot	44.80	48.40	49.50	49.90	47.57	52.25	55.27	61.36
MBA 30-yr Fixed Mortgage Effective Rate	4.68	4.42	4.22	4.28	4.44	4.15	4.00	3.45
MBA 30-yr Fixed Points	0.59	0.54	0.44	0.44	0.52	0.44	0.46	0.38
MBA 15-yr Fixed Mortgage Contract Rate	3.76	3.55	3.39	3.47	3.57	3.35	3.15	2.67
MBA 15-yr Fixed Mortgage Effective Rate	3.76	3.55	3.39	3.47	3.57	3.35	3.15	2.67
MBA 15-yr Fixed Points	0.55	0.46	0.46	0.47	0.49	0.47	0.43	0.34
MBA 5-yr ARM Effective Rate	3.39	3.36	3.38	3.44	3.38	3.30	3.14	2.86

source: Mortgage Banker Association via Bloomberg Professional