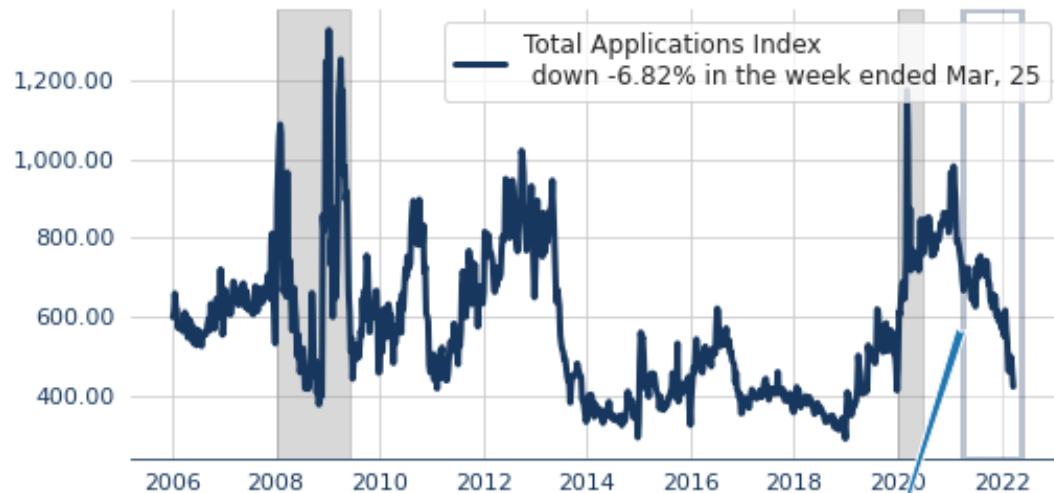


30.Mar.2022

Mortgage Apps: Refis Plunge Further, Purchases Hold Up

Bottom Line: Mortgage rates pushed higher last week with the average effective rate hitting nearly 5%. Current coupon yields in the secondary market were up 47bps last week, closing at 3.71%, but were down -14bps this week through Tuesday. Applications for refinancing tumbled to the lowest levels since the pandemic but were still just above the lows seen in 2019. Purchase applications were firm last week as buyers likely rushed to close deals ahead of higher mortgage rates. On a trend basis, purchase activity has been remarkably resilient to higher rates. 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 remain resilient amid continued strong demand. 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.**

Total Applications Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



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.

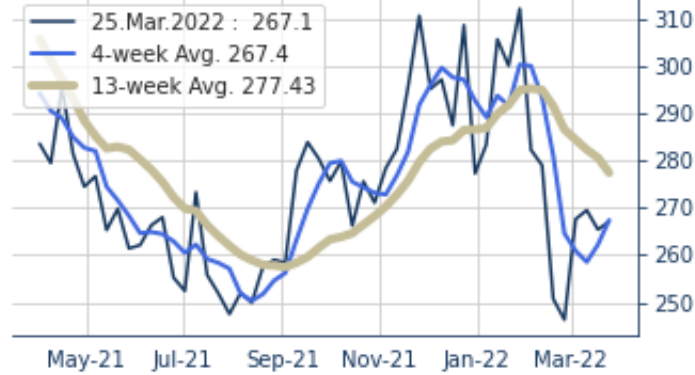
The effective (adjusted for points paid) **30-year mortgage rate** ROSE sharply, UP 26bps to 4.68%, ABOVE the 13-week average of 4.0% and 34bps ABOVE the year-ago level.

Purchase Index

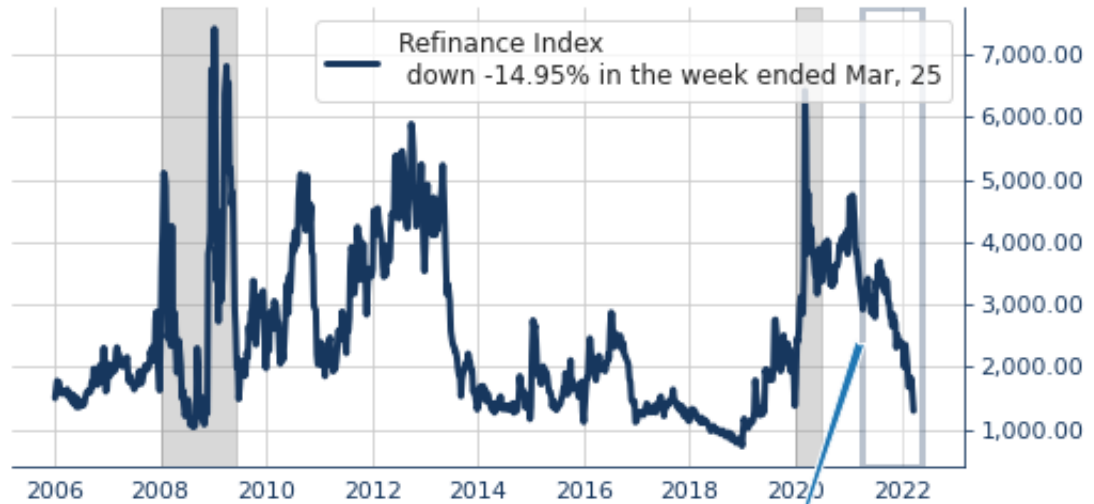


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

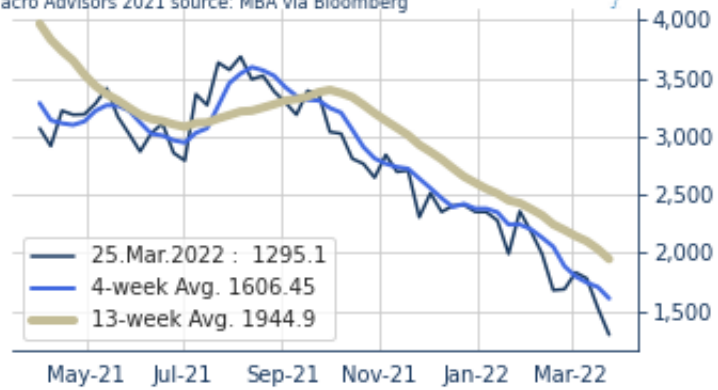


Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBA 30-yr Fixed Mortgage Effective Rate

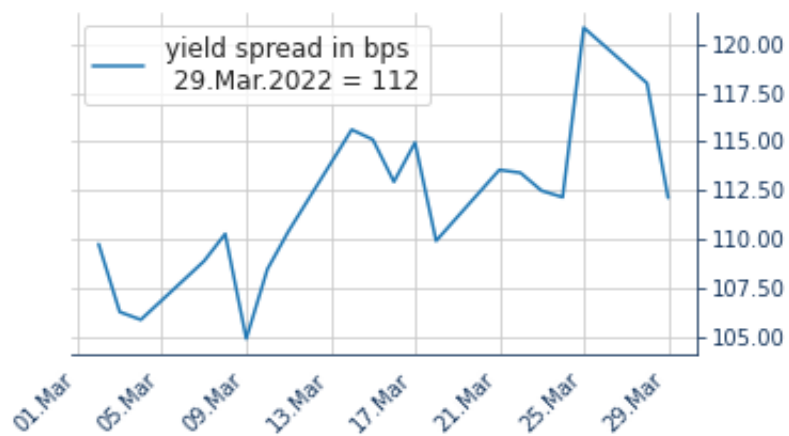


Recent Trends

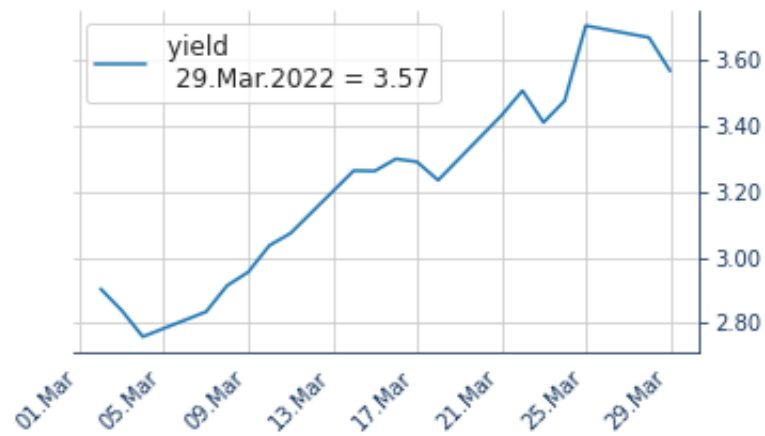
Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBS Current Coupon spread to Blend of Treasury Yields



MBS Current Coupon Yield

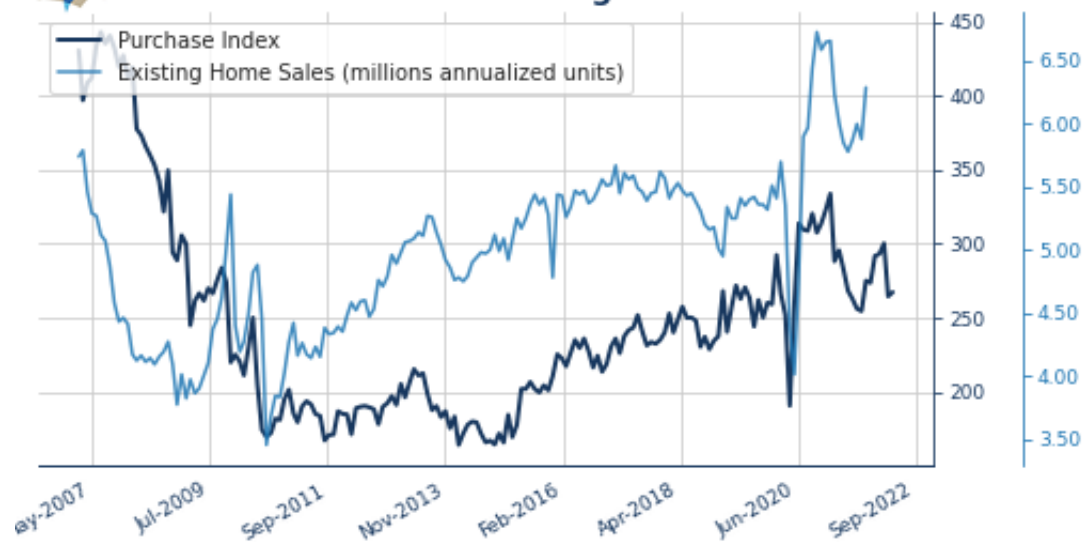


Mortgage Rates





Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	25.Mar	18.Mar	11.Mar	04.Mar	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	425.10	456.20	496.50	502.50	470.08	508.55	525.47	641.69
Week % Chg	-6.80	-8.10	-1.20	8.50				
Total Apps NSA % Chg.	-6.15	-7.54	-0.62	9.51				
Purchase Index	267.10	265.40	269.50	267.60	267.40	264.57	277.43	274.43
Purch. Idx - % Chg.	0.64	-1.52	0.71	8.65				
Refinance Index	1295.10	1522.70	1778.30	1829.70	1606.45	1883.92	1944.90	2770.09
Refi. Idx - % Chg.	-14.95	-14.37	-2.81	8.54				

Ref % Tot	40.60	44.80	48.40	49.50	45.82	52.25	53.48	60.97
MBA 30-yr Fixed Mortgage Effective Rate	4.96	4.68	4.42	4.22	4.57	4.15	4.12	3.48
MBA 30-yr Fixed Points	0.56	0.59	0.54	0.44	0.53	0.44	0.47	0.39
MBA 15-yr Fixed Mortgage Contract Rate	4.01	3.76	3.55	3.39	3.68	3.35	3.26	2.70
MBA 15-yr Fixed Mortgage Effective Rate	4.01	3.76	3.55	3.39	3.68	3.35	3.26	2.70
MBA 15-yr Fixed Points	0.55	0.55	0.46	0.46	0.51	0.47	0.45	0.34
MBA 5-yr ARM Effective Rate	3.70	3.39	3.36	3.38	3.46	3.30	3.22	2.88

source: Mortgage Banker Association via Bloomberg Professional