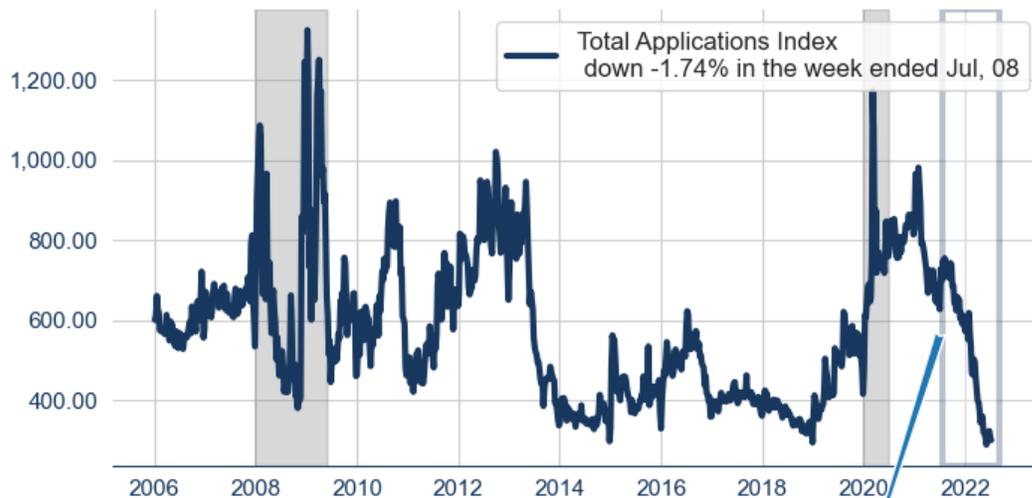


13.Jul.2022

Mortgage Apps: Further Declines as Purchase Trend Dives

Bottom Line: Mortgage applications fell last week as applications for purchases fell, even after adjusting for the holiday-shortened week, resuming a downtrend after several weeks of a modest rebound. Current coupon yields jumped last week, but primary mortgage rates, which hadn't declined as much as the secondary market, were steady with the average 30-year fixed-rate at just under 6% (adjusted for points). **Overall, the trend in mortgage applications suggests that the slowdown in housing has continued through mid-July. There now appears to be a risk that purchase application volume will fall below the levels seen from 2017-19 following changes in the tax code that limited mortgage interest deduction.**

Total Applications Index



Recent Trends



The MBA Mortgage Application Index FELL -1.7% to 300.0, BELOW the 13-week average of 324.0 and -58.8% BELOW the year-ago level. Non-seasonally adjusted the index FELL -12.7%.

The Purchase Index FELL -3.6% to 224.0, BELOW the 13-week average of 234.0 and -17.9% BELOW the year-ago level.

The Refinancing Index ROSE 2.2% to 685.0, BELOW the 13-week average of 801.0 and -79.6% BELOW the year-ago level.

The effective (adjusted for points paid) 30-year mortgage rate was nearly unchanged, DOWN -1bps to 5.91%, ABOVE the 13-week average of 5.73% and 85bps ABOVE the year-ago level.

Current coupon yields in the secondary market were up 26.0 bps last week , closing at 4.51%, and were down -8.0 bps this week through Tuesday.

Purchase Index



Recent Trends



Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

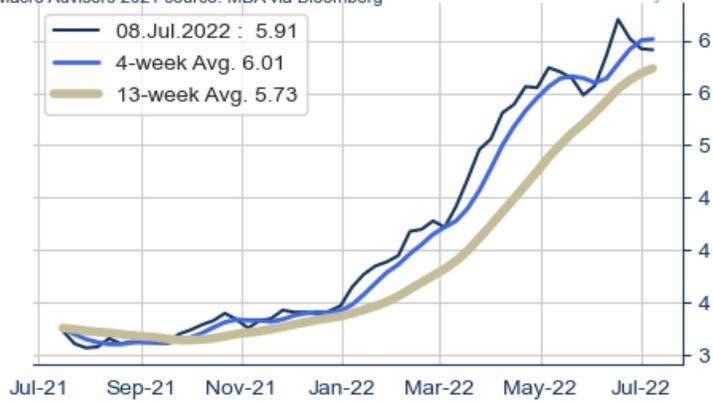


MBA 30-yr Fixed Mortgage Effective Rate



Recent Trends

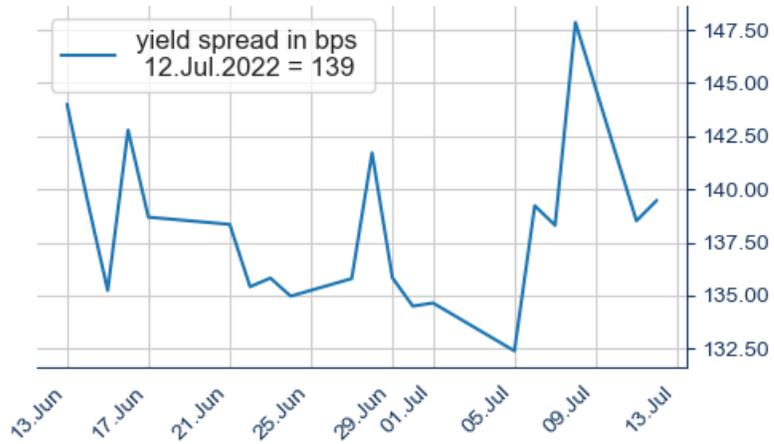
Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBS Current Coupon spread to Blend of Treasury Yields



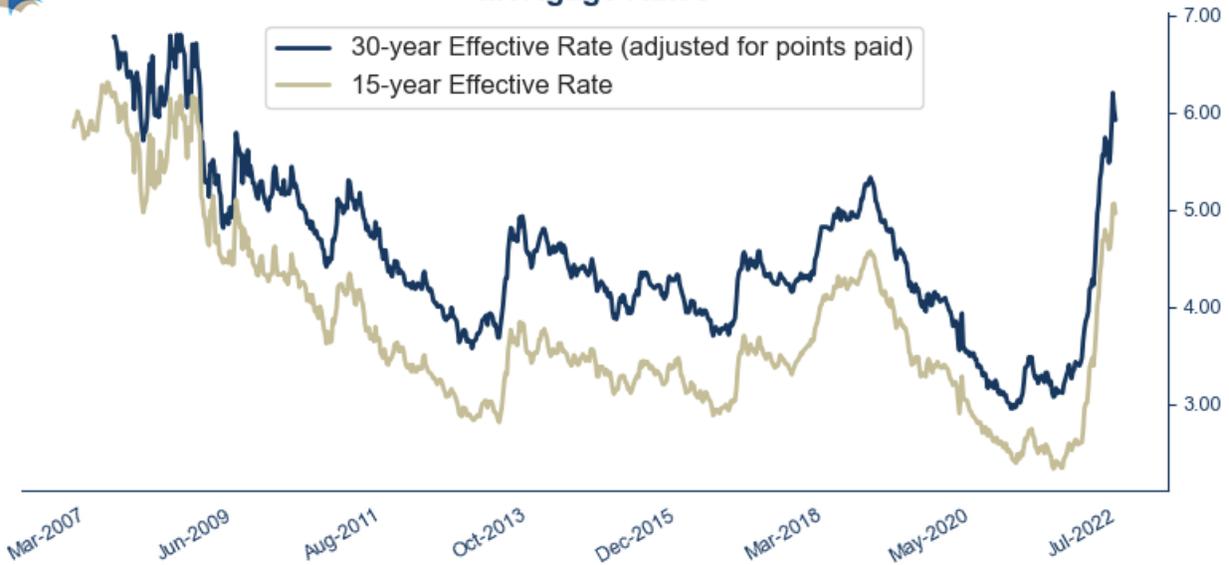
last 20 trading days



MBS Current Coupon Yield



Mortgage Rates





Weekly MBA Mortgage Application Survey	08.Jul	01.Jul	24.Jun	17.Jun	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	300.00	305.30	322.70	320.40	302.65	309.72	324.25	540.10
Week % Chg	-1.70	-5.40	0.70	4.20				
Total Apps NSA % Chg.	-12.68	6.20	-20.00	3.39				
Purchase Index	224.30	232.60	243.10	242.80	228.45	229.78	233.78	264.69
Purch. Idx - % Chg.	-3.57	-4.32	0.12	7.91				
Refinance Index	685.30	670.30	726.10	712.70	677.80	720.95	800.97	2120.24
Refi. Idx - % Chg.	2.24	-7.68	1.88	-3.10				
Ref % Tot	30.80	29.60	30.30	29.70	30.20	30.98	32.16	52.77

MBA 30-yr Fixed Mortgage Effective Rate	5.91	5.92	6.02	6.20	5.92	5.91	5.73	4.16
MBA 30-yr Fixed Points	0.59	0.65	0.64	0.77	0.62	0.68	0.65	0.47
MBA 15-yr Fixed Mortgage Contract Rate	4.93	4.96	5.06	5.05	4.95	4.88	4.77	3.32
MBA 15-yr Fixed Mortgage Effective Rate	4.93	4.96	5.06	5.05	4.95	4.88	4.77	3.32
MBA 15-yr Fixed Points	0.72	0.68	0.72	0.86	0.70	0.76	0.75	0.46
MBA 5-yr ARM Effective Rate	4.71	4.62	4.64	4.78	4.67	4.62	4.48	3.36
% of ARMs	9.60	9.50	10.10	10.60	9.55	9.25	9.42	5.34
% of \$ARMs	17.70	17.40	18.20	18.60	17.55	17.20	17.28	12.01

source: Mortgage Banker Association via Bloomberg Professional