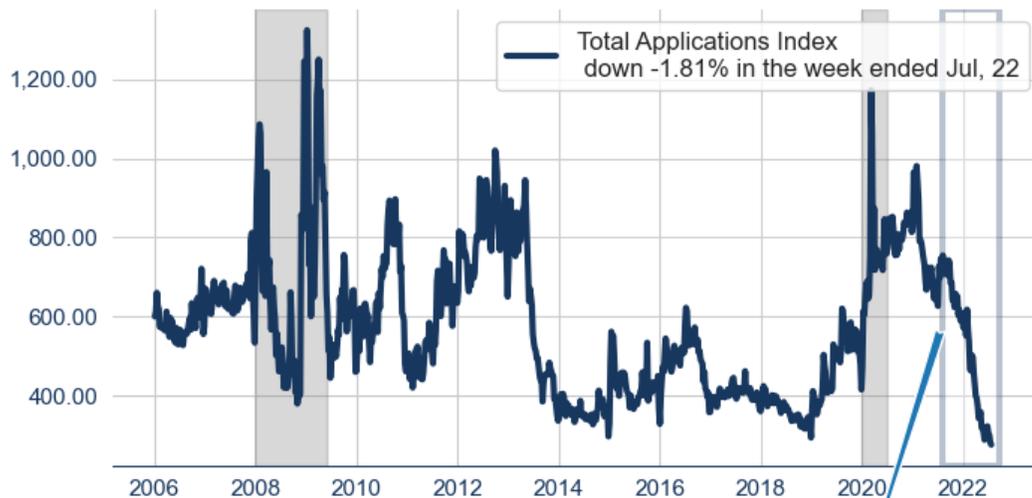


27.Jul.2022

Mortgage Apps: Continued Declines

Bottom Line: Mortgage applications fell further last week, with the Mortgage Banker's Association's index hitting a new cycle low. While secondary market spreads to Treasuries have held about 10-15bps tighter since early August, mortgage bankers have yet to pass along the lower rates to borrowers as the average 30-year fixed rate held near 6%. **Overall, the trend in mortgage applications suggests that the slowdown in housing has continued through July. It appears 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 -1.8% to 276.0, BELOW the 13-week average of 312.0 and -63.1% BELOW the year-ago level. Non-seasonally adjusted the index FELL slightly , DOWN -1.5%.

The Purchase Index FELL slightly , DOWN -0.8% to 206.0, BELOW the 13-week average of 228.0 and -18.1% BELOW the year-ago level.

The Refinancing Index FELL -3.7% to 631.0, BELOW the 13-week average of 750.0 and -82.6% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** FELL -8bps to 5.92%, ABOVE the 13-week average of 5.81% and 90bps ABOVE the year-ago level.

Current coupon yields in the secondary market were down -22.0 bps last week , closing at 4.16%, and were up 8.0 bps this week through Tuesday.

Purchase Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

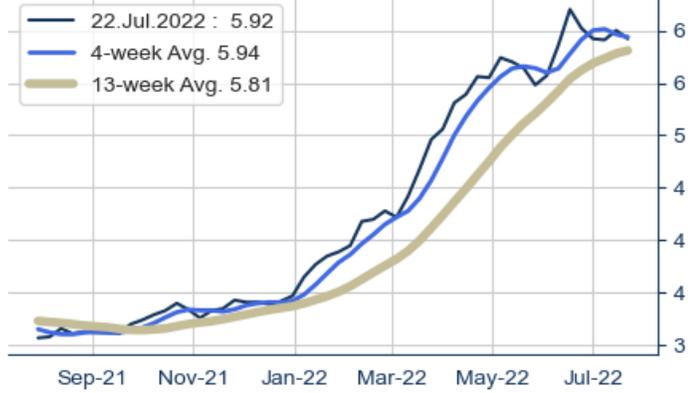


MBA 30-yr Fixed Mortgage Effective Rate

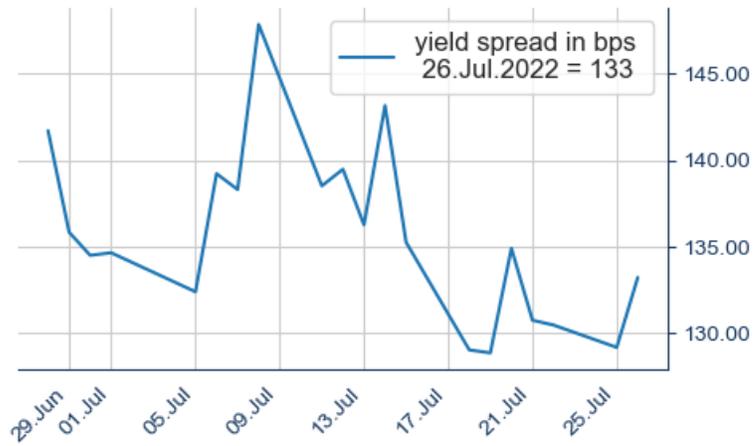


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



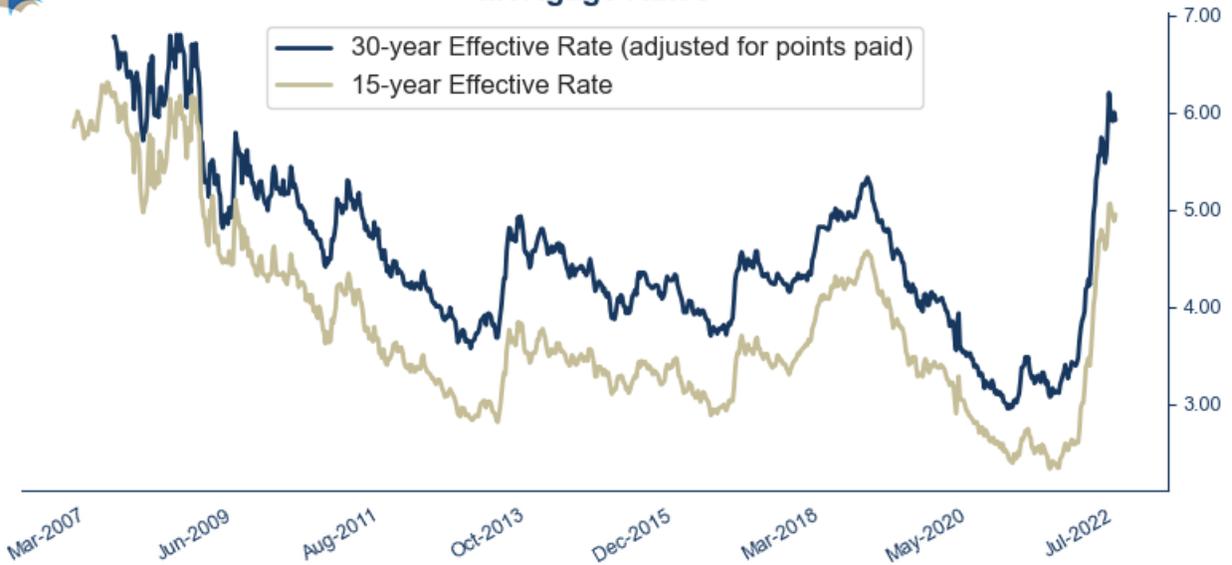
MBS Current Coupon spread to Blend of Treasury Yields

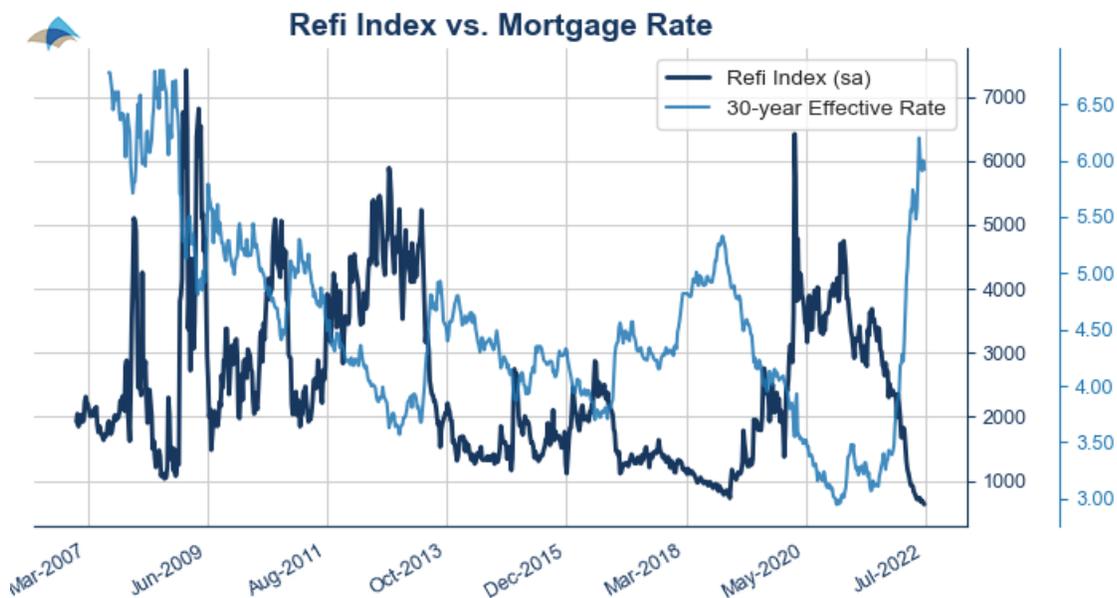
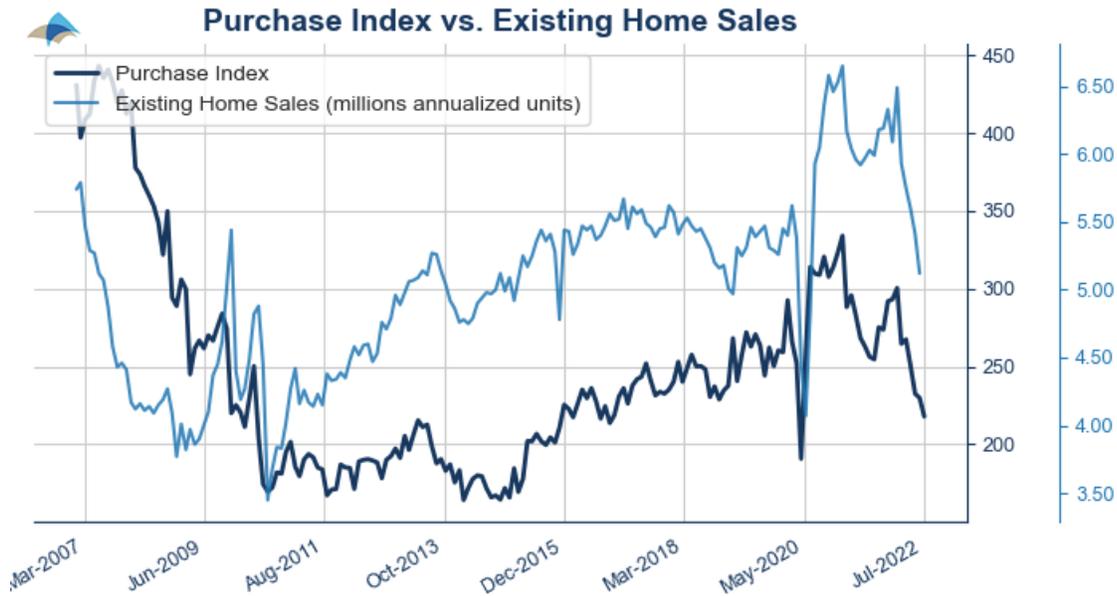


MBS Current Coupon Yield



Mortgage Rates





Weekly MBA Mortgage Application Survey	22.Jul	15.Jul	08.Jul	01.Jul	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	276.00	281.10	300.00	305.30	290.60	309.72	311.94	523.02
Week % Chg	-1.80	-6.30	-1.70	-5.40				
Total Apps NSA % Chg.	-1.47	17.33	-12.68	6.20				
Purchase Index	206.40	208.00	224.30	232.60	217.82	229.78	228.06	262.90
Purch. Idx - % Chg.	-0.77	-7.27	-3.57	-4.32				
Refinance Index	631.40	655.70	685.30	670.30	660.67	720.95	749.68	2012.29
Refi. Idx - % Chg.	-3.71	-4.32	2.24	-7.68				
Ref % Tot	30.70	31.40	30.80	29.60	30.63	30.98	31.50	51.42

MBA 30-yr Fixed Mortgage Effective Rate	5.92	6.00	5.91	5.92	5.94	5.91	5.81	4.27
MBA 30-yr Fixed Points	0.61	0.65	0.59	0.65	0.62	0.68	0.65	0.48
MBA 15-yr Fixed Mortgage Contract Rate	4.95	4.88	4.93	4.96	4.93	4.88	4.83	3.41
MBA 15-yr Fixed Mortgage Effective Rate	4.95	4.88	4.93	4.96	4.93	4.88	4.83	3.41
MBA 15-yr Fixed Points	0.67	0.76	0.72	0.68	0.71	0.76	0.74	0.47
MBA 5-yr ARM Effective Rate	4.67	4.60	4.71	4.62	4.65	4.62	4.55	3.43
% of ARMs	9.10	9.50	9.60	9.50	9.43	9.25	9.48	5.56
% of \$ARMs	16.50	17.10	17.70	17.40	17.17	17.20	17.31	12.27

source: Mortgage Banker Association via Bloomberg Professional