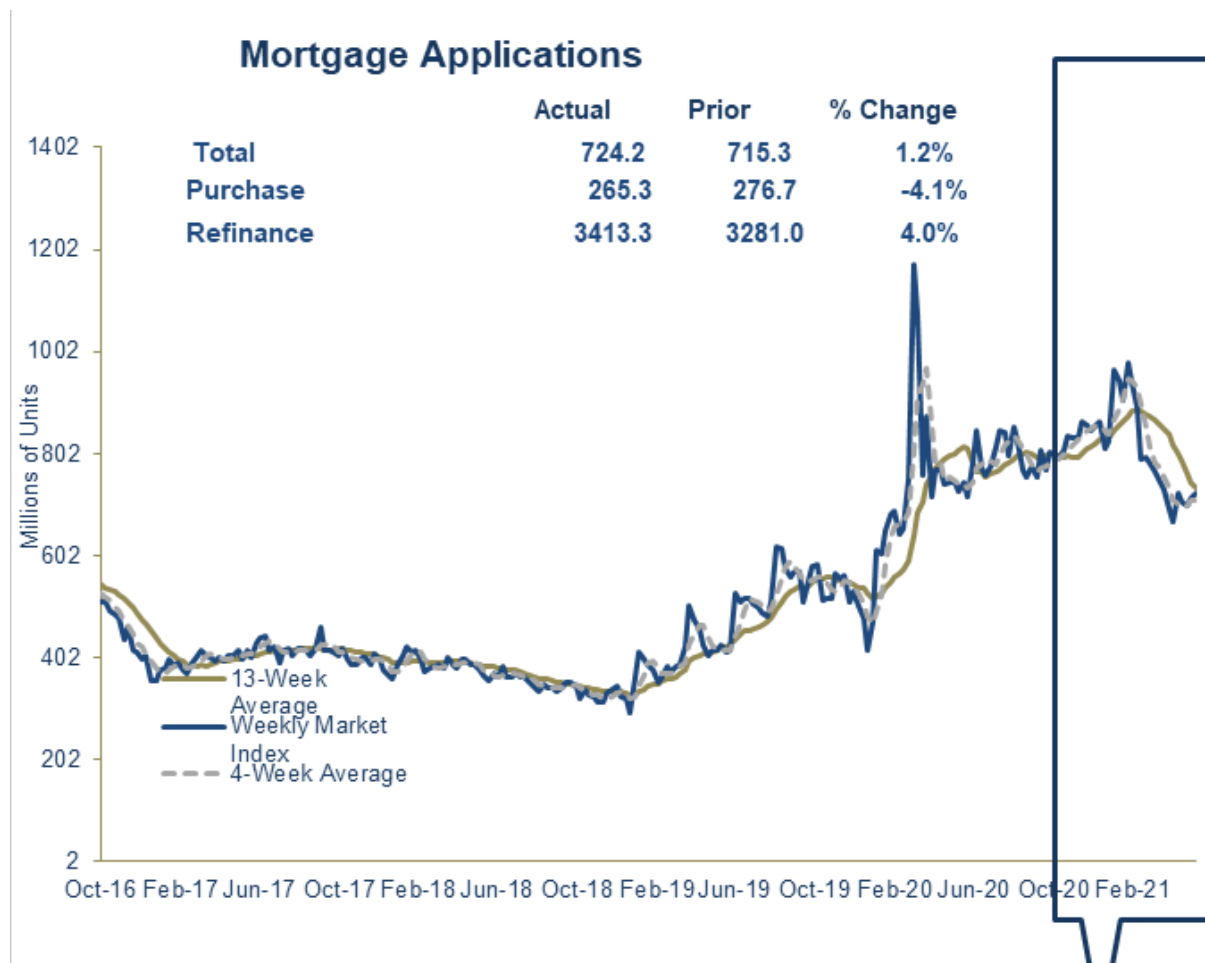
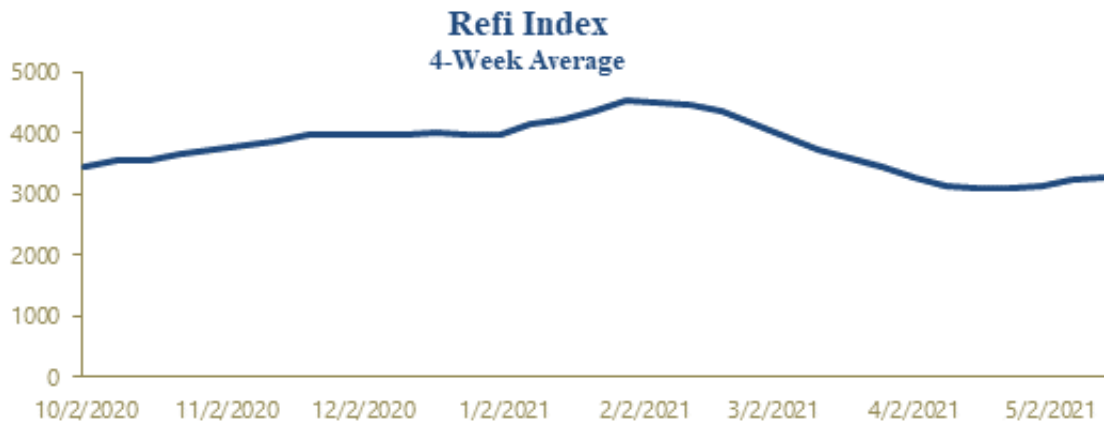
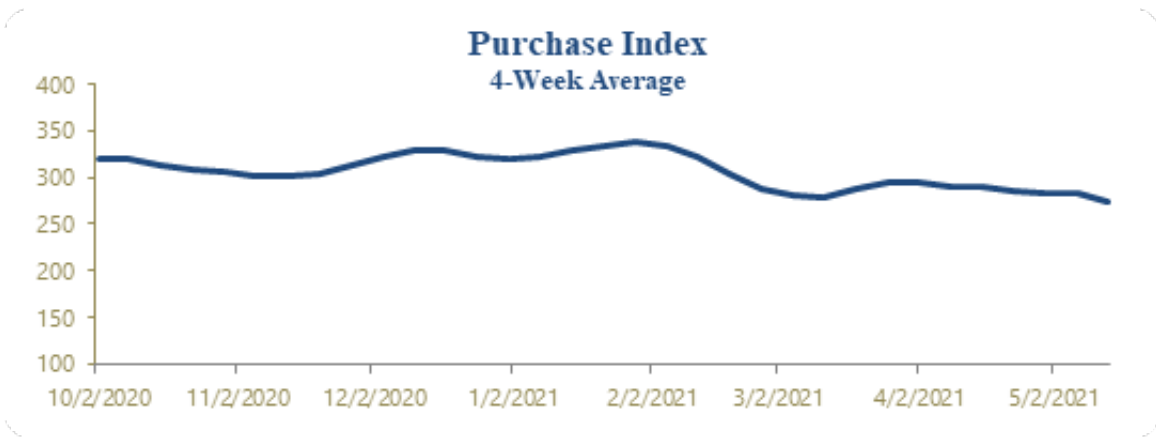


19.May.2021

## Mortgage Apps: Purchase Apps Edge Lower Still

**Bottom Line:** Mortgage applications for purchases continued to fall last week even as refinancing applications ticked higher, with mortgage rates modestly higher. After hitting 2.85% in December on the average 30-year fixed-rate mortgage, rates rose 50bps by mid-March, then retraced about 25bps of the move before edging higher by 4bps last week to 3.15%. While apps for refis were surprisingly higher, with rates edging higher (likely an anomaly in volatile weekly data), purchase applications are proving sensitive to mortgage rates. While the level of purchase applications remains robust, the trend is firmly heading in the wrong direction and could be an early signal that the strength in housing-related economic activity might be ebbing.





**The MBA Mortgage Applications Index** ROSE by 1.2% during the week ended May 14 to 724.2, slightly below its 13 week average of 734.3 and 0.4% BELOW its year-ago level.

**The Purchase Index** FELL by 4.1% to 265.3, modestly below its 13 week average of 282.6 but 2.5% ABOVE its year-ago level.

**The Refinance Index** ROSE by 4.0% to 3,413. Despite this increase, refinancing activity is slightly above its 13 week average of 3,362 but 1.8% BELOW its year-ago level.

**Contract Mortgage Rates** ROSE with the 30-year fixed rate increasing by 4 bps to 3.15% and the 15-year fixed rate increasing by 5 bps to 2.54%.

### Key findings of MBA's Forbearance and Call Volume Survey - May 3 to May 9, 2021

- Total loans in forbearance decreased by 14 basis points relative to the prior week: from 4.36% to 4.22%.
  - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 5.82% to 5.61%.
  - The share of Fannie Mae and Freddie Mac loans in forbearance

- decreased relative to the prior week: from 2.32% to 2.24%.
- The share of other loans (e.g., portfolio and PLS loans) in forbearance decreased relative to the prior week: from 8.55% to 8.26%.
- By stage, 11.9% of total loans in forbearance are in the initial forbearance plan stage, while 83.0% are in a forbearance extension. The remaining 5.1% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) decreased relative to the prior week: from 0.05% to 0.04%.
- Of the cumulative forbearance exits for the period from June 1, 2020, through May 9, 2021:
  - 27.1% resulted in a loan deferral/partial claim.
  - 24.9% represented borrowers who continued to make their monthly payments during their forbearance period.
  - 15.0% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
  - 14.2% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
  - 9.8% resulted in a loan modification or trial loan modification.
  - 7.4% resulted in loans paid off through either a refinance or by selling the home.
  - The remaining 1.6% resulted in repayment plans, short sales, deed-in-lieus or other reasons.
- Weekly servicer call center volume:
  - As a percent of servicing portfolio volume (#), calls increased from the previous week from 7.8% to 8.0%.
  - Average speed to answer remained the same relative to the prior week at 1.8 minutes.
  - Abandonment rates increased from 4.4% to 6.1%.
  - Average call length decreased from 8.1 minutes to 7.9 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of May 9, 2021:
  - Total: 4.22% (previous week: 4.36%)
  - IMBs: 4.42% (previous week: 4.58%)
  - Depositories: 4.35% (previous week: 4.47%)

## Mortgage Interest Rates

4-Week Average

30-Year Fixed Rate, 15-Year Fixed Rate



## Purchase Index vs. Existing Home Sales



## Refinancing Index vs Mortgage Rate

4-Week Average



	14-May	7-May	30-Apr	23-Apr	16-Apr	9-Apr	2-Apr	26-Mar	19-Mar	13 Wk Avg	Year Ago
<b>Market Index</b>	<b>724.2</b>	<b>715.3</b>	<b>700.4</b>	<b>706.6</b>	<b>724.8</b>	<b>667.7</b>	<b>693.5</b>	<b>730.8</b>	<b>747.0</b>	<b>734.3</b>	<b>727.1</b>
<b>Percent Change</b>	<b>1.2</b>	<b>2.1</b>	<b>-0.9</b>	<b>-2.5</b>	<b>8.6</b>	<b>-3.7</b>	<b>-5.1</b>	<b>-2.2</b>	<b>-2.5</b>	<b>-1.4</b>	<b>-0.4</b>
<i>Non-seasonally Adj. % Chg</i>	<i>0.8</i>	<i>2.3</i>	<i>-0.5</i>	<i>-2.1</i>						<i>0.2</i>	<i>-0.2</i>
<b>Purchase Index</b>	<b>265.3</b>	<b>276.7</b>	<b>274.5</b>	<b>281.4</b>	<b>295.5</b>	<b>279.5</b>	<b>283.6</b>	<b>297.3</b>	<b>301.9</b>	<b>282.6</b>	<b>258.9</b>
<b>Percent Change</b>	<b>-4.1</b>	<b>0.8</b>	<b>-2.5</b>	<b>-4.8</b>	<b>5.7</b>	<b>-1.4</b>	<b>-4.6</b>	<b>-1.5</b>	<b>2.6</b>	<b>-6.1</b>	<b>2.5</b>
<b>Refinancing Index</b>	<b>3,413</b>	<b>3,281</b>	<b>3,189</b>	<b>3,185</b>	<b>3,220</b>	<b>2,917</b>	<b>3,069</b>	<b>3,242</b>	<b>3,325</b>	<b>3,362</b>	<b>3,474</b>
<b>Percent Change</b>	<b>4.0</b>	<b>2.9</b>	<b>0.1</b>	<b>-1.1</b>	<b>10.4</b>	<b>-5.0</b>	<b>-5.3</b>	<b>-2.5</b>	<b>-5.1</b>	<b>1.5</b>	<b>-1.8</b>
<b>Refinance % of Total</b>	<b>63.3</b>	<b>61.3</b>	<b>61.0</b>	<b>60.6</b>	<b>60.0</b>	<b>59.2</b>	<b>60.3</b>	<b>60.6</b>	<b>60.9</b>	<b>62.4</b>	<b>64.3</b>
	<b>3.3</b>	<b>0.5</b>	<b>0.7</b>	<b>1.0</b>	<b>1.4</b>	<b>-1.8</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-3.2</b>	<b>1.5</b>	<b>-1.6</b>
<b>% of ARMs</b>	<b>3.9</b>	<b>3.8</b>	<b>3.9</b>	<b>3.5</b>	<b>3.6</b>	<b>3.6</b>	<b>3.7</b>	<b>3.4</b>	<b>3.2</b>	<b>3.4</b>	<b>3.2</b>
<b>30-Year Fixed Rate</b>	<b>3.15</b>	<b>3.11</b>	<b>3.18</b>	<b>3.17</b>	<b>3.20</b>	<b>3.27</b>	<b>3.36</b>	<b>3.33</b>	<b>3.36</b>	<b>3.23</b>	<b>3.41</b>
<b>15-Year Fixed Rate</b>	<b>2.54</b>	<b>2.49</b>	<b>2.54</b>	<b>2.55</b>	<b>2.65</b>	<b>2.67</b>	<b>2.74</b>	<b>2.71</b>	<b>2.72</b>	<b>2.62</b>	<b>2.88</b>
<b>5-Year ARM on 30-Year</b>	<b>2.58</b>	<b>2.57</b>	<b>2.76</b>	<b>2.59</b>	<b>2.67</b>	<b>2.60</b>	<b>2.92</b>	<b>2.85</b>	<b>2.79</b>	<b>2.73</b>	<b>3.19</b>

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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May 19, 2021

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