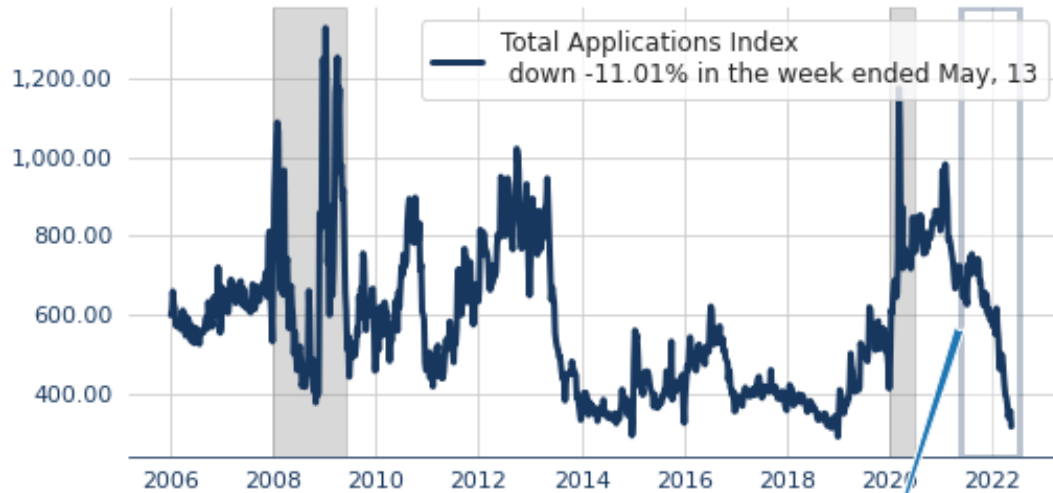


18.May.2022

## **Mortgage Apps: Purchases Drop to Lowest Since Pandemic**

**Bottom Line:** Purchase applications, which had held up remarkably well given the upward move in mortgage rates, fell sharply last week, hitting the lowest level since the pandemic. Refinancing fell again last week and remains near record lows with most outstanding mortgages carrying rates well below last week's effective average 30-year fixed rate of 5.70% (adjusted for points paid). **Overall, after months of higher than expected activity given the rise in mortgage rates, it now appears that purchase volumes are turning sharply lower.**

## Total Applications Index



### Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



**The MBA Mortgage Application Index** FELL sharply, DOWN -11.0% to 319.0, BELOW the 13-week average of 411.0 and -55.9% BELOW the year-ago level. Non-seasonally adjusted the index FELL -11.2%.

**The Purchase Index** FELL sharply, DOWN -11.9% to 225.0, BELOW the 13-week average of 254.0 and -15.2% BELOW the year-ago level.

**The Refinancing Index** FELL sharply, DOWN -9.5% to 827.0, BELOW the 13-week average of 1284.0 and -75.8% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** FELL -4bps to 5.7%, ABOVE the 13-week average of 5.01% and 75bps ABOVE the year-ago level.

# Purchase Index

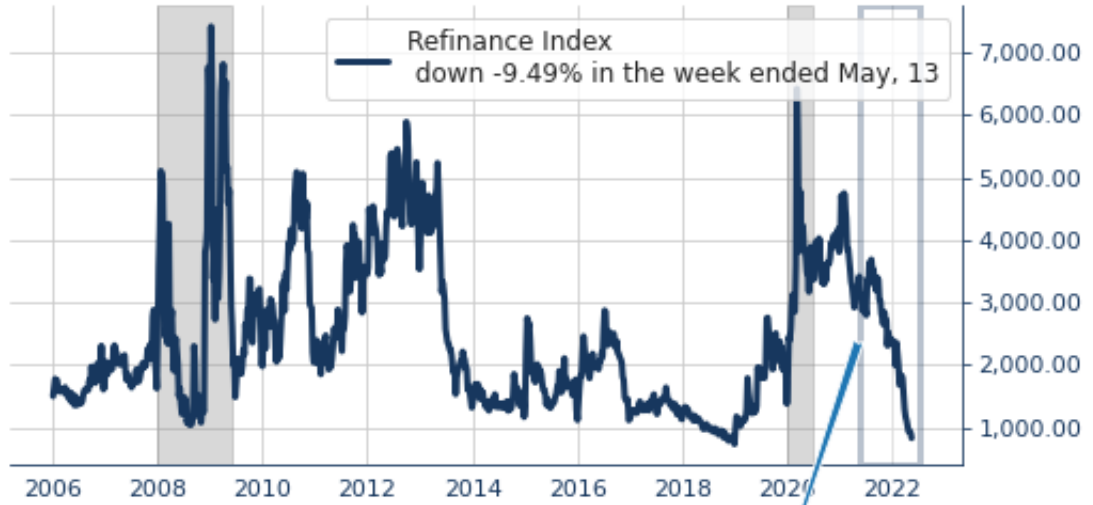


## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



# Refinance Index



## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

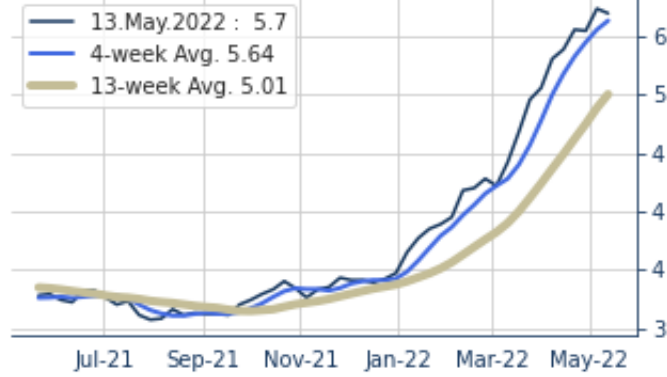


# MBA 30-yr Fixed Mortgage Effective Rate

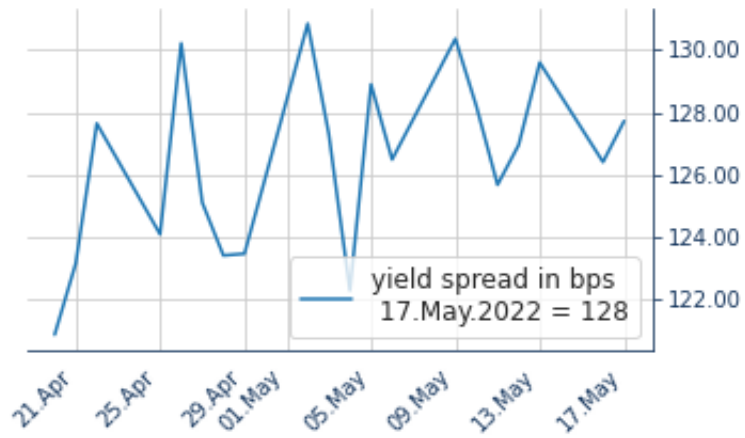


## Recent Trends

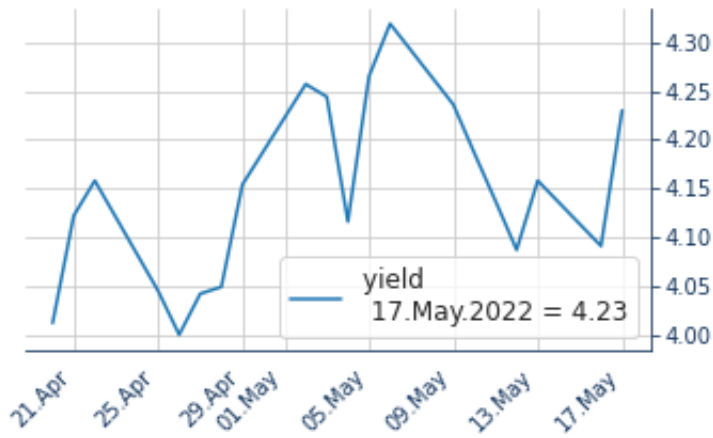
Contingent Macro Advisors 2021 source: MBA via Bloomberg



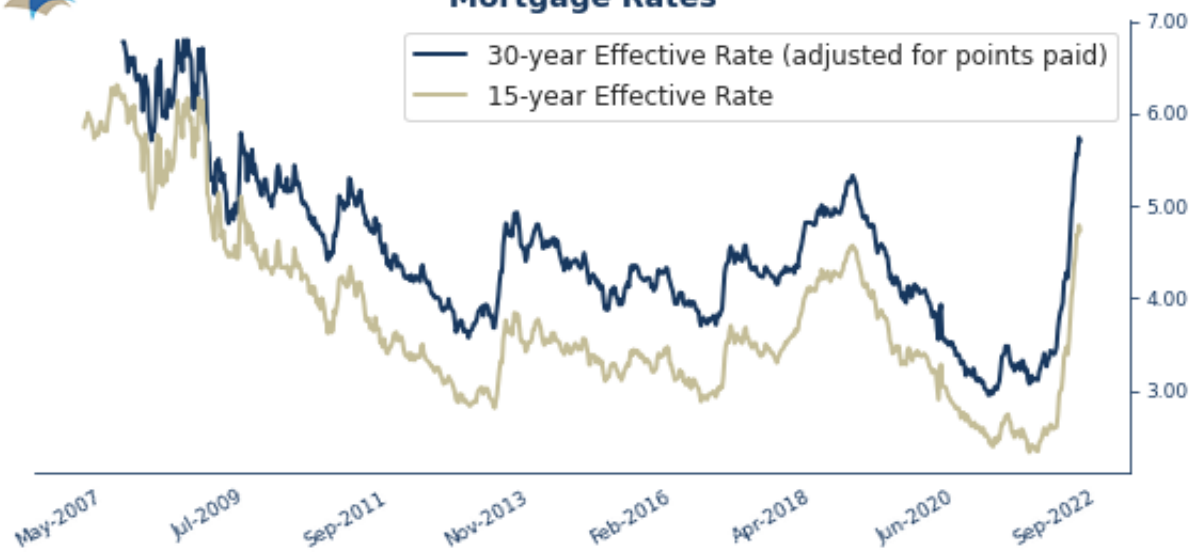
## MBS Current Coupon spread to Blend of Treasury Yields



### MBS Current Coupon Yield

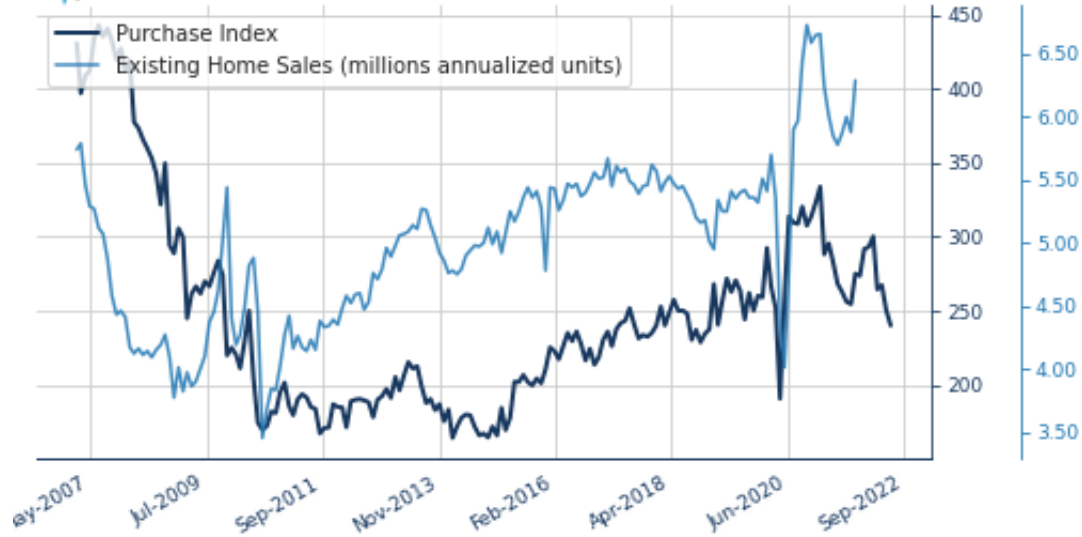


### Mortgage Rates

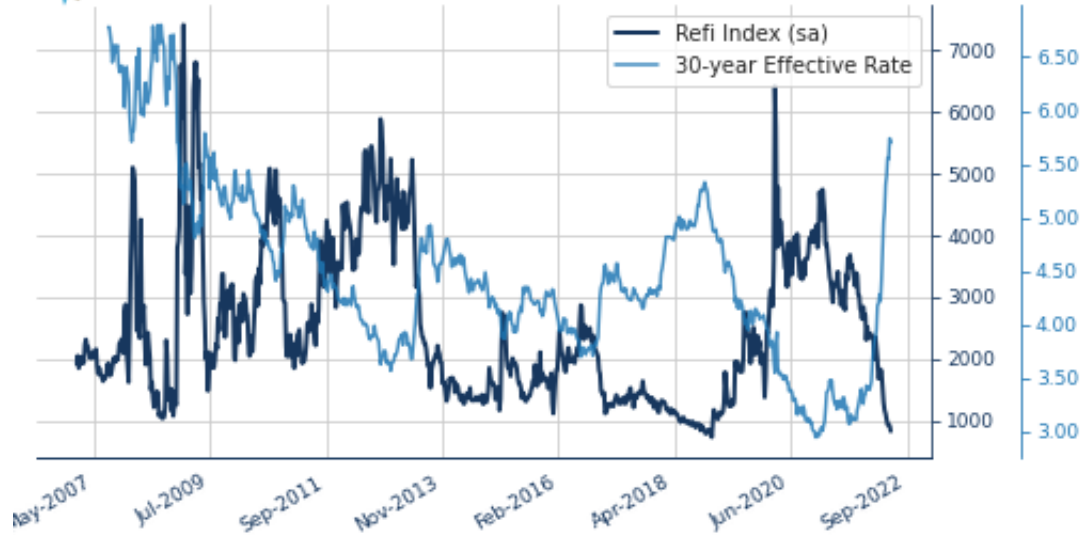




## Purchase Index vs. Existing Home Sales



## Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	13.May	06.May	29.Apr	22.Apr	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
<b>Total Applications Index</b>	<b>319.40</b>	<b>358.90</b>	<b>351.80</b>	<b>343.10</b>	<b>339.15</b>	<b>372.18</b>	<b>411.46</b>	<b>595.66</b>
<b>Week % Chg</b>	<b>-11.00</b>	<b>2.00</b>	<b>2.50</b>	<b>-8.30</b>				
<b>Total Apps NSA % Chg.</b>	<b>-11.18</b>	<b>2.66</b>	<b>3.41</b>	<b>-7.40</b>				
Purchase Index	225.00	255.40	244.40	234.70	240.20	250.60	253.85	270.13
Purch. Idx - % Chg.	-11.90	4.50	4.13	-7.60				
Refinance Index	826.90	913.60	932.30	930.70	870.25	1032.30	1283.94	2474.48
Refi. Idx - % Chg.	-9.49	-2.01	0.17	-9.04				
Ref % Tot	33.00	32.40	33.90	35.00	32.70	36.10	40.71	57.51
MBA 30-yr Fixed Mortgage Effective	5.70	5.74	5.55	5.56	5.72	5.37	5.01	3.77



Rate								
MBA 30-yr Fixed Points	0.74	0.73	0.63	0.67	0.73	0.62	0.59	0.43
MBA 15-yr Fixed Mortgage Contract Rate	4.73	4.79	4.68	4.68	4.76	4.45	4.11	2.96
MBA 15-yr Fixed Mortgage Effective Rate	4.73	4.79	4.68	4.68	4.76	4.45	4.11	2.96
MBA 15-yr Fixed Points	0.82	0.80	0.76	0.80	0.81	0.70	0.62	0.39
MBA 5-yr ARM Effective Rate	4.42	4.47	4.25	4.28	4.45	4.10	3.84	3.08

source: Mortgage Banker Association via Bloomberg Professional