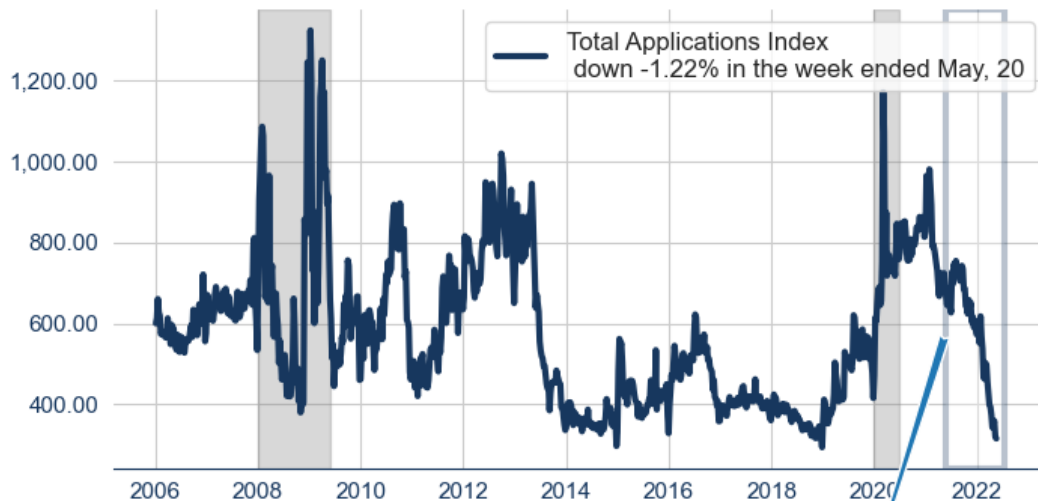


25.May.2022

Mortgage Apps: Continued Slide

Bottom Line: Mortgage applications fell slightly in the week ended May 20th as purchase applications edged up just a touch while refinancing applications fell. Mortgage rates fell last week, down to about 5 5/8% for the average borrower, off the recent highs of 5 3/4%. But the trends toward slower housing activity are firmly in place, and it will likely take a significant move lower in mortgage rates (probably back near 5%) to spark renewed purchase activity. Meanwhile, refinancing activity will remain low for a long time until borrowers either accept higher rates on cash-out refinancings or mortgage rates fall below 4%. **Overall, after months of higher than expected activity, given the rise in mortgage rates, the trend in purchase volumes is firmly lower, while refinancing will likely remain near historic lows.**

Total Applications Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



The MBA Mortgage Application Index FELL slightly, DOWN -1.2% to 316.0, BELOW the 13-week average of 400.0 and -54.5% BELOW the year-ago level. Non-seasonally adjusted the index FELL slightly, DOWN -1.7%.

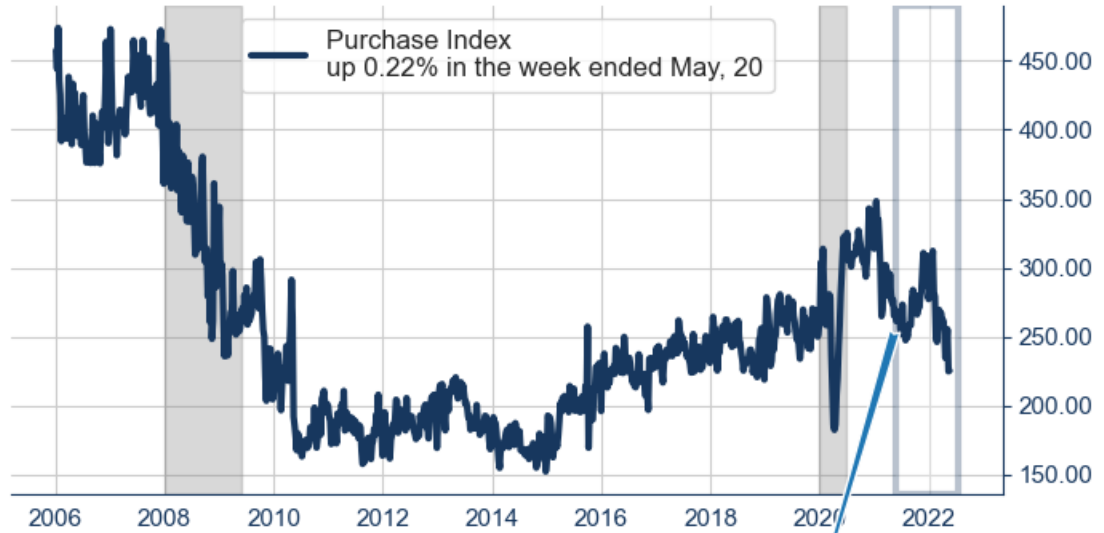
The Purchase Index was nearly unchanged, UP 0.2% to 226.0, BELOW the 13-week average of 252.0 and -16.4% BELOW the year-ago level.

The Refinancing Index FELL -3.9% to 795.0, BELOW the 13-week average of 1216.0 and -74.9% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** FELL -6bps to 5.64%, ABOVE the 13-week average of 5.12% and 72bps ABOVE the year-ago level.

Current coupon yields in the secondary market were down -16.0 bps last week, closing at 4.0%, and were down -4.0 bps this week through Tuesday.

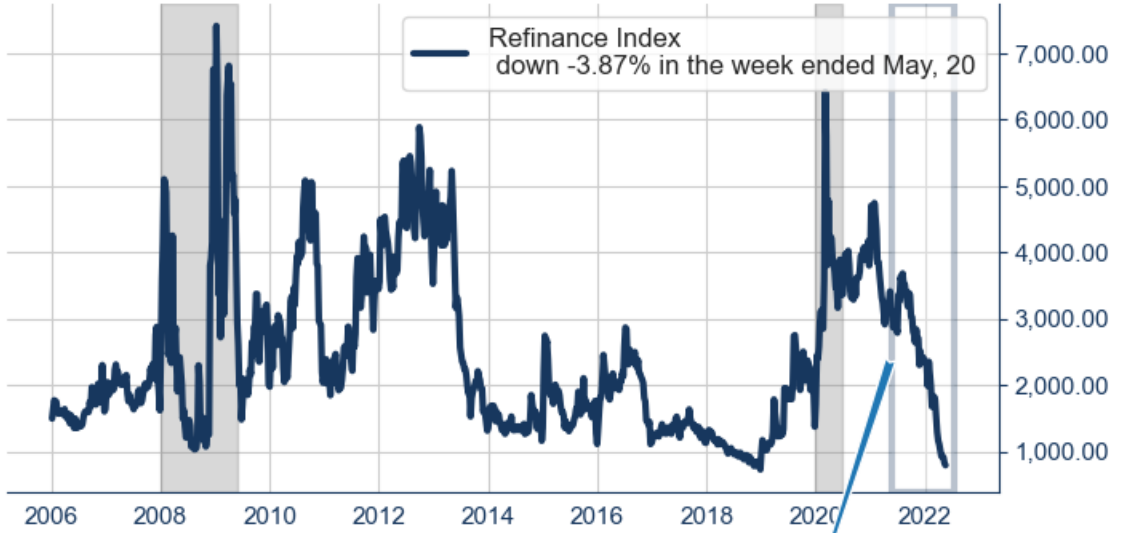
Purchase Index



Recent Trends



Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

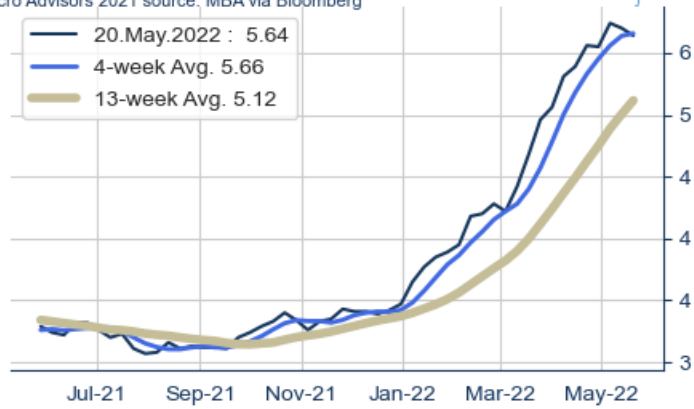


MBA 30-yr Fixed Mortgage Effective Rate



Recent Trends

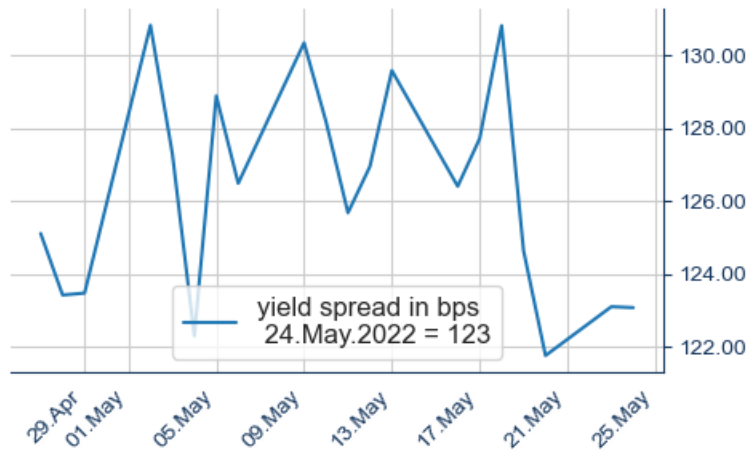
Contingent Macro Advisors 2021 source: MBA via Bloomberg



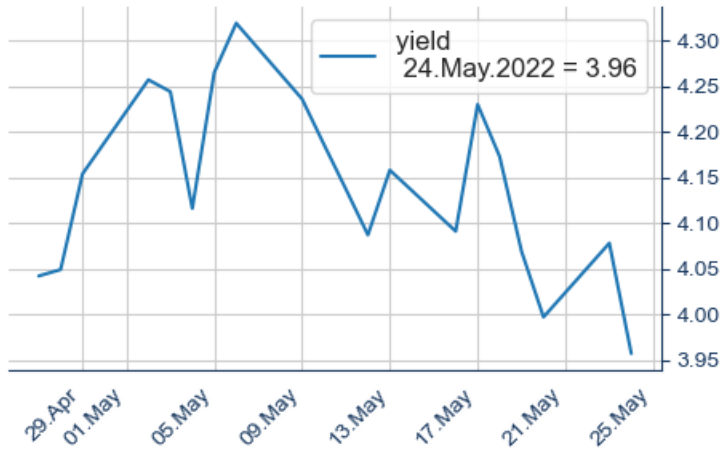
MBS Current Coupon spread to Blend of Treasury Yields



last 20 trading days

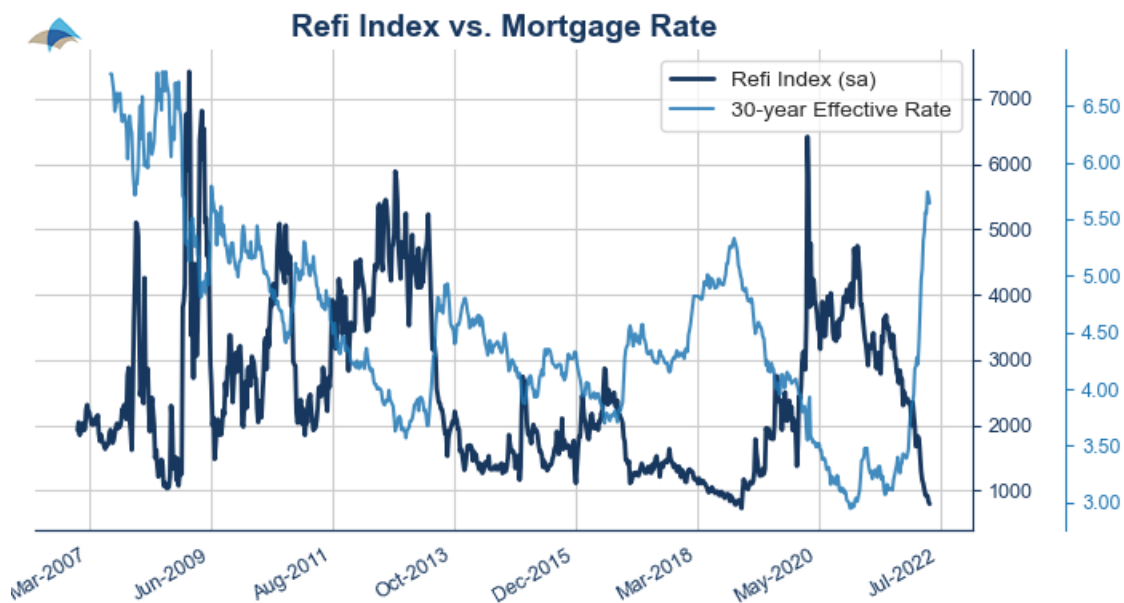
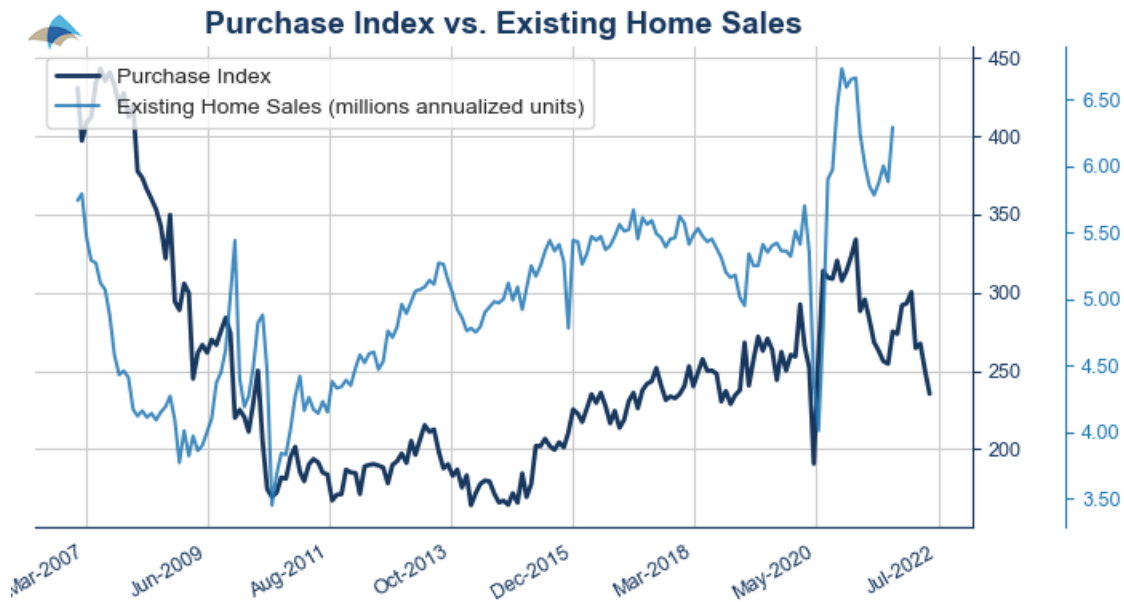


MBS Current Coupon Yield



Mortgage Rates





Weekly MBA Mortgage Application Survey	20.May	13.May	06.May	29.Apr	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	315.50	319.40	358.90	351.80	331.27	372.18	399.85	588.39
Week % Chg	-1.20	-11.00	2.00	2.50				
Total Apps NSA % Chg.	-1.69	-11.18	2.66	3.41				
Purchase Index	225.50	225.00	255.40	244.40	235.30	250.60	251.91	269.28
Purch. Idx - % Chg.	0.22	-11.90	4.50	4.13				
Refinance Index	794.90	826.90	913.60	932.30	845.13	1032.30	1216.03	2428.82
Refi. Idx - % Chg.	-3.87	-9.49	-2.01	0.17				
Ref % Tot	32.30	33.00	32.40	33.90	32.57	36.10	39.34	56.95

MBA 30-yr Fixed Mortgage Effective Rate	5.64	5.70	5.74	5.55	5.69	5.37	5.12	3.81
MBA 30-yr Fixed Points	0.60	0.74	0.73	0.63	0.69	0.62	0.60	0.43
MBA 15-yr Fixed Mortgage Contract Rate	4.72	4.73	4.79	4.68	4.75	4.45	4.21	3.00
MBA 15-yr Fixed Mortgage Effective Rate	4.72	4.73	4.79	4.68	4.75	4.45	4.21	3.00
MBA 15-yr Fixed Points	0.70	0.82	0.80	0.76	0.77	0.70	0.64	0.40
MBA 5-yr ARM Effective Rate	4.49	4.42	4.47	4.25	4.46	4.10	3.93	3.11

source: Mortgage Banker Association via Bloomberg Professional