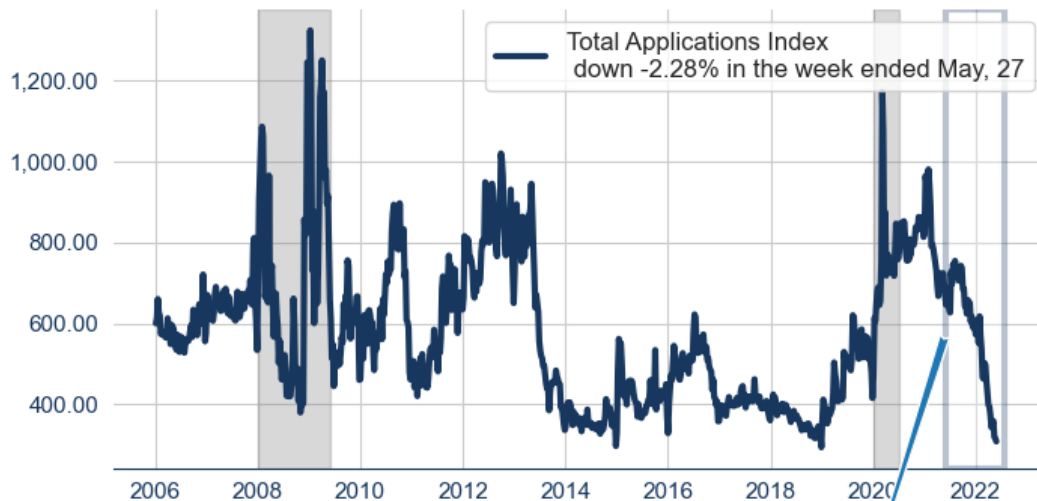


01.Jun.2022

## Mortgage Apps: Continued Slide

**Bottom Line:** Mortgage applications fell in the week ended May 27th as purchase applications were modestly lower and refis fell sharply, despite the first significant decline in rates in several months. Mortgage rates eased lower for the second week, back below 5.5% from the recent highs of 5 3/4%. That said, secondary mortgage markets saw sharply higher rates yesterday, the first day of trading in this holiday-shortened week. **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. It will likely take a much more significant rate drop to rekindle activity, probably a push back below 5% on average 30-year fixed-rate mortgages.**

## Total Applications Index



### Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



**The MBA Mortgage Application Index** FELL -2.3% to 308.0, BELOW the 13-week average of 388.0 and -53.7% BELOW the year-ago level. Non-seasonally adjusted the index FELL slightly , DOWN -3.1%.

**The Purchase Index** FELL slightly, DOWN -0.6% to 224.0, BELOW the 13-week average of 250.0 and -14.3% BELOW the year-ago level.

**The Refinancing Index** FELL -5.4% to 752.0, BELOW the 13-week average of 1144.0 and -75.1% BELOW the year-ago level.

**The effective (adjusted for points paid) 30-year mortgage rate** FELL sharply, DOWN -16bps to 5.48%, ABOVE the 13-week average of 5.21% and 67bps ABOVE the year-ago level.

**Current coupon yields in the secondary market** were down -12.0 bps last week , closing at 3.88%, and were up 14.0 bps this week through Tuesday.

### Purchase Index

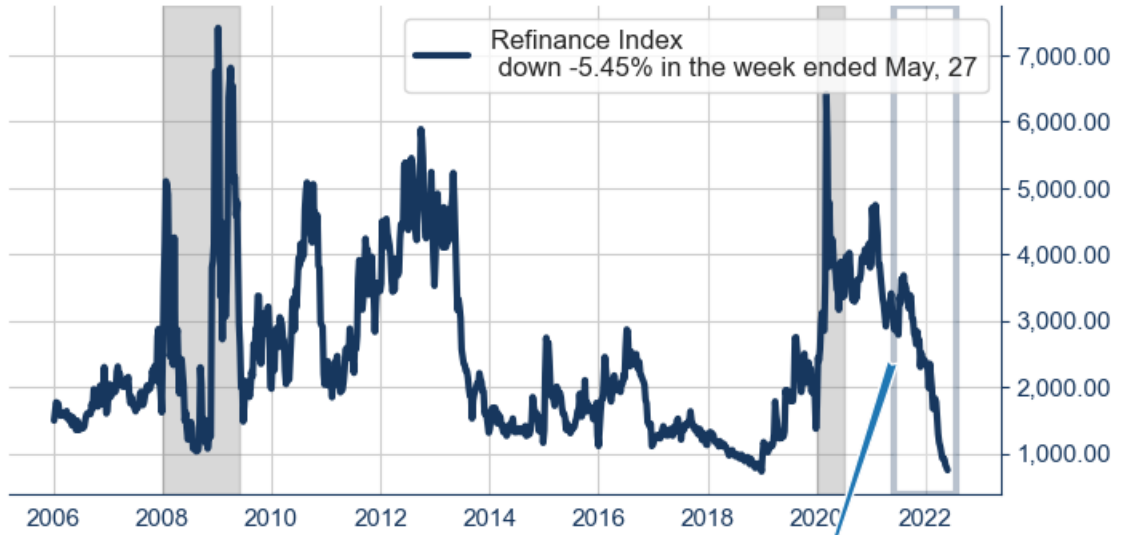


### Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



# Refinance Index



## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

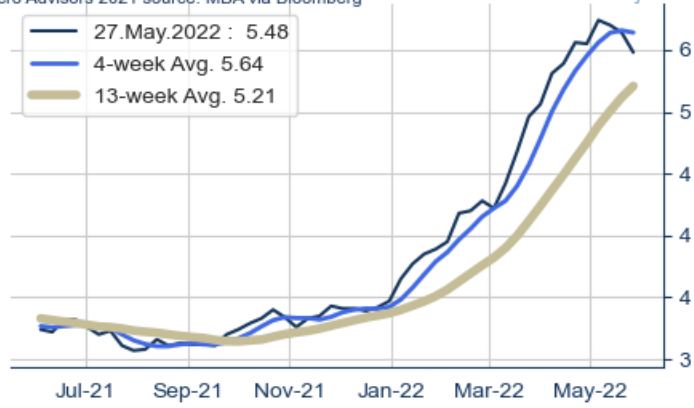


# MBA 30-yr Fixed Mortgage Effective Rate

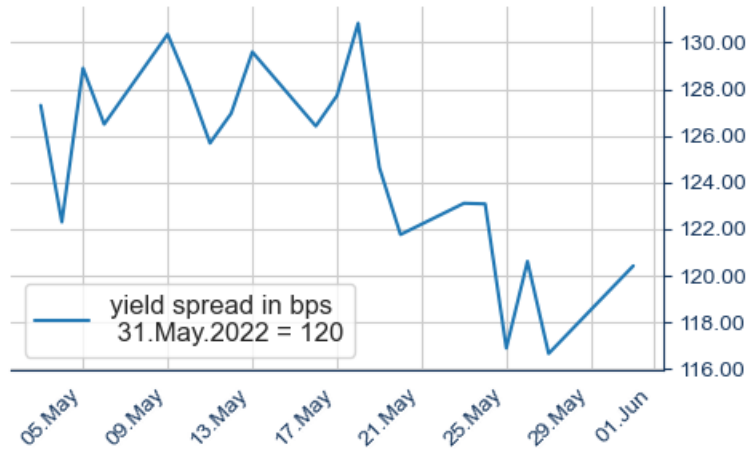


## Recent Trends

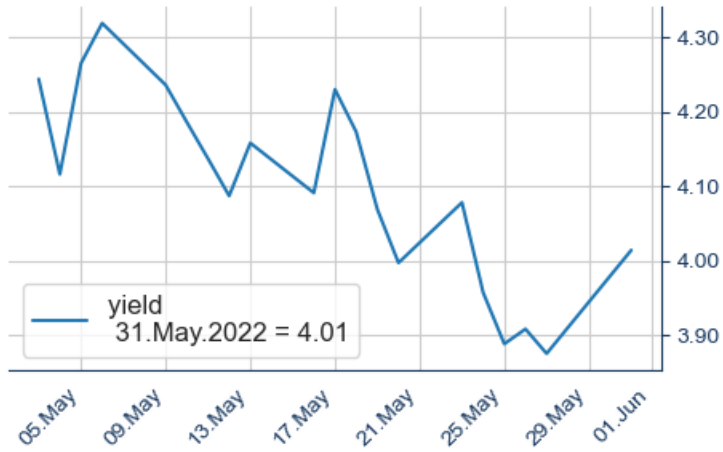
Contingent Macro Advisors 2021 source: MBA via Bloomberg



## MBS Current Coupon spread to Blend of Treasury Yields

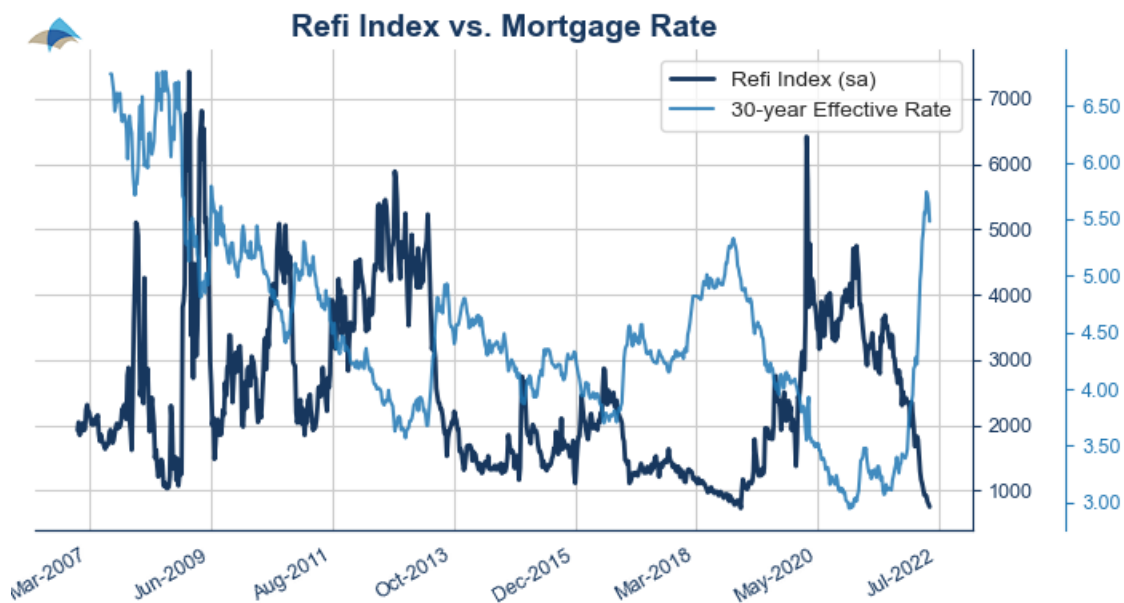
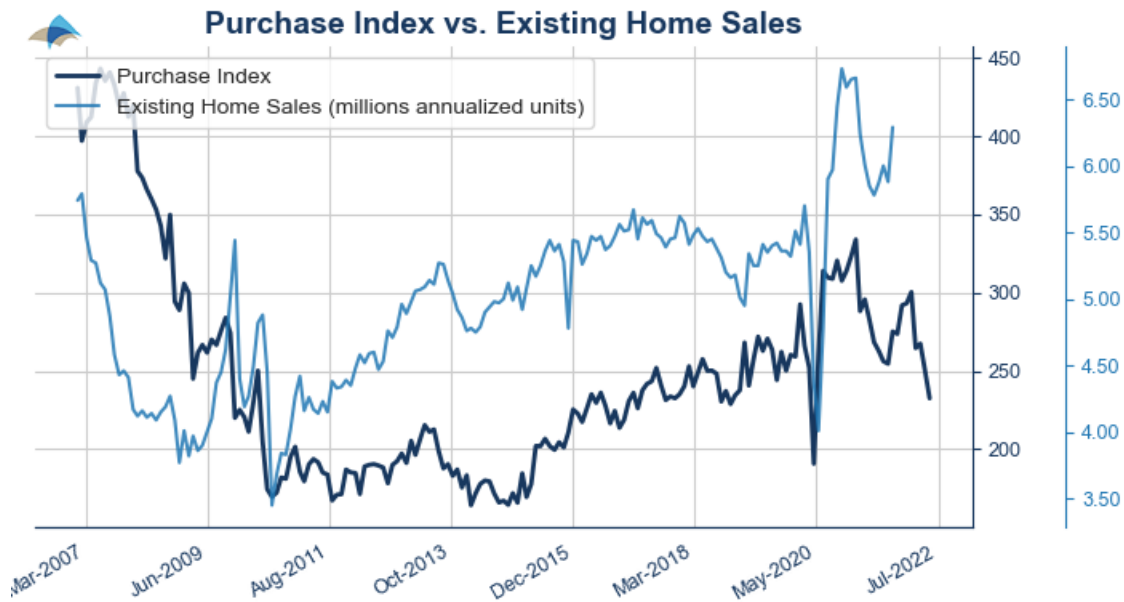


### MBS Current Coupon Yield



### Mortgage Rates





Weekly MBA Mortgage Application Survey	27.May	20.May	13.May	06.May	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
<b>Total Applications Index</b>	<b>308.30</b>	<b>315.50</b>	<b>319.40</b>	<b>358.90</b>	<b>325.52</b>	<b>372.18</b>	<b>387.95</b>	<b>581.51</b>
<b>Week % Chg</b>	<b>-2.30</b>	<b>-1.20</b>	<b>-11.00</b>	<b>2.00</b>				
<b>Total Apps NSA % Chg.</b>	<b>-3.14</b>	<b>-1.69</b>	<b>-11.18</b>	<b>2.66</b>				
Purchase Index	224.10	225.50	225.00	255.40	232.50	250.60	250.20	268.57
Purch. Idx - % Chg.	-0.62	0.22	-11.90	4.50				
Refinance Index	751.60	794.90	826.90	913.60	821.75	1032.30	1144.18	2385.16
Refi. Idx - % Chg.	-5.45	-3.87	-9.49	-2.01				
Ref % Tot	31.50	32.30	33.00	32.40	32.30	36.10	37.92	56.38



MBA 30-yr Fixed Mortgage Effective Rate	5.48	5.64	5.70	5.74	5.64	5.37	5.21	3.86
MBA 30-yr Fixed Points	0.51	0.60	0.74	0.73	0.65	0.62	0.60	0.44
MBA 15-yr Fixed Mortgage Contract Rate	4.59	4.72	4.73	4.79	4.71	4.45	4.29	3.04
MBA 15-yr Fixed Mortgage Effective Rate	4.59	4.72	4.73	4.79	4.71	4.45	4.29	3.04
MBA 15-yr Fixed Points	0.63	0.70	0.82	0.80	0.74	0.70	0.65	0.41
MBA 5-yr ARM Effective Rate	4.46	4.49	4.42	4.47	4.46	4.10	4.01	3.15

source: Mortgage Banker Association via Bloomberg Professional