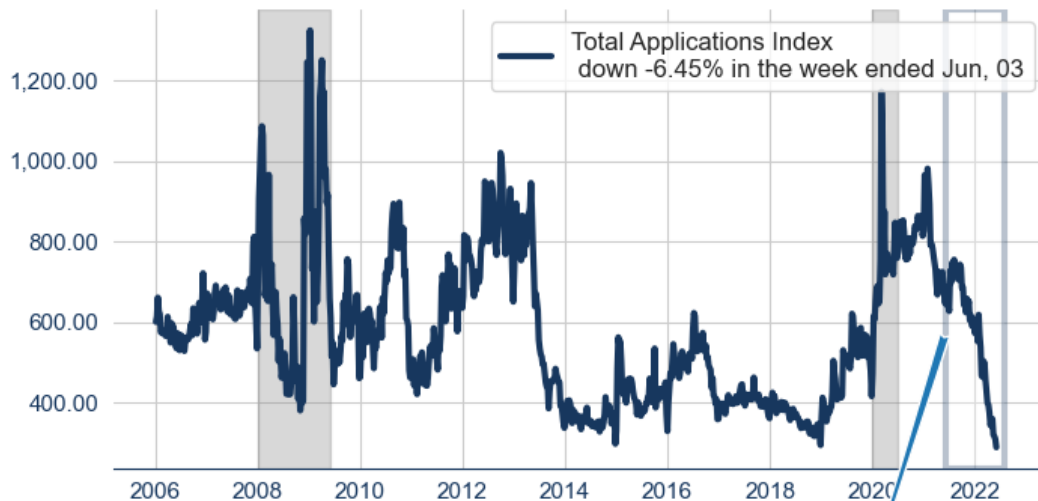


08.Jun.2022

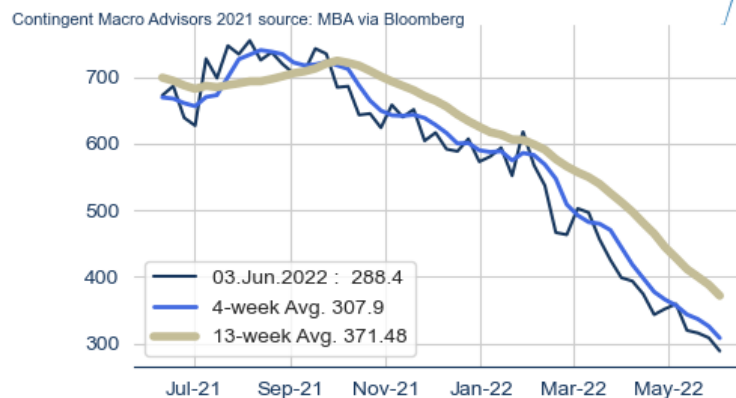
## **Mortgage Apps: Purchases Fall Towards Record Lows**

**Bottom Line:** Mortgage applications fell further in the first few days of June as purchase applications dropped with mortgage rates holding above 4.5% on 5/1 ARMS (a 30-year amortizing mortgage with a 5-year fixed-rate and an adjustable rate thereafter) and over 5.5% on 30-year fixed-rate mortgages. With last week's declines, the purchase index is nearly at the lows of the pandemic and back near 2016 levels. After months of higher than expected activity purchase activity has clearly collapsed in the last few weeks, nearing record lows like refinancing activity.

## Total Applications Index



### Recent Trends



**The MBA Mortgage Application Index** FELL -6.5% to 288.0, BELOW the 13-week average of 371.0 and -55.3% BELOW the year-ago level. Non-seasonally adjusted the index FELL sharply, DOWN -16.9%.

**The Purchase Index** FELL sharply, DOWN -7.1% to 208.0, BELOW the 13-week average of 246.0 and -20.6% BELOW the year-ago level.

**The Refinancing Index** FELL -5.6% to 710.0, BELOW the 13-week average of 1058.0 and -75.3% BELOW the year-ago level.

The effective (adjusted for points paid) 30-year mortgage rate ROSE 9bps to 5.57%, ABOVE the 13-week average of 5.31% and 72bps ABOVE the year-ago level.

Current coupon yields in the secondary market were up 21.0 bps last week , closing

at 4.08%, and were up 6.0 bps this week through Tuesday.

### Purchase Index

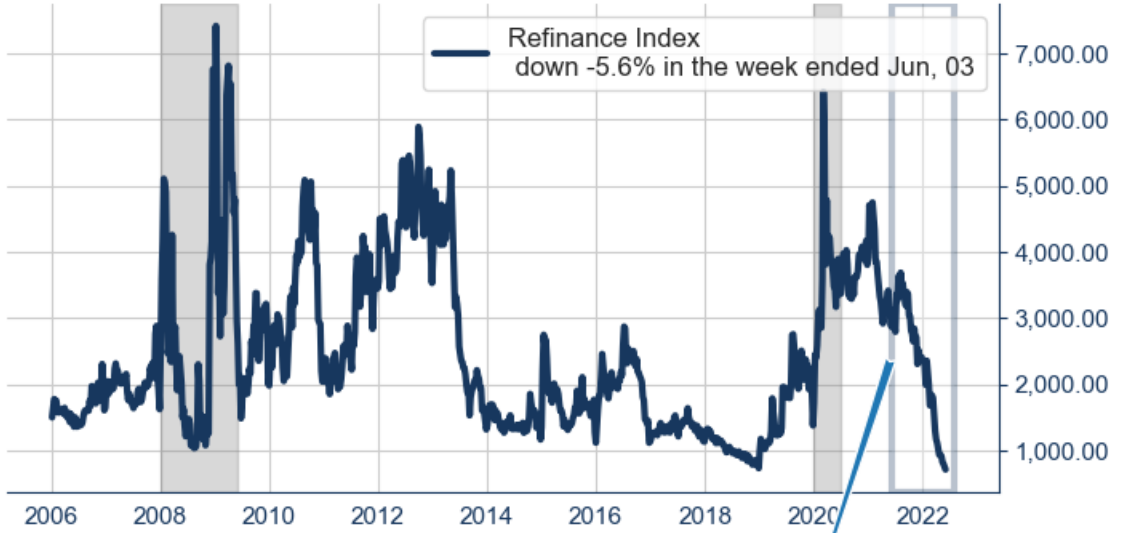


### Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



# Refinance Index



## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

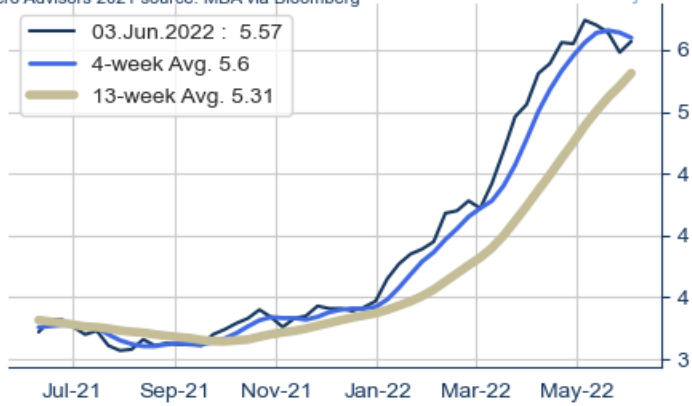


# MBA 30-yr Fixed Mortgage Effective Rate

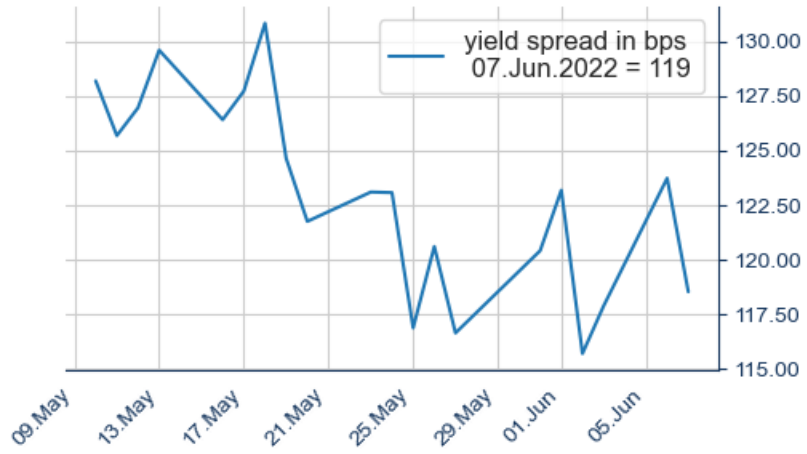


## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



# MBS Current Coupon spread to Blend of Treasury Yields



### MBS Current Coupon Yield

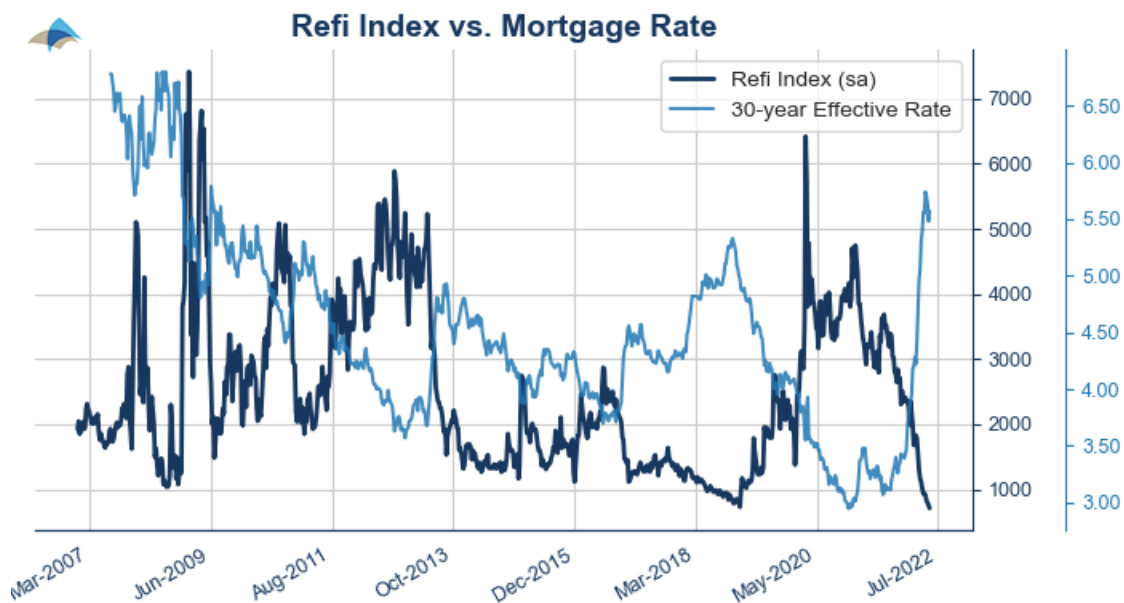
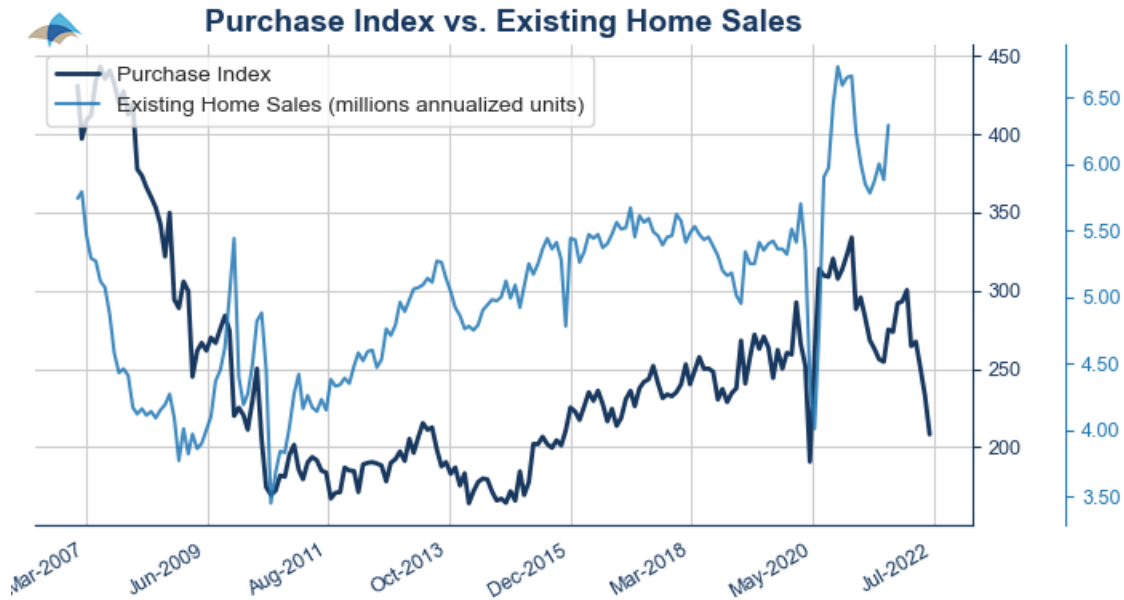


last 20 trading days



### Mortgage Rates





Weekly MBA Mortgage Application Survey	03.Jun	27.May	20.May	13.May	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
<b>Total Applications Index</b>	<b>288.40</b>	<b>308.30</b>	<b>315.50</b>	<b>319.40</b>	<b>288.40</b>	<b>325.52</b>	<b>371.48</b>	<b>574.65</b>
<b>Week % Chg</b>	<b>-6.50</b>	<b>-2.30</b>	<b>-1.20</b>	<b>-11.00</b>				
<b>Total Apps NSA % Chg.</b>	<b>-16.92</b>	<b>-3.14</b>	<b>-1.69</b>	<b>-11.18</b>				
Purchase Index	208.20	224.10	225.50	225.00	208.20	232.50	245.63	267.53
Purch. Idx - % Chg.	-7.10	-0.62	0.22	-11.90				
Refinance Index	709.50	751.60	794.90	826.90	709.50	821.75	1058.01	2343.63
Refi. Idx - % Chg.	-5.60	-5.45	-3.87	-9.49				
Ref % Tot	32.20	31.50	32.30	33.00	32.20	32.30	36.59	55.84



MBA 30-yr Fixed Mortgage Effective Rate	5.57	5.48	5.64	5.70	5.57	5.64	5.31	3.90
MBA 30-yr Fixed Points	0.60	0.51	0.60	0.74	0.60	0.65	0.61	0.44
MBA 15-yr Fixed Mortgage Contract Rate	4.62	4.59	4.72	4.73	4.62	4.71	4.39	3.08
MBA 15-yr Fixed Mortgage Effective Rate	4.62	4.59	4.72	4.73	4.62	4.71	4.39	3.08
MBA 15-yr Fixed Points	0.65	0.63	0.70	0.82	0.65	0.74	0.67	0.41
MBA 5-yr ARM Effective Rate	4.51	4.46	4.49	4.42	4.51	4.46	4.10	3.19

source: Mortgage Banker Association via Bloomberg Professional