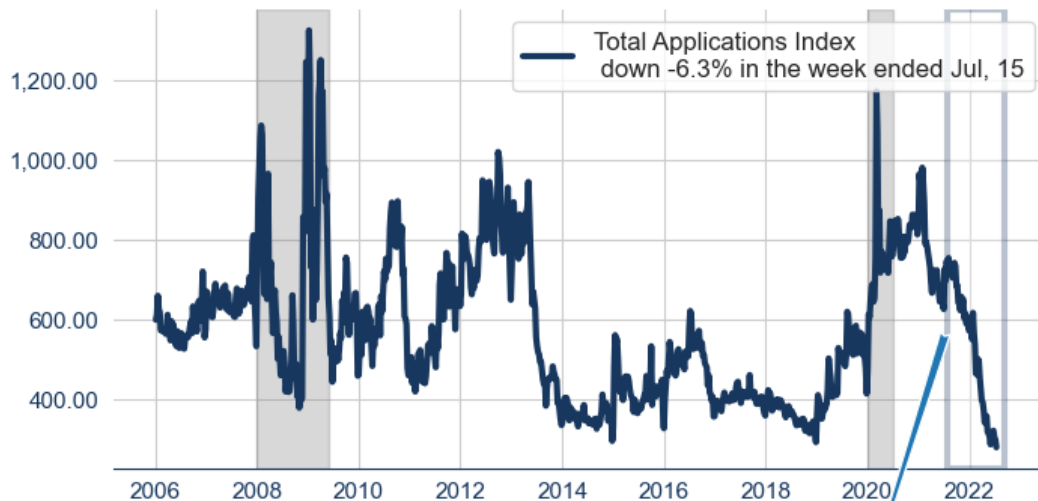


20.Jul.2022

Mortgage Apps: Record Lows

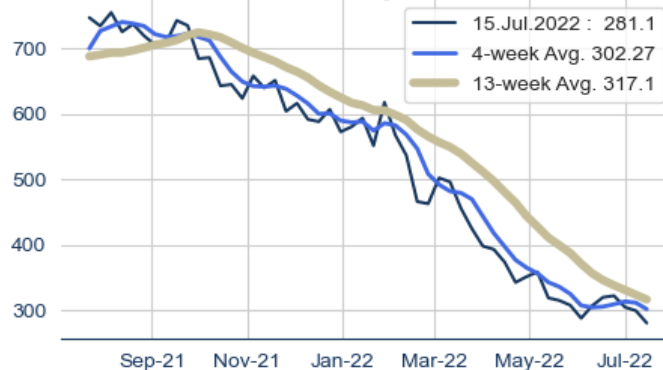
Bottom Line: Mortgage applications fell again last week, with the Mortgage Banker's Association's index hitting a new low. The purchase index hit a new low for this cycle but remained above levels seen in 2015, while the refinance index continued to set new record lows. While secondary market spreads to Treasuries tightened modestly, mortgage bankers weren't able to pass along the lower rates to borrowers as the average 30-year fixed-rate hit 6% again. **Overall, the trend in mortgage applications suggests that the slowdown in housing has continued through July. It now appears that purchase application volume will fall below the levels seen from 2017-19, following changes in the tax code that limited mortgage interest deduction.**

Total Applications Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



The MBA Mortgage Application Index FELL -6.3% to 281.0, BELOW the 13-week average of 317.0 and -59.7% BELOW the year-ago level. Non-seasonally adjusted the index ROSE sharply , UP 17.3%.

The Purchase Index FELL sharply, DOWN -7.3% to 208.0, BELOW the 13-week average of 230.0 and -18.7% BELOW the year-ago level.

The Refinancing Index FELL -4.3% to 656.0, BELOW the 13-week average of 773.0 and -79.9% BELOW the year-ago level.

The effective (adjusted for points paid) 30-year mortgage rate ROSE 9bps to 6.0%, ABOVE the 13-week average of 5.78% and 86bps ABOVE the year-ago level.

Current coupon yields in the secondary market were down -12.0 bps last week ,

closing at 4.39%, and were up 4.0 bps this week through Tuesday.

Purchase Index

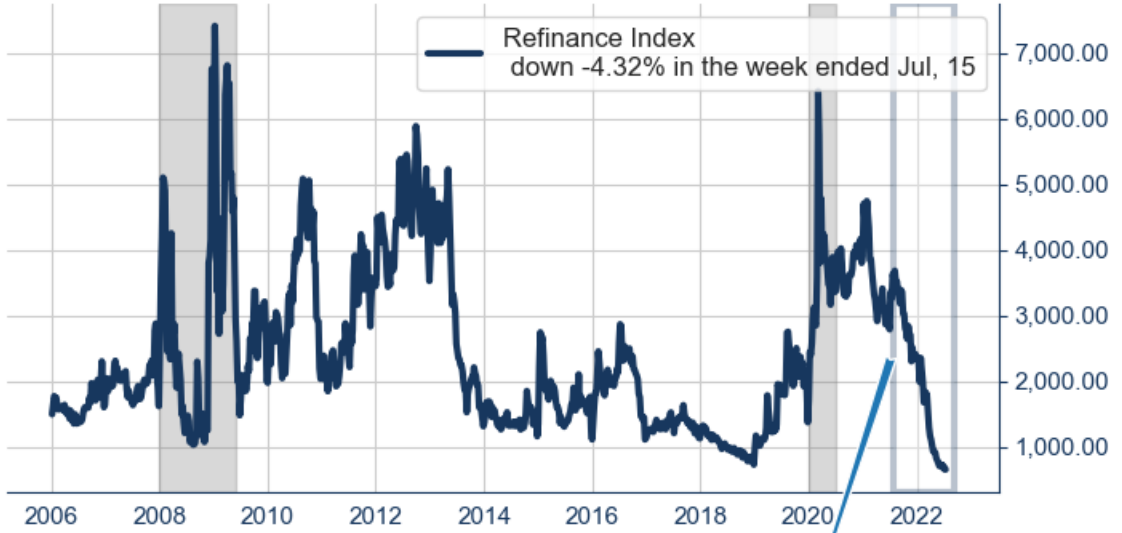


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

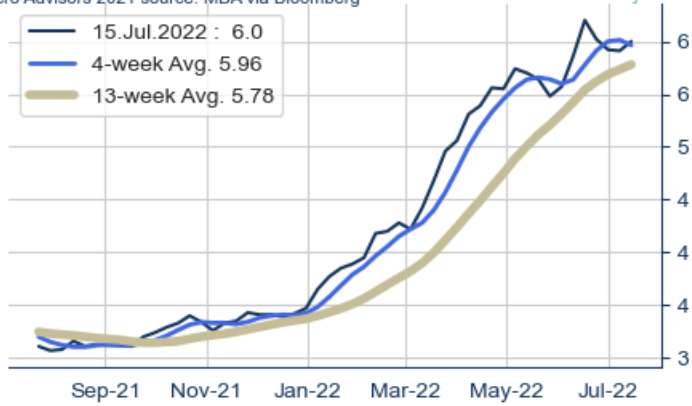


MBA 30-yr Fixed Mortgage Effective Rate

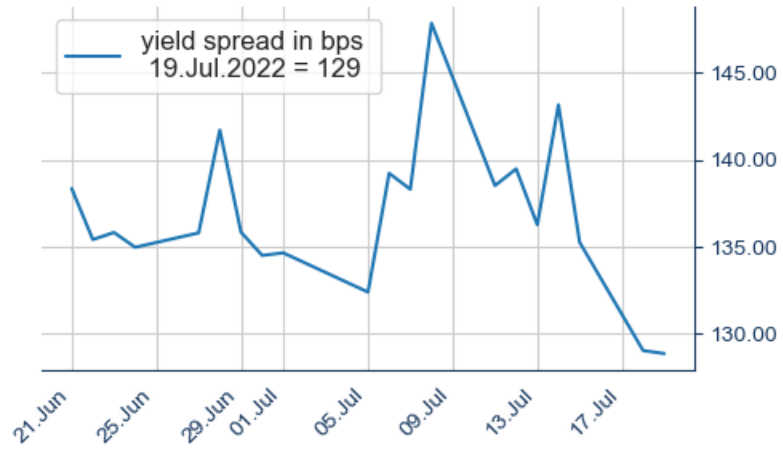


Recent Trends

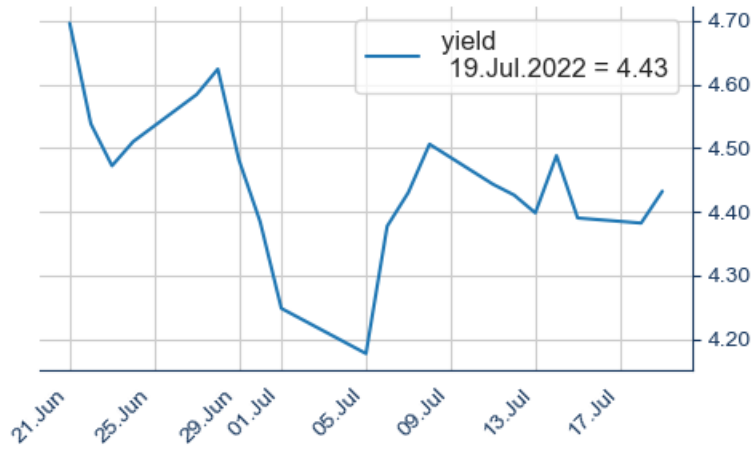
Contingent Macro Advisors 2021 source: MBA via Bloomberg



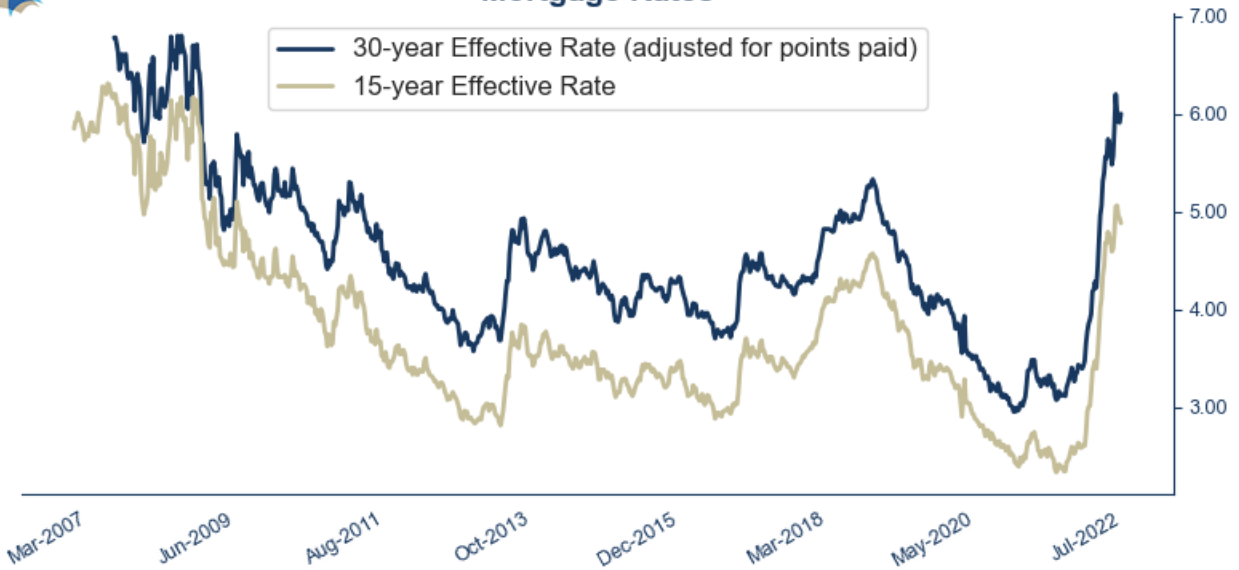
MBS Current Coupon spread to Blend of Treasury Yields

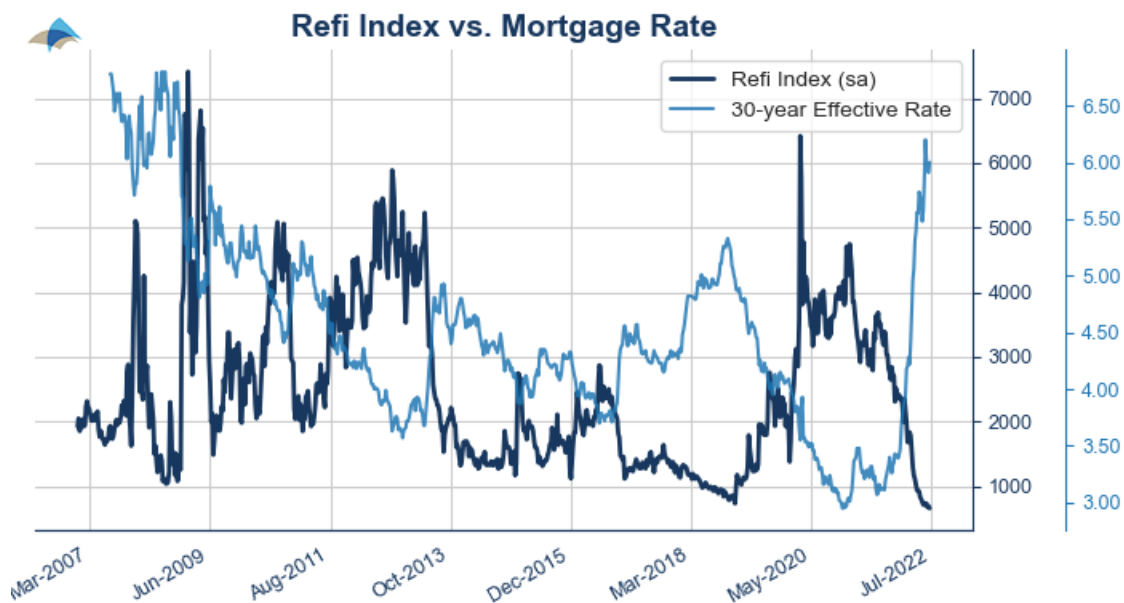
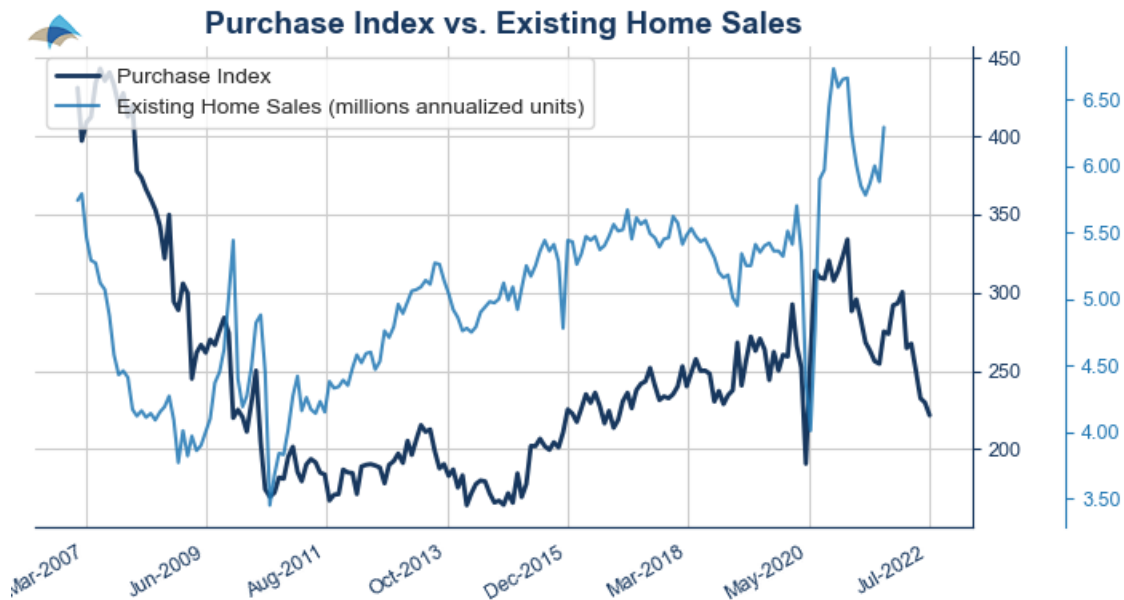


MBS Current Coupon Yield



Mortgage Rates





Weekly MBA Mortgage Application Survey	15.Jul	08.Jul	01.Jul	24.Jun	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	281.10	300.00	305.30	322.70	295.47	309.72	317.10	532.08
Week % Chg	-6.30	-1.70	-5.40	0.70				
Total Apps NSA % Chg.	17.33	-12.68	6.20	-20.00				
Purchase Index	208.00	224.30	232.60	243.10	221.63	229.78	230.24	263.77
Purch. Idx - % Chg.	-7.27	-3.57	-4.32	0.12				
Refinance Index	655.70	685.30	670.30	726.10	670.43	720.95	772.70	2070.01
Refi. Idx - % Chg.	-4.32	2.24	-7.68	1.88				
Ref % Tot	31.40	30.80	29.60	30.30	30.60	30.98	31.83	52.12

MBA 30-yr Fixed Mortgage Effective Rate	6.00	5.91	5.92	6.02	5.94	5.91	5.78	4.22
MBA 30-yr Fixed Points	0.65	0.59	0.65	0.64	0.63	0.68	0.65	0.47
MBA 15-yr Fixed Mortgage Contract Rate	4.88	4.93	4.96	5.06	4.92	4.88	4.81	3.36
MBA 15-yr Fixed Mortgage Effective Rate	4.88	4.93	4.96	5.06	4.92	4.88	4.81	3.36
MBA 15-yr Fixed Points	0.76	0.72	0.68	0.72	0.72	0.76	0.75	0.47
MBA 5-yr ARM Effective Rate	4.60	4.71	4.62	4.64	4.64	4.62	4.52	3.40
% of ARMs	9.50	9.60	9.50	10.10	9.53	9.25	9.49	5.46
% of \$ARMs	17.10	17.70	17.40	18.20	17.40	17.20	17.36	12.15

source: Mortgage Banker Association via Bloomberg Professional