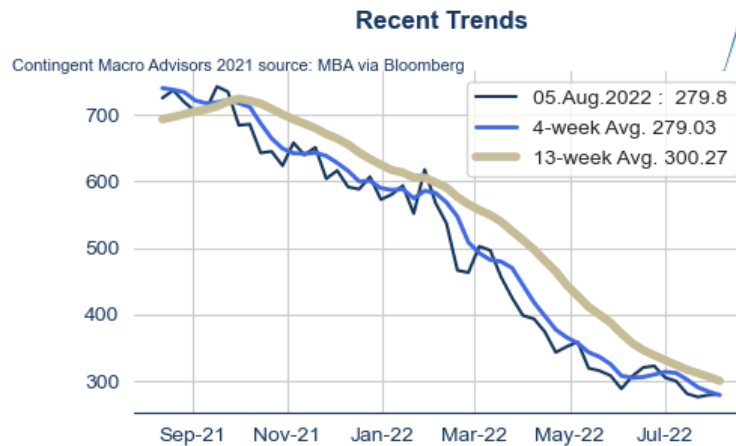
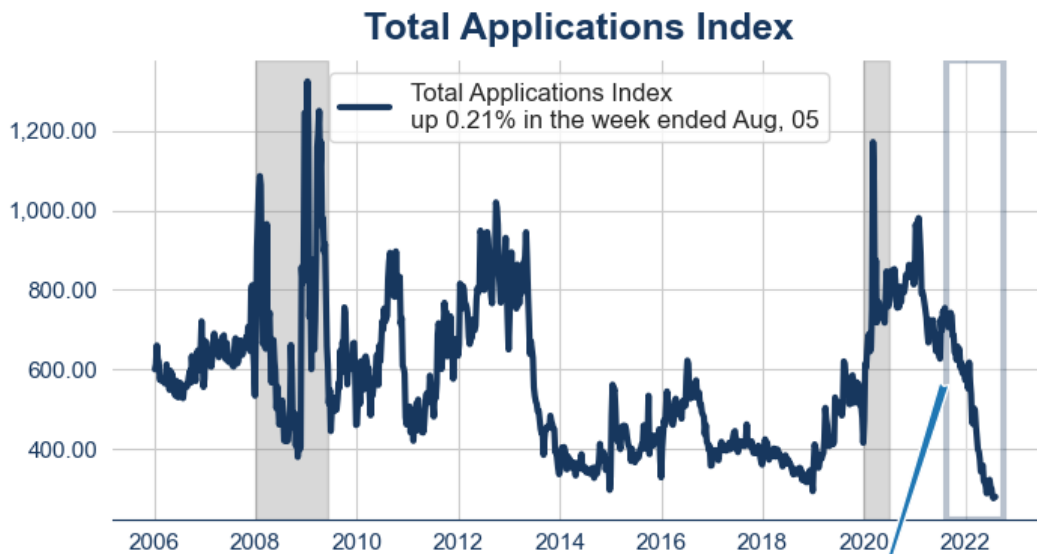


10.Aug.2022

Mortgage Apps: Small Rebound From Depressed Levels

Bottom Line: Mortgage applications rose only slightly to start August, with applications for refinancing edging up but purchase applications dropping again. After secondary market yields dropped in mid-July, it took several weeks for mortgage bankers to comfortably pass along lower rates to primary borrowers. But eventually, borrowers saw lower rates, now consistently back below 6% for the average 30-year fixed-rate mortgage. That has prompted a slight uptick in applications for refis. But the overall level of volume remains very low, with almost no rate impulse seen in purchase applications. **Overall, the trend in mortgage applications suggests that the slowdown in housing has continued into August. It appears that purchase application volume will fall towards levels seen in 2015.**



The MBA Mortgage Application Index was nearly unchanged, UP 0.2% to 280.0, BELOW the 13-week average of 300.0 and -62.9% BELOW the year-ago level. Non-seasonally adjusted the index was nearly unchanged, DOWN -0.3%.

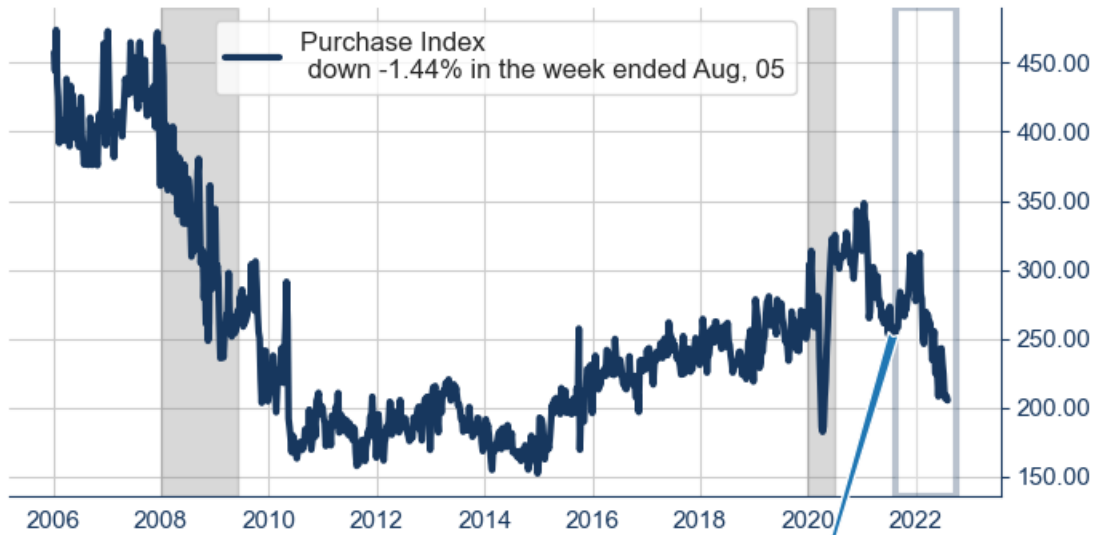
The Purchase Index FELL slightly , DOWN -1.4% to 205.0, BELOW the 13-week average of 221.0 and -18.5% BELOW the year-ago level.

The Refinancing Index ROSE 3.5% to 663.0, BELOW the 13-week average of 708.0 and -82.0% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** ROSE 9bps to 5.71%, BELOW the 13-week average of 5.81% but 85bps ABOVE the year-ago level.

Current coupon yields in the secondary market were up 32.0 bps last week, closing at 4.14%, and were down -8.0 bps this week through Tuesday.

Purchase Index

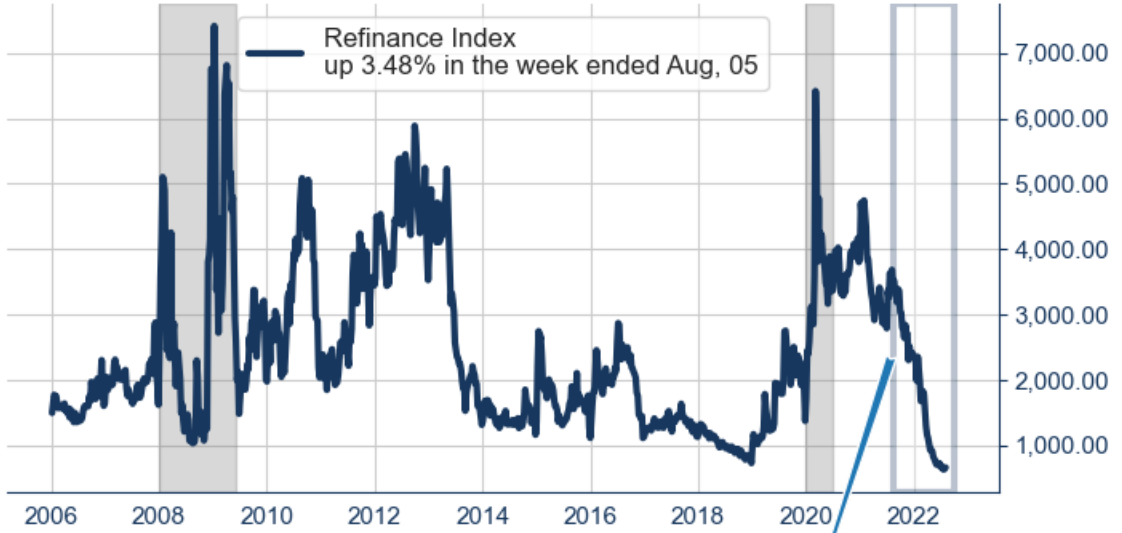


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

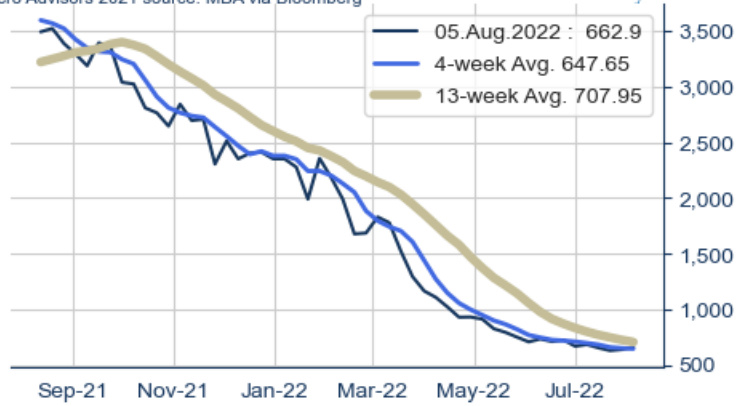


Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

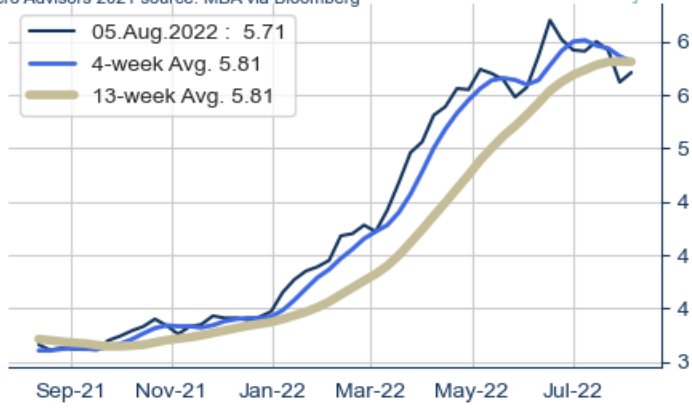


MBA 30-yr Fixed Mortgage Effective Rate

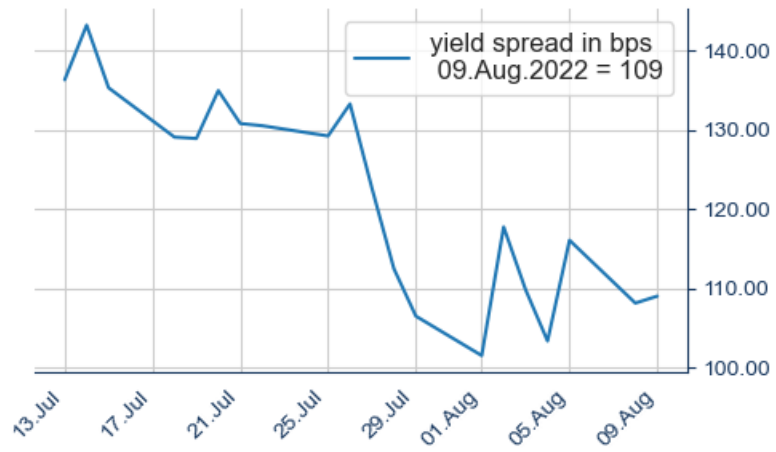


Recent Trends

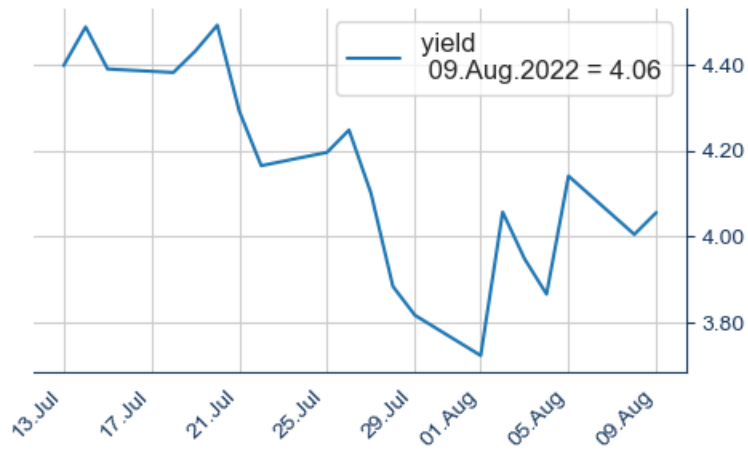
Contingent Macro Advisors 2021 source: MBA via Bloomberg



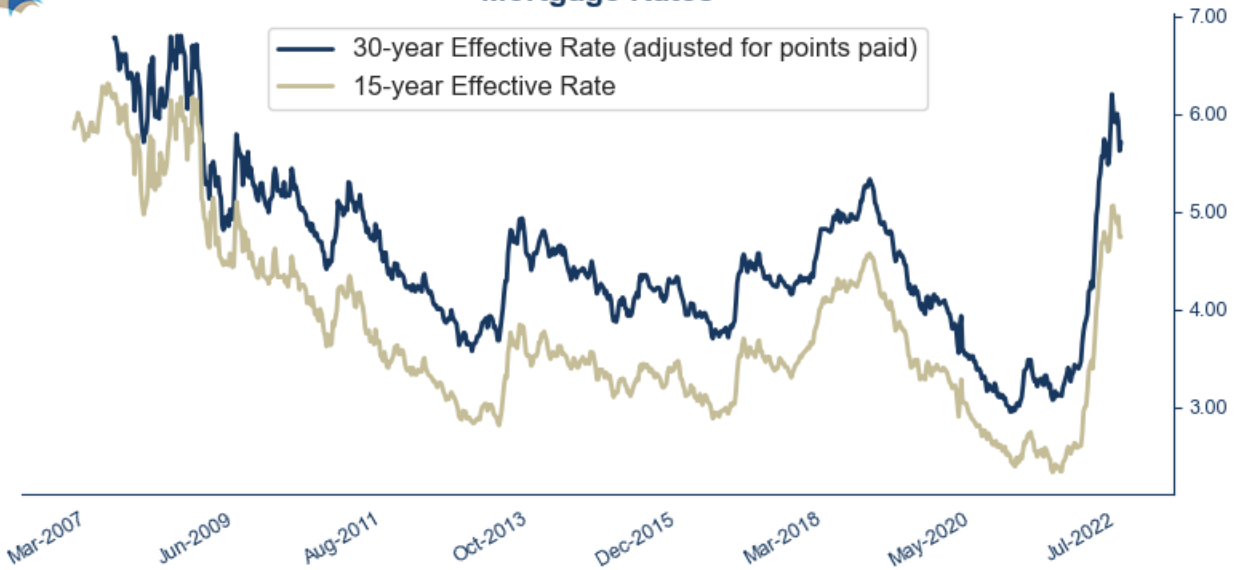
MBS Current Coupon spread to Blend of Treasury Yields

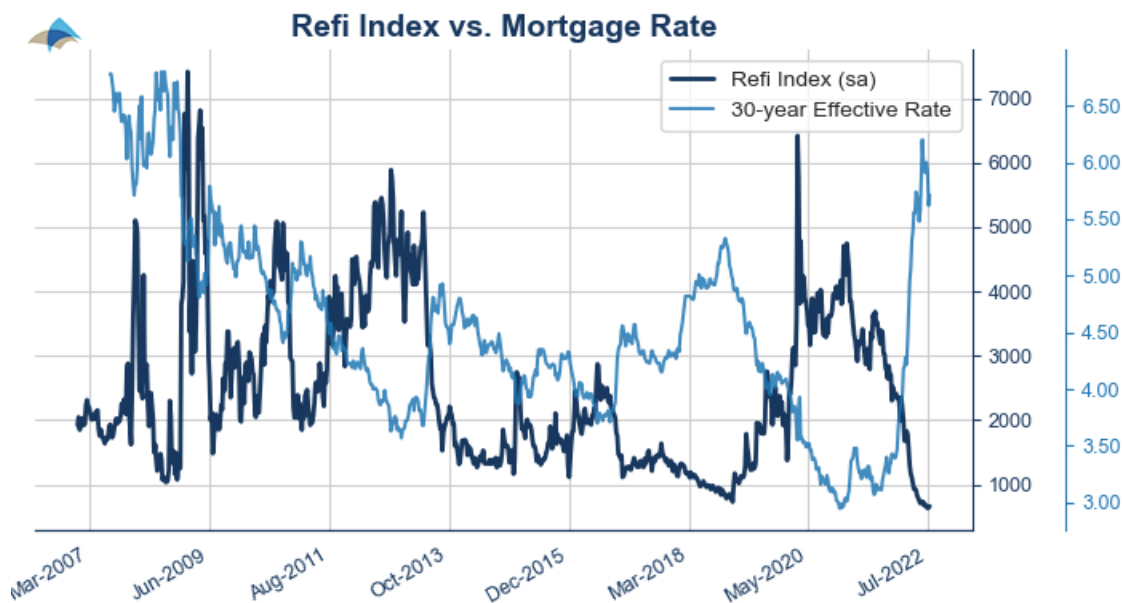
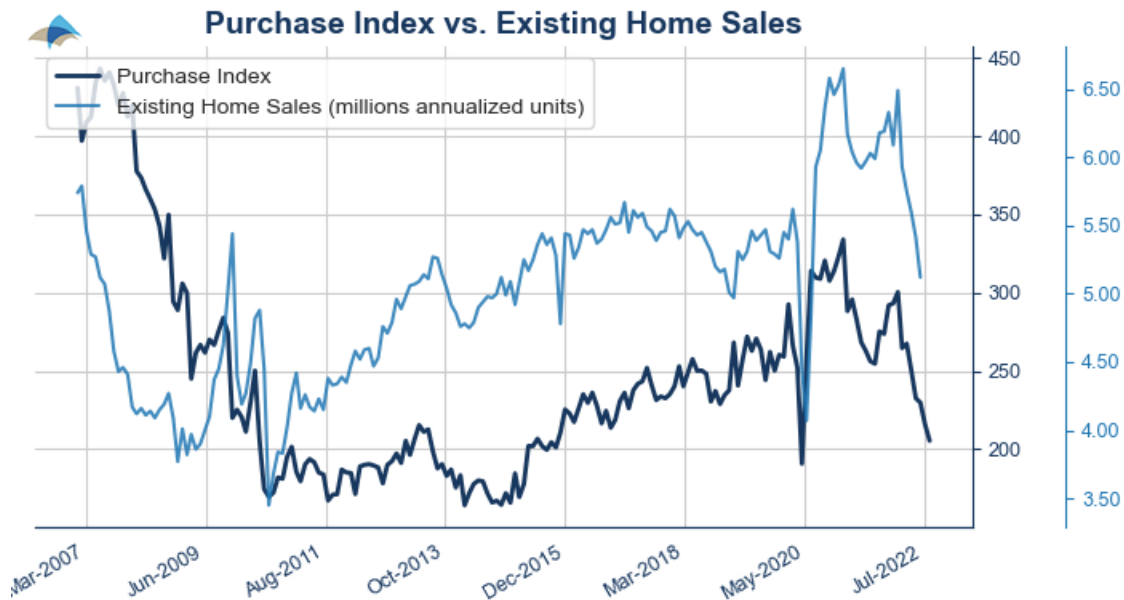


MBS Current Coupon Yield



Mortgage Rates





| Weekly MBA Mortgage Application Survey | 05.Aug | 29.Jul | 22.Jul | 15.Jul | MTD Avg | Prior Mo. Avg. | 13wk. Avg. | 52wk. Avg. |
|--|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|
| Total Applications Index | 279.80 | 279.20 | 276.00 | 281.10 | 279.80 | 288.32 | 300.27 | 505.13 |
| Week % Chg | 0.20 | 1.20 | -1.80 | -6.30 | | | | |
| Total Apps NSA % Chg. | -0.33 | 1.15 | -1.47 | 17.33 | | | | |
| Purchase Index | 205.40 | 208.40 | 206.40 | 208.00 | 205.40 | 215.94 | 221.45 | 261.25 |
| Purch. Idx - % Chg. | -1.44 | 0.97 | -0.77 | -7.27 | | | | |
| Refinance Index | 662.90 | 640.60 | 631.40 | 655.70 | 662.90 | 656.66 | 707.95 | 1897.83 |
| Refi. Idx - % Chg. | 3.48 | 1.46 | -3.71 | -4.32 | | | | |
| Ref % Tot | 32.00 | 30.80 | 30.70 | 31.40 | 32.00 | 30.66 | 31.23 | 50.02 |

| | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| MBA 30-yr Fixed Mortgage Effective Rate | 5.71 | 5.62 | 5.92 | 6.00 | 5.71 | 5.87 | 5.81 | 4.37 |
| MBA 30-yr Fixed Points | 0.80 | 0.65 | 0.61 | 0.65 | 0.80 | 0.63 | 0.66 | 0.49 |
| MBA 15-yr Fixed Mortgage Contract Rate | 4.74 | 4.74 | 4.95 | 4.88 | 4.74 | 4.89 | 4.83 | 3.50 |
| MBA 15-yr Fixed Mortgage Effective Rate | 4.74 | 4.74 | 4.95 | 4.88 | 4.74 | 4.89 | 4.83 | 3.50 |
| MBA 15-yr Fixed Points | 0.62 | 0.65 | 0.67 | 0.76 | 0.62 | 0.70 | 0.71 | 0.49 |
| MBA 5-yr ARM Effective Rate | 4.60 | 4.55 | 4.67 | 4.60 | 4.60 | 4.63 | 4.59 | 3.50 |
| % of ARMs | 7.40 | 8.40 | 9.10 | 9.50 | 7.40 | 9.22 | 9.15 | 5.74 |
| % of \$ARMs | 15.60 | 16.10 | 16.50 | 17.10 | 15.60 | 16.96 | 16.94 | 12.50 |

source: Mortgage Banker Association via Bloomberg Professional