

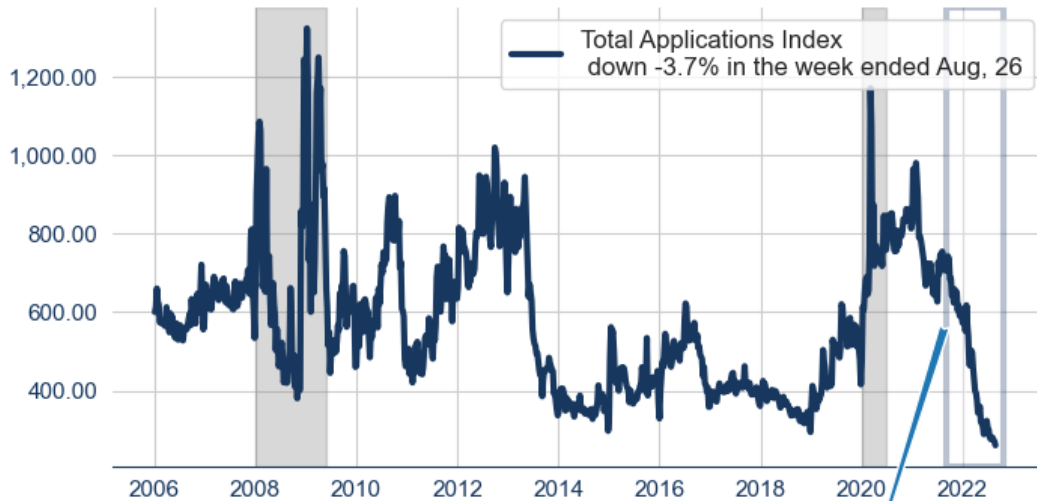
31.Aug.2022

Mortgage Apps: Record Lows

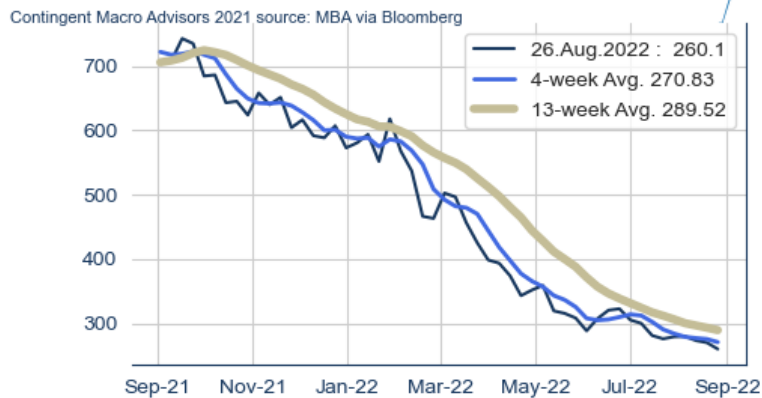
Bottom Line: As the average 30-year fixed-rate mortgage pushed back over 6% last week, applications for purchases and refinancings fell sharply. The refi index hit a new 15+ year low, while the purchased index hit levels last seen in 2016.

Secondary mortgage market yields were higher again this week as spreads to Treasuries were back near the wides of the last few months. **Overall, the trend in mortgage applications suggests that the slowdown in housing continued through August. It appears that purchase application volume will fall towards levels seen in 2015, possibly hitting record lows later this year.**

Total Applications Index



Recent Trends



The MBA Mortgage Application Index FELL -3.7% to 260.0, BELOW the 13-week average of 290.0 and -63.8% BELOW the year-ago level. Non-seasonally adjusted the index FELL -5.3%.

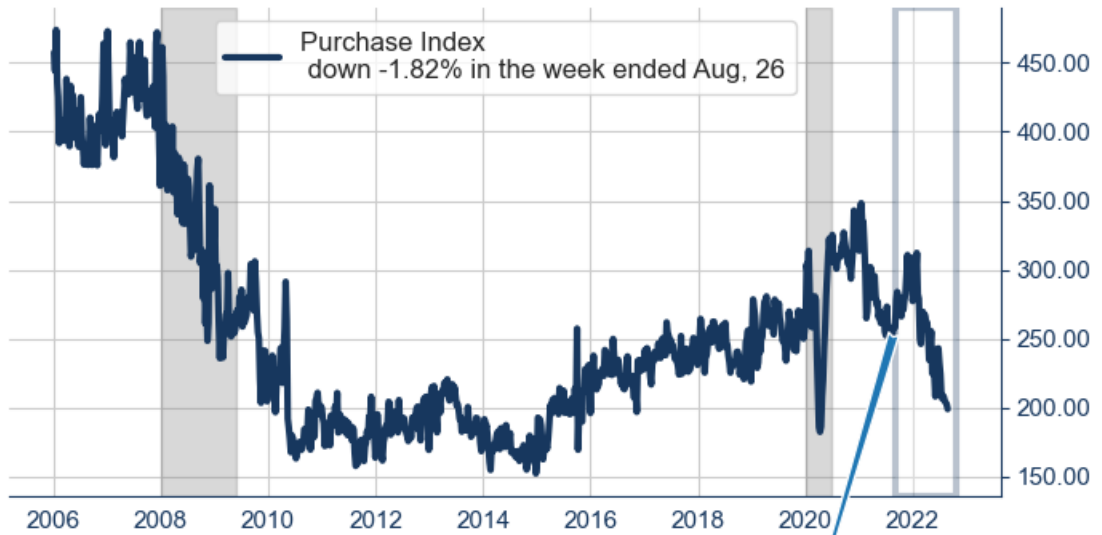
The Purchase Index FELL -1.8% to 199.0, BELOW the 13-week average of 216.0, and -23.1% BELOW the year-ago level.

The Refinancing Index FELL -7.8% to 562.0, BELOW the 13-week average of 664.0 and -83.4% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** ROSE sharply, UP 16bps to 6.01%, ABOVE the 13-week average of 5.86% and 92bps ABOVE the year-ago level.

Current coupon yields in the secondary market were up 13.0 bps last week, closing at 4.49%, and were up 8.0 bps this week through Tuesday.

Purchase Index

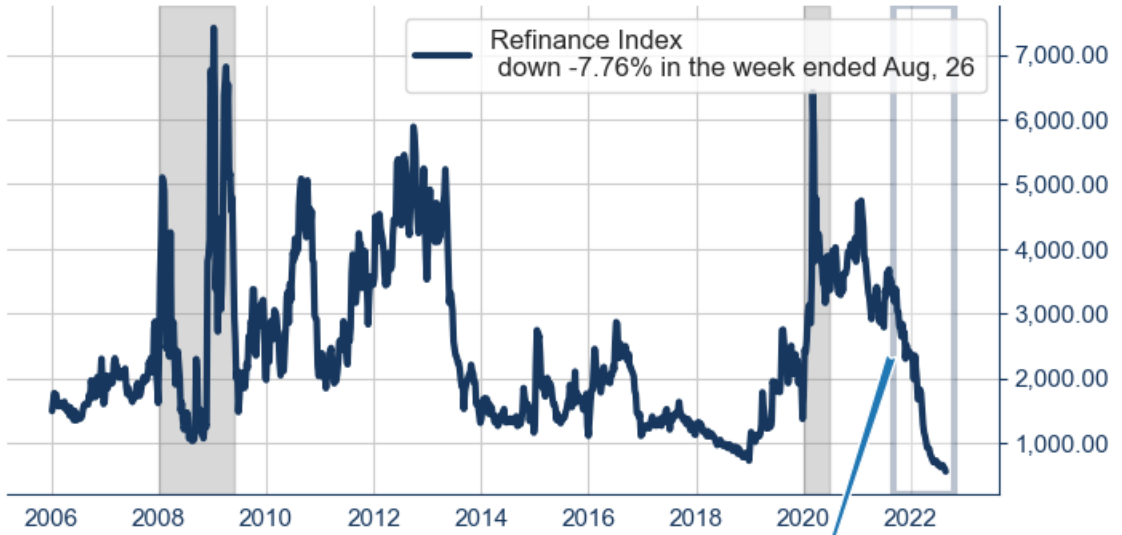


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

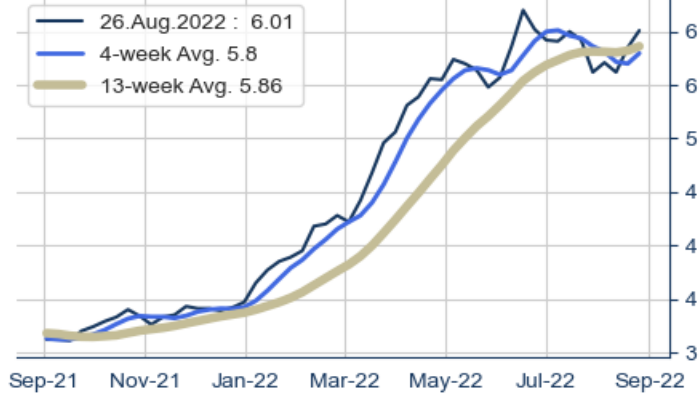


MBA 30-yr Fixed Mortgage Effective Rate

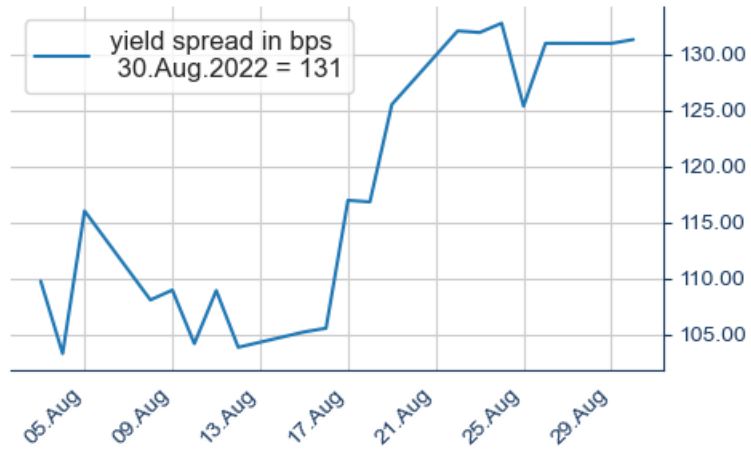


Recent Trends

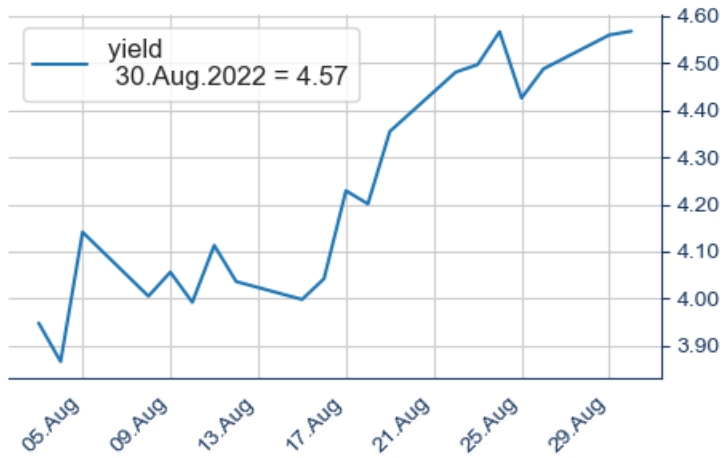
Contingent Macro Advisors 2021 source: MBA via Bloomberg



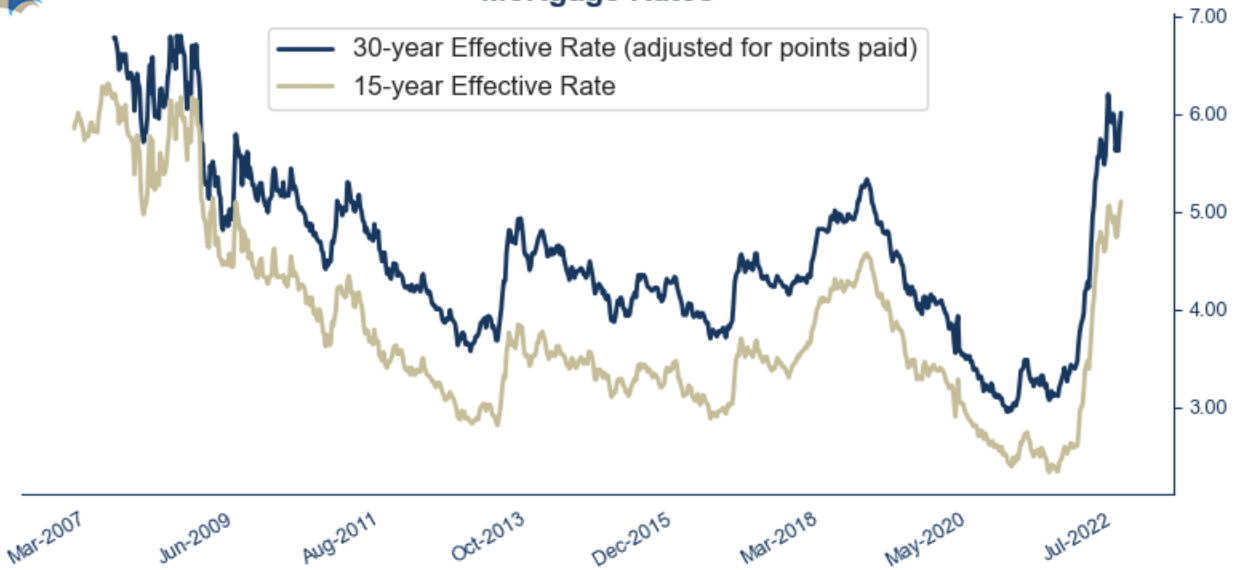
MBS Current Coupon spread to Blend of Treasury Yields

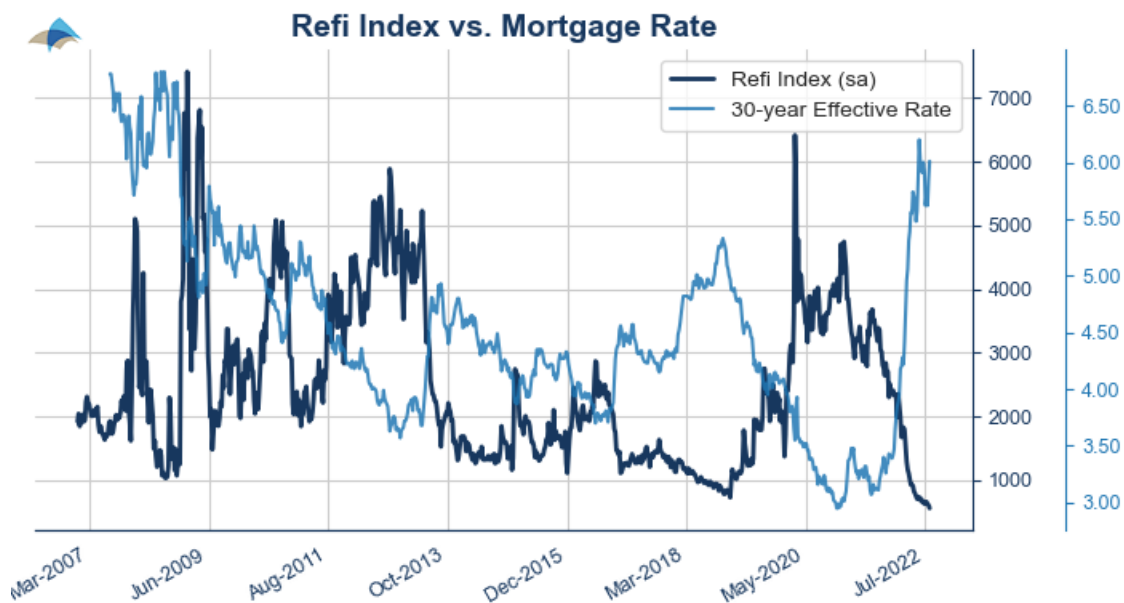
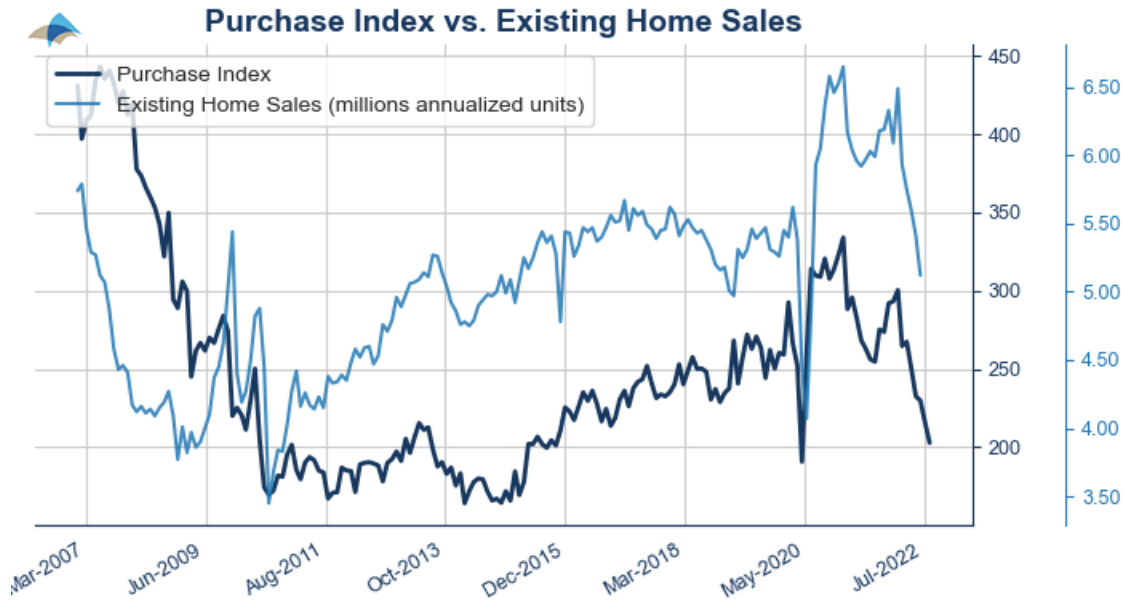


MBS Current Coupon Yield



Mortgage Rates





Weekly MBA Mortgage Application Survey	26.Aug	19.Aug	12.Aug	05.Aug	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	260.10	270.10	273.30	279.80	270.83	288.32	289.52	478.63
Week % Chg	-3.70	-1.20	-2.30	0.20				
Total Apps NSA % Chg.	-5.26	-2.50	-3.16	-0.33				
Purchase Index	199.10	202.80	203.80	205.40	202.78	215.94	216.15	258.16
Purch. Idx - % Chg.	-1.82	-0.49	-0.78	-1.44				
Refinance Index	562.50	609.80	627.10	662.90	615.58	656.66	663.80	1732.50
Refi. Idx - % Chg.	-7.76	-2.76	-5.40	3.48				
Ref % Tot	30.30	31.10	31.20	32.00	31.15	30.66	30.91	47.92

MBA 30-yr Fixed Mortgage Effective Rate	6.01	5.85	5.62	5.71	5.80	5.87	5.86	4.53
MBA 30-yr Fixed Points	0.71	0.68	0.57	0.80	0.69	0.63	0.66	0.51
MBA 15-yr Fixed Mortgage Contract Rate	5.10	5.01	4.87	4.74	4.93	4.89	4.90	3.65
MBA 15-yr Fixed Mortgage Effective Rate	5.10	5.01	4.87	4.74	4.93	4.89	4.90	3.65
MBA 15-yr Fixed Points	0.82	0.84	0.64	0.62	0.73	0.70	0.73	0.52
MBA 5-yr ARM Effective Rate	4.78	4.81	4.43	4.60	4.66	4.63	4.64	3.61
% of ARMs	8.50	6.50	7.00	7.40	7.35	9.22	8.65	5.98
% of \$ARMs	16.80	13.50	13.80	15.60	14.93	16.96	16.41	12.80

source: Mortgage Banker Association via Bloomberg Professional