

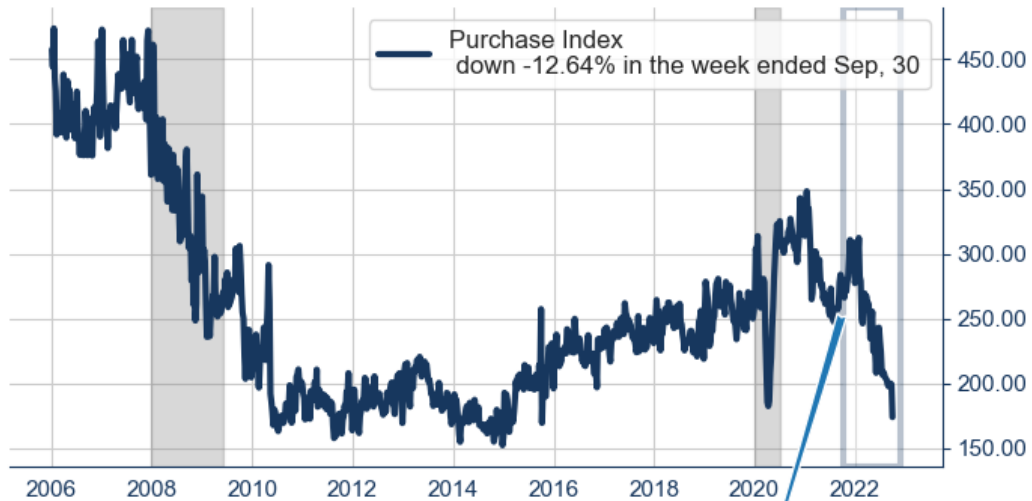
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05.Oct.2022

Mortgage Apps: A Near Complete Halt

Bottom Line: Mortgage rates averaged over 7% in the final week of September, nearly bringing mortgage applications to a complete halt. The Mortgage Bankers Association's application index was down over 14%. The Refi Index hit a new record low, while the purchase index nearly hit levels last seen in late 2014. On the plus side, secondary mortgage market yields were lower this week, suggesting the average 30-year fixed-rate mortgage should be back below 7% this week. Still, this trend will take years to reverse as the mortgage market adjusts to this year's historic move in rates.

Purchase Index



Recent Trends



The MBA Mortgage Application Index FELL sharply , DOWN -14.2% to 219.0, BELOW the 13-week average of 267.0 and -68.0% BELOW the year-ago level. Non-seasonally adjusted the index FELL -14.2%.

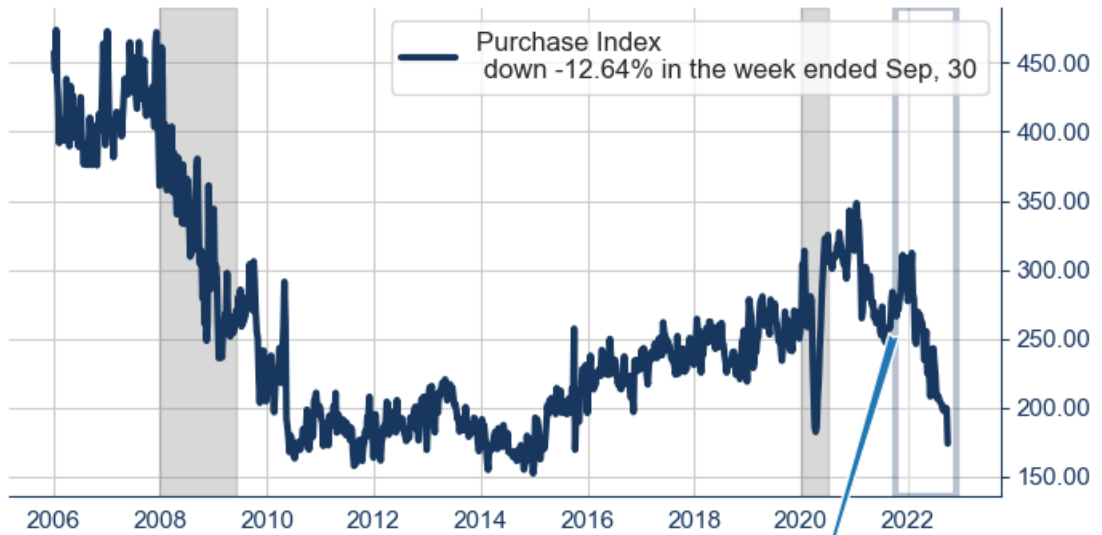
The Purchase Index FELL sharply , DOWN -12.6% to 174.0, BELOW the 13-week average of 202.0 and -36.9% BELOW the year-ago level.

The Refinancing Index FELL sharply , DOWN -17.8% to 431.0, BELOW the 13-week average of 593.0 and -85.8% BELOW the year-ago level.

The effective (adjusted for points paid) 30-year mortgage rate ROSE 17bps to 7.03%, ABOVE the 13-week average of 6.11% and 117bps ABOVE the year-ago level.

Current coupon yields in the secondary market were up 19.0 bps last week, closing at 5.68%, and were down -26.0 bps this week through Tuesday.

Purchase Index

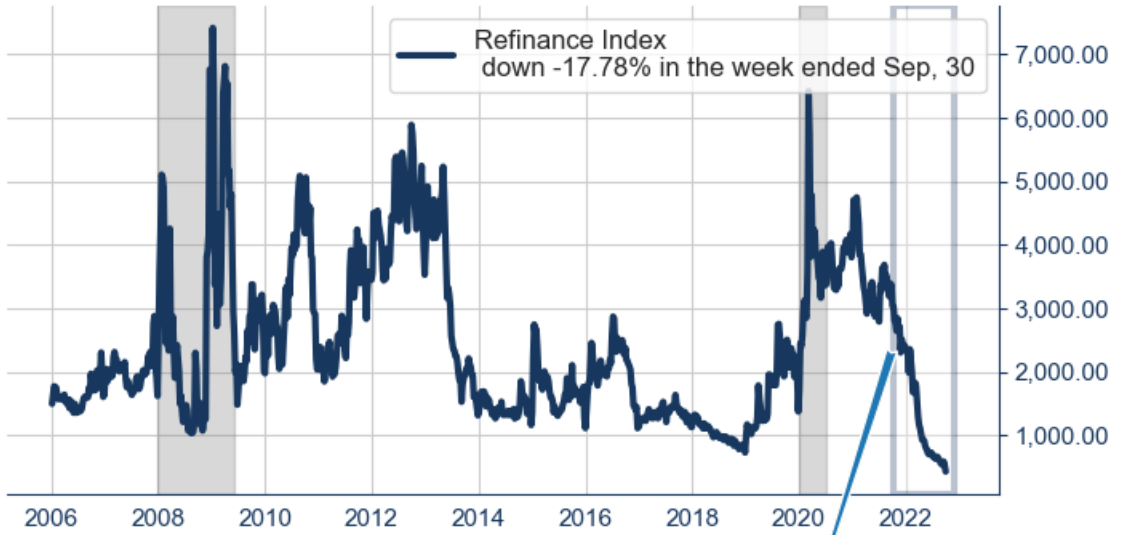


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

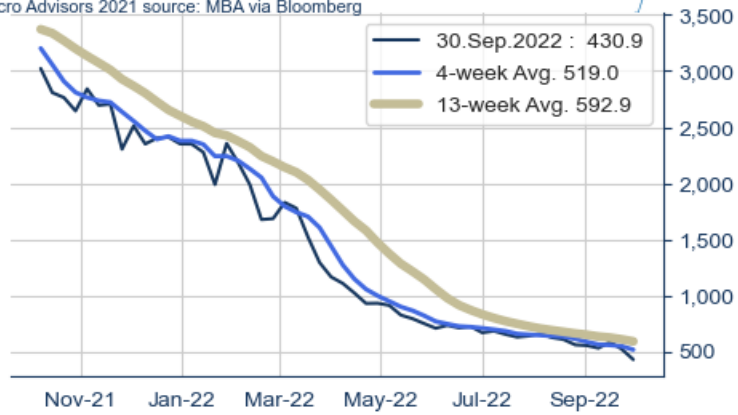


Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

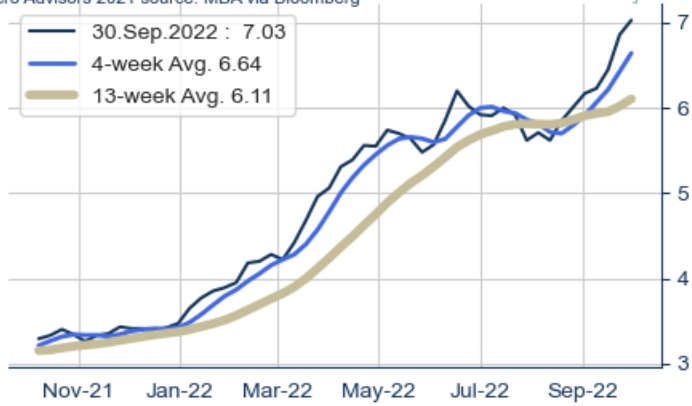


MBA 30-yr Fixed Mortgage Effective Rate

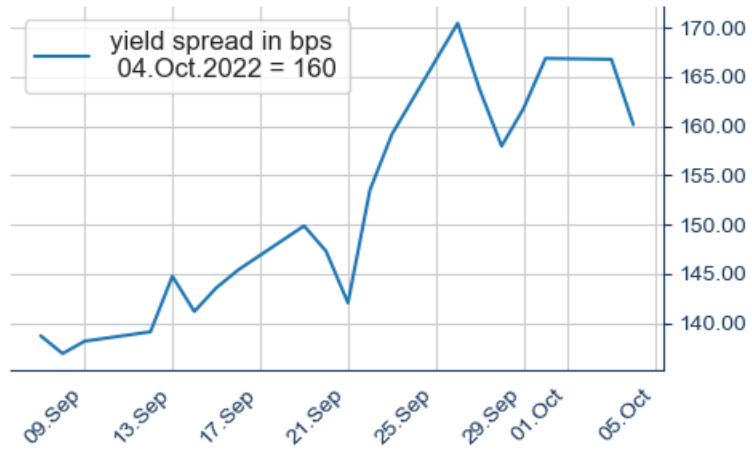


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



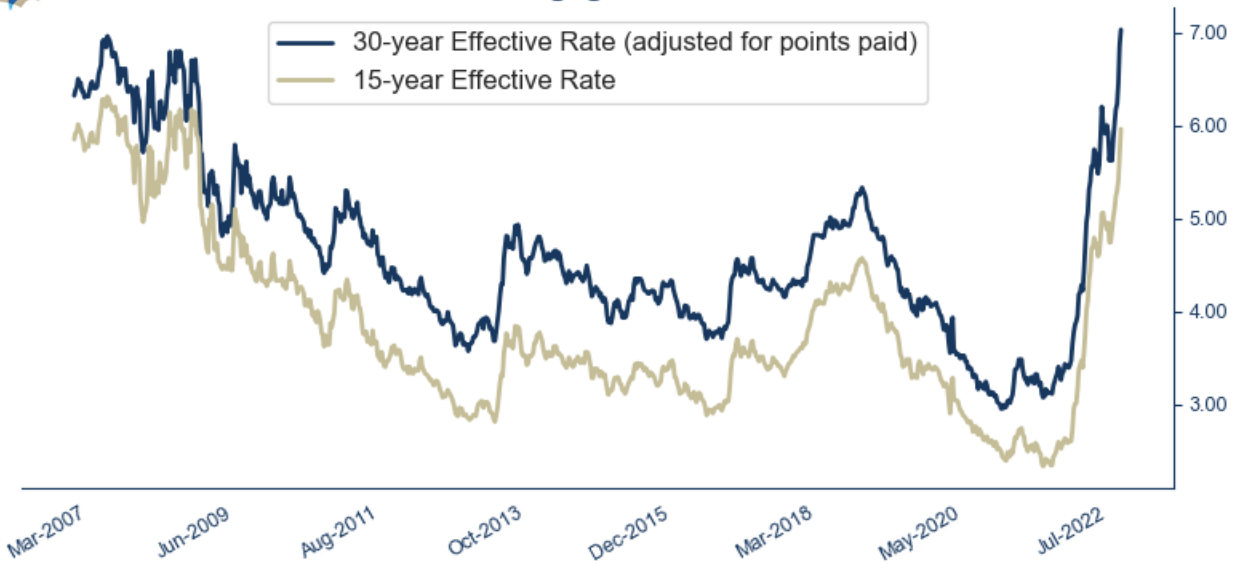
MBS Current Coupon spread to Blend of Treasury Yields

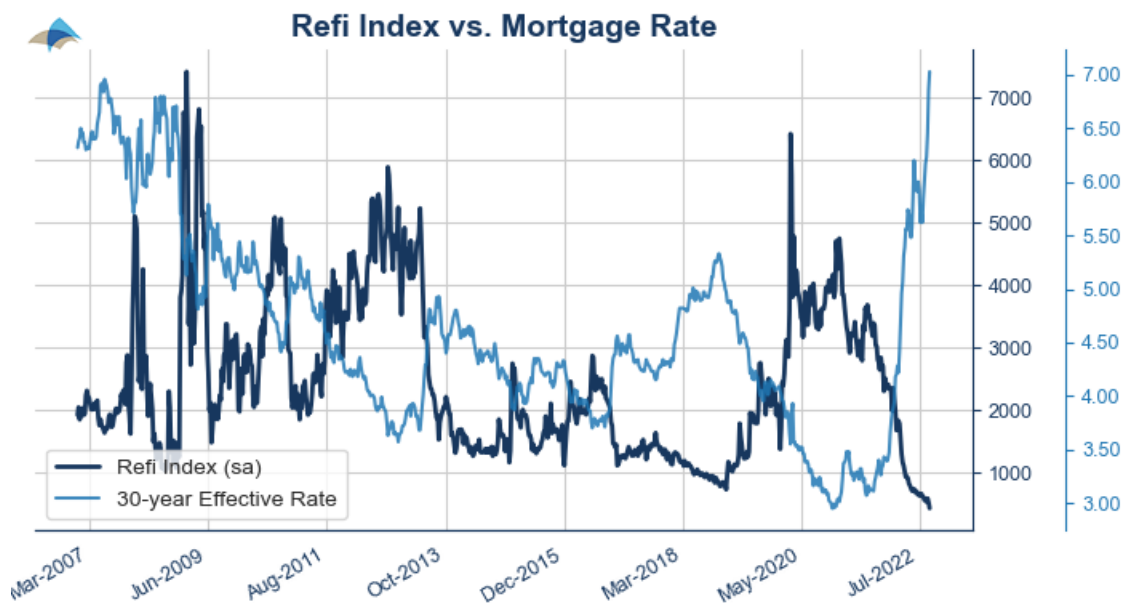
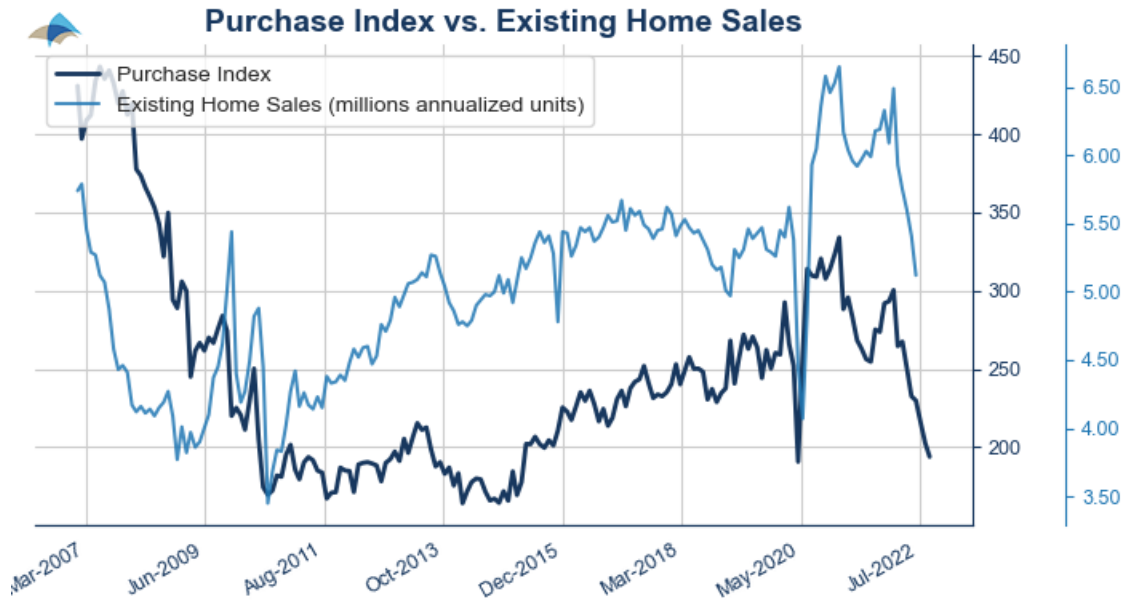


MBS Current Coupon Yield



Mortgage Rates





Weekly MBA Mortgage Application Survey	30.Sep	23.Sep	16.Sep	09.Sep	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	218.70	254.80	264.70	255.00	250.26	270.83	266.99	433.93
Week % Chg	-14.20	-3.70	3.80	-1.20				
Total Apps NSA % Chg.	-14.22	-4.27	14.18	-12.38				
Purchase Index	174.10	199.30	200.10	198.10	193.88	202.78	202.12	250.34
Purch. Idx - % Chg.	-12.64	-0.40	1.01	0.15				
Refinance Index	430.90	524.10	588.10	532.90	526.48	615.58	592.90	1470.32
Refi. Idx - % Chg.	-17.78	-10.88	10.36	-4.22				
Ref % Tot	29.00	30.20	32.50	30.20	30.52	31.15	30.84	44.53

MBA 30-yr Fixed Mortgage Effective Rate	7.03	6.86	6.45	6.23	6.55	5.80	6.11	4.85
MBA 30-yr Fixed Points	0.95	1.15	0.71	0.76	0.87	0.69	0.74	0.56
MBA 15-yr Fixed Mortgage Contract Rate	5.96	5.70	5.40	5.30	5.52	4.93	5.14	3.96
MBA 15-yr Fixed Mortgage Effective Rate	5.96	5.70	5.40	5.30	5.52	4.93	5.14	3.96
MBA 15-yr Fixed Points	1.08	1.33	1.06	0.89	1.04	0.73	0.84	0.59
MBA 5-yr ARM Effective Rate	5.36	5.30	5.14	4.83	5.09	4.66	4.81	3.85
% of ARMs	11.80	10.40	9.10	9.10	9.78	7.35	8.84	6.62
% of \$ARMs	21.10	19.60	17.70	17.40	18.46	14.93	16.88	13.71

source: Mortgage Banker Association via Bloomberg Professional