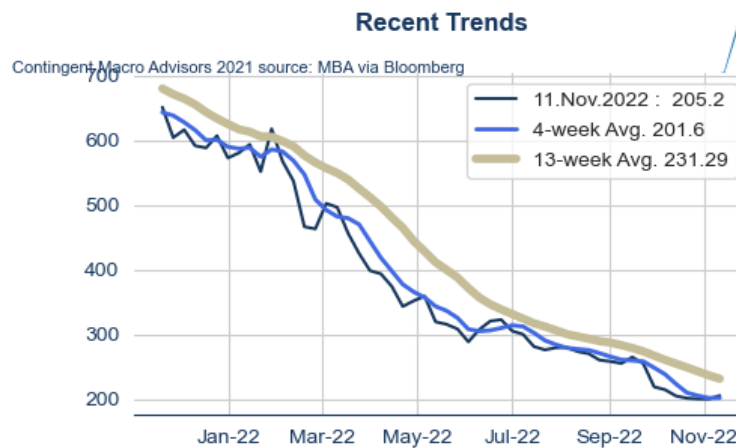
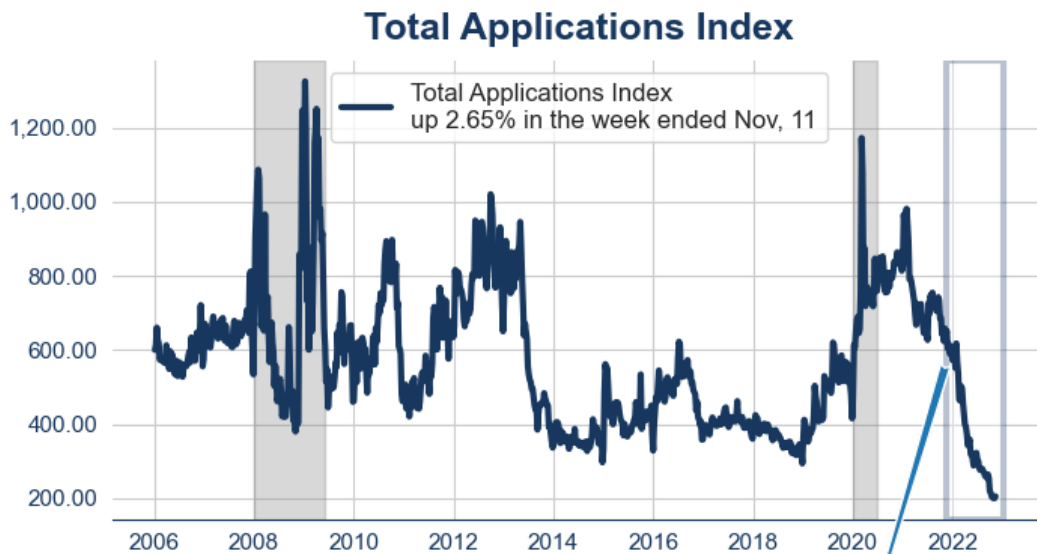


16.Nov.2022

## Mortgage Apps: Rates Spur Slight Uptick

**Bottom Line:** Average mortgage rates dropped 30 basis points last week, spurring a modest increase in purchase applications. Only the second significant decline in rates since the 400 basis point march higher started early this year, some potential buyers were quick to take out applications. Still, the level of mortgage applications remained extremely low, with the 4.4% increase last week barely noticeable after nearly 50% declines this year. Encouragingly secondary mortgage market rates should support the primary market as volatility eases. Yields in the mortgage-backed securities were lower by more than 60bps last week, with mortgage bankers not yet able to pass along all of the rate declines to the primary market. Overall, mortgage application volumes are extremely low after a year of historic moves higher in mortgage rates -- but there are at least signs that declines in rates will at least be met with some increase in activity.



**The MBA Mortgage Application Index** ROSE 2.7% to 205.0, BELOW the 13-week average of 231.0 and -67.9% BELOW the year-ago level. Non-seasonally adjusted the index FELL -10.1%.

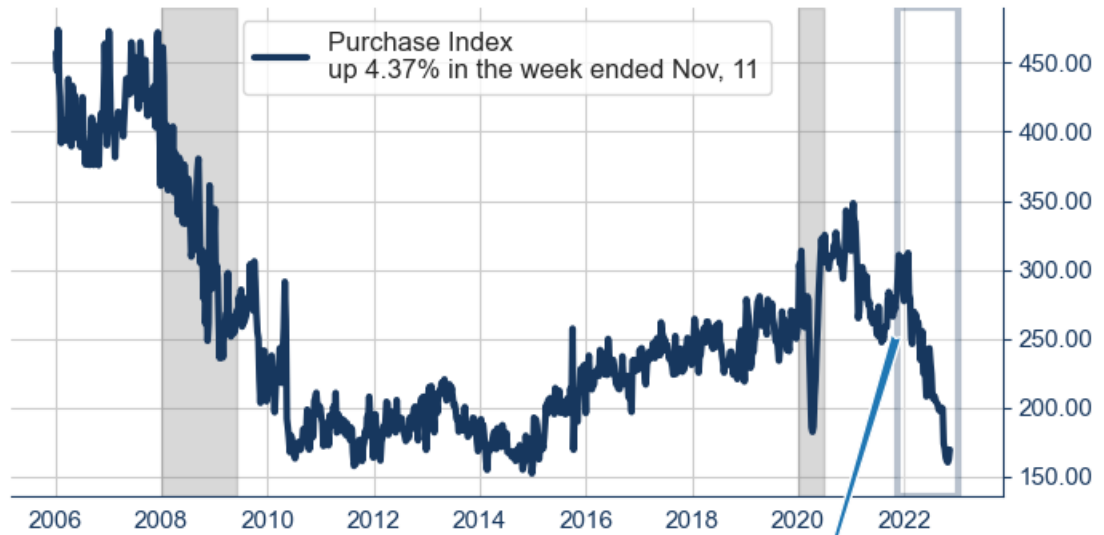
**The Purchase Index** ROSE 4.4% to 170.0, BELOW the 13-week average of 182.0 and -39.9% BELOW the year-ago level.

**The Refinancing Index** FELL slightly, DOWN -1.6% to 367.0, BELOW the 13-week average of 472.0, and -86.4% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** FELL sharply, DOWN -30bps to 7.06%, ABOVE the 13-week average of 6.77% and 112bps ABOVE the year-ago level.

**Current coupon yields in the secondary market** were down -64.0 bps last week, closing at 5.29%, and were little changed this week through Tuesday.

### Purchase Index

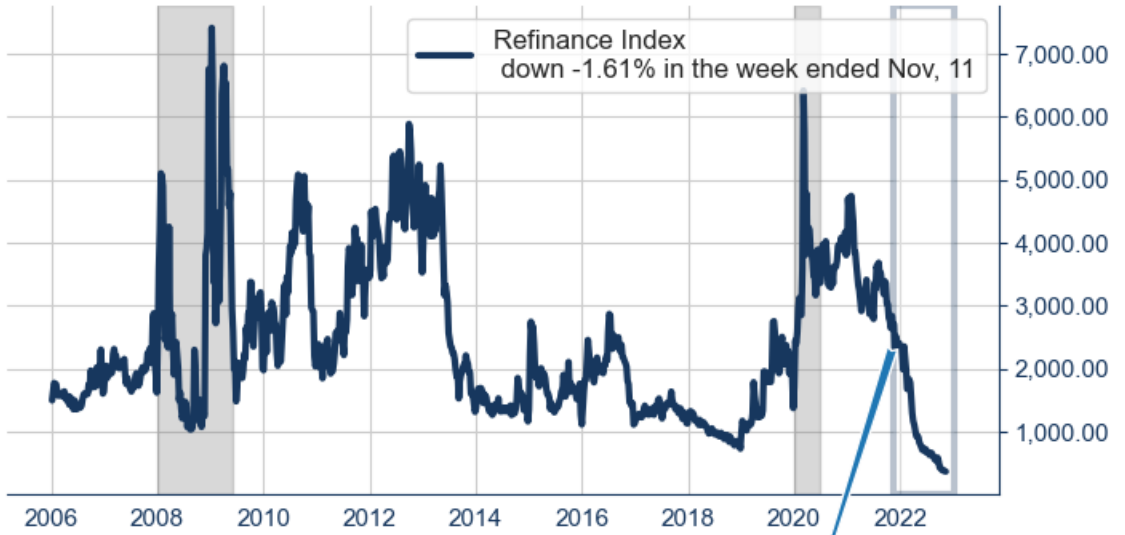


### Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

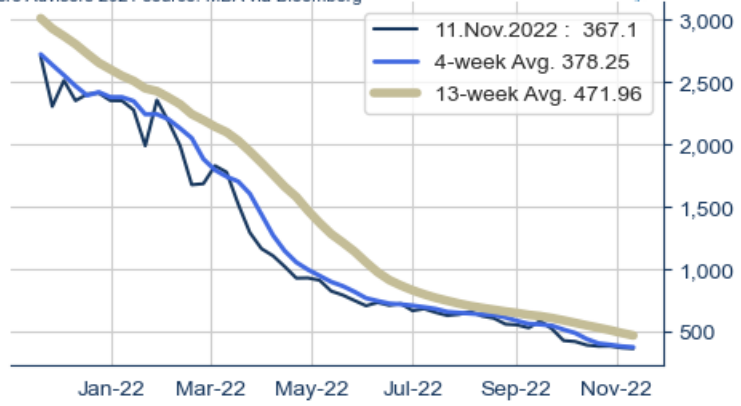


# Refinance Index



## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

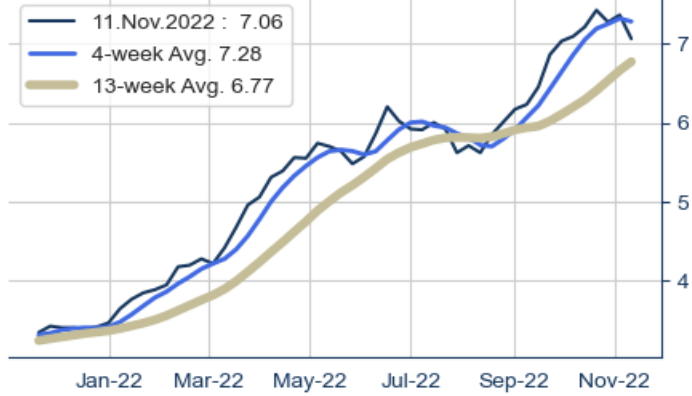


# MBA 30-yr Fixed Mortgage Effective Rate

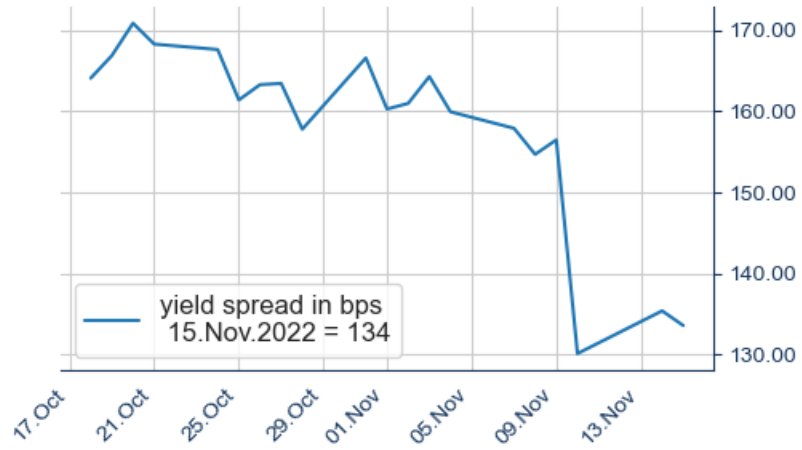


## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



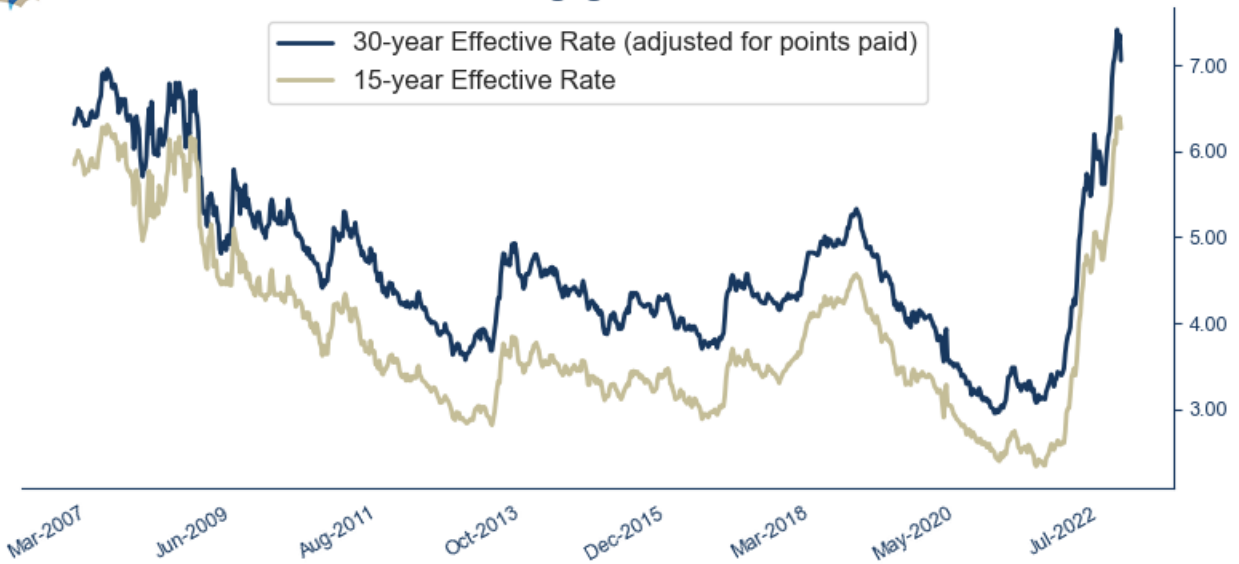
# MBS Current Coupon spread to Blend of Treasury Yields

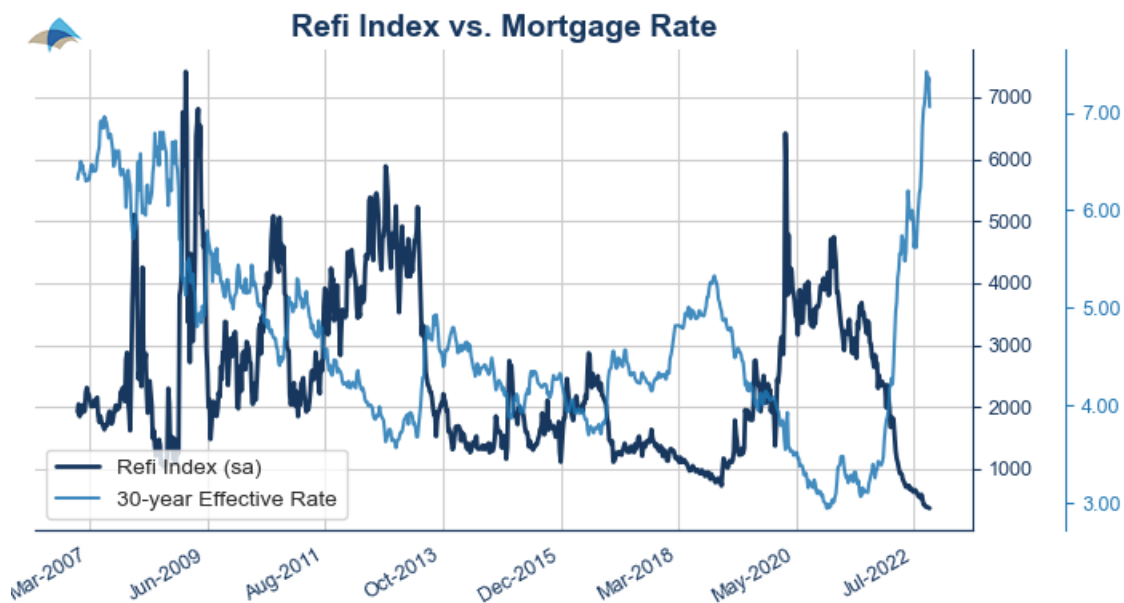
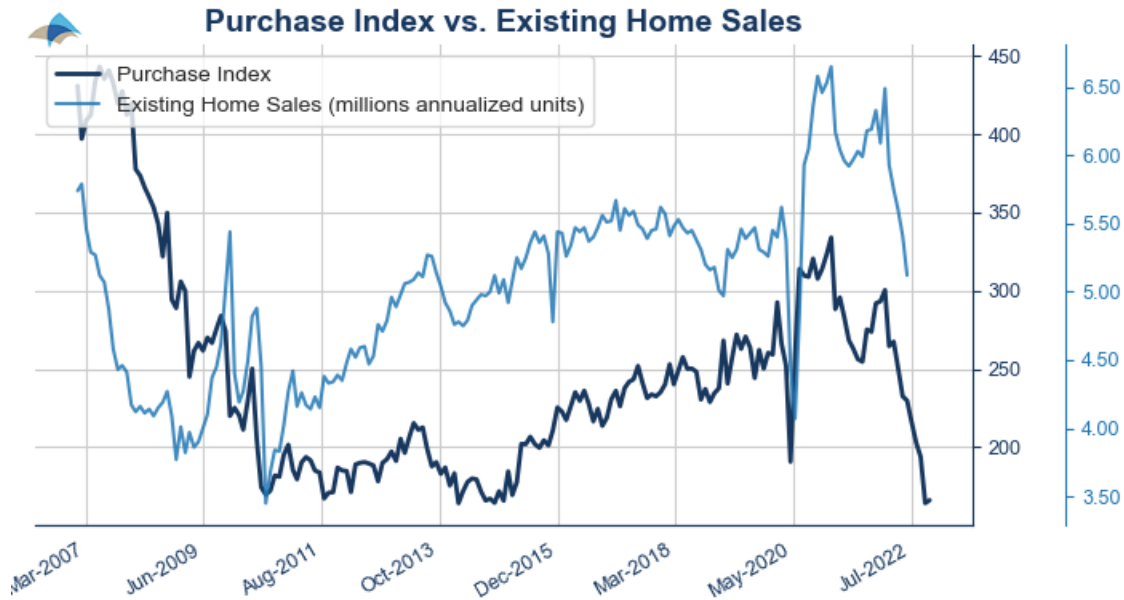


### MBS Current Coupon Yield



### Mortgage Rates





Weekly MBA Mortgage Application Survey	11.Nov	04.Nov	28.Oct	21.Oct	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
<b>Total Applications Index</b>	<b>205.20</b>	<b>199.90</b>	<b>200.10</b>	<b>201.20</b>	<b>202.55</b>	<b>205.05</b>	<b>231.29</b>	<b>382.57</b>
<b>Week % Chg</b>	<b>2.70</b>	<b>-0.10</b>	<b>-0.50</b>	<b>-1.70</b>				
<b>Total Apps NSA % Chg.</b>	<b>-10.06</b>	<b>-1.85</b>	<b>-1.32</b>	<b>-1.79</b>				
Purchase Index	169.70	162.60	160.50	161.80	166.15	164.25	181.58	237.56
Purch. Idx - % Chg.	4.37	1.31	-0.80	-1.46				
Refinance Index	367.10	373.10	386.70	386.10	370.10	397.65	471.96	1192.53
Refi. Idx - % Chg.	-1.61	-3.52	0.16	-2.15				
Ref % Tot	27.60	28.10	28.60	28.20	27.85	28.52	29.52	40.54



MBA 30-yr Fixed Mortgage Effective Rate	7.06	7.36	7.27	7.42	7.21	7.25	6.77	5.30
MBA 30-yr Fixed Points	0.56	0.77	0.73	0.88	0.67	0.88	0.82	0.62
MBA 15-yr Fixed Mortgage Contract Rate	6.27	6.40	6.37	6.39	6.33	6.24	5.80	4.39
MBA 15-yr Fixed Mortgage Effective Rate	6.27	6.40	6.37	6.39	6.33	6.24	5.80	4.39
MBA 15-yr Fixed Points	0.73	1.13	1.05	1.52	0.93	1.26	1.06	0.69
MBA 5-yr ARM Effective Rate	5.73	5.87	5.79	5.86	5.80	5.71	5.35	4.17
% of ARMs	10.60	12.00	11.80	12.70	11.30	12.25	10.42	7.63
% of \$ARMs	20.60	22.50	21.40	22.80	21.55	22.15	19.56	15.22

source: Mortgage Banker Association via Bloomberg Professional