

15.Feb.2023

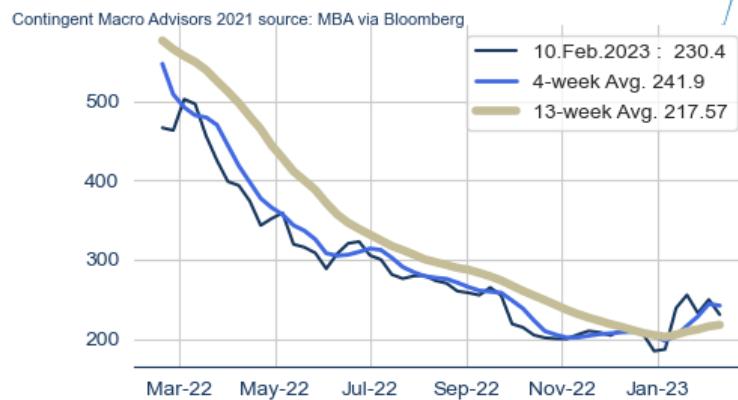
## **Mortgage Apps: Sharp Drop As Rates Bounce**

**Bottom Line:** Mortgage rates rose sharply last week, putting a damper on mortgage applications and highlighting how sensitive homebuyers and potential refinancings remain to rates. The effective average 30-year mortgage rate jumped nearly a 1/4 point to 6.60%, responding to increased Treasury yields and wider secondary mortgage market spreads. Before the sudden rebound in mortgage rates, applications appeared to be finding a bottom. But that is now in question and bears close watching as rate and spread volatility have started to increase again.

## Total Applications Index



### Recent Trends



**The MBA Mortgage Application Index** FELL -7.7% to 230.0, ABOVE the 13-week average of 218.0 but -57.1% BELOW the year-ago level. Non-seasonally adjusted the index FELL -7.3%.

**The Purchase Index** FELL -5.5% to 180.0, BELOW the 13-week average of 181.0 and -35.6% BELOW the year-ago level.

**The Refinancing Index** FELL sharply, DOWN -12.5% to 480.0, ABOVE the 13-week average of 397.0 but -75.8% BELOW the year-ago level.

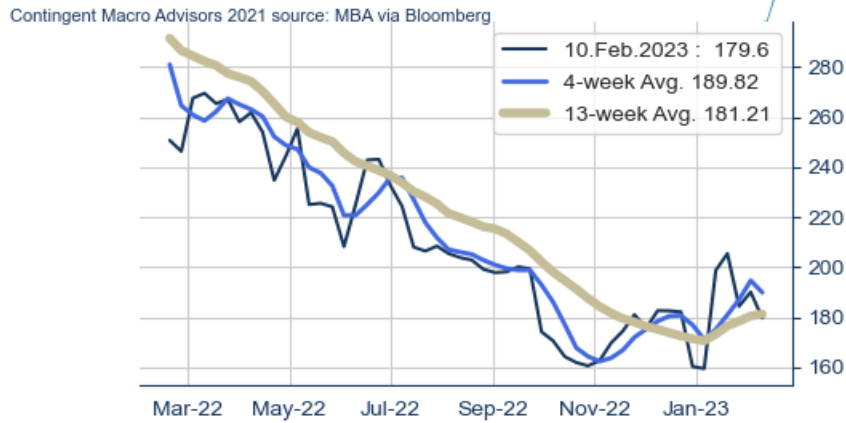
The effective (adjusted for points paid) **30-year mortgage rate** ROSE sharply, UP 24bps to 6.6%, ABOVE the 13-week average of 6.57% and 58bps ABOVE the year-ago level.

**Current coupon yields in the secondary market** were up 42.0 bps last week, closing at 5.31%, and were up 4.0 bps this week through Tuesday.

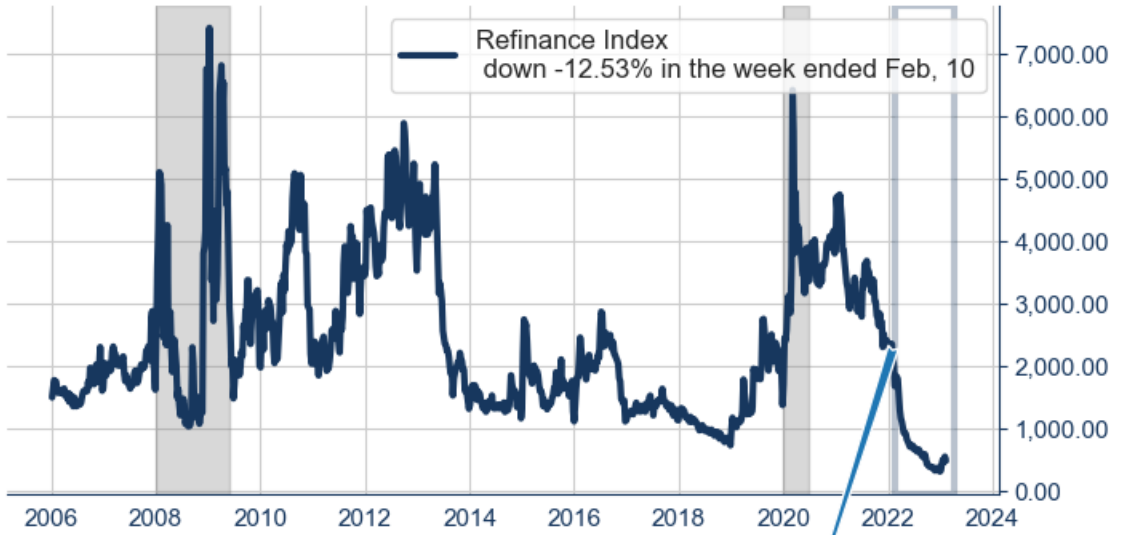
### Purchase Index



### Recent Trends

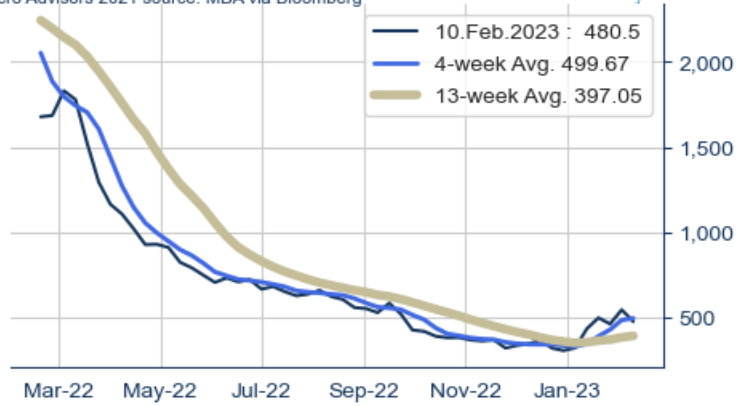


# Refinance Index



## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

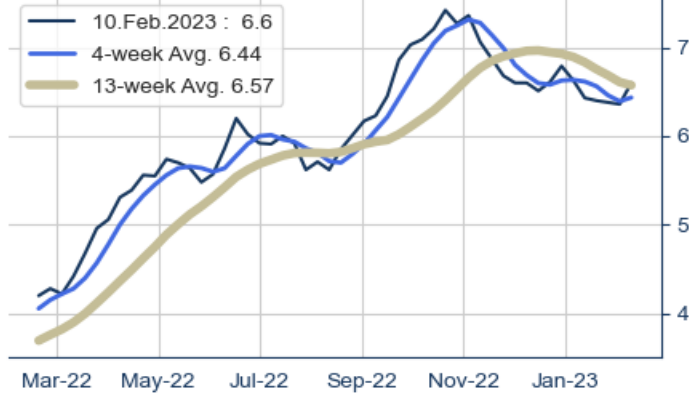


# MBA 30-yr Fixed Mortgage Effective Rate

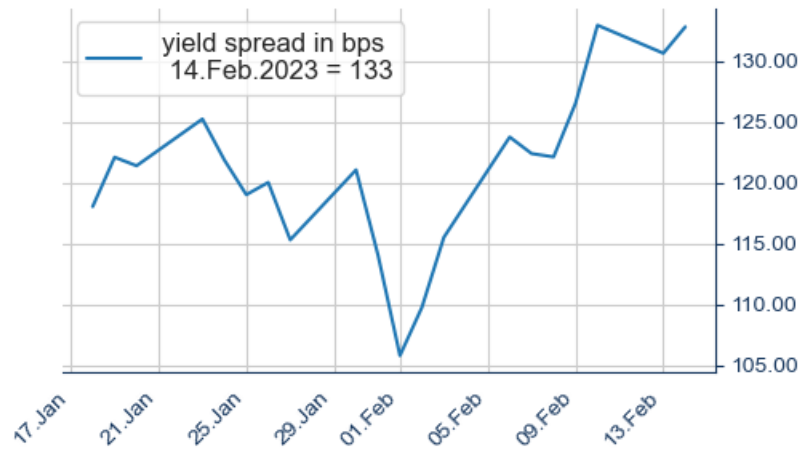


## Recent Trends

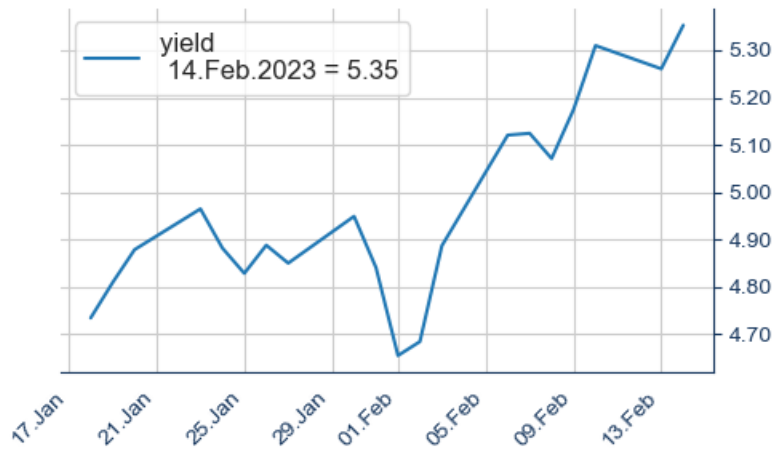
Contingent Macro Advisors 2021 source: MBA via Bloomberg



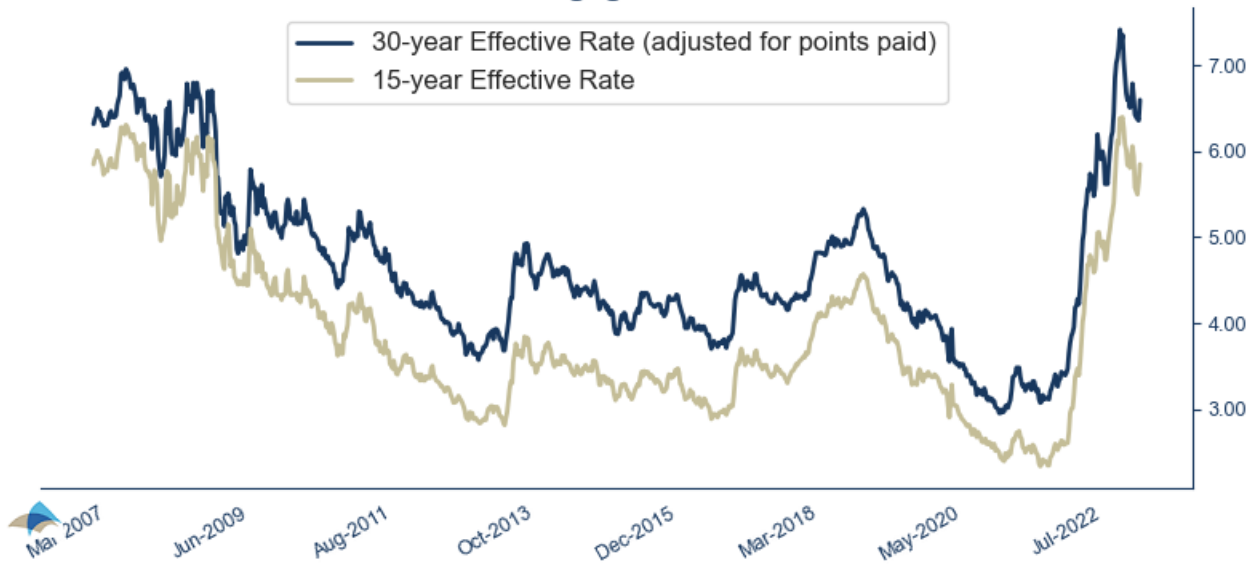
## MBS Current Coupon spread to Blend of Treasury Yields



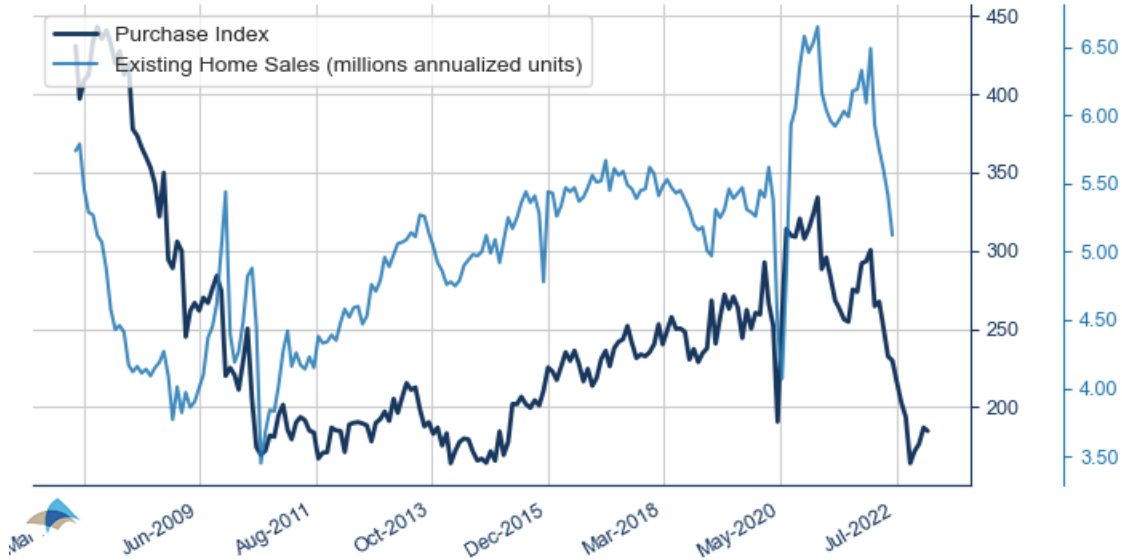
### MBS Current Coupon Yield



### Mortgage Rates



### Purchase Index vs. Existing Home Sales



### Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	10.Feb	03.Feb	27.Jan	20.Jan	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
<b>Total Applications Index</b>	<b>230.40</b>	<b>249.50</b>	<b>232.40</b>	<b>255.30</b>	<b>239.95</b>	<b>228.28</b>	<b>217.57</b>	<b>289.26</b>
<b>Week % Chg</b>	<b>-7.70</b>	<b>7.40</b>	<b>-9.00</b>	<b>7.00</b>				
<b>Total Apps NSA % Chg.</b>	<b>-7.30</b>	<b>8.28</b>	<b>5.81</b>	<b>0.59</b>				
Purchase Index	179.60	190.00	184.30	205.40	184.80	186.95	181.21	209.11
Purch. Idx - % Chg.	-5.47	3.09	-10.27	3.37				
Refinance Index	480.50	549.30	466.60	502.30	514.90	433.48	397.05	711.38
Refi. Idx - % Chg.	-12.53	17.72	-7.11	14.60				
Ref % Tot	32.00	33.90	31.20	31.90	32.95	31.25	30.30	32.91
MBA 30-yr Fixed	6.60	6.36	6.38	6.40	6.48	6.46	6.57	6.04



Mortgage Effective Rate								
MBA 30-yr Fixed Points	0.70	0.64	0.65	0.69	0.67	0.68	0.67	0.68
MBA 15-yr Fixed Mortgage Contract Rate	5.85	5.64	5.50	5.54	5.74	5.64	5.83	5.14
MBA 15-yr Fixed Mortgage Effective Rate	5.85	5.64	5.50	5.54	5.74	5.64	5.83	5.14
MBA 15-yr Fixed Points	0.81	0.63	0.73	0.51	0.72	0.60	0.62	0.75
MBA 5-yr ARM Effective Rate	5.53	5.56	5.38	5.44	5.54	5.38	5.50	4.82
% of ARMs	6.90	6.60	6.70	6.50	6.75	6.77	7.42	8.54
% of \$ARMs	14.90	14.10	13.80	13.50	14.50	13.90	15.45	16.63

source: Mortgage Banker Association via Bloomberg Professional