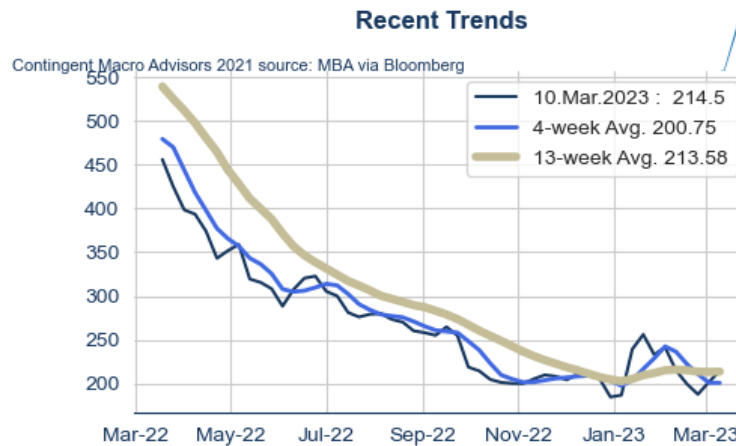
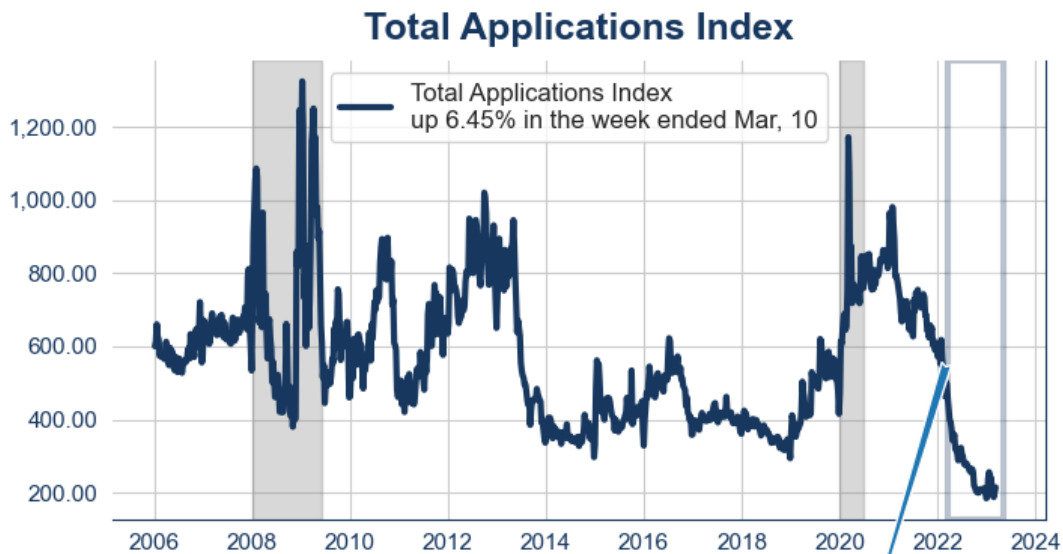


15.Mar.2023

## **Mortgage Apps: Another Surprise Increase, Despite Turmoil**

**Bottom Line:** Mortgage applications rose last week, despite the turmoil in the banking system. Even as the 30-year fixed-rate mortgage still averaged close to 7%, according to the survey, mortgage bankers saw a jump in both refi and purchase applications. While the level of both was still historically low, there may have been some "lock-in" effect as borrowers who were on the fence jumped to get applications completed fearing higher rates or lower availability in the wake of bank failures. Overall, we should be mindful that the level of mortgage applications remains quite low, but those involved remain highly sensitive to what mortgage modelers call "media effects", headlines about mortgage rates and credit availability.



**The MBA Mortgage Application Index** ROSE 6.5% to 214.0, ABOVE the 13-week average of 214.0 but -56.8% BELOW the year-ago level. Non-seasonally adjusted the index ROSE 7.3%.

**The Purchase Index** ROSE 7.3% to 166.0, BELOW the 13-week average of 174.0 and -38.6% BELOW the year-ago level.

**The Refinancing Index** ROSE 4.8% to 459.0, ABOVE the 13-week average of 410.0 but -74.2% BELOW the year-ago level.

**The effective (adjusted for points paid) 30-year mortgage rate** FELL -8bps to 6.94%, ABOVE the 13-week average of 6.65% and 57bps ABOVE the year-ago level.

**Current coupon yields in the secondary market** were down -14.0 bps last week , closing at 5.44%, and were down -8.0 bps this week through Tuesday.

### Purchase Index



### Recent Trends

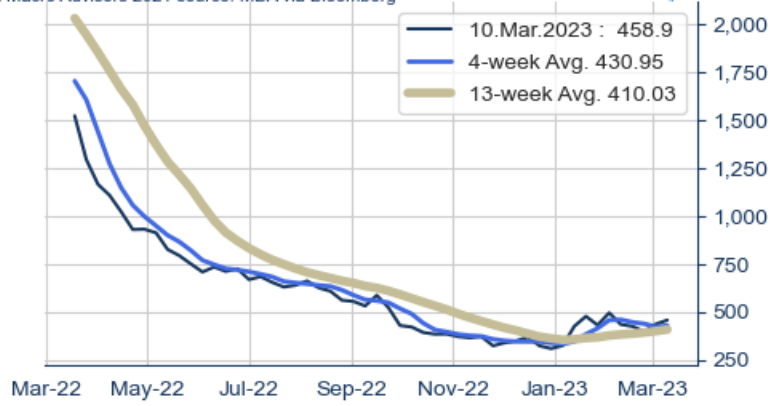


# Refinance Index



## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



# MBA 30-yr Fixed Mortgage Effective Rate

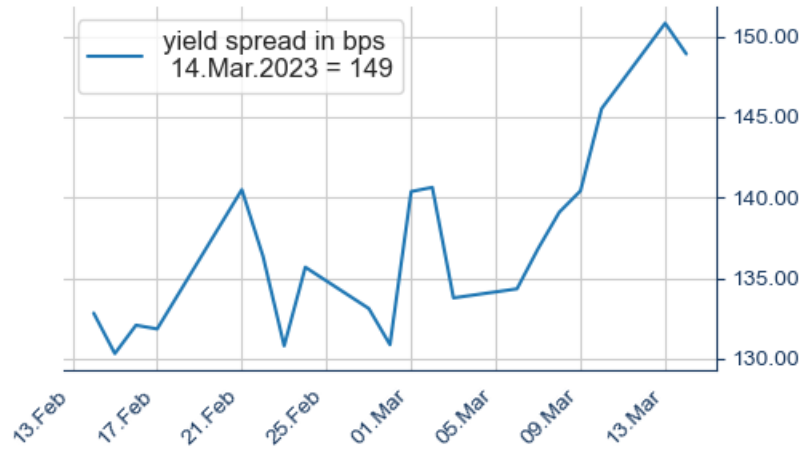


## Recent Trends

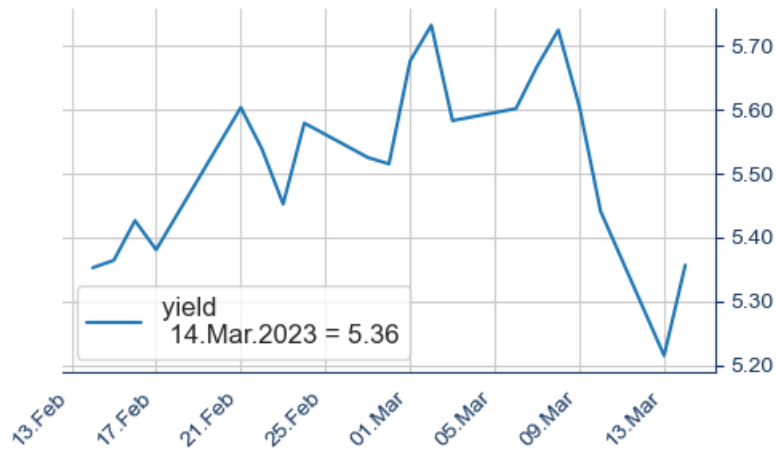
Contingent Macro Advisors 2021 source: MBA via Bloomberg



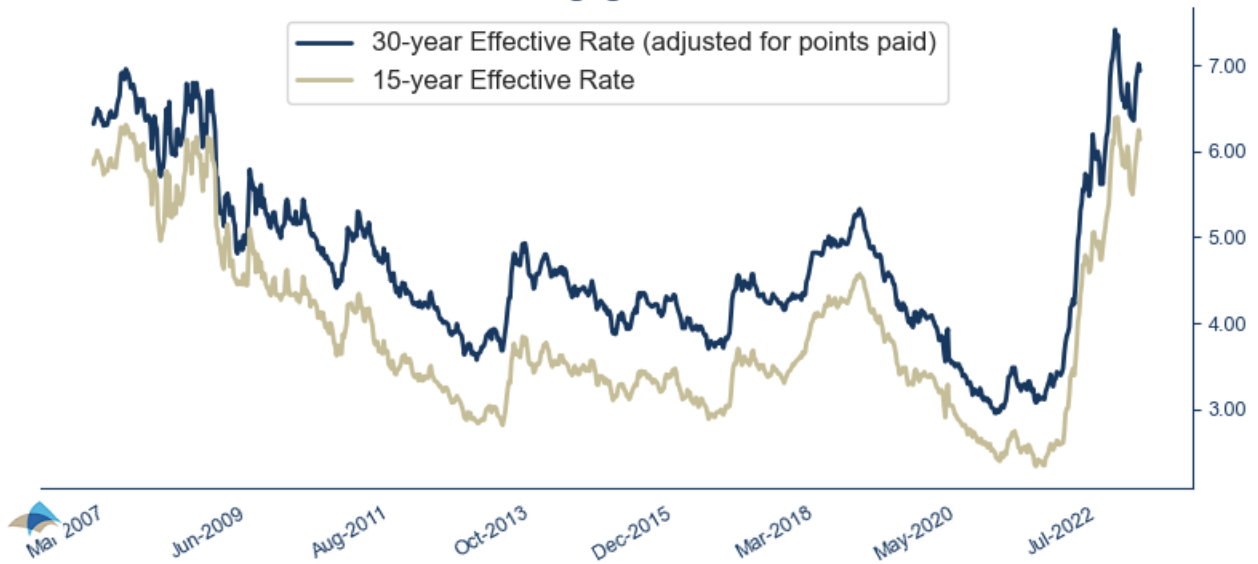
## MBS Current Coupon spread to Blend of Treasury Yields



### MBS Current Coupon Yield



### Mortgage Rates



### Refi Index vs. Mortgage Rate



### Purchase Index vs. Existing Home Sales



Weekly MBA Mortgage Application Survey	10.Mar	03.Mar	24.Feb	17.Feb	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
<b>Total Applications Index</b>	<b>214.50</b>	<b>201.50</b>	<b>187.60</b>	<b>199.40</b>	<b>208.00</b>	<b>210.78</b>	<b>213.58</b>	<b>267.19</b>
<b>Week % Chg</b>	<b>6.50</b>	<b>7.40</b>	<b>-5.90</b>	<b>-7.20</b>				
<b>Total Apps NSA % Chg.</b>	<b>7.25</b>	<b>8.79</b>	<b>-3.70</b>	<b>-4.11</b>				
Purchase Index	165.60	154.40	144.80	153.50	160.00	163.95	173.94	201.13
Purch. Idx - % Chg.	7.25	6.63	-5.67	-9.12				
Refinance Index	458.90	437.90	400.40	426.60	448.40	440.12	410.03	607.30
Refi. Idx - % Chg.	4.80	9.37	-6.14	-2.29				
Ref % Tot	28.20	28.90	28.70	29.50	28.55	29.40	29.66	31.11
MBA 30-yr Fixed	6.94	7.02	6.93	6.84	6.98	6.68	6.65	6.24



Mortgage Effective Rate								
MBA 30-yr Fixed Points	0.79	0.80	0.77	0.75	0.80	0.71	0.70	0.70
MBA 15-yr Fixed Mortgage Contract Rate	6.14	6.25	6.13	5.98	6.20	5.90	5.88	5.35
MBA 15-yr Fixed Mortgage Effective Rate	6.14	6.25	6.13	5.98	6.20	5.90	5.88	5.35
MBA 15-yr Fixed Points	0.77	1.01	0.93	0.93	0.89	0.83	0.71	0.79
MBA 5-yr ARM Effective Rate	5.69	5.75	5.73	5.66	5.72	5.62	5.53	5.00
% of ARMs	8.50	8.60	8.10	7.60	8.55	7.30	7.39	8.76
% of \$ARMs	16.70	17.60	16.50	15.30	17.15	15.18	15.15	16.97

source: Mortgage Banker Association via Bloomberg Professional