

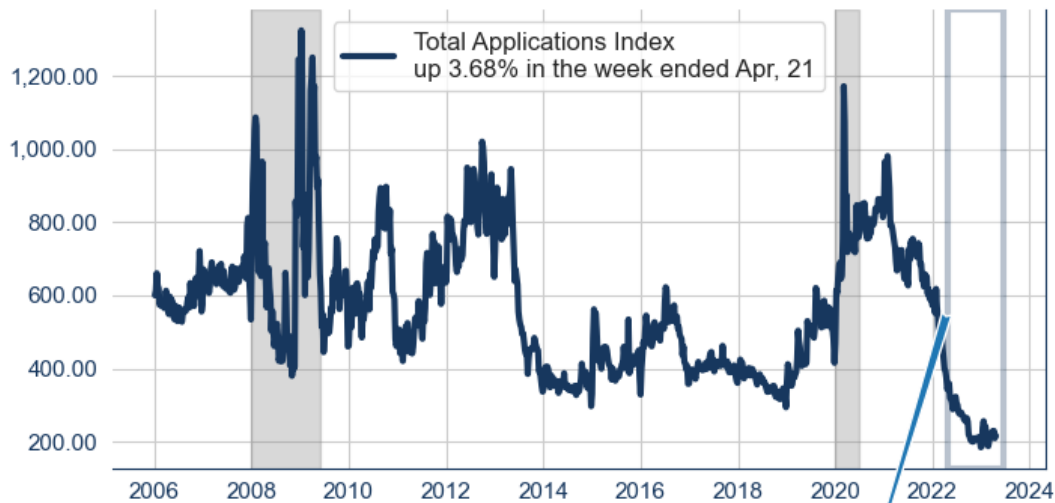
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26.Apr.2023

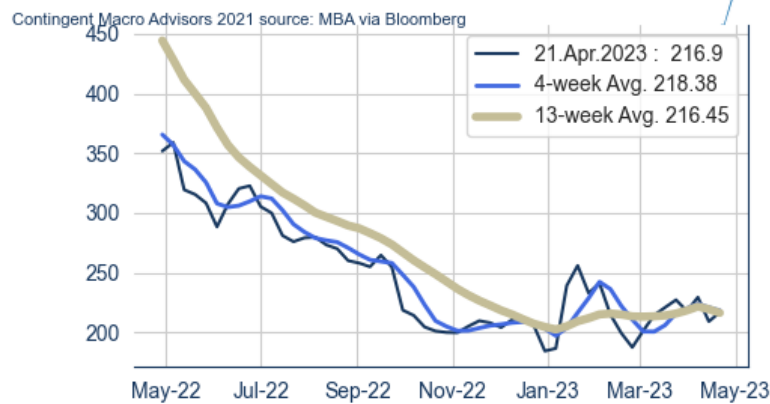
## Mortgage Apps: Watching Regional Banks in the Headlines

**Bottom Line:** Mortgage rates continued to move higher last week, averaging nearly 6 3/4% adjusted for points paid. Applications rebounded modestly, though, led by applications for purchases. Secondary mortgage yields have managed to move lower this week, despite the threat of more regional bank selling of agency MBS (notably in the headlines after First Republic earnings). For now, secondary mortgage spreads to Treasuries have been firm after widening since the mid-March banking turmoil until early April. We continue to see signs of bottoming in housing data, and the purchase applications confirm it. However, the stabilization in housing will remain highly dependent on mortgage rates. Holding below 7% on the average 30-year fixed-rate mortgage will likely prove critical -- and that will depend on stabilization in the secondary agency MBS market, which for now appears to be handling the selling from banks.

## Total Applications Index



### Recent Trends



**The MBA Mortgage Application Index** ROSE 3.7% to 217.0, ABOVE the 13-week average of 216.0 but -36.8% BELOW the year-ago level. Non-seasonally adjusted the index ROSE 4.7%.

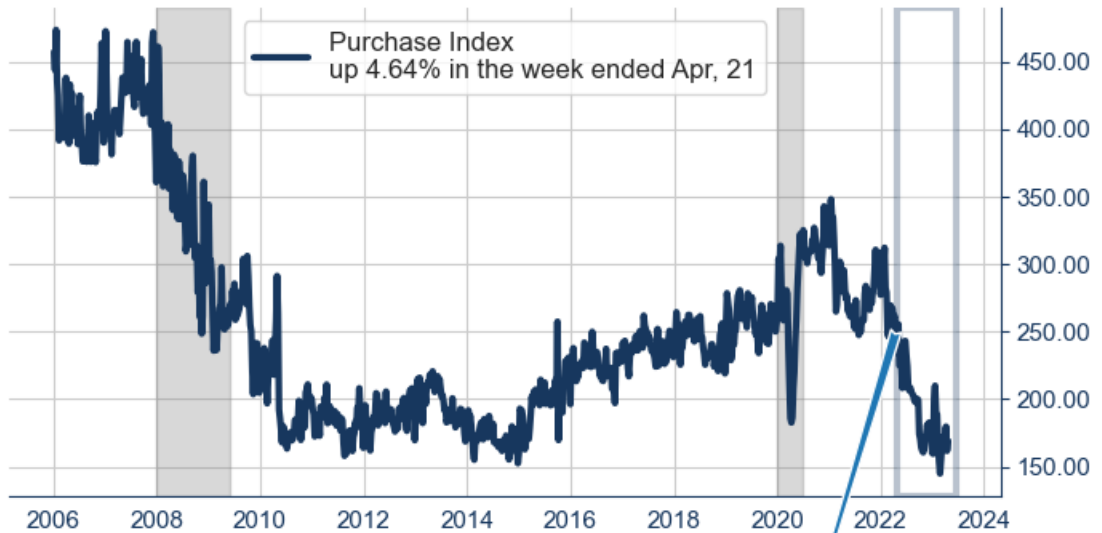
**The Purchase Index** ROSE 4.6% to 169.0, ABOVE the 13-week average of 168.0 but -28.0% BELOW the year-ago level.

**The Refinancing Index** ROSE slightly, UP 1.7% to 458.0, ABOVE the 13-week average of 457.0 but -50.8% BELOW the year-ago level.

**The effective (adjusted for points paid) 30-year mortgage rate** ROSE 12bps to 6.73%, ABOVE the 13-week average of 6.67% and 21bps ABOVE the year-ago level.

**Current coupon yields in the secondary market** were up 7.0 bps last week , closing at 5.25%, and were down -20.0 bps this week through Tuesday.

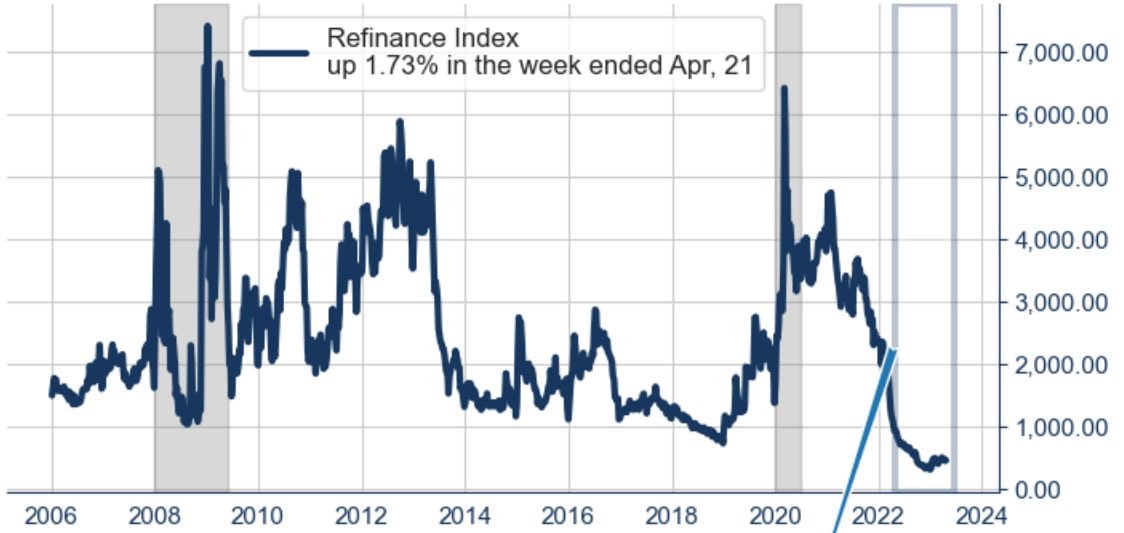
### Purchase Index



### Recent Trends



# Refinance Index

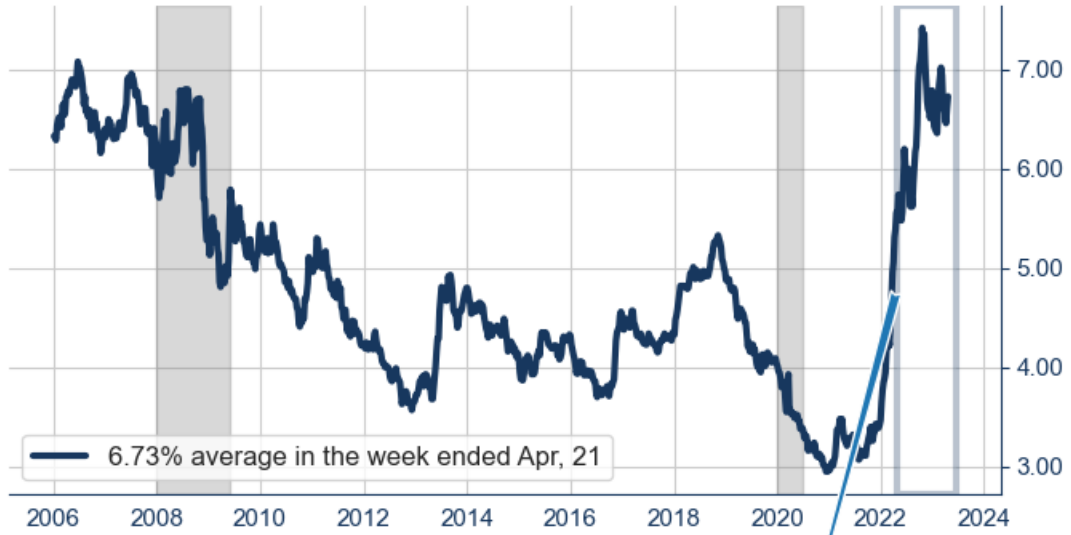


## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

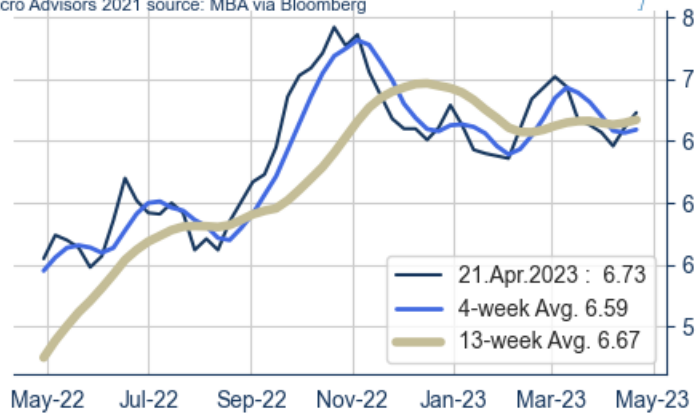


# MBA 30-yr Fixed Mortgage Effective Rate

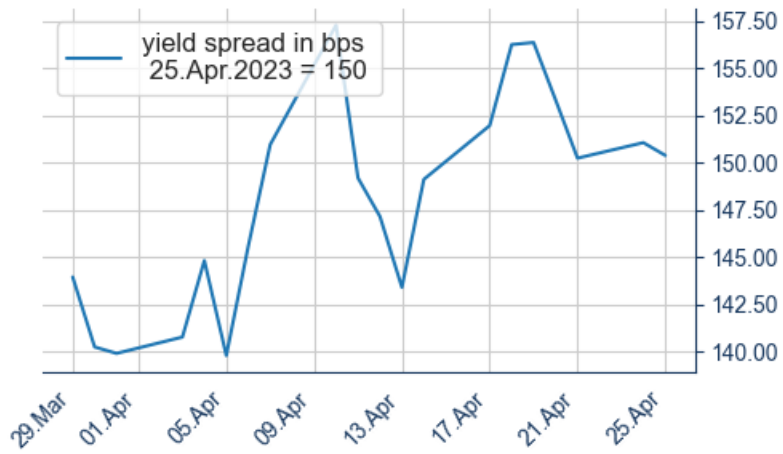


## Recent Trends

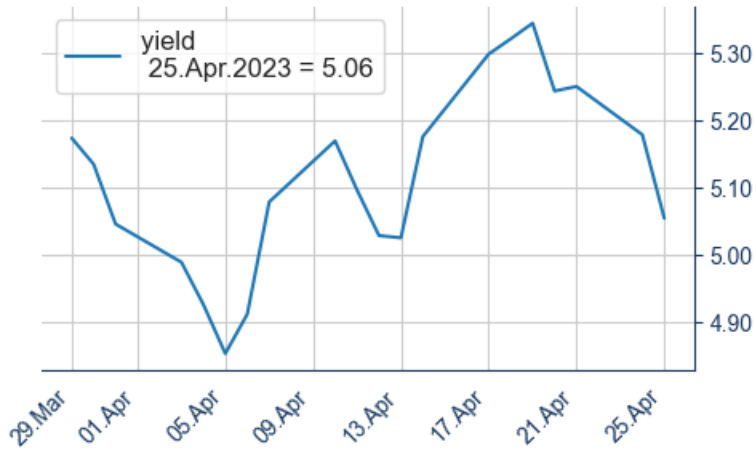
Contingent Macro Advisors 2021 source: MBA via Bloomberg



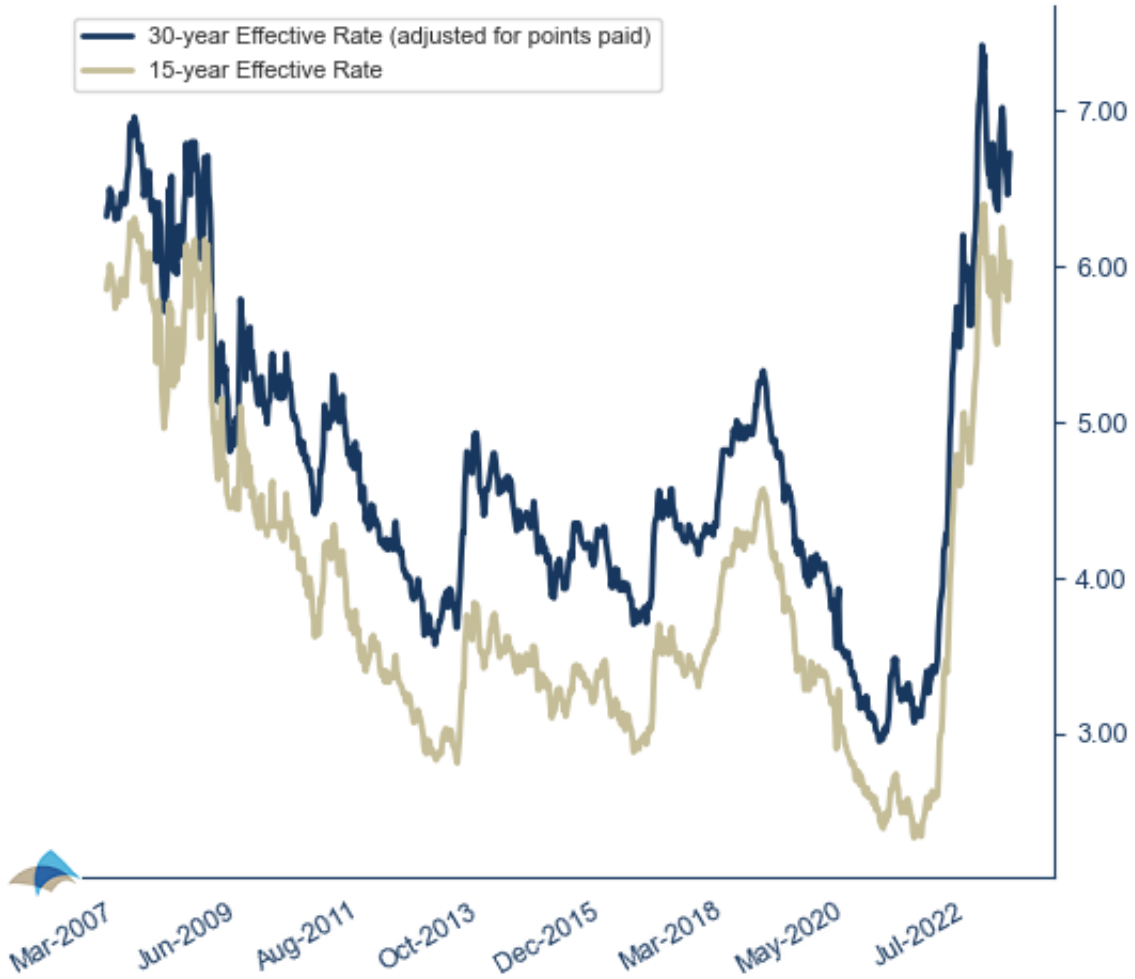
## MBS Current Coupon spread to Blend of Treasury Yields



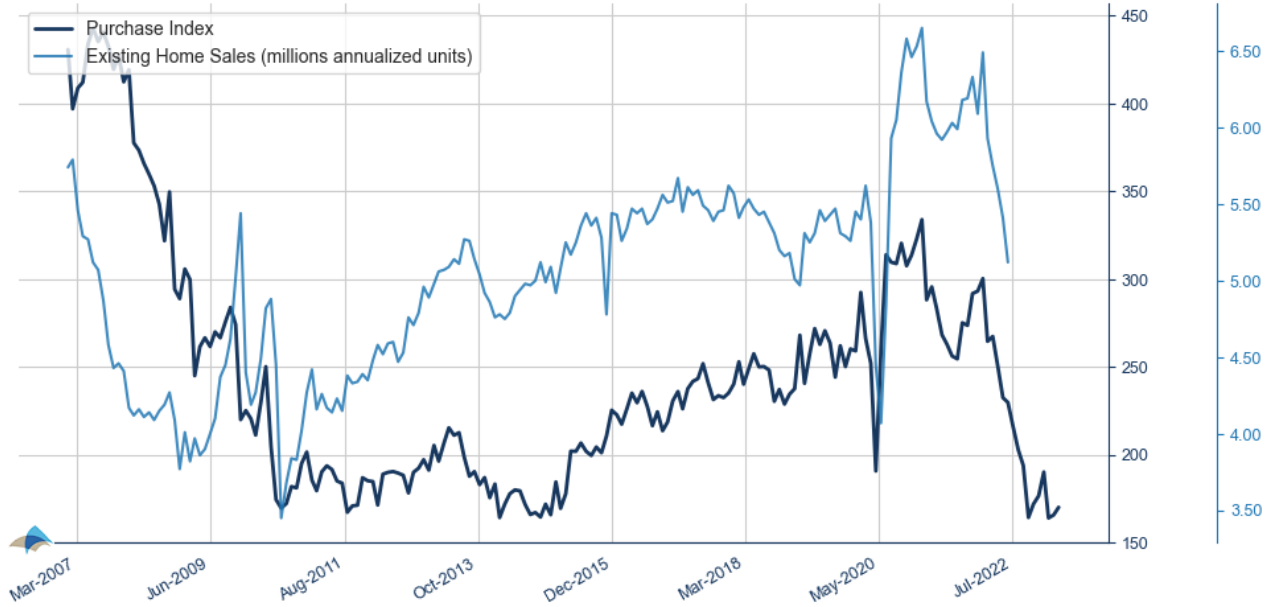
### MBS Current Coupon Yield



# Mortgage Rates



# Purchase Index vs. Existing Home Sales





### Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	21.Apr	14.Apr	07.Apr	31.Mar	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
<b>Total Applications Index</b>	<b>216.90</b>	<b>209.20</b>	<b>229.50</b>	<b>217.90</b>	<b>218.53</b>	<b>216.44</b>	<b>216.45</b>	<b>246.64</b>
<b>Week % Chg</b>	<b>3.70</b>	<b>-8.80</b>	<b>5.30</b>	<b>-4.10</b>				
<b>Total Apps NSA % Chg.</b>	<b>4.75</b>	<b>-8.14</b>	<b>6.27</b>	<b>-3.70</b>				
Purchase Index	169.10	161.60	179.60	166.60	170.10	165.72	168.08	191.09
Purch. Idx - % Chg.	4.64	-10.02	7.80	-3.53				
Refinance Index	457.60	449.80	477.50	477.20	461.63	471.94	456.76	526.55
Refi. Idx - % Chg.	1.73	-5.80	0.06	-5.39				
Ref % Tot	26.80	27.60	27.00	28.60	27.13	28.68	28.56	29.87
MBA 30-yr Fixed Mortgage Effective Rate	6.73	6.61	6.46	6.57	6.60	6.77	6.67	6.41
MBA 30-yr Fixed Points	0.63	0.63	0.55	0.59	0.60	0.69	0.68	0.70
MBA 15-yr Fixed Mortgage Contract Rate	6.03	5.89	5.78	5.97	5.90	6.04	5.92	5.54
MBA 15-yr Fixed Mortgage Effective Rate	6.03	5.89	5.78	5.97	5.90	6.04	5.92	5.54
MBA 15-yr Fixed Points	0.56	0.65	0.57	0.54	0.59	0.70	0.72	0.78
MBA 5-yr ARM Effective Rate	5.47	5.56	5.51	5.61	5.51	5.65	5.59	5.19
% of ARMs	6.70	6.30	6.00	7.20	6.33	8.12	7.35	8.72
% of \$ARMs	13.00	12.20	12.30	13.80	12.50	16.22	14.85	16.84

source: Mortgage Banker Association via Bloomberg Professional

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