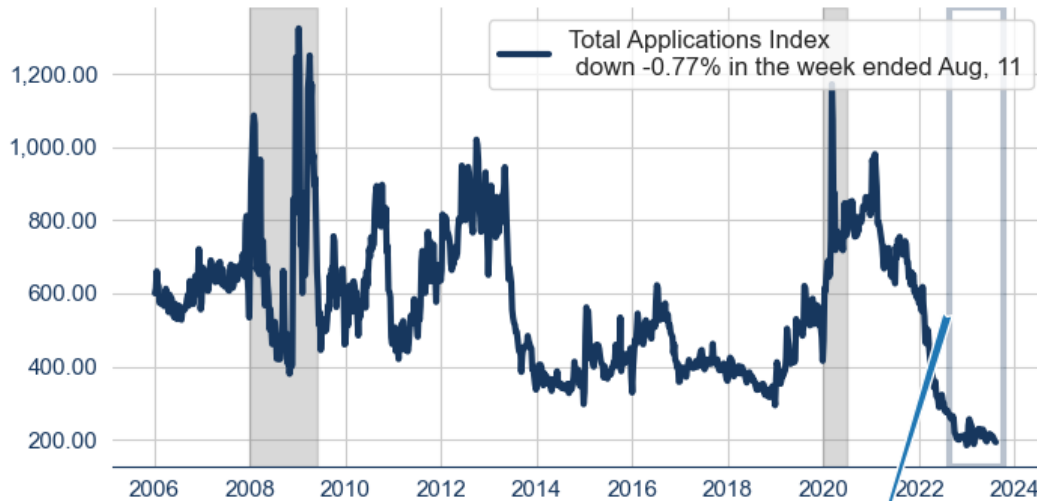


16.Aug.2023

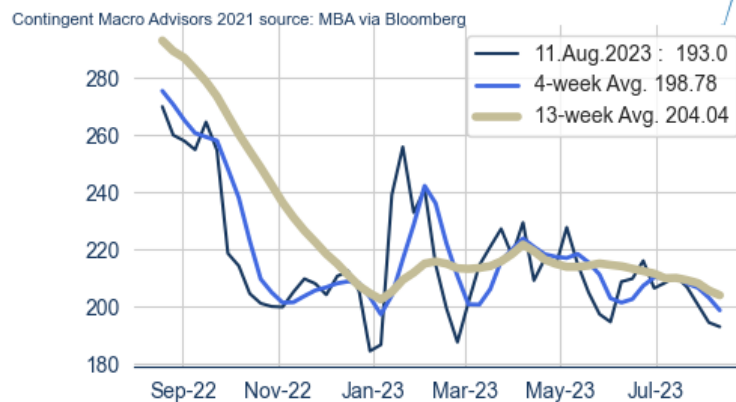
## **Mortgage Apps: Spreads Widen, Jeopardizing Recovery**

**Bottom Line:** Mortgage activity fell again last week as mortgage rates pushed higher amid continued spread widening in the secondary market. 30-year fixed-rate mortgages averaged nearly 7 3/8% (adjusted for points paid) as the current coupon spread in the secondary market widened to over 165bps through yesterday's trading. The purchase index remained near its lowest levels again as the refi index edged lower but remained off the lows seen at the end of last year. **Overall, application volumes suggest that mortgage rates might be starting to jeopardize the recovery in housing activity. And secondary mortgage market yields suggest rates to borrowers were higher still in the first few days of this week.**

## Total Applications Index



### Recent Trends



**The MBA Mortgage Application Index** FELL slightly, DOWN -0.8% to 193.0, BELOW the 13-week average of 204.0, and -29.4% BELOW the year-ago level. Non-seasonally adjusted the index FELL slightly, DOWN -1.6%.

**The Purchase Index** was nearly unchanged, DOWN -0.3% to 150.0, BELOW the 13-week average of 159.0 and -26.6% BELOW the year-ago level.

**The Refinancing Index** FELL slightly, DOWN -1.9% to 408.0, BELOW the 13-week average of 427.0, and -34.9% BELOW the year-ago level.

**The effective (adjusted for points paid) 30-year mortgage rate** ROSE 7bps to 7.36%, ABOVE the 13-week average of 7.08% and 31bps ABOVE the year-ago level.

**Current coupon yields in the secondary market** were up 21.0 bps last week, closing at 5.98%, and were up 11.0 bps this week through Tuesday.

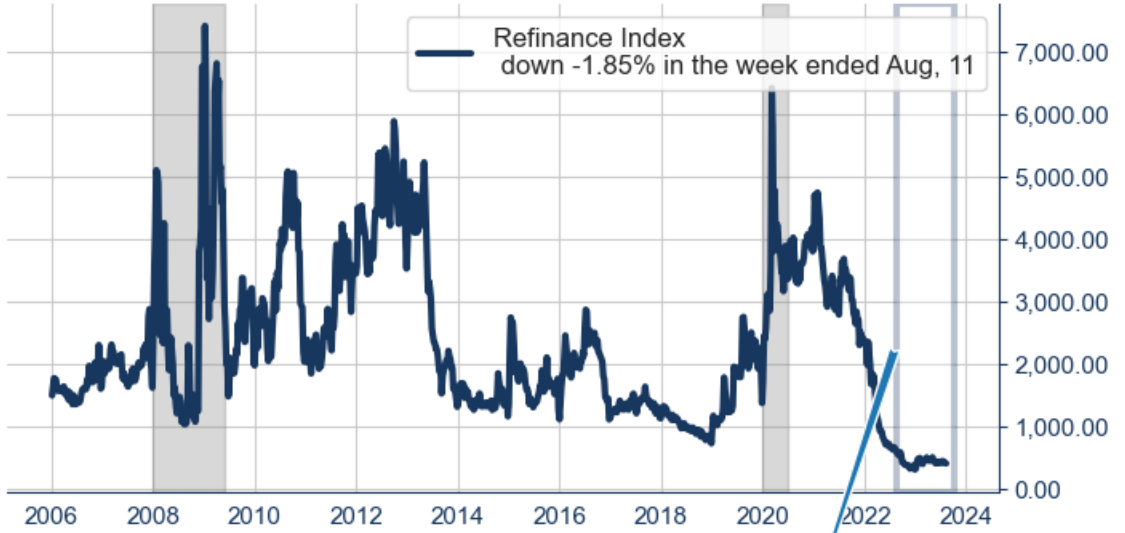
### Purchase Index



### Recent Trends



# Refinance Index



## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



# MBA 30-yr Fixed Mortgage Effective Rate

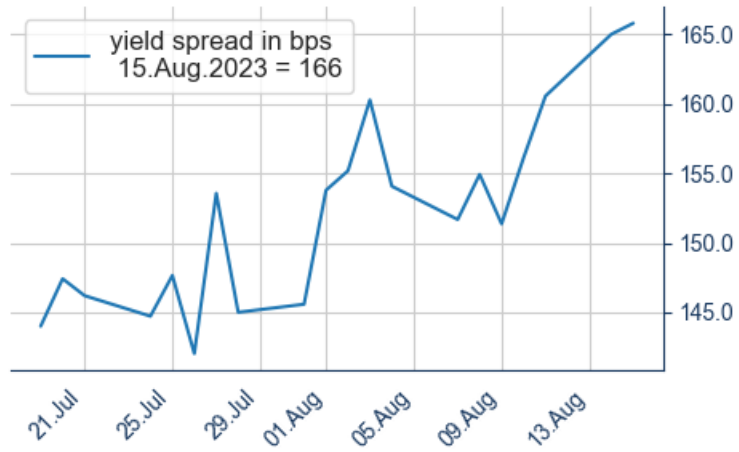


## Recent Trends

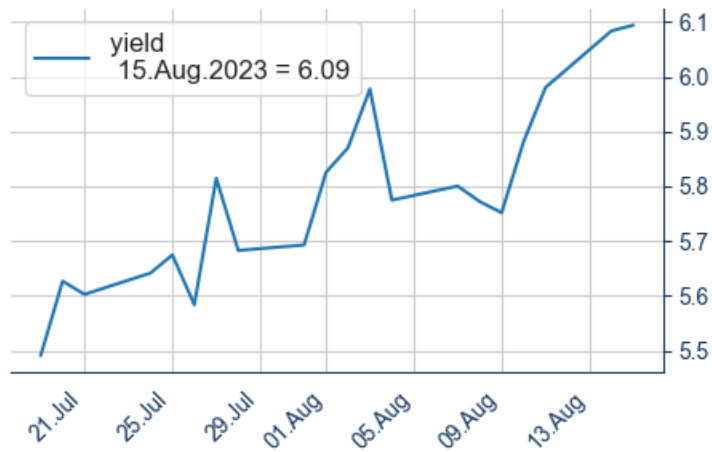
Contingent Macro Advisors 2021 source: MBA via Bloomberg



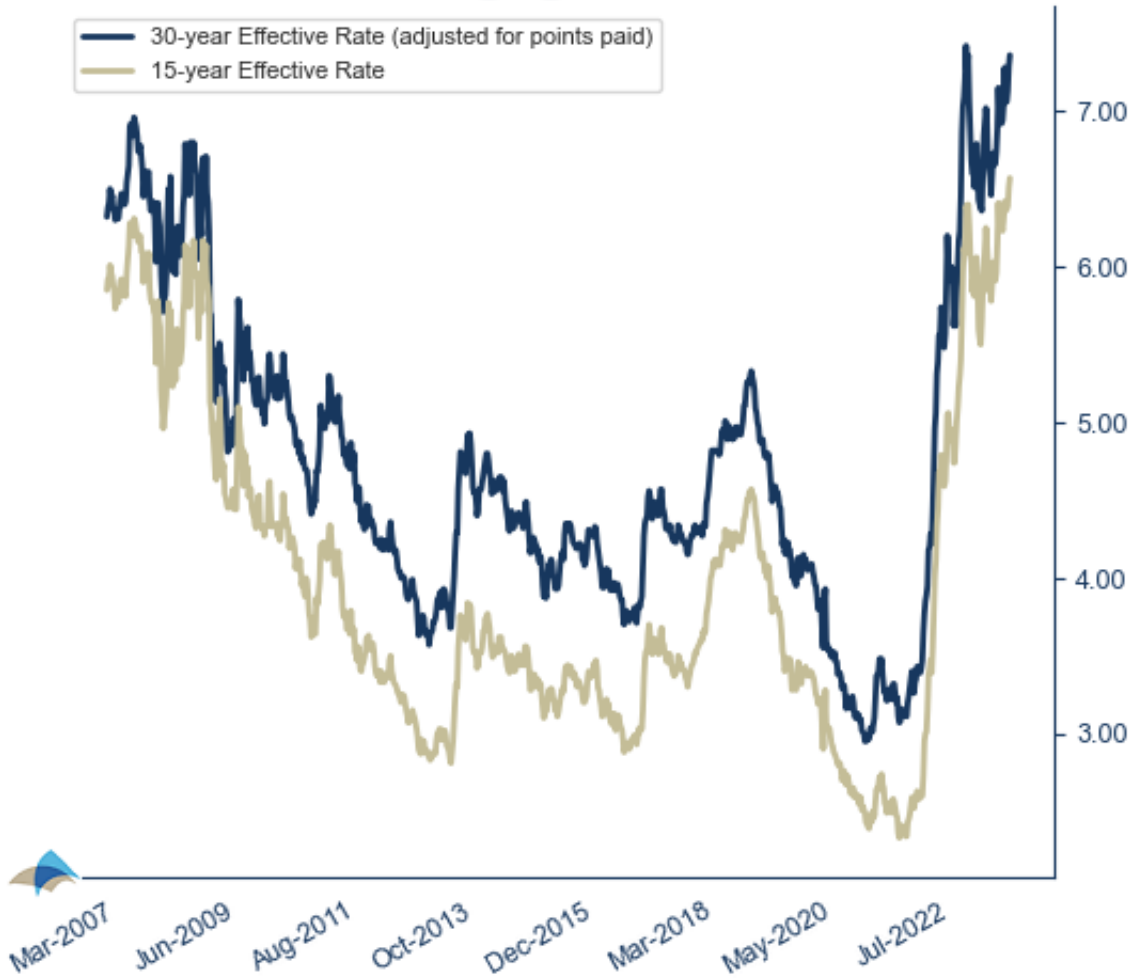
# MBS Current Coupon spread to Blend of Treasury Yields



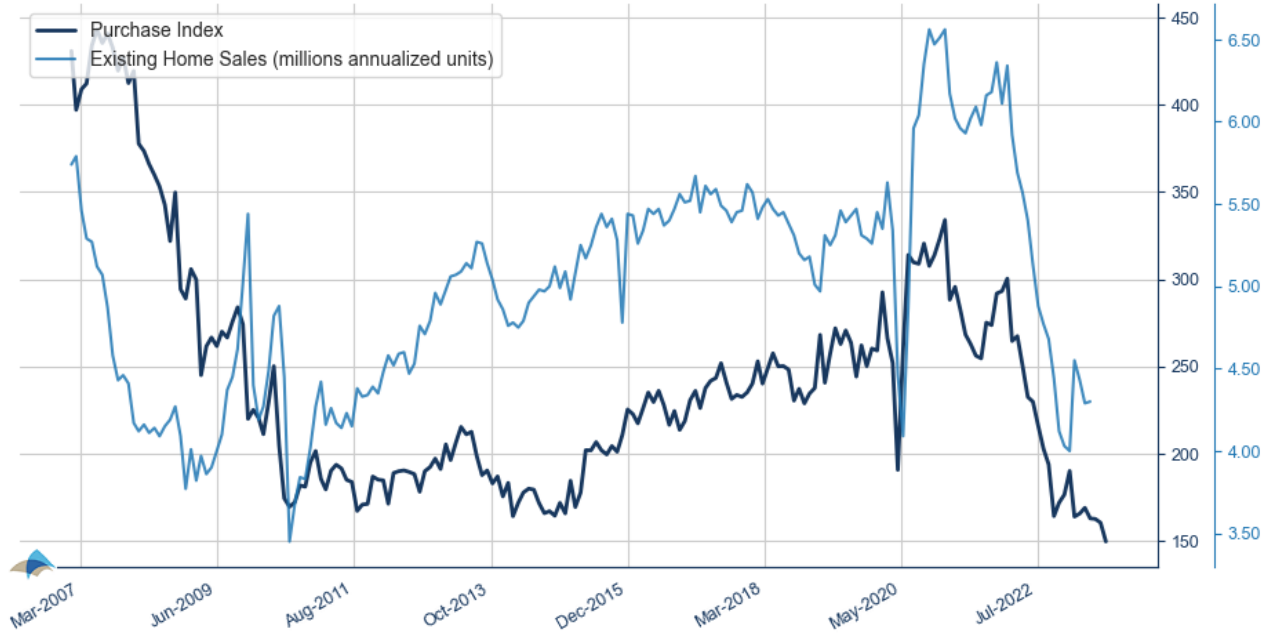
### MBS Current Coupon Yield



# Mortgage Rates



# Purchase Index vs. Existing Home Sales





## Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	11.Aug	04.Aug	28.Jul	21.Jul	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
<b>Total Applications Index</b>	<b>193.00</b>	<b>194.50</b>	<b>200.70</b>	<b>206.90</b>	<b>193.75</b>	<b>206.68</b>	<b>204.04</b>	<b>216.30</b>
<b>Week % Chg</b>	<b>-0.80</b>	<b>-3.10</b>	<b>-3.00</b>	<b>-1.80</b>				
<b>Total Apps NSA % Chg.</b>	<b>-1.63</b>	<b>-3.48</b>	<b>-2.92</b>	<b>-1.51</b>				
Purchase Index	149.50	149.90	154.10	159.20	149.70	160.45	159.01	171.66
Purch. Idx - % Chg.	-0.27	-2.73	-3.20	-2.45				
Refinance Index	408.40	416.10	433.60	444.50	412.25	435.12	426.92	436.36
Refi. Idx - % Chg.	-1.85	-4.04	-2.45	-0.43				
Ref % Tot	28.60	28.70	28.90	28.70	28.65	28.20	27.72	28.70
MBA 30-yr Fixed Mortgage Effective Rate	7.36	7.29	7.13	7.06	7.33	7.13	7.08	6.79
MBA 30-yr Fixed Points	0.68	0.70	0.68	0.65	0.69	0.68	0.68	0.71
MBA 15-yr Fixed Mortgage Contract Rate	6.57	6.51	6.39	6.37	6.54	6.39	6.34	5.99
MBA 15-yr Fixed Mortgage Effective Rate	6.57	6.51	6.39	6.37	6.54	6.39	6.34	5.99
MBA 15-yr Fixed Points	0.94	0.92	0.78	0.75	0.93	0.87	0.84	0.80
MBA 5-yr ARM Effective Rate	6.20	6.36	6.18	6.01	6.28	6.17	6.04	5.62
% of ARMs	7.00	6.90	6.50	5.90	6.95	6.32	6.51	7.93
% of \$ARMs	16.10	15.50	14.30	13.30	15.80	13.57	13.68	15.88

source: Mortgage Banker Association via Bloomberg Professional