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No Surprise: Rate Spike Torpedos Refi Apps

Thanksgiving wreaked the usual holiday-related damage on the Mortgage Bankers Association's report of mortgage activity during the week ended November 25. The company's Market Composite Index, a measure of application volume, **fell by 9.4 percent** on a seasonally adjusted basis compared to results for the week ended November 18. On an unadjusted basis, the Index was down 38 percent. The week's results included an adjustment to account for the holiday.

The **Refinance Index fell 16 percent** and only 55.1 percent of all applications were for refinancing. That was a decline from 58.2 percent during the previous week, and the lowest share since June.

There was a decline of 0.2 percent in the seasonally adjusted **Purchase Index** compared to the previous week and the unadjusted index was down 34 percent. The Purchase Index remained 3 percent higher than during the same week in 2015. The average loan size for purchase applications reached a survey high of \$312,400.

Refi Index vs 30yr Fixed

Purchase Index vs 30yr Fixed

The **FHA share** of total applications dropped to 10.4 percent from 11.7 percent the previous week and the VA share was down to 11.7 percent from 12.5 percent. The USDA share was unchanged at 0.8 percent.

The average contract interest rate for **30-year fixed-rate mortgages (FRM)** with conforming loan balances (\$417,000 or less) reached the highest level since July 2015, rising to 4.23 percent, from 4.16 percent. Points increased to 0.41 from 0.39. The effective rate for this and all other loan products increased from the previous week.

Jumbo 30-year FRMs, loans with balances greater than \$417,000, had an average rate of 4.18 percent, also the highest since July 2015, with 0.29 point. A week earlier the rate was 4.04 percent, with 0.37 point.

The average rate for 30-year FRM backed by the **FHA** also reached a 17-month high, rising by 10 basis points to 4.00 percent. Points increased to 0.44 from 0.36.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00
Freddie Mac			
30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/22

Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

The average rate for **15-year FRM** was the highest since October 2014, 3.48 percent, up from 3.35 percent a week earlier. Points rose by 1 basis point to an average of 0.33

	Value	Change
Builder Confidence	51	+6.25%
Mar		

There was a minor dip in one rate, that of 5/1 adjustable rate mortgages (ARMs). The average contract rate was 3.23 percent compared to 3.24 percent the prior week. Points, however, jumped to 0.44 from 0.28, pushing the effective rate higher. The adjustable-rate mortgage (ARM) share of activity increased to 5.7 percent of total applications, its highest level since last June.

MBA's Weekly Mortgage Applications survey, which has been conducted since 1990, covers over 75 percent of all U.S. retail residential mortgage applications. Respondents include mortgage bankers, commercial banks and thrifts. Base period and value for all indexes is March 16, 1990=100 and interest rate information presumes loans with an 80 percent loan-to-value ratio and points that include the origination fee.

We're here to help with all home mortgage needs.

With over 20 years of mortgage industry experience, Scott Kepler has helped thousands of families to purchase or refinance their homes. As a Mortgage Lender, Scott and his team are able to give families access to a variety of home loan options; after all, no two situations are the same.

Give Scott and his team a call today for a Free Mortgage Check-Up or Purchase Home Loan Pre-Qualification.

Offering financing for:

First Time Home Buyer

Conventional (Fannie Mae/Freddie Mac)

FHA

VA

USDA

Jumbo

Reverse

Renovation

Self Employed

Home Equity Loans/Lines of Credit

Credit Challenged / Alt-A

Investor or Second Home

Hard Money

Small Commercial

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