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Credit Access Remain Near Pandemic Prompted Lows

Mortgage credit access rose slightly in July **but remains in the nether regions to which it dropped last fall in the wake of the pandemic**. The Mortgage Bankers Association (MBA) says its Mortgage Credit Availability Index (MCAI) gained 0.3 percent to 119.1 in July. The index was at 181.9 in January of 2020 and had fallen to 118.6 by the following September. **An increase in the MCAI indicates that lending standards are loosening** while a lower number indicates tightening. The index was benchmarked at 100 in March 2012.

The MCAI has four components. In September, the Conventional MCAI increased 0.8 percent, while the Government MCAI was unchanged. Of the component indices of the Conventional MCAI, the Jumbo MCAI rose 3.8 percent, and the Conforming MCAI fell by 3.2 percent.

"Credit availability slightly increased in July, driven by an increase in jumbo loan programs. The overall gain was despite another month of pullbacks in high-LTV refinance programs due to GSE policy changes," said Joel Kan, MBA's Associate Vice President of Economic and Industry Forecasting. "The elimination of more high-LTV refinance loans drove most of the 3 percent drop in the conforming index, but that was somewhat offset by lenders adding new refinance loan programs to help qualified, lower-income GSE borrowers. The bounce back in jumbo credit availability followed a sharp drop in June, as some investors renewed their interest in jumbo ARM loans for cash-out refinances and investment homes."

Added Kan, "Even as the economic recovery is underway, **overall credit supply has remained close to its lowest levels since 2014**. Some borrowers are still in pandemic-related forbearance status, and servicers continue to work through possible resolutions for these borrowers."

The MCAI and each of its components are calculated using several factors related to borrower eligibility (credit score, loan type, loan-to-value ratio, etc.). These metrics and underwriting criteria for over 95 lenders/investors are combined by MBA using data made available via a proprietary product from Ellie Mae. The resulting calculations are summary measures which indicate the availability of mortgage credit at a point in time. Base period and values for total index is March 31, 2012=100; Conventional March 31, 2012=73.5; Government March 31, 2012=183.5.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.05%	-0.05	0.00
15 Yr. Fixed	6.58%	+0.01	0.00
30 Yr. FHA	6.62%	-0.02	0.00
30 Yr. Jumbo	7.34%	-0.01	0.00
5/1 ARM	7.25%	-0.05	0.00

Freddie Mac

30 Yr. Fixed	7.02%	-0.42	0.00
15 Yr. Fixed	6.28%	-0.48	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.08%	-0.10	0.63
15 Yr. Fixed	6.61%	+0.01	0.65
30 Yr. FHA	6.89%	-0.03	0.94
30 Yr. Jumbo	7.22%	-0.09	0.58
5/1 ARM	6.56%	-0.04	0.66

Rates as of: 5/21


Recent Housing Data

		Value	Change
Mortgage Apps	May 15	198.1	+0.51%
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%

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Jeffrey has spent the last three decades perfecting an Honest, Open and Transparent (HOT™) loan and closing process that is laser-focused on enhancing the consumer mortgage experience. By combining old-school, trustworthy customer service with real-time, mobile-friendly technology, he has successfully built thousands of loyal, raving fans.

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	Value	Change
Builder Confidence	Mar 51	+6.25%