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Refinancing Skids to Seven Month Low

Rising interest rates **took their toll** on mortgage application activity last week. The Mortgage Bankers Association (MBA) said that application volume overall was down 3.3 percent on a seasonally adjusted basis during the week ended March 11 and was down 3.0 percent unadjusted.

The Refinance Index **decreased 6 percent** compared to the previous week which ended on March 4. Refinance applications made up a 55.0 percent share of all mortgage applications compared to 56.7 percent the week before; the lowest share for refinancing since August 2015.

Applications for **purchase** money mortgages rose 0.3 percent on a seasonally adjusted basis from the previous week to the highest level since January. On an unadjusted basis the index was 1 percent higher week-over-week and 33 percent higher than during the same week in 2015.

Refi Index vs 30yr Fixed

Purchase Index vs 30yr Fixed

Applications for **FHA**-backed mortgages had a 11.7 percent share of the total compared to 12.0 percent the previous week and the VA share decreased 0.3 percentage point to 12.3 percent. share of total applications decreased to 11.7 percent from 12.0 percent the week prior. The VA The USDA share of total applications remained unchanged at 0.8 percent.

Average contract and effective interest rates both **increased** across the board compared to the week ended March 4. The average contract rate for **30-year fixed**-rate mortgages (FRM) with conforming loan balances (\$417,000 or less) increased to 3.94 percent from 3.89 percent and points increased to - 0.42 from 0.38.

The **jumbo** version of the 30-year FRM - loans with a balance over \$417,000 - saw rates increase to 3.86 percent from 3.81 percent. Points dipped to 0.28 from 0.31.

FHA-backed 30-year FRM averaged a contract rate of 3.77 percent with 0.33 points compared to 3.71 percent with 0.37 point the previous week.

National Average Mortgage Rates



| | Rate | Change | Points |
|---------------------|-------|--------|--------|
| Mortgage News Daily | | | |
| 30 Yr. Fixed | 7.02% | +0.03 | 0.00 |
| 15 Yr. Fixed | 6.53% | +0.03 | 0.00 |
| 30 Yr. FHA | 6.55% | +0.03 | 0.00 |
| 30 Yr. Jumbo | 7.31% | +0.01 | 0.00 |
| 5/1 ARM | 7.24% | +0.04 | 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: 5/16

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% |

| | Value | Change |
|---|-------|--------|
| Rates for 15-year FRM averaged 3.22 percent, an 8 basis point increase from the prior week. Points declined from 0.41 to 0.39. | 51 | +6.25% |

Borrowers made application for adjustable rate mortgages (**ARMs**) at the lowest rate since the final week of 2015. The ARM share dropped from 5.5 percent the prior week to 4.9 percent. The average contract interest rate for 5/1 ARMS increased to 3.23 percent from 3.20 percent with points rising to 0.35 from 0.32.

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

Because Integrity Matters™

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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