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Refinancing Volume Picks Up as Rates Push 2017 Lows

A **resurgence** in refinancing drove the volume of mortgage applications higher during the week ended September 1. The Mortgage Bankers Association said its Market Composite Index, a measure of application volume, increased 3.3 percent on a seasonally adjusted basis when compared to the week ended August 25. On an unadjusted basis, the index increased by 2.0 percent.

The Refinance Index was **up 5 percent**, the sixth increase in the last eight weeks. The refinance share of mortgage activity tipped over the half-way mark for the first time since January 13, rising from 49.4 percent to 50.9 percent.

The seasonally adjusted **Purchase Index** gained 1 percent week-over-week, but was down 1 percent on an unadjusted basis. Purchase activity was 5 percent higher than the same week in 2017.

Refi Index vs 30yr Fixed

Purchase Index vs 30yr Fixed

The **FHA share** of total applications decreased to 9.6 percent from 9.7 percent the previous week and the VA share dropped by 0.3 percentage points to 9.7 percent. The USDA share of total applications was unchanged at 0.7 percent.

Mortgage **rates** continue to decline on both a contract and an effective basis. While all loan types are back to their mid-November 2016 range, none have yet achieved the low levels that prevailed before the November 8 election.

The average contract interest rate for **30-year fixed**-rate mortgages (FRM) with conforming loan balances of \$424,100 or less decreased to 4.06 percent with 0.38 point from 4.11 percent with 0.43 point.

Thirty-year FRM with **jumbo** loan balances (greater than \$424,100) were down 4 basis points to a contract rate of 3.96 percent. Points were unchanged at 0.20.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.51%	+0.08	0.00
15 Yr. Fixed	6.90%	+0.05	0.00
30 Yr. FHA	6.99%	+0.07	0.00
30 Yr. Jumbo	7.67%	+0.04	0.00
5/1 ARM	7.55%	+0.05	0.00

Freddie Mac

30 Yr. Fixed	7.17%	-0.27	0.00
15 Yr. Fixed	6.44%	-0.32	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 4/30

Recent Housing Data

		Value	Change
Mortgage Apps	Apr 24	196.7	-2.67%
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
FHA-backed 30-year FRM had a contract rate of 3.98 percent, down from 4.02 percent the previous week. Points decreased to 0.35 from 0.41.	3.98	-0.04
Builder Confidence	Mar 51	+6.25%

The average contract interest rate for **15-year** FRM decreased to 3.34 percent, from 3.36 percent, with points remaining unchanged at 0.38.

Adjustable rate mortgage (**ARM**) applications had the highest share of applications since the last week in July, 7.2 percent, up from 6.9 percent a week earlier. The average contract interest rate for 5/1 ARMs dropped by 12 basis points to 3.14 percent and points decreased to 0.31 from 0.35.

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 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 loans with an 80 percent loan-to-value ratio and points that include the origination fee.