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Refi Applications Near 10-Year Low, But Purchases Improve

Purchase mortgage applications **continued to gain strength** during the week that ended March 16 but failed to compensate for a declining volume of refinancing activity. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of application volume, was 1.1 percent lower on a seasonally adjusted basis than during the week ended March 9. On an unadjusted basis the index was down 1.0 percent.

The volume of applications for home purchase financing was up 1 percent from the previous week on a seasonally adjusted basis and 2 percent higher unadjusted. The latter index was 6 percent higher than during the same week in 2017.

The improvement in purchase mortgage applications were **more than offset by a 5 percent drop in the Refinance Index**. The share of applications for refinancing retreated to the **lowest level since September 2008**, 38.5 percent. Applications for refinancing had accounted for 40.1 percent of the total a week earlier.

Refi Index vs 30yr Fixed

Purchase Index vs 30yr Fixed

FHA loans accounted for 10.3 percent of all applications, down 0.1 point from the prior week, and the VA share rose from 10.3 percent to 10.7 percent. Applications for USDA financing eased back to 0.8 percent of the total from 0.9 percent the prior week.

Mortgage interest **rates** were mixed. The average contract interest rate for 30-year fixed-rate mortgages (FRM) with balances at or under the conforming loan limit of \$453,100, dipped 0.1 point to 4.68 percent. Points increased to 0.46 from 0.45 and the effective rate was unchanged.

The average rate for 30-year **jumbo** FRM, loans that exceed the conforming rate, was unchanged from the previous week at 4.55 percent. Points increased to 0.37 from 0.33 pulling the effective rate higher.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.28%	-0.09	0.00
15 Yr. Fixed	6.75%	-0.07	0.00
30 Yr. FHA	6.70%	-0.12	0.00
30 Yr. Jumbo	7.48%	-0.07	0.00
5/1 ARM	7.35%	-0.07	0.00

Freddie Mac

30 Yr. Fixed	7.22%	-0.22	0.00
15 Yr. Fixed	6.47%	-0.29	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: 5/3

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
Thirty-year FRM backed by the FHA had an average rate of 4.69 percent compared to 4.73 percent the prior week. Points moved higher, to 0.81 from 0.76. The effective rate decreased from last week.	51	+6.25%

The average contract interest rate for **15-year** FRM increased to its highest level since April 2011, 4.12 percent with 0.51 point. The prior week the rate was 4.07 percent with 0.46 point. The effective rate was also higher.

The share of applications for **adjustable** rate mortgages (ARMs) declined slightly, from 7.1 percent to 7.0 percent. The average interest rate for 5/1 ARMs decreased to 3.83 percent from 3.93 percent, but points jumped to 0.68 from 0.45. The effective rate was lower.

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.