



Dan Clifton
Principal Broker and Mortgage Guru, Clifton Mortgage Services, LLC
NMLS # 284174
670 N Orlando Ave Suite 101 Maitland, FL 32751

Office: 888-681-0777 x1001
Mobile: 407-252-3039
Fax: 866-512-0169
dan@cliftonmortgageservices.com
[View My Website](#)

Global Concerns Slow Mortgage Apps, Even With Lower Rates

Mortgage applications have now **fallen in six of the last eight weeks**. The Mortgage Bankers Association (MBA) said its seasonally adjusted Market Composite Index, a measure of application volume, fell lost another 3.7 percent on a seasonally adjusted basis during the week ended February 8. On an unadjusted basis the composite was down 4.0 percent.

The **Refinance Index** decreased 0.1 percent from the previous week although the refinancing share of applications submitted rose to 43.2 percent. During the week ended February 1 refinancing had a 41.6 percent share.

Both the seasonally adjusted and the unadjusted **Purchase Indices** were down 6.0 percent from the prior week and the unadjusted version came in 5.0 percent below its level during the same week in 2018.

Applications for both FHA and VA loans constituted 11 percent of the total volume, up from 10.5 and 10.0 percent respectively the previous week. The USDA share increased to 0.6 percent from 0.5 percent the week prior.

The average dollar amount of loans was down compared to the previous week. Purchase loan balances dipped from \$314,500 to \$312,300 and the average for all loans was \$313,400 compared to \$320,500.

"Application activity fell last week - **even with rates decreasing** - as renewed uncertainty about the domestic and global economy likely held potential homebuyers off the market," said Joel Kan, MBA's Associate Vice President of Industry Surveys and Forecasts. "Despite the recent decline in applications, we still expect that the continued strength of the job market and lower rates will support more purchase activity in the coming months."

Added Kan, "The 30-year fixed-rate mortgage dropped to its **lowest level since last March**, and was 52 basis points lower than its recent high last November. Government refinances provided a bright spark, picking up over 10 percent, as both FHA and VA refinancing activity saw increases over the week."

Average interest rates declined for all loan types on both a contract and an effective basis. The average contract interest rate for 30-year fixed-rate mortgages (FRM) with origination balances at or below the conforming loan limit of \$484,350 decreased to 4.65 percent from 4.69 percent, with points dipping to 0.43 from 0.45.

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
Jumbo 30-year FRM, loans with balances greater than the conforming limit, had an average rate of 4.48 percent with 0.27 point. The previous week the rate was 4.50 percent with 0.28 point.	51	+6.25%

The rate for 30-year FRM backed by the **FHA** decreased to 4.61 percent from 4.70 percent. Points decreased to 0.53 from 0.57.

The average rate for **15-year** FRM dropped 7 basis points to 4.04 percent. Points increased to 0.48 from 0.47

The average rate for 5/1 adjustable rate mortgages (**ARMs**) fell to 3.97 percent from 4.04 percent while points rose to 0.42 from 0.37. The ARM share of activity decreased to 7.5 percent of total applications from 7.8 percent.

MBA's Weekly Mortgage Applications Survey has been conducted since 1990 and covers over 75 percent of all U.S. retail residential 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.