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Mortgage Applications Recover much of Holiday Loss

The weekly mortgage application report from the Mortgage Bankers Association (MBA) was another recounting of a post-holiday rebound. Last Wednesday's catch up on application activity during MBA's Christmas/New Year hiatus showed aggregate **double digit** drops in all volume categories over the last two weeks of 2015. This week's data, covering the first week of 2016 ending on January 8, shows **double digit increases** in every category and a net gain in purchase application volume.

Overall, application volume, which was down 27 percent and 50 percent on a seasonally adjusted and unadjusted basis respectively during the last weeks of the year posted increases of 21.3 and 76 percent this past week.

Refinancing rose 24 percent after last week's 37 percent decline. Purchase mortgage applications which had dropped by 15 percent on a seasonally adjusted basis rose by 18 percent while unadjusted, it **soared from -40 to +74 percent**. Unadjusted the purchase applications were 19 percent higher than during the same week in 2015.

Refinance Index vs 30 Yr Fixed

Purchase Index vs 30 Yr Fixed

"MBA's purchase mortgage application index reached its second highest level since May 2010 on a seasonally adjusted basis last week, **second only** to the week prior to the implementation of the Know Before You Owe rules," said Lynn Fisher, MBA's Vice President of Research and Economics.

"Bolstered by strong fourth quarter **growth in jobs** and continuing low rates, the results are similar to levels we saw in early December, suggesting that the purchase market's strong finish to 2015 may be continuing. While refinances also increased on a holiday-adjusted basis, refinance activity was down 38 percent relative to a year ago when rates dove below 4 percent," Fisher continued.

The refinance share of mortgage activity increased to **55.8 percent** of total applications from 55.4 percent while the FHA share decreased to 14.4 percent from 14.6 percent. The VA share was down to 12.2 percent from 12.9 percent. The USDA share of applications gained 0.2 percentage points to 0.8

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
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Builder Confidence	Mar	51	+6.25%
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