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Mortgage App Volume Falls as Rates Top 7 Percent

The downturn in mortgage application volume extended to a third straight week over the period ending August 4. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of that volume, decreased 3.1 percent on a seasonally adjusted basis and was down 4.0 percent before adjustment when compared to the prior week.

The Refinance Index decreased 4.0 percent and was 37 percent lower than the same week one year ago. Refinancing applications accounted for 28.7 percent of the total, down from 28.9 percent the previous week.

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The seasonally adjusted **Purchase Index fell 3.0 percent week-over-week on both an adjusted and unadjusted basis**. Purchasing volume was 27 percent below its level during the same week in 2022.

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"Treasury yields rates rose last week and [mortgage rates](#) followed suit, due to a combination of the Treasury's funding announcement and the downgrading of the U.S. government debt rating. Rates increased for all loan types in our survey, with the 30-year fixed mortgage rate increasing to 7.09 percent, the highest level since November 2022," said Joel Kan, MBA's Vice President and Deputy Chief Economist. **"Additionally, the rate for FHA mortgages increased to 7.02 percent, the highest rate since 2002.** Not surprisingly, mortgage applications continued to decline given these higher rates, with overall application counts falling for the third consecutive week, as both purchase and refinance activity declined. The purchase index fell for the fourth consecutive week, as homebuyers continue to struggle with low for sale inventory and elevated mortgage rates."

Highlights of MBA's Weekly Mortgage Application Survey

- Loan sizes continued to trend lower. Overall loan sizes were down more than \$5,000 to \$370,600 and purchase loans declined to \$416,400 from \$423,400.
- The FHA share of total applications increased to 13.6 percent from 13.3 percent and the VA share grew to 11.8 percent from 11.6 percent. The USDA share dropped to 0.4 percent from 0.7 percent.
- The 7.09 percent average rate for conforming 30-year fixed-rate

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.13%	-0.01	0.00
15 Yr. Fixed	6.47%	-0.02	0.00
30 Yr. FHA	6.60%	-0.02	0.00
30 Yr. Jumbo	7.29%	-0.01	0.00
5/1 ARM	7.10%	0.00	0.00

Freddie Mac

30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.02%	-0.05	0.65
15 Yr. Fixed	6.60%	-0.15	0.55
30 Yr. FHA	6.87%	0.00	0.92
30 Yr. Jumbo	7.18%	-0.03	0.54
5/1 ARM	6.45%	+0.08	0.81

Rates as of: 7/2

Recent Housing Data

		Value	Change
Mortgage Apps	Jun 12	208.5	+15.58%
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%

mortgages (FRM) was a 16-basis point increase from the prior week.

Points rose to 0.70 from 0.68.

- Jumbo 30-year FRM had an average rate of 7.04 percent with 0.66 point compared to 6.89 percent, with 0.58 point the prior week.
- The average contract rate for FHA-backed 30-year FRM increased to 7.02 percent from 6.85 percent. Points rose to 1.14 from 1.05.
- Fifteen-year FRM had an average rate of 6.51 percent, up from 6.39 percent, with points increasing to 0.92 from 0.78.
- The initial rate for 5/1 adjustable-rate mortgages (ARMs) jumped to 6.36 percent from 6.18 percent. Points moved to 1.2 from 1.0.
- The share of ARM loan applications rose to 6.9 percent from 6.5 percent.

		Value	Change
Builder Confidence	Mar	51	+6.25%