



BRETON MACDONALD

Mortgage Banker/Broker/Branch Manager, Geneva Financial LLC

174698

3155 S. Price Road, Suite 105 Chandler, Arizona 85248

Office: 949-887-7289

Mobile: 949-887-7289

bmacdonald@genevafi.com

[View My Website](#)

A Message from BRETON MACDONALD:

"14% increase in VA Purchase Apps! Love it!"

Mortgage Apps Surge in Response to Lower Rates

Mortgage applications increased for the second week as interest rates again ticked lower at well under 5 percent. The Mortgage Bankers Association said its Market Composite Index, a measure of mortgage application volume, **increased 5.3 percent** on a seasonally adjusted basis during the week ended February 22. As that week began with the President's Day holiday, data was adjusted to account for the shortened week. On an unadjusted basis, the Index was down 3 percent compared with the week ended February 15.

The seasonally adjusted **Purchase Index increased 6 percent** from one week earlier while the unadjusted version ticked down 1 percent week-over-week and was 3 percent higher than the same week one year ago. The **Refinance Index increased 5 percent** and the refinance share of mortgage activity fell to 40.4 percent of total applications from 41.7 percent the previous week.

Refi Index vs 30yr Fixed

Purchase Index vs 30yr Fixed

"Mortgage rates were little changed last week, but as we anticipated, **homebuyers are responding favorably to this more stable rate environment,**" said Mike Fratantoni, MBA Senior Vice President and Chief Economist. "Purchase applications for both conventional and government loans rose last

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00

Freddie Mac

30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/22

Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
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%

week, with the government gain led by a 14 percent increase in applications for VA purchase loans."

	Value	Change
Builder Confidence	Mar 51	+6.25%

Fratantoni added, "Refinance application volume increased as well, with the index reaching its highest level in a month. Borrowers with larger loans tend to be more responsive for a given drop in rates, and competition for these loans is fierce. Therefore, it was not surprising to see the average rate for a 30-year fixed jumbo loan drop to its lowest level since January 2018."

The FHA share of total applications was unchanged from 10.2 percent the previous week while the VA share rose to 10.7 percent from 10.1 percent. The USDA share dipped to 0.6 percent from 0.7 percent. The average origination balance of a loan was \$319,000. The average for home purchase was \$321,500.

The average contract interest rate for 30-year fixed-rate mortgages (FRM) with origination balances at or below the conforming limit of \$484,350 decreased to 4.65 percent from 4.66 percent. Points were unchanged at 0.42 and the effective rate decreased.

The rate for jumbo 30-year FRM, loans with balances higher than the conforming limit, decreased to 4.40 percent from 4.56 percent. Points moved higher, to 0.29 from 0.23, but the effective rate declined.

The 30-year FRM backed by the FHA had an average rate of 4.64 percent with 0.48 point. The prior week the rate was 4.68 percent with 0.58 point. The effective rate decreased.

The rate for 15-year FRM was 4.00 percent, down 4 basis point from a week earlier. Points decreased to 0.38 from 0.44 and the effective rate moved lower.

The average contract interest rate for 5/1 adjustable rate mortgages (ARMs) decreased to 3.95 percent from 4.00 percent, with points increasing to 0.4 from 0.24. The effective rate increased from last week. The ARM share of activity declined from 7.7 percent the previous week to 7.3 percent of total applications last week.

MBA's Weekly Mortgage Applications Survey 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.

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Breton is a Branch Manager & Sr Loan Officer at the top of his field for over 15 years. Transparency & treating people like family is how he has built a solid network of referral & repeat business over the years. Candor and expertise is how he communicates & consistently closes on time getting the best loan possible. With Geneva Financials' wide array of products & its seamless, straightforward process he will be able to find you the best mortgage structured the right way. With a positive attitude, Breton is consummate pro who is honest, upfront & shoots it to you straight. 949-887-7289

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