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A Message from Jeffrey Chalmers:

"Be ready for Round Two when it Hits."

Rising Rates Put Brakes on Mini Refi Boom

Interest rates reversed direction during the week ended July 15, ending, whether temporarily or not, several weeks of declines. In response, applications for most mortgage products decreased on a seasonally adjusted basis.

The Mortgage Bankers Association (MBA) said that its Market Composite Index, a measure of loan application volume, **eased back 1.3 percent** from the previous week on a seasonally adjusted basis. On an unadjusted basis applications rose 24 percent from the week ended July 8 and with data adjusted to account for the occurrence of the July 4 holiday.

The Refinance Index, which had been driven higher by **double digits** in each of the previous two weeks by declining interest rates, fell back by 1 percent but the refinance share of applications still increased, rising to 64.2 percent from 64.0 percent the previous week.

The seasonally adjusted **Purchase Index** was down 2 percent from one week earlier. The unadjusted Purchase Index increased 23 percent from the previous holiday adjusted week and was 16 percent higher than the same week one year ago.

Refi Index vs 30yr Fixed

Purchase Index vs 30yr Fixed

The **FHA share** of total applications decreased to 9.9 percent from 10.0 percent the previous week and the **VA share** fell to 11.2 percent from 12.1 percent. The **USDA share** of total applications fell to an unusually low 0.5 percent from 0.6 percent a week earlier.

Most **interest rates rose** on an average contract basis and unless noted were also higher on an effective basis. The average contract rate for 30-year fixed-rate mortgages (FRM) with conforming loan balances (\$417,000 or less) increased to 3.65 percent from 3.60 percent. Points were unchanged at 0.36.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.86%	-0.05	0.00
15 Yr. Fixed	6.31%	-0.02	0.00
30 Yr. FHA	6.32%	-0.06	0.00
30 Yr. Jumbo	7.04%	-0.03	0.00
5/1 ARM	6.53%	-0.02	0.00
Freddie Mac			
30 Yr. Fixed	6.78%	-0.08	0.00
15 Yr. Fixed	6.07%	-0.09	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: 7/26

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%

The **Jumbo** 30-year FRM, with original balances in excess of \$417,000, had an average rate of 3.66 percent, a 5 basis point gain from a week earlier. Points were unchanged at 0.32.

	Value	Change
Builder Confidence	Mar 51	+6.25%

The contract rate for 30-year FRM backed by the **FHA** remained unchanged at 3.53 percent. Points decreased to 0.30 from 0.32, bringing down the effective rate compared to the previous week

The average contract interest rate for **15-year** FRM rose by 2 basis points to 2.90 percent. Points retreated to 0.31 from 0.34.

The average contract interest rate for 5/1 adjustable rate mortgages (**ARMs**) rose from 2.78 percent to 2.86 percent and points increased to 0.29 from 0.25. The ARM share of activity decreased to 5.1 percent of total applications from 5.2 percent the previous week.

MBA derives its application and rate data from its Weekly Mortgage Applications Survey which covers over 75 percent of all U.S. retail residential mortgage applications. The survey has been conducted since 1990, gathering information from respondents that include mortgage bankers, commercial banks and thrifts. Base period and value for all indexes is March 16, 1990=100 and rate information is based on loans with 80 percent loan-to-value ratios and points that include the origination fee.

Because Integrity Matters™

Jeffrey has spent the last three decades perfecting an Honest, Open and Transparent (HOT™) loan and closing process that is laser-focused on enhancing the consumer mortgage experience. By combining old-school, trustworthy customer service with real-time, mobile-friendly technology, he has successfully built thousands of loyal, raving fans.

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