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A Message from Jeffrey Chalmers:

"Interested in taking a vacation, buying a car, saving money?"

Low Rates Spark Mini-Boom in Refinancing

Interest rates declined again during the week ended May 31, propping up mortgage application activity in a holiday shortened week. The Mortgage Bankers Association said its Market Composite Index, a measure of loan applications volume, managed a 1.5 percent gain on a seasonally adjusted annual basis even as it fell 10 percent from the previous week on an unadjusted basis. The week's results were adjusted to reflect the Memorial Day holiday.

The Refinance Index increased by 6 percent from the previous week. Applications that were for refinancing grew to 42.2 percent of the total from 39.7 percent during the week ended May 24.

The seasonally adjusted Purchase Index declined for the sixth time in the last seven weeks, dipping by 2 percent from the previous week. The seasonally adjusted Purchase Index decreased 2 percent from one week earlier and was 14 percent lower unadjusted. Despite the weekly losses, purchase applications have maintained their year-over-year edge in all but three weeks since the first of the year and were up 0.5 percent this time.

Refi Index vs 30yr Fixed

Purchase Index vs 30yr Fixed

National Average Mortgage Rates



	Rate	Change	Points
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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%

	Value	Change
Builder Confidence	51	+6.25%

"Mortgage rates dropped to their lowest level since the first week of 2018, driven by increasing concerns regarding the ongoing trade tensions with China and Mexico," said Mike Fratantoni, MBA Senior Vice President and Chief Economist. "Some borrowers, particularly those with larger loans, jumped on the opportunity to refinance, bringing the index and average refinance loan size to their highest levels since early April [\$332,500 and \$355,600 respectively]. Additionally, refinances for FHA and VA loans jumped by 11 percent."

Added Fratantoni, "Coming out of the Memorial Day holiday, and likely impacted by the financial market volatility caused by the trade tensions, purchase application volume declined for the week. Potential homebuyers may be more cautious given the heightened economic uncertainty."

The FHA share of total applications decreased to 9.5 percent from 9.6 percent the prior week while the VA share ticked up to 11.3 percent from 11.2 percent. The USDA share fell back to its usual 0.6 percent share after one week at 0.7 percent.

Both average contract and effective rates moved lower during the week with the conforming 30-year fixed-rate mortgage (FRM) declining 10 basis points to 4.23 percent. Points dropped to 0.33 from 0.42.

The average rate for 30-year FRM with jumbo loan balances greater than the conforming limit of \$484,350 decreased to 4.09 percent from 4.18 percent. Points averaged 0.21 compared to 0.23 a week earlier.

The average contract interest rate for 30-year FRM backed by the FHA decreased to 4.24 percent with 0.33 point. The prior week the average was 4.33 percent with 0.43 point.

Fifteen-year FRM had an average rate of 3.65 percent, down from 3.73 percent. Points moved down by 0.04 point to 0.36.

The average contract interest rate for 5/1 adjustable rate mortgages (ARMs) fell to 3.62 percent from 3.74 percent while points declined to 0.19 from 0.34. The ARM share of applications increased to 7.1 percent of the total from 6.6 percent.

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.

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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