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Refis Retain Higher Share of Mortgage Apps Despite Rising Rates

Mortgage rates crept higher during the week ended September 16, and mortgage applications, while rebounding from the previous holiday-shortened prior week, were **down significantly** on a seasonally adjusted basis.

The Mortgage Bankers Association said its seasonally adjusted Market Composite Index, a measure of mortgage applications volume, was down **7.3 percent** from the previous week in which data had included an adjustment for the Labor Day holiday. On an unadjusted basis, the Index was up by 15 percent.

The Refinance Index **fell 8 percent** and was at its lowest level since June. Still the share of mortgage applications that were for refinancing increased to 63.1 percent from 62.9 percent.

Refi Index vs 30yr Fixed

Purchase Index vs 30yr Fixed

The seasonally adjusted Purchase Index dropped 7 percent but the **unadjusted version rose 15 percent** and was 3 percent higher than during the same week in 2015.

The **FHA share** of total applications increased to 10.2 percent from 9.6 percent and the VA share was down to 11.6 percent from 12.0 percent. USDA's share was unchanged at 0.7 percent.

Interest rates, both contract and effective ended the week higher than during the period ended September 9. The average contract interest rate for **30-year fixed-rate mortgages (FRM)** with conforming loan balances (\$417,000 or less) increased to the highest level since June 2016, 3.70 percent, up from 3.67 percent. Points increased to 0.38 from 0.36.

The average contract interest rate for 30-year FRM with **jumbo** loan balances (greater than \$417,000) rose 5 basis points to 3.69 percent. Points were lower, 0.29 compared to 0.36, than a week earlier.

National Average Mortgage Rates



	Rate	Change	Points
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Mortgage News Daily

30 Yr. Fixed	7.07%	+0.02	0.00
15 Yr. Fixed	6.45%	0.00	0.00
30 Yr. FHA	6.51%	+0.02	0.00
30 Yr. Jumbo	7.26%	0.00	0.00
5/1 ARM	7.02%	-0.01	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: 6/28

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%

	Value	Change
FHA-backed 30-year FRM had an average rate of 3.56 percent with 0.23 point. A week earlier, the rate was 3.50 percent with 0.27 point.	3.56	+0.06
Builder Confidence	Mar 51	+6.25%

The average contract interest rate for **15-year** FRM increased to 2.99 percent from 2.97 percent. Points increased to 0.35 from 0.34

The adjustable-rate mortgage (**ARM**) share of activity decreased to 4.4 percent of total applications from 4.6 percent a week earlier. The average rate for 5/1 ARMs jumped 9 basis point to 2.96 percent from 2.87 percent but points fell to 0.26 from 0.37.

MBA's Weekly Mortgage Applications survey covers over 75 percent of all U.S. retail residential mortgage applications. It has been conducted since 1990 with respondents that include mortgage bankers, commercial banks and thrifts. Base period and value for all indexes is March 16, 1990=100 and interest rate information is for loans with an 80 percent loan-to-value ratio and points that include the origination fee.

Real Talk

At The Rate Shop, we're not your average mortgage banker. We specialize in bringing you ridiculously low interest rates that will make you wonder what the other guys are doing. In fact the **ONLY** objection we ever hear is "your rates sound too good to be true". Well they're not, and here is why...

After 15 years in the retail banking world I was frustrated with the high interest rates that came from that business model. As I looked around at all the bloated layers of management and their expensive salaries and the overhead of running a larger company (think rent costs, employee health and benefit costs, payroll taxes, and on and on) it dawned on me that I was a part of the problem, and the solution, for me at least, was so easy to see.

Start my own mortgage brokerage shop. No expensive executive salaries, no expensive building to pay rent at, no unnecessary employees and all the costs that are associated with that. What happens when you cut out all the fat? You can provide lower rates and lower closing costs. It's simple. Now here is the best part, you still get great service from a local Kansas City Lender. My mission is to let everyone know that low rates and great customer service are **NOT** mutually exclusive.

Thanks for coming along on this journey where Low Rates meet Great Service. The two do **NOT** have to be mutually exclusive. It's just a lie that the big box mortgage companies have been telling you for years. Don't believe me? Give me a call or shoot me a text on my personal cell phone today and compare my rates and costs up against any other lender in the country, and be prepared to be blown away.

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