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Purchase Applications at 7-Month High

Applications for purchase mortgages **increased** during the week ended January 20, pushing the Mortgage Bankers Association's (MBA's) Market Composite Index higher despite increasing interest rates. MBA said its index, a measure of application volume, increased **4.0 percent** on a seasonally adjusted basis compared to a week earlier. On an unadjusted basis, the index was down by 5 percent. The index included an adjustment to account for the Martin Luther King Day holiday.

The **Purchase Index** increased 6 percent on a seasonally adjusted basis compared to the week ended January 13. That change brought the index to its highest level since last June. Unadjusted, the Purchase Index gained 2 percent week-over-week and was 0.1 percent higher than the same week in 2016. The average loan size for purchase applications increased to \$309,200, the highest level since December 16th, 2016.

The **Refinance Index** eked out a 0.2 percent increase and the refinance share of applications fell to 50 percent of total mortgage activity from 53.0 percent the week before. It was the lowest share for refinancing since June 2015.

Refi Index vs 30yr Fixed

Purchase Index vs 30yr Fixed

The **FHA share** of total applications increased to 13.6 percent from 13.1 percent and the **VA share** increased to 12.2 percent from 12.1 percent. The **USDA share** remained at 0.9 percent.

MBA said both contract and effective interest **rates** increased for all fixed-rate mortgage products it tracks in its Weekly Mortgage Applications Survey. The average contract interest rate for 30-year fixed-rate mortgages (FRM) with conforming loan balances of \$424,000 or less increased to 4.35 percent from 4.27 percent. Points decreased to 0.30 from 0.39.

The **jumbo** version of the 30-year FRM (loan balances greater than \$424,000) increased to 4.28 percent from 4.22 percent. Points dropped to 0.31 from 0.36.

Thirty-year FRM backed by the FHA had an average contract rate of 4.19 percent with 0.35 point. A week earlier the rate was 4.10 percent with 0.28

National Average Mortgage Rates



	Rate	Change	Points
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%

point.

The average contract interest rate for **15-year** fixed-rate mortgages increased 6 basis points to 3.57 percent. Points decreased to 0.28 from 0.34.

	Value	Change
Builder Confidence	51	+6.25%

Mar
Points

The contract rate for 5/1 **adjustable** rate mortgages (ARMs) dipped to 3.41 percent from 3.44 percent, Points rose to 0.30 from 0.21, leaving the effective rate unchanged from the previous week. The ARM share of activity was also unchanged at 5.7 percent.

MBA's survey covers over 75 percent of all U.S. retail residential mortgage applications, and has been conducted since 1990. 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.

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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