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Falling Rates Stoke Refinancing

Mortgage application volume rose during the week ended April 21, solely from a significant increase in refinancing. The Mortgage Bankers Association (MBA) said its Market Composite Index, a measure of application volume, was **up 2.7 percent** on a seasonally adjusted basis from the week ended April 14, and rose 3.0 percent on an unadjusted basis.

The Refinance Index increased 7 percent from a week earlier while the seasonally adjusted **Purchase Index fell by 1 percent**. The unadjusted Purchase Index ticked up 0.1 percent compared with the previous week and was 0.4 percent higher than the same week in 2016.

Refi Index vs 30yr Fixed

Purchase Index vs 30yr Fixed

The **refinance share** of mortgage activity increased to 44.0 percent of total applications from 42.4 percent the previous week. The average loan size for refinance applications increased to \$266,900, the highest since last September.

The **FHA share** of total applications dropped a percentage point to 10.0 percent and the VA share decreased to 10.9 percent from 11.1 percent. USDA loans received an 0.8 percent share, down from 1.0 percent the week before.

Mortgage interest **rates** were lower on both a contract and an effective basis except for the jumbo 30 year fixed-rate mortgage (FRM). The average rate for these loans, with balances in excess of \$424,100, were unchanged from the previous week at 4.15 percent. Points increased to 0.27 from 0.23 and the effective rate increased.

The average contract interest rate for **30-year (FRM)** with conforming loan balances (\$424,100 or less) decreased to its lowest level since November 2016, 4.20 percent, from 4.22 percent, with points increasing to 0.37 from 0.35

FHA-backed 30-year FRM had an average rate of 4.03 percent with 0.34 points. The previous week the rate was 4.09 percent with 0.36 point.

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%

	Value	Change
Fifteen-year FRM had their lowest rates since last November at 3.46 percent with 0.50 point. A week earlier the contract rate was 3.50 percent with 0.41 point.	51	+6.25%

Adjustable rate mortgages had an 8.7 percent share of mortgage applications during the week, up from 8.4 percent the week before. The average contract interest rate for 5/1 ARMs decreased to its lowest level since November 2016, 3.22 percent, from 3.27 percent, with points decreasing to 0.18 from 0.26.

MBA's Weekly Mortgage Applications Survey has been conducted since 1990 and covers over 75 percent of all U.S. retail residential mortgage 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.

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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