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Purchase Mortgage Gain Fails to Fill Refi Gap

Mortgage application volume **decreased** for the second consecutive week as the growing pool of purchase mortgage applications just missed covering the gap from declining refinance activity. The Mortgage Bankers Association said its Market Composite Index, a measure of application activity, dipped 0.1 percent on a seasonally adjusted basis during the week ended April 28, and declined 1.0 percent unadjusted.

Refinancing **did not maintain** last week's flurry of activity. The Refinance Index lost 5 percent when compared to the week ended April 21 and refinancing applications fell back to a 41.6 percent share from 44 percent the previous week.

The seasonally adjusted **Purchase** Index increased 4 percent from a week earlier and grew by 5 percent unadjusted. It was also 5 percent **higher** than during the same week in 2016.

Refi Index vs 30yr Fixed

Purchase Index vs 30yr Fixed

The **FHA share** of total applications increased to 10.4 percent from 10.0 percent and the VA's share was 10.8 percent, down from 10.9 percent. USDA applications were unchanged at an 0.8 percent share.

Contract interest **rates** all rose when compared to the previous week although not all effective rates followed suit. The average contract interest rate for 30-year fixed-rate mortgages (FRM) with conforming loan balances (\$424,100 or less) increased to 4.23 percent from 4.20 percent. Points dropped to 0.32 from 0.37 and the effective rate was higher than the prior week.

The contract interest rate for **jumbo** 30-year FRM, those with balances greater than \$424,100, increased to 4.18 percent from 4.15 percent. Points dipped to 0.23 from 0.27 and the effective rate increased.

FHA-backed 30-year FRM had an average increase of 3 basis points in its contract rate, to 4.06 percent. Points fell to 0.24 from 0.34. The effective

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%

Housing News Update

rate was unchanged from a week earlier.

	Value	Change
Builder Confidence	Mar 51	+6.25%

The average rate for **15-year** FRM was 3.51 percent with 0.32 point. The previous week the rate averaged 3.46 percent, with 0.50 point. The effective rate was unchanged.

The 5/1 adjustable rate mortgage (**ARM**) had an average contract interest rate that increased to 3.29 percent from 3.22 percent, with points decreasing to 0.14 from 0.18. The effective was also higher. The ARM share of activity decreased to 8.4 percent of total applications.

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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