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## Refinance Volume Retreats from Previous Strong Showing

The volume of applications for mortgages **tumbled** during the week ended May 26. Purchase applications were down for the third straight week and refinancing didn't sustain the strong bounce it had the week before.

The Mortgage Bankers Association (MBA) said its Market Composite Index, was **down 3.4 percent** from the week ended May 19 on a seasonally adjusted basis and lost 4 percent unadjusted. The **Refinance** Index, which had surged 11 percent a week earlier, fell back by 6 percent and the share of all applications that were for refinancing decreased to 43.2 percent from 43.9 percent.

The seasonally adjusted **Purchase** Index was off by 1 percent from the prior week and the unadjusted Index was down 3 percent. The volume of purchase applications was still 7 percent higher than during the same week in 2016.

### Refi Index vs 30yr Fixed

### Purchase Index vs 30yr Fixed

The share of applications for **FHA**-backed mortgages dipped from 10.8 percent to 10.5 percent, mirroring the VA share which increased to 10.8 percent from 10.5 percent. The USDA share of total applications was unchanged at 0.8 percent.

Mortgage **rates** were relatively stagnant. Sever were unchanged from the previous week; the remainder drifted lower. Effective rates, unless otherwise noted, were lower than in the prior period.

The average contract interest rate for 30-year **fixed**-rate mortgages (FRM) with conforming loan balances (\$424,100 or less) was unchanged at 4.17 percent. Points decreased to 0.32 from 0.39.

The contract rate for **jumbo** 30-year FRM, loans with balances greater than \$424,100, was also unchanged, staying at an average of 4.11 percent, while points ticked down from 0.31 to 0.30. The effective rate was unchanged from the prior week.

## National Average Mortgage Rates



	Rate	Change	Points
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### Mortgage News Daily

30 Yr. Fixed	7.03%	-0.05	0.00
15 Yr. Fixed	6.44%	-0.01	0.00
30 Yr. FHA	6.50%	-0.05	0.00
30 Yr. Jumbo	7.24%	-0.01	0.00
5/1 ARM	7.05%	-0.02	0.00

### Freddie Mac

30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00

### Mortgage Bankers Assoc.

30 Yr. Fixed	7.03%	+0.09	0.62
15 Yr. Fixed	6.56%	+0.09	0.54
30 Yr. FHA	6.90%	+0.11	0.95
30 Yr. Jumbo	7.11%	-0.01	0.50
5/1 ARM	6.38%	+0.11	0.54

Rates as of: 7/5

## 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%

The average contract rate for **FHA**-backed 30-year FRM was 4.03 percent, down 4 basis points from the earlier period. Points decreased to 0.32 from 0.34.

	Value	Change
Builder Confidence	51	+6.25%
Mar		

**Fifteen**-year FRM had a contract rate of 3.42 percent with 0.39 point. The previous week the rate was 3.45 percent with 0.38 point.

The share of applications for adjustable-rate mortgages (**ARMs**) decreased to 7.7 percent of total applications from 8.2 percent. The average contract interest rate for 5/1 ARMs decreased to 3.22 percent from 3.27 percent, with points decreasing to 0.33 from 0.35.

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.

## Expert Advice | Exceptional Service | Flawless Execution

With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

**Rich E. Blanchard**

