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## Lenders Continue to Shed Higher Risk Programs

The availability of mortgage credit declined slightly last month. The Mortgage Bankers Association said its Mortgage Credit Availability Index (MCAI) dipped 0.2 percent to 181.9 in January. A decline in the MCAI indicates that lending standards are tightening, while increases in the index are indicative of loosening credit.

The MCAI has four components, the Conventional MCAI and its two sub-components were responsible for the January decline. The Conventional MCAI decreased 0.5 percent as its Jumbo components fell 0.3 percent and the Conforming MCAI moved 0.9 percent lower. These losses were partially compensated for by the Government MCAI which gained 0.4 percent.

"Mortgage credit availability was mostly unchanged to start 2020, decreasing 0.2 percent in January," said Joel Kan, MBA's Associate Vice President of Economic and Industry Forecasting. "Similar to December of 2019, the decline came from the reduction of low credit score, high-LTV programs. Furthermore, continues to be movement with both adds and drops in the government program space, with the net result last month showing small growth in the government index."

Added Kan, "Although credit supply has flattened these last two years, the meaningful increase seen overall since the Great Recession has been helpful to the growing share of first-time homebuyers, as well as refinance borrowers looking to act on lower mortgage rates. Ongoing housing supply constraints in the lower-price range continues to hold prospective buyers back the most."

All of the components are based on information gathered from over 95 lenders and investors regarding factors related to borrower eligibility (credit score, loan type, loan-to-value ratio, etc.) These are combined with data from Ellie Mae's AllRegs proprietary product to calculate a summary measure indicating the availability of mortgage credit at a point in time

The MCAI and its components were benchmarked in March 2012 and are designed to show relative credit risk/availability for their respective indices. The Conforming, and Jumbo sub-indices were indexed at 100 while the Conventional and Government indices were indexed at 73.5 and 183.5 respectively to better represent where each index might have been relative to 100.

## National Average Mortgage Rates



	Rate	Change	Points
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### Mortgage News Daily

30 Yr. Fixed	7.08%	-0.05	0.00
15 Yr. Fixed	6.45%	-0.02	0.00
30 Yr. FHA	6.55%	-0.05	0.00
30 Yr. Jumbo	7.25%	-0.04	0.00
5/1 ARM	7.07%	-0.03	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	7.03%	+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: 7/3

## 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
Builder Confidence	Mar	51	+6.25%