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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	6.91%	0.00	0.00
15 Yr. Fixed	6.48%	+0.01	0.00
30 Yr. FHA	6.39%	0.00	0.00
30 Yr. Jumbo	7.29%	-0.01	0.00
5/1 ARM	6.61%	0.00	0.00
Freddie Mac			
30 Yr. Fixed	6.79%	-0.65	0.00
15 Yr. Fixed	6.11%	-0.65	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	6.93%	-0.04	0.60
15 Yr. Fixed	6.46%	-0.03	0.75
30 Yr. FHA	6.75%	-0.14	0.97
30 Yr. Jumbo	7.14%	0.00	0.38
5/1 ARM	6.27%	-0.06	0.64

Rates as of: 3/28

Recent Housing Data

		Value	Change
Mortgage Apps	Mar 27	196.8	-0.71%
Building Permits	Feb	1.52M	+1.95%
Housing Starts	Feb	1.52M	+10.7%
New Home Sales	Feb	662K	+0.15%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

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point.

		Value	Change
Builder Confidence	Mar	51	+6.25%

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.

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.

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