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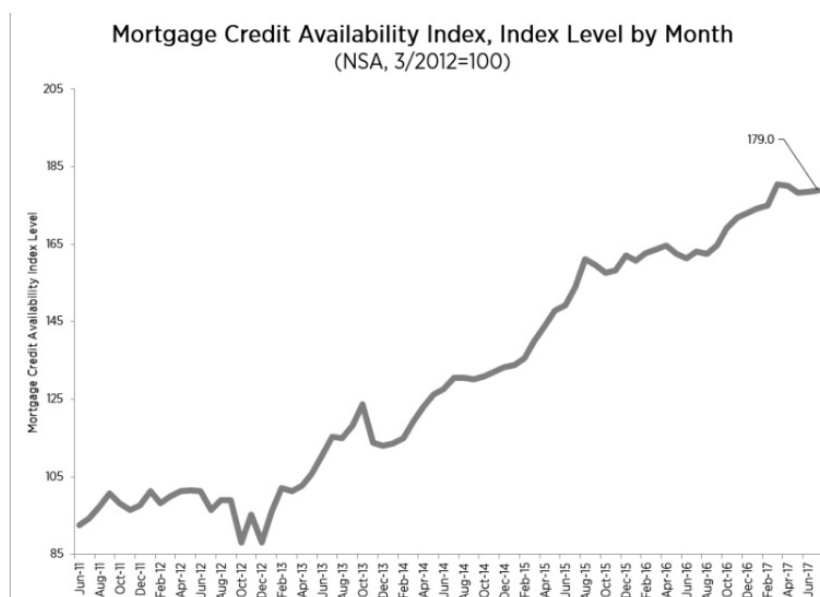
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ARMs Drive Slight Improvement in Underwriting Standards -MBA

While adjustable rate mortgages (ARMs) make up only a fraction of mortgage originations (just over 6 percent in the most recent Mortgage Bankers Association's (MBA's) volume summary), changes to some of their underwriting parameters were reflected in mortgage access numbers.



MBA's Mortgage Credit Availability Index (MCAI) increased by 0.3 percent in July to 179.0, **driven by increased availability** of conventional programs. The Association's Vice President of Research and Economics, Lynn Fisher, explains, "Many agency eligible loan programs have been updated so that underwriting parameters for adjustable rate mortgages (ARMs) more closely **align with their existing fixed rate counterparts**. In many cases this means higher loan to value (LTV) ratios on existing ARMs loan programs, which exerted an upward pressure on the MCAI. This change affected conforming loan programs as well as agency jumbo programs, which focus on loans in high cost areas that exceed the baseline conforming loan limit of \$424,000 but which are still eligible for purchase by the GSEs."

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30YR Fixed	7.29%	-0.06	0.00
15YR Fixed	6.95%	-0.05	0.00
30YR FHA	6.91%	-0.08	0.00
30YR Jumbo	7.55%	-0.05	0.00
7/6 SOFR	6.88%	+0.02	0.00
30YR VA	6.92%	-0.08	0.00

Rates as of: 10/29

Recent Housing Data

		Value	Change
Mortgage Apps	Oct 14	188.6	-5.32%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Aug	684K	+12.69%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%

Of the four component indices, the **Jumbo** MCAI saw the greatest increase in availability over the month (up 2.7 percent), followed by the **Conventional** MCAI (up 1.5 percent), and the **Conforming** MCAI (up 0.3 percent). The **Government** MCAI (down 0.6 percent) decreased from last month.

The MCAI analyzes data from Ellie Mae's AllRegs® Market Clarity® business information tool. A decline in the MCAI indicates that lending standards are tightening, while increases in the index are indicative of loosening credit. The index was benchmarked to 100 in March 2012. The Conforming and Jumbo indices have the same "base levels" as the Total MCAI, while the Conventional and Government indices have adjusted "base levels" calibrated to better represent where each index might fall in March 2012 relative to the Total=100 benchmark.

About Casey Sullivan

Casey is a dedicated and dependable mortgage loan officer. His clients count on him to be their skilled, experienced, and focused consultant, listening to their needs.

He skillfully assists his clients with both refinancing and home purchases in California and more specifically the San Francisco Bay Area.

His vision is to build lifetime relationships with each client as their mortgage consultant...for life! He stays connected with each client well after closing which includes loan reviews and dependable market updates.

Casey believes that everyone deserves to completely understand their mortgage financing options and that one size does not fit all when it comes to mortgages. Nor does it apply when it comes to mortgage lenders. All lenders are not made the same and they are not all equal.

For a free consultation, contact Casey Sullivan today at 925-395-4212 or Casey@TheSullivanGrp.com

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