

# Pre-Holiday Mortgage Applications Dip Slightly, Rates Flat

By: Jann Swanson | Wed, Sep 5 2018, 8:14 AM

Purchase applications increased slightly during the week ended August 31, **but overall mortgage activity fell slightly** according to the Mortgage Bankers Association (MBA). Its Market Composite Index, a measure of application volume, was down 0.1 percent on a seasonally adjusted basis compared to the prior week. On an unadjusted basis the index lost 2.0 percent.

**Purchase mortgage activity** gained 1.0 percent on a seasonally adjusted basis heading into the Labor Day weekend but was down 2.0 percent unadjusted. The unadjusted index held on to a 2.0 percent advantage over the same week in 2017.

**The Refinance Index** fell by 1.0 percent from its level during the week ended August 24. The share of applications that were for refinancing however increased from 38.7 percent to 38.9 percent.

## Refi Index vs 30yr Fixed

## Purchase Index vs 30yr Fixed

The distribution of applications across **product type** shifted slightly. The FHA share was unchanged at 10.2 percent, but the VA share inched down from 10.5 percent to 10.0 percent and the USDA share ticked up to 0.8 percent from 0.7 percent.

Mortgage rates continued to drift. The average contract interest rate for 30-year fixed-rate mortgages (FRM) with conforming loan balances of \$453,100 or less increased to 4.80 percent from 4.78 percent. Points declined to 0.43 from 0.46, leaving the effective rate unchanged.

**Jumbo 30-year FRM**, loans with balances exceeding the conforming rate, had an average rate of 4.67 percent, down 1 basis point from the prior week. Points were unchanged at 0.30, and the effective rate was down.

The rate for 30-year FRM **backed by the FHA** increased to 4.79 percent with 0.69 point from 4.77 percent with 0.75 point. The effective rate was unchanged from last week.

**Fifteen-year FRM** had an average contract interest rate of 4.23 percent compared to 4.24 percent a week earlier. Points decreased to 0.45 from 0.48 and the effective rate moved lower.

The average contract interest rate for **5/1 adjustable-rate mortgages (ARMs)** jumped to 4.09 percent from 3.95 percent. Points declined to 0.31 from 0.34 and the effective rate increased. The adjustable-rate mortgage (ARM) share of activity decreased to 6.1 percent of total applications compared to 6.3 percent the previous week.

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.

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