

11-21-2024

WSJ Print Edition

Rate Rise Doesn't Slow Mortgage Applications

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An index of new mortgage loan applications, the U.S. MBA purchase index, rose 2% in the latest week, as higher mortgage rates aren't slowing down buyers.

Even as mortgage rates climbed back above 7%, refinancing for the week ended Nov. 15 rose 1.8%, the Mortgage Bankers Association said.

The MBA's market composite index, which measures overall mortgage-application volume, rose 1.7% over the previous week, showing that buyers aren't shying away from the market. The index stood at 195.6 for the week ended Nov. 15, up from 192.4 the previous week. A year ago, the index stood at 175.6.

"The pickup in purchase applications was driven by conventional and FHA loans, with FHA purchase applications seeing a 7% increase," Joel Kan, deputy chief economist at the MBA, said. "Forsale inventory has loosened in some markets and some potential buyers have been able to take advantage of increasing supply and lower FHA rates."

Home prices rose 5.9% in October on a year-over-year basis, marking the lowest annual increase since December, Redfin said in a report Tuesday. Higher mortgage rates have slowed price increases that surged since the pandemic began, and home-price increases are now consistent with the pace of growth seen between 2015 to 2020.

Mortgage rates hit a twoyear low in September.

For the latest week, the effective rate, including points, for 30-year fixed mortgages edged up to 7.1%. The rate for jumbo loans was 7.19%, and for 15-year fixed mortgages was 6.51%.



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