



Mid Valley Financial

Mortgage Banker, Since 1985

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Mortgage Apps Managed to Improve Despite Rate Spike

Mortgage activity increased slightly during the week ended February 1. The Mortgage Bankers Association (MBA) says its Market Composite index, a measure of application volume, rose a modest 0.7 percent on a seasonally adjusted basis, and was up 4.0 percent unadjusted. **Activity has been strong** since the first of the year; the index has posted three weekly gains averaging 5.63 percent, offset by a 2.6 percent decline during the week ended January 26.

The **Refinance** Index gained 1 percent compared to the previous week and the seasonally adjusted Purchase Index was unchanged. The unadjusted **Purchase** Index was 7 percent higher week-over-week and 8 percent above its level during the same week in 2017.

Refi Index vs 30yr Fixed

Purchase Index vs 30yr Fixed

As interest rates rise, the composition of applications continues to gradually change. The **refinance share** of total applications declined for the fourth consecutive week. It is at the lowest level since last July at 46.4 percent, down from 47.8 percent the week before. The share of applications that were for adjustable rate mortgages (ARMs) increased to 6.1 percent of total applications after hitting a 14-month low of 5.0 percent during the week ended January 5.

FHA loans had a 10.4 percent share of the applications submitted during the week, down from 10.7 percent the previous week and the **USDA** portion dipped to 0.7 percent from 0.8 percent. The **VA** share was unchanged at 10.1 percent.

Significant increases in interest **rates** during the week affected both contract and effective quotes for fixed rate mortgage products. The average contract interest rate for 30-year fixed-rate mortgages (FRM) with conforming loan balances of \$453,100 or less reached the highest level since April 2014, 4.50 percent, up from 4.41 percent a week earlier. Points increased to 0.57 from 0.56.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00
Freddie Mac			
30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/22

Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
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%

Housing News Update

Rates for **jumbo** FRM, loans with balances larger than the conforming rate, surged 13 basis points, also reaching the highest level since April 2014, 4.47 percent. Points increased to 0.44 from 0.40.

	Value	Change
Builder Confidence	Mar 51	+6.25%

The 30-year FRM backed by the **FHA** saw rates increased to 4.47 percent from 4.40 percent. Points rose to 0.69 from 0.68.

Fifteen-year FRM rates were at the highest level in seven years; 3.91 percent with 0.65 point. The prior week the rate was 3.85 percent with 0.60 point.

There was a slight easing in rates for **adjustable** products. The average contract interest rate for 5/1 ARMs decreased to 3.77 percent from 3.79 percent, with points increasing to 0.42 from 0.41.

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.

Who is Mid Valley Financial?

Mid Valley Financial, located in Fresno, CA, is the Central Valley's premier destination for a wide range of residential and commercial real estate loans. Our commitment to excellence has made us a trusted partner for property buyers and investors seeking tailored financial solutions.

****Why Choose Us:****

With a track record spanning back to our inception in 1985, we have established ourselves as a reliable and innovative lender. We proudly serve properties exclusively within California, having funded loans in all 58 counties of the state. Our deep-rooted experience enables us to navigate complex loan scenarios with expertise and efficiency.

****Our Approach:****

At Mid Valley Financial, we prioritize your financial goals. Whether you're a first-time homebuyer, envisioning your dream property, refinancing an existing mortgage, or looking to tap into your property's equity, our seasoned loan officers offer a wealth of knowledge and over 300 years of collective experience. We ensure that your funds are prepared when you need them, providing a smooth and swift loan process.

****Unlocking Possibilities:****

As one of California's leading direct lenders, we've streamlined the loan process, minimizing obstacles that often deter borrowers. Many of our clients receive approvals within an hour, showcasing our dedication to quick and hassle-free solutions.

****Your Journey with Us:****

Contact the MVF team today and let us put your journey to property ownership on cruise control. Our mission is to empower borrowers while fostering enduring and meaningful relationships. With highly competitive rates, a commitment to transparency, and a dedication to your financial success, Mid Valley Financial is your partner in realizing your real estate aspirations.

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