



## Steve Chizmadia

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## Purchase Apps Surge, Driven by Jumbos

Purchase mortgage application activity picked up **significantly** during the week ended November 18. The Mortgage Bankers Association said its Market Composite Index, a measure of application volume, increased 5.5 percent on a seasonally adjusted basis from the week ended November 11 and was up 3.0 percent on an unadjusted basis.

The Refinance Index **lost 3 percent** from its level the previous week dropping to its lowest level since January. The share of applications that were for refinancing also fell, from 61.9 percent a week earlier to 58.2 percent, the lowest level since the week ended June 24, the week of the Brexit vote.

The decline in refinancing was more than offset by purchase activity. The **Purchase Index jumped 19 percent** on a seasonally adjusted basis and 13 percent unadjusted. The unadjusted index was 11 percent higher than during the same week in 2015.

### Refi Index vs 30yr Fixed

### Purchase Index vs 30yr Fixed

Michael Fratantoni, Chief Economist and Senior Vice President of Research & Technology at the Mortgage Bankers Association said. "Mortgage rates have continued to move higher in the post-election period, as investors worldwide are looking for increases in growth and inflation, with the 30-year mortgage rate reaching its highest weekly average since the beginning of 2016. Refinance volume dropped further over the week, particularly for refinances of FHA and VA loans. Purchase volume increased sharply for the week compared to both last week, which included the Veteran's Day holiday, and last year, with purchase volume up more than 11 percent on a year over year basis. The increase in purchase activity was **driven by borrowers seeking larger loans** and that drove up the average loan amount on home purchase applications to \$310 thousand, the highest in the survey, which dates back to 1990."

The **FHA share** of total applications decreased to 11.7 percent from 12.2 percent the previous week. The VA share decreased to 12.5 percent from 12.6 percent and the USDA share rose to 0.8 percent from 0.6 percent. The adjustable-rate mortgage (ARM) share of activity increased to 5.2 percent of total applications from 4.7 percent.

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00

### Freddie Mac

30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00

### Mortgage Bankers Assoc.

30 Yr. Fixed	6.44%	-0.06	0.54
15 Yr. Fixed	5.88%	-0.16	0.68
30 Yr. FHA	6.36%	-0.06	0.85
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30

## Recent Housing Data

		Value	Change
Mortgage Apps	Aug 28	226.9	+0.49%
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%

Interest rates rose on both a contract and effective basis for all mortgage products and fixed rate loans were back to levels last seen in January. The average contract rate for **30-year fixed**-rate mortgages (FRM) with conforming loan balances of \$417,000 or less increased to 4.16 percent, from 3.95 percent. Points were unchanged at 0.39.

The **jumbo** 30-year FRM (balances greater than \$417,000) had an average rate of 4.04 percent with 0.37 point. The previous week the rate was 3.89 percent with 0.26 point.

The contract interest rate for 30-year FRM backed by the **FHA** increased to 3.90 percent, from 3.73 percent. Points increased to 0.36 from 0.28.

The rate for **15-year** FRM rose 20 basis points to 3.35 percent. Points ticked up to 0.32 from 0.29.

The average contract interest rate for **5/1 ARMs** was at December 2015 levels, up from 3.11 percent to 3.24 percent. Points fell to 0.28 from 0.42.

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 a mortgage with an 80 percent loan-to-value ratio and points that include the origination fee.

## Service oriented, responsive, competitive rates and an in depth knowledge of todays mortgage market

After completing my degree in finance at the University of Connecticut, I started in the mortgage business right out of college in 2004. With 15+ years of experience and a primary objective of thoroughly explaining all available loan options to my clients with what is typically the largest investment in their lives, I strive to always make myself available. I constantly educate myself with respect to the mortgage industry and underwriting guidelines for FHA, VA, conventional and jumbo financing. I deliver on the expectations discussed up front and provide the service level my clients deserve from day one. I will remain in touch throughout the process and continue to follow up with you after closing. My goal is to wow you and turn you into clients for life. I want you to be so impressed that throughout and after the process you share my information with your friends, family, neighbors and co-workers who may value from my services.

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