



## Steve Chizmadia

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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
<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%

	Value	Change
Rates for <b>jumbo</b> 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.	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.

## 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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