

MORTGAGE

Mortgage purchases jump 6%

The 30-year, fixed-rate mortgage hit 3.4% last week, a record low for the Mortgage Bankers of America survey



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BY **PATRICK KEARNS** | Staff Writer

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Mortgage purchases **increased 6 percent week-over-week**, according to the Market Composite Index, a weekly measure of loan volume published by the **Mortgage Bankers Association**. Overall, the index increased 1 percent compared to the previous week, due to a week-over-week drop in refinances.

While the purchase index increased week-over-week, mortgage purchases were still down 19 percent year-over-year. Conversely, despite the week-over-over



Michael Fratantoni |
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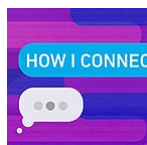
The Mortgage Bankers Association reported the average rate for a 30-year fixed-rate mortgage last week was 3.40 percent, the lowest since the association began publishing the weekly survey.

“Mortgage application volume was unchanged last week, even as the 30-year fixed-rate mortgage declined to 3.40 percent – a new record in MBA’s survey,” Mike Fratantoni, MBA’s senior vice president and chief economist, said in a statement. “Despite lower rates, refinance applications dropped, as many lenders are offering higher rates for refinances than for purchase loans, and others are suspending the availability of cash-out refinance loans because of their inability to sell them to Fannie Mae and Freddie Mac.”

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“Purchase volume increased for the third week in a row, led by strong growth in Arizona, Texas and California,” Fratantoni added. “Although purchase activity remains almost 19 percent below year-ago levels, this annualized

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