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Mortgage applications rise for second week

In its weekly mortgage application survey the Mortgage Bankers Association reported Wednesday that application rose for the second consecutive week. The 2.9% rise for the week ending May 9th was mostly attributed to an increase in refinance requests.

As mortgage rates fall more and more homeowners are looking to refinance their current home loans. Refinance loans have become so popular that they account for more than 48% of all mortgage applications. The average interest rate for a 30-year fixed mortgage fell from 5.91% last week to 5.82% for this week.

The MBA's weekly survey peaked for the week ending May 30th 2003 at 1,856.7 during the height of the housing boom. As the housing market continues to weaken more and more companies are feeling the strain of big losses. IndyMac Bancorp announced this week that they lost \$184 million in the first quarter and are projecting sustained losses throughout the rest of this year.

Analysts expect the market conditions to worsen and possibly not rebound until sometime during 2009. Homeowners with adjustable rate mortgages are feeling the pressure along with mortgage providers. Foreclosures have reached record highs and home prices have begun a steady decline. Those looking to get into a new home will be able to find favorable conditions.