

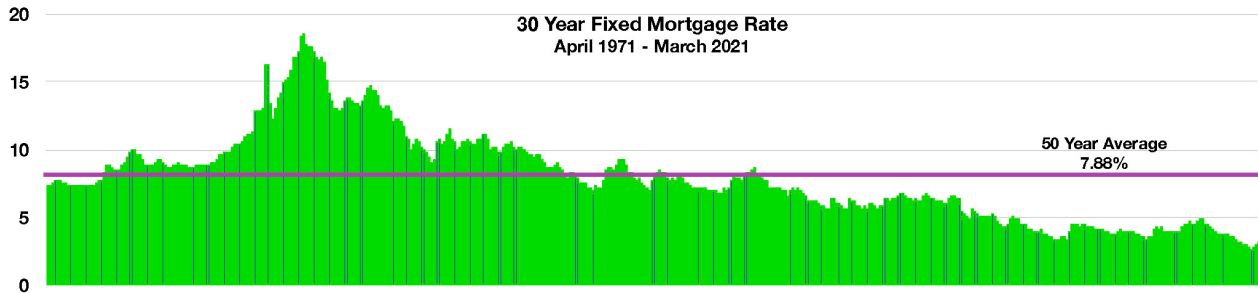
Loans May Be Easier To Qualify For As Mortgage Rates Rise - Housing Market Review

Rising mortgage rates since the beginning of the year have slowed mortgage applications down. Should employment conditions improve allowing more to qualify for loans, then there could be a resurgence in refis and purchases for those that didn't qualify last year. In addition, some lenders are expected to relax standards as volume declines, easing the loan qualification process. Optimistically, rates are still historically low relative to the 50-year average for 30-year fixed mortgage loans of 7.88%.

Fannie Mae is forecasting that mortgage companies are projected to originate 13% fewer home loans than last year's record of \$4.5 trillion in loans. Both refi and purchase volume are forecast to drop this year.

Even though rates have been rising, many homeowners may still benefit from a refinanced loan since rates are still well below their 50-year average. In addition, limited housing inventory has brought about demand for new construction in various parts of the country, creating new home purchase loans. New home construction, as measured by Housing Starts data tracked by the Federal Reserve, show that new home construction has started to rebound from the lows of the pandemic, ensuing in new home loans.

Sources: Mortgage Bankers Association, Fannie Mae



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