

# Economic and Mortgage Market Outlook

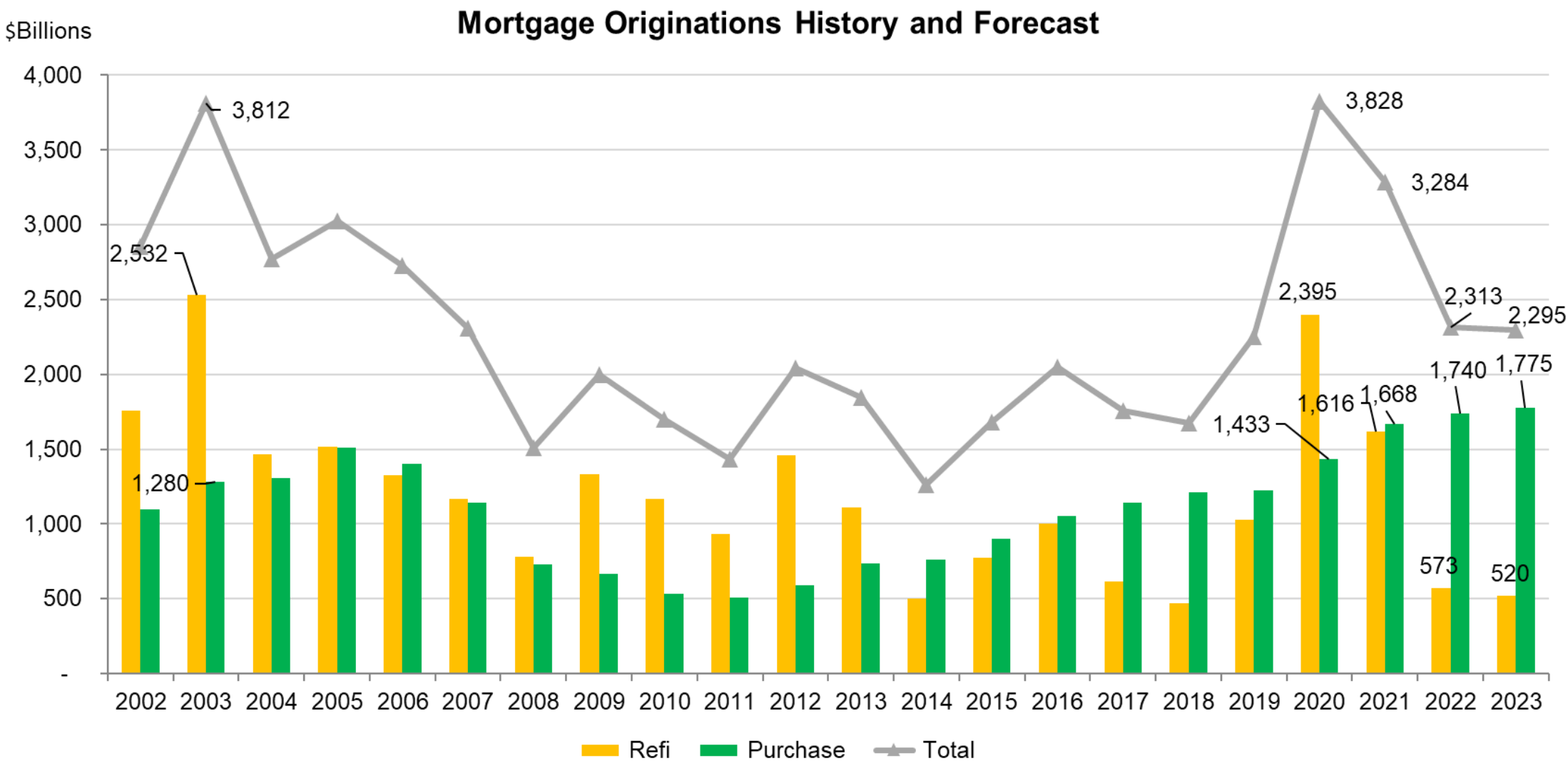
May 2021

Presented by:

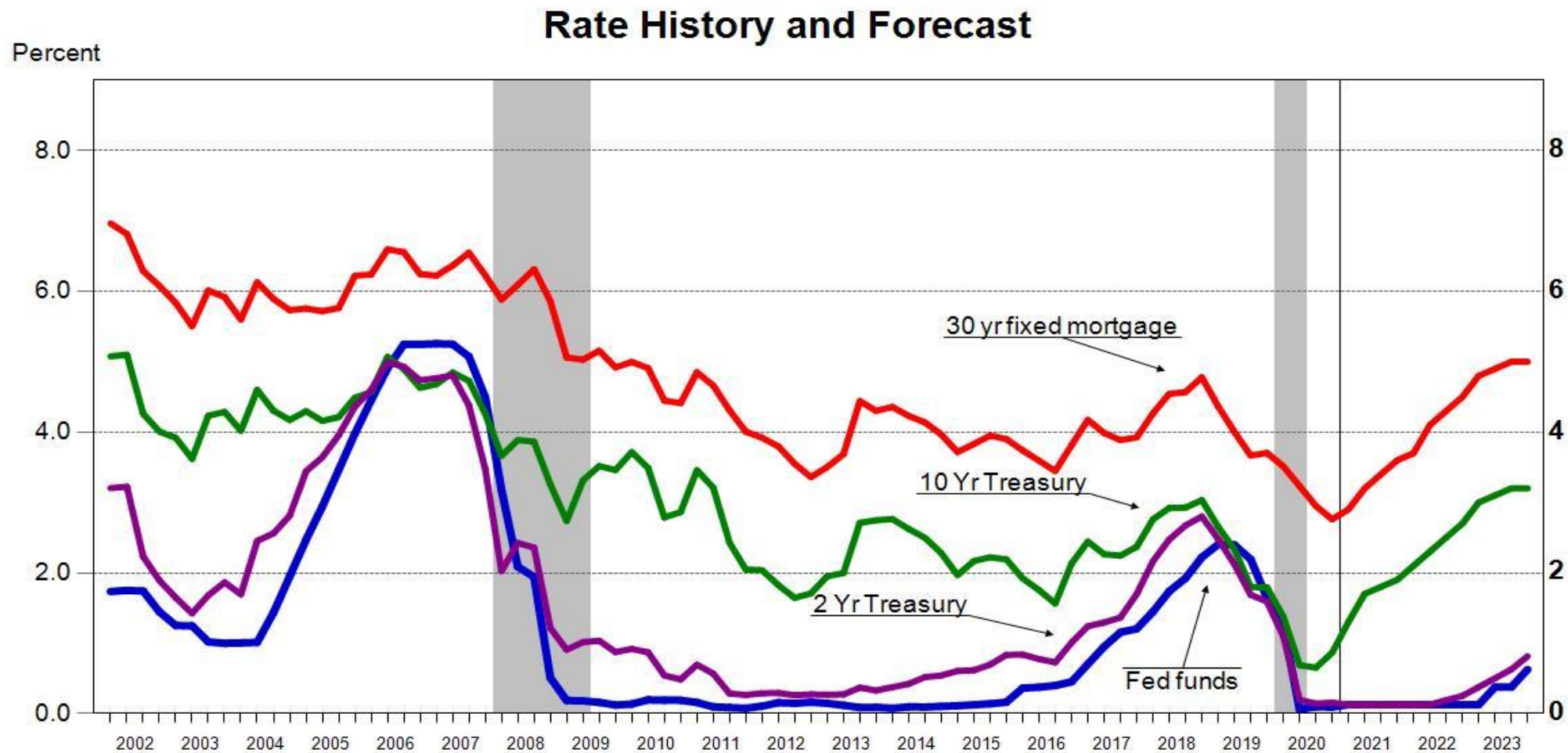
**Mike Fratantoni**

Mortgage Bankers Association

# Forecast Purchase Growth, Refinancing to Slow

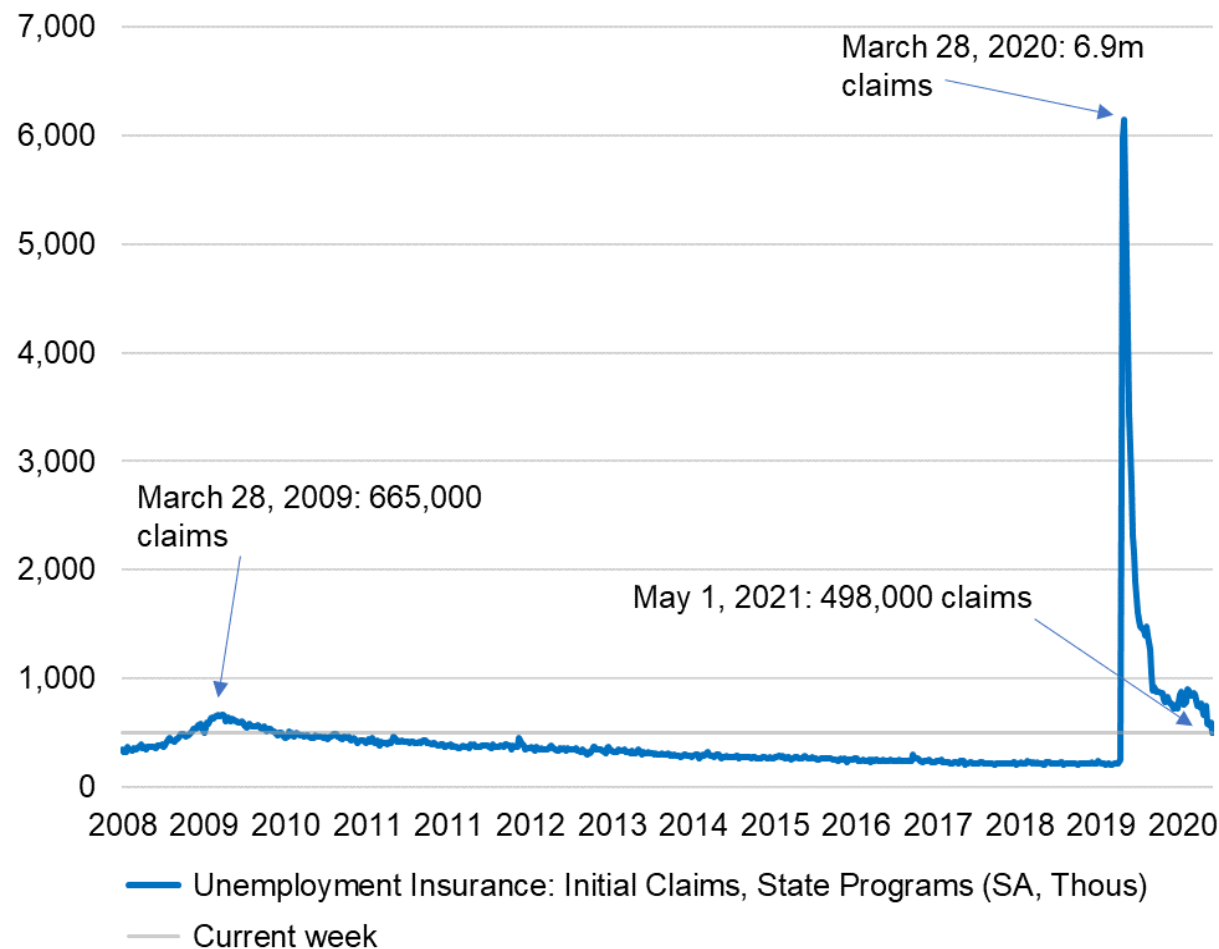


# Short-term Rates At Zero Through 2022

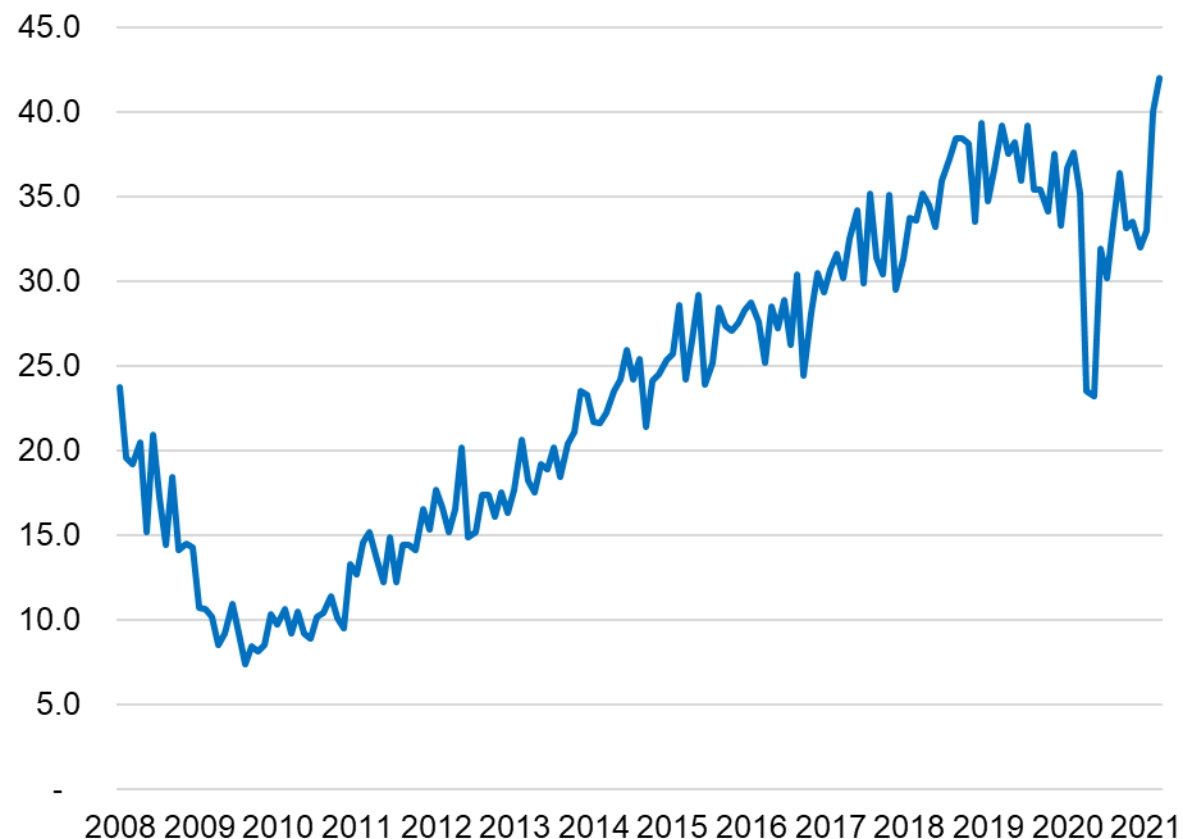


# Job Market Improving...for Jobseekers

**Unemployment Insurance: Initial Claims**  
Seasonally adjusted, 000s

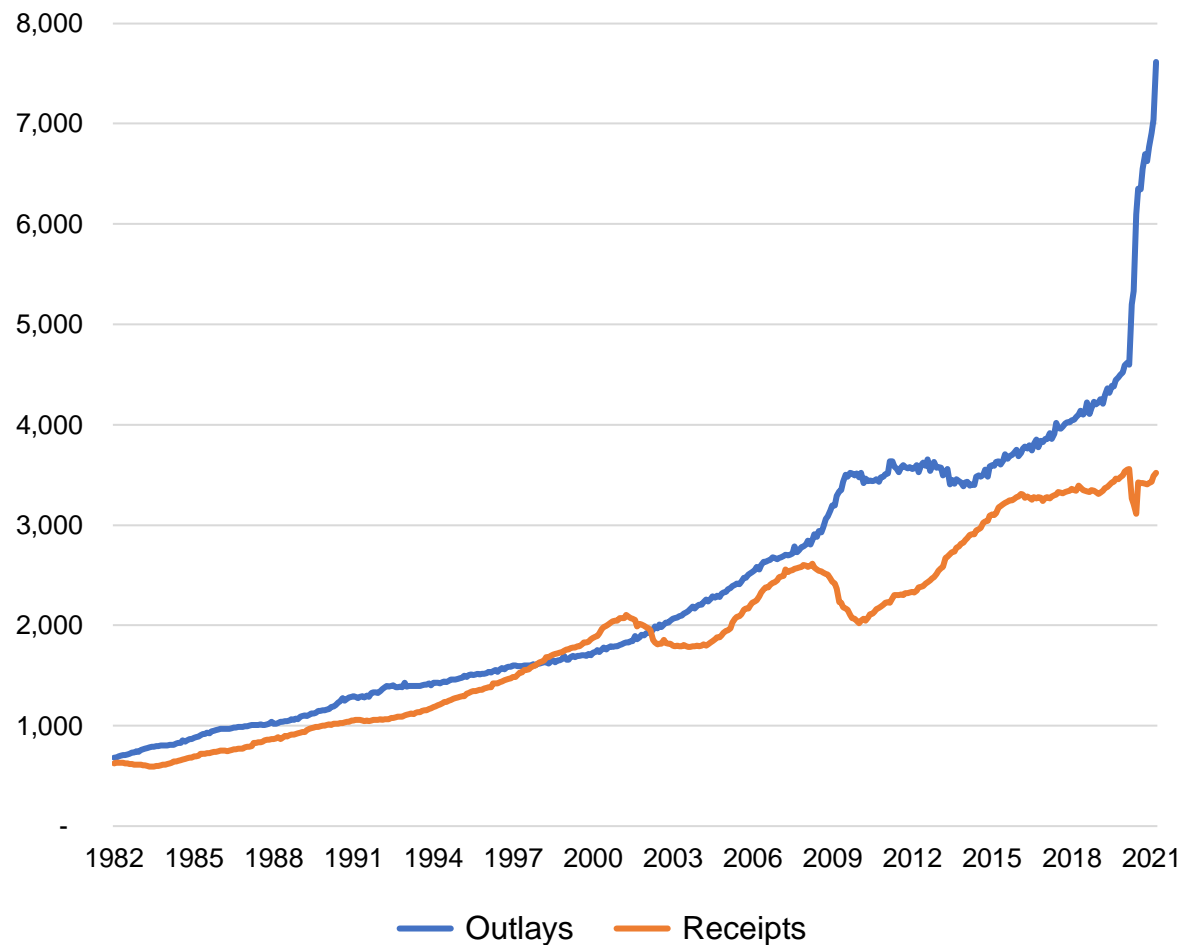


**Percent of Firms Reporting Jobs Hard to Fill**  
Seasonally adjusted, percent

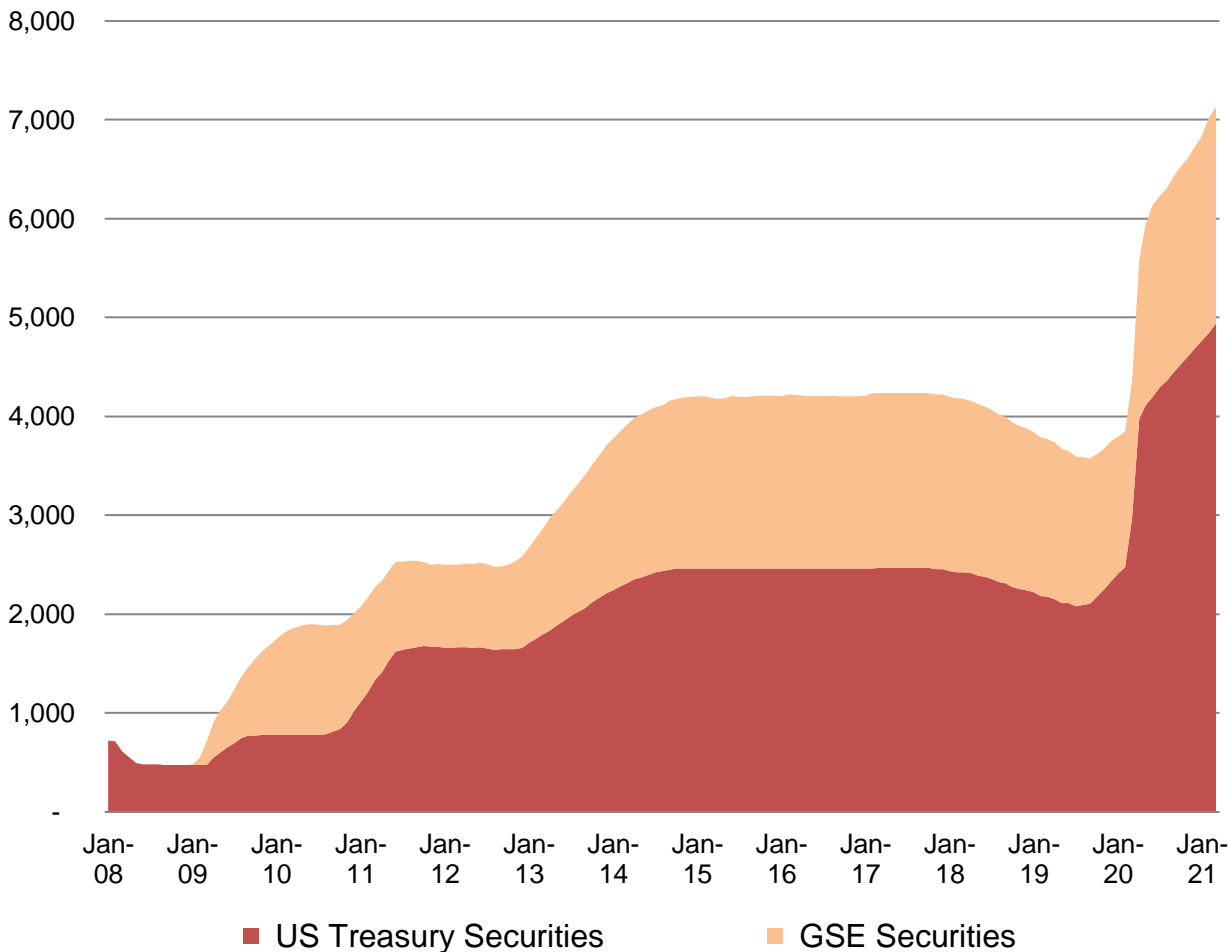


# Massive Support from Government and Fed

US Federal Govt Spending and Income  
12-month rolling total, \$billions

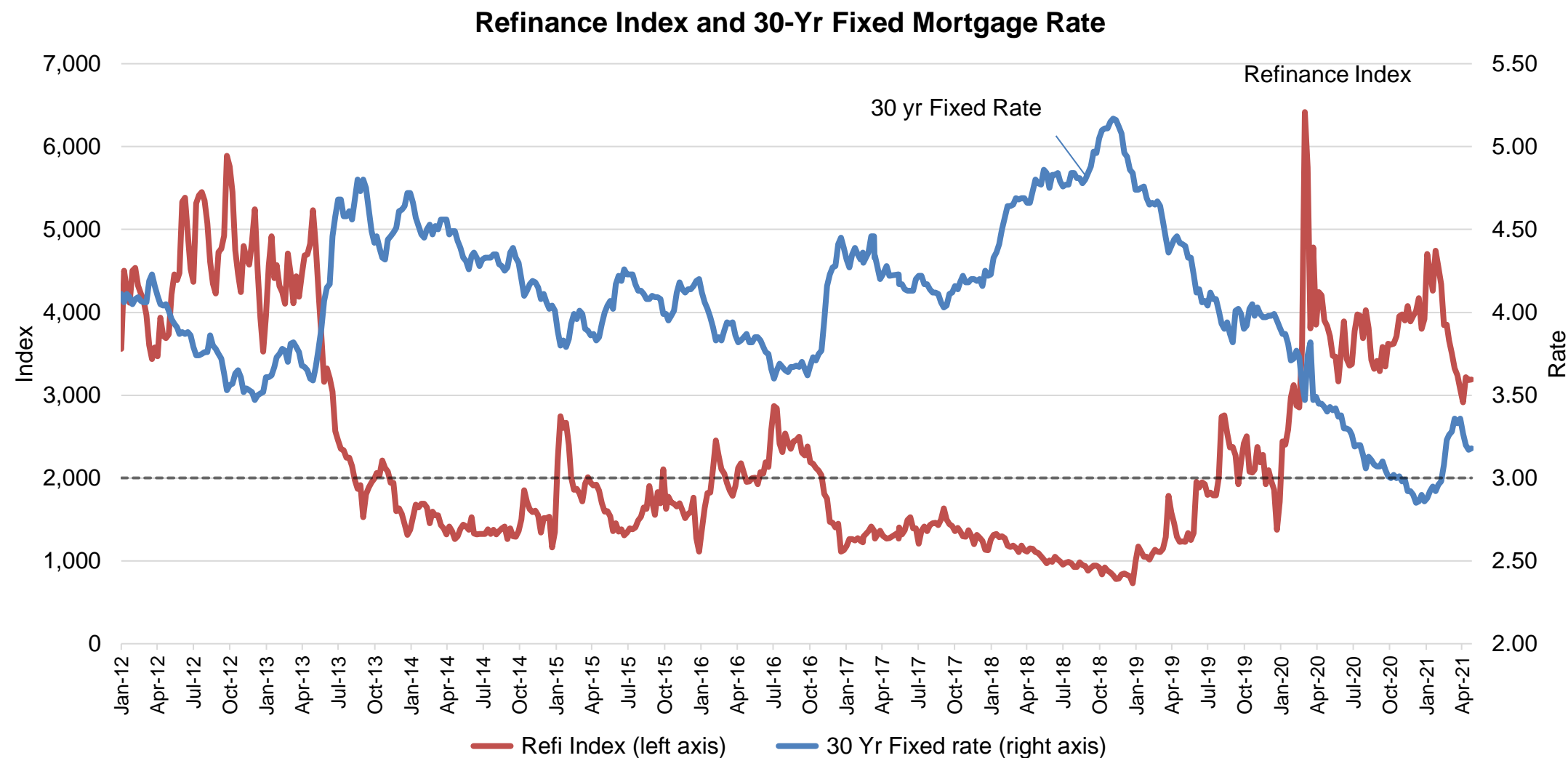


Federal Reserve Securities Holdings  
\$billions

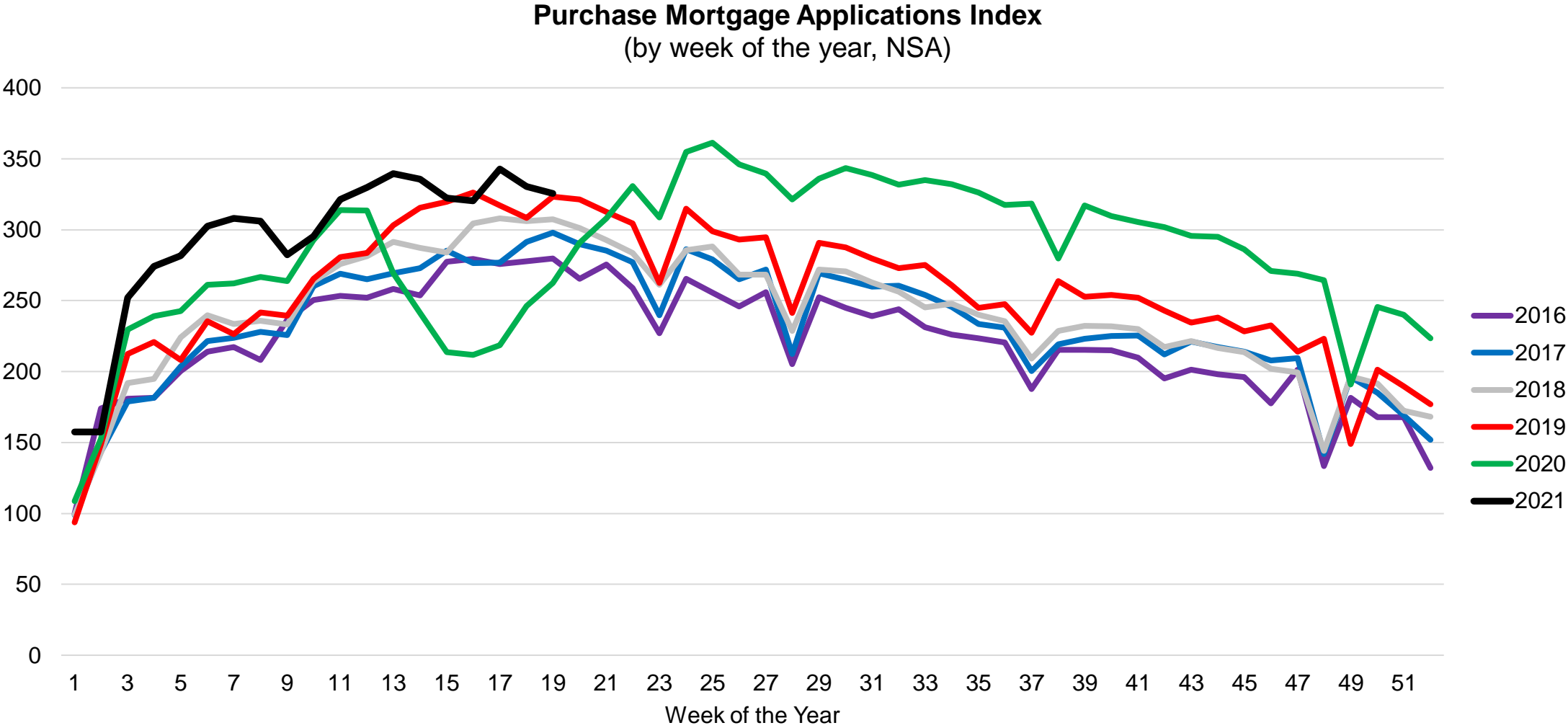


Sources: Congressional Budget Office, Board of Governors of the Federal Reserve System

# Refi Applications Falling As Rates Have Turned Higher

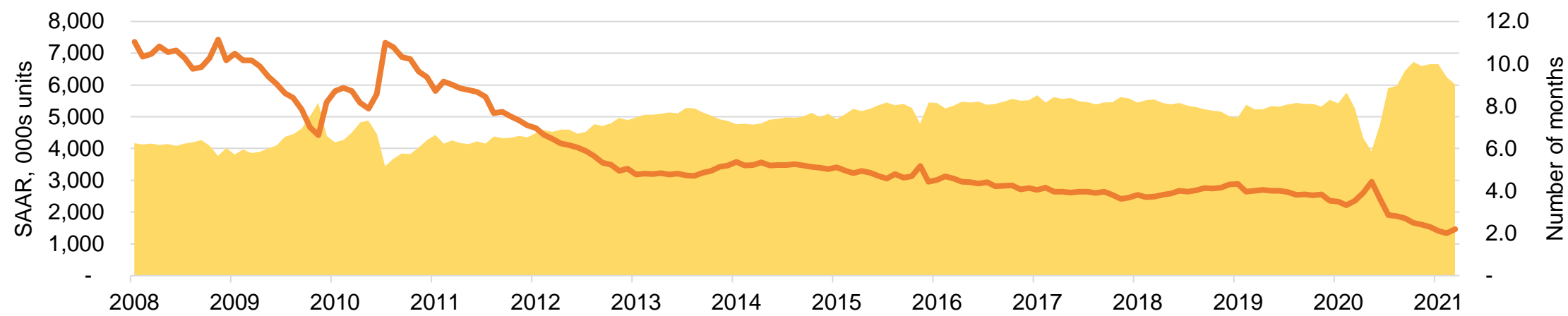


# Purchase Applications Continuing Strong Annual Growth

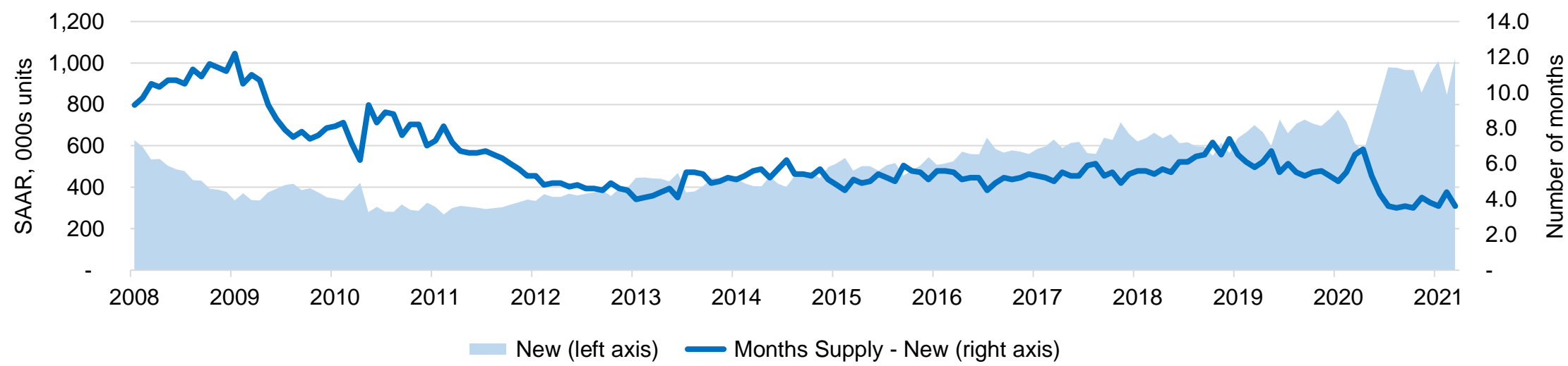


# Home Sales Still Strong, But Housing Inventory is Low

## Existing Home Sales and Inventory

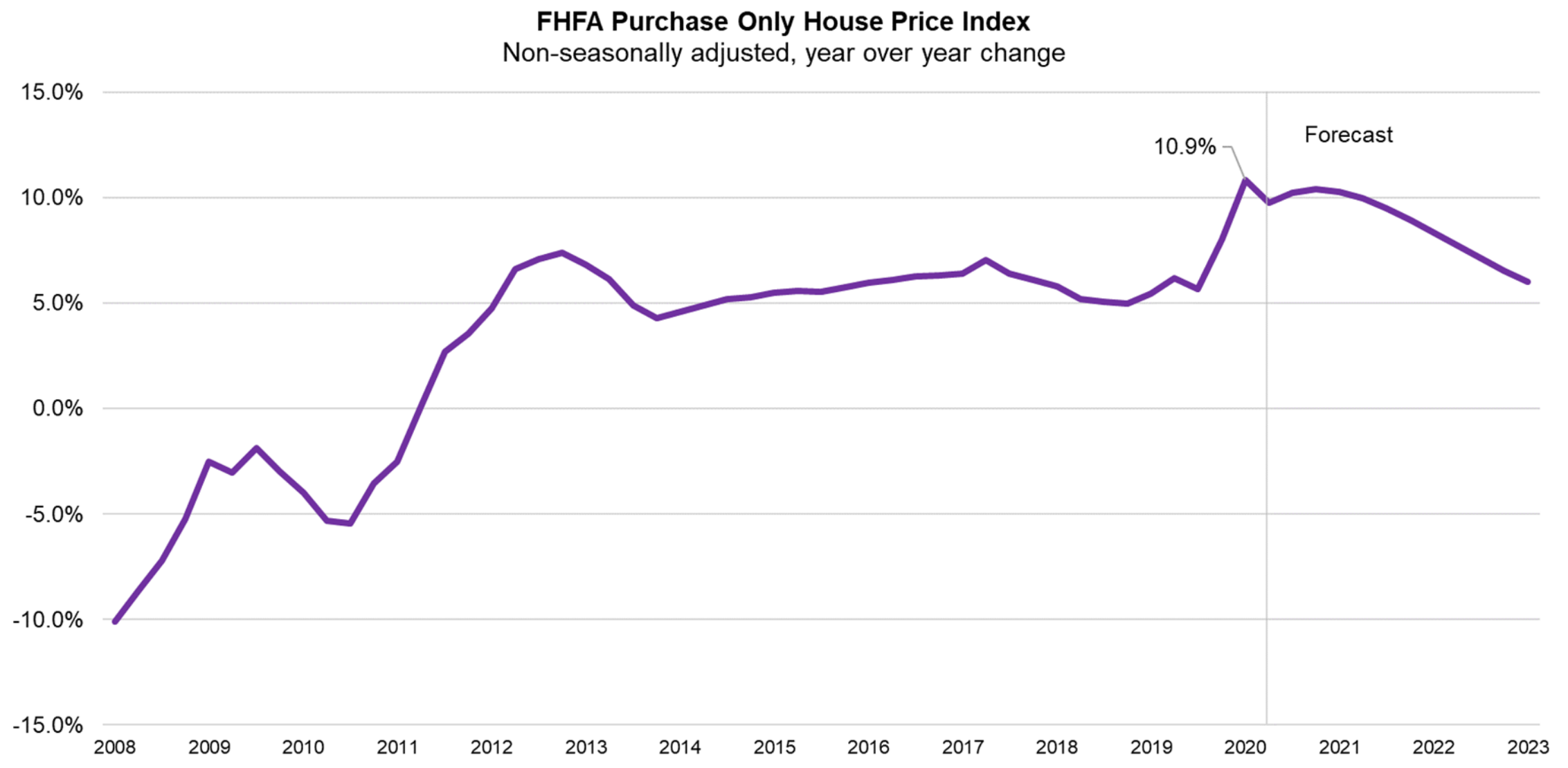


## New Home Sales and Inventory



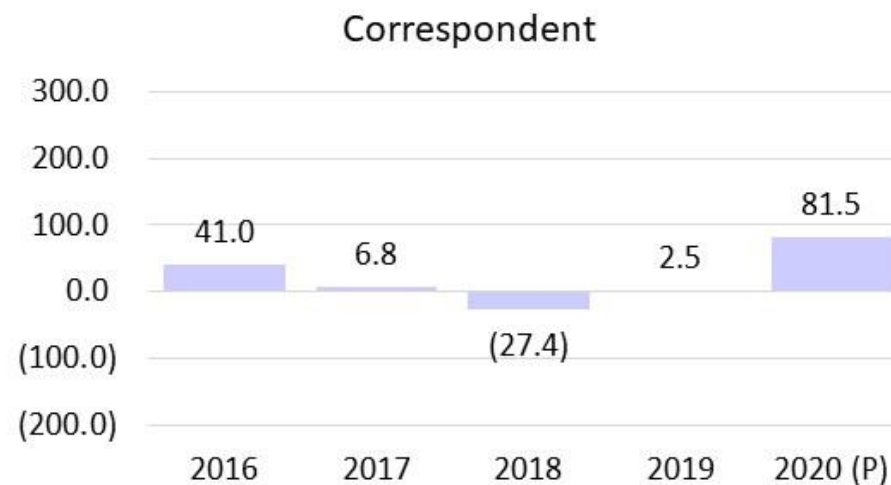
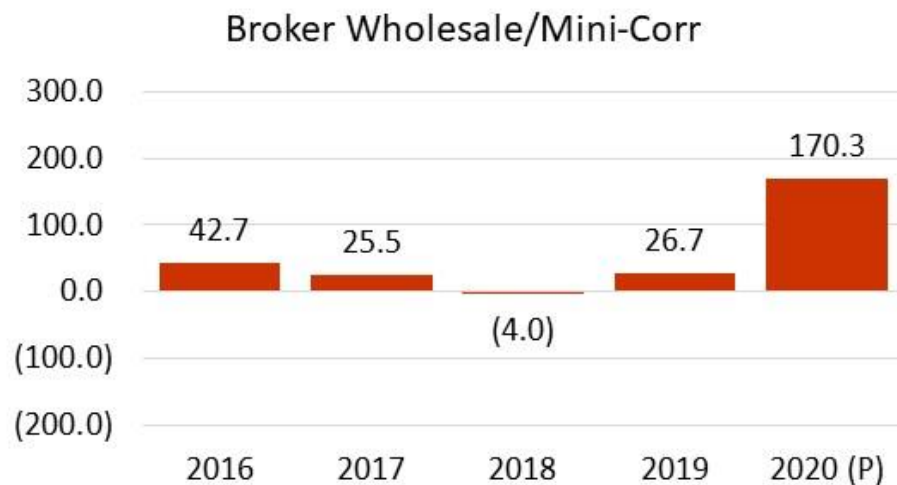
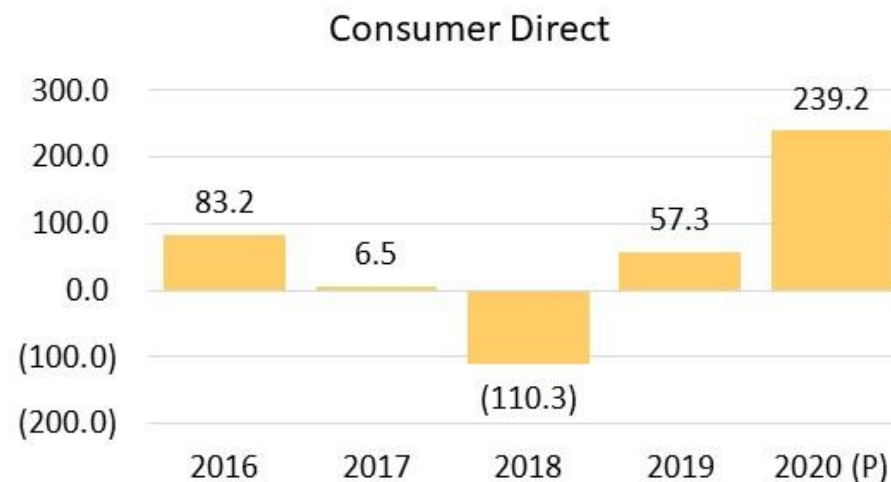
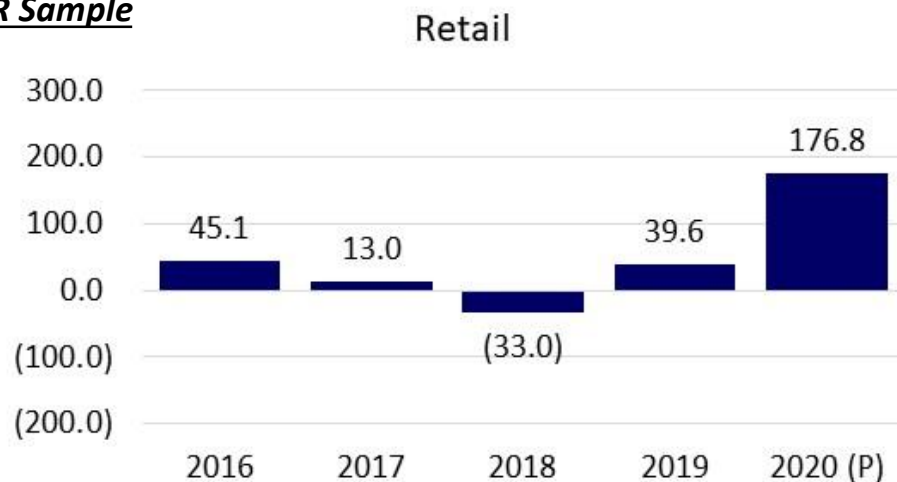


# Home Price Growth Accelerated in 2020

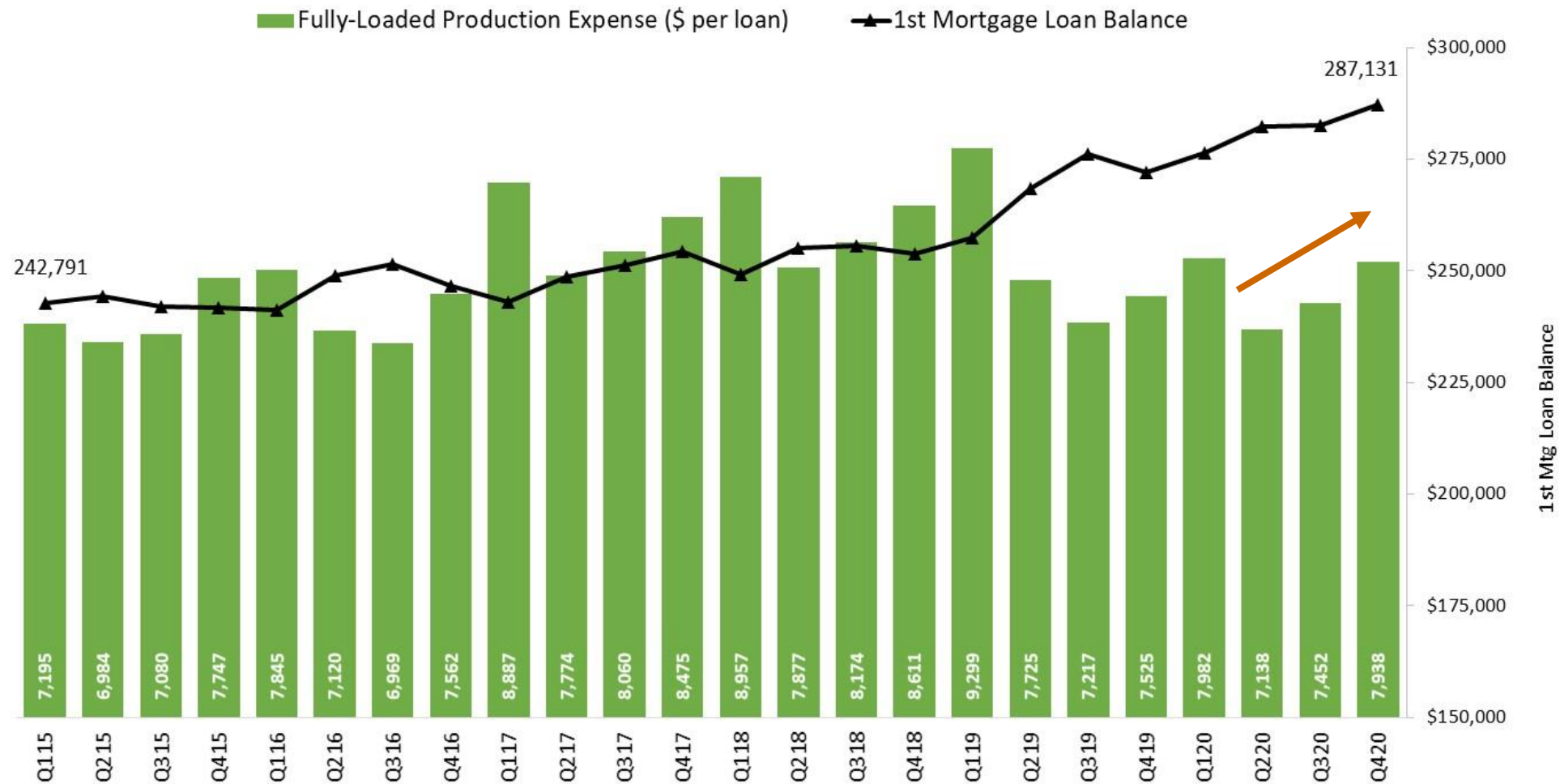


# Profitability Across All Production Channels Skyrocketed in 2020 (bps)

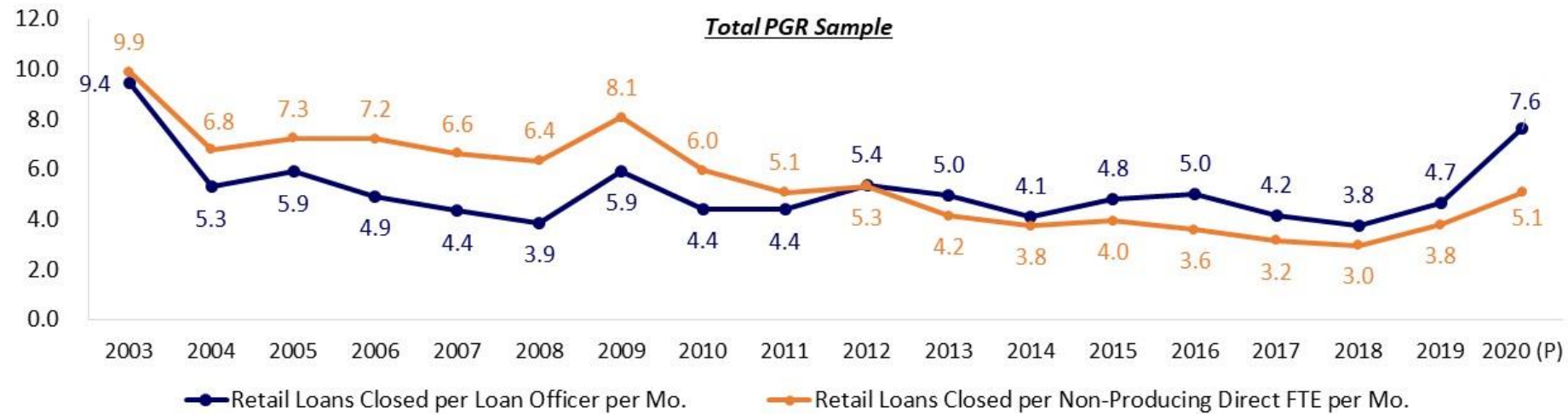
## Total PGR Sample



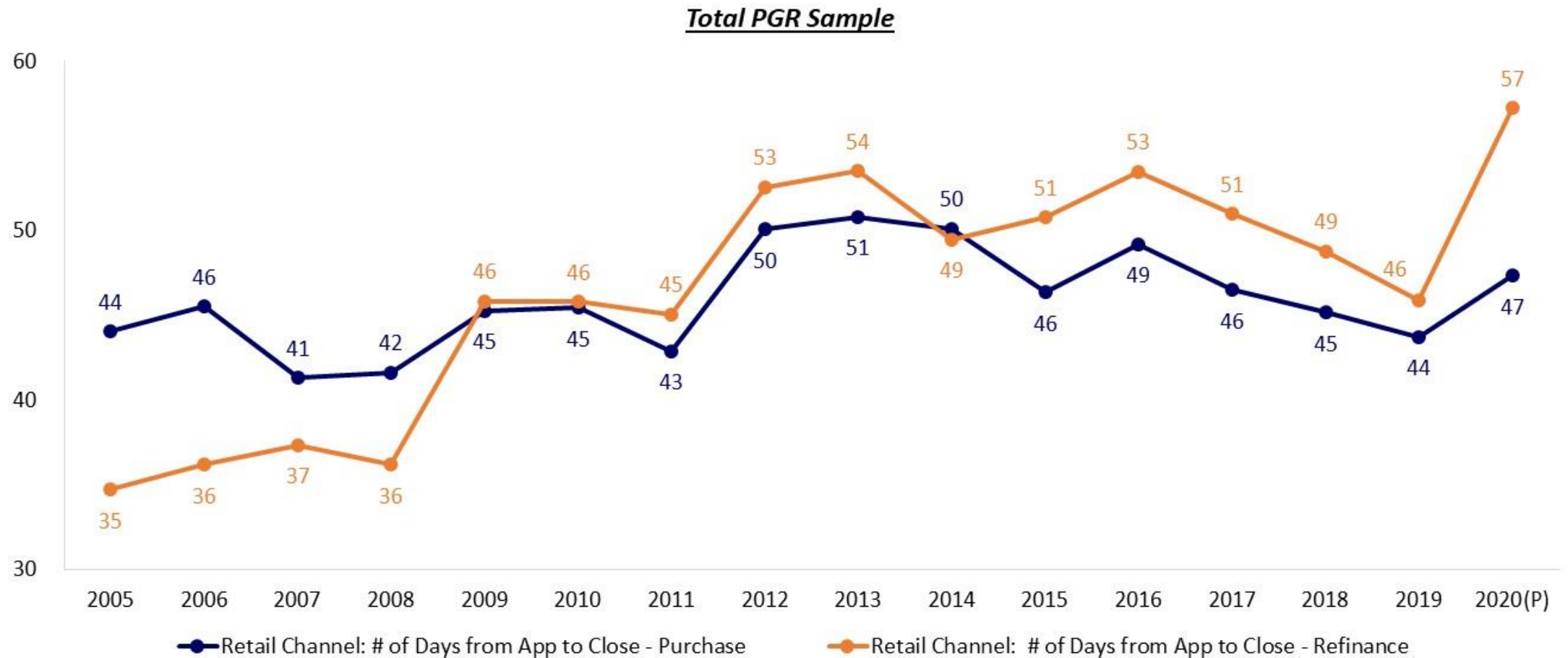
# IMB Per-Loan Costs Initially Improved in 2020, but Ended Up Higher than 2019



# Sales and Fulfillment Productivity in 2020

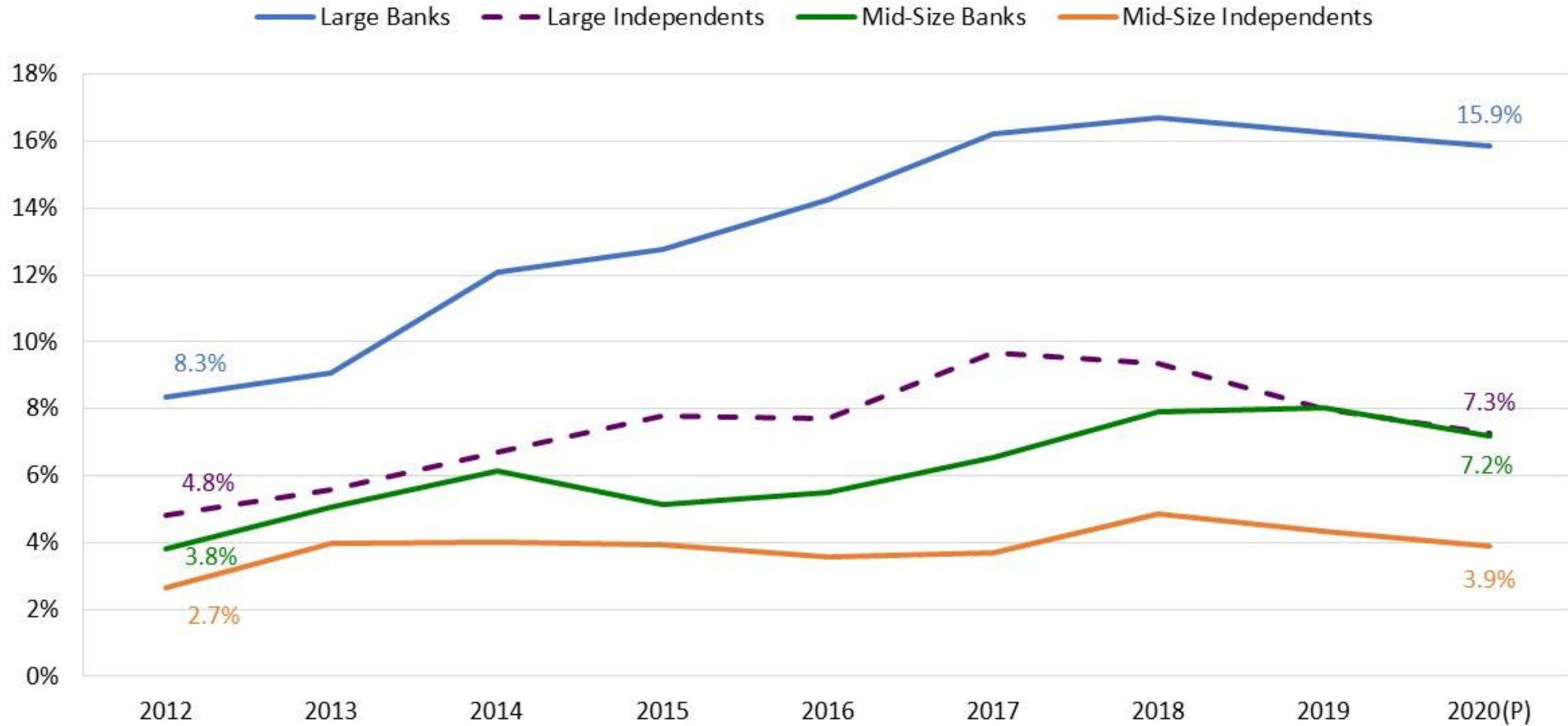


# # Days from Application to Closing for Refis Reached Study-High in 2020



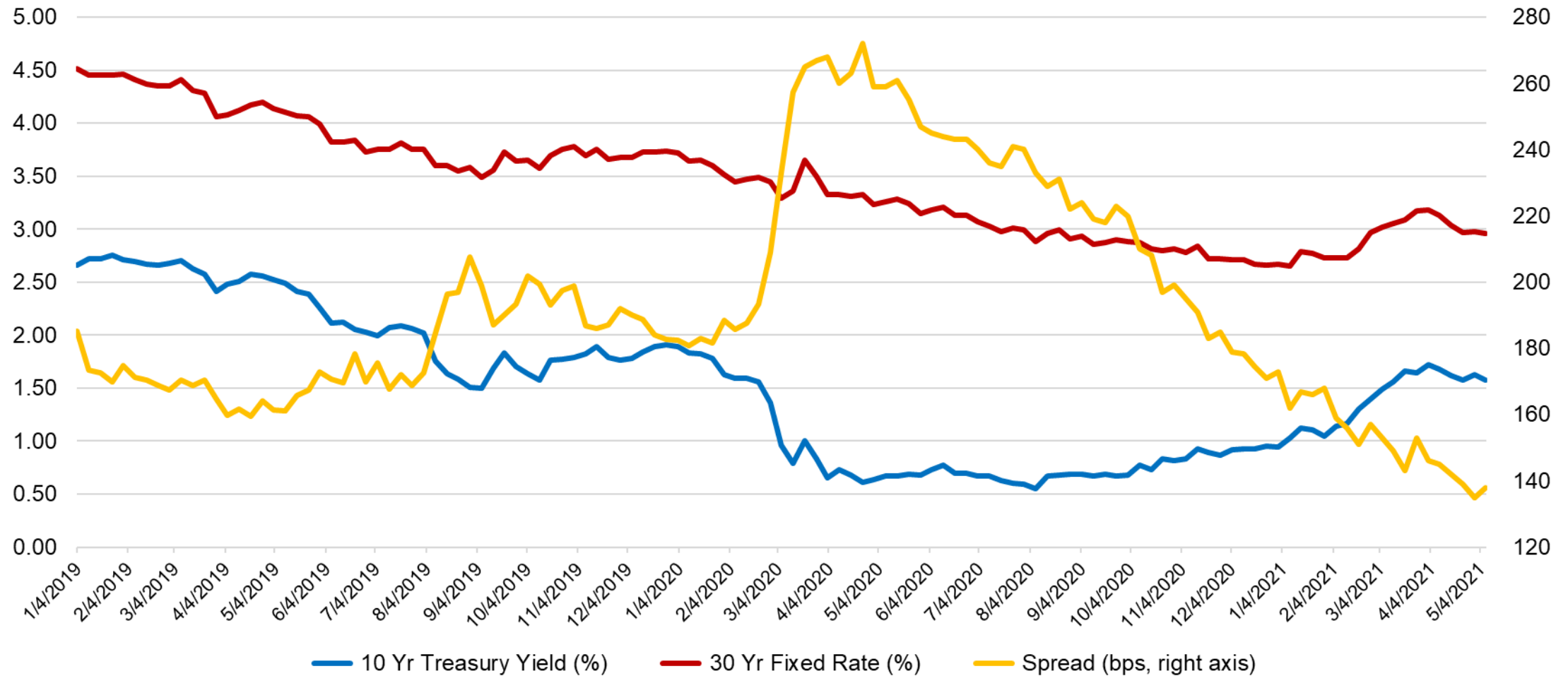
# What Happened to Technology Spending in 2020?

## Technology Costs as a Percentage of Total Mortgage Company Costs (%)



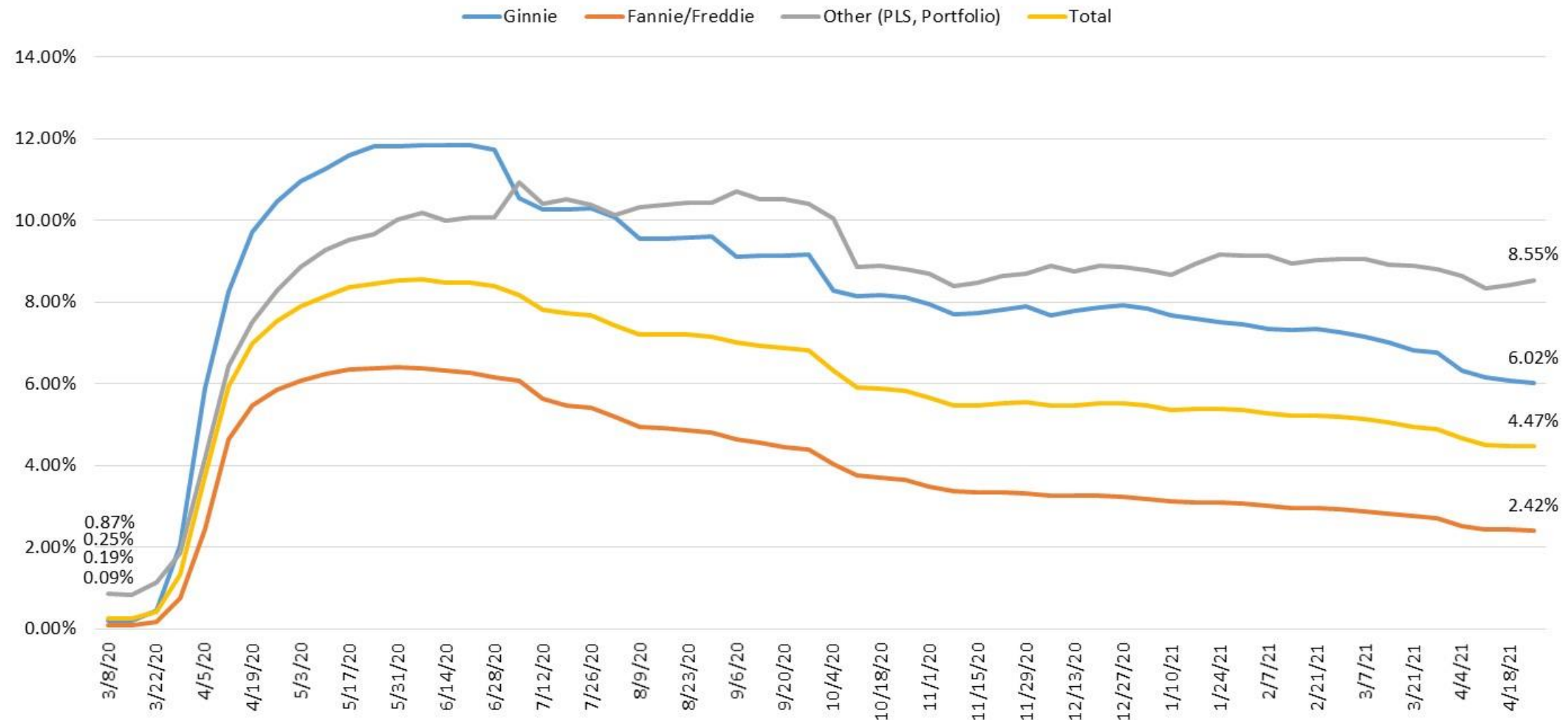
# Mortgage-Treasury Spreads Narrowing, Rates Rising

## 30-Year Fixed Mortgage Rate versus 10-Year Treasury Yield





# % of Servicing Portfolio Volume in Forbearance by Investor Type over Time (Full Sample)





# Contact Information and MBA Resources

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