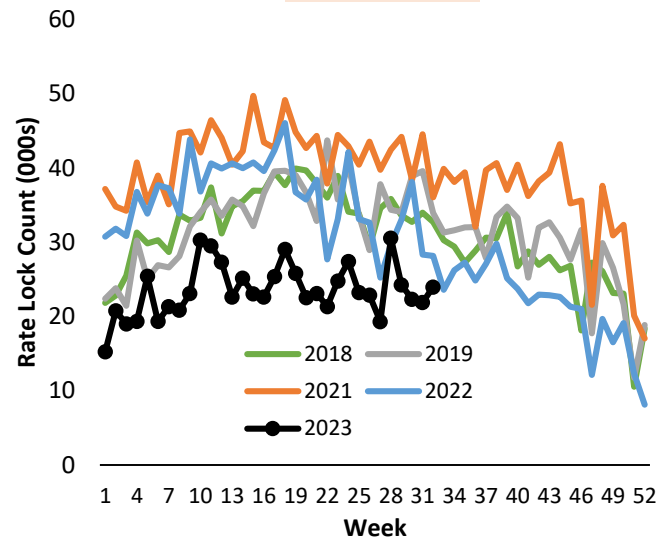




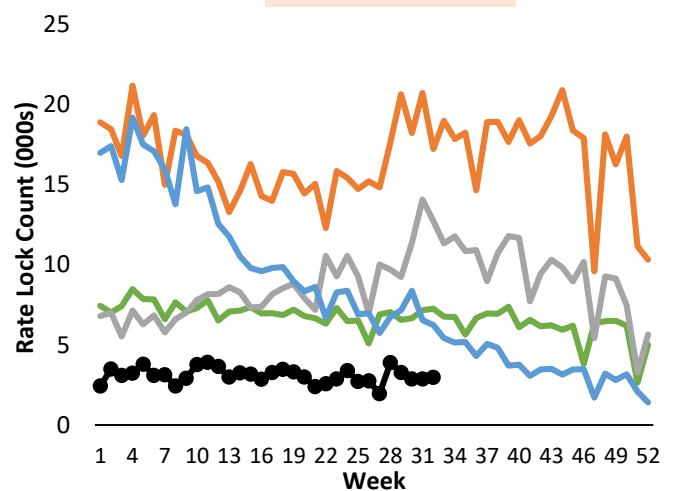
### Housing Finance Watch

- **The median purchase rate** rose 0.1 ppts. over the past week to 6.975%, just 1.5 basis points below the peak level reached in November 22. Mortgage News Daily reported a daily avg. 30-year rate of 7.24% on August 14<sup>th</sup>.
- **Purchase volume** was up 10% from last week, down 29% from the same week in 2019, and down 30% YTD compared to 2019.
- **Cash-out volume** was down 52%, 83%, 76%, and 59% from 2022, 2021, 2019, and 2018, respectively.
- **No cash-out volume** was down 97% from 2019 due to much higher rates, resulting in refi burnout.
- **M-o-m Home Price Appreciation (HPA)** was 0.7% in June 2023, continuing to be positive after m-o-m HPA had declined from July-December 2022.
- **Y-o-y HPA** was 2.9% in June 2023 and is projected to increase to 4% for the months of July and August, and the first three weeks of September 2023.
- Despite the subdued rate of purchase activity and relatively high rates, **y-o-y HPA has begun to accelerate**. This is because buyers are well-qualified and highly motivated by a historically tight supply. Cooling, yet still strong job numbers, low levels of foreclosures in most areas of the country, work from home, and continued home price arbitrage opportunities provide further support.
- **These conditions will likely continue** throughout the summer. Metros in the Midwest, which continue to be relatively affordable, are leading the upswing in HPA.
- Our base **HPA projection** calls for y-o-y HPA of +6% and +7% by year-end 2023 and 2024, respectively.

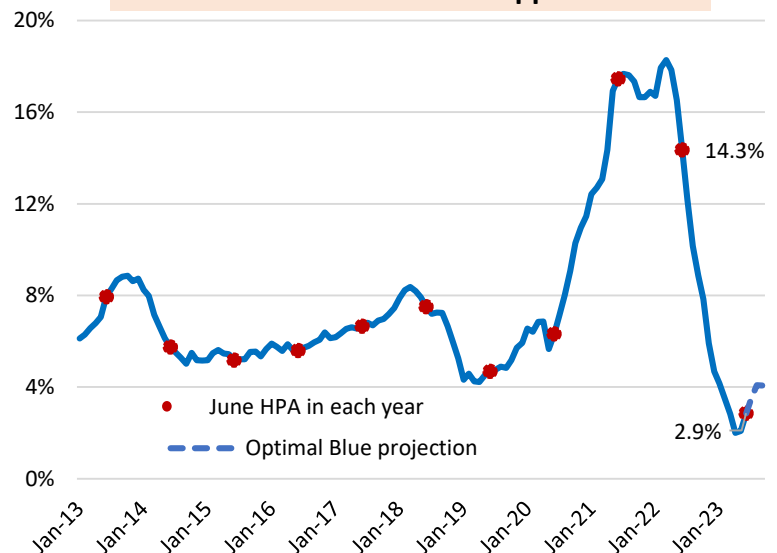
Purchase



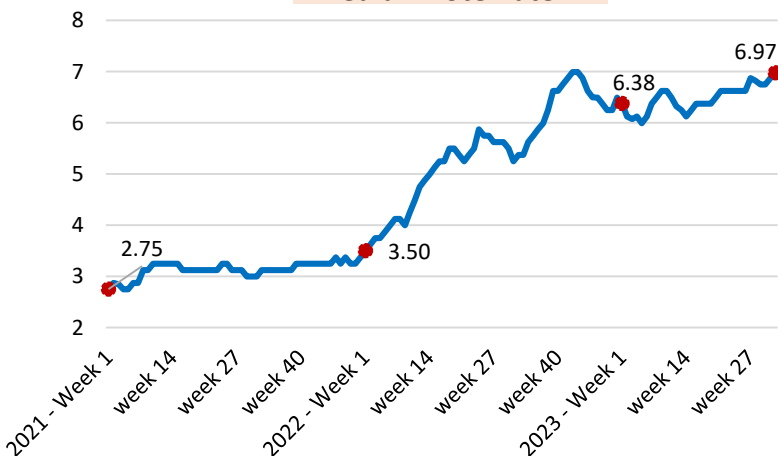
Cash-Out Refi



Year-over-Year Home Price Appreciation



Median Note Rate



Note: Rate locks are limited to lenders who joined Optimal Blue Dec. 2017 or earlier. 2020 data omitted from rate lock charts due to the pandemic distortions.

Source: Optimal Blue and AEI Housing Center, [www.aei.org/housing](http://www.aei.org/housing).