

Mortgage applications increase 4.9%

Wednesday, October 26th, 2011, 6:30 am

Mortgage applications rose 4.9% last week as refinancing activity and home purchases both increased, an industry trade group said.

The **Mortgage Bankers Association** said the refinance index climbed 4.4% from the previous week, while the seasonally adjusted purchase index jumped 6.4%.

Refinancing applications accounted for 77.3% of all mortgage applications, which is essentially unchanged from 77.6% a week earlier.

Activity related to the adjustable-rate mortgage increased to 5.9% of total applications, up from 5.8%.

Investors accounted for 6% of mortgage application activity in September, which is a 5.7% increase from August.

"This change was led by an increase in the Mountain region," the MBA wrote. "In addition, the share of purchase mortgages for second homes decreased to 5.8 percent in September from 6% in August."

The average 30-year, fixed-rate mortgage with a loan balance of \$417,500 or less remained unchanged at 4.33%. Meanwhile, the average contract interest rate for the 30-year, FRM with jumbo loan balances increased to 4.68% from 4.64%.

The average interest rate on a 30-year, FRM backed by the FHA fell to 4.11% from 4.12%, while the 15-year, FRM increased to 3.62% from 3.61%.

In addition, the average contract interest rate for 5/1 ARMs increased to 3.11% from 3.08%.

Write to [Kerri Panchuk](#).