



30yr FRM

Source: [Freddie Mac](#)

7.01%

Friday 6/21

-0.02%

From Last Week

30yr UMBS 6.0

Source: [Mortgage News Daily](#)

100.21

Close Friday 6/21

-0.02bps

From Last Week

US 10yr Treasury

4.257%

Today

0.013%

From Last Week

What are these numbers and why do they matter? [Check out this article.](#)

Market Moves: Your Weekly Mortgage Digest

This week's roundup details housing starts falling 19.3% in May due to high mortgage rates and economic uncertainty, Fannie Mae's 2025 home sales boost projection, a 25.6% refinance surge from May rate drops, record-high home prices stifling sales, and new Biden administration funding for affordable housing—here's what you need to know!

TL;DR

- Housing starts fell 19.3% in May as builder confidence dropped due to high mortgage rates and economic uncertainty.
- Fannie Mae projects increased home sales in 2025 due to more listings and lower mortgage rates despite a weak 2024 forecast.
- Mortgage rate drops in May led to a 25.6% surge in rate-and-term refinance lock volume as borrowers rushed to lock in lower rates.
- Record-high home prices combined with soaring mortgage rates have drastically reduced home sales, creating a standoff between sellers and buyers.
- The Biden administration announces new funding and initiatives to boost affordable housing and address homelessness, aiming to make housing more accessible and lower costs.

May Housing Starts Plummet 19.3% Amid Builder Confidence Decline

In May, [housing starts decreased by 19.3% year-over-year](#), with a significant drop in multifamily housing starts leading the decline. Builder confidence fell to its lowest level since December 2023, attributed to persistently high mortgage rates and economic uncertainty. The number of building permits also saw declines, while housing completions increased slightly. Experts highlight that high mortgage rates and economic challenges are keeping potential buyers out of the market, impacting builders' confidence and activity.

Fannie Mae Predicts 2025 Home Sales Boost from Increased Listings and Lower Mortgage Rates

[Fannie Mae](#) has reduced its 2024 home sales forecast following weak spring performance but anticipates a recovery in 2025. The projection is based on expectations of increased listings, particularly in the Sun Belt, and a decline in mortgage rates as the economy slows and inflation cools. The improved conditions are expected to drive home sales and mortgage originations, providing relief to first-time and move-up buyers constrained by affordability issues.

Mortgage Rate Drop Spurs 25.6% Surge in May Refinance Locks

In May, a decline in [mortgage rates](#) resulted in a significant 25.6% increase in rate-and-term refinance lock volume, according to Optimal Blue's Market Advantage report. The 30-year conforming rates ended May at 7.02%, spurring homeowners with rates above 7% to refinance. This surge contributed to an overall 5.3% rise in mortgage rate lock volume, with increases also seen in purchase and cash-out refinances. However, annual lock counts remained down by 4%, highlighting continued market volatility.

Soaring Home Prices and Mortgage Rates Lead to Record-Low Sales

The [housing market](#) is experiencing a paradoxical situation where home prices have reached an all-time high, while home sales have fallen to their lowest level in nearly a decade. This decline in sales is largely due to homeowners being reluctant to sell and lose their low mortgage rates, and buyers being priced out by the high costs. The median U.S. home sale price hit \$439,716 in May 2024, driven by a combination of limited inventory and high demand. This standoff is exacerbated by mortgage rates exceeding 7%, making homeownership increasingly unaffordable for many prospective buyers.

Biden Administration Unveils \$5.5 Billion Plan to Boost Affordable Housing and Address Homelessness

[The Biden administration](#) has introduced a \$5.5 billion plan to increase affordable housing and tackle homelessness across the United States. This initiative includes grants for states, cities, and local organizations to build and rehabilitate affordable housing, along with measures to lower housing costs and enhance renter protections. The administration aims to support the construction of two million additional homes, promote fair housing practices, and address barriers such as restrictive zoning laws. These efforts are part of a broader strategy to stabilize the housing market, make homeownership more attainable, and foster economic growth by expanding the housing supply and improving affordability.

Thank you for joining us for another edition of Market Moves. As we navigate the complexities of the mortgage market together, staying updated is crucial for making informed decisions. We look forward to bringing you more insights and analyses next week. Keep exploring your options and stay proactive in your financial journey. Until then, happy planning and successful investing!

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