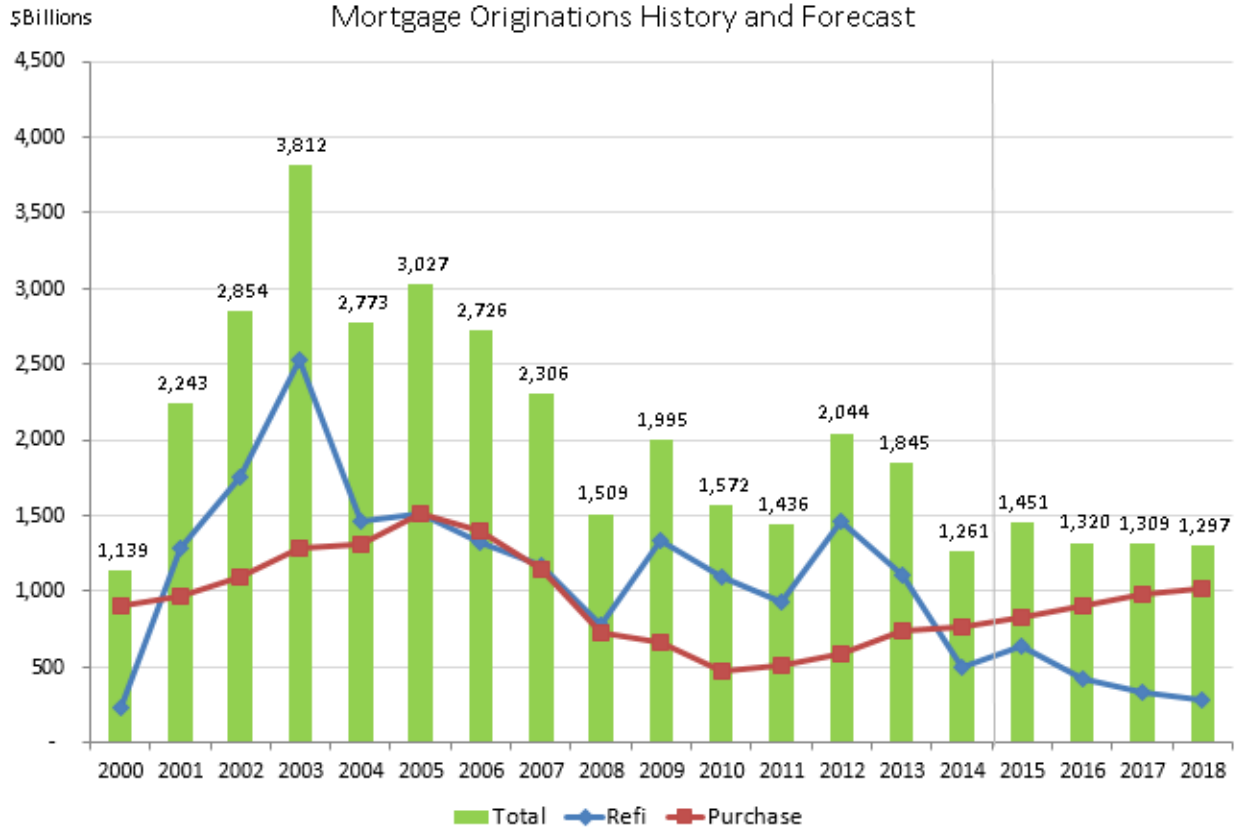


Chart of the Week - October 23, 2015

Mortgage Originations History and Forecast



Source: MBA

MBA is projecting that home purchase originations will increase in 2016 as the US housing market continues on its path towards more typical levels of housing turnover based on steadily rising demand and improvements in the supply of homes for sale and under construction. We expect to see \$905 billion in purchase mortgage originations during 2016, a ten percent increase from 2015. In contrast, gradually rising rates are expected to result in a one-third decrease in refinance originations, bringing refinance originations down to \$415 billion for 2016. On net, mortgage originations will decrease to \$1.32 trillion in 2016 from \$1.45 trillion in 2015.

For 2017, MBA is forecasting purchase originations of \$978 billion and refinance originations of \$331 billion for a total of \$1.31 trillion.

Despite bumps in the road from energy and export sectors, the job market is near full employment, with other measures of employment under-utilization continuing to improve. We are forecasting that strong household formation, improving wages and a more liquid housing market will drive home sales and purchase originations in the coming years.

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