

# MBA Mortgage Finance Forecast

December 21, 2020

	2020				2021				2022				2019	2020	2021	2022	2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
<b>Housing Measures</b>																	
Housing Starts (SAAR, Thous)	1,484	1,079	1,440	1,465	1,497	1,471	1,480	1,481	1,482	1,489	1,494	1,493	1,295	1,367	1,482	1,489	1,510
Single-Family	968	766	1,041	1,115	1,152	1,120	1,125	1,139	1,152	1,164	1,169	1,174	893	972	1,134	1,165	1,210
Two or More	517	313	399	350	345	351	355	342	330	325	325	319	403	395	348	325	300
<b>Home Sales (SAAR, Thous)</b>																	
Total Existing Homes	5,483	4,313	6,127	6,712	6,233	6,268	6,289	6,291	6,278	6,291	6,295	6,318	5,331	5,659	6,270	6,295	6,357
New Homes	701	703	973	992	979	985	984	1,007	1,008	1,012	1,015	1,016	685	842	989	1,013	1,036
FHFA US House Price Index (YOY % Change)	5.0	4.0	4.7	5.3	5.5	5.5	5.3	5.1	4.9	4.7	4.4	4.2	5.1	5.3	5.1	4.2	3.6
Median Price of Total Existing Homes (Thous \$)	272.4	309.2	297.4	295.9	287.2	285.9	284.6	284.0	284.4	285.5	286.2	286.9	274.6	293.7	297.4	291.6	288.4
Median Price of New Homes (Thous \$)	329.6	326.4	330.6	338.1	334.4	337.8	341.3	344.1	345.8	346.8	348.2	349.6	323.6	331.2	332.4	335.2	337.9
<b>Interest Rates</b>																	
30-Year Fixed Rate Mortgage (%)	3.5	3.2	3.0	2.8	2.9	3.0	3.2	3.2	3.5	3.5	3.5	3.6	3.5	2.8	3.2	3.6	4.1
10-Year Treasury Yield (%)	1.4	0.7	0.6	0.9	1.0	1.2	1.3	1.4	1.6	1.7	1.7	1.9	1.4	0.9	1.4	1.9	2.4
<b>Mortgage Originations</b>																	
Total 1- to 4-Family (Bil \$)	563	928	1,076	1,006	835	704	639	574	512	536	601	552	2,253	3,573	2,752	2,201	2,173
Purchase	257	348	418	401	330	376	435	420	362	395	459	412	1,225	1,424	1,561	1,628	1,653
Refinance	306	580	658	605	505	328	204	154	150	141	142	140	1,028	2,149	1,191	573	520
Refinance Share (%)	54	63	61	60	60	47	32	27	29	26	24	25	46	60	43	26	24
FHA Originations (Bil \$)													255	342	265	216	210
Total 1- to 4-Family (000s loans)	1,869	3,052	3,174	3,298	2,686	2,290	2,106	1,894	1,657	1,741	1,960	1,794	7,779	11,393	8,976	7,152	6,964
Purchase	891	1,203	1,416	1,379	1,114	1,269	1,470	1,416	1,199	1,310	1,525	1,366	4,392	4,890	5,269	5,400	5,398
Refinance	978	1,848	1,758	1,919	1,572	1,021	636	479	458	431	435	428	3,387	6,503	3,706	1,752	1,565
Refinance Share (%)	52	61	55	58	59	45	30	25	28	25	22	24	44	57	41	24	22
<b>Mortgage Debt Outstanding</b>																	
1- to 4-Family (Bil \$)	10,775	10,875	10,984	11,106	11,257	11,399	11,535	11,667	11,793	11,920	12,049	12,177	10,677	11,106	11,667	12,177	12,681

**Notes:**

Housing starts and home sales are seasonally adjusted at annual rate.

Total existing home sales include condos and co-ops.

Mortgage rate forecast is based on Freddie Mac's 30-Yr fixed rate which is based on predominantly home purchase transactions.

The 10-Year Treasury Yield and 30-Yr mortgage rate are the average for the quarter, but annual columns show Q4 values.

Total 1-to-4-family originations and refinance share are MBA estimates. These exclude second originations mortgages and home equity loans.

The FHFA US House Price Index is the forecasted year over year percent change of the FHFA All Transactions House Price Index.

The mortgage debt outstanding forecast is for 1-4 unit mortgage debt and excludes home equity loans. Annual MDO numbers reflect EOP values.

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