



Source: FHFA and MBA

The increase in average loan sizes for purchase mortgage applications has outpaced the recovery in house prices. MBA's Weekly Application Survey for the week ending March 6, 2015 reported that the average purchase loan size had grown to a record high of \$294,900. For comparison, the average purchase loan size was about \$50,000 lower in the final months of 2007, just prior to the recession, when house prices were at a similar level.

"The record high average loan size indicates that the strength of the market remains at the high end. We have not yet seen an influx of first-time homebuyers," noted Michael Fratantoni, chief economist for the MBA.

Consistent with this explanation of high average purchase loan sizes, MBA's Mortgage Credit Availability Index shows that for the last year the availability of mortgage credit has been increasing more rapidly for jumbo loans (loans greater than \$417,000) than for conforming loans.

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