



## *Mortgage credit availability decreased in May*

AUG 2023 — The Mortgage Bankers Association (MBA) analysis of ICE Mortgage Technology data as part of its Mortgage Credit Availability Index (MCAI) found that mortgage credit availability decreased in May.

**“Mortgage credit availability decreased for the third consecutive month, as the industry continued to see more consolidation and reduced capacity as a result of the tougher market. With this decline in availability, the MCAI is now at its lowest level since January 2013,”** Joel Kan, MBA vice president and deputy chief economist, said. “The conforming index decreased almost 4 percent to its lowest level in the history of the survey, which dates back to 2011. The jumbo index fell by 1.5 percent last month, its first contraction in three months, as some depositories assess the impact of recent deposit outflows and reduce their appetite for jumbo loans.”

The MCAI fell by 3.1 percent to 96.5 in May. A decline in the MCAI indicates that lending standards are tightening, while increases in the index are indicative of loosening credit. The index was benchmarked to 100 in March 2012. The conventional MCAI decreased 2.3 percent, while the government MCAI decreased by 3.8 percent. Of the component indices of the conventional MCAI, the jumbo MCAI decreased by 1.5 percent, and the conforming MCAI fell by 3.9 percent.

**“Additionally, lenders pulled back on loan offerings for higher [loan-to-value] and lower credit score loans, even as loan applications continued to run well behind last year’s pace,”** Kan added. “Both conventional and government indices saw declines last month, and the government index fell by 3.8 percent to the lowest level since January 2013. In a market where a significant share of demand is expected to come from first-time homebuyers, the depressed supply of government credit is particularly significant.”

Source: Dodd Frank Update  
<https://tinyurl.com/yak6djtb>



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