

“The overall gain was despite another month of pullbacks in high-LTV [loan-to-value] refinance programs due to GSE [government sponsored enterprises] policy changes,” Kan said. **“The elimination of more high-LTV refinance loans drove most of the 3 percent drop in the conforming index,** but that was somewhat offset by lenders adding new refinance loan programs to help qualified, lower-income GSE borrowers.

“The bounce back in jumbo credit availability followed a sharp drop in June, as some investors renewed their interest in jumbo ARM [adjustable-rate mortgage] loans for cash-out refinances and investment homes.”

The conventional MCAI increased 0.8 percent, while the government MCAI was unchanged. Of the component indices of conventional mortgage credit, conforming and jumbo loan indices decreased by 3.2 percent and increased by 3.8 percent, respectively.

“Even as the economic recovery is underway, overall credit supply has remained close to its lowest levels since 2014,” Kan said.

“Some borrowers are still in pandemic-related forbearance status, and servicers continue to work through possible resolutions for these borrowers.”

Source: Dodd Frank Update <https://bit.ly/3k9XNm5>

MORTGAGE CREDIT AVAILABILITY INCREASES

The Mortgage Banker’s Association (MBA) Mortgage Credit Availability Index (MCAI) showed an increase of 0.3 percent to 119.1 in July, indicating loosening lending standards and greater mortgage credit availability.

MBA Associate Vice President of Economic and Industry Forecasting Joel Kan said the increase was because of an increase in jumbo loan programs.

