Prepared for NCST January Community Impact Briefing
Mortgage Market Outlook

January 2026

Presented by:
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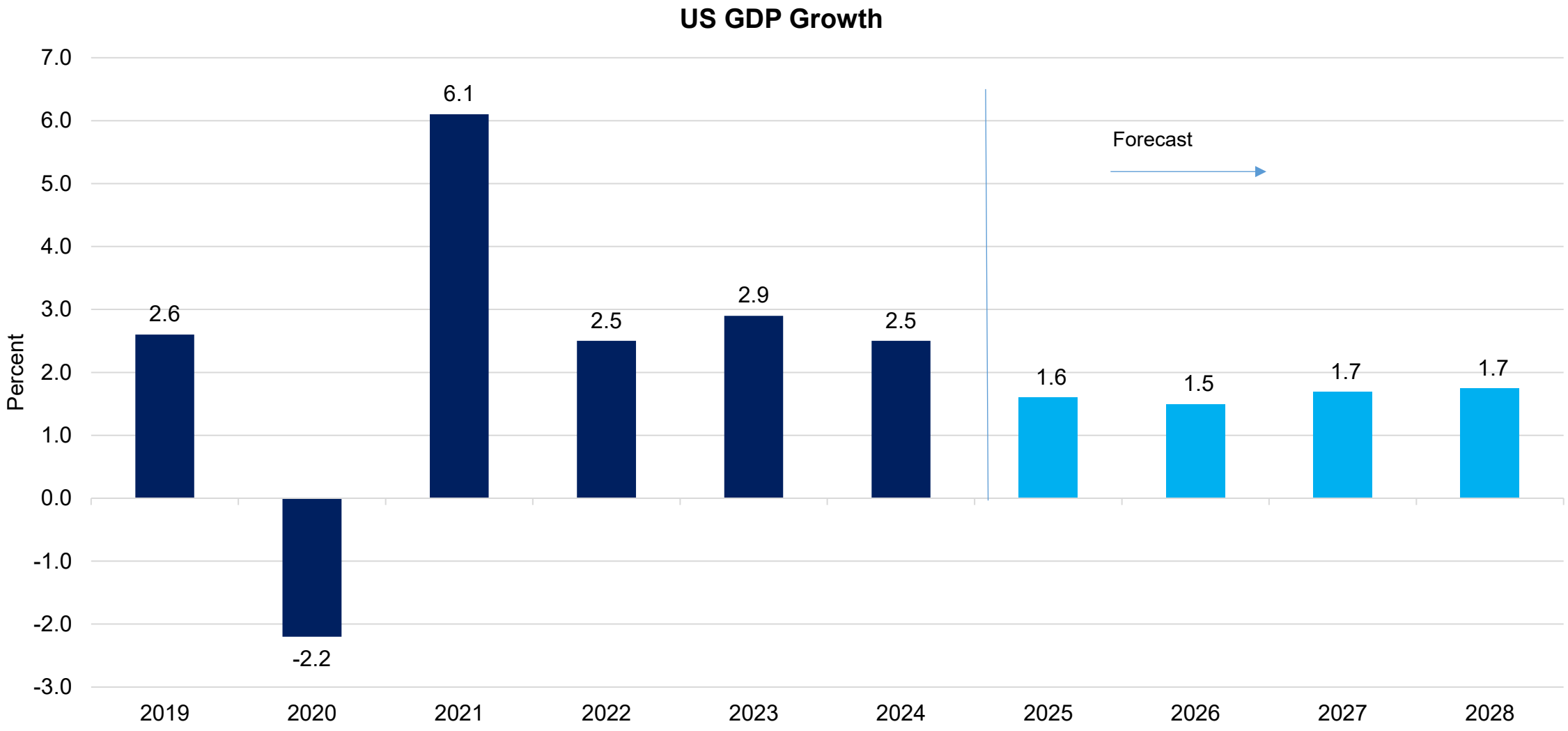
MORTGAGE BANKERS ASSOCIATION

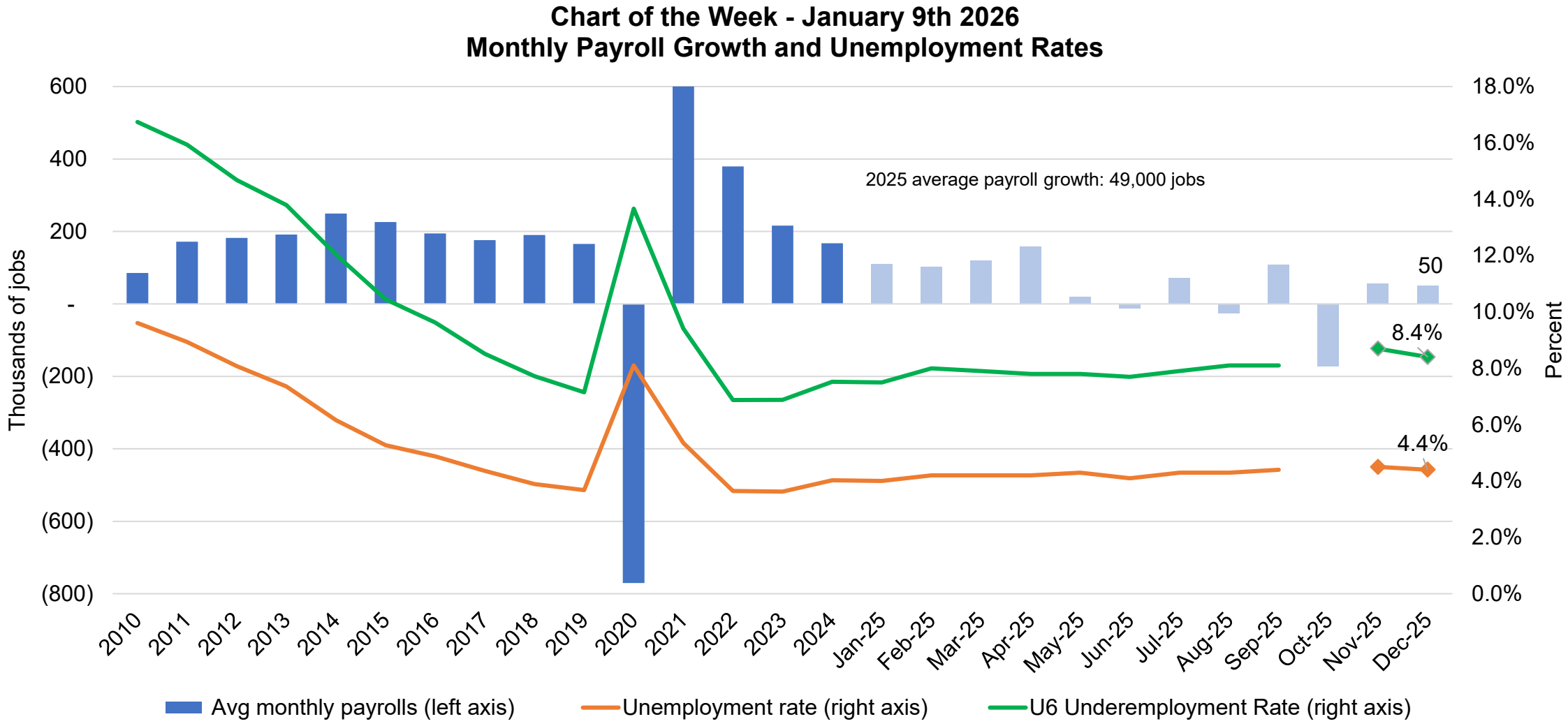
Macro Outlook

Slower Economic Growth Expected



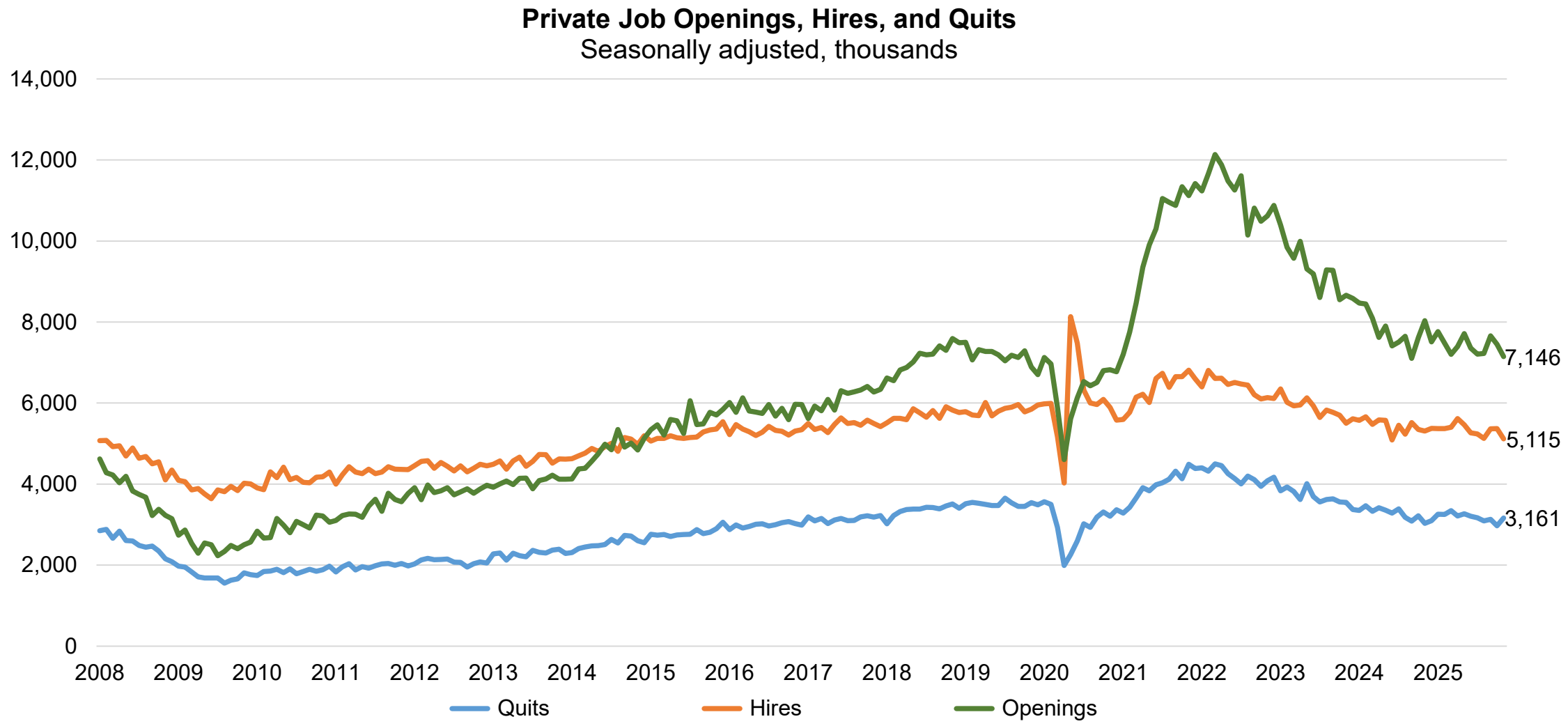
Source: Bureau of Economic Analysis, MBA Forecast

Monthly Payroll Growth Slowing, Unemployment Rate Higher



Source: Bureau of Labor Statistics

Hiring Rate Remains Quite Slow



Source: Bureau of Labor Statistics

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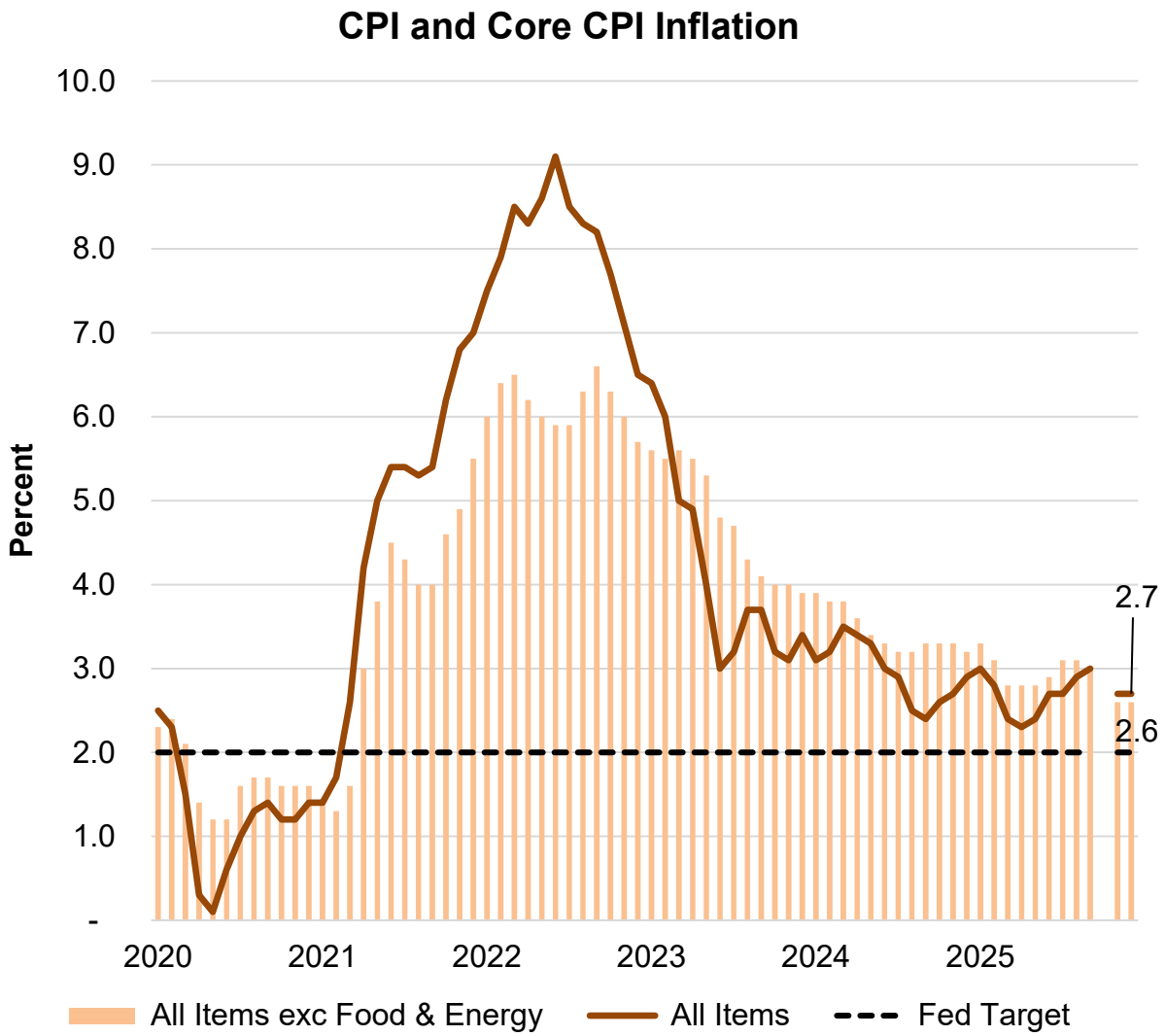
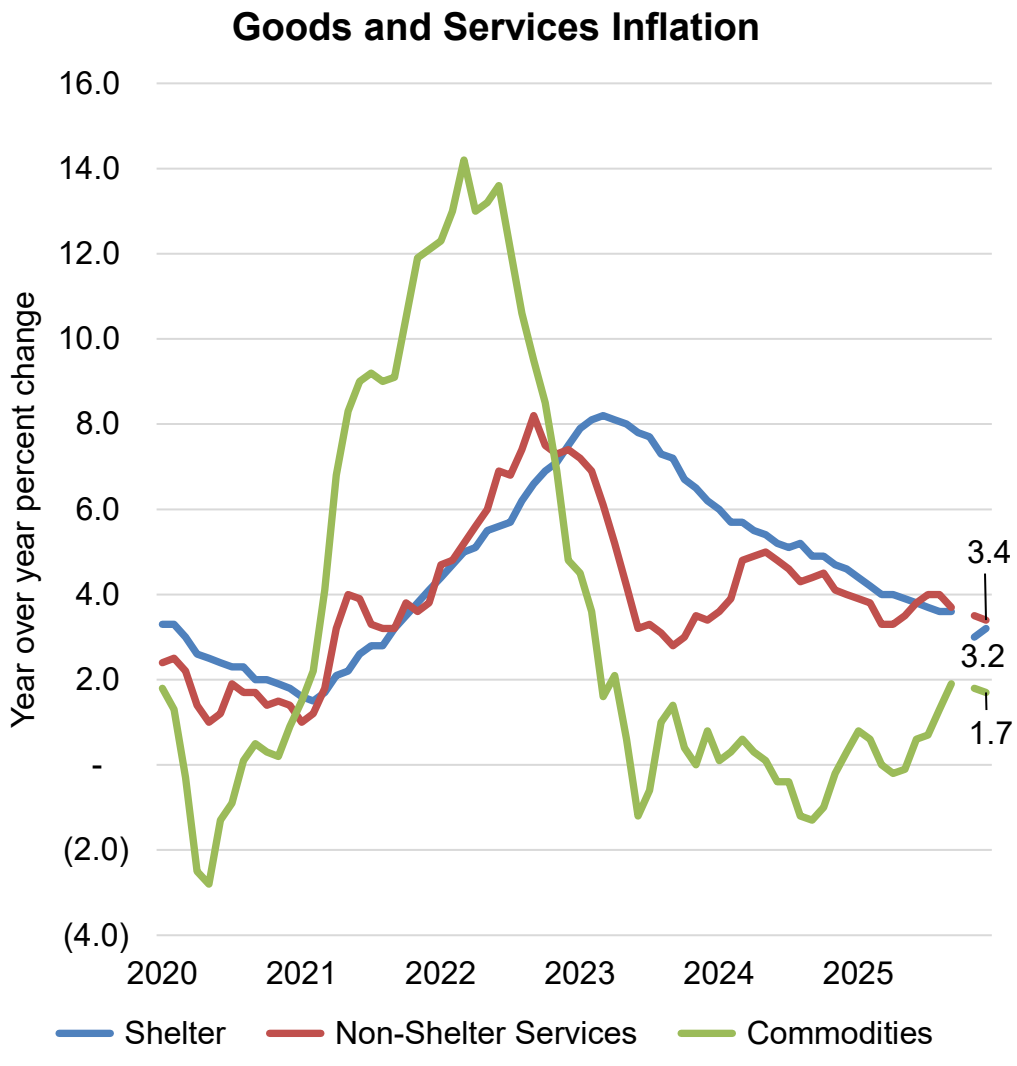
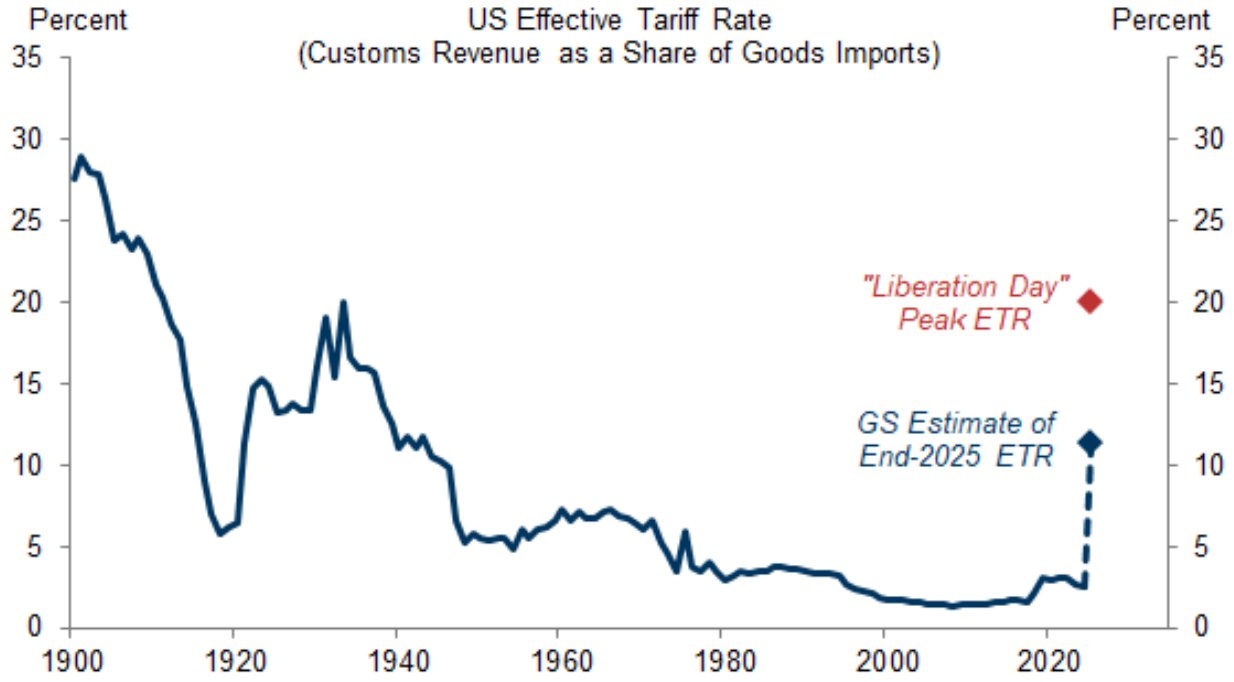
Inflation: Data Issues

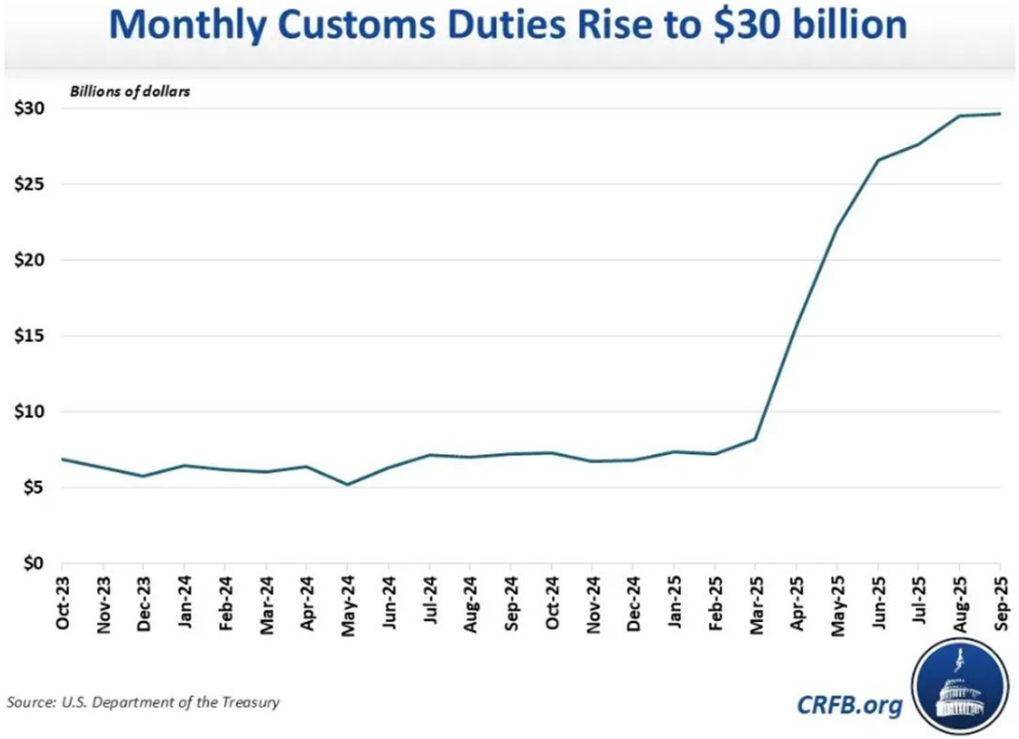




Source: Bureau of Labor Statistics

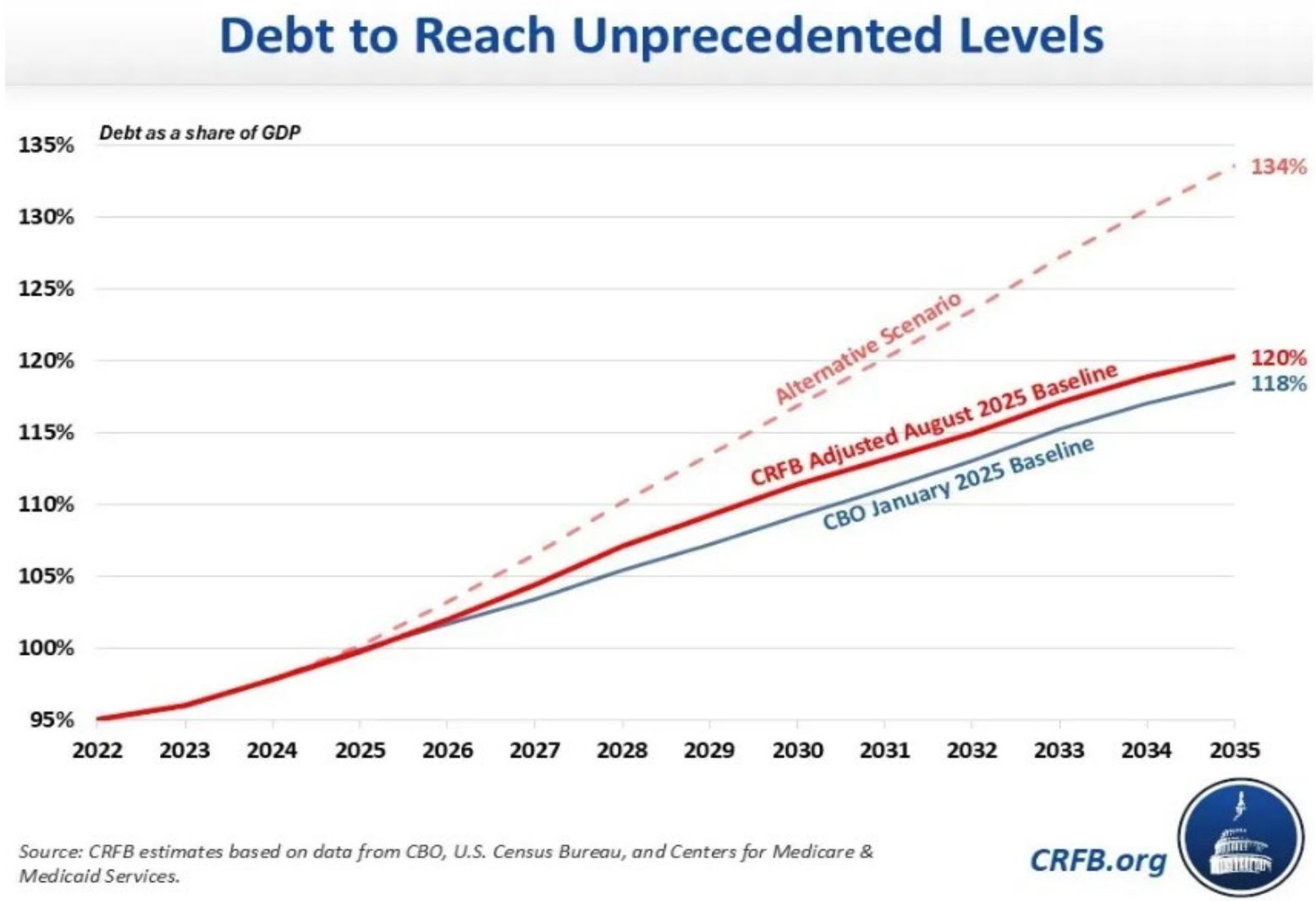
Tariff Impact Still Pending?





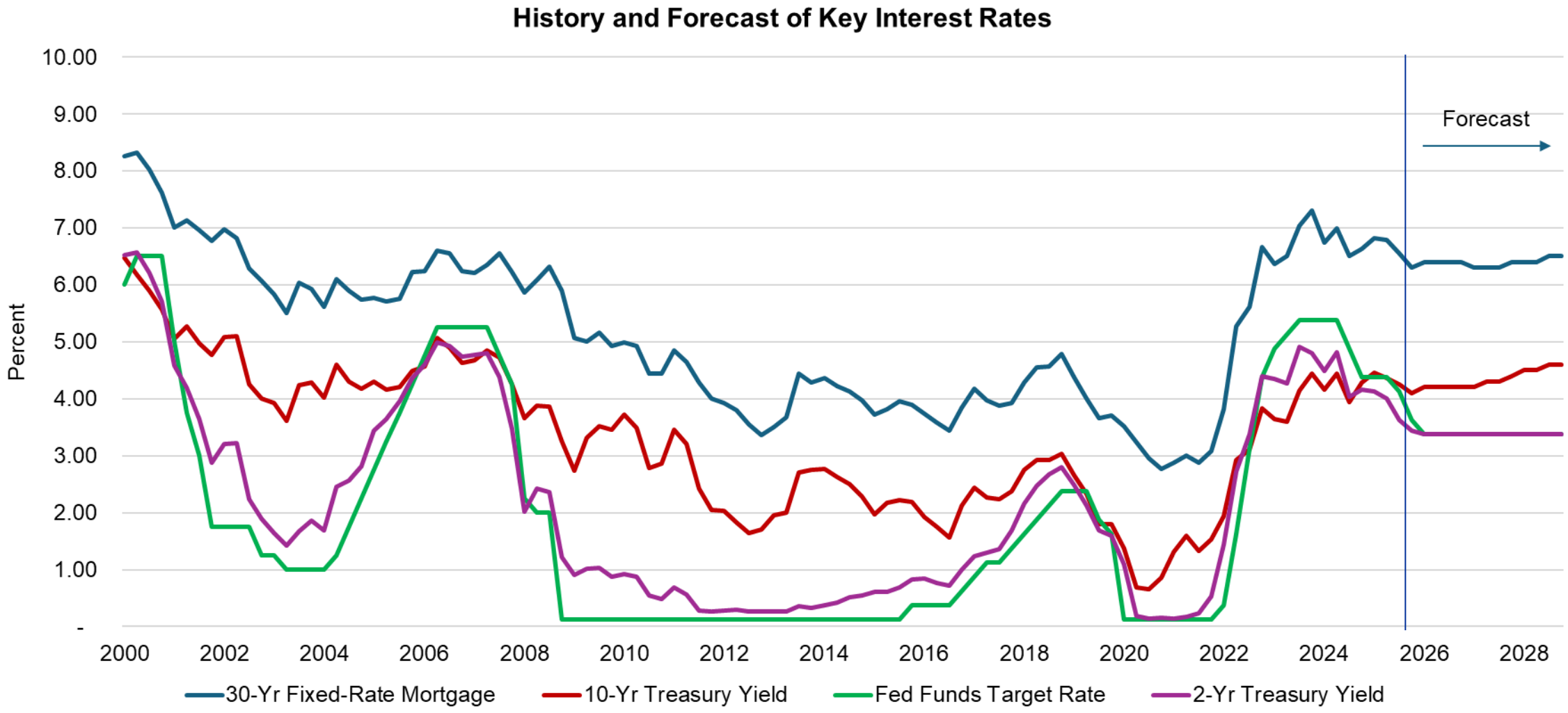
Source: Department of Commerce, Goldman Sachs Global Investment Research, CRFB

Debt Will Put Upward Pressure on Rates



Source: CRFB

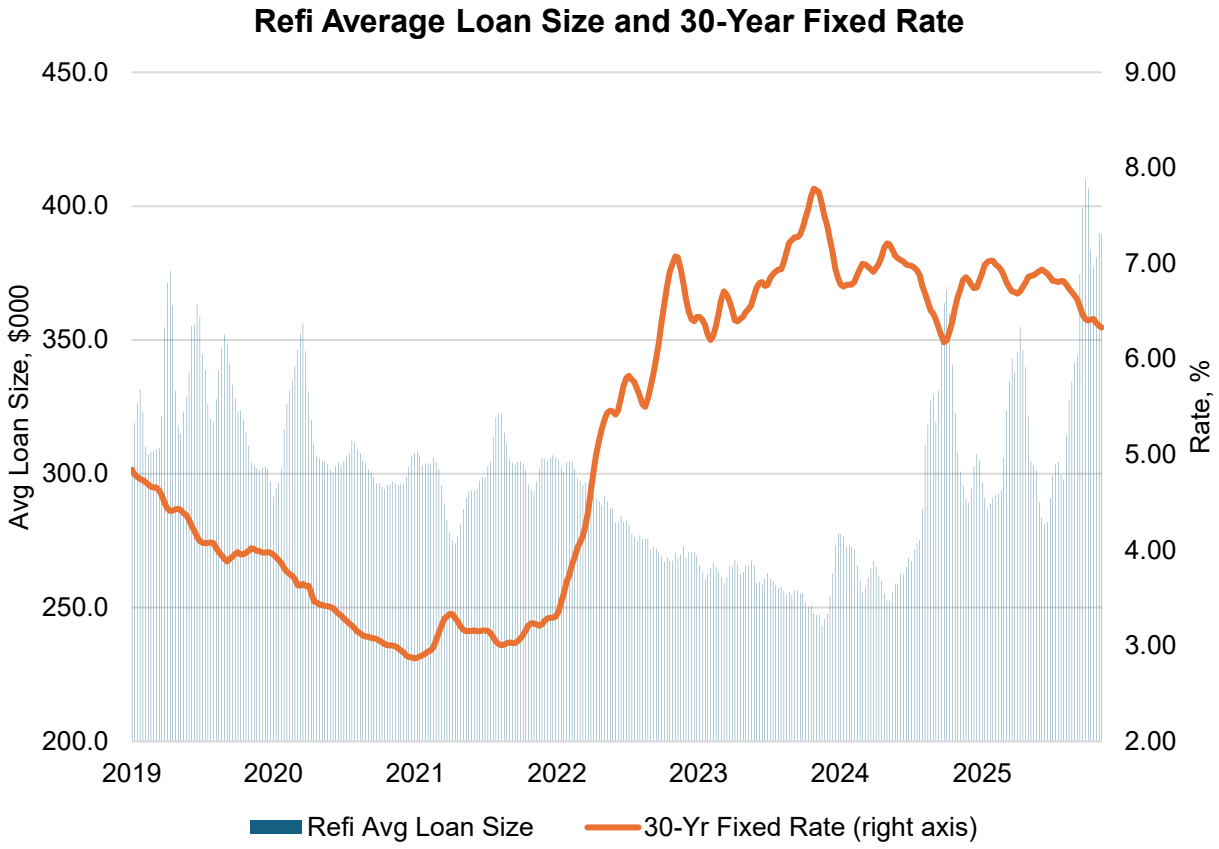
Rate Outlook: 25 bps of Additional Cuts from the Fed, Steeper Yield Curve

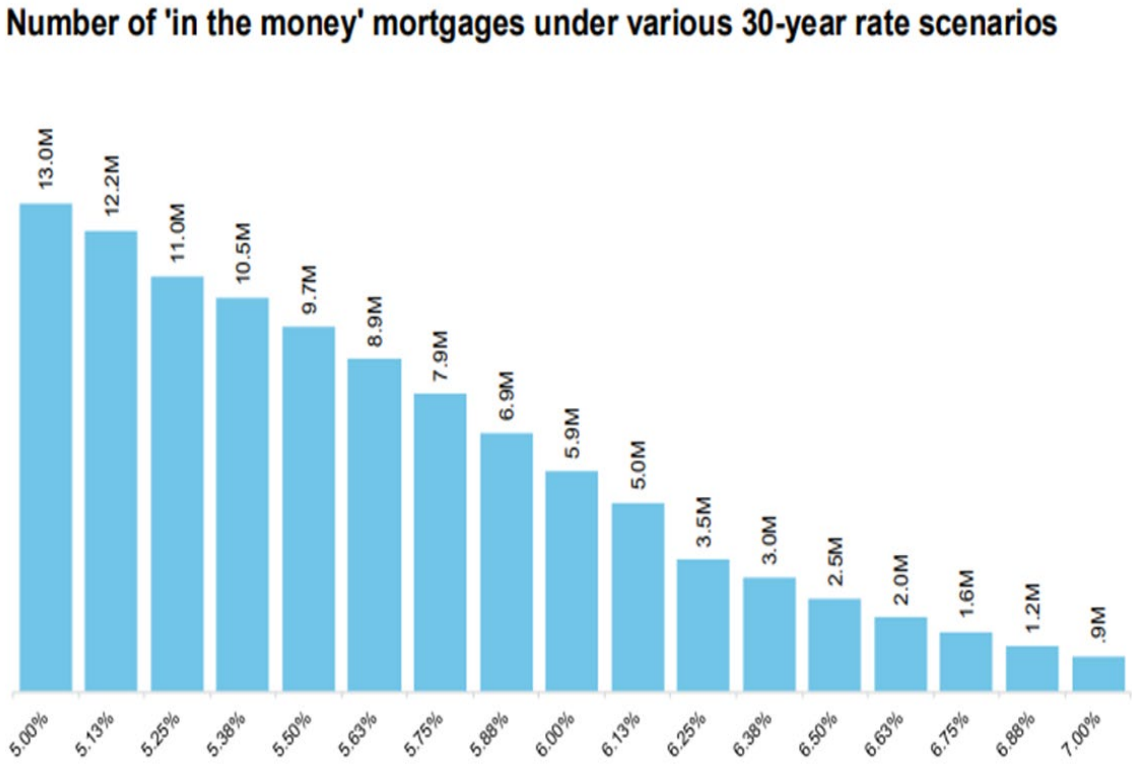


Source: Federal Reserve Board, Freddie Mac, MBA Forecast: www.mba.org/forecasts

Housing Market and Origination Trends

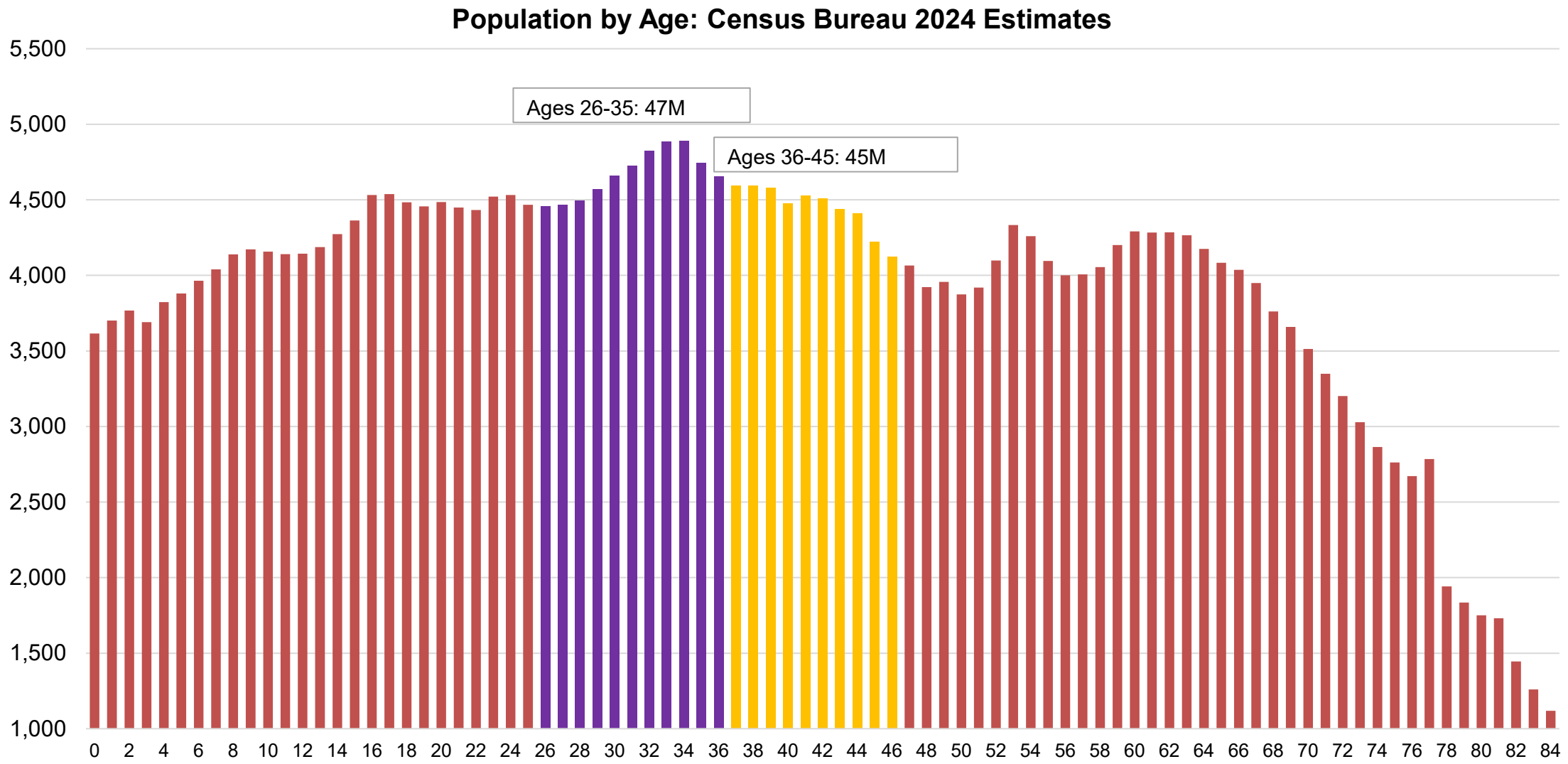
Short-lived Refinance Opportunities, More to Come





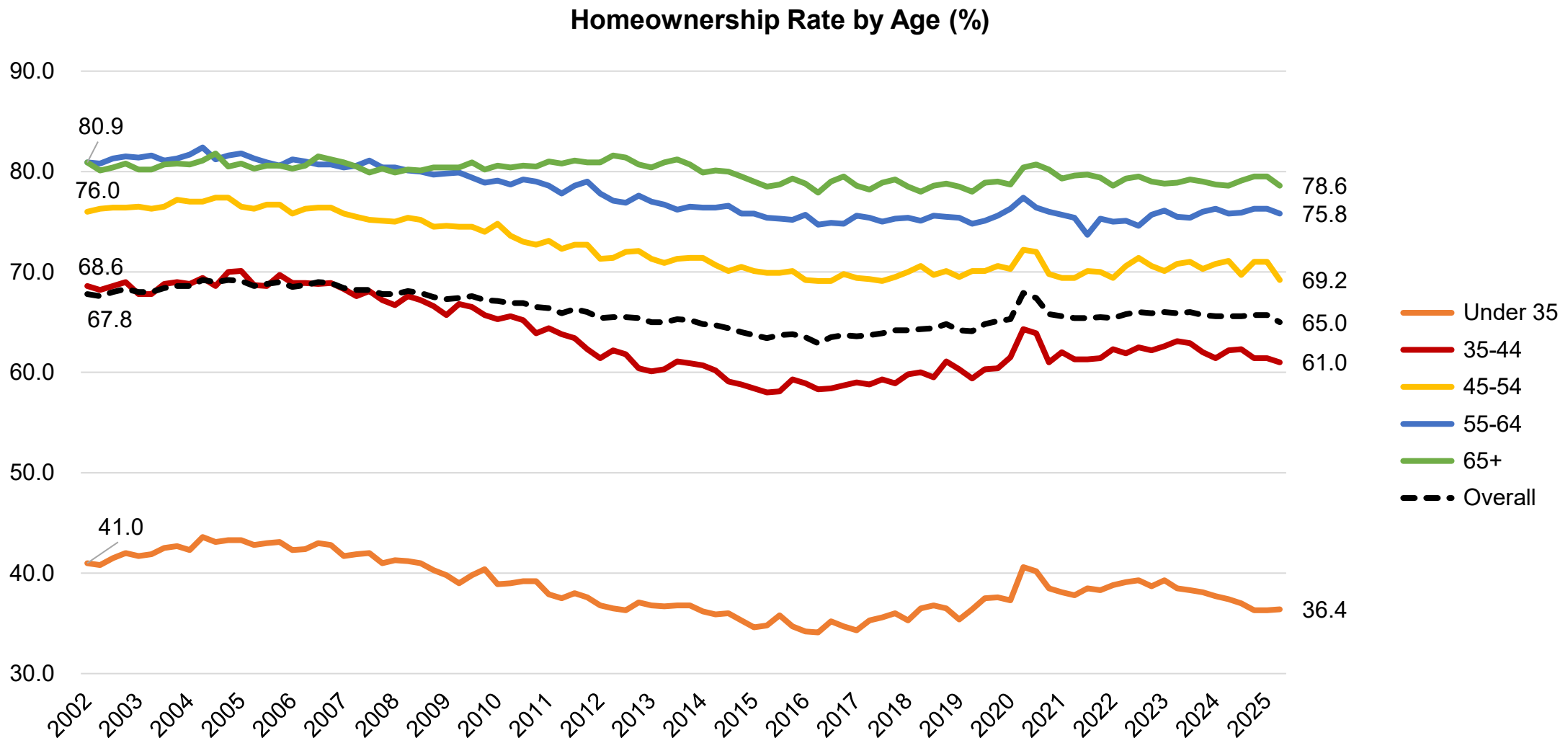
Sources: MBA Weekly Applications Survey: www.mba.org/weeklyapps , ICE Monthly Mortgage Monitor

US Population by Age



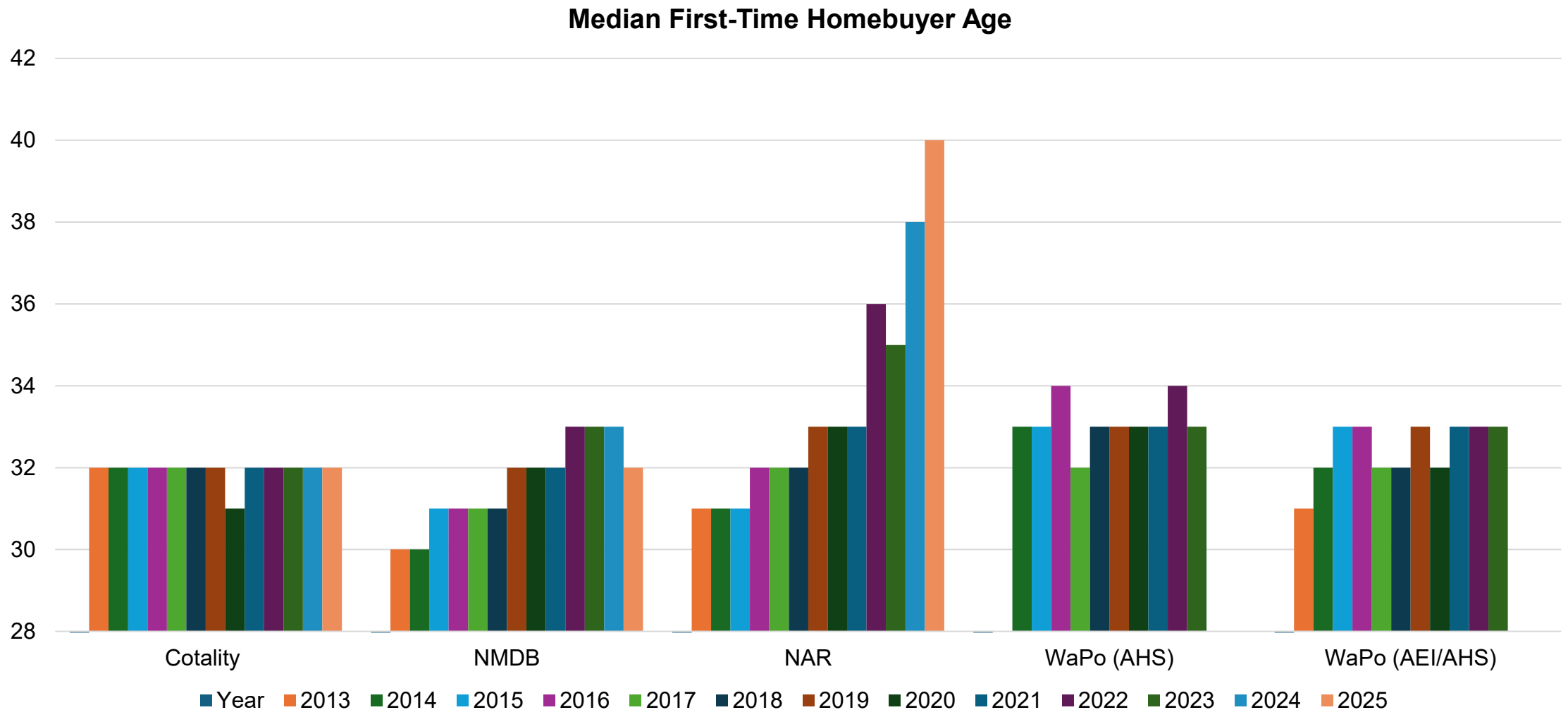
Source: MBA analysis of Census data

Relatively Flat Homeownership Rates



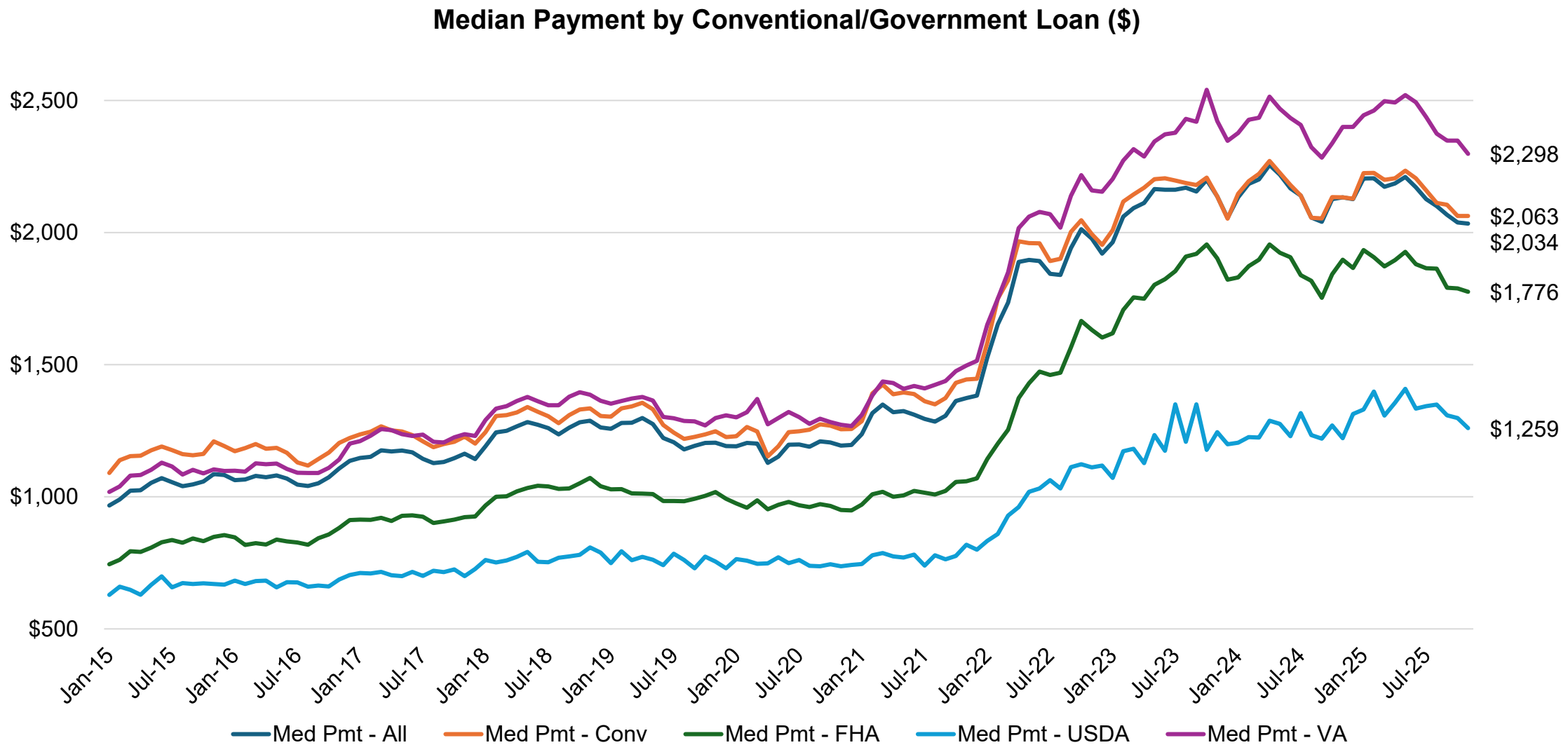
Source: US Census Bureau – American Community Survey

Age for FTHBs Has Not Moved Much, Counter to Headlines



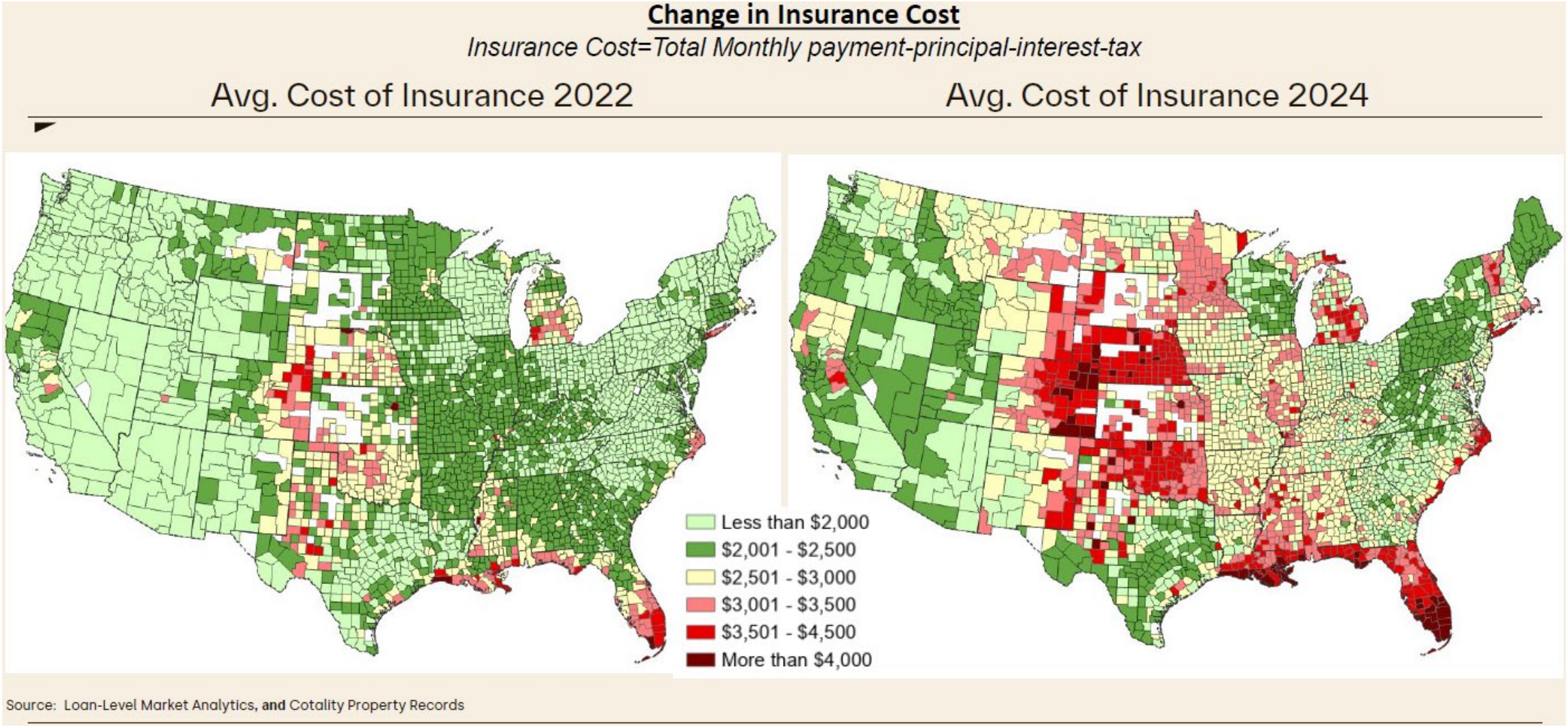
Source: Cotality, FHFA National Mortgage Database, NAR, Washington Post

Median Payments Declining Slightly



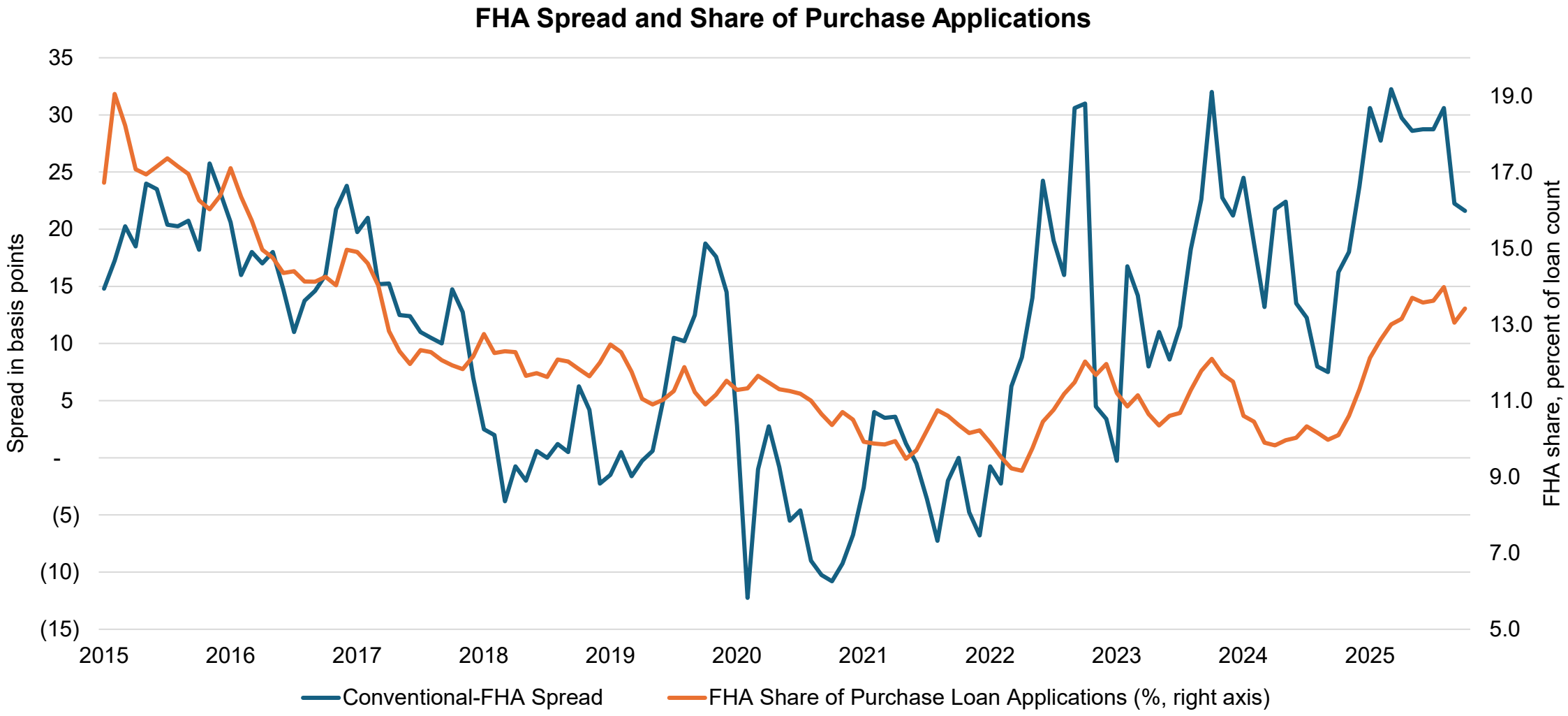
Sources: MBA Weekly Applications Survey, Bureau of Labor Statistics

Jump in Insurance Costs Across the Country



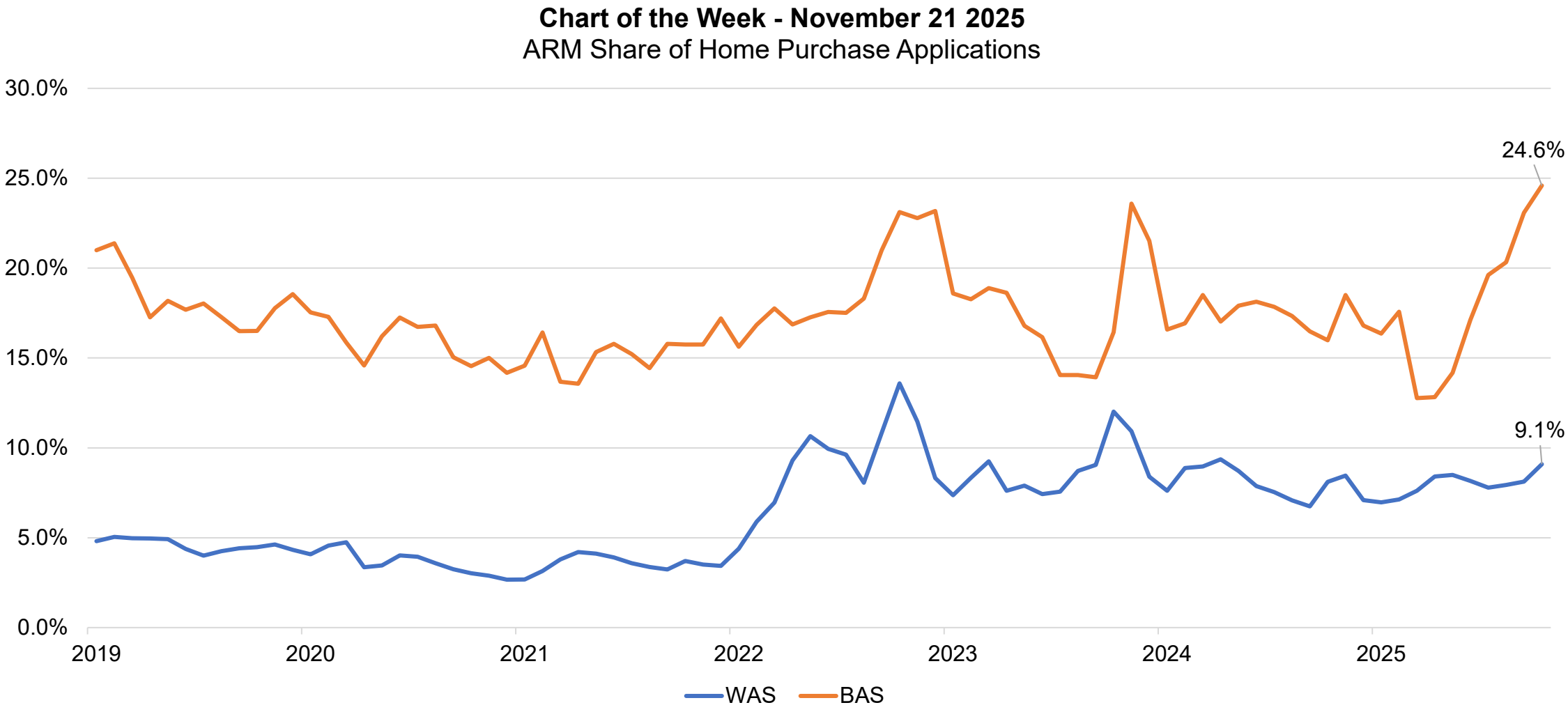
Source: Cotality

FHA Share Has Increased: Conventional-FHA Rate Spread Trending Higher



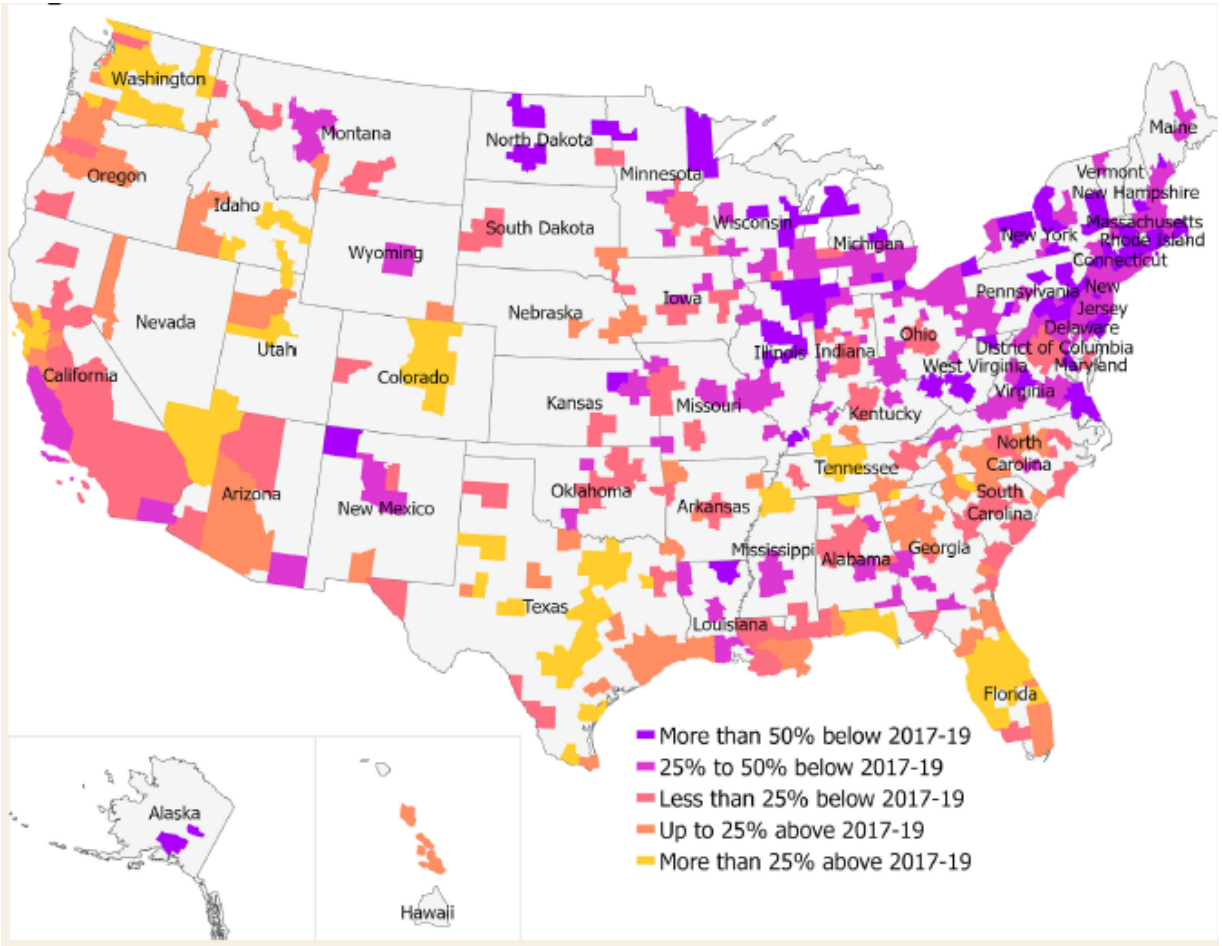
Source: MBA Weekly Applications Survey: www.mba.org/weeklyapps

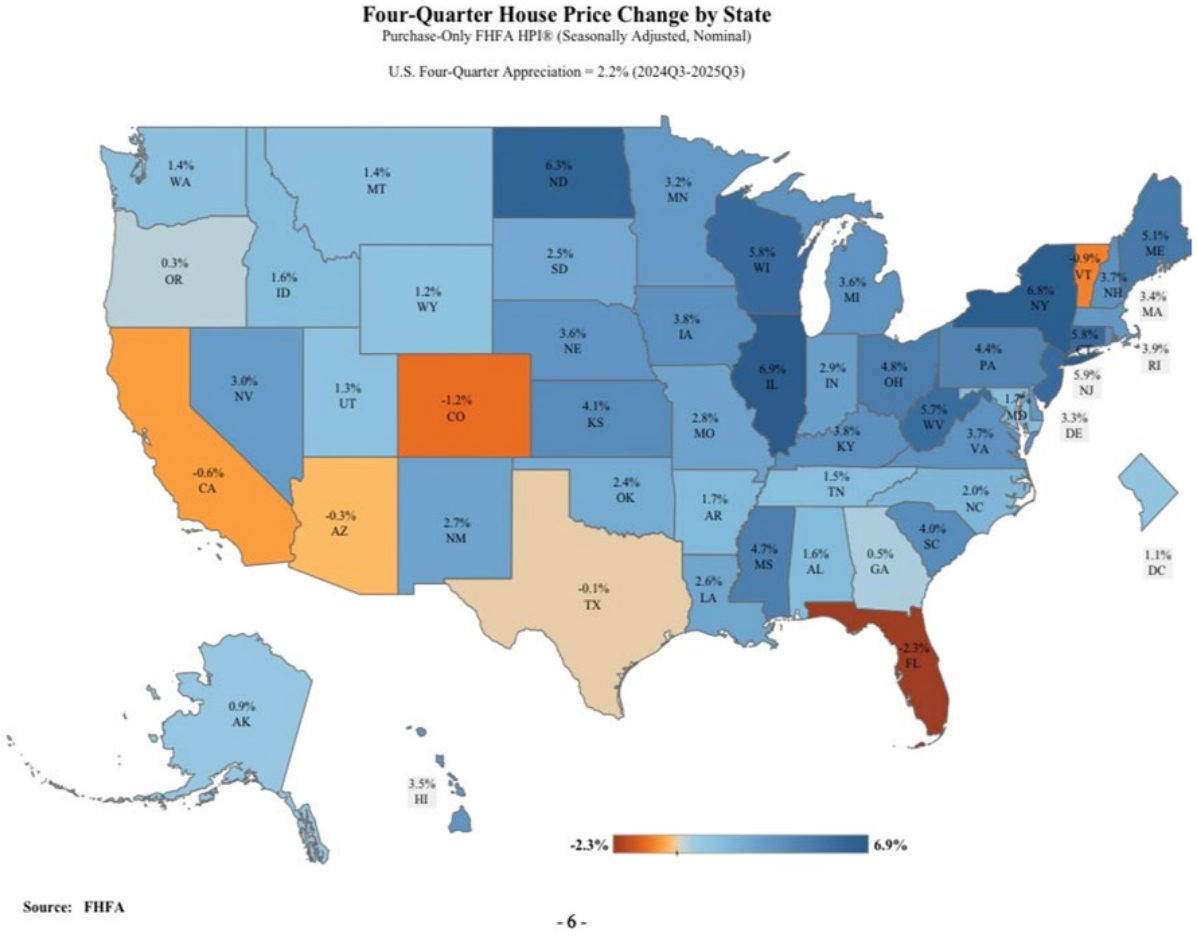
ARM Share Higher in 2025



Source: MBA Builder Applications Survey, Weekly Applications Survey

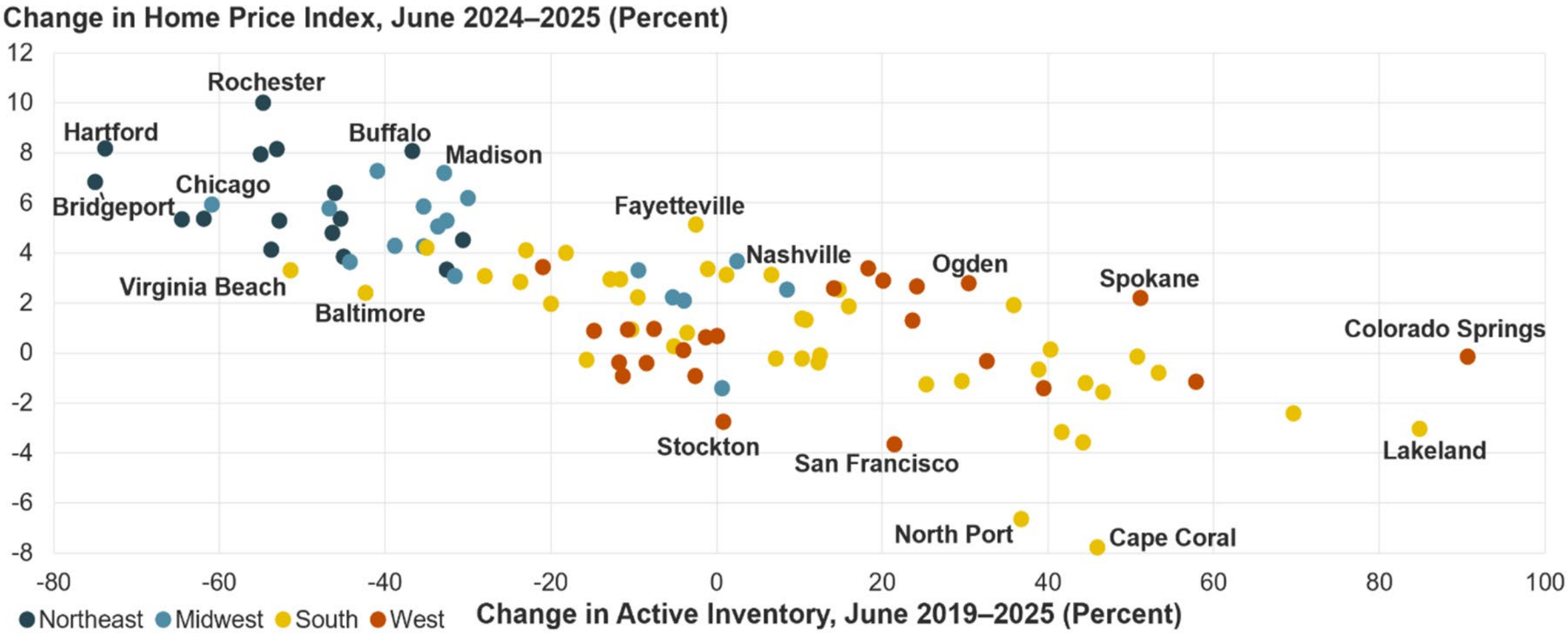
Inventory Increasing Particularly in South and West





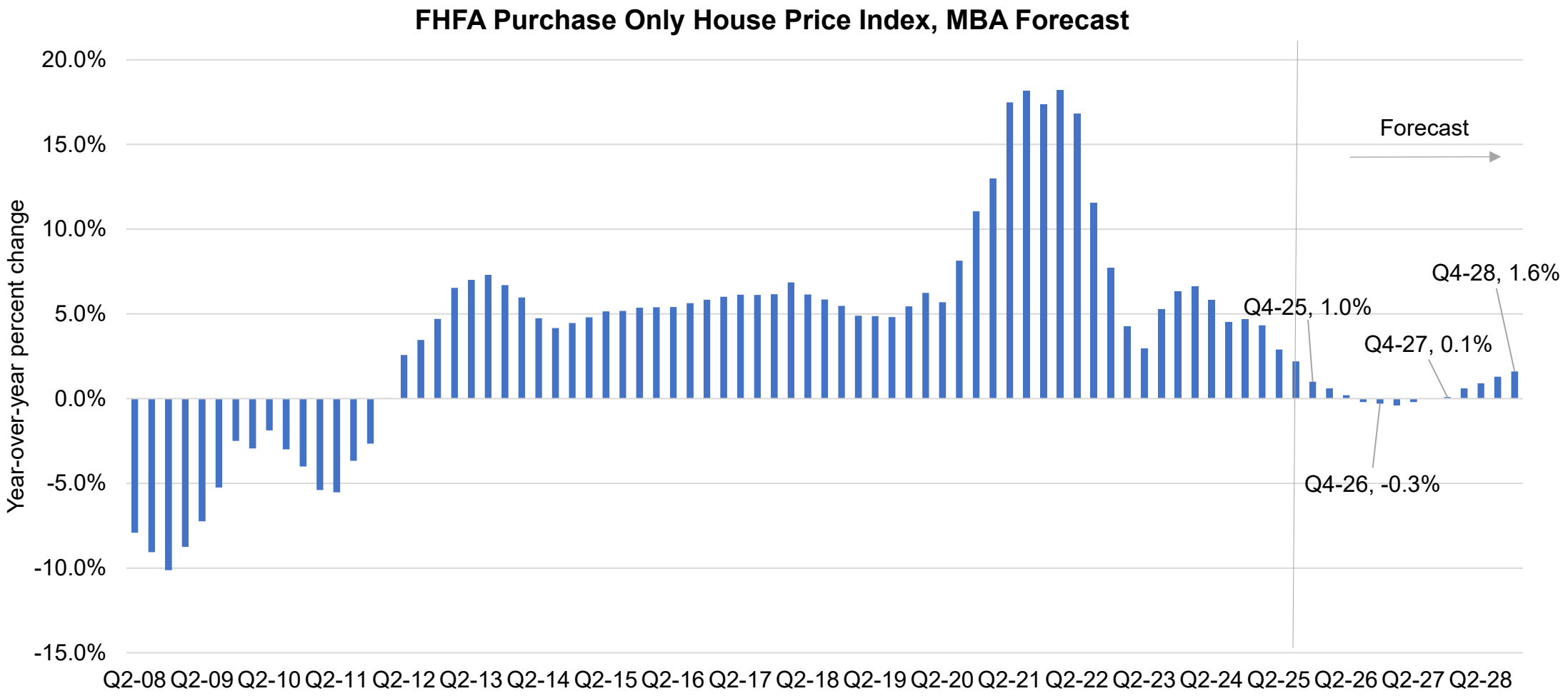
Sources: Cotality, Redfin

Home Prices Falling in a Growing Number of Markets



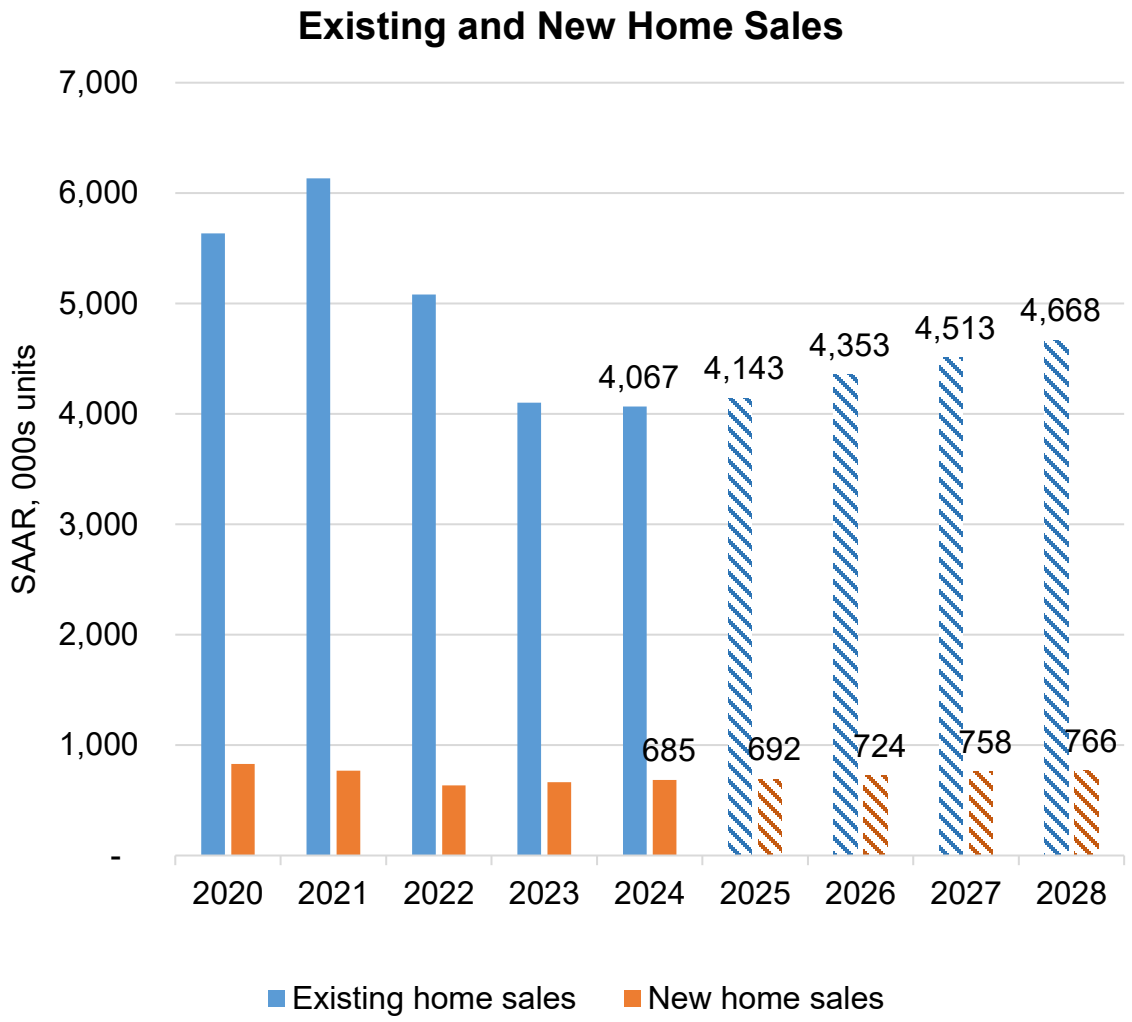
Source: Joint Center for Housing Studies, Realtor.Com, Freddie Mac

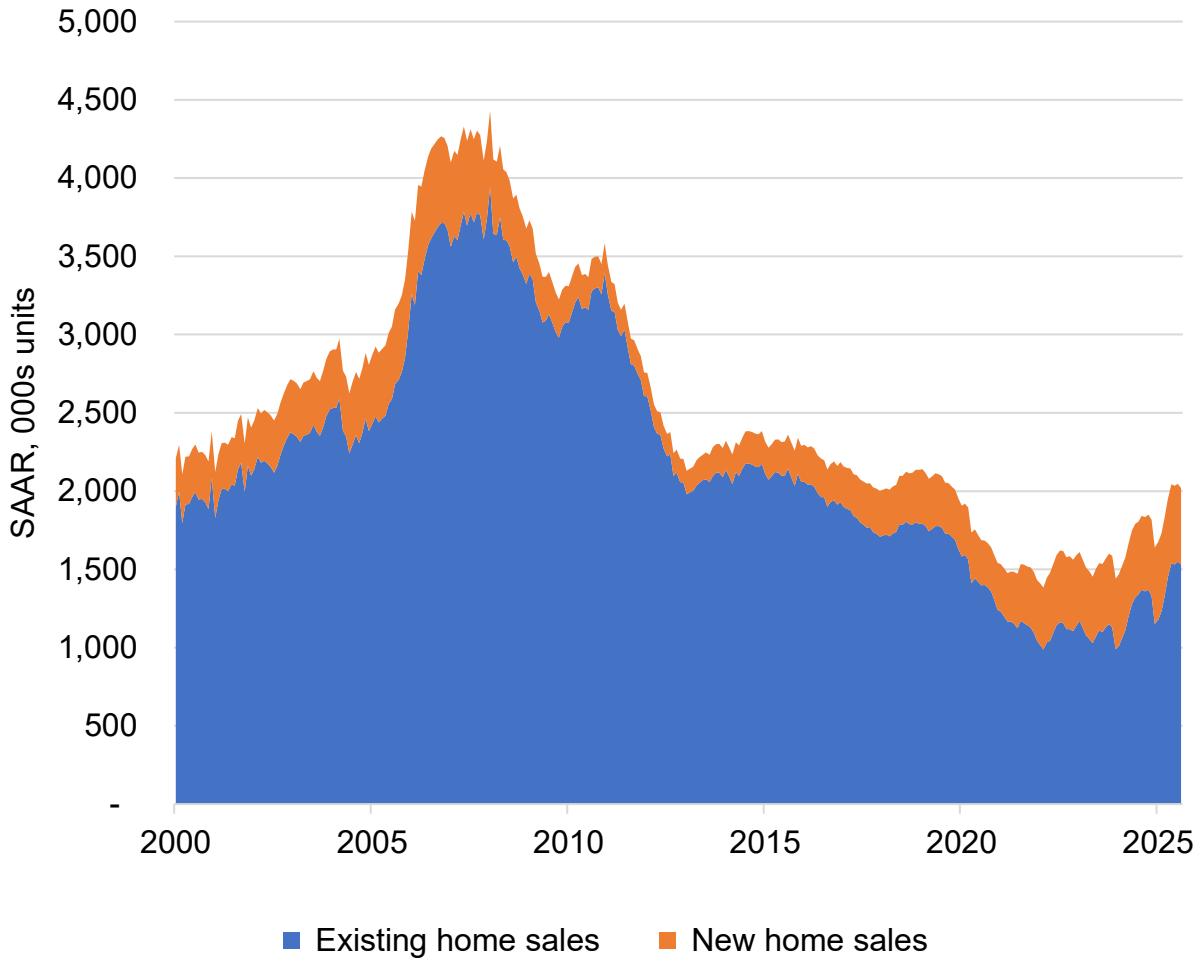
National House Price Appreciation Stalling, Expect Declines in 2026
Declines Already Here for Some States



Source: Federal Housing Finance Agency, MBA Forecast: www.mba.org/forecasts

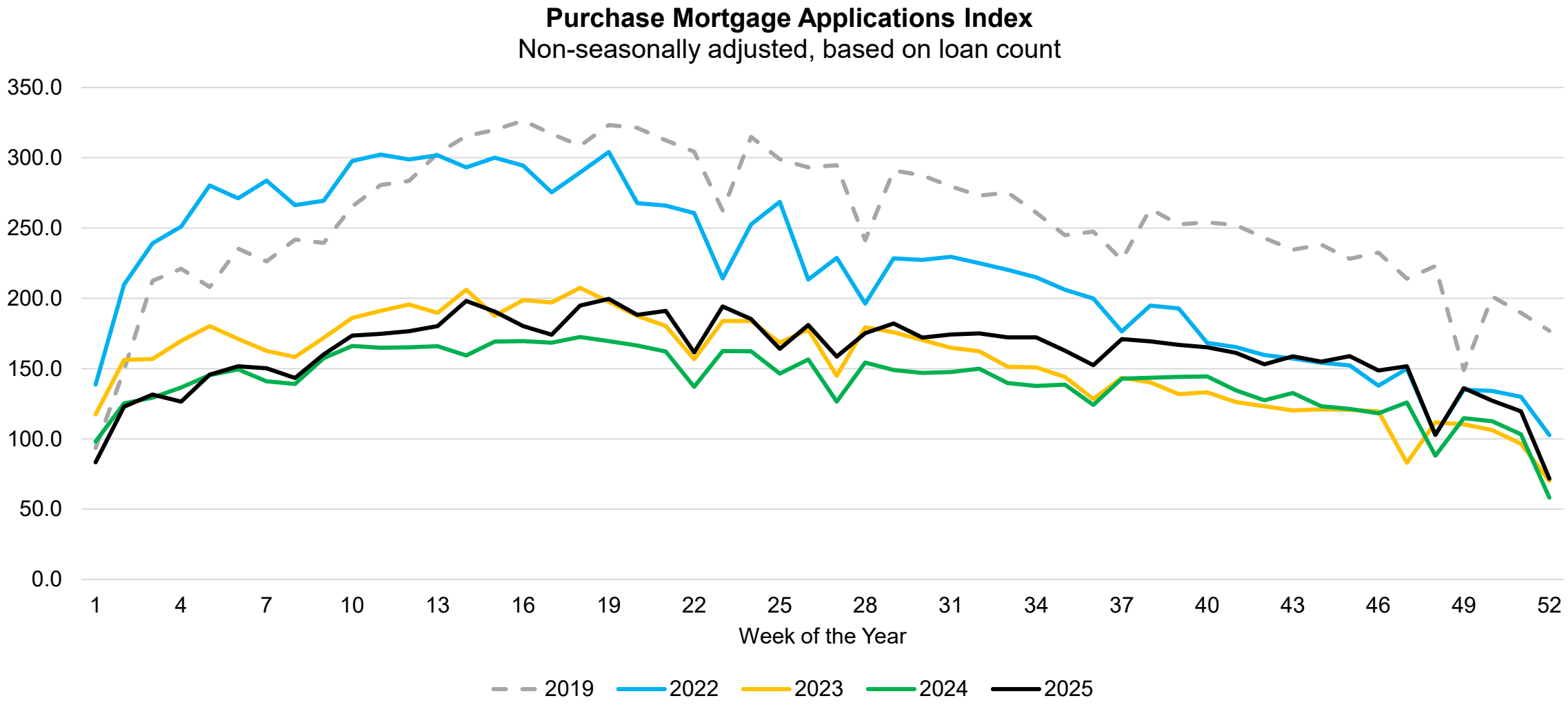
Gradual Growth Expected for Home Sales, Inventory Increasing





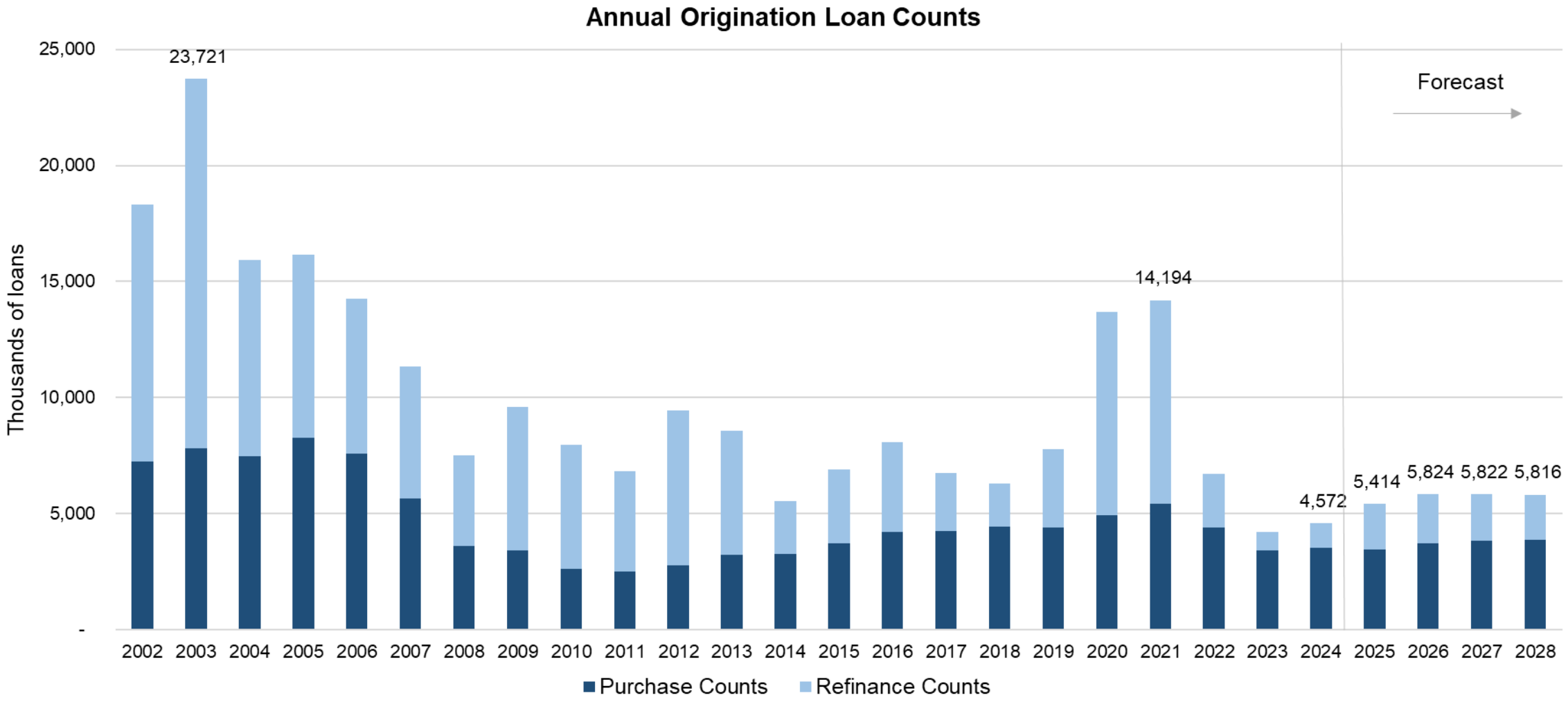
Source: Census Bureau, National Association of Realtors

Purchase Applications Continue to Run Ahead of 2024's Pace



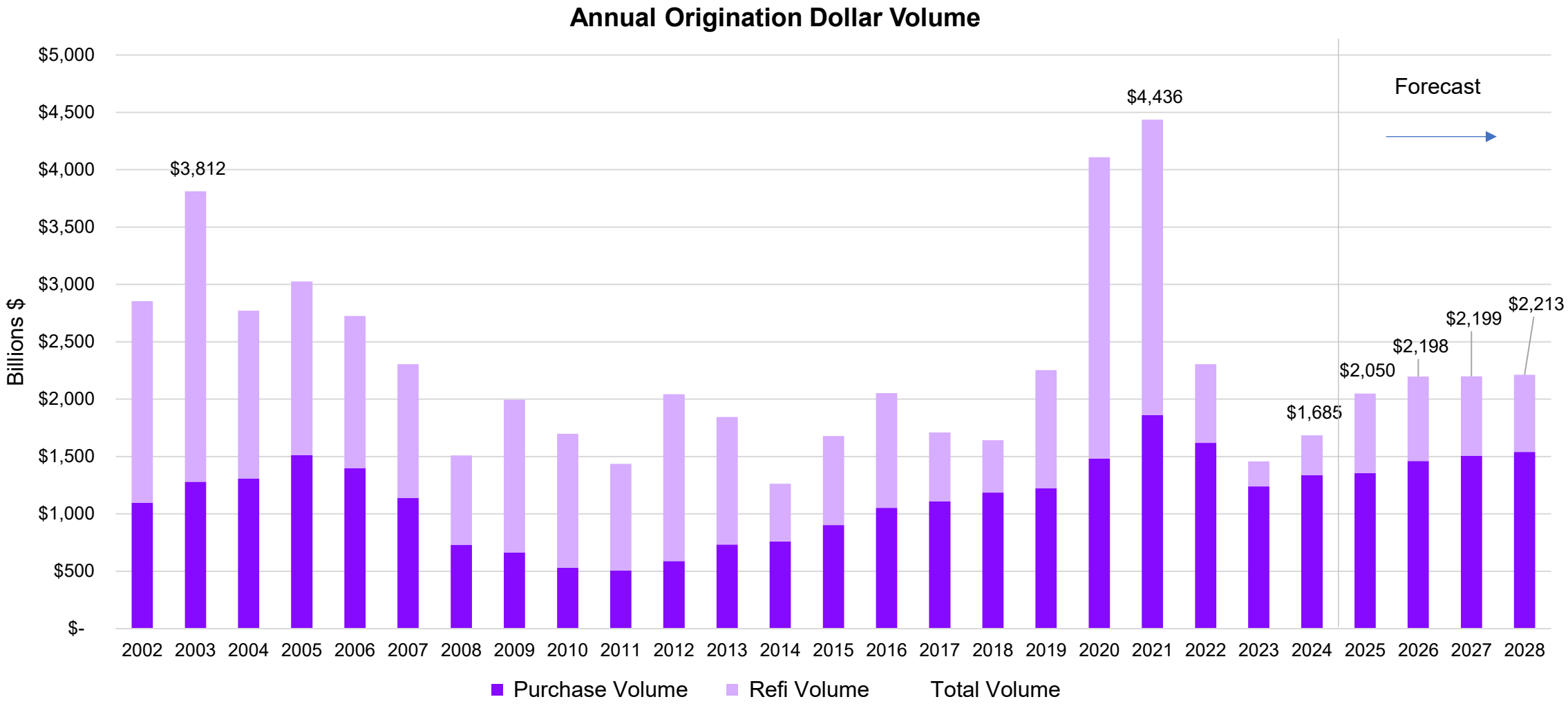
Source: MBA Weekly Applications Survey: www.mba.org/weeklyapps

Origination Units Forecast to Increase 8% in 2026



Source: MBA Forecast: www.mba.org/forecasts

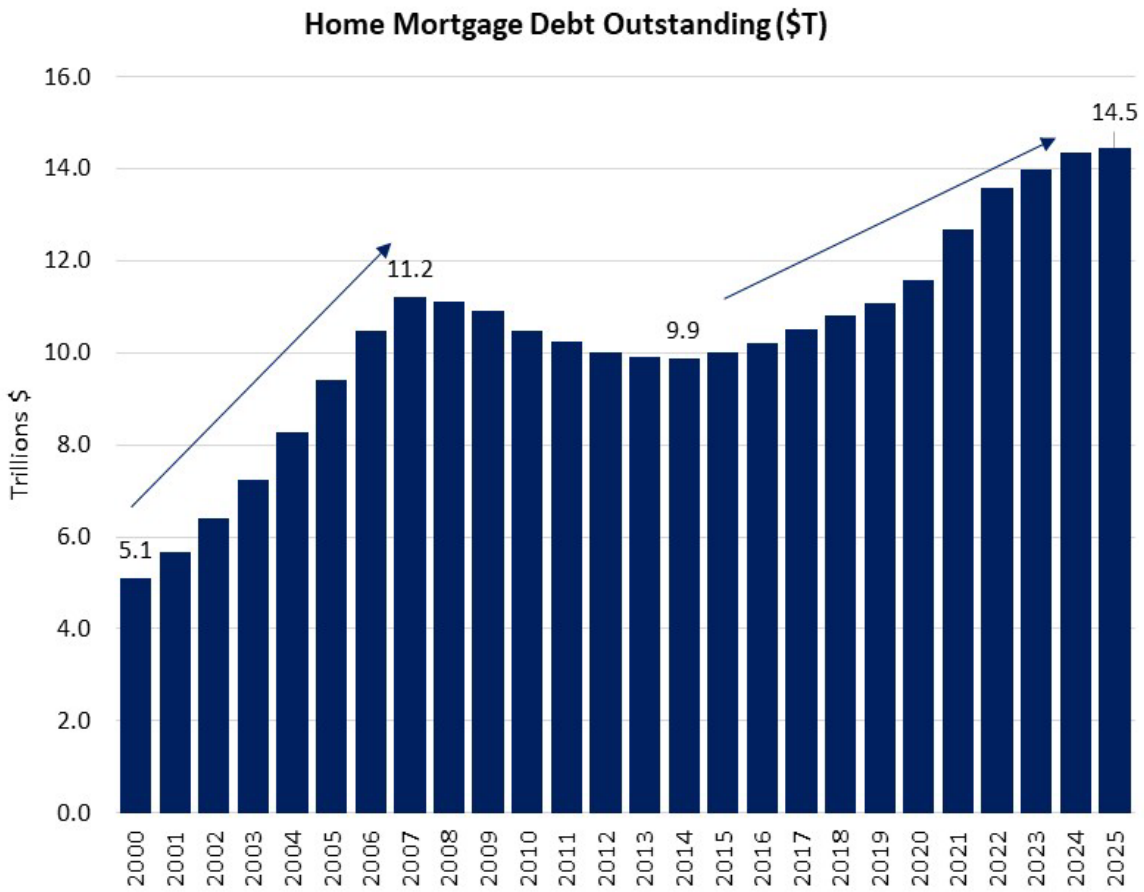
Origination Dollar Volume Expected to Increase 7% in 2026

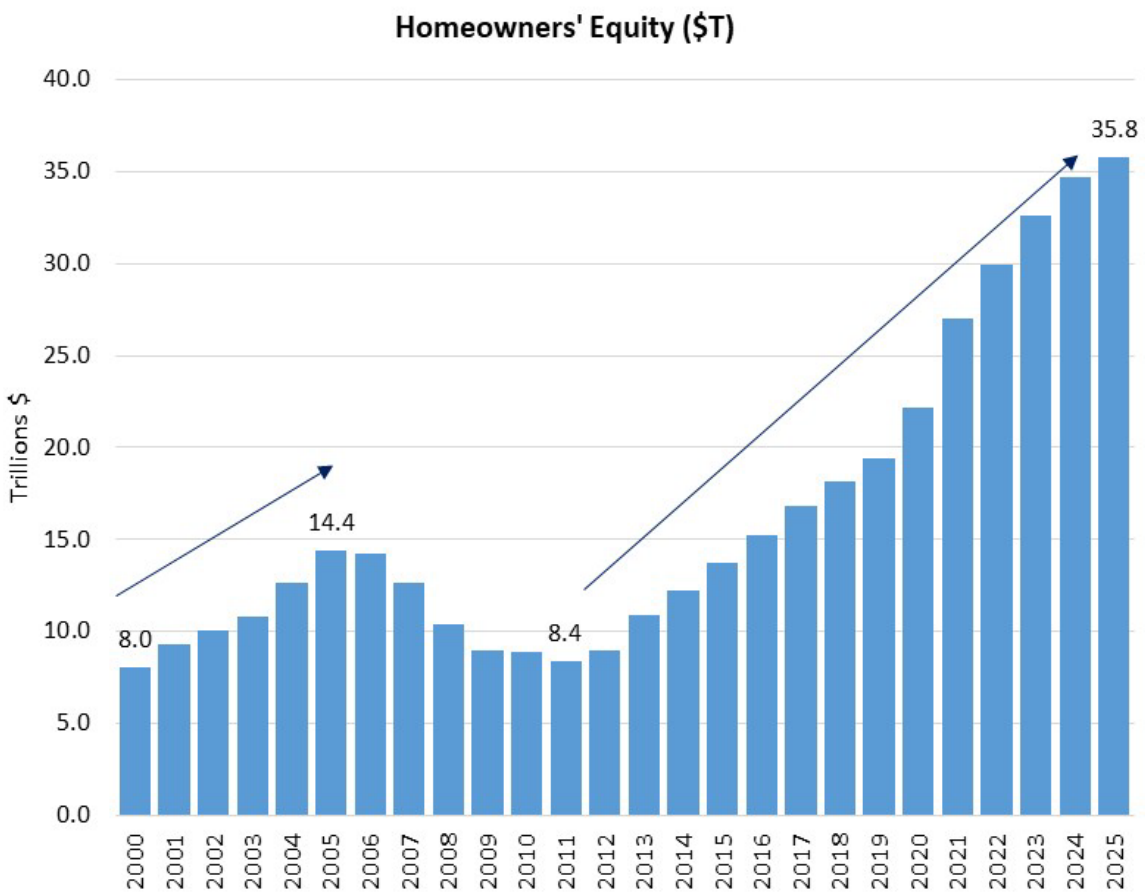


Source: MBA Forecast: www.mba.org/forecasts

Mortgage Performance

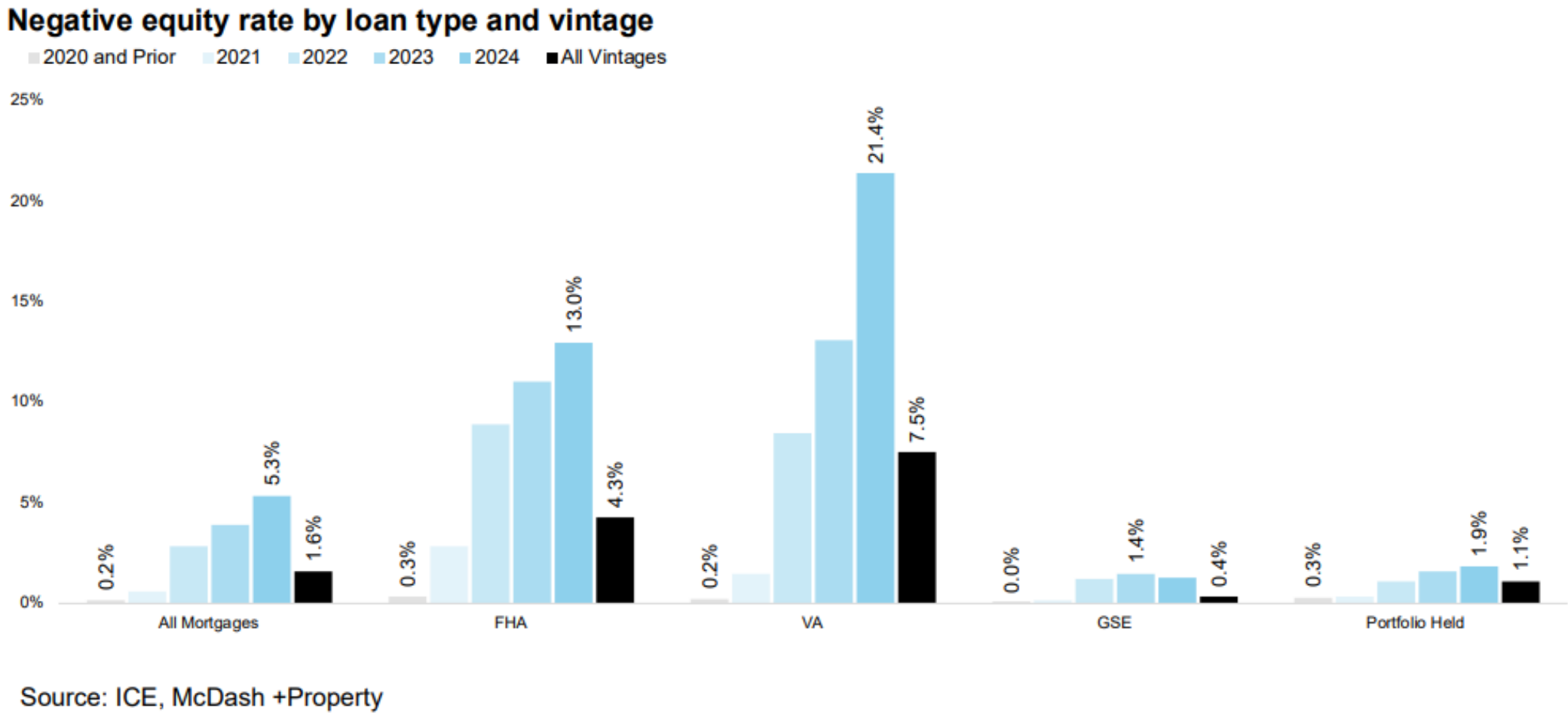
Substantial Home Equity Accumulation for Homeowners Who Bought Pre-Pandemic





Source: Federal Reserve Board

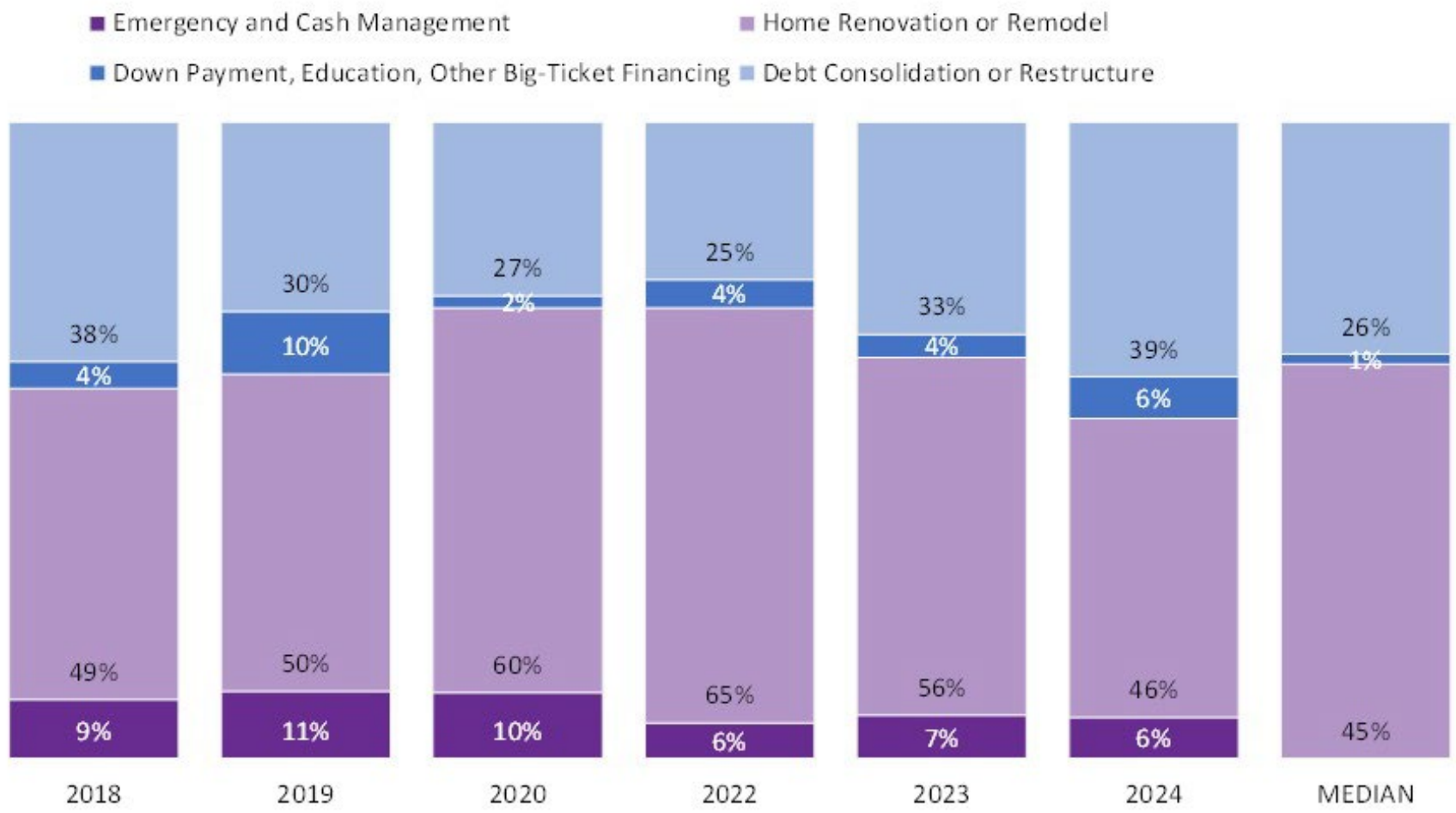
Home Price Declines Already Reflected in Growing Negative Equity for Recent Vintages of FHA and VA Loans



Source: ICE, McDash +Property

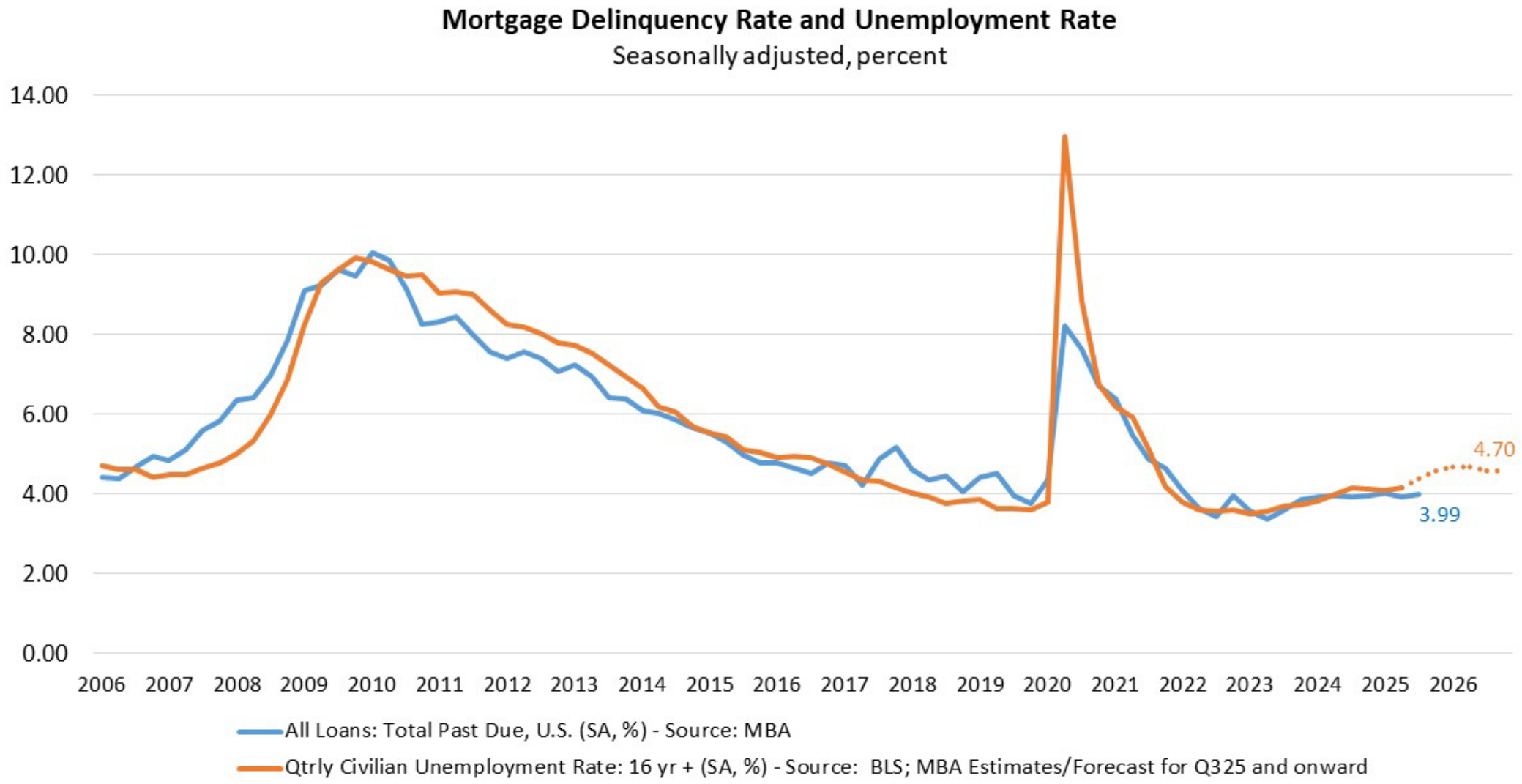
Source: ICE Mortgage Technology

Home Equity and HELOC Volume by Known Borrower Usage (% based on #): More Share to Debt Consolidation



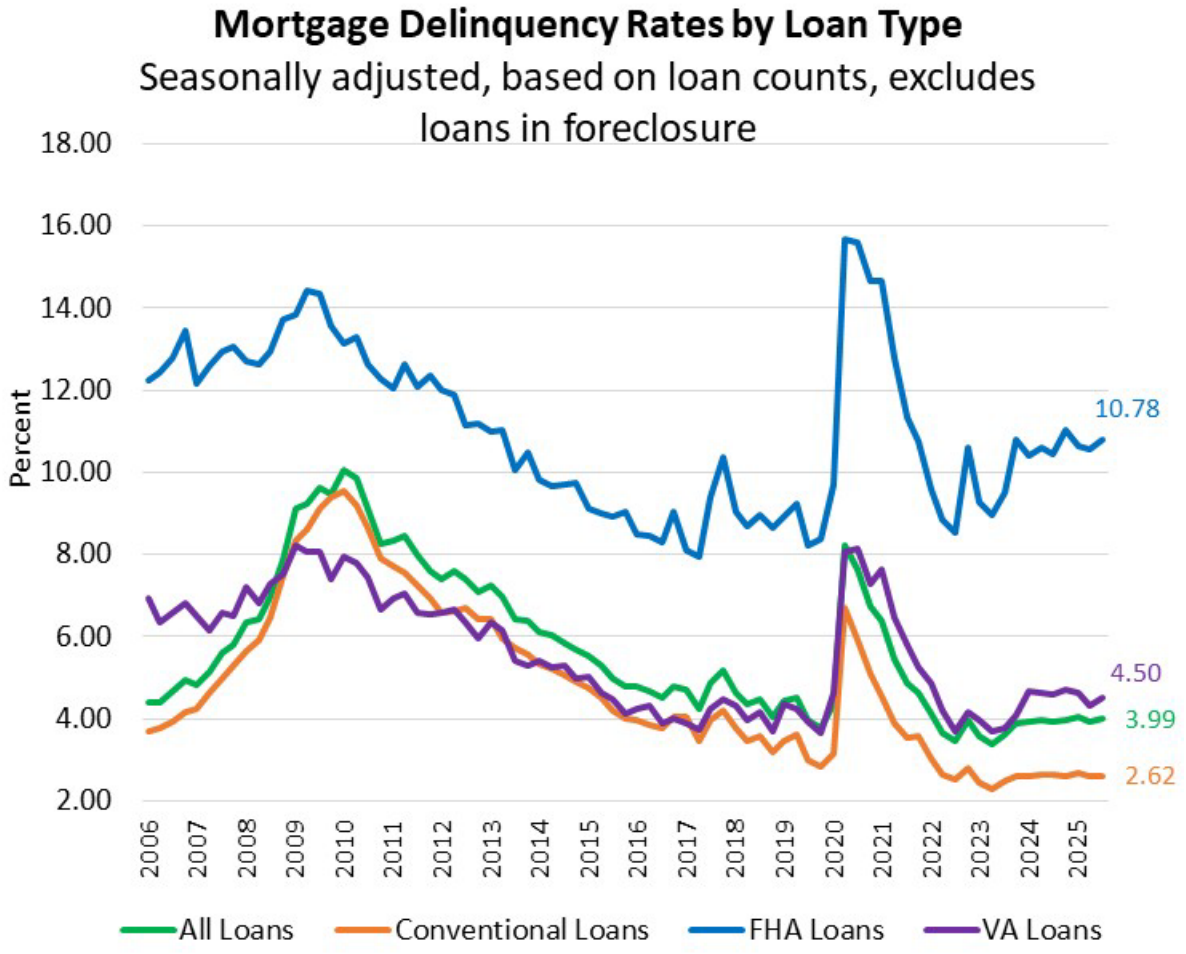
Source: MBA's 2025 Home Equity Lending Study (2024 data); www.mba.org/heloc

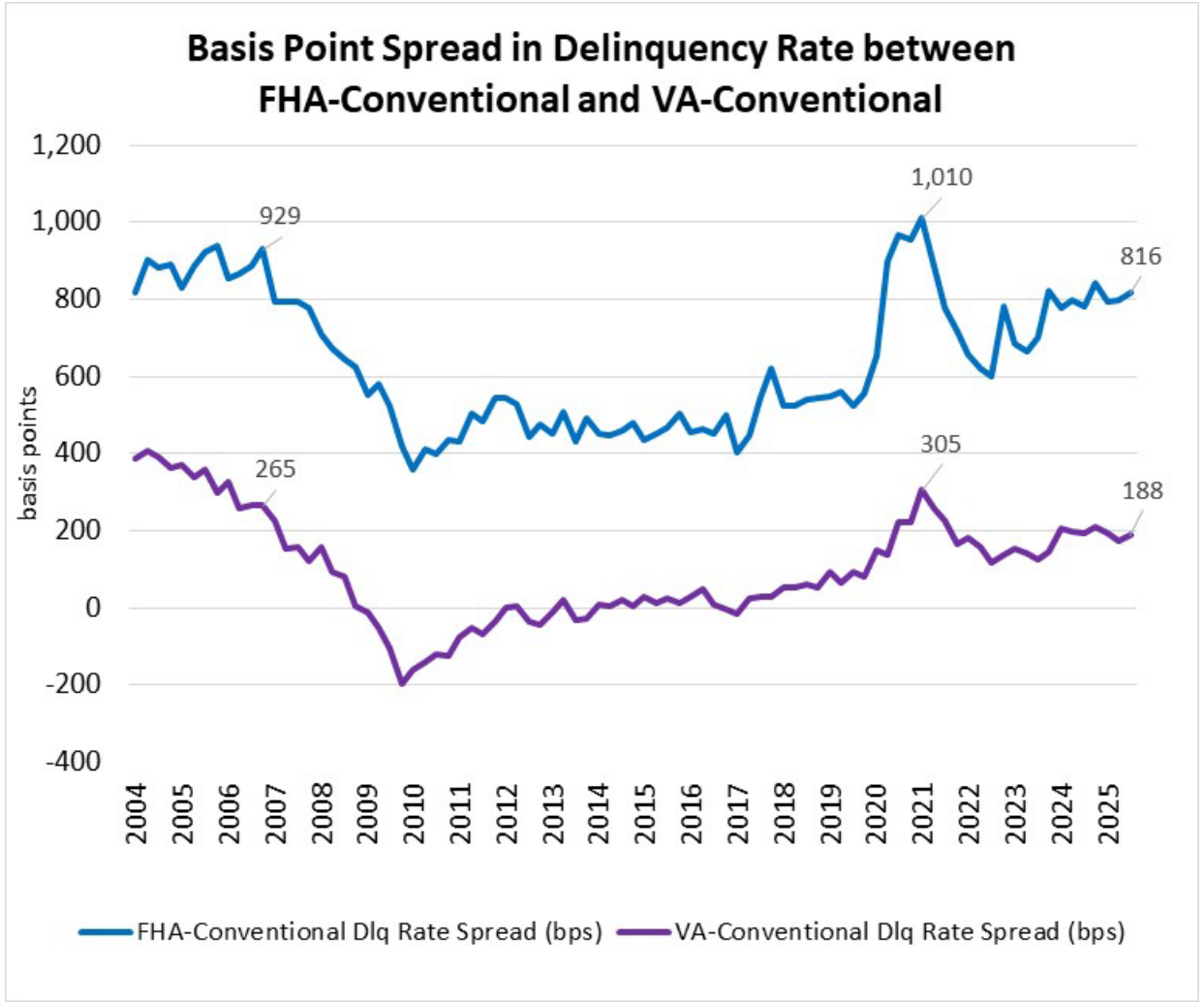
Mortgage Delinquency Rate Tracking Unemployment Rate Closely



Source: BLS; MBA's National Delinquency Survey; www.mba.org/nds

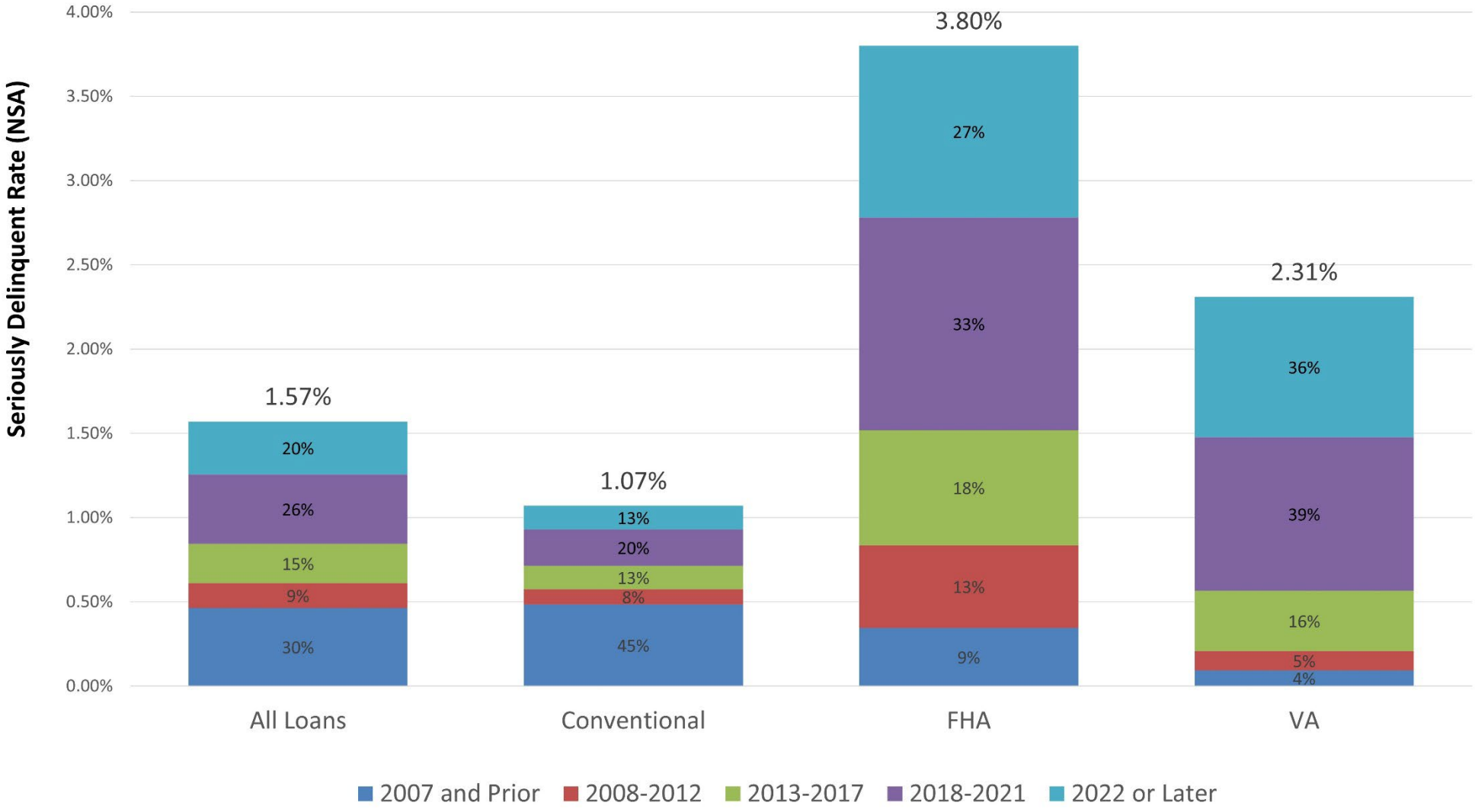
Spread Between Government and Conventional Delinquency Rates is Widening





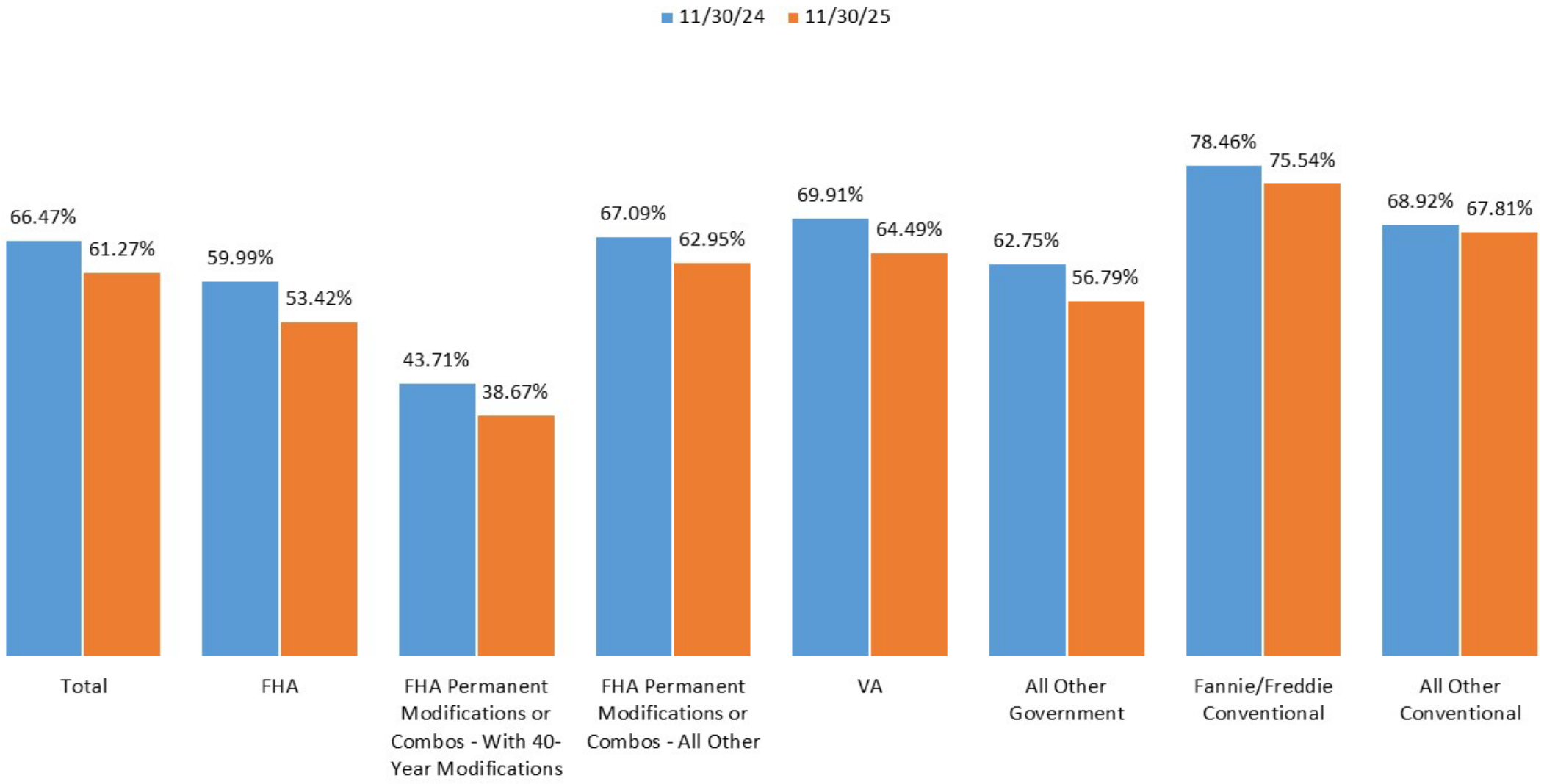
Source: MBA's National Delinquency Survey; www.mba.org/nds

Chart of the Week – August 15, 2025
Composition of Seriously Delinquent Loans by Origination Year
Second Quarter of 2025



Source: MBA's National Delinquency Survey; www.mba.org/nds

Total Completed Loan Workouts in 2020 or After: % Current



Source: MBA's Monthly Loan Monitoring Survey; www.mba.org/lms

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Contact Information and MBA Resources

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