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Mortgage

Median payment on purchase mortgage applications rises to \$2,201: MBA

The trade group expects more homebuyers to enter the market once rates drop below 6.5%

April 26, 2024, 1:45 pm *By Sarah Marx*

Homebuyer affordability declined in March as [mortgage rates](#) and [home prices](#) remained elevated.

The national median monthly payment for purchase mortgage applicants rose to \$2,201 in March, up from \$2,184 in February. That's according to the **[Mortgage Bankers](#)**

Association's (MBA) purchase applications payment index, which measures how new monthly mortgage payments vary across time relative to income.

An increase in the MBA index — indicative of declining borrower affordability conditions — means that the mortgage-payment-to-income ratio is higher due to increasing loan amounts, rising mortgage rates or a decrease in applicant earnings.

The national index increased 0.8% to 174.2 in March, up from 172.8 in February. The index is benchmarked to 100 in March 2012.

"Homebuyer affordability conditions remain volatile as recent economic data continues to show that the economy and job market are strong. These factors will keep mortgage rates at elevated levels for the near future, sidelining some prospective buyers from entering the housing market," Edward Seiler, MBA's associate vice president of housing economics and executive director of the **Research Institute for Housing America**, said in a statement.

"While rates remain elevated and housing supply is low, we do expect to see renewed activity as mortgage rates decline to low-to-mid 6 percent range by the end of the year."

The national median monthly mortgage payment rose \$17 from February to March. It is up by \$108 from one year ago, representing a 5.2% increase. Meanwhile, the national median monthly payment for conventional loan applicants was \$2,222, up from \$2,194 in February and up from \$2,145 in March 2023.

Borrower affordability conditions worsened the most in Nevada, Idaho, Arizona, Florida and Washington. These five states posted the highest purchase applications payment index readings of 261.5, 256.9, 229.9, 219.1 and 218.2, respectively.

Meanwhile, Connecticut, Louisiana, Alaska, Washington, D.C., and New York posted better borrowing conditions last month, as illustrated by

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