MCT Reports 17% Increase in Mortgage Lock Volume Amid Mounting Tariff Concerns and Low Consumer Confidence

MCT reports a 17% rise in mortgage lock volume as early homebuying strengthens amid tariff concerns, low consumer confidence, and rising recession risks.

SAN DIEGO, CA, UNITED STATES, April 7, 2025 /EINPresswire.com/ -- Mortgage Capital Trading, Inc. (MCT®), the de facto leader in innovative mortgage capital markets technology, announced a 17.05% increase in mortgage lock volume compared to the previous month as early-season homebuying activity continues to show strength. Rate/term refinance activity also jumped, up 95.71% year-over-year, reflecting a shift in borrower behavior and a possible return to more normalized mortgage activity.

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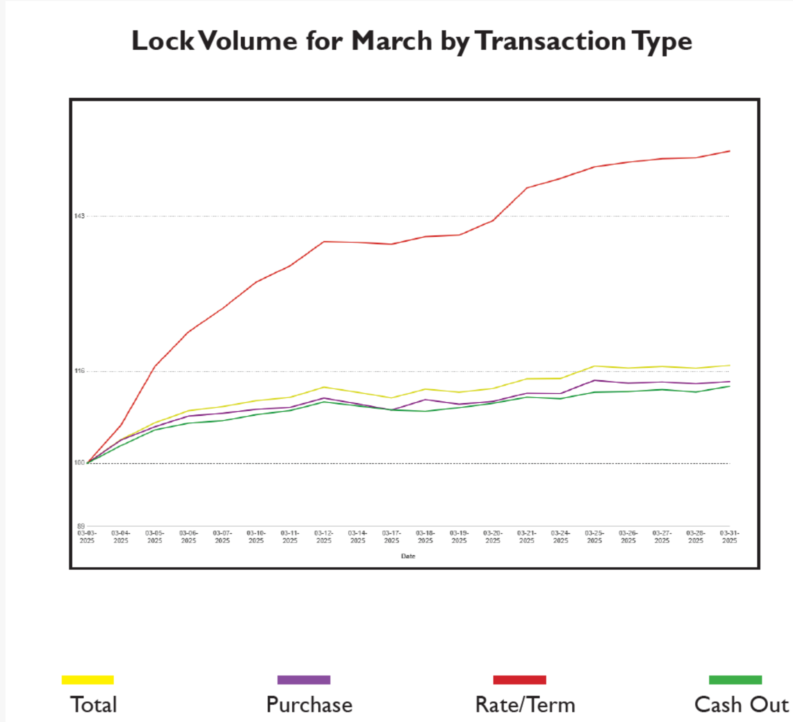
>
> *Andrew Rhodes*

The volume growth comes as mounting tariff concerns and weakening consumer data raise the risk of a recession heading into the second half of 2025.

"We're seeing a front-loaded spring market again this year, similar to 2024, with pipelines starting to thin by mid-April, however, 2025 could prove to be different if rates come down." said Andrew Rhodes, Senior Director and Head of Trading at MCT. "What's different now is the level of uncertainty surrounding the broader economy. New tariffs, consumer hesitancy, and inflation concerns are all feeding recession fears heading into the second half of the year."

Rhodes noted that the size and scope of recently announced tariffs by the administration are contributing to recessionary anxiety and inflationary pressures. The broader market is now paying close attention to data signals that could prompt action from the Federal Reserve. Rhodes pointed to recent fluctuations in the GDPNow, which is currently showing a negative print for Q1 2025.

"If Q1 GDP comes in negative, recession fears will start to play a larger role in conversations," said Rhodes. "The Fed is in a tough spot. Juggling inflation concerns driven by tariffs while they try to support growth.”



Lock Volume for March by Transaction Type

The 95.71% YoY increase in rate/term refinances reflects a market that may be returning to historical patterns, where modest rate movements create refinance opportunities for a broader pool of borrowers.

“We could be seeing borrowers taking advantage of updated conforming loan limits, refinancing out of non-QM products, or restructuring their loans to remove mortgage insurance if their LTV has dropped below 80%,” said Rhodes.

Looking ahead, Rhodes noted that supply constraints and rising costs in home construction are likely to maintain upward pressure on home values, potentially discouraging new buyers from entering the market.

“If you're a forward-looking consumer and you're watching the cost of goods and housing climb, you might make the conservative choice to rent for now,” he said. “It would take a significant market shift, likely a recession, job losses, and delinquencies to see meaningful price corrections in the housing market, which I don’t think any of us want to see.”

As mortgage lenders and capital markets participants prepare for evolving conditions, MCT remains committed to delivering expert guidance and data-driven insights. For a more in-depth look at market dynamics, industry professionals can access the full report on MCT’s website.

MCT’s Lock Volume Indices present a snapshot of rate lock volume activity in the residential mortgage industry broken out by lock type (purchase, rate/term refinance, and cash out refinance) across a broad diversity of lenders (e.g., sizes, products/services offered, business models) from MCT’s national footprint.

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