# Rate/Term Refis Surge Nearly 10% as Purchase Activity Steadies in MCT's July Lock Volume Indices

*MCT's July Lock Volume Indices shows growth across all loan types, with rate/term refis up 9.89% and surprising market stability after a strong jobs report.*

SAN DIEGO, CA, UNITED STATES, July 9, 2025 /EINPresswire.com/ -- Mortgage Capital Trading, Inc. (MCT®), the de facto leader in innovative mortgage capital markets technology, announced the release of its July Lock Volume Indices, showing continued strength across all loan types amid relatively stable interest rates and modest economic optimism.

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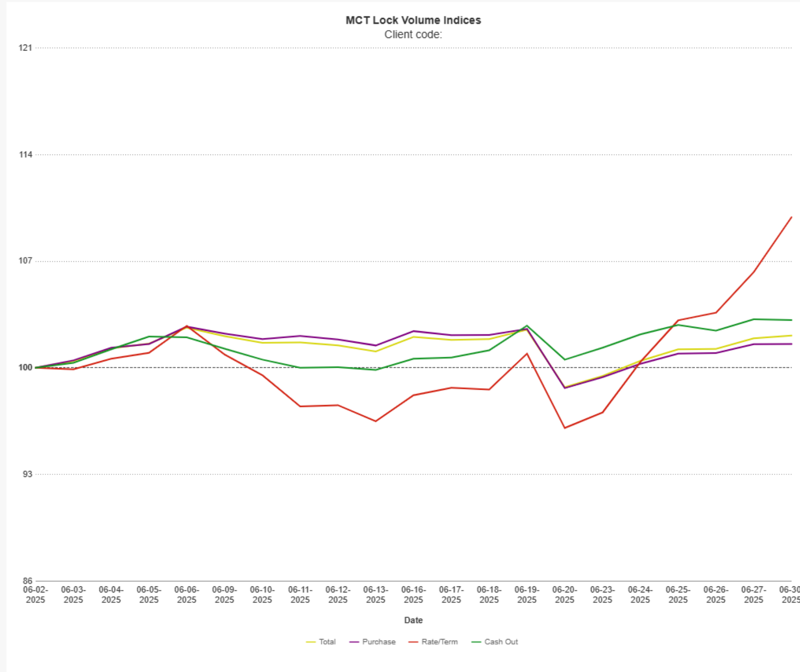
>
> *Andrew Rhodes, Senior Director and Head of Trading at MCT*

MCT reported modest growth across all categories of mortgage activity in July. Total lock volume increased by 2.11% compared to June. Purchase lock volume rose by 1.56%, reflecting continued, albeit cautious, homebuyer demand. Rate/term refinance activity saw the most significant movement, surging 9.89% month-over-month, likely fueled by a dip in mortgage rates toward the end of June. Cash-out refinances also saw an uptick, increasing 3.14%, as homeowners continued to leverage equity despite economic uncertainty.

Year-over-year growth was even more pronounced, with total volume up 9.39%, driven largely by a 35.49% increase in rate/term refinances and 24.41% growth in cash-out activity. Purchase locks were also up 7.04% compared to July 2024, signaling steady demand despite affordability and inventory challenges.

"The pickup in rate/term refinances were likely rate-driven," said Andrew Rhodes, Senior Director and Head of Trading at MCT. "With a drop from the highs in rates toward the end of June, there was a direct effect on refinance activity. It's a strong example of just how reactive this market continues to be."

Rhodes noted that while refinance volumes remain volatile due to the relatively small population of eligible borrowers, purchase loans continue to anchor overall activity. “Rate-term and cash-out refinances may bounce around, but purchases are what’s driving the boat,” he explained.



Lock Volume for June by Transaction Type

Surprisingly, despite a stronger-than-expected jobs report ahead of the July 4th holiday with non-farm payroll coming in at 147,000, well above expectations of 110,000, markets remained calm.

“I was concerned that there’d be a lot more volatility in the markets, but it seems we’ve seen it trail off,” Rhodes said. “Coming out better than expected, with prior month revisions remaining steady, is a positive sign for the employment side of what the Fed is watching.”

Despite a stronger-than-expected jobs report last week, markets remained surprisingly stable, with little movement leading into a data-light week. Upcoming CPI data is likely the next major factor. Market uncertainty tied to inflation, tariffs, and the timing of Fed decisions continues to weigh on borrower sentiment.

“Inflation is still very much a concern,” said Rhodes. “And while we’ve seen improvement in GDP estimates for Q2, consumers are still unsure about what’s ahead.”

Looking to the future, Rhodes acknowledged that the possibility of a Fed rate cut later this quarter could provide an additional boost to volume. However, volatility remains a key challenge for lenders.

“Our best-case scenario is a steady, moderate uptick in lock activity with range-bound rates. Volatility is the real killer when it comes to managing margins,” he said.

MCT remains committed to delivering expert guidance and data-driven insights. 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.

Ian Miller
Mortgage Capital Trading (MCT)

+1 480-299-3986
email us here
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