

MCT May Lock Volume Indices Show Refinance Slowdown as Geopolitical Uncertainty Persists

MCT May Lock Volume Indices show refinance activity slowing as elevated rates, affordability pressures, and geopolitical uncertainty persist through spring.

SAN DIEGO, CA, UNITED STATES, May 8, 2026 /EINPresswire.com/ -- [Mortgage Capital Trading, Inc.](#)



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*Andrew Rhodes, Senior
Director of Capital Markets,
MCT*

[\(MCT®\)](#), the de facto leader in innovative mortgage capital markets technology, announced the release of its [May Lock Volume Indices](#), reflecting a market defined by rate-driven constraints and unresolved geopolitical uncertainty.

Total lock volume declined 12.57% month over month in April, with rate/term refinance volume falling 58.45%, cash-out refinances pulling back 17.21%, and purchase locks increasing 1.08%. Year over year, total volume gained 2.07%, as rate/term refinances rose 12.95%, cash-out refinances were up 5.61%, and purchase locks remained relatively flat.

"The data is consistent with what the mortgage industry

saw in April," said Andrew Rhodes, Senior Director of Capital Markets at MCT. "There's been a drop-off in overall production."

Rhodes pointed to the ongoing geopolitical conflict as the dominant force shaping rate sentiment heading into spring.

"Geopolitical conflict is the biggest component driving market movement right now," he said. "There's still considerable volatility surrounding the situation, and until that stabilizes, the other data points remain secondary."

The Federal Reserve held its benchmark rate steady at its April 29 meeting for the third consecutive time, but the 8-to-4 vote produced the most dissents since October 1992. Rhodes noted that the Fed is likely to remain cautious until additional economic data emerges and geopolitical tensions stabilize.

The approaching leadership transition at the Fed adds another layer of uncertainty. Rhodes expressed measured optimism. "I'm hopeful that leadership will remain independent and make decisions based on data," he said. "At the end of the day, it's a committee. Decisions are ultimately driven by committee consensus, not any single individual."

Purchase activity showed resilience even as broader volume contracted during what are typically the strongest weeks of the spring buying season, though affordability pressures continue to limit purchase production in some markets. "Home affordability is going to continue to be an issue," Rhodes said. "Certain markets are just pricing out individuals, and there's no real way to get them back into the market without improved labor markets."

Rhodes also expects a measured market response to the upcoming nonfarm payroll report, noting that investors remain primarily focused on broader geopolitical developments and interest rate direction.

For now, lenders continue to operate in a cautious environment defined by elevated rates, affordability pressures, and persistent geopolitical uncertainty.

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.

About MCT:

For over two decades, MCT has been a leading source of innovation for the mortgage secondary market. Melding deep subject matter expertise with a passion for emerging technologies and clients, MCT is the de facto leader in innovative mortgage capital markets technology. From architecting modern best execution loan sales to launching the most successful and advanced marketplace for mortgage-related assets, lenders, investors, and network partners all benefit from MCT's stewardship. MCT's technology and know-how continue to revolutionize how mortgage assets are priced, locked, hedged, traded, and valued – offering clients the tools to perform under any market condition.

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Ian Miller

Mortgage Capital Trading (MCT)

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