August Lock Volume Pulls Back as Fed Rate Hike Bets Build

MCT's September lock volume reports August data shows lock volume fell while cash out refis rose as inflation builds expectations for a September Fed rate hike.

SAN DIEGO, CA, UNITED STATES, September 14, 2026 /EINPresswire.com/ -- Mortgage Capital Trading, Inc. (MCT®), the de facto leader in innovative mortgage capital markets technology, announced the release of its September Lock Volume Indices, reflecting August's lock volume data.

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>
> *Andrew Rhodes, Head of Trading at MCT*

Total lock volume declined 4.14% month over month in August, with purchase locks down 4.67% and rate/term refinances falling 11.66%. Cash-out refinances were the lone category to move higher, rising 4.76% on the month. Year over year, total volume was down 6.02%, purchase declined a more modest 2.71%, and rate/term refinances remained off sharply at 35.84% below the prior year.

Cash out was the standout, and Andrew Rhodes, Head of Trading at MCT, said the move is worth a closer look given today's rate environment. "If I needed cash right now, I would look at a HELOC before I would do a cash out refinance," Rhodes said. "The fact that cash out is the one category moving higher tells you people may be reaching for a lump sum to get through today, with the hope of refinancing into a lower rate down the road."

That reading lines up with recent data on household balance sheets where student loan delinquencies hit 10.3% and credit card delinquencies climbed to 12.8%, both multi-year highs, according to the Federal Reserve Bank of New York. Rhodes pointed to that debt strain as a possible driver behind borrowers tapping home equity even at current rates.

The report also lands in the middle of a pivotal week for rates. August CPI, released Friday, held at 3.4% annually with core inflation ticking up to 2.4%, both in line with expectations and confirming the prior day's hotter PPI print.

Market-implied odds of a quarter-point Fed rate increase at Wednesday's meeting jumped to roughly 90% following the report, up from 74% before CPI, about 60% a week earlier, and just

44% a month earlier.

"This is solidifying the market expectation in a hike this week," Rhodes said. "The one-day, one-week, one-month lookback on this is a wild shift. We went from a hike being essentially 50/50 to it being close to a lock in about four weeks."

Purchase activity continues to be underpinned by builder incentives. MCT's Rate Lock Index shows builder-financed borrowers locking at an average note rate of 5.514% in early September, compared with 6.731% for non-builder borrowers, a gap of more than 120 basis points. "It shows that builders have the capacity to put people into houses right now," Rhodes said. "They are subsidizing the rate to get buyers in the door, and that is helping support the purchase market."

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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