



**ORIGINATIONS
MARKET MONITOR**



ORIGINATIONS MARKET MONITOR

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APRIL 2021 OVERVIEW

Each month, the Black Knight Originations Market Monitor reviews a series of key market indicators to help provide clarity on mortgage lending activity. By drawing information directly from origination pipelines, we can provide a more comprehensive and timely sense of monthly market trends than has previously been available publicly.

This month's numbers show that the pullback in interest rates in April does not seem to have been enough to reignite the refinance market. Overall rate lock volume was down, with declines across purchase, cash-out and rate/term refinance locks alike. In fact, April's overall rate lock volume was the lowest since May 2020, while refinances in which the borrower improves their rate and/or term hit their lowest level since January 2020. Much more detail on the month's numbers can be found in the following pages.

In producing the Originations Market Monitor, Black Knight aggregates and reports the latest available monthly rate lock data drawn from the company's Optimal Blue PPE – the most widely used product and pricing engine in the industry. The company's Secondary marketing Technologies group provides additional market insight by way of dual market-leading hedging platforms. For more information on gaining access to Black Knight's secondary-focused solutions and data assets, please call 844-474-2537 or email AskBlackKnight@bkfs.com.





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APRIL 2021 NATIONAL RATE LOCK METRICS

Here, we look at the month's national origination numbers to give a high-level overview of the month's activity. This information is drawn from Black Knight's [Optimal Blue PPE](#). Click on each chart to see its contents in high-resolution.

APRIL NATIONAL STATS



RATE LOCK VOLUME

Declines were seen in lock activity among purchase, cash-out and rate/term refinance lending



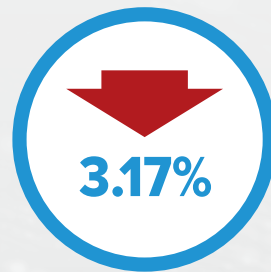
AVERAGE LOAN AMOUNT

April's average loan amount was up slightly from March



AVERAGE CREDIT SCORE

Average credit scores declined again in April, this time across all loan products and purposes



MONTH-END CONFORMING RATE

The average 30-year conforming rate was down 18 BPS M/M, but up nearly a third of a point since the end of January

Rate/term refis hit their lowest level since January 2020, pushing the refinance share of the market down to just 45% of April's origination activity.





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APRIL 2021 TOP 20 METROPOLITAN AREAS

Here we look at April's top 20 metropolitan statistical areas (MSAs) by share of origination volume. This information is derived from daily rate lock data from Black Knight's [Optimal Blue PPE](#). Click on the chart to see its contents in high resolution.

Metropolitan Statistical Area (MSA)	% of Lock Volume	MoM Growth	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
NATIONAL	100.0%	-11.3%	310,589	3.168	733	75	55%	45%
1 Los Angeles-Long Beach-Anaheim, CA	5.2%	-17.7%	535,574	3.118	746	63	38%	62%
2 New York-Newark-Jersey City, NY-NJ-PA	4.5%	-13.9%	430,539	3.147	739	72	53%	47%
3 Washington-Arlington-Alexandria, DC-VA-MD-WV	4.3%	-12.2%	440,058	3.030	743	75	56%	44%
4 Chicago-Naperville-Elgin, IL-IN-WI	3.5%	-6.4%	284,932	3.148	739	78	61%	39%
5 Phoenix-Mesa-Scottsdale, AZ	2.7%	-13.8%	312,895	3.254	731	72	50%	50%
6 Dallas-Fort Worth-Arlington, TX	2.6%	-6.2%	309,247	3.173	731	77	59%	41%
7 Seattle-Tacoma-Bellevue, WA	2.5%	-10.8%	480,566	3.146	745	70	53%	47%
8 San Francisco-Oakland-Hayward, CA	2.5%	-14.7%	643,767	3.096	759	60	41%	59%
9 Denver-Aurora-Lakewood, CO	2.3%	-8.3%	384,348	3.152	743	71	49%	51%
10 Boston-Cambridge-Newton, MA-NH	2.2%	-11.4%	437,466	3.092	747	69	52%	48%





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APRIL 2021 TOP 20 METROPOLITAN AREAS

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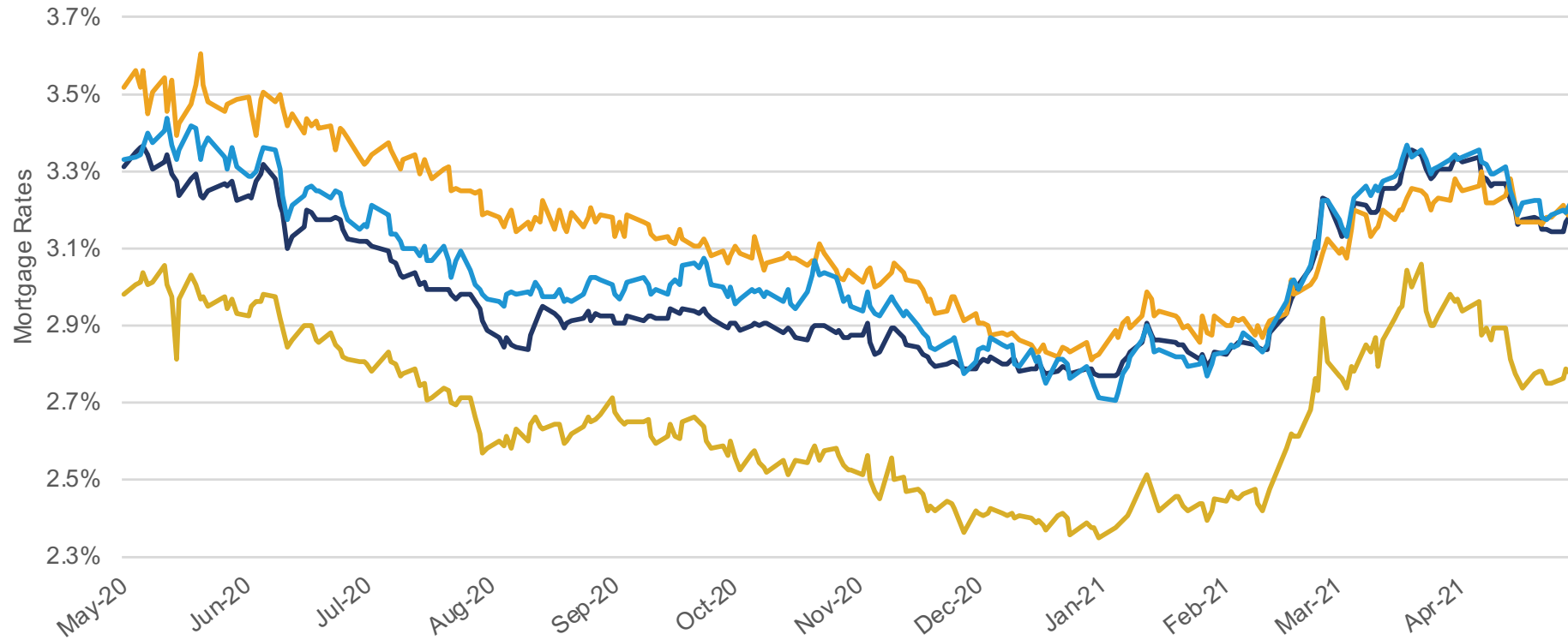
Metropolitan Statistical Area (MSA)	% of Lock Volume	MoM Growth	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
11 Atlanta-Sandy Springs-Roswell, GA	2.1%	-12.0%	284,900	3.168	724	76	62%	38%
12 Houston-The Woodlands-Sugar Land, TX	2.1%	-6.6%	287,286	3.172	726	80	66%	34%
13 Riverside-San Bernardino-Ontario, CA	2.0%	-11.9%	357,634	3.166	724	71	44%	56%
14 Miami-Fort Lauderdale-West Palm Beach, FL	1.9%	-17.2%	356,537	3.276	730	74	61%	39%
15 San Diego-Carlsbad, CA	1.8%	-13.5%	523,468	3.032	750	67	40%	60%
16 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.6%	-10.3%	287,783	3.154	733	75	57%	43%
17 Austin-Round Rock, TX	1.5%	-1.4%	370,465	3.132	747	73	61%	39%
18 Minneapolis-St. Paul-Bloomington, MN-WI	1.4%	-11.8%	302,073	3.123	746	75	55%	45%
19 Baltimore-Columbia-Towson, MD	1.2%	-12.9%	334,362	3.132	736	77	55%	45%
20 Portland-Vancouver-Hillsboro, OR-WA	1.2%	-6.1%	375,851	3.161	747	71	53%	47%







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APRIL 2021 MARKET RATE INDICES

Pulling data from Black Knight's [Optimal Blue Mortgage Market Index \(OBMMI\)](#), the chart below shows average 30-year rates across various loan products. Click on each chart to see its contents in high resolution.



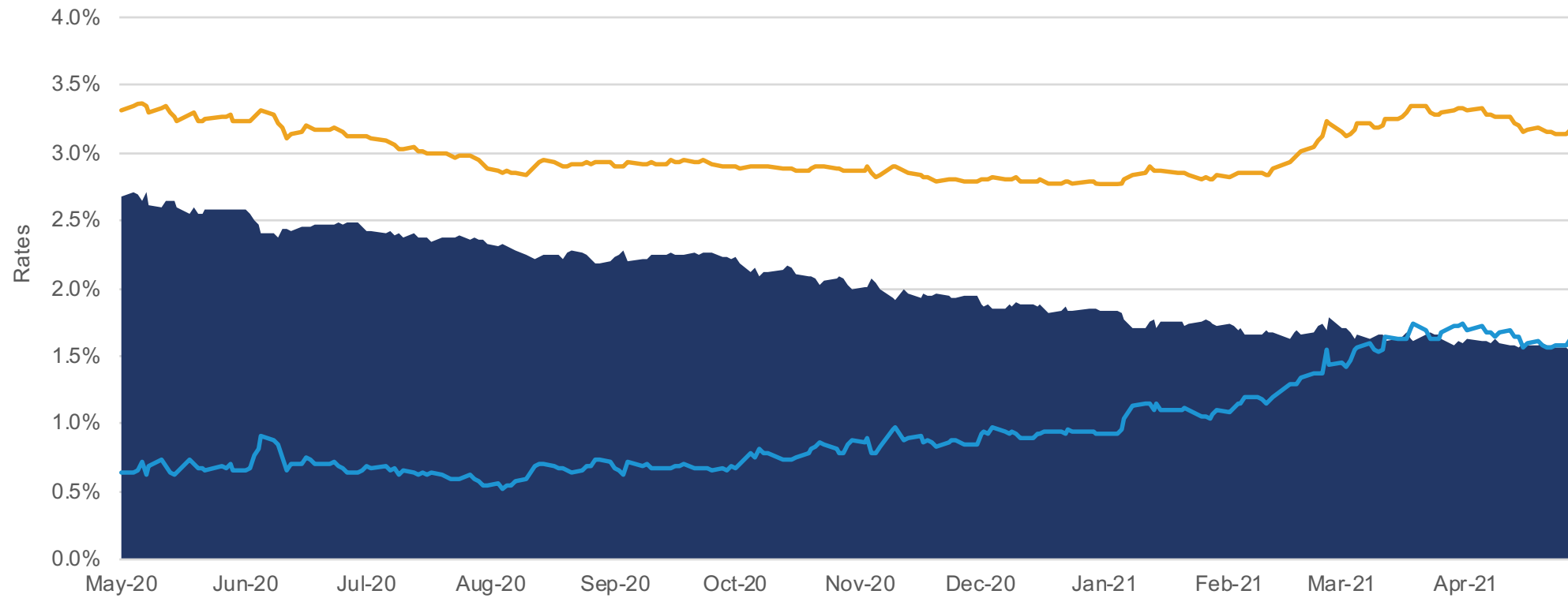
	Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	3.17%	(17 BPS)	34 BPS	(14 BPS)
	30-Year Jumbo	3.21%	(5 BPS)	29 BPS	(30 BPS)
	30-Year FHA	3.20%	(13 BPS)	37 BPS	(14 BPS)
	30-Year VA	2.77%	(20 BPS)	32 BPS	(21 BPS)






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APRIL 2021 30-YEAR TO 10-YEAR TREASURY SPREAD

Mortgage rates are loosely tied to 10-year Treasury bond rates, but the spread between the two can vary. Below, we look at the current spread and trends over the past year. This information is pulled from Black Knight's secondary hedging analytics platform. Click on each chart to see its contents in high-resolution.



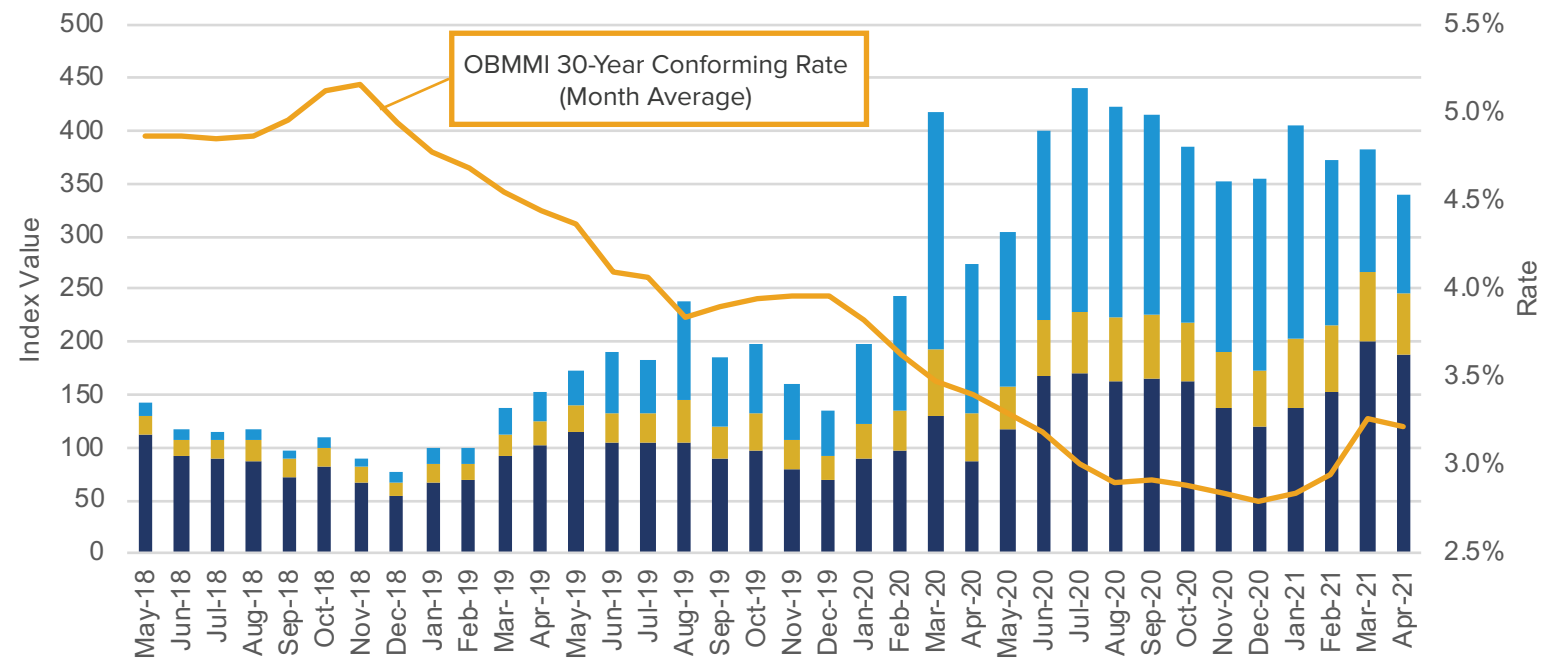
	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	1.65%	(9 BPS)	54 BPS	101 BPS
	30-Year Conforming	3.17%	(17 BPS)	34 BPS	(14 BPS)
	10-Year to 30-Year Spread	1.52%	(8 BPS)	(21 BPS)	(115 BPS)







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APRIL 2021 LOCK VOLUME BY LOAN PURPOSE

Here we break down April's rate lock volumes by loan purpose. This information is pulled from daily rate lock tracking data from Black Knight's [Optimal Blue PPE](#). Click on each chart to see its contents in high resolution.



Market Volume Index (Total Volume indexed to 100 in January 2018)		Current Value	1-Month % Change	3-Month % Change	12-Month % Change
	Purchase	188	(6.0%)	37.6%	114.0%
	Cash-Out Refinance	58	(12.8%)	(13.8%)	27.1%
	Rate-Term Refinance	93	(19.8%)	(54.0%)	(34.0%)
	Total	339	(11.3%)	(16.5%)	23.5%
Refinance Share*		45%	(317 BPS)	(2181 BPS)	(2346 BPS)

*Refinance Share changes reflect inter-period delta

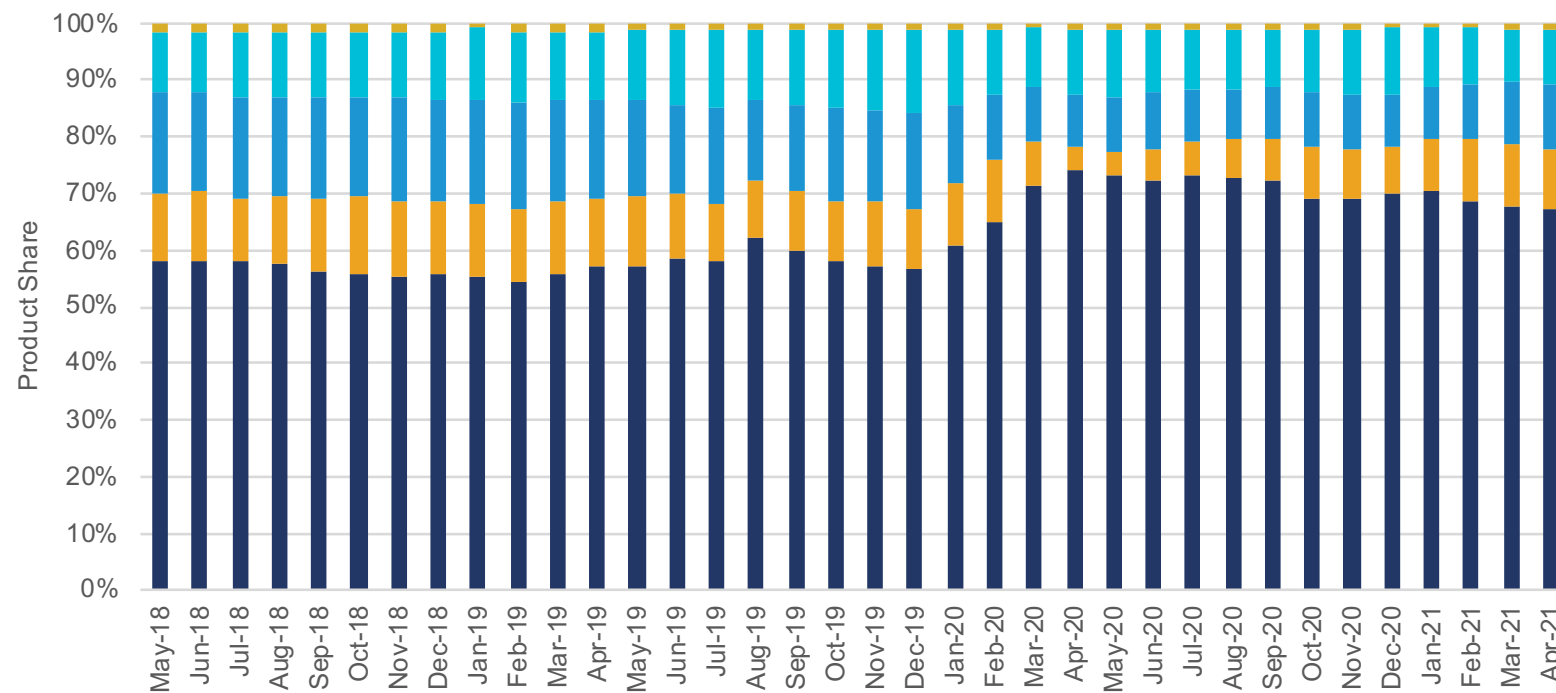









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APRIL 2021 MIX OF BUSINESS BY LOAN PRODUCT

Here we break down April's rate lock volumes by loan product. This information is pulled from daily rate lock tracking data from Black Knight's [Optimal Blue PPE](#). Click on each chart to see its contents in high resolution.



Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	67.1%	(66 BPS)	(348 BPS)	(695 BPS)
	Non-Conforming	10.6%	(58 BPS)	147 BPS	659 BPS
	FHA	11.7%	78 BPS	273 BPS	248 BPS
	VA	9.7%	44 BPS	(87 BPS)	(217 BPS)
	USDA	0.9%	2 BPS	14 BPS	5 BPS

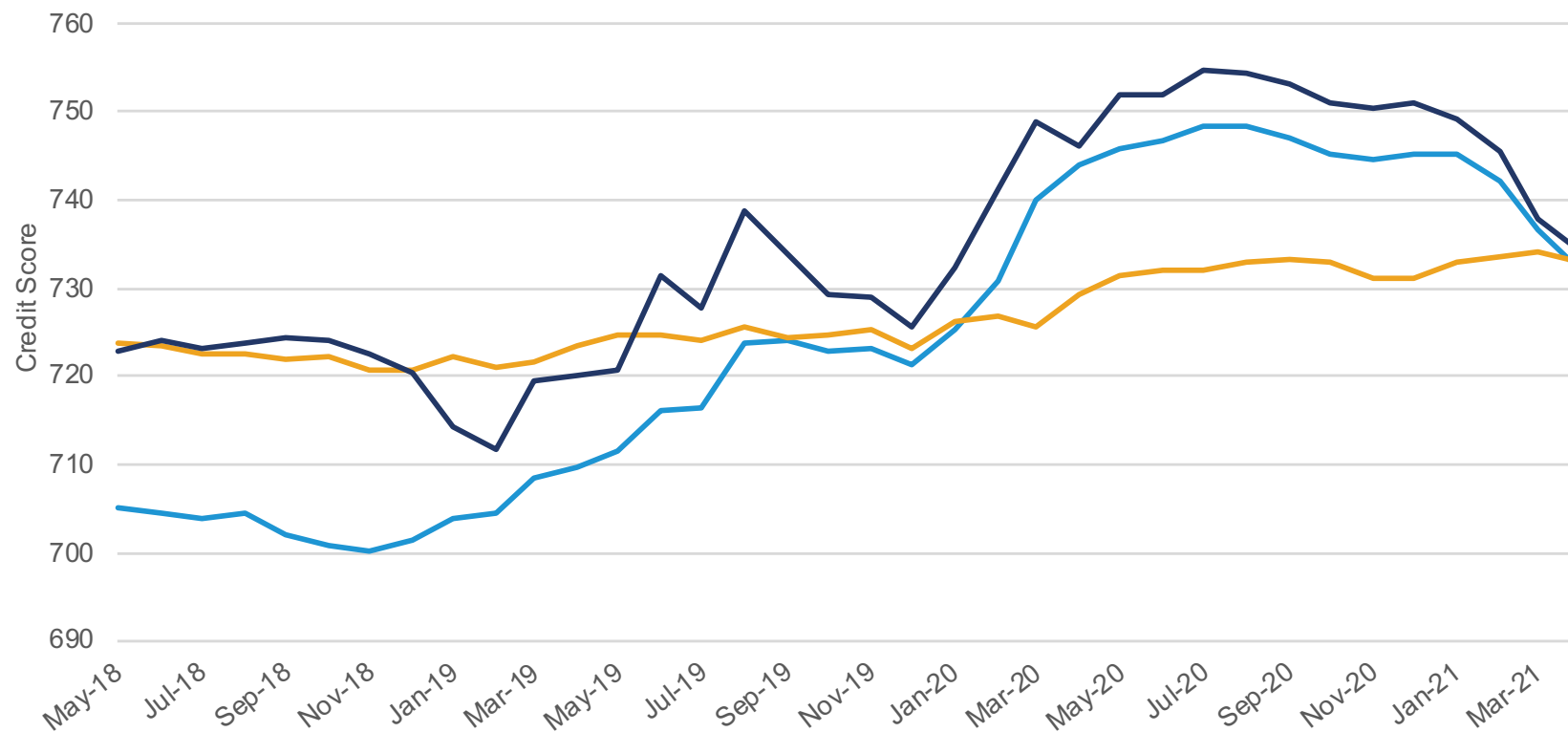







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APRIL 2021 AVERAGE CREDIT SCORES

Here we look at average credit scores by loan purpose. This information is pulled from daily rate lock tracking data from Black Knight's [Optimal Blue PPE](#). Click on each chart to see its contents in high resolution.



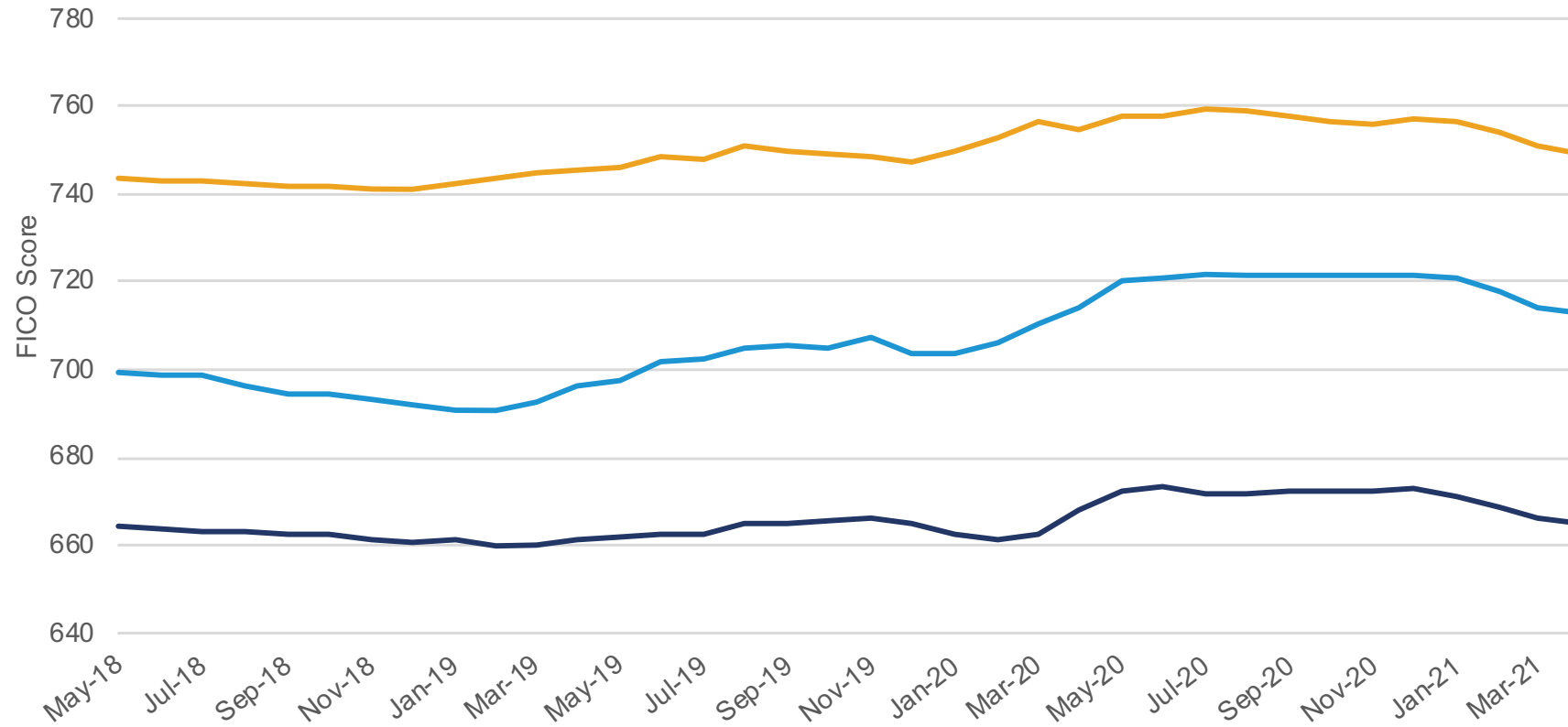
Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Cash Out Refi	733	-1	0	4
	Purchase	732	-5	-13	-12
	Rate/Term Refi	734	-3	-15	-12






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APRIL 2021 AVERAGE CREDIT SCORES

Here we look at average credit scores for conforming, FHA and VA loans. This information is pulled from daily rate lock tracking data from Black Knight's [Optimal Blue PPE](#). Click on each chart to see its contents in high resolution.



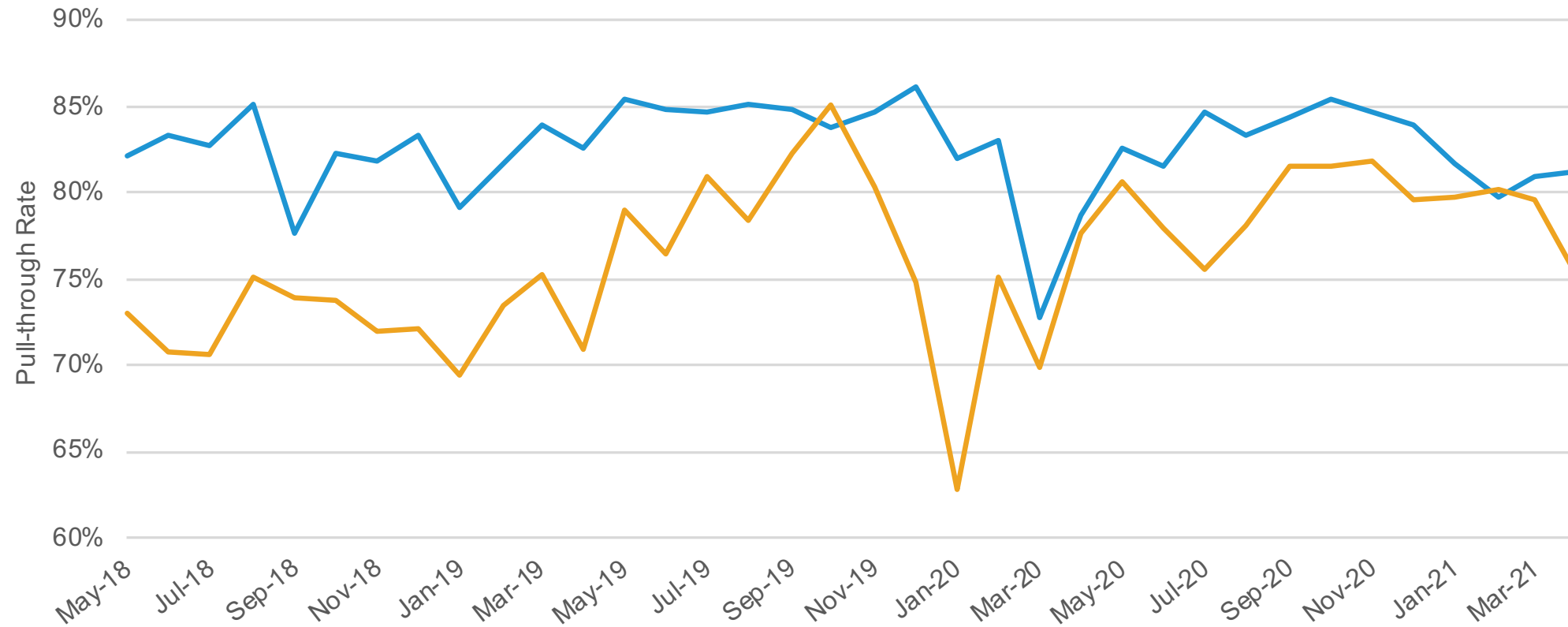
Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	749	-2	-7	-5
	FHA	665	-1	-6	-3
	VA	713	-1	-8	-1





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APRIL 2021 PURCHASE & REFI PULL-THROUGH

Below, we look at pull-through rates – the percentage of locks that become funded loans. This information is pulled from daily rate lock tracking data from Black Knight's [Optimal Blue PPE](#). Click on each chart to see its contents in high resolution.



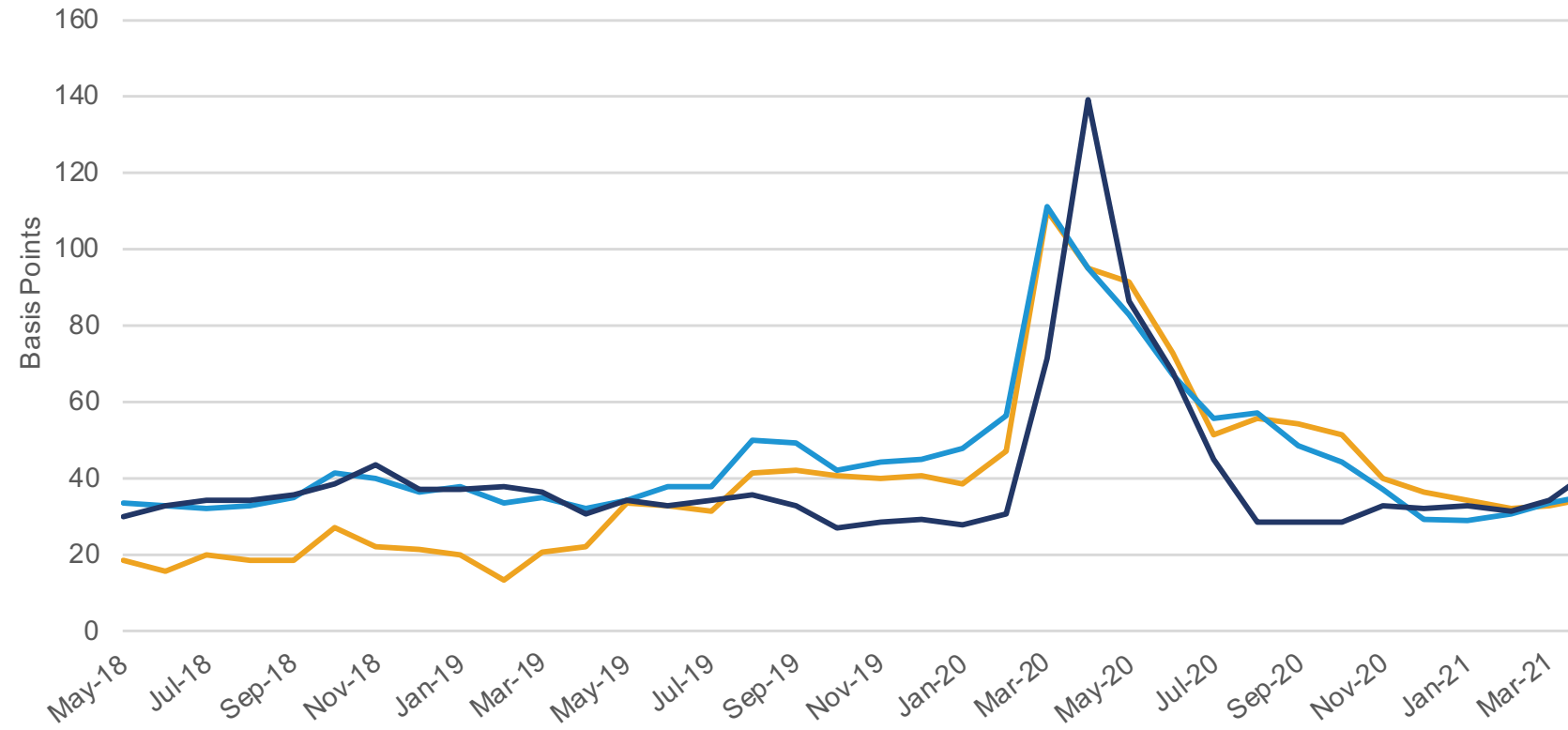
Pull-Through Rate		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase Pull-Through	81.2%	25 BPS	(52 BPS)	254 BPS
	Refinance Pull-Through	75.0%	(457 BPS)	(470 BPS)	(262 BPS)






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APRIL 2021 BEST EFFORTS TO MANDATORY SPREAD

A lender will typically see greater yields by selling loans via mandatory delivery, while best efforts delivery carries less risk. Below, we look at the current margin spread between the two. This information has been pulled from Black Knight's secondary hedging analytics platform. Click on each chart to see its contents in high resolution.



Best Efforts vs. Mandatory		Current Spread	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	36 BPS	3 BPS	7 BPS	(59 BPS)
	15-Year Conforming	35 BPS	2 BPS	BPS	(60 BPS)
	30-Year Government	42 BPS	7 BPS	9 BPS	(97 BPS)

