



**ORIGINATIONS
MARKET MONITOR**



ORIGINATIONS MARKET MONITOR

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APRIL 2022 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 provide a more comprehensive and timely sense of monthly market trends than previously available.

Rate lock activity dropped 20% as interest rates surpassed the recent highs of late 2018 and are hovering near the highest mark since the Great Recession. The benchmark 30-year mortgage rate rose sharply, finishing the month at 5.42%. Overall, locks were down 31.2% year-over-year. Rate/term locks decreased 49.5% in April and even cash outs, which had been somewhat insulated by continued home value appreciation, fell 40.3%. Purchase locks decreased 11.2%, but were flat year-over-year. Refinances fell by a larger margin, pushing the refi share of the pipeline to 20%. Non-conforming loan products – primarily jumbos – which had been gaining market share, dropped slightly in proportion to conforming loan products and now account for 17.3% of the origination market.

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.



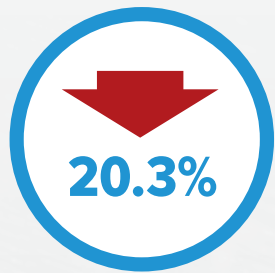


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APRIL 2022 NATIONAL RATE LOCK METRICS

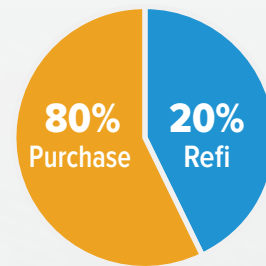
Here, we look at April's national origination numbers to give a high-level overview of the month's activity. This information is drawn from the Black Knight [Optimal Blue PPE](#). Click on each chart to see its contents in high resolution.

APRIL NATIONAL STATS



RATE LOCK VOLUME

Locks decreased across all loan categories, led by a nearly 50% decrease in rate/term refinances



MARKET MIX

A >40% drop in refinance activity outpaced a smaller decrease in purchase locks, to further reduce the refi share of the market



AVERAGE LOAN AMOUNT

The average loan amount held relatively steady in April



MONTH-END CONFORMING RATE

Our [Optimal Blue Mortgage Market Indices](#) tracked a 63 BPS rise in 30-year rate offerings throughout April

While purchase locks fell 11% from March, they remained flat on a year-over-year basis, indicating consistent and resilient demand from homebuyers





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APRIL 2022 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 the Black Knight [Optimal Blue PPE](#). Click on the chart to see its contents in high resolution.

Metropolitan Statistical Area (MSA)	% of Lock Volume	MoM Change	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
NATIONAL	100.0%	-20.3%	362,408	5.105	728	80	80%	20%
1 New York-Newark-Jersey City, NY-NJ-PA	4.1%	-23.8%	516,951	4.995	737	77	80%	20%
2 Los Angeles-Long Beach-Anaheim, CA	3.9%	-33.8%	688,008	5.001	738	70	71%	29%
3 Washington-Arlington-Alexandria, DC-VA-MD-WV	3.8%	-20.9%	510,028	4.877	739	83	86%	14%
4 Chicago-Naperville-Elgin, IL-IN-WI	3.3%	-19.3%	317,532	5.161	734	83	87%	13%
5 Dallas-Fort Worth-Arlington, TX	3.1%	-12.7%	376,424	5.177	729	79	81%	19%
6 Phoenix-Mesa-Scottsdale, AZ	3.1%	-22.9%	405,323	5.202	729	76	75%	25%
7 Houston-The Woodlands-Sugar Land, TX	2.5%	-11.8%	330,633	5.145	724	82	87%	13%
8 Miami-Fort Lauderdale-West Palm Beach, FL	2.4%	-25.1%	451,086	5.236	726	77	75%	25%
9 Seattle-Tacoma-Bellevue, WA	2.4%	-26.1%	599,503	5.061	741	77	82%	18%
10 Atlanta-Sandy Springs-Roswell, GA	2.3%	-19.8%	347,357	5.088	718	80	77%	23%





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APRIL 2022 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 the Black Knight [Optimal Blue PPE](#). Click on the chart to see its contents in high resolution.

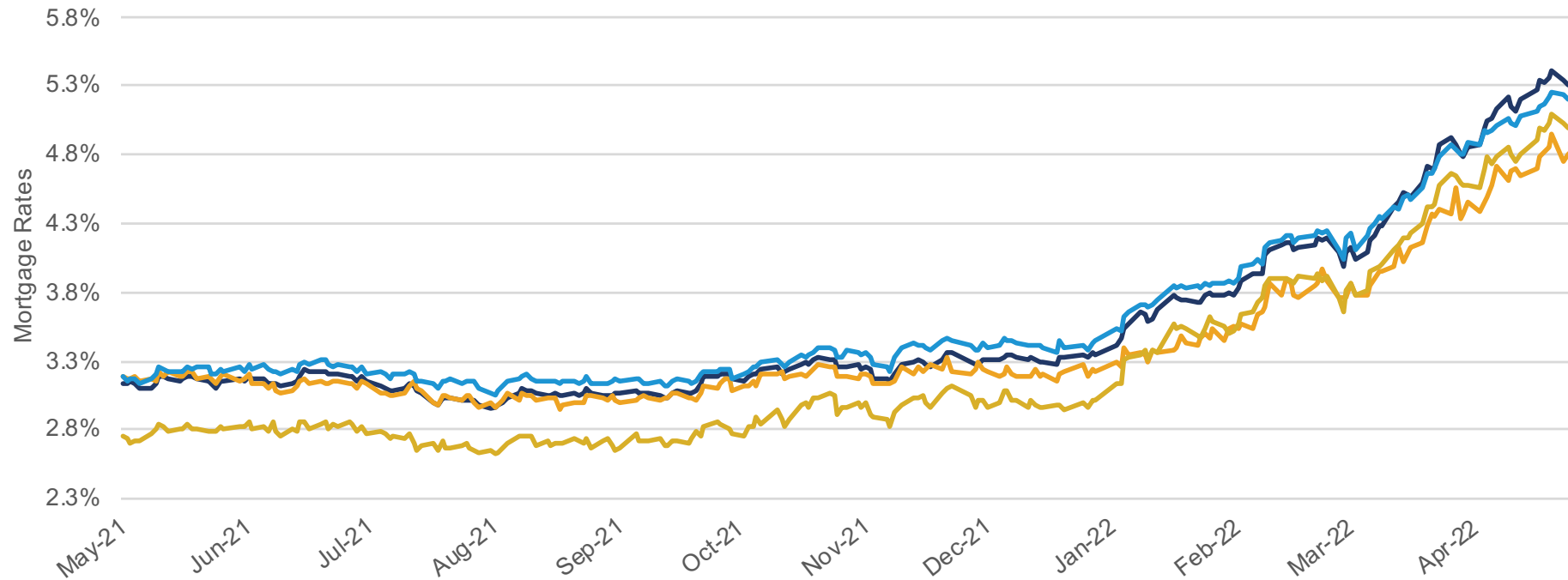
Metropolitan Statistical Area (MSA)	% of Lock Volume	MoM Change	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
NATIONAL	100.0%	-20.3%	362,408	5.105	728	80	80%	20%
11 Denver-Aurora-Lakewood, CO	2.3%	-17.9%	487,543	5.086	741	76	80%	20%
12 Riverside-San Bernardino-Ontario, CA	1.9%	-28.1%	439,374	5.096	718	76	72%	28%
13 Boston-Cambridge-Newton, MA-NH	1.8%	-22.1%	553,360	4.836	745	75	85%	15%
14 Austin-Round Rock, TX	1.7%	-11.0%	446,791	5.051	743	77	85%	15%
15 San Francisco-Oakland-Hayward, CA	1.6%	-36.3%	831,661	4.914	749	71	81%	19%
16 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.6%	-13.0%	332,007	5.051	730	81	82%	18%
17 Tampa-St. Petersburg-Clearwater, FL	1.4%	-14.5%	358,266	5.124	726	79	76%	24%
18 San Diego-Carlsbad, CA	1.4%	-30.6%	696,838	4.916	743	72	73%	27%
19 Minneapolis-St. Paul-Bloomington, MN-WI	1.3%	-12.9%	352,940	5.071	743	81	86%	14%
20 Charlotte-Concord-Gastonia, NC-SC	1.2%	-19.8%	357,449	5.103	728	81	82%	18%







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APRIL 2022 MARKET RATE INDICES

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



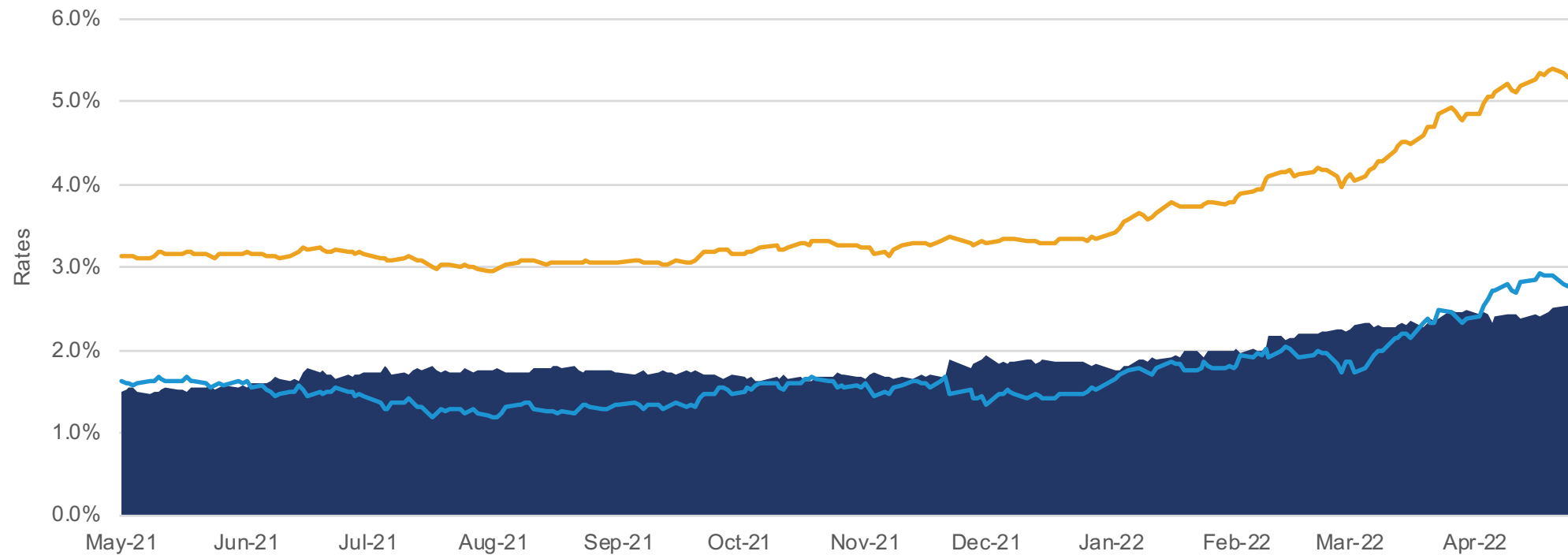
	Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	5.42%	63 BPS	164 BPS	225 BPS
	30-Year Jumbo	4.89%	52 BPS	144 BPS	168 BPS
	30-Year FHA	5.28%	47 BPS	141 BPS	208 BPS
	30-Year VA	5.08%	50 BPS	151 BPS	231 BPS






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APRIL 2022 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 the Black Knight [secondary market hedging platform](#). Click on each chart to see its contents in high resolution.



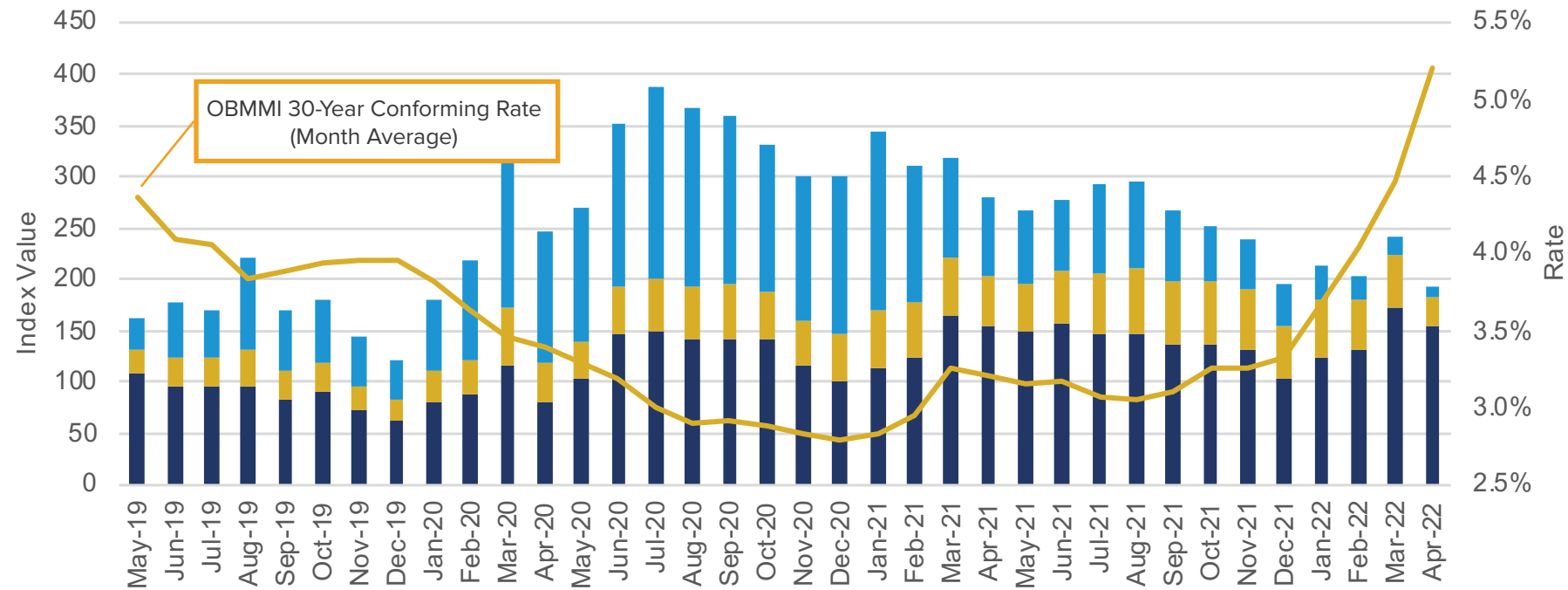
	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	2.89%	57 BPS	110 BPS	124 BPS
	30-Year Conforming	5.42%	63 BPS	164 BPS	225 BPS
	10-Year to 30-Year Spread	2.53%	6 BPS	54 BPS	101 BPS







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APRIL 2022 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 the Black Knight [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	154	(11.3%)	25.0%	(1.0%)
	Cash-Out Refinance	30	(40.3%)	(48.6%)	(36.7%)
	Rate/Term Refinance	10	(49.5%)	(71.9%)	(87.8%)
	Total	193	(20.3%)	(10.1%)	(31.2%)
Refinance Share*		20%	(804 BPS)	(2238 BPS)	(2432 BPS)

*Refinance share changes reflect inter-period delta

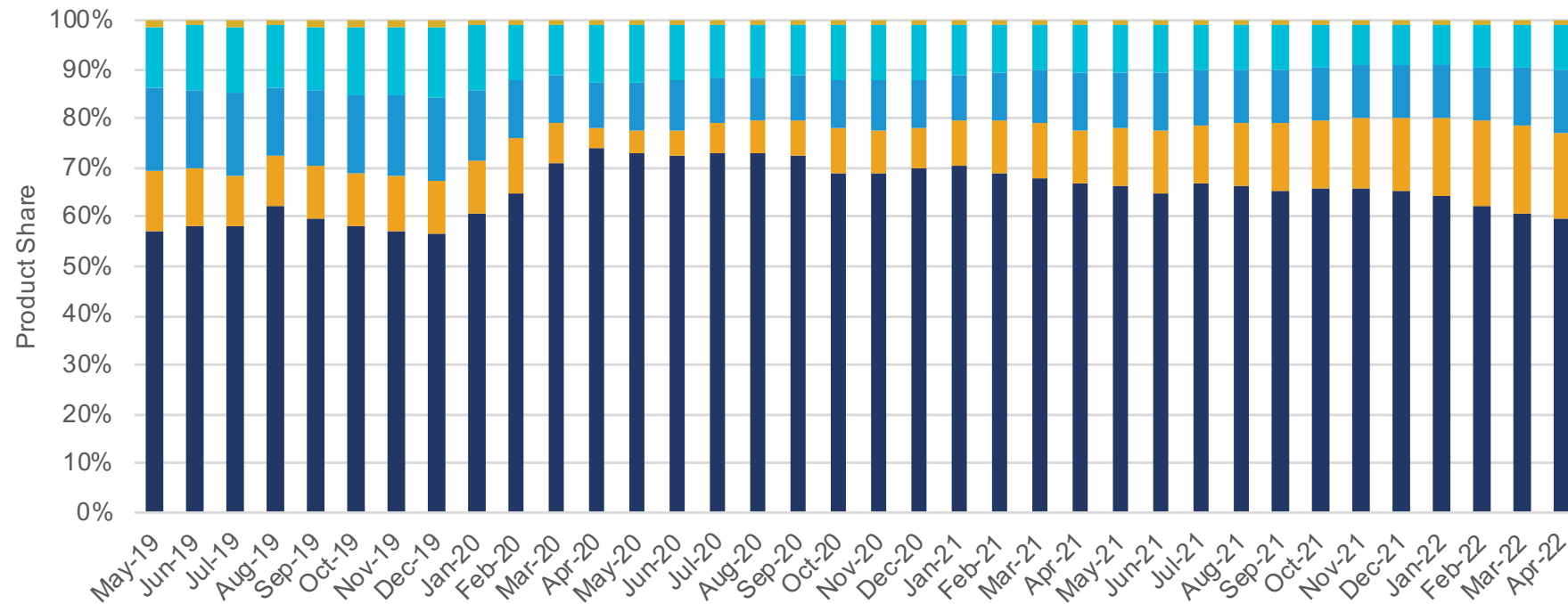









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APRIL 2022 MIX OF BUSINESS BY LOAN PRODUCT

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



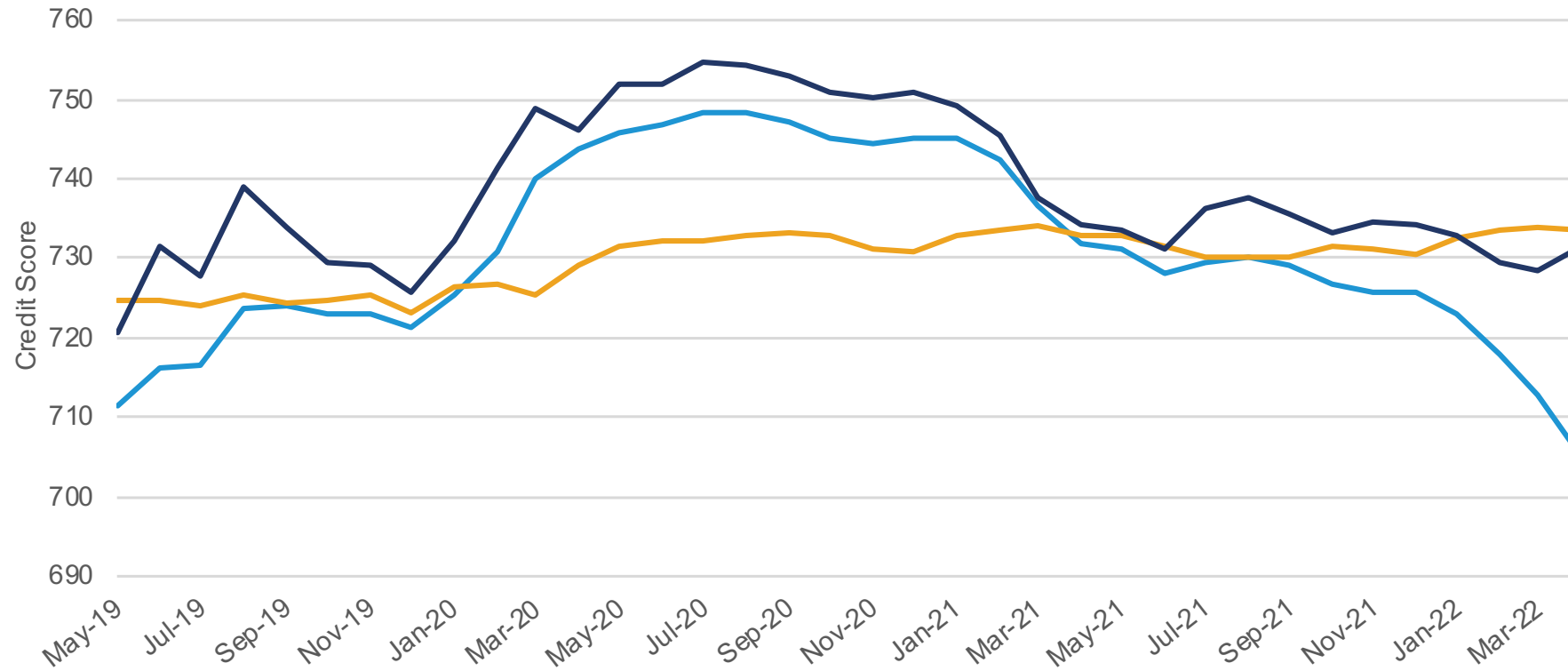
Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	59.7%	(112 BPS)	(436 BPS)	(732 BPS)
	Nonconforming	17.3%	(65 BPS)	110 BPS	671 BPS
	FHA	13.0%	129 BPS	230 BPS	131 BPS
	VA	9.3%	52 BPS	100 BPS	(44 BPS)
	USDA	0.7%	(4 BPS)	(5 BPS)	(26 BPS)






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APRIL 2022 AVERAGE CREDIT SCORES

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



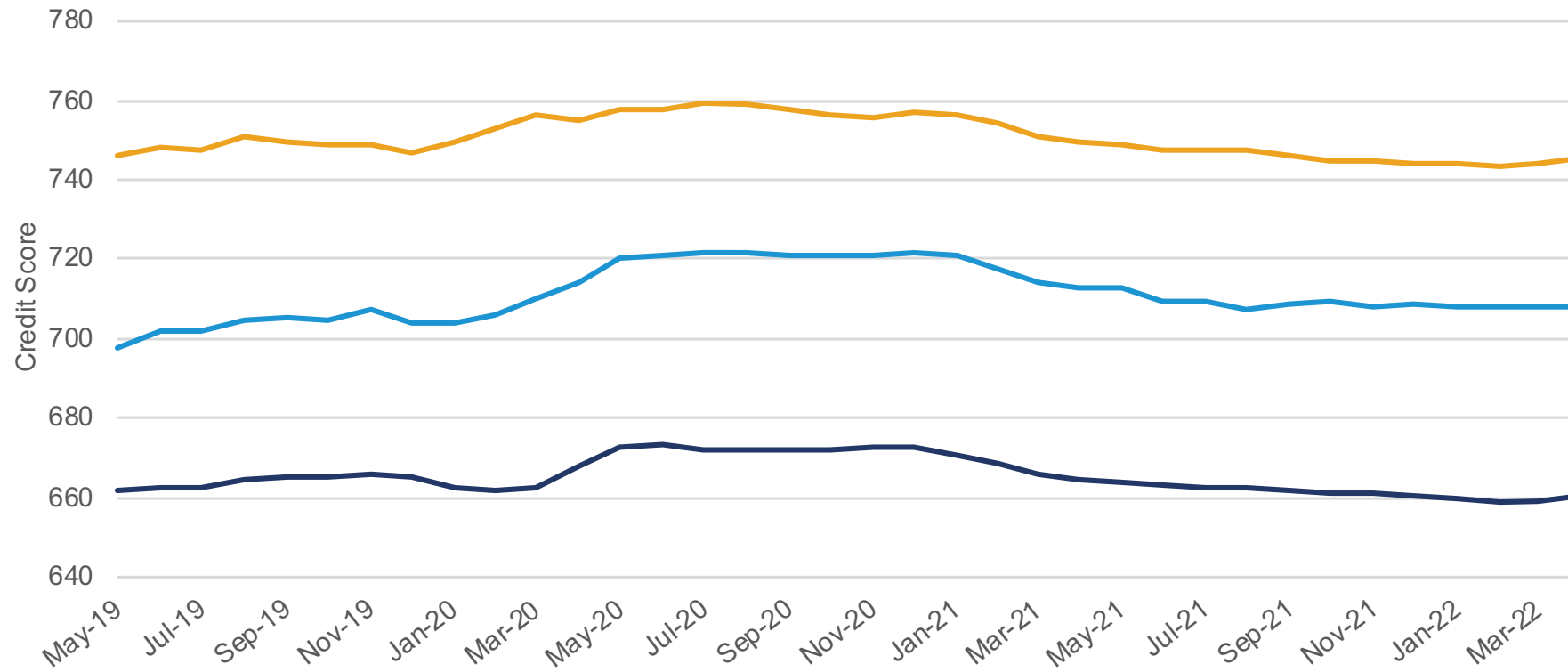
Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase	734	0	1	1
	Cash-Out Refi	705	-8	-18	-27
	Rate/Term Refi	732	3	-1	-3






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APRIL 2022 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 the Black Knight [Optimal Blue PPE](#). Click on each chart to see its contents in high resolution.



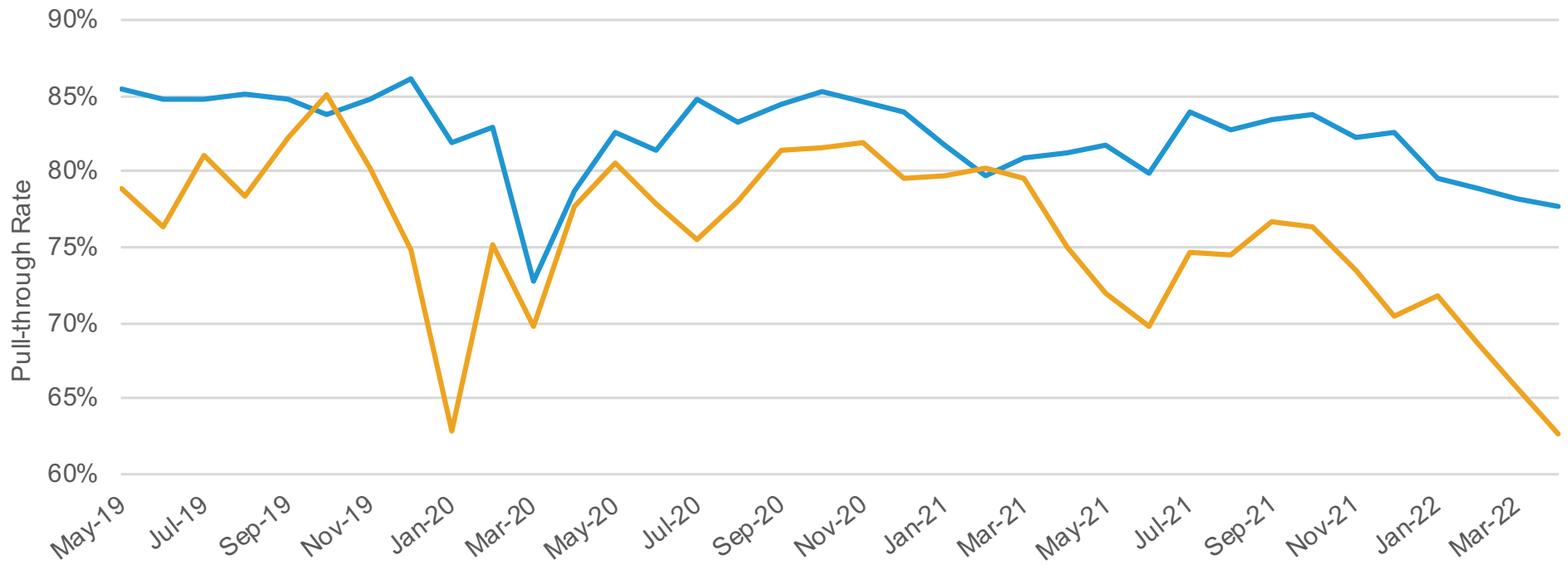
Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	FHA	660	1	1	-4
	VA	708	0	0	-5
	Conforming	745	1	1	-4





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APRIL 2022 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 the Black Knight [Optimal Blue PPE](#). Click on each chart to see its contents in high resolution.



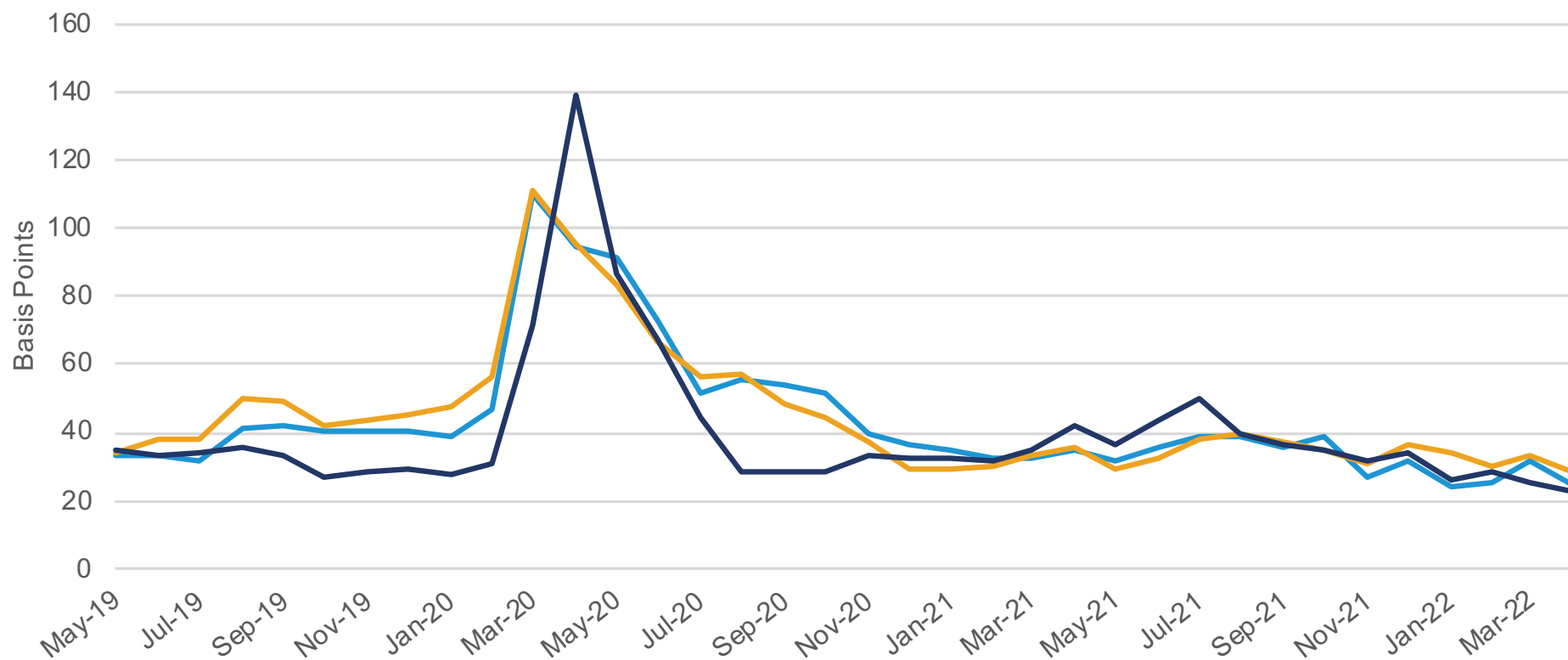
Pull-Through Rate		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase Pull-Through	77.6%	(59 BPS)	(192 BPS)	(354 BPS)
	Refinance Pull-Through	62.7%	(300 BPS)	(914 BPS)	(1236 BPS)






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APRIL 2022 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 the Black Knight [secondary market hedging 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	28 BPS	(5 BPS)	(6 BPS)	(8 BPS)
	15-Year Conforming	25 BPS	(7 BPS)	1 BPS	(10 BPS)
	30-Year Government	23 BPS	(3 BPS)	(3 BPS)	(19 BPS)

