



**ORIGINATIONS  
MARKET MONITOR**





# ORIGINATIONS MARKET MONITOR

## CONTENTS

- 3 NATIONAL RATE LOCK METRICS
- 4 TOP 20 METROPOLITAN AREAS
- 6 MARKET RATE INDICES
- 7 30-YEAR TO 10-YEAR TREASURY SPREAD
- 8 LOCK VOLUME BY LOAN PURPOSE
- 9 MIX OF BUSINESS BY LOAN PRODUCT
- 10 AVERAGE CREDIT SCORES
- 12 PURCHASE & REFI PULL-THROUGH
- 13 BEST EFFORTS TO MANDATORY SPREAD

## APRIL 2023 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 volumes fell 22% month over month, with half the change attributable to March having three additional business days; adjusted for these calendar effects, April volumes dropped just 10%. The benchmark 30-year mortgage dipped below 6.25% in the first week of April but bounced back and ultimately finished the month at 6.45%, 5 basis points (bps) higher month to month. All in, this equated to an average 6.38% for the month, 17 bps lower than March's average.

Though overall lock volumes are up 14% over the last three months, they remain at around half of last year's levels. Purchase lock volumes fell 22% from March, and though they've risen by more than 17% since the start of the year, they remain down 47% from the same month in 2022. Still, purchase loans made up a record 87% of the month's rate lock activity. Cash-out refinances fell 8% from January and are now down 73% from last year. Rate/term refinances are down 2% since the beginning of the year, and more than 58% from the same month in 2022. Meanwhile, it appears that rate/term refinance activity has hit a floor. Refi share of lock volume dipped below 13% to 12.8%, setting a new record low, and a new low for this cycle.

It is not unusual for rate lock volumes to dip in April after peaking in March. This year that dip was especially pronounced due to a particularly strong March showing. Demand for conforming loans increased to almost 57% of the purchase pipeline, after a March surge in FHA locks followed a reduction in FHA mortgage insurance premiums. FHA share edged lower in April to just under 20% but remained significantly higher than a year ago. The share of locks with adjustable rates fell in April to less than 8%, as the shift toward fixed products continued.

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](#). Optimal Blue provides additional market insight by way of its market-leading hedging platform. 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](mailto:AskBlackKnight@bkfs.com).



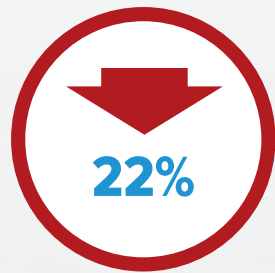


# ORIGINATIONS MARKET MONITOR

## APRIL 2023 NATIONAL RATE LOCK METRICS

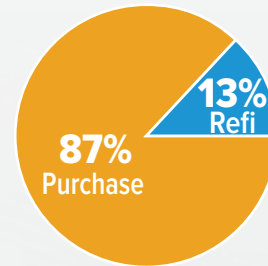
Here, we look at April's national origination numbers to give a high-level overview of the month's activity. This information is drawn from the Black Knight [Optimal Blue PPE](#). Click on the chart to view its contents in high resolution.

### APRIL NATIONAL STATS



#### RATE LOCK VOLUME

Purchase locks were down 22%, cash-outs dipped 21% and rate/term refis dropped almost 28%



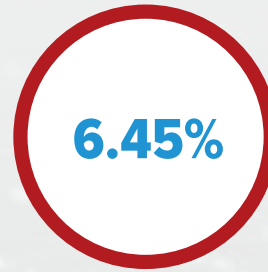
#### MARKET MIX

Purchase loans now account for a record 87% of the month's rate lock activity, a record low



#### AVERAGE LOAN AMOUNT

The average loan amount held steady in April



#### MONTH-END CONFORMING RATE

According to our [Optimal Blue Mortgage Market Indices](#), the average 30-year offering in April was 17 bps lower than that of March

Lock volumes fell in April, despite marginally lower rates, as reluctant buyers face continuing, worsening inventory shortages





# ORIGINATIONS MARKET MONITOR

## APRIL 2023 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 view 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
<b>NATIONAL</b>	<b>100.0%</b>	<b>-22.0%</b>	<b>\$354,696</b>	<b>6.327</b>	<b>727.58</b>	<b>81.79</b>	<b>87%</b>	<b>13%</b>
<b>1 Washington-Arlington-Alexandria, DC-VA-MD-WV</b>	4.1%	-18.4%	\$508,893	6.200	741.56	83.96	93%	7%
<b>2 New York-Newark-Jersey City, NY-NJ-PA</b>	3.9%	-29.6%	\$510,764	6.288	738.84	76.79	86%	14%
<b>3 Dallas-Fort Worth-Arlington, TX</b>	3.8%	-20.7%	\$386,335	6.319	729.85	82.36	91%	9%
<b>4 Chicago-Naperville-Elgin, IL-IN-WI</b>	3.5%	-22.0%	\$320,476	6.494	736.46	82.07	91%	9%
<b>5 Phoenix-Mesa-Scottsdale, AZ</b>	3.0%	-25.1%	\$395,976	6.251	728.19	80.91	88%	12%
<b>6 Houston-The Woodlands-Sugar Land, TX</b>	2.8%	-21.4%	\$339,344	6.162	723.99	84.15	94%	6%
<b>7 Los Angeles-Long Beach-Anaheim, CA</b>	2.6%	-28.3%	\$670,829	6.522	740.56	72.34	80%	20%
<b>8 Atlanta-Sandy Springs-Roswell, GA</b>	2.6%	-27.3%	\$350,998	6.286	708.04	81.88	83%	17%
<b>9 Miami-Fort Lauderdale-West Palm Beach, FL</b>	2.1%	-27.1%	\$455,391	6.578	727.44	76.86	82%	18%
<b>10 Seattle-Tacoma-Bellevue, WA</b>	2.0%	-24.7%	\$569,255	6.347	745.66	78.78	88%	12%







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## APRIL 2023 TOP 20 METROPOLITAN AREAS

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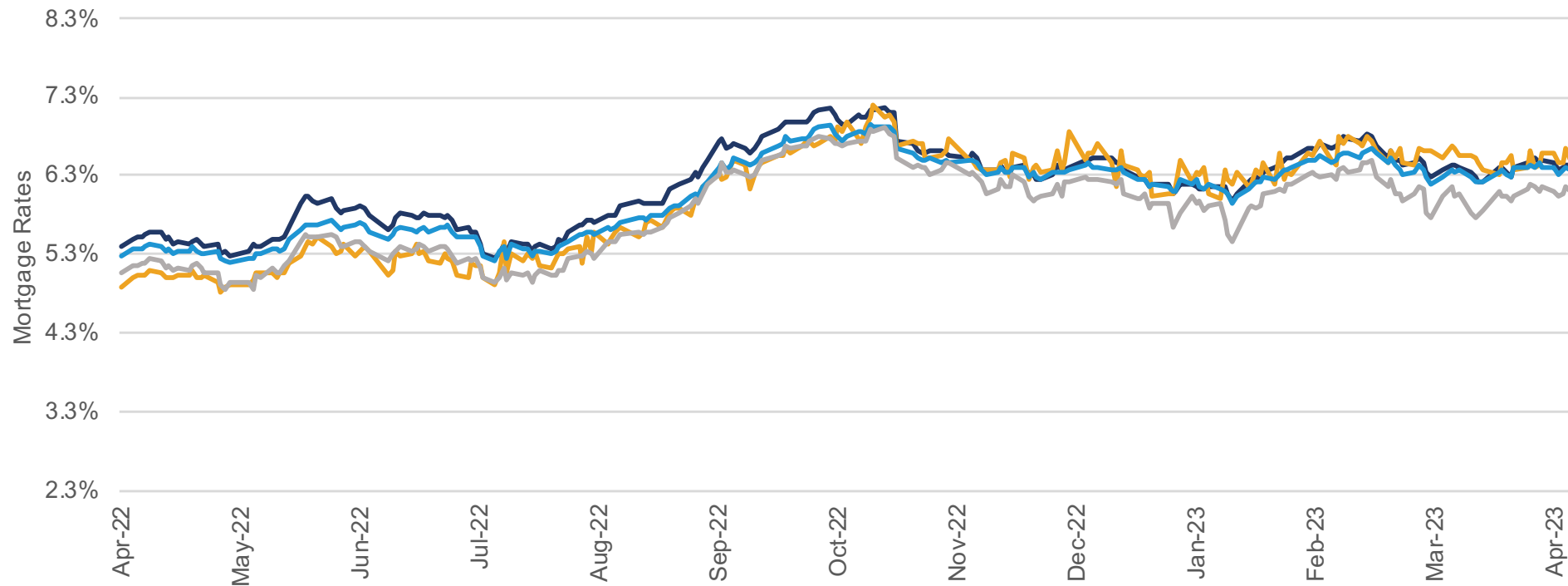
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<b>11 Boston-Cambridge-Newton, MA-NH</b>	2.0%	-10.7%	\$549,637	6.219	748.24	75.93	91%	9%
<b>12 Denver-Aurora-Lakewood, CO</b>	1.9%	-25.0%	\$486,465	6.176	741.39	78.90	91%	9%
<b>13 Austin-Round Rock, TX</b>	1.7%	-17.9%	\$456,253	6.014	739.19	81.18	92%	8%
<b>14 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD</b>	1.6%	-23.9%	\$345,003	6.269	728.77	82.66	91%	9%
<b>15 Riverside-San Bernardino-Ontario, CA</b>	1.6%	-20.1%	\$453,266	6.283	718.47	78.90	82%	18%
<b>16 San Francisco-Oakland-Hayward, CA</b>	1.5%	-16.3%	\$787,270	6.323	753.17	73.03	87%	13%
<b>17 Tampa-St. Petersburg-Clearwater, FL</b>	1.4%	-25.1%	\$354,530	6.310	727.74	80.81	89%	11%
<b>18 San Antonio-New Braunfels, TX</b>	1.4%	-17.5%	\$318,175	5.830	720.13	87.43	92%	8%
<b>19 Baltimore-Columbia-Towson, MD</b>	1.3%	-12.8%	\$381,490	6.321	731.35	85.98	92%	8%
<b>20 Charlotte-Concord-Gastonia, NC-SC</b>	1.2%	-22.7%	\$376,610	6.229	729.06	82.52	84%	16%







# ORIGINATIONS MARKET MONITOR

## APRIL 2023 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 the chart to view its contents in high resolution.



	Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	6.45%	5 BPS	29 BPS	103 BPS
	30-Year Jumbo	6.49%	(7 BPS)	13 BPS	160 BPS
	30-Year FHA	6.38%	1 BPS	26 BPS	111 BPS
	30-Year VA	6.10%	4 BPS	35 BPS	102 BPS

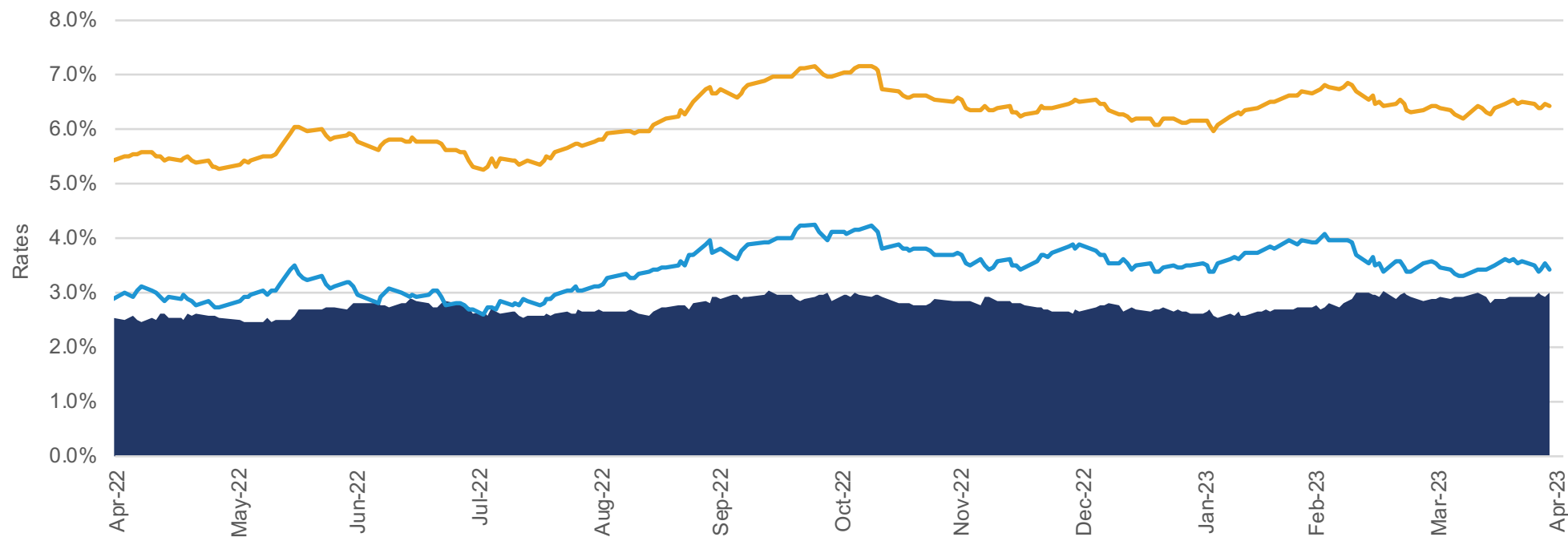







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## APRIL 2023 30-YEAR TO 10-YEAR TREASURY SPREAD

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 the chart to view its contents in high resolution.



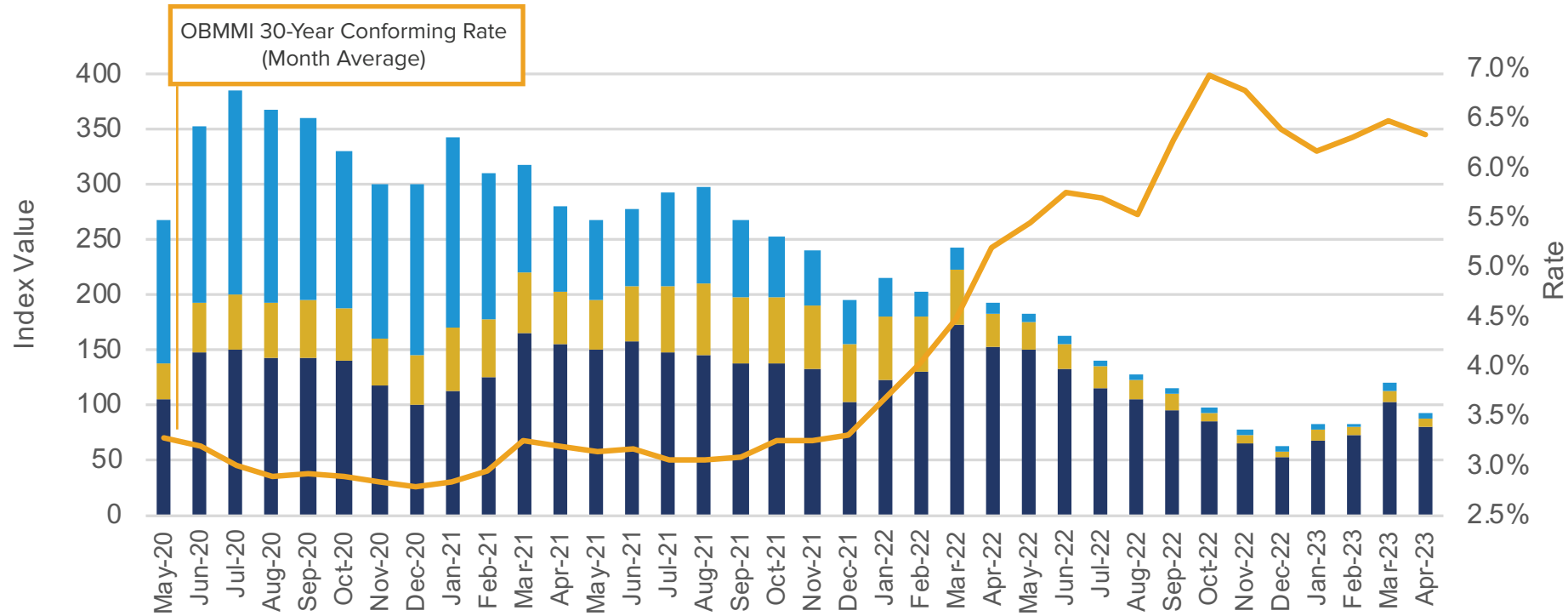
	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	3.44%	(4 BPS)	(8 BPS)	55 BPS
	30-Year Conforming	6.45%	5 BPS	29 BPS	103 BPS
	10-Year to 30-Year Spread	3.01%	9 BPS	37 BPS	48 BPS







# ORIGINATIONS MARKET MONITOR

## APRIL 2023 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 the chart to view 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	81	(21.8%)	17.4%	(47.1%)
	Cash-Out Refinance	8	(20.6%)	(7.7%)	(73.2%)
	Rate/Term Refinance	4	(27.6%)	(1.8%)	(58.5%)
	Total	93	(22.0%)	13.8%	(51.7%)
Refinance Share*		13%	(18 BPS)	(267 BPS)	(759 BPS)

\*Refinance share changes reflect inter-period delta



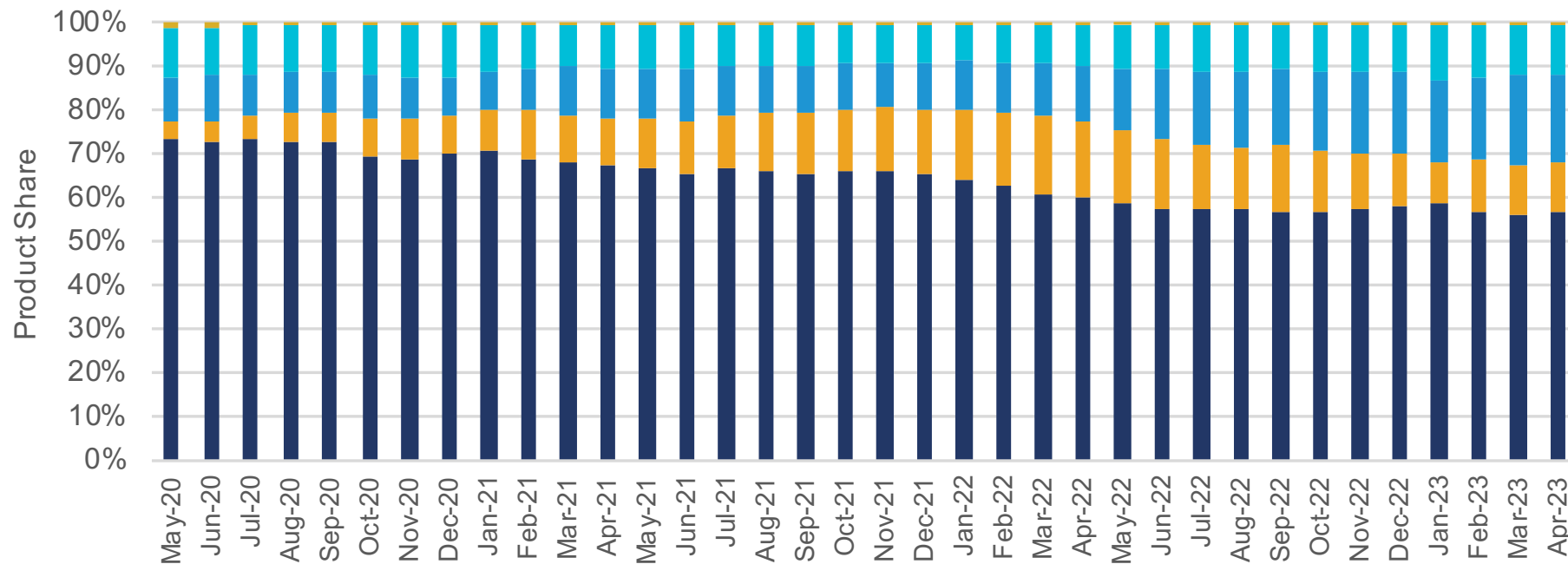









# ORIGINATIONS MARKET MONITOR

## APRIL 2023 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 the chart to view its contents in high resolution.



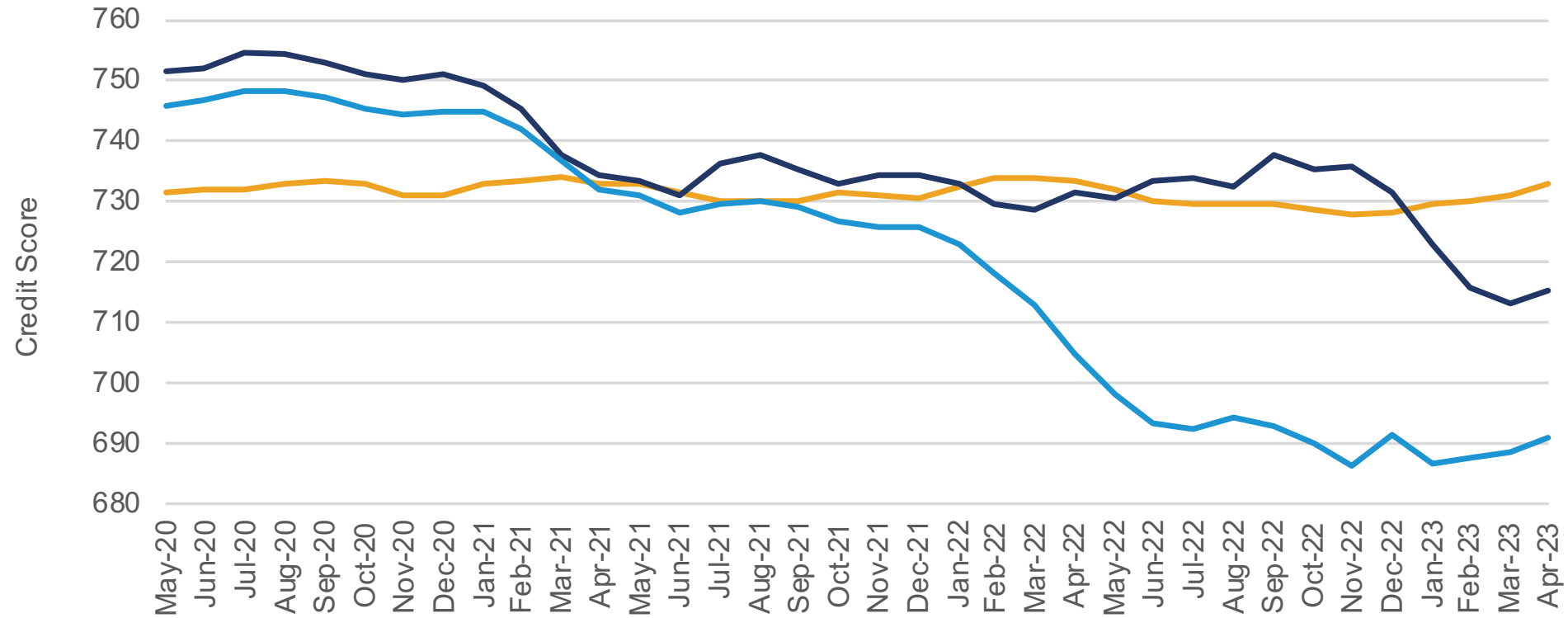
Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	56.7%	81 BPS	(177 BPS)	(304 BPS)
	Nonconforming	11.5%	(15 BPS)	185 BPS	(578 BPS)
	FHA	19.6%	(49 BPS)	106 BPS	658 BPS
	VA	11.5%	(11 BPS)	(92 BPS)	224 BPS
	USDA	0.7%	(5 BPS)	(22 BPS)	(1 BPS)






# ORIGINATIONS MARKET MONITOR

## APRIL 2023 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 the chart to view its contents in high resolution.



Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Cash-Out Refi	691	2	4	-14
	Purchase	733	2	4	-1
	Rate/Term Refi	715	2	-8	-16

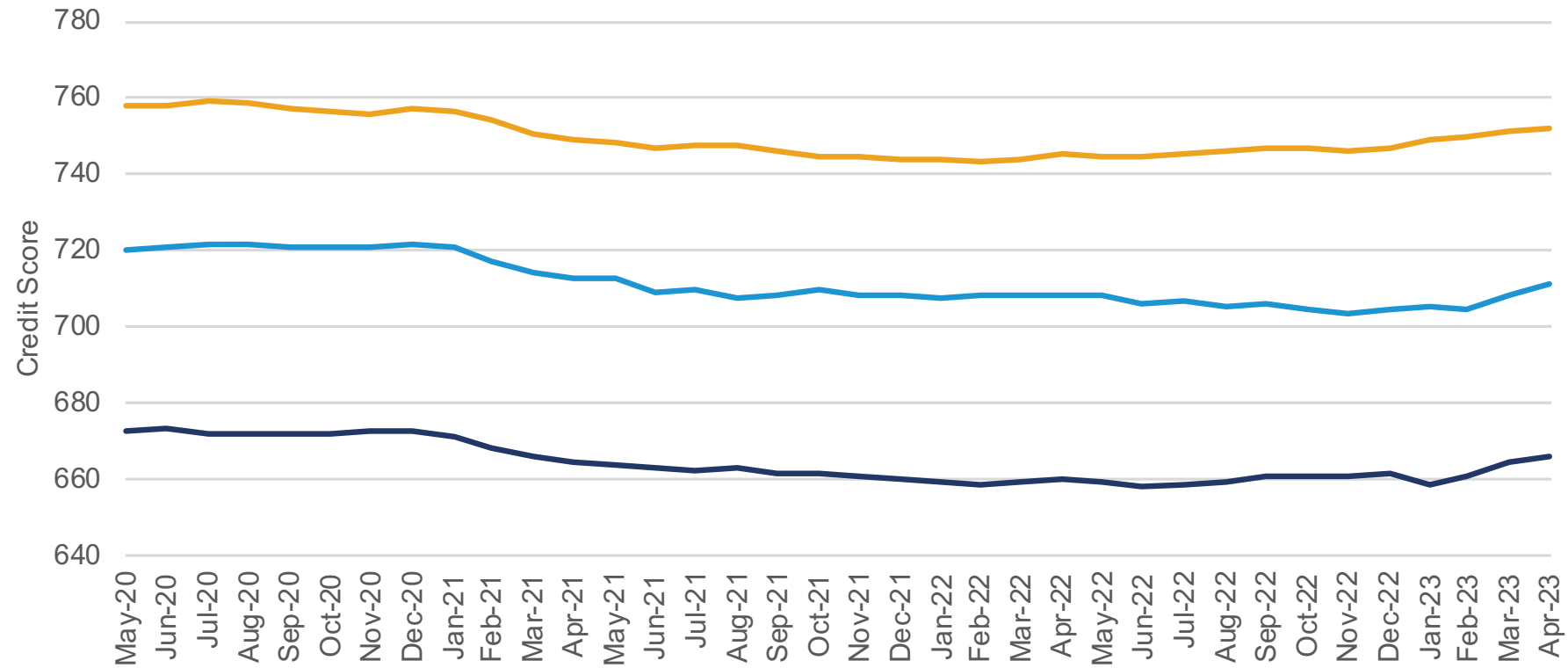







# ORIGINATIONS MARKET MONITOR

## APRIL 2023 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 the chart to view its contents in high resolution.



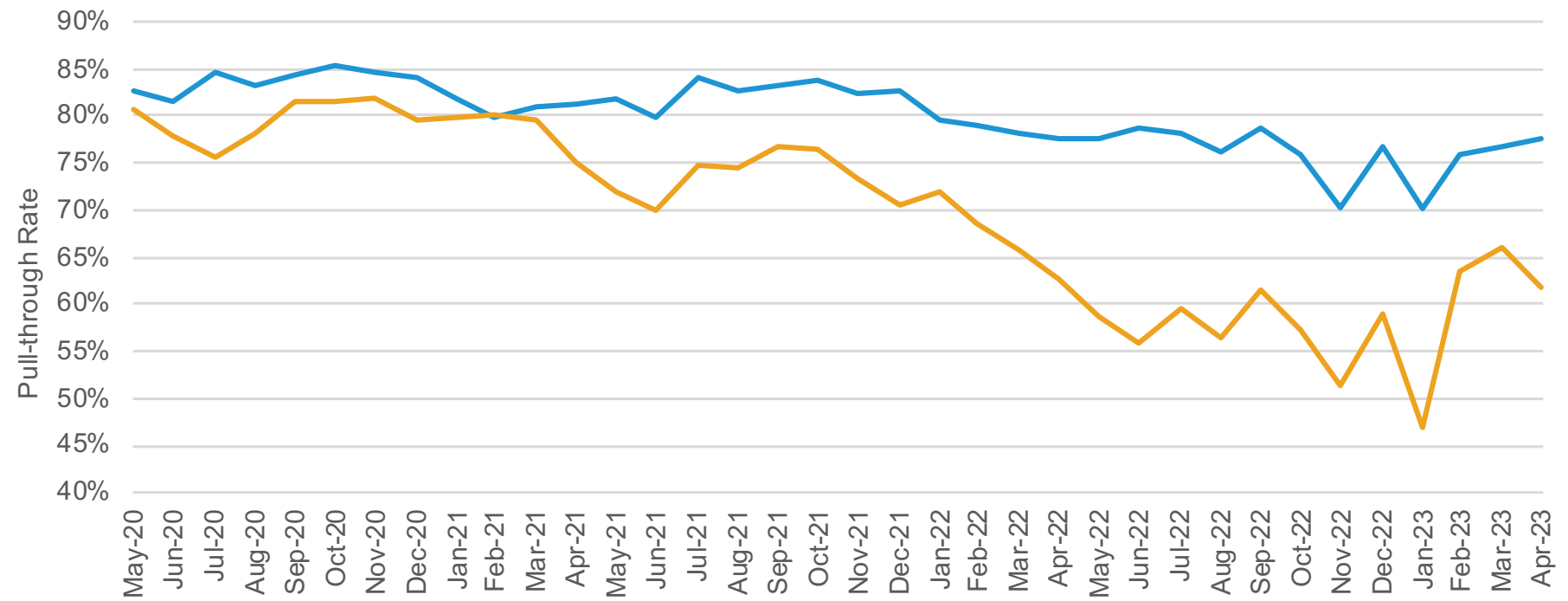
Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	FHA	753	1	4	7
	VA	666	2	7	6
	Conforming	711	3	6	3





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## APRIL 2023 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 the chart to view its contents in high resolution.



	Pull-Through Rate	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase Pull-Through	77.7%	94 BPS	752 BPS	4 BPS
	Refinance Pull-Through	61.9%	(402 BPS)	1497 BPS	(79 BPS)

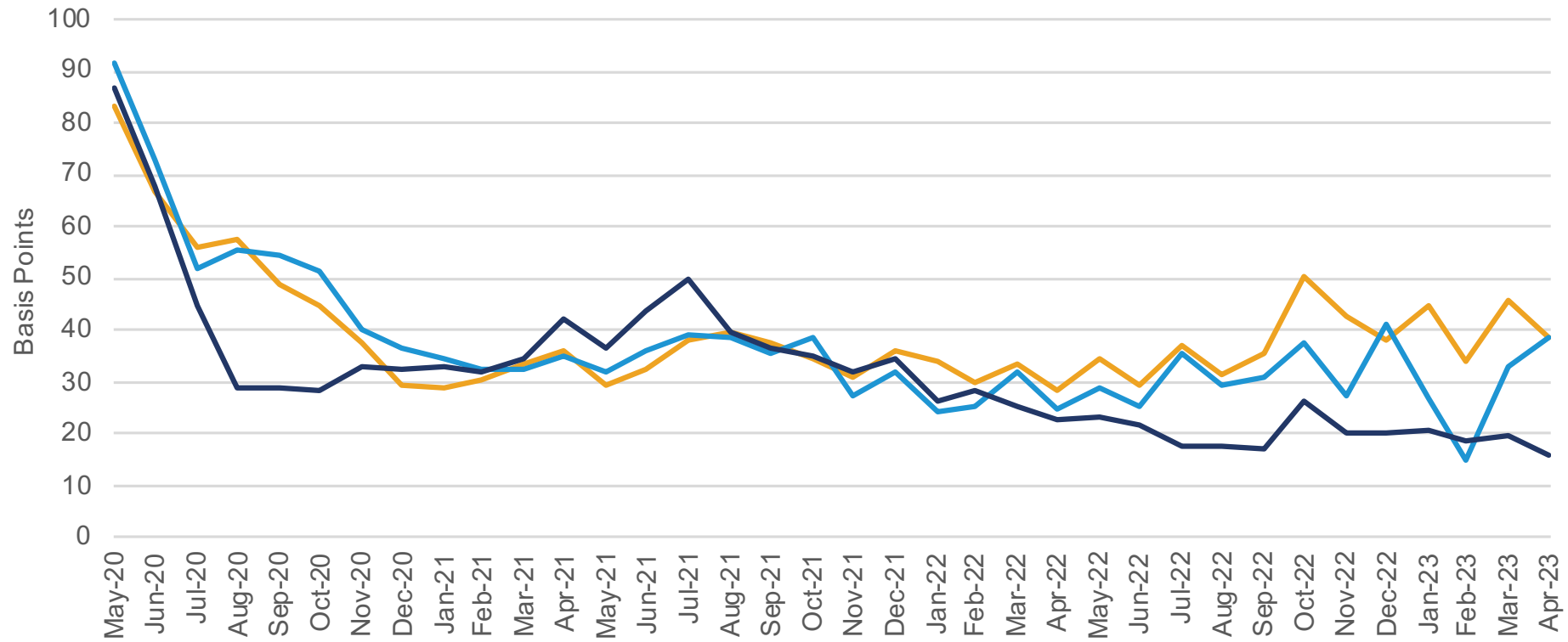







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## APRIL 2023 BEST EFFORTS TO MANDATORY SPREAD

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 the chart to view its contents in high resolution.



Best Efforts vs. Mandatory		Current Spread	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	38 BPS	(8 BPS)	(6 BPS)	10 BPS
	15-Year Conforming	38 BPS	6 BPS	12 BPS	14 BPS
	30-Year Government	16 BPS	(4 BPS)	(5 BPS)	(7 BPS)

