



**ORIGINATIONS
MARKET MONITOR**



ORIGINATIONS MARKET MONITOR

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JULY 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 14.4%, as the originations pipeline continued to adjust to affordability challenges and a higher rate environment. The benchmark 30-year mortgage finished July at 5.30%, down 49 basis points from June, although higher rates prevailed for most of the month.

Overall, locks were down 52.3% year over year. Rate/term locks decreased 17% in July, cash-outs, which had been somewhat insulated early in the rate cycle, fell 14%. Even purchase locks, which now account for 82% of volume, were down 14% (22% year over year).

Government-backed FHA locks continued to expand market share over non-conforming products. Borrower credit scores held fairly steady, as scores for cash-out refinances edged down one point to 692, essentially even with June.

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. 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.

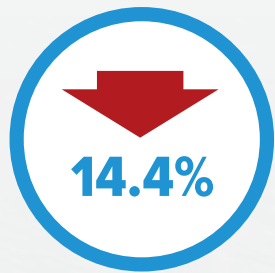


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JULY 2022 NATIONAL RATE LOCK METRICS

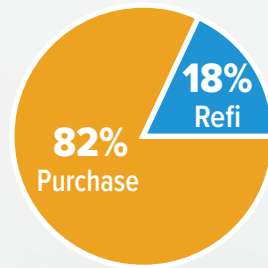
Here, we look at July's national origination numbers to give a high-level overview of the month's activity. This information is drawn from the Black Knight [Optimal Blue PPE](#). Click on the chart to view its contents in high resolution.

JULY NATIONAL STATS



RATE LOCK VOLUME

Locks decreased across all loan categories, led by a 17% decrease in rate/term refinances



MARKET MIX

Volumes dropped across all loan types, leaving the market mix between purchase locks and refis unchanged in July



AVERAGE LOAN AMOUNT

The average loan amount decreased by more than 6K in July



MONTH-END CONFORMING RATE

Our [Optimal Blue Mortgage Market Indices](#) tracked a 49 BPS drop in 30-year rate offerings throughout July

Volumes fell across the board as the originations market adjusted to continuing headwinds





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JULY 2022 TOP 20 METROPOLITAN AREAS

Here, we look at July'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
NATIONAL	100.0%	-14.4%	344,305	5.553	722	81	82%	18%
1 New York-Newark-Jersey City, NY-NJ-PA	4.6%	-13.4%	506,064	5.449	736	77	84%	16%
2 Washington-Arlington-Alexandria, DC-VA-MD-WV	3.6%	-18.2%	487,847	5.315	735	83	87%	13%
3 Dallas-Fort Worth-Arlington, TX	3.5%	-10.3%	379,391	5.575	726	80	85%	15%
4 Chicago-Naperville-Elgin, IL-IN-WI	3.1%	-16.6%	301,236	5.676	729	83	88%	12%
5 Los Angeles-Long Beach-Anaheim, CA	3.1%	-23.8%	636,427	5.535	729	73	78%	22%
6 Phoenix-Mesa-Scottsdale, AZ	2.6%	-18.6%	396,644	5.570	724	77	78%	22%
7 Houston-The Woodlands-Sugar Land, TX	2.5%	-13.8%	328,263	5.522	720	83	89%	11%
8 Atlanta-Sandy Springs-Roswell, GA	2.4%	-10.3%	340,740	5.521	709	80	77%	23%
9 Seattle-Tacoma-Bellevue, WA	2.3%	-9.1%	579,587	5.493	737	79	86%	14%
10 Denver-Aurora-Lakewood, CO	2.1%	-10.7%	485,457	5.478	734	76	82%	18%





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JULY 2022 TOP 20 METROPOLITAN AREAS

Here, we look at July'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.

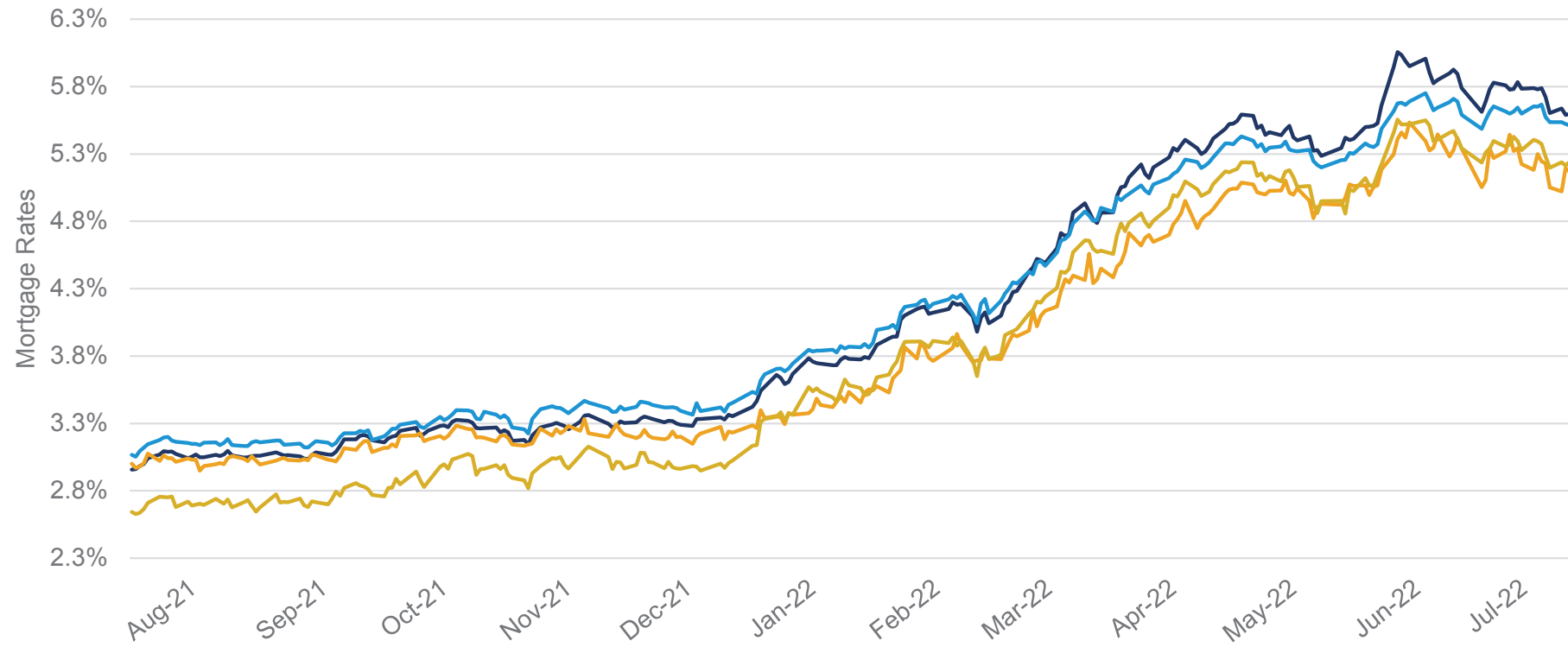
Metropolitan Statistical Area (MSA)	% of Lock Volume	MoM Change	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
NATIONAL	100.0%	-14.4%	344,305	5.553	722	81	82%	18%
11 Miami-Fort Lauderdale-West Palm Beach, FL	2.1%	-14.4%	442,887	5.748	720	77	77%	23%
12 Boston-Cambridge-Newton, MA-NH	1.9%	-24.8%	513,719	5.392	738	77	87%	13%
13 Riverside-San Bernardino-Ontario, CA	1.7%	-12.4%	439,229	5.456	712	77	74%	26%
14 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.7%	-13.1%	323,692	5.475	722	82	85%	15%
15 Austin-Round Rock, TX	1.6%	-12.2%	438,468	5.380	741	77	88%	12%
16 Tampa-St. Petersburg-Clearwater, FL	1.4%	-11.7%	349,758	5.466	720	79	80%	20%
17 Minneapolis-St. Paul-Bloomington, MN-WI	1.3%	-18.4%	342,721	5.502	739	82	88%	12%
18 Charlotte-Concord-Gastonia, NC-SC	1.3%	-13.1%	352,005	5.527	719	81	81%	19%
19 San Francisco-Oakland-Hayward, CA	1.3%	-23.7%	756,302	5.465	745	72	80%	20%
20 San Antonio-New Braunfels, TX	1.2%	-6.8%	323,102	5.469	722	84	88%	12%







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JULY 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 the chart to view its contents in high resolution.



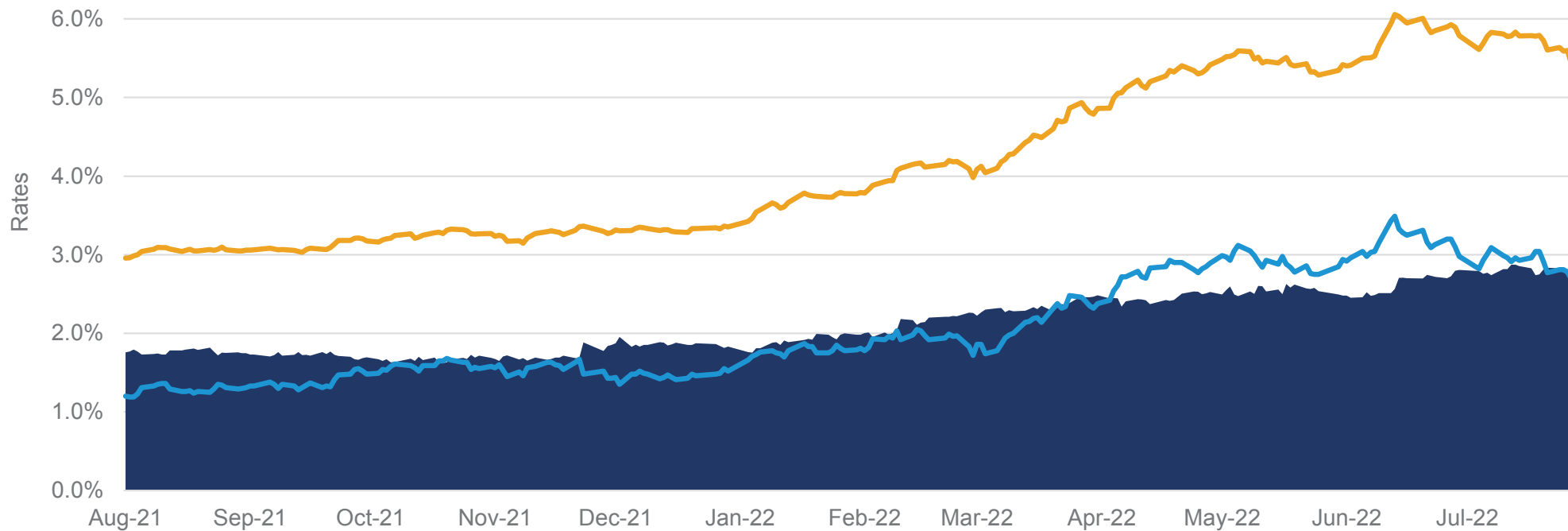
	Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	5.30%	(49 BPS)	(11 BPS)	232 BPS
	30-Year Jumbo	5.02%	(32 BPS)	13 BPS	206 BPS
	30-Year FHA	5.27%	(32 BPS)	(1 BPS)	217 BPS
	30-Year VA	5.00%	(35 BPS)	(8 BPS)	236 BPS






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JULY 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 the chart to view its contents in high resolution.



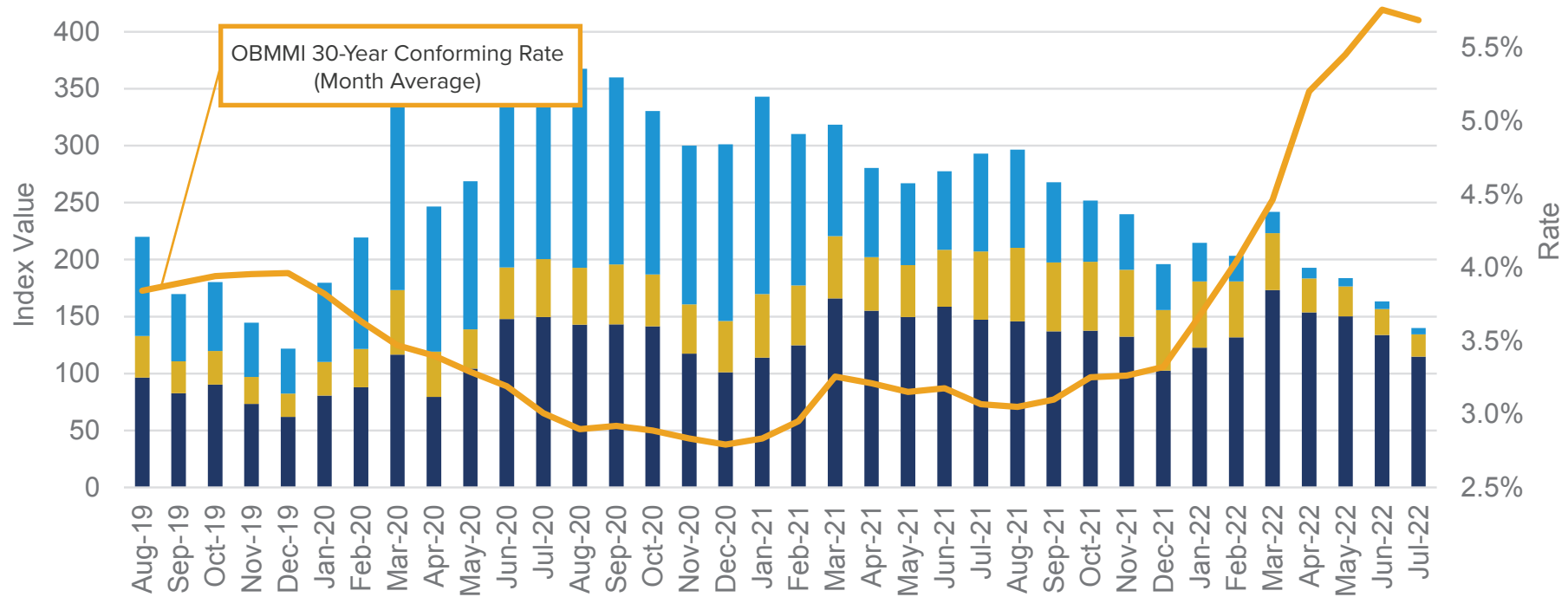
	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	2.68%	(30 BPS)	(21 BPS)	144 BPS
	30-Year Conforming	5.30%	(49 BPS)	(11 BPS)	232 BPS
	10-Year to 30-Year Spread	2.62%	(19 BPS)	10 BPS	88 BPS







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JULY 2022 LOCK VOLUME BY LOAN PURPOSE

Here, we break down July'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	115	(14.3%)	(25.3%)	(22.0%)
	Cash-Out Refinance	20	(14.1%)	(34.2%)	(67.2%)
	Rate/Term Refinance	5	(16.9%)	(42.3%)	(93.6%)
	Total	140	(14.4%)	(27.5%)	(52.3%)
Refinance Share*		18%	(7 BPS)	(244 BPS)	(3180 BPS)

*Refinance share changes reflect inter-period delta



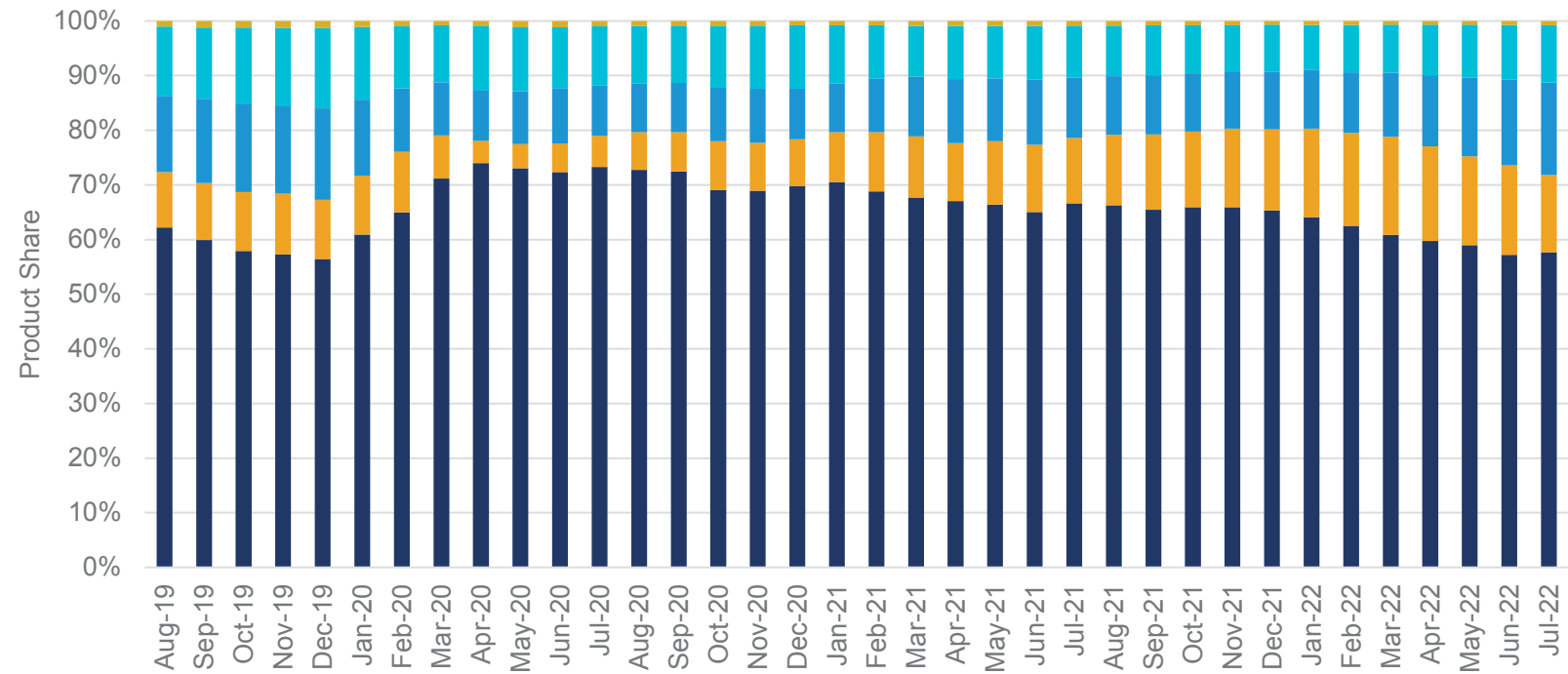
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JULY 2022 MIX OF BUSINESS BY LOAN PRODUCT

Here, we break down July'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.



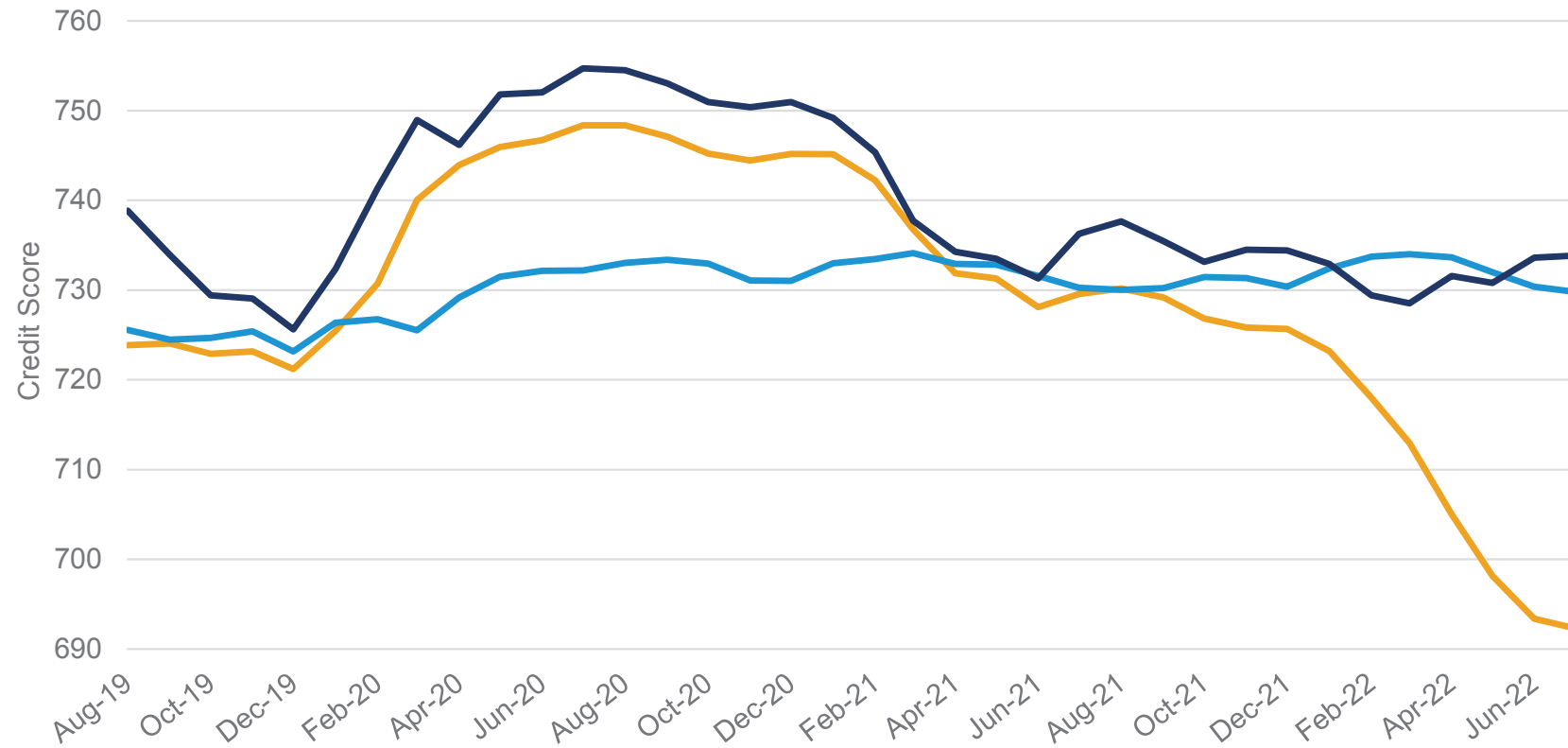
Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	57.7%	47 BPS	(205 BPS)	(896 BPS)
	Nonconforming	14.1%	(222 BPS)	(318 BPS)	218 BPS
	FHA	16.9%	122 BPS	391 BPS	588 BPS
	VA	10.5%	47 BPS	120 BPS	98 BPS
	USDA	0.8%	6 BPS	11 BPS	(8 BPS)






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JULY 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 the chart to view its contents in high resolution.



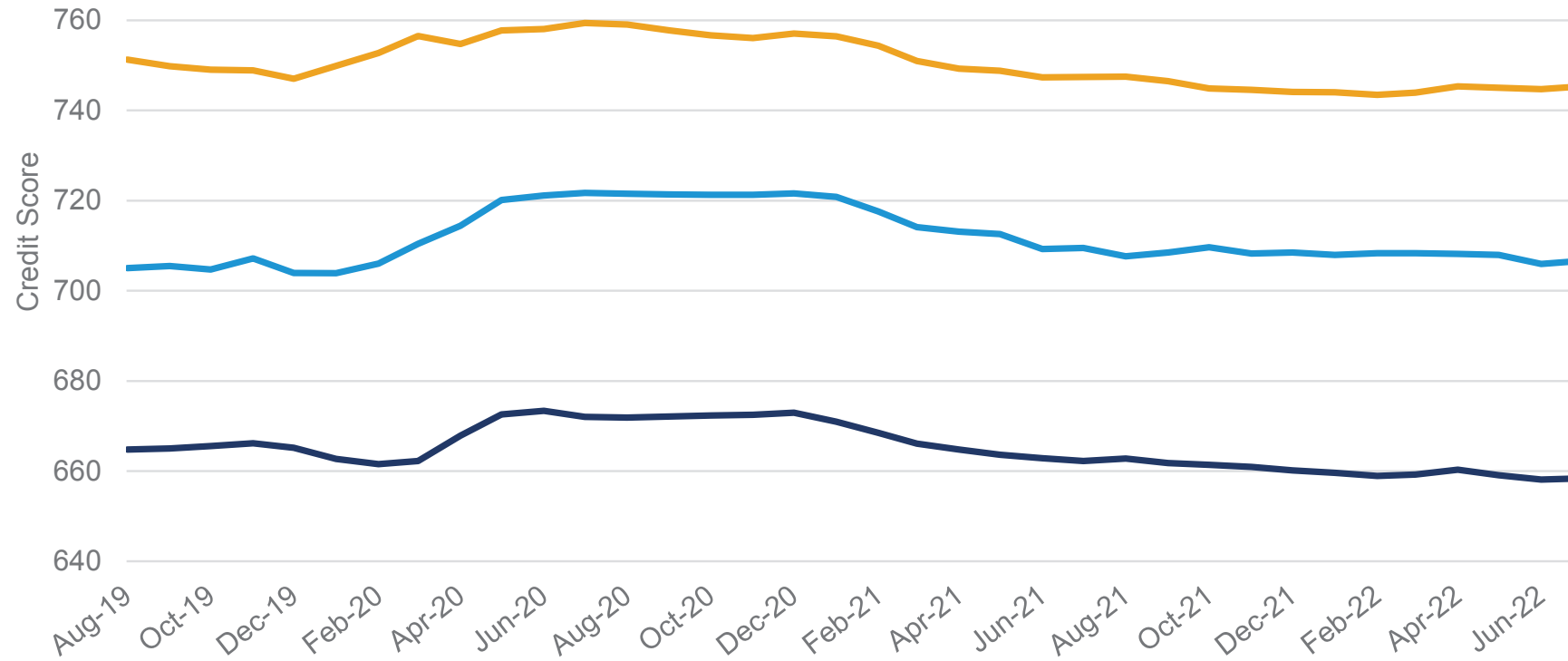
Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase	730	-1	-4	0
	Cash-Out Refi	692	-1	-13	-37
	Rate/Term Refi	734	0	2	-2






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JULY 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 the chart to view its contents in high resolution.



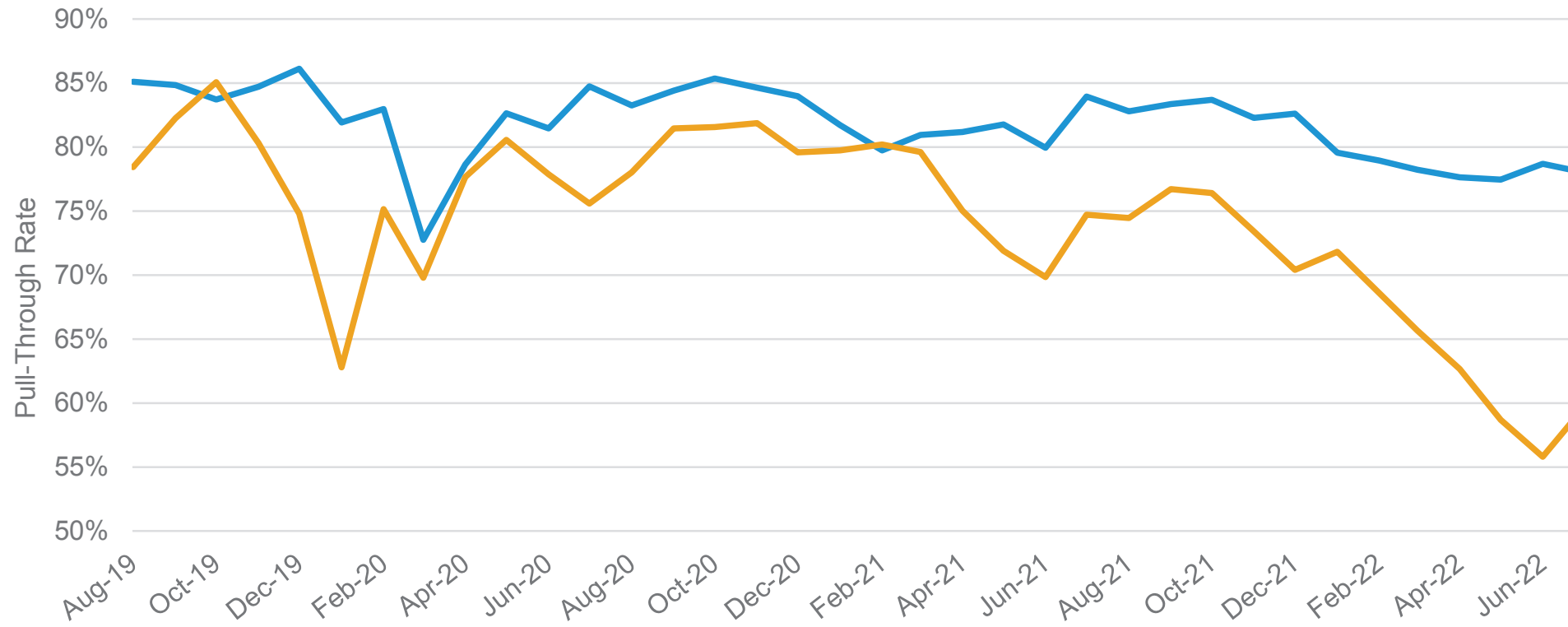
Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	FHA	658	0	-2	-4
	VA	707	1	-2	-3
	Conforming	745	1	0	-2





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JULY 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 the chart to view its contents in high resolution.



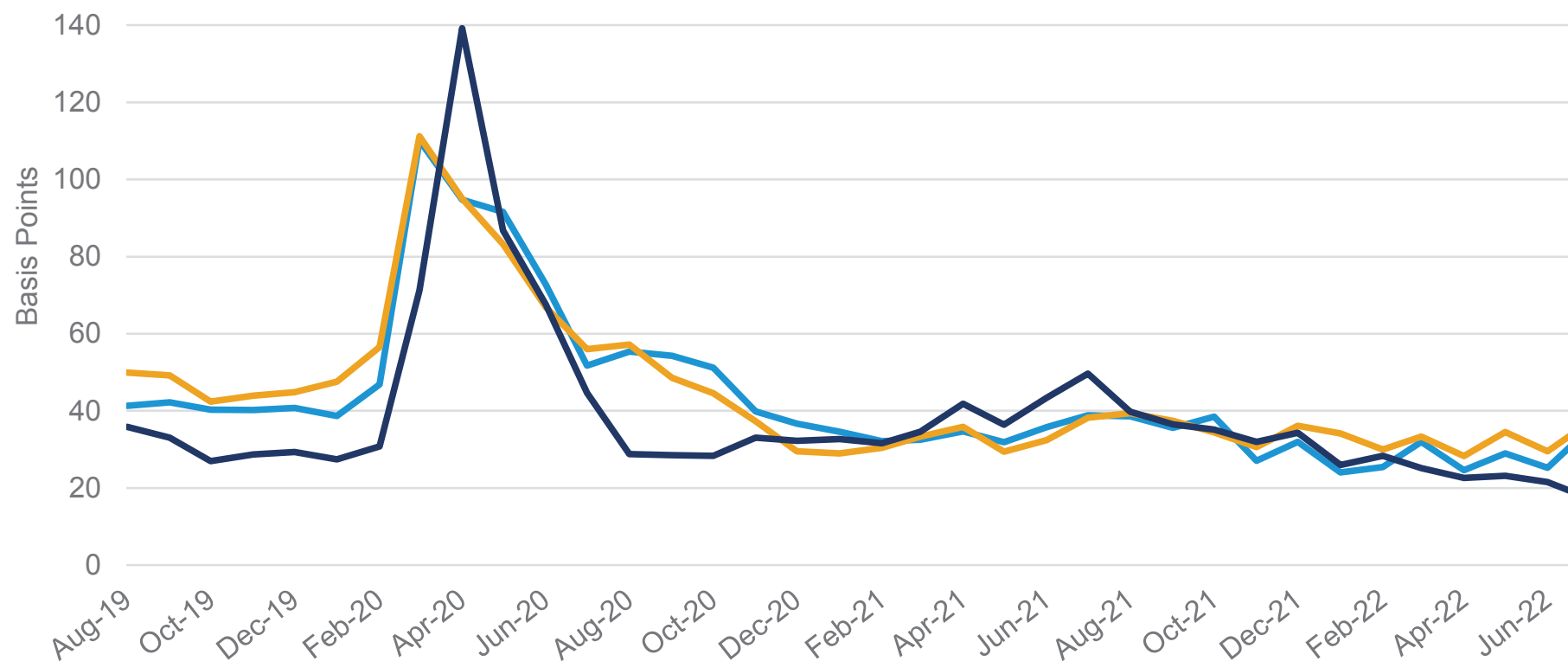
Pull-Through Rate		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase Pull-Through	78.0%	(67 BPS)	37 BPS	(592 BPS)
	Refinance Pull-Through	59.6%	384 BPS	(302 BPS)	(1507 BPS)






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JULY 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 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	37 BPS	7 BPS	9 BPS	(1 BPS)
	15-Year Conforming	35 BPS	10 BPS	11 BPS	(4 BPS)
	30-Year Government	17 BPS	(4 BPS)	(5 BPS)	(32 BPS)

