



**ORIGINATIONS  
MARKET MONITOR**



# ORIGINATIONS MARKET MONITOR

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## JUNE 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.

The month's rate lock data shows that – after two consecutive monthly declines – origination activity picked up again in June, with increases in both purchase and cash-out refinance locks. However, while cash-out activity remained strong – making up 42% of refinances and 18% of total locks – the volume of rate/term refis continued to fall. Despite interest rates pulling back to March levels, rate/term refinance locks were down 30% from that point and 60% since January. On the purchase loan side of the market, we've seen average credit scores remain high and a steadily climbing jumbo share of lending. Much more detail on the month's numbers can be found in the following pages.

In producing the Originations 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](mailto:AskBlackKnight@bkfs.com).



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## JUNE 2021 NATIONAL RATE LOCK METRICS

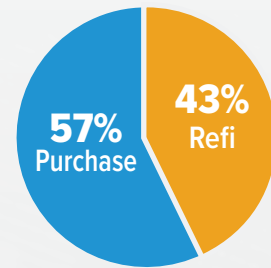
Here, we look at the month's national origination numbers to give a high-level overview of the month's activity. This information is drawn from Black Knight's [Optimal Blue PPE](#). Click on each chart to see its contents in high-resolution.

### JUNE NATIONAL STATS



#### RATE LOCK VOLUME

After two consecutive monthly declines, rate lock activity picked up again in June, with a 6% rise in purchase locks and a more pronounced 10% jump in cash-out refinance locks



#### MARKET MIX

The refi share of the market mix dropped again in June, accounting for just 43% of activity, driven by a 60% annual decline in rate/term refinances



#### AVERAGE CREDIT SCORE

Credit scores are now well down from this time last year for both rate/term (-21 pts.) and cash-out refis (-19 pts.), with purchase loan scores remaining relatively steady



#### MONTH-END CONFORMING RATE

Black Knight's [OBMMI daily interest rate tracker](#) showed the month-end average conforming 30-year rate up one basis point from May and 18 basis points lower than at the end of March

With record-breaking home price appreciation, jumbo lending continues to rise at the expense of conforming loan market share, which is down nearly 750 basis points from last year. With rates holding steady and purchase lending strong, additional growth in home prices may extend this trend further.





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## JUNE 2021 TOP 20 METROPOLITAN AREAS

Here we look at June'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
<b>NATIONAL</b>	<b>100.0%</b>	<b>3.9%</b>	<b>320,460</b>	<b>3.142</b>	<b>730</b>	<b>75</b>	<b>57%</b>	<b>43%</b>
<b>1 Los Angeles-Long Beach-Anaheim, CA</b>	4.8%	-4.7%	566,386	3.082	743	63	43%	57%
<b>2 Washington-Arlington-Alexandria, DC-VA-MD-WV</b>	4.5%	-1.1%	456,675	2.983	740	74	58%	42%
<b>3 New York-Newark-Jersey City, NY-NJ-PA</b>	4.1%	2.5%	446,600	3.098	739	72	59%	41%
<b>4 Chicago-Naperville-Elgin, IL-IN-WI</b>	3.6%	3.7%	292,297	3.115	736	78	62%	38%
<b>5 Phoenix-Mesa-Scottsdale, AZ</b>	2.8%	4.7%	326,037	3.222	729	71	48%	52%
<b>6 Seattle-Tacoma-Bellevue, WA</b>	2.7%	-4.1%	489,191	3.120	742	70	56%	44%
<b>7 San Francisco-Oakland-Hayward, CA</b>	2.5%	-1.8%	685,354	3.067	757	60	46%	54%
<b>8 Dallas-Fort Worth-Arlington, TX</b>	2.5%	7.6%	317,079	3.155	729	76	58%	42%
<b>9 Boston-Cambridge-Newton, MA-NH</b>	2.4%	3.2%	466,062	3.051	746	70	58%	42%
<b>10 Denver-Aurora-Lakewood, CO</b>	2.4%	10.3%	404,212	3.095	740	71	52%	48%





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## JUNE 2021 TOP 20 METROPOLITAN AREAS

Here we look at June'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.

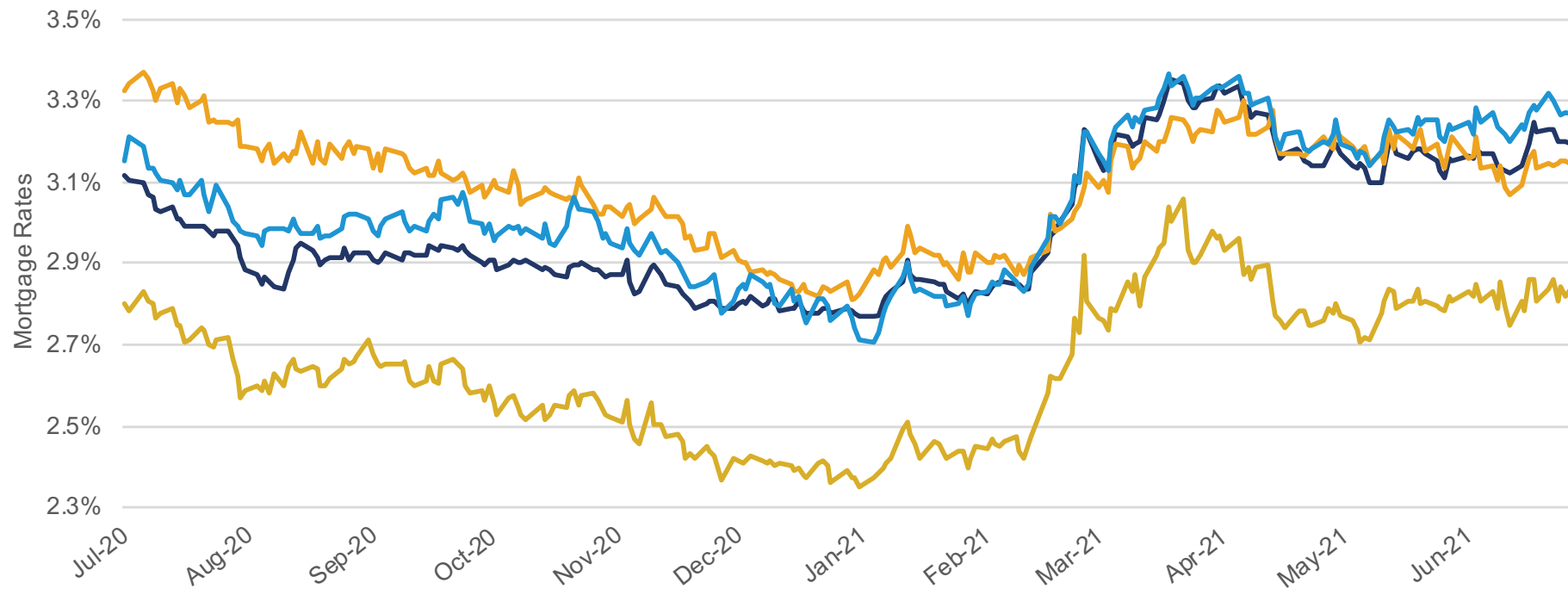
Metropolitan Statistical Area (MSA)	% of Lock Volume	MoM Growth	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
<b>11</b> Atlanta-Sandy Springs-Roswell, GA	2.1%	7.2%	295,456	3.143	721	75	58%	42%
<b>12</b> Riverside-San Bernardino-Ontario, CA	2.1%	4.8%	372,455	3.117	723	71	44%	56%
<b>13</b> Houston-The Woodlands-Sugar Land, TX	2.0%	7.5%	286,583	3.175	723	79	67%	33%
<b>14</b> Miami-Fort Lauderdale-West Palm Beach, FL	1.8%	2.8%	368,964	3.243	727	73	60%	40%
<b>15</b> San Diego-Carlsbad, CA	1.7%	0.0%	551,712	3.013	747	66	43%	57%
<b>16</b> Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.6%	9.2%	297,308	3.119	730	75	61%	39%
<b>17</b> Minneapolis-St. Paul-Bloomington, MN-WI	1.5%	2.3%	307,398	3.075	744	76	61%	39%
<b>18</b> Austin-Round Rock, TX	1.4%	2.2%	379,440	3.112	745	71	62%	38%
<b>19</b> Sacramento--Roseville--Arden-Arcade, CA	1.3%	8.8%	403,870	3.092	736	68	45%	55%
<b>20</b> Baltimore-Columbia-Towson, MD	1.3%	4.1%	346,072	3.078	732	77	59%	41%







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## JUNE 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.



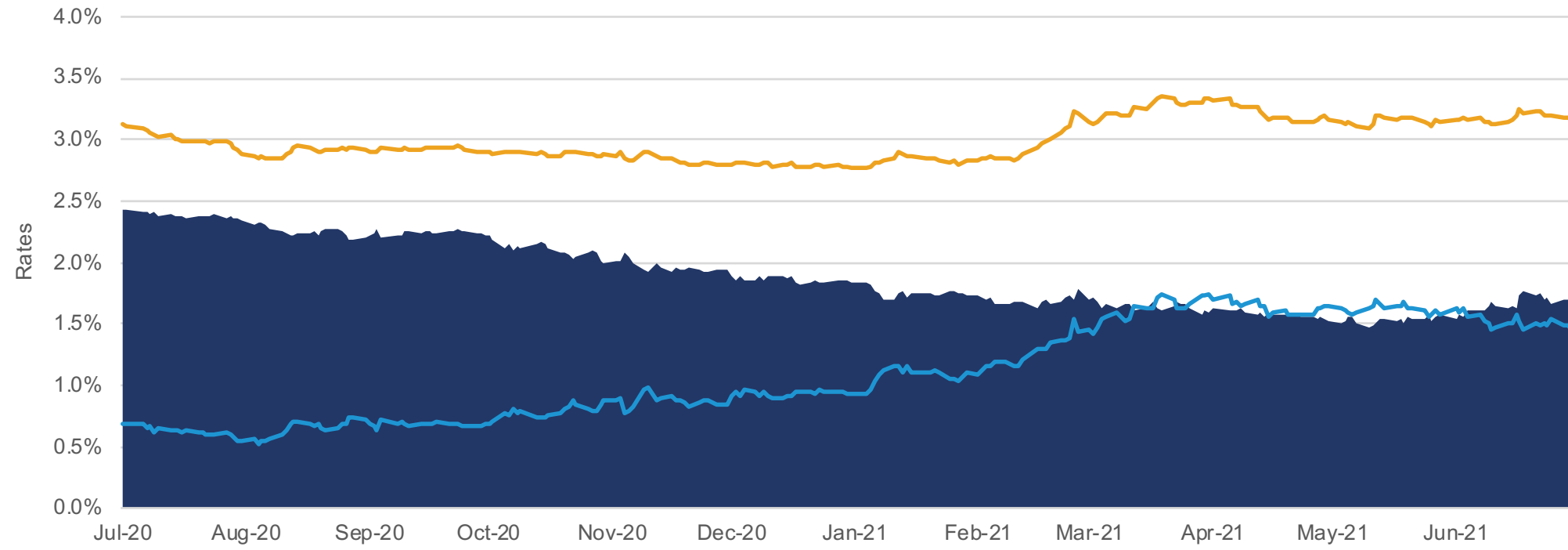
	Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	3.16%	0 BPS	(18 BPS)	4 BPS
	30-Year Jumbo	3.10%	(11 BPS)	(17 BPS)	(22 BPS)
	30-Year FHA	3.23%	( BPS)	(10 BPS)	7 BPS
	30-Year VA	2.80%	(1 BPS)	(17 BPS)	(1 BPS)






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## JUNE 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.



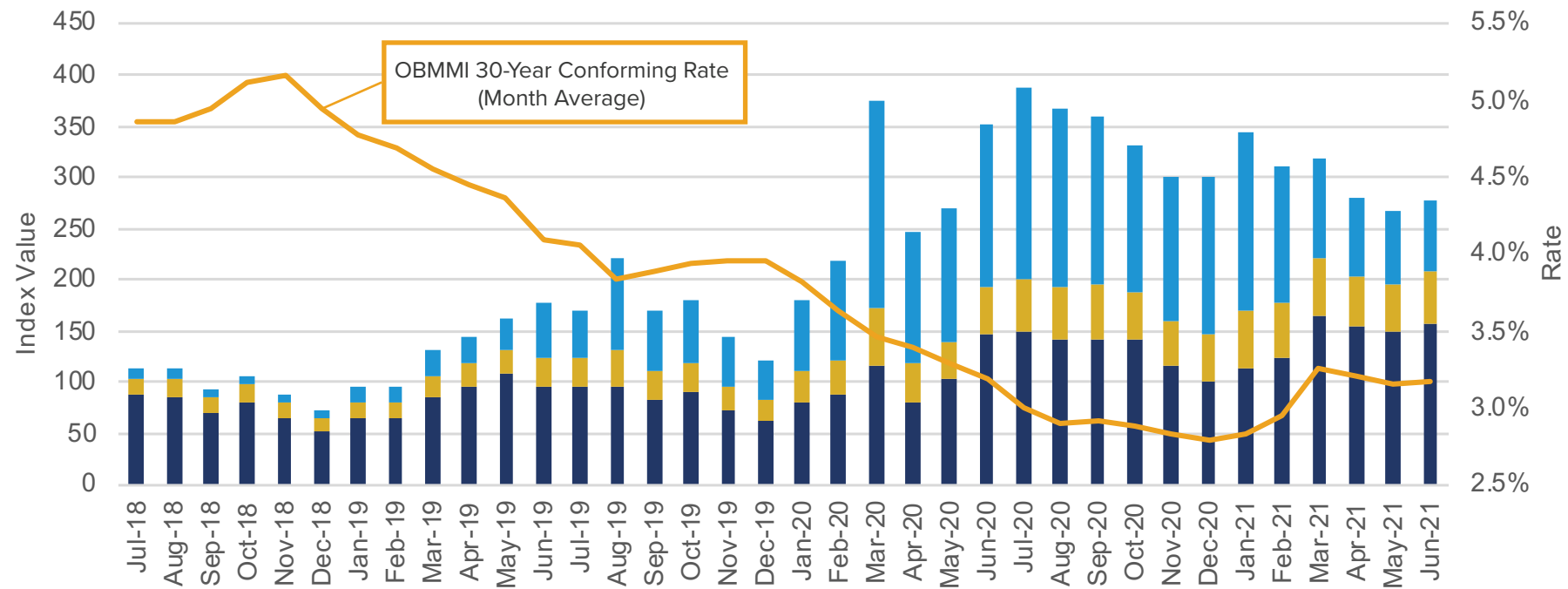
	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	1.45%	(13 BPS)	(29 BPS)	79 BPS
	30-Year Conforming	3.16%	0 BPS	(18 BPS)	4 BPS
	10-Year to 30-Year Spread	1.71%	13 BPS	11 BPS	(76 BPS)



# ORIGINATIONS MARKET MONITOR

## JUNE 2021 LOCK VOLUME BY LOAN PURPOSE

Here we break down June'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	159	5.9%	(4.5%)	7.3%
	Cash-Out Refinance	50	9.9%	(7.9%)	10.2%
	Rate-Term Refinance	69	(3.9%)	(29.6%)	(56.8%)
	Total	278	3.9%	(12.8%)	(21.3%)
Refinance Share*		43%	(105 BPS)	(495 BPS)	(1523 BPS)

\*Refinance Share changes reflect inter-period delta



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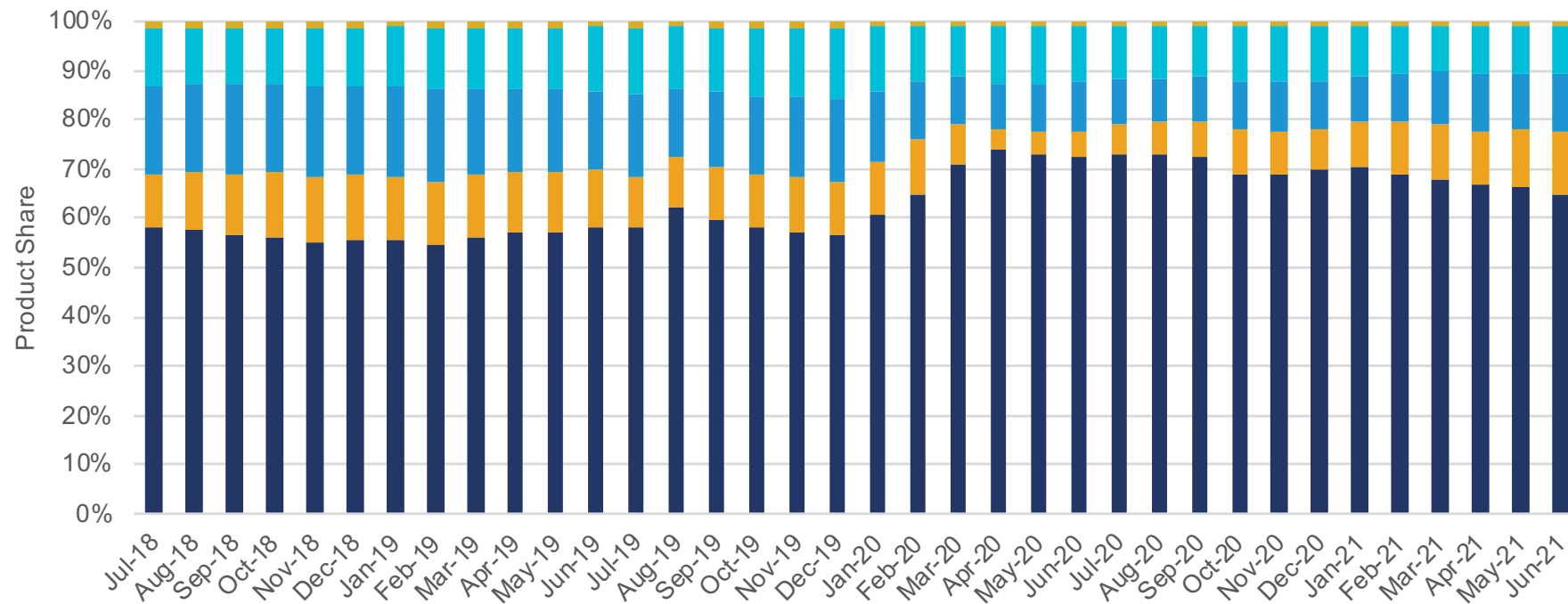









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## JUNE 2021 MIX OF BUSINESS BY LOAN PRODUCT

Here we break down June'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	65.0%	(139 BPS)	(269 BPS)	(734 BPS)
	Non-Conforming	12.4%	79 BPS	116 BPS	715 BPS
	FHA	12.0%	46 BPS	105 BPS	179 BPS
	VA	9.7%	12 BPS	46 BPS	(140 BPS)
	USDA	0.9%	1 BPS	2 BPS	(19 BPS)

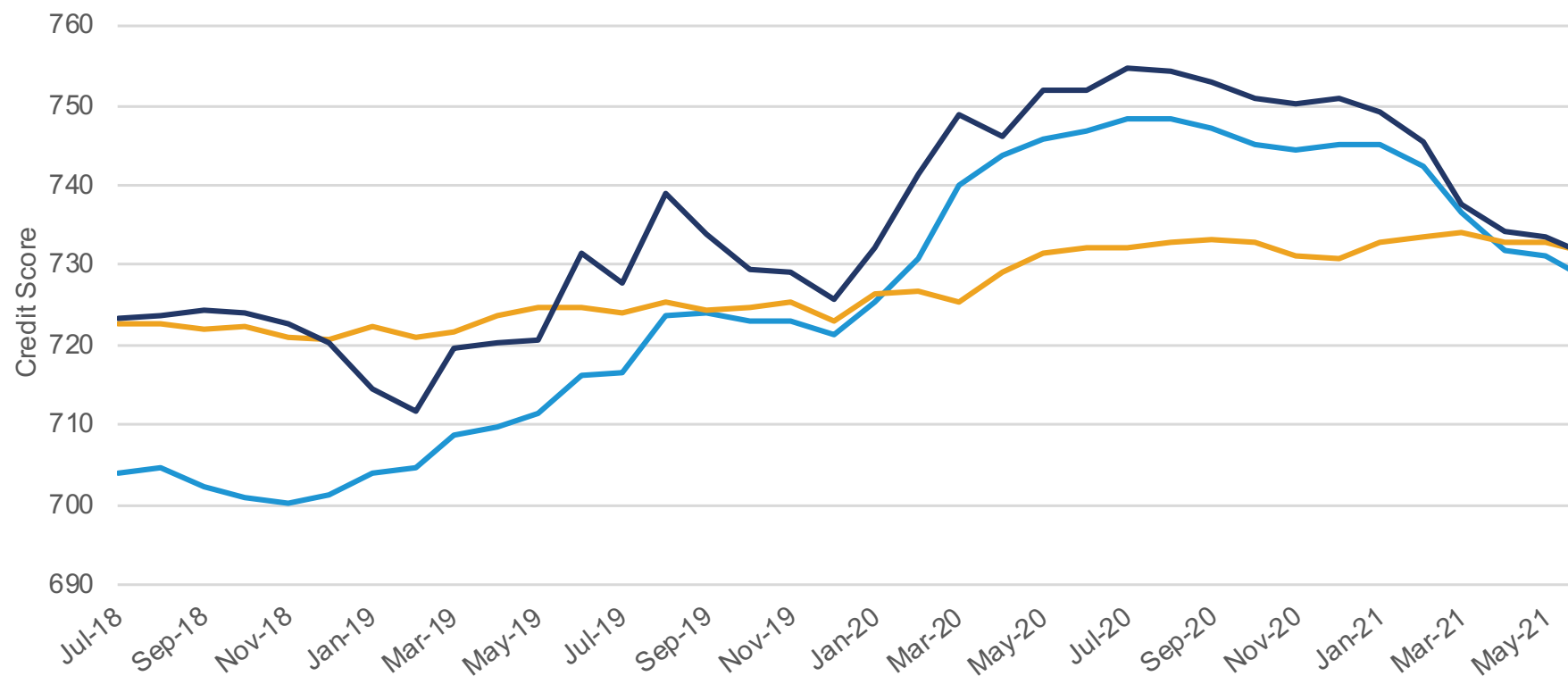







# ORIGINATIONS MARKET MONITOR

## JUNE 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.



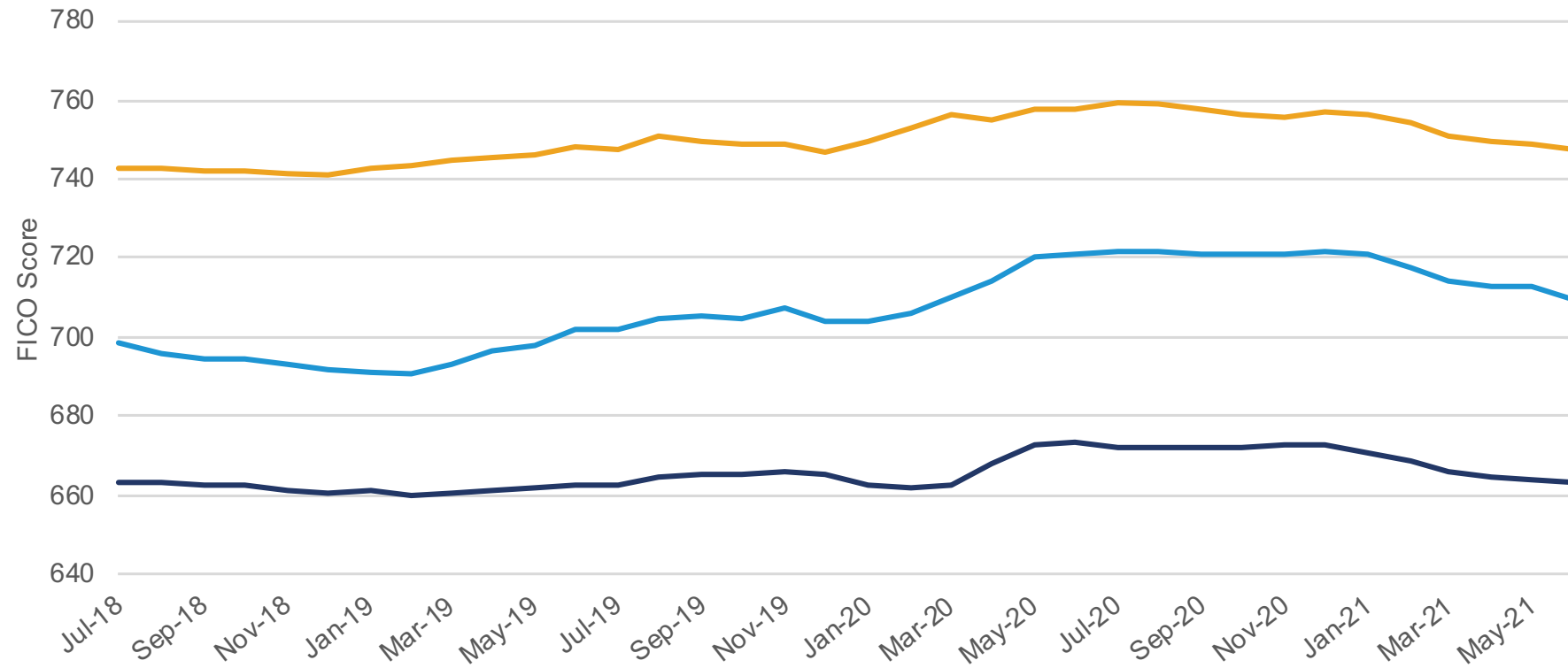
Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Cash Out Refi	728	-3	-9	-19
	Purchase	732	-1	-3	-1
	Rate/Term Refi	731	-2	-6	-21






# ORIGINATIONS MARKET MONITOR

## JUNE 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.



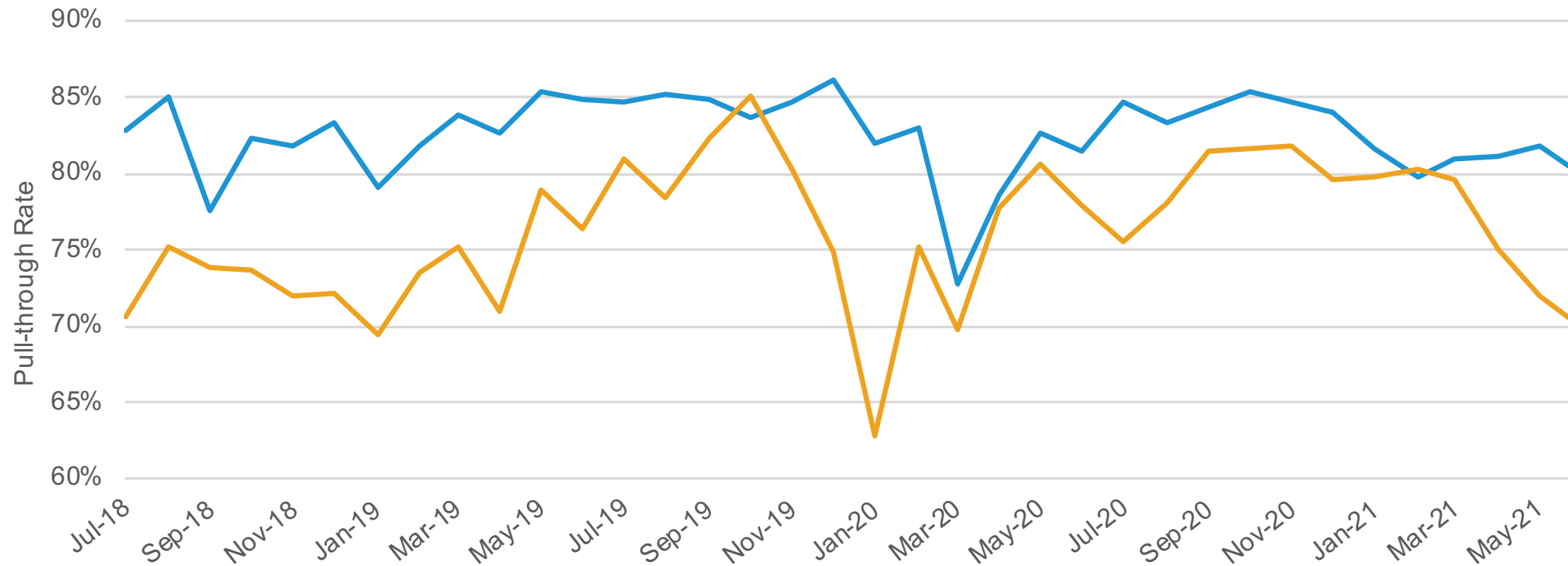
Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	747	-1	-4	-11
	FHA	663	-1	-3	-11
	VA	709	-3	-5	-12





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## JUNE 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.



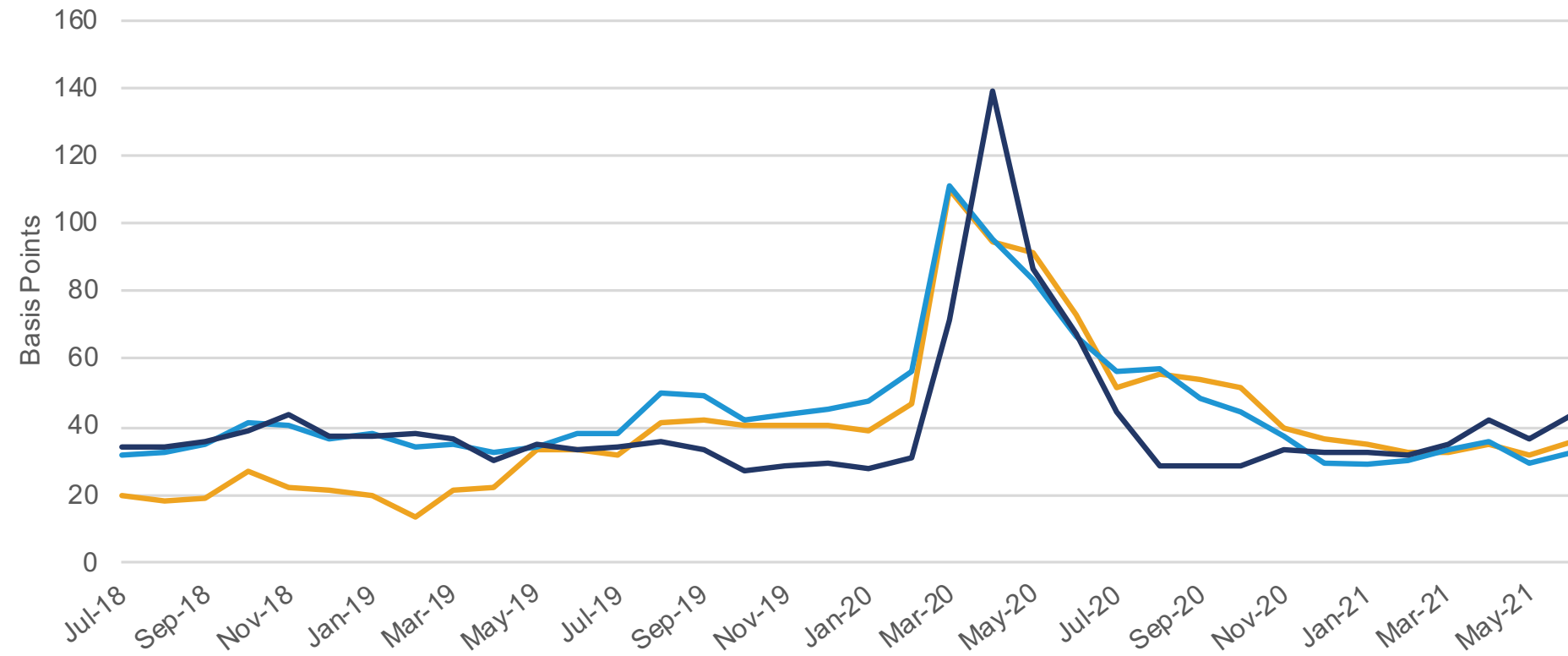
Pull-Through Rate		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase Pull-Through	79.9%	(182 BPS)	(99 BPS)	(152 BPS)
	Refinance Pull-Through	69.8%	(203 BPS)	(975 BPS)	(802 BPS)






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## JUNE 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	32 BPS	3 BPS	(1 BPS)	(35 BPS)
	15-Year Conforming	36 BPS	4 BPS	3 BPS	(37 BPS)
	30-Year Government	43 BPS	7 BPS	9 BPS	(24 BPS)

