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MARCH 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 are able to provide a more comprehensive and timely sense of monthly market trends than has previously been available publicly.

This month's numbers clearly show the impact of recent interest rate increases across volumes, market make-up, average credit scores and more. Rate/term refinance volume has been cut by more than a third since the start of 2021, but overall lock volumes are up for both the month and year-to-date. We've also seen year-to-date increases in the share of FHA and non-conforming originations, while conforming volumes – though still representing the lion's share of March lending – are down. 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.

MARCH 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.

MARCH *NATIONAL STATS*

RATE LOCK VOLUME

2.5%

With rising interest rates impacting refinance incentive, March saw a 52-48% purchase to refi split, **the first time purchase loans have outpaced refinances since December 2019**

AVERAGE LOAN AMOUNT

$310K

The average loan amount in March was down from $311K the month prior

AVERAGE CREDIT SCORE

751

The average credit score on conforming mortgages saw a 3-point decline for the month

MONTH-END CONFORMING RATE

3.34%

The average conforming rate on Mar. 31 was 60 BPS higher **than at the end of February**

March saw the highest average conforming 30-year interest rate since early 2020 at 3.34%, up 57 basis points since the start of the year.

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MARCH 2021 TOP 20 METROPOLITAN AREAS

Here we look at March'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%**	**2.5%**	**309,772**	**3.198**	**736**	**75**	**52%**	**48%**
1	Los Angeles-Long Beach-Anaheim, CA	5.6%	-6.5%	533,480	3.160	747	63	37%	63%
2	New York-Newark-Jersey City, NY-NJ-PA	4.7%	11.7%	427,603	3.166	741	71	48%	52%
3	Washington-Arlington-Alexandria, DC-VA-MD-WV	4.3%	-4.3%	436,724	3.082	745	74	53%	47%
4	Chicago-Naperville-Elgin, IL-IN-WI	3.3%	2.0%	285,292	3.199	741	77	57%	43%
5	Phoenix-Mesa-Scottsdale, AZ	2.7%	2.6%	313,165	3.293	733	73	51%	49%
6	San Francisco-Oakland-Hayward, CA	2.6%	-9.6%	639,011	3.135	760	59	38%	62%
7	Seattle-Tacoma-Bellevue, WA	2.5%	0.3%	457,573	3.200	745	68	48%	52%
8	Dallas-Fort Worth-Arlington, TX	2.4%	6.0%	306,199	3.215	733	77	58%	42%
9	Boston-Cambridge-Newton, MA-NH	2.3%	-1.7%	427,823	3.154	747	68	45%	55%
10	Denver-Aurora-Lakewood, CO	2.2%	-5.0%	379,711	3.146	748	70	47%	53%

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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%	2.1%	284,587	3.209	726	77	60%	40%
12	Riverside-San Bernardino-Ontario, CA	2.1%	-2.2%	353,296	3.192	727	72	43%	57%
13	Miami-Fort Lauderdale-West Palm Beach, FL	2.0%	15.9%	356,844	3.271	732	74	61%	39%
14	Houston-The Woodlands-Sugar Land, TX	2.0%	21.6%	281,958	3.186	728	79	64%	36%
15	San Diego-Carlsbad, CA	1.8%	-9.4%	515,108	3.105	751	66	40%	60%
16	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.6%	5.0%	284,315	3.184	735	75	52%	48%
17	Minneapolis-St. Paul-Bloomington, MN-WI	1.4%	-2.8%	296,607	3.137	750	74	51%	49%
18	Austin-Round Rock, TX	1.3%	6.6%	360,375	3.163	750	73	59%	41%
19	Baltimore-Columbia-Towson, MD	1.3%	-2.7%	336,643	3.157	738	77	52%	48%
20	Sacramento--Roseville--Arden-Arcade, CA	1.2%	-3.5%	378,205	3.190	742	68	43%	57%

MARCH 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.
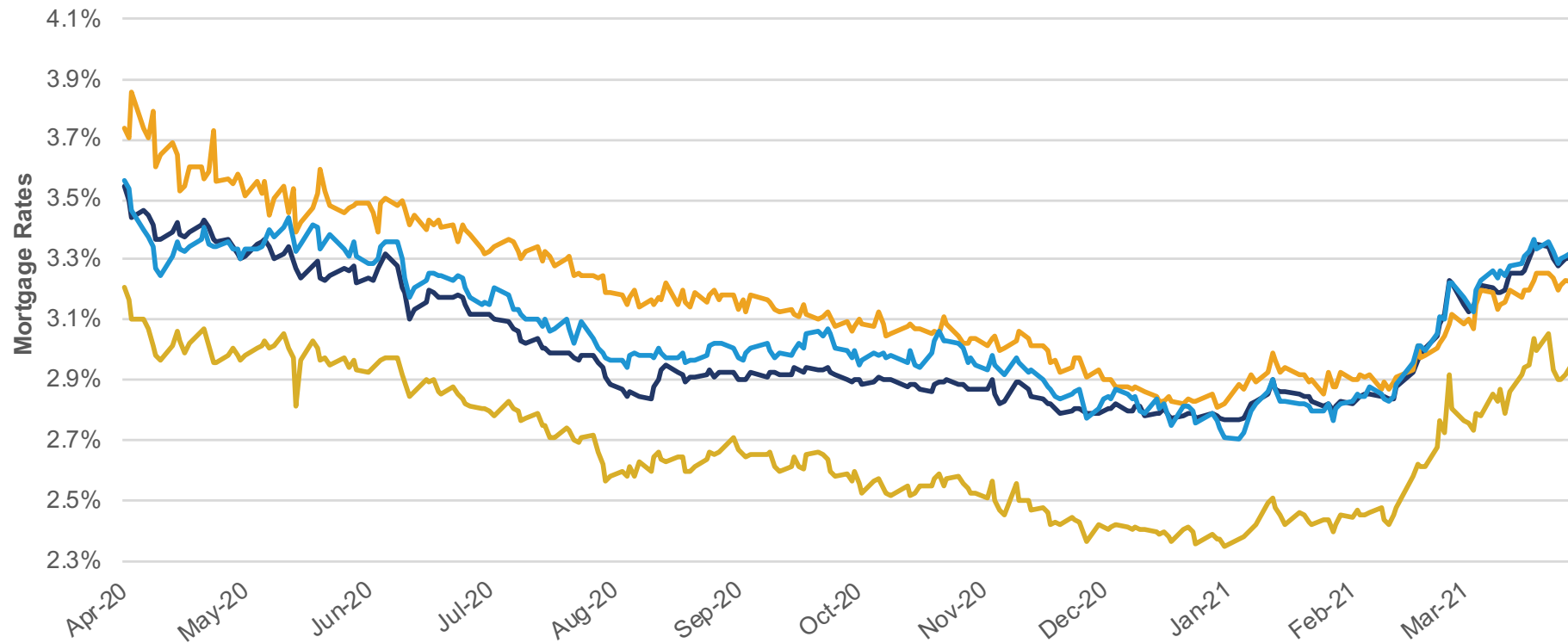
Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
30-Year Conforming	3.34%	12 BPS	57 BPS	(21 BPS)
30-Year Jumbo	3.27%	15 BPS	44 BPS	(47 BPS)
30-Year FHA	3.33%	11 BPS	62 BPS	(23 BPS)
30-Year VA	2.97%	16 BPS	62 BPS	(24 BPS)

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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.
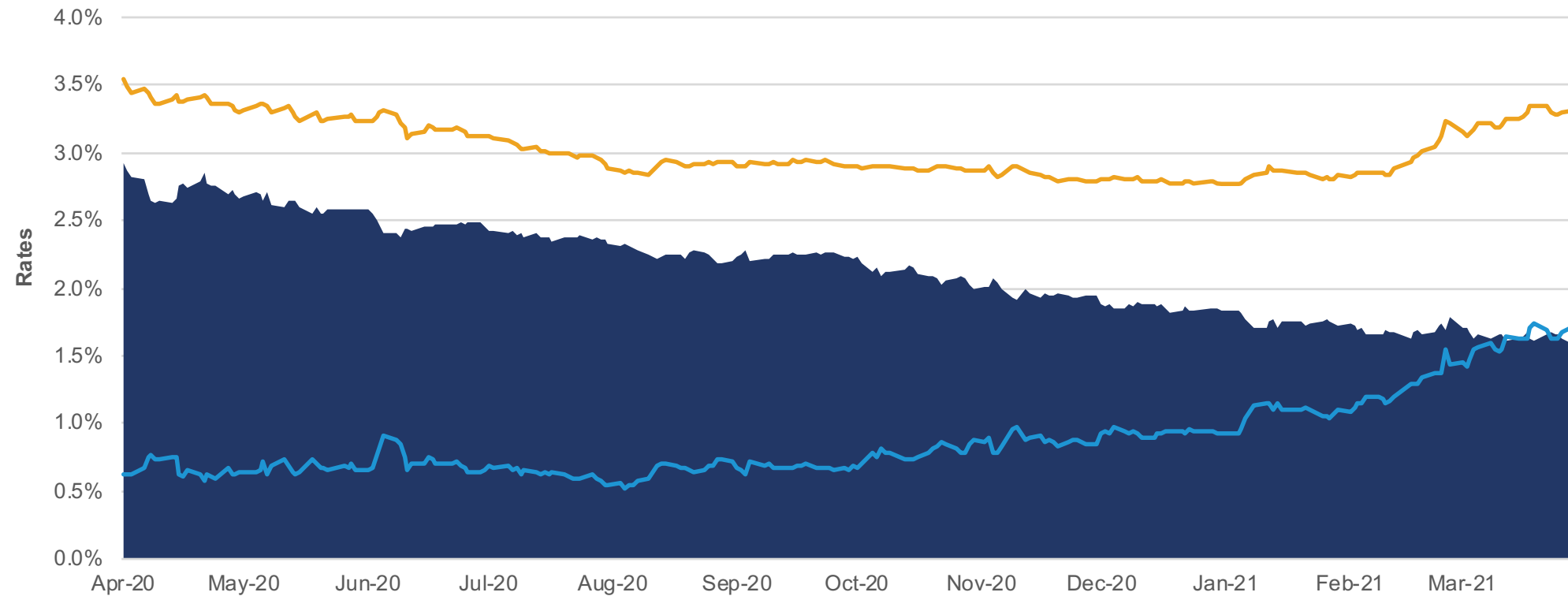
Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
10-Year Treasury	1.74%	30 BPS	81 BPS	112 BPS
30-Year Conforming	3.34%	12 BPS	57 BPS	(21 BPS)
10-Year to 30-Year Spread	1.60%	(19 BPS)	(24 BPS)	(133 BPS)

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Here we break down March'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.

OBMMI 30-Year Conforming Rate (Month Average)
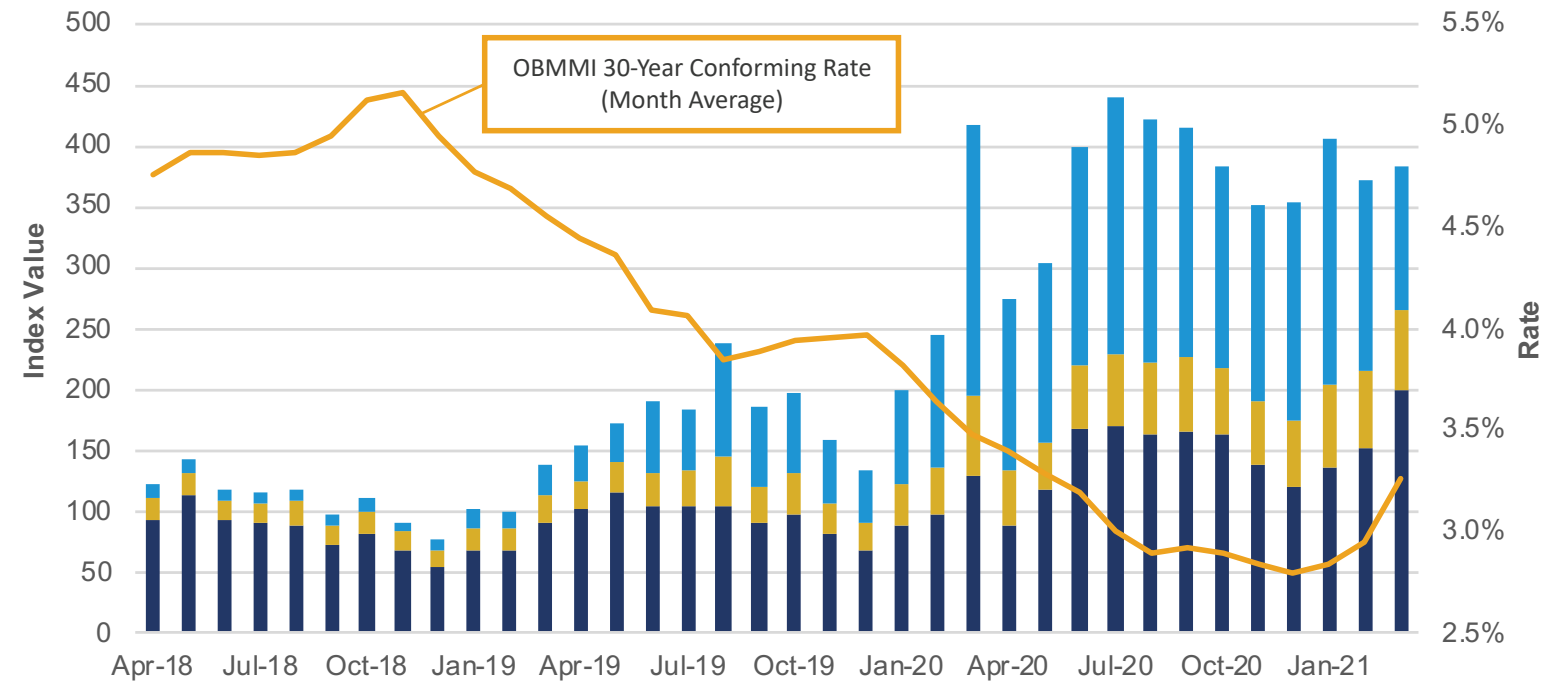
Market Volume Index (Total Volume indexed to 100 in January 2018)		Current Value	1-Month % Change	3-Month % Change	12-Month % Change
———	Purchase	200	31.9%	68.2%	55.2%
———	Cash-Out Refinance	66	4.1%	21.4%	2.3%
———	Rate-Term Refinance	116	(26.4%)	(35.6%)	(48.4%)
———	Total	382	2.5%	8.1%	(8.6%)
	Refinance Share*	48%	(1167 BPS)	(1870 BPS)	(2151 BPS)

*Refinance Share changes reflect inter-period delta

MARCH 2021 MIX OF BUSINESS BY LOAN PRODUCT

Here we break down March'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.
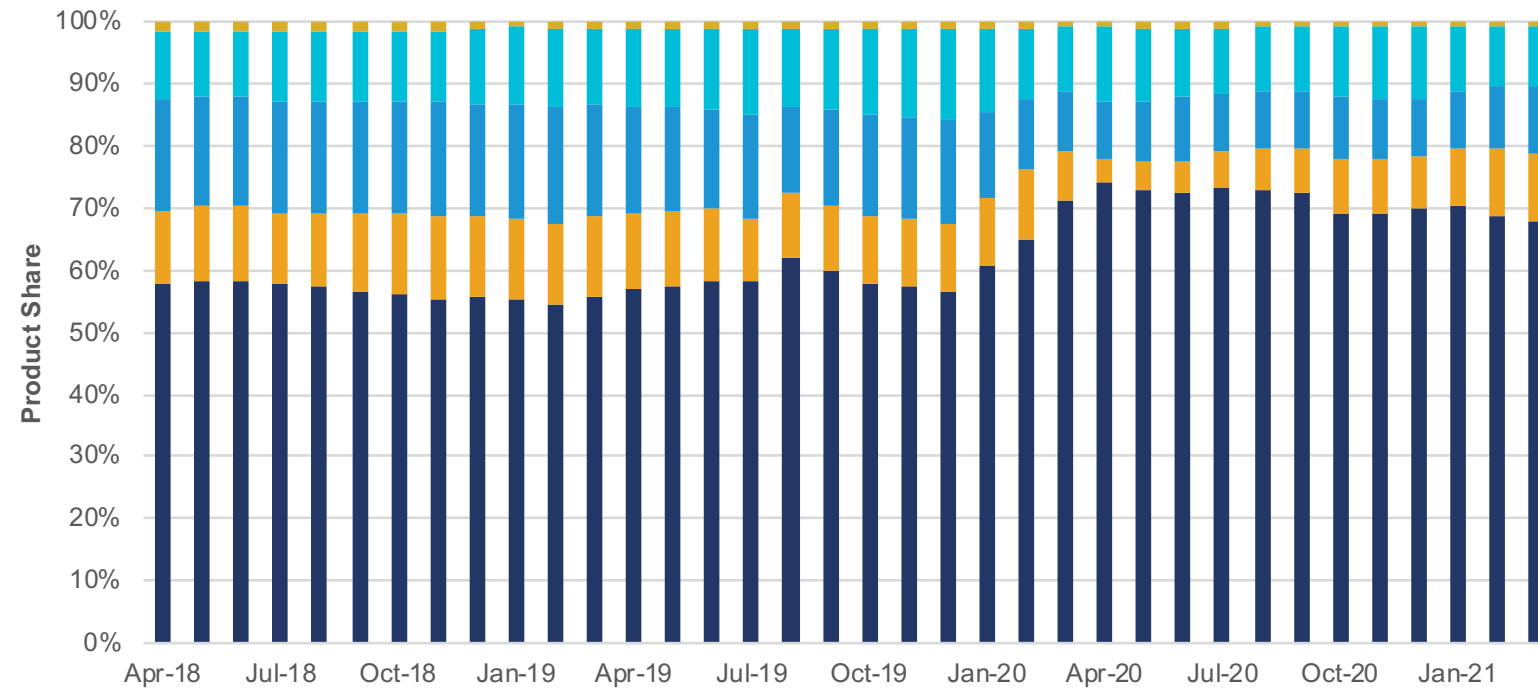
| Loan Product Mix	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
Conforming	67.7%	(111 BPS)	(210 BPS)	(344 BPS)
Non-Conforming	11.2%	35 BPS	264 BPS	326 BPS
FHA	10.9%	115 BPS	169 BPS	122 BPS
VA	9.3%	(48 BPS)	(237 BPS)	(113 BPS)
USDA	0.9%	10 BPS	14 BPS	9 BPS

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MARCH 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.
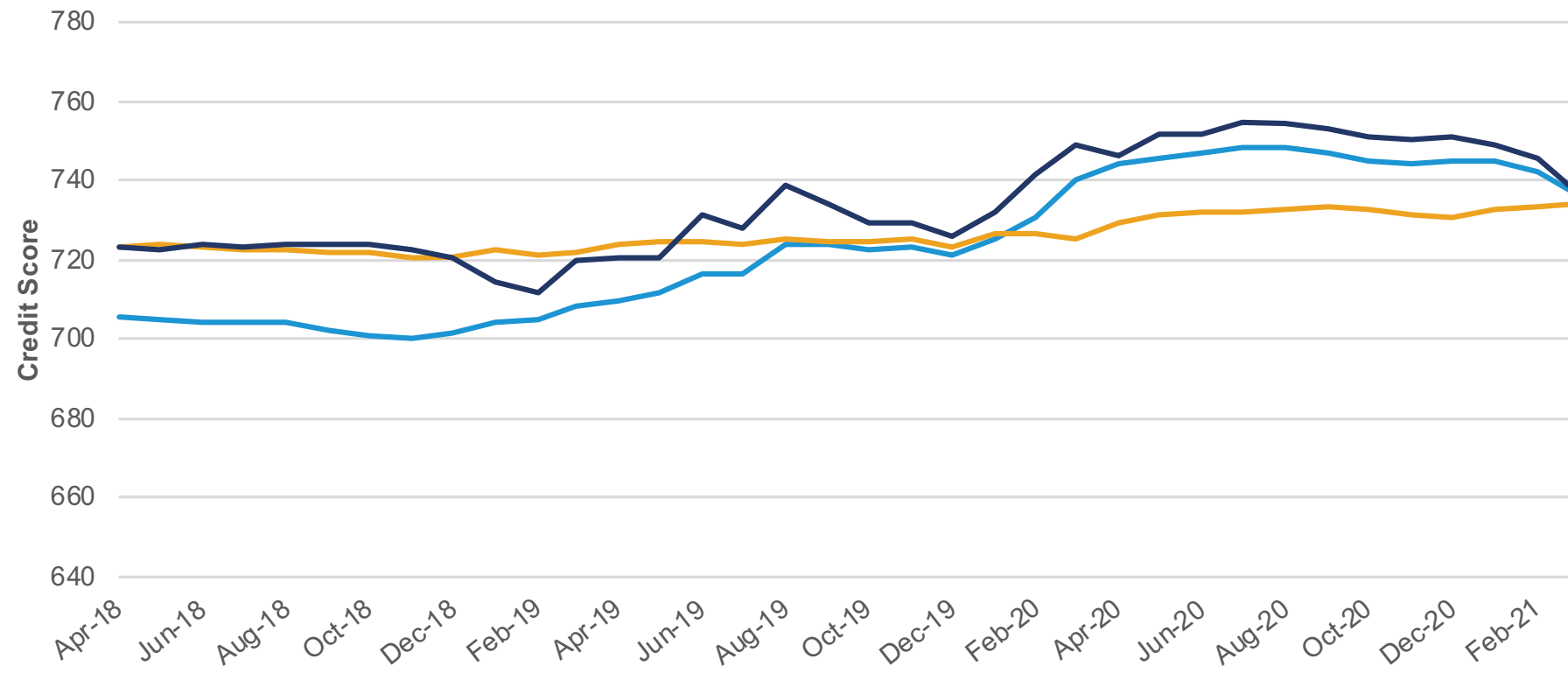
Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
————	Cash Out Refi	734	1	3	9
————	Purchase	737	-5	-8	-3
————	Rate/Term Refi	738	-8	-13	-11

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MARCH 2021 *AVERAGE CREDIT SCORES*

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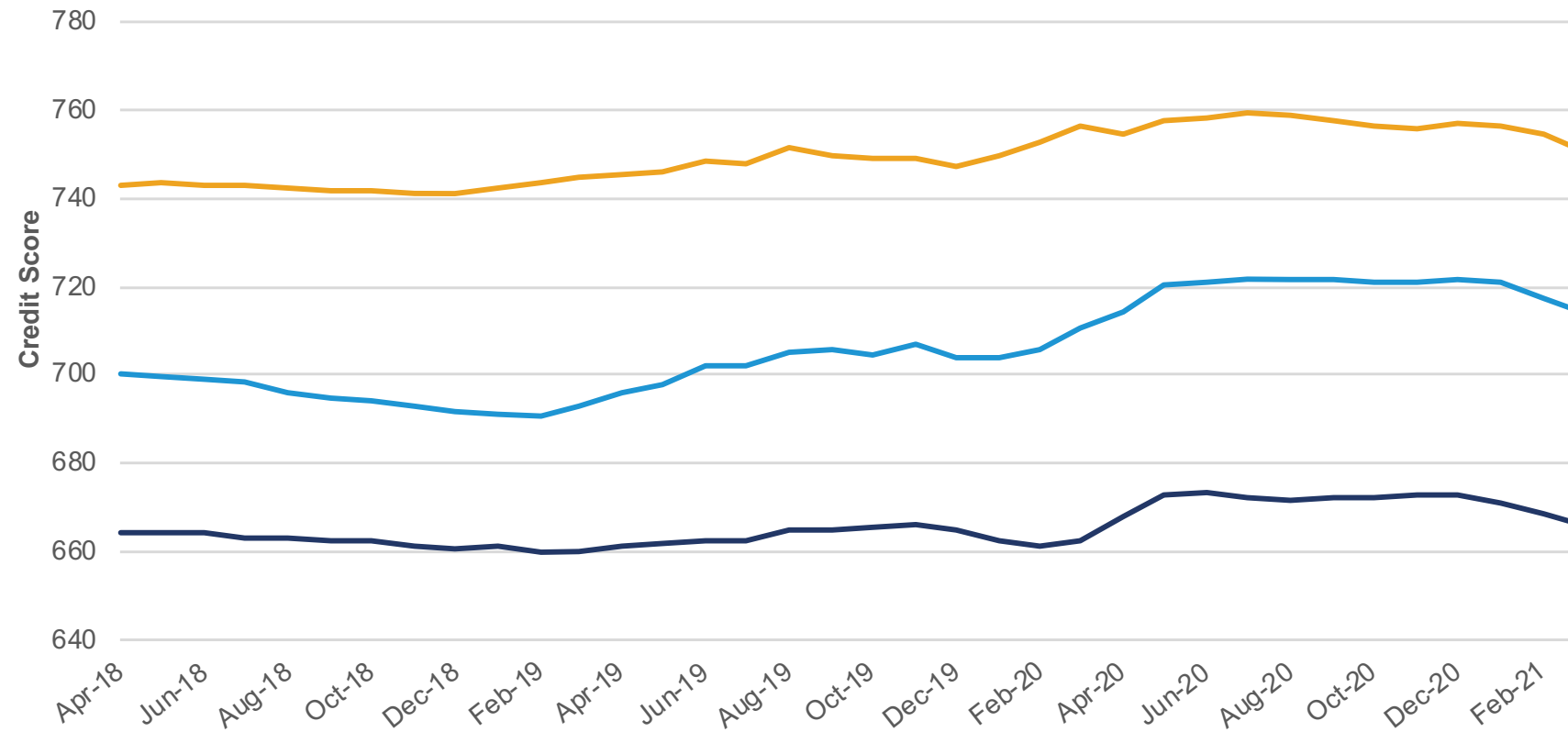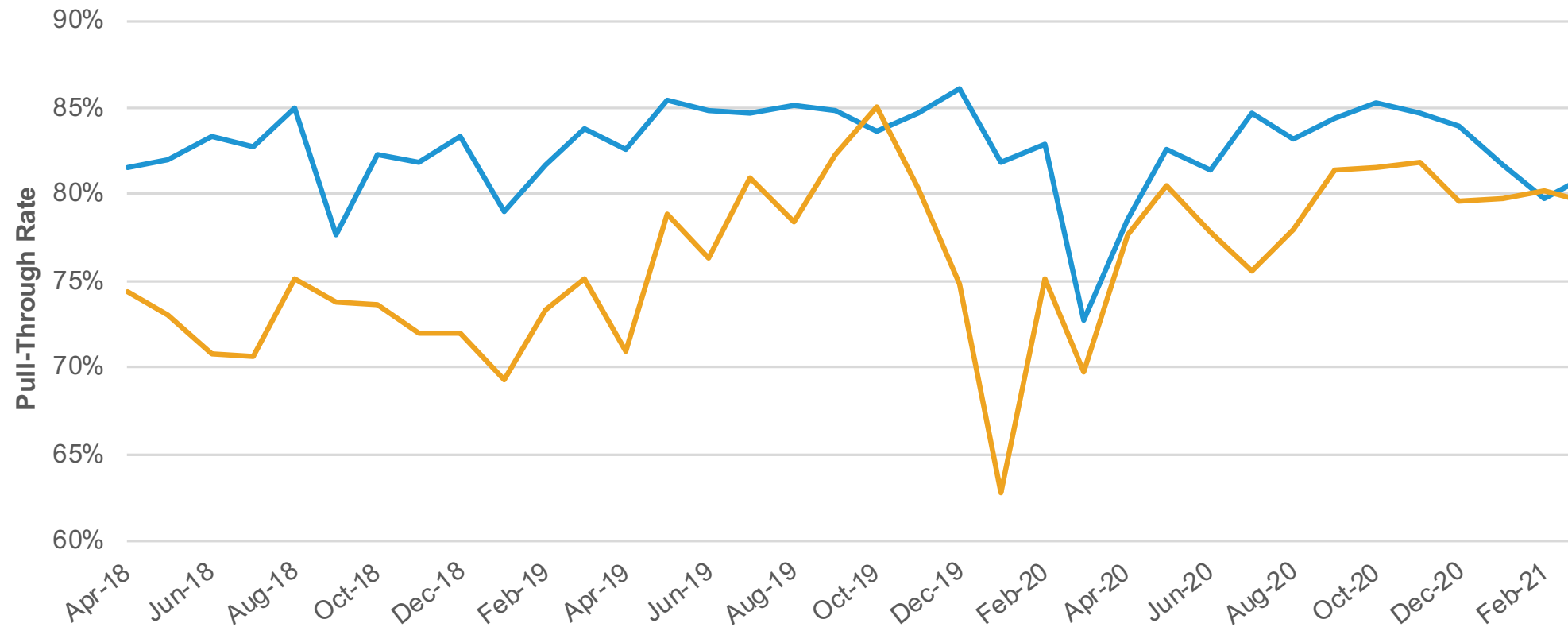

Credit Score by Product	Current Score	1-Month Delta	3-Month Delta	12-Month Delta
Conforming	751	-3	-6	-6
FHA	666	-2	-7	4
VA	714	-3	-8	4

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	80.9%	120 BPS	(304 BPS)	819 BPS
——	Refinance Pull-Through	79.6%	(59 BPS)	2 BPS	980 BPS

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MARCH 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.
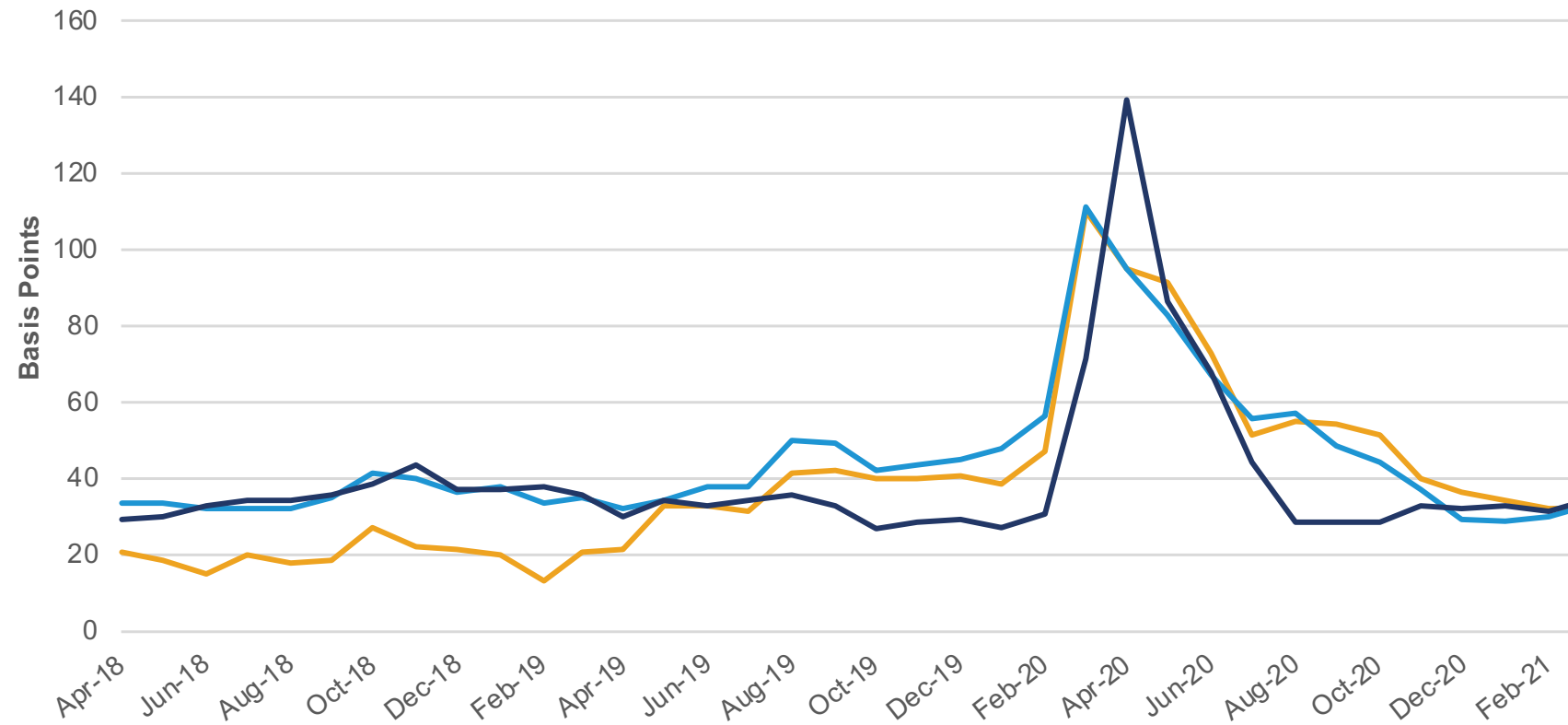
Best Efforts vs. Mandatory	Current Spread	1-Month Delta	3-Month Delta	12-Month Delta
30-Year Conforming	33 BPS	3 BPS	4 BPS	(78 BPS)
15-Year Conforming	32 BPS	0 BPS	(4 BPS)	(78 BPS)
30-Year Government	35 BPS	3 BPS	2 BPS	(37 BPS)