



**ORIGINATIONS  
MARKET MONITOR**





# ORIGINATIONS MARKET MONITOR

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## MARCH 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 dollar volume rose 43% in March, driven by falling interest rates and strong purchase market performance, especially among FHA products. The benchmark 30-year mortgage climbed to the highest levels of the year, touching 6.8% before reversing course to finish the month at 6.4%, down 28 basis points (bps) month over month.

Overall lock volumes nearly doubled over the last three months, but remain at around half of last year's levels. Purchase lock volumes jumped 44% in the month, though they remain down 40% from the same month in 2022. Cash-out refinances rose 31% from January and are now down 80% from last year. Rate/term refinances rose 36% and remained down 71% from the same month in 2022. Refi share of lock volume edged down to 13%, despite the surge, due to the larger increase in purchase locks.

It is not unusual for rate locks to surge in March ahead of the spring homebuying season, although this year's rise outpaced what we typically see on a seasonal basis. A cooling market has made sellers more receptive to FHA offers. That, combined with a recent reduction in FHA mortgage insurance premiums and a mid-month increase in the FHA-to-conforming spread, made FHA loans comparatively more attractive. FHA share increased to more than 20% of the pipeline in March, up from an 18% share at the beginning of the year and 12% a year ago. The share of locks with adjustable rates fell in March to less than 9%, as borrowers took advantage of falling rates and shifted toward fixed rate products.

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](mailto:AskBlackKnight@BKFS.com).



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## MARCH 2023 NATIONAL RATE LOCK METRICS

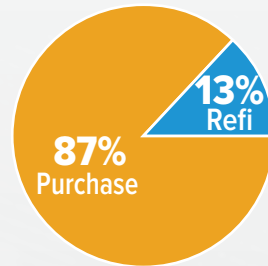
Here, we look at March's national origination numbers to give a high-level overview of the month's activity. This information is drawn from the Black Knight [Optimal Blue PPE](#). Click on the chart to view its contents in high resolution.

### MARCH NATIONAL STATS



#### RATE LOCK VOLUME

Purchase locks jumped 44%, cash-outs rose 31% and even rate/term refis surged 36%



#### MARKET MIX

Refi share of the market mix hit a new record low in March



#### AVERAGE LOAN AMOUNT

The average loan amount rose by \$6K in March



#### MONTH-END CONFORMING RATE

Our [Optimal Blue Mortgage Market Indices](#) tracked a 28 bps drop in 30-year rate offerings throughout March

Rate lock volume surged on seasonal tailwinds and falling interest rates, with FHA products gaining the largest share





# ORIGINATIONS MARKET MONITOR

## MARCH 2023 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 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>42.6%</b>	<b>\$355,018</b>	<b>6.472</b>	<b>725.42</b>	<b>81.97</b>	<b>87%</b>	<b>13%</b>
<b>1 New York-Newark-Jersey City, NY-NJ-PA</b>	4.3%	61.1%	\$502,203	6.441	737.46	77.45	83%	17%
<b>2 Washington-Arlington-Alexandria, DC-VA-MD-WV</b>	4.0%	49.4%	\$512,534	6.330	739.86	83.16	92%	8%
<b>3 Dallas-Fort Worth-Arlington, TX</b>	3.7%	48.8%	\$381,002	6.442	728.66	82.69	91%	9%
<b>4 Chicago-Naperville-Elgin, IL-IN-WI</b>	3.5%	56.2%	\$318,777	6.648	733.54	82.44	91%	9%
<b>5 Phoenix-Mesa-Scottsdale, AZ</b>	3.1%	30.9%	\$408,021	6.432	727.84	81.16	88%	12%
<b>6 Los Angeles-Long Beach-Anaheim, CA</b>	2.9%	39.9%	\$692,152	6.650	741.28	72.96	79%	21%
<b>7 Atlanta-Sandy Springs-Roswell, GA</b>	2.8%	42.1%	\$354,902	6.421	709.43	82.98	84%	16%
<b>8 Houston-The Woodlands-Sugar Land, TX</b>	2.8%	39.6%	\$331,019	6.332	721.81	84.60	93%	7%
<b>9 Miami-Fort Lauderdale-West Palm Beach, FL</b>	2.2%	43.3%	\$439,792	6.703	726.83	77.40	86%	14%
<b>10 Seattle-Tacoma-Bellevue, WA</b>	2.1%	32.2%	\$588,353	6.489	741.25	80.16	92%	8%







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## MARCH 2023 TOP 20 METROPOLITAN AREAS

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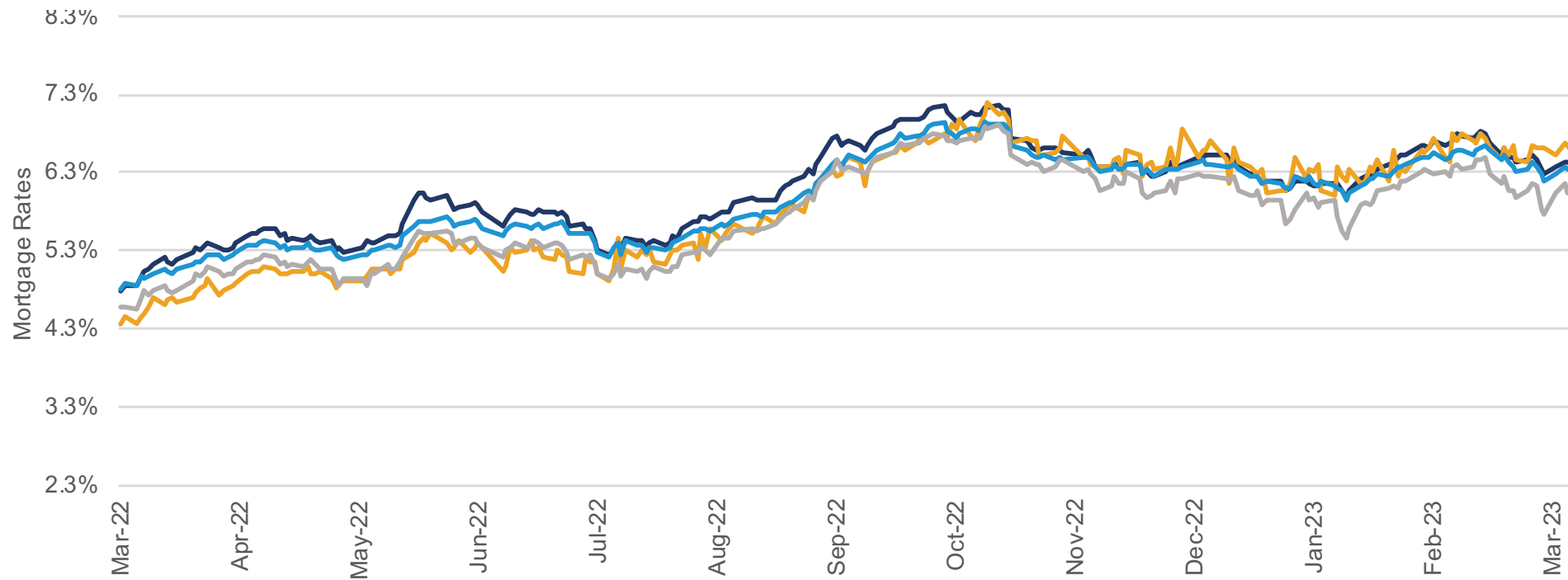
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<b>11 Denver-Aurora-Lakewood, CO</b>	2.0%	41.4%	\$497,635	6.381	739.66	79.47	91%	9%
<b>12 Boston-Cambridge-Newton, MA-NH</b>	1.7%	45.4%	\$542,684	6.310	742.24	75.92	89%	11%
<b>13 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD</b>	1.7%	56.6%	\$336,634	6.418	724.46	81.94	89%	11%
<b>14 Austin-Round Rock, TX</b>	1.7%	62.0%	\$438,220	6.223	741.62	79.96	92%	8%
<b>15 Riverside-San Bernardino-Ontario, CA</b>	1.6%	20.8%	\$452,207	6.451	714.85	80.73	85%	15%
<b>16 Tampa-St. Petersburg-Clearwater, FL</b>	1.5%	42.8%	\$350,756	6.435	727.23	80.59	88%	12%
<b>17 San Francisco-Oakland-Hayward, CA</b>	1.4%	42.5%	\$787,315	6.483	753.01	74.23	88%	12%
<b>18 San Antonio-New Braunfels, TX</b>	1.3%	42.8%	\$321,781	6.088	717.77	86.95	92%	8%
<b>19 Charlotte-Concord-Gastonia, NC-SC</b>	1.2%	42.3%	\$365,797	6.377	728.84	81.91	87%	13%
<b>20 Minneapolis-St. Paul-Bloomington, MN-WI</b>	1.2%	55.3%	\$351,577	6.442	745.44	82.15	91%	9%







# ORIGINATIONS MARKET MONITOR

## MARCH 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	6.40%	(28 BPS)	(12 BPS)	161 BPS
	30-Year Jumbo	6.56%	13 BPS	(15 BPS)	219 BPS
	30-Year FHA	6.37%	(11 BPS)	(4 BPS)	156 BPS
	30-Year VA	6.06%	(19 BPS)	(19 BPS)	148 BPS

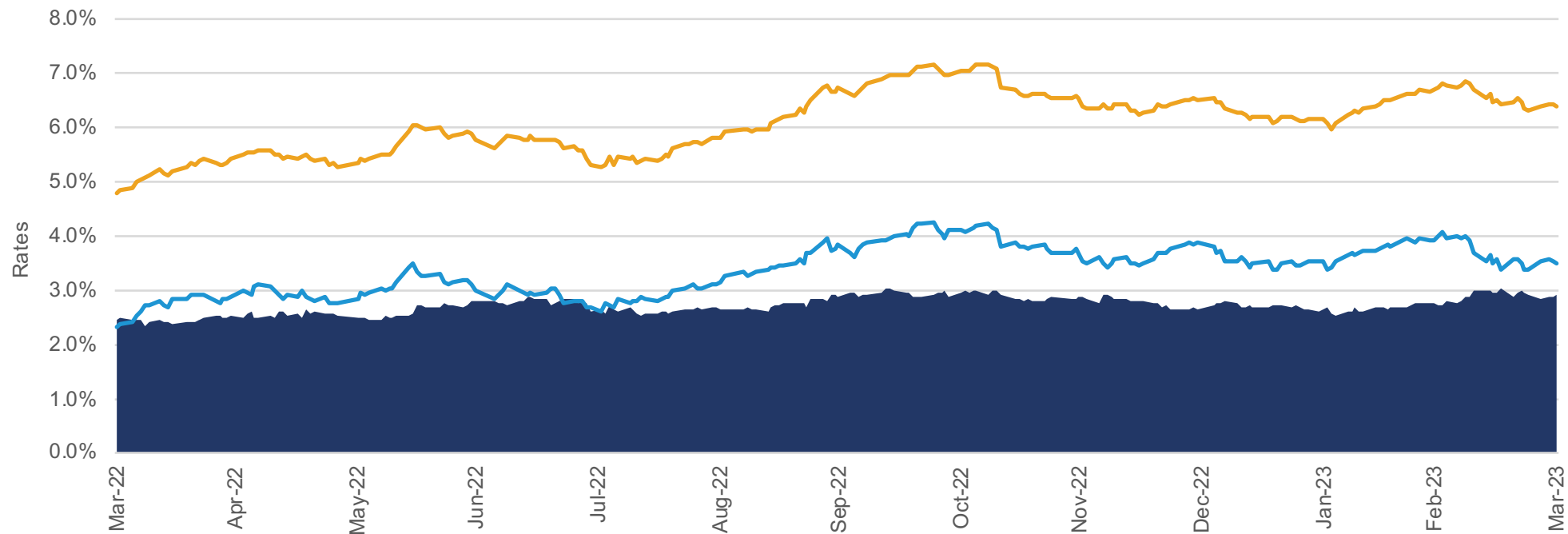







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## MARCH 2023 30-YEAR TO 10-YEAR TREASURY SPREAD

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.



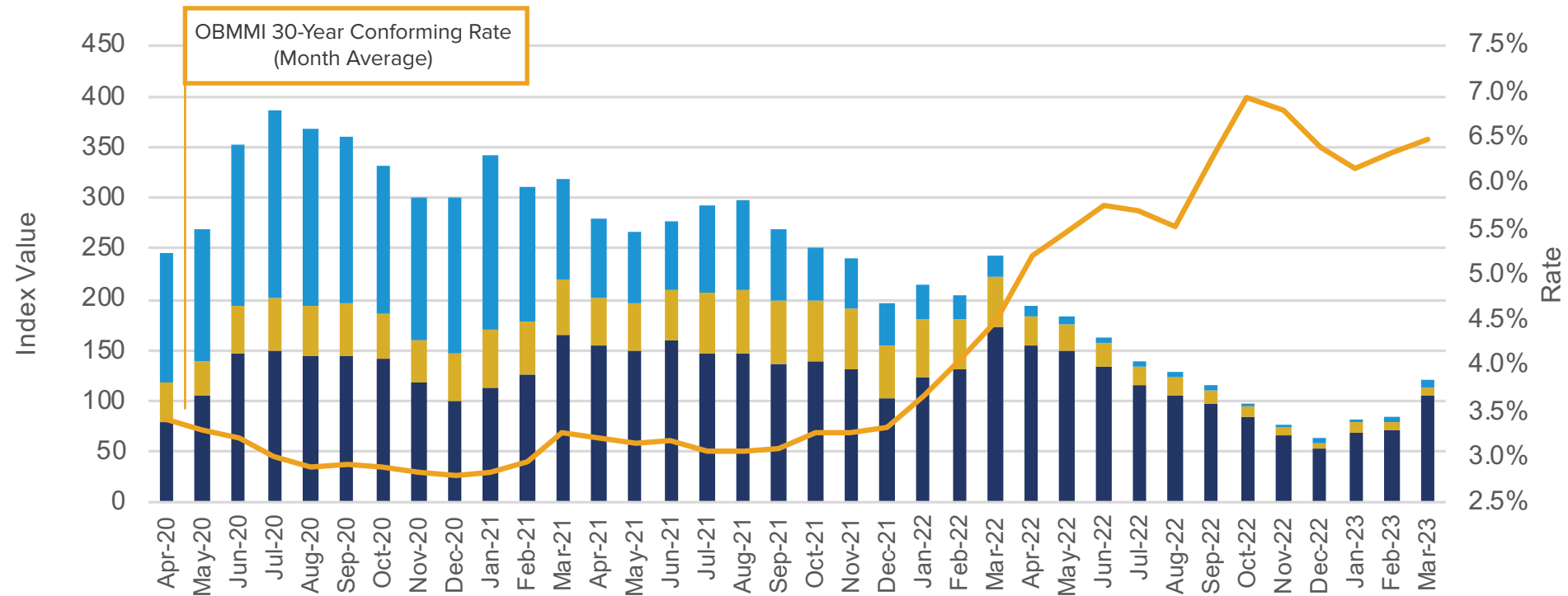
	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	3.48%	(44 BPS)	(40 BPS)	116 BPS
	30-Year Conforming	6.40%	(28 BPS)	(12 BPS)	161 BPS
	10-Year to 30-Year Spread	2.92%	16 BPS	28 BPS	45 BPS







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## MARCH 2023 LOCK VOLUME BY LOAN PURPOSE

Here, we break down March'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	104	44.2%	98.4%	(40.0%)
	Cash-Out Refinance	10	30.6%	45.4%	(79.9%)
	Rate/Term Refinance	5	35.7%	85.8%	(71.1%)
	Total	119	42.6%	91.9%	(50.7%)
Refinance Share*		13%	(100 BPS)	(285 BPS)	(1544 BPS)

\*Refinance share changes reflect inter-period delta



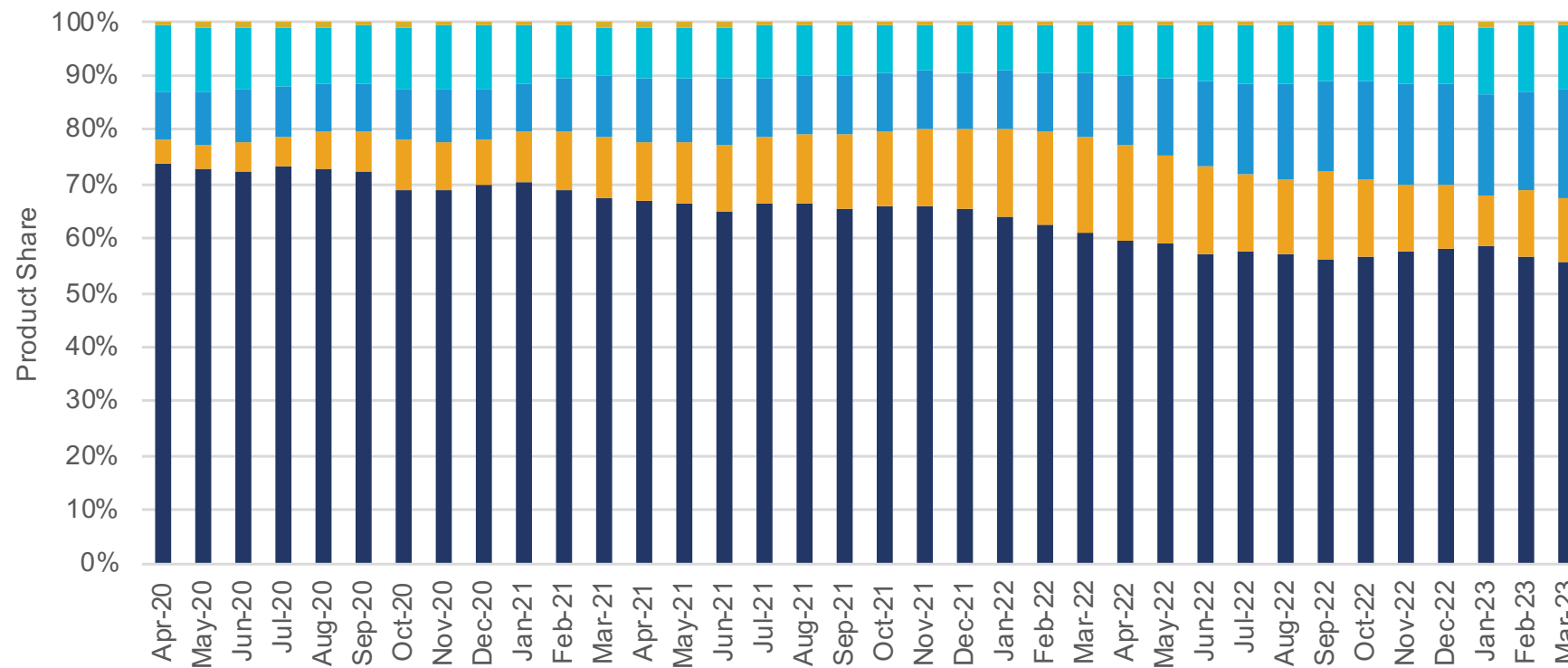









# ORIGINATIONS MARKET MONITOR

## MARCH 2023 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 the Black Knight [Optimal Blue PPE](#). Click on the chart to view its contents in high resolution.



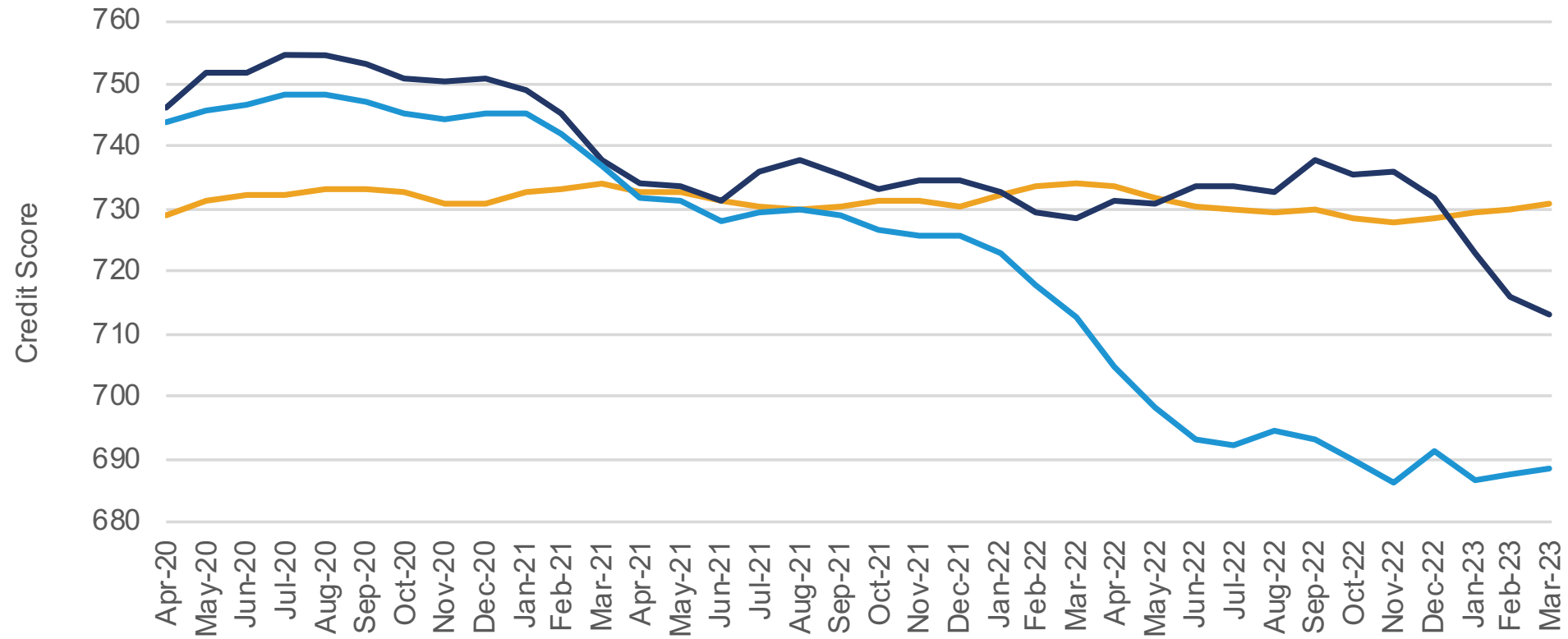
Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	55.9%	(71 BPS)	(202 BPS)	(497 BPS)
	Nonconforming	11.7%	(46 BPS)	(56 BPS)	(627 BPS)
	FHA	20.1%	167 BPS	186 BPS	836 BPS
	VA	11.6%	(39 BPS)	77 BPS	287 BPS
	USDA	0.7%	(11 BPS)	(5 BPS)	1 BPS






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## MARCH 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	688	1	-3	-25
	Purchase	731	1	2	-3
	Rate/Term Refi	713	-3	-19	-15

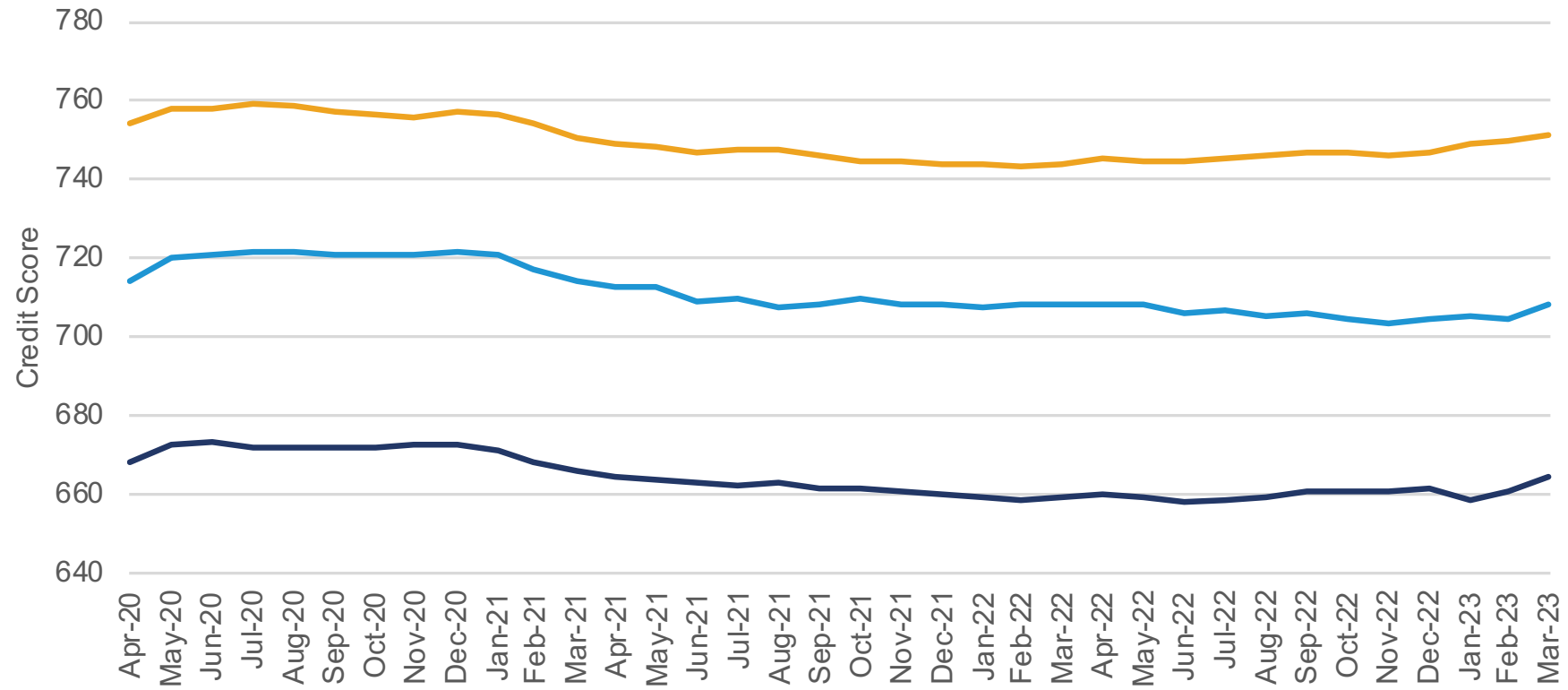







# ORIGINATIONS MARKET MONITOR

## MARCH 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.



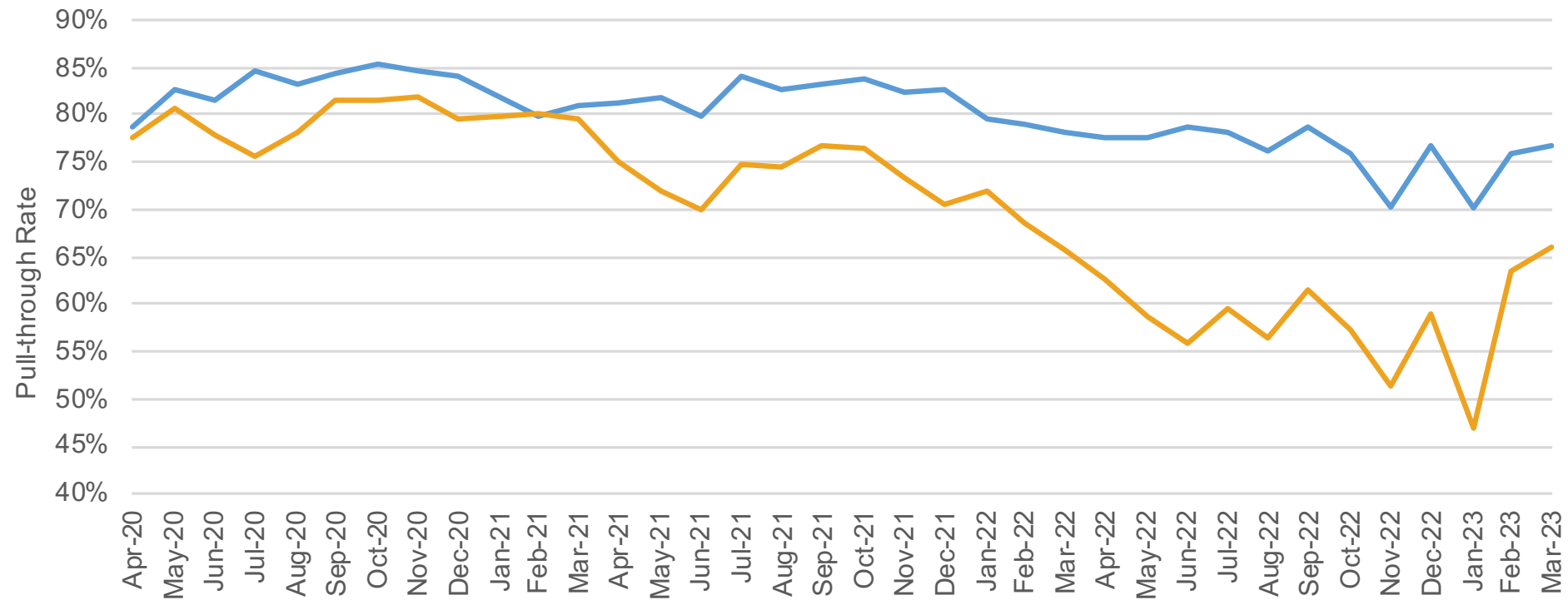
Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	FHA	664	3	3	5
	VA	708	4	4	0
	Conforming	752	2	5	8





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## MARCH 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	76.7%	95 BPS	(7 BPS)	(149 BPS)
	Refinance Pull-Through	65.9%	252 BPS	694 BPS	22 BPS

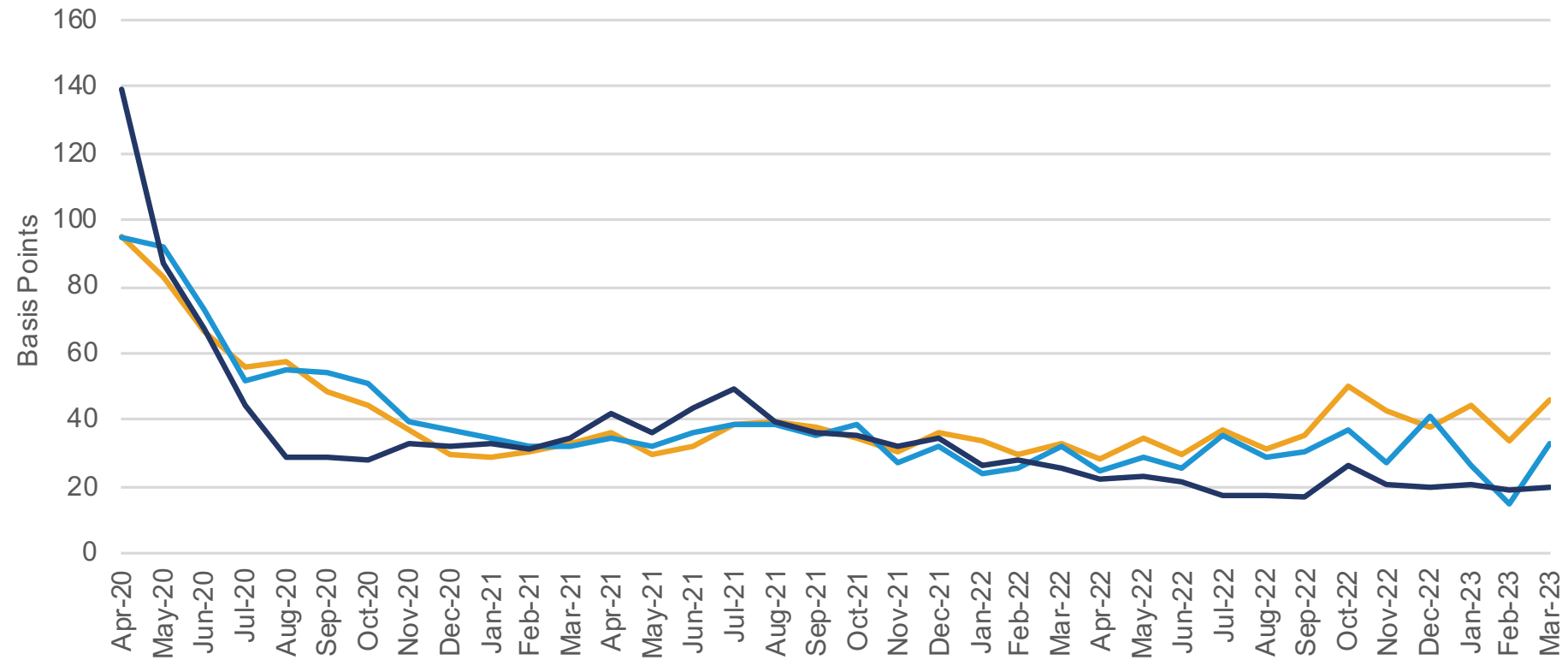







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## MARCH 2023 BEST EFFORTS TO MANDATORY SPREAD

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	46 BPS	12 BPS	8 BPS	13 BPS
	15-Year Conforming	33 BPS	18 BPS	(8 BPS)	1 BPS
	30-Year Government	20 BPS	1 BPS	(0 BPS)	(6 BPS)

