



ORIGINATIONS MARKET MONITOR



NOVEMBER 2021 REPORT



ORIGINATIONS MARKET MONITOR

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NOVEMBER 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 provide a more comprehensive and timely sense of monthly market trends than previously available.

The month's pipeline data showed originations down across the board in November, driven by yet another sizable drop in rate/term refinance locks. While both cash-out refinance and purchase loans also saw declines, such locks remain up on a year-over year level.

Black Knight's [OBMMI daily interest rate tracker](#) recorded a volatile month for rates as the market digested concerns of both Fed tapering as well as the new COVID-19 Omicron variant. Over the course of the month, 30-year rate offerings reached as high as 3.36% before ending the month essentially flat from October.

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. 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.

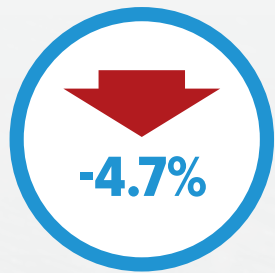


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NOVEMBER 2021 NATIONAL RATE LOCK METRICS

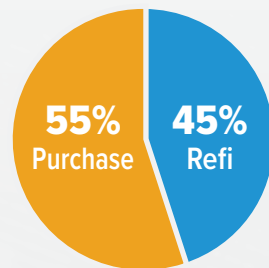
Here, we look at November's national origination numbers to give a high-level overview of the month's activity. This information is drawn from Black Knight's [Optimal Blue PPE](#). Click on each chart to see its contents in high resolution.

NOVEMBER NATIONAL STATS



RATE LOCK VOLUME

Rate/term refinance lending continued to tumble, dropping 9.7% from October and nearly 65% year-over-year



MARKET MIX

Declines in both rate/term and cash-out activity continued to drive refinance volume downward



AVERAGE CREDIT SCORE

The overall average credit score remained static in November



MONTH-END CONFORMING RATE

Black Knight's [OBMMI daily interest rate tracker](#) showed November's month-end conforming 30-year rate at 3.27%, unchanged from October

With interest rates climbing and more than \$9 trillion in tappable equity, the dynamics of the refinance market are shifting toward cash-out lending. This shift tends to happen in any rising rate environment, but it is especially significant now, at a time when average mortgage debt, at just over 45%, is at its lowest level in more than 20 years.





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NOVEMBER 2021 TOP 20 METROPOLITAN AREAS

Here, we look at November'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%	-4.7%	337,032	3.247	730	76	55%	45%
1 Los Angeles-Long Beach-Anaheim, CA	5.5%	-0.9%	614,359	3.170	743	65	42%	58%
2 New York-Newark-Jersey City, NY-NJ-PA	4.5%	1.5%	471,186	3.200	737	73	57%	43%
3 Washington-Arlington-Alexandria, DC-VA-MD-WV	4.0%	-4.5%	464,493	3.097	739	78	57%	43%
4 Phoenix-Mesa-Scottsdale, AZ	3.3%	-1.3%	356,890	3.329	728	73	50%	50%
5 Chicago-Naperville-Elgin, IL-IN-WI	3.1%	-4.9%	290,902	3.219	734	78	57%	43%
6 Dallas-Fort Worth-Arlington, TX	2.6%	-2.5%	332,420	3.265	730	76	58%	42%
7 San Francisco-Oakland-Hayward, CA	2.6%	-10.1%	725,756	3.146	756	63	47%	53%
8 Seattle-Tacoma-Bellevue, WA	2.5%	-7.8%	509,295	3.213	740	72	53%	47%
9 Denver-Aurora-Lakewood, CO	2.2%	-9.5%	418,148	3.200	739	72	51%	49%
10 Riverside-San Bernardino-Ontario, CA	2.2%	-4.9%	394,532	3.226	722	73	44%	56%





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NOVEMBER 2021 TOP 20 METROPOLITAN AREAS

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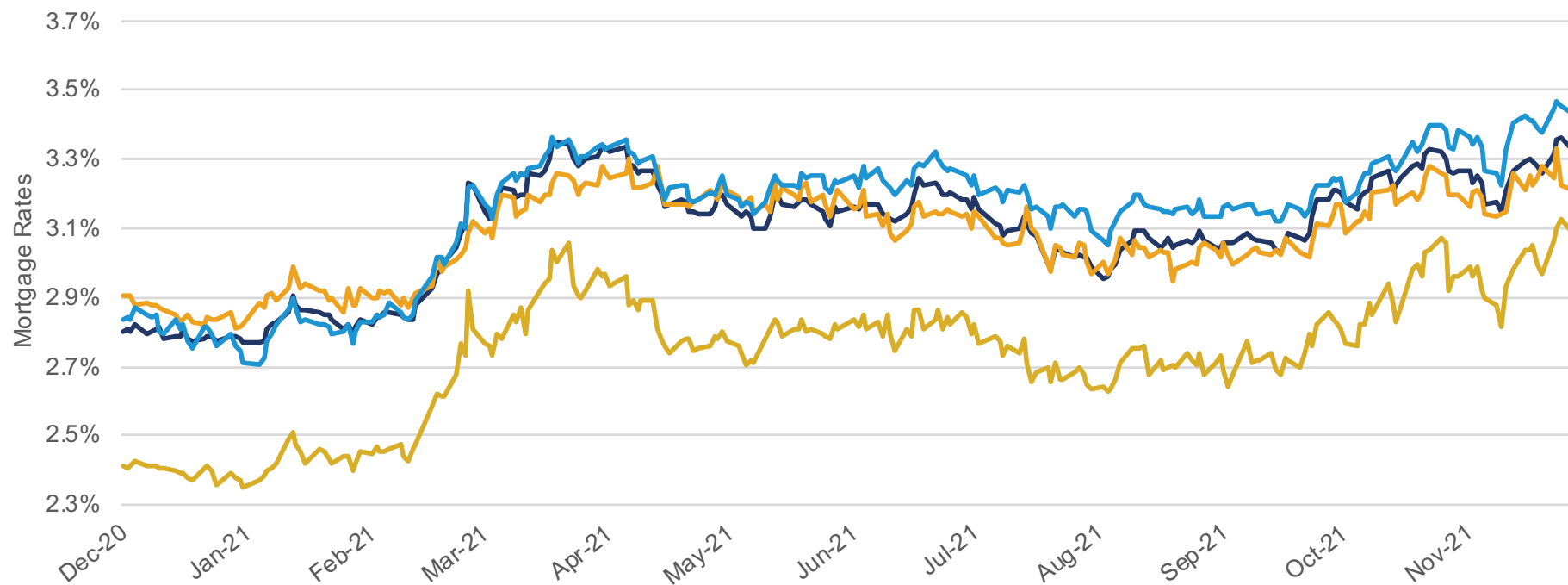
Metropolitan Statistical Area (MSA)	% of Lock Volume	MoM Growth	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
11 Boston-Cambridge-Newton, MA-NH	2.2%	-10.6%	471,067	3.119	743	70	51%	49%
12 Atlanta-Sandy Springs-Roswell, GA	2.1%	-1.7%	308,427	3.281	720	78	57%	43%
13 Miami-Fort Lauderdale-West Palm Beach, FL	2.1%	4.3%	401,430	3.333	728	75	59%	41%
14 Houston-The Woodlands-Sugar Land, TX	2.0%	2.7%	301,617	3.278	726	80	67%	33%
15 San Diego-Carlsbad, CA	1.8%	-3.1%	579,267	3.099	748	67	42%	58%
16 Austin-Round Rock, TX	1.5%	-1.0%	400,109	3.223	744	72	65%	35%
17 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.5%	-6.1%	300,272	3.224	729	78	58%	42%
18 Sacramento-Roseville-Arden-Arcade, CA	1.3%	-1.6%	411,614	3.189	737	69	44%	56%
19 Las Vegas-Henderson-Paradise, NV	1.2%	-2.4%	346,038	3.301	730	75	53%	47%
20 Tampa-St. Petersburg-Clearwater, FL	1.2%	-1.4%	310,804	3.288	726	77	57%	43%







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NOVEMBER 2021 MARKET RATE INDICES

Pulling data from Black Knight's [Optimal Blue Mortgage Market Indices \(OBMMI\)](#), the chart below shows average 30-year rates across various loan products. Click on each chart to see its contents in high resolution.



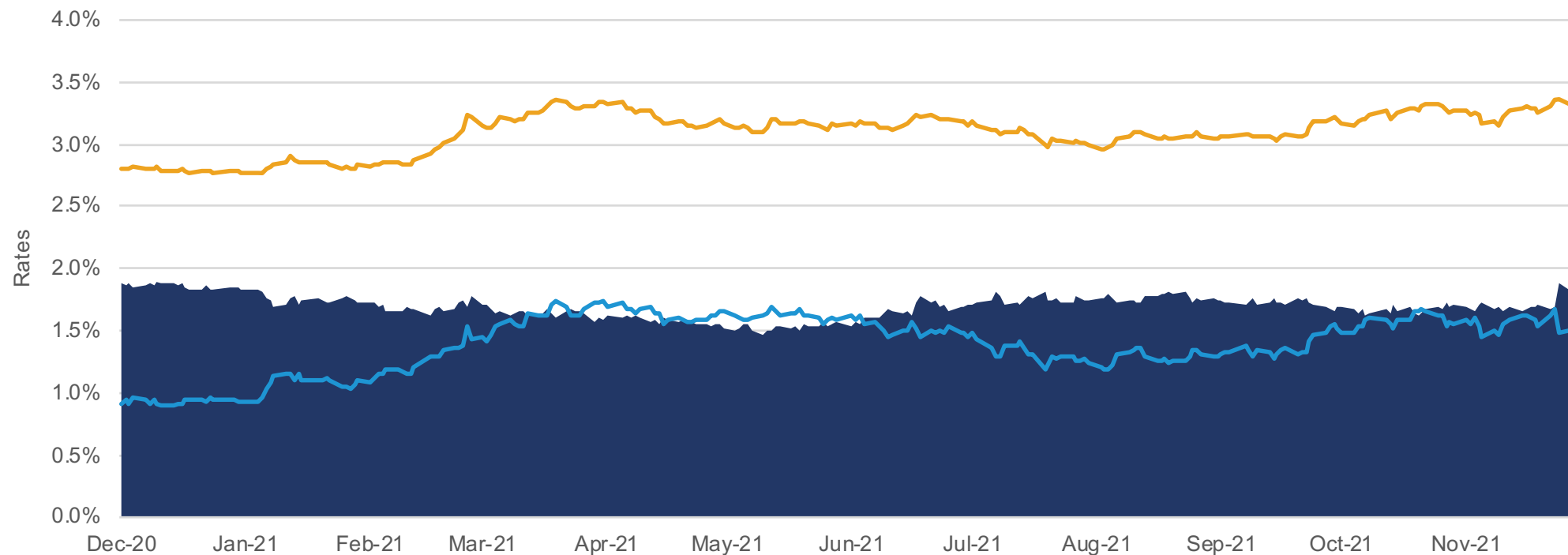
	Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	3.27%	0 BPS	22 BPS	48 BPS
	30-Year Jumbo	3.24%	5 BPS	23 BPS	31 BPS
	30-Year FHA	3.38%	(0 BPS)	25 BPS	58 BPS
	30-Year VA	2.96%	(0 BPS)	23 BPS	54 BPS



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NOVEMBER 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 market hedging platform](#). Click on each chart to see its contents in high resolution.



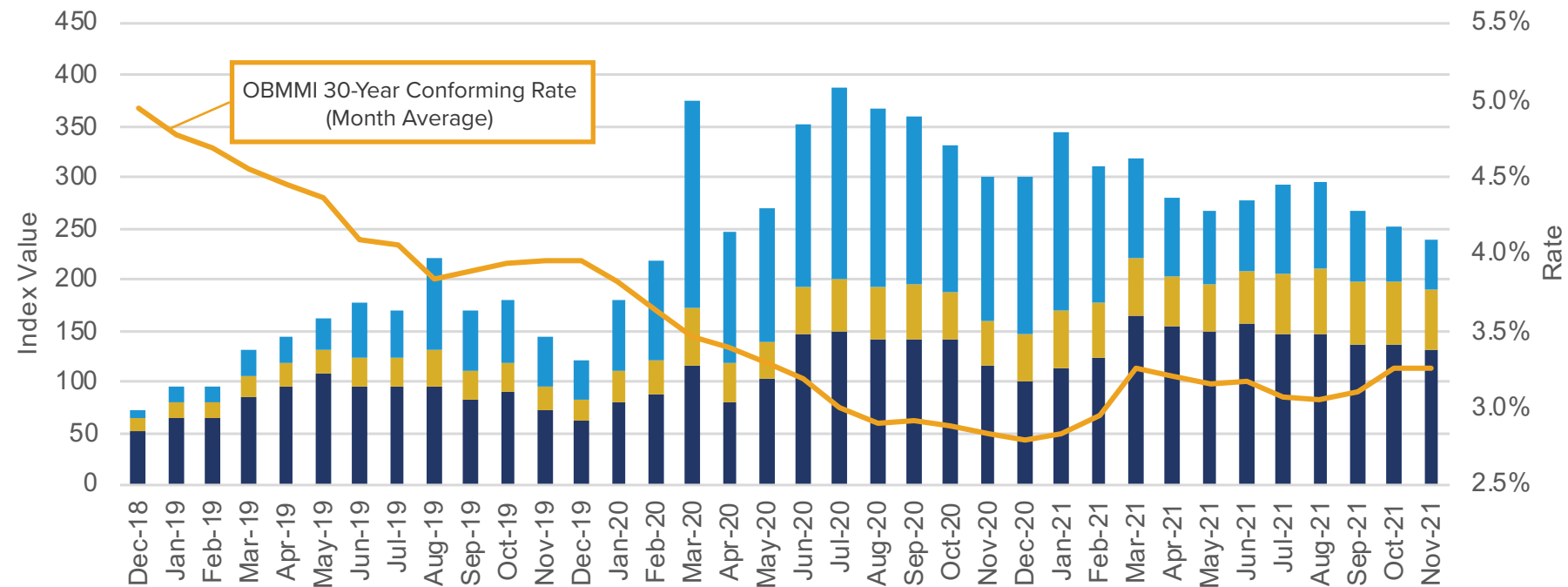
	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	1.43%	(12 BPS)	13 BPS	59 BPS
	30-Year Conforming	3.27%	0 BPS	22 BPS	48 BPS
	10-Year to 30-Year Spread	1.84%	12 BPS	9 BPS	(11 BPS)



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NOVEMBER 2021 LOCK VOLUME BY LOAN PURPOSE

Here, we break down November'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	132	(3.9%)	(9.4%)	12.6%
	Cash-Out Refinance	59	(2.5%)	(8.6%)	35.7%
	Rate-Term Refinance	49	(9.4%)	(43.4%)	(65.0%)
	Total	240	(4.7%)	(19.1%)	(20.1%)
Refinance Share*		45%	(48 BPS)	(593 BPS)	(1599 BPS)

*Refinance Share changes reflect inter-period delta

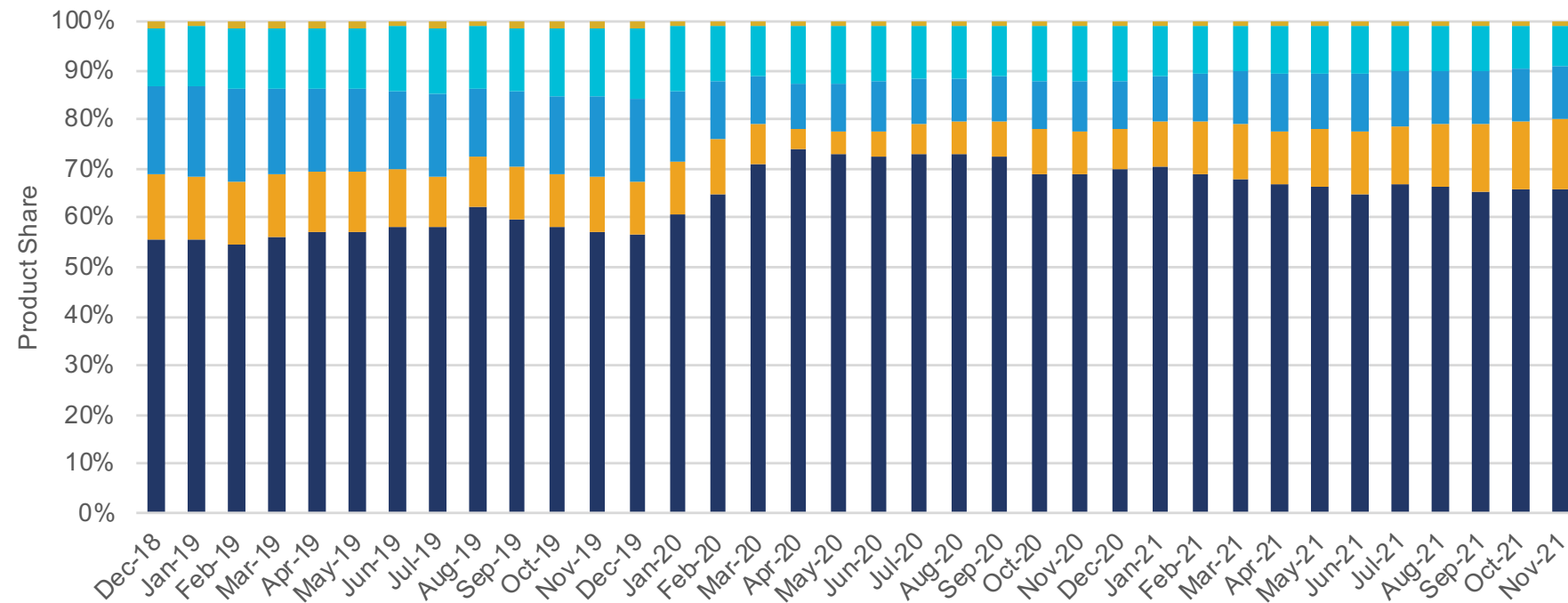









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NOVEMBER 2021 MIX OF BUSINESS BY LOAN PRODUCT

Here, we break down November'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.



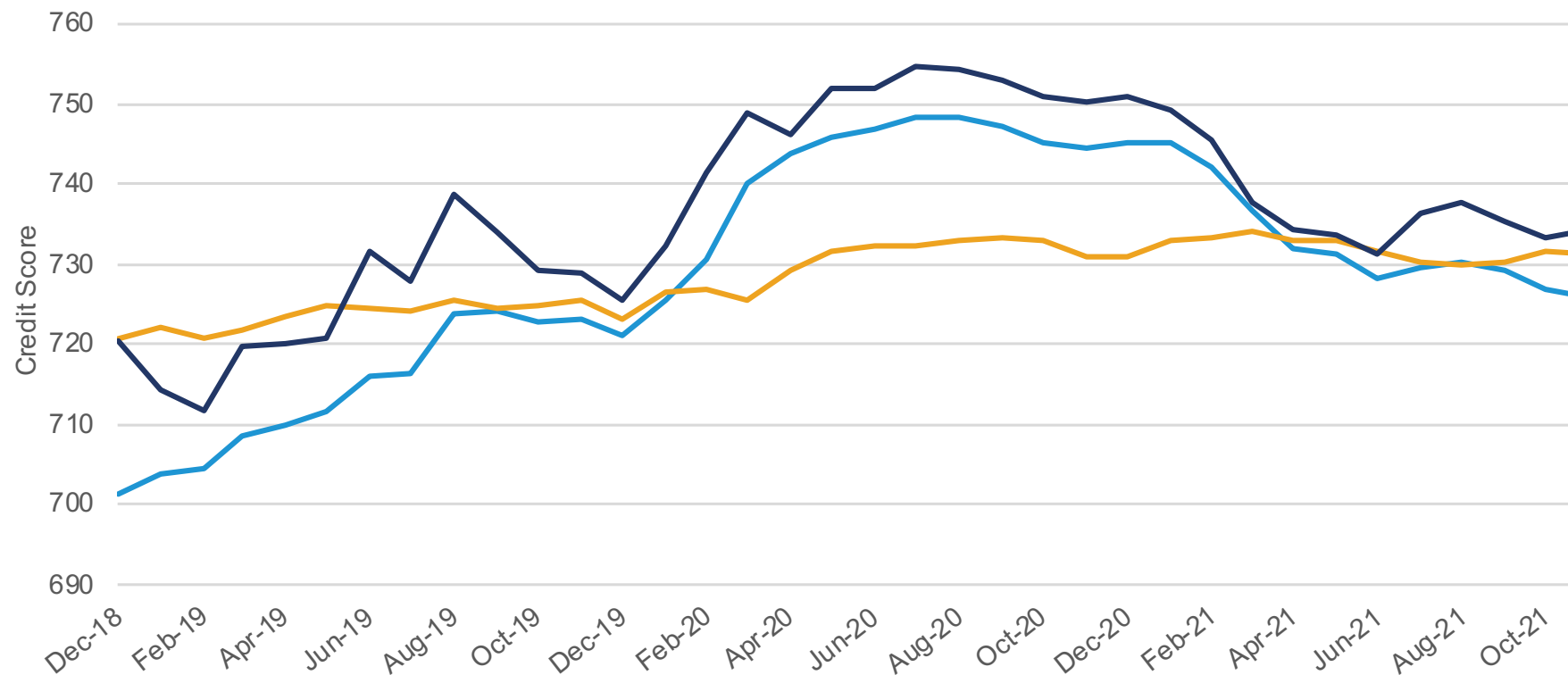
Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	65.9%	(3 BPS)	(36 BPS)	(302 BPS)
	Nonconforming	14.4%	58 BPS	147 BPS	564 BPS
	FHA	10.5%	(21 BPS)	(22 BPS)	59 BPS
	VA	8.4%	(34 BPS)	(84 BPS)	(312 BPS)
	USDA	0.8%	(1 BPS)	(6 BPS)	(9 BPS)





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NOVEMBER 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.



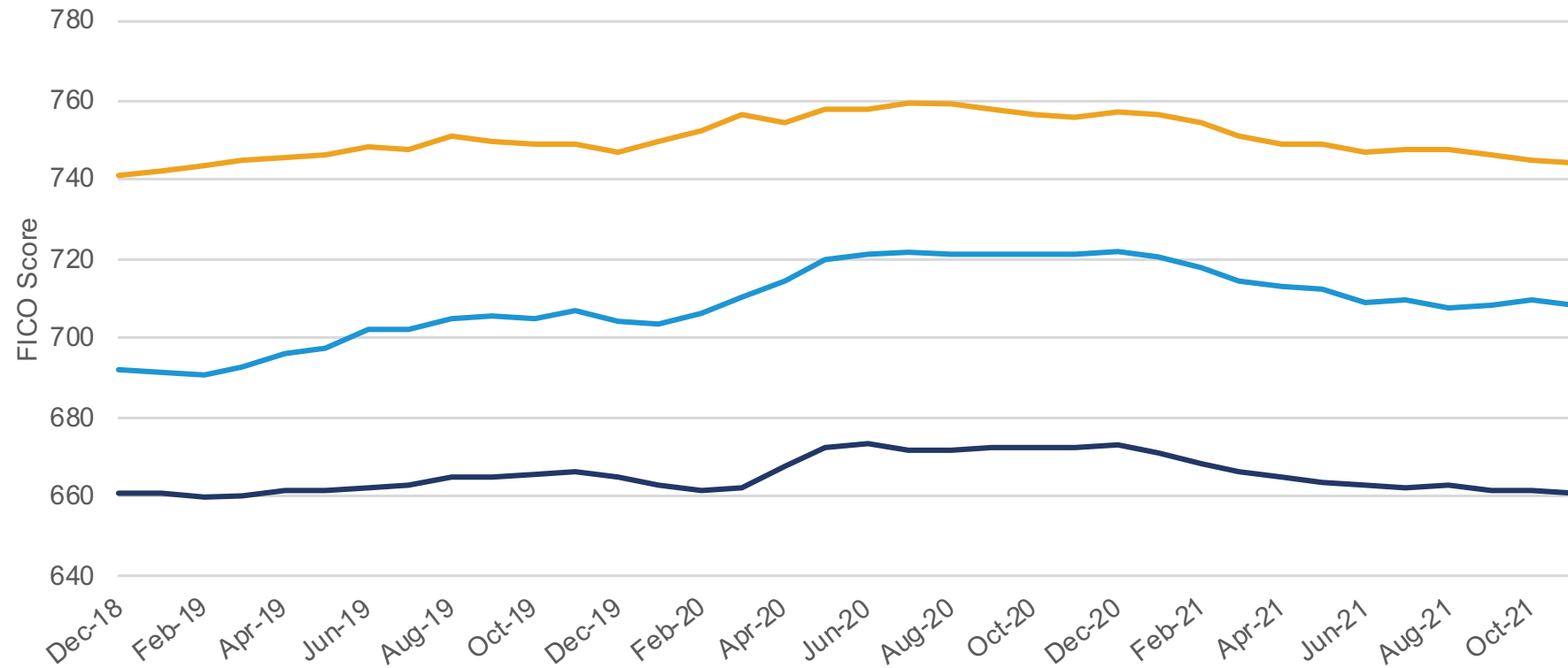
Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Cash-Out Refi	726	-1	-4	-19
	Purchase	731	1	1	-1
	Rate/Term Refi	735	1	-3	-16






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NOVEMBER 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.



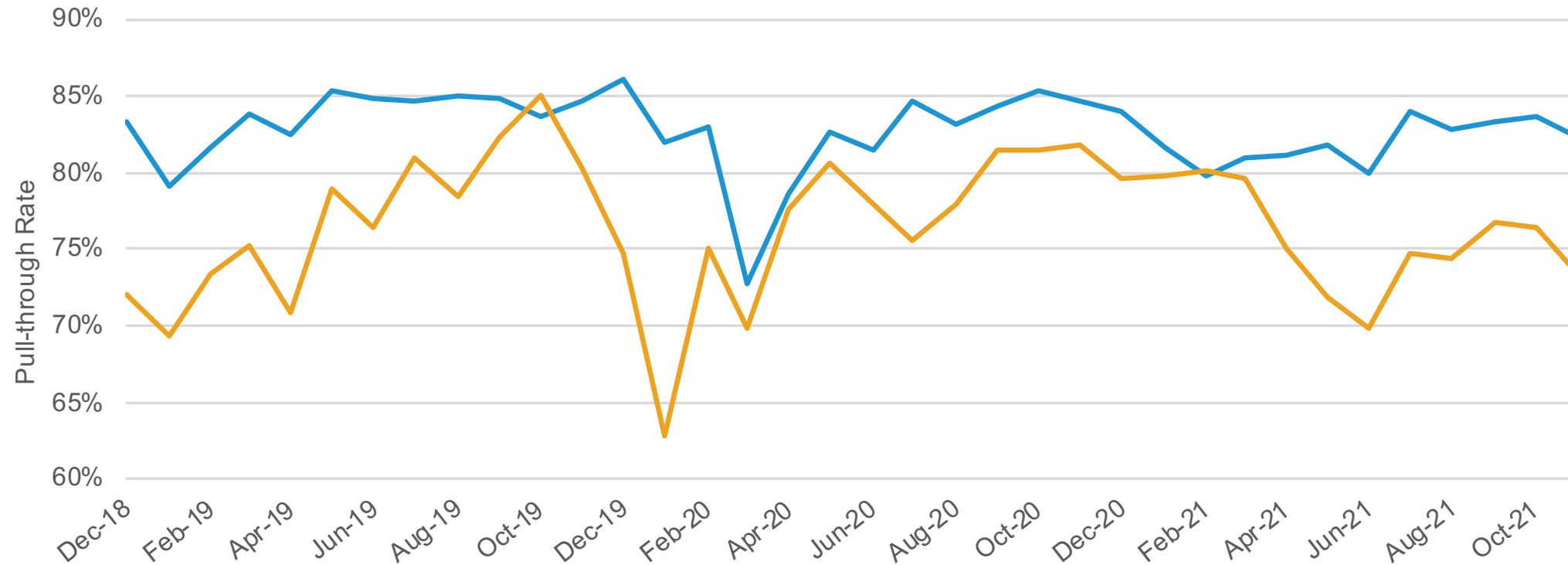
Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	745	0	-3	-11
	FHA	661	0	-2	-12
	VA	708	-1	1	-13





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NOVEMBER 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.



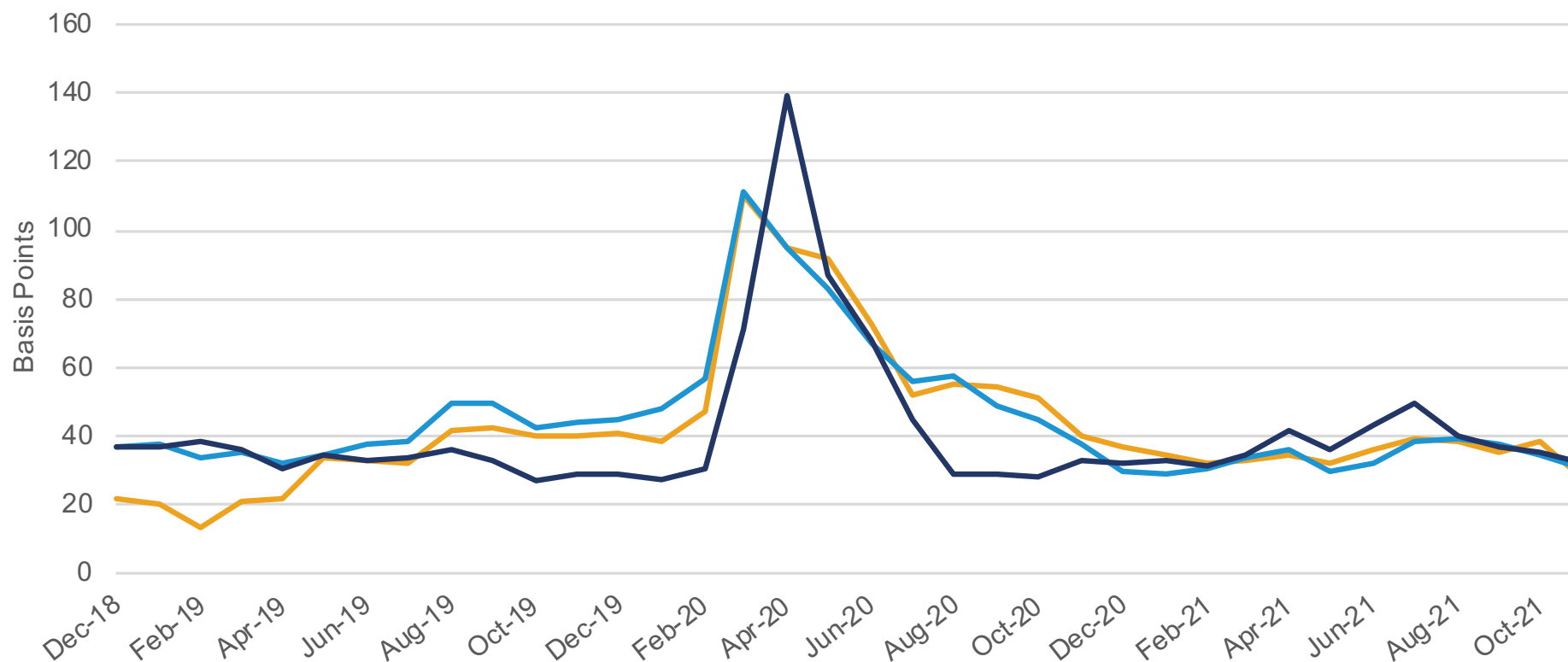
Pull-Through Rate		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase Pull-Through	82.3%	(142 BPS)	(52 BPS)	(237 BPS)
	Refinance Pull-Through	73.4%	(299 BPS)	(104 BPS)	(847 BPS)






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NOVEMBER 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 market hedging 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	31 BPS	(4 BPS)	(9 BPS)	(7 BPS)
	15-Year Conforming	27 BPS	(11 BPS)	(12 BPS)	(13 BPS)
	30-Year Government	32 BPS	(3 BPS)	(8 BPS)	(1 BPS)

