



ORIGINATIONS
MARKET MONITOR



ORIGINATIONS MARKET MONITOR

CONTENTS

- 3 NATIONAL RATE LOCK METRICS
- 4 TOP 20 METROPOLITAN AREAS
- 6 MARKET RATE INDICES
- 7 30-YEAR TO 10-YEAR TREASURY SPREAD
- 8 LOCK VOLUME BY LOAN PURPOSE
- 9 MIX OF BUSINESS BY LOAN PRODUCT
- 10 AVERAGE CREDIT SCORES
- 12 PURCHASE & REFI PULL-THROUGH
- 13 BEST EFFORTS TO MANDATORY SPREAD

NOVEMBER 2023 OVERVIEW

Each month, the Optimal Blue [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 comprehensive and timely view into origination activity.

November brought a long-awaited shift in the direction of mortgage rates, with the [Optimal Blue Mortgage Market Indices \(OBMMI\)](#) 30-year conforming rate dropping 67 basis points (bps) to finish the month at 7.11%. The rate rally proved particularly kind to mortgages as the spread between the OBMMI 30-year conforming rate and 10-year Treasury narrowed 16 bps to 274 bps, the lowest level since March.

Despite the improving rate environment, rate lock volumes were down 10% month over month, characterized by a 12% drop in purchase locks and a 2% increase in refinance locks. Rate/term refinance volume showed 10% month-over-month growth, while cash-out volume remained flat. Purchase lock counts – which exclude the impact of changes in home prices – were down 13% year over year and 37% from pre-pandemic levels in 2019.

Most metropolitan statistical areas experienced declines in rate lock volume, with the exception of Orlando, which saw growth in production, and New York and San Antonio, which both remained flat in month-over-month volume.

The average credit score for rate/term refinances dropped 7 points in November, as did average scores for purchase and cash-out refinances, which fell by 1 and 2 points, respectively. The average loan amount dropped from \$352.5K to \$347.4K, and the average purchase price saw the largest decline since October 2022, falling from \$449.3K to \$438.3K.

In producing the Originations Market Monitor, Optimal Blue aggregates and reports the latest available monthly rate lock data drawn from the Optimal Blue PPE – the most widely used product, pricing, and eligibility engine in the industry. Optimal Blue provides additional market insight by way of its market-leading hedging platform.

For more information on Optimal Blue's secondary marketing solutions and data assets, contact Sales@OptimalBlue.com.





ORIGINATIONS MARKET MONITOR

NOVEMBER 2023 NATIONAL RATE LOCK METRICS

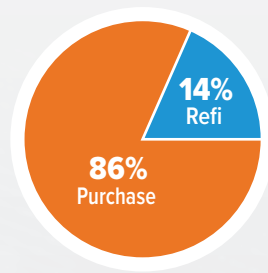
Here, we look at the national origination numbers to give a high-level overview of the month's activity. This information is drawn from the [Optimal Blue PPE](#).

NOVEMBER NATIONAL STATS



RATE LOCK VOLUME

Purchase locks dropped 12%, cash-out refis remained flat, and rate/term refis increased 10%.



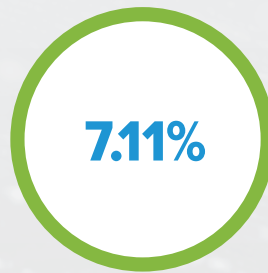
MARKET MIX

The refi share of the market mix increased from 12% to 14% in November.



AVERAGE LOAN AMOUNT

The average loan amount dropped from \$352.5K to \$347.4K, and the average purchase price saw the largest decline since October 2022, falling from \$449.3K to \$438.3K.



MONTH-END CONFORMING RATE

Our [Optimal Blue Mortgage Market Indices](#) tracked a 67-bps drop in 30-year rate offerings.

November saw a significant decline in the average purchase price.





ORIGINATIONS MARKET MONITOR

NOVEMBER 2023 TOP 20 METROPOLITAN AREAS

Here, we look at the top 20 metropolitan statistical areas (MSAs) by share of origination volume. This information is derived from daily rate lock data from the [Optimal Blue PPE](#).

| Metropolitan Statistical Area (MSA) | % of Lock Volume | MoM Change | Avg Loan Amount (\$) | Avg Rate | Avg Credit Score | Avg LTV | Purchase | Refi |
|---|------------------|--------------|----------------------|--------------|------------------|--------------|------------|------------|
| NATIONAL | 100.0% | -9.9% | \$347,364 | 7.241 | 727.21 | 80.80 | 86% | 14% |
| 1 New York-Newark-Jersey City, NY-NJ-PA | 5.4% | 0.9% | \$506,363 | 7.397 | 737.97 | 76.34 | 85% | 15% |
| 2 Washington-Arlington-Alexandria, DC-VA-MD-WV | 3.8% | -13.3% | \$495,765 | 7.170 | 738.27 | 82.52 | 91% | 9% |
| 3 Dallas-Fort Worth-Arlington, TX | 3.7% | -11.5% | \$379,065 | 7.124 | 731.65 | 81.19 | 89% | 11% |
| 4 Chicago-Naperville-Elgin, IL-IN-WI | 3.2% | -10.9% | \$303,964 | 7.460 | 735.01 | 81.82 | 90% | 10% |
| 5 Houston-The Woodlands-Sugar Land, TX | 3.1% | -5.5% | \$323,142 | 6.941 | 722.93 | 84.33 | 94% | 6% |
| 6 Atlanta-Sandy Springs-Roswell, GA | 2.7% | -7.7% | \$348,043 | 7.151 | 712.99 | 80.87 | 83% | 17% |
| 7 Phoenix-Mesa-Scottsdale, AZ | 2.6% | -10.5% | \$409,507 | 7.109 | 728.62 | 79.45 | 86% | 14% |
| 8 Los Angeles-Long Beach-Anaheim, CA | 2.4% | -16.8% | \$673,310 | 7.539 | 740.21 | 71.12 | 80% | 20% |
| 9 Boston-Cambridge-Newton, MA-NH | 2.0% | -10.9% | \$527,290 | 7.398 | 742.24 | 76.11 | 89% | 11% |
| 10 Seattle-Tacoma-Bellevue, WA | 1.8% | -22.2% | \$565,260 | 7.252 | 744.54 | 77.12 | 87% | 13% |





ORIGINATIONS MARKET MONITOR

NOVEMBER 2023 TOP 20 METROPOLITAN AREAS

Here, we look at the top 20 metropolitan statistical areas (MSAs) by share of origination volume. This information is derived from daily rate lock data from the [Optimal Blue PPE](#).

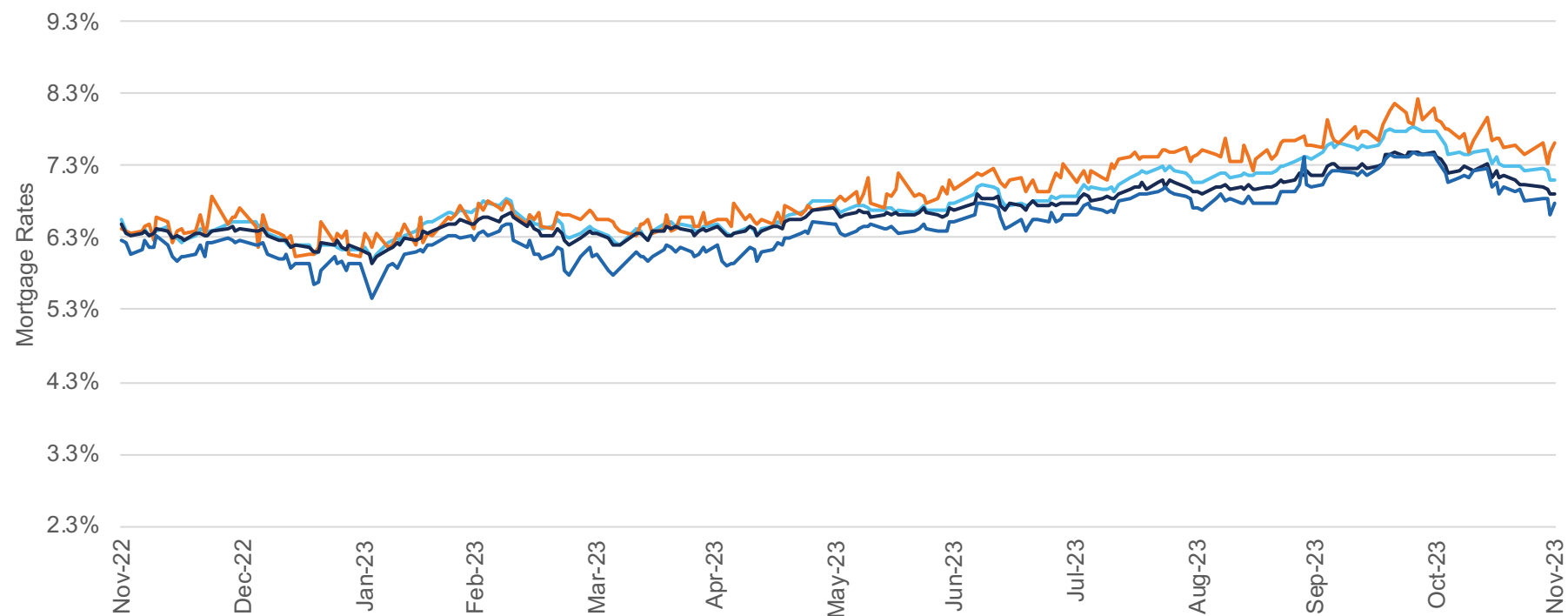
| Metropolitan Statistical Area (MSA) | % of Lock Volume | MoM Change | Avg Loan Amount (\$) | Avg Rate | Avg Credit Score | Avg LTV | Purchase | Refi |
|--|------------------|--------------|----------------------|--------------|------------------|--------------|------------|------------|
| NATIONAL | 100.0% | -9.9% | \$347,364 | 7.241 | 727.21 | 80.80 | 86% | 14% |
| 11 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD | 1.7% | -4.1% | \$334,920 | 7.294 | 730.62 | 80.43 | 90% | 10% |
| 12 Austin-Round Rock, TX | 1.6% | -12.0% | \$398,377 | 6.738 | 739.21 | 79.74 | 94% | 6% |
| 13 Miami-Fort Lauderdale-West Palm Beach, FL | 1.6% | -12.7% | \$455,088 | 7.326 | 727.67 | 75.62 | 83% | 17% |
| 14 Riverside-San Bernardino-Ontario, CA | 1.6% | -6.4% | \$456,268 | 7.100 | 719.94 | 78.97 | 86% | 14% |
| 15 Denver-Aurora-Lakewood, CO | 1.6% | -19.6% | \$457,655 | 7.026 | 737.85 | 76.39 | 87% | 13% |
| 16 San Antonio-New Braunfels, TX | 1.5% | -0.5% | \$303,871 | 6.499 | 718.50 | 88.15 | 92% | 8% |
| 17 Tampa-St. Petersburg-Clearwater, FL | 1.4% | -16.5% | \$363,640 | 7.116 | 730.91 | 79.91 | 89% | 11% |
| 18 Orlando-Kissimmee-Sanford, FL | 1.3% | 6.0% | \$385,659 | 7.189 | 723.24 | 81.12 | 92% | 8% |
| 19 Nashville-Davidson--Murfreesboro--Franklin, TN | 1.2% | -1.7% | \$393,453 | 7.206 | 725.77 | 80.38 | 85% | 15% |
| 20 San Francisco-Oakland-Hayward, CA | 1.2% | -9.7% | \$750,245 | 7.384 | 752.69 | 70.45 | 86% | 14% |







ORIGINATIONS MARKET MONITOR

NOVEMBER 2023 MARKET RATE INDICES

Pulling data from the [Optimal Blue Mortgage Market Indices \(OBMMI\)](#), the chart below shows average 30-year rates across various loan products.



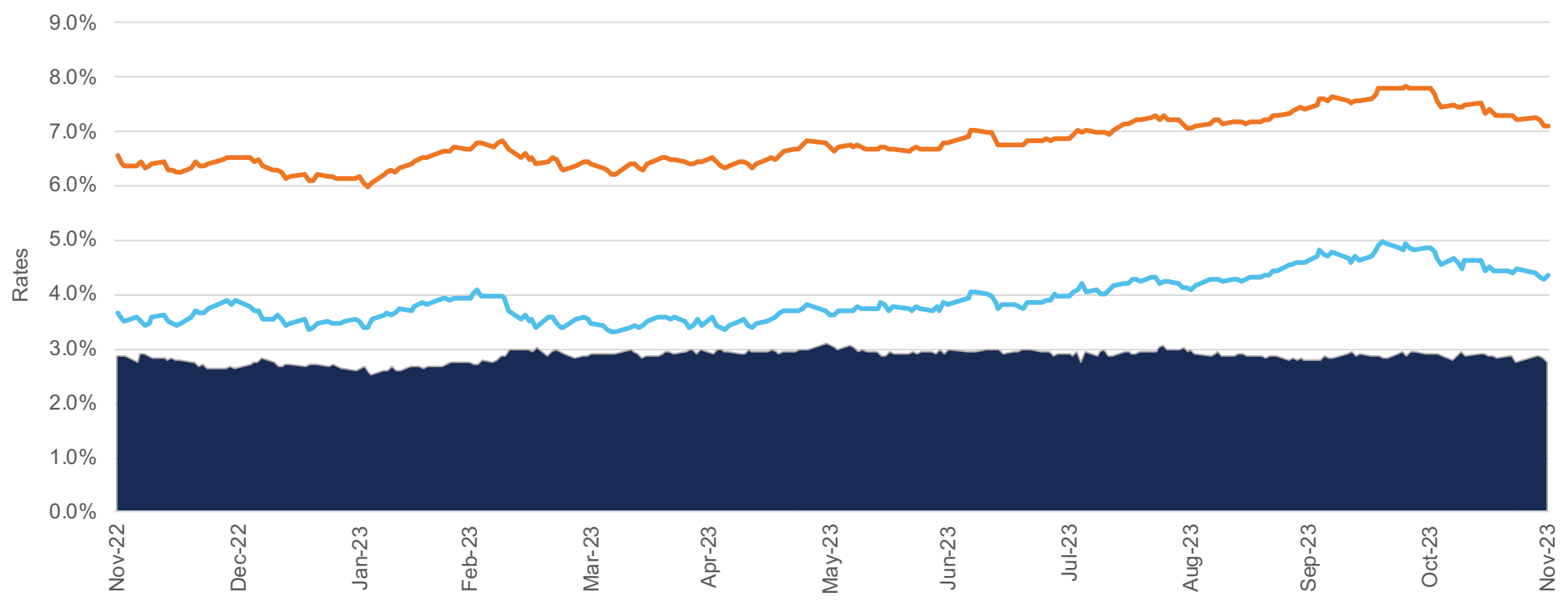
| | Market Index | Current Rate | 1-Month Delta | 3-Month Delta | 12-Month Delta |
|---|--------------------|--------------|---------------|---------------|----------------|
|  | 30-Year Conforming | 7.11% | (67 bps) | 4 bps | 57 bps |
|  | 30-Year Jumbo | 7.61% | (34 bps) | 15 bps | 119 bps |
|  | 30-Year FHA | 6.90% | (54 bps) | (5 bps) | 42 bps |
|  | 30-Year VA | 6.79% | (61 bps) | 8 bps | 52 bps |



ORIGINATIONS MARKET MONITOR

NOVEMBER 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 Optimal Blue's [secondary market hedging platform](#).



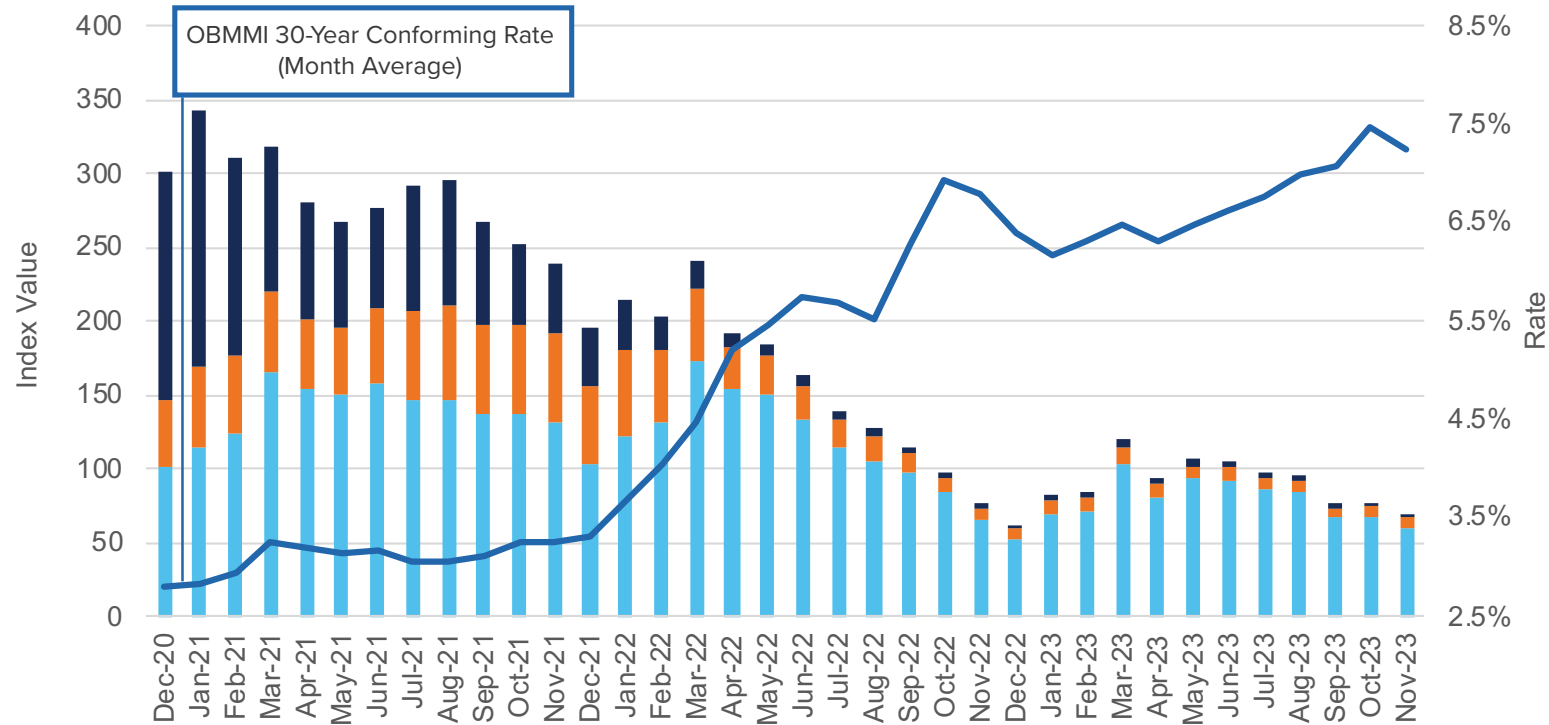
| | Market Index | Current Value | 1-Month Delta | 3-Month Delta | 12-Month Delta |
|--|---------------------------|---------------|---------------|---------------|----------------|
| | 10-Year Treasury | 4.37% | (51 bps) | 28 bps | 69 bps |
| | 30-Year Conforming | 7.11% | (67 bps) | 4 bps | 57 bps |
| | 10-Year to 30-Year Spread | 2.74% | (16 bps) | (24 bps) | (12 bps) |



ORIGINATIONS MARKET MONITOR

NOVEMBER 2023 LOCK VOLUME BY LOAN PURPOSE

Here, we break down the rate lock volumes by loan purpose.
This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



| Market Volume Index (Total volume indexed to 100 in January 2018) | | Current Value | 1-Month % Change | 3-Month % Change | 12-Month % Change |
|--|--|---------------|------------------|------------------|-------------------|
| Purchase | | 60 | (11.8%) | (28.7%) | (8.8%) |
| Cash-Out Refinance | | 6 | 0.6% | (19.6%) | (20.0%) |
| Rate/Term Refinance | | 3 | 10.3% | (14.8%) | (0.6%) |
| Total | | 70 | (9.9%) | (27.4%) | (9.6%) |
| Refinance Share* | | 14% | 183 bps | 160 bps | (78 bps) |

*Refinance share changes reflect inter-period delta



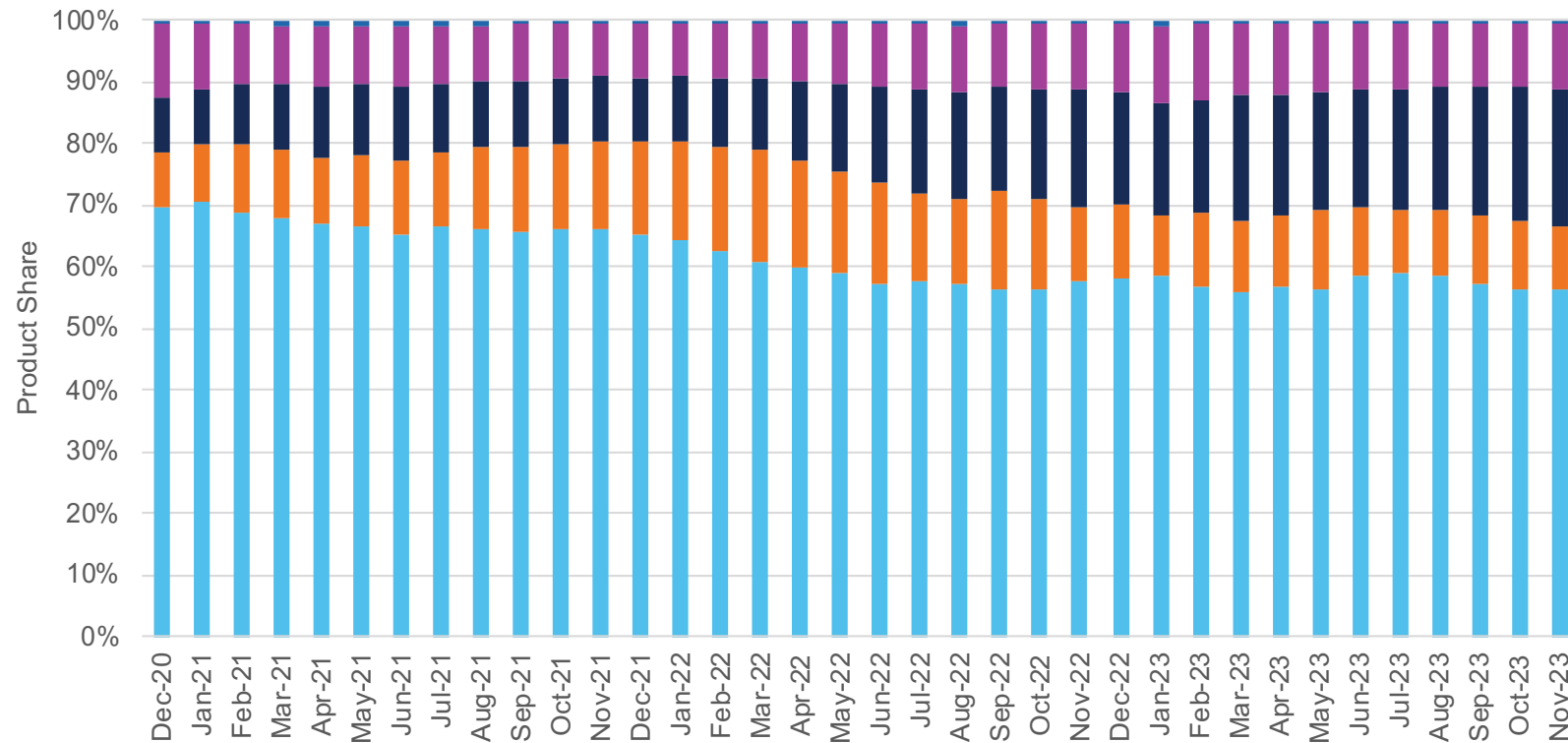







ORIGINATIONS MARKET MONITOR

NOVEMBER 2023 MIX OF BUSINESS BY LOAN PRODUCT

Here, we break down the rate lock volumes by loan product.

This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



| Loan Product Mix | | Current Value | 1-Month Delta | 3-Month Delta | 12-Month Delta |
|---|---------------|---------------|---------------|---------------|----------------|
|  | Conforming | 56.2% | 14 bps | (233 bps) | (128 bps) |
|  | Nonconforming | 10.1% | (141 bps) | (43 bps) | (223 bps) |
|  | FHA | 22.6% | 101 bps | 253 bps | 373 bps |
|  | VA | 10.5% | 20 bps | 22 bps | (1 bps) |
|  | USDA | 0.6% | 6 bps | 1 bps | (21 bps) |

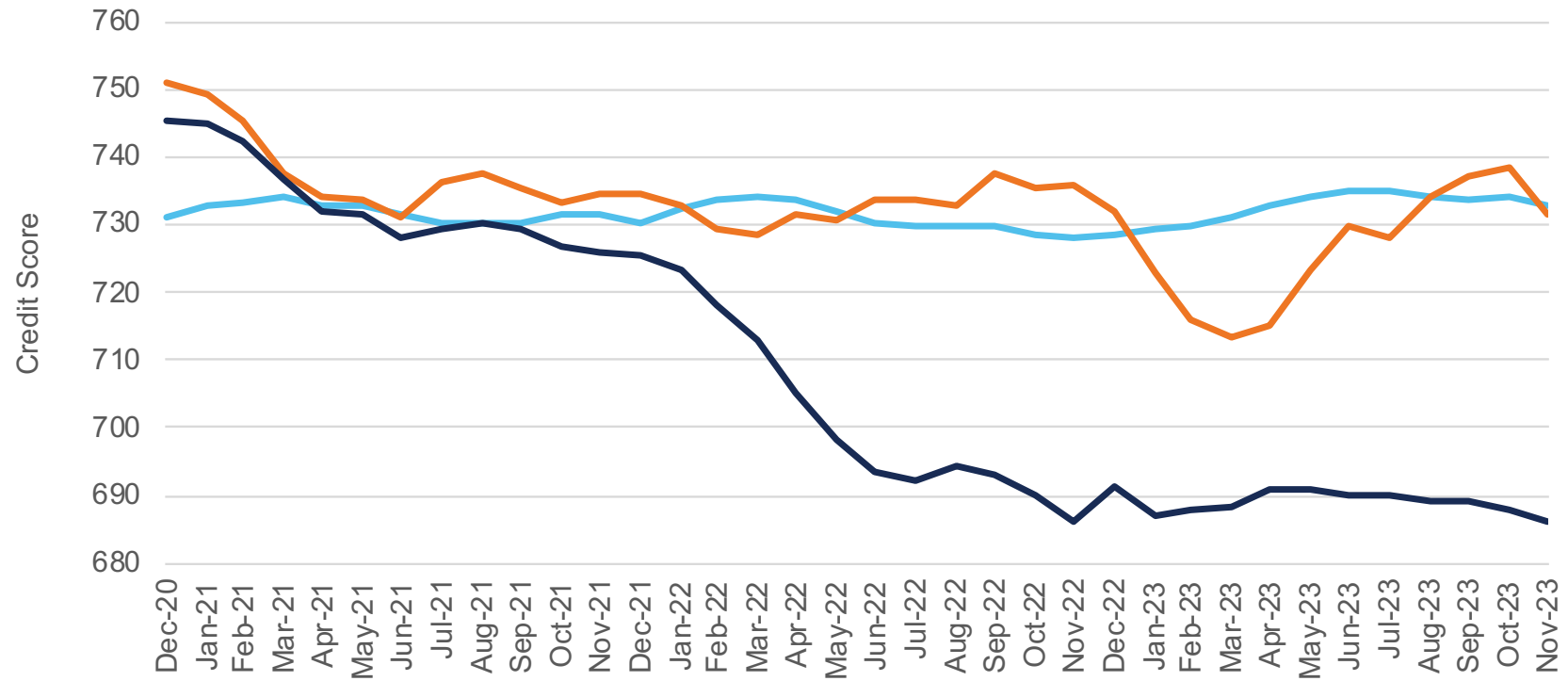




ORIGINATIONS MARKET MONITOR

NOVEMBER 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 [Optimal Blue PPE](#).



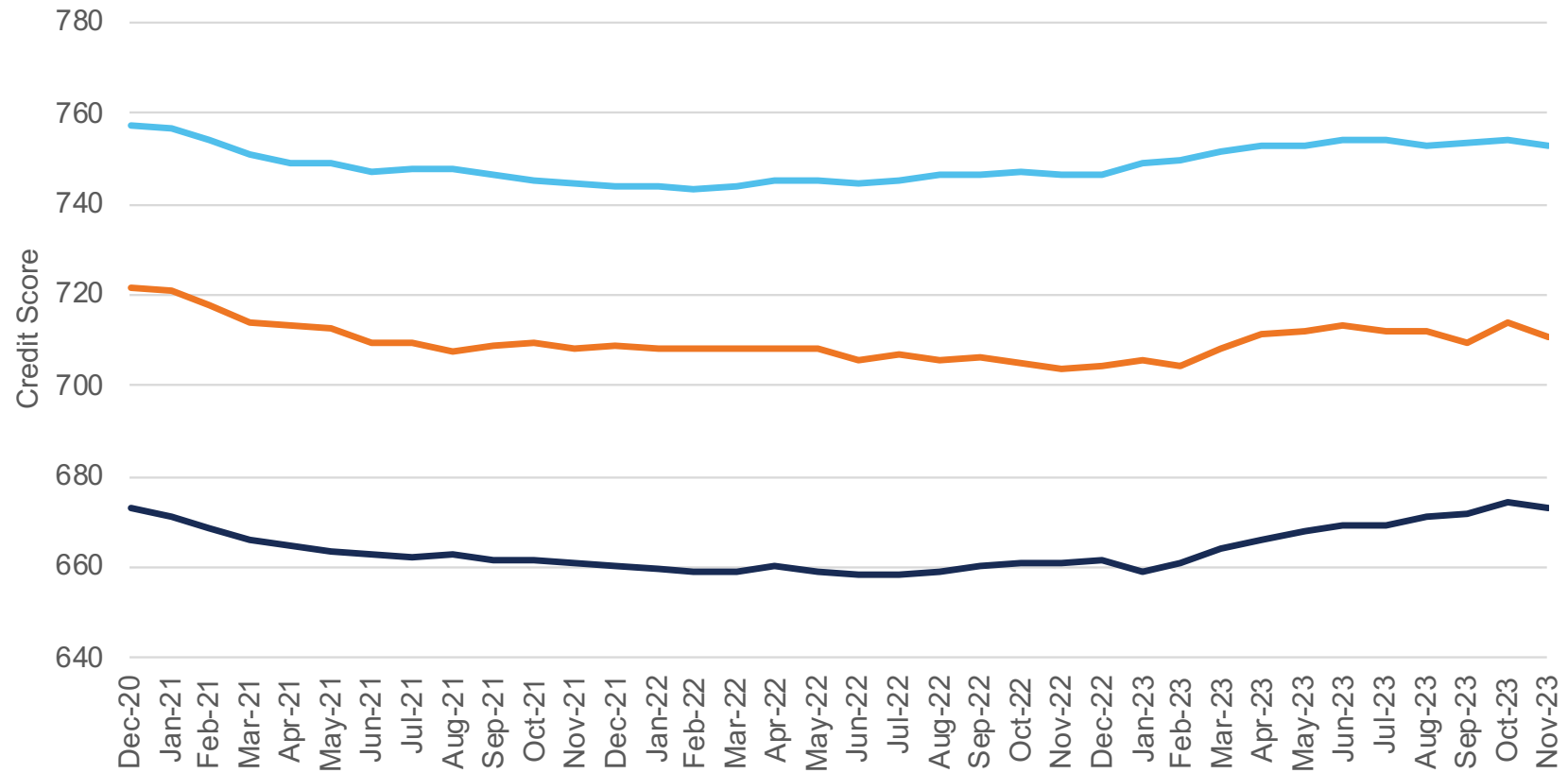
| Credit Score by Purpose | | Current Score | 1-Month Delta | 3-Month Delta | 12-Month Delta |
|---|----------------|---------------|---------------|---------------|----------------|
|  | Purchase | 733 | -1 | -1 | 5 |
|  | Rate/Term Refi | 732 | -7 | -2 | -4 |
|  | Cash-Out Refi | 686 | -2 | -3 | 0 |



ORIGINATIONS MARKET MONITOR

NOVEMBER 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 [Optimal Blue PPE](#).



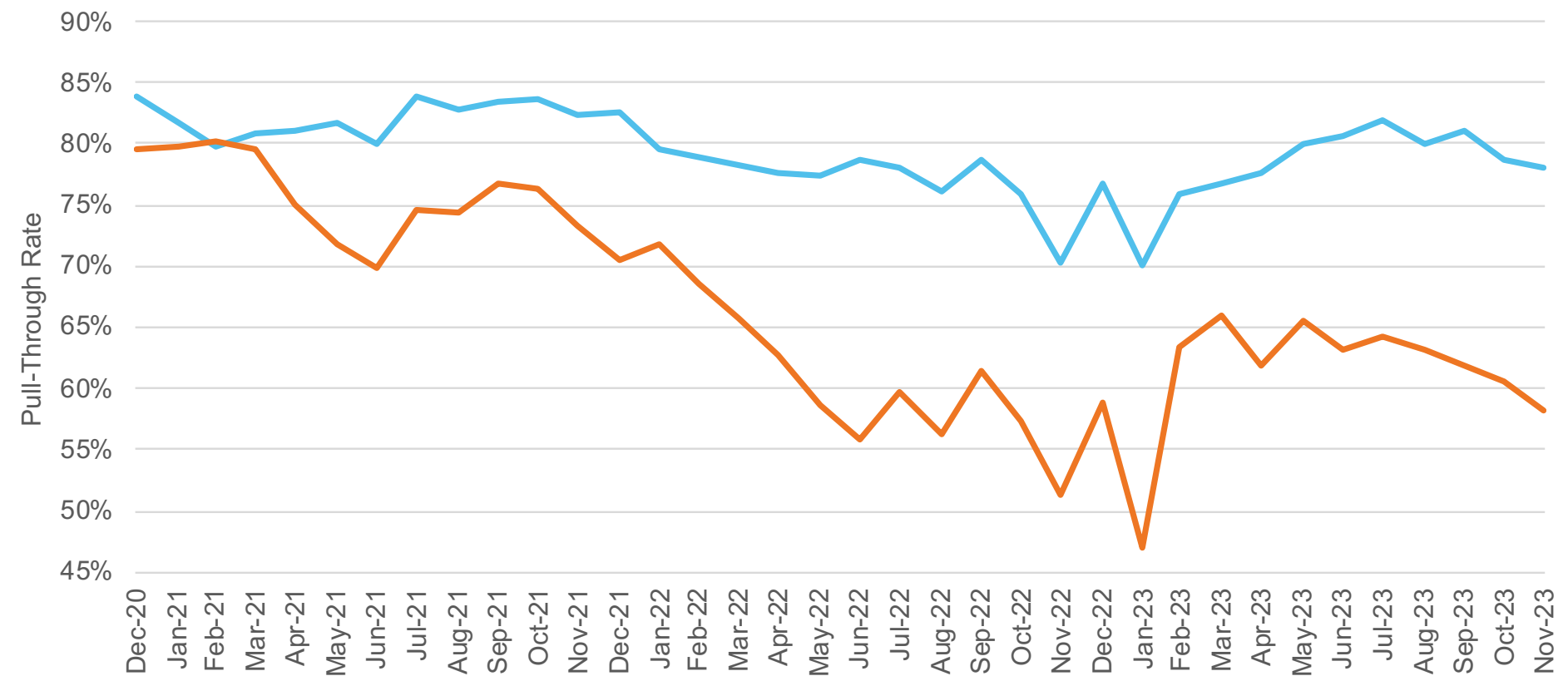
| Credit Score by Product | | Current Score | 1-Month Delta | 3-Month Delta | 12-Month Delta |
|-------------------------|------------|---------------|---------------|---------------|----------------|
| | Conforming | 753 | -1 | 0 | 6 |
| | VA | 710 | -3 | -1 | 7 |
| | FHA | 673 | -1 | 2 | 12 |





ORIGINATIONS MARKET MONITOR

NOVEMBER 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 [Optimal Blue PPE](#).



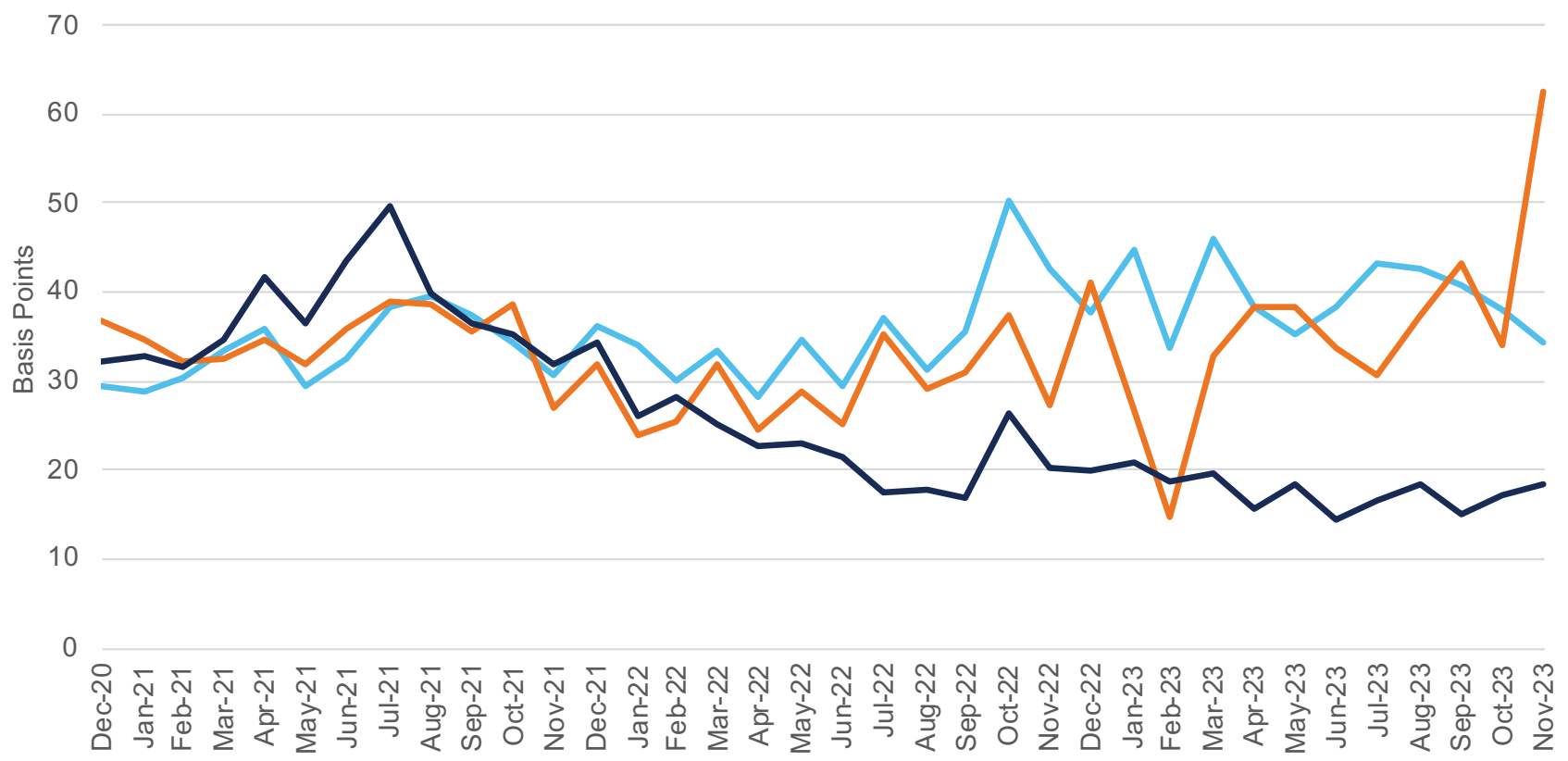
| Pull-Through Rate | | Current Rate | 1-Month Delta | 3-Month Delta | 12-Month Delta |
|---|------------------------|--------------|---------------|---------------|----------------|
|  | Purchase Pull-Through | 78.0% | (67 bps) | (189 bps) | 775 bps |
|  | Refinance Pull-Through | 58.2% | (236 bps) | (499 bps) | 698 bps |



ORIGINATIONS MARKET MONITOR

NOVEMBER 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 Optimal Blue's [secondary market hedging platform](#).



| Best Efforts vs. Mandatory | | Current Spread | 1-Month Delta | 3-Month Delta | 12-Month Delta |
|----------------------------|--------------------|----------------|---------------|---------------|----------------|
| | 30-Year Conforming | 34 bps | (4 bps) | (8 bps) | (8 bps) |
| | 15-Year Conforming | 63 bps | 29 bps | 25 bps | 35 bps |
| | 30-Year Government | 18 bps | 1 bps | (bps) | (2 bps) |



Confidential, Proprietary and/or Trade Secret. TM SM ® Trademark(s) of Optimal Blue, LLC, or an affiliate. © 2023 Optimal Blue, LLC. All rights reserved.