



OPTIMIZE YOUR ADVANTAGE

MARKET ADVANTAGE

MORTGAGE DATA REPORT
MAY 2024





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Welcome to the **Optimal Blue Market Advantage**,
a complimentary monthly data report that provides clarity on mortgage origination activity.

WHAT'S NEW?

- New name, same comprehensive and timely origination data
- Refreshed look and feel
- Stay tuned for more enhancements in future reports

OVERVIEW MAY 2024

Key findings, which are drawn from direct-source mortgage lock data, include:

- **Shallow dip in interest rates:** The benchmark OBMMI 30-year conforming rate bottomed out on May 15 at 6.875% before ending the month at 7.02%, 22 bps lower than at the close of April. This reprieve in mortgage rates prompted a 25.6% MoM increase in rate-and-term refinance volume.
- **Overall volume increase:** Total volume rose by 5.3% MoM and 1.8% year-over-year (YoY), driven by a 4.1% increase in MoM purchase lock volume, a 7.2% rise in cash-out refinances, and a substantial 25.6% increase in rate-and-term refinances.
- **YoY decline in purchase lock counts:** Purchase lock counts, a key market health indicator that controls for home price appreciation and refinance volatility, were down 4% YoY. Despite the decline, May YoY purchase lock counts were stronger than the 7% YoY decline recorded in February, the last month unimpacted by the timing of the Easter holiday.
- **Coastal market growth:** Major coastal cities saw the highest MoM volume increases, with East Coast cities New York, Boston, and Jacksonville and West Coast cities Riverside-San Bernardino, San Diego, Sacramento, and Portland each seeing volume gains of 13% or greater.
- **Stable, high credit quality:** Average credit scores remained high, with the purchase borrower score averaging 738.
- **Stable loan amounts, rising home prices:** MoM, the average loan amount remained flat at \$374.5K. MoM, the average home purchase price rose for the fifth consecutive month this year, up \$2.4K from \$477.9K to \$480.3K.

Each month, the Optimal Blue **Market Advantage** mortgage data report reviews a series of key market indicators to provide early insight into U.S. mortgage trends. Leveraging lender rate lock data from the Optimal Blue PPE – the mortgage industry’s most widely used product, pricing, and eligibility engine – the Market Advantage provides a view of early-stage origination activity. Unlike self-reported survey data, mortgage lock data is direct-source data that accurately reflects the in-process loans in lenders’ pipelines. For more information on Optimal Blue’s secondary marketing solutions, contact Sales@OptimalBlue.com.

NATIONAL RATE LOCK METRICS

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



Mortgage interest rate sensitivity triggers 25% spike in May rate-and-term refinance activity.



RATE LOCK VOLUME

Total volume rose by 5.3% MoM and 1.8% YoY, driven by a 4.1% increase in MoM purchase lock volume, a 7.2% rise in cash-out refinances, and a substantial 25.6% increase in rate-and-term refinances.



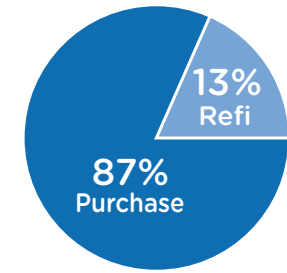
AVERAGE LOAN AMOUNT

MoM, the average loan amount remained flat at \$374.5Kk. MoM, the average home purchase price rose for the fifth consecutive month this year, up \$2.4K from \$477.9K to \$480.3K.



MONTH-END CONFORMING RATE

Our [Optimal Blue Mortgage Market Indices](#) 30-year conforming rate bottomed out on March 15 at 6.875% before ending the month at 7.02%, 22 bps lower than at the close of April.



MARKET MIX

Refi share increased from 12% to 13% of total volume, as a result of the rate rally in May.

TOP 20 METROPOLITAN AREAS

Here, we look at the top 20 metropolitan statistical areas (MSAs) by share of origination volume. This information is drawn 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%	5.3%	\$374,470	6.895	733	81	87%	13%
1	New York-Newark-Jersey City, NY-NJ-PA	5.0%	16.4%	\$557,918	7.034	746	75	86%	14%
2	Washington-Arlington-Alexandria, DC-VA-MD-WV	4.1%	-1.4%	\$537,712	6.866	747	81	92%	8%
3	Chicago-Naperville-Elgin, IL-IN-WI	3.5%	2.1%	\$346,334	7.085	740	81	91%	9%
4	Dallas-Fort Worth-Arlington, TX	3.3%	-2.0%	\$385,001	6.761	735	81	91%	9%
5	Atlanta-Sandy Springs-Roswell, GA	2.6%	2.3%	\$378,502	6.847	721	80	82%	18%
6	Phoenix-Mesa-Scottsdale, AZ	2.5%	-2.6%	\$426,735	6.794	737	79	88%	12%
7	Houston-The Woodlands-Sugar Land, TX	2.5%	3.4%	\$342,483	6.611	725	84	93%	7%
8	Los Angeles-Long Beach-Anaheim, CA	2.5%	7.3%	\$753,090	7.116	747	71	78%	22%
9	Boston-Cambridge-Newton, MA-NH	2.4%	17.8%	\$576,142	6.973	751	74	91%	9%
10	Seattle-Tacoma-Bellevue, WA	2.2%	6.3%	\$630,671	7.020	754	76	89%	11%

TOP 20 METROPOLITAN AREAS

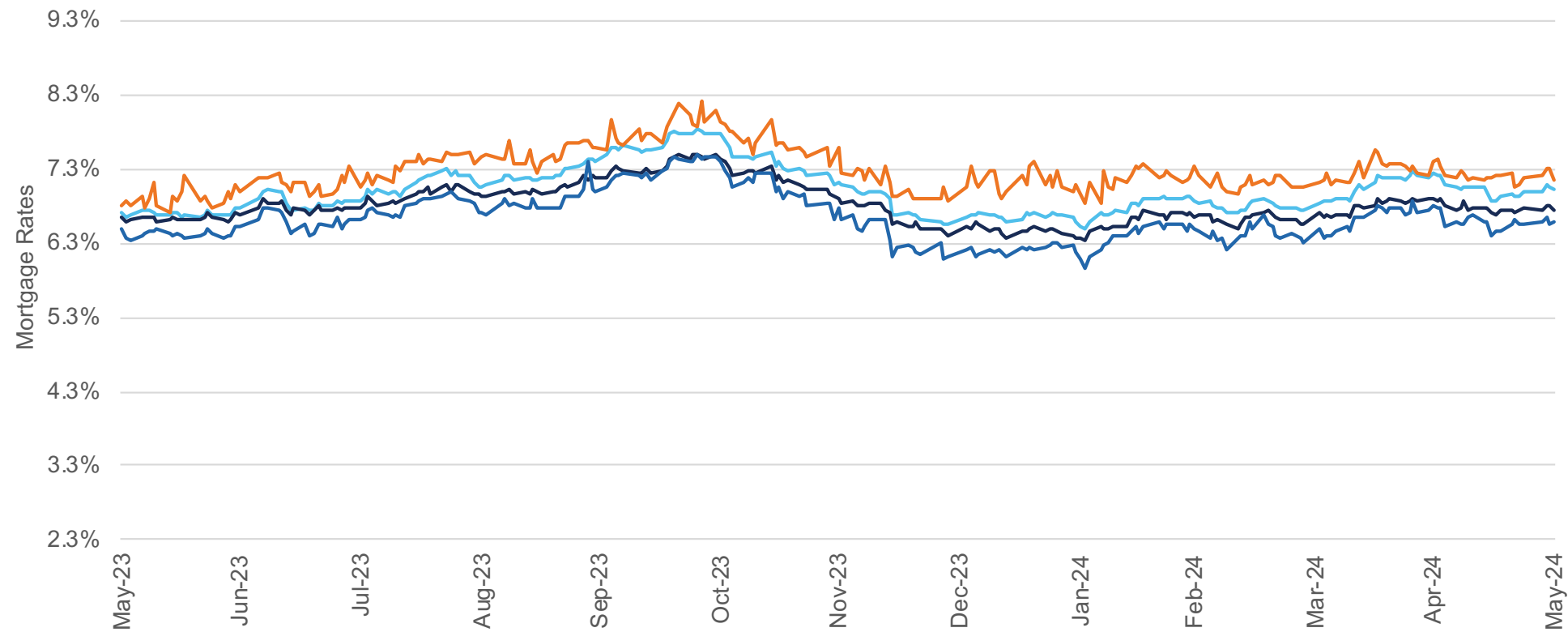
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NATIONAL		100.0%	5.3%	\$374,470	6.895	733	81	87%	13%
11	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.9%	7.8%	\$379,164	6.915	740	79	88%	12%
12	Denver-Aurora-Lakewood, CO	1.8%	-1.2%	\$498,900	6.719	745	76	87%	13%
13	Miami-Fort Lauderdale-West Palm Beach, FL	1.6%	-2.7%	\$503,038	6.964	731	77	83%	17%
14	Riverside-San Bernardino-Ontario, CA	1.4%	13.1%	\$482,460	6.753	724	80	86%	14%
15	Austin-Round Rock, TX	1.4%	0.4%	\$409,309	6.410	743	80	95%	5%
16	Minneapolis-St. Paul-Bloomington, MN-WI	1.4%	4.7%	\$349,998	6.991	749	80	93%	7%
17	Tampa-St. Petersburg-Clearwater, FL	1.3%	2.3%	\$371,020	6.605	730	81	88%	12%
18	San Francisco-Oakland-Hayward, CA	1.3%	6.3%	\$805,988	7.062	758	70	87%	13%
19	Charlotte-Concord-Gastonia, NC-SC	1.2%	6.4%	\$403,189	6.918	739	80	87%	13%
20	San Antonio-New Braunfels, TX	1.2%	9.5%	\$306,659	6.025	718	88	90%	10%

MARKET RATE INDICES

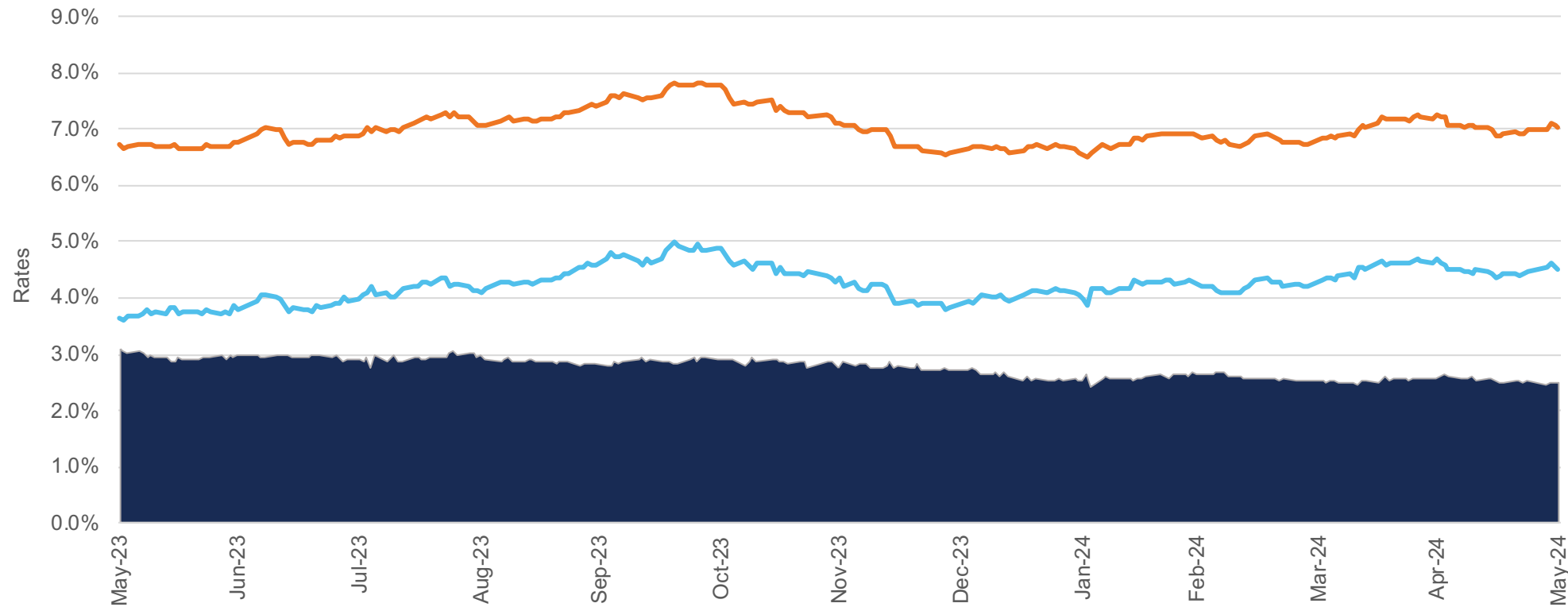
Pulling data from the **Optimal Blue Mortgage Market Indices (OBMMI)**, the chart below shows average 30-year rates across various loan products.






Market Index		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	7.02%	(22 bps)	14 bps	30 bps
	30-Year Jumbo	7.16%	(24 bps)	(19 bps)	35 bps
	30-Year FHA	6.75%	(16 bps)	9 bps	8 bps
	30-Year VA	6.58%	(22 bps)	8 bps	9 bps

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](#).

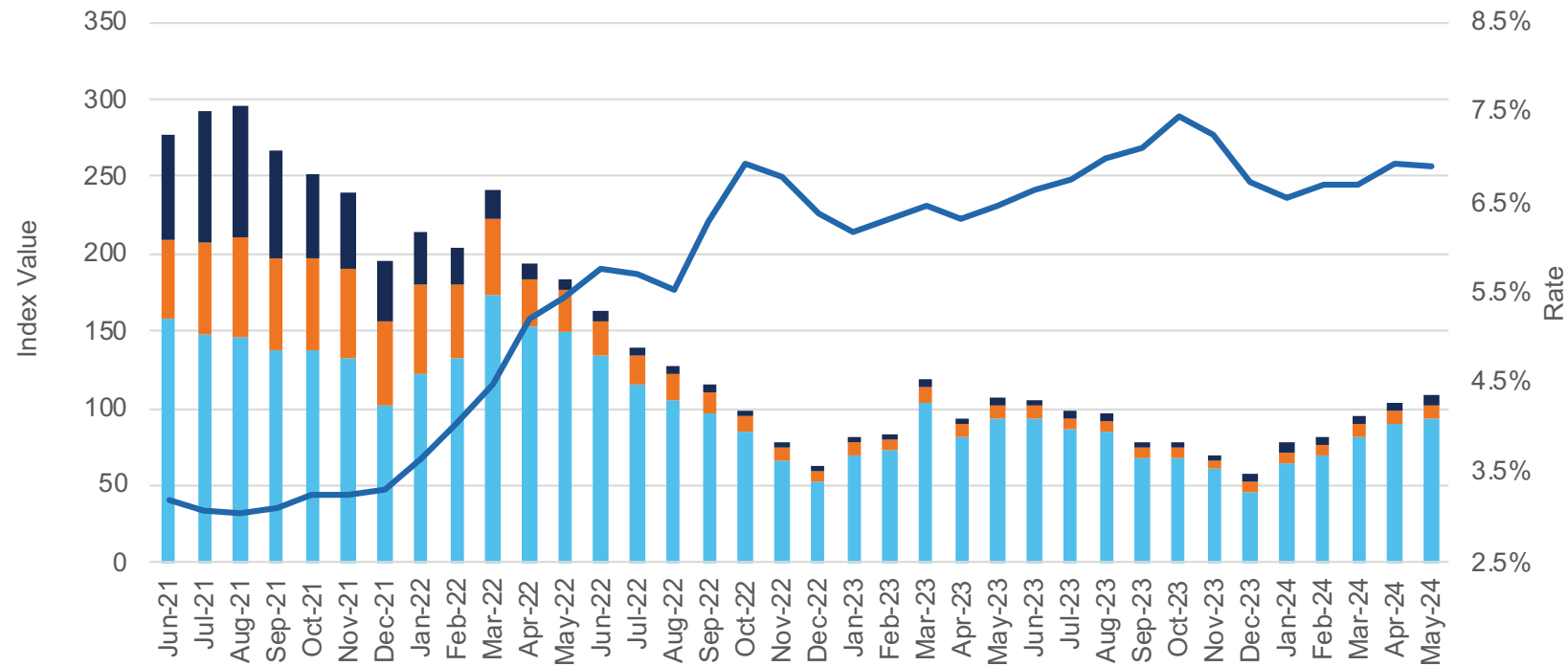






Market Index		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	4.51%	(18 bps)	26 bps	87 bps
	30-Year Conforming	7.02%	(22 bps)	14 bps	30 bps
	10-Year to 30-Year	2.51%	(4 bps)	(12 bps)	(57 bps)

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](#).



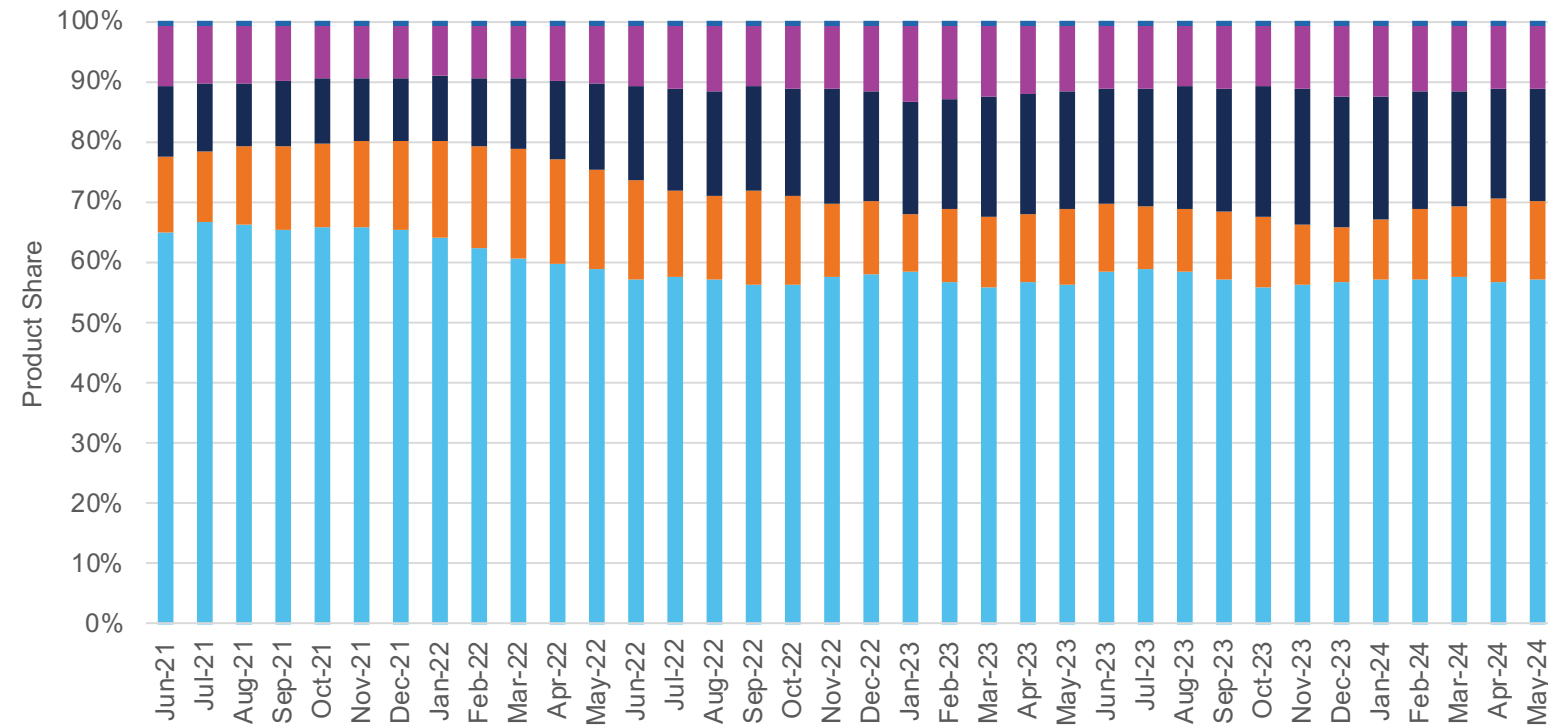
Market Volume Index (Total volume indexed to 100 in January 2018)		Current Value	1-Month % Change	3-Month % Change	12-Month % Change
	Purchase	94	4.1%	35.4%	0.5%
	Cash-Out Refinance	9	7.2%	19.7%	3.0%
	Rate/Term Refinance	6	25.6%	29.0%	25.9%
	Total	108	5.3%	33.6%	1.8%
Refinance Share*		13%	98 bps	(114 bps)	109 bps

*Refinance share changes reflect inter-period delta

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](#).

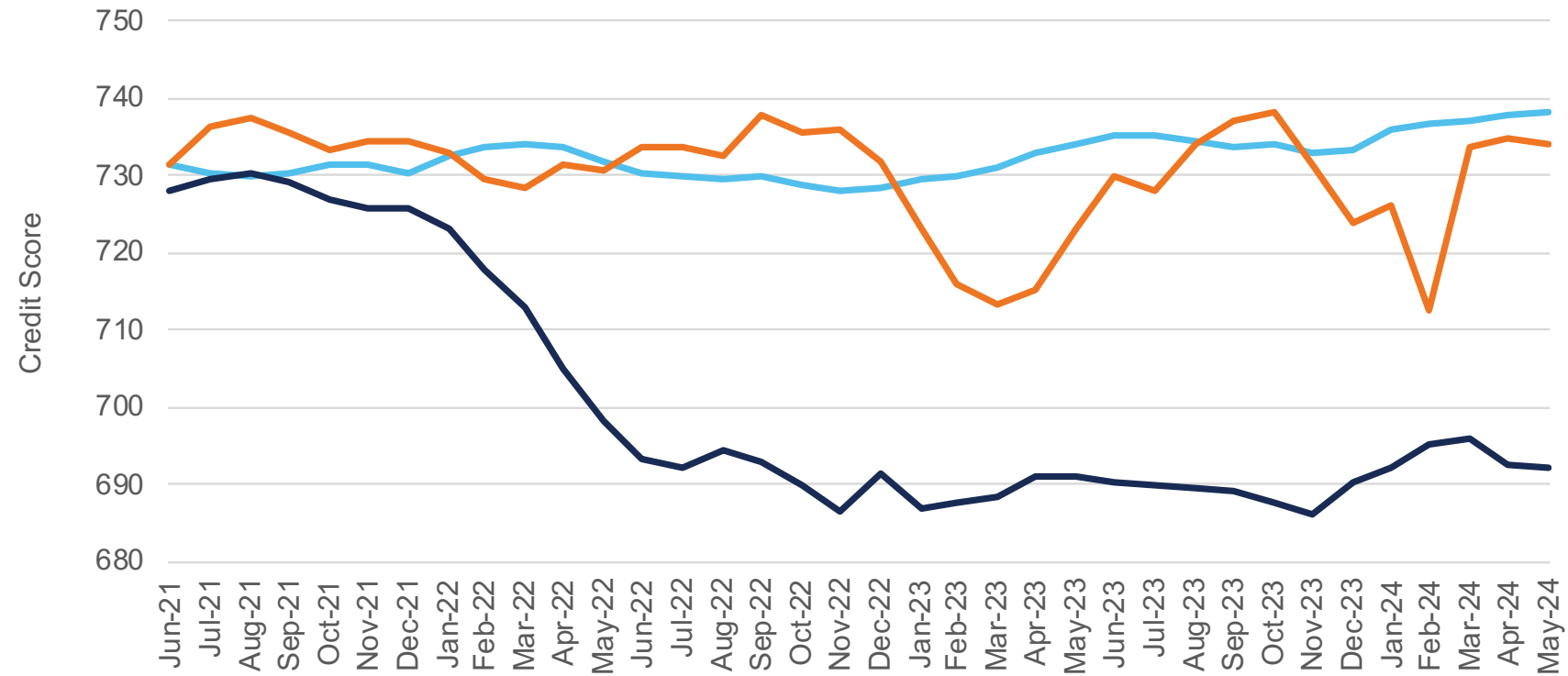


Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	57.2%	42 bps	(20 bps)	72 bps
	Nonconforming	13.0%	(65 bps)	155 bps	39 bps
	FHA	18.4%	(1 bps)	(131 bps)	(74 bps)
	VA	10.8%	24 bps	4 bps	(30 bps)
	USDA	0.6%	1 bps	(9 bps)	(7 bps)

AVERAGE CREDIT SCORES

Here, we look at average credit scores by loan purpose.

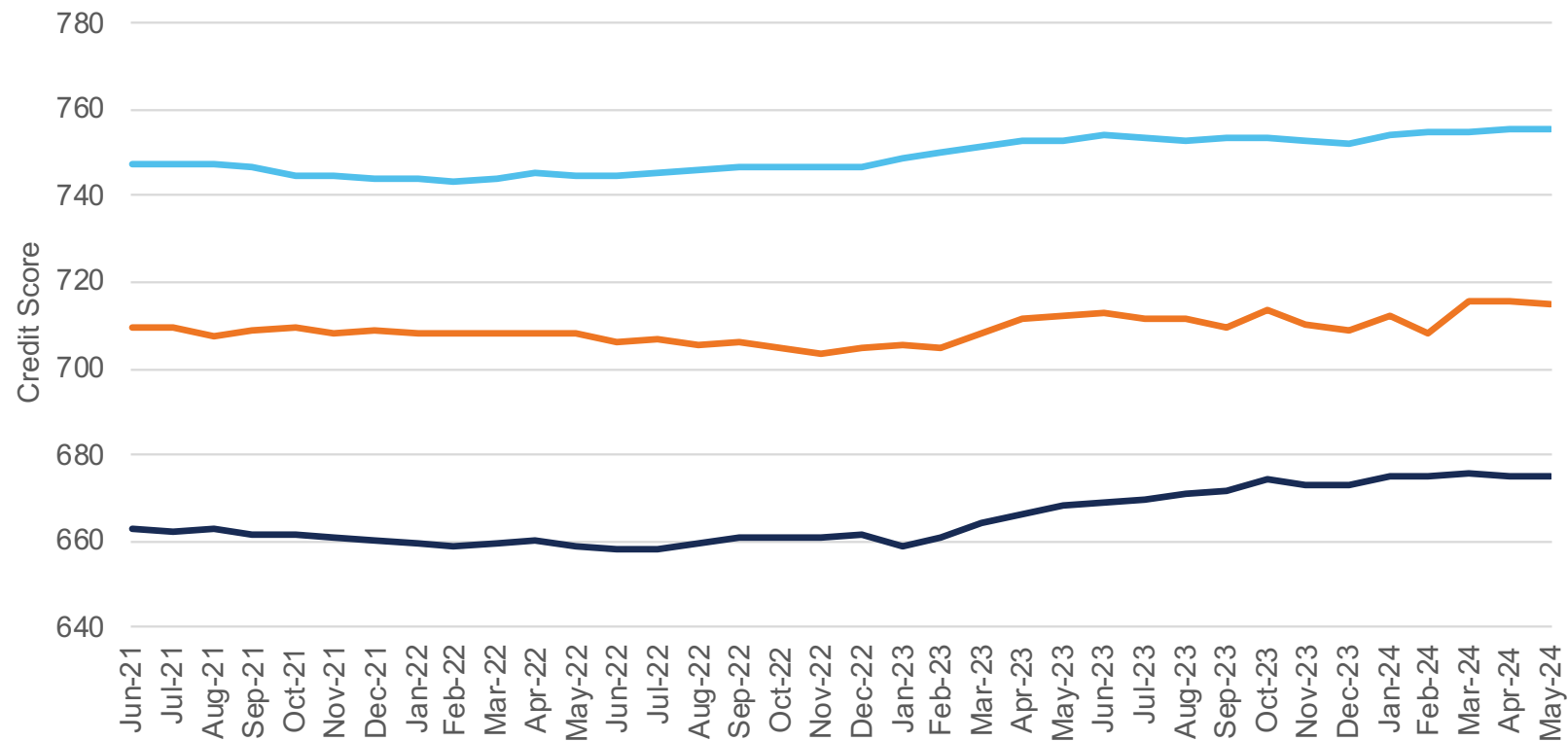
This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).






Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase	738	0	2	4
	Rate/Term Refi	734	-1	22	11
	Cash-Out Refi	692	0	-3	1

AVERAGE CREDIT SCORES

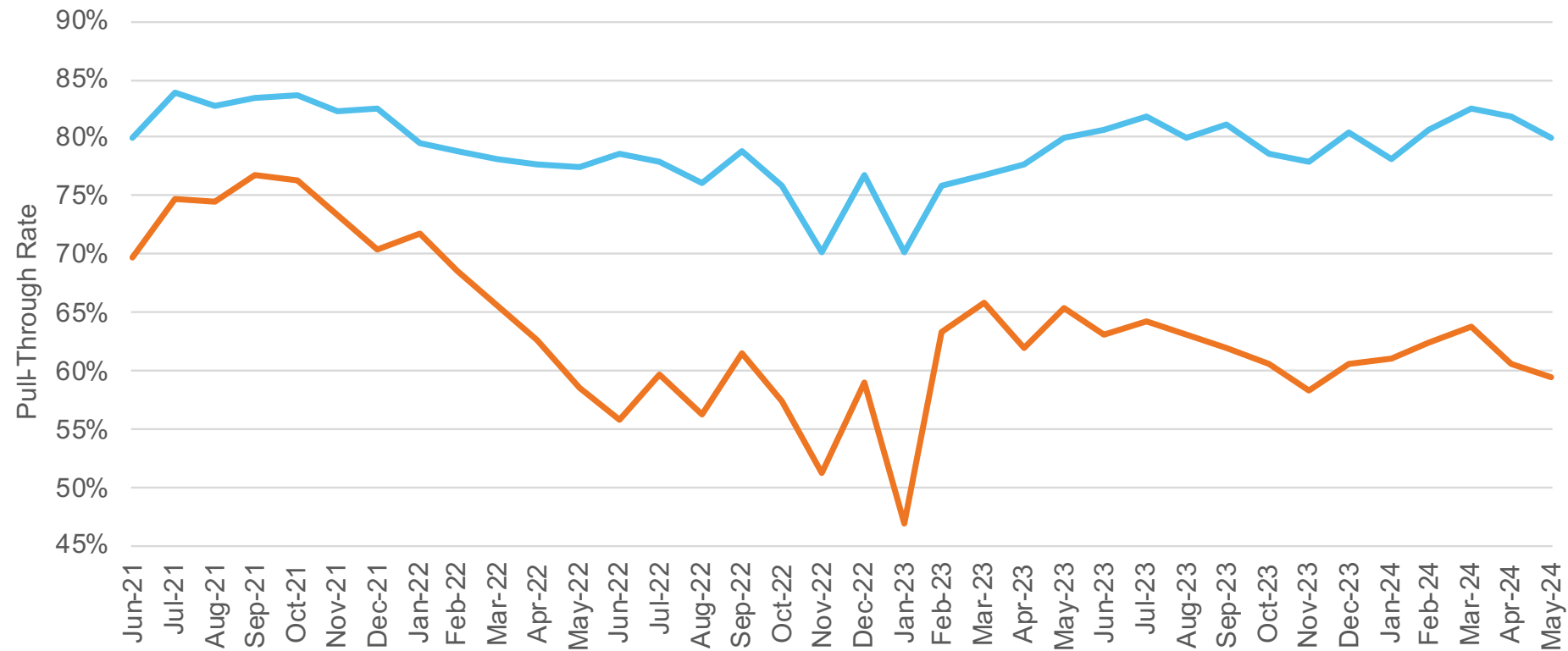
Here, we look at average credit scores for conforming, FHA, and VA loans. This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	756	0	1	3
	VA	715	-1	7	3
	FHA	675	0	0	7

PURCHASE & REFI PULL-THROUGH

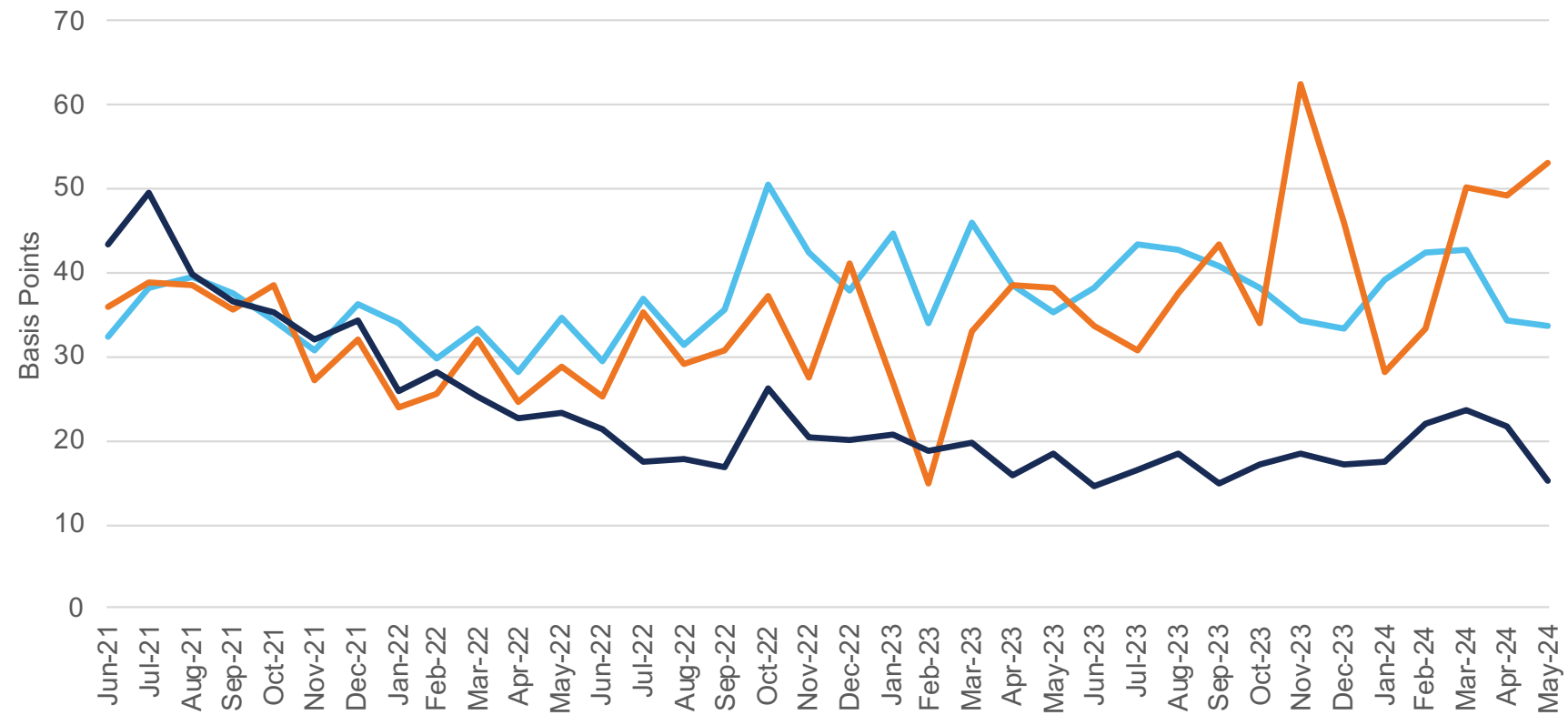
Below, we look at pull-through rates – the percentage of locks that become funded loans. This information is pulled from daily rate lock tracking data from the Optimal Blue PPE.



Pull-Through Rate		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
—	Purchase Pull-Through	79.9%	(184 bps)	(80 bps)	(7 bps)
—	Refinance Pull-Through	59.4%	(115 bps)	(295 bps)	(607 bps)

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	(1 bps)	(9 bps)	(2 bps)
—	15-Year Conforming	53 bps	4 bps	20 bps	15 bps
—	30-Year Government	15 bps	(6 bps)	(7 bps)	(3 bps)