



OPTIMIZE YOUR ADVANTAGE

MARKET ADVANTAGE

MORTGAGE DATA REPORT
JUNE 2024





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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



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 JUNE 2024

Key findings, which are drawn from direct-source mortgage lock data and controlled for fewer market days in June, include:

- **Small dip in interest rates:** The benchmark OBMMI 30-year conforming rate bottomed out on June 13 at 6.810% before ending the month at 6.938%, 8 bps lower than the close of May. The retreat in mortgage rates prompted a 39% month-over-month (MoM) increase in rate-and-term refinance volume.
- **Year-over-Year purchase lock counts fall:** After showing a YoY increase in April, purchase lock counts – a key measure for market health that excludes the impact of home price appreciation (HPA) and volatile refinance activity – have been down for two consecutive months this spring, falling 4% YoY in May and 8% YoY in June.
- **Lethargic volume despite jump in refis:** Total volume was up 2% over the previous month, an incremental increase driven by a 22% jump in refinance activity. Purchase volume declined by 1% over the same time period.
- **Credit remains high, but varies by locale:** While average credit scores remained high across the board at 738, they varied widely among the top-20 metropolitan statistical areas (MSAs) by lock volume. The San Francisco-Oakland-Hayward MSA had the highest average credit score at 757, while Atlanta-Sandy Springs-Roswell, GA, had the lowest.
- **Home prices drop for first time this year:** The average home purchase price ended its five-month growth streak, dropping \$1.5K, from \$480.3K to \$478.8K. MoM, the average loan amount declined by \$300 to \$374.2K.

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](#).

Falling Home Prices and Purchase Mortgage Locks Reveal a Stagnant Late-Spring Housing Market



RATE LOCK VOLUME

Rate locks were down 12% MoM due to fewer market days in June than May. When controlled for this difference, total lock volume was up 2%.



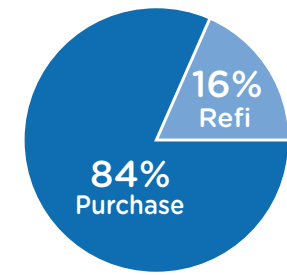
AVERAGE LOAN AMOUNT

MoM, the average loan amount declined by \$300 to \$374.2K.



MONTH-END CONFORMING RATE

The benchmark [Optimal Blue Mortgage Market Indices](#) 30-year conforming rate bottomed out on June 13 at 6.810% before ending the month at 6.938%.



MARKET MIX

When controlled for fewer market days in June than May, purchase volume was essentially flat at a 1% MoM decline. Refis surged MoM, with cash-out volume up 11% and rate/term volume up 39%.

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% | -12.3% | \$374,208 | 6.782 | 732 | 80 | 84% | 16% |
| 1 New York-Newark-Jersey City, NY-NJ-PA | 4.7% | -16.3% | \$556,902 | 6.921 | 746.48 | 74.77 | 85% | 15% |
| 2 Washington-Arlington-Alexandria, DC-VA-MD-WV | 4.2% | -9.7% | \$533,632 | 6.746 | 745.14 | 81.58 | 87% | 13% |
| 3 Chicago-Naperville-Elgin, IL-IN-WI | 3.6% | -9.9% | \$346,852 | 6.958 | 738.71 | 81.38 | 88% | 12% |
| 4 Dallas-Fort Worth-Arlington, TX | 3.1% | -17.3% | \$387,110 | 6.656 | 732.25 | 81.40 | 89% | 11% |
| 5 Boston-Cambridge-Newton, MA-NH | 2.6% | -4.7% | \$589,834 | 6.843 | 751.76 | 74.55 | 88% | 12% |
| 6 Los Angeles-Long Beach-Anaheim, CA | 2.6% | -7.0% | \$732,129 | 6.985 | 745.02 | 71.51 | 76% | 24% |
| 7 Atlanta-Sandy Springs-Roswell, GA | 2.5% | -14.8% | \$370,805 | 6.726 | 722.54 | 80.04 | 80% | 20% |
| 8 Houston-The Woodlands-Sugar Land, TX | 2.5% | -12.5% | \$340,393 | 6.486 | 724.59 | 83.78 | 93% | 7% |
| 9 Phoenix-Mesa-Scottsdale, AZ | 2.4% | -17.5% | \$426,372 | 6.638 | 733.18 | 79.31 | 82% | 18% |
| 10 Seattle-Tacoma-Bellevue, WA | 2.1% | -15.1% | \$618,506 | 6.877 | 750.12 | 76.70 | 87% | 13% |

TOP 20 METROPOLITAN AREAS

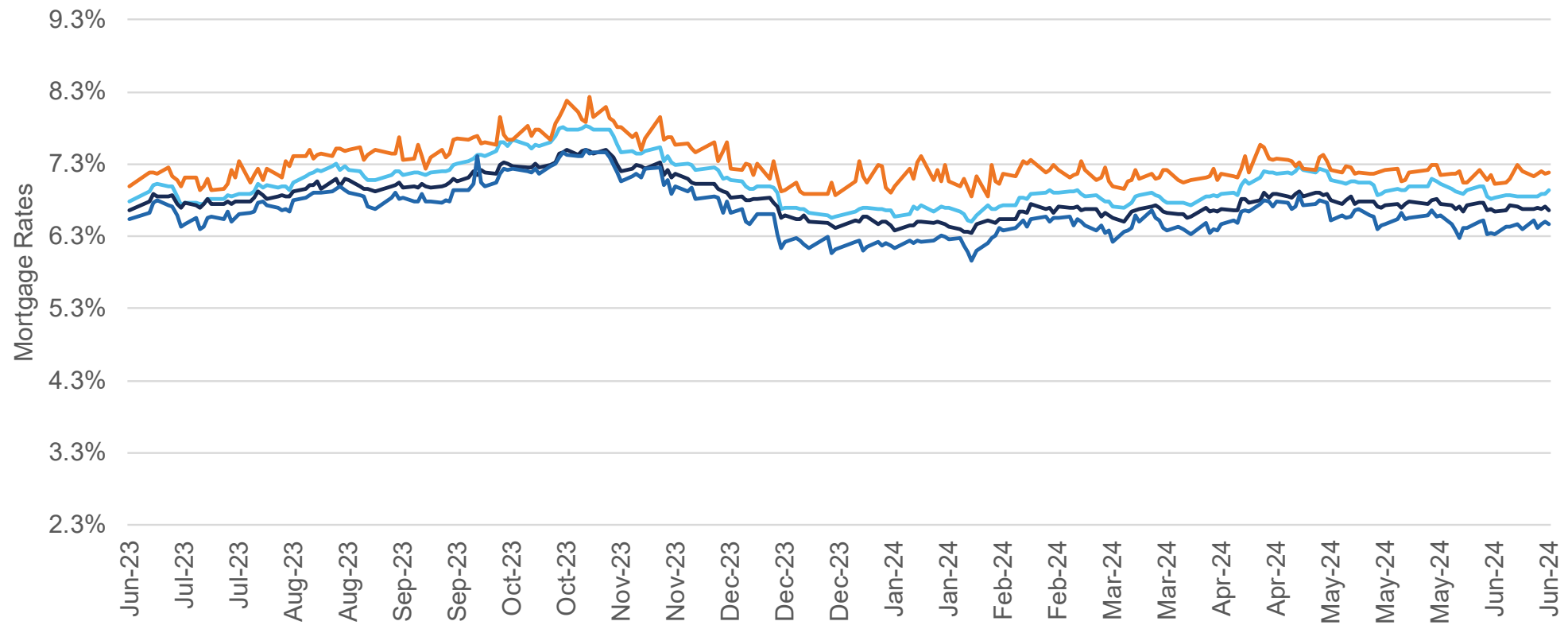
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|--|------------------|---------------|----------------------|--------------|------------------|-----------|------------|------------|
| NATIONAL | 100.0% | -12.3% | \$374,208 | 6.782 | 732 | 80 | 84% | 16% |
| 11 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD | 1.7% | -17.5% | \$372,604 | 6.832 | 738.54 | 79.43 | 87% | 13% |
| 12 Denver-Aurora-Lakewood, CO | 1.7% | -16.0% | \$498,439 | 6.576 | 743.58 | 77.72 | 87% | 13% |
| 13 Miami-Fort Lauderdale-West Palm Beach, FL | 1.5% | -17.6% | \$490,849 | 6.900 | 730.07 | 76.02 | 79% | 21% |
| 14 Riverside-San Bernardino-Ontario, CA | 1.5% | -10.4% | \$479,221 | 6.683 | 723.82 | 79.65 | 79% | 21% |
| 15 Minneapolis-St. Paul-Bloomington, MN-WI | 1.4% | -10.1% | \$368,277 | 6.852 | 748.82 | 79.60 | 89% | 11% |
| 16 San Francisco-Oakland-Hayward, CA | 1.4% | -7.3% | \$778,783 | 6.955 | 757.42 | 69.12 | 83% | 17% |
| 17 Austin-Round Rock, TX | 1.4% | -16.2% | \$408,478 | 6.260 | 741.05 | 80.00 | 92% | 8% |
| 18 Tampa-St. Petersburg-Clearwater, FL | 1.3% | -16.8% | \$366,026 | 6.399 | 727.77 | 80.19 | 87% | 13% |
| 19 Baltimore-Columbia-Towson, MD | 1.2% | -5.7% | \$403,153 | 6.832 | 739.99 | 83.49 | 87% | 13% |
| 20 Charlotte-Concord-Gastonia, NC-SC | 1.2% | -12.9% | \$391,600 | 6.778 | 734.22 | 80.83 | 84% | 16% |

MARKET RATE INDICES

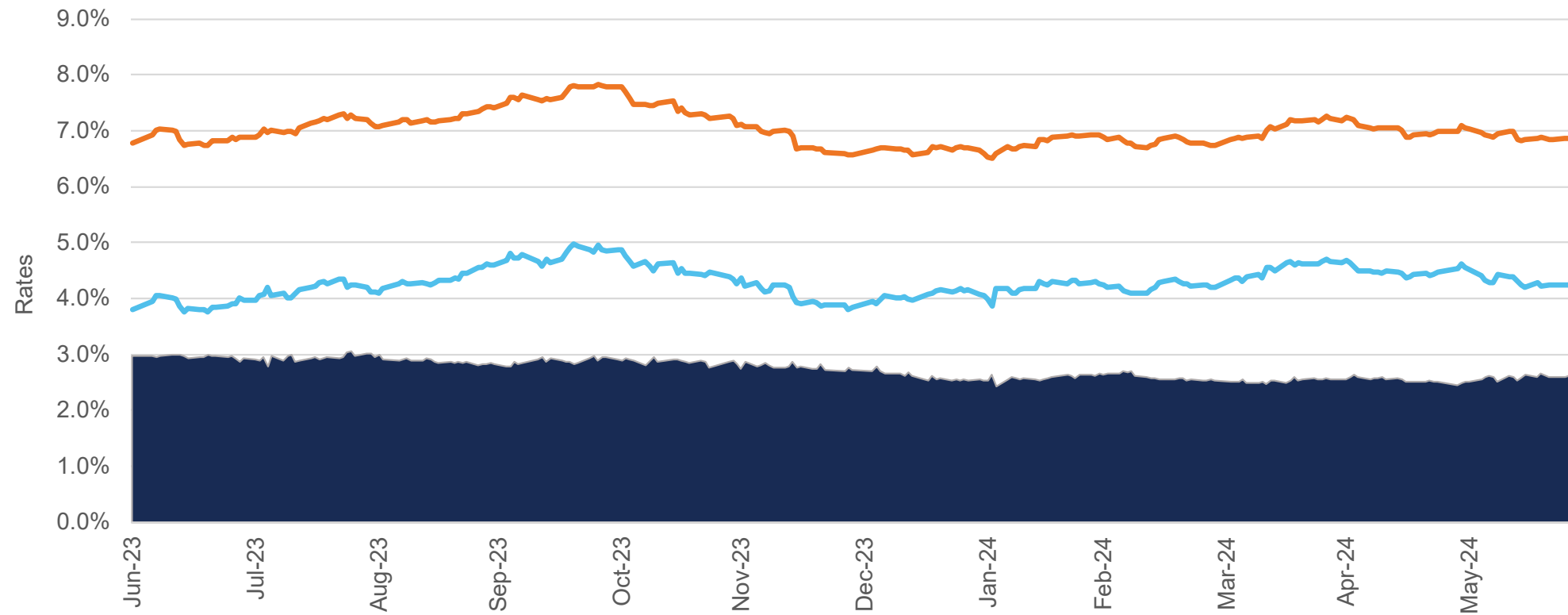
Pulling data from the Optimal Blue Mortgage Market Indices (OBMMI), the chart below shows average 30-year rates across various loan products.






| Market Index | | Current Rate | 1-Month Delta | 3-Month Delta | 12-Month Delta |
|---|--------------------|--------------|---------------|---------------|----------------|
|  | 30-Year Conforming | 6.94% | (8 bps) | 20 bps | 15 bps |
|  | 30-Year Jumbo | 7.18% | 3 bps | 11 bps | 19 bps |
|  | 30-Year FHA | 6.67% | (8 bps) | 9 bps | (0 bps) |
|  | 30-Year VA | 6.46% | (12 bps) | 14 bps | (7 bps) |

30-YEAR TO 10-YEAR TREASURY SPREAD

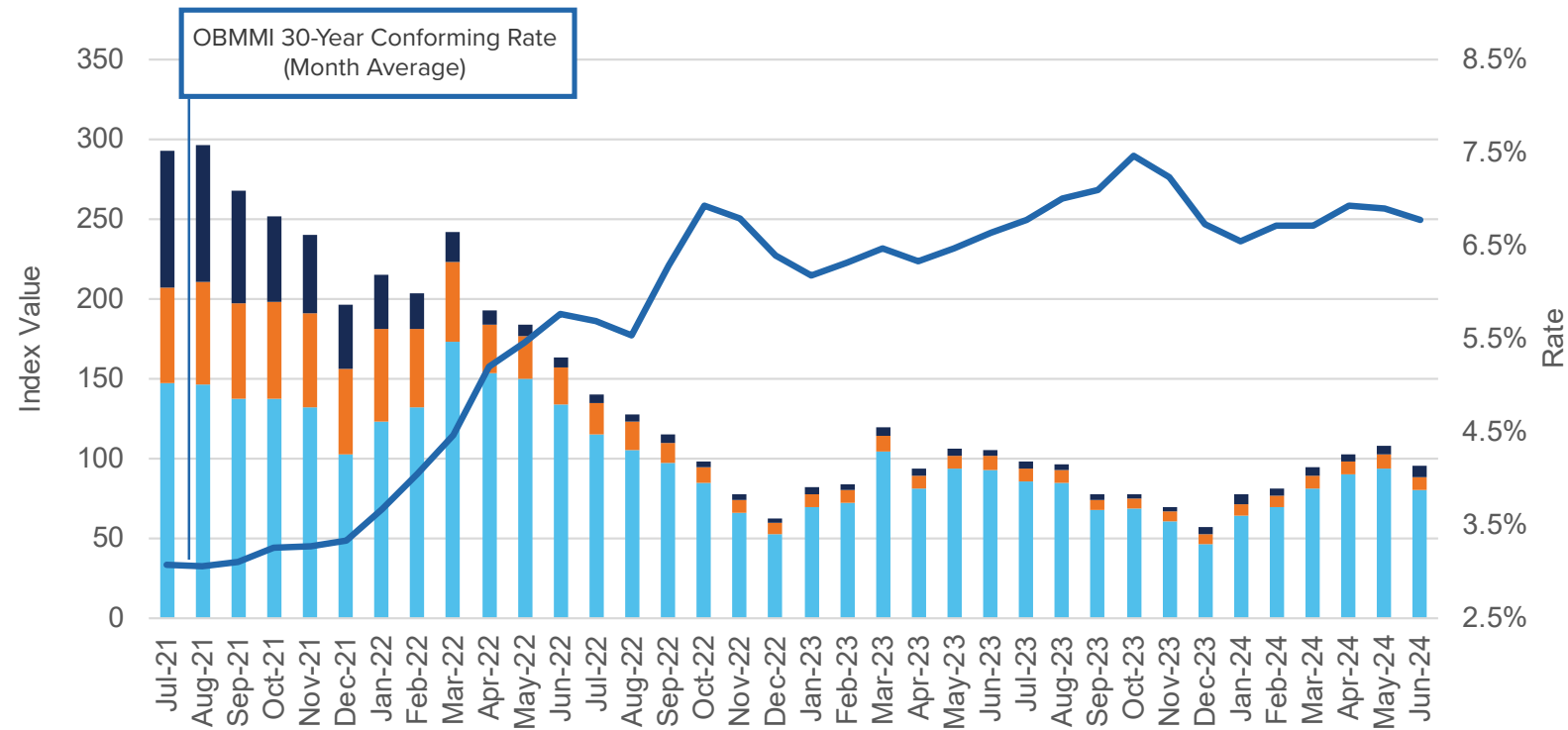
Mortgage rates are loosely tied to 10-year Treasury bond rates, but the spread between the two can vary. Below, we look at the current spread and trends over the past year. This information is pulled from Optimal Blue's [secondary market hedging platform](#).







| Market Index | | Current Value | 1-Month Delta | 3-Month Delta | 12-Month Delta |
|---|--------------------|---------------|---------------|---------------|----------------|
|  | 10-Year Treasury | 4.36% | (15 bps) | 16 bps | 55 bps |
|  | 30-Year Conforming | 6.94% | (8 bps) | 20 bps | 15 bps |
|  | 10-Year to 30-Year | 2.58% | 7 bps | 4 bps | (40 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](#).



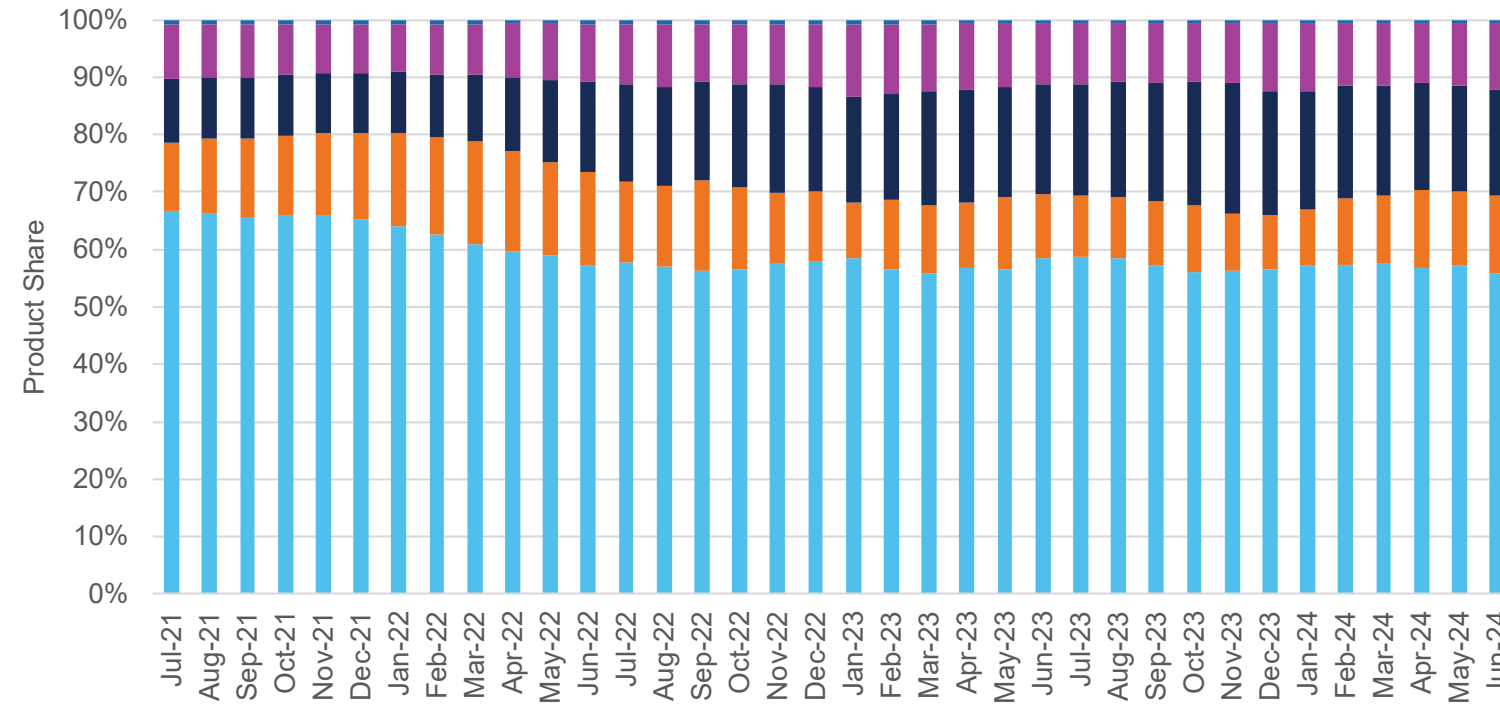
| Market Volume Index (Total volume indexed to 100 in January 2018) | | Current Value | 1-Month % Change | 3-Month % Change | 12-Month % Change |
|---|---------------------|---------------|------------------|------------------|-------------------|
|  | Purchase | 80 | (14.9%) | (1.7%) | (14.0%) |
|  | Cash-Out Refinance | 8 | (4.5%) | 3.3% | (0.2%) |
|  | Rate/Term Refinance | 7 | 19.8% | 29.8% | 81.2% |
|  | Total | 95 | (12.3%) | 0.5% | (9.5%) |
| Refinance Share* | | 16% | 262 bps | 184 bps | 438 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](#).

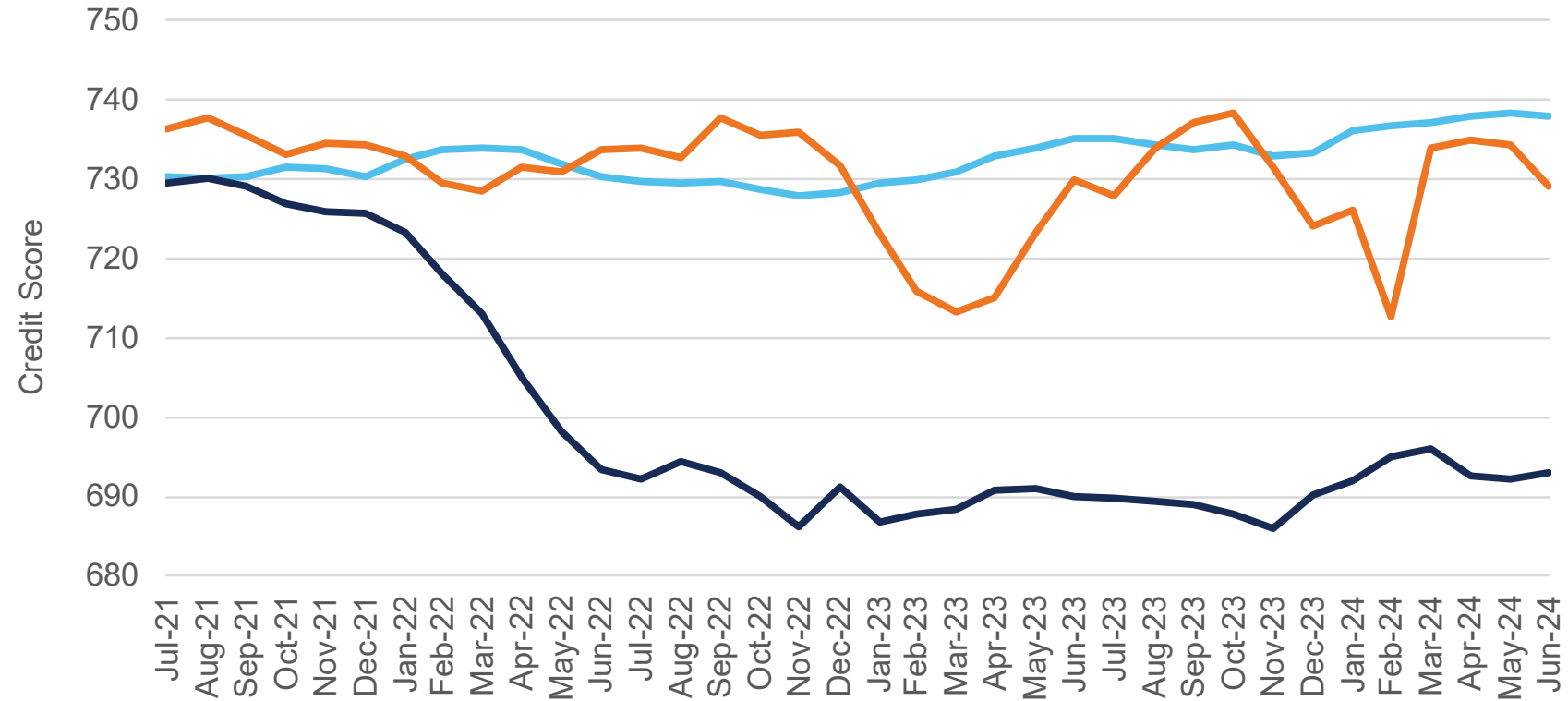





| Loan Product Mix | | Current Value | 1-Month Delta | 3-Month Delta | 12-Month Delta |
|------------------|---------------|---------------|---------------|---------------|----------------|
| | Conforming | 55.9% | (130 bps) | (171 bps) | (257 bps) |
| | Nonconforming | 13.5% | 44 bps | 164 bps | 222 bps |
| | FHA | 18.4% | (3 bps) | (62 bps) | (65 bps) |
| | VA | 11.7% | 93 bps | 82 bps | 105 bps |
| | USDA | 0.5% | (5 bps) | (13 bps) | (6 bps) |

AVERAGE CREDIT SCORES

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

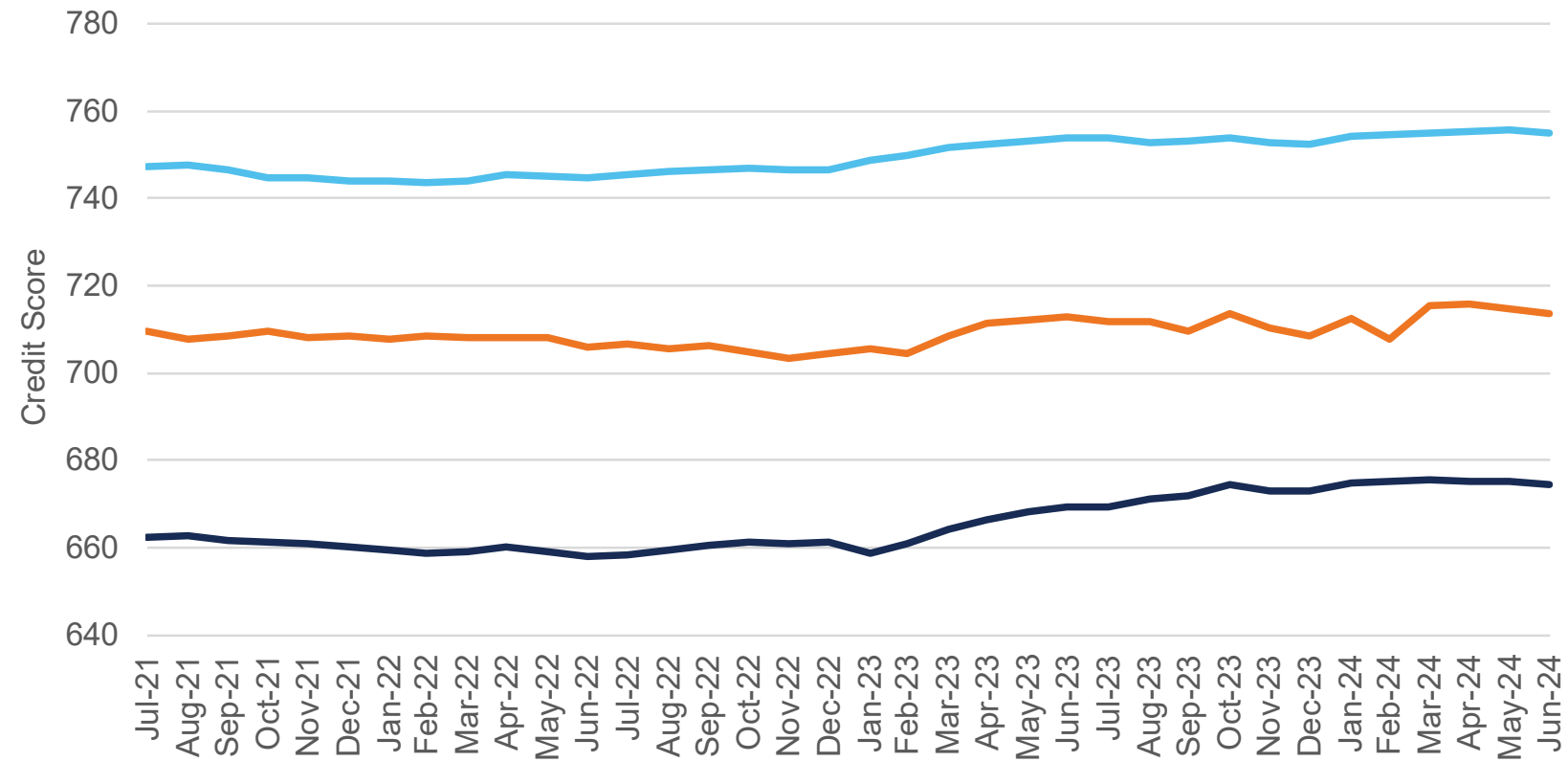
This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).






| Credit Score by Purpose | | Current Score | 1-Month Delta | 3-Month Delta | 12-Month Delta |
|---|----------------|---------------|---------------|---------------|----------------|
|  | Purchase | 738 | 0 | 1 | 3 |
|  | Rate/Term Refi | 729 | -5 | -5 | -1 |
|  | Cash-Out Refi | 693 | 1 | -3 | 3 |

AVERAGE CREDIT SCORES

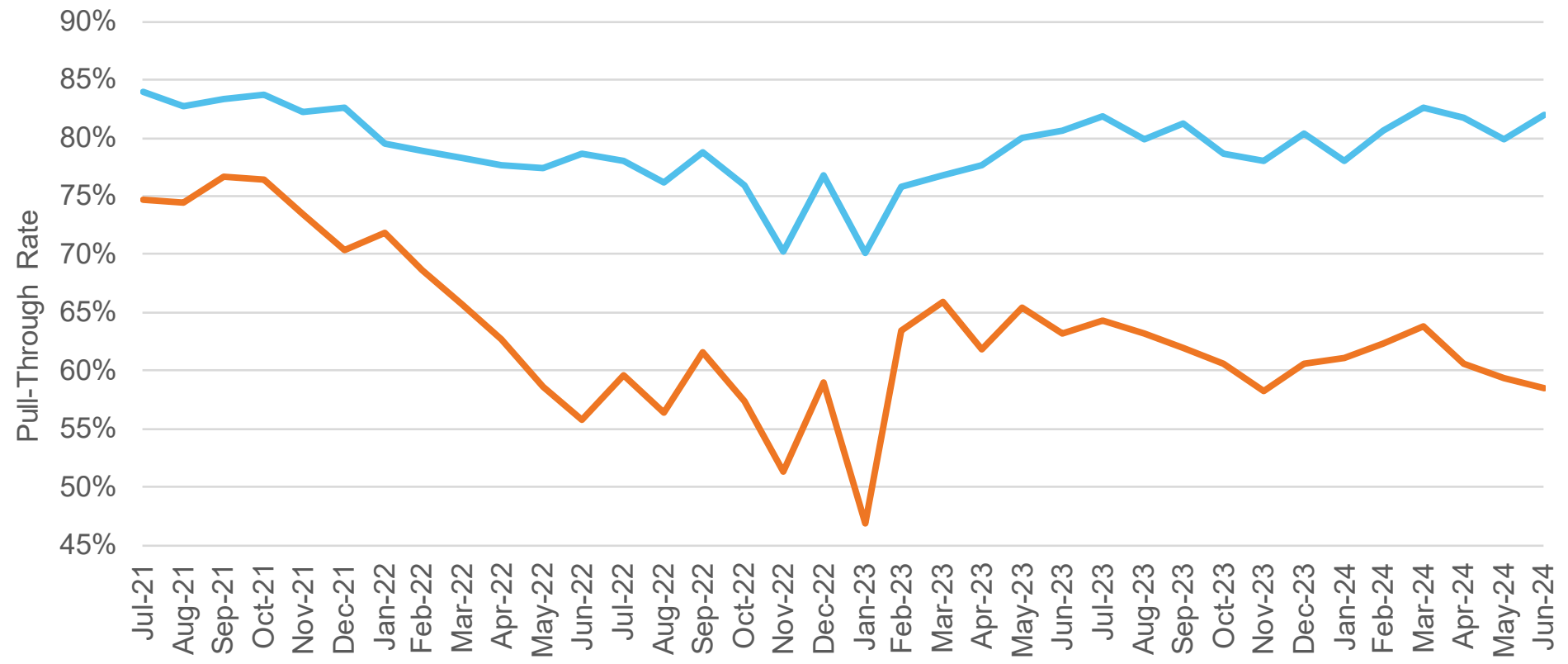
Here, we look at average credit scores for conforming, FHA, and VA loans. This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



| Credit Score by Product | | Current Score | 1-Month Delta | 3-Month Delta | 12-Month Delta |
|---|------------|---------------|---------------|---------------|----------------|
|  | Conforming | 755 | -1 | 0 | 1 |
|  | VA | 714 | -1 | -2 | 1 |
|  | FHA | 674 | -1 | -1 | 5 |

PURCHASE & REFI PULL-THROUGH

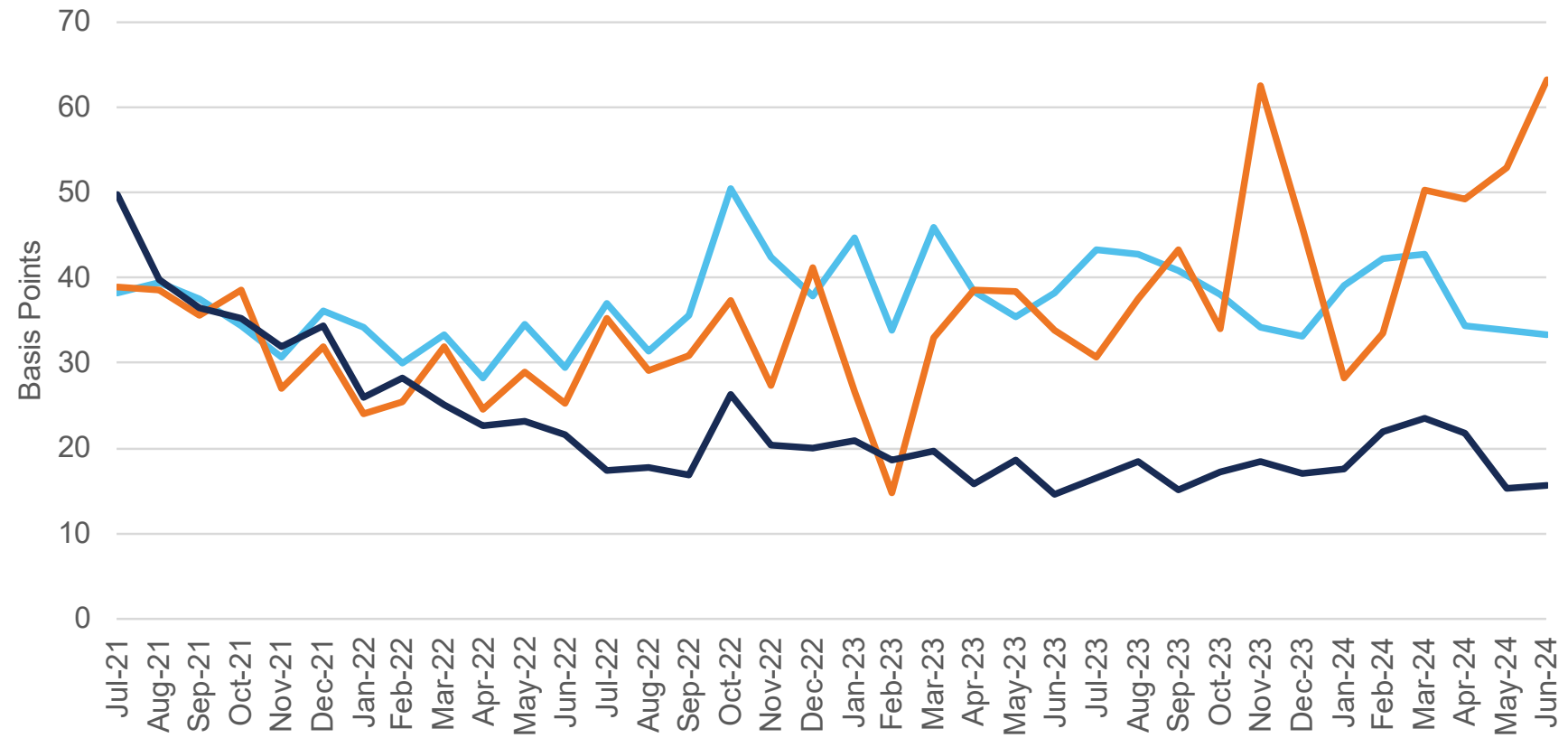
Below, we look at pull-through rates – the percentage of locks that become funded loans. This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



| Pull-Through Rate | | Current Rate | 1-Month Delta | 3-Month Delta | 12-Month Delta |
|---------------------------------------|------------------------|--------------|---------------|---------------|----------------|
| — | Purchase Pull-Through | 82.0% | 509 bps | (56 bps) | 140 bps |
| — | Refinance Pull-Through | 58.5% | 1281 bps | (533 bps) | (467 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 | 33 bps | (0 bps) | (9 bps) | (5 bps) |
| — | 15-Year Conforming | 63 bps | 10 bps | 13 bps | 29 bps |
| — | 30-Year Government | 16 bps | 0 bps | (8 bps) | 1 bps |