



OPTIMIZE YOUR ADVANTAGE

MARKET ADVANTAGE

MORTGAGE DATA REPORT
JULY 2024





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

OVERVIEW JULY 2024

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

- **Increase in rate lock volume:** Overall rate lock volume rose by 3.5% month-over-month (MoM), with purchase activity up 2.5% and refinance activity showing even stronger growth. Cash-out refinance volume grew by 5.9% MoM, while rate-and-term refinance activity surged 12.3%, reflecting borrower sensitivity to lower rates.
- **Purchase lock count growth:** Purchase lock counts grew by 2.5% MoM in July, though they remained down 7% year-over-year (YoY). This is a significant improvement over June's 17% YoY decline, suggesting a potential stabilization in purchase demand as the market adjusts.
- **Refinance activity surge:** Refinance activity reached its highest level since September 2022, with the refinance share growing to 17% of total volume - an 81-basis-point increase from June and a 472-basis-point rise YoY. This aligns with trends in the OBMMI 30-year conforming rate, which ended July 2024 at 6.67%, nearly identical to the 6.68% rate that closed out September in 2022.
- **Rate and treasury movements:** The OBMMI 30-Year conforming rate ended July at 6.67%, down 26 basis points from June. Meanwhile, the 10-year Treasury yield dropped by 27 basis points to 4.09%. The spread between the 30-year conforming rate and the 10-year Treasury remained stable at 258 basis points, an uptick of just 1 basis point.
- **Shift in loan mix:** The loan mix in July shifted toward agency production. Conforming loans increased market share to 56.1% (+18 bps), FHA loans grew to 19.0% (+61 bps), and VA loans rose to 11.9% (+22 bps). Conversely, non-conforming loans, including jumbo and non-QM, saw a decline in market share, falling to 12.4% (-107 bps).
- **Decrease in average loan amount:** The average loan amount decreased from \$374K in June to \$369K in July, reflecting the shift away from non-conforming loan types.
- **Stable credit quality:** Credit scores remained stable, with the average score holding steady at 732.

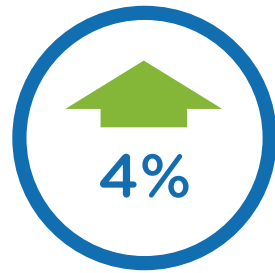
Each month, the Optimal Blue **Market Advantage** mortgage data report reviews a series of key market indicators to provide early insight into U.S. mortgage trends. Leveraging lender rate lock data from the Optimal Blue PPE - the mortgage industry's most widely used product, pricing, and eligibility 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](#).



July Refinance Activity Hits Highest Levels Since September 2022



RATE LOCK VOLUME

Overall rate lock volume rose by 3.5% MoM, with purchase activity up 2.5% and refinance activity showing even stronger growth. Cash-out refinance volume grew by 5.9% MoM, while rate-and-term refinance activity surged 12.3%, reflecting borrower sensitivity to lower rates.



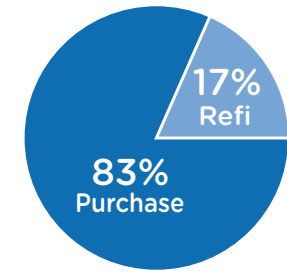
AVERAGE LOAN AMOUNT

The average loan amount decreased from \$374K in June to \$369K in July, reflecting the shift away from non-conforming loan types.



MONTH-END CONFORMING RATE

The benchmark [Optimal Blue Mortgage Market Indices](#) 30-year conforming rate ended July at 6.67%, down 26 basis points from June.



MARKET MIX

Refinance activity reached its highest level since September 2022, with the refinance share growing to 17% of total volume – an 81-basis-point increase from June and a 472-basis-point rise YoY.

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%	3.5%	\$369,105	6.689	732	81	83%	17%
1 New York-Newark-Jersey City, NY-NJ-PA	4.8%	4.4%	\$544,092	6.838	744	75	86%	14%
2 Washington-Arlington-Alexandria, DC-VA-MD-WV	4.0%	-1.3%	\$520,708	6.664	744	81	86%	14%
3 Chicago-Naperville-Elgin, IL-IN-WI	3.4%	-1.7%	\$335,538	6.848	739	81	87%	13%
4 Dallas-Fort Worth-Arlington, TX	3.2%	6.6%	\$387,017	6.479	731	82	88%	12%
5 Los Angeles-Long Beach-Anaheim, CA	2.7%	6.1%	\$765,091	6.927	748	72	72%	28%
6 Atlanta-Sandy Springs-Roswell, GA	2.6%	6.7%	\$368,275	6.621	724	80	80%	20%
7 Boston-Cambridge-Newton, MA-NH	2.5%	-3.9%	\$566,149	6.777	749	74	87%	13%
8 Houston-The Woodlands-Sugar Land, TX	2.3%	-3.3%	\$332,702	6.358	725	84	92%	8%
9 Phoenix-Mesa-Scottsdale, AZ	2.3%	-0.2%	\$413,105	6.506	731	80	86%	14%
10 Seattle-Tacoma-Bellevue, WA	1.9%	-4.8%	\$606,957	6.777	749	76	87%	13%

TOP 20 METROPOLITAN AREAS

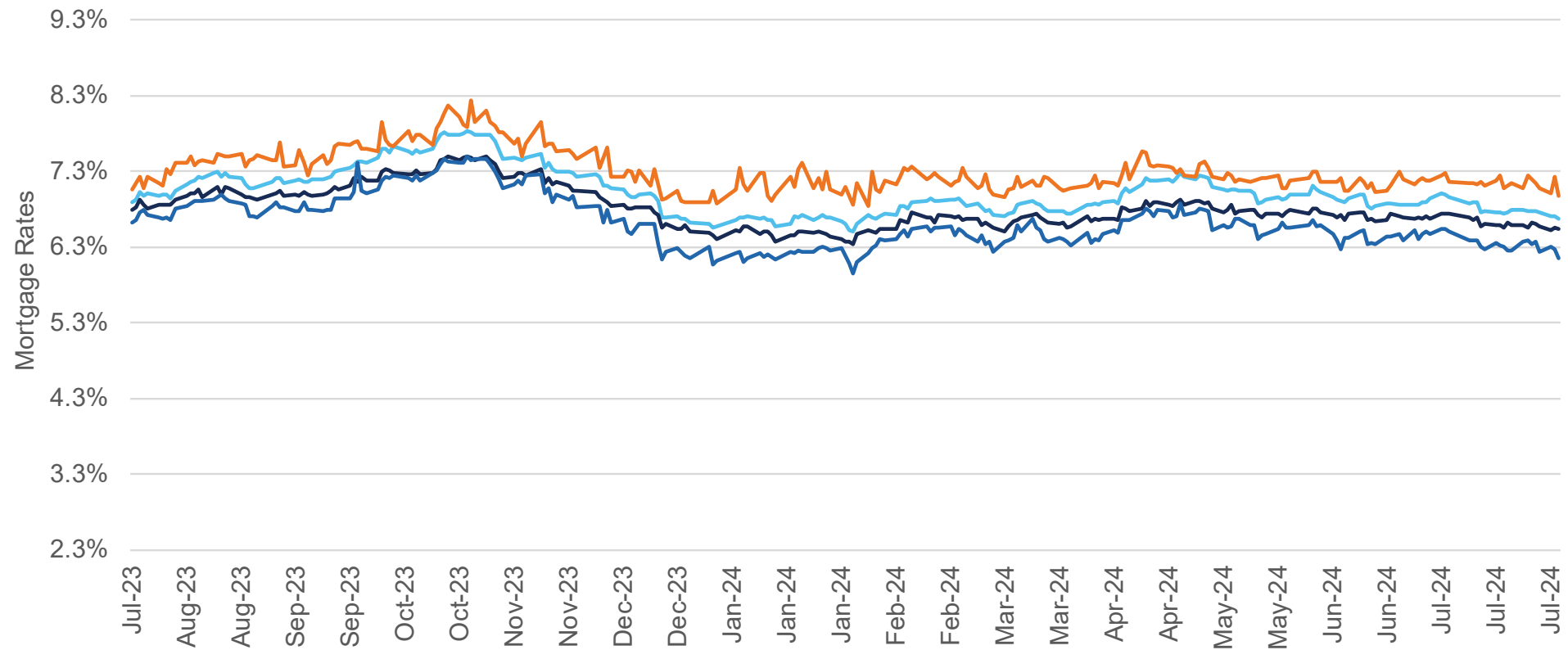
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NATIONAL		100.0%	3.5%	\$369,105	6.689	732	81	83%	17%
11	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.9%	11.7%	\$366,162	6.765	736	79	86%	14%
12	Denver-Aurora-Lakewood, CO	1.8%	6.5%	\$483,471	6.487	742	76	83%	17%
13	Riverside-San Bernardino-Ontario, CA	1.5%	7.6%	\$488,931	6.600	724	80	82%	18%
14	Miami-Fort Lauderdale-West Palm Beach, FL	1.4%	-3.1%	\$538,256	6.827	731	76	77%	23%
15	Austin-Round Rock, TX	1.4%	6.7%	\$395,453	6.131	740	80	92%	8%
16	Tampa-St. Petersburg-Clearwater, FL	1.4%	15.9%	\$380,481	6.330	729	82	86%	14%
17	Minneapolis-St. Paul-Bloomington, MN-WI	1.4%	0.1%	\$363,505	6.778	747	81	88%	12%
18	San Francisco-Oakland-Hayward, CA	1.3%	-0.5%	\$799,493	6.851	760	71	85%	15%
19	Baltimore-Columbia-Towson, MD	1.3%	6.1%	\$414,112	6.766	738	82	87%	13%
20	Charlotte-Concord-Gastonia, NC-SC	1.3%	9.2%	\$399,161	6.700	735	80	83%	17%

MARKET RATE INDICES

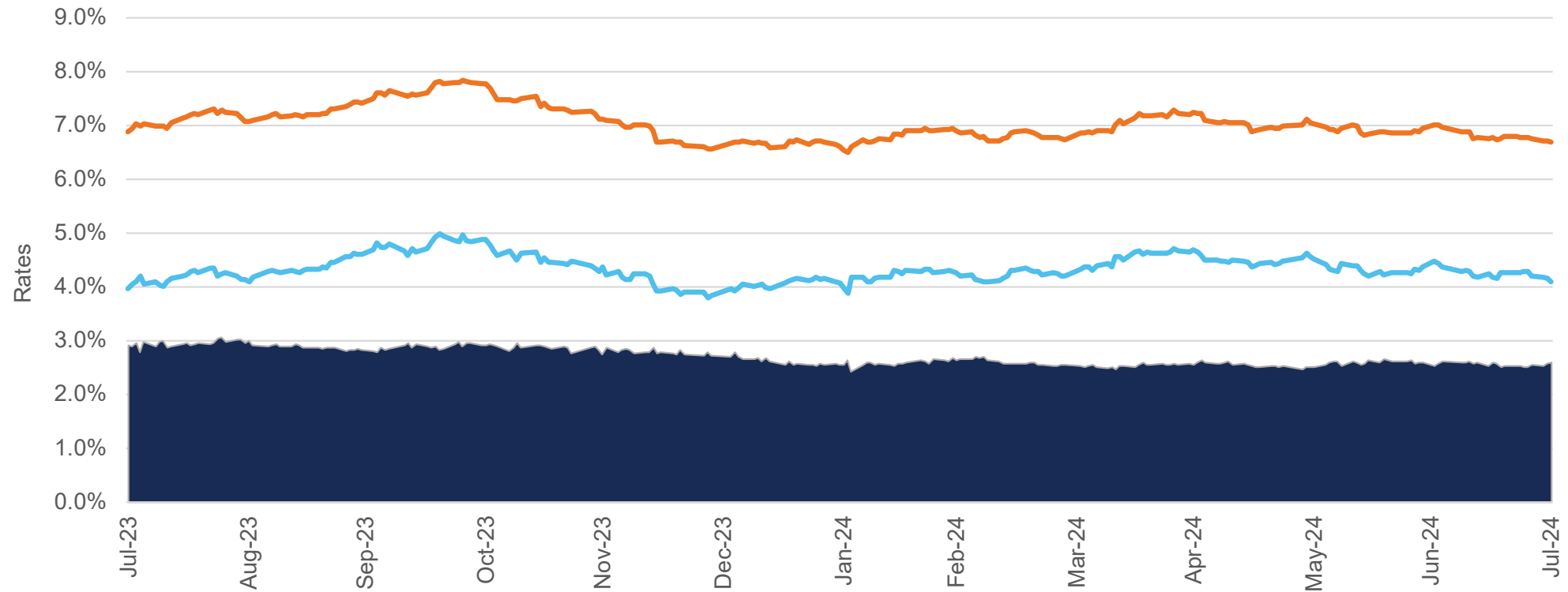
Pulling data from the Optimal Blue Mortgage Market Indices (OBMMI), the chart below shows average 30-year rates across various loan products.






	Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	6.67%	(26 bps)	(57 bps)	(21 bps)
	30-Year Jumbo	6.98%	(20 bps)	(42 bps)	(7 bps)
	30-Year FHA	6.53%	(13 bps)	(38 bps)	(25 bps)
	30-Year VA	6.15%	(32 bps)	(65 bps)	(47 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](#).

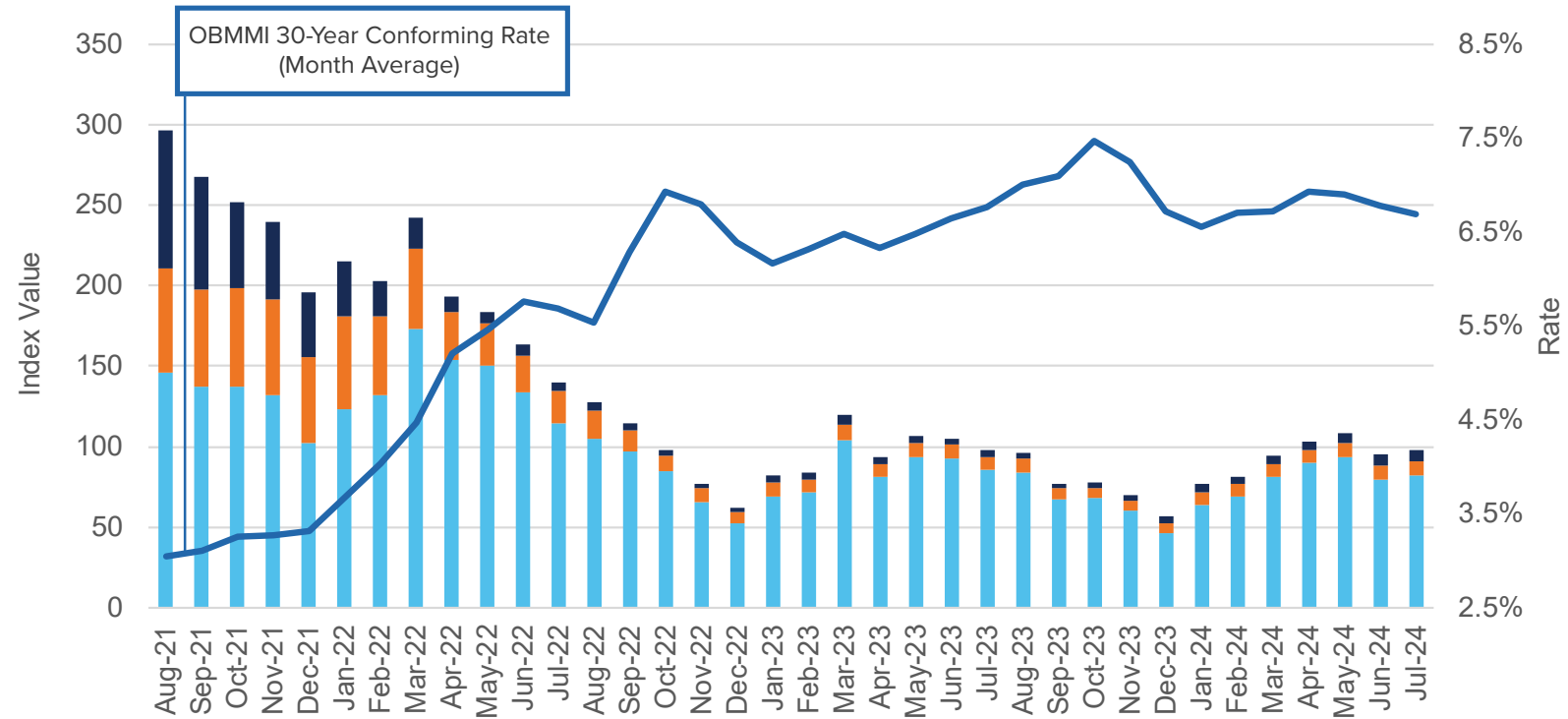






	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	4.09%	(27 bps)	(60 bps)	12 bps
	30-Year Conforming	6.67%	(26 bps)	(57 bps)	(21 bps)
	10-Year to 30-Year Spread	2.58%	1 bps	3 bps	(33 bps)

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](#).



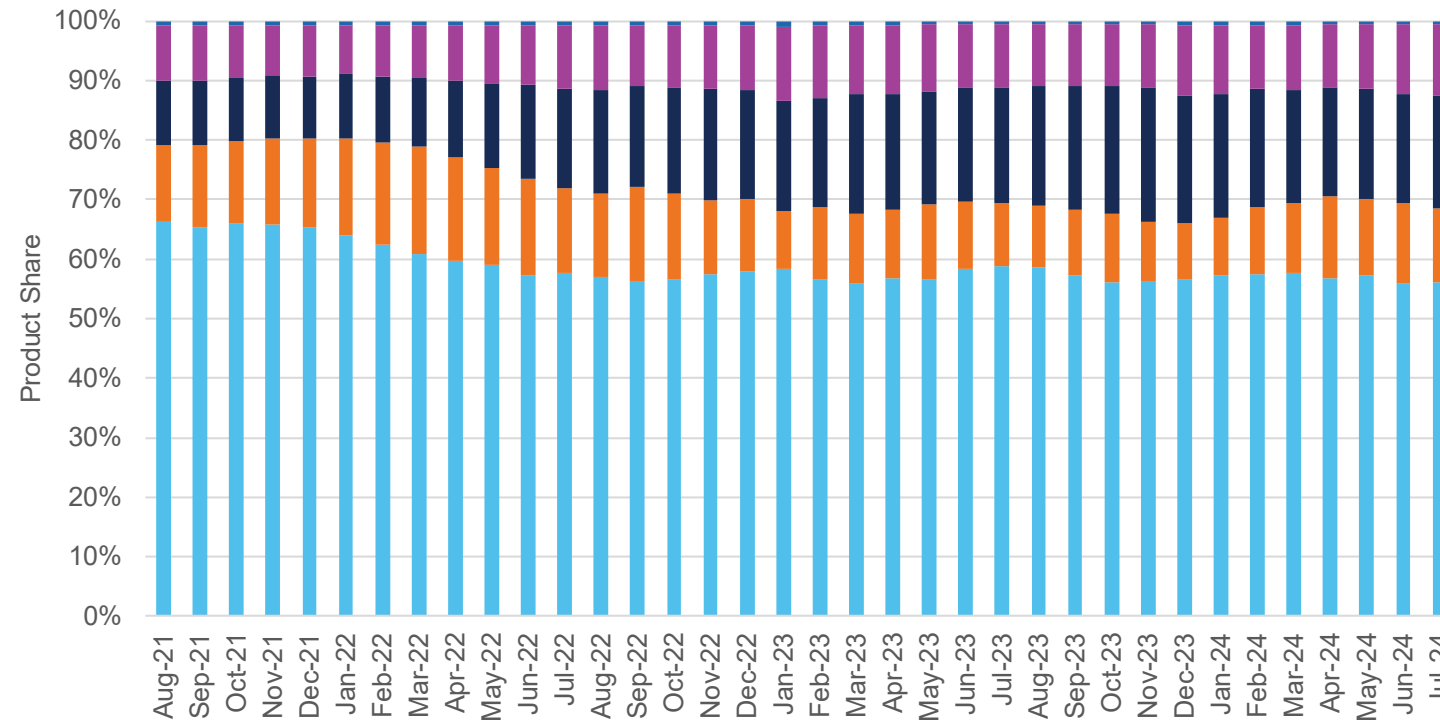
Market Volume Index (Total volume indexed to 100 in January 2018)		Current Value	1-Month % Change	3-Month % Change	12-Month % Change
	Purchase	82	2.5%	(9.2%)	(4.8%)
	Cash-Out Refinance	9	5.9%	8.5%	11.8%
	Rate/Term Refinance	8	12.3%	68.9%	99.6%
	Total	98	3.5%	(4.4%)	0.6%
Refinance Share*		17%	81 bps	441 bps	472 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.

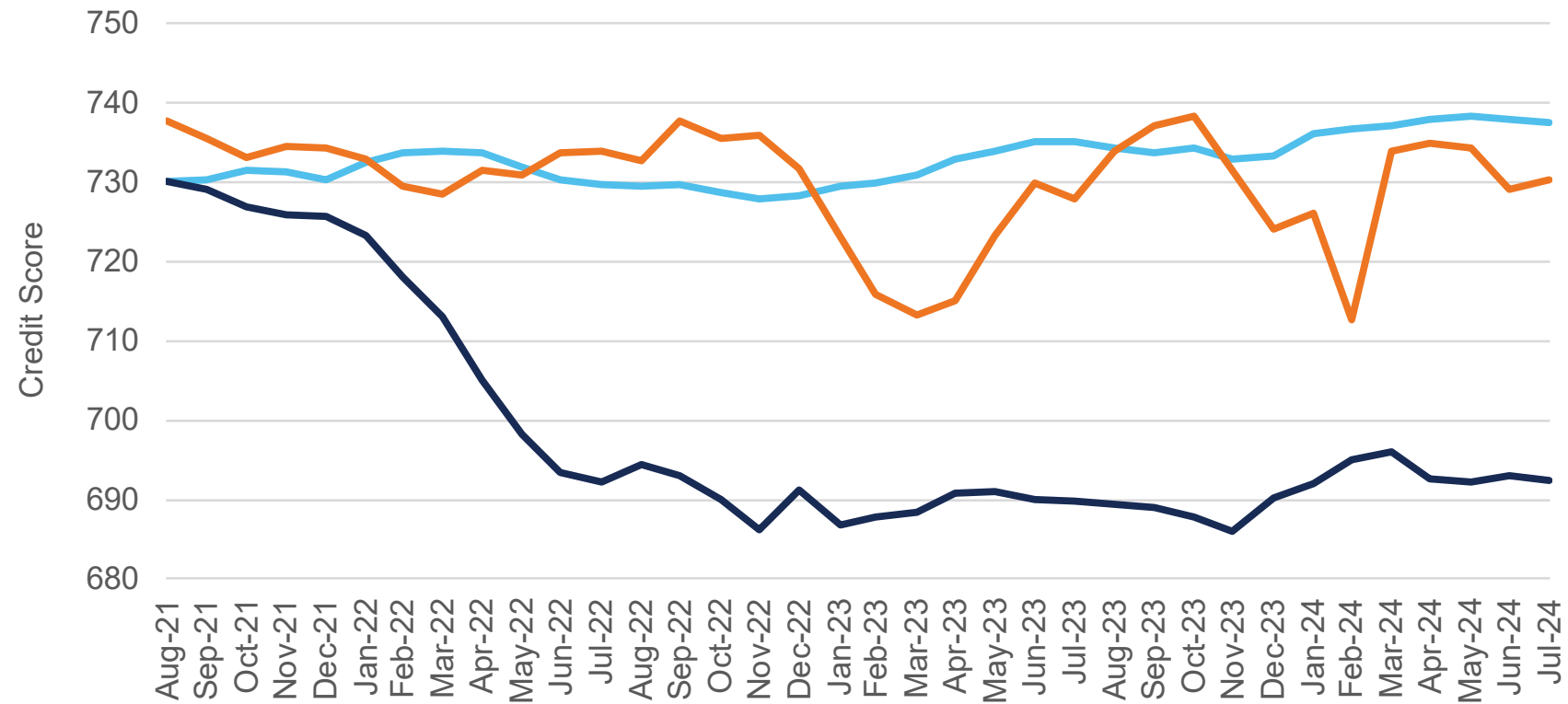





Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	56.1%	18 bps	(70 bps)	(267 bps)
	Nonconforming	12.4%	(107 bps)	(128 bps)	177 bps
	FHA	19.0%	61 bps	56 bps	(41 bps)
	VA	11.9%	22 bps	139 bps	132 bps
	USDA	0.6%	6 bps	2 bps	(1 bps)

AVERAGE CREDIT SCORES

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

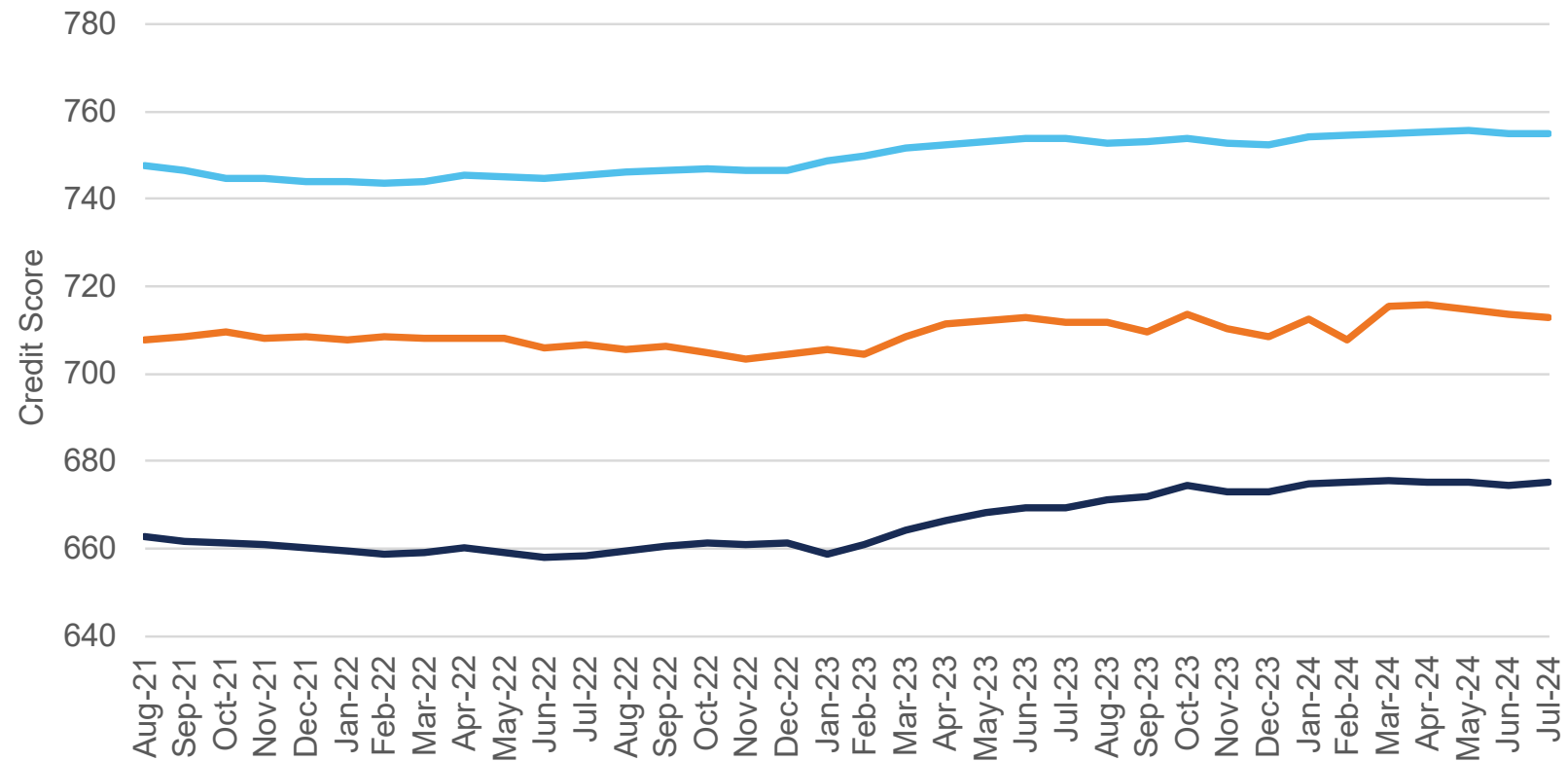
This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).






Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase	738	0	0	3
	Rate/Term Refi	730	1	-5	2
	Cash-Out Refi	692	-1	0	2

AVERAGE CREDIT SCORES

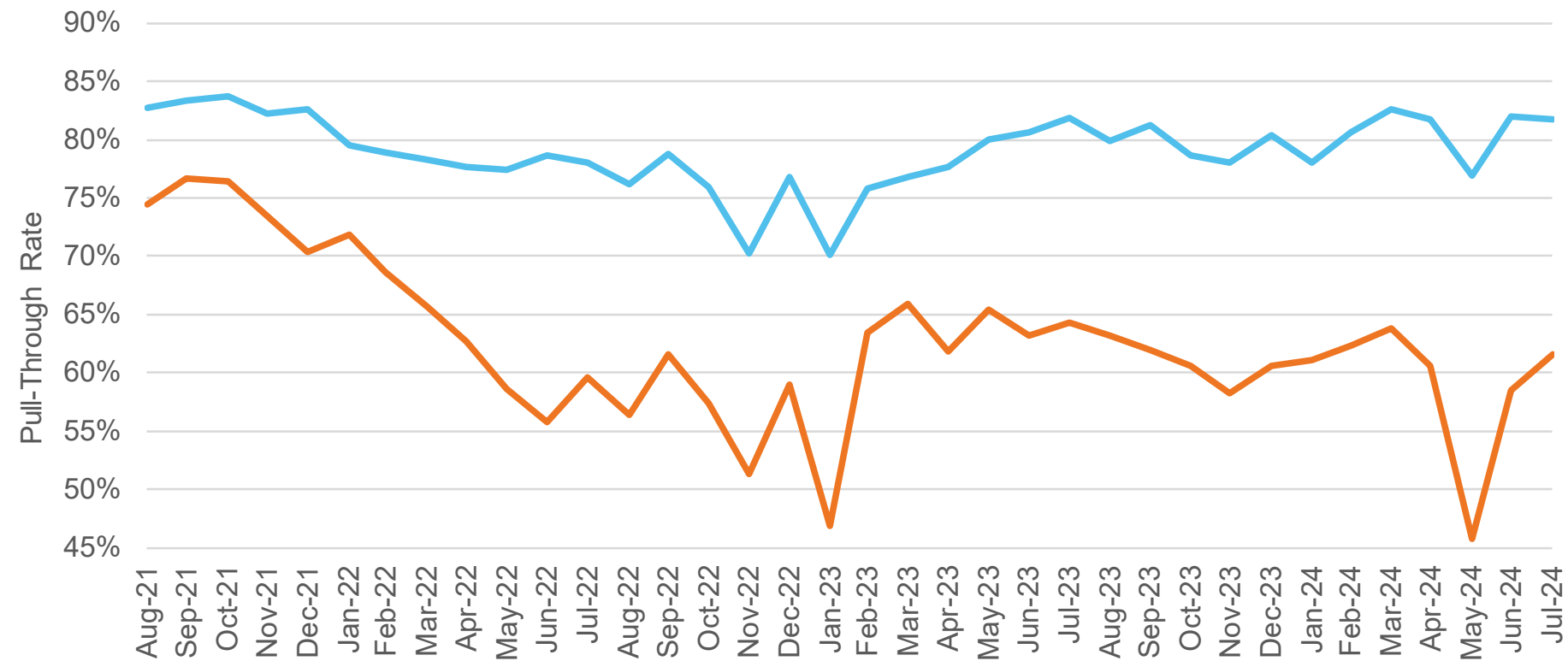
Here, we look at average credit scores for conforming, FHA, and VA loans. This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	755	0	-1	1
	VA	713	-1	-3	1
	FHA	675	1	0	6

PURCHASE & REFI PULL-THROUGH

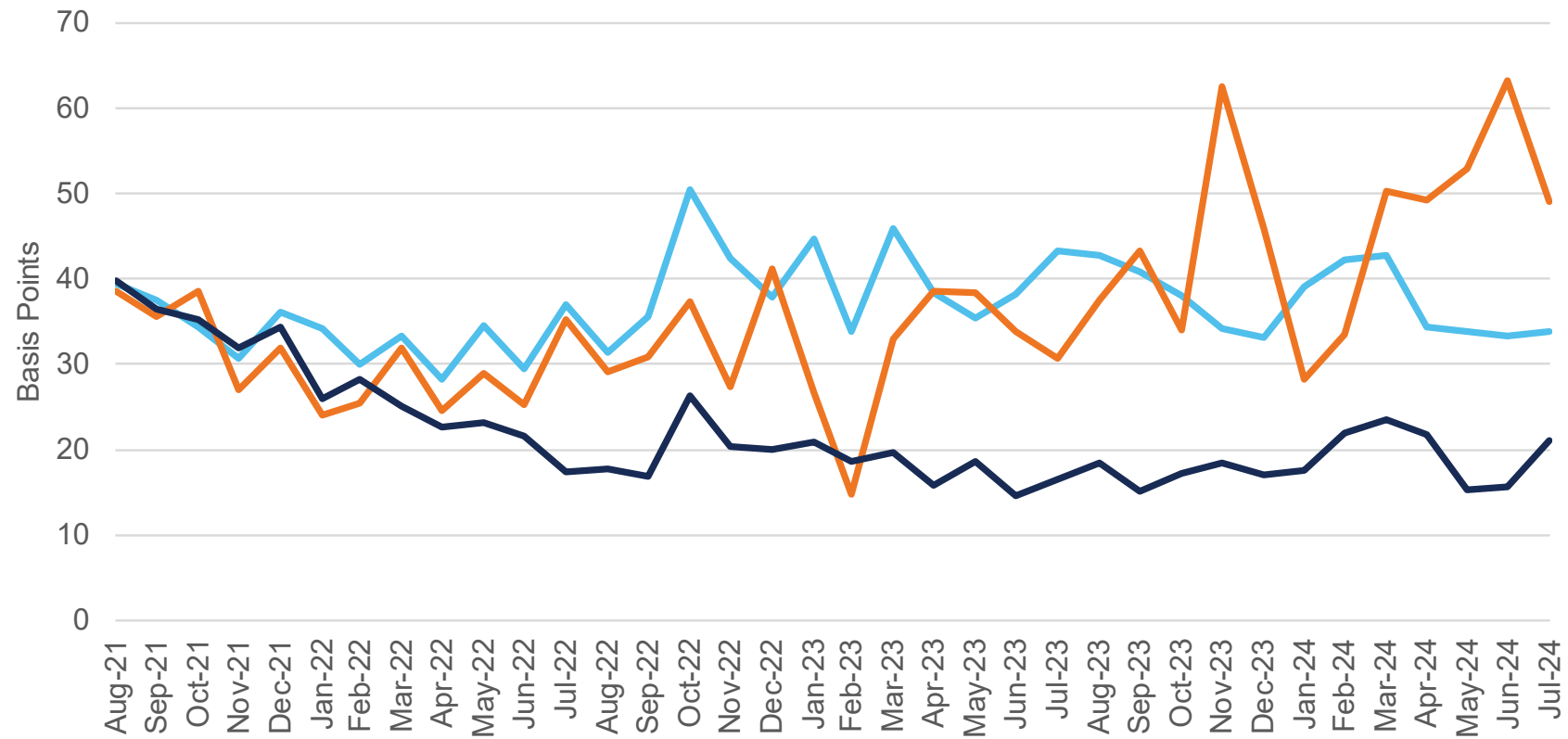
Below, we look at pull-through rates – the percentage of locks that become funded loans. This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



Pull-Through Rate		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
—	Purchase Pull-Through	81.7%	(31 bps)	(4 bps)	(16 bps)
—	Refinance Pull-Through	61.5%	301 bps	99 bps	(271 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	0 bps	(1 bps)	(10 bps)
—	15-Year Conforming	49 bps	(14 bps)	(0 bps)	18 bps
—	30-Year Government	21 bps	5 bps	(1 bps)	5 bps