



OPTIMIZE YOUR ADVANTAGE

MARKET ADVANTAGE

MORTGAGE DATA REPORT
NOVEMBER 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 NOVEMBER 2024

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

- **Rates dip slightly for conforming and government-backed loans:** The OBMMI 30-year conforming averaged 30 bps higher in November, though it ended the month at 6.68%, an 11-bps decrease from October. FHA rates dropped by 7 bps to 6.36%, while VA rates dropped 20 bps to 6.16%. The OBMMI jumbo index rate rose a more moderate 16 bps, ending the month at 6.98%.
- **Purchase lock volume softens:** Purchase lock volume was down 21% MoM. Also significant, purchase lock counts – which are a key measure for market health that excludes the impact of HPA and volatile refi activity – were down 3% YoY, breaking a two-month trend of positive YoY momentum.
- **Conforming loan share continues to fall:** Conforming share ended the month below 53%, roughly 20% lower than the peak levels seen in 2020. Non-conforming lending – including both non-QM and jumbo – fell slightly in November. Nevertheless, non-conforming loans remained near their recent market share high at just under 15% – a nearly five-percentage-point increase in market share over the same period last year.
- **Refinance demand softens:** Cash-out and rate-and-term refinance volumes fell 20% and 50%, respectively. However, YoY metrics provide reason for optimism with cash-out and rate-and-term refinances gaining 35% and 95% YoY, respectively.
- **Credit quality holds steady:** Average credit scores for purchase loans were flat at 739, while average scores on refinance locks dropped slightly. Cash-out average credit fell 2 points to 695, and rate-and-term average credit dropped 1 point to 730.
- **Home prices and average loan amounts dip:** In November, the average loan amount dropped from \$380.1K to \$376.4K. Average home purchase prices ticked down as well, falling from \$482.4K to \$477.4K.



Hear additional commentary and insights in the [Market Advantage podcast](#).

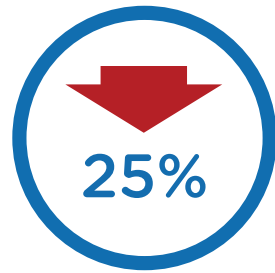
Each month, the Optimal Blue **Market Advantage** mortgage data report reviews a series of key market indicators to provide early insight into U.S. mortgage trends. Leveraging lender rate lock data from the Optimal Blue PPE – the mortgage industry’s most widely used product, pricing, and eligibility 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 Lock Activity Falls in November as Interest Rates Hit Highest Levels Since July



RATE LOCK VOLUME

Overall rate lock volume dropped 25% MoM, but was 12% higher YoY, providing some reason for optimism.



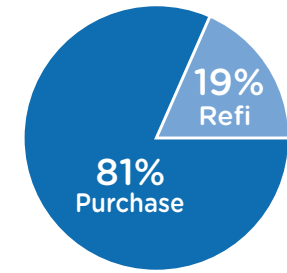
AVERAGE LOAN AMOUNT

Average loan amount dropped from \$380.1K to \$376.4K in November. Average home purchase prices fell from \$482.4K to \$477.4K.



MONTH-END CONFORMING RATE

The benchmark [Optimal Blue Mortgage Market Indices](#) 30-year conforming interest rate finished the month down 11 bps from October.



MARKET MIX

The refi share of locks dropped to 19% of total volume, down 363 bps from October.

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%	-24.5%	\$376,389	6.602	732	80	81%	19%
1 New York-Newark-Jersey City, NY-NJ-PA	5.6%	-9.7%	\$557,504	6.766	745	74	80%	20%
2 Washington-Arlington-Alexandria, DC-VA-MD-WV	3.8%	-22.2%	\$525,335	6.570	745	81	86%	14%
3 Dallas-Fort Worth-Arlington, TX	3.5%	-22.1%	\$401,679	6.424	733	82	86%	14%
4 Los Angeles-Long Beach-Anaheim, CA	2.9%	-23.4%	\$762,678	6.859	746	70	70%	30%
5 Chicago-Naperville-Elgin, IL-IN-WI	2.9%	-32.9%	\$328,478	6.828	737	81	83%	17%
6 Phoenix-Mesa-Scottsdale, AZ	2.5%	-22.3%	\$443,394	6.373	738	80	85%	15%
7 Houston-The Woodlands-Sugar Land, TX	2.5%	-15.0%	\$338,777	6.229	724	85	91%	9%
8 Boston-Cambridge-Newton, MA-NH	2.5%	-31.2%	\$572,503	6.744	747	75	83%	17%
9 Atlanta-Sandy Springs-Roswell, GA	2.5%	-22.3%	\$374,409	6.526	724	81	78%	22%
10 Seattle-Tacoma-Bellevue, WA	2.0%	-31.5%	\$618,260	6.769	750	76	79%	21%

TOP 20 METROPOLITAN AREAS

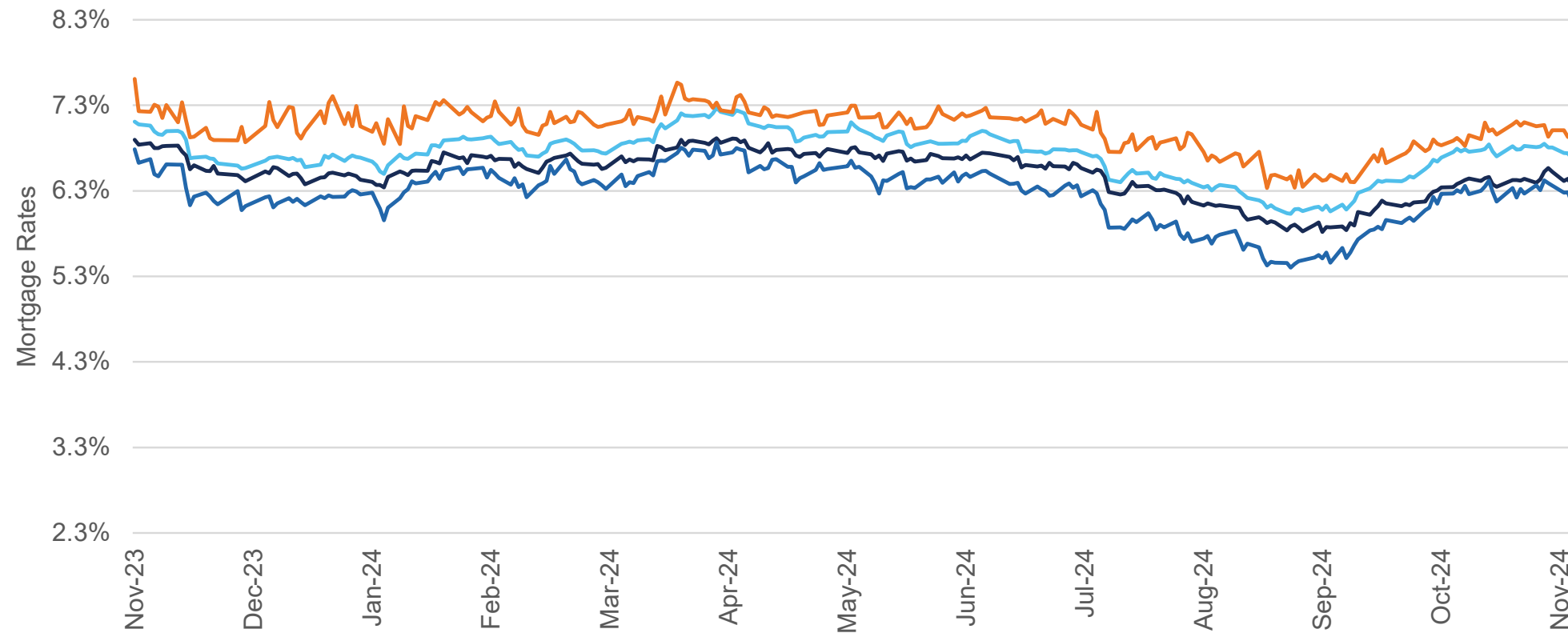
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NATIONAL	100.0%	-24.5%	\$376,389	6.602	732	80	81%	19%
11 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.9%	-20.8%	\$370,389	6.682	736	80	82%	18%
12 Denver-Aurora-Lakewood, CO	1.8%	-27.0%	\$498,249	6.305	740	79	82%	18%
13 Riverside-San Bernardino-Ontario, CA	1.6%	-21.3%	\$502,990	6.428	730	80	80%	20%
14 Miami-Fort Lauderdale-West Palm Beach, FL	1.5%	-14.9%	\$530,442	6.565	728	76	78%	22%
15 San Francisco-Oakland-Hayward, CA	1.4%	-40.7%	\$787,973	6.852	758	70	78%	22%
16 Minneapolis-St. Paul-Bloomington, MN-WI	1.3%	-26.0%	\$353,847	6.729	745	82	87%	13%
17 Tampa-St. Petersburg-Clearwater, FL	1.3%	15.2%	\$381,316	6.327	728	81	85%	15%
18 Austin-Round Rock, TX	1.3%	-29.8%	\$398,948	6.200	741	80	90%	10%
19 Baltimore-Columbia-Towson, MD	1.2%	-30.7%	\$392,764	6.689	737	83	86%	14%
20 Orlando-Kissimmee-Sanford, FL	1.1%	-2.3%	\$408,093	6.401	724	81	88%	12%

MARKET RATE INDICES

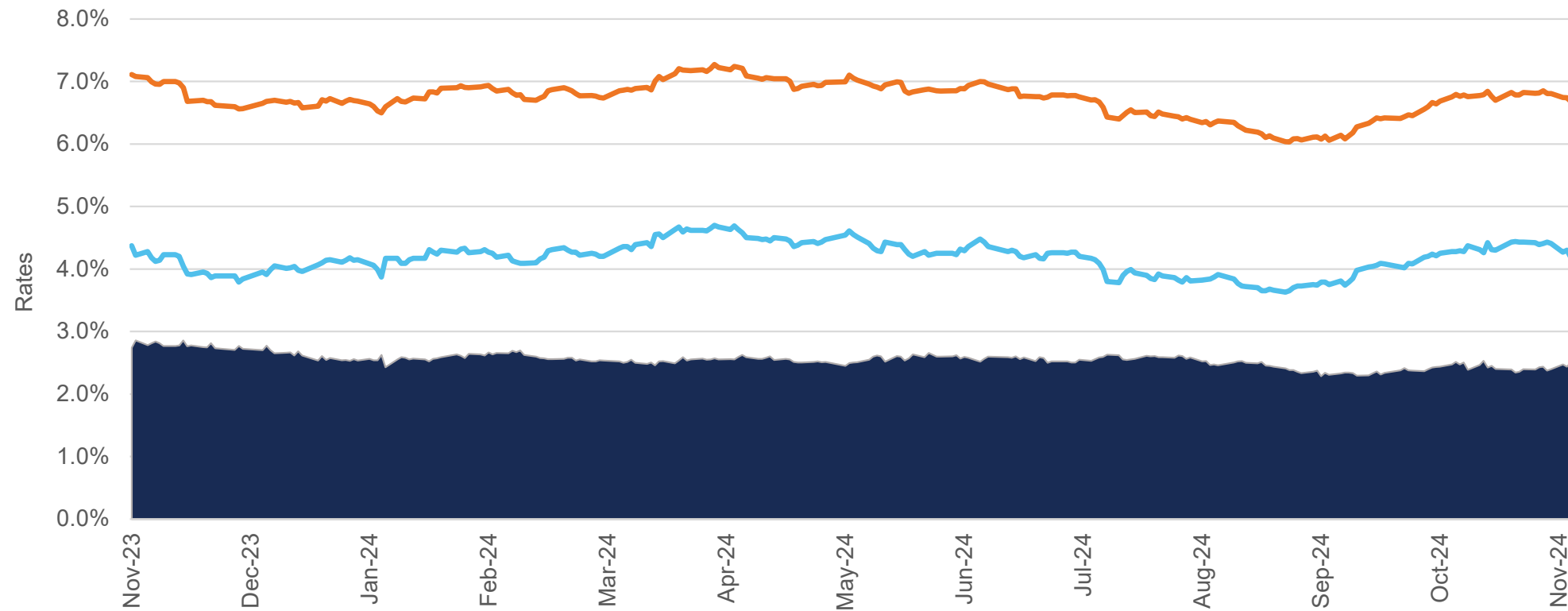
Pulling data from the Optimal Blue Mortgage Market Indices (OBMMI), the chart below shows average 30-year rates across various loan products.






Market Index		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	6.68%	(11 bps)	31 bps	(43 bps)
	30-Year Jumbo	6.98%	16 bps	34 bps	(63 bps)
	30-Year FHA	6.36%	(7 bps)	23 bps	(54 bps)
	30-Year VA	6.16%	(20 bps)	37 bps	(63 bps)

30-YEAR TO 10-YEAR TREASURY SPREAD

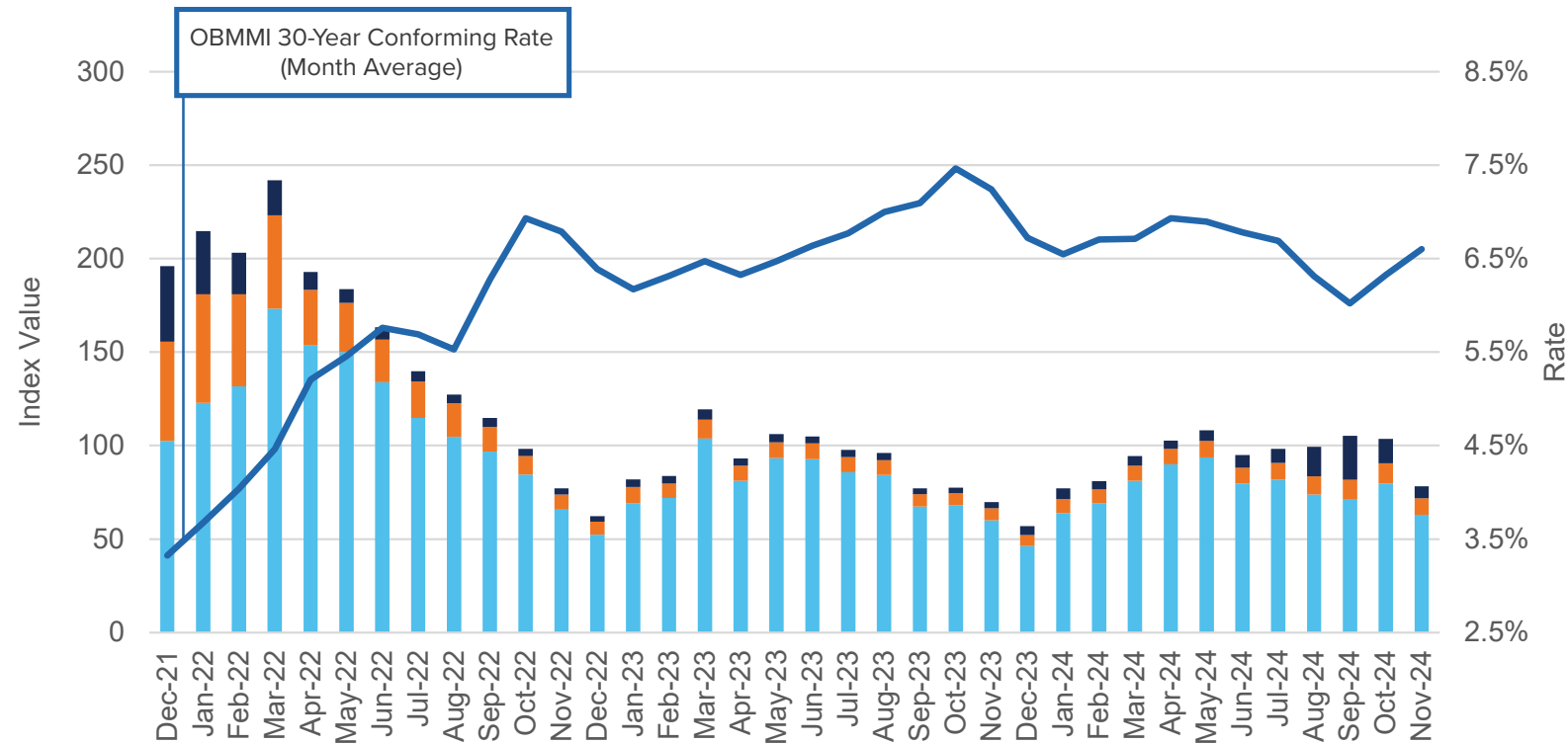
Mortgage rates are loosely tied to 10-year Treasury bond rates, but the spread between the two can vary. Below, we look at the current spread and trends over the past year. This information is pulled from Optimal Blue's [secondary market hedging platform](#).







	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	4.18%	(10 bps)	27 bps	(19 bps)
	30-Year Conforming	6.68%	(11 bps)	31 bps	(43 bps)
	10-Year to 30-Year Spread	2.50%	(1 bps)	4 bps	(24 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](#).



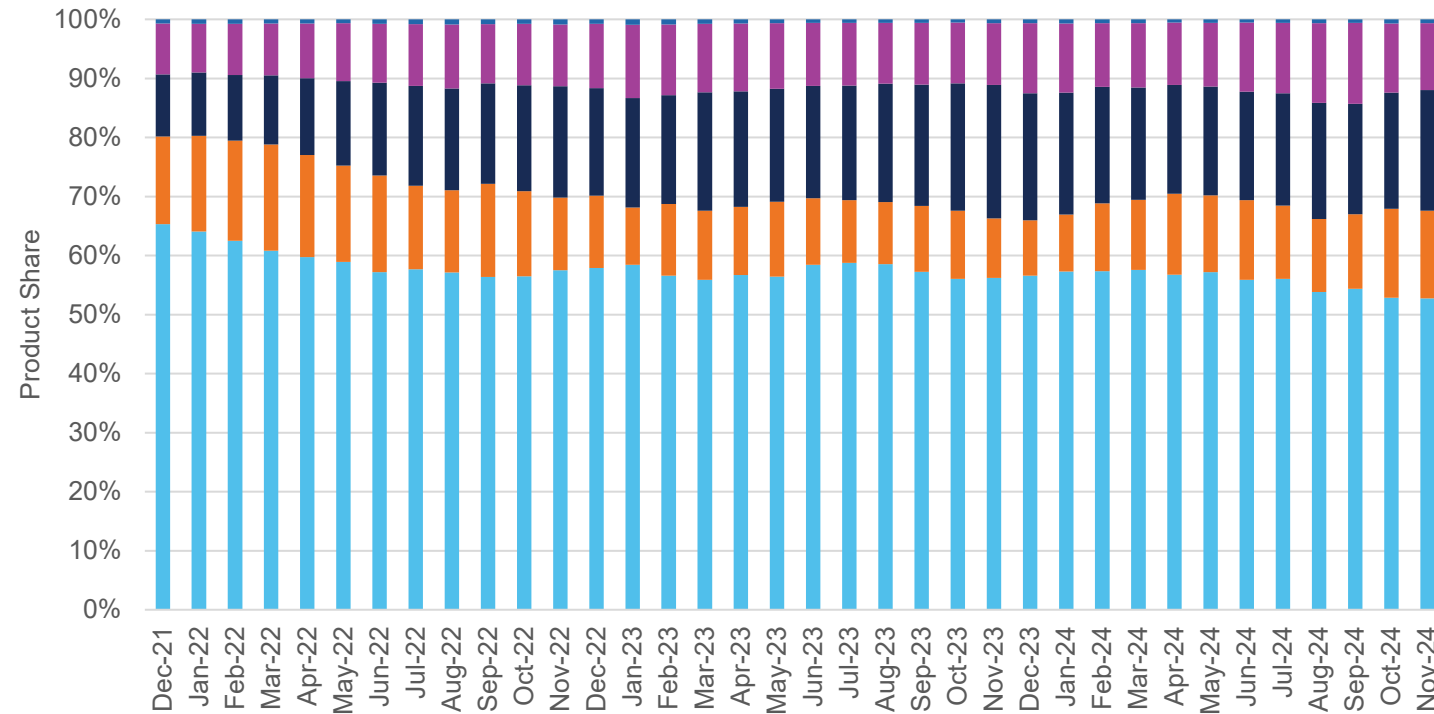
Market Volume Index (Total volume indexed to 100 in January 2018)		Current Value	1-Month % Change	3-Month % Change	12-Month % Change
	Purchase	63	(21.0%)	(14.7%)	5.0%
	Cash-Out Refinance	9	(19.7%)	(9.8%)	34.6%
	Rate/Term Refinance	6	(50.5%)	(59.4%)	95.2%
	Total	78	(24.5%)	(21.3%)	12.0%
Refinance Share*		19%	(363 bps)	(627 bps)	536 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](#).

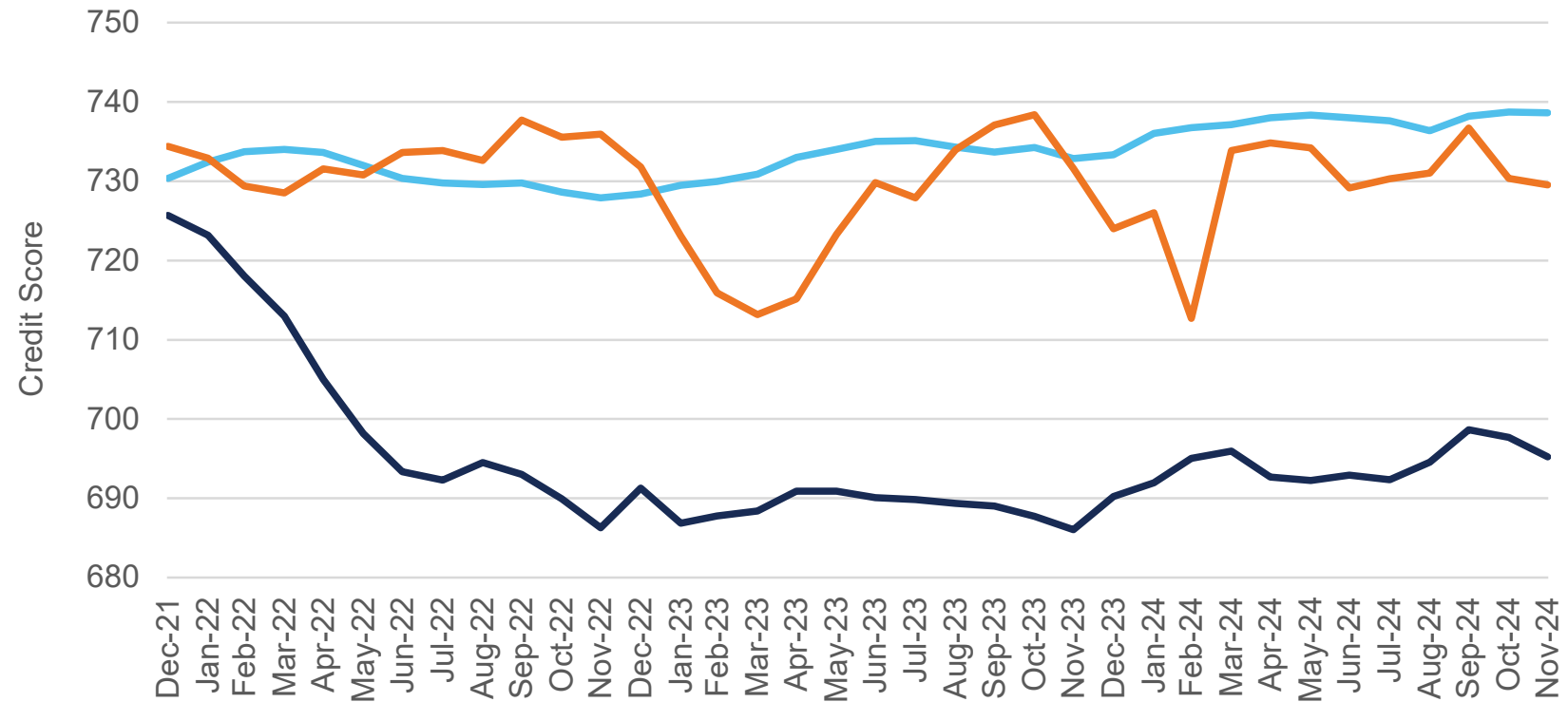





Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	52.7%	(10 bps)	(108 bps)	(347 bps)
	Nonconforming	14.9%	(21 bps)	252 bps	476 bps
	FHA	20.4%	73 bps	68 bps	(218 bps)
	VA	11.4%	(35 bps)	(213 bps)	89 bps
	USDA	0.6%	(6 bps)	1 bps	0 bps

AVERAGE CREDIT SCORES

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

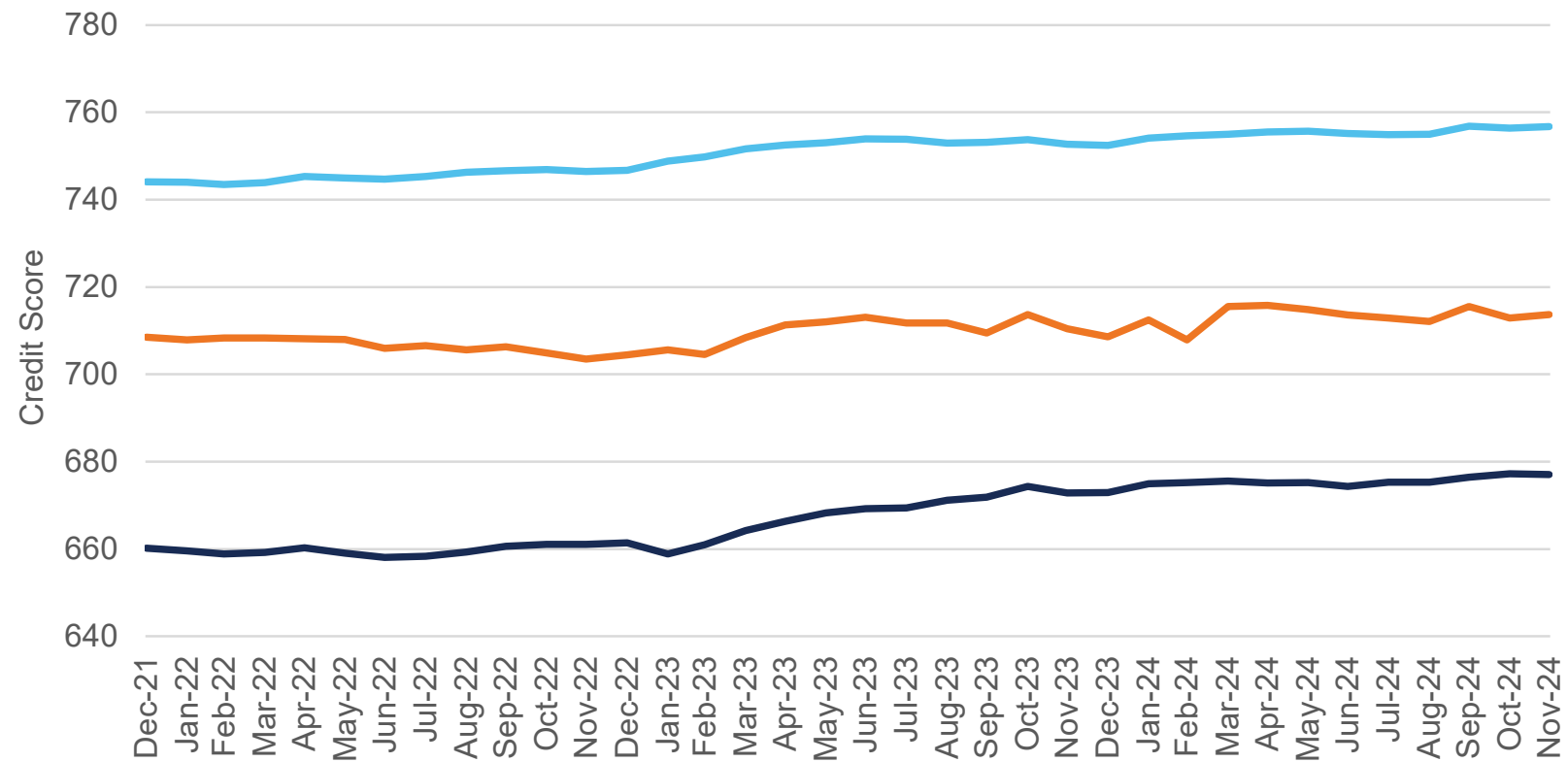
This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).






Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase	739	0	2	6
	Rate/Term Refi	730	(1)	(1)	(2)
	Cash-Out Refi	695	(2)	1	9

AVERAGE CREDIT SCORES

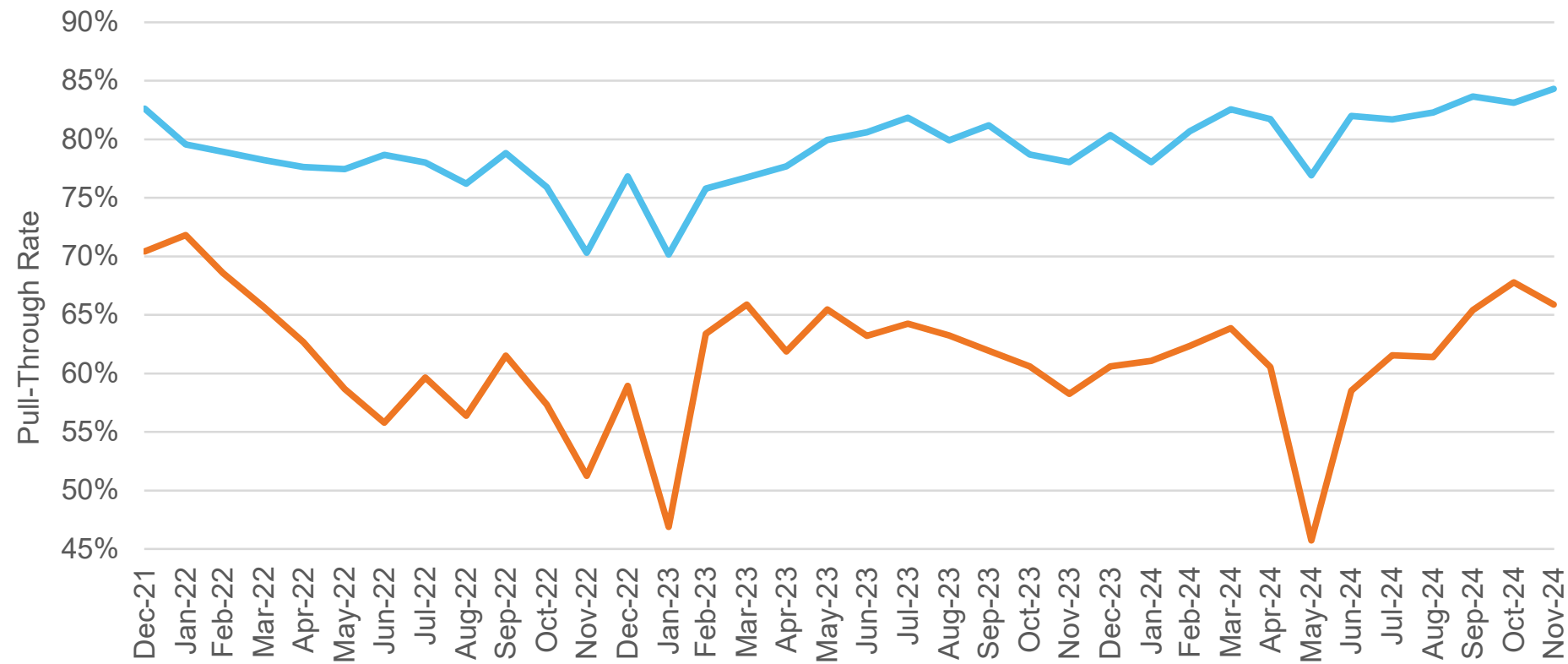
Here, we look at average credit scores for conforming, FHA, and VA loans. This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	757	0	2	4
	VA	714	1	2	3
	FHA	677	0	2	4

PURCHASE & REFI PULL-THROUGH

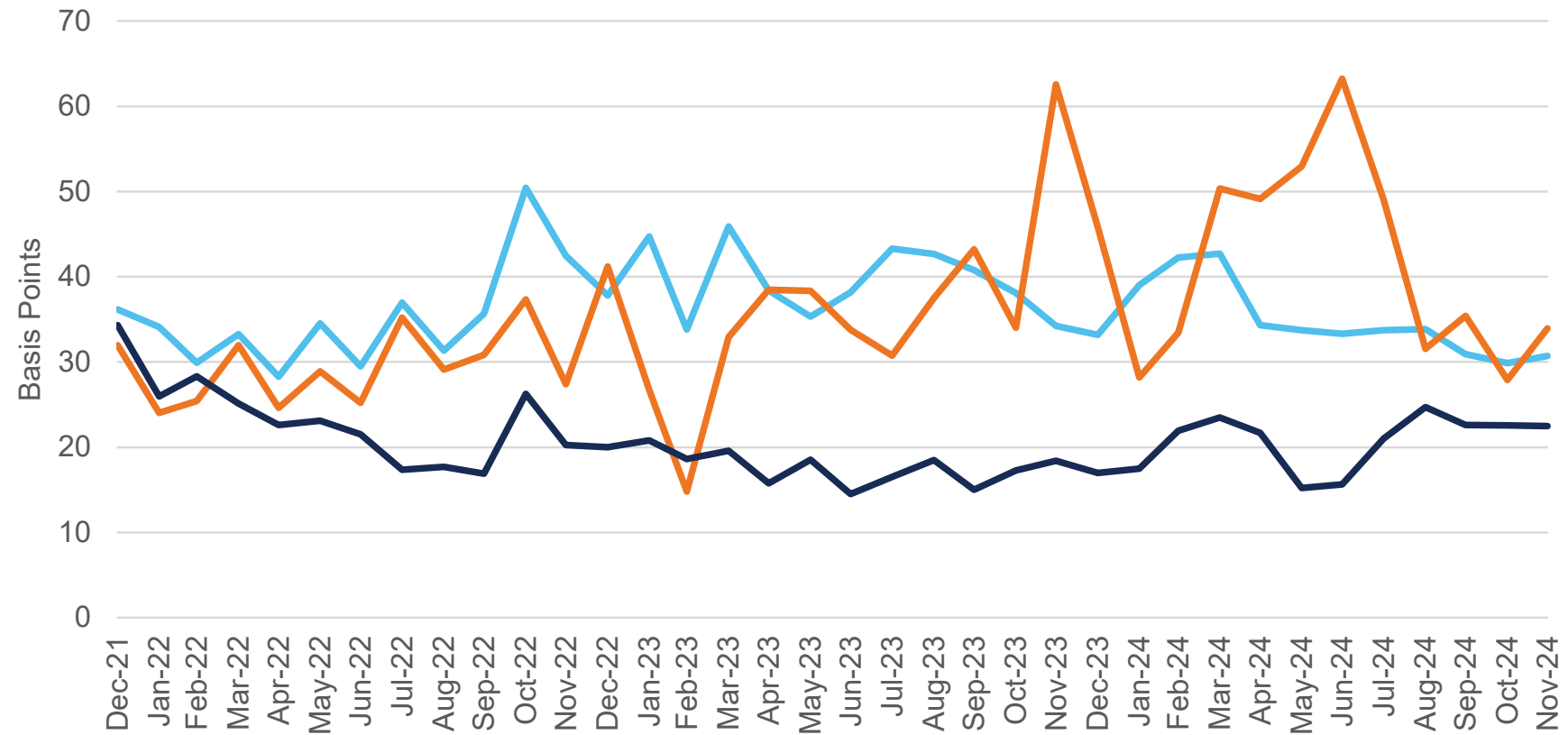
Below, we look at pull-through rates – the percentage of locks that become funded loans. This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



Pull-Through Rate		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
—	Purchase Pull-Through	84.3%	119 bps	202 bps	628 bps
—	Refinance Pull-Through	65.9%	(189 bps)	451 bps	765 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	31 bps	1 bps	(3 bps)	(4 bps)
—	15-Year Conforming	34 bps	6 bps	2 bps	(29 bps)
—	30-Year Government	22 bps	0 bps	(2 bps)	4 bps