



OPTIMIZE YOUR ADVANTAGE

---

# MARKET ADVANTAGE

---

MORTGAGE DATA REPORT  
DECEMBER 2024





OPTIMIZE YOUR ADVANTAGE

## MARKET ADVANTAGE

### 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.

### OVERVIEW DECEMBER 2024

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

- **Rates fluctuate, ending December higher:** After initial declines, rates rose throughout the month. The Optimal Blue Mortgage Market Indices (OBMMI) 30-year conforming rate ended December at 6.83%, up 16 bps from the end of November. FHA and VA rates followed suit, rising 14 bps and 18 bps, respectively. Jumbo rates fell slightly, ending just below 7%.
- **Refinance activity spikes:** The share of refinance locks climbed to 24%, the highest since September. Rate-and-term refinances surged 33% MoM, while cash-out refinances saw a 3% decline. Purchase volumes dropped 13% MoM, in line with seasonal norms, while cash-out refinances decreased 3%.
- **Production mix shifts continue:** The conforming loan share dropped another 1.5% MoM to 51%, the lowest figure since Optimal Blue began reporting lock data in January 2018, marking continued movement away from GSE-eligible products. FHA, VA, and non-conforming loans gained ground, with FHA locks rising to 21%, VA at nearly 11.5%, and non-conforming loans at 16%.
- **Purchase credit quality hits seven-year high:** Average homebuyer credit scores were higher each month in 2024 than the previous 72 months.
- **MoM credit trends are stable:** Average credit scores for purchase and rate-and-term refinance locks fell by 2 points to 737 and 727, respectively. Cash-out refinance scores rose slightly, increasing by 2 points to 697.
- **Loan amounts plateau as home prices decline:** The average loan amount rose by \$500 to \$376.9K, while average home purchase prices dropped \$4.1K to \$473.7K.



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

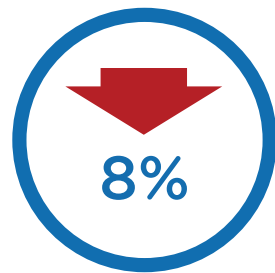
Each month, the Optimal Blue [Market Advantage](#) mortgage data report reviews a series of key market indicators to provide early insight into U.S. mortgage trends. Leveraging lender rate lock data from the Optimal Blue PPE – the mortgage industry’s most widely used product, pricing, and eligibility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



## December Data Reveals YoY Increases Across All Loan Types



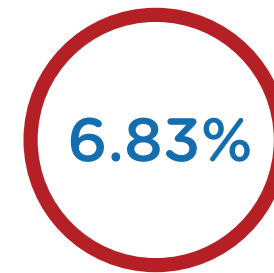
### RATE LOCK VOLUME

Overall rate lock volume dropped 8% MoM. This included purchase locks and cash-out refis dropping 13% and 3%, respectively, and rate-and-term refis spiking 33%.



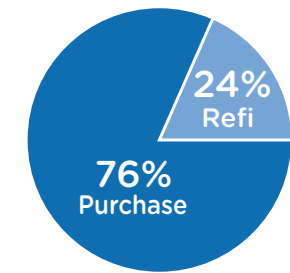
### AVERAGE LOAN AMOUNT

The average loan amount rose slightly MoM to reach \$376.9K. The average home purchase price fell from \$477.4K to \$473.7K.



### MONTH-END CONFORMING RATE

The benchmark [Optimal Blue Mortgage Market Indices](#) 30-year conforming interest rate finished the month up 16 bps from the end of November.



### MARKET MIX

A refi spike and seasonal decline in purchase volume drove the refi share to 24%, the highest mark since September 2024 and the third-highest mark in 2024.

# 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%	-8.3%	\$376,963	6.542	730	80	76%	24%
1	New York-Newark-Jersey City, NY-NJ-PA	5.8%	-5.3%	\$569,577	6.774	744	74	77%	23%
2	Washington-Arlington-Alexandria, DC-VA-MD-WV	3.8%	-9.1%	\$524,095	6.540	740	81	79%	21%
3	Dallas-Fort Worth-Arlington, TX	3.3%	-13.5%	\$388,486	6.280	733	83	84%	16%
4	Los Angeles-Long Beach-Anaheim, CA	3.1%	-1.1%	\$773,262	6.801	744	71	66%	34%
5	Chicago-Naperville-Elgin, IL-IN-WI	3.0%	-2.5%	\$338,221	6.773	735	80	78%	22%
6	Phoenix-Mesa-Scottsdale, AZ	2.7%	-2.7%	\$444,859	6.375	732	80	82%	18%
7	Atlanta-Sandy Springs-Roswell, GA	2.5%	-8.0%	\$364,175	6.380	719	81	75%	25%
8	Houston-The Woodlands-Sugar Land, TX	2.5%	-9.8%	\$328,463	6.185	724	85	88%	12%
9	Boston-Cambridge-Newton, MA-NH	2.3%	-15.5%	\$577,492	6.683	747	75	76%	24%
10	Seattle-Tacoma-Bellevue, WA	1.8%	-13.8%	\$594,013	6.603	744	75	76%	24%

# TOP 20 METROPOLITAN AREAS

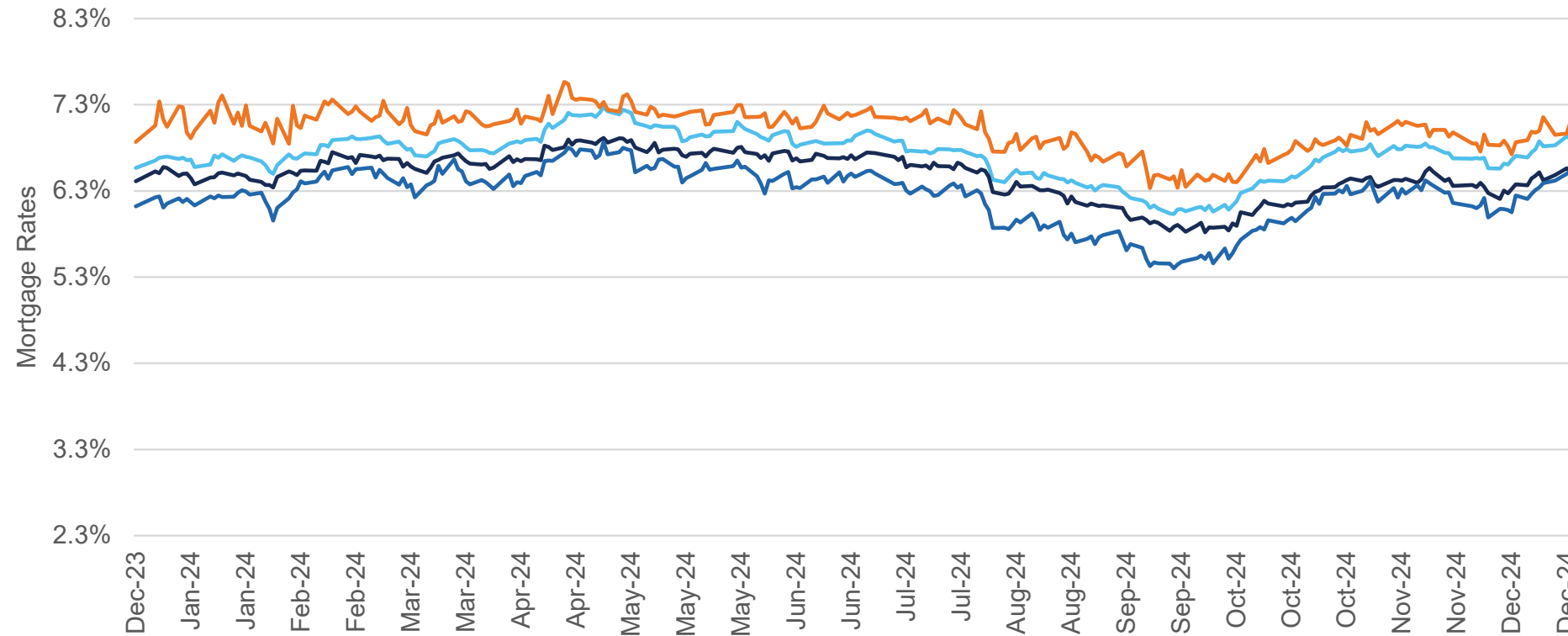
Here, we look at the top 20 metropolitan statistical areas (MSAs) by share of origination volume. This information is drawn from the [Optimal Blue® PPE](#).







Metropolitan Statistical Area (MSA)	% of Lock Volume	MoM Change	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
<b>NATIONAL</b>	<b>100.0%</b>	<b>-8.3%</b>	<b>\$376,963</b>	<b>6.542</b>	<b>730</b>	<b>80</b>	<b>76%</b>	<b>24%</b>
11 Denver-Aurora-Lakewood, CO	1.8%	-11.0%	\$485,655	6.194	739	78	76%	24%
12 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.7%	-17.0%	\$363,854	6.667	735	80	79%	21%
13 Miami-Fort Lauderdale-West Palm Beach, FL	1.6%	-7.2%	\$510,143	6.663	730	76	70%	30%
14 Riverside-San Bernardino-Ontario, CA	1.5%	-13.9%	\$487,620	6.426	723	80	74%	26%
15 Austin-Round Rock, TX	1.4%	1.2%	\$422,976	6.136	743	81	85%	15%
16 Tampa-St. Petersburg-Clearwater, FL	1.4%	-5.2%	\$364,892	6.252	728	81	82%	18%
17 San Francisco-Oakland-Hayward, CA	1.3%	-8.6%	\$767,120	6.710	756	69	69%	31%
18 Minneapolis-St. Paul-Bloomington, MN-WI	1.3%	-12.5%	\$355,231	6.675	749	81	81%	19%
19 Baltimore-Columbia-Towson, MD	1.2%	-4.9%	\$402,214	6.667	731	84	80%	20%
20 Charlotte-Concord-Gastonia, NC-SC	1.2%	-3.2%	\$398,970	6.583	734	81	78%	22%

# MARKET RATE INDICES

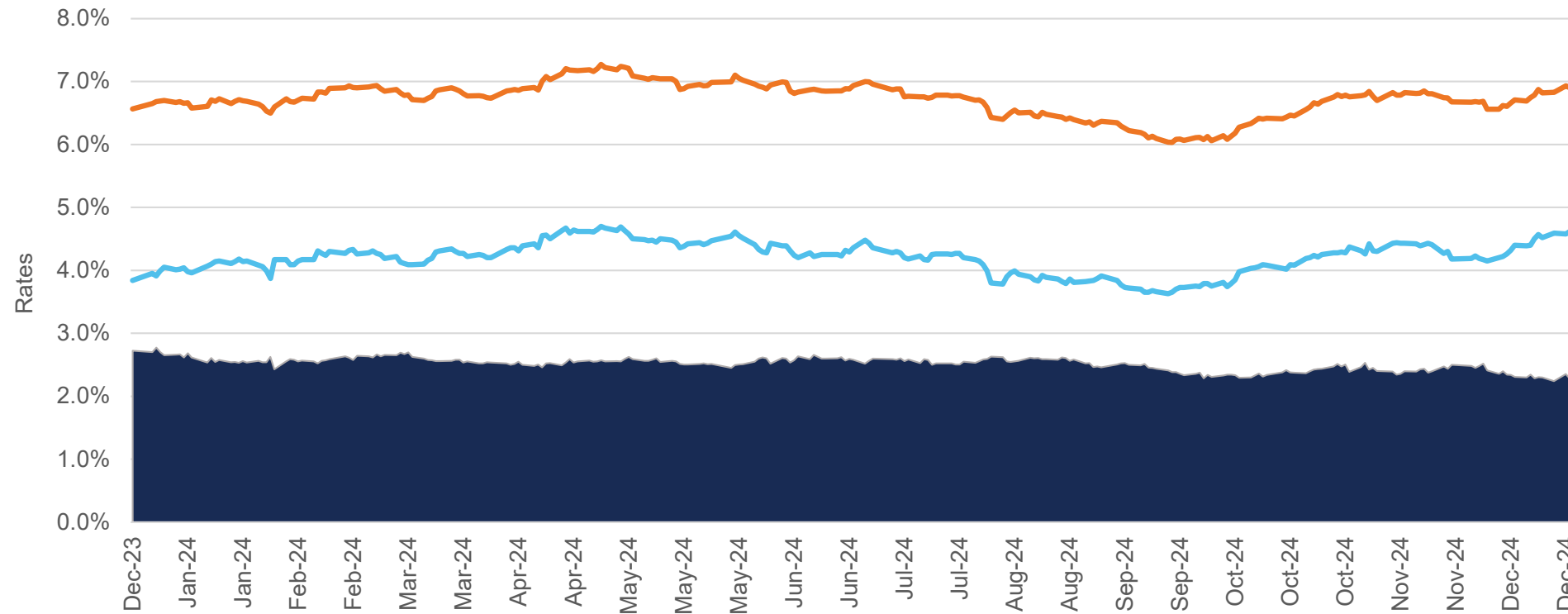
Pulling data from the Optimal Blue Mortgage Market Indices (OBMMI), the chart below shows average 30-year rates across various loan products.






	Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	6.83%	16 bps	70 bps	27 bps
	30-Year Jumbo	6.96%	(2 bps)	55 bps	10 bps
	30-Year FHA	6.50%	14 bps	62 bps	9 bps
	30-Year VA	6.34%	18 bps	71 bps	22 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](#).

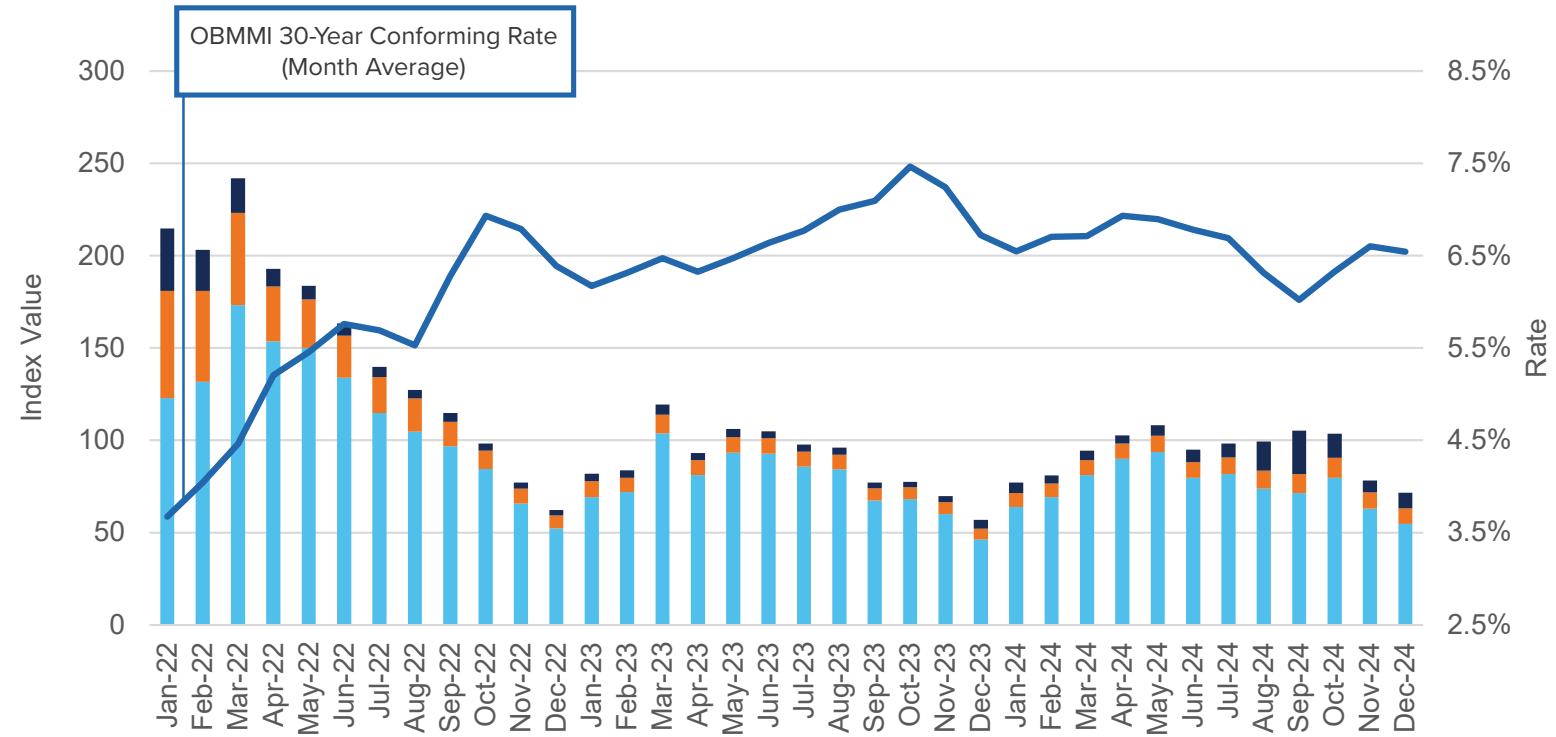






	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	4.55%	37 bps	74 bps	71 bps
	30-Year Conforming	6.83%	16 bps	70 bps	27 bps
	10-Year to 30-Year Spread	2.28%	(22 bps)	(4 bps)	(44 bps)

# 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	55	(13.2%)	(23.4%)	18.2%
	Cash-Out Refinance	8	(3.3%)	(18.0%)	43.1%
	Rate/Term Refinance	9	33.0%	(63.8%)	81.9%
	Total	72	(8.3%)	(31.9%)	26.0%
Refinance Share*		24%	429 bps	(851 bps)	505 bps

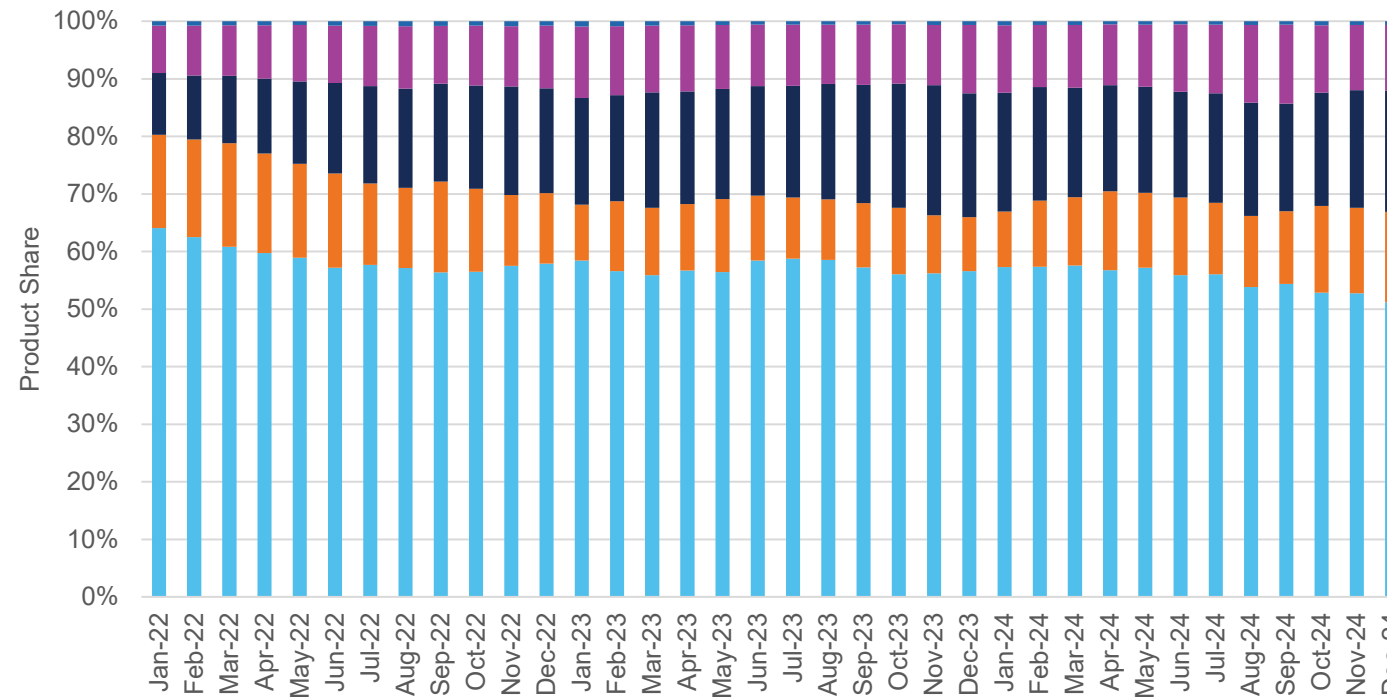
\*Refinance share changes reflect inter-period delta








# 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](#).

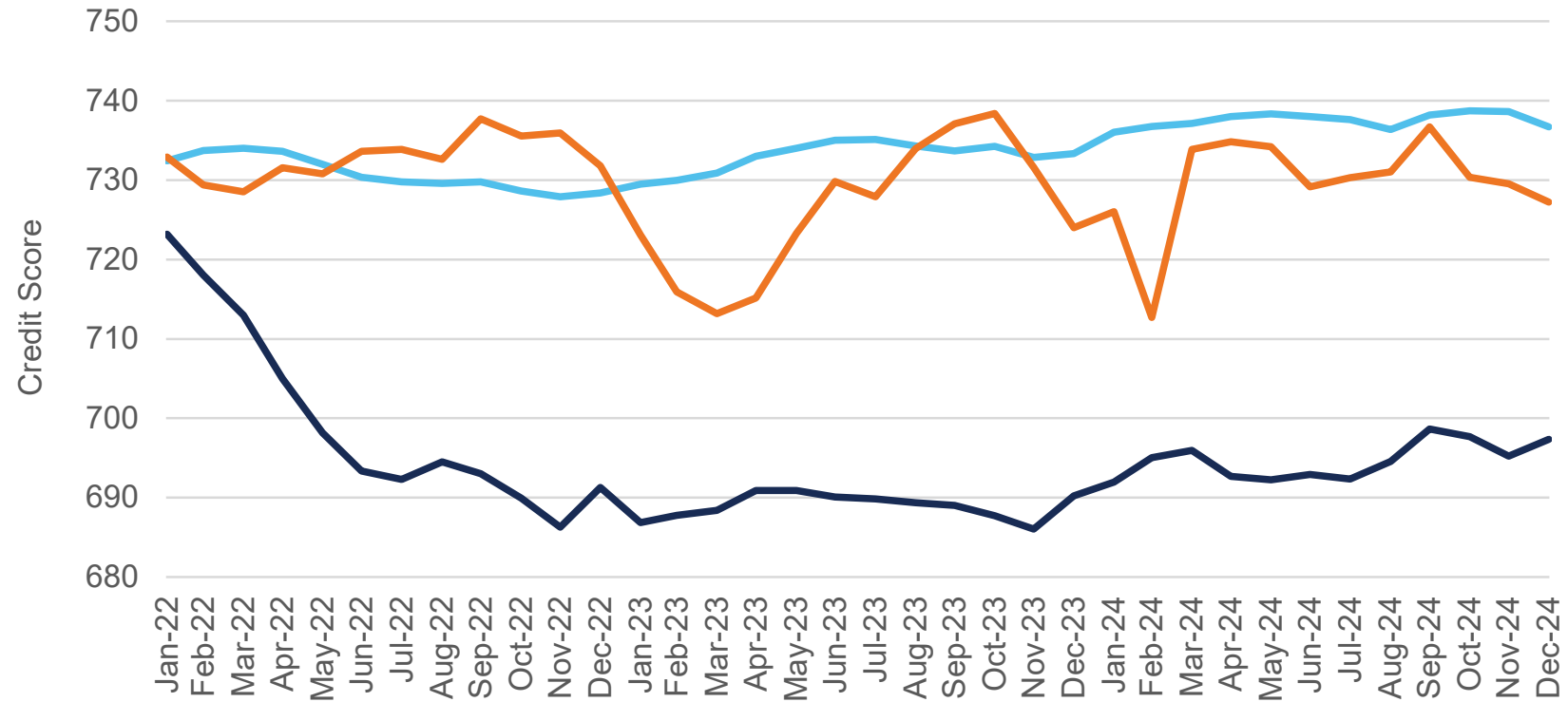


Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	51.2%	(157 bps)	(320 bps)	(541 bps)
	Nonconforming	15.7%	86 bps	313 bps	635 bps
	FHA	21.0%	60 bps	227 bps	(53 bps)
	VA	11.5%	10 bps	(223 bps)	(38 bps)
	USDA	0.6%	0 bps	3 bps	(4 bps)

# AVERAGE CREDIT SCORES

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

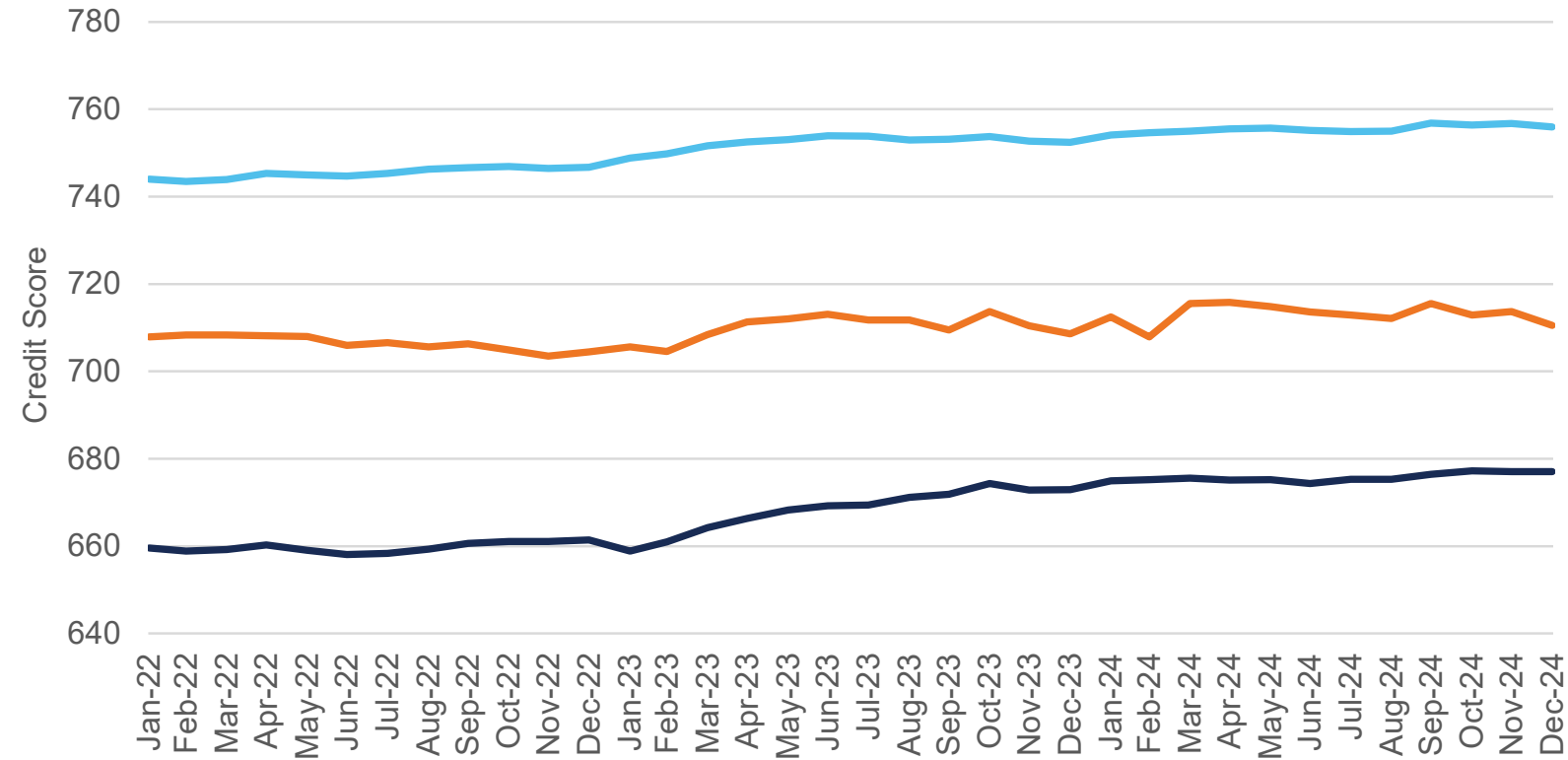
This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).






Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase	737	(2)	(1)	3
	Rate/Term Refi	727	(2)	(9)	3
	Cash-Out Refi	697	2	(1)	7

# AVERAGE CREDIT SCORES

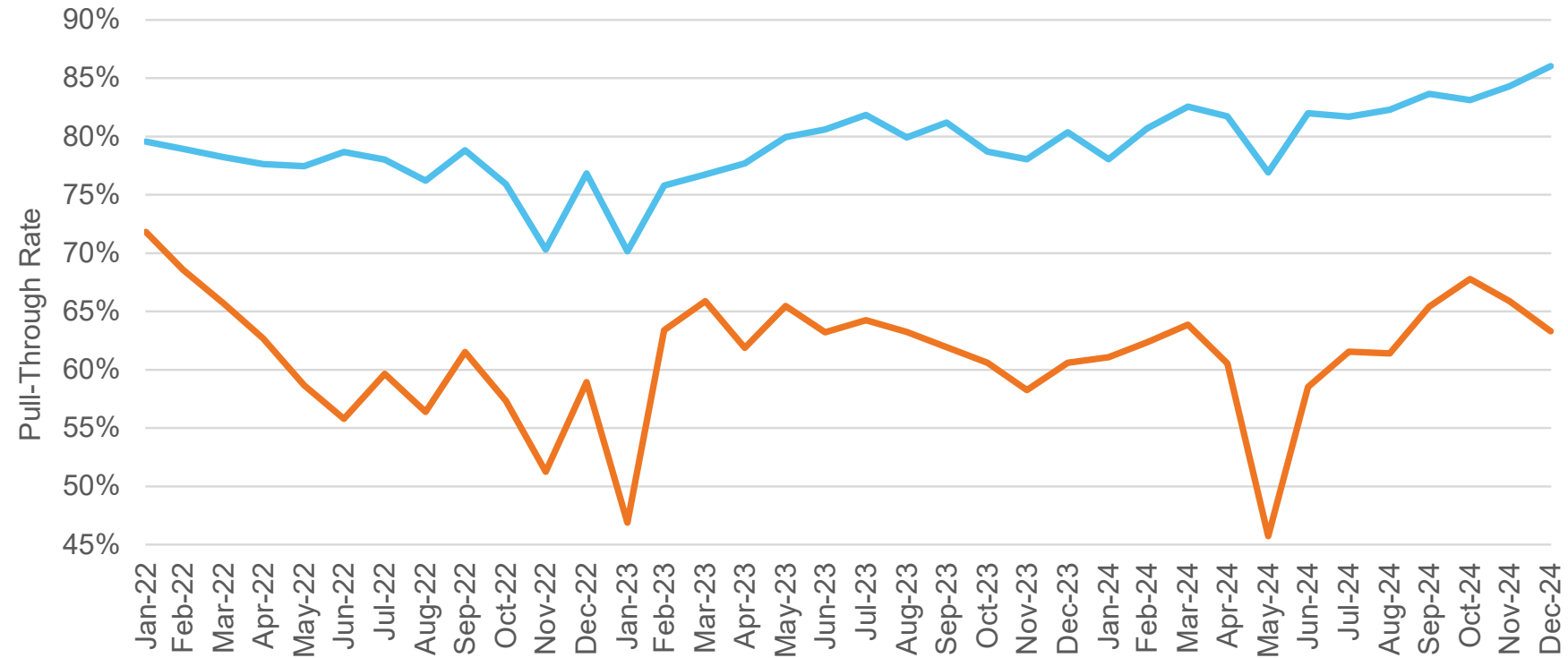
Here, we look at average credit scores for conforming, FHA, and VA loans. This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	756	(1)	(1)	3
	VA	711	(3)	(5)	2
	FHA	677	0	1	4

# PURCHASE & REFI PULL-THROUGH

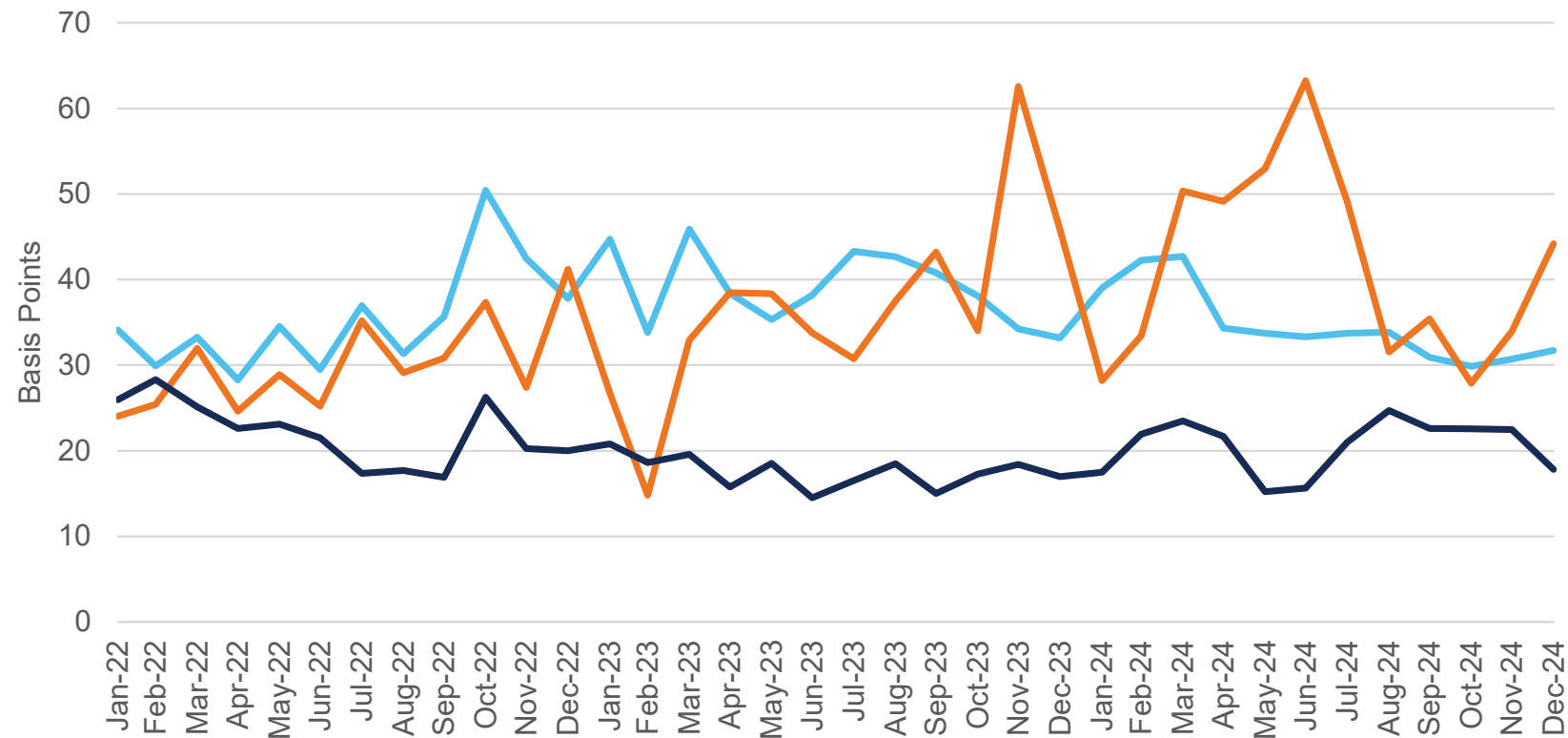
Below, we look at pull-through rates – the percentage of locks that become funded loans. This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



Pull-Through Rate		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
<span style="color: blue;">—</span>	Purchase Pull-Through	86.0%	172 bps	238 bps	569 bps
<span style="color: orange;">—</span>	Refinance Pull-Through	63.3%	(260 bps)	(210 bps)	269 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
<span style="color: lightblue;">—</span>	30-Year Conforming	32 bps	1 bps	1 bps	(1 bps)
<span style="color: orange;">—</span>	15-Year Conforming	44 bps	10 bps	9 bps	(2 bps)
<span style="color: darkblue;">—</span>	30-Year Government	18 bps	(5 bps)	(5 bps)	1 bps