



OPTIMIZE YOUR ADVANTAGE

MARKET ADVANTAGE

MORTGAGE DATA REPORT
JANUARY 2025





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

OVERVIEW JANUARY 2025

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

- **Refinance activity surges YoY:** Despite rates remaining above 6.8%, total refinance lock volume grew more than 20% YoY for both rate-and-term and cash-out refinances. This indicates that a growing share of borrowers with higher-rate mortgages are finding opportunities to refinance, such as those who purchased between August and November of 2023.
- **Purchase lock volume rises MoM but declines YoY:** Purchase lock volume climbed 16% from December, reflecting typical seasonal momentum at the start of the year. However, YoY purchase lock counts – which control for home price appreciation – were down 6%, marking the lowest January figures in six years. This follows a strong end to 2024 and will be an important trend to watch moving forward.
- **Rates hold steady after an early-month jump:** The OBMMI 30-year conforming rate started January above 7% but rallied late in the month, ending at 6.84% (up just 1 basis point). Other key rate indices followed a similar pattern, with jumbo rates up 2 bps, FHA rates unchanged, and VA rates up 4 bps.
- **Conforming loan share remains near record lows:** After hitting a multi-year low in December, conforming loan share edged up slightly to 51% of total production but remained near historical lows. This was offset by small declines in nonconforming and FHA loan share. VA lending share held steady.
- **Credit scores show mixed trends:** The average credit score for purchase and rate-and-term refinance loans rose by 1 point to 738 and 728, respectively. Meanwhile, the average credit score for cash-out refinances declined by 4 points to 693.
- **Home prices increase while loan amounts remain stable:** The average home purchase price rose from \$473.7K to \$476.2K, while the average loan amount dipped slightly from \$376.9K to \$376.4K.



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

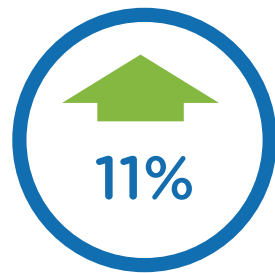
Each month, the Optimal Blue [Market Advantage](#) mortgage data report reviews a series of key market indicators to provide early insight into U.S. mortgage trends. Leveraging lender rate lock data from the Optimal Blue PPE – the mortgage industry’s most widely used product, pricing, and eligibility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



January Data Shows YoY Improvement in Refi Volume Despite Higher Rates



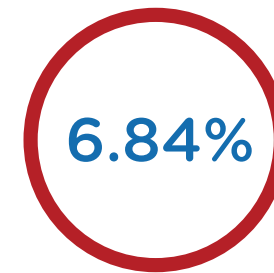
RATE LOCK VOLUME

Total rate lock volume rose nearly 11% in January, driven by a 16% MoM increase in purchase volume and 9% increase in cash-out refi volume. Rate-and-term refinance volume dipped 20% from December due to a less friendly rate environment.



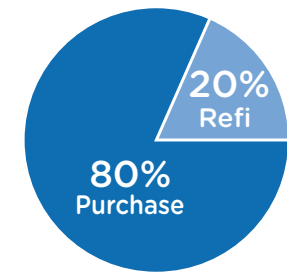
AVERAGE LOAN AMOUNT

The average loan amount dipped slightly MoM from \$376.9K to \$376.4K. The average home purchase price rose from \$473.7K to \$476.2K.



MONTH-END CONFORMING RATE

The benchmark [Optimal Blue Mortgage Market Indices](#) 30-year conforming interest rate finished the month at 6.84%, up just 1 basis point from December month-end.



MARKET MIX

The purchase share of the market increased to 80% in January, up from 76% in December.

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%	10.8%	\$376,352	6.719	730	80	80%	20%
1 New York-Newark-Jersey City, NY-NJ-PA	5.2%	-0.4%	\$576,385	6.903	743	74	79%	21%
2 Dallas-Fort Worth-Arlington, TX	3.4%	13.6%	\$390,406	6.445	731	82	86%	14%
3 Washington-Arlington-Alexandria, DC-VA-MD-WV	3.3%	-2.2%	\$522,419	6.770	740	81	85%	15%
4 Chicago-Naperville-Elgin, IL-IN-WI	3.2%	17.3%	\$339,411	6.936	737	80	83%	17%
5 Phoenix-Mesa-Scottsdale, AZ	2.9%	20.0%	\$431,593	6.473	739	80	87%	13%
6 Los Angeles-Long Beach-Anaheim, CA	2.9%	1.9%	\$811,051	7.005	746	71	68%	32%
7 Atlanta-Sandy Springs-Roswell, GA	2.5%	12.3%	\$373,134	6.670	722	81	75%	25%
8 Houston-The Woodlands-Sugar Land, TX	2.3%	4.3%	\$332,722	6.306	724	84	89%	11%
9 Boston-Cambridge-Newton, MA-NH	2.1%	-0.9%	\$590,465	6.844	748	75	80%	20%
10 Seattle-Tacoma-Bellevue, WA	2.0%	21.9%	\$621,555	6.805	748	76	81%	19%

TOP 20 METROPOLITAN AREAS

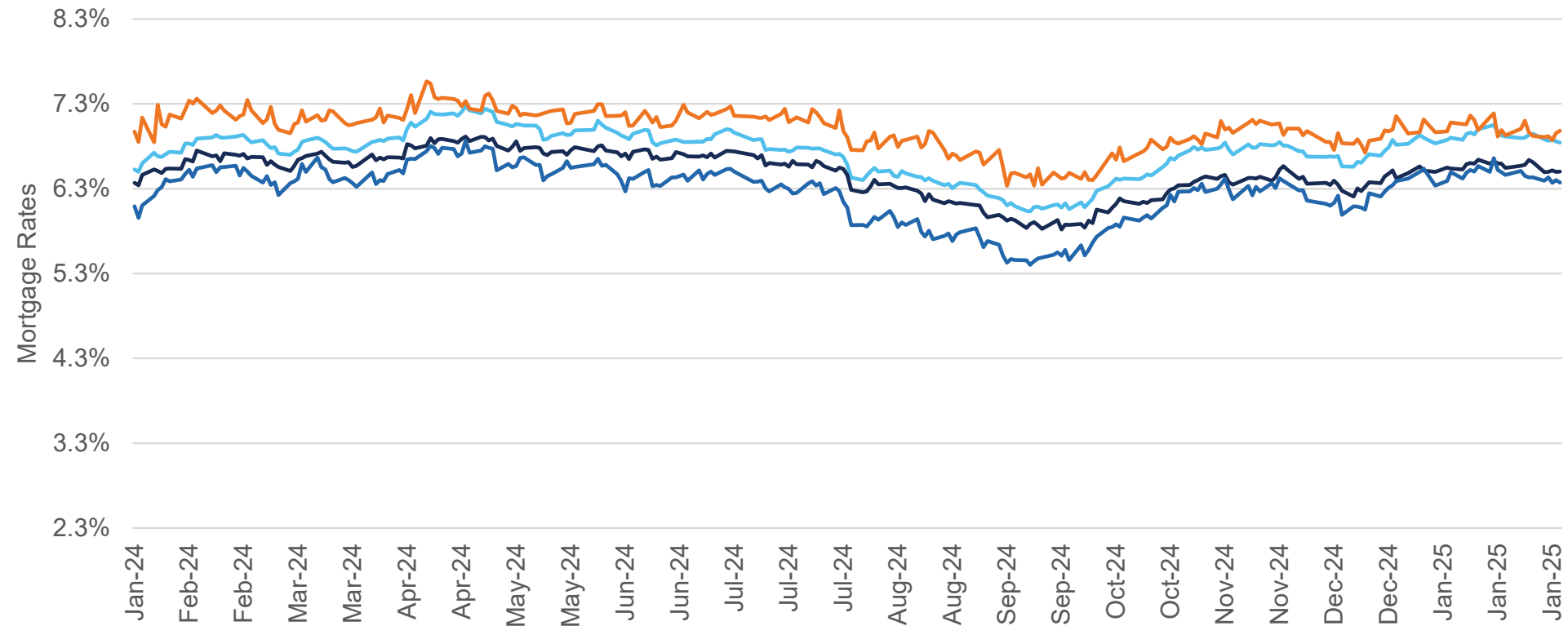
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11 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.9%	18.5%	\$367,901	6.827	733	79	81%	19%
12 Denver-Aurora-Lakewood, CO	1.7%	6.4%	\$496,406	6.510	742	78	83%	17%
13 Miami-Fort Lauderdale-West Palm Beach, FL	1.6%	11.3%	\$504,640	6.844	734	76	79%	21%
14 Riverside-San Bernardino-Ontario, CA	1.5%	10.4%	\$484,639	6.634	724	79	80%	20%
15 Tampa-St. Petersburg-Clearwater, FL	1.4%	15.1%	\$371,229	6.323	729	82	84%	16%
16 Austin-Round Rock, TX	1.3%	3.0%	\$428,951	6.435	743	80	91%	9%
17 Charlotte-Concord-Gastonia, NC-SC	1.3%	18.8%	\$390,116	6.733	735	80	81%	19%
18 Nashville-Davidson--Murfreesboro--Franklin, TN	1.2%	17.1%	\$428,784	6.685	737	80	79%	21%
19 San Francisco-Oakland-Hayward, CA	1.2%	-1.1%	\$765,800	6.879	756	70	74%	26%
20 Minneapolis-St. Paul-Bloomington, MN-WI	1.2%	4.1%	\$364,449	6.904	745	81	84%	16%

MARKET RATE INDICES

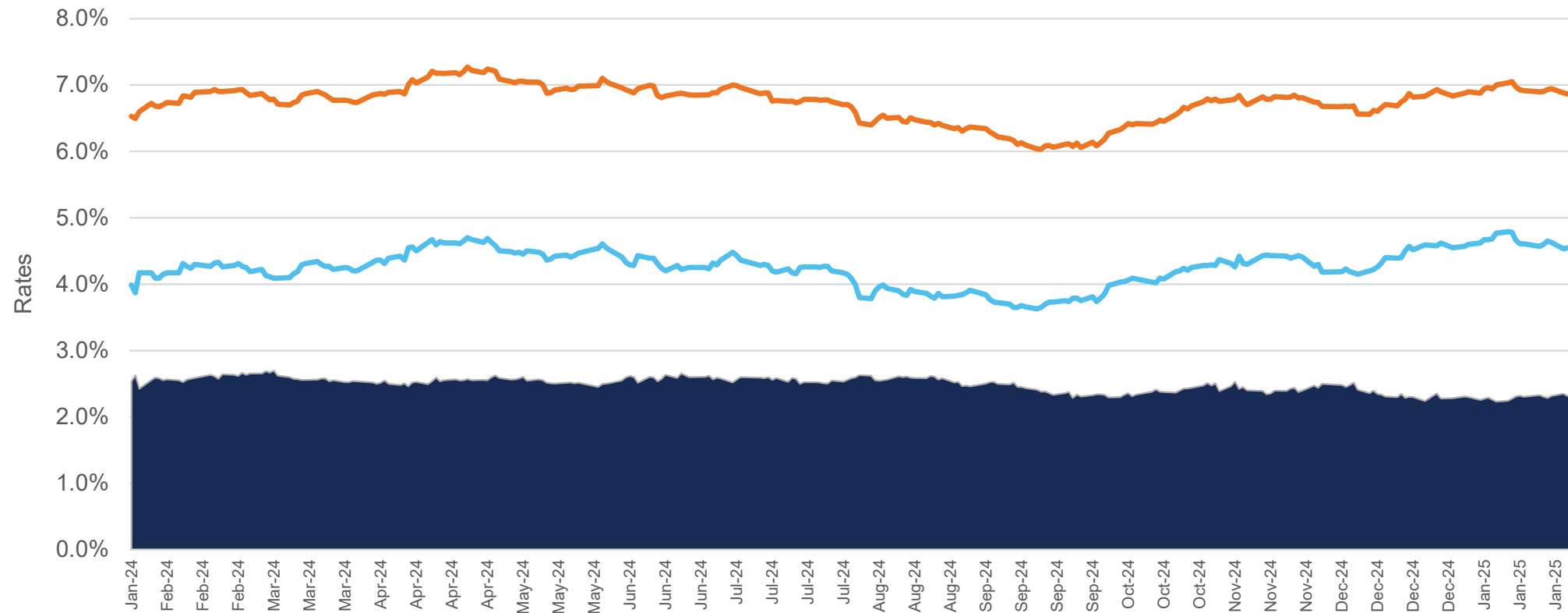
Pulling data from the Optimal Blue Mortgage Market Indices (OBMMI), the chart below shows average 30-year rates across various loan products.






Market Index		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	6.84%	1 bps	6 bps	32 bps
	30-Year Jumbo	6.98%	2 bps	16 bps	1 bps
	30-Year FHA	6.50%	0 bps	8 bps	13 bps
	30-Year VA	6.37%	4 bps	1 bps	28 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](#).

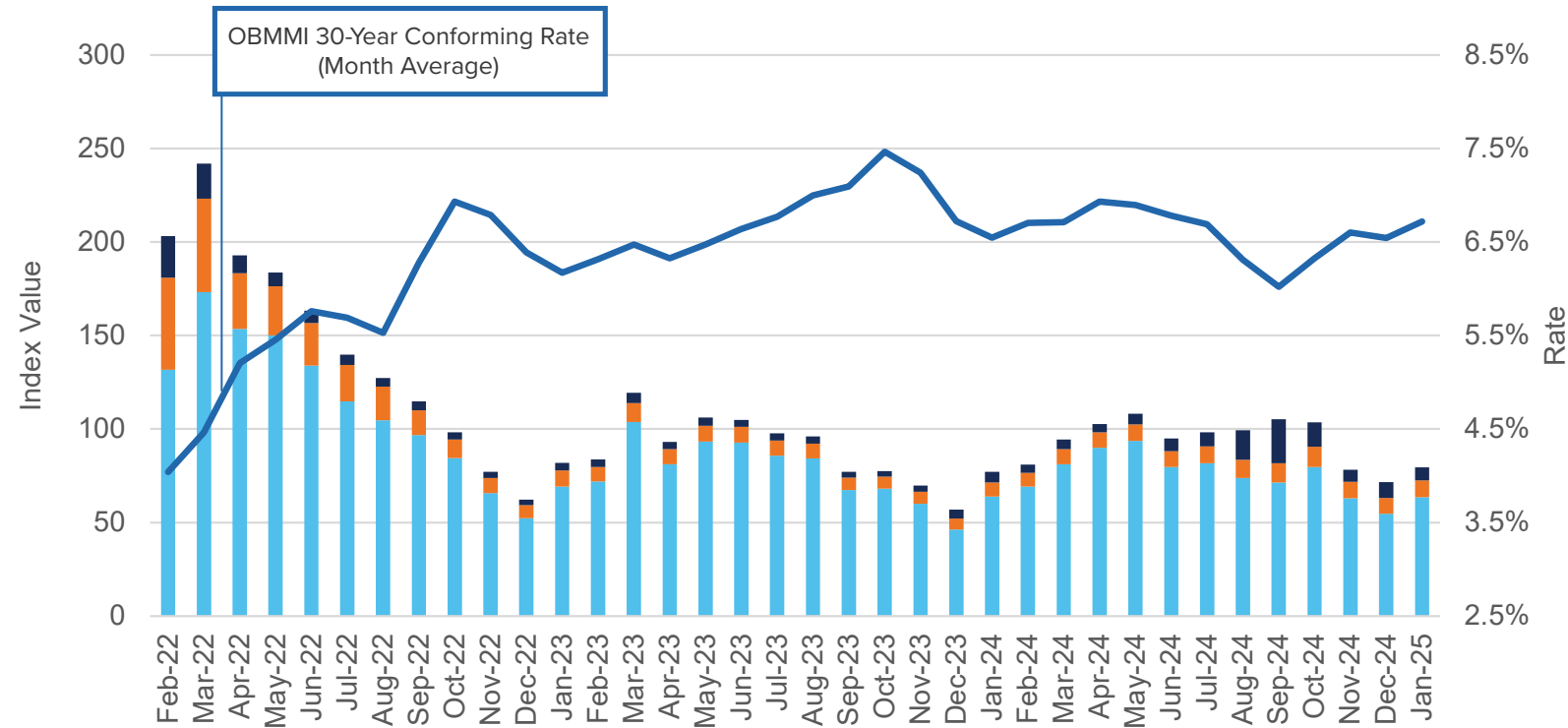


	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	4.58%	3 bps	30 bps	59 bps
	30-Year Conforming	6.84%	1 bps	6 bps	32 bps
	10-Year to 30-Year Spread	2.26%	(2 bps)	(24 bps)	(28 bps)

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](#).



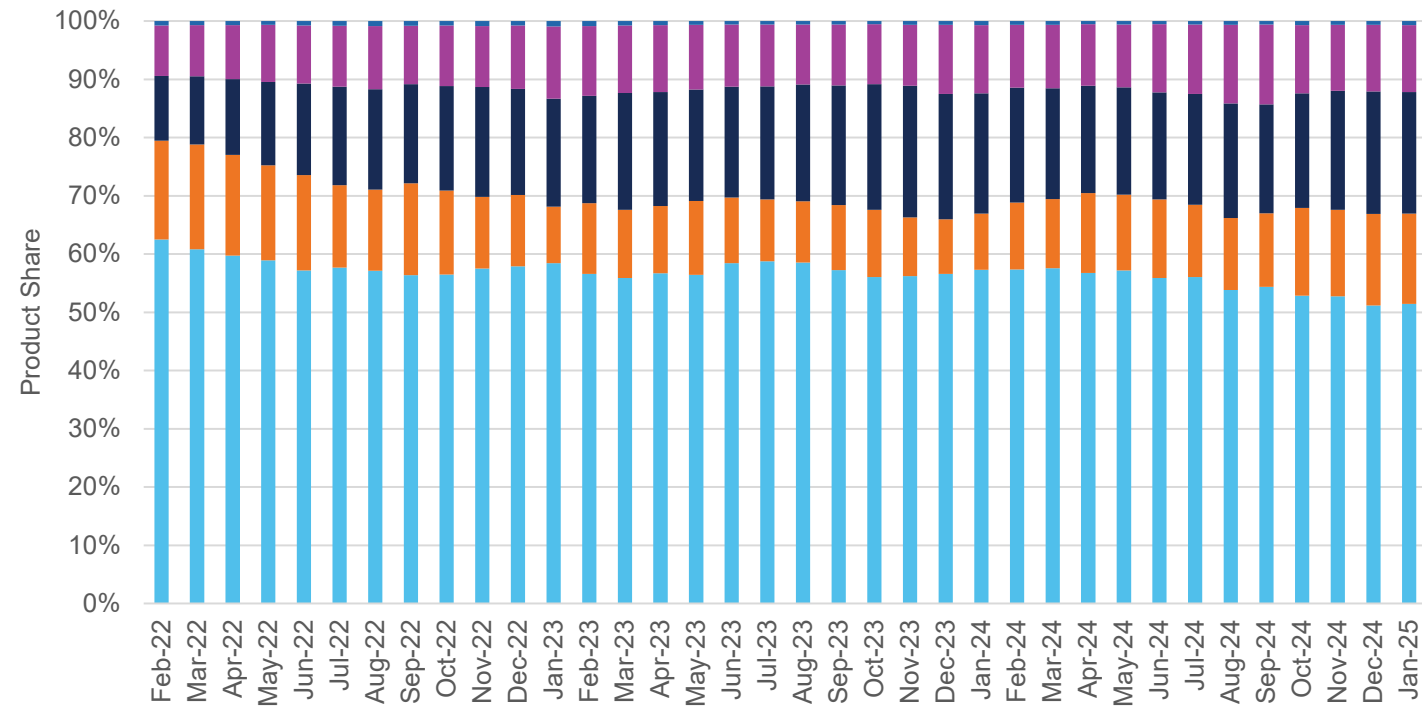
Market Volume Index (Total volume indexed to 100 in January 2018)		Current Value	1-Month % Change	3-Month % Change	12-Month % Change
	Purchase	63	15.9%	(20.4%)	(0.6%)
	Cash-Out Refinance	9	8.9%	(15.5%)	20.1%
	Rate/Term Refinance	7	(19.9%)	(47.2%)	21.7%
	Total	79	10.8%	(23.3%)	3.1%
Refinance Share*		20%	(350 bps)	(284 bps)	295 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.

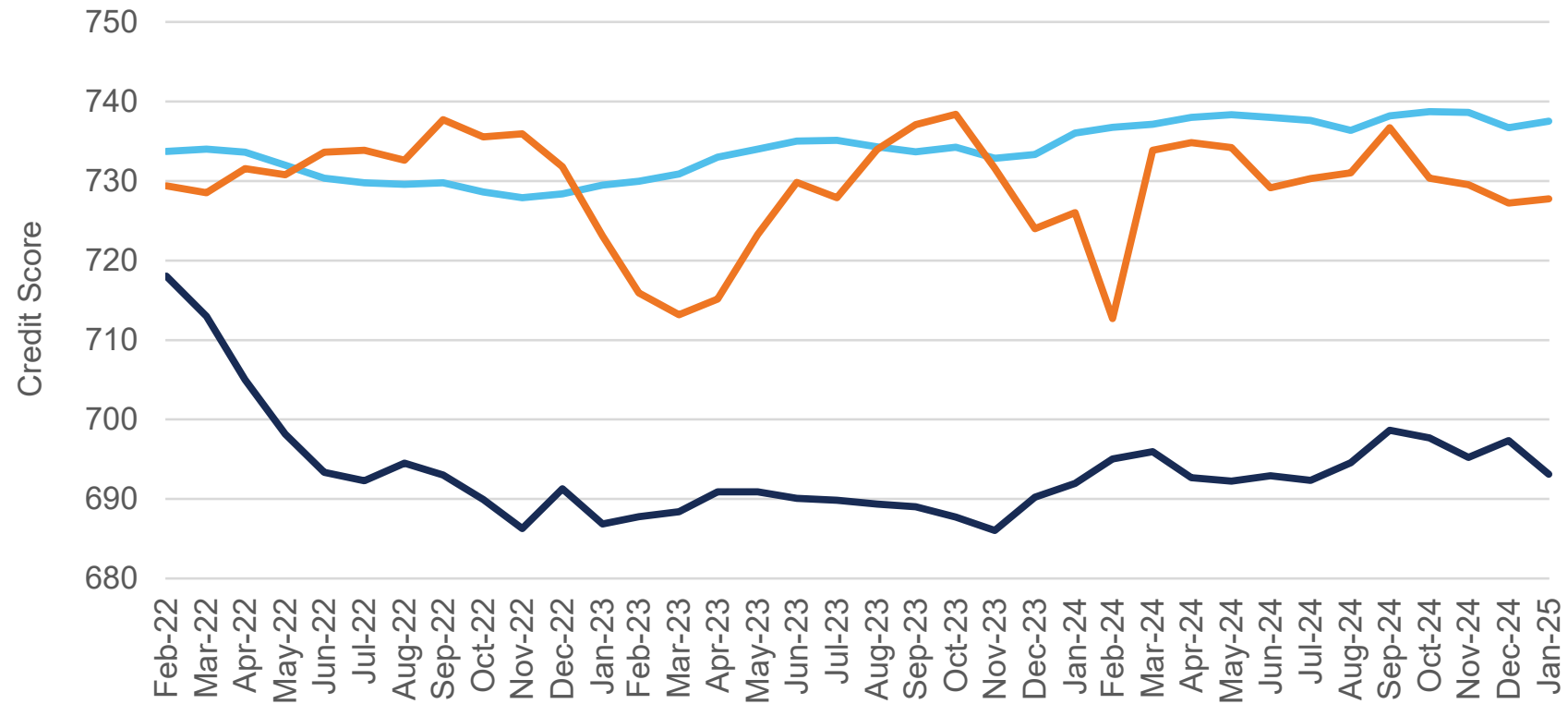





Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	51.4%	27 bps	(140 bps)	(586 bps)
	Nonconforming	15.5%	(24 bps)	40 bps	584 bps
	FHA	20.9%	(10 bps)	122 bps	25 bps
	VA	11.5%	1 bps	(24 bps)	(24 bps)
	USDA	0.7%	7 bps	1 bps	2 bps

AVERAGE CREDIT SCORES

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

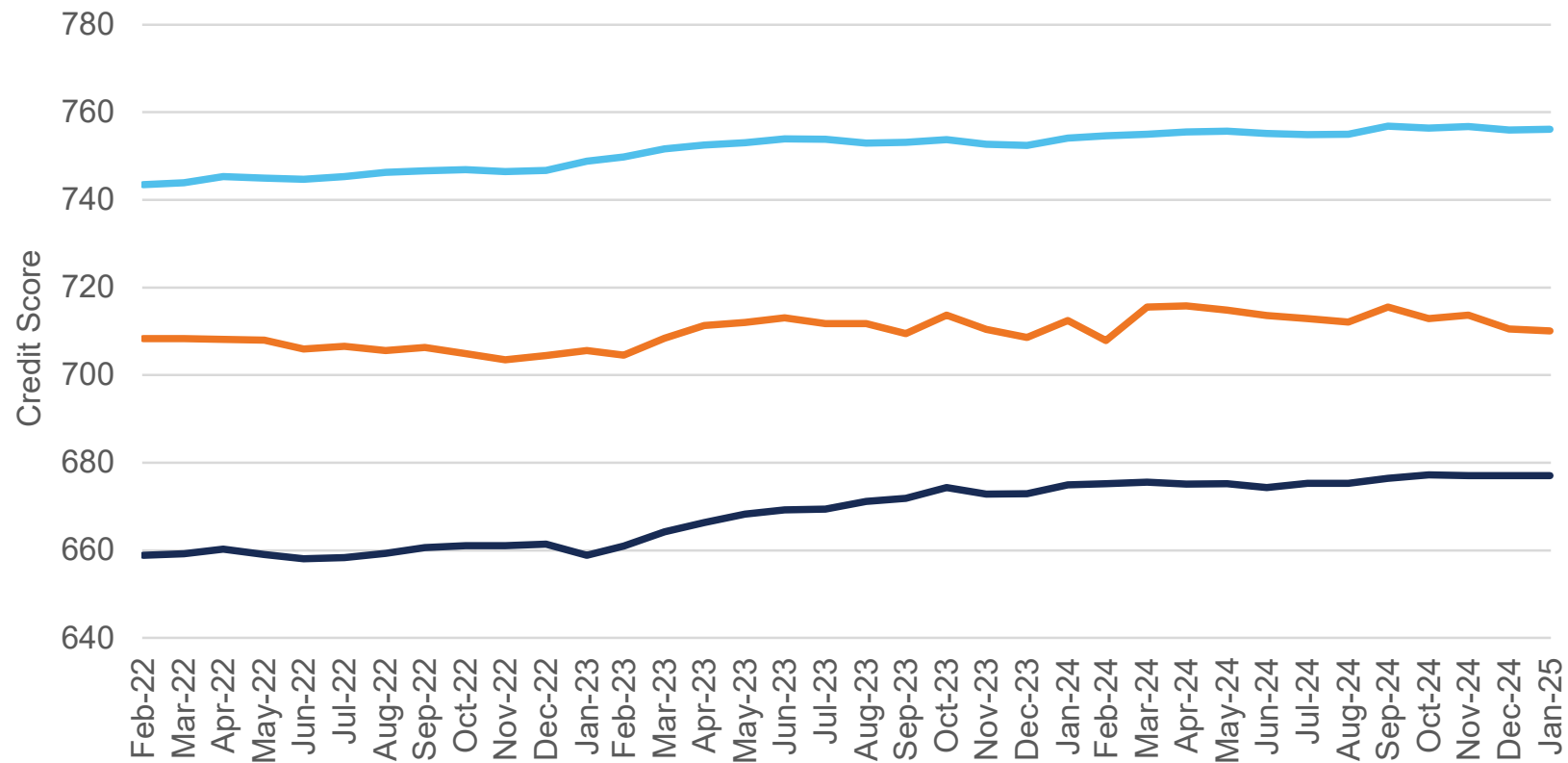
This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).






Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase	738	1	(1)	1
	Rate/Term Refi	728	1	(3)	2
	Cash-Out Refi	693	(4)	(5)	1

AVERAGE CREDIT SCORES

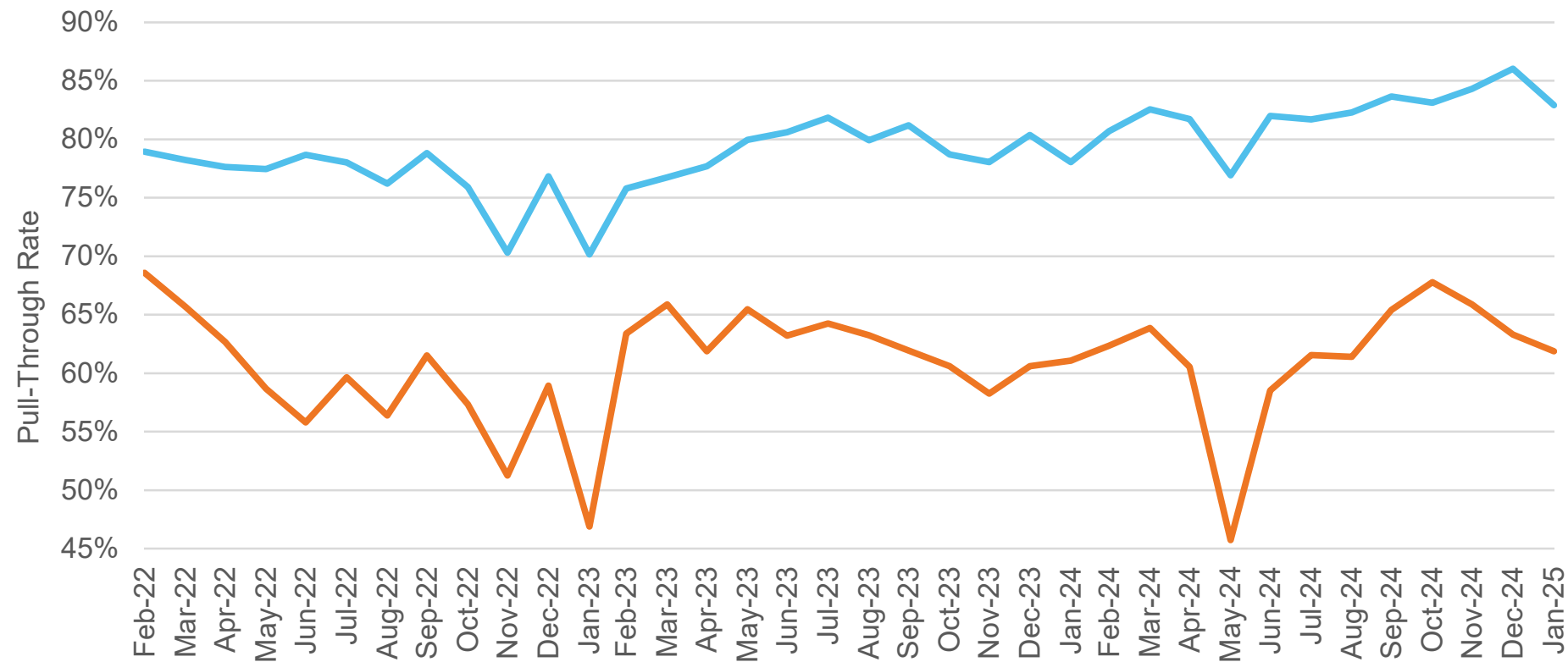
Here, we look at average credit scores for conforming, FHA, and VA loans. This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).





Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	756	0	0	2
	VA	710	0	(3)	(2)
	FHA	677	0	0	2

PURCHASE & REFI PULL-THROUGH

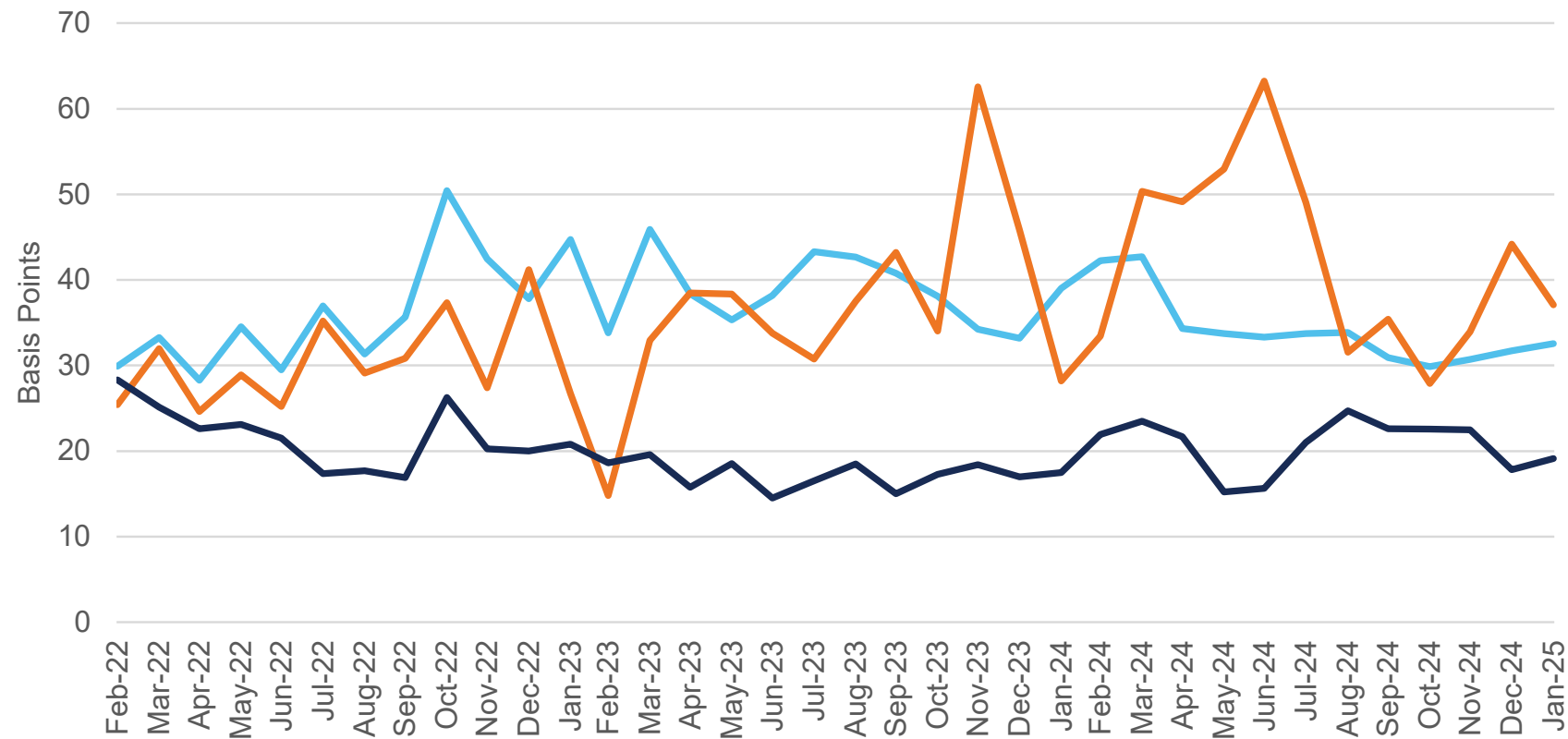
Below, we look at pull-through rates – the percentage of locks that become funded loans. This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



Pull-Through Rate		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase Pull-Through	82.9%	(313 bps)	(22 bps)	485 bps
	Refinance Pull-Through	61.9%	(143 bps)	(592 bps)	78 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	1 bps	3 bps	(6 bps)
—	15-Year Conforming	37 bps	(7 bps)	9 bps	9 bps
—	30-Year Government	19 bps	1 bps	(3 bps)	2 bps