



OPTIMIZE YOUR ADVANTAGE

MARKET ADVANTAGE

MORTGAGE DATA REPORT
FEBRUARY 2025





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 FEBRUARY 2025

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

- **Refi activity drives higher lock volume:** Slightly lower interest rates encouraged a surge of refinance activity that pushed lock volume up 7% MoM. Most of the lift came from rate-and-term refinances, which rose nearly 40% in the improving rate environment; cash-out volume climbed a more modest 4%.
- **Purchase locks continue to drag:** Purchase activity remained low for the second straight month, with volume down 5% on a YoY basis. Purchase lock counts – which control for home price appreciation – were down 9% from the same time in 2024.
- **Conforming loan share stabilizes:** Conforming loan volume edged higher for a second month, reaching 52% of total volume after hitting a multi-year low in December. FHA share remained just above 20%. VA share grew slightly to sit at around 11.5%. Non-conforming loan volume – which includes jumbo and non-QM loans – was mostly flat at 15.5%.
- **Spread stays above long-term average:** The mortgage rate spread to the 10-year Treasury hovered just above 230 basis points, a roughly 30 bps improvement from the same time last year but still roughly 30 to 40 bps above the long-term average.
- **Refi credit quality ticks higher:** The average credit score for cash-out and rate-and-term refinances rose by 2 and 4 points, respectively, to 695 and 732. Meanwhile, the average purchase credit score was flat at 737.
- **Home prices, loan amounts edge higher:** The average home purchase price rose from \$476.2K in January to \$480.2K in February, driving a MoM increase in average loan amount from \$376.4K to \$380.5K.



Hear additional commentary and insights in the [Market Advantage podcast](#). This month's episode features a guest interview with CoreLogic Chief Economist Selma Hepp.

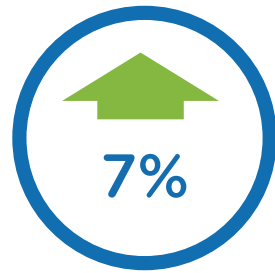
Each month, the Optimal Blue [Market Advantage](#) mortgage data report reviews a series of key market indicators to provide early insight into U.S. mortgage trends. Leveraging lender rate lock data from the Optimal Blue PPE – the mortgage industry's most widely used product, pricing, and eligibility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



40% Jump in Rate-and-Term Refis Drives Overall Lock Growth



RATE LOCK VOLUME

Slightly lower interest rates encouraged a surge of refi activity that pushed lock volume up 7% MoM. Most lift came from rate-and-term refis, which rose nearly 40%. Cash-out volume climbed a more modest 4%.



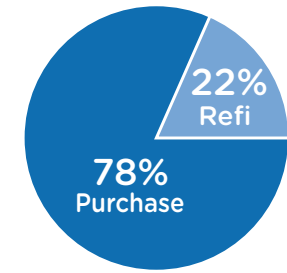
AVERAGE LOAN AMOUNT

The average home purchase price rose from \$476.2K in January to \$480.2K in February, driving a MoM increase in average loan amount from \$376.4K to \$380.5K.



MONTH-END CONFORMING RATE

The benchmark [Optimal Blue Mortgage Market Indices](#) 30-year conforming interest rate finished the month at 6.6%, down 24 bps from the previous month-end.



MARKET MIX

The purchase share of the market dropped to 78% in February, down from 80% in January.

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%	6.9%	\$380,484	6.606	731	80	78%	22%
1	New York-Newark-Jersey City, NY-NJ-PA	4.6%	-5.3%	\$576,825	6.771	745	73	76%	24%
2	Washington-Arlington-Alexandria, DC-VA-MD-WV	3.6%	15.9%	\$555,517	6.611	742	81	80%	20%
3	Chicago-Naperville-Elgin, IL-IN-WI	3.5%	15.7%	\$357,864	6.821	741	80	81%	19%
4	Dallas-Fort Worth-Arlington, TX	3.4%	8.3%	\$400,323	6.396	732	82	84%	16%
5	Los Angeles-Long Beach-Anaheim, CA	2.9%	9.0%	\$785,523	6.816	746	71	65%	35%
6	Phoenix-Mesa-Scottsdale, AZ	2.7%	-1.6%	\$445,479	6.418	740	79	83%	17%
7	Atlanta-Sandy Springs-Roswell, GA	2.7%	14.2%	\$378,516	6.555	723	81	77%	23%
8	Houston-The Woodlands-Sugar Land, TX	2.5%	14.4%	\$339,741	6.224	722	85	88%	12%
9	Seattle-Tacoma-Bellevue, WA	2.2%	15.1%	\$647,753	6.706	751	76	77%	23%
10	Boston-Cambridge-Newton, MA-NH	2.1%	9.6%	\$579,570	6.703	750	73	73%	27%

TOP 20 METROPOLITAN AREAS

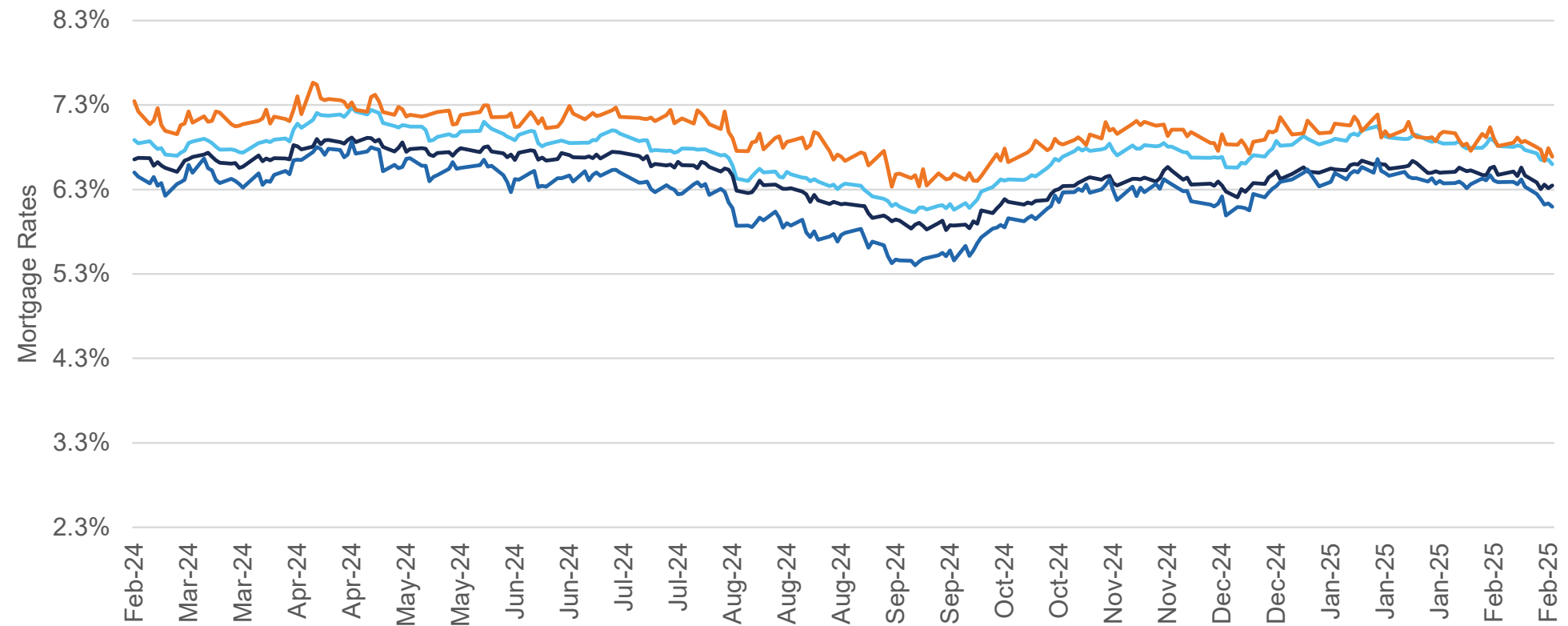
Here, we look at the top 20 metropolitan statistical areas (MSAs) by share of origination volume. This information is drawn from the [Optimal Blue® PPE](#).







Metropolitan Statistical Area (MSA)	% of Lock Volume	MoM Change	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
NATIONAL	100.0%	6.9%	\$380,484	6.606	731	80	78%	22%
11 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.8%	2.2%	\$381,336	6.723	737	79	81%	19%
12 Denver-Aurora-Lakewood, CO	1.7%	8.7%	\$492,421	6.465	742	78	80%	20%
13 Miami-Fort Lauderdale-West Palm Beach, FL	1.7%	17.7%	\$539,564	6.684	731	75	74%	26%
14 San Francisco-Oakland-Hayward, CA	1.6%	39.0%	\$854,409	6.759	759	69	72%	28%
15 Riverside-San Bernardino-Ontario, CA	1.5%	4.0%	\$467,425	6.541	723	78	73%	27%
16 Charlotte-Concord-Gastonia, NC-SC	1.4%	17.2%	\$404,399	6.577	736	81	78%	22%
17 Austin-Round Rock, TX	1.3%	6.1%	\$436,119	6.360	743	81	88%	12%
18 Nashville-Davidson--Murfreesboro--Franklin, TN	1.2%	9.4%	\$424,680	6.502	735	80	81%	19%
19 Minneapolis-St. Paul-Bloomington, MN-WI	1.2%	11.6%	\$369,601	6.719	746	81	82%	18%
20 Tampa-St. Petersburg-Clearwater, FL	1.2%	-6.0%	\$371,673	6.372	728	82	84%	16%

MARKET RATE INDICES

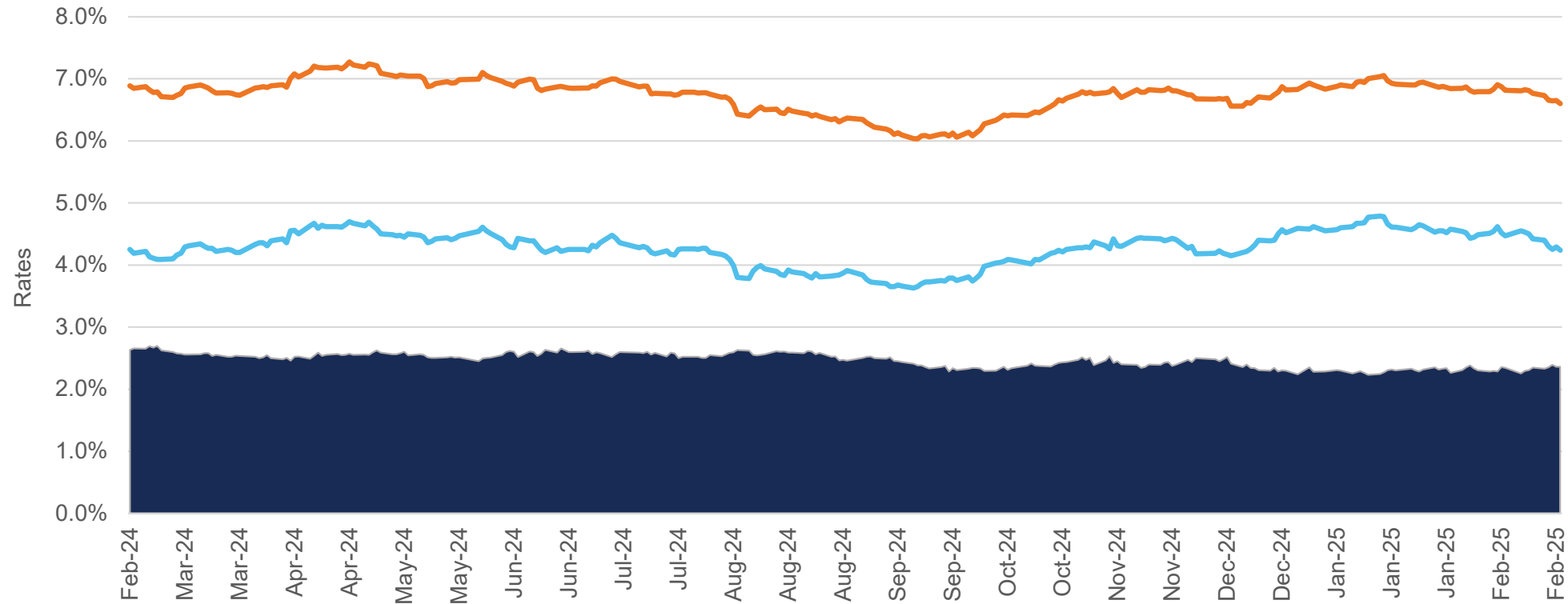
Pulling data from the Optimal Blue Mortgage Market Indices (OBMMI), the chart below shows average 30-year rates across various loan products.






Market Index		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	6.60%	(24 bps)	(8 bps)	(28 bps)
	30-Year Jumbo	6.69%	(30 bps)	(29 bps)	(66 bps)
	30-Year FHA	6.35%	(15 bps)	(1 bps)	(31 bps)
	30-Year VA	6.09%	(28 bps)	(7 bps)	(41 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](#).

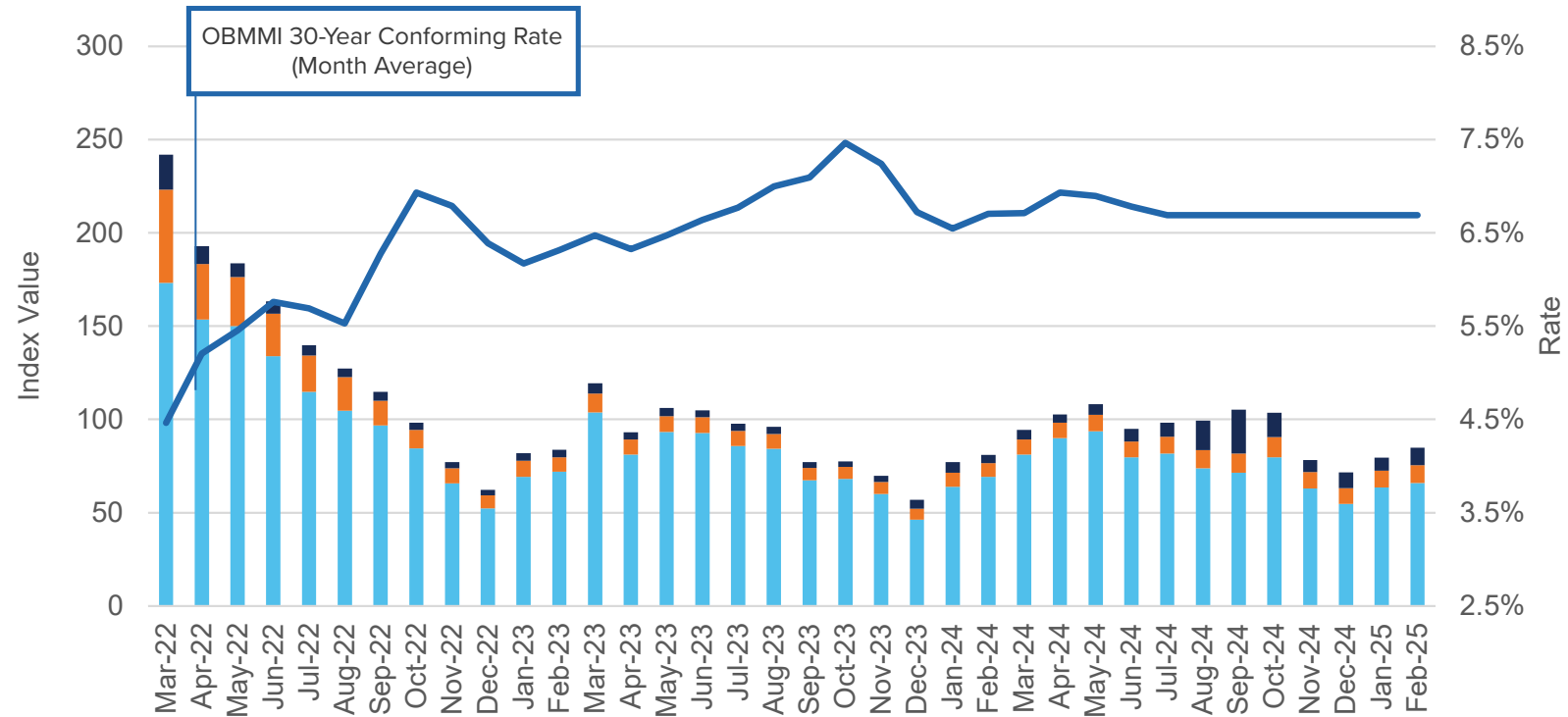






	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	4.24%	(34 bps)	6 bps	(1 bps)
	30-Year Conforming	6.60%	(24 bps)	(8 bps)	(28 bps)
	10-Year to 30-Year Spread	2.36%	10 bps	(14 bps)	(27 bps)

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](#).



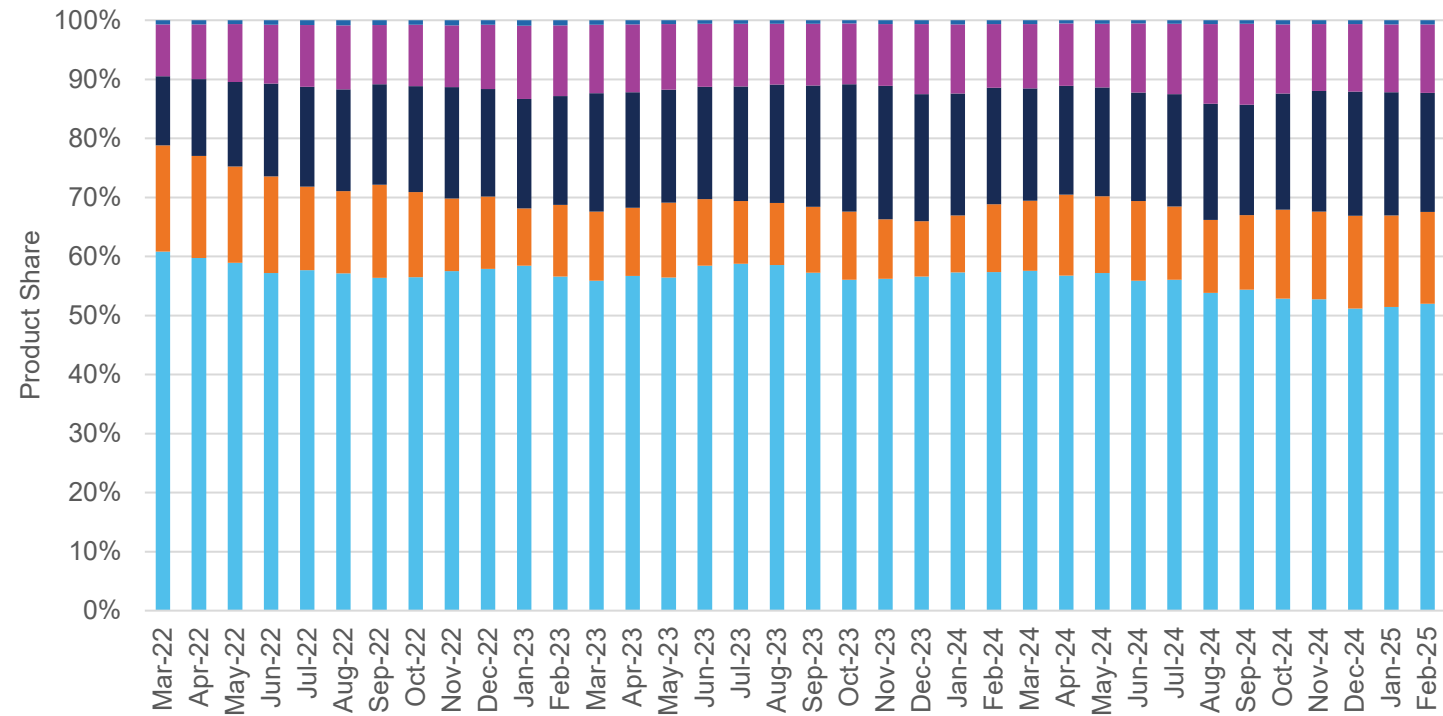
Market Volume Index (Total volume indexed to 100 in January 2018)		Current Value	1-Month % Change	3-Month % Change	12-Month % Change
	Purchase	66	3.8%	4.5%	(4.8%)
	Cash-Out Refinance	10	4.4%	9.9%	29.4%
	Rate/Term Refinance	9	39.2%	48.3%	118.5%
	Total	85	6.9%	8.7%	5.0%
Refinance Share*		22%	232 bps	311 bps	793 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](#).

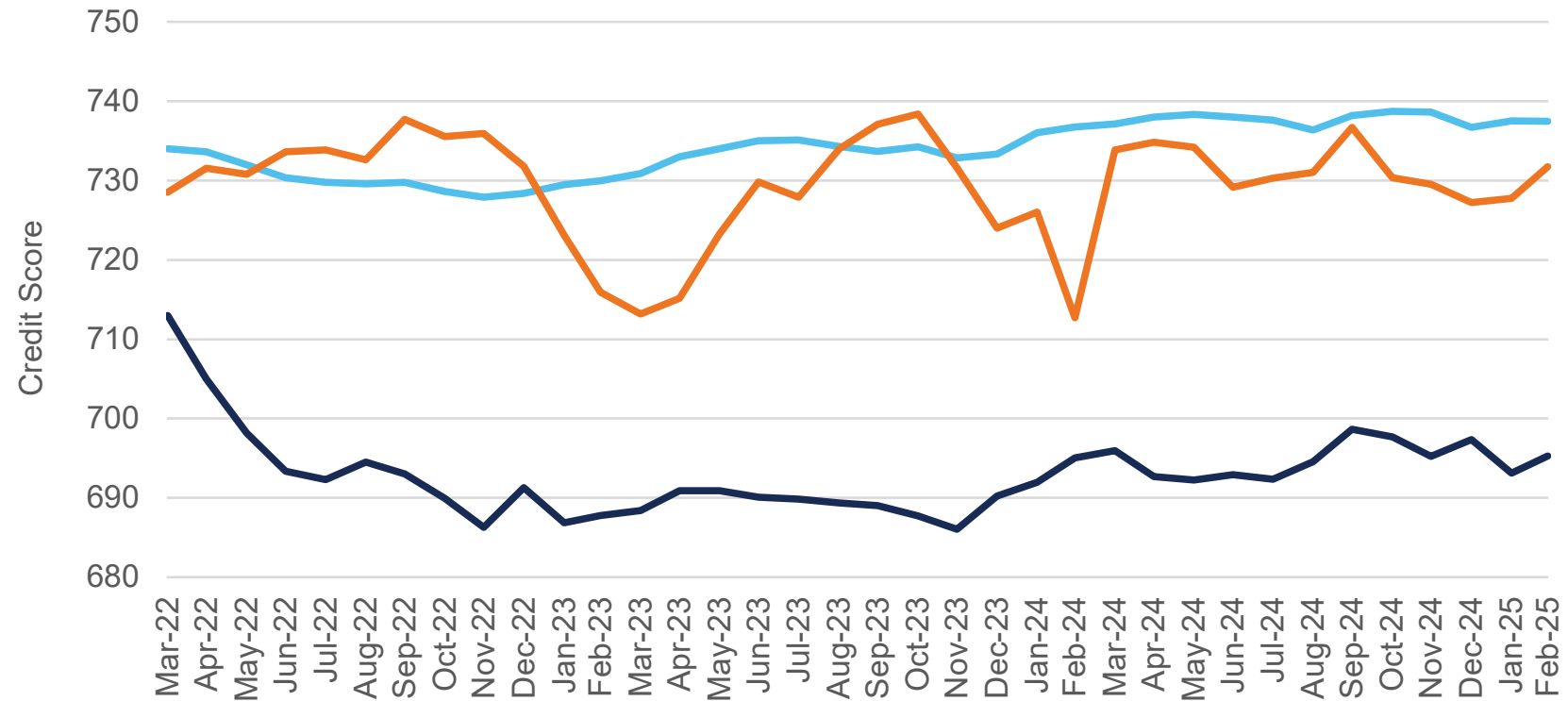





Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	52.0%	57 bps	(74 bps)	(538 bps)
	Nonconforming	15.5%	5 bps	67 bps	407 bps
	FHA	20.2%	(72 bps)	(22 bps)	45 bps
	VA	11.6%	10 bps	21 bps	83 bps
	USDA	0.7%	0 bps	8 bps	3 bps

AVERAGE CREDIT SCORES

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

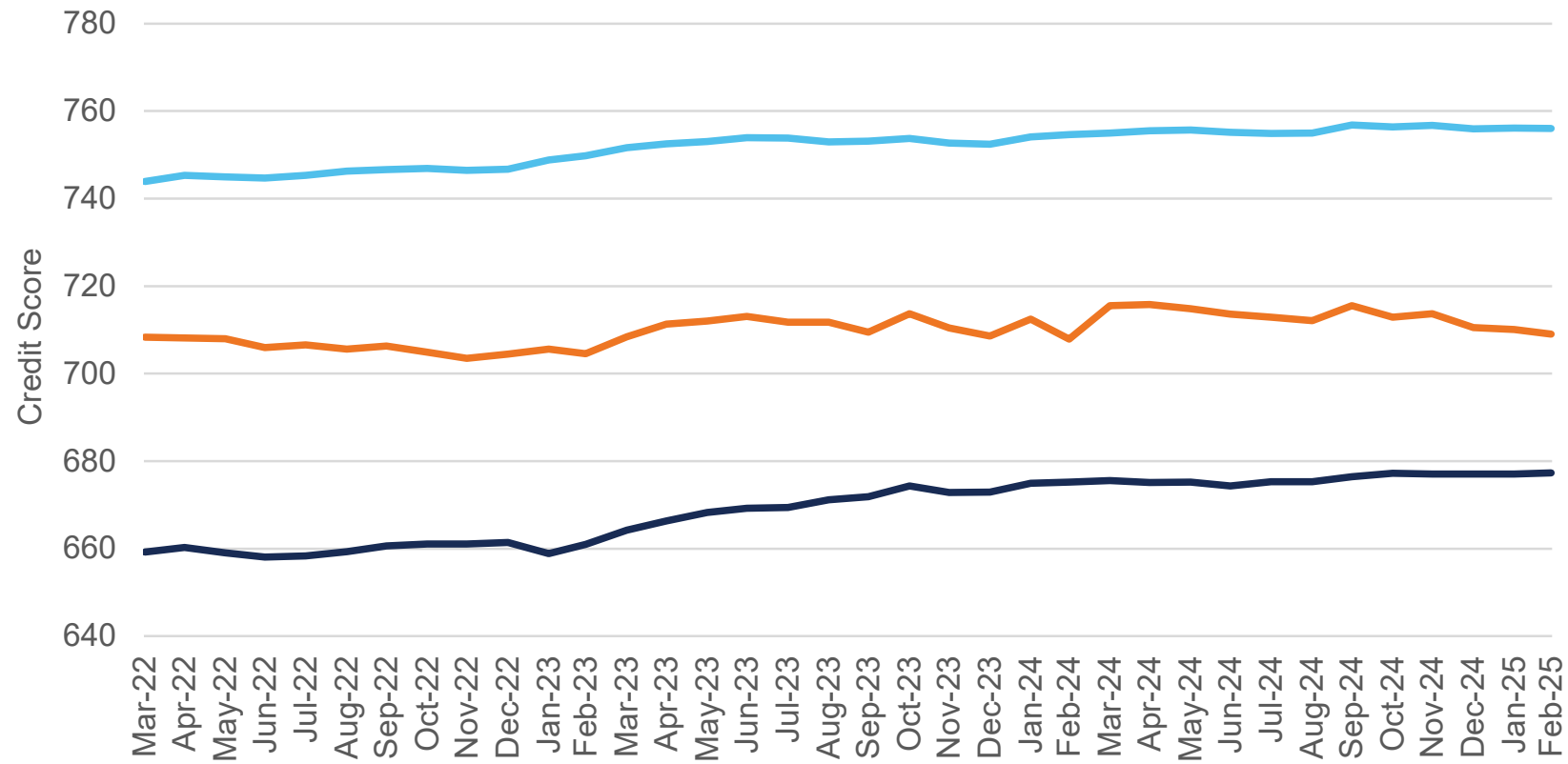
This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).






Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase	737	0	(1)	1
	Rate/Term Refi	732	4	2	19
	Cash-Out Refi	695	2	0	0

AVERAGE CREDIT SCORES

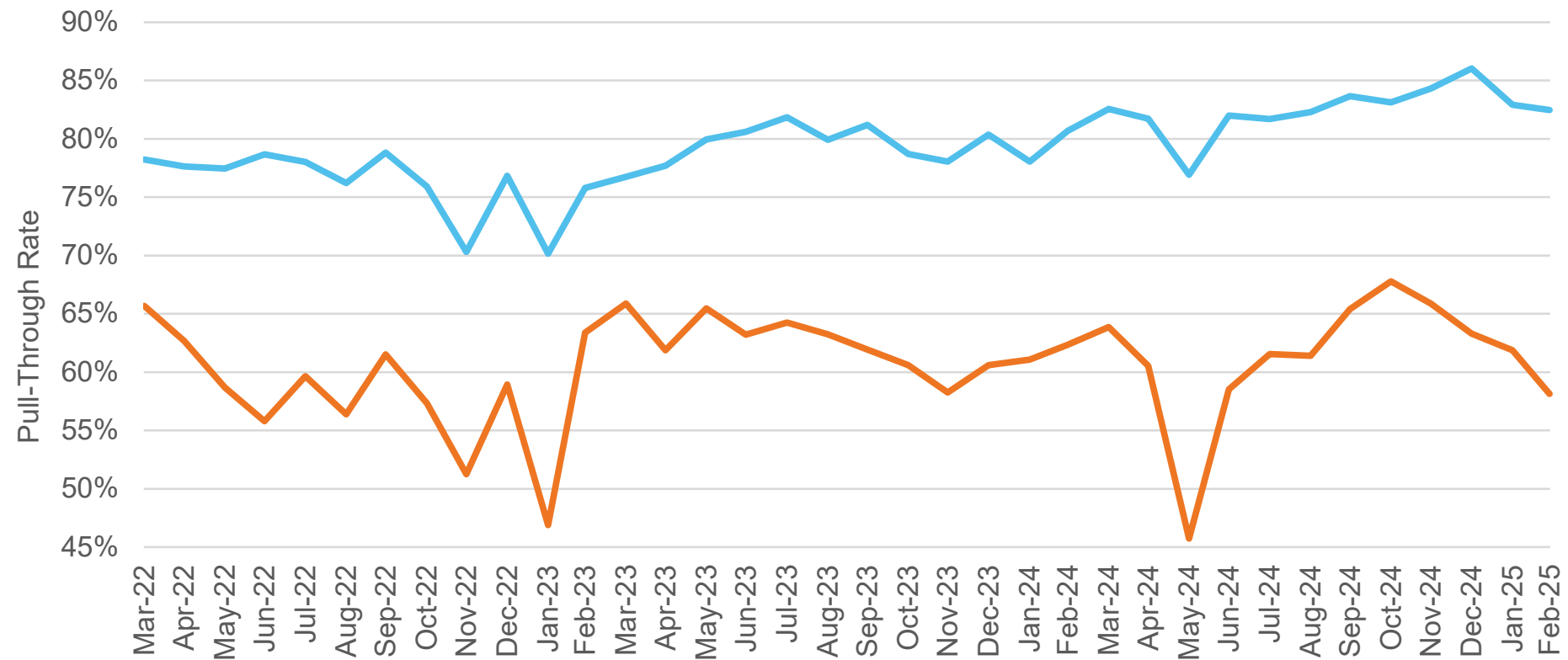
Here, we look at average credit scores for conforming, FHA, and VA loans. This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	756	0	(1)	1
	VA	709	(1)	(5)	1
	FHA	677	0	0	2

PURCHASE & REFI PULL-THROUGH

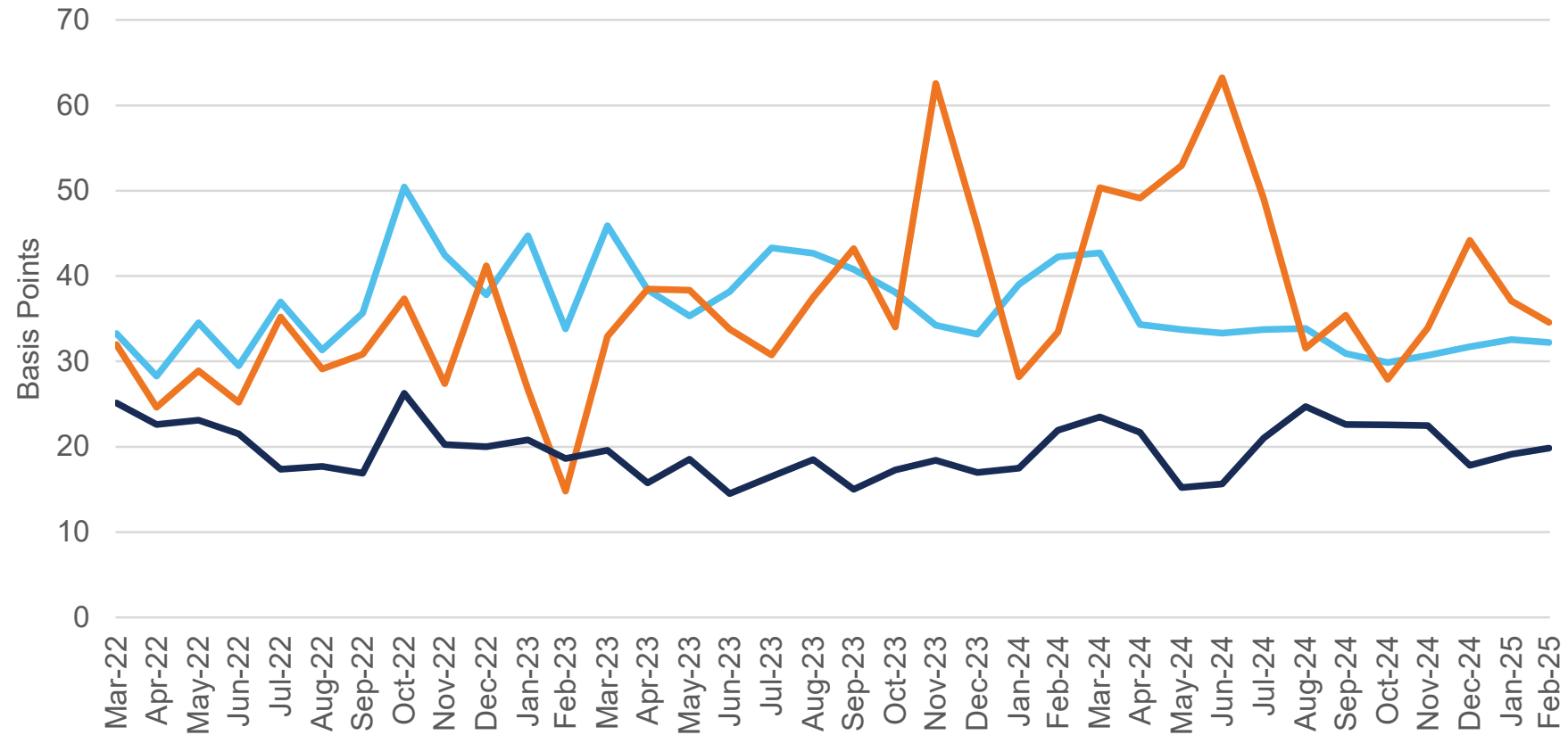
Below, we look at pull-through rates – the percentage of locks that become funded loans. This information is pulled from daily rate lock tracking data from the [Optimal Blue PPE](#).



Pull-Through Rate		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
—	Purchase Pull-Through	82.5%	(44 bps)	(185 bps)	179 bps
—	Refinance Pull-Through	58.1%	(371 bps)	(775 bps)	(420 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	32 bps	0 bps	2 bps	(10 bps)
—	15-Year Conforming	35 bps	(3 bps)	1 bps	1 bps
—	30-Year Government	20 bps	1 bps	(3 bps)	(2 bps)