



ORIGINATIONS
MARKET MONITOR



ORIGINATIONS MARKET MONITOR

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APRIL 2024 OVERVIEW

Each month, the Optimal Blue [Originations Market Monitor](#) reviews a series of key market indicators to help provide clarity on mortgage lending activity. By drawing information directly from origination pipelines, we provide a comprehensive and timely view into origination activity.

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

- **Year-over-year lock count growth:** April purchase lock counts rose 5% over April 2023, the first increase in annual lock counts in more than two years.
- **Spring homebuying drove overall increase in lock volume:** Total monthly rate lock volume increased by 8.7% in April, driven by an 11.0% month-over-month increase in purchase lock volume.
- **Declining refinance activity:** The refinance share of total volume decreased to 12%, tying the low levels seen during the summer of 2023. Rate/term refinance volume fell by 13.7%, and cash-out volume remained flat.
- **Rising interest rates:** The benchmark Optimal Blue Mortgage Market Indices (OBMMI) observed significant increases across all categories as higher-than-anticipated inflation readings have cooled market expectations for rate cuts in 2024. The 30-year conforming fixed rate rose 51 basis points to finish the month at 7.24%. This figure is 80 basis points higher than one year ago.
- **Shifts in loan type popularity:** Nonconforming loan products, including jumbo and non-QM loans, increased their market share by 1.85% to 13.7%. Meanwhile, shares for conforming, FHA, and VA loans declined.
- **Increasing loan and home purchase prices:** The average loan amount increased \$7,200 to \$374.5K, and the average home purchase price climbed \$14,100 to \$477.9K.

In producing the Originations Market Monitor, Optimal Blue aggregates and reports the latest available monthly rate lock data drawn from the Optimal Blue PPE – the most widely used product, pricing, and eligibility engine in the industry. Optimal Blue provides additional market insight by way of its market-leading hedging platform.

For more information on Optimal Blue's secondary marketing solutions, contact Sales@OptimalBlue.com.





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APRIL 2024 NATIONAL RATE LOCK METRICS

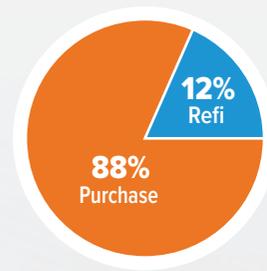
Here, we look at national origination numbers to give a high-level overview of the month's activity. This information is drawn from the [Optimal Blue® PPE](#).

APRIL NATIONAL STATS



RATE LOCK VOLUME

Total monthly rate lock volume increased by 8.7% in April, driven by an 11.0% month-over-month increase in purchase lock volume. Rate/term refinance volume fell by 13.7%, and cash-out volume remained flat.



MARKET MIX

The refi share of total volume decreased to 12%, tying the low levels seen during the summer of 2023.



AVERAGE LOAN AMOUNT

Month over month, the average loan amount rose from \$367.3K to \$374.5K. The average home purchase price rose significantly, up from \$463.8K to \$477.9K.



MONTH-END CONFORMING RATE

Our [Optimal Blue Mortgage Market Indices](#) rose 51 bps in 30-year rate offerings, to finish the month at 7.24%, 80 bps higher than one year ago.

Mortgage purchase lock counts saw first YoY gain since Fed rate hikes began two years ago.





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APRIL 2024 TOP 20 METROPOLITAN AREAS

Here, we look at the top 20 metropolitan statistical areas (MSAs) by share of origination volume. This information is derived from daily rate lock data 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%	8.7%	\$374,528	6.934	733	81	88%	12%
1 New York-Newark-Jersey City, NY-NJ-PA	4.5%	5.9%	\$554,829	7.061	747	75	85%	15%
2 Washington-Arlington-Alexandria, DC-VA-MD-WV	4.4%	14.2%	\$546,181	6.915	748	82	92%	8%
3 Chicago-Naperville-Elgin, IL-IN-WI	3.6%	10.4%	\$345,452	7.145	740	81	92%	8%
4 Dallas-Fort Worth-Arlington, TX	3.5%	4.6%	\$387,251	6.797	734	82	92%	8%
5 Phoenix-Mesa-Scottsdale, AZ	2.7%	12.3%	\$424,076	6.760	736	80	91%	9%
6 Atlanta-Sandy Springs-Roswell, GA	2.6%	6.6%	\$382,417	6.868	725	81	85%	15%
7 Houston-The Woodlands-Sugar Land, TX	2.5%	4.3%	\$339,748	6.649	726	84	93%	7%
8 Los Angeles-Long Beach-Anaheim, CA	2.4%	1.5%	\$764,049	7.150	747	71	80%	20%
9 Boston-Cambridge-Newton, MA-NH	2.2%	15.9%	\$591,860	7.059	752	75	91%	9%
10 Seattle-Tacoma-Bellevue, WA	2.2%	20.7%	\$633,376	7.043	749	77	90%	10%





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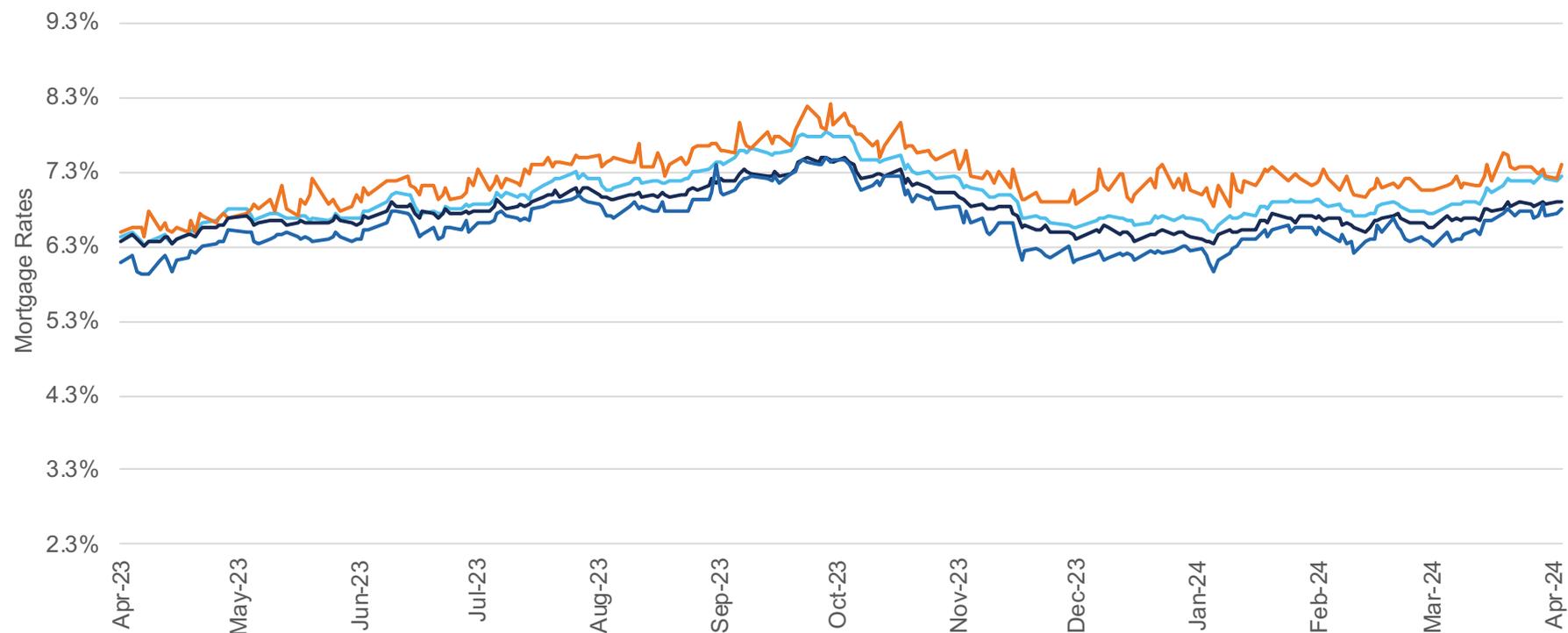
Metropolitan Statistical Area (MSA)	% of Lock Volume	MoM Change	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
NATIONAL	100.0%	8.7%	\$374,528	6.934	733	81	88%	12%
11 Denver-Aurora-Lakewood, CO	1.9%	8.9%	\$503,079	6.781	745	77	90%	10%
12 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.8%	19.1%	\$365,906	6.929	742	80	91%	9%
13 Miami-Fort Lauderdale-West Palm Beach, FL	1.8%	11.4%	\$511,189	7.009	733	77	84%	16%
14 Austin-Round Rock, TX	1.5%	2.7%	\$432,194	6.585	742	80	94%	6%
15 Minneapolis-St. Paul-Bloomington, MN-WI	1.4%	15.2%	\$357,384	7.000	748	81	93%	7%
16 Tampa-St. Petersburg-Clearwater, FL	1.4%	-1.4%	\$364,589	6.670	727	81	89%	11%
17 Riverside-San Bernardino-Ontario, CA	1.3%	4.3%	\$487,937	6.799	724	79	83%	17%
18 San Francisco-Oakland-Hayward, CA	1.3%	4.6%	\$812,202	7.141	762	69	89%	11%
19 Baltimore-Columbia-Towson, MD	1.2%	24.1%	\$405,561	6.963	738	84	91%	9%
20 Charlotte-Concord-Gastonia, NC-SC	1.2%	1.9%	\$402,077	6.956	737	81	87%	13%



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APRIL 2024 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.



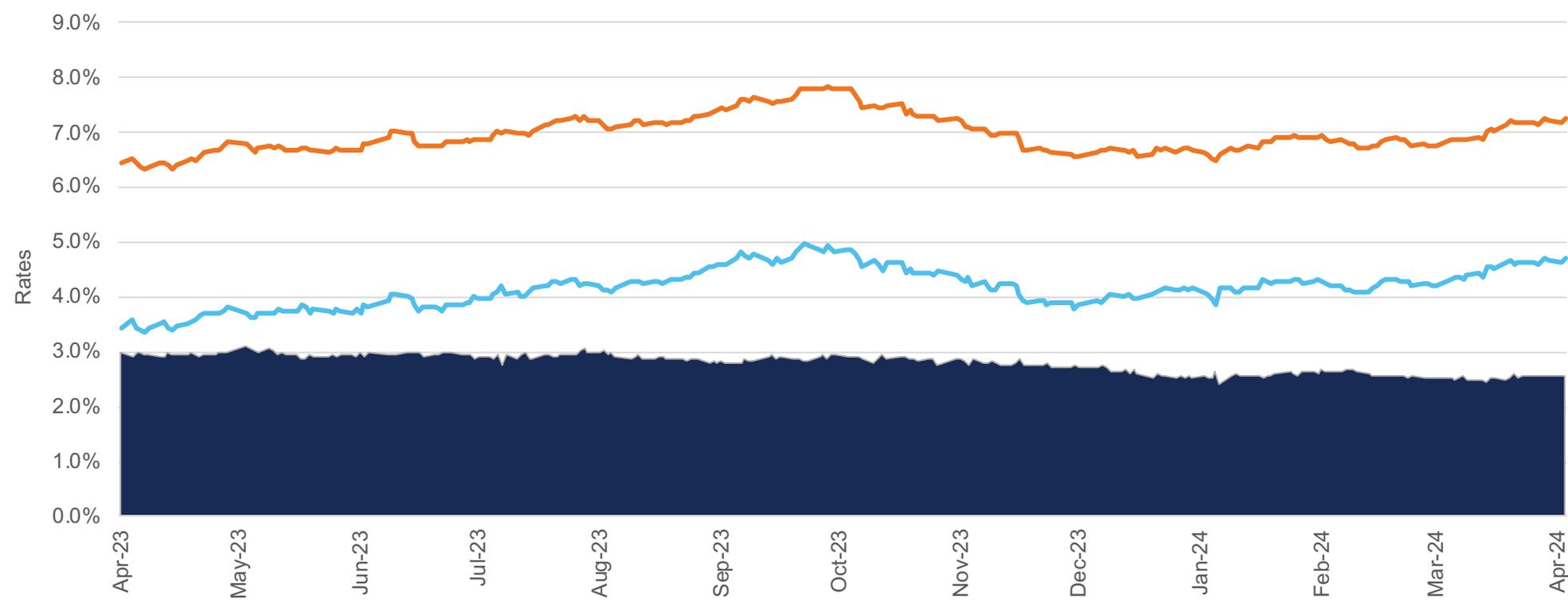
Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
 30-Year Conforming	7.24%	51 bps	71 bps	80 bps
 30-Year Jumbo	7.40%	32 bps	42 bps	91 bps
 30-Year FHA	6.91%	34 bps	54 bps	53 bps
 30-Year VA	6.80%	48 bps	71 bps	70 bps



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APRIL 2024 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](#).



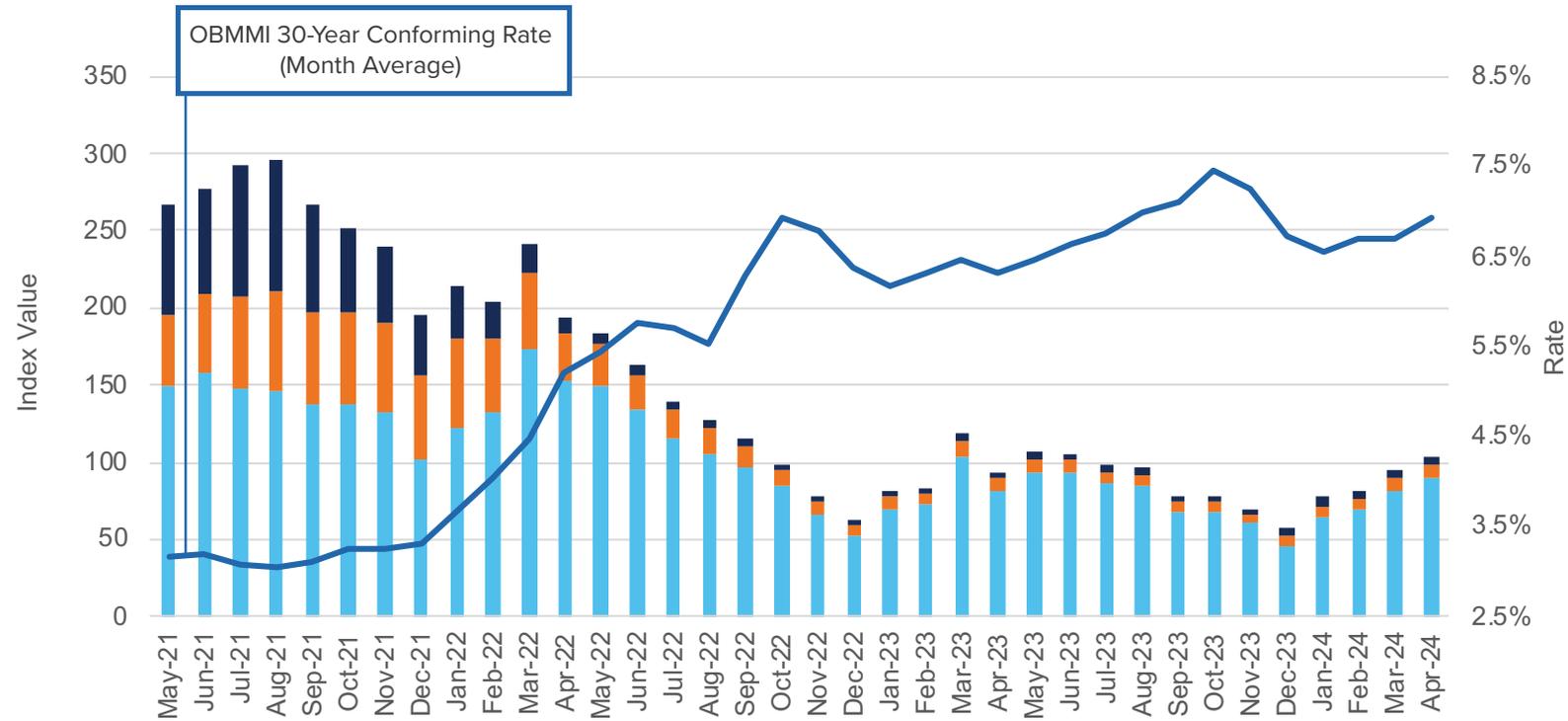
	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	4.69%	49 bps	70 bps	125 bps
	30-Year Conforming	7.24%	51 bps	71 bps	80 bps
	10-Year to 30-Year Spread	2.55%	2 bps	1 bps	(46 bps)



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APRIL 2024 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	90	11.0%	40.9%	10.8%
	Cash-Out Refinance	8	0.8%	8.2%	2.9%
	Rate/Term Refinance	4	(13.7%)	(20.4%)	13.2%
	Total	103	8.7%	33.2%	10.3%
Refinance Share*		12%	(176 bps)	(478 bps)	(46 bps)

*Refinance share changes reflect inter-period delta



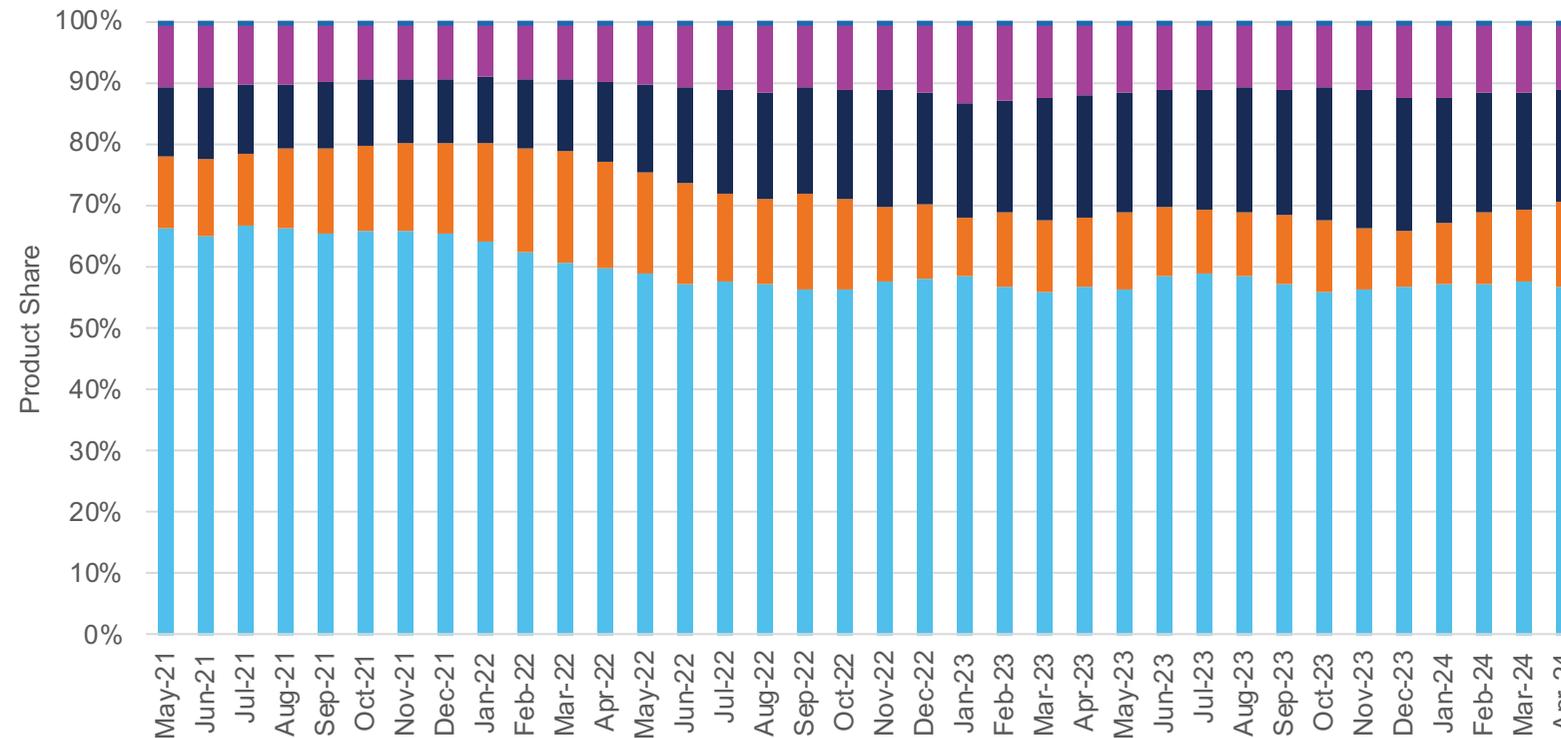


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APRIL 2024 MIX OF BUSINESS BY LOAN PRODUCT

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](#).



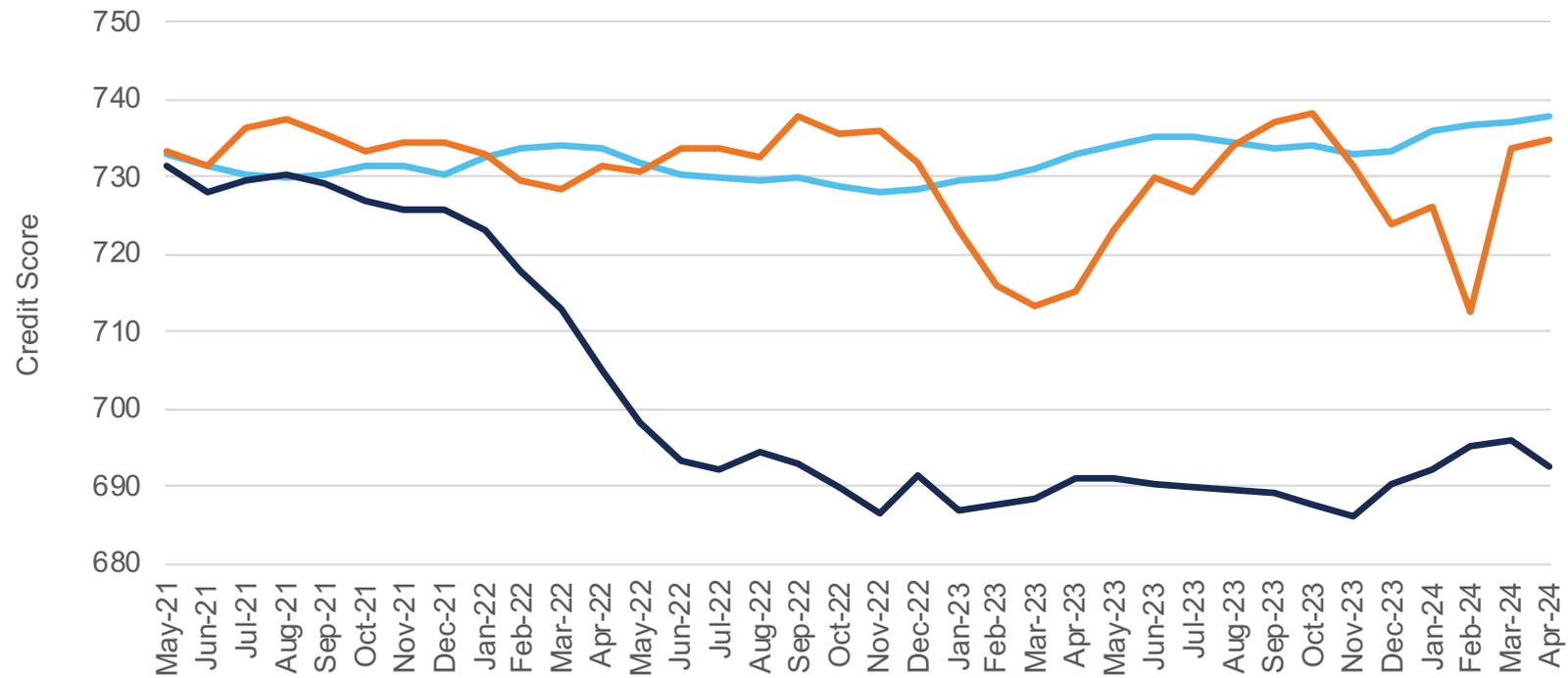
Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	56.8%	(83 bps)	(53 bps)	8 bps
	Nonconforming	13.7%	185 bps	403 bps	214 bps
	FHA	18.4%	(58 bps)	(222 bps)	(114 bps)
	VA	10.6%	(34 bps)	(117 bps)	(97 bps)
	USDA	0.5%	(10 bps)	(11 bps)	(11 bps)



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APRIL 2024 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](#).



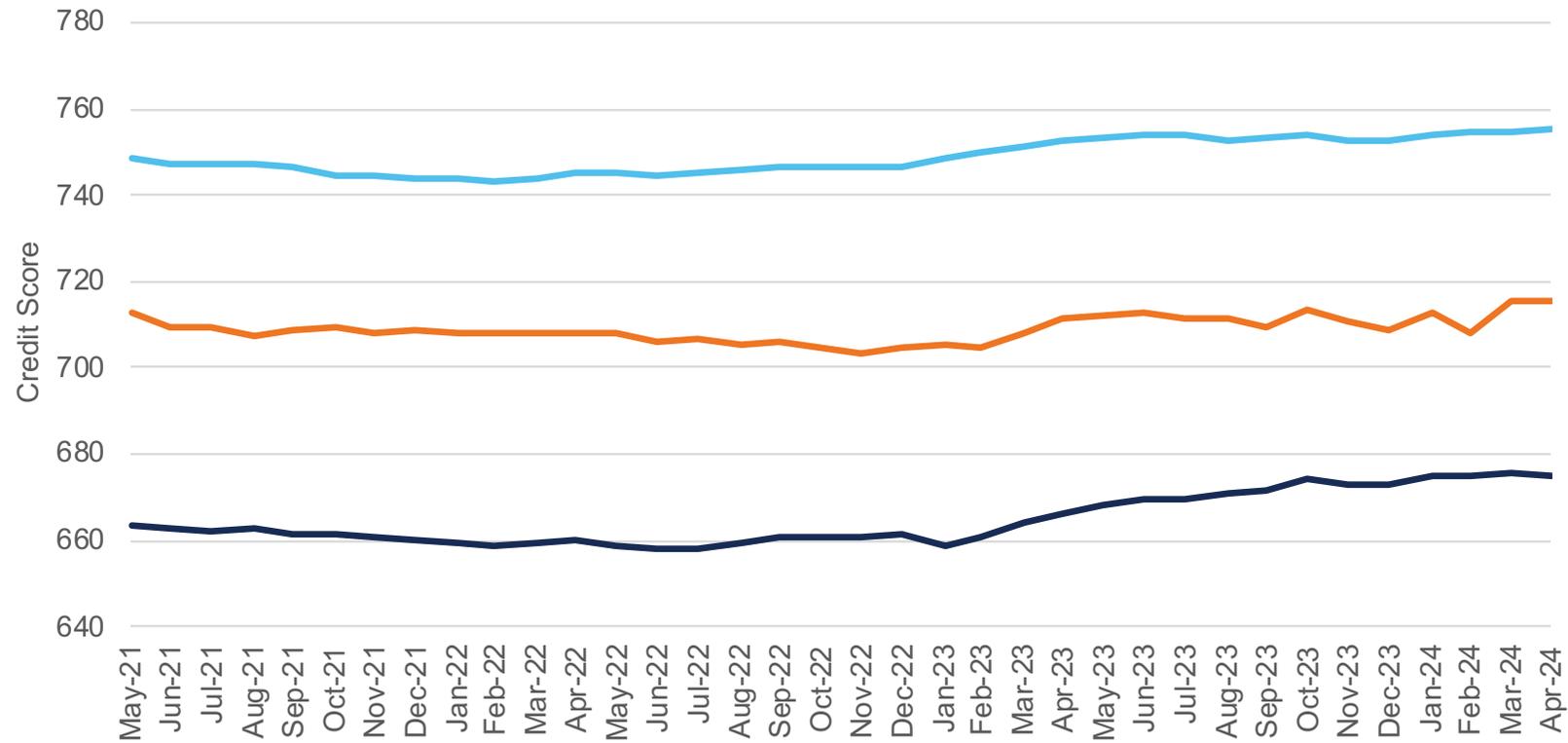
Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase	738	1	2	5
	Rate/Term Refi	735	1	9	20
	Cash-Out Refi	693	-3	1	2



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APRIL 2024 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](#).



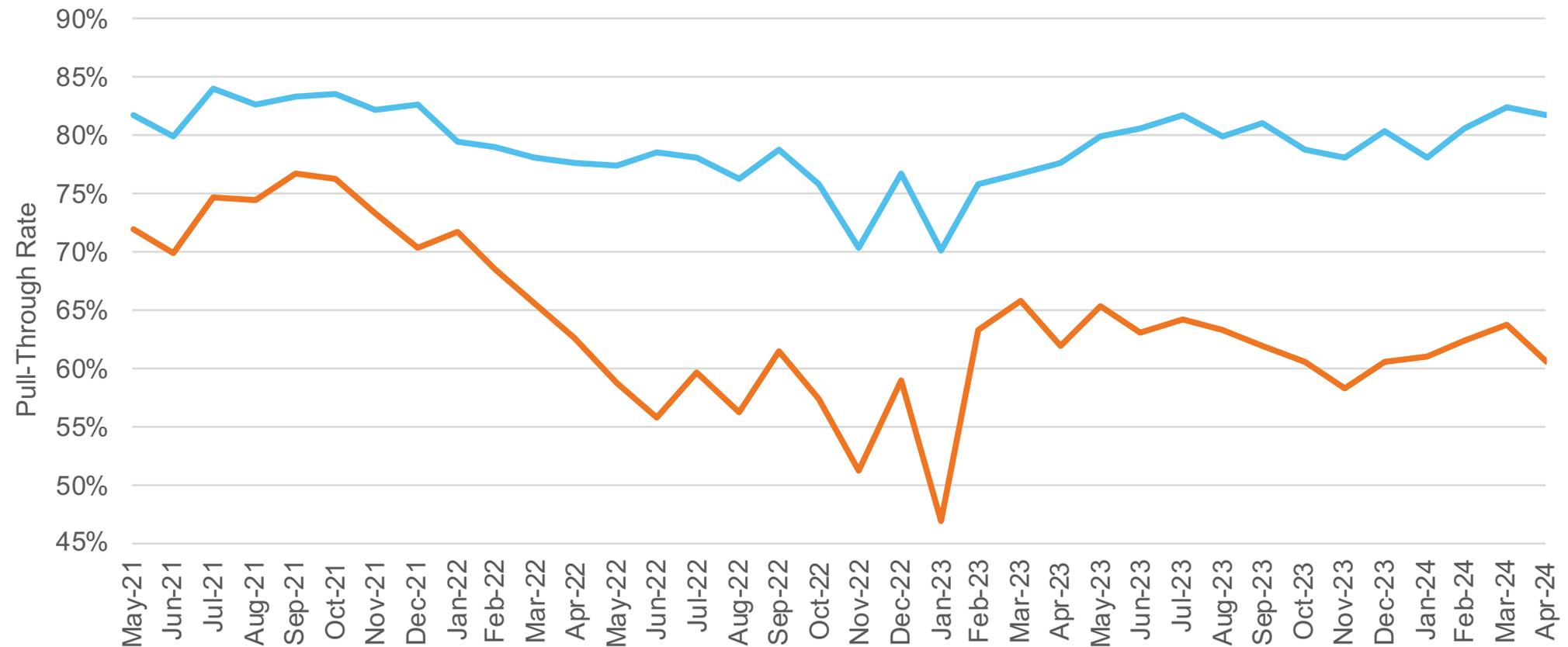
Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	755	0	1	3
	VA	716	0	3	4
	FHA	675	0	0	9



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APRIL 2024 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](#).



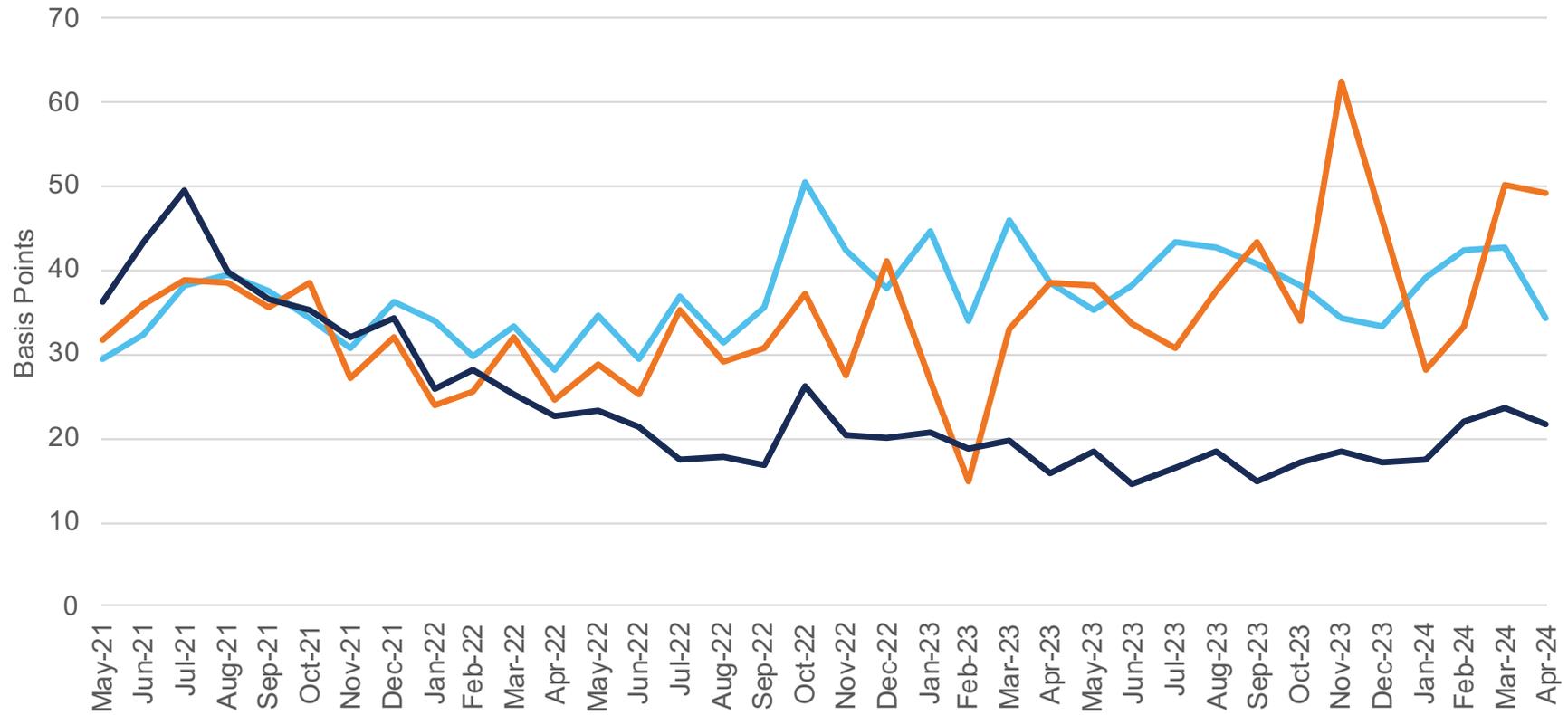
Pull-Through Rate		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase Pull-Through	81.7%	(83 bps)	367 bps	405 bps
	Refinance Pull-Through	60.6%	(331 bps)	(53 bps)	(132 bps)



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APRIL 2024 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	(8 bps)	(5 bps)	(4 bps)
	15-Year Conforming	49 bps	(1 bps)	21 bps	11 bps
	30-Year Government	22 bps	(2 bps)	4 bps	6 bps

