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MARCH 2022 OVERVIEW

Each month the Black Knight 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 more comprehensive and timely sense of monthly market trends than previously available.

Rate lock activity accelerated in March, rising nearly 20% from the previous month, despite rapidly rising interest rates. The 30-year mortgage rate rose 70 BPS to finish the month at 4.79% – the highest level in more than three years. Still, strong homebuyer demand pushed purchase locks up 31.5%. Cash-outs, somewhat insulated by continued home value appreciation, increased by a modest 1.6%, while rate/term refis continued their downward slide, falling another 15.4% in March, pushing the refinance share of the pipeline to just 28%, the lowest since November 2018. Nonconforming loan products – primarily jumbos – continued to gain market share and now account for 18% of the origination market.

In producing the Originations Market Monitor, Black Knight aggregates and reports the latest available monthly rate lock data drawn from the company's Optimal Blue PPE – the most widely used product and pricing engine in the industry. The company's Secondary Marketing Technologies group provides additional market insight by way of dual market-leading hedging platforms. For more information on gaining access to Black Knight's secondary-focused solutions and data assets, please call 844-474-2537 or email AskBlackKnight@bkfs.com.









MARCH 2022 NATIONAL RATE LOCK METRICS

Here, we look at March's national origination numbers to give a high-level overview of the month's activity. This information is drawn from Black Knight's Optimal Blue PPE. Click on each chart to see its contents in high resolution.

MARCH NATIONAL STATS



RATE LOCK VOLUME

Purchase locks increased >30% amid strong housing demand, but refinances dropped sharply



MARKET MIX

As rate/term refinances continued their downward slide, the refi share of the market fell to its lowest level since Nov. 2018



AVERAGE LOAN AMOUNT

March's \$7.8K increase was up 20% from the previous month, continuing a trend of upward acceleration



MONTH-END CONFORMING RATE

Our Optimal Blue
Mortgage Market Indices

tracked a 70 BPS rise in 30-year rate offerings throughout March March rate lock volume jumped nearly 20% despite the largest month-over-month rate increase in 13 years.





MARCH 2022 TOP 20 METROPOLITAN AREAS

Here, we look at March's top 20 metropolitan statistical areas (MSAs) by share of origination volume. This information is derived from daily rate lock data from Black Knight's Optimal Blue PPE. Click on the chart to see its contents in high resolution.

Metropolitan Statistical Area (MSA)	% of Lock Volume	MoM Change	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
NATIONAL	100.0%	19.1%	361,670	4.401	728	79	72%	28%
1 Los Angeles-Long Beach-Anaheim, CA	4.7%	8.5%	672,589	4.300	737	69	62%	38%
2 New York-Newark-Jersey City, NY-NJ-PA	4.3%	21.1%	510,900	4.300	738	75	69%	31%
3 Washington-Arlington-Alexandria, DC-VA-MD-WV	3.9%	23.5%	510,078	4.170	740	81	77%	23%
4 Chicago-Naperville-Elgin, IL-IN-WI	3.2%	25.6%	326,464	4.406	734	82	81%	19%
5 Phoenix-Mesa-Scottsdale, AZ	3.2%	13.2%	396,282	4.487	727	75	67%	33%
6 Dallas-Fort Worth-Arlington, TX	2.9%	19.5%	368,854	4.429	730	78	74%	26%
7 Seattle-Tacoma-Bellevue, WA	2.5%	26.7%	578,338	4.352	740	75	75%	25%
8 Miami-Fort Lauderdale-West Palm Beach, FL	2.5%	12.8%	456,078	4.511	728	75	69%	31%
9 Atlanta-Sandy Springs-Roswell, GA	2.3%	15.9%	336,649	4.406	717	79	70%	30%
10 Denver-Aurora-Lakewood, CO	2.2%	22.6%	473,125	4.359	741	73	69%	31%





MARCH 2022 TOP 20 METROPOLITAN AREAS

Here, we look at March's top 20 metropolitan statistical areas (MSAs) by share of origination volume. This information is derived from daily rate lock data from Black Knight's Optimal Blue PPE. Click on the chart to see its contents in high resolution.

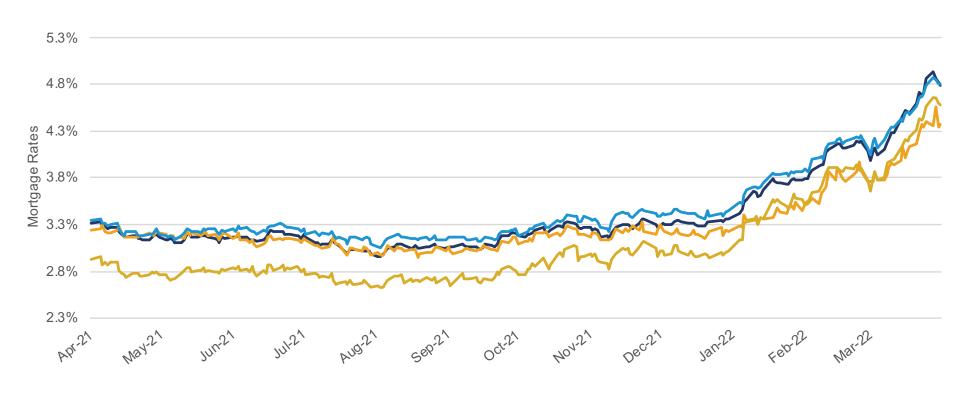
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	NATIONAL	100.0%	19.1%	361,670	4.401	728	79	72 %	28%
11	Houston-The Woodlands-Sugar Land, TX	2.2%	21.2%	322,453	4.435	724	81	81%	19%
12	Riverside-San Bernardino-Ontario, CA	2.1%	13.6%	424,304	4.381	718	74	61%	39%
13	San Francisco-Oakland-Hayward, CA	2.1%	15.0%	808,254	4.214	751	68	69%	31%
14	Boston-Cambridge-Newton, MA-NH	1.9%	40.9%	530,794	4.164	744	73	72%	28%
15	San Diego-Carlsbad, CA	1.6%	15.2%	676,820	4.221	745	70	65%	35%
16	Austin-Round Rock, TX	1.6%	20.6%	454,177	4.339	745	74	75%	25%
17	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.5%	19.0%	320,085	4.360	730	80	75%	25%
18	Tampa-St. Petersburg-Clearwater, FL	1.3%	17.0%	341,511	4.431	726	78	68%	32%
19	Minneapolis-St. Paul-Bloomington, MN-WI	1.2%	35.9%	348,652	4.377	742	80	77%	23%
20	Charlotte-Concord-Gastonia, NC-SC	1.2%	18.6%	351,370	4.387	725	80	73%	27%





MARCH 2022 MARKET RATE INDICES

Pulling data from Black Knight's Optimal Blue Mortgage Market Indices (OBMMI), the chart below shows average 30-year rates across various loan products. Click on each chart to see its contents in high resolution.



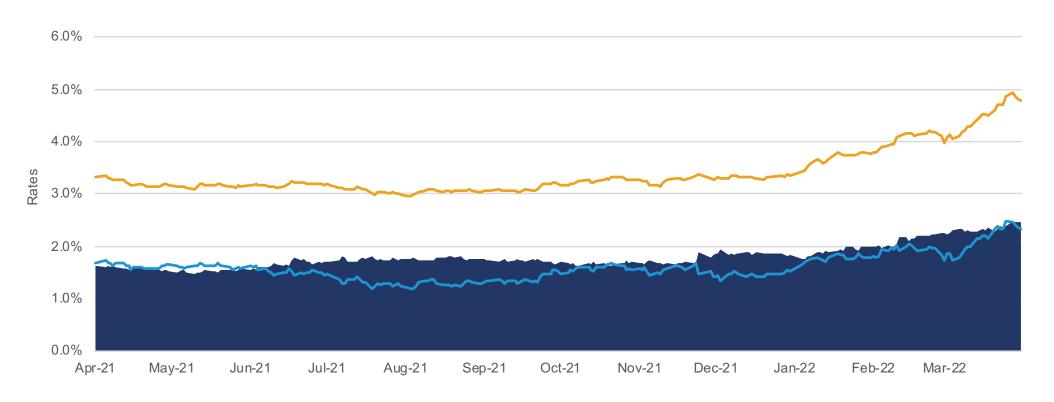
N	Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	4.79%	69 BPS	144 BPS	145 BPS
	30-Year Jumbo	4.37%	61 BPS	114 BPS	110 BPS
	30-Year FHA	4.81%	70 BPS	136 BPS	148 BPS
	30-Year VA	4.57%	80 BPS	155 BPS	161 BPS





MARCH 2022 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 Black Knight's <u>secondary market</u> <u>hedging platform</u>. Click on each chart to see its contents in high resolution.



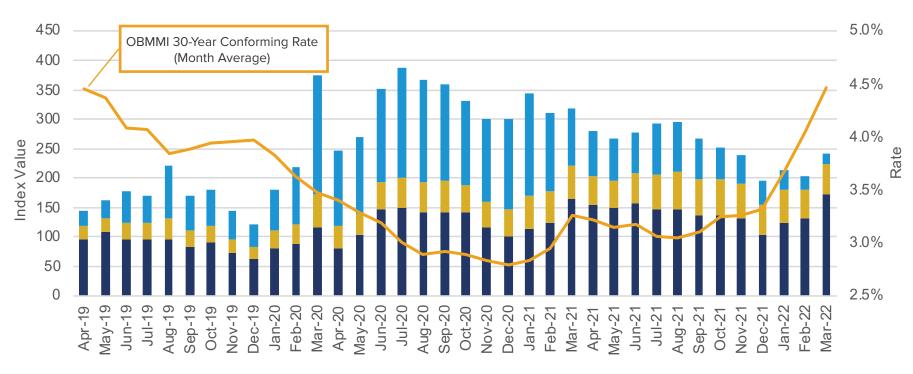
Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
10-Year Treasury	2.32%	49 BPS	80 BPS	58 BPS
30-Year Conforming	4.79%	69 BPS	144 BPS	145 BPS
10-Year to 30-Year Spread	2.47%	20 BPS	64 BPS	87 BPS





MARCH 2022 LOCK VOLUME BY LOAN PURPOSE

Here, we break down March's rate lock volumes by loan purpose. This information is pulled from daily rate lock tracking data from Black Knight's Optimal Blue PPE. Click on each chart to see its contents in high resolution.



Market Volume Index (Total volume indexed to 100 in March 2018)	Current Value	1-Month % Change	3-Month % Change	12-Month % Change
Purchase	173	31.5%	69.0%	4.3%
Cash-Out Refinance	50	1.6%	(6.0%)	(8.1%)
Rate/Term Refinance	19	(15.4%)	(53.4%)	(80.8%)
- Total	242	19.1%	23.4%	(24.0%)
Refinance Share*	28%	(673 BPS)	(1930 BPS)	(1941 BPS)

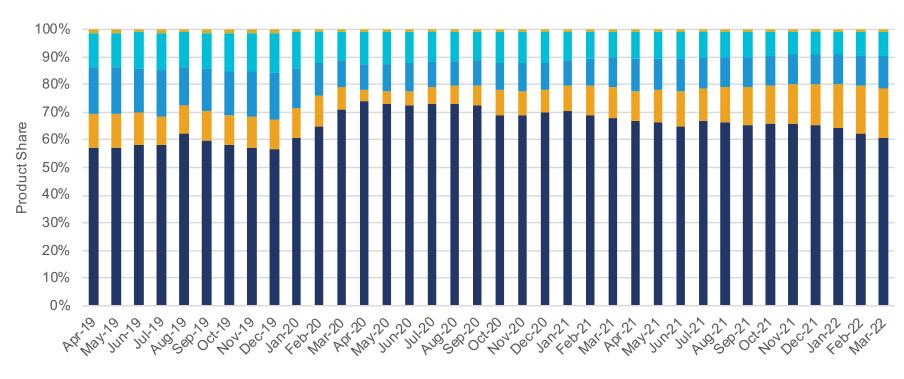
^{*}Refinance share changes reflect inter-period delta





MARCH 2022 MIX OF BUSINESS BY LOAN PRODUCT

Here, we break down March's rate lock volumes by loan product. This information is pulled from daily rate lock tracking data from Black Knight's Optimal Blue PPE. Click on each chart to see its contents in high resolution.



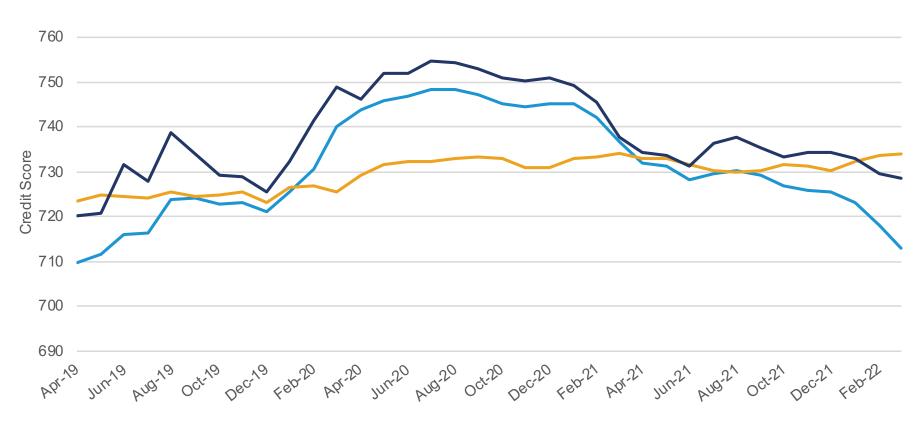
Loan Product Mix	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
Conforming	60.9%	(165 BPS)	(448 BPS)	(686 BPS)
Nonconforming	18.0%	96 BPS	312 BPS	678 BPS
	11.7%	63 BPS	120 BPS	80 BPS
VA	8.8%	6 BPS	15 BPS	(51 BPS)
USDA	0.7%	(1 BPS)	0 BPS	(21 BPS)





MARCH 2022 AVERAGE CREDIT SCORES

Here, we look at average credit scores by loan purpose. This information is pulled from daily rate lock tracking data from Black Knight's Optimal Blue PPE. Click on each chart to see its contents in high resolution.



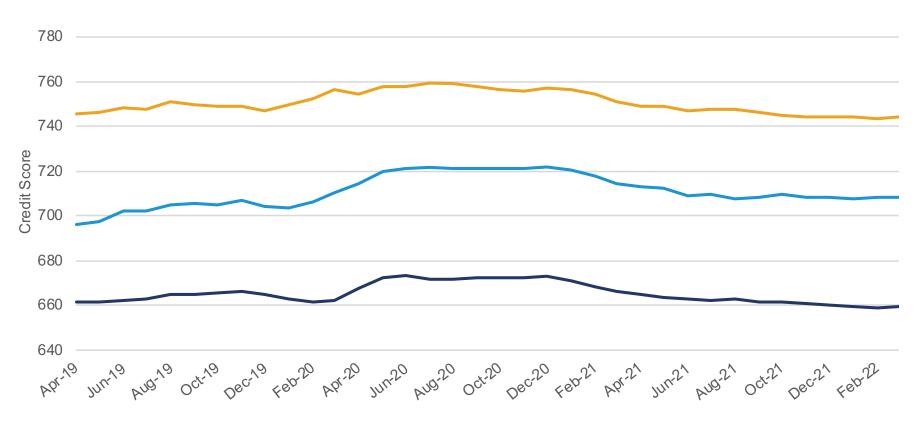
Credit Score by Purpose	Current Score	1-Month Delta	3-Month Delta	12-Month Delta
Purchase	734	0	4	0
Cash-Out Refi	713	-5	-13	-24
Rate/Term Refi	729	-1	-6	-9





MARCH 2022 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 Black Knight's Optimal Blue PPE. Click on each chart to see its contents in high resolution.



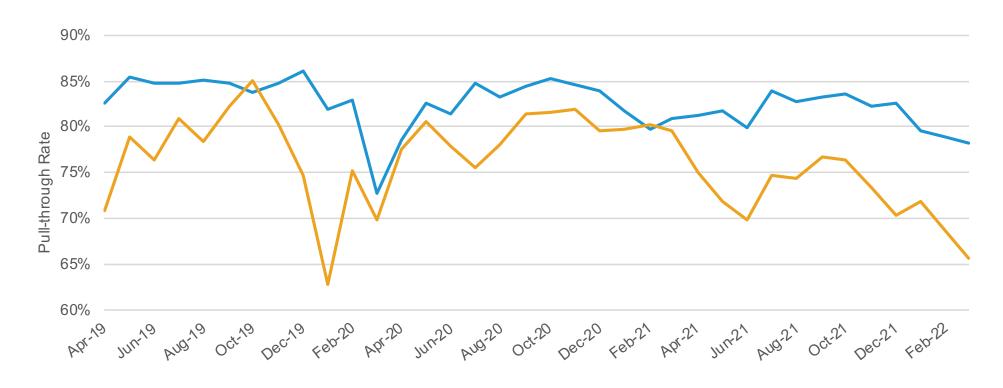
Credit Score by Product	Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	659	0	-1	-7
VA	708	0	0	-6
Conforming	744	0	0	-7





MARCH 2022 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 Black Knight's Optimal Blue PPE. Click on each chart to see its contents in high resolution.



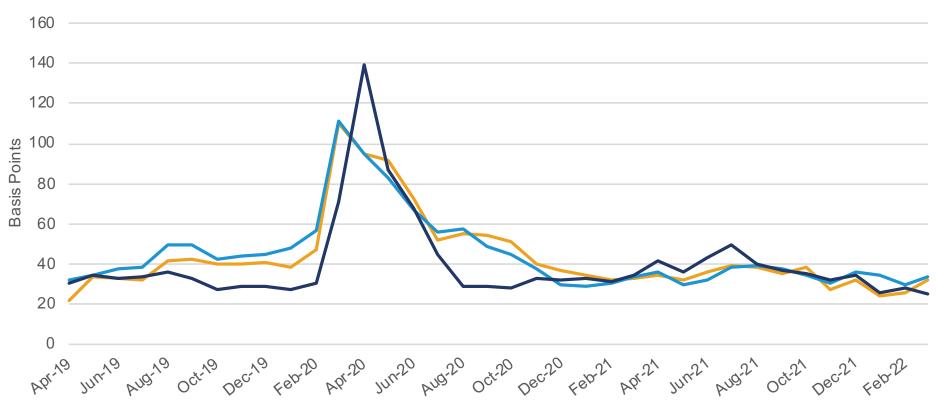
Pull-Through Rate	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
Purchase Pull-Through	78.2%	(70 BPS)	(437 BPS)	(270 BPS)
Refinance Pull-Through	65.7%	(292 BPS)	(474 BPS)	(1393 BPS)





MARCH 2022 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 Black Knight's secondary market hedging platform. Click on each chart to see its contents in high resolution.



Best Efforts vs. Mandatory	Current Spread	1-Month Delta	3-Month Delta	12-Month Delta
30-Year Conforming	33 BPS	3 BPS	(3 BPS)	(0 BPS)
15-Year Conforming	32 BPS	7 BPS	(0 BPS)	(1 BPS)
30-Year Government	25 BPS	(3 BPS)	(9 BPS)	(9 BPS)

