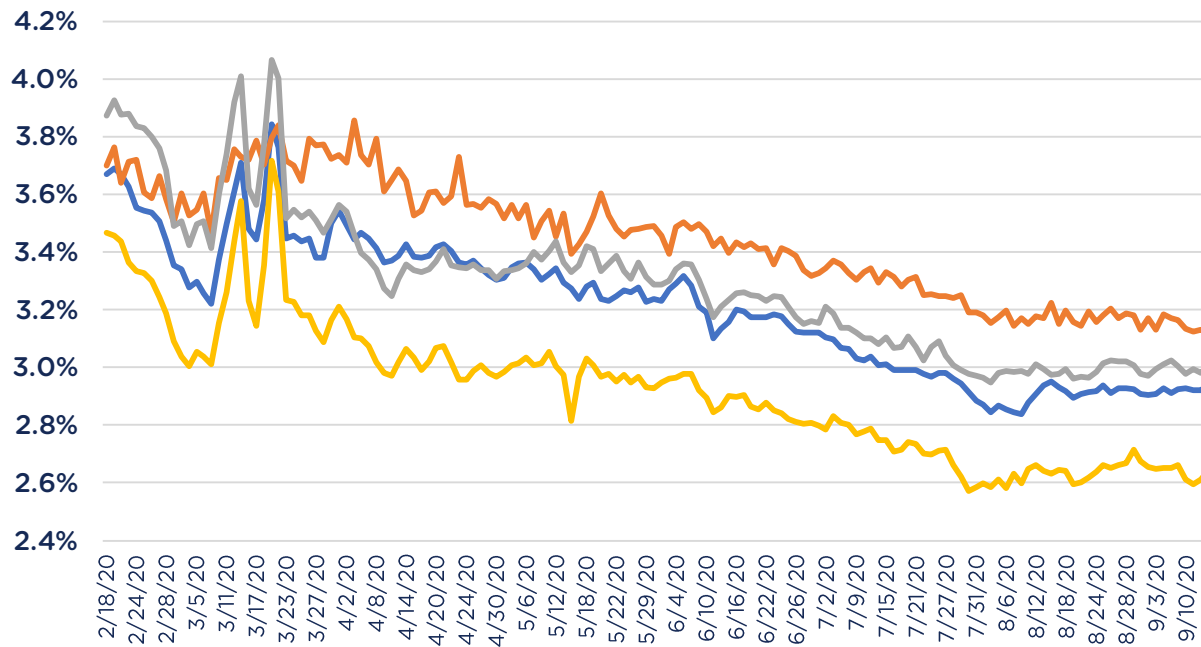




**DAILY MARKET BRIEFING:**  
**Mortgage Trends & Rate Activity**

Prepared: September 16, 2020

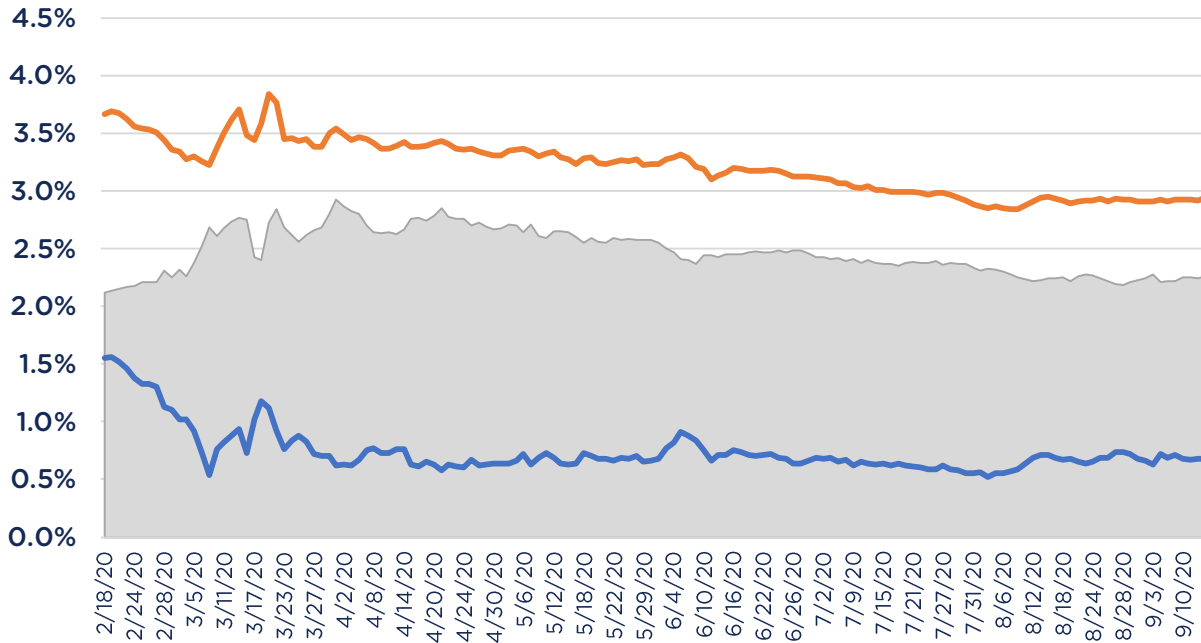
# MARKET RATE INDICES






Rates ticked higher yesterday except for Jumbo loans, which fell 2 bps.

Market Index	Current Rate	1-Day Delta	7-Day Delta	Delta Since 2/18/20
30-YR Conforming	2.94%	2 bps	3 bps	(73 bps)
30-YR Jumbo	3.12%	(2 bps)	(5 bps)	(59 bps)
30-YR FHA	3.00%	2 bps	(2 bps)	(87 bps)
30-YR VA	2.64%	3 bps	(1 bps)	(82 bps)

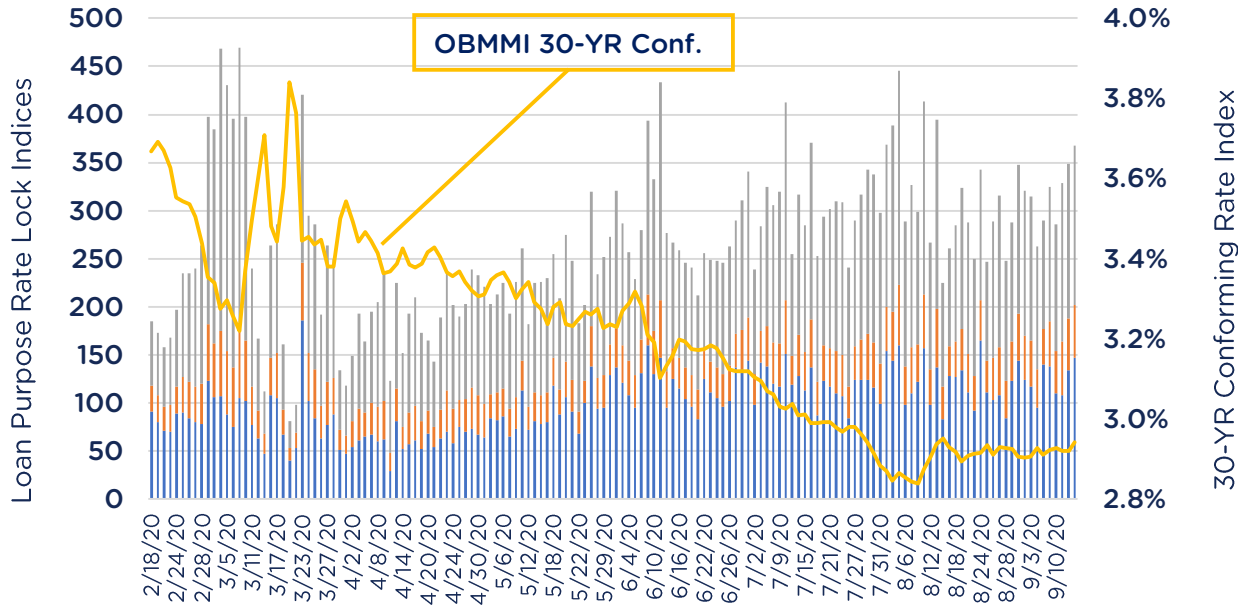
# 30-YR CONFORMING TO 10-YR TREASURY RATE SPREAD



The 30-year conforming to 10-year treasury spread rose by 2 basis points yesterday.

Market Index	Current Value	1-Day Delta	7-Day Delta	Delta Since 2/18/20
 10-YR Treasury	0.68%	0 bps	(1 bps)	(87 bps)
 30-YR Conforming	2.94%	2 bps	3 bps	(73 bps)
 10-YR to 30-YR Spread	2.26%	2 bps	4 bps	14 bps

# RATE LOCK VOLUME BY LOAN PURPOSE

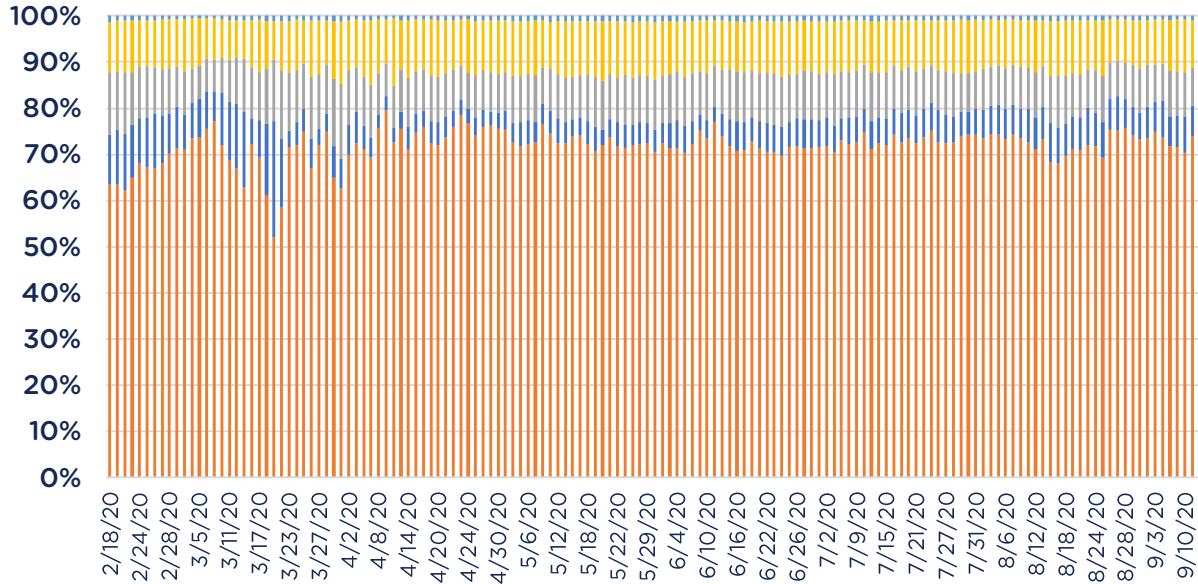


Lock volumes were up across the board on Tuesday.

Market Volume Index <small>(Total Volume indexed to 100 on 1/2/2020)</small>	Current Value	1-Day % Change	7-Day % Change	% Change Since 2/18/20
<span style="color: blue;">■</span> Purchase	147	9.3%	4.7%	61.5%
<span style="color: orange;">■</span> Cash-out Refinance	55	1.9%	48.1%	100.3%
<span style="color: grey;">■</span> Rate-Term Refinance	166	3.8%	48.5%	150.0%
<span style="color: blue;">■</span> <span style="color: orange;">■</span> <span style="color: grey;">■</span> Total	368	5.6%	27.2%	99.1%
<b>Refinance Share*</b>	<b>60.1%</b>	<b>(135 bps)</b>	<b>859 bps</b>	<b>929 bps</b>

\*Refinance Share changes reflect inter-period delta

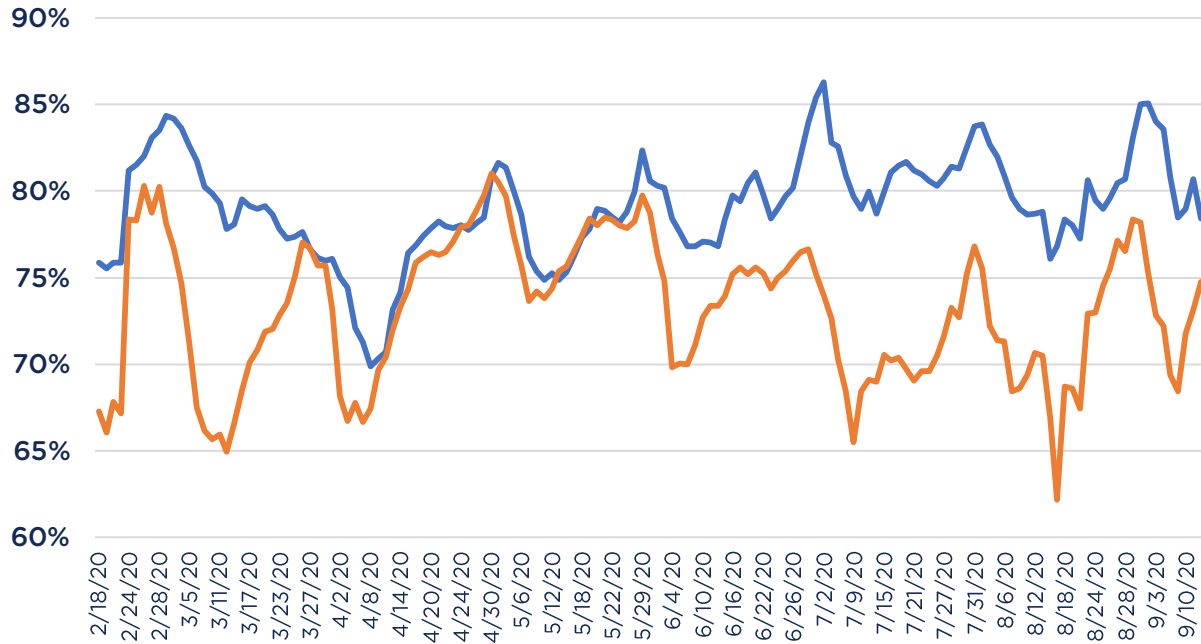
# MIX OF BUSINESS BY LOAN PRODUCT



Conforming products lost share yesterday at the expense of all other products.

Loan Product Mix	Current Value	1-Day Delta	7-Day Delta	Delta Since 2/18/20
Conforming	72.8%	(116 bps)	94 bps	935 bps
Non-Conforming	7.1%	48 bps	79 bps	(383 bps)
FHA	8.8%	17 bps	(114 bps)	(456 bps)
VA	10.4%	40 bps	(39 bps)	(49 bps)
USDA	0.8%	11 bps	(21 bps)	(45 bps)

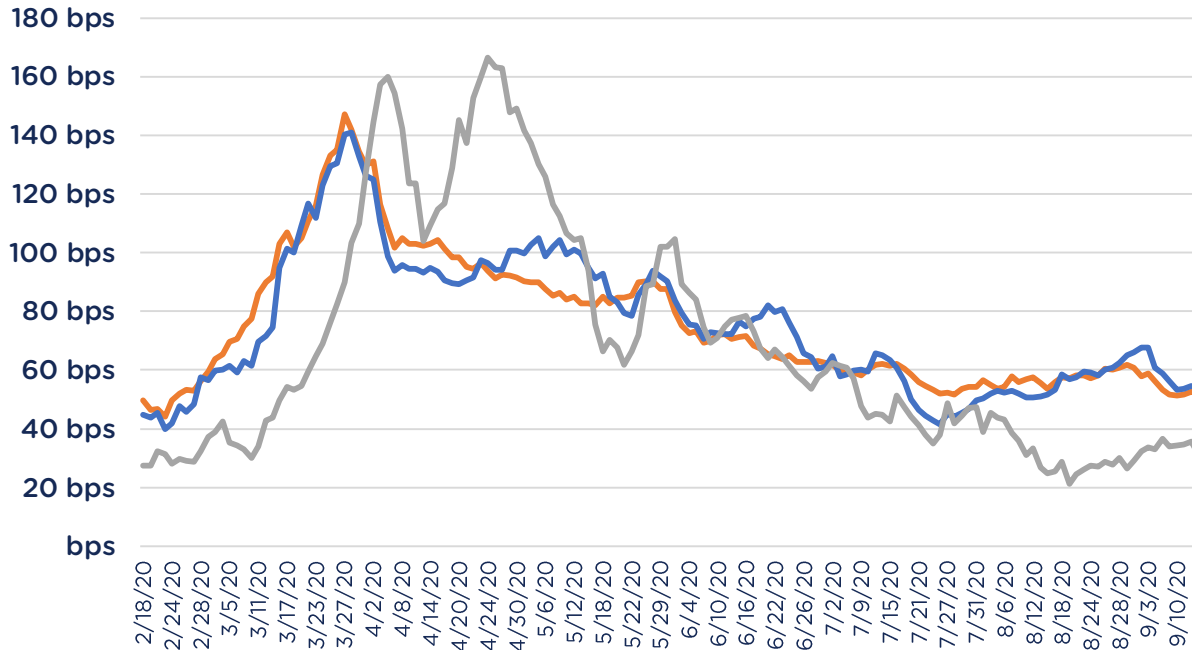
# PURCHASE & REFINANCE PULL-THROUGH RATES



The gap between purchase and refi pull-through widened slightly yesterday as purchase pull-through rose 124 bps and refi pull-through dropped 37 bps.

	Pull-through Rate (5-Day Moving Average)	Current Rate	1-Day Delta	7-Day Delta	Delta Since 2/18/20
<span style="color: blue;">—</span> Purchase Pull-through		79.6%	124 bps	(116 bps)	381 bps
<span style="color: orange;">—</span> Refi Pull-through		74.4%	(37 bps)	502 bps	715 bps

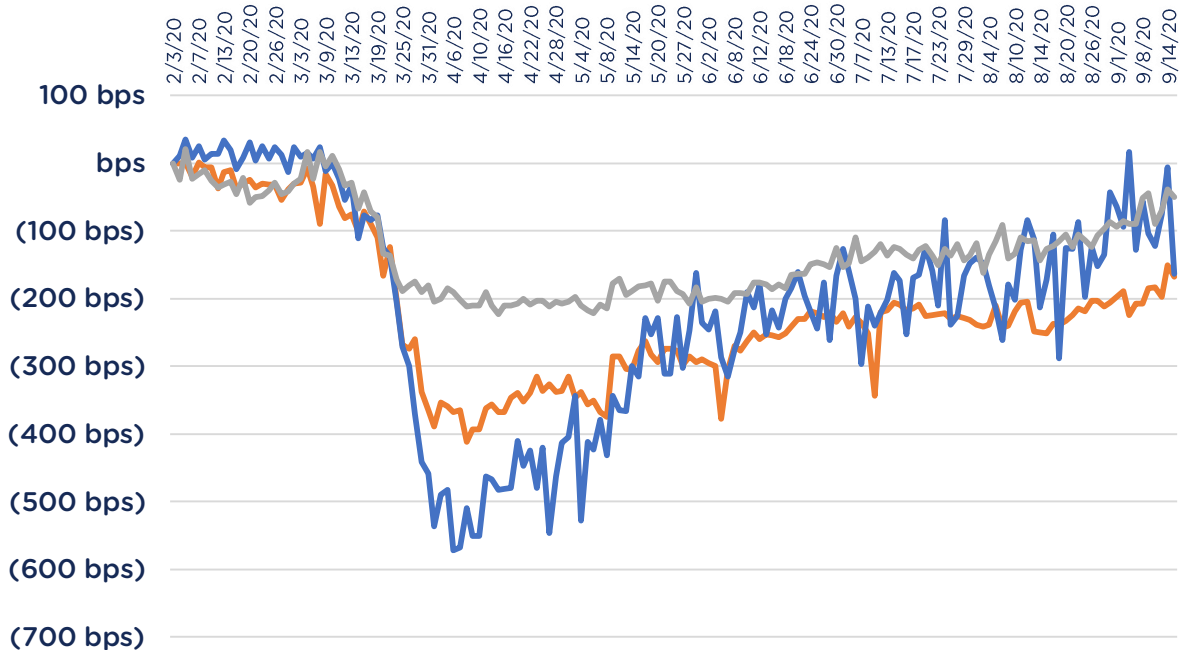
# BEST EFFORTS TO MANDATORY DELIVERY SPREADS



Best efforts to mandatory spreads were flat across the board yesterday. They are almost back to “normal,” a sign that we are maintaining a steady recovery in secondary market prices. Combined with higher volume and margins, these spreads contribute to a major improvement in gains for most mortgage lenders.

Best Efforts vs. Mandatory (5-Day Moving Average)	Current Spread	1-Day Delta	7-Day Delta	Delta Since 2/18/20
— 30-YR Conforming	52 bps	(1 bps)	(1 bps)	2 bps
— 15-YR Conforming	54 bps	(1 bps)	(5 bps)	9 bps
— 30-YR Government	31 bps	(4 bps)	(5 bps)	4 bps

# WHOLE LOAN DELIVERY TO 30-YR TBA SPREADS



Best Ex prices lost 17 bps versus UMBS 3.0 and 157 bps versus GNMA 3.0. Cash window spreads versus the UMBS lost 12 basis points. Spreads are back on the rise (improving), even as investors continue bidding on massive amounts of volume. The delayed implementation of the agency adverse market refinance fee seems to have caused pricing to immediately rebound from a sudden drop that followed the original announcement.

Whole Loan vs. 30-YR TBA <small>(All Spreads indexed to 0 on 2/3/2020)</small>	Current Spread	1-Day Delta	7-Day Delta	4-Week Delta
<span style="color: orange;">—</span> Best Ex vs. UMBS 3.0	(168 bps)	(17 bps)	40 bps	84 bps
<span style="color: blue;">—</span> Best Ex vs. GNMA 3.0	(163 bps)	(157 bps)	(107 bps)	9 bps
<span style="color: grey;">—</span> Cash Window vs. UMBS 3.0	(51 bps)	(12 bps)	1 bps	76 bps



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