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# MARKET ADVANTAGE

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## MORTGAGE DATA REPORT

FEBRUARY 2026

# Welcome to the **OPTIMAL BLUE MARKET ADVANTAGE**

A Complimentary Monthly Report on Mortgage Origination and Secondary Market Activity

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# KEY FINDINGS: FEBRUARY 2026

## VOLUME TRENDS AND MARKET COMPOSITION

- **Refinance activity remains strong:** Refinances accounted for 41% of total lock volume in February, down from 44% in January, as purchase demand rebounded. Rate-and-term refinance locks increased 3% MoM and 280% YoY, while cash-out refinance volume rose 1% MoM and 34% YoY.
- **Purchase demand rebounds:** Purchase lock volume rose 14% MoM and 5% YoY, marking a meaningful improvement from January's slower start to the year and helping restore a more balanced mix between purchase and refinance activity.
- **Non-conforming share expands:** Conforming loans represented 53% of total lock volume in February, down 28 bps MoM but up 62 bps YoY. Non-conforming share increased to 16%, rising 91 bps MoM and 90 bps YoY. FHA loans accounted for 17% of locks, VA loans for 13% and USDA loans for 1%.
- **ARM utilization rises:** Adjustable-rate mortgages comprised 10% of total lock volume in February, up 111 bps MoM and 337 bps YoY from 6.9% last year.

## RATES AND PRICING

- **Rates move lower:** The OBMMI 30-year conforming fixed rate declined 17 bps to 5.90%. Jumbo and VA rates each fell 11 bps, while FHA rates declined 13 bps. The 10-year Treasury yield declined nearly 30 bps to 3.97%, while the mortgage-to-Treasury spread widened to 193 bps.
- **MSR values increase:** Mortgage servicing rights for conforming 30-year loans rose 2 bps to 1.18%, representing a 4.74 multiple, even as benchmark mortgage rates declined during the month.

- **Spreads adjust across products:** Best-efforts-to-mandatory spreads widened for conventional products, with the conforming 30-year spread increasing 3 bps and the conventional 15-year spread rising 1 bp. The government 30-year spread decreased 5 bps.
- **Loan pricing mix shifts slightly:** The share of loans sold at the highest price tier declined 100 bps to 78%, while second-tier executions increased 100 bps to 13%.

## CHANNEL AND EXECUTION

- **Securitization share pulls back:** Agency MBS securitizations accounted for 42% of hedged executions in February, down from 47% in January.
- **Cash window share jumps:** Hedged loan sales to the agency cash window rose 500 bps MoM to 29%, the largest share of cash window deliveries since February 2025.

## PRODUCT MIX AND BORROWER PROFILES

- **Credit profiles diverge:** Purchase FICO scores averaged 734 in February, down 1 point MoM and 3 points YoY. Refinance credit profiles strengthened, with cash-out scores averaging 705 (up 1 point MoM and 10 points YoY) and rate-and-term scores averaging 749 (up 2 points MoM and 18 points YoY).
- **Loan amounts climb:** The national average loan amount increased from \$400,667 in January to \$404,586 in February, marking the first time the average has remained above \$400,000 for consecutive months. The national average loan-to-value ratio was 80.32%. Loan amounts ranged from \$875,787 in the San Francisco Bay area to \$319,743 in San Antonio, with regional LTVs spanning from 68.45% in the Bay area to 89.38% in San Antonio.

## SECTION I

# ORIGINATION DATA

This section provides a view of early-stage origination activity by reviewing lender rate lock data from the Optimal Blue® PPE – the mortgage industry’s most widely used product, pricing, and eligibility engine. Unlike self-reported survey data, Optimal Blue's mortgage lock data is direct-source data that accurately reflects the in-process loans in lenders’ pipelines.

# NATIONAL RATE LOCK METRICS



### RATE LOCK VOLUME

Total rate-lock volume rose 9% MoM and was nearly 40% higher YoY.



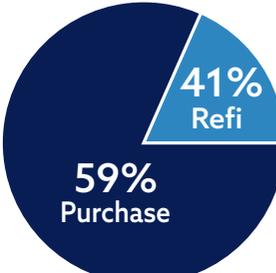
### MONTH-END CONFORMING RATE

The benchmark Optimal Blue Mortgage Market Indices 30-year conforming interest rate finished the month at 5.90%, down 17 bps from January.



### AVERAGE LOAN AMOUNT

The national average loan amount increased from \$400,667 in January to \$404,586 in February.



### MARKET MIX

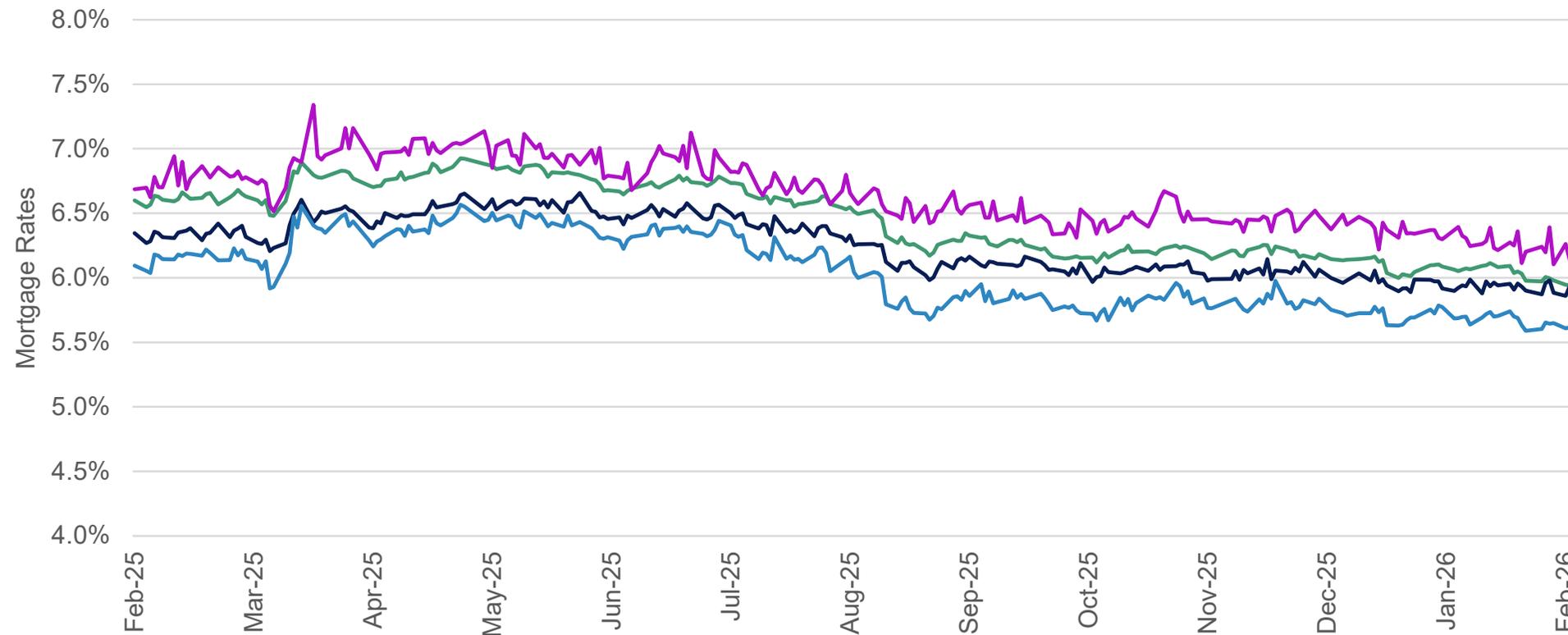
Refinances accounted for 41% of total lock volume in February, down from 44% in January. Both rate-and-term refinance and cash-out refi activity increased in February, rising 3% and 1% MoM, respectively.

# MARKET RATE INDICES

The **Optimal Blue Mortgage Market Indices (OBMMI)** are calculated from actual locked rates with consumers in the Optimal Blue PPE across approximately 35% of all mortgage transactions nationwide. OBMMI data includes mortgage points and seller concessions. It does not include borrower fees.

## DID YOU KNOW?

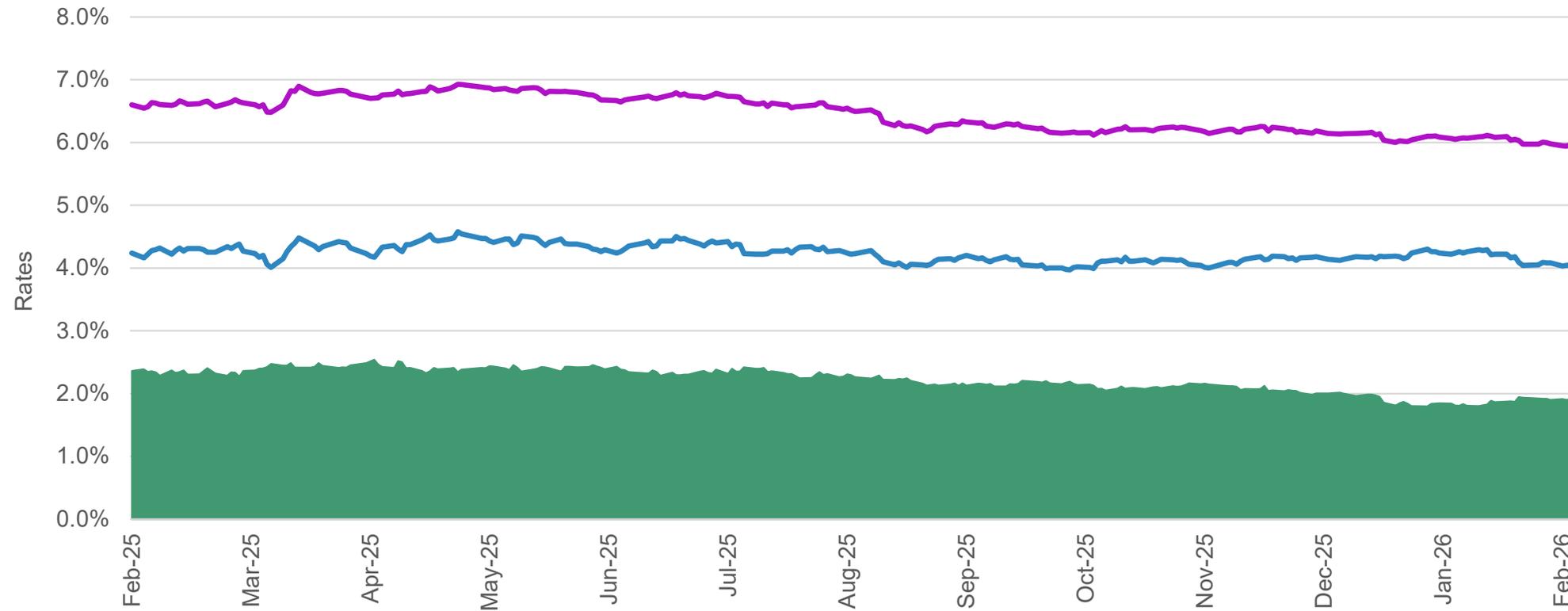
Optimal Blue's 30-year conforming fixed rate is the benchmark for the [CME Group Mortgage Rate futures](#).



Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
 30-Year Conforming	5.90%	(17 bps)	(24 bps)	(70 bps)
 30-Year Jumbo	6.13%	(11 bps)	(30 bps)	(55 bps)
 30-Year FHA	5.86%	(13 bps)	(13 bps)	(49 bps)
 30-Year VA	5.53%	(11 bps)	(24 bps)	(57 bps)

# 30-YEAR TO 10-YEAR TREASURY SPREAD

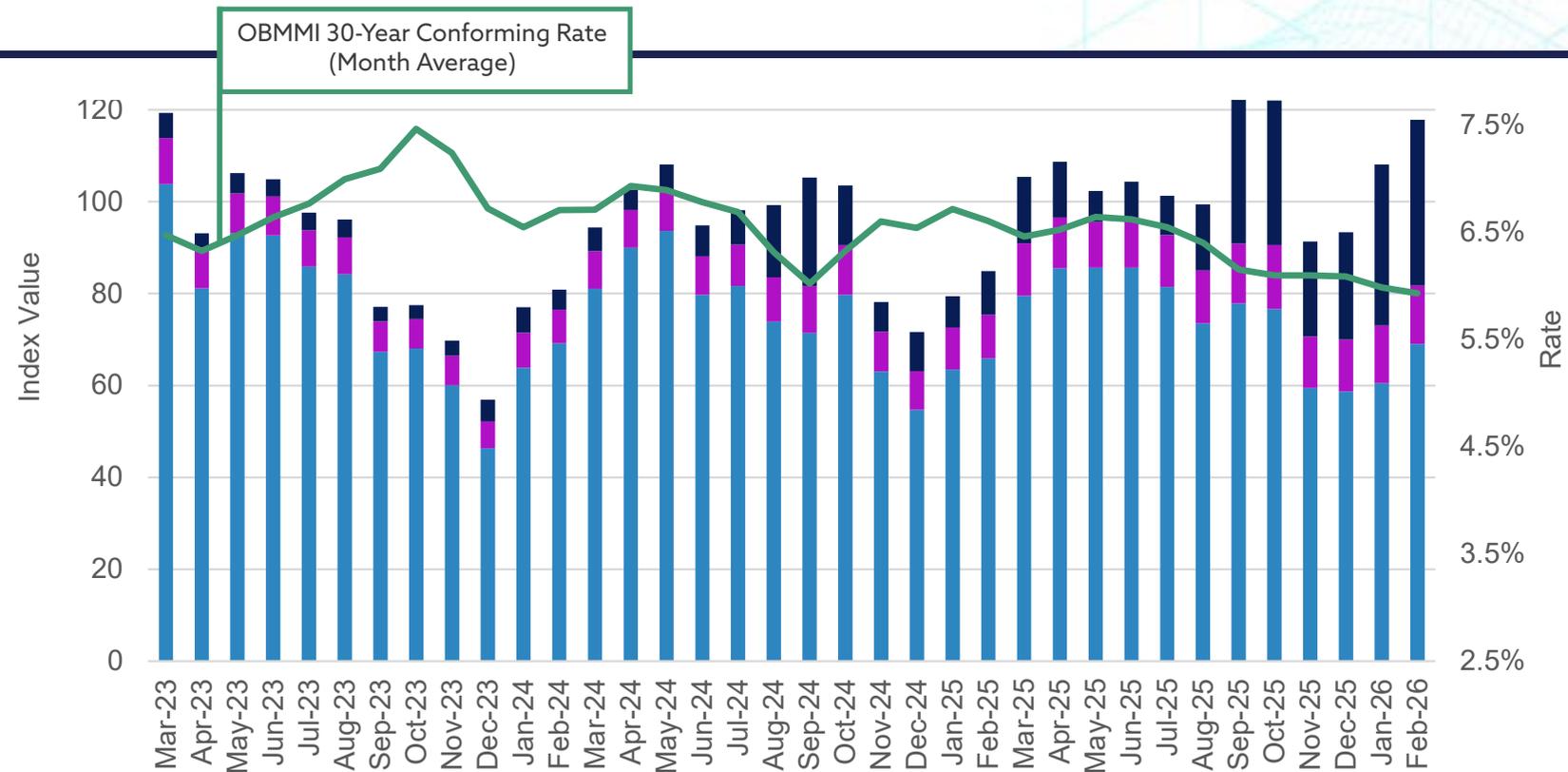
Mortgage rates are loosely tied to 10-year Treasury bond rates, but the spread between the two can vary. Spread indicates investor appetite and lender profit margin for mortgage-backed securities in relation to Treasury securities. Higher spreads indicate that investors require greater yield in comparison to Treasuries, which may result in higher mortgage rates being offered to consumers. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.



	Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	3.97%	(29 bps)	(3 bps)	(27 bps)
	30-Year Conforming	5.90%	(17 bps)	(24 bps)	(70 bps)
	10-Year to 30-Year Spread	1.93%	13 bps	(21 bps)	(43 bps)

# LOCK VOLUME BY LOAN PURPOSE

Loan purpose indicates how a borrower will use mortgage financing: to purchase a property or refinance an existing mortgage. A cash-out refinance exchanges a portion of home equity for cash, while a rate/term refinance helps a consumer access a lower interest rate on an existing loan. This data is sourced from the [Optimal Blue PPE](#).

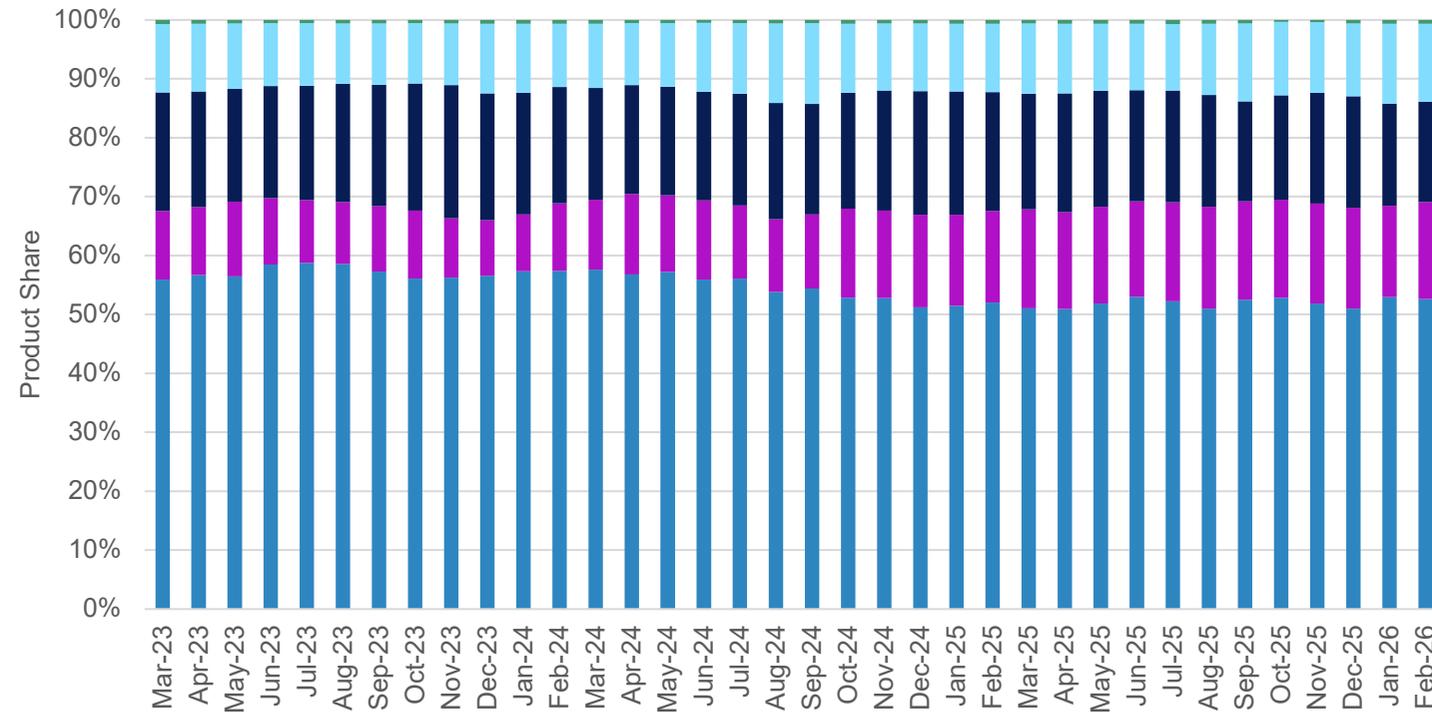


Market Volume Index (Total volume indexed to 100 in January 2018)		Current Value	1-Month % Change	3-Month % Change	12-Month % Change
	Purchase	69	14.1%	16.0%	4.8%
	Cash-Out Refinance	13	1.3%	13.8%	33.7%
	Rate/Term Refinance	36	3.1%	74.7%	280.1%
	Total	118	9.0%	29.0%	38.8%
Refinance Share*		41%	(259 bps)	656 bps	1903 bps

\*Refinance share changes reflect inter-period delta

# MIX OF BUSINESS BY LOAN PRODUCT

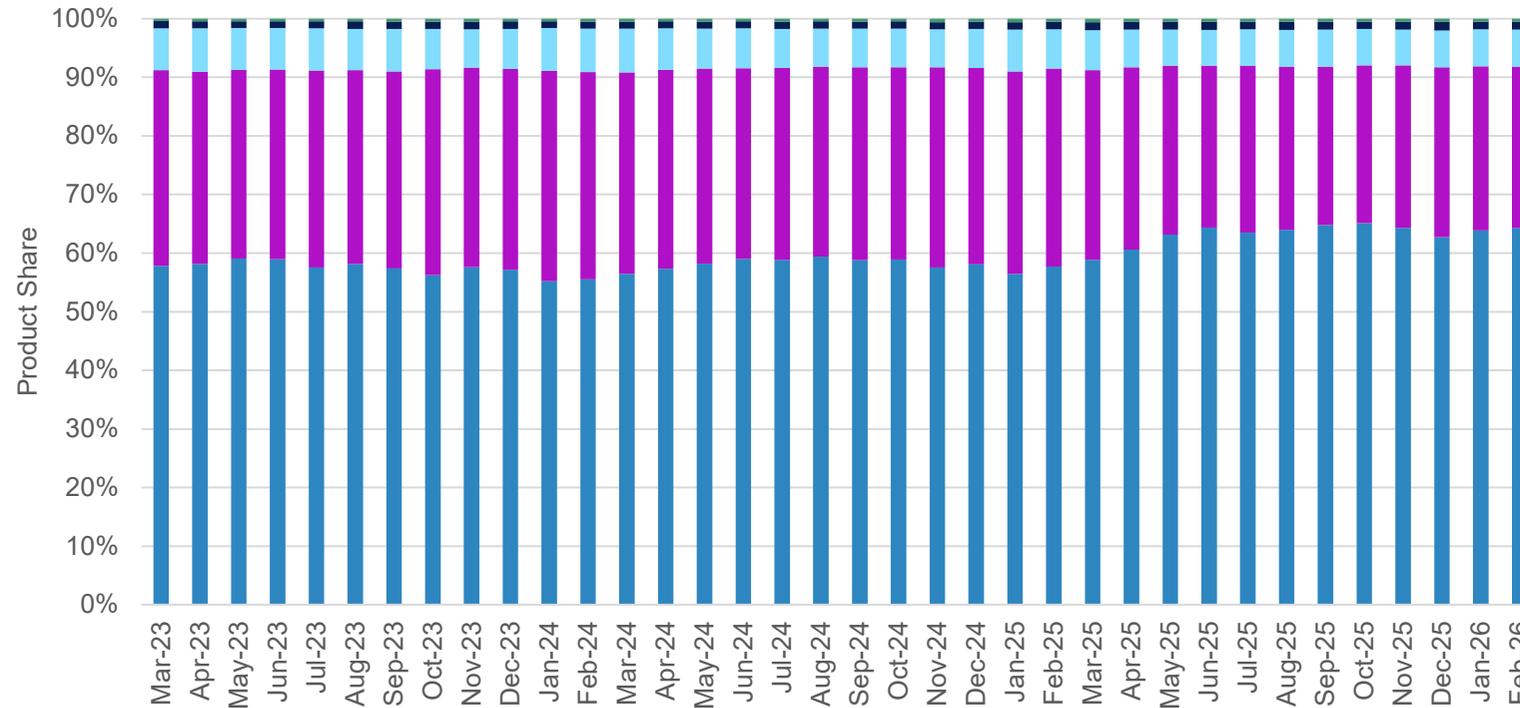
Loan product refers to the type of mortgage a consumer locks. Conforming (i.e., QM) loans meet the guidelines set by Fannie Mae and Freddie Mac, while nonconforming (i.e., non-QM) loans do not. FHA loans are insured by the Federal Housing Administration and allow for lower credit scores. VA loans are designed for military members and veterans, and they are guaranteed by the U.S. Department of Veterans Affairs. USDA loans are backed by the U.S. Department of Agriculture to help low-to-moderate income buyers in rural areas. This data is sourced from the Optimal Blue PPE.



Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	52.6%	(28 bps)	77 bps	62 bps
	Nonconforming	16.4%	91 bps	(53 bps)	90 bps
	FHA	17.1%	(26 bps)	(171 bps)	(313 bps)
	VA	13.2%	(40 bps)	119 bps	162 bps
	USDA	0.7%	3 bps	29 bps	(1 bp)

# PROPERTY TYPE

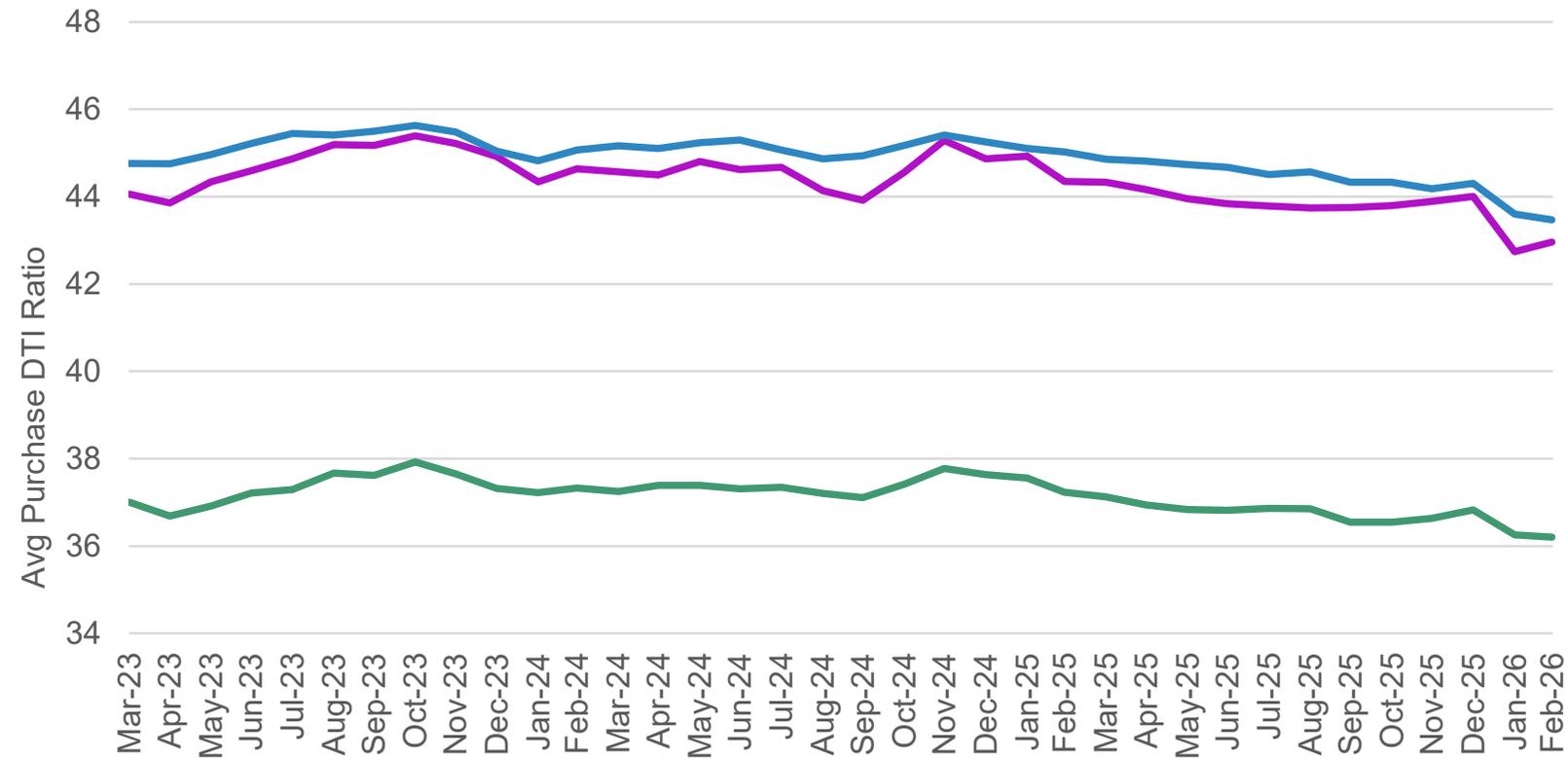
Property type is a classification of structure based on intended use and physical characteristics. \*Planned unit development (PUD) includes new construction. This data is sourced from the Optimal Blue PPE.



Property Type Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Single Family	64.3%	44 bps	2 bps	656 bps
	PUD*	27.5%	(55 bps)	(27 bps)	(625 bps)
	Condo	6.3%	6 bps	22 bps	(41 bps)
	Manufactured	1.4%	7 bps	9 bps	14 bps
	All Other	0.5%	(2 bps)	(6 bps)	(5 bps)

# DEBT-TO-INCOME RATIO

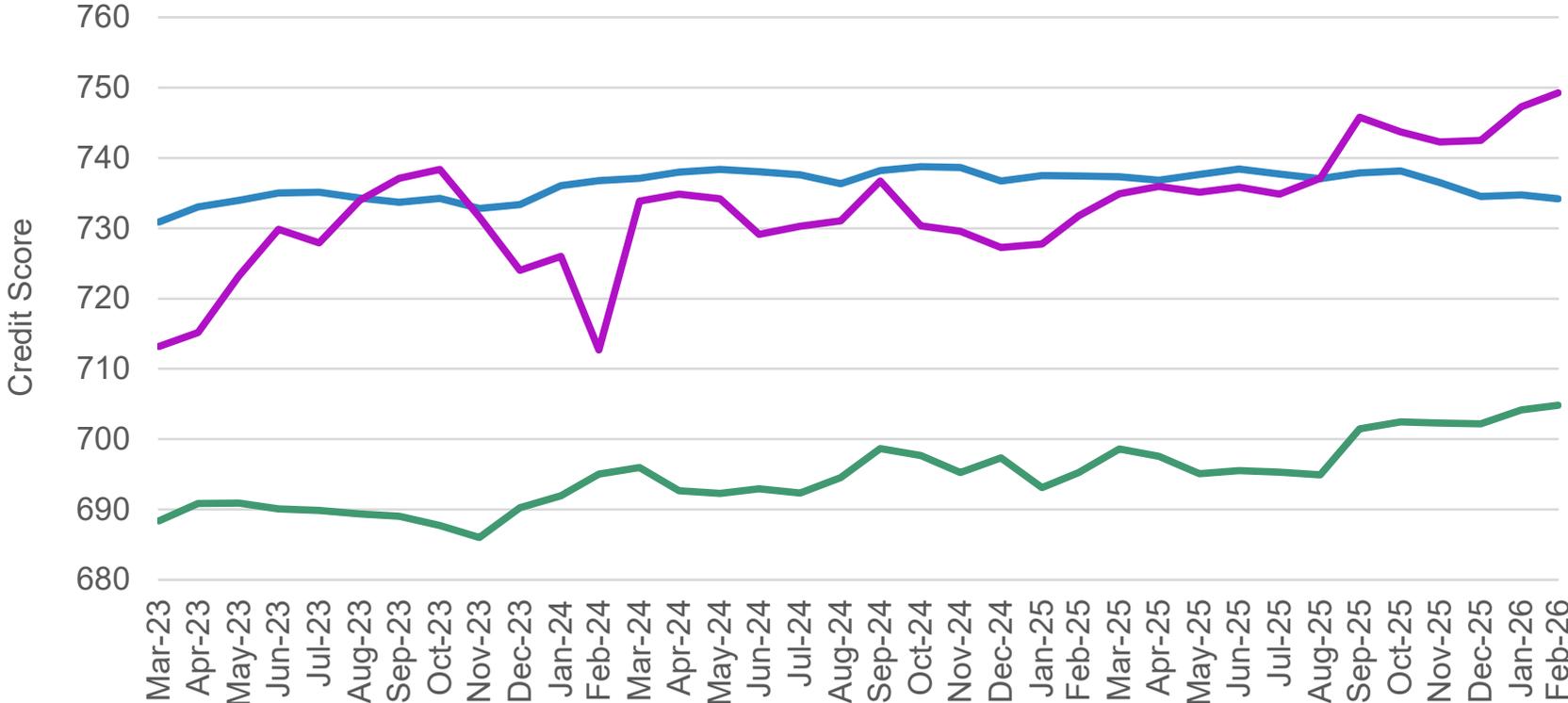
Debt-to-income (DTI) ratio is considered an indicator of a borrower's financial health, with lower DTI typically indicating greater financial flexibility. This data is sourced from the [Optimal Blue PPE](#).



DTI Ratio by Product		Current Avg DTI Ratio	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	36.2	(0.1)	(0.4)	(1.0)
	FHA	43.5	(0.1)	(0.7)	(1.6)
	VA	43.0	0.2	(0.9)	(1.4)

# AVERAGE CREDIT SCORES BY LOAN PURPOSE

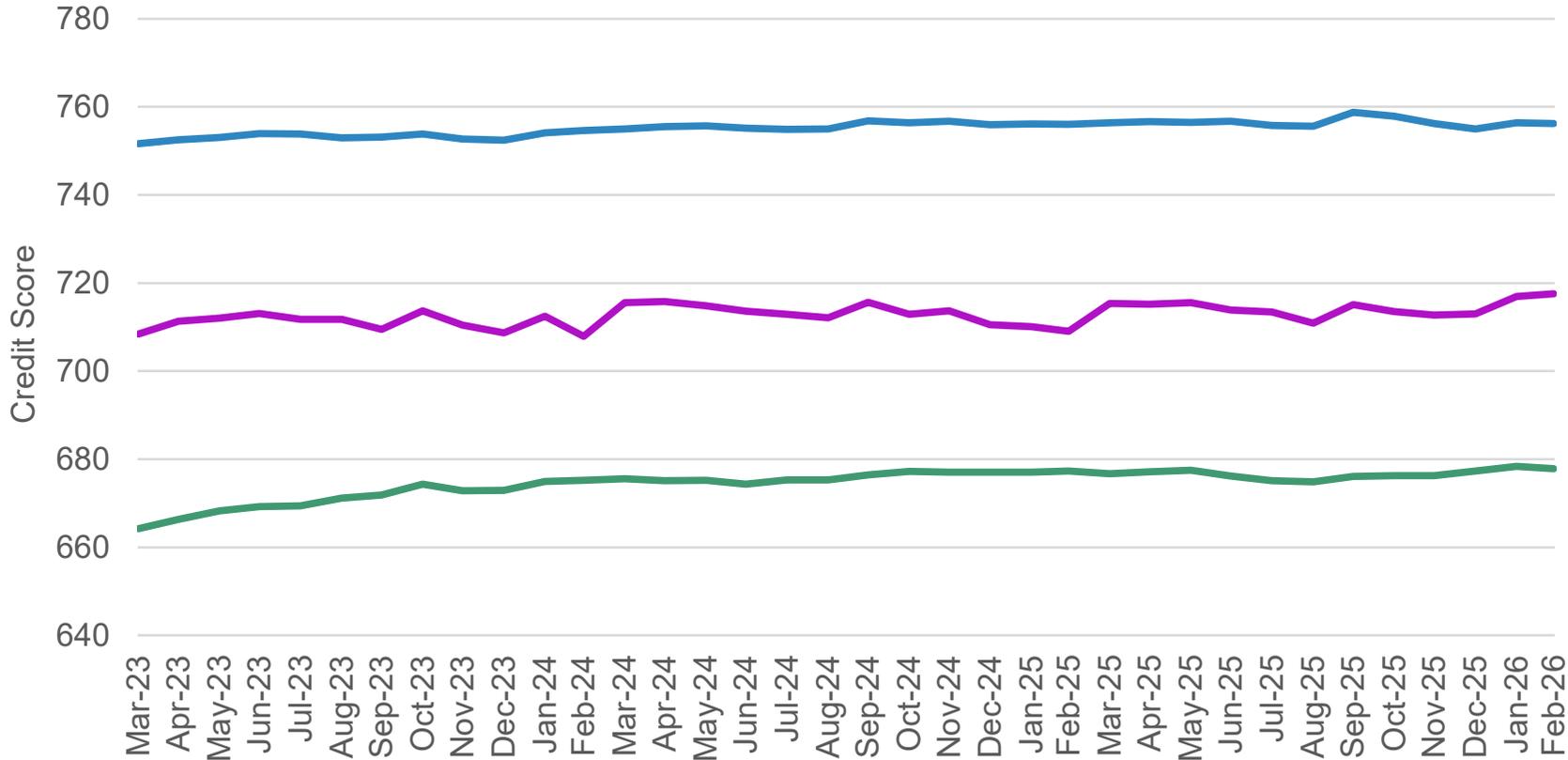
Credit score is considered an indicator of a borrower's financial health, with higher credit scores indicating greater financial flexibility. This data is sourced from the Optimal Blue PPE.



Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase	734	(1)	(2)	(3)
	Cash Out Refi	705	1	3	10
	Rate/Term Refi	749	2	7	18

# AVERAGE CREDIT SCORES BY LOAN PRODUCT

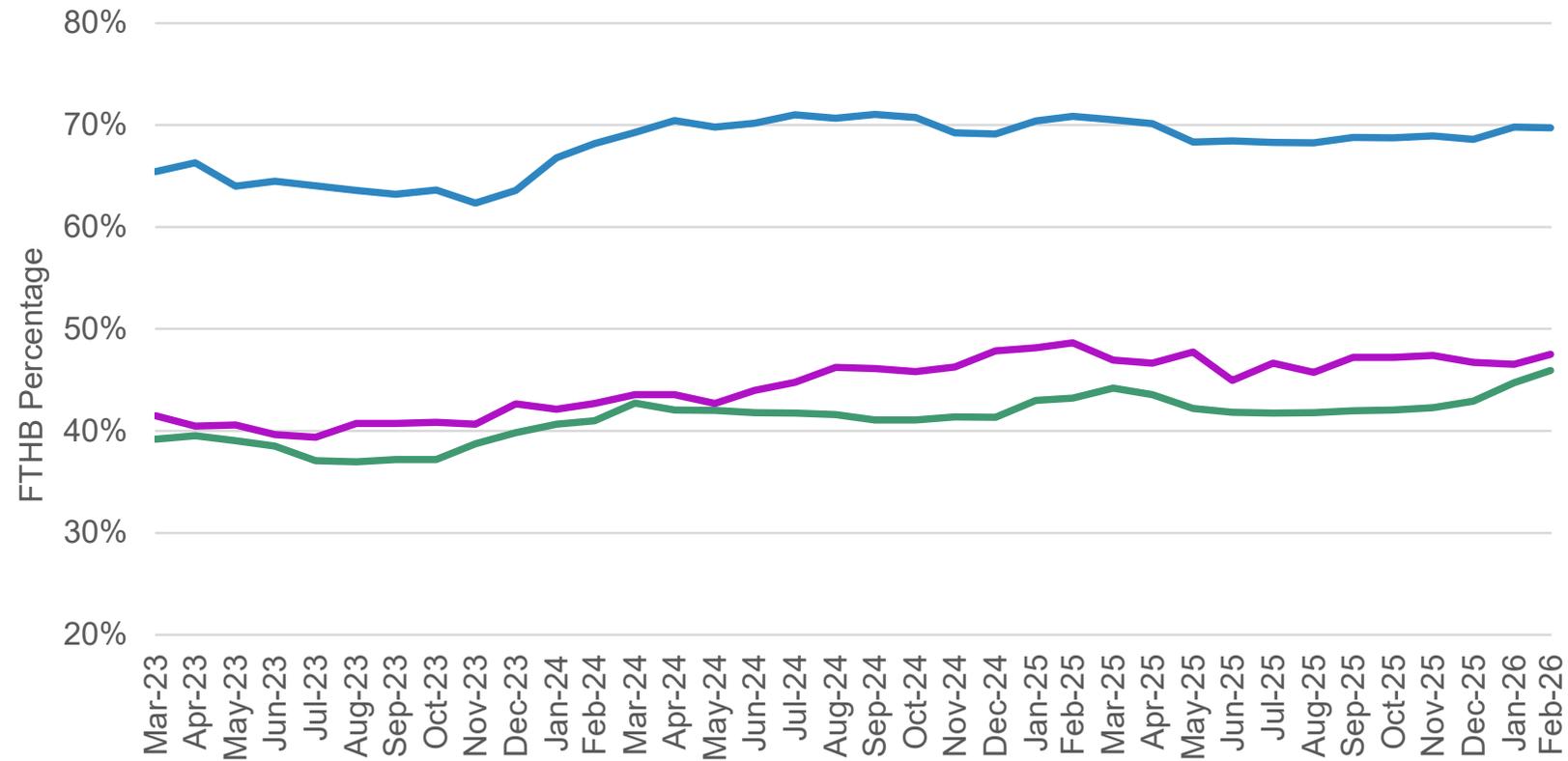
Credit score is considered an indicator of a borrower's financial health, with higher credit scores indicating greater financial flexibility. This data is sourced from the Optimal Blue PPE.



Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	756	0	0	0
	FHA	678	(1)	2	1
	VA	718	1	5	8

# FIRST-TIME HOMEBUYER STATUS

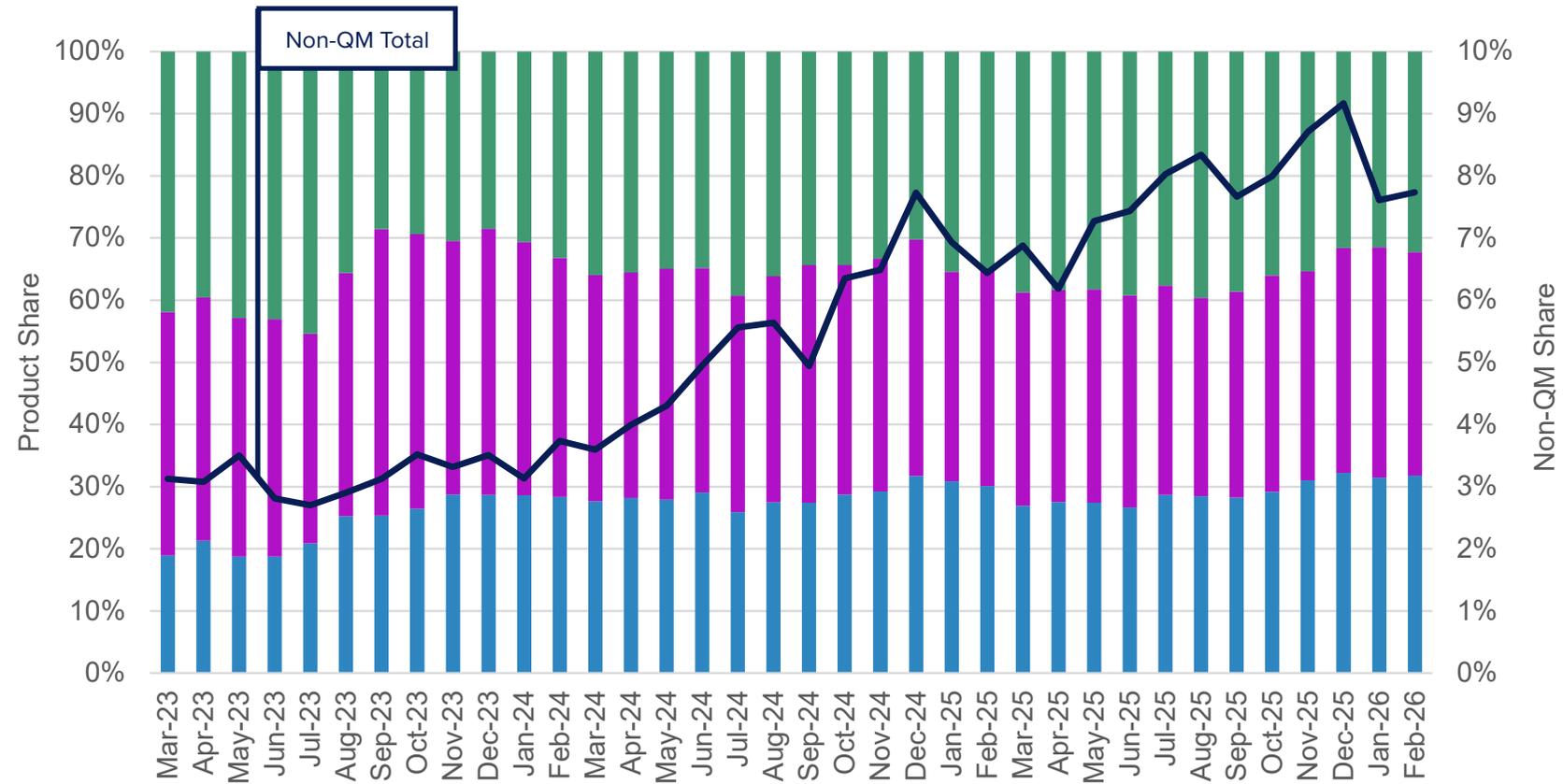
First-time homebuyers frequently take advantage of loan-level pricing adjustment (LLPA) relief and may qualify for lower rates. This data is sourced from the [Optimal Blue PPE](#).



First-Time Homebuyer by Product		Current Ratio	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	46%	1%	4%	3%
	FHA	70%	0%	1%	(1%)
	VA	48%	1%	0%	(1%)

# NON-QM LOAN PRODUCTS

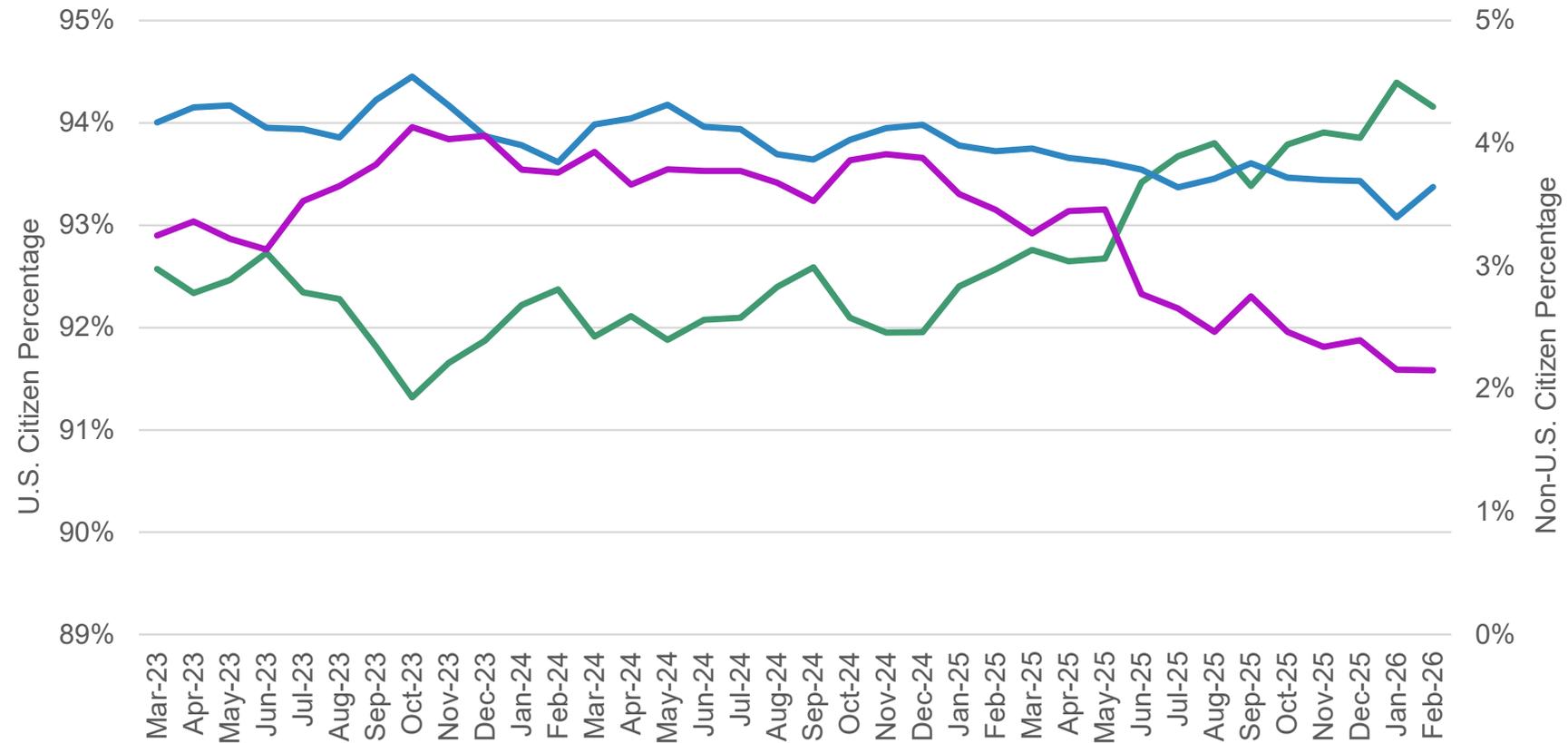
In contrast to agency-production loans, non-QM loans use different and/or more flexible criteria to verify borrower income. The categories below reflect ways lenders may verify income for borrowers who would not traditionally qualify for a conforming (i.e., QM) loan. This data is sourced from the [Optimal Blue PPE](#).



Non-QM Market		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Investor/DSCR	31.8%	33 bps	75 bps	170 bps
	Bank Statement	36.0%	(112 bps)	236 bps	121 bps
	All Other	32.3%	79 bps	(311 bps)	(291 bps)

# BORROWER CITIZENSHIP

Borrowers may be subject to different eligibility and verification requirements based on their citizenship status. Citizenship data provides additional insight into demographics of homebuyers in America. This data is sourced from the [Optimal Blue PPE](#).



Citizenship Status		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	U.S. Citizen	94.2%	(23 bps)	25 bps	159 bps
	Perm. Resident	3.6%	25 bps	(6 bps)	(29 bps)
	Non-Perm. Resident	2.2%	(1 bp)	(19 bps)	(131 bps)

# TOP 20 METROPOLITAN AREAS

Reviewing metropolitan statistical area by share of origination volume provides insight into regional economic trends, including local housing markets, overall stability of a region, and competitive landscape. This data is sourced from the [Optimal Blue® PPE](#).

Metropolitan Statistical Area		% of Lock Volume	MoM Change	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
NATIONAL		100.0%	9.0%	\$404,586	5.933	734	80	59%	41%
1	New York-Newark-Jersey City, NY-NJ-PA	4.5%	6.6%	\$608,050	6.010	747	72	49%	51%
2	Chicago-Naperville-Elgin, IL-IN-WI	3.9%	12.6%	\$389,117	6.065	747	78	50%	50%
3	Washington-Arlington-Alexandria, DC-VA-MD-WV	3.8%	10.4%	\$587,551	5.826	749	80	56%	44%
4	Los Angeles-Long Beach-Anaheim, CA	3.4%	10.4%	\$805,615	6.137	750	70	46%	54%
5	Dallas-Fort Worth-Arlington, TX	3.1%	14.4%	\$422,025	5.788	732	82	67%	33%
6	Boston-Cambridge-Newton, MA-NH	2.6%	8.8%	\$615,155	5.972	755	72	41%	59%
7	Phoenix-Mesa-Scottsdale, AZ	2.6%	9.0%	\$475,970	5.732	738	80	67%	33%
8	Atlanta-Sandy Springs-Roswell, GA	2.2%	2.9%	\$393,744	5.951	723	81	64%	36%
9	Seattle-Tacoma-Bellevue, WA	2.2%	12.7%	\$649,505	5.937	753	75	53%	47%
10	Houston-The Woodlands-Sugar Land, TX	2.0%	14.6%	\$348,158	5.666	724	84	75%	25%

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Reviewing metropolitan statistical area by share of origination volume provides insight into regional economic trends, including local housing markets, overall stability of a region, and competitive landscape. This data is sourced from the [Optimal Blue® PPE](#).

Metropolitan Statistical Area	% of Lock Volume	MoM Change	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
<b>NATIONAL</b>	<b>100.0%</b>	<b>9.0%</b>	<b>\$404,586</b>	<b>5.933</b>	<b>734</b>	<b>80</b>	<b>59%</b>	<b>41%</b>
11 Denver-Aurora-Lakewood, CO	1.8%	9.3%	\$518,176	5.748	746	78	61%	39%
12 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.7%	11.6%	\$390,819	5.981	738	78	53%	47%
13 San Francisco-Oakland-Hayward, CA	1.6%	16.3%	\$875,787	6.042	765	68	42%	58%
14 Riverside-San Bernardino-Ontario, CA	1.6%	14.2%	\$502,430	5.810	724	80	59%	41%
15 Miami-Fort Lauderdale-West Palm Beach, FL	1.6%	19.0%	\$556,414	6.066	732	77	62%	38%
16 San Diego-Carlsbad, CA	1.4%	17.8%	\$805,962	5.897	755	72	51%	49%
17 Minneapolis-St. Paul-Bloomington, MN-WI	1.4%	18.8%	\$388,232	5.925	753	81	57%	43%
18 Charlotte-Concord-Gastonia, NC-SC	1.3%	8.4%	\$432,688	5.876	739	79	60%	40%
19 Austin-Round Rock, TX	1.2%	21.3%	\$425,410	5.553	739	82	72%	28%
20 Tampa-St. Petersburg-Clearwater, FL	1.2%	7.7%	\$388,434	5.765	730	83	71%	29%

## SECTION II

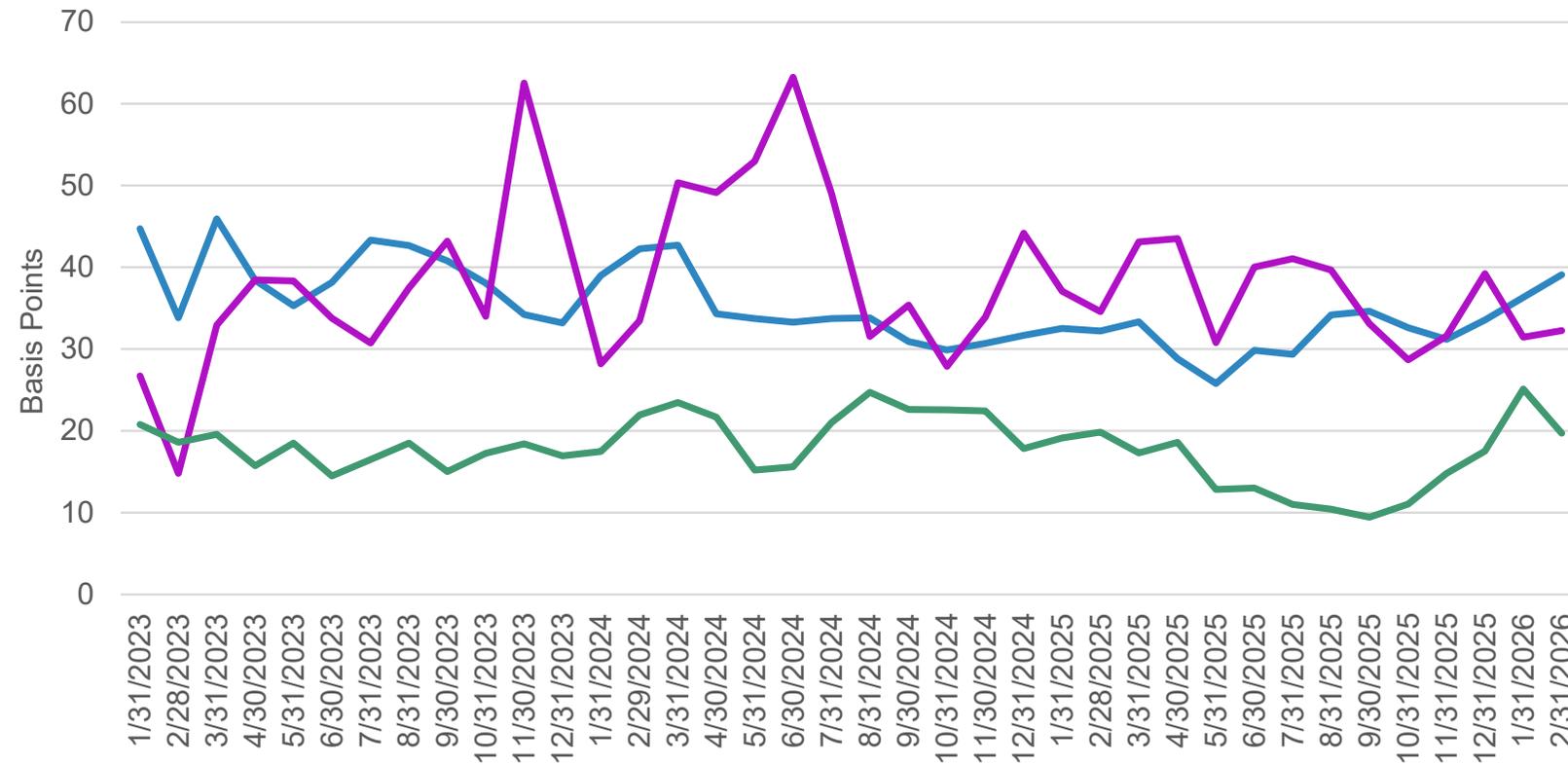
# SECONDARY MARKET DATA

The secondary market is where most mortgages are purchased and sold between originating entities and investors. These exchanges provide liquidity to keep home financing accessible and affordable for borrowers.

Once a mortgage is locked, a lender is exposed to interest rate risk until the loan is sold into the secondary market. The data in this section, sourced from the CompassEdge hedging and loan trading system, provides insight into how lenders are hedging this risk, as well as their strategies for selling loans. These activities are directly tied to mortgage lending profitability and thus, the rates and products offered to consumers.

# BEST EFFORTS TO MANDATORY SPREAD

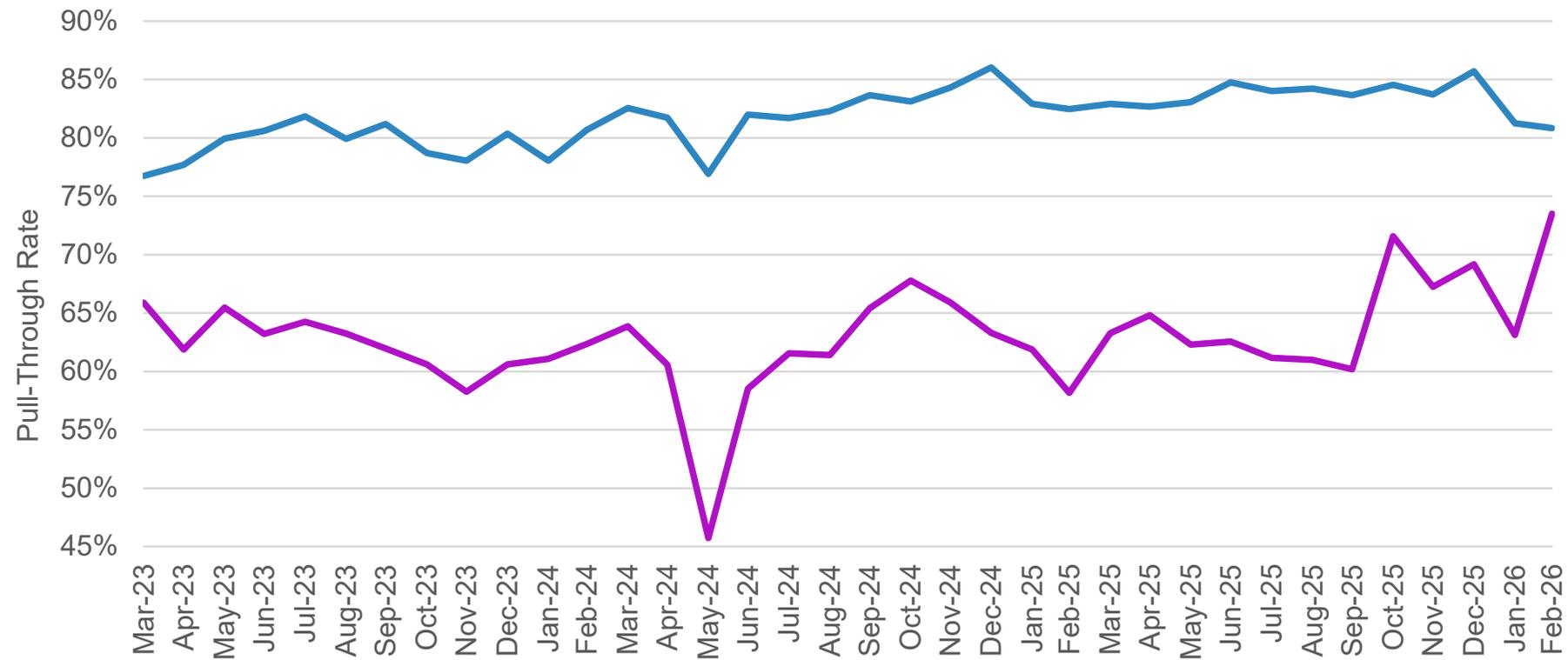
A lender will typically see greater yields by selling loans via mandatory delivery or participating in the secondary market, while best efforts delivery carries less risk. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.



Best Efforts vs. Mandatory		Current Spread	1-Month Delta	3-Month Delta	12-Month Delta
<span style="color: blue;">—</span>	30-Year Conforming	39 bps	3 bps	8 bps	7 bps
<span style="color: magenta;">—</span>	15-Year Conforming	32 bps	1 bp	1 bp	(2 bps)
<span style="color: green;">—</span>	30-Year Government	20 bps	(5 bps)	5 bps	0 bps

# LOAN PULL-THROUGH

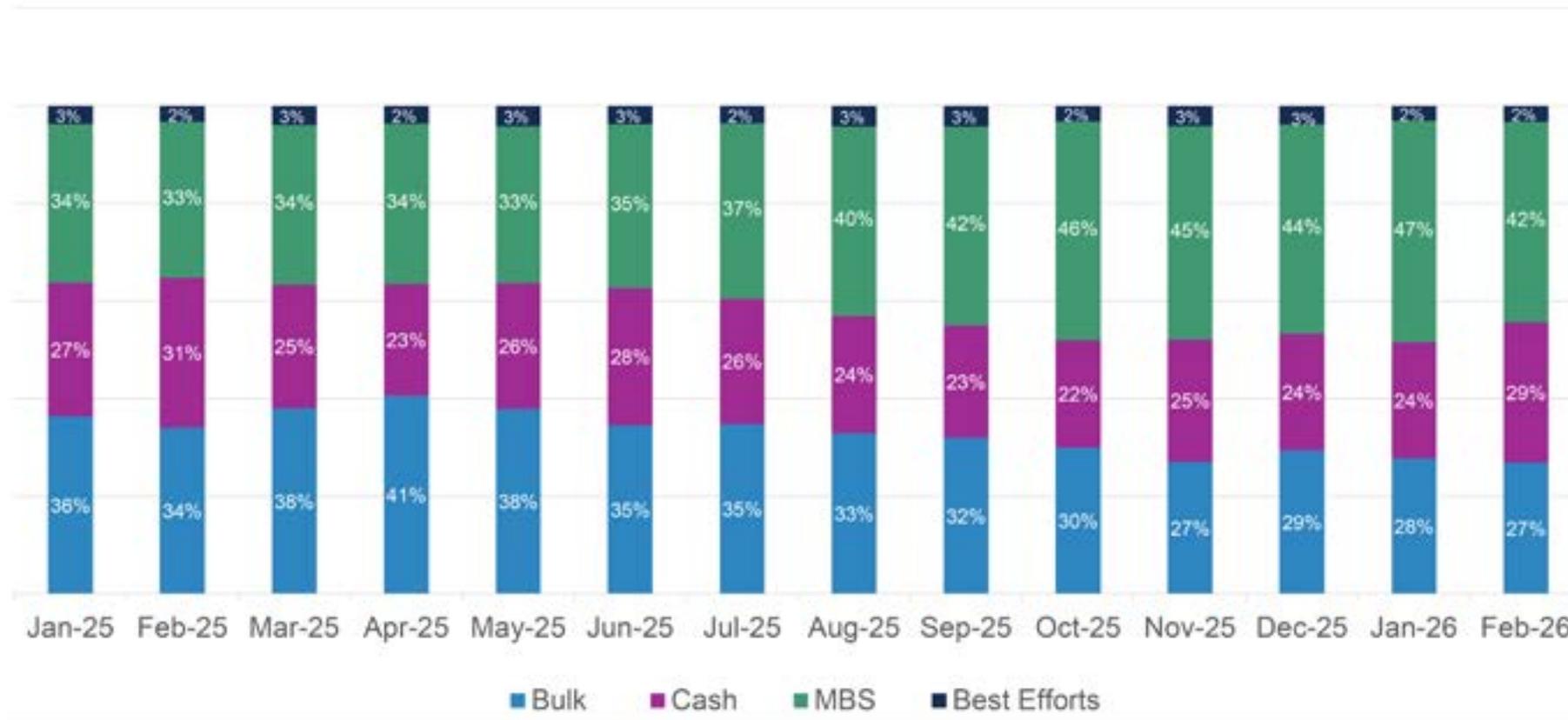
Pull-through indicates the percentage of loans locked that successfully close and fund, which is a measure of how effectively a mortgage lender converts loan applications into closed loans. Lower pull-through typically indicates greater cost for an originator, and thus, the need to compensate by increasing margin. Higher pull-through indicates lower origination cost and an opportunity to lower margin and thus, the rate offered to a consumer. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.



Pull-Through Rate by Purpose		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
<span style="color: blue;">—</span>	Purchase Pull-Through	80.8%	(40 bps)	(287 bps)	(162 bps)
<span style="color: purple;">—</span>	Refinance Pull-Through	73.5%	1038 bps	625 bps	1535 bps

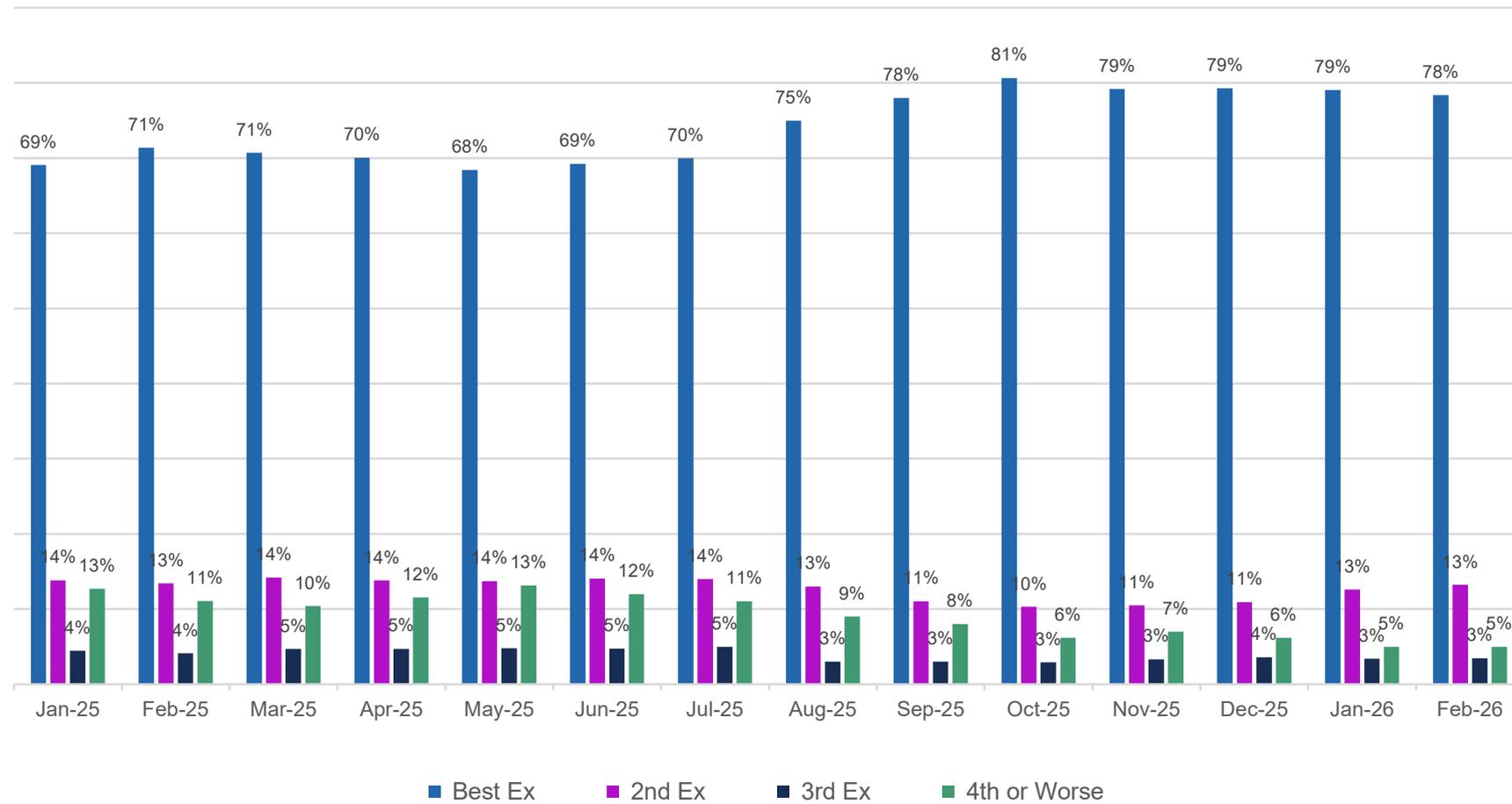
# HEDGED LOAN SALE STATISTICS

When loans are funded and sold into the secondary market, a lender can leverage a variety of delivery methods to maximize profitability. These sale methods may provide insight into a lender's profitability on a transaction, which can have downstream impacts on a lender's front-end pricing strategy. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.



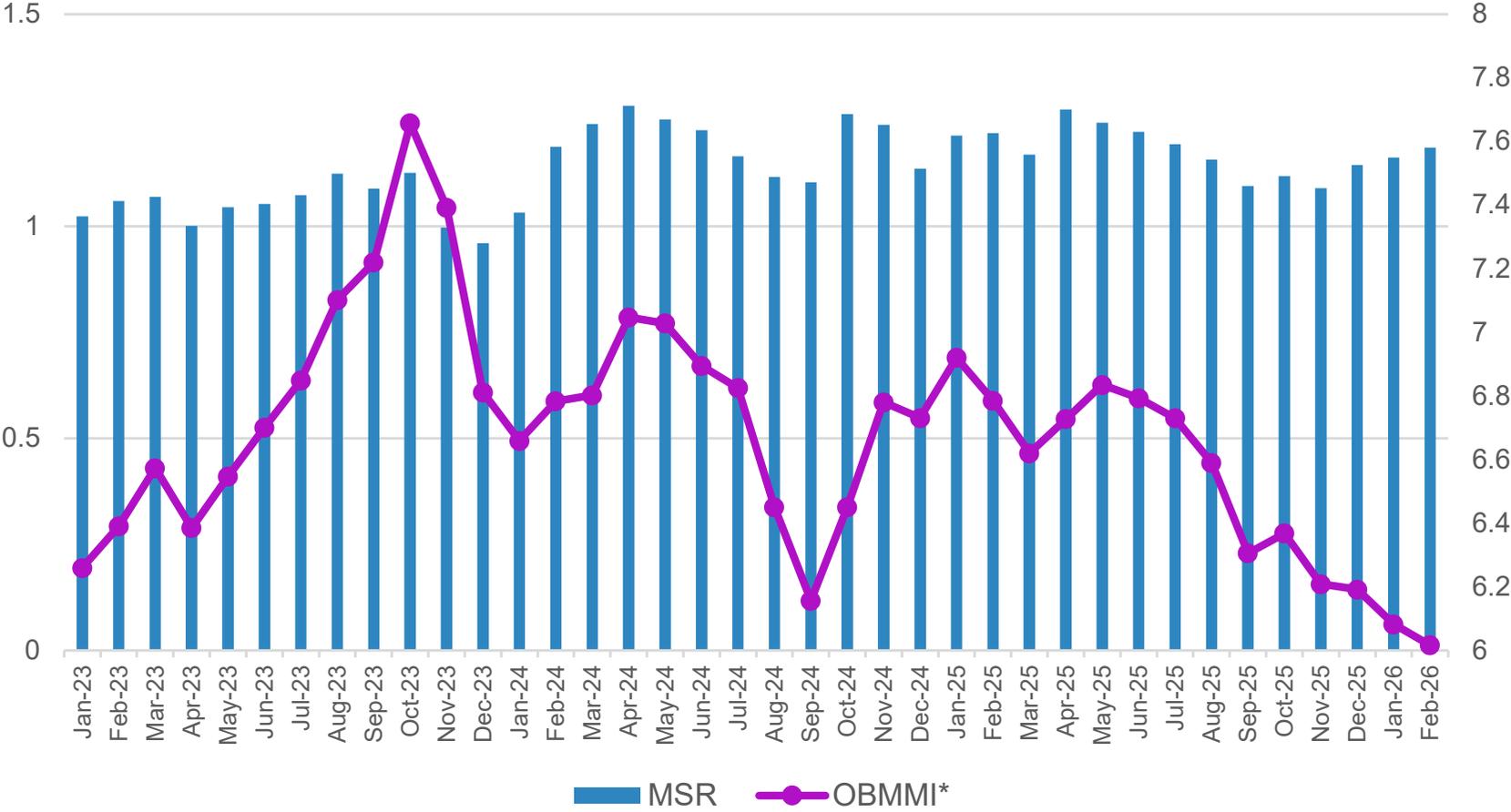
# LOAN SALE BY PRICE

When loans are funded and sold into the secondary market, a lender typically sells to the best price, but other factors may impact execution. For example, a lender may not sell to the highest price due to eligibility concerns, underwriting or operational concerns, investor representative mix, or other reasons. If unable to sell to the highest price, there may be impacts to profitability expectations and the rate offered to borrowers. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.



# SERVICING RIGHTS & MARKET RATE INDICES

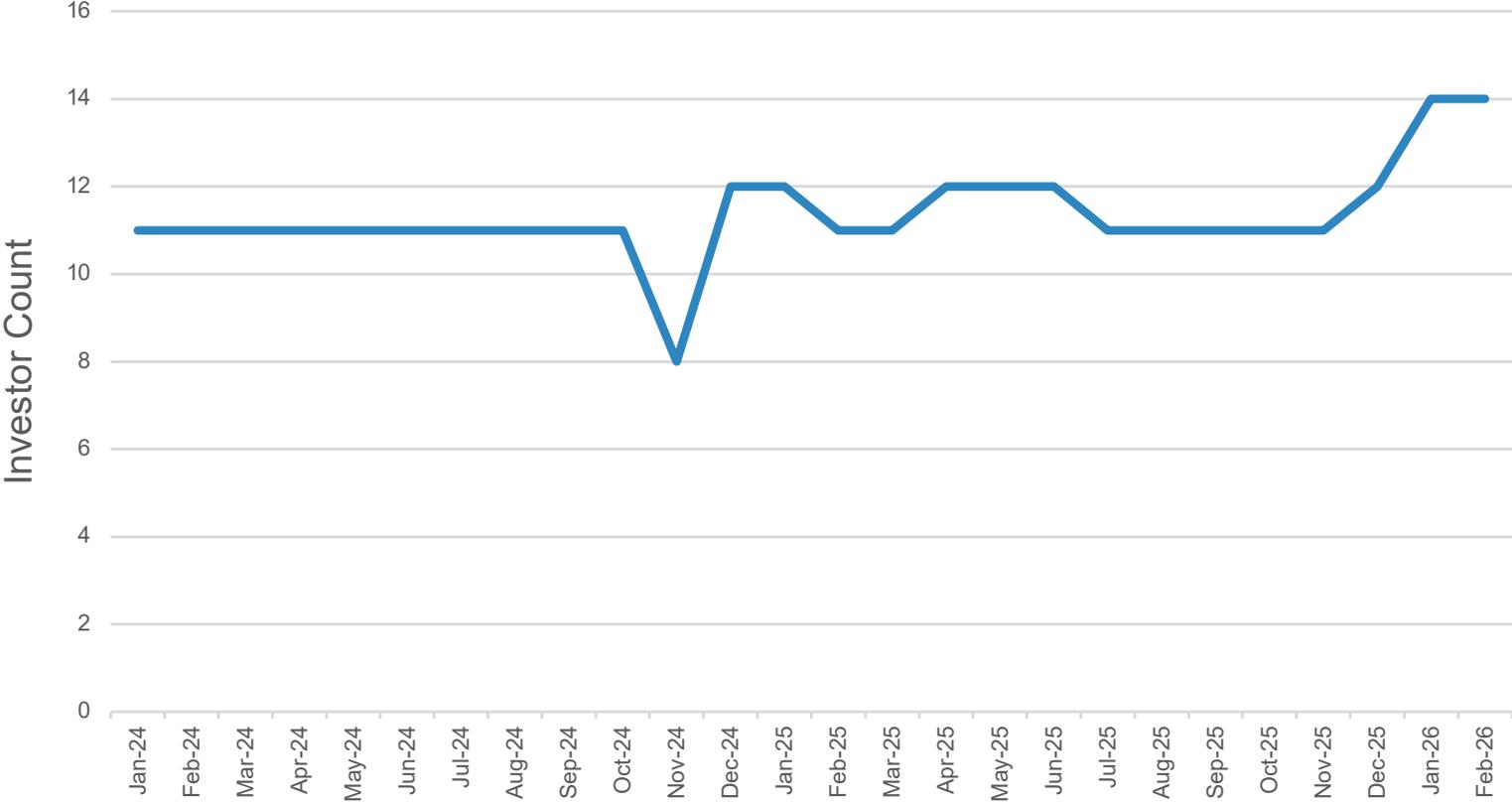
A mortgage servicing right (MSR) is a right to ancillary cash flows associated with servicing a mortgage. MSRs represent a significant component of a lender's margin and are commonly traded in the secondary market based on a lender's economics or strategy. MSRs typically move in alignment with rate movement, and this asset can explain movement in mortgage rates compared to other fixed income rates. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.



\*30-year conforming fixed rate

# AVERAGE INVESTOR COUNT AT LOAN SALE

The number of investors bidding at time of loan sale is an indicator of demand. Fluctuations in this number can impact both expected and actual profitability for a lender, which can have downstream effects on a lender's front-end pricing. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.





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