



MARKET ADVANTAGE

MORTGAGE DATA REPORT

JUNE 2025

Welcome to the OPTIMAL BLUE MARKET ADVANTAGE

A Complimentary Monthly Report on Mortgage Origination and Secondary Market Activity

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MARKET ADVANTAGE MONTHLY PODCAST

Hear additional commentary and insights in the [Market Advantage podcast](#).

"There is the importance of the investor relationship. If you listen to the aggregators out there, you know that they certainly represent themselves in the value of a good relationship, where it's not always 'everything price.' I think the more mature lenders increasingly explore and deepen their relationships with the aggregators to deliver loans to them in a way that works for both of them and is appropriate."

— Rob Kessel

Episode Guest:

Rob Kessel

Founder
[Panoramic Capital](#)
[Advisory and](#)
[Consulting](#)



Capital Markets Foundations

Hear about concepts like the best efforts versus mandatory spread, pull-through modeling, and loan sale strategy.

Shifts in Lender Strategies

Data shows a rise in agency-backed executions, while loans sold to aggregators dropped.



Optimal Blue Hosts:

Olivia DeLancey
Mike Vough

JUNE 2025 DATA

Smarter Hedging, Loan Sales, and Margin Management With Rob Kessel

KEY FINDINGS: JUNE 2025

+ Rates edge lower

The 30-year conforming loan rate dropped 17 bps to 6.67%. Jumbo rates fell 24 bps to 6.78%. FHA rates declined 6 bps to 6.47%, and VA rates decreased 16 bps to 6.29%.

+ Product mix shifts

Conforming share rose 114 bps to 53% of total volume, while non-conforming dipped 25 bps to 16.2%. FHA share declined 80 bps to 18.9%. VA and USDA shares held steady at or near last month's levels at 11.3% and 0.7%, respectively.

+ Credit quality unchanged

The average FICO score edged up 1 point to 733.

+ Loan characteristics hold steady

The average loan amount declined slightly to \$386,084. Across the top 30 MSAs, average loan amounts ranged from a high of \$586,997 in metro New York to a low of \$311,331 in Indianapolis. Average loan-to-value ratio stood at 80.5%. Debt-to-income ratio averaged 36.8% for conforming loans, 44.7% for FHA and 43.8% for VA.

+ ARMs decline

Adjustable-rate mortgage share fell to 8.81%, compared to 9.11% in May. This decrease coincided with a slight flattening of the yield curve compared to the previous month.

+ Market spread trends remain steady

The 10-year Treasury yield dropped 17 bps to 4.24%, while the OBMMI 30-year conforming fixed rate (the benchmark for CME Group's Mortgage Rate futures) declined 17 bps to 6.67%, keeping the spread steady at 2.43%.

+ Loan sales trend in agencies' favor

Bulk aggregator sales declined 300 bps to 35%, while agency share grew as cash and MBS executions each rose 200 bps, signaling stronger agency appetite.

+ Loan pricing improves

The share of loans sold at the highest price increased 100 bps to 69%, while sales in the lowest pricing tier declined 100 bps to 12%, suggesting that loan characteristics or eligibility requirements played a smaller role in driving price dispersion.

+ Servicing valuations edge lower

MSR values for 30-year conforming loans declined slightly to 1.226%, tracking alongside the decrease in mortgage rates.

+ Pull-through rates increase

Supported by late-month rate improvements and steady new construction activity, purchase pull-through rose 170 bps to 84.8% and refinance pull-through climbed 29 bps to 62.6%.

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 1.95% MoM, driven by increased refinance activity.



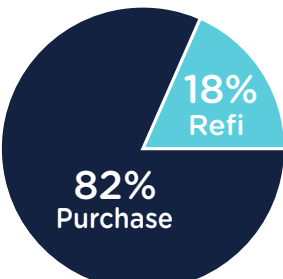
MONTH-END CONFORMING RATE

The benchmark Optimal Blue Mortgage Market Indices 30-year conforming interest rate dropped 17 bps MoM to 6.67%.



AVERAGE LOAN AMOUNT

The average loan amount declined slightly to \$386,084 from May's \$386,460.



MARKET MIX

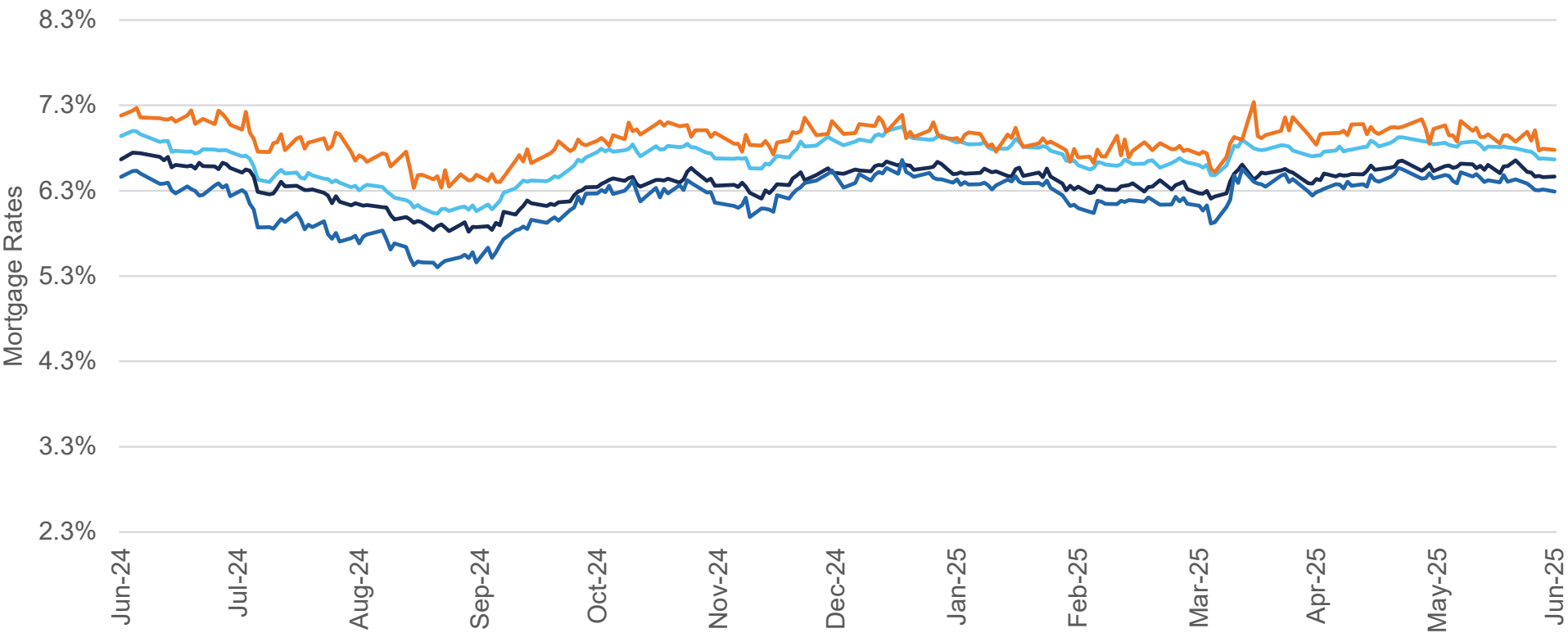
The refinance share of the market increased from 16% to 18% MoM, a moderate increase but still down from previous months' refi shares.





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?

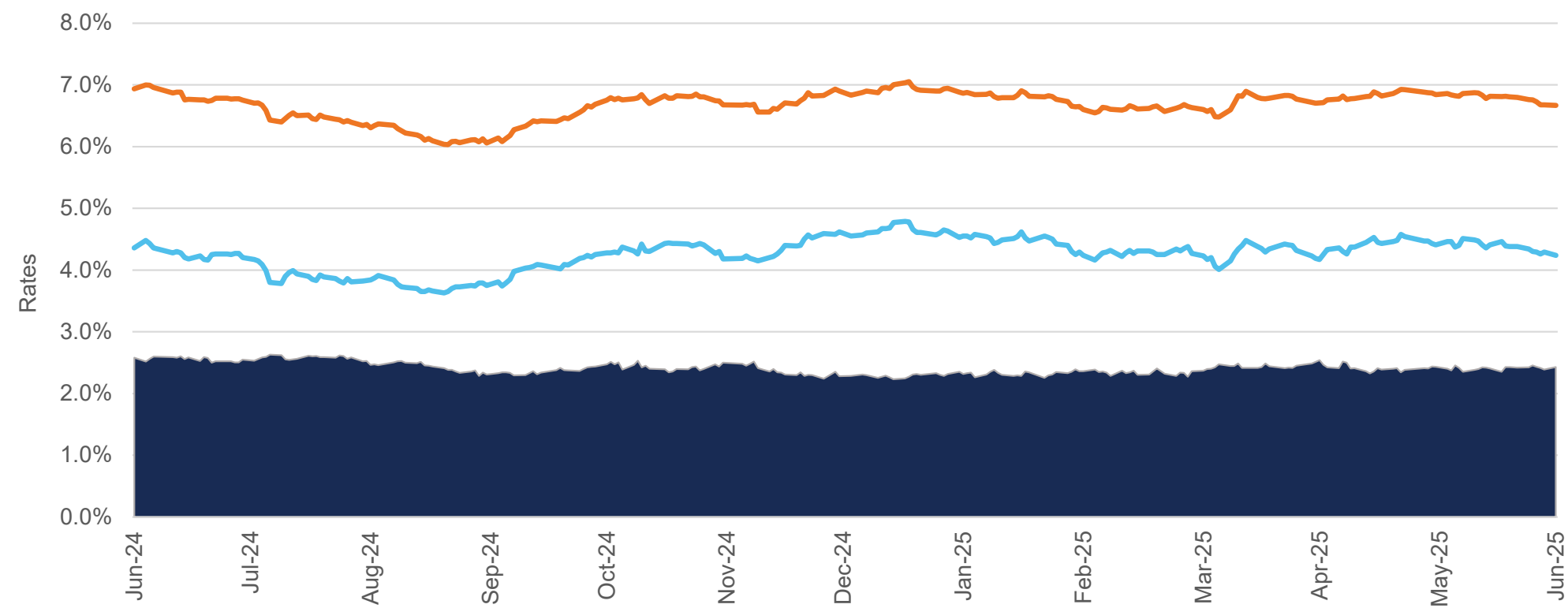
Optimal Blue's 30-year conforming fixed rate is the benchmark for the [CME Group Mortgage Rate futures](#).






Market Index		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	6.67%	(17 bps)	7 bps	(27 bps)
	30-Year Jumbo	6.78%	(24 bps)	5 bps	(40 bps)
	30-Year FHA	6.47%	(6 bps)	20 bps	(20 bps)
	30-Year VA	6.29%	(16 bps)	16 bps	(17 bps)

30-YEAR TO 10-YEAR TREASURY SPREAD

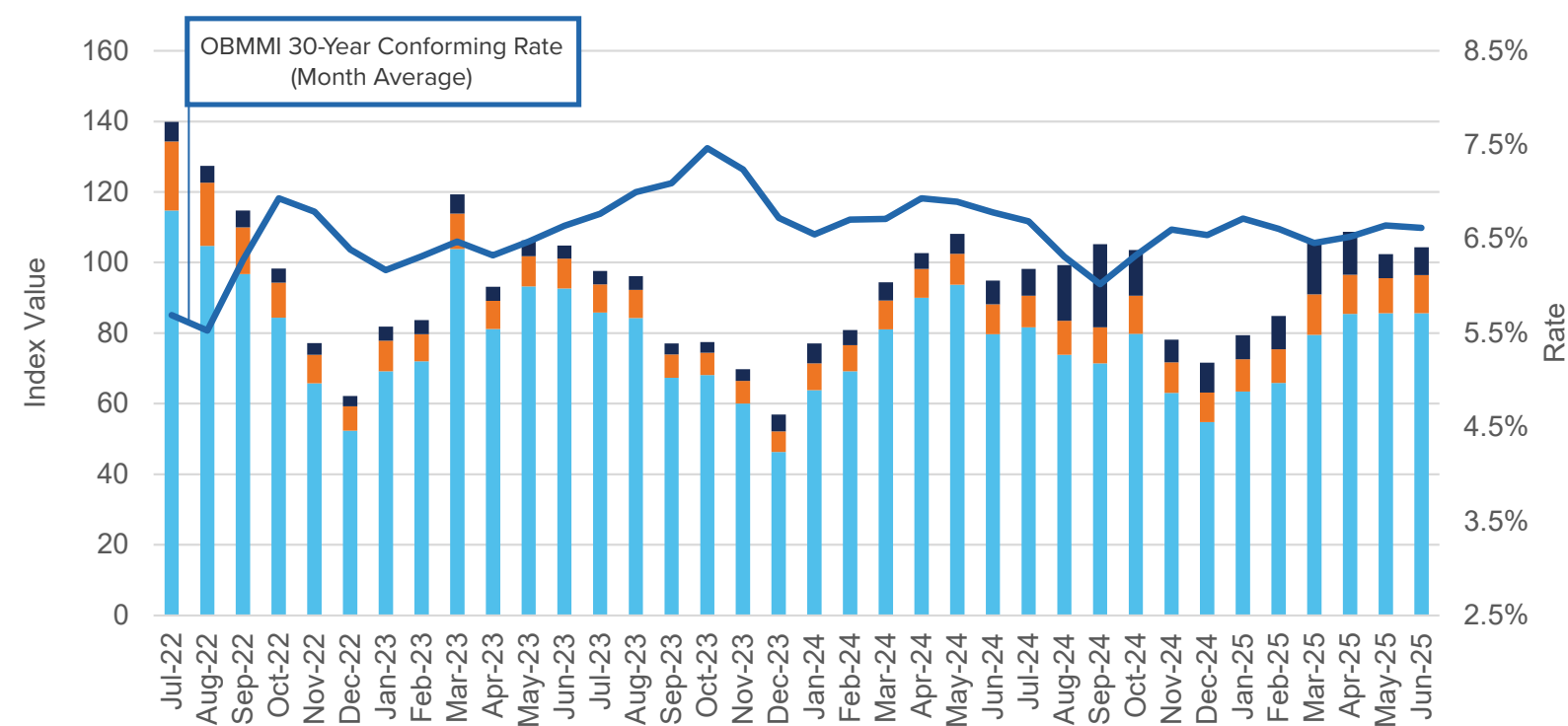
Mortgage rates are loosely tied to 10-year Treasury bond rates, but the spread between the two can vary. Spread indicates investor appetite and lender profit margin for mortgage-backed securities in relation to Treasury securities. Higher spreads indicate that investors require greater yield in comparison to Treasurys, 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	4.24%	(17 bps)	1 bp	(12 bps)
	30-Year Conforming	6.67%	(17 bps)	7 bps	(27 bps)
	10-Year to 30-Year Spread	2.43%	(0 bps)	6 bps	(15 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](#).

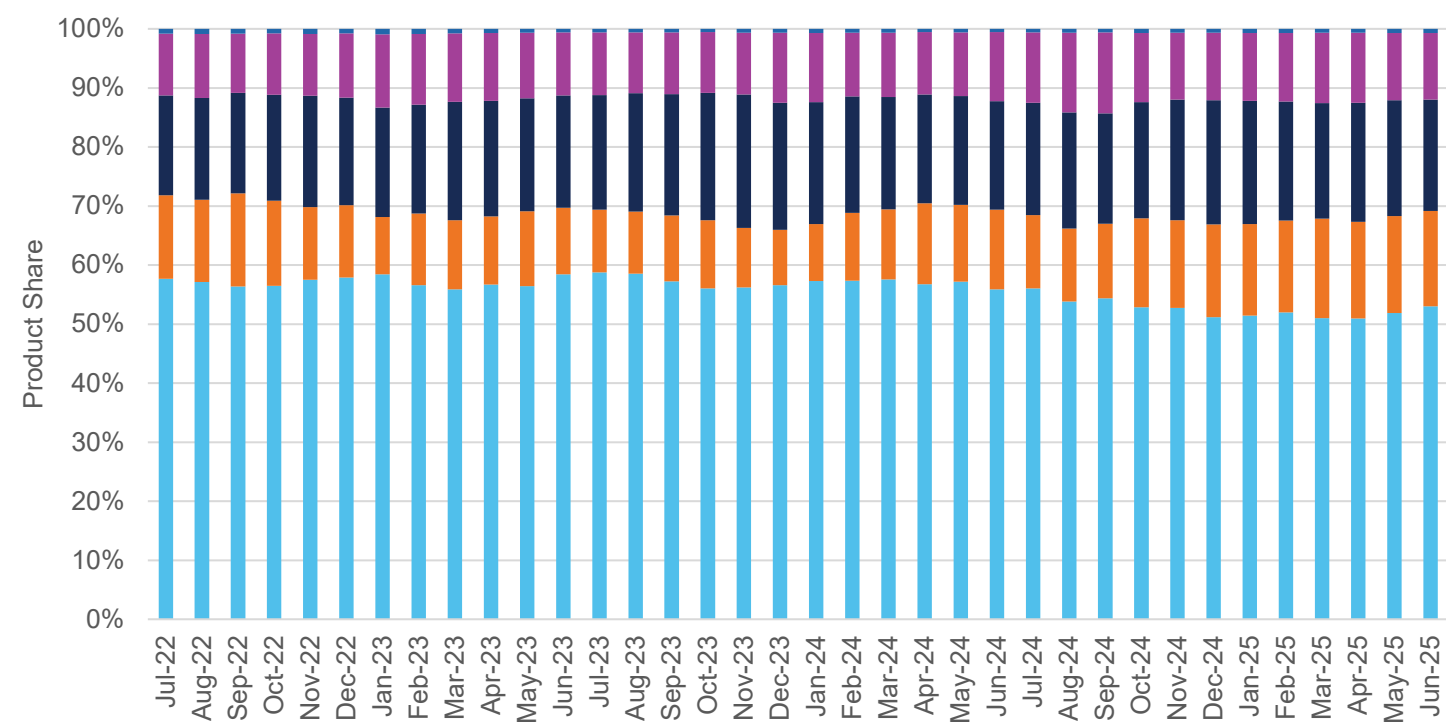


Market Volume Index (Total volume indexed to 100 in January 2018)		Current Value	1-Month % Change	3-Month % Change	12-Month % Change
<div></div>	Purchase	86	0.0%	7.7%	7.4%
<div></div>	Cash-Out Refinance	11	8.1%	(5.8%)	27.8%
<div></div>	Rate/Term Refinance	8	17.4%	(44.8%)	18.4%
<div></div>	Total	104	2.0%	(1.0%)	10.0%
Refinance Share*		18%	159 bps	(658 bps)	197 bps

*Refinance share changes reflect inter-period delta

MIX OF BUSINESS BY LOAN PRODUCT

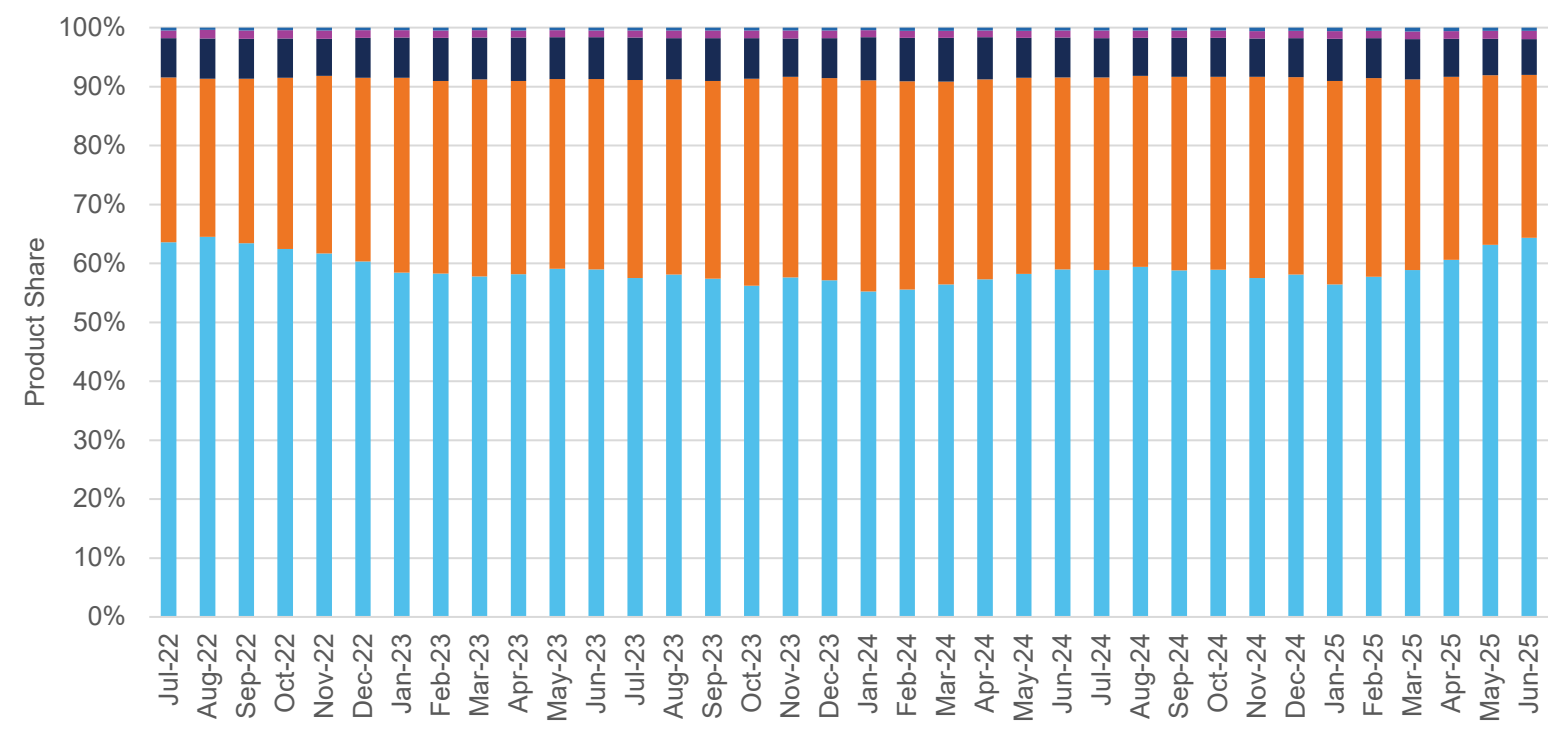
Loan product refers to the type of mortgage a consumer locks. Conforming (i.e., QM) loans meet the guidelines set by Fannie Mae and Freddie Mac, while nonconforming (i.e., non-QM) loans do not. FHA loans are insured by the Federal Housing Administration and allow for lower credit scores. VA loans are 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
<div></div>	Conforming	53.0%	114 bps	199 bps	(289 bps)
<div></div>	Nonconforming	16.2%	(25 bps)	(66 bps)	270 bps
<div></div>	FHA	18.9%	(80 bps)	(75 bps)	47 bps
<div></div>	VA	11.3%	(10 bps)	(66 bps)	(46 bps)
<div></div>	USDA	0.7%	1 bp	8 bps	18 bps

PROPERTY TYPE

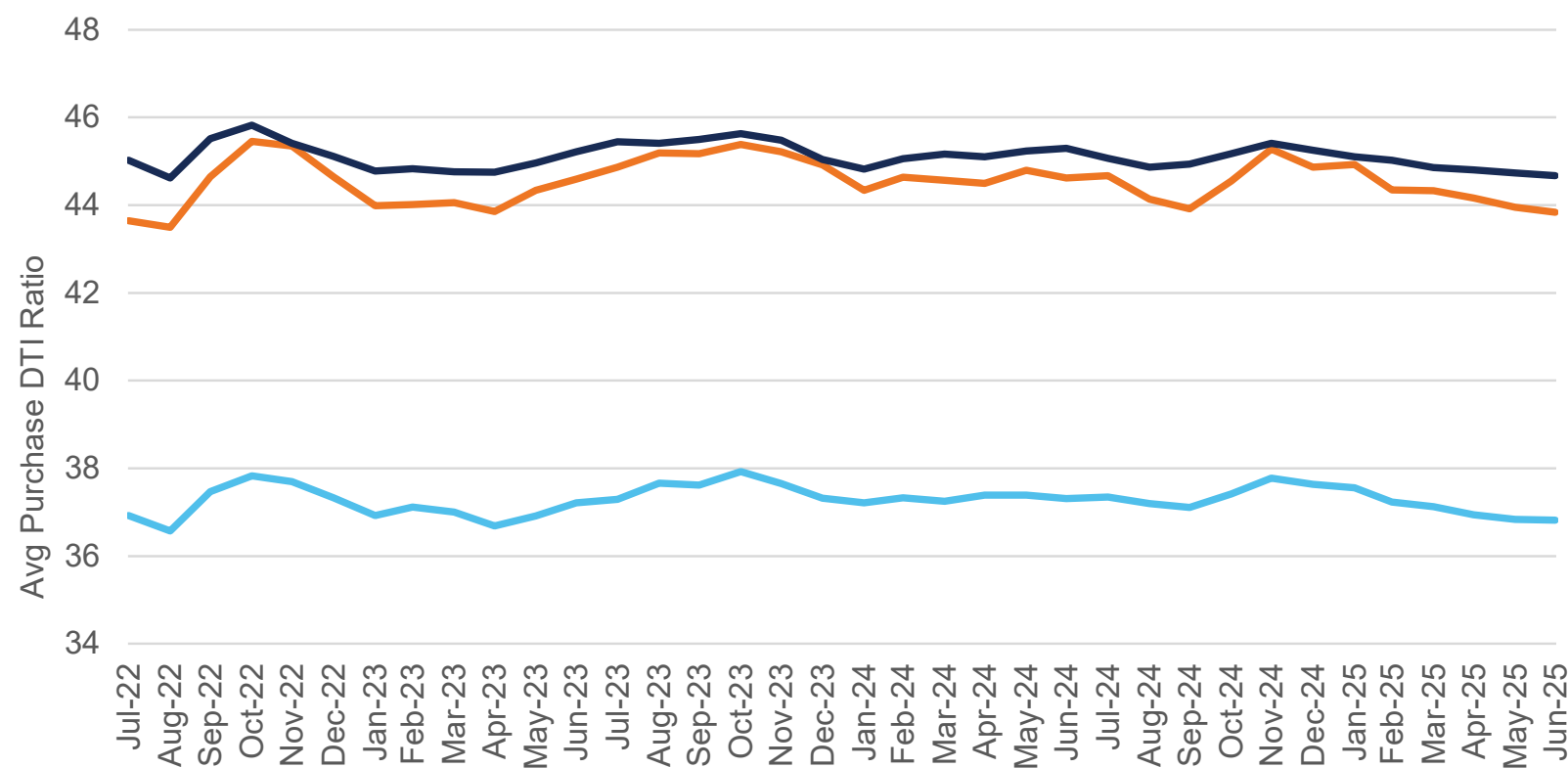
Property type is a classification of structure based on intended use and physical characteristics. *Planned unit development (PUD) includes new construction. This data is sourced from the Optimal Blue PPE.



Property Type Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	Single Family	64.3%	118 bps	549 bps	533 bps
<div></div>	PUD*	27.6%	(114 bps)	(471 bps)	(490 bps)
<div></div>	Condo	6.1%	(10 bps)	(74 bps)	(67 bps)
<div></div>	Manufactured	1.4%	5 bps	6 bps	19 bps
<div></div>	All Other	0.5%	1 bps	(10 bps)	5 bps

DEBT-TO-INCOME RATIO

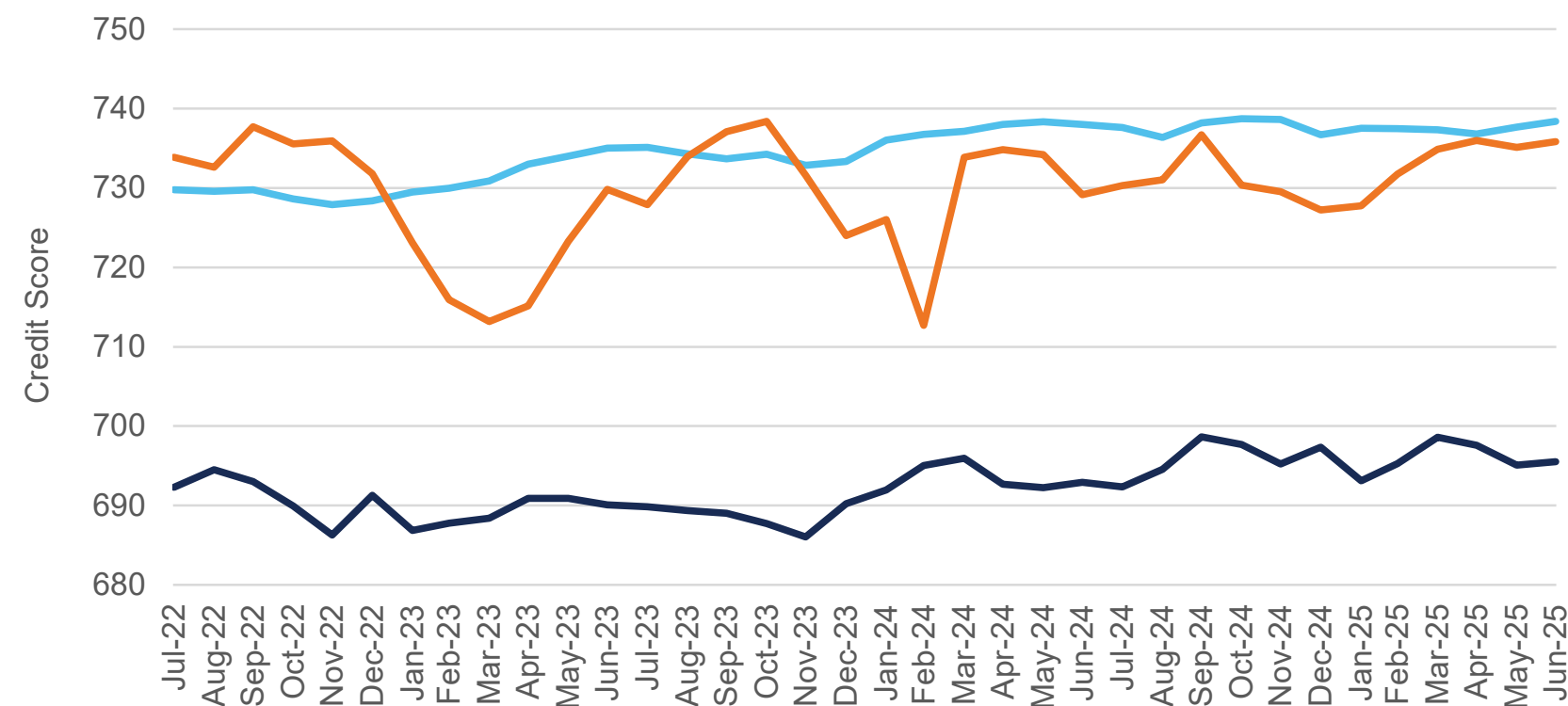
Debt-to-income (DTI) ratio is considered an indicator of a borrower’s financial health, with lower DTI typically indicating greater financial flexibility. This data is sourced from the Optimal Blue PPE.



DTI Ratio by Product		Current Avg DTI Ratio	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	Conforming	36.8	0.0	-0.3	-0.5
<div></div>	FHA	44.7	-0.1	-0.2	-0.6
<div></div>	VA	43.8	-0.1	-0.5	-0.8

AVERAGE CREDIT SCORES BY LOAN PURPOSE

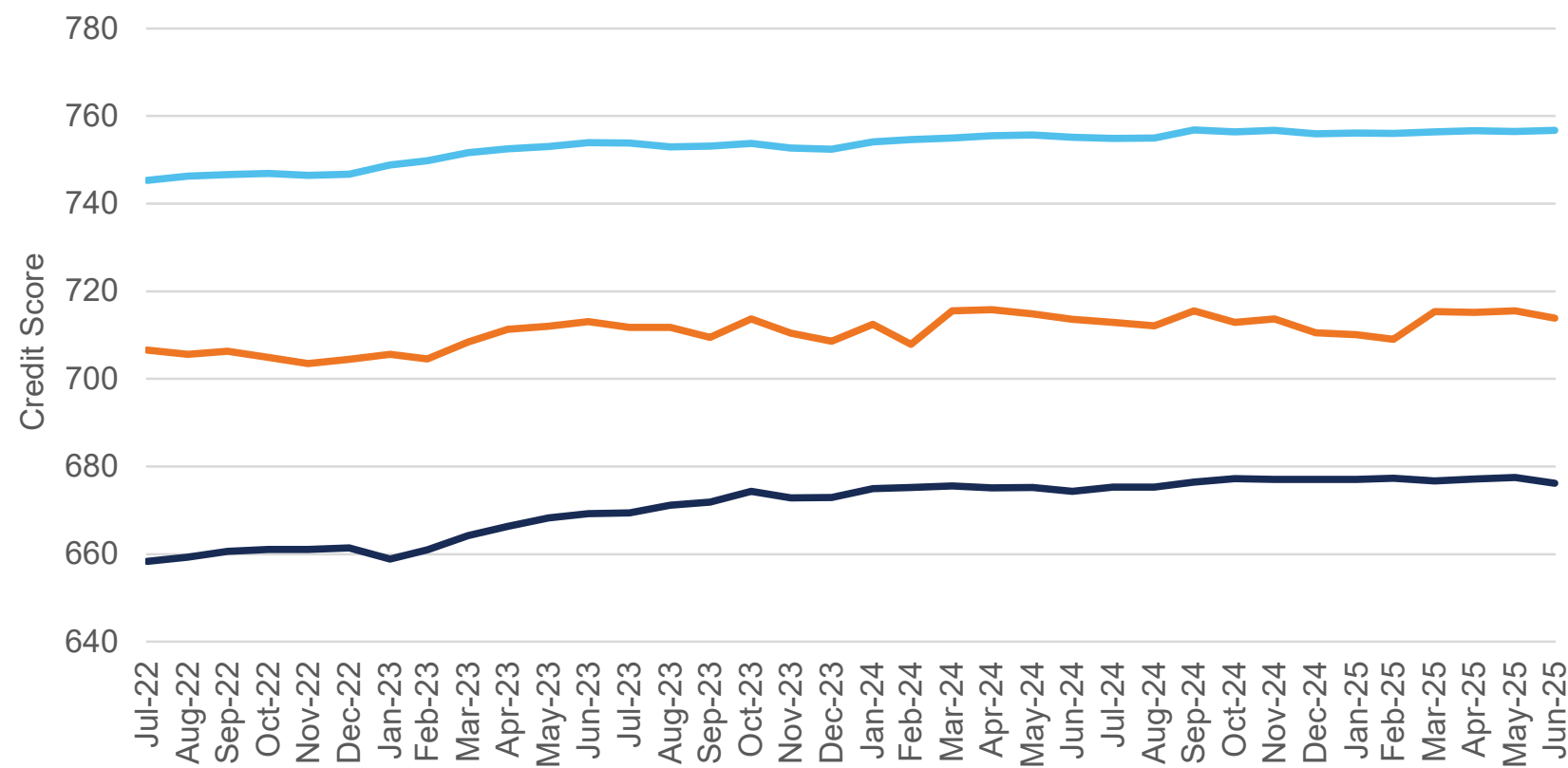
Credit score is considered an indicator of a borrower’s financial health, with higher credit scores indicating greater financial flexibility. This data is sourced from the **Optimal Blue PPE**.



Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	Purchase	738	1	1	0
<div></div>	Rate/Term Refi	736	1	1	7
<div></div>	Cash-Out Refi	696	0	(3)	3

AVERAGE CREDIT SCORES BY LOAN PRODUCT

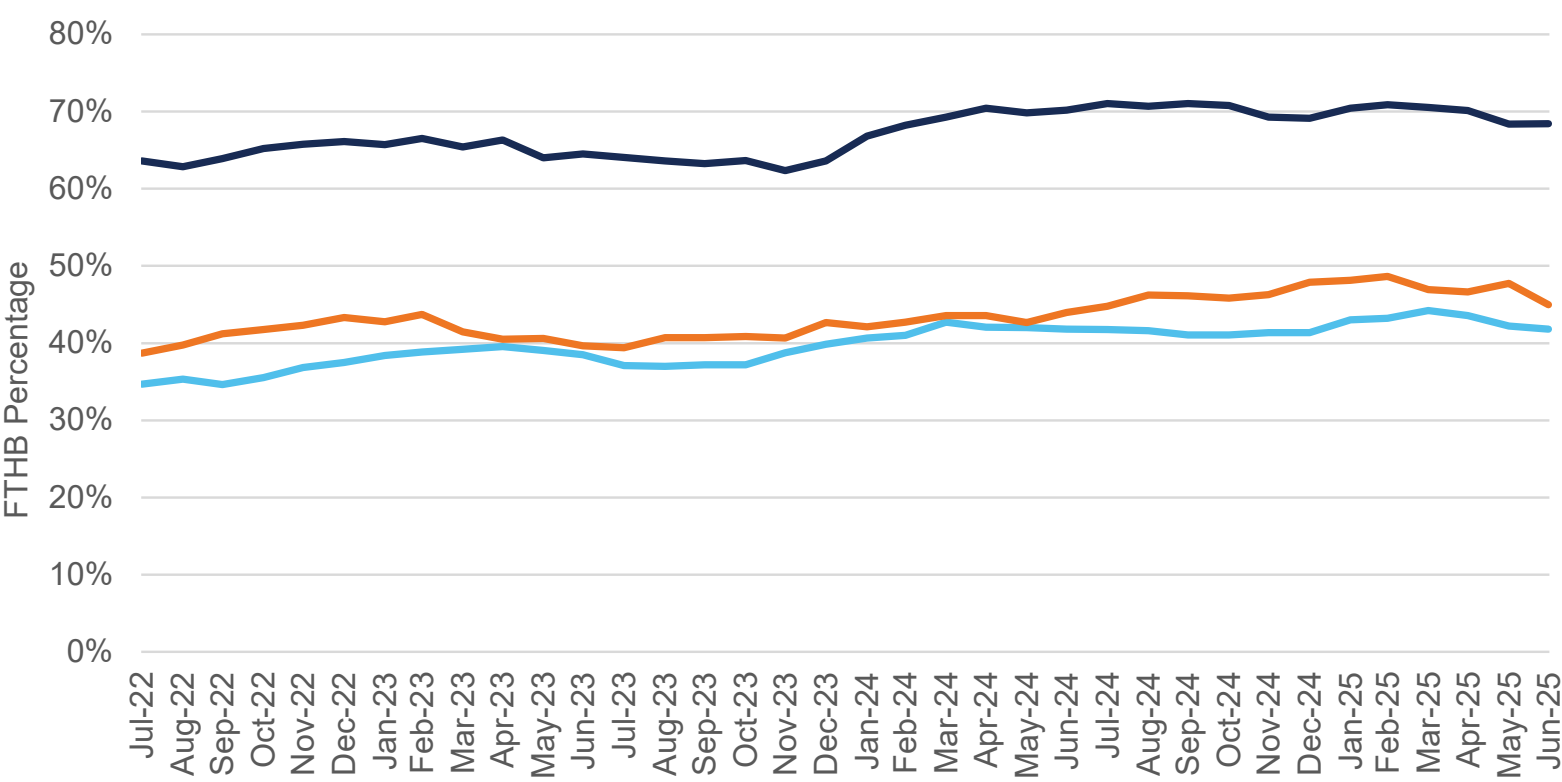
Credit score is considered an indicator of a borrower’s financial health, with higher credit scores indicating greater financial flexibility. This data is sourced from the **Optimal Blue PPE**.



Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	Conforming	757	0	0	2
<div></div>	VA	714	(2)	(1)	0
<div></div>	FHA	676	(1)	(1)	2

FIRST-TIME HOMEBUYER STATUS

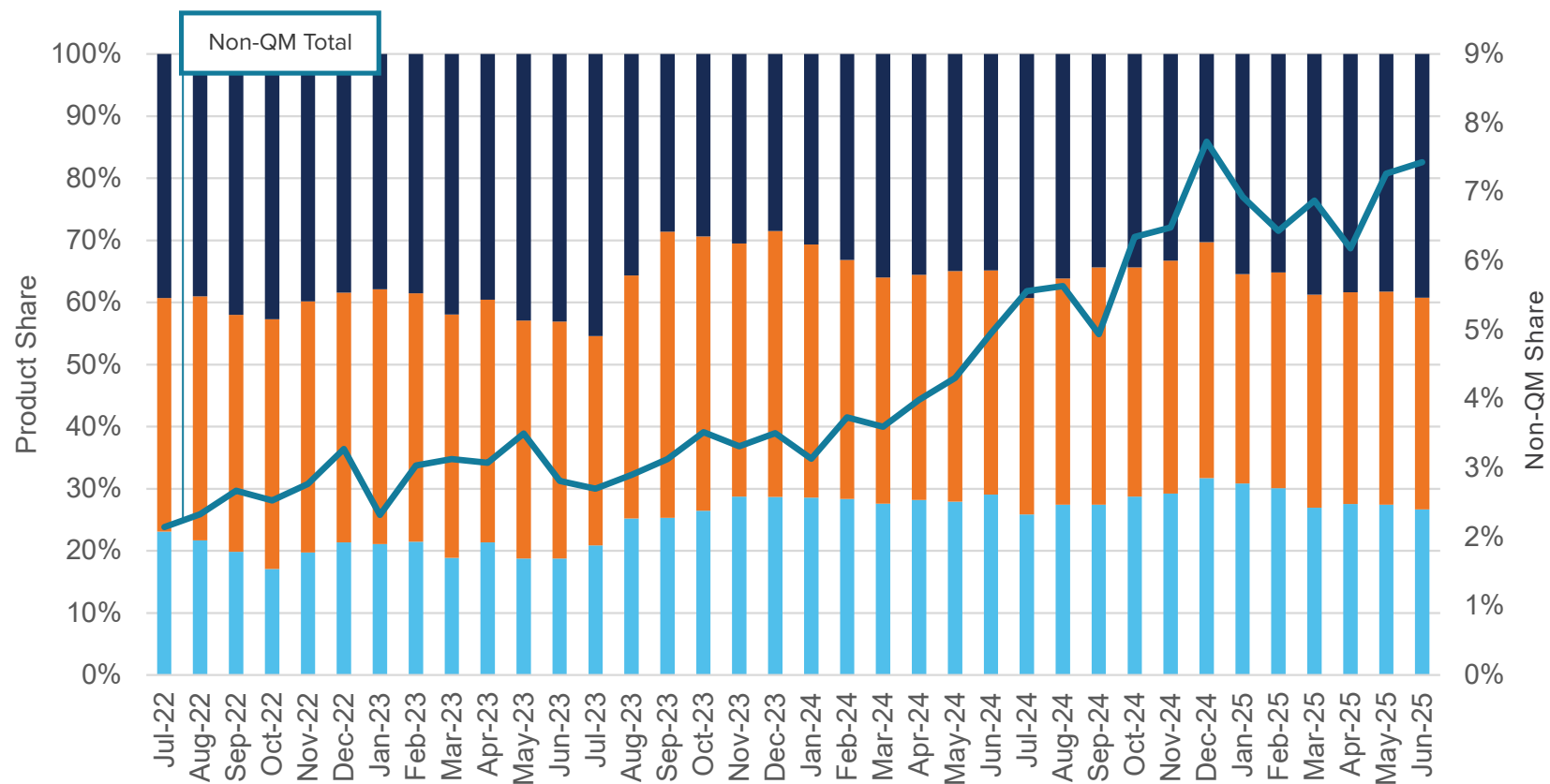
First-time homebuyers frequently take advantage of loan-level pricing adjustment (LLPA) relief and may qualify for lower rates. This data is sourced from the Optimal Blue PPE.



First-Time Homebuyer by Product		Current Ratio	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	Conforming	42%	0%	-2%	0%
<div></div>	FHA	68%	0%	-2%	-2%
<div></div>	VA	45%	-3%	-2%	1%

NON-QM LOAN PRODUCTS

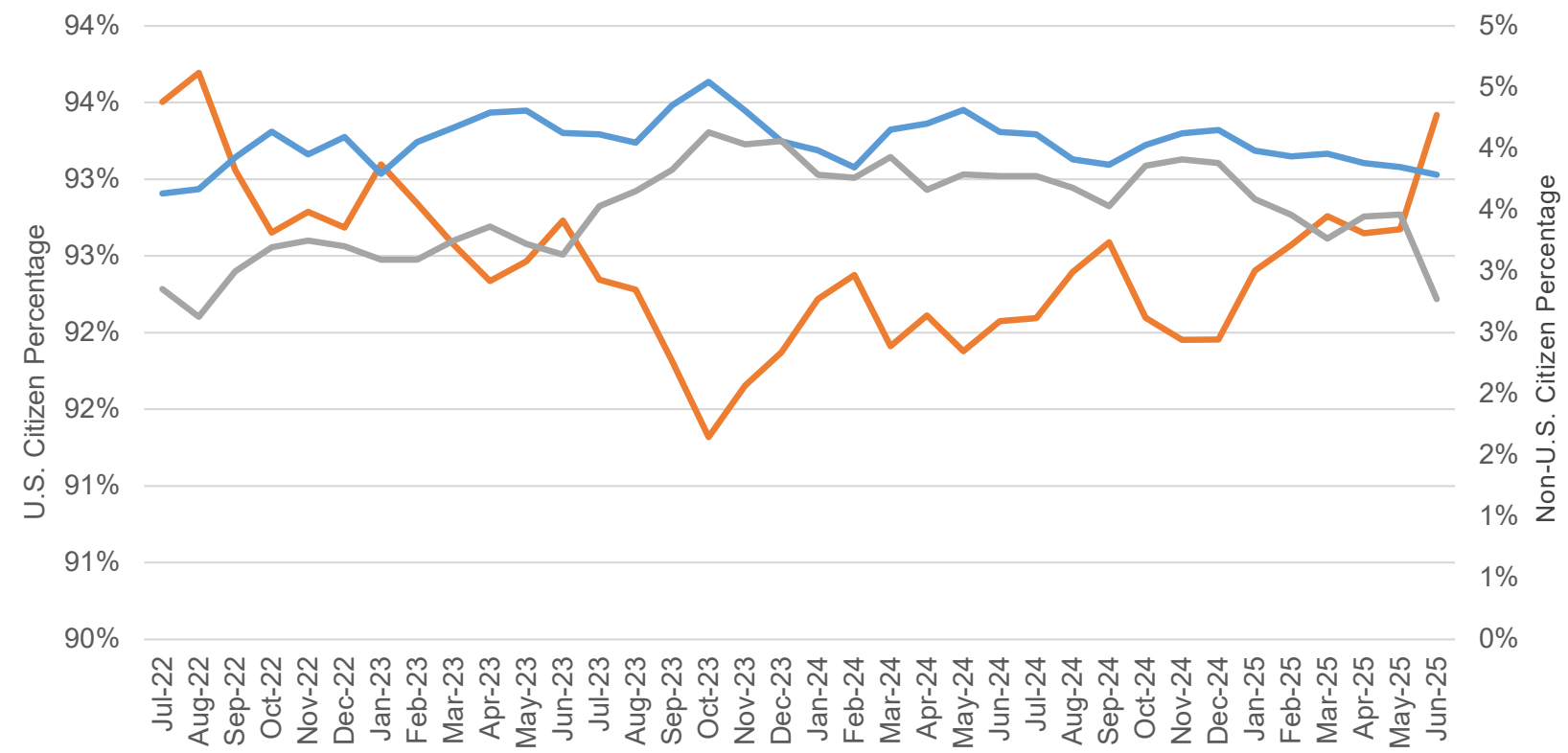
In contrast to agency-production loans, non-QM loans use different and/or more flexible criteria to verify borrower income. The categories below reflect ways lenders may verify income for borrowers who would not traditionally qualify for a conforming (i.e., QM) loan. This data is sourced from the **Optimal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



Non-QM Market		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	Investor/DSCR	26.7%	(76 bps)	(25 bps)	(237 bps)
<div></div>	Bank Statement	34.1%	(23 bps)	(23 bps)	(205 bps)
<div></div>	All Other	39.2%	99 bps	48 bps	442 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
<div></div>	U.S. Citizen	93.4%	74 bps	66 bps	134 bps
<div></div>	Perm. Resident	3.8%	(6 bps)	(17 bps)	(35 bps)
<div></div>	Non-Perm. Resident	2.8%	(69 bps)	(49 bps)	(100 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%	2.0%	\$386,084	6.620	733	81	82%	18%
1	New York-Newark-Jersey City, NY-NJ-PA	5.2%	11.9%	\$586,997	6.715	747	74	81%	19%
2	Chicago-Naperville-Elgin, IL-IN-WI	3.7%	8.1%	\$372,601	6.807	741	80	85%	15%
3	Washington-Arlington-Alexandria, DC-VA-MD-WV	3.6%	-3.3%	\$556,240	6.602	746	81	86%	14%
4	Dallas-Fort Worth-Arlington, TX	3.1%	-0.8%	\$400,718	6.392	731	82	88%	12%
5	Boston-Cambridge-Newton, MA-NH	2.9%	7.5%	\$630,320	6.673	752	74	86%	14%
6	Los Angeles-Long Beach-Anaheim, CA	2.6%	8.0%	\$748,232	6.802	744	70	69%	31%
7	Atlanta-Sandy Springs-Roswell, GA	2.4%	-0.4%	\$382,792	6.585	722	81	80%	20%
8	Houston-The Woodlands-Sugar Land, TX	2.3%	-0.7%	\$352,229	6.238	723	84	88%	12%
9	Phoenix-Mesa-Scottsdale, AZ	2.2%	-0.6%	\$441,480	6.428	734	80	83%	17%
10	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2.1%	9.9%	\$401,262	6.723	740	78	86%	14%

TOP 20 METROPOLITAN AREAS

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NATIONAL		100.0%	2.0%	\$386,084	6.620	733	81	82%	18%
11	Seattle-Tacoma-Bellevue, WA	1.9%	-5.5%	\$632,222	6.668	750	75	83%	17%
12	Minneapolis-St. Paul-Bloomington, MN-WI	1.5%	5.7%	\$371,008	6.670	751	81	89%	11%
13	Denver-Aurora-Lakewood, CO	1.5%	-8.3%	\$494,228	6.404	743	76	81%	19%
14	Miami-Fort Lauderdale-West Palm Beach, FL	1.4%	0.5%	\$523,142	6.770	732	77	75%	25%
15	San Francisco-Oakland-Hayward, CA	1.4%	0.4%	\$832,678	6.732	757	71	79%	21%
16	Riverside-San Bernardino-Ontario, CA	1.3%	1.5%	\$488,020	6.472	722	79	77%	23%
17	Charlotte-Concord-Gastonia, NC-SC	1.2%	-0.6%	\$419,801	6.591	736	80	84%	16%
18	Nashville-Davidson-Murfreesboro-Franklin, TN	1.2%	1.6%	\$432,943	6.562	734	80	83%	17%
19	Baltimore-Columbia-Towson, MD	1.1%	-8.3%	\$413,162	6.735	739	83	89%	11%
20	Austin-Round Rock, TX	1.1%	-7.7%	\$430,849	6.209	739	80	88%	12%

SECTION II

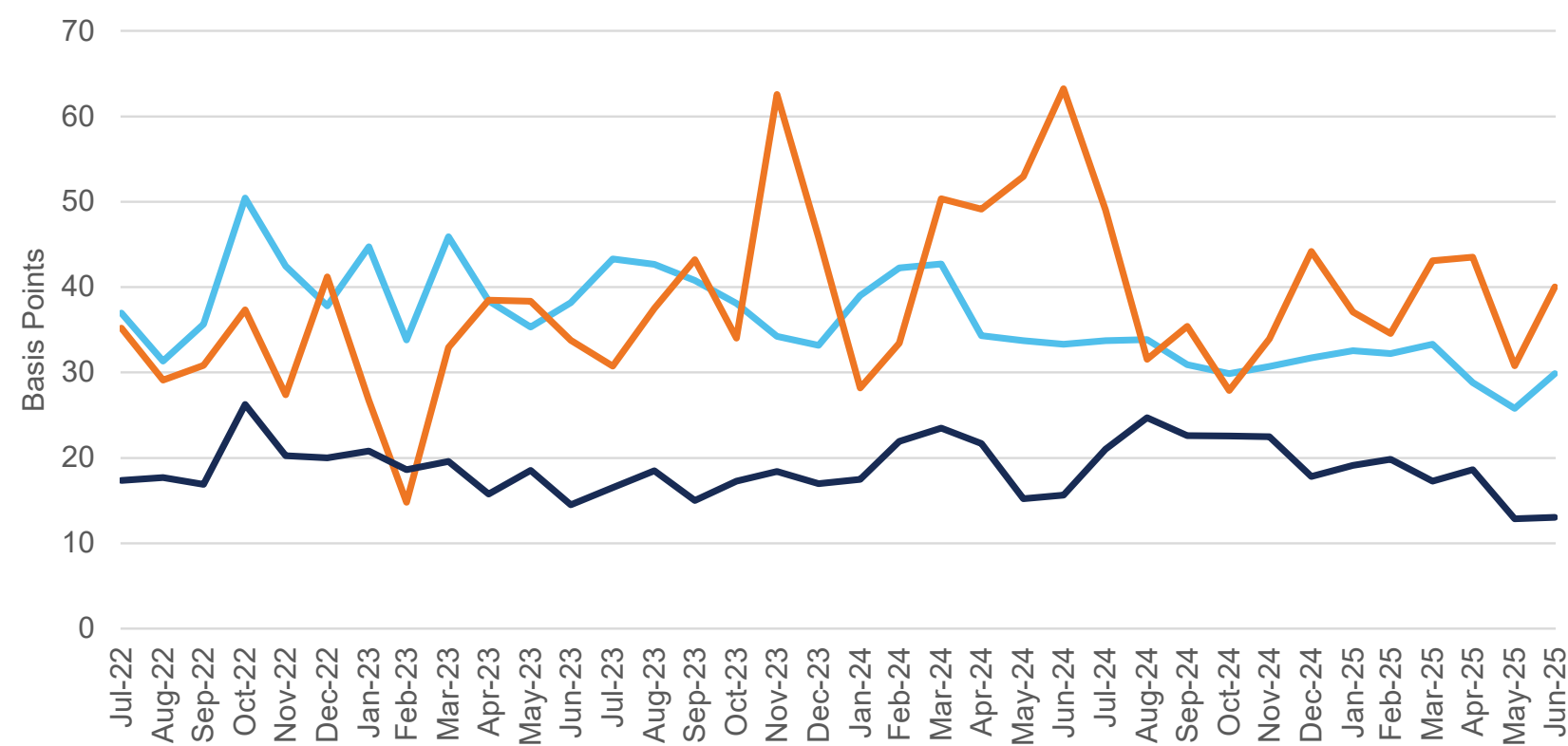
SECONDARY MARKET DATA

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

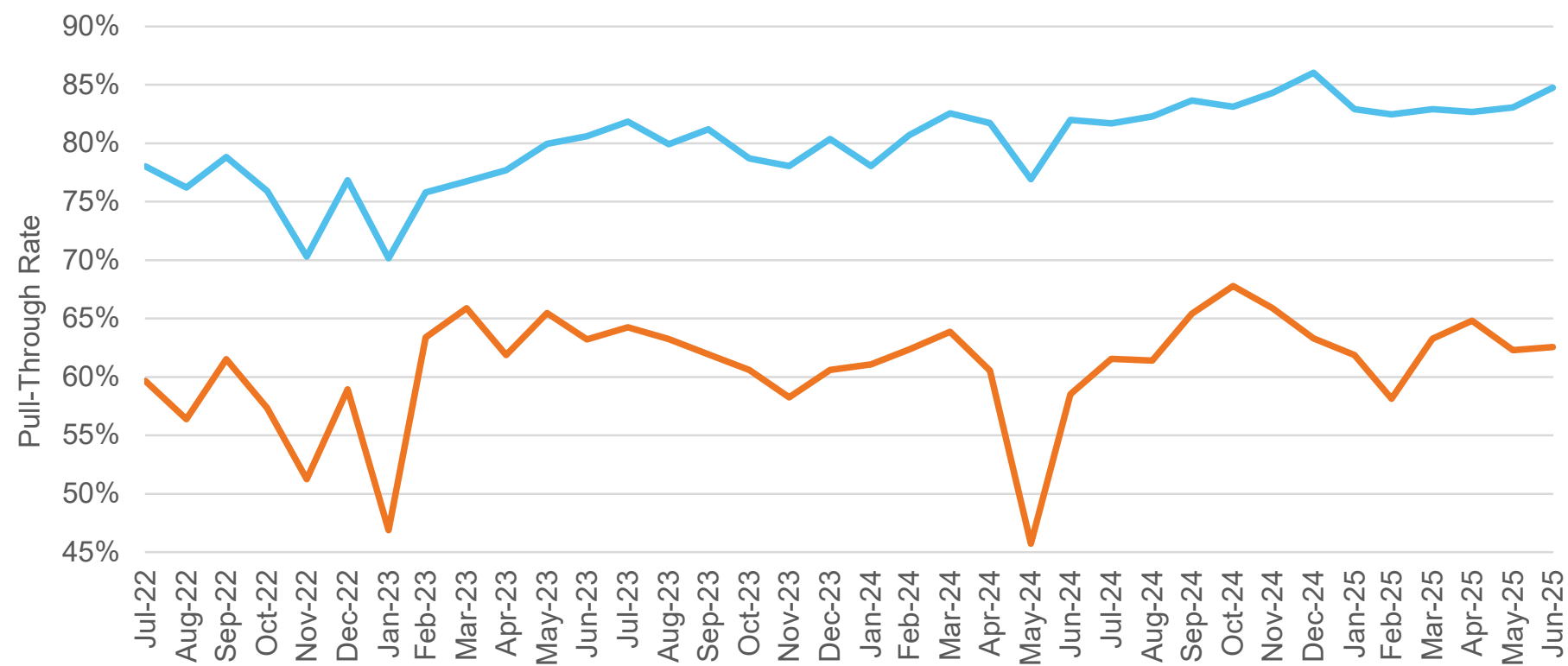
A lender will typically see greater yields by selling loans via mandatory delivery or participating in the secondary market, while best efforts delivery carries less risk. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.



Best Efforts vs. Mandatory		Current Spread	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	30-Year Conforming	30 bps	4 bps	(3 bps)	(3 bps)
<div></div>	15-Year Conforming	40 bps	9 bps	(3 bps)	(23 bps)
<div></div>	30-Year Government	13 bps	0 bps	(4 bps)	(3 bps)

LOAN PULL-THROUGH

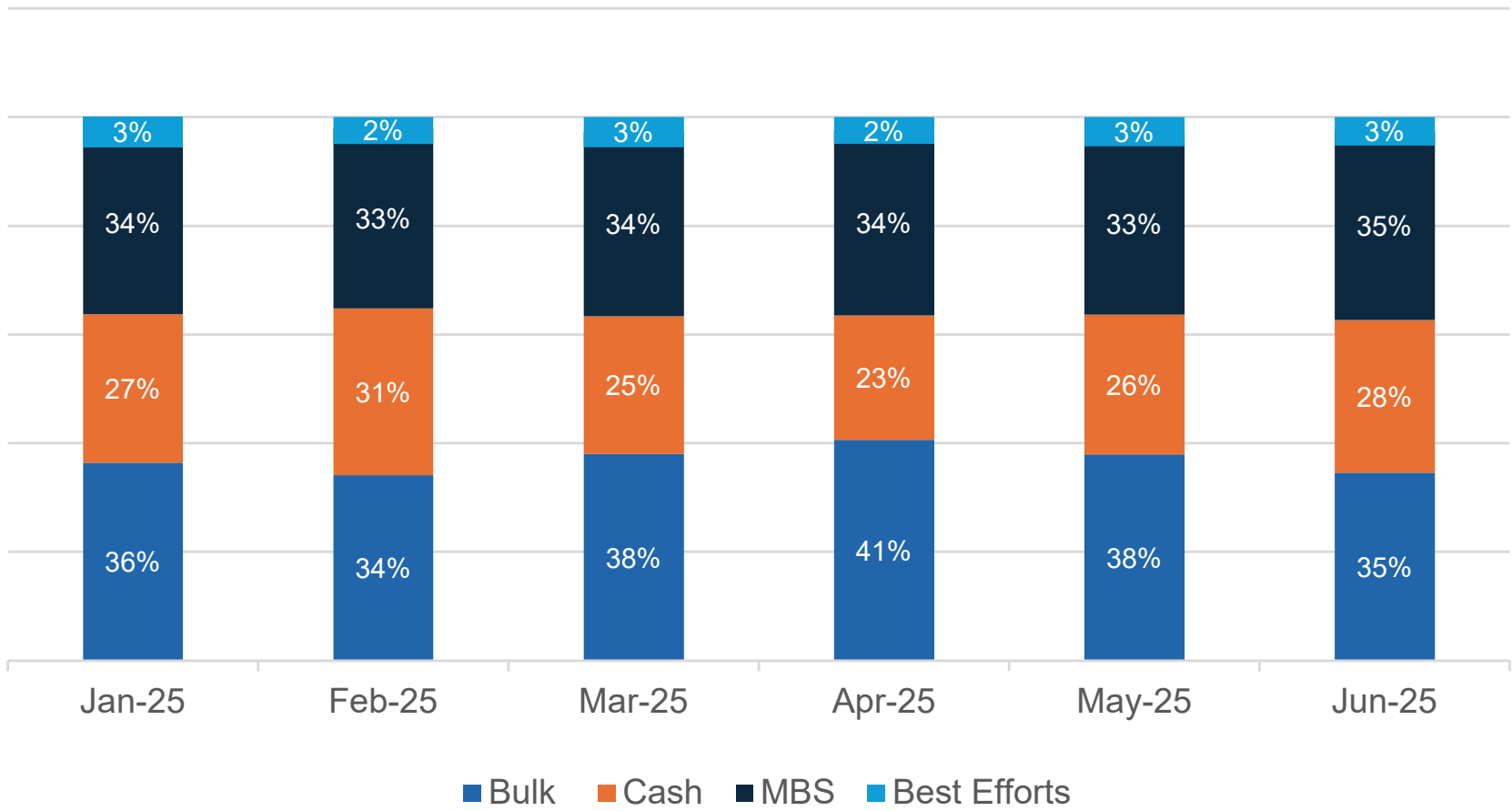
Pull-through indicates the percentage of loans locked that successfully close and fund, which is a measure of how effectively a mortgage lender converts loan applications into closed loans. Lower pull-through typically indicates greater cost for an originator, and thus, the need to compensate by increasing 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
<div></div>	Purchase Pull-Through	84.8%	170 bps	184 bps	277 bps
<div></div>	Refinance Pull-Through	62.6%	29 bps	(70 bps)	403 bps

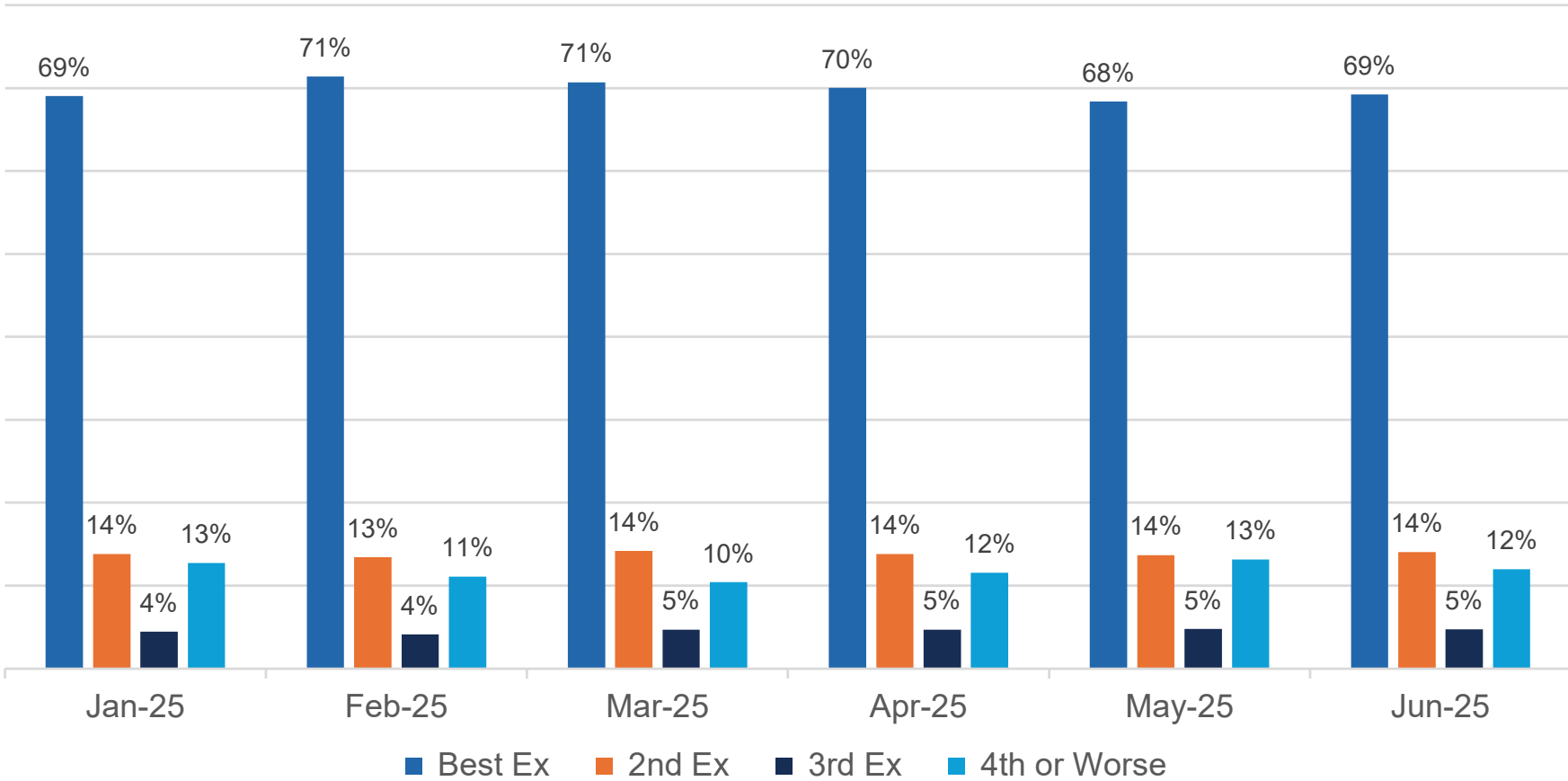
HEDGED LOAN SALE STATISTICS

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.



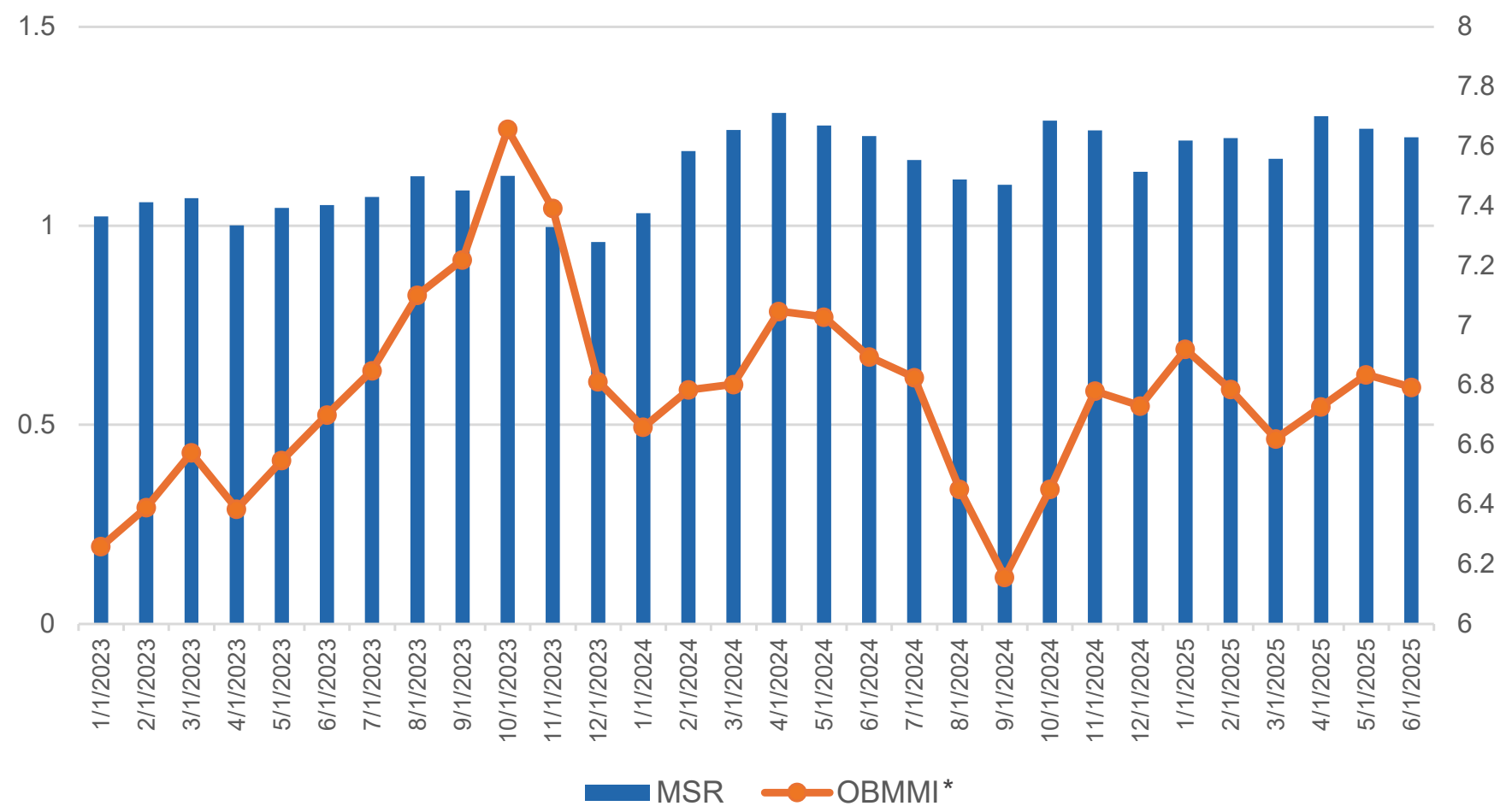
LOAN SALE BY PRICE

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

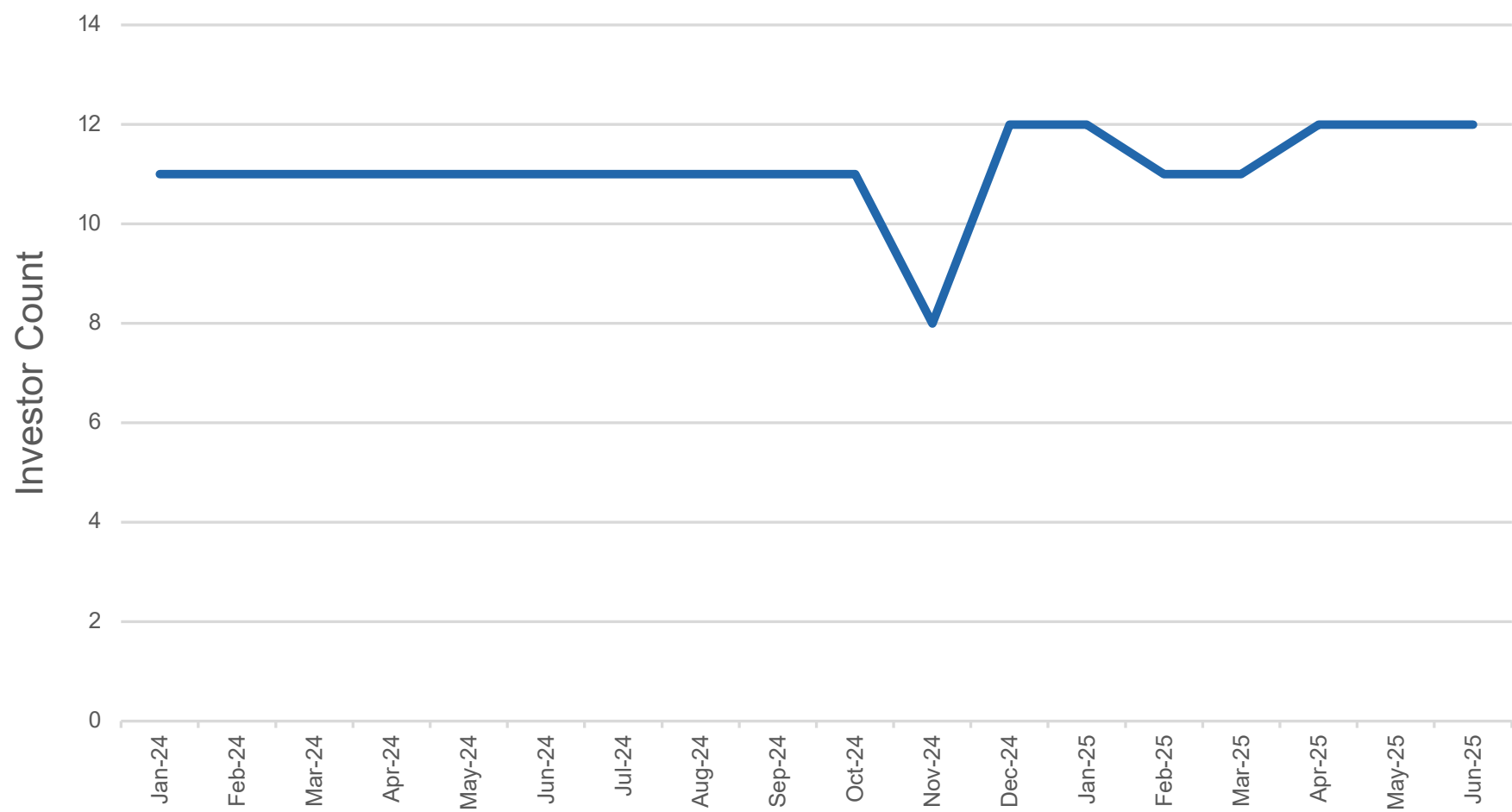
A mortgage servicing right (MSR) is a right to ancillary cash flows associated with servicing a mortgage. MSRs represent a significant component of a lender's margin and are commonly traded in the secondary market based on a lender's economics or strategy. MSRs typically move in alignment with rate movement, 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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