



MARKET ADVANTAGE

MORTGAGE DATA REPORT

MARCH 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: MARCH 2026

VOLUME TRENDS AND MARKET COMPOSITION

- **Refinance share eases:** Refinances accounted for 28% of total lock volume in March as purchase demand accelerated. Rate-and-term refinance volume declined 34% MoM but remained more than 66% higher YoY, while cash-out refinance volume increased 9% MoM and 21% YoY.
- **Purchase share expands:** Purchase locks accounted for just over 71% of total volume in March, with purchase activity rising 38% MoM and 20% YoY as the market moved deeper into the spring selling season.
- **Conforming's majority narrows:** Conforming share declined to just over 50% of total volume in March. FHA and non-conforming share each increased to 18%, while VA share eased to 13% and USDA held steady at 1%.
- **ARM usage climbs:** Adjustable-rate mortgages accounted for 12% of total production in March, up 162 bps MoM and reaching the highest mark since October 2022.
- **PUD share rises:** Planned unit developments, a proxy for new construction activity, rose to 28% of total volume in March, up 75 bps MoM but down 413 bps YoY.

RATES AND PRICING

- **Rates move higher:** The OBMMI 30-year conforming fixed rate rose 45 bps to 6.35%. Jumbo rates increased 41 bps, VA rates rose 44 bps and FHA rates climbed 21 bps. The 10-year Treasury yield increased 33 bps to 4.30%, while the mortgage-to-Treasury spread widened to 205 bps.
- **MSR values rise:** MSRs for conforming 30-year loans increased 6 bps to 1.24%, representing a 4.97 multiple, as higher rates reduced refinance expectations.

- **Execution spreads tighten:** Best-efforts-to-mandatory spreads decreased 3 bps for conventional 30-year loans and 5 bps for government 30-year loans, while the conforming 15-year spread increased 7 bps.
- **Top pricing share slips:** The share of loans sold at the highest price tier declined 100 bps to 79%, while loans sold in the fourth (or worse) tier decreased 100 bps to 4%.

CHANNEL AND EXECUTION

- **MBS share slips:** Agency mortgage-backed securities (MBS) securitizations accounted for 41% of hedged executions, down slightly from 42% the prior month.
- **Cash window gains ground:** Hedged loan sales to the agency cash window rose 100 bps to 28%.

PRODUCT MIX AND BORROWER PROFILES

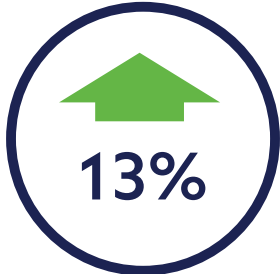
- **First-time buyer share remains high:** First-time homebuyers represented 46% of conforming purchase locks and more than 70% of FHA volume in March, while VA first-time buyer share held near 46%. Conforming first-time buyer share was up 3 points over the past three months and 1 point year over year.
- **Borrower profiles remain stable:** Debt-to-income (DTI) ratios for purchase loans were 36.3% for conforming loans, 43.3% for FHA and 42.7% for VA in March. Conforming purchase DTI was essentially flat from February, while FHA and VA purchase DTIs moved modestly lower. All three remained below year-ago levels. The average purchase FICO was 732.
- **Loan balances stay elevated:** Average loan amount declined to just over \$401,000 from \$404,586 in February but remained well above year-ago levels. The average loan-to-value ratio (LTV) was 81.32%. Loan amounts ranged from \$888,536 in greater San Francisco to \$306,283 in Indianapolis, while regional LTVs ranged from 69.88% in the Bay Area to 89.47% 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 13% MoM and 26% higher YoY.



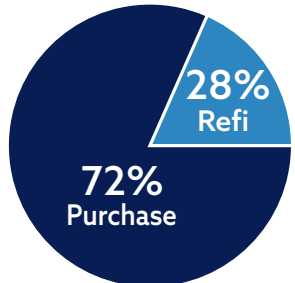
MONTH-END CONFORMING RATE

The benchmark Optimal Blue Mortgage Market Indices 30-year conforming interest rate finished the month at 6.35%, up 45 bps from February.



AVERAGE LOAN AMOUNT

The national average loan amount decreased from \$404,586 in February to \$401,000 in March.



MARKET MIX

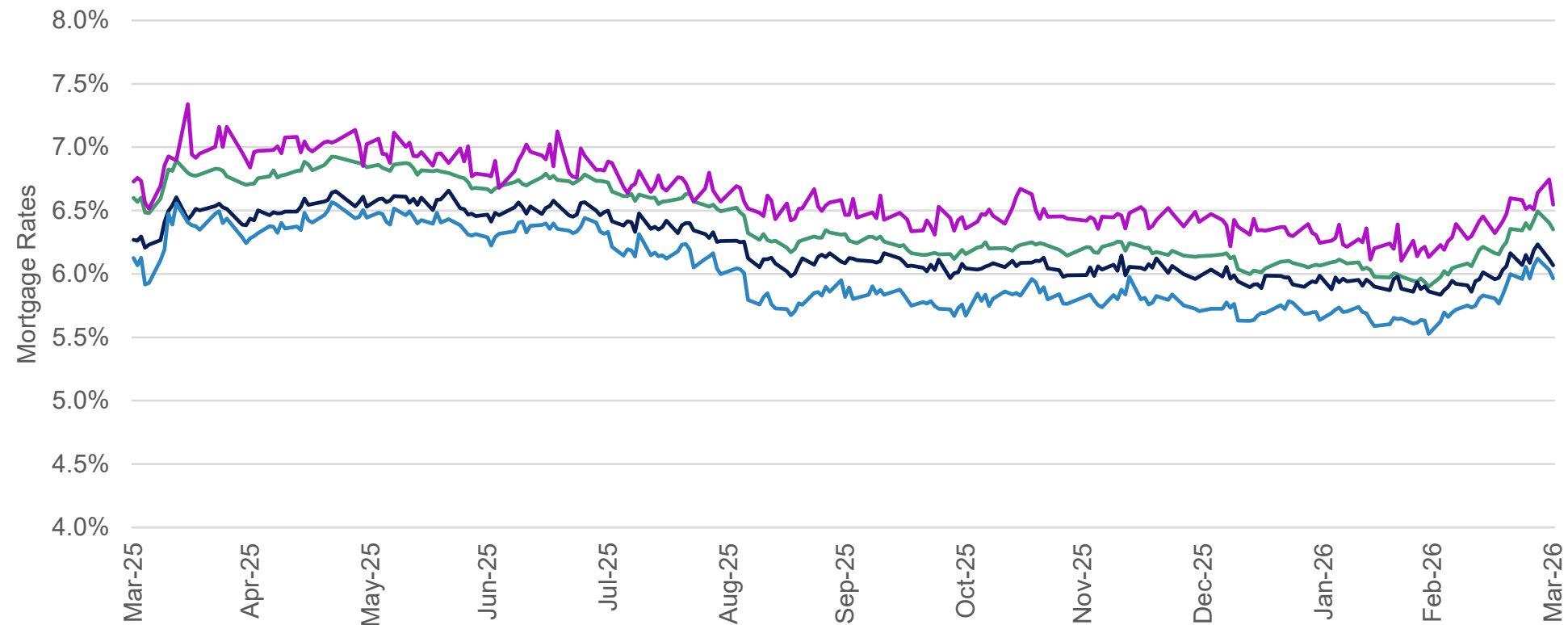
Refinances accounted for 28% of total lock volume in March, down from 41% in February. Rate-and-term refinance activity declined 34% MoM, while cash-out refinance activity increased 9% MoM.





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?

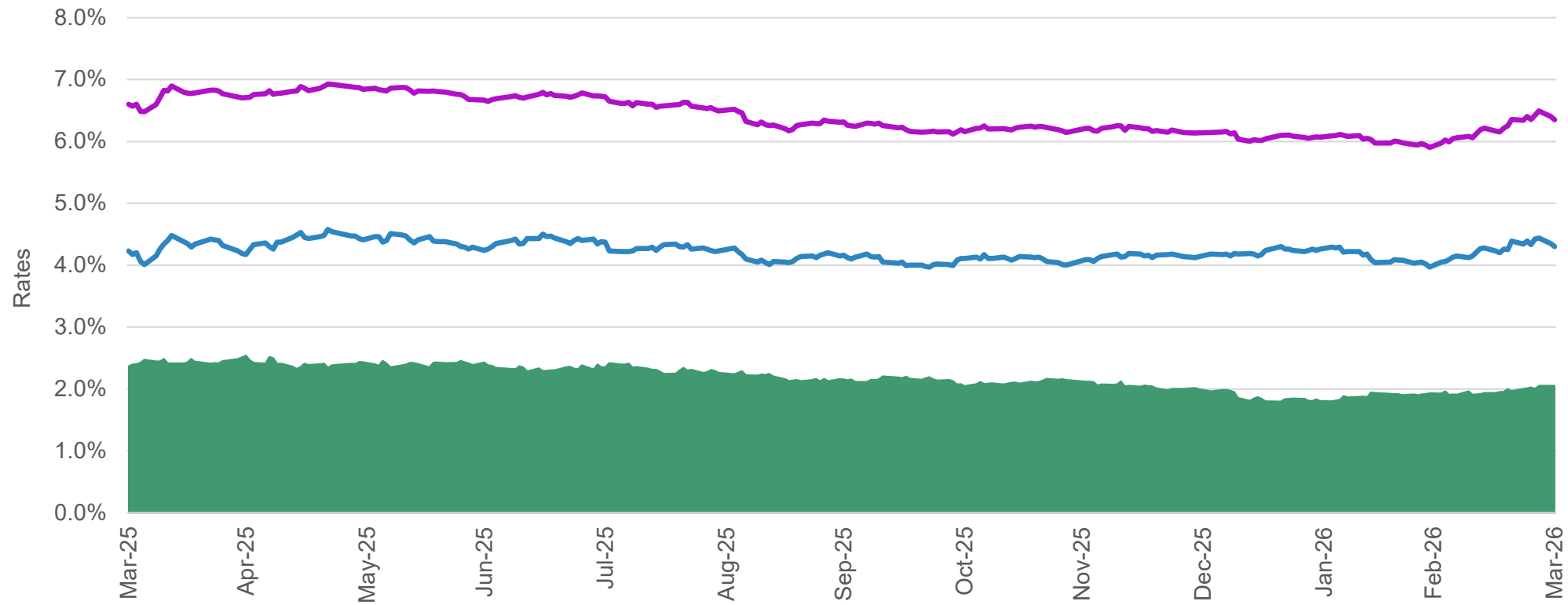
Optimal Blue's 30-year conforming fixed rate is the benchmark for the [CME Group Mortgage Rate futures](#).






	Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	6.35%	45 bps	21 bps	(25 bps)
	30-Year Jumbo	6.55%	41 bps	14 bps	(18 bps)
	30-Year FHA	6.07%	21 bps	9 bps	(20 bps)
	30-Year VA	5.97%	44 bps	26 bps	(16 bps)

30-YEAR TO 10-YEAR TREASURY SPREAD

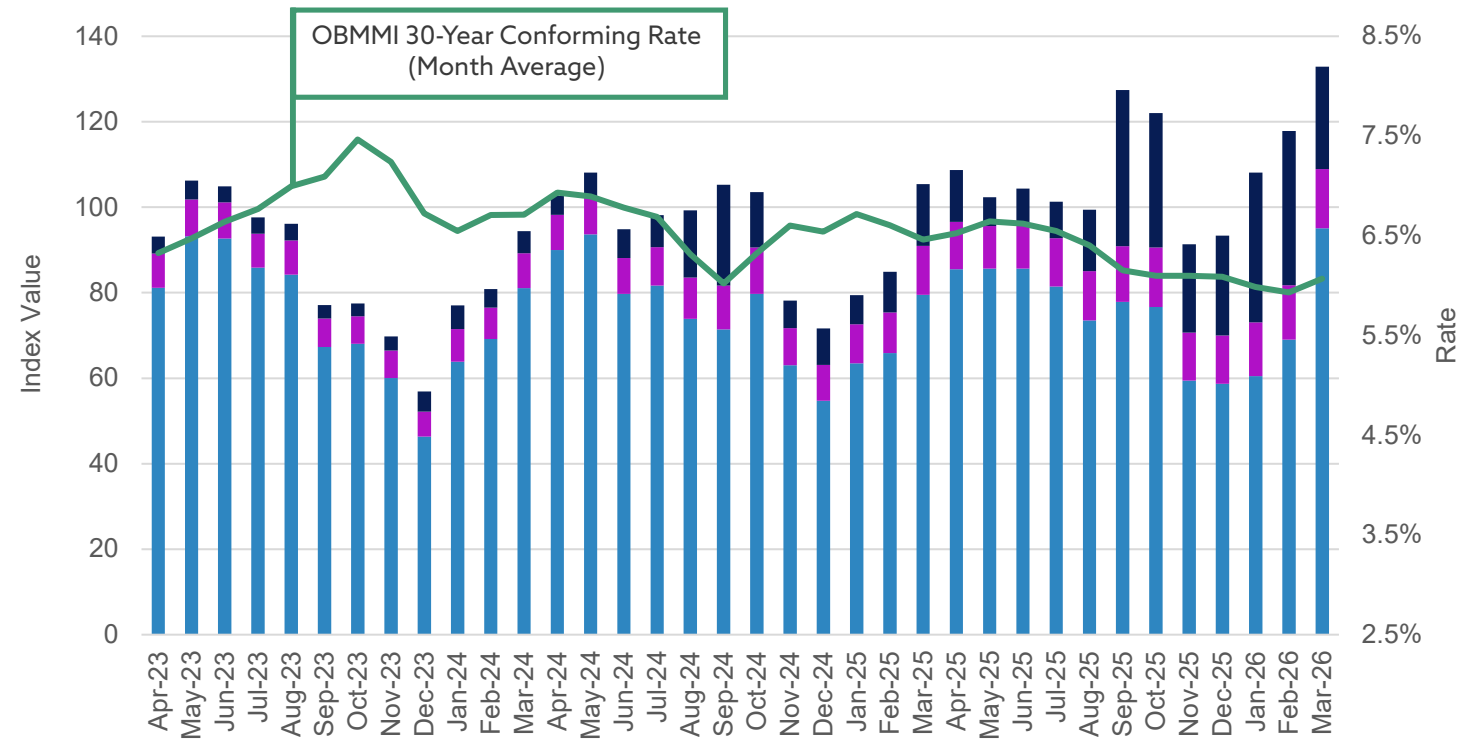
Mortgage rates are loosely tied to 10-year Treasury bond rates, but the spread between the two can vary. Spread indicates investor appetite and lender profit margin for mortgage-backed securities in relation to Treasury securities. Higher spreads indicate that investors require greater yield in comparison 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	4.30%	33 bps	16 bps	7 bps
	30-Year Conforming	6.35%	45 bps	21 bps	(25 bps)
	10-Year to 30-Year Spread	2.05%	12 bps	5 bps	(32 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](#).

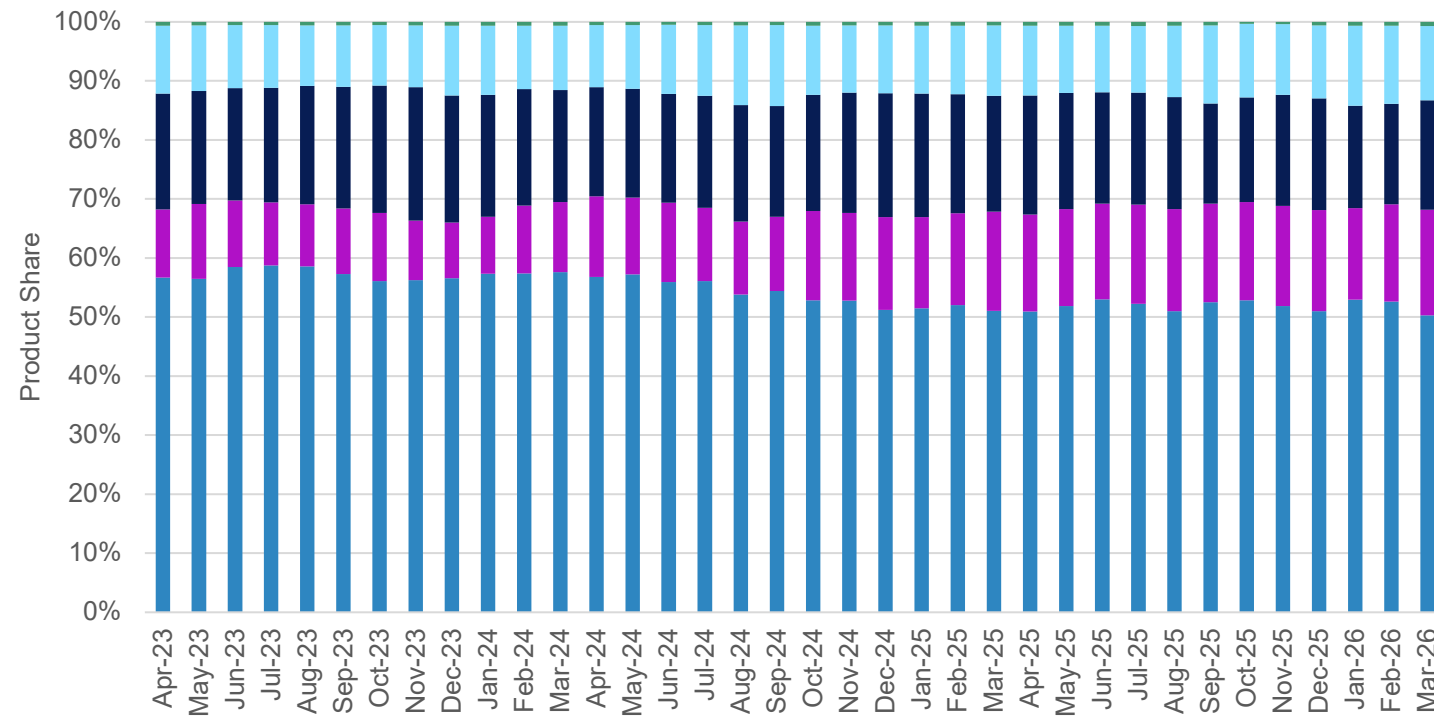







Market Volume Index (Total volume indexed to 100 in January 2018)		Current Value	1-Month % Change	3-Month % Change	12-Month % Change
	Purchase	95	37.8%	62.0%	19.5%
	Cash-Out Refinance	14	8.7%	22.2%	21.2%
	Rate/Term Refinance	24	(33.6%)	2.8%	66.4%
	Total	133	12.8%	42.4%	26.1%
Refinance Share*		28%	(1299 bps)	(867 bps)	394 bps

*Refinance share changes reflect inter-period delta

MIX OF BUSINESS BY LOAN PRODUCT

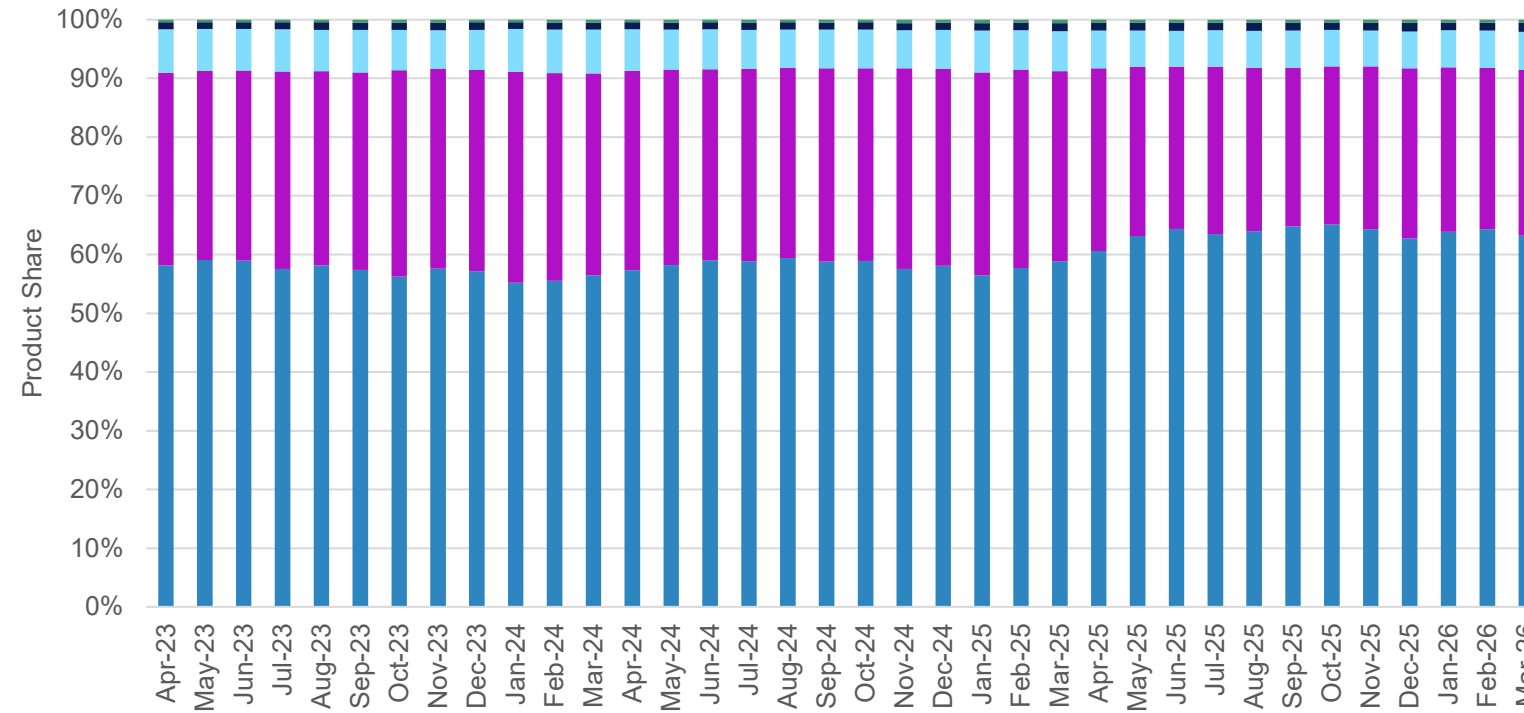
Loan product refers to the type of mortgage a consumer locks. Conforming (i.e., QM) loans meet the guidelines set by Fannie Mae and Freddie Mac, while nonconforming (i.e., non-QM) loans do not. FHA loans are insured by the Federal Housing Administration and allow for lower credit scores. VA loans are 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	50.3%	(235 bps)	(72 bps)	(74 bps)
	Nonconforming	17.9%	146 bps	76 bps	106 bps
	FHA	18.5%	144 bps	(42 bps)	(111 bps)
	VA	12.6%	(60 bps)	25 bps	69 bps
	USDA	0.7%	5 bps	12 bps	11 bps

PROPERTY TYPE

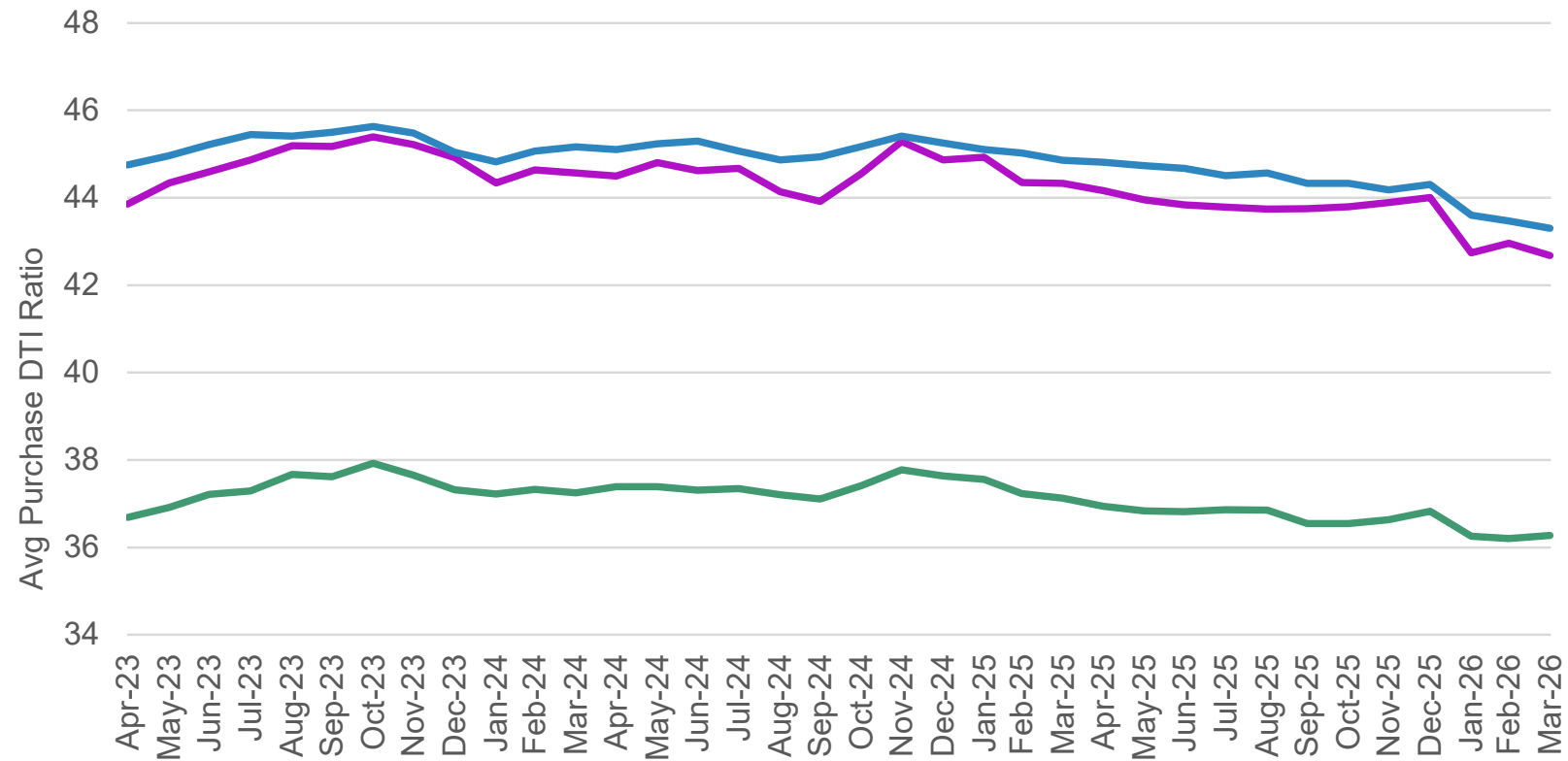
Property type is a classification of structure based on intended use and physical characteristics. *Planned unit development (PUD) includes new construction. This data is sourced from the Optimal Blue PPE.






Property Type Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Single Family	63.2%	(110 bps)	46 bps	435 bps
	PUD*	28.2%	75 bps	(74 bps)	(413 bps)
	Condo	6.5%	17 bps	23 bps	(33 bps)
	Manufactured	1.5%	7 bps	3 bps	15 bps
	All Other	0.6%	10 bps	2 bps	(4 bps)

DEBT-TO-INCOME RATIO

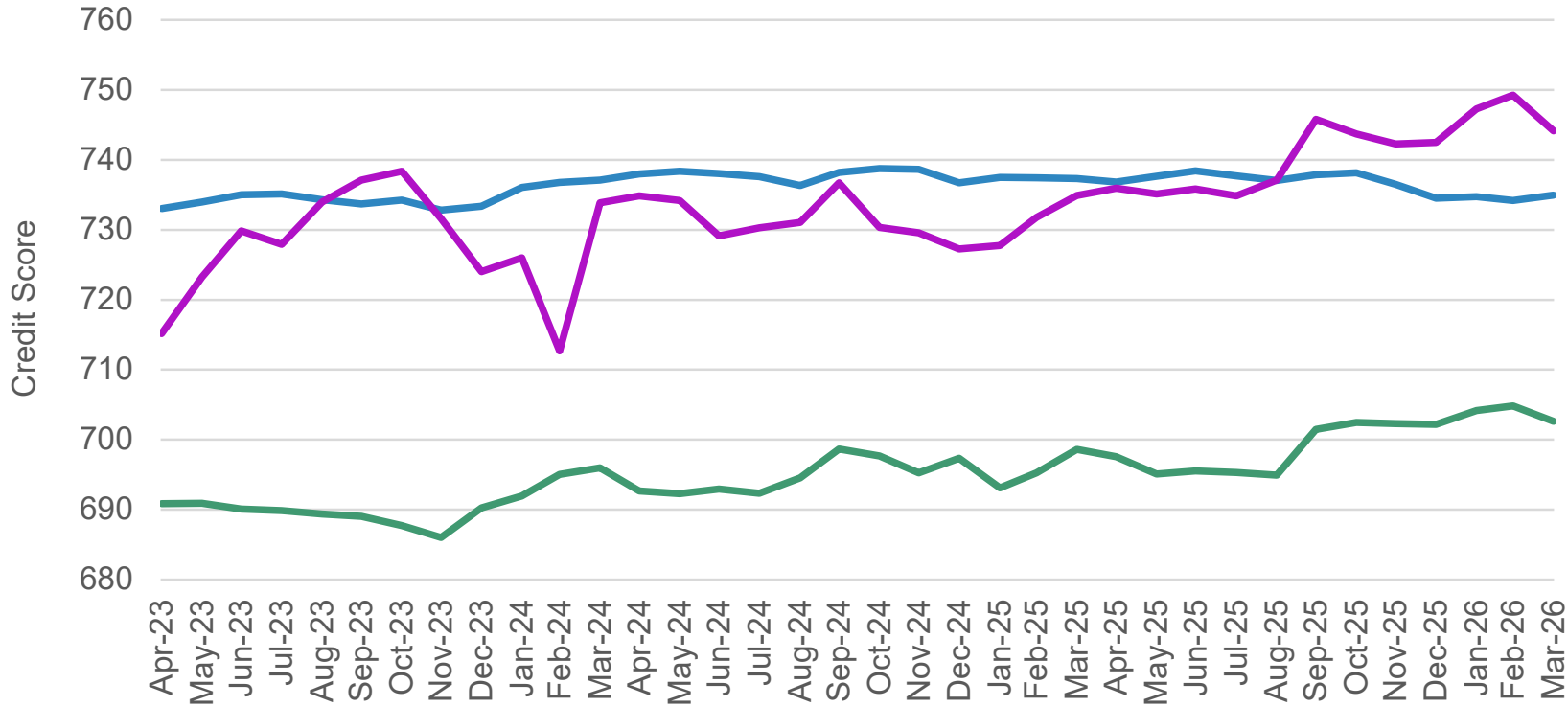
Debt-to-income (DTI) ratio is considered an indicator of a borrower's financial health, with lower DTI typically indicating greater financial flexibility. This data is sourced from the [Optimal Blue PPE](#).





DTI Ratio by Product		Current Avg DTI Ratio	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	36.3	0.1	(0.6)	(0.9)
	FHA	43.3	(0.2)	(1.0)	(1.6)
	VA	42.7	(0.3)	(1.3)	(1.6)

AVERAGE CREDIT SCORES BY LOAN PURPOSE

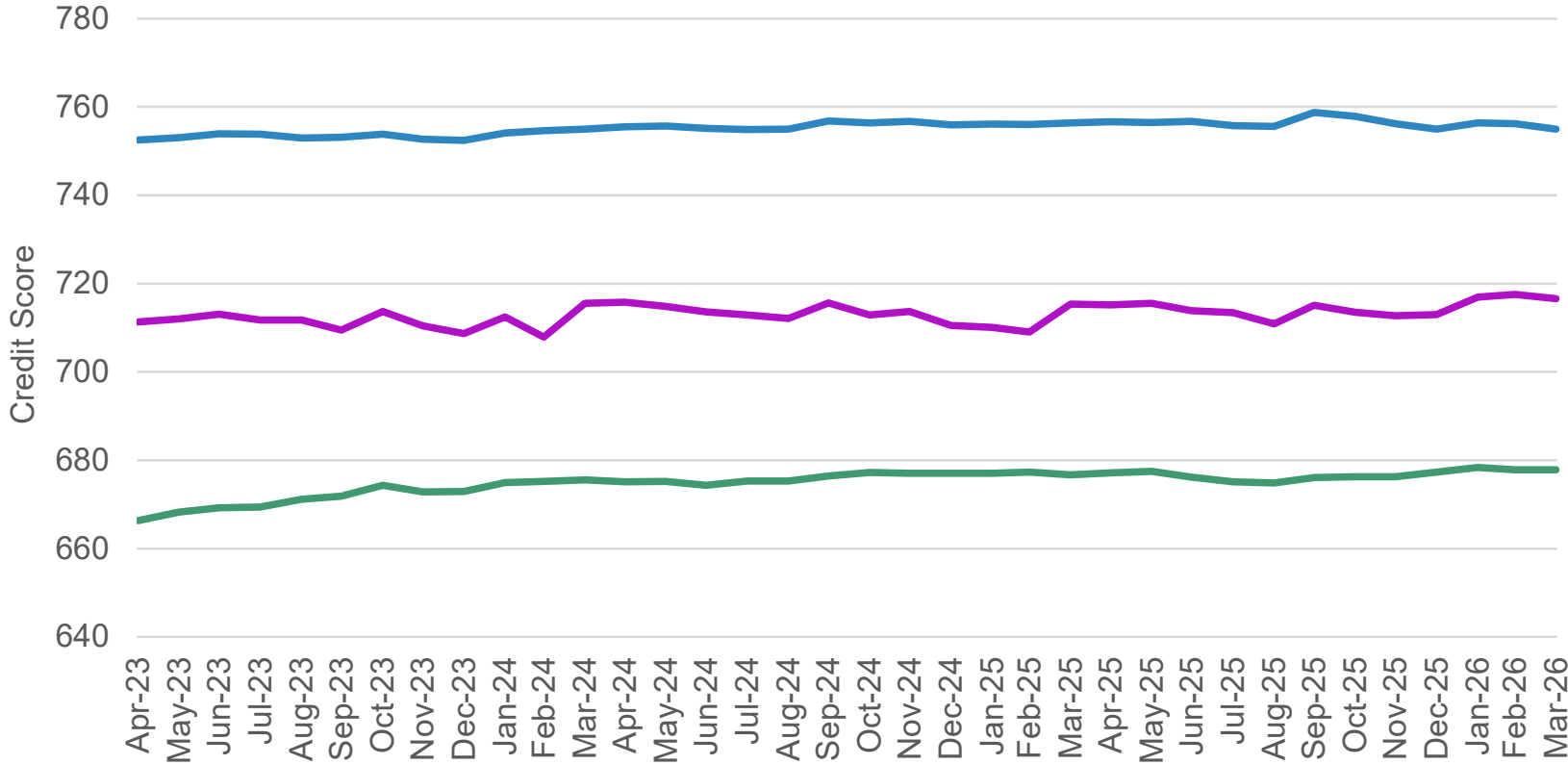
Credit score is considered an indicator of a borrower's financial health, with higher credit scores indicating greater financial flexibility. This data is sourced from the Optimal Blue PPE.






Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase	735	1	0	(2)
	Cash Out Refi	703	(2)	0	4
	Rate/Term Refi	744	(5)	2	9

AVERAGE CREDIT SCORES BY LOAN PRODUCT

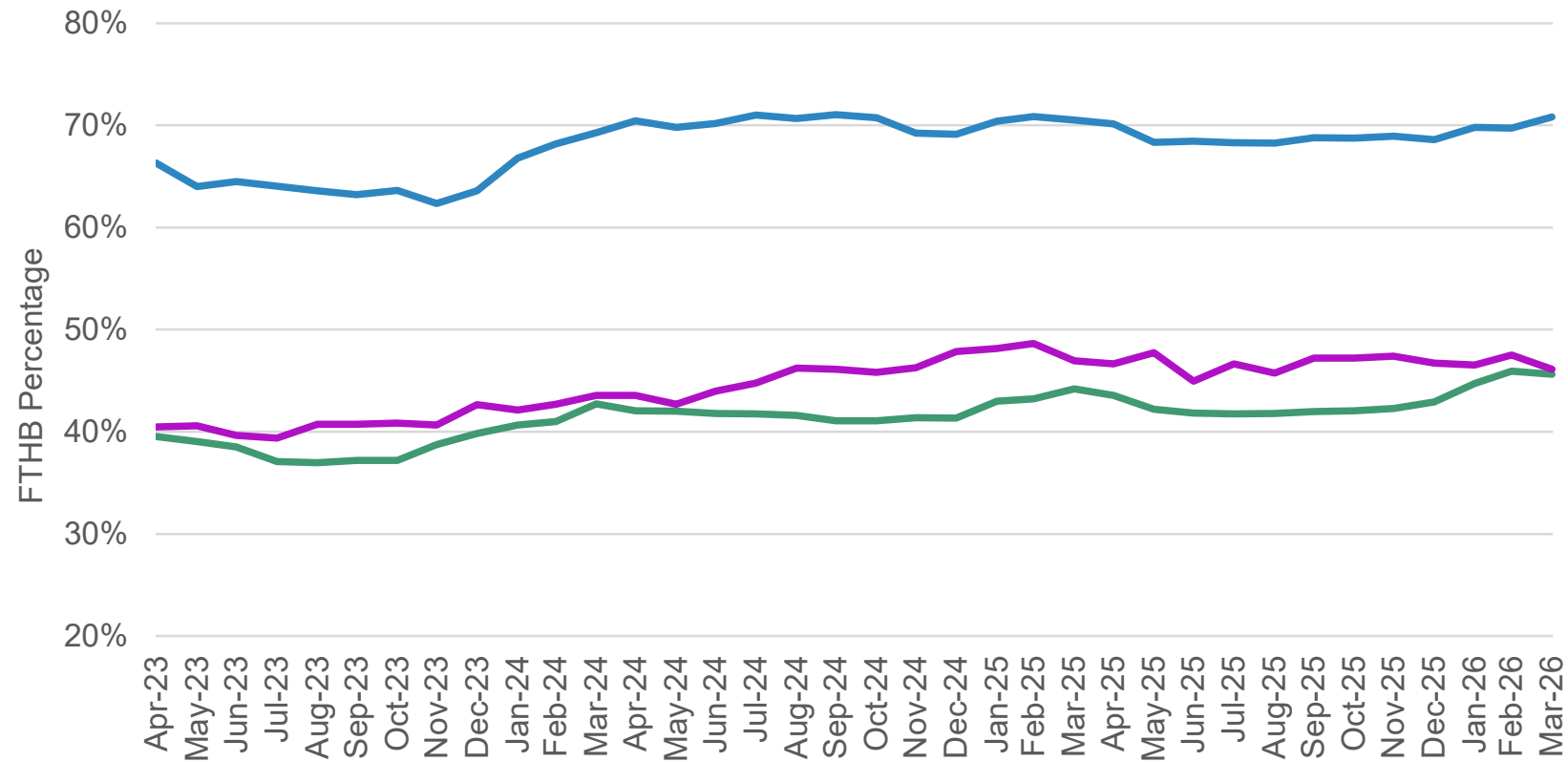
Credit score is considered an indicator of a borrower's financial health, with higher credit scores indicating greater financial flexibility. This data is sourced from the Optimal Blue PPE.






Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	755	(1)	0	(1)
	FHA	678	0	1	1
	VA	717	(1)	4	1

FIRST-TIME HOMEBUYER STATUS

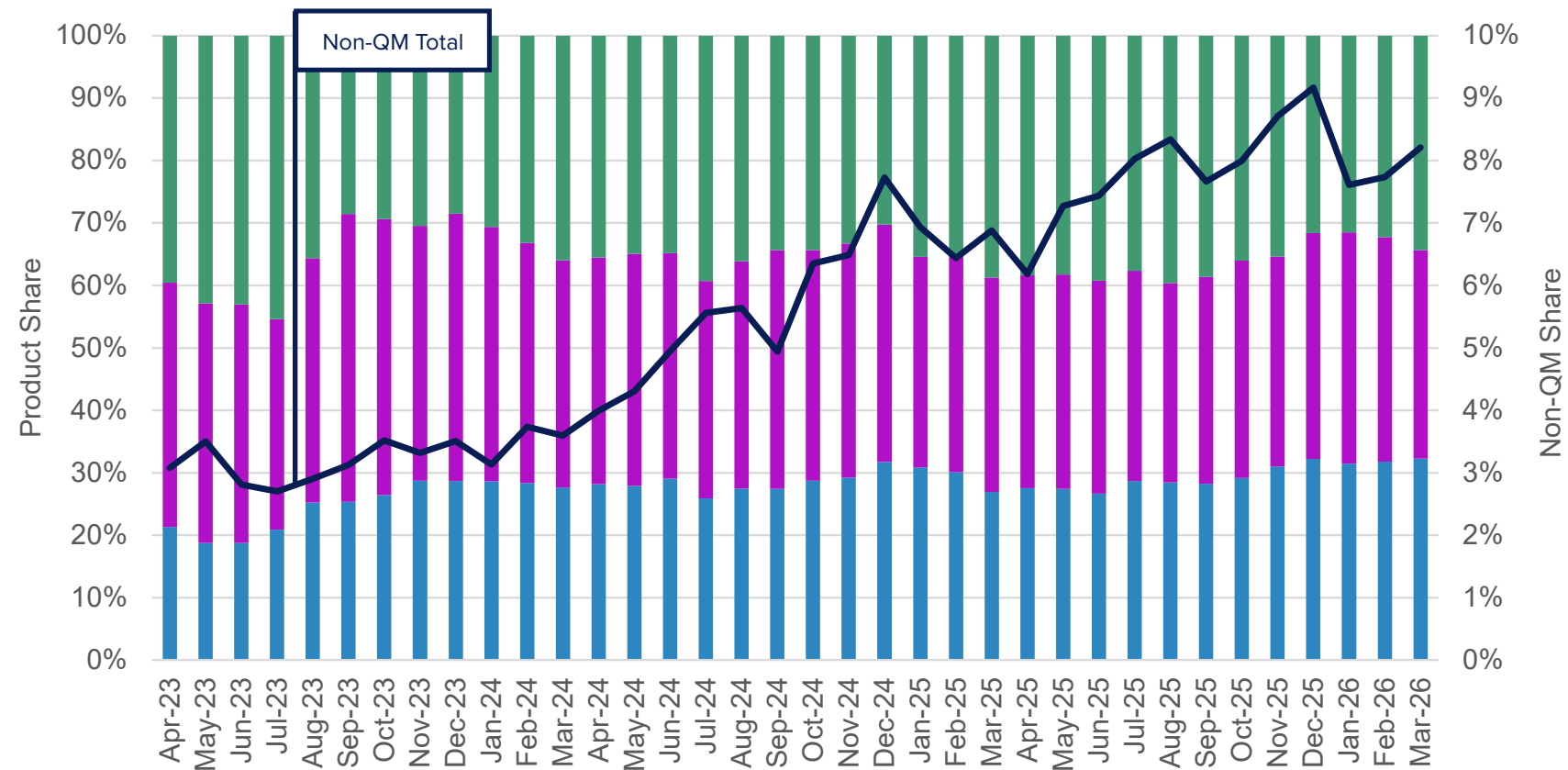
First-time homebuyers frequently take advantage of loan-level pricing adjustment (LLPA) relief and may qualify for lower rates. This data is sourced from the [Optimal Blue PPE](#).






First-Time Homebuyer by Product		Current Ratio	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	46%	0%	3%	1%
	FHA	71%	1%	2%	0%
	VA	46%	(1%)	(1%)	(1%)

NON-QM LOAN PRODUCTS

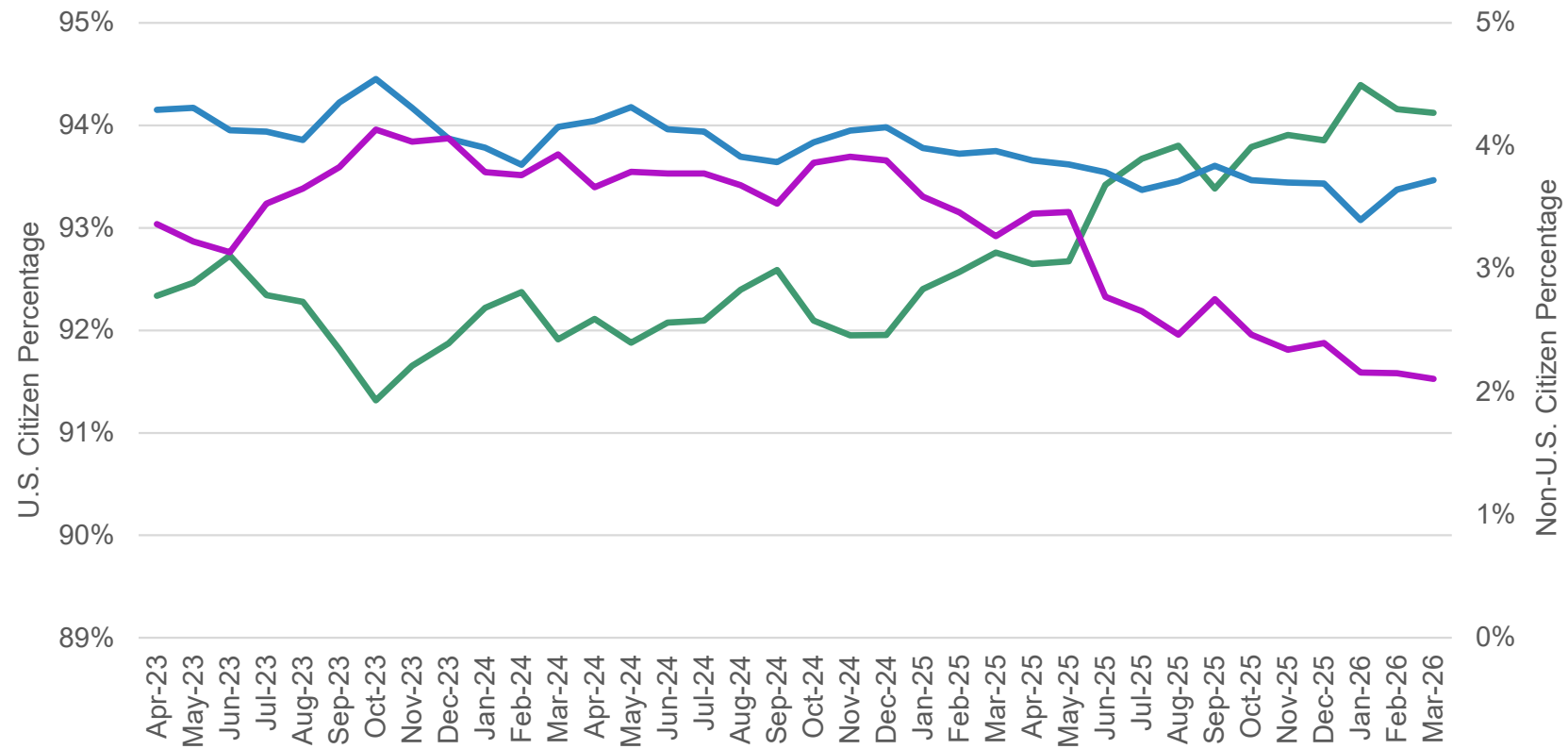
In contrast to agency-production loans, non-QM loans use different and/or more flexible criteria to verify borrower income. The categories below reflect ways lenders may verify income for borrowers who would not traditionally qualify for a conforming (i.e., QM) loan. This data is sourced from the [Optimal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






Non-QM Market		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Investor/DSCR	32.3%	49 bps	5 bps	534 bps
	Bank Statement	33.4%	(255 bps)	(276 bps)	(90 bps)
	All Other	34.3%	205 bps	271 bps	(443 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	94.1%	(4 bps)	27 bps	136 bps
	Perm. Resident	3.7%	8 bps	3 bps	(24 bps)
	Non-Perm. Resident	2.1%	(5 bps)	(29 bps)	(116 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%	12.8%	\$401,279	6.068	732	81	72%	28%
1	New York-Newark-Jersey City, NY-NJ-PA	4.6%	17.0%	\$639,218	6.142	746	72	62%	38%
2	Washington-Arlington-Alexandria, DC-VA-MD-WV	3.9%	16.4%	\$586,284	6.013	749	82	75%	25%
3	Chicago-Naperville-Elgin, IL-IN-WI	3.6%	6.0%	\$390,527	6.234	744	80	73%	27%
4	Dallas-Fort Worth-Arlington, TX	3.0%	11.7%	\$401,860	5.842	729	83	79%	21%
5	Los Angeles-Long Beach-Anaheim, CA	3.0%	-0.1%	\$828,750	6.283	747	71	53%	47%
6	Phoenix-Mesa-Scottsdale, AZ	2.6%	12.3%	\$449,784	5.763	734	82	78%	22%
7	Boston-Cambridge-Newton, MA-NH	2.3%	-0.3%	\$642,999	6.125	749	74	63%	37%
8	Atlanta-Sandy Springs-Roswell, GA	2.2%	12.8%	\$398,186	6.089	721	82	73%	27%
9	Houston-The Woodlands-Sugar Land, TX	2.0%	16.1%	\$346,850	5.693	720	85	82%	18%
10	Seattle-Tacoma-Bellevue, WA	1.9%	-2.4%	\$636,391	6.106	751	77	69%	31%

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%	12.8%	\$401,279	6.068	732	81	72%	28%
11 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.8%	17.8%	\$402,978	6.147	739	79	70%	30%
12 Denver-Aurora-Lakewood, CO	1.8%	10.5%	\$525,460	5.908	746	79	75%	25%
13 Miami-Fort Lauderdale-West Palm Beach, FL	1.7%	22.3%	\$555,926	6.155	732	78	72%	28%
14 San Francisco-Oakland-Hayward, CA	1.5%	6.6%	\$888,536	6.199	761	70	60%	40%
15 Riverside-San Bernardino-Ontario, CA	1.5%	10.2%	\$502,740	5.935	726	81	68%	32%
16 Minneapolis-St. Paul-Bloomington, MN-WI	1.3%	8.8%	\$385,870	6.144	751	82	77%	23%
17 Tampa-St. Petersburg-Clearwater, FL	1.2%	18.4%	\$393,578	5.841	730	84	79%	21%
18 Charlotte-Concord-Gastonia, NC-SC	1.2%	9.9%	\$428,890	6.003	736	81	74%	26%
19 Austin-Round Rock, TX	1.2%	11.0%	\$420,932	5.586	738	82	81%	19%
20 Kansas City, MO-KS	1.2%	41.1%	\$347,536	6.169	740	83	77%	23%

SECTION II

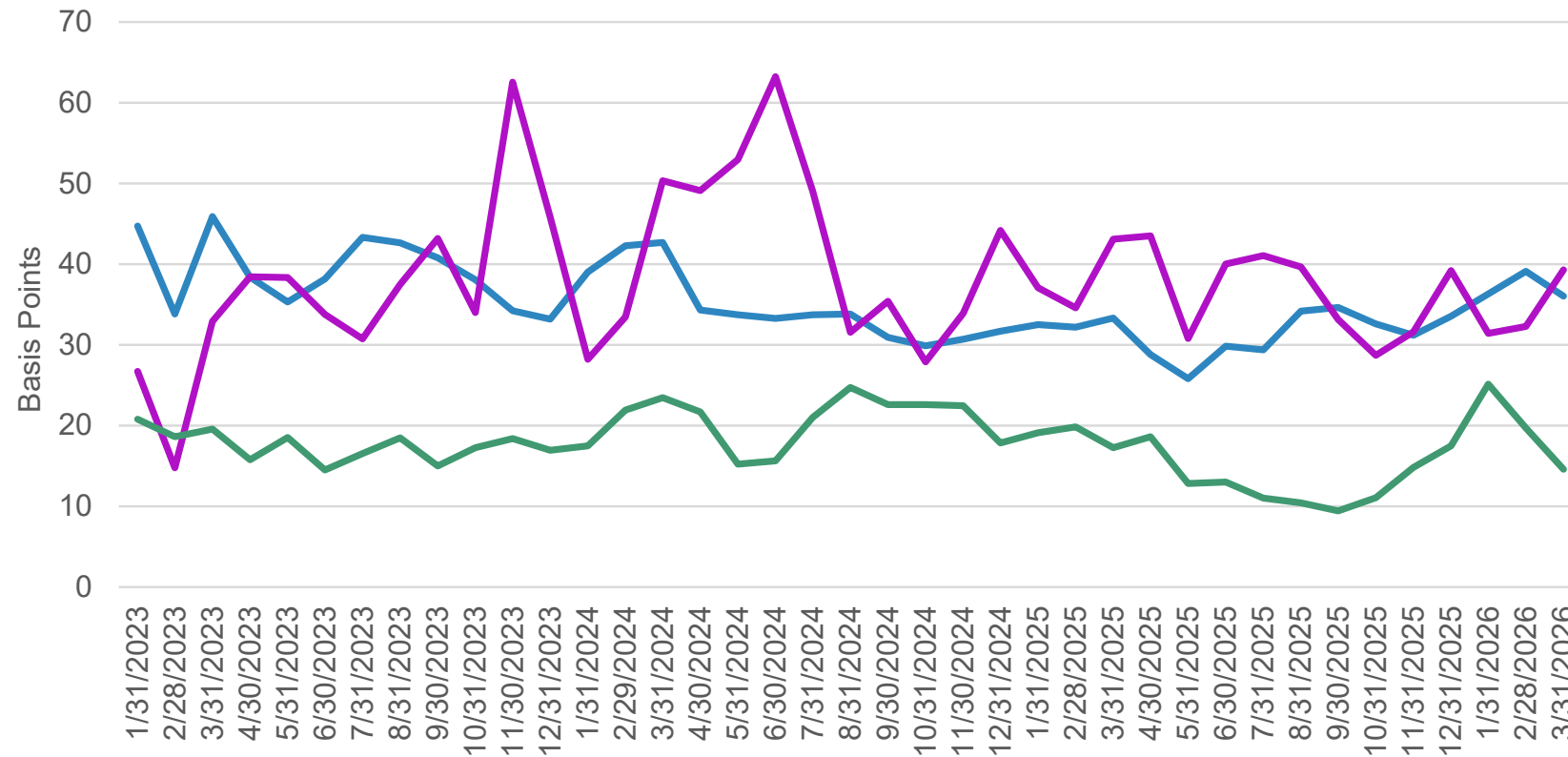
SECONDARY MARKET DATA

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

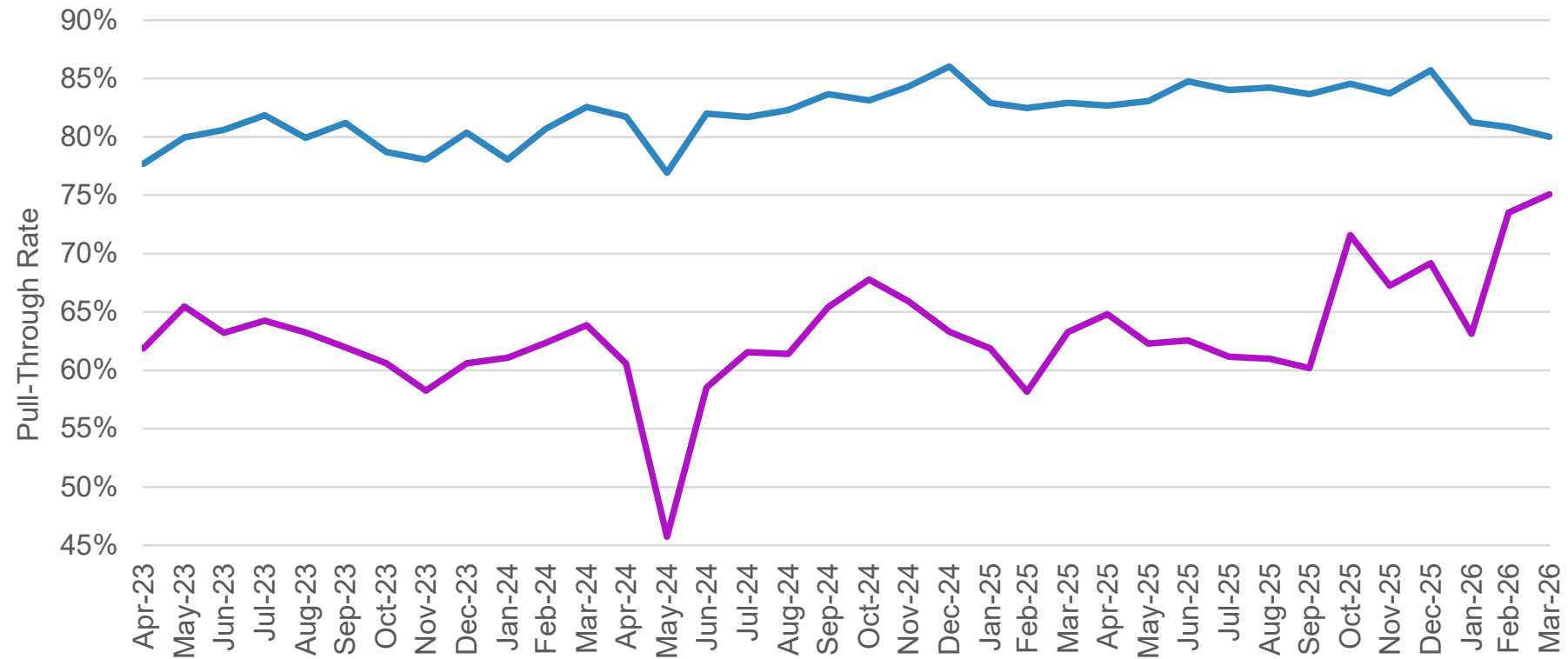
A lender will typically see greater yields by selling loans via mandatory delivery or participating in the secondary market, while best efforts delivery carries less risk. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.



Best Efforts vs. Mandatory		Current Spread	1-Month Delta	3-Month Delta	12-Month Delta
—	30-Year Conforming	36 bps	(3 bps)	2 bps	3 bps
—	15-Year Conforming	39 bps	7 bps	0 bps	(4 bps)
—	30-Year Government	15 bps	(5 bps)	(3 bps)	(3 bps)

LOAN PULL-THROUGH

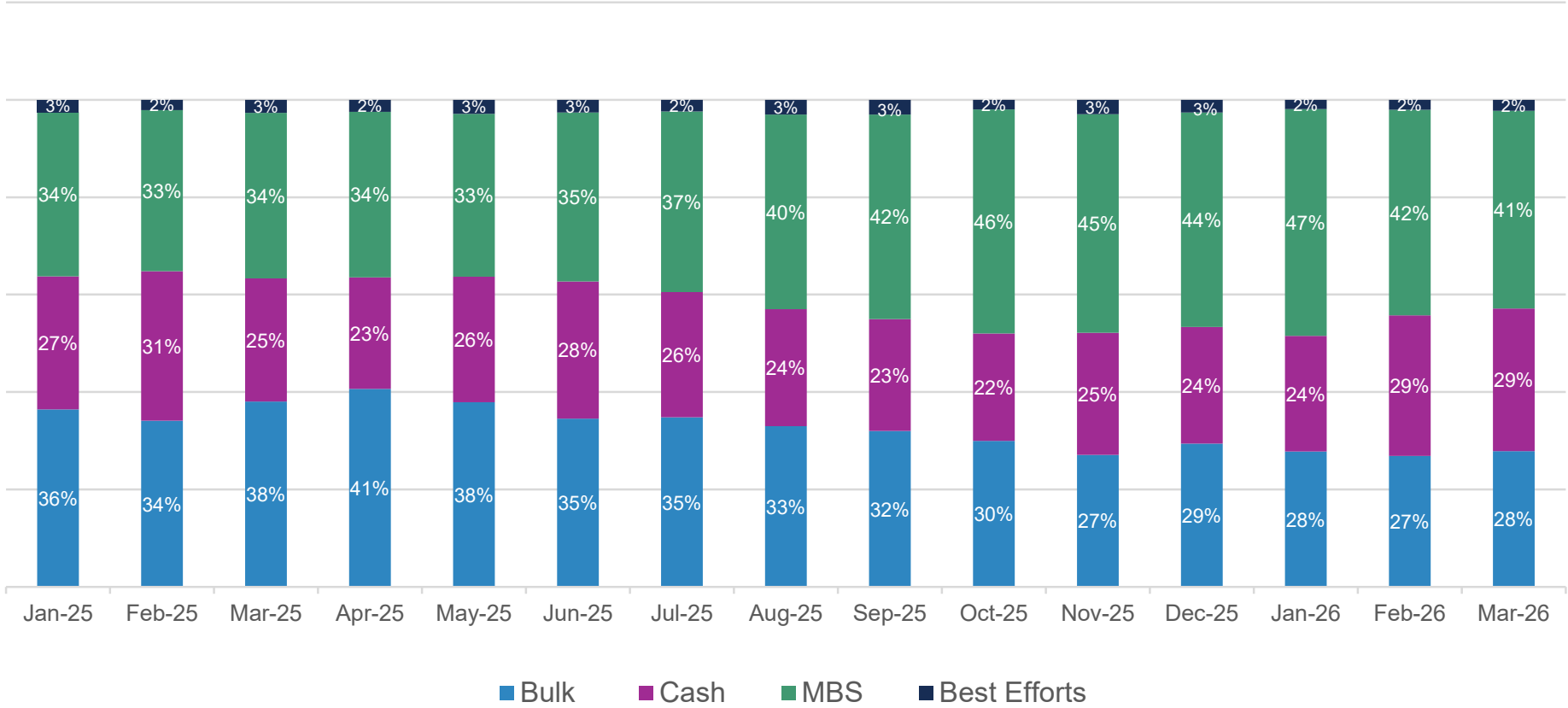
Pull-through indicates the percentage of loans locked that successfully close and fund, which is a measure of how effectively a mortgage lender converts loan applications into closed loans. Lower pull-through typically indicates greater cost for an originator, and thus, the need to compensate by increasing 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
—	Purchase Pull-Through	80.0%	(84 bps)	(569 bps)	(291 bps)
—	Refinance Pull-Through	75.1%	157 bps	588 bps	1180 bps

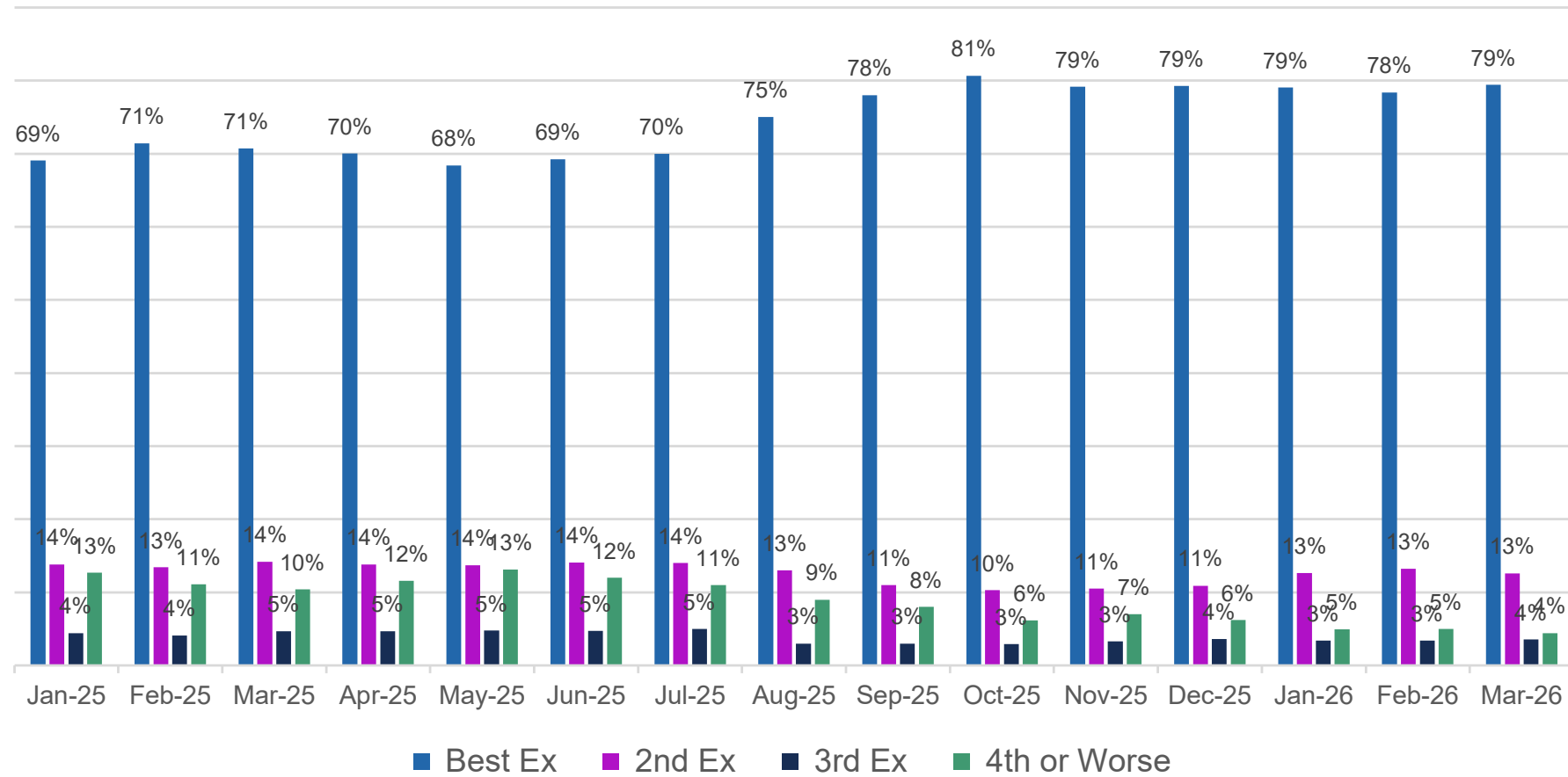
HEDGED LOAN SALE STATISTICS

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.



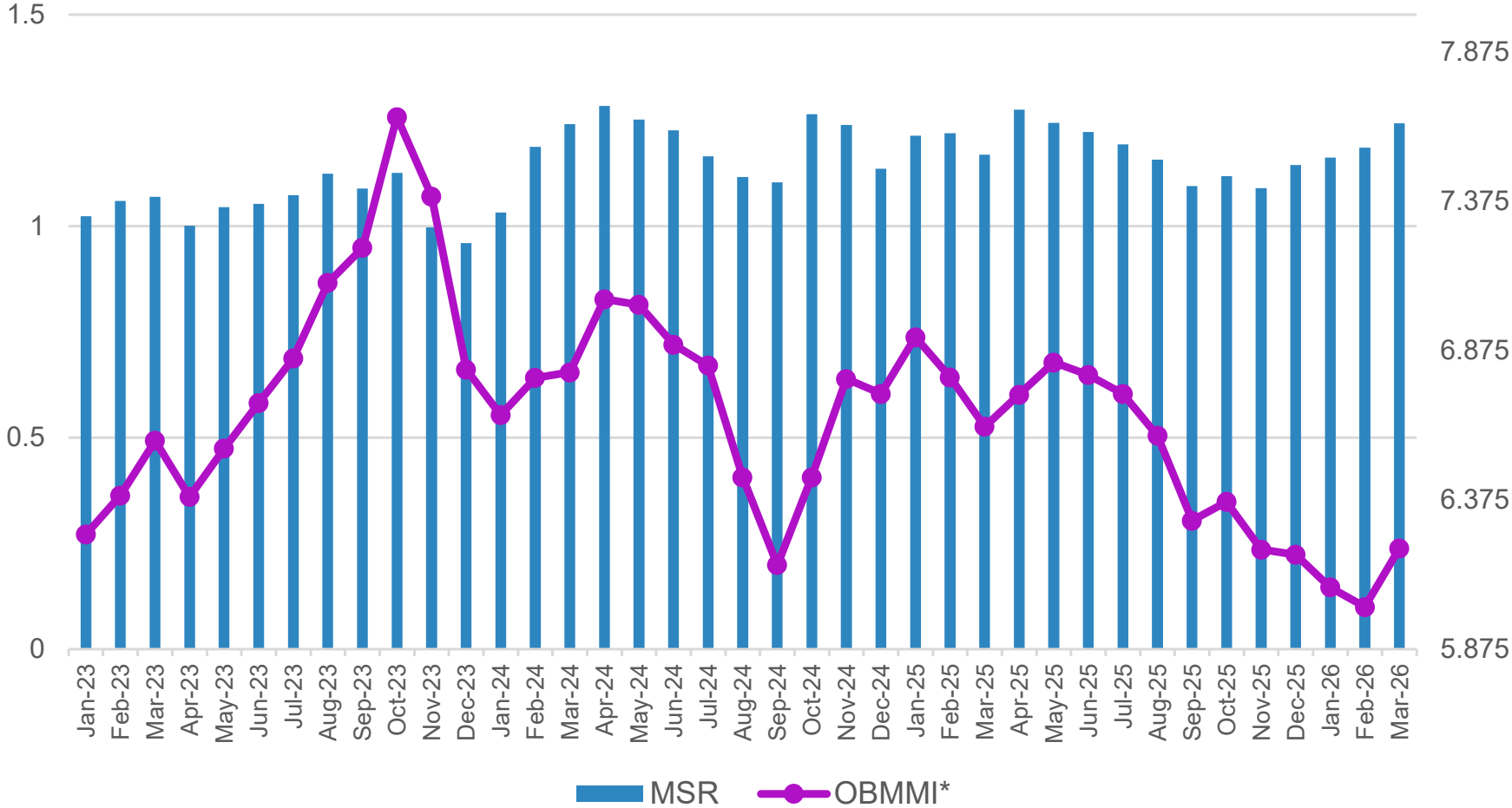
LOAN SALE BY PRICE

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

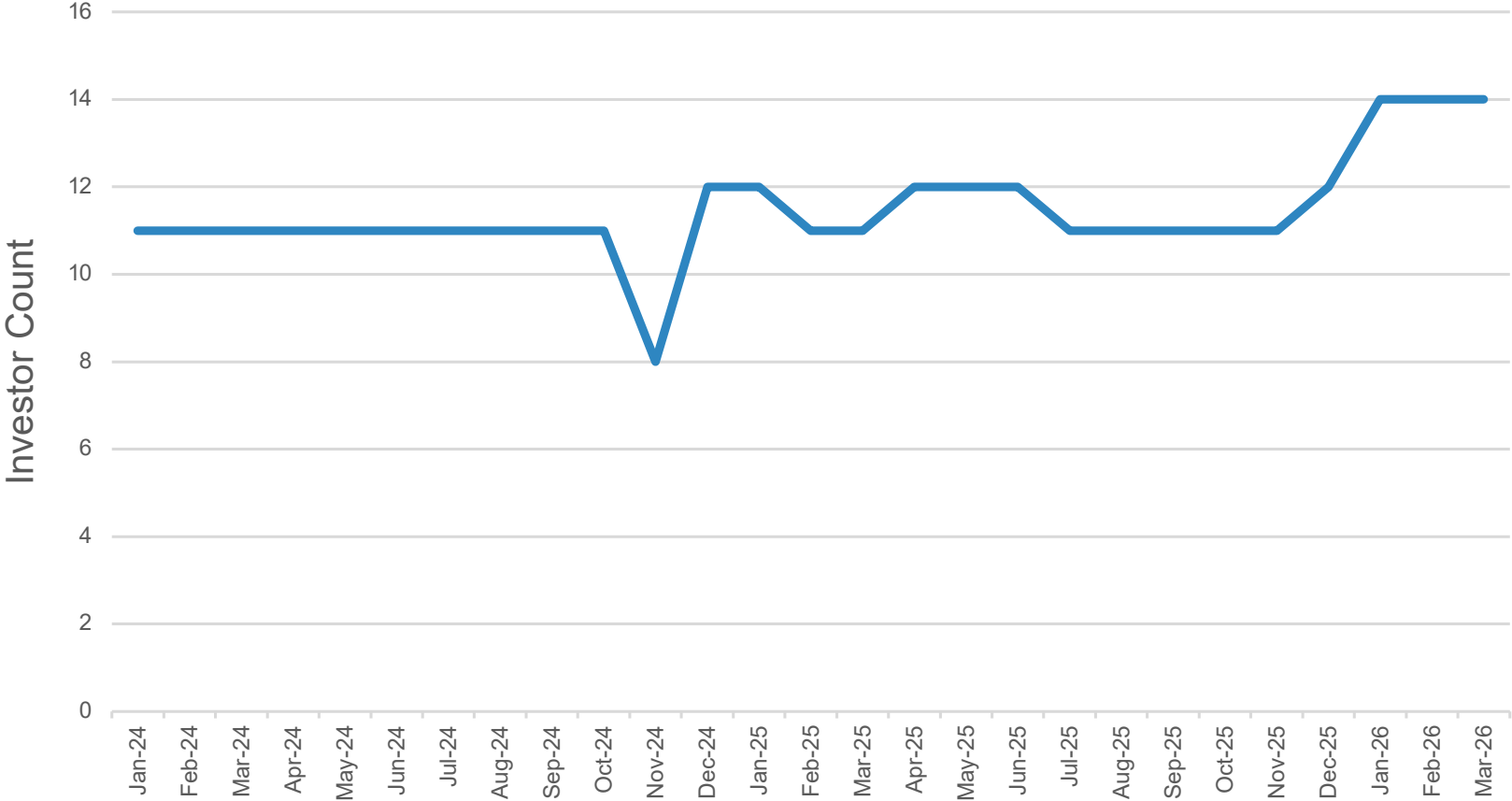
A mortgage servicing right (MSR) is a right to ancillary cash flows associated with servicing a mortgage. MSRs represent a significant component of a lender's margin and are commonly traded in the secondary market based on a lender's economics or strategy. MSRs typically move in alignment with rate movement,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