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MARKET ADVANTAGE

MORTGAGE DATA REPORT

OCTOBER 2025

Welcome to the
OPTIMAL BLUE MARKET ADVANTAGE

A Complimentary Monthly Report on Mortgage Origination and Secondary Market Activity

REPORT CONTENTS

KEY FINDINGS: OCTOBER 2025

VOLUME TRENDS AND MARKET COMPOSITION

- **Refis stay elevated:** Rate-and-term refinances fell 14% MoM but remained up 143% YoY, while cash-outs rose 6% MoM and 29% YoY. Refinance pull-through improved to 71.6%, up 11.4 points from September. Refinances accounted for 37% of all production in October, down 176 bps from September but up 11.4 points YoY.

- **Purchases steady:** Purchase locks declined 1.5% aligned to seasonal expectations, remaining strong relative to historical patterns. Purchase pull-through improved to 84.6%, up 91 bps from September.

- **Non-QM share rises:** Non-qualified mortgage share edged higher, driven by gains in both investor/debt-service-coverage-ratio (DSCR) and bank statement programs.

- **FHA and conforming gain share:** FHA and conforming production increased at the expense of primarily VA lending. VA refinance activity typically reacts fastest to rate reductions, leading to a front-loading of VA locks in September.

- **Single-family share climbs:** Single-family production rose relative to all other property types in October, reflecting sustained strength in owner-occupied lending.

RATES AND PRICING

- **Mortgage rates decline:** The OBMMI 30-year conforming fixed rate fell 16 bps to 6.16%, with FHA at 6.04%, VA at 5.67% and jumbo at 6.36%.

- **Spread tightens to 10-year:** The mortgage rate spread to the 10-year Treasury narrowed 11 bps to just over 200 bps, down 46 bps from 2024 and the tightest since early 2022. The 10-year yield itself fell only 5 bps to 4.11% as the Fed's recent rate cut was largely priced into the market, indicating that most of the mortgage rate improvement stemmed from spread compression rather than a broader interest rate decline.

- **Lender pricing strengthens:** Lenders achieved higher overall pricing levels in October as spreads narrowed and execution improved across delivery channels.

- **Servicing values recover:** MSRs for conforming 30-year loans rose 3 bps to 1.12% (a 4.47 multiple).

CHANNEL AND EXECUTION

- **Agency MBS execution expands:** Share rose to 46% (+400 bps), while the agency cash window share of execution fell to 30% (–200 bps) and aggregator bulk and best efforts each dipped 100 bps.

- **Investor count steady:** The average number of active investors held at 11, reflecting stable liquidity conditions. Historical counts ranged from 8 in November 2024 to 12 in December 2024.

- **Higher-tier pricing dominates:** With 81% of loans sold at the highest pricing tier, lenders demonstrated disciplined execution strategies that offset margin pressure from rate compression.

PRODUCT MIX AND BORROWER PROFILES

- **DTIs and affordability flat:** Debt-to-income ratios and first-time homebuyer share held steady, signaling sideways affordability movement.

- **Balanced composition:** FHA and conforming production growth offset earlier VA surge, keeping overall mix diverse across loan types.

- **Credit profiles, loan amounts dip:** The average credit score fell to 734 from 735 MoM. The average loan amount decreased to $397,438 from $403,746. October loan averages ranged from $602,646 in metro New York to $312,177 in Indianapolis. Average loan-to-value ratios ranged from 70% in San Francisco to 87% in San Antonio.

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

4%
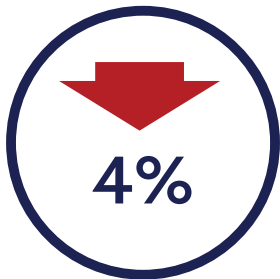
Total lock volume was down 4% MoM in October, but still up 18% YoY as borrowers responded to improving affordability and narrower rate spreads.
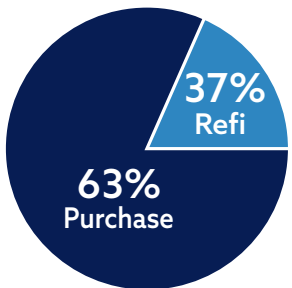
MONTH-END CONFORMING RATE

6.16%

The benchmark Optimal Blue Mortgage Market Indices 30-year conforming interest rate ended October at 6.16%, down 16 bps from September, and marking its lowest level since late 2023.

AVERAGE LOAN AMOUNT

$397K

The average loan amount was $397,438, down from $403,746 in September.

MARKET MIX

37% Refi

63% Purchase

Purchase share increased 200 bps in October to 63%, though the refi share of the market still held strong coming off the September peak of 39%.

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.
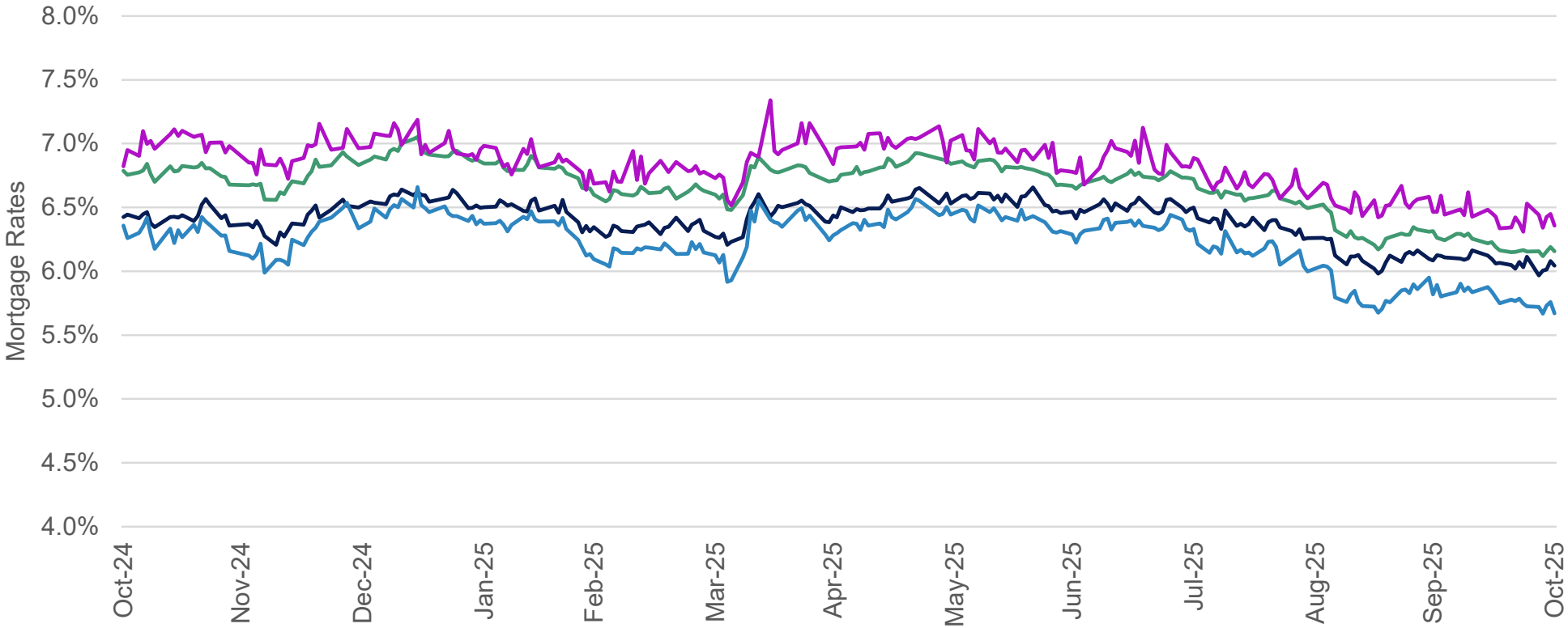
Market Index	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
30-Year Conforming	6.16%	(16 bps)	(57 bps)	(63 bps)
30-Year Jumbo	6.36%	(11 bps)	(53 bps)	(47 bps)
30-Year FHA	6.04%	(4 bps)	(45 bps)	(38 bps)
30-Year VA	5.67%	(15 bps)	(66 bps)	(69 bps)

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.
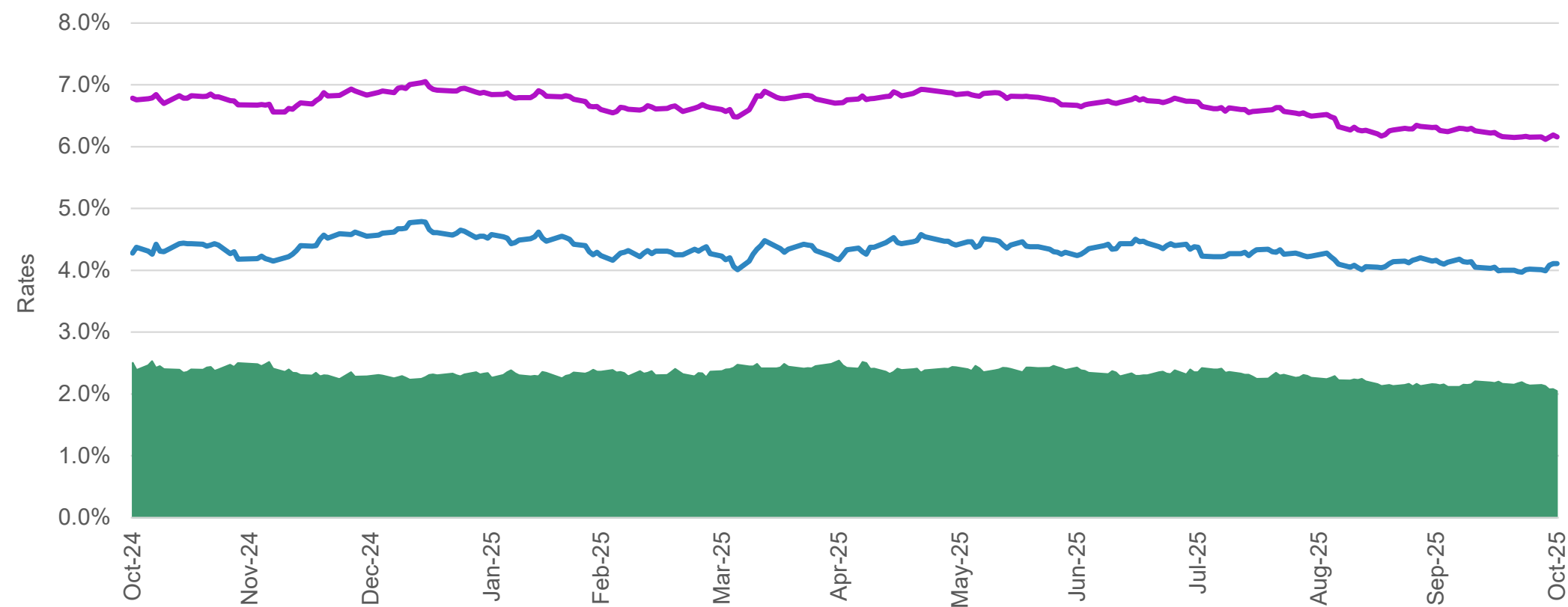
Market Index	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
10-Year Treasury	4.11%	(5 bps)	(26 bps)	(17 bps)
30-Year Conforming	6.16%	(16 bps)	(57 bps)	(63 bps)
10-Year to 30-Year Spread	2.05%	(11 bps)	(31 bps)	(46 bps)

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**.

OBMMI 30-Year Conforming Rate (Month Average)
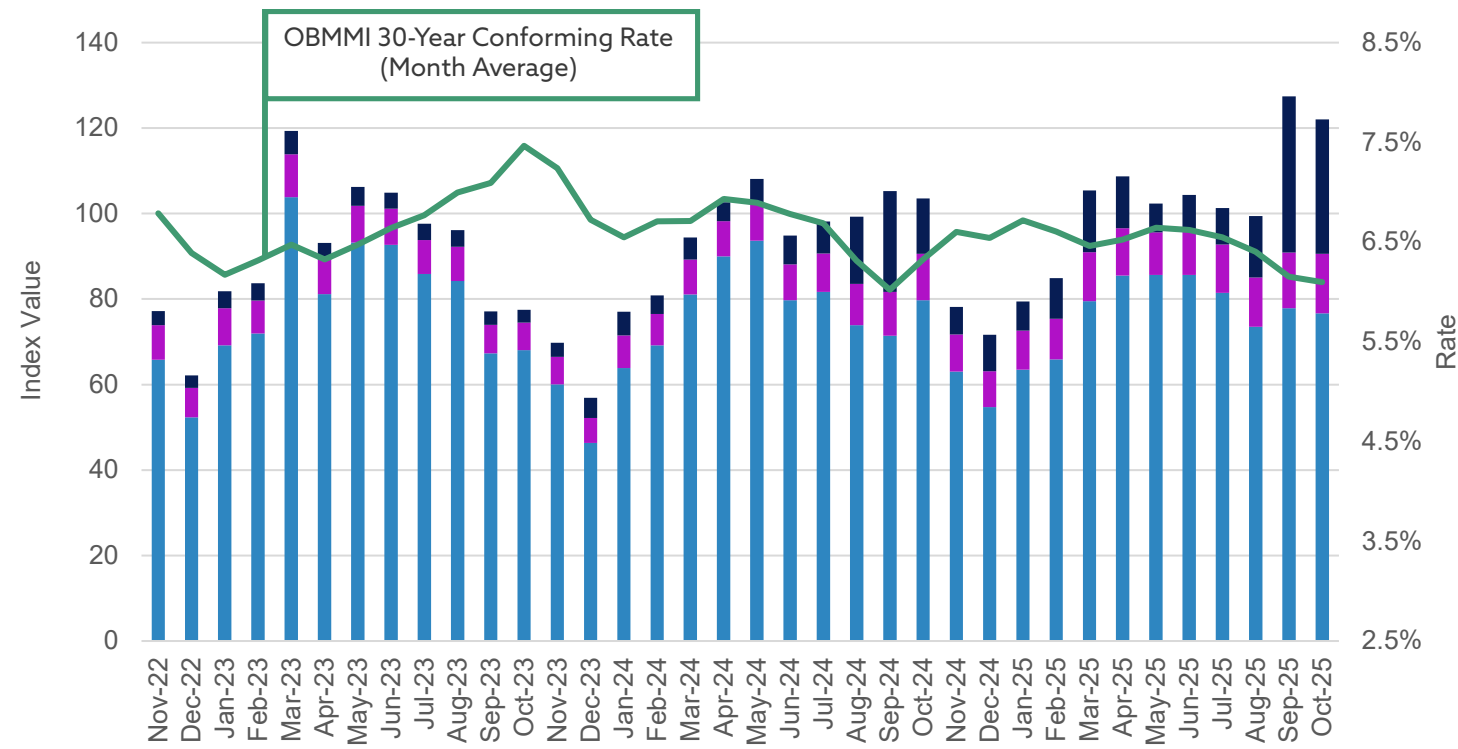
Market Volume Index (Total volume indexed to 100 in January 2018)		Current Value	1-Month % Change	3-Month % Change	12-Month % Change
————	Purchase	77	(1.5%)	(5.9%)	(3.9%)
————	Cash-Out Refinance	14	6.1%	23.0%	28.5%
————	Rate/Term Refinance	31	(13.8%)	271.4%	143.3%
————	Total	122	(4.2%)	20.5%	17.9%
Refinance Share*		37%	(176 bps)	1764 bps	1423 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 noncomforming (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**.
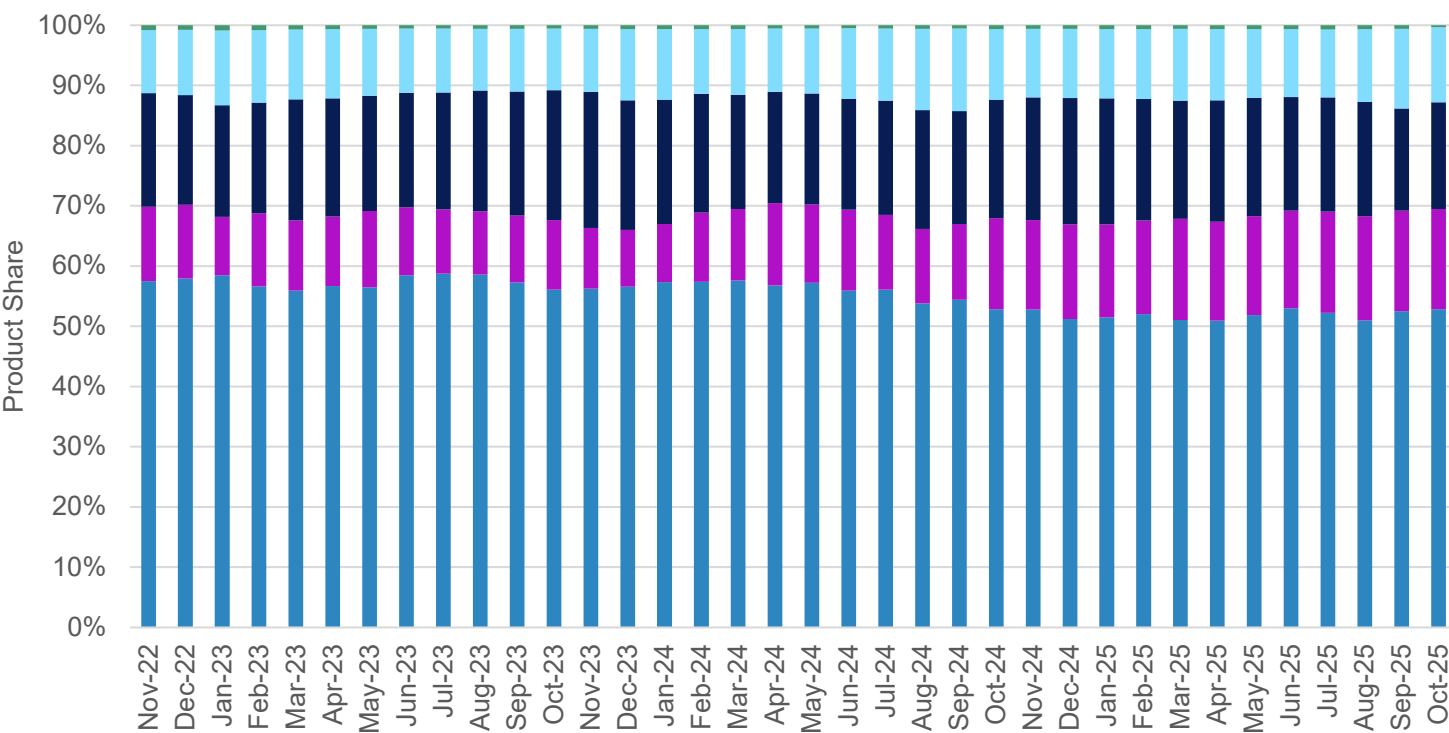
Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
——	Conforming	52.8%	32 bps	60 bps	(1 bp)
——	Nonconforming	16.6%	(6 bps)	(16 bps)	154 bps
——	FHA	17.7%	80 bps	(123 bps)	(196 bps)
——	VA	12.5%	(76 bps)	120 bps	76 bps
——	USDA	0.3%	(30 bps)	(41 bps)	(34 bps)

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**.
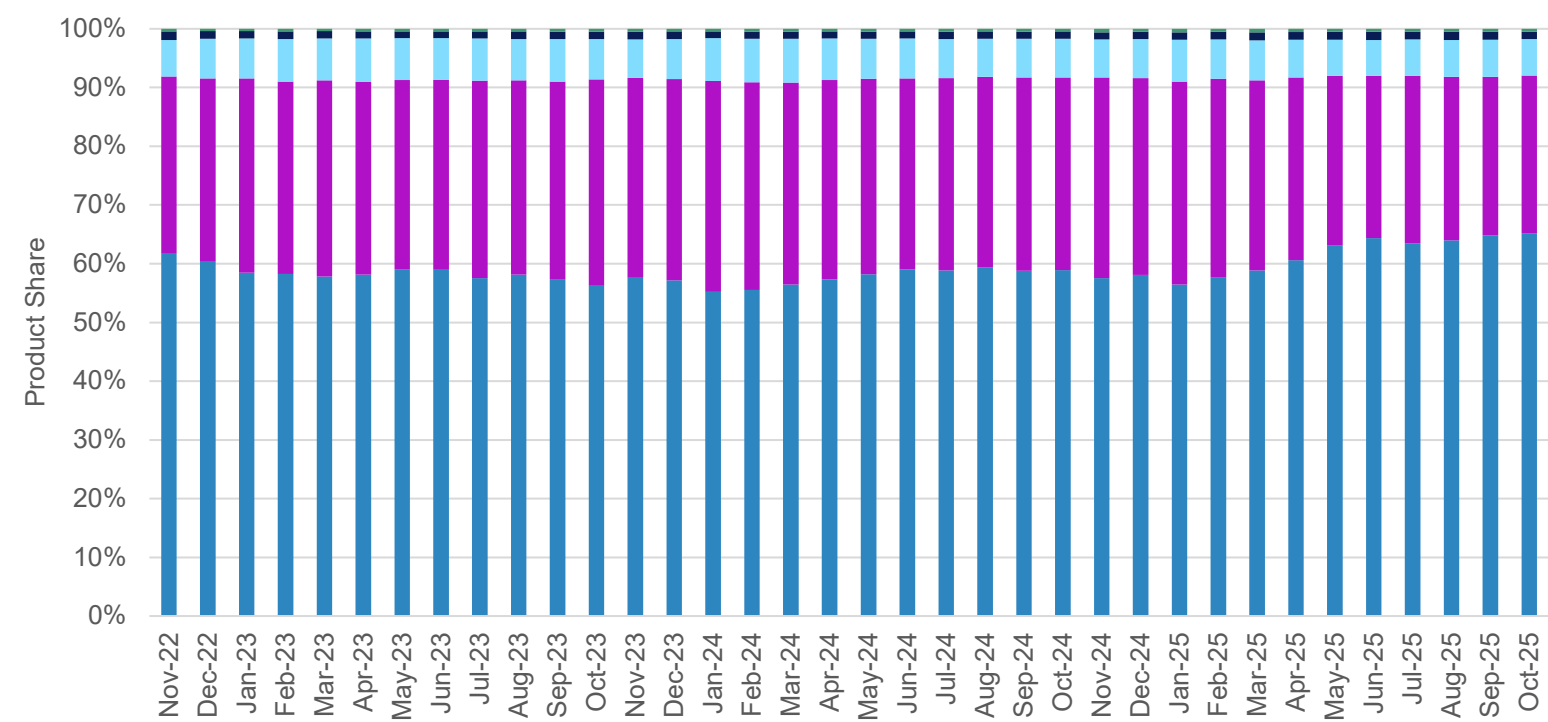
Property Type Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
———	Single Family	65.1%	31 bps	163 bps	618 bps
———	PUD*	26.9%	(14 bps)	(160 bps)	(587 bps)
———	Condo	6.2%	(9 bps)	3 bps	(40 bps)
———	Manufactured	1.3%	(6 bps)	(6 bps)	5 bps
———	All Other	0.5%	(2 bps)	0 bps	4 bps

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**.
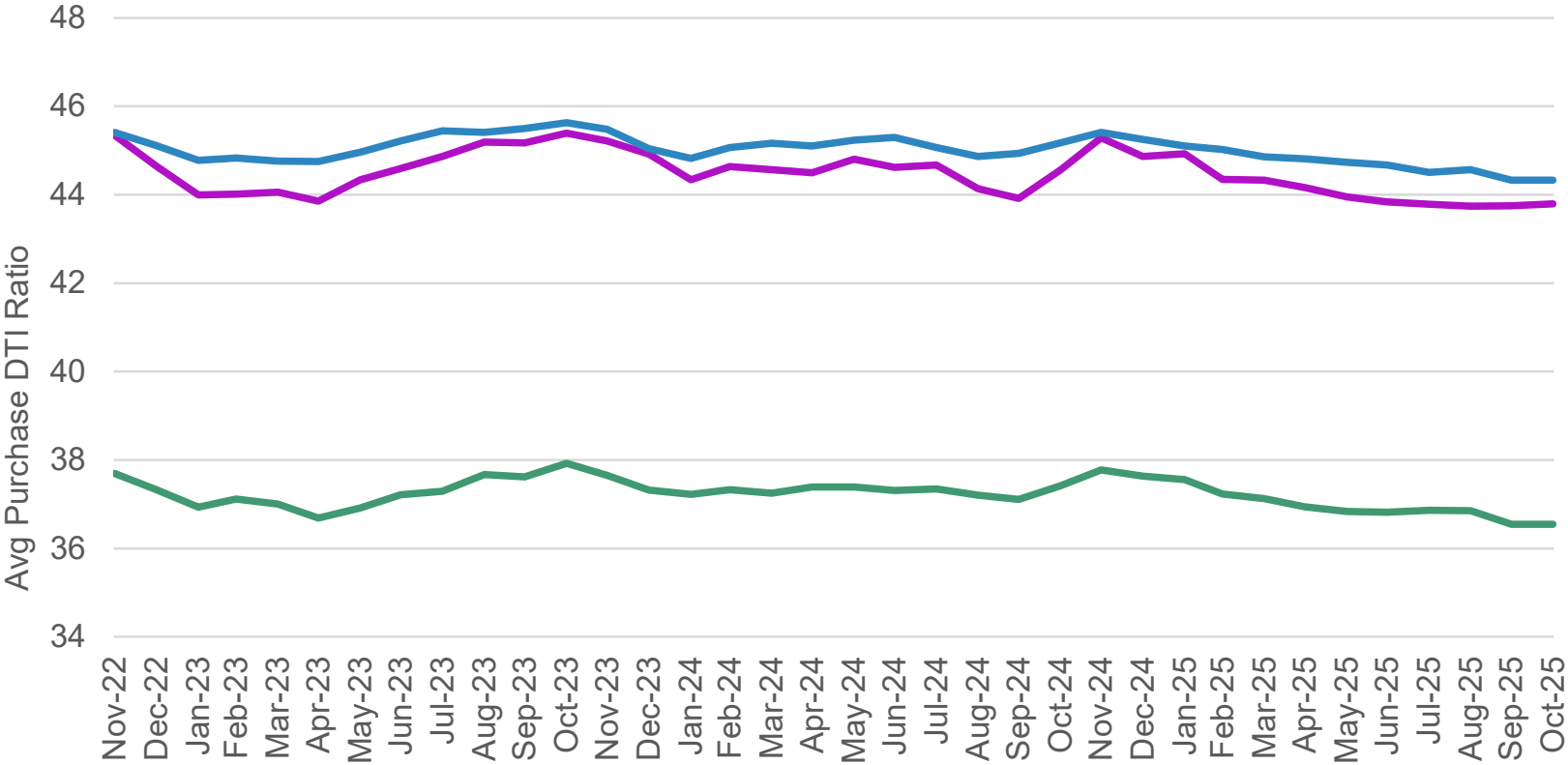
DTI Ratio by Product	Current Avg DTI Ratio	1-Month Delta	3-Month Delta	12-Month Delta
Conforming	36.5	0.0	(0.3)	(0.9)
FHA	44.3	0.0	(0.2)	(0.8)
VA	43.8	0.0	0.0	(0.8)

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**.
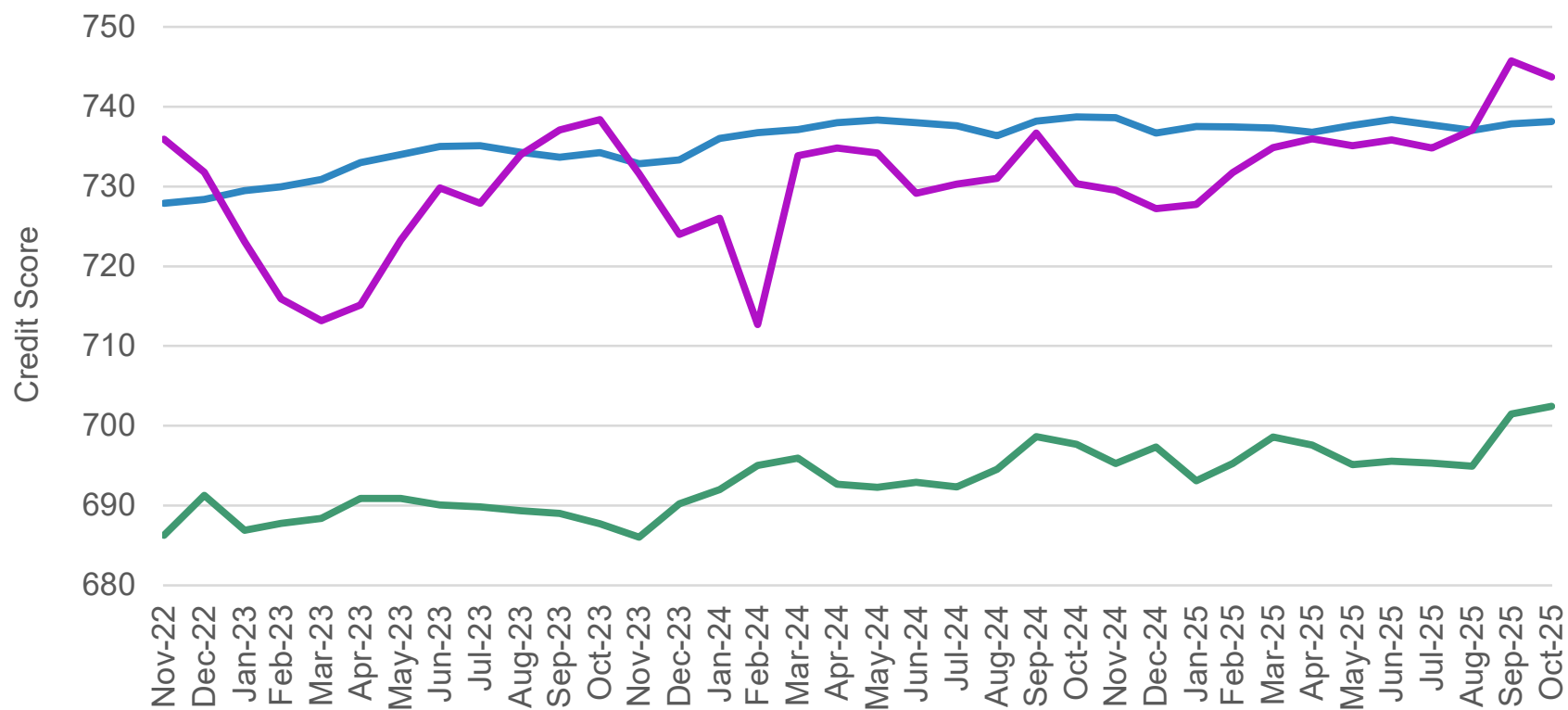
Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
——	Purchase	738	0	0	(1)
——	Cash Out Refi	702	1	7	5
——	Rate/Term Refi	744	(2)	9	13

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**.
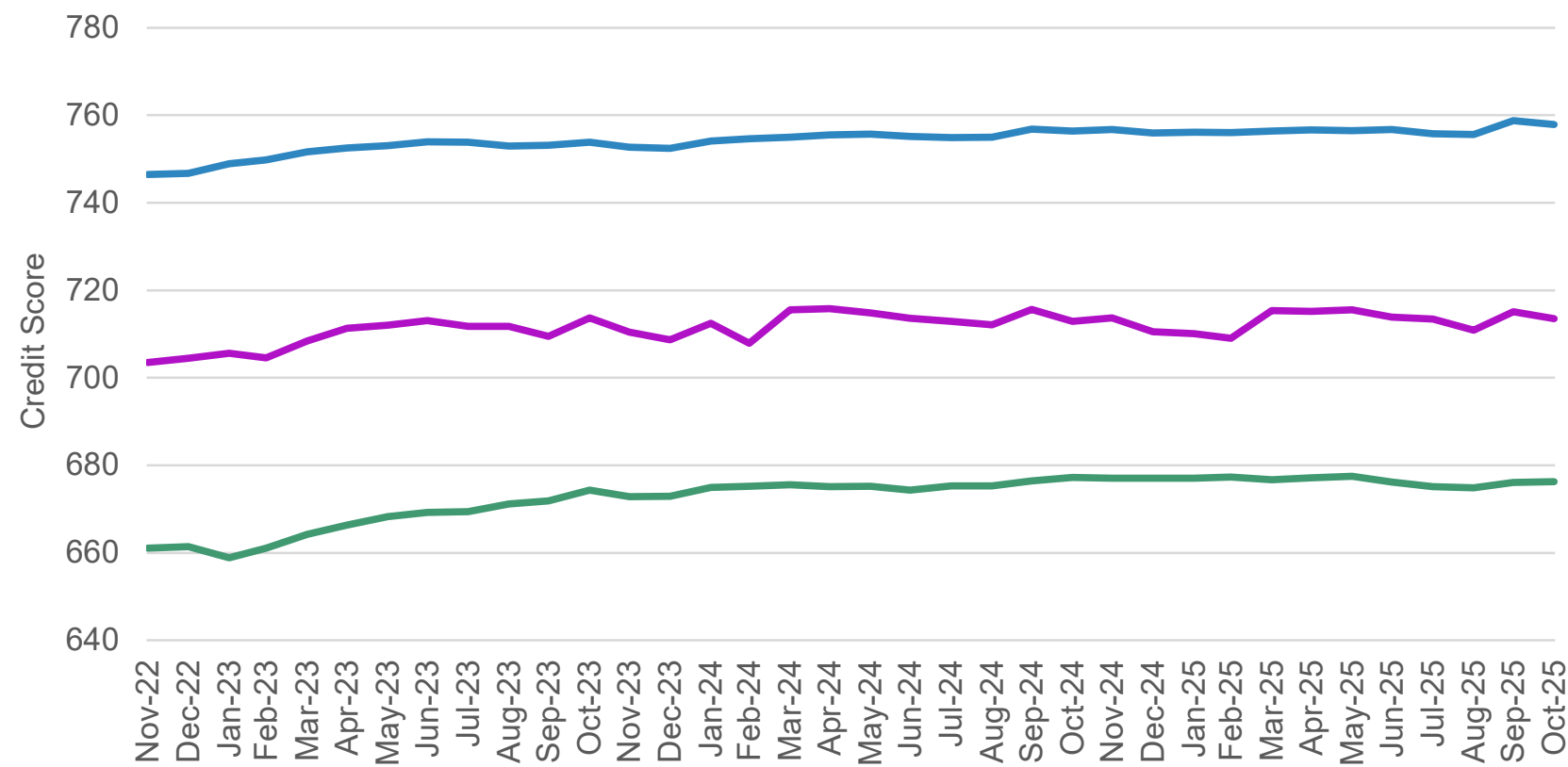
Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
———	Conforming	758	(1)	2	1
———	FHA	676	0	1	(1)
———	VA	714	(2)	0	1

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**.
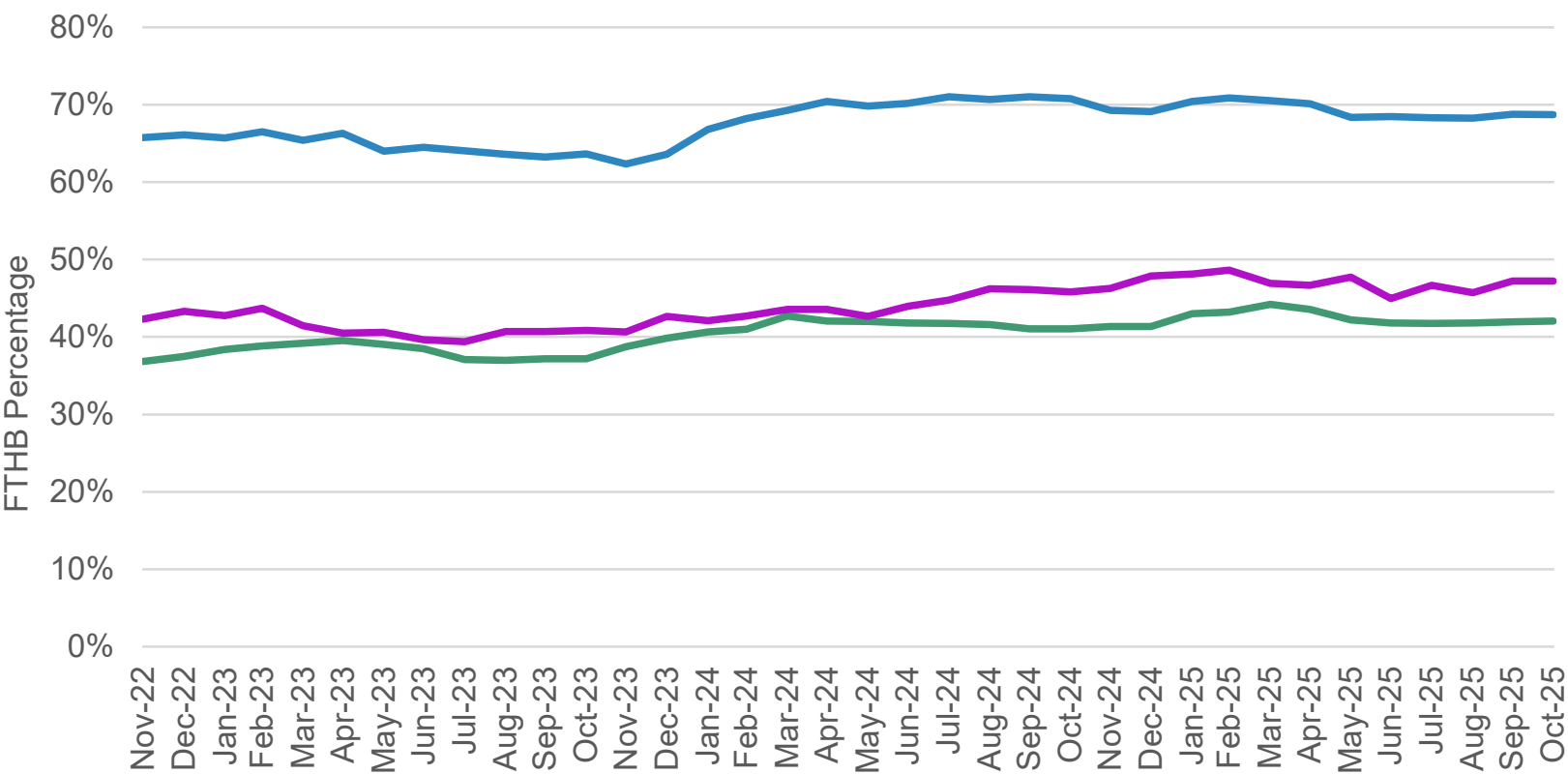
First-Time Homebuyer by Product		Current Ratio	1-Month Delta	3-Month Delta	12-Month Delta
————	Conforming	42%	0%	0%	1%
————	FHA	69%	1%	0%	(2%)
————	VA	47%	1%	2%	1%

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**.
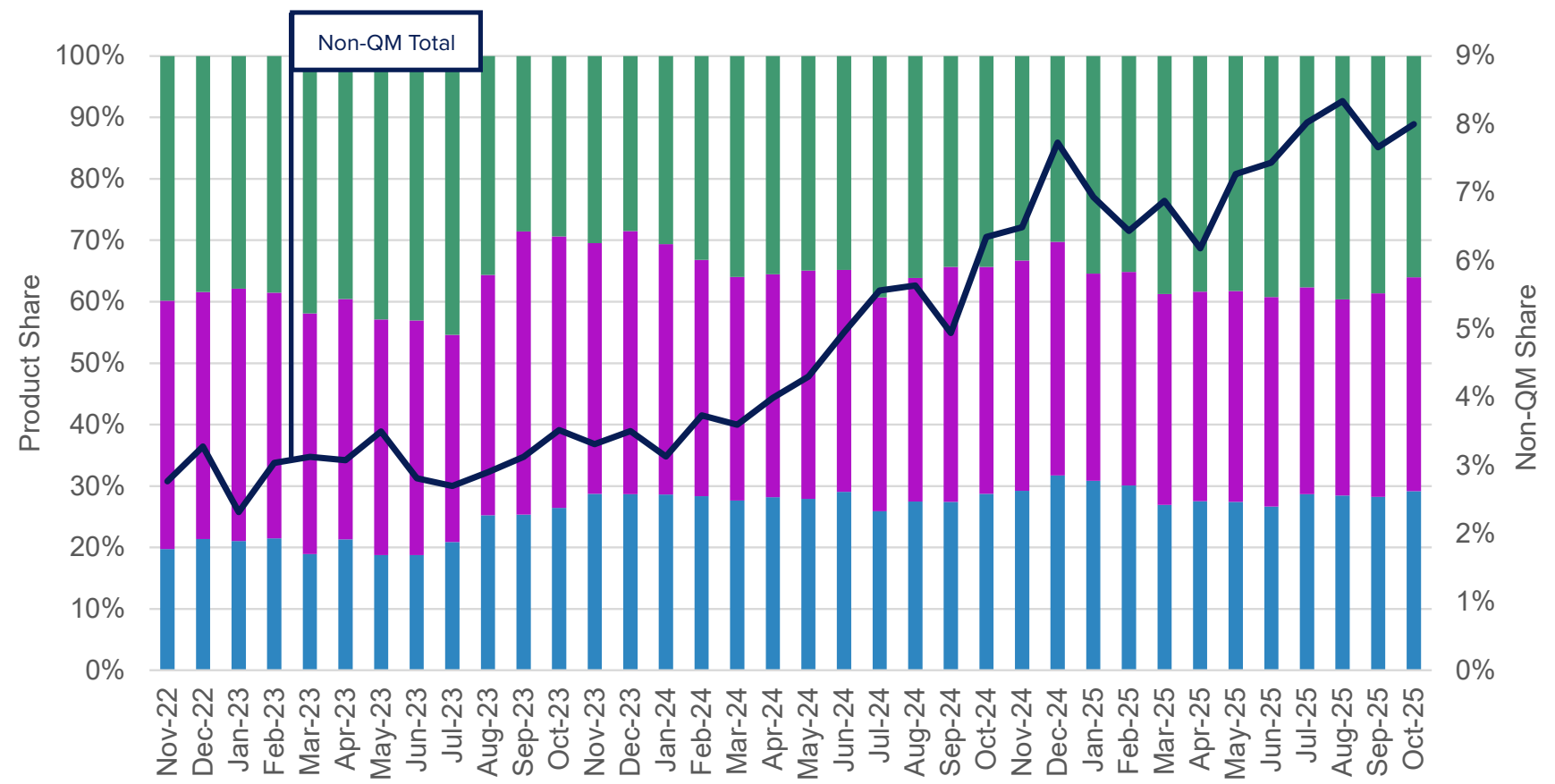
Non-QM Market	Current Value	1-Month Delta	3-Month Delta	12-Month Delta
——— Investor/DSCR	29.2%	95 bps	51 bps	45 bps
——— Bank Statement	34.8%	168 bps	112 bps	(216 bps)
——— All Other	36.0%	(263 bps)	(163 bps)	171 bps

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**.
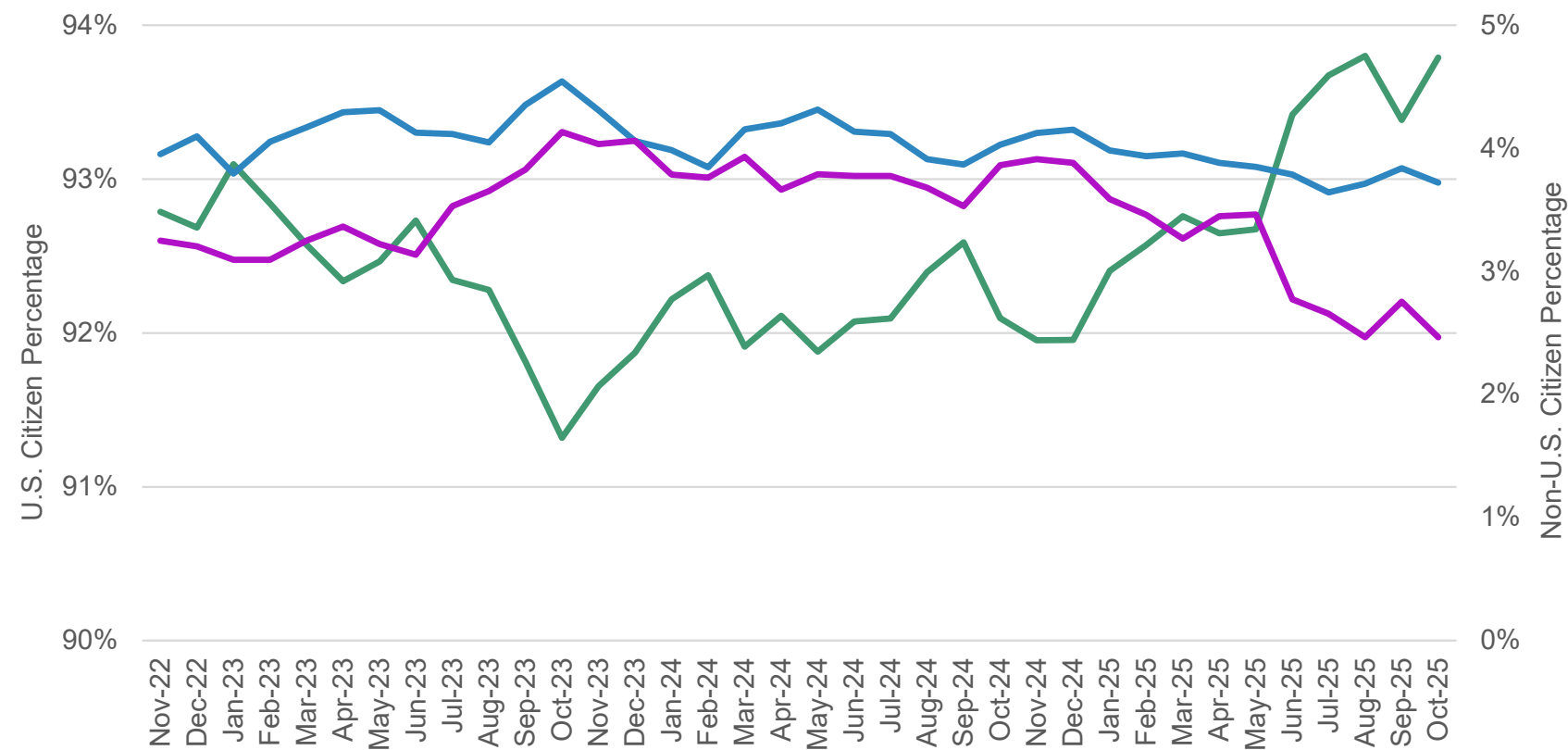
Citizenship Status		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	U.S. Citizen	93.8%	41 bps	12 bps	169 bps
	Perm. Resident	3.7%	(12 bps)	8 bps	(31 bps)
	Non-Perm. Resident	2.5%	(29 bps)	(19 bps)	(140 bps)

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%**	**-4.2%**	**$397,438**	**6.097**	**734**	**80**	**63%**	**37%**
1	New York-Newark-Jersey City, NY-NJ-PA	5.0%	0.1%	$602,646	6.168	745	73	63%	37%
2	Chicago-Naperville-Elgin, IL-IN-WI	3.7%	-6.6%	$370,260	6.239	745	78	56%	44%
3	Washington-Arlington-Alexandria, DC-VA-MD-WV	3.6%	-13.5%	$563,262	6.009	745	81	62%	38%
4	Los Angeles-Long Beach-Anaheim, CA	3.1%	-10.7%	$781,066	6.283	746	71	51%	49%
5	Boston-Cambridge-Newton, MA-NH	2.8%	-6.0%	$594,207	6.135	752	73	58%	42%
6	Dallas-Fort Worth-Arlington, TX	2.7%	-8.7%	$399,349	5.919	734	82	68%	32%
7	Phoenix-Mesa-Scottsdale, AZ	2.5%	0.7%	$461,641	5.914	739	79	64%	36%
8	Atlanta-Sandy Springs-Roswell, GA	2.4%	2.7%	$390,767	6.001	725	81	61%	39%
9	Seattle-Tacoma-Bellevue, WA	2.2%	-14.1%	$630,348	6.080	751	76	58%	42%
10	Houston-The Woodlands-Sugar Land, TX	1.9%	3.7%	$344,174	5.813	723	84	78%	22%

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%**	**-4.2%**	**$397,438**	**6.097**	**734**	**80**	**63%**	**37%**
11	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.8%	-7.0%	$387,233	6.160	738	78	65%	35%
12	San Francisco-Oakland-Hayward, CA	1.7%	-17.9%	$857,522	6.247	764	70	54%	46%
13	Denver-Aurora-Lakewood, CO	1.7%	-10.9%	$500,767	5.885	746	77	61%	39%
14	Riverside-San Bernardino-Ontario, CA	1.5%	2.8%	$496,167	6.010	725	79	62%	38%
15	Minneapolis-St. Paul-Bloomington, MN-WI	1.5%	-5.4%	$381,632	6.092	749	80	66%	34%
16	San Diego-Carlsbad, CA	1.4%	-7.2%	$780,918	5.988	757	74	52%	48%
17	Miami-Fort Lauderdale-West Palm Beach, FL	1.4%	1.6%	$521,818	6.187	732	76	67%	33%
18	Charlotte-Concord-Gastonia, NC-SC	1.3%	6.0%	$427,695	6.097	738	79	63%	37%
19	Baltimore-Columbia-Towson, MD	1.2%	-4.2%	$420,173	6.119	744	82	65%	35%
20	Nashville-Davidson-Murfreesboro-Franklin, TN	1.1%	-2.8%	$462,287	6.038	736	80	67%	33%

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.
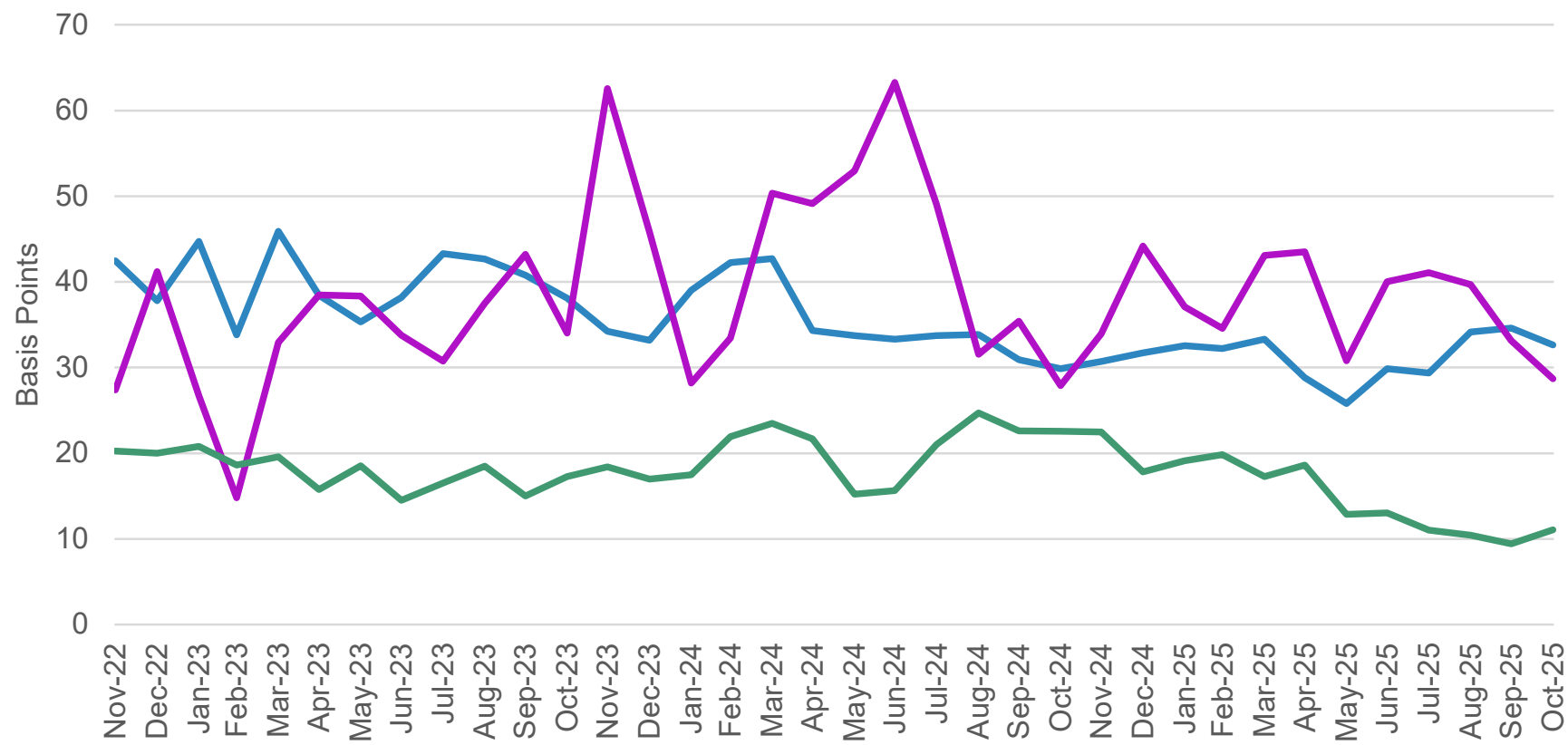
Best Efforts vs. Mandatory		Current Spread	1-Month Delta	3-Month Delta	12-Month Delta
▬	30-Year Conforming	33 bps	(2 bps)	3 bps	3 bps
▬	15-Year Conforming	29 bps	(4 bps)	(12 bps)	1 bp
▬	30-Year Government	11 bps	2 bps	0 bps	(12 bps)

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.
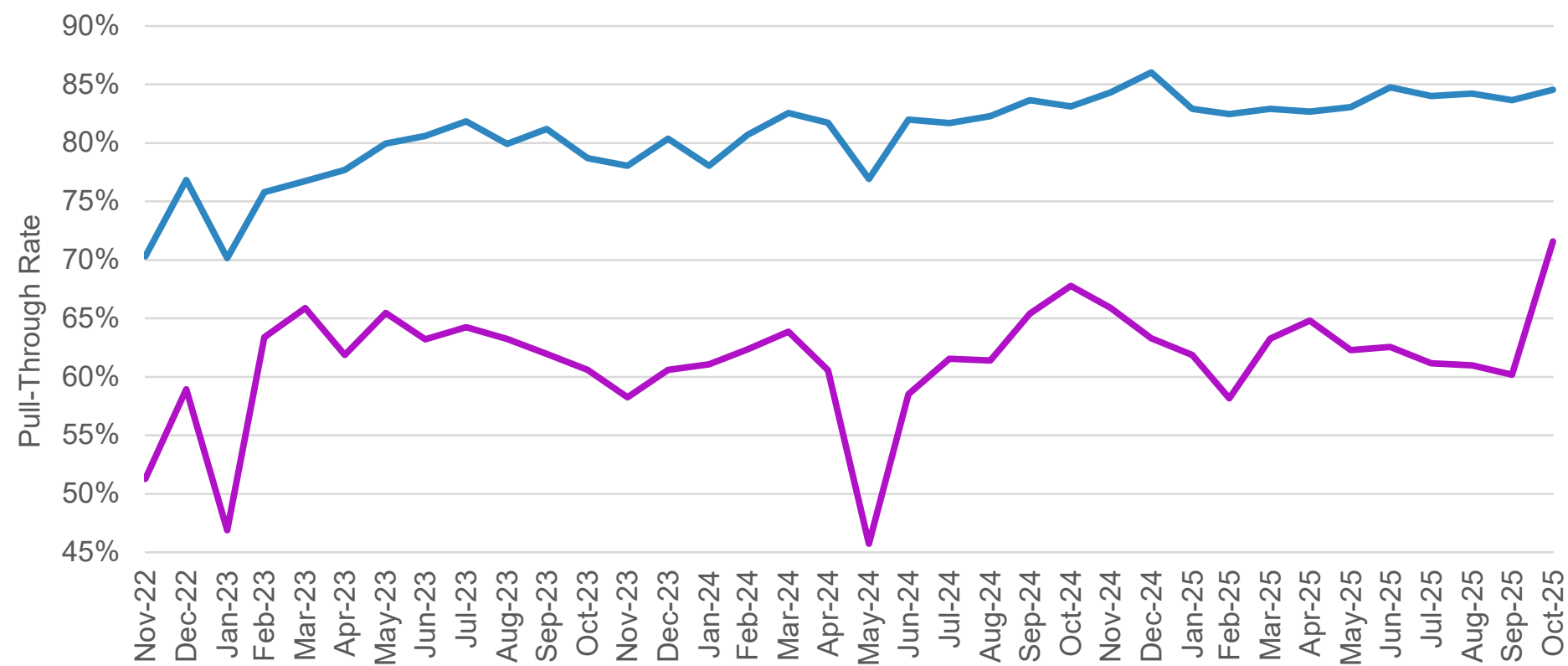
Pull-Through Rate by Purpose	Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
Purchase Pull-Through	84.6%	91 bps	55 bps	143 bps
Refinance Pull-Through	71.6%	1140 bps	1043 bps	379 bps

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.

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Best Efforts	3%	2%	3%	2%	3%	3%	2%	3%	3%	2%
MBS	34%	33%	34%	34%	33%	35%	37%	40%	42%	46%
Cash	27%	31%	25%	23%	26%	28%	26%	24%	23%	22%
Bulk	36%	34%	38%	41%	38%	35%	35%	33%	32%	30%

■ Bulk   ■ Cash   ■ MBS   ■ Best Efforts
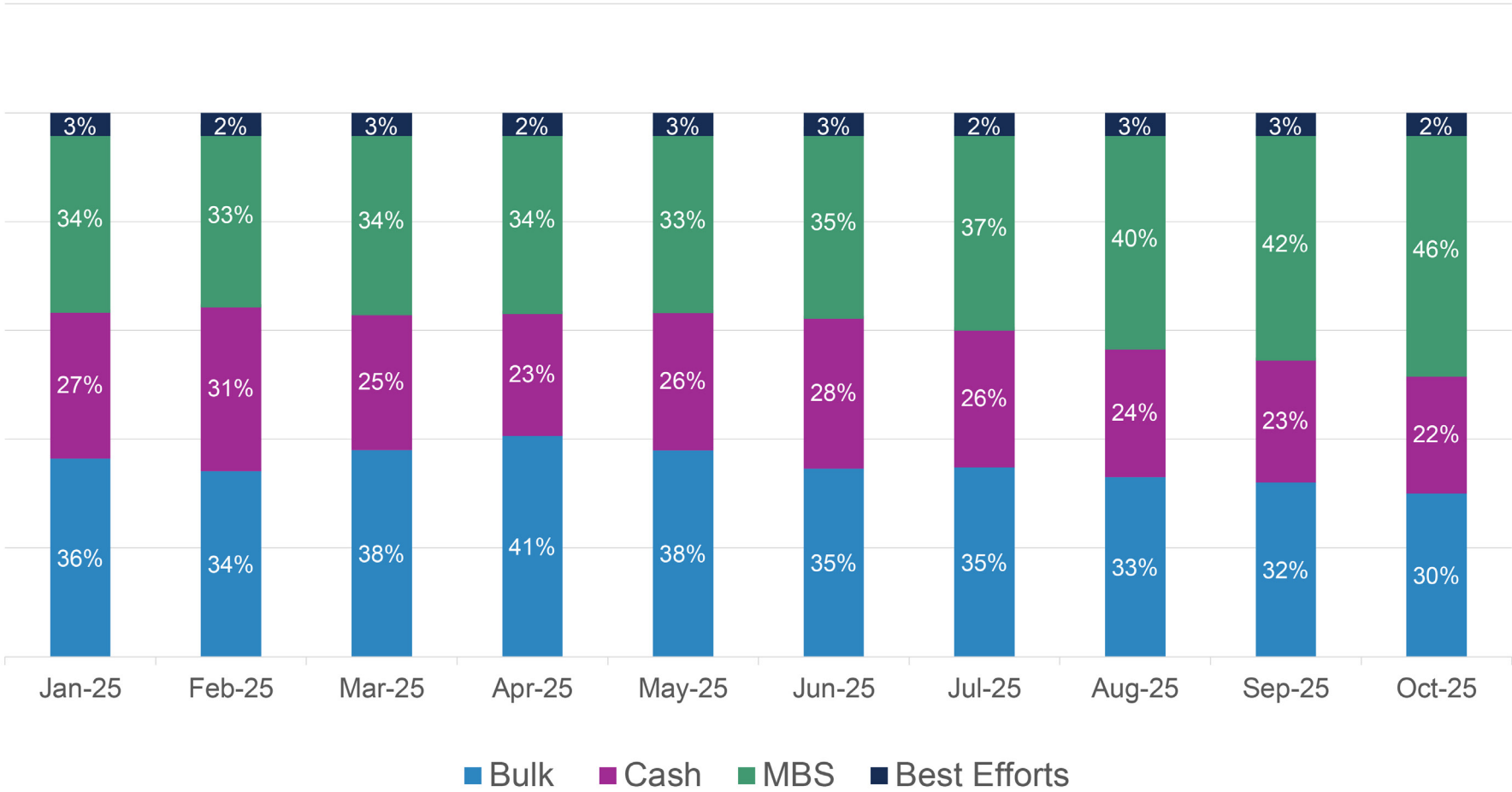
LOAN SALE BY PRICE

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.

Chart: Loan Sale by Price, Jan-25 through Oct-25

Month	Best Ex	2nd Ex	3rd Ex	4th or Worse
Jan-25	69%	14%	4%	13%
Feb-25	71%	13%	4%	11%
Mar-25	71%	14%	5%	10%
Apr-25	70%	14%	5%	12%
May-25	68%	14%	5%	13%
Jun-25	69%	14%	5%	12%
Jul-25	70%	14%	5%	11%
Aug-25	75%	13%	3%	9%
Sep-25	78%	11%	3%	8%
Oct-25	81%	10%	3%	6%

Legend: ■ Best Ex ■ 2nd Ex ■ 3rd Ex ■ 4th or Worse
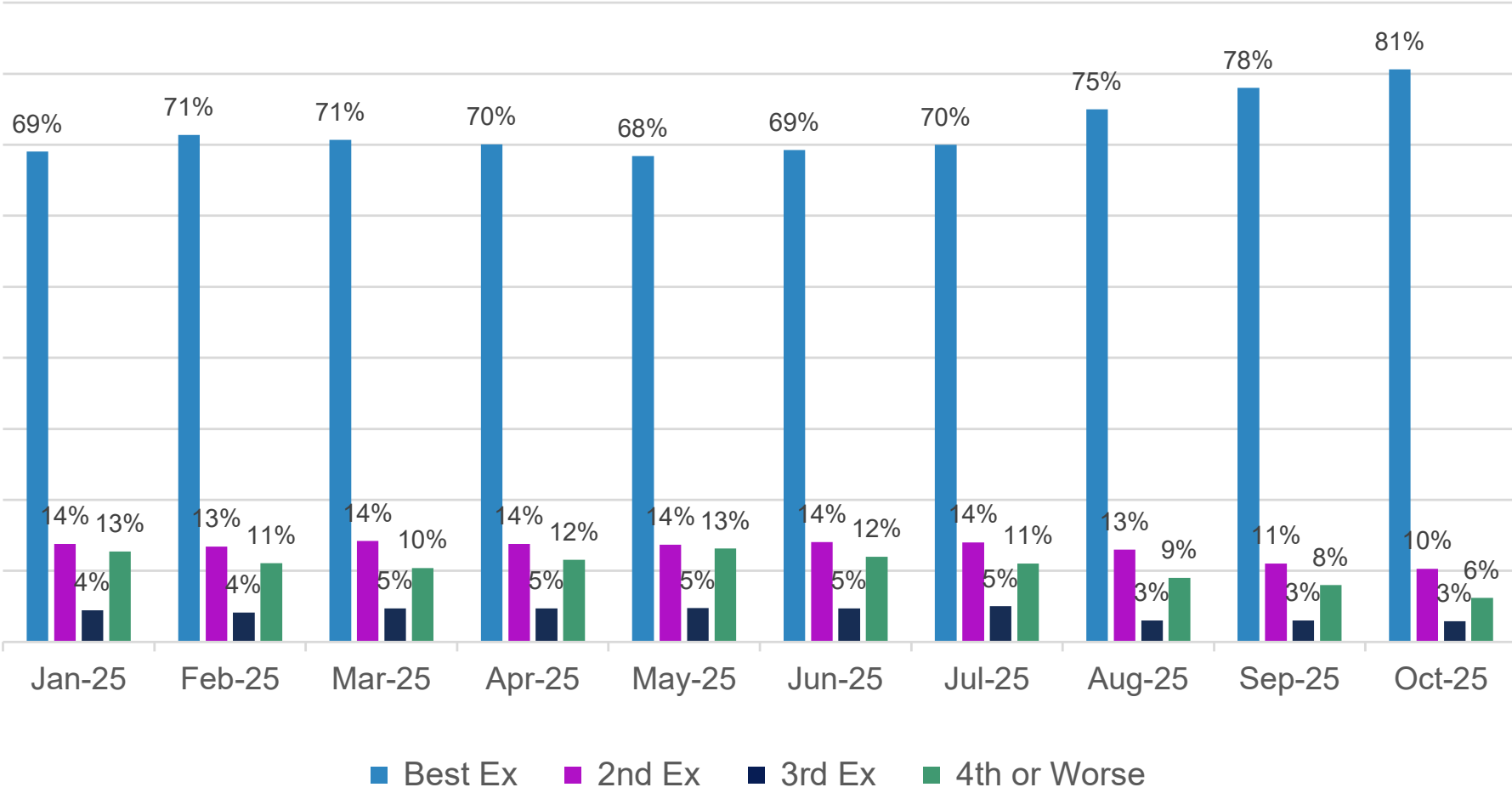
SERVICING RIGHTS & MARKET RATE INDICES

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
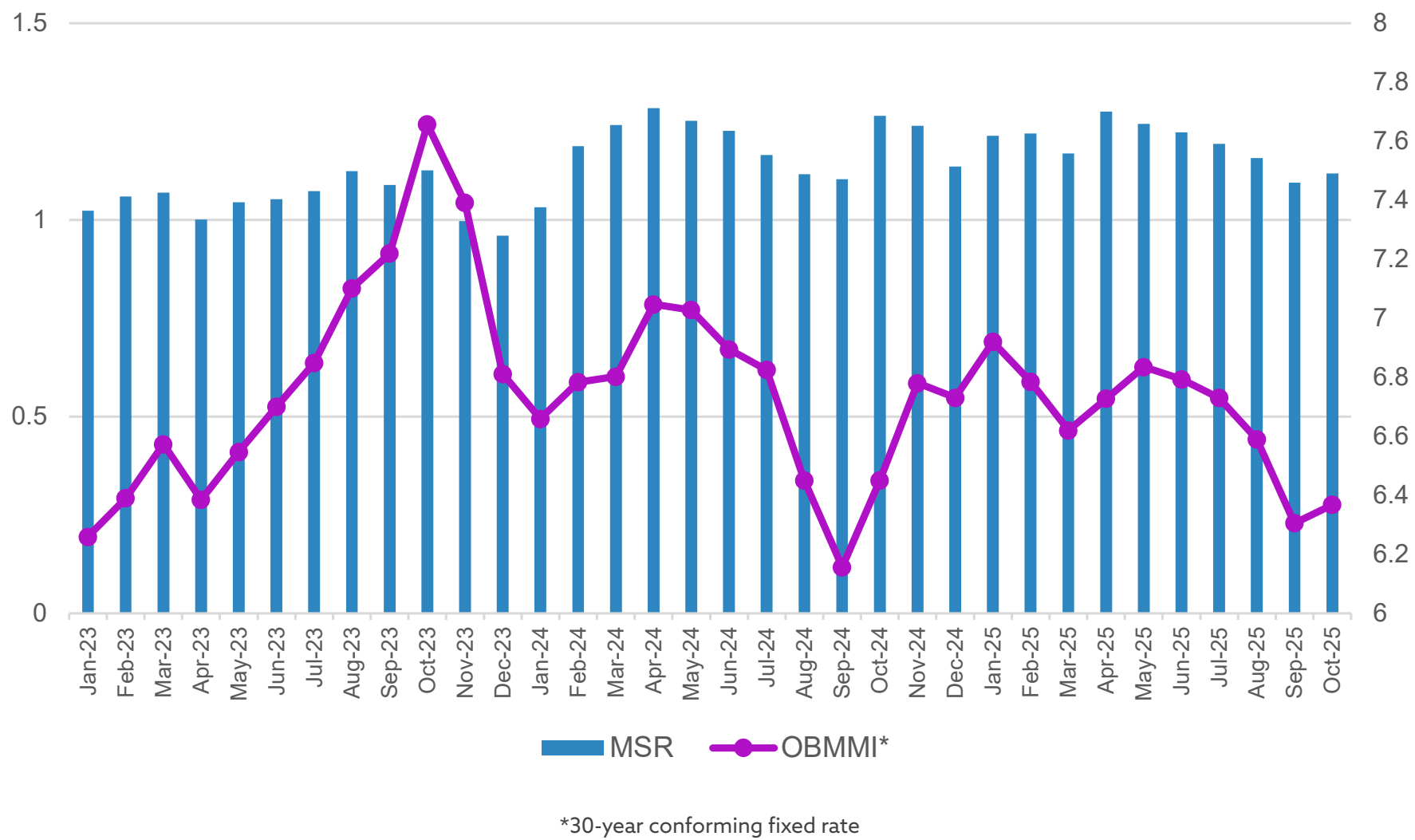
AVERAGE INVESTOR COUNT AT LOAN SALE

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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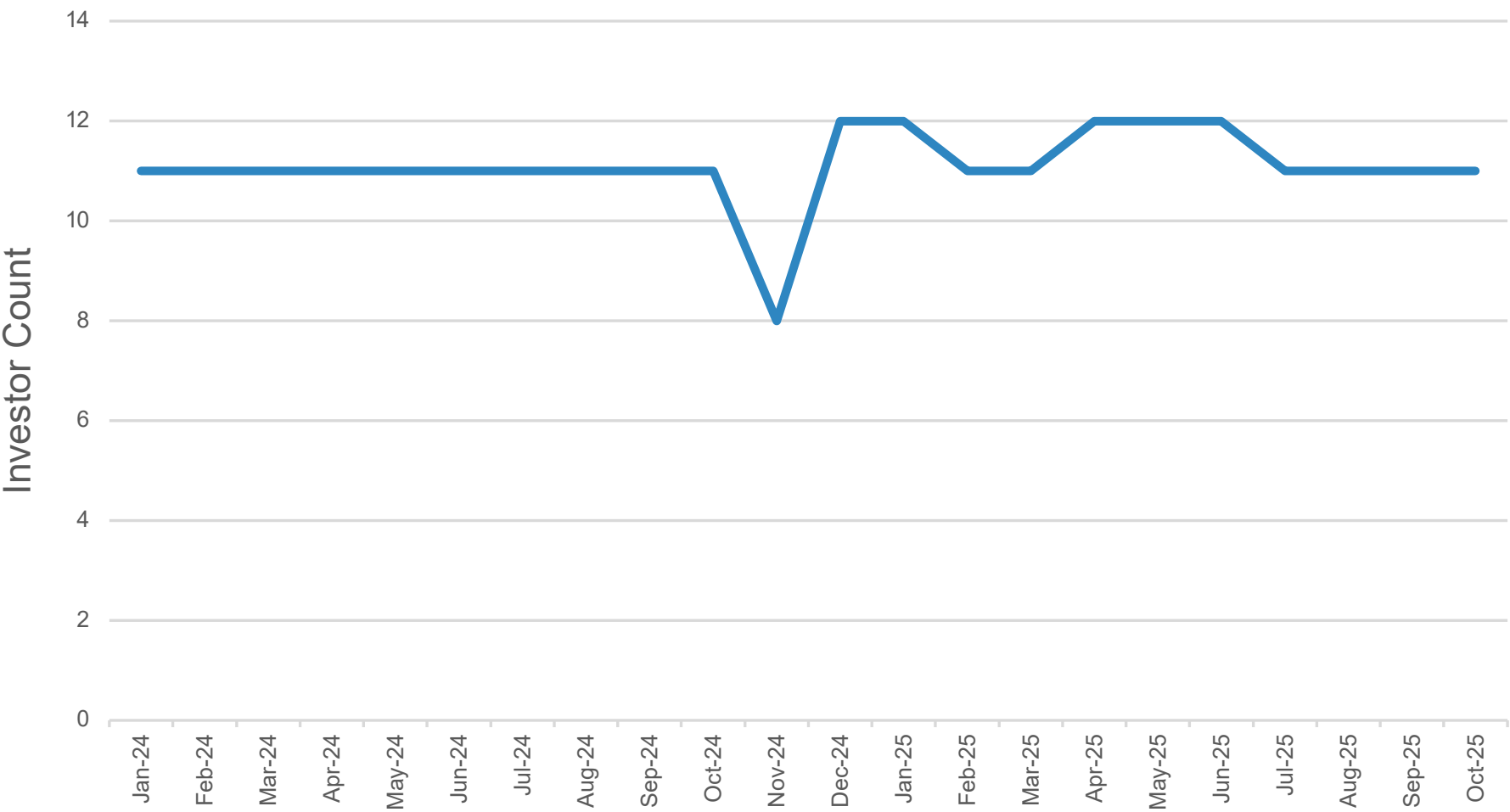
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