

Black Knight: Rate Lock Data Suggests 2020 Originations Will Surpass \$4 Trillion for First Time Ever; Q3 Originations Likely to Set New Quarterly Records

- Rate lock activity continues to remain strong across the board; assuming a 45-day lock-to-close period, Q3 2020 will set new quarterly records for refinance, purchase and total origination volumes
- Estimated origination volumes based on underlying locks suggest Q3 refinance and total originations could be up 25% or more from Q2, while purchase lending could be up by 35% or more
- This would push 2020 purchase lending to its highest level since 2005 and both refinance lending and total origination volumes to their highest levels ever, with total lending on pace to easily eclipse the \$4 trillion threshold for the first time on record
- At the same time, low rates, improved affordability and low inventory continue to put upward pressure on home prices, with the median home price rising by 14.2% in September
- This is up from an 11.5% increase in August, and the highest such annual home price growth rate in more than 15 years
- Despite pandemic-related headwinds earlier this year, the data suggests that through November, purchase lending would already be up 11% from the same period in 2019 and poised to grow even further in December

JACKSONVILLE, Fla. – Nov. 2, 2020 – Today, the [Data & Analytics](#) division of [Black Knight, Inc.](#) (NYSE:BKI) released its latest [Mortgage Monitor Report](#), based upon the company’s industry-leading mortgage performance, housing and public records datasets. This month, the company looked into rate lock data – historically a good indicator of lending activity – and found that Q3 2020 mortgage originations are set to break quarterly records in terms of refinance, purchase and total lending volumes. As Black Knight Data & Analytics President Ben Graboske explained, the data and market conditions also suggest that origination volumes could remain elevated into November and beyond.

“Rate lock data from Black Knight’s Compass Analytics division shows that Q3 2020 mortgage originations are on track to break quarterly records across the board and remain strong moving into Q4,” said Graboske. “This suggests that origination and prepayment activity will likely remain elevated well into Q4 2020. September lock activity held relatively level with August, but through October 19, lock activity overall is up 4% from the month prior – with purchase locks up 6% and refinance locks up 3% thus far. Interest rates setting new record lows in mid- and late October will likely continue to fuel lock activity in coming weeks.

“Assuming a 45-day lock-to-close period, not only could Q3 2020 set quarterly records for refinance, purchase and total origination volumes alike, but that volume could remain at or near peak levels through November 2020 – if not longer. Estimated origination volumes based on underlying locks suggest both Q3 refinance and total originations could be up 25% or more from Q2 while purchase lending could be up by 35% or more. This would push 2020 purchase lending to the highest level since 2005 and both refinance lending and total origination volumes to their highest levels ever. Indeed, total lending in 2020 is well on its way to easily eclipse the \$4 trillion mark for the first time in history.”

This month’s report also found that – despite heavy, pandemic-related headwinds earlier in the year – home price appreciation has remained remarkably robust. The annual home price growth rate had slowed to 0% in May – the first time home prices were flat year-over-year since early 2012 – but have since skyrocketed, driven by record low rates, improved affordability and a severe shortage of available inventory. According to daily home price tracking data from Black Knight’s Collateral Analytics group, after seeing annual home price growth of 11.5% in August, annual appreciation accelerated to a startling 14.2% in September, the highest such growth rate in more than 15 years. Much more detail can be found in Black Knight’s September 2020 [Mortgage Monitor Report](#).

About the Mortgage Monitor

The Data & Analytics division of Black Knight manages the nation's leading repository of loan-level residential mortgage data and performance information covering the majority of the overall market, including tens of millions of loans across the spectrum of credit products and more than 160 million historical records. The Black Knight HPI is one of the most complete, accurate and timely measures of home prices available, providing essential micro-level valuation data by covering nearly 90 percent of U.S. residential properties at the ZIP-code level. In addition, the company maintains one of the most robust public property records databases available, covering 99.9% of the U.S. population and households from more than 3,100 counties.

Black Knight's research experts carefully analyze this data to produce a summary supplemented by dozens of charts and graphs that reflect trend and point-in-time observations for the monthly Mortgage Monitor Report. To review the full report, visit: <https://www.blackknightinc.com/data-reports/>

About Black Knight

Black Knight, Inc. (NYSE:BKI) is an award-winning software, data and analytics company that drives innovation in the mortgage lending and servicing and real estate industries, as well as the capital and secondary markets. Businesses leverage our robust, integrated solutions across the entire homeownership life cycle to help retain existing customers, gain new customers, mitigate risk and operate more effectively.

Our clients rely on our proven, comprehensive, scalable products and our unwavering commitment to delivering superior client support to achieve their strategic goals and better serving their customers. For

more information on Black Knight, please visit www.blackknightinc.com/.

Forward-Looking Statements

This press release contains forward-looking statements that involve a number of risks and uncertainties. Statements that are not historical facts, including statements regarding expectations, hopes, intentions or strategies regarding the future are forward-looking statements. Forward-looking statements are based on Black Knight management's beliefs, as well as assumptions made by, and information currently available to, them. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected. Black Knight undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. The risks and uncertainties that forward-looking statements are subject to include, but are not limited to: changes in general economic, business, regulatory and political conditions, including those resulting from pandemics such as COVID-19, particularly as they affect foreclosures and the mortgage industry; the outbreak of COVID-19 and measures to reduce its spread, including the effect of governmental or voluntary actions such as business shutdowns and stay-at-home orders; security breaches against our information systems; our ability to maintain and grow our relationships with our clients; changes to the laws, rules and regulations that affect our and our clients' businesses; our ability to adapt our services to changes in technology or the marketplace or achieve our growth strategies; our ability to protect our proprietary software and information rights; the effect of any potential defects, development delays, installation difficulties or system failures on our business and reputation; risks associated with the availability of data; the effects of our existing leverage on our ability to make acquisitions and invest in our business; our ability to successfully integrate strategic acquisitions, including the acquisition of Optimal Blue; risks associated with our investment in Dun & Bradstreet Holdings, Inc.; and other risks and uncertainties detailed in the "Statement Regarding Forward-Looking Information," "Risk Factors" and other sections of our Annual Report on Form 10-K and other filings with the Securities and Exchange Commission.

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