

Black Knight Introduces Originations Market Monitor: March Report Shows Refinance Share Below 50% for First Time in 15 Months; Rate/Term Refi Lending Down 36% Year-to-Date

- Black Knight's newest monthly report leverages daily rate lock data from Black Knight's Optimal Blue PPE – mortgage lending's most widely used pricing engine – to provide the industry's earliest and most comprehensive view of origination activity
- Each month, the Originations Market Monitor will update a series of key indicators drawn from Optimal Blue PPE data as well as secondary market insight from Black Knight's market-leading hedging platforms
- Black Knight's OBMMI interest rate tracker showed March's month-end average conforming 30-year rate offering at 3.34%, up nearly 60 basis points (BPS) from February but still down 20 BPS from last year
- Overall rate lock volume was up 2.5% in March, with both purchase locks (+32%) and cash-out refinance locks (+4%) seeing month-over-month growth
- Rate/term refinances, however, were down significantly on recent interest rate rises; locks on such loans were down more than 26% from February and by more than a third since the start of 2021
- This decline has shifted the originations market mix to 52% purchase and 48% refi, marking the first time the balance has been in favor of purchase loans since December 2019

JACKSONVILLE, Fla. – April 14, 2021 – Today, [Black Knight, Inc.](#) (NYSE:BKI) announced the launch of the Originations Market Monitor, a new monthly data report that leverages daily rate lock data from Black Knight's Optimal Blue PPE – mortgage lending's most widely used loan product and pricing engine – to provide the industry's earliest and most comprehensive view of origination activity. Each month, the Originations Market Monitor will publish a series of key indicators drawn from Optimal Blue PPE data as well as secondary market insight from Black Knight's market-leading hedging platforms.

“Recent – and sharp – upward movements in interest rates have shifted the mortgage originations landscape very quickly,” said Black Knight Secondary Marketing Technologies President Scott Happ. “The wave of refinance activity of the last year and some months has suddenly given way to a purchase-heavy mix. The implications of this shift touch nearly every area of mortgage lending, which in turn has implications for the wider economy. In an environment like this, having access to the fullest, most current market data is essential. In recognition of this fact, Black Knight is launching the Originations Market Monitor to provide the public a high-level view of the kind of data our clients use daily to drive greater profitability and efficiencies.”

The inaugural report shows that while overall rate locks were up 2.5% for the month of March, there was a sharp divergence between purchase and refinance activity. Purchase locks were up 32% from February and nearly 70% since the start of 2021, with cash-out refis up a marginal 4.1% for the month. Refinances in which the

borrower is securing a better rate or term for their mortgage fell drastically, down more than 26% for the month and more than 35% since December.

“It’s little wonder that rate/term refinance activity would be down in March – our OBMMI interest rate tracker shows the average conforming 30-year rate offering came in at 3.34% at month’s end, 60 BPS higher than at the end of February,” Happ continued. “The decline in rate/term lending has shifted the originations market mix to 52% purchase and 48% refi. This marks the first time – but almost certainly not the last – that purchase loans have made up a majority share of monthly mortgage lending since December 2019. We also saw credit scores pull back, a trend that’s likely to continue among refis as high-credit borrowers, who have been largely driving record volumes, exit the market.”

Moving forward, each month’s report will provide high-level origination metrics for the U.S. and the top 20 metropolitan statistical areas by share of total origination volume. Much more detail on March’s origination activity can be found in the full [Black Knight Originations Market Monitor Report](#).

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/.

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