

Black Knight Originations Market Monitor: Despite Rate Offerings Dropping for All Mortgage Products in the Month, April Saw Lowest Total Lock Volume in Nearly a Year

- Black Knight's OBMMI daily interest rate tracker showed April's month-end average conforming 30-year rate at 3.17%, down 17 basis points (BPS) from March but still up 34 BPS since the end of January
- Overall rate lock volume was down 11.3% in April, with declines across purchase locks (-6%), cash-out (-13%) and rate/term (-20%) refinance locks
- April's overall rate lock volume was the lowest since May 2020, while refinances in which the borrower improves their rate and/or term hit their lowest level since January 2020
- The refinance share of the market mix dropped again in April, accounting for just 45% of the month's origination activity
- On an annual basis, only rate/term refinance lending was down from last April (-34%), whereas both cash-outs (+27%) and purchase loans (+114%) were up year-over-year

JACKSONVILLE, Fla. – May 17, 2021 – Today, [Black Knight, Inc.](#) (NYSE:BKI) announced the release of its latest Originations Market Monitor report, looking at mortgage origination data through April 2021 month-end. Leveraging daily rate lock data from Black Knight's Optimal Blue PPE – mortgage lending's most widely used pricing engine – the Originations Market Monitor provides the industry's earliest and most comprehensive view of origination activity.

"Despite interest rates trending downward in April across all mortgage products, the decreases did not seem to be enough to bring borrowers – particularly refi borrowers – back to the table," said Black Knight Secondary Marketing Technologies President Scott Happ. "April saw the lowest overall rate lock volume since May 2020, with rate/term refinance lending the lowest since January 2020 – before the 10-year Treasury yield fell below 1% for the first time ever, setting off a yearlong run of interest rates hitting 14 separate record lows in 2020."

The report shows that overall rate locks were down across the board, falling 11.3% from March. While purchase locks saw a 6% month-over-month decline, sharper monthly drops were observed among both cash-out (-13%) and rate/term (-20%) refinances. The refinance share of the market mix dropped again in April, accounting for just 45% of the month's origination activity. On an annual basis, only rate/term refinance lending is down from last April (-34%), whereas both cash-outs (+27%) and purchase loans (+114%) are up year-over-year.

"As volume has tightened, we've seen average credit scores decline across all products and purposes, and conventional loans lose share to government-backed mortgages," Happ continued. "Neither are unexpected developments given that, when rates begin to rise, higher-credit borrowers tend to simply not engage. Right now, though, rates are still hovering in a historically comfortable place, with approximately 14.5M homeowners

who could still likely qualify for and benefit from a refinance. It will be interesting – and telling – to see both how rates move in the coming weeks, and whether or not we see refi volumes increase as a result.”

Each month’s Originations Market Monitor provides high-level originations metrics for the U.S. and the top 20 metropolitan statistical areas by share of total origination volume. Much more detail on April’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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For more information:

Michelle Kersch
904.854.5043
michelle.kersch@bkfs.com

Mitch Cohen
704.890.8158
mitch.cohen@bkfs.com