

Black Knight Originations Market Monitor: Rate Locks Rise After Two Consecutive Monthly Declines; Both Purchase and Cash-Out Refinance Lending Up in June

- June mortgage rate locks were up 4% overall after seeing declines in both April and May
- Locks on both purchase (+6%) and cash-out refinance (+10%) loans increased while rate/term refis continued to fall (-4%)
- The rise in purchase lock activity also comes after two consecutive months of declines, including during the typical May peak in purchase lending, with that drop primarily due to the foreshortened month
- While purchase locks per day were down slightly from May, they rose for the month due to the three additional business days in June, putting purchase activity just 5% behind March's record high
- The continued trend of rising home prices has led to continued growth in the jumbo share of lending, at the expense of conforming loan products
- Despite interest rates returning down to March levels, rate/term refinance locks are down 30% from that point and 60% since January
- Though cash-outs remain strong – making up 42% of refinances and 18% of total locks – the refi share of the market mix dropped again in June, accounting for just 43% of the month's origination activity
- Black Knight's [OBMMI daily interest rate tracker](#) showed June's month-end average conforming 30-year rate at 3.16%, up one basis point from May and 18 basis points lower than at the end of March

JACKSONVILLE, Fla. – July 12, 2021 – Today, [Black Knight, Inc.](#) (NYSE:BKI) announced the release of its latest Originations Market Monitor report, looking at mortgage origination data through June 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.

“After an initial rise following the Fed's policy meeting in mid-June, Black Knight's [OBMMI daily interest rate tracker](#) shows rate offerings settling in the second half of the month and now sitting roughly equivalent to where they were at the same time in May,” said Black Knight Secondary Marketing Technologies President Scott Happ. “Following two consecutive months of declines – and during the typical seasonal peak for purchase lending, no less – overall locks climbed in June. Both purchase and cash-out refinances were up, but refis in which the homeowner improves their rate or term continued their downward slide, despite rates returning to levels last seen in early March. Such rate/term refis are now down 30% from that point and 60% since January.”

The month's pipeline data showed that overall rate locks were up 3.9% from May, with a 6% rise in purchase locks and a more pronounced 10% jump in cash-out refinance locks. The purchase lock rise also comes after two consecutive months of declines, with May's drop primarily due to the foreshortened month. While the volume

of purchase loan locks per day was down slightly from May, they rose for the month due to the three additional business days in June, putting purchase activity just 5% behind March's record high. On the other hand, locks for rate/term refinances were down 4%, causing the refinance share of the market mix to drop again, accounting for just 43% of June's origination activity.

[“A recent Black Knight analysis](#) found that borrower behavior and market make-up is changing in the face of continued, record-breaking home price appreciation,” Happ continued. “This tracks with the continued, growing jumbo share of lending in the market and the decline in the conforming share a result. Indeed, the conforming share of lending is down nearly 750 basis points from last year. With rates holding steady and purchase lending strong, additional growth in home prices may extend this trend further.”

Each month's Originations Market Monitor provides 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 June'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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