

## Black Knight Originations Market Monitor: Rate Lock Volume Up 5.5% in July as Interest Rates Fall Back Below 3%; Refinance Activity Sees Largest Rise

- Building upon June's improvement, mortgage rate locks were up 5.5% month-over-month overall in July as interest rates dipped back below 3%
- Significant growth was seen in both rate/term (+24%) and cash-out (+20%) refinance locks, though purchase volumes declined 7% in the face of continued constraints on for-sale inventory
- Refinance volumes were undoubtedly boosted by the mid-month announced repeal of the Adverse Market Refinance Fee on GSE finances as well as rate declines due to falling 10-year Treasury yields
- The increase in refinance activity has brought the market mix back to an even 50-50 refinance/purchase split for the first time in five months
- Average borrower credit scores rose in July as well, as higher-credit borrowers historically tend to react more quickly and strongly to refinance opportunities
- Conforming loan products also saw an increase in activity in July, driven by the surge in refinance lending for the month
- Black Knight's [OBMMI daily interest rate tracker](#) showed July's month-end conforming 30-year rate at 2.99%, 17 basis points lower than at the end of June

JACKSONVILLE, Fla. – Aug. 9, 2021 – Today, [Black Knight, Inc.](#) (NYSE:BKI) announced the release of its latest Originations Market Monitor report, looking at mortgage origination data through July 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.

"The market's uncertainty around rising Delta variant caseloads across the U.S. has helped push yields on the 10-year Treasury down to their lowest level since February," said Black Knight Secondary Marketing Technologies President Scott Happ. "This has, in turn, put downward pressure on mortgage interest rates, with our [OBMMI daily interest rate tracker](#) showing July's month-end conforming 30-year at 2.99%, 17 basis points lower than the month prior."

The month's pipeline data showed that overall rate locks were up 5.5% from June, with both rate/term and cash-out refinance locks seeing significant monthly growth, rising 24% and 20% respectively. The increase in activity was strong enough to push the refinance share of the market mix back up to 50% for the first time in five months. Conversely, locks on purchase loans pulled back in July, falling 7% from June as rising home prices and constrained for-sale inventory continue to put downward pressure on purchase lending volumes. Average credit scores were up as well in July as higher-credit borrowers, who historically tend to react more quickly and

strongly to refinance opportunities, reentered the market.

“When the FHFA announced the repeal of its adverse market fee for refinances in mid-July on top of already falling 10-year Treasuries, we saw interest rates tick down below 3% within days,” Happ continued. “And while we didn’t see homeowners looking to refinance react as quickly or as strongly to such slight rate movements in the past few months, they certainly did so in July. The mid-month surge was pronounced, but short-lived, suggesting that crossing the 3% threshold was what borrowers were waiting for before acting, and when rates ticked back above that psychological line, they held back on the sidelines once again. Now that rates are again below 3%, a very early look at August lock data suggests more of the same in the month’s earliest days.”

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 July’s origination activity can be found in the full Black Knight Originations Market Monitor report located [here](#).

### **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/](http://www.blackknightinc.com/).

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