

## Black Knight Originations Market Monitor: Overall Rate Lock Volume Up 1.3% in August, Driven Largely by 7.6% Increase in Cash-Out Refinance Activity

- While movement in purchase (-0.8%) and rate/term refinance (+0.5%) locks essentially canceled each other out, strong growth was seen among cash-out (+7.6%) refinance locks
- Cash-out refinance lending is up more than 41% over the last three months and nearly 30% since the same time last year
- August's increase in cash-out activity was enough to bring the refinance share of the market above 50% for the first time since February
- Average credit scores rose, likely as higher-credit borrowers took advantage of sub-3% interest rates early in the month
- Non-conforming loan products reclaimed market share in August, while all other products lost ground
- Black Knight's [OBMMI daily interest rate tracker](#) showed August's month-end conforming 30-year rate at 3.05%, the six-basis-point rise matching that of the 10-year Treasury yield

JACKSONVILLE, Fla. – Sept. 13, 2021 – Today, [Black Knight, Inc.](#) (NYSE:BKI) announced the release of its latest Originations Market Monitor report, looking at mortgage origination data through August 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 starting the month below 3%, interest rates spent much of August hovering just above that point, with the conforming 30-year at 3.05% at month's end, according to our [OBMMI daily interest rate tracker](#)," said Black Knight Secondary Marketing Technologies President Scott Happ. "That sub-3% period seems to have been enough to spur some high-credit-score and high-balance borrowers to refinance, as average credit scores rose along with the non-conforming share of the market."

The month's pipeline data showed that overall rate locks were up 1.3% from July, driven by a 7.6% increase in cash-out activity. The month's rise puts cash-out refinance lending up more than 41% over the last three months. The increase in cash-out activity was enough to push the overall refinance share of the market mix back above 50% for the first time since February even with rate/term lending remaining essentially flat (-0.5%). Locks on purchase loans stayed roughly flat as well, ticking down 0.8% from July as rising home prices and constrained for-sale inventory continue to put downward pressure on purchase lending volumes.

"The rise in cash-out lending is hardly surprising given [the extraordinary growth we've seen in tappable equity](#) this year," Happ continued. "We've now seen cash-out activity increase for three consecutive months, and with

\$173,000 in equity available to the average homeowner with a mortgage and home prices still climbing, there is still room in the market for growth. With equity levels at record highs and interest rates broadly expected to tick upward in coming years, cash-out lending is likely to play a much larger part in the overall refinance market.”

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 August’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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