



MARKET ADVANTAGE

MORTGAGE DATA REPORT

DECEMBER 2025

Welcome to the OPTIMAL BLUE MARKET ADVANTAGE

A Complimentary Monthly Report on Mortgage Origination and Secondary Market Activity

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KEY FINDINGS: DECEMBER 2025

VOLUME TRENDS AND MARKET COMPOSITION

- **Refinance share expands:** Refinances accounted for 37% of all locks in December, up 224 bps MoM and 1,354 bps YoY. Rate-and-term refinance volume increased 13% MoM and more than 170% YoY, while cash-out refinances rose 1% MoM and 35% YoY. Overall refinance pull-through improved 194 bps from November to 69.2%.
- **Purchase market remains resilient:** Purchase locks slipped just 1% MoM despite typical holiday-driven seasonality and finished December 7% higher than a year earlier. Pull-through for purchase loans increased 199 bps MoM to 85.7%.
- **Non-QM sets another record:** Non-qualified mortgage production maintained its upward trajectory, finishing December above 9% of locks, up 50 bps MoM.
- **Government and non-conforming gain share:** Conforming loans accounted for 51% of locks in December, down 86 bps MoM and 18 bps YoY. Non-conforming share rose to 17%, up 17 bps MoM and 141 bps YoY. FHA, VA and USDA loans each gained share during the month.
- **PUD share remains sizable:** Planned unit developments (PUDs) accounted for 29% of locks by property type, up 123 bps MoM but below year-ago levels, when PUD share was higher.

RATES AND PRICING

- **Rates largely unchanged:** The OBMMI 30-year conforming fixed rate ended December flat at 6.14%. FHA rates declined 1 bp to 5.98%, VA rates fell 6 bps to 5.71% and jumbo rates dropped 3 bps to 6.41%.
- **MSR values move higher:** MSR values for conforming 30-year loans increased 5 bps to 1.14%, representing a 4.57 multiple, rising despite largely stable primary rates.
- **Treasury yields rise as spreads widen:** The 10-year Treasury yield increased 14 bps to 4.14% in December, compressing the mortgage-Treasury spread to 200 bps. Best-efforts-to-

mandatory spreads widened across products, including a 2-bp increase for conforming 30-year loans and a 3-bp increase for government 30-year loans.

- **Top-tier pricing holds:** The share of loans sold at the highest price tier remained flat at 79%, while second-tier share was unchanged at 11%, reflecting continued pricing discipline across the market.

CHANNEL AND EXECUTION

- **Execution mix shifts back toward aggregators:** Lenders adjusted hedged execution strategies in December as bulk aggregators regained share at the expense of agency securitization and cash window channels.
- **Bulk aggregator share rebounds:** Hedged loan sales to bulk aggregators increased 200 bps MoM to 29%, reversing a multi-month decline.
- **Securitization and cash window ease:** Agency mortgage-backed securities (MBS) executions and cash window sales each declined 100 bps during the month.
- **Investor participation increases:** The number of active investors rose to 12 in December after holding steady at 11 for four consecutive months, modestly expanding execution options for lenders.

PRODUCT MIX AND BORROWER PROFILES

- **Credit scores edge lower:** The average borrower credit score declined to 732 in December from 733 in November, extending a gradual pullback from 746 in September.
- **Loan sizes rise as leverage varies by market:** The average loan amount increased to \$394,502 from \$391,323 in November. Loan sizes ranged from \$812,240 in Los Angeles to \$315,735 in San Antonio. Loan-to-value ratios ranged from 68.85% in the San Francisco-Oakland Bay Area to 87.69% in San Antonio, with a national average of 80.10%.

SECTION I

ORIGINATION DATA

This section provides a view of early-stage origination activity by reviewing lender rate lock data from the Optimal Blue® PPE – the mortgage industry's most widely used product, pricing, and eligibility engine. Unlike self-reported survey data, Optimal Blue's mortgage lock data is direct-source data that accurately reflects the in-process loans in lenders' pipelines.

NATIONAL RATE LOCK METRICS



RATE LOCK VOLUME

Total lock volume rose 2% MoM in December and finished 30% higher YoY, driven primarily by rate-and-term refinances.



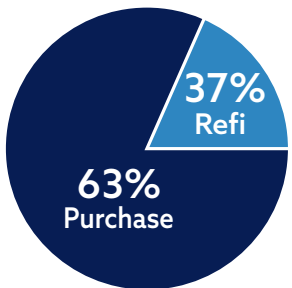
MONTH-END CONFORMING RATE

The benchmark Optimal Blue Mortgage Market Indices 30-year conforming interest rate ended December flat at 6.14%.



AVERAGE LOAN AMOUNT

The average loan amount increased to \$394,502 in December, up from \$391,323 in November.



MARKET MIX

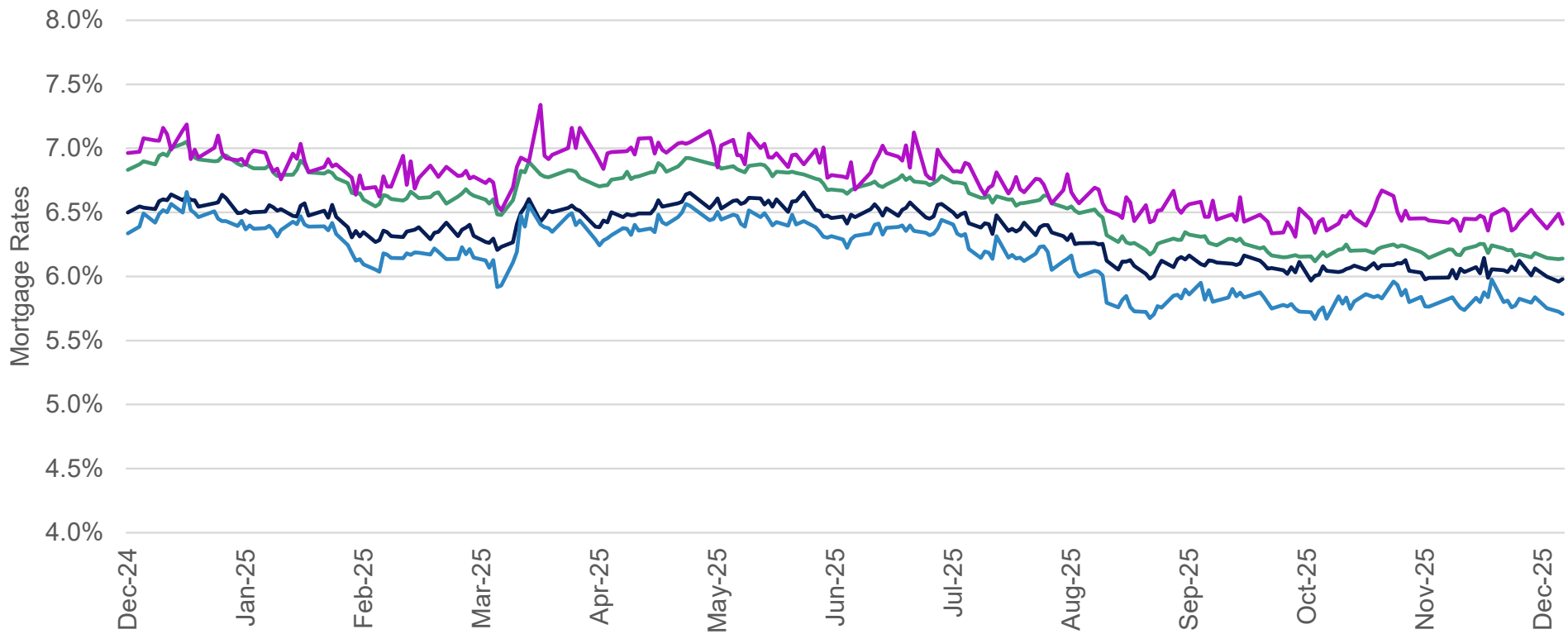
Refinances accounted for 37% of all locks in December, up 224 bps MoM and 1,354 bps YoY. Rate-and-term refi volume increased 13% MoM and more than 170% YoY, while cash-out refis rose 1% MoM and 35% YoY.





MARKET RATE INDICES

The **Optimal Blue Mortgage Market Indices (OBMMI)** are calculated from actual locked rates with consumers in the Optimal Blue PPE across approximately 35% of all mortgage transactions nationwide. OBMMI data includes mortgage points and seller concessions. It does not include borrower fees.

DID YOU KNOW?

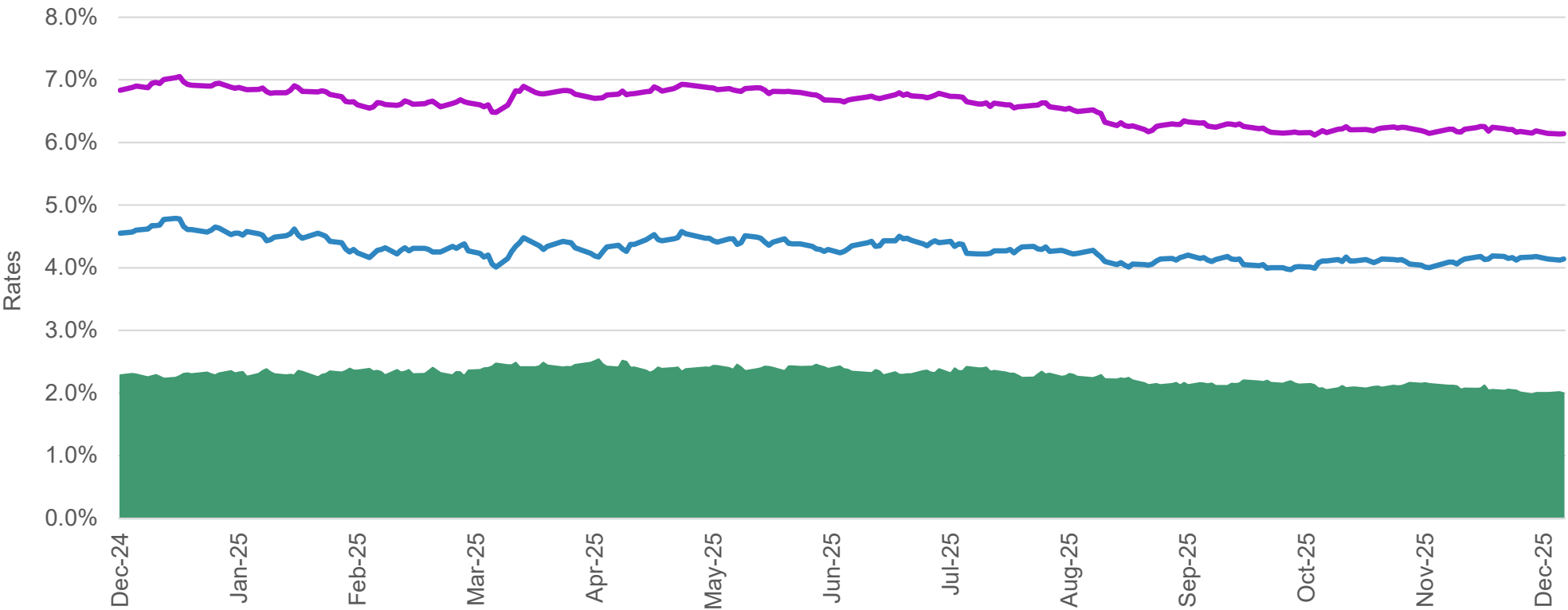
Optimal Blue's 30-year conforming fixed rate is the benchmark for the [CME Group Mortgage Rate futures](#).






Market Index		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	30-Year Conforming	6.14%	0 bps	(17 bps)	(69 bps)
	30-Year Jumbo	6.41%	(3 bps)	(5 bps)	(55 bps)
	30-Year FHA	5.98%	(1 bp)	(11 bps)	(52 bps)
	30-Year VA	5.71%	(6 bps)	(11 bps)	(63 bps)

30-YEAR TO 10-YEAR TREASURY SPREAD

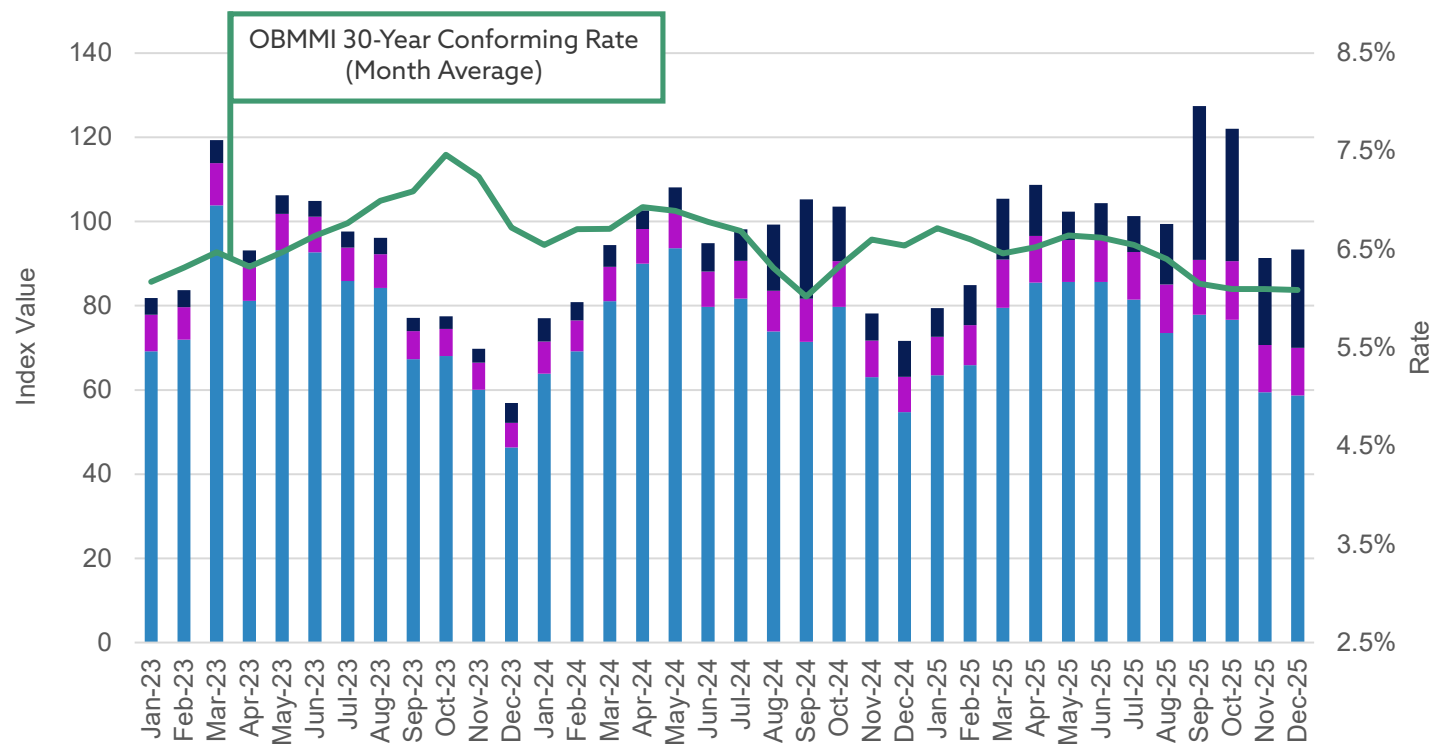
Mortgage rates are loosely tied to 10-year Treasury bond rates, but the spread between the two can vary. Spread indicates investor appetite and lender profit margin for mortgage-backed securities in relation to Treasury securities. Higher spreads indicate that investors require greater yield in comparison to Treasurys, which may result in higher mortgage rates being offered to consumers. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.



Market Index		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	10-Year Treasury	4.14%	14 bps	(2 bps)	(41 bps)
	30-Year Conforming	6.14%	0 bps	(17 bps)	(69 bps)
	10-Year to 30-Year Spread	2.00%	(14 bps)	(16 bps)	(28 bps)

LOCK VOLUME BY LOAN PURPOSE

Loan purpose indicates how a borrower will use mortgage financing: to purchase a property or refinance an existing mortgage. A cash-out refinance exchanges a portion of home equity for cash, while a rate/term refinance helps a consumer access a lower interest rate on an existing loan. This data is sourced from the Optimal Blue PPE.

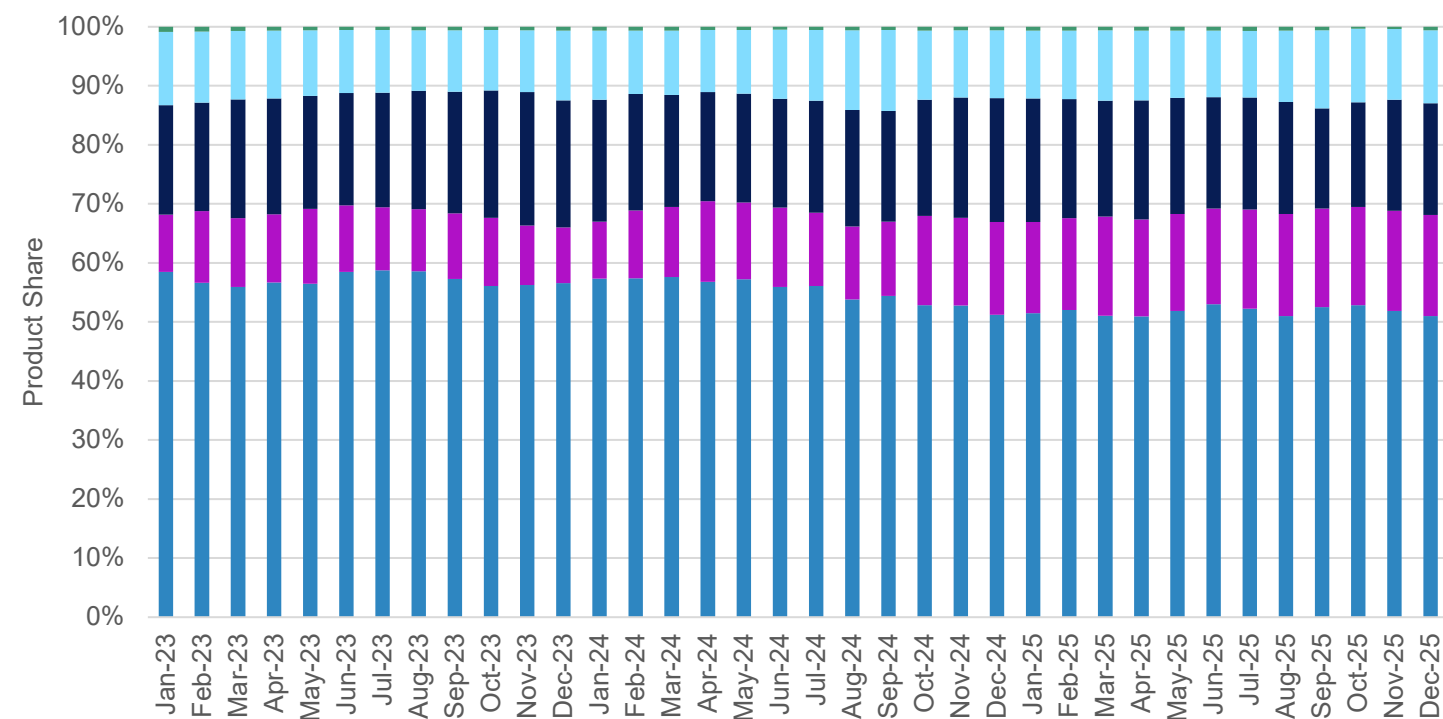







Market Volume Index (Total volume indexed to 100 in January 2018)		Current Value	1-Month % Change	3-Month % Change	12-Month % Change
<div></div>	Purchase	59	(1.3%)	(24.6%)	7.2%
<div></div>	Cash-Out Refinance	11	1.2%	(13.3%)	35.2%
<div></div>	Rate/Term Refinance	23	12.9%	(36.1%)	173.8%
<div></div>	Total	93	2.2%	(26.7%)	30.3%
Refinance Share*		37%	224 bps	(179 bps)	1354 bps

*Refinance share changes reflect inter-period delta

MIX OF BUSINESS BY LOAN PRODUCT

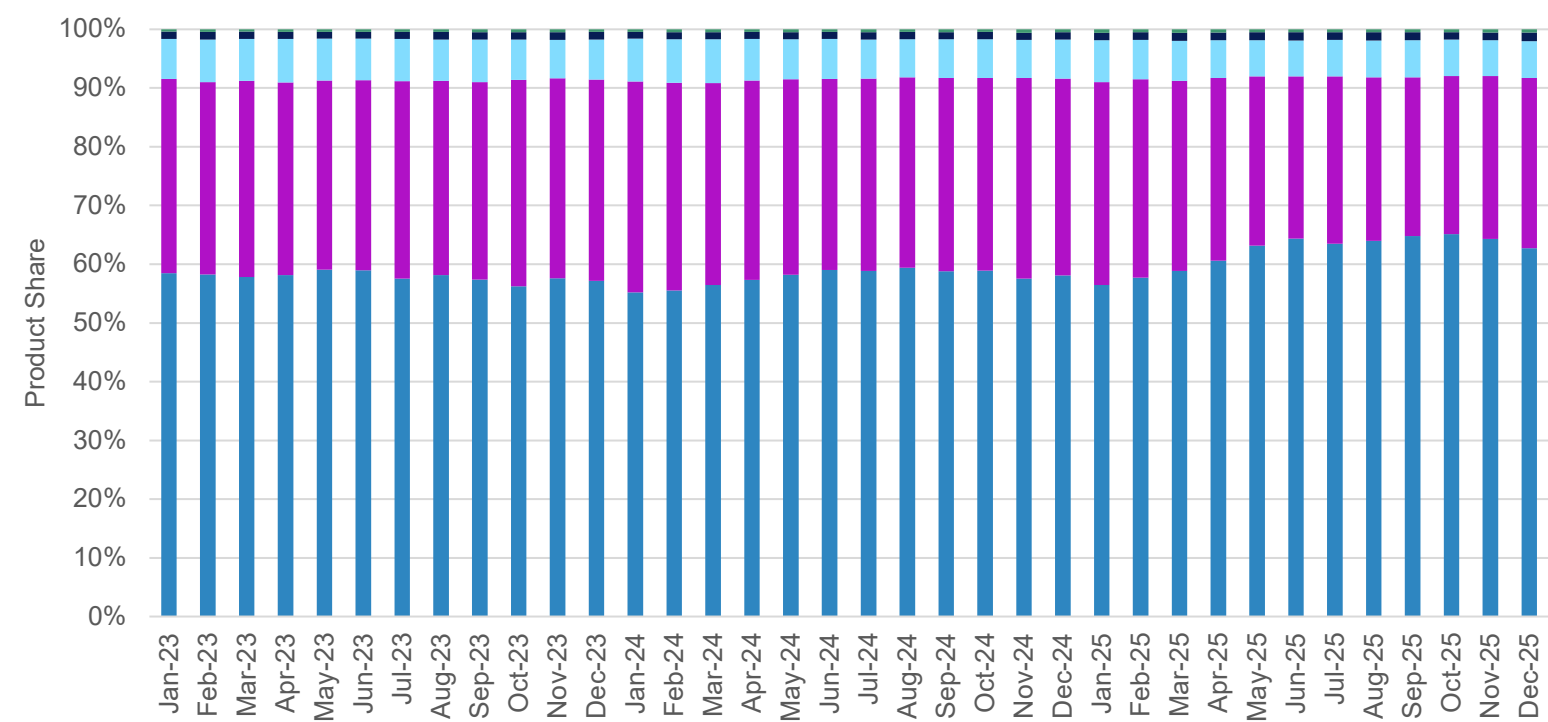
Loan product refers to the type of mortgage a consumer locks. Conforming (i.e., QM) loans meet the guidelines set by Fannie Mae and Freddie Mac, while nonconforming (i.e., non-QM) loans do not. FHA loans are insured by the Federal Housing Administration and allow for lower credit scores. VA loans are designed for military members and veterans, and they are guaranteed by the U.S. Department of Veterans Affairs. USDA loans are backed by the U.S. Department of Agriculture to help low-to-moderate income buyers in rural areas. This data is sourced from the Optimal Blue PPE.



Loan Product Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
	Conforming	51.0%	(86 bps)	(153 bps)	(18 bps)
	Nonconforming	17.1%	17 bps	45 bps	141 bps
	FHA	18.9%	15 bps	199 bps	(209 bps)
	VA	12.4%	34 bps	(89 bps)	88 bps
	USDA	0.6%	21 bps	(2 bps)	(1 bp)

PROPERTY TYPE

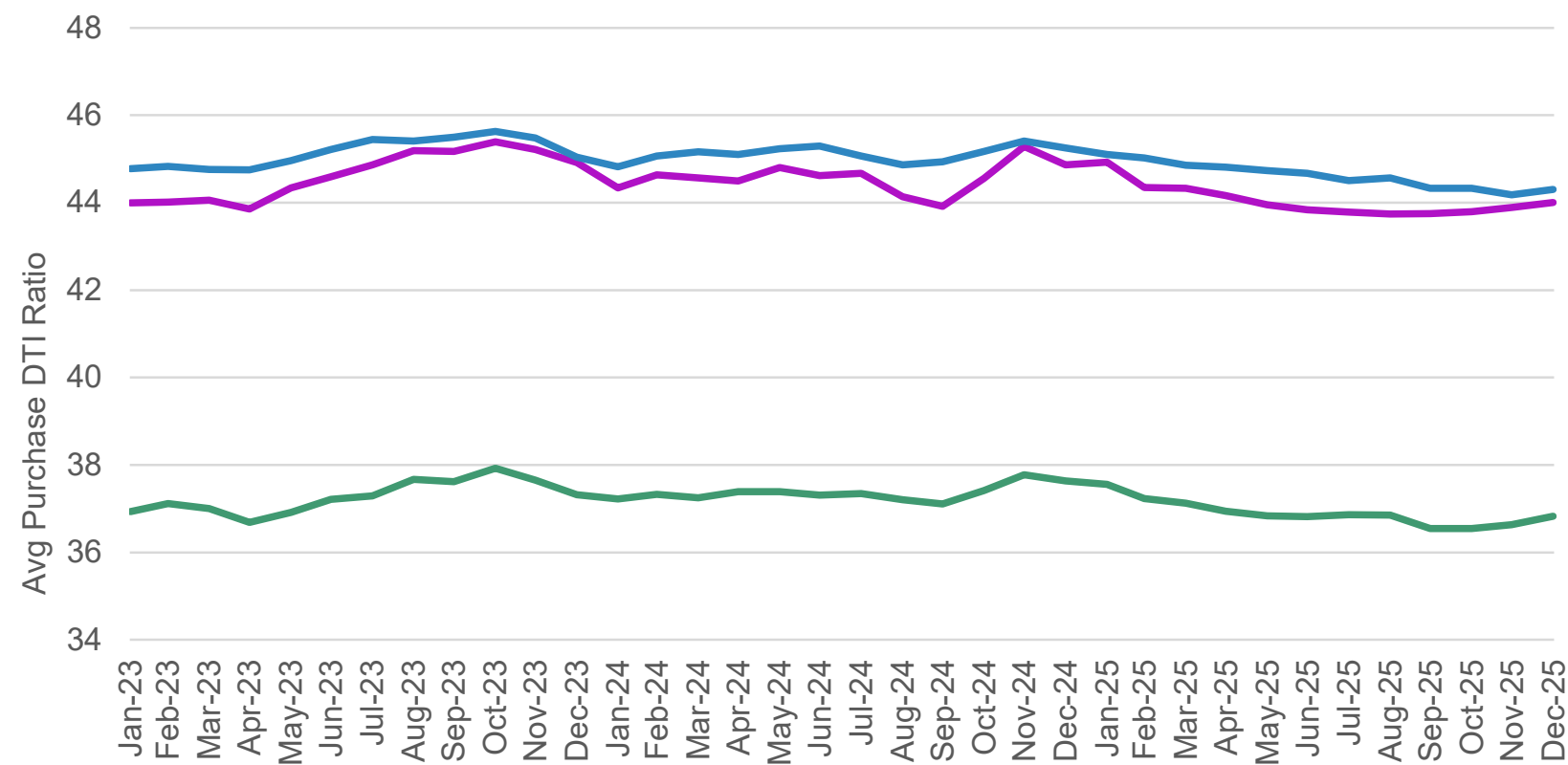
Property type is a classification of structure based on intended use and physical characteristics. *Planned unit development (PUD) includes new construction. This data is sourced from the Optimal Blue PPE.



Property Type Mix		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	Single Family	62.7%	(154 bps)	(205 bps)	464 bps
<div></div>	PUD*	29.0%	123 bps	194 bps	(455 bps)
<div></div>	Condo	6.3%	16 bps	(4 bps)	(34 bps)
<div></div>	Manufactured	1.4%	13 bps	11 bps	19 bps
<div></div>	All Other	0.6%	3 bps	4 bps	5 bps

DEBT-TO-INCOME RATIO

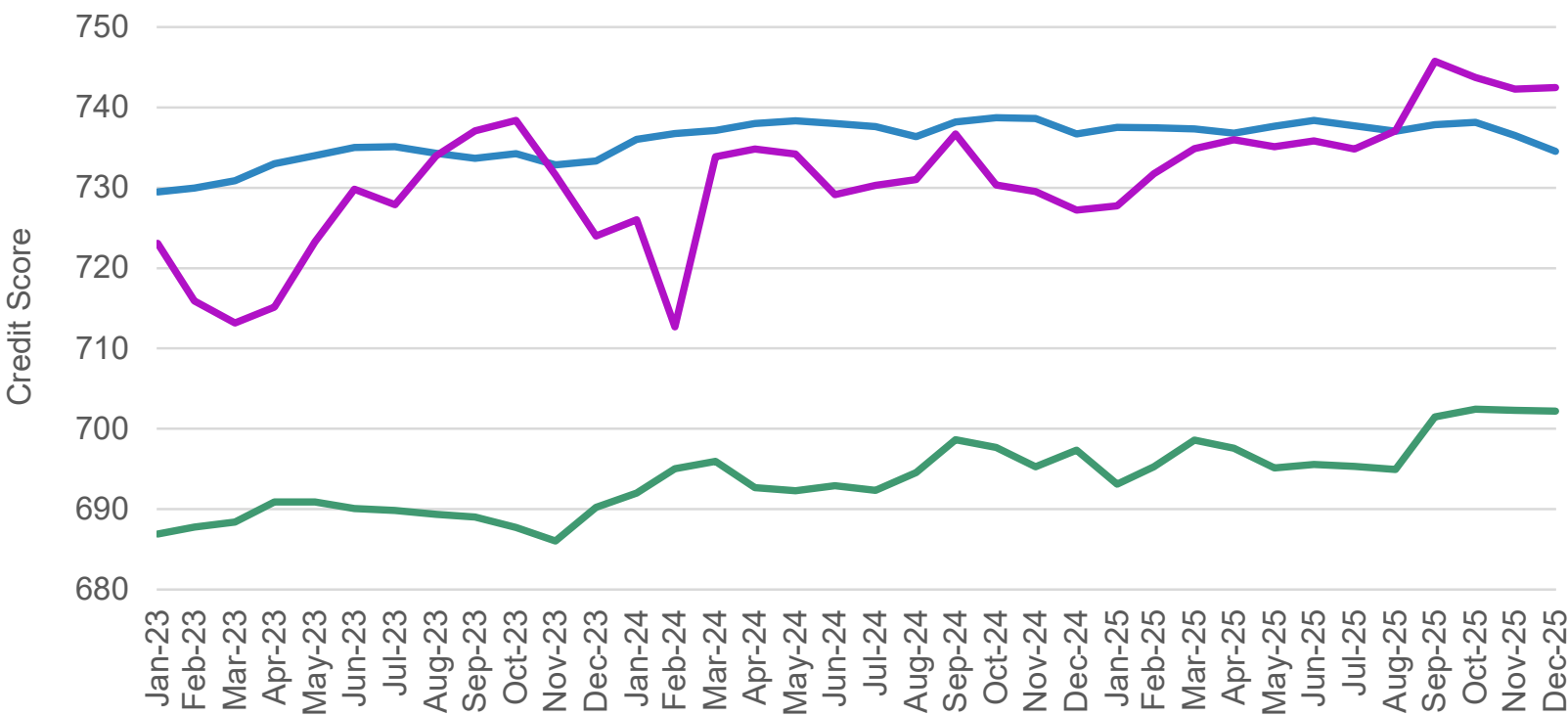
Debt-to-income (DTI) ratio is considered an indicator of a borrower's financial health, with lower DTI typically indicating greater financial flexibility. This data is sourced from the Optimal Blue PPE.



DTI Ratio by Product		Current Avg DTI Ratio	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	Conforming	36.8	0.2	0.3	(0.8)
<div></div>	FHA	44.3	0.1	0.0	(1.0)
<div></div>	VA	44.0	0.1	0.3	(0.9)

AVERAGE CREDIT SCORES BY LOAN PURPOSE

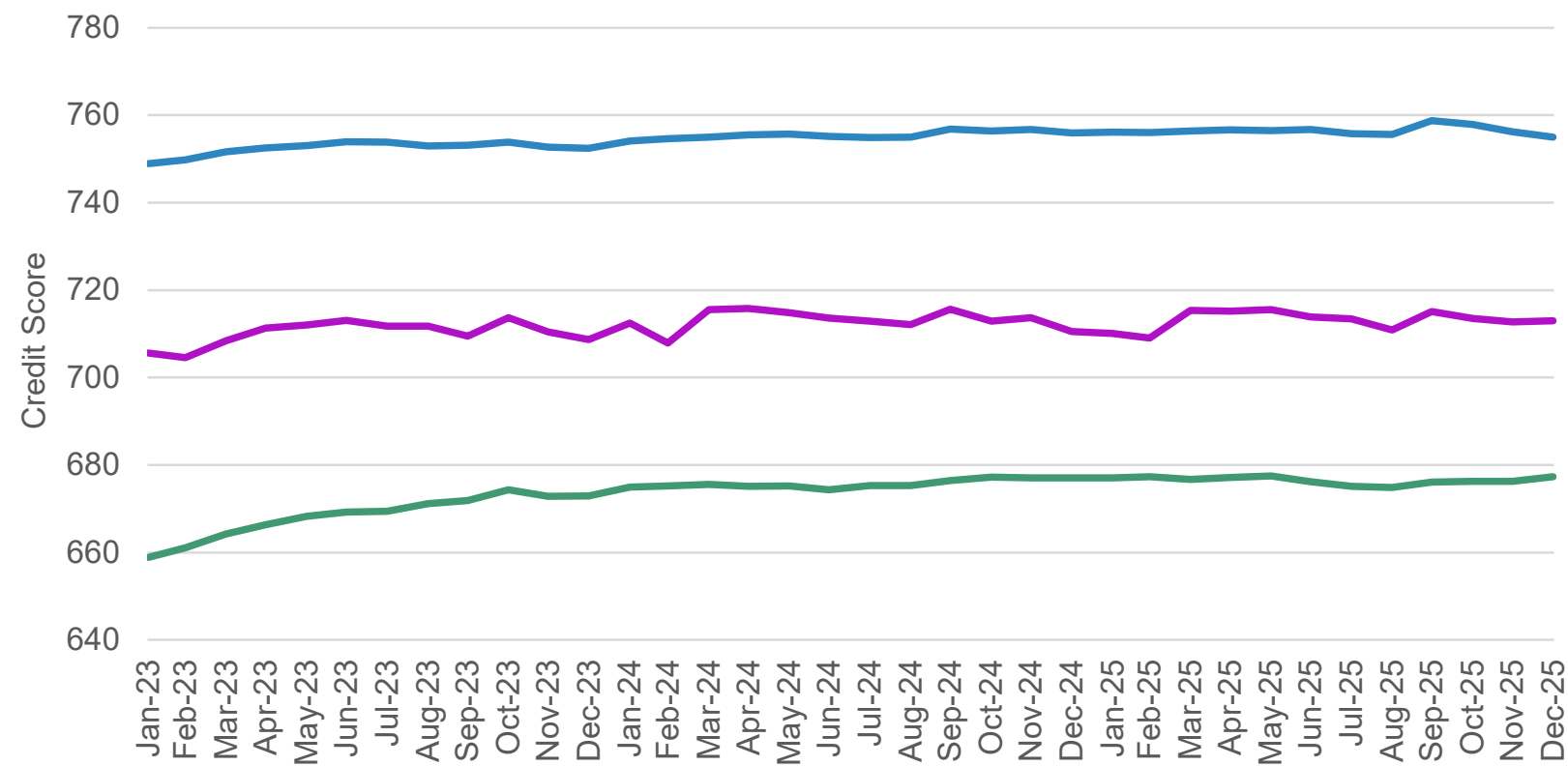
Credit score is considered an indicator of a borrower's financial health, with higher credit scores indicating greater financial flexibility. This data is sourced from the Optimal Blue PPE.



Credit Score by Purpose		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	Purchase	735	(2)	(3)	(2)
<div></div>	Cash Out Refi	702	0	1	5
<div></div>	Rate/Term Refi	742	0	(3)	15

AVERAGE CREDIT SCORES BY LOAN PRODUCT

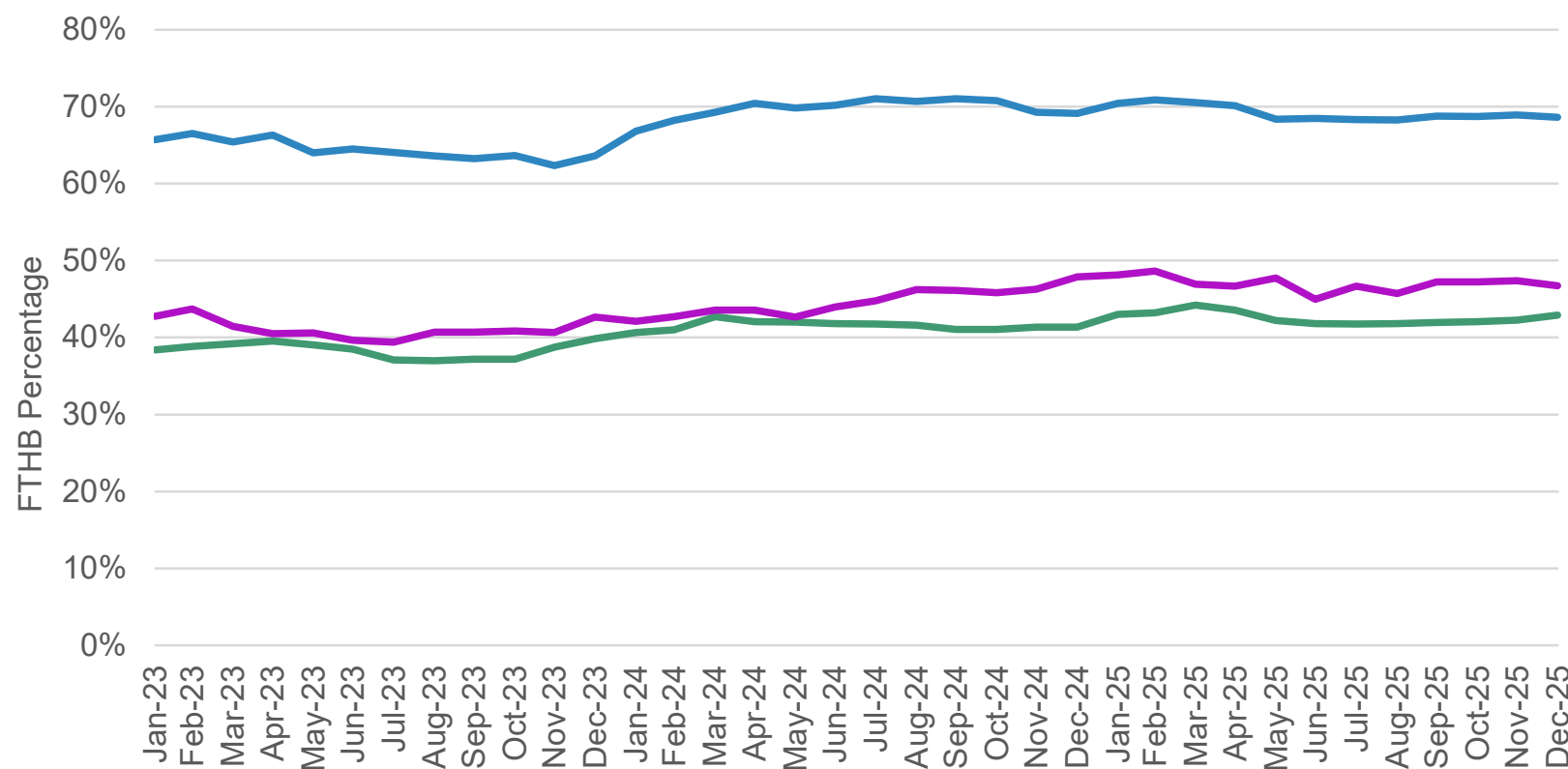
Credit score is considered an indicator of a borrower's financial health, with higher credit scores indicating greater financial flexibility. This data is sourced from the Optimal Blue PPE.



Credit Score by Product		Current Score	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	Conforming	755	(1)	(4)	(1)
<div></div>	FHA	677	1	1	0
<div></div>	VA	713	0	(2)	2

FIRST-TIME HOMEBUYER STATUS

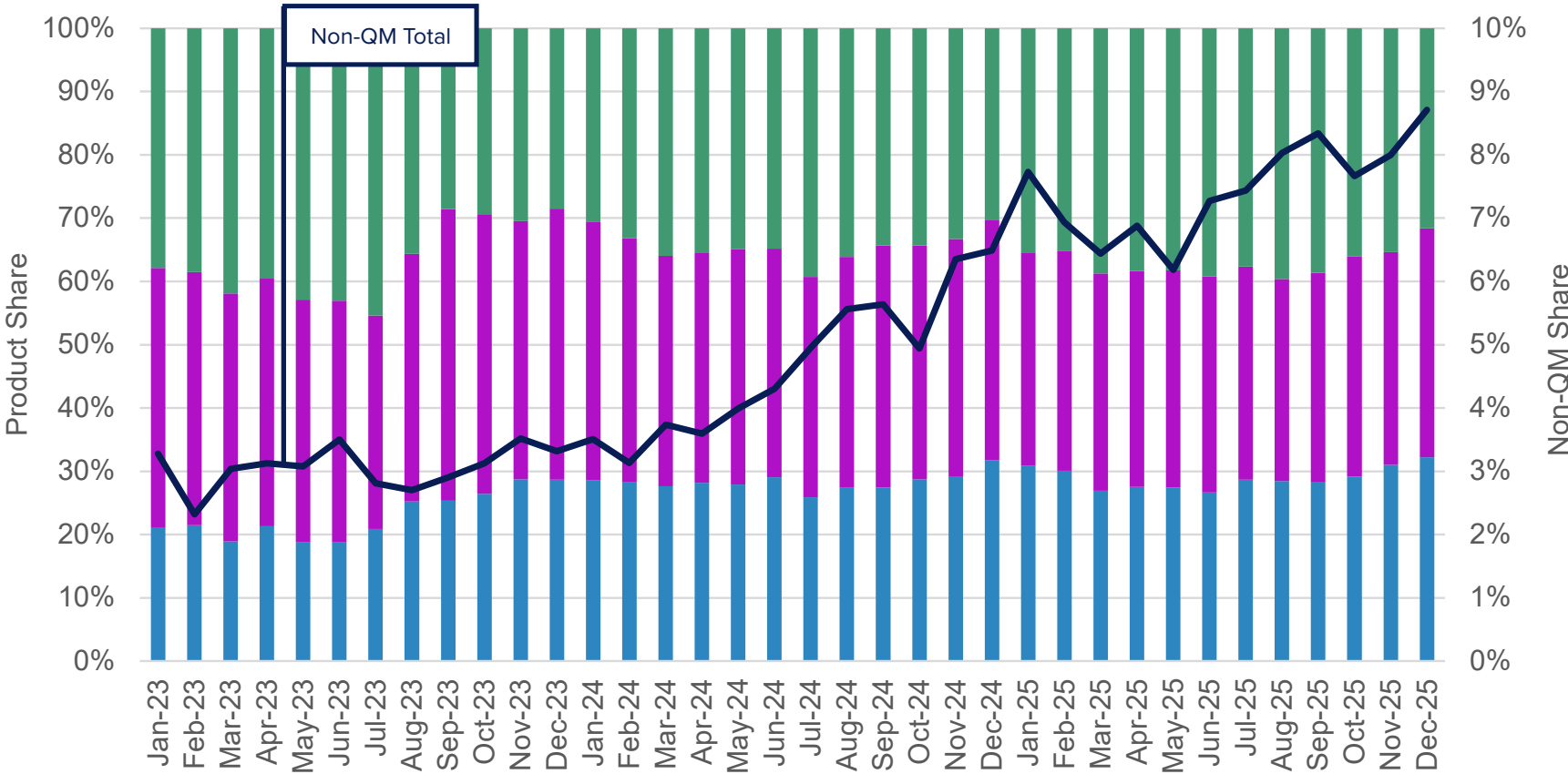
First-time homebuyers frequently take advantage of loan-level pricing adjustment (LLPA) relief and may qualify for lower rates. This data is sourced from the [Optimal Blue PPE](#).



First-Time Homebuyer by Product		Current Ratio	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	Conforming	43%	1%	1%	2%
<div></div>	FHA	69%	0%	0%	(1%)
<div></div>	VA	47%	(1%)	0%	(1%)

NON-QM LOAN PRODUCTS

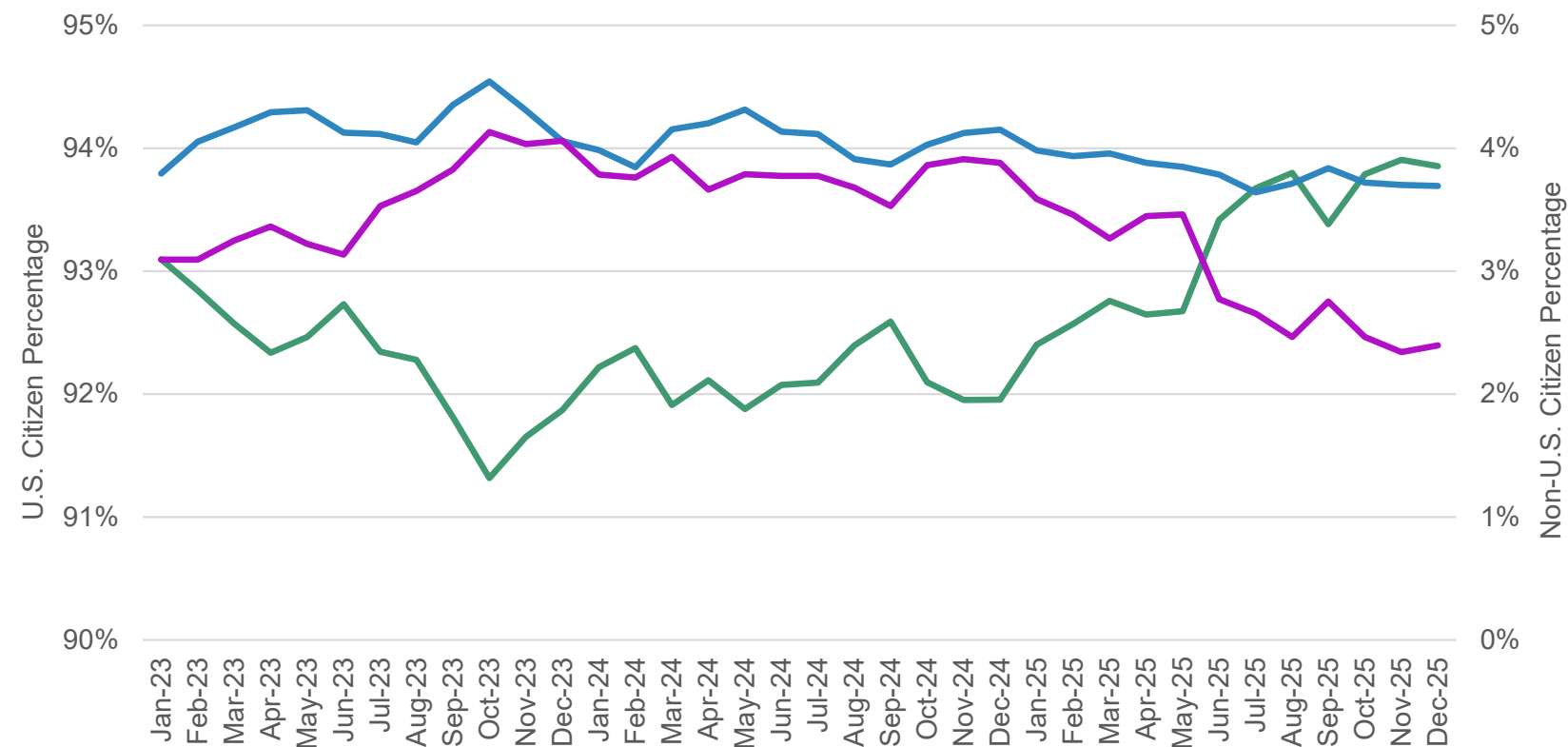
In contrast to agency-production loans, non-QM loans use different and/or more flexible criteria to verify borrower income. The categories below reflect ways lenders may verify income for borrowers who would not traditionally qualify for a conforming (i.e., QM) loan. This data is sourced from the Optimal Blue PPE.



Non-QM Market		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	Investor/DSCR	32.2%	119 bps	400 bps	51 bps
<div></div>	Bank Statement	36.2%	258 bps	306 bps	(185 bps)
<div></div>	All Other	31.6%	(377 bps)	(705 bps)	134 bps

BORROWER CITIZENSHIP

Borrowers may be subject to different eligibility and verification requirements based on their citizenship status. Citizenship data provides additional insight into demographics of homebuyers in America. This data is sourced from the Optimal Blue PPE.



Citizenship Status		Current Value	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	U.S. Citizen	93.9%	(5 bps)	47 bps	190 bps
<div></div>	Perm. Resident	3.7%	(1 bp)	(14 bps)	(46 bps)
<div></div>	Non-Perm. Resident	2.4%	5 bps	(36 bps)	(148 bps)

TOP 20 METROPOLITAN AREAS

Reviewing metropolitan statistical area by share of origination volume provides insight into regional economic trends, including local housing markets, overall stability of a region, and competitive landscape. This data is sourced from the [Optimal Blue® PPE](#).

Metropolitan Statistical Area		% of Lock Volume	MoM Change	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
NATIONAL		100.0%	2.2%	\$394,502	6.090	732	80	63%	37%
1	New York-Newark-Jersey City, NY-NJ-PA	5.5%	16.3%	\$606,735	6.208	745	73	62%	38%
2	Washington-Arlington-Alexandria, DC-VA-MD-WV	3.5%	4.9%	\$553,556	6.039	745	81	63%	37%
3	Chicago-Naperville-Elgin, IL-IN-WI	3.2%	2.1%	\$364,711	6.266	740	79	57%	43%
4	Dallas-Fort Worth-Arlington, TX	3.1%	9.0%	\$406,501	5.873	731	83	69%	31%
5	Los Angeles-Long Beach-Anaheim, CA	3.1%	2.6%	\$812,240	6.330	747	70	50%	50%
6	Phoenix-Mesa-Scottsdale, AZ	2.7%	9.8%	\$451,663	5.797	733	81	69%	31%
7	Boston-Cambridge-Newton, MA-NH	2.6%	-9.3%	\$595,220	6.163	749	73	55%	45%
8	Atlanta-Sandy Springs-Roswell, GA	2.3%	4.8%	\$386,539	6.065	721	82	64%	36%
9	Seattle-Tacoma-Bellevue, WA	2.1%	-1.1%	\$630,325	6.074	750	76	53%	47%
10	Houston-The Woodlands-Sugar Land, TX	2.0%	-0.5%	\$343,457	5.812	721	85	75%	25%

TOP 20 METROPOLITAN AREAS

Reviewing metropolitan statistical area by share of origination volume provides insight into regional economic trends, including local housing markets, overall stability of a region, and competitive landscape. This data is sourced from the Optimal Blue® PPE.

Metropolitan Statistical Area		% of Lock Volume	MoM Change	Avg Loan Amount (\$)	Avg Rate	Avg Credit Score	Avg LTV	Purchase	Refi
NATIONAL		100.0%	2.2%	\$394,502	6.090	732	80	63%	37%
11	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.7%	-9.6%	\$367,895	6.173	735	78	67%	33%
12	Riverside-San Bernardino-Ontario, CA	1.7%	11.1%	\$496,375	6.044	723	80	62%	38%
13	Denver-Aurora-Lakewood, CO	1.6%	-5.2%	\$494,987	5.858	743	78	57%	43%
14	Miami-Fort Lauderdale-West Palm Beach, FL	1.6%	-0.5%	\$552,294	6.264	733	74	65%	35%
15	San Francisco-Oakland-Hayward, CA	1.4%	-2.2%	\$822,189	6.151	758	69	46%	54%
16	Charlotte-Concord-Gastonia, NC-SC	1.3%	10.4%	\$414,372	6.058	737	80	65%	35%
17	Nashville-Davidson--Murfreesboro--Franklin, TN	1.3%	19.5%	\$451,651	6.023	734	80	64%	36%
18	San Diego-Carlsbad, CA	1.3%	4.7%	\$808,608	6.093	754	73	55%	45%
19	Minneapolis-St. Paul-Bloomington, MN-WI	1.2%	-6.3%	\$377,859	6.071	749	80	62%	38%
20	Austin-Round Rock, TX	1.2%	8.7%	\$427,608	5.648	736	81	75%	25%

SECTION II

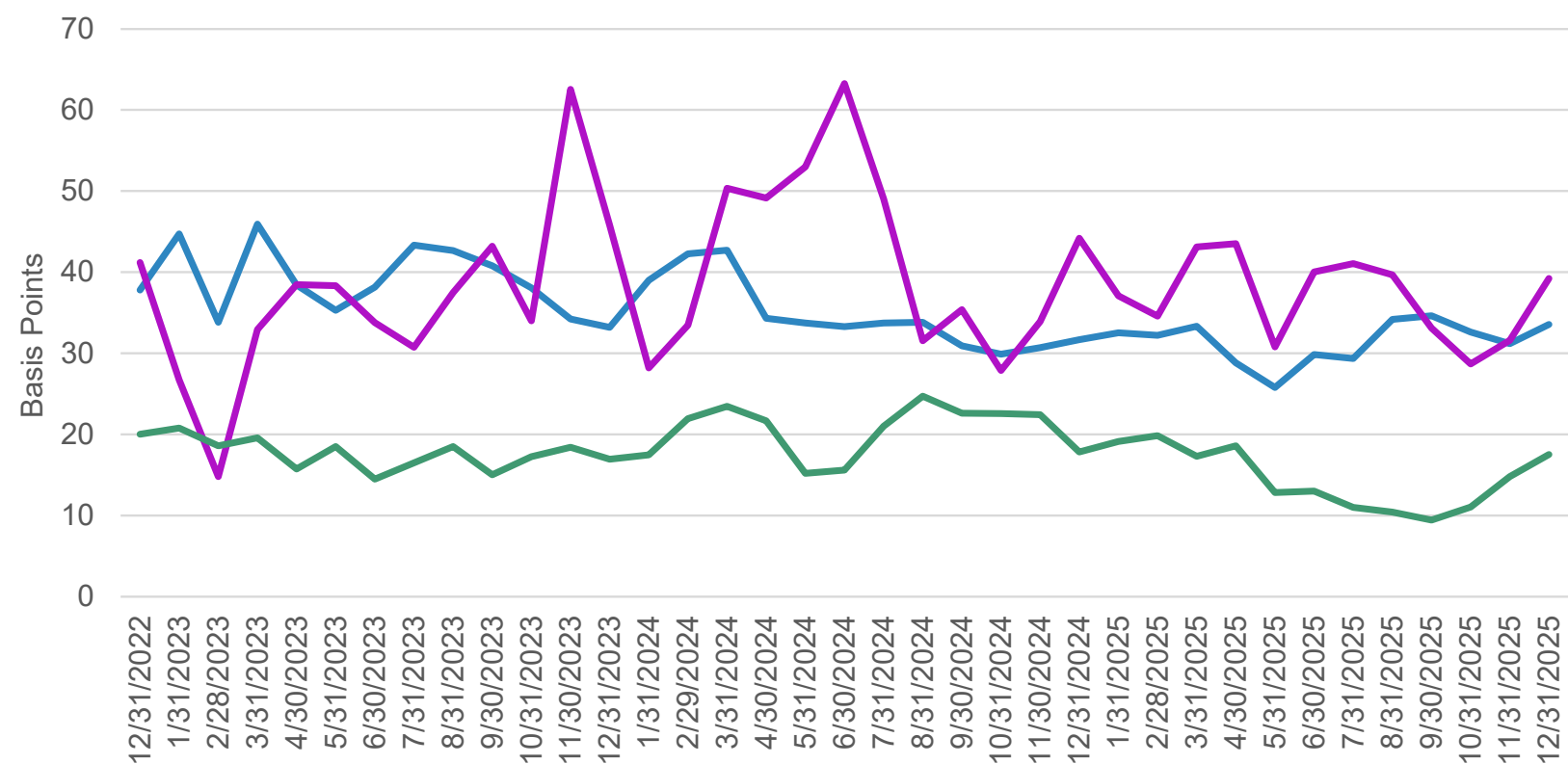
SECONDARY MARKET DATA

The secondary market is where most mortgages are purchased and sold between originating entities and investors. These exchanges provide liquidity to keep home financing accessible and affordable for borrowers.

Once a mortgage is locked, a lender is exposed to interest rate risk until the loan is sold into the secondary market. The data in this section, sourced from the CompassEdge hedging and loan trading system, provides insight into how lenders are hedging this risk, as well as their strategies for selling loans. These activities are directly tied to mortgage lending profitability and thus, the rates and products offered to consumers.

BEST EFFORTS TO MANDATORY SPREAD

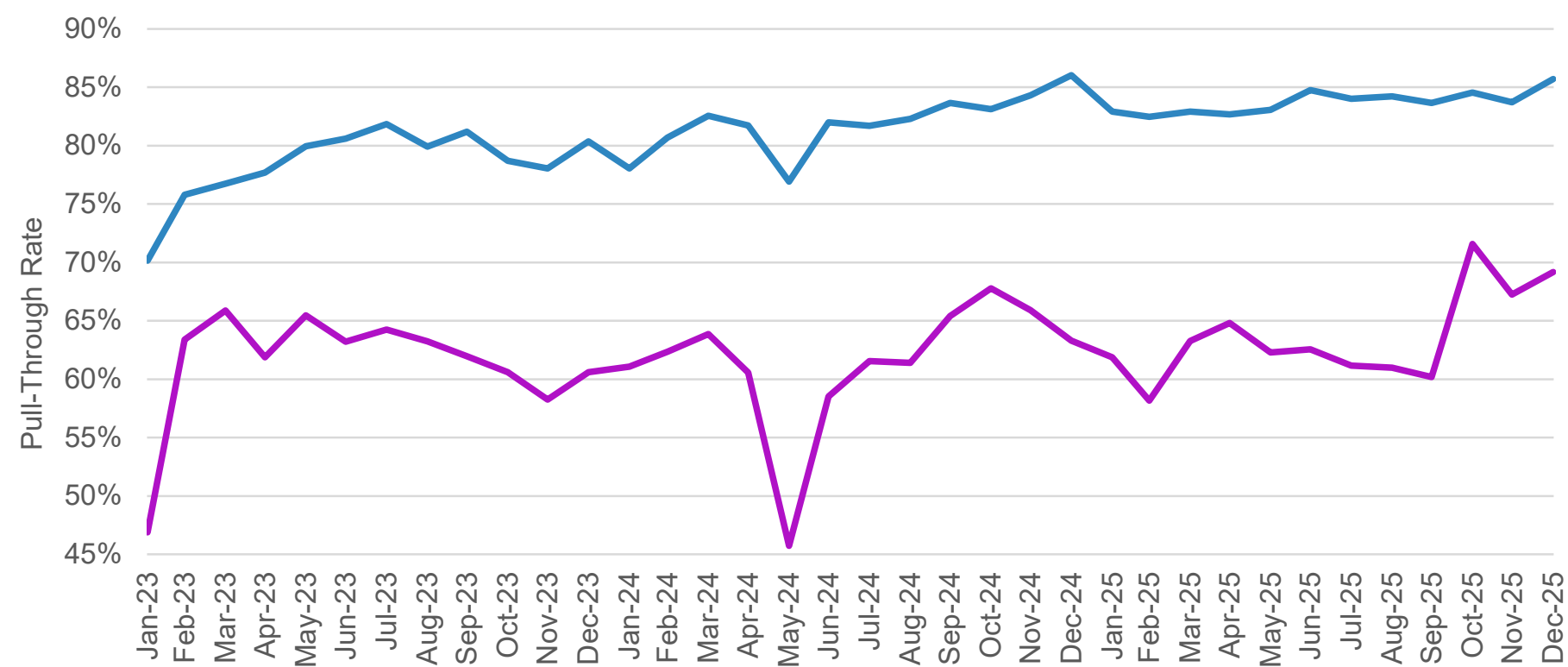
A lender will typically see greater yields by selling loans via mandatory delivery or participating in the secondary market, while best efforts delivery carries less risk. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.





Best Efforts vs. Mandatory		Current Spread	1-Month Delta	3-Month Delta	12-Month Delta
<div></div>	30-Year Conforming	34 bps	2 bps	(1 bp)	2 bps
<div></div>	15-Year Conforming	39 bps	8 bps	6 bps	(5 bps)
<div></div>	30-Year Government	18 bps	3 bps	8 bps	0 bps

LOAN PULL-THROUGH

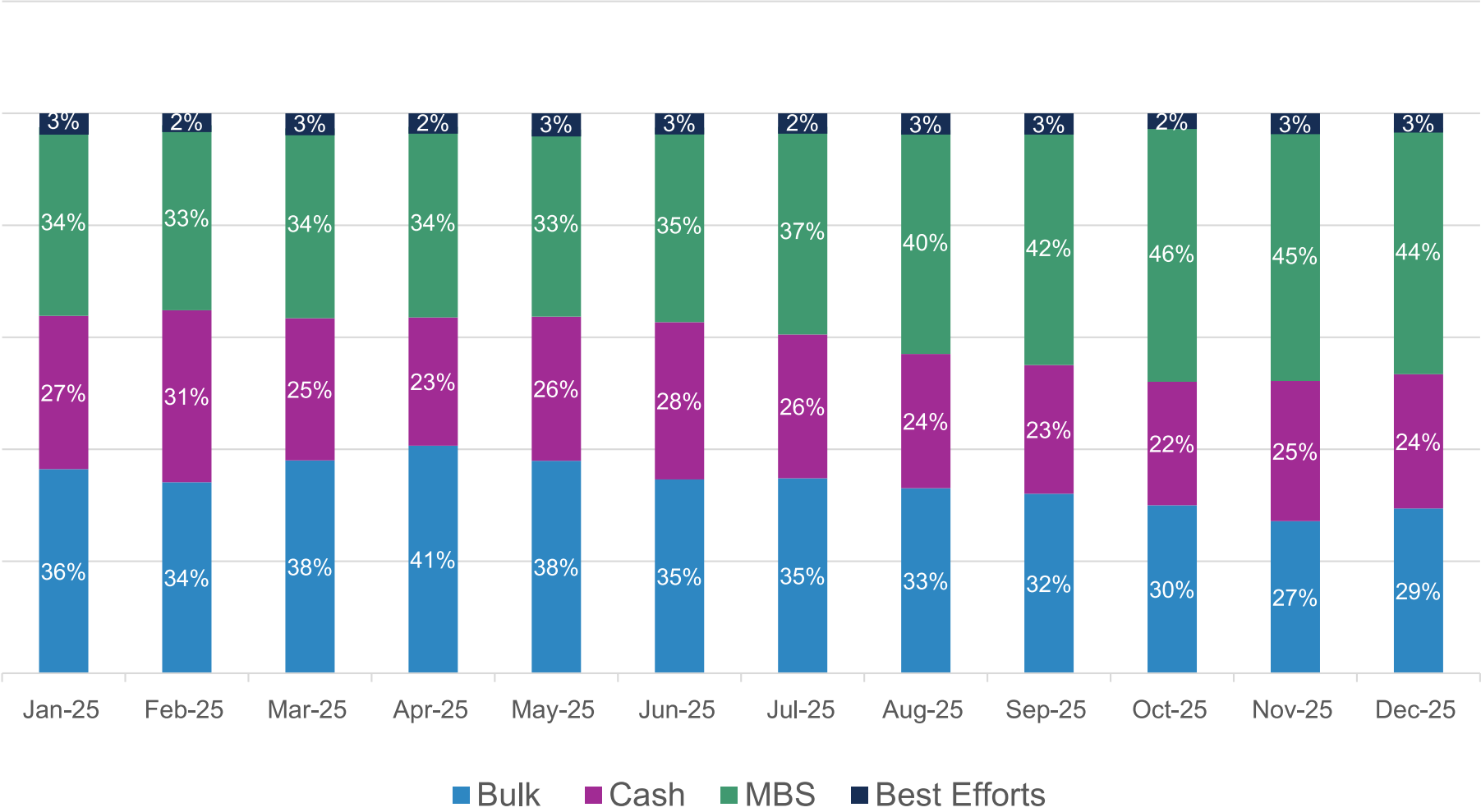
Pull-through indicates the percentage of loans locked that successfully close and fund, which is a measure of how effectively a mortgage lender converts loan applications into closed loans. Lower pull-through typically indicates greater cost for an originator, and thus, the need to compensate by increasing margin. Higher pull-through indicates lower origination cost and an opportunity to lower margin and thus, the rate offered to a consumer. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.



Pull-Through Rate by Purpose		Current Rate	1-Month Delta	3-Month Delta	12-Month Delta
	Purchase Pull-Through	85.7%	199 bps	206 bps	(34 bps)
	Refinance Pull-Through	69.2%	194 bps	901 bps	589 bps

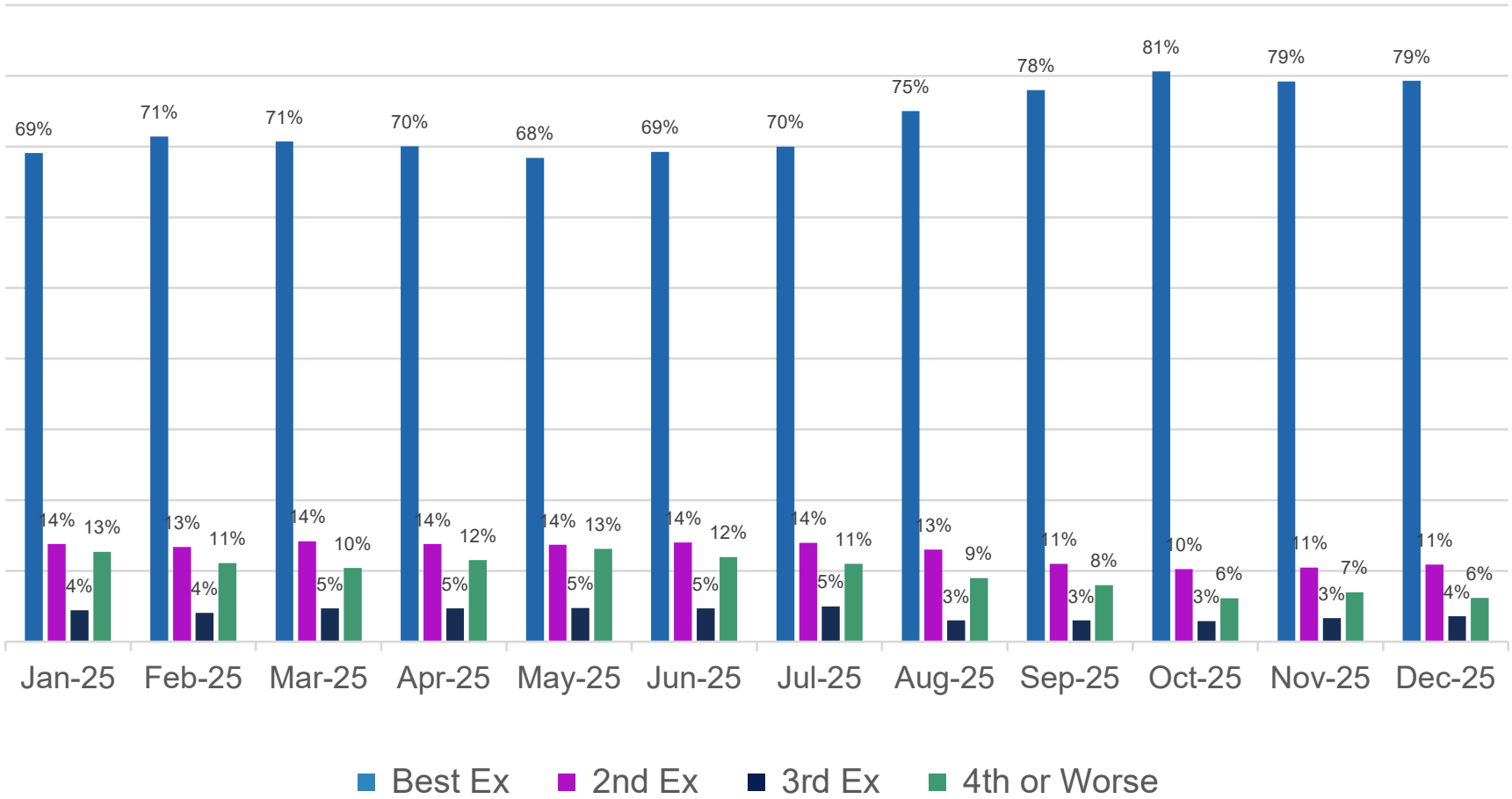
HEDGED LOAN SALE STATISTICS

When loans are funded and sold into the secondary market, a lender can leverage a variety of delivery methods to maximize profitability. These sale methods may provide insight into a lender's profitability on a transaction, which can have downstream impacts on a lender's front-end pricing strategy. This data is sourced from the CompassEdge hedging and loan trading platform.



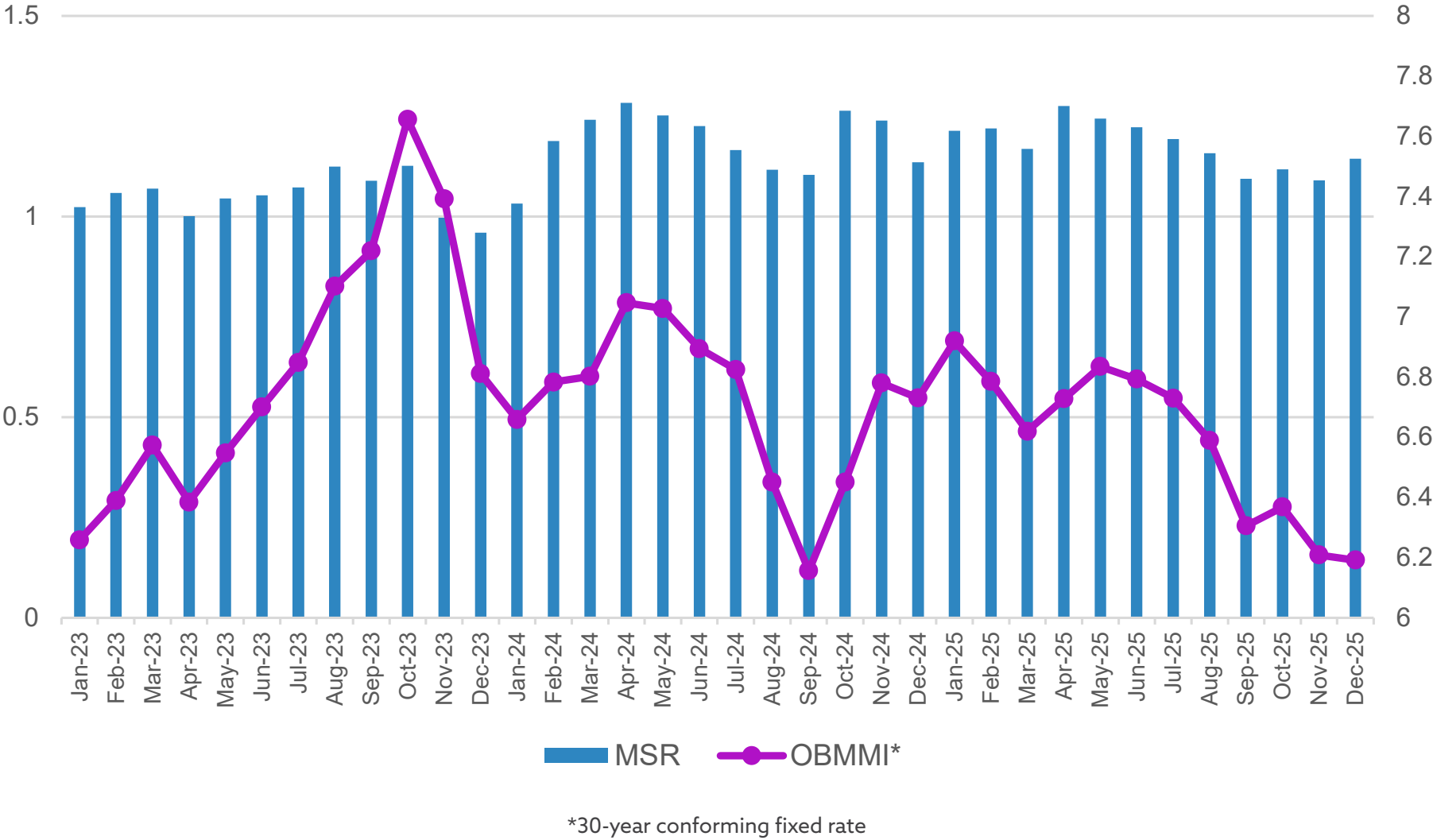
LOAN SALE BY PRICE

When loans are funded and sold into the secondary market, a lender typically sells to the best price, but other factors may impact execution. For example, a lender may not sell to the highest price due to eligibility concerns, underwriting or operational concerns, investor representative mix, or other reasons. If unable to sell to the highest price, there may be impacts to profitability expectations and the rate offered to borrowers. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.



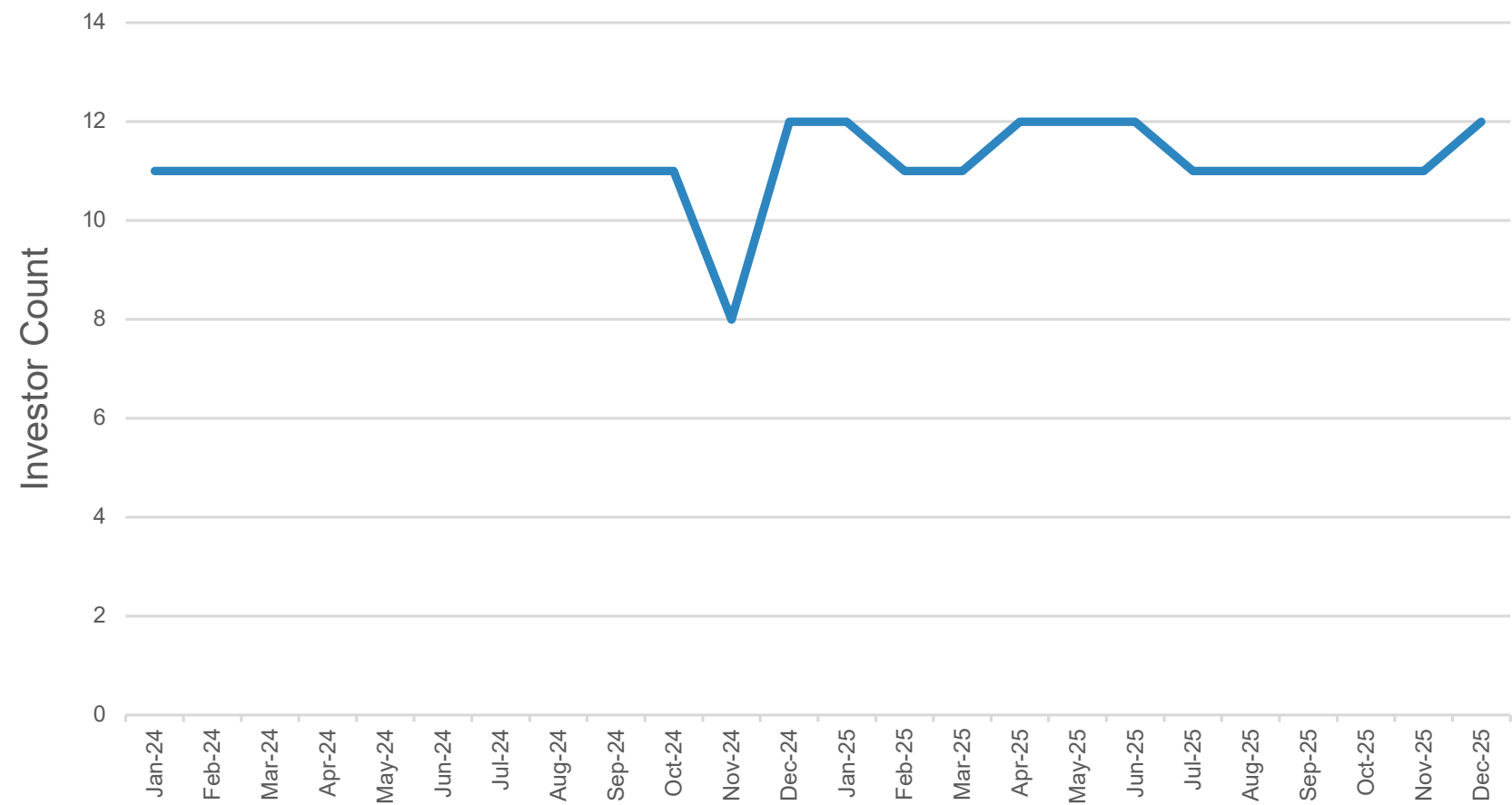
SERVICING RIGHTS & MARKET RATE INDICES

A mortgage servicing right (MSR) is a right to ancillary cash flows associated with servicing a mortgage. MSRs represent a significant component of a lender's margin and are commonly traded in the secondary market based on a lender's economics or strategy. MSRs typically move in alignment with rate movement, and this asset can explain movement in mortgage rates compared to other fixed income rates. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.



AVERAGE INVESTOR COUNT AT LOAN SALE

The number of investors bidding at time of loan sale is an indicator of demand. Fluctuations in this number can impact both expected and actual profitability for a lender, which can have downstream effects on a lender's front-end pricing. This data is sourced from the [CompassEdge](#) hedging and loan trading platform.





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