EllieMae®

Technology Powering
the American Dream™

January
2019

Origination Insight Report

Introduction

The Ellie Mae® *Origination Insight Report* provides monthly data and insights from a robust sampling of closed loan applications that flow through Ellie Mae's Encompass® mortgage management software and Ellie Mae Network™. The characteristics of closed and denied loans presented in this report are averages.

The *Origination Insight Report* mines its application data from a robust sampling of approximately 80 percent of all mortgage applications that were initiated on the Encompass Digital Mortgage Solution. Ellie Mae believes the *Origination Insight Report* is a strong proxy of the underwriting standards employed by lenders across the country.

Monthly Origination Overview for Closed Loans

	2019	2018												2017			
	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept
Purpose ALL Loans																	
REFI %	**35%**	29	30	32	29	32	29	29	30	34	38	43	45	40	39	39	38
PUR %	**65%**	71	70	68	71	68	71	71	70	66	62	57	55	60	61	61	62
Purpose FHA Loans																	
REFI %	**21%**	18	18	19	17	22	19	19	20	22	23	28	28	25	24	23	22
PUR %	**79%**	82	82	81	83	78	81	81	80	78	77	72	72	75	76	77	78
Purpose CONV Loans																	
REFI %	**35%**	31	31	30	31	34	31	31	34	38	43	48	51	47	45	46	44
PUR %	**65%**	69	69	70	69	66	69	69	66	62	57	52	49	53	55	54	56
Purpose VA Loans																	
REFI %	**32%**	29	28	28	27	28	25	23	25	27	28	33	34	31	31	32	30
PUR %	**68%**	71	72	72	73	72	75	77	75	73	72	67	66	69	69	68	70
Type																	
FHA %	**19%**	20	19	19	20	20	20	20	20	20	20	19	19	20	20	20	20
CONV %	**66%**	64	65	65	65	66	66	66	66	66	66	67	67	66	66	66	66
VA %	**11%**	11	10	10	10	10	10	10	10	9	10	10	10	10	10	10	10
Other %	**4%**	6	6	6	5	4	4	4	4	5	4	4	4	4	4	4	4

Monthly Origination Overview for Closed Loans

	2019	2018												2017			
	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept
Time to Close ALL (Days)																	
ALL	45	47	46	45	44	43	43	42	41	41	41	42	44	44	43	43	43
REFI	38	44	43	43	42	38	41	37	37	37	37	37	40	41	40	40	40
PUR	49	47	48	46	45	45	44	44	43	42	43	45	47	46	45	44	44
Time to Close FHA (Days)																	
ALL	45	47	48	47	46	44	45	43	42	42	42	43	47	46	45	45	44
REFI	34	45	44	45	44	38	40	37	37	38	38	38	42	43	41	42	41
PUR	49	48	48	47	46	46	46	44	44	43	43	45	48	47	46	46	45
Time to Close CONV (Days)																	
ALL	45	46	46	45	44	42	43	41	40	40	40	41	43	43	42	42	42
REFI	37	45	43	43	42	38	41	37	37	37	37	37	39	40	40	40	39
PUR	49	47	47	45	44	44	43	43	42	41	42	44	46	46	43	43	43
Time to Close VA (Days)																	
ALL	49	50	49	48	48	47	47	46	45	45	46	47	50	48	47	47	47
REFI	45	48	46	47	46	45	48	44	43	44	45	46	49	48	47	47	46
PUR	52	50	50	49	48	47	47	47	46	46	46	48	50	49	47	46	47

Time to shifts as we welcome 2019
The average time to close decreased two days in January to 45.
The average time to close a refinance decreased to 38 days, while
the average time to close a purchase increased to 49 days.

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Monthly Origination Overview for Closed Loans

	2019	2018													2017			
	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept
ALL Loans																	
ARM %	**8.6%**	9.2	8.9	8.2	7.2	6.6	6.6	6.9	6.6	6.6	6.3	5.5	5.5	5.6	5.6	5.5	5.5
30-Year Note Rate	**5.01**	5.17	5.15	5.01	4.91	4.92	4.91	4.90	4.84	4.79	4.69	4.48	4.33	4.28	4.24	4.20	4.21
FHA Loans																	
ARM %	**0.8%**	0.9	0.9	0.6	0.6	0.6	0.5	0.6	0.5	0.6	0.6	0.6	0.5	0.6	0.6	0.5	0.6
30-Year Note Rate	**5.05**	5.20	5.19	5.05	4.95	4.95	4.95	4.94	4.89	4.84	4.73	4.51	4.36	4.31	4.26	4.22	4.23
CONV Loans																	
ARM %	**8.1%**	9.2	8.6	8.0	7.3	6.9	7.2	7.6	7.2	7.3	7.0	5.9	5.9	6.3	6.2	6.1	6.2
30-Year Note Rate	**5.04**	5.19	5.17	5.03	4.93	4.94	4.93	4.92	4.86	4.80	4.72	4.52	4.37	4.32	4.29	4.25	4.26
VA Loans																	
ARM %	**0.4%**	0.5	0.6	0.3	0.4	0.3	0.4	0.5	0.6	0.6	0.5	0.3	0.3	0.2	0.3	0.2	0.2
30-Year Note Rate	**4.83**	5.01	4.99	4.83	4.73	4.74	4.75	4.74	4.67	4.63	4.50	4.24	4.10	4.05	4.01	3.97	3.99

The average 30-year rate for all loans fell to 5.01 percent in January, down from 5.17 the month prior. The average 30-year rate on FHA loans decreased to 5.05 percent in January. Conventional and VA rates decreased to 5.04 and 4.83 percent, respectively.

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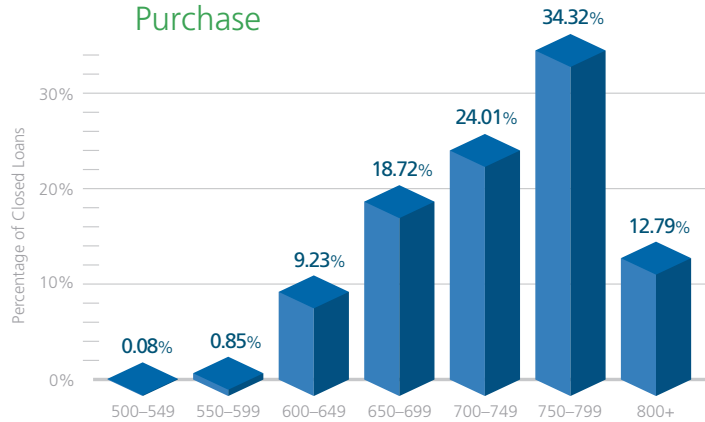# Monthly Origination Overview for Closed Loans

Percentage of loan applications in previous 90-day cycle that have closed

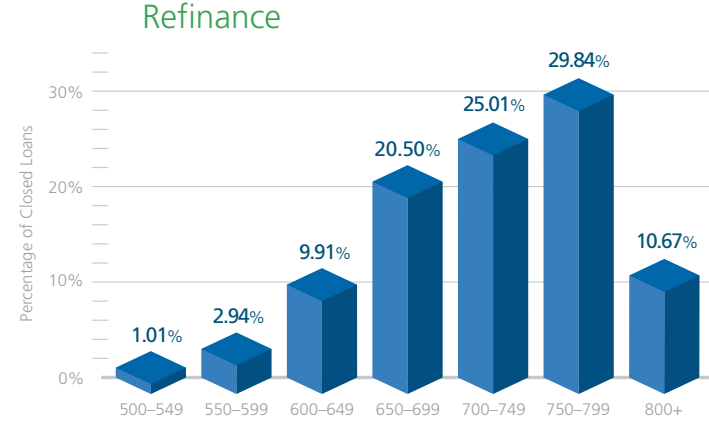|	2019	2018												2017			
	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept
ALL Loans																	
Closing Rate %	**75.0%**	71.4	70.1	72.2	71.7	71.7	70.9	70.5	70.2	69.5	69.6	70.6	70.9	71.2	70.9	70.4	71.6
REFI %	**69.5%**	65.1	64.1	64.9	64.4	63.5	63.7	63.3	65.0	64.8	64.9	65.0	65.5	65.6	65.1	63.6	64.8
PUR %	**78.1%**	75.6	74.1	76.4	76.4	75.9	75.0	75.0	75.0	73.9	76.3	75.7	75.7	76.1	75.5	75.2	76.4
FHA Loans																	
Closing Rate %	**71.5%**	67.6	66.8	68.4	68.2	68.1	69.2	68.3	67.3	67.7	67.9	68.6	68.9	69.0	68.4	68.8	70.0
REFI %	**60.5%**	55.6	55.2	57.1	55.7	53.8	58.7	58.0	61.6	62.0	61.3	61.0	61.3	60.0	58.7	59.5	61.1
PUR %	**75.6%**	72.4	71.5	72.3	72.2	72.4	72.8	72.1	70.4	70.8	71.4	72.2	72.5	72.9	72.2	72.3	73.3
CONV Loans																	
Closing Rate %	**75.0%**	71.9	71.3	72.7	72.8	72.4	71.6	70.4	69.3	69.7	70.2	70.8	71.6	71.9	71.6	70.9	71.8
REFI %	**70.3%**	65.8	65.2	66.4	65.8	65.1	64.9	64.1	65.6	65.9	66.4	66.2	66.9	67.3	67.0	65.0	65.8
PUR %	**77.9%**	75.8	75.2	75.5	76.9	76.6	76.0	75.2	73.6	74.0	74.6	75.7	76.3	76.7	76.0	75.9	76.9
VA Loans																	
Closing Rate %	**71.6%**	67.4	67.2	69.8	68.8	69.5	69.2	67.5	65.2	65.6	65.3	66.5	65.7	66.7	66.3	66.7	67.7
REFI %	**61.9%**	56.6	56.4	58.2	56.8	57.3	57.0	54.7	52.6	52.9	52.4	53.1	52.0	52.9	52.6	52.3	52.6
PUR %	**77.3%**	74.5	74.3	75.6	74.7	75.0	74.8	78.3	73.6	74.1	75.1	75.5	74.6	76.3	72.2	74.6	76.5

Closing rates for all loans increased to 75.0 in January. Refinance closing rates increased to 69.5 percent in January, while purchase closing rates increased to 78.1 percent in January.
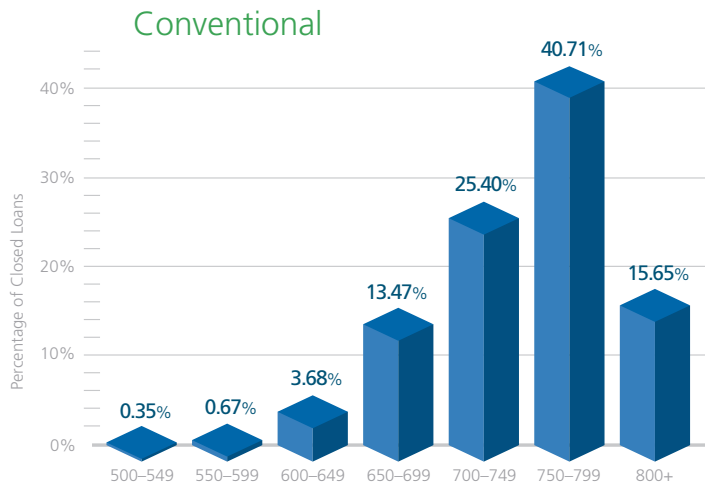
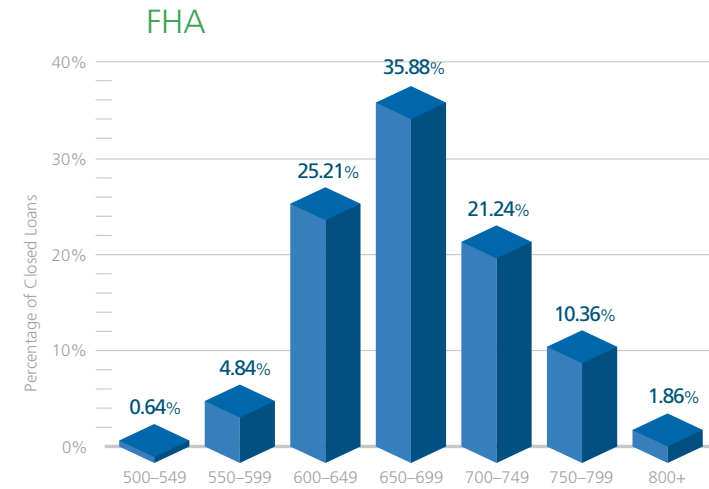# January 2019 Average FICO Score Distribution

Purchase

FICO Range	Percentage
500–549	0.08%
550–599	0.85%
600–649	9.23%
650–699	18.72%
700–749	24.01%
750–799	34.32%
800+	12.79%

Refinance

FICO Range	Percentage
500–549	1.01%
550–599	2.94%
600–649	9.91%
650–699	20.50%
700–749	25.01%
750–799	29.84%
800+	10.67%

Conventional

FICO Range	Percentage
500–549	0.35%
550–599	0.67%
600–649	3.68%
650–699	13.47%
700–749	25.40%
750–799	40.71%
800+	15.65%

FHA

FICO Range	Percentage
500–549	0.64%
550–599	4.84%
600–649	25.21%
650–699	35.88%
700–749	21.24%
750–799	10.36%
800+	1.86%

69 percent of all closed loans had FICO scores over 700. 70 percent of purchase loans had FICO scores over 700. 66 percent of refinances had FICO scores over 700.

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Profiles of All Closed Loans

Closed Loans

	2019	2018												2017			
	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept
ALL																	
FICO	**726**	727	727	727	727	724	725	726	724	723	722	721	721	722	722	724	724
LTV	**77**	79	79	79	79	79	80	80	79	79	79	78	77	79	79	79	79
DTI	**26/39**	26/39	26/39	26/39	25/39	26/39	26/39	26/39	26/39	26/39	26/39	26/40	26/40	25/39	25/39	25/39	25/39

The average FICO score on all closed loans decreased
two points to 724 in January. Average LTV decreased
to 77 and DTI held at 26/39 in January.

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Profiles of Closed FHA Loans

Closed Loans

	2019	2018												2017			
	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept
FHA-REFI																	
FICO	662	659	660	660	662	658	657	658	649	650	652	643	645	645	645	650	649
LTV	79	78	78	78	78	79	78	79	77	77	78	77	77	77	77	79	78
DTI	28/43	28/43	28/43	27/43	27/43	28/44	28/44	28/43	30/47	30/47	29/47	30/49	29/48	29/48	30/49	29/47	29/47
FHA-PUR																	
FICO	675	674	676	676	677	676	676	677	676	676	677	679	680	680	681	681	682
LTV	95	95	95	95	95	95	95	95	95	95	96	96	96	96	96	96	96
DTI	29/44	30/44	30/44	29/44	29/44	29/44	29/44	29/44	29/44	29/44	29/44	29/44	29/44	28/43	28/43	28/43	28/43

FHA-REFI (% OF REFIS @ 95 LTV+)

	2019	2018												2017			
	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept
%	7.3%	5.6	4.4	5.2	5.4	6.5	5.9	6.1	6.3	6.6	8.1	11.1	14.5	14.4	12.7	12.4	11.9

The average FHA purchase FICO increased to 675 in January , while FHA refinance FICO scores increased to 662 in January. Conventional refinance FICO scores held steady at 732, and Conventional purchase FICO scores decreased to 750 in January.

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Profiles of Closed Conventional Loans

Closed Loans

	2019	2018												2017			
	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept
CON-REFI																	
FICO	732	732	732	733	733	726	726	726	725	726	728	729	730	730	730	732	731
LTV	62	61	61	62	62	63	63	63	63	64	64	64	65	65	65	65	65
DTI	25/38	25/37	25/38	25/38	24/37	25/39	26/39	26/40	26/40	26/40	26/40	26/39	25/40	25/39	25/39	25/39	25/39
CON-PUR																	
FICO	750	751	751	751	751	751	751	753	753	752	752	751	751	751	751	752	752
LTV	80	80	80	80	80	80	80	80	81	81	81	80	80	80	80	80	80
DTI	25/37	25/37	25/37	25/37	24/36	24/36	25/36	24/36	24/36	24/36	24/36	24/37	24/36	24/36	24/36	24/36	23/35

Profiles of Closed VA Loans

Closed Loans

	2019	2018												2017			
	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept
VA-REFI																	
FICO	**690**	686	688	691	693	689	689	691	692	694	698	697	698	698	700	702	701
LTV	**90**	90	90	90	90	90	90	90	89	89	89	89	89	89	89	88	89
DTI	**28/42**	28/43	27/42	27/43	27/42	27/42	27/42	27/42	27/42	27/42	26/42	26/42	26/42	26/42	26/42	25/41	26/41
VA-PUR																	
FICO	**707**	707	707	709	709	708	709	711	709	707	708	707	708	708	709	708	709
LTV	**98**	98	97	98	97	98	98	98	98	98	98	98	98	98	98	98	98
DTI	**27/43**	27/43	27/43	27/43	27/43	27/43	27/43	27/43	27/43	26/42	26/42	26/42	26/42	26/42	26/42	25/41	25/41

VA-REFI (% OF REFIS @ 95 LTV+)

	2019	2018												2017			
	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept
%	**54.4%**	53.8	51.6	51.2	50.6	48.2	48.4	47.5	48.8	48.0	47.8	48.0	50.9	52.3	51.7	51.1	50.4

Terminology

Closing Rate
Percentage of loan applications begun in the previous 90-day cycle that have closed.

Debt-to-Income Ratio (DTI)
A personal finance measure that compares an individual's debt payments to the income he or she generates. Includes front-end ratio/back-end ratio.

FICO
A type of credit score that makes up a substantial portion of the credit report that lenders use to assess an applicant's credit risk and determine whether to extend a loan. FICO is an acronym for the Fair Isaac Corporation, the creators of the FICO score. The Ellie Mae *Origination Insight Report* looks at the average middle score from a tri-merge credit report.

Loan-to-Value Ratio (LTV)
A lending risk-assessment ratio that financial institutions and other lenders examine before approving a mortgage. It is calculated by dividing the mortgage amount by the appraised value of the property.

Refinance
Includes both no-cash-out and cash-out refinances.

Time-to-Close
Time from loan application to funding.

Methodology

The *Origination Insight Report* mines its application data from a robust sampling of approximately 80 percent of all mortgage applications that are initiated through Ellie Mae's Encompass digital mortgage solution.

The *Origination Insight Report* focuses on loans that closed in a specific month. The closing rate is calculated on a 90-day cycle rather than on a monthly basis because most loan applications typically take one-and-a-half to two months from application to closing. Loans that do not close could still be active applications or applications withdrawn by consumers for incompleteness or nonqualification.

The *Origination Insight Report* details aggregated, anonymized data and does not disclose client-specific or proprietary information.

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About Ellie Mae

Ellie Mae **(NYSE: ELLI)** is the leading cloud-based platform provider for the mortgage finance industry. Ellie Mae's technology solutions enable lenders to originate more loans, reduce origination costs, and shorten the time to close, all while ensuring the highest levels of compliance, quality, and efficiency.

Visit www.EllieMae.com
or call (877) 355-4362 to learn more.

Jonathan Corr, President and CEO

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