



EllieMae®

Technology Powering
the American Dream™

December
2018

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

	2018												2017				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug
Purpose																	
ALL Loans																	
REFI %	29%	30	32	29	32	29	29	30	34	38	43	45	40	39	39	38	35
PUR %	71%	70	68	71	68	71	71	70	66	62	57	55	60	61	61	62	65
Purpose																	
FHA Loans																	
REFI %	18%	18	19	17	22	19	19	20	22	23	28	28	25	24	23	22	21
PUR %	82%	82	81	83	78	81	81	80	78	77	72	72	75	76	77	78	79
Purpose																	
CONV Loans																	
REFI %	31%	31	30	31	34	31	31	34	38	43	48	51	47	45	46	44	42
PUR %	69%	69	70	69	66	69	69	66	62	57	52	49	53	55	54	56	58
Purpose																	
VA Loans																	
REFI %	29%	28	28	27	28	25	23	25	27	28	33	34	31	31	32	30	29
PUR %	71%	72	72	73	72	75	77	75	73	72	67	66	69	69	68	70	71
Type																	
FHA %	20%	19	19	20	20	20	20	20	20	20	19	19	20	20	20	20	22
CONV %	64%	65	65	65	66	66	66	66	66	66	67	67	66	66	66	66	64
VA %	11%	10	10	10	10	10	10	10	9	10	10	10	10	10	10	10	10
Other %	6%	6	6	5	4	4	4	4	5	4	4	4	4	4	4	4	4

Monthly Origination Overview for Closed Loans

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

Time to close increases in December

The average time to close increased slightly in December, up one day to 47 days. The average time to close a refinance increased to 44 days, while the average time to close a purchase dropped to 47 days.

Monthly Origination Overview for Closed Loans

	2018												2017				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug
ALL Loans																	
ARM %	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	5.7
30-Year Note Rate	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	4.27
FHA Loans																	
ARM %	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	0.6
30-Year Note Rate	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	4.27
CONV Loans																	
ARM %	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	6.5
30-Year Note Rate	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	4.32
VA Loans																	
ARM %	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	0.2
30-Year Note Rate	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	4.03

The average 30-year rate for all loans increased to the highest point in 2018 at 5.17 percent, up from 5.15 percent the month prior. The average 30-year rate on FHA loans increased to 5.20 percent in December, up from 5.19 percent in November. Conventional and VA rates increased to 5.19 and 5.01 percent, respectively.

Monthly Origination Overview for Closed Loans

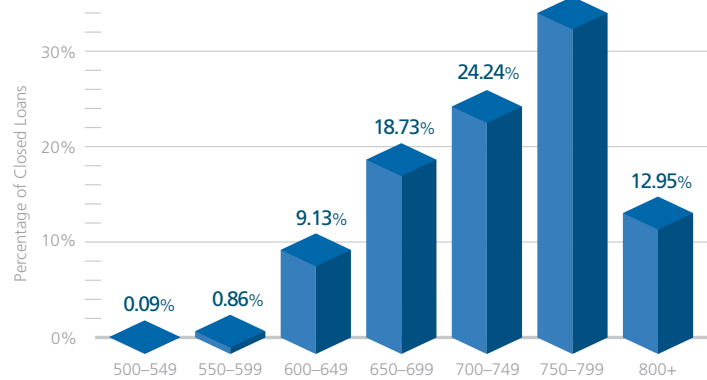
Percentage of loan applications in previous 90-day cycle that have closed

	2018												2017				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug
ALL Loans																	
Closing Rate %	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	71.7
REFI %	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	63.9
PUR %	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	76.8
FHA Loans																	
Closing Rate %	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	70.1
REFI %	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	60.0
PUR %	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	73.6
CONV Loans																	
Closing Rate %	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	72.1
REFI %	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	65.2
PUR %	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	77.5
VA Loans																	
Closing Rate %	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	67.8
REFI %	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	51.7
PUR %	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	76.5

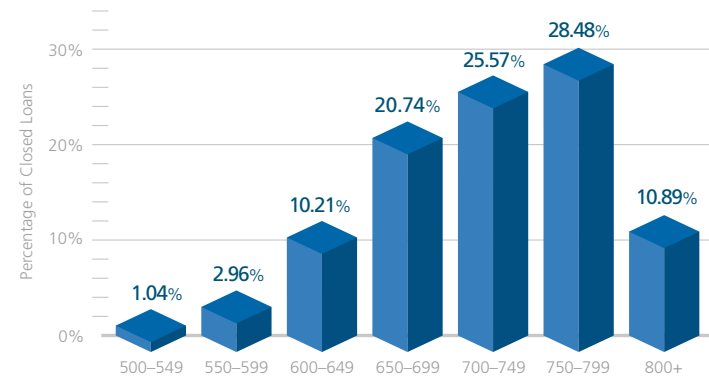
Closing rates for all loans increased to 71.4 percent in December, up from 70.1 percent in November. Refinance closing rates increased to 65.1 percent in December, up from 64.1 percent in November, while purchase closing rates increased to 75.6 percent in December, up from 74.1 percent the month prior.

December 2018 Average FICO Score Distribution

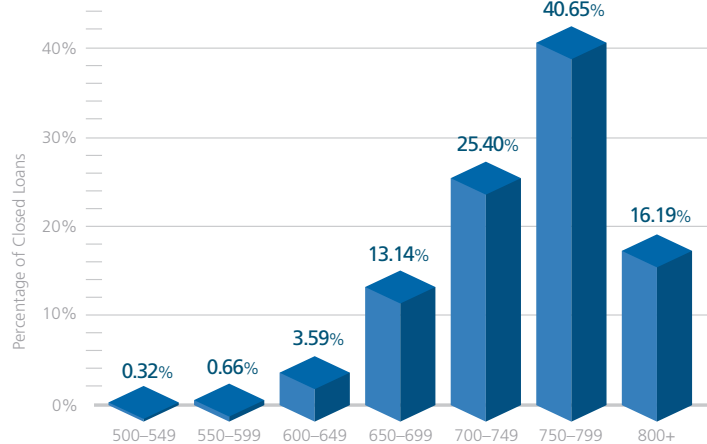
Purchase



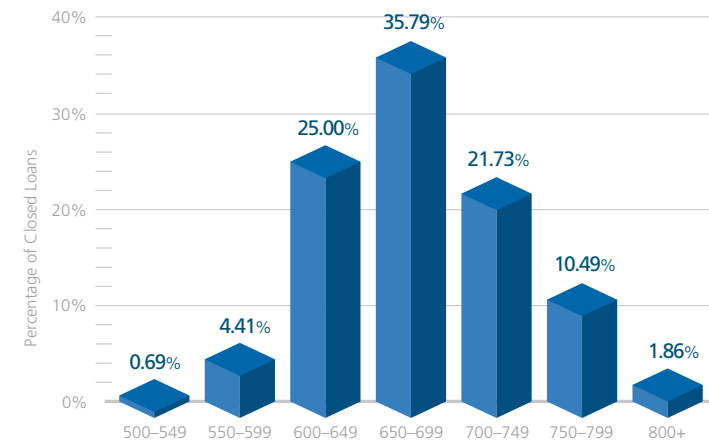
Refinance



Conventional



FHA



72 percent of all closed loans had FICO scores over 700. 71 percent of purchase loans had FICO scores over 700. 65 percent of refinances had FICO scores over 700.

Profiles of All Closed Loans

Closed Loans

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

The average FICO score on all closed loans decreased one point to 726 in December. Average LTV remained at 79 for the fifth consecutive month, and DTI held at 26/39 in December.

Profiles of Closed FHA Loans

Closed Loans

	2018												2017				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug
FHA-REFI																	
FICO	659	660	660	662	658	657	658	649	650	652	643	645	645	645	650	649	649
LTV	78	78	78	78	79	78	79	77	77	78	77	77	77	77	79	78	78
DTI	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	29/46
FHA-PUR																	
FICO	674	676	676	677	676	676	677	676	676	677	679	680	680	681	681	682	683
LTV	95	95	95	95	95	95	95	95	95	96	96	96	96	96	96	96	96
DTI	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	28/43

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

	2018												2017				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug
%	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	11.2

The average FHA purchase FICO decreased to 674 in December. FHA refinance FICO scores decreased to 659 in December, down one point from the month prior. Conventional refinance FICO scores held steady at 732, and Conventional purchase FICO scores remained at 751 for the sixth month.

Profiles of Closed Conventional Loans

Closed Loans

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

Profiles of Closed VA Loans

Closed Loans

	2018												2017				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug
VA-REFI																	
FICO	686	688	691	693	689	689	691	692	694	698	697	698	698	700	702	701	702
LTV	90	90	90	90	90	90	90	89	89	89	89	89	89	89	88	89	89
DTI	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	25/41
VA-PUR																	
FICO	707	707	709	709	708	709	711	709	707	708	707	708	708	709	708	709	710
LTV	98	97	98	97	98	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	26/42	26/42	26/42	26/42	26/42	26/42	25/41	25/41	25/41

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

	2018												2017				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug
%	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	49.1

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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Jonathan Corr, President and CEO

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
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EllieMae®