

Refinance Share of Originations Back Above 50%

Refinancing again dominated mortgage originations in August after falling below a 50 percent market share in both June and July. ICE Mortgage Technology's *Origination Insight Report* put the refinancing share of closed transactions at 52 percent, up from 49 percent in July and 48 percent in June. Purchase loans dipped three percentage points from July to 47 percent of closed loans.

The distribution of loans by product type was essentially unchanged from the prior month. Eighty percent of originations were conventional loans, up 1 point, while the FHA and VA shares were unchanged at 12 percent and 5 percent, respectively. The average 30-year note rate was 3.17 percent, down from 3.25 percent in July.

The time to close all loans declined by 2 days to 46 days, pulled lower but a reduction in the timeline for refinancing from 47 to 43 days. The time to process a purchase loan increased from 48 to 49 days.

The closing rate for all loans improved from 77.2 percent in July to 78.4 percent. Closing rates on refinances grew to 77.0 percent from 76.1 percent and for purchase loans from 78.7 to 80.1 percent. ICE calculates the closing rate from a sample of loan applications submitted 90 days earlier, in this case those from May 2021.

ICE's *Origination Insight Report* mines its application data from a large sample of approximately 80 percent of all mortgage applications initiated on its proprietary platform. The company says the report is a strong proxy of the underwriting standards employed by lenders across the country.



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