



NEWS RELEASE

Borrowers Cash in on Refinances as Rates Begin to Rise, ICE Mortgage Technology Origination Insight Report Shows

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PLEASANTON, Calif.--(BUSINESS WIRE)-- Homeowners drove refinance share high in February, with refinances representing 68 percent of closed loans, a figure not seen since December 2012. This activity occurred as interest rates on all closed loans slightly rose for the first time since December 2019, according to the latest **Origination Insight Report** from **ICE Mortgage Technology**TM, part of Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of mortgage technology, data and listings services.

The 30-year rate on all loans rose slightly to 2.89 percent in February, up from 2.88 percent the month prior. The 30-year rate on conventional loans also ticked up to 2.92 percent, up from 2.91 percent the month prior. At the same time, both 30-year rates for FHA loans and VA loans held steady month-over-month at 2.86 and 2.60 percent, respectively.

“Homeowners continue to take steps to refinance while rates remain low,” said Joe Tyrrell, president of ICE Mortgage Technology. “In February, that resulted in borrowers taking advantage of refinancing more than they have in nearly a decade.”

February’s refinance share continued an upward trajectory that began last summer, and that was marked with recent jumps from 67 percent in January and 60 percent in December.

Added Tyrrell, “We also saw days to close a loan shorten in February, as lenders continue to utilize technology to manage high loan volumes and streamline workflow efficiencies.”



Other statistics of note in February included:

- The time to close all loans decreased to 53 days in February, down from 58 days in January.
- Closing rates on all loans increased slightly to 76.4 percent in February, up from 76.2 percent the month prior.
- The percentage of Adjustable Rate Mortgages held steady at 2.3 percent month-over-month.
- Average FICO scores on all loans slightly increased to 753, up one point from January.

The Origination Insight Report leverages data from a robust sampling of approximately 80 percent of all mortgage applications that were initiated on the **Encompass®** Lending Platform. ICE Mortgage Technology believes the Origination Insight Report is a strong proxy of the underwriting standards employed by lenders across the country.

In addition to the Origination Insight Report, ICE Mortgage Technology also distributes data from its monthly **Millennial Tracker** on the first Wednesday of each month. The Millennial Tracker focuses on mortgage applications submitted by borrowers born between the years 1980 and 1999.

MONTHLY ORIGINATION OVERVIEW FOR FEBRUARY 2021

	February 2021*	January 2021*	6 Months Ago (August 2020*)	1 Year Ago (February 2020*)
Closed Loans				
Purpose				
Refinance	68%	67%	56%	51%
Purchase	32%	32%	44%	49%
Type				
FHA	8%	9%	11%	14%
Conventional	84%	84%	79%	74%
VA	5%	5%	6%	8%
Days to Close				
All	53	58	49	43
Refinance	52	59	50	40
Purchase	53	57	45	45
Percentage of ARM and Fixed Loan Volume				
ARM %	2.3%	2.3%	2.8%	5.3%
30-Year Rate				
Average	2.89%	2.88%	3.09%	3.86%

*All references to months should be read as month ended.

PROFILES OF CLOSED LOANS FOR FEBRUARY 2021

	Closed First-Lien Loans (All Types)
FICO Score (FICO)	753
Loan-to-Value (LTV)	70
Debt-to-Income (DTI)	23/34

More information and analysis of closed and denied loans by loan purpose and investor are available in the full report at <https://www.icemortgagetechnology.com/mortgage-data/origination-insight-reports>

To get a meaningful view of lender pull-through, the company reviewed a sampling of loan applications initiated 90 days prior—or the November 2020 applications—to calculate an overall closing rate of 76.4 percent in February 2021 (see full report).

About the Origination Insight Report by ICE Mortgage Technology

The Origination Insight Report focuses on loans that closed in a specific month and compares their characteristics to similar loans. 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 or denied for incompleteness or non-qualification.

The Origination Insight Report details aggregated, de-identified data pulled from the Encompass origination platform.

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About ICE Mortgage Technology

ICE Mortgage Technology, a part of Intercontinental Exchange, Inc. (NYSE: ICE), combines the innovation and expertise of Ellie Mae, Simplifile and MERS to automate the entire mortgage process from consumer engagement through loan registration and every step and task in between. ICE Mortgage Technology is the leading cloud-based loan origination platform provider for the mortgage industry with solutions that enable lenders to originate more loans, lower origination costs, and reduce the time to close, all while ensuring the highest levels of compliance, quality, and efficiency. Visit [icemortgagetechnology.com](https://www.icemortgagetechnology.com) or call (877) 355-4362 to learn more.

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