



NEWS RELEASE

ICE Mortgage Monitor: Falling Rates Lead to Best Homebuying Affordability In 2.5 Years

2025-10-06

Home prices begin to firm as affordability improves and inventory tightens

ATLANTA & NEW YORK--(BUSINESS WIRE)-- ICE Mortgage Technology, neutral provider of a robust end-to-end mortgage platform and part of Intercontinental Exchange, Inc. (NYSE: ICE), today released its October 2025 ICE Mortgage Monitor Report. ICE data reveals that home affordability has reached its best level in 2.5 years, driven by easing mortgage rates.

“The recent pullback in rates has created a tailwind for both homebuyers and existing borrowers,” said Andy Walden, Head of Mortgage and Housing Market Research at ICE. “We’re seeing affordability at a 2.5-year high, which is beginning to bolster purchase demand, while creating more opportunities for homeowners to lower their monthly payments with a rate-and-term refinance loan.”

Key findings from the October Mortgage Monitor include:

- Affordability reaches best level since early 2023

With 30-year mortgage rates averaging 6.26% in mid-September, the monthly principal and interest (P&I) payment on an average-priced home has fallen to \$2,148, or 30% of the median U.S. household income. Though still more than five percentage points above its long-run average, P&I costs have declined from 32% earlier this summer and significantly improved from their 35% peak in late 2023.

While roughly a dozen of the nation’s 100 largest housing markets — primarily in the Midwest — are near long-term average affordability levels, coastal markets remain significantly stretched. For example, in Los Angeles,

62% of the median income is required to afford an average-priced home, underscoring the disparity in markets.

- Home prices firm as affordability improves and inventory tightens

Annual home price growth rose to +1.2% in September after eight months of slowing, driven by falling inventory and improved affordability. Nationally, listings remain 17–19% below 2017–2019 norms, as sellers in previously oversupplied markets delay sales to avoid price cuts.

The Northeast and Midwest lead in annual price gains, fueled by low inventory and stronger affordability. In September, 80% of markets saw price increases — the highest share in nine months — while only 20% declined, down from 55% two months ago. Still, nearly half of major markets remain below recent peaks, with 25% over 2% off and 10% more than 5% below their highs.

- Borrower profiles reflect improved financial stability

The average credit score for purchase locks has climbed above 736, the highest recorded in the six-year history of ICE's origination dataset, indicating a shift toward a more credit-qualified borrower mix. At the same time, debt-to-income (DTI) ratios for purchase rate locks have dropped to 38.5%, marking their lowest level in 2.5 years as affordability continues to improve. For rate-and-term refinances, the average DTI has fallen to 34.1%, a 3.5-year low, while the average credit score has risen to 722, a nine-month high.

"As affordability improves and homeowners gain the ability to refinance, lenders and servicers need to be ready to act quickly," said Tim Bowler, President of ICE Mortgage Technology. "Our integrated MSP® servicing and Encompass® loan origination systems, combined with robust data and analytics, enable our customers to identify and engage borrowers at the right moment — whether they're looking to purchase, refinance or tap into their equity. By leveraging ICE's technology, our clients can deliver a modern experience and capture opportunities as market dynamics shift."

The full October Mortgage Monitor report contains a deeper analysis of August mortgage payment performance, mortgage origination trends, and housing market trends featuring September ICE Home Price Index (HPI) data.

Further detail, including charts, can be found in **this month's Mortgage Monitor report**.

About the ICE Mortgage Monitor

ICE manages the nation's leading repository of loan-level residential mortgage data and performance information covering the majority of the overall market, including tens of millions of loans across the spectrum of credit

products and more than 160 million historical records. The ICE Home Price Index provides one of the most complete, accurate and timely measures of home prices available, covering 95% of U.S. residential properties down to the ZIP code level. In addition, the company maintains one of the most robust public property records databases available, covering 99.9% of the U.S. population and households from more than 3,100 counties. ICE's research experts carefully analyze this data to produce a summary supplemented by dozens of charts and graphs that reflect trend and point-in-time observations for the monthly Mortgage Monitor report. To review the full report, visit: <https://mortgagetechnology.ice.com/resources/data-reports>.

About Intercontinental Exchange

Intercontinental Exchange, Inc. (NYSE: ICE) is a Fortune 500 company that designs, builds, and operates digital networks that connect people to opportunity. We provide financial technology and data services across major asset classes helping our customers access mission-critical workflow tools that increase transparency and efficiency. ICE's futures, equity, and options **exchanges** -- including the **New York Stock Exchange** -- and **clearing houses** help people invest, raise capital and manage risk. We offer some of the world's largest markets to trade and clear energy and environmental products. Our fixed income, **data services** and execution capabilities provide information, analytics and platforms that help our customers streamline processes and capitalize on opportunities. At **ICE Mortgage Technology**, we are transforming U.S. housing finance, from initial consumer engagement through loan production, closing, registration and the long-term servicing relationship. Together, ICE transforms, streamlines, and automates industries to connect our customers to opportunity.

Trademarks of ICE and/or its affiliates include Intercontinental Exchange, ICE, ICE block design, NYSE and New York Stock Exchange. Information regarding additional trademarks and intellectual property rights of Intercontinental Exchange, Inc. and/or its affiliates is located **here**. Key Information Documents for certain products covered by the EU Packaged Retail and Insurance-based Investment Products Regulation can be accessed on the relevant exchange website under the heading "Key Information Documents (KIDS)."

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 -- Statements in this press release regarding ICE's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see ICE's Securities and Exchange Commission (SEC) filings, including, but not limited to, the risk factors in ICE's Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on February 6, 2025.

Source: Intercontinental Exchange

Category: Mortgage Technology

ICE Media Contact:

Johnna Szegda

johnna.szegda@ice.com

+1 (404) 798-1155

ICE Investor Contact:

Katia Gonzalez

katia.gonzalez@ice.com

+1 (678) 981-3882

Source: Intercontinental Exchange