



NEWS RELEASE

# ICE To Launch U.S. Residential Mortgage Rate Lock Index Futures

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PLEASANTON, Calif. & NEW YORK--(BUSINESS WIRE)-- Intercontinental Exchange, Inc. (NYSE: ICE), a leading global provider of data, technology, and market infrastructure, today announced that it plans to launch its first mortgage futures contracts on June 13, 2022, subject to regulatory approval.

The two futures contracts will be cash-settled and based on the ICE U.S. Conforming 30-year Fixed Mortgage Rate Lock Index and the ICE U.S. Jumbo 30-year Fixed Mortgage Rate Lock Index. The indices are published daily and track U.S. residential mortgage loan applications where borrowers and lenders have committed to lock-in the interest rate prior to closing. By being underpinned by primary market rates, the futures contracts offer investors a more refined hedge to manage exposure to U.S. residential mortgage rates than the existing suite of available products.

The primary market indices are part of a suite of 80 U.S. residential mortgage indices launched by ICE in October 2021, based on a daily data pool of tens of thousands of anonymized locked rate applications processed by ICE Mortgage Technology. ICE Mortgage Technology processes nearly half of all residential mortgages in the U.S. Securitized residential mortgages comprise about a third of the U.S. fixed income market, meaning that they occupy a large weighting in many fixed income portfolios institutionally and in the average American's retirement portfolio.

"ICE Mortgage Technology's industry leading network coverage allows it to deliver a unique risk management instrument based on actual mortgage lending activity across the U.S.," said David Farrell, Chief Operating Officer of ICE Futures U.S. "As inflationary pressures challenge all major economies and interest rates are being changed more frequently, we believe these mortgage futures will provide a better hedge to manage portfolio exposure to U.S. residential mortgage rates."

The launch comes just under two years since ICE announced the planned acquisition of Ellie Mae in August 2020 as part of ICE's strategy to accelerate the analog-to-digital conversion underway across the mortgage industry. At the time, ICE signalled its intent to deliver meaningful new product creations in the mortgage market.

"This is the next step in how ICE is leveraging the rich data ICE Mortgage Technology receives from having the largest electronic network of mortgage stakeholders in the industry," said Joe Tyrrell, President of ICE Mortgage Technology. "ICE is combining this data with its technology and expertise within futures markets to create products to help customers in the mortgage lending and mortgage-backed security market to price, analyze and now manage risk associated with their mortgage exposure."

The contracts will trade on ICE Futures U.S. and clear through ICE Clear U.S. The ICE U.S. Residential Mortgage Locked Rate Indices are available over the ICE Index Platform. For more information, please visit <https://www.theice.com/market-data/indices/mortgage-rate-lock-indices>.

## About Intercontinental Exchange

**Intercontinental Exchange, Inc.** (NYSE: ICE) is a Fortune 500 company that designs, builds and operates digital networks to connect people to opportunity. We provide financial technology and data services across major asset classes that offer our customers access to mission-critical workflow tools that increase transparency and operational efficiencies. We operate **exchanges**, including the **New York Stock Exchange**, and **clearing houses** that help people invest, raise capital and manage risk across multiple asset classes. Our comprehensive fixed income **data services** and execution capabilities provide information, analytics and platforms that help our customers capitalize on opportunities and operate more efficiently. At **ICE Mortgage Technology**, we are transforming and digitizing the U.S. residential mortgage process, from consumer engagement through loan registration. Together, we transform, streamline and automate industries to connect our customers to opportunity.

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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, 2021, as filed with the SEC on February 3, 2022.

Source: Intercontinental Exchange  
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