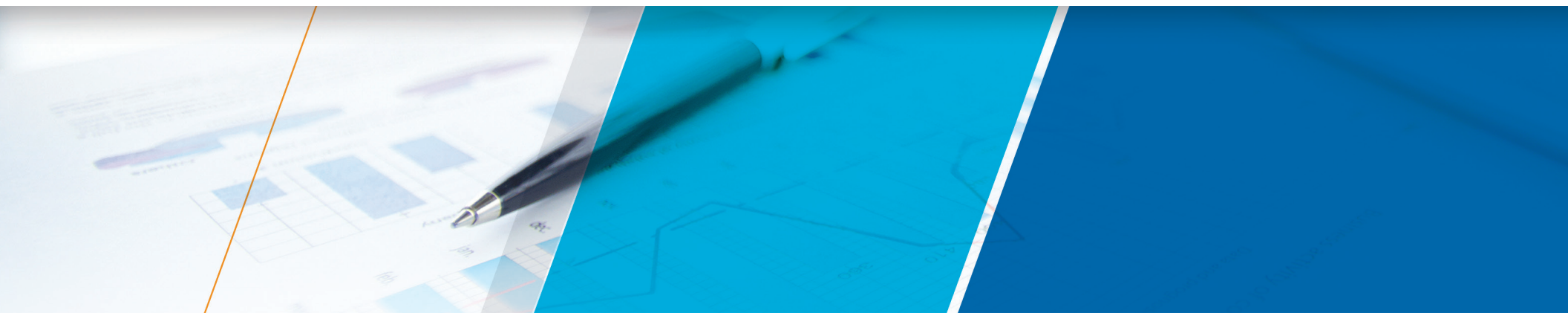


**EllieMae**<sup>®</sup>

DECEMBER  
**2016**

Origination Insight Report



## INTRODUCTION

The Ellie Mae<sup>®</sup> *Origination Insight Report* provides monthly data and insights from a robust sampling of closed loan applications that flow through Ellie Mae's Encompass<sup>®</sup> mortgage management software and Ellie Mae Network<sup>™</sup>. 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 75 percent of all mortgage applications that were initiated on the Encompass origination platform. Given the size of this sample and Ellie Mae's market share, the Company believes the *Origination Insight Report* is a strong proxy of the underwriting standards that are being employed by lenders across the country.

## MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2016												2015				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug
<b>PURPOSE ALL LOANS</b>																	
REFI %	46%	47	47	45	43	37	34	37	40	45	46	47	43	46	44	42	37
PUR %	54%	53	53	54	56	62	65	62	59	55	52	52	56	53	55	57	62
<b>PURPOSE FHA LOANS</b>																	
REFI %	22%	22	21	19	18	16	15	17	19	20	23	24	21	26	22	21	18
PUR %	78%	78	79	81	82	83	85	83	81	80	77	76	79	73	78	79	82
<b>PURPOSE CONV LOANS</b>																	
REFI %	56%	58	57	56	54	47	43	47	51	56	57	58	54	55	54	52	48
PUR %	44%	42	43	43	45	52	56	51	48	43	42	41	45	43	45	46	51
<b>PURPOSE VA LOANS</b>																	
REFI %	30%	30	31	27	25	23	21	22	25	27	29	31	26	33	29	28	26
PUR %	70%	70	69	73	75	77	79	78	75	73	71	69	74	67	71	72	74
<b>TYPE</b>																	
FHA %	20%	20	20	20	20	23	23	23	23	22	22	22	22	23	23	23	24
CONV %	66%	68	68	68	68	65	64	64	64	66	65	65	65	64	64	64	63
VA %	9%	9	9	9	9	9	9	9	9	9	9	10	9	10	9	9	10
OTHER %	4%	3	3	3	3	4	4	4	3	3	3	3	3	4	4	4	4

## MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2016												2015				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug
<b>TIME TO CLOSE ALL (DAYS)</b>																	
ALL	50	49	48	48	46	46	46	45	44	44	46	50	49	49	46	46	47
REFI	52	51	50	50	46	48	47	44	44	41	44	48	47	49	45	46	50
PUR	48	47	46	47	46	46	46	45	45	45	48	51	50	49	46	46	45
<b>TIME TO CLOSE FHA (DAYS)</b>																	
ALL	49	49	48	49	48	47	47	45	45	44	47	51	49	49	47	47	46
REFI	51	52	51	51	49	49	47	45	44	42	43	47	45	47	45	48	50
PUR	49	48	47	48	47	47	46	45	44	45	49	52	50	50	48	46	45
<b>TIME TO CLOSE CONV (DAYS)</b>																	
ALL	50	49	48	48	45	45	46	44	44	43	46	49	49	49	45	45	47
REFI	52	50	50	49	46	46	47	44	43	41	44	48	47	49	44	46	50
PUR	47	46	45	46	44	44	45	44	44	45	47	50	50	49	45	44	43
<b>TIME TO CLOSE VA (DAYS)</b>																	
ALL	52	52	52	51	50	49	50	49	48	48	50	53	52	50	48	48	48
REFI	58	57	57	56	56	54	57	56	54	51	53	58	56	52	52	52	54
PUR	50	50	49	49	48	47	48	47	46	47	49	50	51	50	47	47	46

### Time to close increases

Closing time for all loans increased slightly in December to 50 days. Time to close refinances increased to 52 days and time to close a purchase increased to 48 days, both up one day from the prior month.

## MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2016												2015				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug
<b>ALL LOANS</b>																	
ARM %	4.6%	3.9	4.0	4.0	4.1	4.5	4.8	4.5	4.5	4.4	5.1	5.3	5.3	5.3	5.4	5.3	5.6
30-YR NOTE RATE	4.05	3.81	3.76	3.75	3.77	3.87	3.97	4.06	4.10	4.12	4.22	4.30	4.26	4.226	4.246	4.280	4.313
<b>FHA LOANS</b>																	
ARM %	0.2%	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.3	0.3	0.5	0.4	0.5	0.6	0.8	0.8	0.9
30-YR NOTE RATE	4.02	3.77	3.74	3.73	3.75	3.84	3.98	4.00	4.05	4.07	4.17	4.25	4.22	4.203	4.203	4.236	4.268
<b>CONV LOANS</b>																	
ARM %	5.4%	4.6	4.3	4.4	4.6	5.3	5.8	5.5	5.3	5.2	5.9	6.3	6.4	6.4	6.4	6.4	6.9
30-YR NOTE RATE	4.14	3.88	3.82	3.81	3.81	3.93	4.12	4.15	4.17	4.19	4.29	4.37	4.33	4.287	4.311	4.348	4.384
<b>VA LOANS</b>																	
ARM %	0.1%	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.4	0.3	0.5	0.7	0.9	0.8	1.2
30-YR NOTE RATE	3.76	3.54	3.53	3.52	3.56	3.66	3.84	3.83	3.88	3.90	4.01	4.06	4.05	4.062	4.064	4.088	4.126

The average 30-year rate for all loans increased to 4.050 percent in December, up from 3.810 percent in November.

## MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

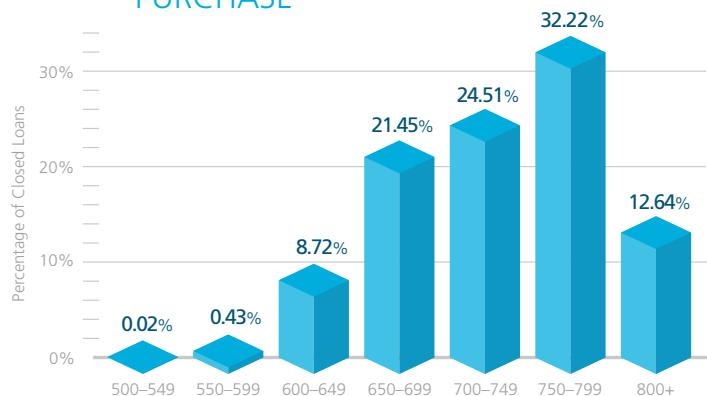
Percentage of loan applications in previous 90-day cycle that have closed

	2016												2015				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug
<b>ALL LOANS</b>																	
CLOSING RATE %	73.2%	72.2	73.0	71.8	72.3	71.6	69.6	70.6	68.9	70.6	69.9	68.4	67.3	68.4	66.8	66.8	66.3
REFI %	69.6%	68.7	68.0	66.4	67.1	66.6	64.7	67.2	64.6	66.2	65.6	64.9	63.5	62.7	60.3	60.1	59.2
PUR %	77.0%	76.1	77.2	76.4	76.4	75.7	73.7	74.5	73.4	75.1	74.2	72.2	71.0	72.2	71.1	71.0	70.8
<b>FHA LOANS</b>																	
CLOSING	69.0%	69.3	70.0	69.8	70.3	70.0	68.4	71.2	66.7	67.5	67.8	66.0	63.4	63.8	62.1	61.3	60.2
REFI %	59.3%	59.8	59.8	61.7	61.3	60.5	59.3	59.4	57.3	58.6	59.0	58.6	51.6	53.2	50.8	48.6	45.6
PUR %	72.4%	72.6	72.9	73.0	72.8	72.7	71.0	74.6	70.6	71.1	71.4	69.0	67.3	67.8	66.5	65.9	65.8
<b>CONV LOANS</b>																	
CLOSING RATE %	72.3%	72.6	72.3	72.1	72.6	72.1	70.9	71.2	69.6	70.1	70.3	70.2	68.8	68.1	66.3	66.7	66.2
REFI %	69.4%	69.8	68.0	67.6	68.2	68.3	67.3	69.2	66.8	67.1	67.3	67.8	66.3	64.8	62.5	62.5	62.1
PUR %	76.6%	76.8	77.2	77.2	77.1	76.3	75.1	74.6	73.7	74.4	74.5	73.8	72.4	71.9	70.8	71.2	70.8
<b>VA LOANS</b>																	
CLOSING RATE %	65.8%	66.2	66.6	66.6	66.7	67.4	66.3	63.8	62.8	62.8	63.1	63.4	62.4	63.0	61.1	61.3	61.6
REFI %	48.4%	49.0	46.9	46.9	44.8	46.6	45.4	45.7	44.6	44.0	44.3	45.4	43.5	44.3	41.2	40.9	42.3
PUR %	76.3%	76.7	76.6	76.7	77.1	77.0	76.0	75.0	74.4	75.0	75.3	75.1	73.8	73.9	72.9	72.2	72.5

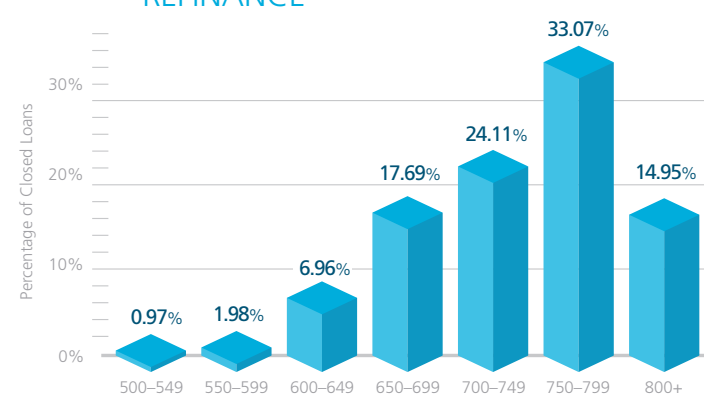
Closing rates for all loans increased to 73.2 percent in December, up from 72.2 percent the month prior. Closing rates on refis increased to 69.6 percent in December and closing rates on purchases increased to 77.0 percent in December.

## DECEMBER 2016 AVERAGE FICO SCORE DISTRIBUTION

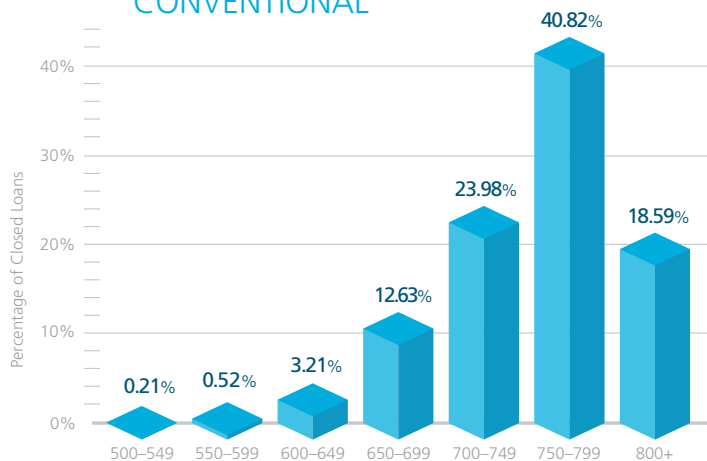
### PURCHASE



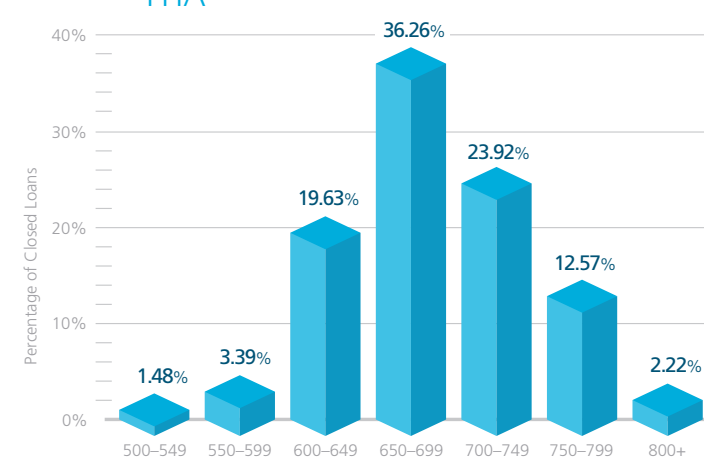
### REFINANCE



### CONVENTIONAL



### FHA



71 percent of all closed loans had FICO scores over 700.  
72 percent of all closed refis had FICO scores over 700.

## PROFILES OF ALL CLOSED LOANS

### Closed loans

	2016												2015				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug
<b>ALL</b>																	
FICO	726	728	730	731	731	727	726	724	723	722	720	719	722	721	722	723	724
LTV	78	78	78	78	79	80	81	81	80	80	79	79	80	79	80	80	81
DTI	25/38	24/38	24/37	24/37	24/37	24/38	24/38	24/38	25/38	25/38	25/39	25/39	25/39	25/39	25/39	25/38	25/38

The average FICO score on all closed loans decreased to 726 in December, down from 728 in November.



## PROFILES OF CLOSED FHA LOANS

### Closed loans

	2016												2015				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug
<b>FHA-REFI</b>																	
FICO	655	654	653	654	658	654	653	654	653	652	650	645	651	648	654	661	660
LTV	78	79	79	79	79	79	79	79	78	79	79	80	80	80	81	81	81
DTI	29/46	29/46	28/45	28/45	28/44	28/45	28/45	28/45	28/45	28/45	28/46	29/46	29/47	30/47	29/46	28/45	28/45
<b>FHA-PUR</b>																	
FICO	686	686	686	686	687	686	686	686	685	685	686	687	688	687	687	689	689
LTV	96	96	96	96	96	96	96	96	96	96	96	96	95	96	96	96	96
DTI	28/42	28/42	28/42	27/42	27/42	27/41	27/41	27/41	27/41	27/41	27/41	28/42	28/41	28/42	28/41	28/41	28/41

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

	2016												2015				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug
%	14.9%	18.9	21.1	21.9	23.4	21.4	19.5	19.4	19.8	20.9	18.6	17.7	18.9	19.9	15.4	15.4	23.9

The average FHA purchase FICO score held steady at 686 in December and FHA refi FICO scores increased slightly to 655. Conventional refi FICO scores decreased to 739 in December, the fourth monthly decrease.

## PROFILES OF CLOSED CONVENTIONAL LOANS

### Closed loans

	2016												2015				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug
<b>CON-REFI</b>																	
FICO	739	743	745	747	747	739	736	732	732	731	726	726	727	727	726	728	727
LTV	66	66	66	67	67	67	67	68	68	69	69	69	69	69	69	69	70
DTI	24/38	24/37	24/36	24/36	24/36	24/37	25/38	25/38	25/39	25/39	25/40	25/40	25/39	25/40	25/40	25/40	25/40
<b>CON-PUR</b>																	
FICO	753	753	753	754	754	754	754	754	753	753	752	753	754	754	754	755	756
LTV	80	80	80	80	80	80	80	81	81	81	81	80	80	80	80	80	80
DTI	23/35	23/35	23/34	23/34	22/34	23/34	23/34	22/34	23/34	22/34	23/35	23/35	23/35	23/35	22/34	23/34	23/34

## PROFILES OF CLOSED VA LOANS

### Closed loans

	2016												2015				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug
<b>VA-REFI</b>																	
FICO	709	710	713	712	712	706	707	706	707	706	706	705	707	705	707	707	707
LTV	87	87	88	87	88	88	88	89	88	89	88	88	88	89	88	88	89
DTI	24/40	24/40	24/39	24/40	24/39	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40
<b>VA-PUR</b>																	
FICO	707	709	707	708	708	709	708	707	705	704	704	704	706	706	705	707	708
LTV	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
DTI	25/41	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/41	24/40	24/40	24/40	24/40	24/40	24/40

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

	2016												2015				
	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug
%	45.6%	49.7	50.1	51.0	51.4	49.8	49.8	50.2	48.5	49.9	48.8	48.1	44.6	47.3	36.0	47.1	45.7

## 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.

**TIME-TO-CLOSE** Time from loan application to funding.

**REFINANCE** Includes both no-cash-out and cash-out refinances.

**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.

## METHODOLOGY

The *Origination Insight Report* mines its application data from a robust sampling of approximately 75 percent of all mortgage applications that are initiated through Ellie Mae's Encompass all-in-one mortgage management solution.

The *Origination Insight Report* focuses on loans that closed in a specific month and compares their characteristics to similar loans that closed three and six months earlier. 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 a leading provider of innovative on-demand software solutions and services for the residential mortgage industry. Mortgage lenders of all sizes use Ellie Mae's Encompass® all-in-one mortgage management solution, Mavent Compliance Service, and AllRegs research, reference and education resources to improve compliance, loan quality and efficiency across the entire mortgage lifecycle.

Visit [www.EllieMae.com](http://www.EllieMae.com) or call (877) 355-4362 to learn more.



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