



Origination Insight Report

FEBRUARY 2016

INTRODUCTION

The Ellie Mae[®] *Origination Insight Report* provides monthly data and insights from a robust sampling of closed loan applications that flow through Ellie Mae's Encompass[®] mortgage management software and Ellie Mae Network[™]. 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 66 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.

Time to Close Plummet

Lenders becoming more familiar with KBYO? See page 4.

Closing Rates Continue Upswing

Near 70% for the first time. See page 6.



MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2016	2015												2014			
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
PURPOSE																	
ALL LOANS																	
REFI %	46%	47	43	46	44	42	37	36	38	42	47	53	59	51	43	45	40
PUR %	52%	52	56	53	55	57	62	63	61	58	52	46	41	48	56	54	60
PURPOSE																	
FHA LOANS																	
REFI %	23%	24	21	26	22	21	18	17	20	23	28	34	36	17	16	17	16
PUR %	77%	76	79	73	78	79	82	82	80	77	72	66	63	82	84	83	83
PURPOSE																	
CONV LOANS																	
REFI %	57%	58	54	55	54	52	48	45	48	52	59	64	68	62	53	56	49
PUR %	42%	41	45	43	45	46	51	54	51	47	41	36	31	37	46	43	50
PURPOSE																	
VA LOANS																	
REFI %	29%	31	26	33	29	28	26	24	26	29	32	35	41	42	32	35	31
PUR %	71%	69	74	67	71	72	74	76	74	71	68	65	59	58	68	65	69
TYPE																	
FHA %	22%	22	22	23	23	23	24	24	24	24	24	22	19	15	17	17	19
CONV %	65%	65	65	64	64	64	63	62	63	63	64	66	69	70	67	68	65
VA %	9%	10	9	10	9	9	10	10	10	10	9	9	9	11	11	11	11
OTHER %	3%	3	3	4	4	4	4	4	4	4	3	3	3	4	4	5	5

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2016	2015												2014			
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
TIME TO CLOSE ALL (DAYS)																	
ALL	46	50	49	49	46	46	47	48	48	46	45	44	38	40	42	39	40
REFI	44	48	47	49	45	46	50	52	52	49	48	45	36	39	42	37	39
PUR	48	51	50	49	46	46	45	45	45	43	43	44	40	40	42	41	40
TIME TO CLOSE FHA (DAYS)																	
ALL	47	51	49	49	47	47	46	47	47	45	44	43	38	42	42	40	41
REFI	43	47	45	47	45	48	50	53	53	49	47	43	33	42	44	37	44
PUR	49	52	50	50	48	46	45	46	46	43	43	43	40	42	42	41	40
TIME TO CLOSE CONV (DAYS)																	
ALL	46	49	49	49	45	45	47	47	48	46	46	45	37	39	41	38	38
REFI	44	48	47	49	44	46	50	52	52	49	48	45	36	39	42	37	38
PUR	47	50	50	49	45	44	43	45	44	42	42	44	39	38	41	39	39
TIME TO CLOSE VA (DAYS)																	
ALL	50	53	52	50	48	48	48	49	49	46	46	45	39	39	41	39	41
REFI	53	58	56	52	52	52	54	56	54	51	49	48	37	38	42	39	46
PUR	49	50	51	50	47	47	46	46	47	45	45	44	40	39	41	38	40

Overall time to close was down four days from January.

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2016	2015												2014			
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
ALL LOANS																	
ARM %	5.1%	5.3	5.3	5.3	5.4	5.3	5.6	5.5	4.9	4.7	4.5	4.2	4.0	5.1	5.8	6.1	6.3
15-YR %	10.7%	11.1	10.8	10.7	10.3	10.3	9.8	9.2	9.7	9.8	10.3	11.1	11.1	10.8	9.9	10.3	9.6
30-YR NOTE RATE	4.22	4.30	4.26	4.226	4.246	4.280	4.313	4.288	4.118	4.013	4.062	4.041	4.008	4.154	4.251	4.273	4.371
FHA LOANS																	
ARM %	0.5%	0.4	0.5	0.6	0.8	0.8	0.9	0.8	0.6	0.7	0.6	0.6	0.6	0.7	0.9	1.4	1.4
15-YR %	1.8%	1.6	1.7	1.7	1.6	1.5	1.5	1.3	1.3	1.2	1.5	1.6	1.8	2.2	2.1	2.2	2.0
30-YR NOTE RATE	4.17	4.25	4.22	4.203	4.203	4.236	4.268	4.243	4.047	3.942	3.989	3.986	3.945	4.066	4.131	4.150	4.237
CONV LOANS																	
ARM %	5.9%	6.3	6.4	6.4	6.4	6.4	6.9	6.9	6.2	5.8	5.6	5.1	4.7	5.6	7.0	6.9	7.5
15-YR %	15.2%	15.7	15.4	15.3	14.8	14.8	14.4	13.6	14.2	14.2	15.0	15.6	15.0	14.1	13.4	14.0	13.3
30-YR NOTE RATE	4.29	4.37	4.33	4.287	4.311	4.348	4.384	4.364	4.218	4.106	4.151	4.112	4.079	4.253	4.374	4.392	4.486
VA LOANS																	
ARM %	0.4%	0.3	0.5	0.7	0.9	0.8	1.2	0.8	0.6	0.4	0.5	0.5	0.4	0.6	0.8	1.2	1.2
15-YR %	3.2%	3.1	3.1	3.0	2.8	3.2	3.5	3.7	2.7	3.1	2.9	3.1	0.4	3.1	2.9	2.9	2.7
30-YR NOTE RATE	4.01	4.06	4.05	4.062	4.064	4.088	4.126	4.095	3.871	3.841	3.830	3.819	3.769	3.852	3.957	3.972	4.123

The average 30-year rate for all loans decreased for the first time in three months.

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

Percentage of Loan Applications in Previous 90-Day Cycle That Have Closed

	2016	2015												2014			
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
ALL LOANS																	
CLOSING RATE %	69.9%	68.4	67.3	68.4	66.8	66.8	66.3	66.2	64.2	64.0	65.2	63.6	60.0	62.4	60.2	60.0	59.4
REFI %	65.6%	64.9	63.5	62.7	60.3	60.1	59.2	60.2	58.5	60.1	64.0	59.6	53.0	56.5	51.2	51.2	49.3
PUR %	74.2%	72.2	71.0	72.2	71.1	71.0	70.8	70.7	69.0	68.2	66.5	67.5	67.2	68.3	67.1	66.5	66.1
FHA LOANS																	
CLOSING RATE	67.8%	66.0	63.4	63.8	62.1	61.3	60.2	58.2	57.6	57.1	55.0	53.6	54.8	57.0	56.3	55.0	56.0
REFI %	59.0%	58.6	51.6	53.2	50.8	48.6	45.6	42.6	44.6	48.9	50.0	37.5	34.4	36.4	35.0	33.3	36.4
PUR %	71.4%	69.0	67.3	67.8	66.5	65.9	65.8	65.3	64.1	63.1	59.5	60.6	62.8	64.6	63.2	62.1	61.5
CONV LOANS																	
CLOSING RATE	70.3%	70.2	68.8	68.1	66.3	66.7	66.2	66.1	63.9	64.3	66.0	63.1	60.4	62.7	60.2	60.0	59.4
REFI %	67.3%	67.8	66.3	64.8	62.5	62.5	62.1	63.2	61.1	62.6	66.0	61.0	55.4	58.8	53.8	53.9	51.3
PUR %	74.5%	73.8	72.4	71.9	70.8	71.2	70.8	70.1	68.0	67.7	65.7	67.1	68.8	69.8	68.2	68.0	67.9
VA LOANS																	
CLOSING RATE %	63.1%	63.4	62.4	63.0	61.1	61.3	61.6	63.5	62.0	62.9	62.5	61.3	63.2	65.5	63.0	64.0	63.0
REFI %	44.3%	45.4	43.5	44.3	41.2	40.9	42.3	48.1	47.3	51.4	55.2	50.8	50.2	55.3	46.2	48.4	46.4
PUR %	75.3%	75.1	73.8	73.9	72.9	72.2	72.5	72.5	71.2	71.3	70.2	70.4	73.0	73.3	73.5	73.9	73.0

The overall closing rate for all loans increased to 69.9, the highest percentage we've seen since first tracking data in August 2011.

PROFILES OF ALL CLOSED AND DENIED LOANS

Closed Loans

	2016		2015											2014			
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
ALL																	
FICO	720	719	722	721	722	723	724	725	727	730	729	731	732	731	728	729	726
LTV	79	79	80	79	80	80	81	81	81	81	80	79	79	79	80	80	81
DTI	25/39	25/39	25/39	25/39	25/39	25/38	25/38	25/38	24/38	24/37	24/38	24/37	24/37	24/37	24/38	24/37	25/38

The average FICO score on all closed loans increased to 720.

Denied Applications

	2016		2015											2014			
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
ALL																	
FICO	645	645	654	651	650	668	668	668	672	669	674	676	675	675	679	678	681
LTV	87	88	86	87	87	83	84	84	83	84	83	83	83	83	80	79	80
DTI	28/49	28/50	28/48	28/49	28/49	28/47	28/47	28/48	28/47	28/46	28/47	28/47	28/47	28/47	29/46	29/47	29/46

PROFILES OF CLOSED FHA LOANS

Closed Loans

	2016			2015											2014		
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
FHA-REFI																	
FICO	650	645	651	648	654	661	660	660	677	683	682	685	690	674	674	675	667
LTV	79	80	80	80	81	81	81	81	82	84	85	85	89	82	83	83	83
DTI	28/46	29/46	29/47	30/47	29/46	28/45	28/45	28/45	27/44	26/41	26/41	26/41	26/40	27/41	26/41	27/41	27/42
FHA-PUR																	
FICO	686	687	688	687	687	689	689	689	689	688	686	685	683	682	681	683	683
LTV	96	96	95	96	96	96	96	96	95	95	95	95	95	95	95	95	95
DTI	27/41	28/42	28/41	28/42	28/41	28/41	28/41	28/41	27/41	27/41	27/41	27/41	27/40	28/41	28/41	28/41	28/41

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

	2016			2015											2014		
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
%	18.6%	17.7	18.9	19.9	15.4	15.4	23.9	27.5	30.9	35.8	38.1	41.6	39.4	12.6	14.5	13.4	10.1

The average FHA refinance FICO score increased five points to 650.

PROFILES OF DENIED FHA LOANS

Denied Applications

	2016		2015												2014		
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
FHA-REFI																	
FICO	646	649	650	649	647	639	640	637	637	629	619	622	623	615	612	612	615
LTV	80	81	81	81	81	81	81	80	80	80	81	79	80	78	78	77	78
DTI	28/46	28/47	29/47	29/48	29/48	29/47	30/46	31/48	30/48	30/49	30/45	31/50	31/50	33/52	32/50	32/50	32/51
FHA-PUR																	
FICO	628	630	637	637	635	636	635	635	638	635	633	630	627	630	658	659	661
LTV	97	97	97	96	96	96	96	96	96	96	96	96	96	96	95	95	95
DTI	28/50	29/50	29/49	30/50	30/50	30/49	30/49	30/50	29/48	29/47	29/48	29/48	28/47	28/48	32/47	33/49	32/49

PROFILES OF CLOSED CONVENTIONAL LOANS

Closed Loans

	2016			2015											2014		
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
CON-REFI																	
FICO	726	726	727	727	726	728	727	727	732	738	738	742	747	741	737	739	734
LTV	69	69	69	69	69	69	70	70	70	70	70	70	70	70	70	70	701
DTI	25/40	25/40	25/39	25/40	25/40	25/40	25/40	25/40	25/39	24/38	24/38	24/37	24/36	24/37	24/38	24/38	25/39
CON-PUR																	
FICO	752	753	754	754	754	755	756	757	757	757	756	755	754	752	753	754	754
LTV	81	80	80	80	80	80	80	80	80	81	81	81	81	80	80	80	80
DTI	23/35	23/35	23/35	23/35	22/34	23/34	23/34	23/34	22/34	22/34	22/34	22/34	22/34	23/35	23/34	23/34	23/34

CON-REFI (% OF REFIS @ 95 LTV+)

	2016			2015											2014		
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
%	5.2%	5.7	5.3	5.1	5.7	5.8	5.9	5.8	5.4	4.9	5.2	4.3	4.9	6.0	6.2	5.5	6.4

PROFILES OF DENIED CONVENTIONAL LOANS

Denied Applications

	2016			2015											2014		
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
CON-REFI																	
FICO	696	697	697	700	695	694	694	693	697	700	702	703	700	696	694	695	696
LTV	70	70	70	70	71	71	72	72	72	72	72	71	72	73	72	71	71
DTI	28/46	28/47	28/47	28/47	28/47	28/47	28/48	29/48	28/48	28/47	28/46	28/47	28/46	28/47	28/46	28/47	28/46
CON-PUR																	
FICO	691	694	702	702	700	700	701	700	706	705	699	701	698	701	719	722	723
LTV	83	83	81	83	82	82	82	82	82	82	83	82	83	83	81	80	81
DTI	25/45	26/45	26/45	27/45	26/45	26/45	26/45	26/45	26/44	26/43	25/43	26/44	25/43	25/43	26/44	27/43	26/43

PROFILES OF CLOSED VA LOANS

Closed Loans

	2016			2015											2014		
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
VA-REFI																	
FICO	706	705	707	705	707	707	707	708	710	713	715	716	717	716	708	709	704
LTV	88	88	88	89	88	88	89	88	88	88	88	88	90	90	90	90	91
DTI	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/39	24/39	24/39	24/38	24/39	25/39	24/39	25/40
VA-PUR																	
FICO	704	704	706	706	705	707	708	709	709	708	705	702	702	704	701	702	701
LTV	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
DTI	24/41	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/39	24/39	24/39	25/39	24/39	24/39

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

	2016			2015											2014		
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
%	48.8%	48.1	44.6	47.3	36.0	47.1	45.7	47.9	53.8	53.3	40.2	40.2	46.6	48.0	47.4	47.8	46.8

The average VA FICO score for purchases held steady at 704.

PROFILES OF DENIED VA LOANS

Denied Applications

	2016		2015											2014			
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
VA-REFI																	
FICO	648	655	653	652	647	647	646	645	650	649	664	664	668	671	674	657	682
LTV	91	92	92	90	93	93	94	93	94	94	91	91	92	92	92	92	91
DTI	26/51	26/48	26/48	29/54	26/48	26/47	25/48	27/49	27/48	25/45	27/47	27/47	26/46	28/46	25/45	27/45	28/46
VA-PUR																	
FICO	580	578	587	584	584	642	642	644	651	642	641	641	635	636	663	656	666
LTV	101	102	102	102	102	100	100	100	100	100	100	100	100	100	100	101	100
DTI	28/56	29/55	28/53	29/54	26/48	26/47	27/47	27/48	26/47	26/47	27/48	27/48	26/47	25/46	26/45	26/43	28/47

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.

DENIED APPLICATIONS Loan applications denied as indicated by lender for Home Mortgage Disclosure Act (HMDA) reporting purposes. Loan applications not reported as denied or as originated (closed) may include active applications, applications withdrawn by consumers, or files closed for incompleteness.

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 66 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 or were denied in a specific month and compares their characteristics to similar loans that closed or were denied 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 or denied for incompleteness or nonqualification.

The *Origination Insight Report* details aggregated, anonymized data and does not disclose client-specific or proprietary information.

News organizations have the right to reuse this data, provided that Ellie Mae, Inc., is credited as the source.

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 or call (877) 355-4362 to learn more.



SIG ANDERMAN, FOUNDER AND EXECUTIVE CHAIRMAN

© 2016 Ellie Mae, Inc. Ellie Mae[®], Encompass[®], AllRegs[®], DataTrac[®], Ellie Mae Network[™], Mavent[®], Mortgage Returns[®], Prospect Manager, Total Quality Loan[™], True CRM[®], TQL[™] and the Ellie Mae logo are trademarks of Ellie Mae, Inc. or its subsidiaries. All rights reserved. Other company and product names may be trademarks or copyrights of their respective owners.