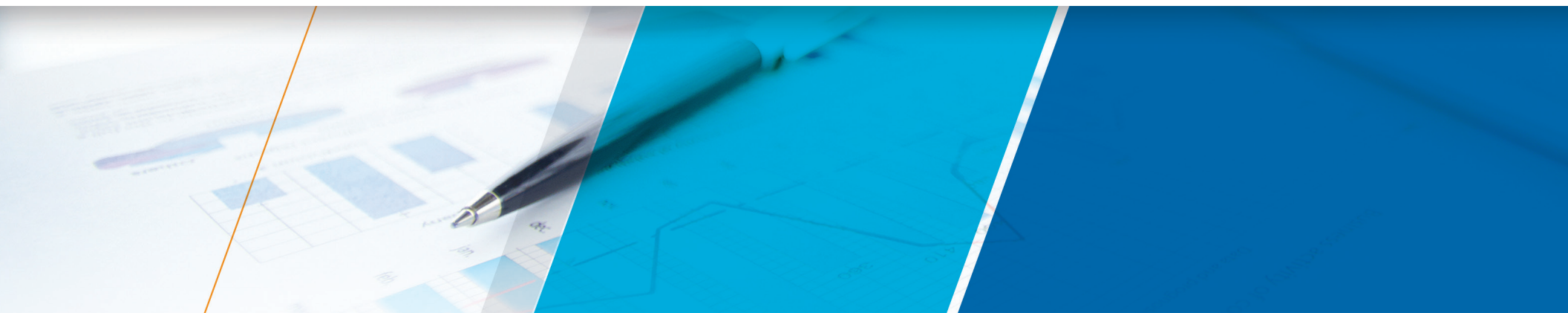


EllieMae[®]

SEPTEMBER
2017

Origination Insight Report



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 80 percent of all mortgage applications that were initiated on the Encompass[®] all-in-one mortgage management solution. Ellie Mae believes the *Origination Insight Report* is a strong proxy of the underwriting standards employed by lenders across the country.

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2017									2016							
	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May
PURPOSE ALL LOANS																	
REFI %	38%	35	35	32	32	35	37	43	47	46	47	47	45	43	37	34	37
PUR %	62%	65	65	68	68	65	63	57	53	54	53	53	54	56	62	65	62
PURPOSE FHA LOANS																	
REFI %	22%	21	21	19	18	19	21	25	26	22	22	21	19	18	16	15	17
PUR %	78%	79	79	81	82	81	79	75	74	78	78	79	81	82	83	85	83
PURPOSE CONV LOANS																	
REFI %	44%	42	40	37	39	43	44	52	56	56	58	57	56	54	47	43	47
PUR %	56%	58	60	63	61	57	56	48	44	44	42	43	43	45	52	56	51
PURPOSE VA LOANS																	
REFI %	30%	29	28	25	27	29	30	35	35	30	30	31	27	25	23	21	22
PUR %	70%	71	72	75	73	71	70	65	65	70	70	69	73	75	77	79	78
TYPE																	
FHA %	20%	22	22	22	23	23	23	23	21	20	20	20	20	20	23	23	23
CONV %	66%	64	64	64	63	63	63	63	66	66	68	68	68	68	65	64	64
VA %	10%	10	10	10	10	10	10	10	9	9	9	9	9	9	9	9	9
OTHER %	4%	4	4	4	4	4	4	4	4	4	3	3	3	3	4	4	4

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2017									2016							
	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May
TIME TO CLOSE ALL (DAYS)																	
ALL	43	42	43	43	42	42	43	46	51	50	49	48	48	46	46	46	45
REFI	40	41	42	41	41	41	43	47	53	52	51	50	50	46	48	47	44
PUR	44	43	43	43	42	42	43	45	48	48	47	46	47	46	46	46	45
TIME TO CLOSE FHA (DAYS)																	
ALL	44	43	44	43	43	43	44	45	50	49	49	48	49	48	47	47	45
REFI	41	41	43	41	42	42	44	46	58	51	52	51	51	49	49	47	45
PUR	45	44	44	44	43	43	43	45	50	49	48	47	48	47	47	46	45
TIME TO CLOSE CONV (DAYS)																	
ALL	42	41	42	42	41	41	43	46	51	50	49	48	48	45	45	46	44
REFI	39	40	42	41	40	40	43	47	53	52	50	50	49	46	46	47	44
PUR	43	42	42	43	41	41	42	44	47	47	46	45	46	44	44	45	44
TIME TO CLOSE VA (DAYS)																	
ALL	47	46	46	46	45	45	46	48	53	52	52	52	51	50	49	50	49
REFI	46	47	48	48	45	45	46	50	58	58	57	57	56	56	54	57	56
PUR	47	45	45	45	45	45	45	47	50	50	50	49	49	48	47	48	47

Time to close all loans increases

Closing time for all loans increased to 43 days in September, up from 42 in August. Time to close a refinance decreased to 40 days, and time to close a purchase loan increased to 44 days.

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2017									2016							
	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May
ALL LOANS																	
ARM %	5.5%	5.7	5.7	5.9	6.1	5.9	5.6	5.3	5.4	4.6	3.9	4.0	4.0	4.1	4.5	4.8	4.5
30-YR NOTE RATE	4.21	4.27	4.25	4.27	4.33	4.41	4.39	4.36	4.31	4.05	3.81	3.76	3.75	3.77	3.87	3.97	4.06
FHA LOANS																	
ARM %	0.6%	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.2
30-YR NOTE RATE	4.23	4.27	4.25	4.25	4.29	4.36	4.32	4.28	4.23	4.02	3.77	3.74	3.73	3.75	3.84	3.98	4.00
CONV LOANS																	
ARM %	6.2%	6.5	6.8	7.2	7.5	7.3	6.9	6.3	6.4	5.4	4.6	4.3	4.4	4.6	5.3	5.8	5.5
30-YR NOTE RATE	4.26	4.32	4.31	4.34	4.41	4.51	4.50	4.48	4.42	4.14	3.88	3.82	3.81	3.81	3.93	4.12	4.15
VA LOANS																	
ARM %	0.2%	0.2	0.3	0.2	0.4	0.3	0.2	0.2	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1
30-YR NOTE RATE	3.99	4.03	4.00	4.01	4.07	4.15	4.10	4.08	4.01	3.76	3.54	3.53	3.52	3.56	3.66	3.84	3.83

The average 30-year rate for all loans decreased to 4.210 in September, the lowest rate in 2017.

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

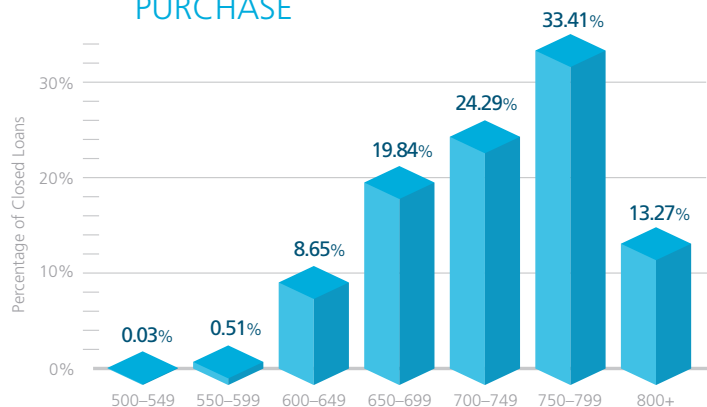
Percentage of loan applications in previous 90-day cycle that have closed

	2017									2016							
	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May
ALL LOANS																	
CLOSING RATE %	71.6%	71.7	70.6	70.3	70.4	69.4	69.6	70.6	72.2	73.2	72.2	73.0	71.8	72.3	71.6	69.6	70.6
REFI %	64.8%	63.9	62.4	63.5	63.8	63.5	64.4	65.4	67.9	69.6	68.7	68.0	66.4	67.1	66.6	64.7	67.2
PUR %	76.4%	76.8	76.2	75.1	75.3	74.5	74.8	75.9	76.8	77.0	76.1	77.2	76.4	76.4	75.7	73.7	74.5
FHA LOANS																	
CLOSING	70.0%	70.1	69.2	69.2	69.3	68.2	68.5	69.1	70.0	69.0	69.3	70.0	69.8	70.3	70.0	68.4	71.2
REFI %	61.1%	60.0	57.3	58.6	60.8	60.4	60.4	59.6	60.4	59.3	59.8	59.8	61.7	61.3	60.5	59.3	59.4
PUR %	73.3%	73.6	73.2	72.6	72.5	71.8	72.6	73.1	73.8	72.4	72.6	72.9	73.0	72.8	72.7	71.0	74.6
CONV LOANS																	
CLOSING RATE %	71.8%	72.1	70.9	70.6	70.4	69.4	69.7	70.8	71.9	72.3	72.6	72.3	72.1	72.6	72.1	70.9	71.2
REFI %	65.8%	65.2	63.8	64.7	64.8	64.6	65.5	66.7	68.5	69.4	69.8	68.0	67.6	68.2	68.3	67.3	69.2
PUR %	76.9%	77.5	76.8	75.8	75.5	74.7	74.9	76.3	77.0	76.6	76.8	77.2	77.2	77.1	76.3	75.1	74.6
VA LOANS																	
CLOSING RATE %	67.7%	67.8	67.7	67.3	67.1	65.3	64.4	65.0	67.4	65.8	66.2	66.6	66.6	66.7	67.4	66.3	63.8
REFI %	52.6%	51.7	52.5	53.5	53.1	51.0	49.7	48.1	50.5	48.4	49.0	46.9	46.9	44.8	46.6	45.4	45.7
PUR %	76.5%	76.5	76.5	75.1	75.7	75.0	75.2	76.6	78.1	76.3	76.7	76.6	76.7	77.1	77.0	76.0	75.0

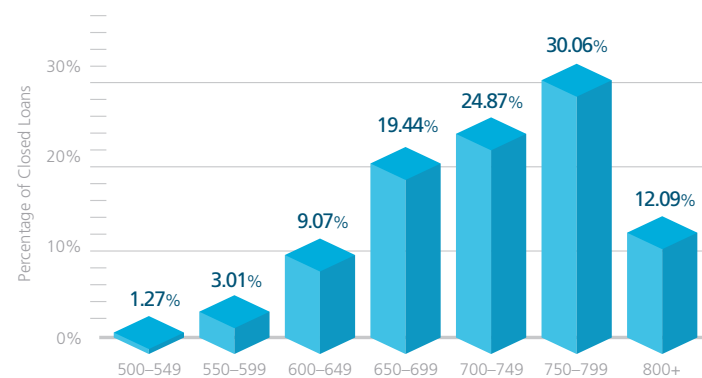
Closing rates for all loans decreased slightly to 71.6 percent, closing rates on refinances increased to 64.8 percent, and closing rates on purchases decreased to 76.4 percent in September.

SEPTEMBER 2017 AVERAGE FICO SCORE DISTRIBUTION

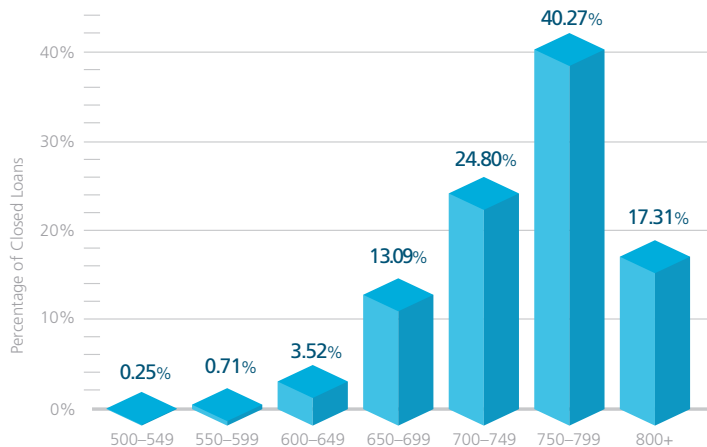
PURCHASE



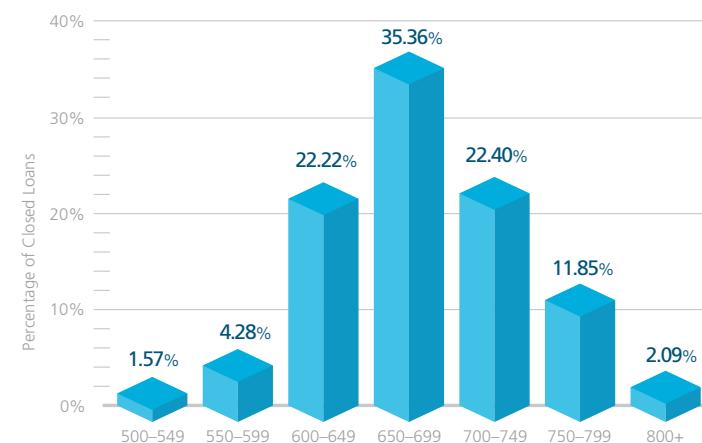
REFINANCE



CONVENTIONAL



FHA



69 percent of all closed loans had FICO scores over 700.
 70 percent of purchase loans had FICO scores over 700.
 67 percent of refinances had FICO scores over 700.

PROFILES OF ALL CLOSED LOANS

Closed loans

	2017									2016							
	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May
ALL																	
FICO	724	724	724	724	723	722	721	720	722	726	728	730	731	731	727	726	724
LTV	79	80	80	80	80	80	80	79	78	78	78	78	78	79	80	81	81
DTI	25/39	25/39	25/38	25/38	25/39	25/39	25/39	25/40	25/39	25/38	24/38	24/37	24/37	24/37	24/38	24/38	24/38

The average FICO score on all closed loans remained steady for the fourth straight month at 724 in September.

PROFILES OF CLOSED FHA LOANS

Closed loans

	2017									2016							
	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May
FHA-REFI																	
FICO	649	649	646	647	650	650	654	649	651	655	654	653	654	658	654	653	654
LTV	78	78	78	78	78	78	78	78	78	78	79	79	79	79	79	79	79
DTI	29/47	29/46	29/46	29/46	29/46	30/47	29/46	29/47	29/47	29/46	29/46	28/45	28/45	28/44	28/45	28/45	28/45
FHA-PUR																	
FICO	682	683	683	683	683	684	684	686	686	686	686	686	686	687	686	686	686
LTV	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96
DTI	28/43	28/43	28/43	28/43	28/43	28/43	28/43	28/43	28/43	28/42	28/42	28/42	27/42	27/42	27/41	27/41	27/41

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

	2017									2016							
	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May
%	11.9%	11.2	10.9	11.1	10.9	10.8	11.6	11.9	11.2	14.9	18.9	21.1	21.9	23.4	21.4	19.5	19.4

The average FHA purchase FICO score decreased to 682 in September. FHA refinance FICO scores remained steady at 649. Conventional refinance FICO scores increased to 731, and purchase FICO scores remained steady at 752.

PROFILES OF CLOSED CONVENTIONAL LOANS

Closed loans

	2017									2016							
	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May
CON-REFI																	
FICO	731	730	730	729	728	727	727	728	732	739	743	745	747	747	739	736	732
LTV	65	65	65	65	66	66	66	66	66	66	66	66	67	67	67	67	68
DTI	25/39	25/39	25/39	25/39	25/40	26/40	26/41	26/41	25/40	24/38	24/37	24/36	24/36	24/36	24/37	25/38	25/38
CON-PUR																	
FICO	752	752	753	754	753	753	753	752	752	753	753	753	754	754	754	754	754
LTV	80	80	80	80	81	80	80	80	80	80	80	80	80	80	80	80	81
DTI	23/35	23/35	23/35	23/35	23/35	26/40	23/35	23/35	23/35	23/35	23/35	23/34	23/34	22/34	23/34	23/34	22/34

PROFILES OF CLOSED VA LOANS

Closed loans

	2017									2016							
	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May
VA-REFI																	
FICO	701	702	700	701	701	701	702	702	707	709	710	713	712	712	706	707	706
LTV	89	89	88	88	88	88	88	88	87	87	87	88	87	88	88	88	89
DTI	26/41	25/41	25/41	25/41	25/41	26/41	25/41	26/41	25/41	24/40	24/40	24/39	24/40	24/39	24/40	24/40	24/40
VA-PUR																	
FICO	709	710	711	711	710	708	708	707	707	707	709	707	708	708	709	708	707
LTV	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
DTI	25/41	25/41	25/41	25/41	25/41	25/41	25/41	25/41	25/41	25/41	24/40	24/40	24/40	24/40	24/40	24/40	24/40

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

	2017									2016							
	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May
%	50.4%	49.1	49.2	45.9	45.7	43.4	44.1	42.4	41.8	45.6	49.7	50.1	51.0	51.4	49.8	49.8	50.2

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 80 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.

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



JONATHAN CORR, PRESIDENT AND CEO

ABOUT ELLIE MAE

Ellie Mae (**NYSE: ELLI**) is the leading cloud-based platform provider for the mortgage finance industry. Ellie Mae's technology solutions enable lenders to originate more loans, reduce origination costs, and shorten the time to close, all while ensuring the highest levels of compliance, quality and efficiency.

Visit www.EllieMae.com or call (877) 355-4362 to learn more.

A decorative background image for the footer. It features a blue gradient background with a white diagonal line. On the left, there is a blurred image of a pen resting on a document with a grid pattern. The Ellie Mae logo is prominently displayed on the right side.

EllieMae®

© 2017 Ellie Mae, Inc. Ellie Mae®, Encompass®, DataTrac®, Ellie Mae Network™, and the Ellie Mae logo are registered trademarks or 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.