

EllieMae[®]

NOVEMBER
2016

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 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					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
PURPOSE																	
ALL LOANS																	
REFI %	47%	47	45	43	37	34	37	40	45	46	47	43	46	44	42	37	36
PUR %	53%	53	54	56	62	65	62	59	55	52	52	56	53	55	57	62	63
PURPOSE																	
FHA LOANS																	
REFI %	22%	21	19	18	16	15	17	19	20	23	24	21	26	22	21	18	17
PUR %	78%	79	81	82	83	85	83	81	80	77	76	79	73	78	79	82	82
PURPOSE																	
CONV LOANS																	
REFI %	58%	57	56	54	47	43	47	51	56	57	58	54	55	54	52	48	45
PUR %	42%	43	43	45	52	56	51	48	43	42	41	45	43	45	46	51	54
PURPOSE																	
VA LOANS																	
REFI %	30%	31	27	25	23	21	22	25	27	29	31	26	33	29	28	26	24
PUR %	70%	69	73	75	77	79	78	75	73	71	69	74	67	71	72	74	76
TYPE																	
FHA %	20%	20	20	20	23	23	23	23	22	22	22	22	23	23	23	24	24
CONV %	68%	68	68	68	65	64	64	64	66	65	65	65	64	64	64	63	62
VA %	9%	9	9	9	9	9	9	9	9	9	10	9	10	9	9	10	10
OTHER %	3%	3	3	3	4	4	4	3	3	3	3	3	4	4	4	4	4

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

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

Time to close increases

Closing time for all loans increased slightly in November to 49 days. Time to close refinances increased to 51 days and time to close purchases increased to 47 days, both up one day from the prior month.

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2016											2015					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
ALL LOANS																	
ARM %	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	5.5
30-YR NOTE RATE	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	4.288
FHA LOANS																	
ARM %	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	0.8
30-YR NOTE RATE	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	4.243
CONV LOANS																	
ARM %	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	6.9
30-YR NOTE RATE	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	4.364
VA LOANS																	
ARM %	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	0.8
30-YR NOTE RATE	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	4.095

The average 30-year rate for all loans increased to 3.81 percent in November, up from 3.76 percent in October.

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

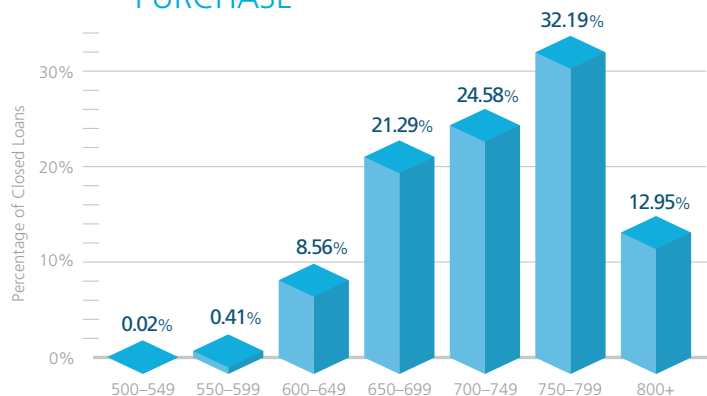
Percentage of loan applications in previous 90-day cycle that have closed

	2016											2015					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
ALL LOANS																	
CLOSING RATE %	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	66.2
REFI %	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	60.2
PUR %	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	70.7
FHA LOANS																	
CLOSING	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	58.2
REFI %	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	42.6
PUR %	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	65.3
CONV LOANS																	
CLOSING RATE %	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	66.1
REFI %	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	63.2
PUR %	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	70.1
VA LOANS																	
CLOSING RATE %	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	63.5
REFI %	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	48.1
PUR %	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	72.5

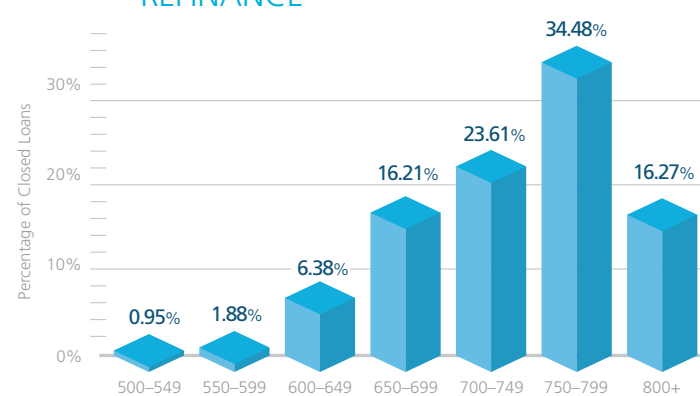
Average closing rates for all loans decreased to 72.2 percent in November. Closing rates on refis increased to 68.7 percent in November, and closing rates on purchases decreased to 76.1 percent, down from 77.2 percent the month prior.

NOVEMBER 2016 AVERAGE FICO SCORE DISTRIBUTION

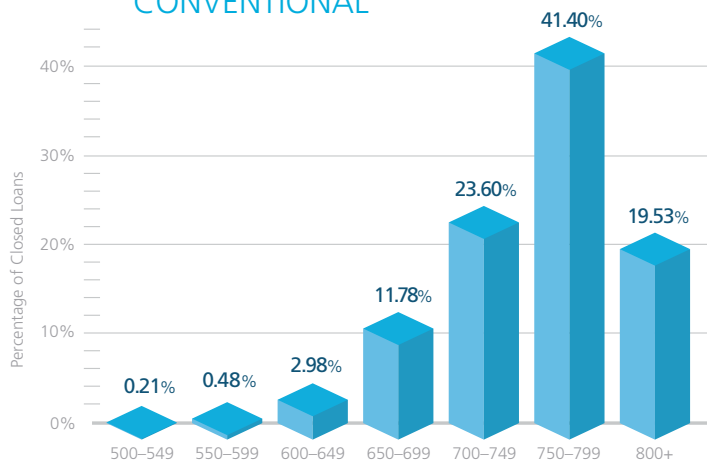
PURCHASE



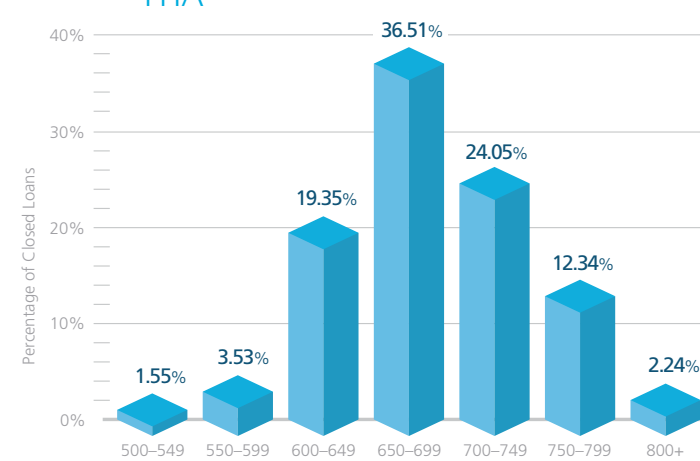
REFINANCE



CONVENTIONAL



FHA



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

PROFILES OF ALL CLOSED LOANS

Closed loans

	2016											2015					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul
ALL																	
FICO	728	730	731	731	727	726	724	723	722	720	719	722	721	722	723	724	725
LTV	78	78	78	79	80	81	81	80	80	79	79	80	79	80	80	81	81
DTI	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	25/38

The average FICO score on all closed loans decreased to 728 in November, down from 730 in October.

PROFILES OF CLOSED FHA LOANS

Closed loans

	2016											2015					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
FHA-REFI																	
FICO	654	653	654	658	654	653	654	653	652	650	645	651	648	654	661	660	660
LTV	79	79	79	79	79	79	79	78	79	79	80	80	80	81	81	81	81
DTI	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	28/45
FHA-PUR																	
FICO	686	686	686	687	686	686	686	685	685	686	687	688	687	687	689	689	689
LTV	96	96	96	96	96	96	96	96	96	96	96	95	96	96	96	96	96
DTI	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	28/41

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

	2016											2015					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
%	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	27.5

The average FHA purchase FICO score held steady at 686 in November, and FHA refi FICO scores increased slightly to 654. Conventional refi FICO scores decreased to 743 in November.

PROFILES OF CLOSED CONVENTIONAL LOANS

Closed loans

	2016											2015					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul
CON-REFI																	
FICO	743	747	747	747	739	736	732	732	731	726	726	727	727	726	728	727	727
LTV	66	66	67	67	67	67	68	68	69	69	69	69	69	69	69	70	70
DTI	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	25/40
CON-PUR																	
FICO	753	753	754	754	754	754	754	753	753	752	753	754	754	754	755	756	757
LTV	80	80	80	80	80	80	81	81	81	81	80	80	80	80	80	80	80
DTI	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	23/34

PROFILES OF CLOSED VA LOANS

Closed loans

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

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

	2016											2015					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul
%	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	47.9

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.

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 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.



EllieMae®

© 2016 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.