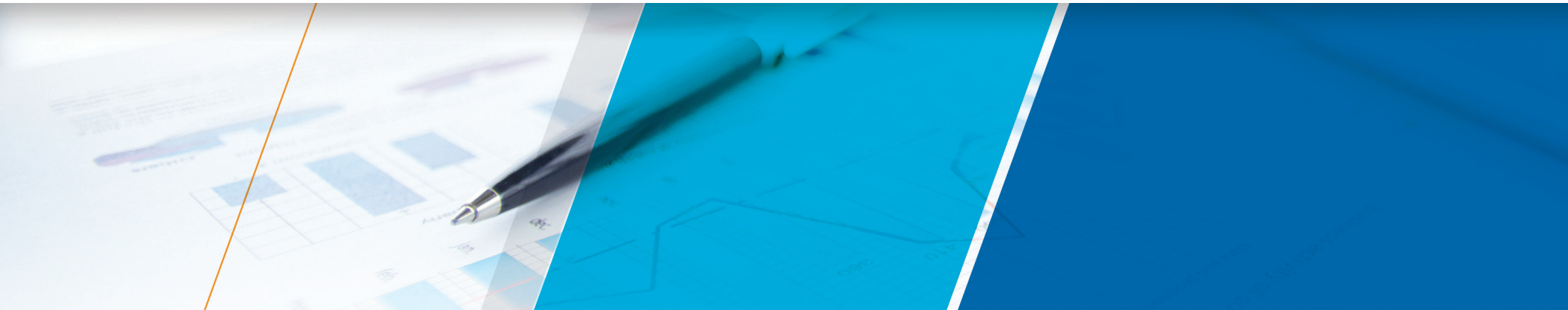
Ellie Mae®

NOVEMBER 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					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
PURPOSE ALL LOANS																	
REFI %	39%	39	38	35	35	32	32	35	37	43	47	46	47	47	45	43	37
PUR %	61%	61	62	65	65	68	68	65	63	57	53	54	53	53	54	56	62
PURPOSE FHA LOANS																	
REFI %	24%	23	22	21	21	19	18	19	21	25	26	22	22	21	19	18	16
PUR %	76%	77	78	79	79	81	82	81	79	75	74	78	78	79	81	82	83
PURPOSE CONV LOANS																	
REFI %	45%	46	44	42	40	37	39	43	44	52	56	56	58	57	56	54	47
PUR %	55%	54	56	58	60	63	61	57	56	48	44	44	42	43	43	45	52
PURPOSE VA LOANS																	
REFI %	31%	32	30	29	28	25	27	29	30	35	35	30	30	31	27	25	23
PUR %	69%	68	70	71	72	75	73	71	70	65	65	70	70	69	73	75	77
TYPE																	
FHA %	20%	20	20	22	22	22	23	23	23	23	21	20	20	20	20	20	23
CONV %	66%	66	66	64	64	64	63	63	63	63	66	66	68	68	68	68	65
VA %	10%	10	10	10	10	10	10	10	10	10	9	9	9	9	9	9	9
OTHER %	4%	4	4	4	4	4	4	4	4	4	4	4	3	3	3	3	4

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

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

Time to close stays steady

Closing time for all loans stayed steady at 43 days, refinances held at 40 days and purchase loans increased to 45 days in November.

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2017											2016					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
ALL LOANS																	
ARM %	5.6%	5.5	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
30-YR NOTE RATE	4.24	4.20	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
FHA LOANS																	
ARM %	0.6%	0.5	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
30-YR NOTE RATE	4.26	4.22	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
CONV LOANS																	
ARM %	6.2%	6.1	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
30-YR NOTE RATE	4.29	4.25	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
VA LOANS																	
ARM %	0.3%	0.2	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
30-YR NOTE RATE	4.01	3.97	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

The average 30-year rate for all loans increased slightly to 4.240 in November, up from 4.200 in October.

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

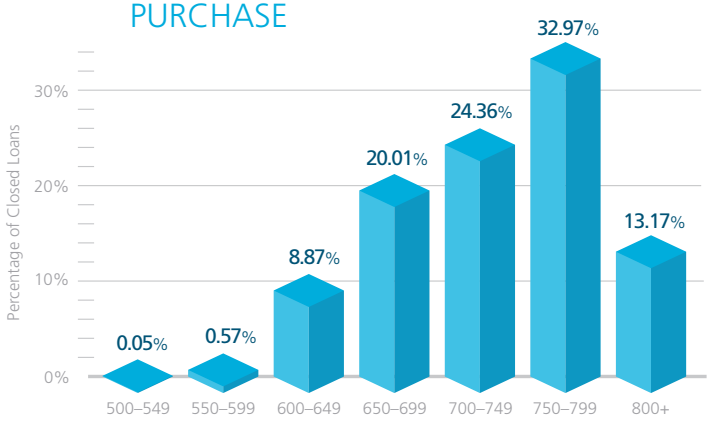
Percentage of loan applications in previous 90-day cycle that have closed

	2017											2016					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
ALL LOANS																	
CLOSING RATE %	70.9%	70.4	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
REFI %	65.1%	63.6	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
PUR %	75.5%	75.2	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
FHA LOANS																	
CLOSING RATE %	68.4%	68.8	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
REFI %	58.7%	59.5	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
PUR %	72.2%	72.3	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
CONV LOANS																	
CLOSING RATE %	71.6%	70.9	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
REFI %	67.0%	65.0	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
PUR %	76.0%	75.9	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
VA LOANS																	
CLOSING RATE %	66.3%	66.7	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
REFI %	52.6%	52.3	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
PUR %	72.2%	74.6	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

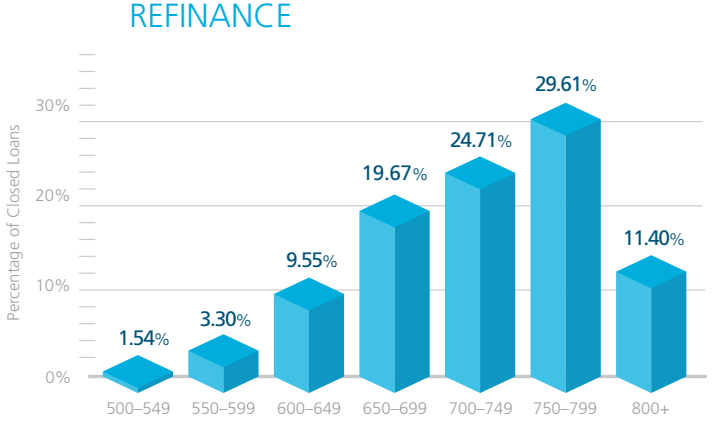
Closing rates for all loans increased slightly to 70.9 percent in November, up from 70.4 percent in October. The closing rate on refinances increased to 65.1 percent in November, up from 63.6 percent the month prior. The closing rate on purchases increased to 75.5 percent in November, up from 75.2 percent the month prior.

NOVEMBER 2017 AVERAGE FICO SCORE DISTRIBUTION

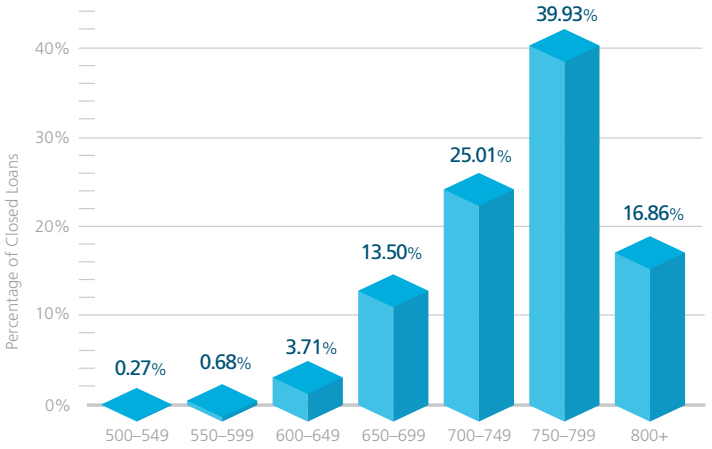
PURCHASE



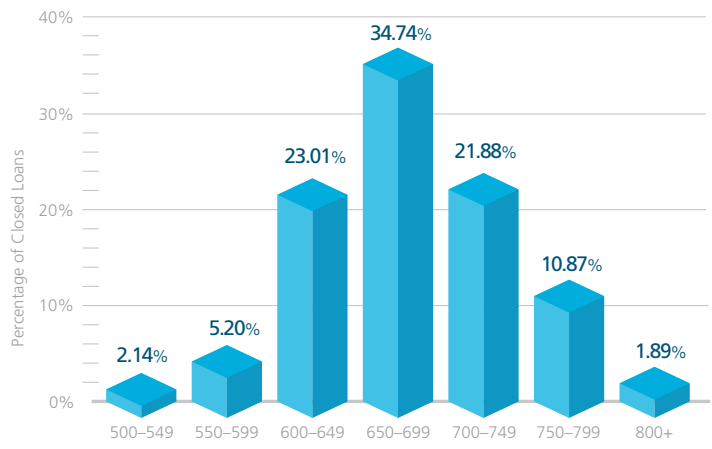
REFINANCE



CONVENTIONAL



FHA



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

PROFILES OF ALL CLOSED LOANS

Closed loans

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

The average FICO score on all closed loans decreased for the first time since May to 722.

PROFILES OF CLOSED FHA LOANS

Closed loans

	2017											2016					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
FHA-REFI																	
FICO	645	650	649	649	646	647	650	650	654	649	651	655	654	653	654	658	654
LTV	77	79	78	78	78	78	78	78	78	78	78	78	79	79	79	79	79
DTI	30/49	29/47	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
FHA-PUR																	
FICO	681	681	682	683	683	683	683	684	684	686	686	686	686	686	686	687	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	28/43	28/43	28/42	28/42	28/42	27/42	27/42	27/41

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

	2017											2016					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
%	12.7%	12.4	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

The average FHA purchase FICO score held steady at 681 in November. FHA refinance FICO scores decreased to 645, down from 650 in October. Conventional refinance FICO scores decreased to 730, and conventional purchase FICO scores decreased to 751.

PROFILES OF CLOSED CONVENTIONAL LOANS

Closed loans

	2017											2016					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
CON-REFI																	
FICO	730	732	731	730	730	729	728	727	727	728	732	739	743	745	747	747	739
LTV	65	65	65	65	65	65	66	66	66	66	66	66	66	66	67	67	67
DTI	25/39	25/39	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
CON-PUR																	
FICO	751	752	752	752	753	754	753	753	753	752	752	753	753	753	754	754	754
LTV	80	80	80	80	80	80	81	80	80	80	80	80	80	80	80	80	80
DTI	24/36	24/36	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

PROFILES OF CLOSED VA LOANS

Closed loans

	2017											2016					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
VA-REFI																	
FICO	700	702	701	702	700	701	701	701	702	702	707	709	710	713	712	712	706
LTV	89	88	89	89	88	88	88	88	88	88	87	87	87	88	87	88	88
DTI	26/42	25/41	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
VA-PUR																	
FICO	709	708	709	710	711	711	710	708	708	707	707	707	709	707	708	708	709
LTV	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
DTI	26/42	25/41	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

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

	2017											2016					
	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
%	51.7%	51.1	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

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.

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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.

EllieMae®

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