

Q2 2022 Snapshot



FOR INDEPENDENT MORTGAGE BANKERS



CHANGE IN
PRODUCTION
VOLUME



Volume in Q2 2022 decreased by 12.7% from Q1 2022 and is down 40% from Q2 2021. Interest rates and home price conditions continue to challenge lenders, evidenced by the 49% decrease in average production volume compared to the peak in Q4 2020.



PURCHASE
LOANS



While interest rates have hit the refinance market, average purchase originations did increase slightly in Q2 2022. The average purchase share increased 15% quarter-over-quarter and is now above 85% of total average production.



CHANGE IN
SECONDARY
GAIN ON SALE
(BPS)



During Q2 2022, secondary margins increased by an average of 12 basis points from Q1 2022. As margins on secondary gain on sale dipped below pre-pandemic levels to all-time lows last quarter, this rebound has brought margins back to the same level (317 bps) experienced in Q1 2020.



CHANGE
IN NET
PRODUCTION
INCOME (BPS)



Net Production Income increased to 20.6 basis points in Q2 2022, up from -22.5 basis points in Q1 2022. This jump in bottom line net production income was a result of an increase in revenue and decrease in costs on a basis point standpoint. However, given increasing average loan balances, costs to originate did increase on a per-loan basis.



LOANS PER
TOTAL
HEADCOUNT



Although total production continues its decline, loans per total headcount has remained flat at 1.32 closed loans. Every employee category experienced a drop in average headcount from the previous quarter, demonstrating continued scaling back of personnel as volume continues to decline.