

2023 Q1 Snapshot

For Independent Mortgage Bankers



CHANGE IN PRODUCTION VOLUME: **-10.8%**

Volume in Q1 2023 decreased by 10.8% from Q4 2022 and is down 56% from Q1 2022. Current market conditions are contributing to the pullback in production from all-time highs. Rates have continued to be unpredictable, home prices have continued to appreciate, and supply remains constrained.



CHANGE IN WEIGHTED AVERAGE NOTE RATE: **- 15.1%**

Weighted average note rate decreased 15.1% in the first quarter of this year. The last quarterly decline was in Q3 2021. Weighted average note rate in Q1 2023 was 6.3% which is still near record highs over the last decade.



CHANGE IN SECONDARY GAIN ON SALE: **+6.7 BPS**

During Q1 2023, secondary margins increased by an average of 6.7 basis points from Q4 2022. Margins on secondary gain on sale dipped to all-time lows this past year but have rebounded some over the last two quarters. The increase in secondary gain on sale attributed to the marginal increase in overall production revenue this past quarter.



CHANGE IN NET PRODUCTION INCOME: **- 10.6 BPS**

Net Production Income experienced another drop quarter-over-quarter. The decrease of 10.6 basis points brings net production income to the lowest level we have seen in program history. Although overall production revenue was up slightly, total expenses were also up in terms of basis points. This is driven by the continued decline in production levels and the challenge to cut appropriate expenses.



TOTAL PERSONNEL: **-9%**

For the fourth straight quarter we continued to see a decrease in personnel, which is down 9% compared to Q4 of 2022. Declines were seen across departments, but the largest percentage decrease was seen in fulfillment roles. Compared to Q1 of 2022, total personnel is down more than 40%.