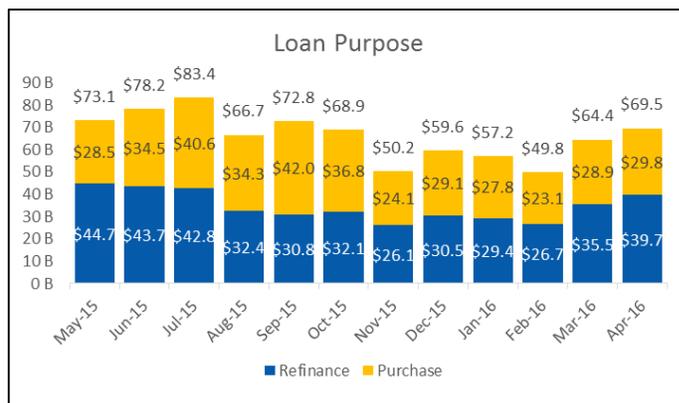


5 THINGS TO KNOW ABOUT AGENCY ISSUANCES – APRIL 2016

1 Volume Continues to Rise

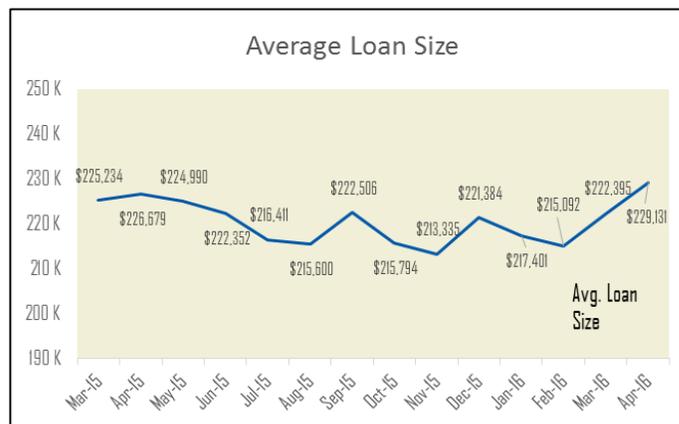
Issuances for Fannie Mae and Freddie Mac continued to move higher, with a combined UPB of \$69.5B. The \$19.7B increase from February places April's issuances near levels not seen since September 2015. Refinance volume is driving the rise as rates remain low.



2 Jumbo-Conforming Issuance Doubles

Jumbo-conforming issuance doubled in April to \$2.1B from \$1.2B in March. As a result, there was a measurable uptick in the average loan size. The average loan size is at its highest level in the past year.

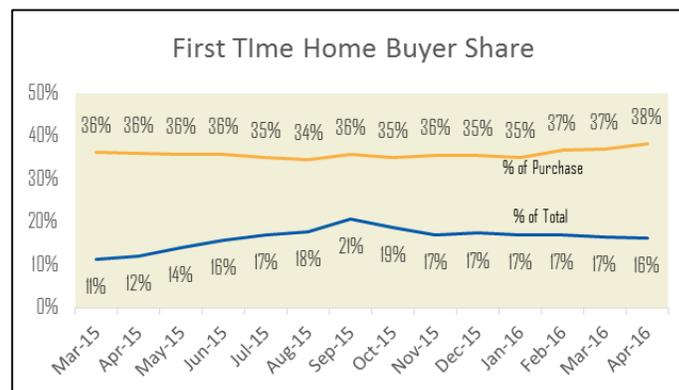
This 74% increase in jumbo-conforming issuance was seen for both agencies and both fixed rate 30 and fixed rate 15 loan product.



3 First Time Home Buyers as Share of Purchase 1-Year High

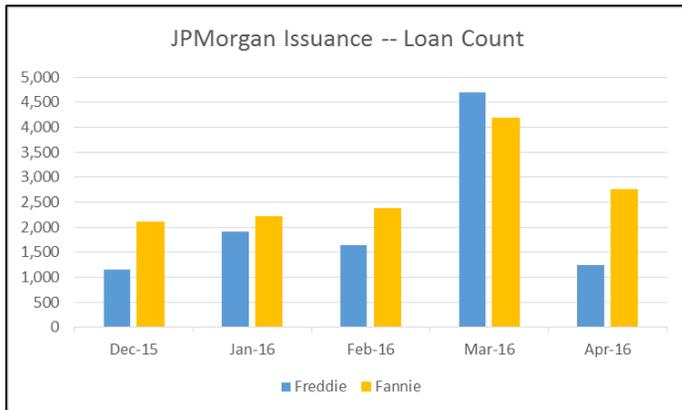
First time home buyers (FTHB) appear to be coming back to the market. As a share of purchase loans, FTHB are 38% of issuance, which is a 1-year high.

We'll be watching to see if this is the beginning of a trend that continues throughout the summer sales season.



4 JPMorgan Issuance Back to Normal

Taking a closer look at JPMorgan issuance, we find an unusual pattern of delivery. Focusing just on fixed rate 30 loans, JPMorgan issuance normally falls between 3,000 and 4,000 loans split roughly 2/3rd to Fannie Mae and 1/3rd to Freddie Mac. March deliveries deviated from this steady-state with JPMorgan delivering 4,700 loans to Freddie and just over 4,000 loans to Fannie Mae. We’re still digging into the data to see if we can determine the root cause of this pattern.



5 Underwriting Remains Tight

The underwriting environment remains tight as measured by [RiskSpan’s Vintage Quality Index \(VQI\)](#). Even as we move into prime home sale season, we continue to see the stagnation in the index that began at the end of 2013. Underwriting tightened immediately following the great recession, expanded slightly during 2013, and has remain mildly restricted ever since.



Data Source: Fannie Mae PoolTalk® and Freddie Mac Loan Level Disclosure

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