Inside
MORTGAGE TRENDS
Covering Profit Drivers, Efficiencies, Risks and Management

Electronic Edition

Inside MORTGAGE TRENDS

Covering Profit Drivers, Efficiencies, Risks and Management

Issue 2026:06 March 20, 2026

ISSN 1544-9343

Inside Mortgage Finance Publications
7910 Woodmont Ave., Suite 1000
Bethesda, MD 20184
Tel: (301) 951-1240
Fax: (301) 656-1709
www.imfpubs.com

Annual subscription rate: $953.

Published 25 times a year.

Production vs Servicing Results Mixed in 4Q25

Mortgage-banking income declined in the fourth quarter, although there was no clear trend in how production and secondary marketing fared in comparison to servicing.

Publicly traded banks and nonbanks reported a combined $3.36 billion in mortgage-banking income for the fourth quarter, a 9.1% decrease from the previous three-month period.

Looking at the panel of 19 companies that report details on their mortgage-banking operations, production and secondary marketing income was up 10.5%, while servicing saw a 45.3% increase.

Much of the improved servicing performance came from Rocket Mortgage, which reported a $700 million net gain for the fourth quarter, following a $66.5 million loss in the previous period. Rocket's fourth-quarter results included activity by Mr. Cooper Group while earlier periods did not.

In fact, 12 of the 19 servicers reported lower net income in the fourth quarter.

The production side was somewhat more consistent: 11 of the companies reported increases or no change in their production income.

The biggest declines were at Wells Fargo, which has been leaning away from mortgage banking in favor of a portfolio strategy (only 22% of its originations were intended for sale), and U.S. Bank, which

Mortgage Profitability: Production/Secondary Marketing

(Income in millions; Origination volume in billions)

								Change ($)	
Production Income	YTD2025	YTD2024	4Q25	3Q25	2Q25	1Q25	4Q24	3Q25-4Q25	12M2024-25
Rocket Companies *Net GOS, incl FV orig MSR*	$3,806.94	$3,012.91	$1,192.00	$1,027.41	$815.90	$771.63	$710.74	$164.59	$794.03
United Wholesale Mortgage *Loan production income-costs*	$1,689.33	$1,338.56	$548.22	$477.93	$401.55	$261.62	$352.27	$70.29	$350.77
Rithm/NewRez *Net GOS HFS originations*	$690.40	$672.09	$188.02	$182.45	$168.44	$151.49	$198.75	$5.58	$18.31
JPMorgan Chase *Production revenue*	$622.00	$627.00	$188.00	$173.00	$151.00	$110.00	$186.00	$15.00	-$5.00
Pennymac *Production pretax income*	$369.92	$311.23	$127.31	$122.88	$57.79	$61.94	$78.01	$4.43	$58.69
U.S. Bancorp *Mortgage banking origination/sales revenue*	$328.00	$305.00	$84.00	$93.00	$80.00	$71.00	$67.00	-$9.00	$23.00
Western Alliance/Amerihome *Net gain LO & sales - expenses*	$229.30	$184.80	$83.20	$68.20	$33.60	$44.30	$62.20	$15.00	$44.50
Wells Fargo *Net gains/losses on mtg loan orig/sales activities*	$150.00	$228.00	$29.00	$47.00	$33.00	$41.00	$57.00	-$18.00	-$78.00
Huntington Bancshares *Origination and secondary marketing*	$102.00	$83.00	$28.00	$30.00	$26.00	$18.00	$25.00	-$2.00	$19.00
Truist *Residential mortgage production revenue*	$92.00	$91.00	$26.00	$22.00	$25.00	$19.00	$25.00	$4.00	$1.00
Fifth Third Bank *Origination fees + GOS*	$77.00	$67.00	$22.00	$22.00	$19.00	$14.00	$17.00	$0.00	$10.00
Onity/PHH Mortgage *Pretax originations income*	$72.40	$30.40	$28.80	$25.00	$9.00	$9.60	$9.70	$3.80	$42.00
Regions *Mortgage production/sales income*	$64.00	$70.00	$17.00	$17.00	$17.00	$13.00	$14.00	$0.00	-$6.00
Wintrust Financial *Production revenue*	$49.59	$48.53	$10.88	$15.39	$13.38	$9.94	$6.99	-$4.51	$1.06
Firstbank (TN) *Originations and sales*	$38.70	$33.70	$9.92	$10.04	$10.32	$8.42	$7.69	-$0.12	$5.00
Trustmark *Net MB GOS*	$19.99	$19.28	$4.91	$5.23	$5.60	$4.25	$4.47	-$0.32	$0.71
Columbia Banking (Umpqua) *Orig/sale net revenue*	$18.94	$16.12	$5.00	$5.00	$4.54	$4.39	$4.52	$0.00	$2.82
Cadence/BancorpSouth *MB origination revenue*	$12.62	$9.62	$2.10	$2.75	$4.36	$3.40	$0.33	-$0.65	$3.00
Bank of Oklahoma *Mortgage production revenue*	$8.67	$8.74	$1.96	$2.37	$1.71	$2.63	$1.28	-$0.41	-$0.07
Grand Total	$8,441.79	$7,156.98	$2,596.32	$2,348.65	$1,877.19	$1,619.62	$1,827.96	$247.67	$1,284.80
Group loan production (billions)	$723.53	$601.67	$220.76	$186.09	$180.22	$136.45	$172.87	$34.66	$121.85
Production income/volume	1.2%	1.2%	1.2%	1.3%	1.0%	1.2%	1.1%		

Note: All data subject to revision. Production income is defined differently for various firms, but same definitions are applied across time.

Source: Inside Mortgage Trends, company earnings, IMF surveys and bank call reports.

calculated its origination and sales income on the number of applications it expects to close.

The quarterly performance report from the Mortgage Bankers Association showed declining profits from both sides of the business.

Net production income fell from an average of $1,201 per loan in the third quarter to $674 in the fourth, a 43.9% drop.

That's despite a modest 4.7% increase in total origination-related income to $3,014 per loan, and a small 2.9% uptick in total originations.

The problems surfaced after the loan was originated. Average net income from warehousing fell 19.4% to $216 per loan, while average secondary-market gains fell 6.9% to $6,462 per loan.

At the same time, revenue from capitalized servicing and servicing-released premiums was down 5.8%. Lenders also bumped up their repurchase reserve provisions slightly.

Expenses mostly held the line. Personnel costs were unchanged, although there were slight increases in occupancy, equipment and technology expenses.

The higher production volume was largely shaped by an increase in average loan size. In fact, loans of $400,000 or more generated average net production income of $1,531, more than double the overall average of $674.

Bigger origination platforms were also clearly more profitable. Net production income for lenders

Mortgage Profitability: Servicing

(Income in millions; Servicing volume in billions)

								Change ($)	
Servicing Income	YTD2025	YTD2024	4Q25	3Q25	2Q25	1Q25	4Q24	3Q25-4Q25	12M2024-25
Rithm/NewRez *Net servicing revenue*	$1,120.42	$1,646.05	$148.26	$314.93	$419.81	$237.42	$1,094.76	-$166.68	-$525.63
Rocket Companies *Net loan servicing*	$787.44	$883.49	$700.00	-$66.46	$202.39	-$48.49	$744.02	$766.46	-$96.05
JPMorgan Chase *Net mortgage servicing revenue*	$704.00	$751.00	$156.00	$199.00	$196.00	$153.00	$182.00	-$43.00	-$47.00
Wells Fargo *Servcing fees net of amort., impairment*	$619.00	$422.00	$150.00	$152.00	$136.00	$181.00	$128.00	-$2.00	$197.00
Pennymac *Servicing pretax income*	$324.89	$205.00	$37.34	$157.40	$54.15	$76.00	$87.30	-$120.06	$119.89
U.S. Bancorp *Loan servicing revenue/FV adjustment*	$317.00	$292.00	$46.00	$87.00	$82.00	$102.00	$49.00	-$41.00	$25.00
Truist *Total residential mortgage servicing income*	$317.00	$284.00	$78.00	$83.00	$73.00	$83.00	$78.00	-$5.00	$33.00
Fifth Third Bank *Servicing revenue +MSR*	$150.00	$144.00	$34.00	$36.00	$37.00	$43.00	$40.00	-$2.00	$6.00
Onity/PHH Mortgage *Pretax forward servicing income*	$113.90	$172.80	$9.80	$31.00	$40.00	$33.10	$38.30	-$21.20	-$58.90
Regions *Loan servicing net MSR hedge*	$94.00	$76.00	$15.00	$21.00	$31.00	$27.00	$21.00	-$6.00	$18.00
Bank of Oklahoma *Servicing revenue + net economic benefit*	$70.00	$59.67	$16.47	$15.31	$18.84	$19.38	$14.70	$1.16	$10.33
Wintrust Financial *Servicing revenue*	$40.83	$46.21	$11.39	$9.06	$9.79	$10.59	$13.46	$2.32	-$5.38
Huntington Bancshares *Serv fees, amort., MSR & hedges*	$38.00	$46.00	$11.00	$12.00	$2.00	$13.00	$6.00	-$1.00	-$8.00
Firstbank (TN) *Servicing income net FV change*	$13.75	$12.93	$3.59	$3.45	$2.71	$4.01	$2.89	$0.14	$0.81
Trustmark *Net servicing income*	$13.09	$6.63	$2.62	$2.95	$3.01	$4.52	$2.92	-$0.33	$6.47
Columbia Banking (Umpqua) *Servicing revenue net MSR FV*	$11.75	$8.00	$2.00	$2.00	$2.80	$4.94	$2.44	$0.00	$3.74
Cadence/BancorpSouth *Servicing revenue + MSR*	$11.28	$7.88	$1.98	$1.72	$4.35	$3.24	$3.22	$0.26	$3.40
Western Alliance/Amerihome *Net serv revenue - expenses*	$8.86	$53.30	-$18.84	$4.10	$18.20	$5.40	$6.90	-$22.94	-$44.44
United Wholesale Mortgage *Serv income - serv cost + MSR value change*	-$476.30	$257.85	-$107.41	-$172.70	$32.32	-$228.50	$452.58	$65.30	-$734.14
Group Total	$4,278.91	$5,374.82	$1,297.19	$892.75	$1,365.36	$723.61	$2,967.49	$404.44	-$1,095.91
Servicing for others (billions)	$4,592	$3,806	$4,592	$3,837	$3,816	$3,809	$3,806	$20.76	$785.60
Servicing income/SFO	0.09%	0.14%	0.03%	0.02%	0.04%	0.02%	0.08%		

Note: All data subject to revision. Servicing income is defined differently for various firms, but same definitions are applied across time.

Source: Inside Mortgage Trends, company earnings, IMF surveys and bank call reports.

with more than $500 million in originations was north of $1,300 per loan.

Shops that focused exclusively on retail and consumer-direct lending reported $900 per loan in net production income. And lenders with a heavy concentration of purchase loans in their production mix generated $1,319 per loan in net production income.

Total servicing income, including financial items like hedging mortgage servicing rights, dropped from $29 per loan in the third quarter to $13 in the last three months of the year, the MBA study shows.

Net operating income was down $2 to $90 per loan, due to a small decline in revenue, with expenses holding firm.

But losses on MSR valuations net of hedges rose from $47 per loan in the third quarter to $69 per loan in the fourth. This was partly offset by an increase to $12 per loan in revenue from bulk MSR sales.

The 62 survey participants that handle servicing in-house posted a $37 per loan net gain, roughly three times the overall average, while those that rely on subservicers recorded a $2 loss.

The average MBA survey participant reported $1.08 million in pretax income in the fourth quarter, down 24.2% from the third quarter. ❑ *– jbancroft@imfpubs.com*

Correspondents Retreat in 4Q as Brokers Forge Ahead

Correspondent aggregators lost market share in all three major product categories during the fourth quarter of 2025, according to a new *Inside Mortgage Trends* analysis of proprietary survey data.

The data include origination details provided by 41 participating lenders with a combined volume of $278.8 billion in the fourth quarter. The group's production was up by 12.3% from the previous quarter, but fell short of the 17.3% growth in marketwide origination volume.

Channel/Loan Type Detail

Production volume in billions

	Conventional Conforming				Govt-Insured				Nonconforming			
	Volume	Retail	Corrsp	Broker	Volume	Retail	Corrsp	Broker	Volume	Retail	Corrsp	Broker
2015	$384.27	53.5%	39.9%	6.6%	$193.33	34.8%	57.8%	7.4%	$188.61	80.2%	14.8%	5.0%
2016	$562.59	51.5%	41.8%	6.7%	$281.88	38.2%	51.9%	9.9%	$285.51	79.0%	16.6%	4.3%
2017	$487.31	47.8%	42.3%	9.9%	$201.90	37.8%	50.8%	11.4%	$232.90	77.7%	17.0%	5.3%
2018	$490.86	45.6%	42.5%	11.9%	$215.64	36.7%	48.9%	14.4%	$193.19	76.0%	19.6%	4.4%
2019	$713.80	44.5%	39.1%	16.4%	$311.56	38.7%	41.8%	19.5%	$289.53	80.9%	14.8%	4.3%
2020	$1,366.30	49.1%	31.5%	19.4%	$449.98	49.3%	33.0%	17.8%	$309.01	87.8%	10.7%	1.5%
2021	$1,443.27	51.3%	30.9%	17.8%	$398.40	49.0%	36.7%	14.3%	$433.67	78.7%	14.8%	6.6%
2022	$605.49	45.6%	35.2%	19.2%	$246.30	35.0%	46.8%	18.2%	$271.20	79.1%	16.5%	4.4%
2023	$386.46	42.7%	35.8%	21.5%	$231.45	35.0%	45.2%	19.8%	$123.54	79.5%	11.9%	8.6%
2024	$417.83	42.4%	35.5%	22.1%	$233.90	39.9%	34.5%	25.6%	$154.19	68.8%	16.0%	15.2%
2025	$455.91	40.2%	35.7%	24.1%	$291.56	36.4%	38.0%	25.6%	$207.69	68.1%	17.6%	14.1%
1Q21	$405.54	52.3%	30.4%	17.3%	$115.75	49.7%	35.7%	14.6%	$82.50	82.9%	15.4%	1.7%
2Q21	$366.69	52.0%	30.9%	17.1%	$100.43	51.7%	35.5%	12.8%	$110.91	80.7%	12.4%	6.9%
3Q21	$356.29	49.7%	31.7%	18.6%	$95.11	49.2%	37.5%	13.3%	$120.80	76.3%	14.4%	9.3%
4Q21	$314.75	51.1%	30.7%	18.2%	$87.11	44.7%	38.7%	16.6%	$119.45	76.3%	16.8%	6.9%
1Q22	$208.26	52.0%	29.2%	18.9%	$68.70	39.0%	44.3%	16.7%	$83.27	81.9%	12.9%	5.2%
2Q22	$169.81	47.5%	35.7%	16.8%	$65.12	36.4%	45.9%	17.7%	$90.72	78.6%	16.8%	4.6%
3Q22	$133.45	38.6%	40.2%	21.1%	$62.83	32.1%	48.2%	19.7%	$59.62	76.0%	20.6%	3.4%
4Q22	$93.97	37.8%	40.8%	21.4%	$49.65	31.6%	49.6%	18.8%	$37.58	79.4%	17.2%	3.4%
1Q23	$86.42	41.2%	37.8%	21.1%	$48.52	35.0%	47.2%	17.8%	$24.62	78.4%	16.0%	5.6%
2Q23	$105.30	43.0%	34.2%	22.9%	$63.84	33.9%	44.8%	21.3%	$37.15	82.0%	11.5%	6.5%
3Q23	$107.40	44.3%	34.4%	21.3%	$63.53	36.3%	43.6%	20.1%	$34.91	79.1%	11.7%	9.2%
4Q23	$87.34	42.1%	37.5%	20.4%	$55.57	34.8%	45.8%	19.4%	$26.86	77.5%	9.2%	13.3%
1Q24	$78.22	43.3%	33.7%	22.9%	$48.76	38.7%	36.8%	24.6%	$27.50	65.8%	17.5%	16.6%
2Q24	$106.41	45.5%	33.1%	21.4%	$55.92	40.4%	36.0%	23.5%	$39.91	71.3%	12.9%	15.8%
3Q24	$115.10	42.2%	36.8%	20.9%	$66.22	38.3%	33.2%	28.5%	$40.89	68.5%	16.5%	15.0%
4Q24	$118.09	39.3%	37.4%	23.3%	$63.00	42.0%	32.9%	25.1%	$45.88	68.7%	17.3%	13.9%
1Q25	$88.06	38.6%	37.3%	24.0%	$57.77	36.9%	39.2%	23.9%	$36.55	63.6%	20.2%	16.2%
2Q25	$116.99	40.9%	35.6%	23.5%	$74.39	38.0%	37.8%	24.2%	$54.31	69.8%	16.8%	13.0%
3Q25	$117.19	40.3%	35.7%	23.9%	$77.10	35.0%	40.2%	24.8%	$53.96	68.0%	17.9%	14.2%
4Q25	$133.67	40.5%	34.6%	24.8%	$82.30	36.0%	35.2%	28.8%	$62.87	69.5%	16.7%	13.8%
Volume Change												
3Q25-4Q25	14.1%	14.6%	10.6%	18.2%	6.7%	10.0%	-6.6%	23.9%	16.5%	19.2%	8.9%	13.6%
YTD2024-25	9.1%	3.4%	9.8%	19.0%	24.7%	13.8%	37.1%	24.7%	34.7%	33.4%	48.6%	25.1%

Notes: Survey population revised in 1Q24. Distributions include some lenders that did not report for all periods. Change is in dollar volume of originations. Nonconforming volumes prior to 1Q23 represent jumbo loans only.

Source: Inside Mortgage Finance surveys

Top Conventional-Conforming Lenders Channel Analysis 12M2025

Dollars in billions

	12M2025	4Q25	3Q25	2Q25	1Q25	Change 3Q25-4Q25	Change 12M2024-25	Distribution 12M2025	Distribution 12M2024
United Wholesale Mortgage, MI	$86.548	$25.250	$21.871	$21.908	$17.519	15.4%	16.6%		
Broker	$86.548	$25.250	$21.871	$21.908	$17.519	15.4%	16.6%	100.0%	100.0%
Pennymac, CA	$76.237	$22.575	$20.214	$19.875	$13.573	11.7%	22.9%		
Retail	$3.654	$1.620	$0.778	$0.739	$0.517	108.2%	130.7%	4.8%	2.6%
Correspondent	$61.317	$17.428	$16.231	$16.260	$11.398	7.4%	15.9%	80.4%	85.3%
Broker	$11.267	$3.527	$3.206	$2.876	$1.658	10.0%	49.4%	14.8%	12.2%
AmeriHome Mortgage, CA	$33.445	$9.322	$8.180	$8.896	$7.047	14.0%	-0.2%		
Retail	$0.183	$0.068	$0.068	$0.027	$0.020	0.0%	66.3%	0.5%	0.3%
Correspondent	$33.262	$9.254	$8.112	$8.869	$7.027	14.1%	-0.4%	99.5%	99.7%
Chase, NY	$28.765	$8.793	$6.846	$7.458	$5.668	28.4%	8.6%		
Retail	$19.072	$6.085	$4.601	$4.969	$3.417	32.3%	16.3%	66.3%	61.9%
Correspondent	$9.693	$2.707	$2.245	$2.489	$2.252	20.6%	-3.9%	33.7%	38.1%
Rate Inc., IL	$23.639	$7.134	$6.147	$6.179	$4.179	16.1%	3.0%		
Retail	$23.639	$7.134	$6.147	$6.179	$4.179	16.1%	3.0%	100.0%	100.0%
CMG Mortgage, CA	$19.216	$5.534	$4.866	$4.825	$3.991	13.7%	13.5%		
Retail	$13.624	$4.078	$3.478	$3.504	$2.564	17.3%	18.0%	70.9%	68.2%
Correspondent	$4.597	$1.025	$1.192	$1.176	$1.205	-14.0%	9.5%	23.9%	24.8%
Broker	$0.995	$0.431	$0.196	$0.145	$0.222	119.9%	-15.8%	5.2%	7.0%
Onity Mortgage, FL	$16.529	$4.941	$4.546	$3.526	$3.516	8.7%	30.2%		
Retail	$1.131	$0.512	$0.260	$0.202	$0.157	96.9%	123.1%	6.8%	4.0%
Correspondent	$15.397	$4.429	$4.286	$3.324	$3.358	3.3%	26.3%	93.2%	96.0%
U.S. Bank Home Mortgage, MN	$15.930	$5.120	$4.030	$4.050	$2.730	27.0%	-8.4%		
Retail	$9.180	$2.830	$2.370	$2.350	$1.630	19.4%	-9.1%	57.6%	58.0%
Correspondent	$6.740	$2.290	$1.650	$1.700	$1.100	38.8%	-7.5%	42.3%	41.9%
Fairway Home Mortgage Corp., WI	$15.877	$4.595	$4.221	$4.164	$2.896	8.9%	-0.1%		
Retail	$15.876	$4.594	$4.221	$4.164	$2.896	8.8%	1.0%	100.0%	99.0%
loanDepot, CA	$11.720	$3.790	$2.840	$2.970	$2.120	33.5%	-5.8%		
Retail	$11.690	$3.760	$2.840	$2.970	$2.120	32.4%	-6.0%	99.7%	100.0%
Broker	$0.030	$0.030	$0.000	$0.000	$0.000	na	na	0.3%	0.0%
Truist, NC	$11.580	$3.241	$2.996	$2.842	$2.502	8.2%	14.5%		
Retail	$3.052	$0.804	$0.816	$0.811	$0.622	-1.4%	2.9%	26.4%	29.3%
Correspondent	$8.528	$2.437	$2.180	$2.031	$1.880	11.8%	19.2%	73.6%	70.7%
Movement Mortgage, SC	$10.694	$3.101	$2.804	$2.777	$2.011	10.6%	-10.3%		
Retail	$10.607	$3.034	$2.798	$2.768	$2.007	8.5%	-10.1%	99.2%	98.9%
Broker	$0.025	$0.005	$0.007	$0.009	$0.004	-24.4%	-79.5%	0.2%	1.0%
Citizens Bank, RI	$9.119	$2.607	$2.274	$2.401	$1.837	14.6%	36.9%		
Retail	$1.914	$0.493	$0.490	$0.522	$0.409	0.6%	-2.4%	21.0%	29.4%
Correspondent	$7.205	$2.114	$1.784	$1.879	$1.428	18.5%	53.4%	79.0%	70.5%
Wells Fargo & Company, IA	$8.410	$2.210	$2.250	$2.380	$1.570	-1.8%	7.4%		
Retail	$8.410	$2.210	$2.250	$2.380	$1.570	-1.8%	7.4%	100.0%	100.0%
Citi, MO	$8.370	$2.188	$2.214	$2.205	$1.764	-1.2%	-8.4%		
Retail	$1.178	$0.351	$0.278	$0.290	$0.259	26.3%	-16.0%	14.1%	15.3%
Correspondent	$7.192	$1.837	$1.936	$1.914	$1.504	-5.1%	-7.1%	85.9%	84.7%
DHI Mortgage, TX	$7.874	$1.656	$2.251	$2.034	$1.933	-26.4%	-14.1%		
Retail	$7.874	$1.656	$2.251	$2.034	$1.933	-26.4%	-14.1%	100.0%	100.0%
Union Home Mortgage, OH	$7.593	$2.773	$1.964	$1.738	$1.118	41.2%	44.9%		
Retail	$3.937	$1.150	$1.037	$1.056	$0.695	10.9%	11.2%	51.9%	67.6%
Broker	$3.655	$1.623	$0.927	$0.683	$0.423	75.1%	115.2%	48.1%	32.4%
New American Funding, CA	$7.176	$2.103	$1.940	$1.881	$1.252	8.4%	12.2%		
Retail	$7.169	$2.103	$1.940	$1.876	$1.250	8.4%	12.4%	99.9%	99.7%
Broker	$0.007	$0.000	$0.000	$0.006	$0.002	na	-61.6%	0.1%	0.3%
Navy Federal Credit Union, VA	$5.924	$1.736	$1.529	$1.508	$1.151	13.5%	5.2%		
Retail	$5.924	$1.736	$1.529	$1.508	$1.151	13.5%	5.2%	100.0%	100.0%

Continued next page

Source: Inside Mortgage Trends analysis of Inside Mortgage Finance survey responses.

Top Conventional-Conforming Lenders Channel Analysis 12M2025

Dollars in billions

	12M2025	4Q25	3Q25	2Q25	1Q25	Change 3Q25-4Q25	Change 12M2024-25	Distribution 12M2025	Distribution 12M2024
American Pacific Mortgage, CA	$5.546	$1.590	$1.474	$1.456	$1.026	7.9%	9.2%		
Retail	$5.546	$1.590	$1.474	$1.456	$1.026	7.9%	9.2%	100.0%	100.0%
PrimeLending, TX	$5.480	$1.540	$1.400	$1.490	$1.050	10.0%	-2.7%		
Retail	$5.380	$1.510	$1.370	$1.470	$1.030	10.2%	-3.2%	98.2%	98.8%
Broker	$0.100	$0.030	$0.030	$0.020	$0.020	0.0%	42.9%	1.8%	1.2%
Bank of America Home Loans, NC	$5.440	$1.550	$1.390	$1.490	$1.010	11.5%	13.1%		
Retail	$5.440	$1.550	$1.390	$1.490	$1.010	11.5%	13.1%	100.0%	100.0%
Kind Lending, CA	$5.434	$1.712	$1.434	$1.365	$0.924	19.4%	25.1%		
Retail	$0.200	$0.044	$0.053	$0.060	$0.043	-17.2%	4.8%	3.7%	4.4%
Correspondent	$1.105	$0.398	$0.331	$0.233	$0.144	20.3%	71.5%	20.3%	14.8%
Broker	$4.129	$1.270	$1.050	$1.072	$0.737	20.9%	17.7%	76.0%	80.8%
Fifth Third Bank, OH	$4.349	$1.106	$1.165	$1.235	$0.843	-5.0%	6.5%		
Retail	$2.487	$0.750	$0.634	$0.674	$0.429	18.3%	7.1%	57.2%	56.9%
Correspondent	$1.861	$0.355	$0.530	$0.561	$0.414	-33.0%	5.6%	42.8%	43.1%
Planet Home Lending, CT	$3.774	$1.302	$0.798	$0.812	$0.862	63.2%	-4.3%		
Retail	$0.680	$0.217	$0.187	$0.151	$0.125	15.9%	42.3%	18.0%	12.1%
Correspondent	$3.094	$1.085	$0.611	$0.661	$0.737	77.6%	-10.7%	82.0%	87.9%
Cornerstone Capital Bank, TX	$3.375	$0.947	$0.771	$0.933	$0.724	22.8%	-13.2%		
Retail	$3.363	$0.935	$0.771	$0.933	$0.724	21.3%	-13.5%	99.7%	100.0%
Broker	$0.011	$0.011	$0.000	$0.000	$0.000	na	na	0.3%	0.0%
PNC Mortgage, OH	$3.043	$0.819	$0.813	$0.833	$0.578	0.7%	2.0%		
Retail	$3.043	$0.819	$0.813	$0.833	$0.578	0.7%	2.0%	100.0%	100.0%
Plaza Home Mortgage, CA	$2.452	$0.689	$0.653	$0.612	$0.499	5.6%	-19.8%		
Retail	$0.003	$0.001	$0.000	$0.000	$0.001	117.9%	-35.9%	0.1%	0.2%
Correspondent	$0.545	$0.113	$0.173	$0.133	$0.127	-35.0%	-36.9%	22.2%	28.3%
Broker	$1.903	$0.575	$0.479	$0.479	$0.371	20.1%	-13.0%	77.6%	71.6%
M&T Bank Corp., NY	$1.869	$0.537	$0.537	$0.477	$0.318	0.0%	52.2%		
Retail	$1.869	$0.537	$0.537	$0.477	$0.318	0.0%	52.2%	100.0%	100.0%
Primary Residential Mortgage, UT	$1.690	$0.471	$0.427	$0.452	$0.339	10.2%	-6.3%		
Retail	$1.518	$0.420	$0.380	$0.412	$0.306	10.5%	-8.9%	89.8%	92.4%
Broker	$0.171	$0.051	$0.048	$0.039	$0.033	7.0%	25.4%	10.1%	7.6%
NexBank, TX	$1.547	$0.481	$0.332	$0.447	$0.288	45.1%	-11.0%		
Retail	$0.003	$0.001	$0.000	$0.002	$0.000	na	-43.7%	0.2%	0.3%
Correspondent	$0.581	$0.162	$0.116	$0.163	$0.140	39.9%	90.8%	37.5%	17.5%
Broker	$0.963	$0.318	$0.216	$0.282	$0.148	47.4%	-32.6%	62.2%	82.2%
Onslow Bay (Annaly), NY	$1.449	$0.641	$0.438	$0.216	$0.154	46.3%	780.2%		
Correspondent	$1.449	$0.641	$0.438	$0.216	$0.154	46.3%	780.2%	100.0%	100.0%
Regions Financial Corp., AL	$1.446	$0.390	$0.392	$0.384	$0.280	-0.4%	-4.6%		
Retail	$1.446	$0.390	$0.392	$0.384	$0.280	-0.4%	-4.5%	100.0%	100.0%
TD Bank, NJ	$1.280	$0.322	$0.323	$0.371	$0.263	-0.3%	-8.7%		
Retail	$1.280	$0.322	$0.323	$0.371	$0.263	-0.3%	-8.7%	100.0%	100.0%
Nations Lending Corp, OH	$1.227	$0.366	$0.321	$0.305	$0.236	14.1%	12.7%		
Retail	$1.143	$0.338	$0.302	$0.290	$0.214	12.2%	9.0%	93.2%	96.4%
Broker	$0.084	$0.027	$0.019	$0.015	$0.022	42.1%	111.0%	6.8%	3.6%
Associated Bank, WI	$0.711	$0.201	$0.213	$0.199	$0.098	-5.6%	13.9%		
Retail	$0.711	$0.201	$0.213	$0.199	$0.098	-5.6%	13.9%	100.0%	100.0%
Carrington Mortgage Services, CA	$0.580	$0.154	$0.170	$0.150	$0.105	-9.6%	58.7%		
Retail	$0.568	$0.153	$0.167	$0.147	$0.101	-8.4%	70.6%	98.0%	91.1%
Broker	$0.011	$0.001	$0.003	$0.003	$0.004	-72.9%	-63.6%	2.0%	8.6%
American Internet Mortgage/Aim, CA	$0.461	$0.173	$0.123	$0.102	$0.063	41.0%	92.5%		
Retail	$0.461	$0.173	$0.123	$0.102	$0.063	41.0%	92.5%	100.0%	100.0%
The Money Source, AZ	$0.105	$0.005	$0.037	$0.039	$0.023	-86.8%	-77.7%		
Correspondent	$0.105	$0.005	$0.037	$0.039	$0.023	-86.9%	-77.8%	100.0%	100.0%
CONVENTIONAL-CONFORMING TOTAL	$455.834	$133.599	$117.185	$116.989	$88.061	14.0%	9.8%		
Retail	$183.264	$54.170	$47.281	$47.805	$34.007	14.6%	4.5%	40.2%	42.3%
Correspondent	$162.670	$46.279	$41.853	$41.647	$32.891	10.6%	10.4%	35.7%	35.5%
Broker	$109.900	$33.149	$28.051	$27.537	$21.163	18.2%	19.0%	24.1%	22.2%

Notes: Distribution is lenders' conventional-conforming production by channel. Totals may include lenders not shown in table.

Source: Inside Mortgage Trends analysis of Inside Mortgage Finance survey responses.

The loss in correspondent market share was most pronounced in the government-insured sector where aggregators gave up 5 percentage points, mainly to the wholesale-broker channel.

Brokers also gained ground in conventional-conforming lending, boosting their share by 86 basis points. In contrast, they lost 36 bps in nonconforming market share.

Retailers improved their standing across the board, doing best in pushing nonconforming product, increasing their presence by 153 bps.

Thirty-nine of the 41 companies in the analysis were active in the conventional-conforming segment in the fourth quarter, and their GSE-eligible volume rose by 14.1% sequentially to $133.67 billion. Retail was the dominant origination channel for these loans, capturing 40.5% of the market. The resulting 18-bp gain in business came from the correspondent channel.

Rate was the top conventional-conforming retail lender in the group, having closed $7.13 billion in Fannie Mae- and Freddie Mac-eligible loans in the fourth quarter, representing a sturdy 16.1% increase from the July-September period.

United Wholesale Mortgage dominated the broker channel in conventional-conforming production. The Michigan lender produced $25.25 billion in the loan category, up 15.4% from the third quarter.

The company is attempting to acquire Two Harbors Investment, a real estate investment trust focused on investing in mortgage servicing rights. Boosting its MSR holdings would open up refinancing opportunities to the lender, especially if mortgage rates ease up in the coming year. The merger is subject to shareholder approval.

Pennymac led the pack among correspondent aggregators of conventional-conforming loans, having produced $17.43 billion of the product through its platform, a relatively anemic 7.4% increase from the third quarter. The California-based lender doubled its retail business in the Fannie/Freddie sector, but its overall retail volume remains low.

Pennymac is also looking to boost its servicing footprint, through the acquisition of Cenlar, a leading subservicer. ❑ – *amalatinszky@imfpubs.com*

Freedom Mortgage Plans to Acquire MSR Holder Seneca

Freedom Mortgage announced this week that it plans to acquire Seneca Mortgage Servicing from EJF Capital. The purchase includes a hefty mortgage servicing rights portfolio held by Seneca.

Terms of the transaction weren't disclosed.

The move signals an expansion by Freedom into agency servicing. Seneca held the 32nd-largest servicing portfolio of agency mortgage-backed securities as of the end of 2025, with $40.82 billion in volume, according to *Inside Mortgage Finance*.

Most of Seneca's MBS portfolio is concentrated in Fannie Mae pools; it has no Ginnie Mae exposure. Freedom, meanwhile, is heavily concentrated in Ginnie servicing.

"We believe that combining Seneca with our premier mortgage operations will create great synergies and deliver exceptional results for Freedom's investors," Greg Middleman, managing director of Freedom, said in a statement.

In 2017, Seneca offloaded its $54 billion MSR portfolio to Wells Fargo, but has since re-entered the MSR acquisition business. Seneca uses subservicers for its MSR holdings.

Eric Orenstein, a senior director at Fitch Ratings, said the Seneca acquisition serves Freedom's strategy of growing its servicing portfolio to open up recapture opportunities should interest rates fall.

"It also helps maintain scale relative to peers that have done similar transactions, lowering average cost to service, which is important for remaining competitive on MSR bids," he said.

Lenders have doubled down on recapture strategies since a dip in mortgage rates late last year revealed steep competition for refinances.

Pennymac Financial Services, for instance, said it saw aggressive bids for refis from brokers that led to lower income than expected in the fourth quarter. It has since announced the acquisition of Cenlar, a major subservicer. ❑ – *ewilley@imfpubs.com*

Homebuilders' Usage of Sale Incentives Stabilizing

A slowdown in home price appreciation and a decline in mortgage rates has limited homebuilders' use of incentives in recent months.

Homebuilders frequently use incentives such as reduced closing costs and lower initial interest rates to drive sales during times of slow demand. In recent years, homebuilders have increased the use of incentives as the market slowed due to higher interest rates and increased costs of homeownership. That trend looks to be changing, though.

Stuart Miller, CEO of Lennar, said in an earnings call last week that sales incentives on home deliveries were at 14.1% in the first quarter (which ended on Feb. 28 for Lennar), little changed from 14.5% in the previous quarter.

He said the incentive rate on newly constructed homes also showed encouraging signs, declining notably below the overall incentive rate in the first quarter. "We believe this reflects improving demand dynamics," he noted.

Lennar's recent incentive usage has run higher than the historical norm for several quarters as the homebuilder has traditionally had incentive levels between 4% and 6%.

Jim Parker, area president at Lennar, said his firm began to push heavier on incentives in recent years due to affordability challenges. "Instead of waiting for the market to correct, we believed this was a new normal and began to adapt our business to provide the volume the market needs at the prices and incentives where the market can transact," he said.

Miller believes Lennar is moving closer to an inflection point which could see the builder's incentive usage begin to go back down to historical levels as home sales increase. However, he said that the recent conflict in the Middle East and a pullback of institutional purchasers in the homebuying space presents some uncertainty in the market.

Doug Yearley, CEO of Toll Brothers, said during a recent earnings call that incentives remained flat in the fourth quarter at 8% of sales prices. He noted that incentive usage has been flat for three consecutive quarters

Toll Brothers projected optimism that business should pick up during the traditionally busier spring season, which would continue to balance out incentive usage in 2026.

Overall, homebuilders are optimistic about market conditions. A recent survey by the Builder Advisor Group found that 45% executives at homebuilders felt market conditions would be stronger in 2026 than they were in 2025. Those surveyed said lower interest rates and increased customer confidence were the most important factors that could improve a homebuilder's 2026 business outlook.

The biggest concern of those surveyed was uncertainty about housing demand this year given volatility in the market. About 58% of surveyed builders cited demand uncertainty as the biggest operational constraint they expect this year.

Still, 83% of respondents said they were confident that their company would meet volume and revenue goals this year. ❑ – *jdohnert@imfpubs.com*

eNotes Adoption Hits Potential Tipping Point

The number of eNotes registered with the Mortgage Electronic Registration Systems recently surpassed three million, a milestone that points to more rapid adoption over the past couple of years.

Intercontinental Exchange, the owner of MERS, said eNotes provide operational advantages for lenders and investors. By digitizing a promissory note, lenders can reduce capital requirements, increase production speed and lower the risk of lost collateral data and manual errors.

The first mortgage eNote registered with MERS was in 2004, but it took many years of infrastructure building and industry education before adoption of the offering widened.

It wasn't until 2021 that one million eNotes were registered through MERS.

Chris McEntee, vice president of product and corporate development at ICE, told *Inside Mortgage Trends* that the recent rapid rise in adoption highlights how digital mortgages have reached a potential tipping point for growth.

"What we've seen is cascading of eNotes throughout the industry more broadly," he said. "We did a very intentional effort to educate folks about the benefits of eNote, and I think it's all starting to pay off."

What Channel Combos Are Lenders Using to Fill Their Plates?

Though retail reigns as the biggest source of single-family loans sold to Fannie Mae, Freddie Mac and Ginnie Mae, correspondent business is close on its heels and the broker channel still generates a notable amount of securitization volume.

Inside Mortgage Finance's quarterly ***Agency Channel Analysis*** data report delves into the channel usage of 1,500 lenders, reporting on the volume of originations they sourced from each channel for delivery to the three agencies.

For each lender, origination volume is broken down within channel by purpose and includes averages by channel for these loan characteristics:

- FICO score
- Debt-to-income ratio
- Loan-to-value ratio
- Loan size

From the big players like Pennymac, Rocket and UWM to smaller community banks and credit unions, you'll see what channel combinations are being used to fill the pipeline. Use the data in ***Agency Channel Analysis*** to plot out your own best channel choices.

Learn more and order at
www.InsideMortgageFinance.com/ChannelAnalysis

INSIDE MORTGAGE FINANCE PUBLICATIONS | **800.570.5744**

He added that Ginnie Mae's decision to begin accepting eNotes in 2020 has helped push adoption forward, following earlier approval of eNotes by the government-sponsored enterprises.

ICE said the lenders that most frequently use digital mortgages are registering 30% to 80% of their originations with eNotes each month. Overall, the industry average was 15.19% of all loans registered on MERS in January used eNotes.

McEntee said the variation in adoption between lenders is because of some staff training constraints. He said some lenders have begun incentivizing eNote adoption to drive more lender branches to use digital mortgage technology.

"What we've seen is people will start off with 5% to 8% of production on eNotes, jump up to 16% and maybe get up to 30%," he said.

McEntee said some lenders are avoiding more widespread adoption, as some non-agency investors don't accept eNotes.

Still, investor adoption of eNotes has improved over the past few years. Camelia Martin, vice president of digital collateral strategy and partnerships at SnapDocs, a digital mortgage closing provider, told this newsletter that eNote investors now cover more than 80% of the secondary market.

Martin said there are still some misconceptions to overcome in the eNote space that would help boost adoption. She said the many lenders underestimate how much of their portfolio is eNote-eligible or assume that eNote closings always require the use of remote online notarization.

In reality, she said, the average lender's pipeline is often at least 60% eNote-eligible and the majority of eNote closings today are hybrid closings, where the security instrument and any other notarized documents are wet-ink signed.

Conventional fixed forward loans are the most common loan type accepted as eNotes by investors today, according to Martin.

However, she said there is growing demand for investors to broaden eNotes acceptance across more loan types, including non-qualified mortgages and jumbo loans.

ICE has also recently seen increased interest in using eNotes for home equity loans.

Rocket was an earlier adopter in eNotes and has been one of the first lenders to use eNotes for closed-end second liens in a major way, McEntee said. ❑
– jdohnert@imfpubs.com

Tax Season Brings Challenges For Self-Employed Borrowers

Self-employed individuals planning to purchase a home within the next two years need to be careful regarding what they write off and deduct from their taxes, according to Eric Bernstein, president and co-founder of LendFriend.

While business write-offs reduce tax obligations, Bernstein warned that they can hurt a borrower's prospects of receiving a traditional mortgage.

"If a mortgage lender looked at my taxes, they're probably not going to be able to qualify me for a whole lot," he told *Inside Mortgage Trends*. "That's because I'm very aggressive when it comes to taking write-offs and taking deductions."

With conventional-conforming mortgages, lenders look at taxable income to measure an applicant's ability to repay the loan.

Bernstein recommended that self-employed individuals plan ahead if they want to buy a house in the next couple of years by meeting with a certified public accountant.

He said it can also help a borrower to have their accountant meet their lender so they can work together to come up with a plan that balances tax savings with mortgage underwriting requirements.

Bernstein said a non-qualified mortgage loan that doesn't use tax documents to verify income is a good option for self-employed borrowers. He added that 24-month bank statement loans currently have competitive rates compared to conventional loans.

On an expanded-credit mortgage-backed security that started marketing this week with loans aggregated by SG Capital Partners, the average interest rate for loans in the deal was 7.0%.

"Right now, most investors will price bank statement loans competitively because they have performed so well in the secondary market — meaning foreclosure rates are very low," Bernstein said.

He added that investors are bullish on bank statement loans because they are used by high-earning business owners with strong cash reserves and high credit scores. "They are a little bit more strict than conventional loans, you're not going to be able to go out there and get a bank statement loan with a 640 credit score," Bernstein said.

Tax reporting changes under the One Big Beautiful Bill Act are expected to make underwriting for self-employed borrowers easier, according to Josi

The best way to search for the industry's players.

Inside Mortgage Finance debuts the **IMF Mortgage Directory**, a comprehensive roundup of the companies — bank and nonbank; huge and small; national, regional and local — that originate mortgages.

This unique database pulls together carefully sourced data on each lender's geographic details, company relationships and key personnel.

Using the **IMF Mortgage Directory**, you can:

- Uncover a company's complete footprint, including headquarters location, states it originates in, parents, subsidiaries and sibling companies.
- Connect with each lender's key mortgage personnel with listings that include name, title, phone and email.

The **IMF Mortgage Directory** includes nearly 10,000 lending entities. Among the more than 16,000 contacts, you'll find leaders with such job titles as CEO, president, chief lending officer and VPs, EVPs and SVPs of lending, mortgage operations and retail banking. With filters for lender size and type, originations and headquarters state, lending volume, and lending type, you can whittle these larger numbers down to manageable groups that perfectly fit your research needs.

The full resource is available as a powerful interactive database. Smaller subsets may also be purchased in spreadsheet format.

Visit www.InsideMortgageFinance.com/MortgageDirectory

INSIDE MORTGAGE FINANCE
PUBLICATIONS 7910 Woodmont Ave Ste 1000, Bethesda, MD 20814 | 800.570.5744

Fredstrup, founder of Easiest Mortgages, a mortgage lender.

Signed into law in July 2025, OBBBA raises the reporting threshold for 1099-NEC and 1099-MISC forms from $600 to $2,000 for payments made beginning in the 2026 tax year. The change is expected to simplify income documentation for independent contractors, freelancers and gig-economy workers.

The change does not alter income reporting obligations for self-employed borrowers, but would lower the number of 1099 forms issued by the IRS.

Fredstrup said a reduction in the number of 1099 forms received by lenders will simplify the paper trail presented to an underwriter but will not change what underwriters look for when evaluating a 1099 earner's application. "The fundamentals remain the same: good records, consistent income and informed lenders." ❑ – *jdohnert@imfpubs.com*

Low Credit Scores Don't Just Impact Mortgage Rates

Low credit scores present a double whammy for homeowners. By design, low scores increase mortgage rates. But a new paper published by the National Bureau of Economic Research showed that low scores may have just as severe an impact on homeowners' insurance premiums.

The paper was authored by analysts at the Federal Reserve along with academics.

Looking at 70 million insurance policies tied to mortgages and property-level disaster risk, the researchers found that credit scores impact insurance premiums as much as risk of natural disasters does.

These findings are important because the cost of insurance is an increasing share of homeownership expenses. That's largely because, while mortgage rates are fixed, insurance contracts must be renewed annually. This can lead to unexpected spikes in home expenses — especially in regions like California and the Gulf Coast that have been hit with major climate-related rate hikes.

The researchers found that insurance premiums, as a share of a household's monthly principal and interest payments, grew from 12% in 2020 to 15% in 2024. For policyholders with low credit scores, the increase has been even more dramatic, growing from 17% to 24%.

"If the 2020 to 2024 trends continue, the insurance burden for homeowners with low credit scores could reach as high as 35% by 2030," the researchers said.

They also found that homeowners with lower scores pay significantly more for insurance even after accounting for coverage level, deductibles and geographic location. For example, policyholders in the lowest quintile of the credit score distribution paid about $550 more in average annual premiums than those in the top quintile. That's true regardless of their location-related exposure to disaster risk.

To better understand the cause of these higher premiums, the researchers took advantage of a natural experiment in Washington state, where the use of credit scores for insurance pricing was briefly banned before a court overturned the practice.

During the period this ban was in place, homeowners with low scores paid about $175 less per year. In contrast, those with high scores paid about $100 more per year. "Overall, we find that the ban erased about 70% of the credit premium gradient," the researchers said. That gradient quickly resumed its former state when the ban was lifted.

Critically, the researchers found that banning the use of credit scores when pricing home insurance had no impact on the homeowner's coverage decision, delinquency rates or prepayment probability.

They then turned to ZIP code-level data on insurance claims to determine the relationship between higher insurance rates and lower scores. They found that claim rates and realized losses are both higher in areas where average credit scores are lower. However, they also discovered that homeowners with lower credit scores are charged higher premiums "per dollar of predicted disaster risk."

The researchers said that the higher claim rate for lower-scoring homeowners is consistent with the liquidity constraints these consumers face. In many instances, filing a claim is the cheapest, if not the only way, they can cover immediate expenses. But the data showed that homeowners with lower credit scores are less likely to file contested claims that insurers ultimately challenge in court.

Perhaps the most interesting finding in the study is that the relationships between credit scores and mortgage interest payments and insurance premiums are "similar in magnitude."

In 2024, for example, the move from a 620 FICO to an 800 FICO was associated with a 40-basis-point reduction in both interest payments and premium payments — at least as a percentage of mortgage balances. ❑ – *dhollier@imfpubs.com*