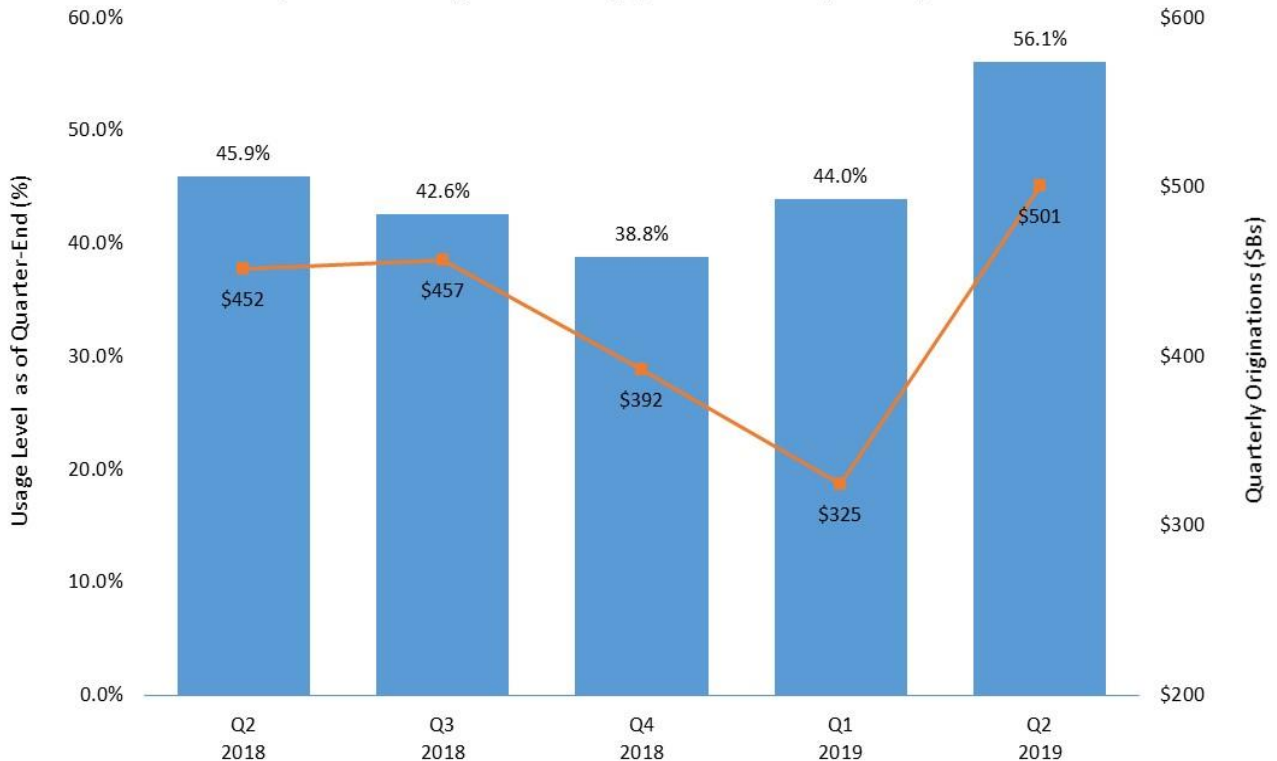


## Chart of the Week: August 9, 2019

Warehouse Lines for Loans Held for Sale: Historical Usage Level (Outstanding Borrowings/Debt Facility Limit) - %



Source: [MBA's Warehouse Lending Survey](#); MBA Forecast

The mortgage banker usage level of warehouse lines for loans held for sale was at 56 percent at the end of the second quarter of 2019, rising from the previous quarter and from one year ago, according to MBA's latest quarterly Warehouse Lending Survey.

The usage level is a simple average of each warehouse lender's quarter-end balance of outstanding borrowings for loans held for sale, divided by the total debt limit for this facility type. Usage levels to finance mortgage servicing rights, servicing advances, construction lending, repurchases, and other purposes are excluded from this chart, but part of the survey. The most recent sample includes data from a cross-section of 26 warehouse lenders, including community, regional and national banks.

After dropping in the third and fourth quarters of 2018, the usage level reversed course, and began rising in the first three months of 2019. This reflects the heavier originations activity in March, as mortgage rates declined and the spring home buying season sprang into gear. Since the usage level is based on quarter-end, and MBA originations estimates reflect the entire quarter, it is not surprising to see a lag between usage level and originations volume at the start of this year.

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