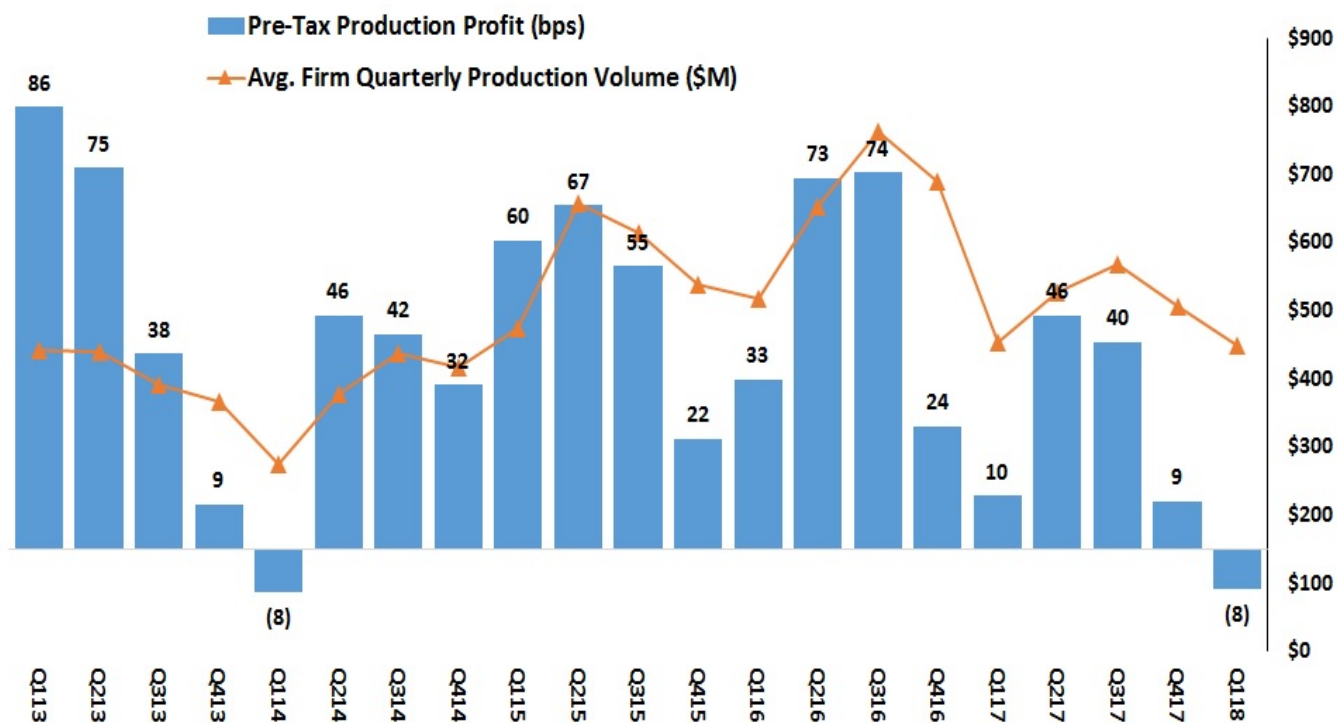


Chart of the Week - June 8, 2018 IMB Production Profit and Volume



Source: MBA’s Quarterly Mortgage Bankers Performance Report, www.mba.org/performance-report

Independent mortgage banks and mortgage subsidiaries of chartered banks reported average pre-tax production losses of 8 basis points (a loss of \$118 on each loan they originated) in the first quarter of 2018, down from 9 basis points (\$237 per loan) in the fourth quarter of 2017, according to the MBA’s Quarterly Mortgage Bankers Performance Report released this week.

The continued drop in overall production volume in the first quarter of 2018 resulted in the highest per-loan production expenses reported since inception of the report in the third quarter of 2008. Mortgage bankers saw their total loan production expenses increase to 377 bps (\$8,957 per loan) in the first quarter of 2018, from 353 bps (\$8,475 per loan) in the fourth quarter of 2017.

Higher production revenues mitigated a portion of the cost increase. Total production revenue increased to 370 basis points (\$8,840 per loan) in the first quarter of 2018, from 362 bps (\$8,712 per loan) in the fourth quarter of 2017.