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LendingTree Releases Monthly Mortgage Offer Report for January

LendingTree's Chief Economist analyzes January's mortgage offers

CHARLOTTE, N.C., Feb. 6, 2018 /PRNewswire/ -- [LendingTree®](#), the nation's leading online loan marketplace, today released its monthly [Mortgage Offers Report](#) which analyzes data from actual loan terms offered to borrowers on [LendingTree.com](#) by lenders on LendingTree's network. The purpose of the report is to empower consumers by providing additional information on how their credit profile affects their loan prospects.

- | January's best offers for borrowers with the best profiles had an average APR of 3.93% for conforming 30-year fixed purchase loans, up from 3.80% in December. Refinance loan offers were up 5 bps to 3.75%. Mortgage rates vary dependent upon parameters including credit score, loan-to-value, income and property type.
- | For the average borrower, purchase APRs for conforming 30-yr fixed loans offered on LendingTree's platform were up 13 bps to 4.55%. The loan note rate hit the highest since March 2016 at 4.45% and was also up 13 bps from December. We prefer to emphasize the APR as lenders often make changes to other fees in response to changing interest rates.
- | Consumers with the highest credit scores (760+) saw offered APRs of 4.41% in January, vs 4.70% for consumers with scores of 680-719. The APR spread of 29 bps between these score ranges was 1 bps narrower than in December but still near the widest since this data series began in April 2016. The spread represents nearly \$15,000 in additional costs for borrowers with lower credit scores over 30-years for the average purchase loan amount of \$238,518. The additional costs are due to higher interest rates, larger fees or a combination of the two.
- | Refinance APRs for conforming 30-yr fixed loans were up 15 bps to 4.46%. The credit score bracket spread widened to 25 from 24 bps, amounting to \$13,000 in extra costs over the life of the loan for lower credit score borrowers given an average refinance loan of \$244,540.
- | Average proposed purchase down payments fell for the first time in 8 months to \$63,411.

Purchase APR



Purchase Mortgage Offers by Credit Score

Purchase					
FICO Range	Average APR	Average Down Payment	Average Loan Amount	Average LTV	Lifetime Interest Paid*
All Loans	4.55%	\$63,411	\$238,518	82%	\$199,109
760+	4.41%	\$84,354	\$262,661	79%	\$191,975
720-759	4.45%	\$59,193	\$239,111	83%	\$194,007
680-719	4.70%	\$39,883	\$217,590	86%	\$206,818

640-679	5.04%	\$63,301	\$203,176	76%	\$224,533
620-639	5.12%	\$57,566	\$191,642	76%	\$228,749

*To enable comparison, lifetime interest is calculated for the average loan amount for all loans using the rates for each credit score bucket.

Refinance Mortgage Offers by Credit Score

Refinance					
FICO Range	Average APR	Average Down Payment	Average Loan Amount	Average LTV	Lifetime Interest Paid*
All Loans	4.46%	\$2,739	\$244,540	62%	\$199,427
760+	4.33%	\$4,014	\$250,651	59%	\$192,669
720-759	4.38%	\$3,073	\$249,678	64%	\$195,262
680-719	4.58%	\$1,294	\$238,579	64%	\$205,712
640-679	4.79%	\$907	\$223,812	60%	\$216,814
620-639	4.89%	-	\$212,813	59%	\$222,147

*To enable comparison, lifetime interest is calculated for the average loan amount for all loans using the rates for each credit score bucket.

"Interest rates have decidedly moved up in a classic supply and demand driven change," said Tendayi Kapfidze, LendingTree's Chief Economist and report author. "On the supply side, the tax plan raised the projected borrowing needs of the US government, so debt issuance is expected to increase materially. On the demand side, the Fed's balance sheet normalization is removing a large buyer from the marketplace."

Kapfidze added, "Further, the tax plan's repatriation holiday reduces demand from US corporations for US treasuries. All this means that the US government has to pay more for borrowing, which raises the interest rate level in the economy, including mortgage rates. For consumers looking for a mortgage the benefits of optimizing the things you can control, your credit score and shopping multiple lenders, increase as the things you cannot control, such as those we detail above, become less favorable."

About the Report

The [LendingTree Mortgage Offers Report](#) contains data from actual loan terms offered to borrowers on [LendingTree.com](#) by lenders. We believe it is an important addition to standard industry surveys and reports on mortgage rates. Most quoted industry rates are for a hypothetical borrower with prime credit who makes a 20% down payment. Most borrowers do not fit this profile. Our report includes the average quoted APR by credit score, together with the average down payment and other metrics described below. We stratify by credit score, so borrowers have added information on how their credit profile affects their loan prospects. The report covers conforming 30-yr fixed loans for both purchase and refinance.

- | **APR:** Actual APR offers to borrowers on our platform
- | **Down Payment:** Though analogous to the LTV, we find that borrowers identify more closely with the down payment. Academic studies have also found that the down payment is the primary concern for homebuyers and one of the main impediments to entering the homebuying market.
- | **Loan Amount:** The average loan amount borrowers are offered
- | **LTV:** Actual LTV offered to borrowers on our platform
- | **Lifetime Interest Paid:** This is the total cost a borrower incurs for the loan, inclusive of fees.

To view the original report, visit: <https://www.lendingtree.com/home/lendingtree-mortgage-offers-report-january-2018/>.

About LendingTree

LendingTree (NASDAQ: TREE) is the nation's leading online loan marketplace, empowering consumers as they comparison-shop across a full suite of loan and credit-based offerings. LendingTree provides an online marketplace which connects consumers with multiple lenders that compete for their business, as well as an array of online tools and information to help consumers find the best loan. Since inception, LendingTree has facilitated more than 65 million loan requests. LendingTree provides free monthly credit scores through My LendingTree and access to its network of over 500 lenders offering home loans, personal loans, credit cards, student loans, business loans, home equity loans/lines of credit, auto loans and more. LendingTree, LLC is a subsidiary of LendingTree, Inc. For more information go to www.lendingtree.com, dial 800-555-TREE, like our Facebook page and/or follow us on Twitter @LendingTree.

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