

# Monthly Warehouse Insights

**2025**

## MONTHLY INSIGHTS

The effective cost of warehouse declined 35 basis points to 6.30%, supported by a slight dip in the Overnight SOFR. Average Outstanding Balances increased significantly, resulting in non-use fees being replaced by rebate incentives. The effective spread to SOFR narrowed to 2.00%, while the average note rate decreased to 6.56%, resulting in an increase in warehouse carry to 0.26%. Average dwell time rose slightly to 16 days but remained within a typical range. Overall, net warehouse spread increased to \$40 per loan, reflecting a healthier funding environment.

At its most recent meeting, the Federal Reserve maintained the federal funds rate at 4.25%–4.5%, citing heightened economic uncertainty. The Fed's statement emphasized a cautious, data-dependent approach, noting that while the economy remains solid, the full impact of the trade policies is still unfolding. Markets now anticipate that any rate adjustments are unlikely before July.

## Warehouse Lending Trends

	March 2025	April 2025
Effective Cost of Warehouse	<b>6.65%</b>	<b>6.30%</b> -0.35%
Average Overnight SOFR	<b>4.33%</b>	<b>4.30%</b> -0.03%
Effective Spread to Overnight SOFR	<b>2.32%</b>	<b>2.00%</b> -0.32%
Average Note Rate	<b>6.66%</b>	<b>6.56%</b> -0.10%
Warehouse Carry	<b>0.01%</b>	<b>0.26%</b> +0.25%
Average Dwell Time	<b>15</b>	<b>16</b> +1
Net Warehouse Spread (per loan)	<b>\$2</b>	<b>\$40</b> +\$38

Scaling mortgage operations isn't just about keeping up with demand—it's about working smarter. As rates drop and loan volume picks up, seamless connections between originators, warehouse lenders, and partners create a more efficient workflow. Better integrations mean faster funding, smoother paydowns, and real-time insights that keep things running efficiently. With the right automation and data, lenders can handle more volume without the usual headaches. A connected, streamlined process makes scaling easier and more sustainable. Ready to optimize for growth? Let's connect.