

Monthly Warehouse Insights

2024

ANOTHER DAY, ANOTHER DOLLAR

The average note rate is up just slightly from last month. Overnight SOFR remains unchanged. Warehouse carry is still negative, with net warehouse cost per loan over \$57 on a \$300k average loan.

Industry Insights

At the May 1st meeting, the Federal Reserve left interest rates unchanged for a sixth straight meeting and suggested that rates would stay high for longer, citing readings on inflation coming in above expectation.

Warehouse Lending Trends

| | March 2024 | April 2024 |
|------------------------------------|------------|------------------------|
| Effective Cost of Warehouse | 7.41% | 7.30% - 0.11% |
| Average Overnight SOFR | 5.31% | 5.31% +/-0.00% |
| Effective Spread to Overnight SOFR | 2.10% | 1.99% - 0.11% |
| Average Note Rate | 6.78% | 6.84% + 0.06% |
| Warehouse Carry | -0.63% | -0.46% + 0.17% |
| Average Dwell Time | 15 | 15 +/-0.00% |
| Net Warehouse CPL | - \$78.75 | - \$57.70 + \$21.25 |

Rethink How You Fund Loans

By using software to optimize your warehouse line allocations, you can automatically factor in terms, rebates, incentives, non-use fees, reference rates, and many other considerations to achieve the best financial performance.

IMBs are cutting hundreds of thousands of dollars off the increasingly high cost of warehouse lending by simply automating warehouse funding decisions.