Mortgage Market Indices Explained: Why They Matter, What They Miss, and What Comes Next

xactus X

Advancing the Modern Mortgage

Moving beyond lagging indicators: A new way to see demand forming before it reaches the application stage

Why Timing Matters More Than Ever

In today's volatile housing market, timing is everything. Most mortgage market indices only tell us what's already happened. What if you could see borrower demand forming before the application is even submitted?

For lenders, analysts, and capital markets participants, visibility into mortgage demand is critical. But most of the tools used to track the market are inherently reactive. They tell you what happened, not what's happening, and certainly not what's coming next.

This whitepaper explores the role of mortgage market indices in tracking borrower behavior, reveals the limitations of existing benchmarks, and introduces a forward-looking data signal that moves the industry from reactive to proactive.

What are Mortgage Market Indices?

Mortgage market indices are data benchmarks that track key aspects of housing and finance activity. They bring structure and visibility to a complex, fast-moving industry and help:

- **Gauge borrower demand**
- **Forecast loan volume**
- **Inform secondary market strategy**
- **Shape pricing models**
- **Guide economic outlooks**

Much like the Dow Jones or S&P 500 signal broader market direction, mortgage indices offer insight into lending trends, borrower behavior, and rate movement. But each type of index serves a different purpose depending on what it measures.

Common Types of Indices:

1. Rate Indices: Track average mortgage interest rates for different loan products and terms. Used for pricing decisions and consumer education.

2. Application Volume Indices: Measure how many borrowers apply for loans each week. Used for assessing short-term demand trends.

3. Lock and Origination Indices: Monitor loans that have been locked or funded. Used for secondary market performance and pipeline tracking.

These indices are essential to lenders, investors, economists, and regulators. They provide benchmarks for operational planning and economic analysis.

Why Mortgage Indices Matter

These benchmarks are not just academic. They influence real-world decisions across the mortgage ecosystem:

- **Lenders use them to adjust rate sheets, staffing models, and pipeline forecasts**
- **Investors use them to time trades, price mortgage-backed securities, and assess prepayment risk.**
- **Regulators and economists use them to monitor housing affordability, liquidity, and consumer behavior.**
- **Reliable, high-frequency data gives these stakeholders a clearer picture of how the market is performing and where it might be headed.**

The Gap in Today's Indices: Too Late to Act

While traditional indices are valuable, they all share one major limitation: timing. They report data that becomes visible only after a borrower has made key decisions such as submitting an application or locking a rate.

In a fast-changing rate environment, that time lag can lead to missed opportunities. Lenders need to anticipate changes in demand, not just respond after the fact.

"Benchmarking is key to understanding true organization performance. Our industry will swing 50–80% season to season and that's too wide of a margin. The consequences of not properly forecasting can set your organization back years with service and/or quality

issues," said Craig Ungaro, Chief Operating Officer, AnnieMac Home Mortgage. "Industry application data has been available for a while; however, that's not a leading indicator. With Xactus Mortgage Intent Index we finally have what we need, a true leading forecasting benchmarking tool."

Introducing the Xactus Mortgage Intent Index

"The Xactus Mortgage Intent Index represents a significant step toward real-time decisioning across the mortgage ecosystem," said Shelley Leonard, President. "By introducing a data signal that surfaces borrower intent before the loan file exists, Xactus is helping lenders move from reactive forecasting to proactive strategy."

The Xactus Mortgage Intent Index fills the gap left by lagging indicators. Built from millions of credit pull transactions processed daily across Xactus' verification network, the index delivers high-frequency insights into borrower behavior.

It offers:

- **Real-time signals of demand**
- **Daily and weekly tracking of intent**
- **Normalized data that accounts for holidays and calendar shifts**
- **A comprehensive view of pre-application, application, and pre-close activity**

By surfacing borrower interest across all credit pull stages, the index gives lenders a valuable edge in forecasting and decision-making.

Why the Xactus Mortgage Intent Index Matters?

Most indices reflect what has already happened:

- **Closed loans**
- **Locked rates**
- **Submitted applications**

These indicators are helpful, but they come late in the borrower journey. The index tracks credit pulls, offering the industry's first scalable measure of early and evolving borrower intent.

The problem with lagging indicators:

- **By the time applications rise, marketing and staffing decisions are already outdated.**
- **Lock data doesn't reflect churn or borrower hesitations.**
- **Market momentum can shift before traditional indices detect it.**

What Xactus Mortgage Intent Index Delivers

- **A clearer view of borrower demand across the lifecycle, from intent to application to closing**
- **Daily and weekly granularity to monitor swings and turning points**

"Xactus Mortgage Intent Index showcases the power of our Intelligent Verification Platform," said Thomas Lloyd, Chief Strategy Officer, Xactus. "It transforms the vast amount of data flowing through Xactus into insights that shape how lenders plan, price, and perform."

What Xactus Mortgage Intent Index Measures

Xactus Mortgage Intent Index is a daily index of borrower mortgage intent, expressed as a rolling average of credit pull volume and mix. Because credit checks are typically the first formal step in a borrower's journey, the index serves as a real-time pulse on borrower demand.

The index includes:

- **Initial credit pulls for prequalification or preapproval**
- **Pulls associated with formal loan applications**
- **Pre-close verification pulls**

The index is:

- **Timely: Data is updated daily and provides faster signals than traditional market benchmarks.**
- **Pattern-Aware: Adjusts for typical borrower behavior across weekdays and holidays to deliver more stable, predictive signals.**

Use Cases for Xactus Mortgage Intent Index

Lenders & Originators:

- **Track borrower demand before applications are submitted and at every stage of the mortgage journey**
- **Adjust marketing, staffing, or rate strategy proactively**

"Having access to borrower intent before the application stage gives us a real competitive edge," said Ryan Doehrmann, Chief Consumer Lending Officer, GreenState Credit Union. "It's changing how we forecast and serve our members and borrowers"

Secondary Market & Capital Markets Teams:

- **Forecast pipeline changes with more lead time**
- **Inform securitization and hedge models**
- **Respond to market movements more nimbly**

Economists & Analysts:

- **Monitor borrower confidence and intent**
- **Enhance macroeconomic models with earlier signals**
- **Compare regional or seasonal fluctuations**

How Xactus Mortgage Intent Index Compares to Other Indices

Feature	Xactus Mortgage Intent Index	Traditional Application Indices	Loan Performance Indices
Signal Type	Borrower intent	Application volume	Closed loan data
Timing	Daily and weekly	Weekly, delayed	Monthly/quarterly
Borrower Stage	Pre-application. application, pre-close	Mid-process	Post-close
Use Case	Forecasting, staffing, pricing	Benchmarking, trend analysis	Policy, performance review

"The data behind XMII is powerful because it's based on verified activity, not assumptions," said Candice McNaught, SVP of Business Development and Strategic Initiatives, Planet Home Lending. "That accuracy makes it an indispensable planning tool."

Methodology Summary

Data Source:

- **Millions of daily mortgage credit pulls from Xactus' network**
- **Represents diverse lenders: banks, credit unions, brokers, IMBs**

Validation:

- **Benchmarked against market activity**
- **Anomaly detection and model accuracy checks**

Intent is the New Advantage

Xactus Mortgage Intent Index delivers what the industry has long been missing: a faster and earlier signal of mortgage demand.

By measuring credit pull activity in real time and applying rigorous forecasting models, Xactus is helping the industry move from reactive to proactive. With Xactus Mortgage Intent Index, lenders and capital markets participants gain a smarter lens on borrower behavior, rooted in the earliest expression of mortgage intent.

To learn more about the index, request data access, or explore partnership opportunities, contact sales@xactus.com.

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About Xactus

Xactus – a leading fintech company specializing in verification solutions for the mortgage and financial services industries – leverages advanced technology and industry expertise to provide innovative solutions that streamline loan origination and servicing processes. Its Intelligent Verification Platform℠, Xacus360, enables clients to make better mortgage decisions faster while increasing efficiency and reducing waste.

For more information, visit **xactus.com**
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