



Origination Insight Report

INTRODUCTION

The Ellie Mae® *Origination Insight Report* provides monthly data and insights from a robust sampling of closed loan applications that flow through Ellie Mae's Encompass® mortgage management software and Ellie Mae Network™. The characteristics of closed and denied loans presented in this report are averages. In 2013, approximately 3.5 million loan applications ran through Ellie Mae's Encompass mortgage management solution and Ellie Mae Network.

The *Origination Insight Report* mines its application data from a robust sampling of approximately 57% of all mortgage applications that were initiated on the Encompass origination platform. Given the size of this sample and Ellie Mae's market share, the Company believes the *Origination Insight Report* is a strong proxy of the underwriting standards that are being employed by lenders across the country.

Purchase share represented **54%** of closed loans in December, double from the 27% in January 2013.

Credit requirements closed 2013 **looser** than at any point during the year.



MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2013												2012	2012					
	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	AVG	Dec	Nov	Oct	Sep	Aug	Jul
PURPOSE																			
REFI %	46	45	39	42	43	47	51	58	58	62	68	73	62	69	68	69	65	61	58
PUR %	54	55	61	58	57	53	49	42	42	38	32	27	38	31	32	31	35	39	42
TYPE																			
FHA %	20	20	19	19	18	19	19	19	22	21	20	18	23	19	19	19	19	21	24
CONV %	69	69	68	70	70	71	71	72	68	70	71	74	69	73	73	74	72	70	67
TIME TO CLOSE (DAYS)																			
ALL	43	42	45	42	41	47	47	44	46	46	50	54	48	55	50	54	50	49	48
REFI	40	37	43	40	41	48	47	44	47	47	51	55	49	57	51	57	53	51	48
PUR	46	45	46	43	42	46	46	45	44	44	47	51	46	51	48	47	47	47	47

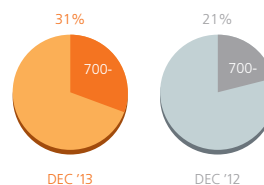
	2013												2012	2012					
	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	AVG	Dec	Nov	Oct	Sep	Aug	Jul
ARM%	6.6	5.8	5.6	5.5	5.9	5.2	4.0	3.1	3.2	2.5	2.3	2.1	3.4	2.1	2.0	2.2	2.6	2.7	3.1
15YR%	15.1	14.5	15.5	15.5	14.6	15.5	16.5	16.4	15.3	15.9	16.8	16.9	17.5	15.9	16.7	16.9	17.3	16.8	15.3
30YR NOTE RATE	4.592	4.526	4.750	4.761	4.618	4.357	3.918	3.747	3.808	3.813	3.723	3.634	3.908	3.609	3.600	3.671	3.773	3.763	3.870
CLOSING RATE* %	54.3	53.1	51.4	52.3	53.1	55.4	54.3	53.5	53.2	55.1	56.8	55.0	49.0	54.7	52.3	54.5	50.5	47.8	45.8
REFI %	46.3	45.4	44.6	45.2	46.8	51.3	49.9	49.1	50.5	52.8	54.6	52.6	43.9	51.6	48.0	51.3	45.3	40.9	37.9
PUR %	60.7	59.1	56.9	59.6	61.5	61.4	60.4	60.7	58.2	59.7	61.7	60.8	58.8	61.3	60.8	61.2	61.0	60.1	58.7

PROFILES OF ALL CLOSED AND DENIED LOANS

Closed Loans

	2013												2012	2012						
	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	AVG	Dec	Nov	Oct	Sep	Aug	Jul	
ALL																				
FICO	727	729	732	732	734	737	742	743	742	743	745	749	748	748	750	750	750	750	750	748
LTV	82	81	81	81	82	81	80	79	81	81	80	79	79	79	79	78	78	79	80	79
DTI	25/39	25/38	25/38	25/37	24/37	24/36	23/35	23/35	23/35	23/35	23/35	23/34	23/34	23/34	23/34	23/34	23/34	23/34	23/34	23/34

31% of closed loans had an average FICO score of less than 700 compared to 21% one year ago.



Denied Applications

	2013												2012	2012						
	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	AVG	Dec	Nov	Oct	Sep	Aug	Jul	
ALL																				
FICO	698	694	689	696	696	702	701	701	701	702	705	707	704	709	707	706	704	708	710	709
LTV	82	82	83	84	84	84	84	84	85	85	85	85	86	85	86	87	88	88	85	85
DTI	28/45	28/44	27/44	28/45	28/44	28/44	28/44	27/44	28/45	27/44	27/43	27/44	27/44	27/44	27/44	27/44	27/44	27/43	28/44	27/44

PROFILES OF CLOSED AND DENIED FHA LOANS

Closed Loans

	2013												2012	2012					
	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	AVG	Dec	Nov	Oct	Sep	Aug	Jul
FHA-REFI																			
FICO	681	686	683	687	691	696	702	704	711	712	712	715	718	716	716	718	716	717	719
LTV	85	86	83	85	85	86	87	87	88	88	88	89	88	89	89	89	89	89	89
DTI	26/43	26/41	28/41	26/40	27/39	26/39	25/39	25/39	25/38	24/38	24/38	24/38	25/39	24/38	24/38	25/38	25/38	25/38	25/38
FHA-PUR																			
FICO	690	690	692	694	694	695	696	697	697	696	699	699	700	699	698	700	701	700	701
LTV	95	95	95	95	95	95	95	96	95	95	95	95	96	96	96	96	95	96	96
DTI	29/42	29/41	29/41	29/41	29/41	28/41	28/41	28/40	27/40	27/40	28/41	28/41	27/41	27/41	27/40	27/40	27/40	27/41	27/41

Denied Applications

	2013												2012	2012					
	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	AVG	Dec	Nov	Oct	Sep	Aug	Jul
FHA-REFI																			
FICO	662	655	659	656	660	666	667	669	669	671	672	670	670	675	670	669	670	671	671
LTV	85	86	86	88	87	88	87	88	87	88	88	88	88	88	88	88	89	88	89
DTI	29/46	28/44	30/43	29/46	29/45	28/43	28/44	28/44	29/46	29/45	28/44	28/44	28/44	28/45	27/43	27/44	28/45	28/43	29/45
FHA-PUR																			
FICO	670	667	667	671	667	672	667	670	668	670	669	669	667	668	667	670	665	670	669
LTV	95	96	96	95	95	95	96	96	96	95	95	96	95	95	95	95	95	95	96
DTI	32/47	32/46	32/45	33/47	32/47	32/46	31/46	30/45	30/46	31/45	31/45	30/45	31/47	32/47	31/46	30/46	31/47	31/47	31/47

PROFILES OF CLOSED CONVENTIONAL LOANS

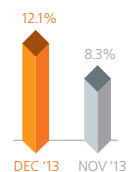
Closed Loans

	2013												2012	2012						
	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	AVG	Dec	Nov	Oct	Sep	Aug	Jul	
CON-REFI																				
FICO	729	734	737	735	737	746	755	756	757	757	760	763	767	763	766	765	767	769	769	
LTV	74	72	70	72	74	72	71	71	73	74	73	73	69	73	72	71	70	70	70	
DTI	25/41	25/40	25/41	25/39	24/37	23/36	23/34	23/34	23/34	23/34	22/33	22/33	22/32	22/33	22/32	22/32	22/32	22/31	22/33	
CON-PUR																				
FICO	756	756	758	758	758	759	760	761	761	761	761	760	763	761	764	762	762	763	763	
LTV	80	80	80	80	80	80	80	80	80	80	80	79	79	79	79	79	79	79	79	
DTI	23/34	23/34	22/34	23/34	23/34	23/34	22/33	22/33	22/34	21/33	22/34	21/33	21/33	22/33	21/33	21/33	21/33	21/33	21/33	

CON-REFI (% OF REFI @ 95 LTV+)

	2013												2012	2012					
	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	AVG	Dec	Nov	Oct	Sep	Aug	Jul
%	12.10	8.30	7.30	10.30	13.40	11.10	8.00	9.40	11.60	13.00	12.10	11.60	7.7	11.40	9.62	8.60	7.90	7.74	8.70

HARP-related refinancing activity increased for the second consecutive month with refis at **95 LTV+ rising to 12.1%**, the highest percentage since August.



PROFILES OF CLOSED CONVENTIONAL LOANS

Denied Applications

	2013												2012	2012					
	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	AVG	Dec	Nov	Oct	Sep	Aug	Jul
CON-REFI																			
FICO	710	704	695	709	710	718	717	719	719	720	722	725	724	727	726	725	723	727	726
LTV	74	75	77	78	78	78	78	79	80	81	82	82	83	82	84	85	87	87	82
DTI	28/45	27/44	26/44	28/45	27/44	27/44	28/45	27/44	27/45	27/44	26/43	27/44	27/43	26/44	27/44	27/43	26/43	27/42	29/44
CON-PUR																			
FICO	725	729	711	724	726	726	727	724	726	725	731	730	733	736	736	734	729	734	730
LTV	81	81	82	81	82	82	82	81	82	81	81	81	81	81	81	80	81	81	80
DTI	26/42	25/41	25/42	26/42	26/42	26/42	25/41	24/41	25/41	24/40	24/41	24/41	25/42	25/41	25/44	26/42	24/43	25/42	25/41

TERMINOLOGY

***CLOSING RATE** Percentage of loan applications begun in the previous 90-day cycle that have closed.

DEBT-TO-INCOME RATIO (DTI) A personal finance measure that compares an individual's debt payments to the income he or she generates. Includes front-end ratio/back-end ratio.

DENIED APPLICATIONS Loan applications denied as indicated by lender for Home Mortgage Disclosure Act (HMDA) reporting purposes. Loan applications not reported as denied or as originated (closed) may include active applications, applications withdrawn by consumers, or files closed for incompleteness.

TIME-TO-CLOSE Time from loan application to funding.

REFINANCE Includes both no-cash-out and cash-out refinances.

FICO A type of credit score that makes up a substantial portion of the credit report that lenders use to assess an applicant's credit risk and determine whether to extend a loan. FICO is an acronym for the Fair Isaac Corporation, the creators of the FICO score. The Ellie Mae Origination Insight Report looks at the average middle score from a tri-merge credit report.

LOAN-TO-VALUE RATIO (LTV) A lending risk assessment ratio that financial institutions and other lenders examine before approving a mortgage. It is calculated by dividing the mortgage amount by the appraised value of the property.

METHODOLOGY

In 2013, approximately 3.5 million loan applications ran through Ellie Mae's Encompass mortgage management solution and Ellie Mae Network. The *Origination Insight Report* mines its application data from a robust sampling of approximately 57% of all mortgage applications that were initiated on the Encompass origination platform. Given the size of this sample and Ellie Mae's market share, the Company believes the *Origination Insight Report* is a strong proxy of the underwriting standards that are being employed by lenders across the country.

The *Origination Insight Report* focuses on loans that closed or were denied in a specific month and compares their characteristics to similar loans that closed or were denied three and six months earlier. The closing rate is calculated on a 90-day cycle rather than on a monthly basis because most loan applications typically take one and a half to two months from application to closing. Loans that do not close could still be active applications or applications withdrawn by consumers or denied for incompleteness or nonqualification.

The *Origination Insight Report* details aggregated, anonymized data and does not disclose client-specific or proprietary information.

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ABOUT ELLIE MAE

Ellie Mae, Inc. (NYSE: ELLI) is a leading provider of on-demand automation solutions for the mortgage industry. The Company offers an end-to-end solution, delivered using a Software-as-a-Service model that serves as the core operating system for mortgage originators and spans customer relationship management, loan origination, and business management. The Company also hosts the Ellie Mae Network, which allows Encompass users to electronically conduct business transactions with the lenders and settlement service providers they work with to process and fund loans. The Company's offerings include the Encompass, Encompass, and DataTrac® mortgage management software systems.

Ellie Mae was founded in 1997 and is based in Pleasanton, California. To learn more about Ellie Mae, visit www.EllieMae.com or call 877-355-4362.



SIG ANDERMAN, FOUNDER & CEO

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