



FEBRUARY 2026



PEEK INSIDE:

The spring market opens in weeks. Cycle times, staffing models, and secondary execution strategies need to be locked in now, not in April.

# From The Editor

## February is where preparation meets reality.

The spring market has begun, and the early signals are clear. Volume is starting to build, but operational performance is not keeping pace. Cycle times held at 34.8 days, essentially unchanged from January. That should not be the case as activity increases. Speed matters more now than at any other point in the year, and we are not yet where we need to be.

Productivity showed only slight improvement, moving to 1.92 funded loans per FTE. That is still below the level required to offset cost to originate, which remains above \$11,000 per loan. Two consecutive months below 2.0 tells us this is not just seasonal movement. It requires attention. Staffing, workflow discipline, and automation must work together to drive better outcomes.

There are positive signs. Conventional gain on sale recovered above par, a meaningful shift from January. That improvement provides margin support at a time when it is needed. Loan size also increased modestly, and the purchase mix remains consistent with where the market is today.

At the same time, application volume has not yet accelerated in a meaningful way. Pipelines are forming, but conversion and pull through will define performance in the months ahead. The gap between top and bottom performers continues to come down to execution.

**The TMC Insights this month reinforce a simple point. The opportunity is in front of us, but it will reward those who are prepared. Cycle time, productivity, and process consistency will determine how well each organization captures the spring market.**

Now is the time to act.



JODI HALL | PRESIDENT & CEO



**The spring purchase market is here. Cycle time failures in March–May will cost real estate relationships that take years to rebuild. Fix the process now, not in April.**

- Cycle times at 34.8 days are NOT improving, essentially unchanged from January's 34.7 days despite the spring ramp; automation and process gaps must be addressed now
- Conventional gain-on-sale recovered sharply to 102.19 from January's 99.47 below par, the most important single improvement in February's data
- Productivity edged up to 1.92 units/FT, marginal improvement, still well below the 2.2+ target; two consecutive months below 2.0 demand attention
- Average loan of \$348,400 reflects modest loan size growth from January's \$346,780
- 70.6% purchase mix is locked is identical to January, consistent with MBA's 2026 market forecast; builder and realtor relationships define the growth agenda
- With cost-to-originate above \$11,000/loan, every basis point of secondary margin and every funded unit per FTE is a direct lever on profitability

App-to-CTC Cycle Time (avg)	<b>34.8 days ▲ flat, no improvement</b>
Funded Loans per FTE	<b>1.92 units ▲ slight recovery</b>
Average Funded Loan Amount	<b>\$348,400</b>
Total Funded Volume	<b>\$153 Million   438 units</b>
Purchase Mix	<b>70.6% purchase / 29.4% refi</b>
Conventional Gain-on-Sale	<b>102.19, recovered above par</b>
Government Gain-on-Sale	<b>102.30</b>
Cost-to-Originate (industry)	<b>&gt; \$11,000 per loan</b>
Average Interest Rate	<b>~6.16% (reporting members)</b>
Credit Pull-to-Fund Ratio	<b>4.2x, spring pipeline pressure</b>

# Application-to-Clear-to-Close Cycle Time

February cycle times averaged 34.8 days, effectively unchanged from January's 34.7 days. This is alarming.

February is typically a slightly heavier volume month than January. The failure to improve even marginally as the spring ramp begins is a direct indictment of automation and process infrastructure.

The distribution remains deeply bifurcated: best performers closing in 19–23 days, while laggards run 56–64 days. That 40+ day gap is not a volume story, it is an operations story.

Members above 45 days entering March should treat this as an operational emergency. Spring purchase transactions are time-sensitive. Borrowers and realtors will walk.

- **February 2026 average: 34.8 days**
- **January 2026: 34.7 days, no improvement**
- Best-in-class: 19–23 days
- Underperformers: 56–64 days, act now
- 20% members below 25 days | 24.5% members above 40 days

Industry target: 25–28 days. Members above 40 days must make CTC reduction a top-three Q1 priority.

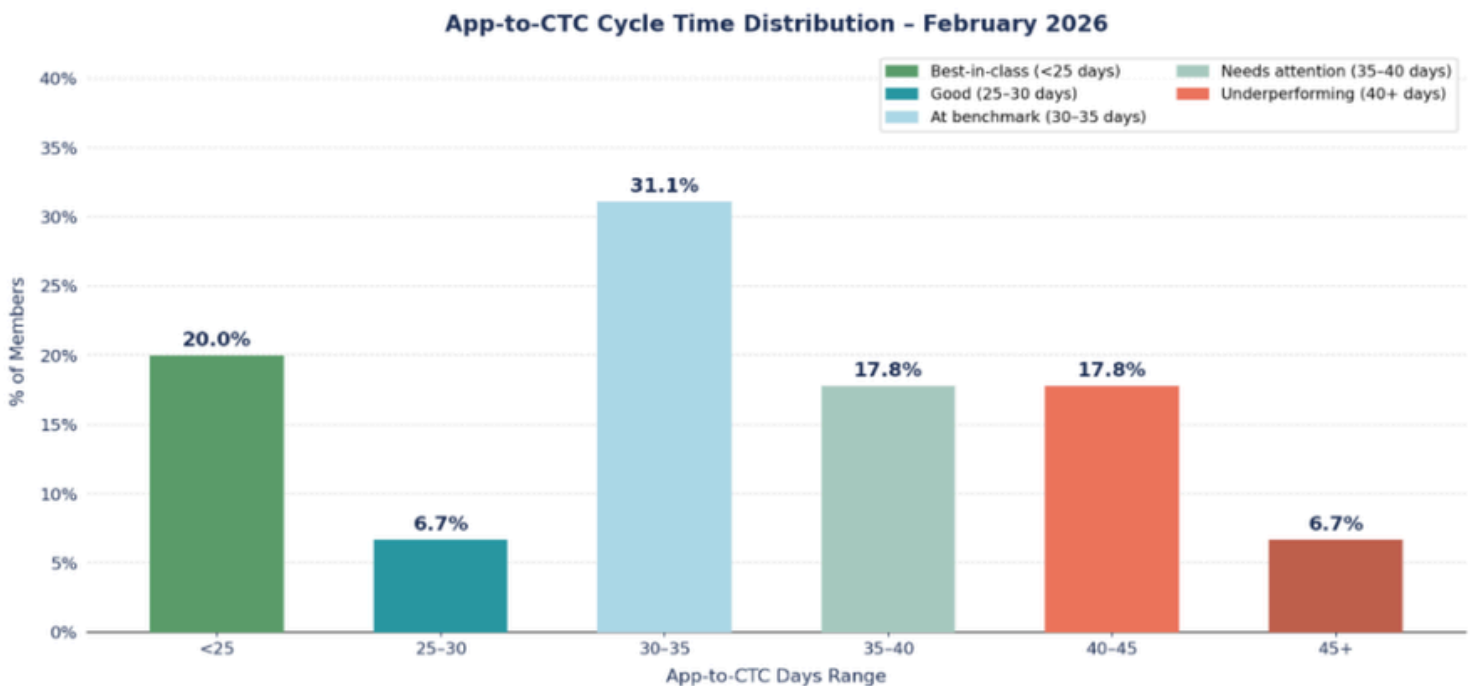


Figure 1 — App-to-CTC Cycle Time Distribution: February 2026

\*If you want other data or have questions, please contact your Member Benefits Advocate

# Funded Loans per FTE (Productivity)

February productivity came in at 1.92 units per FTE — a marginal uptick from January's 1.91, but still well below the 2.0 threshold and nowhere near the 2.2+ target needed to offset cost-to-originate pressure.

Two consecutive months below 2.0 during the seasonal trough raises a structural question: if productivity cannot recover as spring volume arrives, the problem is not seasonal — it is systemic.

Top performers are consistently delivering above 2.5 units per FTE. With cost-to-originate still exceeding \$11,000 per loan, the spread between top and bottom quartile productivity represents a material cost disadvantage.

Staffing discipline, pipeline management, and automation must be addressed in concert. Adding headcount without improving throughput is margin destruction.

- 13-month average: 1.85 units per FTE
- August 2025 peak: 2.40 per FTE
- December 2025: 2.12 per FTE
- January 2026: 1.91 per FTE
- **February 2026: 1.92 per FTE — still below 2.0**
- Total: 9,060 funded units across 4,716 staff

**Target: 2.2+ units/FTE sustained. March–May will show whether this is a blip or a structural decline.**

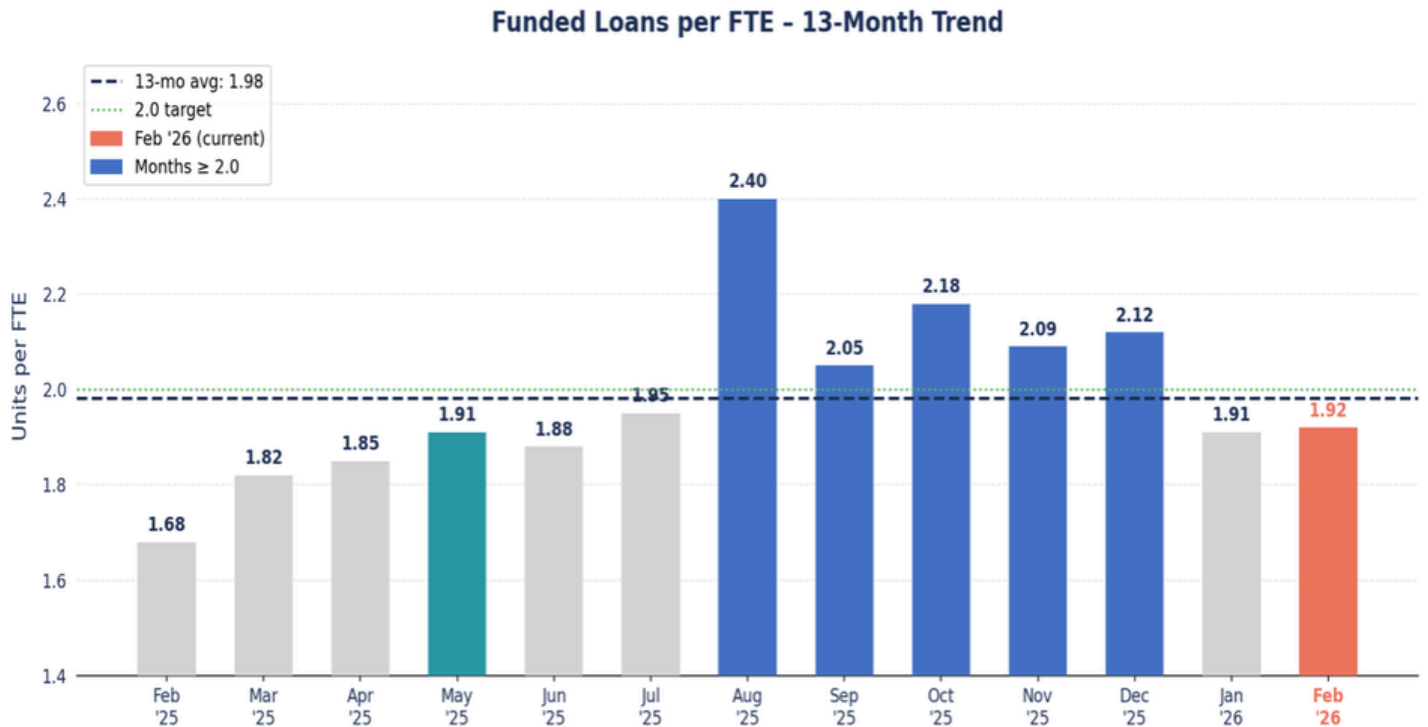


Figure 2 — Funded Loans per FTE: 13-Month Trend (Feb 2025 – Feb 2026)

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# Average Loan Amount & Product Mix

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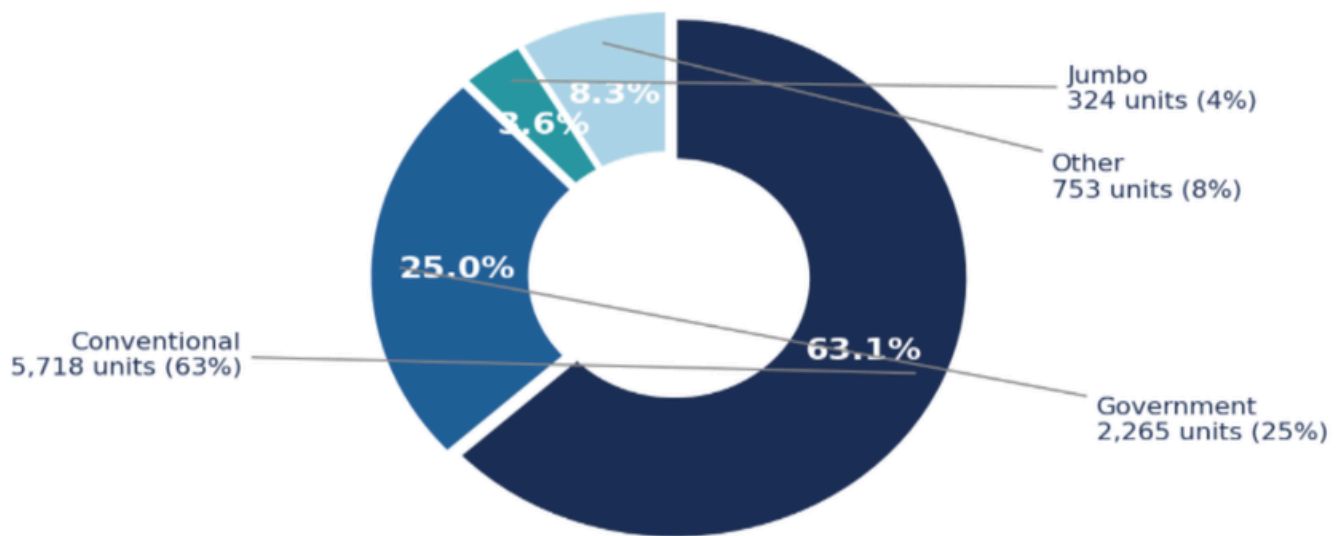
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**Funded Loan Product Mix - February 2026**  
(9,060 total units | \$3.16B volume)



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# New Application Volume

The group submitted 17,921 total new application units in February, essentially flat with January's 17,887. Conventional represented 63.7% at 11,407 units, followed by government at 4,540 (25.3%). February application flow is historically the first month of spring recovery.

**The fact that app counts are essentially unchanged from January suggests the spring demand surge has not yet fully materialized in this group's pipeline.**

The credit pull-to-funded ratio remains at approximately 4.2x (35,544 credit pulls vs. 8,430 retail funded units). Unconverted pulls represent wasted processor and LO time, a hidden cost at \$11,000+ per loan.

- **Total new apps: 17,921 units**
- Conv: 11,407 (63.7%)
- Govt: 4,540 (25.3%)
- Jumbo: 549 (3.1%)
- Other: 1,425 (7.9%)
- Credit pulls: 35,544
- **Pull-to-fund ratio: ~4.2x, review pre-qual process**

App-to-funded pipeline discipline is critical heading into spring. Members with the highest pull-to-fund ratios should assess their pre-qualification process immediately.



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# Gross Margin & Gain on Sale

February gross margin metrics show the most significant positive development in the report: conventional whole loan sale prices recovered to a weighted average of 102.19, up sharply from January's 99.47 below-par average.

Conventional loans selling above par restores a meaningful margin cushion. Members who were underwater on conventional execution in January should review whether their secondary execution practices captured this improvement or left basis points on the table.

Government loan execution held at 102.30, reflecting continued investor demand for FHA/VA product.

Average lender fees of \$1,453 on conventional and \$1,407 on government remain below the level needed to fully offset rising origination costs, but the gain-on-sale recovery changes the margin picture materially.

- **Conv avg sale price: 102.19 ▲ recovered above par**
- **January conv was 99.47, below par**
- Govt avg sale price: 102.30
- Avg conv lender fees: \$1,453
- Avg govt lender fees: \$1,407
- Avg interest rate: ~6.16%
- Avg fee income/loan: \$40
- Avg dwell time: ~18 days

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# Purchase vs. Refinance Mix

February's 70.6% purchase / 29.4% refi mix is identical to January, a stable and expected pattern given rates remaining in the 6.5–7.0% range for most borrowers nationally.

The MBA projects purchase at approximately 70% of 2026 total originations. February confirms this group is executing on that projection. Members below 65% purchase mix should examine LO activity metrics and referral pipeline health immediately.

**Inventory remains constrained in most metros. Win on service speed, cycle time performance directly translates to realtor loyalty and repeat referrals in this environment.**

- **Purchase: 6,399 units (70.6%) | \$2.16B**
- **Refinance: 2,661 units (29.4%) | \$0.99B**
- MBA 2026 forecast: purchase ~70% of market
- Rate-and-term refi limited at current rate levels
- Cash-out refi sustained by strong home equity

**Members below 65% purchase mix: review LO activity and referral pipeline now.**

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# Staffing & Compensation

Total combined staff measured 4,716 across LO, processor, underwriter, closer, and support categories. Funded units of 9,060 yield the 1.92 units per FTE productivity discussed earlier. Headcount grew by 158 from January's 4,558.

Given that funded units grew only marginally, members should ensure staffing additions are front-loaded toward production-facing roles that directly drive throughput.

**Right-sizing support staff for the spring ramp is the most important staffing decision of Q1 2026. Overstaffed operations compress margin; understaffed operations create cycle time blowouts in March–May.**

- **Total staff (LO+PR+UW+CL+SS): 4,716**
- **Funded units: 9,060 | Units/FTE: 1.92**
- Avg LO commission: 87 BPS
- Avg Processor salary: \$61,784/yr
- Avg Underwriter salary: \$94,850/yr
- Avg Closer salary: \$60,988/yr



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