

Refinance Prepayment Index (RPX)

Freddie Mac's Refinance Prepayment Index (RPX) is a weekly series that measures mortgage refinance application activity based on loan application data evaluated through Freddie Mac's automated underwriting system, Loan Product Advisor® (LPA®). RPX is designed to serve as an early indicator of prepayments to provide investors, lenders and economists with insight to help forecast future market behavior and to better manage prepayment risk.

The weekly reporting period begins at 12:00 AM (EST) on Saturday and extends through 11:59 PM (EST) the following Friday.

Methodology

The Refinance Prepayment Index (RPX) sources data from applications received in Freddie Mac's Loan Product Advisor (LPA) automated underwriting system during the defined reporting period and applies the following criteria:

1. Only include cash-out and no cash-out refinance applications.
2. Only include those refinance applications that meet Freddie Mac's purchase eligibility requirements (including those loans that are approved but not eligible for delivery based on loan amounts that exceed conforming loan limits).
3. Exclude refinance applications on second liens and pre-qualifications.
4. Only include applications that would result in the prepayment of an existing Freddie Mac mortgage.
5. Duplicate applications for the same borrower, property and seller will only be counted once within the reporting period.
6. A refinance application for the same borrower, property and seller will only be included if the record was not evaluated in the previous two months, or if the application reflects a change in interest rate.

The criteria are applied to all refinance applications received in LPA beginning with the week ending on January 14, 2005. All refinance applications received during the defined reporting period are summarized as a total loan count and total aggregate loan amount that are then presented as an adjusted value from the benchmark.

Publication Schedule

The RPX weekly updates will be published every Tuesday morning at 10:00 AM (EST) in a cumulative file that will be appended each week with data from the prior week. The RPX file name is static, but the data is updated weekly and provides the ending date of each reporting period within the file.