(#169) Dear Management:

October 18, 2019

Here is why I DON'T use lock activity to predict future volume trends.  
  
Lock activity follows market movement NOT production flows.  So if the market says lock, people lock... and this can happen anytime from apps to fundings.  
  
See the problem in predicting future volume?  No?  
  
Well, maybe if I explain how I DO predict future volume trends instead.    
  
I do it by following daily activity trends... of different pressure points throughout the production process. I then apply historical pull-thru %'s against those numbers.    
  
Unlike with locks, there is a consistency and a FIFO (first in first out) type of assembly line basis to predict upon.  
  
For example:  Taking app activity and applying our pull-thru %, I'm able to see a 60 to 90 day future window.  
  
The same it true for other pressure points, such as triggered apps, sub to proc or U/W, etc.  
  
(Of course, you'll have to tweak to your own regional/company process flow idiosyncrasies)  
  
But again, lock activity doesn't do this.  It follows market trends.  So applying historical pull-thru against that activity may tell you HOW MUCH will fund, but not WHEN.  At least not as reliably as I have found with other methods...  
  
Now you know...  
  
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