

# Monthly Warehouse Insights

**2025**

## MONTHLY INSIGHTS

The effective cost of warehouse decreased 9 basis points to 6.42% in June. While the Overnight SOFR remained stable at 4.32%, the effective spread narrowed slightly to 2.10%. The average note rate rose to 6.76%, helping to lift warehouse carry to 0.34%, an improvement from just 0.12% the month prior. Average dwell time increased to 19 days, but net warehouse spread jumped to \$63 per loan, reflecting more favorable economics for originators.

At its June meeting, the Federal Reserve kept interest rates unchanged at 4.25%–4.50%, as inflation remains above target and the job market holds steady. While there's been some progress, officials are not ready to shift course just yet. The Fed signaled that any move to lower rates will take more time, with many now expecting just one cut before year-end.

## Warehouse Lending Trends

	May 2025	June 2025
Effective Cost of Warehouse	<b>6.51%</b>	<b>6.42%</b> -0.09%
Average Overnight SOFR	<b>4.31%</b>	<b>4.32%</b> +0.01%
Effective Spread to Overnight SOFR	<b>2.20%</b>	<b>2.10%</b> -0.10%
Average Note Rate	<b>6.63%</b>	<b>6.76%</b> +0.13%
Warehouse Carry	<b>0.12%</b>	<b>0.34%</b> +0.22%
Average Dwell Time	<b>16</b>	<b>19</b> +3
Net Warehouse Spread (per loan)	<b>\$19</b>	<b>\$63</b> +\$44

With warehouse carry rebounding and net spread per loan more than tripling in June, there's reason for cautious optimism—but longer dwell times and rising note rates tell a more nuanced story. Originators are navigating a delicate balance: securing funding at a reasonable cost while managing tighter margins and shifting product mixes. When every basis point matters, it's critical to have full visibility into every dollar moving through the warehouse. OptiFunder's platform equips originators with the tools to monitor real-time funding performance, while automating the entire process from funding allocation to warehouse paydown. Want to see how OptiFunder can help you take control of warehouse performance? [Let's talk.](#)