MORTGAGE MONITOR

BLACK KNIGHT®

FEBRUARY 2020 REPORT

MORTGAGE MONITOR

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FEBRUARY 2020 OVERVIEW

Each month, the Black Knight Mortgage Monitor looks at a variety of issues related to the mortgage finance and housing industries.

This month, as always, we begin with a review of some of the high-level mortgage performance statistics reported in our most recent First Look report, with an update on delinquency, foreclosure and prepayment trends. Next, we look at February's mortgage performance numbers and how they might be impacted in coming months from the COVID-19 pandemic that has already begun to disrupt financial and mortgage markets.

Then, we look at how market uncertainty around COVID-19 has been impacting 10-year Treasury yields, and the spread between those and 30-year fixed mortgage rates. We also examine the dramatic and frequent shifts in interest rates – seemingly on a daily basis – over the past several weeks, and how those shifts have been impacting refinance incentive and retention risk. Finally, we explore the impacts COVID-19 and the associated interest rate volatility are having on the housing market, including affordability and buying power. We also look at the effects this is having on housing supply (listings) vs. demand (showings), as well as transaction volumes.

In producing the Mortgage Monitor, Black Knight's Data & Analytics division aggregates, analyzes and reports upon the most recently available data from the company's vast mortgage and housing related data assets. Information is gathered from the McDash loan-level mortgage performance dataset, the Black Knight HPI and the company's robust public property records database covering 99.9% of the U.S. population. For more information on gaining access to Black Knight's data assets, please call 844-474-2537 or email mortgage.monitor@bkfs.com.

MORTGAGE MONITOR

FEBRUARY 2020 FIRST LOOK RELEASE

Here we have an overview of findings from Black Knight's 'First Look' at February mortgage performance data. This information has been compiled from Black Knight's McDash loan-level mortgage performance database. You may click on each chart to see its contents in high-resolution.

FEBRUARY OVERVIEW STATS

1.95%

CHANGE IN DELINQUENCY RATE

Mortgage **delinquencies ticked up slightly** in February, with the national delinquency rate hitting 3.28%

Still, the delinquency rate remained **more than 15% below** last years' level

7.78%

PREPAYMENT RATE

Prepayments rose as early 2020 rate declines drove **an increase in refinance activity**

Recent **interest rate volatility has caused uncertainty** in prepayment activity in the coming months

-24.53%

FORECLOSURE STARTS

Foreclosure starts fell to the **lowest level on record** since Black Knight began reporting the data in January 2000

The national foreclosure rate also ticked lower, falling to 0.45%, **the lowest it's been since 2005**

At just 32,300, February saw the fewest foreclosure starts of any month since Black Knight began reporting the data in 2000

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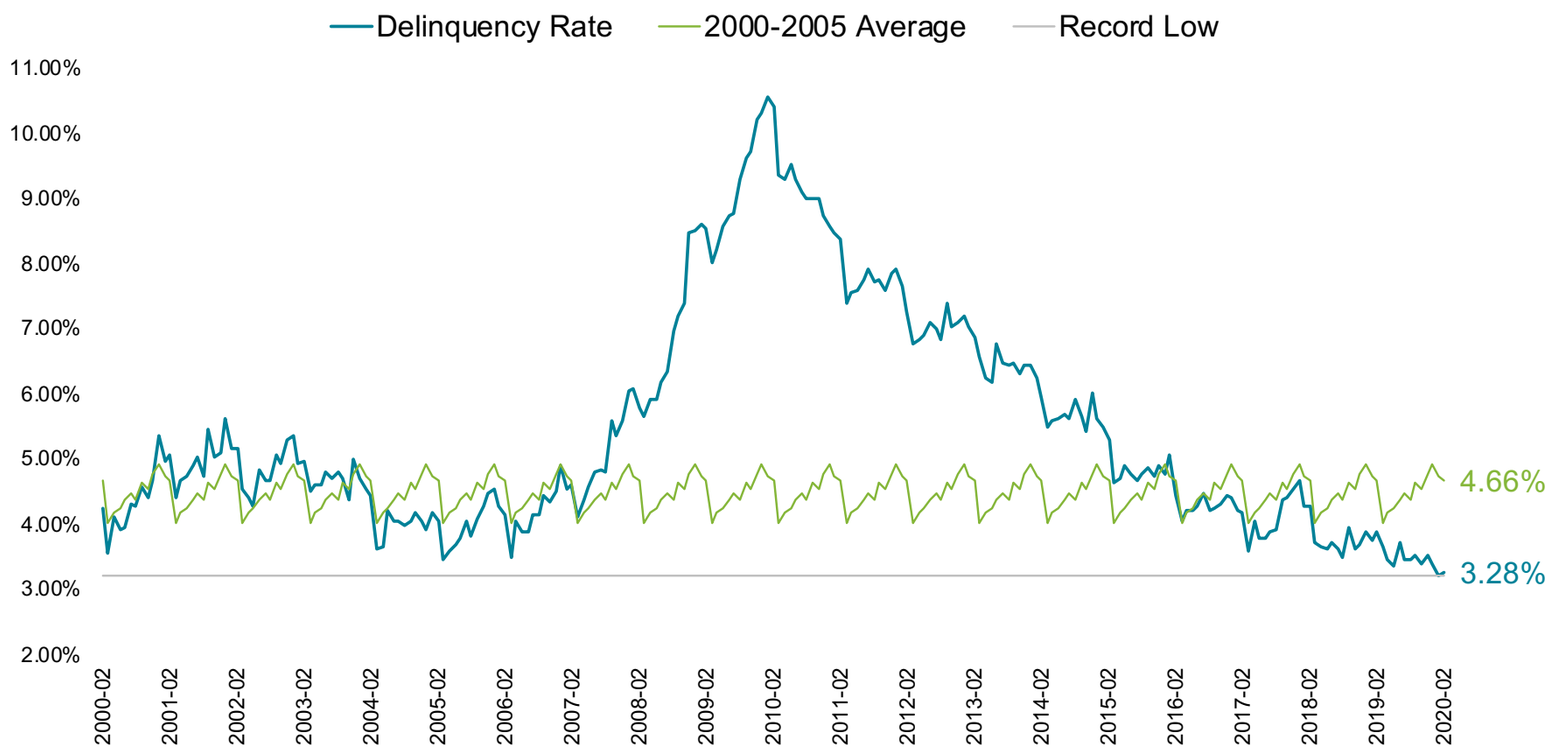
MORTGAGE MONITOR

FEBRUARY 2020 COVID-19: POTENTIAL IMPACT ON MORTGAGE PERFORMANCE

Here we explore the potential impact of COVID-19 on mortgage performance, with a focus on the number of borrowers who could potentially become past due or in need of forbearance as a result from the recent marked increase in unemployment. We also compare current market conditions to those entering the Great Recession. This information has been compiled from Black Knight's McDash loan-level mortgage performance database. You may click on each chart to see its contents in high-resolution.

NATIONAL DELINQUENCY RATE – FIRST LIEN MORTGAGES



Leading up to the COVID-19 outbreak, the vast majority of mortgage performance metrics were at or near record levels

- As of February, the national delinquency rate was 3.28%; just one month removed from its record low and with the rate of improvement accelerating in recent months
- Likewise, the national foreclosure rate was only 1 BPS above its all-time low and was trending downward heading into 2020
- Foreclosure starts hit their lowest level on record in February as well and were down by some 20% from the same time last year
- While these historically low levels of past due mortgages provide a strong foundation for the market leading up to the COVID-19 pandemic, they also mean that default servicing staff had been greatly reduced in recent years
- This will compound the challenge that servicers face in managing the wave of new forbearance and deferral requests on the horizon in coming weeks/months

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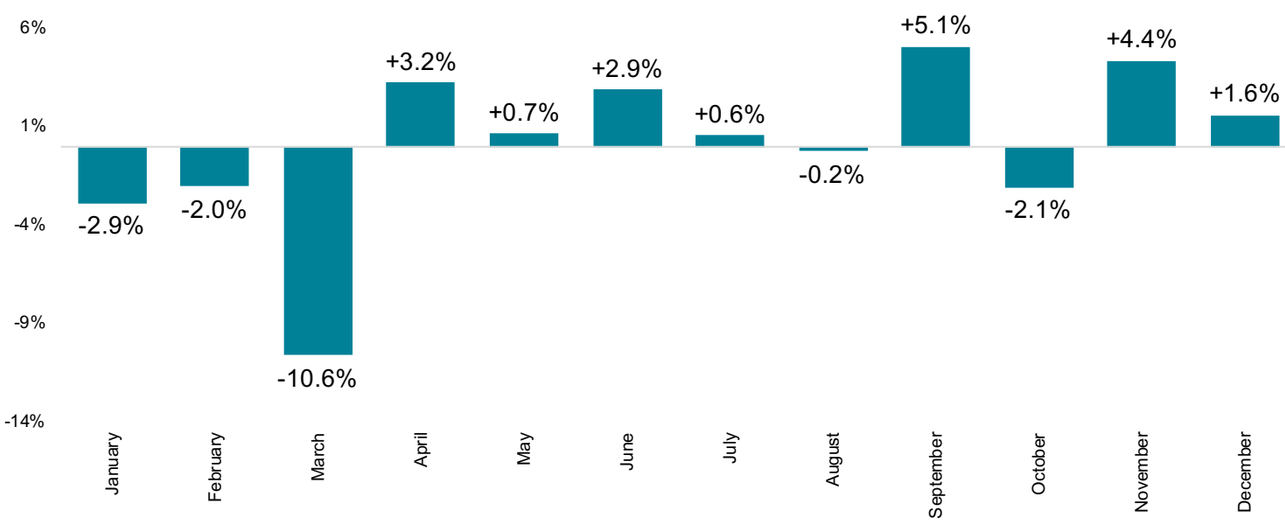
FEBRUARY 2020 COVID-19: POTENTIAL IMPACT ON MORTGAGE PERFORMANCE

AVERAGE MONTHLY CHANGE IN DELINQUENCY RATE

(SINCE JANUARY 2000)



IRS TAX RETURN DATA			
As of March 20th 2020			
Individual Tax Returns:	**2019**	**2020**	**Percentage Change**
Total Returns Received	84,075,000	84,222,000	0.2%
Total Returns Processed	81,562,000	81,158,000	-0.5%
Total Refunds:	**2019**	**2020**	**Percentage Change**
Number	65,836,000	65,097,000	-1.1%
Amount	$191.9B	$191.1B	-0.4%
Average refund	$2,915	$2,936	0.7%

Cumulative statistics comparing 3/22/2019 and 3/20/2020

Full-Year Totals			
Individual Tax Returns:	**2019**	**2020**	**Percentage Change**
Total Returns Received	155,798,000	TBD	
Total Returns Processed	155,611,000	TBD	
Total Refunds:	**2019**	**2020**	**Percentage Change**
Number	111,811,000	TBD	
Amount	320.8	TBD	
Average refund	$2,869	TBD	

Cumulative statistics as of 12/27/2019

- March typically marks the strongest month in terms of mortgage performance, with tax refunds and bonus payouts helping homeowners catch up on past-due mortgage payments
- On average, over the past 20 years, mortgage delinquencies have declined by 10% month-over-month in March – more than 3X the average improvement of any other month
- In fact, over the past 20 years, even during the heart of the Great Recession, mortgage delinquencies have never increased in the month of March
- Despite the tax filing deadline pushback, tax season was right on track with 2019, with 81.2M tax returns processed and 65.1M refunds issued as of March 20
- While early impacts of COVID-19 may be seen among a subset of homeowners who typically make their mortgage payments late in the month, even if we saw a fraction of March's typical performance improvement, delinquencies could hit a new record low in March before the full onset of COVID-19 begins to push delinquency rates up in following months

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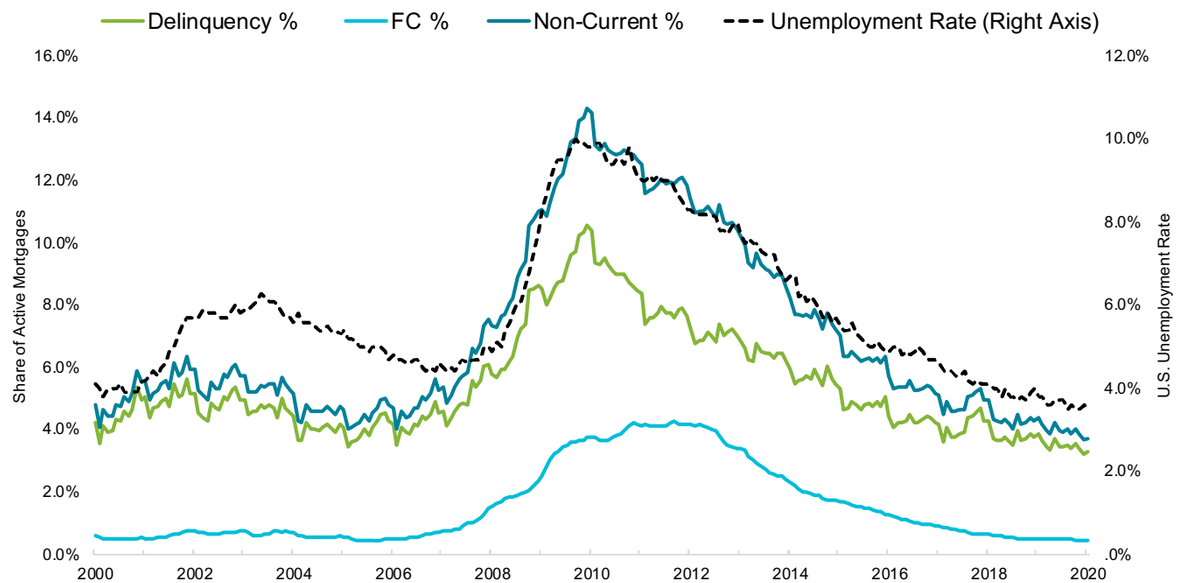
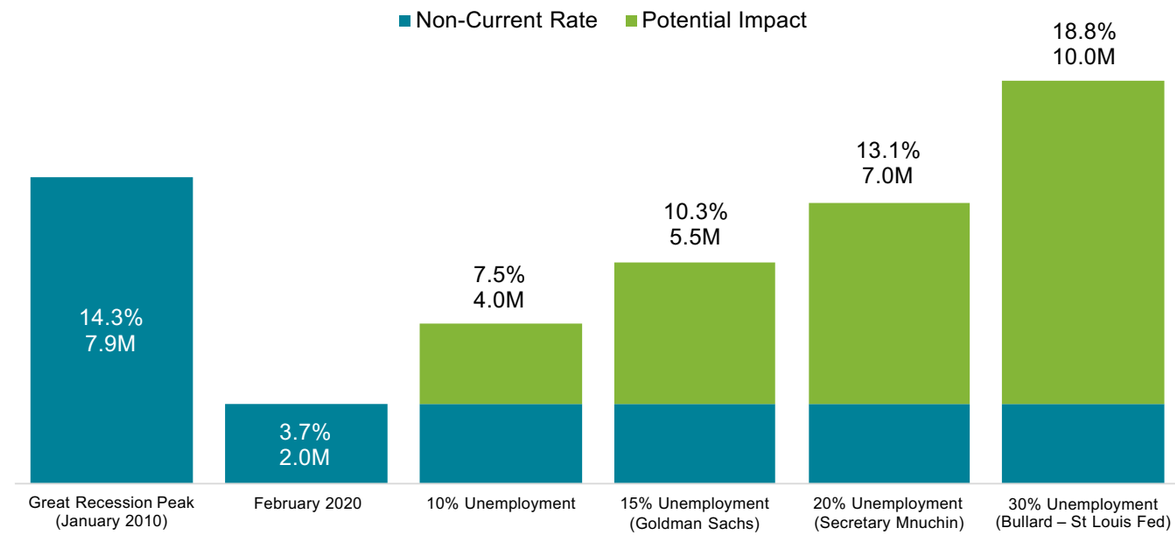
FEBRUARY 2020 COVID-19: POTENTIAL IMPACT ON MORTGAGE PERFORMANCE

UNEMPLOYMENT RATE VS. MORTGAGE PERFORMANCE



POTENTIAL IMPACT OF VARIOUS UNEMPLOYMENT RATE SCENARIOS ON MORTGAGE PERFORMANCE



- More than 10 million Americans have filed for unemployment (UE) in the weeks since COVID-19 was labeled a pandemic.
- As unemployment has historically been a significant driver of mortgage performance, Black Knight's Applied Financial Technology (AFT) modeling team looked at various scenarios in an attempt to quantify the potential default risk of rising unemployment
- Trying to gauge the impact of COVID-19 on mortgage performance is as much an art right now as a science, due to the fact is that there is no true point of comparison in the nation's recent history for analysts to model against
- That said, there are some historical clues that can help shed light
- Using the Great Recession as a point of comparison, at 10% UE, we could expect 2M new mortgage delinquencies, for a total of 4 million delinquencies and a national non-current rate of 7.5%
- If UE climbs to the 15% recently projected by Goldman Sachs, we could be looking at 5.5 million past-due mortgages
- Should UE reach the 30% projected by the Federal Reserve Bank of St. Louis, the non-current rate could spike to nearly 19%, surpassing what we saw during the Great Recession, with 10 million homeowners past due on their mortgages
- The low risk make-up of active mortgages, the housing market's current strength and housing affordability may help offset some of the default risk

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FEBRUARY 2020 COVID-19: POTENTIAL IMPACT ON MORTGAGE PERFORMANCE

Metric	Great Recession (Entering 2007)	Today (February 2020)
Number of Active Mortgages	53.7M	52.9M
Share of homeowners with less than 10% equity	14.50%	6.60%
Total Market CLTV	57.40%	52.30%
Average Current CLTV	61.83%	53.31%
Average DTI at Origination	34.5	33.5
Average Original Credit Score	708	736
Average Current Credit Score	713	747
Mortgage Delinquency Rate	4.92%	3.28%
Payment to Income Ratio*	31.80%	20.90%
Number of Active Subprime Loans	5,100,000	1,980,000
Number of Active ARM Mortgages	12,890,000	3,200,000
ARM Mortgages Schedule to resent w/in 3 years	4,950,000	320,000
Number of Active Option ARM Loans	2,230,000	384,000
GNMA/GSE Share	**63%**	**75%**

*Share of median income needed to purchase average price home with 20% down payment

The credit quality of mortgage borrowers is significantly higher today than that of borrowers before the Great Recession

- Less than half as many homeowners hold less than 10% equity in their homes with the total market CLTV of U.S. housing (52%) near its lowest level in 15 years
- Strong equity positions, including record levels of tappable equity, should serve to limit the strategic default activity prevalent during the Great Recession
- The average current credit score is 34 points higher than it was entering 2007, delinquencies are at record lows, and UE was historically low at 3.5% before the COVID-19 outbreak
- There are significantly fewer high-risk products today, with 60% fewer subprime loans, 75% fewer adjustable rate mortgages (ARMs) and upcoming initial ARM adjustments – a catalyst of default activity during the Great Recession – are all but non-existing in today's market
- In addition, today's payment to income ratio – a measure of how well home prices are supported by current incomes and interest rates – is significantly stronger than it was in 2007, which could help to limit any near-term home prices declines from COVID-19

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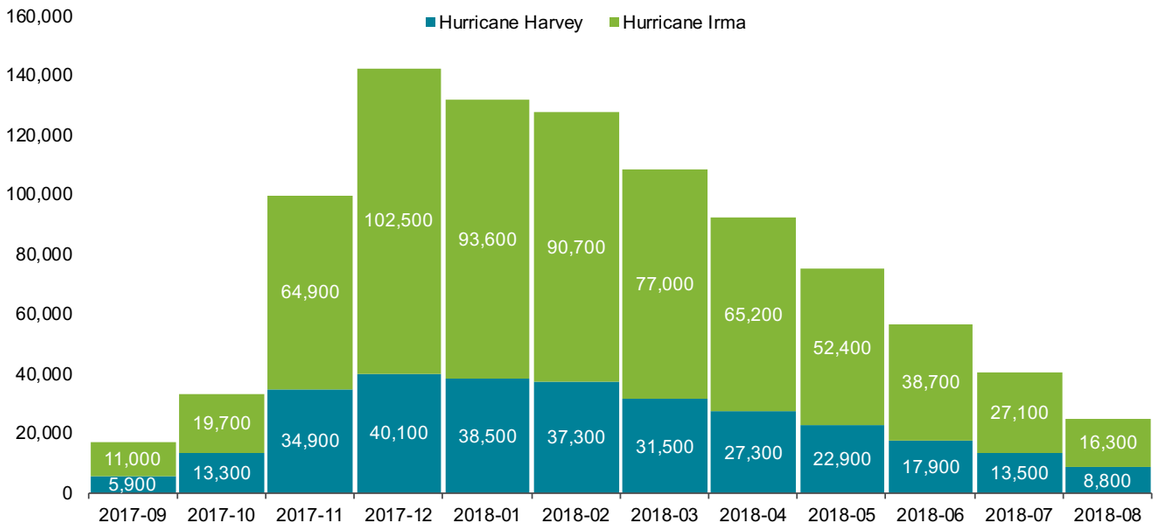
FEBRUARY 2020 COVID-19: POTENTIAL IMPACT ON MORTGAGE PERFORMANCE

HURRICANE RELATED 90+ DAY DQs – MAINLAND U.S.



Current Status of Borrowers that became SDQ following 2017 Hurricane Events McDash Custom Data Analysis

Current Status (As of Dec 2019)	Hurricane Irma (FEMA Declared Counties)	Hurricane Harvey (FEMA Declared Counties)	Non-Hurricane Affected Areas
Current on Mortgage Payments	63%	61%	30%
Refinanced/Sold Home	22%	22%	22%
30-60 Days DQ	8%	9%	11%
90+ Days DQ	3%	5%	10%
Active Foreclosure	3%	2%	12%
FC Sale / Short Sale	1%	1%	15%
Overall	**100%**	**100%**	**100%**

The analysis above details the current (or final) status of borrowers that were current on their mortgage prior to hurricanes Harvey and Irma and became 90 or more days delinquent in the 4 months following the storm. The "Non-Hurricane Affected Areas" provides a benchmark for borrowers outside of hurricane affected areas that became seriouly delinquent at the same time.

- We may also be able to glean some insight into the impact of COVID-19 by examining the abrupt impacts to mortgage performance following hurricane-related events
- Of course, hurricanes can impact the market at different magnitudes; Katrina caused 13% of homeowners to become seriously delinquent; Harvey and Irma 3%; while Sandy caused just 0.3% to become seriously past due
- This makes it difficult to assign a specific number to a natural disaster that has hit the whole country simultaneously
- That said, following hurricanes Harvey and Irma in 2017, more than 140K (3.2%) of the 4.5M mortgage holders in affected areas became 90 or more days past due on payments
- If COVID-19's impact is similar, more than 1.7M homeowners would be in need of forbearance type assistance in the coming months, although early insights are suggesting that the true number of forbearance request may be much more significant
- Pointing to the effectiveness of forbearance programs in a time of crisis, Black Knight found that of the more than 140K serious delinquencies caused by the 2017 hurricane season, just 1% of homes were lost to foreclosure or short sale two years after the storms
- This is compared to some 15% of seriously delinquent mortgages that resulted in foreclosure or short sale in non-hurricane-impacted areas over the same period
- While such programs have proven to be effective in helping homeowners recover from short-term financial impacts, if income and financial losses from COVID-19 prove to be long term, additional assistance programs may be required

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FEBRUARY 2020 COVID-19: POTENTIAL IMPACT ON MORTGAGE PERFORMANCE

	FNMA / FHLMC	FHA/VA	Portfolio/Other	Private Security	Total Market
Active Loan Count	27.9M	12.1M	10.4M	2.5M	52.9M
Average Monthly P&I Payment*	$1,115	$903	$1,816	$1,349	$1,216
Aggregate Monthly P&I Payment*	$31.1B	$10.9B	$18.9B	$3.4B	$64.9B
Estimated monthly P&I advances: If 5% of borrowers require payment deferral or forbearance assistance	***$1.6B***	***$.5B***	$.9B	$.2B	$3.2B
Estimated monthly P&I advances: If 10% of borrowers require payment deferral or forbearance assistance	***$3.1B***	***$1.1B***	$1.9B	$.3B	$6.5B
Estimated monthly P&I advances: If 20% of borrowers require payment deferral or forbearance assistance	***$6.2B***	***$2.2B***	$3.8B	$.7B	$13.0B

*Based on data observations from Black Knight's McDash data set and extrapolated to estimate the full mortgage market

It remains to be seen whether servicers, particularly non-bank lenders, have sufficient capital to make P&I advances to bond-holders on a large number of forbearances

- In light of the myriad of COVID-19 related payment deferral and forbearance programs being rolled out across the country, it's worth exploring the potential downstream ramifications of such programs on cash-flows to mortgage-backed securities (MBS) holders and associated P&I advances that may be needed in coming months
- The average principal and interest P&I payment in the United States is currently $1,216 per month, totaling $65 billion per month for the 52.9 million outstanding U.S. mortgages.
- Should 5% of homeowners be in of need payment deferral or forbearance plans, it would result in $2.1 billion in P&I advances from mortgage servicers to federally-backed security holders per month
- At 10%, monthly advances would jump to $4.2 billion and to $8.48 billion per month should the share of borrowers in need reach 20%.
- While Ginnie Mae has announced a pass-through assistance program through which it will advance principal and interest payments to investors on behalf of servicers, at present there is no such program in place for mortgages backed by the GSEs

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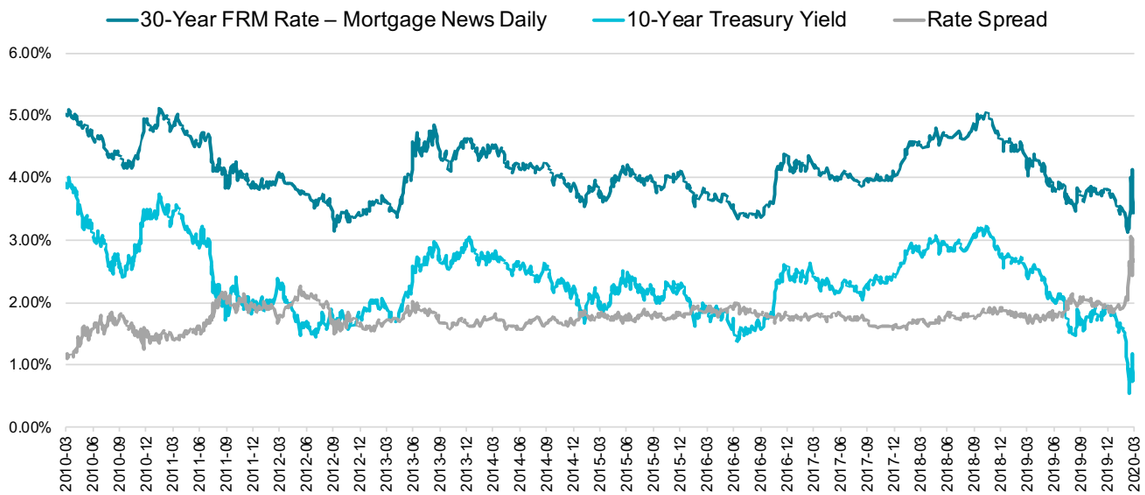
FEBRUARY 2020 COVID-19: IMPACT ON INTEREST RATES AND REFINANCE INCENTIVE

Next, we dive into the recent interest rate volatility and how it has caused the population of borrowers with refinance incentive to shift dramatically from day to day. This information has been compiled from Black Knight's McDash loan-level mortgage performance database as well as third-party sources. You may click on each chart to see its contents in high-resolution.

10-YEAR TREASURY VS. 30-YEAR FIXED MORTGAGE SPREAD

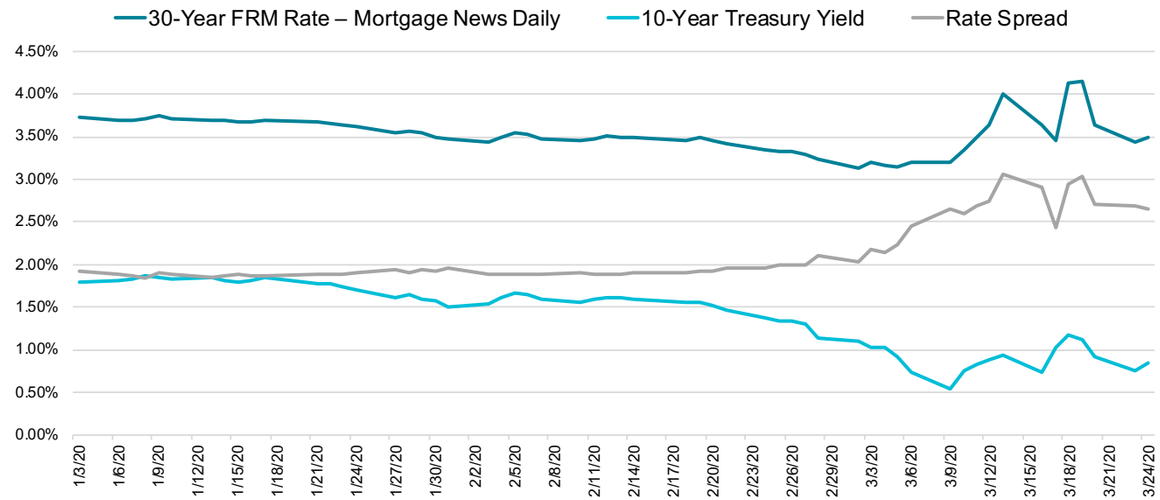
(10 YEAR HISTORY)



Mortgage News Daily
Board of Governors of the Federal Reserve System (US), 10-Year Treasury Constant Maturity Rate [DGS10], retrieved from FRED, Federal Reserve Bank of St. Louis

10-YEAR TREASURY VS. 30-YEAR FIXED MORTGAGE RATE SPREAD

(YEAR-TO-DATE)



Mortgage News Daily
Board of Governors of the Federal Reserve System (US), 10-Year Treasury Constant Maturity Rate [DGS10], retrieved from FRED, Federal Reserve Bank of St. Louis

- Historically, 10-year Treasury yields and 30-year fixed-interest mortgage rates move in relative tandem, but surges in refinance applications which have overwhelmed originator supply chains, along with uncertainty in the secondary markets, have resulted in 30-year rate increases and widening spreads.
- After hovering in a relatively narrow 15BPS window (1.84%-1.99%) for the better part of the prior three months, spreads rose sharply as investors sought the safe haven of treasuries in early March pushing 10-year treasury yields to an all-time low
- Initially 30-year rates followed suit, also hitting record lows in early March but, as uncertainty reached a fever pitch, 30-year interest rates began to pull up, breaking ties with 10-year treasuries which have remained below 1% in recent weeks
- By mid-March, 10-year and 30-year rate spreads reached 3.06% — more than a full percent above their 12-month average and the largest such rate spread since late 2008

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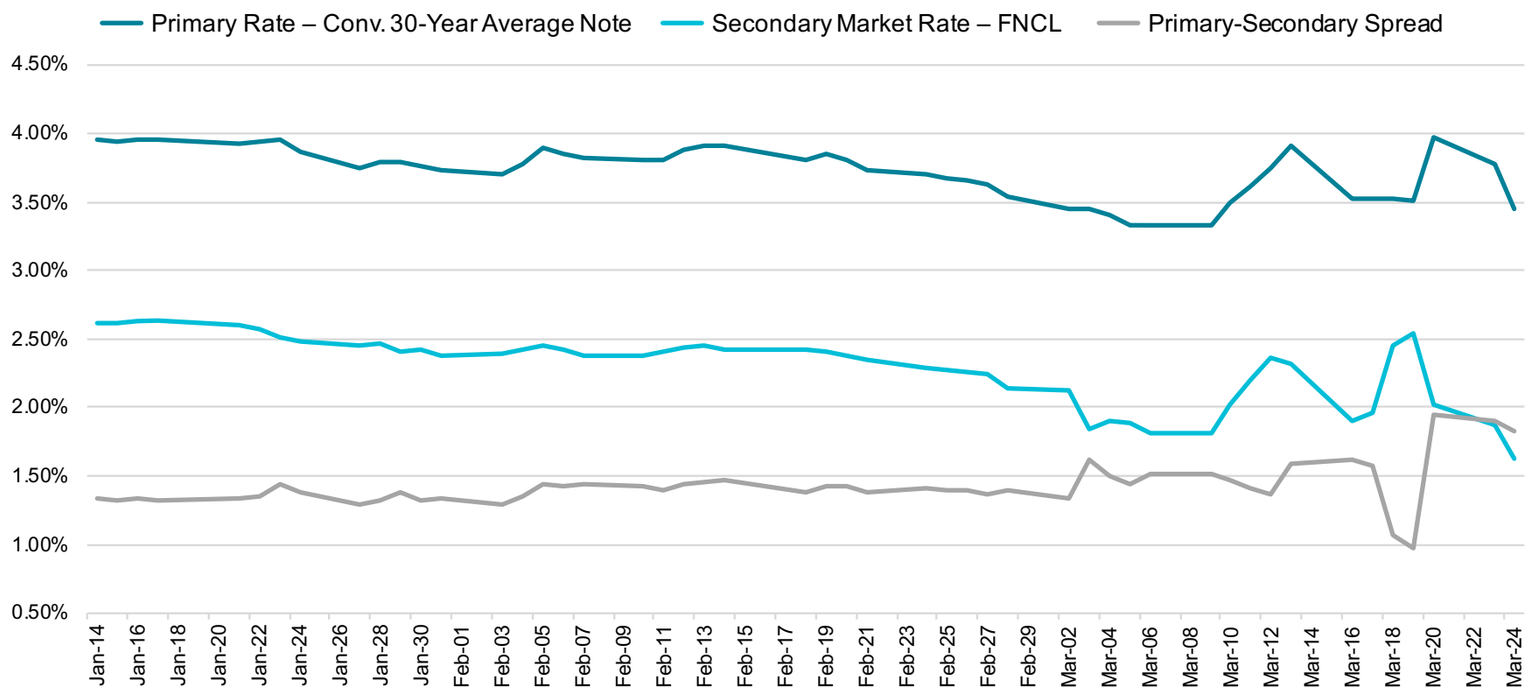
FEBRUARY 2020 COVID-19: IMPACT ON INTEREST RATES AND REFINANCE INCENTIVE

PRIMARY VS. SECONDARY 30-YEAR FIXED MORTGAGE RATE SPREAD



The Federal Reserve's quantitative easing (WE) efforts, its commitment to providing liquidity and uncertainty in the secondary markets have led to significant swings in primary and secondary rate offerings

- Lenders being overwhelmed with refinance volume led many to assume that the rise in rates that followed was a result of padded rate offerings to help temporarily stem the tide
- However, aggregated data from Black Knight's Compass Analytics tells a more detailed story, showing the sharp rise in 30-year rates was primarily a result of surging secondary market rates due to increased prepayment risk and economic uncertainty
- While the Fed's QE efforts tamed 30-year rates and eased their spread vs. 10-year treasuries, the combination of sharply falling rates and disruptions/delays in lending have created issues for mortgage lenders
- Falling 30-year rates would typically mean increased profits for lenders selling loans locked in at higher rates 30 days prior, but delayed and/or cancelled closings have left lenders without the funds needed to pay margin calls on their rate hedges
- Such impacts have led some lenders to temporarily suspend lending activity, with others left wondering if they would have enough capital to continue operations

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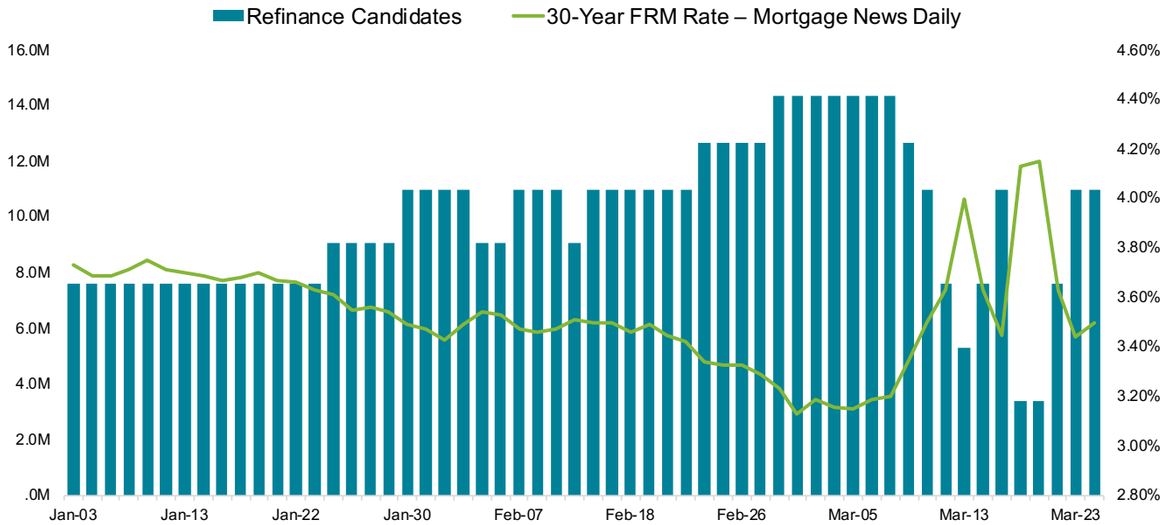
FEBRUARY 2020 COVID-19: IMPACT ON INTEREST RATES AND REFINANCE INCENTIVE

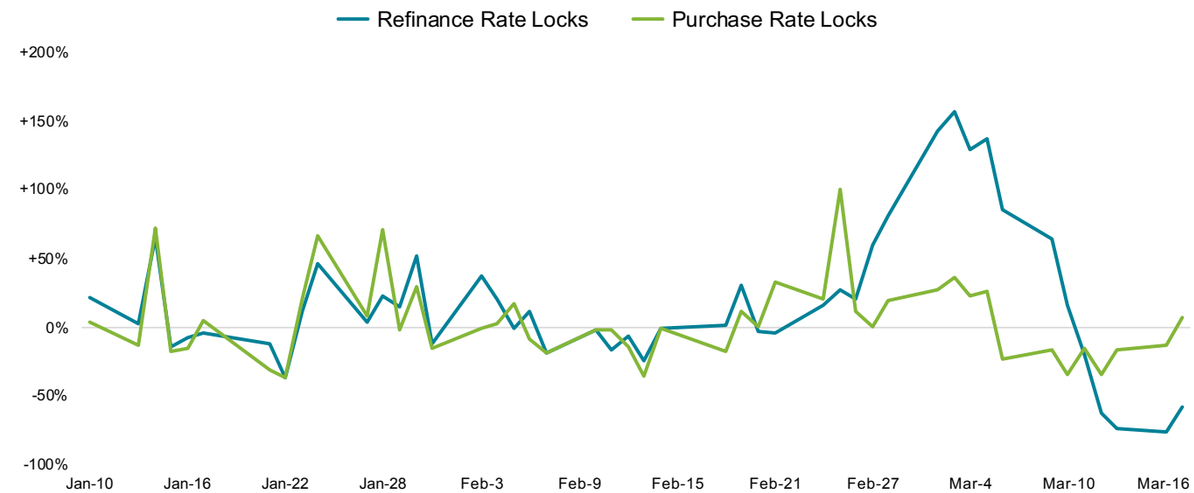
NUMBER OF REFINANCE CANDIDATES ON EACH DAY OF 2020



Refinance Candidates: Homeowners current on their mortgage with 720+ credit scores and >=20% equity in their home that could reduce their interest rate by 0.75% or more by refinancing into a 30-year fixed rate mortgage at the prevailing interest rate

WEEKLY CHANGE IN RATE LOCK VOLUMES

(BLACK KNIGHT'S COMPASS ANALYTICS PLATFORM)



- While Black Knight typically reports refinance incentive by month or week, the significant swings seen among in 30-year rates in recent weeks warrant examining such trends on a daily basis
- After holding steady from October 2019 through mid-January 2020, falling 30-year rates began to increase the number of refinance candidates by late January
- By the time 30-year rates ultimately fell to an all-time low on March 2, the population of refinance candidates had ballooned to 14.3M, the highest level ever recorded, and twice their already elevated level entering 2020
- Those record levels of incentive drove a tidal wave of refinance applications, with Black Knight's Compass Analytics team reporting a 150% week-over-week increase in refinance-related rate locks on March 3 (the day after 30-year rates hit their record low)
- But those volumes proved to be short lived as trepidation among mortgage investors and rising secondary market interest rates caused 30-year mortgage rates to surge and refinance incentive to plummet, with both refi candidates and refinance-related rate locks both falling by 75% or more by March 16
- By late March, there were over 10M refi candidates back in the market and rate locks began to pick up once again

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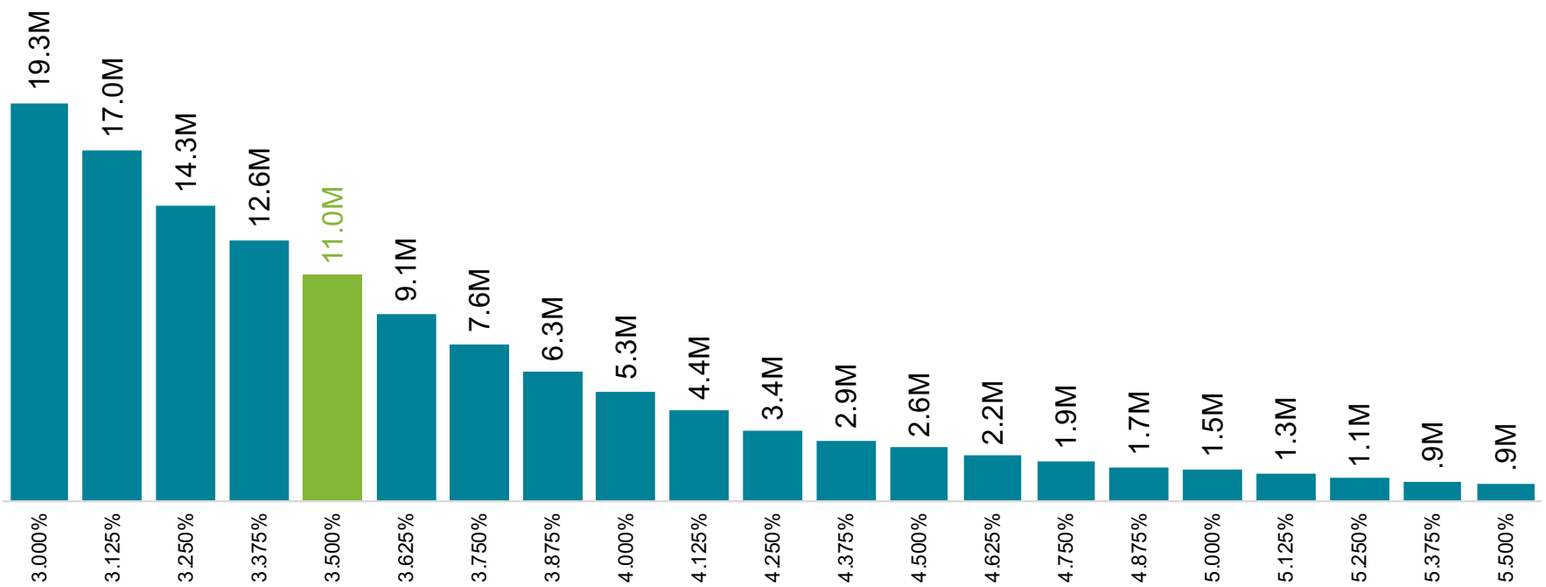
NUMBER OF REFINANCE CANDIDATES UNDER DIFFERENT 30-YEAR FIXED RATE SCENARIOS

(BASED ON FIRST LIEN MARKET MAKE-UP AS OF FEBRUARY 2020)



Should 30-year rates return to 3.25% in the near future, the population of borrowers with refinance incentive would return to its all-time high of 14.3M; if rates fall to 3%, refi incentive would jump to 19.3M

- If that were to happen, mortgage servicers could soon be facing the daunting task of dealing with both record levels of attrition risk while at the same time managing a potential wave of borrowers in need of payment deferral and forbearance
- Those that struggle to retain refinancing borrowers (either through rate modifications or refi transactions) could see decreased cash flows from performing mortgages, compounding the liquidity challenges from a potential surge in required P&I advances on non-performing loans
- Servicers that are able navigate those treacherous waters stand to come out ahead on the far side of COVID-19, although accomplishing that task while also dealing with the myriad of other COVID-19-related impacts will be daunting

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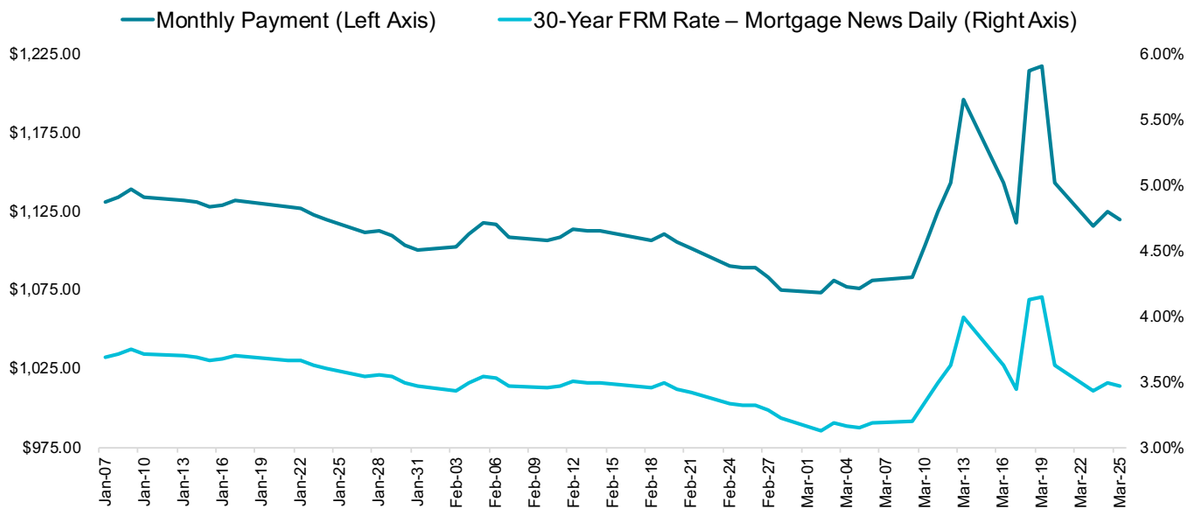
MORTGAGE MONITOR

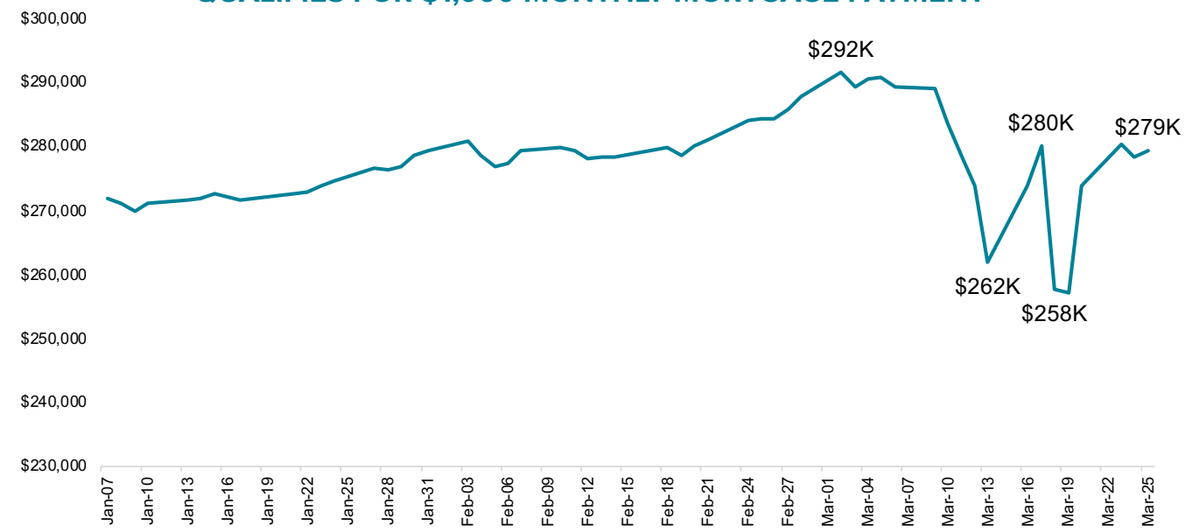
FEBRUARY 2020 COVID-19'S POTENTIAL IMPACT ON THE HOUSING MARKET

Finally, we look at how rate volatility has resulted in significant shifts in prospective homebuyers' purchasing power, and what the recent declines in both real estate showings and listings could mean for overall transactions in 2020. This information has been compiled from Black Knight's McDash loan-level mortgage performance database. You may click on each chart to see its contents in high-resolution.

MONTHLY PRINCIPAL AND INTEREST PAYMENT NEEDED TO PURCHASE AVERAGE PRICED HOME



BUYING POWER OF PROSPECTIVE HOMEBUYER THAT QUALIFIES FOR $1,000 MONTHLY MORTGAGE PAYMENT



- Not only has recent interest rate volatility been impacting refinance incentive but it's also been impacting home affordability as well
- After seeing affordability improve to its strongest level in more than three years in early March, recent jumps in 30-year rates have significantly shifted the affordability landscape, seemingly on a daily basis
- The payment required to purchase the average-priced home fluctuated by more than 13% over the last two weeks of March, making it difficult for prospective buyers to gauge how much home they qualify to purchase and creating challenges for those under contract to decide when to lock in their rate
- To look at this another way, the buying power of a prospective homebuyer who qualified for a $1,000/month mortgage payment with 20% down rose from $270,000 at the start of the year to $292,000 on March 2 – when 30-year rates fell to 3.13%
- When rates hit 4.15% two weeks later, that same borrower would have only qualified for a $258,000 home purchase – a $34,000 reduction in buying power
- The Fed's QE efforts may serve to help settle this volatility, but social distancing efforts, economic uncertainty, and the rising number of job losses may also impact the demand side of the housing equation in coming weeks and months

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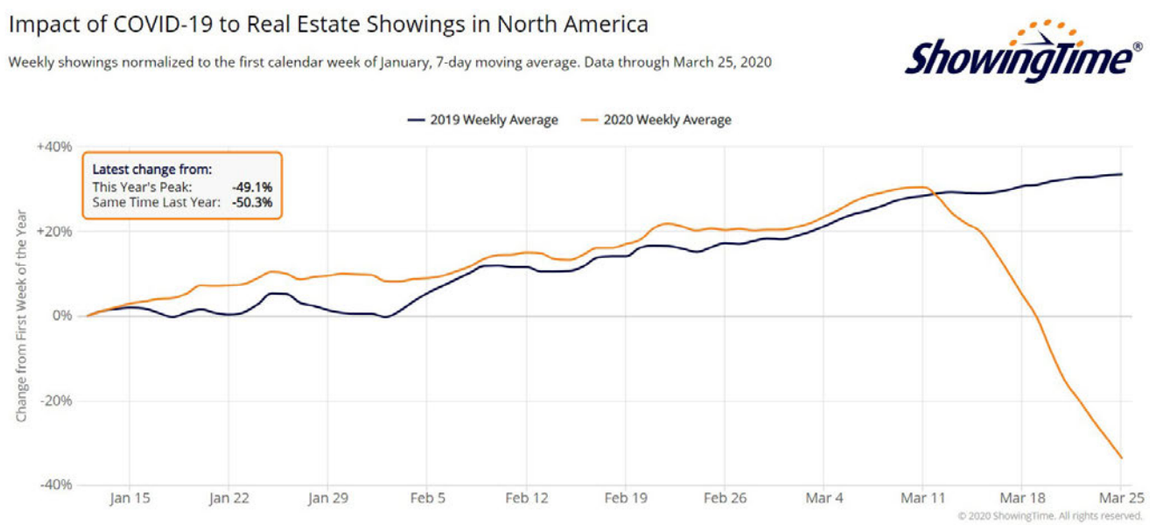
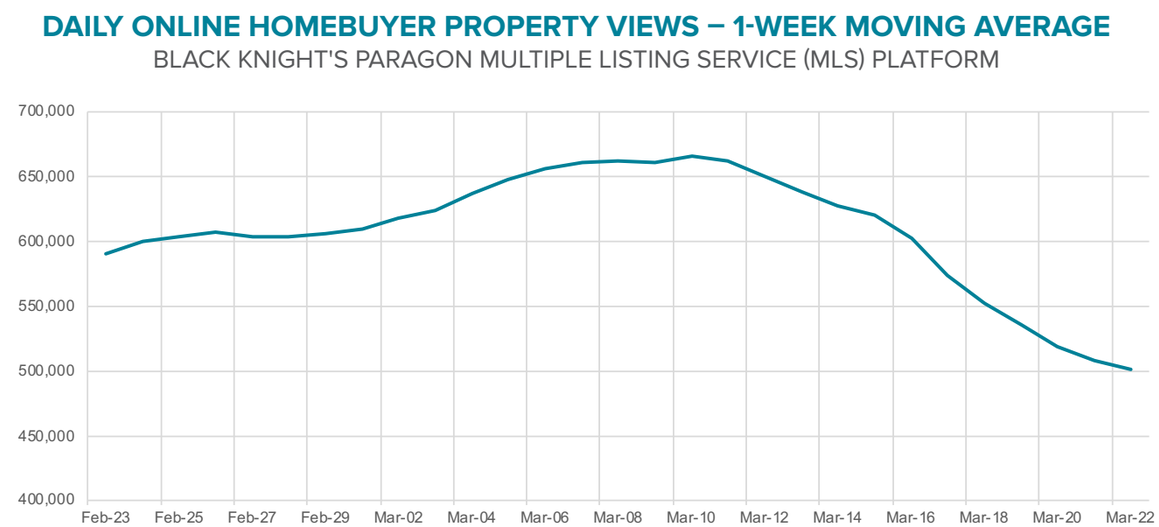
FEBRUARY 2020 COVID-19'S POTENTIAL IMPACT ON THE HOUSING MARKET





- According to the online home showing service ShowingTime, the number of in-person real estate showings as of March 25 was down nearly 50% from the 2020 peak on March 11
- Likewise, aggregate data from Paragon, Black Knight's Multiple Listing Service (MLS) platform, shows that as of March 22 online property views by prospective homebuyers were down 24% over the prior two weeks
- While social distancing efforts are likely having an outsized impact on in person showings, the declines in online searches suggest potential trepidation from homeowners about economic uncertainty, rate volatility, and/or job security
- While real estate transactions have been deemed an essential service by a number of states, market uncertainty and stay-at-home orders across the country could negatively impact transaction volumes in coming months
- Strong levels of affordability and limited for sale inventories should help to hold home prices relatively stable if COVID-19 impacts prove to be temporary, but an extended period of UE could have negative effects on housing demand over the long run

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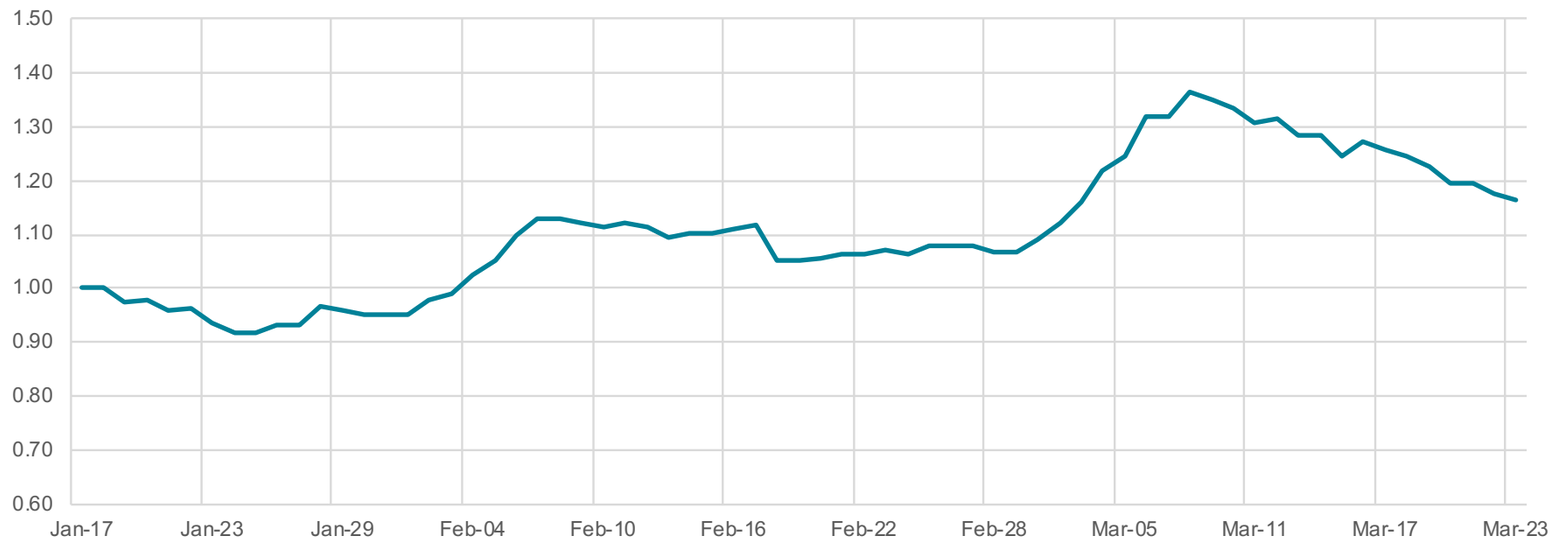
FEBRUARY 2020 COVID-19'S POTENTIAL IMPACT ON THE HOUSING MARKET

DAILY NEW REAL ESTATE LISTINGS – COLLATERAL ANALYTICS

1-WEEK MOVING AVERAGE – INDEXED TO 1/20/2020



The ability to track a host of housing market metrics including sales volumes, contract prices, and listing data among others in near real time is more valuable now than ever given how quickly the housing market is changing in response to the COVID-19 outbreak

- Black Knight's Collateral Analytics division has developed a daily home price index with granularity to the zip code level based on a combination of public records and MLS data
- According to Collateral Analytics data, new real estate listings fell by 15% during the tail end of March — a time when we'd otherwise expect a strong seasonal rise
- Many homeowners are rethinking whether now is the best time to list their home for sale due to social distancing orders, market uncertainty and a number of brokerages suspending in-person open houses
- In an environment with already limited inventory, listings will be another trend to watch in the coming months
- Listing volume decreases could help to offset demand declines from rising UE and rate volatility, potentially helping stem a reduction in home prices in the near term

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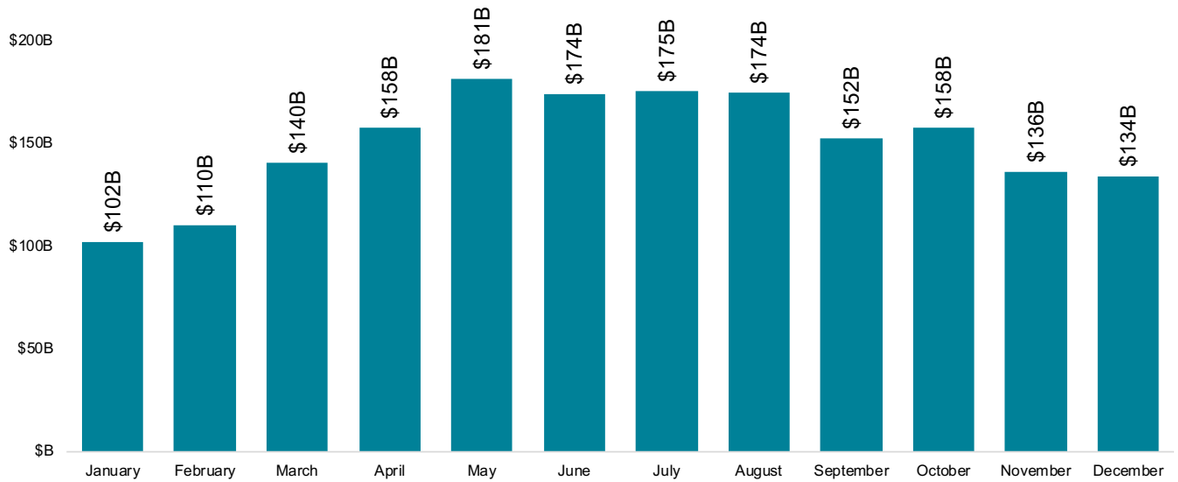
FEBRUARY 2020 COVID-19'S POTENTIAL IMPACT ON THE HOUSING MARKET

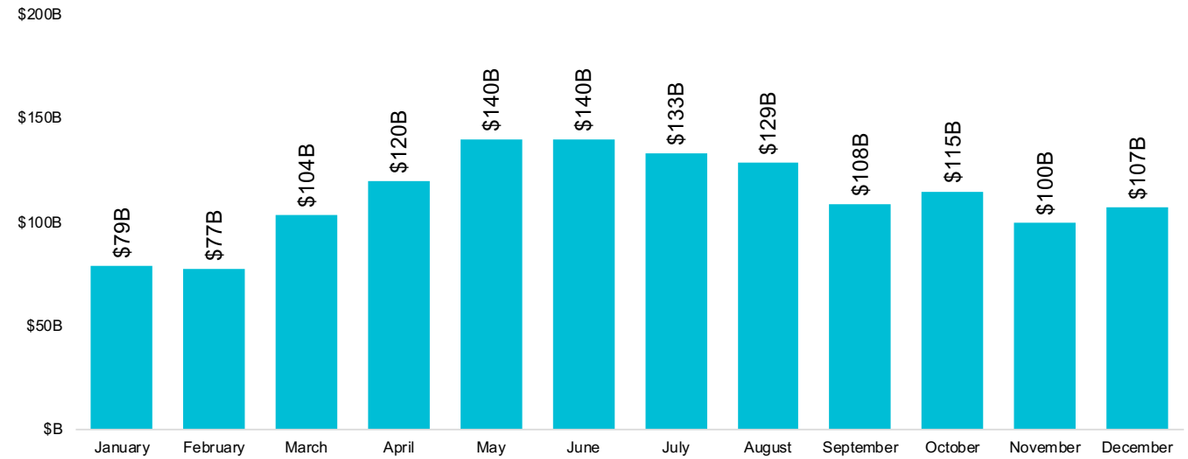
2020 WOULD-BE EXISTING HOME SALE VOLUMES

(BASED ON 2019 VOLUMES AND GROWTH RATES)



2020 WOULD-BE PURCHASE ORIGINATION VOLUMES

(BASED ON 2019 VOLUMES AND 12-MONTH AVERAGE GROWTH RATES)



- Given that COVID-19 is hitting at a time when real estate transactions are typically ramping towards their seasonal peaks, it could have an outsized impact on real estate transaction and purchase origination volumes in 2020
- In an average year, 56% of real estate transactions take place in Q2 and Q3, with May-July marking the typical seasonal peak
- Using 2019 volumes and growth rates as a baseline, Black Knight estimates an expected 5.7 million 2020 residential home sales would have totaled over $1.8 trillion in contract volume
- If home sales were to see a 30% decline in Q2 from their previously estimated numbers, it would equate to nearly 500K missed real estate transactions — or over $150B in real estate closings not taking place in a single quarter
- A 30% decline in purchase lending in Q2 2020 would result in a potential $113B reduction, representing 8% of expected volume for the year — a number which could increase significantly
- External research from the SARS pandemic and early data from COVID-19 lockdowns in China suggest short-term pull backs in transaction volumes ranging from 30% to 80%

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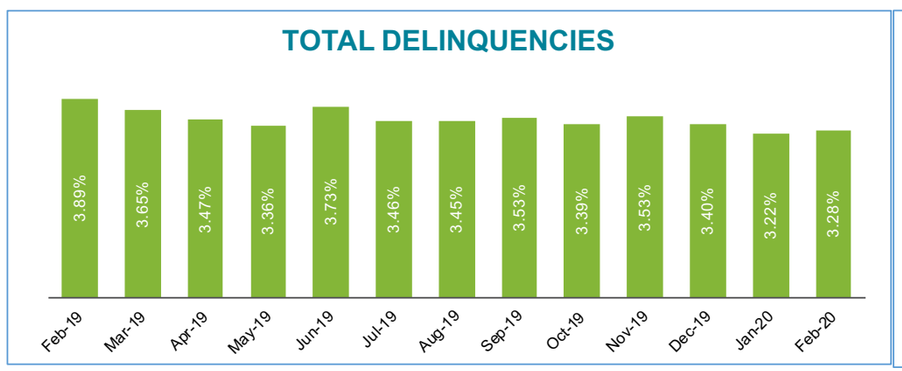
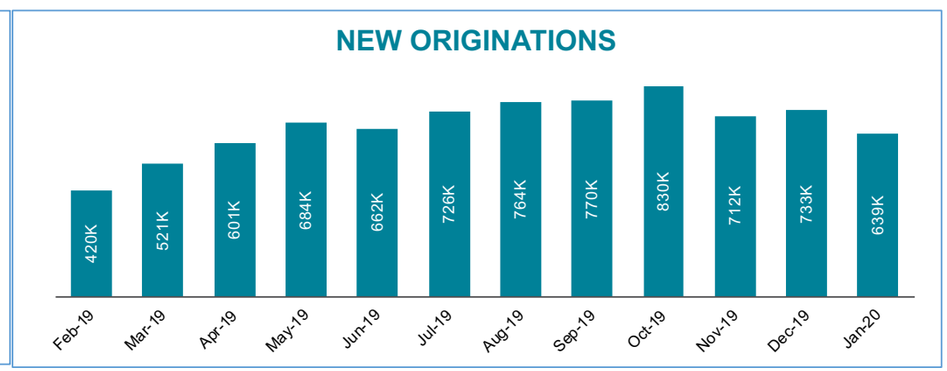
FEBRUARY 2020 DATA SUMMARY

	Feb-20	Monthly Change	YTD Change	Yearly Change
Delinquencies	3.28%	1.95%	1.95%	-15.60%
Foreclosure	0.45%	-2.54%	-2.54%	-11.23%
Foreclosure Starts	32,300	-24.53%	-24.53%	-20.05%
Seriously Delinquent (90+) or in Foreclosure	1.22%	-2.27%	-2.27%	-16.95%
New Originations (data as of Jan-20)	639K	-12.9%	-12.9%	65.8%

	Feb-20	Jan-20	Dec-19	Nov-19	Oct-19	Sep-19	Aug-19	Jul-19	Jun-19	May-19	Apr-19	Mar-19	Feb-19
Delinquencies	3.28%	3.22%	3.40%	3.53%	3.39%	3.53%	3.45%	3.46%	3.73%	3.36%	3.47%	3.65%	3.89%
Foreclosure	0.45%	0.46%	0.46%	0.47%	0.48%	0.48%	0.48%	0.49%	0.50%	0.49%	0.50%	0.51%	0.51%
Foreclosure Starts	32,300	42,800	39,500	33,500	43,900	39,400	36,200	39,200	40,100	39,000	41,400	39,700	40,400
Seriously Delinquent (90+) or in Foreclosure	1.22%	1.25%	1.27%	1.30%	1.31%	1.32%	1.33%	1.34%	1.37%	1.37%	1.40%	1.45%	1.47%
New Originations		639K	733K	712K	830K	770K	764K	726K	662K	684K	601K	521K	420K





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STATE-BY-STATE RANKINGS BY NON-CURRENT LOAN POPULATION

State	Del %	FC %	NC %	Year/Year Change in NC%	State	Del %	FC %	NC %	Year/Year Change in NC%	State	Del %	FC %	NC %	Year/Year Change in NC%
National	3.3%	0.5%	3.7%	-15.1%	National	3.3%	0.5%	3.7%	-15.1%	National	3.3%	0.5%	3.7%	-15.1%
MS	9.0%	0.7%	9.7%	-4.4%	OH*	3.8%	0.7%	4.5%	-9.1%	NH	3.0%	0.2%	3.3%	-16.0%
LA*	6.4%	0.8%	7.2%	-12.9%	VT*	3.4%	0.9%	4.4%	-12.1%	VA	3.0%	0.2%	3.2%	-17.9%
AL	5.9%	0.4%	6.3%	-9.6%	KS*	3.8%	0.5%	4.2%	-9.0%	AK	2.9%	0.3%	3.2%	-10.3%
WV	5.6%	0.5%	6.2%	-4.0%	TN	4.0%	0.2%	4.2%	-15.6%	NV	2.5%	0.5%	3.0%	-14.6%
AR	5.3%	0.5%	5.8%	-6.8%	IL*	3.5%	0.7%	4.1%	-17.8%	WY	2.6%	0.2%	2.8%	-17.6%
OK*	4.7%	0.8%	5.5%	-3.9%	NJ*	3.4%	0.6%	4.0%	-22.3%	AZ	2.6%	0.2%	2.8%	-9.8%
IN*	4.7%	0.7%	5.3%	-9.2%	NC	3.7%	0.3%	4.0%	-17.0%	SD*	2.3%	0.4%	2.7%	-8.1%
RI	4.4%	0.7%	5.0%	-16.1%	NM*	3.3%	0.7%	4.0%	-14.5%	MN	2.4%	0.2%	2.6%	-3.8%
PA*	4.3%	0.7%	5.0%	-12.0%	FL*	3.3%	0.7%	4.0%	-18.5%	DC	2.0%	0.5%	2.4%	-40.3%
GA	4.5%	0.3%	4.8%	-13.1%	MO	3.6%	0.3%	3.9%	-10.5%	UT	2.2%	0.1%	2.3%	-15.4%
DE*	4.0%	0.7%	4.7%	-15.0%	IA*	3.3%	0.6%	3.9%	-4.4%	ND*	1.8%	0.4%	2.3%	-10.9%
SC*	4.1%	0.5%	4.7%	-13.5%	KY*	3.3%	0.5%	3.8%	-13.0%	MT	1.8%	0.3%	2.2%	-19.6%
MD*	4.1%	0.6%	4.7%	-17.5%	NE*	3.5%	0.3%	3.8%	-2.4%	CA	1.8%	0.2%	2.0%	-23.9%
NY*	3.3%	1.3%	4.6%	-19.9%	HI*	2.3%	1.3%	3.6%	-21.3%	OR	1.7%	0.2%	1.9%	-16.0%
TX	4.3%	0.4%	4.6%	-9.4%	MI	3.3%	0.2%	3.5%	-14.6%	ID	1.7%	0.2%	1.9%	-19.4%
CT*	3.8%	0.8%	4.6%	-20.5%	MA	3.0%	0.4%	3.4%	-20.4%	CO	1.6%	0.1%	1.7%	-14.7%
ME*	3.4%	1.2%	4.5%	-24.2%	WI*	2.9%	0.4%	3.4%	-14.7%	WA	1.5%	0.2%	1.7%	-25.8%

**Indicates Judicial State*

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BLACK KNIGHT RESOURCES FOR KEEPING UP TO DATE ON COVID-19 RELATED IMPACTS TO THE HOUSING AND MORTGAGE MARKETS

- Black Knight COVID-19 White Paper
- The Black Knight Blog
- Mortgage Monitor Online

Mortgage Monitor Disclosures

You can reach us by email at
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TOTAL ACTIVE COUNT:	All active loans as of month-end including loans in any state of delinquency or foreclosure. Post-sale loans and loans in REO are excluded from the total active count.
DELINQUENCY STATUSES (30, 60, 90+, ETC):	All delinquency statuses are calculated using the MBA methodology based on the payment due date provided by the servicer. Loans in foreclosure are reported separately and are not included in the MBA days delinquent.
90 DAY DEFAULTS:	Loans that were less than 90 days delinquent in the prior month and were 90 days delinquent, but not in foreclosure, in the current month.
FORECLOSURE INVENTORY:	The servicer has referred the loan to an attorney for foreclosure. Loans remain in foreclosure inventory from referral to sale.
FORECLOSURE STARTS:	Any active loan that was not in foreclosure in the prior month that moves into foreclosure inventory in the current month.
NON-CURRENT:	Loans in any stage of delinquency or foreclosure.
FORECLOSURE SALE / NEW REO:	Any loan that was in foreclosure in the prior month that moves into post-sale status or is flagged as a foreclosure liquidation.
REO:	The loan is in post-sale foreclosure status. Listing status is not a consideration, this includes all properties on and off the market.
DETERIORATION RATIO:	The ratio of the percentage of loans deteriorating in delinquency status vs. those improving.

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