MORTGAGE MONITOR

BLACK KNIGHT

JANUARY 2023 REPORT

MORTGAGE MONITOR

CONTENTS

JANUARY 2023 OVERVIEW

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

We begin with a review of some of the high-level mortgage performance statistics reported in our most recent First Look report. With this month's First Look, Black Knight began applying its expanded McDash loan-level mortgage data set – already available to clients and contributors – to its public performance-metrics reporting. The enhanced reporting provides additional insight into more than 200M active and historical loan-level mortgage records for even more granular and representative analyses of today's complex market.

In this report, we take an in-depth look at mortgage origination trends, including impacts of interest rate changes and affordability concerns on first lien mortgage origination volumes and equity lending. We also examine recent changes in home prices, affordability and inventory levels across the country and which markets have seen the strongest reactions to the rising interest rate environment.

In producing the Mortgage Monitor, the Black Knight Data & Analytics division aggregates, analyzes and reports on the most recently available data from the company's vast mortgage and housing related data assets. Information is gathered from the McDash and McDash Flash loan-level mortgage performance data sets; Collateral Analytics home price and sales trends data; origination and secondary market metrics from the Optimal Blue division; eMBS agency securities data; and the company's robust public records database covering 99.99% 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

JANUARY 2023 FIRST LOOK

Black Knight's First Look at January mortgage performance provides a high-level overview compiled from the Black Knight McDash loan-level database. Click on charts to view in high resolution.

JANUARY OVERVIEW STATS

10 BPS

DELINQUENCY RATE

January's 2.3% drop was primarily driven by a decline in early stage delinquencies

Serious delinquencies, those 90 or more days past due, decreased marginally

17%

FORECLOSURE STARTS

Though January marked the fourth consecutive increase, the month's 33K starts remained 37% below pre-pandemic norms

Foreclosure actions began on 5.6% of serious delinquencies in January

19.5%

PREPAYMENT ACTIVITY

Prepayment activity is down 76% Y/Y due to a dwindling refi market

At 0.33%, the current single-month mortality is the lowest on record

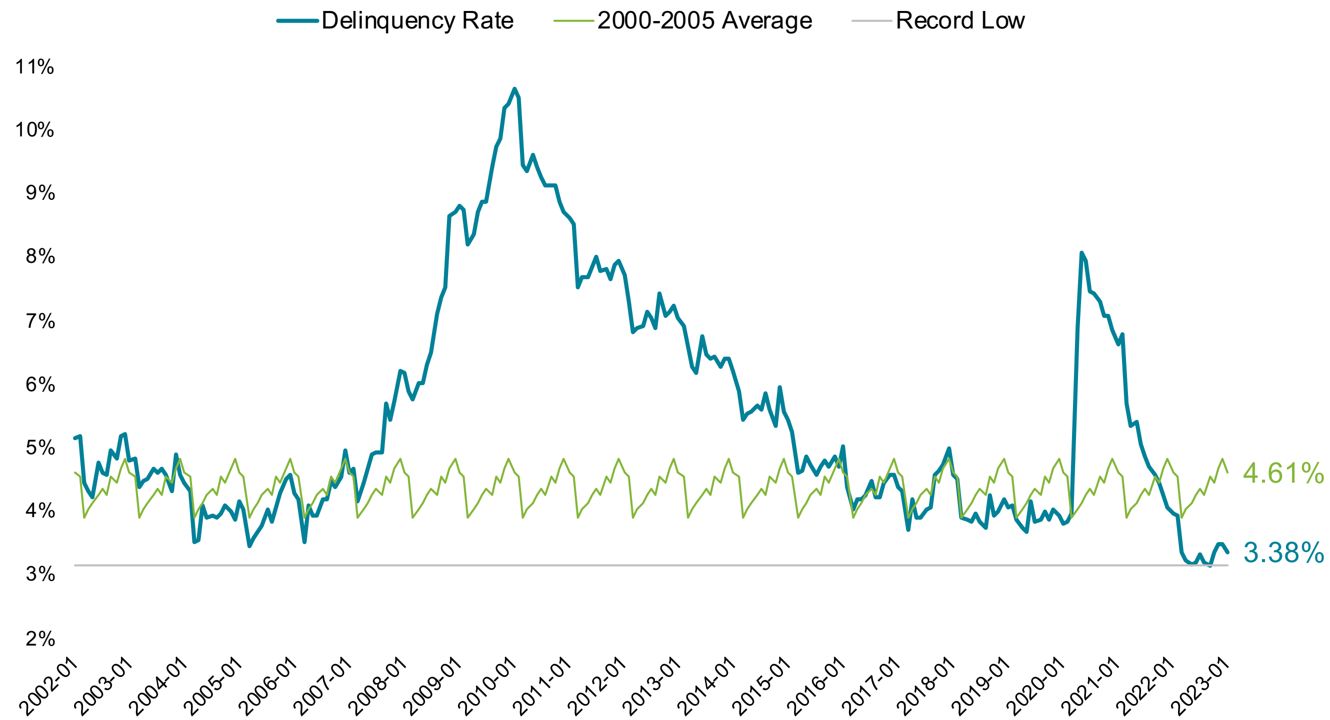
While serious delinquencies are down, the market is expected to face performance-related headwinds this year, and we're already beginning to see it impact lower-income borrowers

MORTGAGE MONITOR

JANUARY 2023 MORTGAGE PERFORMANCE HIGHLIGHTS

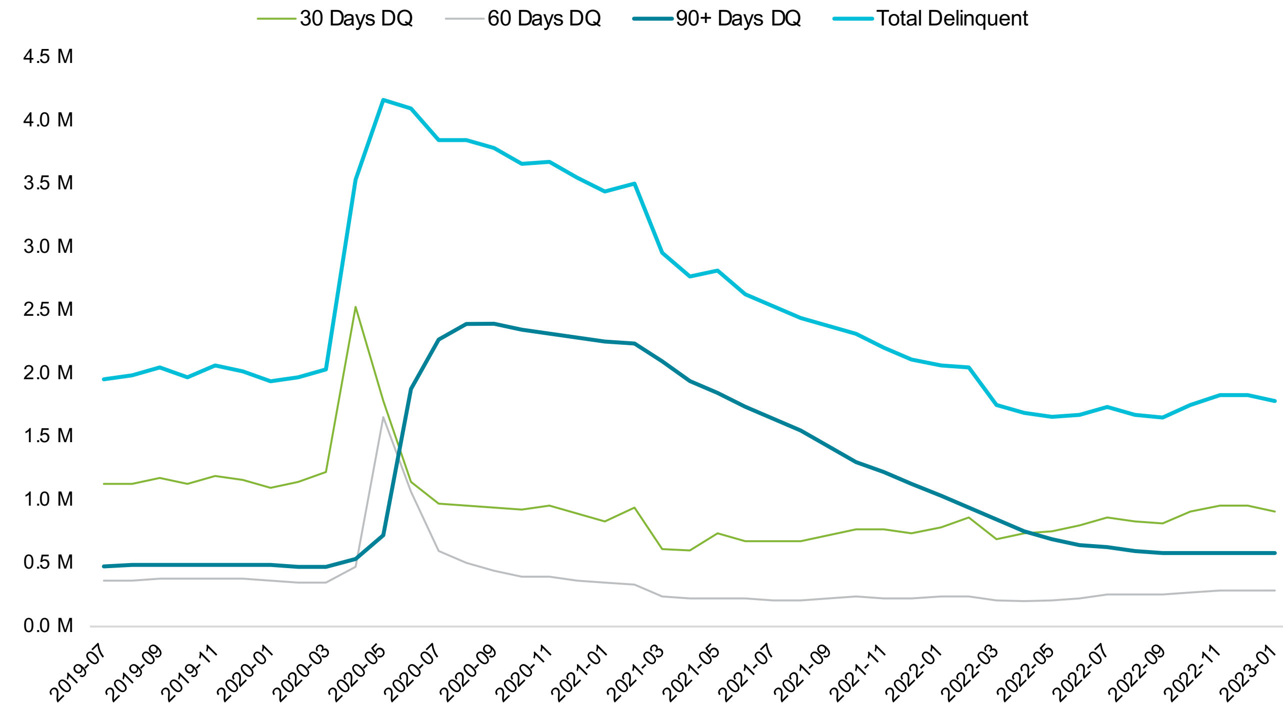
The Black Knight McDash loan-level mortgage performance database provides key performance metrics for a clearer picture of the delinquency landscape, including new inflow and roll rates. Click on each chart to view its contents in high resolution.

NATIONAL DELINQUENCY RATE – FIRST LIEN MORTGAGES



Source: Black Knight, McDash

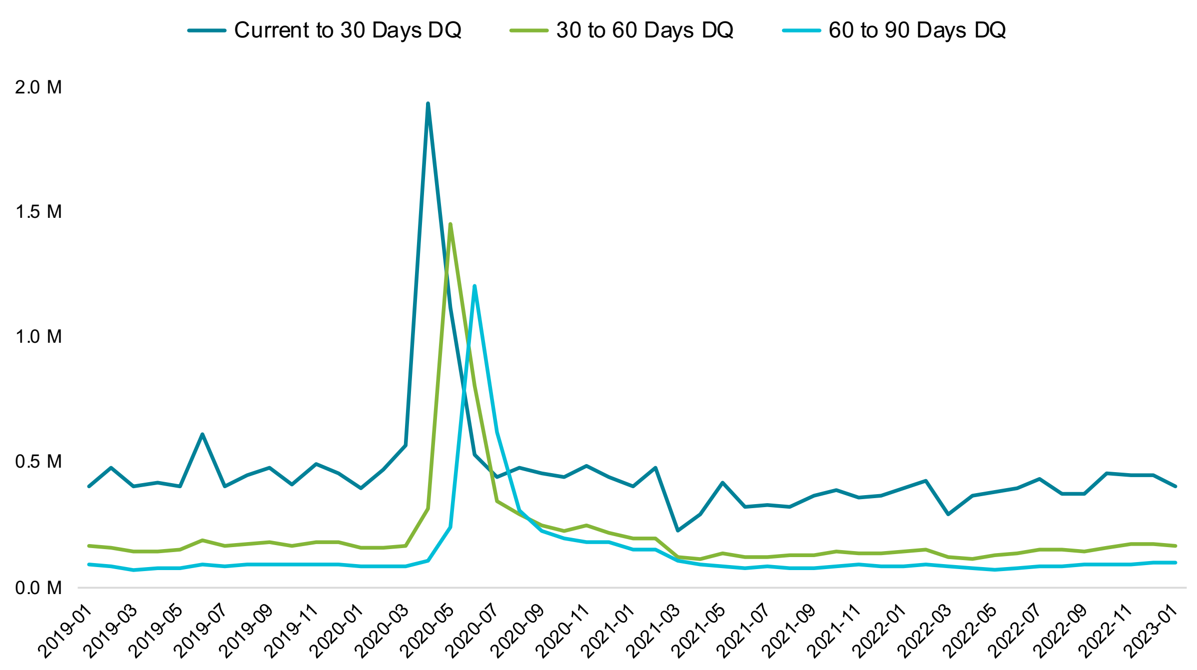
MORTGAGE DELINQUENCIES BY SEVERITY



Source: Black Knight, McDash

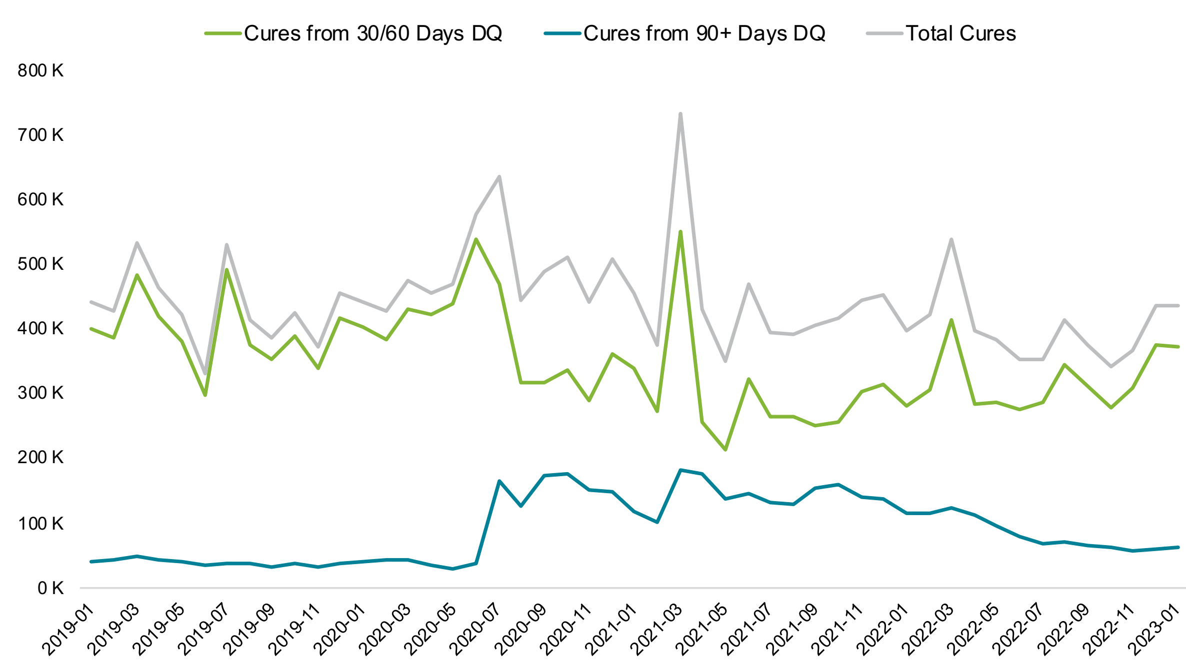
- At 3.38%, the national delinquency rate declined 10 bps in January and is now down 15% (60 bps) year over year
- January's 2.9% decline in delinquencies was broad-based, led by a 4.8% drop in early stage delinquencies (30 days past due)
- 60-day and 90-day delinquencies both decreased slightly (0.8% and 0.6% respectively)
- Serious delinquencies (90+ days past due) continued to improve nationally, falling by 4K, with 44 states seeing volumes shrink in the month, while Florida added another 1.7K in the wake of Hurricane Ian
- Mortgage delinquencies may be poised to push even lower through the end of Q1 with February (-2%) and March (-10.5%) typically having strong seasonal downward pulls on delinquency rates as borrowers use tax refunds to pay down past-due mortgage payments

LOANS ROLLING TO A MORE DELINQUENT STATUS



Source: Black Knight, McDash

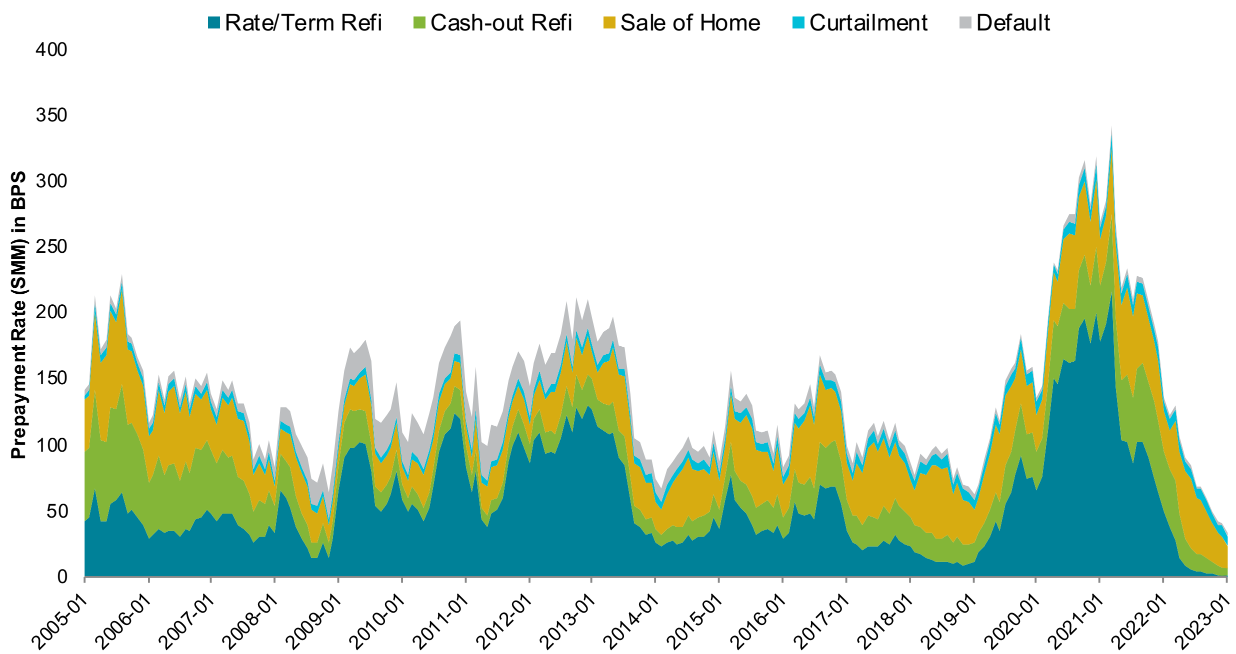
CURES TO CURRENT BY PREVIOUS DQ BUCKET



Source: Black Knight, McDash

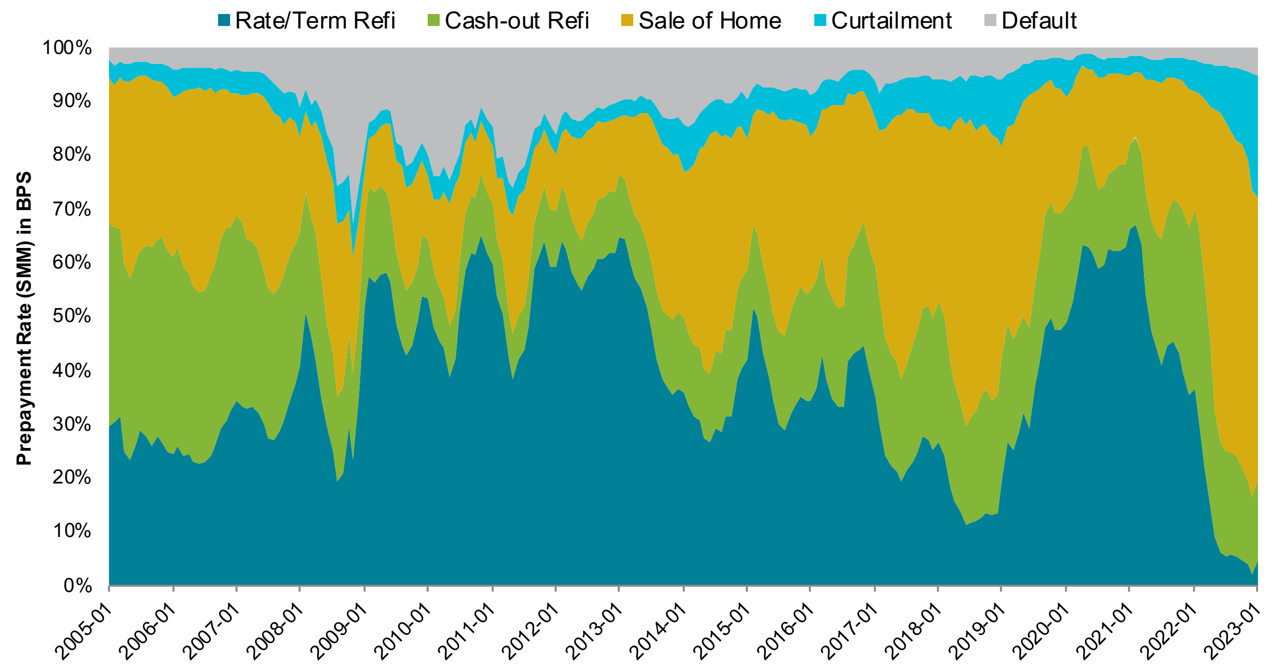
- New delinquency inflows – those rolling from current to 30 - days delinquent – fell from December, but were marginally higher (+2.9%) than their January 2020 pre-pandemic levels
- New 60- and 90-day delinquency inflow, while down month over month, also ran marginally above pre-pandemic levels
- That's the first time the number of borrowers rolling from 30 - to 60 - days delinquent has run above pre-pandemic levels in two years, and the highest (+14%) new 90-day delinquencies have been in comparison to pre-pandemic levels in nearly two years
- New delinquency and serious delinquency inflow will be worth watching in coming months given the Fed's tightening efforts to slow the labor market

PREPAY ACTIVITY (SMM) BY CAUSE OF PREPAYMENT



Source: Black Knight, McDash Property Module

DISTRIBUTION OF PREPAY ACTIVITY BY REASON



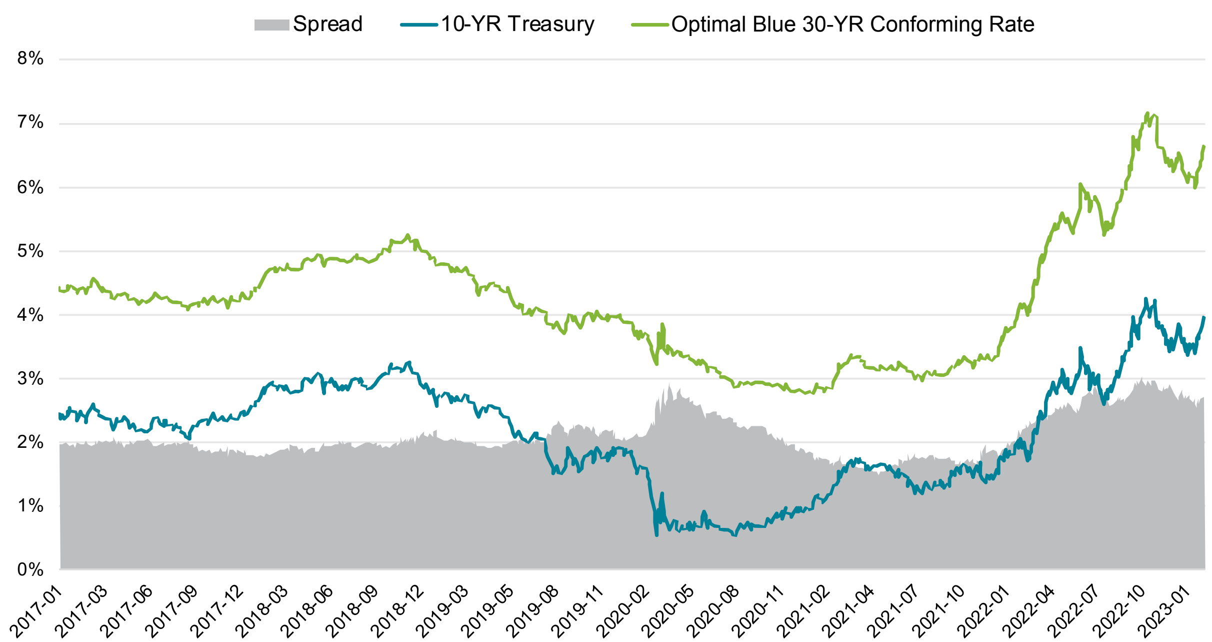
Source: Black Knight, McDash Property Module

- Prepayment activity hit a fourth consecutive record low in January with only 33 bps of single-month mortality (SMM) in the month
- Refinances contributed less than 7 bps of SMM in the month, the lowest refinance-related prepayment speed on record dating back more than 20 years
- What's more, curtailments (which typically come in the form of small additional principal payments) accounted for a larger share and volume of prepayment activity than refinances for the second consecutive month, something we've never seen before
- Home sales accounted for 52% of prepayments in January as sale-related prepayments approach their seasonal low
- That said, sale-related prepayments will begin to act as a strong tailwind for prepayment speeds beginning in March and are expected to pull prepayment rates up from their current record lows
- In a typical year, sale-related prepayments rise by 90% from February through June. If such a rise were to occur this year, it would result in a 47% rise in prepayment speeds from their current levels, assuming no offsetting changes

JANUARY 2023 MORTGAGE ORIGINATION TRENDS

Here we take a closer look at recent developments for mortgage originations. Pulling data from the McDash loan-level mortgage performance database and other public and proprietary data sets, as well as rate lock data from Optimal Blue, we review impacts of interest rate changes and affordability concerns on first lien mortgage origination volumes and equity lending. Click on each chart to view its contents in high resolution.

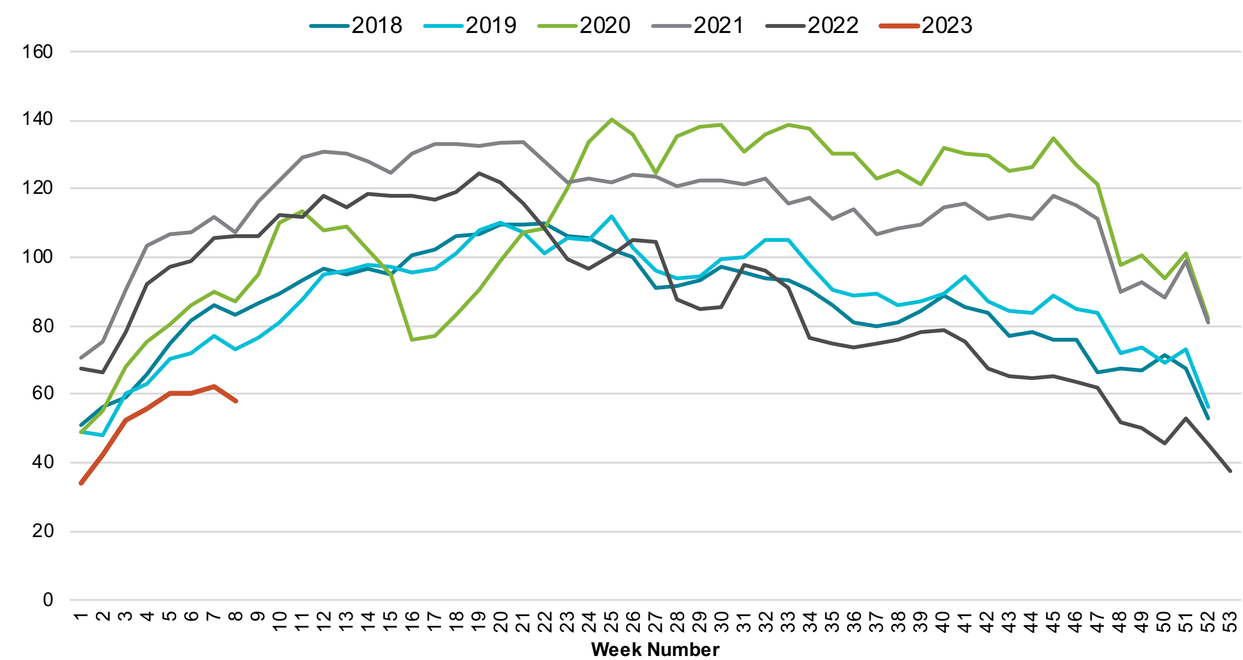
30-YEAR MORTGAGE TO 10-YEAR TREASURY SPREAD



Source: Black Knight, Optimal Blue Mortgage Market Index (OBMMI), St. Louis Federal Reserve

PURCHASE RATE LOCK COUNTS BY YEAR AND WEEK

(TRAILING 3-WEEK MOVING AVERAGE)



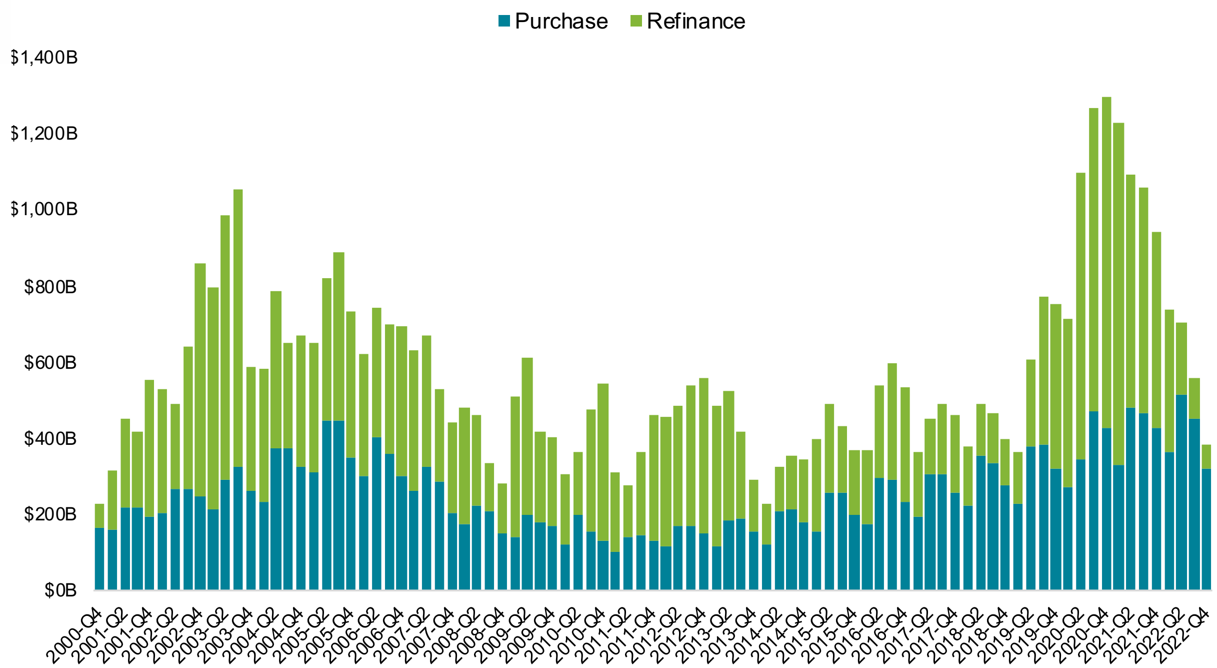
Source: Black Knight, Optimal Blue
Data through week ending 2/25/2023
Total lock count indexed to 100 in week ending 1/13/2018

- As the 10-year Treasury rate ticked up 53 bps from its February low, the 30-year mortgage rate has followed suit, increasing 66 bps, widening the spread to mortgage rates only slightly to 271 bps
- The Optimal Blue OBMMI 30-year conforming rate was 6.64% as of Feb. 22, still 52 bps down from its Oct. 24 high (7.16%)
- Treasury rates fell in late January on what markets perceived as hints of the Fed potentially easing, but rose in February on better-than-expected job market data

- Driven by the rate dip, mortgage purchase locks started the year strong, with a 64% increase between week 1 and week 4, but after four more weeks the level is less than 5% above that of week 4, lagging through what is traditionally a strong buying season
- As of the week ending Feb. 25, purchase lock counts are 21% below 2019 and 30% below 2018 levels for the same week

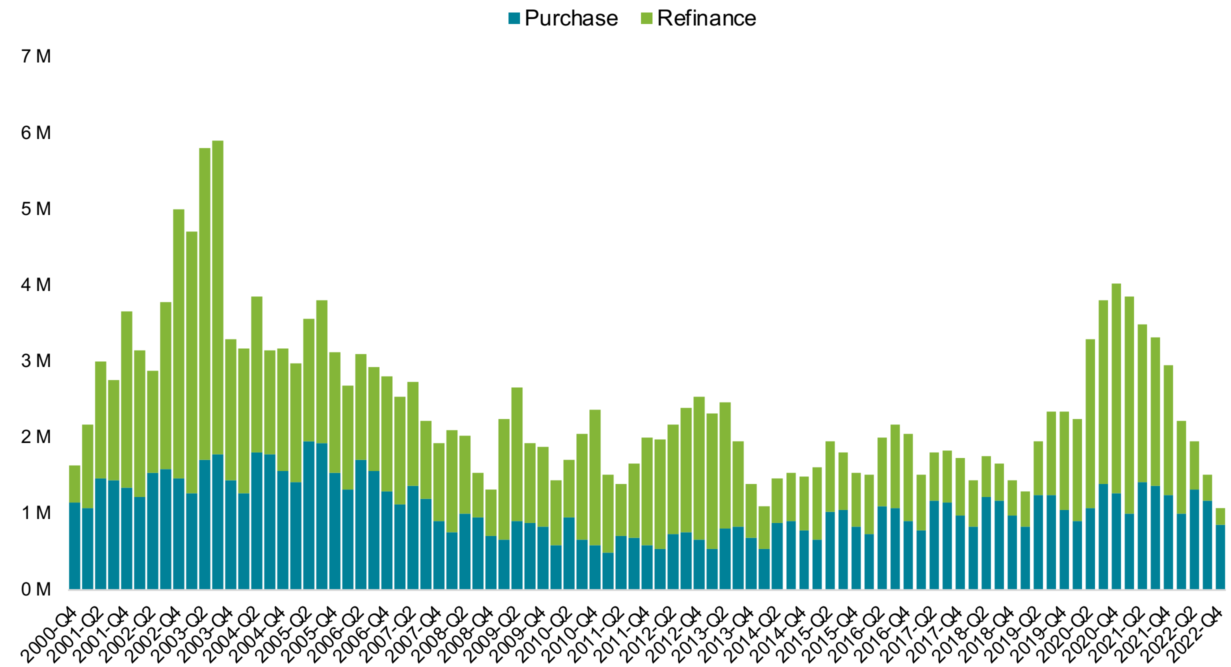
MORTGAGE MONITOR

FIRST LIEN MORTGAGE ORIGINATIONS BY $VOLUME



Source: Black Knight, McDash

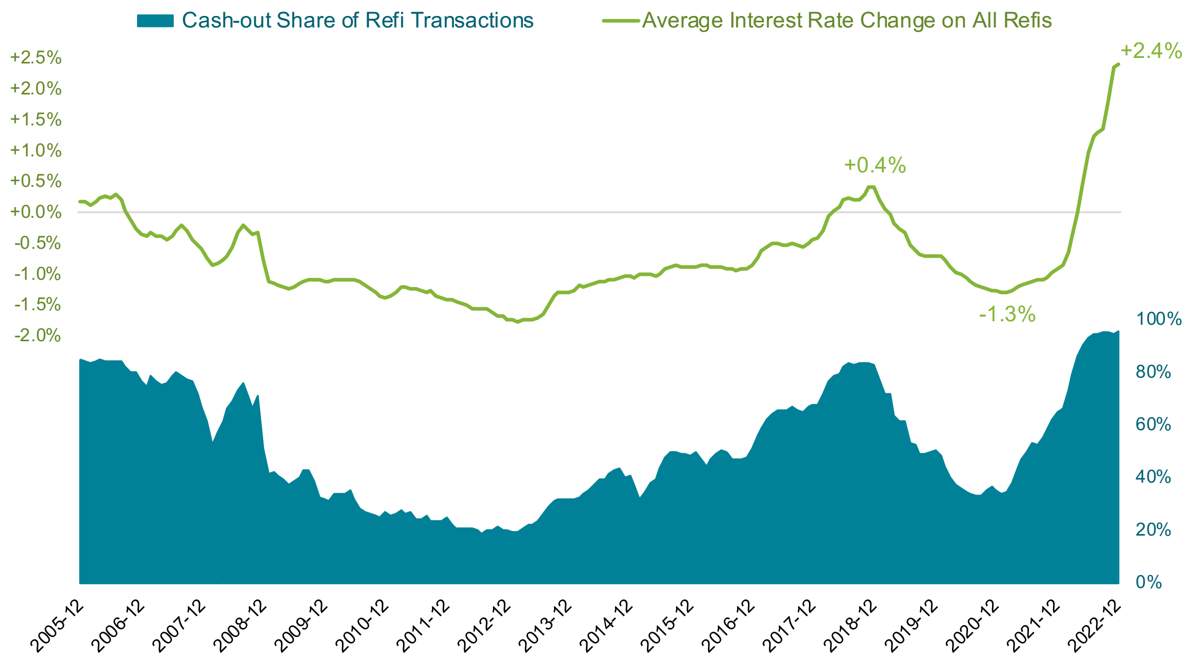
FIRST LIEN MORTGAGE ORIGINATIONS BY COUNT



Source: Black Knight, McDash

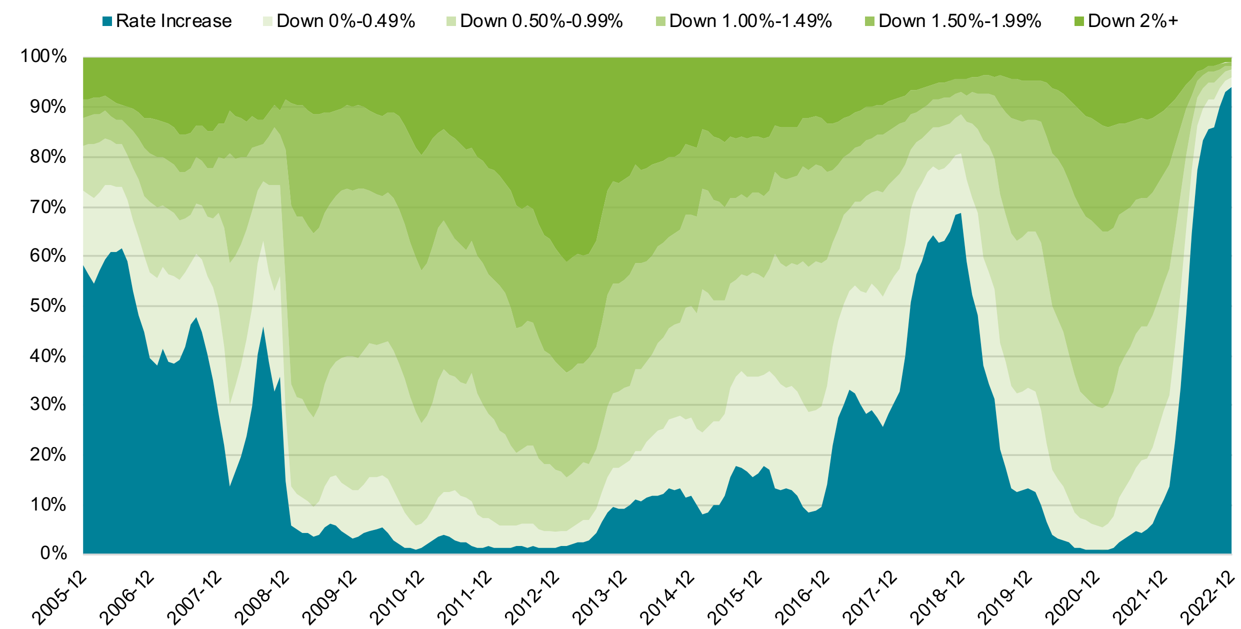
- There were 1.08M first lien mortgages originated in Q4 2022, the fewest in a single quarter since Black Knight began reporting the metric in 2000
- Q4's 216K refinances with 62K closed in December were also the lowest single-month and quarter totals on record with Q4's 863K purchase mortgage originations the lowest quarterly volume since 2015
- By dollar volume, Q4's $384B in lending looks marginally better from a historical perspective given today's still-elevated loan amounts, but was the lowest Q4 total since 2015, regardless
- All in, $2.4T ($1.65T purchase, $731B refinance) in first lien mortgages were originated in 2022, down from $4.3T and $4.4T in 2021 and 2020 respectively
- Refinances accounted for 16% of Q4 lending by balance and 20% by loan count, both the lowest such shares on record
- Both purchase and refinance lending are expected to reach their floor in Q1 before trending modestly higher as we move through 2023

REFINANCE TRANSACTION DETAILS



Source: Black Knight, McDash Property Module

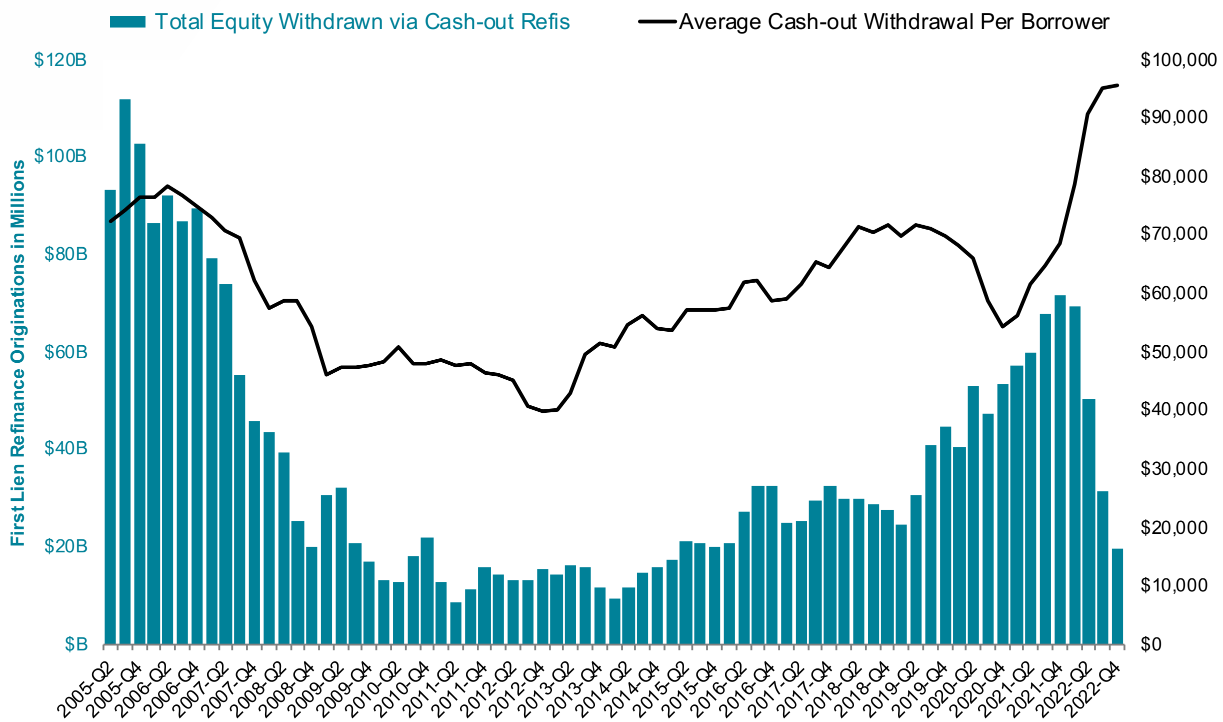
INTEREST RATE CHANGE ON REFINANCE TRANSACTIONS



Source: Black Knight, McDash Property Module

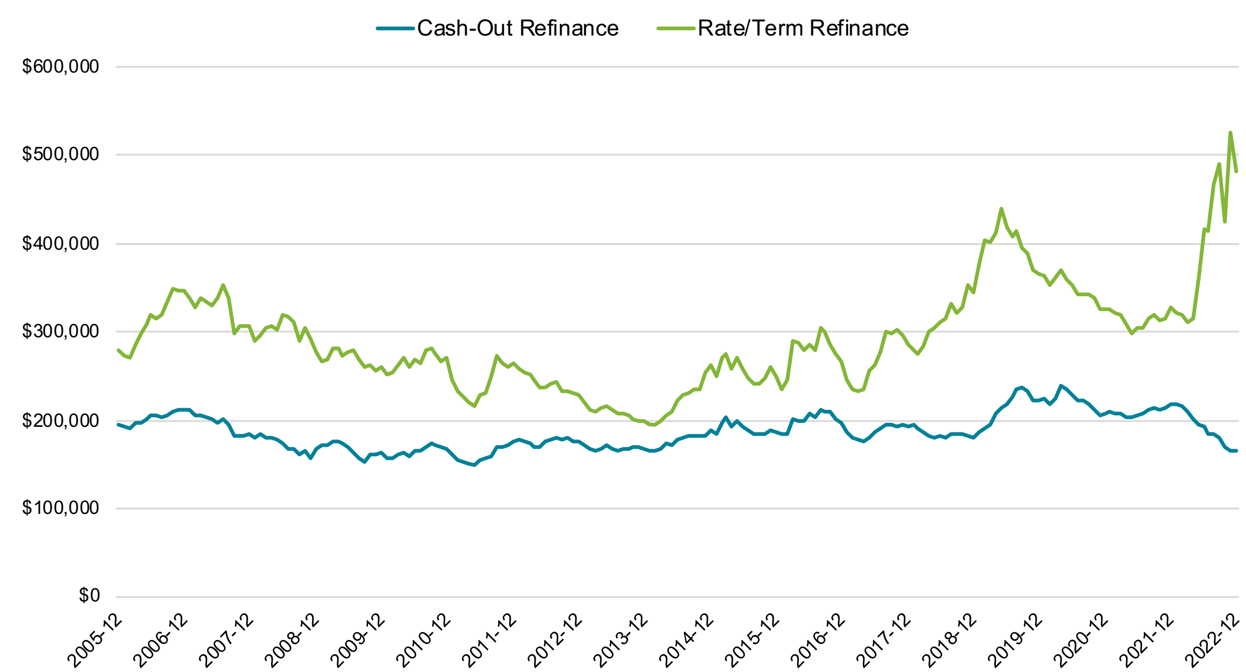
- Of the 216K refinances in Q4, 96% were cash-out loans, the highest such share of any quarter on record
- An estimated 1.98M cash-out refinances were completed in 2022, representing more than 80% of all refinance lending for the year
- There were fewer than 10K rate/term refinances in Q4 2022, by far the fewest of any quarter on record (prior to 2023, the lowest quarter on record was 76K back in 2018, with an average of 650K per quarter over the past 15 years)
- For context, there were 1.8M in Q1 2021 alone (190 times as many as there were in Q4 2022)
- While cash-out lending has fallen alongside overall refinance volumes, cash-outs are expected to make up the lion's share of refinance lending in early 2023 as well
- 94% of refinancing borrowers in December raised their interest rate to do so, with the average refinance resulting in a 2.4 percentage point increase in the borrowers' interest rate
- Prior to 2022, the largest share of refinances resulting in an interest rate increase was in 2018 as 30-year rates were nearing 5%, when approximately 70% of refinances involved borrowers increasing their interest rate to refinance with an average rate increase of 0.4%
- In contrast, in early 2021 the average borrower was receiving a 1.3% rate reduction through finance, on average

CASH-OUT REFINANCE WITHDRAWALS



Source: Black Knight, McDash Property Module

AVERAGE UPB OF MORTGAGES BEING REFINANCED



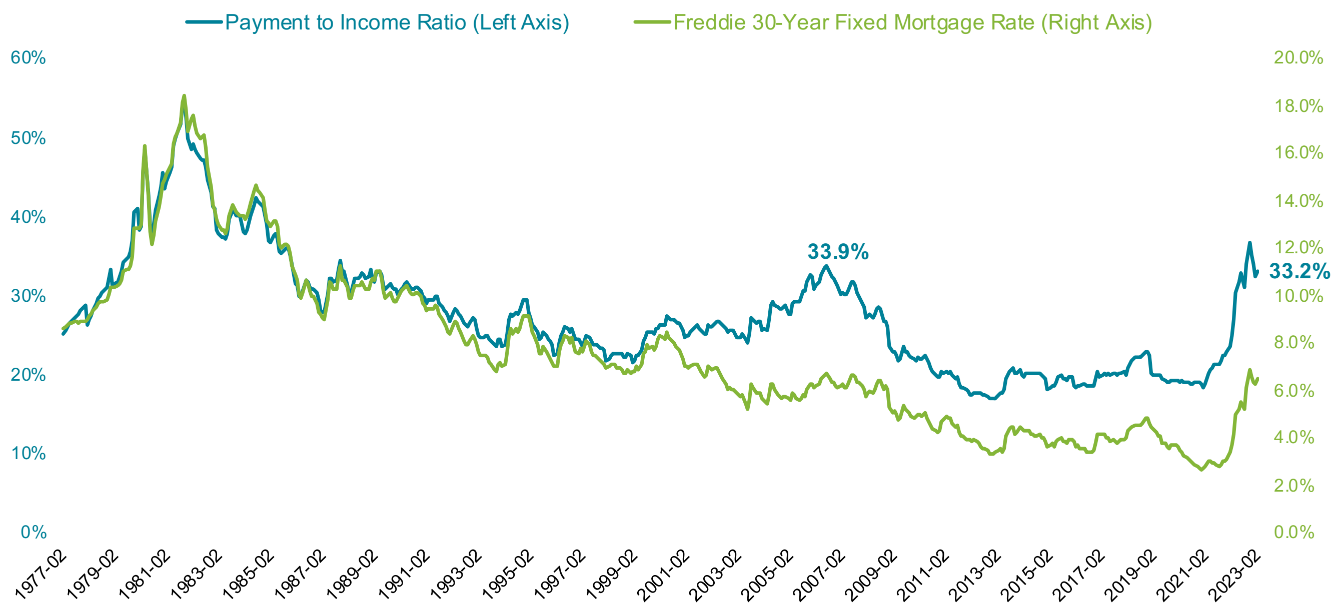
Source: Black Knight, McDash Property Module

- While more than 95% of Q4 refinances were cash outs, only $19B in equity was withdrawn from such loans, the smallest such withdrawal dating back to early 2015
- Cash-out withdrawals equated to just 0.2% of tappable equity available entering the quarter, the lowest such share on record, and a quarter of the relative share withdrawn at the same time last year
- Rising interest rates are the predominant driver as such rate increases have made it more expensive to access home equity and have simultaneously incentivized borrowers to withdraw equity via second lien products instead
- That transition has also shifted the cash-out refinance borrower profile, impacting both who is taking out equity and how much equity they're taking out via cash-out refinance
- The average unpaid balance (pre-equity extraction) of borrowers utilizing cash-out refinances dropped from $240K in early 2020 to as low as $165K in Q4, while simultaneously the average amount of equity being withdrawn increased from less than $55K in late 2020 to more than $95K in late 2022
- This makes intuitive sense as borrowers with higher balance loans, looking to extract small to moderate levels of equity, are incented to keep their low first lien interest rate and utilize a second mortgage or HELOC at a higher interest rate to borrow against their equity

JANUARY 2023 HOUSING MARKET METRICS

Here we examine recent changes in home prices, affordability and inventory levels across the country, with a closer look at what it means for mortgage holder equity levels. We look at which markets have seen the strongest reaction to the rising interest rate environment. This information has been compiled from the original Black Knight McDash loan-level mortgage performance database, the Black Knight Home Price Index, Collateral Analytics and other public and proprietary data sets. Click on the chart to view its contents in high resolution.

PAYMENT TO INCOME RATIO VS. 30-YEAR RATES



Source: Black Knight Home Price Index, FHLMC PMMS, Census Bureau, Moodys Analytics
*The National Payment to Income Ratio is the share of median income needed to make the monthly principal and interest payment on the purchase of the average-priced home using a 20% down 30-year fixed rate mortgage at the prevailing interest rate

With 30-year rates rising sharply in February, home affordability has tightened further, though not to the levels seen back in October 2022

- After dropping below $2,100 in early February, the monthly payment required to purchase the average-priced home – assuming a 20% down, 30-year mortgage – has risen by more than $90
- When looking at it through the lens of buying power, the recent rate increase from 6.09% in early February to 6.5% as of Feb. 23 has resulted in a 4% reduction in buying power
- Factoring in current income levels, it now requires 33.2% of the median household income to make the monthly principal and interest (P&I) payments on the average home purchase
- That's up 0.8pp from January's average of 32.4% and 9pp above the 30-year average of ~24%, but still 3.5pp below October's 37% level, when affordability hit a more than 35-year low

TOP 10 / BOTTOM 10 CBSAs BY HOME AFFORDABILITY

MOST AFFORDABLE MARKETS				
Rank	Geography (CBSA)	Payment-to-Income Ratio	Payment-to-Income 1995-2003 Avg	Difference
1	Cleveland, OH	20.7%	21.6%	-1.0%
2	Hartford, CT	22.6%	19.5%	**+3.2%**
3	Pittsburgh, PA	22.7%	21.7%	**+1.1%**
4	Cincinnati, OH	23.1%	21.4%	**+1.7%**
5	St. Louis, MO	23.2%	19.5%	**+3.7%**
6	Detroit, MI	23.4%	21.8%	**+1.6%**
7	Oklahoma City, OK	23.9%	21.4%	**+2.5%**
8	Chicago, IL	24.2%	23.5%	**+0.7%**
9	Minneapolis, MN	24.5%	20.3%	**+4.2%**
10	Kansas City, MO	24.9%	19.2%	**+5.7%**

LEAST AFFORDABLE MARKETS				
Rank	Geography (CBSA)	Payment-to-Income Ratio	Payment-to-Income 1995-2003 Avg	Difference
41	Las Vegas, NV	37.7%	23.6%	**+14.1%**
42	Nashville, TN	38.3%	22.9%	**+15.5%**
43	Seattle, WA	40.3%	27.3%	**+13.0%**
44	Riverside, CA	40.4%	25.8%	**+14.7%**
45	New York-Newark, NY-NJ	44.4%	28.1%	**+16.2%**
46	Miami, FL	45.1%	24.4%	**+20.7%**
47	San Francisco, CA	51.6%	35.0%	**+16.6%**
48	San Jose, CA	53.0%	34.3%	**+18.7%**
49	San Diego, CA	55.5%	34.2%	**+21.3%**
50	Los Angeles, CA	63.2%	35.5%	**+27.6%**

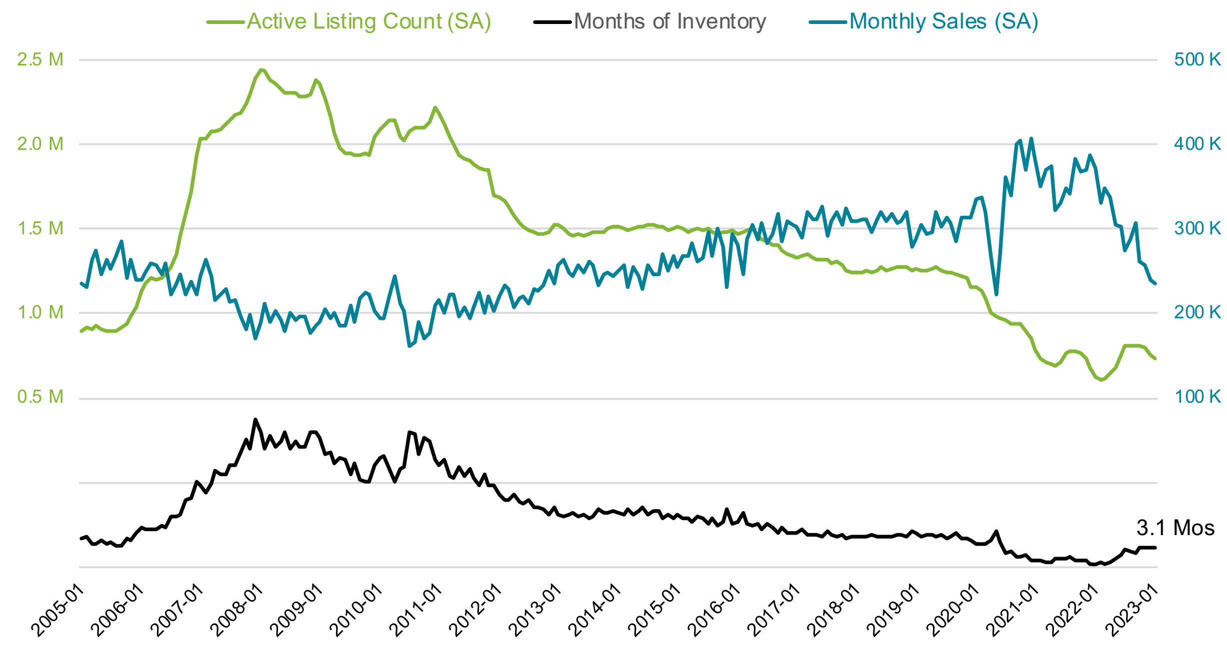
Source: Black Knight, FHLMC PMMS, Census Bureau, Moodys Analytics

Nearly all major U.S. markets continue to see home affordability below long-run averages, but the degree of unaffordability varies significantly by market

- Cleveland is both the most affordable market in the U.S. and the only market with stronger home affordability than its 30-year average
- Hartford, which also has the largest inventory deficit, and is one of only six markets where prices remain at peak levels on a seasonally adjusted basis, ranks second in terms of affordability
- On the other end of the spectrum, 49 of the 50 largest markets remain less affordable than average, with 22 requiring at least a 10pp (and nine requiring a >15pp) larger share of median household income to make mortgage payments on the average priced home
- Los Angeles tops that list, requiring 63% of the median household income, the highest share of any market and nearly 28pp above its long run average

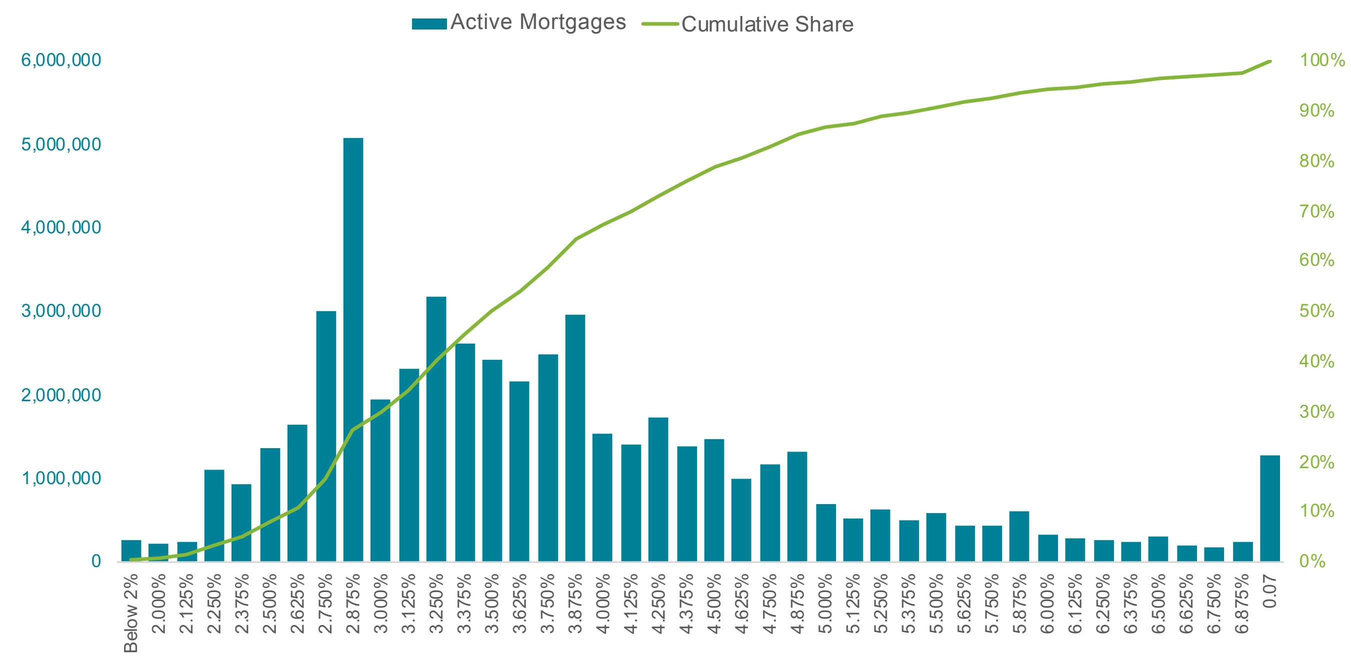
SALES, ACTIVE LISTINGS AND MONTHS OF INVENTORY

(SEASONALLY ADJUSTED - SINGLE FAMILY RESIDENCES AND CONDOS)



Source: Black Knight, Collateral Analytics

DISTRIBUTION OF FIRST LIEN MORTGAGES BY CURRENT INTEREST RATE

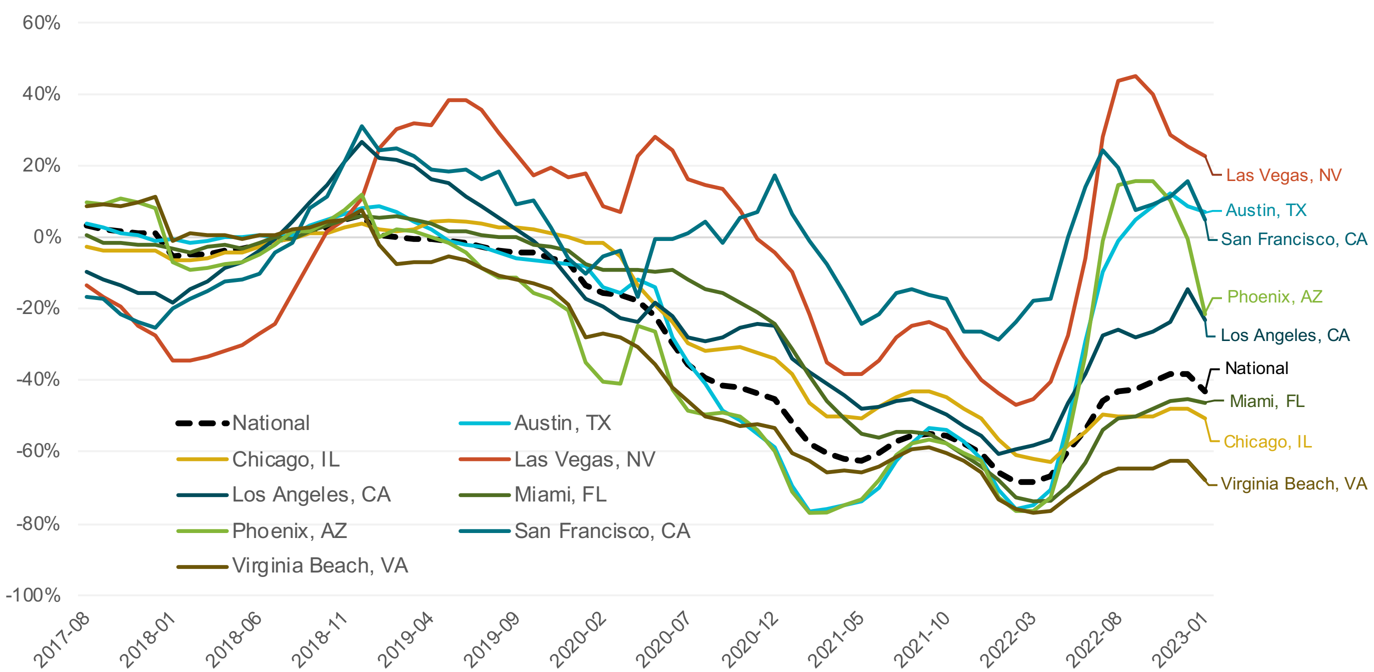


Source: Black Knight, McDash

- Still-tight affordability continues to dampen demand, with home sales falling again on a seasonally adjusted basis in January, hitting their lowest levels in more than seven years outside of the dip seen early in the pandemic when the country was largely in lockdown
- Black Knight's Optimal Blue rate lock data suggests sales may be nearing their floor, but it may be a bumpy road in coming months as the market continues to deal with volatile rates and a resurgence in inventory deficits
- Buy-side demand showed signs of life when 30-year rates fell to near 6% in early February, but recent data has shown just how sensitive demand is to shifting 30-year rates
- Perhaps most concerning is that for-sale inventory is beginning to dip again on a seasonally adjusted basis, with January marking the fourth consecutive monthly decline
- With two thirds of mortgaged homes having interest rates 2.5pp or more below current market rates, many would-be home sellers remain on the sidelines, worsening inventory shortages and holding prices higher than they might otherwise be

INVENTORY OF HOMES LISTED FOR SALE

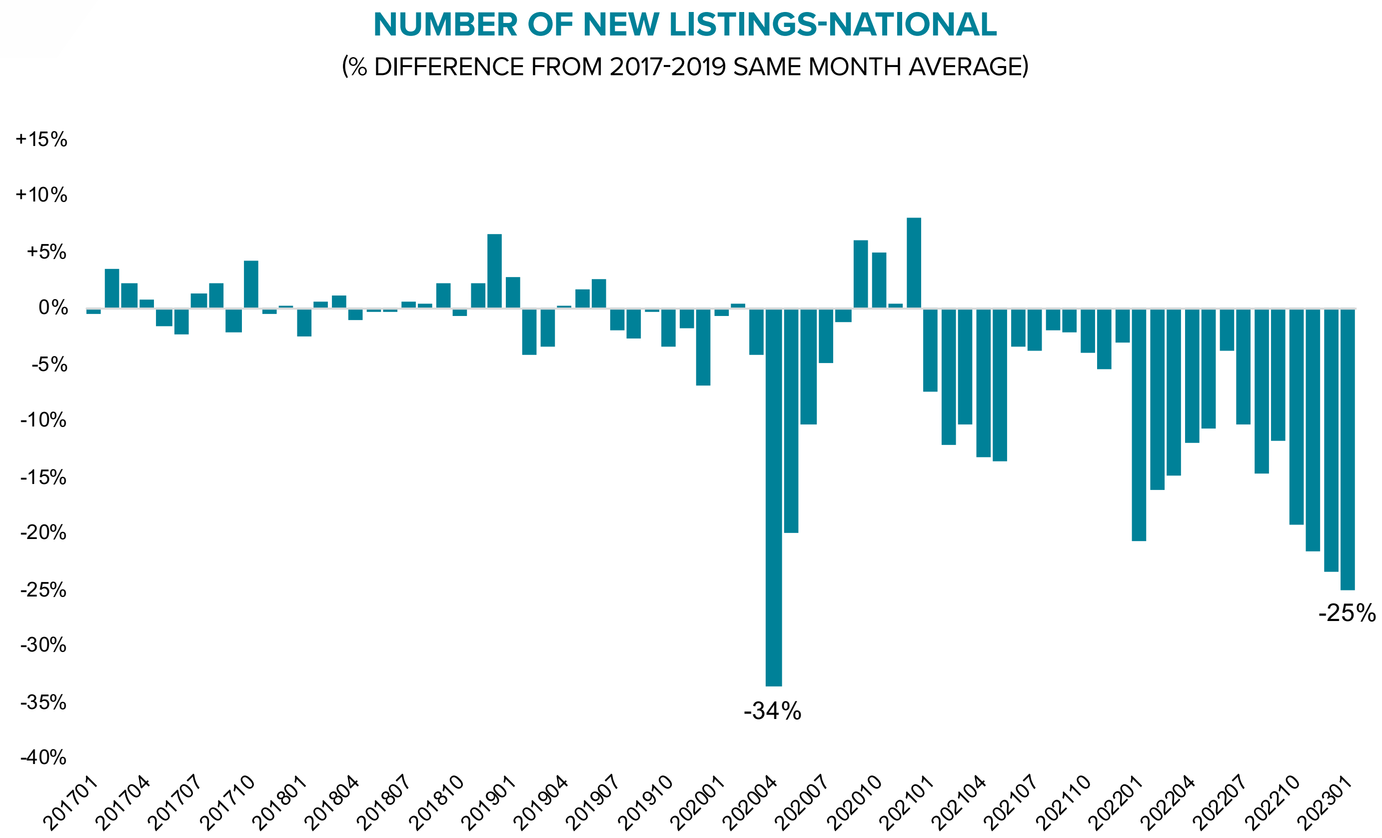
(% CHANGE FROM 2017-2019 SAME MONTH AVERAGE)



Source: Black Knight, Realtor.com

Shortages of for-sale inventory worsened in nearly 90% of major markets in January

- Phoenix and Boise – both markets that had seen inventory move into oversupply in recent months ranked among the markets with the strongest shifts in inventory
- Nationally, the deficit of for-sale inventory grew from 38% (-426K) in December to 43% (-476K) in January, marking the first significant deterioration since February 2022
- Only eight of the nation's 100 largest markets are seeing inventory levels at or above where they were in the years leading up to the pandemic
- Notable among the eight are: Las Vegas (+25%), Boise (+9%), Austin (+7%), and San Francisco (+5%)
- At the other end of the spectrum, more than a third of markets have less than half normal inventory levels, with the largest deficits (as high as 79%) in northeast markets such as Hartford

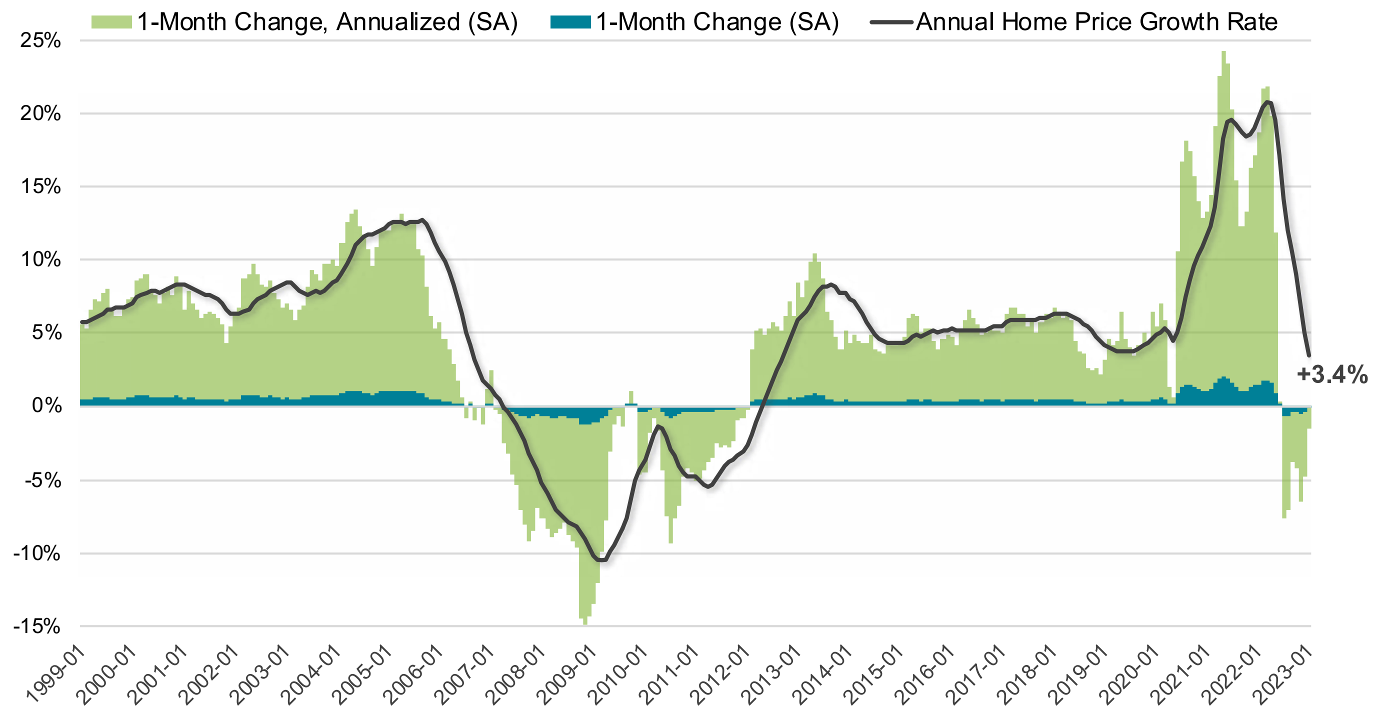


Source: Black Knight, Realtor.com

The primary driver of for-sale inventory deficits is a lack of new listings hitting the market

- New listing volumes have now run at a deficit from pre-pandemic averages for 25 consecutive months, with the largest deficits (outside of April 2020 when the bulk of the country was in lockdown) taking place in recent months
- There were 25% fewer homes listed for sale in January than normal, which is why inventory fell in the month despite home sales hitting a >7-year low
- With would-be home sellers currently sitting on the sidelines, inventory shortages could continue well into the foreseeable future
- That new listings number is a key metric to watch as we move through the spring homebuying season
- The lack of active ARM loans in today's market also limits rate-pressured sale activity, and is resulting in less supply than other countries that rely more heavily on ARM loans are seeing

BLACK KNIGHT HOME PRICE INDEX



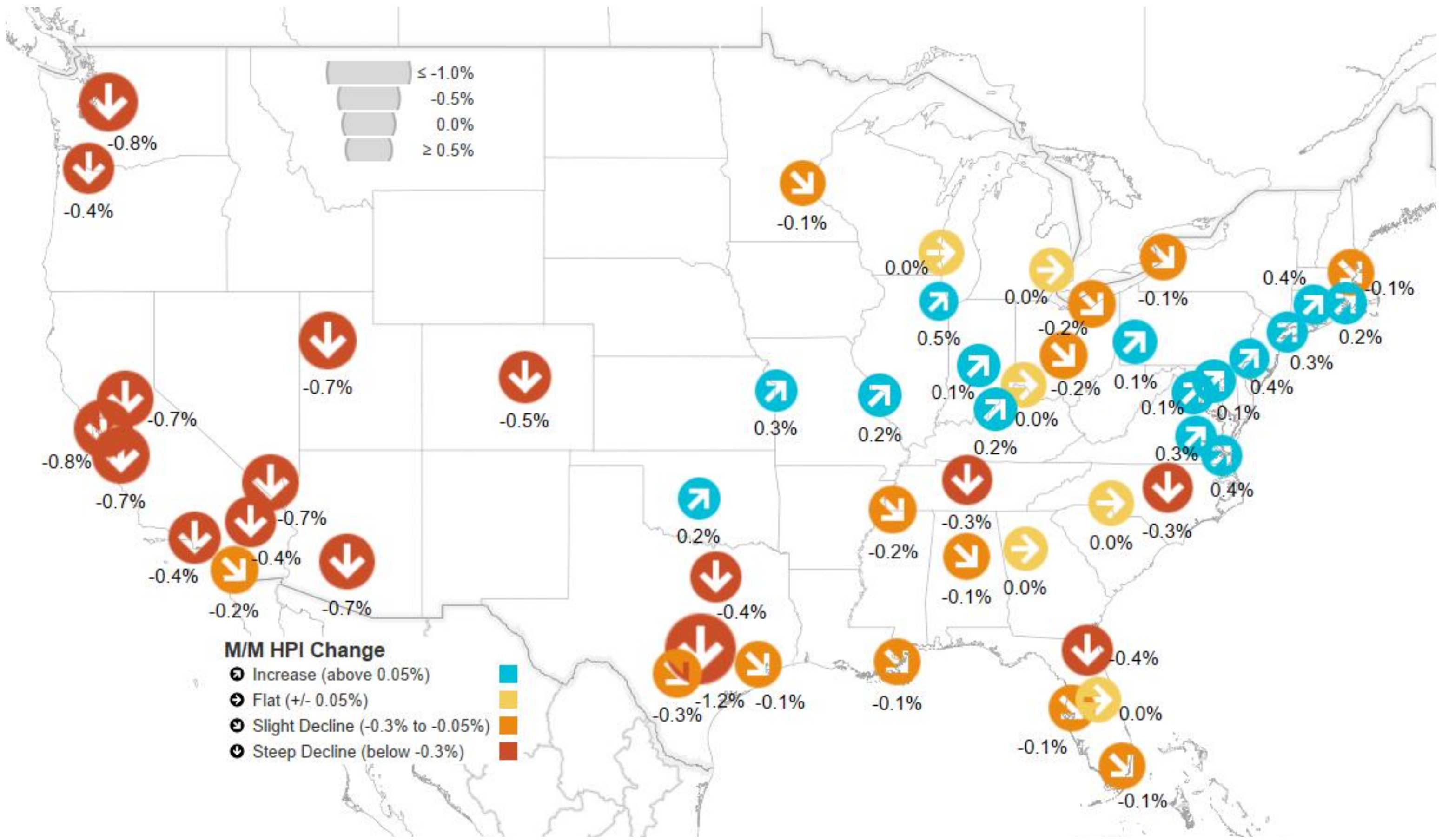
Source: Black Knight Home Price Index (HPI)

Home prices fell for the 7th consecutive month in January, but it was the smallest decline to date

- Home prices fell again in January, pulling back by 0.24% from December and a more modest 0.13% on a seasonally adjusted basis
- That's the smallest monthly decline in seven months, as falling interest rates and improving affordability in late 2022/early 2023 ran into tightening supply
- All in, home prices are now 5.5% off their June peak and a more modest 2.9% off peak when adjusting for typical seasonal trends
- The annual home price growth rate fell to 3.43% in January – more than a full percentage point below the 30-year average – and is on pace to fall below 0% by March/April
- Annualizing January's seasonally adjusted monthly decline – a leading indicator of future home price growth rates – results in an annualized rate of -1.5% significantly stronger than the -5.7% average over the previous six months
- We could see price impacts deepen if 30-year rates continue to climb as they have through late February – although tight inventory remains an offsetting factor

MONTH-OVER-MONTH CHANGE IN HPI

(SEASONALLY ADJUSTED)



Source: Black Knight Home Price Index (HPI)

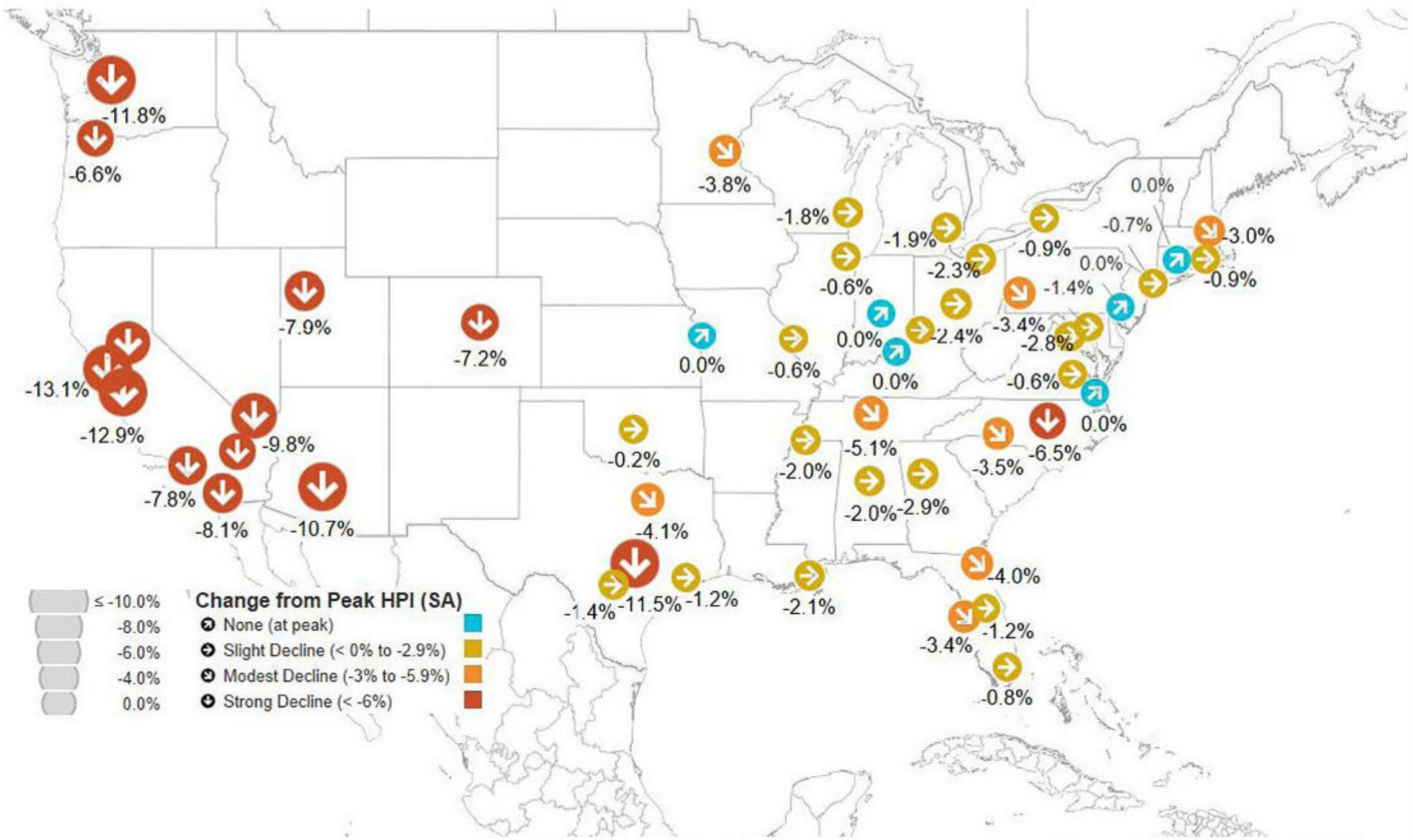
In January, while prices continued to pull back in the West, South and Southeast, Midwest/Northeast saw modest gains

- Two-thirds of major markets saw price declines in January, on a seasonally adjusted basis, down from >90% in December
- Austin saw the largest decline with prices falling 1.2% in the month, with San Francisco (-.77%), Seattle (-.77%), Salt Lake City (-.72%), San Jose (-.72%) and Las Vegas (-.71%) also seeing steep declines
- What's perhaps more interesting in January's numbers is the monthly price increases seen in parts of the Midwest and Northeast
- Chicago saw the largest gain (+.53%) in January followed by Philadelphia (+.43%), Hartford (+.39%) and Virginia Beach (+.32%)
- While even on the high end such gains are only equivalent to 4.6%-6.4% on an annualized basis, they highlight comparatively strong affordability, and perhaps as importantly significant supply shortages, in such markets

JANUARY 2023 HOUSING MARKET METRICS

CHANGE IN HOME PRICE INDEX FROM 2022 PEAK

(SEASONALLY ADJUSTED)

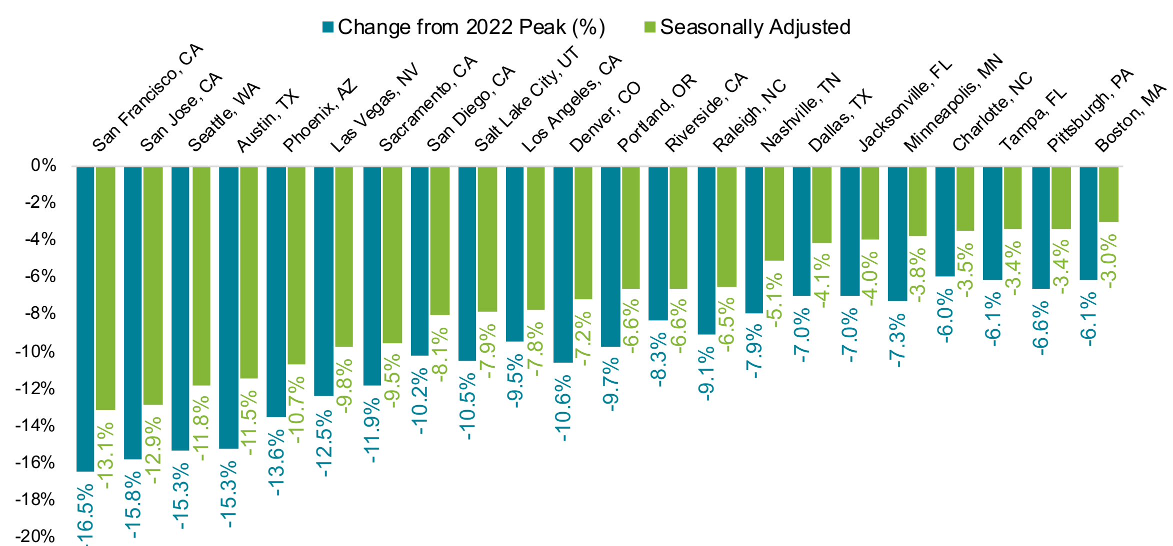


Source: Black Knight Home Price Index (HPI)
January 2023

- 14 of the 50 largest markets have seen home prices decline by 6% or more from their 2022 peaks on a seasonally adjusted basis, including four (San Francisco (-13.1%), San Jose (-12.9%), Seattle (-11.8%), Austin (-11.5%) and Phoenix (-10.7%)) falling >10%
- Every major market west of Denver has seen prices dip by at least 7%, with the exception of Portland, which is modestly lower at -6.6%
- In contrast, adjusted prices pushed higher in midwest and northeastern markets like Louisville, Indianapolis, Virginia Beach, Kansas City, Hartford and Philadelphia
- While Florida markets held strong through Q3 2022, we've seen prices soften there as well in Jacksonville (-4%), Tampa (-3.4%), and Miami (-0.8%)

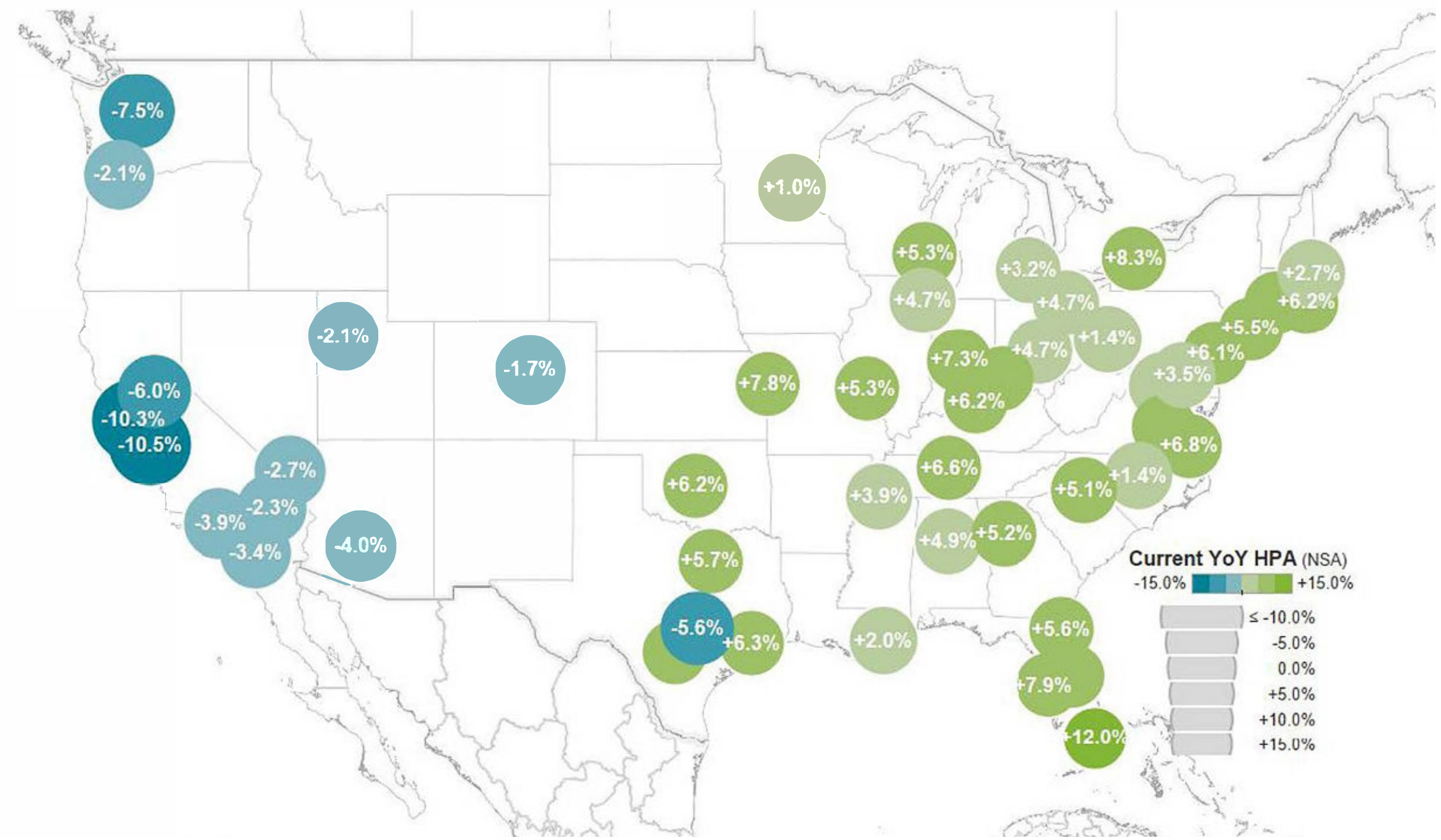
CHANGE IN MEDIAN HOME PRICE

(BLACK KNIGHT HOME PRICE INDEX - MARKETS W/ LARGEST DECLINES)



Source: Black Knight Home Price Index (HPI)
January 2023

ANNUAL HOME PRICE GROWTH RATE BY CBSA



Source: Black Knight Home Price Index (HPI)
January 2023

Home prices are now down year over year across western markets (along with Austin), with growth rates cooling but still positive in the east

- Nine months ago, all 50 of the largest U.S. markets were seeing double-digit annual home price growth; as of January 2023, only one (Miami +12%) remains
- There are now 13 markets where prices are down year over year, including two – San Jose (-10.5%) and San Francisco (-10.3%) – with double-digit price declines
- Every major market west of Colorado along with Austin is now down on a year-over-year basis

TOP 10 CBSAs BY ANNUAL HOME PRICE GROWTH RATE

MARKETS WITH HIGHEST HOME PRICE GROWTH RATES		
Rank	Geography (CBSA)	Annual Home Price Growth Rate
1	Miami, FL	+12.0%
2	Orlando, FL	+9.3%
3	Buffalo, NY	+8.3%
4	Hartford, CT	+8.0%
5	Tampa, FL	+7.9%
6	Kansas City, MO	+7.8%
7	Indianapolis, IN	+7.3%
8	Virginia Beach, VA	+6.8%
9	San Antonio, TX	+6.5%
10	Houston, TX	+6.3%

Source: Black Knight Home Price Index (HPI)
January 2023

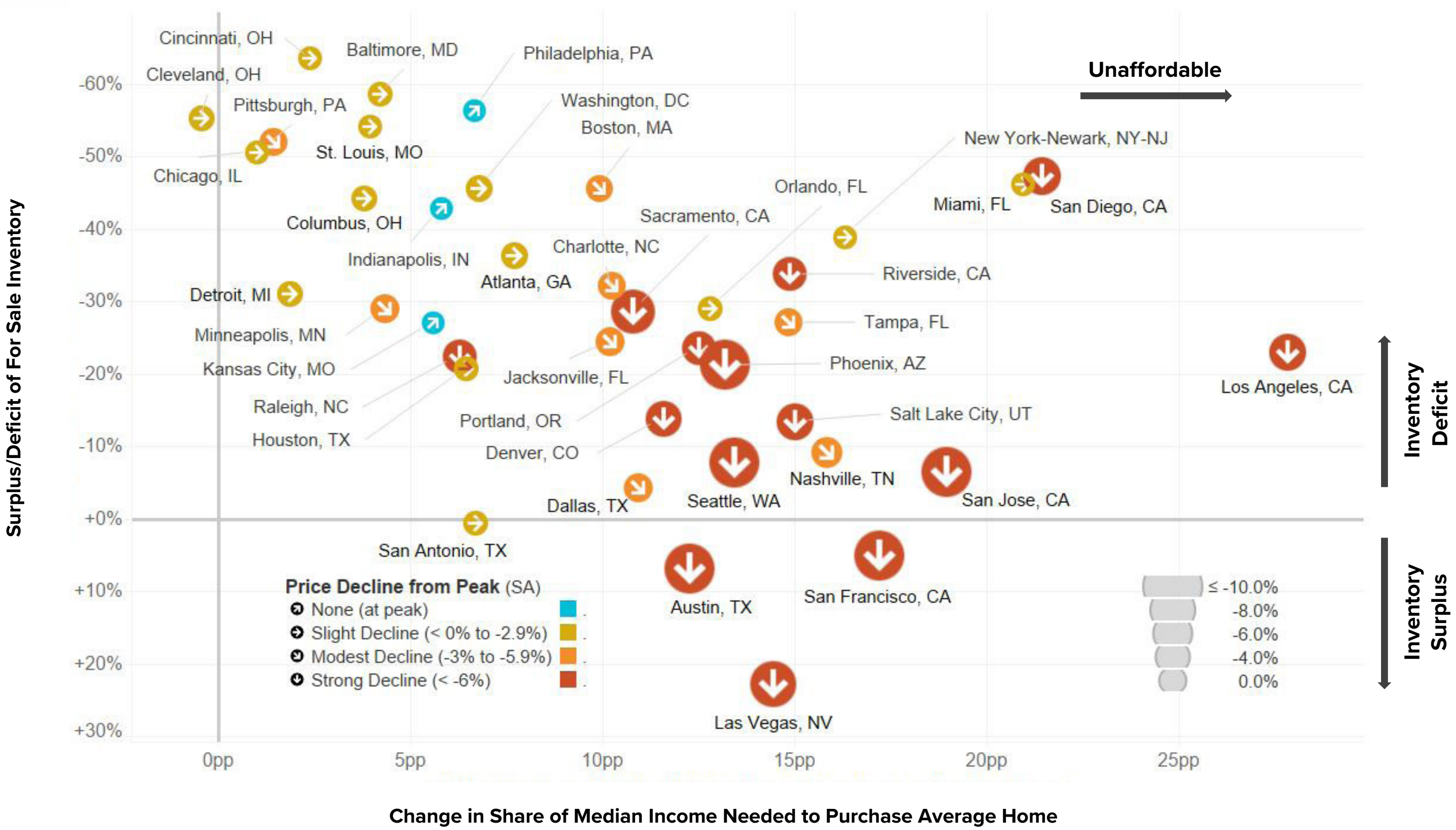
BOTTOM 10 CBSAs BY ANNUAL HOME PRICE GROWTH RATE

MARKETS WITH LOWEST HOME PRICE GROWTH RATES		
Rank	Geography (CBSA)	Annual Home Price Growth Rate
41	Riverside, CA	-2.3%
42	Las Vegas, NV	-2.7%
43	San Diego, CA	-3.4%
44	Los Angeles, CA	-3.9%
45	Phoenix, AZ	-4.0%
46	Austin, TX	-5.6%
47	Sacramento, CA	-6.0%
48	Seattle, WA	-7.5%
49	San Francisco, CA	-10.3%
50	San Jose, CA	-10.5%

Source: Black Knight Home Price Index (HPI)
January 2023

- Austin has seen strongest deceleration in its year-over-year growth rate over the past 12 months, going from a peak of +43.6% in July 2022 to -5.6% in January; Phoenix dropped from a peak of +33% to -4% and Raleigh has gone from +35.4% to +1.4%
- Hartford (which ranks as the second most affordable market in the U.S. and has the largest inventory deficit at -74%) unsurprisingly has seen its annual home price growth rate slow only from 14.3% to 8.0%, the least of any major market
- Chicago, Kansas City, Louisville and Virginia Beach also rank among markets with limited slowing, as home prices in those markets continue to hold strong
- With two-thirds of major markets seeing prices drop on a seasonally adjusted basis, we expect to see annual home price growth rates continue to fall rapidly in coming months

HOME PRICE DECLINES VS. AFFORDABILITY AND INVENTORY LEVELS BY MARKET



Source: Black Knight, Census Bureau, Realtor.com, FHLMC PMMS, Moody's

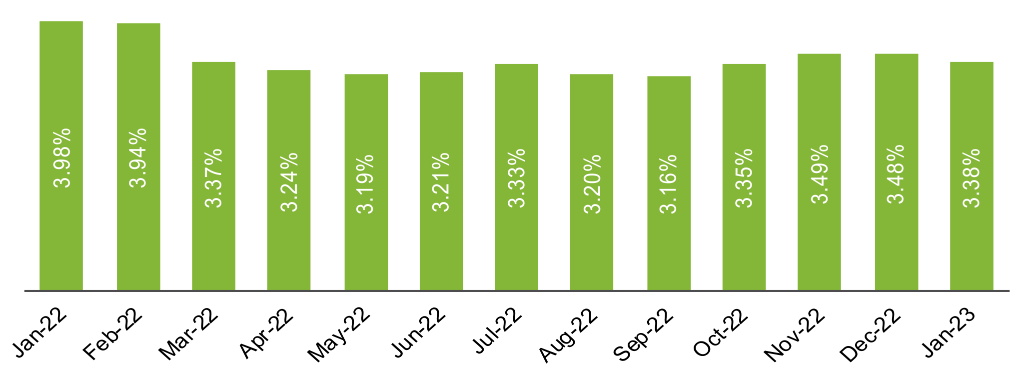
- While there are myriad factors impacting U.S. home prices, plotting trends by market alongside unique affordability and inventory levels exposes some interesting trends
- For example, markets seeing the largest home price drops are both unaffordable (compared to their own long-run standards) and have smaller inventory deficits
- Of markets that have seen prices pull back by more than 6% from recent peaks, 13 of 14 require at least 10pp more of the local market median household income to make mortgage payments on the average home purchase than their long-run average
- Similarly, 13 of 14 markets have below average inventory deficits, with 11 having less than 30% inventory deficits AND requiring 10pp more of the median household income to afford the average home purchase
- Dallas, Jacksonville, Nashville, Orlando and Tampa all fit that description, but have not yet seen comparable price declines – although Jacksonville, Dallas and Nashville all ranked in the top 15 in terms of single-month price declines in January

JANUARY 2023 DATA SUMMARY

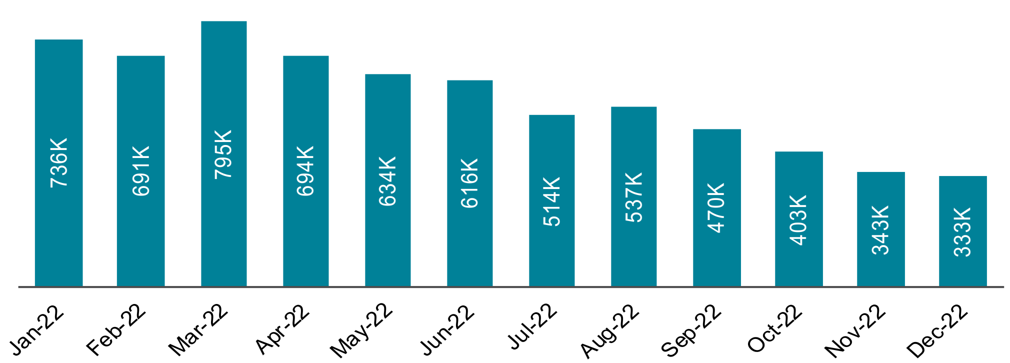
	Jan-23	Monthly Change	YTD Change	Yearly Change
Delinquencies	3.38%	-2.92%	0.00%	-15.05%
Foreclosure	0.45%	2.42%	0.00%	23.31%
Foreclosure Starts	32,500	15.25%	0.00%	-17.30%
Seriously Delinquent (90+) or in Foreclosure	1.56%	0.17%	0.00%	-34.09%
New Originations (data as of Dec-22)	333K	-2.9%	0.0%	-64.3%

	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22	Feb-22	Jan-22
Delinquencies	3.38%	3.48%	3.49%	3.35%	3.16%	3.20%	3.33%	3.21%	3.19%	3.24%	3.37%	3.94%	3.98%
Foreclosure	0.45%	0.44%	0.44%	0.43%	0.43%	0.44%	0.43%	0.44%	0.43%	0.42%	0.40%	0.40%	0.37%
Foreclosure Starts	32,500	28,200	27,300	24,900	24,200	28,800	22,900	31,500	26,500	36,600	34,100	30,800	39,300
Seriously Delinquent (90+) or in Foreclosure	1.56%	1.55%	1.55%	1.55%	1.56%	1.58%	1.63%	1.68%	1.74%	1.87%	2.02%	2.22%	2.36%
New Originations		333K	343K	403K	470K	537K	514K	616K	634K	694K	795K	691K	736K

TOTAL DELINQUENCIES



NEW ORIGINATIONS



LOAN COUNTS AND AVERAGE DAYS DELINQUENT

Month	Total Active Count	30 Days	60 Days	90+ Days	FC	Total Non-Current	FC Starts	FC Sales (Completions)	Average Days Delinquent for 90+	Average Days Delinquent for FC	DQ%	Monthly Change	Yearly Change	FC%	Monthly Change	Yearly Change
12/31/00	41,339,841	1,402,527	331,808	378,116	189,537	2,301,987	32,769	16,232	210	305	5.1%	15.6%		0.5%	-2.7%	
12/31/01	42,675,903	1,471,040	372,619	547,576	309,393	2,700,628	76,086	21,421	211	282	5.6%	10.3%	9.7%	0.7%	3.7%	58.1%
12/31/02	43,421,435	1,424,648	363,595	482,508	316,519	2,587,271	76,352	23,173	237	298	5.2%	0.8%	-6.7%	0.7%	0.1%	0.5%
12/31/03	43,833,106	1,203,962	336,280	473,781	320,864	2,334,887	83,136	24,307	275	345	4.6%	-6.0%	-12.1%	0.7%	6.7%	0.4%
12/31/04	46,585,517	1,077,171	300,217	424,055	268,256	2,069,700	69,967	23,201	248	340	3.9%	-3.4%	-15.8%	0.6%	0.0%	-21.3%
12/31/05	49,763,823	1,331,648	412,029	537,611	247,188	2,528,477	74,714	21,605	202	306	4.6%	1.7%	18.5%	0.5%	6.1%	-13.7%
12/31/06	52,667,353	1,602,366	482,919	537,651	382,789	3,005,725	106,817	32,322	203	272	5.0%	9.1%	8.6%	0.7%	6.4%	46.3%
12/31/07	54,155,598	1,791,773	663,414	903,997	729,210	4,088,395	168,774	51,454	188	258	6.2%	8.3%	24.6%	1.3%	10.8%	85.3%
12/31/08	54,447,763	2,031,553	952,885	1,755,214	1,242,378	5,982,029	229,817	59,601	192	318	8.7%	0.6%	40.3%	2.3%	5.9%	69.5%
12/31/09	54,131,171	1,840,304	896,008	2,909,436	2,043,443	7,689,190	229,997	99,393	247	415	10.4%	0.7%	19.8%	3.8%	0.0%	65.4%
12/31/10	53,069,898	1,739,100	753,216	2,136,381	2,313,990	6,942,687	285,396	79,557	331	520	8.7%	-1.7%	-16.4%	4.4%	3.2%	15.5%
12/31/11	51,973,151	1,639,038	660,408	1,833,694	2,204,283	6,337,423	185,099	76,228	394	667	8.0%	0.8%	-8.8%	4.2%	-0.1%	-2.7%
12/31/12	50,866,763	1,500,197	593,920	1,587,348	1,751,341	5,432,806	144,261	58,706	463	802	7.2%	1.3%	-9.0%	3.4%	-1.5%	-18.8%
12/31/13	49,778,783	1,392,900	533,854	1,260,209	1,246,302	4,433,265	110,038	43,638	498	908	6.4%	-0.1%	-11.5%	2.5%	-0.7%	-27.3%
12/31/14	49,617,696	1,235,186	466,496	1,066,446	862,529	3,630,657	88,542	28,727	507	1,026	5.6%	-6.7%	-12.9%	1.7%	-0.5%	-30.6%
12/31/15	49,661,542	1,138,462	411,732	793,162	675,629	3,018,985	76,754	27,630	493	1,055	4.7%	-3.2%	-15.4%	1.4%	-1.1%	-21.7%
12/31/16	49,795,854	1,185,870	402,998	688,729	496,641	2,774,237	59,424	20,656	449	1,024	4.6%	-0.1%	-3.1%	1.0%	-2.5%	-26.7%
12/31/17	50,091,200	1,297,364	451,279	750,066	353,971	2,852,679	44,474	12,982	351	923	5.0%	4.8%	9.1%	0.7%	-0.1%	-29.1%
12/31/18	50,458,378	1,201,637	384,412	535,627	307,977	2,429,653	48,340	12,168	398	829	4.2%	5.2%	-15.7%	0.6%	1.4%	-13.6%
12/31/19	51,144,421	1,158,280	377,817	480,447	287,639	2,304,182	51,761	11,375	348	764	3.9%	-2.1%	-6.2%	0.6%	-0.3%	-7.9%
12/31/20	51,662,791	888,052	366,364	2,282,788	213,984	3,751,187	8,164	2,919	260	1,169	6.8%	-3.4%	73.6%	0.4%	0.2%	-26.4%
12/31/21	51,822,244	745,449	225,034	1,132,122	167,230	2,269,835	9,040	4,781	414	1,560	4.1%	-4.9%	-40.7%	0.3%	-1.7%	-22.1%
12/31/22	52,450,245	953,775	289,825	583,112	231,755	2,058,468	28,239	6,076	353	1,112	3.5%	-0.1%	-14.2%	0.4%	-0.2%	36.9%
1/31/23	52,491,830	907,996	287,515	579,344	237,554	2,012,409	32,542	6,958	348	1,075	3.4%	-2.9%	-15.1%	0.5%	2.4%	23.3%

DELINQUENCY AND FORECLOSURE FIGURES BY STATE

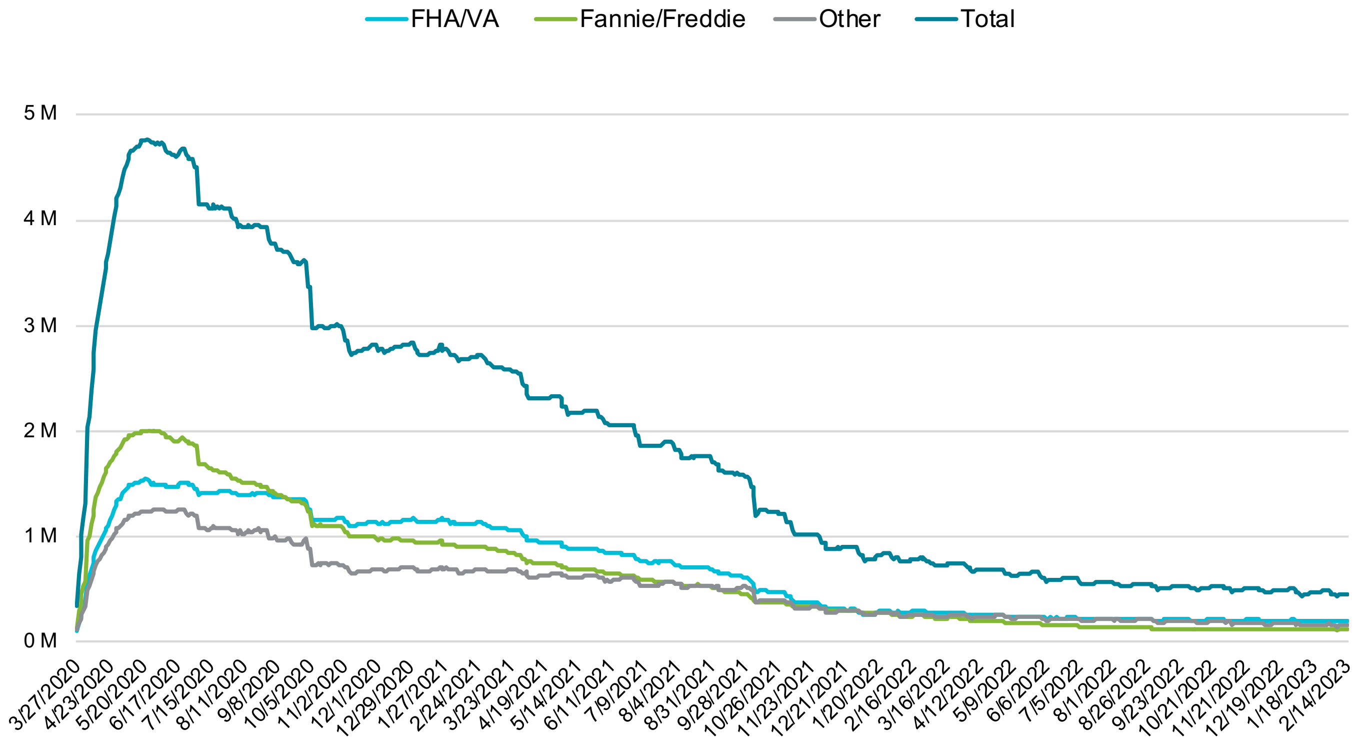
State	Del %	FC %	NC %	Yr/Yr Change in NC%
National	3.4%	0.5%	3.8%	-11.8%
MS	7.4%	0.6%	8.0%	-5.4%
LA *	6.6%	0.9%	7.6%	-12.9%
AL	5.4%	0.4%	5.7%	-10.6%
IN *	4.6%	0.7%	5.3%	-7.0%
AR	4.8%	0.4%	5.3%	-9.3%
WV	4.7%	0.5%	5.2%	-16.1%
PA *	4.4%	0.7%	5.2%	-6.5%
OK *	4.3%	0.8%	5.1%	-10.3%
OH *	4.2%	0.7%	4.9%	-6.2%
IL *	4.1%	0.8%	4.9%	-7.6%
GA	4.3%	0.3%	4.6%	-11.9%
DE *	4.1%	0.5%	4.6%	-8.2%
KY *	3.9%	0.7%	4.6%	-10.0%
MD *	4.0%	0.6%	4.6%	-12.3%
TX	4.2%	0.4%	4.6%	-10.9%
NY *	3.2%	1.3%	4.5%	-20.3%
SC *	3.9%	0.5%	4.4%	-14.0%

State	Del %	FC %	NC %	Yr/Yr Change in NC%
National	3.4%	0.5%	3.8%	-11.8%
FL *	3.8%	0.5%	4.2%	-6.7%
IA *	3.5%	0.6%	4.1%	-5.3%
MO	3.8%	0.3%	4.1%	-5.4%
CT *	3.5%	0.7%	4.1%	-21.5%
RI	3.4%	0.7%	4.1%	-9.0%
MI	3.7%	0.2%	4.0%	-4.4%
NJ *	3.3%	0.6%	3.9%	-20.9%
ME *	3.0%	0.8%	3.8%	-6.6%
WI *	3.4%	0.5%	3.8%	-9.9%
KS *	3.3%	0.4%	3.7%	-9.8%
NM *	3.1%	0.6%	3.7%	-15.5%
TN	3.4%	0.2%	3.7%	-17.5%
NE *	3.3%	0.3%	3.5%	-11.2%
VT *	2.9%	0.6%	3.5%	-17.9%
VA	3.2%	0.3%	3.5%	-14.3%
NC	3.2%	0.3%	3.5%	-17.1%
MN	2.9%	0.3%	3.2%	-8.3%

State	Del %	FC %	NC %	Yr/Yr Change in NC%
National	3.4%	0.5%	3.8%	-11.8%
ND *	2.5%	0.6%	3.1%	-14.0%
AK	2.7%	0.4%	3.1%	-29.6%
MA	2.8%	0.3%	3.1%	-13.5%
WY	2.8%	0.3%	3.1%	-13.7%
NV	2.7%	0.4%	3.0%	-16.3%
DC	2.3%	0.6%	2.9%	-23.6%
NH	2.6%	0.3%	2.9%	-14.6%
SD *	2.5%	0.4%	2.8%	-2.1%
UT	2.6%	0.2%	2.8%	-7.3%
AZ	2.6%	0.2%	2.7%	-8.4%
HI *	1.7%	0.9%	2.6%	-23.4%
OR	1.9%	0.3%	2.2%	-18.0%
CA	2.0%	0.2%	2.2%	-15.9%
MT	1.9%	0.2%	2.2%	-17.7%
ID	1.8%	0.2%	2.0%	-7.4%
CO	1.8%	0.2%	2.0%	-14.0%
WA	1.8%	0.2%	2.0%	-21.1%

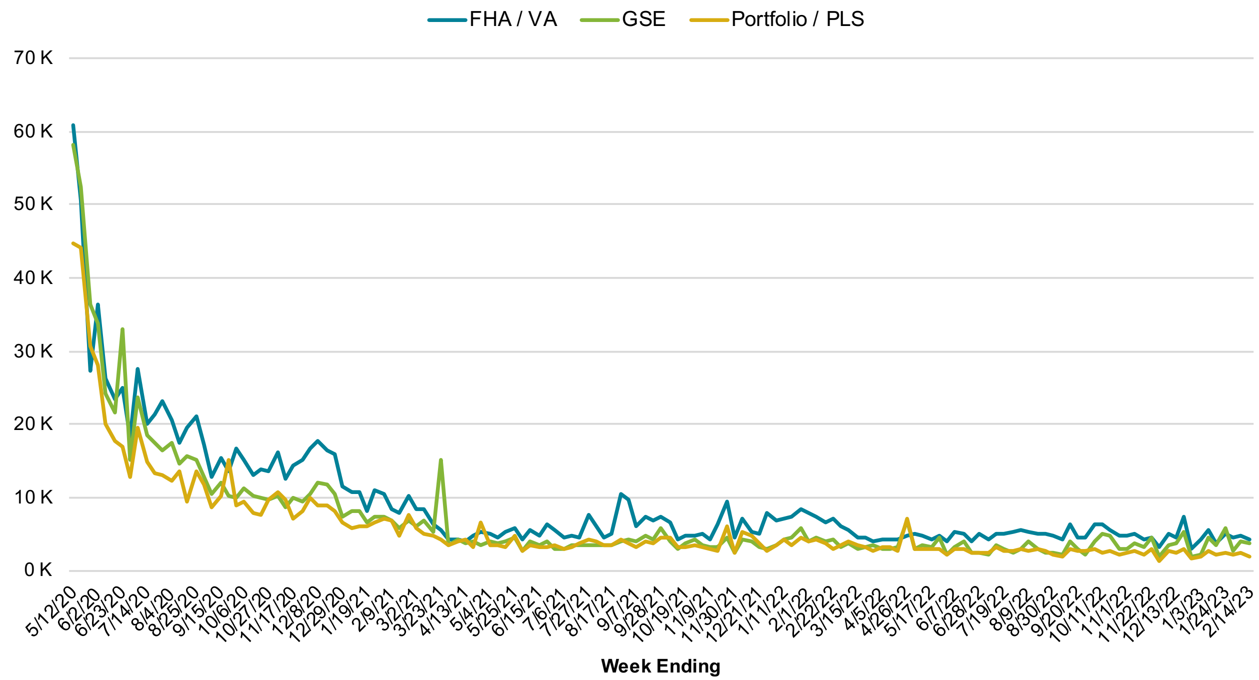
* Indicates Judicial State

ACTIVE FORBEARANCE PLANS



Source: McDash Flash

NEW FORBEARANCE PLAN STARTS BY INVESTOR

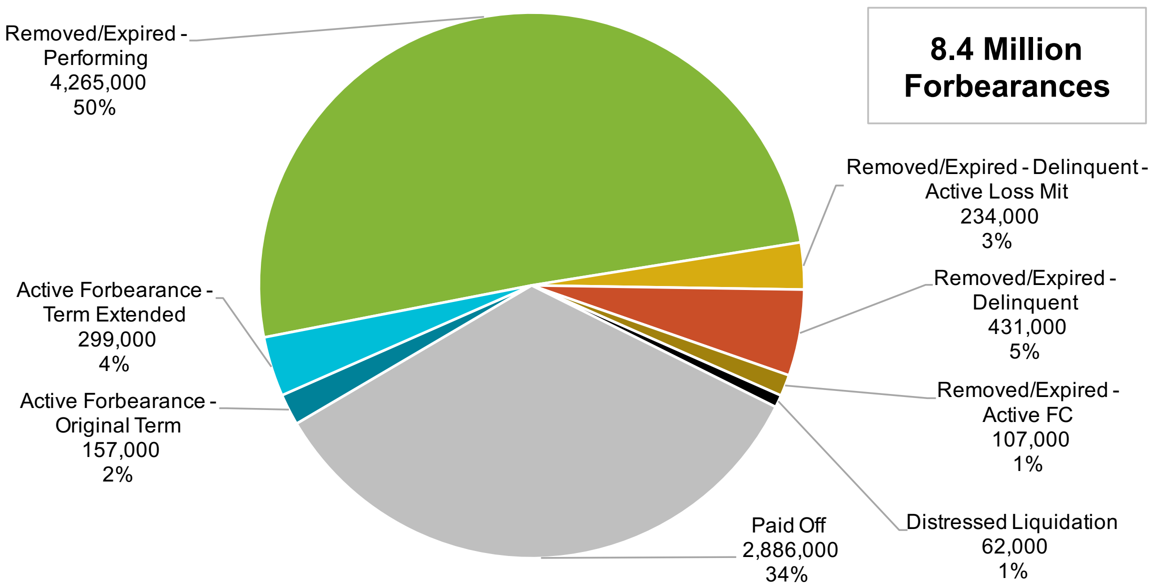


Source: McDash Flash

	Fannie & Freddie	FHA & VA	Other**	Total
Loans in Forbearance*	111,000	192,000	152,000	456,000
UPB of Loans in Forbearance ($Bil)*	$23	$36	$25	$84
Share of Loans in Forbearance*	0.4%	1.6%	1.2%	0.9%

Source: McDash Flash
Data as of Feb. 14, 2023

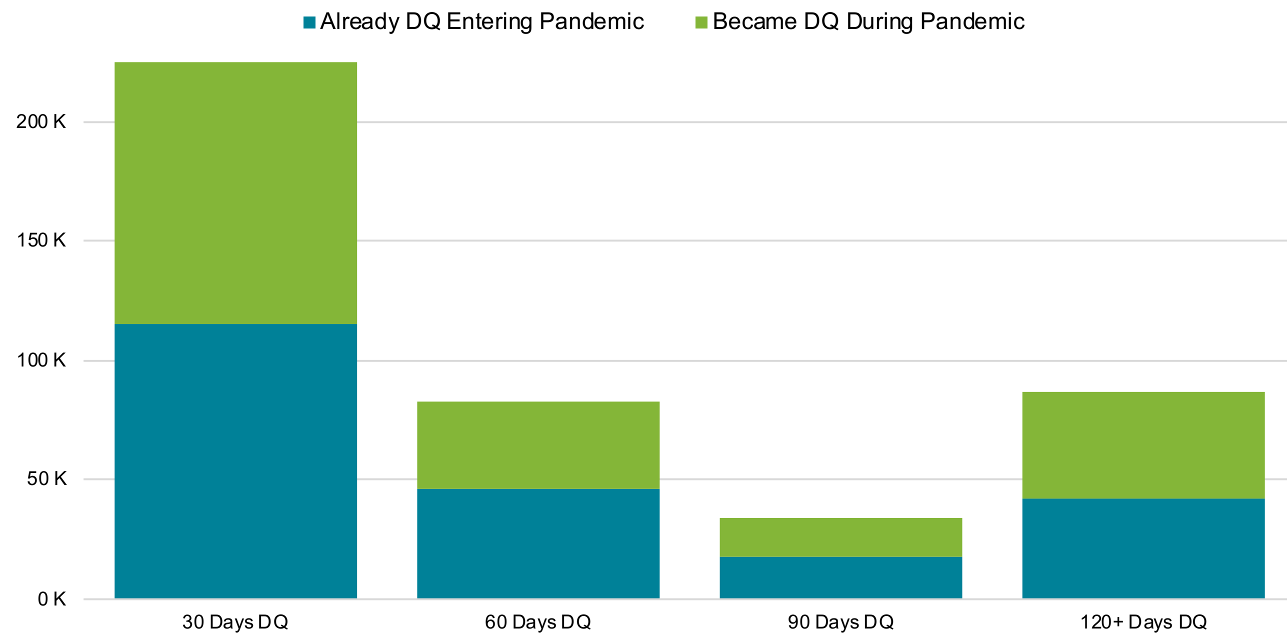
CURRENT STATUS OF COVID-19 RELATED FORBEARANCES



Source: McDash Flash
Data as of, February 14, 2023

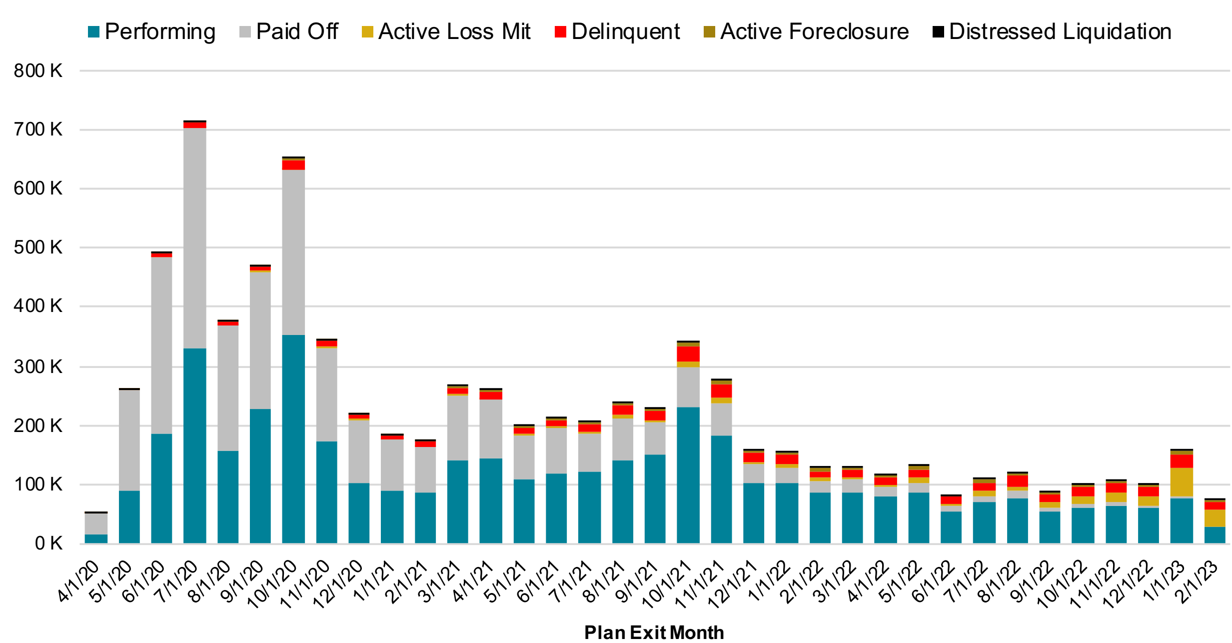
BREAKDOWN OF LOANS THAT REMAIN DELINQUENT FOLLOWING FORBEARANCE PLAN EXIT

(EXCLUDING LOANS IN ACTIVE LOSS MITIGATION OR FORECLOSURE)



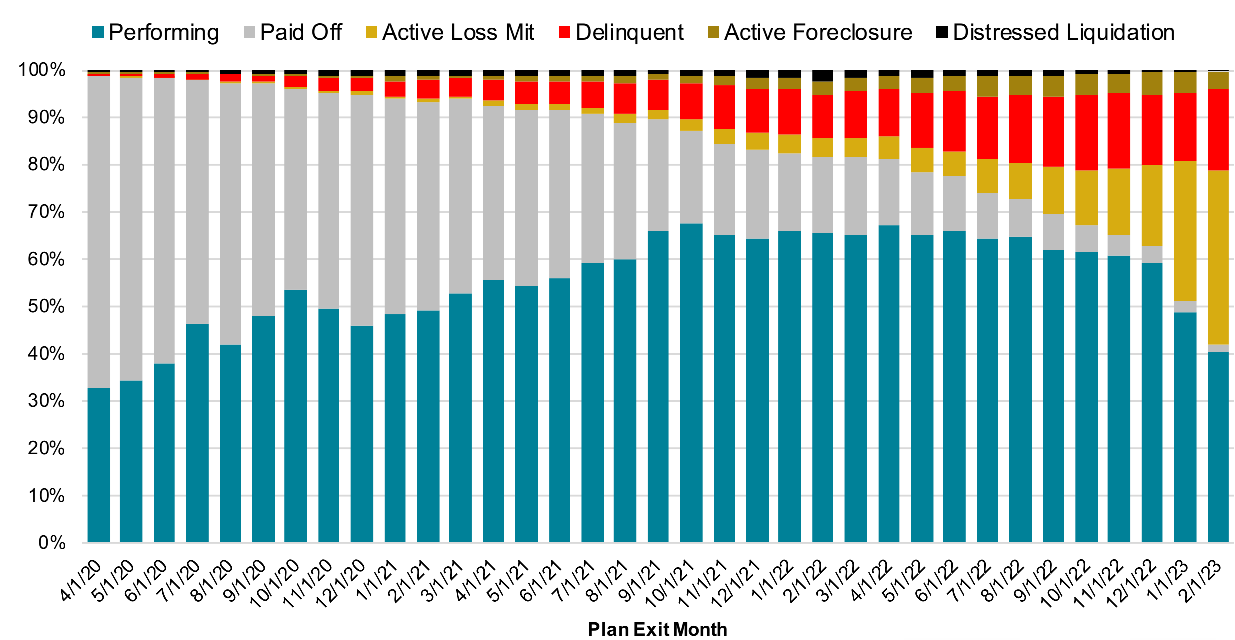
Source: McDash Flash

CURRENT STATUS OF LOANS THAT HAVE LEFT COVID-19 FORBEARANCE PLANS



Source: McDash Flash
February 2023 represents partial data through the 14th of the month

CURRENT STATUS OF LOANS THAT HAVE LEFT COVID-19 FORBEARANCE PLANS



Source: McDash Flash

Mortgage Monitor Disclosures

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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.