MORTGAGE MONITOR

BLACK KNIGHT + ICE

SEPTEMBER 2023 REPORT

MORTGAGE MONITOR

CONTENTS

SEPTEMBER 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 an extra emphasis on delinquencies. From there, we dive deeper into interest rate trends, recent developments in the origination pipeline and credit quality for insights into how current market conditions are affecting home sales.

Finally, we take a closer look at the latest data on home prices and inventory levels and which markets are setting new highs. We also examine how the reheating housing market has impacted homeowner equity.

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 data assets, please call 844-474-2537 or email Mortgage.Monitor@bkfs.com.

MORTGAGE MONITOR

FIRST LOOK

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

MORTGAGE PERFORMANCE OVERVIEW

+9 BPS

DELINQUENCY RATE

Delinquencies saw a modest rise in July, but remain near record lows

Serious delinquencies (90+ days past due) dropped to their lowest level since since June 2006, prior to the Great Financial Crisis

-6.0%

FORECLOSURE STARTS

July starts decreased to 26K, and remain 39% below pre-pandemic levels

Foreclosure actions began on 5.6% of serious delinquencies in July

-12.2%

PREPAYMENT ACTIVITY

Prepayment activity fell in July

At 0.50%, the current single-month mortality rate is down 28% from the same time last year

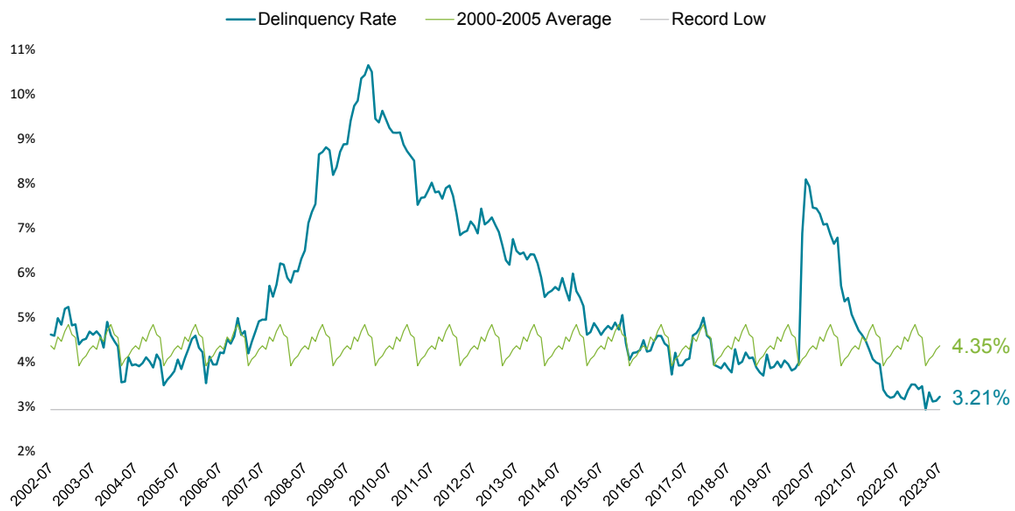
Active foreclosure inventory continued to trend lower in July, hitting its lowest level in 15 months

MORTGAGE MONITOR

MORTGAGE PERFORMANCE HIGHLIGHTS

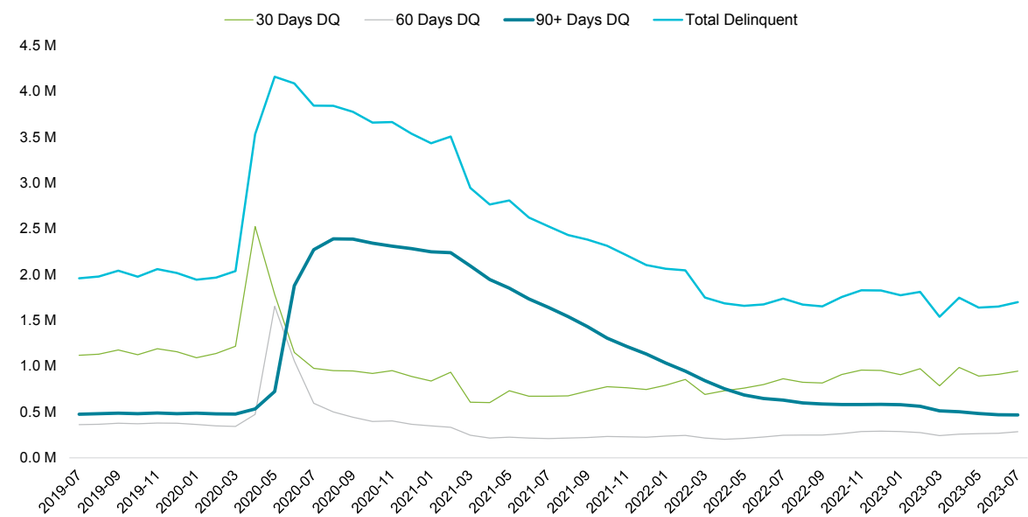
The Black Knight McDash loan-level database provides key performance metrics for a clearer picture of the delinquency landscape, including new inflow and roll rates. Click on each chart to view its contents in high resolution.

NATIONAL DELINQUENCY RATE – FIRST LIEN MORTGAGES



Source: Black Knight, McDash

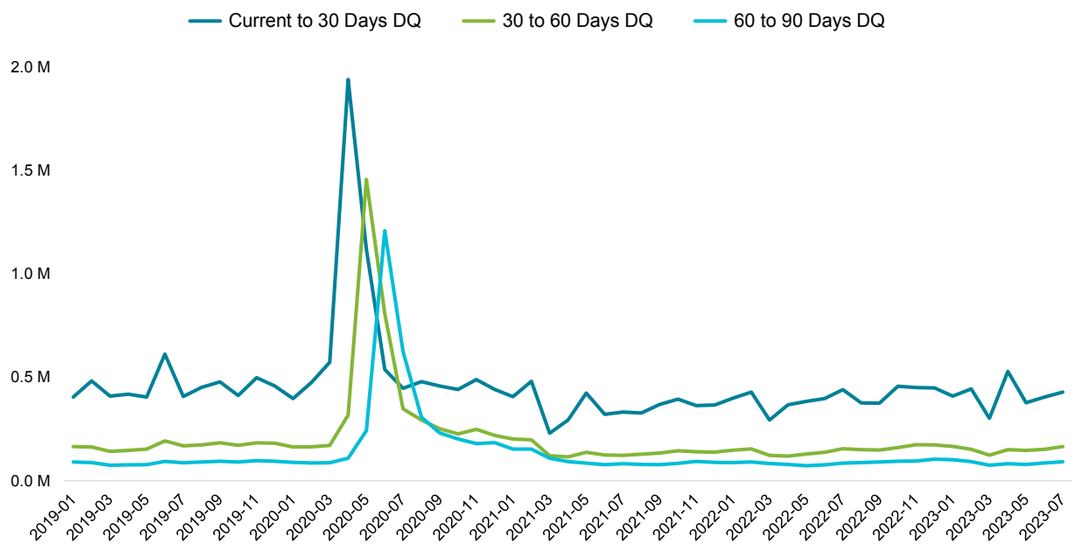
MORTGAGE DELINQUENCIES BY SEVERITY



Source: Black Knight, McDash

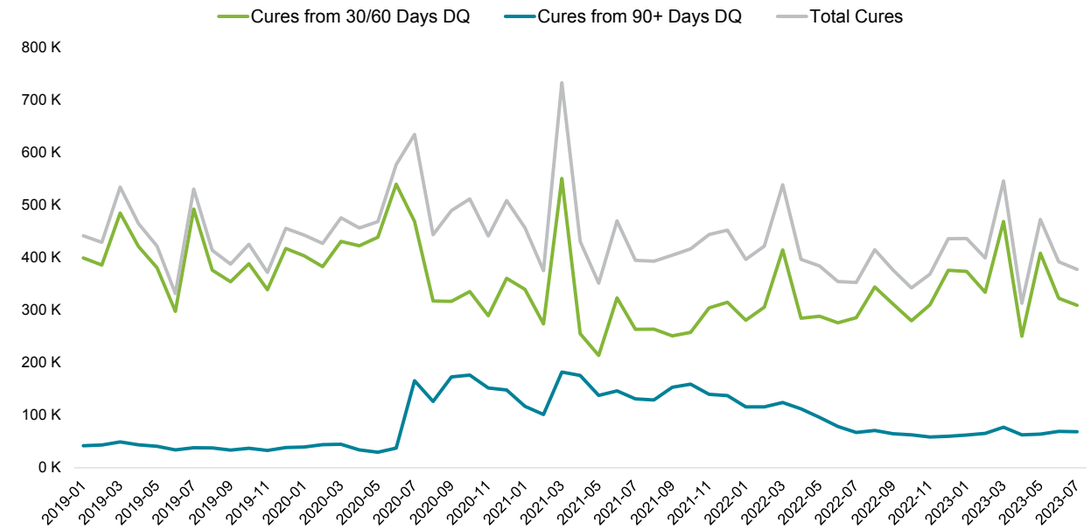
- The national delinquency rate rose 9 basis points (bps) in July to 3.21%, but remains down 12 bps since July 2022 and near record lows
- Borrowers a single payment past due increased by 35K (3.8%), while borrowers who have missed two payments ticked up by 17K (6.4%)
- Meanwhile, serious delinquencies – those 90+ days past due – continued to improve, dropping 3K to 468K, the lowest level since the market peak in June 2006 and a 161K improvement from July 2022
- Only 28% of delinquent mortgages are three or more payments past due and, while still historically high, that marks the lowest such share since the onset of the pandemic

LOANS ROLLING TO A MORE DELINQUENT STATUS



Source: Black Knight, McDash

CURES TO CURRENT BY PREVIOUS DQ BUCKET



Source: Black Knight, McDash

- July new delinquency inflows – those rolling from current to 30-days delinquent – increased 24K from June (+5.8%) to 429K but remained down 2.6% year over year
- New 60- and 90-day delinquency inflows both increased, with 30-to-60-day rolls up 13K (8.5%) and 60-to-90K rolls up 5.7K (6.7%) for the month

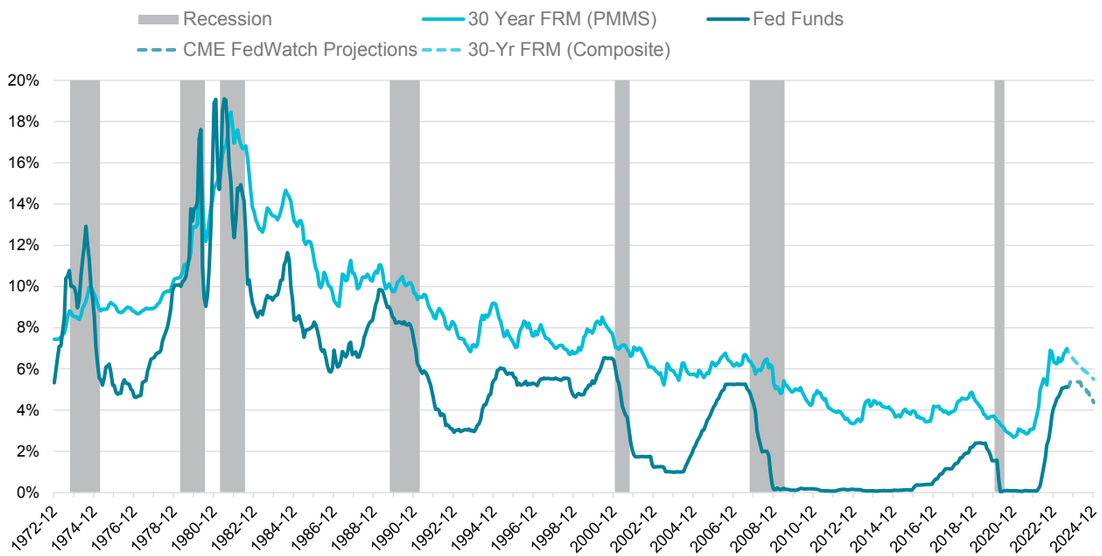
- Cures continued their decline from peaks in March and May but remained above April's level with total cures down 14K (3.7%) but still up 7% year over year
- Cures from 90-days late were mostly flat, down by around 800 (1.2%), but slightly above the average number of 90-day cures for the preceding 12 months
- Early-stage cures (from 30- and 60- days late to current) declined by 14K (4.2%) from June but are still up 8.2% year over year

MORTGAGE MONITOR

INTEREST RATES & RATE LOCK INSIGHTS

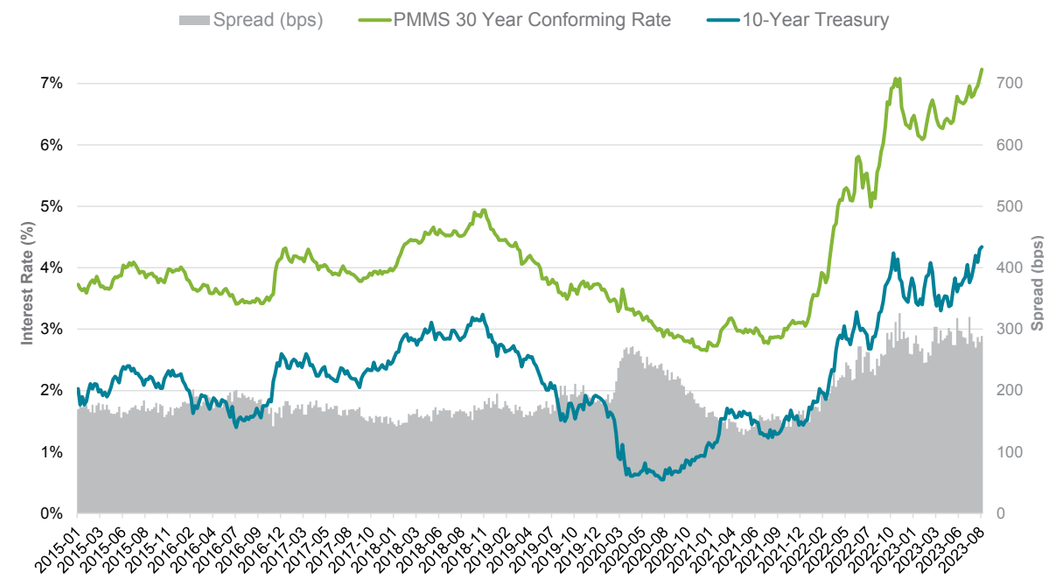
Here we look at recent developments in interest rates, explore what this means for origination activity and take a closer look at mortgage payments. Click on each chart to view its contents in high resolution.

FED FUNDS RATE VS. 30-YEAR FRM CONFORMING



Source: Black Knight, Freddie Mac PMMS, Federal Reserve Bank of St. Louis (FRED)
CME FedWatch Projections as of 8/24/2023; Fannie Mae Housing Forecast August 10, 2023; MBA Mortgage Forecast August 20, 2023

30-YEAR MORTGAGE TO 10-YEAR TREASURY SPREAD

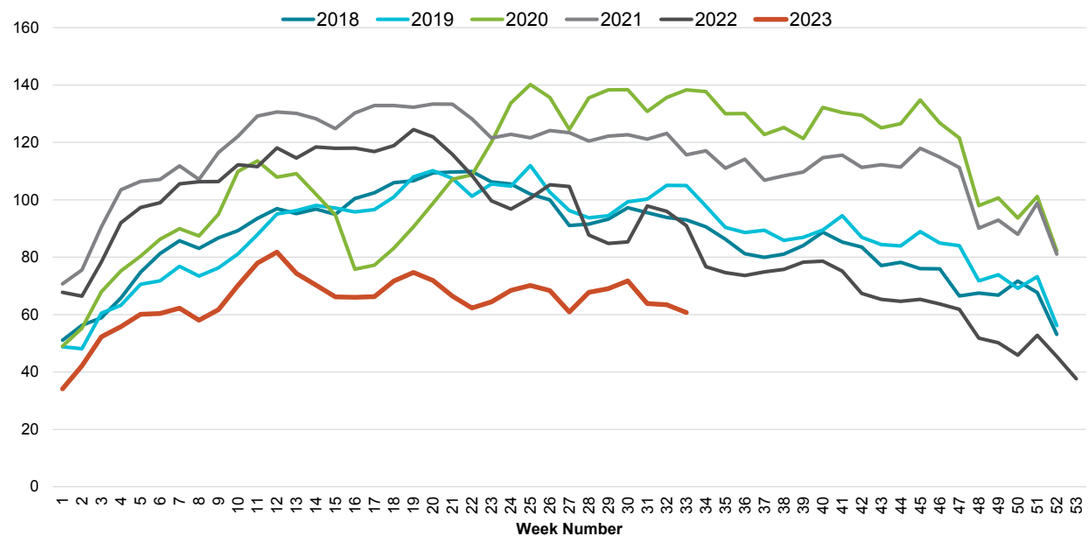


Source: Black Knight, Optimal Blue, Federal Reserve Bank of St. Louis (FRED)
Data through 8/24/2023

- While CME FedWatch projects a better than 80% chance that the Fed will hold rates steady in September, the likelihood of another rate hike in November is projected at around 40%
- CME FeWatch, on August 24, was still projecting the Fed Funds rate to most likely end 2023 in the 5.25%-5.5% range; although rate cuts are now not expected until May 2024 and are expected finish 2024 in the 4.25%-4.5% range, 25 bps higher than last month's projection
- According to the Freddie Mac PMMS, the 30-year rate clocked 7.23% on August 24, the highest it has been in more than 22 years
- Since peaking at 320 bps in July, the spread between the 10-year Treasury and 30-year fixed mortgage rate eased to 289 bps as of August 24, still roughly a full percentage point above its long-run average
- Composite forecasts for 30-year mortgage rates now call for rates to finish 2023 around 6.5% – up from an expected 5.8% three months ago – before retreating to 5.5% by the end of 2024 (up from a previously forecasted 5.1%)

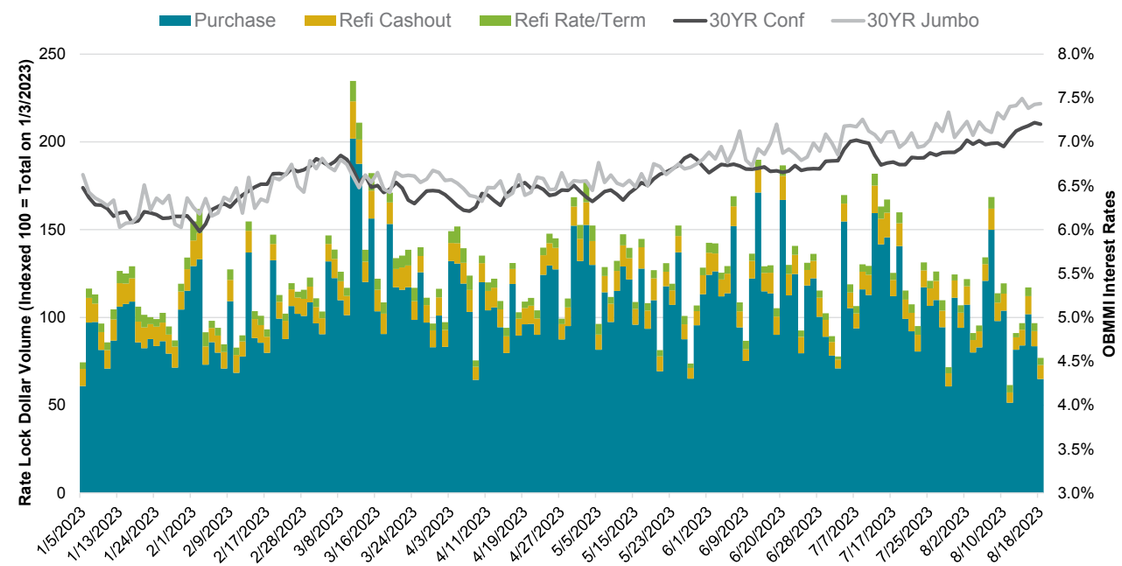
PURCHASE RATE LOCK COUNTS BY YEAR & WEEK

(TRAILING 3-WEEK MOVING AVERAGE)



Source: Black Knight, Optimal Blue
Data through week ending 8/19/2023
Total lock count indexed to 100 in week ending 1/13/2018

INTEREST RATES & RATE LOCK VOLUME

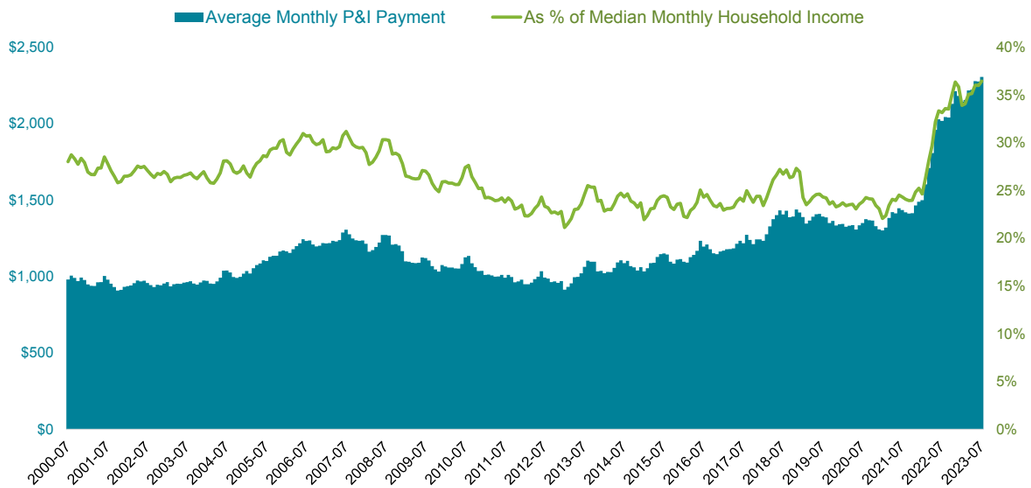


Source: Black Knight, Optimal Blue;
Daiily rate lock volume through 8/18/2023
Interest rates are daily OBMMI rates

- Rate locks have slumped in response to the highest mortgage rates in more than 20 years, as the 30-year conforming topped 7.27% and 30-year jumbo offerings climbed above 7.4% on August 21
- Purchase locks are now running 39% below pre-pandemic levels – among the steepest deficits we've seen so far this year
- With home affordability having its tightest point since the early 1980s, demand is likely to remain subdued in the near term
- Purchase demand is already typically weak as the school year starts and families shift their focus elsewhere, while refinance locks also remain extremely muted at only 14% of all lock activity in the first three weeks of August
- The spread between jumbo and conforming rates has widened, averaging 23 bps through the first three weeks of August, compared with 10 bps or less as recently as May
- Impact on demand from rising rates is further amplified in the short term as borrowers already under contract on homes try to time locks to avoid rate spikes

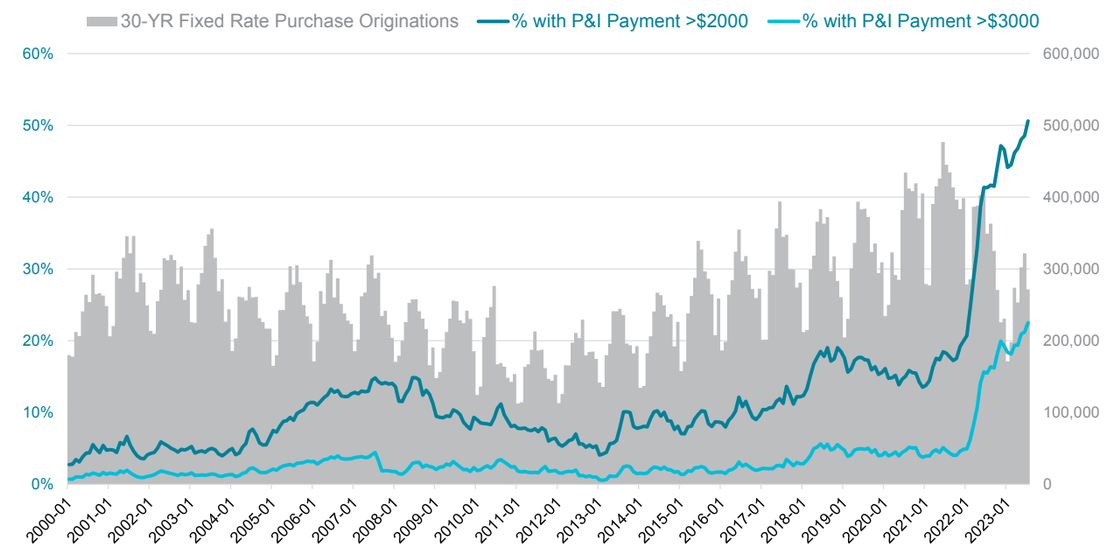
AVERAGE MONTHLY P&I PAYMENT ON 30-YEAR FIXED RATE

(PURCHASE ORIGINATIONS)



Source: Black Knight, McDash; Moody's Analytics

30-YEAR FIXED RATE PURCHASE ORIGINATIONS



Source: Black Knight, McDash

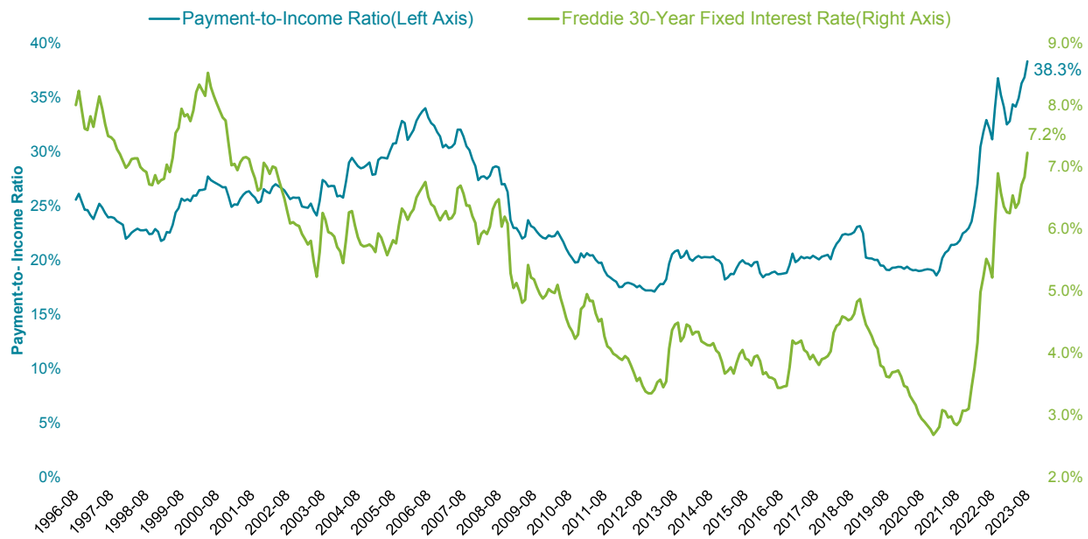
- The average principal and interest payment for borrowers purchasing a home in July using a 30-year fixed rate mortgage was $2,306
- That's the highest such payment on record, up 60% ($871) over the past two years, and is poised to push even higher with recent interest rate increases
- More than half of recent purchase originations had a mortgage payment of more than $2,000 a month, up from just 18% two years ago, with nearly a quarter (23%) having payments of more than $3,000 (up from 5% in 2021)
- The average mortgage payment was equivalent to 36.5% of the median household income in July, up from 24.3% in 2021, marking the highest share of median household income needed to make the average mortgage payment on record
- For comparison, it only took 31% of the median household income to make the average mortgage payment back at the peak of the market in 2006 before the Great Financial Crisis

MORTGAGE MONITOR

HOUSING MARKET & EQUITY TRENDS

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

NATIONAL PAYMENT-TO-INCOME RATIO*



Source: Black Knight Home Price Index, FHLMC PMMS, Census Bureau
*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

MOST AFFORDABLE MARKETS				
Rank	Geography (CBSA)	Payment-to-Income Ratio	Payment-to-Income 1995-2003 Avg	Difference
1	Cleveland, OH	24.1%	21.6%	**+2.5%**
2	Oklahoma City, OK	26.0%	21.3%	**+4.7%**
3	Pittsburgh, PA	26.1%	21.7%	**+4.4%**
4	St. Louis, MO	26.4%	19.6%	**+6.8%**
5	Detroit, MI	26.5%	21.8%	**+4.7%**
6	Cincinnati, OH	26.6%	21.3%	**+5.3%**
7	Hartford, CT	26.8%	19.5%	**+7.3%**
8	Indianapolis, IN	26.9%	19.1%	**+7.8%**
9	Chicago, IL	27.6%	23.7%	**+3.9%**
10	Kansas City, MO	27.7%	19.2%	**+8.5%**

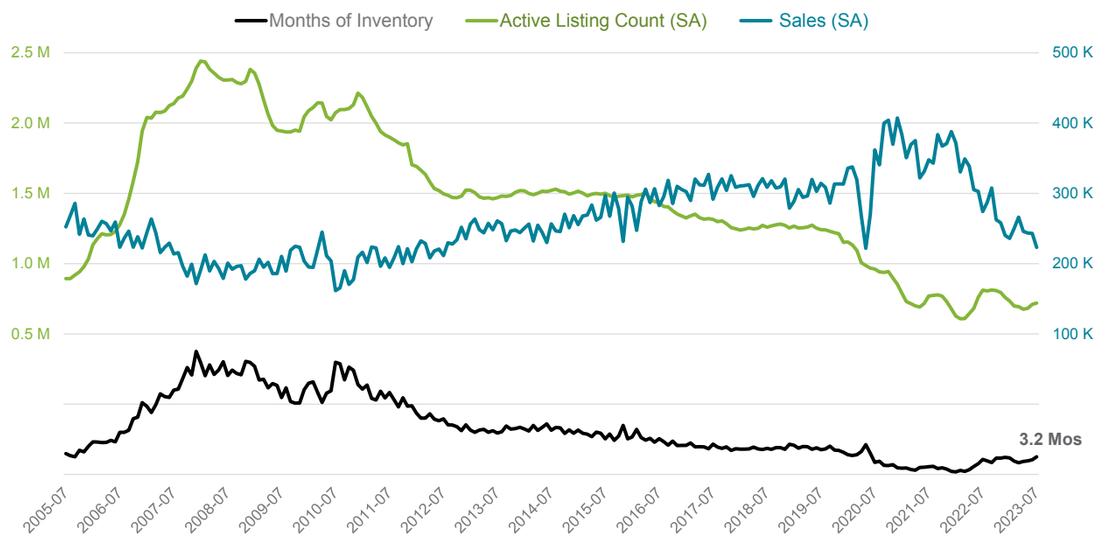
LEAST AFFORDABLE MARKETS				
Rank	Geography (CBSA)	Payment-to-Income Ratio	Payment-to-Income 1995-2003 Avg	Difference
41	Sacramento, CA	42.1%	27.3%	**+14.8%**
42	Nashville, TN	42.3%	22.9%	**+19.3%**
43	Riverside, CA	44.6%	25.8%	**+18.8%**
44	Seattle, WA	45.4%	27.3%	**+18.0%**
45	New York-Newark, NY-NJ	49.4%	28.2%	**+21.2%**
46	Miami, FL	50.6%	24.4%	**+26.2%**
47	San Francisco, CA	57.8%	35.1%	**+22.7%**
48	San Jose, CA	60.0%	34.4%	**+25.6%**
49	San Diego, CA	62.5%	34.2%	**+28.3%**
50	Los Angeles, CA	71.1%	35.6%	**+35.5%**

Source: Black Knight Home Price Index, FHLMC PMMS, Census Bureau

- With Freddie PMMS 30-year conforming rates climbing to 7.23% as of August 24, it takes a monthly principal and interest payment of $2,423 to purchase the median priced home with a 20% down, 30-year fixed rate mortgage
- That's up $1,155 (+91%) from just two years ago, prior to the Fed initiating their quantitative tightening measures
- It now requires 38.3% of the median household income to make the monthly payment on the average-priced home purchase, making housing the least affordable it's been since 1984
- For a bit of perspective, it would take some combination of roughly a 27% decline in home prices, a greater than 4% reduction in 30-year rates, or a 60% growth in median household income to bring affordability back to its 25-year average
- When affordability was last at this level (December 1984), the 30-year conforming rate was 6 pp higher at 13.2%, underscoring how home price growth subsequently has outpaced income growth, with falling rates allowing Americans to buy more home with the same income

SALES, ACTIVE LISTINGS & MONTHS OF INVENTORY

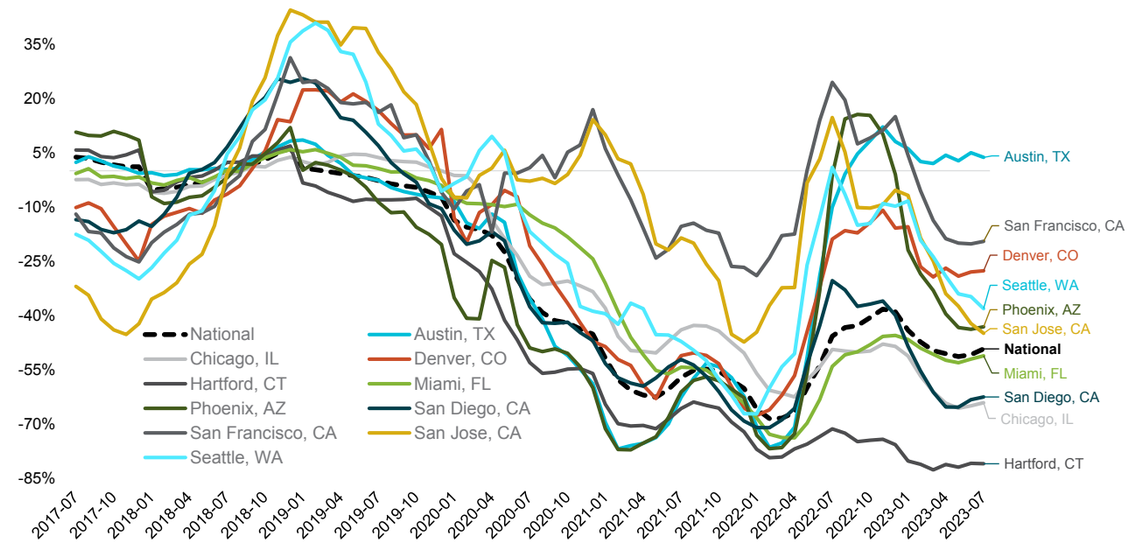
(SEASONALLY ADJUSTED – SINGLE FAMILY RESIDENCES AND CONDOS)



Source: Black Knight, Collateral Analytics

INVENTORY OF HOMES LISTED FOR SALE

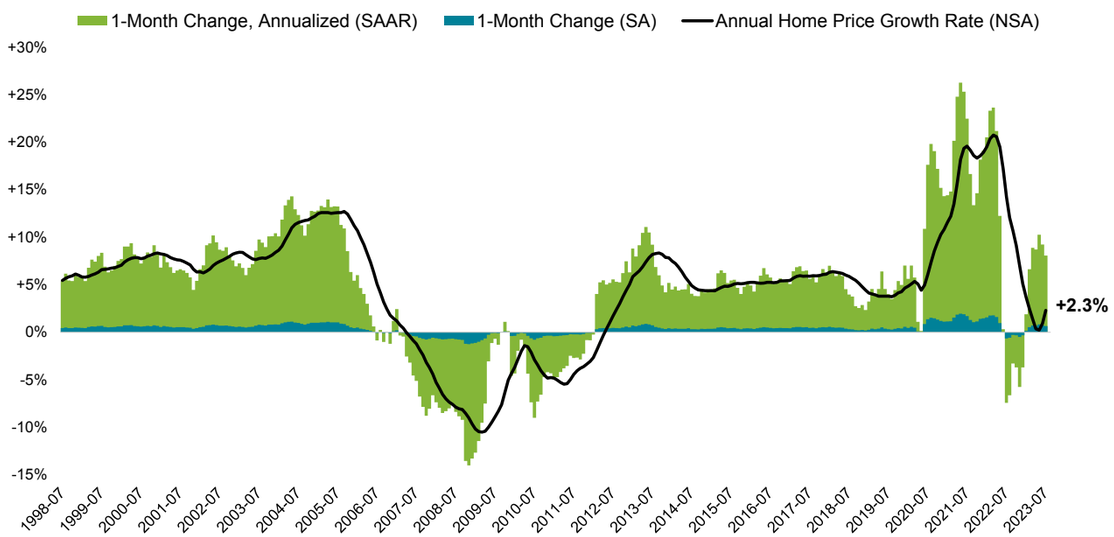
(% CHANGE FROM 2017-2019 SAME MONTH AVERAGE)



Source: Black Knight, Realtor.com

- Home sales fell again in July and – with the exception of the pandemic lockdown in May 2020 – are now at their lowest levels since 2012, when the market was crawling out of the depths of the Great Financial Crisis
- To make matters worse, weak application and rate lock volumes driven by worsening home affordability levels suggest there's limited room for a rebound on the horizon
- Sellers remain on the sidelines, but active listings rose on a seasonally adjusted basis for the third consecutive month as weakening sales volumes allowed inventory to slowly build, with a 7% increase over the past three months
- While inventory remains nearly 50% below pre-pandemic levels, slow market speeds mean there is currently a 3.2-month supply of houses on the market, the highest that metric has been since mid-2020, but not for the reasons you would like to see
- Inventory levels are still down from the start of the year in 90% of markets on a seasonally adjusted basis, but three quarters of all markets have started to see those inventory levels increase in recent months
- Western markets have seen the largest dips, with inventory deficits worsening 42% year to date in Phoenix, for example, after a sharp rebound last year

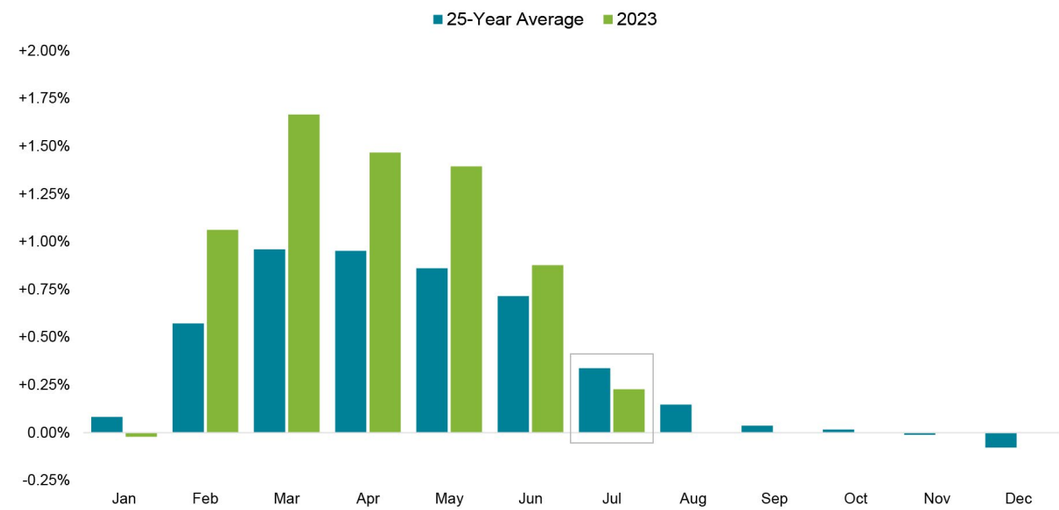
BLACK KNIGHT HOME PRICE INDEX



Source: Black Knight Home Price Index (HPI)

1-MONTH CHANGE IN HOME PRICES

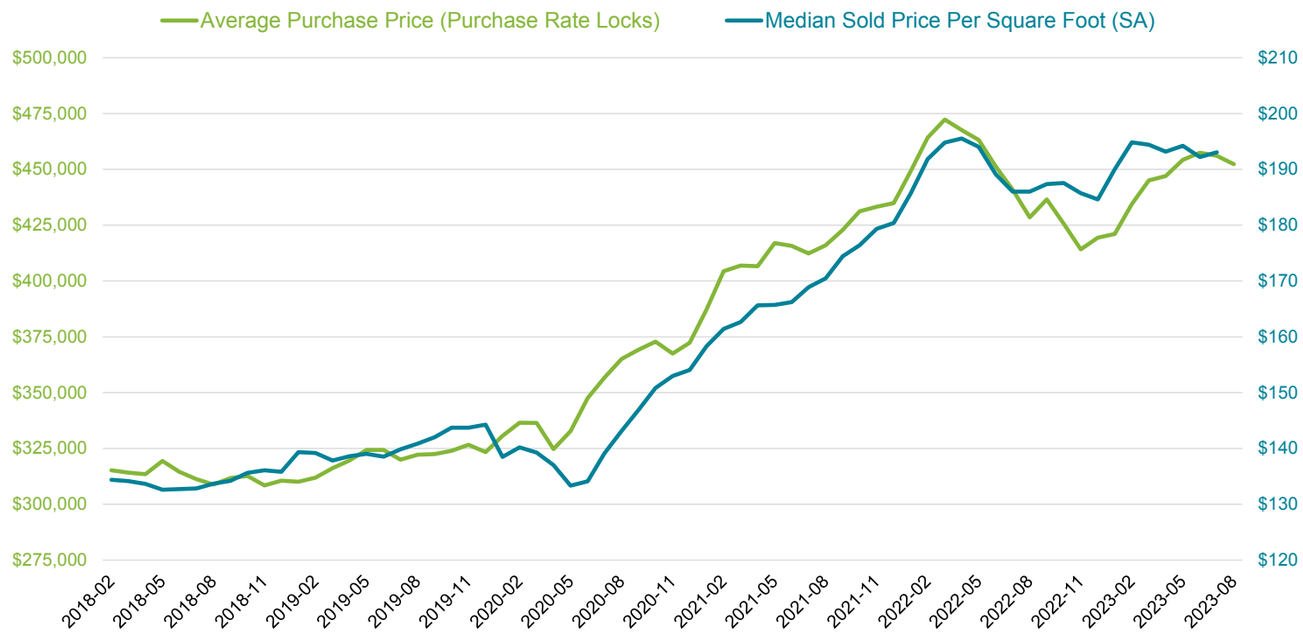
(BLACK KNIGHT HOME PRICE INDEX – NON SEASONALLY ADJUSTED)



Source: Black Knight Home Price Index (HPI)

- July housing data sent mixed signals, and while home prices pressed higher, there were also some hints that the market may be shifting again
- On one hand, home prices hit yet another all-time high in July, with the annual home price growth rate reaccelerating to +2.3% from +0.9% the month prior
- On the other hand, non-adjusted month-over-month gains fell back below the 25-year average after significantly outpacing historical averages from February through June, suggesting a downshift may be at hand
- The acceleration of year-over-year growth was driven as much by the price declines of July 2022 providing a lower starting point as it was by the gains of July 2023 themselves
- And while further reacceleration (in annual growth) may already be baked in for August, given that prices are already up 4.4% year to date on a seasonally adjusted basis, it will be worth keeping a close eye on monthly performance trends as we move through Q3, especially given how tight home affordability has become
- To that end, if home prices were to remain flat on a seasonally adjusted basis in August, preexisting gains would be enough to further accelerate the annual growth rate to +2.9% next month

SALES PRICE TRENDS



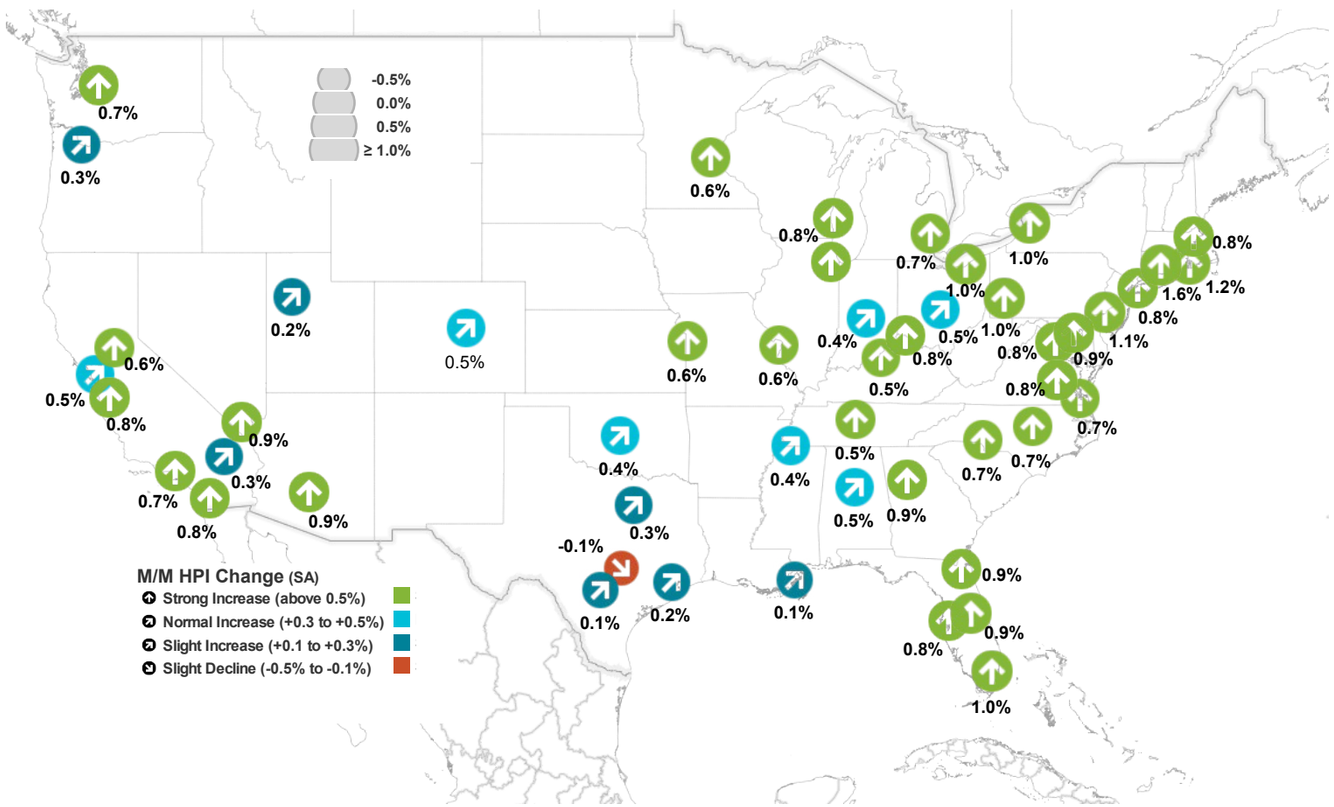
Source: Black Knight, Optimal Blue, Collateral Analytics
Optimal Blue August average through 8/19/2023

Black Knight transaction and rate lock data are also pointing to slowdowns in demand

- Rate locks through the middle of August suggest sales prices have started to ease, as the peak buying season winds down and rising rates continue to challenge affordability
- The average (non-adjusted) purchase price for rate locks was $453,300 through the first three weeks of August, down from $457,400 two months earlier, but up from $428,500 in August 2022
- After spiking early this year and peaking near $195 in February, the median sold price per square foot (seasonally adjusted) for existing home sales has slipped to around $193 through July
- While prices rose in July on both a seasonally adjusted (SA) and non-adjusted (NSA) baisis, following five months of stronger-than-average gains, the 0.23% month-over-month NSA change for July was smaller than the 25-year average, suggesting seasonal adjustments have yet to fully capture an ongoing inflection

1-MONTH CHANGE IN HOME PRICES

(SEASONALLY ADJUSTED)

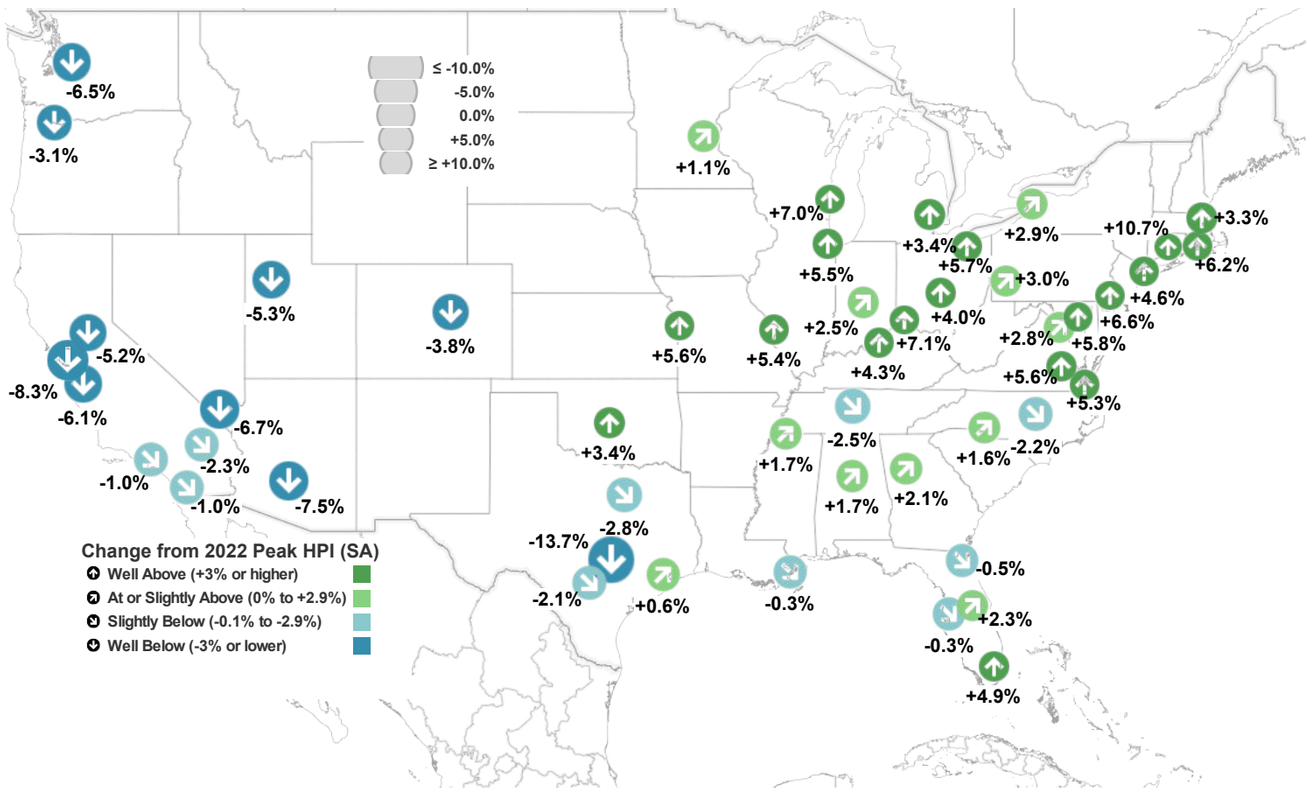


Source: Black Knight Home Price Index (HPI)
July 2023

Northeast and Midwest markets continued to have the strongest price growth this summer, with more noticeable slowing in western states as affordability continues to weigh heavily on those markets

- 99 markets saw seasonally adjusted price gains in July; however, month-over-month growth rates cooled off a bit with three quarters of markets seeing smaller monthly gains than they did in June
- Austin was the lone exception, with prices continuing to fall (albeit modestly at this point) on a month-over-month basis
- Hartford, yet again, saw the largest price increases in July, up 1.6% from June, with Providence (+1.2%), Philadelphia (+1.1%), Cleveland (+1%), Pittsburgh (+1%), Miami (+1%), and Buffalo (+1%) also seeing prices rise by 1% or more on a seasonally adjusted basis in the month

CHANGE IN MEDIAN HOME PRICE (SA) FROM 2022 PEAK

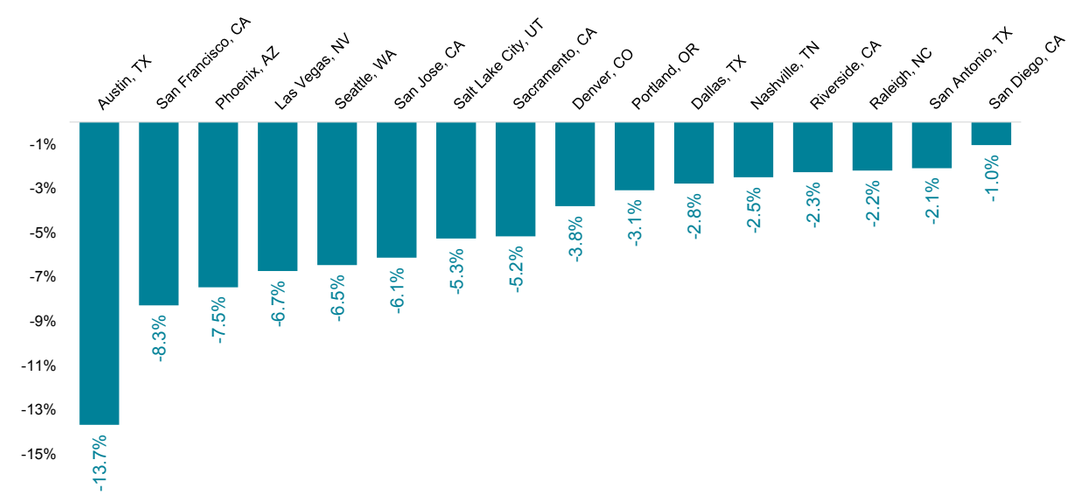


Source: Black Knight Home Price Index (HPI)
July 2023

- Nationally, prices are now 1.7% above 2022 peaks, with prices above 2022 peaks in 30 of 50 major markets
- Hartford leads the way with prices 10.7% above last year's peak, followed by Cincinnati and Milwaukee, with prices 7.1% and 7% above their 2022 peaks, respectively
- Northeast and Midwest markets make up the top 12 spots in terms of price increases from 2022 peaks, with prices in Philadelphia, Baltimore, Cleveland, Richmond, Kansas City, Chicago, St. Louis and Virginia Beach all at least 5% above last year's highs
- Austin, which continues to see prices fall, is the furthest off its 2022 high at -13.7%, followed by San Francisco (-8.3%), Phoenix (-7.5%), Las Vegas (-6.7%) and Seattle (-6.5%), although price gains this summer have been eating into deficits in all markets but Austin

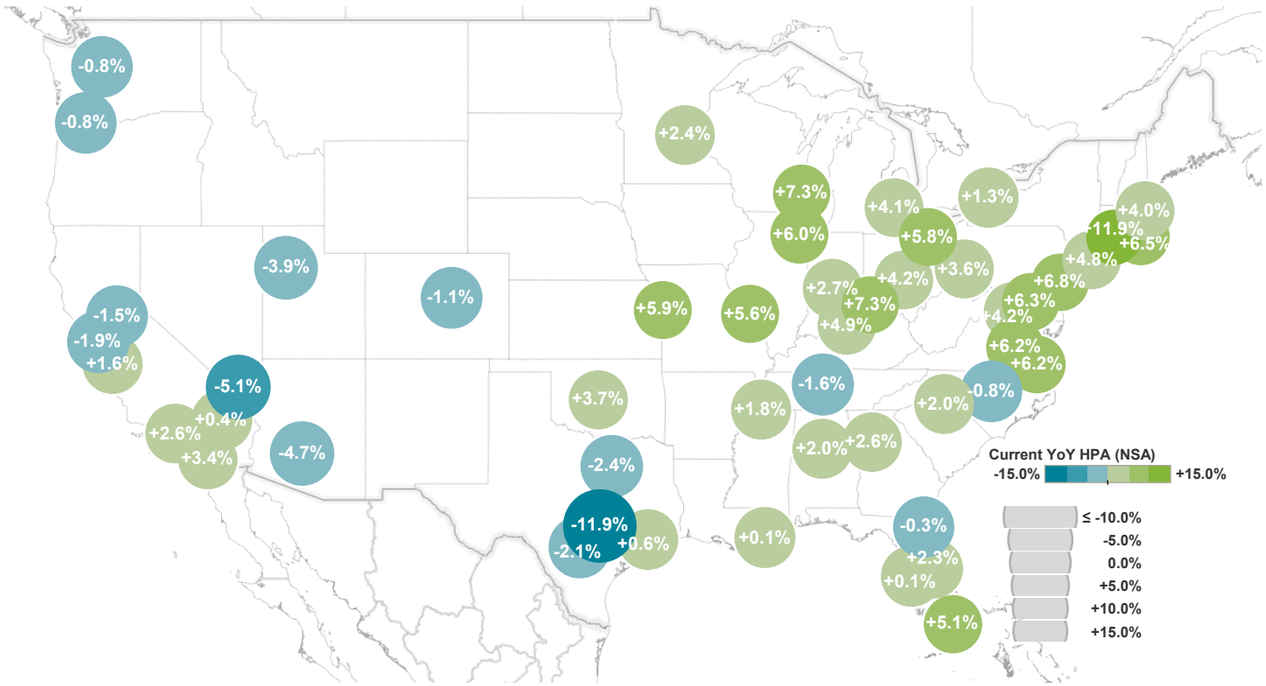
CHANGE IN HOME PRICE INDEX FROM 2022 PEAK (SA)

(MARKETS W/ LARGEST DECLINES)



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

ANNUAL HOME PRICE GROWTH RATES BY CBSA



MARKETS WITH HIGHEST HOME PRICE GROWTH RATES		
Rank	Geography (CBSA)	Annual Home Price Growth Rate
1	Hartford, CT	+11.9%
2	Milwaukee, WI	+7.3%
3	Cincinnati, OH	+7.3%
4	Philadelphia, PA	+6.8%
5	Providence, RI	+6.5%
6	Baltimore, MD	+6.3%
7	Virginia Beach, VA	+6.2%
8	Richmond, VA	+6.2%
9	Chicago, IL	+6.0%
10	Kansas City, MO	+5.9%

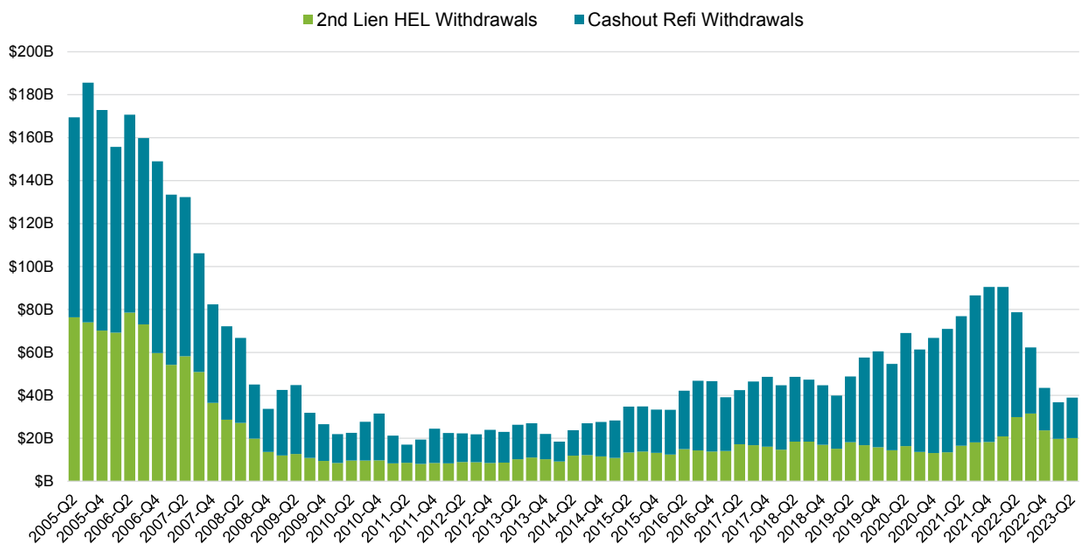
MARKETS WITH LOWEST HOME PRICE GROWTH RATES		
Rank	Geography (CBSA)	Annual Home Price Growth Rate
41	Denver, CO	-1.1%
42	Sacramento, CA	-1.5%
43	Nashville, TN	-1.6%
44	San Francisco, CA	-1.9%
45	San Antonio, TX	-2.1%
46	Dallas, TX	-2.4%
47	Salt Lake City, UT	-3.9%
48	Phoenix, AZ	-4.7%
49	Las Vegas, NV	-5.1%
50	Austin, TX	-11.9%

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

Annual home price growth rates universally improved in July 2023

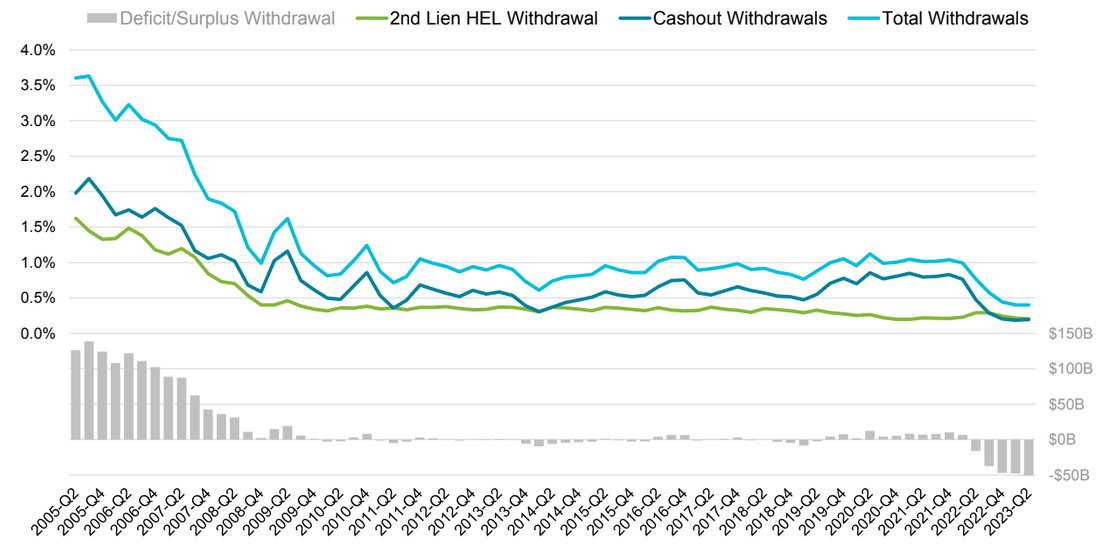
- Annual home price growth rates accelerated in July across all 50 largest markets, mirroring the national trend, due to both strong seasonally adjusted gains in July and weak July 2022 numbers falling out of the backward looking 12-month window
- Hartford topped the list with an annual home price growth rate of 11.9%, up from an adjusted +9.9% in June
- As anticipated, the Northeast and Midwest filled out the remainder of the top 10 spots, with prices up nearly 6% or more among each of the fastest growing markets
- Prices remain down year over year in 14 of the 50 largest markets, but each of those markets saw improvement in their annual home price changes in July as compared with the month prior
- It's also worth noting that several West Coast markets, including San Diego, Los Angeles, San Jose and Riverside saw prices up year over year after registering declines in recent months
- July's nearly universal seasonally adjusted month-over-month gains suggest annual home price growth rates will continue to trend higher across the U.S. again in August, but the market would be well served to closely monitor such gains in light of recent signs of slowing

EQUITY WITHDRAWALS ON MORTGAGED PROPERTIES



Source: Black Knight, McDash Property Module
2nd lien HEL Withdrawals exclude purchase money, piggyback second lien loans and/or lines of credit

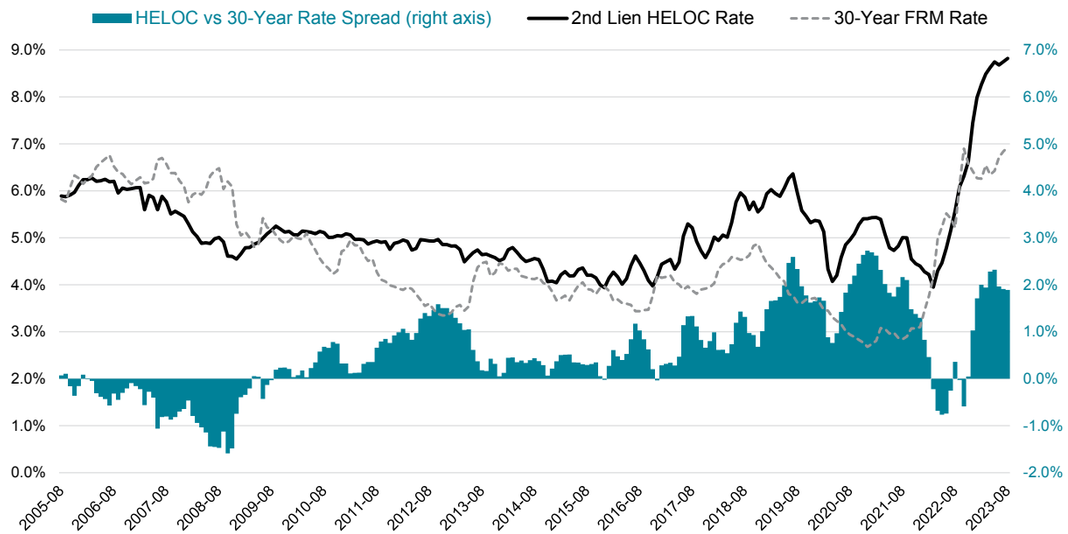
EQUITY WITHDRAWN AS % OF TAPPABLE EQUITY AVAILABLE



Source: Black Knight, McDash Property Module
Deficit/Surplus Withdrawal is the difference in $ between the expected withdrawal and the actual withdrawal based on current tappable equity levels and long run average withdrawal rates

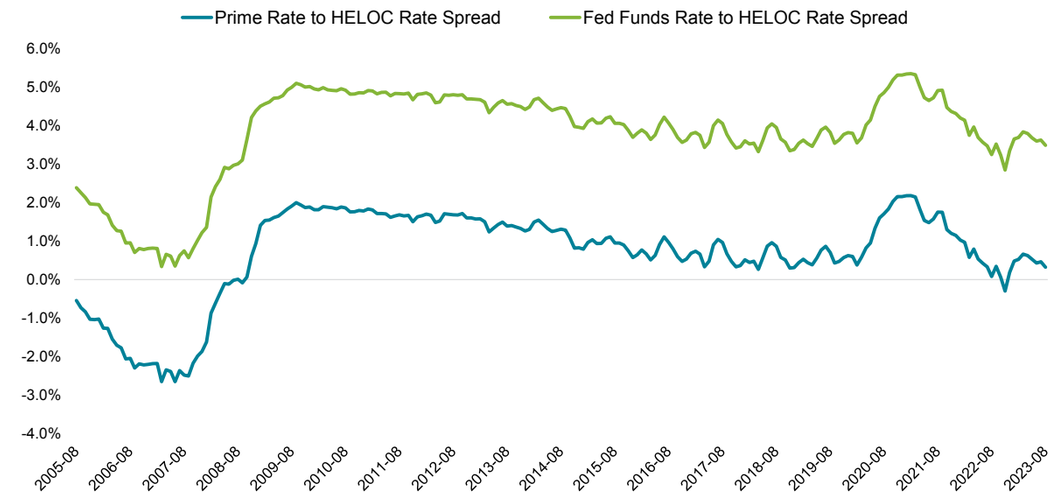
- Rising interest rates are having a clear and decisive impact on both how and how much equity mortgage holders are willing to withdraw from their homes
- In Q2, between second lien home equity loans, lines of credit and first lien cash-out refinances, mortgage holders withdrew $39B in equity from their homes
- That's up modestly from $37B in Q1, but only half the volume we saw in Q1 last year ($79B) before interest rates began to rise
- On a relative basis, from 2010 through 2021, mortgage holders withdrew just under 1% (0.92%) of available tappable equity each quarter on average
- Over the last three quarters, that share has fallen to just 0.4% suggesting that rising rates have resulted in a roughly 55% decline in equity withdrawals
- Since interest rates began to rise roughly 15 months ago, this would suggest that nearly $200B has been left in equity and has not flowed back through the broader economy due, in large part, to elevated interest rates
- Cash-out refis have taken the largest hit, with such withdrawals down roughly 75% from what has been typical in recent years
- Second lien home equity loans have held up better, but current withdrawal rates suggest a roughly 33% headwind on volumes due to elevated rates compared with where they would otherwise be at today's equity levels

HELOC VS. 30-YEAR FIXED MORTGAGE INTEREST RATES



Source: Black Knight, McDash Home Equity, Freddie Mac PMMS

RATE SPREAD BETWEEN HELOC RATE OFFERINGS & PRIME / FED FUNDS RATE



Source: Black Knight, McDash Home Equity,
Board of Governors of the Federal Reserve System (US)

- Home equity lines of credit (HELOCs) (which are pegged to prime, and rose later in the cycle) were the beneficiaries of rate movement in Q2/Q3 last year as, at times, borrowers were able to get a lower rate on a HELOC than a cash-out refi – a historically rare occurence
- HELOC rates have risen along with Fed rate hikes in the quarters since, with the average HELOC offering now above 8.5% for the first time in the 15+ years we've been tracking that data
- What's more, plotting the HELOC spread to prime suggests that lenders aren't being quite as aggressive with their interest rate offerings as they were late last year, perhaps due to increased economic uncertainty, among other factors
- Such HELOC rate increases have left borrowers without an attractive option to withdraw equity and have led to weaker withdrawal volumes this spring and summer, with second lien HELOC withdrawals down by a little over 30% from the same time last year
- That said, HELOCs are still more attractive than refinancing for those looking to access equity but who don't want to give up their record-low first lien rates locked-in during recent years

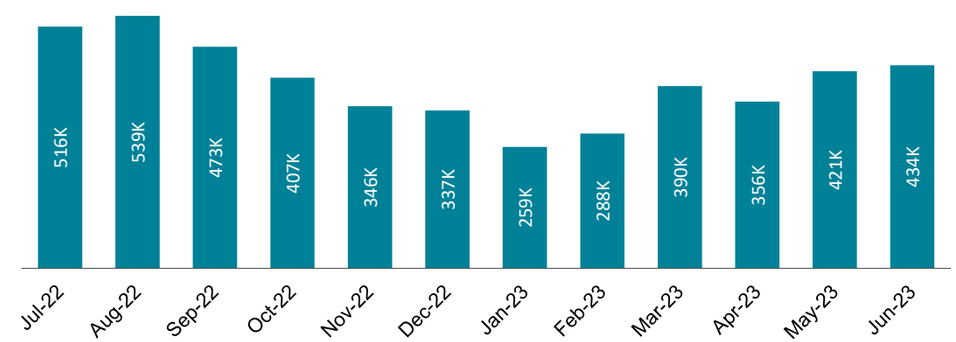
DATA SUMMARY

	Jul-23	Monthly Change	YTD Change	Yearly Change
Delinquencies	3.21%	2.89%	-5.01%	-3.56%
Foreclosure	0.42%	-1.97%	-8.26%	-3.22%
Foreclosure Starts	26,300	-6.07%	-19.08%	14.85%
Seriously Delinquent (90+) or in Foreclosure	1.30%	-1.09%	-16.49%	-20.51%
New Originations (data as of Jun-23)	434K	3.1%	28.8%	-29.7%

	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Aug-22	Jul-22
Delinquencies	3.21%	3.12%	3.10%	3.31%	2.92%	3.45%	3.38%	3.48%	3.49%	3.35%	3.16%	3.20%	3.33%
Foreclosure	0.42%	0.42%	0.43%	0.44%	0.46%	0.46%	0.45%	0.44%	0.44%	0.43%	0.43%	0.44%	0.43%
Foreclosure Starts	26,300	28,000	25,400	24,800	32,200	29,500	32,500	28,200	27,300	24,900	24,200	28,800	22,900
Seriously Delinquent (90+) or in Foreclosure	1.30%	1.31%	1.35%	1.40%	1.43%	1.53%	1.56%	1.55%	1.55%	1.55%	1.56%	1.58%	1.63%
New Originations		434K	421K	356K	390K	288K	259K	337K	346K	407K	473K	539K	516K

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	41,340,000	1,403,000	332,000	378,000	190,000	2,302,000	32,800	16,200	210	305	5.1%	15.6%		0.5%	-2.7%	
12/31/01	42,676,000	1,471,000	373,000	548,000	309,000	2,701,000	76,100	21,400	211	282	5.6%	10.3%	9.7%	0.7%	3.7%	58.1%
12/31/02	43,421,000	1,425,000	364,000	483,000	317,000	2,587,000	76,400	23,200	237	298	5.2%	0.8%	-6.7%	0.7%	0.1%	0.5%
12/31/03	43,833,000	1,204,000	336,000	474,000	321,000	2,335,000	83,100	24,300	275	345	4.6%	-6.0%	-12.1%	0.7%	6.7%	0.4%
12/31/04	46,586,000	1,077,000	300,000	424,000	268,000	2,070,000	70,000	23,200	248	340	3.9%	-3.4%	-15.8%	0.6%	0.0%	-21.3%
12/31/05	49,764,000	1,332,000	412,000	538,000	247,000	2,528,000	74,700	21,600	202	306	4.6%	1.7%	18.5%	0.5%	6.1%	-13.7%
12/31/06	52,667,000	1,602,000	483,000	538,000	383,000	3,006,000	106,800	32,300	203	272	5.0%	9.1%	8.6%	0.7%	6.4%	46.3%
12/31/07	54,156,000	1,792,000	663,000	904,000	729,000	4,088,000	168,800	51,500	188	258	6.2%	8.3%	24.6%	1.3%	10.8%	85.3%
12/31/08	54,448,000	2,032,000	953,000	1,755,000	1,242,000	5,982,000	229,800	59,600	192	318	8.7%	0.6%	40.3%	2.3%	5.9%	69.5%
12/31/09	54,131,000	1,840,000	896,000	2,909,000	2,043,000	7,689,000	230,000	99,400	247	415	10.4%	0.7%	19.8%	3.8%	0.0%	65.4%
12/31/10	53,070,000	1,739,000	753,000	2,136,000	2,314,000	6,943,000	285,400	79,600	331	520	8.7%	-1.7%	-16.4%	4.4%	3.2%	15.5%
12/31/11	51,973,000	1,639,000	660,000	1,834,000	2,204,000	6,337,000	185,100	76,200	394	667	8.0%	0.8%	-8.8%	4.2%	-0.1%	-2.7%
12/31/12	50,867,000	1,500,000	594,000	1,587,000	1,751,000	5,433,000	144,300	58,700	463	802	7.2%	1.3%	-9.0%	3.4%	-1.5%	-18.8%
12/31/13	49,779,000	1,393,000	534,000	1,260,000	1,246,000	4,433,000	110,000	43,600	498	908	6.4%	-0.1%	-11.5%	2.5%	-0.7%	-27.3%
12/31/14	49,618,000	1,235,000	466,000	1,066,000	863,000	3,631,000	88,500	28,700	507	1,026	5.6%	-6.7%	-12.9%	1.7%	-0.5%	-30.6%
12/31/15	49,662,000	1,138,000	412,000	793,000	676,000	3,019,000	76,800	27,600	493	1,055	4.7%	-3.2%	-15.4%	1.4%	-1.1%	-21.7%
12/31/16	49,796,000	1,186,000	403,000	689,000	497,000	2,774,000	59,400	20,700	449	1,024	4.6%	-0.1%	-3.1%	1.0%	-2.5%	-26.7%
12/31/17	50,091,000	1,297,000	451,000	750,000	354,000	2,853,000	44,500	13,000	351	923	5.0%	4.8%	9.1%	0.7%	-0.1%	-29.1%
12/31/18	50,458,000	1,202,000	384,000	536,000	308,000	2,430,000	48,300	12,200	398	829	4.2%	5.2%	-15.7%	0.6%	1.4%	-13.6%
12/31/19	51,144,000	1,158,000	378,000	480,000	288,000	2,304,000	51,800	11,400	348	764	3.9%	-2.1%	-6.2%	0.6%	-0.3%	-7.9%
12/31/20	51,663,000	888,000	366,000	2,283,000	214,000	3,751,000	8,200	2,900	260	1,169	6.8%	-3.4%	73.6%	0.4%	0.2%	-26.4%
12/31/21	51,822,000	745,000	225,000	1,132,000	167,000	2,270,000	9,000	4,800	414	1,560	4.1%	-4.9%	-40.7%	0.3%	-1.7%	-22.1%
12/31/22	52,450,000	954,000	290,000	583,000	232,000	2,058,000	28,200	6,100	353	1,112	3.5%	-0.1%	-14.2%	0.4%	-0.2%	36.9%
1/31/23	52,492,000	908,000	288,000	579,000	238,000	2,012,000	32,500	7,000	348	1,075	3.4%	-2.9%	-15.1%	0.5%	2.4%	23.3%
2/28/23	52,522,000	973,000	276,000	562,000	240,000	2,050,000	29,500	7,100	345	1,057	3.4%	2.0%	-12.6%	0.5%	0.8%	15.2%
3/31/23	52,657,000	786,000	242,000	511,000	240,000	1,779,000	32,200	7,500	356	1,045	2.9%	-15.2%	-13.2%	0.5%	-0.2%	13.2%
4/30/23	52,728,000	986,000	259,000	502,000	234,000	1,980,000	24,800	6,400	358	1,034	3.3%	13.3%	2.1%	0.4%	-2.6%	4.9%
5/31/23	52,789,000	892,000	264,000	483,000	229,000	1,868,000	25,400	6,800	363	1,035	3.1%	-6.3%	-2.6%	0.4%	-2.0%	2.0%
6/30/23	52,866,000	911,000	268,000	471,000	224,000	1,874,000	28,000	6,900	362	1,029	3.1%	0.5%	-2.8%	0.4%	-2.5%	-3.6%
7/31/23	52,914,000	946,000	285,000	468,000	220,000	1,919,000	26,300	6,100	359	1,025	3.2%	2.9%	-3.6%	0.4%	-2.0%	-3.2%

LOAN COUNTS AND AVERAGE DAYS DELINQUENT – RECENT YEARS

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
7/31/21	51,768,000	673,000	210,000	1,642,000	185,000	2,709,000	6,500	4,000	377	1,436	4.9%	-3.7%	-34.6%	0.4%	-2.7%	-22.0%
8/31/21	51,762,000	675,000	215,000	1,541,000	181,000	2,613,000	8,200	4,200	389	1,477	4.7%	-3.7%	-36.9%	0.4%	-1.8%	-21.4%
9/30/21	51,785,000	728,000	221,000	1,431,000	172,000	2,552,000	5,000	5,300	402	1,523	4.6%	-2.1%	-37.2%	0.3%	-5.1%	-23.8%
10/31/21	51,796,000	775,000	232,000	1,305,000	173,000	2,486,000	6,700	4,900	408	1,533	4.5%	-2.8%	-36.9%	0.3%	0.7%	-20.8%
11/30/21	51,787,000	765,000	230,000	1,216,000	170,000	2,380,000	8,600	4,500	410	1,547	4.3%	-4.4%	-39.8%	0.3%	-1.9%	-20.6%
12/31/21	51,822,000	745,000	225,000	1,132,000	167,000	2,270,000	9,000	4,800	414	1,560	4.1%	-4.9%	-40.7%	0.3%	-1.7%	-22.1%
1/31/22	51,843,000	792,000	237,000	1,034,000	190,000	2,254,000	39,300	5,500	414	1,396	4.0%	-1.9%	-40.1%	0.4%	13.7%	-11.5%
2/28/22	51,872,000	856,000	244,000	945,000	205,000	2,251,000	30,800	5,000	409	1,322	3.9%	-0.9%	-41.9%	0.4%	7.9%	-2.7%
3/31/22	51,905,000	691,000	215,000	842,000	209,000	1,957,000	34,100	6,000	409	1,282	3.4%	-14.6%	-41.0%	0.4%	1.5%	-0.4%
4/30/22	51,970,000	731,000	202,000	752,000	220,000	1,905,000	36,600	5,600	408	1,238	3.2%	-3.7%	-39.4%	0.4%	5.2%	8.1%
5/31/22	52,042,000	760,000	213,000	686,000	222,000	1,881,000	26,500	5,700	408	1,213	3.2%	-1.7%	-41.3%	0.4%	0.7%	12.0%
6/30/22	52,128,000	800,000	227,000	648,000	229,000	1,903,000	31,500	6,000	407	1,175	3.2%	0.7%	-36.6%	0.4%	3.2%	19.9%
7/31/22	52,190,000	862,000	247,000	629,000	224,000	1,962,000	22,900	7,500	390	1,171	3.3%	3.7%	-31.7%	0.4%	-2.4%	20.2%
8/31/22	52,281,000	825,000	249,000	598,000	229,000	1,901,000	28,800	6,700	396	1,172	3.2%	-4.0%	-31.9%	0.4%	2.0%	24.8%
9/30/22	52,356,000	816,000	249,000	587,000	228,000	1,880,000	24,200	6,900	388	1,158	3.2%	-1.3%	-31.3%	0.4%	-0.7%	30.7%
10/31/22	52,359,000	910,000	264,000	582,000	228,000	1,983,000	24,900	6,400	379	1,148	3.4%	6.2%	-24.9%	0.4%	0.0%	29.9%
11/30/22	52,399,000	958,000	288,000	582,000	232,000	2,059,000	27,300	6,300	371	1,129	3.5%	4.0%	-18.3%	0.4%	1.8%	34.8%
12/31/22	52,450,000	954,000	290,000	583,000	232,000	2,058,000	28,200	6,100	353	1,112	3.5%	-0.1%	-14.2%	0.4%	-0.2%	36.9%
1/31/23	52,492,000	908,000	288,000	579,000	238,000	2,012,000	32,500	7,000	348	1,075	3.4%	-2.9%	-15.1%	0.5%	2.4%	23.3%
2/28/23	52,522,000	973,000	276,000	562,000	240,000	2,050,000	29,500	7,100	345	1,057	3.4%	2.0%	-12.6%	0.5%	0.8%	15.2%
3/31/23	52,657,000	786,000	242,000	511,000	240,000	1,779,000	32,200	7,500	356	1,045	2.9%	-15.2%	-13.2%	0.5%	-0.2%	13.2%
4/30/23	52,728,000	986,000	259,000	502,000	234,000	1,980,000	24,800	6,400	358	1,034	3.3%	13.3%	2.1%	0.4%	-2.6%	4.9%
5/31/23	52,789,000	892,000	264,000	483,000	229,000	1,868,000	25,400	6,800	363	1,035	3.1%	-6.3%	-2.6%	0.4%	-2.0%	2.0%
6/30/23	52,866,000	911,000	268,000	471,000	224,000	1,874,000	28,000	6,900	362	1,029	3.1%	0.5%	-2.8%	0.4%	-2.5%	-3.6%
7/31/23	52,914,000	946,000	285,000	468,000	220,000	1,919,000	26,300	6,100	359	1,025	3.2%	2.9%	-3.6%	0.4%	-2.0%	-3.2%

DELINQUENCY & FORECLOSURE FIGURES BY STATE

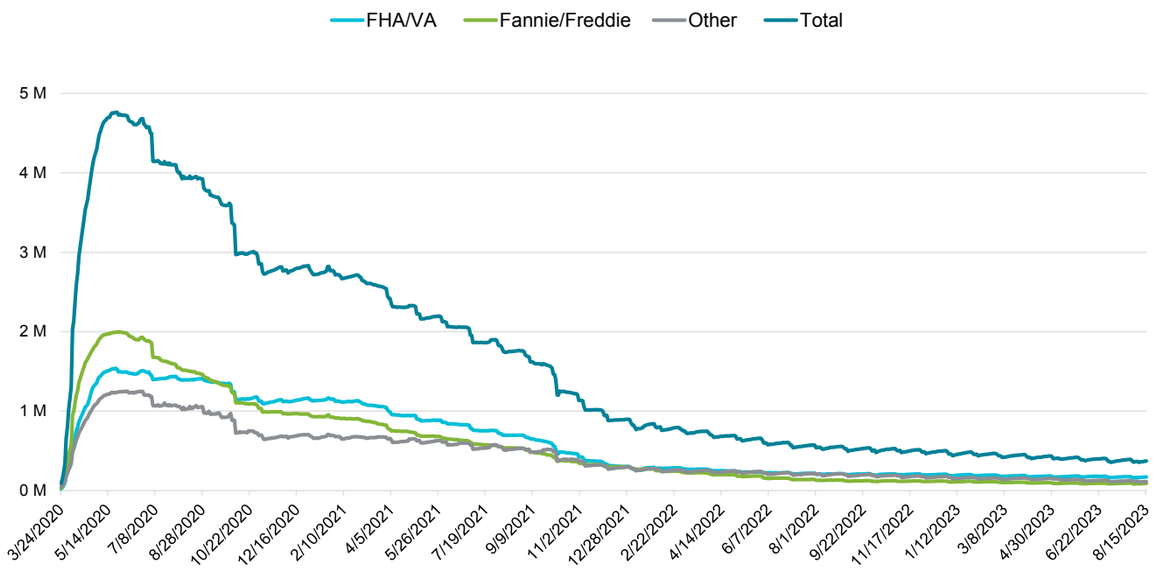
State	Del %	FC %	NC %	Yr/Yr Change in NC%
National	3.2%	0.4%	3.6%	-3.5%
MS	7.1%	0.6%	7.7%	-0.3%
LA*	6.3%	0.8%	7.1%	0.8%
AL	5.1%	0.3%	5.4%	-4.9%
PA*	4.2%	0.7%	5.0%	-0.5%
WV	4.4%	0.5%	4.9%	-7.2%
IN*	4.4%	0.5%	4.9%	-3.5%
AR	4.3%	0.4%	4.7%	-6.8%
OH*	4.0%	0.7%	4.7%	-3.9%
OK*	3.9%	0.7%	4.6%	-9.2%
TX	4.2%	0.3%	4.5%	0.3%
IL*	3.8%	0.7%	4.5%	-5.1%
GA	4.2%	0.3%	4.5%	0.3%
DE*	3.9%	0.5%	4.4%	-0.2%
KY*	3.7%	0.6%	4.3%	-4.0%
MD*	3.8%	0.5%	4.3%	-4.2%
NY*	2.9%	1.3%	4.2%	-11.0%
SC*	3.6%	0.4%	4.1%	-7.3%

State	Del %	FC %	NC %	Yr/Yr Change in NC%
National	3.2%	0.4%	3.6%	-3.5%
MI	3.6%	0.2%	3.8%	1.8%
CT*	3.3%	0.6%	3.8%	-13.2%
IA*	3.3%	0.5%	3.8%	-6.9%
FL*	3.3%	0.5%	3.8%	1.4%
MO	3.5%	0.3%	3.7%	-5.3%
WI*	3.3%	0.4%	3.7%	0.9%
RI	3.3%	0.4%	3.7%	-9.1%
NJ*	3.0%	0.6%	3.6%	-9.8%
KS*	3.2%	0.3%	3.5%	-7.1%
ME*	2.7%	0.8%	3.5%	-1.9%
TN	3.3%	0.2%	3.5%	-8.7%
NE*	3.1%	0.2%	3.4%	-2.9%
NM*	2.7%	0.6%	3.3%	-10.8%
NC	3.0%	0.3%	3.2%	-10.8%
VA	2.9%	0.2%	3.2%	-8.4%
VT*	2.5%	0.5%	3.1%	-14.1%
AK	2.6%	0.5%	3.1%	-25.5%

State	Del %	FC %	NC %	Yr/Yr Change in NC%
National	3.2%	0.4%	3.6%	-3.5%
MN	2.8%	0.2%	3.0%	-2.3%
MA	2.7%	0.3%	3.0%	-5.3%
ND*	2.3%	0.6%	2.9%	-11.8%
SD*	2.5%	0.4%	2.9%	3.6%
NV	2.5%	0.3%	2.9%	1.7%
WY	2.6%	0.2%	2.9%	-5.3%
UT	2.6%	0.2%	2.8%	1.9%
NH	2.5%	0.2%	2.7%	-8.1%
DC	2.0%	0.7%	2.7%	-10.5%
AZ	2.5%	0.1%	2.6%	3.7%
HI*	1.6%	0.9%	2.4%	-10.9%
CA	2.1%	0.2%	2.2%	0.8%
OR	1.9%	0.2%	2.2%	-2.0%
ID	1.9%	0.2%	2.1%	10.7%
MT	1.8%	0.2%	2.0%	-9.7%
WA	1.8%	0.2%	2.0%	-1.1%
CO	1.8%	0.1%	2.0%	-2.8%

**** Indicates Judicial State***

ACTIVE FORBEARANCE PLANS

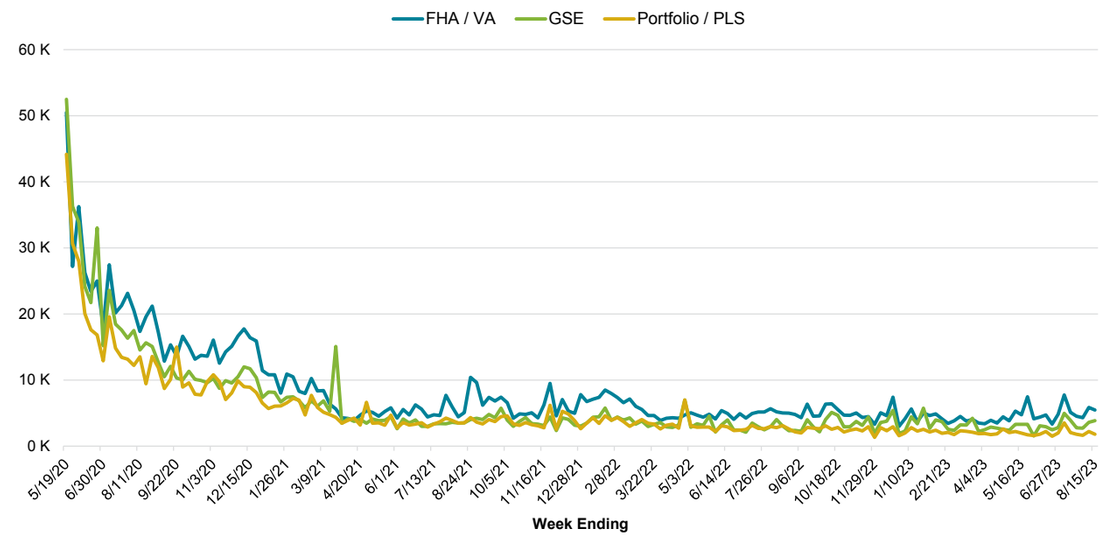


Source: McDash Flash
Data as of August 15, 2023

	Fannie & Freddie	FHA & VA	Other**	Total
Loans in Forbearance	89,000	171,000	111,000	372,000
UPB of Loans in Forbearance ($Bil)	$19	$33	$18	$71
Share of Loans in Forbearance	0.3%	1.4%	0.9%	0.7%

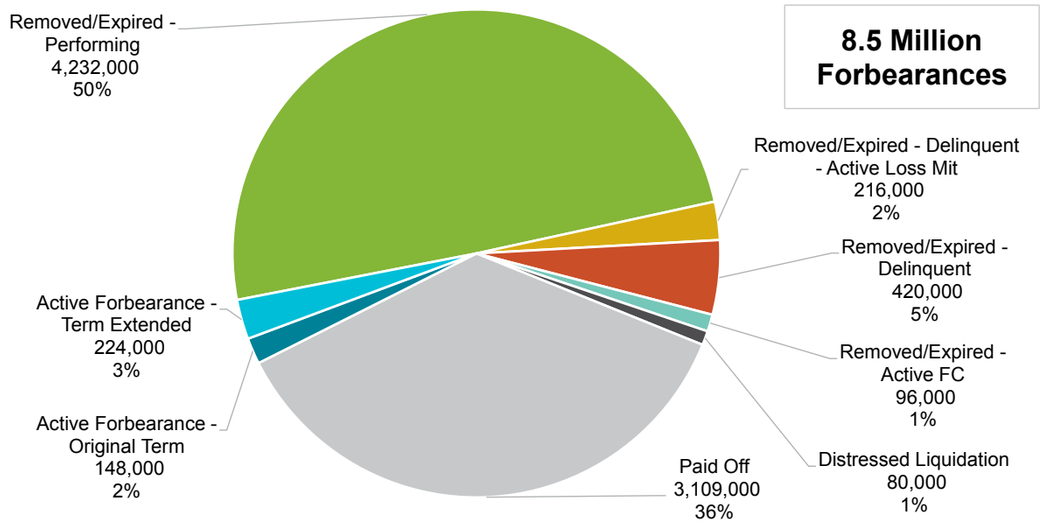
Source: McDash Flash
Data as of August 15, 2023

NEW FORBEARANCE PLAN STARTS BY INVESTOR



Source: McDash Flash

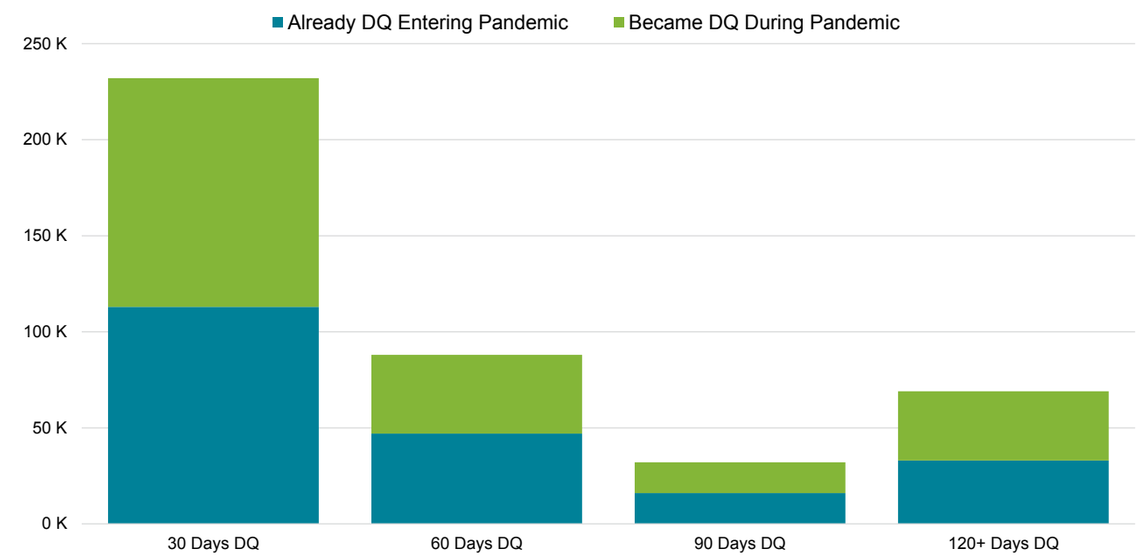
CURRENT STATUS OF COVID-19 RELATED FORBEARANCES



Source: Black Knight, McDash Flash
Data as of August 15, 2023

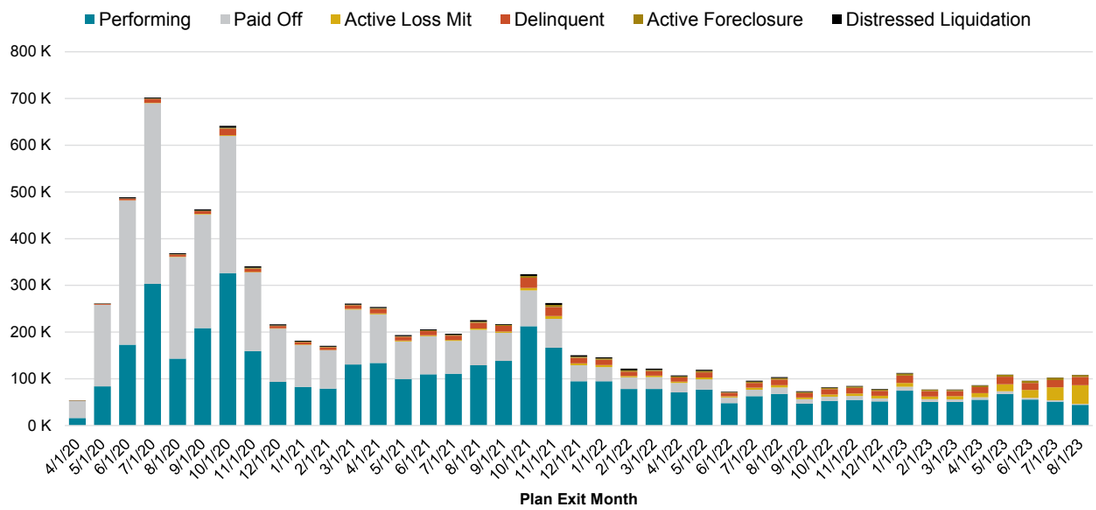
BREAKDOWN OF LOANS THAT REMAIN DELINQUENT FOLLOWING FORBEARANCE PLAN EXIT

(EXCLUDING LOANS IN ACTIVE LOSS MITIGATION OR FORECLOSURE)



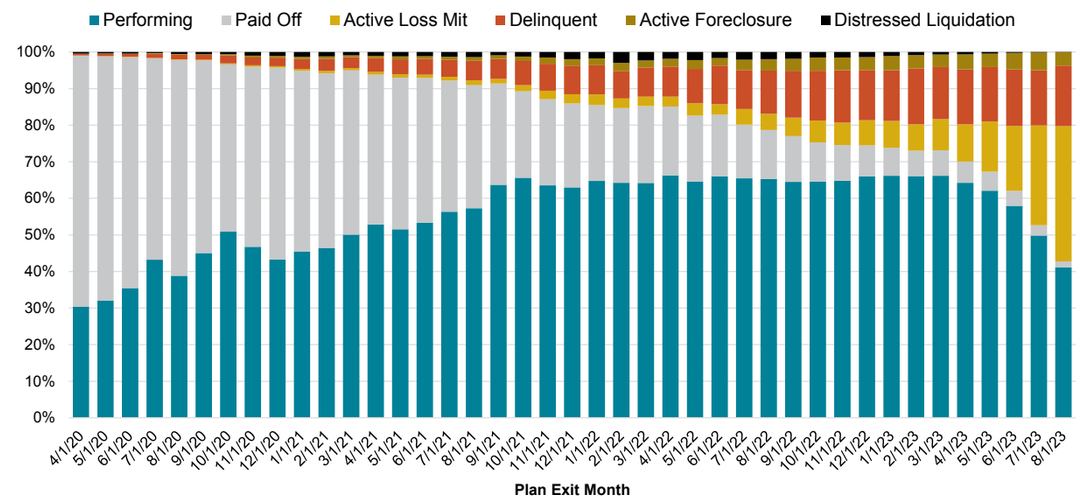
Source: Black Knight, McDash Flash
Data as of August 15, 2023

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



Source: McDash Flash
August 2023 represents partial data through the 15th of the month

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



Source: McDash Flash
August 2023 represents partial data through the 15th of the month

Mortgage Monitor Disclosures

You can reach us by email at
Mortgage.Monitor@BKFS.com

Follow us on Twitter
@Black_KnightInc

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.