MORTGAGE MONITOR

OCTOBER 2023 REPORT

MORTGAGE MONITOR

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OCTOBER 2023 OVERVIEW

Each month, the ICE 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, which hinted at a possible bottom approaching for delinquency improvement. From there we dive deeper into August mortgage performance metrics, assessing loans in various stages of delinquency as well as the current state of prepayment activity.

Next, with interest rates on the rise, we explore what this means for origination activity. We take a closer look at where new mortgage originations could come from, and what it would take for refinance volumes to return. Finally, we dig into recent changes in home prices and inventory levels across the country, examining how markets have reacted to the rising rate environment, as well as where home prices are heating back up.

In producing the Mortgage Monitor, ICE 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; 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 ICE data assets, please call 844-474-2537 or email Mortgage.Monitor@bkfs.com.

FIRST LOOK

The August First Look at mortgage performance provides a high-level overview compiled from the ICE McDash loan-level database. Click on the chart to view, in high resolution.

MORTGAGE PERFORMANCE OVERVIEW

-4 BPS

DELINQUENCY RATE

Overall delinquencies edged down in August and remain near record lows

Serious delinquencies (90+ days past due) continue to improve and are now down 25% from last August

+21.3%

FORECLOSURE STARTS

August starts increased to 32K, but remain 13% below pre-pandemic levels

Foreclosure actions began on 6.8% of serious delinquencies in August

+6.3%

PREPAYMENT ACTIVITY

Though prepayments edged up in August, they remain suppressed by housing market and interest rate dynamics

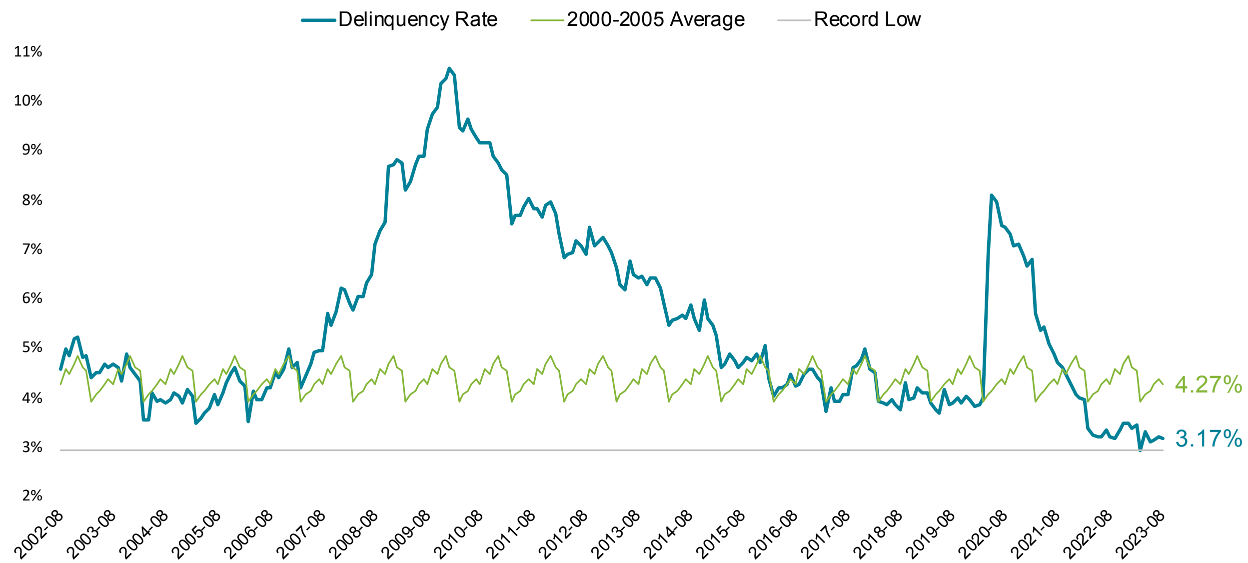
At 0.53%, current single-month mortality remains down 24% from the same time last year

Active foreclosure inventory remains at the lowest level since March 2022, following the end of federal moratoria on such actions

MORTGAGE PERFORMANCE HIGHLIGHTS

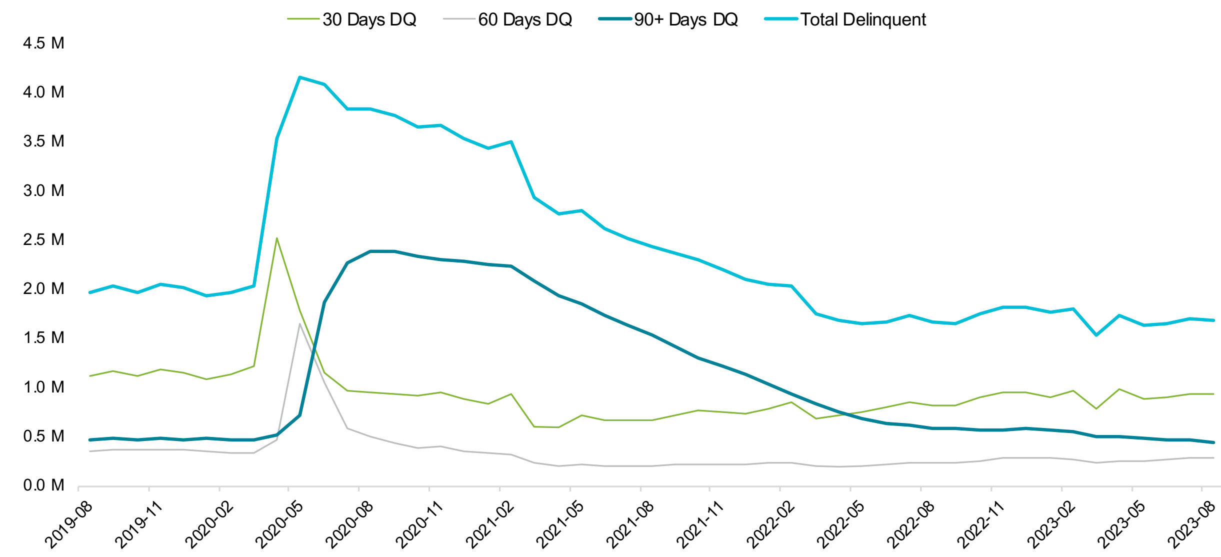
The ICE McDash loan-level mortgage performance database provides key performance metrics for a clearer picture of the delinquency landscape, including new inflow and roll rates. Click on each chart to view its contents in high resolution.

NATIONAL DELINQUENCY RATE – FIRST LIEN MORTGAGES



Source: ICE, McDash

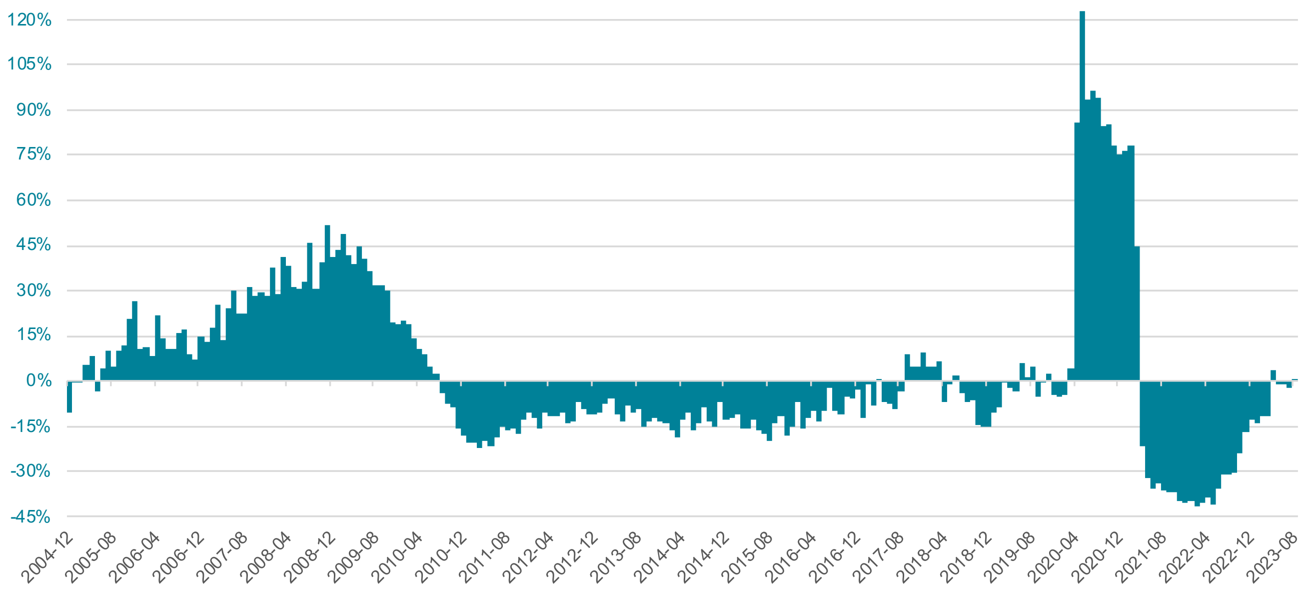
MORTGAGE DELINQUENCIES BY SEVERITY



Source: ICE, McDash

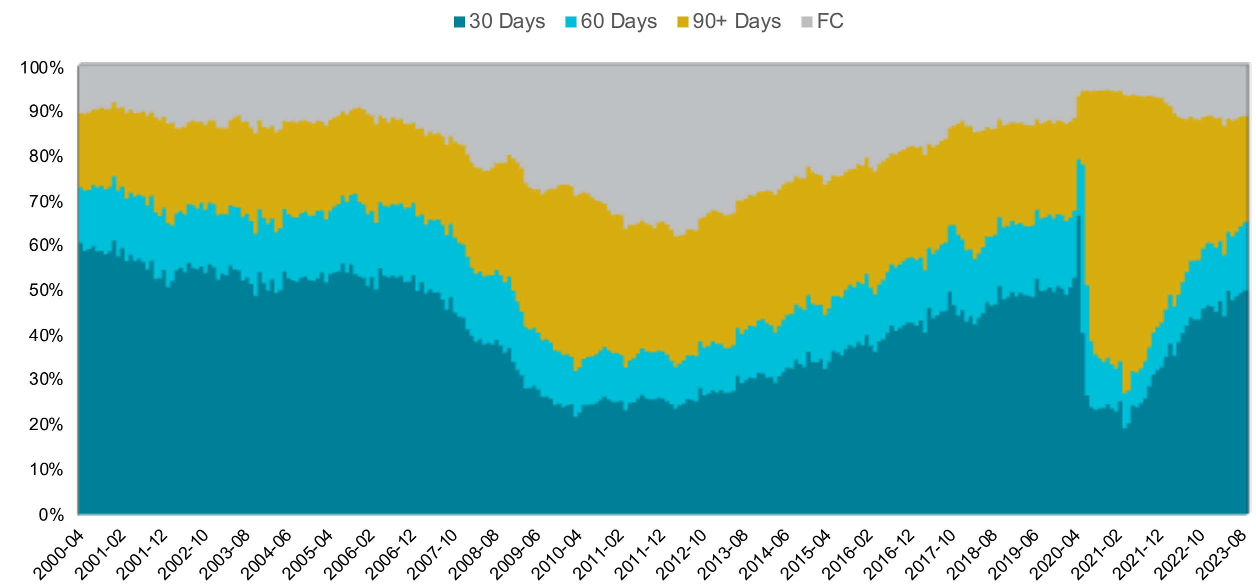
- The national delinquency rate dropped 4 basis points (bps) in August to 3.17%
- That is down 2 bps year over year and 1.1 percentage points below the 2000-2005 same month average
- The number of mortgage holders either 30 or 60 days late (early-stage delinquencies) have each been growing in recent months
- 30-day delinquencies have risen for the last three months, while those 60-days past due have risen for the last five
- Serious delinquencies (90+ days past due) continued to improve, falling 20K from July to 448K – still the lowest level since June 2006 – and down 151K (-25%) year over year

YEAR-OVER-YEAR CHANGE IN MORTGAGE DELINQUENCIES



Source: ICE, McDash

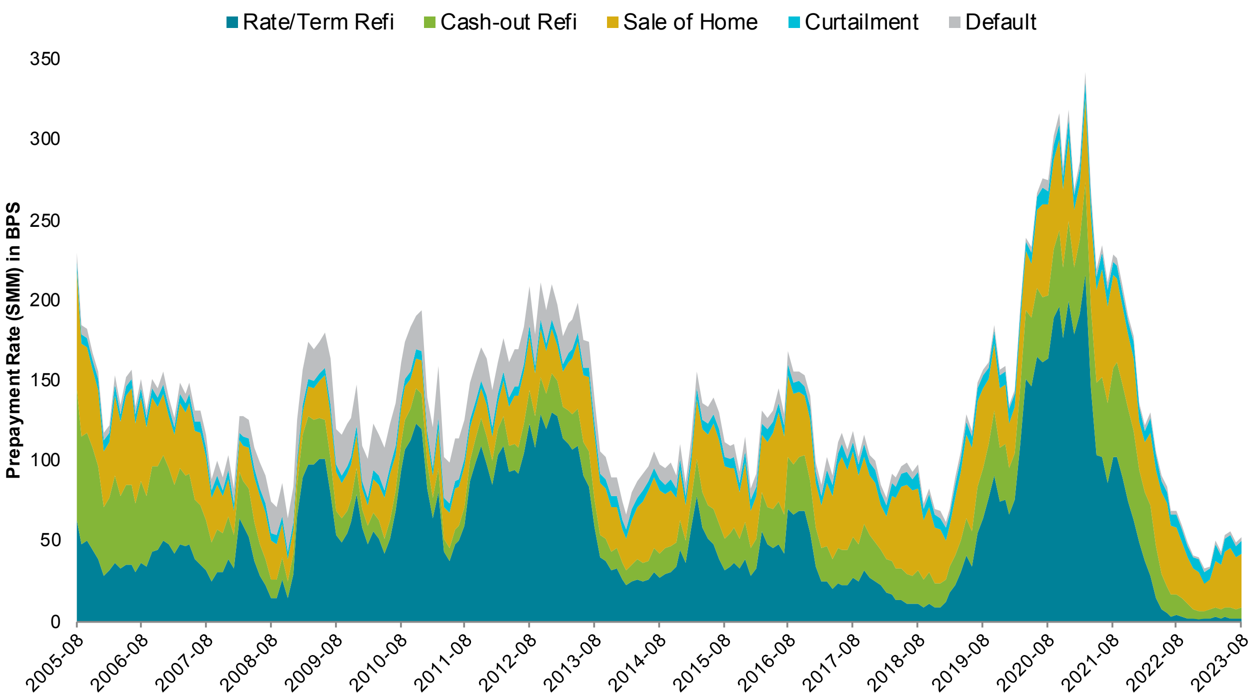
SHARE OF NON-CURRENT MORTGAGES BY SEVERITY



Source: ICE, McDash

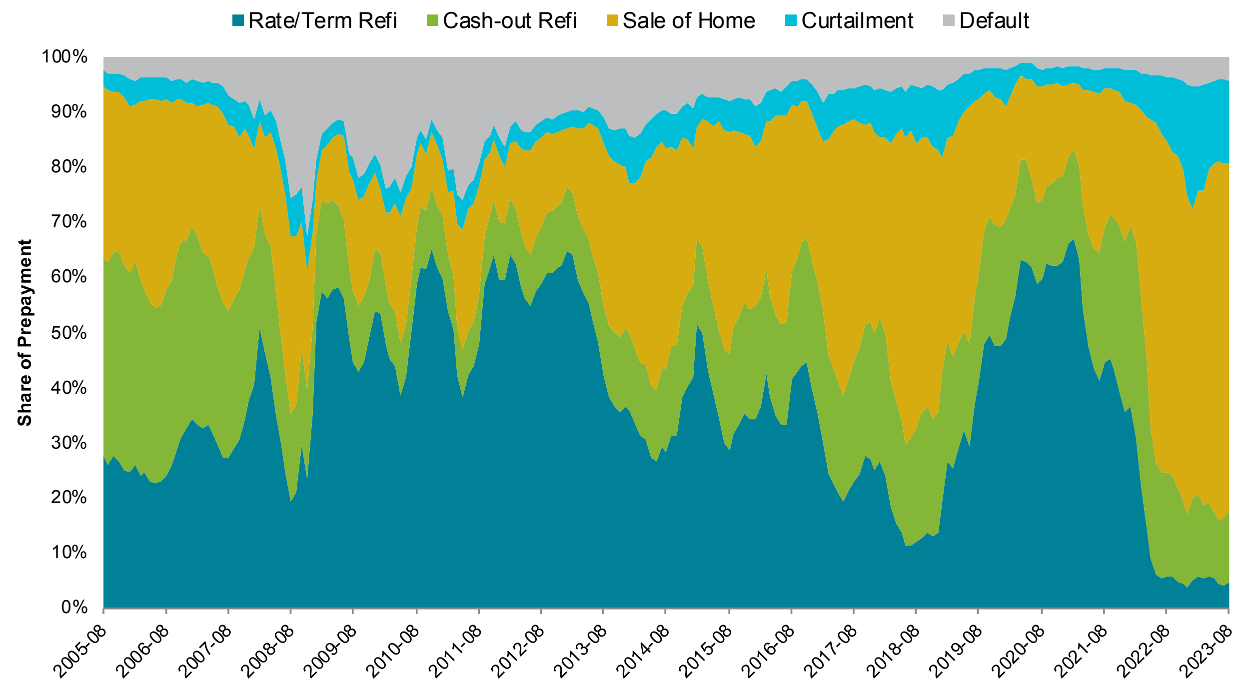
- Total delinquencies have been relatively flat year over year for the last five months since dropping in March, ranging from +3.6% deterioration in April to -2.2% improvement in July
- Recent declines in late-stage delinquencies were offset by slow growth in early stage delinquencies
- While overall delinquencies are likely to rise, fading improvements among serious delinquencies combined with an increase in early stage delinquencies signal more of a return to normal rather than cause for concern
- Strong improvement in serious delinquencies since mid-2020 has been driven largely by cures and workouts for loans in pandemic forbearance
- The recent early-stage increase is in large part due to fewer loans rolling from early-stage to late-stage delinquency; borrowers are becoming, and then staying, 30 or 60 days late in many cases

PREPAY ACTIVITY (SMM) BY CAUSE OF PREPAYMENT



Source: ICE, McDash +Property

DISTRIBUTION OF PREPAY ACTIVITY BY REASON



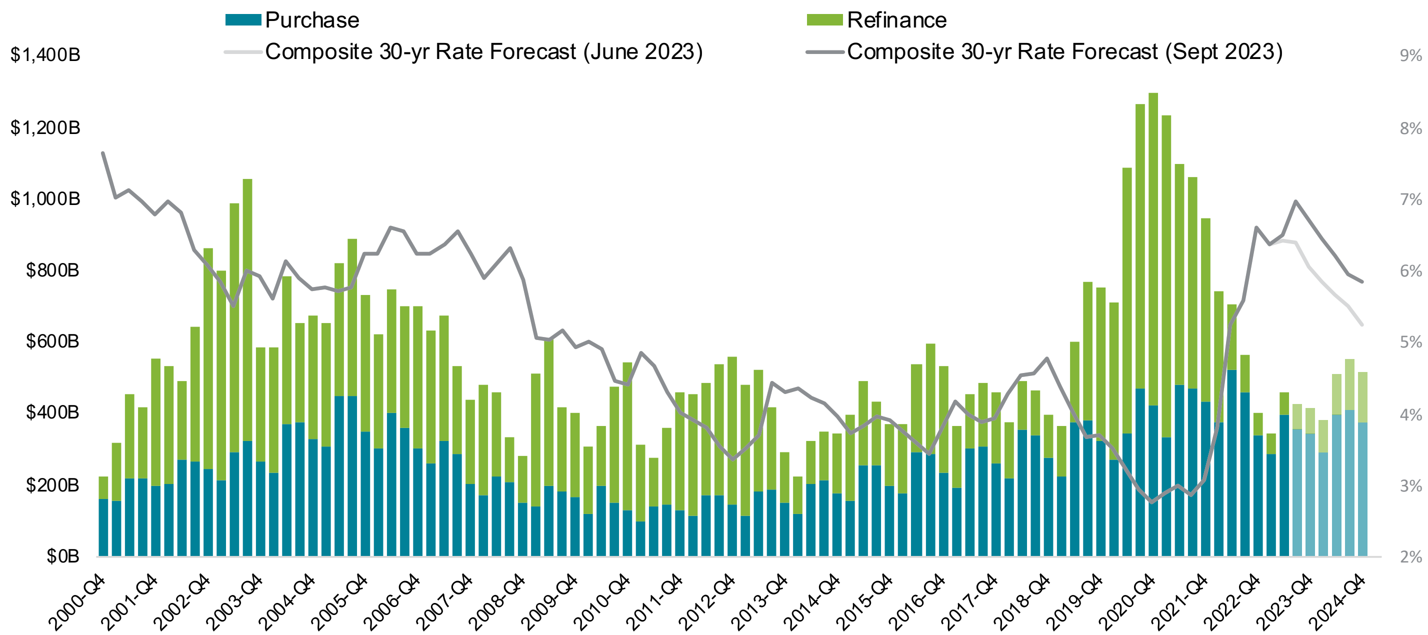
Source: ICE, McDash +Property

- Prepayment activity (SMM) ticked 3 bps higher in August to 0.53%, some 20 bps above the floors reached last winter, but still historically low
- What's more, not only have interest rates trended higher in recent weeks, but prepayment activity will be running into a seasonal headwind for the remainder of the year
- Housing turnover related prepayments drove 63% of August prepays, with the share driven by home sales reaching record highs in recent months as refinance activity continues to falter
- Historically, housing turnover related prepayments have declined by more than 40%, on average, from August through January
- If we saw a similar pattern this year it would result in a more than 25% reduction in prepayment speeds over the next five months, all else the same
- While partial prepayment (curtailment) activity has pulled back from recent highs, we're still seeing levels more than 25% above their long run averages

INTEREST RATES & MORTGAGE ORIGINATION OPPORTUNITIES

With interest rates on the rise, we explore what this means for origination activity, and take a closer look at where new mortgage originations could come from, and what it would take for refinance volumes to return. Click on each chart to view its contents in high resolution.

FIRST LIEN MORTGAGE ORIGINATION OUTLOOK



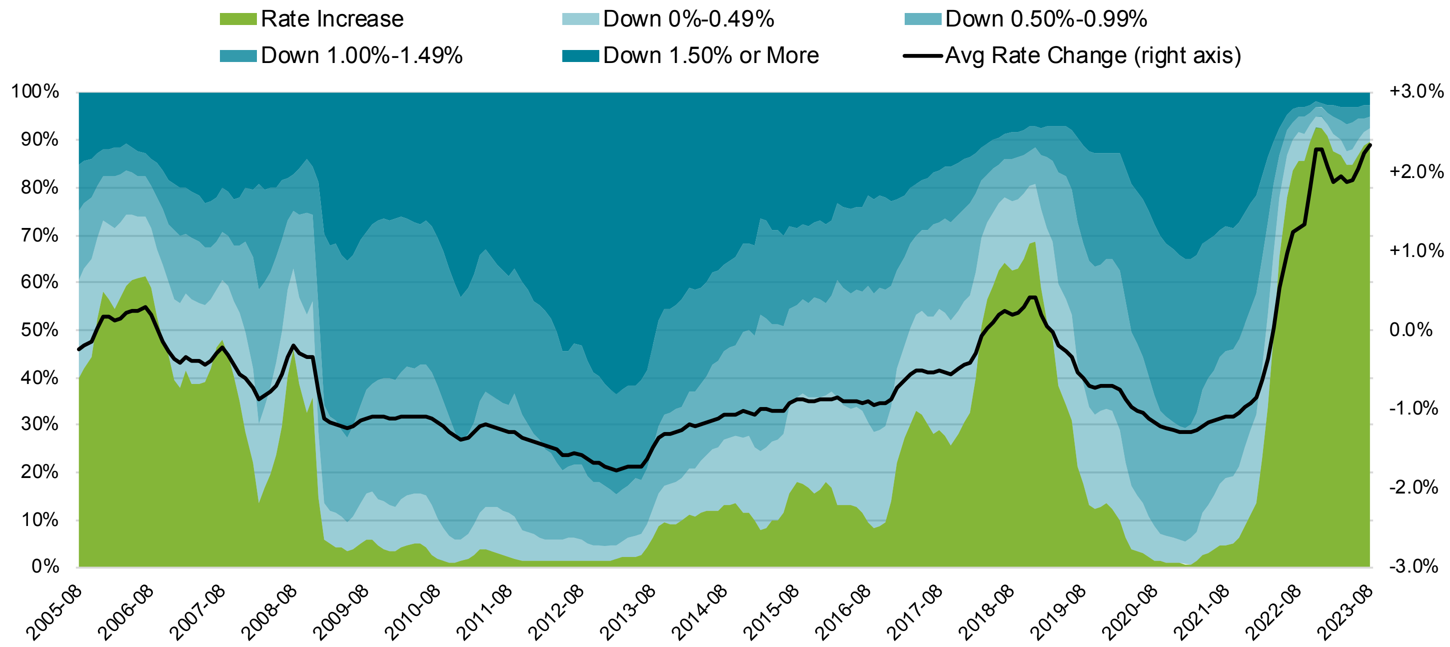
Source: ICE, McDash, Fannie Mae, MBA

75% of 2024 lending expected to be purchase transactions

+65 BPS rise in expected 30-year rate at end of 2023 since June

- Forward-looking 30-year rate expectations have trended noticeably higher in recent months, with composite Fannie Mae/MBA forecasts suggesting rates will end 2023 around 6.7%, some 65 bps higher than anticipated just three months ago
- Likewise, the composite forecast for 2024 has also risen considerably (+60 bps), with 2024 expected to end with 30-year rates around 5.85%
- The composite forecast is for first lien originations to total $1.62T in 2023 (down 4% from the June 2023 outlook) with $1.96T in originations expected for 2024 (down 3% from June)
- That said, the recent resurgence in 30-year rates along with the 'higher for longer' scenario taking hold may serve to dampen such forecasts in coming months
- Overall, such forecasts suggest lending could rise by 21% from 2023 to 2024 with purchase loans rising by +11% and refinances by +70%, which although a marked improvement from 2023 would be the second-lowest volume in the past two decades
- Purchase lending is expected to continue to dominate the market, with purchases heading for an 82% share in 2023 and projected to moderate to 75% of originations in 2024
- With purchase lending still expected to make up >70% of all lending by Q4 2024, lenders will be well served in continuing to place focus on optimizing the purchase side of their businesses

INTEREST RATE CHANGE THROUGH REFINANCE



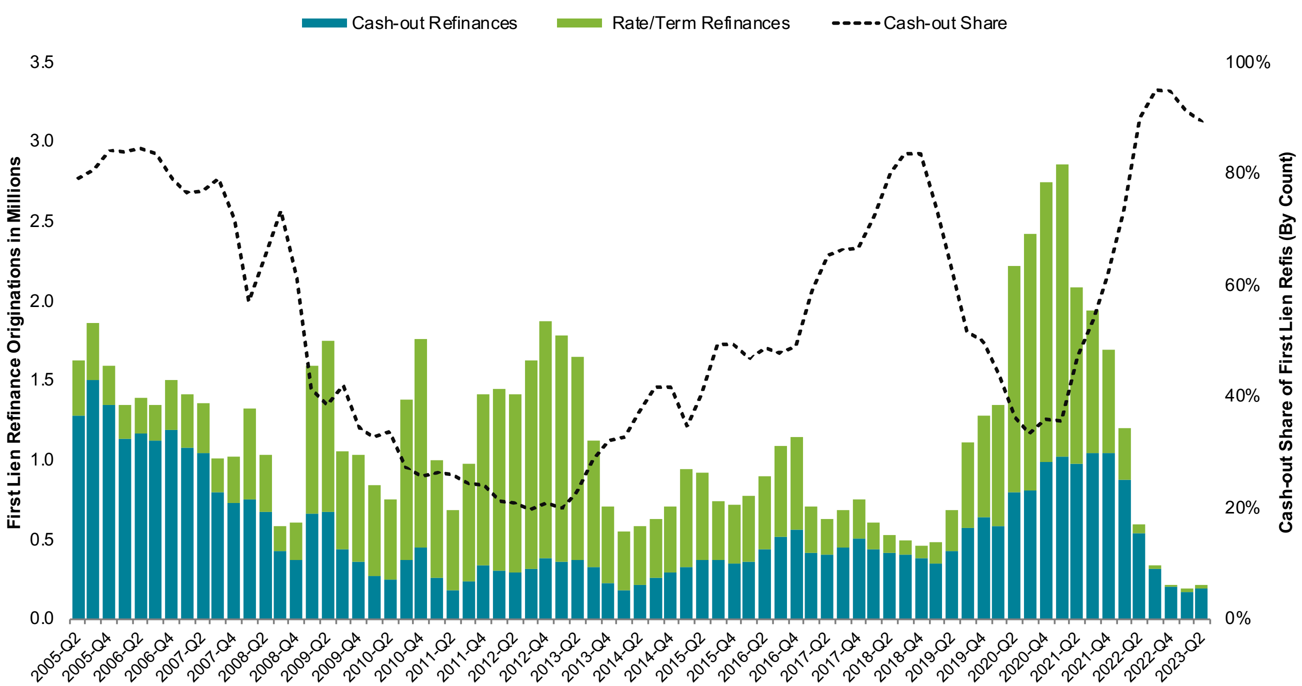
Source: ICE, McDash +Property

90% of borrowers refinancing in August raised their interest rates

+2.34% average rate increase among August refis

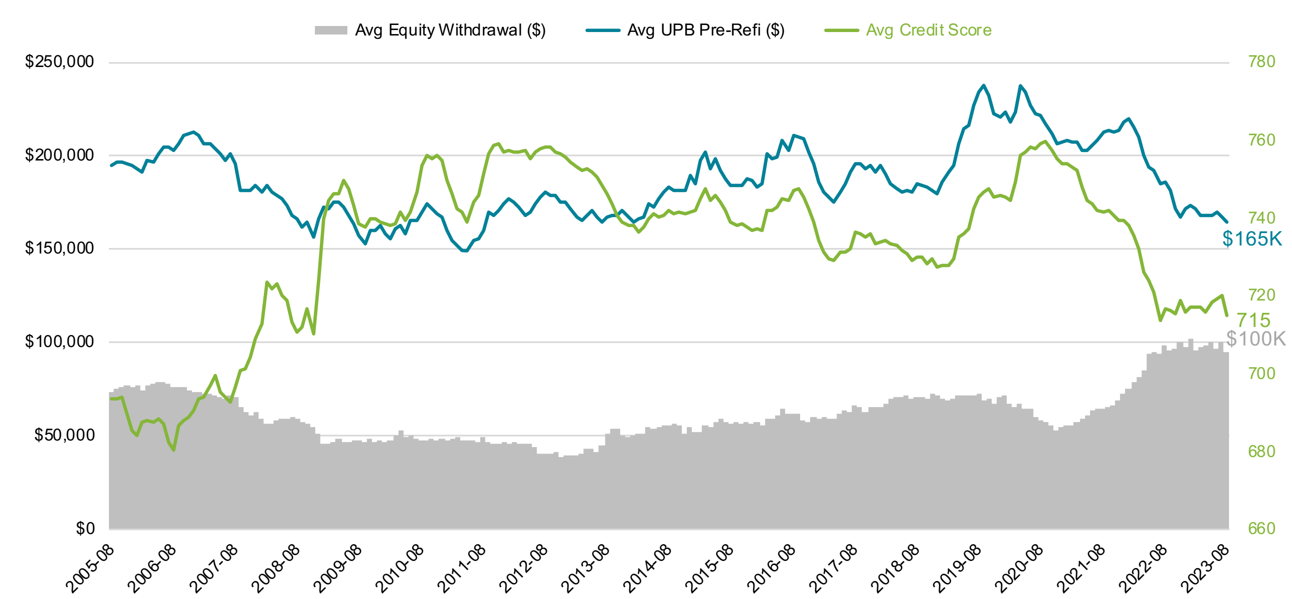
- Lenders hoping to engage with the constrained refinance market need to look beyond standard methods of identifying potential candidates
- With 9 of 10 August 2023 refinances involving the borrower raising their interest rate – with an average rate increase of +2.34 percentage points – simple 'in the money' analytics are missing this market almost entirely
- A subset of homeowners in the market continue to turn to cash-out refinances, especially those with more modest credit scores, those with lower first lien balances, and those looking to withdraw larger sums of equity
- Granular insight into the before-and-after-refinance picture is key to understanding who is transacting in today's rate environment – and more importantly, why

FIRST LIEN REFINANCE ACTIVITY



Source: ICE, McDash +Property

CASH-OUT REFINANCE ORIGINATION DETAILS

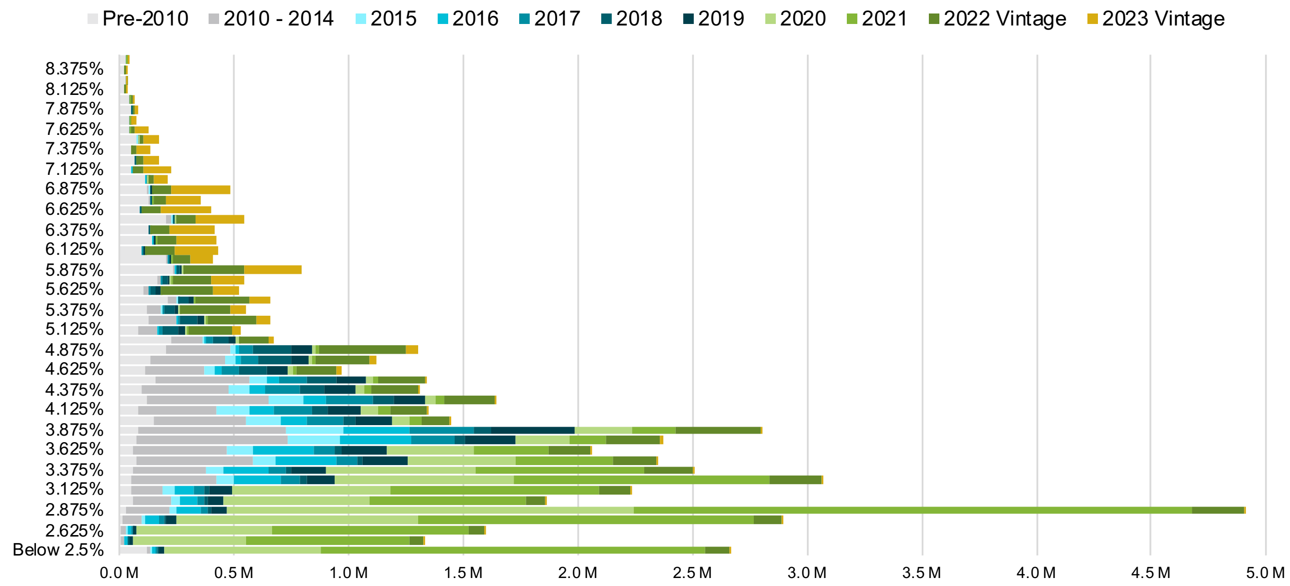


Source:ICE, McDash +Property

- The profile of cash-out borrowers – who made up roughly 90% of all Q2 refinances – has shifted considerably in recent quarters
- While the average unpaid principal balance of borrowers entering a refinance has fallen from $319K in early 2020 to $183K in August 2023, it is even lower ($165K) among cash-outs specifically
- Alongside rising interest rates, the average equity withdrawal among cash-out refinances has also risen by nearly 90% from its low in 2020
- Today's candidates are far more focused on tapping equity, and cash-outs may make sense for borrowers with lower balances (on which they give up a lower rate) looking to withdraw larger amounts of equity (at lower interest rates than what is available via a HELOC)
- The average cash-out credit score of 715 – while still relatively strong – is down more than 40 points in less than three years and is among the lowest in the post-Great Financial Crisis era
- Higher credit quality borrowers who can qualify for a HELOC are more likely opting for those methods of tapping equity, leaving a lower credit score residual among cash-out refis

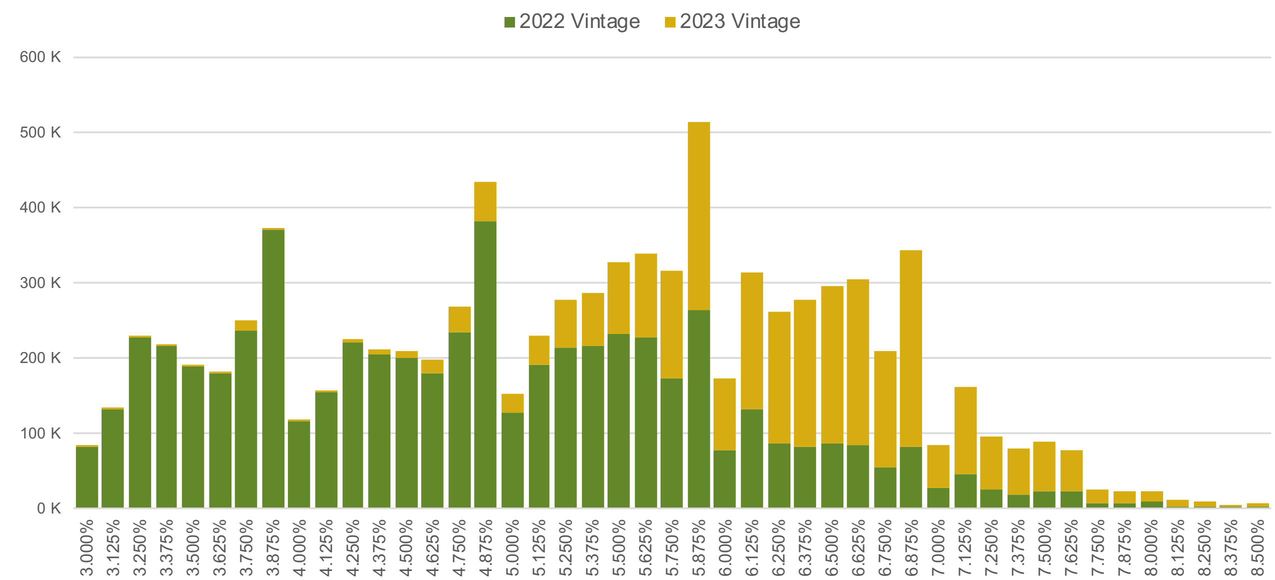
INTEREST RATES & MORTGAGE ORIGINATION OPPORTUNITIES

ACTIVE MORTGAGES BY INTEREST RATE AND VINTAGE



Source: ICE, McDash

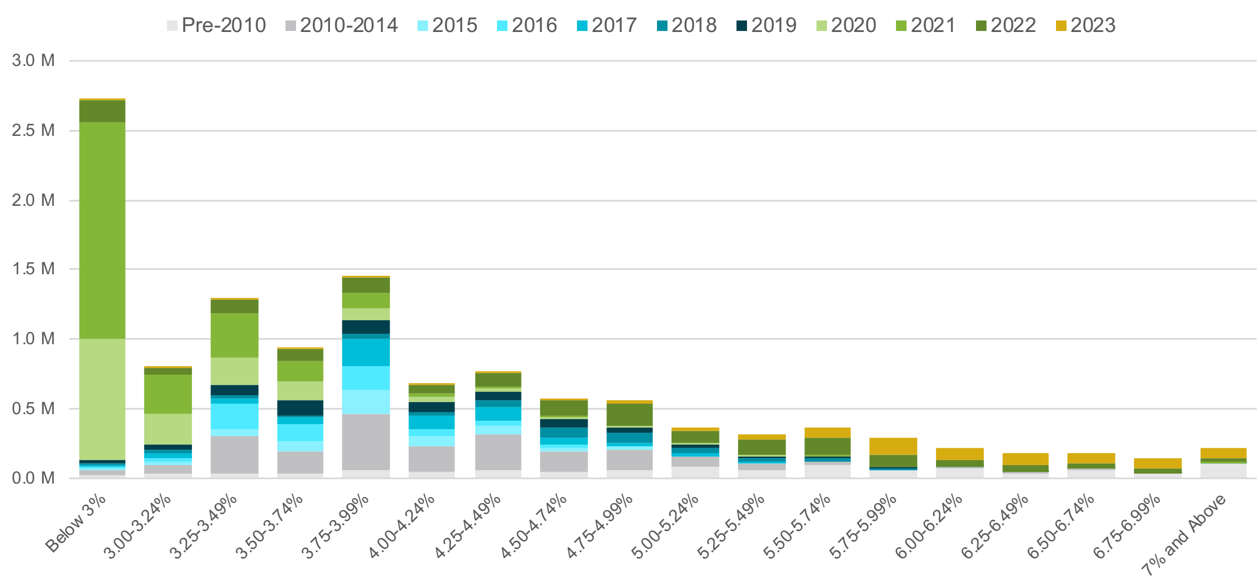
CURRENT INTEREST RATE OF ACTIVE MORTGAGES



Source: ICE, McDash

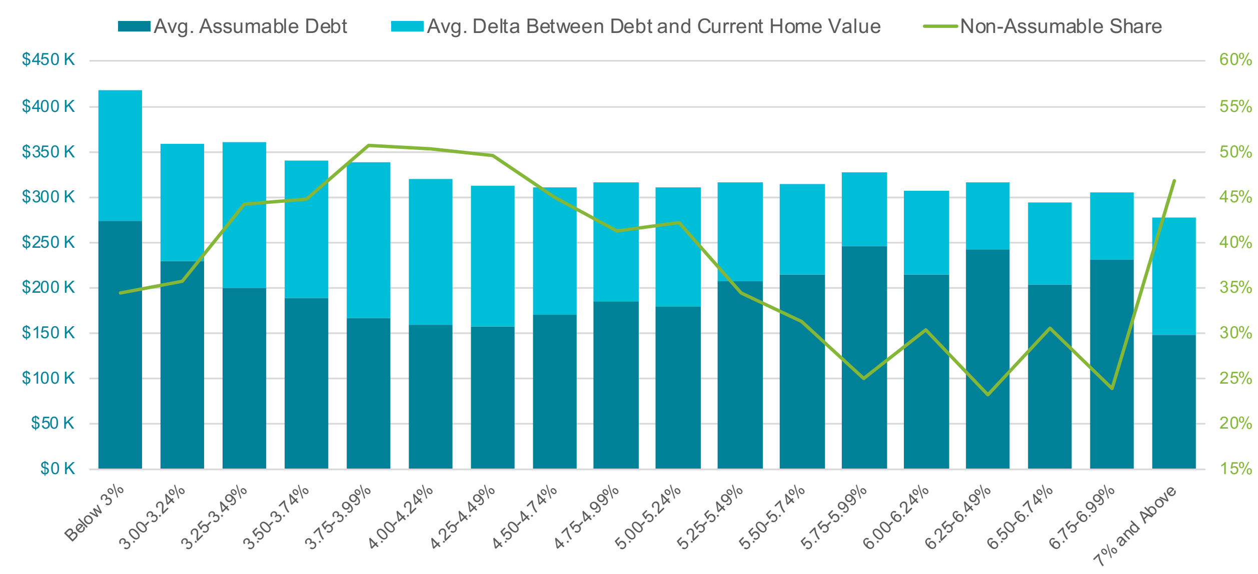
- Given all the talk about near-term prepayment risk – and quick-turn refinance incentive – among recent originations, we thought it prudent to see how much refinance volume may make its way into the market should 30-year rates begin to ease
- As loans seasoned between two and ten years tend to have rates lower than 5%, we explore the distribution of current interest rates among recent originations to help quantify where any pockets of opportunity may exist
- Mortgages originated over the past 18 months are evenly distributed across rate bands ranging from the mid-3% range up through the high 6% range, meaning that rate/term refinance volumes would return gradually should rates improve
- Relatively few loans (~600K as of August month end) have interest rates at or above 7%, such that it would take rates markedly lower than they are today to spur any meaningful refinance incentive
- While 600K may sound significant, historically an average month yields 430K refinances, if every homeowner with a first lien rate of 7% or higher were to refinance it would only result in 1.5 months of ‘normal’ volume
- Another 1.9M loans have rates between 6% and 7%, which would produce moderate opportunity, but rates would need to come down to the mid- to low-5% range to put all of those borrowers in the money, and even that would only be enough for a few months of sustained volume

CURRENT INTEREST RATES OF FHA/VA/USDA MORTGAGES



Source: ICE, McDash

ASSUMABLE DEBT VS. HOME VALUE BY INTEREST RATE



Source: ICE, McDash

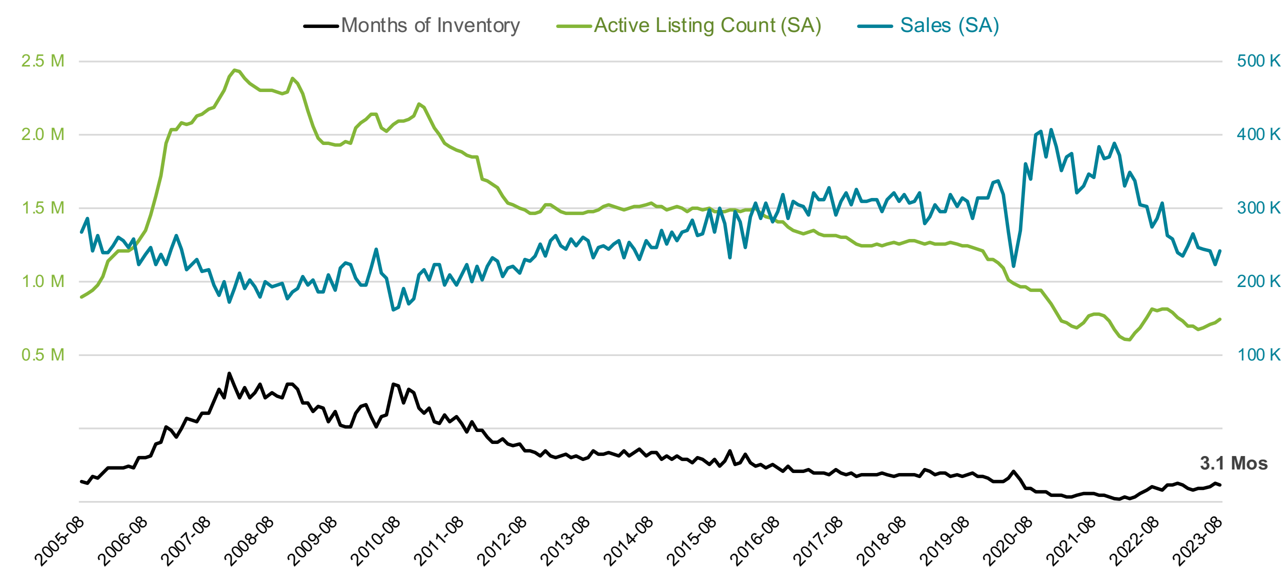
- With current mortgage rates running more than 4 percentage points higher than just a few years back, assumable mortgages continue to be a hot topic
- Including FHA, VA, and USDA loans, an estimated 12M (23% of) active mortgages have assumable features, with 7.2M (14%) assumable at interest rates below 4%, which at face value appears to present a lot of opportunity
- There are a few reasons why assumable mortgages haven't taken off like some would expect
- Nearly two thirds of assumable mortgages with rates below 4% were taken out within the past 3.5 years, often by first-time or younger homebuyers that may not be ready to sell
- Those extremely low rates aren't only attractive to potential buyers, but also to their current mortgage holders, who aren't in a hurry to give them up
- Given how sharply home prices have risen in recent years, simply assuming a seller's current mortgage alone won't cover the purchase, as in most cases buyers need to bring significant consideration beyond just the mortgage amount
- The average property with an assumable mortgage has a current market value of $374K, but only $223K (60%) of that potential sales price could be covered by assuming the mortgage, such that a buyer would need an additional $151K in the form of cash or secondary financing that would likely come at a much higher interest rate
- The non-assumable share and dollar amount is even higher among loans with slightly higher interest rates (4-4.5%), as those interest rate bands were more prevalent in the years leading up to the pandemic and, as such, have seen more significant home price increases

HOUSING MARKET & EQUITY METRICS

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 ICE 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.

SALES, ACTIVE, LISTINGS AND MONTHS OF INVENTORY

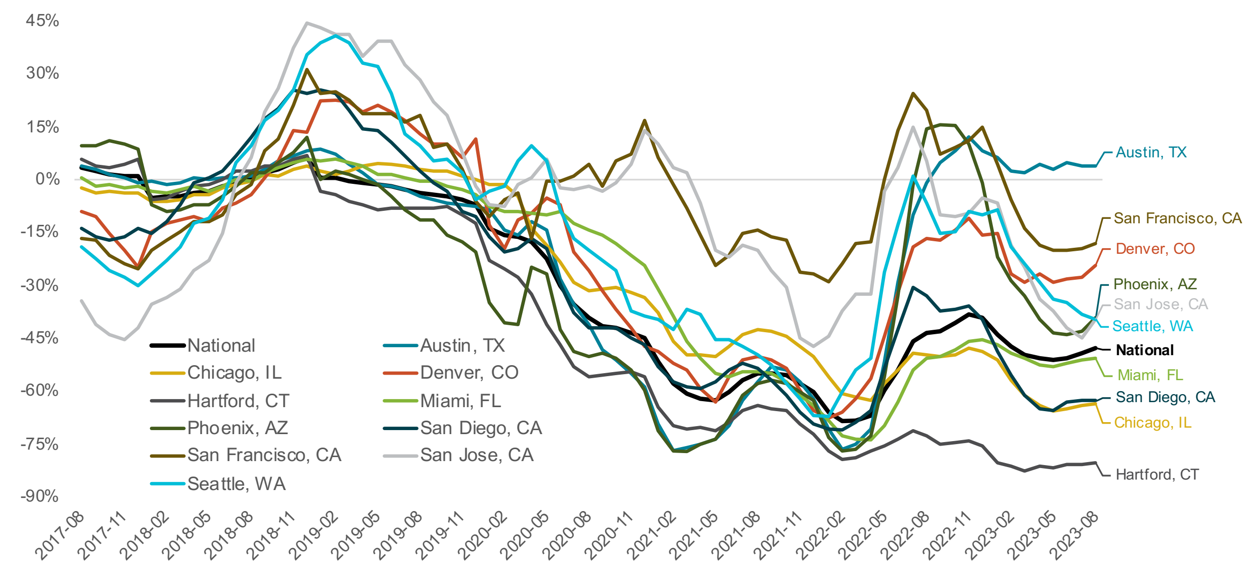
(SEASONALLY ADJUSTED - SINGLE FAMILY RESIDENCES AND CONDOS)



Source: ICE, Collateral Analytics

INVENTORY OF HOMES LISTED FOR SALE

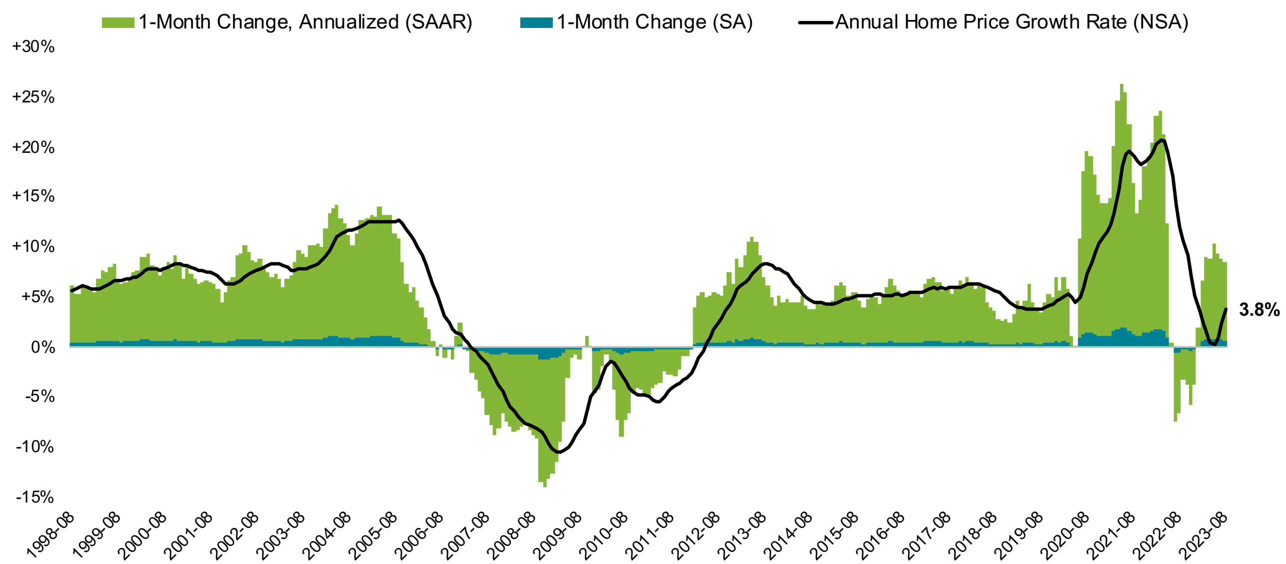
(% CHANGE FROM 2017-2019 SAME MONTH AVERAGE)



Source: ICE, Realtor.com

- After July sales dipped to their lowest level in three years, August rebounded slightly, up 8.3% month over month on a seasonally adjusted basis according to ICE Collateral Analytics data
- With interest rates increasing through July and August, active listings increased 2.7% month over month on a seasonally adjusted basis – the fourth consecutive monthly gain – or +1.2% unadjusted in a month listings typically decline
- Even as listings accumulate on weak sales volumes heading into fall, inventory levels nonetheless slipped to 3.1 months remaining
- While inventory is still down from the start of the year in 70% of markets on a seasonally adjusted basis, inventory has begun to increase in four of five markets over the last three months
- Post-pandemic, inventory has been peaking later in the year than normal, due to lackluster spring listings, leading to early-year deficits from which the market has had trouble digging out
- San Francisco, San Jose, Denver and Phoenix are among the western markets where inventories have started to rebound in recent months, while Seattle is still seeing inventories drop

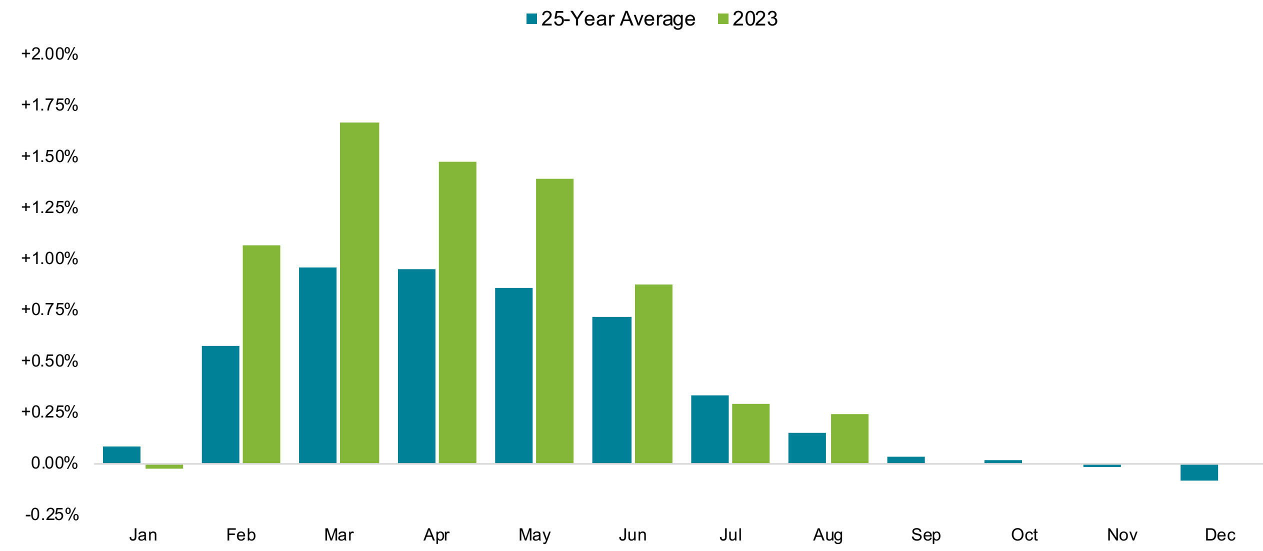
ICE HOME PRICE INDEX



Source: ICE Home Price Index (HPI)

1-MONTH CHANGE IN HOME PRICES

(ICE HOME PRICE INDEX - NON SEASONALLY ADJUSTED)

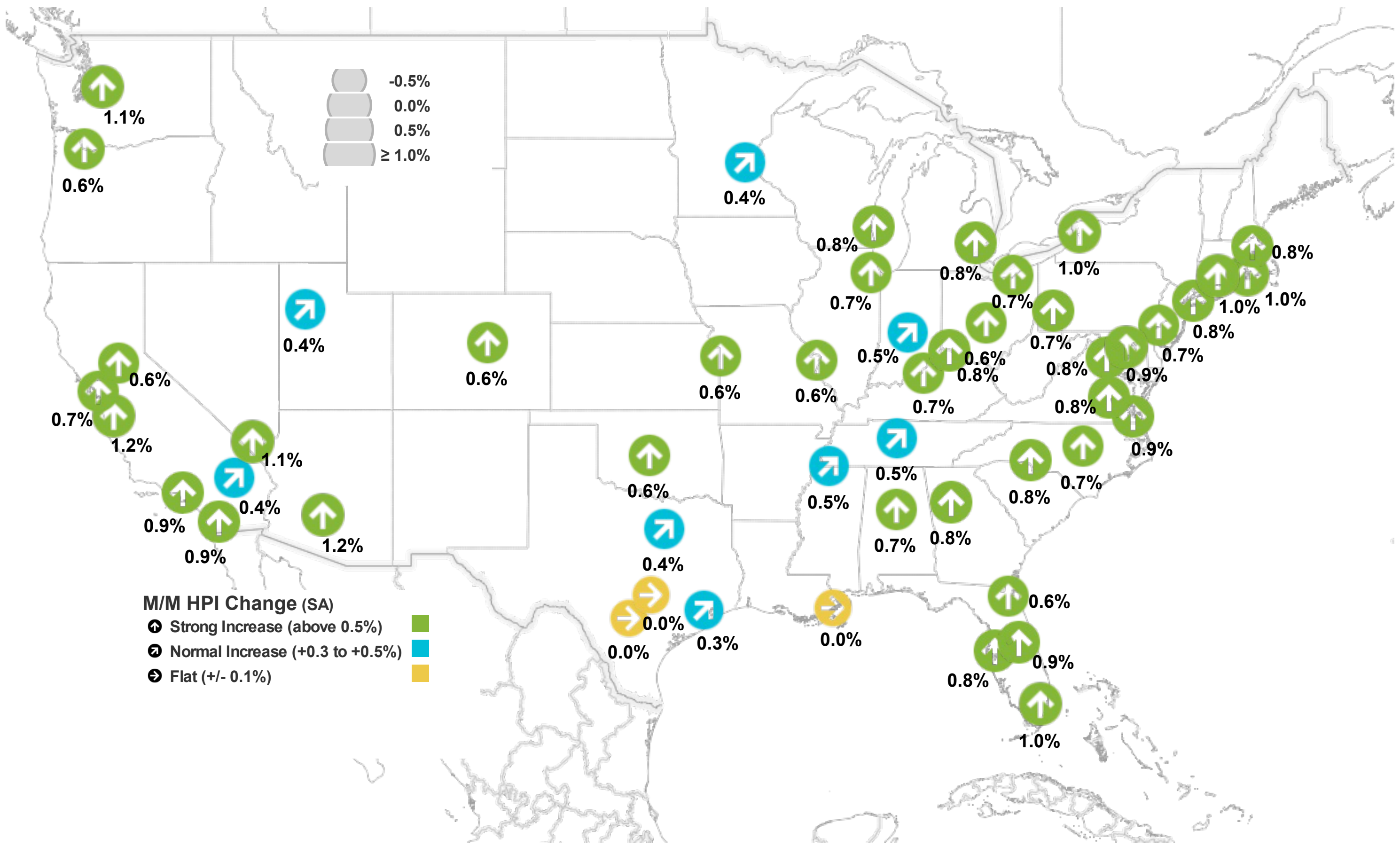


Source: ICE Home Price Index (HPI)

- Home prices came in exceptionally strong in August, rising a seasonally adjusted +0.68% from July; August's non-adjusted gain (+0.24%) was more than 60% larger than the 25-year same-month average (+0.15%)
- Along with a lower starting point due to late-2022 price drops, August's increase was enough to push the annual rate of home price growth to +3.8%, up from +2.4% in July and just +0.25% back in May
- According to the ICE Home Price Index (formerly the Black Knight HPI), this marked the third consecutive month of reacceleration after annual home price growth slowed to effectively flat earlier this year
- Further acceleration in annual appreciation is likely; if prices were to simply hold at today's seasonally adjusted levels, already baked in gains would be enough to push annual growth above 5% by year's end
- Alternately, if 2023's average adjusted rate of gains (+0.64%/mo.) were to continue, annual growth would climb to near 8% by December; perhaps unlikely with rising rates putting even further strain on home affordability
- Closed sales from August would have typically gone under contract in July, when mortgage rates were 40-50 bps lower than today
- As it stands, home affordability hit yet another 38-year low in September by way of spiking rates, which could still serve to cool price gains as we move towards the end of the year

1-MONTH CHANGE IN HOME PRICES

(SEASONALLY ADJUSTED)



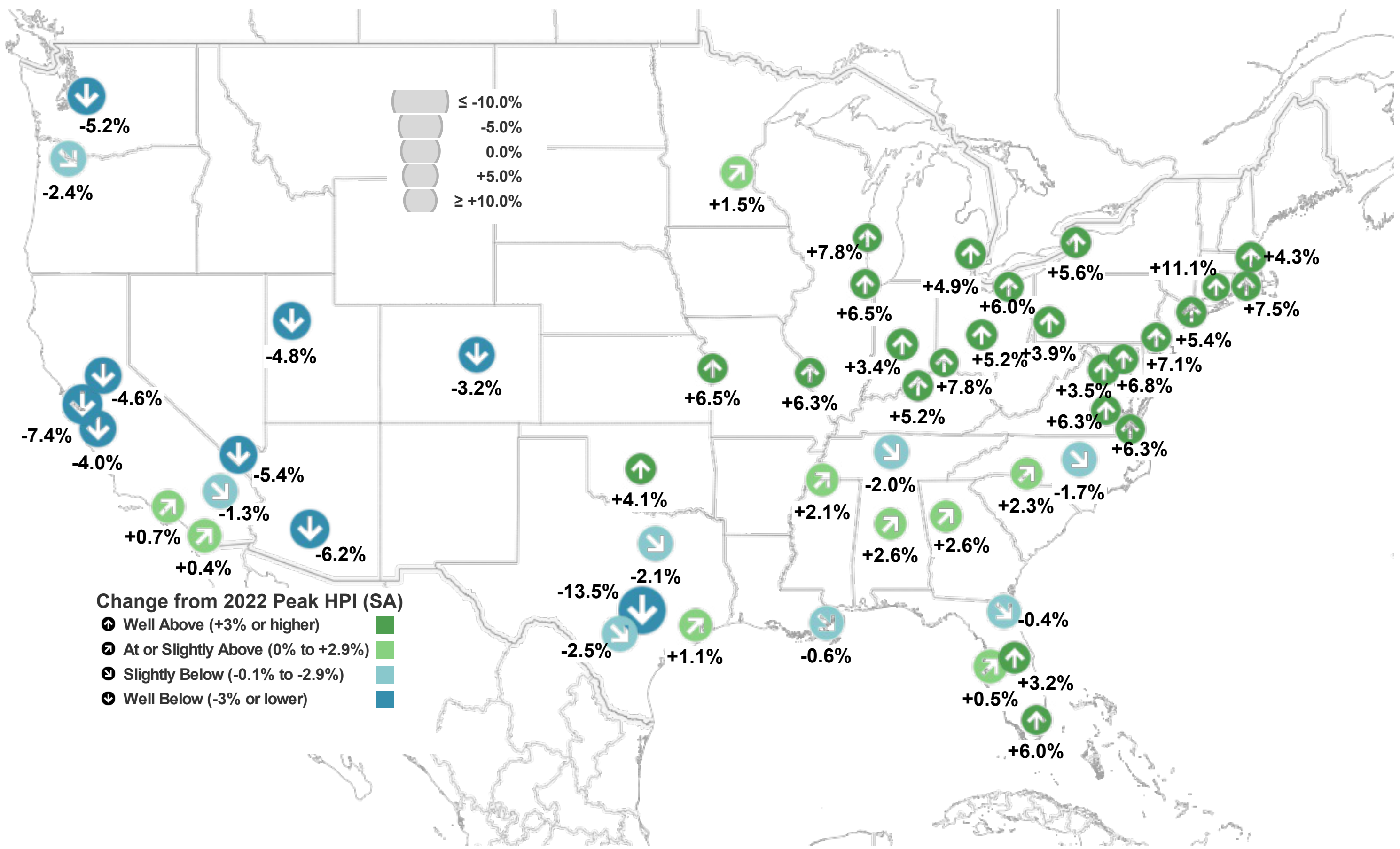
Source: ICE Home Price Index (HPI)
August 2023

Strong home price gains were seen across most of the U.S. in August, with 39 of the 50 largest markets seeing prices rise by at least 0.5% and nearly half experiencing gains of 0.75% or more on a seasonally adjusted basis

- The strongest gains were in Phoenix (+1.2%), San Jose (+1.2%), Las Vegas (+1.1%), and Seattle (1.1%), all of which experienced some of the sharpest declines last year, and where prices remain at least 4% off their 2022 highs
- After inventory levels largely returned to balance last year, these markets have since logged some of the largest year-to-date deficits in active listings, resulting in firming and even heating home prices
- To put those gains in context, a 1.2% seasonally adjusted 1-month gain would be equivalent to a more than 14% annualized home price growth rate, if experienced for an extended period of time
- San Antonio (-0.04%) and Austin (-0.03%) were the only major markets where prices declined on a seasonally adjusted basis, but the declines were very slight

CHANGE IN MEDIAN HOME PRICE FROM 2022 PEAK

(SEASONALLY ADJUSTED)

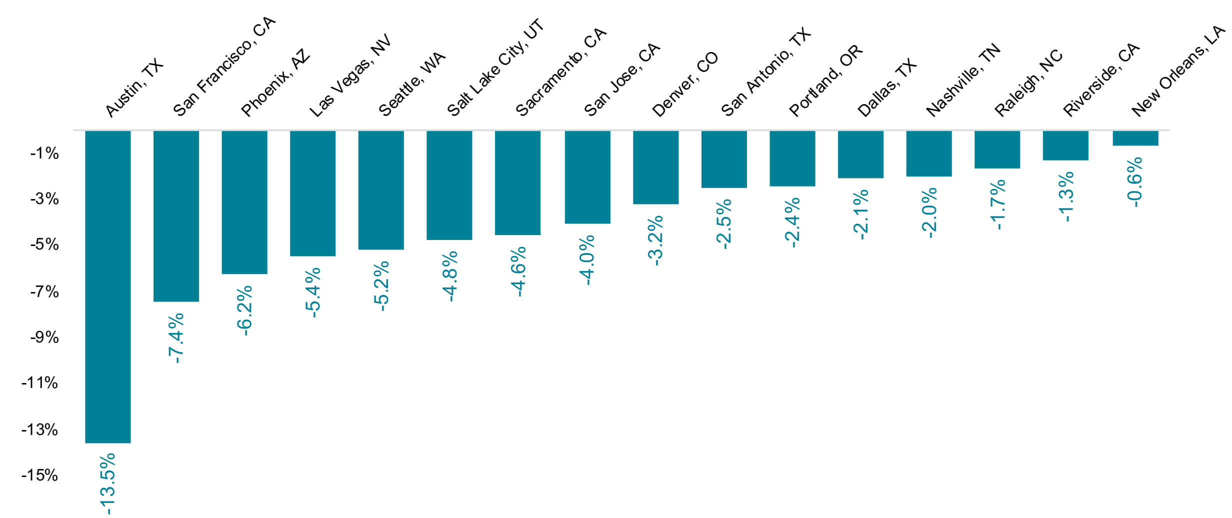


Source: ICE Home Price Index (HPI)
August 2023

- Nationally, home prices are now 2.5% above the record highs set in 2022, on a seasonally adjusted basis, with prices in two thirds of major markets surpassing 2022 peaks
- The areas pressing the furthest above 2022 levels are primarily in the Northeast and Midwest, including Hartford (+11.1%), Cincinnati (+7.8%), Milwaukee (+7.8%), Providence (+7.5%), and Philadelphia (+7.1%), with more than one third of markets now at least 5% above 2022 highs
- In the western U.S., along with pandemic boomtowns in the South and Southwest, prices largely remain below their 2022 highs; however those gaps have been closing quickly as prices heated up again in recent months
- Los Angeles and San Diego are notable exceptions in the West, having fully reversed the corrections in prices seen late last year, with prices returning to all-time highs

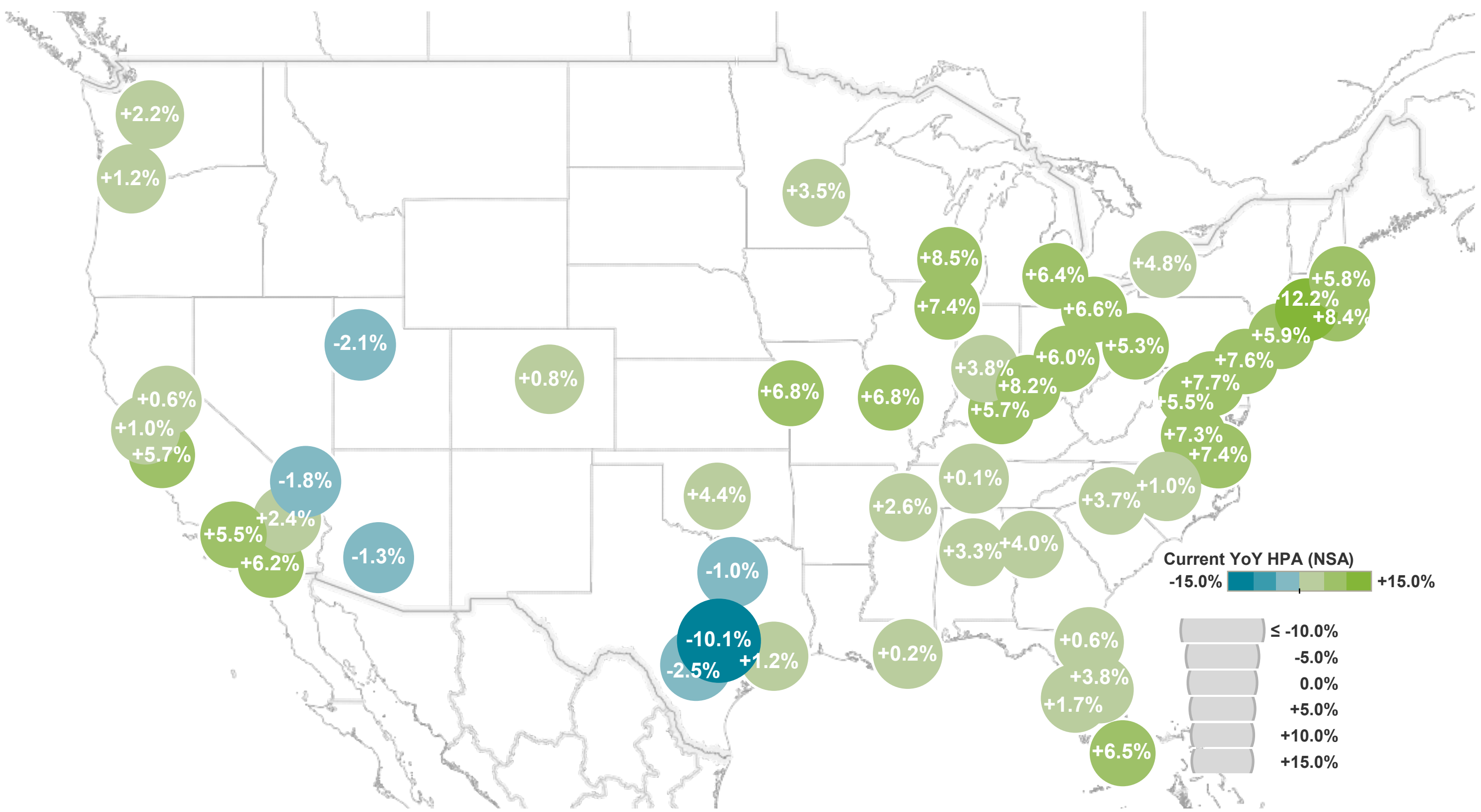
CHANGE IN HOME PRICE INDEX FROM 2022 PEAK

(SA – MARKETS W/ LARGEST DECLINES)



Source: ICE Home Price Index (HPI)
August 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	+12.2%
2	Milwaukee, WI	+8.5%
3	Providence, RI	+8.4%
4	Cincinnati, OH	+8.2%
5	Baltimore, MD	+7.7%
6	Philadelphia, PA	+7.6%
7	Chicago, IL	+7.4%
8	Virginia Beach, VA	+7.4%
9	Richmond, VA	+7.3%
10	Kansas City, MO	+6.8%

MARKETS WITH LOWEST HOME PRICE GROWTH RATES		
Rank	**Geography (CBSA)**	**Annual Home Price Growth Rate**
41	Jacksonville, FL	+0.6%
42	Sacramento, CA	+0.6%
43	New Orleans, LA	+0.2%
44	Nashville, TN	+0.1%
45	Dallas, TX	-1.0%
46	Phoenix, AZ	-1.3%
47	Las Vegas, NV	-1.8%
48	Salt Lake City, UT	-2.1%
49	San Antonio, TX	-2.5%
50	Austin, TX	-10.1%

Source: ICE Home Price Index (HPI)
August 2023

For the second month in a row, home price growth trended higher in every one of the 50 largest U.S. markets, mirroring the sharp reacceleration at the national level

» The largest shift came in Phoenix, where prices are now down only 1.3% year over year (improved from -4.75% in July), followed by Las Vegas where prices are now down 1.76%, an improvement from -4.92% the month prior

» San Jose, Seattle, San Francisco, San Diego, Raleigh, Sacramento, and Los Angeles have also climbed out of the red in recent months, posting annual gains from August 2022

» In fact, every major market along the West Coast is back in positive territory year over year, with only six (Dallas, Phoenix, Las Vegas, Salt Lake City, San Antonio, and Austin) still down

» Given the strong seasonally adjusted monthly gains among West Coast markets and many pandemic boom towns, we expect those markets to trend higher in coming months

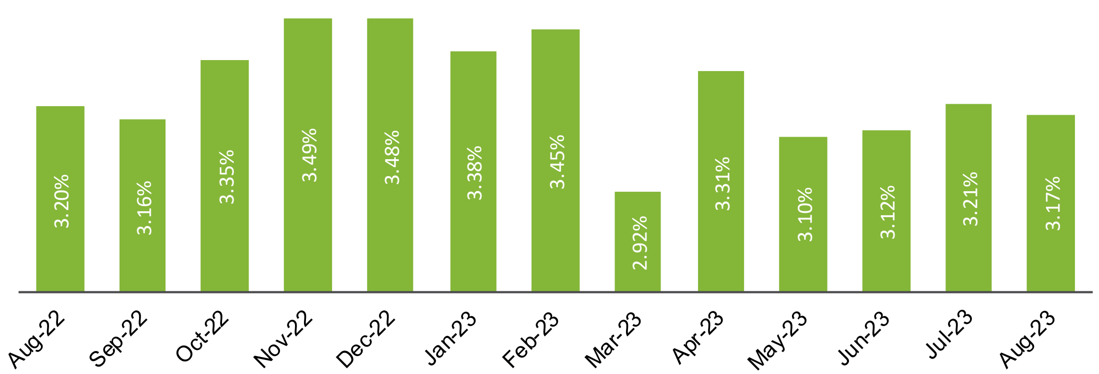
» The strongest annual gains have been in the Northeast and Midwest, with Hartford's 12.2% year over year increase leading all other markets, followed by Milwaukee (+8.5%) and Providence (+8.4%)

DATA SUMMARY

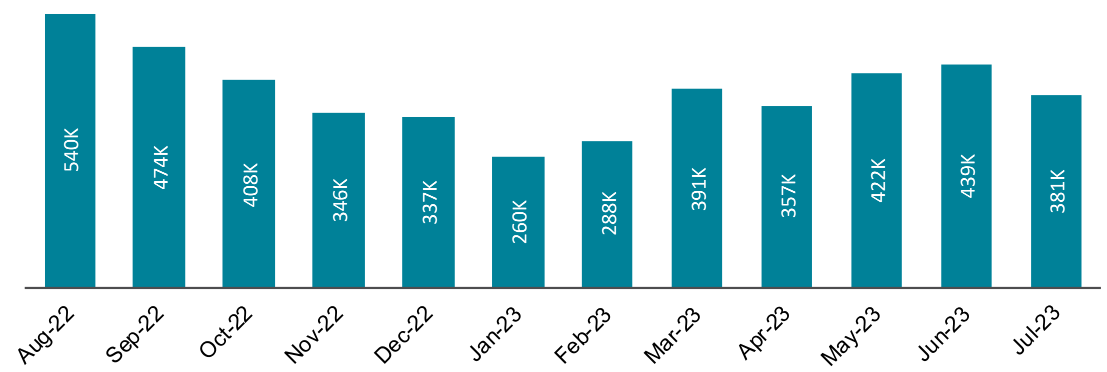
	Aug-23	Monthly Change	YTD Change	Yearly Change
Delinquencies	3.17%	-1.17%	-6.12%	-0.77%
Foreclosure	0.41%	-2.44%	-10.49%	-7.40%
Foreclosure Starts	31,900	21.29%	-1.85%	10.76%
Seriously Delinquent (90+) or in Foreclosure	1.25%	-3.86%	-19.72%	-21.03%
New Originations (data as of Jul-23)	381K	-13.2%	13.0%	-26.3%

	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Aug-22
Delinquencies	3.17%	3.21%	3.12%	3.10%	3.31%	2.92%	3.45%	3.38%	3.48%	3.49%	3.35%	3.16%	3.20%
Foreclosure	0.41%	0.42%	0.42%	0.43%	0.44%	0.46%	0.46%	0.45%	0.44%	0.44%	0.43%	0.43%	0.44%
Foreclosure Starts	31,900	26,300	28,000	25,400	24,800	32,200	29,500	32,500	28,200	27,300	24,900	24,200	28,800
Seriously Delinquent (90+) or in Foreclosure	1.25%	1.30%	1.31%	1.35%	1.40%	1.43%	1.53%	1.56%	1.55%	1.55%	1.55%	1.56%	1.58%
New Originations		381K	439K	422K	357K	391K	288K	260K	337K	346K	408K	474K	540K

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%
8/31/23	53,056,000	948,000	288,000	448,000	215,000	1,899,000	31,900	6,900	358	1,013	3.2%	-1.2%	-0.8%	0.4%	-2.4%	-7.4%

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
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%
8/31/23	53,056,000	948,000	288,000	448,000	215,000	1,899,000	31,900	6,900	358	1,013	3.2%	-1.2%	-0.8%	0.4%	-2.4%	-7.4%

DELINQUENCY & FORECLOSURE FIGURES BY STATE

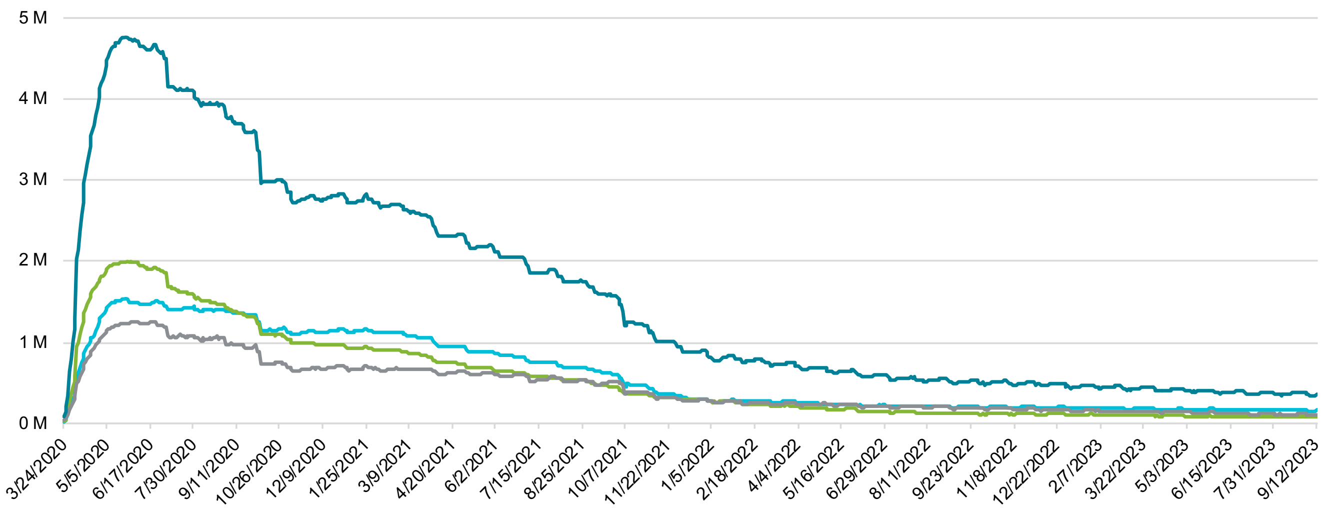
State		Del %	FC %	NC %	Yr/Yr Change in NC%
National		3.2%	0.4%	3.6%	-1.6%
MS		7.0%	0.6%	7.6%	1.1%
LA	*	6.3%	0.8%	7.1%	3.9%
AL		5.0%	0.3%	5.3%	-2.0%
IN	*	4.5%	0.5%	5.0%	1.6%
PA	*	4.2%	0.7%	4.9%	0.1%
WV		4.3%	0.5%	4.8%	-5.3%
AR		4.4%	0.4%	4.8%	-3.5%
OH	*	3.9%	0.7%	4.5%	-2.8%
OK	*	3.9%	0.6%	4.5%	-5.9%
TX		4.1%	0.3%	4.5%	2.5%
IL	*	3.8%	0.7%	4.5%	-3.5%
GA		4.2%	0.3%	4.4%	3.0%
DE	*	3.9%	0.5%	4.4%	3.7%
KY	*	3.6%	0.6%	4.3%	-3.0%
MD	*	3.8%	0.4%	4.2%	-1.5%
NY	*	2.9%	1.3%	4.2%	-9.3%
SC	*	3.6%	0.4%	4.0%	-5.4%

State		Del %	FC %	NC %	Yr/Yr Change in NC%
National		3.2%	0.4%	3.6%	-1.6%
MI		3.6%	0.2%	3.8%	3.0%
CT	*	3.2%	0.6%	3.8%	-11.6%
IA	*	3.3%	0.5%	3.8%	-4.6%
MO		3.5%	0.3%	3.7%	-2.7%
WI	*	3.3%	0.4%	3.7%	2.8%
FL	*	3.2%	0.5%	3.7%	2.9%
KS	*	3.3%	0.3%	3.6%	-2.5%
NJ	*	3.0%	0.5%	3.6%	-8.4%
RI		3.1%	0.4%	3.5%	-15.6%
ME	*	2.7%	0.7%	3.4%	-4.0%
TN		3.2%	0.2%	3.4%	-5.6%
NE	*	3.1%	0.2%	3.3%	-3.0%
NM	*	2.7%	0.6%	3.3%	-6.8%
NC		2.9%	0.3%	3.2%	-6.7%
VA		2.9%	0.2%	3.2%	-4.7%
VT	*	2.7%	0.5%	3.2%	-6.4%
MA		2.7%	0.3%	3.0%	-2.4%

State		Del %	FC %	NC %	Yr/Yr Change in NC%
National		3.2%	0.4%	3.6%	-1.6%
MN		2.7%	0.2%	2.9%	-3.9%
AK		2.4%	0.4%	2.9%	-27.8%
NV		2.5%	0.3%	2.8%	3.3%
SD	*	2.4%	0.4%	2.8%	1.9%
WY		2.5%	0.2%	2.7%	-5.5%
ND	*	2.1%	0.6%	2.7%	-13.2%
DC		2.0%	0.7%	2.7%	-7.7%
UT		2.5%	0.2%	2.6%	2.2%
NH		2.4%	0.2%	2.6%	-7.6%
AZ		2.5%	0.1%	2.6%	4.5%
HI	*	1.7%	0.8%	2.5%	-7.3%
CA		2.0%	0.2%	2.1%	0.8%
OR		1.9%	0.2%	2.1%	-2.0%
MT		1.8%	0.2%	2.0%	-6.5%
WA		1.8%	0.2%	2.0%	1.3%
ID		1.8%	0.2%	2.0%	8.2%
CO		1.7%	0.1%	1.9%	1.1%

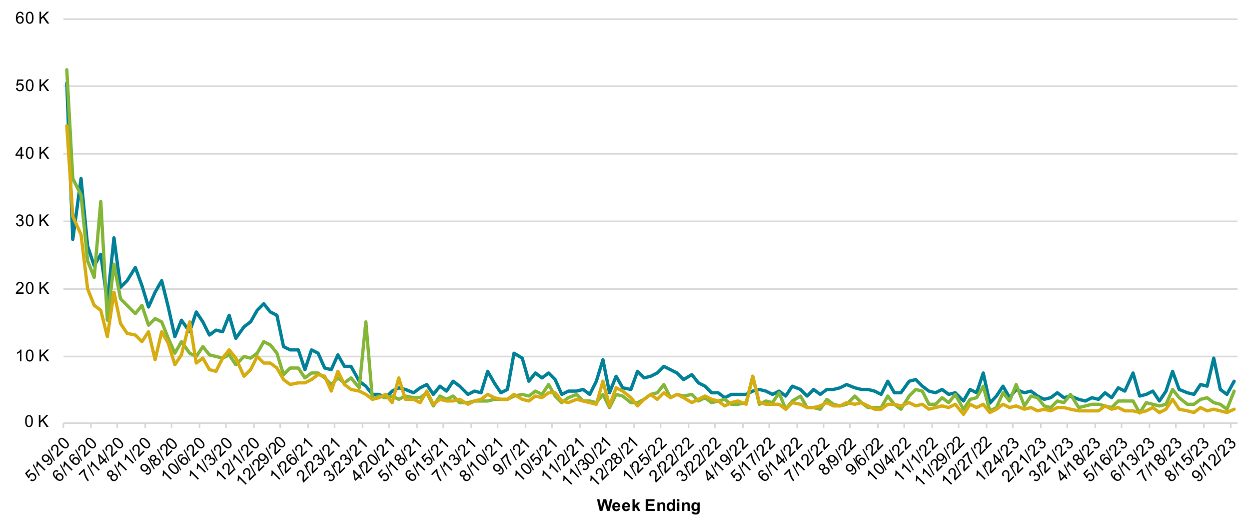
Indicates Judicial State

ACTIVE FORBEARANCE PLANS



Source: ICE, McDash Flash
Data as of September 12, 2023

NEW FORBEARANCE PLAN STARTS BY INVESTOR

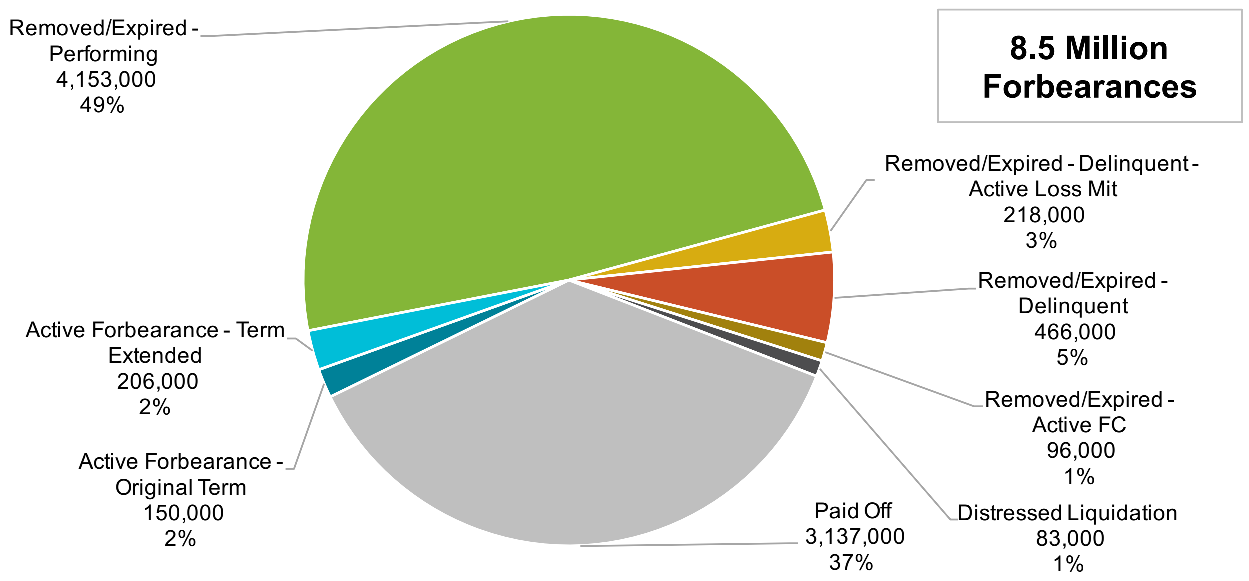


Source: ICE, McDash Flash
Data as of September 12, 2023

	Fannie & Freddie	FHA & VA	Other**	Total
Loans in Forbearance*	90,000	161,000	105,000	356,000
UPB of Loans in Forbearance ($Bil)*	$20	$31	$17	$68
Share of Loans in Forbearance*	0.3%	1.3%	0.8%	0.7%

Source: ICE, McDash Flash
Data as of September 12, 2023

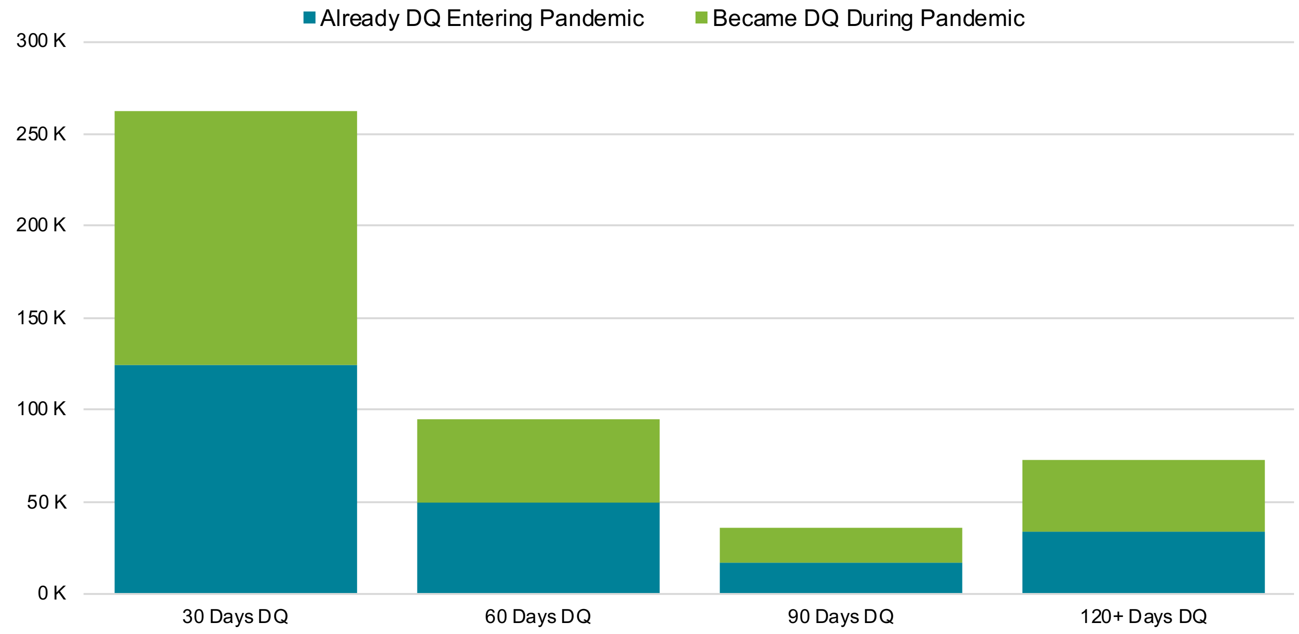
CURRENT STATUS OF COVID-19 RELATED FORBEARANCES



Source: ICE, McDash Flash
As of September 12, 2023

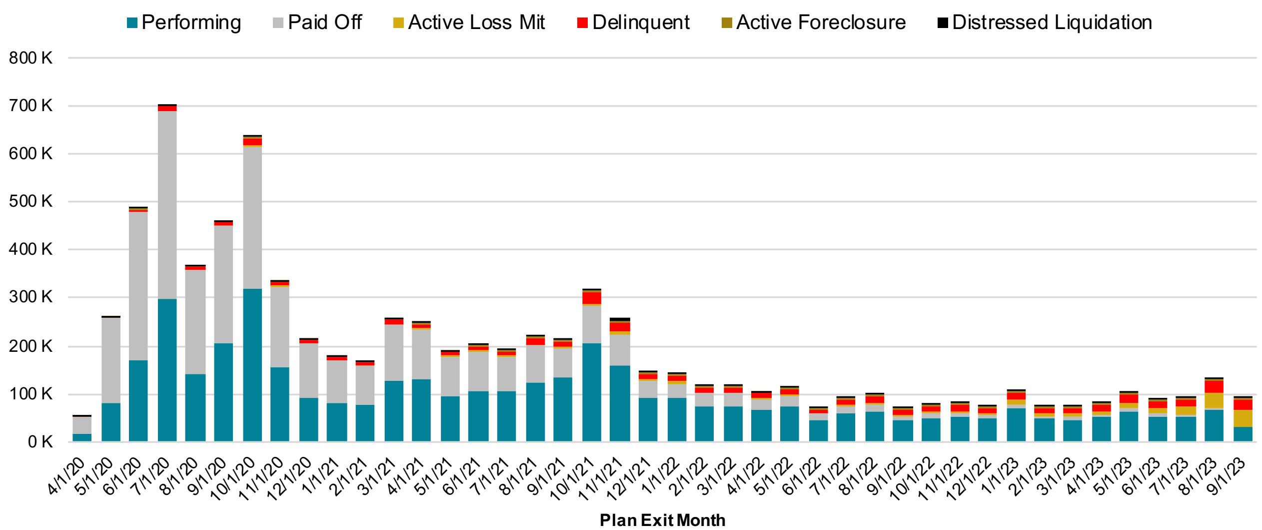
BREAKDOWN OF LOANS THAT REMAIN DELINQUENT FOLLOWING FORBEARANCE PLAN EXIT

(EXCLUDING LOANS IN ACTIVE LOSS MITIGATION OR FORECLOSURE)



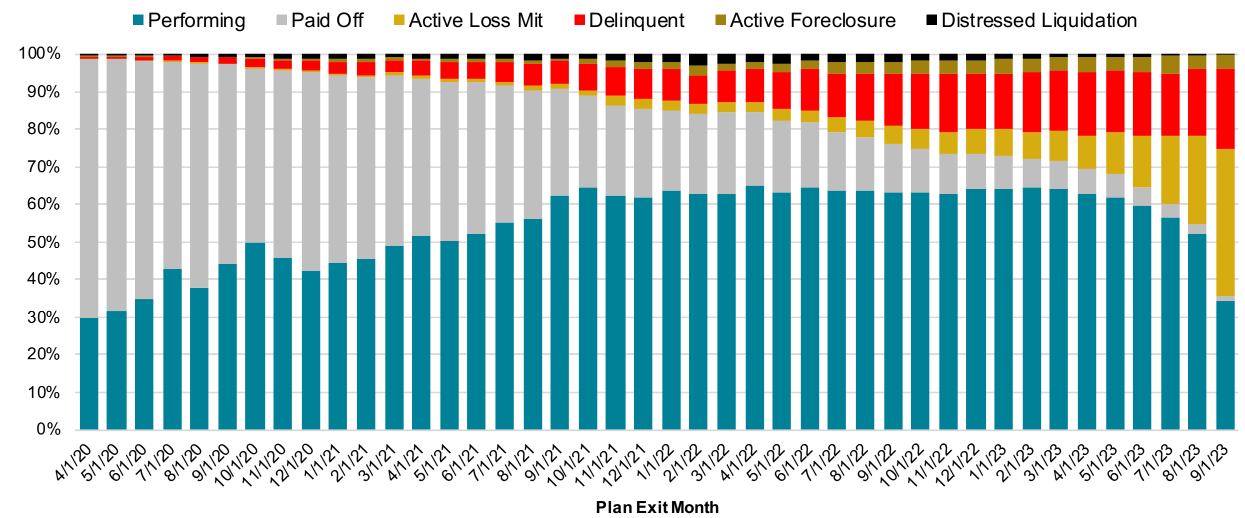
Source: ICE, McDash Flash
As of September 12, 2023

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



Source: ICE, McDash Flash
September 2023 represents partial data through the 12th of the month

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



Source: ICE, McDash Flash
September 2023 represents partial data through the 12th of the month

Mortgage Monitor Disclosures

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

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.