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September 13, 2011

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NEW CORELOGIC® DATA REVEALS Q2 NEGATIVE EQUITY DECLINES IN HARDEST HIT MARKETS AND 8 MILLION NEGATIVE EQUITY BORROWERS HAVE ABOVE MARKET RATES

—75 Percent of Negative Equity Properties Have Above-Market Interest Rates—

SANTA ANA, Calif., September 13, 2011—CoreLogic (NYSE: CLGX), a leading provider of information, analytics and business services, today released Q2 negative equity data showing that 10.9 million, or 22.5 percent, of all residential properties with a mortgage were in negative equity at the end of the second quarter of 2011, down very slightly from 22.7 percent in the first quarter. An additional 2.4 million borrowers had less than five percent equity, referred to as near-negative equity, in the second quarter. Together, negative equity and near-negative equity mortgages accounted for 27.5 percent of all residential properties with a mortgage nationwide. The new report also shows that nearly three-quarters of homeowners in negative equity situations are also paying higher, above-market interest on their mortgages.

Negative equity, often referred to as “underwater” or “upside down,” means that borrowers owe more on their mortgages than their homes are worth. Negative equity can occur because of a decline in value, an increase in mortgage debt or a combination of both.

Data Highlights

- Nevada had the highest negative equity percentage with 60 percent of all of its mortgaged properties underwater, followed by Arizona (49 percent), Florida (45 percent), Michigan (36 percent) and California (30 percent) (Figure 2).
- The negative equity share in the hardest hit states has improved. Over the past year, the average negative equity share for the top five states has declined from 41 percent to 38 percent. Nevada had the largest decline over the last year, with the negative equity share dropping from 68 percent to 60 percent. The reason for the Nevada decline is the high number of foreclosures that led to lower numbers of remaining negative equity borrowers.
- Negative equity significantly limits the ability of borrowers to capture the benefit of the low-rate environment. There are nearly 28 million outstanding mortgages that have above market rates and are in theory refinable¹. Twenty million borrowers with positive equity, or 53 percent of all above-water borrowers, have above market rates. Eight million borrowers with negative equity, or nearly 75 percent of all underwater borrowers, have above market rates (Figures 3 & 4). The disparity is even greater for

¹ The definition of an above market rate was 5.1%, which is roughly the current mortgage rate of 4.1% plus a 100 basis point refinance trigger.



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those with severe negative equity. More than 40 percent of borrowers with 125 percent or higher loan-to-value (LTV) ratios have mortgages with rates at 6 percent or above, compared to only 17 percent for borrowers with positive equity.

- Negative equity not only restricts refinancing, but also sales. Since the 2005 sales peak, non-distressed sales in zip codes with low negative equity have fallen 61 percent, compared to an 83 percent sales decline in high negative equity zip codes². The typical seasonal changes in sales volume in high negative equity zip codes is very muted, which indicates that non-distressed sales are being heavily impacted by the high levels of negative equity in their neighborhood, even if sellers have equity.
- The federal homebuyer tax credit that expired last year contributed to a spike in high LTV loans (Figure 6). As the housing market collapsed, underwriting began to tighten in 2008 and the share of high LTV loans (90 percent to 100 percent LTV) began to decline. However, the federal homebuyer tax credit helped propel home sales in 2009 and 2010 and led to minor spikes in high LTV FHA lending centered near the expiration of the tax credit initially in November 2009, which was then extended to April 2010. In the span of six months in 2009, the high LTV share increased from 13 percent to 18 percent, which is large given such a small time period.

“High negative equity is holding back refinancing and sales activity and is a major impediment to the housing market recovery. The hardest hit markets have improved over the last year, primarily as a result of foreclosures. But nationally, the level of mortgage debt remains high relative to home prices,” said Mark Fleming, chief economist with CoreLogic.

² Low mortgage debt zip codes have negative equity shares less than 10% and high mortgage debt zip codes have greater than 50% negative equity.



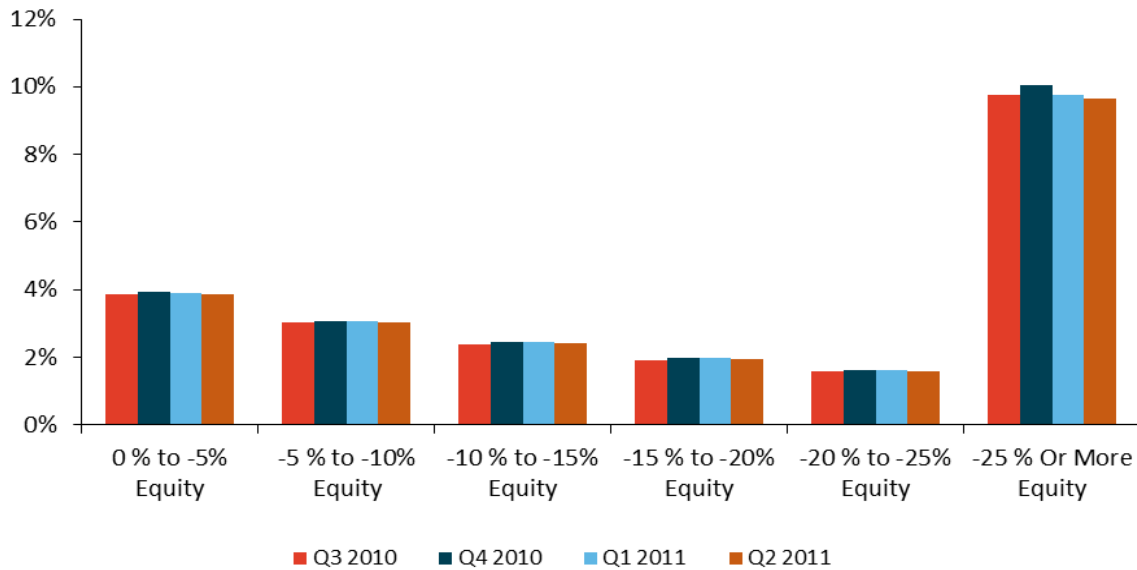
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Q2 2011 Negative Equity by State*									
STATE	Properties With a Mortgage Outstanding					\$ Outstanding			
	Mortgages	Near** Negative		Negative Equity Share	Near** Negative Equity Share	Total Property Value	Mortgage Debt Outstanding	Net Homeowner Equity	Loan-to-Value Ratio
		Negative Equity Mortgages	Equity Mortgages						
Alabama	355,347	39,125	20,380	11.0%	5.7%	67,033,891,917	45,610,403,379	21,423,488,538	68.0%
Alaska	95,091	7,114	4,907	7.5%	5.2%	25,998,082,087	17,109,856,081	8,888,226,006	65.8%
Arizona	1,311,438	638,487	63,517	48.7%	4.8%	248,376,291,135	231,350,791,856	17,025,499,279	93.1%
Arkansas	247,689	24,910	14,098	10.1%	5.7%	39,458,556,903	28,515,696,281	10,942,860,622	72.3%
California	6,830,077	2,064,850	313,021	30.2%	4.6%	2,807,318,801,425	1,965,475,128,718	841,843,672,707	70.0%
Colorado	1,146,866	235,854	90,616	20.6%	7.9%	306,646,767,188	221,737,846,110	84,908,921,078	72.3%
Connecticut	823,038	107,519	30,861	13.1%	3.7%	289,235,181,806	174,080,603,451	115,154,578,355	60.2%
Delaware	182,513	26,468	9,126	14.5%	5.0%	47,621,711,152	31,892,583,575	15,729,127,577	67.0%
Florida	4,373,027	1,970,756	182,389	45.1%	4.2%	819,323,882,182	719,658,121,556	99,665,760,626	87.8%
Georgia	1,621,086	489,513	116,630	30.2%	7.2%	311,879,538,789	252,190,315,065	59,689,223,724	80.9%
Hawaii	227,532	22,484	7,477	9.9%	3.3%	119,458,487,753	64,396,027,767	55,062,459,986	53.9%
Idaho	252,108	58,100	12,212	23.0%	4.8%	50,541,220,899	36,234,781,959	14,306,438,940	71.7%
Illinois	2,236,952	484,732	110,627	21.7%	4.9%	516,636,956,669	373,864,863,003	142,772,093,666	72.4%
Indiana	623,779	67,803	28,315	10.9%	4.5%	94,939,740,519	65,873,777,717	29,065,962,802	69.4%
Iowa	370,148	33,406	15,429	9.0%	4.2%	56,229,372,390	37,851,151,214	18,378,221,176	67.3%
Kansas	300,708	30,817	15,284	10.2%	5.1%	54,284,489,140	38,138,065,906	16,146,423,234	70.3%
Kentucky	289,079	25,490	13,520	8.8%	4.7%	49,343,803,802	33,519,400,003	15,824,403,799	67.9%
Louisiana	NA	NA	NA	NA	NA	NA	NA	NA	NA
Maine	NA	NA	NA	NA	NA	NA	NA	NA	NA
Maryland	1,359,885	320,881	68,356	23.6%	5.0%	422,986,298,746	297,268,066,884	125,718,231,862	70.3%
Massachusetts	1,495,804	234,445	53,329	15.7%	3.6%	538,708,632,681	333,425,052,011	205,283,580,670	61.9%
Michigan	1,384,491	493,033	73,315	35.6%	5.3%	198,055,214,987	166,389,973,075	31,665,241,912	84.0%
Minnesota	580,555	94,738	30,139	16.3%	5.2%	128,461,090,312	85,804,182,668	42,656,907,644	66.8%
Mississippi	NA	NA	NA	NA	NA	NA	NA	NA	NA
Missouri	785,811	124,446	44,617	15.8%	5.7%	137,585,036,649	98,907,389,888	38,677,646,761	71.9%
Montana	117,416	9,731	4,139	8.3%	3.5%	29,473,994,884	17,763,273,161	11,710,721,723	60.3%
Nebraska	224,573	21,734	13,843	9.7%	6.2%	35,654,019,386	26,180,837,498	9,473,181,888	73.4%
Nevada	566,564	342,459	27,694	60.4%	4.9%	100,853,381,744	113,628,730,236	-12,775,348,492	112.7%
New Hampshire	219,306	41,723	12,056	19.0%	5.5%	52,954,858,125	37,252,078,100	15,702,780,025	70.3%
New Jersey	1,887,517	309,622	80,949	16.4%	4.3%	665,296,616,470	417,960,246,931	247,336,369,539	62.8%
New Mexico	246,033	33,361	11,523	13.6%	4.7%	56,352,968,946	38,248,275,053	18,104,693,893	67.9%
New York	1,879,840	118,373	42,644	6.3%	2.3%	841,356,599,053	409,730,579,679	431,626,019,374	48.7%
North Carolina	1,564,473	184,750	106,243	11.8%	6.8%	319,476,260,909	228,837,823,447	90,638,437,462	71.6%
North Dakota	52,710	3,854	1,403	7.3%	2.7%	9,085,480,300	5,549,911,891	3,535,568,409	61.1%
Ohio	2,207,509	491,425	137,743	22.3%	6.2%	315,321,475,863	239,162,541,664	76,158,934,199	75.8%
Oklahoma	416,399	28,665	20,312	6.9%	4.9%	60,547,374,796	43,453,693,887	17,093,680,909	71.8%
Oregon	699,057	120,034	40,197	17.2%	5.8%	175,641,687,667	122,577,214,486	53,064,473,181	69.8%
Pennsylvania	1,835,675	142,969	66,009	7.8%	3.6%	400,501,867,246	244,512,619,947	155,989,247,299	61.1%
Rhode Island	229,608	49,347	8,594	21.5%	3.7%	63,475,313,604	40,461,487,194	23,013,826,410	63.7%
South Carolina	624,538	97,346	41,196	15.6%	6.6%	133,457,802,371	95,361,026,700	38,096,775,671	71.5%
South Dakota	NA	NA	NA	NA	NA	NA	NA	NA	NA
Tennessee	988,358	144,769	69,674	14.6%	7.0%	169,165,214,813	121,099,504,834	48,065,709,979	71.6%
Texas	3,332,080	332,522	171,010	10.0%	5.1%	617,906,570,788	420,797,577,617	197,108,993,171	68.1%
Utah	475,569	99,303	29,957	20.9%	6.3%	115,074,080,544	83,941,006,413	31,133,074,131	72.9%
Vermont	NA	NA	NA	NA	NA	NA	NA	NA	NA
Virginia	1,306,340	304,619	79,509	23.3%	6.1%	426,828,075,508	305,839,418,418	120,988,657,090	71.7%
Washington	1,418,929	243,710	81,467	17.2%	5.7%	429,451,146,890	293,421,977,036	136,029,169,854	68.3%
Washington, DC	99,686	14,135	4,286	14.2%	4.3%	48,767,187,237	28,584,802,591	20,182,384,646	58.6%
West Virginia	NA	NA	NA	NA	NA	NA	NA	NA	NA
Wisconsin	650,150	95,016	32,454	14.6%	5.0%	122,936,970,226	84,919,203,855	38,017,766,371	69.1%
Wyoming	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	48,346,412	10,881,665	2,418,628	22.5%	5.0%	12,602,799,968,170	8,797,088,134,795	3,805,711,833,375	69.8%

*This data only includes properties with a mortgage. Non-mortgaged properties are by definition not included.

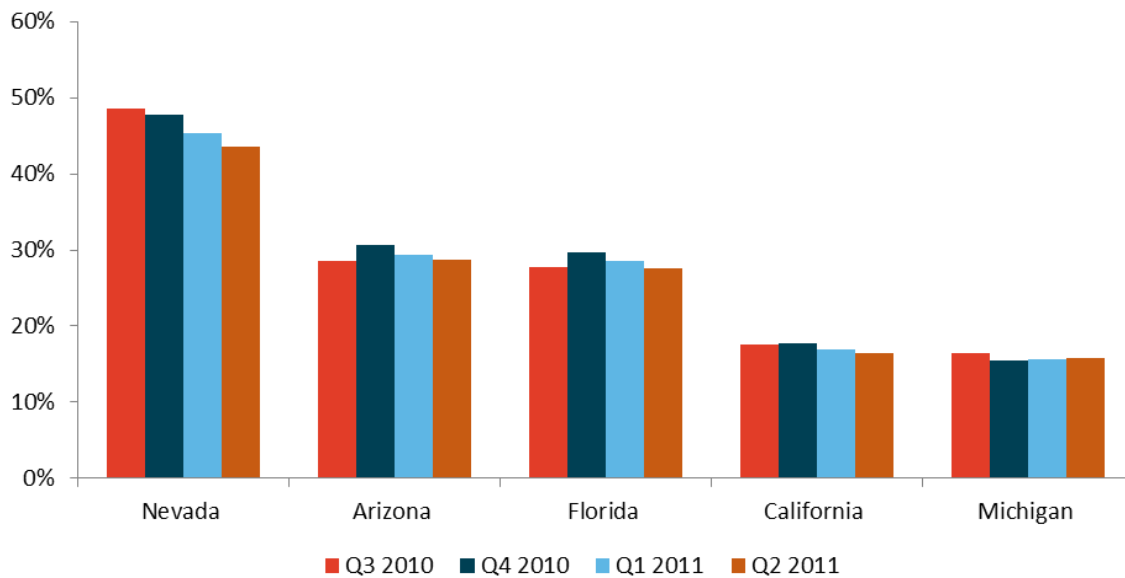
** Defined as properties in negative equity or within 5% of being in a negative equity position

Figure 1: Distribution of Home Equity
Pct Homeowners w/Mortgage



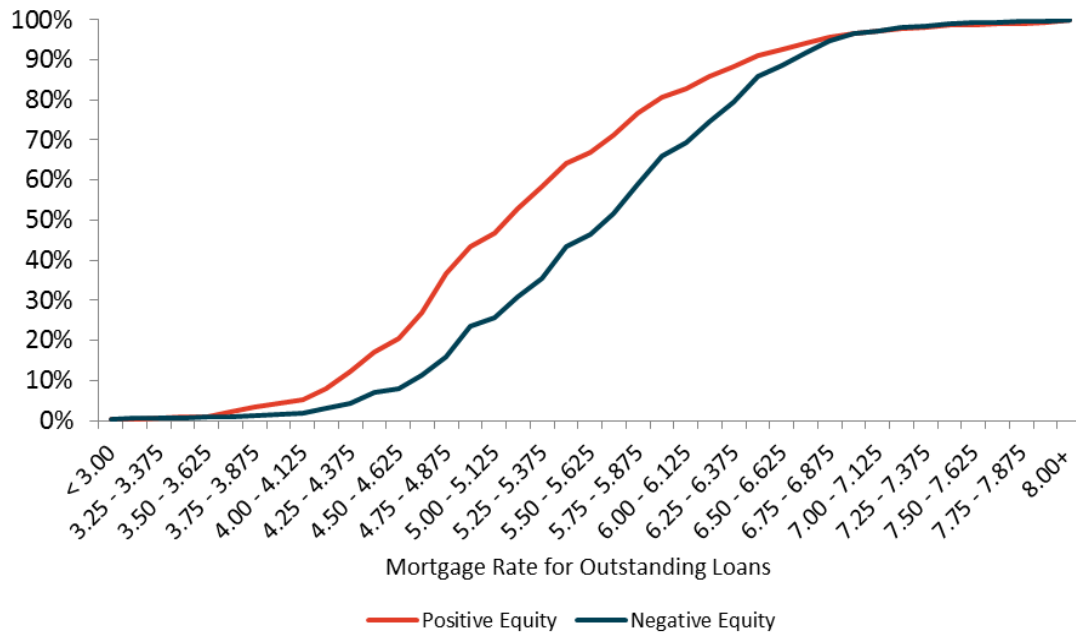
Source: CoreLogic Q2 2011

Figure 2- Negative Equity of 25% or More
Pct Homeowners w/Mortgage



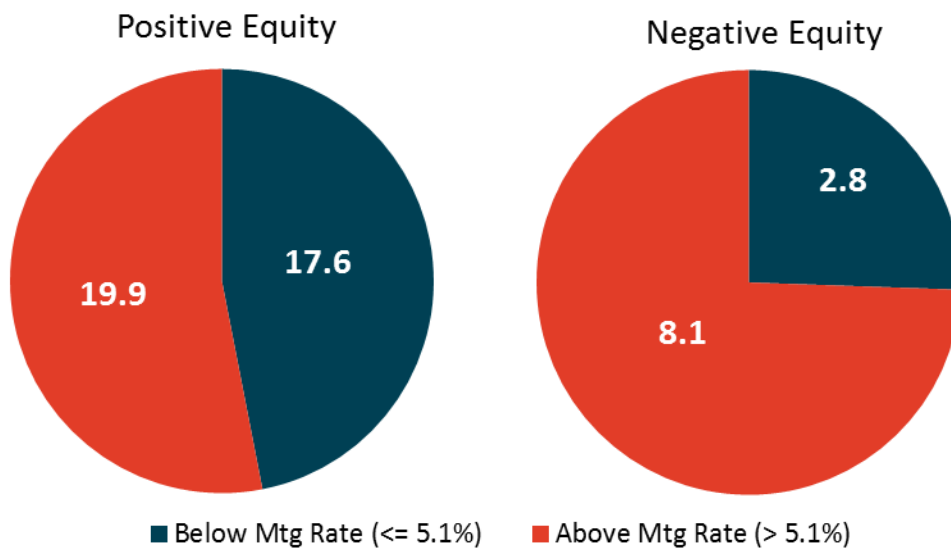
Source: CoreLogic Q2 2011

Figure 3- Cumulative Distribution of Rates
By Cumulative Share of Mortgages



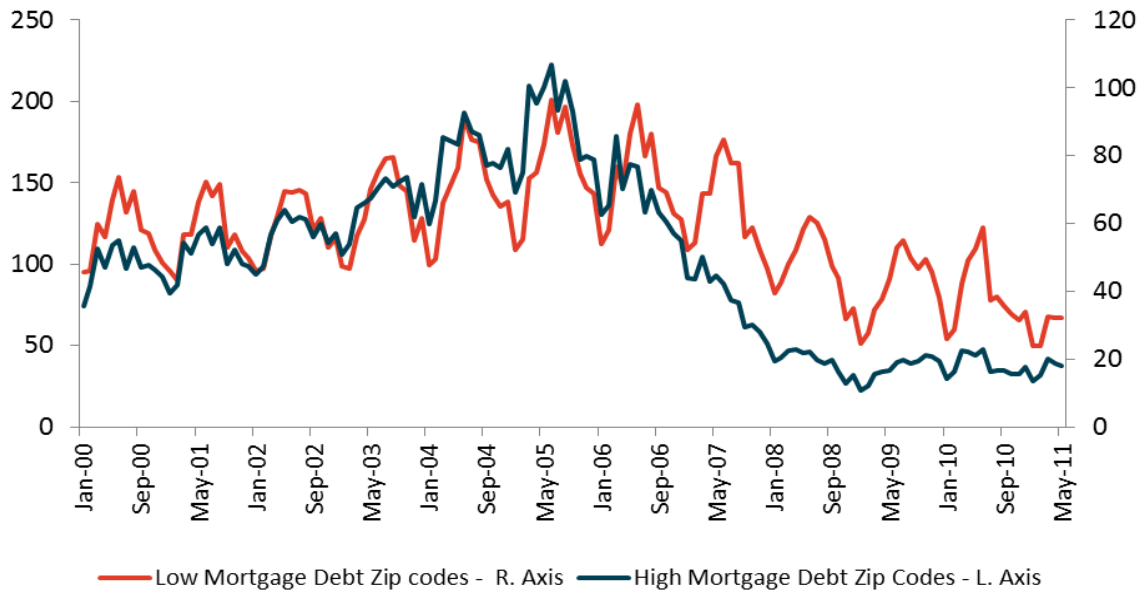
Source: CoreLogic Q2 2011

Figure 4- Number of Borrowers by Equity and Mortgage Rate Segment
In Millions



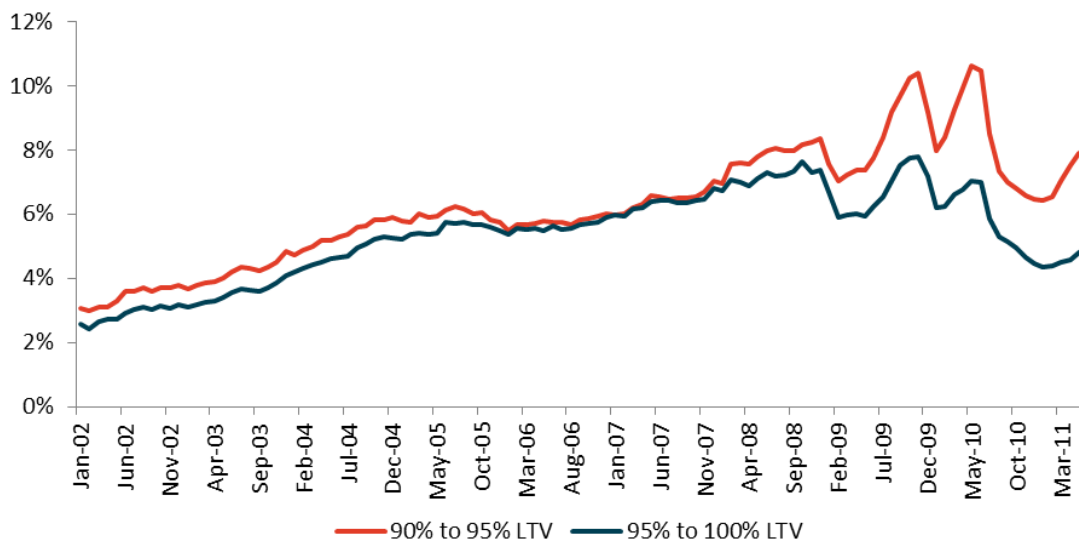
Source: CoreLogic Q2 2011

Figure 5-Non-Distressed Sales for Low/High Mortgage Debt Neighborhoods
Sales in Thousands



Source: CoreLogic May 2011

Figure 6- LTV Shares of Outstanding Loans
By Origination Month



Source: CoreLogic Q2 2011



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Methodology:

CoreLogic data includes 48 million properties with a mortgage, which accounts for over 85 percent of all mortgages in the U.S.** CoreLogic uses its public record data as the source of the mortgage debt outstanding (MDO) and it includes first mortgage liens and junior mortgage liens and is adjusted for amortization and home equity utilization in order to capture the true level of mortgage debt outstanding for each property. The current value was estimated by using the CoreLogic Automated Valuation Models (AVM) for residential properties. The data was filtered to include only properties valued between \$30,000 and \$30 million because AVM accuracy tends to quickly worsen outside of this value range.

The amount of equity for each property was determined by subtracting the property's estimated current value from the mortgage debt outstanding. If the mortgage debt was greater than the estimated value, then the property is in a negative equity position. The data was created at the property level and aggregated to higher levels of geography.

** Only data for mortgaged residential properties that have an AVM value is presented. There are several states where the public record, AVM or mortgage coverage is thin. Although coverage is thin, these states account for fewer than 5 percent of the total population of the U.S.

Source: CoreLogic.

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About CoreLogic

CoreLogic (CLGX) is a leading provider of consumer, financial and property information, analytics and services to business and government. The company combines public, contributory and proprietary data to develop predictive decision analytics and provide business services that bring dynamic insight and transparency to the markets it serves. CoreLogic has built the largest and most comprehensive U.S. real estate, mortgage application, fraud, and loan performance databases and is a recognized leading provider of mortgage and automotive credit reporting, property tax, valuation, flood determination, and geospatial analytics and services. More than one million users rely on CoreLogic to assess risk, support underwriting, investment and



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marketing decisions, prevent fraud, and improve business performance in their daily operations. The company, headquartered in Santa Ana, Calif., has more than 6,500 employees globally with 2010 revenues of \$1.6 billion. For more information visit www.corelogic.com.

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