

U.S. Housing and Mortgage Trends

Summary

- ▶ As the housing market goes, so does the economy. Consumer spending is likely to be constrained by the weak fundamentals.
- ▶ Non-distressed home prices are stabilizing; auction filings and the declining shadow inventory should lead to a lower level of distressed sales and less downward pressure on prices going forward.
- ▶ Mortgage performance is improving, but not nearly as much as other consumer debt performance.
- ▶ Negative equity will remain a strong influence on the market for an extended period of time.

Overview

In the 2nd half of 2010, the housing market began to experience a significant slowdown in transaction volumes and prices after the expiration of the federal homebuyer tax credit. While the economy continued to grow, the rapid run-up in gas prices to levels 30% above a year ago and the slowdown in the housing market have put the brakes on the economic expansion coming into the second half of 2011. The result has been lower consumer confidence, which in June 2011 fell to the lowest level since last November. Part of the slowdown can be attributed to special factors, such as the spike in oil prices, the supply chain disruptions in Japan, the fading impact of the stimulus and the recent flooding in the south. But with the exception of the oil spike, which has receded somewhat recently, these are all temporary factors exacerbating the decline in the growth rate.

Fundamentally, the recent slower economic growth illustrates that as the housing market goes, so does the economy. The housing market impacts the economy in many ways. Some are direct, like residential construction investment and related construction activities which can spur the economy. Other economic influences are more indirect, such as consumers purchasing new durable goods when they buy or sell a home or perform very minor home improvement projects. Although the impact on spending is not large, the housing market is really a proxy for how confident consumers are in their finances and their longer-term outlook.

Consumer spending accounts for two-thirds of the economy, and retail sales are the broadest direct measure of monthly consumer spending¹. Over the last decade, retail sales have had a high and increasing correlation with home price and stock price trends. Changes in asset values of stocks and homes impact retail sales via wealth effects, which refer to changes in the amount of consumer spending due to changes in wealth. Although there is debate on the issue, there is a consensus that the wealth effect is stronger for housing than for stocks or other financial assets². These findings partly reflect the higher household ownership rate of real estate assets vs. financial assets. About 66% of households own a home compared to 51% of households that own stocks directly or indirectly, according to the most recent available data³. Another metric of analysis is not in terms of ownership, but spending. Homeowners account for over 75% of all consumer expenditures and homeowners with a mortgage account for 55% of all expenditures⁴.

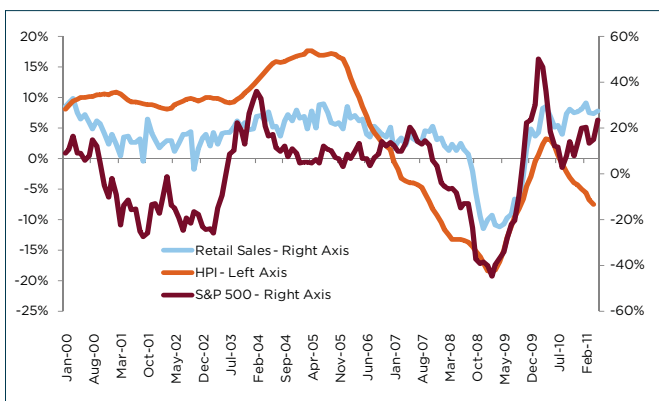
Footnote

- 1 Although the Bureau of the Census' monthly retail sales data only accounts for a portion of the monthly Bureau of Economic Analysis (BEA) consumer spending, we use it instead of the BEA data because retail sales utilizes fewer assumptions and is based on more hard data than the monthly BEA consumer spending data.
- 2 FRBSF Economic Letter January 19, 2007 or "Housing Wealth, Financial Wealth, and Consumption: New Evidence from Microdata", by Bostic, Gabriel, Painter, May 2008.
- 3 Federal Reserve Board's 2007 Survey of Consumer Finances and Bureau of the Census Q1 2011 Housing Vacancy Survey.
- 4 FRBSF FedViews, June 9, 2011.

Assuming homeowners in negative equity spend in equal proportions to those with positive equity, about 13% percent of consumer expenditures are by borrowers who are upside down on their mortgage⁵.

Retail sales growth stalled recently, so the question is where do sales proceed from here? Some analysts believe that a rebound in retail sales is imminent. While this is definitely a possibility, if it occurs it will most likely be driven by a small percentage of high-income households that account for a disproportionate share of spending. Fundamentally, real median household income growth has been stagnant since the late 1990s, but spending continued to increase over the last decade due to consumers' increased utilization of debt, as well as home price and stock wealth effects. Income and consumer debt growth is likely to be constrained in the near future, so CoreLogic compared changes in retail sales (as a proxy for consumer spending) to home price and stock price changes to gain a sense of where sales may be headed. Since 2006, the correlations between home and stock prices to retail sales have increased (Figure 1). However, over the last six months ending in May of this year, the

FIGURE 1: RETAIL SALES VS HOME AND STOCK PRICES

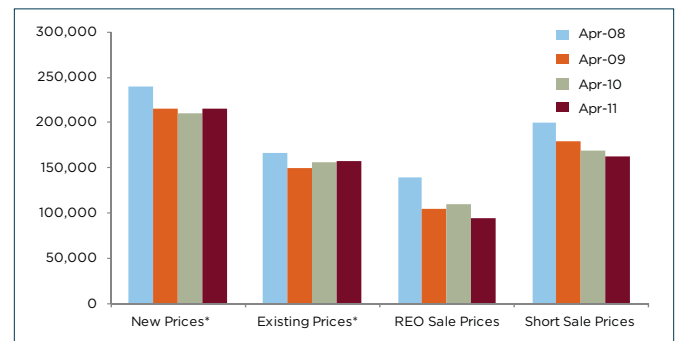


relationship between home prices and stock prices deteriorated, and both have been heading in opposite directions. Given that three quarters of spending is by homeowners, home prices are down by one-third from the peak, and wealth effects are stronger for housing, CoreLogic believes retail sales will remain sluggish longer-term until incomes or home prices materially improve. The only caveat to this view is that retail sales in the short-term

can move due to a variety of factors, though underlying drivers of sales are still fundamentally weak.

But there is a sliver of good news for consumer spending - home prices excluding distressed sales are beginning to stabilize. In May 2011, the "excluding distressed sales" HPI only dropped 0.4% from a year ago, compared to a decline of 7.4% for the all transactions HPI. Another very positive sign is that even while including distressed sales, the HPI increased between March and April—the first time in more than six months- and was up again between April and May. These increases represent the resumption of seasonality in home prices and are a positive sign for the market. When disaggregating median prices by type of sale for the first complete month of the spring home buying season, it is clear that despite the whipsaw impact of the federal homebuyer tax credit, state homebuyer tax credits and increases in FHA premiums, non-distressed median existing and new prices are back to 2009 levels⁶. On the other hand, median prices for REO and short sale transactions continue to decline and have fallen 10% since 2009 (Figure 2).

FIGURE 2: MEDIAN PRICE BY SALE TYPE



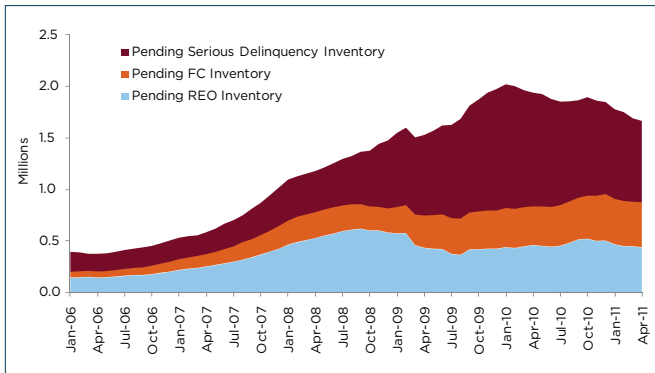
*Non-distressed transactions

The problem, of course, is that the incidence and price discount of distressed sales are high, which is a major impediment to price stabilization. The good news is that new auction filings have been down significantly since October 2010⁷. Furthermore, current residential shadow inventory, which is the estimated number of pending supply of distressed properties, declined to 1.7 million units in April 2011, down from 1.9 million units a year ago (Figure 3), and down nearly 20% from its peak. Given that the recent declines in auction filings and current shadow

Footnote

- All else equal, negative equity borrowers are likely to spend less than owners with equity since they are more likely to be in economically distressed locations. However, given strategic default accounts for roughly an estimated one-fifth of all defaults, there are some upside down borrowers who stopped making mortgage payments and have more money to spend on non-mortgage related items.
- Although this price comparison is only for one month, using other months during the same year in the spring and early summer reveals the same trend.
- Auctions of foreclosed properties that in most instances go back to the lender as a Real Estate Owned (REO) property.

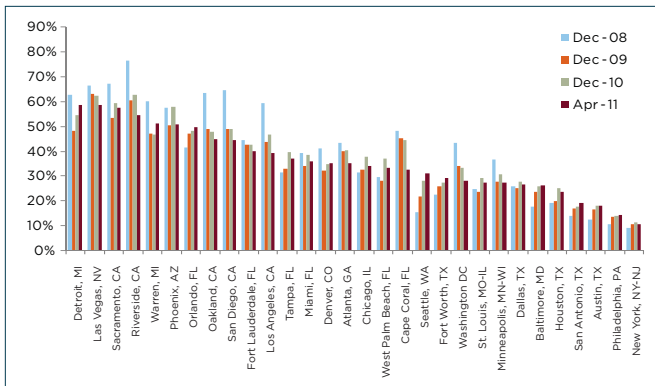
FIGURE 3: SHADOW INVENTORY DETAIL



inventory levels are the drivers of future distressed sales, the level of distressed sales should, all things equal, begin to decline late in 2011 and into 2012⁸.

Although the distressed sales share remains high, the geographical sources of distress are shifting and becoming more dispersed. As of December 2008, four of the top five largest distressed sales markets were all located in California (Figure 4), and the top five markets averaged a distressed sale share of 68%. As of April 2011, only

FIGURE 4: DISTRESSED SALE SHARE

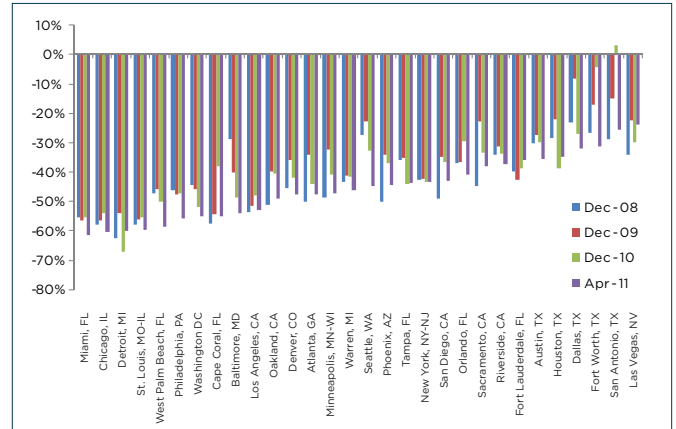


two of the top five markets are in California and, more importantly, the top five average distressed share was 56% -- a 12 percentage point decline relative to top markets in late 2008⁹. Led by Detroit (59%) and Las Vegas (58%), the distressed sale share in April 2011 remains high with seven markets experiencing distressed sale shares above 50%. In late 2008, the bottom five distressed large markets averaged a 12% distressed sale share, and in April 2011, the share had risen to 17%.

Much of the focus on distress surrounds the share of sales, but the price discount for REO properties, or

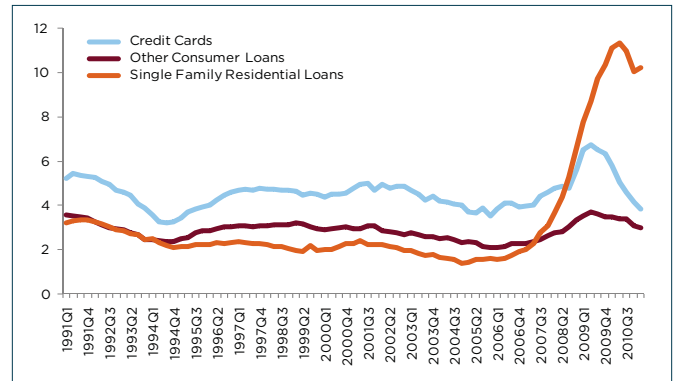
the difference between REO prices and non-distressed prices, is important as well. Though the “Sand States” and Michigan have the highest share of distressed sales, the REO price discount is largest generally outside of those markets (Figure 5). Miami leads the way with a 62% REO price discount, followed by Chicago (60%), Detroit (60%), St. Louis (60%) and West Palm Beach (58%).

FIGURE 5: REO PRICE DISCOUNT



The slowdown in the economy and the housing market has put mortgage performance back under the spotlight. The relationship between real estate collateralized and non-collateralized lending is very important because if the recent trend continues for an extended period of time, it has very large implications for pricing in the housing finance segment. Traditionally, collateralized single-family residential real estate debt has performed on par or better than uncollateralized consumer loans, such as credit cards and auto loans, though the trend has shifted in the last five years (Figure 6).

FIGURE 6: DELINQUENCY RATES BY LOAN TYPE



Source: Federal Reserve

Footnote

- 8 This does not take into account the impact of modification re-defaults or changes in policy which may lead to a higher pipeline of REOs. Moreover the decline of auctions may reflect temporary factors in the filing of auctions.
- 9 There is seasonality to the distressed sales share but even comparing December 2010 to December 2008 data reveals similar patterns.

Residential real estate lending began to deteriorate well before other consumer (primarily auto) loans at the start of the recent financial crisis and by the third quarter of 2007, real estate was already performing worse than consumer loans. By the third quarter of 2008, real estate was also performing worse than credit cards, which used to have delinquency rates that were about twice the residential real estate rate. Consumer and credit card lending delinquency rates peaked in the second quarter of 2009, but residential delinquency rates did not peak until the second quarter of 2010. Since then, delinquency rates for credit cards have dramatically declined and are near their historical average. Consumer loan delinquency rates have declined, but not nearly as much as credit cards. Residential real estate delinquency rates quickly declined after the peak, reflecting the increased mod and distressed sales activity. However, residential delinquency rates have not declined nearly as much as other types of debt, and remain very high relative to the other categories.

Home Equity Trends, Default Theory and Negative Equity

Home equity has traditionally been the largest component of household net worth and is used to finance household consumption and purchases of durable goods. The rapid acceleration of home price appreciation in the early-to-mid 2000s served to propel homeowner equity to a peak of \$13.5 trillion in the first quarter of 2006, which fueled household consumption via mortgage equity withdrawal. The rise in home prices did more than just buttress consumption; it greatly improved mortgage performance because home price movement is one of the most important drivers of mortgage risk. Depreciation in home prices during the last four years has reduced home equity by more than half to \$6.1 trillion and caused a rapid increase in the number of foreclosures. Through May 2011, home prices have declined 33% on a cumulative basis since the peak in the spring of 2006. When home prices were increasing between 2000 and 2006, the average foreclosure rate was only 0.6%. Since home prices began to decline in 2007, the foreclosure rate began to consistently increase and is currently at 3.5%, more than five times higher than when prices were rising.

Financial Theory of Default

From a financial theory perspective, mortgage borrowers have two embedded options. There is prepayment risk, which is a call option on the note rate, and default risk which is the put option on the home price. The call

option provides the homeowner the option to refinance if current mortgage rates decline below the note rate. The put option provides the borrower the option to default if the current price declines below the current unpaid principal balance (UPB). Homeowner equity is vital to mortgage performance because it represents the amount of capital homeowners have at risk in the financial asset and the likelihood that the borrower will exercise the put option. Technically, a homeowner that defaults should have no equity in their home; otherwise assuming minimal transaction costs, a troubled borrower who had at least a minimal amount of equity would be able to sell the home in order to avoid default.

Recent Federal Reserve research suggests that negative equity is a necessary but generally not sufficient condition for default¹⁰. If a borrower is in a negative equity position, it means the homeowners' balance sheet is distressed and they are vulnerable to cash flow problems that could tip them into default. This is the dual trigger theory of default which is the traditional approach to analyzing default. However, there is evidence of strategic defaulters whom, even in the absence of a second trigger, exercise the put option as they become deeply underwater. Although this behavior has received a lot of attention, hard data is extremely limited, but most analysts estimate that it plays only a minor role in default. In either case, negative equity is the necessary condition for default; therefore an understanding of the size and the composition of negative equity borrowers is critical.

Negative Equity

Nearly 11 million, or 23%, of all residential properties with mortgages were in negative equity at the end of the first quarter of 2011, and the negative equity share has been fairly stable over the last year. An additional 2.4 million borrowers had less than 5% equity.

The distribution of negative equity is heavily skewed to a small number of states. Nevada had the highest negative equity percentage with 63% of all mortgaged properties, followed by Arizona (50%), Florida (46%), Michigan (36%) and California (31%). The negative equity share in the top five states was 39%, down from 40% in the fourth quarter. Excluding the top five states, the negative equity share was 16% in the current and previous quarter.

The average negative equity borrower was upside down by \$65,000. While much attention has focused on price declines as the driver of negative equity, borrower equity extraction also significantly increased the risk of

Footnote

10 Foote, C., Gerardi, K., and P. Willen. "Negative Equity and Foreclosure: Theory and Evidence" Federal Reserve Bank of Boston Public Policy Discussion Paper No. 08-3.FRB NY

a negative equity position. While only 18% of borrowers with no home equity loans were underwater at the end of the first quarter, 38% of borrowers with home equity loans were in a negative equity position. More than 40% (4.5 million) of all negative equity borrowers have home equity loans. While borrowers with positive equity averaged 1.2 loans per property, this incidence rose to 1.6 loans per property for negative equity borrowers and it continues to rise the deeper the property is underwater. Not only does the incidence of home equity loans raise the probability of a negative equity position, but it also raises the depth of negative equity. A negative equity borrower without home equity loans is upside down by an average of \$52,000, versus an upside down average of \$83,000 for a negative equity borrower with home equity.

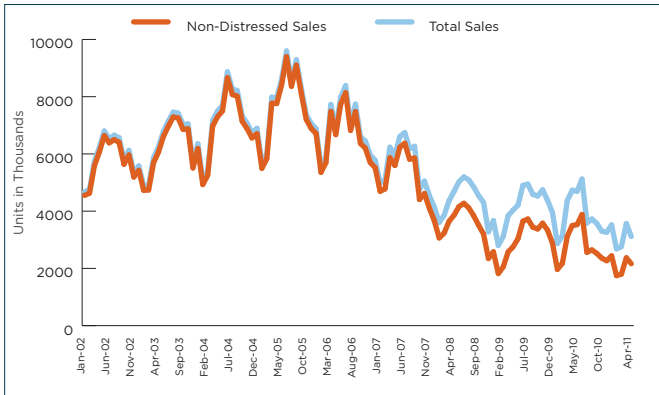
Clearly equity plays a very important role in the default behavior of homeowners, and nearly a quarter of all mortgage borrowers are upside down. Going forward,

negative equity will primarily decline by a combination of foreclosures, amortization and, to a lesser extent, price increases. While price declines have been a large driver of negative equity, price improvements will most likely not be the antidote anytime soon. Price trends among the worst regional price declines in the 80s and 90s generally took three to five years to reach the bottom and six to eight years to reach par or the prior peak¹¹. The price trajectory of this national housing price decline is deeper than prior regional price drops, but the national trend in this price decline (and near stabilization) is tracking the same temporal pattern as prior regional drops. If regional price decline history is a guide, it will take eight to ten years for national prices to reach the previous level. While the worst is over, it means many of these borrowers will be upside down for an extended period of time, which will result in a long tail of mortgage distress.

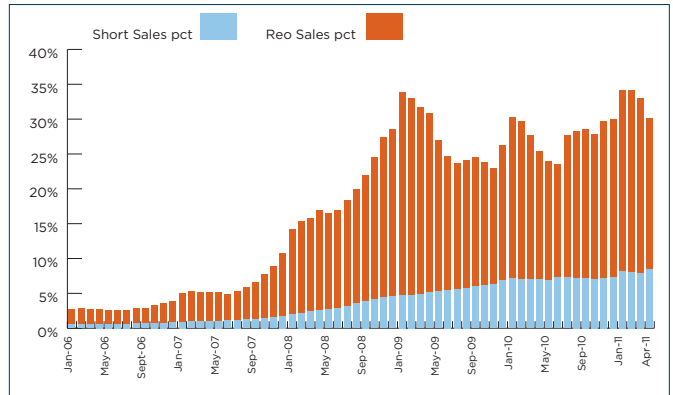
Footnote

11 Primarily California, New England states, Texas and other oil rich states.

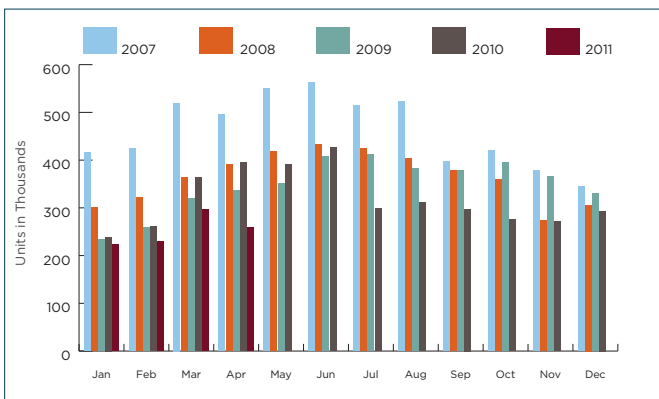
ANNUALIZED HOME SALES



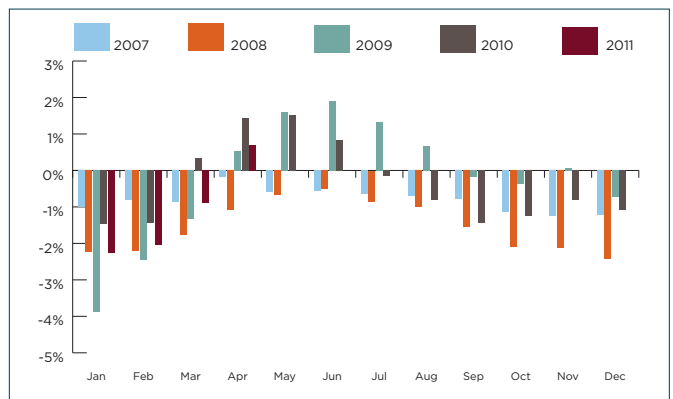
DISTRESSED SALES AS PERCENTAGE OF TOTAL SALES



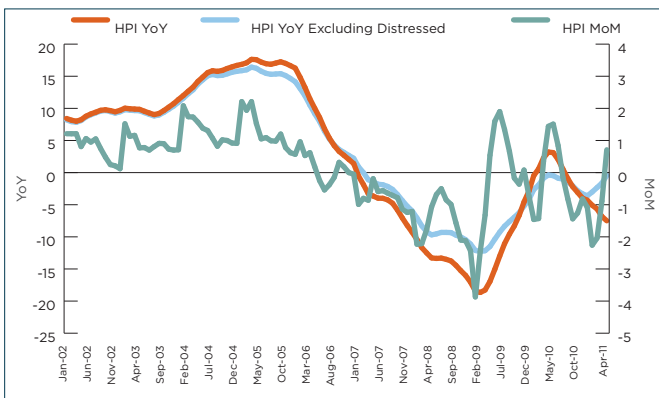
TOTAL SALES BY YEAR



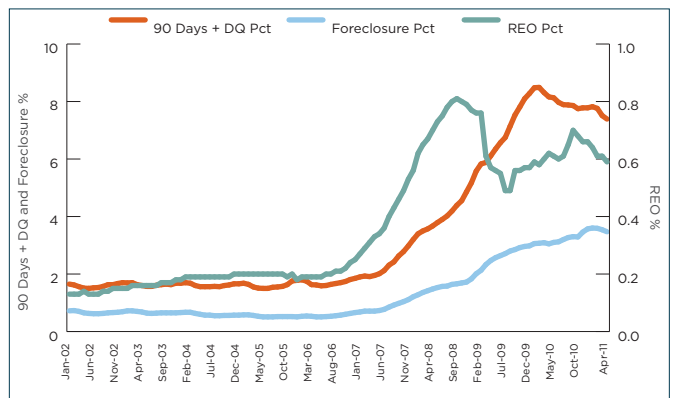
HPI MoM BY YEAR



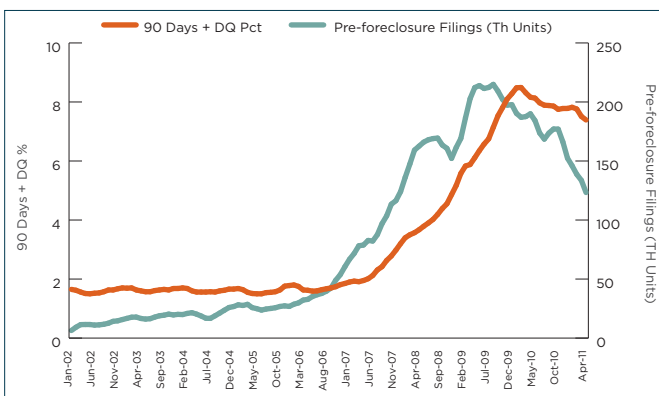
HOME PRICE TRENDS



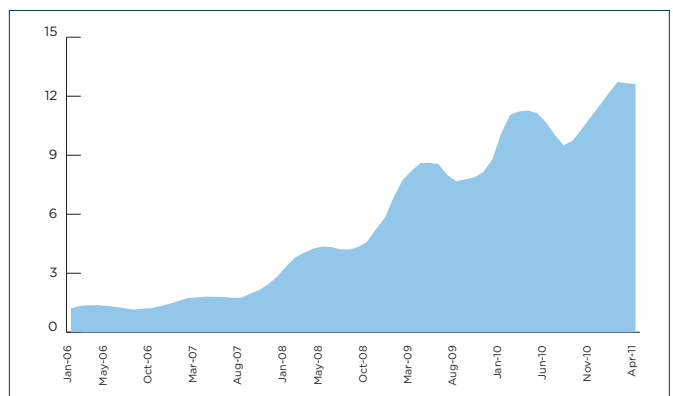
MORTGAGE PERFORMANCE



FILINGS AND SERIOUS DELINQUENCIES



MONTHS SUPPLY DISTRESSED HOMES



NATIONAL SUMMARY

	May 2010	June 2010	July 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	April 2011	2009	2010	YTD 2011
Total Sales*	391	427	299	311	298	276	272	293	224	230	297	260	4,171	3,823	1,011
-New Sales*	32	43	21	23	23	20	21	23	14	16	20	18	379	305	68
-Existing Sales*	262	281	192	198	187	176	169	180	132	134	177	163	2,640	2,442	606
-REO Sales*	67	69	61	65	63	57	61	66	58	60	74	56	878	773	249
-Short Sales*	27	31	22	22	22	19	20	22	18	19	24	22	234	272	82
Distressed Sales Share	24.0%	23.5%	27.7%	28.2%	28.6%	27.8%	29.6%	30.0%	34.2%	34.1%	32.9%	30.1%	27.2%	27.7%	32.8%
HPI MoM	1.5%	0.8%	-0.2%	-0.8%	-1.4%	-1.3%	-0.8%	-1.1%	-2.3%	-2.0%	-0.9%	0.7%	-0.2%	-0.4%	-1.1%
HPI YoY	3.1%	2.0%	0.5%	-0.9%	-2.2%	-3.1%	-4.0%	-4.3%	-5.1%	-5.7%	-6.8%	-7.5%	-12.0%	-0.3%	-6.3%
HPI MoM Excluding Distressed	0.8%	0.5%	0.3%	-0.3%	-0.9%	-1.2%	-0.8%	-0.9%	-0.1%	-0.2%	0.6%	1.8%	-0.4%	-0.3%	0.5%
HPI YoY Excluding Distressed	-0.5%	-0.9%	-1.0%	-1.5%	-2.1%	-2.8%	-3.3%	-3.6%	-3.0%	-2.3%	-1.6%	-0.5%	-8.9%	-1.8%	-1.9%
90 Days + DQ Pct	8.1%	8.0%	7.9%	7.9%	7.9%	7.8%	7.8%	7.8%	7.8%	7.8%	7.5%	7.4%	6.8%	8.0%	7.6%
Foreclosure Pct	3.1%	3.1%	3.2%	3.3%	3.3%	3.3%	3.5%	3.6%	3.6%	3.6%	3.5%	3.5%	2.6%	3.2%	3.6%
REO Pct	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Pre-foreclosure Filings*	184	174	169	174	177	177	166	152	146	139	134	123	2,430	2,128	542
Total Auction Filings*	115	116	115	117	117	116	106	96	90	89	88	84	1,124	1,323	351
Negative Equity Share	n/a	n/a	22.5%	n/a	n/a	23.1%	n/a	n/a	22.7%	n/a	n/a	22.8%	23.4%	23.0%	22.8%
Negative Equity*	n/a	n/a	10,785	n/a	n/a	11,089	n/a	n/a	10,906	n/a	n/a	10,940	11,307	11,028	.
Months Supply SDQ Homes	11.20	10.70	10.00	9.50	9.75	10.30	10.90	11.50	12.10	12.70	12.70	12.60	8.06	10.60	12.50

* Thousands of Units

TOP 25 CBSA SUMMARY APRIL 2011

	Total Sales	REO Sales	Short Sales	Distressed Sales Shares	Total Sales YoY Change	REO Sales YoY Change	Short Sales YoY Change	HPI MoM	HPI YoY	90 Days + DQ Pct	Pre-Foreclosure Filings	Total Auction Filings	Negative Equity Share	Months Supply Distressed Homes
Chicago-Joliet-Naperville, IL	4,307	1,014	458	34.2%	-40.2%	-36.1%	-19.5%	1.5%	-11.1%	10.2%	6,076	2,311	25.2%	29.8
Los Angeles-Long Beach-Glendale, CA	5,473	1,391	753	39.2%	-34.3%	-34.2%	-44.0%	1.3%	-5.1%	8.6%	4,803	2,431	23.9%	18.5
Atlanta-Sandy Springs-Marietta, GA	4,101	1,022	425	35.3%	-33.5%	-40.1%	-24.0%	0.8%	-9.1%	9.2%	11,816	3,821	34.7%	24.9
New York-White Plains-Wayne, NY-NJ	4,126	197	236	10.5%	-27.9%	-52.6%	-22.4%	1.2%	2.0%	8.4%	654	174	10.6%	18.3
Houston-Sugar Land-Baytown, TX	6,299	1,244	251	23.7%	-31.1%	-24.2%	-28.5%	0.9%	-3.4%	5.1%	887	2,050	10.9%	7.4
Washington-Arlington-Alexandria, DC-VA-MD-WV	4,017	657	479	28.3%	-38.2%	-48.2%	-35.6%	2.0%	-0.3%	6.2%	1,308	1,084	28.8%	13.1
Phoenix-Mesa-Glendale, AZ	9,346	3,415	1,327	50.7%	-11.5%	-11.1%	-10.5%	1.3%	-11.0%	9.9%	6,022	6,035	55.2%	9.7
Riverside-San Bernardino-Ontario, CA	5,425	2,131	837	54.7%	-30.5%	-23.4%	-47.2%	-0.2%	-4.1%	12.3%	3,936	3,203	47.3%	16.9
Dallas-Plano-Irving, TX	4,840	984	300	26.5%	-36.1%	-28.1%	-7.4%	1.5%	-1.4%	4.9%	3,647	1,318	12.0%	7.4
Minneapolis-St. Paul-Bloomington, MN-WI	2,496	568	114	27.3%	-44.9%	-42.7%	-26.9%	1.7%	-7.6%	5.3%	2,148	1,112	17.0%	14.1
Seattle-Bellevue-Everett, WA	2,571	528	273	31.2%	-28.7%	29.4%	15.7%	1.3%	-5.3%	6.3%	1,619	844	16.1%	14.6
Denver-Aurora-Broomfield, CO	3,585	925	342	35.3%	-22.1%	1.9%	-11.9%	2.1%	-4.5%	4.6%	1,289	944	22.4%	8.3
San Diego-Carlsbad-San Marcos, CA	2,865	773	501	44.5%	-25.6%	-13.9%	-30.4%	1.9%	-4.3%	7.2%	1,563	985	28.7%	13.1
Tampa-St. Petersburg-Clearwater, FL	4,755	1,203	566	37.2%	-4.1%	n/a	-13.7%	0.6%	-13.3%	16.9%	1,073	1,015	48.3%	19.1
Santa Ana-Anaheim-Irvine, CA	2,031	345	355	34.5%	-38.4%	-23.7%	-42.2%	0.7%	-3.8%	6.4%	1,520	640	17.5%	14.5
St. Louis, MO-IL	3,100	742	110	27.5%	-29.2%	-3.6%	-45.0%	1.2%	-9.7%	4.7%	1,433	1,354	17.1%	8.3
Oakland-Fremont-Hayward, CA	2,651	749	443	45.0%	-21.9%	-24.3%	-20.0%	1.1%	-8.3%	7.9%	1,770	1,133	30.3%	14.7
Warren-Troy-Farmington Hills, MI	2,604	1,206	127	51.2%	-29.7%	-16.7%	-37.1%	-1.2%	-7.7%	6.8%	1,381	1,735	42.1%	11.9
Baltimore-Towson, MD	2,276	409	187	26.2%	-26.4%	-17.9%	7.5%	-0.1%	-5.3%	7.0%	511	463	18.9%	14.8
Nassau-Suffolk, NY	1,157	65	33	8.5%	-38.0%	n/a	-44.1%	-1.5%	-3.9%	10.0%	829	n/a	5.5%	n/a
Portland-Vancouver-Hillsboro, OR-WA	2,210	526	200	32.9%	-26.9%	8.5%	-3.4%	0.1%	-8.8%	5.7%	1,514	702	17.6%	11.7
Sacramento--Arden-Arcade--Roseville, CA	2,861	1,114	531	57.5%	-11.6%	-3.9%	-3.1%	0.9%	-10.2%	9.2%	1,865	1,552	41.9%	14
Orlando-Kissimmee-Sanford, FL	3,572	1,103	678	49.9%	-13.9%	-29.0%	10.1%	2.7%	-8.3%	19.0%	891	699	54.7%	20.4
Edison-New Brunswick, NJ	1,510	78	109	12.4%	-34.0%	-49.0%	-28.8%	1.3%	-1.2%	7.8%	226	94	13.0%	18.5
Las Vegas-Paradise, NV	4,250	1,774	712	58.5%	-11.5%	n/a	-11.3%	0.2%	-10.4%	17.6%	4,475	n/a	66.4%	16.1

STATE SUMMARY APRIL 2011

State	Total Sales	REO Sales	Short Sales	Distressed Sales Shares	Total Sales YoY Change	REO Sales YoY Change	Short Sales YoY Change	HPI MoM	HPI YoY	90 Days + DQ Pct	Pre-Foreclosure Filings	Total Auction Filings	Negative Equity Share	Months Supply Distressed Homes
AK	810	90	38	15.8%	-21.6%	-10.0%	0.0%	-0.1%	1.0%	2.3%	n/a	80	7.8%	2.8
AL	2,205	368	83	20.5%	-44.5%	-33.1%	-8.8%	-0.9%	-10.9%	5.5%	n/a	n/a	10.3%	14.3
AR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-0.8%	-3.7%	4.7%	1,434	478	10.2%	6.8
AZ	11,975	4,179	1,538	47.7%	-16.3%	-14.7%	-11.3%	0.2%	-11.9%	8.9%	7,639	7,562	49.8%	9.4
CA	32,756	10,024	5,164	46.4%	-26.2%	-21.9%	-30.1%	1.2%	-5.4%	8.4%	22,345	15,405	31.0%	15.1
CO	6,930	1,690	601	33.1%	-22.4%	3.4%	-11.5%	1.2%	-5.0%	4.3%	2,438	1,898	20.1%	7.5
CT	2,388	302	233	22.4%	-30.9%	-33.0%	-2.9%	-2.5%	-5.6%	6.7%	n/a	224	12.9%	14.7
DC	498	47	19	13.3%	n/a	-60.8%	n/a	1.6%	2.2%	5.4%	160	78	14.7%	10.9
DE	569	91	29	21.1%	-29.3%	-6.2%	26.1%	1.8%	-1.9%	6.3%	n/a	n/a	14.1%	18
FL	35,540	8,095	4,392	35.1%	-7.0%	-7.5%	-6.2%	2.7%	-8.9%	17.9%	7,358	8,466	46.3%	17.8
GA	7,211	1,586	542	29.5%	-32.4%	-37.0%	-24.1%	1.9%	-7.1%	8.2%	15,924	5,540	30.3%	18.6
HI	1,021	145	110	25.0%	-26.5%	16.0%	-5.2%	1.1%	-1.8%	6.4%	465	375	9.9%	12.3
IA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.6%	-4.3%	3.9%	640	328	8.7%	5.4
ID	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-0.5%	-15.2%	5.6%	980	923	24.3%	6.4
IL	7,151	1,425	612	28.5%	-44.0%	-35.9%	-23.1%	1.5%	-11.4%	8.7%	7,645	2,844	21.7%	23.3
IN	2,965	498	93	19.9%	-65.3%	-67.9%	-56.1%	2.0%	-3.9%	6.3%	1,348	1,157	10.8%	12.5
KS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.2%	-4.0%	4.2%	n/a	295	10.3%	9
KY	1,961	293	88	19.4%	-50.5%	-21.7%	-18.5%	0.5%	-6.7%	5.2%	435	261	8.7%	11.8
LA	2,649	335	86	15.9%	-45.9%	-11.6%	7.5%	0.1%	-4.8%	6.2%	739	253	n/a	11.8
MA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-2.0%	-5.7%	5.6%	n/a	336	15.4%	n/a
MD	5,068	1,002	484	29.3%	-27.5%	-33.8%	-13.6%	1.1%	-4.4%	7.7%	1,077	1,364	23.8%	16.5
ME	480	52	24	15.8%	-31.4%	-17.5%	n/a	0.5%	-1.2%	6.5%	99	91	n/a	23.1
MI	8,929	4,019	342	48.8%	-33.2%	-17.1%	-39.3%	-1.2%	-13.2%	6.9%	4,347	5,771	36.0%	11.4
MN	3,213	648	132	24.3%	-49.3%	-45.4%	-31.3%	1.7%	-8.7%	4.8%	2,230	1,247	16.1%	14.3
MO	5,679	1,393	184	27.8%	-27.7%	-9.0%	-32.1%	0.2%	-9.9%	4.4%	2,106	2,254	15.7%	7.7
MS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.0%	1.4%	7.1%	n/a	112	n/a	n/a
MT	843	123	37	19.0%	-32.0%	6.0%	19.4%	0.1%	-11.4%	3.2%	623	213	8.0%	5.6
NC	7,454	755	463	16.3%	-37.4%	-40.0%	12.1%	2.2%	-0.9%	5.4%	3,461	2,037	11.1%	10.5
ND	834	28	22	6.0%	-11.3%	-20.0%	57.1%	0.5%	4.2%	1.5%	n/a	20	6.9%	1.3
NE	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.3%	-1.3%	2.9%	278	150	9.2%	7.8
NH	1,183	251	95	29.2%	-26.6%	-6.7%	-10.4%	-2.0%	-11.0%	4.6%	n/a	n/a	18.7%	8.8
NJ	4,327	301	361	15.3%	-43.5%	-56.3%	-34.0%	2.1%	-1.4%	9.6%	n/a	195	16.2%	24.2
NM	1,393	242	77	22.9%	-41.0%	-11.0%	-18.1%	-1.9%	-8.8%	5.4%	456	121	13.2%	9.6
NV	5,241	2,145	903	58.2%	-14.7%	0.2%	-12.9%	-0.5%	-11.4%	15.6%	5,354	n/a	63.1%	15.5
NY	6,827	367	202	8.3%	-50.3%	-60.6%	-43.3%	1.8%	3.2%	7.4%	1,534	228	6.4%	16
OH	9,602	2,215	616	29.5%	-33.3%	-14.9%	-34.1%	0.8%	-10.4%	6.7%	3,606	2,759	21.9%	11.4
OK	3,491	301	94	11.3%	-48.4%	n/a	-2.1%	1.9%	-3.2%	4.9%	720	450	6.5%	6.1
OR	3,631	979	298	35.2%	-28.4%	1.1%	3.8%	0.9%	-9.4%	5.7%	2,702	958	17.1%	10.6
PA	7,431	802	240	14.0%	-37.6%	-28.1%	-12.4%	0.5%	-4.0%	5.4%	2,340	1,256	7.5%	11.2
RI	647	96	80	27.2%	-37.1%	-40.7%	-5.9%	-4.6%	-11.6%	7.6%	751	222	21.2%	14.5
SC	2,853	553	135	24.1%	-55.4%	-42.5%	-56.3%	3.5%	-2.5%	6.4%	n/a	1,127	15.2%	12.5
SD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.7%	-9.8%	2.6%	n/a	n/a	n/a	n/a
TN	7,662	1,470	324	23.4%	-27.4%	-18.2%	-3.3%	2.4%	-1.6%	6.0%	1,894	2,234	14.1%	7.4
TX	27,578	4,624	1,117	20.8%	-30.7%	-25.9%	-13.6%	0.8%	-2.2%	4.5%	10,793	6,698	10.2%	5.7
UT	2,981	694	258	31.9%	-36.0%	-8.4%	-11.6%	0.4%	-10.4%	5.3%	1,316	1,010	21.2%	8.3
VA	5,711	965	525	26.1%	-39.2%	-33.3%	-30.4%	1.9%	-1.1%	4.2%	1,970	1,156	23.1%	9.5
VT	382	24	n/a	n/a	-49.9%	-22.6%	n/a	0.8%	3.4%	3.6%	n/a	n/a	n/a	7
WA	6,180	1,174	563	28.1%	-29.6%	10.9%	8.9%	0.8%	-5.9%	6.0%	3,576	2,224	16.9%	13
WI	2,957	337	152	16.5%	-63.1%	-61.0%	-21.2%	2.5%	-5.8%	4.6%	1,539	1,056	14.5%	10
WV	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.7%	-0.8%	4.0%	n/a	22	n/a	18.1
WY	405	52	13	16.0%	10.1%	n/a	18.2%	0.3%	-1.8%	2.8%	1	97	n/a	5.8

VARIABLE DESCRIPTIONS

Variable	Definition
Total Sales	The total number of all home-sale transactions during the month.
New Sales	The total number of newly constructed residential housing units sold during the month.
Existing Sales	The number of previously constructed homes that were sold to an unaffiliated third party. DOES NOT INCLUDE REO AND SHORT SALES.
REO Sales	Number of bank owned properties that were sold to an unaffiliated third party.
Short Sales	The number of short sales. A short sale is a sale of real estate in which the sale proceeds fall short of the balance owed on the property's loan.
Distressed Sales Share	The percentage of the total sales that were a distressed sale (REO or short sale).
HPI MoM	Percent increase in HPI single family combined series over a month ago.
HPI YoY	Percent increase in HPI single family combined series over a year ago.
HPI MoM Excluding Distressed	Percent increase in HPI single family combined excluding distressed series over a month ago.
HPI YoY Excluding Distressed	Percent increase in HPI single family combined excluding distressed series over a year ago.
90 Days + DQ Pct	The percentage of the overall loan count that are 90 or more days delinquent as of the reporting period. This percentage includes loans that are in foreclosure or REO.
Foreclosure Pct	The percentage of the overall loan count that is currently in foreclosure as of the reporting period.
REO Pct	The count of loans in REO as a percentage of the overall count of loans for the reporting period.
Pre-foreclosure Filings	The number of mortgages where the lender has initiated foreclosure proceedings and it has been made known through public notice (NOD).
Total Auction Filings	Auction Filings are the notice of the auction filing that has take place. The variable represents the number of properties were sold at a public auction sale. These are where the lender conducts an auction sale and either 1) accepts a bid where the proceeds are used to repay the debt owed, or 2) takes legal possession of the property.
Negative Equity Share	The percentage of mortgages in negative equity. The denominator for the negative equity percent is based on the number of mortgages from the public record.
Negative Equity	The number of mortgages in negative equity. Negative equity is calculated as the difference between the current value of the property and the origination value of the mortgage. If the mortgage debt is greater than the current value, the property is considered to be in a negative equity position. We estimate current UPB value, not origination value.
Months Supply Distressed Homes	The months it would take to sell off all homes currently in distress of 90 days delinquency or greater based on the current sales pace.
Total Sales YoY Change	Percent increase in total sales over a year ago.
REO Sales YoY Change	Percent increase in REO sales over a year ago.
Short Sales YoY Change	Percent increase in short sales over a year ago.
Seriously DQ Pct	The count of loans in serious delinquency (90 days +) as a percentage of the overall count of loans for the reporting period.

Source: CoreLogic

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01-HOUSINGMRKT-0711-00



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