CoreLogic®

The MarketPulse

Volume 1, Issue 11

November 13th, 2012

Data as of September 2012

Inside News

Housing Statistics (September 2012)

HPI YOY Chg	5.0%
HPI YOY Chg XD	5.0%
NegEq Share	22.5%
Shadow Inventory (07/2012)	2.3m
Distressed Clearing Ratio	0.62
Distressed Discount	36.3%
New Sales (ths)	25
Existing Sales (ths)	231
Mean Active List Price	$281,090
Active DOM Mean	174.23
Months' Supply Listings	6.35
Closed-to-List Price %Chg	-4.3%

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Recovering, But Not Recovered

By Mark Fleming

The data have been clear over the last few months—housing is in a recovery. What does this mean? It's simple—to be in a recovery is not the same as to have recovered. So while the housing market is now a contributing sector to economic growth, is benefiting from tight inventories, and is reaping the benefits of strong demand in the lower price segments, it will take much more time before we can say with confidence "we have recovered."

The most recent data on economic growth show that the U.S. economy grew at a better-than-expected seasonally adjusted annualized pace of 2 percent in the third quarter. Residential investment grew at a 14.4 percent annualized pace in the third quarter and posted similar gains throughout the year. Not only is there the direct influence of residential investment on GDP, but also the wealth effects on consumption. Consumers' willingness to purchase goods and services is closely tied to the value of their homes, which are usually their largest asset. Consumption contracted quickly during the housing crisis and recession as home values declined and mortgage equity withdrawal slowed (Figure 1). But since prices have stabilized and grown (5 percent year over year nationally in September according to the CoreLogic HPI), consumption spending has also recovered. Analysts[1] have estimated that the contribution of the housing recovery to GDP growth could be anywhere from a quarter of a percentage point in 2012 to half a percentage point in 2013. This is clearly positive news for an economy that has been struggling to grow. Housing is typically a sector that leads the economy out of recession. This time, it has been a significant drag on recovery, though one that is finally fading.

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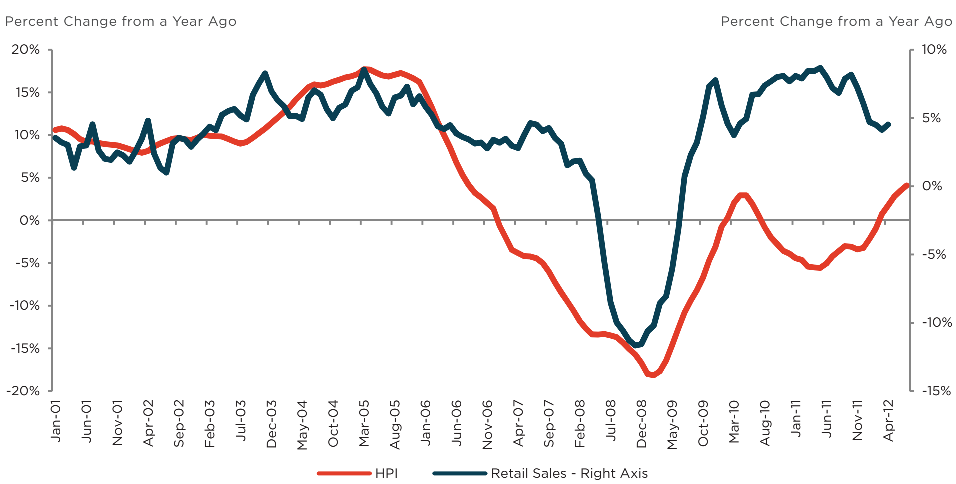
FIGURE 1. HOME PRICES HAVE STRONG INFLUENCE ON CONSUMER SPENDING



Source: CoreLogic, Census July 2012
Note: Retail Sales is a three-month moving average and utilizes a three-month lag.

Footnote

[1] Jan Hatzius, Goldman Sachs, "Housing and GDP: From Headwind to Tailwind," *US Daily*, Oct. 17, 2012.

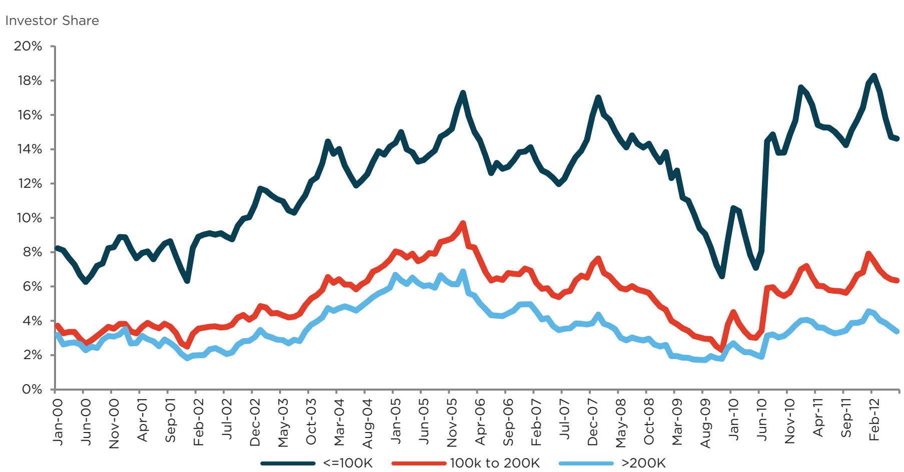
Even though housing is again a net contributor to growth, prices are rising, and housing is recovering, it is important to understand what is driving the quick turn of events in 2012. First, negative equity, which increases the risk of default in the event of an income shock, is paradoxically having a positive short- to medium-term benefit in the markets that were the hardest hit by the housing downturn. CoreLogic reviewed this last month in MarketPulse as a reason for a more durable recovery than in years past, but it is also only a short- to medium-term benefit.

In research CoreLogic conducted earlier this year, results show that in markets with less than a 10 percent negative equity share of mortgaged homes, the average months' supply of inventory for sale was about eight months. In markets with more than a 50 percent negative equity share of mortgaged homes, the average months' supply was half as much—approximately four months. The "lock-out" effect of negative equity and being under-equitied[2] depresses both the supply and demand side of the real estate market. As prices rise and the number of under-equitied households declines, the "lock-out" effect will moderate, more supply will return to the market and price pressure will decrease. What we don't yet know is whether it will take months or years.

"Housing is typically a sector that leads the economy out of recession. This time, it has been a significant drag on recovery, though one that is finally fading."

The other short- to medium-term influence is the role that investors are playing in the recovery. Their purchase demand at the lower end of the price spectrum is clearly a contributing factor to the tight levels of inventory. Much of the interest in the lower-priced market segment is driven by the ability to rent the homes in the growing single-family rental market at a favorable return (discussed in more detail in "Roll Tide, or The Rise of the Single-Family Rental Market" in this edition of The MarketPulse).

FIGURE 2. LOWER TIER INVESTOR LOAN ORIGINATION SHARES ON THE RISE



Source: CoreLogic June 2012

Analyzing CoreLogic loan data from January 2000 for the share of purchase originations that were non-owner occupied investment properties by loan balance categories, investor shares were typically a little less than 4 percent of all purchases in the early part of the last decade for the mid- and high-loan balance tiers, but double that in the low-loan balance tier (Figure 2). Investor purchase mortgage origination shares surged with the housing bubble and crashed with the housing crisis. Subsequently, they have modestly returned in the mid- and high-loan balance tiers to slightly above pre-crisis levels. The low-balance tier share of purchase mortgage originations, on the other hand, has rebounded dramatically to levels similar to the peak during the housing bubble. Notably, the investor share is likely even higher if one accounts for purchases with cash, which wouldn't appear in the purchase mortgage origination data presented here.

The economic recovery is finally benefiting from a housing recovery that is a net contributor to economic growth. The housing market is clearly recovering on the strength of investor-based demand for assets to rent and the "lock-out" effect of negative equity and being under-equitied. These are short- to medium-term benefits driving recovery that will likely persist into 2013. Beyond that, an even healthier economy and fundamental gains in income growth and consumption with rising house prices will drive the housing market to a full recovery.

End.

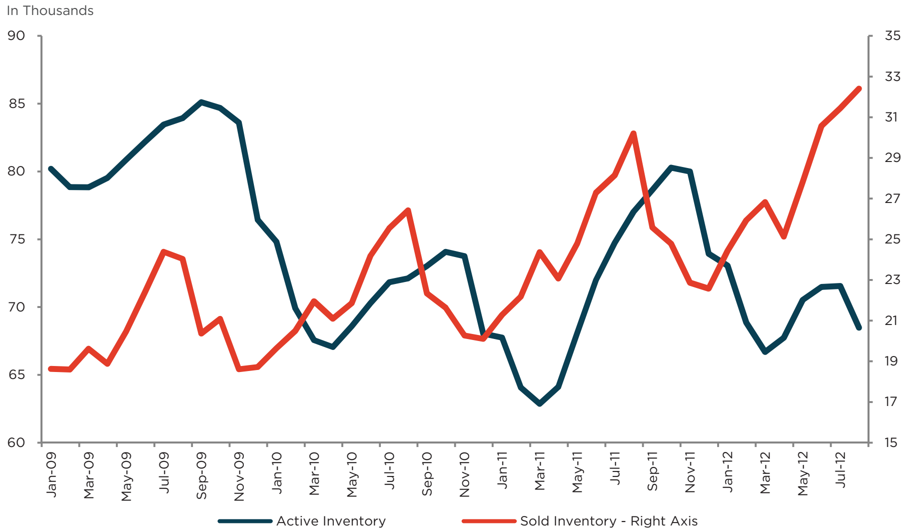
Footnote

[2] "Under-equitied" means the borrower has less than 20 percent equity in the home. See "The Durability of the Housing Recovery" in the October 2012 issue of The MarketPulse.

Roll Tide, or The Rise of the Single-Family Rental Market

By Sam Khater

FIGURE 1. RENTAL DEMAND OUTSTRIPS RENTAL SUPPLY



Source: CoreLogic August 2012

Traditionally, analysts have segmented the U.S. residential real estate market into single-family homes for sale (primarily owner occupied) and multifamily rental. The segmentation was primarily driven by availability of data, which has always been plentiful for the single-family for-sale market and multifamily rental market. While single-family rentals (SFR) have always been an important segment of the rental housing stock, accounting for 21 million units, or 52 percent of the rental stock[3], the lack of data on single-family rental properties has resulted in very little research or analytical understanding.

The lack of data and transparency around single-family rentals is partly a function of the industry's structure. Unlike multifamily rental investors, which are dominated by depositories, GSEs and ABS investors, single-family rental investors are dominated by individual investors, accounting for over 80 percent of single-family rental owners[4]. The distributed nature of single-family rental owners has resulted in a dearth of data on the asset class.

Recently, the single-family rental asset class came to the foreground with the Federal Housing Finance Agency (FHFA) "REO-to-Rental"[5] program, aimed at facilitating the disposition of REO properties to renters. While the FHFA program has received considerable attention, it ignited even greater institutional investor interest in SFR as an asset class beyond the REO-to-Rental program. In the past, the primary obstacle for institutional SFR investors has been that these are scattered site assets, which lack data, making it difficult to achieve economies of scale without significant risky platform investments. Given investor search for yield and the abundance of low-priced foreclosures offering attractive cap rate yields, some large investors have been investing in infrastructure and acquiring a large number of single-family rental properties.

Over the last few months, several rating agencies have analyzed the single-family rental asset class for potential securitizations. In their opinion, there are three key needs to successfully measure the risk in order to rate these securities. First, market data on SFR supply and demand factors, such as historical trends on the number of rental leasings, inventories, months' supply, rents, etc. is thin. This data is needed to evaluate rental income streams and rental yields for properties in the asset class. Second, rating agencies lack information on the future disposition price path of the asset. Third, information on performance of the operator or manager of the properties is virtually non-existent. The purpose of this article is to provide an overview on the first need: market trends for SFRs using the CoreLogic rental listings database, which covers

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Footnotes

3 Bureau of the Census.

4 Bureau of the Census, Residential Finance Survey 2001. The 2012 survey will be released in 2013.

5 Federal Housing Finance Agency. "Request for Information: Enterprise/FHA REO Asset Disposition." August 10, 2011. Web. Nov. 7, 2012. <www.fhfa.gov/webfiles/22366/RFIFinal081011.pdf>.

single-family rental listings on multiple listing services in 30 large, geographically diverse markets.[6]

National Rental Trends

The single-family rental market remained very active in the late summer of 2012, with increases in demand, tightening inventory and rising rents[7]. Nationally, rental leasing volumes were up sequentially every month during the last two years. In August, leasings were up 7 percent from a year ago, and they are up 12 percent on a year-to-date basis. While demand is rising, the supply has been declining, particularly sharply beginning in June 2012 (Figure 1). As of August, inventory was 11 percent lower than a year earlier, a significant contraction given leasings are up 7 percent during the same time period. Part of the reason for the decline in inventory is a rise in closings (i.e., leasings, delistings, etc.) in the summer of 2012.

The drop in supply is leading to tightness across several dimensions. First, the months' supply of rental inventory has consistently dropped over the last few years. In August, the months' supply fell to 2.6 months, down from 3.2 a year ago and over 5 months in 2007 (Figure 2). In August, it took six weeks for a listing to be rented, which is the same as a year ago, but down from over eight weeks in 2009. Interestingly, the days on market for the stock of unsold listings is rapidly increasing. In August, the average rental had been listed for 29 weeks, up from 25 weeks a year ago and 22 weeks just three years ago.

> "Given investor search for yield and the abundance of low-priced foreclosures offering attractive cap rate yields, some large investors have been investing in infrastructure and acquiring a large number of single-family rental properties."

The tightness in the market is also evident in the rising level of rents. After declining in 2009 and 2010, rents[8] increased 2 percent in 2011 and just over 1 percent so far in 2012. While those increases are low, rent growth typically lags home price growth by about 12 months (Figure 3). Moreover, rents generally exhibit much less volatility than home prices. Rent growth over the last decade typically exhibited about two-thirds the volatility of home price growth. The reason for the much lower volatility in rents is that SFR investors typically finance their investments differently than single-family homeowners. SFR investors are much more likely to purchase with cash and use much lower leverage than homeowners (while 67 percent of SF owner units have a mortgage, only 45 percent of SFR are mortgaged[9]). The lower leverage allows the rental market to act like a shock absorber for the housing market.

Another way to look at the competitiveness of the market is by considering the difference between the rental rate asked and what the supplier received after successfully renting the property. Bid/asked spreads, the percent difference between the original listing rent and lease signing rent, declined to 2 percent in 2012, down from 4 percent two years ago when rents were declining. Given the rapid

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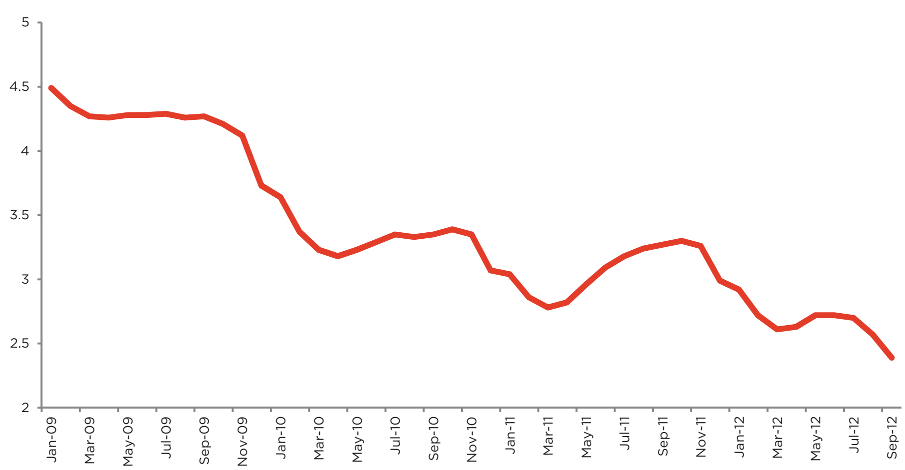
FIGURE 2. RENTAL MONTHS' SUPPLY CONTINUES TO TIGHTEN



Source: CoreLogic September 2012

Footnotes

[6] The Rental Listings database covers more markets in the U.S. based on a number of different rental listing sources, but CoreLogic chose 30 markets that had reliable histories of rental data for the purpose of this article.

[7] The national data is a composite of 30 geographically representative Core Based Statistical Areas (CBSAs) across the U.S. which account for 25 percent of the U.S. population.

[8] Rents on signed leasings.

[9] Bureau of the Census, Residential Finance Survey 2001.

increases in home prices this year, rent growth is expected to increase at a strong clip late in 2012 and in 2013 but not at the same rate as house prices due to the lower volatility rents have historically exhibited.

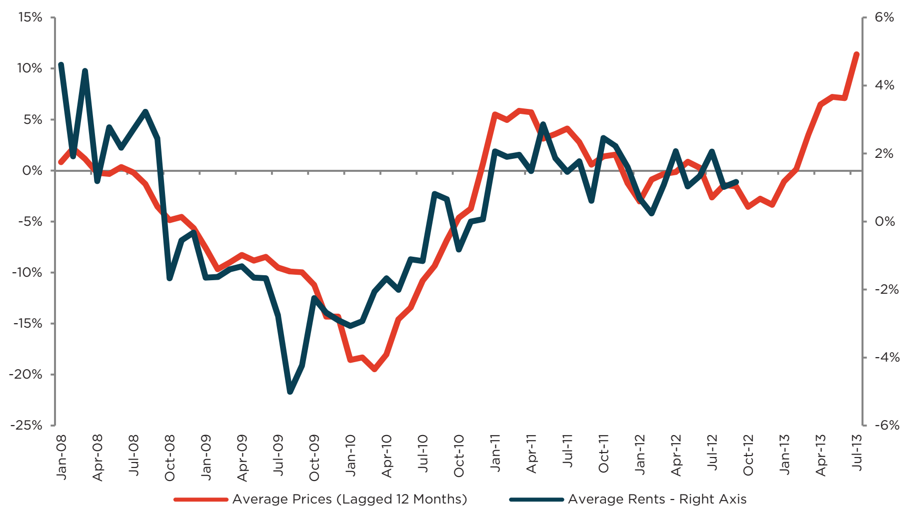
Metropolitan Market Analysis

While growth in demand is geographically diverse, it is most acute in the areas that experienced the largest home price bust, such as Florida, California and Arizona. This is not a surprise given that some of the new demand is being driven by former homeowners who have experienced foreclosure. At the metropolitan level, the growth in rental demand is widespread. Led by Port St. Lucie, Fla., Riverside, Calif., and Tucson, Ariz., where each market experienced over a 25 percent increase in rental leasings, 22 out of 30 markets experienced year-over-year increases in rental leasings (Figure 4).

North Port and Cape Coral, Fla., and Honolulu are the fastest growing markets with at least a 6 percent increase in rent growth each. Rents are increasing not just in the hardest-hit areas, but also in fast-growing areas such as Raleigh, N.C., and Houston. The rapid increase in rents beyond the sand states is indicative of the rising tide of demand for single-family rentals. Single-family rental has been a neglected segment in the past. However, a weak labor market, tight underwriting for owner-occupied properties and elevated foreclosures will ensure continued strong demand for single-family rentals.

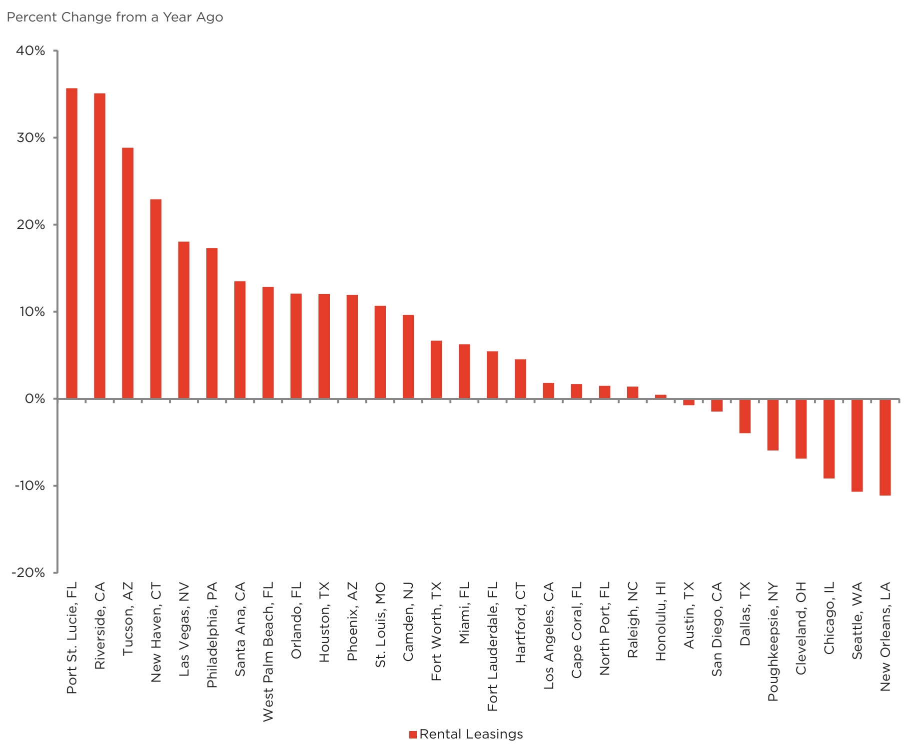
End.

FIGURE 3. RENTS INCREASING AND HOME PRICE GROWTH PORTENDS FASTER RENT GROWTH



Source: CoreLogic September 2012

FIGURE 4. RENTAL DEMAND HIGHEST IN HARD HIT HOUSING RECESSION MARKETS



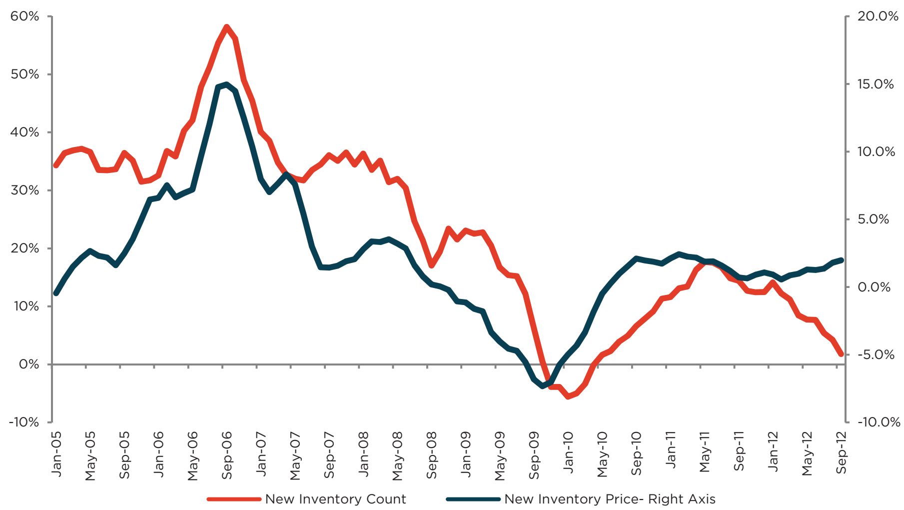
Source: CoreLogic August 2012

Flooding the Residential Rental Market

By Thomas Vitlo

FLOODING THE RESIDENTIAL RENTAL MARKET

Year-Over-Year Change 3-Month Moving Average



Source: CoreLogic September 2012

With investors seeking opportunities in the residential rental market, this month's chart focuses on the flow of rentals coming onto the market. In the article titled "Roll Tide, or The Rise of the Single-Family Rental Market," CoreLogic Principal Economist Sam Khater focused on the current inventory of rental homes. This chart centers on the inflow of residential rental counts and the correlating rental prices. In the last two years, an average of 42,000 rentals have been added monthly to the stock of rental homes. This is more than twice the average flow that the country was experiencing prior to the housing recession. Furthermore, the negative correlation between rental inflows and single-family home prices is evident given the recent increases in the year-over-year CoreLogic Home Price Index (HPI) since May 2011. These factors signal that the pressure on rental supplies seems to be easing, especially given the most recent news about home price appreciation.

End.

In the News

Morningstar.com, *November 10*

Market to Congress: Time to Work

Separately, CoreLogic also indicated that September home prices accelerated again, increasing over 5% year over year, an acceleration from the previous month.

San Francisco Chronicle, *November 7*

Home prices up in 81 U.S. cities

U.S. home prices jumped 5 percent in September from a year earlier, the biggest 12-month increase since July 2006, reported CoreLogic.

Reuters, *November 6*

Home prices dip in September after string of gains: CoreLogic

Home prices slipped in September after gaining for six months in a row as values were weighed down by cheaper distressed sales, data from CoreLogic showed.

Business Insider, *November 6, 2012*

CoreLogic: Home Prices Are Growing At Their Fastest Rate In 6 Years

Home prices including distressed sales were up 5 percent on the year in September, according to **CoreLogic's** latest home price report.

Bloomberg, *November 4*

Foreclosures Drawing Cash as 401K Returns Sag: Mortgages

Home prices rose 4.6 percent from a year earlier in August, the biggest gain since the end of the real estate boom in 2006, according to a **CoreLogic** Inc. index.

Reuters, *November 4*

Analysis: Waiting for housing to drive the U.S. economy

Of those, 1.8 million borrowers would recover if prices rose 5 percent, according to data analysis firm **CoreLogic**.

World Property Channel, *November 1*

57,000 U.S. Foreclosures Completed in September, Says CoreLogic

According to **CoreLogic's** latest National Foreclosure Report for September, there were 57,000 completed foreclosures in the U.S. in September 2012, down from 83,000 in September 2011 and 59,000 in August 2012.

HousingWire, *October 31*

Foreclosures decline, inventory stays flat: CoreLogic

Home foreclosures fell in September, pushing the nation's inventory of distressed properties lower, **CoreLogic** said.

NATIONAL SUMMARY SEPTEMBER 2012

	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012	2010	2011	2012**
Total Sales*	311	302	312	252	283	348	347	418	423	384	370	324	4,126	3,923	3,149
— New Sales*	22	22	24	17	20	25	23	28	29	25	26	25	340	277	218
— Existing Sales*	207	196	204	160	181	230	236	292	301	276	267	231	2,663	2,553	2,174
— REO Sales*	54	55	54	50	55	60	55	61	55	47	42	35	798	754	460
— Short Sales*	25	25	27	23	25	30	29	35	36	34	34	30	276	301	276
Distressed Sales Share	25.6%	26.6%	26.1%	28.9%	28.1%	25.9%	24.4%	22.9%	21.4%	21.1%	20.4%	20.2%	26.0%	26.9%	23.4%
HPI MoM	-1.2%	-1.1%	-0.9%	-0.8%	-0.4%	1.3%	2.2%	2.5%	2.0%	1.2%	0.4%	-0.3%	-0.3%	-0.3%	0.9%
HPI YoY	-3.0%	-3.3%	-3.2%	-2.1%	-0.9%	0.8%	1.8%	2.8%	3.5%	4.0%	4.5%	5.0%	-0.2%	-4.2%	2.2%
HPI MoM Excluding Distressed	-1.1%	-1.0%	-0.8%	-0.3%	-0.3%	0.9%	1.6%	1.9%	1.7%	1.1%	0.8%	0.5%	-0.3%	-0.4%	0.9%
HPI YoY Excluding Distressed	-4.0%	-4.2%	-4.1%	-3.5%	-2.8%	-1.4%	-0.4%	0.7%	1.8%	2.5%	3.8%	5.0%	-1.7%	-4.0%	0.6%
90 Days + DQ Pct	7.3%	7.3%	7.3%	7.4%	7.2%	7.0%	7.0%	6.9%	6.9%	6.9%	6.8%	6.7%	8.1%	7.4%	7.0%
Foreclosure Pct	3.6%	3.5%	3.4%	3.5%	3.5%	3.5%	3.5%	3.5%	3.4%	3.4%	3.4%	3.3%	3.2%	3.5%	3.4%
REO Pct	0.6%	0.5%	0.6%	0.6%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.6%	0.6%	0.5%
Pre-foreclosure Filings*	130	127	112	124	120	134	122	132	128	120	137	134	2,098	1,518	1,151
Completed Foreclosures*	70	71	70	73	65	63	58	65	60	52	59	57	1,127	912	552
Negative Equity Share	24.7%	24.9%	25.2%	24.7%	24.2%	23.7%	23.2%	22.7%	22.3%	22.7%	22.6%	22.5%	25.3%	24.9%	23.2%
Negative Equity*	11,783	11,943	12,108	11,858	11,624	11,374	11,178	10,975	10,779	10,977	10,910	10,890	11,904	11,820	11,174
Months Supply SDQ Homes	9.96	10.28	9.88	12.25	10.61	8.42	8.37	6.85	6.74	7.40	7.57	8.59	10.36	9.94	8.53

*Thousands of Units **Year-to-Date
NOTE: Data may be light in some jurisdictions.
NOTE: For all sales data the most recent four months are adjusted upwards in order to take into account lags in data reporting.

LARGEST 25 CBSA SUMMARY SEPTEMBER 2012

	Total Sales 12-month sum	REO Sales 12-month sum	Short Sales 12-month sum	Distressed Sales Share (sales 12-month sum)	Total Sales YOY 12-month sum	Cumulative DOM Mean YoY Change	Cumulative Sold DOM Mean YoY Change	HPI MoM	HPI YoY	90 Days+ DQ Pct	Pre-Foreclosure Filings 12-month sum	Completed Foreclosures 12-month sum	Negative Equity Share	Months' Supply Distressed Homes
Chicago-Joliet-Naperville, IL	73,889	16,780	8,560	34.3%	10.7%	15.1%	-18.6%	-1.0%	-2.9%	10.4%	64,429	19,370	30.6%	21.0
Los Angeles-Long Beach-Glendale, CA	86,207	19,118	13,769	38.1%	8.4%	-2.0%	-5.0%	0.4%	4.8%	6.0%	48,486	17,791	22.7%	9.9
Atlanta-Sandy Springs-Marietta, GA	71,143	17,065	8,301	35.7%	24.8%	23.7%	-11.1%	0.6%	2.2%	7.6%	107,886	36,521	41.2%	12.2
New York-White Plains-Wayne, NY-NJ	64,207	2,630	3,343	9.3%	1.5%	16.8%	8.6%	0.8%	3.1%	8.9%	14,629	1,065	11.9%	15.7
Washington-Arlington-Alexandria, DC-VA-MD-WV	60,770	6,638	6,817	22.1%	0.4%	N/A	N/A	-0.2%	4.8%	5.7%	27,171	5,011	24.4%	9.2
Houston-Sugar Land-Baytown, TX	91,478	12,913	4,000	18.5%	2.2%	2.3%	-10.2%	0.1%	6.6%	4.4%	15,693	16,706	10.7%	4.6
Phoenix-Mesa-Glendale, AZ	104,793	16,550	20,230	35.1%	-1.5%	-8.9%	-37.0%	1.3%	22.1%	5.2%	53,113	31,129	42.7%	4.2
Riverside-San Bernardino-Ontario, CA	71,750	21,260	14,075	49.2%	-1.7%	6.0%	-2.2%	0.9%	5.2%	8.0%	44,015	21,691	41.9%	9.1
Dallas-Plano-Irving, TX	71,710	9,671	4,062	19.2%	10.7%	1.5%	-25.0%	0.3%	4.1%	4.4%	36,184	11,813	11.1%	4.6
Minneapolis-St. Paul-Bloomington, MN-WI	38,565	6,318	2,064	21.7%	-4.4%	6.0%	-9.5%	0.9%	6.6%	4.1%	25,191	12,515	18.3%	7.8
Philadelphia, PA	N/A	N/A	N/A	N/A	N/A	8.4%	-5.6%	-0.4%	-0.2%	5.9%	8,242	4,221	9.3%	N/A
Seattle-Bellevue-Everett, WA	35,745	4,352	4,572	25.0%	15.3%	7.3%	-14.6%	1.0%	6.6%	6.6%	11,115	5,245	18.9%	11.0
Denver-Aurora-Broomfield, CO	48,856	7,990	4,173	24.9%	15.7%	N/A	N/A	0.4%	9.1%	3.5%	23,565	8,192	20.0%	4.2
San Diego-Carlsbad-San Marcos, CA	40,898	6,984	8,372	37.5%	12.0%	21.0%	5.7%	1.0%	2.0%	4.9%	17,714	6,663	28.1%	6.7
Santa Ana-Anaheim-Irvine, CA	32,474	4,365	6,333	32.9%	11.5%	-8.4%	-12.0%	0.5%	4.5%	4.3%	15,381	4,850	18.3%	7.2
Baltimore-Towson, MD	30,654	2,467	2,738	17.0%	2.0%	N/A	N/A	0.4%	1.5%	8.1%	4,433	1,414	18.6%	14.1
Tampa-St. Petersburg-Clearwater, FL	56,199	7,910	8,201	28.7%	2.3%	22.6%	-26.1%	-0.6%	4.9%	16.5%	27,360	13,738	46.3%	15.7
Oakland-Fremont-Hayward, CA	36,928	7,867	7,179	40.7%	8.8%	N/A	N/A	-0.1%	8.2%	5.1%	16,539	7,821	30.6%	7.3
Nassau-Suffolk, NY	21,221	806	443	5.9%	-4.3%	18.9%	-1.4%	-0.1%	-0.2%	10.8%	9,565	641	8.9%	26.5
St. Louis, MO-IL	43,005	8,946	2,331	26.2%	6.8%	13.8%	-8.7%	0.8%	0.3%	4.5%	16,156	10,101	16.2%	5.4
Warren-Troy-Farmington Hills, MI	35,826	10,585	1,827	34.6%	-9.2%	N/A	N/A	0.6%	8.7%	4.8%	17,496	13,566	37.0%	6.8
Portland-Vancouver-Hillsboro, OR-WA	30,804	4,516	3,703	26.7%	12.9%	N/A	N/A	0.2%	4.1%	5.5%	8,603	5,343	19.0%	8.3
Sacramento--Arden-Arcade--Roseville, CA	39,091	10,195	8,854	48.7%	6.7%	-2.6%	N/A	0.5%	6.9%	6.0%	20,135	10,287	37.9%	7.1
Edison-New Brunswick, NJ	23,757	908	1,911	11.9%	0.8%	19.1%	7.0%	-0.6%	-2.3%	9.4%	4,473	706	15.2%	17.2
Orlando-Kissimmee-Sanford, FL	43,542	7,697	8,766	37.8%	-2.1%	2.0%	-26.2%	0.6%	8.7%	16.9%	20,514	11,107	49.8%	16.6

NOTE: Data may be light in some jurisdictions.
NOTE: For all sales data the most recent four months are adjusted upwards in order to take into account lags in data reporting.
NOTE: Largest CBSAs are based on active loan count.

STATE SUMMARY SEPTEMBER 2012

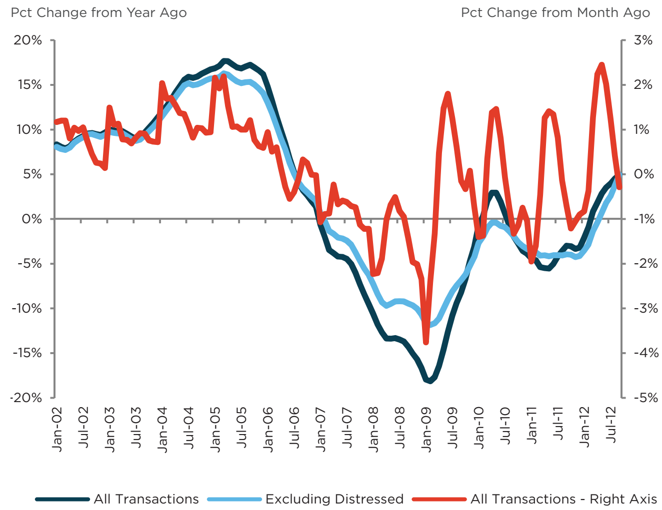
State	Total Sales 12-month sum	REO Sales 12-month sum	Short Sales 12-month sum	Distressed Sales Share (sales 12-month sum)	Total Sales YOY 12-month sum	Cumulative DOM Mean YoY Change	Cumulative Sold DOM Mean YoY Change	HPI MoM	HPI YoY	90 Days+ DQ Pct	Pre-Foreclosure Filings 12-month sum	Completed Foreclosures 12-month sum	Negative Equity Share	Months' Supply Distressed Homes
AK	9,829	764	334	11.2%	-5.4%	N/A	N/A	0.5%	5.4%	2.2%	1,490	929	5.1%	2.2
AL	28,274	3,678	1,063	16.8%	-25.2%	28.3%	0.6%	0.1%	-1.3%	5.5%	8,636	6,196	13.7%	12.7
AR	35,553	1,784	1,500	9.2%	-11.8%	9.1%	-10.3%	0.4%	2.6%	5.6%	7,312	6,796	11.7%	5.5
AZ	142,127	24,673	24,416	34.5%	0.1%	-0.6%	9.3%	1.0%	18.7%	5.0%	74,135	43,571	40.4%	4.4
CA	471,008	107,565	86,545	41.2%	6.9%	6.6%	-6.3%	0.2%	6.9%	5.7%	240,765	107,628	29.3%	7.8
CO	95,820	16,308	7,921	25.3%	11.9%	5.0%	-2.7%	0.3%	7.4%	3.5%	44,755	16,864	18.7%	4.0
CT	35,348	3,166	3,664	19.3%	6.3%	22.5%	-2.9%	-0.7%	-0.2%	7.5%	1,933	3,437	13.9%	12.2
DC	7,128	325	260	8.2%	4.3%	N/A	N/A	-0.1%	6.7%	5.8%	596	58	10.9%	9.2
DE	8,687	1,491	481	22.7%	3.6%	17.9%	-12.0%	-2.5%	-0.5%	6.8%	1,505	2,251	16.4%	14.7
FL	407,986	63,387	57,160	29.5%	0.6%	18.7%	7.1%	-0.1%	6.3%	16.3%	174,162	92,401	43.2%	14.2
GA	119,206	25,756	10,408	30.3%	17.7%	24.1%	-5.5%	0.9%	2.0%	6.9%	149,193	54,778	36.0%	10.1
HI	14,655	1,147	1,330	16.9%	-8.4%	15.4%	-3.9%	0.0%	8.9%	6.6%	3,790	436	10.3%	9.2
IA	31,448	1,985	1,237	10.2%	-34.3%	14.6%	-6.3%	0.9%	1.7%	3.8%	5,838	3,380	9.5%	5.1
ID	34,209	5,744	2,133	23.0%	7.8%	10.9%	-15.3%	0.8%	13.1%	4.7%	13,254	4,791	23.2%	3.8
IL	129,653	24,008	11,972	27.8%	9.5%	17.7%	-7.7%	-0.8%	-2.3%	8.9%	85,557	27,769	26.2%	15.3
IN	102,094	16,769	2,652	19.0%	2.3%	4.2%	N/A	0.8%	3.8%	6.2%	15,911	17,120	9.7%	6.2
KS	31,792	3,680	1,475	16.2%	14.7%	N/A	N/A	-0.1%	2.5%	4.2%	3,139	2,881	8.6%	4.8
KY	35,058	3,754	1,545	15.1%	-22.4%	7.6%	-8.8%	-0.1%	-0.4%	5.4%	7,084	2,300	9.6%	8.0
LA	44,670	5,725	1,393	15.9%	-15.5%	12.0%	-6.8%	0.9%	5.0%	5.9%	14,510	8,943	14.7%	7.1
MA	92,512	9,424	751	11.0%	28.2%	N/A	N/A	-1.0%	2.5%	5.5%	7,997	7,851	15.8%	6.2
MD	67,057	6,123	8,015	21.1%	0.3%	33.3%	-2.4%	0.1%	2.5%	8.3%	11,137	3,400	23.5%	14.9
ME	11,085	786	282	9.6%	1.3%	N/A	N/A	-0.2%	3.3%	7.2%	1,740	625	8.3%	11.5
MI	143,458	46,617	5,481	36.3%	1.9%	20.7%	-24.4%	0.6%	7.1%	5.3%	54,940	50,574	33.4%	6.0
MN	60,726	8,702	2,476	18.4%	-5.6%	9.1%	-11.6%	0.8%	6.6%	3.9%	27,981	14,561	17.3%	6.6
MO	82,499	16,908	3,415	24.6%	8.1%	23.0%	-12.2%	0.8%	1.5%	4.1%	24,470	18,617	15.6%	4.7
MS	6,637	910	133	15.7%	-30.2%	N/A	N/A	-0.1%	4.6%	7.1%	5,083	1,216	26.5%	N/A
MT	13,601	1,504	549	15.1%	3.7%	N/A	N/A	2.1%	8.5%	2.7%	3,631	1,610	7.5%	3.1
NC	115,012	10,310	7,751	15.7%	9.3%	7.9%	-8.0%	-0.4%	1.3%	5.5%	50,149	27,584	14.0%	7.6
ND	13,776	259	222	3.5%	16.0%	N/A	N/A	0.5%	8.7%	1.5%	226	583	5.5%	0.7
NE	26,789	1,423	1,339	10.3%	-4.6%	N/A	N/A	0.8%	4.1%	2.7%	3,956	2,145	11.6%	2.7
NH	17,626	2,994	1,299	24.4%	12.9%	19.1%	5.8%	0.5%	2.9%	4.2%	N/A	2,786	21.0%	5.5
NJ	78,486	3,642	7,258	13.9%	0.3%	20.6%	6.5%	-0.2%	-1.8%	11.4%	22,703	2,942	18.3%	21.3
NM	22,012	2,583	1,412	18.1%	1.2%	N/A	N/A	0.3%	3.2%	5.7%	7,303	2,225	13.3%	7.9
NV	69,113	20,713	15,092	51.8%	-3.4%	-12.1%	7.0%	1.2%	11.0%	11.8%	8,126	19,039	59.1%	9.3
NY	154,652	5,387	3,772	5.9%	2.1%	18.7%	6.8%	2.0%	4.8%	8.3%	27,682	4,713	8.0%	12.2
OH	137,058	24,505	9,444	24.8%	-2.2%	11.2%	-3.0%	-0.4%	0.9%	6.7%	60,781	26,119	24.2%	8.4
OK	66,751	5,440	1,736	10.8%	7.7%	0.9%	3.2%	-0.8%	0.5%	5.1%	17,530	9,788	8.1%	3.5
OR	53,212	9,010	5,531	27.3%	10.4%	7.1%	-11.2%	0.2%	4.3%	5.5%	14,697	9,629	19.0%	7.6
PA	130,794	11,932	4,397	12.5%	4.2%	8.8%	-5.9%	-0.4%	0.7%	6.0%	22,696	11,993	9.4%	7.9
RI	11,832	1,521	1,354	24.3%	10.4%	18.7%	0.8%	-1.8%	-3.5%	7.5%	4,270	2,007	22.7%	9.9
SC	63,773	9,740	4,322	22.1%	9.4%	9.6%	-10.9%	0.2%	4.5%	6.2%	8,368	10,940	17.0%	7.3
SD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.8%	6.3%	2.4%	N/A	N/A	N/A	N/A
TN	106,314	17,492	4,989	21.1%	10.7%	N/A	N/A	-0.3%	0.7%	5.5%	25,696	24,039	16.7%	4.7
TX	398,660	48,279	16,003	16.1%	4.1%	3.6%	-14.2%	0.1%	5.0%	4.1%	111,405	58,690	9.0%	3.7
UT	48,350	7,058	3,857	22.6%	8.8%	N/A	N/A	0.8%	8.7%	4.4%	24,518	6,183	18.7%	4.7
VA	94,372	13,781	7,418	22.5%	-2.7%	23.5%	N/A	0.3%	4.2%	3.8%	63,938	13,371	20.5%	6.2
VT	10,234	362	N/A	N/A	22.2%	21.3%	16.5%	0.0%	4.8%	4.2%	N/A	N/A	N/A	3.9
WA	85,486	11,271	9,005	23.7%	7.4%	17.6%	-9.2%	0.3%	4.3%	6.7%	25,932	13,575	19.4%	10.8
WI	72,746	8,602	2,952	15.9%	11.2%	18.3%	0.0%	0.4%	1.0%	4.2%	22,042	12,752	15.7%	5.3
WV	6,249	381	56	7.0%	11.3%	19.2%	-2.6%	-0.4%	4.2%	3.9%	4,605	704	7.1%	9.2
WY	6,002	576	205	13.0%	11.3%	N/A	N/A	1.7%	2.4%	2.1%	797	782	9.7%	2.9

NOTE: Data may be light in some jurisdictions.
NOTE: For all sales data the most recent four months are adjusted upwards in order to take into account lags in data reporting.

Home Prices

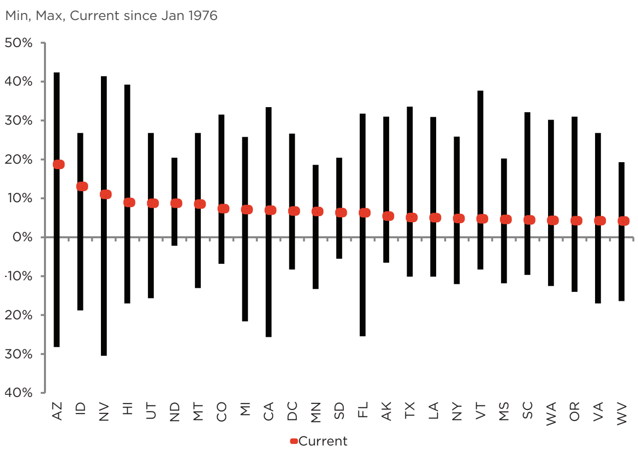
- Home prices nationwide, including distressed sales, increased on a year-over-year basis by 5 percent in September 2012 compared to September 2011. This change represents the biggest year-over-year increase since July 2006. On a month-over-month basis, including distressed sales, home prices decreased by 0.3 percent in September 2012 compared to August 2012. The September 2012 figures mark the seventh consecutive increase in home prices nationally on a year-over-year basis. The HPI analysis from CoreLogic shows that all but seven states are experiencing price gains.
- Completed foreclosures were down to 37 percent year over year to 57,000 in September 2012. Since the start of the financial crisis in September 2008, there have been approximately 3.9 million completed foreclosures. Prior to the decline in the housing market in 2007, completed foreclosures averaged 21,000 per month between 2000 and 2006. Nationally, there were 54 mortgages per every completed foreclosure (12-month sum ending September 2012.)

HOME PRICE INDEX



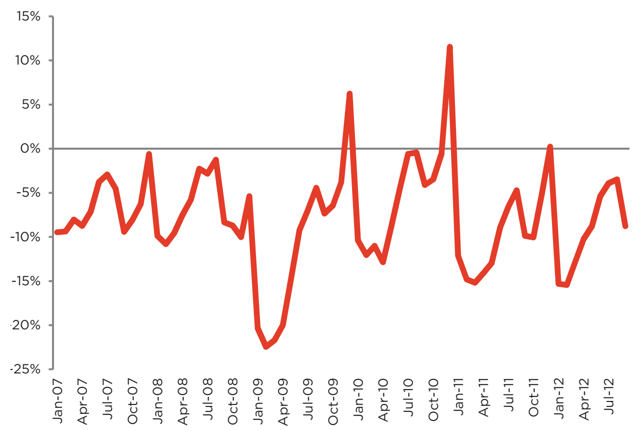
Source: CoreLogic September 2012

YoY HPI GROWTH FOR 25 HIGHEST RATE STATES



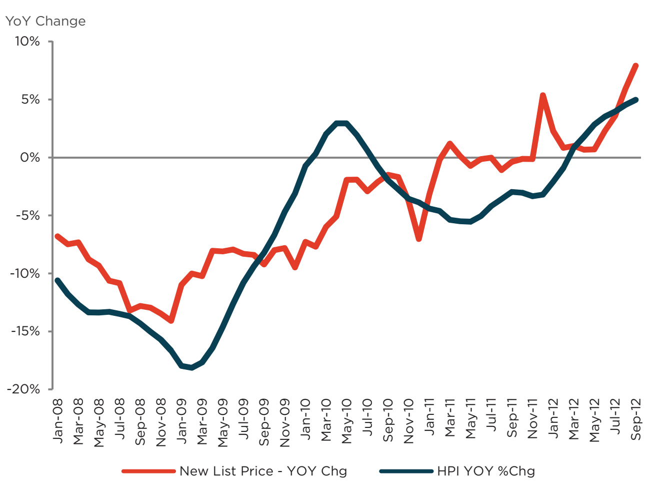
Source: CoreLogic September 2012

NEW LISTING/SOLD LISTING PRICE DISCOUNT



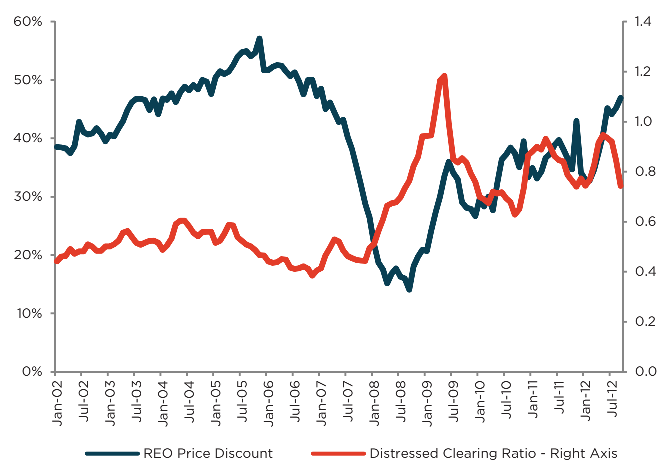
Source: CoreLogic September 2012

NEW LIST PRICE



Source: CoreLogic September 2012

REO DISCOUNT



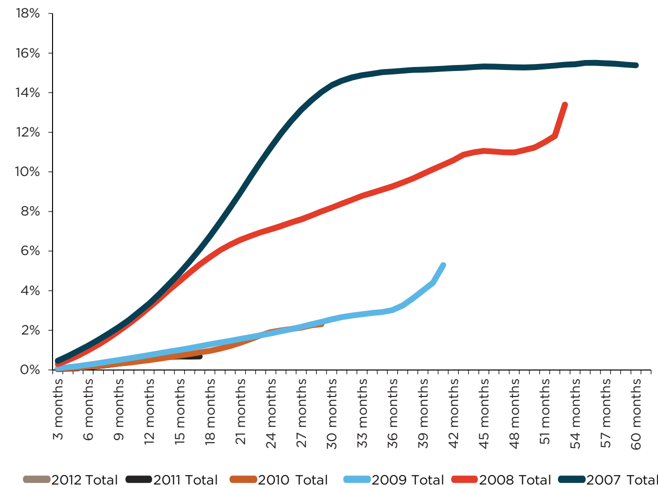
Source: CoreLogic September 2012

Mortgage Performance

- As of September 2012, the share of outstanding mortgages that are seriously delinquent (90 days past due, in foreclosure, or REO) decreased to 6.7 percent of all outstanding mortgages. The serious delinquency rate illustrates a 10.2 percent decrease from a year ago. The year-over-year serious delinquent rate has declined for 23 consecutive months. The national foreclosure rate stands at 3.3 percent, a 9.2 percent decrease from a year ago. Florida and Nevada have the highest serious delinquency rates in the country; however, both states show an improvement in serious delinquency compared to a year ago.
- Approximately 1.3 million homes, or 3.3 percent of all homes with a mortgage, were in the inventory of foreclosed homes as of September 2012 compared to 1.5 million, or 3.5 percent, in September 2011. The five states with the highest number of completed foreclosures for the 12 months ending September 2012 were: California (108,000), Florida (92,000), Texas (59,000), Georgia (55,000) and Michigan (51,000). These five states account for 47.7 percent of all completed foreclosures nationally.

CONFORMING PRIME SERIOUS DELINQUENCY RATE

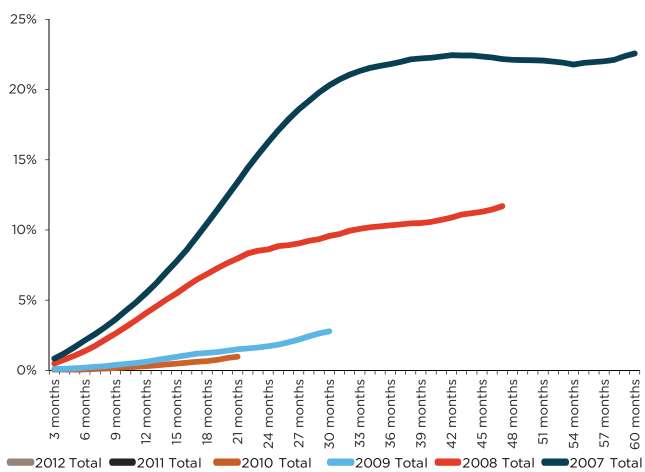
By Origination Year



Source: CoreLogic August 2012

JUMBO PRIME SERIOUS DELINQUENCY RATE

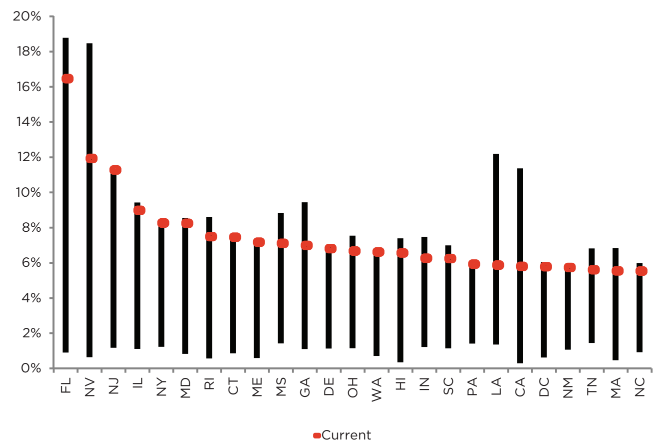
By Origination Year



Source: CoreLogic August 2012

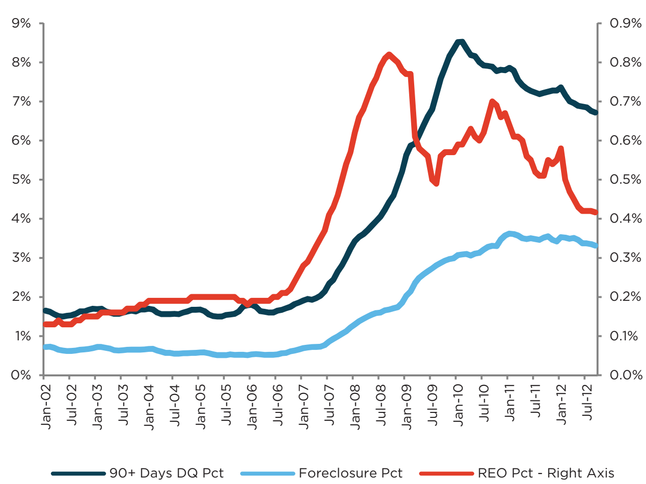
SERIOUS DELINQUENCIES FOR 25 HIGHEST RATE STATES

Min, Max, Current since January 2000



Source: CoreLogic September 2012

OVERALL MORTGAGE PERFORMANCE

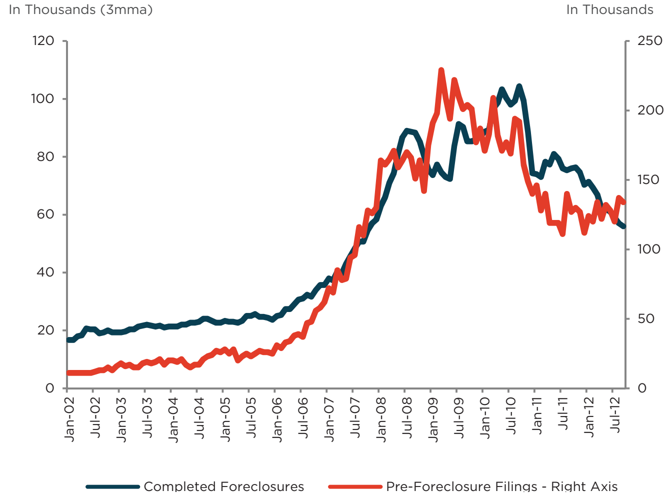


Source: CoreLogic September 2012

PRE-FORECLOSURE FILINGS AND COMPLETED FORECLOSURES

In Thousands (3mma)

In Thousands

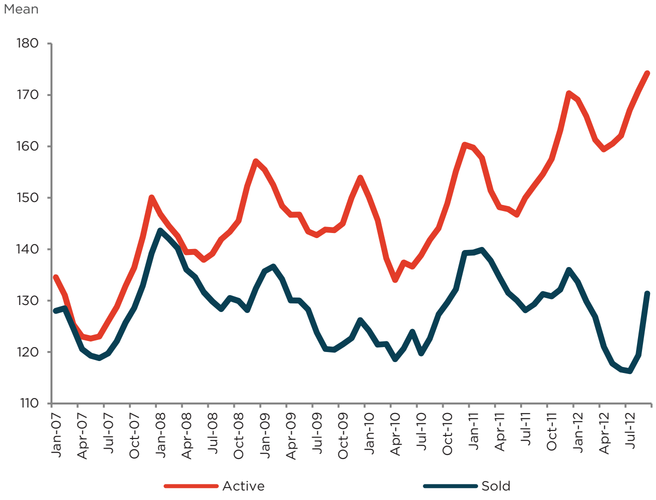


Source: CoreLogic September 2012

Home Sales

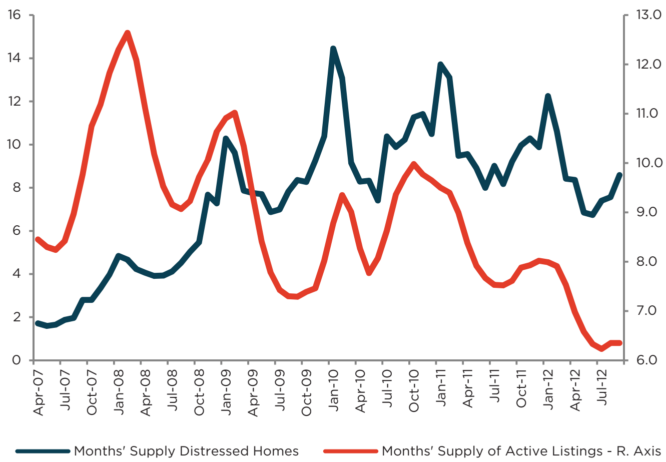
- Total year-over-year home sales for September 2012 decreased by just under 4 percent. The five states with the highest distressed sales share were: Nevada (42.6 percent), California (33.2 percent), Michigan (32.5 percent), Florida (26.8 percent) and Arizona (26 percent).
- The nationwide distressed sales share is at the lowest level since the start of the housing crisis and now stands at 20.2 percent of all sales during the month of September 2012. REO sales (a component of distressed sales) accounts for less than 11 percent of all sales. REO sales show a 37 percent drop on a year-over-year basis, and short sales show a 14 percent year-over-year increase. Both measurements indicate a healthier home sales market over the past year.

CUMULATIVE DAYS ON MARKET



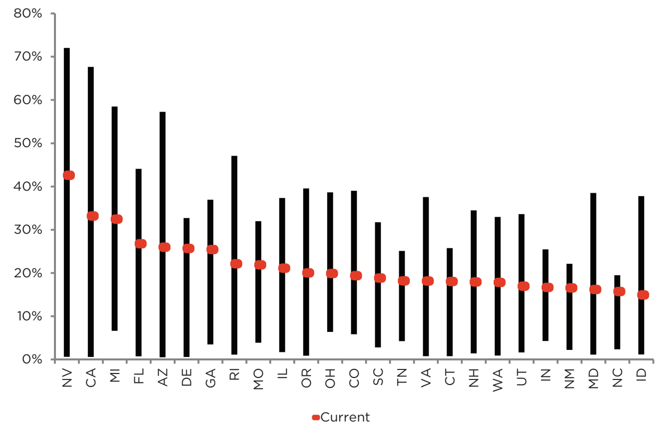
Source: CoreLogic September 2012

MONTHS' SUPPLY



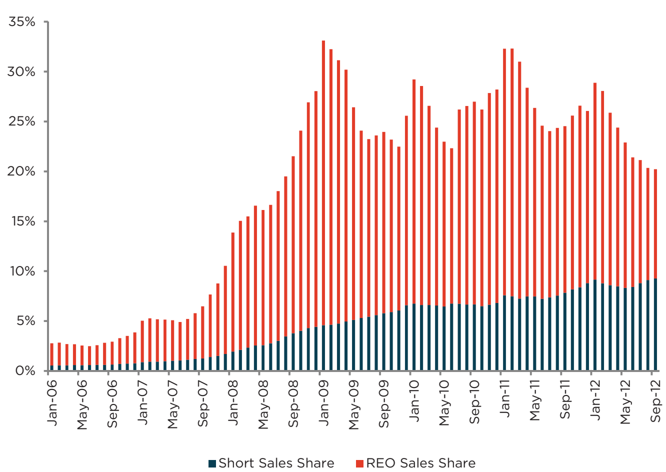
Source: CoreLogic September 2012

DISTRESSED SALE SHARE FOR 25 HIGHEST RATE STATES



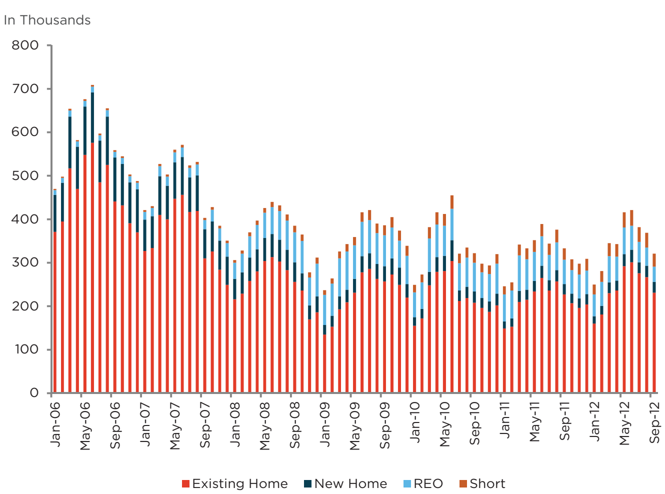
Source: CoreLogic September 2012

DISTRESSED SALES AS PERCENTAGE OF TOTAL SALES



Source: CoreLogic September 2012

SALES BY SALE TYPE



Source: CoreLogic September 2012

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 or decrease in HPI single family combined series over a month ago.
HPI YoY	Percent increase or decrease in HPI single family combined series over a year ago.
HPI MoM Excluding Distressed	Percent increase or decrease in HPI single family combined excluding distressed series over a month ago.
HPI YoY Excluding Distressed	Percent increase or decrease 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).
Completed Foreclosures	A completed foreclosure occurs when a property is auctioned and results in either the purchase of the home at auction or the property is taken by the lender as part of their Real Estate Owned (REO) inventory.
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 estimated unpaid principal balance. If the mortgage debt is greater than the current value, the property is considered to be in a negative equity position.
Months' Supply Distressed Homes	The number of months it would take to sell all homes currently in distress of 90 days past due or more based on the current sales pace.
Total Sales YoY Change 12-month sum	Percent increase or decrease in current 12 months of total sales over prior 12 months of total sales.
Distressed Clearing Ratio	Represents REO sales divided by Completed Foreclosures.
Listing Price Discount	Percentage calculated by dividing the mean new listing price by the mean sold listing price.
Cumulative DOM Mean YoY Change	Percent increase or decrease in cumulative days on market (DOM) for listings active at the end of the month.
Cumulative Sold DOM Mean YoY Change	Percent increase or decrease in cumulative days on market (DOM) for listings sold during the month.
Months' Supply of Active Listings	Active Listings divided by 12-month average of sold listings for a given month.

Source: CoreLogic

FOR MORE INFORMATION PLEASE CALL 1-415-536-3500

17-MKTPLSE-1112-01

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