MORTGAGE MONITOR

BLACK KNIGHT®

AUGUST 2021 REPORT

MORTGAGE MONITOR

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AUGUST 2021 OVERVIEW

Each month, the Black Knight Mortgage Monitor looks at a variety of issues related to the mortgage finance and housing industries.

As always, we begin with a review of some of the high-level mortgage performance statistics reported in our most recent First Look report. From there we dive deeper into some key August mortgage performance metrics to get a clearer sense of the current delinquency landscape, including levels of new inflow and delinquency roll rates.

Next, we revisit the forbearance landscape to take a closer look at plan volumes as well as starts, removals, extensions and now, final exits as well. We also break down the population of post-forbearance borrowers to see how they're performing on their mortgages, including newly detailed looks at post-forbearance performance based on exit month, investor class and pre-COVID delinquency status. Finally, we look at the latest home price trends, leveraging August data from the Black Knight HPI and daily home price data through mid-September from our Collateral Analytics group. We also look at how rising prices coupled with the current interest rate environment have affected home affordability.

In producing the Mortgage Monitor, Black Knight's Data & Analytics division aggregates, analyzes and reports upon the most recently available data from the company's vast mortgage and housing related data assets. Information is gathered from the McDash loan-level mortgage performance dataset, Collateral Analytics home price trends data, origination and secondary market metrics from the company's Secondary Marketing Technologies division, eMBS agency securities data and the company's robust public records database covering 99.9% of the U.S. population. For more information on gaining access to Black Knight's data assets, please call 844-474-2537 or email mortgage.monitor@bkfs.com.

MORTGAGE MONITOR

AUGUST 2021 FIRST LOOK

Here we have an overview of findings from Black Knight's First Look at August mortgage performance data. This information has been compiled from Black Knight's McDash loan-level mortgage performance database. Click on each chart to see its contents in high-resolution.

AUGUST OVERVIEW STATS

3.5%

DELINQUENCY RATE

The national delinquency rate on first lien mortgages fell to 4% in August

This is the lowest point since the pandemic first caused delinquencies to spike in early 2020

2.9K

FORECLOSURE STARTS

August's 7.1K starts were the most in eight months, following foreclosure moratoria lifting at the end of July

Despite the increase, start volumes remain 80% below August 2019 levels

8.6%

PREPAYMENT RATE

Interest rates – which have held below 3% in recent months – continue to spur both refinance and purchase activity

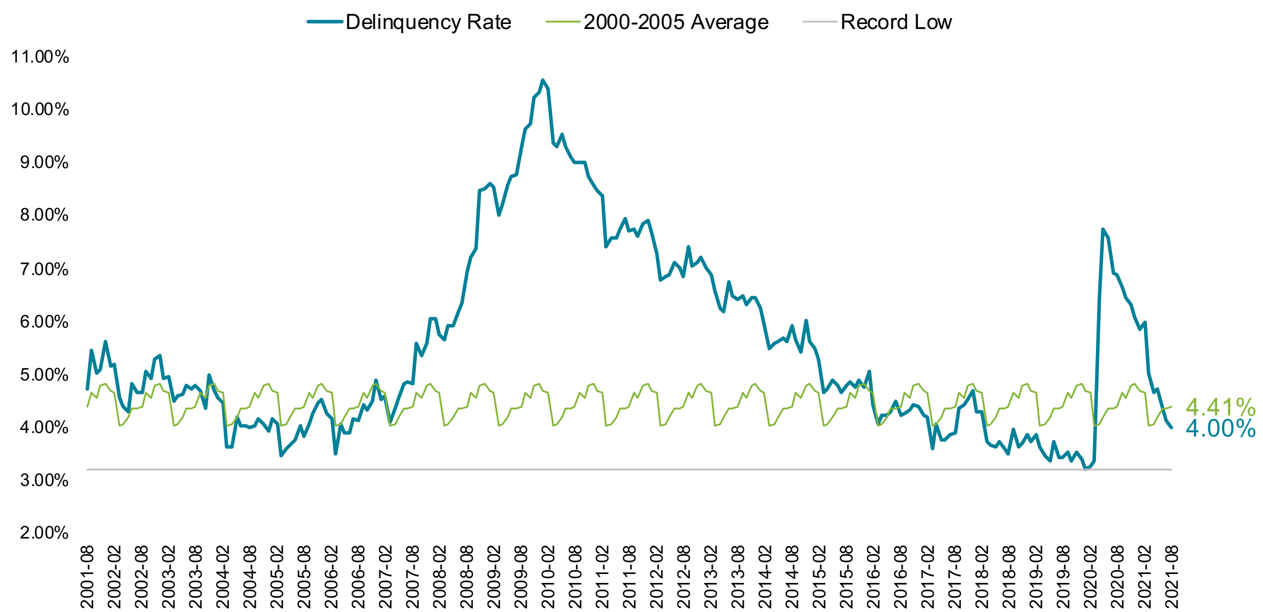
Even with August's nearly 9% rise, prepayments are still down more than 18% from the same time last year

August's increase in foreclosure starts was almost solely driven by servicers restarting the process on loans that had already been in foreclosure prior to the COVID-19 federal moratoria.

AUGUST 2021 PERFORMANCE HIGHLIGHTS

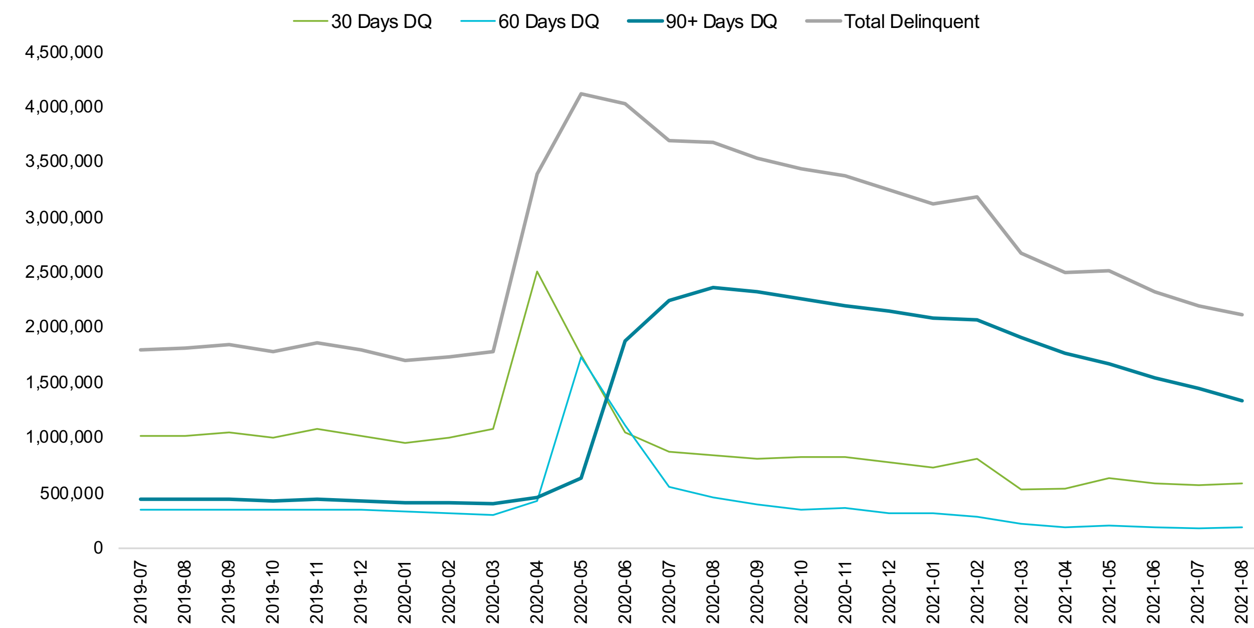
Here we look at some key August mortgage performance metrics to get a clearer sense of the current delinquency landscape, including levels of new inflow and delinquency roll rates. This information has been compiled from both Black Knight's original McDash loan-level mortgage performance database and its McDash Flash daily performance data. Click on each chart to see its contents in high-resolution.

NATIONAL DELINQUENCY RATE – FIRST LIEN MORTGAGES



Source: Black Knight, McDash

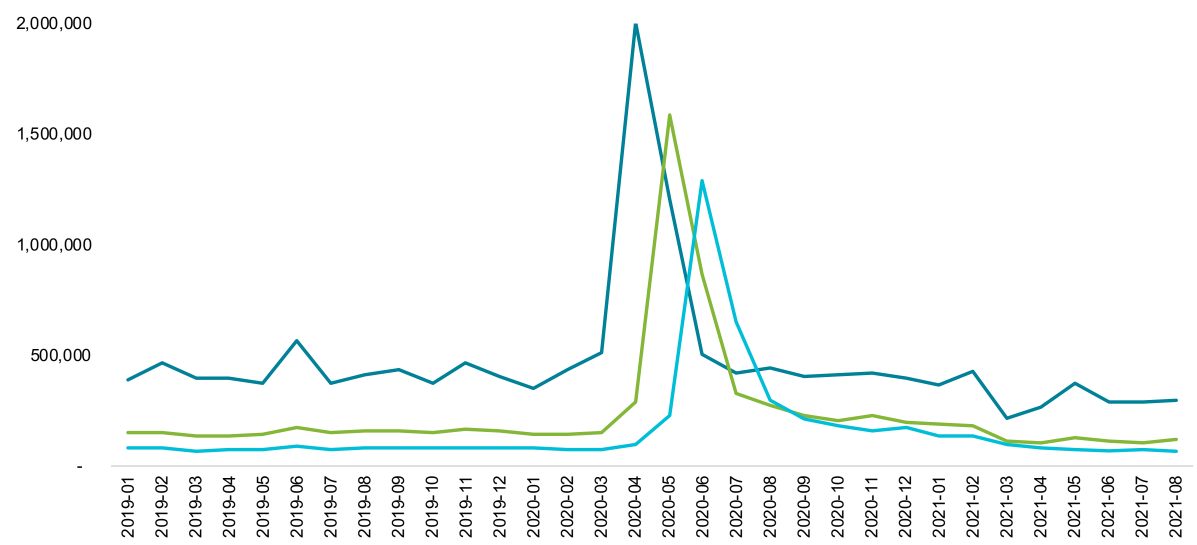
MORTGAGE DELINQUENCIES BY SEVERITY



Source: Black Knight, McDash

- » At 4% in August, the national mortgage delinquency rate is now at its lowest level since the onset of the pandemic early last year
- » A 108K loan decline in serious delinquencies in August was partially offset by 14K and 11K rises in 30-day and 60-day delinquencies, respectively
- » Despite the overall improvement, serious delinquencies remain more than 3X (+930K) pre-pandemic levels, while early-stage delinquencies (30/60 days) remain approximately 40% below pre-pandemic levels
- » At the current rate of improvement, the overall national delinquency rate would be on pace to return to pre-pandemic levels by early 2022
- » While August's 7% decline in serious delinquencies was right on pace with the three- and six-month average improvement, those numbers could shift significantly as the first wave of borrowers face their final exits from forbearance plans in the coming months

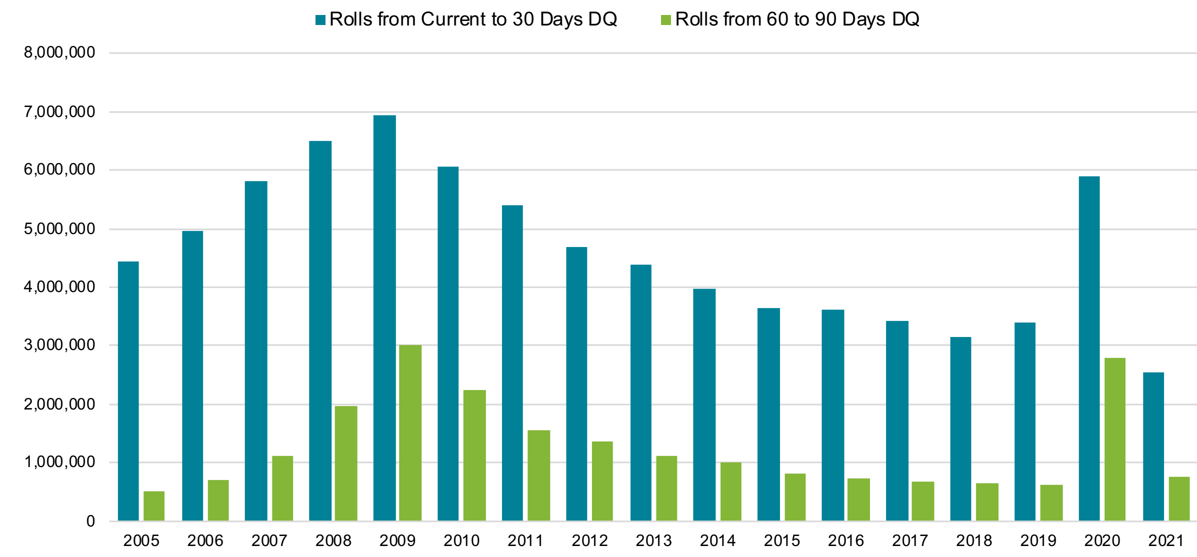
LOANS ROLLING TO A MORE DELINQUENT STATUS



Source: Black Knight, McDash

NEW MORTGAGE DELINQUENCIES

(THROUGH AUGUST OF EACH YEAR)



Source: Black Knight, McDash

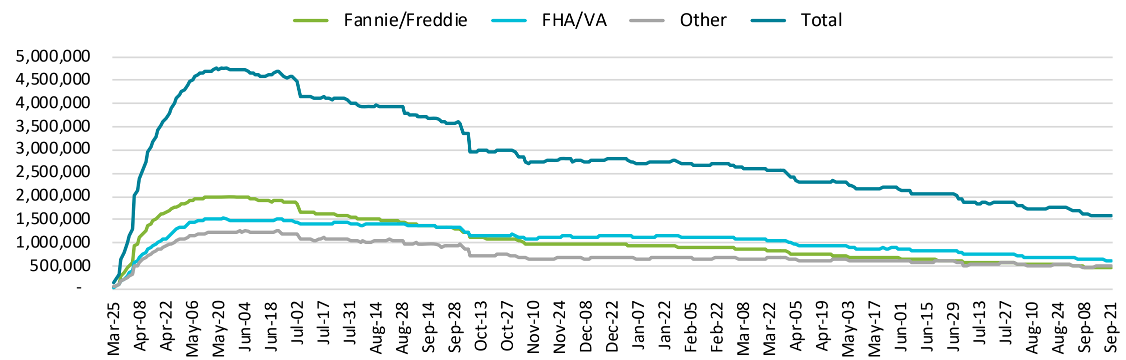
- » While the inflow of new delinquencies edged slightly higher in August, volumes remain historically low
- » The month's 300K new delinquencies are down 28% from August 2019's pre-pandemic level, with inflow coming in at or below pre-pandemic levels in every month so far in 2021
- » In fact, only 2.5M loans have rolled from current to 30-days delinquent over the first eight months of 2021 – the lowest volume in more than 15 years
- » Also noteworthy is that, while the inflow of new delinquencies is at its lowest level on record, the number of borrowers that are becoming 90-days delinquent remains elevated
- » 750K borrowers became 90-days past due over the first eight months of the year, more than 18% above 2019's pre-pandemic levels
- » Widespread forbearance participation may explain this behavior, with fewer borrowers becoming delinquent but more of those who do rolling to later stages of delinquency as they take advantage of available forbearance options

MORTGAGE MONITOR

AUGUST 2021 FORBEARANCE ACTIVITY

Here we look at forbearance volumes – including plan starts, removals and extensions. We also break down the post-forbearance population to see how they're performing on their mortgages. This information has been compiled from Black Knight's original McDash loan-level mortgage performance database as well as the daily McDash Flash dataset. Click on each chart to see its contents in high-resolution.

ACTIVE FORBEARANCE PLANS

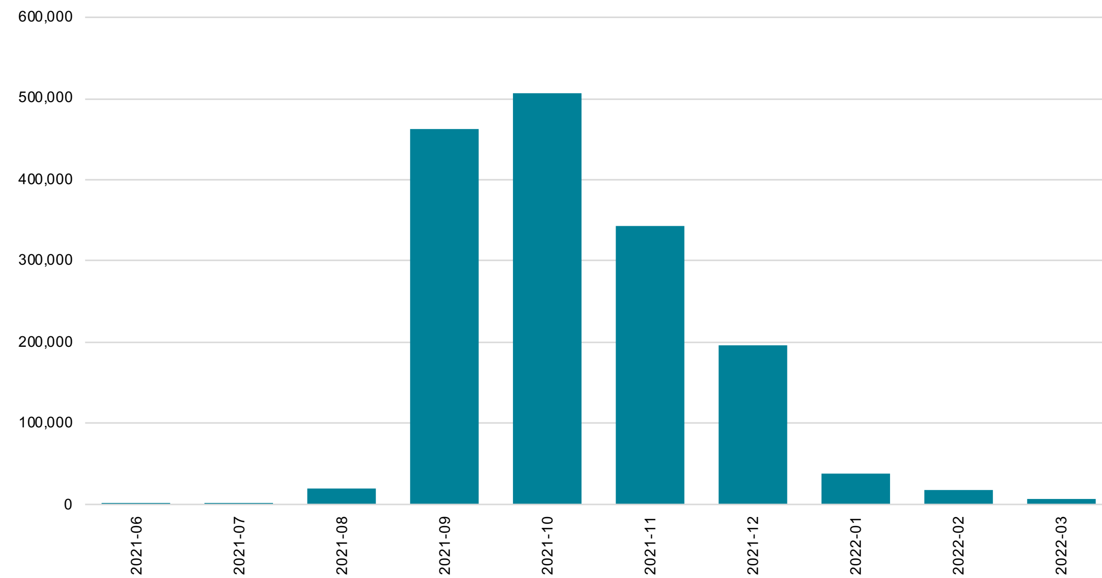


Source: McDash Flash, Data as of Sept. 21, 2021

	Fannie & Freddie	FHA & VA	Other**	Total
Loans in Forbearance*	463,000	624,000	491,000	1,578,000
UPB of Loans in Forbearance ($Bil)*	$95	$105	$104	$303
Share of Loans in Forbearance*	1.7%	5.2%	3.8%	3.0%
Active Loan Count (Mil)*	27.9	12.1	13.0	53.0

*Figures in this report are based on observations from Black Knight's McDash Flash dataset and are extrapolated to estimate the full mortgage market
**Other category includes held in portfolios, private labeled securities, or by other entities

SCHEDULED FORBEARANCE PLAN EXPIRATIONS

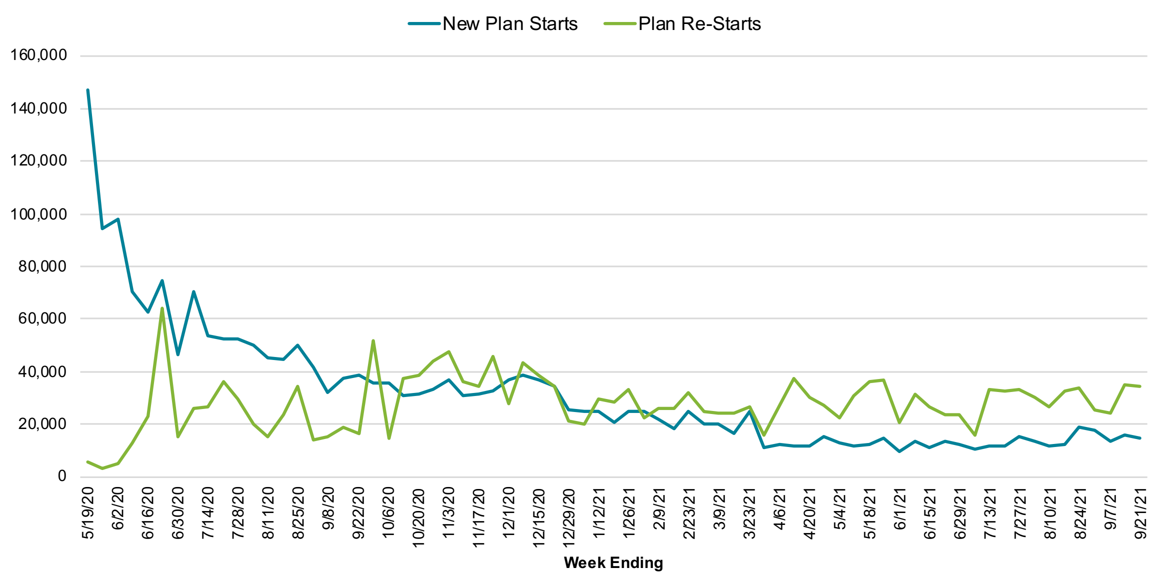


Source: McDash Flash
Scheduled Forbearance Plan Expirations above represent the expiration date listed in the servicing system of record. These dates in many cases represent the next scheduled quarterly review for extension/removal from forbearance and do not necessarily represent the final (i.e., 18-month) expiration of the plan

- Overall, forbearance volumes continue to slowly decline, with the number of active COVID-19 related plans falling below 1.6M in September for the first time since the onset of the pandemic
- Plan volumes are likely poised to see significant fluctuation in coming weeks/months as many early forbearance entrants reach the end of their allowable terms
- As of Sept. 21, more than 460K plans are still slated for review for extension or removal by month's end, with nearly 75% estimated to be reaching their final expirations based on current agency guidelines
- Another 500K plans are slated for review in October with 40% estimated to be reaching their final expirations
- Black Knight will continue to watch forbearance volumes, exit rates and post-forbearance performance, along with other downstream metrics (foreclosure starts, homes being listed for sale, etc.), for any signs of stress in the market

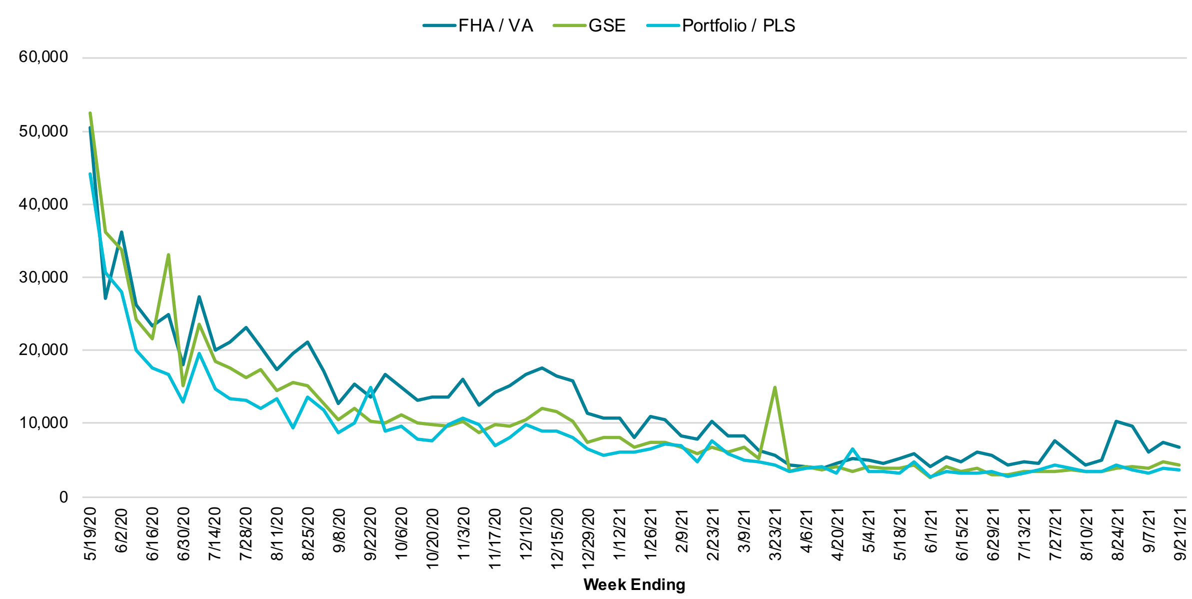
AUGUST 2021 FORBEARANCE ACTIVITY

FORBEARANCE PLAN STARTS



Source: McDash Flash

NEW FORBEARANCE PLAN STARTS BY INVESTOR



Source: McDash Flash

» While volumes remain low, new forbearance plan starts since mid-August are up more than 25% from the preceding 5-week period

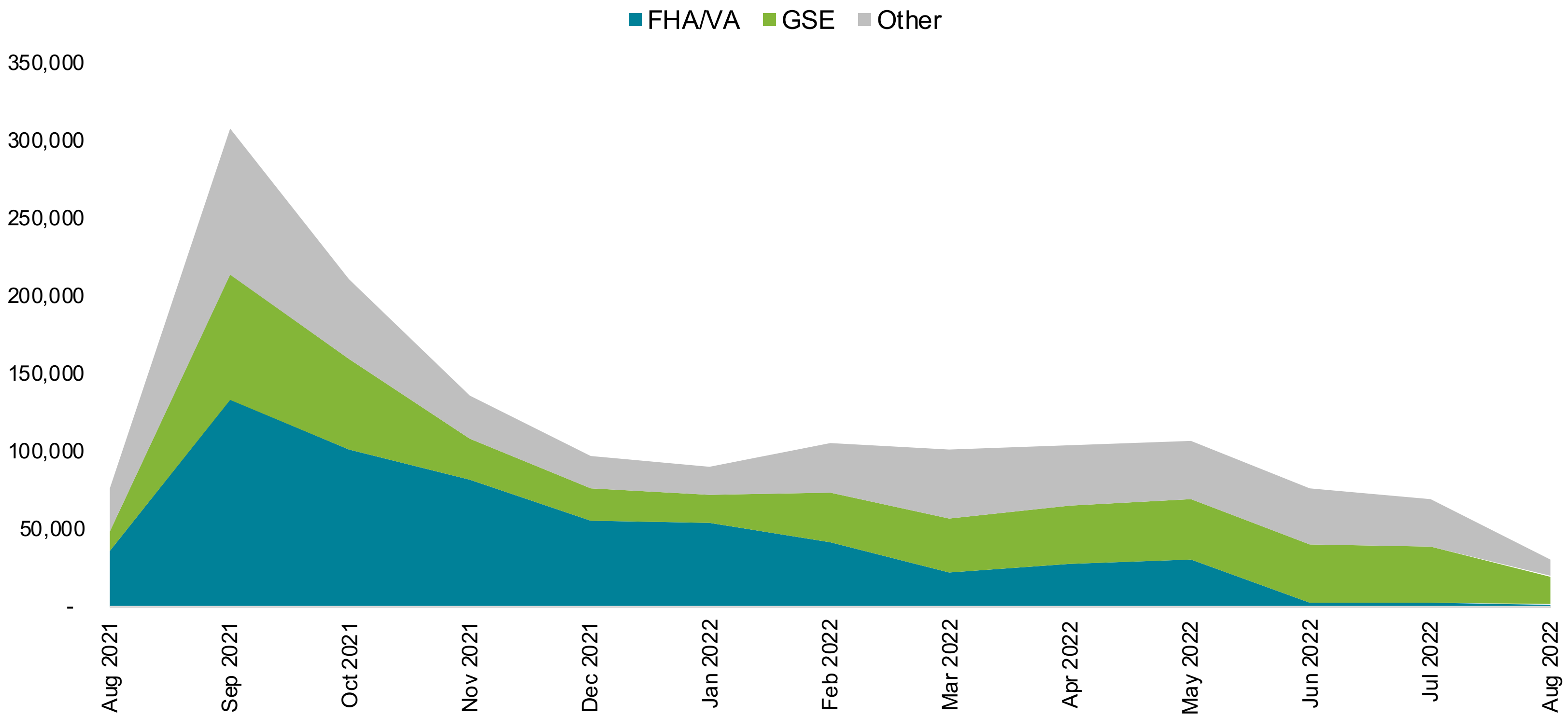
» Analyzing start volumes by investor class, we see that the rise in starts is almost entirely driven by a rise in new plans among FHA and VA loans

» Rising Delta variant case rates may be a factor, but given the rise is centered specifically around FHA and VA plan starts, it's more likely due to the previously scheduled – but since eliminated – Sept. 30 deadline for borrowers in such loans to request COVID-19 related forbearance

» No such deadline has yet been set for borrowers in GSE mortgages, which haven't seen a similar rise in new plan requests

AUGUST 2021 FORBEARANCE ACTIVITY

FINAL EXPIRATION DATES OF ACTIVE FORBEARANCE PLANS
(BASED ON CURRENT HUD & FHFA FORBEARANCE TERM MATRIX)



Source: McDash Flash
Estimated expiration volumes above are based maximum forbearance terms by start month published by FHFA, FHA, VA, and USDA along with forbearance volumes by start month reported through Black Knight's McDash Flash dataset.

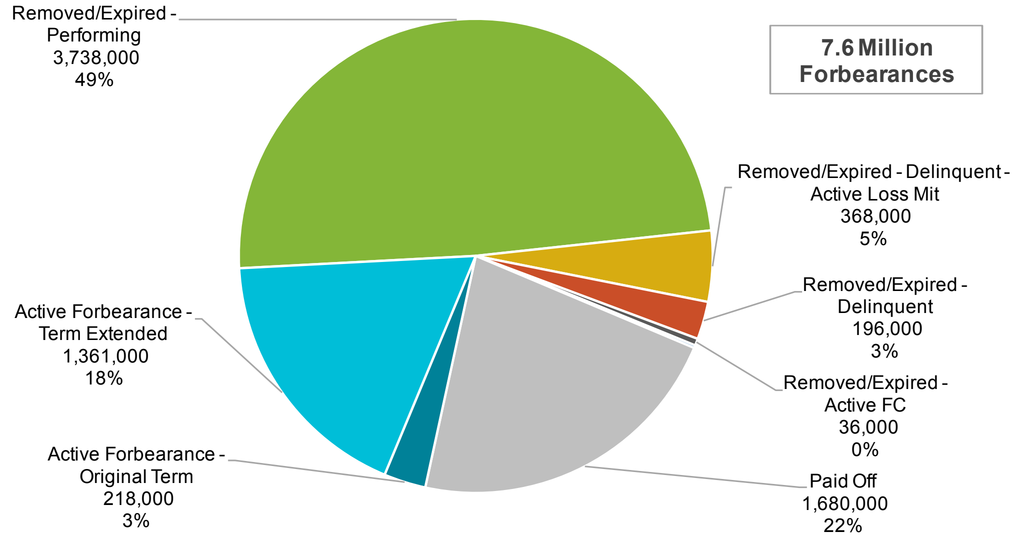
Maximum allowable forbearance terms for portfolio and PLS loans may vary by servicer. For this analysis, FHFA guidelines were used to estimate expiration volumes and timing for portfolio and PLS loans.

Given the large volume of expiration activity slated for the next 45 days, both forbearance volumes and post-forbearance performance will be worth watching closely

- Entering the final week of the month, more than 300K active forbearance plans are slated to expire at the end of September according to the latest agency guidelines
- An additional 210K active plans are set to reach their final expirations at the end of October, with another 137K in November
- All in, including plans that have already expired according to agency guidelines, more than 850K active plans hit their final expirations in 2021
- That includes more than 425K (nearly 70% of) FHA/VA plans, 200K (44% of) GSE plans, and 235K (nearly 50% of) portfolio and PLS forbearance plans

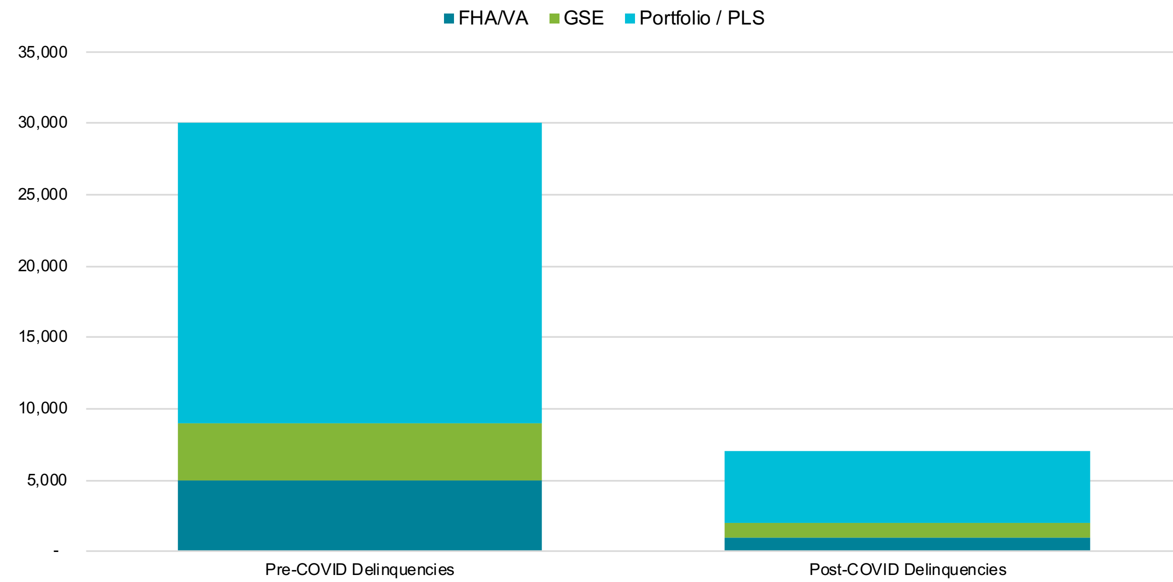
CURRENT STATUS OF COVID-19 RELATED FORBEARANCES

(STATUS AS OF SEPTEMBER 21ST 2021)



Source: McDash Flash

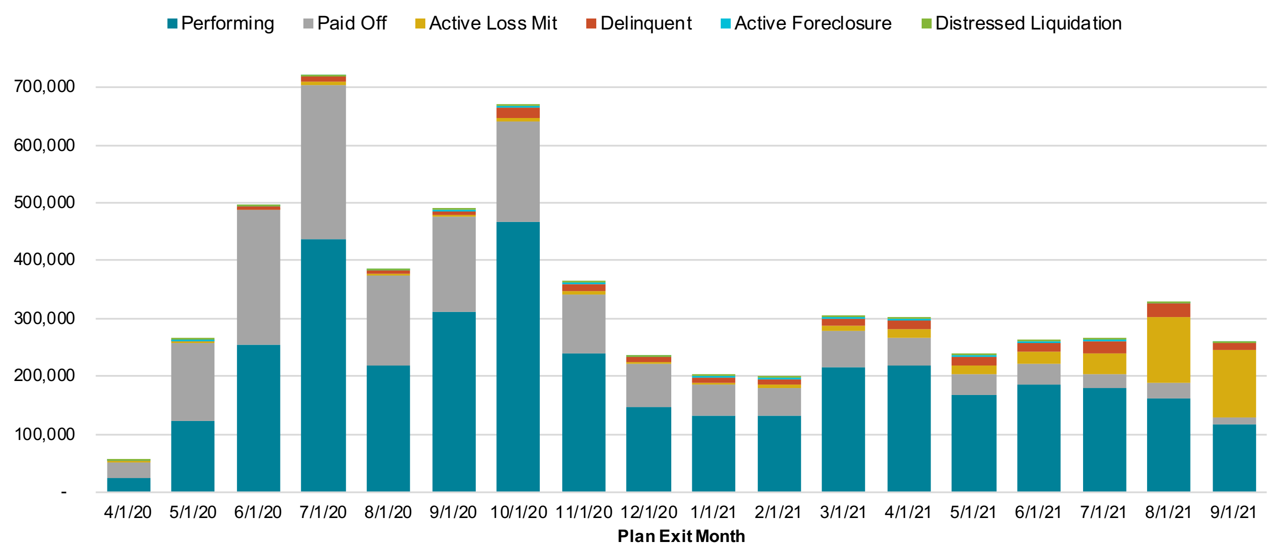
LOANS IN ACTIVE FORECLOSURE POST FORBEARANCE



Source: McDash Flash
Loans in active foreclosure identified based on foreclosure flagging in servicing system of record

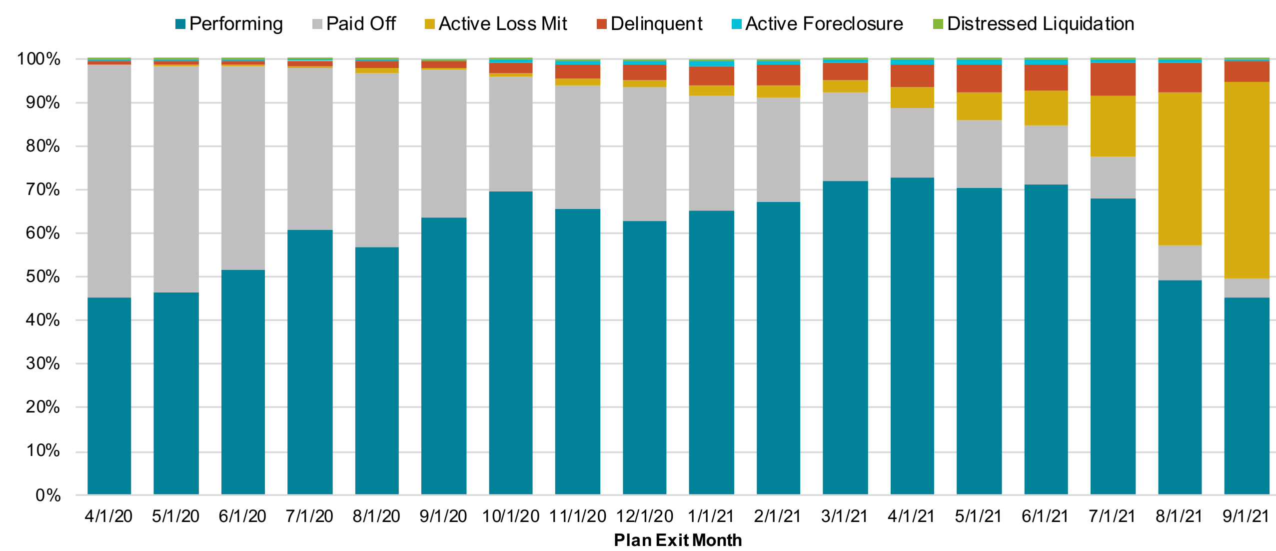
- Approximately 7.6M borrowers have been in COVID-19 related forbearance at some point during the pandemic, representing approximately 15% of all U.S. mortgage holders
- 79% have exited their plans, with 71% of borrowers once in forbearance either reperforming on their mortgage (49%) or having paid off their loan (22%) through either refinance or the sale of their home
- 5% (368K) remain in loss mitigation, while 3% (232K) are either delinquent (196K) or have been referred to foreclosure (36K)
- Pre-COVID delinquencies and non-agency mortgages continue to make up the bulk of active foreclosure activity, with most referrals having taken place prior to the moratoria expiring on July 31, 2021

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



Source: McDash Flash

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

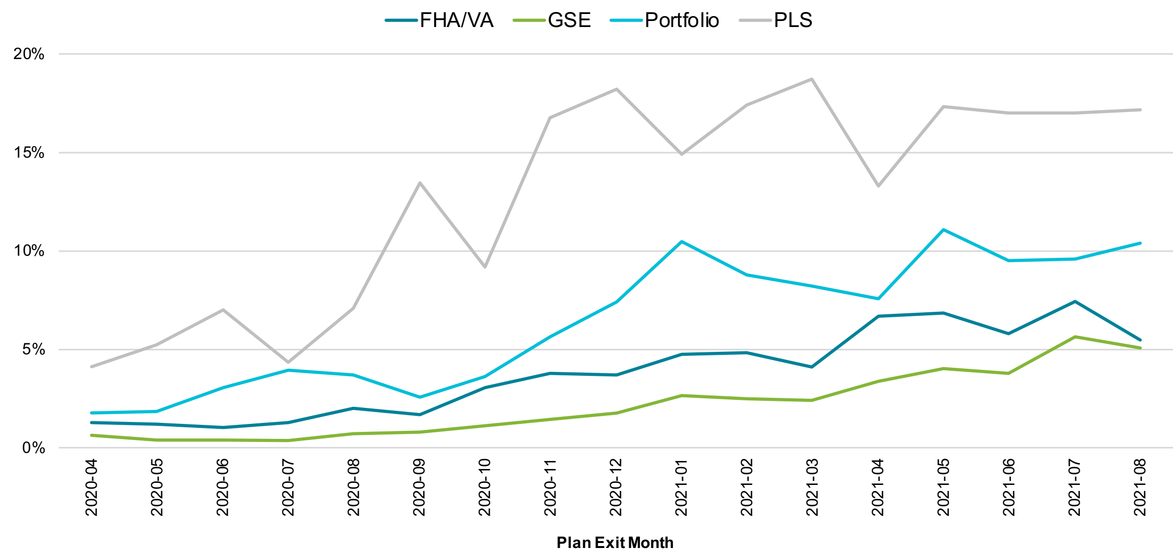


Source: McDash Flash

- Nearly 3.7M borrowers exited forbearance plans in 2020, with the largest volumes in July and October as early entrants reached the three- and six- month points in their plans
- Exit volumes tapered off in early 2021, but picked up with 338K exits in August, and are expected to rise in coming months as early plan entrants reach their final expirations
- Post-forbearance performance among those who've exited has varied, with borrowers who remained in plans longer – and exited later – having more trouble getting back to making payments

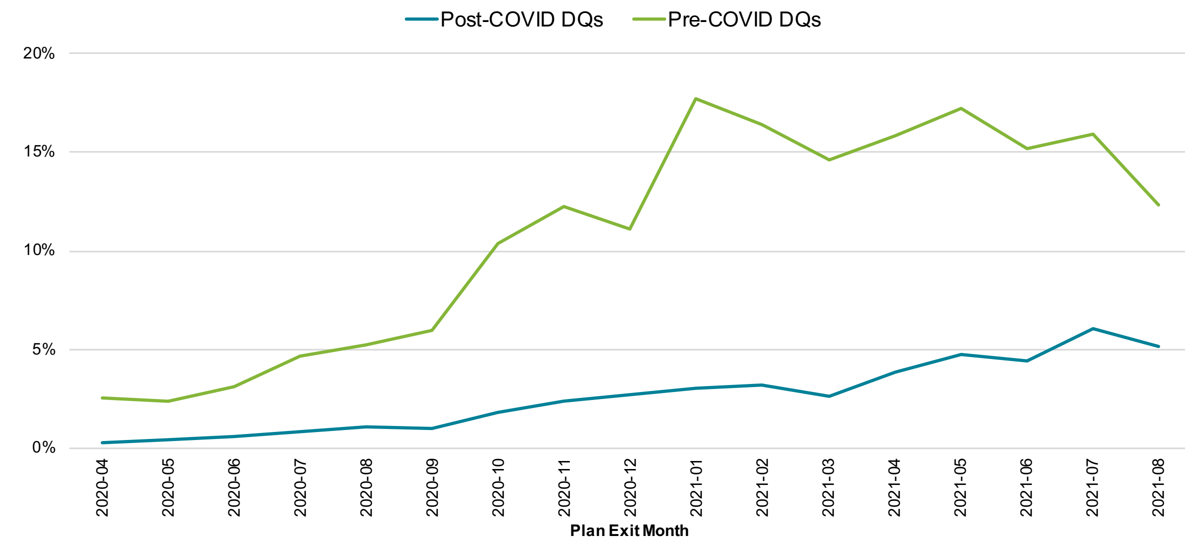
- A large share of recent exits remains in active loss mitigation, working through post-forbearance options, so it will be a few weeks before August/September exit performance trends become more discernible
- That said, a clear pattern has emerged: the longer borrowers remain in forbearance, the higher the post-forbearance non-performance rate, with the current high-water mark the 9% non-performance rate seen among July plan exits
- Non-performance rates among those borrowers facing final plan expirations in coming months will dictate the ultimate downstream impacts on both foreclosure activity as well as the broader housing market

NON-PERFORMANCE RATE OF LOANS THAT HAVE LEFT FORBEARANCE BY EXIT MONTH



Source: McDash Flash

NON-PERFORMANCE RATE OF LOANS THAT HAVE LEFT FORBEARANCE BY EXIT MONTH

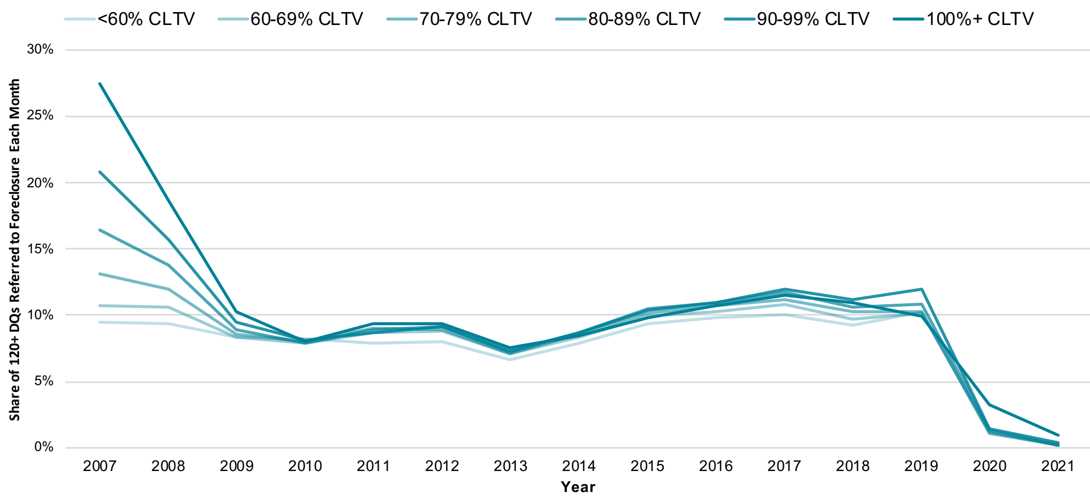


Source: McDash Flash

- Among PLS loans, nearly one in six homeowners who've left forbearance plans over the past nine months is no longer in loss mitigation but still past due on their mortgage
- It's closer to one in 10 for portfolio-held mortgages, and had been less than one in 20 among GSE borrowers until July/August, when the share edged slightly higher
- The non-performance rate among recent FHA/VA exits in recent months currently stands at roughly 6%, but that could continue to fluctuate and/or rise as those who stayed in their plans for the full allowable term face final expirations

- Significant variations are also seen between borrowers who became past due in the wake of the pandemic and those who were already delinquent prior to its onset, with the non-performance rate of the latter 3-5X higher on average
- That said, given those borrowers were already struggling to make mortgage payments prior to the pandemic, the fact that more than 80% are currently re-performing could be seen in a positive light

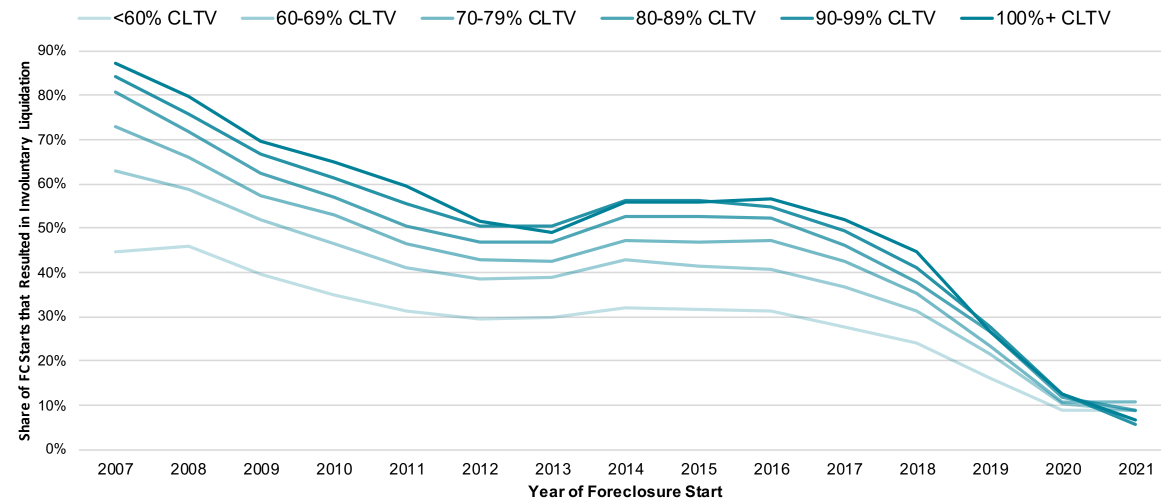
SHARE OF 120+ DAY DELINQUENCIES REFERRED TO FORECLOSURE EACH MONTH BY CURRENT CLTV



Source: McDash Property Module

SHARE OF FORECLOSURE STARTS THAT HAVE RESULTED IN INVOLUNTARY LIQUIDATION

(BY CLTV AT THE TIME OF FORECLOSURE START)



Source: McDash Property Module

- Current CLTVs represent borrowers equity position at the time of foreclosure start; Chart reflects current status of historical foreclosure starts as of June 2021
- Involuntary liquidation rates are lower among foreclosure starts in recent years due to a combination of factors including credit quality, shorter length of time since foreclosure was initiated, and moratoriums that have limited downstream foreclosure actions for much of 2020 and 2021

» An analysis of our McDash loan-level mortgage performance dataset back to 2007 shows that holding equity in one's home might not be a blanket backstop to foreclosure activity

» Though **Black Knight research** shows just 7% of homeowners in forbearance have less than 10% equity after including 18 months of deferred payments, the potential for foreclosure activity – and ultimately, distressed liquidations – persists regardless

» While homeowners with limited equity were much more likely to be referred to foreclosure during the early stages of the Great Recession, start rates on 120+ day delinquencies have been relatively similar regardless of equity position from 2010 on

» However, high-equity borrowers are more than 40% less likely to face the involuntary liquidation of their home (via short sale, foreclosure sale, deed-in-lieu, etc.) than borrowers with weaker equity positions

» But even among borrowers with less than a 60% combined loan-to-value ratio, 30% of those referred to foreclosure ultimately faced involuntary liquidation, suggesting that many who could sell to avoid losing their home to foreclosure are not always doing so

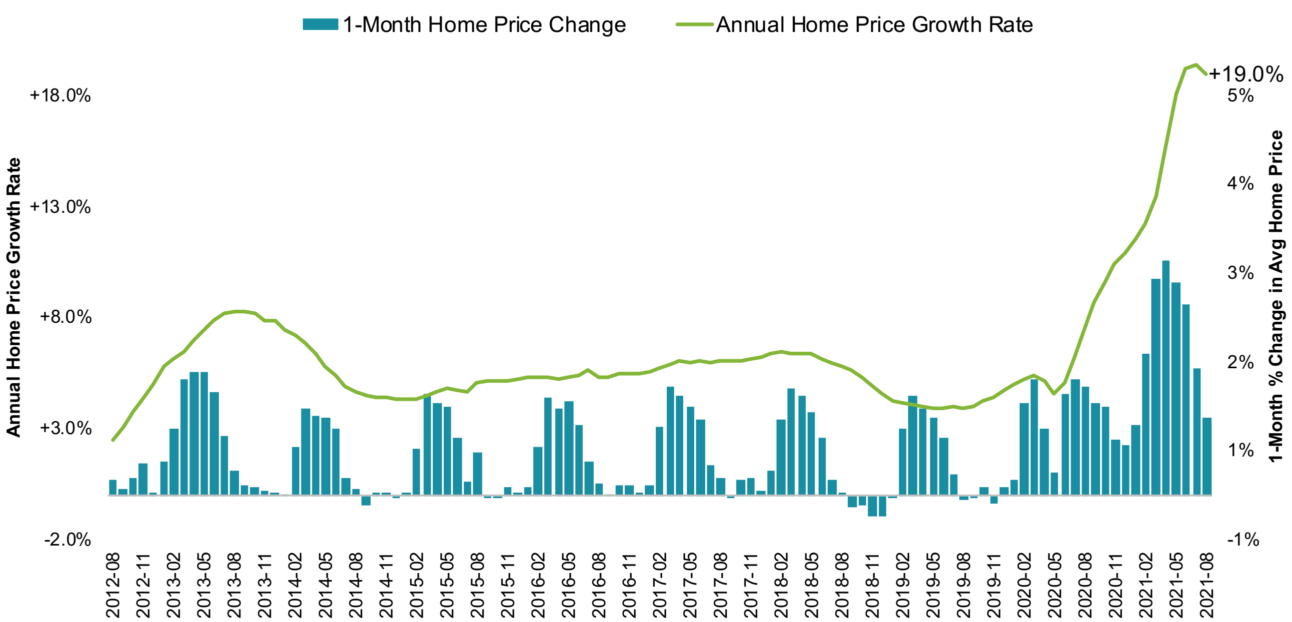
» Given the large number of high-equity homeowners currently struggling to make their payments, this represents a significant challenge for the industry: how to educate struggling homeowners on the post-forbearance, foreclosure and – if needed – home sale processes, to limit unneeded stress on homeowners and the market alike

MORTGAGE MONITOR

AUGUST 2021 HOME PRICES & AFFORDABILITY

Here we look at the latest home price trends, as well as how rising prices coupled with the current interest rate environment have affected home affordability. This information has been compiled from the Black Knight Home Price Index, daily home price tracking data from its Collateral Analytics group and the McDash loan-level mortgage performance database. Click on each chart to see its contents in high-resolution.

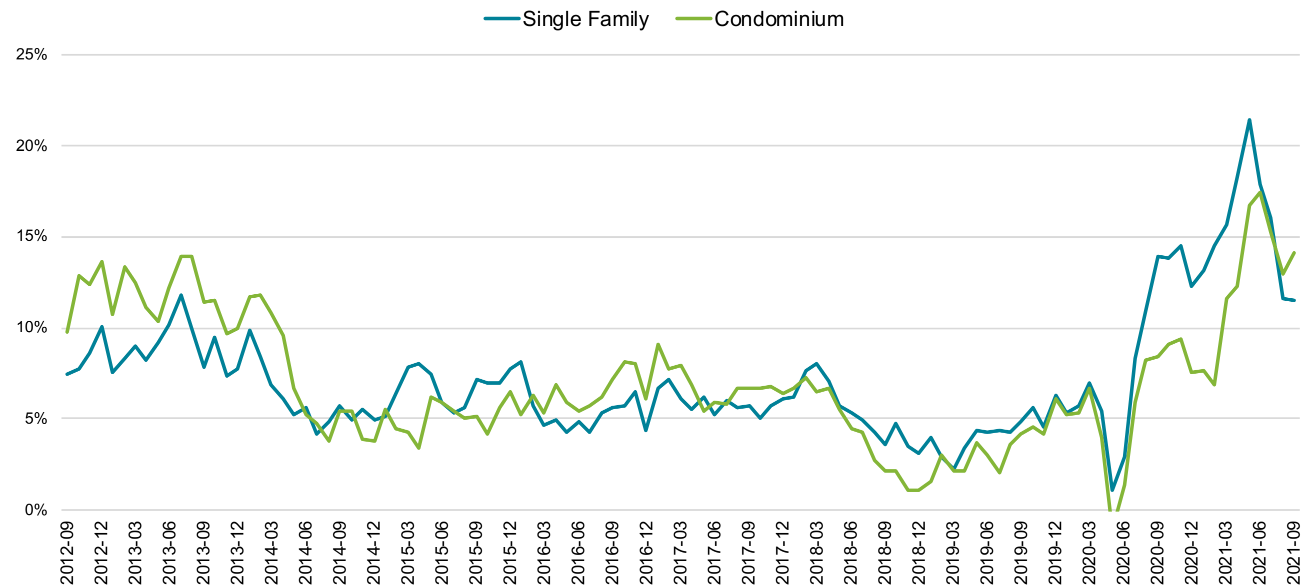
BLACK KNIGHT HOME PRICE INDEX



Source: Black Knight Home Price Index

YEAR-OVER-YEAR CHANGE IN MEDIAN SALES PRICE

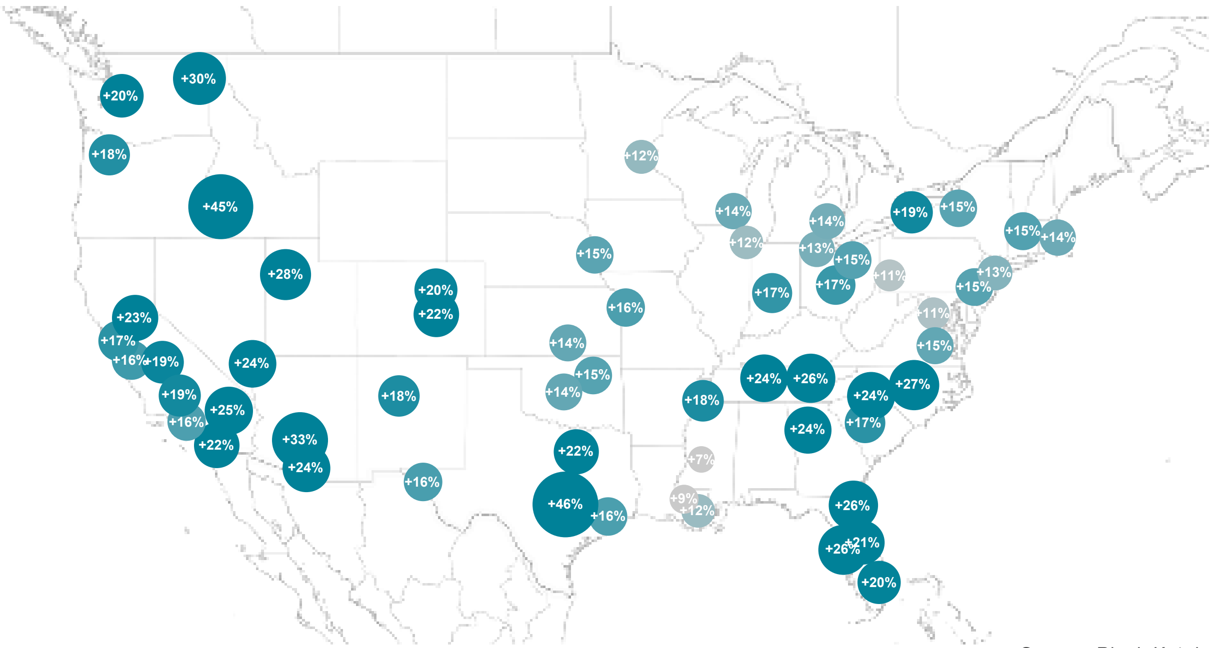
(BY CLTV AT THE TIME OF FORECLOSURE START)



Source: Collateral Analytics

- According to the Black Knight HPI, annual home price growth slowed from an all-time-high of 19.4% in July to 19% in August, marking the first decline in the rate of annual appreciation in 15 months
- Annual growth has declined among both single-family residences (SFRs) as well as condos, with SFRs falling slightly from 20% to 19.6% and condos edging marginally lower from 15.3% to 15.2%
- While still exhibiting strong growth, this may be a sign of a broader downshift in the housing market
- Daily tracking data from our Collateral Analytics group suggests further cooling in September as well with the median SFR sales price through the first half of the month up a much more modest 11.5% Y/Y, marking the slowest annual growth in more than a year
- Despite the slowing, the average home price still rose by 0.9% in August alone, and while that's the lowest monthly growth observed by the Black Knight HPI since January 2021, it's still roughly twice the historical monthly appreciation rate for August
- September through January typically coincide with a seasonal lull in home price growth, and with affordability beginning to tighten, we could see growth continue to simmer in coming months

ANNUAL HOME PRICE GROWTH RATE
(AUGUST 2021)

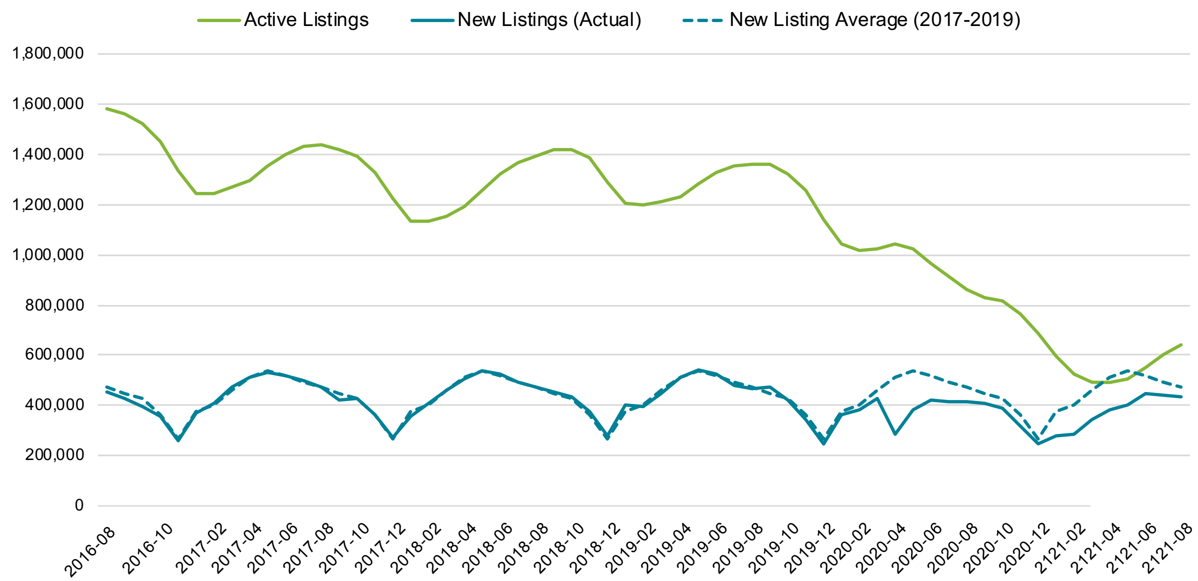


MARKETS WITH HIGHEST HOME PRICE GROWTH RATES			MARKETS WITH LOWEST HOME PRICE GROWTH RATES		
Rank	Geography (CBSA)	Annual Home Price Growth Rate	Rank	Geography (CBSA)	Annual Home Price Growth Rate
1	Austin, TX	+45.8%	41	St. Louis, MO	+13.7%
2	Phoenix, AZ	+33.2%	42	Detroit, MI	+13.7%
3	Salt Lake City, UT	+27.6%	43	Virginia Beach, VA	+13.2%
4	Raleigh, NC	+26.8%	44	New York-Newark, NY-N	+12.9%
5	Tampa, FL	+26.5%	45	Baltimore, MD	+12.3%
6	Jacksonville, FL	+25.8%	46	Minneapolis, MN	+12.2%
7	Riverside, CA	+24.7%	47	New Orleans, LA	+12.0%
8	Charlotte, NC	+24.4%	48	Chicago, IL	+11.9%
9	Nashville, TN	+24.1%	49	Washington, DC	+11.2%
10	Las Vegas, NV	+24.0%	50	Pittsburgh, PA	+10.8%

Source: Black Knight Home Price Index

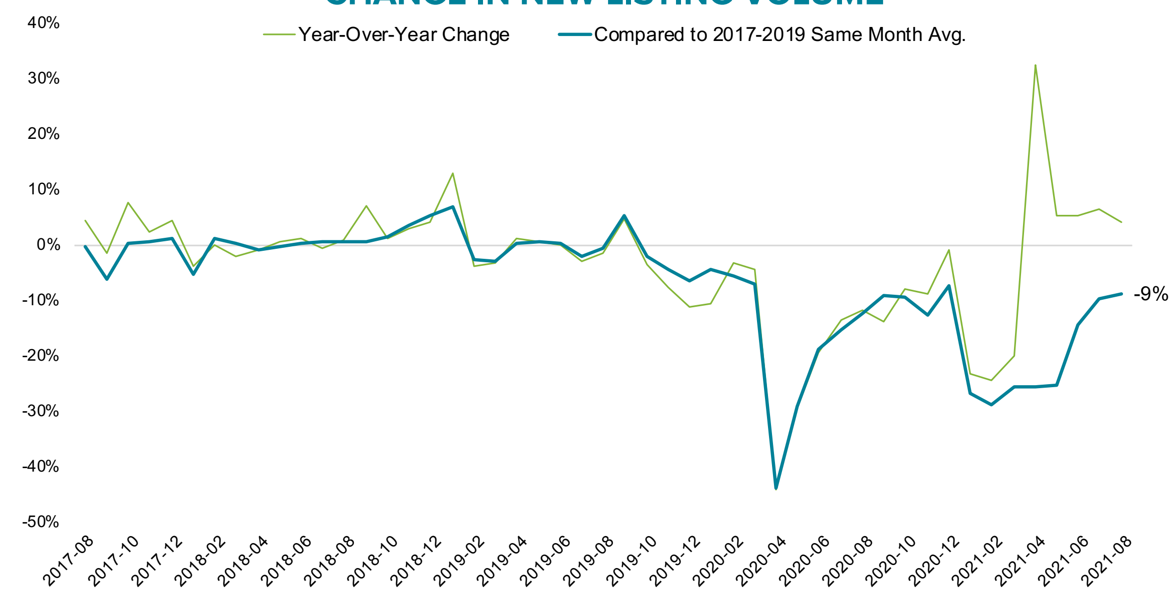
- While home prices continue to grow by more than 10% annually across all major U.S. markets, wide geographic variations continue to be seen
- Growth rates are more modest in the Midwest and northeastern regions of the country, while areas along the Rocky Mountains and the southeast are running noticeably higher
- Austin (+45.8% Y/Y) and Phoenix (+33.2% Y/Y) continue to see the highest home price growth rates among the 50 largest U.S. markets, fueled by migration from larger, more expensive city centers
- Pittsburgh, Washington, D.C. and Chicago are the only major markets with current growth rates under 12%
- Home price growth through mid-September has come down off June's record highs in 47 of the largest 50 markets, according to the latest daily tracking data from Collateral Analytics
- While the most significant slowing has been in markets that had been running well above the national average growth rate, it's worth watching geographic-level reactions closely as the market reacts to returning inventory and tightening affordability

INVENTORY OF HOMES LISTED FOR SALE



Source: Black Knight, Realtor.com

CHANGE IN NEW LISTING VOLUME



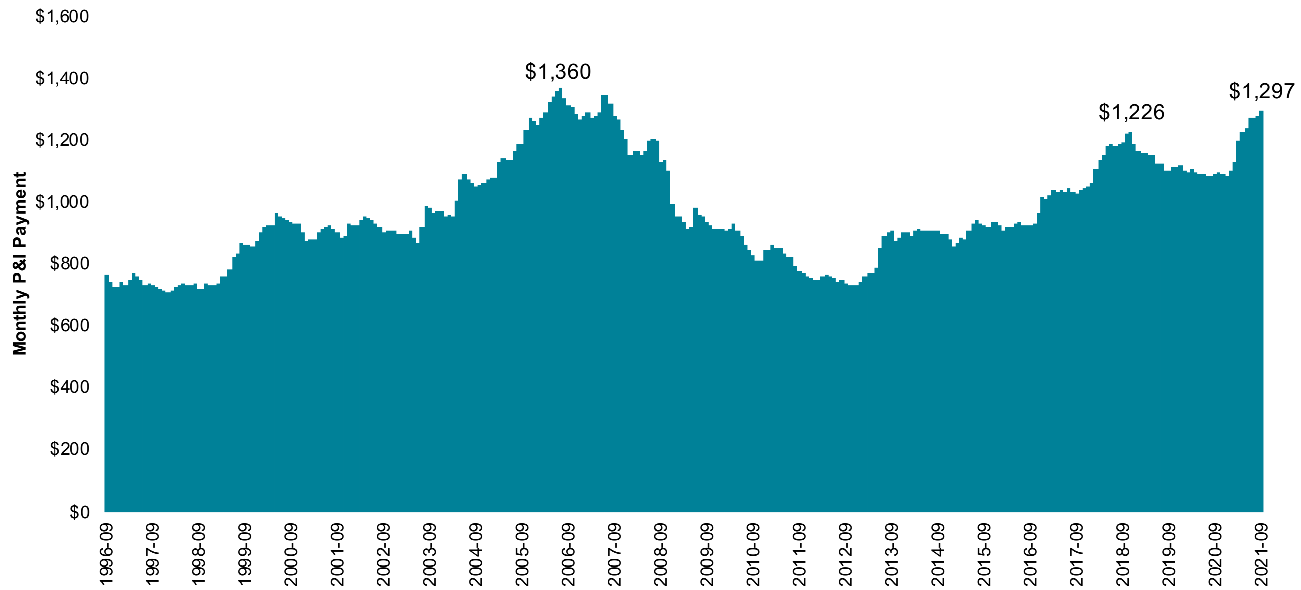
Source: Black Knight, Realtor.com

- The number of new for sale listings in August was up 4% from the same time last year, but remains 9% below the pre-pandemic (2017-2019) average for the month of August
- This suggests a continued shortfall in new listings hitting the market with no sign yet of looming forbearance expirations impacting new listing volumes
- The shortfall in new listings has narrowed after seeing 25-30% deficits from January through May, but is still substantial
- Overall inventory has also begun to improve in recent months, due to both the modest rebound in new listings along with typical seasonal increases

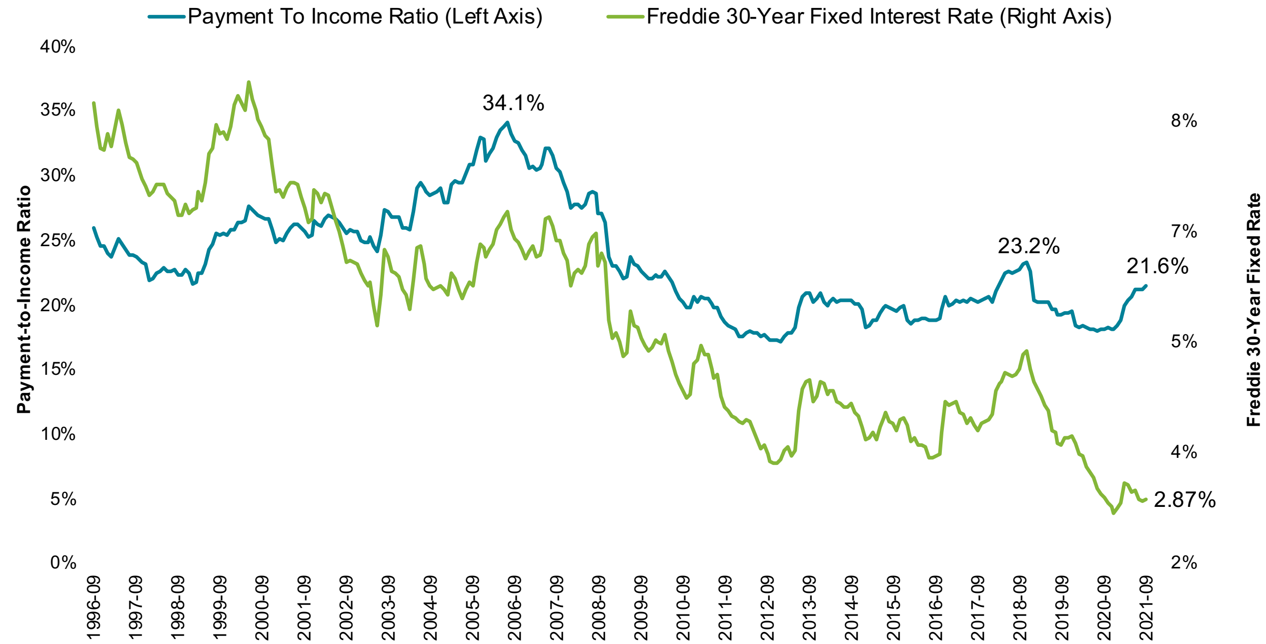
- Still, there are roughly half as many actively listings as there should be for this time of year, with inventory levels still depleted across the country
- 70% of markets are seeing more than a 25% deficiency in inventory vs. pre-pandemic levels according to Collateral Analytics
- Major West Coast markets are a noticeable exception, with inventory levels ahead of where they were prior to the pandemic in San Francisco, Sacramento, Los Angeles, San Jose and Riverside
- After delayed seasonal sales/purchase origination trends in late 2020 and early 2021, we seem to be settling back in to more of a typical seasonal cycle as volumes in recent months become more reminiscent of the pre-pandemic era

MONTHLY PRINCIPAL AND INTEREST PAYMENT NEEDED TO PURCHASE MEDIAN PRICED HOME

(WHEN USING A 20% DOWN 30-YEAR FIXED RATE MORTGAGE)



NATIONAL PAYMENT-TO-INCOME RATIO*



Source: Black Knight Home Price Index, Census Bureau

*The National Payment-to-Income Ratio is the share of median income needed to make the monthly principal and interest payment on the purchase of the average-priced home using a 20% down 30-year fixed rate mortgage at the prevailing interest rate

- The monthly payment required to purchase the average priced home with a 20% down 30-year fixed rate mortgage increased by nearly 20% (+$210) over the first nine months of 2021, bringing the average payment to its highest level since late 2007
- It now requires 21.6% of the median household income to make the monthly mortgage payment on the average home purchase, the least affordable housing has been since 30-year rates rose to nearly 5% back in late 2018
- Since the Great Recession, home price growth has begun to slow when such payment-to-income ratios hit approximately 20.5% or higher, but low inventory levels in recent months have led to record home price growth even with tightening affordability
- Any further rate increases – such as those seen in the week following the Federal Reserve's announcement on tapering – will only exacerbate the affordability side of the equation

30-Year Fixed Interest Rate Scenario	P&I Payment Required	Payment-to-Income Ratio
Today	$1,297	21.6%
3.50%	$1,405	23.3%
4.00%	$1,493	24.8%
4.50%	$1,585	26.3%
5.00%	$1,679	27.9%

Source: Black Knight Home Price Index, Census Bureau
Scenarios table holds income and home price levels steady

Should home prices and incomes hold steady, but interest rates climb to 3.5%, the average monthly payment would rise more than $100 and affordability would hit a 12-year low

- At 4%, the payment-to-income ratio would climb above its 1995-2003 average, and at 5% it would require $380 (+29%) more per month to buy the average-priced home than it does today, with affordability reaching the lowest levels on record outside of the 2004-2008 period
- Historically low interest rates have made today's home prices manageable from an affordability perspective, but a sharp rise in rates unaccompanied by comparable income growth could tip the balances, underscoring the tightrope the Fed must walk as it looks to exit its accommodative stance in coming quarters

MOST AFFORDABLE MARKETS		
Rank	Geography (CBSA)	Payment To Income Ratio
1	Cleveland, OH	15.0%
2	Cincinnati, OH	15.5%
3	Hartford, CT	15.6%
4	Detroit, MI	15.7%
5	Oklahoma City, OK	15.8%
6	St. Louis, MO	15.8%
7	Kansas City, MO	16.1%
8	Chicago, IL	16.4%
9	Pittsburgh, PA	16.7%
10	Louisville, KY	17.1%

LEAST AFFORDABLE MARKETS		
Rank	Geography (CBSA)	Payment To Income Ratio
41	Portland, OR	27.4%
42	Austin, TX	27.4%
43	New York-Newark, NY-NJ	29.0%
44	Seattle, WA	30.0%
45	Riverside, CA	30.0%
46	Sacramento, CA	30.6%
47	San Francisco, CA	39.8%
48	San Diego, CA	40.2%
49	San Jose, CA	41.3%
50	Los Angeles, CA	46.0%

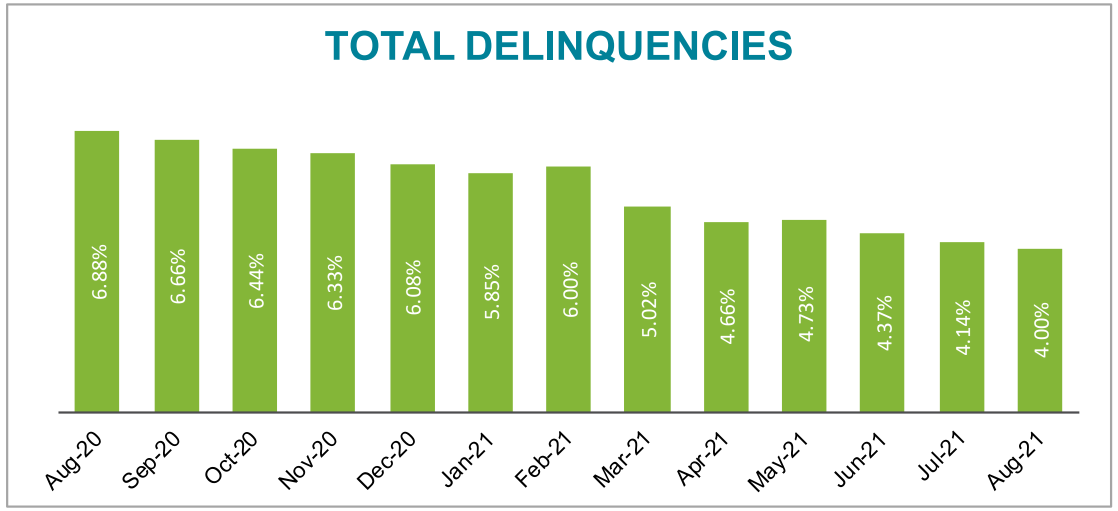
- Los Angeles remains the nation's least affordable market, requiring 46% of the median household income to purchase the average priced home
- San Jose and San Diego also have payment-to-income ratios above 40%, with San Francisco only slightly behind at 39.8%
- For context, the ratios in Los Angeles and San Francisco climbed as high as 70% and 60% respectively during the height of the 2006 housing bubble
- Though historically unaffordable, payment-to-income ratios in California have already returned to pre-Great Recession levels – even with interest rates below 3% – and could climb higher if 30-year rates rise as the Fed tapers its bond buying
- Rising rates could put pressure on homebuyers and prices, as we saw in 2018 when prices – especially among condos in some costal California markets – began to edge downward
- Also notable: after seeing prices rise by more than 45% over the past year, Austin is now among the 10 least affordable markets
- Affordability remains strong in Midwestern markets, which continue to see lower – although historically high – levels of home price growth and tend to be less reactive to movements in interest rates

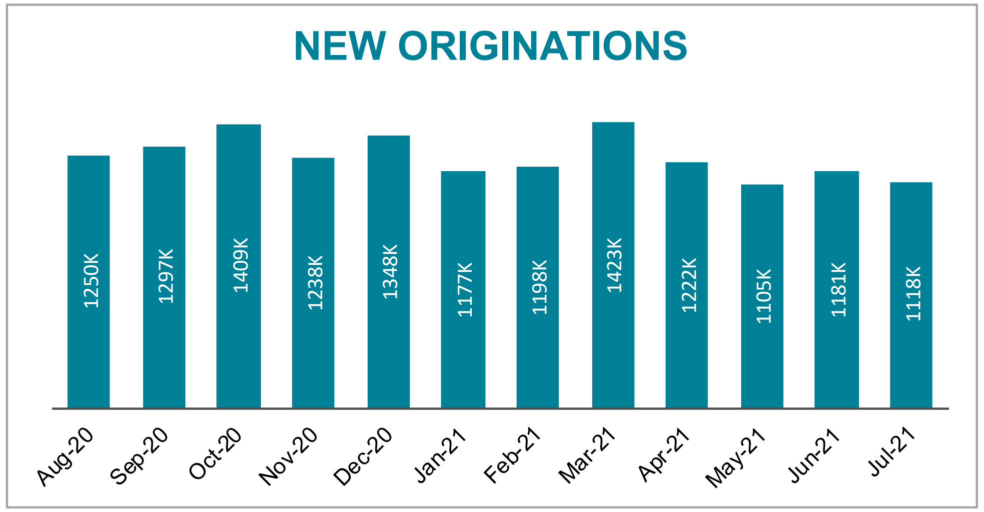
AUGUST 2021 DATA SUMMARY

Summary Statistics

	Aug-21	Monthly Change	YTD Change	Yearly Change
Delinquencies	4.00%	-3.48%	-31.64%	-41.84%
Foreclosure	0.27%	1.73%	-16.43%	-23.55%
Foreclosure Starts	7,100	69.05%	20.34%	18.33%
Seriously Delinquent (90+) or in Foreclosure	2.79%	-6.40%	-33.97%	-41.52%
New Originations (data as of Jul-21)	1118K	-5.4%	-17.1%	-9.5%

	Aug-21	Jul-21	Jun-21	May-21	Apr-21	Mar-21	Feb-21	Jan-21	Dec-20	Nov-20	Oct-20	Sep-20	Aug-20
Delinquencies	4.00%	4.14%	4.37%	4.73%	4.66%	5.02%	6.00%	5.85%	6.08%	6.33%	6.44%	6.66%	6.88%
Foreclosure	0.27%	0.26%	0.27%	0.28%	0.29%	0.30%	0.32%	0.32%	0.33%	0.33%	0.33%	0.34%	0.35%
Foreclosure Starts	7,100	4,200	4,400	3,800	3,700	5,000	3,900	5,900	7,100	4,400	4,700	4,500	6,000
Seriously Delinquent (90+) or in Foreclosure	2.79%	2.98%	3.20%	3.42%	3.58%	3.91%	4.23%	4.23%	4.35%	4.44%	4.57%	4.71%	4.77%
New Originations		1118K	1181K	1105K	1222K	1423K	1198K	1177K	1348K	1238K	1409K	1297K	1250K





LOAN COUNTS AND AVERAGE DAYS DELINQUENT

Month	TOTAL ACTIVE COUNT	30 DAYS	60 DAYS	90+ DAYS	FC	Total NC	FC Starts	Average Days Delinquent for 90+	Average Days Delinquent for FC	Ratio of 90+ to FC
1/31/08	55,478,782	1,743,420	676,266	950,639	813,560	4,183,885	195,033	190	256	116.8%
1/31/09	55,788,441	2,001,314	932,436	1,878,981	1,321,029	6,133,760	250,621	193	323	142.2%
1/31/10	55,098,009	1,945,589	903,778	2,972,983	2,068,572	7,890,922	292,308	253	418	143.7%
1/31/11	53,861,778	1,750,601	746,634	2,078,130	2,245,250	6,820,615	277,374	333	527	92.6%
1/31/12	52,687,781	1,592,463	652,524	1,796,698	2,205,818	6,247,503	223,394	395	666	81.5%
1/31/13	51,229,692	1,464,583	587,661	1,551,415	1,742,689	5,346,348	156,654	460	803	89.0%
1/31/14	50,380,779	1,341,074	529,524	1,278,955	1,213,046	4,362,599	97,467	486	935	105.4%
1/31/15	50,412,744	1,238,453	465,849	1,060,002	884,901	3,649,204	93,280	509	1,031	119.8%
1/31/16	50,754,010	1,300,564	444,962	832,265	660,056	3,237,847	72,021	494	1,047	126.1%
1/31/17	51,159,681	1,110,977	390,341	665,258	481,613	2,648,190	70,568	454	1,012	138.1%
1/31/18	51,428,922	1,085,065	413,313	708,248	337,351	2,543,976	62,470	364	931	209.9%
1/31/19	51,896,438	1,074,044	367,750	503,655	264,875	2,210,325	50,196	391	830	190.1%
1/31/20	52,999,009	954,154	332,534	418,662	245,517	1,950,866	42,834	338	838	170.5%
1/31/21	53,491,958	729,408	310,947	2,089,527	171,259	3,301,141	5,876	266	1,374	1220.1%
2/28/21	53,068,416	816,688	294,797	2,074,707	167,944	3,354,135	3,887	280	1,413	1235.4%
3/31/21	53,227,008	535,008	217,704	1,919,066	162,329	2,834,107	4,961	301	1,457	1182.2%
4/30/21	53,617,628	542,745	189,259	1,768,048	153,235	2,653,286	3,661	320	1,518	1153.8%
5/31/21	53,062,014	641,694	200,514	1,669,194	147,913	2,659,314	3,761	339	1,555	1128.5%
6/30/21	53,062,638	582,109	187,795	1,550,263	145,360	2,465,527	4,401	357	1,587	1066.5%
7/31/21	53,241,055	577,225	181,938	1,447,293	140,025	2,346,481	4,207	373	1,623	1033.6%
8/31/21	53,059,166	591,102	192,578	1,338,666	141,955	2,264,301	7,095	385	1,670	943.0%

STATE-BY-STATE RANKINGS BY NON-CURRENT LOAN POPULATION

State	Del %	FC %	NC %	Year/Year Change in NC%
National	4.0%	0.3%	4.3%	-41.0%
MS	7.4%	0.3%	7.7%	-34.3%
LA*	6.7%	0.4%	7.1%	-37.3%
OK*	5.4%	0.4%	5.8%	-29.2%
HI*	4.5%	1.2%	5.8%	-39.8%
NY*	4.6%	1.1%	5.6%	-40.1%
WV	5.4%	0.3%	5.6%	-32.6%
MD*	5.2%	0.3%	5.5%	-38.8%
AL	5.3%	0.2%	5.4%	-37.1%
AR	5.1%	0.3%	5.4%	-30.9%
GA	5.0%	0.1%	5.2%	-42.6%
TX	5.0%	0.2%	5.1%	-43.1%
AK	4.9%	0.2%	5.1%	-42.8%
CT*	4.5%	0.5%	5.0%	-44.6%
IN*	4.6%	0.3%	5.0%	-36.2%
NV	4.5%	0.3%	4.8%	-46.2%
FL*	4.4%	0.4%	4.8%	-47.4%
NJ*	4.4%	0.4%	4.8%	-46.9%

State	Del %	FC %	NC %	Year/Year Change in NC%
National	4.0%	0.3%	4.3%	-41.0%
IL*	4.4%	0.4%	4.8%	-38.1%
PA*	4.3%	0.4%	4.7%	-41.4%
VT*	4.2%	0.5%	4.7%	-39.5%
SC*	4.4%	0.3%	4.6%	-39.4%
DE*	4.3%	0.3%	4.6%	-38.6%
NE*	4.5%	0.1%	4.6%	-28.6%
OH*	4.2%	0.4%	4.6%	-34.0%
KS*	4.3%	0.2%	4.5%	-36.1%
NM*	4.0%	0.4%	4.4%	-36.4%
RI	3.9%	0.4%	4.4%	-46.1%
ME*	3.5%	0.8%	4.2%	-43.5%
DC	3.9%	0.3%	4.2%	-29.3%
TN	4.0%	0.1%	4.1%	-42.6%
KY*	3.8%	0.3%	4.0%	-31.9%
NC	3.8%	0.2%	3.9%	-42.4%
MO	3.7%	0.1%	3.9%	-35.2%
IA*	3.6%	0.2%	3.9%	-29.2%

State	Del %	FC %	NC%	Year/Year Change in NC%
National	4.0%	0.3%	4.3%	-41.0%
MN	3.6%	0.1%	3.7%	-29.6%
WY	3.6%	0.1%	3.7%	-39.2%
VA	3.6%	0.1%	3.7%	-41.4%
WI*	3.4%	0.2%	3.7%	-34.5%
MA	3.3%	0.2%	3.5%	-43.2%
MI	3.4%	0.1%	3.4%	-41.4%
ND*	3.1%	0.2%	3.3%	-36.4%
AZ	3.1%	0.1%	3.2%	-44.6%
NH	3.0%	0.1%	3.1%	-44.3%
CA	2.9%	0.1%	3.0%	-45.1%
SD*	2.7%	0.2%	2.9%	-40.0%
OR	2.7%	0.1%	2.8%	-39.5%
MT	2.5%	0.2%	2.7%	-42.2%
WA	2.4%	0.1%	2.6%	-43.1%
UT	2.5%	0.0%	2.6%	-49.8%
CO	2.4%	0.0%	2.4%	-48.1%
ID	2.0%	0.1%	2.1%	-45.9%

***Indicates Judicial State**

Mortgage Monitor Disclosures

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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.