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Overview – June 2024

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

To begin, we recap high-level mortgage performance statistics reported in our most recent First Look, tracking changes in both delinquencies and foreclosures through the end of April.

This month, we take a deep dive into adjustable-rate mortgage (ARM) resets, along with their performance and risk profiles. We also provide an update on interest rates, mortgage originations, composite industry forecasts and recent trends in equity lending. Finally, we look at the latest data on inventories of homes for sale and how they are affecting affordability and home prices across the country.

In producing the Mortgage Monitor, the ICE Research and Analysis team aggregates, analyzes and reports on the most-recently available data from the company’s vast mortgage and housing-related data assets. Information is gathered from the McDash and McDash Flash loan-level mortgage-performance data sets, ICE Valuation Analytics home price and sales trends data, eMBS agency securities data, Market Trends origination insights, the ICE Home Price Index, and the company’s robust public records database covering 99.99% of the U.S. population. For more information on gaining access to ICE data assets, please call 844-474-2537 or email Mortgage.Monitor@bkfs.com.
First Look at mortgage performance

The ICE First Look at mortgage performance provides a high-level overview compiled from the ICE McDash loan-level database.

Overview of mortgage performance

Continued improvement in April led to the fewest serious delinquencies in more than 18 years, while the number of loans in active foreclosure fell to its lowest level in more than two years.

-10 bps
Delinquency rate
Delinquencies fell to their lowest level since the record low of March 2023
Loans 90+ days past due hit their lowest level since August 2005

-0.8%
Foreclosure starts
April starts declined from March, but were up 4% from the year before
The number of loans in active foreclosure remained at its lowest level since January 2022

+8.4%
Prepayment activity
Single-month mortality rose 4 bps to 0.52%, the highest level since August 2023
Prepays experienced a seasonal upswing, despite high interest rates challenging affordability
The ICE McDash loan-level database provides key performance metrics for a clearer picture of the mortgage landscape. In this section, we take an in-depth look at mortgage performance metrics for April, including a breakdown of recent delinquency numbers, foreclosure statistics and prepayment trends.

- The national delinquency rate fell to 3.09% in April – its second lowest level on record behind only March 2023’s record low of 2.92% – marking a 22 bps improvement from the same time last year.
- The number of borrowers one payment late dropped by 30K to an eight-month low and those 60 days late fell 6K to the lowest level in 10 months.
- Delinquency inflows to 30 days late hit a three-month low as rolls to later stages also declined, while cures from both early- and late-stage delinquency reversed the prior month’s improvement.

### National delinquency rate of first lien mortgages

![Graph showing national delinquency rate trends from 2004-2024. The rate has generally declined over time, with a notable drop in April 2023 reaching 3.09%, its second lowest level on record. The graph includes a comparison to the 2000-2005 average and illustrates a record low.

Source: ICE, McDash

### One-month change in delinquency rate

- Current year
- Average monthly change (2000-2022)

![Bar chart showing the one-month change in delinquency rate for each month from January to December 2023. The chart indicates a decline in delinquency rates across most months, with notable improvements in April and May. The change is presented as a percentage of the prior month's delinquency rate.

Source: ICE, McDash
Mortgage performance and foreclosure metrics

- Serious delinquencies (loans 90+ days past due but not in active foreclosure) sank to their lowest level since August 2005, down -17K (-4.0%) in the month and -84K (-16.8%) year over year.

- Additionally, while foreclosure protections continue to slowly wear off, some 70% of such serious delinquencies remain protected from foreclosure by active forbearance, bankruptcy, or other loss mitigation efforts.

- 32% of serious delinquencies remain in active forbearance, down from more than 80% in 2020, with 24% in other forms of active loss mitigation and 14% in active bankruptcy.

- Forbearance start rates remain resilient as many servicers continue to offer such programs as a first line of defense against default.

Source: ICE, McDash

Foreclosure protections on 90+ day delinquent mortgages

Source: ICE, McDash

Foreclosure protections on 90+ day delinquent mortgages
Mortgage performance and foreclosure metrics

- The number of loans in active foreclosure fell -6K to 199K – the lowest level since January 2022
- 5.9K foreclosure sales were completed nationally in April, a 1.5% increase from the previous month, but still roughly half the levels seen prior to the pandemic
- Foreclosure starts declined -0.8% month over month in April, up 4% from the year before, representing 5.9% of a shrinking volume of serious delinquencies
- With foreclosure start volumes still 30% below prepandemic levels and foreclosure rates among both unprotected loans and seriously delinquent loans at a historic low, foreclosure activity remains muted

Foreclosure inventory

Source: ICE, McDash

Foreclosure starts and sales

Source: ICE, McDash
Origination and home equity trends

This month, we look at recent origination trends with particular emphasis on home equity lending and refinances. This information comes from ICE, the McDash loan-level mortgage performance database and other public and proprietary data sets.

- In looking at the broader origination market, some $346B (971K) in first lien mortgages were originated in Q1 2024, down 1.3% from $350B in Q4 2023 and flat from Q1 2023.

- While refinances rose 34% from the 23-year low in Q4, purchase origination volumes fell -7% in what is typically the weakest quarter for purchases (Q4 to Q1 volumes dropped an average of -15% over the previous two decades).

- The market continues to be overwhelmingly purchase-centric with 81% of Q1 lending coming from the purchase side of the house.

- While cash-outs continue to drive the lion’s share of refinance lending (78% in Q1), rate/term refinances more than tripled from Q4 to Q1 with $14.5B in such lending in the quarter.

- Although that’s still extremely low by historical standards, refinances did show signs of life, as rates moved momentarily into the 6.5% range in Q1, according to the ICE 30-year Conforming Fixed Rate Index.

- Among those withdrawing equity via cash-out transactions in Q1, the average equity extraction was $100K, slightly below the $109K average per borrower in Q4.

- The composite interest rate outlook for 2024 has shifted considerably higher in recent months, as expectations for the Fed’s first potential cut have now shifted to September 2024.

- The latest round of industry (MBA/FNMA) forecasts has 30-year rates averaging 6.75% in Q4 2024, easing to 6.25% by Q4 2025.

- Mortgage rate expectations for Q4 2024 are now 80 bps higher than they were just four months ago, with expectations for Q4 2025 75 bps higher as well.

- With rates projected to stay higher for longer, the current composite forecast (MBA/FNMA) is for origination volumes to total around $1.8T in 2024 (with ~$1.4T coming from purchases and ~$400B from refinances) and rise modestly to around $2.0T in 2025.

**First lien mortgage origination outlook**

![Graph showing first lien mortgage origination outlook](chart)

Source: ICE, McDash, MBA, FNMA (Fannie Mae)

Composite forecast is the average between MBA and Fannie Mae.
Origination and home equity trends

- As reported in our May Mortgage Monitor report, mortgage holders had $16.9T in equity entering Q2 2024, of which $11T could be borrowed against while maintaining a 20% equity cushion (both record highs)

- However, higher interest rates are making homeowners reluctant to borrow against that equity due to the elevated cost to do so

- Overall, a combined $37.5B in equity was withdrawn in Q1 via cash-out refinances ($17.5B) and second lien home equity loans/lines of credit ($20B), down slightly from $38B in Q4 2023

- Historically, home equity withdrawals (especially second lien extractions) hit seasonal lows in Q4/Q1 before seasonal rises in the spring and summer months

Equity withdrawals on mortgaged properties

Source: ICE, McDash +Property
Origination and home equity trends

- Q1 withdrawals were equivalent to just 0.36% of equity available to tap at the beginning of the quarter, with Q4 2023 and Q1 2024 withdrawal rates the lowest on record dating back to 2005.

- Withdrawals via cash-out refinance are unsurprisingly experiencing the largest compression, with the withdrawal rate via cash-out refinance running nearly 70% below the long run average, as borrowers seek to hold on to the record low first lien interest rates locked in during the pandemic.

- Second lien home equity withdrawals are holding up better, running 30% below their long run averages (calculated as withdrawals as a share of tappable equity entering the quarter).

- In simple dollar terms, second lien home equity extractions were up 1% from the same time last year despite the elevated rate environment, with overall equity extractions up 3% (including cash-out refinances).

- Over the past two years, elevated interest rates have resulted in an estimated $363B in home equity not being withdrawn (and hence not being reinjected into the broader economy) via cash-out refinances or second lien loans/lines of credit, including an estimated $57B in missing withdrawals in Q1 2024 alone.

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**Equity withdrawn as % of tappable equity available**

Source: ICE, McDash +Property

Deficit/surplus withdrawal is the difference in $ between the expected withdrawal and the actual withdrawal based on current tappable equity levels and long run average withdrawal rates.
Origination and home equity trends

- The average interest rate offering on second lien home equity lines of credit has held at over 9% in recent months, according to the ICE McDash Home Equity database – the highest such rates in the more than 20 years ICE has been tracking that data.

- While 30-year rates also remain elevated, the average second lien HELOC rate is still more than 2% above the going rate on a 30-year fixed rate conforming mortgage – a historically wide margin.

- Likewise, the rate spread between the prime rate and the average second lien HELOC rate remains comparatively wide as well, at 70 bps, suggesting lenders aren’t currently pushing the envelope on second lien HELOCs via tighter spreads and more aggressive rate offerings.

- Looking ahead at potential future rate dynamics, it’s typical to see 30-year rates ease before the Fed initiates rate declines; which means it’s possible we could see 30-year rates come down before there is any easing on second lien HELOC offerings, widening the spread between the two.

- Lenders looking to supplement weak first lien lending with second lien home equity products in this elevated rate environment will be watching those dynamics, along with overall borrower equity withdrawal behavior, this summer.

HELOC vs 30-year fixed interest rate

Source: ICE, McDash Home Equity, FHLMC PMMS

Rate spread between HELOC rate offerings and prime/federal funds rate

Source: ICE, McDash Home Equity, St. Louis Federal Reserve Bank (FRED), Board of Governors of the Federal Reserve System (US)
Adjustable-rate mortgage dynamics

Given the increased prevalence of ARM lending in recent years, along with potential interest rate shocks due to the elevated rate environment, we thought it worthwhile to take a deeper dive into the landscape of adjustable-rate mortgages to look for any ongoing risk exposure. This information comes from ICE and the McDash loan-level mortgage performance database.

- 4.3% of originations by count and 6.6% of originations by volume tracked by ICE Market Trends in April were adjustable-rate mortgages (ARMs).
- While that share has risen slightly alongside 30-year rates in recent months, it's well below the 10.4% and 14.6% respective market shares seen in late 2022 in the immediate wake of the Fed initiating its latest round of rate hikes.
- While a small portion of recent ARM originations adjust within a year of origination, the majority operate under their initial fixed rate for at least five years.
- In fact, 77% of active ARM loans originated over the past five years operate as fixed rate mortgages for at least the first five years, 63% are fixed for at least seven years, and more than a third are fixed for the first 10 years.
- Of the 1.75M active ARM loans originated since 2019, only 328K are in their adjustable phase, with 102K expected to see their first reset over the next 12 months, signifying relatively low risk due to first time rate resets.

### Initial reset period (in years) of active ARM loans

Source: ICE, McDash

Analysis of first lien adjustable-rate mortgages still active as of March 2023. Initial reset period equals the amount of time (in years) that the initial interest rate remains fixed before the rate resets and the loan becomes adjustable.
Adjustable-rate mortgage dynamics

- Zooming out, we see the overall number of active ARM loans has risen modestly from a low of 2.25M in May 2022 to 2.9M (5.4% of all first lien mortgages) in March 2024.
- Despite the recent rise, the number and share of outstanding ARMs remains historically low, and a far cry from the 13.8M (26.4% of all first lien mortgages) in the lead up to the Great Financial Crisis.
- While a majority of active ARM mortgages (54%) are still in their introductory fixed rate period and are, at least for the time being, immune to broader rate movements, many have reset at higher rates.
- An analysis of ICE’s McDash data shows an estimated 831K ARM loans have reset at higher rates over the past 12 months.

Active first lien ARM mortgages by reset status

Source: ICE, McDash

12-month look back on interest rates of active ARM mortgages

Source: ICE, McDash
Adjustable-rate mortgage dynamics

- Of the 831K ARM mortgage holders who have had their interest rates reset higher over the past 12 months, most took out their mortgages more than 15 years ago.
- 71% of such resets occurred among ARM loans taken out in 2008 or earlier, while 98% of those seeing resets took out their mortgage more than 5 years ago.
- More than 70% of borrowers (597K) experiencing ARM resets saw the interest rate on their loan rise by 2 pp or more over the past 12 months, the maximum allotted by their periodic interest rate caps (+1% in each 6-month reset period).
- In dollars and cents, that equated to an average increase in their monthly payment (P&I) of $174 (+13%), with those facing resets last year seeing their interest rate rise on average from 5.64% to 7.55%.
- While the interest rate increases have been severe, the fact that a majority of affected loans are more than 15 years old means the balances on such loans are comparatively low.
- The average unpaid mortgage balance on loans that have recently reset higher is $170K which is comparatively low by today’s standards.

Vintage breakdown of ARM loans that saw interest rate step-ups between March 2023 and March 2024

Interest rate changes among ARMs that reset higher
Change in interest rate from March 2023 to March 2024

Source: ICE, McDash

Source: ICE, McDash
Adjustable-rate mortgage dynamics

- When digging deeper into legacy ARM loans we can see how sharply their rates have been rising in recent years.
- After being the beneficiaries of the low Fed rate environments in the wake of the GFC, and again during the COVID-19 pandemic, the average interest rate on 2003-2008 vintage ARM loans has risen from less than 4% two years ago to 7.3% in March 2024, a more than 2.25% rise over the past 24 months.
- Despite such rate increases, performance among these loans has remained resilient.
- While delinquency rates among such loans have risen modestly over the past 12 months, the increases have been more modest than among their fixed rate counterparts.
- That said, these loans will be worth monitoring as we make our way through 2024 with an eye out for any performance-related stress due to payment resets.

Average current interest rate on 2003-2008 vintage loans

Non-current rate (DQ% + FC%) on 2003-2008 vintage loans

Source: ICE, McDash
Housing market update

With home affordability continuing to impact demand and transaction speeds, here we take a closer look at the inventory of homes for sale, affordability and home prices across the U.S. This information has been compiled from the ICE Home Price Index and ICE Valuation Analytics database, as well as other third-party public and private data sources.

- Home affordability saw marginal – and ultimately momentary – improvement in May
- As of May 23, with 30-year rates at 6.94% according to Freddie Mac PMMS, it required 35.7% of the median household income to afford the median-priced home, some 11.4 percentage points above the 30-year average
- All 100 of the nation’s largest markets currently remain less affordable than their long run averages, although the degree to which markets differ from benchmarks varies significantly from as little as 1% in Toledo and Cleveland, Ohio; Des Moines, Iowa; and Birmingham, Ala.; to nearly twice the normal share of median income to purchase the median home in Los Angeles

National payment-to-income ratio*

- Payment-to-income ratio (left axis)
- Freddie 30-year fixed mortgage rate (right axis)

*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

ICE Home Price Index, FHLMC PMMS, Census Bureau
May 2024 reading is based on May 23 FHLMC PMMS of 6.94%
Housing market update

- A large part of the affordability challenge today is the staggering rise in home prices over the past four years.
- According to the April ICE Home Price Index, the average home has increased in value by 50% since the start of 2020; that’s more growth than in any other decade since the 1980s, and we’re not even halfway through the 20s.
- Simple 10-year time intervals don’t tell the full story, however, and neither do home prices alone.
- As we know, the boom in home prices in the 2000s largely took place over the first half of that decade with a sharp correction taking place in the latter half.

Home price vs. income growth by decade

Source: ICE Home Price Index (HPI), U.S. Census Bureau, FHLMC (PMMS)
ICE Home Price index (HPI) backfilled to 1975 using FHFA HPI
*2020s and 2020-2024 data is through April 2024
Housing market update

- If we look at the five-year span from 2000-2004 we see that home prices grew by 52% during that period, a slightly larger increase than what we’ve seen so far from 2020-2024, although we still have eight months left to potentially add to (or subtract from) those gains.
- Those growth rates pale compared to the five-year span in the late 1970s when home prices grew by 66% from 1975-1979.
- More noteworthy is the difference between home price gains and income growth during each of these high home price growth eras.
- In the late 1970s home price growth (+65.6%) outpaced median household income growth (+40.4%) by more than 25 pp; in the early 2000s that gap was even larger at 43% (+51.7% home price growth versus 8.9% income growth).
- While median household income data tends to lag, so far in the 2020s the 50% growth we’ve experienced in home prices has only been accompanied by an estimated 18% growth in median household income, a 32 pp difference.

Home price vs. income growth by five-year period

Source: ICE Home Price Index (HPI), U.S. Census Bureau, FHLMC (PMMS)
ICE Home Price Index (HPI) backfilled to 1975 using FHFA HPI
*2020s and 2020-2024 data is through April 2024
Housing market update

- Home prices, incomes, and interest rates are far from the only factors at play here, with a much more nuanced micro- and macro-economic environment always at play; that said, it's interesting to track home price and income growth leading up to and following affordability stress events in the market

- In the early 1980s, following a multi-year run of home price growth outpacing income growth, we see that trend reverse with home prices underperforming incomes from 1980-1982, although home price growth never went negative on a nominal basis at the national level

- It's also worth noting that interest rate declines significantly assisted in bringing the affordability equation back in line in the early 1980s with 30-year mortgage rates falling by more than 9 pp from a peak of 18.5% in 1981 to 9.0% by 1987

- In the 2000s, after a seven-year string of home prices significantly outpacing income growth due to credit expansion and exotic mortgage products that allowed people to buy more home that their incomes would traditionally support, we saw home prices underperform incomes for six straight years, including five nominal home price declines at the national level

- The environment we find ourselves in today is different than either of those periods for several reasons, not least of which is the credit quality of active mortgages in the market; but history suggests a period of income growth outpacing home price growth may very well be part of the path forward to normalcy

Home price vs. income growth by year

Source: ICE Home Price Index (HPI), U.S. Census Bureau, FHLMC (PMMS)
ICE Home Price Index (HPI) backfilled to 1975 using FHFA HPI
*2020s and 2020-2024 data is through April 2024
Housing market update

- Higher rates and tight affordability this spring continue to weigh on purchase mortgage demand
- On the bright side, purchase applications hit their highest seasonally adjusted levels in seven weeks on May 17
- On the downside, that's still 45% below 2018/2019 same week averages, with demand hitting its lowest levels to date in April and limited growth in the weeks since
- Softer purchase demand is allowing inventories to gradually improve this spring, with inventory up 30% year over year in April, hitting its highest seasonally adjusted levels since mid-2020
- Nearly 90% of markets are seeing stronger inventory levels than they were at this time last year, with the largest increases across Florida as well as Austin and Denver
- Inventory remains severely constrained in much of the Northeast, with Hartford, Conn., still showing the lowest inventory levels relative to prepandemic same-month averages

Mortgage applications to purchase a home

Source: ICE, MBA

Deficit of homes listed for sale
(% change from 2017-2019 same month average)

Source: ICE, Realtor.com
Housing market update

- With higher interest rates and reduced demand this spring, 90% of major markets are seeing more homes for sale than there were at this same time last year
- Every major Florida market had at least 50% more inventory in April than at the same time last year, with Cape Coral up 87% over the past 12 months (the most of any market nationwide)
- Inventory has shown more limited improvement, and has in some cases worsened, in the Northeast and Midwest where markets continue to experience upward pressure on home prices
- Inventories are currently at or above pre-pandemic levels in 14% of major markets (up from 10% a month prior) with Florida, Texas, and Colorado accounting for all but one of those markets (San Francisco +6% vs. 2017-2019 is the only other major market with normal levels of inventory)
- Lakeland, Fla., has the largest surplus with 43% more homes for sale in April than it averaged from 2017-2019, with Austin, Texas next at +29% and San Antonio coming in third at +27%
- On the opposite end of the spectrum, in Connecticut, Hartford, Bridgeport and New Haven continue to have the deepest inventory deficits (>75%), with little movement from the same time last year, as inventory levels remain a major challenge across the Northeast

Change in for-sale inventory deficit/surplus from same time last year

Source: ICE, Realtor.com

*Percent change in deficit / surplus from 2017-2019 same month average
Housing market update

- Home price growth cooled for the second straight month in April as elevated interest rates resulted in softer demand and improved inventory.
- The annual home price growth rate cooled to 5.1% from a revised 5.7% in March, and as high as 6.1% back in February.
- Unadjusted prices rose by 0.88% in the month, falling slightly below their 25-year same-month average for the first time this year.
- Adjusted for seasonality, prices rose by 0.28% in the month (down from +0.45% in March), equivalent to a 3.4% seasonally adjusted annualized rate (SAAR), suggesting annual home price gains will continue to ease in coming months.
- If adjusted monthly gains continue at their current pace, annual home price growth would be below 4.25% by June and below 4% by July.
- Nevertheless, with supply still 36% short and purchase mortgage demand 45% below pre-pandemic levels in recent weeks, shifting 30-year rates in either direction could serve to heat or cool the market relatively quickly.

ICE Home Price Index (HPI)

![Graph showing ICE Home Price Index (HPI)]

Source: ICE Home Price Index (HPI)

One-month change in home prices

(ICE Home Price Index, NSA)

- 25-year average (1998-2022)
- Current year (2023-24)

![Graph showing one-month change in home prices](chart)

Source: ICE Home Price Index (HPI)
Housing market update

- Significant bifurcation continues in the temperatures of housing markets across the country
- The Northeast and parts of the Midwest remain hot, with Rochester, Providence, Hartford, Philadelphia, Milwaukee, New York, and Boston extending their strings of exceptionally strong home price growth through April
- Out West, prices in Seattle were up a seasonally adjusted +0.7% in the month, equivalent to 8.1% SAAR, after growing by 6.7% over the previous 12 months
- Prices have softened in all 10 major California markets, with either below average growth or price declines on a seasonally adjusted basis, as affordability pressures continue to weigh on those markets despite continued inventory shortages
- Florida and Texas also continue to see prices softening with for-sale inventories largely on the rise
- In fact, of the 23 markets (of the 100 largest nationwide) that saw prices edge lower on a seasonally adjusted basis in April, 20 are located in either Florida, Texas, or California

One-month home price growth (seasonally adjusted)

![Map showing home price growth rates across different cities](image)

Source: ICE Home Price Index (HPI) April 2024

<table>
<thead>
<tr>
<th>Rank</th>
<th>Geography (CBSA)</th>
<th>1-month home price growth rate (SA)</th>
<th>Annual home price growth rate</th>
<th>Seasonally adjusted annualized rate (SAAR)</th>
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<tbody>
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<td>Rochester, NY</td>
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<td>+7.3%</td>
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Arrows indicate whether the seasonally adjusted annualized rate is higher (▲) or lower (▼) than the annual growth rate
Housing market update

- Inventory continues to be the metric to watch in the housing market
- Of the seven major markets (largest 50 by population) where inventory equaled or exceeded pre-pandemic levels in April, five saw home prices edge lower on a seasonally adjusted basis; Denver and New Orleans were the exceptions, both of which have experienced weakness in recent readings
- Prices in Houston, Jacksonville, Nashville, and Salt Lake City – all markets with near pre-pandemic inventory – also eased on an adjusted basis in April
- Markets with home affordability closer to long run averages (those in the top left quadrant of the chart below with persistent deep inventory issues), continue to see home prices press strongly higher
- Home affordability also continues to have an impact in markets like Los Angeles, San Diego, and Miami, where prices softened in April despite continued inventory shortages in those areas

One-month change in HPI (seasonally adjusted)

Sources: ICE HPI, FHL MC PMMS, Moody’s, U.S. Census, Realtor.com
Appendix

Summary statistics
April 30, 2024

<table>
<thead>
<tr>
<th>Delinquencies</th>
<th>Apr-24</th>
<th>Monthly</th>
<th>YTD</th>
<th>Yearly</th>
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<tbody>
<tr>
<td>Foreclosure</td>
<td>3.00%</td>
<td>-3.28%</td>
<td>-8.49%</td>
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<td>Foreclosure Starts</td>
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</table>

New Originations (as of Mar-24)
383K 22.72% 25.70% -2.75%

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Foreclosure</td>
<td>3.09%</td>
<td>3.20%</td>
<td>3.34%</td>
<td>3.38%</td>
<td>3.57%</td>
<td>3.59%</td>
<td>3.26%</td>
<td>3.29%</td>
<td>3.17%</td>
<td>3.21%</td>
<td>3.12%</td>
<td>3.10%</td>
<td>3.31%</td>
</tr>
<tr>
<td>Foreclosure Starts</td>
<td>26,000</td>
<td>26,000</td>
<td>24,700</td>
<td>34,200</td>
<td>23,900</td>
<td>29,100</td>
<td>33,100</td>
<td>25,400</td>
<td>31,900</td>
<td>26,300</td>
<td>28,000</td>
<td>25,400</td>
<td>24,800</td>
</tr>
<tr>
<td>Seriously Delinquent (90+) or in Foreclosure</td>
<td>1.20%</td>
<td>1.25%</td>
<td>1.29%</td>
<td>1.29%</td>
<td>1.29%</td>
<td>1.25%</td>
<td>1.25%</td>
<td>1.25%</td>
<td>1.30%</td>
<td>1.31%</td>
<td>1.35%</td>
<td>1.40%</td>
<td></td>
</tr>
</tbody>
</table>

New Originations
383K 312K 275K 305K 311K 349K 361K 420K 383K 442K 425K 359K

Non-current loans by state

<table>
<thead>
<tr>
<th>State</th>
<th>DQ %</th>
<th>FC %</th>
<th>NC %</th>
<th>Yrly change in NC%</th>
</tr>
</thead>
<tbody>
<tr>
<td>MS</td>
<td>7.0%</td>
<td>6.5%</td>
<td>7.5%</td>
<td>-1.6%</td>
</tr>
<tr>
<td>LA</td>
<td>6.3%</td>
<td>6.9%</td>
<td>7.2%</td>
<td>0.1%</td>
</tr>
<tr>
<td>AL</td>
<td>5.1%</td>
<td>6.3%</td>
<td>5.4%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>WY</td>
<td>4.4%</td>
<td>6.4%</td>
<td>4.8%</td>
<td>-8.6%</td>
</tr>
<tr>
<td>IN</td>
<td>4.3%</td>
<td>6.5%</td>
<td>4.8%</td>
<td>-3.4%</td>
</tr>
<tr>
<td>PA</td>
<td>4.0%</td>
<td>6.6%</td>
<td>4.8%</td>
<td>-8.8%</td>
</tr>
<tr>
<td>GA</td>
<td>4.3%</td>
<td>6.3%</td>
<td>4.5%</td>
<td>-4.6%</td>
</tr>
<tr>
<td>OH</td>
<td>3.8%</td>
<td>6.5%</td>
<td>4.3%</td>
<td>-6.4%</td>
</tr>
<tr>
<td>OK</td>
<td>3.6%</td>
<td>6.6%</td>
<td>4.3%</td>
<td>-9.3%</td>
</tr>
<tr>
<td>IL</td>
<td>3.7%</td>
<td>6.6%</td>
<td>4.2%</td>
<td>-7.4%</td>
</tr>
<tr>
<td>TX</td>
<td>3.9%</td>
<td>6.3%</td>
<td>4.2%</td>
<td>-7.6%</td>
</tr>
<tr>
<td>DE</td>
<td>3.7%</td>
<td>6.4%</td>
<td>4.2%</td>
<td>-5.8%</td>
</tr>
<tr>
<td>MD</td>
<td>3.7%</td>
<td>6.4%</td>
<td>4.1%</td>
<td>-3.8%</td>
</tr>
<tr>
<td>SC</td>
<td>3.6%</td>
<td>6.4%</td>
<td>4.0%</td>
<td>-4.6%</td>
</tr>
<tr>
<td>KY</td>
<td>3.4%</td>
<td>6.5%</td>
<td>4.0%</td>
<td>-10.8%</td>
</tr>
<tr>
<td>NY</td>
<td>2.7%</td>
<td>7.2%</td>
<td>3.9%</td>
<td>-13.0%</td>
</tr>
</tbody>
</table>

* Indicates Judicial State

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### Appendix

**Loan counts and average days delinquent – recent months**

<table>
<thead>
<tr>
<th>Month</th>
<th>Total active</th>
<th>0-30 days</th>
<th>30-60 days</th>
<th>60-90 days</th>
<th>Foreclosures</th>
<th>Total non-current</th>
<th>FC starts</th>
<th>FC sales (completions)</th>
<th>Average days delinquent for 1s</th>
<th>Average days delinquent for 1c</th>
<th>DEQ</th>
<th>Monthly change</th>
<th>Yearly change</th>
<th>Monthly change</th>
<th>Yearly change</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/30/2022</td>
<td>51,979,000</td>
<td>661,800</td>
<td>262,600</td>
<td>602,000</td>
<td>370,900</td>
<td>140,000</td>
<td>2,463,000</td>
<td>32,800</td>
<td>16,100</td>
<td>285</td>
<td>5.1%</td>
<td>0.5%</td>
<td>-0.7%</td>
<td>0.5%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>5/31/2022</td>
<td>52,062,000</td>
<td>740,500</td>
<td>223,400</td>
<td>666,000</td>
<td>222,000</td>
<td>1,860,000</td>
<td>2,463,000</td>
<td>32,800</td>
<td>16,100</td>
<td>285</td>
<td>5.2%</td>
<td>0.5%</td>
<td>-0.7%</td>
<td>0.5%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>6/30/2022</td>
<td>52,150,000</td>
<td>862,000</td>
<td>247,000</td>
<td>628,000</td>
<td>224,000</td>
<td>1,960,000</td>
<td>2,463,000</td>
<td>32,800</td>
<td>16,100</td>
<td>285</td>
<td>5.3%</td>
<td>0.5%</td>
<td>-0.7%</td>
<td>0.5%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>7/31/2022</td>
<td>52,200,000</td>
<td>862,000</td>
<td>247,000</td>
<td>628,000</td>
<td>224,000</td>
<td>1,960,000</td>
<td>2,463,000</td>
<td>32,800</td>
<td>16,100</td>
<td>285</td>
<td>5.3%</td>
<td>0.5%</td>
<td>-0.7%</td>
<td>0.5%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>8/31/2022</td>
<td>52,250,000</td>
<td>862,000</td>
<td>247,000</td>
<td>628,000</td>
<td>224,000</td>
<td>1,960,000</td>
<td>2,463,000</td>
<td>32,800</td>
<td>16,100</td>
<td>285</td>
<td>5.3%</td>
<td>0.5%</td>
<td>-0.7%</td>
<td>0.5%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>9/30/2022</td>
<td>52,300,000</td>
<td>862,000</td>
<td>247,000</td>
<td>628,000</td>
<td>224,000</td>
<td>1,960,000</td>
<td>2,463,000</td>
<td>32,800</td>
<td>16,100</td>
<td>285</td>
<td>5.3%</td>
<td>0.5%</td>
<td>-0.7%</td>
<td>0.5%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>10/31/2022</td>
<td>52,350,000</td>
<td>862,000</td>
<td>247,000</td>
<td>628,000</td>
<td>224,000</td>
<td>1,960,000</td>
<td>2,463,000</td>
<td>32,800</td>
<td>16,100</td>
<td>285</td>
<td>5.3%</td>
<td>0.5%</td>
<td>-0.7%</td>
<td>0.5%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>11/30/2022</td>
<td>52,400,000</td>
<td>862,000</td>
<td>247,000</td>
<td>628,000</td>
<td>224,000</td>
<td>1,960,000</td>
<td>2,463,000</td>
<td>32,800</td>
<td>16,100</td>
<td>285</td>
<td>5.3%</td>
<td>0.5%</td>
<td>-0.7%</td>
<td>0.5%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>12/31/2022</td>
<td>52,450,000</td>
<td>862,000</td>
<td>247,000</td>
<td>628,000</td>
<td>224,000</td>
<td>1,960,000</td>
<td>2,463,000</td>
<td>32,800</td>
<td>16,100</td>
<td>285</td>
<td>5.3%</td>
<td>0.5%</td>
<td>-0.7%</td>
<td>0.5%</td>
<td>-0.7%</td>
</tr>
</tbody>
</table>

...
# Definitions

<table>
<thead>
<tr>
<th><strong>Total active count</strong></th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Delinquency statuses (30, 60, 90+, etc.)</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>90-day defaults</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Foreclosure inventory</strong></td>
<td>The servicer has referred the loan to an attorney for foreclosure. Loans remain in foreclosure inventory from referral to sale.</td>
</tr>
<tr>
<td><strong>Foreclosure starts</strong></td>
<td>Any active loan that was not in foreclosure in the prior month that moves into foreclosure inventory in the current month.</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td>Loans in any stage of delinquency or foreclosure.</td>
</tr>
<tr>
<td><strong>Foreclosure sale / new REO</strong></td>
<td>Any loan that was in foreclosure in the prior month that moves into post-sale status or is flagged as a foreclosure liquidation.</td>
</tr>
<tr>
<td><strong>REO</strong></td>
<td>The loan is in post-sale foreclosure status. Listing status is not a consideration; this includes all properties on and off the market.</td>
</tr>
<tr>
<td><strong>Deterioration ratio</strong></td>
<td>The ratio of the percentage of loans deteriorating in delinquency status vs. those improving.</td>
</tr>
</tbody>
</table>

**Extrapolation methodology:** Mortgage statistics are scaled to estimate the total market performance based on coverage within the McDash database.
Disclosures

You can reach us by email at mortgage.monitor@ice.com

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