



MORTGAGE MONITOR



JUNE 2021 REPORT



MORTGAGE MONITOR

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JUNE 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 the month's data to break down the recovery to date and identify remaining areas of excess COVID-19-driven serious delinquencies. We also look at the past-due principal, interest, taxes and insurance payments that have accumulated during the pandemic as well as how much of that debt could potentially be covered by the homeowner assistance funds from the American Rescue Act.

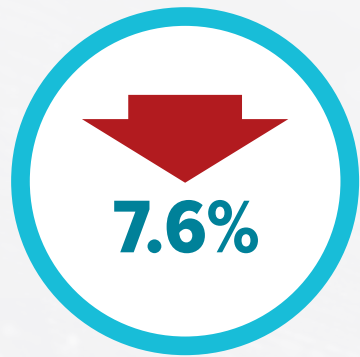
Next, we revisit the forbearance landscape to take a closer look at volumes – including plan starts, removals and extensions – and break down the population of post-forbearance borrowers to see how they're performing on their mortgages. In light of FHA, VA and USDA providing clarifying details on varying maximum allowable forbearance periods, we also explore the ways in which these new matrices may impact expiration activity throughout the remainder of the year. Finally, we look at how the removal of the adverse market fee on refinance originations – along with falling 10-year treasury yields – have impacted rate offerings as well as refinance incentive and rate-lock activity. We also revisit for-sale inventory and its impact on home prices.

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.



Here we have an overview of findings from [Black Knight's 'First Look' at June 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.

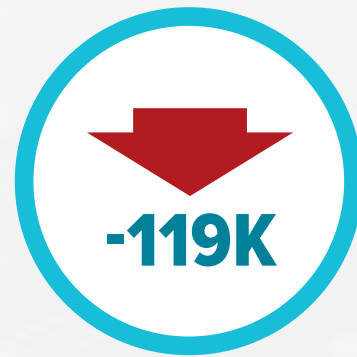
JUNE OVERVIEW STATS



DELINQUENCY RATE

The national delinquency rate hit its lowest level since the onset of the pandemic in June

At 4.37%, the delinquency rate is now back below its pre-Great Recession average



SERIOUS DELINQUENCIES

Despite continued improvement, more than 1.5M homeowners remain 90 or more days past due on their mortgages but not in foreclosure

Serious delinquency rates remain elevated by more than a full percentage point across all 50 states



PREPAYMENT RATE

Recent pullbacks in interest rates resulted in prepayment activity edging upward for the first time in three months

Even so, prepayments are still down 14% from the same time last year

Though serious delinquencies remain significantly elevated at more than 1.5M, with moratoriums still in effect and forbearance participation strong, the share of mortgages in active foreclosure fell to yet another record low in June.

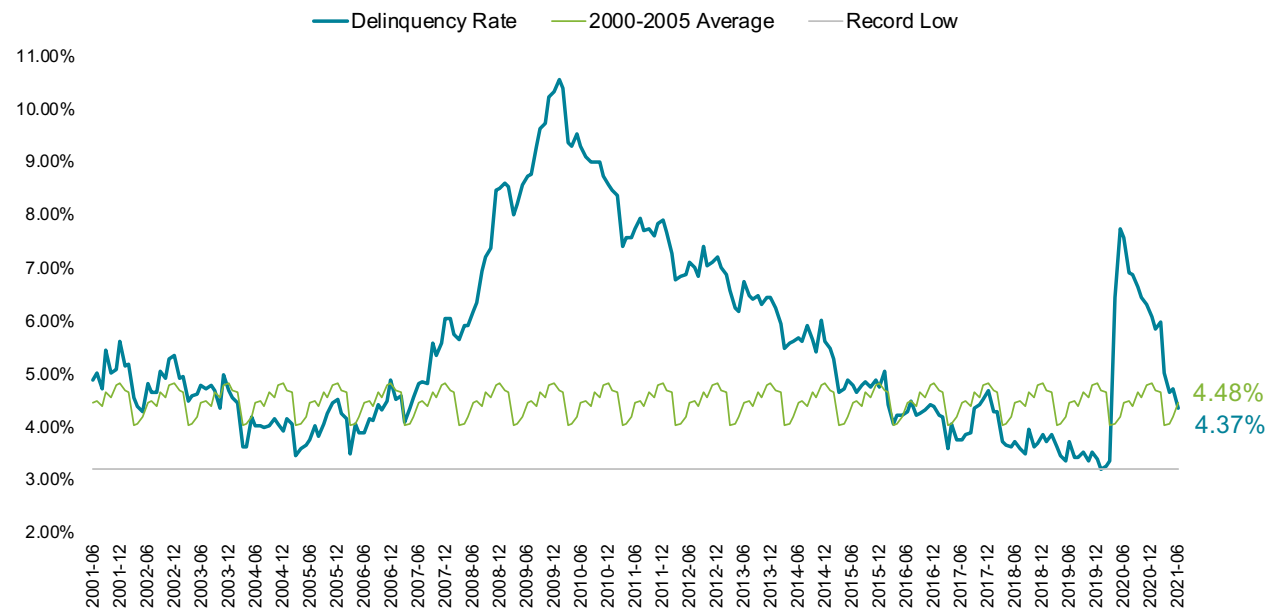


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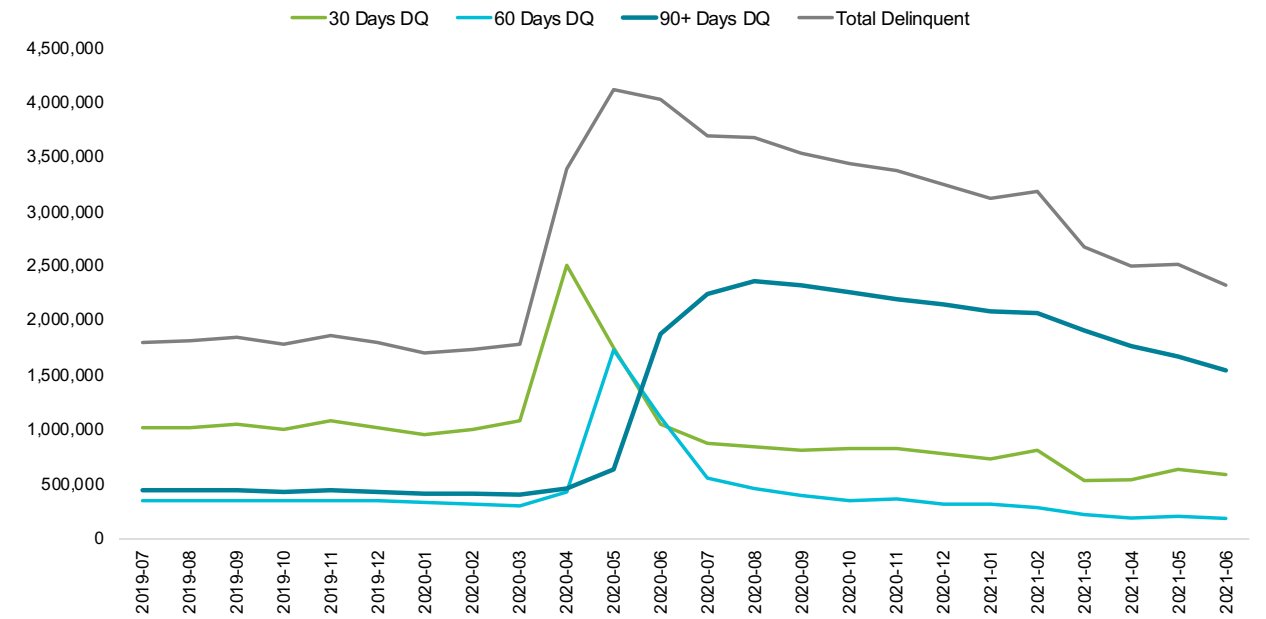
JUNE 2021 PERFORMANCE HIGHLIGHTS

Here we take an in-depth look at mortgage performance metrics in June in order to break down the recovery to date and identify remaining areas of excess COVID-19-driven serious delinquencies. This information has been compiled from both Black Knight's original [McDash](#) loan-level mortgage performance database and its new [McDash Flash](#) daily performance data. Click on each chart to see its contents in high-resolution.

NATIONAL DELINQUENCY RATE – FIRST LIEN MORTGAGES



MORTGAGE DELINQUENCIES BY SEVERITY



- » After a calendar-related setback in May, mortgage delinquencies returned to their trend of improvement in June, falling to 4.37% from 4.73% the month prior
- » The national delinquency rate is now back below its 2000-2005 pre-Great Recession average for this time of year and currently stands 1.17 percentage points above the record low reached just before the onset of the pandemic
- » While the overall delinquency rate remains on pace to return to pre-pandemic levels by early 2022, serious delinquencies continue to improve at a much slower rate

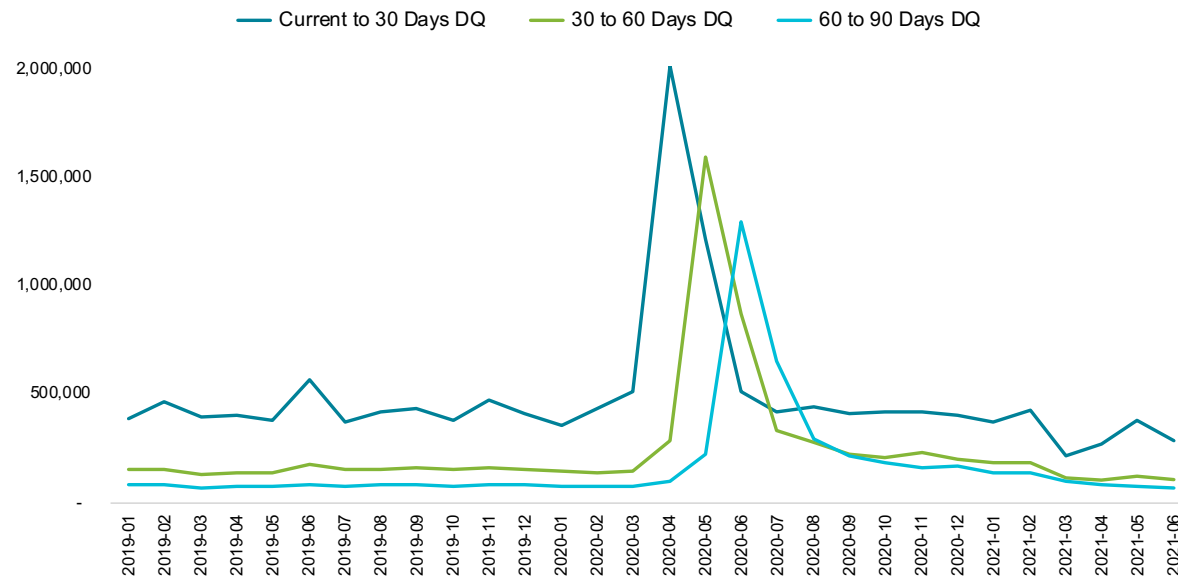
- » Some 1.55M borrowers remain 90 or more days past due on their mortgages but are not yet in foreclosure, 1.14M (nearly 4X) more than just prior to the pandemic
- » At the current rate of improvement, there would still be more than 1M excess serious delinquencies entering September 2021 when the first wave of borrowers begins to reach the final expiration on their forbearance plans



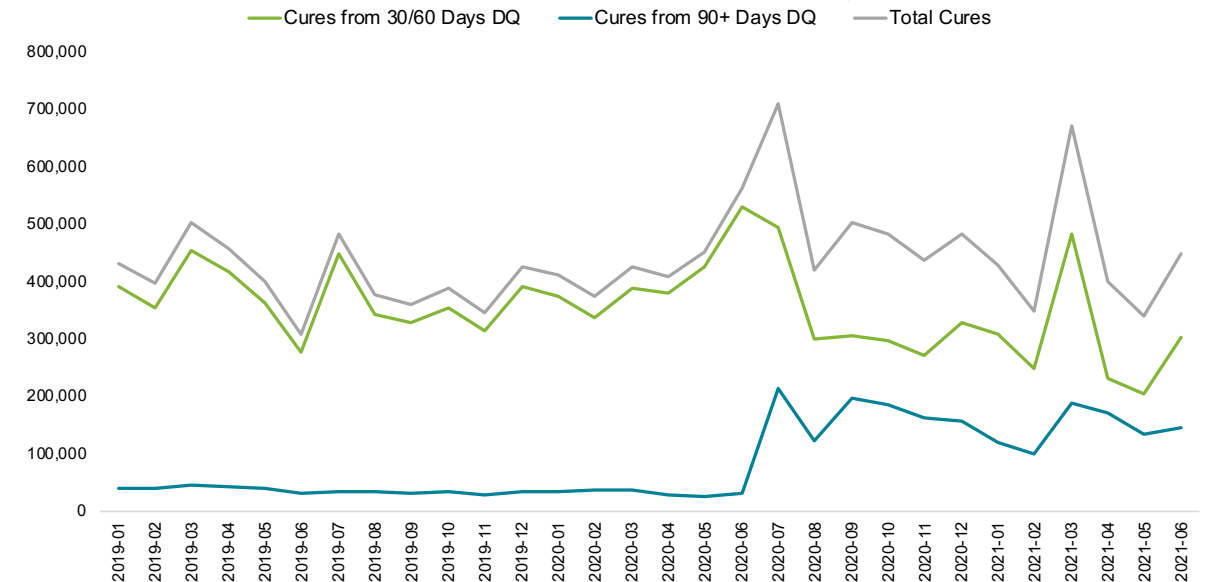
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JUNE 2021 PERFORMANCE HIGHLIGHTS

LOANS ROLLING TO A MORE DELINQUENT STATUS



CURES TO CURRENT BY PREVIOUS DQ BUCKET



- » June's improvement was due to both a decline in new delinquency inflow as well as an increase in overall cure activity
- » New delinquencies fell by 24% month-over-month, and the number of loans rolling from 30 to 60 and 60 to 90 days delinquent both hit their lowest levels since the onset of the pandemic
- » Across the board, both delinquency inflow as well as rolls to later stage delinquencies have fallen noticeably below pre-pandemic levels

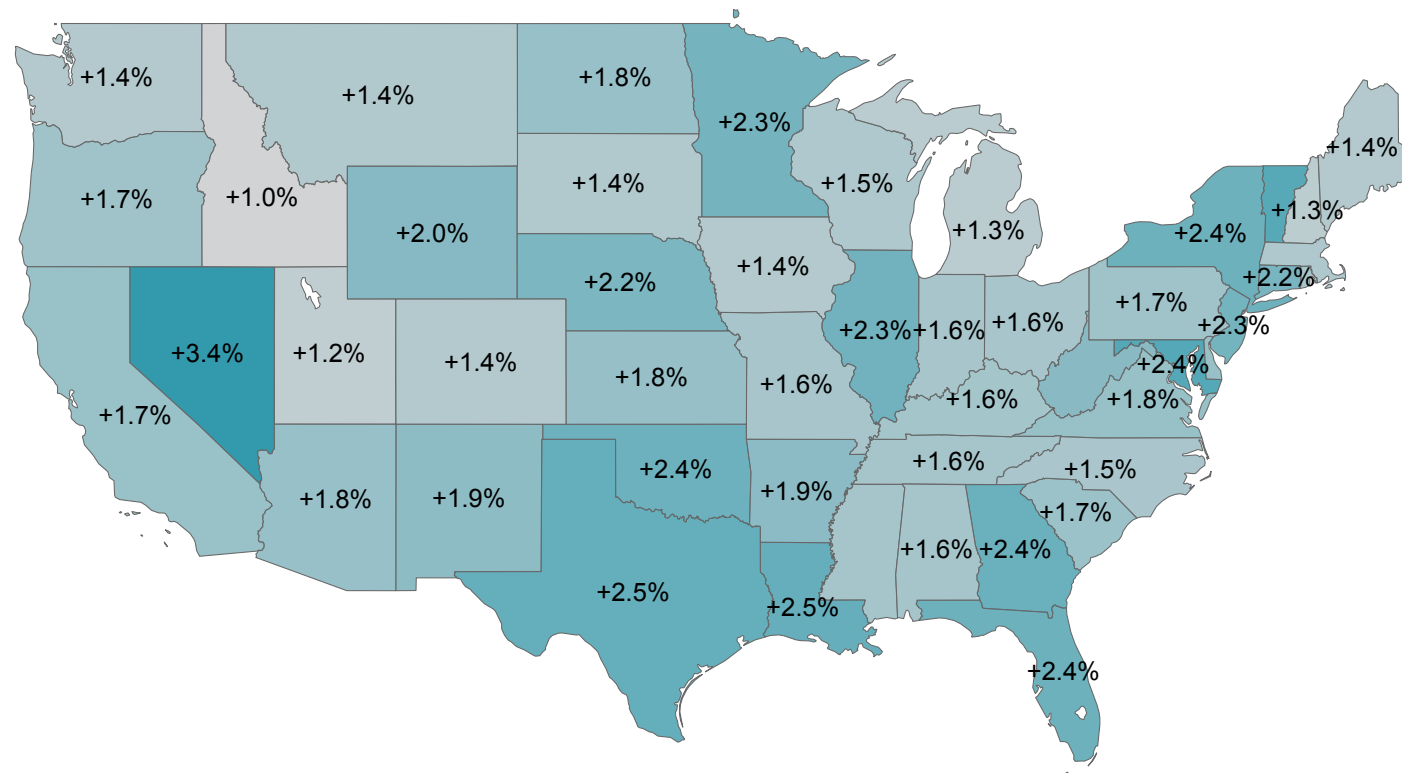
- » Cure activity also edged upward in June as more than 449K borrowers became current, including 145K cures from borrowers previously 90 or more days delinquent – both the highest such volumes since March
- » Early mortgage payment data from July suggests that we may see additional improvements in overall delinquency volumes next month as well



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JUNE 2021 PERFORMANCE HIGHLIGHTS

CHANGE IN SERIOUS DELINQUENCY RATE SINCE ONSET OF PANDEMIC (AS OF JUNE 2021)



Noticeable geographic differences continue to be seen in terms of the COVID-19 impact on mortgage performance

- » While there was solid improvement in mortgage delinquencies in June, there are still more than 1.1M more serious delinquencies than before the pandemic
- » That means approximately 2% of mortgage holders across the country remain seriously past due as a direct result of COVID-19
- » Though impacts remain varied by geography, serious delinquency rates remain elevated by at least a full percentage point in all 50 states, as well as each of the 50 largest metro area markets
- » Hawaii and Nevada continue to see the largest per capita impacts, with serious delinquency rates still elevated by 3.4% in each of those states

Source: Black Knight, McDash



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MARKETS WITH LARGEST CHANGE IN SDQ%					
Rank	Geography (CBSA)	Feb 2020	June 2021	Change (%)	Change (Count)
1	Las Vegas, NV	1.2%	5.0%	+3.8%	+17,800
2	Miami, FL	1.6%	4.8%	+3.2%	+31,600
3	New Orleans, LA	2.0%	5.0%	+3.0%	+6,200
4	Houston, TX	1.5%	4.3%	+2.8%	+31,100
5	San Antonio, TX	1.5%	4.2%	+2.8%	+10,300
6	Orlando, FL	1.4%	4.1%	+2.8%	+13,300
7	Atlanta, GA	1.3%	4.0%	+2.7%	+32,300
8	New York-Newark, NY-NJ	1.8%	4.2%	+2.5%	+92,500
9	Baltimore, MD	1.7%	4.1%	+2.5%	+15,000
10	Washington, DC	0.9%	3.3%	+2.4%	+37,400

Source: Black Knight, McDash

- » As mentioned, the serious delinquency rate in each of the 50 largest U.S. markets remain elevated by at least a full percentage point as compared to pre-pandemic levels
- » Las Vegas continues to feel the largest lingering impact of any major market with 3.8% (17,800) of borrowers still estimated to be seriously past due as a direct result of COVID-19

MARKETS WITH LOWEST CHANGE IN SDQ%					
Rank	Geography (CBSA)	Feb 2020	June 2021	Change (%)	Change (Count)
41	Milwaukee, WI	1.3%	2.7%	+1.4%	+3,200
42	Detroit, MI	0.8%	2.3%	+1.4%	+10,300
43	Richmond, VA	1.4%	2.8%	+1.4%	+4,200
44	Seattle, WA	0.5%	1.9%	+1.4%	+10,600
45	San Francisco, CA	0.2%	1.7%	+1.4%	+15,000
46	Denver, CO	0.4%	1.8%	+1.4%	+8,800
47	Boston, MA	0.8%	2.2%	+1.4%	+10,600
48	Salt Lake City, UT	0.6%	2.0%	+1.3%	+2,800
49	Pittsburgh, PA	1.7%	2.9%	+1.3%	+4,100
50	San Jose, CA	0.2%	1.2%	+1.1%	+5,100

Source: Black Knight, McDash

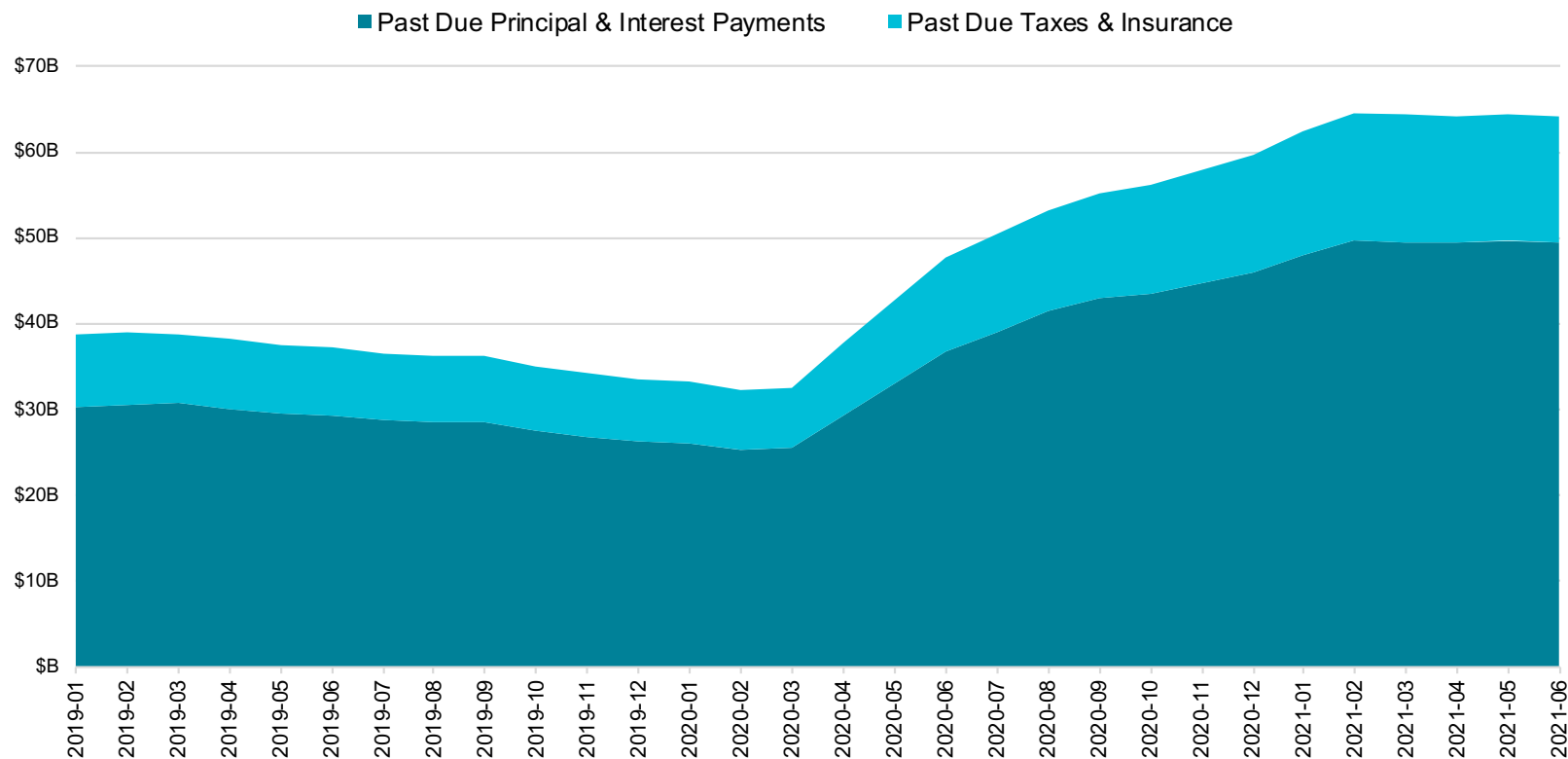
- » In terms of raw numbers, the New York metro area has the largest volume of serious delinquencies at 92,500 (9% of the nation's total)
- » Tech hubs (San Jose, San Francisco, Seattle) continue to be among the least impacted



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JUNE 2021 PERFORMANCE HIGHLIGHTS

TOTAL OF PAST DUE MORTGAGE PAYMENTS IN BILLIONS



Source: Black Knight, McDash

Past-due principal, interest, taxes and insurance payments have risen by \$32 billion since the onset of the pandemic

- » Entering the pandemic, Americans were \$32M in arrears on primary mortgage payments, including more than \$25M in past due principal and interest and nearly \$7M in past due taxes and insurance
- » That number has more than doubled over the past 15 months, rising to more than \$64M by February 2021 before beginning to level out and edge slightly lower over the past few months
- » More than \$9 billion in homeowner assistance funds (HAF) have been allocated as part of the American Rescue Plan Act to help assist borrowers with past due payments
- » Assuming 100% of allocated HAF dollars go directly to helping homeowners become current on missed mortgage payments – unlikely, given the program outlines other potential uses as well – the allocated funds would cover approximately 30% of the pandemic-related rise in past due mortgage payments at the national level
- » The remaining impact would need to be resolved via broader economic improvement and post-forbearance deferral programs, loan modifications and other efforts

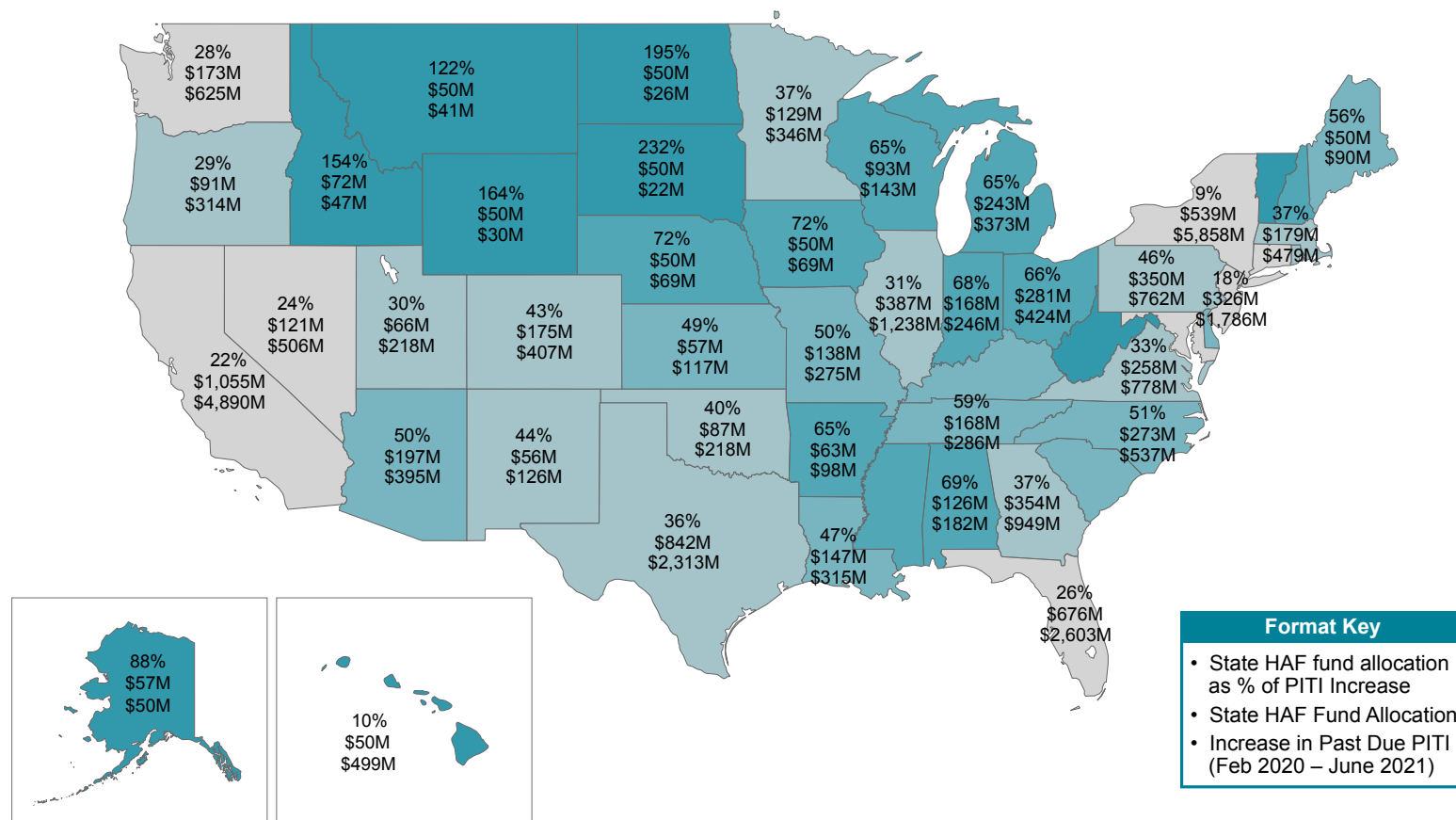


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JUNE 2021 PERFORMANCE HIGHLIGHTS

HOMEOWNER ASSISTANCE FUNDS (HAF) AS A SHARE OF PANDEMIC-RELATED INCREASE IN PAST DUE MORTGAGE PAYMENTS (PITI) – BY STATE



Past due payments derived from Black Knight's McDash mortgage performance data set.
HAF fund allocations published by U.S. Department of the Treasury.

\$9.4B in HAF funds equate to roughly 30% of the pandemic-related increase in past due mortgage payments (PITI); however, that percentage is noticeably lower in some states

- » In some states, the \$50M minimum HAF allocation is more than enough to wipe out the entire rise in past due mortgage payments
- » On the other hand, in states like New York and Hawaii the HAF funds cover just 9% and 10% of pandemic-related impact respectively
- » There are several reasons for these variations, including minimum allocations made for smaller states with fewer pandemic related delinquencies cutting into the allocations for larger and/or more heavily impacted states
- » While allocations were based on delinquency rate, average mortgage payments of impacted borrowers in New York and Hawaii are 40% higher than the national average and more than 2X the average payments of some more affordable states
- » The differing levels – and coverage – of HAF funds from state to state could lead to likewise differing recovery timelines across the country

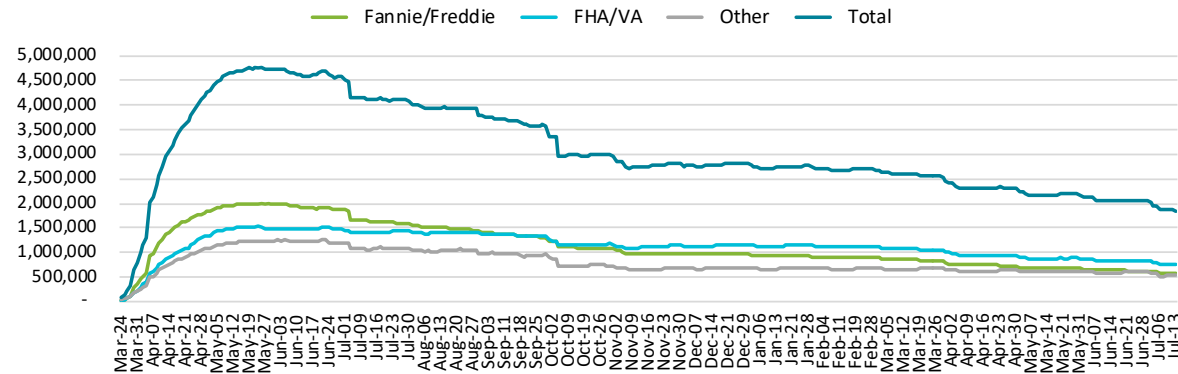


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JUNE 2021 FORBEARANCE ACTIVITY

Here we take a closer look at forbearance volumes – including plan starts, removals and extensions – and break down the population of post-forbearance borrowers to see how they’re performing on their mortgages. We also explore potential expiration volumes through the remainder of 2021. This information has been compiled from Black Knight’s original [McDash](#) loan-level mortgage performance database as well as the new daily McDash Flash dataset. Click on each chart to see its contents in high-resolution.

ACTIVE FORBEARANCE PLANS



Source: McDash Flash, Data as of July 13, 2021

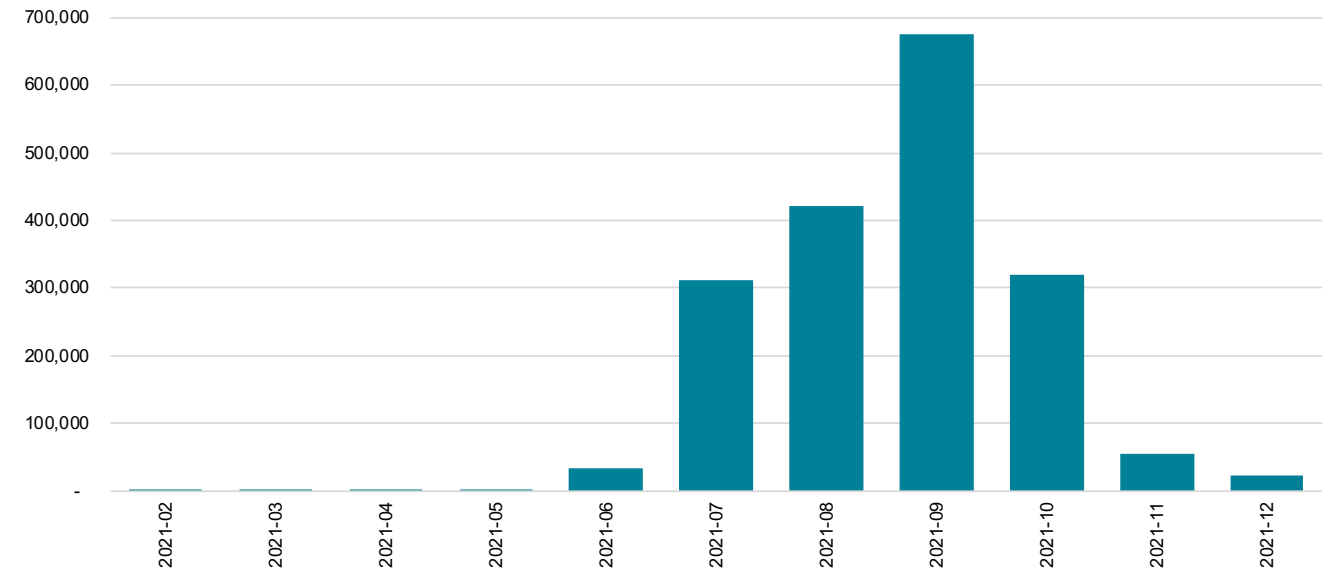
	Fannie & Freddie	FHA & VA	Other**	Total
Loans in Forbearance*	582,000	755,000	524,000	1,861,000
UPB of Loans in Forbearance (\$Bil)*	\$121	\$128	\$114	\$363
Share of Loans in Forbearance*	2.1%	6.2%	4.0%	3.5%
Active Loan Count (Mil)*	27.9	12.1	13.0	53.0

*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

- » Strong declines around the 4th of July holiday, driven by review activity of early forbearance entrants reaching the 15th month of their plans, pushed active plan volumes to their lowest levels since early April 2020
- » That said, some 1.86M active plans remain, with 3.5% of mortgaged properties remaining in active forbearance

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

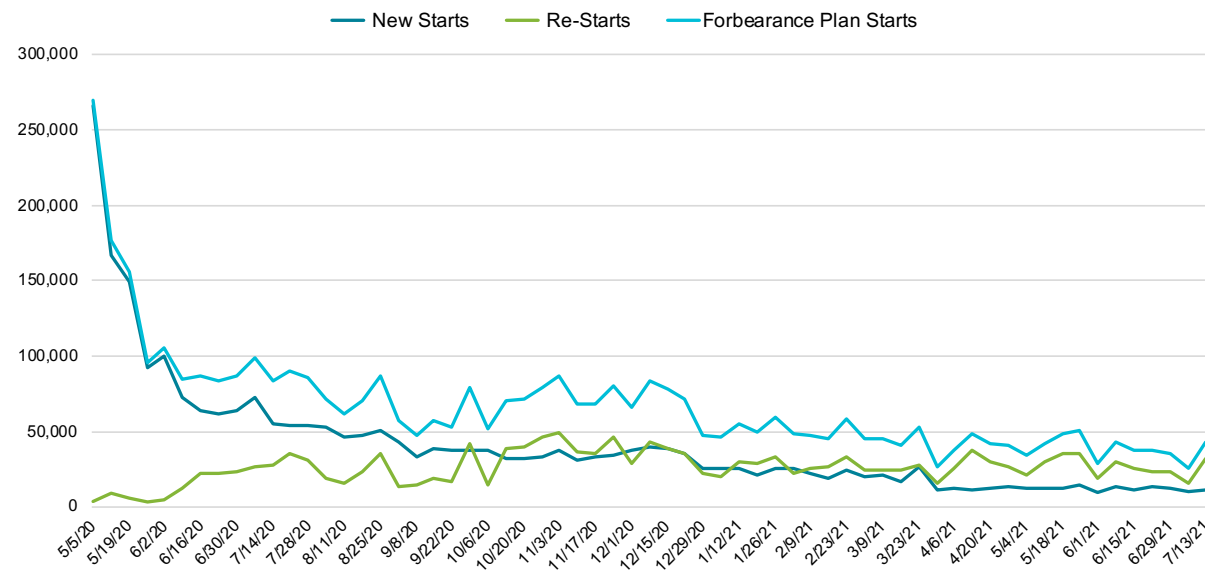
- » There are more modest opportunities for plan removals over the next two months, before the first large wave of plans reaches 18-month expirations in September
- » Notable: The forbearance rate among FHA loans remains more than 3X that of GSE-securitized mortgages, with FHA/VA now making up over 40% of all loans in forbearance



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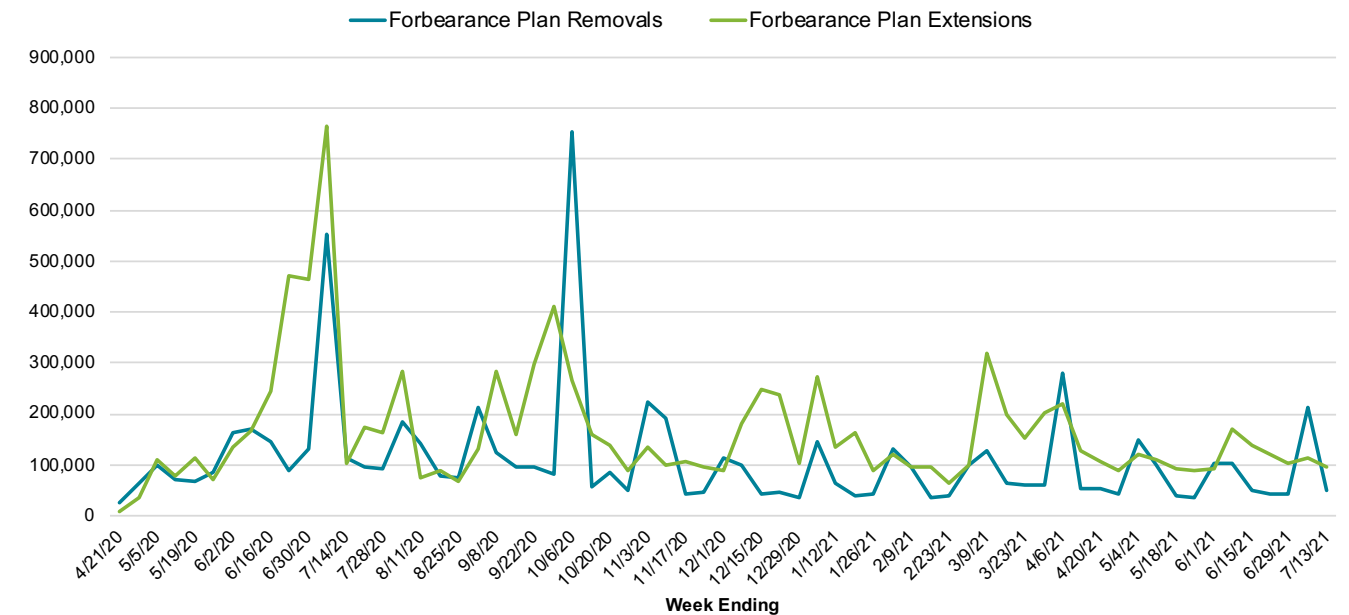
JUNE 2021 FORBEARANCE ACTIVITY

FORBEARANCE PLAN STARTS



- » Forbearance plan starts ticked back up in mid-July, solely as a result of increasing plan restart activity
- » Similar increases in plan restarts have been seen in recent months following large volumes of plan exits, as was the case in early July
- » New plan starts continue to trend slowly downward and will likely continue to do so until the final expiration date for plan entry

FORBEARANCE PLAN EXTENSIONS & REMOVALS – BY WEEK



- » After seeing 211K borrowers leave their forbearance plans in the week ending July 6, exit volumes have since waned, a common trend during the middle of the month
- » Moderate opportunity remains for additional plan exits in early August before the first wave of forbearance plans begins to reach terminal expirations in September



Initial Forbearance Date	FHA Maximum Forbearance Period	VA Maximum Forbearance Period	USDA Maximum Forbearance Period	FNMA/FHLMC Maximum Forbearance Period
March 1, 2020 – June 30, 2020	Up to 18 months ML 2021-05 (2.16.21)	Up to 18 months Circular 26-21-04 (2.16.21)	Up to 18 months Announcement (2.16.21) Announcement (6.25.21)	Lesser of a total of 18 months of forbearance or 18 months delinquent for active forbearances as of Feb. 28, 2021. Up to 12 months forbearance thereafter. No end date to when a borrower can request a COVID-19 forbearance. FNMA LL 2021-02 and FHLMC Bulletin 2021-8 (2.25.21)
July 1, 2020 – Sept. 30, 2020	Up to 15 months ML 2021-15 (6.25.21)	Up to 12 months Circular 26-21-10 (6.25.21)	Up to 15 months Announcement (6.25.21)	
Oct. 1, 2020 – June 30, 2021	Up to 12 months ML 2021-15 (6.25.21)		Up to 12 months Announcement (6.25.21)	
July 1, 2021 – Sept. 30, 2021	Up to 6 months ML 2021-15 (6.25.21)			
Oct 1, 2021 and beyond	Return to Standard Loss Mitigation			

Source: Black Knight, FHFA, FHA, VA, USDA
As of 7.26.2021

- » Recently updated guidelines from FHA, VA and USDA extend the deadline for homeowners to enter forbearance to Sept. 30, 2021, and provide additional clarification on maximum forbearance periods
- » While these guidelines may be adjusted in coming weeks/months, it's worth exploring how they may impact plan expiration volumes and timing over the second half of 2021 as currently configured
- » In addition to influencing expiration volumes, these complex matrices may also cause confusion as servicers work to implement the varying policies

Example Forbearance Plan Expiration Matrix Based on FHA, VA, and FHFA Forbearance Term Limits			
FHA Plan Start Month	VA Plan Start Month	Fannie Mae/Freddie Mac Plan Start Month	Plan Expiration Month
Mar 2020	Mar 2020, Sep 2020	Mar 2020	August 2021
Apr 2020, Jul 2020, Oct 2020	Apr 2020, Oct 2020	Apr 2020	September 2021
May 2020, Aug 2020, Nov 2020	May 2020, Nov 2020	May 2020	October 2021
Jun 2020, Sep 2020, Dec 2020	Jun 2020, Dec 2020	Jun 2020	November 2021
Jan 2021, Jul 2021	Jan 2021, Jul 2021	July 2020	December 2021
Feb 2021, Aug 2021	Feb 2021, Aug 2021	Aug 2020	January 2022
Mar 2021, Sep 2021	Mar 2021, Sept 2021	Sep 2020, Mar 2021	February 2022
Apr 2021	Apr 2021	Oct 2020, Apr 2021	March 2022
May 2021	May 2021	Nov 2020, May 2021	April 2022
Jun 2021	Jun 2021	Dec 2020, Jun 2021	May 2022
		Jan 2021, July 2021	June 2022
		Feb 2021, Aug 2021	July 2022
		Sep 2021	August 2022
		Oct 2021	September 2022
		Nov 2021	October 2022
		Dec 2021	November 2022

- The matrix above is an example and may not include all possible combinations of start and expiration months
- This matrix assumes that the first forbore payment takes place in the month the plan was requested
- Plan Start Month is the month in which the first forbore payment took place
- Expiration month is the month in which the last forbore payment takes place assuming that each borrower stays in their plan for the maximum allowable term

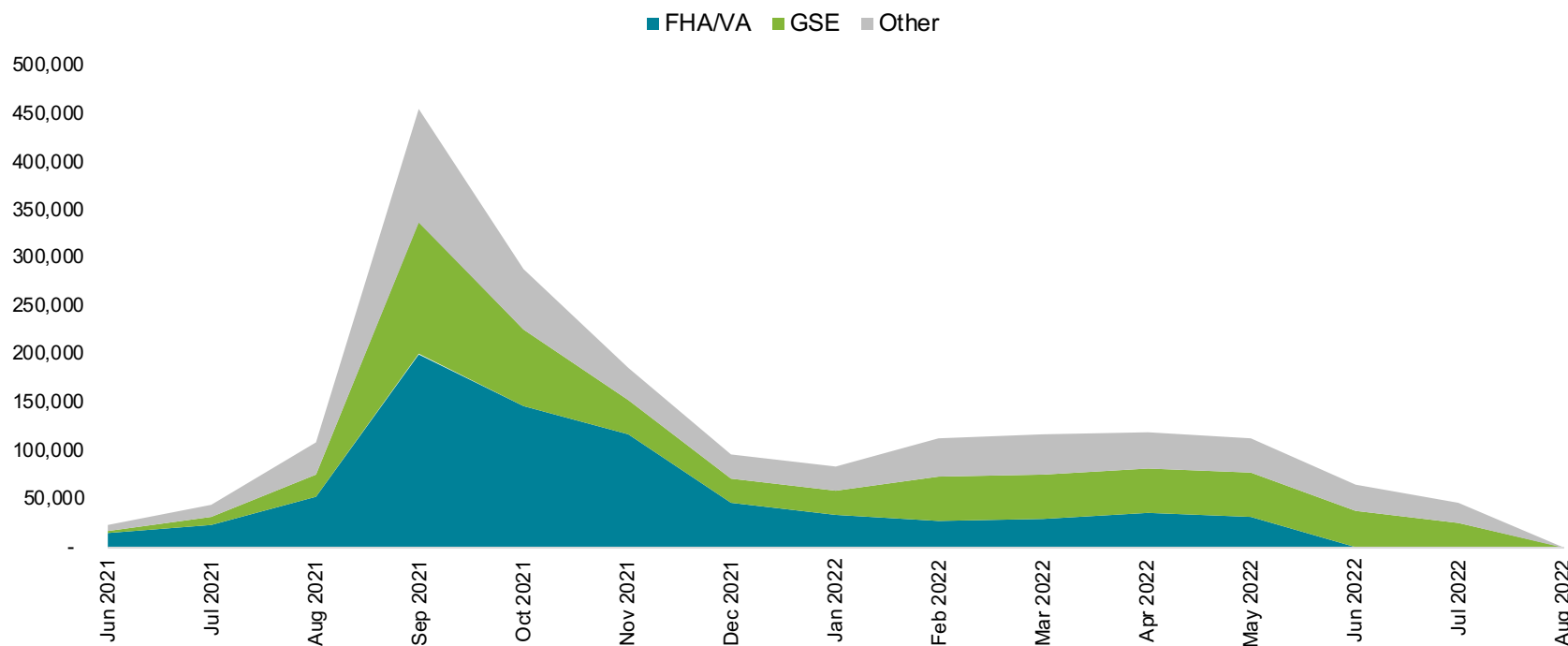
Source: Black Knight
As of 7.26.2021

- » Though tiered forbearance plan lengths help to shorten the overall window during which expirations will be taking place, the current structure results in the stacking of expiration activity
- » Assuming borrowers stay in for the maximum allowable term, this means plans that started as much as seven months apart are now scheduled to expire simultaneously
- » More importantly, this noticeably increases expected forbearance expiration activity in late 2021 and early 2022, especially among FHA borrowers who may face heightened challenges in re-performing on their mortgages post-forbearance



MORTGAGE MONITOR

ESTIMATED FINAL EXPIRATION MONTH OF ACTIVE FORBEARANCE PLANS (BASED ON FHFA, FHA, VA, USDA FORBEARANCE TERM MATRICES)



Source: Black Knight

Estimated expiration volumes above are based on 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

JUNE 2021 FORBEARANCE ACTIVITY

The oversized share of FHA/VA loans set to expire later this year is certainly notable given the increased challenges those borrowers are likely to face in reperforming on their mortgages as compared to those in GSE loans

- » Prior to the clarifying guidance on allowable forbearance periods, Black Knight had estimated some 950K plans were set to expire over the final six months of the year – representing about half of all loans in forbearance
- » However, under the current matrices 65% of active plans – representing approximately 1.2 million homeowners – are now set to expire over the rest of 2021, including nearly 80% of all FHA and VA loans in forbearance
- » While some borrowers will elect to leave forbearance early between now and their final expiration, servicers are still facing significant operational challenges, especially with FHA loans which may take additional processing time due to the complexities of post-forbearance workouts
- » Under the current matrices, the nation's mortgage servicers would have to process up to 18K expiring plans per business day in September and October alone, guiding borrowers through complex loss mitigation waterfalls directed by changing regulatory requirements

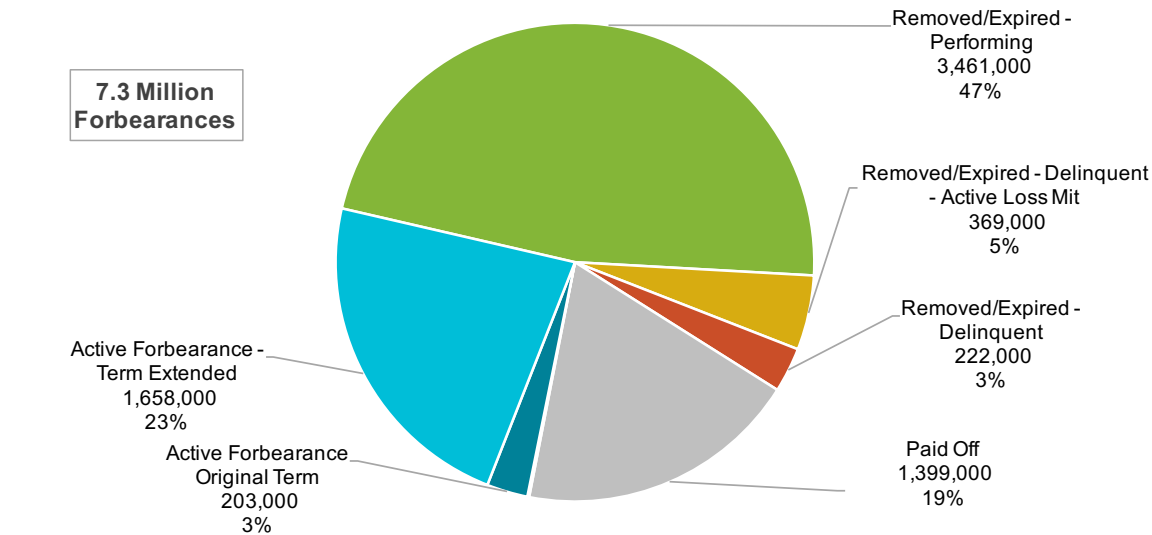


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JUNE 2021 FORBEARANCE ACTIVITY

CURRENT STATUS OF COVID-19 RELATED FORBEARANCES

(STATUS AS OF JULY 13TH 2021)

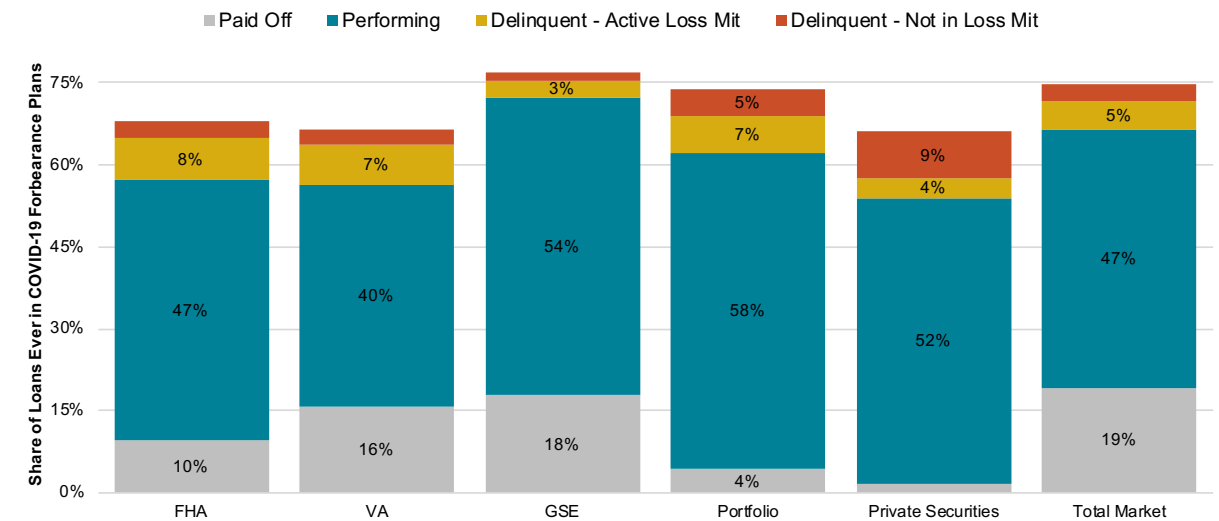


Source: McDash Flash

- » Approximately 7.3M homeowners have now been in a forbearance plan at some point over the last 15 months, more than 14% of all mortgaged properties
- » Performance continues to be relatively strong; however, the number of borrowers who have left their plans and remain delinquent has begun to edge upward
- » While two-thirds have left their plans and are either current on their mortgage or have paid it off in full, some 5% (369K) remain delinquent and are currently in post-forbearance loss mitigation

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

(REMAINING SHARE ARE STILL IN FORBEARANCE)



Source: McDash Flash

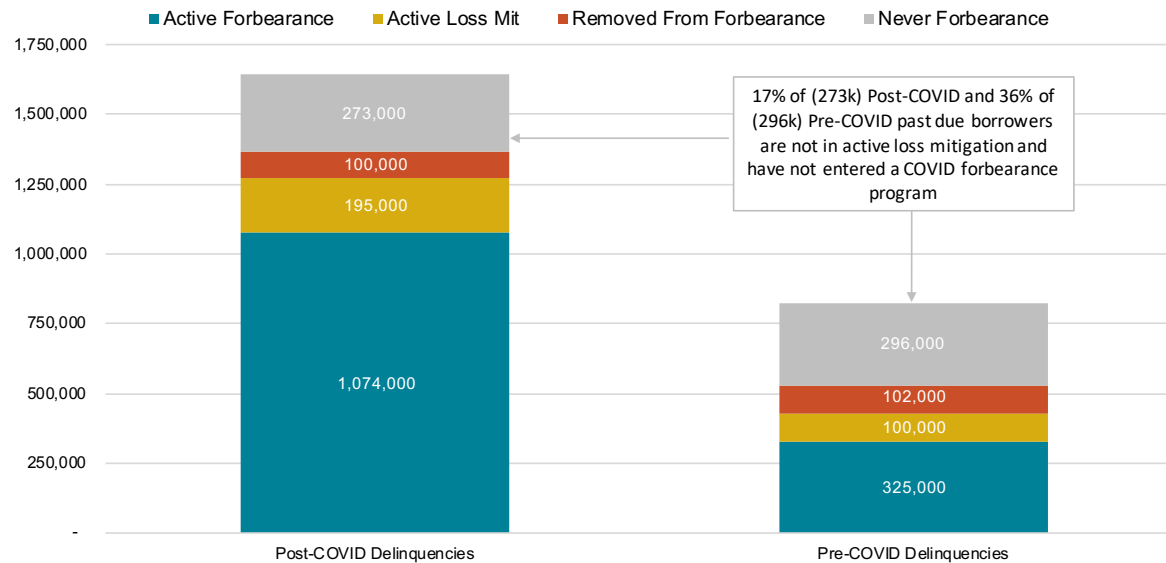
- » Another 3% (222K) remain delinquent but are not in loss mitigation, up from 195K one month prior
- » Approximately half of borrowers who have left forbearance and remain past due were already delinquent prior to the onset of the pandemic



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JUNE 2021 FORBEARANCE ACTIVITY

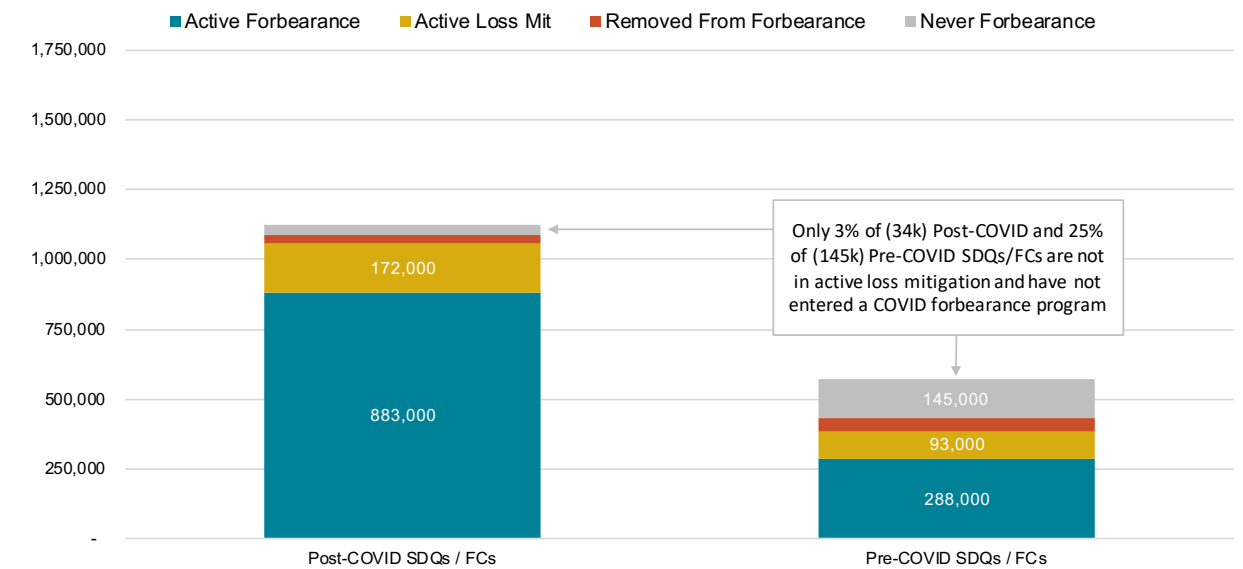
BREAKDOWN OF ALL PAST DUE MORTGAGES (30+ DAYS) (AS OF JUNE 2021 MONTH-END)



Source: McDash Flash, McDash Primary

- » Participation in forbearance plans and loss mitigation options continue to be widely used among borrowers impacted by COVID-19, especially those who have become seriously delinquent
- » While more than 1.1M COVID-19 related serious delinquencies remain, 94% of these borrowers are either in a forbearance plan or active loss mitigation with their servicer

BREAKDOWN OF LOANS 90+ DAYS DQ OR IN FORECLOSURE (AS OF JUNE 2021 MONTH-END)



Source: McDash Flash, McDash Primary

- » Only 34K of these borrowers were current on their mortgage entering the pandemic, have since become 90+ day delinquent and are not in loss mitigation, nor have they participated in a forbearance plan
- » Additional opportunities for assistance may remain among early-stage delinquencies as well, with 273k such borrowers across all delinquency levels



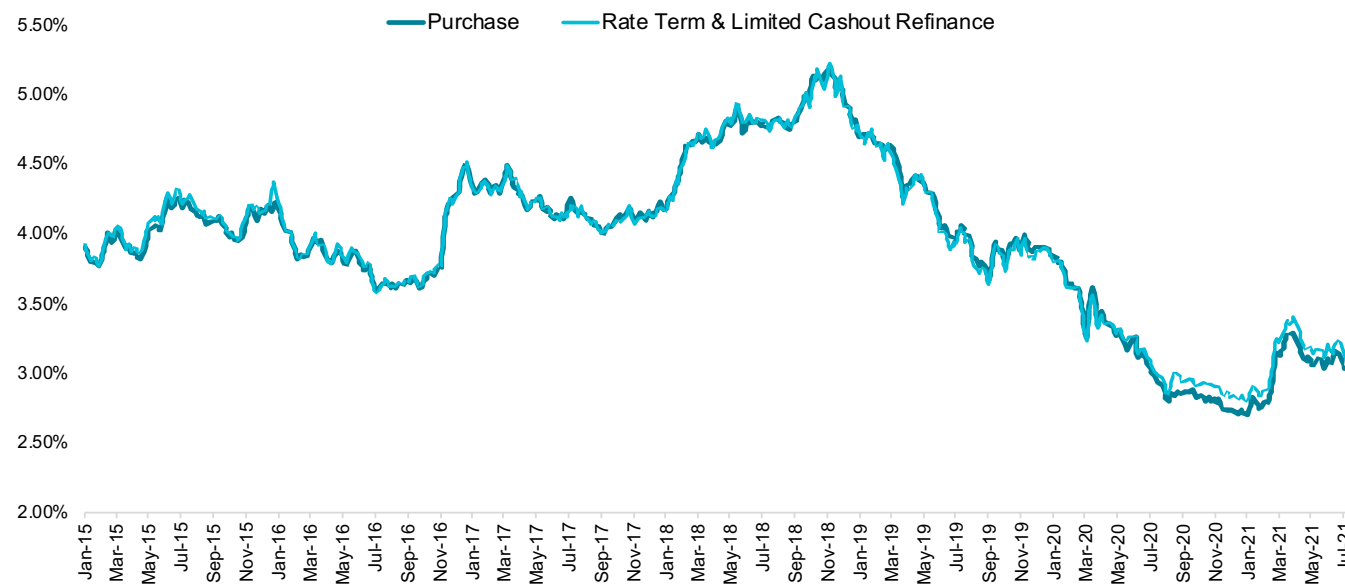
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JUNE 2021 INTEREST RATES, RATE LOCKS & INVENTORY

Here, we look at how the removal of the adverse market fee on refinance originations along with falling 10-year treasury yield have impacted rate offerings as well as refinance incentive and rate lock activity. We also revisit for-sale inventory to see how that situation is progressing. This information has been compiled from the Black Knight Home Price Index, the [McDash](#) loan-level mortgage performance database and data from our Optimal Blue PPE and Collateral Analytics division. Click on each chart to see its contents in high-resolution.

30-YEAR INTEREST RATE OFFERINGS BY LOAN PURPOSE

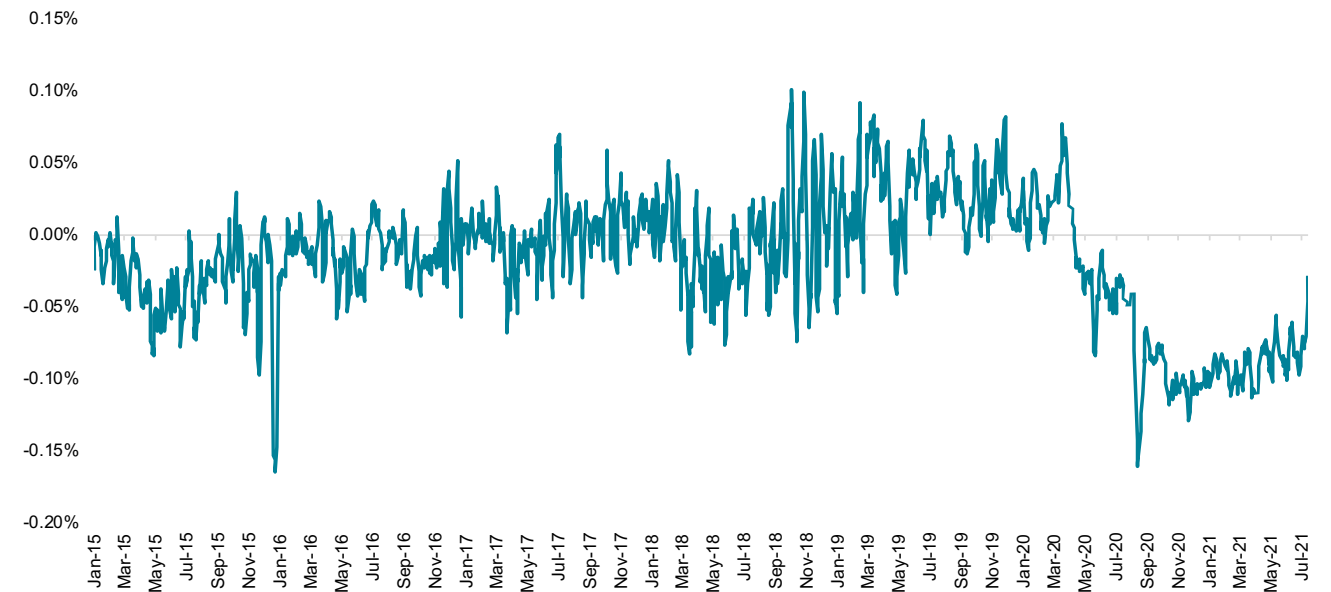
(OPTIMAL BLUE – TRAILING 5 DAY AVERAGE)



Source: Black Knight Home Price Index

DELTA BETWEEN PURCHASE AND REFI RATE OFFERINGS

(OPTIMAL BLUE – TRAILING 5 DAY AVERAGE)



Source: Black Knight Home Price Index, Freddie Mac PMMS

- » On July 16, the FHFA announced the elimination of its 50BPS adverse market fee on refinance originations implemented late last year
- » While the fee didn't go into effect until December 1, 2020, it began to affect refinance rate offerings upon announcement of its September 1, 2020 original scheduled implementation date
- » From November 2020 – May 2021, refinance rate offerings averaged nearly a full 1/8th of a point higher than rates being offered on similar purchase loan offerings due to the fee implementation

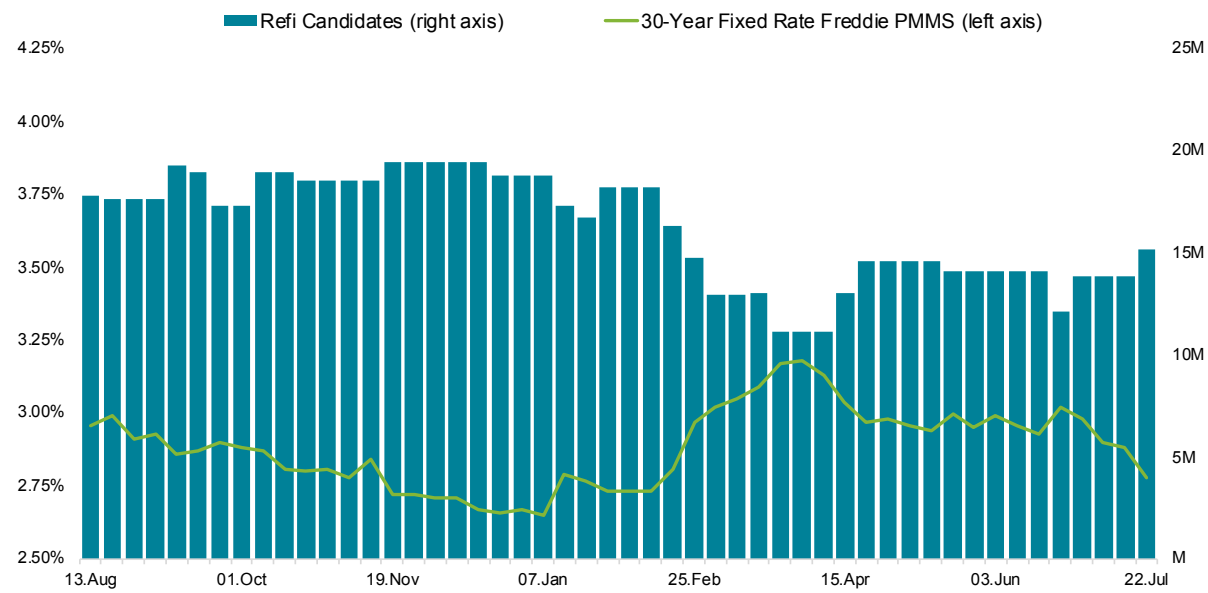
- » Within a week of the FHFA's announcement, that delta was all but gone; by July 19 offerings on purchase and refinance loans were almost identical and on July 20, refi rate offerings were 4BPS lower than purchase loans, the first time that's happened since June of last year
- » This is undoubtedly good news for homeowners looking to refinance their homes as well as lenders who have seen refinance volumes begin to dry up in recent months



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MORTGAGE MONITOR

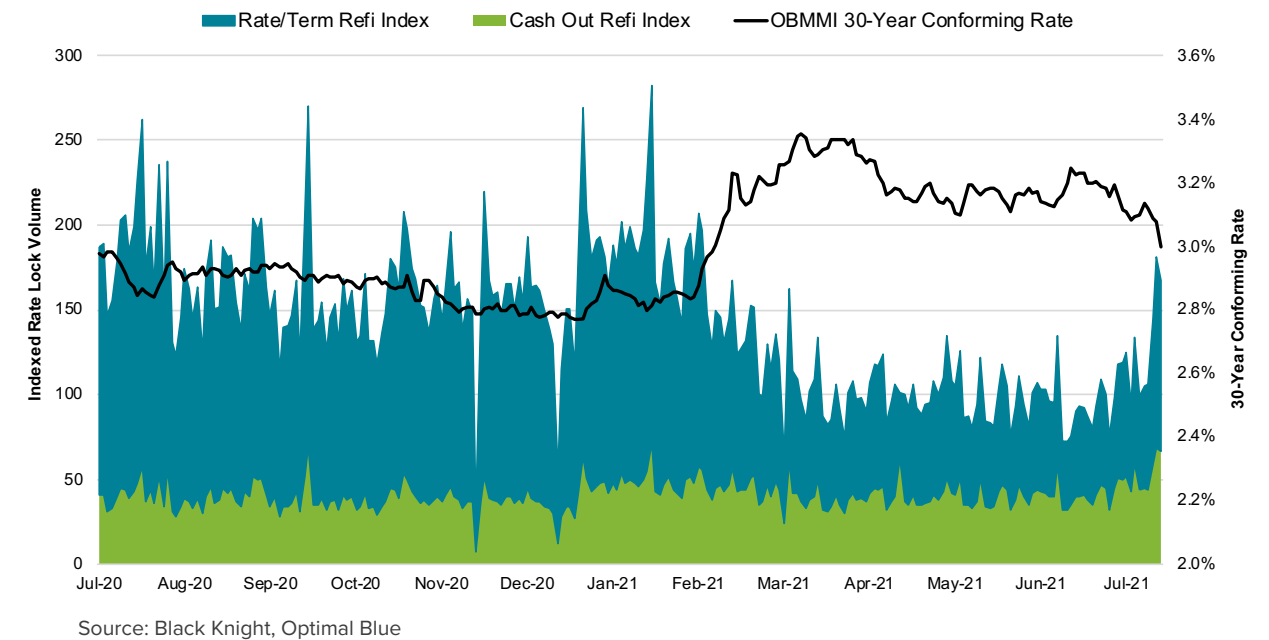
REFINANCE CANDIDATES BY WEEK VS. 30-YEAR FIXED RATES



- » The combination of the adverse market fee removal alongside falling 10-year treasury yields has resulted in 30-year rates falling to their lowest level since mid-February
- » In turn, this has led to a rise in refinance incentive and a corresponding jump in refi-related rate lock activity
- » As of July 22, there were 15.1M high quality refi candidates in the market, with aggregate potential monthly savings of \$4.5B – up 10% from the week prior and up 25% from late June

JUNE 2021 INTEREST RATES, RATE LOCKS & INVENTORY

OPTIMAL BLUE INDEXED REFINANCE RATE LOCK VOLUMES

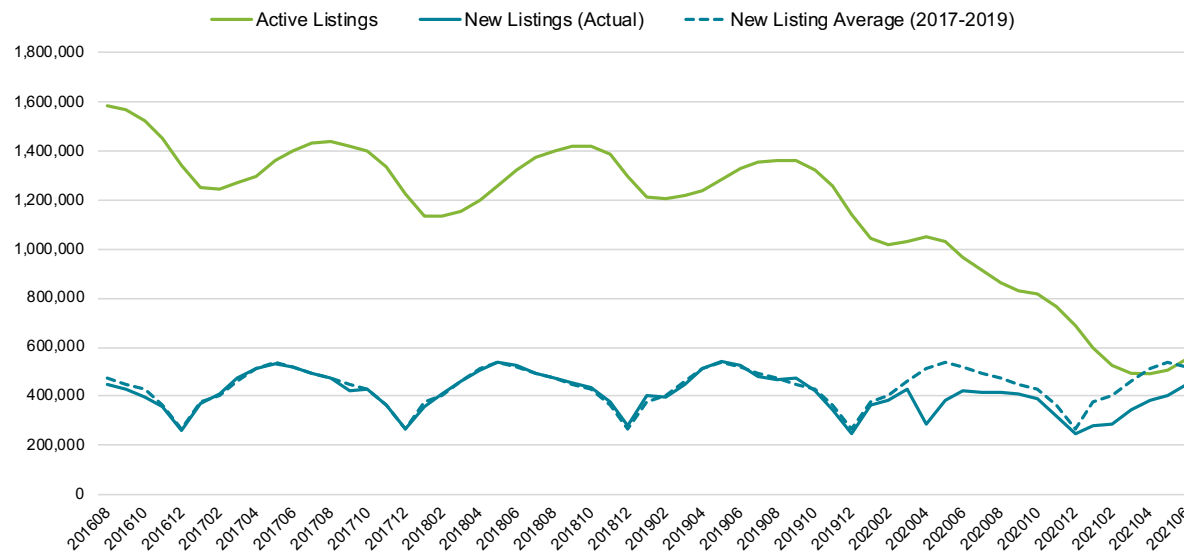


- » Black Knight's Optimal Blue rate lock data shows that borrowers are starting to react, with refi locks up 23% from the week prior and rate/term refis up an even sharper 31%, hitting their highest level since early March
- » It will be worth watching rate lock volumes closely in the coming days/weeks to see if the recent decline in rates is enough to inject some sustained life into what had become a lackluster refinance market



MORTGAGE MONITOR

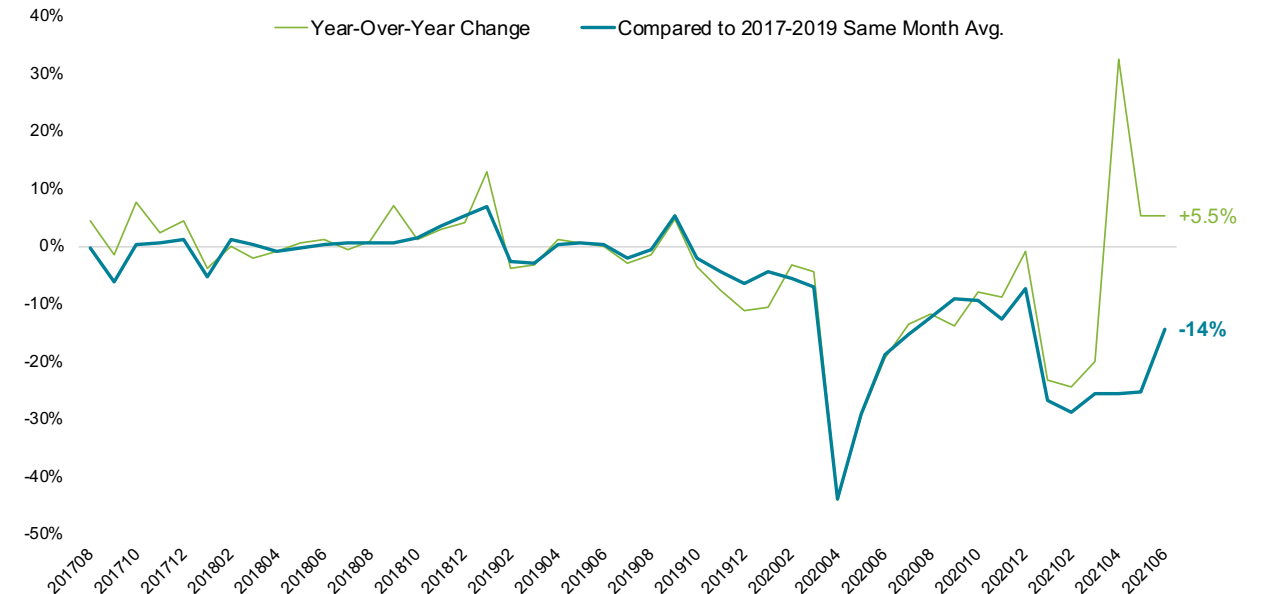
INVENTORY OF HOMES LISTED FOR SALE



- » While 5.5% more homeowners listed their homes for sale in June than did in the same month last year, volumes remained down 14% from their 2017-2019 June average
- » That's better than the roughly 25% deficit we had seen in each of the first five months of the year but listing volumes remain noticeably below their pre-pandemic levels
- » Inventory increases in June are typical seasonal behavior for this time of year as demand traditionally pulls back seasonally following the 4th of July holiday

JUNE 2021 INTEREST RATES, RATE LOCKS & INVENTORY

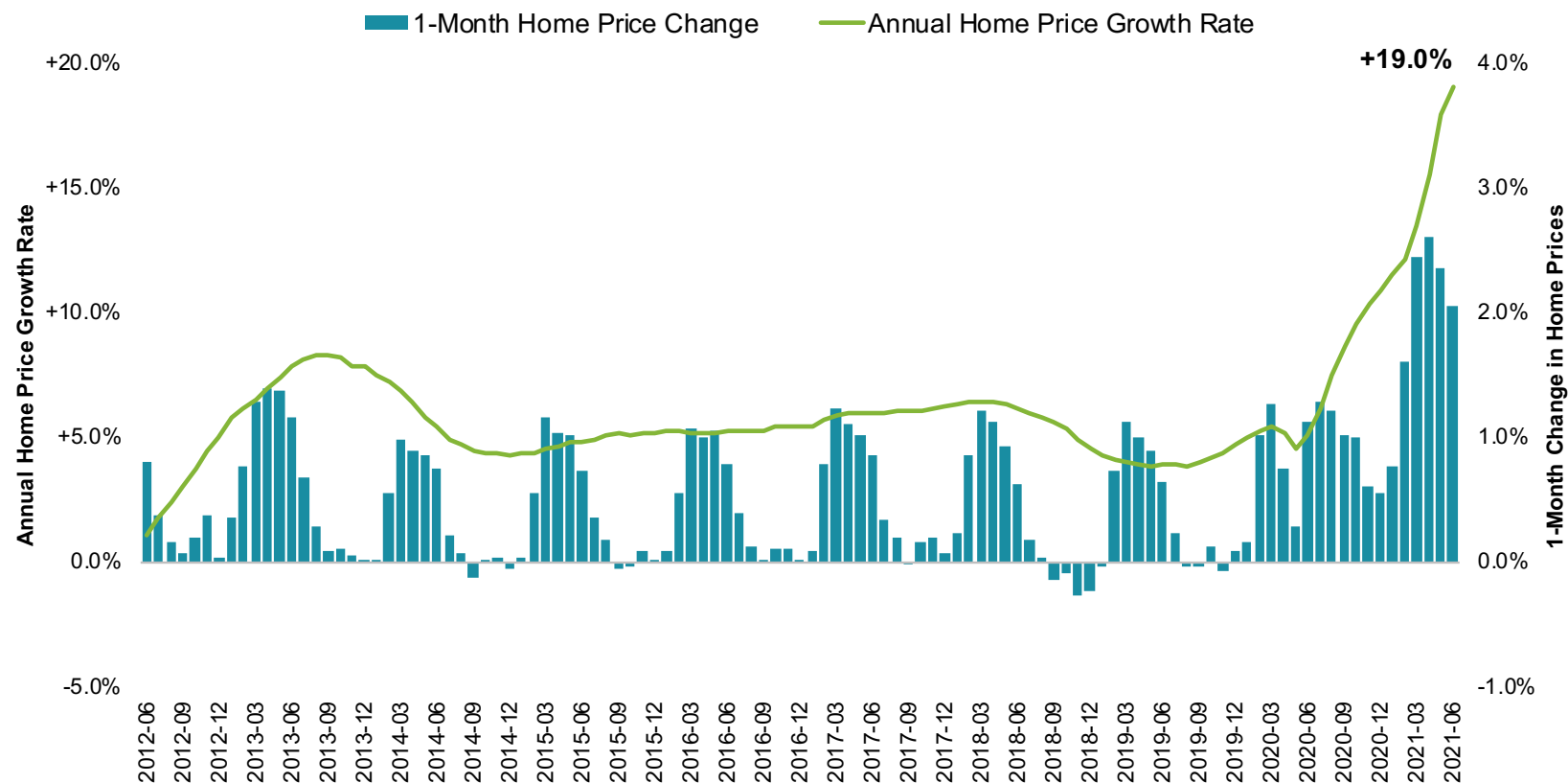
CHANGE IN NEW LISTING VOLUME



- » Though inventory is up 9% month-over-month, we're still running at a 59% deficit from the 2017-2019 June average, only marginally better than the 61% deficit last month
- » At the same time, new listings continue to drive a larger share of overall volumes accounting for 81% of all listings, the highest such share on record
- » With the backlog of aged listings depleted, the housing market will continue to rely heavily on new listings to keep both home sales and purchase lending volumes afloat



BLACK KNIGHT HOME PRICE INDEX

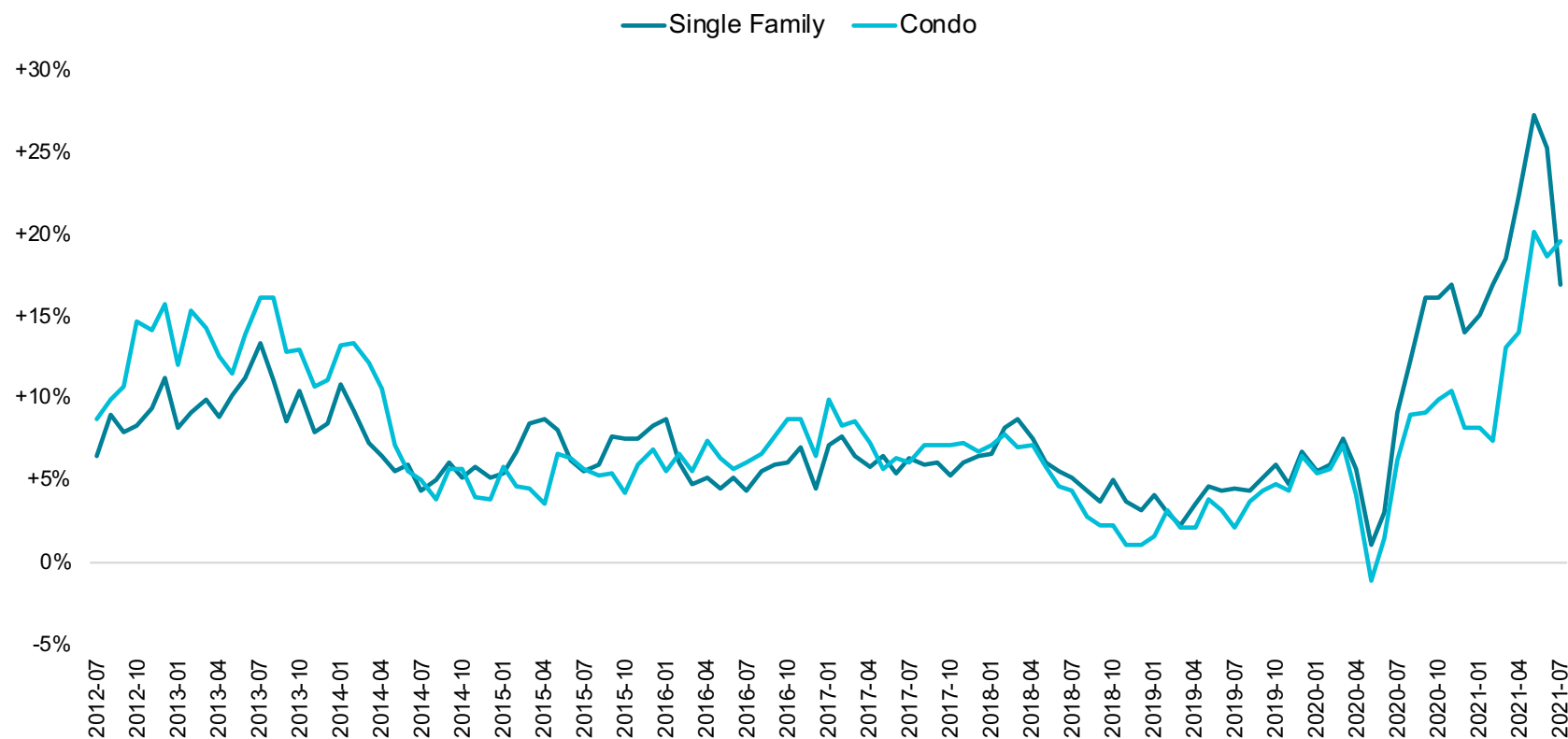


According to the Black Knight HPI, home prices grew at an annual rate of 19% in June, hitting yet another all-time high for the fourth consecutive month

- » The average home price rose 2.1% in June, the fourth consecutive month with more than 2% home price growth in a single month, something the market had never seen prior to 2021
- » All 50 largest U.S. markets saw annual home price growth rates of 11.3% or higher in June, with Austin and Phoenix home prices up an astonishing 42.2% and 32.5% year-over-year, respectively



YEAR-OVER-YEAR CHANGE IN MEDIAN SALES PRICE (BLACK KNIGHT'S COLLATERAL ANALYTICS DATASET)



Black Knight's Collateral Analytics dataset, which uses MLS and Public Records data to track daily home price movement, suggests that the market may be beginning to slightly cool, at least among single family residences (SFRs)

- » According to Collateral Analytics, the median sales price among SFRs over the first three weeks of July was up 17% from the same time last year – still red hot, but noticeably lower than the +25% seen over the same period in June
- » At the same time, condo price growth in July is holding strong, with the median sales price among condos up 19.6% year-over-year through the first three weeks of July, roughly on par with the 20.2% and 18.7% seen in May and June
- » Given the subtle changes being seen in both inventory and home price growth rates, it will be worth keeping a close eye on these numbers as we head into the late summer and early fall



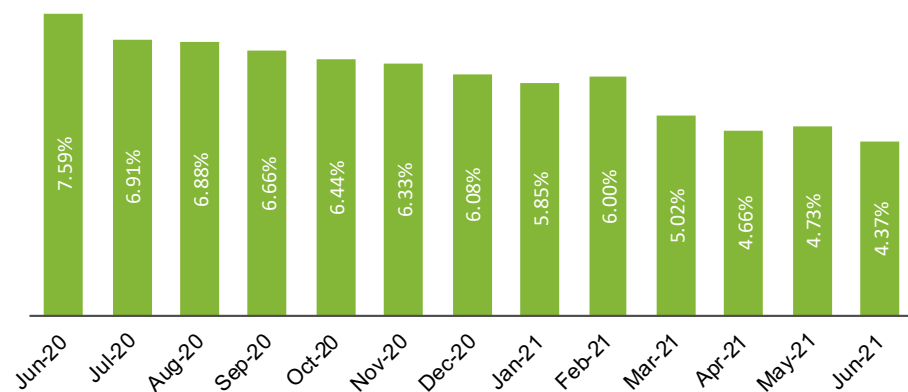
JUNE 2021 DATA SUMMARY

Summary Statistics

	Jun-21	Monthly Change	YTD Change	Yearly Change
Delinquencies	4.37%	-7.62%	-25.27%	-42.39%
Foreclosure	0.27%	-1.73%	-14.44%	-24.23%
Foreclosure Starts	4,400	15.79%	-25.42%	-25.42%
Seriously Delinquent (90+) or in Foreclosure	3.20%	-6.69%	-24.39%	-17.79%
New Originations (data as of May-21)	1039K	-14.7%	-22.6%	-1.2%

	Jun-21	May-21	Apr-21	Mar-21	Feb-21	Jan-21	Dec-20	Nov-20	Oct-20	Sep-20	Aug-20	Jul-20	Jun-20
Delinquencies	4.37%	4.73%	4.66%	5.02%	6.00%	5.85%	6.08%	6.33%	6.44%	6.66%	6.88%	6.91%	7.59%
Foreclosure	0.27%	0.28%	0.29%	0.30%	0.32%	0.32%	0.33%	0.33%	0.33%	0.34%	0.35%	0.36%	0.36%
Foreclosure Starts	4,400	3,800	3,700	5,000	3,900	5,900	7,100	4,400	4,700	4,500	6,000	9,900	5,900
Seriously Delinquent (90+) or in Foreclosure	3.20%	3.42%	3.58%	3.91%	4.23%	4.23%	4.35%	4.44%	4.57%	4.71%	4.77%	4.57%	3.89%
New Originations		1039K	1218K	1420K	1194K	1173K	1342K	1233K	1402K	1292K	1244K	1229K	1207K

TOTAL DELINQUENCIES



NEW ORIGINATIONS



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
1/31/05	47,706,128	1,197,062	339,920	458,719	276,745	2,272,446	50,922	242	324	165.8%
1/31/06	50,900,620	1,242,434	387,907	542,378	258,613	2,431,332	76,477	207	308	209.7%
1/31/07	53,900,458	1,425,030	468,441	551,439	393,973	2,838,883	117,419	203	267	140.0%
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%



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

State	Del %	FC %	NC %	Year/Year Change in NC%
National	4.4%	0.3%	4.6%	-41.7%
MS	7.7%	0.3%	8.0%	-36.0%
LA*	7.0%	0.4%	7.4%	-36.8%
HI*	5.3%	1.2%	6.5%	-37.2%
OK*	5.8%	0.4%	6.2%	-24.3%
WV	5.9%	0.3%	6.1%	-26.4%
MD*	5.8%	0.3%	6.1%	-37.3%
NY*	4.9%	1.1%	6.0%	-45.0%
AR	5.6%	0.3%	5.9%	-25.0%
AL	5.7%	0.2%	5.8%	-35.5%
VT*	5.2%	0.6%	5.8%	-26.1%
TX	5.5%	0.2%	5.7%	-42.0%
GA	5.5%	0.1%	5.7%	-43.0%
NV	5.3%	0.4%	5.7%	-44.0%
AK	5.4%	0.2%	5.5%	-46.0%
CT*	4.9%	0.5%	5.4%	-46.2%
IN*	5.0%	0.4%	5.3%	-31.7%
IL*	4.9%	0.4%	5.3%	-35.7%

State	Del %	FC %	NC %	Year/Year Change in NC%
National	4.4%	0.3%	4.6%	-41.7%
FL*	4.8%	0.4%	5.3%	-48.4%
DE*	4.9%	0.4%	5.2%	-33.9%
NJ*	4.8%	0.4%	5.2%	-51.2%
PA*	4.7%	0.4%	5.1%	-44.1%
NE*	4.9%	0.1%	5.1%	-22.5%
RI	4.6%	0.4%	5.0%	-41.7%
SC*	4.7%	0.3%	5.0%	-39.3%
KS*	4.7%	0.2%	4.9%	-32.6%
OH*	4.5%	0.4%	4.9%	-32.3%
ME*	4.0%	0.8%	4.8%	-39.6%
NM*	4.3%	0.4%	4.7%	-35.5%
TN	4.5%	0.1%	4.6%	-39.5%
DC	4.1%	0.3%	4.4%	-30.8%
KY*	4.1%	0.3%	4.4%	-27.9%
NC	4.1%	0.2%	4.3%	-41.7%
MO	4.1%	0.2%	4.2%	-33.9%
IA*	3.9%	0.3%	4.2%	-24.6%

State	Del %	FC %	NC %	Year/Year Change in NC%
National	4.4%	0.3%	4.6%	-41.7%
WY	4.0%	0.1%	4.2%	-29.9%
MN	4.0%	0.1%	4.2%	-25.7%
VA	3.9%	0.1%	4.0%	-42.5%
WI*	3.7%	0.2%	4.0%	-32.6%
MA	3.6%	0.2%	3.8%	-43.2%
ND*	3.5%	0.3%	3.7%	-30.6%
MI	3.6%	0.1%	3.7%	-43.7%
AZ	3.5%	0.1%	3.5%	-43.3%
NH	3.4%	0.1%	3.5%	-42.7%
SD*	3.2%	0.2%	3.4%	-33.8%
CA	3.1%	0.1%	3.2%	-50.5%
OR	3.0%	0.1%	3.1%	-39.2%
MT	2.9%	0.2%	3.1%	-38.9%
UT	2.8%	0.1%	2.8%	-49.2%
WA	2.7%	0.1%	2.8%	-42.0%
CO	2.7%	0.0%	2.8%	-49.8%
ID	2.3%	0.1%	2.4%	-45.0%

**Indicates Judicial State*



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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.

