# Market Trends We Are Watching

Below is snapshot of data we are watching that will directly or indirectly impact housing and our industry—namely focused on: (1) employment; (2) mortgage forbearance; and (3) access to credit. For the week ending May 28, jobless claims reached nearly 2.2 million, bringing the total number of claims to **more than 40 million in the last 10 weeks**. California, Washington, New York, Florida and Michigan saw the largest rise in unemployment for the week ending May 16. As of May 29, 38 states have partially reopened for business. Even as states allowed re-openings, the vast majority of businesses are doing so under restrictions.

Additionally, the total number of loans now in forbearance increased to 8.36% of servicers' portfolio volume as of May 10 compared to 8.16% the prior week. Total loans in forbearance reached 4.8 million as of May 26, with a total unpaid principal balance of $1.052 trillion. Access to credit was also tightened, with some large lenders making changes to their product or channel offerings. For the week of May 18 (week 21), purchase loan rate lock activity was remarkably up 18% from a year ago. Over just three weeks, the market has not only returned to normalcy, but is up substantially from weeks 14-18 when the average weekly year-over-year decline was 15%.
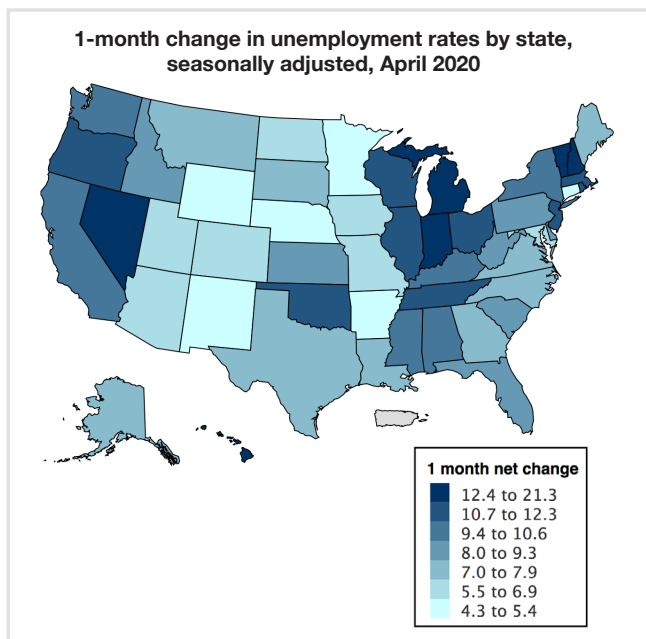
Jobless Claims
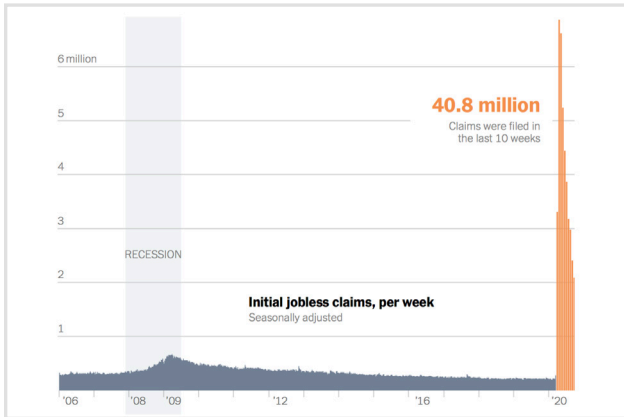
Source: The New York Times

States Reopening
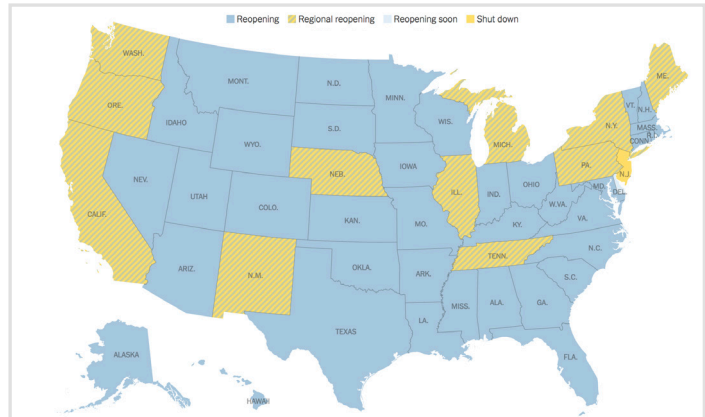
Source: The New York Times

Unemployment Rate

Source: U.S. Bureau of Labor Statistics

Change in Purchase Loan Rate Lock Activity

Metros with declines or below-average gains in rate locks	% change in rate locks, week 21: 2019 vs 2020	Metros with above-average gains in rate locks	% change in rate locks, week 21: 2019 vs 2020
Boston, MA	-24%	**Nation**	**18%**
Las Vegas, NV	-12%	Detroit, MI	19%
Minneapolis, MN	-8%	St. Louis, MO	23%
Seattle, WA	-7%	Cleveland, OH	25%
San Francisco, CA	-3%	Portland, OR	25%
Philadelphia, PA	-2%	Atlanta, GA	26%
Los Angeles, CA	-2%	Dallas, TX	27%
Miami, FL	-1%	Tampa, FL	29%
Chicago, IL	2%	Kansas City, MO	31%
New York, NY	4%	Houston, TX	32%
Indianapolis, IN	4%	North Port, FL	33%
Sacramento, CA	4%	Austin, TX	33%
Denver, CO	5%	Riverside-SB, CA	34%
Phoenix, AZ	8%	Orlando, FL	36%
Columbus, OH	9%	Cape Coral, FL	38%
Nashville, TN	9%	San Diego, CA	39%
Charlotte, NC	11%	Raleigh, NC	41%
Washington, DC	12%	Pittsburgh, PA	42%
Cincinnati, OH	16%	San Antonio, TX	46%
Baltimore, MD	16%	Jacksonville, FL	58%
Nation	**18%**	Virginia Beach, VA	61%

Source: AEI Housing Center and Optimal Blue

Share of Mortgage Loans in Forbearance

Survey based on **22.4 million loans**, representing **45%** of the first-mortgage servicing market

Survey based on **26.9 million loans**, representing **54%** of the first-mortgage servicing market

Survey based on **38.3 million loans**, representing **77%** of the first-mortgage servicing market

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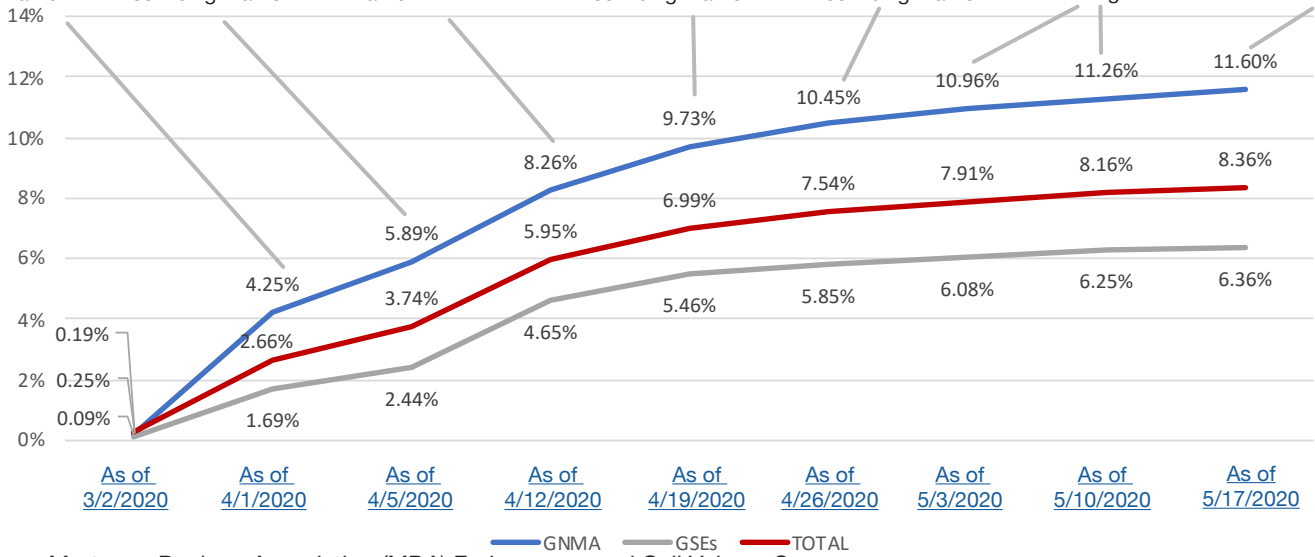
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Source: Mortgage Bankers Association (MBA) Forbearance and Call Volume Survey

Active Forbearance Plans

Date	Loans in forbearance	% of loans in forbearance	UPB of loans in forbearance	Est. Monthly P&I advances	Data
As of April 16	2.9 million	5.5%	$651 billion	$3.6 billion	53 million active loan count
As of April 23	3.4 million	6.4%	$754 billion	$4.2 billion	53 million active loan count
As of April 30	3.8 million	7.3%	$841 billion	$4.7 billion	53 million active loan count
As of May 7	4.1 million	7.7%	$890 billion	$5 billion	53 million active loan count
As of May 12	4.7 million	8.8%	$1.026 trillion	$5.7 billion	53 million active loan count
As of May 19	4.8 million	9.0%	$1.044 trillion	$5.8 billion	53 million active loan count
As of May 26	4.8 million	9.0%	$1.052 trillion	$5.8 billion	53 million active loan count

Source: Black Knight McDash Flash Forbearance Tracker

Mortgage Credit Availability Index (MCAI)

Month	MCAI Level	Change from previous month
April 2019	186.0	+2.1%
May 2019	189.5	+1.9%
June 2019	189.8	+0.2%
July 2019	189.0	-0.4%
August 2019	181.7	-3.9%
September 2019	183.4	+0.9%
October 2019	185.1	+0.9%
November 2019	188.9	+2.1%
December 2019	182.2	-3.5%
January 2020	181.9	-0.2%
February 2020	181.3	-0.3%
March 2020	152.1	-16.1%
April 2020	133.5	-12.2%

Source: Mortgage Bankers Association Mortgage Credit Availability Index (MCAI)

Lender Overlays and Product/Channel Changes

Wells Fargo	Minimum credit score of 680. No longer accepting applications for HELOCs.
US Bank	Minimum credit score of 680 and maximum DTI of 50% for FHA, VA, and USDA mortgages. Minimum credit score of 700 and maximum DTI of 43% when any funds used for closings costs or down payment are not borrower's own funds or gift finds
Chase	Minimum credit score of 700 and maximum 80% LTV. No longer accepting applications for HELOCs.
Navy Federal Credit Union	No longer offering FHA loans.

Mr. Cooper	Closed its wholesale-broker platform.
Flagstar	Minimum credit score of 680 for FHA, VA, and USDA loans. Minimum credit score of 720 for HELOCs.
Better.com	Stopped offering FHA loans, increased minimum FICO score for borrowers, and no jumbo loans with LTVs above 80%.
loanDepot	Suspended investment properties with LTVs above 80% for all conventional products
TCF	Eliminated standalone HELOCs and limited piggyback 2nds to CLTVs of 85%.
Truist	Minimum credit score of 680 for FHA and VA loans. Maximum DTI of 50% for FHA and VA purchase loans.