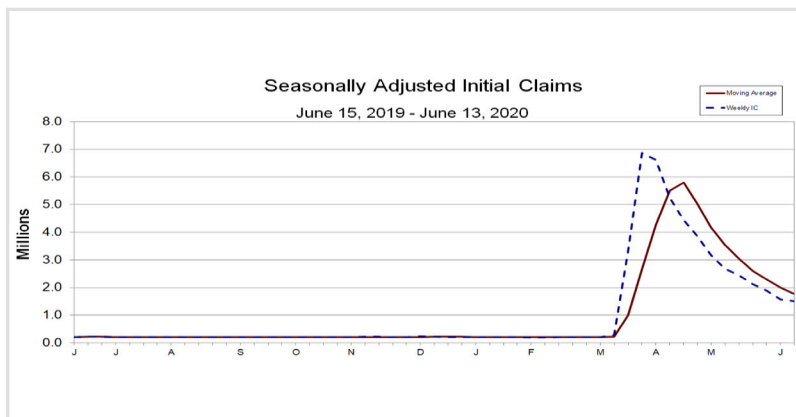


# Market Trends We Are Watching

Below is a 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. In the last week, employers added 1.5 million jobs, making this week the 13th straight week that state filings topped one million, and **raising total jobless claims for the last thirteen weeks to nearly 44 million**. For the week ending June 6, the unemployment rate was 14.1%, unchanged from the previous week. California, Massachusetts, Oklahoma, New York and Maryland saw the largest rise in unemployment for the week ending June 12. As of June 18, 48 states have partially reopened for business. Even as states allowed re-openings, the vast majority of businesses are doing so under restrictions.

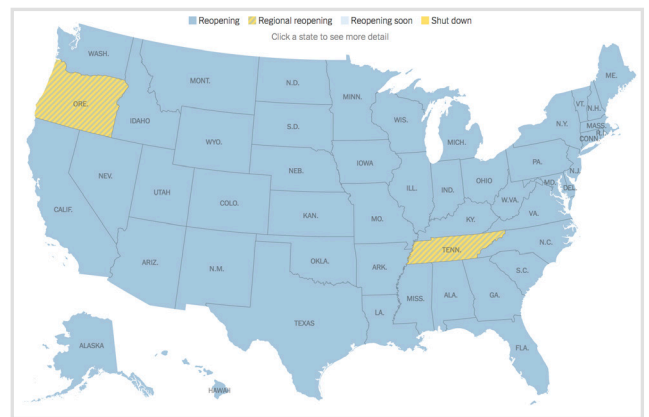
Additionally, the total number of loans now in forbearance increased to 8.55% of servicers' portfolio volume as of June 7 compared to 8.53% the prior week. Total loans in forbearance reached 4.6 million as of June 16, with a total unpaid principal balance of \$1.012 trillion. Access to credit was also tightened, with some large lenders making changes to their product or channel offerings. In a continuation of the last three weeks' strong upward trend, purchase rate lock volume for the week of June 6 (week 24) jumped 65% from a year ago. This provides further evidence that the worst of the near term effects of the COVID-19 pandemic lockdown may be behind us on a national level. Purchase rate lock volume is back to its level from before the onset of the pandemic (weeks 1 to 8), when purchase rate lock volume was up 24% on average compared to 2019.

## Jobless Claims



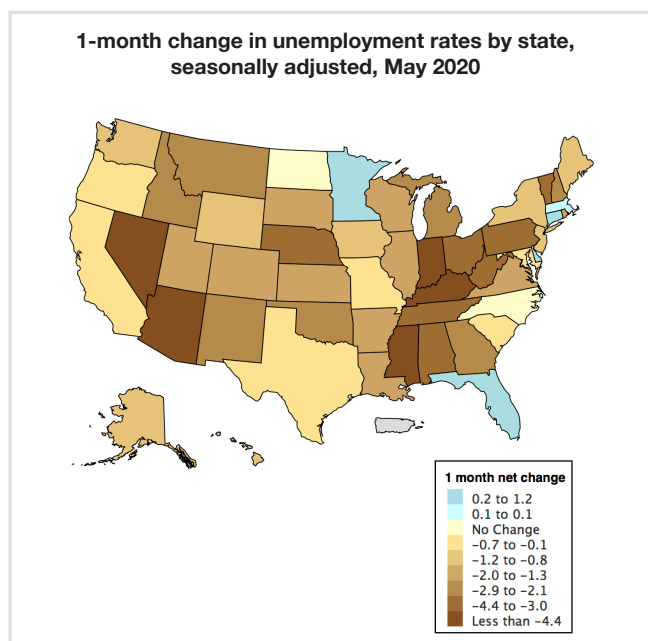
Source: [U.S. Department of Labor](#)

## 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/below-average gains	% change in rate locks, week 24: 2019 vs 2020	Metros with above-average gains	% change in rate locks, week 24: 2019 vs 2020
Minneapolis, MN	19%	Nation	65%
Boston, MA	19%	Charlotte, NC	65%
San Francisco, CA	20%	New York, NY	67%
Kansas City, MO	28%	Riverside-SB, CA	67%
Seattle, WA	29%	Detroit, MI	69%
Los Angeles, CA	33%	Phoenix, AZ	70%
Cincinnati, OH	34%	Raleigh, NC	71%
Indianapolis, IN	43%	Austin, TX	72%
Baltimore, MD	46%	Orlando, FL	73%
Las Vegas, NV	49%	Houston, TX	74%
Virginia Beach, VA	51%	Pittsburgh, PA	81%
Washington, DC	51%	San Antonio, TX	81%
Chicago, IL	55%	Tampa, FL	85%
Philadelphia, PA	56%	Miami, FL	91%
Denver, CO	56%	Portland, OR	95%
St. Louis, MO	59%	Atlanta, GA	97%
Cleveland, OH	61%	Sacramento, CA	100%
Columbus, OH	64%	Cape Coral, FL	108%
San Diego, CA	64%	Nashville, TN	110%
Dallas, TX	65%	Jacksonville, FL	125%
Nation	65%	North Port, FL	145%

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

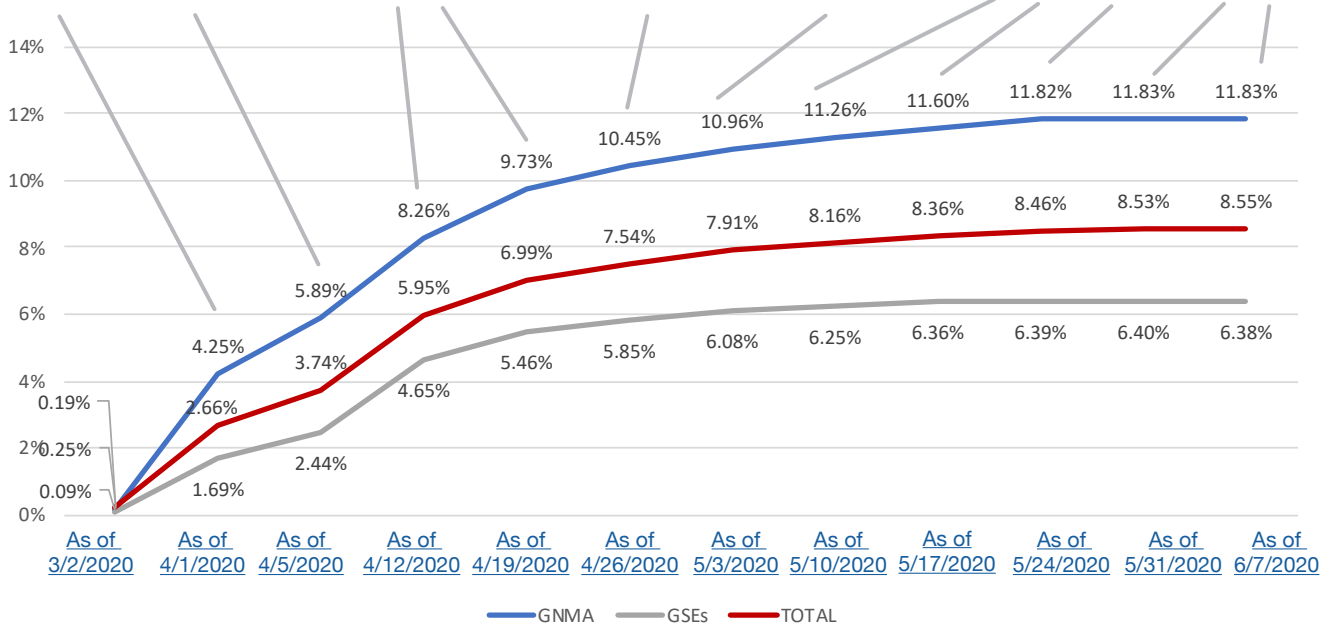
Survey based on 38.3 million loans, representing 77% of the first-mortgage servicing market

Survey based on 38.4 million loans, representing 77% of the first-mortgage servicing market

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

Survey based on 37.6 million loans, representing 75% of the first-mortgage servicing market

Survey based on 38.2 million loans, representing 76% of the first-mortgage servicing market



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
As of April 16	2.9 million	5.5%	\$651 billion	\$3.6 billion
As of April 23	3.4 million	6.4%	\$754 billion	\$4.2 billion
As of April 30	3.8 million	7.3%	\$841 billion	\$4.7 billion
As of May 7	4.1 million	7.7%	\$890 billion	\$5 billion
As of May 12	4.7 million	8.8%	\$1.026 trillion	\$5.7 billion
As of May 19	4.8 million	9.0%	\$1.044 trillion	\$5.8 billion
As of May 26	4.8 million	9.0%	\$1.052 trillion	\$5.8 billion
As of June 2	4.7 million	8.9%	\$1.044 trillion	\$5.8 billion
As of June 9	4.7 million	8.8%	\$1.028 trillion	\$5.7 billion
As of June 16	4.6 million	8.7%	\$1.012 trillion	\$5.6 billion

Source: Black Knight McDash Flash Forbearance Tracker  
Data is based on a 53 million active loan count

### 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%
May 2020	129.3	-3.1%

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

## Lender Overlays and Product/Channel Changes

<b>Wells Fargo</b>	Minimum credit score of 680. No longer accepting applications for HELOCs.
<b>US Bank</b>	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 funds.
<b>Chase</b>	Minimum credit score of 700 and maximum 80% LTV. No longer accepting applications for HELOCs.
<b>Navy Federal Credit Union</b>	No longer offering FHA loans.
<b>Mr. Cooper</b>	Closed its wholesale-broker platform.
<b>Flagstar</b>	Minimum credit score of 680 for FHA, VA, and USDA loans. Minimum credit score of 720 for HELOCs.
<b>Better.com</b>	Stopped offering FHA loans, increased minimum FICO score for borrowers, and no jumbo loans with LTVs above 80%.
<b>loanDepot</b>	Suspended investment properties with LTVs above 80% for all conventional products
<b>TCF</b>	Eliminated standalone HELOCs and limited piggyback 2nds to CLTVs of 85%.
<b>Truist</b>	Minimum credit score of 680 for FHA and VA loans. Maximum DTI of 50% for FHA and VA purchase loans.