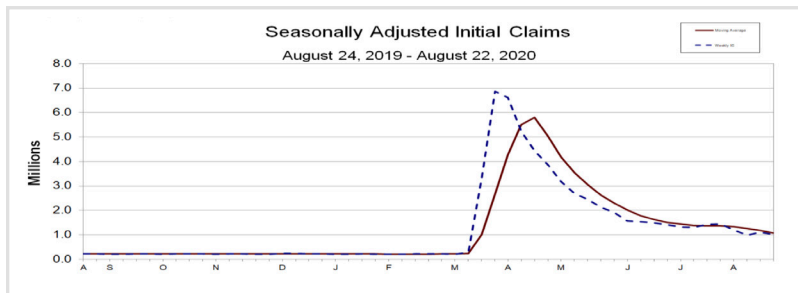


# Market Trends We Are Watching

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. For the week ending August 22, **jobless claims declined slightly to 1,006,000**, a decrease of 98,000 from the previous week's revised level and the 22nd time in the last 23 weeks that filings have topped one million. For the week ending August 15, the unemployment rate was 9.9%, a decrease of 0.2% from the previous week's unrevised rate. New Jersey, Florida, New York, Texas, and Tennessee saw the largest rise in unemployment. As of August 28, 25 states are reopened or reopening, and 25 states have paused or reversed re-openings.

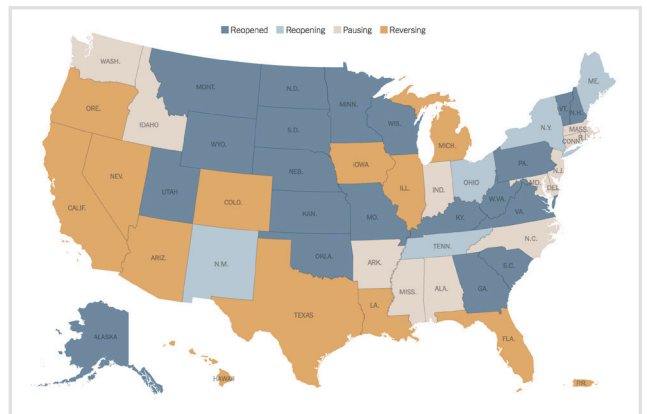
Additionally, the total number of loans in forbearance decreased to 7.20% of servicers' portfolio volume as of August 16, compared to 7.21% the prior week. Total loans in forbearance decreased slightly to 3.931 million as of August 25, with a total unpaid principal balance of \$828 billion. The strong upward trend in purchase rate lock volume continued in weeks 32 and 33. Driven by ultra-low mortgage rates and a limited supply, the national home price appreciation is unsustainable and far exceeds the levels before the pandemic.

## Jobless Claims



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

## States Reopening



Source: [The New York Times](#)

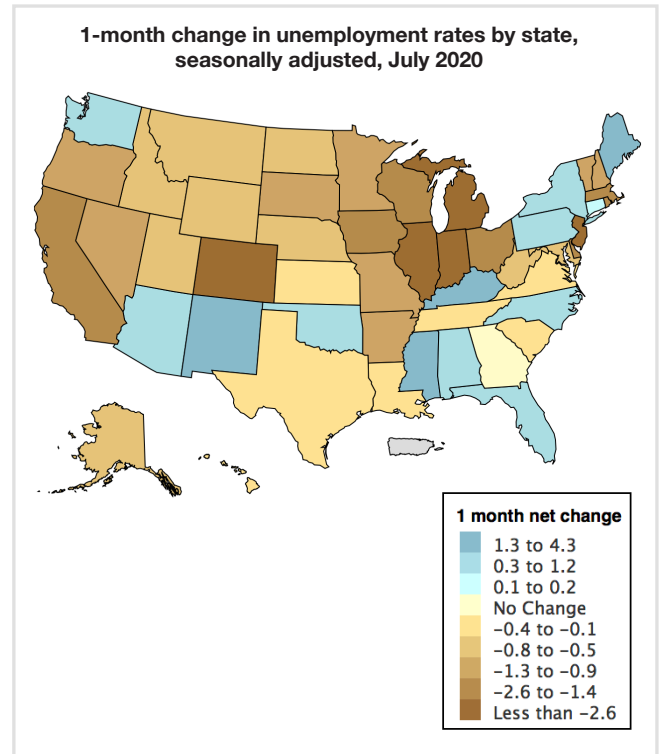
## Change in Purchase Loan Rate Lock Activity

### PURCHASE RATE LOCK VOLUME

The strong upward trend in purchase rate lock volume continued weeks 32 & 33.



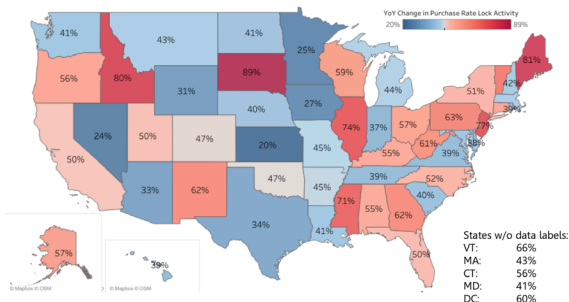
## Unemployment Rate



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

### PURCHASE RATE LOCK VOLUME by State & Select Metros

States and Metros have experienced different trends in rate lock volume growth.

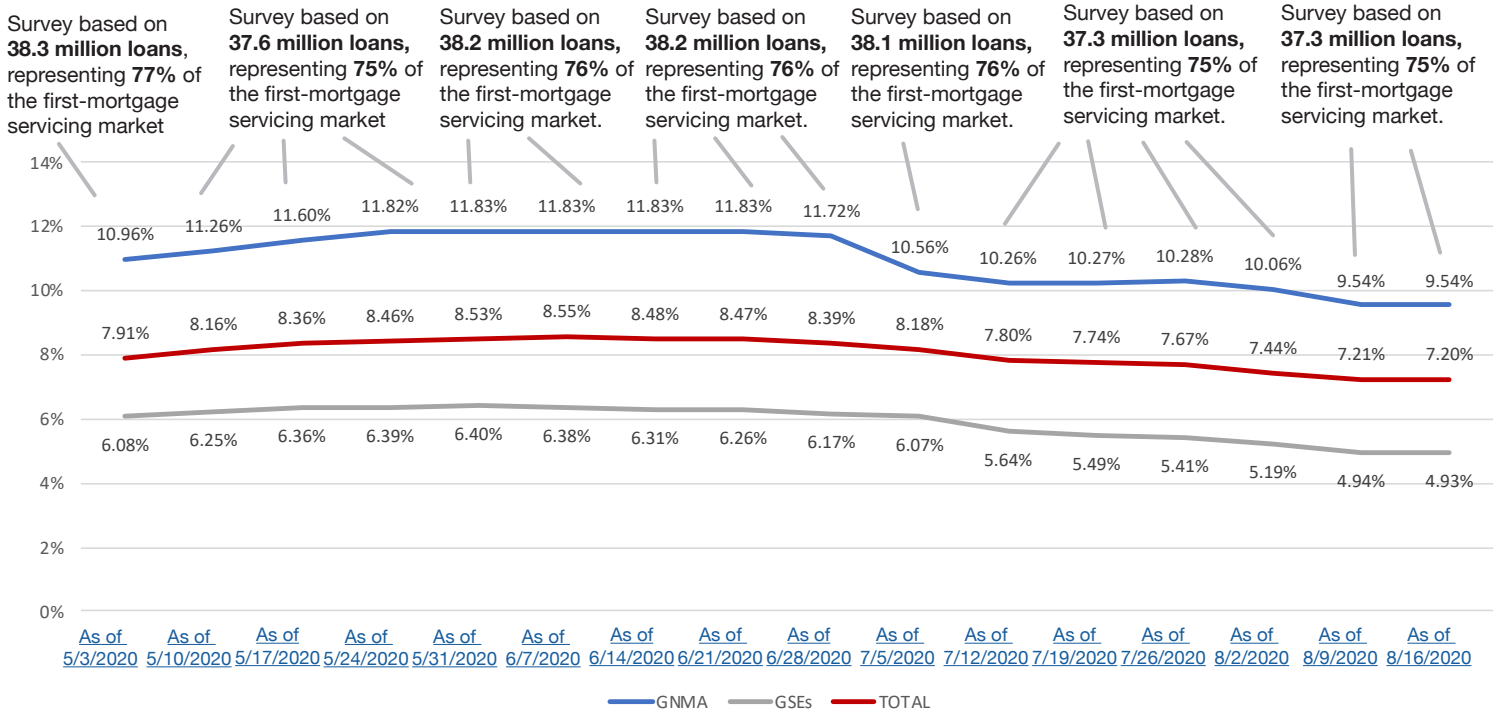


Best Metros	
Cape Coral, FL	82%
San Francisco, CA	76%
Chicago, IL	73%
Sacramento, CA	68%
Philadelphia, PA	63%
Worst Metros	
Las Vegas, NV	18%
Charlotte, NC	20%
Kansas City, MO	22%
Minneapolis, MN	26%
Indianapolis, IN	28%

States w/o data labels:	
VT:	66%
MA:	43%
CT:	56%
MD:	41%
DC:	60%

Source: [AEI Housing Center and Optimal Blue](#)

### Share of Mortgage Loans in Forbearance



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
As of June 23	4.7 million	8.8%	\$1.025 trillion	\$5.7 billion
As of July 3	4.6 million	8.6%	\$995 billion	\$5.6 billion
As of July 7	4.1 million	7.8%	\$898 billion	\$5.1 billion
As of July 14	4.1 million	7.8%	\$889 billion	\$5.0 billion
As of July 21	4.1 million	7.8%	\$890 billion	\$5.0 billion
As of July 28	4.1 million	7.7%	\$879 billion	\$5.0 billion
As of August 3	4.0 million	7.5%	\$852 billion	\$4.9 billion
As of August 10	3.9 million	7.4%	\$834 billion	\$4.8 billion
As of August 21	3.9 million	7.4%	\$833 billion	\$4.8 billion
As of August 25	3.9 million	7.4%	\$828 billion	\$4.8 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%
June 2020	125.0	-3.3%
July 2020	126.9	+1.5%

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.