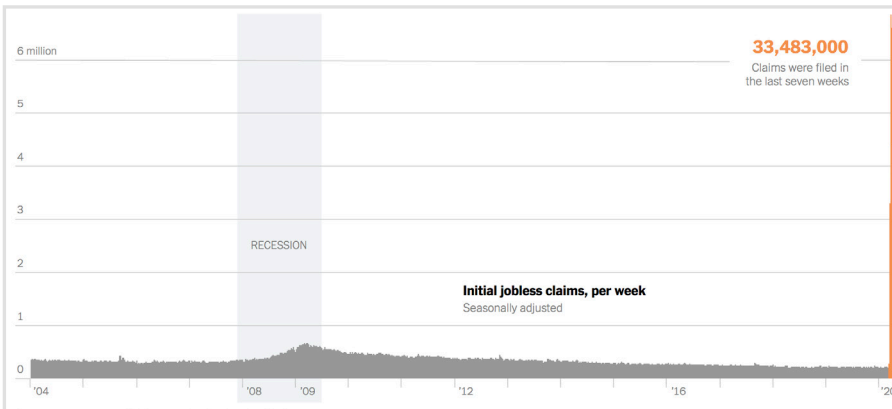


# Market Trends We Are Watching

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 2, jobless claims reached nearly 3.2 million, bringing the total number of claims to more than 33.4 million in the last seven weeks. For the month of April, the U.S. Bureau of Labor Statistics [reported](#) that employment fell by 20.5 million and the unemployment rate rose to 14.7%. State specific data will be released later in May. In March, Nevada, Colorado, Kentucky, Louisiana and Florida saw the largest rise in unemployment (+1.5 to +2.7% month over month). As of May 8, 28 states have partially reopened for business. Even as states allowed re-openings, the vast majority of businesses are doing so under restrictions.

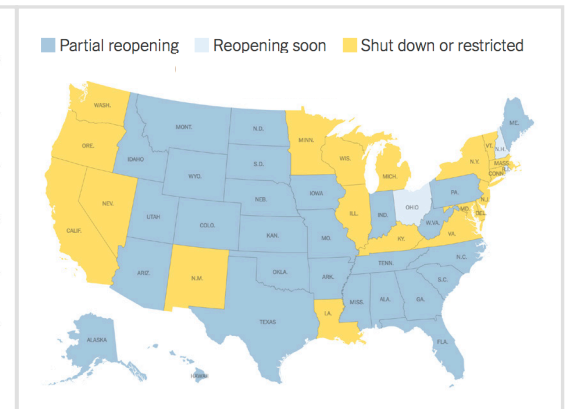
Additionally, the total number of loans now in forbearance increased to 7.54% of servicers’ portfolio volume as of April 26 compared to 6.99% the prior week. Total loans in forbearance reached 3.8 million as of April 30, with a total unpaid principal balance of \$841 billion. Access to credit as also tightened, with some large lenders making changes to their product or channel offerings. For the week of April 27 (week 18), purchase loan rate lock activity was 15% below that for the same week (week 18) in 2019. However, activity may be down as much as 27% after considering activity in January and February 2020 (weeks 1-8) was running 16% ahead of the same period in 2019.

## Jobless Claims



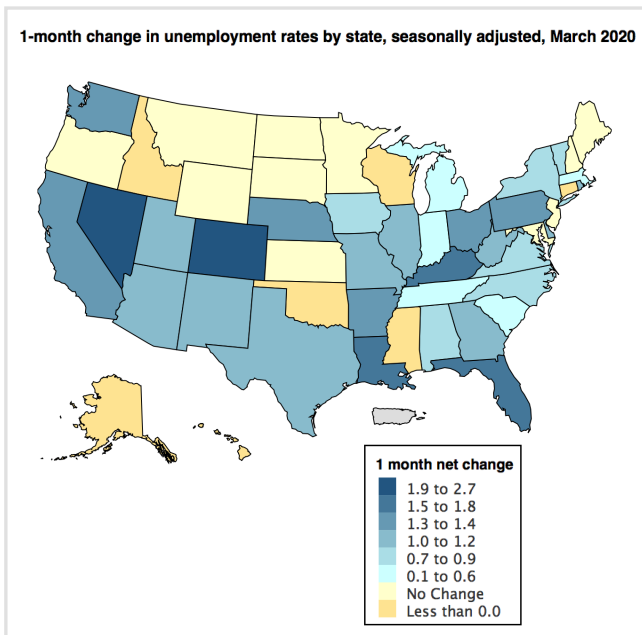
Source: [The New York Times](#)

## States Reopening



Source: [The New York Times](#)

## Unemployment Rate



Source: [U.S. Bureau of Labor Statistics](#)  
(Note: April map released on May 22)

## Change in Purchase Loan Rate Lock Activity

Metros with an above average decline	% change in rate locks, week 18: 2019 vs 2020	Metros with a below average or no decline	% change in rate locks, week 18: 2019 vs 2020
Pittsburgh, PA	-60%	<b>Nation</b>	<b>-15%</b>
Detroit, MI	-57%	Washington, DC	-15%
Philadelphia, PA	-41%	San Diego, CA	-14%
Denver, CO	-40%	Orlando, FL	-14%
Kansas City, MO	-36%	Sacramento, CA	-11%
Boston, MA	-35%	San Antonio, TX	-11%
Miami, FL	-34%	Tampa, FL	-10%
San Francisco, CA	-33%	Atlanta, GA	-10%
Seattle, WA	-32%	Raleigh, NC	-9%
Cape Coral, FL	-32%	Riverside, CA	-8%
Las Vegas, NV	-32%	Jacksonville, FL	-6%
Minneapolis, MN	-30%	Dallas, TX	-6%
Los Angeles, CA	-27%	Austin, TX	-6%
Cincinnati, OH	-26%	Charlotte, NC	-4%
Chicago, IL	-25%	Houston, TX	-2%
Indianapolis, IN	-24%	Columbus, OH	5%
Phoenix, AZ	-22%	Nashville, TN	10%
New York, NY	-20%	Virginia Beach, VA	11%
Baltimore, MD	-20%	Cleveland, OH	20%
St. Louis, MO	-18%		
North Port, FL	-16%		
Portland, OR	-16%		
<b>Nation</b>	<b>-15%</b>		

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

## Share of Mortgage Loans in Forbearance

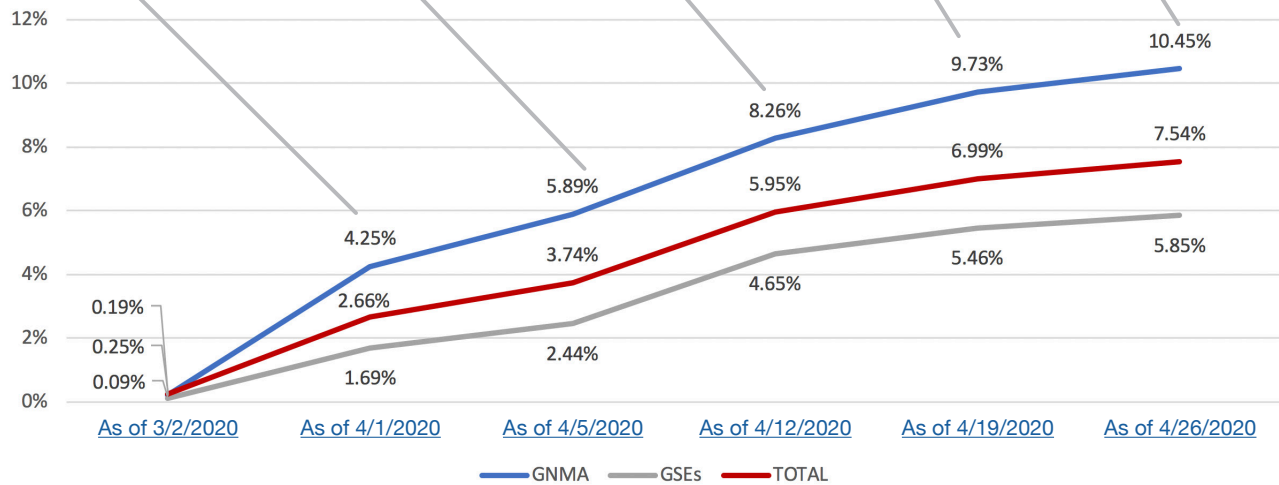
Survey based on **22.4 million loans**, representing **45%** of the first-mortgage servicing market

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 **38.3 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



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

## Active Forbearance Plans Starting April 3, 2020

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

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

<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 finds
<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%.