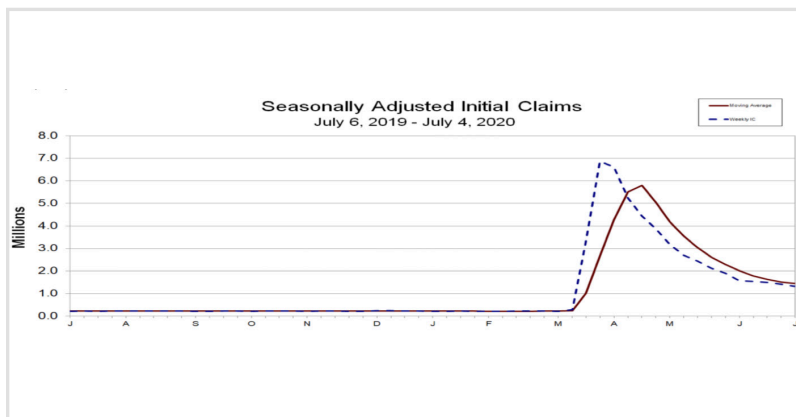


Market Trends We Are Watching

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 July 4, **jobless claims reached 1.314 million**, a decrease of 99,000 from the previous week’s revised level and the 16th straight week filings topped one million. For the week ending June 13, the unemployment rate was 12.4%, a decrease of 0.5% from the previous week’s revised rate. Michigan, Indiana, Texas, Virginia and Kentucky saw the largest rise in unemployment for the week ending June 27. As of July 10, 29 states are reopened or reopening, and 21 states have paused or reversed reopening. For states that have allowed re-openings, the vast majority of businesses are doing so under restrictions.

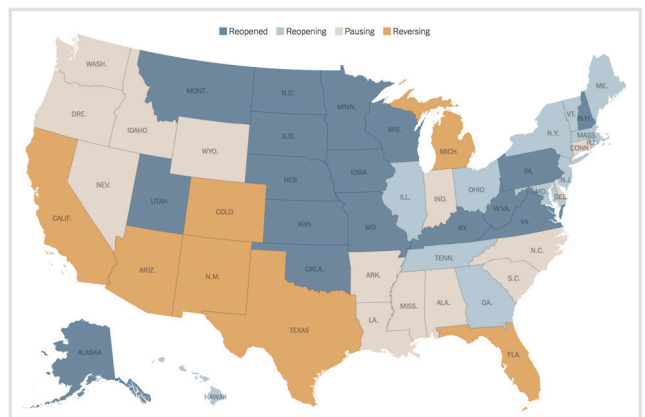
Additionally, the total number of loans in forbearance decreased to 8.39% of servicers’ portfolio volume as of June 28, compared to 8.47% the prior week. Total loans in forbearance reached more than 4.1 million as of July 7, with a total unpaid principal balance of \$898 billion. In a continuation of the last several weeks’ strong upward trend, purchase rate lock volume for the week of June 27 (week 27) rose 62% 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. As a result of the last three weeks’ strong purchase lock volume, combined with strong volume in weeks 1-13, year-to-date volume is now running 18% ahead of last year.

Jobless Claims



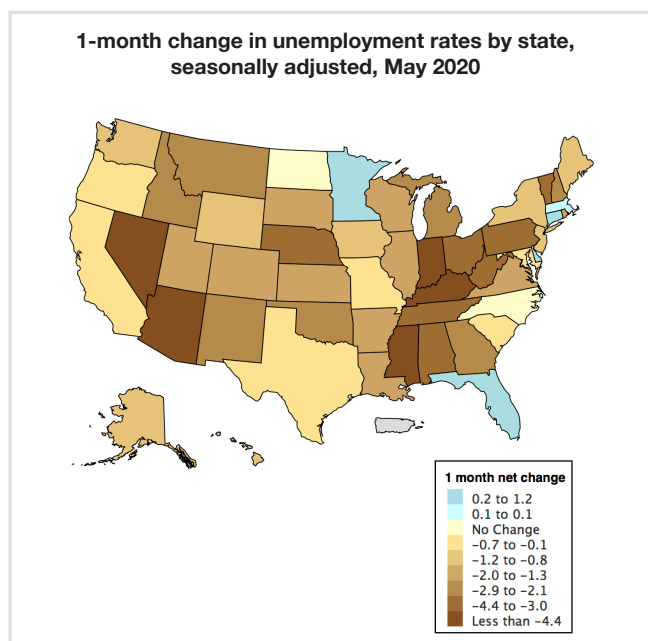
Source: [U.S. Department of Labor](#)

States Reopening



Source: [The New York Times](#)

Unemployment Rate



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

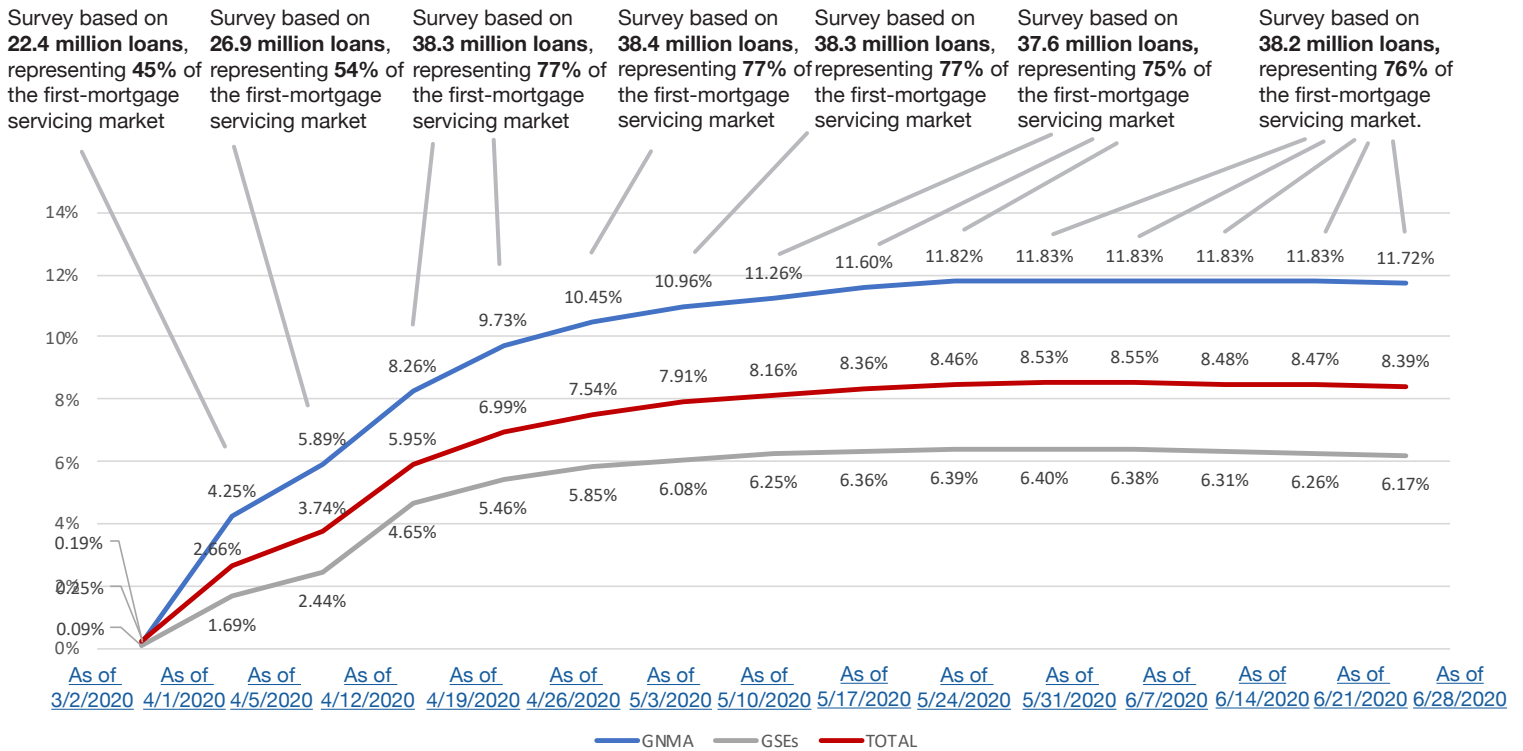
Change in Purchase Loan Rate Lock Activity

Metros with declines/ below-average gains	% change in rate locks, weeks 26-27: 2019 vs 2020
Minneapolis, MN	15%
Indianapolis, IN	26%
Cincinnati, OH	28%
Seattle, WA	28%
Boston, MA	29%
Los Angeles, CA	30%
Houston, TX	32%
Las Vegas, NV	34%
Kansas City, MO	35%
Dallas, TX	35%
Raleigh, NC	38%
Washington, DC	39%
Orlando, FL	41%
Austin, TX	45%
Columbus, OH	48%
Virginia Beach, VA	48%
Nation	51%

Metros with above-average gains	% change in rate locks, weeks 26-27: 2019 vs 2020
Nation	51%
Phoenix, AZ	51%
Tampa, FL	51%
Denver, CO	52%
St. Louis, MO	53%
Riverside-SB, CA	53%
Sacramento, CA	53%
New York, NY	53%
Portland, OR	54%
San Francisco, CA	54%
San Diego, CA	55%
San Antonio, TX	56%
Nashville, TN	56%
Cape Coral, FL	57%
Charlotte, NC	57%
Jacksonville, FL	60%
Atlanta, GA	62%
Detroit, MI	62%
Baltimore, MD	63%
Cleveland, OH	64%
Chicago, IL	65%
Miami, FL	71%
Philadelphia, PA	72%
North Port, FL	75%
Pittsburgh, PA	90%

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

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%

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 funds.
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.