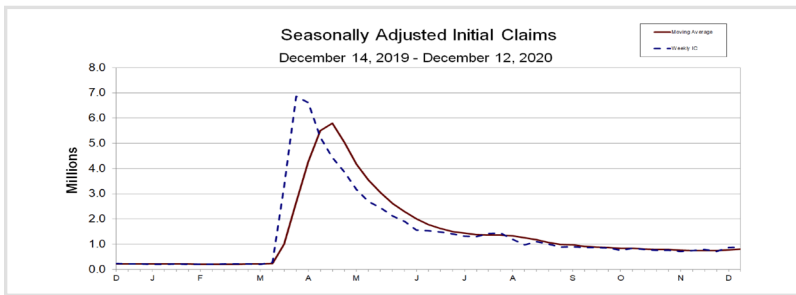


# Market Trends We Are Watching

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 December 12, **jobless claims rose to 885,000**, an increase of 23,000 from the previous week's revised level and the highest level since September. For the week ending December 5, the insured unemployment rate was 3.8%, a decrease of 0.1% from the previous week's revised rate. California, Illinois, Texas, Pennsylvania, and New York saw the largest rise in unemployment. As of December 17, 20 states are partially or mostly closed for business and 30 are mostly open.

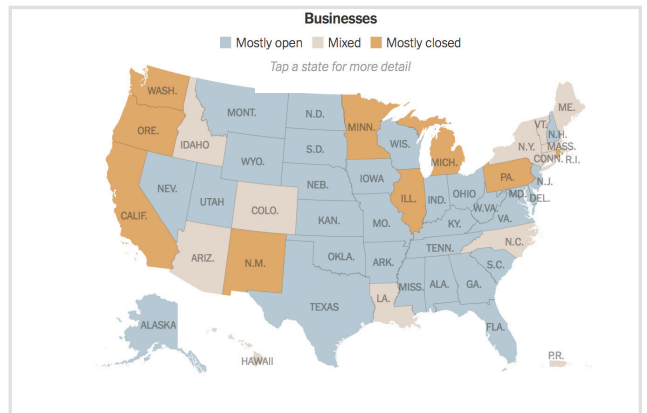
Additionally, the total number of loans in forbearance decreased to 5.48% of servicers' portfolio volume as of December 6, compared to 5.54% the prior week. Total loans in forbearance rose to 2.787 million as of December 15, with a total unpaid principal balance of \$563 billion. Purchase rate lock volume remains strongly above 2019. For weeks 46 and 47, volume has consistently been about 30%-80% higher. 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. In recent weeks, the upward trend has plateaued at about 12% year-over-year.

## Jobless Claims



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

## States Reopening

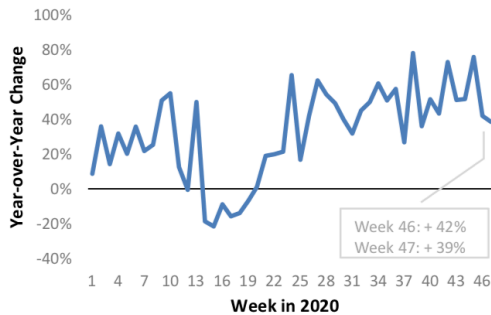


Source: [The New York Times](#)

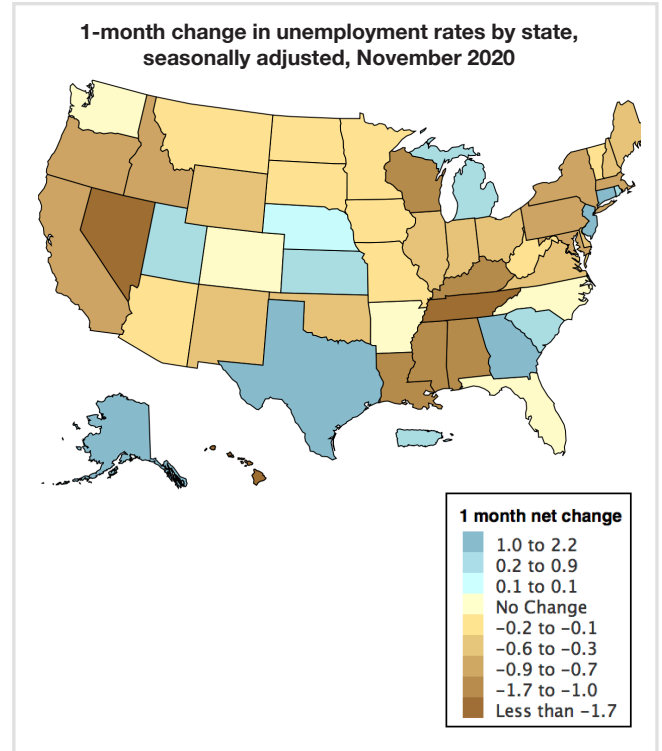
## Change in Purchase Loan Rate Lock Activity

### PURCHASE RATE LOCK VOLUME

Purchase rate lock volume remains strongly above last year's. For the last couple weeks, volume has consistently been about 30%-80% higher.



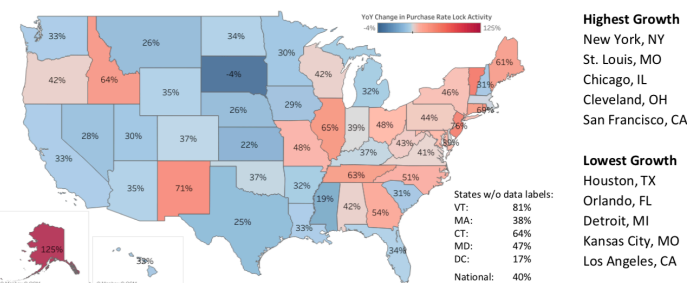
## Unemployment Rate



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 for weeks 46 & 47.



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

## Share of Mortgage Loans in Forbearance

USMI Member Report | December 18, 2020

Survey based on **37.1 million loans**, representing **74%** of the first-mortgage servicing market.

Survey based on **37.2 million loans**, representing **74%** of the first-mortgage servicing market.

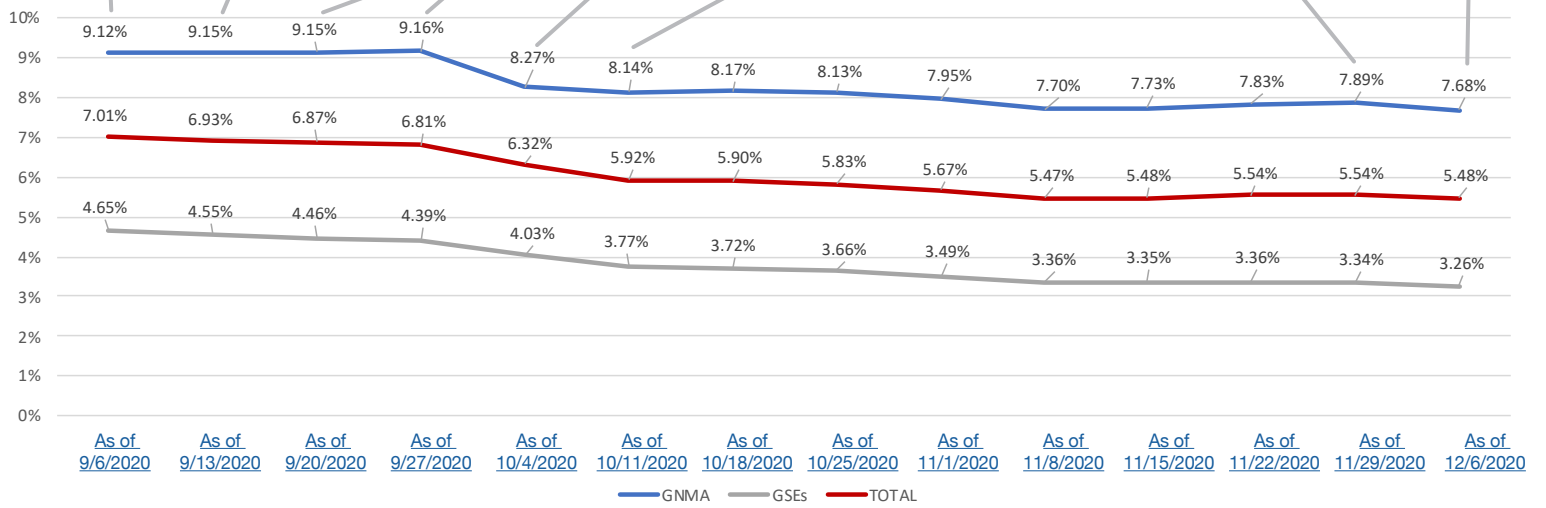
Survey based on **37.1 million loans**, representing **74%** of the first-mortgage servicing market.

Survey based on **36.8 million loans**, representing **74%** of the first-mortgage servicing market.

Survey based on **37.3 million loans**, representing **75%** of the first-mortgage servicing market.

Survey based on **37.2 million loans**, representing **74%** of the first-mortgage servicing market.

Survey based on **37.1 million loans**, representing **74%** 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 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
As of Sept. 8	3.7 million	7.0%	\$789 billion	\$4.6 billion
As of Sept. 15	3.7 million	7.0%	\$781 billion	\$4.5 billion
As of Sept. 22	3.6 million	6.8%	\$751 billion	\$4.4 billion
As of Sept. 29	3.6 million	6.8%	\$751 billion	\$4.4 billion
As of Oct. 6	2.9 million	5.6%	\$614 billion	\$3.6 billion
As of Oct. 13	2.9 million	5.6%	\$617 billion	\$3.6 billion
As of Oct. 20	2.9 million	5.6%	\$616 billion	\$3.6 billion
As of Oct. 27	3.0 million	5.7%	\$619 billion	\$3.7 billion
As of Nov. 3	2.9 million	5.4%	\$584 billion	\$3.5 billion
As of Nov. 10	2.7 million	5.2%	\$559 billion	\$3.3 billion
As of Nov. 17	2.8 million	5.2%	\$564 billion	\$3.4 billion
As of Nov. 23	2.8 million	5.3%	\$564 billion	\$3.4 billion
As of Dec. 1	2.8 million	5.2%	\$561 billion	\$3.4 billion
As of Dec. 8	2.7 million	5.2%	\$558 billion	\$3.3 billion
As of Dec. 15	2.8 million	5.3%	\$563 billion	\$3.4 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%
August 2020	120.9	-4.7%
September 2020	118.6	-1.9%
October 2020	121.3	+2.3%
November 2020	122.2	+0.7%

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.