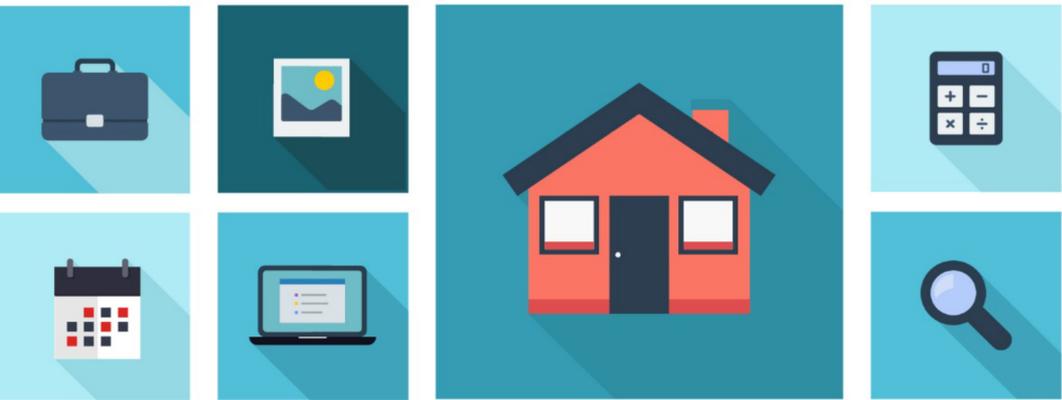
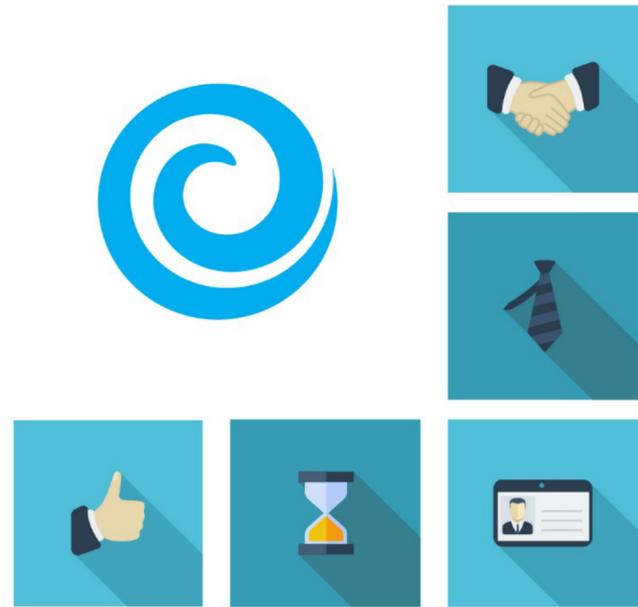


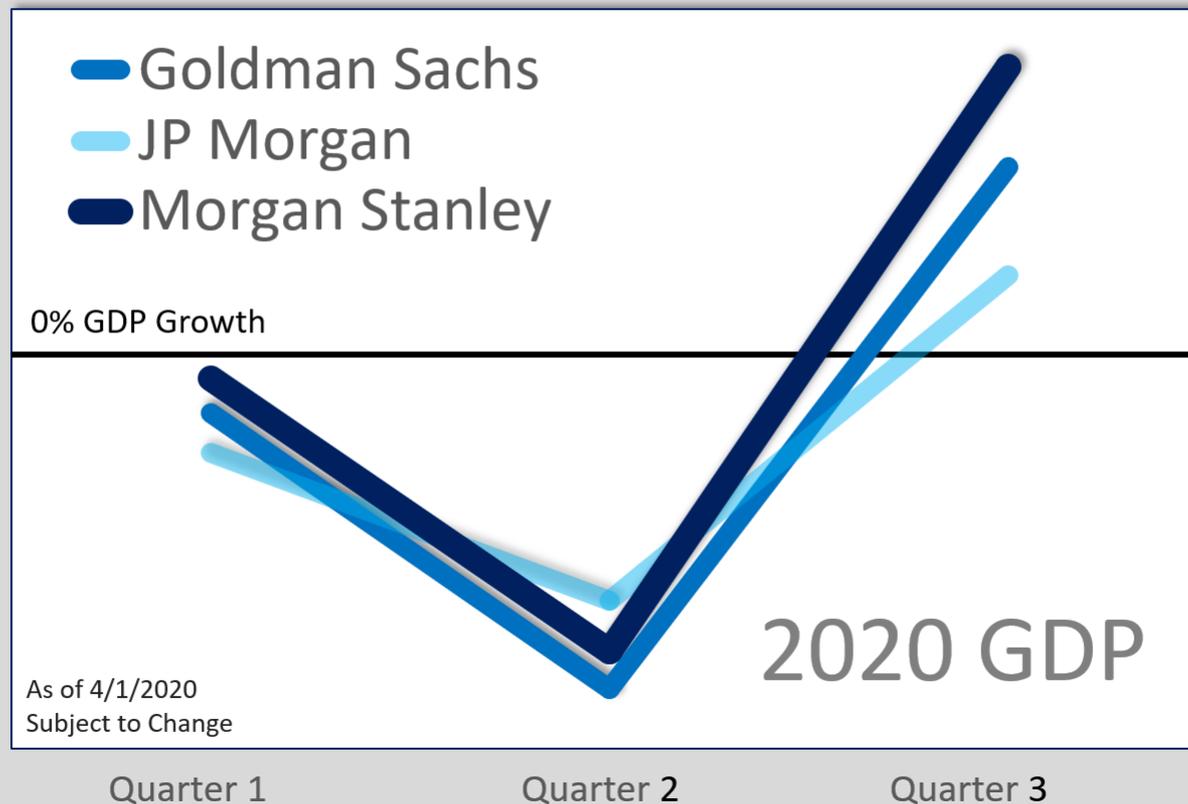
KEEPING CURRENT MATTERS



NOVEMBER 2020

APRIL 2020 MONTHLY MARKET REPORT

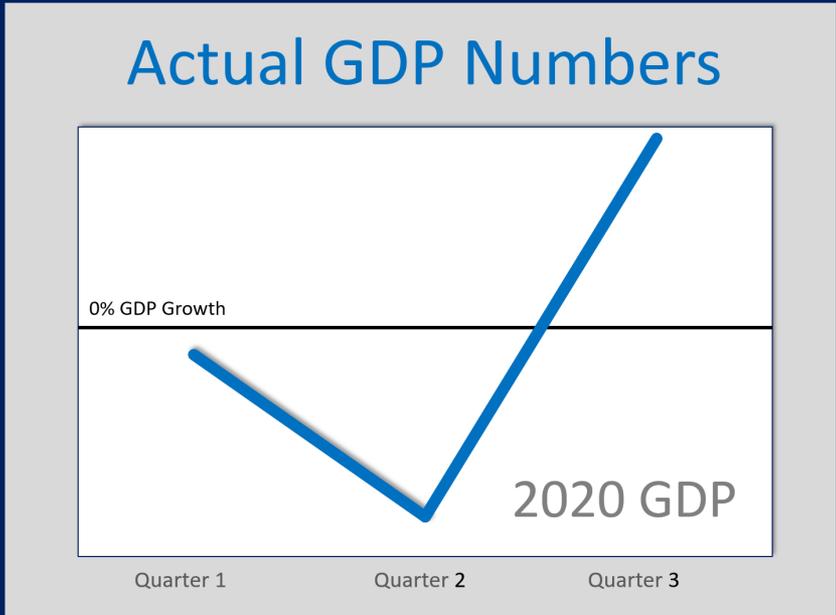
Major Financial Institutions Calling for a Rapid, 'V' Type, Recovery



What we said in April...



What actually happened...



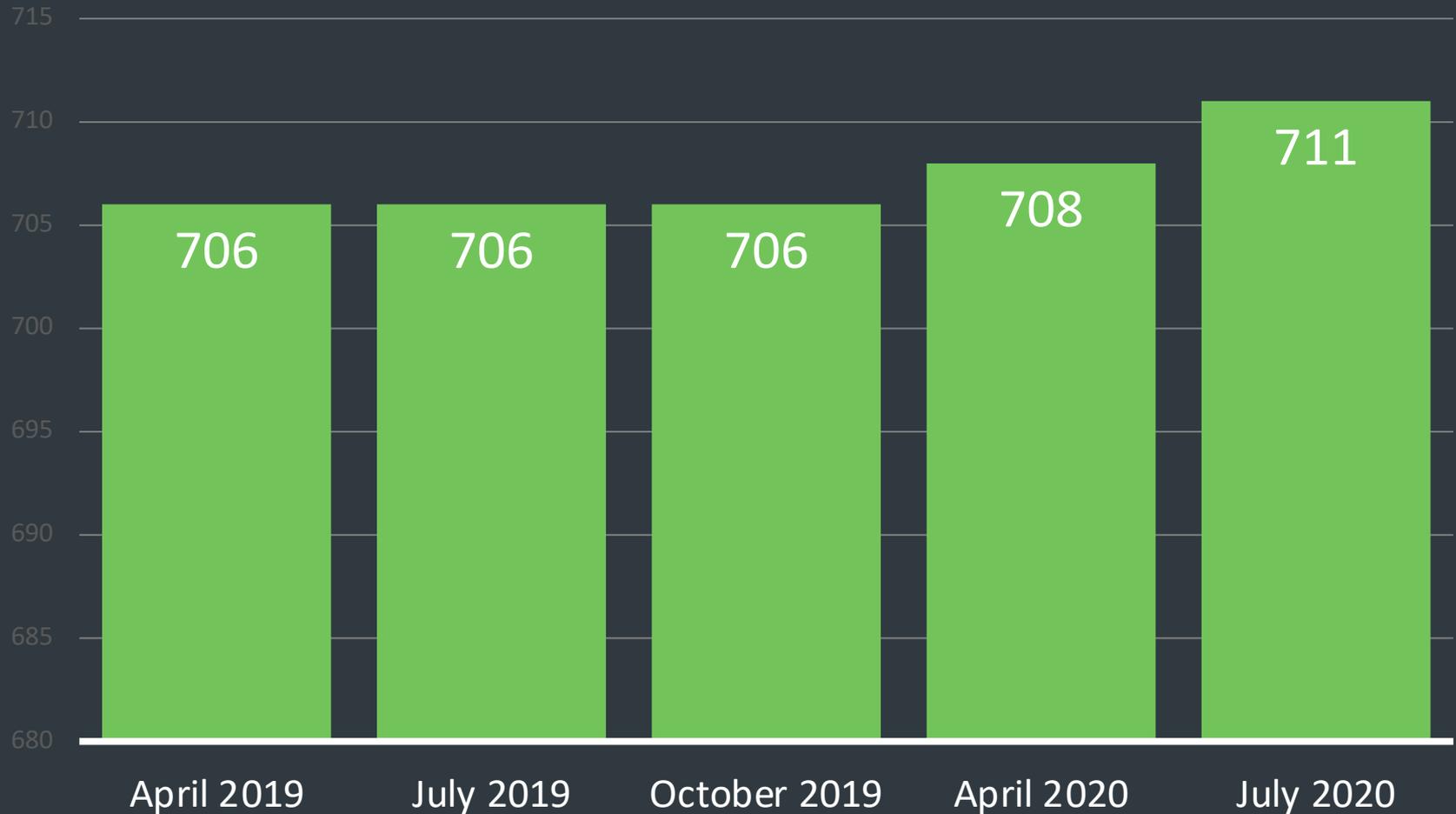
“News stories often describe the coronavirus-induced global economic downturn as the worst since the Great Depression... Yet for many, the comparison does more to terrify than clarify.”

Josh Zumbrun

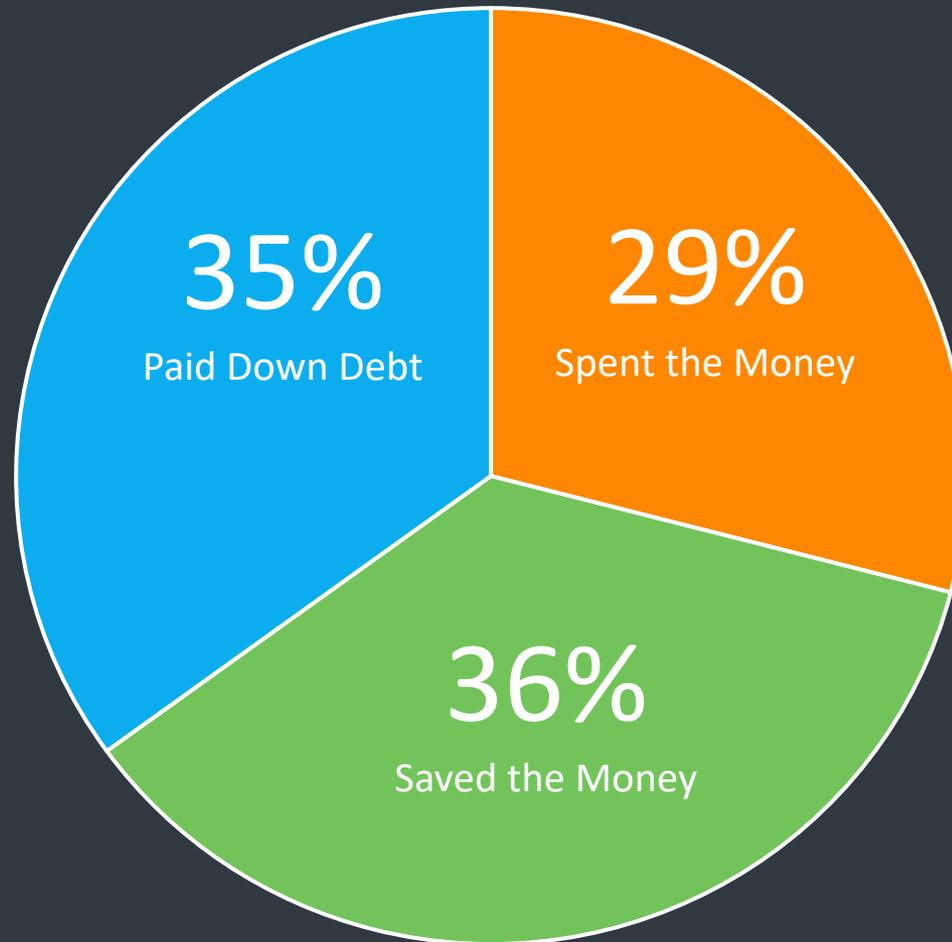
National Economics Correspondent at WSJ



Average U.S. FICO Score



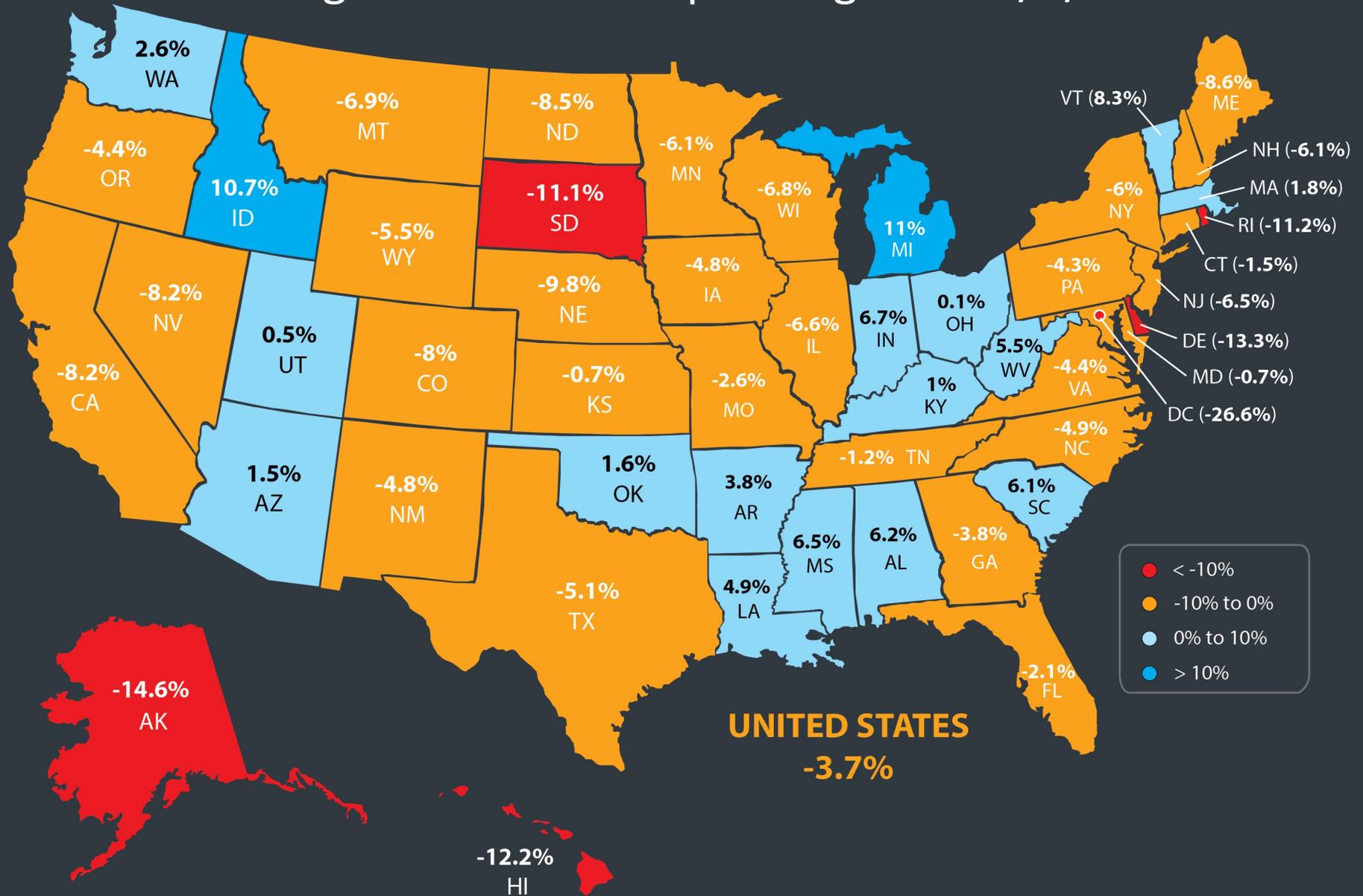
Households Used Most of Their Stimulus Checks to Pay Down Debt and Save



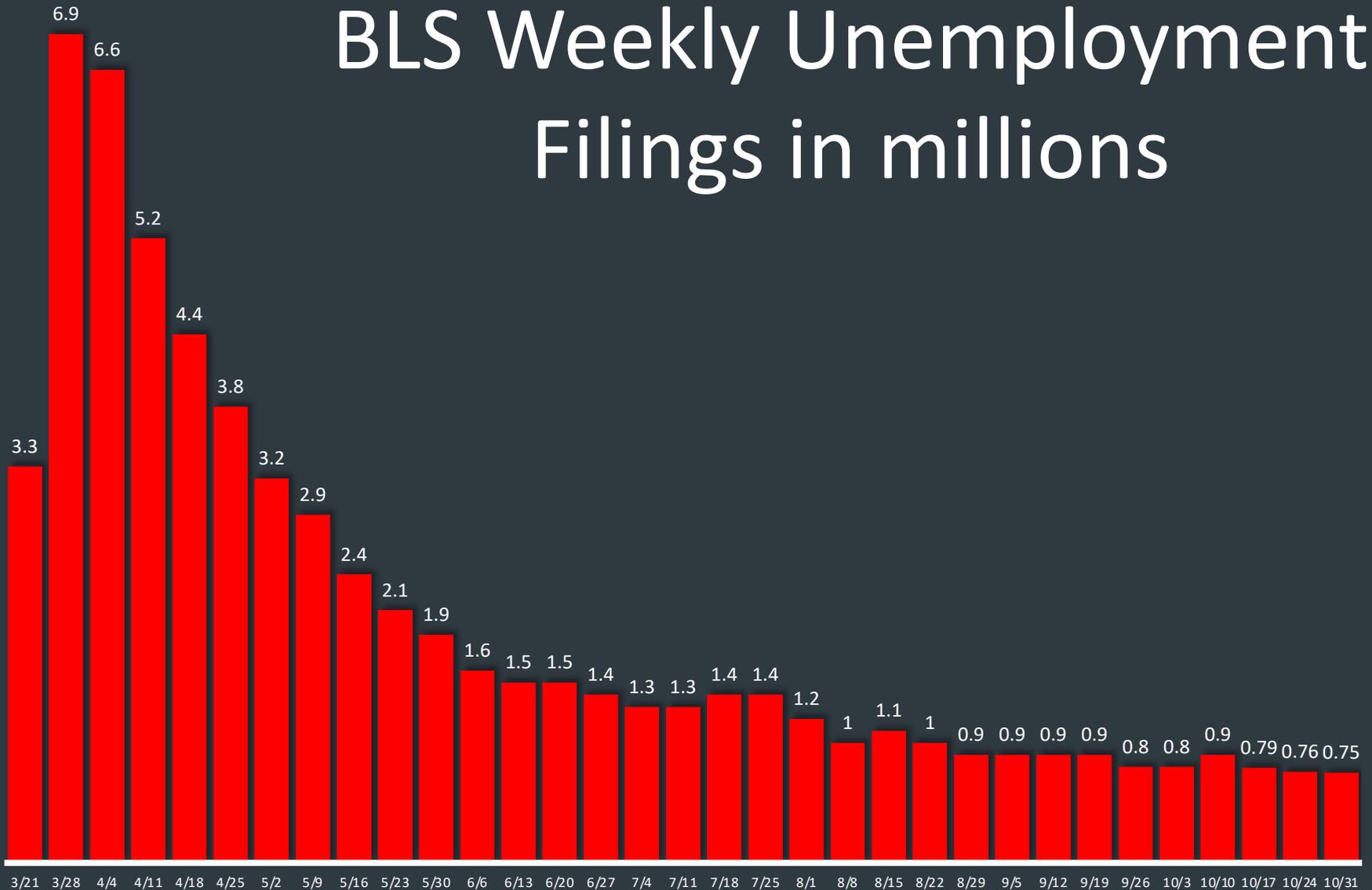
Business Applications in the United States



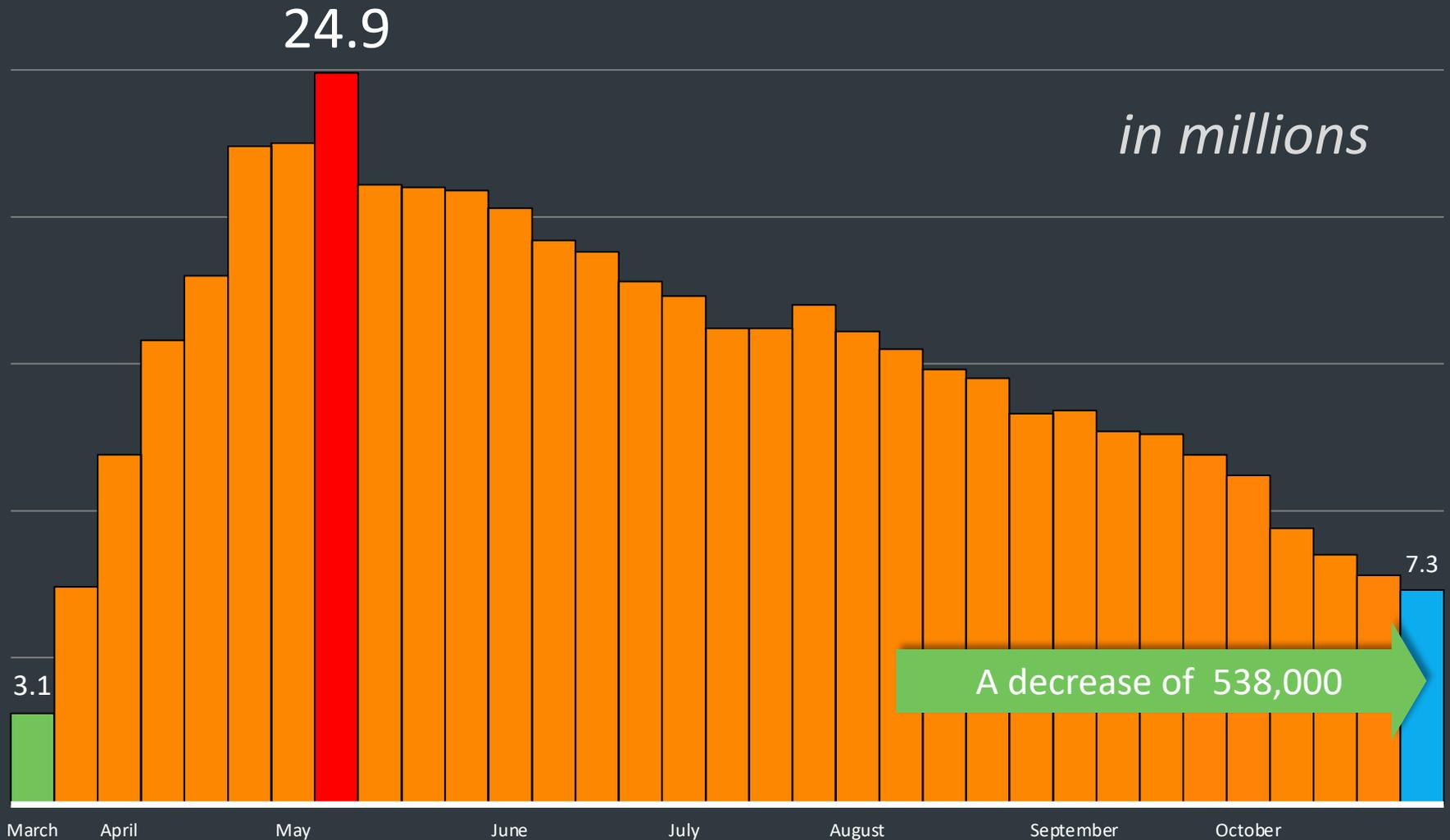
Change in Consumer Spending Since 1/1/20



BLS Weekly Unemployment Filings in millions



Currently Receiving Unemployment Insurance



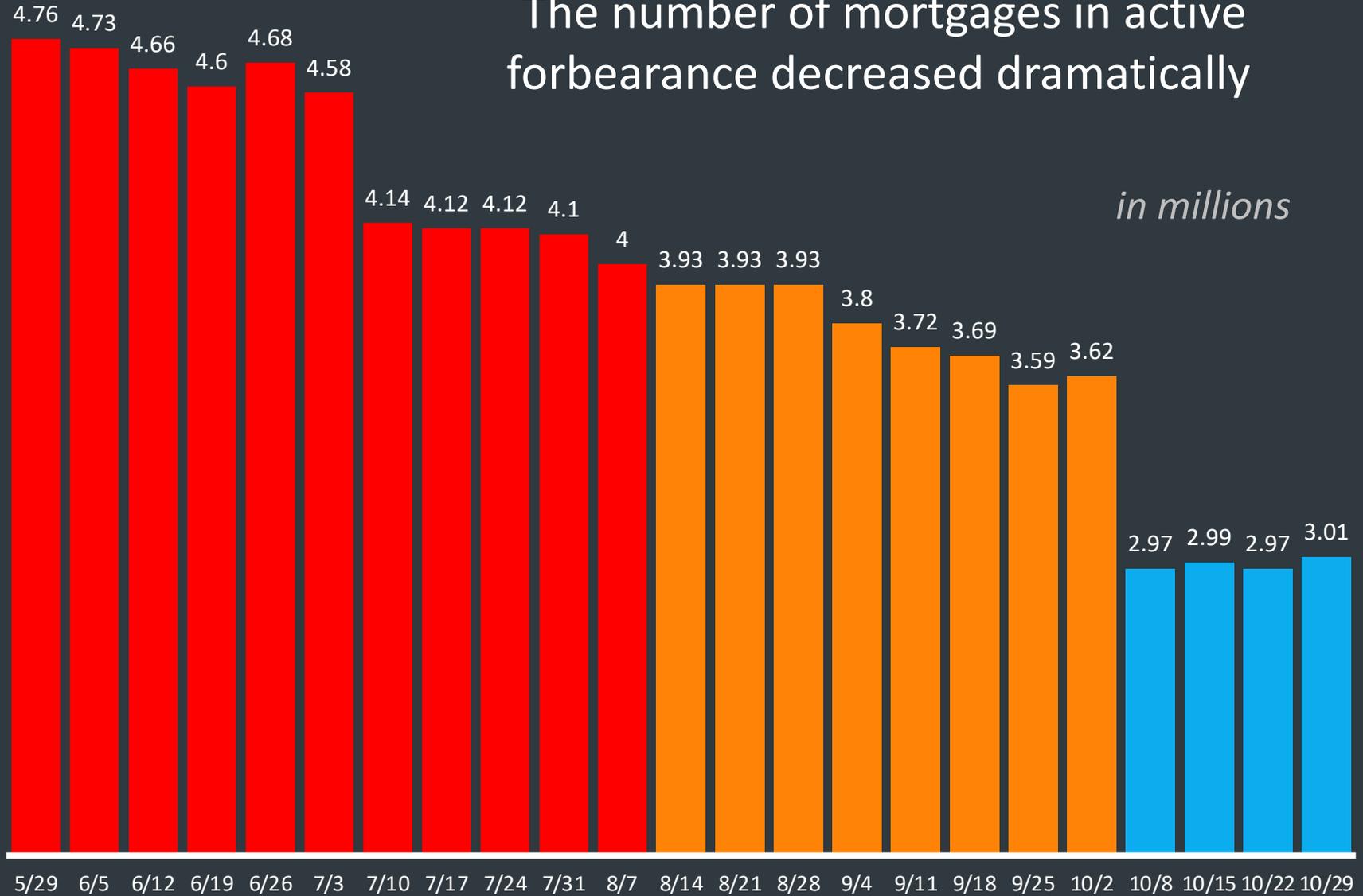
March April May June July August September October

“Data from the Survey of Business Uncertainty (SBU) suggest that the road forward is going to be a tough slog. Businesses hold tepid expectations for year-ahead employment and sales growth. Expectations are, in fact, so tepid that, **based on the latest average projection, it will take firms more than four-and-a-half years to recover their pre-Covid employment levels.**”

Federal Reserve Bank

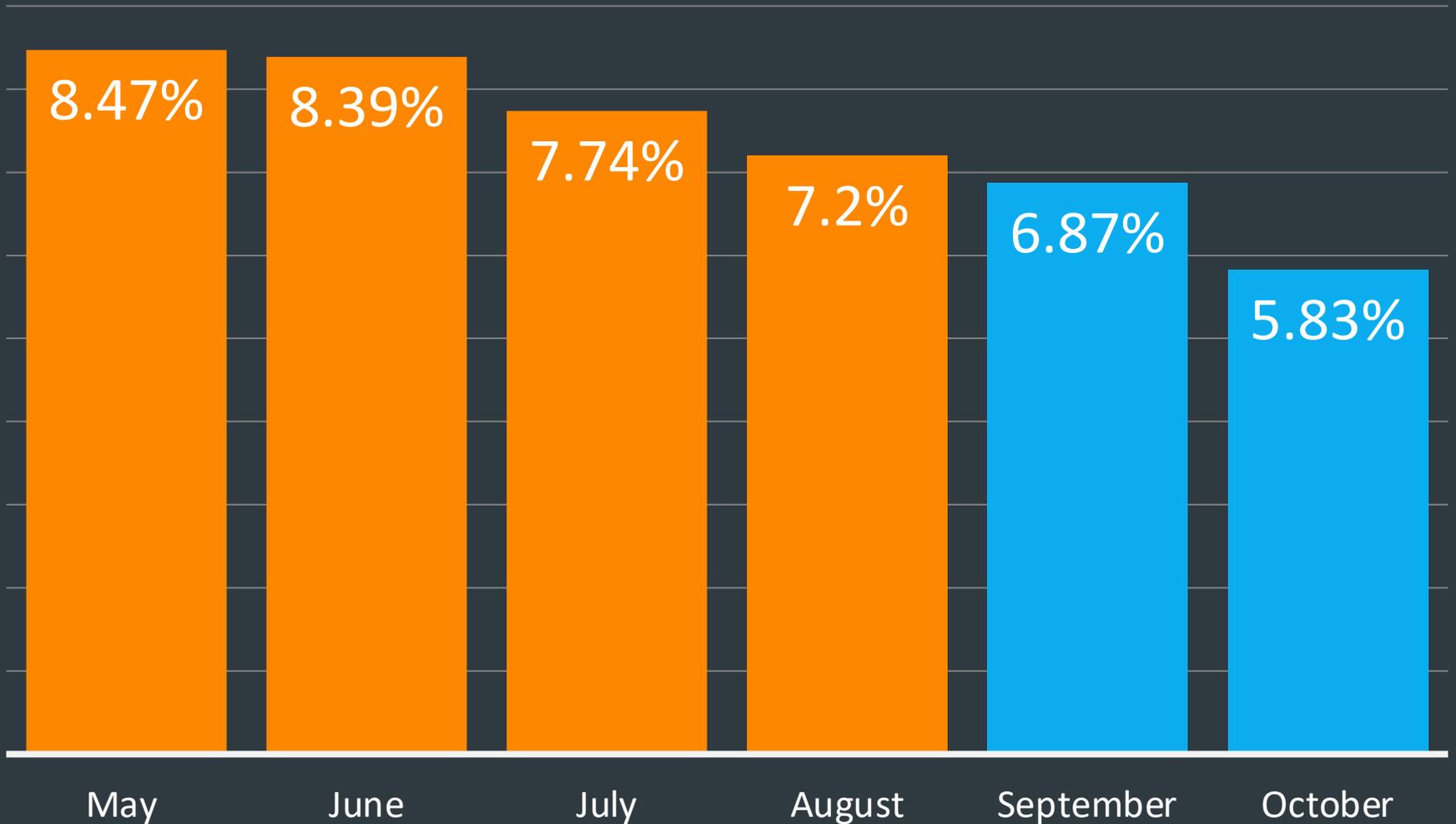


The number of mortgages in active forbearance decreased dramatically

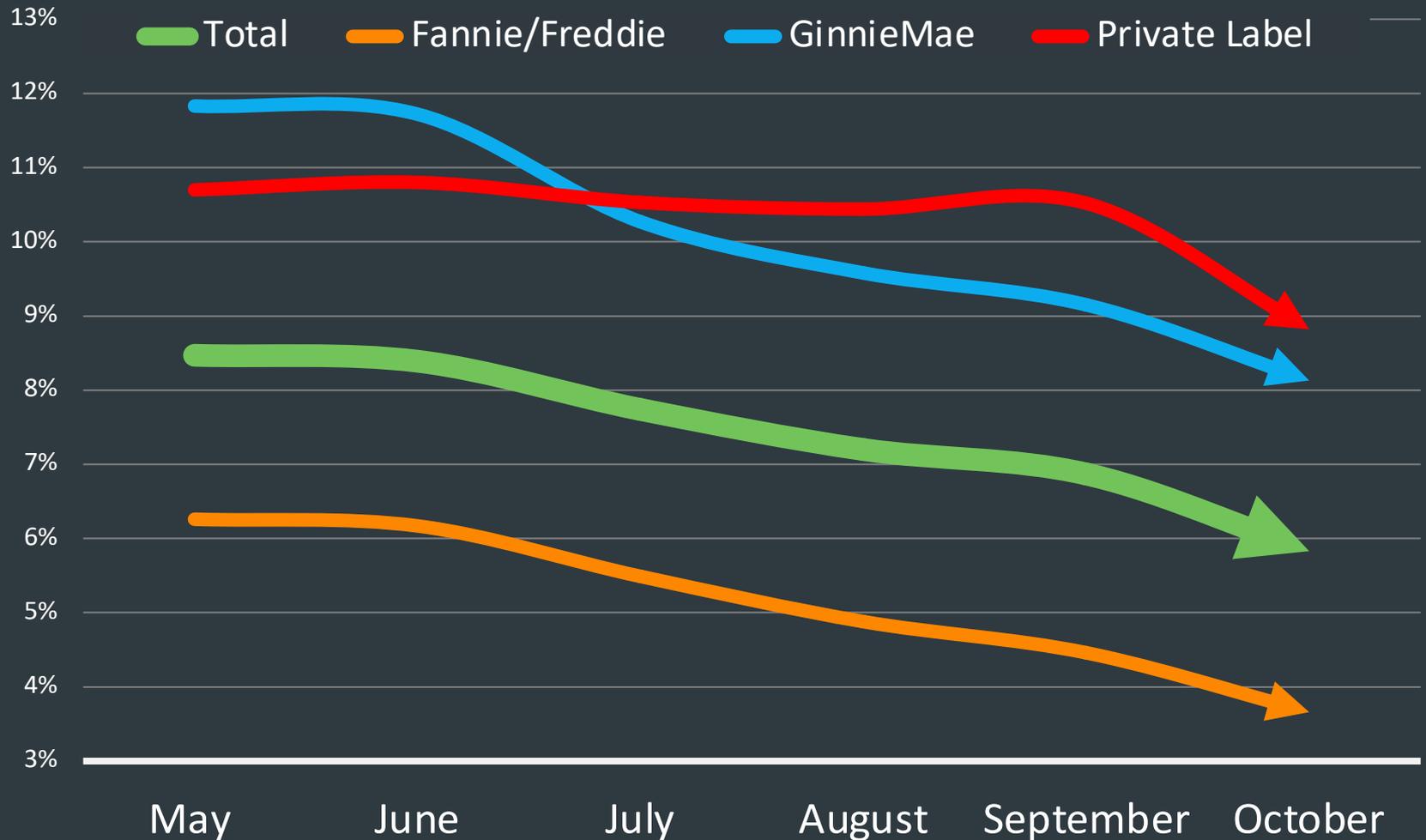


in millions

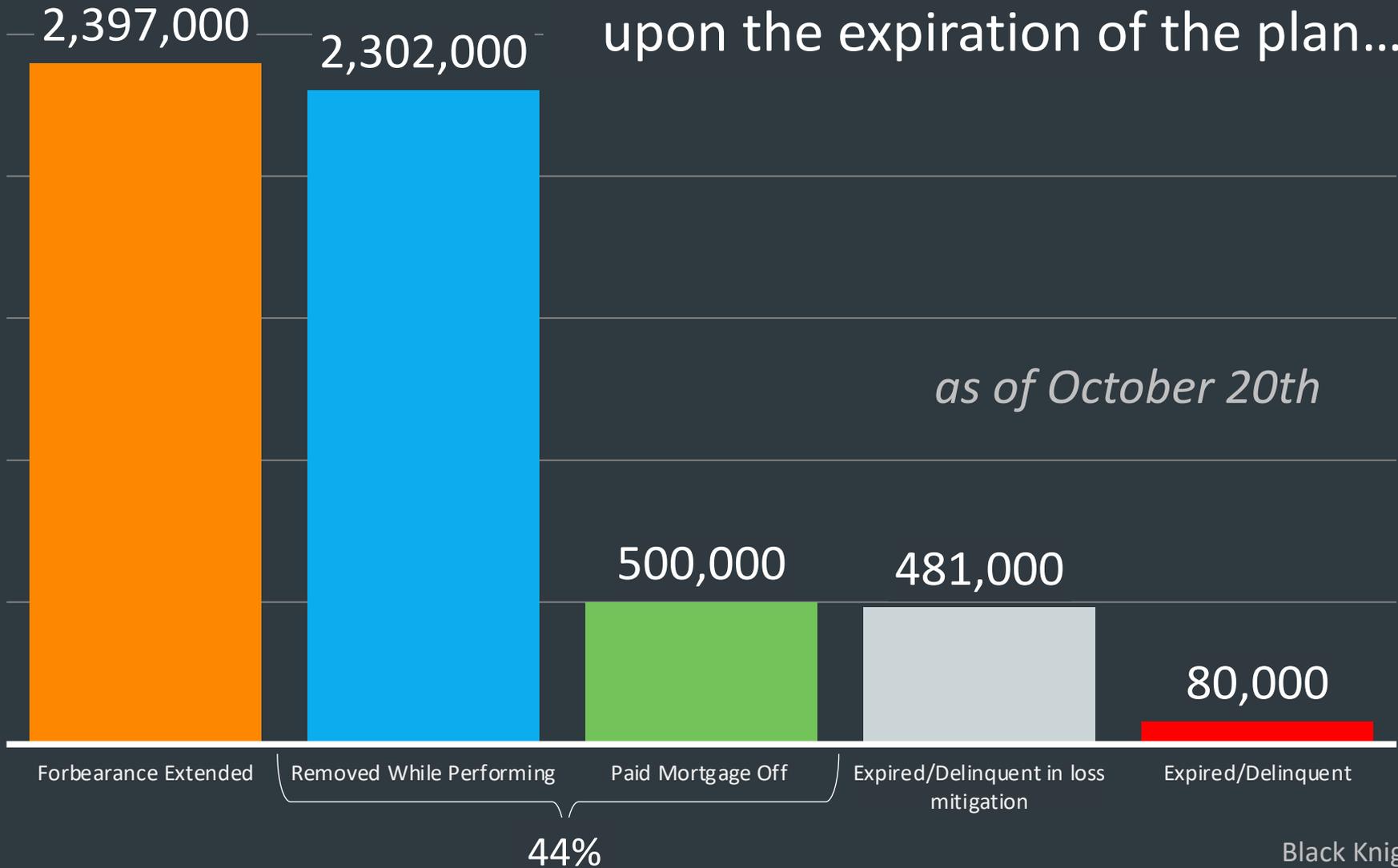
Percentage of Overall Forbearances Decreasing



Percentage of Forbearances Decreasing



Of the 5,760,000 families granted forbearance, this is what happened upon the expiration of the plan...



“The likelihood of us
having a foreclosure
crisis again is about
zero percent.”

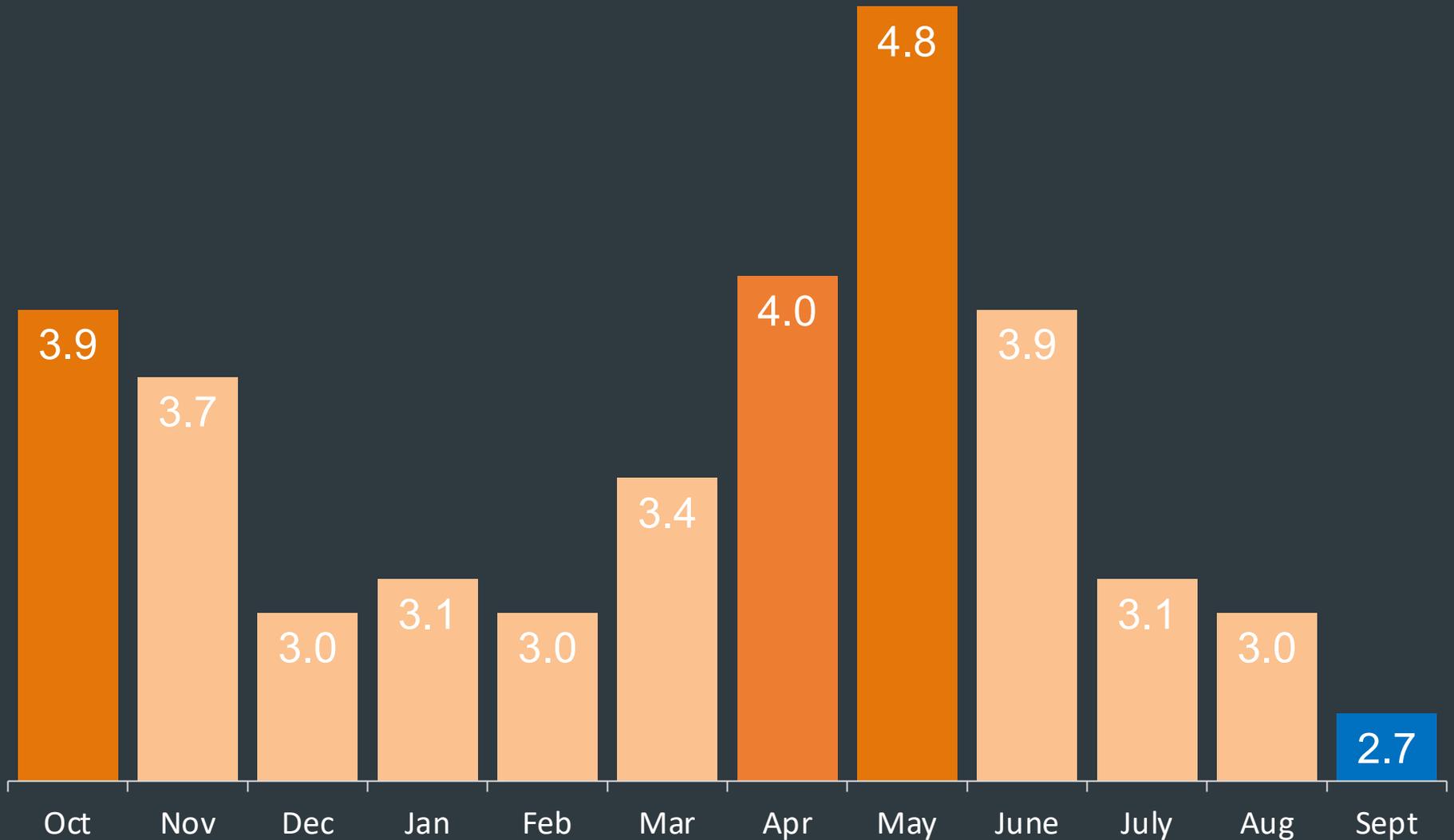
Ivy Zelman

Founder of Zelman & Associates

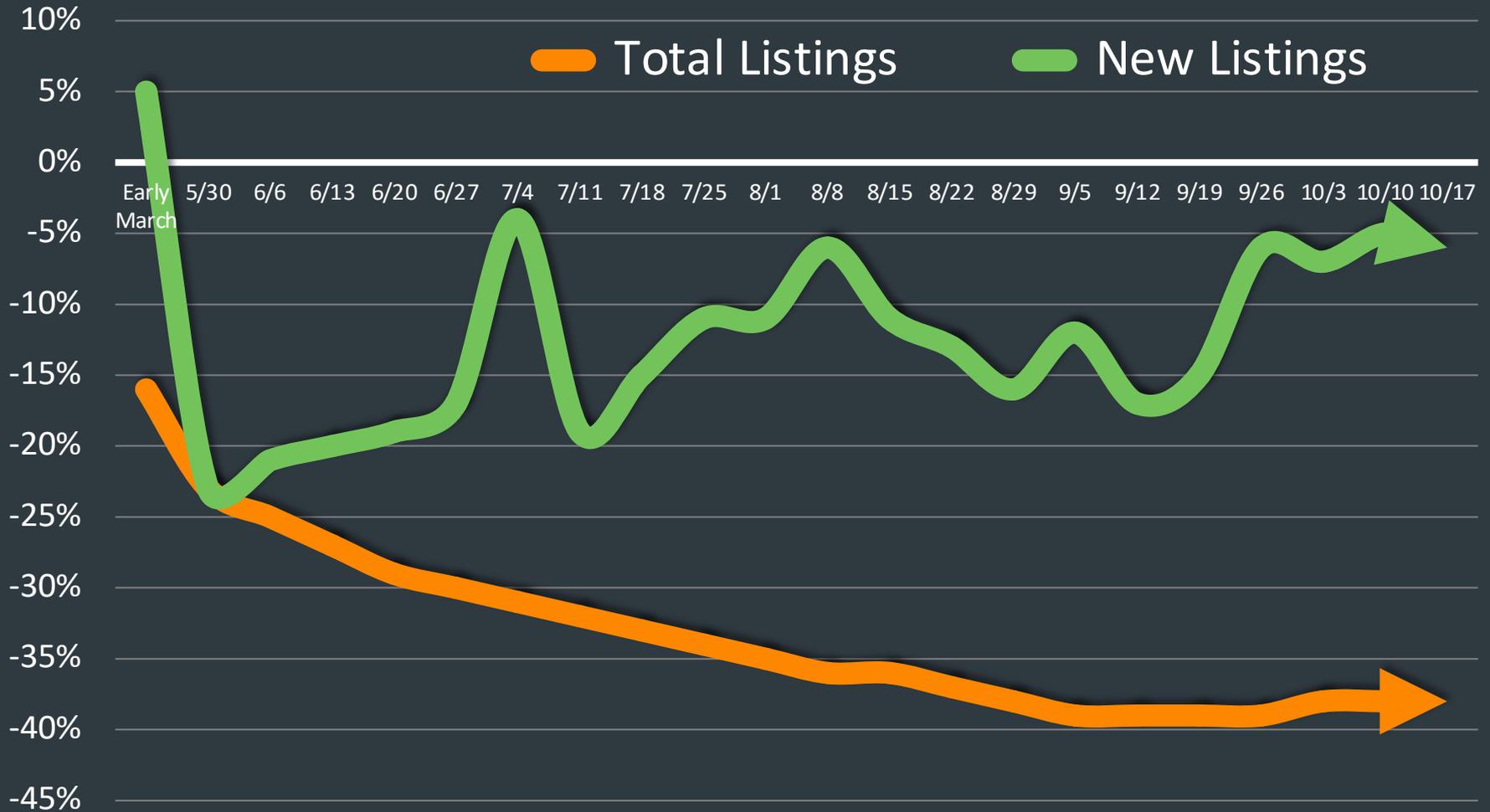


Months Inventory of HOMES FOR SALE

Last 12 Months



Year-Over-Year Change in Listings



Top Three Reasons
Homeowners Are
NOT Putting Their
House on the Market

31%

financial uncertainty

Zillow Report

34%

life is too uncertain
right now

25%

COVID-19
health concerns

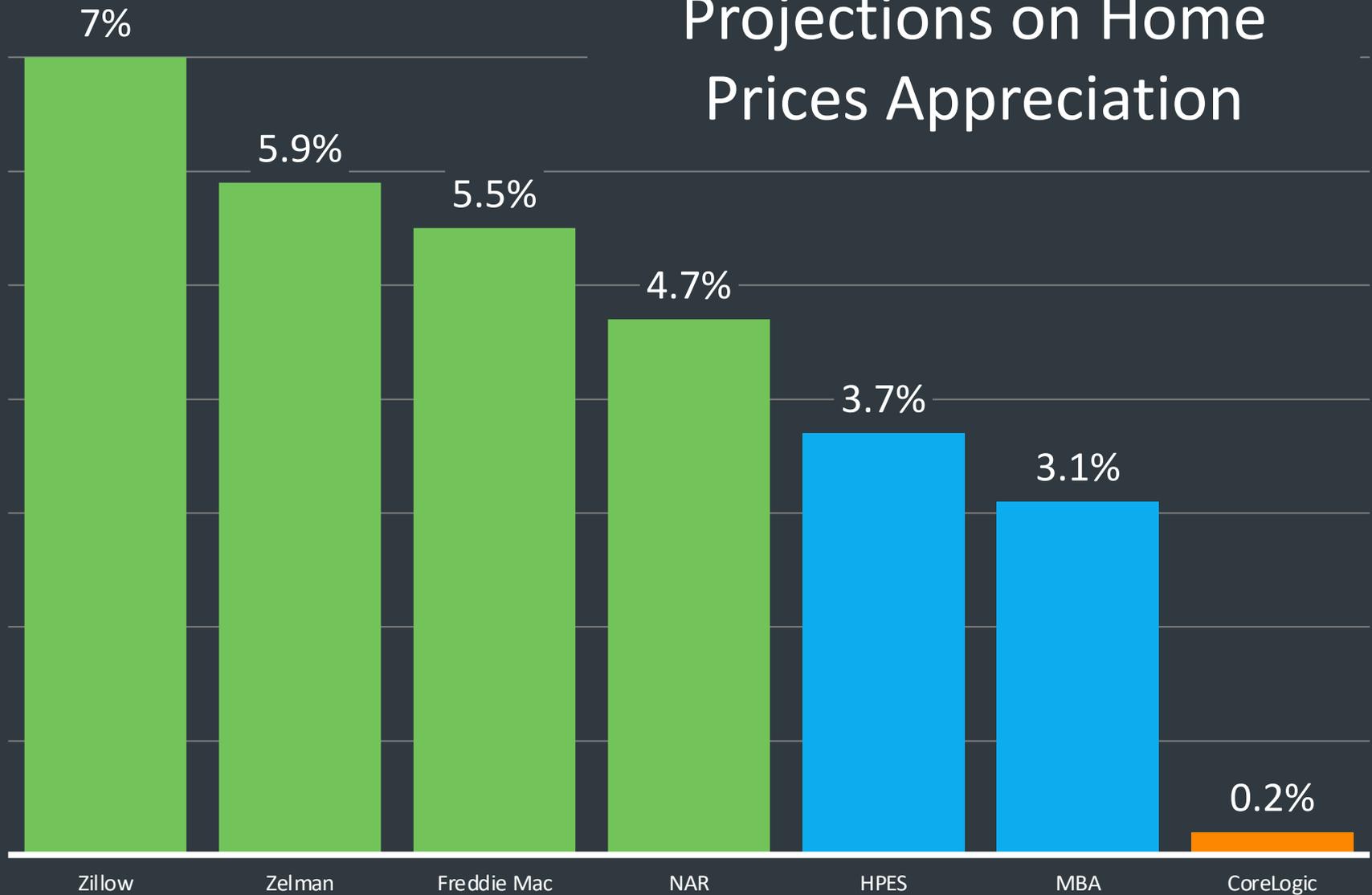
“Homeowners who feel life is uncertain right now may think they can still get a strong price if they delay selling until they have more clarity. **The catch is that waiting to sell may raise the cost of a trade-up.** This fall's **record low mortgage rates**, which make a trade-up more affordable on a monthly basis, **are not guaranteed to last.**”

Jeff Tucker

Senior Economist at Zillow

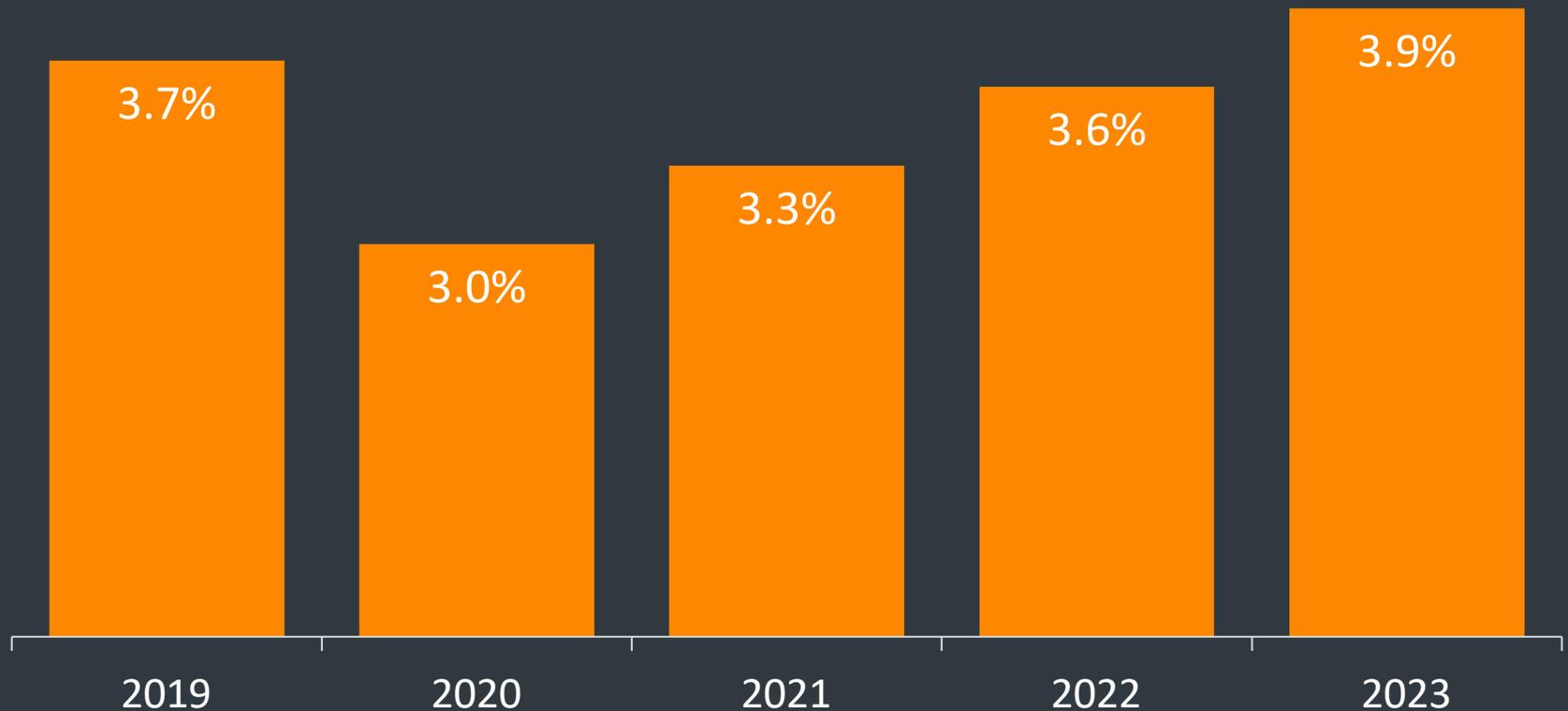


Projections on Home Prices Appreciation

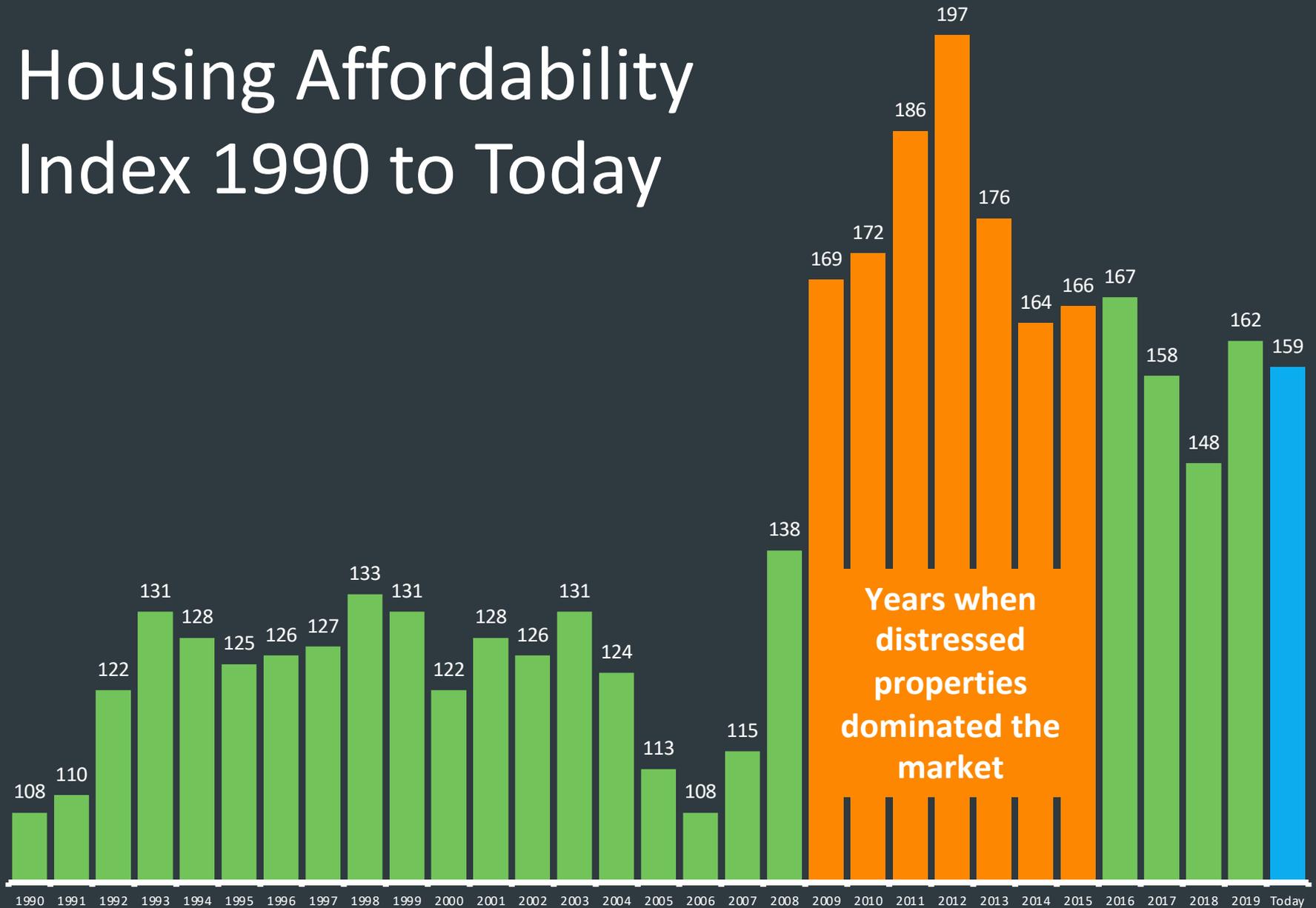


MBA Forecast for 2021: Prepare for Rising Mortgage Rates

“At its Annual event... Mortgage Bankers Association Chief Economist Mike Fratantoni forecast that mortgage rates could rise in the year to come, but that they will remain near all-time lows.”



Housing Affordability Index 1990 to Today



“The good news is that affordability remains significantly higher than one year ago, mostly due to falling rates. One month does not make a trend, but this month’s decline in affordability signals that **the current dynamics producing faster house price appreciation may begin to erode the affordability gains of recent years.**”

Mark Fleming

Chief Economist at First American



Winter Buyer & Seller Guides



Coming December 4th

Resources

Slide	Slide Title	Link
3	V-Shaped Recovery	https://www.bea.gov/news/2020/gross-domestic-product-third-quarter-2020-advance-estimate
4	Zumbrun Quote	https://www.wsj.com/articles/coronavirus-slump-is-worst-since-great-depression-will-it-be-as-painful-11589115601 (subscription necessary)
5	Average U.S. FICO Score	https://www.wsj.com/articles/coronavirus-tanked-the-economy-then-credit-scores-went-up-11603013402
6	Use of Stimulus Checks	https://libertystreeteconomics.newyorkfed.org/2020/10/how-have-households-used-their-stimulus-payments-and-how-would-they-spend-the-next.html
7	Business Applications in the U.S.	https://fred.stlouisfed.org/series/BUSAPPSAUS
8	Change in Consumer Spending	https://www.tracktherecovery.org/
9, 10	Unemployment Filings & Insurance	https://www.dol.gov/ui/data.pdf
11	Federal Reserve Bank Quote	www.frbatlanta.org/blogs/macroblog/2020/10/01/post-covid-recovery-not-so-fast-my-friend
12	Number of Active Forbearances	https://www.blackknightinc.com/blog-posts/forbearance-volumes-continue-modest-improvement-from-pandemic-related-peak/
13, 14	Percentage of Forbearances	https://www.mba.org/news-research-and-resources/newsroom

Resources

Slide	Slide Title	Link
15	When Forbearances Expire	https://www.blackknightinc.com/wp-content/uploads/2020/10/BKI_MM_Sept2020_Report.pdf
16	Zelman Quote	https://www.tomferry.com/podcast/experience-91/
17	Months Inventory of Homes for Sale	nar.realtor https://www.nar.realtor/topics/existing-home-sales https://cdn.nar.realtor/sites/default/files/documents/ehs-09-2020-overview-2020-10-22.pdf
18	YOY Change in Listings	https://www.realtor.com/research/weekly-housing-trends-view-data-week-oct-17-2020/
19, 20	Sellers Not Listing & Tucker Quote	http://zillow.mediaroom.com/2020-10-27-COVID-19-is-Driving-the-Housing-Inventory-Crisis-in-Unexpected-Ways
21	Home Price Projections	http://www.freddiemac.com/research/forecast/20201014_quarterly_economic_forecast.page? https://www.fanniemae.com/resources/file/research/emma/pdf/Housing_Forecast_071420.pdf https://www.nar.realtor/sites/default/files/documents/forecast-Q2-2020-us-economic-outlook-06-29-2020.pdf https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary www.zelmanassociates.com (subscription required) https://www.corelogic.com/insights-download/home-price-index.aspx http://zillow.mediaroom.com/2020-10-16-Home-Values-are-Growing-at-a-Pace-Not-Seen-Since-the-Recovery-From-the-Great-Recession
22	Mortgage Rate Projections	https://www-housingwire-com.cdn.ampproject.org/c/s/www.housingwire.com/articles/mba-forecast-for-2021-prepare-for-rising-mortgage-interest-rates/amp/
23	Housing Affordability Index	https://www.nar.realtor/blogs/economists-outlook/housing-affordability-weakens-in-august-2020-as-home-prices-rose-faster-than-median-family-incomes
24	Fleming Quote	https://blog.firstam.com/economics/has-the-affordability-boost-from-falling-mortgage-rates-run-its-course

A close-up photograph of a computer keyboard. The central focus is a large, rectangular blue key with the word "UPDATE" printed in white, bold, sans-serif capital letters. The key is slightly raised and has a subtle gradient. Surrounding it are several other keys: to the left, a white key with a closing curly brace "}" and an opening square bracket "["; above it, a white key with a tilde "~" and an underline "_" symbol; to the right, a white key with the number "4"; and below it, a white key with a hash "#". The keyboard is set against a dark, almost black background, which makes the keys stand out. The lighting is soft, highlighting the texture of the keys and the blue color of the "UPDATE" key.

Resources

Slide	Slide Title	Link
32, 52, 64	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
33-35, 43, 52-57	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
36-39	New Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf http://www.census.gov/newhomesales http://www.census.gov/construction/nrs/pdf/newressales.pdf
40	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
41,42	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
47-49	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
50	CoreLogic Forecasted YOY % Change in Price	https://www.corelogic.com/insights-download/home-price-index.aspx
53-59	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf

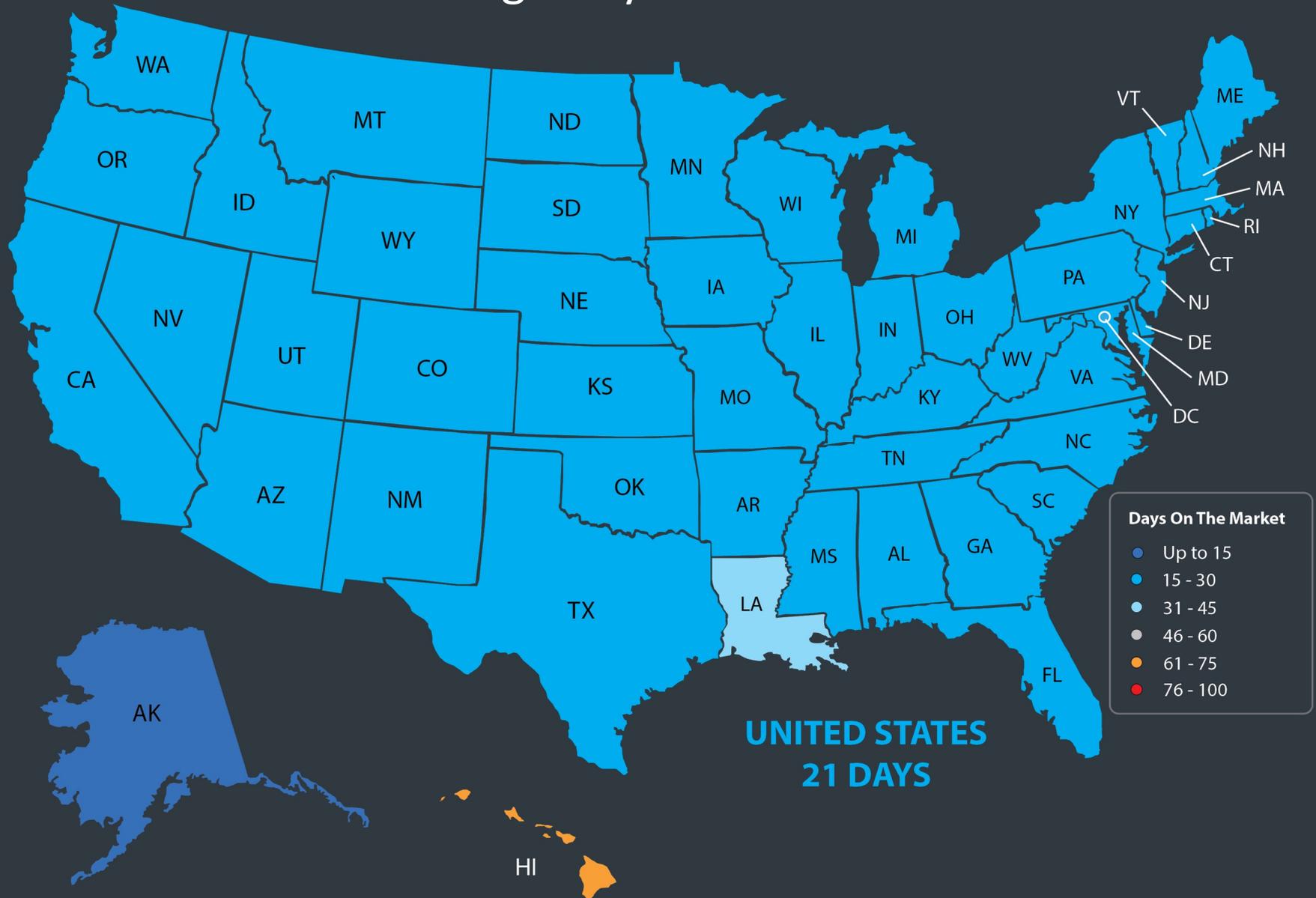
Resources

Slide	Slide Title	Link
61-63	Foot Traffic	http://nar.realtor/infographics/foot-traffic
66,67, 69,70	Mortgage Rates	http://www.freddiemac.com/pmms http://www.freddiemac.com/pmms/pmms_archives.html
68	Mortgage Rate Projections	http://www.freddiemac.com/research/forecast/ http://www.fanniemae.com/portal/research-insights/forecast.html https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary https://www.nar.realtor/research-and-statistics
72,73	Mortgage Credit Availability	https://www.mba.org/news-research-and-resources/newsroom https://www.mba.org/news-research-and-resources/research-and-economics/single-family-research/mortgage-credit-availability-index
74-78	Days To Close, FICO Scores, DTI	http://www.elliemae.com/resources/origination-insight-reports



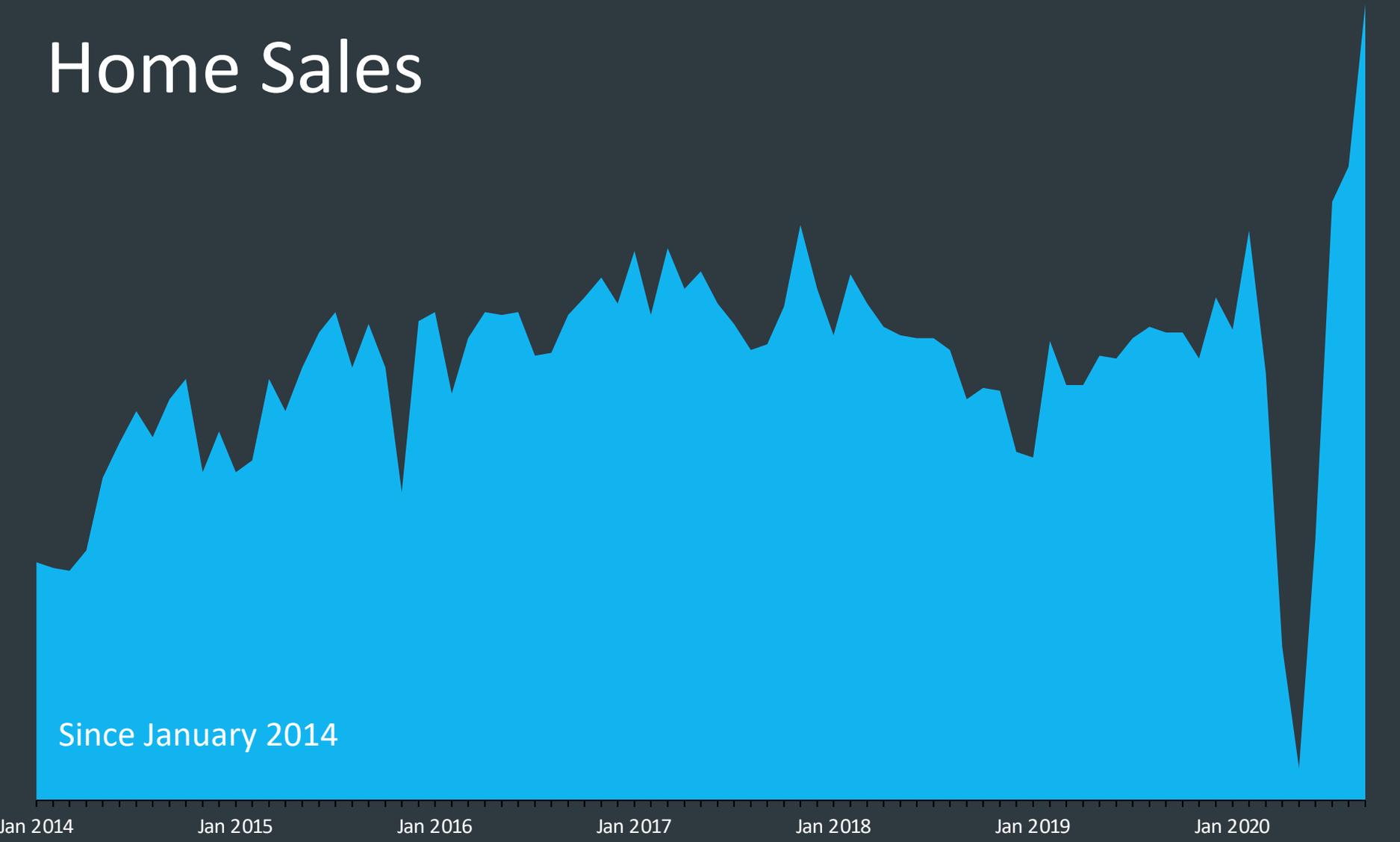
SALES

Average Days on the Market



EXISTING

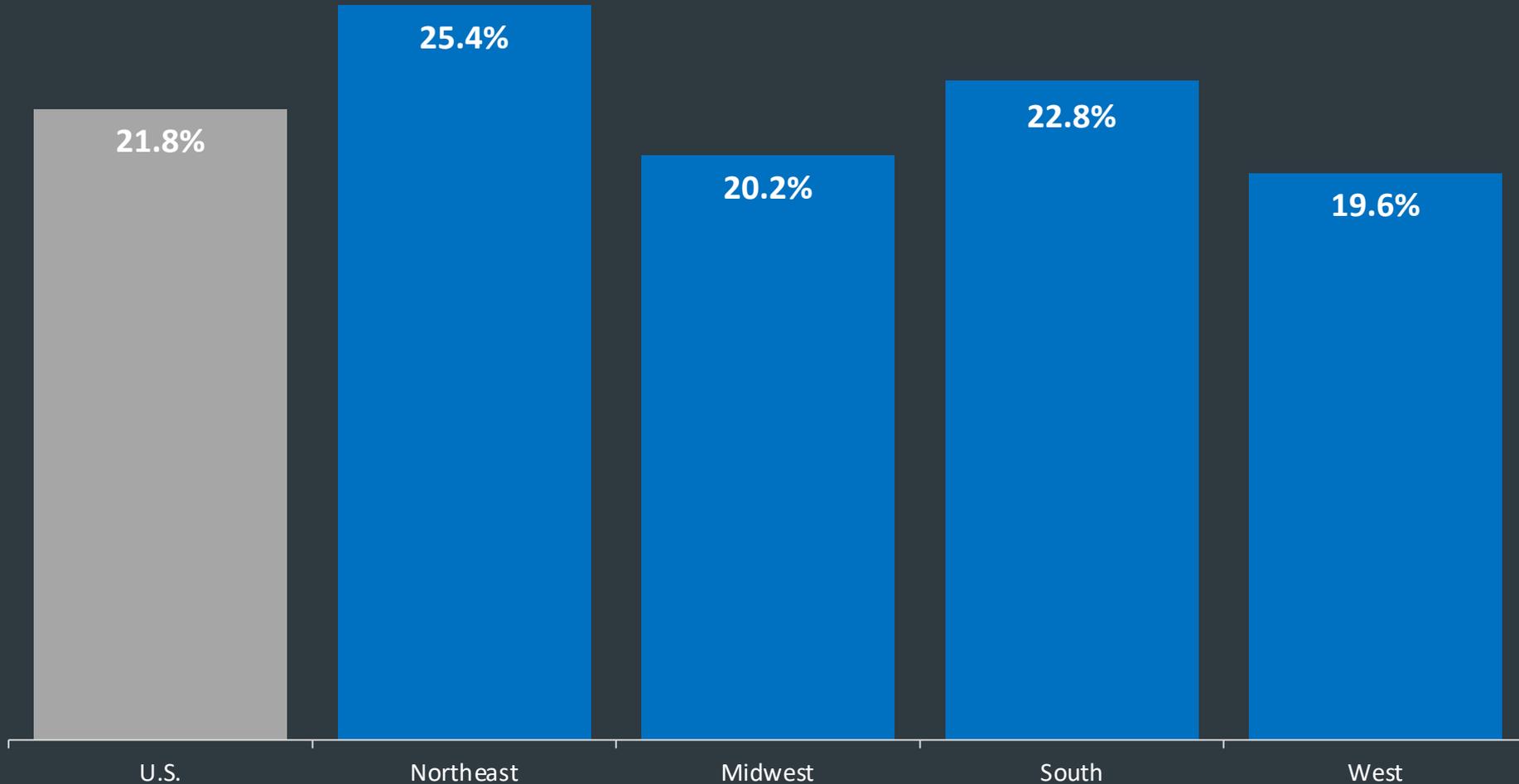
Home Sales



Since January 2014

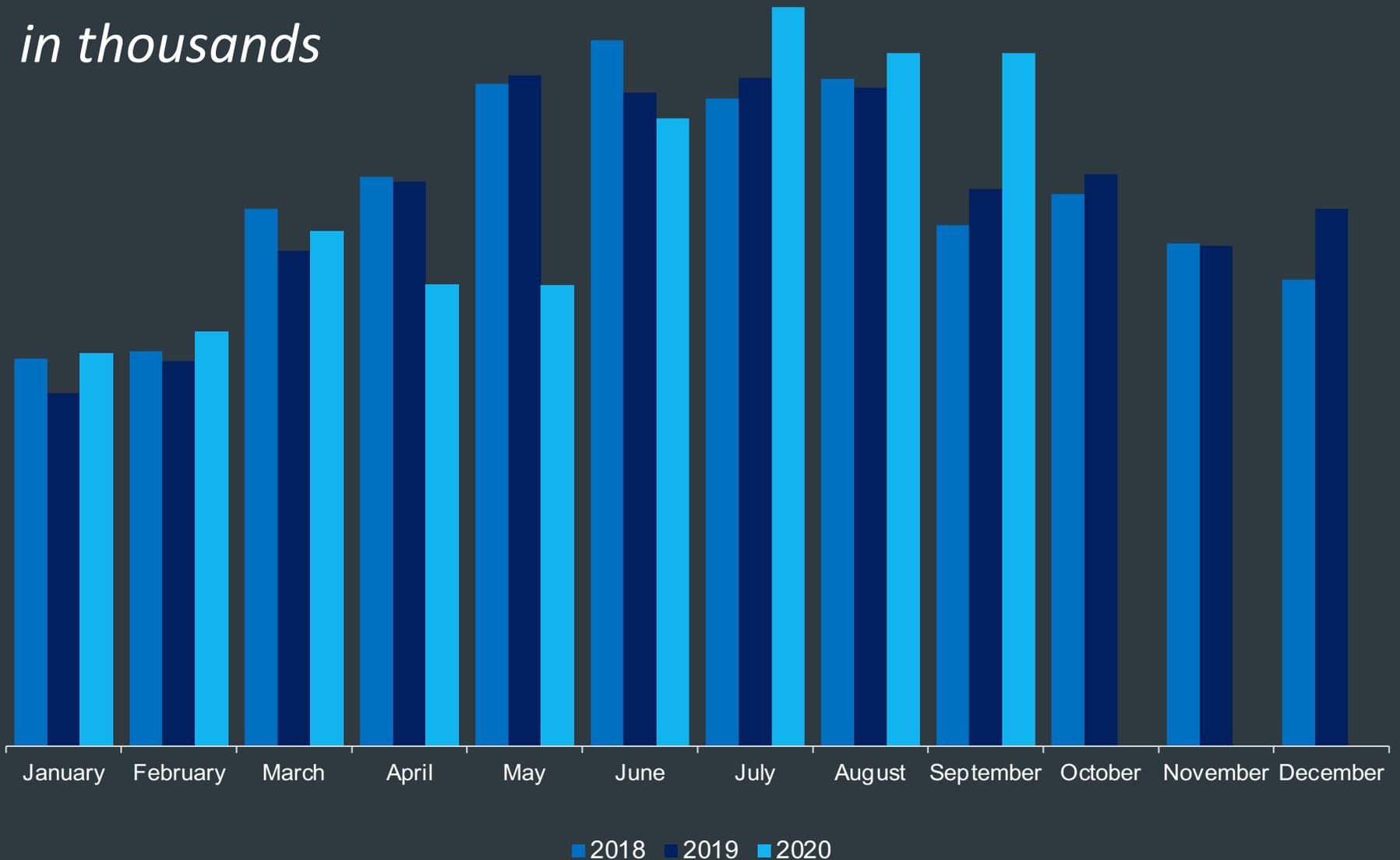
EXISTING Home Sales

Y-O-Y by region



Existing Home Sales

in thousands

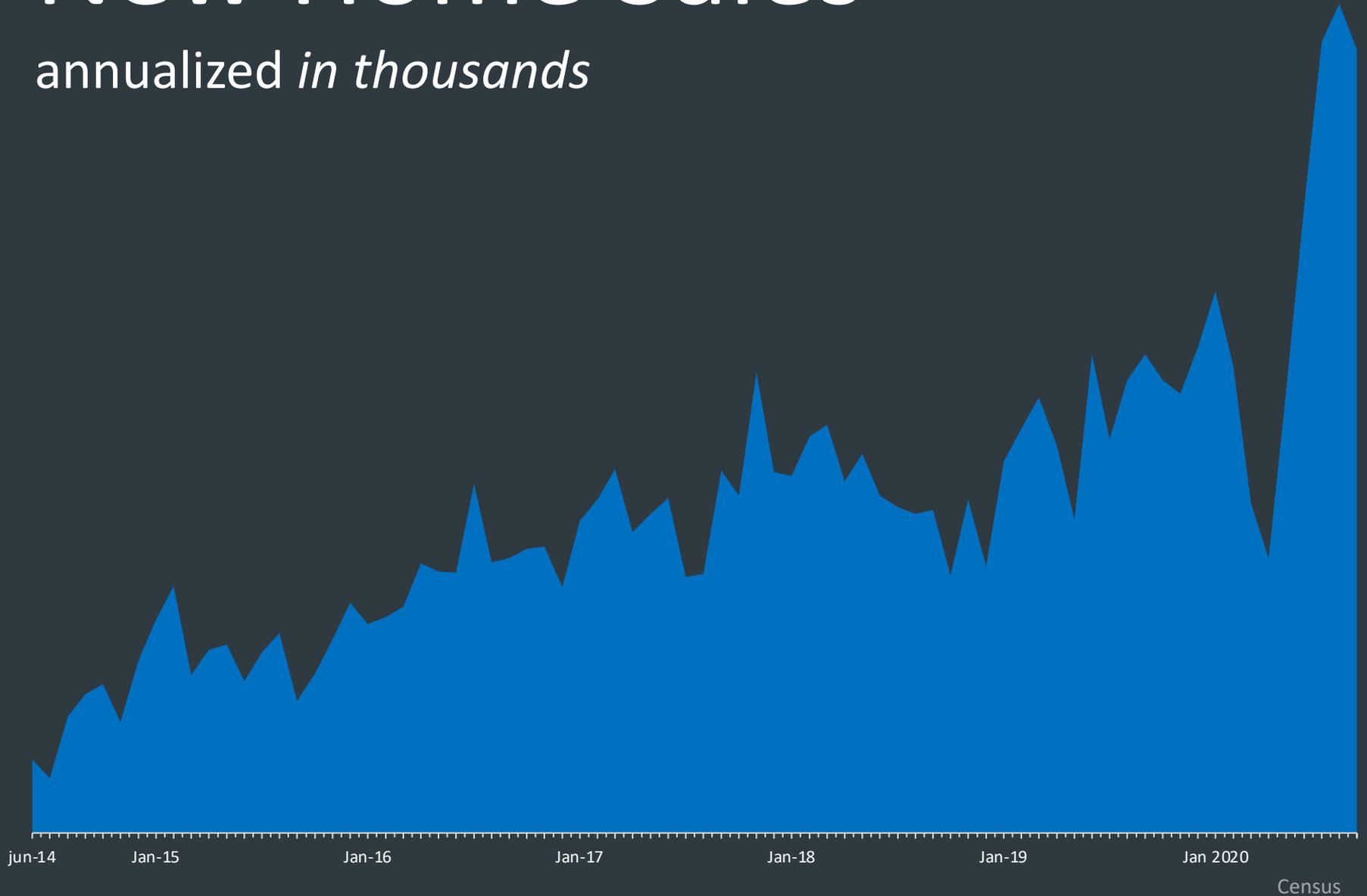


New Home Sales *in thousands*



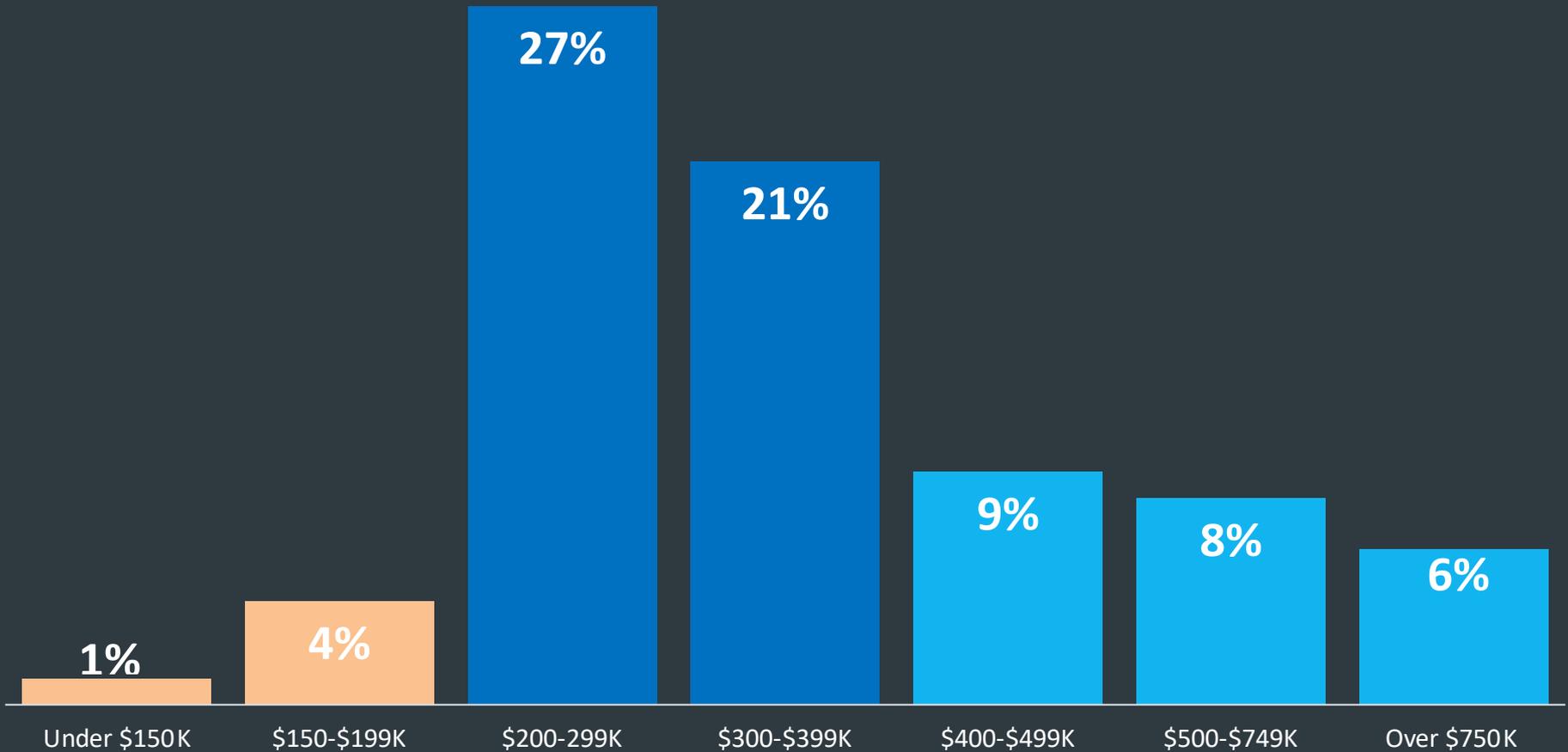
New Home Sales

annualized *in thousands*



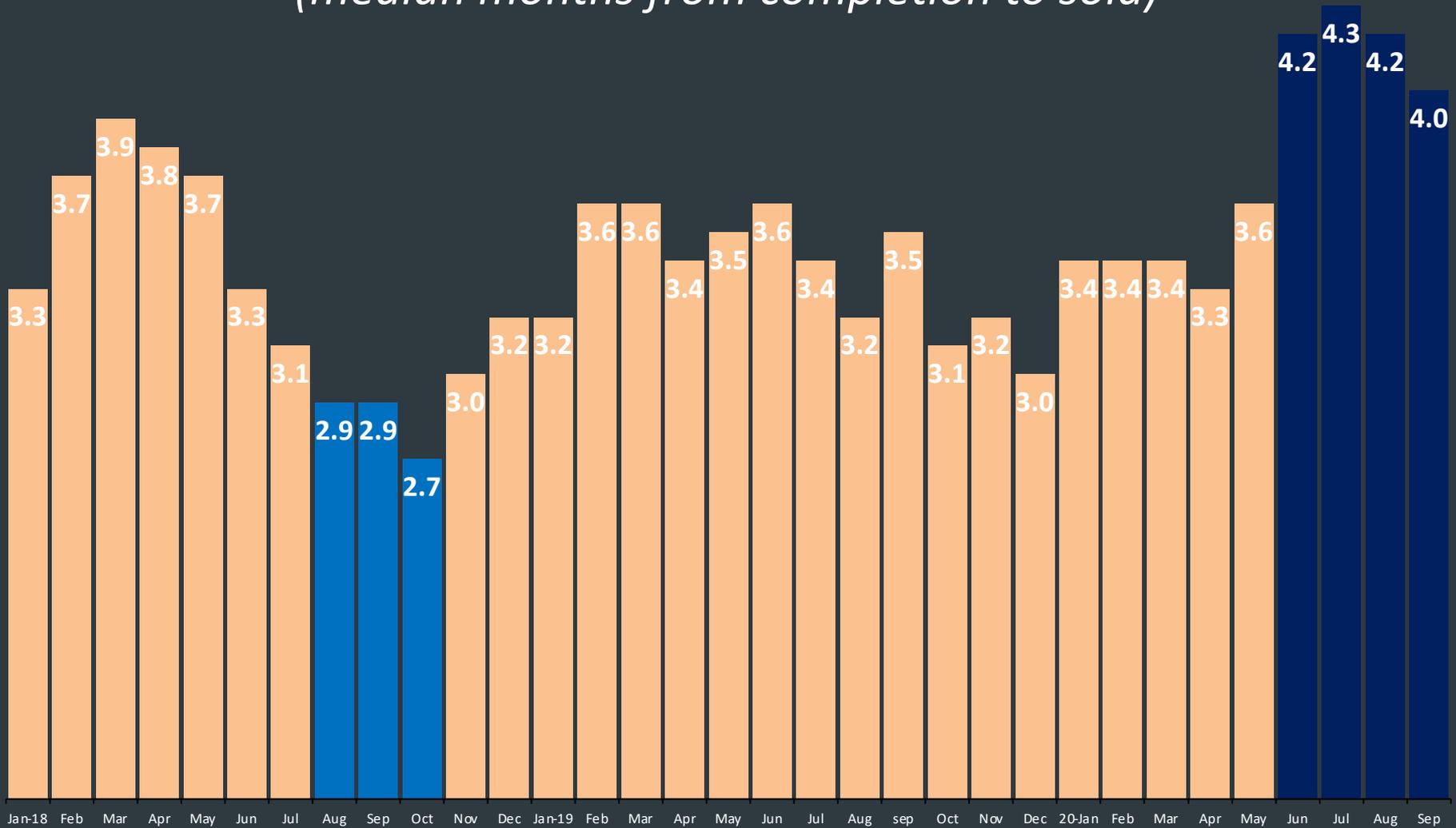
New Home Sales

% of sales by price range

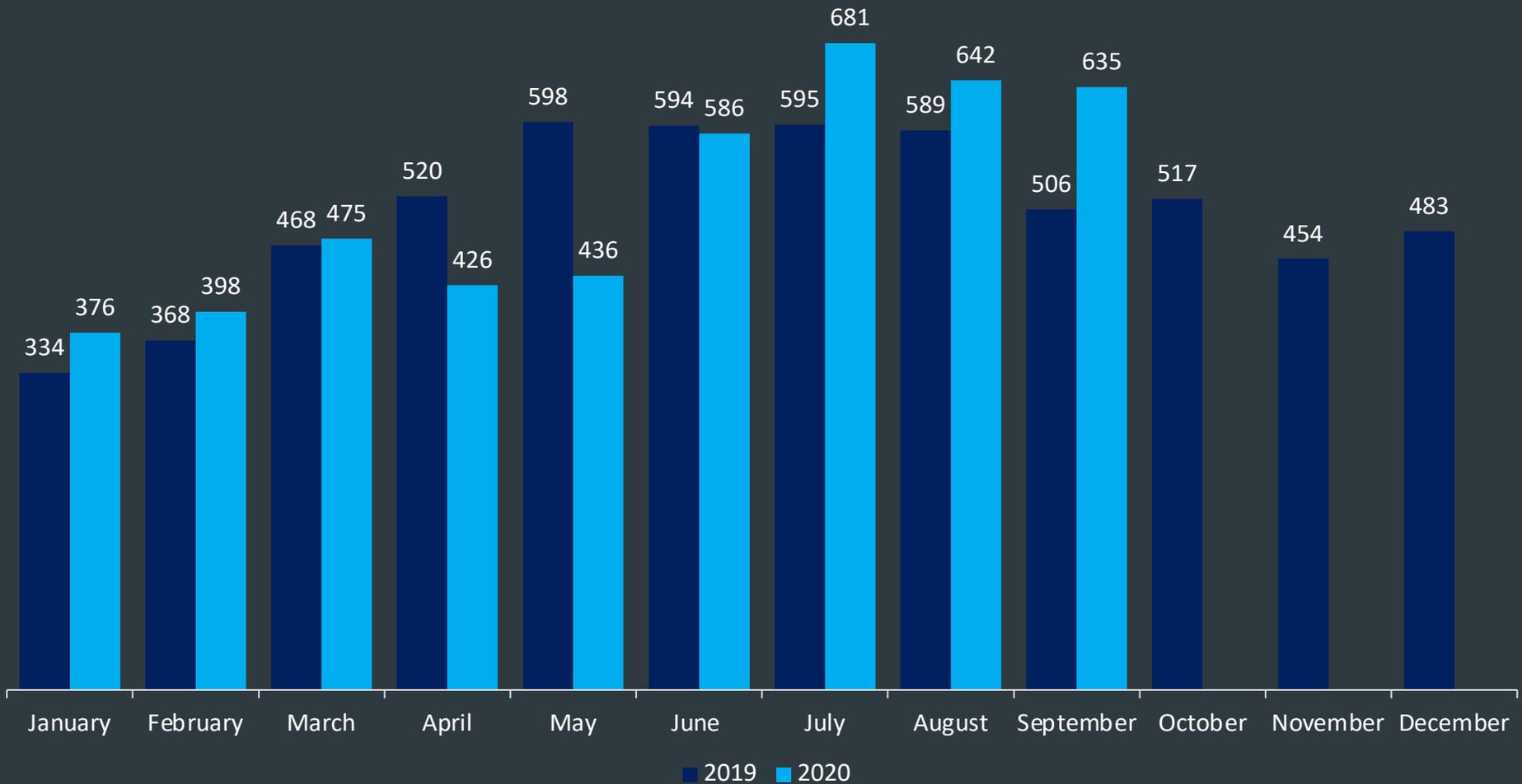


New Homes Selling Fast

(median months from completion to sold)

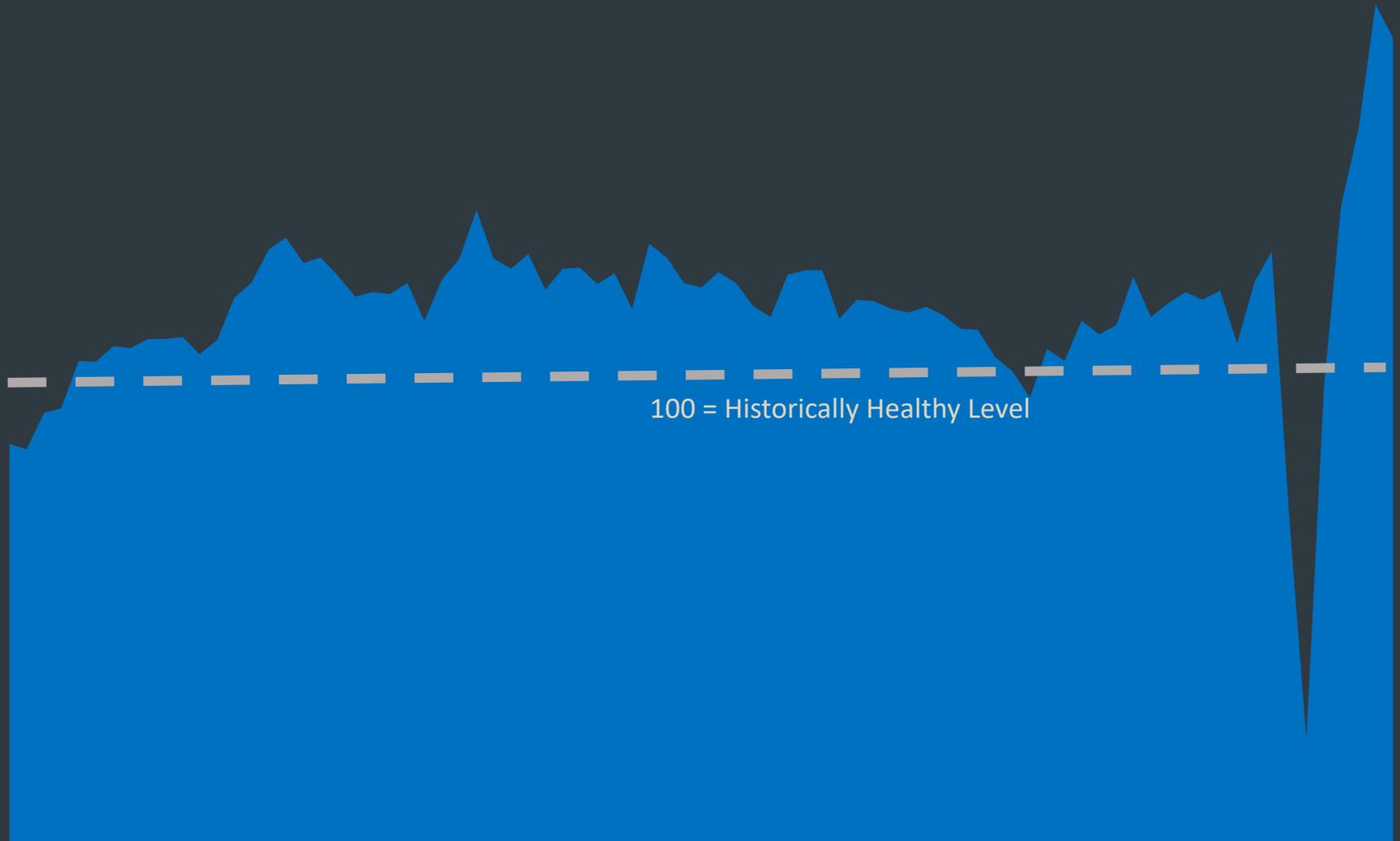


Total Home Sales *in thousands*



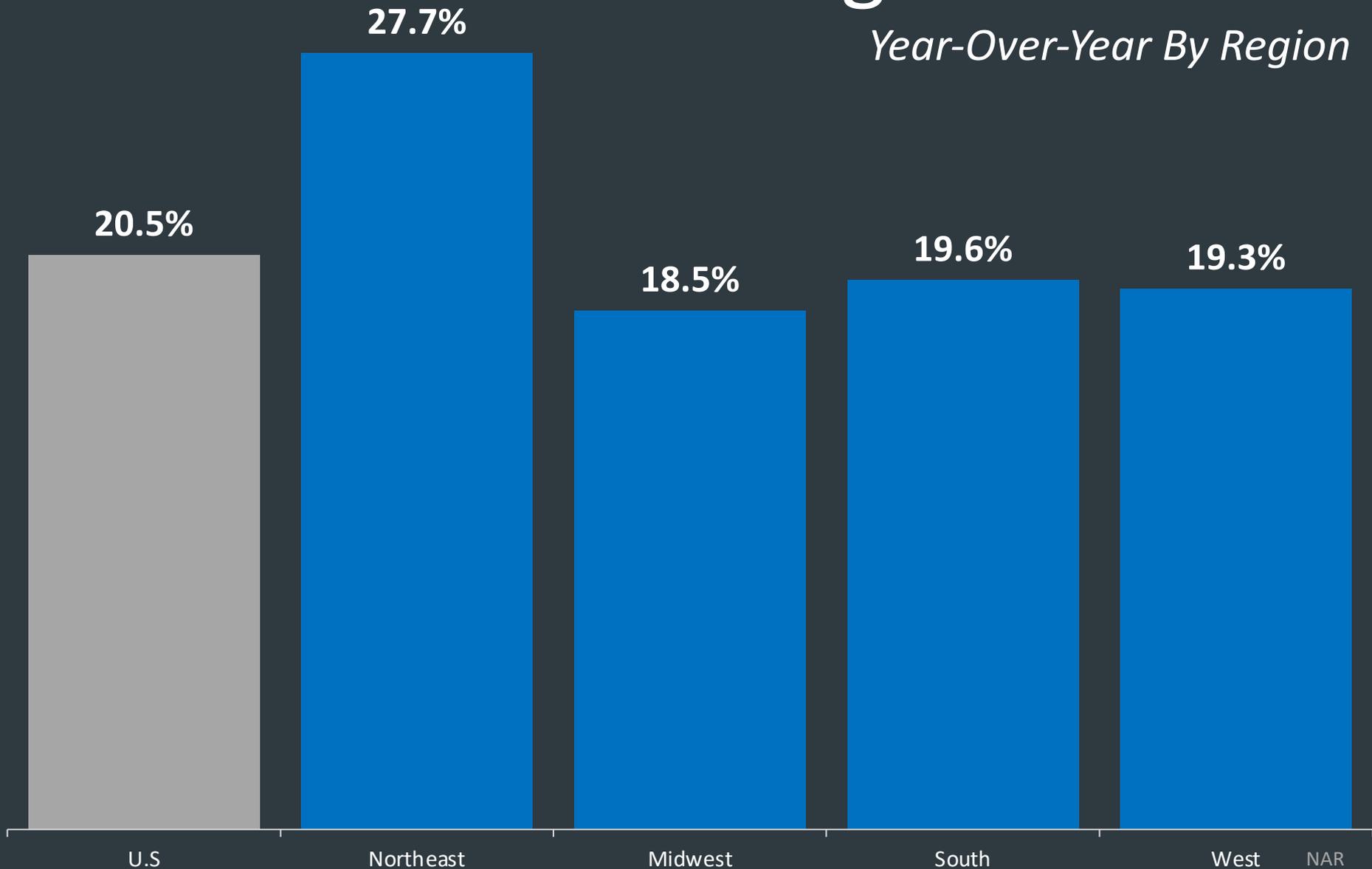
PENDING Home Sales

since 2014



Pending Home Sales

Year-Over-Year By Region

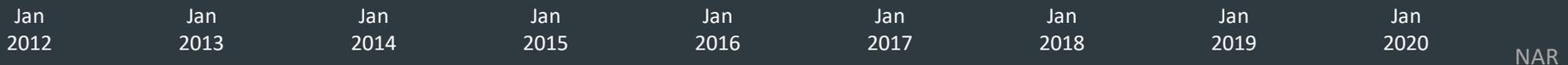


35%

Percentage of Distressed Property Sales

Distressed sales – foreclosures and short sales – represented less than 1% of sales in September

January 2012 - Today

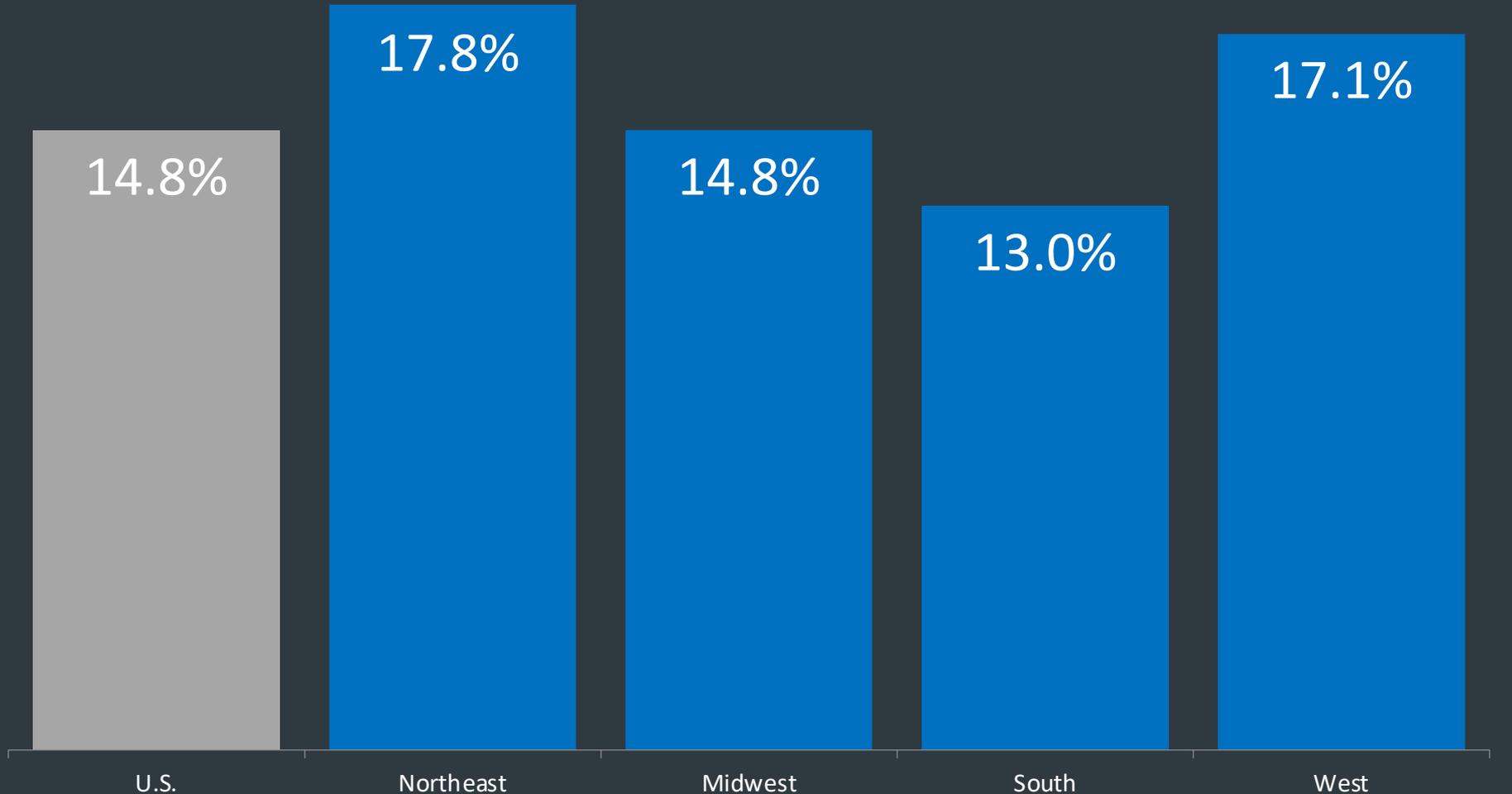


A puzzle of a US dollar bill with two red puzzle pieces missing. The puzzle pieces are arranged in a grid, and the missing pieces are located on the left side of the image. The background is a dark, textured surface.

Home Prices

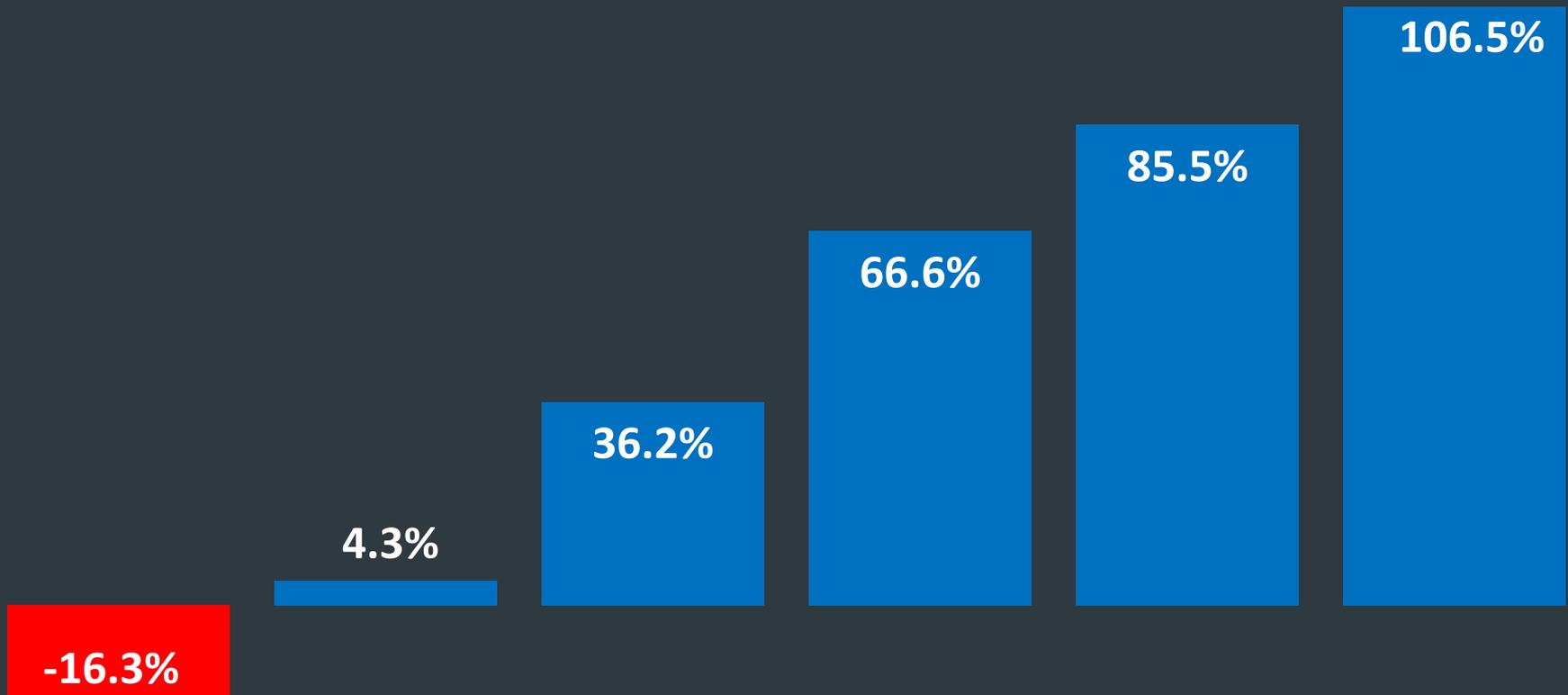
EXISTING Home Prices

Y-O-Y by region



% Change in Sales

from last year by Price Range

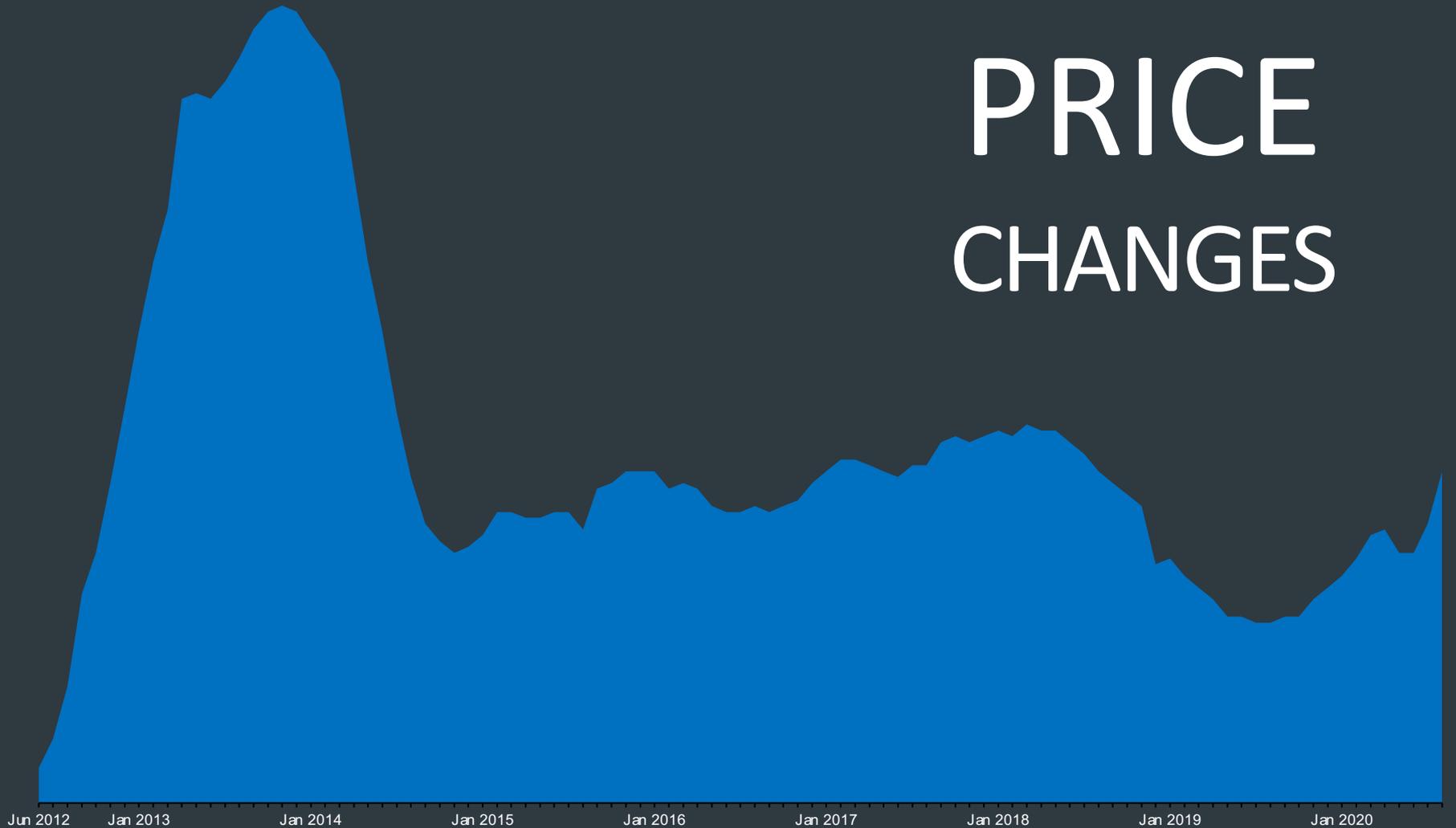


	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
%	-16.3%	4.3%	36.2%	66.6%	85.5%	106.5%

Case Shiller

Year-Over-Year

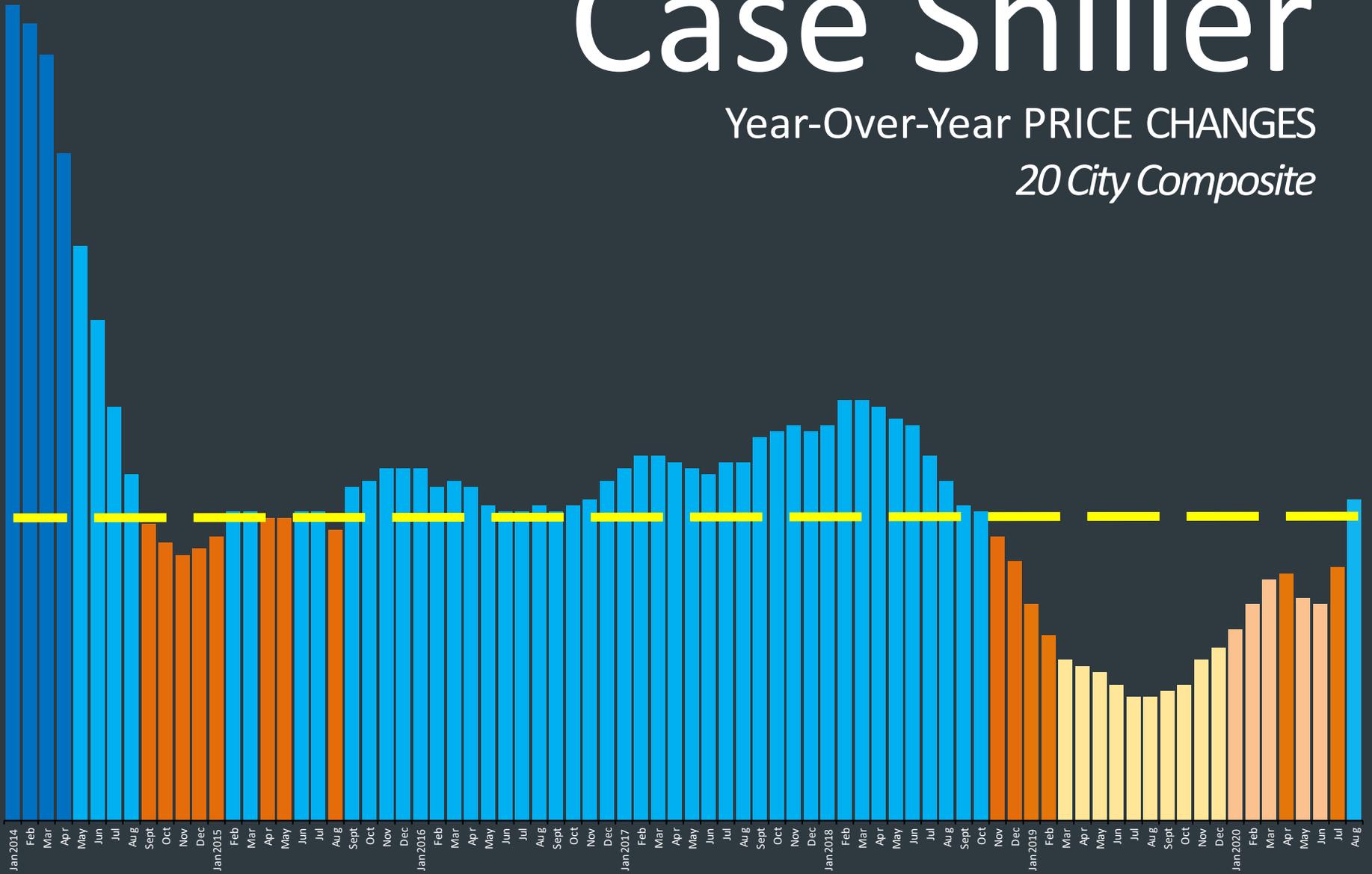
PRICE
CHANGES



Case Shiller

Year-Over-Year PRICE CHANGES

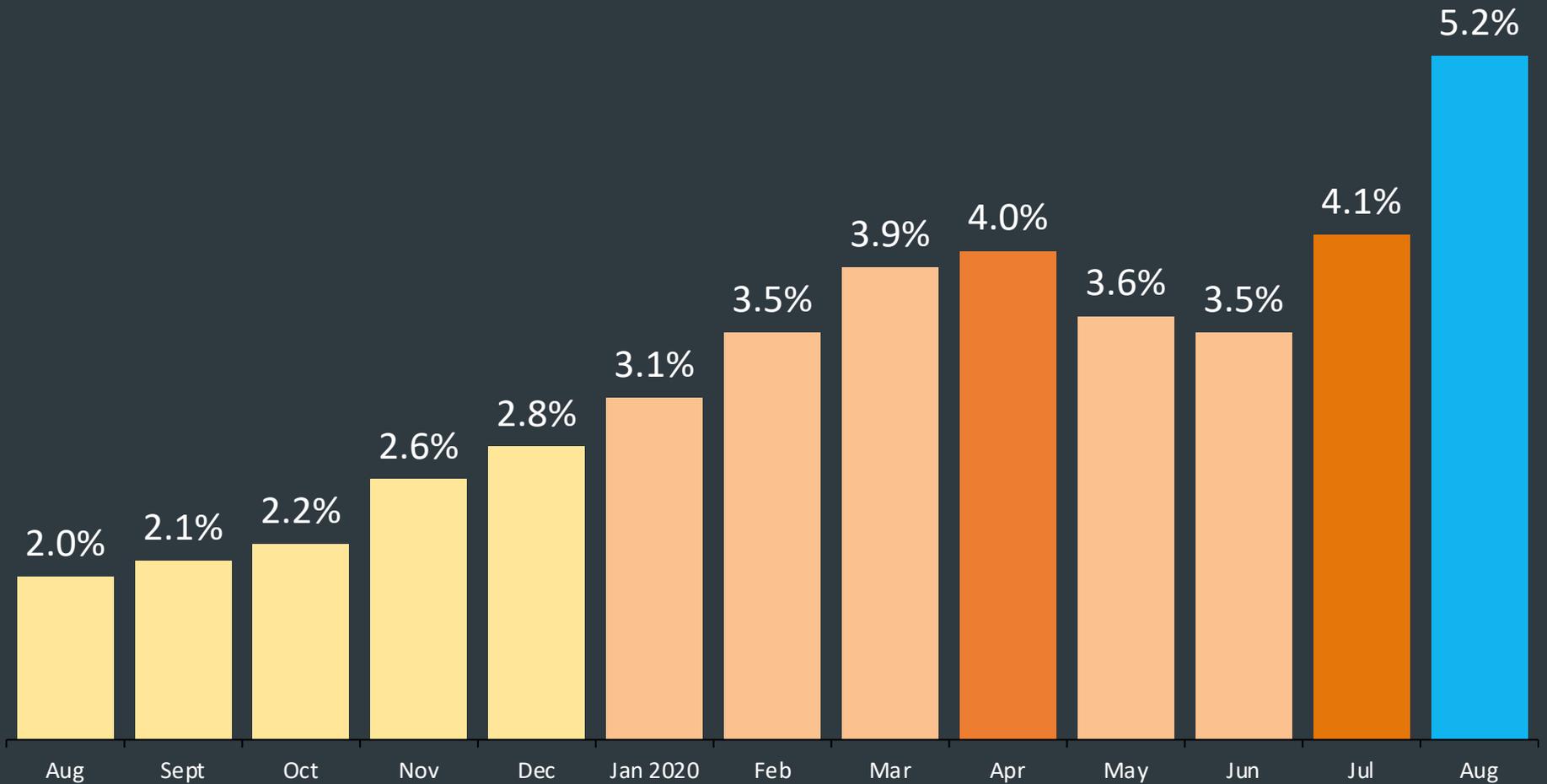
20 City Composite



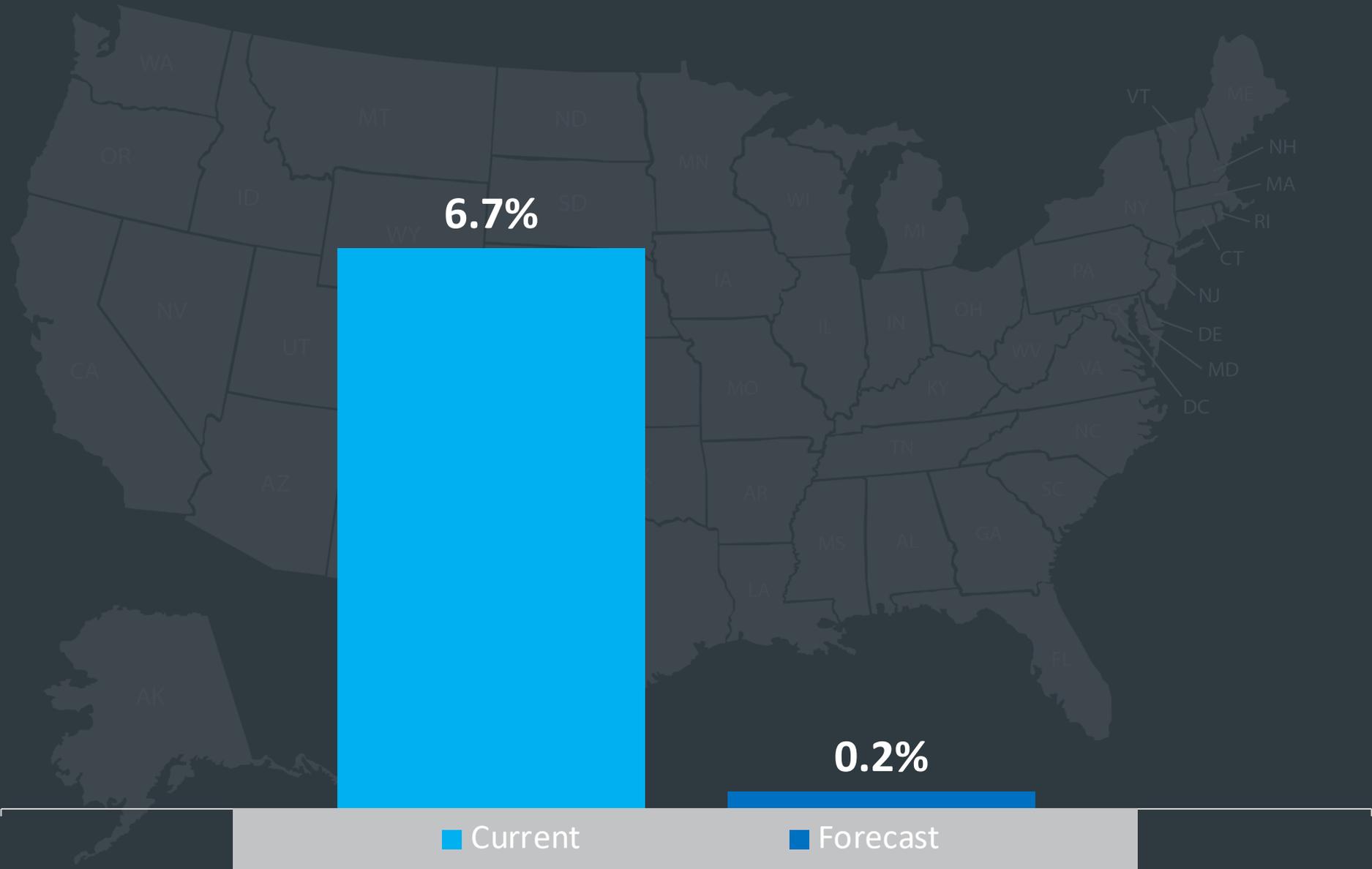
Case Shiller

Year-Over-Year PRICE CHANGES

20 City Composite



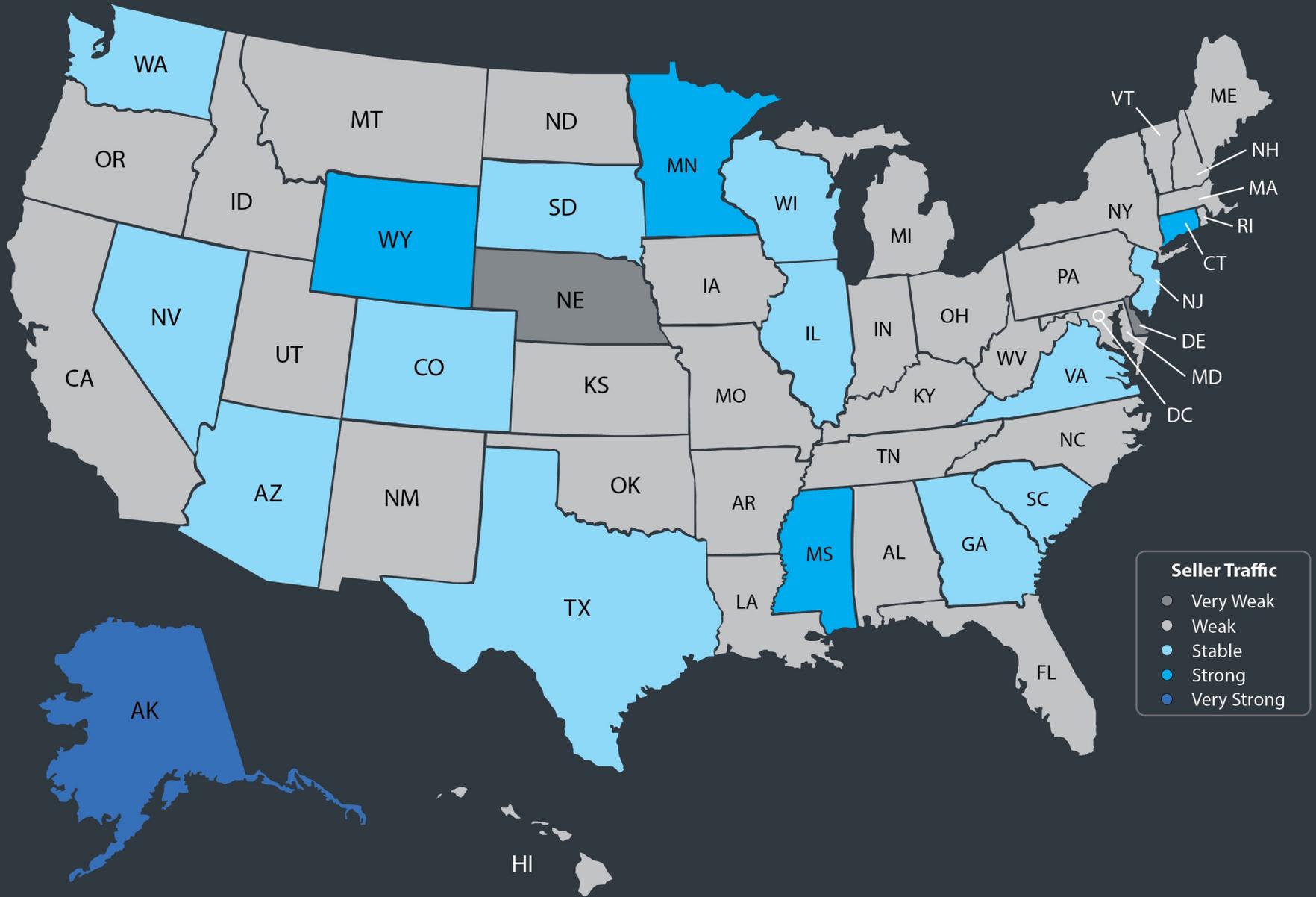
Year-Over-Year % Change in Price



HOUSING INVENTORY



Seller Traffic Index



Seller Traffic

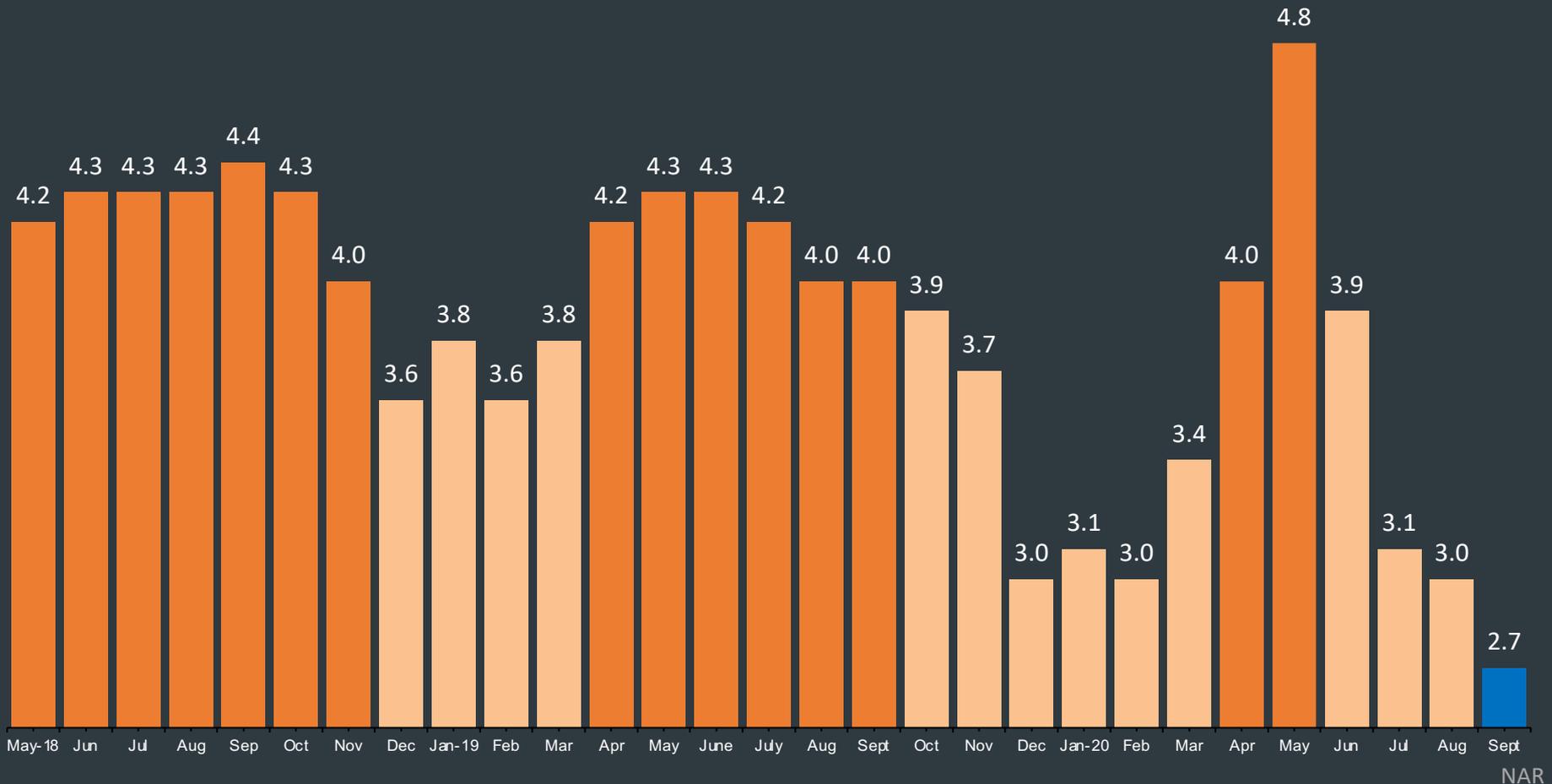
- Very Weak
- Weak
- Stable
- Strong
- Very Strong

Months Inventory of HOMES FOR SALE 2011 - Today



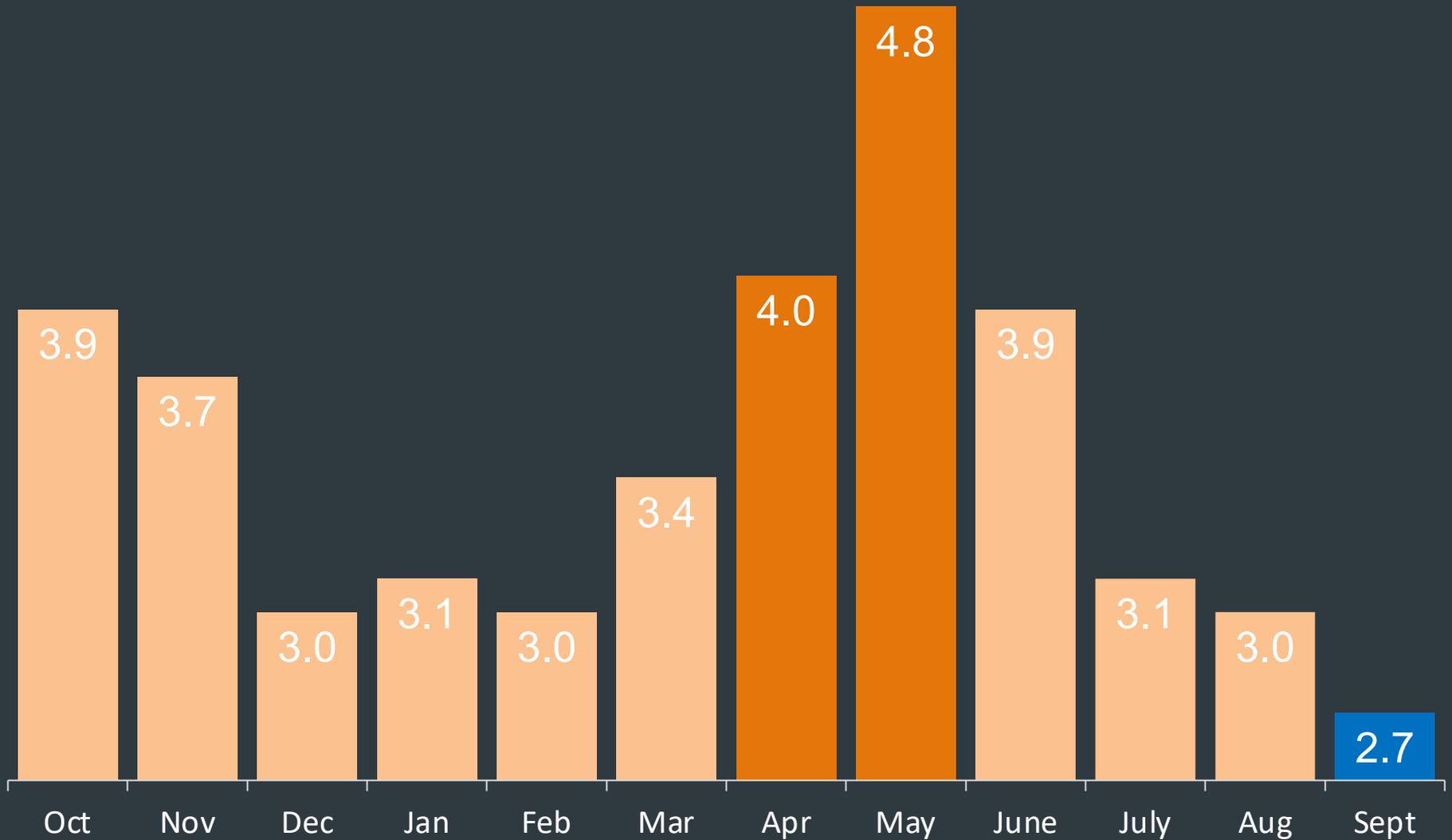
Months Inventory of HOMES FOR SALE

last 2 years



Months Inventory of HOMES FOR SALE

Last 12 Months



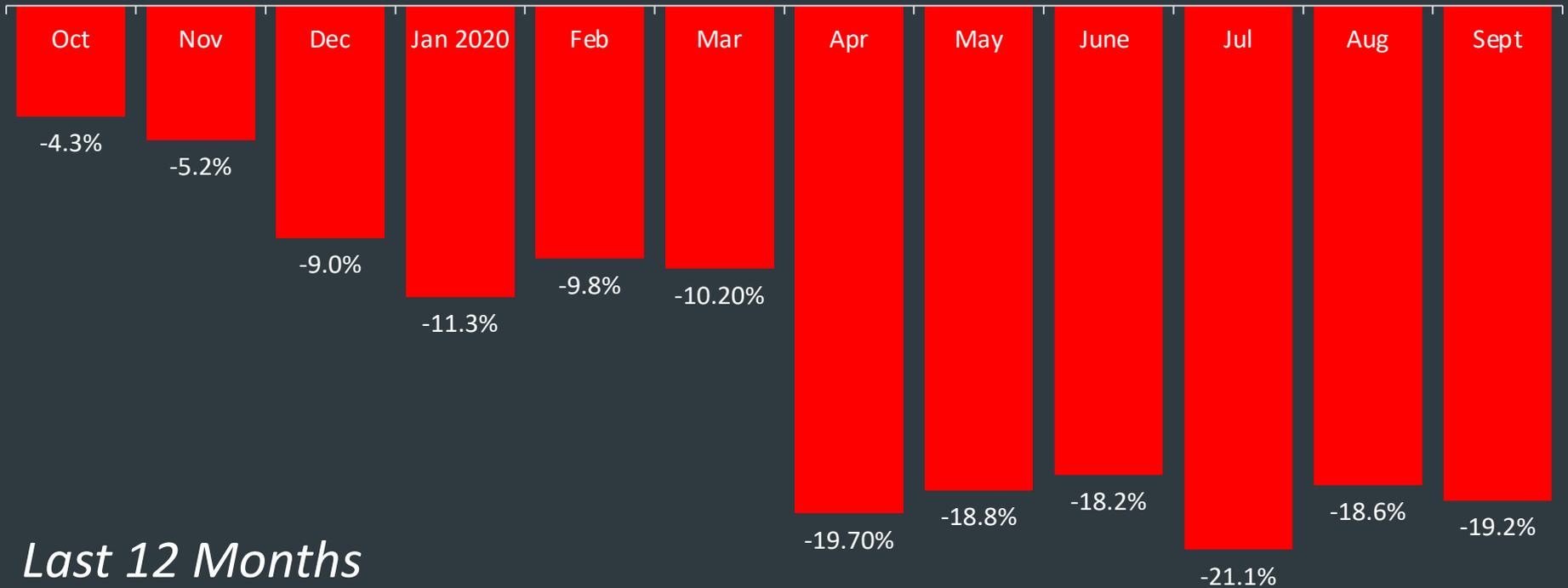


January 2014 January 2015 January 2016 January 2017 January 2018 January 2019 January 2020

% 7.5. 3.6. 6.6. 5.5. 4.6. 5.5. -0.0. -0.2. -0.1. 0.0. -4.1. -3.4. -1.3. -2.1. -1.3. -9.5. -5.5. -6.1. -9.6. -7.6. -6.9. -8.7. -9.6. -6.1. -9.1. -9.8. -7.6. 0.0. 2.1. 2.4. 6.4. 2.2. 1.2. 0.0. -1.2. -2.4. -5.9. -1.9. -1.1. -1.1. -2.1. -1.1.

HOUSING SUPPLY

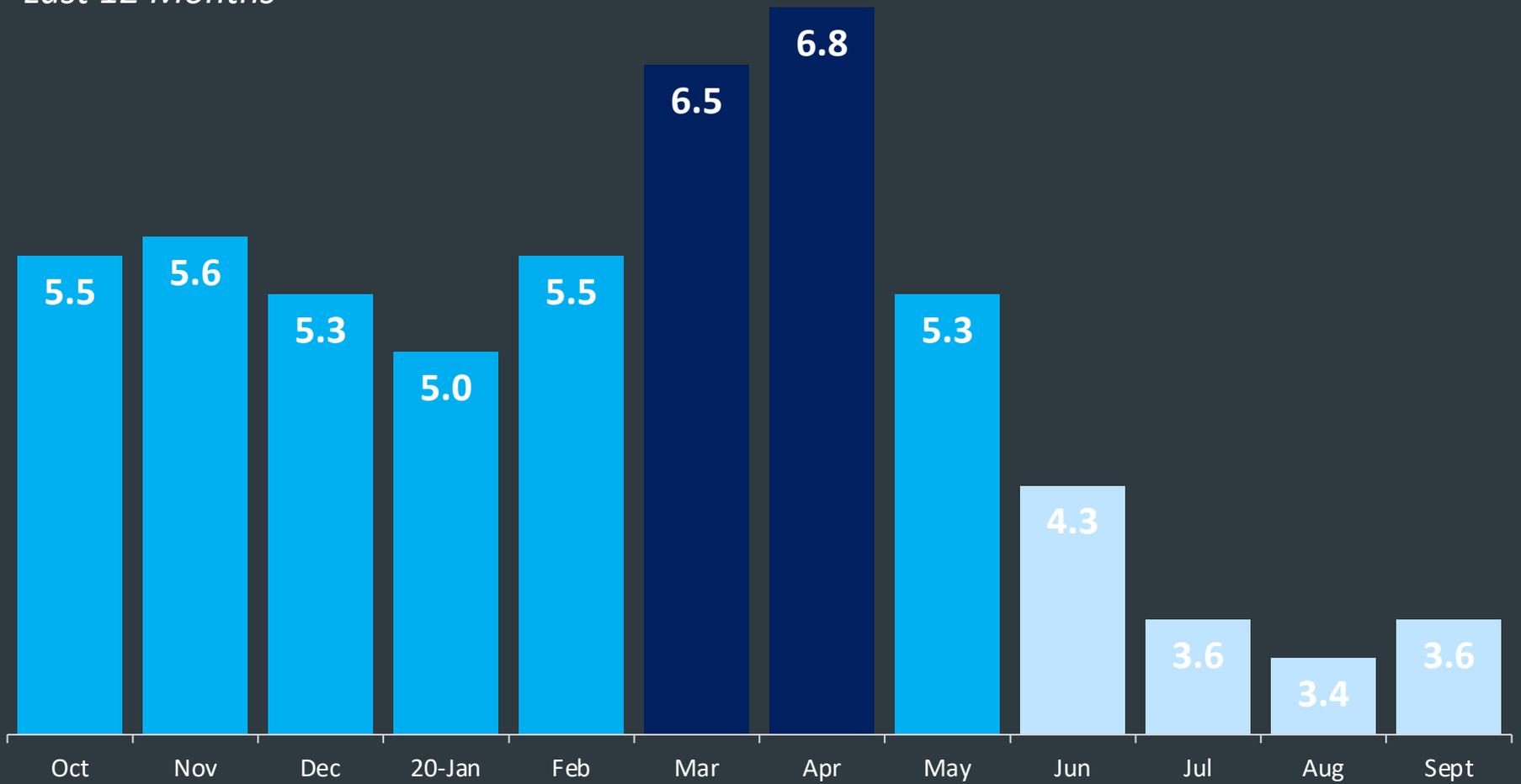
Year-Over-Year



New Home Inventory

months supply

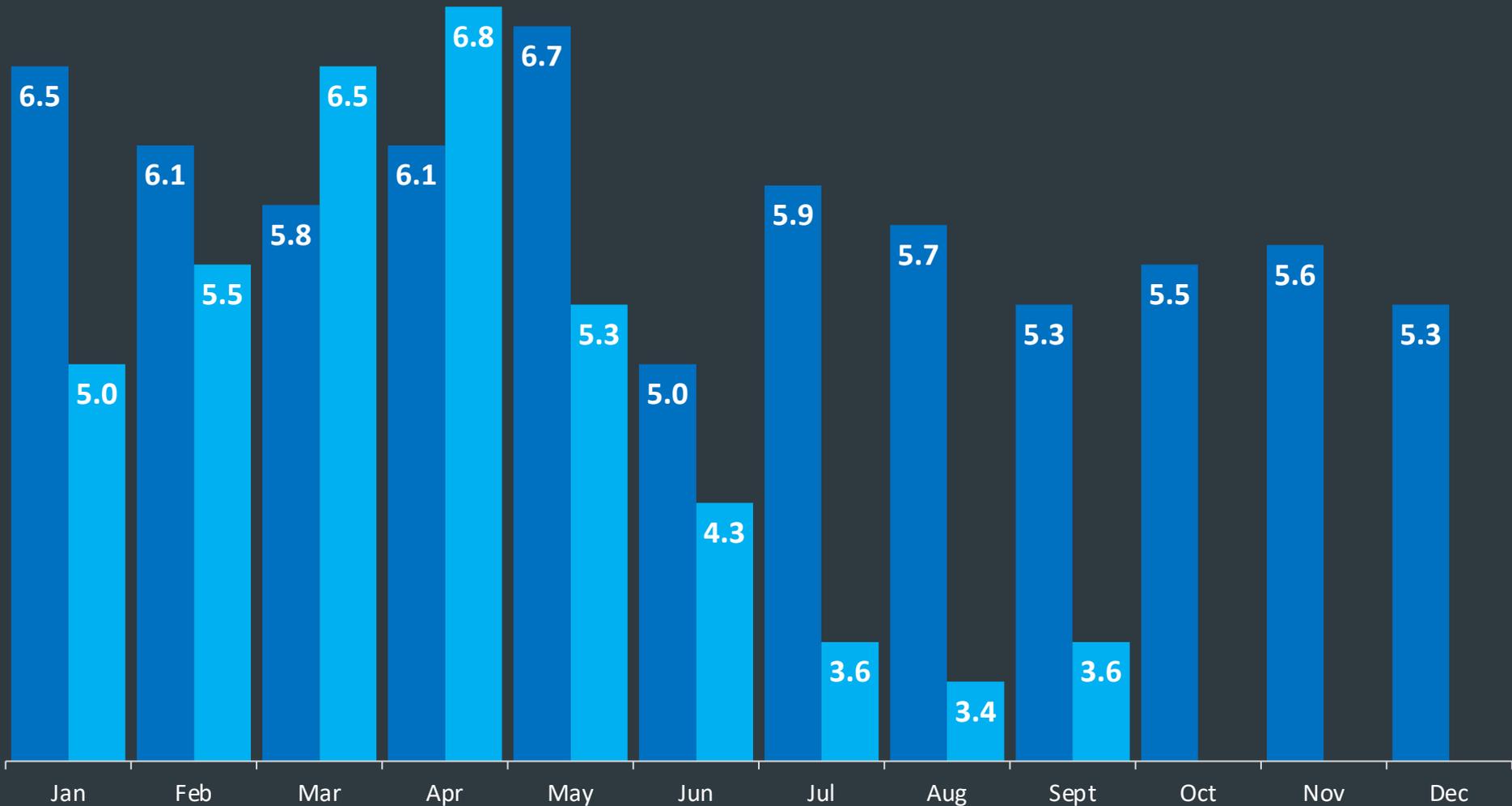
Last 12 Months



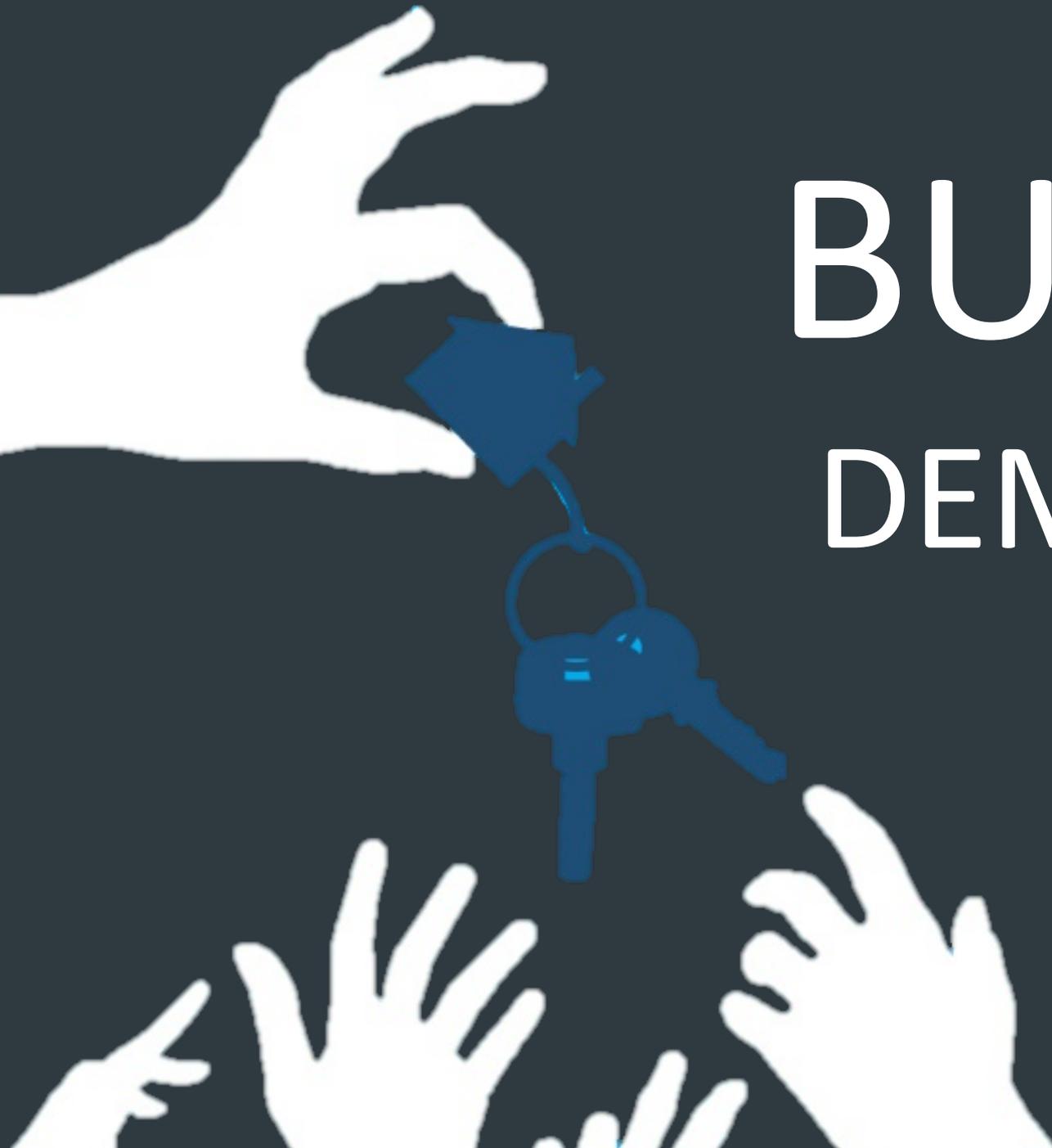
New Home Inventory

months supply

■ 2019 ■ 2020

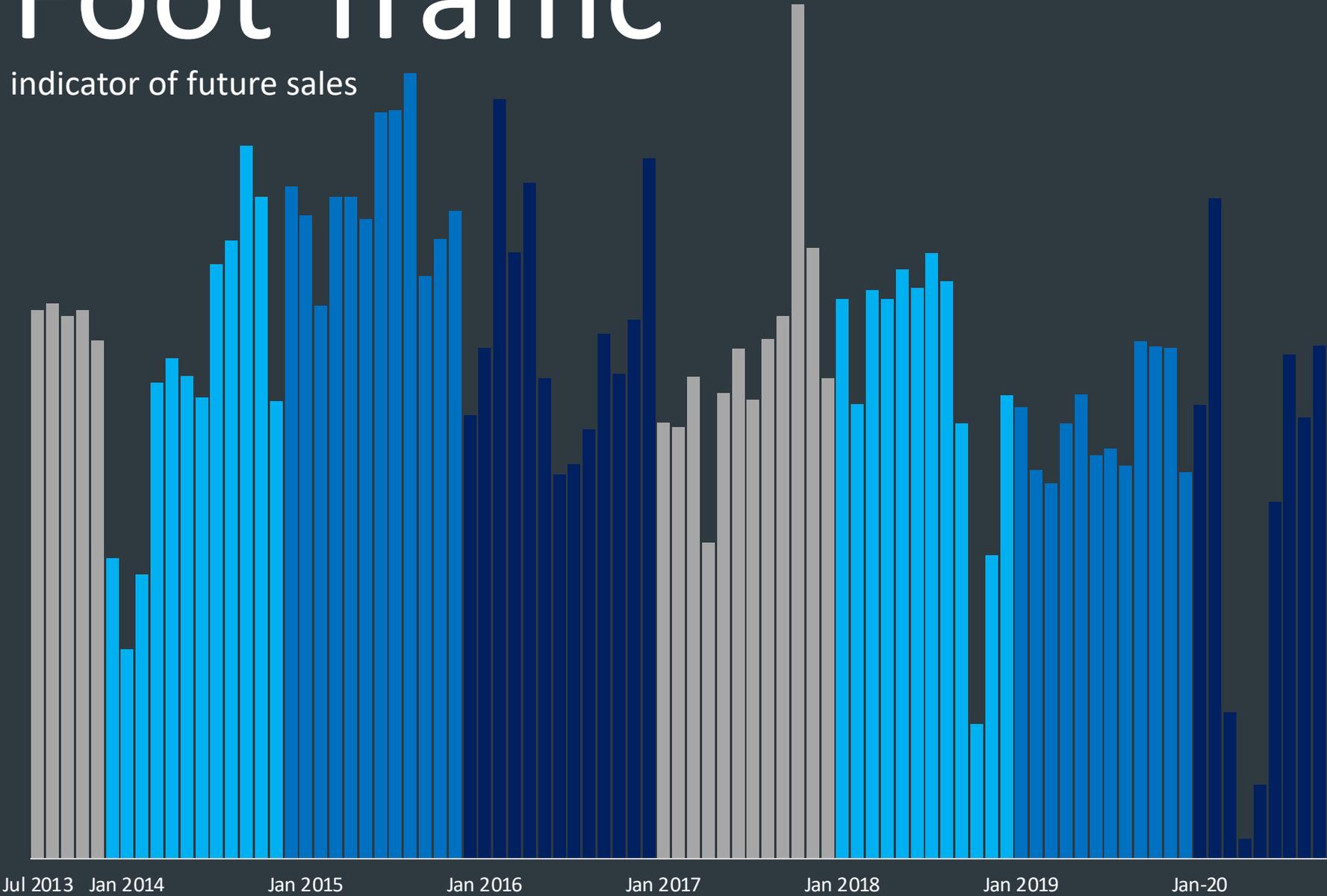


BUYER DEMAND



Foot Traffic

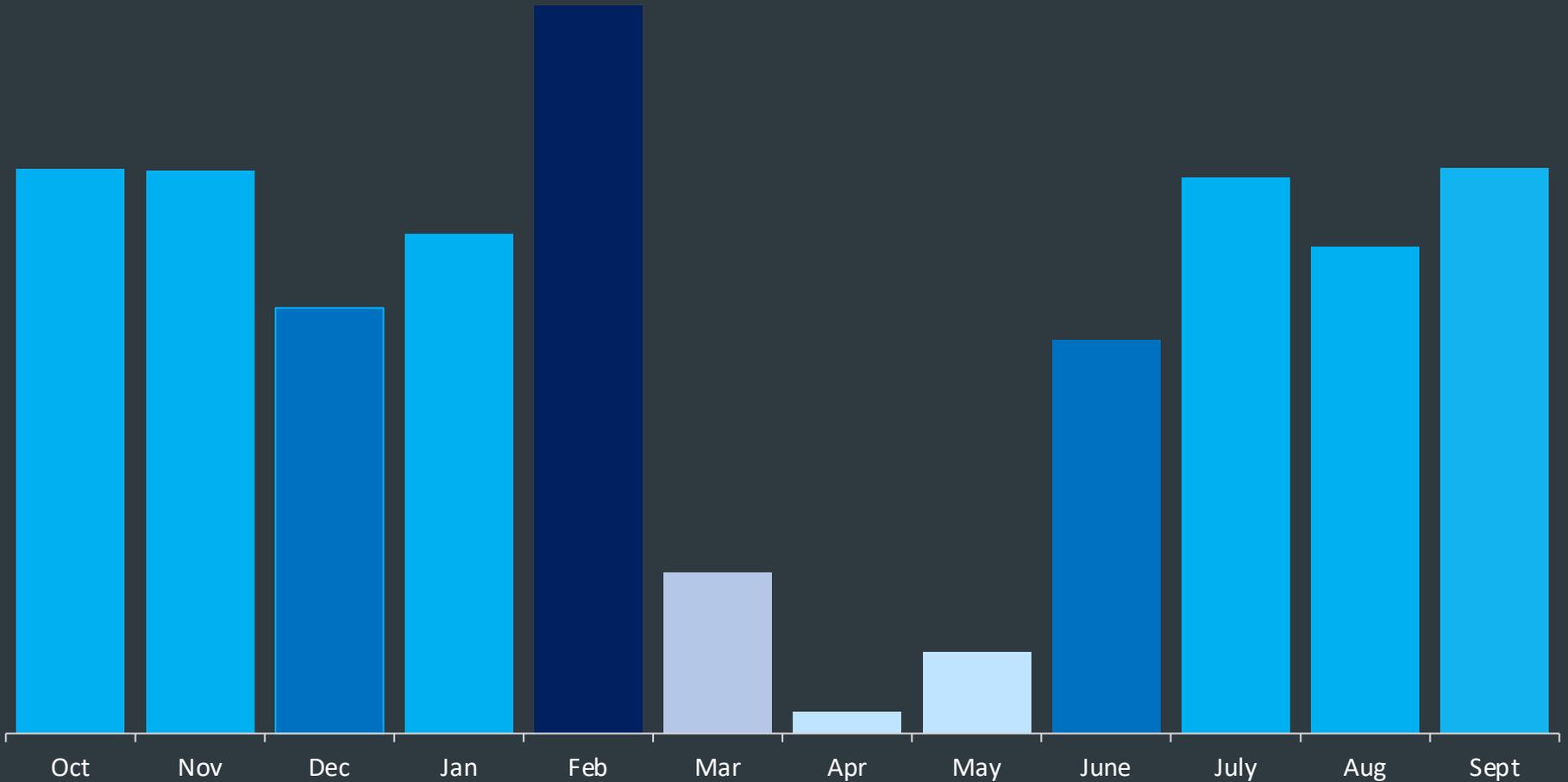
indicator of future sales



Foot Traffic

Last 12 Months

Indicator of future sales

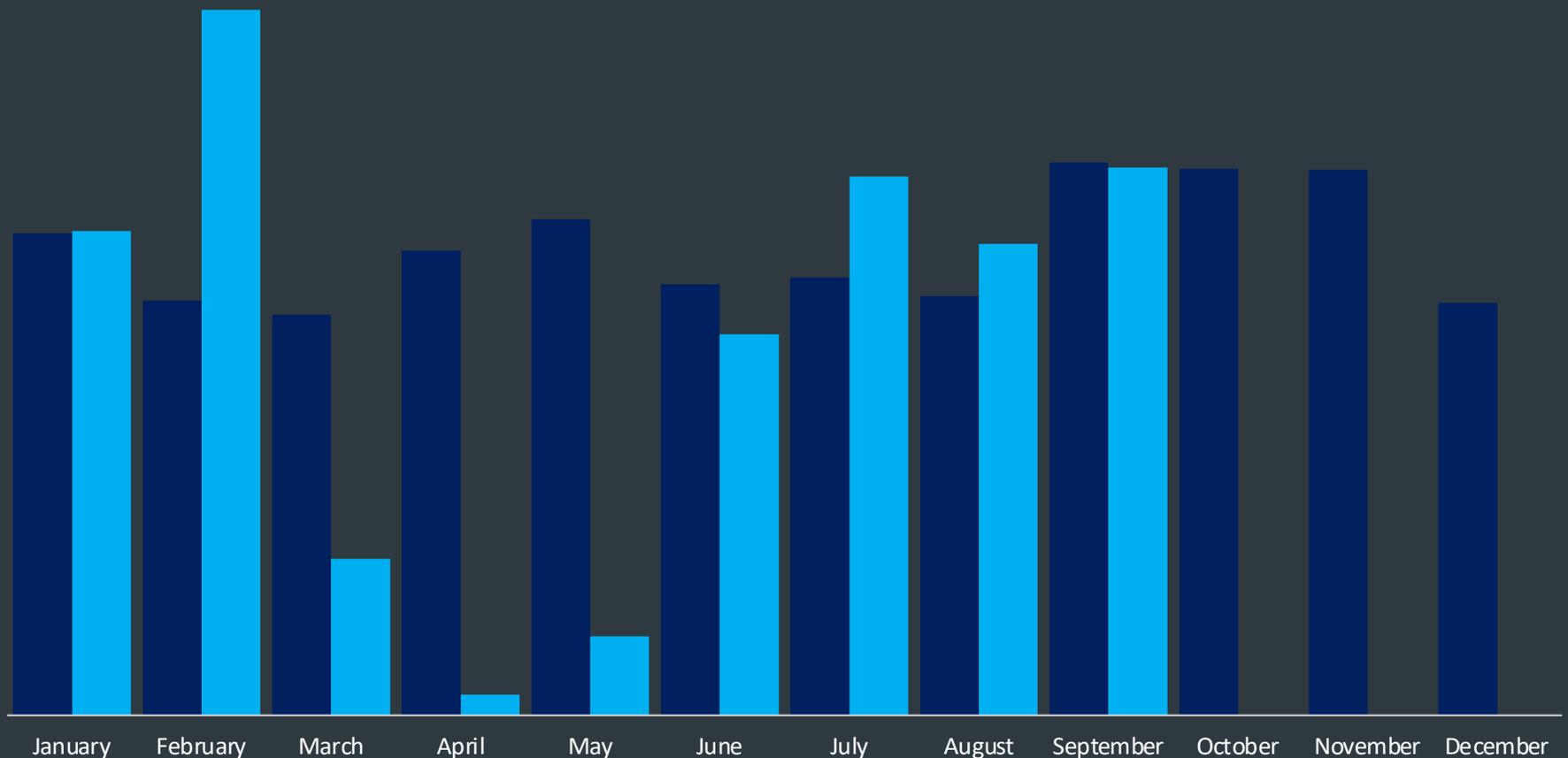


Foot Traffic

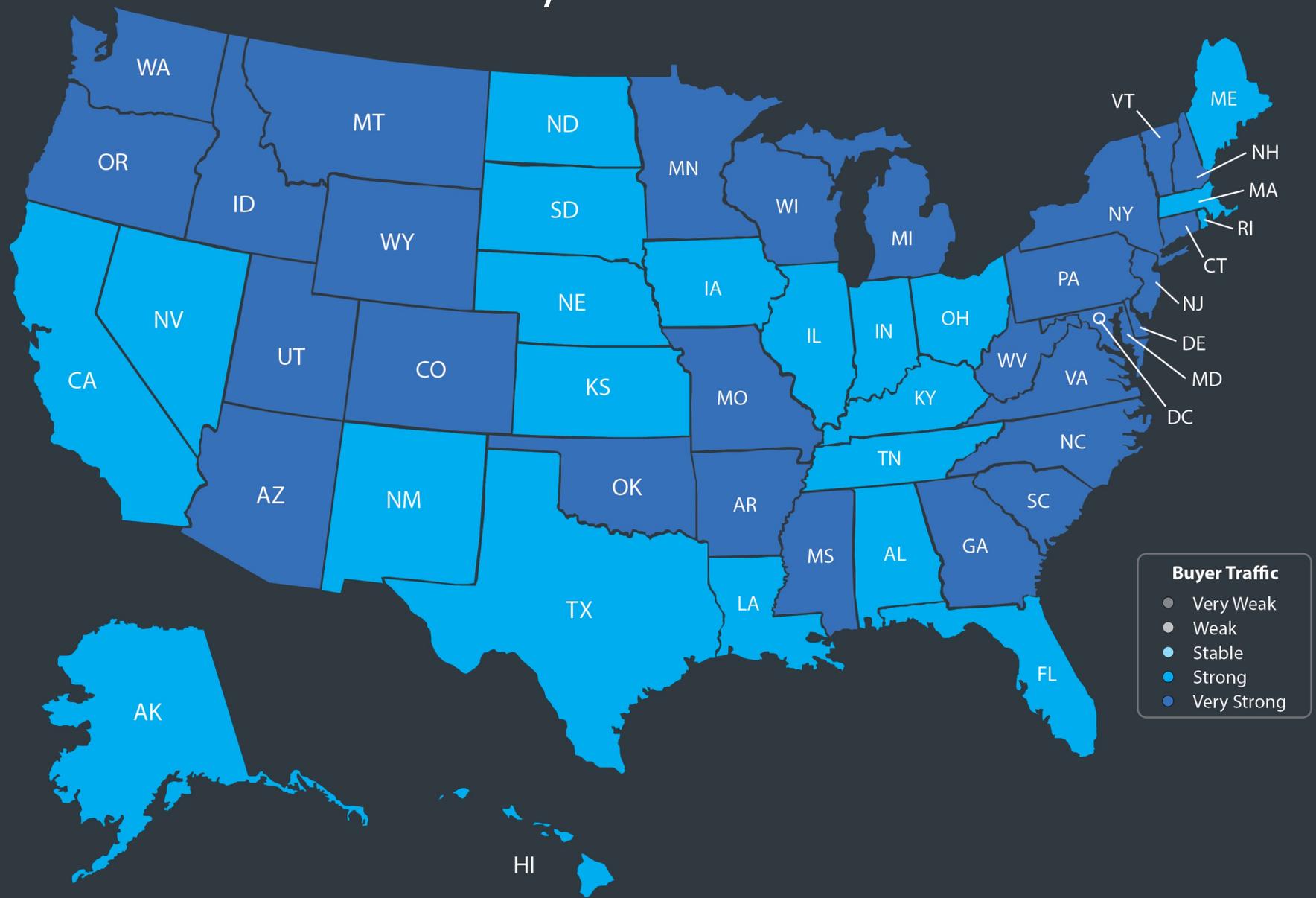
indicator of future sales

■ 2019

■ 2020



Buyer Traffic Index



Buyer Traffic

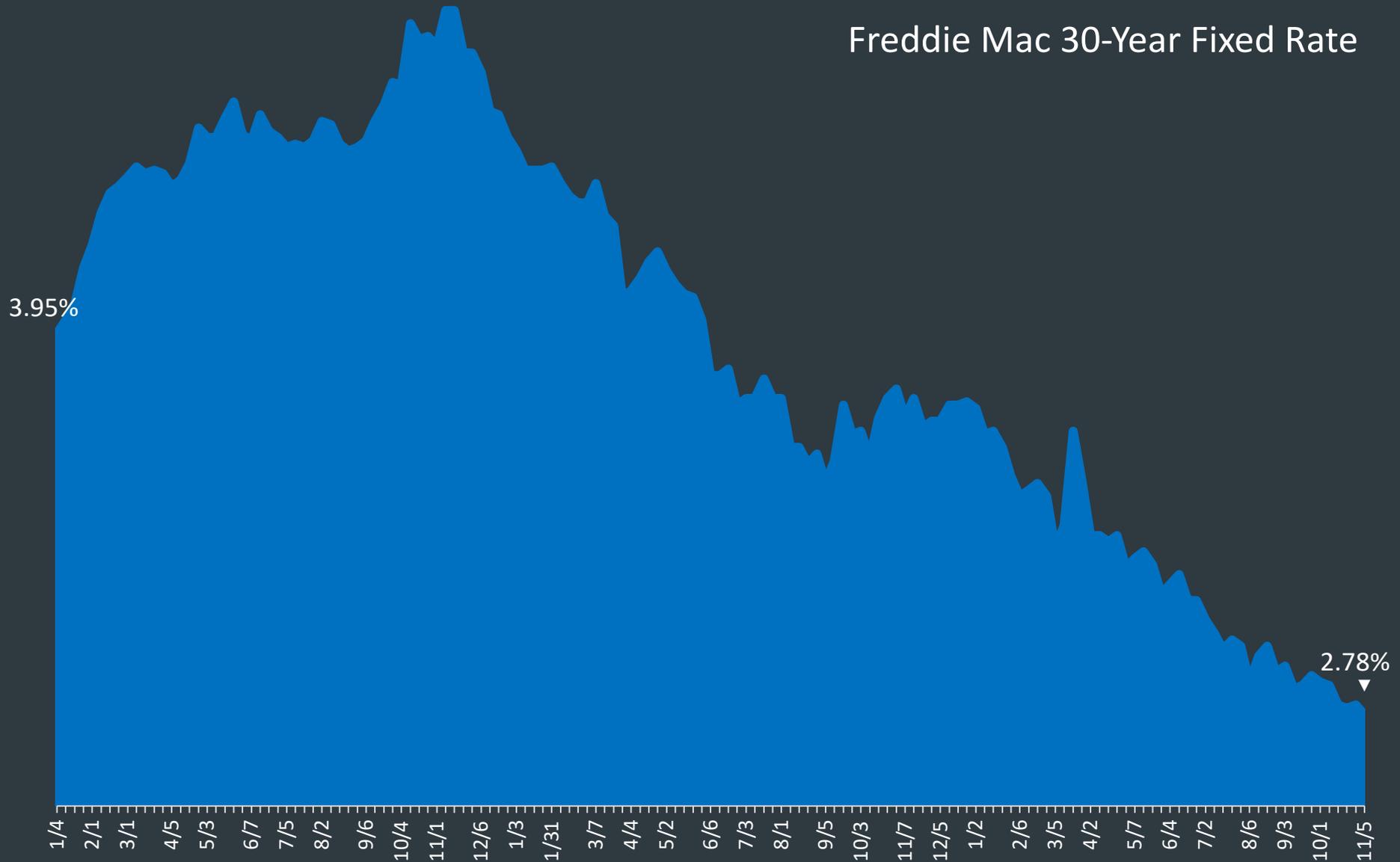
- Very Weak
- Weak
- Stable
- Strong
- Very Strong

INTEREST RATES



Mortgage Rates

Freddie Mac 30-Year Fixed Rate



30-Year Fixed

Rate Mortgages from Freddie Mac

3.97%

1/7/16 2/4 3/3 4/7 5/5 6/2 7/7 8/4 9/1 10/6 11/3 12/1 1/5/2017 2/2 3/2 3/30 4/27 5/25 6/22 7/20 8/17 9/14 10/12 11/9 12/7 1/4/2018 2/1 3/1 4/5 5/4 6/7 7/5 8/2 9/6 10/4 11/1 12/6 1/3/2019 1/31 3/7 4/4 5/2 6/6 7/3 8/1 9/5 10/3 11/7 12/5 1/2/2020 2/6 3/5 4/2 5/7 6/4 7/2 8/6 9/3 10/1 11/5

2.78%



Mortgage Rate Projections

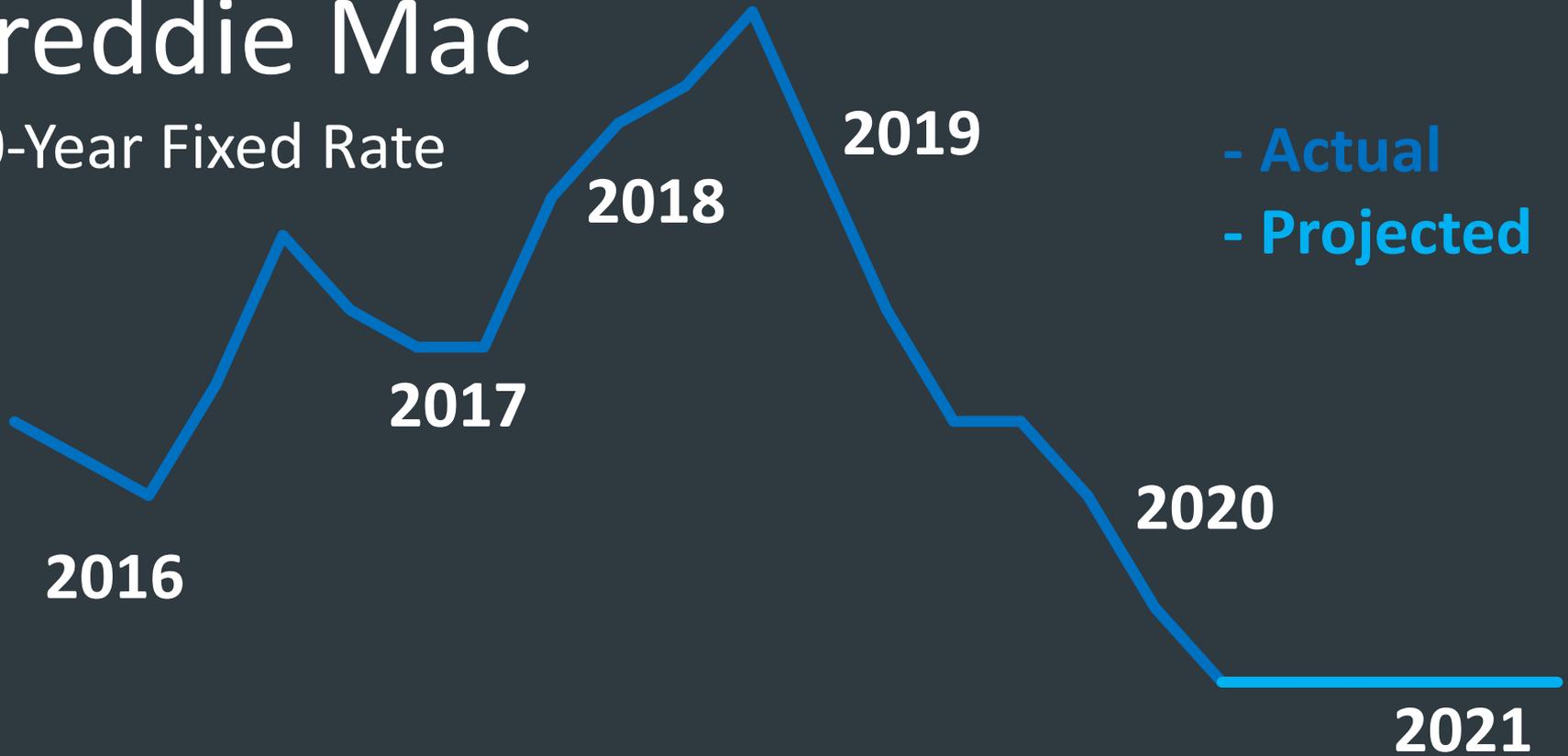
Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2020 4Q	3.0	2.9	3.0	2.9	2.95%
2021 1Q	3.0	2.8	3.1	3.1	3.00%
2021 2Q	3.0	2.8	3.1	3.1	3.00%
2021 3Q	3.0	2.8	3.2	3.2	3.05%

Mortgage Rates

Freddie Mac

30-Year Fixed Rate

- Actual
- Projected



	2016	2016	2016	2016	2017	2017	2017	2017	2018	2018	2018	2018	2019	2019	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021	
	Q1	Q2	Q3	Q4																					
Rate	3.7	3.6	3.5	3.8	4.2	4.0	3.9	3.9	4.3	4.5	4.6	4.8	4.4	4	3.7	3.7	3.5	3.2	3.0	3.0	3.0	3.0	3.0	3.0	3.0

Mortgage Rates

Freddie Mac

30-Year Fixed Rate

January 2018 – Today
Actual Interest Rates

Where Are They Going?

3.0

3.0

3.0

3.0

2020 Q4

2021 Q1

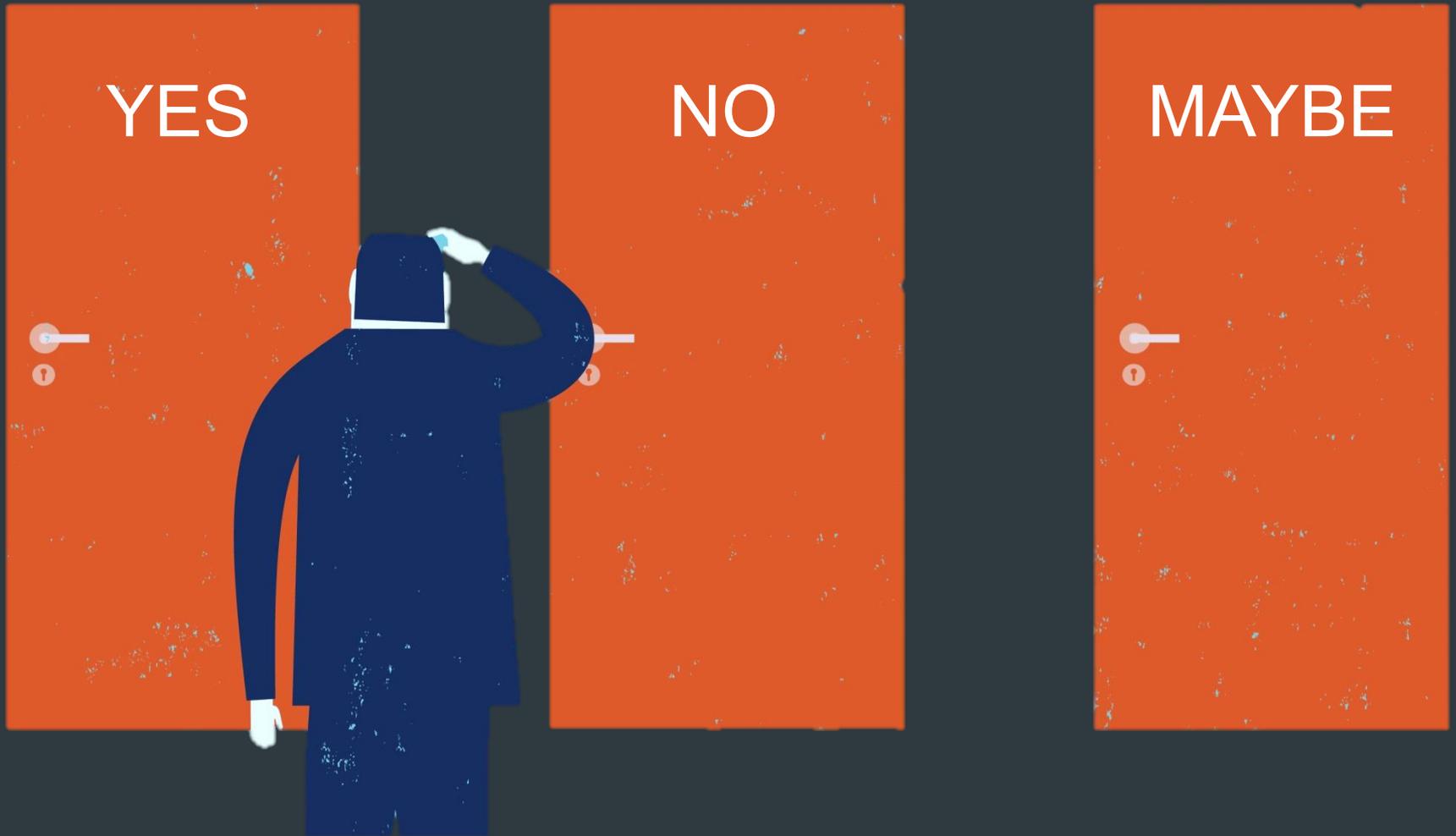
2021 Q2

2021 Q3

Freddie Mac

1/4 2/1 3/1 4/5 5/3 6/7 7/5 8/2 9/6 10/4 11/1 12/6 1/3 1/31 3/7 4/4 5/2 6/6 7/3 8/1 9/5 10/3 11/7 12/5 1/2 2/6 3/5 4/2 5/7 6/4 7/2 8/6 9/3 10/1 11/5

Mortgage Credit Availability



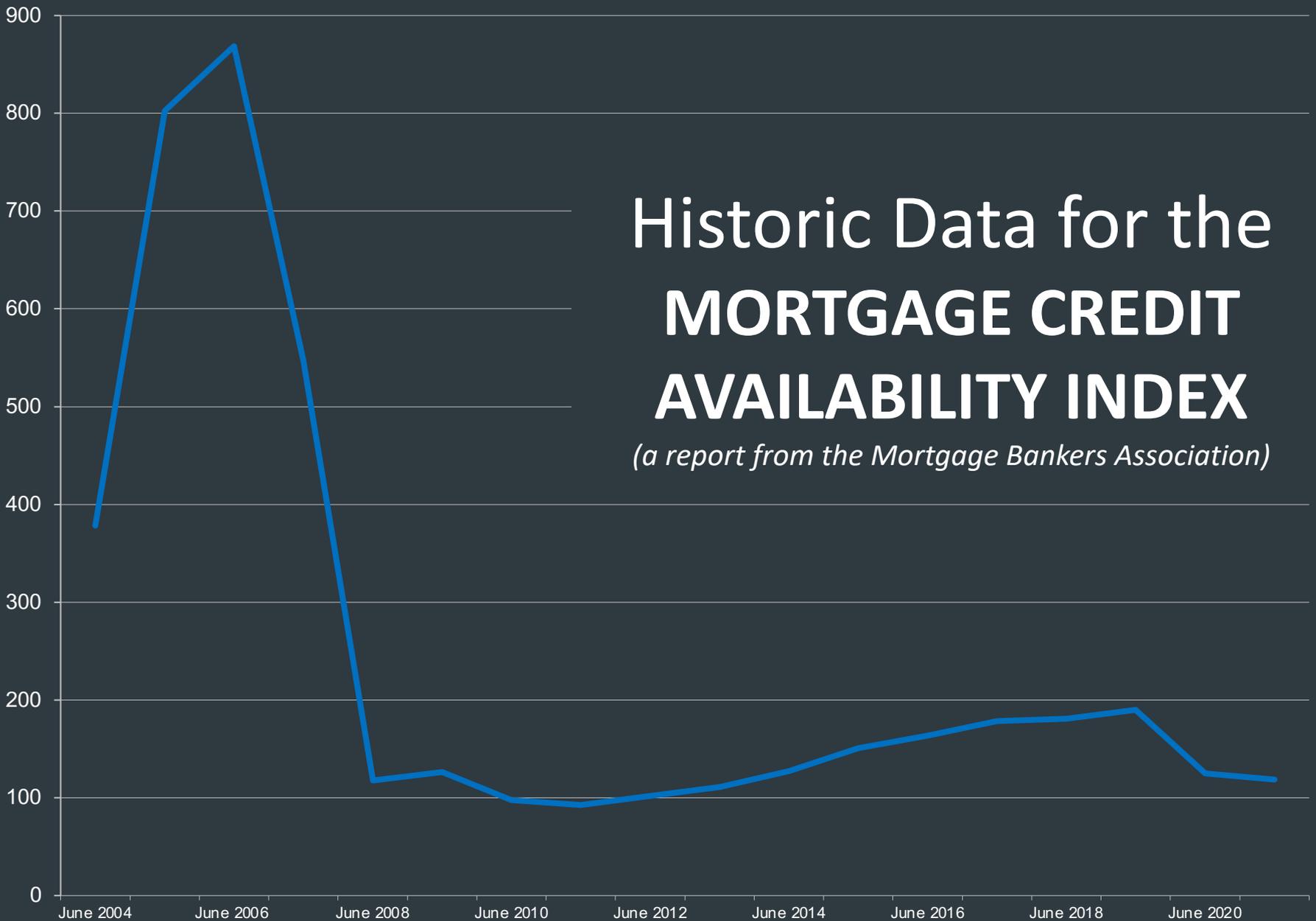
Mortgage Credit Availability



*Mortgage Credit Availability Index (MCAI), a report
from the Mortgage Bankers Association*

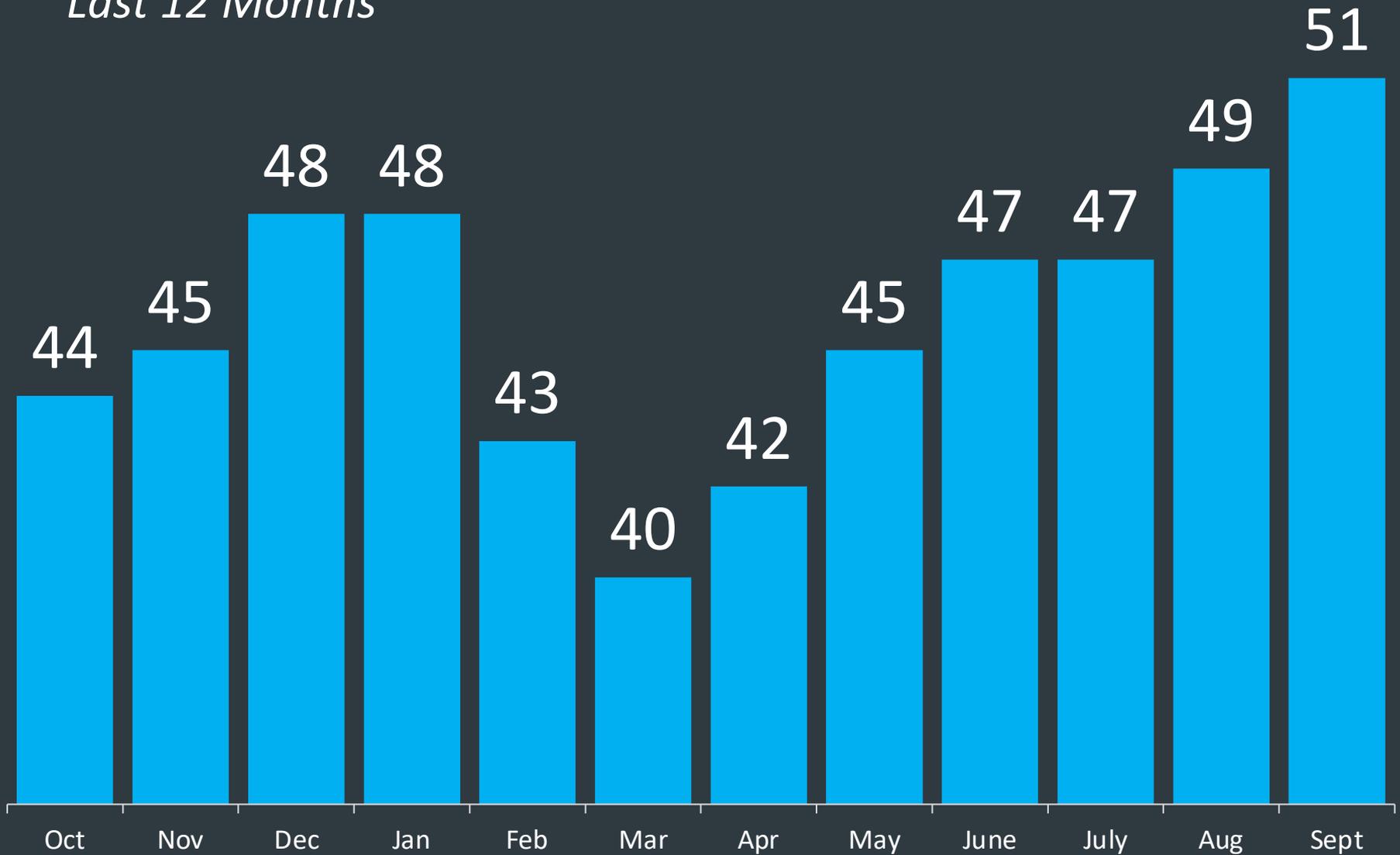
Historic Data for the **MORTGAGE CREDIT AVAILABILITY INDEX**

(a report from the Mortgage Bankers Association)



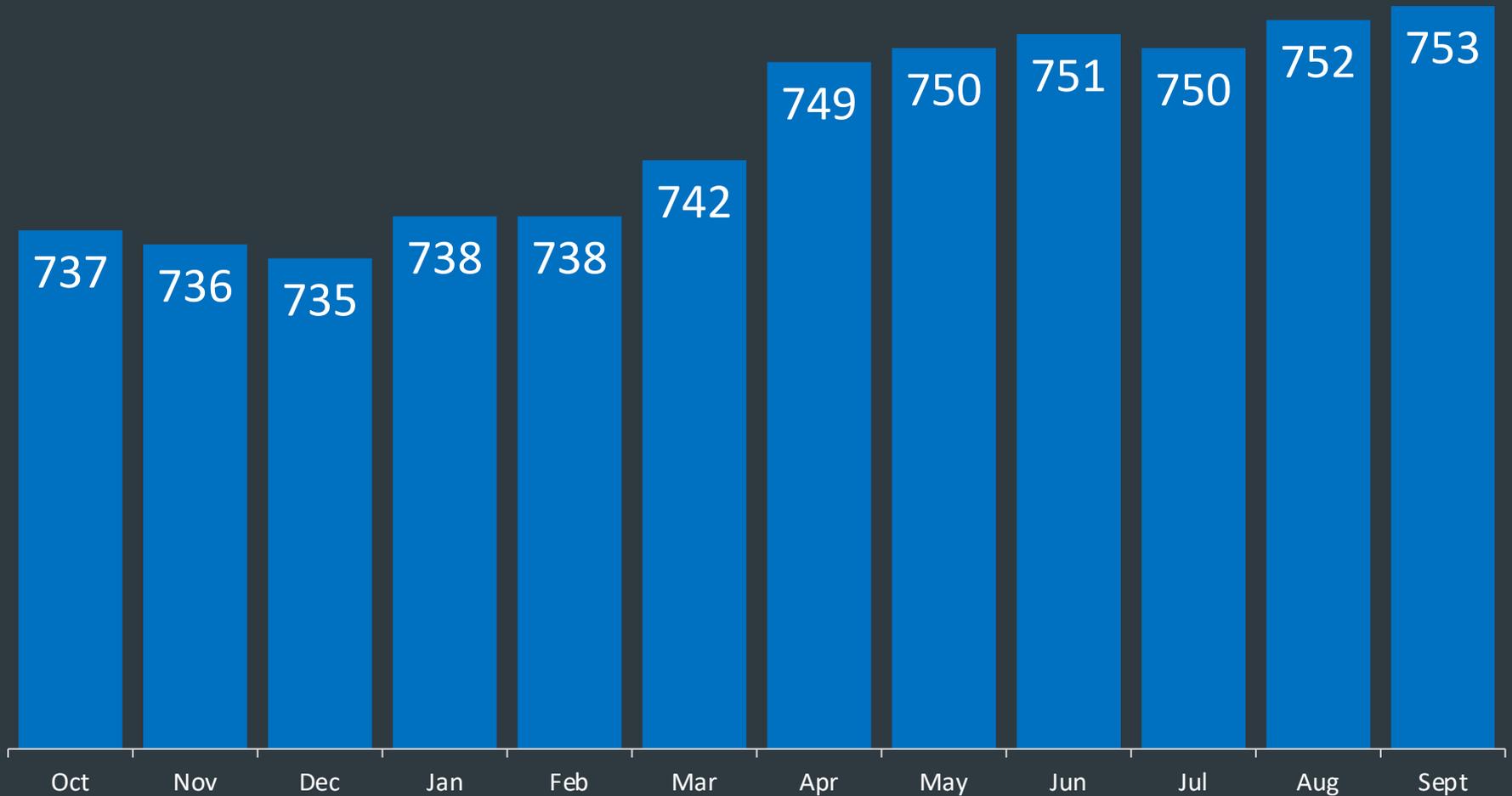
Average Days To Close A Loan

Last 12 Months

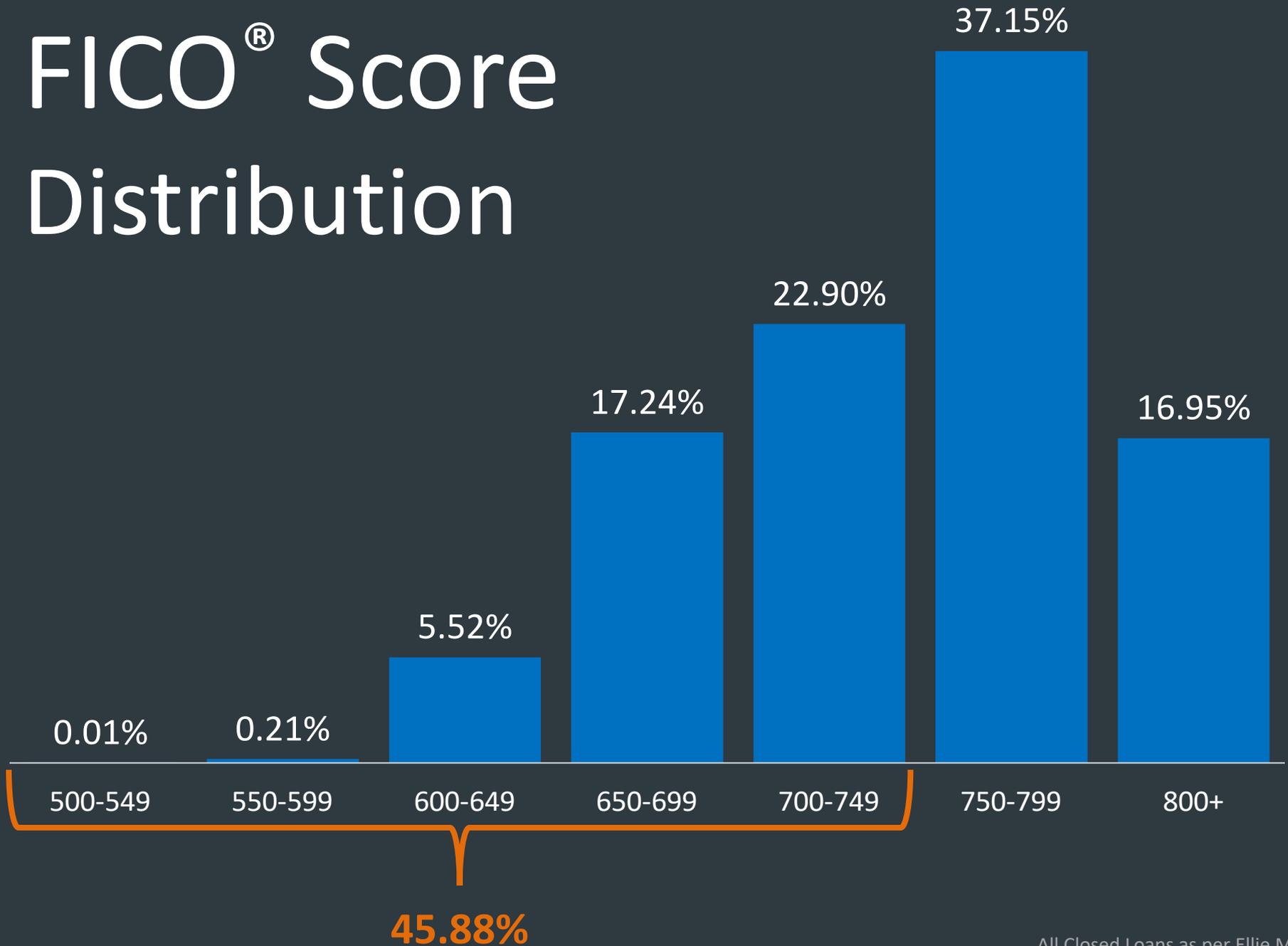


FICO[®] Score Requirements

Last 12 months

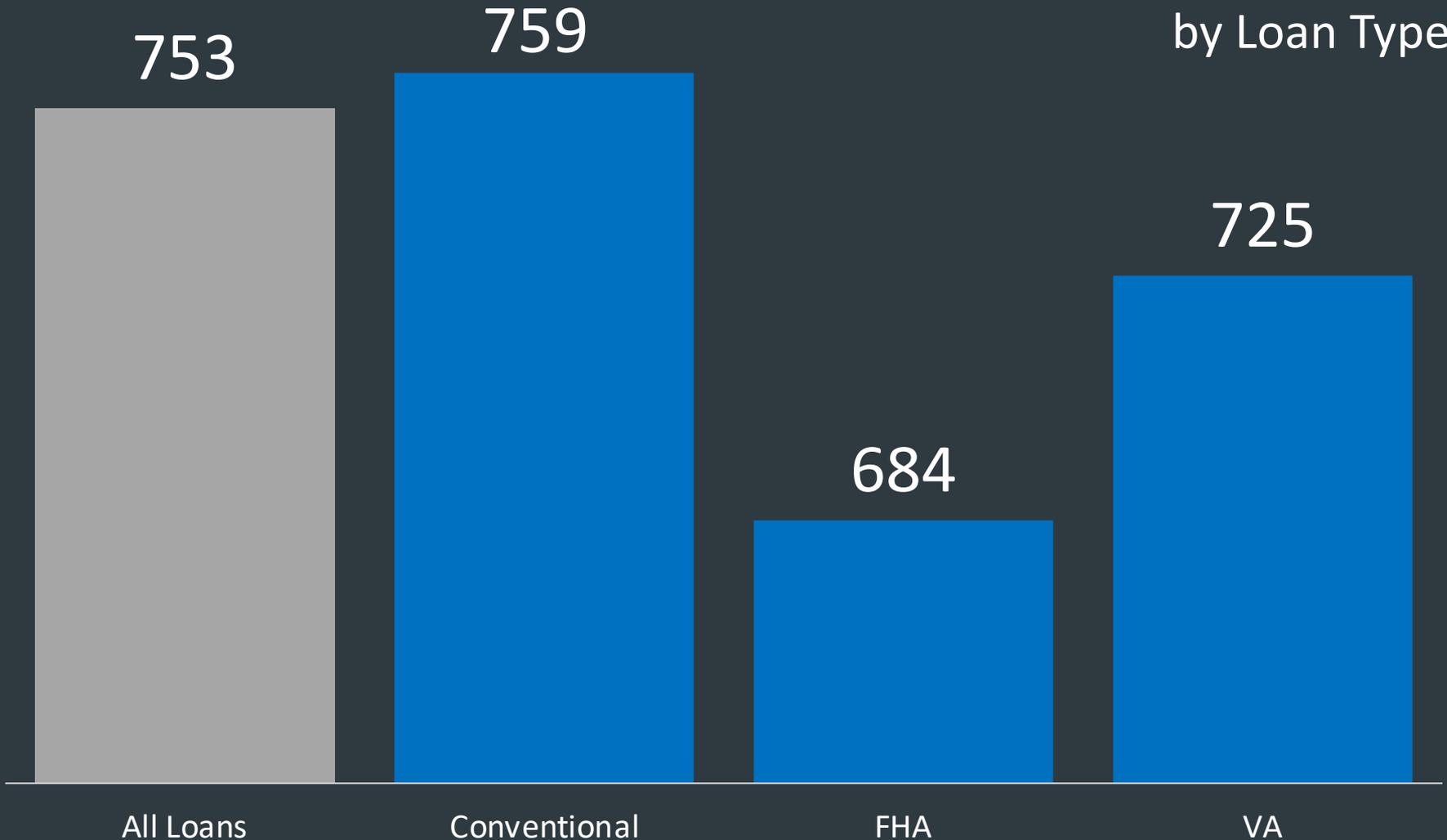


FICO[®] Score Distribution



Average FICO[®] Score

for Closed Purchase Loans
by Loan Type



Average Back End DTI

for Closed Purchase Loans by Loan Type

