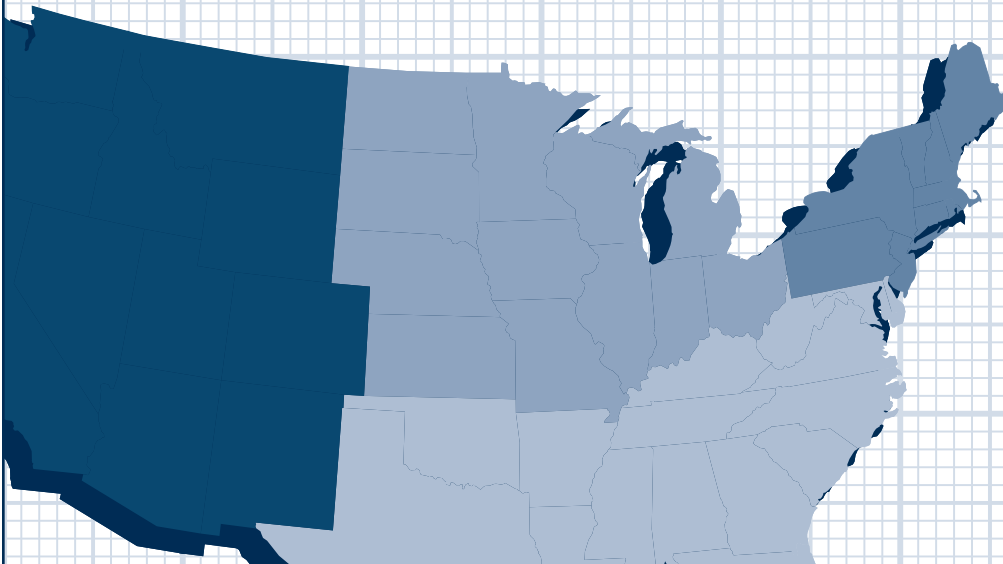


NATIONAL DELINQUENCY SURVEY

FROM THE MORTGAGE BANKERS ASSOCIATION

Q209

Data as of June 30, 2009



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National Delinquency Survey Results

Second Quarter 2009

Delinquency and foreclosure inventory rates increased in the second quarter of 2009, while foreclosure starts fell slightly. The seasonally adjusted total delinquency rate for mortgage loans on one- to four-unit residential properties was 9.24 percent in the second quarter, an increase of 12 basis points from 9.12 percent in the first quarter of 2009 (see Chart 1). The total delinquency rate excludes loans in the foreclosure process. On a year-over-year basis, the delinquency rate increased 283 basis points from 6.41 percent at the end of the second quarter of 2008.

The non-seasonally adjusted foreclosure starts rate, the percentage of loans that entered the foreclosure process during the quarter, was 1.36 percent in the second quarter, down one basis point from the first quarter of 2009 rate of 1.37 percent. The non-seasonally adjusted foreclosure inventory percentage, the percentage of loans that are in the foreclosure process as of the end of the quarter, increased 45 basis points to 4.30 percent from 3.85 percent. Compared with the second quarter of 2008, the foreclosure start rate was up 28 basis points from 1.08 percent, while the percent of loans in foreclosure was up 155 basis points from 2.75 percent.

The seriously delinquent rate, the non-seasonally adjusted percentage of loans that are 90 days or more delinquent, or in the process of foreclosure, was up from both last quarter and from last year. This measure is designed to account for inter-company differences on when a loan enters the foreclosure process. During the second quarter, this measure increased 73 basis points to

7.97 percent from 7.24 percent. On a year-over-year basis, the seriously delinquent rate increased 347 basis points.

Delinquency Rates

The second quarter increase in overall seasonally adjusted delinquencies (from 9.12 percent to 9.24 percent) was comprised of increases in delinquencies for all loan types except VA loans.

The delinquency rate increased 35 basis points for prime loans (from 6.06 percent to 6.41 percent), 40 basis points for subprime loans (from 24.95 percent to 25.35 percent) and 58 basis points for FHA loans (from 13.84 percent to 14.42 percent), but decreased 15 basis points for VA loans (from 8.21 percent to 8.06 percent).

On a year-over-year basis, the seasonally adjusted delinquency rate increased 248 basis points for prime loans, 668 basis points for subprime loans, 179 basis points for FHA loans and 124 basis points for VA loans.

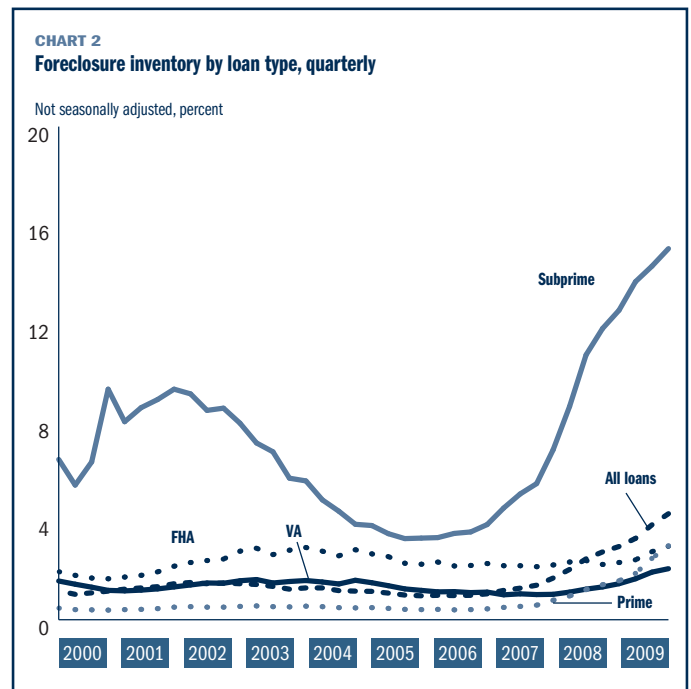
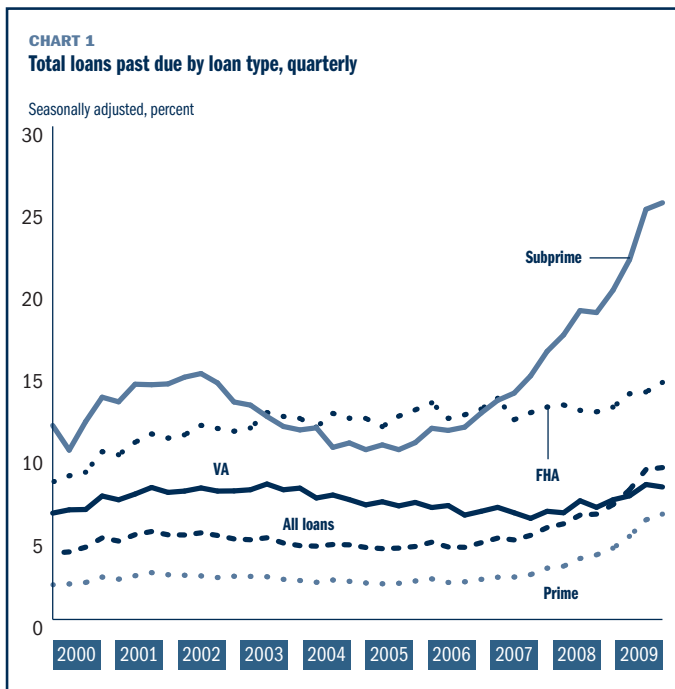
Seriously Delinquent Rates

In the second quarter of 2009, the percent of loans that were seriously delinquent was 7.97 percent, 73 basis points higher than the first quarter of 2009 and 347 basis points higher than the second quarter of 2008.

Compared with last quarter, the non-seasonally adjusted seriously delinquent rate increased for all loan types. The rate increased 74 basis points for prime loans (from 4.70 percent to 5.44 percent), 164 basis points for subprime loans (from 24.88 percent to 26.52 percent), 41 basis points for FHA loans (from 7.37 percent to 7.78 percent) and 27 basis points for VA loans (from 4.42 percent to 4.69 percent).

On a year-over-year basis, the seriously delinquent rate was 309 basis points higher for prime loans and 867 basis points higher for subprime loans. The rate also increased 235 basis points for FHA loans and 169 basis points for VA loans.

For adjustable rate mortgage (ARM) loans, seriously delinquent rates in the second quarter increased 175 basis points for prime ARM loans (from 13.33 percent to 15.08 percent) and increased



219 basis points for subprime ARMs (from 36.46 percent to 38.65 percent). Since the second quarter of 2008, the seriously delinquent rate increased 830 basis points for prime ARM loans and 1,188 basis points for subprime ARM loans.

For fixed rate mortgage loans, the seriously delinquent rate for prime fixed loans increased 64 basis points (from 2.88 percent to 3.52 percent) and 175 basis points for subprime fixed loans (from 15.38 percent to 17.13 percent), compared with the first quarter of 2009. Since the second quarter of 2008, the seriously delinquent rate increased 222 basis points for prime fixed loans and 753 basis points for subprime fixed loans.

Foreclosure Rates

The non-seasonally adjusted foreclosure inventory rate for all loans at the end of the second quarter of 2009 was 4.30 percent, 45 basis points higher than the first quarter of 2009 rate of 3.85 percent and 155 basis points higher than the second quarter of 2008 rate of 2.75 percent (see Chart 2).

During the second quarter of 2009, the foreclosure inventory rate increased 51 basis points for prime loans (from 2.49 percent to 3.00 percent) and increased 71 basis points for subprime loans (from 14.34 percent to 15.05). FHA loans saw a 22 basis point increase in foreclosure inventory rate (from 2.76 percent to 2.98 percent), while the foreclosure inventory rate for VA loans increased 14 basis points (from 1.93 percent to 2.07 percent).

Compared with the second quarter of 2008, the foreclosure inventory rate increased 158 basis points for prime loans and 324 basis points for subprime loans. The foreclosure inventory rate increased 74 basis points for FHA loans and 74 basis points for VA loans.

As shown in Chart 3, the non-seasonally adjusted foreclosure starts rate in the second quarter was 1.36 percent, a decrease of one basis point from the first quarter of 2009 rate of 1.37 percent. By loan type, the foreclosure starts rate increased seven basis points for prime loans (from 0.94 percent to 1.01 percent) and five basis points for FHA loans (from 1.10 percent to 1.15

percent). This rate decreased 52 basis points for subprime loans (from 4.65 percent to 4.13 percent) and four basis points for VA loans (from 0.72 percent to 0.68 percent).

Over the past year, the non-seasonally adjusted foreclosure starts rate increased 28 basis points overall, 40 basis points for prime loans, 20 basis points for FHA loans and 11 basis points for VA loans. The starts rate decreased 13 basis points for subprime loans.

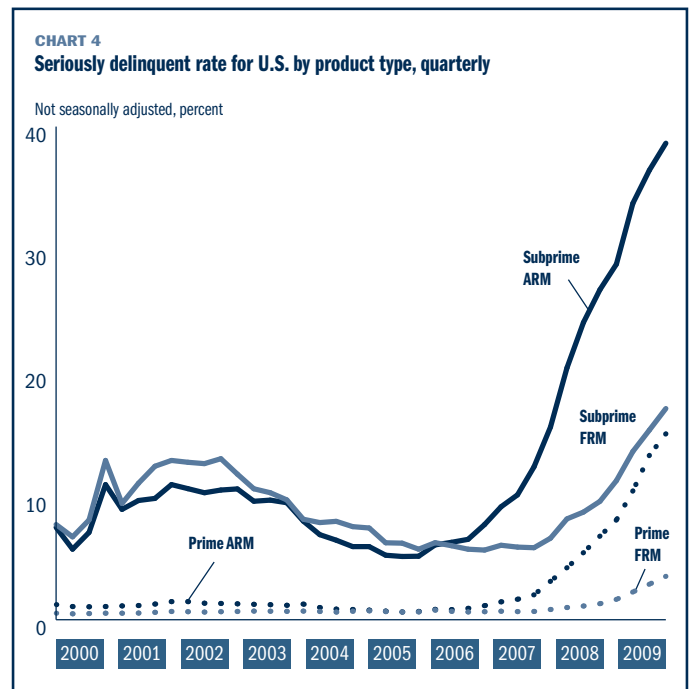
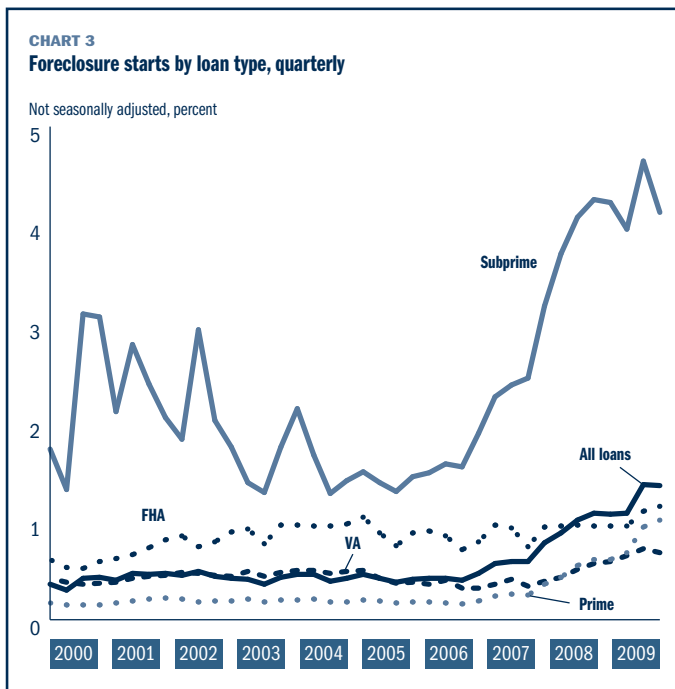
State Results

Across all loan types, the states with the highest overall delinquency rates were Mississippi (13.04 percent), Nevada (12.14 percent) and Michigan (11.57 percent). Based on foreclosure inventory, the states with the highest rates were Florida (11.96 percent), Nevada (9.13 percent) and Arizona (6.17 percent). Based on foreclosure starts, the three states with the highest rates were Nevada (3.70 percent), Florida (2.64 percent) and Arizona (2.51 percent).

Please see Maps 1, 2, and 3 which illustrate the distribution of seriously delinquent rates, foreclosure inventory rates and foreclosure starts rate, respectively, across the United States. State level data are not seasonally adjusted in this survey.

Survey Composition

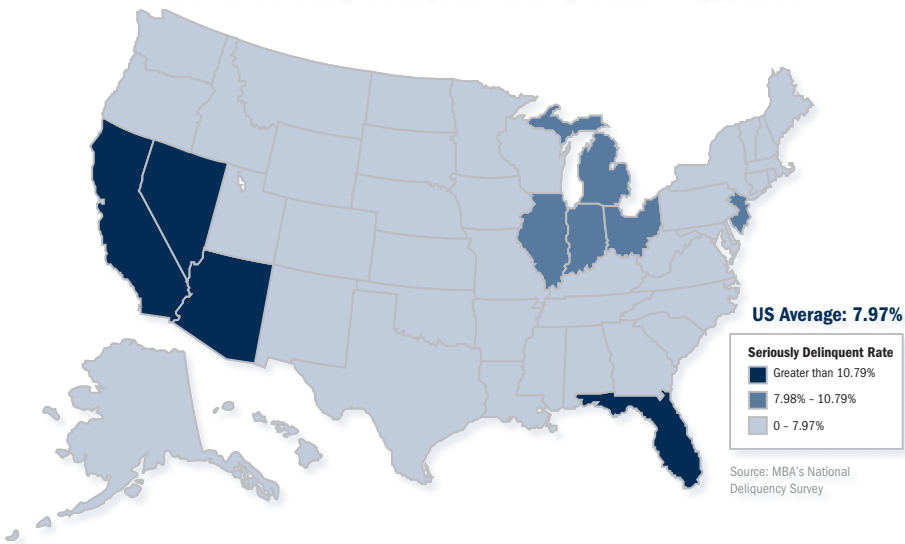
MBA's National Delinquency Survey (NDS) covers about 45 million first-lien mortgages on one- to four-unit residential properties, a decrease of about 260,000 loans from the first quarter of 2009 and a decrease of 700,000 loans from one year ago. The subprime sample of the survey contains about 5 million loans, a decrease of 190,000 loans from last quarter and a decrease of about 600,000 loans from last year. The NDS is estimated to cover around 85 percent of the outstanding first-lien mortgages in the market.



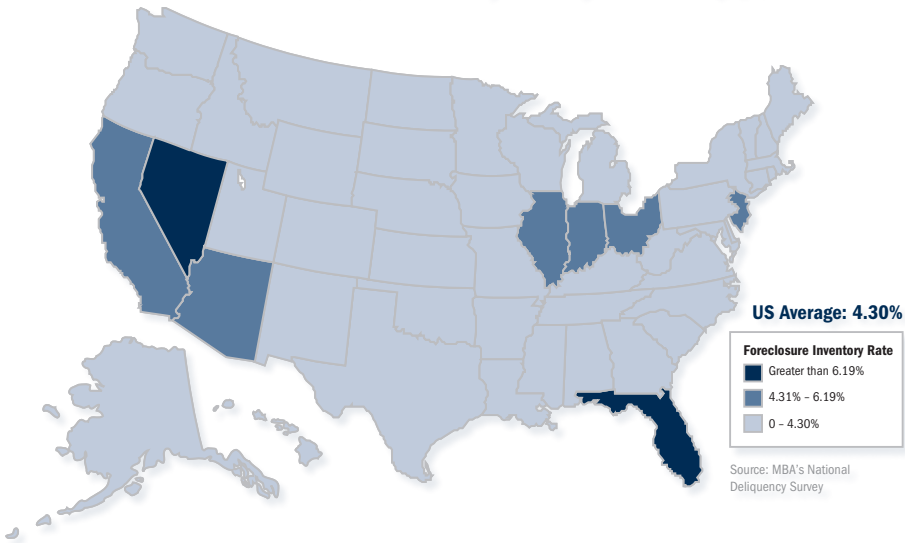
National Delinquency Survey, **Second Quarter 2009**

State, area and census region	Number of loans serviced	All loans						
		Percent of loans with installments past due				Percent of loans in foreclosure		
		Total past due	30 days	60 days	90 days or more	Inventory at end of quarter	Started during quarter	Seriously Delinquent (90+ FC Inv)
Connecticut	530,333	7.57	3.29	1.49	2.79	3.24	0.95	6.03
Maine	141,231	7.57	3.50	1.47	2.59	4.24	1.06	6.83
Massachusetts	817,681	8.05	3.17	1.38	3.51	3.17	0.92	6.68
New Hampshire	197,017	7.48	3.39	1.47	2.63	2.26	0.95	4.89
Rhode Island	137,727	8.93	3.69	1.75	3.49	4.08	1.47	7.57
Vermont	69,389	5.05	2.55	0.97	1.53	2.23	0.58	3.76
New England	1,893,378	7.78	3.27	1.44	3.07	3.21	0.97	6.28
New Jersey	1,266,810	8.09	3.37	1.51	3.22	5.03	1.27	8.25
New York	2,003,887	8.11	3.34	1.40	3.37	3.58	0.95	6.95
Pennsylvania	1,550,884	8.22	3.79	1.55	2.88	2.59	0.72	5.47
Mid Atlantic	4,821,581	8.14	3.49	1.48	3.17	3.64	0.96	6.81
Illinois	1,726,126	9.23	3.61	1.70	3.92	4.70	1.06	8.62
Indiana	841,472	11.14	5.12	1.96	4.06	4.31	1.21	8.37
Michigan	1,424,473	11.57	4.51	2.13	4.93	4.23	1.42	9.16
Ohio	1,467,030	9.77	4.24	1.78	3.75	4.51	1.16	8.26
Wisconsin	601,610	6.86	2.99	1.29	2.57	3.57	1.03	6.14
East North Central	6,060,711	9.94	4.12	1.81	4.00	4.38	1.19	8.38
Iowa	344,360	6.34	2.96	1.21	2.16	2.49	0.63	4.65
Kansas	330,252	6.88	3.31	1.30	2.27	2.05	0.69	4.32
Minnesota	889,783	6.32	2.65	1.20	2.48	3.43	1.06	5.91
Missouri	867,338	8.40	3.77	1.63	3.00	2.02	0.87	5.02
Nebraska	207,909	5.87	2.81	1.14	1.92	1.83	0.65	3.75
North Dakota	58,661	3.76	2.08	0.66	1.01	1.01	0.30	2.02
South Dakota	80,809	4.13	2.04	0.78	1.30	1.56	0.45	2.86
West North Central	2,779,112	6.89	3.10	1.32	2.47	2.49	0.84	4.96
Delaware	165,345	7.70	3.60	1.44	2.65	2.90	0.89	5.55
District of Columbia	95,071	6.80	3.00	1.25	2.55	2.93	0.96	5.48
Florida	3,508,954	10.80	3.73	1.91	5.16	11.96	2.64	17.12
Georgia	1,665,357	10.94	4.69	2.10	4.15	3.35	1.45	7.50
Maryland	1,065,236	8.74	3.55	1.59	3.59	3.66	1.31	7.25
North Carolina	1,408,028	8.62	3.98	1.63	3.01	1.90	0.83	4.91
South Carolina	661,929	8.82	4.14	1.70	2.99	3.05	1.03	6.04
Virginia	1,413,720	6.90	2.97	1.30	2.63	2.18	0.93	4.81
West Virginia	133,727	9.33	4.69	1.82	2.82	2.13	0.79	4.95
South Atlantic	10,117,367	9.52	3.83	1.76	3.94	5.96	1.64	9.90
Alabama	594,335	9.74	4.55	1.82	3.37	2.04	0.82	5.41
Kentucky	429,955	8.31	4.02	1.63	2.66	3.04	0.88	5.70
Mississippi	249,382	13.04	5.92	2.43	4.70	2.69	1.01	7.39
Tennessee	858,165	9.96	4.41	1.84	3.70	2.17	0.93	5.87
East South Central	2,131,837	9.93	4.55	1.86	3.52	2.37	0.90	5.89
Arkansas	310,339	7.88	3.78	1.44	2.66	1.84	0.72	4.50
Louisiana	469,898	9.74	4.62	1.79	3.33	2.70	0.82	6.03
Oklahoma	423,945	7.57	3.73	1.42	2.43	2.47	0.76	4.90
Texas	3,094,268	8.79	4.26	1.68	2.84	1.84	0.77	4.68
West South Central	4,298,450	8.71	4.22	1.65	2.84	1.99	0.77	4.83
Arizona	1,185,401	10.17	3.40	1.87	4.90	6.17	2.51	11.07
Colorado	1,005,107	6.00	2.54	1.17	2.29	2.67	0.99	4.96
Idaho	263,998	6.91	2.99	1.36	2.56	3.20	1.32	5.76
Montana	135,312	4.62	2.23	0.89	1.50	1.57	0.63	3.07
Nevada	557,679	12.14	3.45	2.20	6.49	9.13	3.70	15.62
New Mexico	254,939	6.67	3.19	1.29	2.19	2.62	0.85	4.81
Utah	435,419	6.90	3.02	1.37	2.51	2.84	1.17	5.35
Wyoming	69,932	4.84	2.44	1.01	1.39	1.17	0.49	2.56
Mountain	3,907,787	8.28	3.04	1.56	3.67	4.64	1.85	8.31
Alaska	93,440	4.72	2.38	0.96	1.39	1.17	0.51	2.56
California	5,832,097	9.41	2.80	1.56	5.04	5.77	2.00	10.81
Hawaii	167,919	5.84	2.21	1.09	2.54	3.78	1.31	6.32
Oregon	633,369	5.87	2.34	1.13	2.40	2.59	0.97	4.99
Washington	1,190,840	5.82	2.41	1.16	2.25	2.47	1.09	4.72
Pacific	7,917,665	8.46	2.69	1.45	4.32	4.92	1.75	9.24
Puerto Rico	36,203	12.95	5.42	2.73	4.79	2.88	0.57	7.67
Northeast	6,714,959	8.04	3.43	1.47	3.14	3.52	0.96	6.66
North Central	8,839,823	8.98	3.80	1.66	3.52	3.78	1.08	7.30
South	16,547,654	9.36	4.02	1.74	3.60	4.47	1.32	8.07
West	11,825,452	8.40	2.81	1.49	4.10	4.83	1.78	8.93
United States	44,721,256	8.86	3.57	1.62	3.67	4.30	1.36	7.97
Northeast (SA)	6,714,959	8.31	3.52	1.52	3.28	-	1.03	-
North Central (SA)	8,839,823	9.23	3.86	1.68	3.69	-	1.17	-
South (SA)	16,547,654	9.86	4.16	1.84	3.86	-	1.40	-
West (SA)	11,825,452	8.80	2.91	1.56	4.33	-	1.87	-
United States (SA)	44,721,256	9.24	3.68	1.68	3.88	-	1.47	-

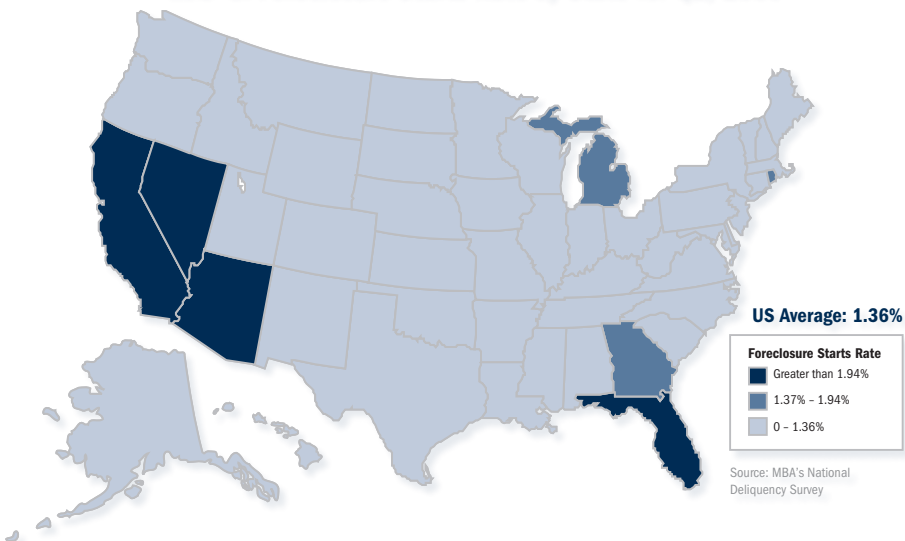
MAP 1: Seriously Delinquent Rate by State for Q2, 2009



MAP 2: Foreclosure Inventory Rate by State for Q2, 2009



MAP 3: Foreclosure Starts Rate by State for Q2, 2009



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