



CoreLogic®



# United States Residential Foreclosure Crisis: Ten Years Later

MARCH 2017

*"We're now at the point of maximum vulnerability. People's emotional attachment to their property is melting into the air."*

**Sam Khater**, deputy chief economist at CoreLogic, February 2010

**"No one remained untouched [during the foreclosure crisis], not homeowners, Wall Street, investors or the government..."**

**Sam Khater**, deputy chief economist at CoreLogic, May 2011

**"We are seeing an ongoing strengthening of the residential housing market..."**

**Anand Nallathambi**, president and CEO of CoreLogic, December 2012

**"The housing market is clearly on the mend, but we expect the ultimate conclusion of the present housing down cycle to be another several years away..."**

**Anand Nallathambi**, president and CEO of CoreLogic, June 2013

**"The pathway to a full recovery in housing is proving to be a very long one, but lower distressed stock levels are one clear indicator that we continue to make slow-but-steady progress..."**

**Anand Nallathambi**, president and CEO of CoreLogic, April 2014

**"Job market gains and home-price appreciation help to push serious delinquency and foreclosure rates lower. The CoreLogic national HPI showed home prices in July rose 6.9% from a year earlier, building equity for homeowners..."**

**Frank Nothaft**, chief economist at CoreLogic, September 2015

**"Foreclosure inventory fell by 30 percent from the previous year, the largest year-over-year decline since January 2015."**

**Frank Nothaft**, chief economist at CoreLogic, October 2016

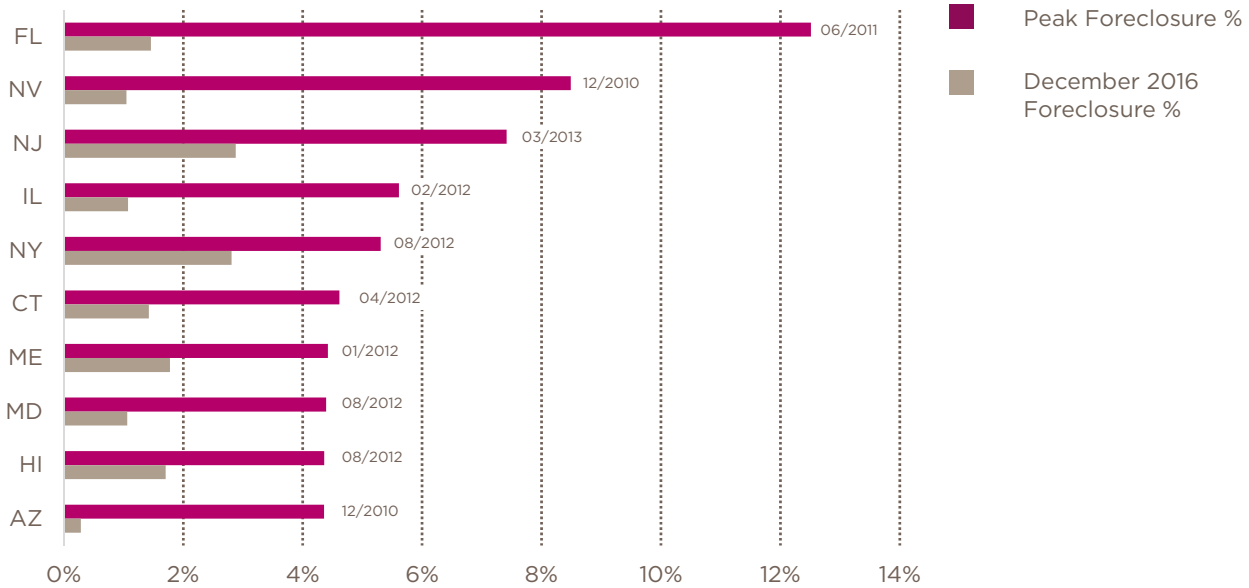
# State Foreclosure Data

Peak year, peak month, peak number, unemployment rate in that state in the peak month, total foreclosures for each state from 2007-2016

STATE	FORECLOSURE INVENTORY PEAK YEAR	FORECLOSURE INVENTORY PEAK MONTH	FORECLOSURE INVENTORY PEAK NUMBER, IN THOUSANDS	UNEMPLOYMENT RATE IN PEAK MONTH	TOTAL FORECLOSURES BY STATE FOR THE 10 YEARS (2007-2016), IN THOUSANDS
<b>National</b>	<b>2011</b>	<b>January</b>	<b>1,563</b>	<b>9.0%</b>	<b>7,783</b>
Alaska	2011	January	1	8.7%	9
Alabama	2011	January	10	11.0%	81
Arkansas	2013	February	7	8.1%	56
Arizona	2010	December	49	9.9%	399
California	2009	October	193	11.6%	1,111
Colorado	2010	December	18	8.8%	159
Connecticut	2012	April	22	8.0%	38
District of Columbia	2011	October	3	10.1%	5
Delaware	2011	January	5	8.5%	16
Florida	2010	December	394	10.7%	960
Georgia	2011	January	42	10.8%	473
Hawaii	2012	April	8	6.2%	11
Iowa	2010	December	9	5.9%	46
Idaho	2010	December	7	9.0%	48
Illinois	2012	February	106	9.6%	267
Indiana	2012	January	33	9.2%	183
Kansas	2011	February	6	7.2%	45
Kentucky	2012	January	13	9.0%	35
Louisiana	2011	January	14	8.8%	79
Massachusetts	2011	March	20	7.7%	65
Maryland	2012	August	45	7.1%	109
Maine	2012	January	7	8.7%	7
Michigan	2011	January	42	11.5%	553
Minnesota	2010	December	19	7.0%	103
Missouri	2010	December	13	9.2%	170
Mississippi	2010	December	7	10.3%	20
Montana	2011	January	2	8.6%	12
North Carolina	2012	January	35	10.0%	231
North Dakota	2011	February	< 1	4.3%	4
Nebraska	2010	December	3	4.3%	23
New Hampshire	2010	December	4	5.3%	26
New Jersey	2012	September	89	9.0%	85
New Mexico	2012	April	9	6.6%	24
Nevada	2010	December	43	13.6%	219
New York	2012	August	101	8.5%	98
Ohio	2011	February	56	9.8%	326
Oklahoma	2011	February	11	6.4%	94
Oregon	2012	April	20	8.9%	79
Pennsylvania	2012	August	47	8.3%	162
Rhode Island	2011	February	5	11.7%	19
South Carolina	2012	February	25	10.0%	110
South Dakota	2012	January	1	5.0%	n/a
Tennessee	2011	January	17	10.1%	210
Texas	2011	August	47	8.0%	529
Utah	2010	December	11	7.3%	59
Virginia	2011	January	21	7.1%	163
Vermont	2012	January	2	5.8%	n/a
Washington	2013	January	29	8.4%	155
Wisconsin	2011	January	20	8.8%	89
West Virginia	2011	February	2	9.6%	8
Wyoming	2010	December	1	6.2%	7

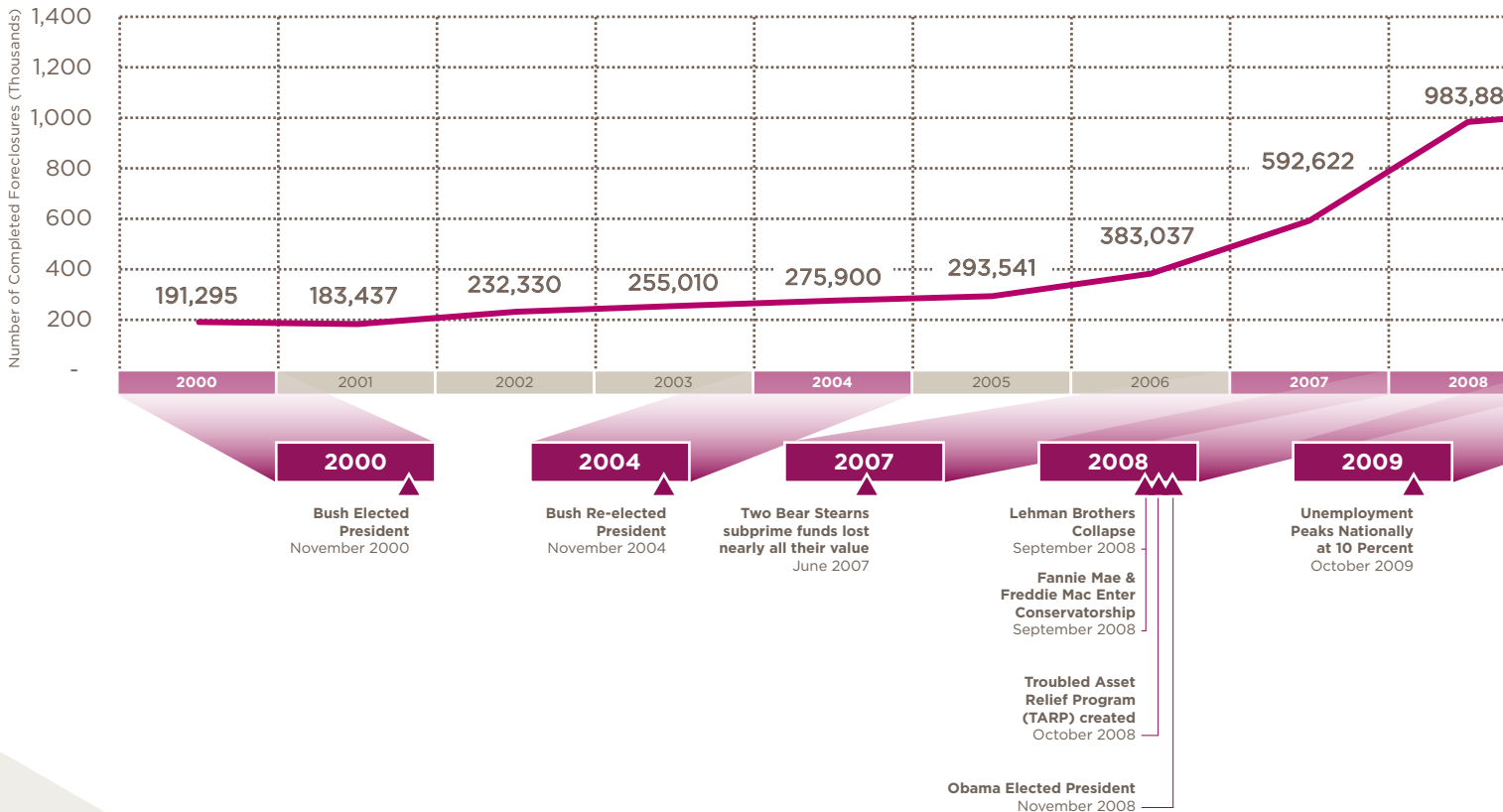
Source: CoreLogic

# Ten States with the Highest Peak Foreclosure Rate

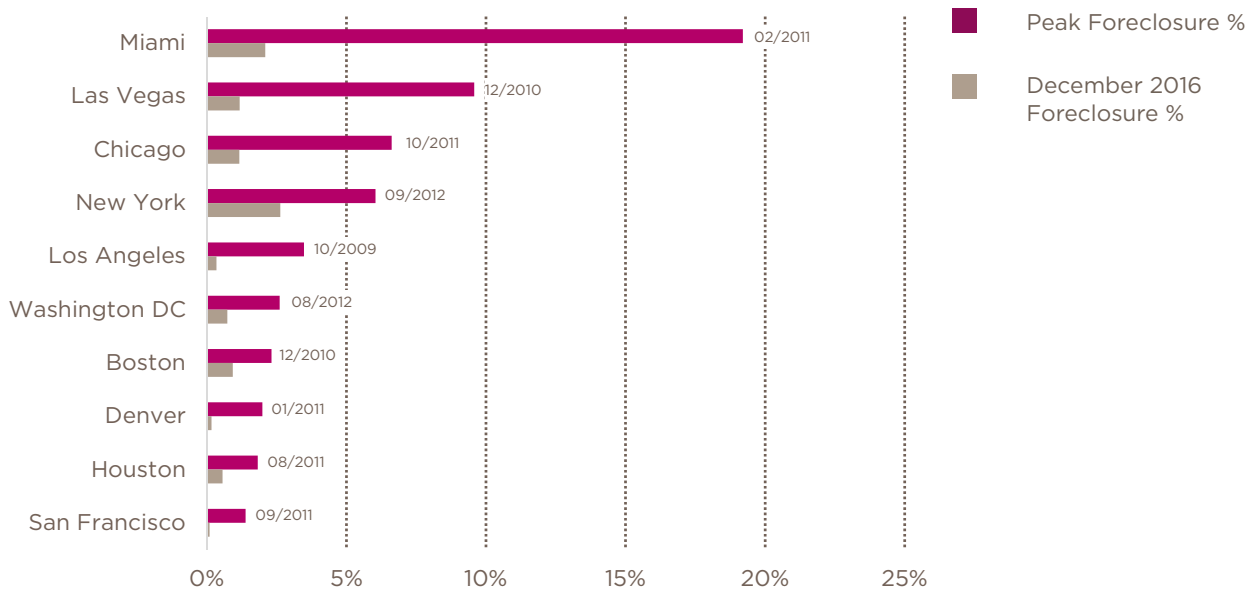


Source: CoreLogic

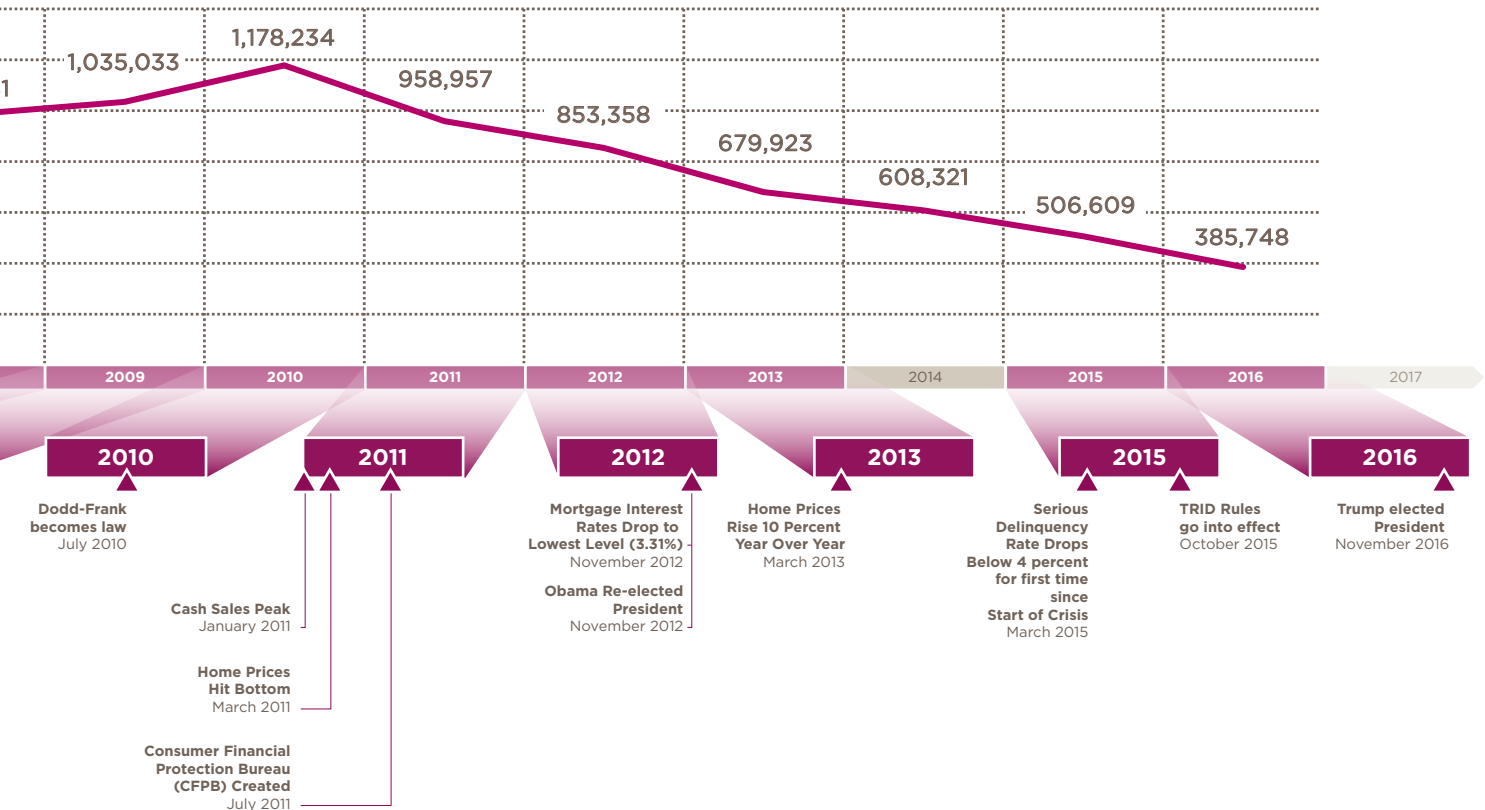
# Foreclosure Crisis Chronology



# Peak Foreclosure Rate for the Largest Ten CBSAs



Source: CoreLogic



# Delinquencies – A Leading Indicator



## 2.6%

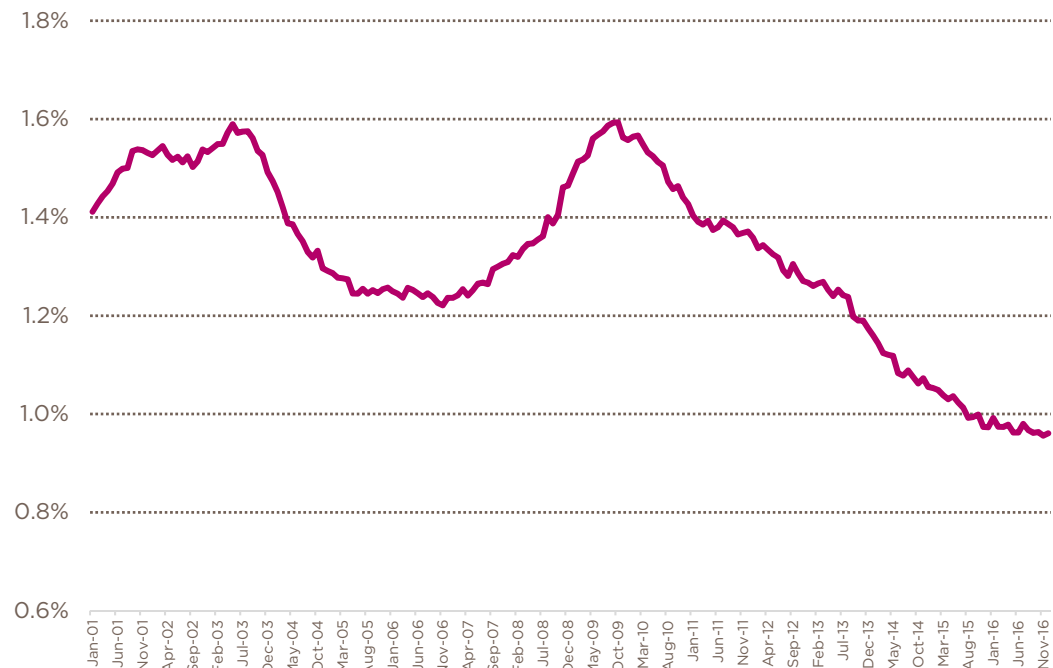
CORELOGIC REPORTS THE NUMBER OF MORTGAGES IN SERIOUS DELINQUENCY, DEFINED AS 90 DAYS OR MORE PAST DUE INCLUDING LOANS IN FORECLOSURE OR REO. THE DELINQUENCY RATE (PAYMENTS PAST DUE BY 30, 60 OR 90 DAYS) CONTINUES TO BE A LEADING INDICATOR OF TROUBLED MARKETS. AT THE END OF 2016, 1 MILLION MORTGAGES, OR 2.6 PERCENT OF HOMES WITH A MORTGAGE, WERE IN SERIOUS DELINQUENCY, COMPARED TO THE SERIOUS DELINQUENCY PEAK OF 3.7 MILLION IN JANUARY 2010. IN RECENT YEARS THE DECLINE IN SERIOUS DELINQUENCIES HAS BEEN GEOGRAPHICALLY BROAD THROUGHOUT THE COUNTRY WITH YEAR-OVER-YEAR DECREASES, FROM DECEMBER 2015 TO DECEMBER 2016, IN 48 STATES AND THE DISTRICT OF COLUMBIA.

Early stage delinquencies may be a leading indicator of future loan performance.

NATIONAL	DECEMBER 2013	DECEMBER 2014	DECEMBER 2015	DECEMBER 2016
<b>DELINQUENCY RATES</b>				
30 to 59 Days Past Due	2.6%	2.4%	2.3%	2.2%
60 to 89 Days Past Due	1.0%	0.9%	0.8%	0.8%
90 119 Days Past Due	0.5%	0.4%	0.4%	0.4%
90+ Days Past due and in Foreclosure	5.2%	4.1%	3.3%	2.6%
In Foreclosure	2.2%	1.5%	1.2%	0.9%
<b>TRANSITION RATES</b>				
current to 30	1.2%	1.0%	1.0%	1.0%
30 to 60	18.1%	15.3%	16.2%	16.9%
60 to 90	30.3%	28.3%	27.9%	28.5%

Source: CoreLogic

## Current-to-30 Day Roll Rates



Source: CoreLogic

# National Foreclosure Report Methodology

The data in this report represents foreclosure activity reported between January 2000 and December 2016.

This report separates state data into judicial versus non-judicial foreclosure state categories. In judicial foreclosure states, lenders must provide evidence to the courts of delinquency in order to move a borrower into foreclosure. In non-judicial foreclosure states, lenders can issue notices of default directly to the borrower without court intervention. This is an important distinction since judicial states, as a rule, have longer foreclosure timelines, thus affecting foreclosure statistics.

A completed foreclosure occurs when a property is auctioned and results in the purchase of the home at auction by either a third party, such as an investor, or by the lender. If the home is purchased by the lender, it is moved into the lender's real estate-owned (REO) inventory. In "foreclosure by advertisement" states, a redemption period begins after the auction and runs for a statutory period, e.g., six months. During that period, the borrower may regain the foreclosed home by paying all amounts due as calculated under the statute. For purposes of this Foreclosure Report, because so few homes are actually redeemed following an auction, it is assumed that the foreclosure process ends in "foreclosure by advertisement" states at the completion of the auction.

The foreclosure inventory represents the number and share of mortgaged homes that have been placed into the process of foreclosure by the mortgage servicer. Mortgage servicers start the foreclosure process when the mortgage reaches a specific level of serious delinquency as dictated by the investor for the mortgage loan. Once a foreclosure is "started," and absent the borrower paying all amounts necessary to halt the foreclosure, the home remains in foreclosure until the completed foreclosure results in the sale to a third party at auction or the home enters the lender's REO inventory. The data in this report accounts for only first liens against a property and does not include secondary liens. The foreclosure inventory is measured only against homes that have an outstanding mortgage. Generally, homes with no mortgage liens are not subject to foreclosure and are, therefore, excluded from the analysis. Approximately one-third of homes nationally are owned outright and do not have a mortgage. CoreLogic has approximately 85 percent coverage of U.S. foreclosure data.

## **SOURCE: CORELOGIC**

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CoreLogic (NYSE: CLGX) is a leading global property information, analytics and data-enabled solutions provider. The company's combined data from public, contributory and proprietary sources includes over 4.5 billion records spanning more than 50 years, providing detailed coverage of property, mortgages and other encumbrances, consumer credit, tenancy, location, hazard risk and related performance information. The markets CoreLogic serves include real estate and mortgage finance, insurance, capital markets, and the public sector. CoreLogic delivers value to clients through unique data, analytics, workflow technology, advisory and managed services. Clients rely on CoreLogic to help identify and manage growth opportunities, improve performance and mitigate risk. Headquartered in Irvine, Calif., CoreLogic operates in North America, Western Europe and Asia Pacific. For more information, please visit [www.corelogic.com](http://www.corelogic.com).

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