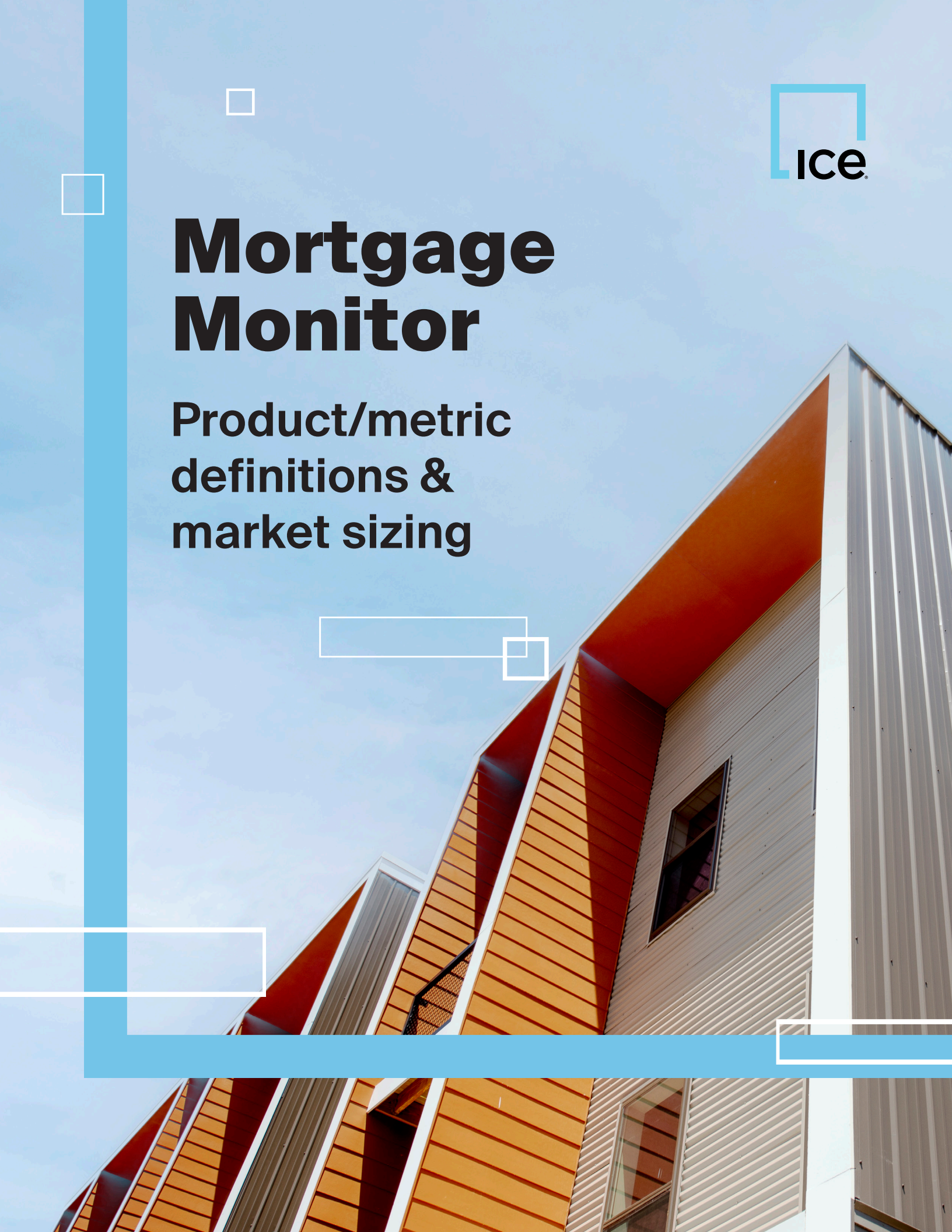




# Mortgage Monitor

Product/metric definitions & market sizing



# Product definitions

| Product waterfall  | Description  |
|--|--|
| <b>Seconds</b><br><i>excluded from Mortgage Monitor statistics</i> | Mortgage type is "second lien"   |
| <b>Government</b>  | Product type is "FHA" or "VA" or investor is "GNMA"                            |
| <b>Agency prime</b>  | Mortgage type is "first grade A" and investor is "Fannie Mae" or "Freddie Mac" |

**Credit score for the following products is at time of origination – if no credit score is available, products are categorized based on the interest type and spread at origination matrix below**

|                                    |  |
|------------------------------------|--|
| <b>Subprime</b>                    | Mortgage type is "first grade BC" or credit score is less than 620   |
| <b>Alt A</b>                       | Credit score is between 620 and 719 and the loan is not a full documentation loan or credit score is between 620 and 679 will full documentation                             |
| <b>Jumbo</b>                       | Original loan amount is <b>above</b> the conforming limit and credit score is greater than or equal to 680 with full documentation or greater than or equal to 720 otherwise |
| <b>Non-agency conforming prime</b> | Original loan amount is <b>below</b> the conforming limit and credit score is greater than or equal to 680 for full documentation or greater than or equal to 720 otherwise  |

|                 | FIXED RATE    | ARMs          |
|-----------------|---------------|---------------|
| <b>Prime</b>    | < 100 BPS     | < 100 BPS     |
| <b>Alt A</b>    | 100 – 249 BPS | 270 – 369 BPS |
| <b>Subprime</b> | > = 250 BPS   | > = 370 BPS   |

# Metric definitions

|   |   |
|---|---|
| <b>Total active count</b>                       | All active loans as of month-end, including loans in any state of delinquency or foreclosure. Post-sale loans and loans in REO are excluded from the total active count.  |
| <b>Delinquency statuses (30, 60, 90+, etc.)</b> | All delinquency statuses are calculated using the MBA methodology based on the payment due date provided by the servicer. Loans in foreclosure are reported separately and are not included in the MBA days delinquent. |
| <b>90-day defaults</b>                          | Loans that were less than 90 days delinquent in the prior month and were 90 days delinquent, but not in foreclosure, in the current month.  |
| <b>Foreclosure inventory</b>                    | The servicer has referred the loan to an attorney for foreclosure. Loans remain in foreclosure inventory from referral to sale.   |
| <b>Foreclosure starts</b>                       | Any active loan that was not in foreclosure in the prior month that moves into foreclosure inventory in the current month.  |
| <b>Non-current</b>                              | Loans in any stage of delinquency or foreclosure.   |
| <b>Foreclosure sale / new REO</b>               | Any loan that was in foreclosure in the prior month that moves into post-sale status or is flagged as a foreclosure liquidation.  |
| <b>REO</b>                                      | The loan is in post-sale foreclosure status. Listing status is not a consideration; this includes all properties on and off the market.   |
| <b>Deterioration ratio</b>                      | The ratio of the percentage of loans deteriorating in delinquency status vs. those improving.   |

**Extrapolation methodology:** Mortgage statistics are scaled to estimate the total market performance based on coverage within the McDash database.

# Disclosures



**You can reach us by email at**  
[mortgage.monitor@BKFS.com](mailto:mortgage.monitor@BKFS.com)



The information contained in this paper - including text, graphics, links or other items - are provided "as is" and "as available." Intercontinental Exchange, Inc. its subsidiaries and affiliates ("ICE") and third party providers do not warrant the accuracy, adequacy, timeliness, or completeness of this information, and expressly disclaims liability for errors, omissions or other defects, or delays or interruptions in this information. ICE does not verify any data and disclaims any obligation to do so. The information provided in this paper is also liable to change at short notice. You should not rely on any information contained in this paper without first checking with us that it is correct and up to date.

No warranty of any kind, implied, express or statutory, is given in conjunction with the information. The reliance on any information contained in this paper is done at your own risk and discretion and you alone will be responsible for any damage or loss to you, including but not limited to loss of data or loss or damage to any property or loss of data or loss of revenue that results from the use and reliance on such information.

In no event will ICE or its third party providers be liable for any damages, including without limitation direct or indirect, special, incidental, punitive, or consequential damages, losses or expenses arising out of or relating to your use of this information. Past performance is no guarantee of future results.

The content provided in this paper is not to be construed as a recommendation or offer to buy or sell or the solicitation of an offer to buy or sell any security, financial product or instrument, or to participate in any particular trading strategy. ICE does not make any recommendations regarding the merit of any company, security or other financial product or investment identified in this paper, nor does it make any recommendation regarding the purchase or sale of any such company, security, financial product or investment that may be described or referred to in this paper, nor endorse or sponsor any company identified in this paper. Prior to the execution of a purchase or sale of any security or investment, you are advised to consult with your banker, financial advisor or other relevant professionals (e.g. legal, tax and/or accounting counsel). Neither ICE nor its third party providers shall be liable for any investment decisions based upon or results obtained from the content provided in this paper. Nothing contained on this paper is intended to be, nor shall it be construed to be, legal, tax, accounting or investment advice.