Mortgage Markets, Delinquencies, and Foreclosures in Kansas

Kansas Housing Conference
September 13, 2012

Kelly D. Edmiston
Federal Reserve Bank of Kansas City
Mortgage Servicing

• Substantial progress on single point of contact
• Modifications smooth with borrower contact and paperwork in order
  – Borrower contact chief problem

Source: National Mortgage News
Mortgage Servicing

- 40% jump in modifications July over June (66,000) (Hope Now) – result of AG settlement?
- Short-sale/foreclosure ratio increasing
- Fannie and Freddie agree to streamline short sales process & up to $6K toward settling secondary lien issues
- Core Logic: resolutions reducing foreclosure completions

Source: National Mortgage News
Time On Market

Proprietary Data Removed
Inventory (U.S.)
Buyers of Short Sales
(3mos moving average)
Mortgage Servicing

• Servicing market is changing
  – Large banks making efforts to reduce servicing portfolios (but still lead)
    • Bank of America: -20%
    • CitiMortgage: -13%
    • Chase: -9%
    • Residential Capital (Ally): -5%
  – Two nonbanks have fastest growth in mortgage servicing rights (contracts to service, in dollars of debt)
    • Nationstar
    • Provident Funding

Source: National Mortgage News
Mortgage Delinquencies (U.S.)

Percent Delinquent

Jan-10, 13.64
Feb-10, 8.61
Past Due

Jan-08
Jan-09
Jan-10
Jan-11
Jan-12
Aug-06
Aug-07
Aug-08
Aug-09
Aug-10
Aug-11
Aug-12

Percent Delinquent

Seriously Delinquent

Jan-08
Jan-09
Jan-10
Jan-11
Jan-12
Aug-06
Aug-07
Aug-08
Aug-09
Aug-10
Aug-11
Aug-12

Source: Lender Processing Services, Inc.
Seriously Delinquent Rates

Source: Lender Processing Services, Inc.
## Mortgage Status

<table>
<thead>
<tr>
<th>Status of Mortgage Pool</th>
<th>KC Metro (Kansas)</th>
<th>Manhattan Micro</th>
<th>Topeka Metro</th>
<th>Wichita Metro</th>
<th>Kansas</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delinquent 30 days</td>
<td>2.6</td>
<td>2.2</td>
<td>3.4</td>
<td>3.3</td>
<td>3.0</td>
<td>2.9</td>
</tr>
<tr>
<td>Delinquent 60 days</td>
<td>1.0</td>
<td>0.9</td>
<td>1.2</td>
<td>1.2</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Delinquent 90 days +</td>
<td>2.2</td>
<td>1.9</td>
<td>3.4</td>
<td>2.4</td>
<td>2.4</td>
<td>3.4</td>
</tr>
<tr>
<td>In Foreclosure Process</td>
<td>2.0</td>
<td>1.0</td>
<td>2.1</td>
<td>1.8</td>
<td>1.9</td>
<td>3.8</td>
</tr>
<tr>
<td>SERIOUSLY DELINQUENT</td>
<td>4.2</td>
<td>2.9</td>
<td>5.5</td>
<td>4.2</td>
<td>4.3</td>
<td>7.2</td>
</tr>
<tr>
<td>TOTAL PAST DUE</td>
<td>7.8</td>
<td>6.0</td>
<td>10.1</td>
<td>8.7</td>
<td>8.4</td>
<td>11.2</td>
</tr>
</tbody>
</table>

Data Source: Lender Processing Services, Inc. (July 2012 data)
Serious Delinquency Rates in Kansas Counties
July, 2012

Source: Lender Processing Services, Inc.
Serious Delinquency Rates in Kansas Counties

Source: Lender Processing Services, Inc.
Serious Delinquency Rates in KC Metro Area (KS)
July, 2012

Legend:
- Johnson and Wyandotte Counties
- 2%-4%
- 1%-2%
- <1%
- 4%-6%
- 6%-8%
- >8%
- Insufficient information

Source: Lender Processing Services, Inc.
Serious Delinquency Rates in KC Metro Area (KS)
Change, July 2010 - July, 2012

Source: Lender Processing Services, Inc.
Serious Delinquency Rates in Manhattan Area July, 2012

Source: Lender Processing Services, Inc.
Serious Delinquency Rates in Manhattan Area

Source: Lender Processing Services, Inc.
Serious Delinquency Rates in Topeka Metro Area

Source: Lender Processing Services, Inc.
Serious Delinquency Rates in Wichita Metro Area
July, 2012

Source: Lender Processing Services, Inc.
Serious Delinquency Rates in Wichita Metro Area

Source: Lender Processing Services, Inc.
Contact Information:

Kelly D. Edmiston
Senior Economist
Community Development

1 Memorial Drive
Kansas City, MO 64198
(816) 881-2004
Kelly.edmiston@kc.frb.org