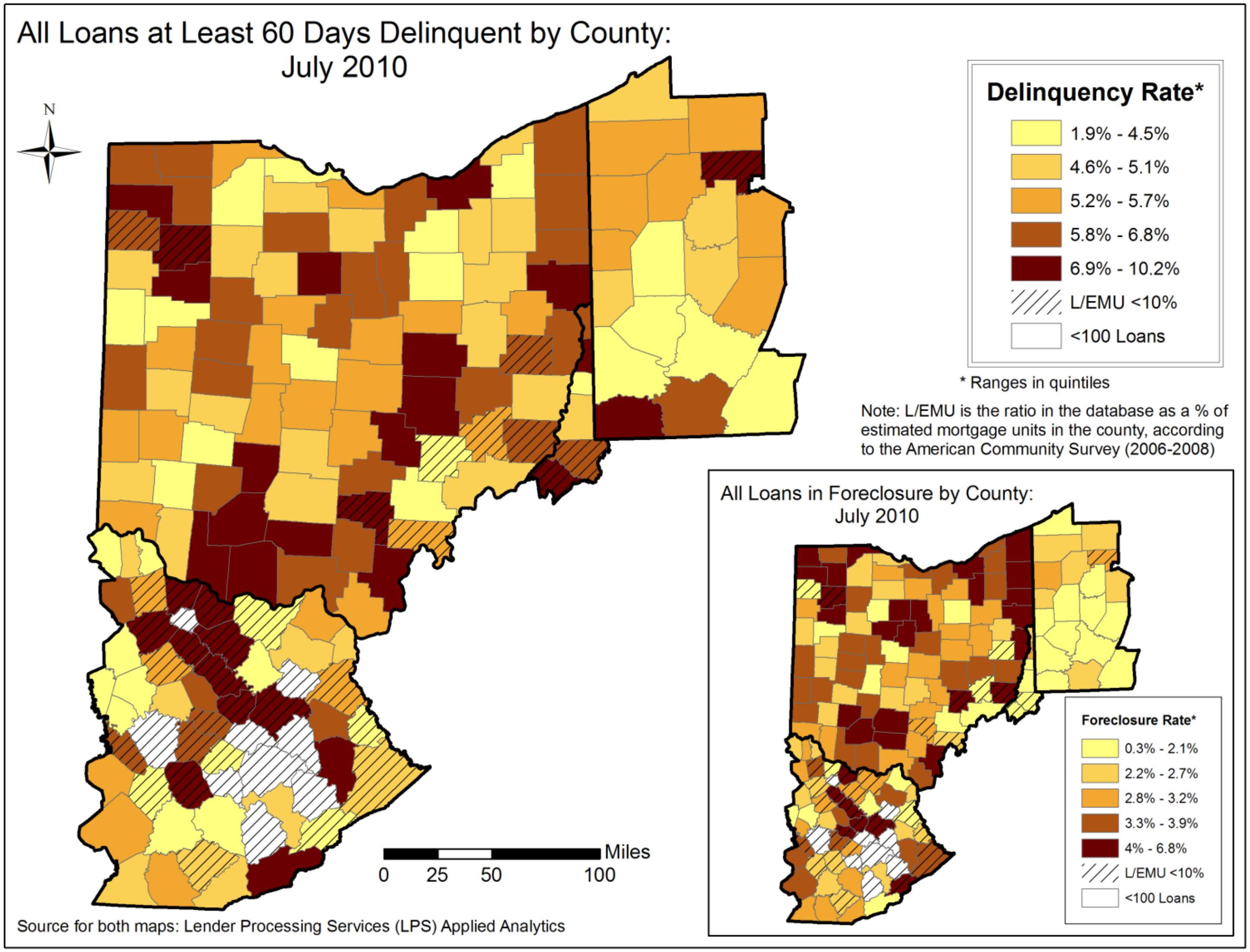
Mortgage Lending Patterns in the 4th District as of July 2010

Troubling trends:

- The percent of loans at least 60 days delinquent (figure 1, next page) are slightly decreasing in all Fourth District states.

- However, optimism should be restrained. At face value, decreasing delinquency rates may appear promising, but a closer examination shows that the bulk of the decline is in the loans greater than 90 days delinquent (figure 2). What that implies is that many of those loans are entering foreclosure, as evidenced in the rising foreclosure rates (figure 3). Similar trends are seen across the Fourth District states.

- High unemployment rates (figure 4) continue to exert pressure on the ability to make timely mortgage payments; one caveat is that these rates do not take into account persons that have stopped looking for work or persons that are underemployed.



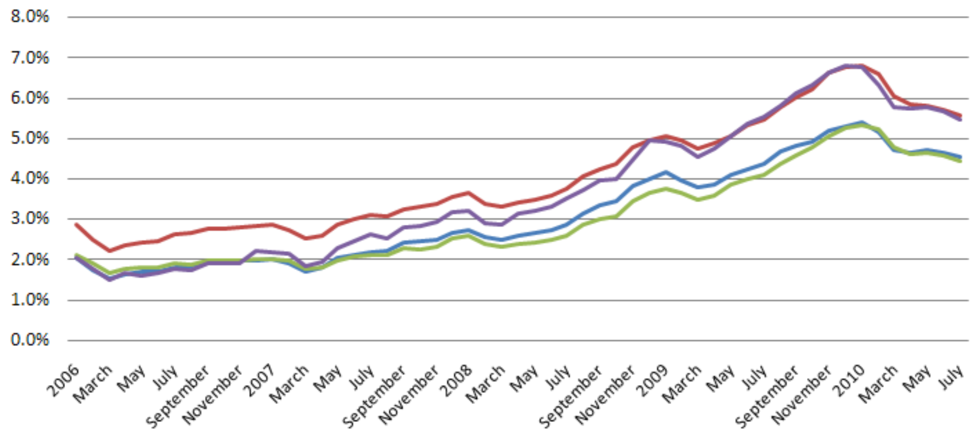
- Home prices continue to fall in all Fourth District states as well as across the country according to the FHFA Home Price Index. As home sales plunge to record lows, a continued drop in home prices may occur in order to facilitate home purchases.

- Trend maps: zip-code level and county-level.

1

Percent of All* Loans at Least 60 Days Delinquent by State

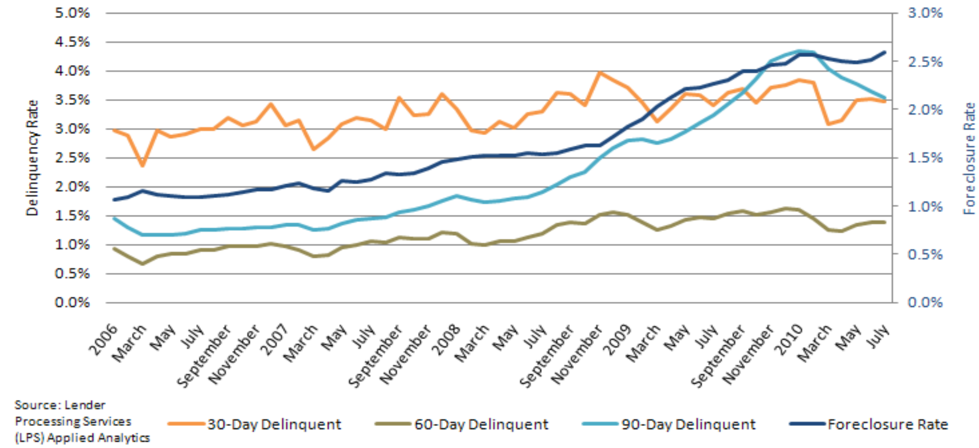
January 2006 - July 2010



2

Percent of All* Fourth District Loans in Delinquency and Foreclosure

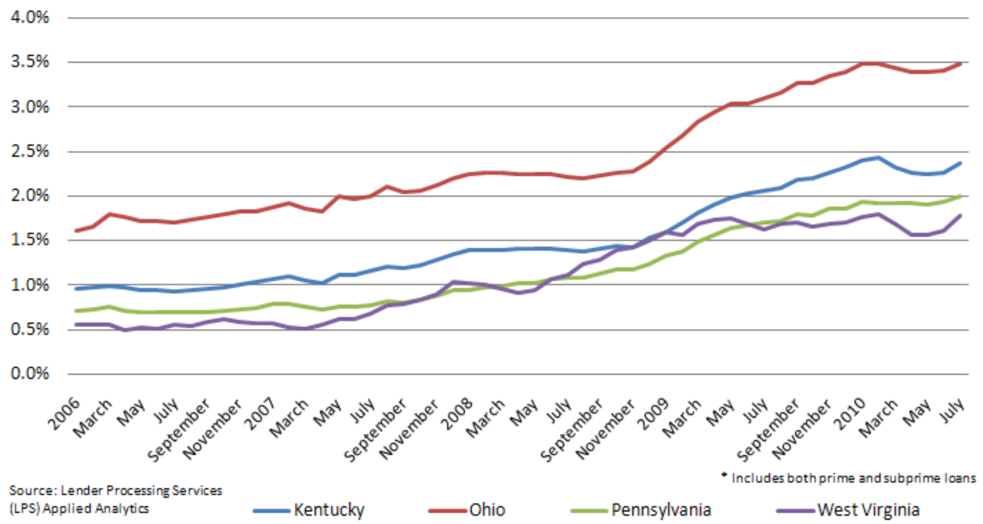
January 2006 - July 2010



3

Percent of All* Loans in Foreclosure by State

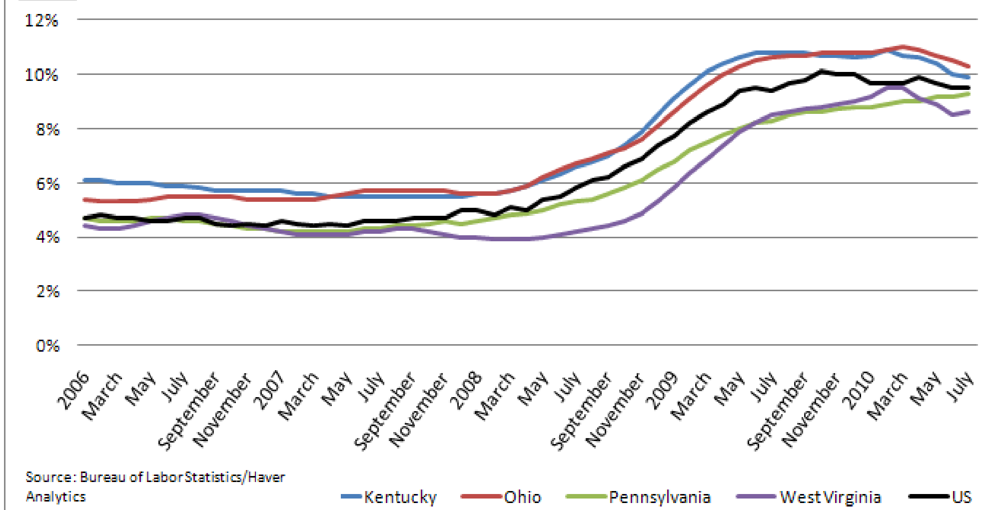
January 2006 - July 2010



4

Unemployment Rate by State

January 2006 - July 2010



These data briefs provide periodic snapshots of mortgage lending activity and foreclosure patterns in our District using the most recent data (check out this detailed, county-specific map of the 4th District). Delinquency and foreclosure data are from Lender Processing Services (LPS) Applied Analytics. The data include loan level servicing data for both securitized loans and loans held in portfolio from the top 10 residential mortgage servicers in the nation and others. Smaller servicers have less representation.

- Delinquency rate charts for individual Fourth District states are here: Kentucky, Ohio, Pennsylvania, and West Virginia.

For questions, comments, mapping or data requests please contact us at

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