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256,000 Homes Regained Equity in Q3

Ninety-two percent of mortgaged homeowners now have positive equity in their homes after more than a quarter-million emerged from being underwater in the third quarter of 2015. CoreLogic said, in its monthly negative equity report, that there are now approximately 46.3 million homes in the black and the dollar value of held by all homeowners increased by \$741 billion during the three month period.

Underwater or "upside down" borrowers, are those who owe more on their mortgages than the property is worth. Negative equity can occur because of a decline in home value, an increase in mortgage debt or a combination of both.

At the end of the third quarter there were still 4.1 million homeowners without equity or 8.1 percent of those with a mortgage. That was down by 256,000 or 4.7 percent from the second quarter. In the third quarter of 2014 there were 5.2 million homes that lacked equity, an 8.7 percent rate. The year-over-year decline is 20.7 percent.

The aggregate of the negative equity shared by the 4.1 million underwater borrowers was \$301.1 billion at the end of the third quarter, down \$8.1 billion or 2.6 percent from the total in the second quarter. On a year-over-year basis, the value of negative equity declined overall from \$341 billion, representing a decrease of 11.8 percent in 12 months.

The bulk of positive equity for mortgaged residential properties is concentrated at the high end of the housing market. For example, 95 percent of homes valued at \$200,000 or more have equity compared with 87 percent of homes valued at less than \$200,000.

CoreLogic estimates that approximately 8.9 million or 17.6 percent of the 50 million residential properties with a mortgage are under-equited, that is their loan-to-value ratio exceeds 80 percent and their owners may have a difficult time refinancing or obtaining a mortgage for a new home. They may also be unable to afford a downpayment on a new home from cash pulled out of the sale of the existing home.

Of those borrowers 1.1 million or 2.2 percent have less than 5 percent equity. These near-negative homeowners are considered at risk of moving into negative equity if home prices fall.

National Average Mortgage Rates



	Rate	Change	Points
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Mortgage News Daily

30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00

Freddie Mac

30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	6.44%	-0.06	0.54
15 Yr. Fixed	5.88%	-0.16	0.68
30 Yr. FHA	6.36%	-0.06	0.85
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

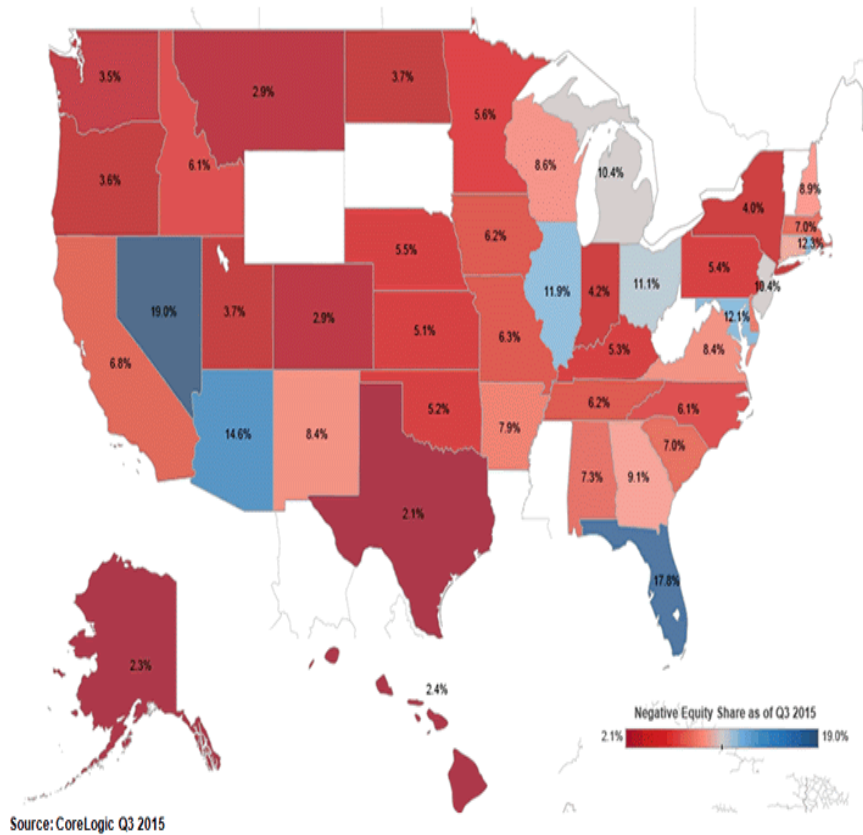
Rates as of: 8/30

Recent Housing Data

		Value	Change
Mortgage Apps	Aug 28	226.9	+0.49%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

	Value	Change
Builder Confidence	Mar 51	+6.25%

Figure 4: Map of Negative Equity Share by State



The **largest share** of properties in negative position was in Nevada at 19.0 percent, followed by Florida (17.8 percent), Arizona (14.6 percent), Rhode Island (12.3 percent) and Maryland (12.1 percent). Combined, these five states account for 29.3 percent of negative equity in the U.S.

Texas had the highest percentage of mortgaged residential properties in positive equity at 97.9 percent, followed by Alaska (97.7 percent), Hawaii (97.6 percent), Colorado (97.2 percent) and Montana (97.1 percent).

"Home price growth continued to lift borrower equity positions and increase the number of borrowers with sufficient equity to participate in the mortgage market," said Frank Nothaft, chief economist for CoreLogic. "In Q3 2015 there were 37.5 million borrowers with at least 20 percent equity, up 7 percent from 35 million in Q3 2014. In the last three years, borrowers with at least 20 percent equity have increased by 11 million, a substantial uptick that is driving rapid growth in home equity originations."

"Homeowner equity is the largest source of wealth for many Americans," said Anand Nallathambi, president and CEO of CoreLogic. "The rise in home prices, expected to be at least 5 percent in 2016, will continue to build wealth and confidence across America. As this process continues, it will provide support for the housing market and the broader economy throughout next year."

Service oriented, responsive, competitive rates and an in depth knowledge of todays mortgage market

After completing my degree in finance at the University of Connecticut, I started in the mortgage business right out of college in 2004. With 15+ years of experience and a primary objective of thoroughly explaining all available loan options to my clients with what is typically the largest investment in their lives, I strive to always make myself available. I constantly educate myself with respect to the mortgage industry and underwriting guidelines for FHA, VA, conventional and jumbo financing. I deliver on the expectations discussed up front and provide the service level my clients deserve from day one. I will remain in touch throughout the process and continue to follow up with you after closing. My goal is to wow you and turn you into clients for life. I want you to be so impressed that throughout and after the process you share my information with your friends, family, neighbors and co-workers who may value from my services.

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