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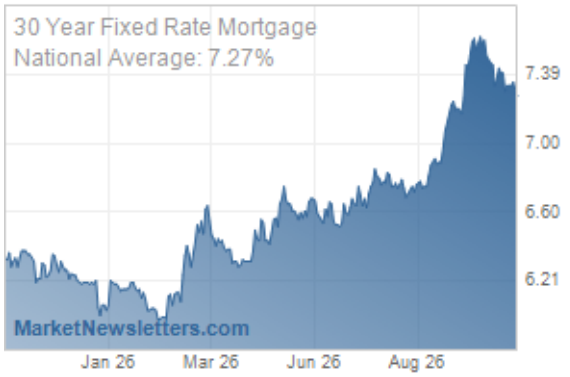
Smallest Share of Distressed Sales since 2007

Sales of lender-owned real estate (REO) in May represented the **smallest share of home sales** in nine years. CoreLogic said that the overall share of distressed properties sold during the month, including short sales as well as REO, fell to 9.9 percent. This was 1.7 percentage points lower than the April share and 2.8 percentage points lower than a year earlier. CoreLogic said distressed sales typically decline as a share of sales in May but this May had the lowest since 2007 when it was 5 percent and was the lowest for any month since October 2007's 6 percent.

Short sales have remained fairly stable at less than a 4 percent share - in was 3.5 percent in May - since mid-2014 but REO has fallen steadily - in May it accounted for a 6.4 percent share.

At the peak of market distress in January 2009, distressed sales totaled **32.4 percent** of all sales. There will always be some level of distress in the housing market, and by comparison, the pre-crisis share of distressed sales was traditionally about 2 percent. If the current year-over-year decrease in the distressed sales share continues, it would reach that "normal" 2-percent mark in **mid-2018.**

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.27%	-0.02	0.00
15YR Fixed	6.92%	-0.03	0.00
30YR FHA	6.90%	-0.01	0.00
30YR Jumbo	7.55%	0.00	0.00
7/6 SOFR	6.78%	-0.10	0.00
30YR VA	6.91%	-0.01	0.00

Rates as of: 10/30

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.82	+0.01
10 YR Treasury	4.9073	-0.0226
30 YR Treasury	5.2730	-0.0352

Pricing as of: 11/2 9:13AM EST

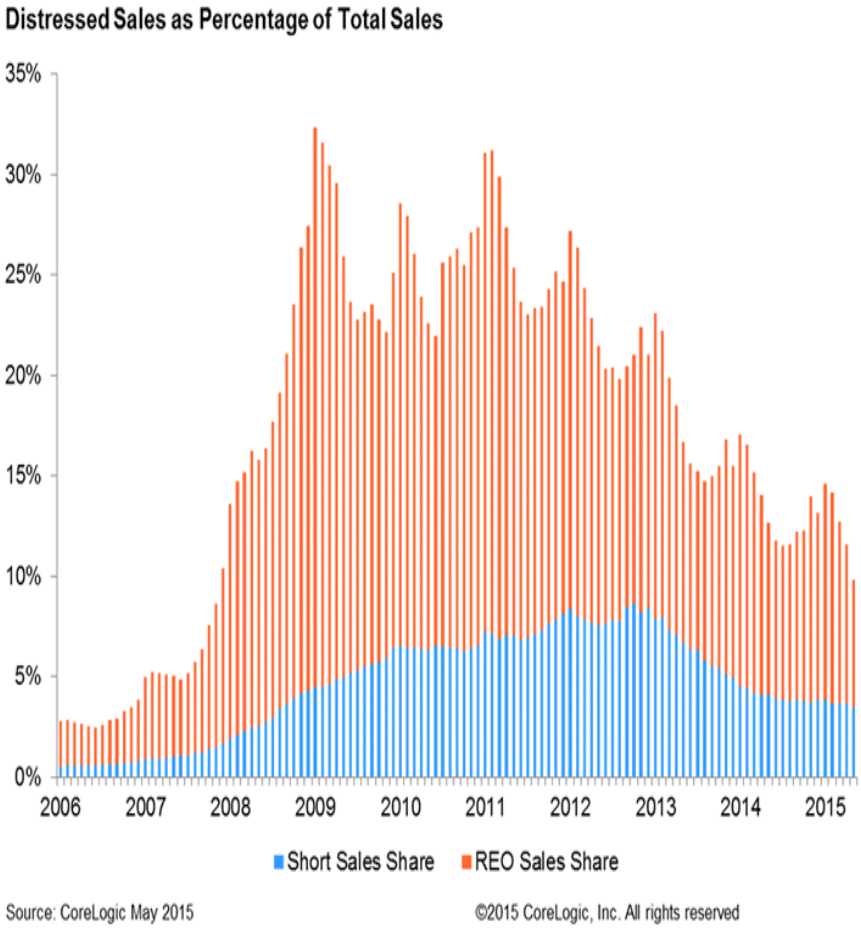
Recent Housing Data

		Value	Change
Mortgage Apps	Oct 21	195	+3.39%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%

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CoreLogic noted that the declining share of REO sales is one of the **drivers of rising home prices**. Distressed sales are almost always sold at a discount from market prices but REO properties typically realize a greater discount than short sales.

Michigan had the **largest share** of distressed sales of any state at 21.4 percent in May 2015, followed by Florida (21.3 percent), Maryland (20.3 percent), Illinois (19.4 percent) and Connecticut (19.3 percent).

The **greatest improvement** in distressed sales was in Nevada with a 7.0 percentage point decline in the share from a year earlier. California has dropped the furthest of any state from its crisis peak of 67.5 percent to a current share of 9.4 percent. Only North Dakota and the District of Columbia however are even close to their pre-crisis numbers (within one percentage point).

Numbers one through three of the 25 largest Core Based Statistical Areas (CBSAs) with the greatest share of distressed sales were in Florida; Orlando at 24.6 percent, followed by Miami. (23.3 percent), and Tampa-St. Petersburg (22.9 percent). Chicago (22.2 percent) and Baltimore (20.1 percent) rounded out the top five. The most improved CBSA was Atlanta where the distressed sales share dropped 7.6 percentage points to 14.8 percent in the 12 months ending in May.

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I would appreciate the opportunity to share with you my extensive mortgage lending experience. My client focused approach has allowed me to build long lasting relationships and partnerships throughout Arizona. I know this market. I live here and work here. Please allow me to be your mortgage lending partner.

Timothy Baron 

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