

NC Mortgage Trends

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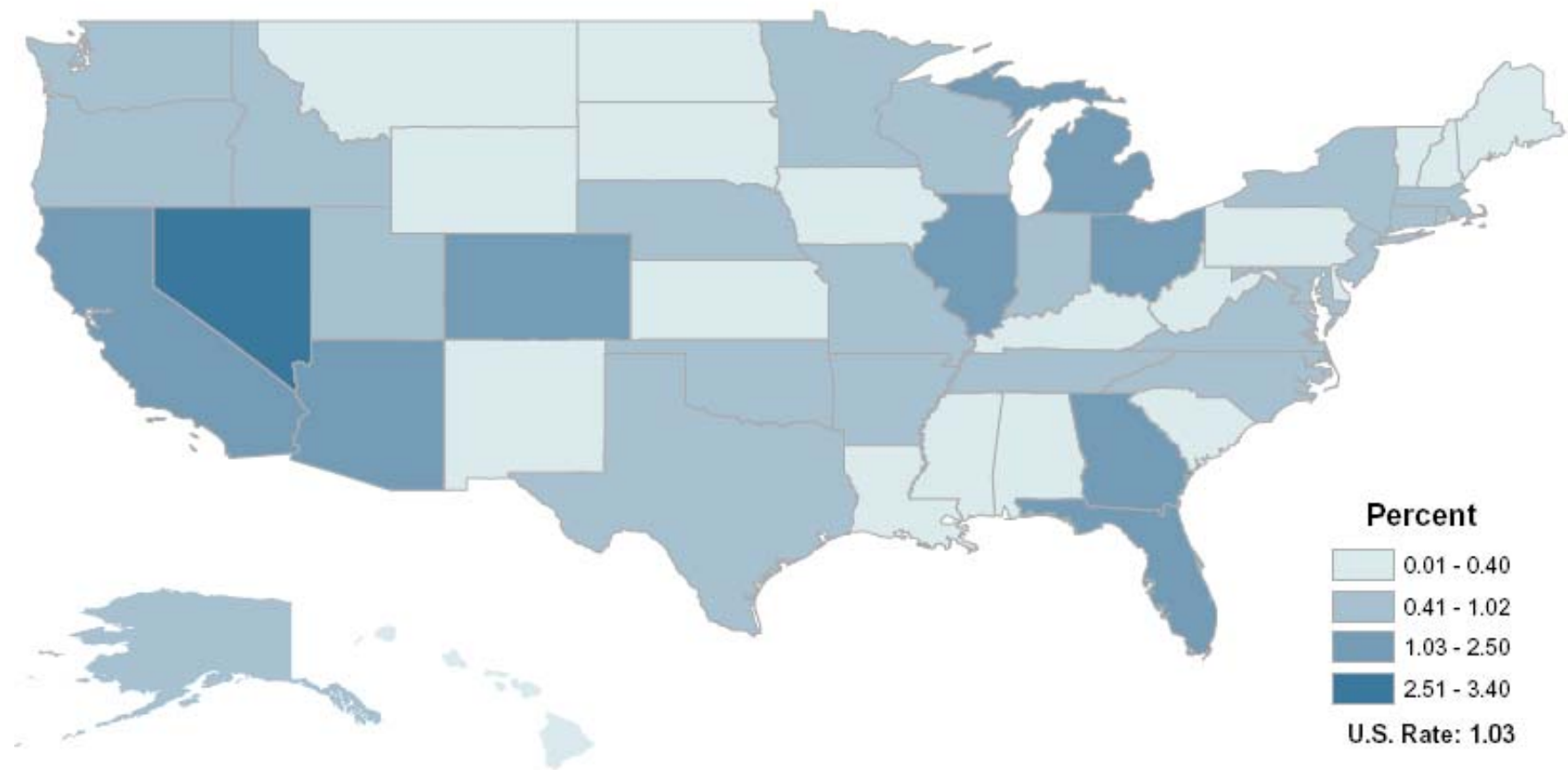


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The National Picture: 2007 Foreclosures

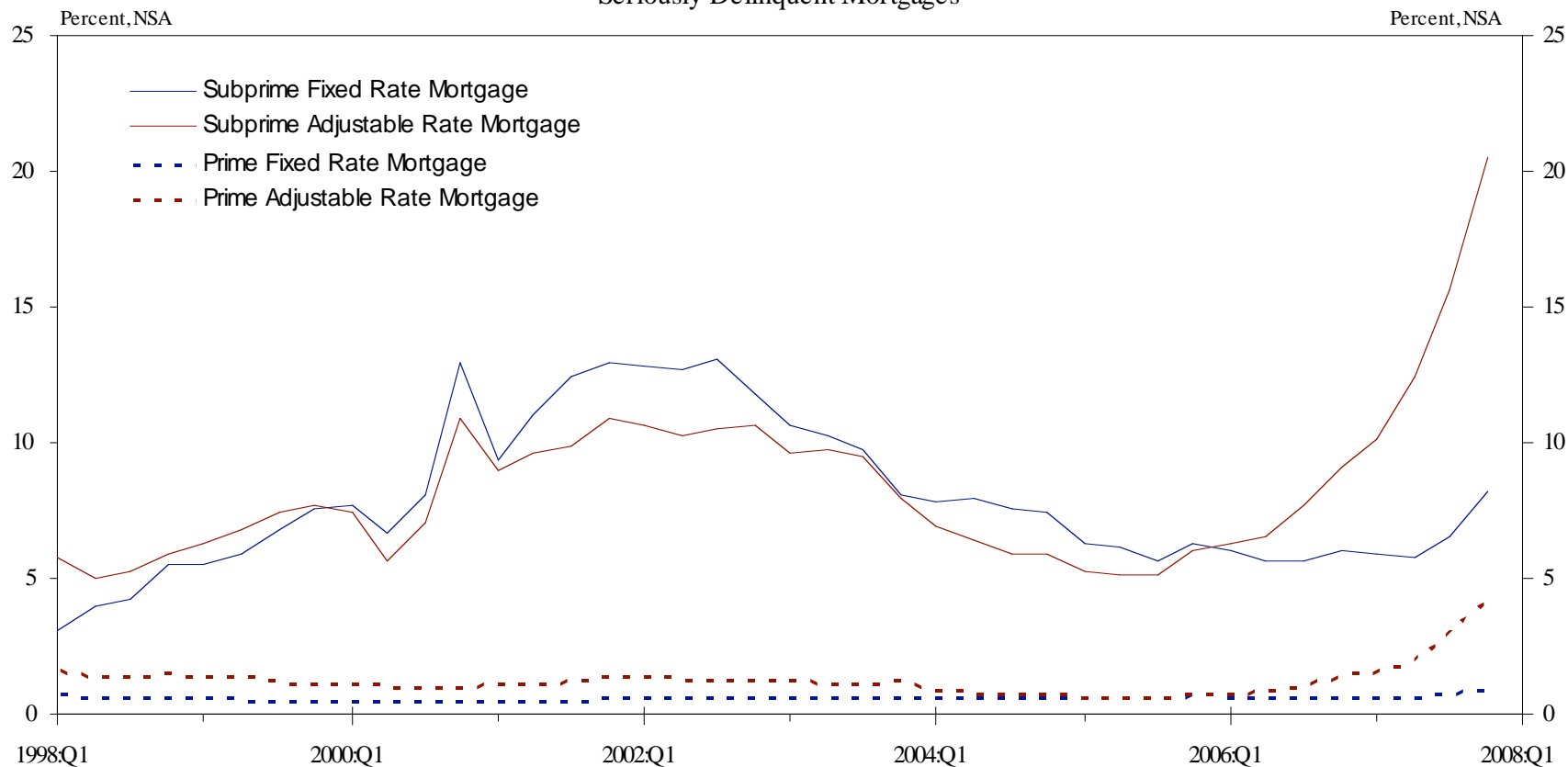


Source: Realtytrac



The National Picture: Delinquencies

National Mortgage Delinquency Rates
Seriously Delinquent Mortgages



Source: Mortgage Bankers Association/Haver Analytics

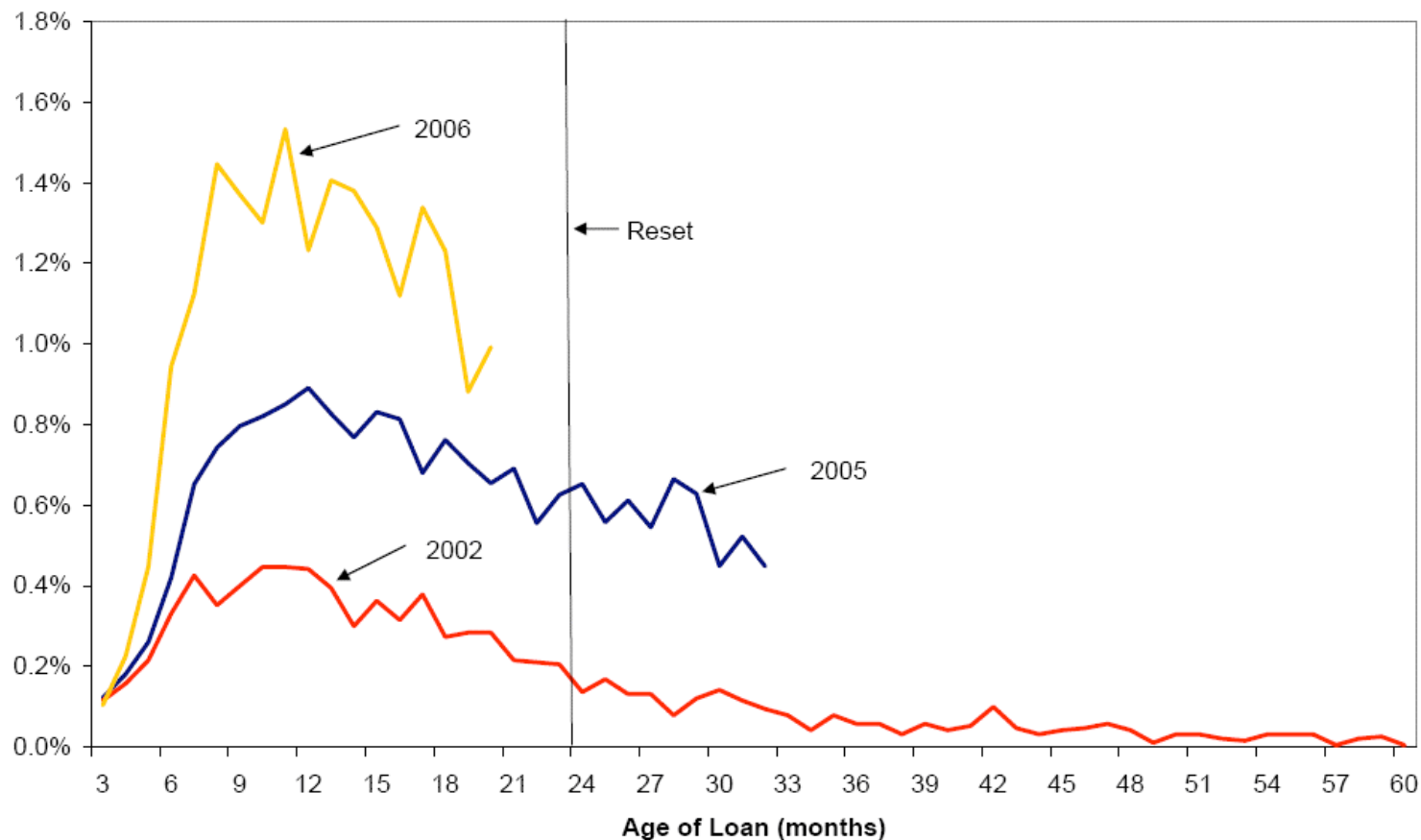
Note: Serious delinquencies are loans 90+ days past due plus those in the process of foreclosure.



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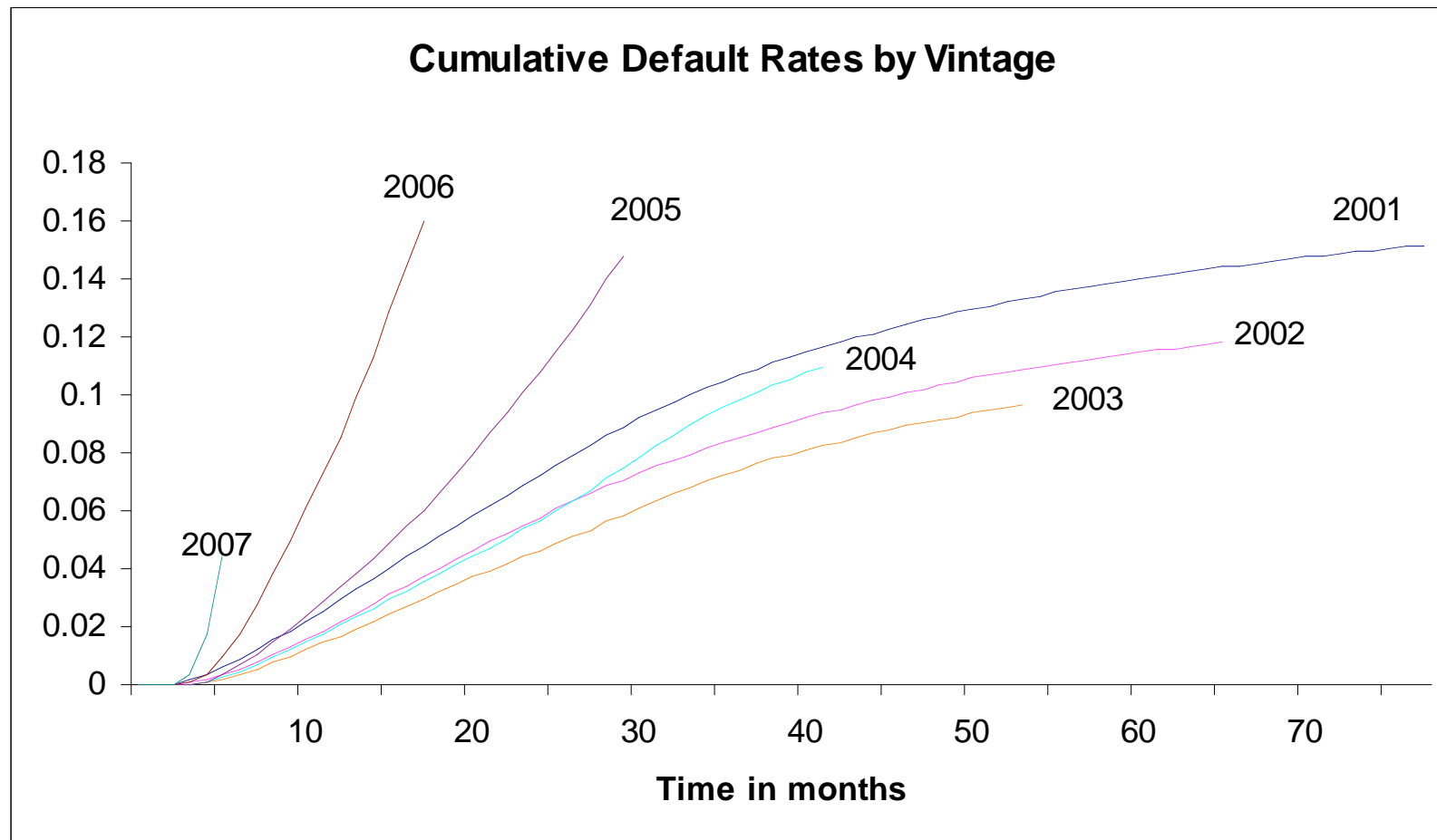
The National Picture: 2/28 Default Rates



Source: Federal Reserve Board calculations using Loan Performance data



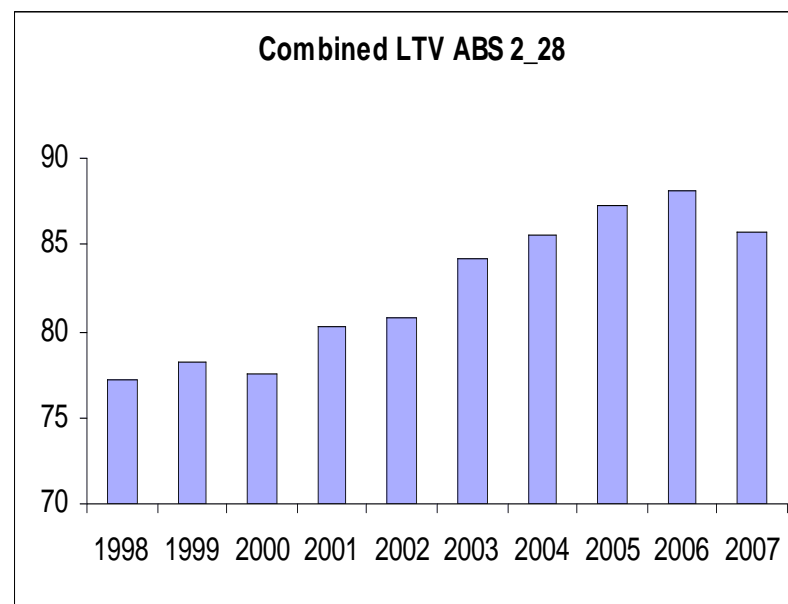
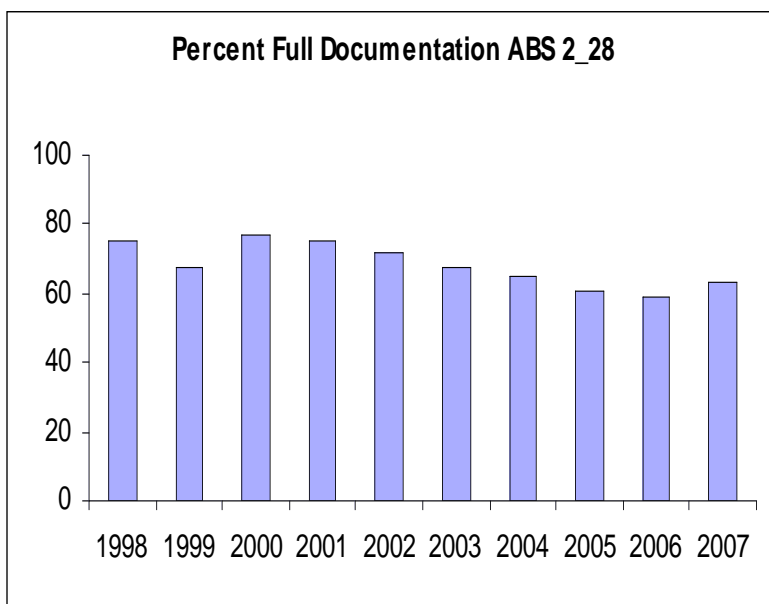
The National Picture: Cumulative Defaults



Source: Federal Reserve Board calculations using Loan Performance data



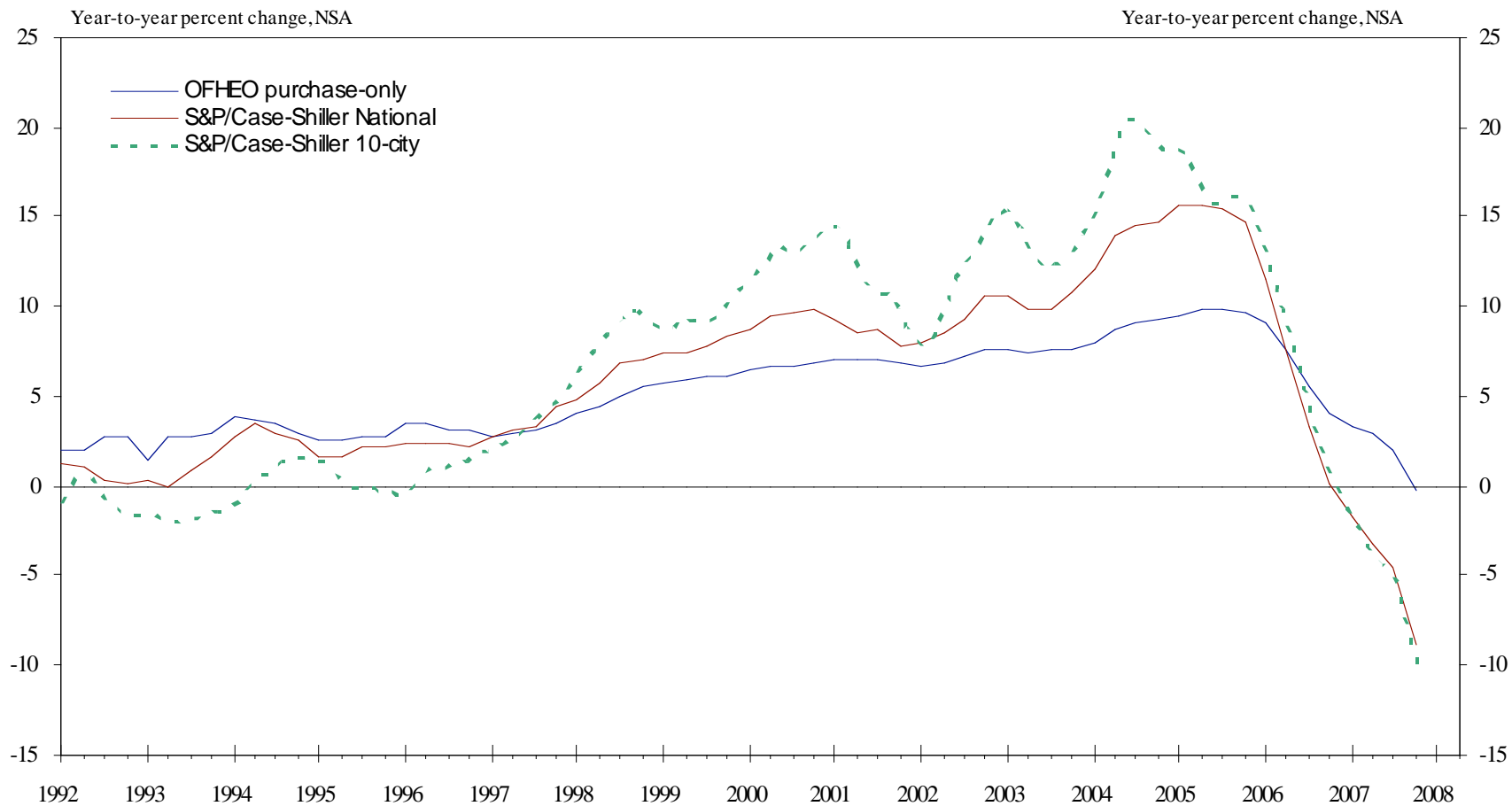
Factor #1: Underwriting



Note: Fixed rate subprimes had better underwriting. (Not shown.)
Important because it means that ARMs not inherently riskier.



Factor #2: House Prices



Source: S&P/Case-Shiller, OFHEO, Haver Analytics



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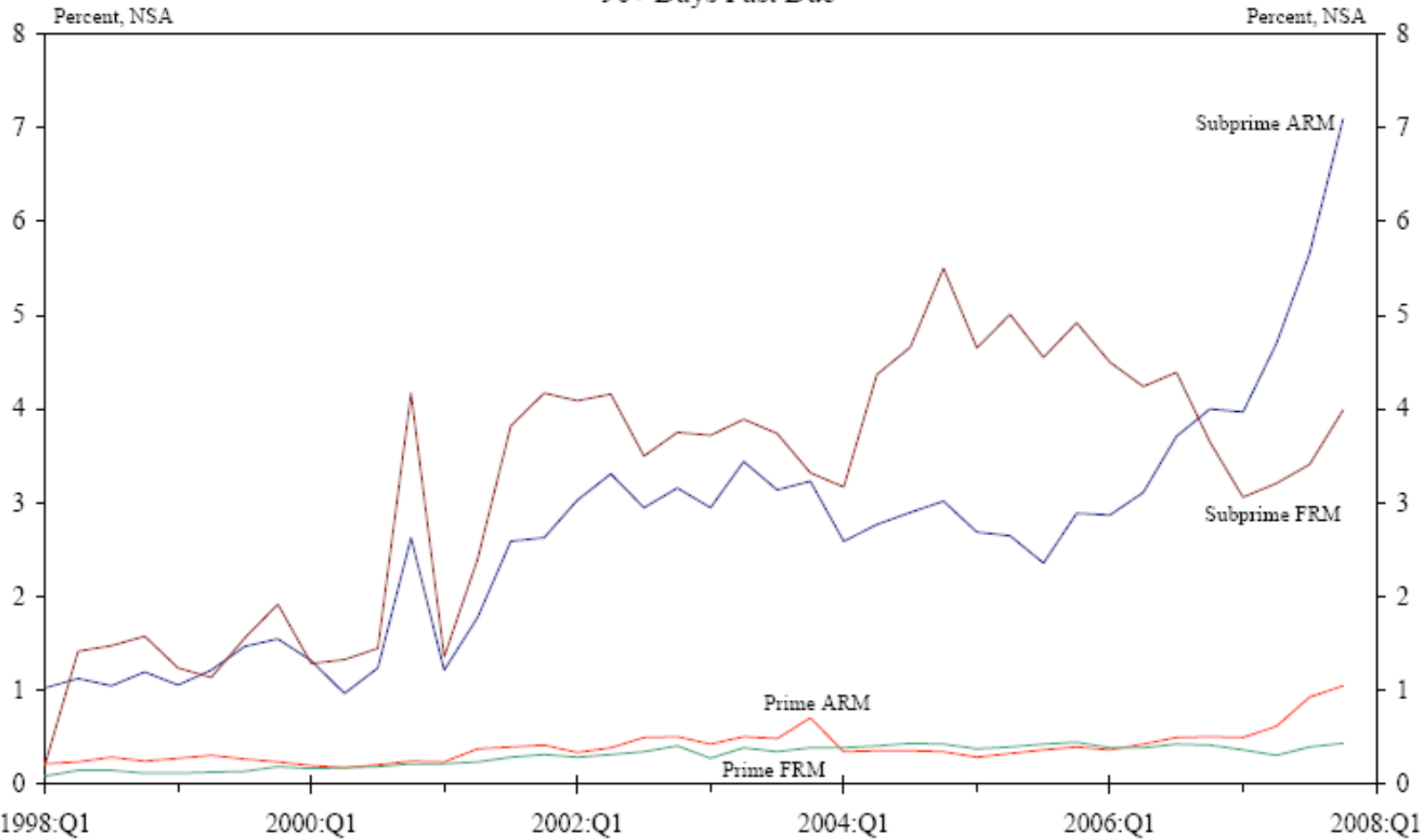
Fifth District Subprime Summary

	% of Owner Occupied Houses that have Subprime loans	% in Foreclosure or REO
Washington, DC	6.09	10.67
Maryland	6.08	8.55
North Carolina	3.34	7.43
South Carolina	3.75	11.08
Virginia	4.08	8.72
West Virginia	1.72	7.43
National	5.59	13.07



North Carolina Delinquencies

North Carolina Mortgage Delinquency Rates
90+ Days Past Due

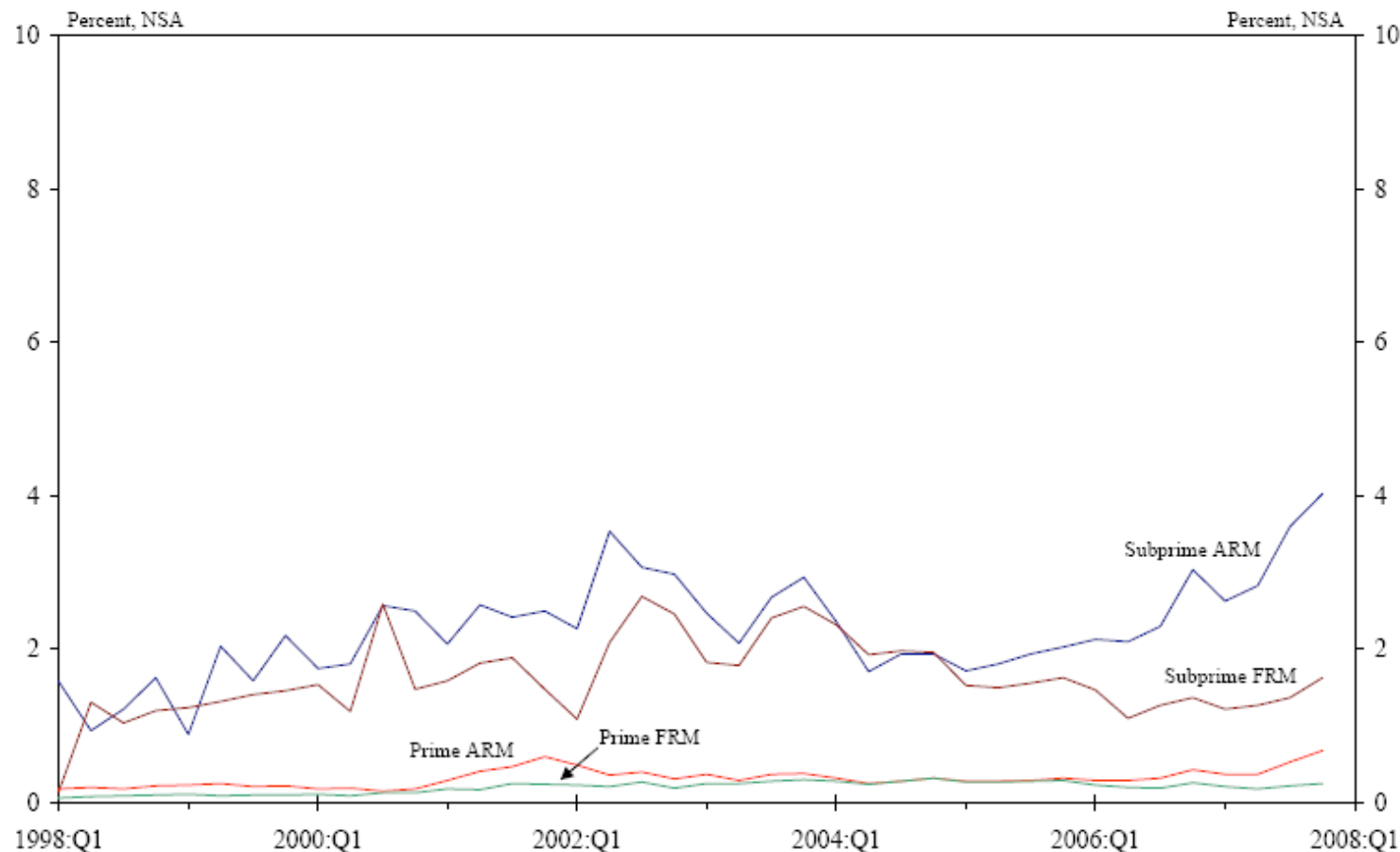


Source: Mortgage Bankers Association/Haver Analytics



North Carolina Foreclosures

North Carolina Mortgage Foreclosures Started



Source: Mortgage Bankers Association/Haver Analytics

Note: Mortgage Foreclosures Started refers to the percentage rate of loans for which a foreclosure has been initiated during the quarter, that is, the number of loans sent to the foreclosure process as a percentage of the total number of mortgages in the pool.

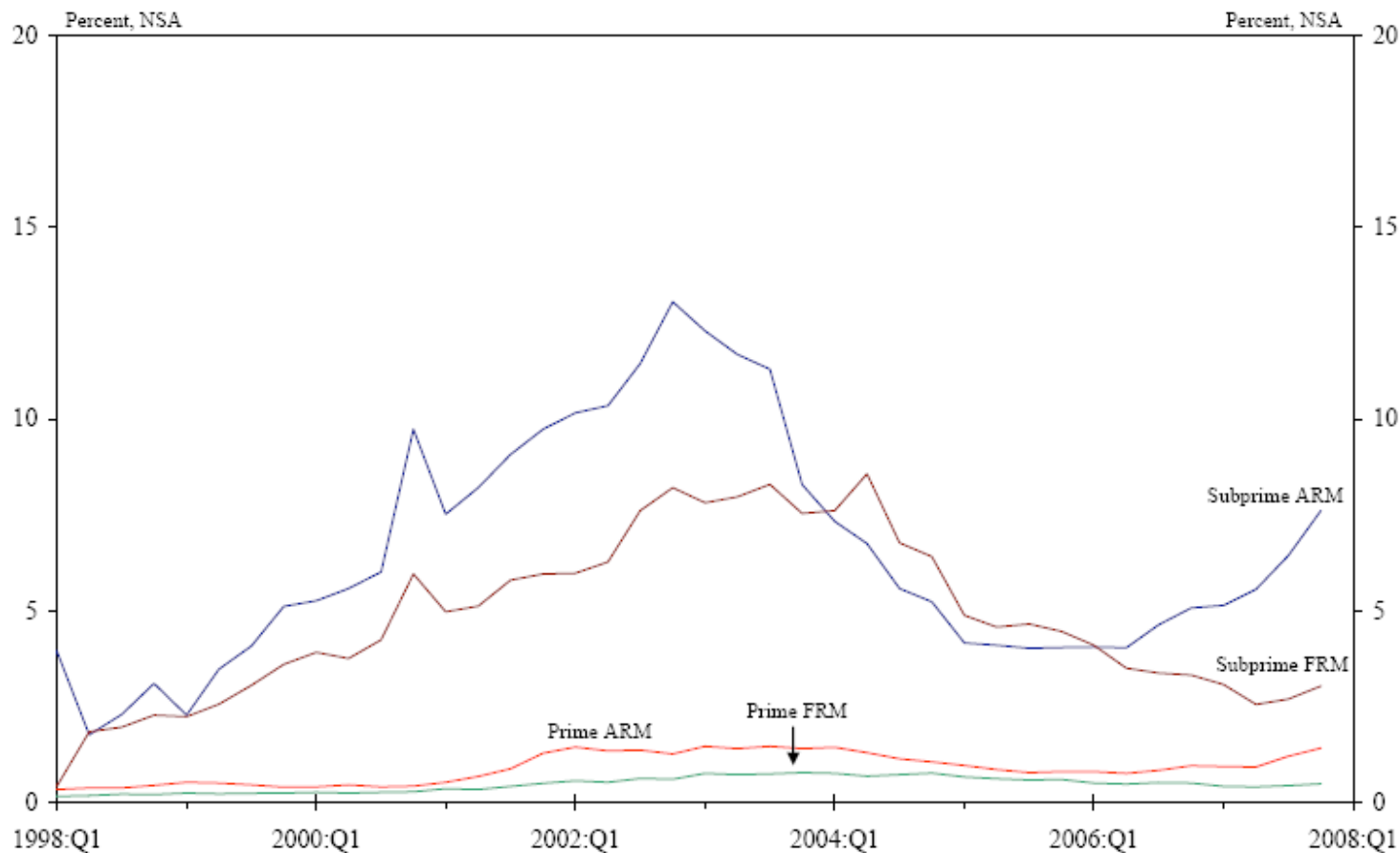


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North Carolina Foreclosures

North Carolina Mortgage Foreclosure Inventory



Source: Mortgage Bankers Association/Haver Analytics

Note: Mortgage Foreclosure Inventory refers to the total number of loans in the legal process of foreclosure as a percentage of the total number of mortgages in the pool during a quarter. The number of loans in the process of foreclosure during a quarter means that some foreclosures may have started in other quarters but have yet to be resolved.



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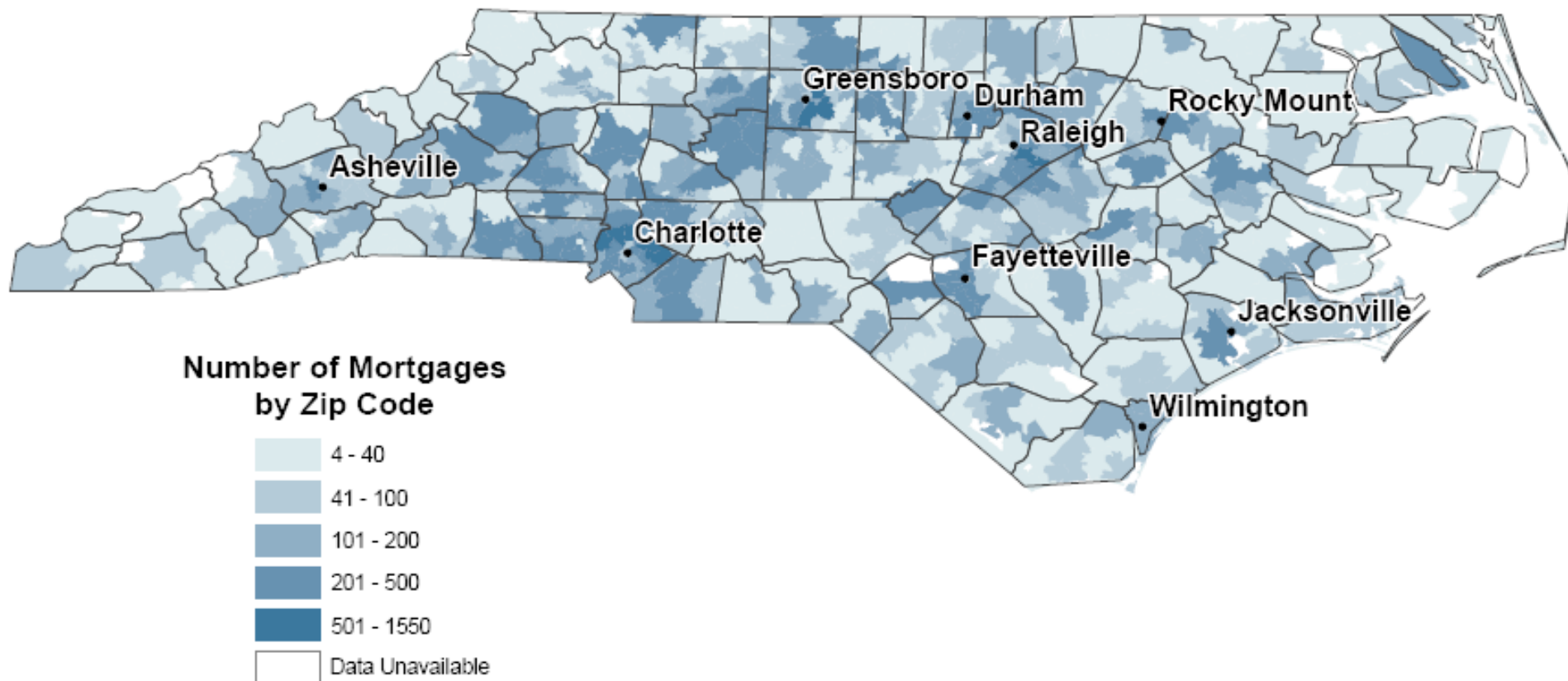
Subprime Mortgages by MSA

Federal Reserve Bank of Richmond
 North Carolina Subprime Loan Statistics
 Metropolitan Statistical Areas

Geographic Area	Number of Owner-Occupied Subprime Loans	Total Number of Owner-Occupied Households*	Percent of Owner-Occupied Households with Subprime Loans	Percent of Subprime Loans in Foreclosure or REO	Percent of Subprime Loans with Payment Past Due (Days)	
					60-89	90+
Asheville	3,397	128,708	2.64	5.26	4.50	6.52
Burlington	1,649	43,793	3.76	9.71	6.15	10.31
Charlotte-Gastonia-Concord	20,440	441,973	4.62	9.01	5.82	8.76
Durham	3,731	118,426	3.15	8.50	5.63	11.18
Fayetteville	4,080	76,098	5.36	4.97	4.90	8.09
Goldsboro	857	29,592	2.90	8.33	5.17	9.33
Greensboro-High Point	7,844	197,077	3.98	7.79	6.25	9.32
Greenville	1,314	42,251	3.11	7.61	4.78	11.41
Hickory-Lenoir-Morganton	3,620	107,778	3.36	8.29	6.08	7.26
Jacksonville	886	31,691	2.79	4.68	5.16	3.55
Raleigh-Cary	8,380	265,813	3.15	6.48	5.46	8.03
Rocky Mount	1,667	39,585	4.21	8.14	6.08	12.68
Virginia Beach-Norfolk-Newport News	23,180	402,810	5.75	4.92	5.83	7.80
Wilmington	2,707	101,093	2.68	4.70	5.44	6.39
Winston-Salem	5,069	142,089	3.57	7.47	5.52	9.27
North Carolina	84,367	2,524,048	3.34	7.43	5.75	8.68
National	4,289,541	76,780,548	5.59	13.07	5.47	8.16

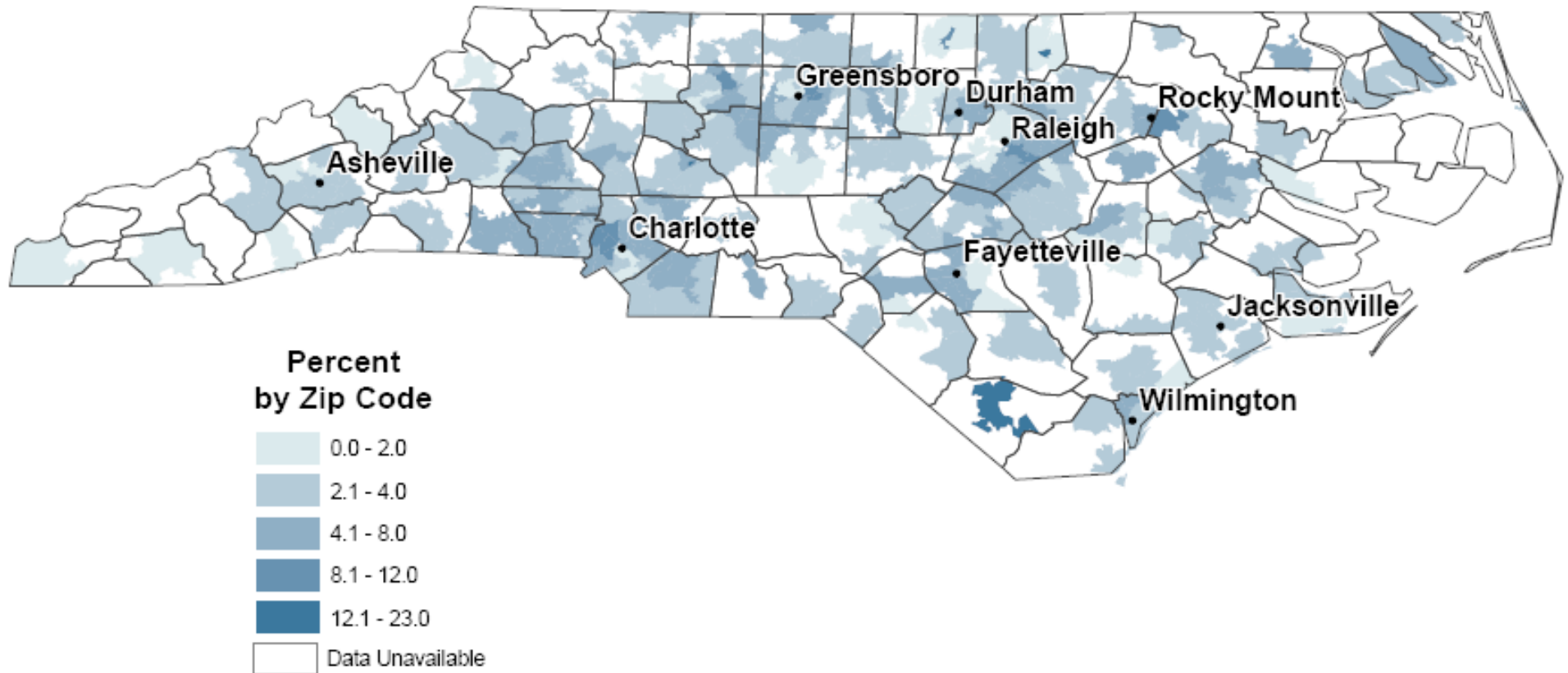


North Carolina: Number of Subprime Mortgages



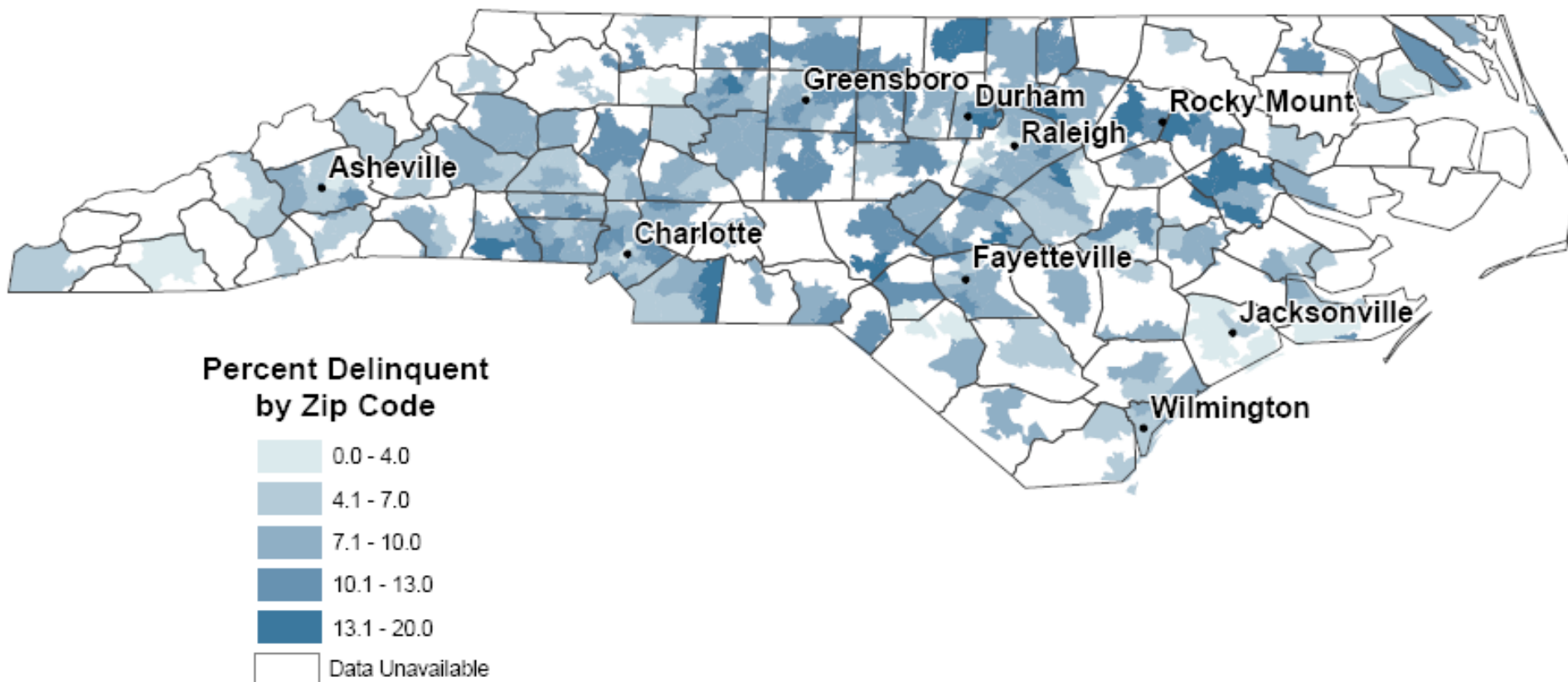


North Carolina: Percentage of Owner-Occupied Homes with Subprime Mortgages



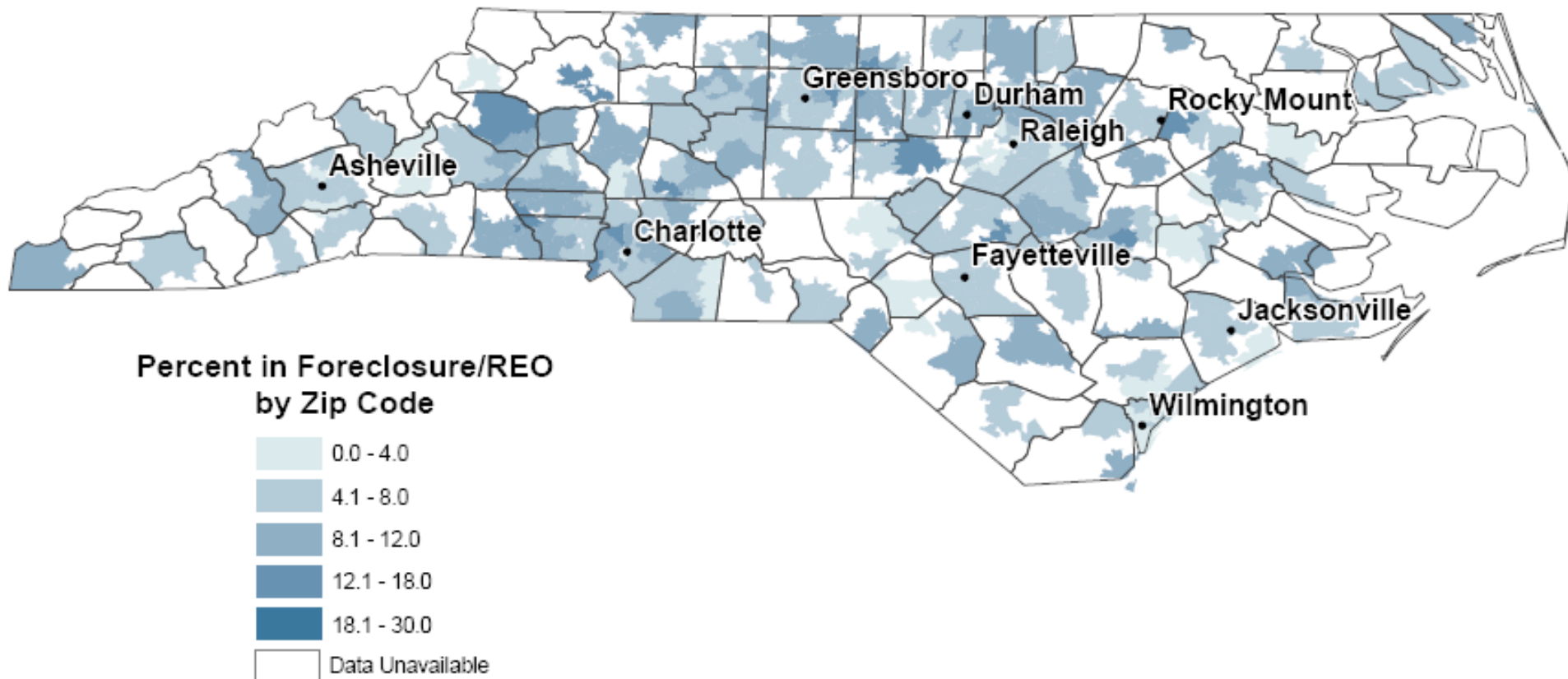


North Carolina: % of Owner-Occupied Homes with Subprime Mortgages 90+ days Delinquent





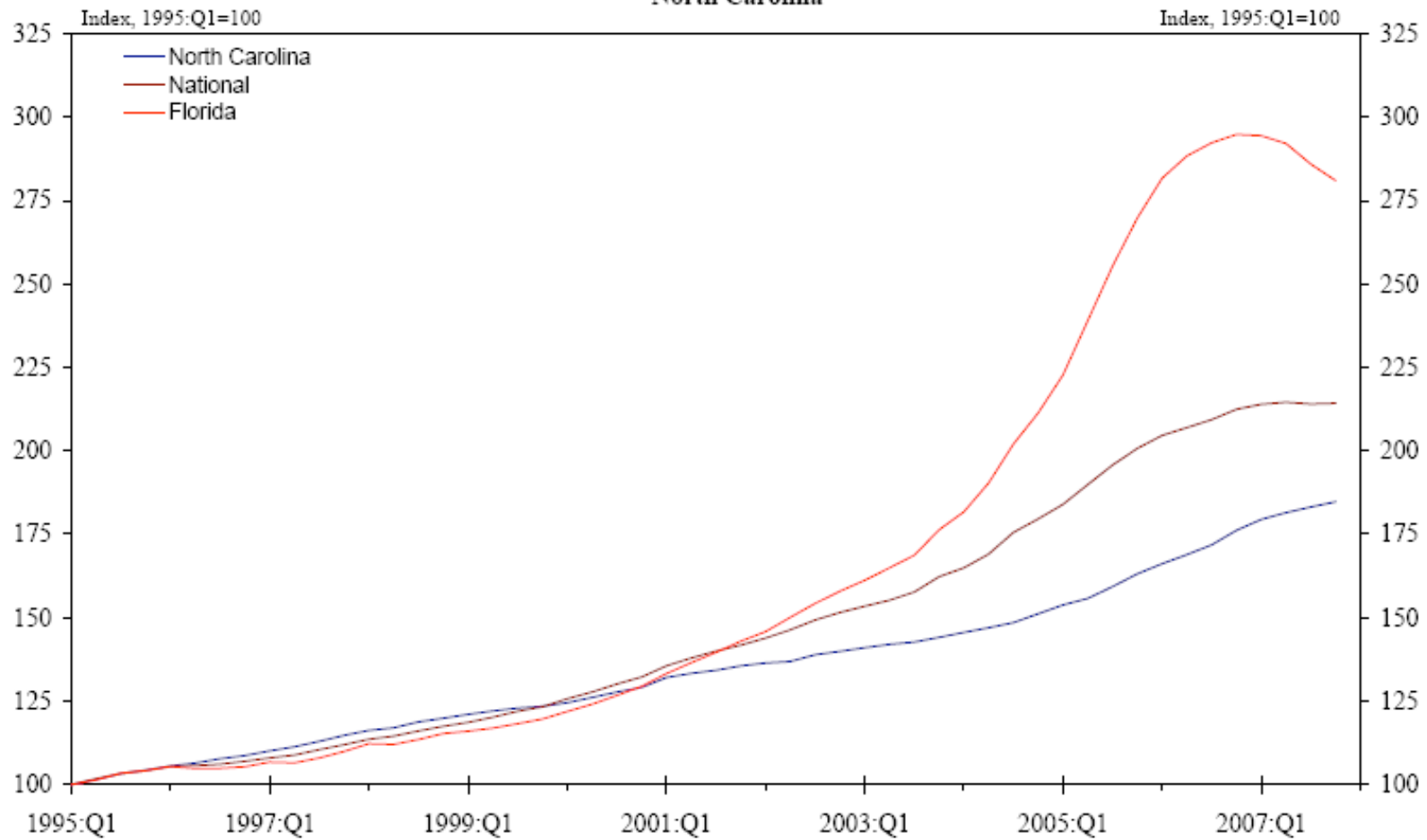
North Carolina: % of Owner-Occupied Homes with Subprime Mortgages in Foreclosure or REO





North Carolina House Price Growth

OFHEO House Price Index
North Carolina



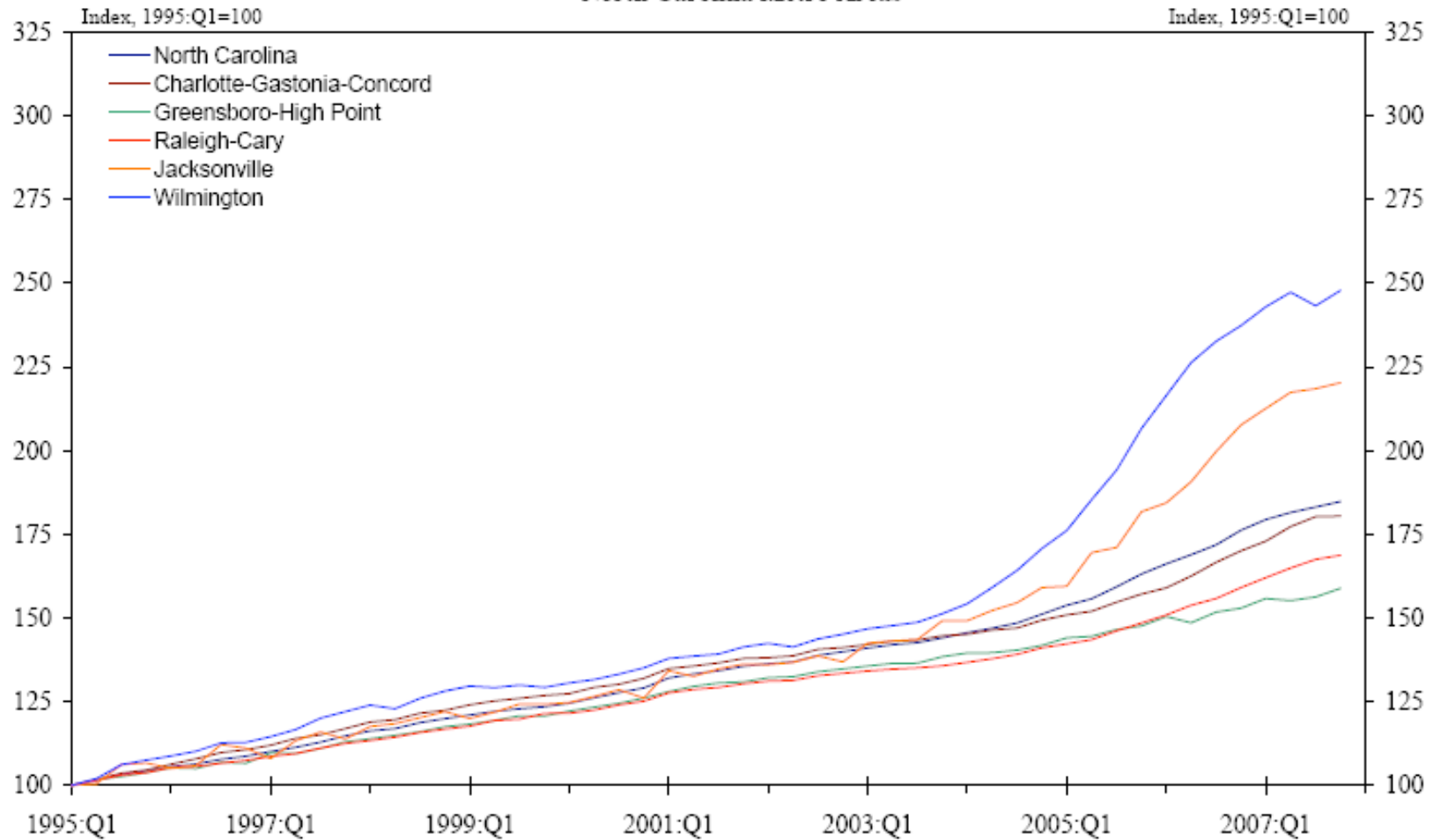
Source: OFHEO/Haver Analytics

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North Carolina House Price Growth

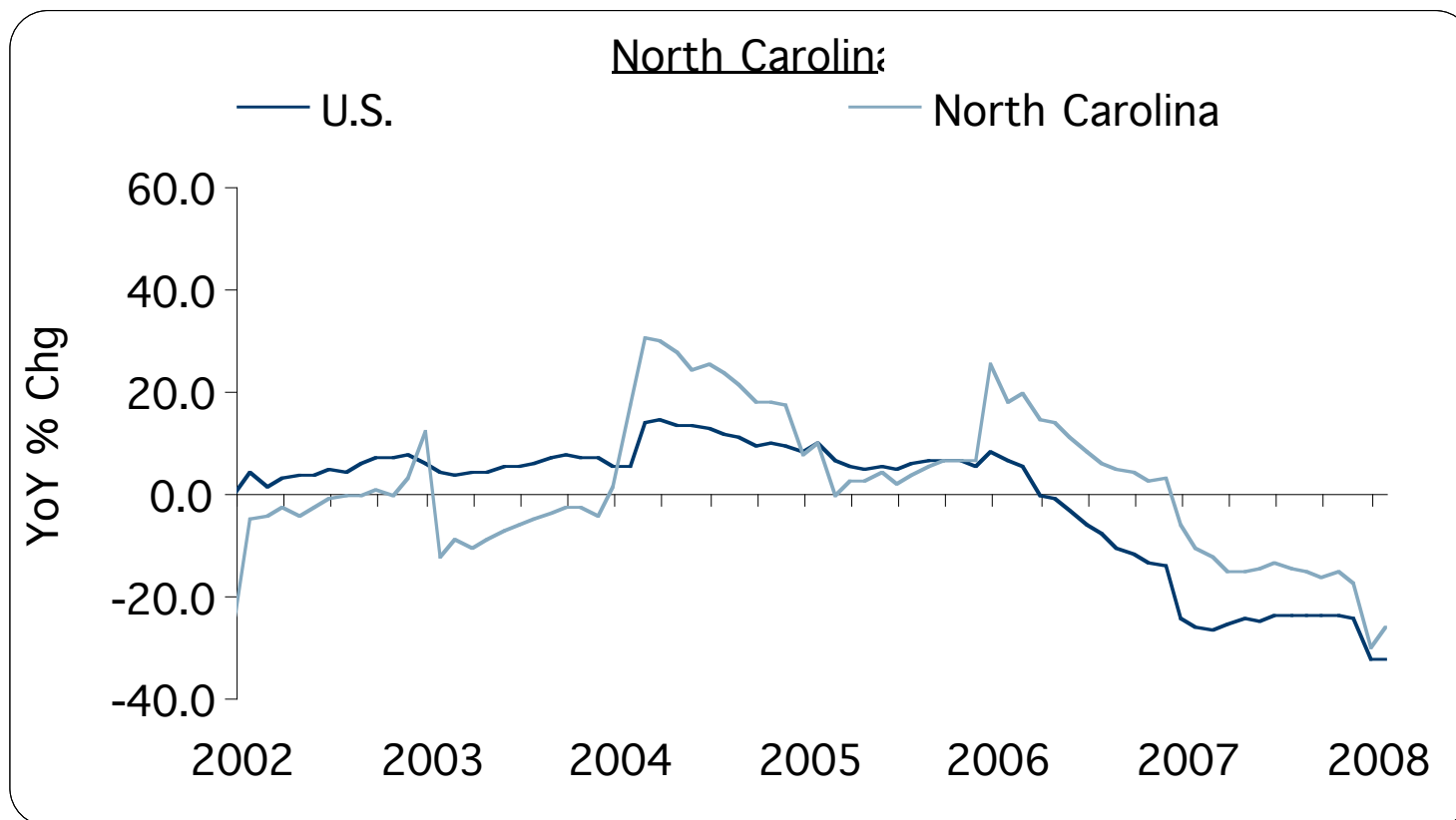
OFHEO House Price Index North Carolina Metro Areas



Source: OFHEO/Haver Analytics
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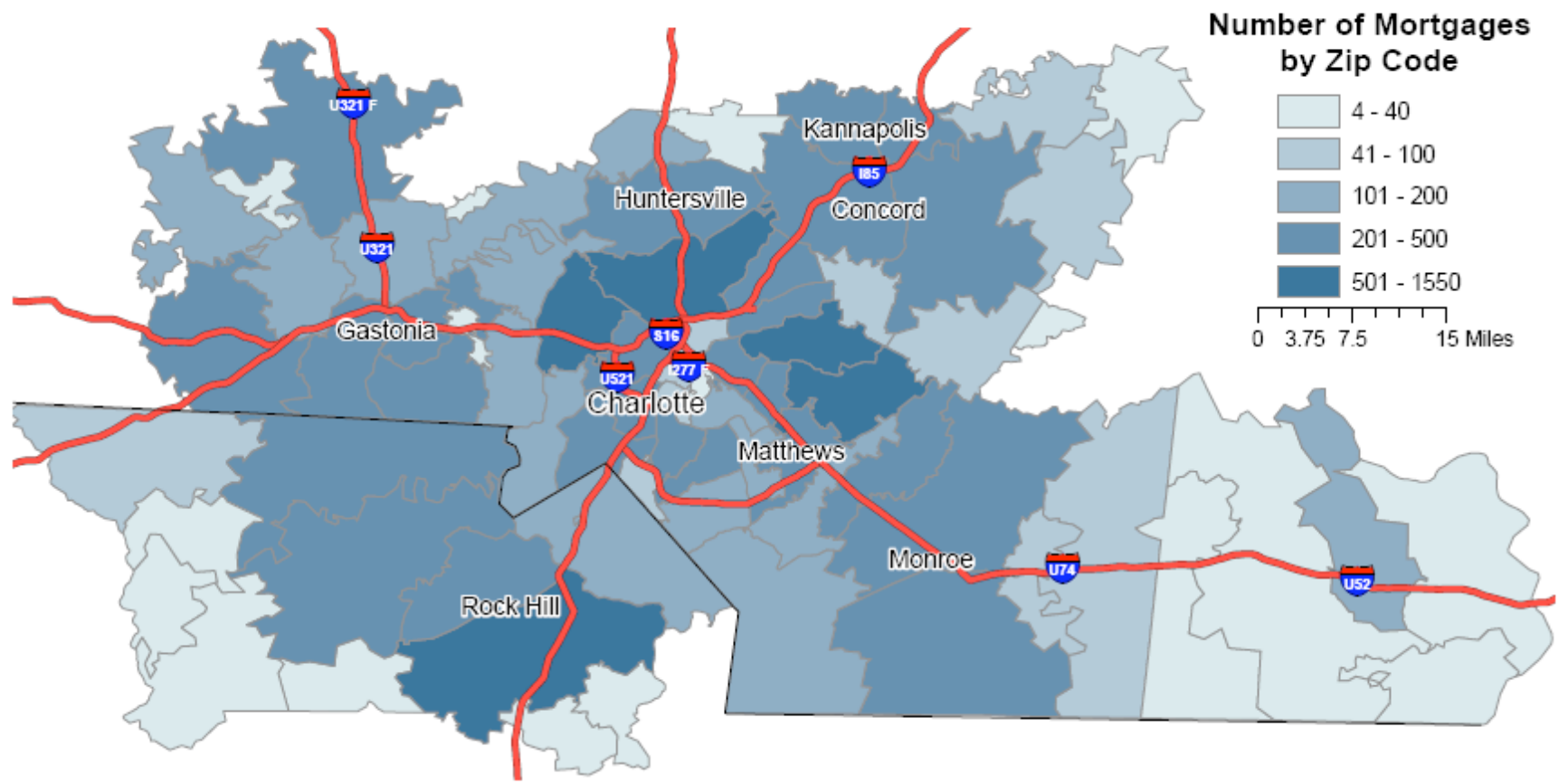


North Carolina: Residential Permits



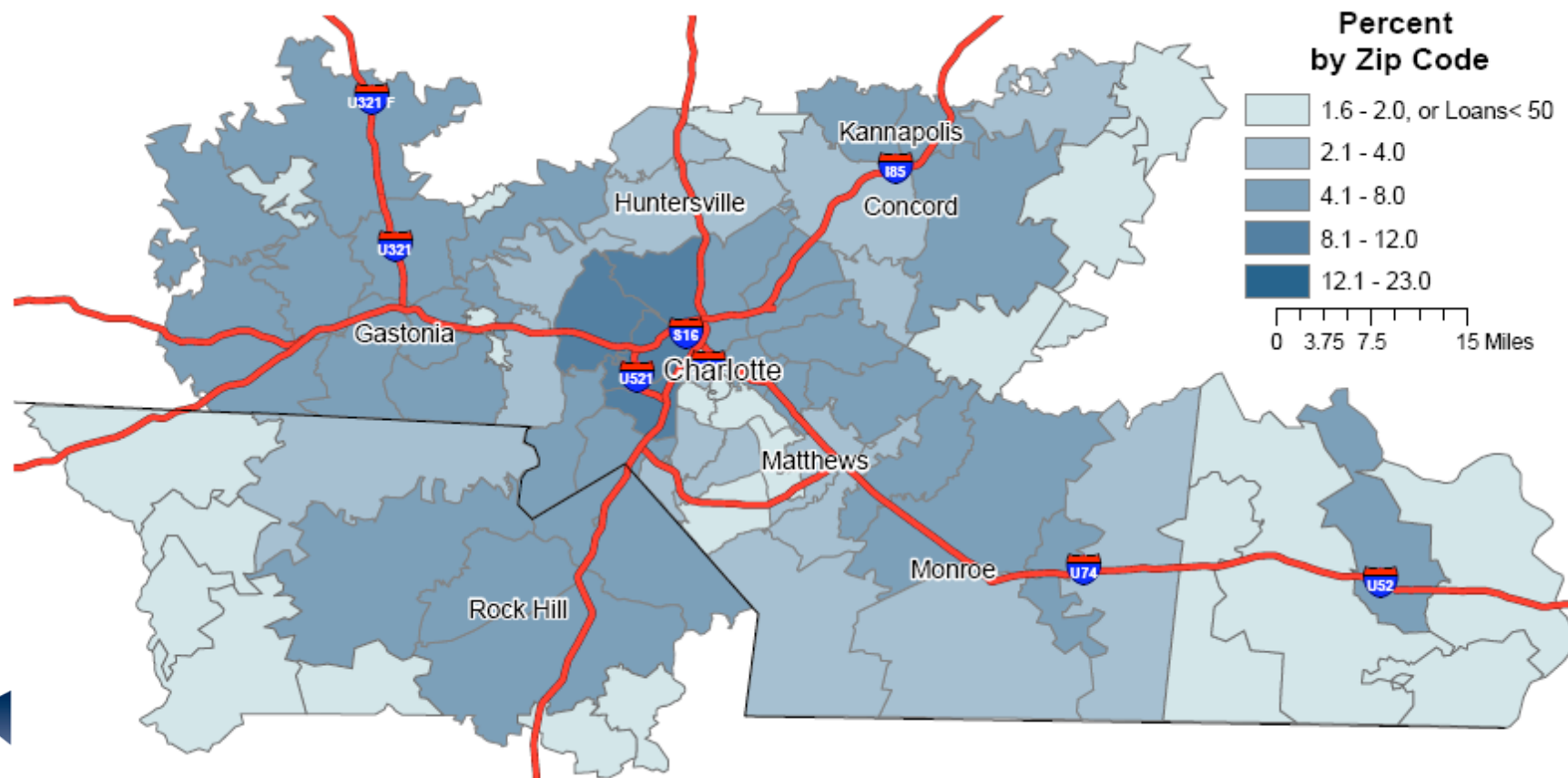


Charlotte MSA: Number of Owner-Occupied Homes with Subprime Mortgages



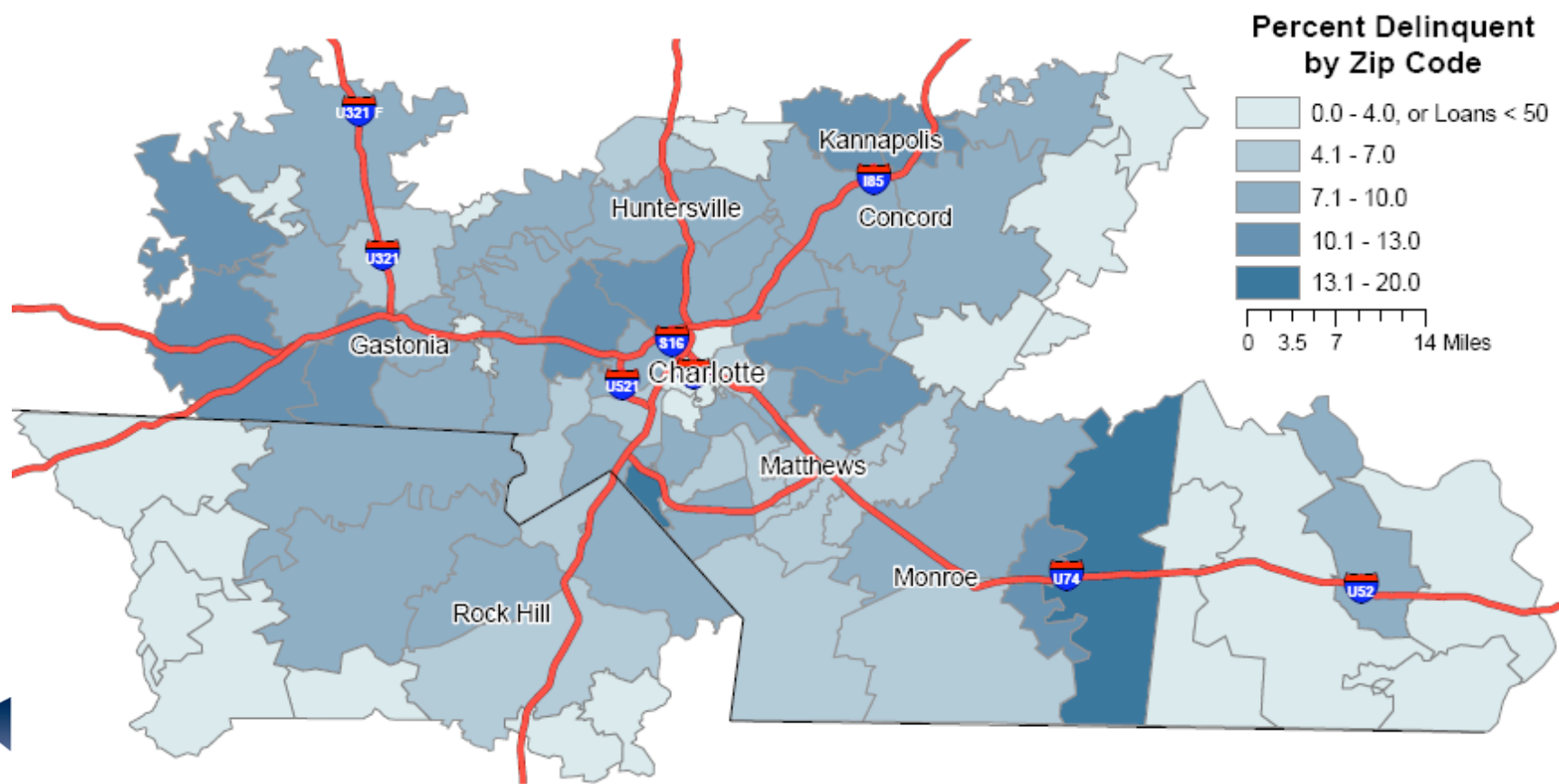


Charlotte MSA: Percentage of Owner-Occupied Homes with Subprime Mortgages



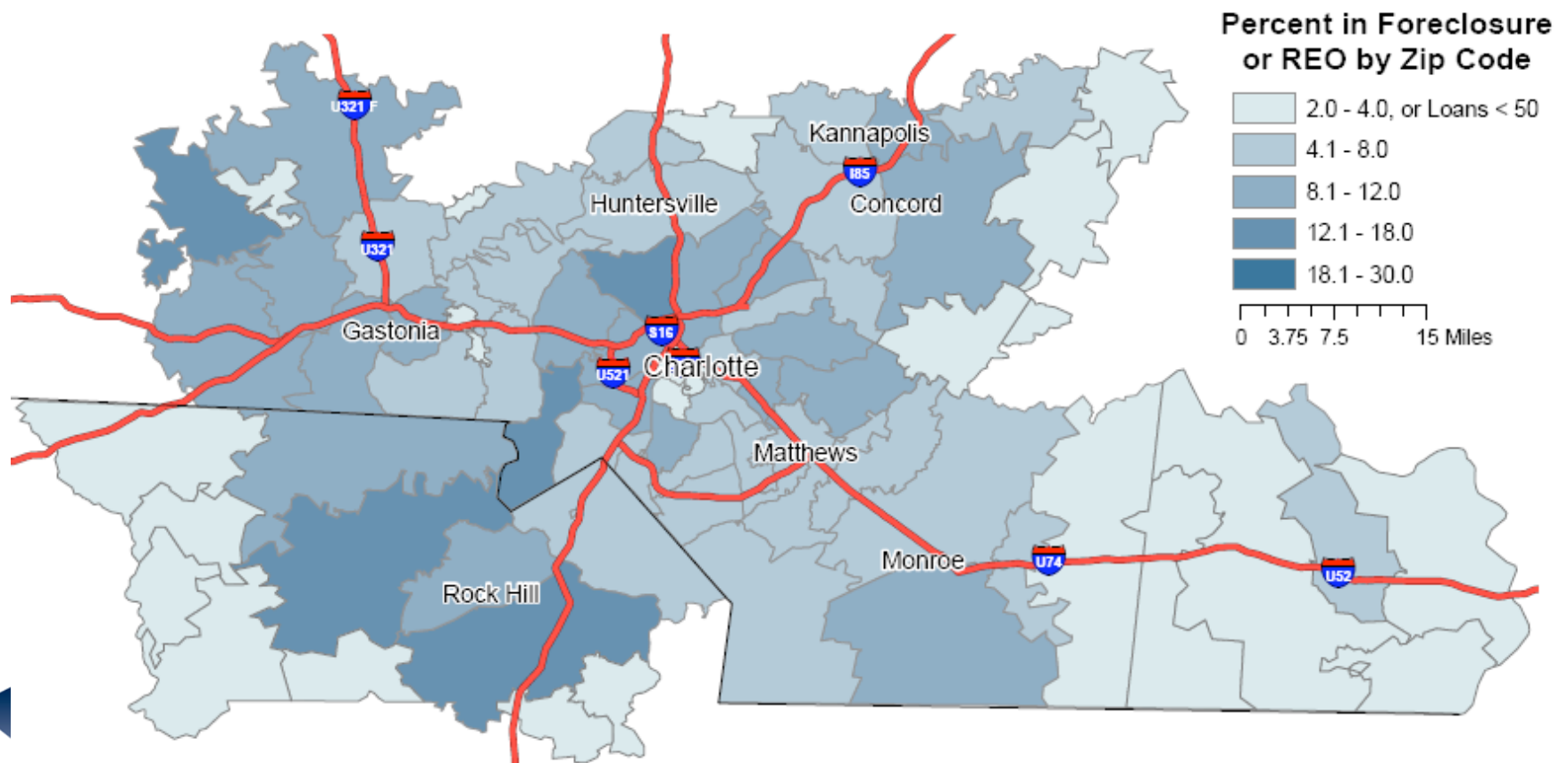


Charlotte MSA: Percentage of Owner-Occupied Homes with Subprime Mortgages more than 90 Days Delinquent





Charlotte MSA: Percentage of Owner-Occupied Homes with Subprime Mortgages in Foreclosure or REO

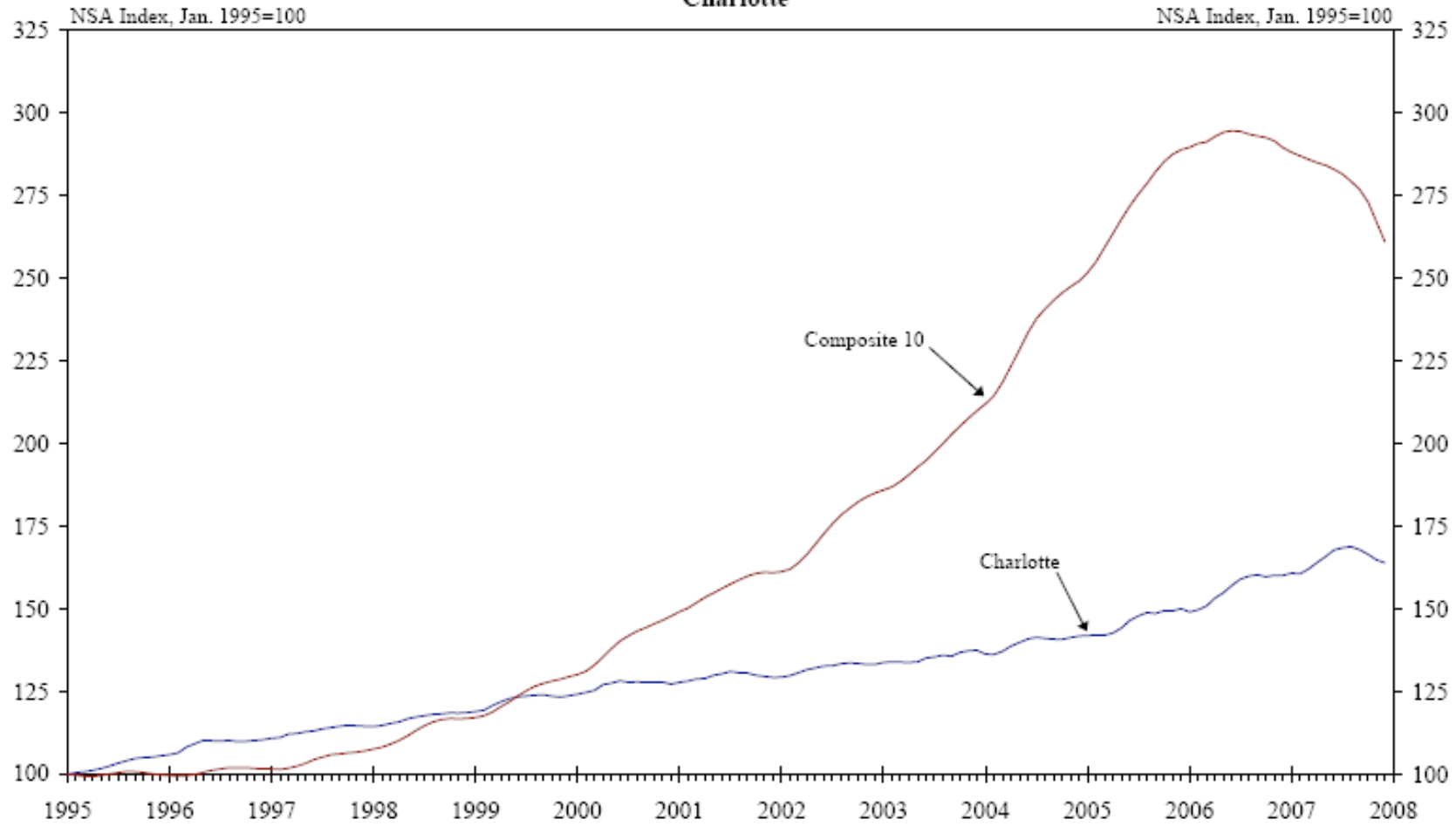




Charlotte House Price Growth

S&P/Case-Shiller Home Price Index

Charlotte



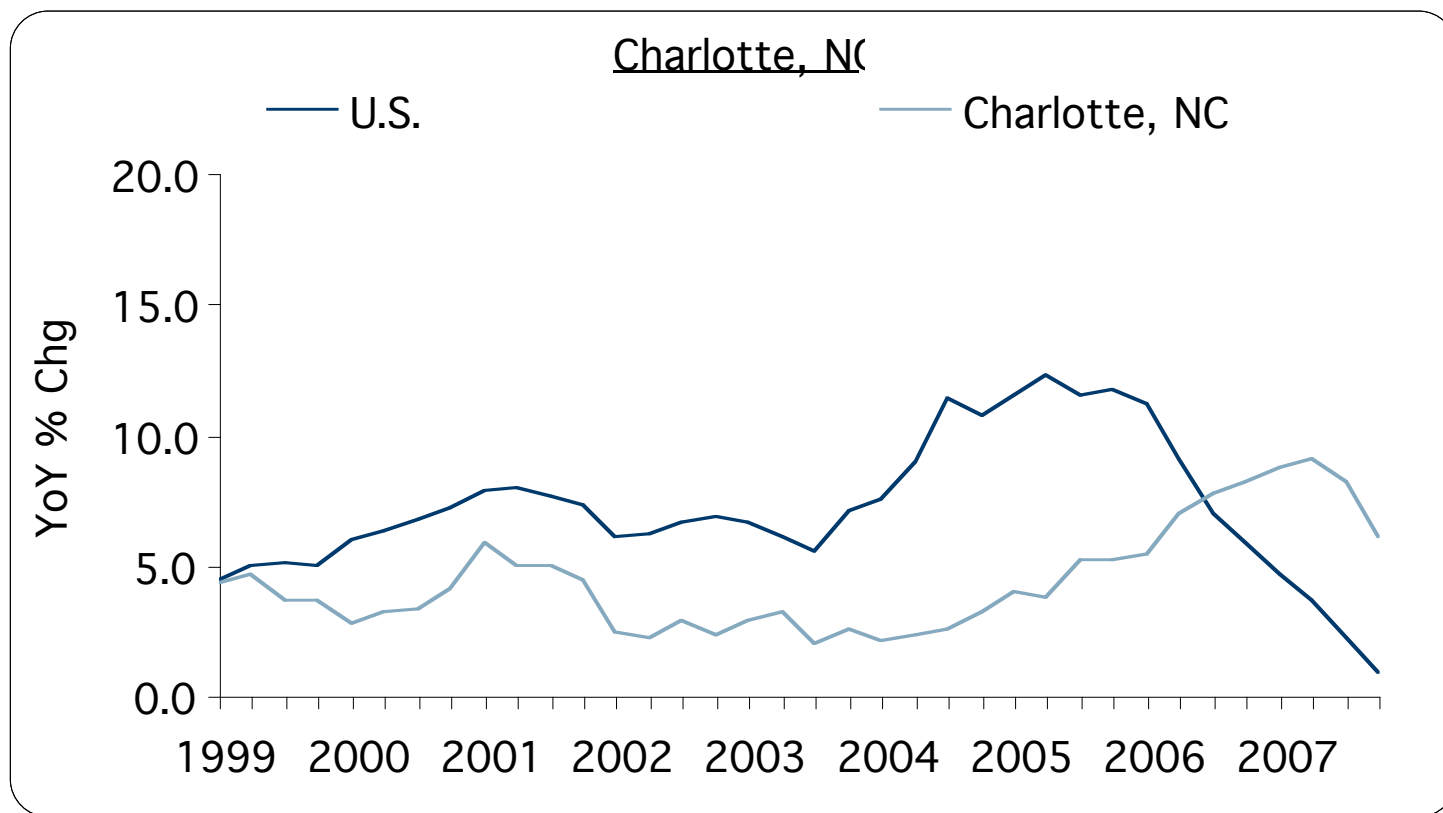
Source: S&P/Case-Shiller/Haver Analytics



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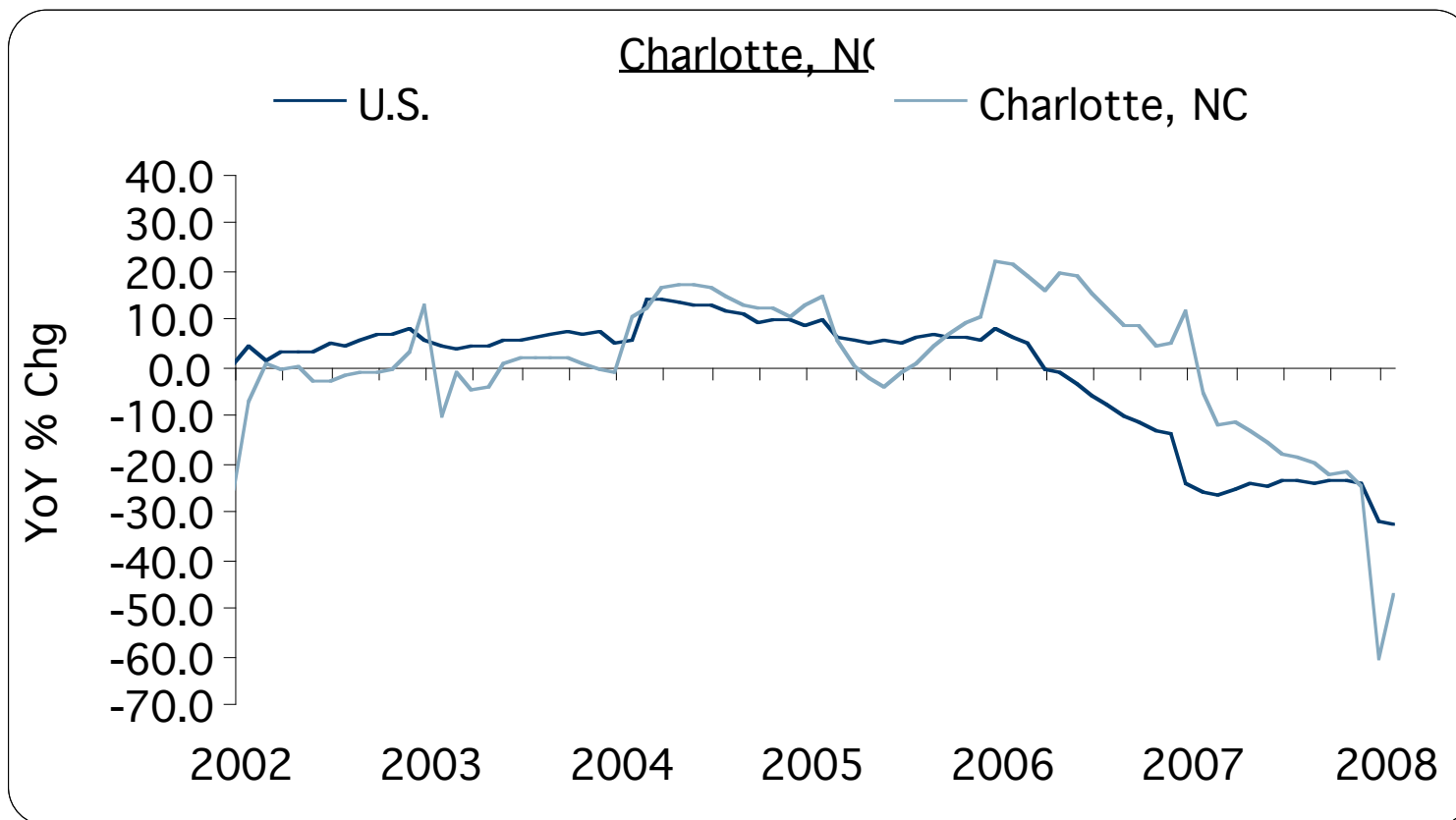


Charlotte House Price Growth



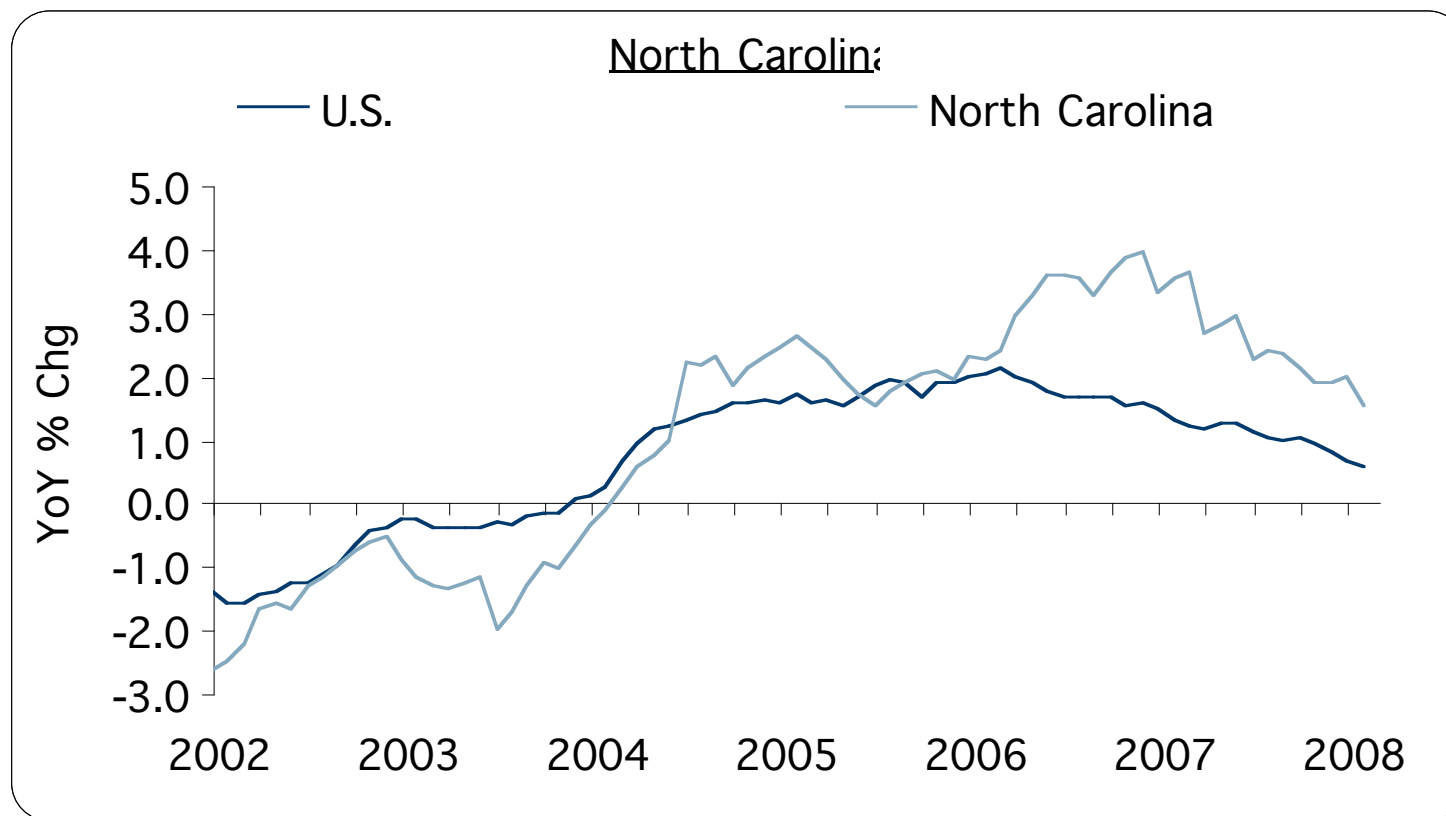


Charlotte Residential Permits



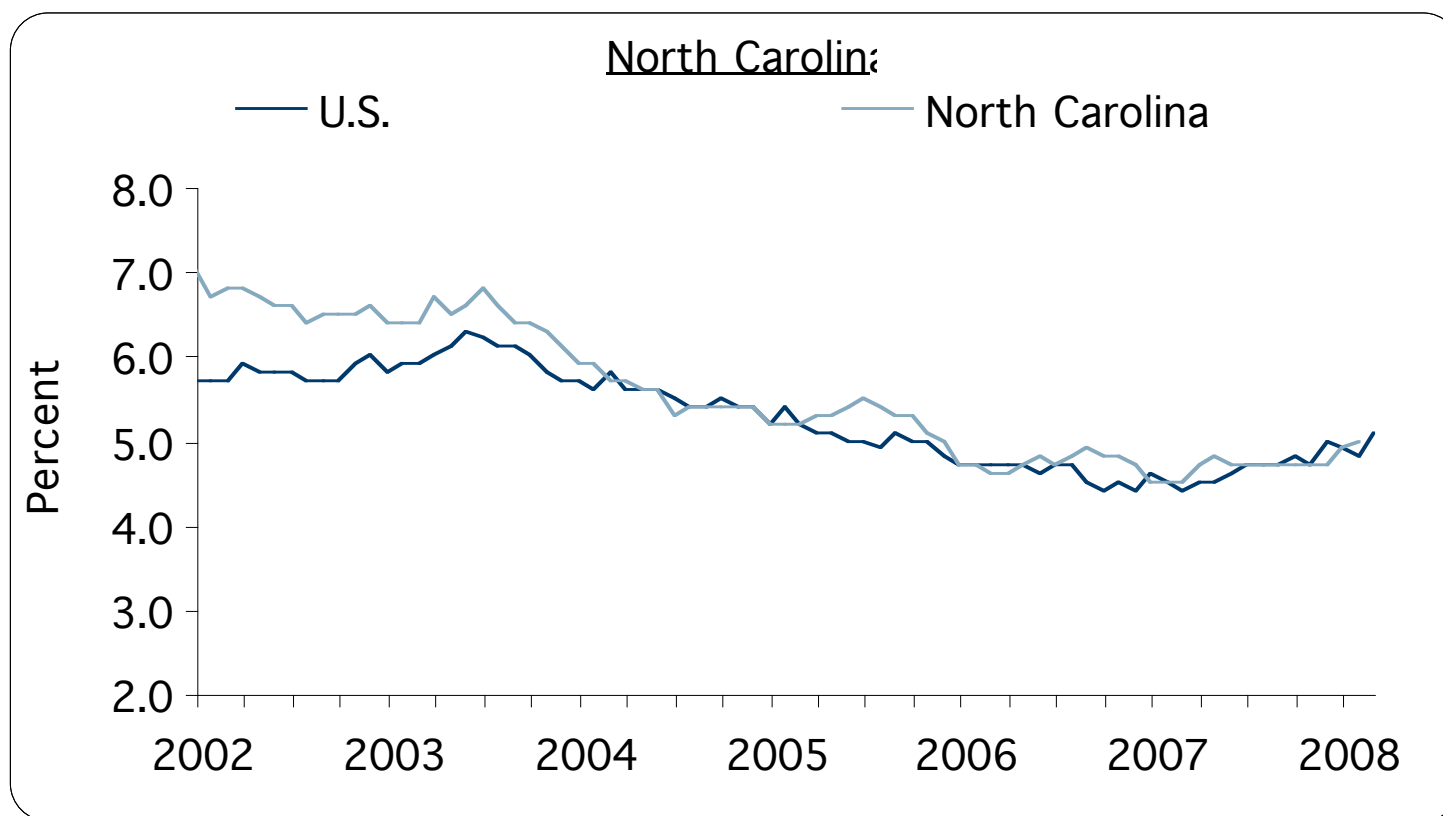


North Carolina Payroll Employment Growth





North Carolina Unemployment Rate



Addendum: Alt-A Trends



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Fifth District Alt-A Summary

	% of Owner Occupied Houses that have Alt-A loans	% in Foreclosure or REO
Washington, DC	5.50	2.32
Maryland	3.07	2.83
North Carolina	0.95	1.75
South Carolina	0.97	2.82
Virginia	2.45	4.84
West Virginia	0.33	2.62
National	2.37	4.20



Alt-A Mortgages by MSA

Metropolitan Statistical Areas

Geographic Area	Number of Owner-Occupied Alt-A Loans	Total Number of Owner-Occupied Households*	Percent of Owner-Occupied Households with Alt-A Loans	Percent of Alt-A Loans in Foreclosure or REO	Percent of Alt-A Loans with Payment Past Due (Days)	
					60-89	90+
Asheville	1,606	128,708	1.25	1.51	1.64	0.98
Burlington	393	43,793	0.90	1.88	2.14	2.14
Charlotte-Gastonia-Concord	6,224	441,973	1.41	2.06	1.54	1.47
Durham	1,158	118,426	0.98	1.64	1.55	1.91
Fayetteville	559	76,098	0.73	1.51	1.51	1.69
Goldsboro	116	29,592	0.39	0.00	1.82	0.91
Greensboro-High Point	1,956	197,077	0.99	1.72	1.67	1.56
Greenville	395	42,251	0.93	2.40	1.60	1.33
Hickory-Lenoir-Morganton	681	107,778	0.63	1.85	1.70	1.85
Jacksonville	354	31,691	1.12	1.79	0.60	0.60
Raleigh-Cary	3,245	265,813	1.22	1.23	1.27	1.07
Rocky Mount	201	39,585	0.51	1.57	1.05	3.14
Virginia Beach-Norfolk-Newport News	9,481	402,810	2.35	1.45	1.50	1.61
Wilmington	1,299	101,093	1.28	2.27	0.89	1.38
Winston-Salem	1,178	142,089	0.83	2.86	1.25	2.06
North Carolina	23,877	2,524,048	0.95	1.75	1.52	1.54
National	1,817,646	76,780,548	2.37	4.20	1.98	2.34

Source: Alt-A loan information based on Federal Reserve Board estimates of data from First American LoanPerformance, December, 2007. (These numbers then adjusted to account for the data set's estimated 95% coverage of the market.)

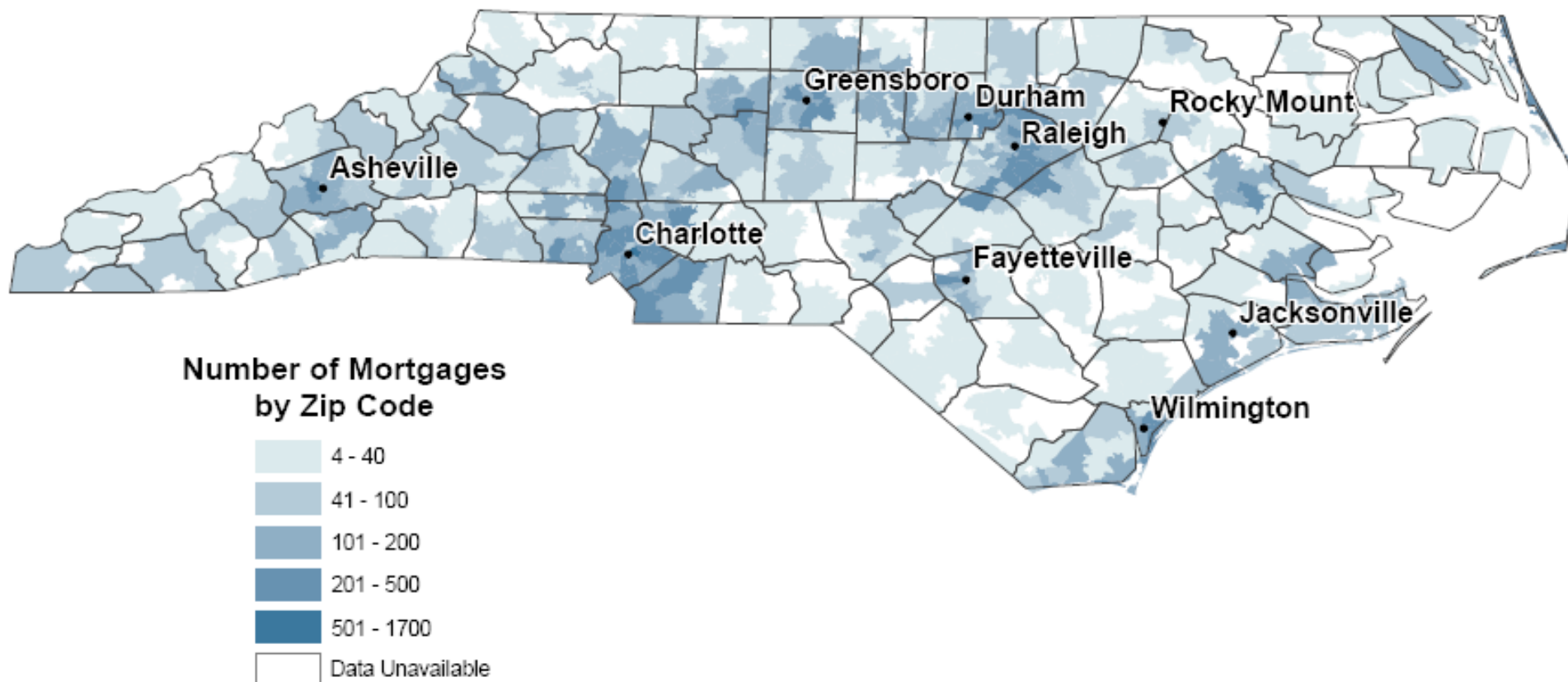
* 2007 estimate from Geolytics, Inc.

REO is Real Estate Owned by the Lender (after the foreclosure but before the house is sold).



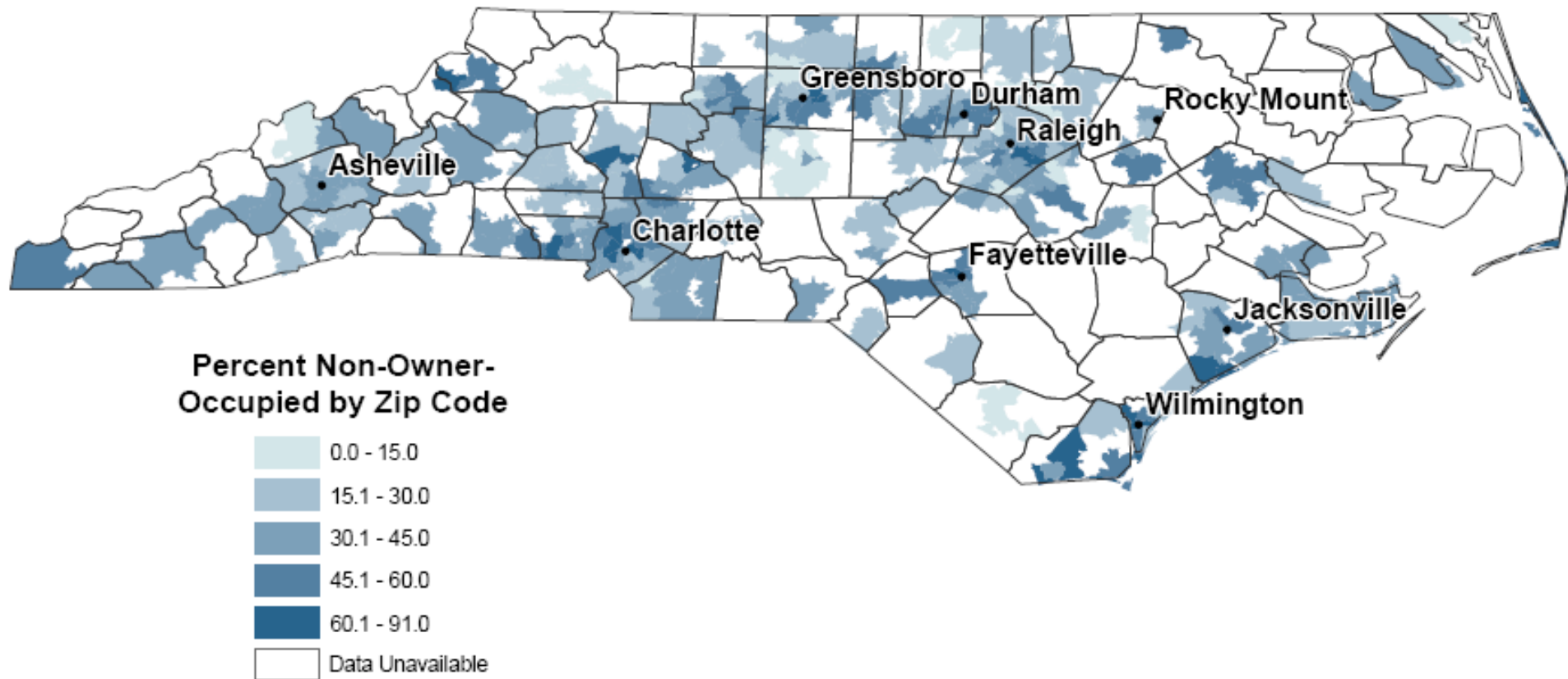


North Carolina: Number of Alt-A Mortgages



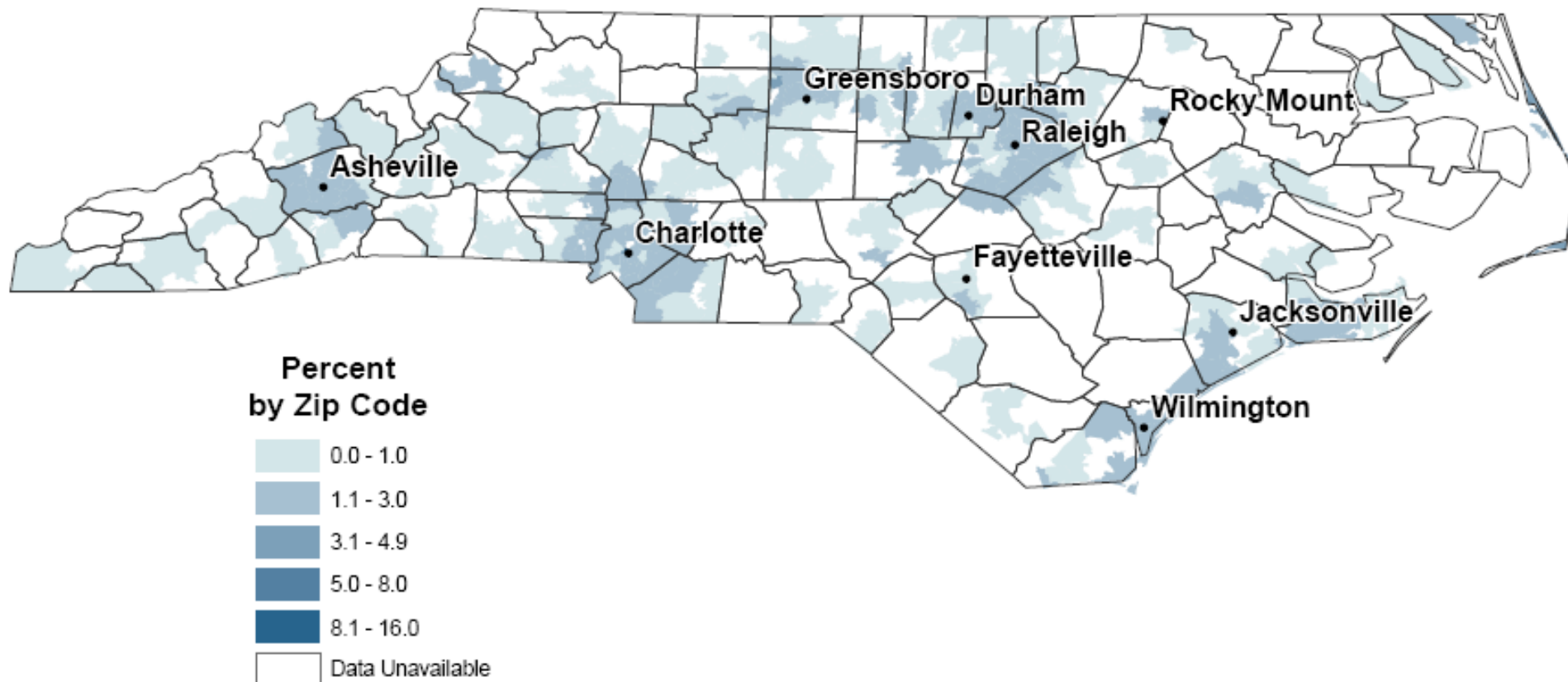


North Carolina: % of Alt-A Mortgages That Are Non-Owner Occupied



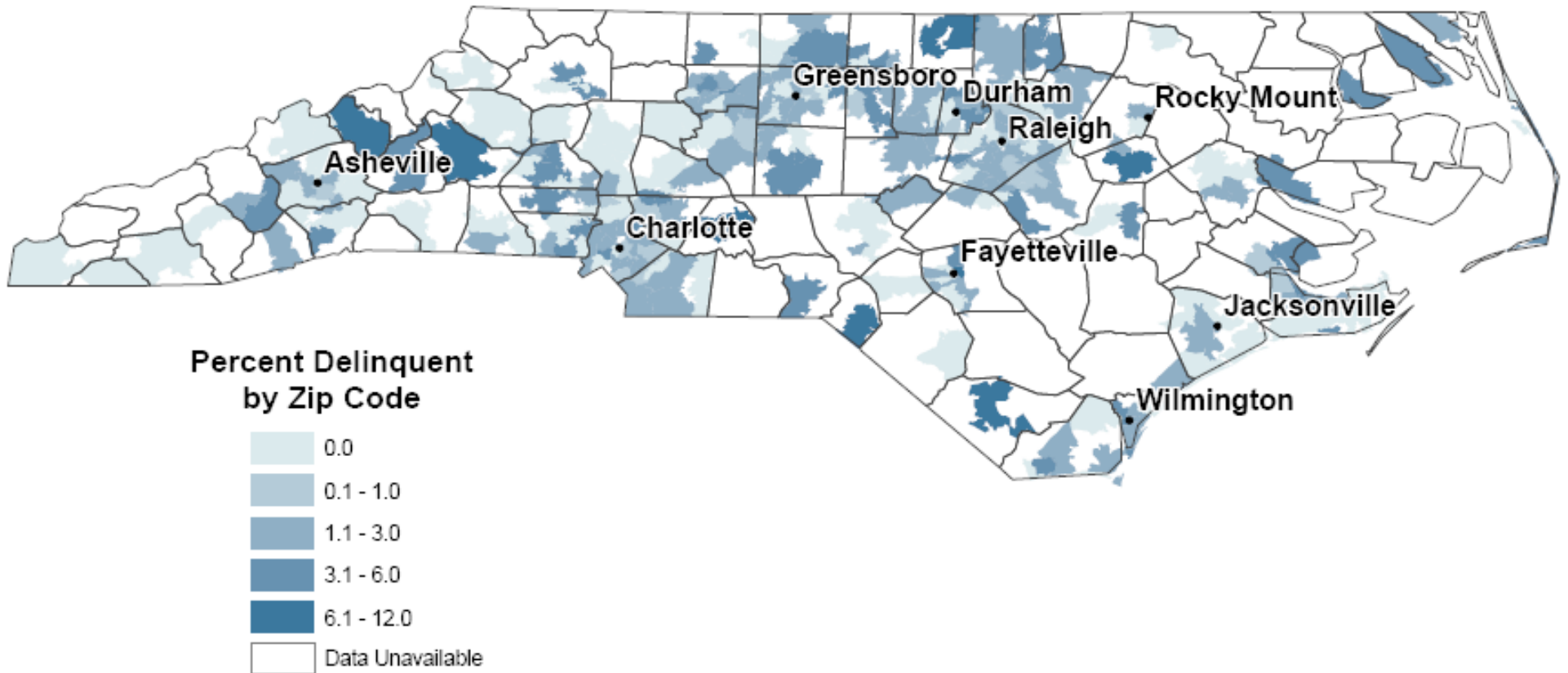


North Carolina: Percentage of Owner-Occupied Homes with Alt-A Mortgages



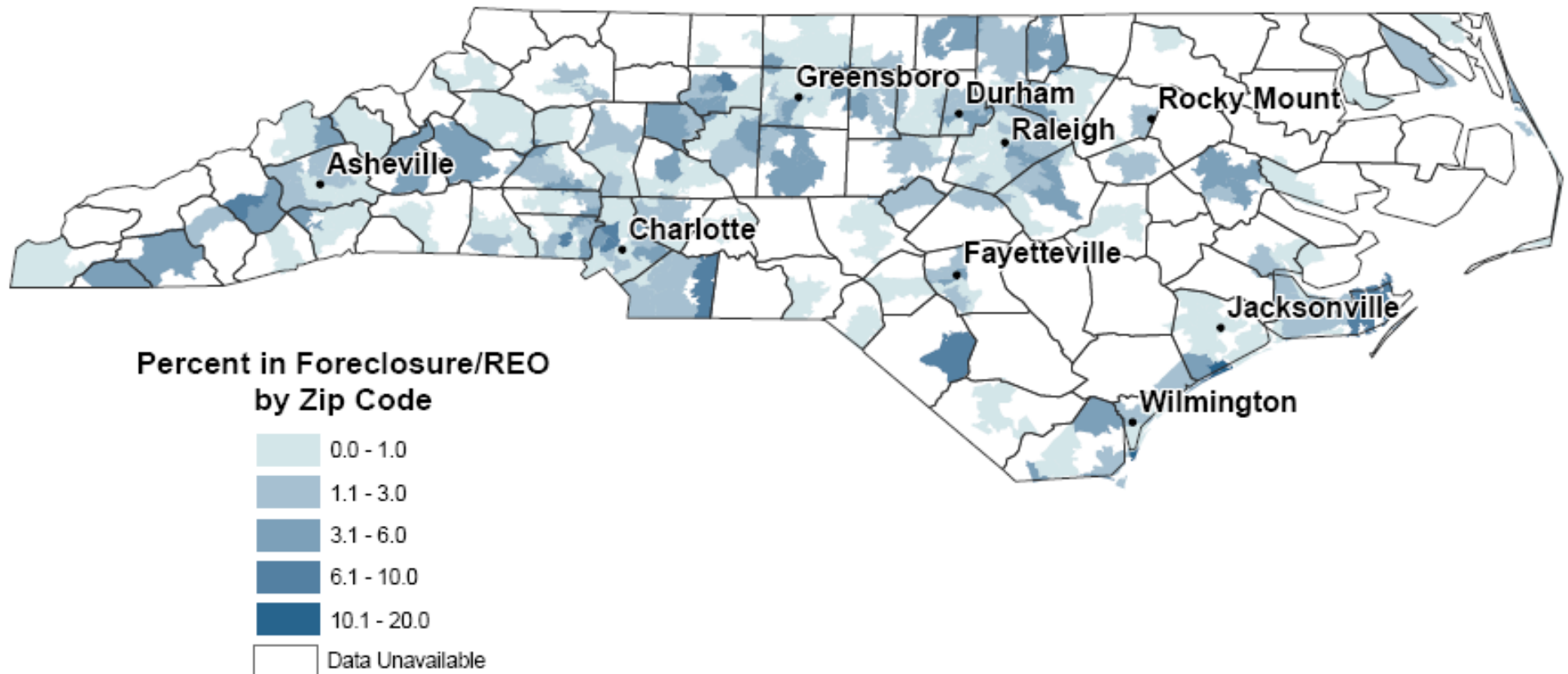


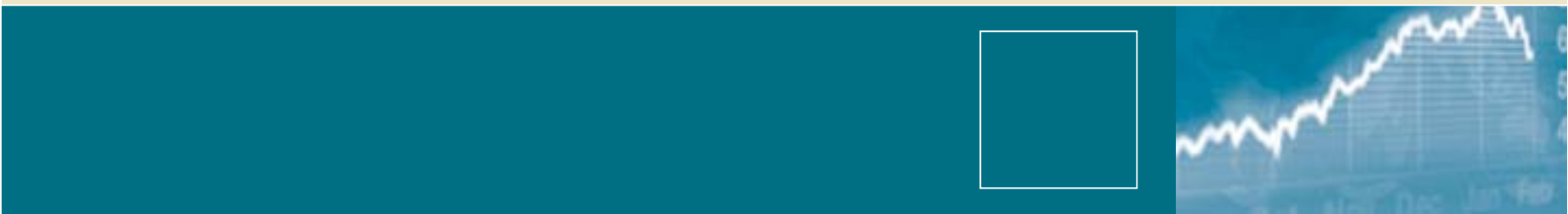
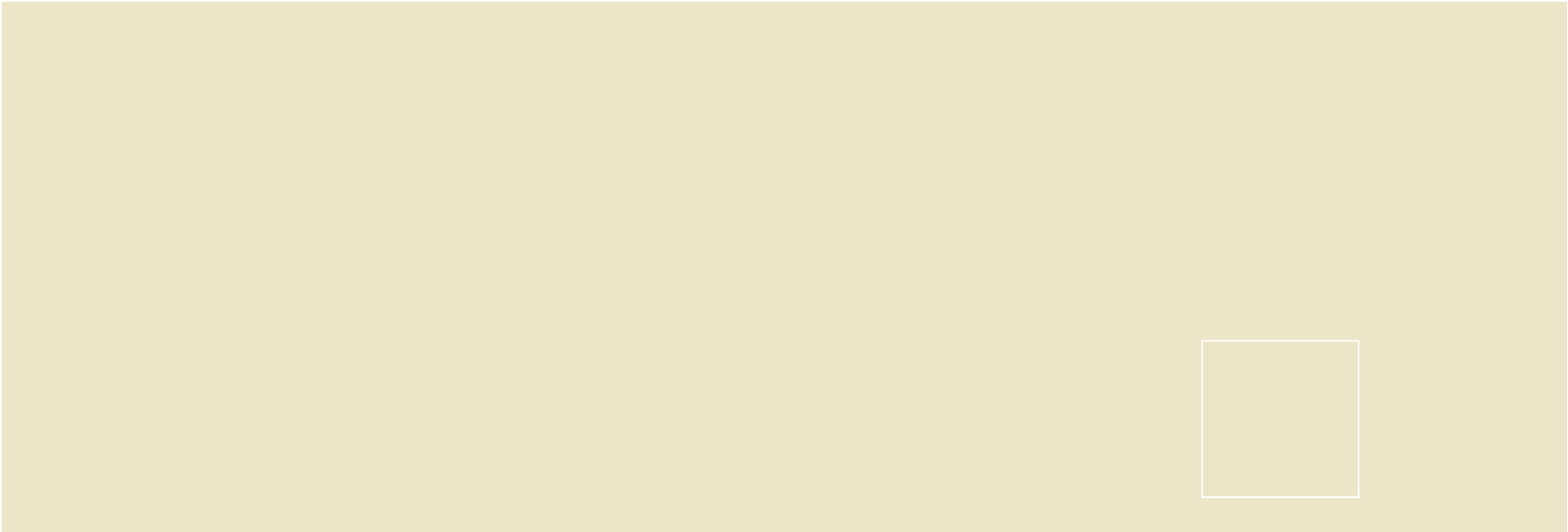
North Carolina: % of Owner-Occupied Homes with Alt-A Mortgages 90+ days Delinquent





North Carolina: % of Owner-Occupied Homes with Alt-A Mortgages in Foreclosure or REO





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