

Mortgage Performance Summary



THE FEDERAL RESERVE BANK OF RICHMOND

RICHMOND ■ BALTIMORE ■ CHARLOTTE

**An Update on Housing Market and Mortgage Performance in Maryland and the District of
Columbia
3rd Quarter, 2009
Summary of Findings**

This report analyzes the size, composition, and performance of prime and subprime home mortgages in Maryland and the District of Columbia. It also provides information on trends in the region's housing market and charts with metropolitan and county level data.

Highlights:

- Mortgage delinquencies and foreclosures continue to increase in Maryland and the District of Columbia, although mortgages in both areas are generally performing better than the national average.
- From September 2008 to September 2009, the 90+ day prime delinquency rate in Maryland rose from 1.5 percent to 3.6 percent. Over the same period, the prime foreclosure rate more than doubled from 0.9 percent to 1.9 percent. (Table 7)
- From September 2008 to September 2009, the share of prime mortgages in D.C. with payments more than 90 days past due increased from 1.1 percent to 2.5 percent. Over the same period, the prime foreclosure rate rose from 0.6 percent to 1.3 percent. (Table 11)
- The share of subprime mortgages with payments more than 90 days past due in Maryland reached 23.4 percent in September 2009, up from 13.4 percent in September 2008. The subprime foreclosure rate in Maryland increased to 11.4 percent in September 2009 compared to 8.0 percent recorded one year earlier. (Table 8)
- The 90+ day subprime delinquency rate in D.C. reached 18.4 percent in September 2009, up from 10.3 percent in September 2008. The subprime foreclosure rate in D.C. climbed to 8.7 percent in September 2009, rising from 6.0 percent one year earlier. (Table 13)
- Maryland ranks 20th in the nation in its share of subprime mortgages. Subprime mortgages account for 10.1 percent of all mortgages in the state, compared to 10.6 percent in the nation. (Table 4)
- The District of Columbia ranks 42nd in the nation in its share of subprime mortgages, which account for 7.5 percent of all mortgages in the jurisdiction. (Table 4)
- Research indicates that declining house prices are the most important factor in mortgage delinquencies and foreclosures. Since July 2007, Maryland house prices have fallen 15.4 percent and D.C. house prices have fallen 10.0 percent. This decline has coincided with the largest delinquency and foreclosure rates in both Maryland and D.C. history.

Further Analysis and Looking Forward:

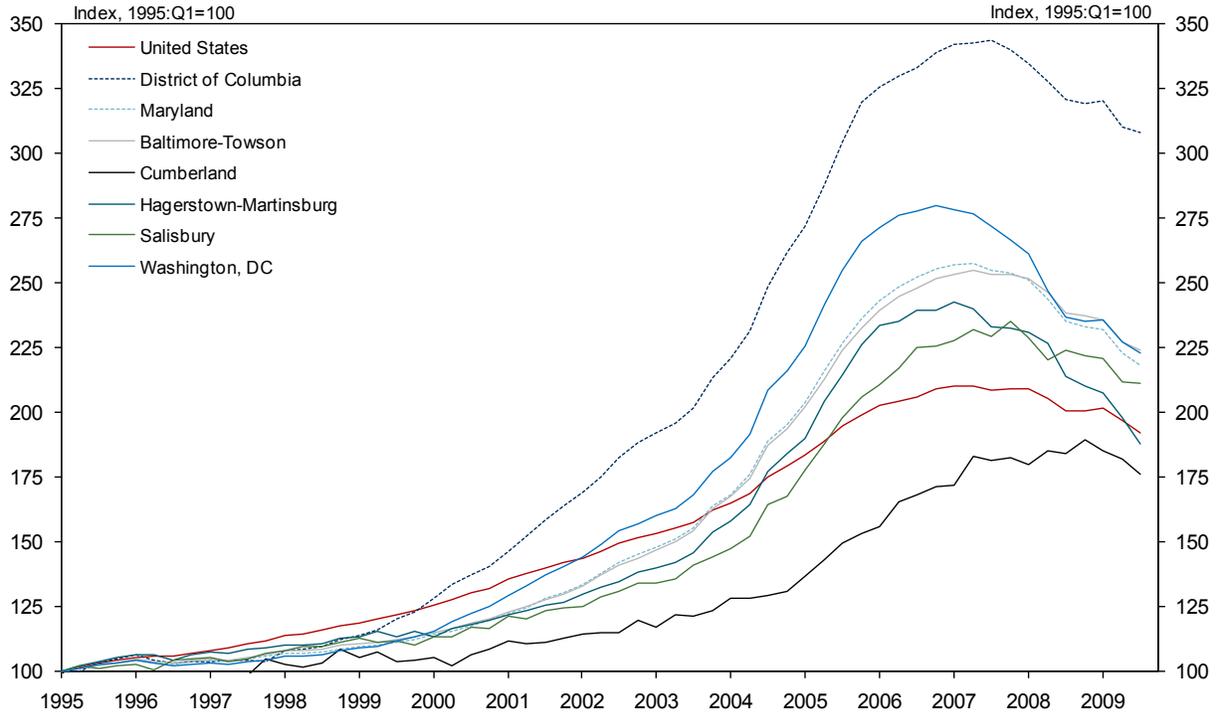
- The D.C. suburbs – and in particular Prince George's county – continue to have some of the highest foreclosure and delinquency rates in the Maryland/D.C. area.
- There is a particularly high concentration of interest only loans in D.C. and the Maryland portion of Washington, D.C. Households with interest only or negative amortization features are often more vulnerable to income or house price shocks.
- Unemployment has risen notably in Maryland and D.C. over the past year, suggesting that the area will continue to experience rising foreclosure and delinquency rates for some time.

For more information on foreclosures, please visit the Richmond Fed's Foreclosure Center at http://www.richmondfed.org/community_development/foreclosure_resource_center/

The views expressed in this article are those of the authors and do not necessarily reflect the views of the Federal Reserve Bank of Richmond or the Federal Reserve System.

Graphs and Charts

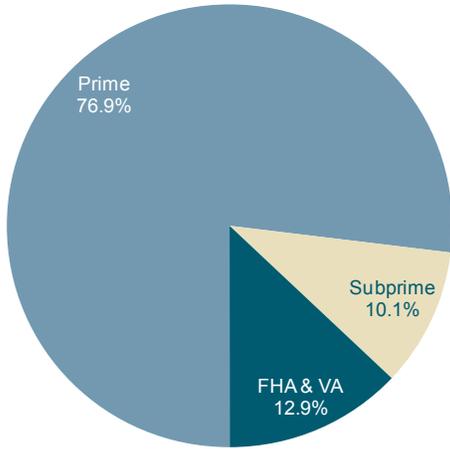
Figure 1
FHFA House Price Index: Maryland & DC



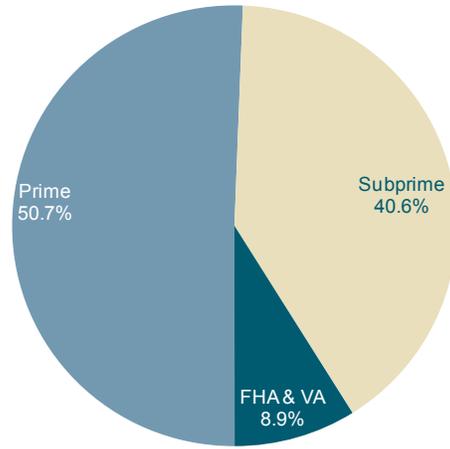
Notes: Washington DC refers to the Washington DC metropolitan division (MD).
Source: Federal Housing Finance Agency (2009:Q3)/Haver Analytics

Figure 2
Mortgage Distribution: Maryland

2a: Mortgages Outstanding



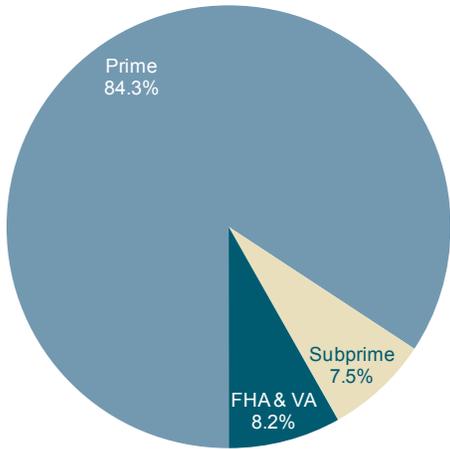
2b: Foreclosure Inventory



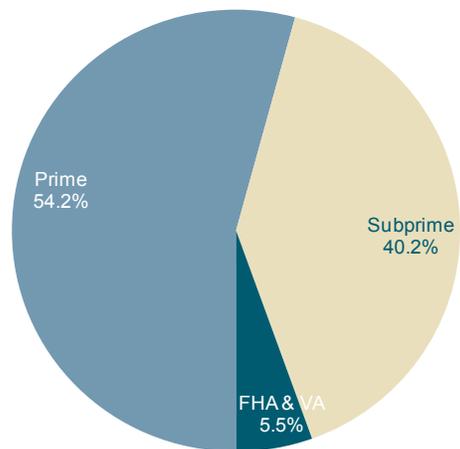
Source: Mortgage Bankers Association (2009:Q3)/Haver Analytics. Percentages may not sum to 100 due to rounding.

Figure 3
Mortgage Distribution: District of Columbia

3a: Mortgages Outstanding

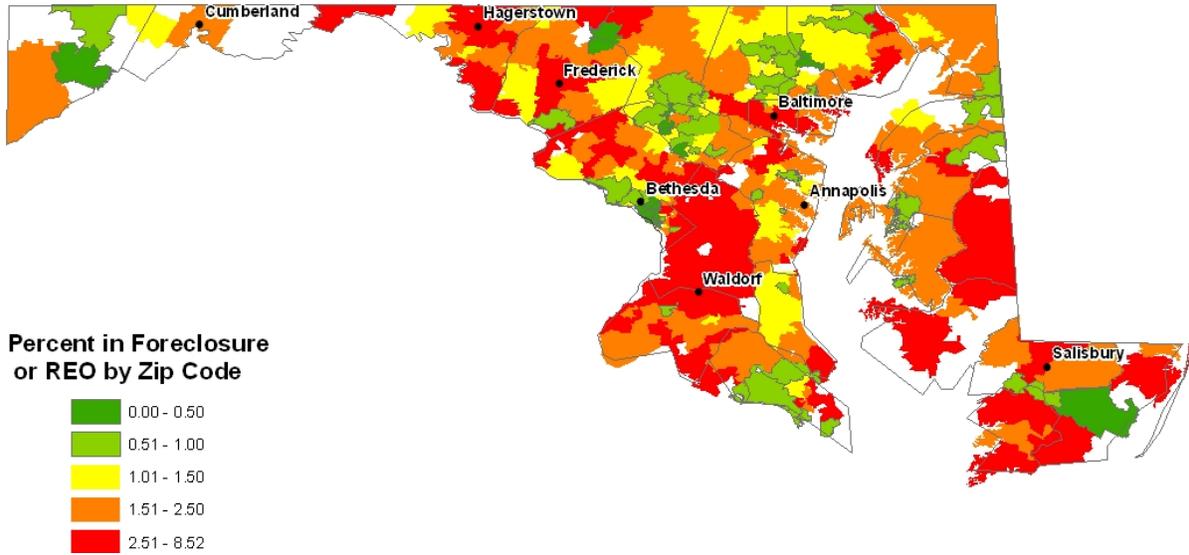


3b: Foreclosure Inventory



Source: Mortgage Bankers Association (2009:Q3)/Haver Analytics. Percentages may not sum to 100 due to rounding.

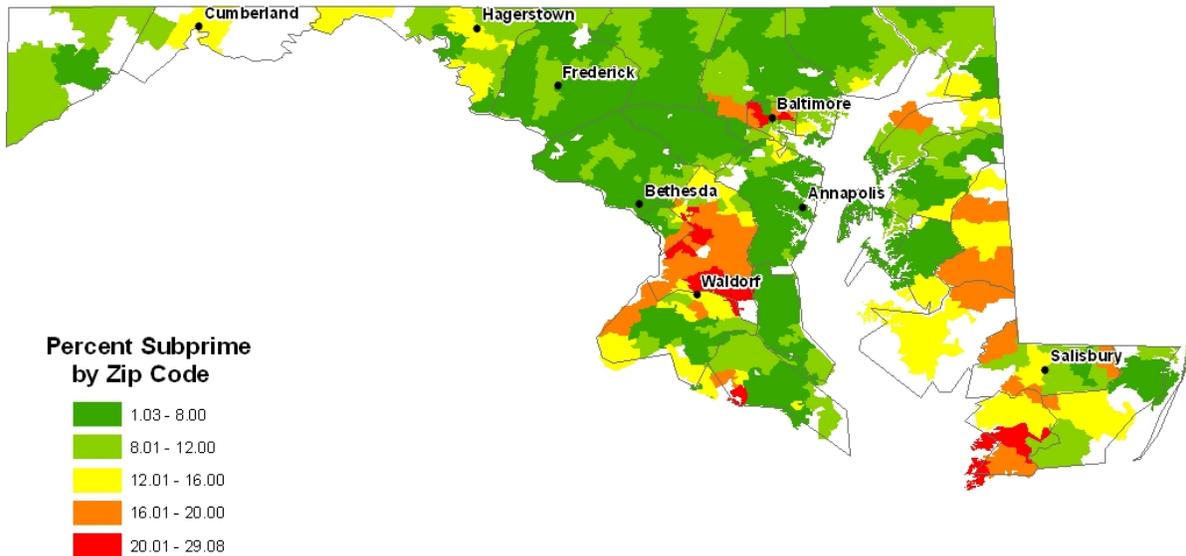
Figure 4
Percentage of Owner-Occupied Prime Loans in Foreclosure or REO¹:
Maryland and DC



Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009), Mortgage Bankers Association (2009:Q3)/Haver Analytics

Figure 5
Percentage of Owner-Occupied Mortgages with Subprime Loans:
Maryland and DC

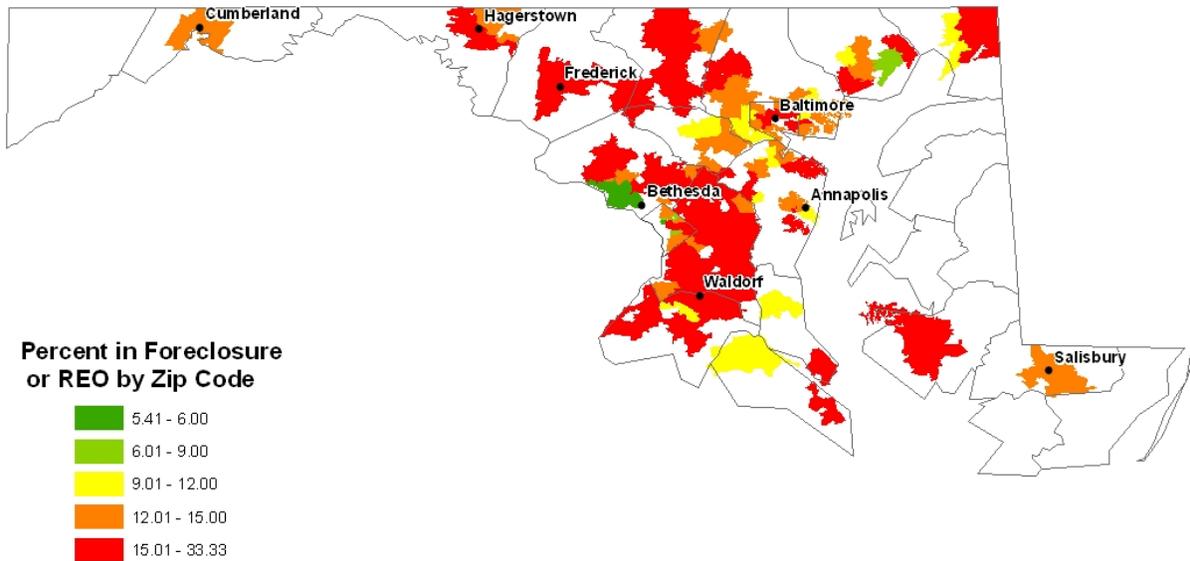


Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009), Mortgage Bankers Association (2009:Q3)/Haver Analytics

¹ Real Estate Owned (REO) properties are in the possession of the lender due to foreclosure or forfeiture.

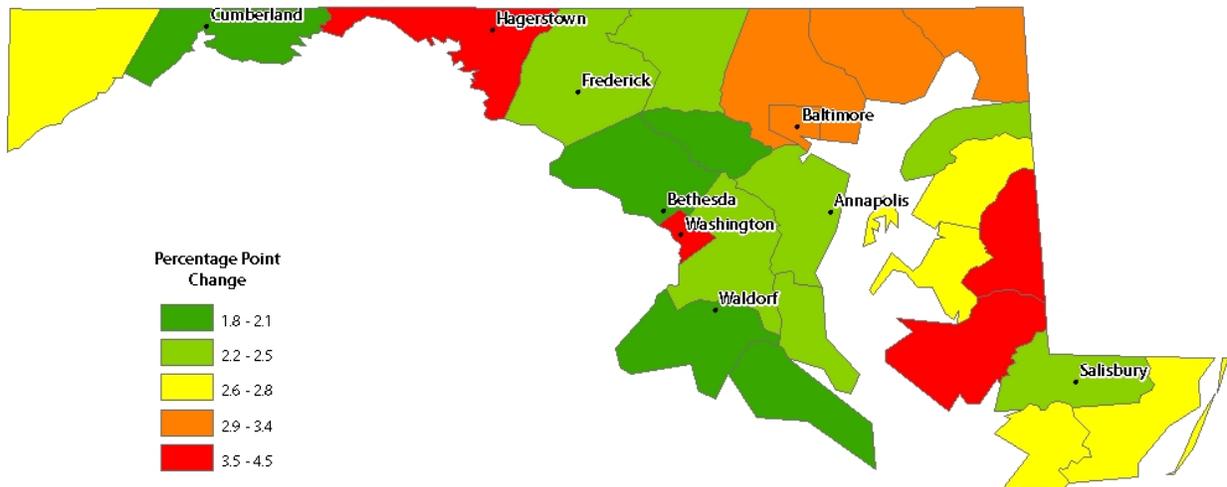
Figure 6
Percentage of Owner-Occupied Subprime Loans in Foreclosure or REO:
Maryland and DC



Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans, fewer than 50 subprime loans, or have no data available.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009), Mortgage Bankers Association (2009:Q3)/Haver Analytics

Figure 7
Change in the Unemployment Rate: Maryland and DC



Notes: Twelve-month change is between September 2008 and September 2009.

Source: Bureau of Labor Statistics

Table 1
Foreclosure Rates by Mortgage Type: Maryland

Loan Type	Maryland		United States
	Percent in Foreclosure	National Rank	Percent in Foreclosure
Prime Fixed-Rate	1.45	22	1.95
Prime Adjustable-Rate	8.10	14	10.09
Subprime Fixed-Rate	7.77	22	8.41
Subprime Adjustable-Rate	23.83	13	24.70

Source: Mortgage Bankers Association (2009:Q3)/Haver Analytics

Table 2
Foreclosure Rates by Mortgage Type: District of Columbia

Loan Type	District of Columbia		United States
	Percent in Foreclosure	National Rank	Percent in Foreclosure
Prime Fixed-Rate	1.14	38	1.95
Prime Adjustable-Rate	3.98	45	10.09
Subprime Fixed-Rate	8.04	19	8.41
Subprime Adjustable-Rate	22.21	16	24.70

Source: Mortgage Bankers Association (2009:Q3)/Haver Analytics

Table 3
Prime Mortgage Delinquency Rates: Fifth District

Geographic Area	Percent 90+ Days Past Due	National Rank	Percent in Foreclosure	National Rank
District of Columbia	2.19	28	1.86	27
Maryland	2.98	10	2.51	13
North Carolina	2.25	23	1.39	43
South Carolina	2.43	16	2.39	17
Virginia	2.12	30	1.59	35
West Virginia	2.19	28	1.54	37
United States	3.06	--	3.20	--

Source: Mortgage Bankers Association (2009:Q3)/Haver Analytics

Table 4
Subprime Share of All Loans: Fifth District

Geographic Area	Percent Subprime	National Rank
District of Columbia	7.52	42
Maryland	10.13	20
North Carolina	8.63	32
South Carolina	9.91	24
Virginia	7.72	40
West Virginia	10.70	15
United States	10.55	--

Source: Mortgage Bankers Association (2009:Q3)/Haver Analytics

Table 5
Subprime Mortgage Delinquency Rates: Fifth District

Geographic Area	Percent 90+ Days Past Due	National Rank	Percent in Foreclosure	National Rank
District of Columbia	11.49	30	15.42	14
Maryland	15.23	6	15.25	16
North Carolina	11.77	28	7.40	44
South Carolina	11.46	31	10.97	27
Virginia	12.51	23	9.67	35
West Virginia	11.29	32	6.95	48
United States	13.33	--	15.35	--

Source: Mortgage Bankers Association (2009:Q3)/Haver Analytics

Table 6
General Housing Statistics: Maryland

Geographic Area	Housing Units					Percent of Owner-Occupied Mortgages With:			
	Total	Vacant	Occupied	Owner-Occupied		Prime Loan	Subprime Loan	Adjustable Rate	Interest Only
				Total	With a Mortgage				
Baltimore-Towson	1,110,289	104,906	1,005,383	682,184	515,810	90.46	9.54	12.57	7.91
Cambridge	-	-	-	-	-	84.43	15.57	11.32	7.04
Cumberland	46,340	7,211	39,129	29,044	16,373				
Entire MSA						-	-	-	-
Maryland Portion	-	-	-	-	-	85.48	14.52	4.72	1.44
Washington, DC MSA									
Entire MSA	2,152,321	171,318	1,981,003	1,327,553	1,107,747	-	-	-	-
District of Columbia	-	-	-	-	-	91.61	8.39	22.24	14.15
Maryland Portion	-	-	-	-	-	88.56	11.44	17.84	12.70
Easton	-	-	-	-	-	93.22	6.78	14.86	10.55
Hagerstown									
Entire MSA	114,669	13,707	100,962	70,244	48,932	-	-	-	-
Maryland Portion	-	-	-	-	-	87.60	12.40	11.06	7.18
Lexington Park	41,679	4,746	36,933	26,629	20,734	92.10	7.90	10.08	8.88
Ocean Pines	-	-	-	-	-	92.09	7.91	14.27	9.34
Salisbury	51,440	5,919	45,521	29,526	19,320	86.30	13.70	8.16	4.10
Maryland	2,333,250	240,558	2,092,692	1,453,733	1,124,667	89.50	10.50	14.71	9.95
Fifth District	13,068,131	1,717,299	11,350,832	7,801,889	5,427,813	90.75	9.25	13.19	7.86

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans.

Source: Housing units are 2008 estimates from the Census Bureau. Mortgage estimates are Federal Reserve Bank of Richmond calculations using data from Lender Processing Services (LPS) Applied Analytics (September 2009) and Mortgage Bankers Association (2009:Q3)/Haver Analytics. Definitions of the metropolitan areas are provided later in the document.

Table 7
Owner-Occupied Prime Loan Statistics: Maryland

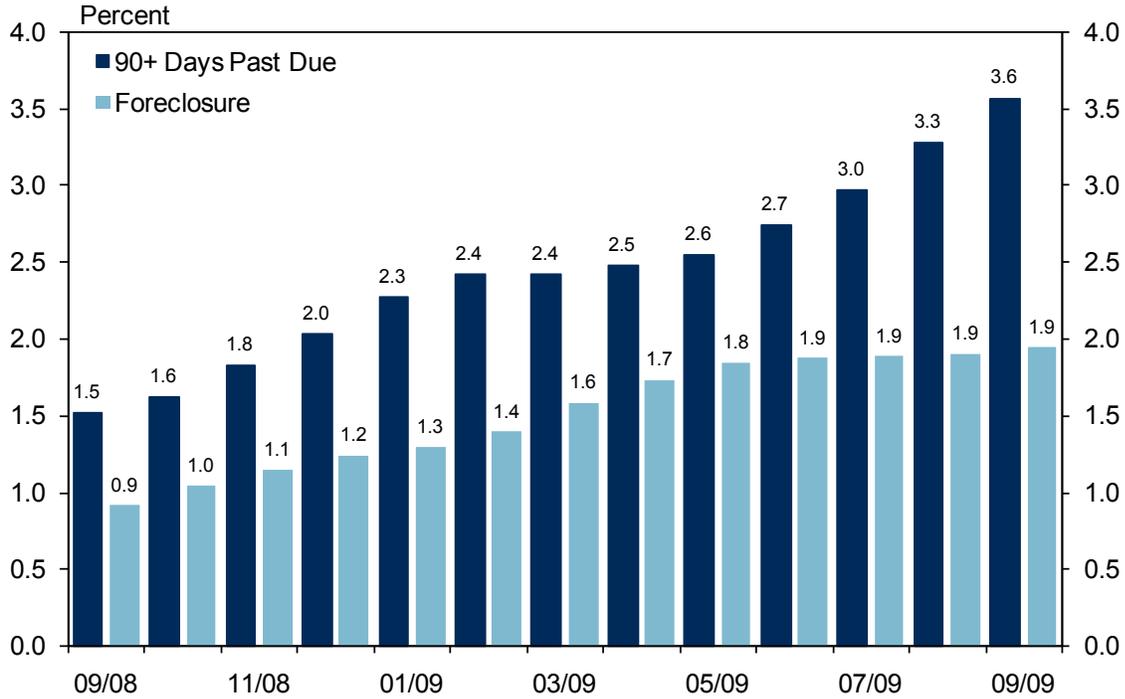
Geographic Area	September 2008		September 2009		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Baltimore-Towson	1.37	0.70	3.00	1.57	0.45
Bethesda-Rockville	1.04	0.82	2.70	1.70	0.58
Cambridge	1.76	1.76	5.61	2.35	1.18
Cumberland*	1.48	0.91	2.80	1.30	0.54
Easton	0.77	0.58	2.19	1.36	0.40
Hagerstown*	1.84	1.35	4.40	2.07	1.28
Lexington Park	1.34	0.68	2.74	1.53	0.43
Ocean Pines	1.45	1.02	3.35	1.84	1.21
Salisbury	1.45	0.88	2.92	1.83	0.58
Washington, DC*	2.53	1.51	6.10	3.17	1.16
Maryland	1.52	0.91	3.57	1.94	0.64
Fifth District	1.46	0.73	3.21	1.50	0.51

*Only the Maryland portion of these MSAs is included here.

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. REO numbers for 2008 are not included due to changes in coverage.

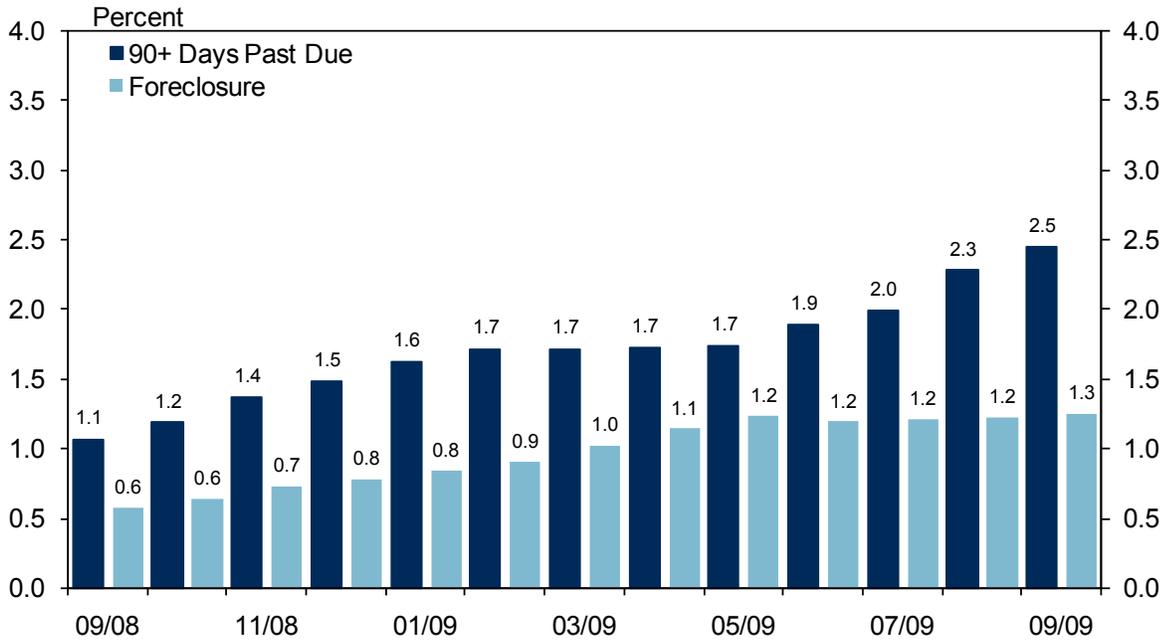
Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009)

Figure 8
Owner-Occupied Prime Loan Statistics: Maryland



Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans.
 Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009).

Figure 9
Owner-Occupied Prime Loan Statistics: District of Columbia



Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans.
 Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009)

Table 8
Owner-Occupied Subprime Loan Statistics: Maryland

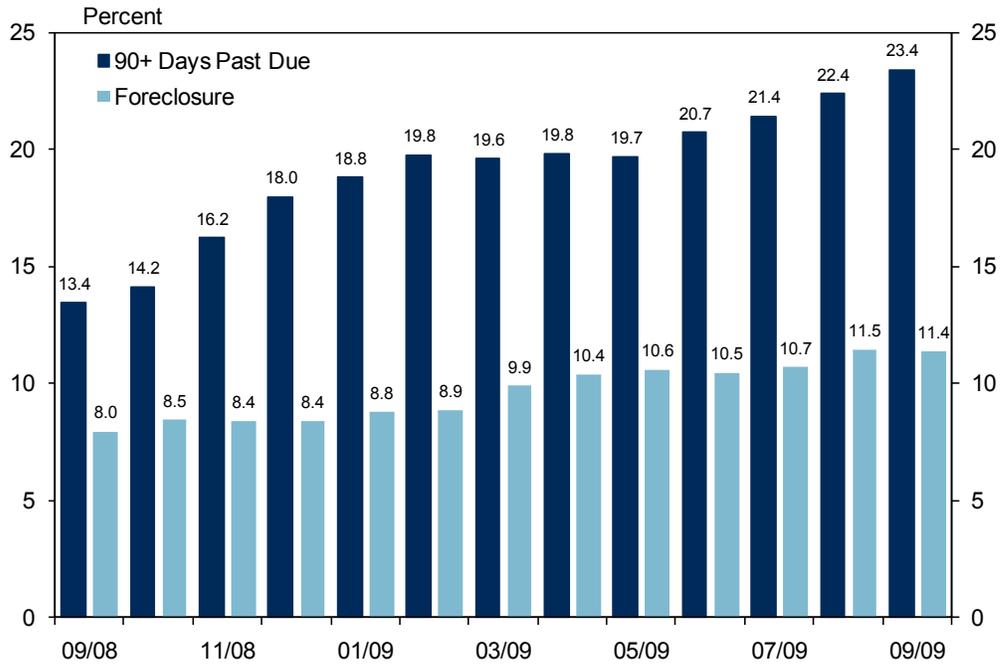
Geographic Area	September 2008		September 2009		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Baltimore-Towson	12.51	6.87	22.46	10.54	3.60
Bethesda-Rockville	11.53	8.00	19.75	12.09	5.68
Cambridge	12.20	7.32	25.71	9.52	5.71
Cumberland*	9.52	6.19	23.50	10.38	0.00
Easton	11.63	2.33	26.76	11.27	0.00
Hagerstown*	14.15	8.68	23.03	11.62	4.75
Lexington Park	13.29	6.65	23.36	8.88	3.62
Ocean Pines	11.73	9.88	19.72	14.08	8.45
Salisbury	10.73	8.90	21.49	9.55	4.51
Washington, DC*	15.70	9.34	26.46	12.31	6.35
Maryland	13.43	7.95	23.44	11.39	4.92
Fifth District	11.85	6.34	21.80	9.39	3.08

*Only the Maryland portion of these MSAs is included here.

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. REO numbers for 2008 are not included due to changes in coverage.

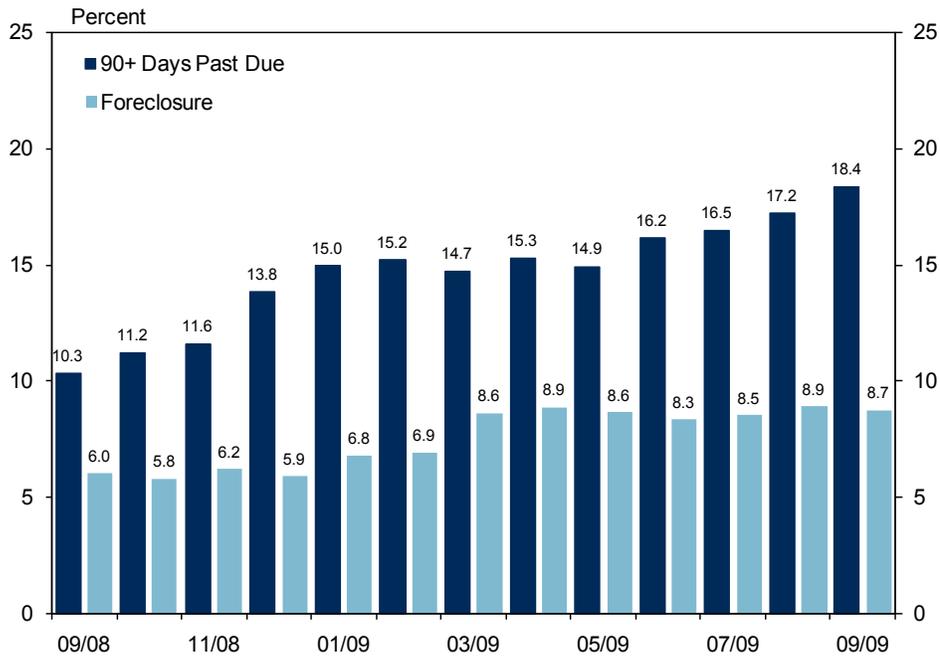
Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009)

Figure 10
Owner-Occupied Subprime Loan Statistics: Maryland



Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans.
Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009)

Figure 11
Owner-Occupied Subprime Loan Statistics: District of Columbia



Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans.
Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009)

Table 9
Owner-Occupied Interest Only Loan Statistics: Maryland

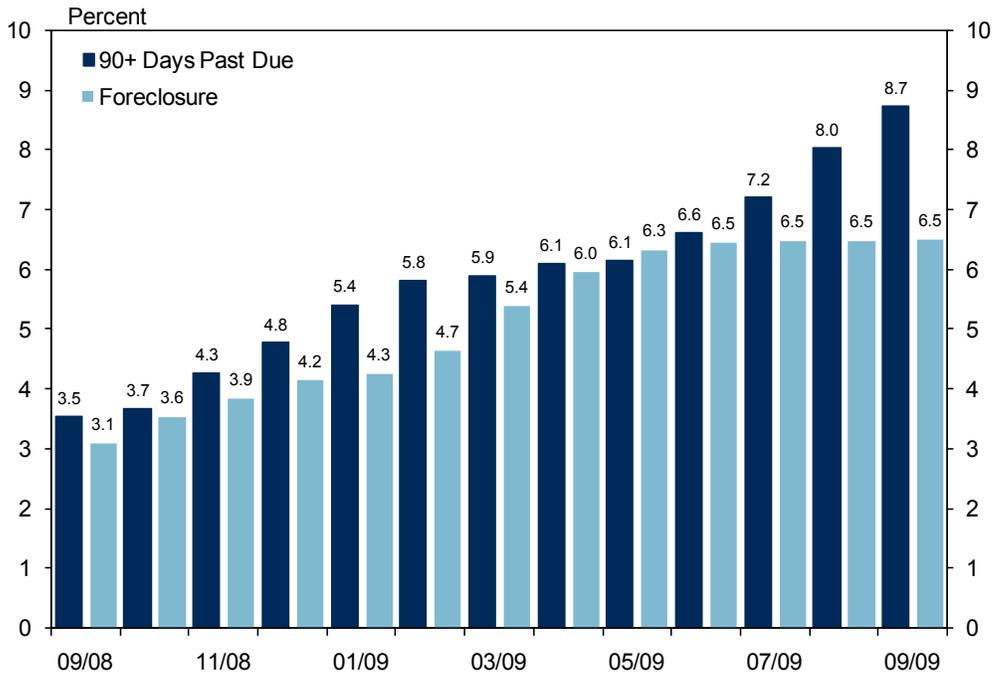
Geographic Area	September 2008		September 2009		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Baltimore-Towson	2.51	2.21	6.69	5.05	1.57
Bethesda-Rockville	2.99	2.89	7.46	6.18	2.03
Cambridge	3.21	2.56	4.51	9.02	3.01
Cumberland*	2.00	2.00	12.82	7.69	5.13
Easton	2.05	1.79	3.69	4.31	0.62
Hagerstown*	4.74	5.23	10.24	8.35	3.23
Lexington Park	4.19	2.59	8.73	5.82	1.71
Ocean Pines	2.67	2.32	7.63	6.80	3.51
Salisbury	3.93	4.97	8.18	6.29	3.77
Washington, DC*	4.18	3.67	10.03	7.48	2.65
Maryland	3.54	3.11	8.73	6.53	2.24
Fifth District	2.73	2.28	6.84	4.91	1.81

*Only the Maryland portion of these MSAs is included here.

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. REO numbers for 2008 are not included due to changes in coverage.

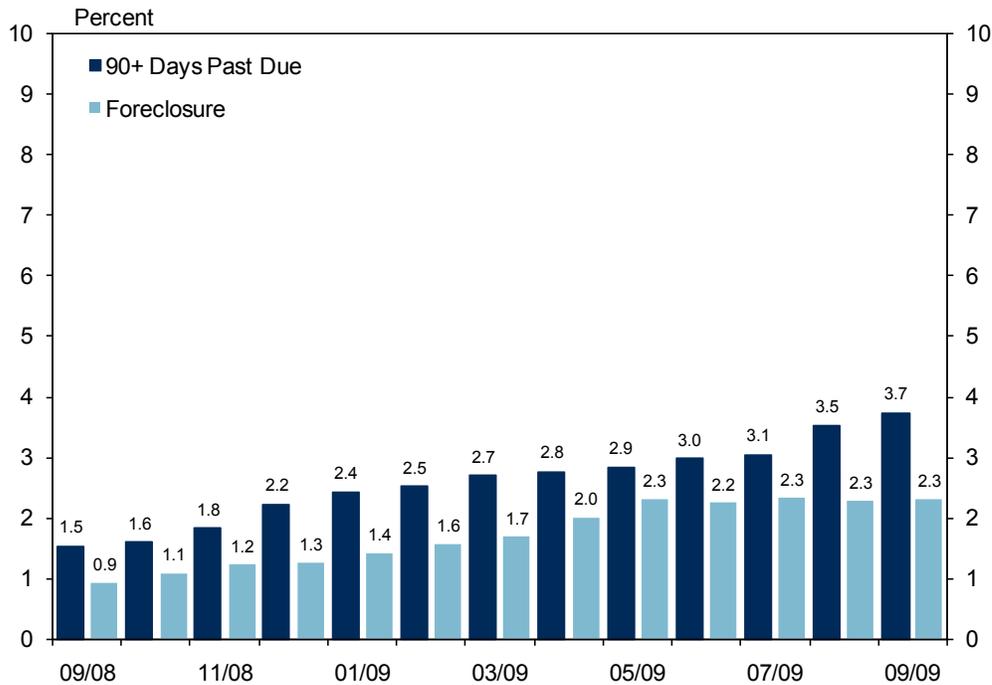
Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009)

Figure 12
Owner-Occupied Interest Only Loan Statistics: Maryland



Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans.
Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009).

Figure 13
Owner-Occupied Interest Only Loan Statistics: District of Columbia



Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans.
Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009).

Table 10
Unemployment Rates: Maryland & DC

Geographic Area	Unemployment Rate	Percentage Point Change from Sept. 2008
Baltimore-Towson	7.5	2.7
Cambridge	10.7	4.3
Cumberland	7.6	2.5
Easton	6.7	2.5
Hagerstown-Martinsburg	9.0	3.9
Lexington Park	5.6	1.8
Ocean Pines	7.4	2.5
Salisbury	7.9	2.4
Washington, DC	6.1	2.2
Maryland	7.0	2.5
District of Columbia	11.6	4.2
5th District	8.8	3.3

Note: Data are not seasonally adjusted.
Source: Bureau of Labor Statistics (September 2009)

Table 11
Owner-Occupied Prime Loan Statistics
Washington, DC MSA

Geographic Area	September 2008		September 2009		Percent in REO
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent 90+ Days Past Due	Percent in Foreclosure	
Calvert County	1.41	0.69	3.07	1.81	0.34
Charles County	2.36	1.14	5.37	2.31	0.83
Frederick County	1.29	1.01	3.11	1.67	0.64
Montgomery County	0.98	0.77	2.59	1.70	0.57
Prince George's County	2.72	1.70	6.65	3.52	1.33
District of Columbia	1.07	0.57	2.45	1.25	0.51

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. REO numbers for 2008 are not included due to changes in coverage.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009)

Table 12
Owner-Occupied Prime Loan Statistics
Baltimore-Towson MSA

Geographic Area	September 2008		September 2009		Percent in REO
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent 90+ Days Past Due	Percent in Foreclosure	
Anne Arundel County	1.03	0.68	2.59	1.47	0.42
Baltimore City	2.57	1.16	4.35	2.39	0.85
Baltimore County	1.41	0.61	3.17	1.51	0.35
Carroll County	1.01	0.42	2.48	1.08	0.32
Harford County	1.22	0.67	2.80	1.47	0.42
Howard County	0.67	0.48	1.98	1.16	0.26
Queen Anne's County	1.03	0.72	3.03	1.60	0.45

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. REO numbers for 2008 are not included due to changes in coverage.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009)

Table 13
Owner-Occupied Subprime Loan Statistics
Washington, DC MSA

Geographic Area	September 2008		September 2009		Percent in REO
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent 90+ Days Past Due	Percent in Foreclosure	
Calvert County	14.45	7.46	24.18	10.99	3.02
Charles County	17.40	9.21	25.72	13.39	4.78
Frederick County	12.17	9.63	22.95	12.70	5.49
Montgomery County	11.34	7.53	18.84	11.92	5.74
Prince George's County	15.53	9.47	26.69	12.23	6.76
District of Columbia	10.34	6.01	18.35	8.71	4.21

Notes: REO numbers for 2008 are not included due to changes in coverage.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009)

Table 14
Owner-Occupied Subprime Loan Statistics
Baltimore-Towson MSA

Geographic Area	September 2008		September 2009		Percent in REO
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent 90+ Days Past Due	Percent in Foreclosure	
Anne Arundel County	11.02	7.62	20.22	11.13	3.13
Baltimore City	13.04	6.79	20.67	10.42	5.04
Baltimore County	12.74	6.31	24.81	10.38	2.66
Carroll County	12.36	8.67	25.06	13.21	2.96
Harford County	12.14	7.29	21.42	10.34	3.36
Howard County	12.90	6.28	24.32	9.23	3.25
Queen Anne's County	14.29	5.36	28.57	10.00	2.14

Notes: REO numbers for 2008 are not included due to changes in coverage.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009)

Table 15
Owner-Occupied Interest Only Loan Statistics
Washington, DC MSA

Geographic Area	September 2008		September 2009		Percent in REO
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent 90+ Days Past Due	Percent in Foreclosure	
Calvert County	3.68	2.30	6.77	5.48	0.99
Charles County	5.04	3.49	12.19	7.17	2.35
Frederick County	3.53	3.92	8.16	6.58	2.19
Montgomery County	2.87	2.67	7.31	6.09	1.99
Prince George's County	6.17	5.26	14.20	9.88	3.91
District of Columbia	1.54	0.94	3.74	2.29	1.30

* Not part of Maryland

Notes: FHA and VA loans are included in the count of prime loans. REO numbers for 2008 are not included due to changes in coverage.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009)

Table 16
Owner-Occupied Interest Only Loan Statistics
Baltimore-Towson MSA

Geographic Area	September 2008		September 2009		Percent in REO
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent 90+ Days Past Due	Percent in Foreclosure	
Anne Arundel County	1.97	2.16	5.64	4.59	1.60
Baltimore City	2.76	2.79	6.26	5.65	2.14
Baltimore County	3.65	2.11	8.79	5.64	1.64
Carroll County	1.94	2.14	7.12	4.64	1.28
Harford County	3.27	2.96	8.25	5.52	1.71
Howard County	1.78	1.69	5.55	4.75	1.01
Queen Anne's County	1.79	1.65	5.79	4.02	1.45

Notes: FHA and VA are included in the count of prime loans. REO numbers for 2008 are not included due to changes in coverage.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (September 2009)

MSA Definitions

1. **Baltimore-Towson, MD MSA** – Anne Arundel County, MD; Baltimore County, MD; Carroll County, MD; Harford County, MD; Howard County, MD; Queen Anne’s County, MD; Baltimore city, MD
2. **Bethesda, MD MSA**- Frederick County, MD; Montgomery County, MD
3. **Cambridge, MD MSA** – Dorchester County, MD
4. **Cumberland, MD MSA** – Allegany County, MD; Mineral County, WV
5. **Easton, MD** – Talbot County, MD
6. **Lexington Park, MD** – St. Mary’s County, MD
7. **Ocean Pines, MD** – Worcester County, MD
8. **Philadelphia-Wilmington MSA** – Burlington County, NJ; Camden County, NJ; Gloucester County, NJ; Bucks County, PA; Chester County, PA; Delaware County, PA; Montgomery County, PA; Philadelphia County, PA; New Castle County, DE; Cecil County, MD; Salem County, NJ
9. **Salisbury, MD** – Somerset County, MD; Wicomico County, MD
10. **Hagerstown-Martinsburg, MD MSA** - Martinsburg, WV; Washington County, MD; Berkeley County, WV; Morgan County, WV
11. **Washington, DC MSA** - District of Columbia, DC; Calvert County, MD; Charles County, MD; Frederick County, MD; Montgomery County, MD; Prince George’s County, MD; Arlington County, VA; Clarke County, VA; Fairfax County, VA; Fauquier County, VA; Loudoun County, VA; Prince William County, VA; Spotsylvania County, VA; Stafford County, VA; Warren County, VA; Alexandria city, VA; Fairfax city, VA; Falls Church city, VA; Fredericksburg city, VA; Manassas city, VA; Manassas Park city, VA; Jefferson County, WV

The Washington, DC metropolitan division includes all of the above localities except Frederick County and Montgomery County in Maryland.

Source: Office of Management and Budget, 2008

Maryland Counties



Sources and Notes

House Price Index

Federal Housing Finance Agency/Haver Analytics

Weighted repeat sales index, measuring the average price changes in repeat sales or refinancing on the same single family properties. Based on transactions involving conforming, conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac.

Unemployment Rate

Bureau of Labor Statistics/Haver Analytics

General Housing Statistics

Census Bureau

Metropolitan Statistical Area Definitions

Office of Management and Budget, 2008

Loan Distribution and Loan Performance

(1) Mortgage Bankers' Association/Haver Analytics

(2) Loan Processing Services Inc. Applied Analytics Mortgage Data

Loan Processing Services, Inc. Applied Analytics Mortgage Data (LPS Data) does not have as complete coverage of subprime loans as it does of prime loans. To compensate for this, we scaled the LPS subprime and prime data for each locality by common factors such that the LPS totals matched the MBA data at the state level. While this method of dealing with LPS's underrepresentation of loans is far from perfect, it only impacts the figures and tables that report the prevalence of subprime loans within geographic areas of Maryland and the District of Columbia. It has no impact on the subprime performance numbers.