



Mortgage Performance Summary



QUARTERLY UPDATE

Housing Market and Mortgage Performance in North Carolina

1st Quarter, 2011

Jake Blackwood
Anne Davlin
Lisa Hearl
Sonya Ravindranath Waddell



THE FEDERAL RESERVE BANK OF RICHMOND

RICHMOND ■ BALTIMORE ■ CHARLOTTE

**An Update on Housing Market and Mortgage Performance in North Carolina
1st Quarter, 2011
Summary of Findings**

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

State Delinquency and Foreclosure Rates

- The share of mortgages with payments more than 90 days past due in North Carolina dropped from 5.4 percent in March 2010 to 3.9 percent in March 2011, although the foreclosure rate rose from 1.9 percent to 3.2 percent over the same period. (Table 7)
- The prime foreclosure rate in North Carolina rose from 1.4 percent in March 2010 to 2.4 percent in March 2011. Over the same period, the prime 90+ day delinquency rate fell from 4.0 percent to 2.8 percent. (Table 8)
- The subprime foreclosure rate in North Carolina rose from 7.7 percent to 12.8 percent over the year ending in March 2011, while the 90+ day delinquency rate fell from 20.6 percent to 16.4 percent. (Table 9)
- Subprime mortgages continue to make up 25.6 percent of the foreclosure inventory in North Carolina, though they make up only 8.0 percent of all mortgages. North Carolina is ranked 33rd in the nation in its share of subprime loans. (Figure 2 and Table 4)

Metro Area Highlights

- Kill Devil Hills continued to post the highest foreclosure rate in the state (4.3 percent), and the Charlotte and Hickory MSAs also had high foreclosure rates of around 3.9 percent. Rocky Mount had the highest 90+ day delinquency rate (6.1 percent) in North Carolina, followed by the Greenville metro area, which posted a rate of 4.5 percent. (Table 7)
- Kill Devil Hills also has the highest share of adjustable rate and interest only mortgages of all MSAs in North Carolina. The Charlotte MSA also had an elevated share of adjustable-rate and interest-only mortgages relative to most other metro areas in the state. (Table 6)

State Economic Conditions and Looking Forward

- Declining house prices play a significant role in rising default rates. House prices in North Carolina fell 2.0 percent in the first quarter and prices continue to fall on a year-over-year basis. The state posted 8.3 percent depreciation since the first quarter of 2009.
- An income shock to a household—such as unexpected unemployment—can affect the household's ability to repay a mortgage. The North Carolina unemployment rate reached a record 12.1 percent in February 2010, though joblessness edged down to 9.7 percent by March 2011. (Table 11)

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

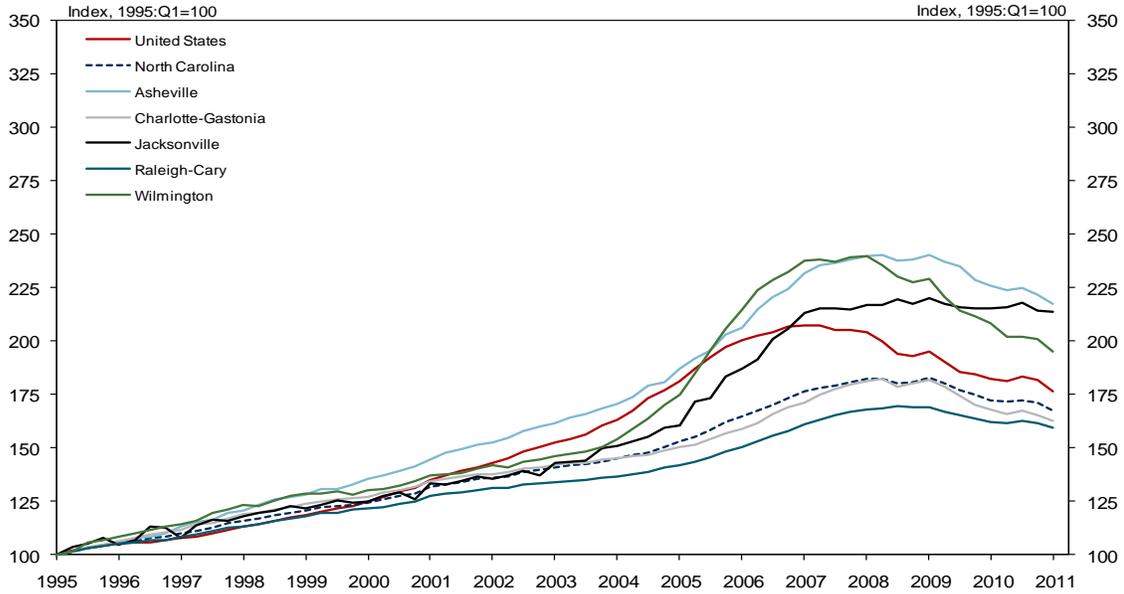
For recent data on the North Carolina economy, please visit the Richmond Fed's *Snapshot* publication at

http://www.richmondfed.org/research/regional_economy/reports/snapshot/index.cfm

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.

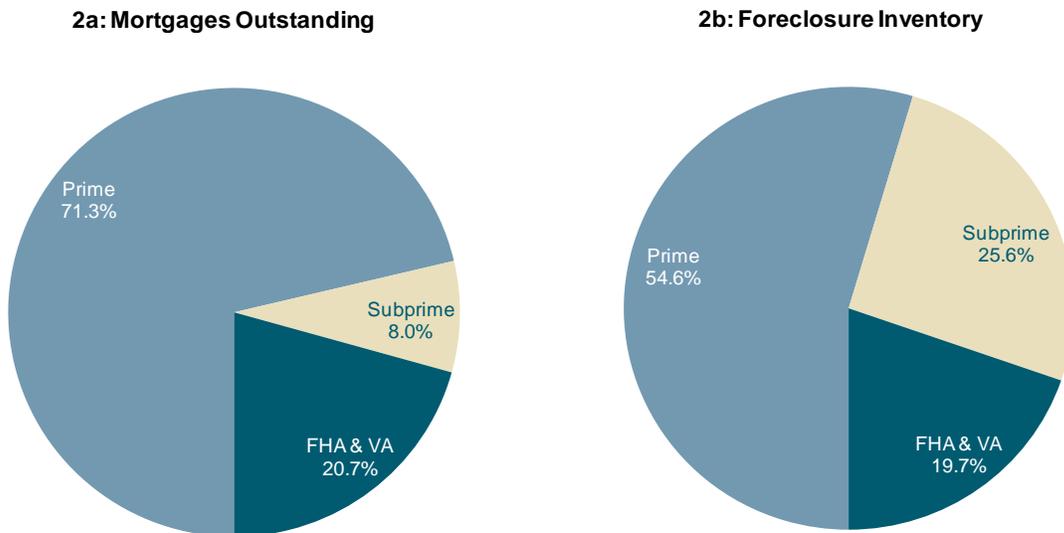
Graphs and Charts

Figure 1
FHFA House Price Index: North Carolina



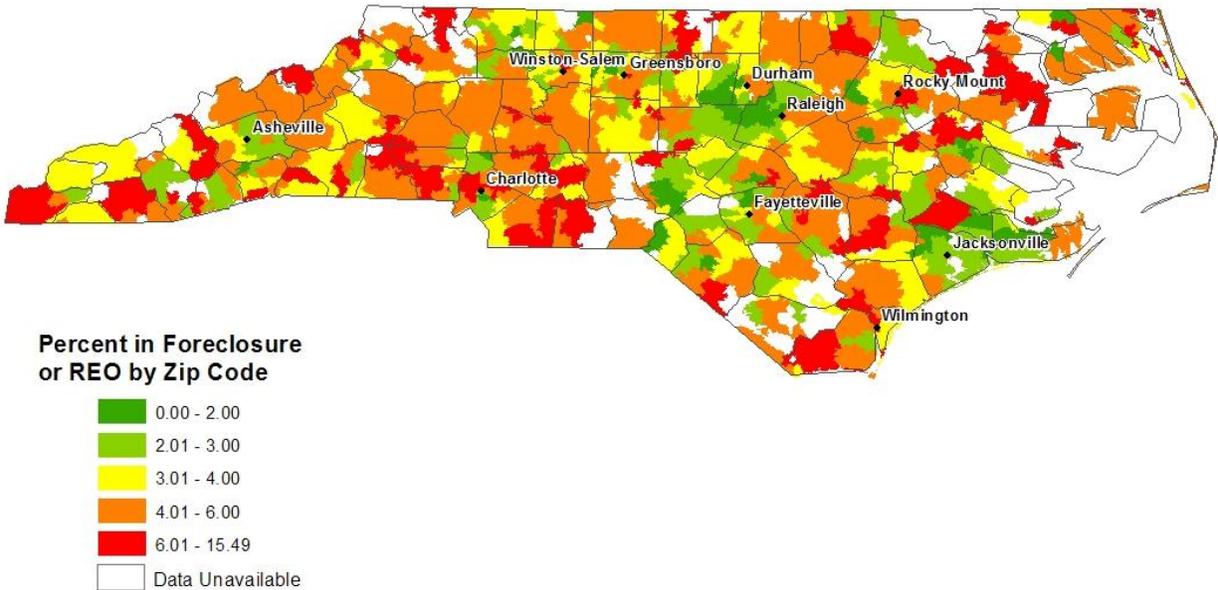
Source: Federal Housing Finance Agency (2011:Q1)/Haver Analytics

Figure 2
Mortgage Distribution: North Carolina



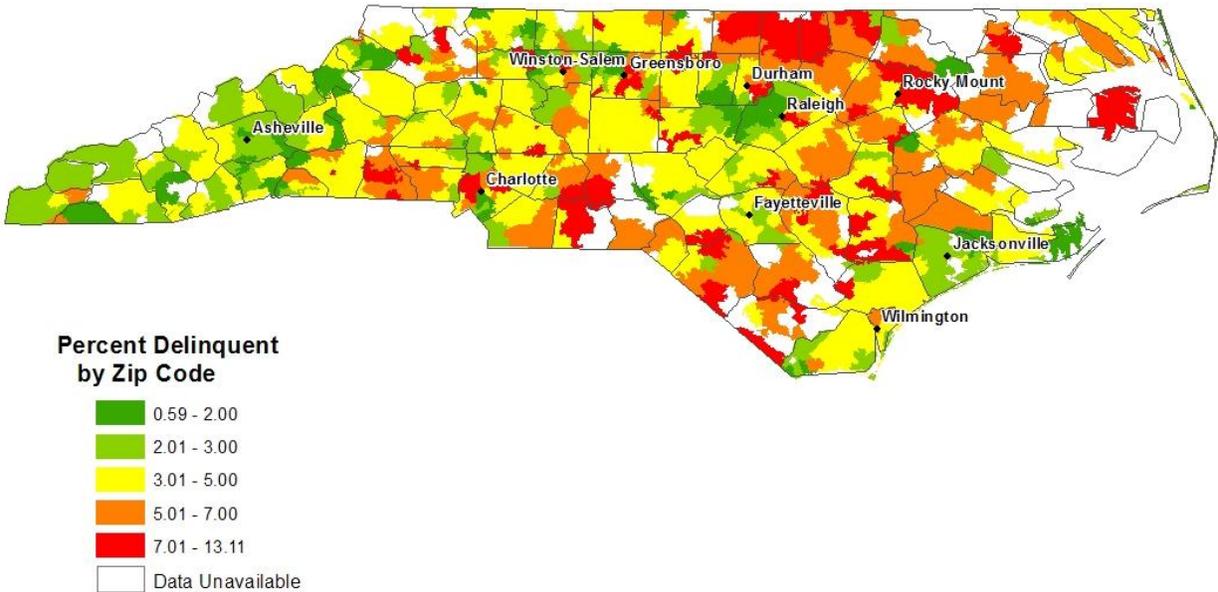
Source: Mortgage Bankers Association (2011:Q1)/Haver Analytics. Percentages may not sum to 100 due to rounding.

Figure 3
Percentage of Owner-Occupied Loans in Foreclosure or REO¹:
North Carolina



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 (March 2011) and Mortgage Bankers Association (2011:Q1)/Haver Analytics

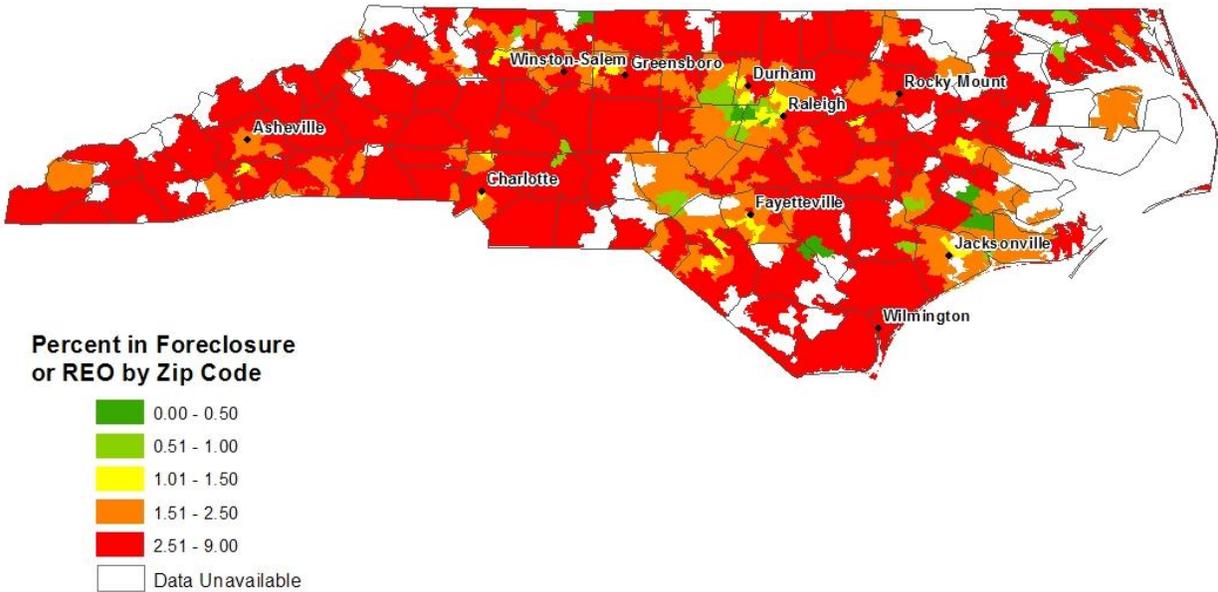
Figure 4
Percentage of Owner-Occupied Loans with 90+ Day Delinquency:
North Carolina



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 (March 2011) and Mortgage Bankers Association (2011:Q1)/Haver Analytics

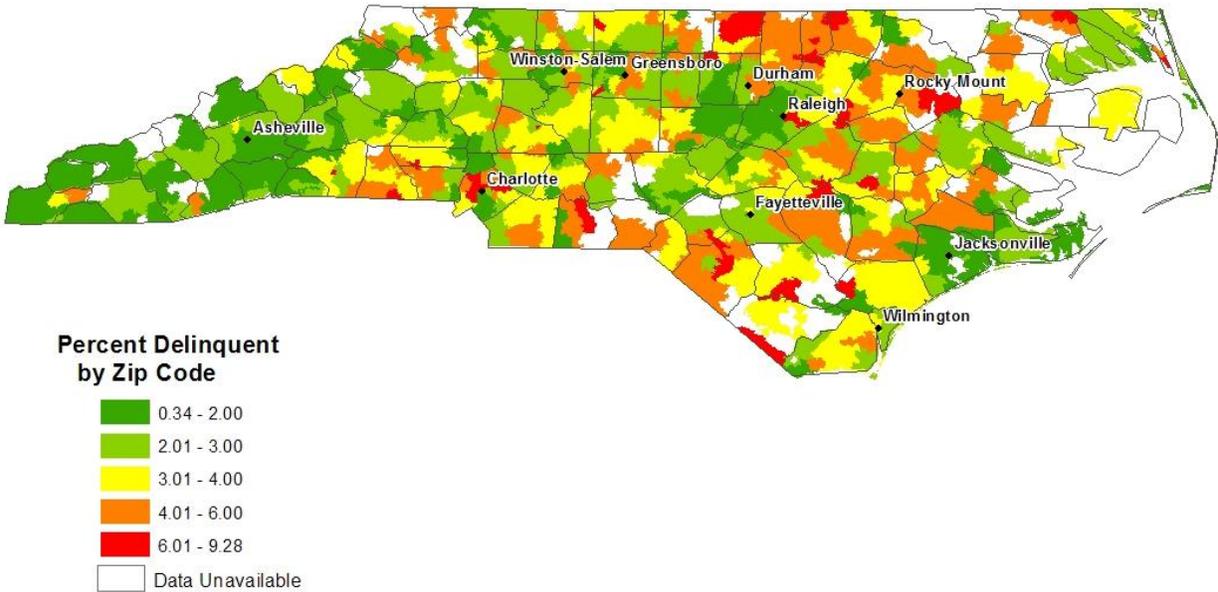
¹ Real Estate Owned (REO) properties are in the possession of the lender due to foreclosure or forfeiture.

Figure 5
Percentage of Owner-Occupied Prime Loans in Foreclosure or REO²:
North Carolina



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 (March 2011)

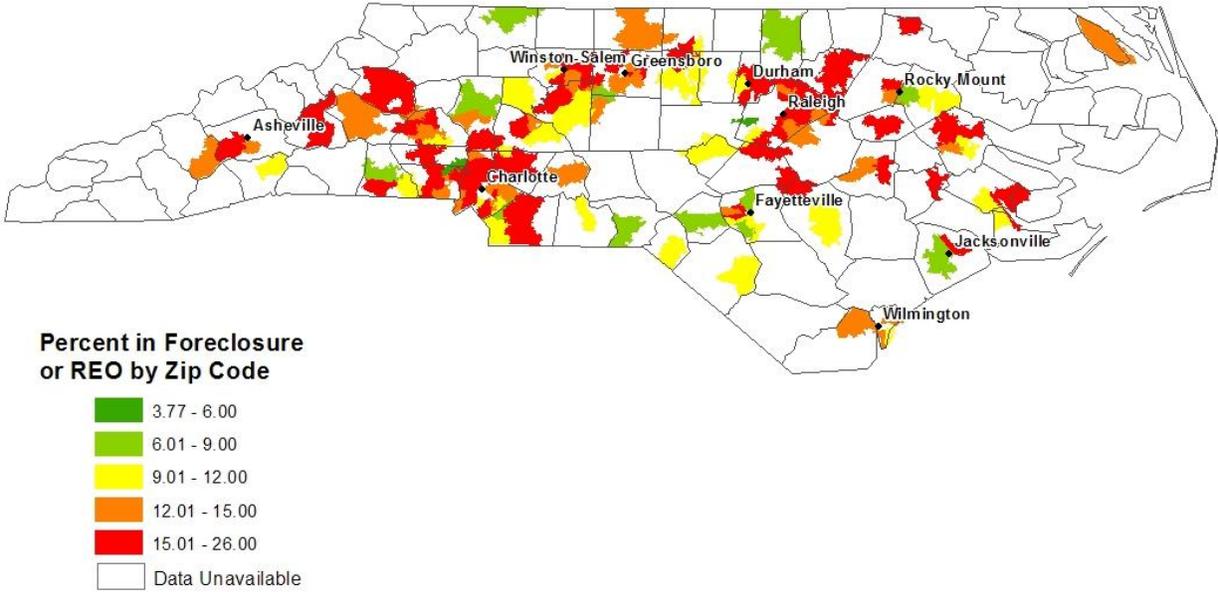
Figure 6
Percentage of Owner-Occupied Prime Loans with 90+ Day Delinquency:
North Carolina



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 (March 2011)

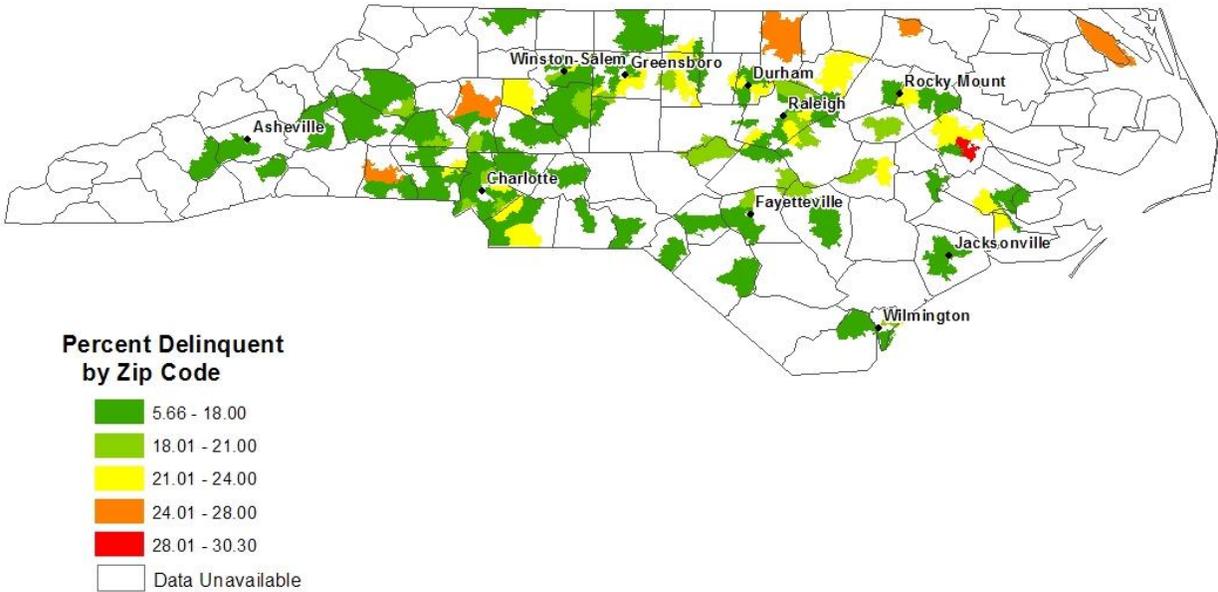
² Real Estate Owned (REO) properties are in the possession of the lender due to foreclosure or forfeiture.

Figure 7
Percentage of Owner-Occupied Subprime Loans in Foreclosure or REO:
North Carolina



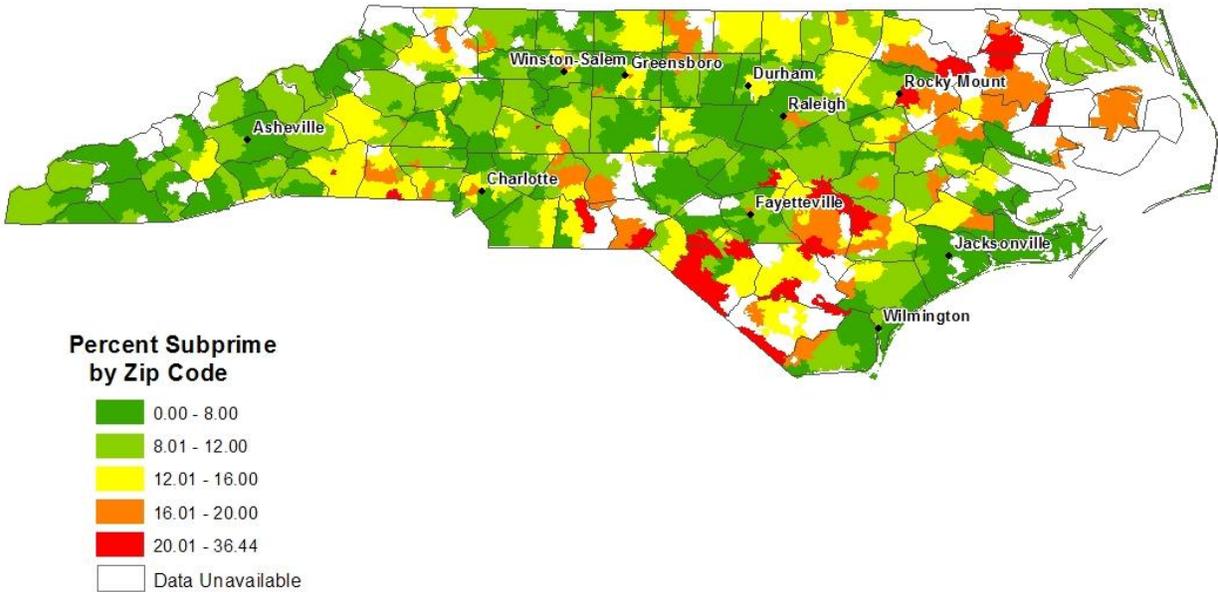
Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans, fewer than 50 subprime loans, or have no data available.
 Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011)

Figure 8
Percentage of Owner-Occupied Subprime Loans in with 90+ Day Delinquency:
North Carolina



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 (March 2011)

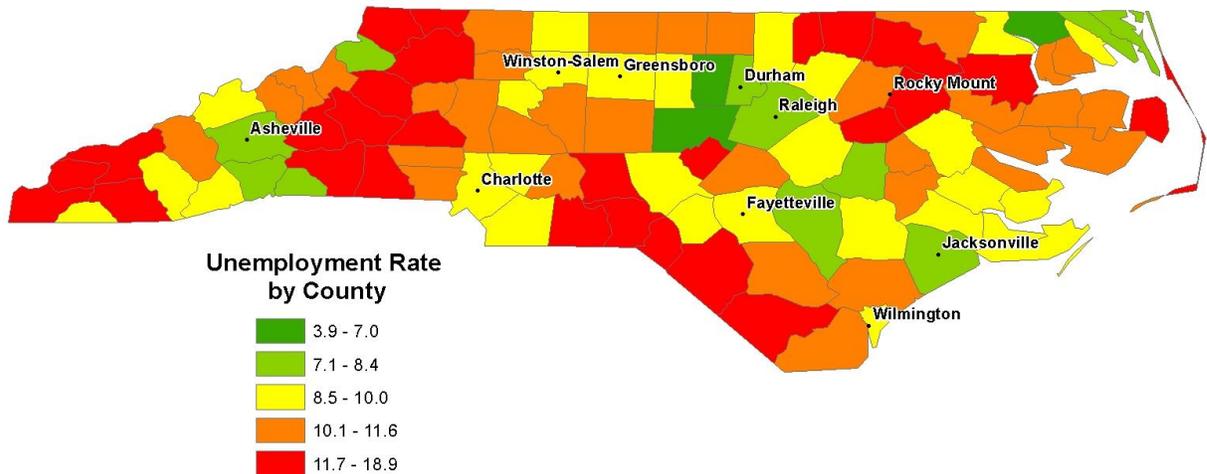
Figure 9
Percentage of Owner-Occupied Mortgages with Subprime Loans:
North Carolina



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

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011) and Mortgage Bankers Association (2011:Q1)/Haver Analytics

Figure 10
Unemployment Rate: North Carolina



Notes: Unemployment Rate in March 2011
 Source: Bureau of Labor Statistics

Table 1
Foreclosure Rates by Mortgage Type: North Carolina

Loan Type	North Carolina		United States
	Percent in Foreclosure	National Rank	Percent in Foreclosure
Total	2.81	35	4.52
Prime Total	2.15	34	3.52
Prime Fixed-Rate	1.93	26	2.59
Prime Adjustable-Rate	4.09	41	9.53
Subprime Total	9.01	38	14.69
Subprime Fixed-Rate	7.32	36	10.53
Subprime Adjustable-Rate	12.53	44	22.26

Source: Mortgage Bankers Association (2011:Q1)/Haver Analytics

Table 2
Mortgage Delinquency Rates: Fifth District

Geographic Area	Percent 90+ Days Past Due	National Rank	Percent in Foreclosure	National Rank
District of Columbia	2.82	26	3.05	30
Maryland	4.77	3	3.52	21
North Carolina	3.12	22	2.81	35
South Carolina	3.15	21	4.04	14
Virginia	2.41	38	2.03	44
West Virginia	2.46	36	2.24	41
Fifth District	3.25	--	2.89	--
United States	3.58	--	4.52	--

Source: Mortgage Bankers Association (2011:Q1)/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	1.91	17	2.34	28
Maryland	3.19	4	2.61	24
North Carolina	1.71	23	2.15	34
South Carolina	1.92	16	3.24	13
Virginia	1.44	33	1.60	43
West Virginia	1.25	39	1.69	40
Fifth District	1.98	--	2.23	--
United States	2.33	--	3.52	--

Source: Mortgage Bankers Association (2011:Q1)/Haver Analytics

Table 4
Subprime Share of All Loans: Fifth District

Geographic Area	Percent Subprime	National Rank
District of Columbia	7.68	35
Maryland	9.54	19
North Carolina	8.00	33
South Carolina	9.61	18
Virginia	7.10	41
West Virginia	10.02	16
Fifth District	8.34	--
United States	9.56	--

Source: Mortgage Bankers Association (2011:Q1)/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	20	12.35	21
Maryland	15.89	2	12.42	20
North Carolina	11.81	16	9.01	38
South Carolina	10.42	33	11.95	27
Virginia	10.89	30	8.04	43
West Virginia	9.77	39	7.10	49
Fifth District	12.31	--	10.09	--
United States	11.88	--	14.69	--

Source: Mortgage Bankers Association (2011:Q1)/Haver Analytics

Table 6
General Housing Statistics: North Carolina

Geographic Area	Housing Units			Percent of Owner-Occupied Mortgages					
	Total	Vacant	Occupied	Owner-Occupied		With:			
				Total	With a Mortgage	Prime Loan	Subprime Loan	Adjustable Rate	Interest Only
Asheville	204,317	32,001	172,316	123,612	75,379	92.86	7.14	7.35	3.50
Burlington	65,907	7,823	58,084	40,259	25,767	90.54	9.46	6.52	1.64
Charlotte-Gastonia									
Entire MSA	743,428	67,893	675,535	451,990	348,422				
NC Portion	-	-	-	-	-	92.17	7.83	11.10	4.52
Durham	218,399	20,781	197,618	123,417	90,164	92.37	7.63	11.23	3.27
Fayetteville	151,455	19,346	132,109	74,607	55,653	92.11	7.89	7.67	0.46
Goldsboro	51,562	6,088	45,474	27,084	16,948	90.92	9.08	9.13	0.58
Greensboro	320,057	38,244	281,813	184,390	129,653	91.48	8.52	8.17	1.95
Greenville	83,403	9,507	73,896	39,640	26,423	90.21	9.79	6.48	1.27
Hickory-Lenoir	159,893	24,284	135,609	100,265	62,235	90.23	9.77	5.53	1.31
Jacksonville	68,021	8,156	59,865	32,776	23,121	96.10	3.90	9.22	1.02
Kill Devil Hills	-	-	-	-	-	94.43	5.57	12.11	7.84
Raleigh-Cary	450,676	41,510	409,166	280,347	224,059	94.16	5.84	10.11	3.19
Rocky Mount	67,270	6,805	60,465	37,419	22,775	86.60	13.40	7.35	1.05
Wilmington	204,608	50,670	153,938	105,234	70,772	94.25	5.75	8.58	4.65
Winston-Salem	212,986	25,251	187,735	131,913	91,077	91.73	8.27	7.74	1.66
North Carolina	4,258,573	612,478	3,646,095	2,449,917	1,661,351	92.00	8.00	8.87	2.86
Fifth District	13,193,677	1,752,942	11,440,735	7,787,066	5,370,756	91.66	8.34	11.45	6.10
United States	129,949,960	16,333,731	113,616,229	74,843,004	50,747,854	90.44	9.56	11.62	5.69

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

Source: Housing units are 2009 estimates from the Census Bureau. Mortgage estimates are Federal Reserve Bank of Richmond calculations using data from Lender Processing Services (LPS) Applied Analytics (March 2011) and Mortgage Bankers Association (2011:Q1)/Haver Analytics.

Definitions of the metropolitan areas are provided later in the document.

**Table 7
Owner-Occupied Loan Statistics: North Carolina**

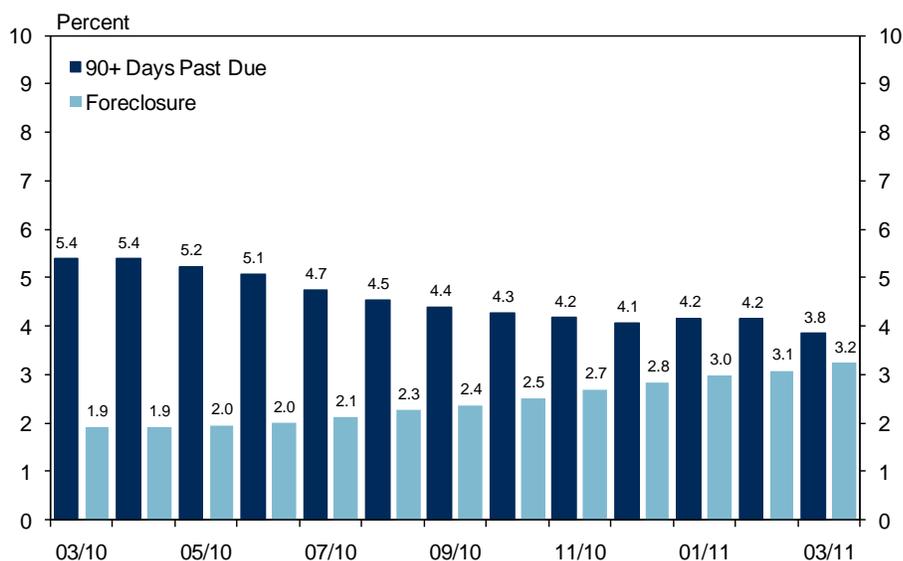
Geographic Area	March 2010			March 2011		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Asheville	4.11	1.55	0.58	2.67	2.91	0.67
Burlington	6.16	1.88	0.79	4.42	3.12	0.82
Charlotte-Gastonia*	6.37	2.30	0.73	4.18	3.92	0.70
Durham	4.98	1.60	0.53	3.92	2.55	0.57
Fayetteville	3.84	1.36	0.58	3.41	2.35	0.35
Goldsboro	5.73	2.22	0.79	4.18	2.70	0.56
Greensboro	5.78	1.97	0.71	4.12	3.07	0.67
Greenville	5.65	1.81	0.62	4.50	3.14	0.46
Hickory-Lenoir	5.77	2.23	0.75	3.33	3.91	0.71
Jacksonville	2.71	1.43	0.33	2.33	1.93	0.26
Kill Devil Hills	4.75	2.90	1.10	3.15	4.33	1.14
Raleigh-Cary	4.17	1.37	0.44	3.12	2.42	0.49
Rocky Mount	7.39	1.99	1.12	6.07	3.58	0.98
Wilmington	4.95	1.90	0.62	3.56	3.51	0.70
Winston-Salem	5.41	1.86	0.63	3.65	3.30	0.58
North Carolina	5.39	1.92	0.66	3.85	3.23	0.63
Fifth District	5.23	2.37	0.86	4.13	3.09	0.79
United States	5.88	3.96	1.03	4.45	4.67	1.12

*Only the North Carolina portion of this MSA is included here.

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. Areas with fewer than 100 raw loans receive an N/A.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011) and Mortgage Bankers Association (2011:Q1)/Haver Analytics.

**Figure 11
Owner-Occupied Loan Statistics: North Carolina**



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 (December 2010)

**Table 8
Owner-Occupied Prime Loan Statistics: North Carolina**

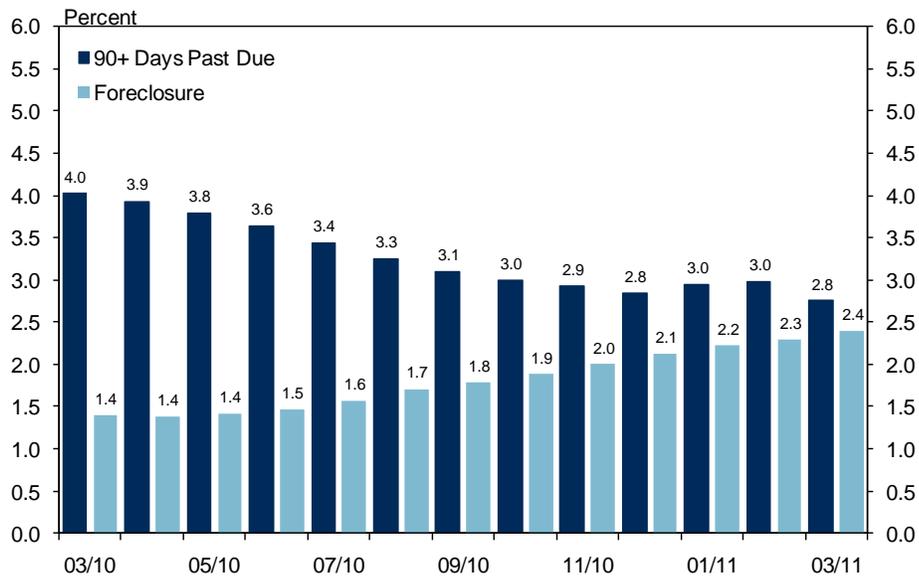
Geographic Area	March 2010			March 2011		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Asheville	2.92	1.13	0.49	1.76	2.26	0.55
Burlington	4.14	1.29	0.64	2.83	2.29	0.65
Charlotte-Gastonia*	5.06	1.73	0.60	3.15	3.02	0.59
Durham	3.51	1.05	0.41	2.77	1.75	0.39
Fayetteville	2.79	0.97	0.41	2.42	1.62	0.27
Goldsboro	4.04	1.45	0.59	2.75	1.80	0.49
Greensboro	4.32	1.48	0.59	3.00	2.26	0.59
Greenville	3.52	1.22	0.42	2.72	1.93	0.29
Hickory-Lenoir	4.20	1.63	0.69	2.31	2.98	0.53
Jacksonville	2.14	1.17	0.28	1.86	1.48	0.23
Kill Devil Hills	3.76	2.11	0.96	2.45	3.23	0.97
Raleigh-Cary	3.02	0.96	0.35	2.20	1.69	0.38
Rocky Mount	5.25	1.37	0.94	4.18	2.58	0.74
Wilmington	3.93	1.53	0.51	2.81	2.89	0.65
Winston-Salem	4.14	1.40	0.54	2.67	2.43	0.50
North Carolina	4.02	1.40	0.54	2.75	2.40	0.52
Fifth District	3.89	1.71	0.66	2.90	2.29	0.62
United States	4.26	2.86	0.86	3.04	3.40	0.95

*Only the North Carolina portion of this MSA is included here.

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. Areas with fewer than 100 raw loans receive an N/A.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011)

**Figure 12
Owner-Occupied Prime Loan Statistics: North Carolina**



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 (March 2011)

**Table 9
Owner-Occupied Subprime Loan Statistics: North Carolina**

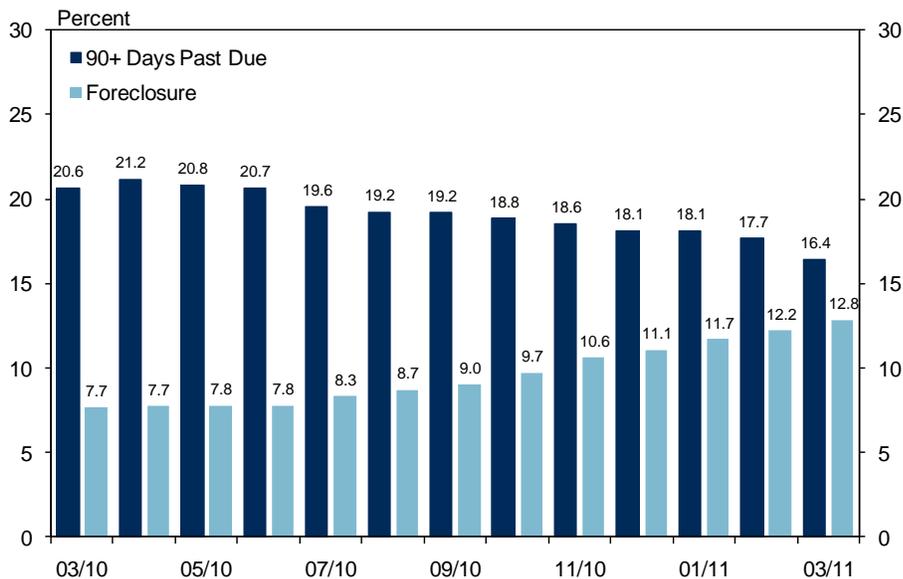
Geographic Area	March 2010			March 2011		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Asheville	19.76	7.02	1.81	14.41	11.40	2.23
Burlington	24.85	7.36	2.19	19.68	11.09	2.49
Charlotte-Gastonia*	21.36	8.73	2.13	16.35	14.55	1.90
Durham	22.27	7.94	2.00	17.85	12.26	2.66
Fayetteville	15.32	5.61	2.41	14.91	10.89	1.28
Goldsboro	22.09	9.69	2.71	18.53	11.64	1.29
Greensboro	20.87	7.12	1.91	16.18	11.76	1.51
Greenville	25.25	7.27	2.42	20.94	14.25	2.00
Hickory-Lenoir	19.75	7.63	1.36	12.81	12.46	2.40
Jacksonville	15.16	7.22	1.44	13.75	12.92	0.83
Kill Devil Hills	21.37	16.24	3.42	15.00	23.00	4.00
Raleigh-Cary	22.08	7.84	1.96	17.95	14.18	2.19
Rocky Mount	21.16	6.02	2.28	18.31	10.09	2.58
Wilmington	20.84	7.65	2.44	15.88	13.57	1.54
Winston-Salem	19.10	6.77	1.64	14.47	12.93	1.46
North Carolina	20.63	7.69	2.03	16.40	12.83	1.89
Fifth District	19.83	9.50	2.97	17.68	11.90	2.66
United States	20.74	14.02	2.60	17.73	16.72	2.70

*Only the North Carolina portion of this MSA is included here.

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. Areas with fewer than 100 raw loans and/or fewer than 50 raw subprime loans receive an N/A.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011)

**Figure 13
Owner-Occupied Subprime Loan Statistics: North Carolina**



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 (March 2011)

Table 10
Owner-Occupied Interest Only Loan Statistics: North Carolina

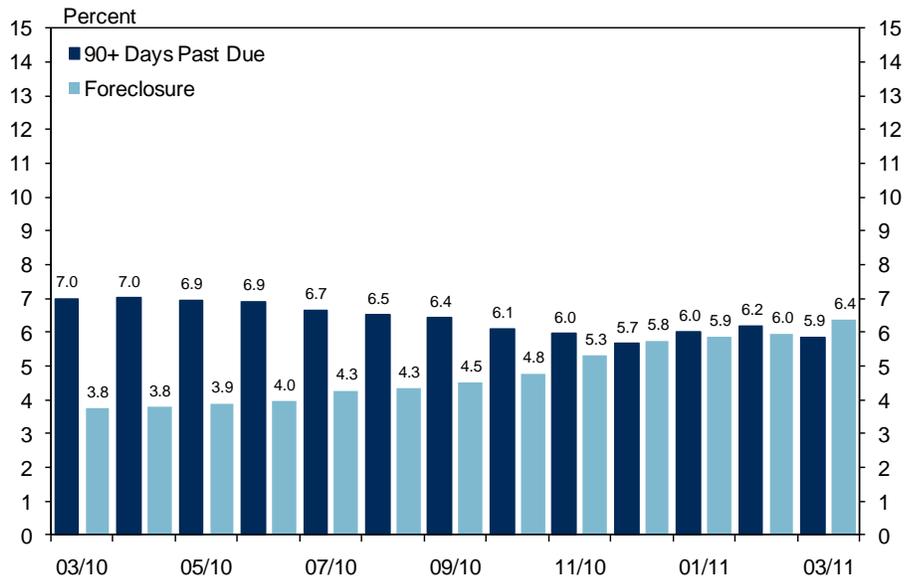
Geographic Area	March 2010			March 2011		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Asheville	6.35	3.94	1.47	5.34	7.15	1.89
Burlington	9.30	4.65	0.78	7.21	8.56	2.70
Charlotte-Gastonia*	7.36	3.67	1.56	5.25	6.31	1.33
Durham	5.70	2.53	0.81	5.28	4.51	0.99
Fayetteville	6.81	2.55	1.28	5.41	6.49	0.54
Goldsboro	N/A	N/A	N/A	N/A	N/A	N/A
Greensboro	6.76	3.32	1.57	5.17	4.44	1.97
Greenville	10.28	4.67	3.27	14.88	5.95	2.38
Hickory-Lenoir	8.11	5.68	0.81	7.19	9.38	0.63
Jacksonville	5.53	2.98	1.70	6.84	5.26	1.58
Kill Devil Hills	8.79	7.25	3.52	10.18	7.31	4.70
Raleigh-Cary	5.87	3.02	1.43	5.68	5.28	1.31
Rocky Mount	13.33	9.52	2.86	15.96	10.64	1.06
Wilmington	7.73	4.16	1.83	7.12	8.40	2.30
Winston-Salem	5.21	3.85	1.81	5.69	6.80	1.39
North Carolina	7.00	3.75	1.64	5.86	6.36	1.57
Fifth District	9.03	5.51	2.49	7.48	6.51	2.25
United States	11.74	9.86	2.93	9.60	10.84	3.14

*Only the North Carolina portion of this MSA is included here.

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. Areas with fewer than 100 raw loans and/or fewer than 50 raw interest only loans receive an N/A.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011)

Figure 14
Owner-Occupied Interest Only Loan Statistics: North Carolina



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 (March 2011)

Table 11
Unemployment Rates: North Carolina

Geographic Area	Unemployment Rate	Percentage Point Change from March 2010
Asheville	8.1	-1.6
Burlington	9.9	-2.6
Charlotte-Gastonia	10.4	-2.0
Durham	7.1	-1.2
Fayetteville	9.1	-0.4
Goldsboro	8.2	-1.2
Greensboro	10.1	-1.9
Greenville	9.6	-1.1
Hickory-Lenoir	11.9	-3.0
Jacksonville	8.4	-0.4
Kill Devil Hills	15.3	-0.4
Raleigh-Cary	8.3	-1.7
Rocky Mount	12.5	-1.7
Wilmington	9.7	-1.5
Winston-Salem	9.4	-1.4
North Carolina	9.7	-1.8
5th District	8.2	-1.3

Note: Data are not seasonally adjusted.
Source: Bureau of Labor Statistics (March 2011)

Table 12
Owner-Occupied Loan Statistics
Charlotte-Gastonia-Concord, NC MSA

Geographic Area	March 2010			March 2011		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Anson County	10.63	3.89	0.69	6.64	4.68	1.60
Cabarrus County	6.28	2.11	0.69	4.00	4.12	0.67
Gaston County	7.26	2.32	1.00	4.60	4.47	0.78
Mecklenburg County	6.29	2.31	0.69	4.16	3.84	0.69
Union County	5.97	2.32	0.74	4.04	3.75	0.68

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. Areas with fewer than 100 raw loans receive an N/A.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011) and Mortgage Bankers Association (2011:Q1)/Haver Analytics.

Table 13
Owner-Occupied Loan Statistics
Raleigh-Cary, NC MSA

Geographic Area	March 2010			March 2011		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Franklin County	6.73	1.90	1.01	4.95	3.60	0.88
Johnston County	5.97	1.83	0.81	4.39	3.08	0.74
Wake County	3.87	1.30	0.38	2.91	2.30	0.45

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. Areas with fewer than 100 raw loans receive an N/A.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011) and Mortgage Bankers Association (2011:Q1)/Haver Analytics.

Table 14
Owner-Occupied Prime Loan Statistics
Charlotte-Gastonia-Concord, NC MSA

Geographic Area	March 2010			March 2011		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Anson County	7.97	2.97	0.94	5.46	3.31	1.16
Cabarrus County	5.14	1.58	0.58	3.19	3.06	0.50
Gaston County	5.53	1.83	0.80	3.50	3.37	0.62
Mecklenburg County	5.03	1.73	0.57	3.12	2.98	0.59
Union County	4.72	1.79	0.65	2.96	2.95	0.65

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. Areas with fewer than 100 raw loans receive an N/A.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011)

Table 15
Owner-Occupied Prime Loan Statistics
Raleigh-Cary, NC MSA

Geographic Area	March 2010			March 2011		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Franklin County	5.07	1.56	0.82	3.49	2.71	0.83
Johnston County	4.46	1.37	0.60	3.18	2.36	0.52
Wake County	2.79	0.89	0.30	2.05	1.58	0.35

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. Areas with fewer than 100 raw loans receive an N/A.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011)

Table 16
Owner-Occupied Subprime Loan Statistics
Charlotte-Gastonia-Concord, NC MSA

Geographic Area	March 2010			March 2011		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Anson County	18.18	6.49	0.00	9.86	8.45	2.82
Cabarrus County	19.67	8.36	1.97	13.98	17.05	2.68
Gaston County	21.23	6.25	2.59	13.88	13.75	2.16
Mecklenburg County	21.53	9.30	2.14	17.04	14.47	1.86
Union County	22.43	9.26	1.88	18.46	14.54	0.98

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. Areas with fewer than 100 raw loans and/or fewer than 50 raw subprime loans receive an N/A.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011)

Table 17
Owner-Occupied Subprime Loan Statistics
Raleigh-Cary, NC MSA

Geographic Area	March 2010			March 2011		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Franklin County	23.12	5.20	2.89	20.27	12.84	1.35
Johnston County	22.14	6.72	2.99	18.48	11.44	3.23
Wake County	22.00	8.21	1.73	17.71	14.70	2.08

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. Areas with fewer than 100 raw loans and/or fewer than 50 raw subprime loans receive an N/A.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011)

Table 18
Owner-Occupied Interest Only Loan Statistics
Charlotte-Gastonia-Concord, NC MSA

Geographic Area	March 2010			March 2011		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Anson County	N/A	N/A	N/A	N/A	N/A	N/A
Cabarrus County	9.61	4.30	1.72	5.74	7.43	0.84
Gaston County	9.81	4.48	3.20	7.38	8.14	2.04
Mecklenburg County	6.56	3.44	1.42	4.69	5.59	1.31
Union County	9.49	4.28	1.59	7.05	8.80	1.38

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. Areas with fewer than 100 raw loans and/or fewer than 50 raw interest only loans receive an N/A.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011)

Table 19
Owner-Occupied Interest Only Loan Statistics
Raleigh-Cary, NC MSA

Geographic Area	March 2010			March 2011		
	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO	Percent 90+ Days Past Due	Percent in Foreclosure	Percent in REO
Franklin County**	6.67	2.86	4.76	4.88	3.66	2.44
Johnston County	10.74	4.96	2.07	9.22	6.80	1.94
Wake County	5.58	2.90	1.34	5.48	5.18	1.25

Notes: FHA and VA loans as well as interest only loans are included in the count of prime loans. Areas with fewer than 100 raw loans and/or fewer than 50 raw interest only loans receive an N/A.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (March 2011)

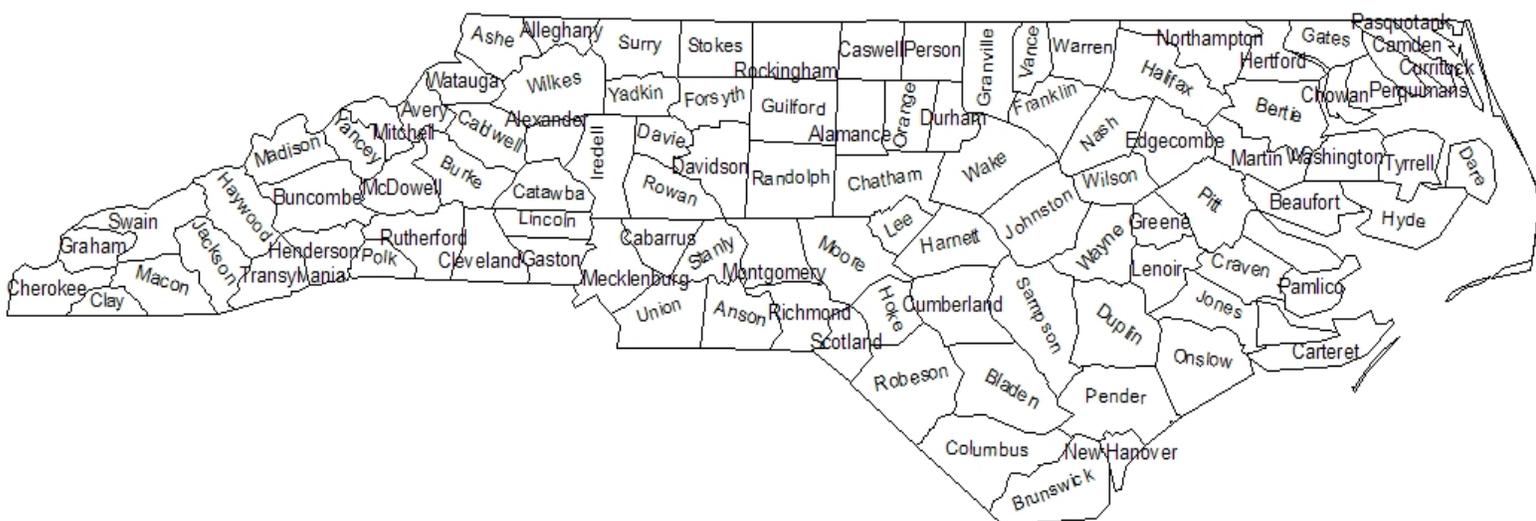
MSA Definitions

1. **Asheville, NC MSA** – Buncombe County, NC; Haywood County, NC; Henderson County, NC; Madison County, NC
2. **Burlington, NC MSA** – Alamance County, NC
3. **Charlotte-Gastonia-Concord, NC MSA** – Anson County, NC; Cabarrus County, NC; Gaston County, NC; Mecklenburg County, NC; Union County, NC; York County, SC
4. **Durham-Chapel Hill, NC MSA** – Chatham County, NC; Durham County, NC; Orange County, NC; Person County, NC
5. **Fayetteville, NC MSA** – Cumberland County, NC; Hoke County, NC
6. **Goldsboro, NC MSA** – Wayne County, NC
7. **Greensboro-High Point, NC MSA** – Guilford County, NC; Randolph County, NC; Rockingham County, NC
8. **Greenville, NC MSA** – Greene County, NC; Pitt County, NC
9. **Hickory-Lenoir-Morganton, NC MSA** – Alexander County, NC; Burke County, NC; Caldwell County, NC; Catawba County, NC
10. **Jacksonville, NC MSA** – Onslow County, NC
11. **Kill Devil Hills*, NC MSA** – Dare County, NC
12. **Raleigh-Cary, NC MSA** – Franklin County, NC; Johnston County, NC; Wake County, NC
13. **Rocky Mount, NC MSA** – Edgecombe County, NC; Nash County, NC
14. **Wilmington, NC MSA** – Brunswick County, NC; New Hanover County, NC; Pender County, NC
15. **Winston-Salem, NC MSA** – Davie County, NC; Forsyth County, NC; Stokes County, NC; Yadkin County, NC

*Indicates a micropolitan statistical area

Source: Office of Management and Budget, 2008

North Carolina 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 North Carolina. It has no impact on the subprime performance numbers.

Loan Processing Services, Inc. made a large enhancement to the Applied Analytics Mortgage Data (LPS Data) in November 2010 with the addition of several servicers. Performance numbers for the added servicers date back to January 2008. Historical rates may have changed in this version of the Mortgage Performance Summaries from previous versions.

The LPS data in this document is subject to revision.