

U.S. and Maryland Mortgage Market Outlook

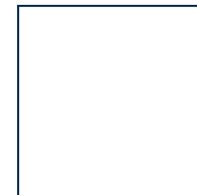


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**Forum on the National Mortgage Settlement
and Maryland Foreclosure Task Force**

February 14, 2012



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The views expressed here are those of the author, and do not necessarily represent those of the Federal Reserve Bank of Richmond or the Federal Reserve System.



Mortgage Market Remains Challenging

- Recent data suggest stronger labor market & some of the housing data have been more positive
- However, delinquencies and foreclosure starts remain elevated
- Significant number of at-risk homeowners with no equity or are underwater
- Supply of distressed properties continue to weigh on the market—negatively impacting home prices and construction
- Despite moderate improvement in the residential outlook for 2012 – in terms of sales, inventories, and construction – challenges remain in the mortgage market

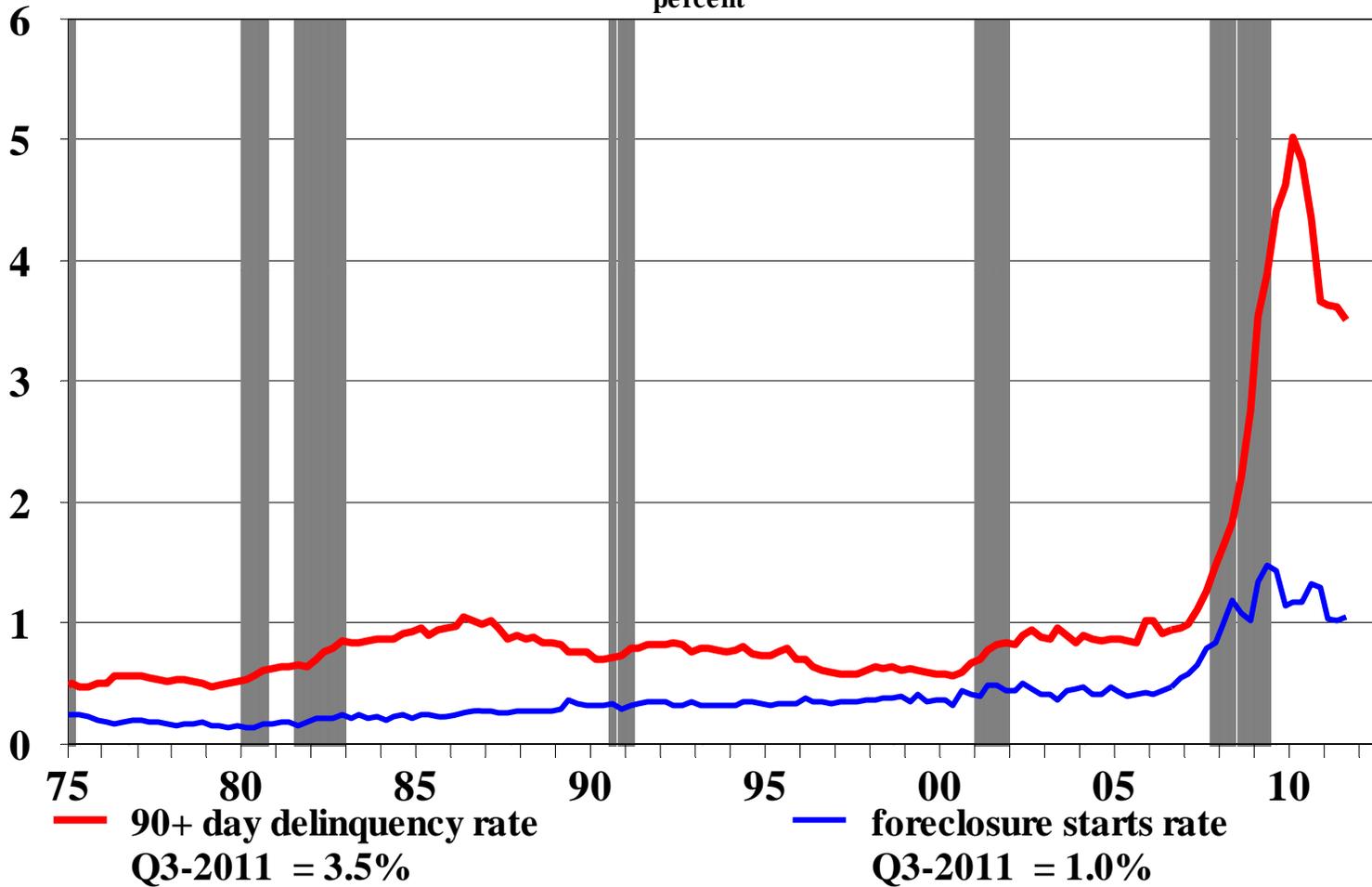


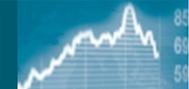


Mortgage market remains stressed

Mortgage Delinquencies & Foreclosure Starts

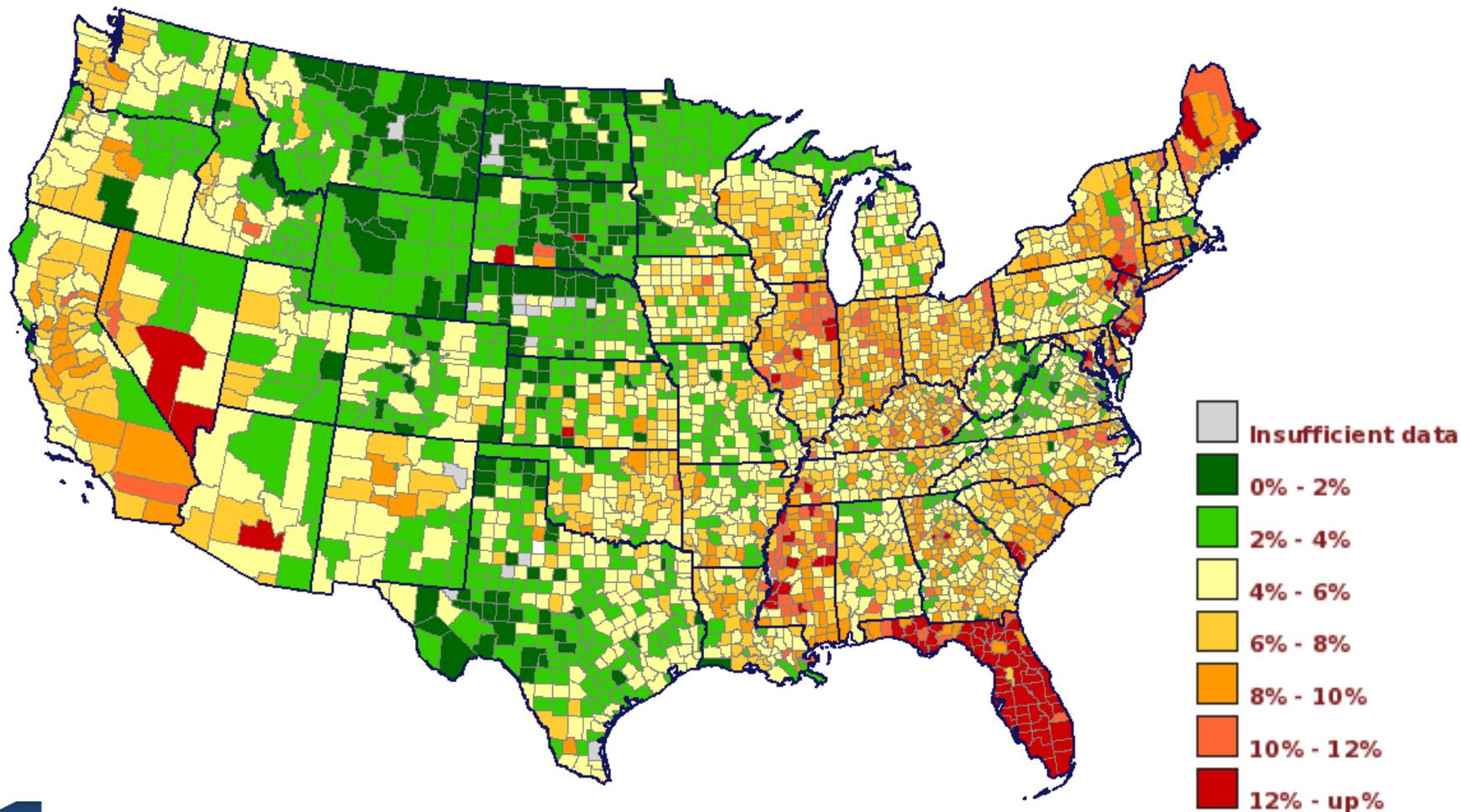
percent





Mortgage market remains stressed

Percent of Mortgages 90+Days Delinquent or in Foreclosure



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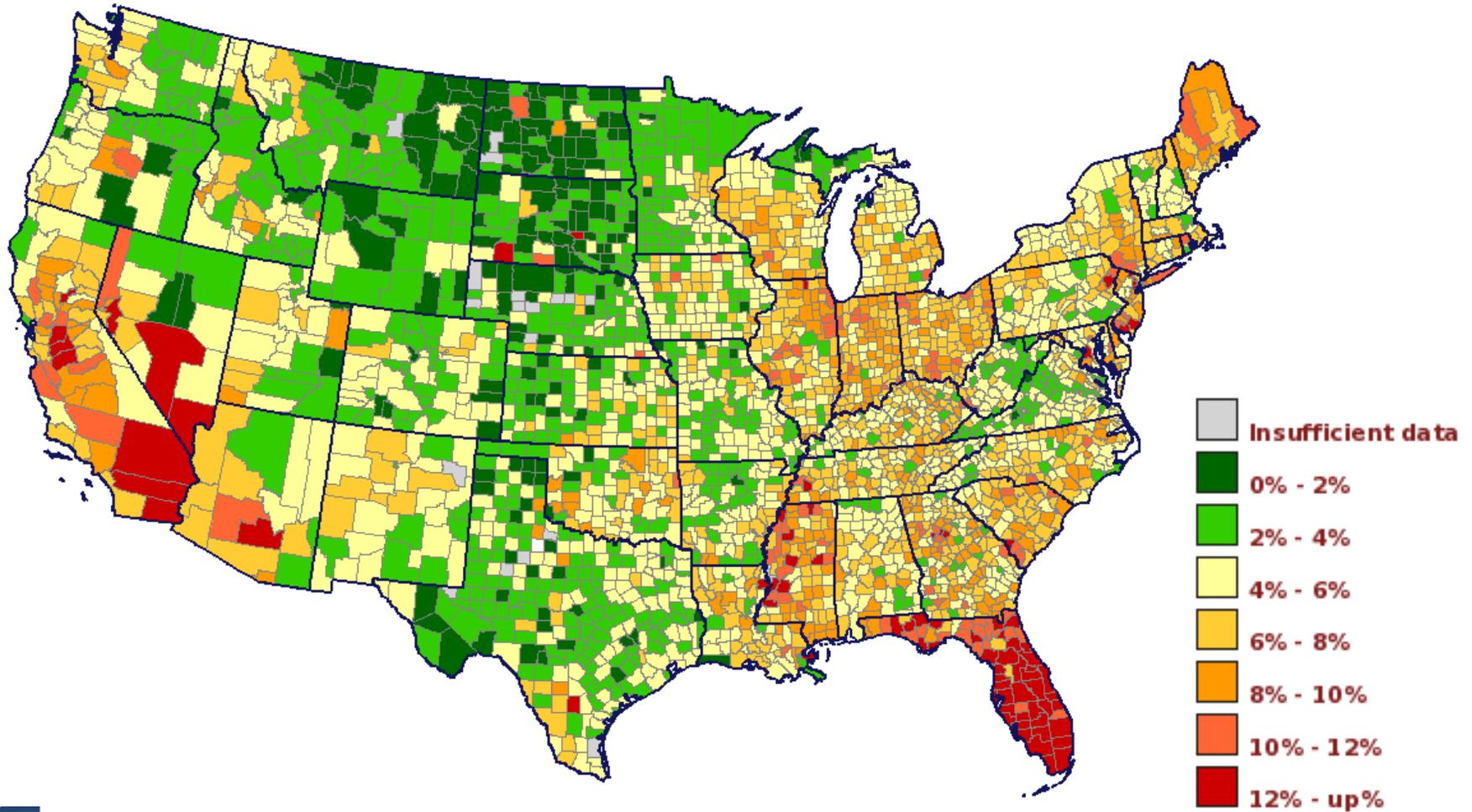
December 2011 Data

Source: Lender Processing Services/Federal Reserve Bank of Richmond



Mortgage market remains stressed

Percent of Mortgages 90+Days Delinquent or in Foreclosure

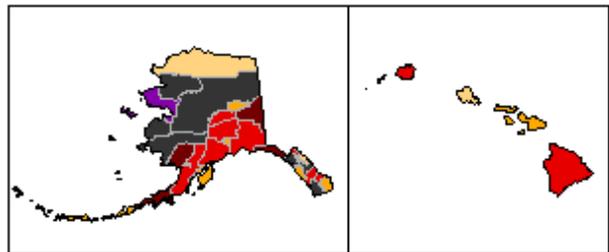
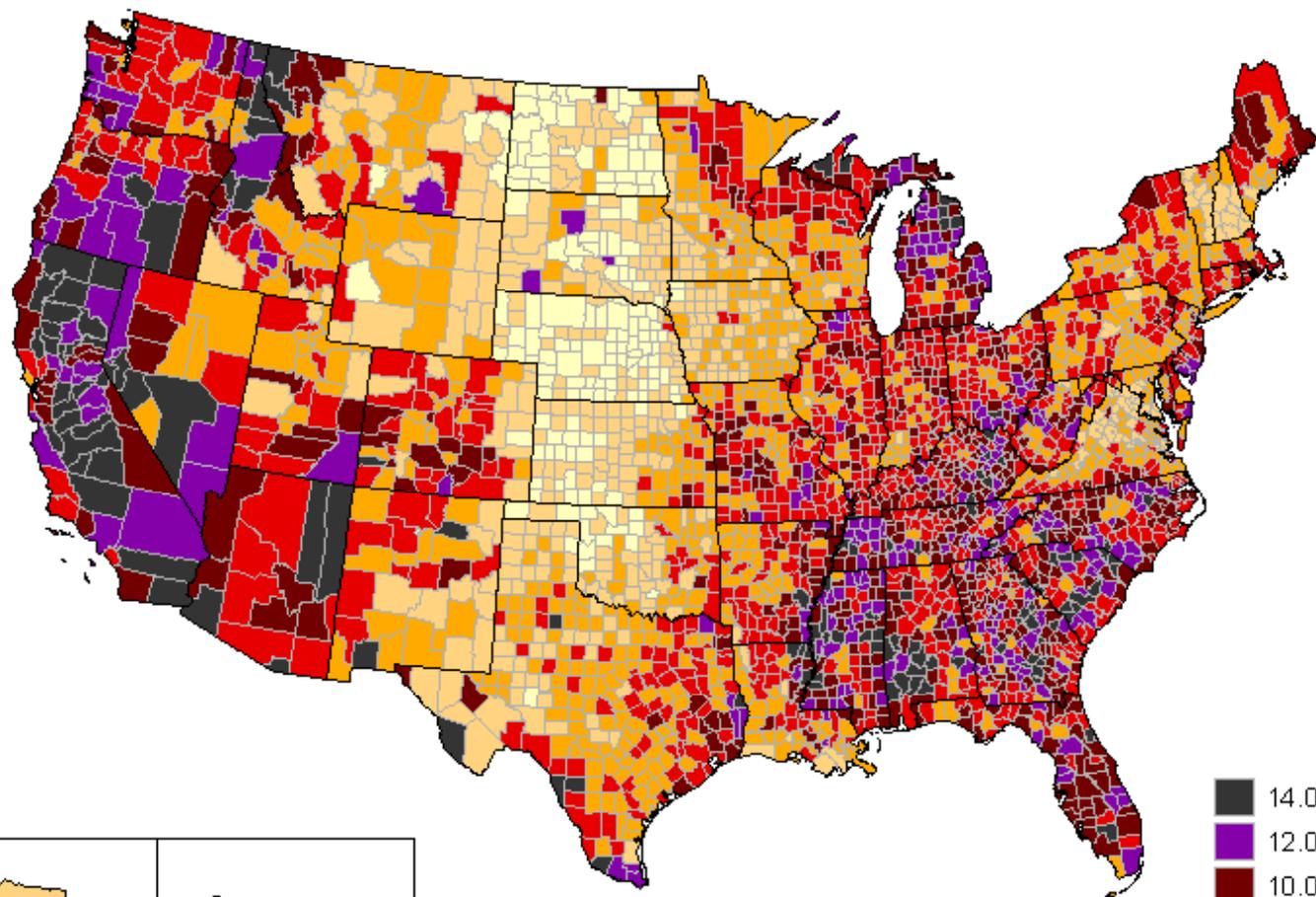


December 2010 Data



Unemployment rates by county, December 2010 – November 2011 averages

(U.S. rate = 9.0 percent)

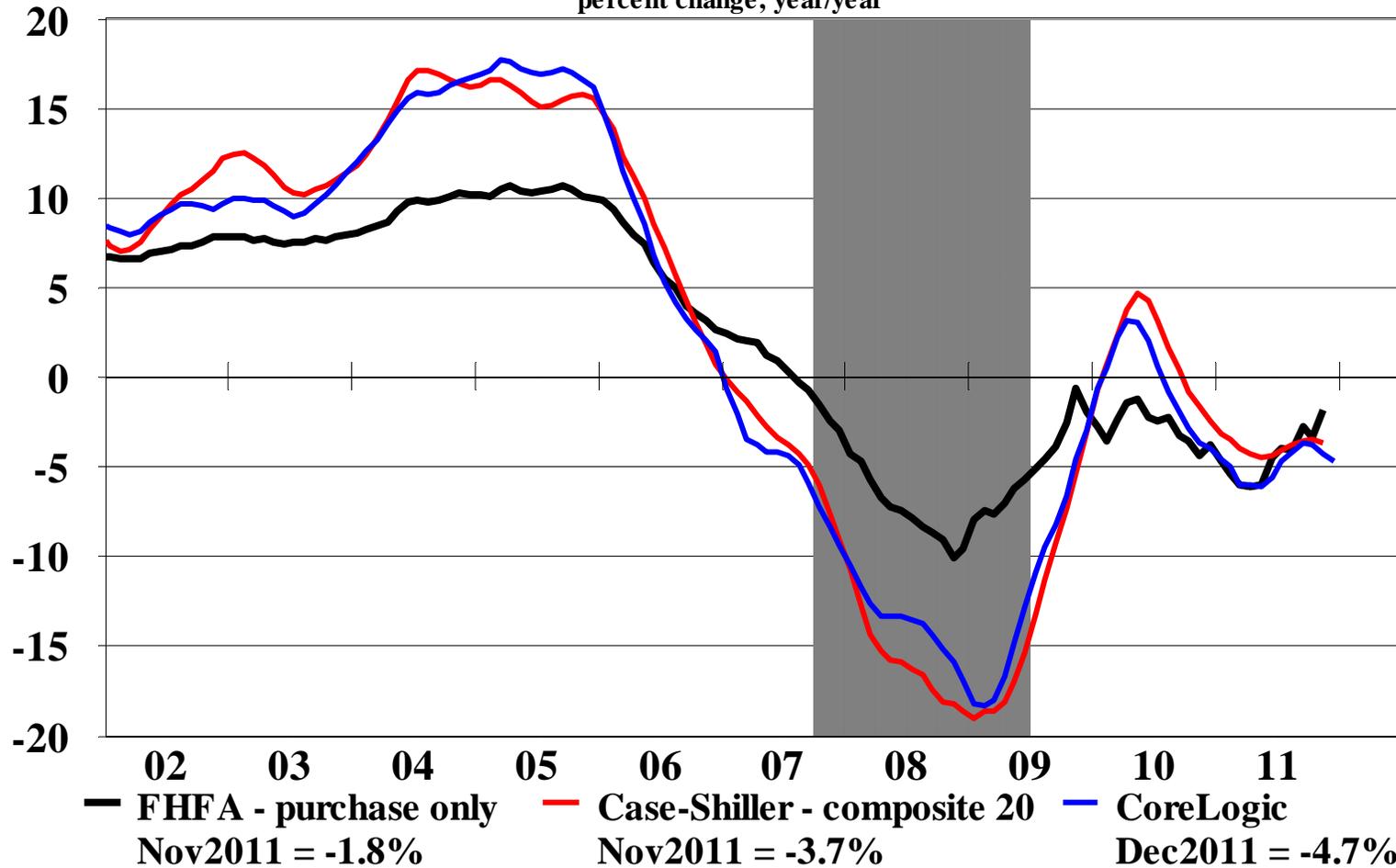


- 14.0% and over
- 12.0% to 13.9%
- 10.0% to 11.9%
- 8.0% to 9.9%
- 6.0% to 7.9%
- 4.0% to 5.9%
- 3.9% or lower

SOURCE: Bureau of Labor Statistics
Local Area Unemployment Statistics

Home prices have yet to stabilize

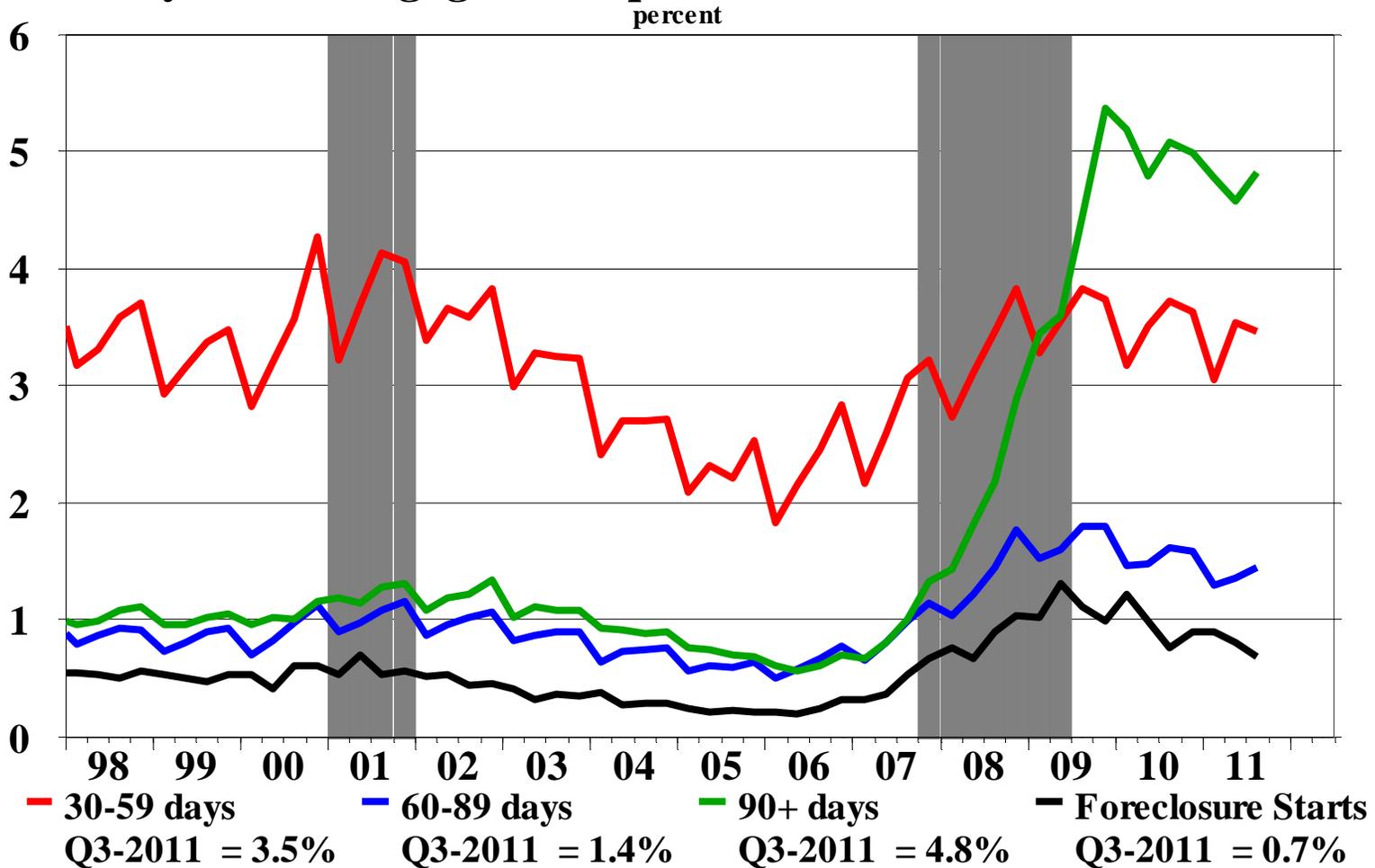
House Price Indexes
percent change, year/year





Mortgage market remains stressed

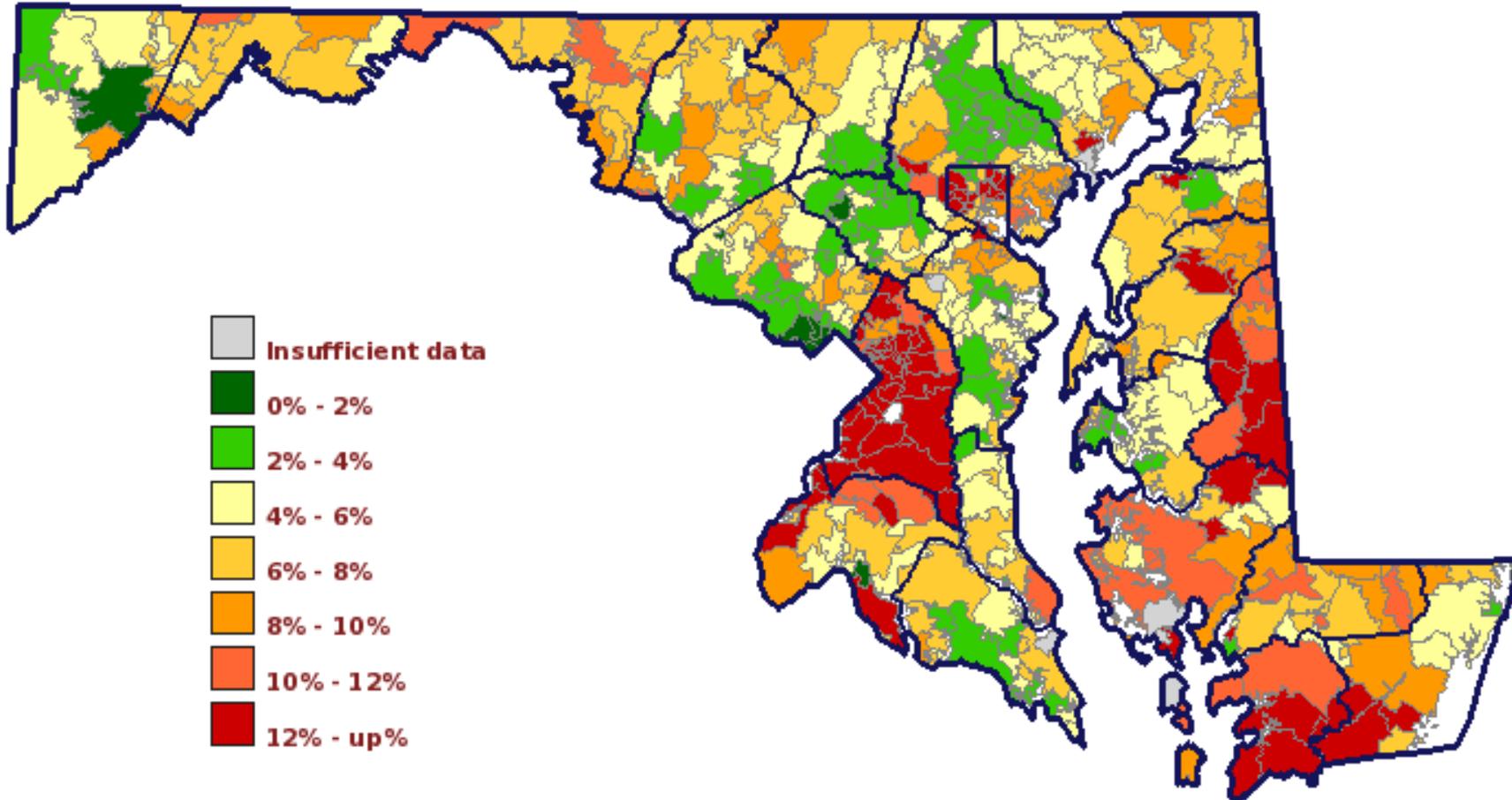
Maryland Mortgage Delinquencies and Foreclosure Starts





Mortgage market remains stressed

Percent of Mortgages 90+Days Delinquent or in Foreclosure

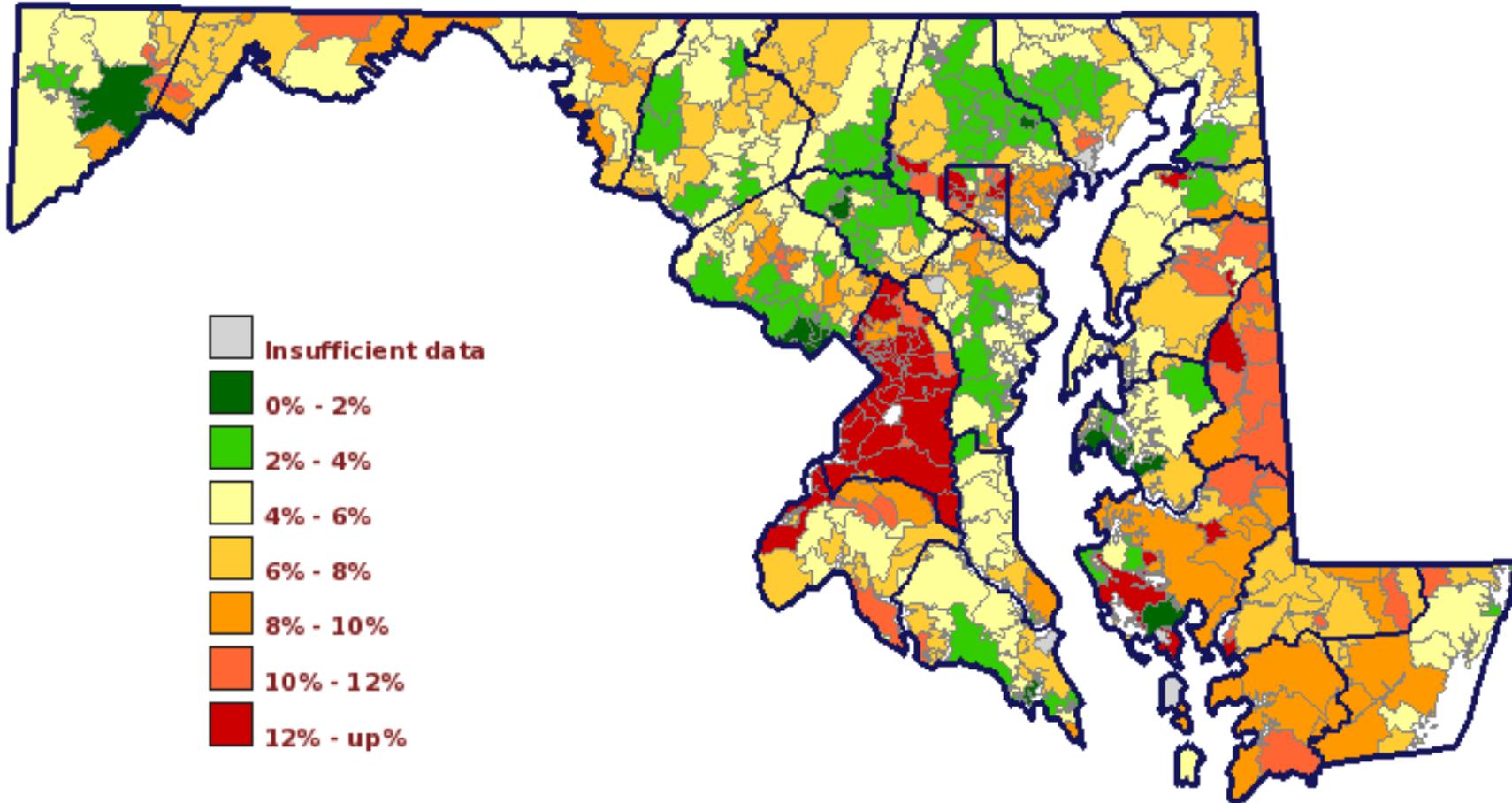


- Insufficient data
- 0% - 2%
- 2% - 4%
- 4% - 6%
- 6% - 8%
- 8% - 10%
- 10% - 12%
- 12% - up%



Mortgage market remains stressed

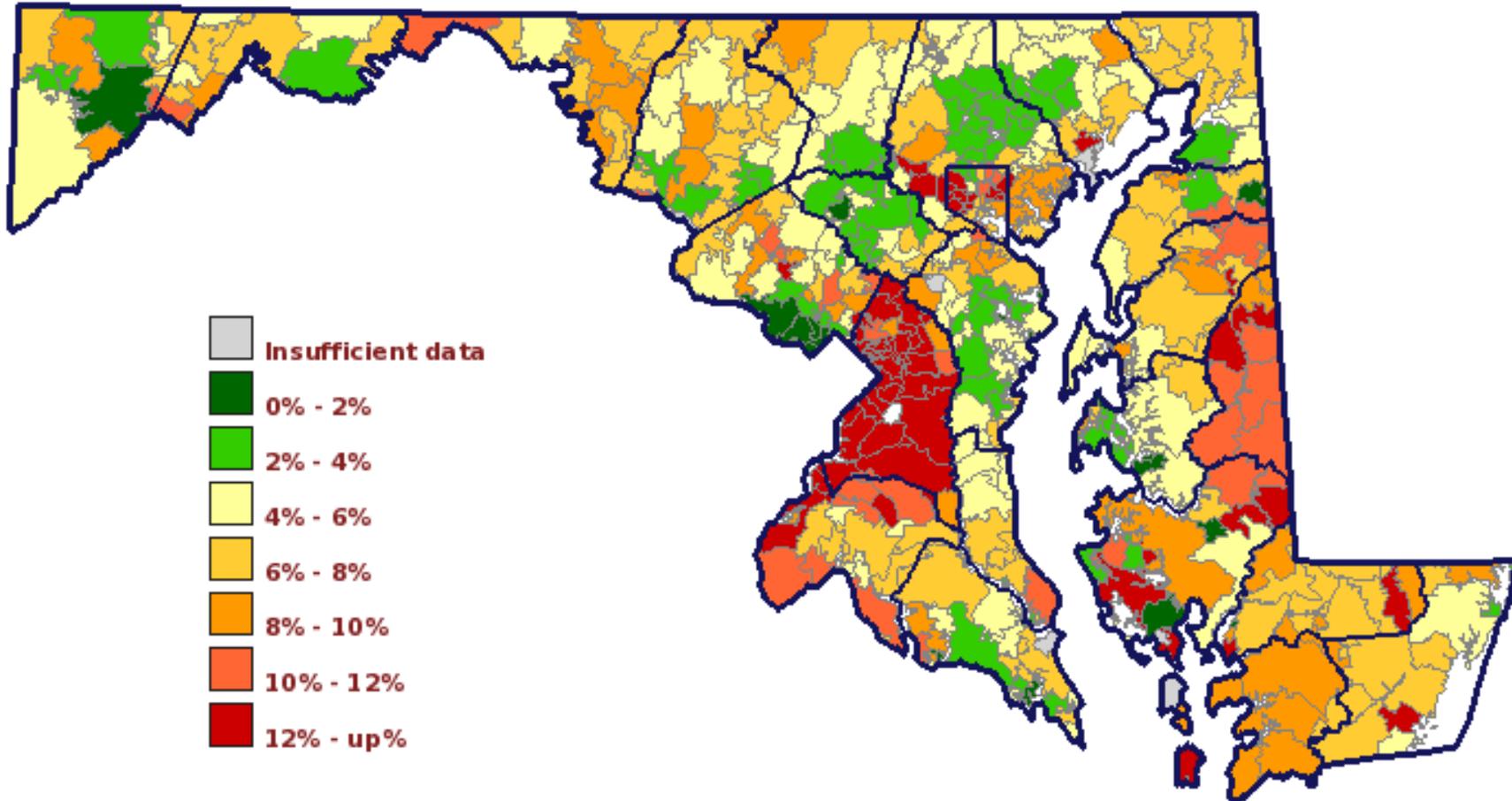
Percent of Mortgages 90+Days Delinquent or in Foreclosure





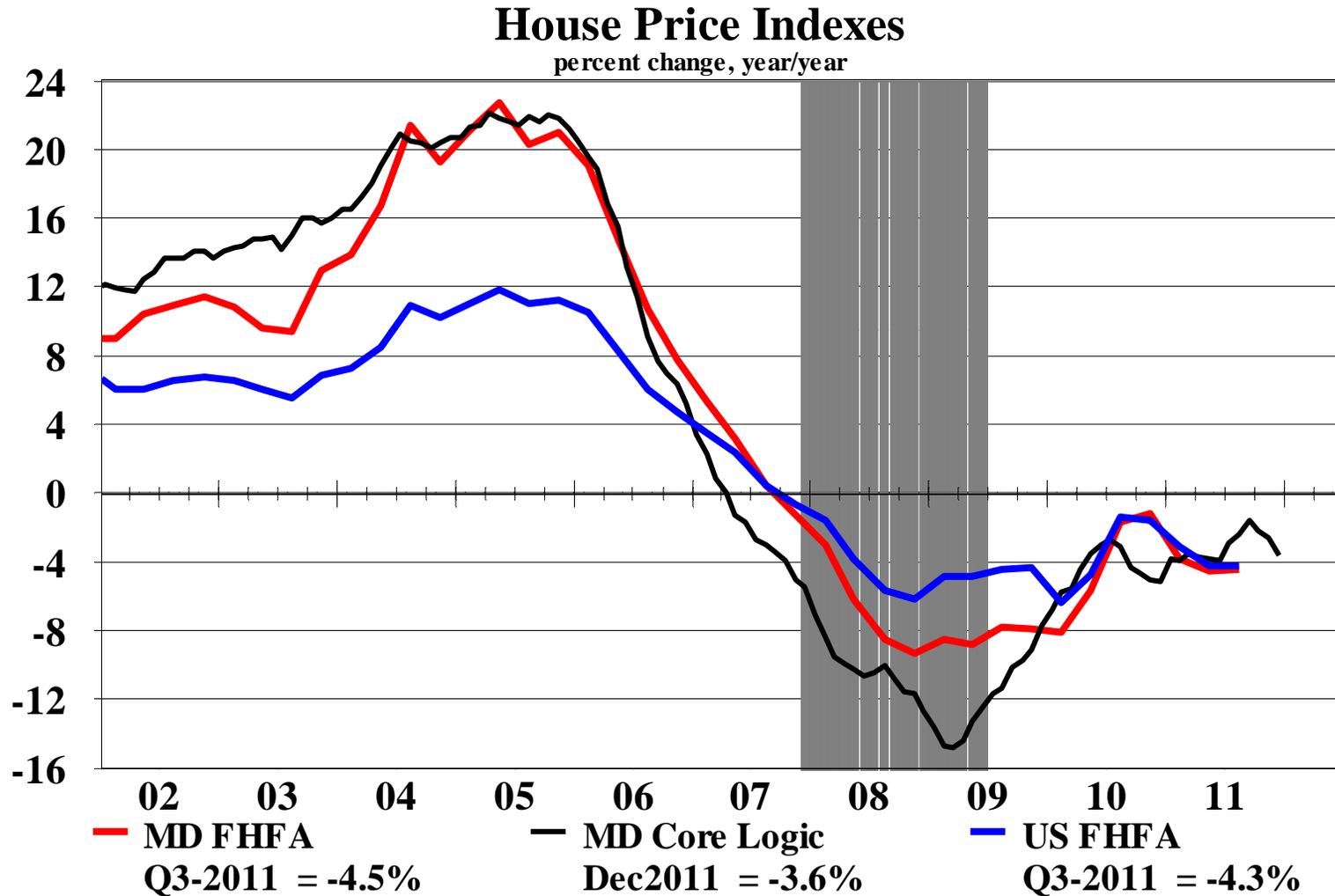
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Percent of Mortgages 90+Days Delinquent or in Foreclosure





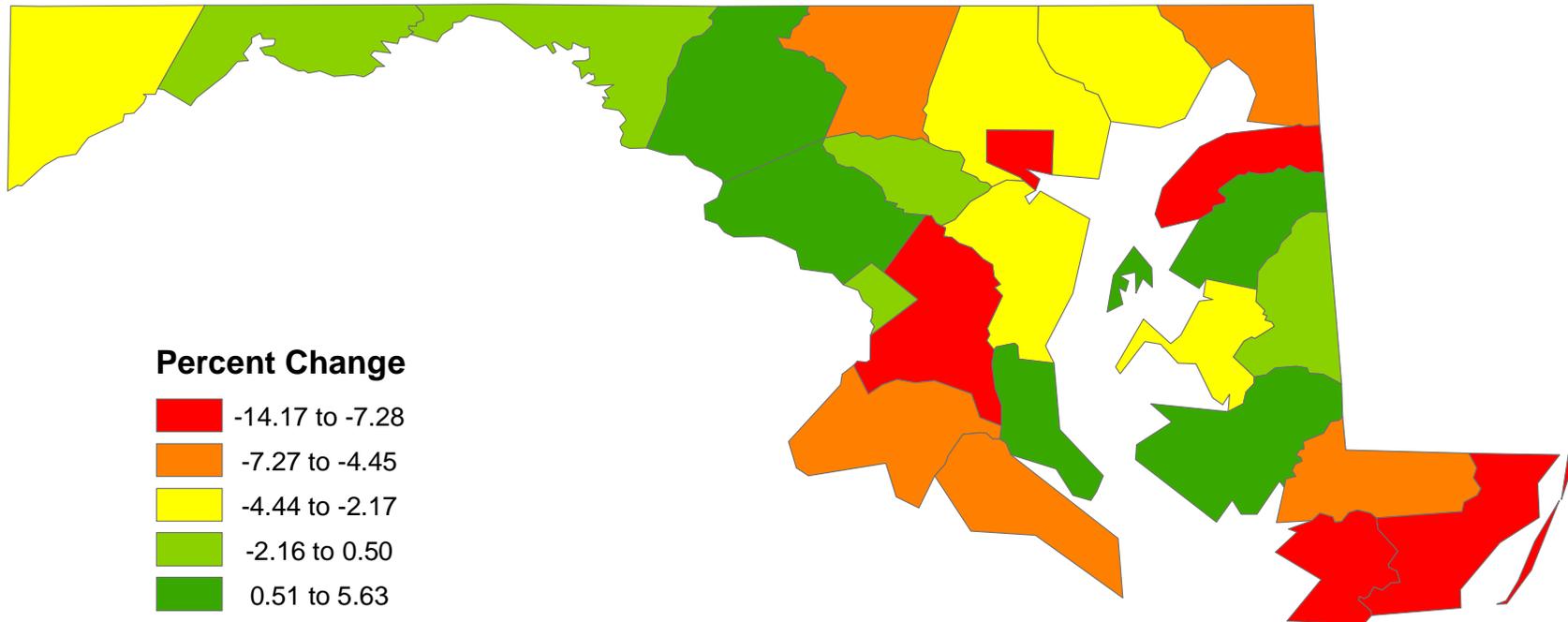
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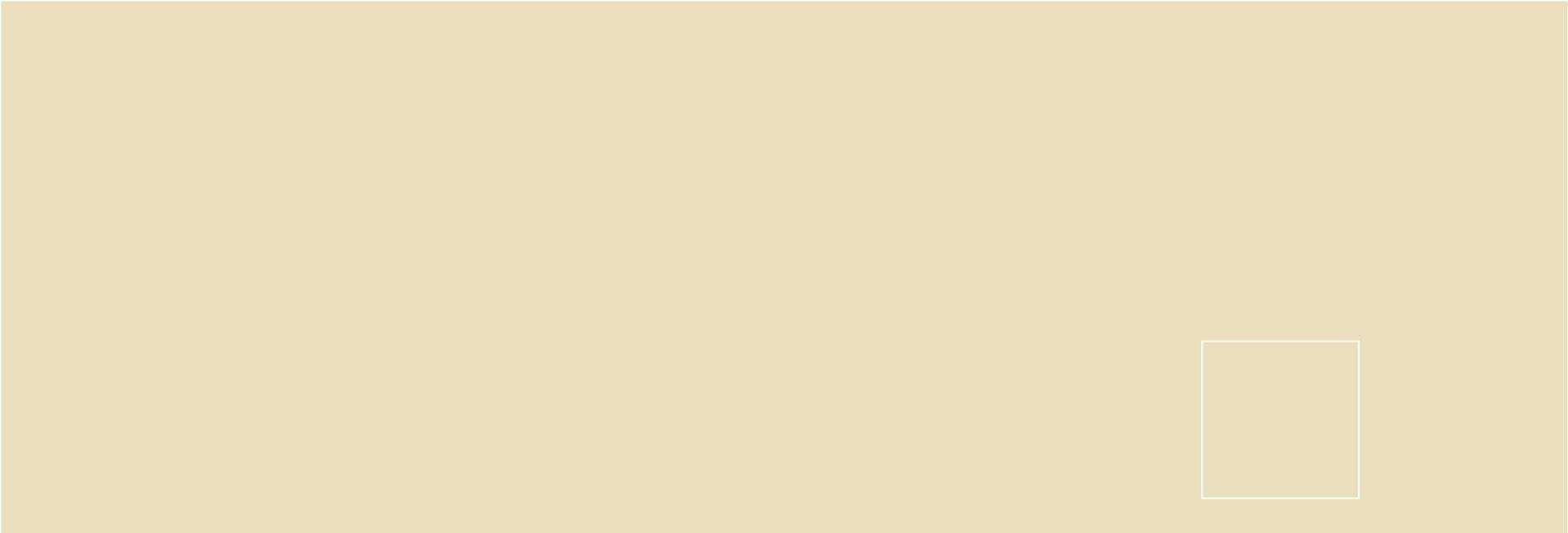
House Price Change in Maryland and the District of Columbia December 2010 - December 2011



Source: CoreLogic Information Solutions, Inc.



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