

September 2024 Market Snapshot





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Macro-Economic Indicators

Summary

- Nonfarm payroll employment increased by 254,000 in September while the unemployment rate edged lower to 4.10% from 4.20%.
- The federal reserve cut interest rate on September 18th, 2024, reducing the benchmark fed funds rate by 50 bps. The new target rate range is 4.75% to 5%.
- The MBA Mortgage Refinance Application Index's weekly readings increased to 1,100 at the end of September, up from 751 recorded in the prior month.
- Preliminary US housing starts are estimated to be lower month-over-month with 1,354,000 estimated housing starts in September.
- The share of mortgage loans in forbearance, tracked by the MBA's Monthly Loan Monitoring Survey, increased from 0.31% to 0.34% in September.

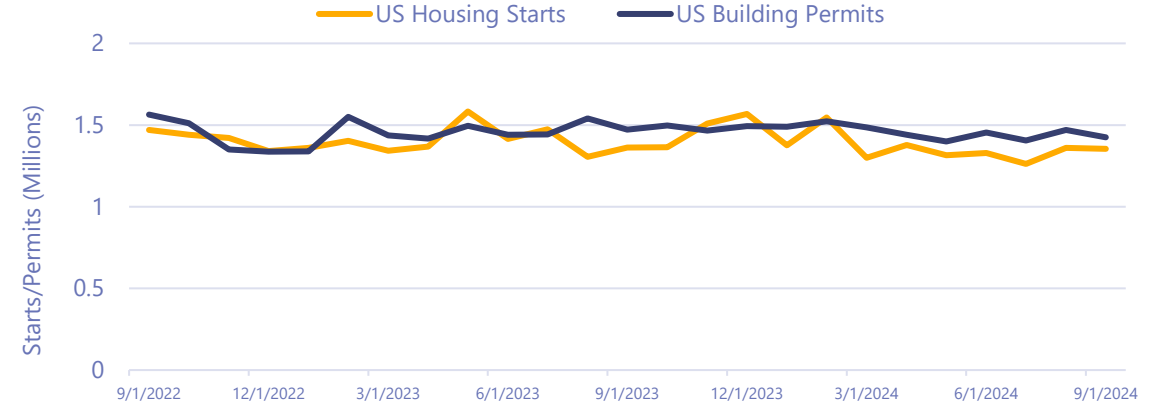
Macro-Economic Indicators

US Unemployment Rate



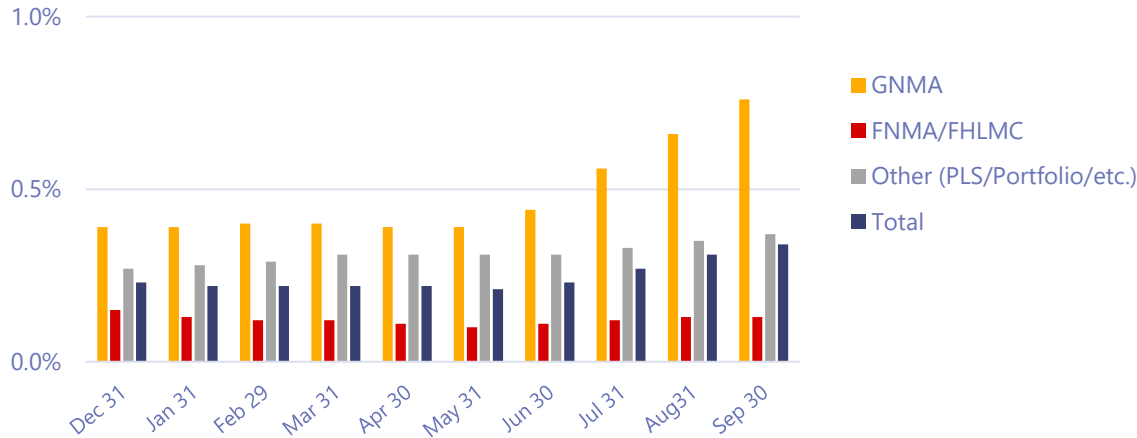
Sources: Thomson Reuters, Bureau of Labor Statistics, US Department of Labor

US Housing Starts/US Building Permits



Source: Thomson Reuters, US Census Bureau

Loans in Forbearance

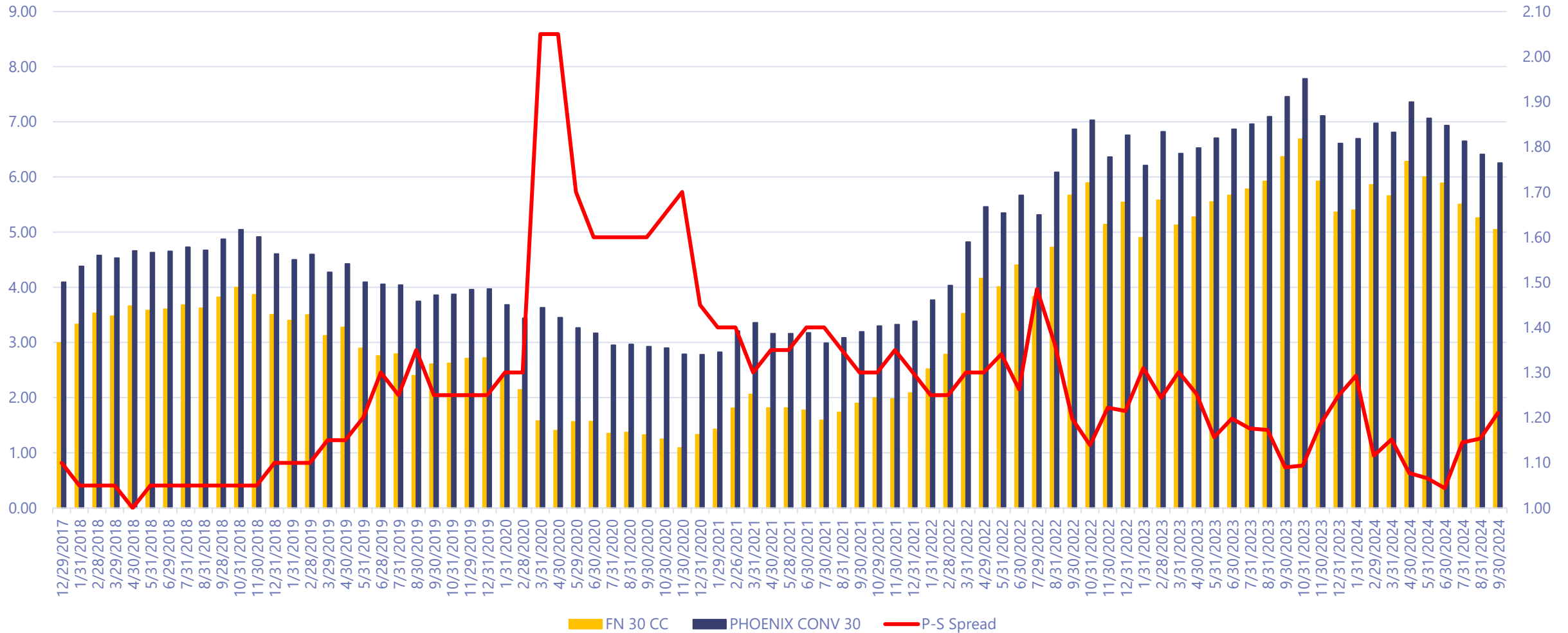


MBA Mortgage Refinance Application Index



Source: Thomson Reuters, Mortgage Bankers Association (MBA) of America

Primary Secondary Spread Tracking



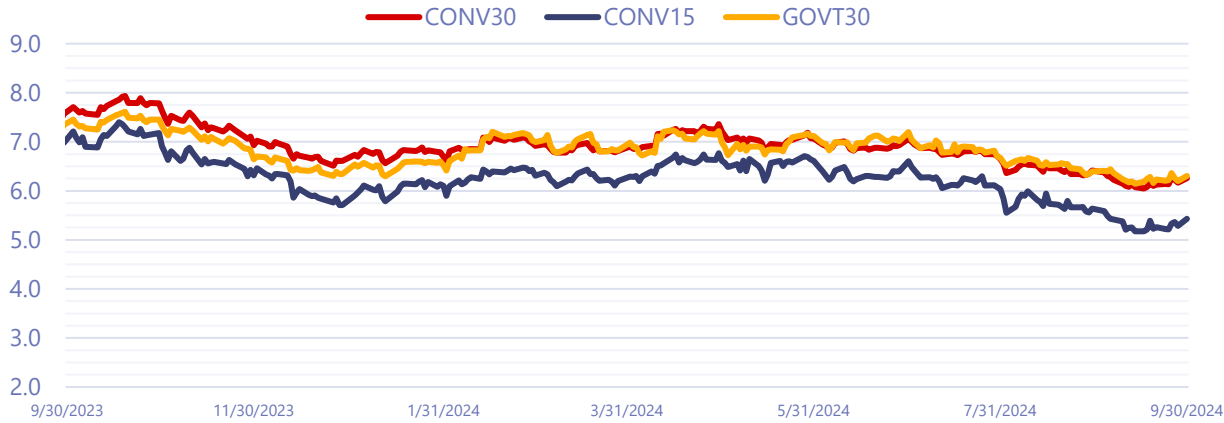
Rate History

Summary

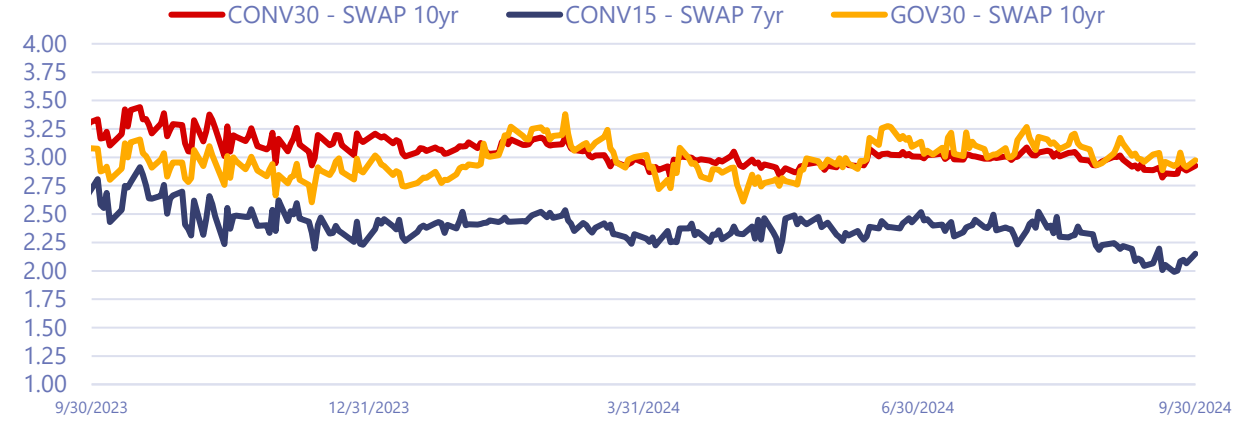
- PHOENIX primary mortgage rates continued to fall from August to September. The fixed 30-year CONV rate decreased by 15.6 bps, GOVT product decreased by 9.4 bps, and 15-year rates declined by 21.2 bps.
- SOFR SWAP rates declined in September.
- Treasuries all moved downward in September.
- Volatilities trended lower month-over-month.

Rate History

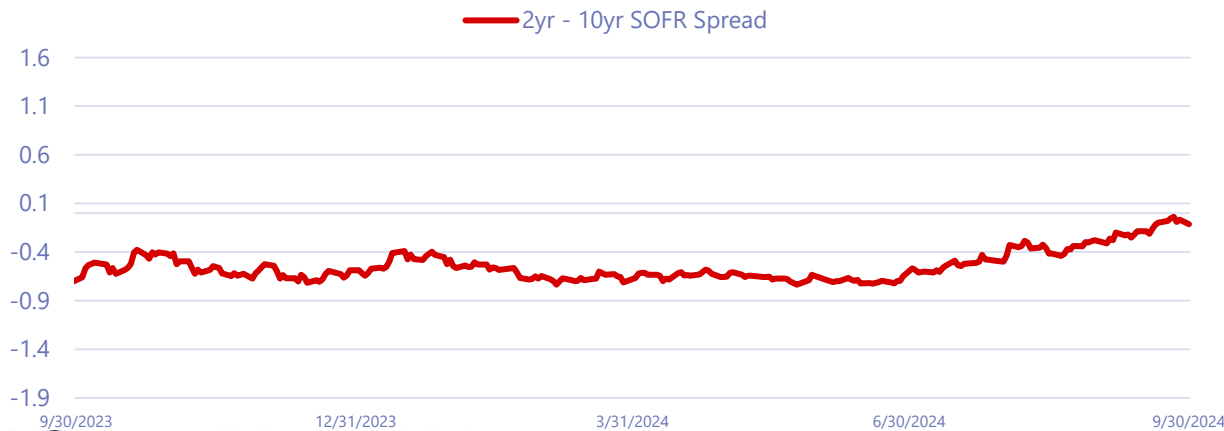
PHOENIX Mortgage Par Rates (%)



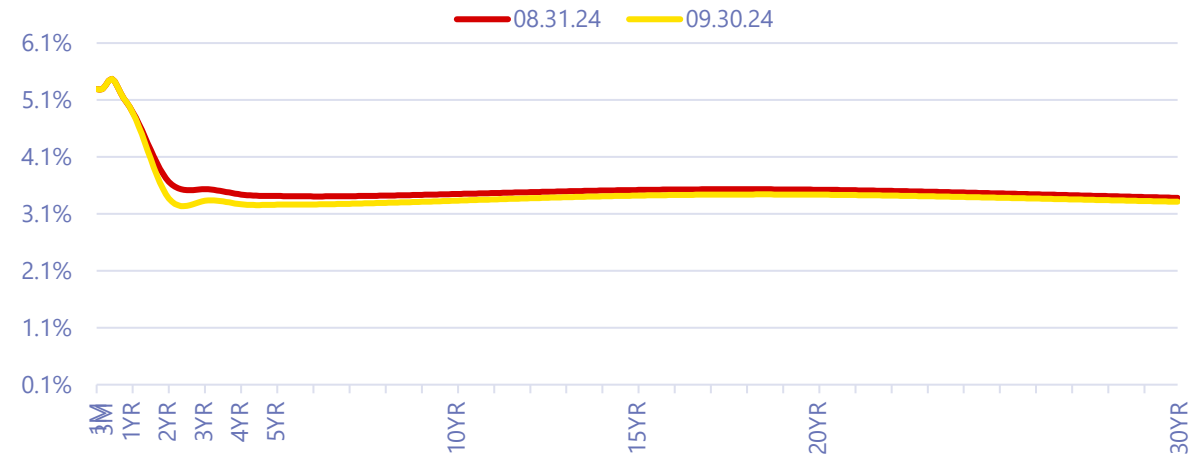
Mortgage Par Spread over SOFR Rates (%)



2yr and 10yr SOFR Spread



Yield Curve Comparison



Rate History (cont.)

Primary Rates as of 09/30/2024

Rate	9/29/2023	6/28/2024	8/30/2024	9/30/2024
CONV30	7.572	6.933	6.412	6.256
CONV15	6.979	6.393	5.638	5.426
GOV30	7.347	7.015	6.398	6.304
ARM 5/1	6.250	6.250	6.250	6.125

Secondary Rates as of 09/30/2024

Rate	9/29/2023	6/28/2024	8/30/2024	9/30/2024
FNMA 30	6.367	5.889	5.258	5.045
FNMA 15	6.304	5.426	4.629	4.427
GNMA II 30	6.304	5.804	5.145	5.068
GNMA II 15	5.377	5.426	4.629	4.427
ARM 5/1	6.640	6.410	6.410	5.880

SOFR Rates as of 09/30/2024

Rate	6/27/2024	7/31/2024	8/30/2024	9/30/2024
3 MO ED	5.295	5.295	5.295	5.295
6 MO ED	5.472	5.472	5.472	5.472
12 MO ED	4.976	4.976	4.976	4.976
2 YR SOFR	4.577	4.174	3.727	3.444
3 YR SOFR	4.302	3.919	3.532	3.320
5 YR SOFR	4.031	3.712	3.414	3.260
10 YR SOFR	3.882	3.674	3.448	3.331
15 YR SOFR	3.875	3.724	3.519	3.420
20 YR SOFR	3.837	3.719	3.524	3.437
30 YR SOFR	3.646	3.569	3.381	3.312

Source: Thomson Reuters and PHOENIX

Prepayment Speed Trends

Summary

- Quarter-over-quarter, national CPR speeds increased to 7.03% in September from June's 5.98%.
- Average prepayment speeds for fixed-rate GNMA and GSE loans were 7.03% in September, a 9-bps decrease from August's rate of 7.12%.
- Over the month, the CONV 30-year and 15-year CPR decreased by 0.22% and 1.04%, respectively. FHA and VA speeds increased by 0.28% and 1.06%.

CPR Summary

SUMMARY TABLES - September 2024

Loan Characteristics

Investor	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%
CONV Fixed 30	\$272,049	4.10	755	74	49	6.02%	-3.59%
CONV Fixed 15	\$211,459	3.03	763	61	53	5.90%	-14.98%
GNMA Fixed 30	\$231,742	4.32	698	93	48	10.01%	6.99%
GNMA Fixed 15	\$147,713	3.55	715	77	59	10.07%	-6.30%

Prepayments

Vintage	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%
2006	\$135,816	5.42	676	79	178	6.28%	-0.88%
2007	\$143,830	5.32	672	81	169	5.67%	-9.24%
2008	\$145,570	5.15	675	83	162	5.21%	-20.36%
2009	\$160,010	4.85	719	80	169	6.24%	-14.37%
2010	\$165,195	4.65	730	80	161	6.51%	-9.18%
2011	\$163,735	4.45	734	79	151	6.51%	-12.54%
2012	\$189,906	3.78	746	80	142	5.78%	-14.11%
2013	\$182,279	3.82	742	79	133	5.72%	-15.88%
2014	\$163,716	4.27	728	81	117	6.25%	-16.31%
2015	\$186,308	3.96	733	79	107	6.08%	-12.64%
2016	\$204,202	3.70	737	78	94	5.79%	-14.29%
2017	\$192,107	4.10	726	80	82	6.38%	-13.25%
2018	\$185,223	4.61	718	82	69	6.85%	-13.42%
2019	\$219,645	3.99	732	81	58	6.19%	-11.12%
2020	\$280,751	3.01	757	74	48	4.59%	-15.80%

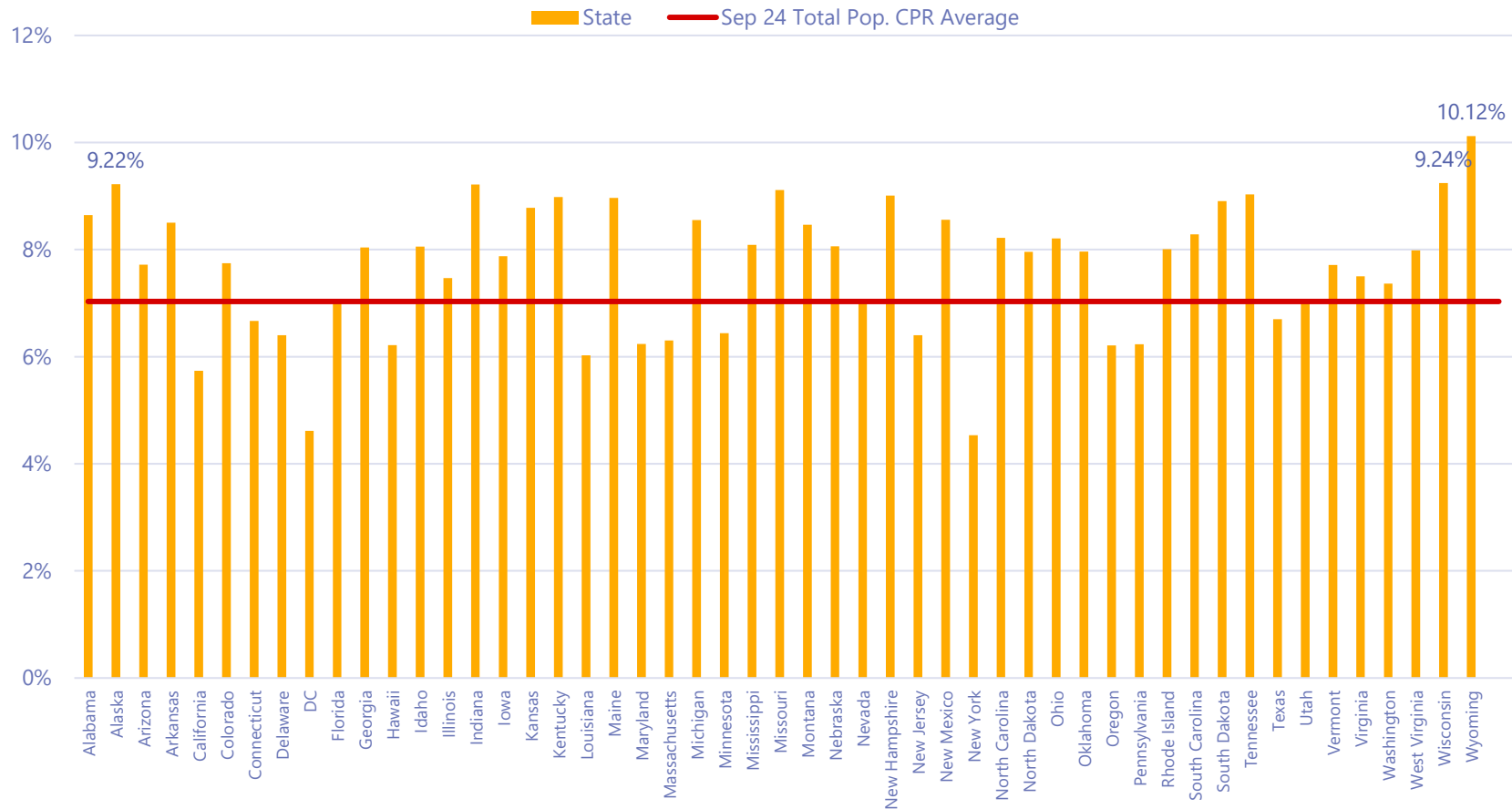
Tranche	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%
0.0000 - 2.4999	\$294,960	2.25	762	69	41	4.37%	-16.21%
2.5000 - 2.9999	\$294,770	2.79	758	72	43	4.11%	-17.87%
3.0000 - 3.4999	\$262,109	3.21	744	77	49	4.96%	-14.44%
3.5000 - 3.9999	\$222,579	3.71	736	79	73	5.48%	-13.92%
4.0000 - 4.4999	\$196,122	4.19	729	81	85	6.06%	-11.76%
4.5000 - 4.9999	\$202,100	4.72	727	81	73	6.11%	-11.83%
5.0000 - 5.4999	\$218,946	5.21	726	83	58	6.12%	-10.23%
5.5000 - 5.9999	\$259,407	5.74	729	83	34	7.08%	1.65%
6.0000 - 6.4999	\$268,639	6.23	733	83	25	10.71%	29.77%
6.5000 or more	\$274,814	6.99	734	82	15	19.71%	23.31%

GSE and GNMA fixed rate product only

Source: Black Knight McDash

Prepayment Speed Trends

Average CPR by State - September 2024



Analysis

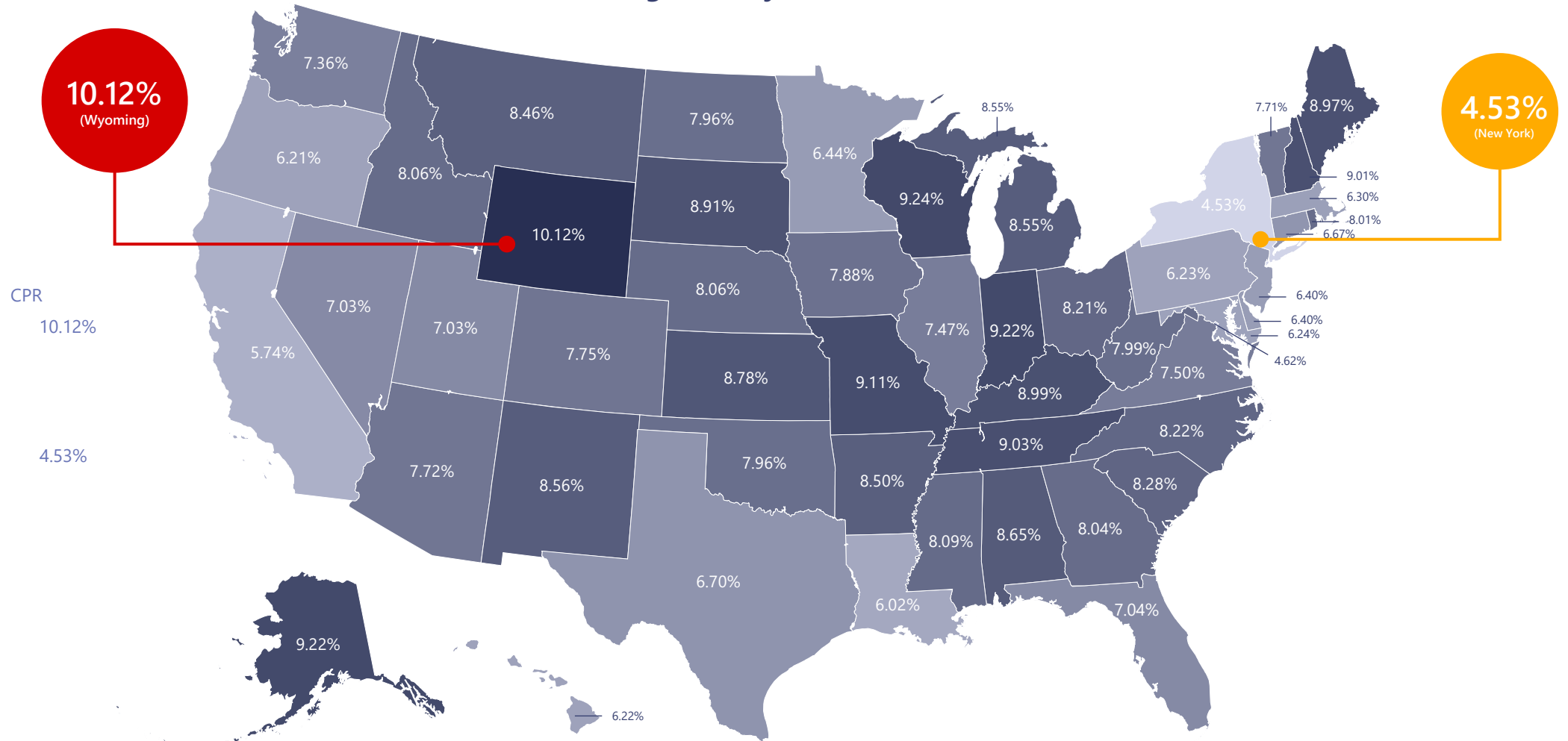
- Wyoming was the fastest prepaying state at 10.12%, followed by Wisconsin (9.24%), and Alaska (9.22%).
- In September, the slowest prepaying state was New York at 4.53%.
- The Middle Atlantic region showed the lowest prepayment speeds on average with a rate of 5.70% among PA, NY, and NJ.
- The East South-Central region had the highest prepayment speed on average with a rate of 8.54% among the states of KY, TN, MS, and AL.

GSE and GNMA fixed rate product only

Source: Black Knight McDash

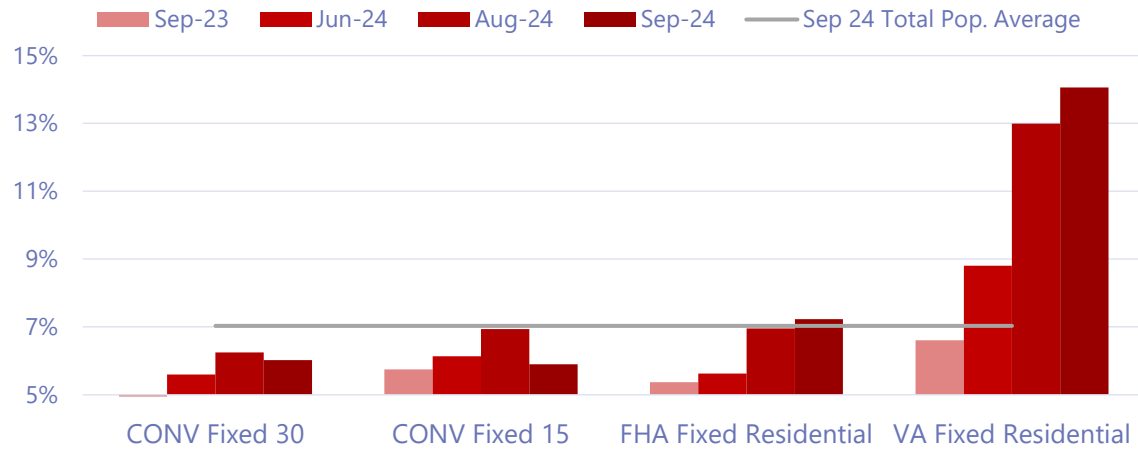
Prepayment Speed Trends (cont.)

Average CPR by State

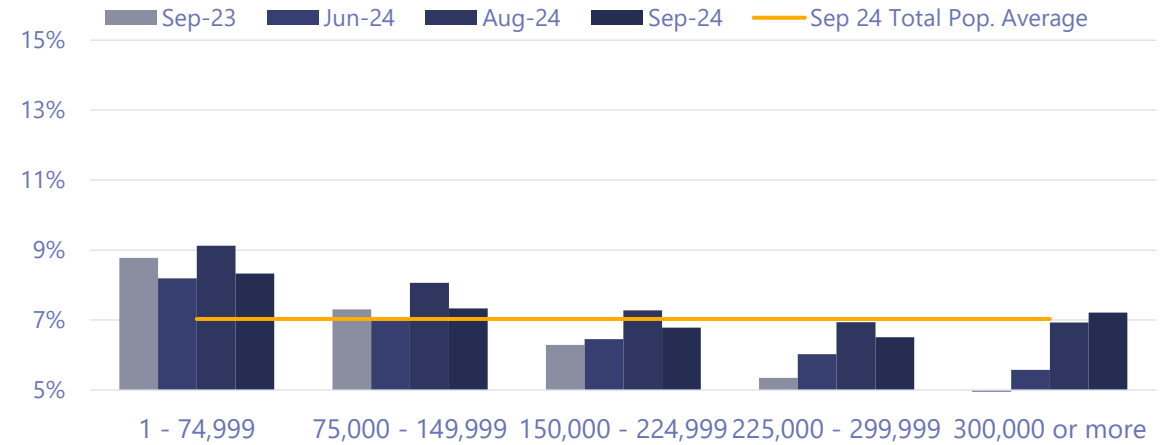


Prepayment Speed Trends (cont.)

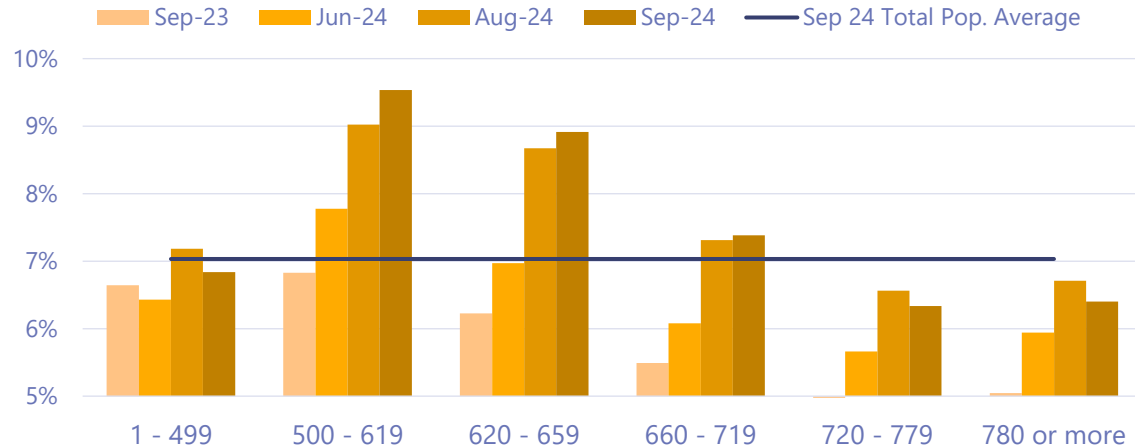
CPR by Fixed-Rate Product - September 2024



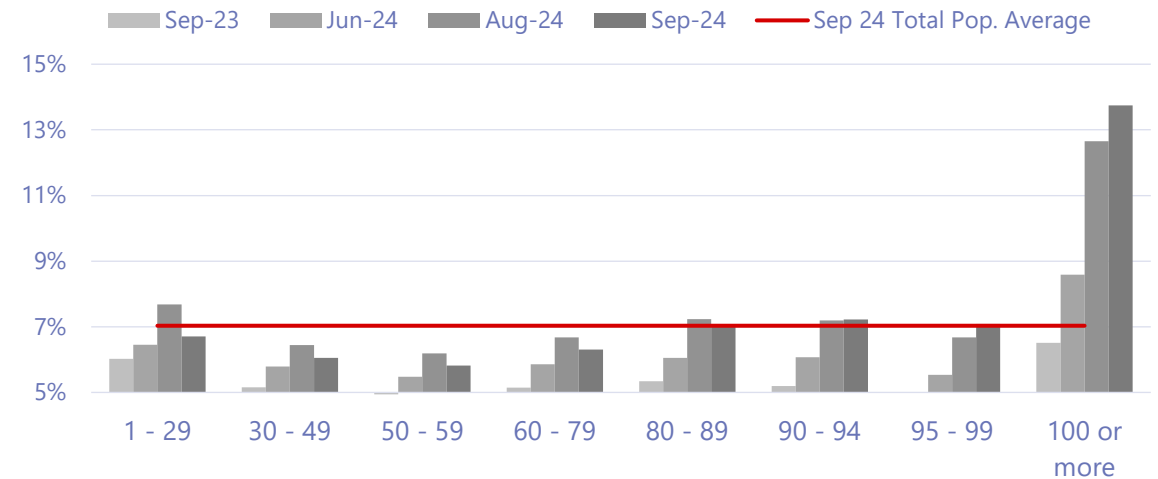
CPR by Original Loan Balance - September 2024



CPR by Original FICO - September 2024



CPR by Original LTV - September 2024



Delinquency Trends

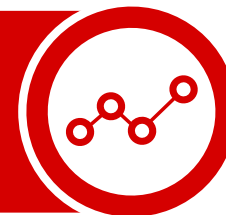
Summary

- The national delinquency and foreclosure rate went up to 3.23%, an increase of 16 bps compared to last month. This new value is 43 bps higher than the 2.80% national average delinquency and foreclosure rate from September 2023.
- CONV 30-year loans' and 15-year loans' delinquency and foreclosure rates increased by 9 bps and 5 bps, respectively, since August 2024.
- On a month-over-month basis, national average delinquency and foreclosure rates increased by 32 bps for fixed-rate FHA and increased by 31 bps for fixed-rate VA.

NOTE: non-paying loans in forbearance are counted as delinquent in our data source.

Total delinquencies up

16 bps



Delinquency Summary

SUMMARY TABLES - September 2024

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GNMA Fixed 30	\$231,742	4.32	698	93	48
GNMA Fixed 15	\$147,713	3.55	715	77	59

Delinquencies

30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%
0.92%	0.25%	0.38%	0.12%	1.67%	5.55%
0.44%	0.09%	0.12%	0.03%	0.69%	7.61%
4.20%	1.51%	2.15%	0.48%	8.34%	4.13%
1.72%	0.56%	0.68%	0.15%	3.11%	6.15%

Vintage	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%
2006	\$135,816	5.42	676	79	178	4.80%	1.45%	1.75%	1.29%	9.29%	3.71%
2007	\$143,830	5.32	672	81	169	5.07%	1.57%	2.00%	1.49%	10.12%	1.65%
2008	\$145,570	5.15	675	83	162	5.49%	1.77%	2.16%	1.29%	10.70%	2.35%
2009	\$160,010	4.85	719	80	169	3.15%	0.95%	1.05%	0.49%	5.64%	2.05%
2010	\$165,195	4.65	730	80	161	2.40%	0.70%	0.81%	0.33%	4.24%	2.66%
2011	\$163,735	4.45	734	79	151	2.09%	0.60%	0.72%	0.28%	3.69%	3.45%
2012	\$189,906	3.78	746	80	142	1.23%	0.33%	0.39%	0.14%	2.09%	3.97%
2013	\$182,279	3.82	742	79	133	1.41%	0.38%	0.49%	0.19%	2.47%	3.70%
2014	\$163,716	4.27	728	81	117	2.40%	0.71%	0.95%	0.36%	4.42%	2.60%
2015	\$186,308	3.96	733	79	107	2.22%	0.67%	0.86%	0.32%	4.07%	4.23%
2016	\$204,202	3.70	737	78	94	2.02%	0.61%	0.82%	0.27%	3.73%	3.73%
2017	\$192,107	4.10	726	80	82	2.84%	0.90%	1.25%	0.42%	5.40%	3.83%
2018	\$185,223	4.61	718	82	69	3.89%	1.37%	1.95%	0.65%	7.86%	3.53%
2019	\$219,645	3.99	732	81	58	2.58%	0.89%	1.25%	0.39%	5.12%	4.45%
2020	\$280,751	3.01	757	74	48	1.01%	0.29%	0.41%	0.11%	1.82%	6.92%

Tranche	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%
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6.0000 - 6.4999	\$268,639	6.23	733	83	25	1.91%	0.66%	1.02%	0.22%	3.81%	2.92%
6.5000 or more	\$274,814	6.99	734	82	15	1.94%	0.73%	1.13%	0.21%	4.00%	7.76%

GSE and GNMA fixed rate product only

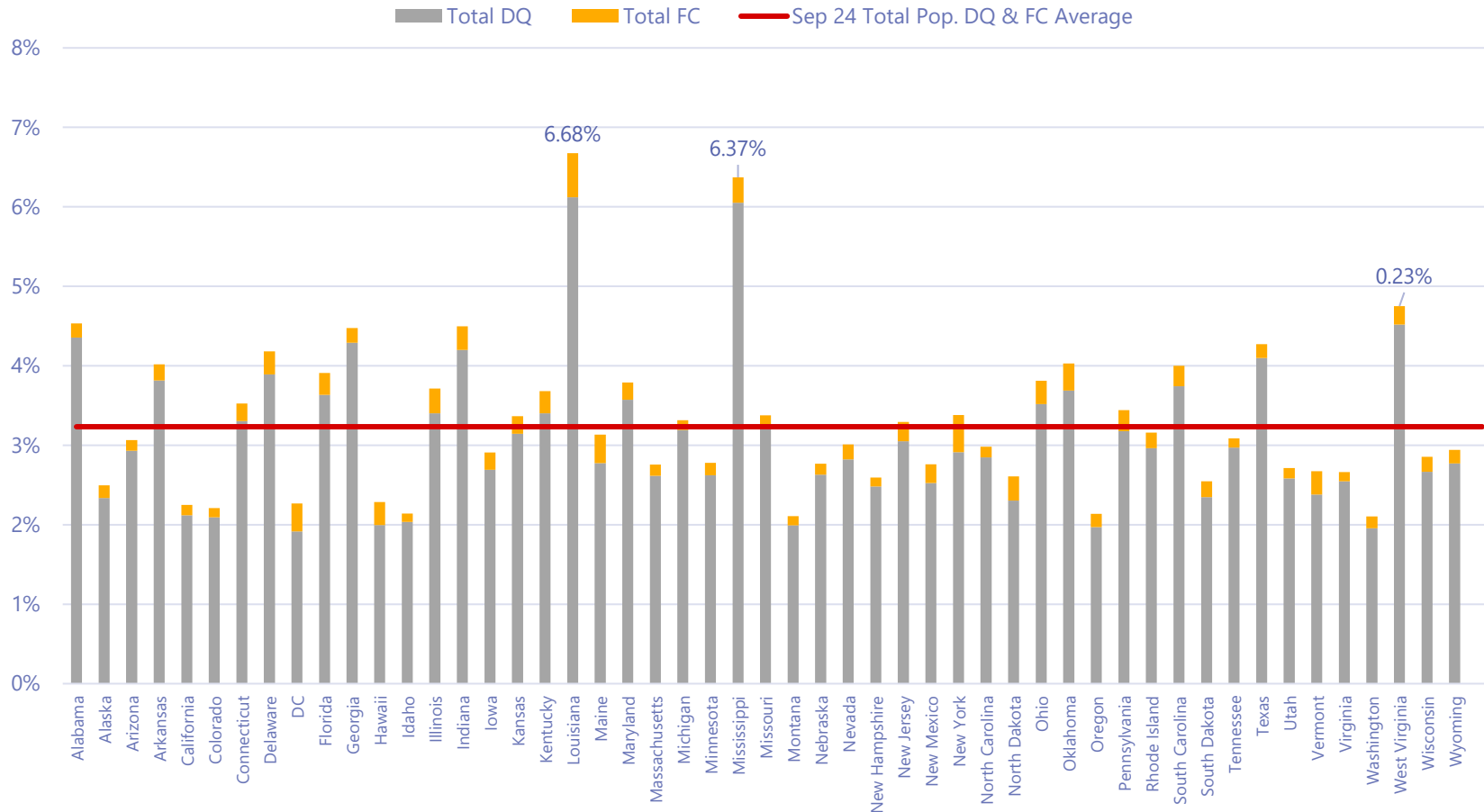
Source: Black Knight McDash



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Delinquency Trends

Average Delinquency and Foreclosure by State - September 2024



Analysis

- Washington was the best-performing state, where delinquency and foreclosure rates were 2.10%.
- The nation's most delinquent state was Louisiana with a 6.68% delinquency and foreclosure rate.
- Compared to September 2023, Louisiana had the nation's largest increase, moving from 5.42% to 6.68% (+126 bps).
- Regionally, the West South-Central region of TX, OK, AR, and LA had the highest delinquency rate (4.75%), followed by the East South-Central states of KY, TN, MS, and AL at 4.34%.

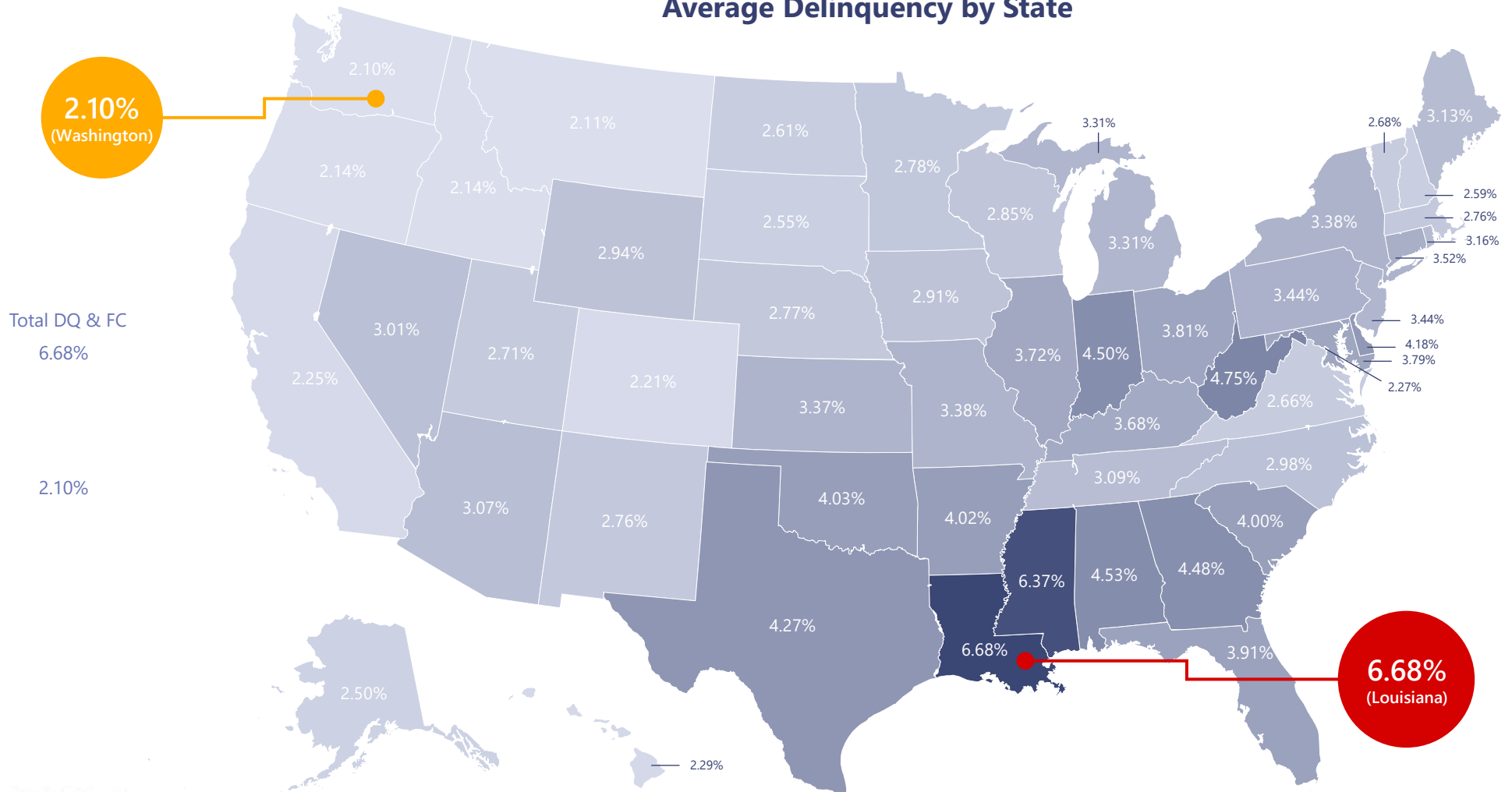
GSE and GNMA fixed rate product only



Source: Black Knight McDash

Delinquency Trends (cont.)

Average Delinquency by State

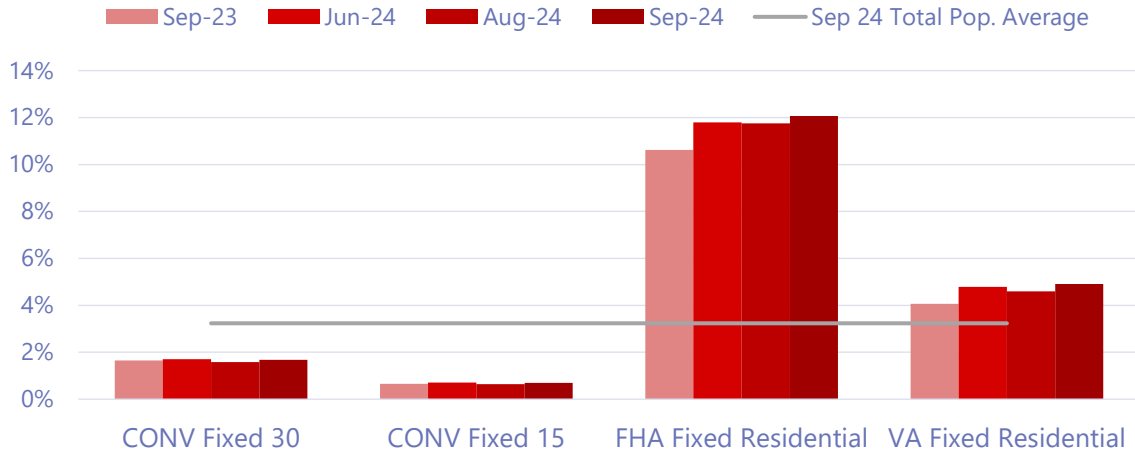


GSE and GNMA fixed rate product only

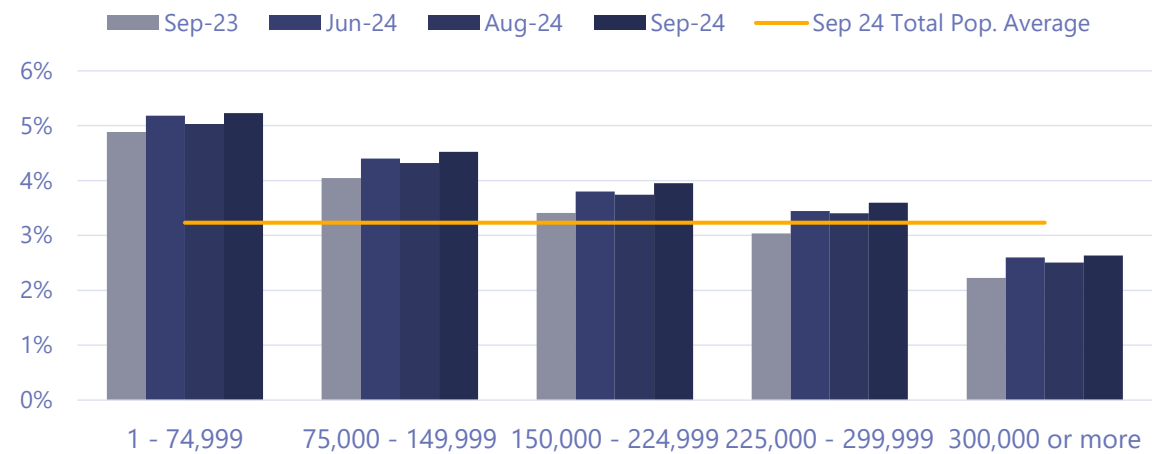
Source: Black Knight McDash

Delinquency Trends (cont.)

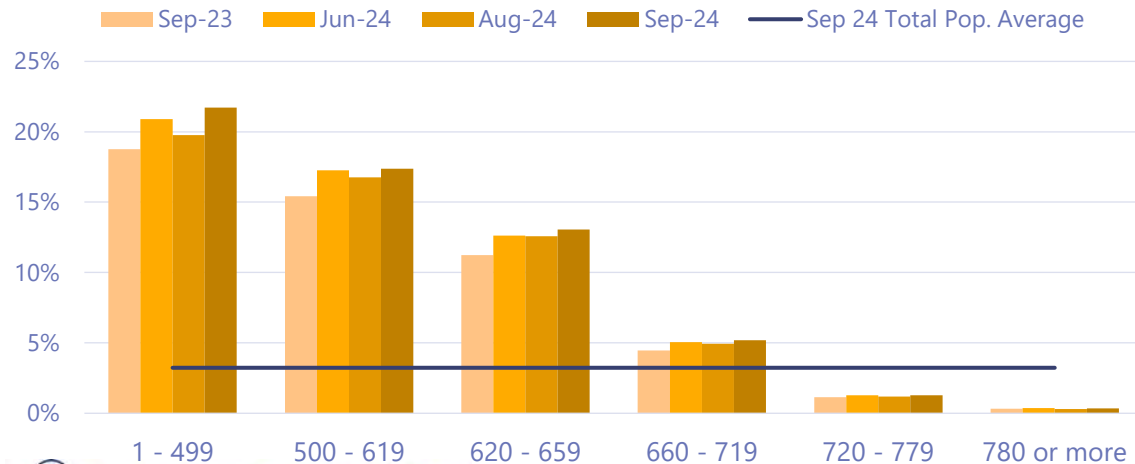
Delinquency and Foreclosure by Fixed-Rate Product - September 2024



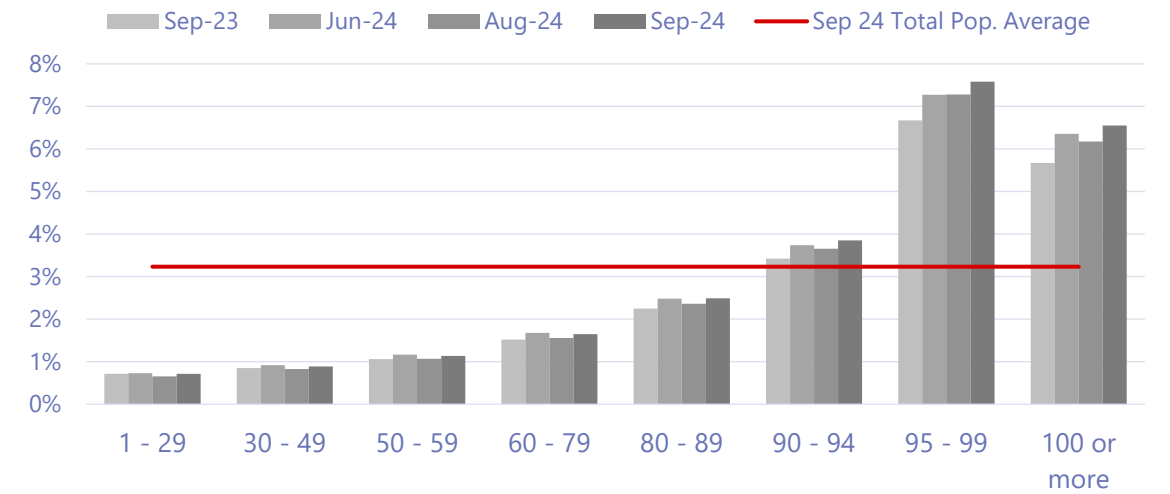
Delinquency and Foreclosure by Original Loan Balance - September 2024



Delinquency and Foreclosure by Original FICO - September 2024



Delinquency and Foreclosure by Original LTV - September 2024



Tables



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