

Market Snapshot





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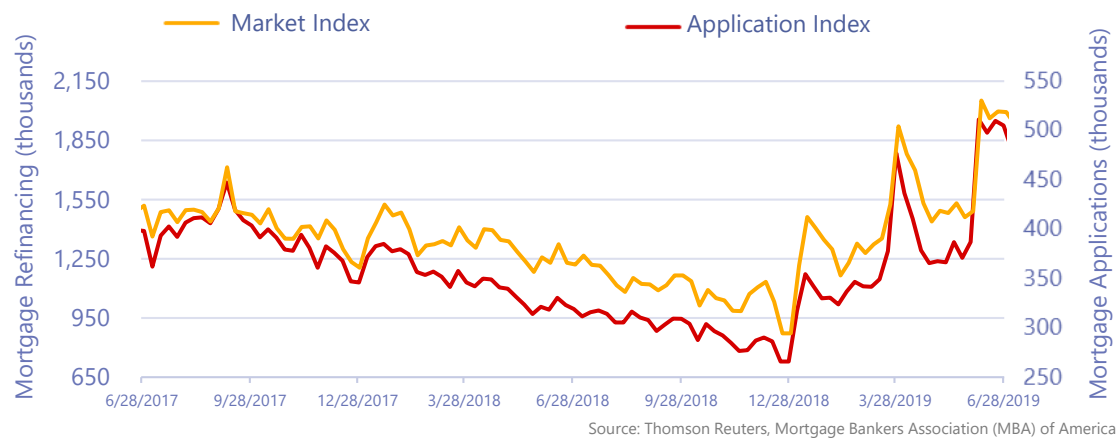
Macro- Economic Indicators

Summary

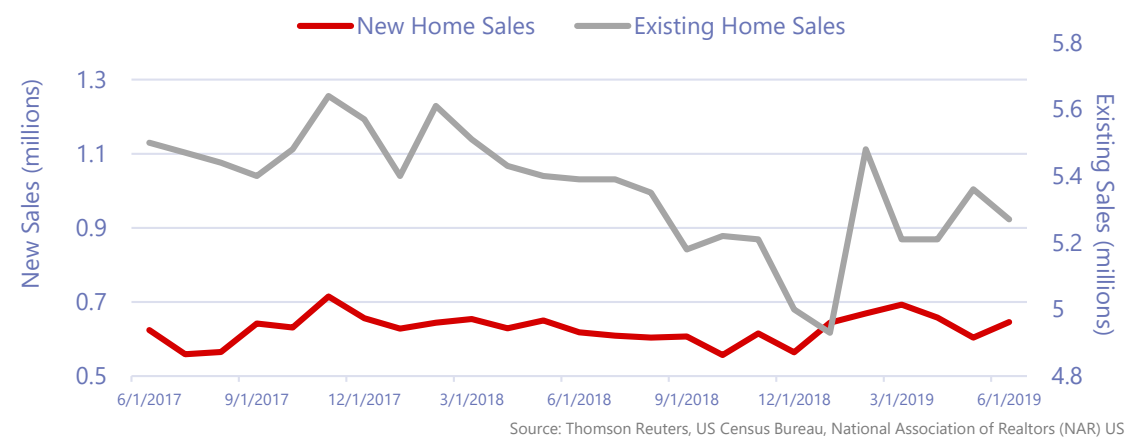
- The MBA Mortgage Refinance Application Index increased almost 44% from May, driven by the decline in rates. Despite these lower rates, purchase applications decreased 2%, but were still 9% higher than a year ago.
- Existing home sales dropped 1.7% to a seasonally adjusted annual rate of 5.27 million units. Existing home sales, which make up about 90 percent of U.S. home sales, decreased 2.2% from a year ago.
- 224,000 jobs were created in June 2019, which is an increase from the 72,000 added in May, but the national unemployment rate elevated slight at 3.7%
- The Conference Board's consumer confidence index declined to 121.5 after three consecutive months of increases largely driven by trade war tensions.

Macro-Economic Indicators

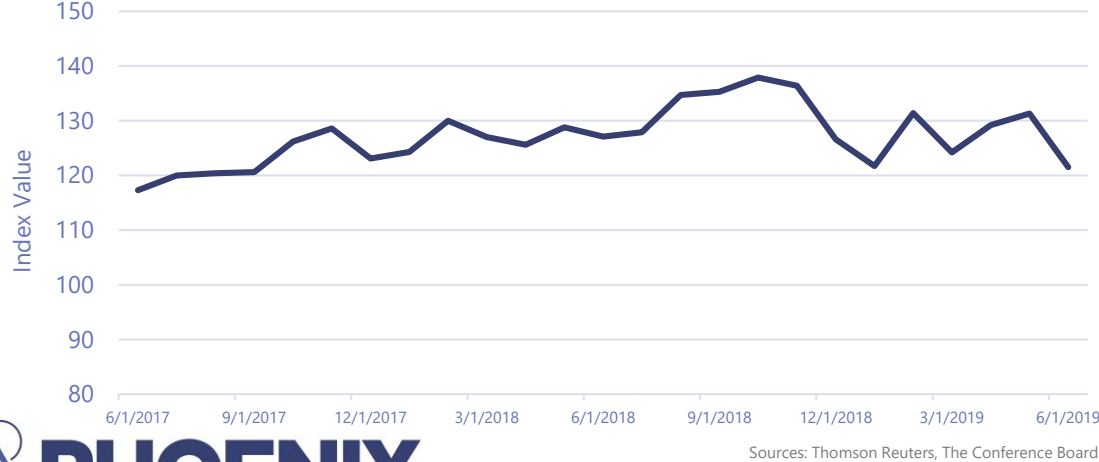
MBA Mortgage Application Indices



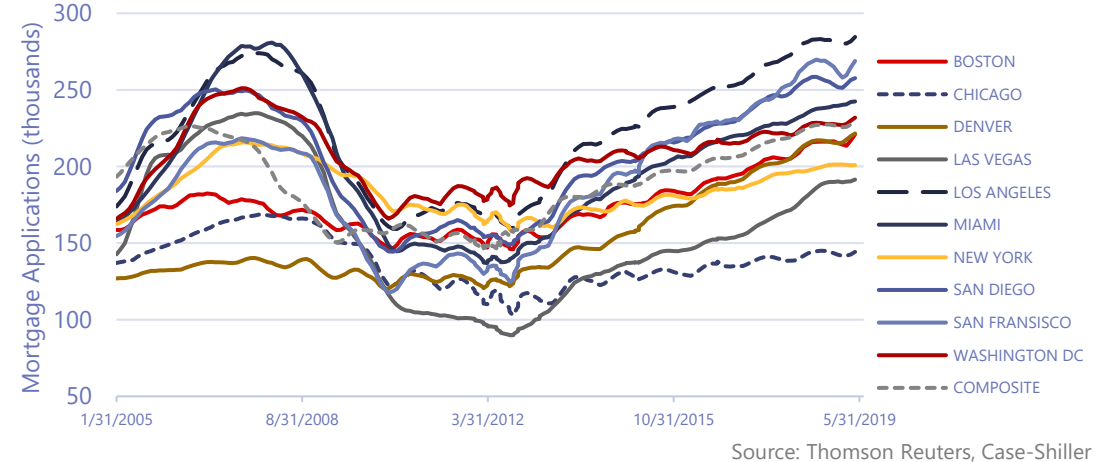
New/Existing Home Sales



US Consumer Confidence



S&P CoreLogic Case-Shiller 10-City Composite Home Price Index



Rate History

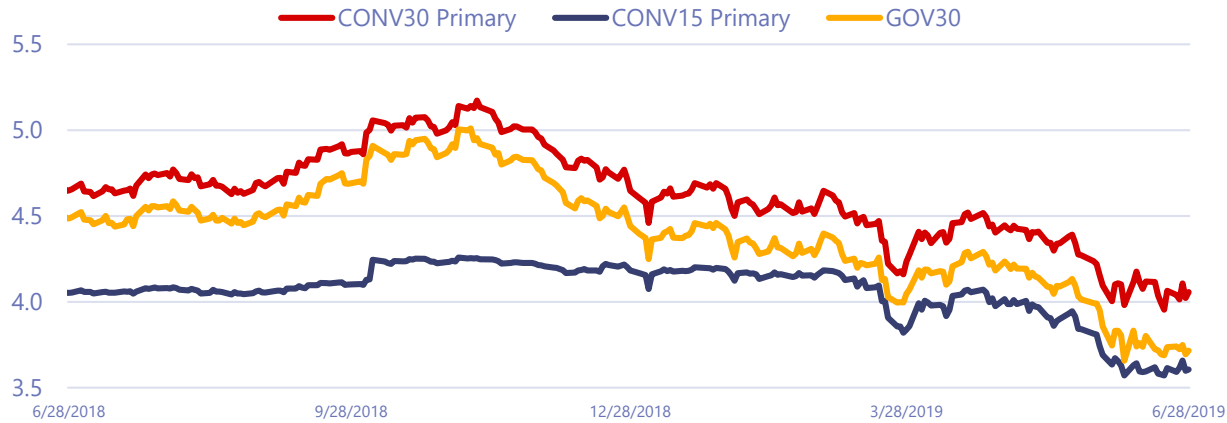


Summary

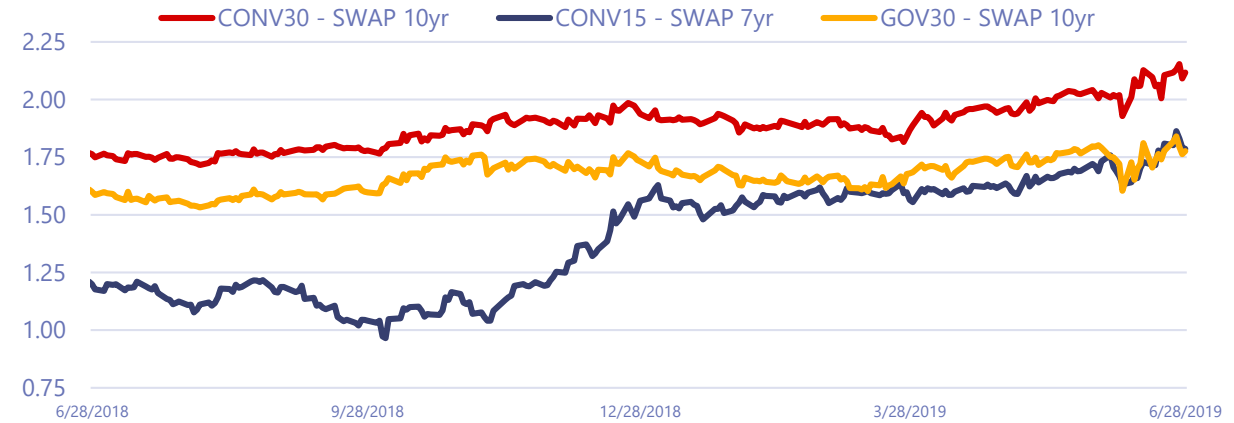
- PHOENIX primary mortgage rate estimates were down only slightly for June month-end as primary/secondary spreads widened by 10bps for conventional product and 15bps for government product.
- The yield curve flattened a little bit on the front end but was still down throughout the curve compared to last month.
- The one-month Libor reached 2.398% at the end of June, the lowest point in over six months.
- Looking forward into July, mortgage rates seemed to have somewhat stabilized even as the heat index across the US has been sweltering.

Rate History

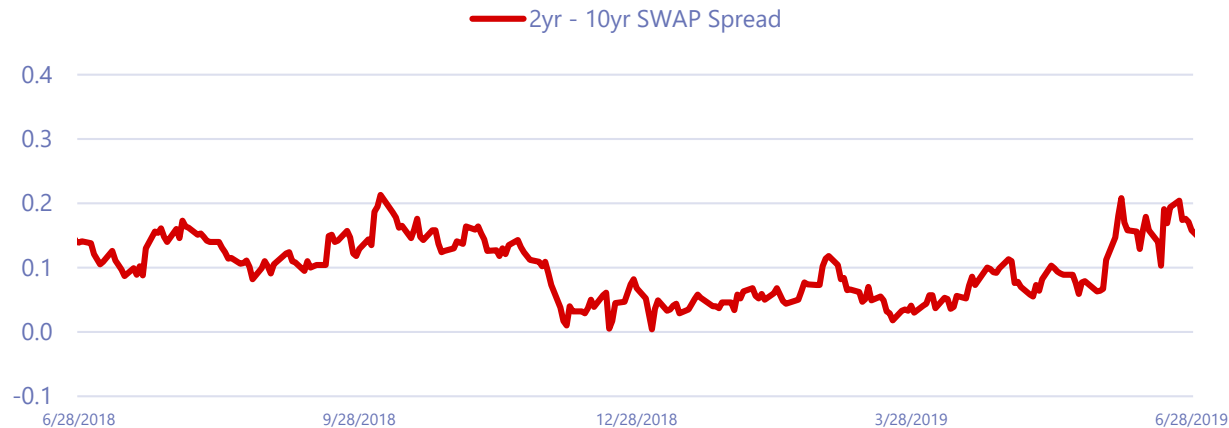
Mortgage Par Rates (%)



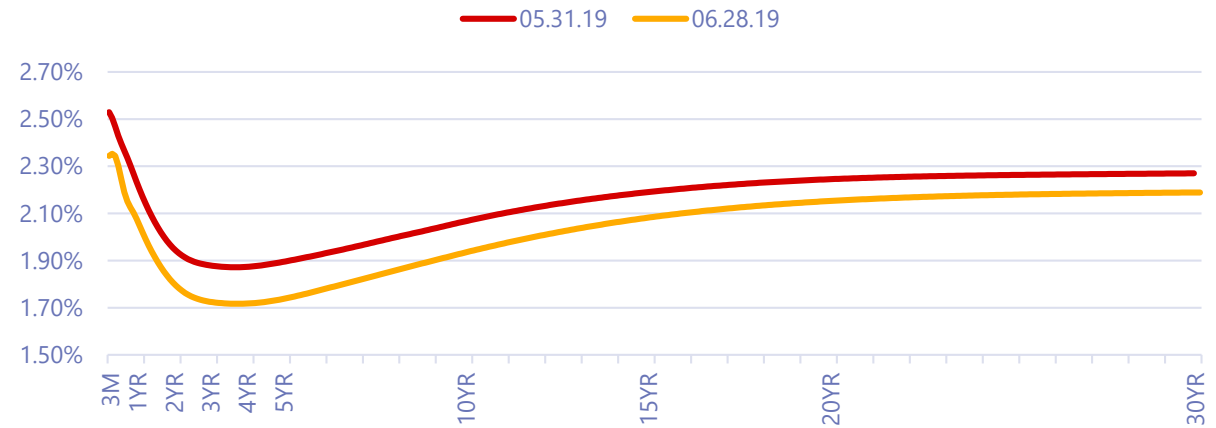
Mortgage Par Spread over SWAP Rates (%)



2yr and 10yr SWAP Spread



Yield Curve Comparison



Rate History (cont.)

Primary Rates as of 6/28/2019

Rate	6/28/2019	5/31/2019	3/29/2019	6/29/2018
CONV30	4.057	4.095	4.275	4.656
CONV15	3.606	3.691	3.858	4.054
GOV30	3.716	3.857	4.072	4.493
ARM 5/1	3.750	3.750	3.875	4.125

Secondary Rates as of 6/28/2019

Rate	6/28/2019	5/31/2019	3/29/2019	6/29/2018
FNMA 30	2.757	2.895	3.125	3.606
FNMA 15	2.306	2.491	2.708	3.054
GNMA II 30	2.416	2.657	2.922	3.443
GNMA II 15	2.306	2.491	2.708	2.967
ARM 5/1	3.850	3.830	3.970	4.120

Earnings Rates as of 6/28/2019

Rate	6/28/2019	5/31/2019	3/29/2019	6/29/2018
3 MO ED	2.344	2.529	2.617	2.325
6 MO ED	2.190	2.430	2.604	2.430
12 MO ED	2.019	2.235	2.540	2.604
2 YR SWAP	1.782	1.954	2.357	2.766
3 YR SWAP	1.722	1.880	2.282	2.833
5 YR SWAP	1.742	1.894	2.262	2.865
10 YR SWAP	1.940	2.066	2.387	2.907
15 YR SWAP	2.085	2.190	2.495	2.940
20 YR SWAP	2.154	2.245	2.541	2.940
30 YR SWAP	2.189	2.270	2.558	2.906

Source: Thomson Reuters and PHOENIX

Prepayment Speed Trends

Summary

- Par rates remained relatively flat over the month of June, spurring a cool down in refinance activity—total CPRs are down 4.92%
- Conventional fixed 15yr product saw the largest monthly decrease of 8.56%, followed by FHA product at 6.30%
- Western states continued to experience the fastest prepayment speeds, while Northeastern and Eastern states experienced slower speeds in June.

CPR Summary

SUMMARY TABLES - June 2019

Loan Characteristics						Prepayments	
Investor	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%
CONV Fixed 30	\$214,082	4.38	748	77	55	11.89%	-4.90%
CONV Fixed 15	\$170,338	3.65	756	66	55	10.95%	-8.56%
GNMA Fixed 30	\$185,744	4.16	694	94	49	14.45%	-3.70%
GNMA Fixed 15	\$141,436	3.66	710	83	56	11.79%	-9.14%

Vintage	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%
2005	\$139,108	5.35	693	77	141	10.45%	-4.35%
2006	\$146,456	5.38	685	78	125	9.66%	-7.49%
2007	\$156,346	5.25	681	80	114	9.68%	-6.48%
2008	\$150,406	5.28	685	81	111	10.25%	-8.92%
2009	\$166,397	4.92	727	79	112	11.86%	-6.65%
2010	\$174,326	4.65	738	79	103	12.03%	-7.19%
2011	\$173,305	4.40	742	77	92	12.01%	-7.66%
2012	\$201,015	3.77	749	80	81	10.88%	-5.64%
2013	\$190,533	3.81	742	80	70	11.29%	-4.44%
2014	\$183,398	4.25	732	81	56	13.40%	-4.04%
2015	\$210,062	3.95	734	81	45	13.19%	-4.44%
2016	\$230,981	3.71	735	80	33	12.15%	-2.49%
2017	\$228,550	4.13	730	82	22	12.52%	-1.70%
2018	\$231,229	4.72	729	83	11	19.57%	-3.06%

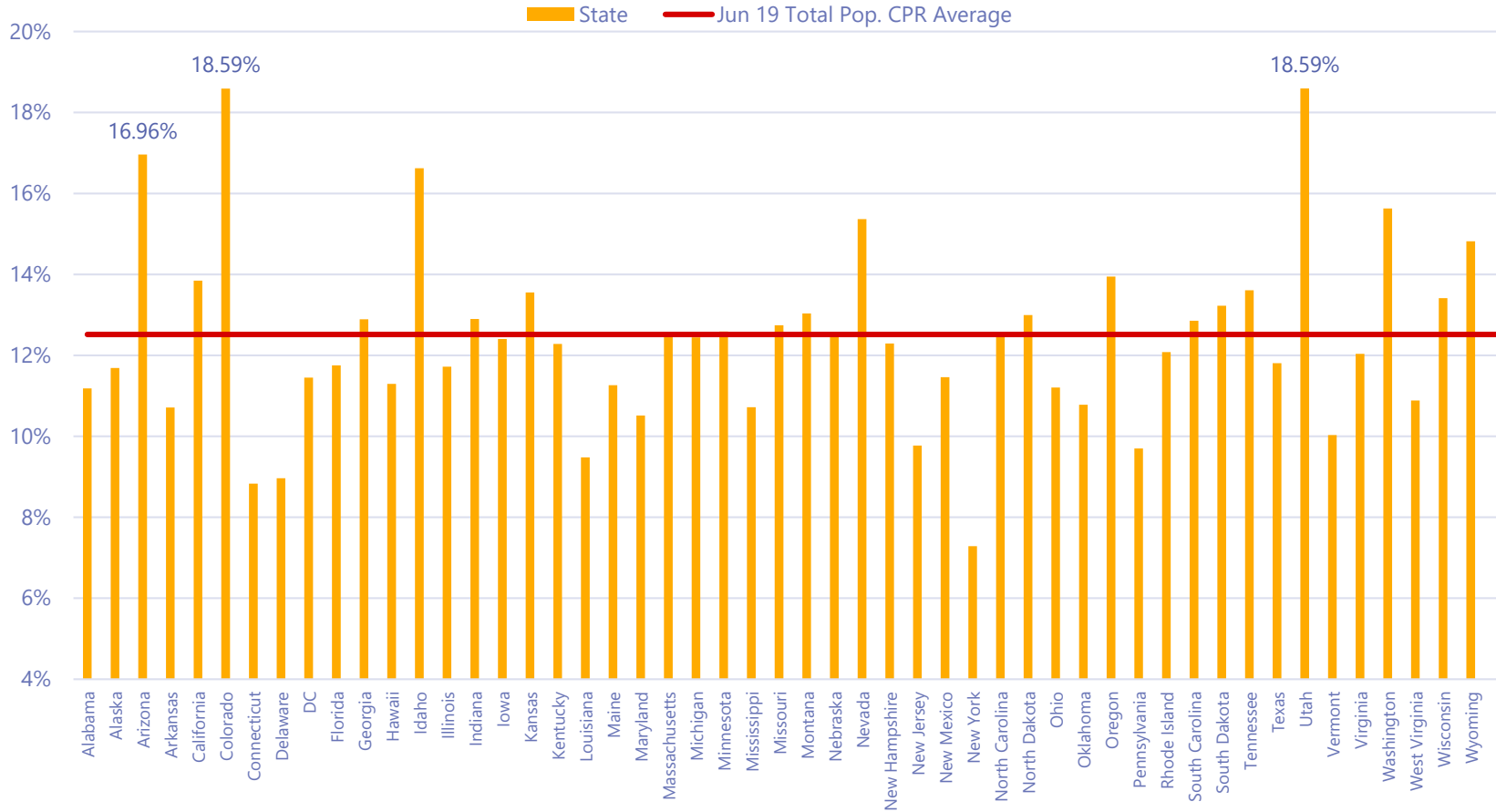
Tranche	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%
0.0000 - 4.4999	\$214,279	3.83	740	80	48	11.52%	-3.71%
4.5000 - 4.9999	\$196,476	4.68	728	82	44	14.13%	-6.30%
5.0000 - 5.4999	\$173,378	5.16	710	84	58	16.50%	-6.96%
5.5000 - 5.9999	\$145,932	5.66	698	81	92	15.00%	-7.73%
6.0000 - 6.4999	\$122,091	6.16	694	78	138	12.13%	-6.94%
6.5000 - 6.9999	\$106,496	6.66	687	79	156	10.84%	-10.67%
7.0000 - 7.4999	\$87,470	7.14	674	81	177	10.41%	-7.50%
7.5000 - 7.9999	\$78,096	7.63	659	82	194	9.80%	-10.73%
8.0000 - 8.4999	\$71,034	8.14	646	82	213	9.36%	-10.11%
8.5000 or more	\$64,652	8.89	637	82	221	9.84%	-15.59%

GSE and GNMA fixed rate product only

Source: Black Knight McDash

Prepayment Speed Trends

Average CPR by State - June 2019



Analysis

- Colorado and Utah tied for the fastest prepaying state (18.59%), while New York (7.29%) and Connecticut (8.83%) prepaid the slowest over the month of June.
- The majority of the states saw a month-over-month decrease, with Hawaii experiencing the largest monthly decrease at 14.62%.
- Only nine states saw a month-over-month increase, experiencing a marginal average increase of 2.29%.

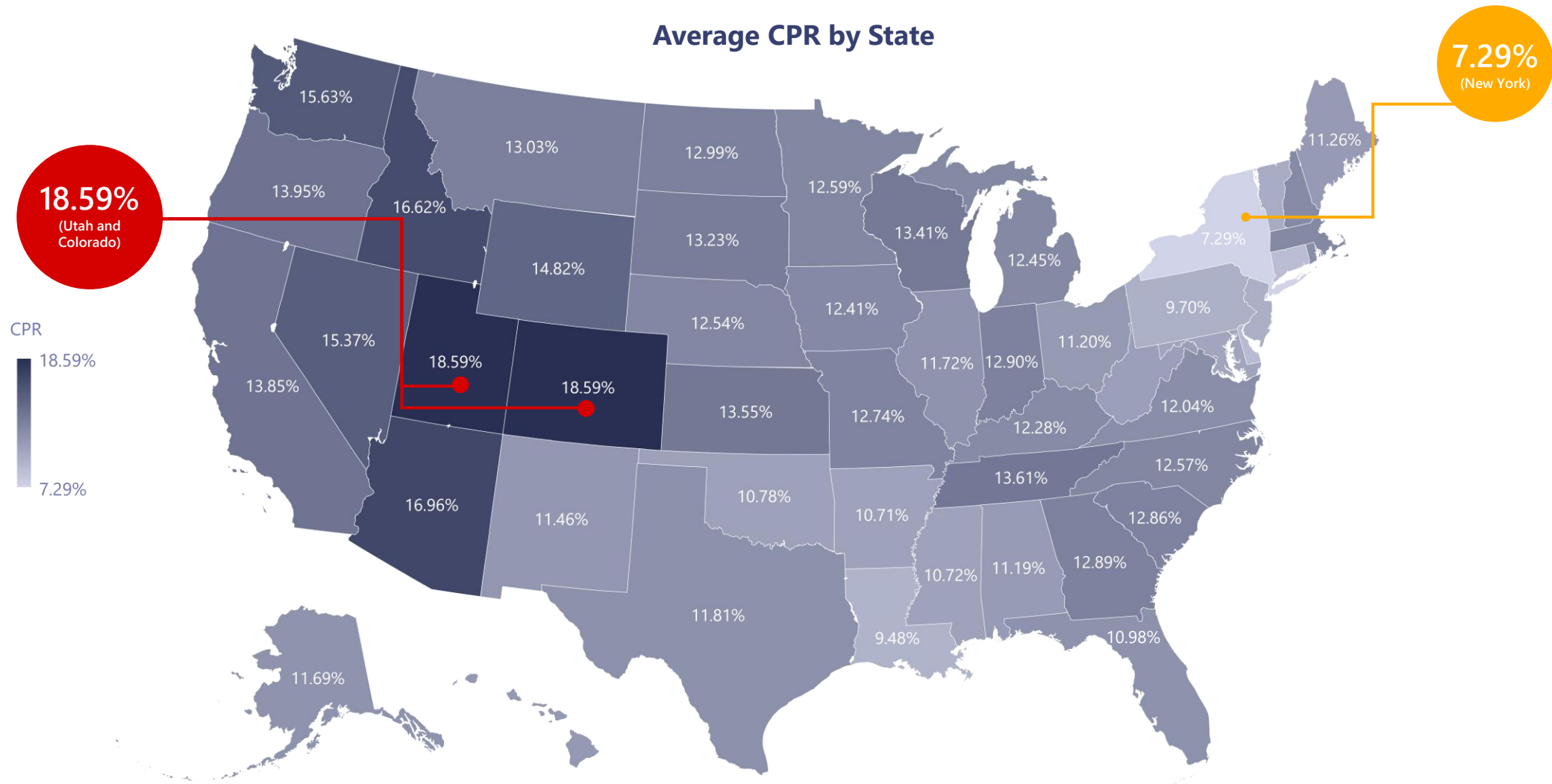
GSE and GNMA fixed rate product only



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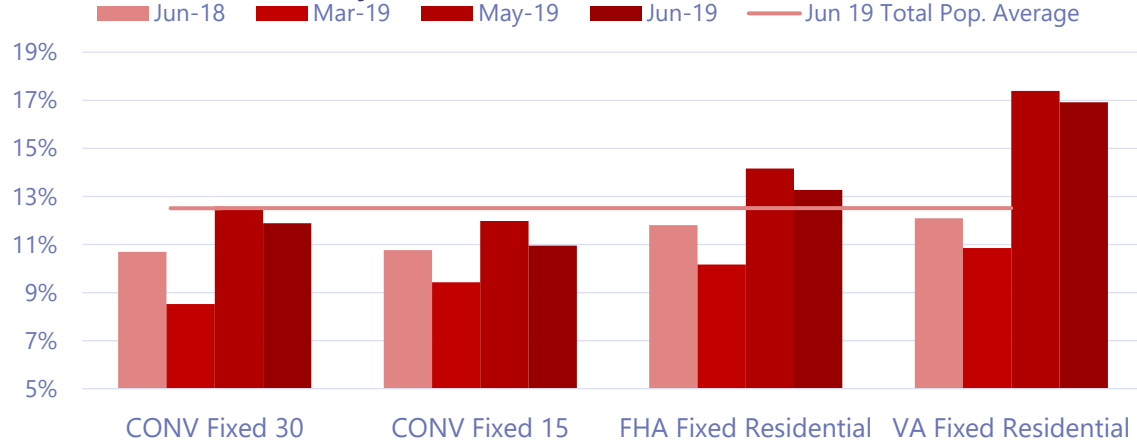
Source: Black Knight McDash

Prepayment Speed Trends (cont.)

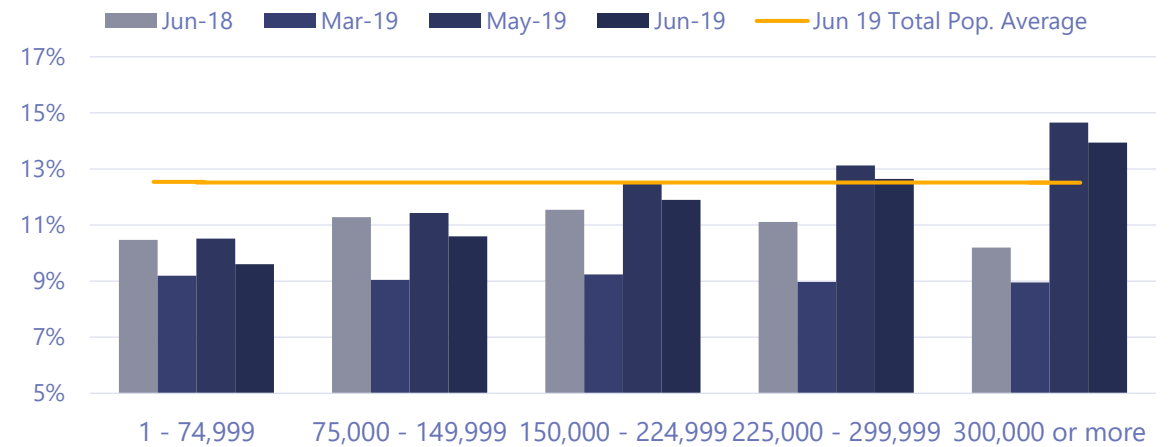


Prepayment Speed Trends (cont.)

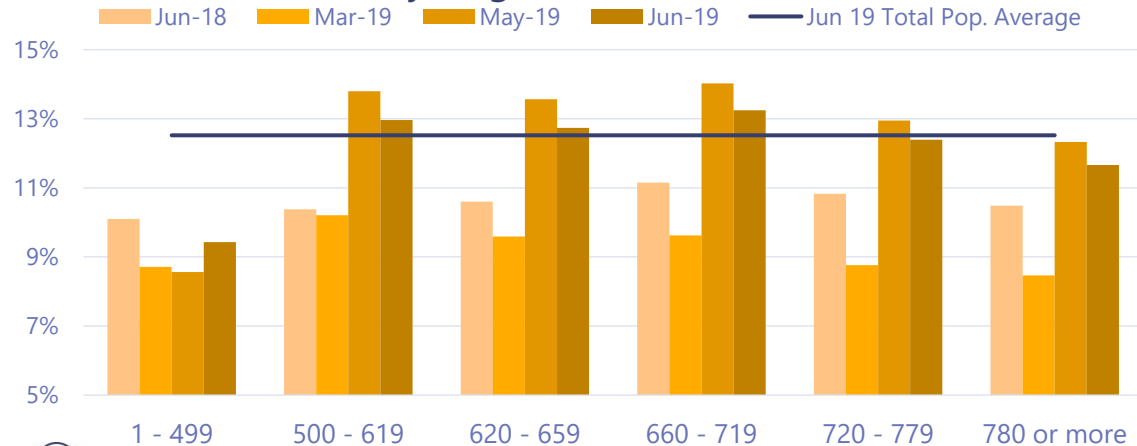
CPR by Fixed-Rate Product - June 2019



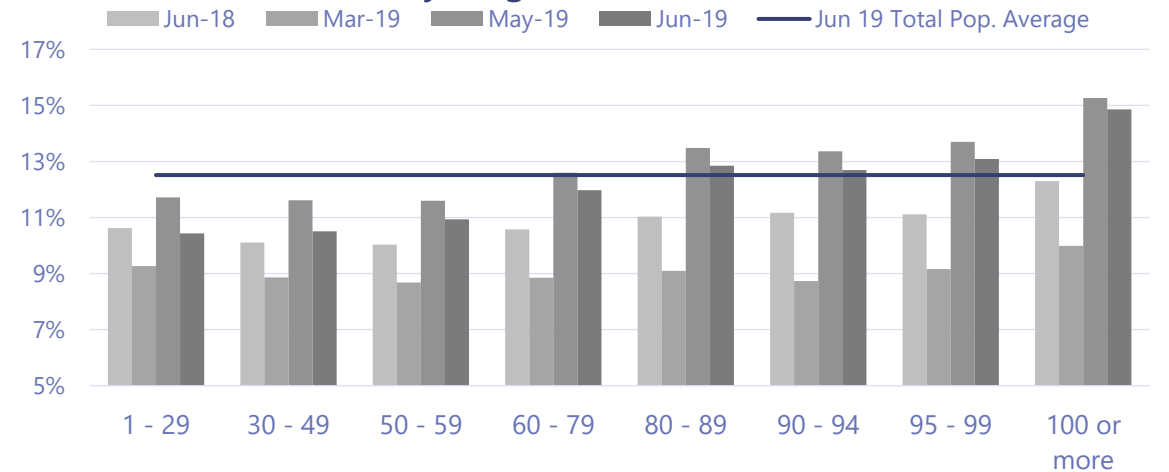
CPR by Original Loan Balance - June 2019



CPR by Original FICO - June 2019



CPR by Original LTV - June 2019



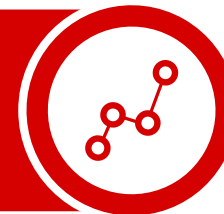
Delinquency Trends

Summary

- The national delinquency and foreclosure rate trend reversed direction this month, with these rates moving higher to 3.47%.
- Conventional 30-year loans' delinquency and foreclosure rates increased 0.30% this month, while FHA delinquency and foreclosure rates added around 1.25% to crest above 10% for the first time this year.

Total delinquencies up

16.80%



Delinquency Summary

SUMMARY TABLES - June 2019

Loan Characteristics

Investor	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age
CONV Fixed 30	\$214,082	4.38	748	77	55
CONV Fixed 15	\$170,338	3.65	756	66	55
GNMA Fixed 30	\$185,744	4.16	694	94	49
GNMA Fixed 15	\$141,436	3.66	710	83	56

Delinquencies

30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%
1.44%	0.34%	0.45%	0.27%	2.50%	13.73%
0.59%	0.09%	0.10%	0.04%	0.82%	19.97%
4.18%	1.06%	0.86%	0.50%	6.59%	19.05%
1.50%	0.28%	0.22%	0.11%	2.11%	21.33%

Vintage	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age
2005	\$139,108	5.35	693	77	141
2006	\$146,456	5.38	685	78	125
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2012	\$201,015	3.77	749	80	81
2013	\$190,533	3.81	742	80	70
2014	\$183,398	4.25	732	81	56
2015	\$210,062	3.95	734	81	45
2016	\$230,981	3.71	735	80	33
2017	\$228,550	4.13	730	82	22
2018	\$231,229	4.72	729	83	11

30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%
6.35%	1.85%	2.21%	1.63%	12.05%	10.16%
7.68%	2.40%	3.10%	2.45%	15.63%	9.09%
8.01%	2.63%	3.50%	2.72%	16.86%	9.32%
7.46%	2.18%	2.35%	1.93%	13.92%	10.92%
3.57%	0.92%	0.79%	0.49%	5.76%	16.38%
2.51%	0.60%	0.50%	0.28%	3.89%	19.60%
2.03%	0.48%	0.40%	0.21%	3.12%	18.76%
1.32%	0.28%	0.25%	0.13%	1.98%	22.87%
1.65%	0.34%	0.33%	0.17%	2.49%	23.90%
2.30%	0.55%	0.55%	0.27%	3.67%	19.15%
1.99%	0.49%	0.51%	0.27%	3.25%	18.65%
1.76%	0.41%	0.44%	0.24%	2.86%	18.84%
1.94%	0.44%	0.48%	0.23%	3.10%	21.23%
1.62%	0.39%	0.30%	0.11%	2.41%	28.49%

Tranche	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age
0.0000 - 4.4999	\$214,279	3.83	740	80	48
4.5000 - 4.9999	\$196,476	4.68	728	82	44
5.0000 - 5.4999	\$173,378	5.16	710	84	58
5.5000 - 5.9999	\$145,932	5.66	698	81	92
6.0000 - 6.4999	\$122,091	6.16	694	78	138
6.5000 - 6.9999	\$106,496	6.66	687	79	156
7.0000 - 7.4999	\$87,470	7.14	674	81	177
7.5000 - 7.9999	\$78,096	7.63	659	82	194
8.0000 - 8.4999	\$71,034	8.14	646	82	213
8.5000 or more	\$64,652	8.89	637	82	221

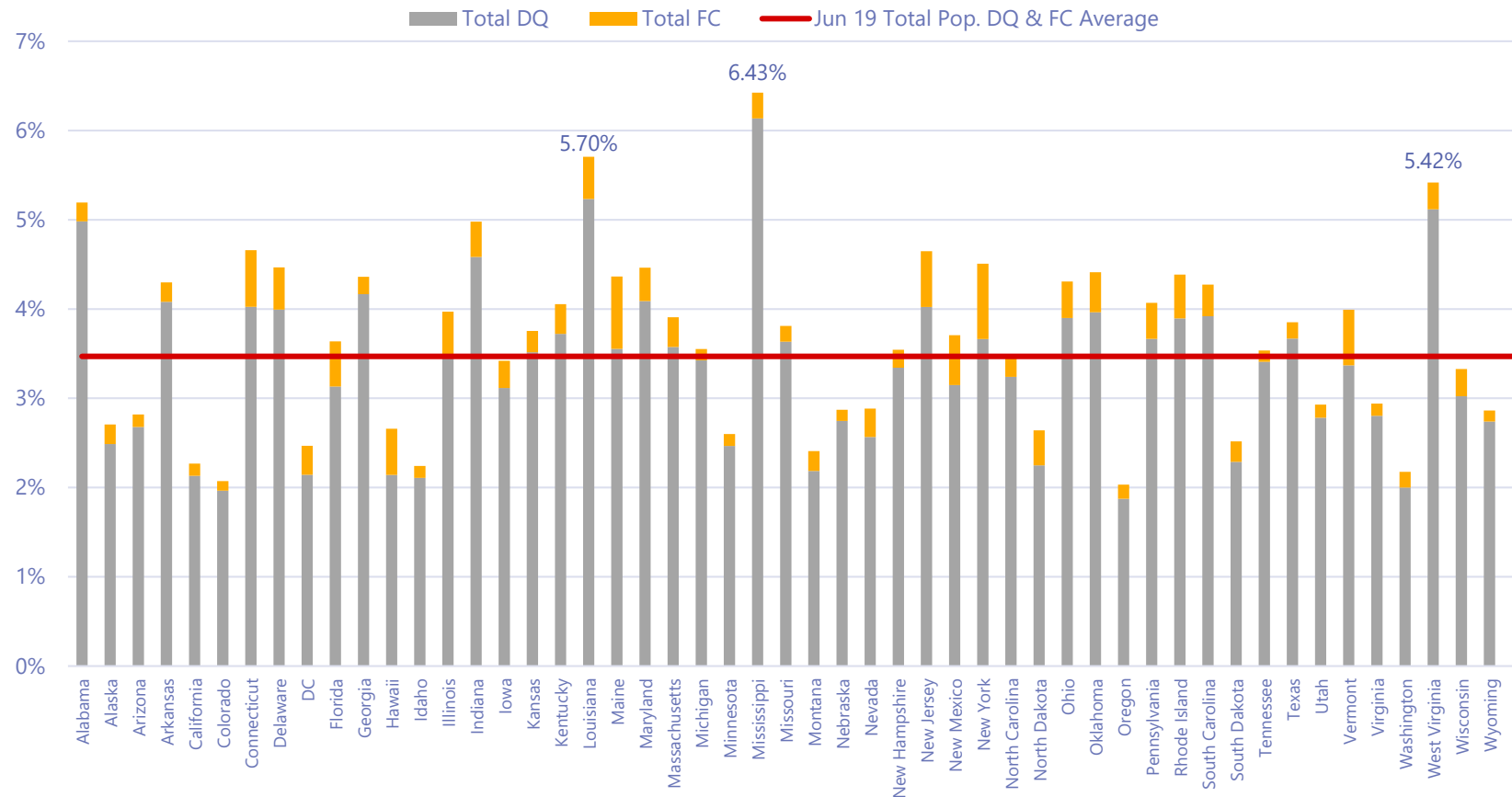
30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%
1.73%	0.42%	0.45%	0.26%	2.87%	16.94%
2.27%	0.54%	0.53%	0.26%	3.59%	19.55%
3.15%	0.77%	0.69%	0.34%	4.94%	17.63%
4.00%	0.96%	0.86%	0.52%	6.34%	15.31%
5.12%	1.28%	1.29%	1.08%	8.77%	12.42%
5.90%	1.52%	1.60%	1.62%	10.64%	10.46%
6.57%	1.73%	2.01%	2.19%	12.50%	9.56%
6.94%	1.88%	2.32%	2.37%	13.51%	8.29%
7.59%	2.09%	2.52%	2.54%	14.74%	9.77%
7.66%	2.30%	2.78%	3.12%	15.86%	7.28%

GSE and GNMA fixed rate product only

Source: Black Knight McDash

Delinquency Trends

Average Delinquency and Foreclosure by State - June 2019



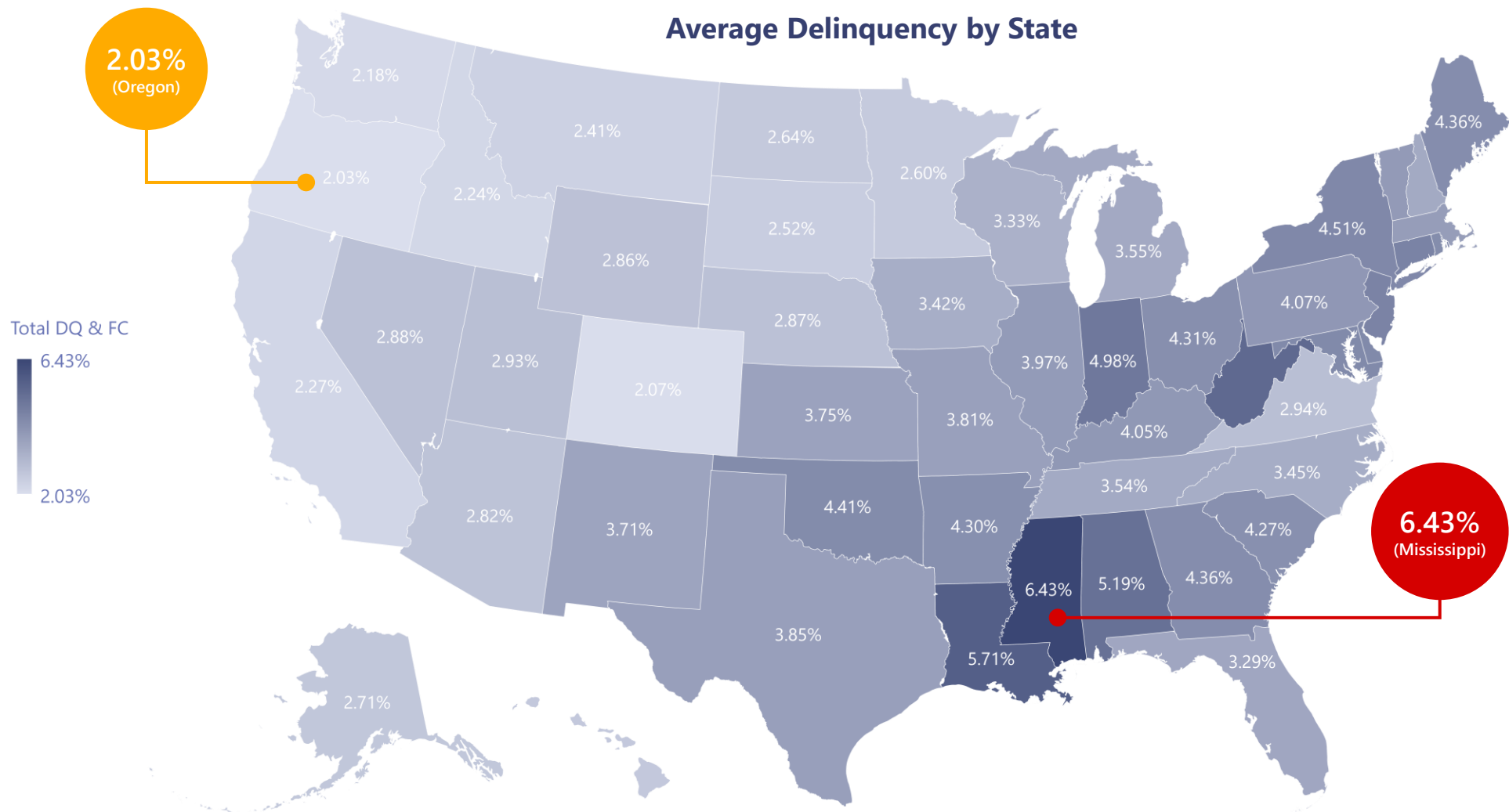
GSE and GNMA fixed rate product only

Source: Black Knight McDash

Analysis

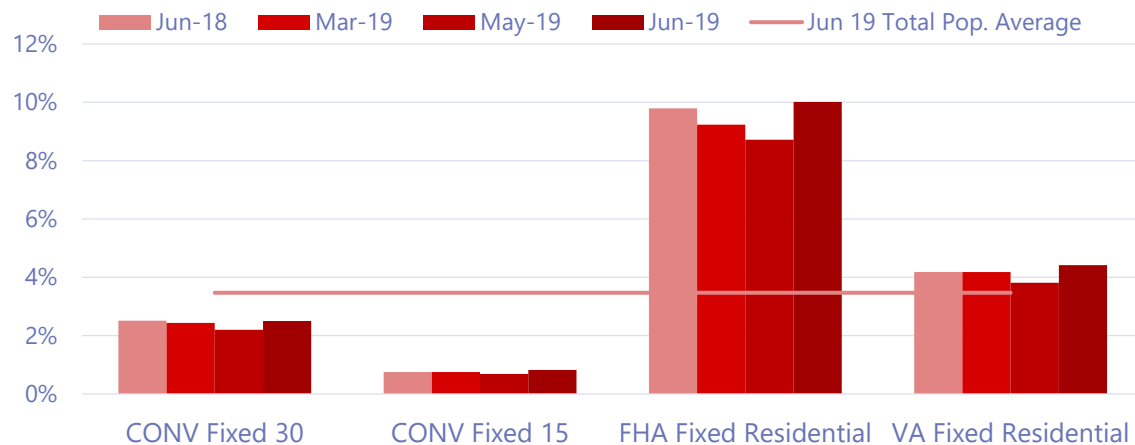
- Oregon maintained its position as the best-performing state, with delinquency and foreclosure rates at 2.03%.
- The Pacific region has the lowest overall delinquency and foreclosure rates (2.04%), while the East South Central region (KY, TN, MS, AL) recorded the highest regional level at 4.76%.
- Although the Mountain region (CO, UT, MT, ID, AZ, NM) has consistently held low delinquency and foreclosure rates, Utah and Idaho posted the largest DQ & FC increases over last month, with changes of 22.45% and 22.13%, respectively.

Delinquency Trends (cont.)

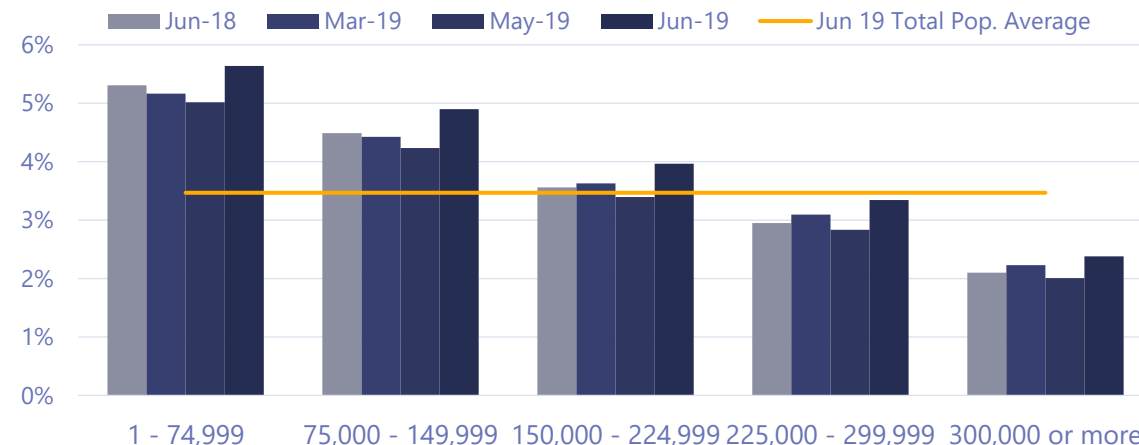


Delinquency Trends (cont.)

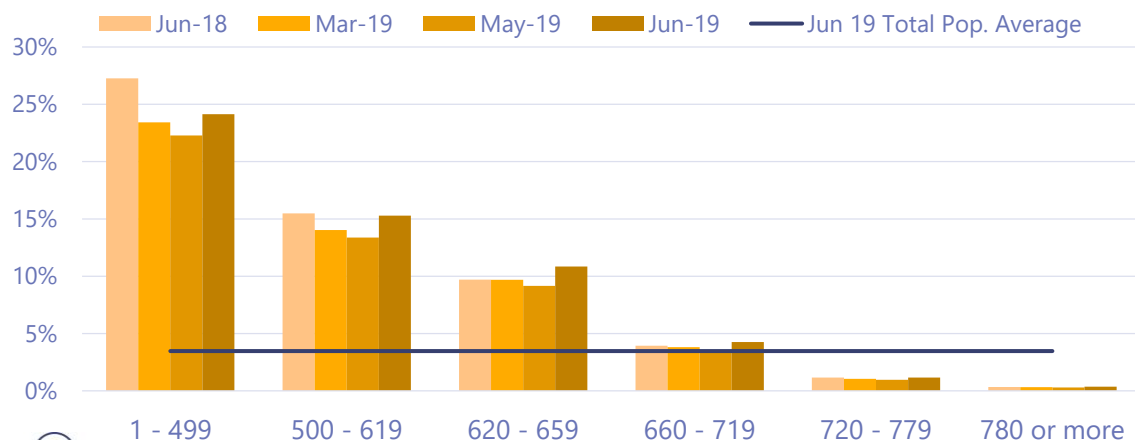
Delinquency and Foreclosure by Fixed-Rate Product - June 2019



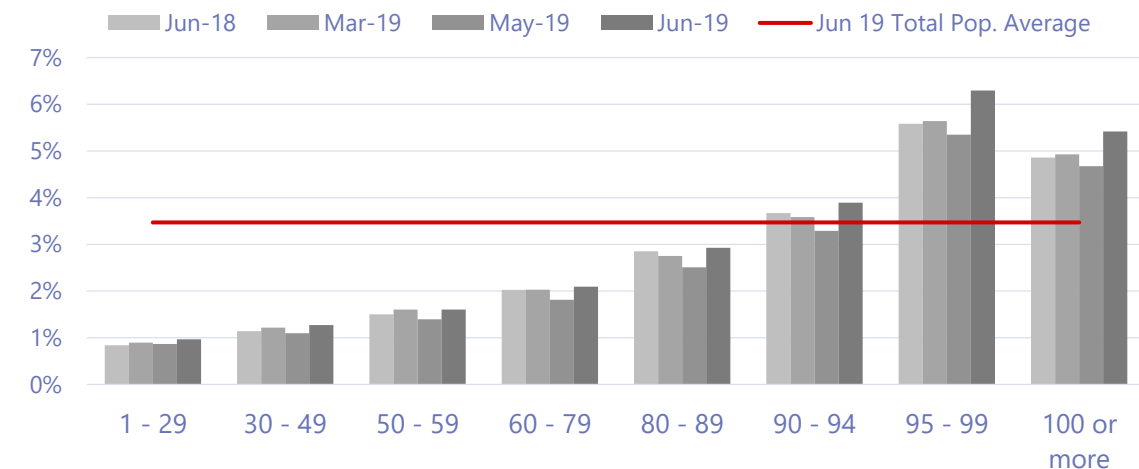
Delinquency and Foreclosure by Original Loan Balance - June 2019



Delinquency and Foreclosure by Original FICO - June 2019



Delinquency and Foreclosure by Original LTV - June 2019



Tables



State Summary

Prepayment and Delinquency

SUMMARY TABLES - June 2019

Loan Characteristics						Prepayments			Delinquencies						
State	WAvg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%	CPR Factor	30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%	DQ Factor
National	\$197,161	4.23	733	81	52	12.52%	-4.92%	100.00%	2.12%	0.52%	0.53%	0.31%	3.47%	16.80%	100.00%
Alabama	\$151,806	4.27	724	85	57	11.19%	-11.69%	89.35%	3.26%	0.80%	0.92%	0.21%	5.19%	17.64%	149.73%
Alaska	\$246,477	4.01	731	86	55	11.69%	-10.66%	93.37%	1.68%	0.44%	0.36%	0.22%	2.71%	10.67%	78.01%
Arizona	\$183,853	4.32	731	84	46	16.96%	-4.65%	135.51%	1.84%	0.44%	0.40%	0.14%	2.82%	17.27%	81.23%
Arkansas	\$137,293	4.20	727	85	56	10.71%	-14.37%	85.56%	2.69%	0.66%	0.73%	0.22%	4.30%	16.92%	123.93%
California	\$281,863	4.15	742	73	49	13.85%	-7.67%	110.60%	1.49%	0.33%	0.32%	0.14%	2.27%	19.43%	65.38%
Colorado	\$235,190	4.15	742	78	44	18.59%	-1.02%	148.51%	1.37%	0.32%	0.28%	0.11%	2.07%	18.28%	59.70%
Connecticut	\$212,674	4.23	734	80	62	8.83%	1.15%	70.55%	2.64%	0.70%	0.69%	0.64%	4.66%	14.33%	134.33%
Delaware	\$200,291	4.25	731	82	57	8.96%	-4.29%	71.61%	2.65%	0.63%	0.71%	0.47%	4.47%	16.58%	128.74%
DC	\$318,144	4.15	749	73	52	11.45%	-10.58%	91.47%	1.44%	0.29%	0.41%	0.33%	2.47%	18.43%	71.14%
Florida	\$178,377	4.36	726	84	49	11.75%	-5.88%	93.89%	2.08%	0.50%	0.55%	0.51%	3.64%	15.24%	104.84%
Georgia	\$170,193	4.26	725	85	54	12.89%	-3.75%	103.00%	2.78%	0.69%	0.71%	0.20%	4.36%	16.36%	125.71%
Hawaii	\$353,983	4.12	744	77	54	11.30%	-14.62%	90.25%	1.35%	0.36%	0.43%	0.52%	2.66%	13.25%	76.65%
Idaho	\$177,031	4.24	738	82	49	16.62%	-2.80%	132.78%	1.53%	0.32%	0.26%	0.13%	2.24%	23.13%	64.60%
Illinois	\$179,423	4.22	733	83	56	11.72%	-4.94%	93.64%	2.26%	0.58%	0.62%	0.51%	3.97%	17.97%	114.47%
Indiana	\$131,655	4.34	718	86	55	12.90%	0.12%	103.03%	3.10%	0.77%	0.72%	0.40%	4.98%	18.01%	143.53%
Iowa	\$142,560	4.11	737	83	53	12.41%	-2.48%	99.11%	2.11%	0.54%	0.46%	0.31%	3.42%	18.46%	98.59%
Kansas	\$145,857	4.20	731	85	53	13.55%	-5.69%	108.28%	2.45%	0.57%	0.50%	0.24%	3.75%	18.01%	108.22%
Kentucky	\$144,383	4.23	725	84	53	12.28%	-1.21%	98.11%	2.53%	0.60%	0.59%	0.33%	4.05%	16.33%	116.86%
Louisiana	\$163,570	4.29	719	83	55	9.48%	-12.70%	75.72%	3.43%	0.88%	0.92%	0.47%	5.71%	15.96%	164.46%
Maine	\$177,399	4.24	730	82	53	11.26%	4.40%	89.97%	2.42%	0.56%	0.57%	0.81%	4.36%	17.79%	125.80%
Maryland	\$243,595	4.16	729	83	55	10.52%	-4.03%	84.00%	2.68%	0.69%	0.72%	0.37%	4.46%	17.29%	128.65%
Massachusetts	\$254,495	4.12	738	76	53	12.45%	-5.82%	99.46%	2.39%	0.57%	0.62%	0.33%	3.91%	18.96%	112.65%
Michigan	\$142,195	4.29	731	84	57	12.45%	-7.99%	99.42%	2.36%	0.58%	0.49%	0.13%	3.55%	17.90%	102.36%
Minnesota	\$187,364	4.14	743	83	53	12.59%	0.99%	100.56%	1.69%	0.42%	0.36%	0.13%	2.60%	19.94%	74.92%
Mississippi	\$144,969	4.29	714	86	55	10.72%	1.62%	85.64%	3.95%	1.04%	1.14%	0.29%	6.43%	13.66%	185.21%
Missouri	\$145,375	4.22	731	84	52	12.74%	-11.78%	101.79%	2.45%	0.60%	0.58%	0.18%	3.81%	15.66%	109.83%
Montana	\$186,611	4.12	743	79	50	13.03%	3.92%	104.12%	1.48%	0.37%	0.34%	0.22%	2.41%	13.37%	69.41%
Nebraska	\$146,625	4.07	739	84	50	12.54%	-6.27%	100.14%	1.87%	0.45%	0.43%	0.13%	2.87%	18.15%	82.76%
Nevada	\$200,108	4.38	728	86	44	15.37%	-10.99%	122.75%	1.71%	0.40%	0.45%	0.32%	2.88%	17.47%	83.14%
New Hampshire	\$204,222	4.20	734	82	54	12.29%	-4.02%	98.20%	2.31%	0.55%	0.49%	0.20%	3.54%	19.41%	102.13%
New Jersey	\$238,052	4.22	734	79	58	9.77%	-2.70%	78.06%	2.52%	0.68%	0.82%	0.63%	4.65%	14.62%	133.99%
New Mexico	\$162,276	4.34	729	83	62	11.46%	-2.67%	91.56%	2.20%	0.52%	0.43%	0.56%	3.71%	12.03%	106.83%
New York	\$232,106	4.31	737	75	63	7.29%	-2.53%	58.21%	2.40%	0.58%	0.68%	0.84%	4.51%	13.84%	129.92%
North Carolina	\$171,815	4.22	733	83	52	12.57%	-3.96%	100.45%	2.15%	0.53%	0.56%	0.21%	3.45%	15.75%	99.57%
North Dakota	\$180,853	3.98	741	82	48	12.99%	3.09%	103.80%	1.53%	0.36%	0.36%	0.39%	2.64%	19.67%	76.10%
Ohio	\$134,961	4.31	723	86	57	11.20%	-3.40%	89.50%	2.64%	0.65%	0.62%	0.41%	4.31%	17.16%	124.21%
Oklahoma	\$142,241	4.30	723	86	55	10.78%	-6.36%	86.11%	2.74%	0.65%	0.58%	0.45%	4.41%	17.97%	127.18%
Oregon	\$215,039	4.24	743	79	49	13.95%	-4.26%	111.42%	1.28%	0.29%	0.30%	0.16%	2.03%	17.72%	58.60%
Pennsylvania	\$167,879	4.22	733	82	58	9.70%	-2.28%	77.47%	2.45%	0.63%	0.59%	0.40%	4.07%	15.59%	117.32%
Rhode Island	\$202,494	4.24	732	82	55	12.08%	-2.66%	96.51%	2.52%	0.68%	0.69%	0.49%	4.39%	15.67%	126.41%
South Carolina	\$166,952	4.27	727	84	51	12.86%	-5.16%	102.71%	2.66%	0.64%	0.62%	0.35%	4.27%	18.30%	123.21%
South Dakota	\$163,908	4.00	743	83	48	13.23%	-7.97%	105.66%	1.61%	0.39%	0.29%	0.23%	2.52%	16.70%	72.53%
Tennessee	\$165,640	4.21	728	84	49	13.61%	-3.84%	108.72%	2.27%	0.56%	0.59%	0.13%	3.54%	14.43%	101.93%
Texas	\$175,112	4.29	724	83	49	11.81%	-6.13%	94.33%	2.53%	0.61%	0.53%	0.18%	3.85%	17.37%	111.04%
Utah	\$219,067	4.20	734	83	42	18.59%	-0.14%	148.54%	1.90%	0.44%	0.44%	0.15%	2.93%	22.45%	84.43%
Vermont	\$179,176	4.24	738	78	60	10.03%	-4.05%	80.13%	2.24%	0.58%	0.55%	0.62%	3.99%	17.21%	115.05%
Virginia	\$238,251	4.11	736	82	52	12.04%	-0.45%	96.15%	1.86%	0.48%	0.47%	0.14%	2.94%	18.07%	84.78%
Washington	\$237,699	4.21	738	80	48	15.63%	-2.35%	124.84%	1.38%	0.29%	0.33%	0.18%	2.18%	18.79%	62.70%
West Virginia	\$143,278	4.31	717	86	58	10.89%	2.29%	86.95%	3.63%	0.80%	0.69%	0.30%	5.42%	18.35%	156.18%
Wisconsin	\$159,553	4.20	735	83	55	13.41%	-5.47%	107.16%	2.03%	0.50%	0.50%	0.31%	3.33%	16.45%	95.91%
Wyoming	\$194,239	4.10	734	83	50	14.82%	5.68%	118.38%	1.90%	0.45%	0.40%	0.12%	2.86%	15.49%	82.53%

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