

# Market Snapshot

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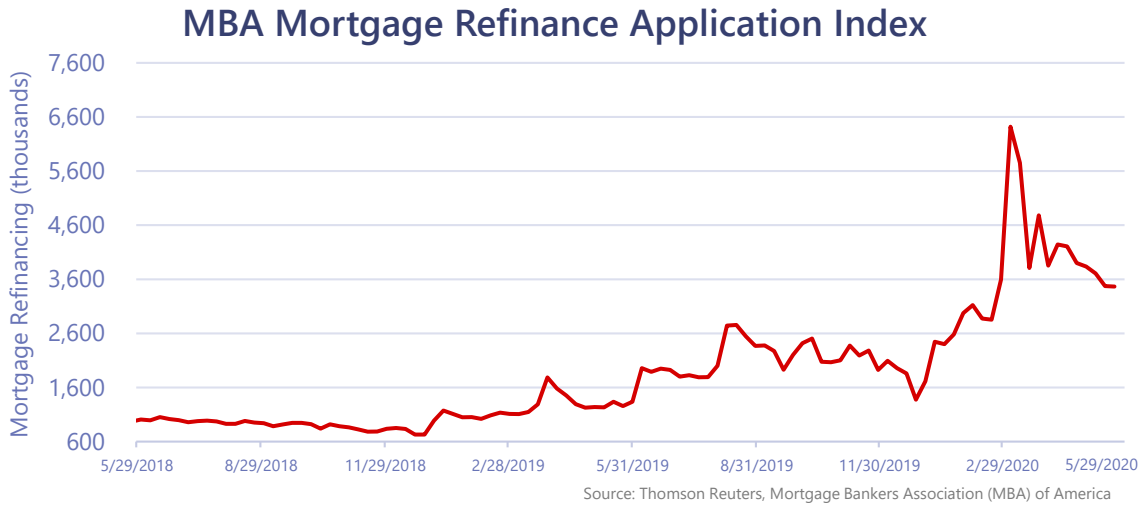
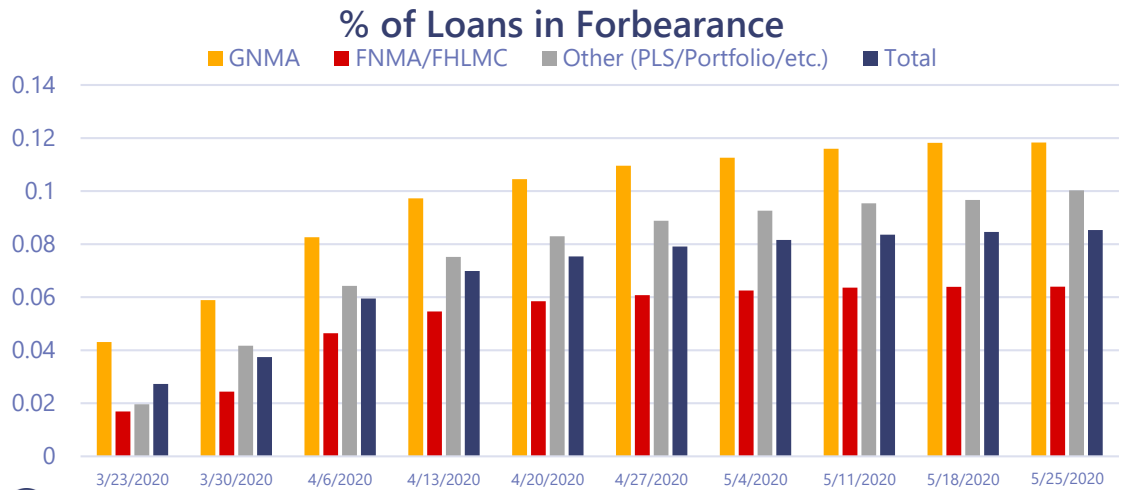
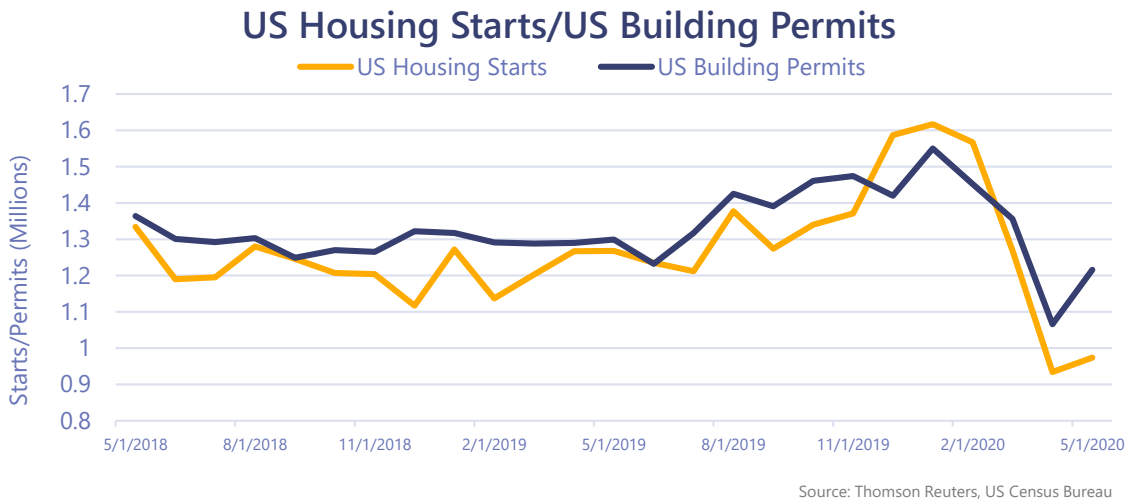
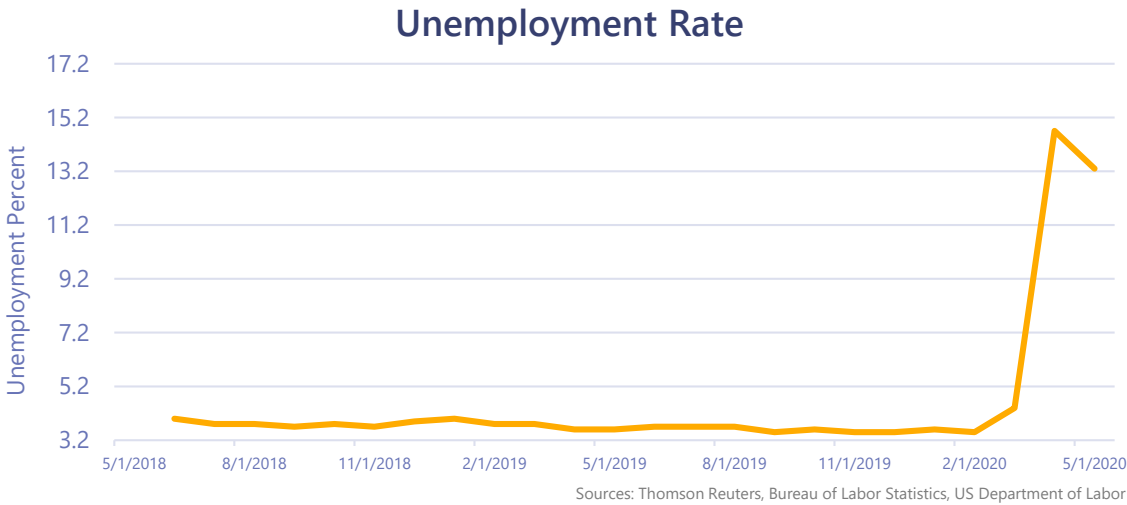
Delinquency Trends

# Macro- Economic Indicators

## Summary

- The US job market seemed to rebound slightly in May, with some jobs coming back as a result of reopening efforts across the states. This was reflected by a drop to 13.30% in the US unemployment rate, down 1.40% from April's figure of 14.70%
- The total number of loans in forbearance as a percentage of servicer's portfolio volume, tracked by the MBA's Forbearance and Call Volume Survey, increased from 7.90% to 8.50% over the course of May
- The domestic residential construction market showed an uptick in activity in May after April's steep drop-off. Housing starts for May came in at 974,000; 4.30% higher than April's number. Building permits also exhibited signs of a rebound with May figures coming in at 1,216,000; 14.80% higher than April's number
- The MBA Mortgage Refinance Application Index's weekly readings fell every week in May. The end of May figure of 3,167 represented an 18.80% decrease from the final reading in April

# Macro-Economic Indicators



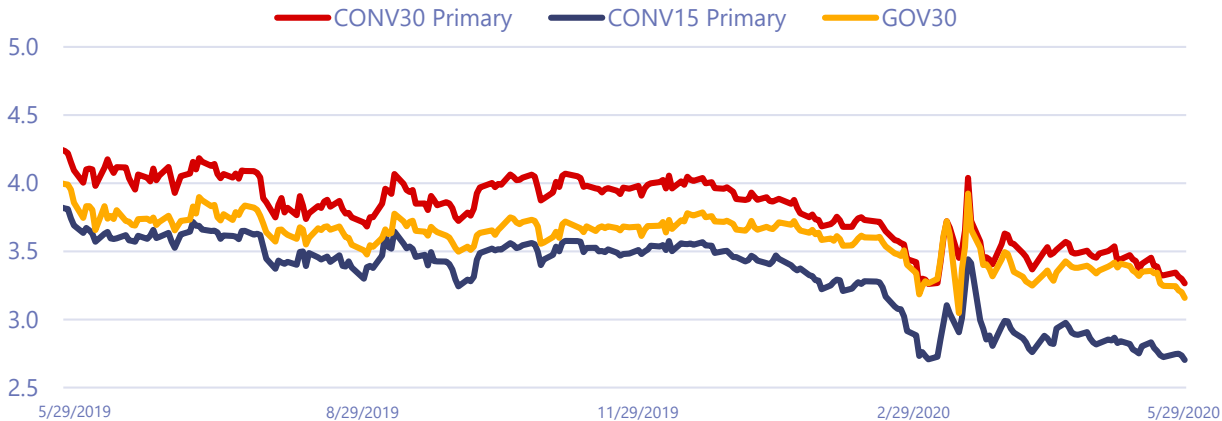
# Rate History

## Summary

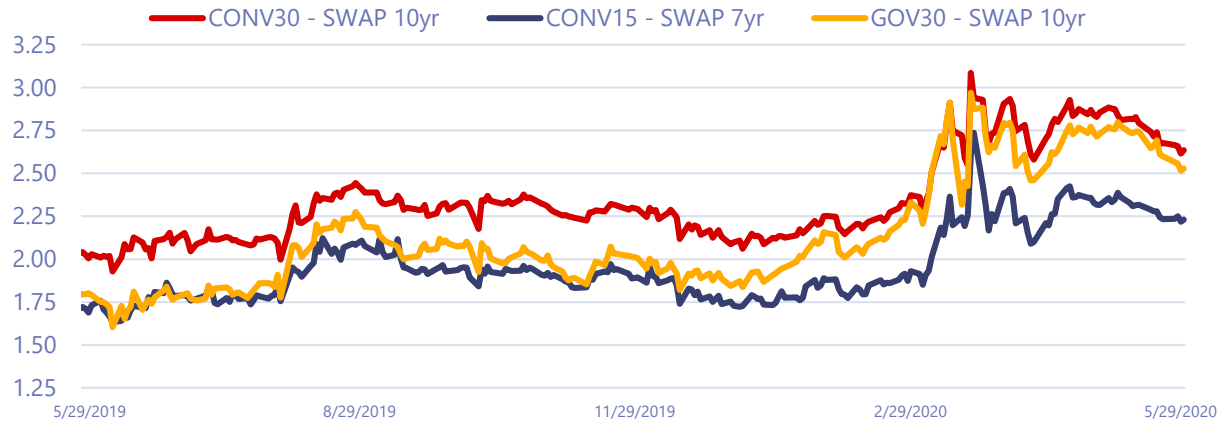
- PHOENIX primary mortgage rates were down again month over month. The fixed 30yr conventional rate decreased 18.7 bps, government product went down 17.9 bps and 15yr rates dropping by 11.4 bps
- SWAP rates tumbled anywhere from 10% - 20% compared to April month-end
- The 1-month LIBOR continued to fall, decreasing by 14.7 bps in May closing the month at 0.18%

# Rate History

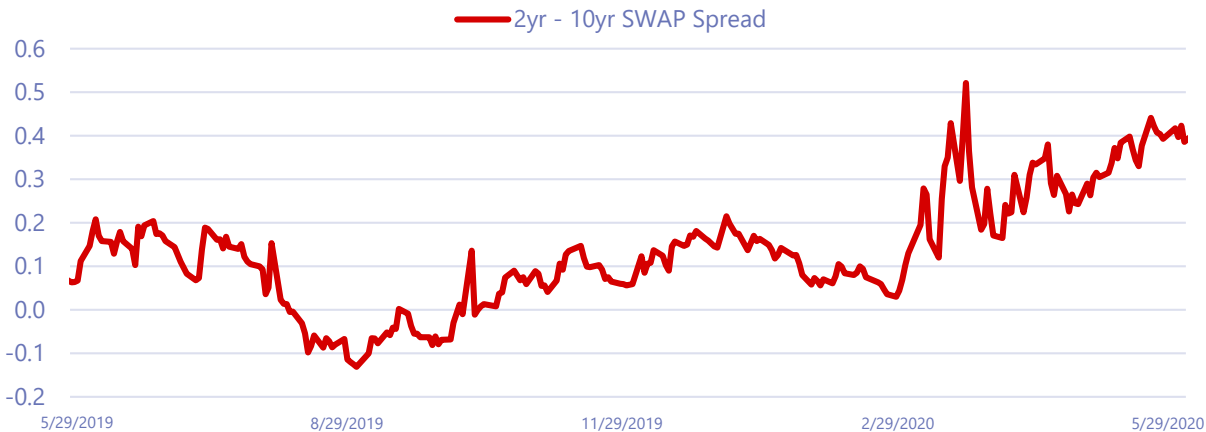
Mortgage Par Rates (%)



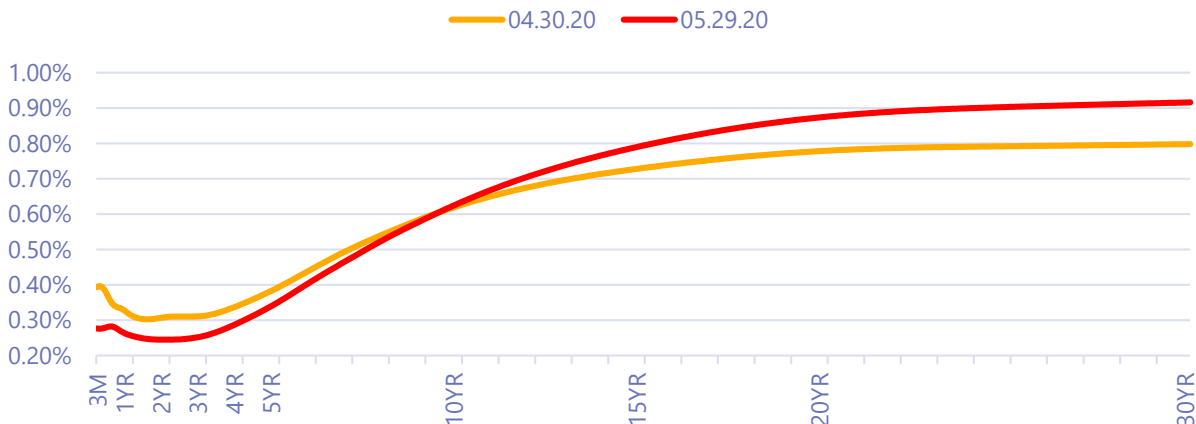
Mortgage Par Spread over SWAP Rates (%)



2yr and 10yr SWAP Spread



Yield Curve Comparison



# Rate History (cont.)

## Primary Rates as of 05/29/2020

Rate	5/29/2020	4/30/2020	2/28/2020	5/31/2019
CONV30	3.266	3.453	3.443	4.095
CONV15	2.703	2.817	2.916	3.691
GOV30	3.159	3.338	3.402	3.857
ARM 5/1	2.875	2.875	3.250	3.750

## Secondary Rates as of 05/29/2020

Rate	5/29/2020	4/30/2020	2/28/2020	5/31/2019
FNMA 30	1.566	1.403	2.143	2.895
FNMA 15	1.303	1.217	1.716	2.491
GNMA II 30	1.559	1.538	2.002	2.657
GNMA II 15	1.307	1.224	1.721	2.491
ARM 5/1	3.250	3.350	3.450	3.830

## Earnings Rates as of 05/29/2020

Rate	5/29/2020	4/30/2020	2/28/2020	5/31/2019
3 MO ED	0.277	0.394	1.494	2.529
6 MO ED	0.283	0.349	1.317	2.430
12 MO ED	0.258	0.316	1.149	2.235
2 YR SWAP	0.245	0.309	0.940	1.954
3 YR SWAP	0.255	0.312	0.910	1.880
5 YR SWAP	0.348	0.390	0.938	1.894
10 YR SWAP	0.631	0.624	1.070	2.066
15 YR SWAP	0.793	0.730	1.185	2.190
20 YR SWAP	0.875	0.779	1.242	2.245
30 YR SWAP	0.916	0.798	1.273	2.270

Source: Thomson Reuters and PHOENIX

# Prepayment Speed Trends

## Summary

- Par rates trended downward over May. However, total CPRs experienced a slight decrease of 0.90% month-over-month
- All products' prepayment speeds are still at least 25% above their levels compared to May 2019. The conventional 30-year par rate is down ~83 bps and the government 30-year par rate is down ~70 bps year-over-year
- Only the conventional 15-year product saw an increase in prepayment speeds month-over-month of 9.97%. VA product experienced the largest monthly decrease of 5.18%; conventional 30-year and FHA product decreased 0.86% and 0.23%, respectively

# CPR Summary

SUMMARY TABLES - May 2020

Loan Characteristics						Prepayments	
Investor	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%
CONV Fixed 30	\$223,816	4.25	749	76	51	28.85%	-0.86%
CONV Fixed 15	\$178,930	3.57	756	66	50	18.52%	9.97%
GNMA Fixed 30	\$190,166	4.03	694	94	51	21.92%	-2.93%
GNMA Fixed 15	\$137,590	3.62	711	82	57	17.99%	9.22%

Vintage	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%
2005	\$137,867	5.40	693	77	150	11.53%	7.78%
2006	\$142,581	5.46	684	79	132	10.15%	5.70%
2007	\$151,157	5.35	681	80	121	10.09%	6.02%
2008	\$145,713	5.32	683	82	120	11.23%	4.31%
2009	\$164,925	4.91	725	79	122	19.21%	14.16%
2010	\$173,334	4.65	737	79	113	20.73%	11.51%
2011	\$172,238	4.41	741	77	103	20.47%	13.97%
2012	\$200,141	3.78	749	80	93	18.96%	9.38%
2013	\$189,960	3.81	743	79	82	18.37%	9.62%
2014	\$179,032	4.25	732	80	68	26.53%	10.13%
2015	\$207,333	3.95	736	79	57	27.38%	4.17%
2016	\$227,101	3.70	737	78	45	25.03%	0.91%
2017	\$219,257	4.12	731	80	34	33.72%	-0.20%
2018	\$214,596	4.70	728	81	23	43.71%	-0.69%
2019	\$255,418	4.04	735	81	10	30.83%	-6.38%

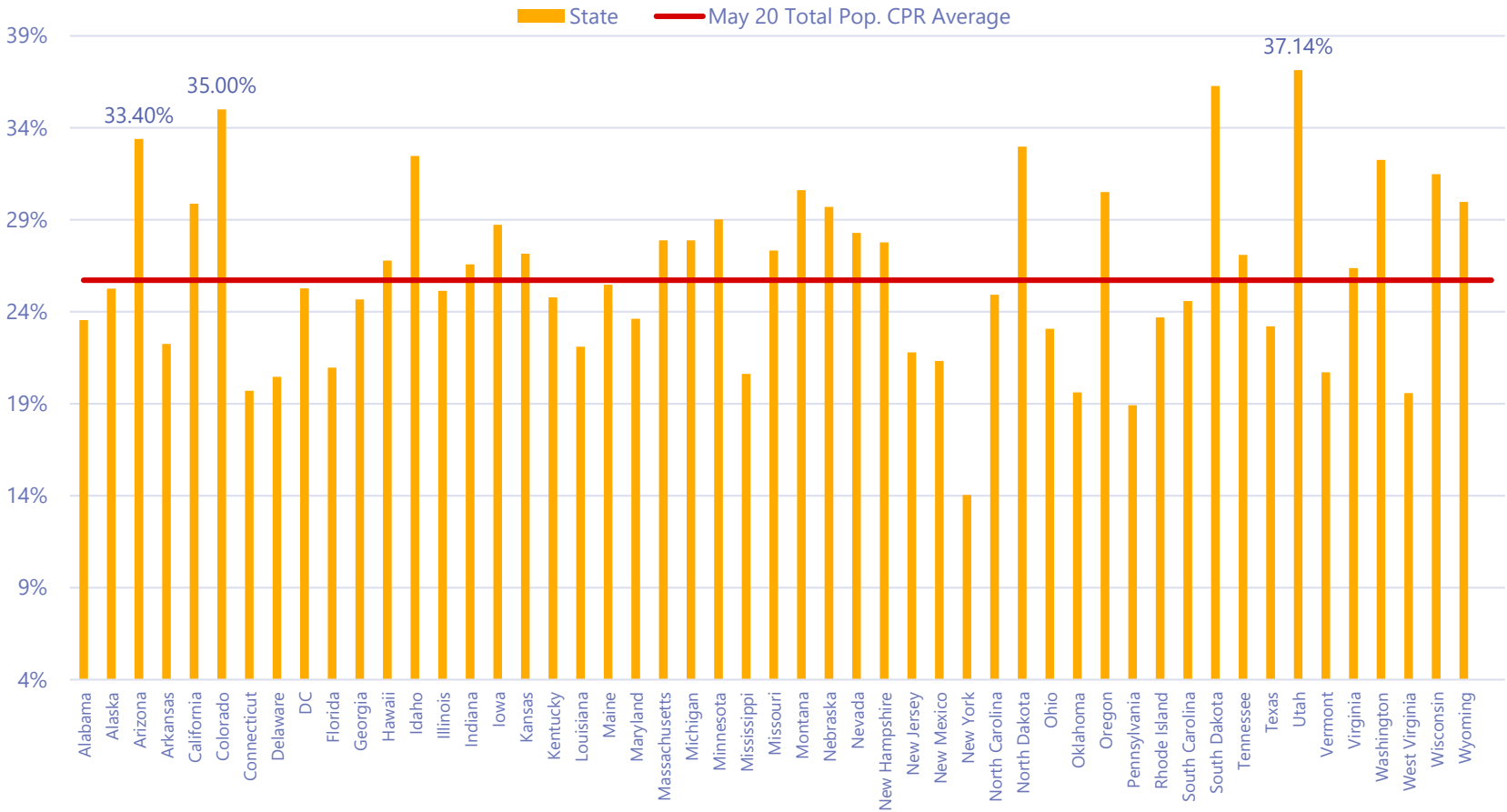
Tranche	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%
0.0000 - 3.4999	\$235,585	3.18	752	75	44	12.95%	-7.40%
3.5000 - 3.9999	\$229,458	3.73	743	78	45	22.02%	-0.27%
4.0000 - 4.4999	\$208,764	4.19	734	81	49	31.92%	0.17%
4.5000 - 4.9999	\$191,731	4.68	725	81	51	34.18%	2.02%
5.0000 - 5.4999	\$167,909	5.16	709	83	68	27.76%	1.99%
5.5000 - 5.9999	\$144,272	5.66	698	80	100	21.87%	5.34%
6.0000 - 6.4999	\$121,422	6.16	694	78	147	14.47%	3.92%
6.5000 - 6.9999	\$106,021	6.65	686	79	165	10.89%	7.23%
7.0000 - 7.4999	\$87,342	7.14	674	81	186	9.45%	8.40%
7.5000 or more	\$73,541	7.94	654	82	211	8.67%	4.82%

GSE and GNMA fixed rate product only

Source: Black Knight McDash

# Prepayment Speed Trends

Average CPR by State - May 2020



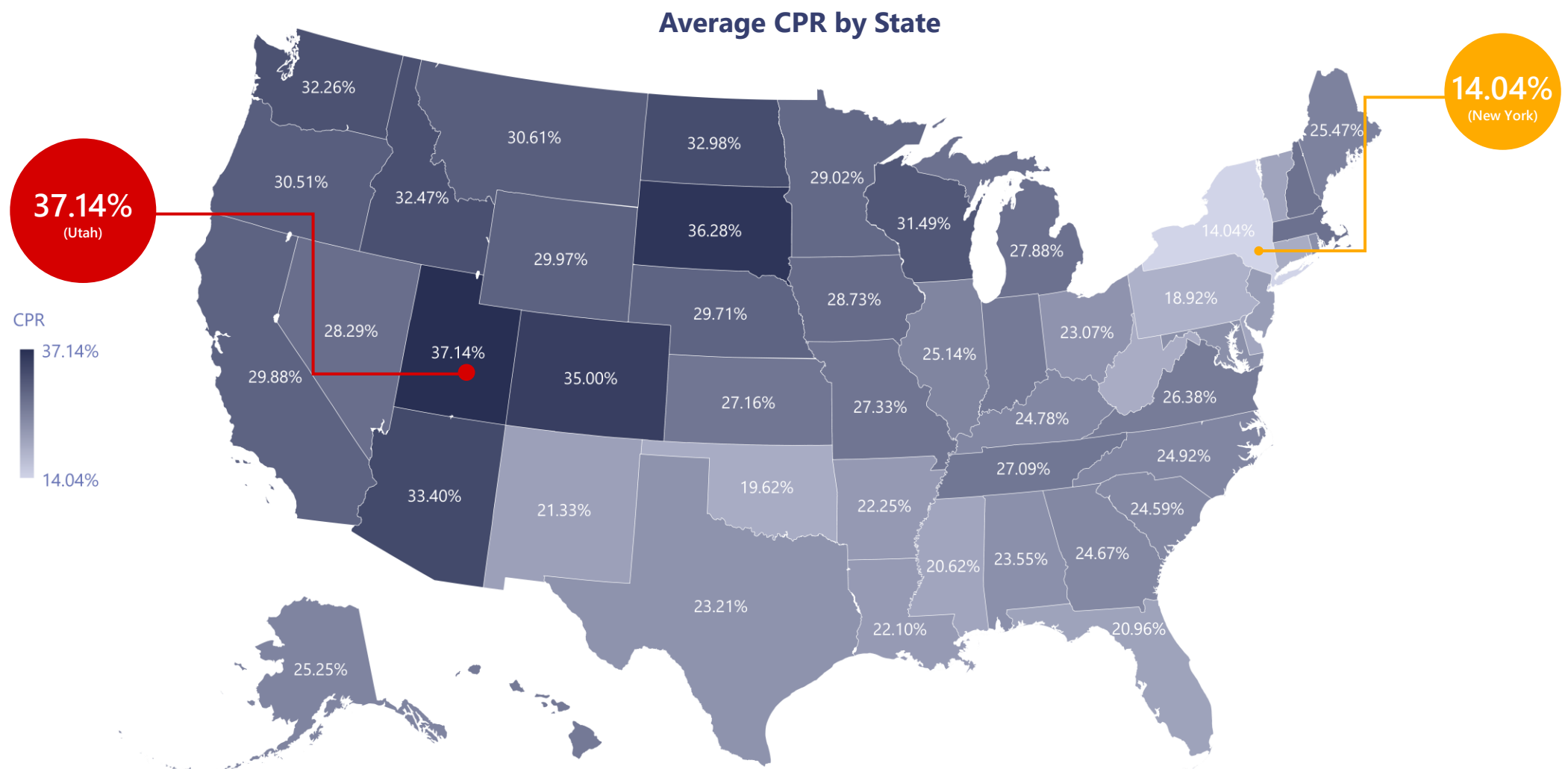
## Analysis

- Utah continues to lead the country in prepayment speeds (37.14% CPR), with New York experiencing the slowest prepayment speeds (14.04% CPR) for May
- Western states (AZ, CO, ID, MT, NM, NV, UT, WY) continue to lead the country in prepayment speeds, while mid-Atlantic states (NJ, NY, PA) experienced the slowest regional prepayment speeds
- Thirty states experienced increased prepayment speeds over May, with the majority of these experiencing month-over-month increases of 10% or less

GSE and GNMA fixed rate product only

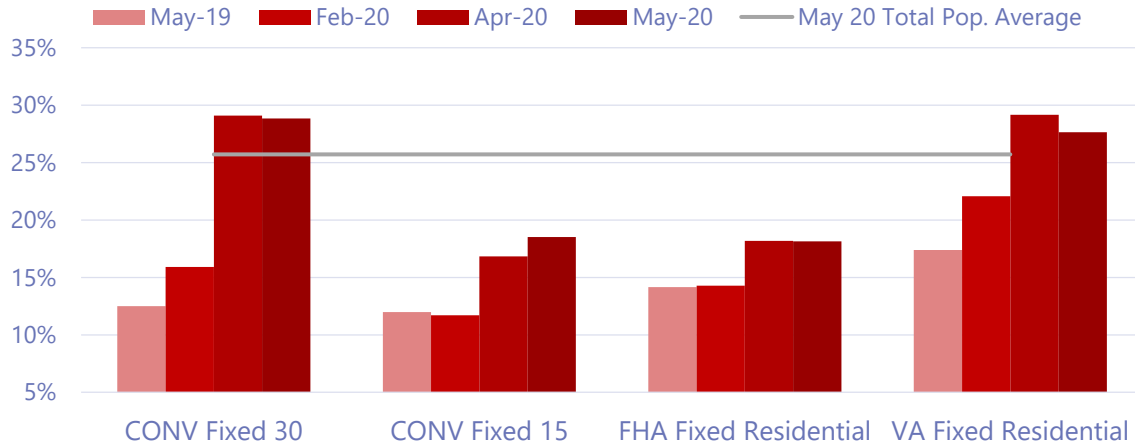
Source: Black Knight McDash

# Prepayment Speed Trends (cont.)

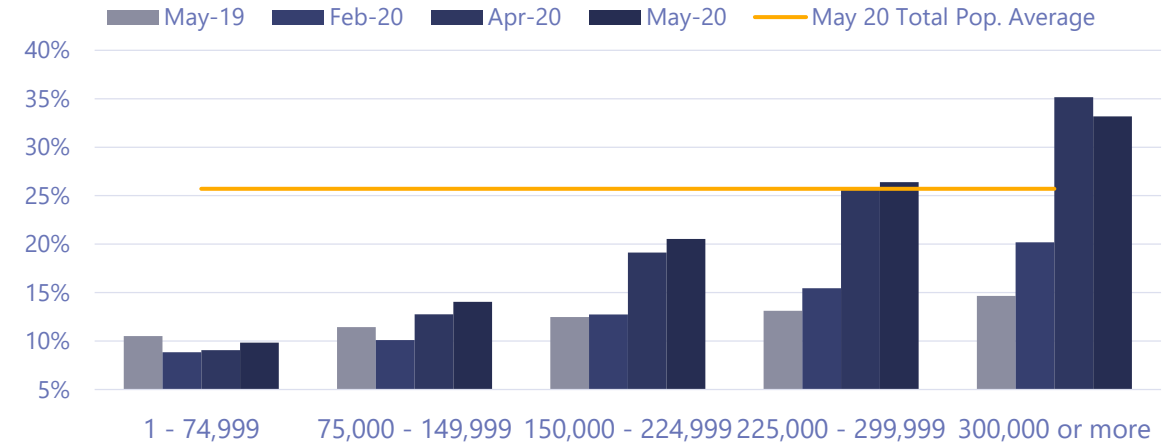


# Prepayment Speed Trends (cont.)

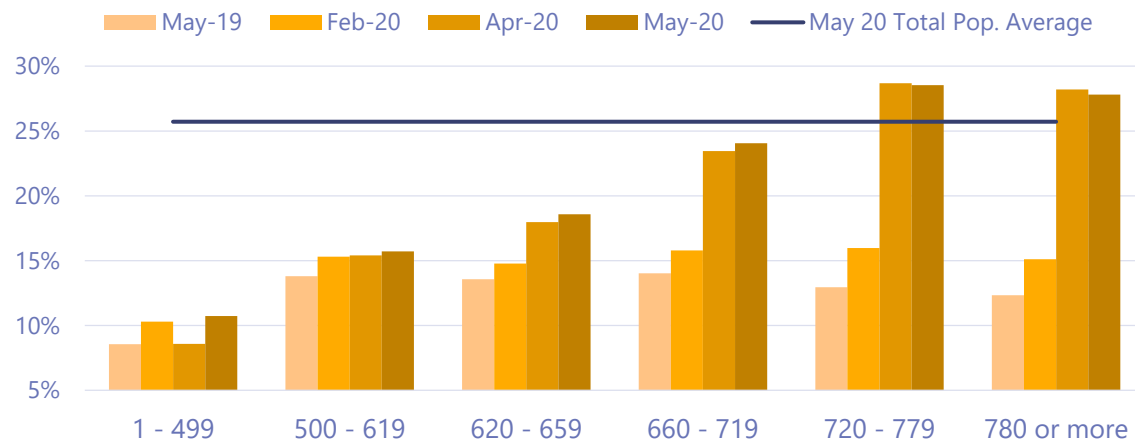
## CPR by Fixed-Rate Product - May 2020



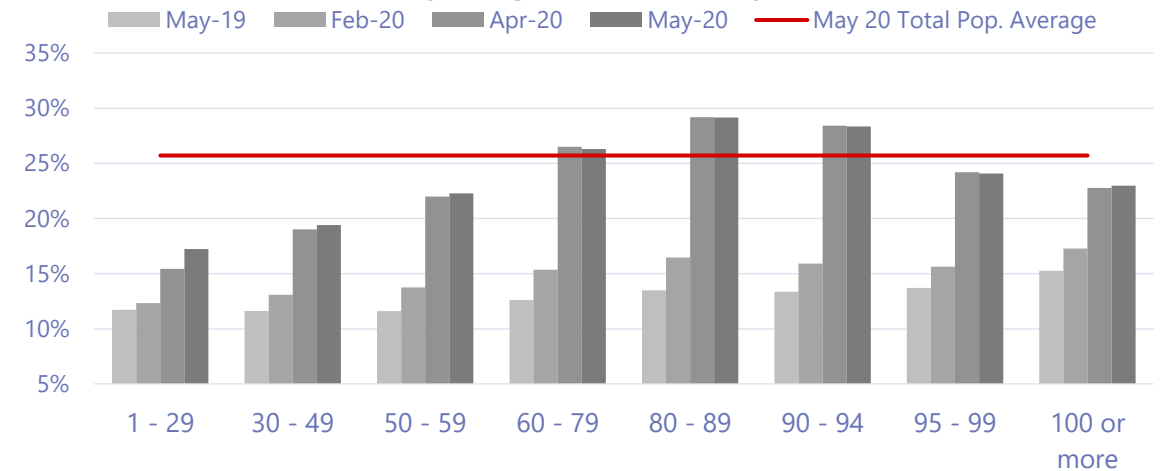
## CPR by Original Loan Balance - May 2020



## CPR by Original FICO - May 2020



## CPR by Original LTV - May 2020



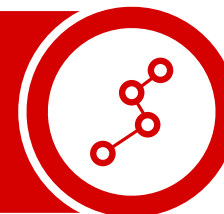
# Delinquency Trends

## Summary

- The national delinquency and foreclosure rate increased by 20.98% over last month's level
- Conventional 30-year loans' delinquency and foreclosure rates increased 1.59% since March 2020, while Conventional 15-year loans' delinquency and foreclosure rates increased 99 bps
- Over the month, delinquency rates for FHA and VA fixed-rate loans increased by 1.94% and 1.05 bps, respectively

Total delinquencies up

**20.98%**



# Delinquency Summary

SUMMARY TABLES - May 2020

Loan Characteristics

Investor	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age
CONV Fixed 30	\$223,816	4.25	749	76	51
CONV Fixed 15	\$178,930	3.57	756	66	50
GNMA Fixed 30	\$190,166	4.03	694	94	51
GNMA Fixed 15	\$137,590	3.62	711	82	57

Delinquencies

30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%
3.25%	3.56%	0.72%	0.19%	7.71%	25.96%
1.91%	1.74%	0.21%	0.04%	3.90%	34.18%
5.62%	5.88%	1.91%	0.38%	13.79%	15.28%
2.68%	2.44%	0.53%	0.12%	5.77%	19.82%

Vintage	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age
2005	\$137,867	5.40	693	77	150
2006	\$142,581	5.46	684	79	132
2007	\$151,157	5.35	681	80	121
2008	\$145,713	5.32	683	82	120
2009	\$164,925	4.91	725	79	122
2010	\$173,334	4.65	737	79	113
2011	\$172,238	4.41	741	77	103
2012	\$200,141	3.78	749	80	93
2013	\$189,960	3.81	743	79	82
2014	\$179,032	4.25	732	80	68
2015	\$207,333	3.95	736	79	57
2016	\$227,101	3.70	737	78	45
2017	\$219,257	4.12	731	80	34
2018	\$214,596	4.70	728	81	23
2019	\$255,418	4.04	735	81	10

30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%
6.25%	6.01%	3.24%	1.43%	16.93%	10.90%
7.37%	7.01%	4.44%	2.15%	20.96%	10.36%
7.59%	7.27%	4.97%	2.48%	22.30%	10.22%
7.68%	7.20%	3.78%	1.69%	20.34%	10.29%
4.56%	4.44%	1.46%	0.40%	10.86%	16.27%
3.81%	3.99%	1.03%	0.26%	9.09%	20.33%
3.46%	3.70%	0.87%	0.19%	8.22%	22.84%
2.82%	3.00%	0.53%	0.11%	6.46%	28.44%
3.09%	3.24%	0.70%	0.16%	7.19%	26.19%
3.79%	3.91%	1.17%	0.26%	9.12%	21.36%
3.66%	3.94%	1.08%	0.21%	8.89%	23.20%
3.67%	4.02%	1.03%	0.19%	8.91%	23.92%
4.18%	4.70%	1.23%	0.22%	10.33%	23.61%
4.66%	5.56%	1.49%	0.25%	11.96%	25.34%
3.68%	4.22%	0.58%	0.04%	8.53%	31.28%

Tranche	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age
0.0000 - 3.4999	\$235,585	3.18	752	75	44
3.5000 - 3.9999	\$229,458	3.73	743	78	45
4.0000 - 4.4999	\$208,764	4.19	734	81	49
4.5000 - 4.9999	\$191,731	4.68	725	81	51
5.0000 - 5.4999	\$167,909	5.16	709	83	68
5.5000 - 5.9999	\$144,272	5.66	698	80	100
6.0000 - 6.4999	\$121,422	6.16	694	78	147
6.5000 - 6.9999	\$106,021	6.65	686	79	165
7.0000 - 7.4999	\$87,342	7.14	674	81	186
7.5000 or more	\$73,541	7.94	654	82	211

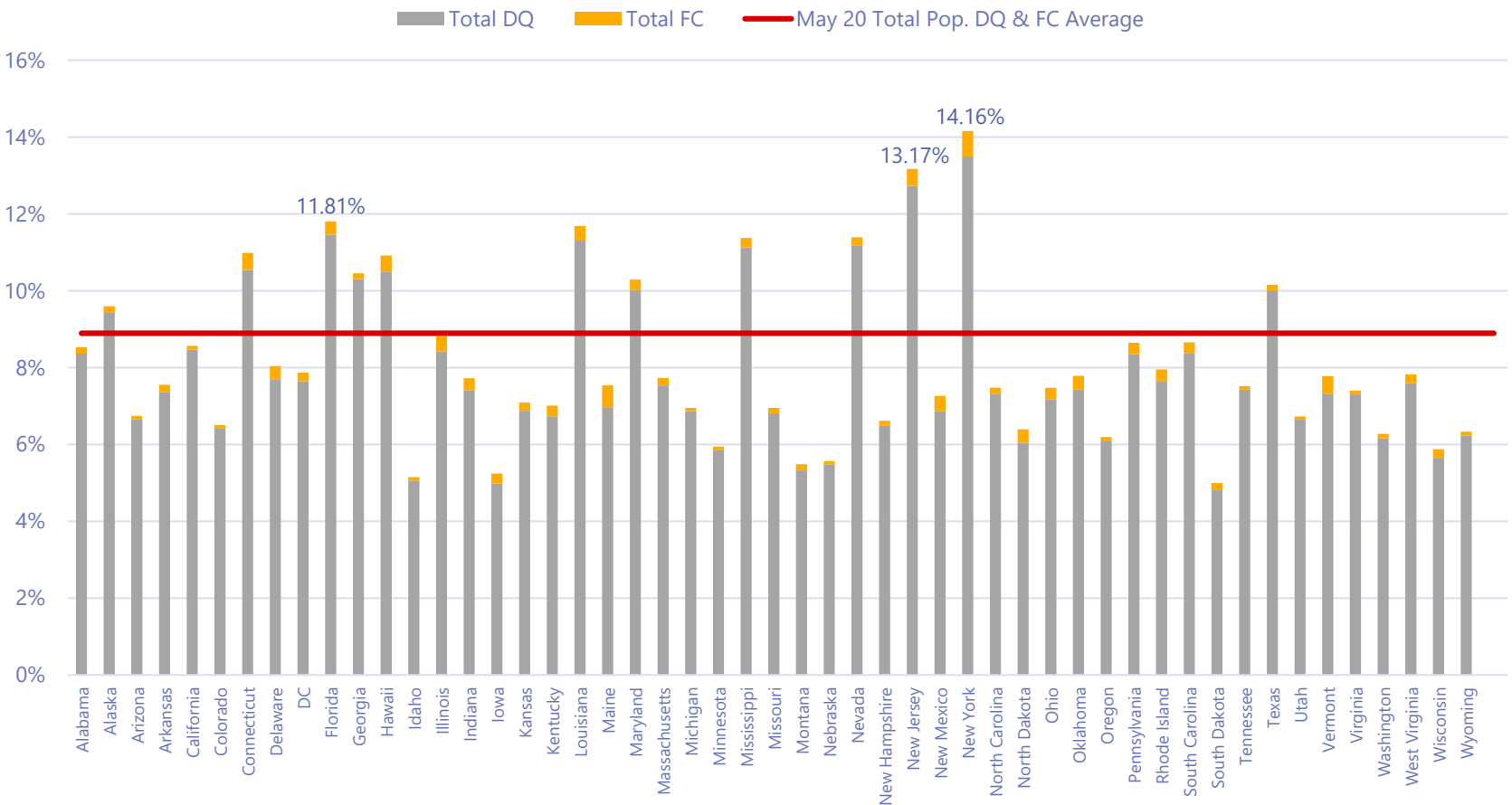
30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%
2.29%	2.11%	0.38%	0.11%	4.89%	19.48%
3.17%	3.23%	0.63%	0.13%	7.15%	26.65%
3.99%	4.40%	1.09%	0.23%	9.71%	24.85%
4.58%	5.23%	1.38%	0.26%	11.45%	22.32%
5.55%	6.39%	1.99%	0.42%	14.35%	19.78%
5.84%	6.12%	2.27%	0.59%	14.83%	16.87%
5.81%	5.16%	2.34%	0.94%	14.25%	13.14%
6.01%	4.98%	2.44%	1.35%	14.77%	9.52%
6.27%	4.74%	2.94%	1.86%	15.81%	7.19%
6.33%	4.43%	3.26%	2.18%	16.20%	5.30%

GSE and GNMA fixed rate product only

Source: Black Knight McDash

# Delinquency Trends

Average Delinquency and Foreclosure by State - May 2020



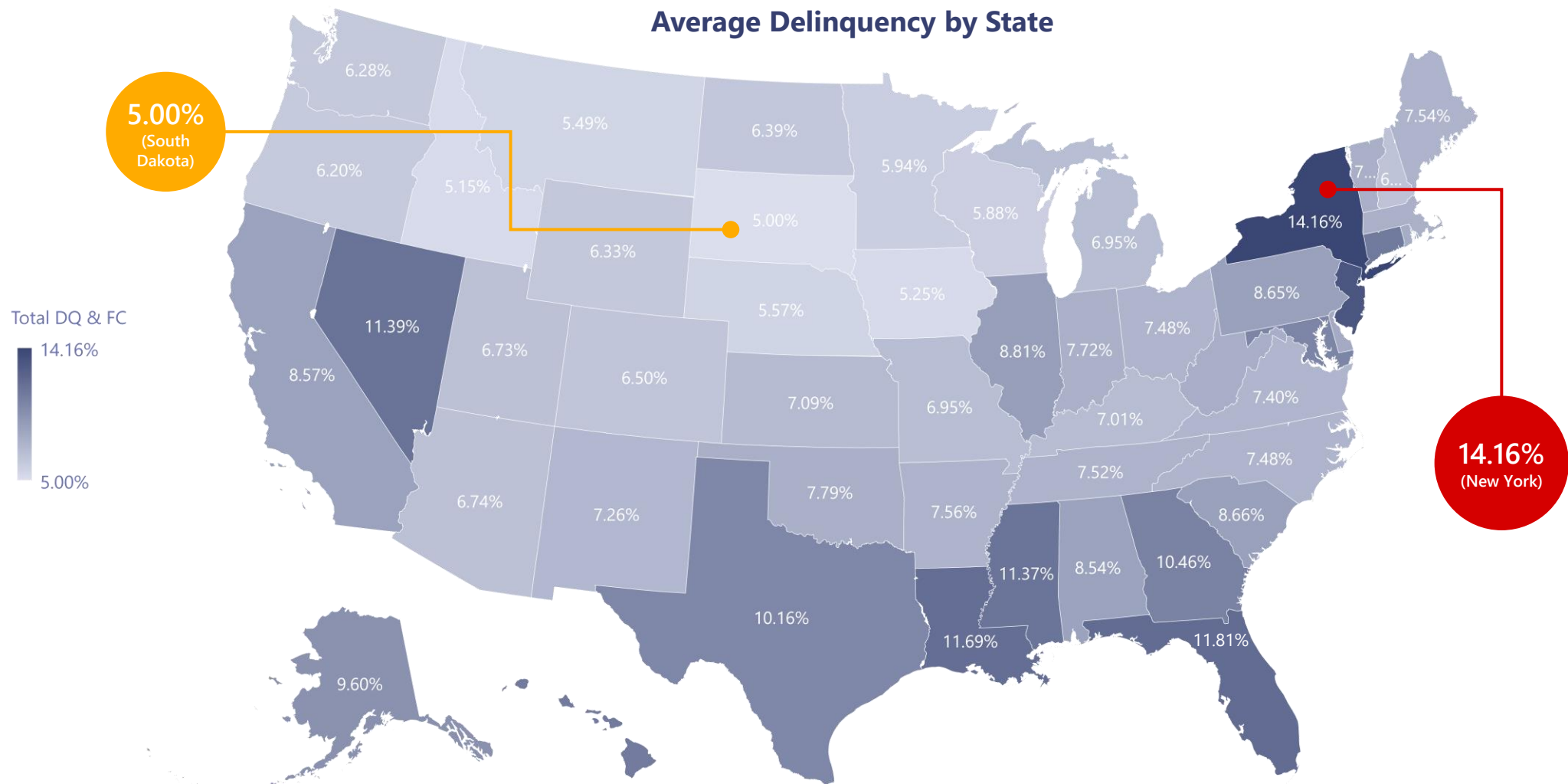
GSE and GNMA fixed rate product only

Source: Black Knight McDash

## Analysis

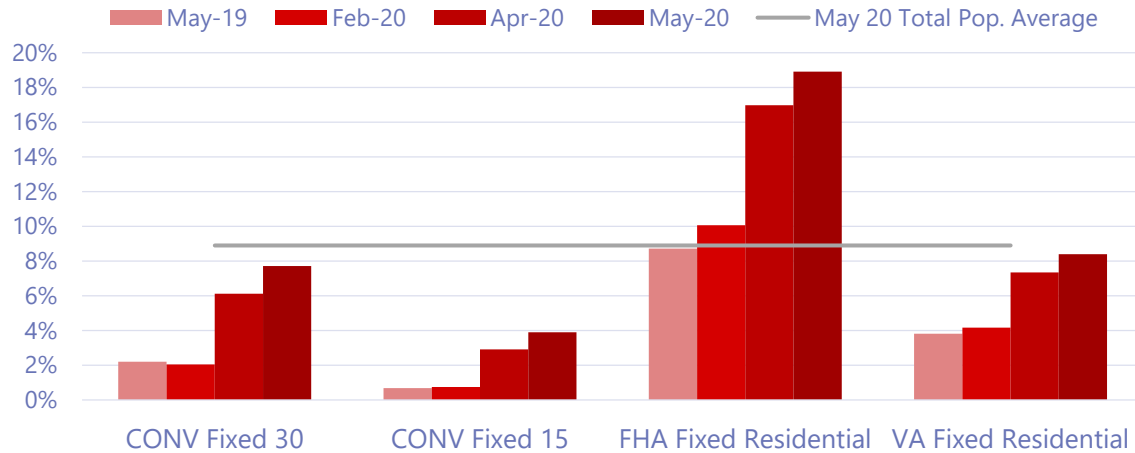
- South Dakota is the best-performing state, with DQ and FC rates at 5.00%
- Average DQ and FC rates have increased on a national level from 7.35% in April up to 8.90% in May
- Rates in last month's best-performing state, South Dakota, continued the nation's upward trend and moved up 85 bps from last month up to 5.00%
- Although we are seeing increases in the total number of delinquencies and foreclosures, this number may be slightly misleading as foreclosures have been suspended and replaced by forbearance programs

# Delinquency Trends (cont.)

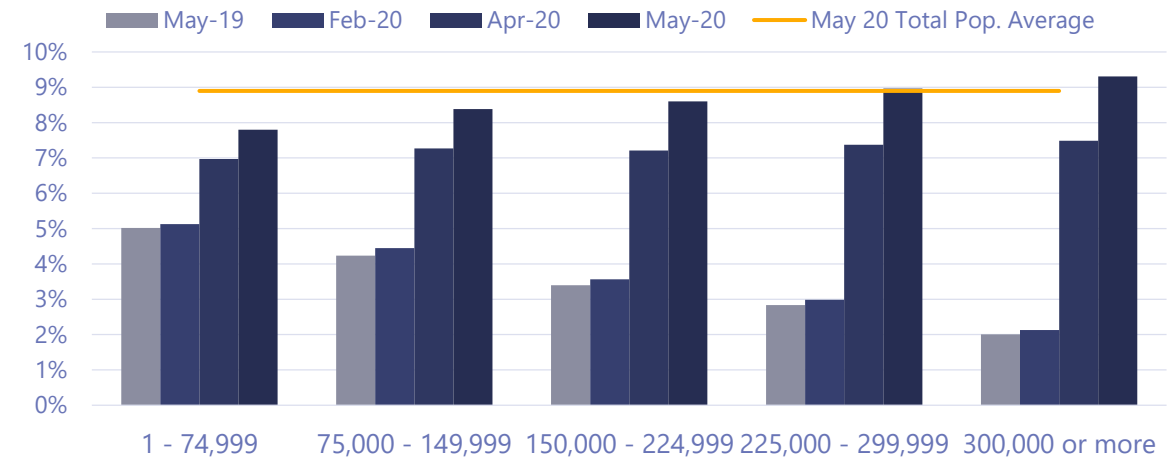


# Delinquency Trends (cont.)

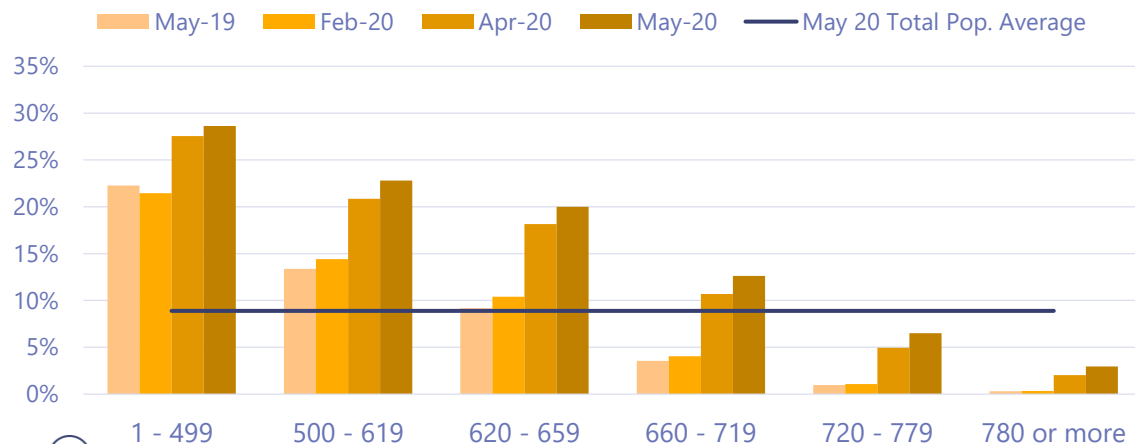
Delinquency and Foreclosure by Fixed-Rate Product - May 2020



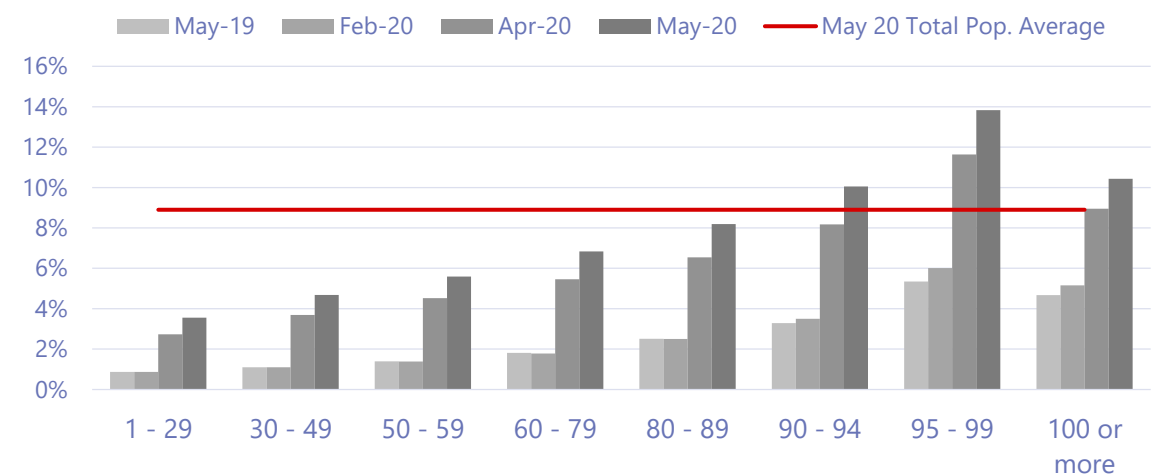
Delinquency and Foreclosure by Original Loan Balance - May 2020



Delinquency and Foreclosure by Original FICO - May 2020



Delinquency and Foreclosure by Original LTV - May 2020



# Tables



# State Summary

## Prepayment and Delinquency

SUMMARY TABLES - May 2020

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	\$205,227	4.10	735	79	52	25.71%	-0.90%	100.00%	3.73%	3.96%	0.98%	0.22%	8.90%	20.98%	100.00%
Alabama	\$157,761	4.15	725	84	56	23.55%	-2.01%	91.59%	3.80%	3.18%	1.39%	0.17%	8.54%	14.83%	95.93%
Alaska	\$248,281	3.94	732	85	56	25.25%	13.19%	98.21%	4.18%	4.46%	0.80%	0.16%	9.60%	30.30%	107.89%
Arizona	\$193,816	4.16	735	82	43	33.40%	-0.20%	129.88%	3.09%	2.86%	0.72%	0.08%	6.74%	20.41%	75.79%
Arkansas	\$141,533	4.11	727	84	57	22.25%	4.96%	86.53%	3.39%	2.79%	1.18%	0.20%	7.56%	18.99%	84.93%
California	\$294,761	4.03	744	71	47	29.88%	-5.92%	116.19%	3.52%	4.23%	0.71%	0.10%	8.57%	19.80%	96.28%
Colorado	\$246,638	4.00	744	76	42	35.00%	-3.04%	136.13%	2.99%	2.83%	0.60%	0.08%	6.50%	29.33%	73.10%
Connecticut	\$216,839	4.14	735	80	61	19.71%	7.54%	76.64%	4.27%	5.05%	1.22%	0.44%	10.99%	17.14%	123.47%
Delaware	\$205,212	4.15	733	81	57	20.46%	1.50%	79.57%	3.47%	3.09%	1.13%	0.36%	8.04%	18.91%	90.38%
DC	\$328,861	4.04	751	72	52	25.28%	-11.58%	98.30%	3.47%	3.44%	0.74%	0.23%	7.87%	35.56%	88.48%
Florida	\$187,132	4.23	729	83	48	20.96%	1.32%	81.51%	4.64%	5.56%	1.26%	0.35%	11.81%	20.95%	132.70%
Georgia	\$177,782	4.14	726	84	53	24.67%	3.98%	95.94%	4.42%	4.52%	1.37%	0.15%	10.46%	19.69%	117.51%
Hawaii	\$362,161	4.00	746	74	54	26.79%	-3.78%	104.17%	4.48%	5.19%	0.83%	0.42%	10.92%	28.74%	122.70%
Idaho	\$187,907	4.08	740	79	46	32.47%	-2.38%	126.28%	2.52%	2.08%	0.46%	0.09%	5.15%	24.01%	57.88%
Illinois	\$182,653	4.12	735	82	56	25.14%	-1.66%	97.76%	3.61%	3.71%	1.11%	0.39%	8.81%	23.32%	99.03%
Indiana	\$137,145	4.21	720	85	54	26.58%	5.33%	103.36%	3.54%	2.79%	1.08%	0.31%	7.72%	19.44%	86.82%
Iowa	\$146,769	4.00	737	82	54	28.73%	-1.78%	111.72%	2.49%	1.79%	0.71%	0.27%	5.25%	23.93%	58.96%
Kansas	\$151,150	4.08	732	83	53	27.16%	4.51%	105.62%	3.16%	2.77%	0.95%	0.21%	7.09%	16.44%	79.70%
Kentucky	\$148,962	4.12	727	83	53	24.78%	-4.36%	96.38%	3.16%	2.59%	0.99%	0.28%	7.01%	19.13%	78.80%
Louisiana	\$168,955	4.18	720	83	55	22.10%	-5.28%	85.95%	4.67%	4.82%	1.82%	0.38%	11.69%	14.10%	131.36%
Maine	\$181,491	4.13	732	80	53	25.47%	4.05%	99.04%	3.15%	2.93%	0.89%	0.57%	7.54%	16.92%	84.74%
Maryland	\$249,366	4.06	731	82	56	23.62%	-3.47%	91.86%	4.36%	4.37%	1.29%	0.27%	10.29%	21.68%	115.69%
Massachusetts	\$263,613	4.01	740	75	51	27.88%	-2.94%	108.44%	3.49%	3.15%	0.90%	0.20%	7.73%	21.67%	86.91%
Michigan	\$150,107	4.13	735	82	50	27.88%	2.82%	108.44%	3.08%	2.93%	0.86%	0.08%	6.95%	11.84%	78.13%
Minnesota	\$194,049	4.04	744	82	53	29.02%	5.65%	112.87%	2.78%	2.45%	0.63%	0.08%	5.94%	30.94%	66.79%
Mississippi	\$150,420	4.16	716	85	54	20.62%	9.18%	80.19%	4.92%	4.34%	1.87%	0.24%	11.37%	14.73%	127.83%
Missouri	\$150,665	4.10	732	83	52	27.33%	-2.69%	106.30%	3.26%	2.64%	0.92%	0.14%	6.95%	21.39%	78.14%
Montana	\$193,806	4.03	744	78	51	30.61%	5.62%	119.05%	2.47%	2.24%	0.61%	0.16%	5.49%	22.84%	61.65%
Nebraska	\$150,664	3.98	739	83	50	29.71%	2.43%	115.53%	2.67%	2.16%	0.65%	0.09%	5.57%	27.85%	62.58%
Nevada	\$210,670	4.21	731	83	41	28.29%	-1.14%	110.01%	4.44%	5.61%	1.12%	0.22%	11.39%	20.34%	128.03%
New Hampshire	\$210,641	4.08	736	80	53	27.77%	-2.82%	108.00%	2.98%	2.66%	0.85%	0.13%	6.62%	17.74%	74.38%
New Jersey	\$245,764	4.11	736	78	57	21.79%	2.25%	84.76%	4.86%	6.42%	1.45%	0.44%	13.17%	18.36%	148.03%
New Mexico	\$168,479	4.22	731	82	61	21.33%	10.94%	82.94%	3.29%	2.83%	0.75%	0.39%	7.26%	20.09%	81.63%
New York	\$236,904	4.23	737	74	63	14.04%	23.44%	54.62%	4.95%	7.08%	1.47%	0.66%	14.16%	17.10%	159.12%
North Carolina	\$178,454	4.10	734	82	52	24.92%	1.22%	96.93%	3.45%	2.97%	0.91%	0.16%	7.48%	22.07%	84.04%
North Dakota	\$185,521	3.89	742	81	49	32.98%	9.17%	128.25%	2.89%	2.36%	0.80%	0.35%	6.39%	38.80%	71.86%
Ohio	\$139,589	4.20	725	85	56	23.07%	1.73%	89.73%	3.30%	2.88%	1.00%	0.30%	7.48%	18.72%	84.03%
Oklahoma	\$146,730	4.21	725	85	56	19.62%	2.15%	76.29%	3.50%	2.92%	1.01%	0.36%	7.79%	18.48%	87.55%
Oregon	\$224,398	4.11	745	77	48	30.51%	2.50%	118.66%	2.71%	2.79%	0.58%	0.11%	6.20%	25.43%	69.63%
Pennsylvania	\$171,629	4.13	734	81	59	18.92%	-0.84%	73.60%	3.67%	3.63%	1.06%	0.29%	8.65%	20.88%	97.20%
Rhode Island	\$207,533	4.12	734	81	55	23.69%	-6.78%	92.13%	3.43%	3.13%	1.10%	0.30%	7.95%	16.97%	89.40%
South Carolina	\$172,844	4.14	728	83	51	24.59%	-3.01%	95.62%	3.85%	3.38%	1.16%	0.28%	8.66%	18.94%	97.32%
South Dakota	\$169,050	3.89	744	81	49	36.28%	2.31%	141.09%	2.38%	1.86%	0.57%	0.19%	5.00%	33.60%	56.18%
Tennessee	\$173,080	4.10	730	82	50	27.09%	0.25%	105.37%	3.42%	3.05%	0.96%	0.09%	7.52%	23.64%	84.48%
Texas	\$183,178	4.18	726	82	49	23.21%	3.62%	90.26%	4.52%	4.34%	1.16%	0.15%	10.16%	27.12%	114.17%
Utah	\$229,367	4.03	737	81	40	37.14%	-10.33%	144.42%	3.13%	2.71%	0.80%	0.09%	6.73%	20.74%	75.65%
Vermont	\$183,721	4.15	739	78	57	20.71%	6.91%	80.55%	3.26%	3.16%	0.91%	0.46%	7.78%	19.05%	87.46%
Virginia	\$244,392	4.00	738	81	53	26.38%	-4.91%	102.57%	3.32%	3.18%	0.81%	0.10%	7.40%	25.66%	83.22%
Washington	\$250,303	4.07	739	78	46	32.26%	0.75%	125.46%	2.77%	2.74%	0.64%	0.12%	6.28%	25.38%	70.56%
West Virginia	\$146,492	4.19	718	85	57	19.58%	10.24%	76.14%	3.74%	2.75%	1.10%	0.24%	7.83%	14.99%	87.96%
Wisconsin	\$164,209	4.08	736	82	54	31.49%	4.19%	122.45%	2.71%	2.17%	0.77%	0.23%	5.88%	22.52%	66.04%
Wyoming	\$199,188	4.01	735	81	50	29.97%	5.22%	116.57%	3.17%	2.35%	0.71%	0.10%	6.33%	30.89%	71.19%

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