



News Release

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Mortgage Delinquencies in California Rise in Latest National Delinquency Survey

WASHINGTON, D.C. (November 19, 2009) – The delinquency rate for mortgage loans on residential properties in California was 10.51 percent at the end of the third quarter of 2009, an increase of 110 basis points, according to the Mortgage Bankers Association. The delinquency rate excludes loans in the process of foreclosure. The percentage of loans in California on which foreclosure was started during the quarter rose 6 basis points to 2.06 percent, while the percentage of loans in the foreclosure process at the end of the quarter rose 6 basis points to 5.83 percent.

These rates are not seasonally adjusted. Mortgage delinquency rates normally rise between the second and third quarter of the year due to a variety of seasonal factors.

The delinquency rate for prime adjustable rate mortgage loans increased 144 basis points to 15.76 percent and the rate for prime fixed rate mortgage loans increased 108 basis points to 5.72 percent. The delinquency rate for the subprime ARM loans increased 231 basis points to 27.85 percent, while the rate for subprime fixed rate loans increased 272 basis points to 23.61 percent. The delinquency rates for FHA and VA loans were 8.49 percent and 6.29 percent, respectively—up 106 basis points for FHA loans and up 93 basis points for VA loans.

The foreclosure starts rate for prime ARM loans in California increased 100 basis points to 4.43 percent, while the rate for prime fixed rate loans decreased 1 basis point to 0.75 percent. The foreclosure starts rate for subprime ARM loans decreased 93 basis points to 5.89 percent, while the rate for subprime fixed rate loans decreased 47 basis points to 2.95 percent.

The percent of prime ARM loans in foreclosure increased 77 basis points to 10.85 percent and increased 12 basis points to 1.78 percent for prime fixed rate loans. The rate for subprime ARM loans decreased 62 basis points to 27.34 percent, while the rate for subprime fixed rate loans increased 63 basis points to 8.64 percent. The percentage of FHA loans in foreclosure increased 35 basis points to 1.92 percent. The percentage of VA loans in foreclosure increased 19 basis points to 1.69 percent.

Among the 50 states and the District of Columbia, California ranked 12th in delinquencies and 4th in foreclosures started. Mississippi ranked first in delinquencies with a rate of 14.40 percent and Nevada ranked first in foreclosure starts with a rate of 3.76 percent. California has 15 percent nonprime borrowers (FHA and subprime) versus a national average of 21 percent.

On a national level, the delinquency rate for mortgage loans on one-to-four-unit residential properties was 9.94 percent on a non-seasonally adjusted basis, up 108 basis points from 8.86 percent in the second quarter of 2009. The seasonally adjusted delinquency rate on residential properties was 9.64 percent in the third quarter, up 40 basis points from last quarter's seasonally

adjusted rate. The non-seasonally adjusted percentage of loans in which foreclosure was started during the quarter fell increased six basis points to 1.42 percent, while the non-seasonally adjusted percentage of loans in the foreclosure process at the end of the quarter rose 17 basis points to 4.47 percent.

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The above data were obtained in cooperation with the Mortgage Bankers Association (MBA), which produces the National Delinquency Survey (NDS). The NDS, which has been conducted since 1953, covers 45 million loans on one- to four-unit residential properties, representing between 80 to 85 percent of all "first-lien" residential mortgage loans outstanding in the United States. Loans surveyed were reported by approximately 120 lenders, including mortgage bankers, commercial banks, and thrifts.

The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 280,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,400 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA's Web site: www.mortgagebankers.org.