



CoreLogic®



CoreLogic® National Foreclosure Report

FEBRUARY 2014

WITH QUARTERLY SHADOW INVENTORY SUPPLEMENT

FORECLOSURES - NATIONAL OVERVIEW THROUGH FEBRUARY 2014

- ▶ U.S. Foreclosure Inventory Down 35 Percent Nationally From a Year Ago
 - ▶ Fewer than 1.9 million Mortgages, or 4.9 percent, Are In Serious Delinquency
 - ▶ Shadow Inventory Down 2.9 Percent Compared to Third Quarter 2013
-

COMPLETED FORECLOSURES

43,000 ↓ **15%** ↓ **13.1%**
IN FEBRUARY 2014 COMPARED TO FEBRUARY 2013 COMPARED TO JANUARY 2014

An analysis shows 43,000 foreclosures were completed in February 2014, a 15 percent year-over-year decline from 51,000 in February 2013. By comparison, before the decline in the housing market in 2007, completed foreclosures averaged 21,000 per month nationwide between 2000 and 2006. On a month-over-month* basis, completed foreclosures decreased 13.1 percent. Completed foreclosures are an indication of the total number of homes actually lost to foreclosure.

SINCE THE FINANCIAL CRISIS BEGAN IN SEPTEMBER 2008, APPROXIMATELY

4.9 MILLION

FORECLOSURES HAVE BEEN COMPLETED

“Although there is good news that completed foreclosures are trending lower, the bigger news is the impressive decline in the foreclosure and shadow inventories.”

Dr. Mark Fleming, chief economist for CoreLogic

*January data was revised. Revisions with public records are standard and to ensure accuracy, CoreLogic incorporates newly released data to provide updated results.

NATIONAL FORECLOSURE INVENTORY

↓ **35%**

COMPARED TO FEBRUARY 2013

↓ **3.3%**

COMPARED TO JANUARY 2014

Approximately 752,000 homes in the United States were in some stage of foreclosure as of February 2014, compared to 1.2 million in February 2013, a decrease of 35 percent. This was the 28th consecutive month with a year-over-year decline. As of February 2014, the foreclosure inventory represented 1.9 percent of all homes with a mortgage compared to 2.9 percent in February 2013. The foreclosure inventory declined 3.3 percent from January 2014 to February 2014.

FEBRUARY MARKED THE 14TH CONSECUTIVE MONTH OF AT LEAST

20 PERCENT

YEAR-OVER-YEAR DECLINE IN THE INVENTORY OF FORECLOSED HOMES

“The stock of seriously delinquent homes and the foreclosure rate are back to levels last seen in the final quarter of 2008. The shadow inventory has also declined year over year for the past three years as the housing market continues to heal, including double-digit declines for the past 16 consecutive months.”

Anand Nallathambi, president and CEO of CoreLogic

TIME SERIES - NATIONAL OVERVIEW

THE NUMBER OF MORTGAGES IN SERIOUS DELINQUENCY FELL 23.8 PERCENT YEAR OVER YEAR SINCE FEBRUARY 2013

	MAR-13	APR-13	MAY-13	JUN-13	JUL-13	AUG-13	SEP-13	OCT-13	NOV-13	DEC-13	JAN-14	FEB-14
SDQ	2,424	2,328	2,256	2,223	2,181	2,102	2,068	2,027	2,012	1,978	1,942	1,913
-MOM % Chg in #	-3.4%	-4.0%	-3.1%	-1.5%	-1.9%	-3.6%	-1.6%	-2.0%	-0.7%	-1.7%	-1.8%	-1.5%
-YOY % Chg in #	-17.6%	-20.1%	-21.6%	-22.4%	-23.7%	-25.3%	-25.7%	-25.0%	-24.7%	-25.0%	-25.4%	-23.8%
Foreclosure Inventory*	1,145	1,071	1,043	997	975	935	907	854	860	822	778	752
-MOM % Chg in #	-0.8%	-6.5%	-2.6%	-4.4%	-2.2%	-4.1%	-3.1%	-5.8%	0.7%	-4.5%	-5.4%	-3.3%
-YOY % Chg in #	-21.8%	-27.1%	-27.9%	-28.9%	-30.6%	-32.9%	-32.9%	-32.6%	-30.0%	-32.5%	-34.6%	-34.9%
Completed Foreclosures*	52	56	52	53	55	55	64	49	39	37	50	43
-MOM % Chg in #	2.5%	7.1%	-8.3%	3.0%	3.7%	0.0%	16.9%	-23.7%	-20.0%	-5.5%	34.6%	-13.1%
-YOY % Chg in #	-21.7%	-9.9%	-28.5%	-22.6%	-16.0%	-24.7%	-23.7%	-29.0%	-39.7%	-29.5%	-15.5%	-15.3%
-12-Month Sum*	775	769	748	733	722	704	684	664	639	623	614	606

	FEB-13	MAR-13	APR-13	MAY-13	JUN-13	JUL-13	AUG-13	SEP-13	OCT-13	NOV-13	DEC-13	JAN-14
Shadow Inventory*	2,121	2,049	1,976	1,916	1,892	1,861	1,800	1,782	1,759	1,747	1,724	1,708
-SDQ*	994	931	915	882	895	877	846	838	845	827	828	823
-FCL*	786	780	729	710	679	664	637	617	582	586	559	541
-REO*	341	338	331	324	318	319	317	326	332	335	337	345
Months' Supply Visible	5.2	5.3	5.5	5.6	5.6	5.6	5.6	5.6	5.4	5.1	4.8	4.6
Months' Supply Shadow	6.7	5.2	4.6	4.0	4.1	3.9	3.8	4.4	4.2	4.7	4.4	5.2
-SDQ	1.0	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8
-FCL	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.5
-REO	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
MOM Change (Shadow Counts)	-3.5%	-3.4%	-3.6%	-3.1%	-1.3%	-1.6%	-3.3%	-1.0%	-1.3%	-0.7%	-1.3%	-0.9%
YOY Change (Shadow Counts)	-16.3%	-16.9%	-18.8%	-20.4%	-21.1%	-22.1%	-23.5%	-23.5%	-22.7%	-22.5%	-22.4%	-22.3%
Roll Rates (3 Month Moving Avg)												
Current to 90	0.34%	0.32%	0.33%	0.33%	0.35%	0.35%	0.36%	0.37%	0.37%	0.37%	0.37%	0.37%
90+ to FCL	5.40%	5.19%	4.34%	4.50%	4.48%	5.05%	4.77%	5.15%	4.63%	4.37%	3.91%	3.75%
FCL to Current	1.25%	1.30%	1.23%	1.19%	1.09%	1.43%	1.54%	1.57%	1.28%	1.10%	1.15%	1.08%

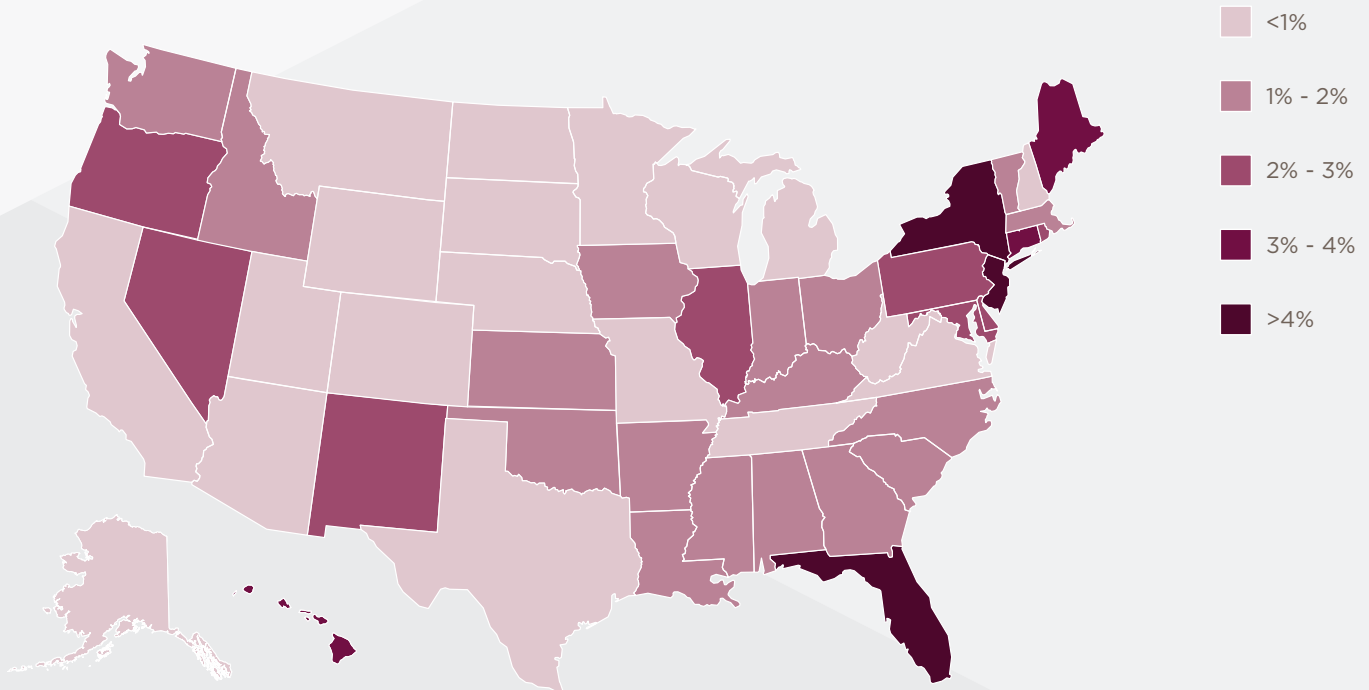
* Thousands of Units ** Year-to-Date

Note: Current includes loans that are 30 and 60 Days Delinquent

Note: 90+ Excludes FCL and REO ; SDQ is 90+ including FCL and REO

THE FORECLOSURE INVENTORY HAS DECLINED BY DOUBLE DIGITS YEAR OVER YEAR FOR 17 CONSECUTIVE MONTHS

FORECLOSURE INVENTORY BY STATE



As of February 2014
 Source: CoreLogic Market Trends

▶ **THIRTY-FOUR STATES AND THE DISTRICT OF COLUMBIA HAVE AN INVENTORY OF FORECLOSED HOMES LOWER THAN THE NATIONAL RATE**

▶ **Five states with the highest foreclosure inventory as a percentage of mortgaged homes**

NEW JERSEY	FLORIDA	NEW YORK	MAINE	CONNECTICUT
6.2%	6.0%	4.7%	3.4%	3.2%

▶ **Five states with the lowest foreclosure inventory as a percentage of mortgaged homes**

WYOMING	ALASKA	NORTH DAKOTA	NEBRASKA	COLORADO
0.3%	0.4%	0.5%	0.5%	0.6%

▶ **THE 12-MONTH SUM OF COMPLETED FORECLOSURES IS AT LOWEST POINT SINCE DECEMBER 2007 AND HAS DECLINED EVERY MONTH FOR THE PAST 26 CONSECUTIVE MONTHS**

STATE HIGHLIGHTS

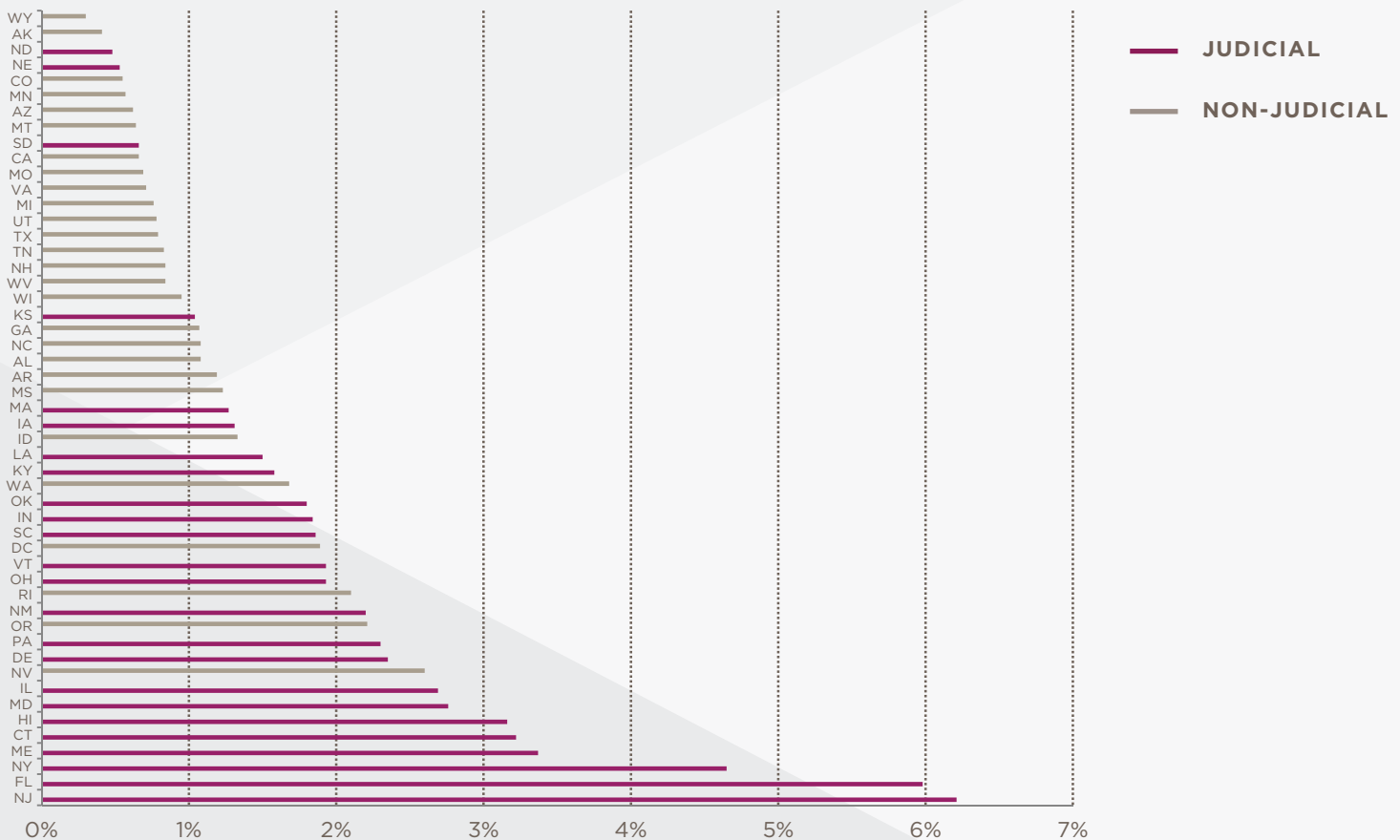
► Five states with the highest number of completed foreclosures during past 12 months

FLORIDA	MICHIGAN	TEXAS	CALIFORNIA	GEORGIA
118,000	50,000	39,000	37,000	34,000

► Five states with the lowest number of completed foreclosures during past 12 months

D.C.	NORTH DAKOTA	HAWAII	WEST VIRGINIA	WYOMING
60	421	519	571	705

► Percent of homes in foreclosure



Source: CoreLogic February 2014

34 STATES SHOW DECLINES IN YEAR-OVER-YEAR FORECLOSURE INVENTORY OF GREATER THAN 30 PERCENT, WITH ARIZONA EXPERIENCING MORE THAN 50 PERCENT YEAR-OVER-YEAR DECLINES

STATE FORECLOSURE DATA - JUDICIAL STATES

JUDICIAL STATES	FORECLOSURE INVENTORY	FORECLOSURE INVENTORY PCT. POINT CHANGE FROM A YEAR AGO	COMPLETED FORECLOSURES (12 MONTHS ENDING FEBRUARY 2014)	SERIOUS DELINQUENCY RATE
Florida	6.0%	-3.9%	117,564	10.6%
Ohio	1.9%	-1.1%	28,201	5.3%
Illinois	2.7%	-1.8%	24,210	6.3%
Indiana	1.8%	-1.0%	16,673	4.9%
Pennsylvania	2.3%	-0.5%	14,967	5.6%
Oklahoma	1.8%	-0.9%	10,631	4.5%
South Carolina	1.9%	-1.1%	8,523	4.7%
Louisiana	1.5%	-0.7%	7,190	5.1%
Maryland	2.8%	-0.7%	6,307	6.8%
New Jersey	6.2%	-1.0%	5,888	10.3%
New York	4.7%	-0.4%	4,846	7.8%
Iowa	1.3%	-0.7%	4,722	3.2%
Connecticut	3.2%	-0.9%	4,706	6.5%
Kansas	1.0%	-0.4%	4,663	3.6%
Massachusetts	1.3%	-0.6%	2,902	4.6%
New Mexico	2.2%	-0.9%	2,360	4.7%
Kentucky	1.6%	-0.6%	2,158	4.4%
Nebraska	0.5%	-0.3%	1,687	2.3%
Delaware	2.4%	-0.6%	1,541	6.0%
Maine	3.4%	-1.0%	891	6.5%
Hawaii	3.2%	-0.7%	519	5.0%
North Dakota	0.5%	-0.2%	421	1.2%
South Dakota	0.7%	-0.4%	N/A	2.0%
Vermont	1.9%	-0.6%	N/A	3.8%

NATIONAL

Foreclosure Inventory: **1.9%**

Foreclosure Inventory Pct. Point Change from a Year Ago: **-1.0%**

Completed Foreclosures (12 months ending February 2014): **606,072**

Serious Delinquency: **4.9%**

Decline in Seriously Delinquent Mortgages: **24.0% YOY**

Source: CoreLogic February 2014

STATE FORECLOSURE DATA - NON-JUDICIAL STATES

NON-JUDICIAL STATES	FORECLOSURE INVENTORY	FORECLOSURE INVENTORY PCT. POINT CHANGE FROM A YEAR AGO	COMPLETED FORECLOSURES (12 MONTHS ENDING FEBRUARY 2014)	SERIOUS DELINQUENCY RATE
Michigan	0.8%	-0.6%	49,803	3.6%
Texas	0.8%	-0.4%	38,713	3.6%
California	0.7%	-0.6%	37,340	2.6%
Georgia	1.1%	-0.8%	33,503	5.0%
North Carolina	1.1%	-0.9%	25,841	4.1%
Arizona	0.6%	-0.7%	19,028	2.5%
Washington	1.7%	-0.7%	18,998	4.4%
Tennessee	0.8%	-0.5%	17,878	4.6%
Missouri	0.7%	-0.4%	14,121	3.4%
Virginia	0.7%	-0.3%	12,114	2.9%
Nevada	2.6%	-1.9%	10,198	7.0%
Colorado	0.6%	-0.4%	8,505	2.1%
Wisconsin	1.0%	-0.7%	8,298	3.0%
Minnesota	0.6%	-0.5%	7,999	2.6%
Alabama	1.1%	-0.3%	7,630	5.1%
Arkansas	1.2%	-1.1%	5,746	5.3%
Utah	0.8%	-0.7%	4,257	2.9%
Idaho	1.3%	-0.8%	3,751	3.2%
Oregon	2.2%	-0.7%	3,233	4.3%
New Hampshire	0.8%	-0.4%	1,935	3.3%
Rhode Island	2.1%	-0.9%	1,488	6.4%
Mississippi	1.2%	-0.8%	1,024	6.3%
Montana	0.6%	-0.3%	932	1.8%
Alaska	0.4%	-0.3%	809	1.6%
Wyoming	0.3%	-0.2%	705	1.7%
West Virginia	0.8%	-0.4%	571	3.1%
District of Columbia	1.9%	-0.3%	60	4.9%

NATIONAL

Foreclosure Inventory:
1.9%

Foreclosure Inventory Pct. Point Change from a Year Ago:
-1.0%

Completed Foreclosures (12 months ending February 2014):
606,072

Serious Delinquency:
4.9%

Decline in Seriously Delinquent Mortgages:
24.0% YOY

Source: CoreLogic February 2014

METROPOLITAN AREA HIGHLIGHTS

FORECLOSURE DATA FOR THE LARGEST CORE BASED STATISTICAL AREAS (CBSAs)

METROPOLITAN AREA	FORECLOSURE INVENTORY	FORECLOSURE INVENTORY PCT. POINT CHANGE FROM A YEAR AGO	COMPLETED FORECLOSURES (12 MONTHS ENDING FEBRUARY 2014)	SERIOUS DELINQUENCY RATE
Atlanta-Sandy Springs-Roswell, GA	1.1%	-1.0%	19,927	5.1%
Tampa-St. Petersburg-Clearwater, FL	6.9%	-3.6%	17,360	11.5%
Chicago-Naperville-Arlington Heights, IL	3.2%	-2.2%	13,664	7.2%
Orlando-Kissimmee-Sanford, FL	6.0%	-4.0%	12,159	10.5%
Phoenix-Mesa-Scottsdale, AZ	0.6%	-0.8%	11,363	2.3%
Houston-The Woodlands-Sugar Land, TX	0.8%	-0.4%	9,439	3.5%
Riverside-San Bernardino-Ontario, CA	1.0%	-0.8%	7,996	3.9%
St. Louis, MO-IL	0.9%	-0.4%	7,707	3.7%
Charlotte-Concord-Gastonia, NC-SC	1.3%	-1.4%	7,691	4.4%
Dallas-Plano-Irving, TX	0.8%	-0.4%	6,787	3.7%
Minneapolis-St. Paul-Bloomington, MN-WI	0.6%	-0.6%	6,660	2.6%
Warren-Troy-Farmington Hills, MI	0.6%	-0.5%	6,653	2.8%
Seattle-Bellevue-Everett, WA	1.4%	-0.8%	6,473	3.6%
Los Angeles-Long Beach-Glendale, CA	0.7%	-0.6%	5,961	2.9%
Washington-Arlington-Alexandria, DC-VA-MD-WV	1.5%	-0.5%	4,516	4.1%

Source: CoreLogic February 2014

QUARTERLY SHADOW INVENTORY SUPPLEMENT — NATIONAL OVERVIEW THROUGH JANUARY 2014

- ▶ Value Of Shadow Inventory Was \$254 Billion as of January 2014, Down From \$324 Billion a Year Ago and Down From \$289 Billion Six Months Ago
 - ▶ Shadow Inventory Has Declined Year Over Year Every Month for More Than Three Years, Experiencing Double-Digit Declines for Past 16 Consecutive Months
 - ▶ Florida, California, New York, New Jersey and Illinois Carried 42 Percent of All U.S. Distressed Properties in the Country, with Florida Accounting for 15 Percent of Nation's Distressed Properties
-

SHADOW INVENTORY HIGHLIGHTS

↓ **2.9%**

IN THE QUARTER

1.7

MILLION UNITS

↓ **22%**

COMPARED TO JANUARY 2013

Shadow inventory, also called pending supply, decreased 22 percent from 2.2 million homes in January 2013 to 1.7 million in January 2014. Current residential shadow inventory represents a supply of 5.2 months compared to the previous year's supply of 7.2 months. Over the 12 months ending January 2014, shadow inventory has been decreasing at an average monthly rate of 41,000 units.

Shadow inventory includes properties that are more than 90 days delinquent, in foreclosure and held as real estate owned (REO) by mortgage servicers, but not currently on multiple listing services. Transition rates of "delinquency to foreclosure" and "foreclosure to REO" are used to identify unlisted distressed properties most likely to become REO. Properties not yet delinquent but that may become delinquent in the future, are not included in the pending supply estimate. Shadow inventory is not typically included in the official reporting measurements of unsold inventory.

ALMOST HALF THE 1.7 MILLION HOMES IN THE SHADOW INVENTORY ARE DELINQUENT BUT NOT YET FORECLOSED.

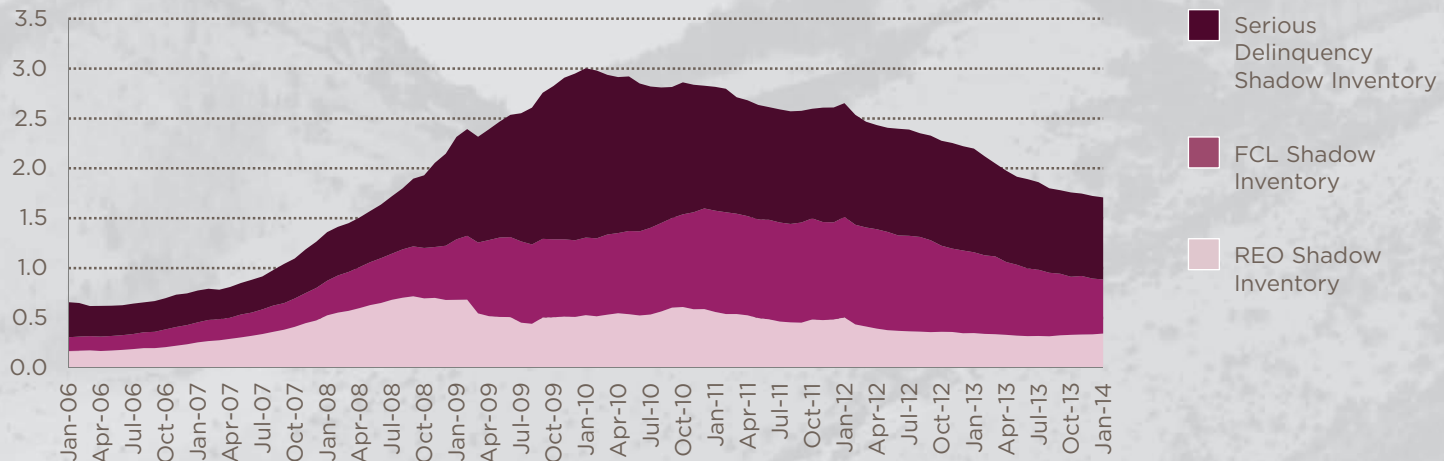
NOTE: Previous data was revised. Revisions with public records data are standard, and to ensure accuracy, CoreLogic incorporates the newly released public data to provide updated results.

SHADOW INVENTORY DETAIL

THE YEAR-OVER-YEAR INVENTORY OF SERIOUSLY DELINQUENT HOMES DECREASED IN ALL STATES BY DOUBLE DIGITS

► **Figure 1. Shadow Inventory Detail**

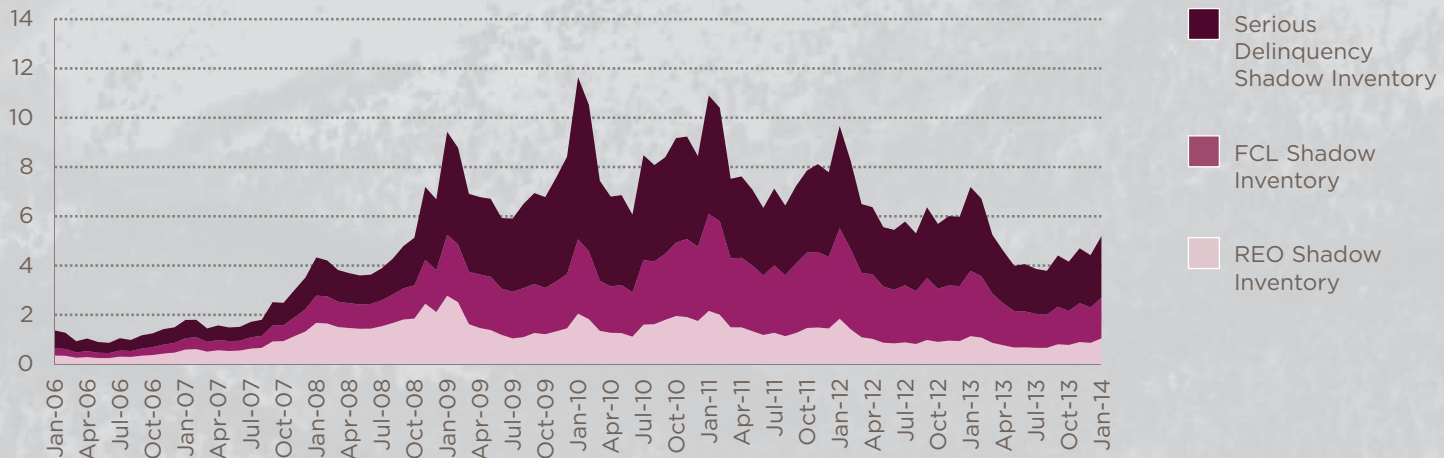
In Thousands, Not Seasonally Adjusted



Source: CoreLogic January 2014

► **Figure 2. Months' Supply Shadow Inventory Detail**

Number of Months, Not Seasonally Adjusted



Source: CoreLogic January 2014

“Every state has had double-digit, year-over-year declines in foreclosure inventory, which is reflected in the \$70 billion decline in the shadow inventory.”

Dr. Mark Fleming, chief economist for CoreLogic

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CORELOGIC NATIONAL FORECLOSURE REPORT METHODOLOGY

The data in this report represent foreclosure activity reported through February 2014.

This report separates state data into judicial vs. non-judicial foreclosure state categories. In judicial foreclosure states, lenders must provide evidence to the courts of delinquency in order to move a borrower into foreclosure. In non-judicial foreclosure states, lenders can issue notices of default directly to the borrower without court intervention. This is an important distinction since judicial states, as a rule, have longer foreclosure timelines, thus affecting foreclosure statistics.

A completed foreclosure occurs when a property is auctioned and results in the purchase of the home at auction by either a third party, such as an investor, or by the lender. If the home is purchased by the lender, it is moved into the lender's real estate owned (REO) inventory. In "foreclosure by advertisement" states, a redemption period begins after the auction and runs for a statutory period, e.g., six months. During that period, the borrower may regain the foreclosed home by paying all amounts due as calculated under the statute. For purposes of this Foreclosure Report, because so few homes are actually redeemed following an auction, it is assumed that the foreclosure process ends in "foreclosure by advertisement" states at the completion of the auction.

The foreclosure inventory represents the number and share of mortgaged homes that have been placed into the process of foreclosure by the mortgage servicer. Mortgage servicers start the foreclosure process when the mortgage reaches a specific level of serious delinquency as dictated by the investor for the mortgage loan. Once a foreclosure is "started," and absent the borrower paying all amounts necessary to halt the foreclosure, the home remains in foreclosure until the completed foreclosure results in the sale to a third party at auction or the home enters the lender's REO inventory. The data in this report accounts for only first liens against a property and does not include secondary liens. The foreclosure inventory is measured only against homes that have an outstanding mortgage. Homes with no mortgage liens can never be in foreclosure and are, therefore, excluded from the analysis. Approximately one-third of homes nationally are owned outright and do not have a mortgage. CoreLogic has approximately 85 percent coverage of U.S. foreclosure data.

SHADOW INVENTORY REPORTING

CoreLogic uses its Loan Performance Servicing and Securities databases to size the number of 90+ day delinquencies, foreclosures and real estate owned (REO) properties. Cure rates, which measure the proportion of loans in one stage of default that cured (versus moving to more severe states of default), are applied to the number of loans in default at each stage of default. CoreLogic calculates the share of loans in default that are currently listed on MLS by matching public record properties in default to MLS active listings. It applies the percentage of defaulted loans that are currently listed to the estimate of outstanding loans that will proceed to further stages of default to calculate the pending supply inventory and adds that to the reported visible inventory. Visible inventory is compiled from CoreLogic ListingTrends. To determine months' supply for visible and shadow inventories, CoreLogic uses the number of non-seasonally adjusted home sales according to CoreLogic data.

SOURCE: CORELOGIC

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CONTACT

For more information, please email bvisini@corelogic.com.