

Montana Mortgage Performance Trends and Current Conditions

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Overview

- Mortgage performance
 - One-year trends
 - Delinquencies
 - Foreclosures
 - REOs
 - Mortgage conditions deteriorated in Montana since early 2009
- Current conditions
 - Geographic hot spots exist in Montana where “problem mortgages” are concentrated

Overview: Data

– Data source

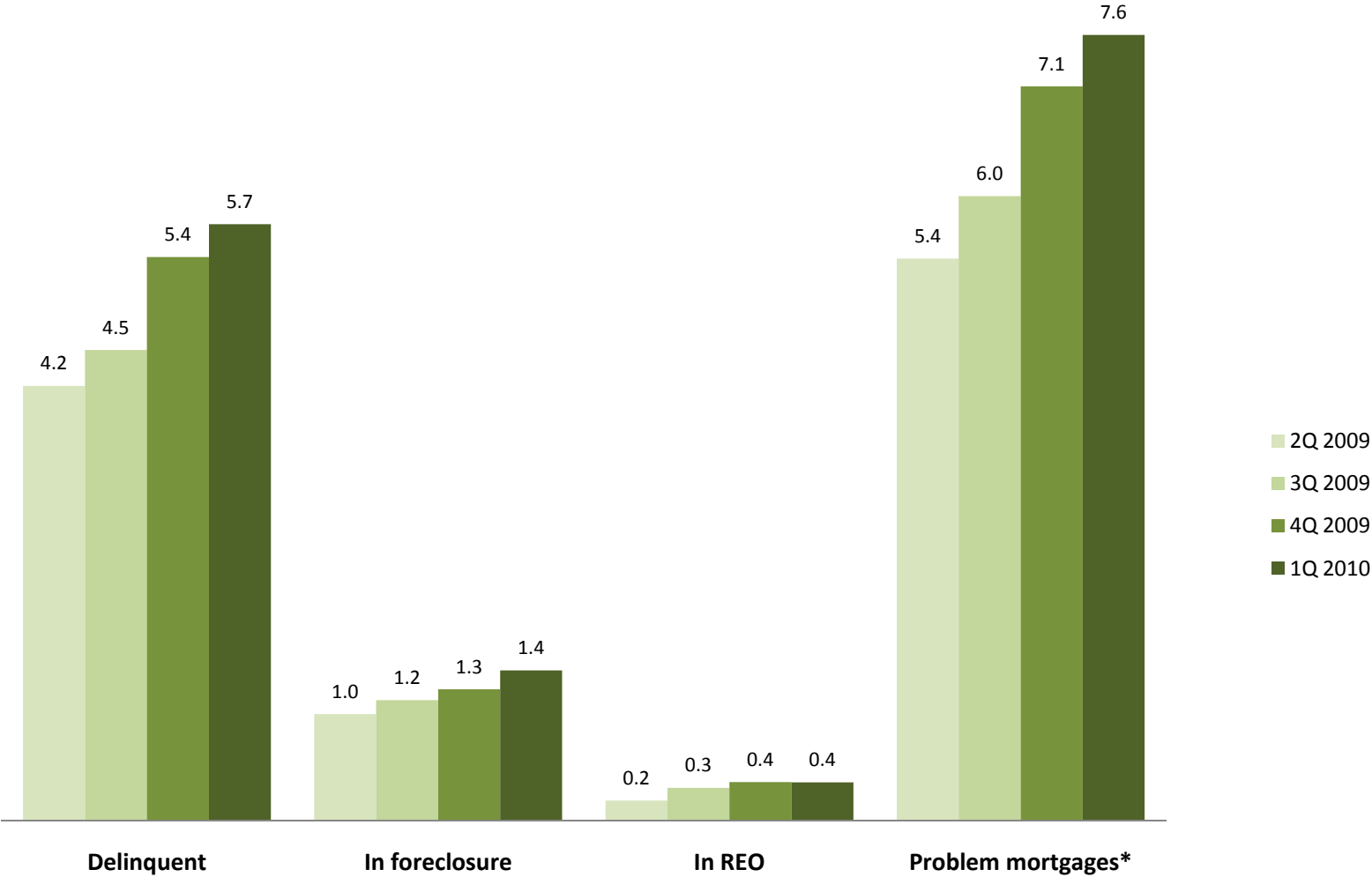
- *The aggregate statistics used in this overview were derived by the Federal Reserve Bank of San Francisco from a proprietary database owned by Lender Processing Services Inc. Applied Analytics (LPS). LPS loan-level data includes information collected from approximately 15 mortgage servicers and covers roughly 60 percent of the total mortgage market*

Mortgage performance: one-year trends

Key points

- Over the past four quarters (Q2 2009 to Q1 2010), mortgage performance deteriorated across Montana
 - Mortgage delinquencies increased by 1.5 percentage points between Q2 2009 to Q1 2010
 - Foreclosures increased by .4 percentage points, while the share of mortgages in REO remained largely unchanged

Recent mortgage performance in Montana



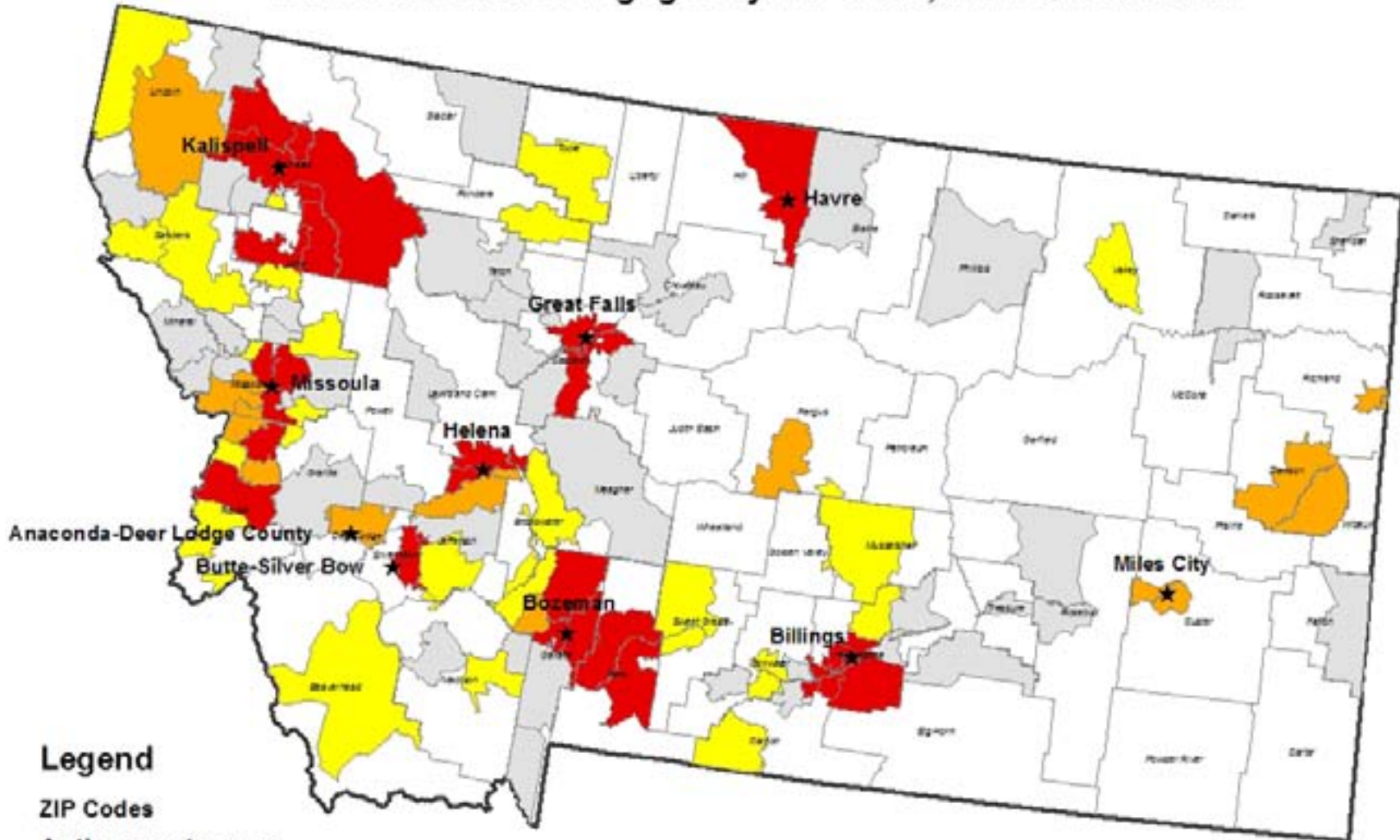
* Includes all mortgages in delinquency, foreclosure or REO (owned by the bank)

Source: Calculations by FRB San Francisco using LPS Analytics data.

Key points

- “Problem mortgages” are not evenly distributed across Montana, but are concentrated
 - Problem mortgages are concentrated in and around the state’s larger cities and metropolitan areas
- Several factors continue to influence high-rates of problem mortgages including unemployment and home prices

Count of Active Mortgages by ZIP Code, First Quarter 2010



Legend

ZIP Codes

Active mortgages

250 or less

251 to 500

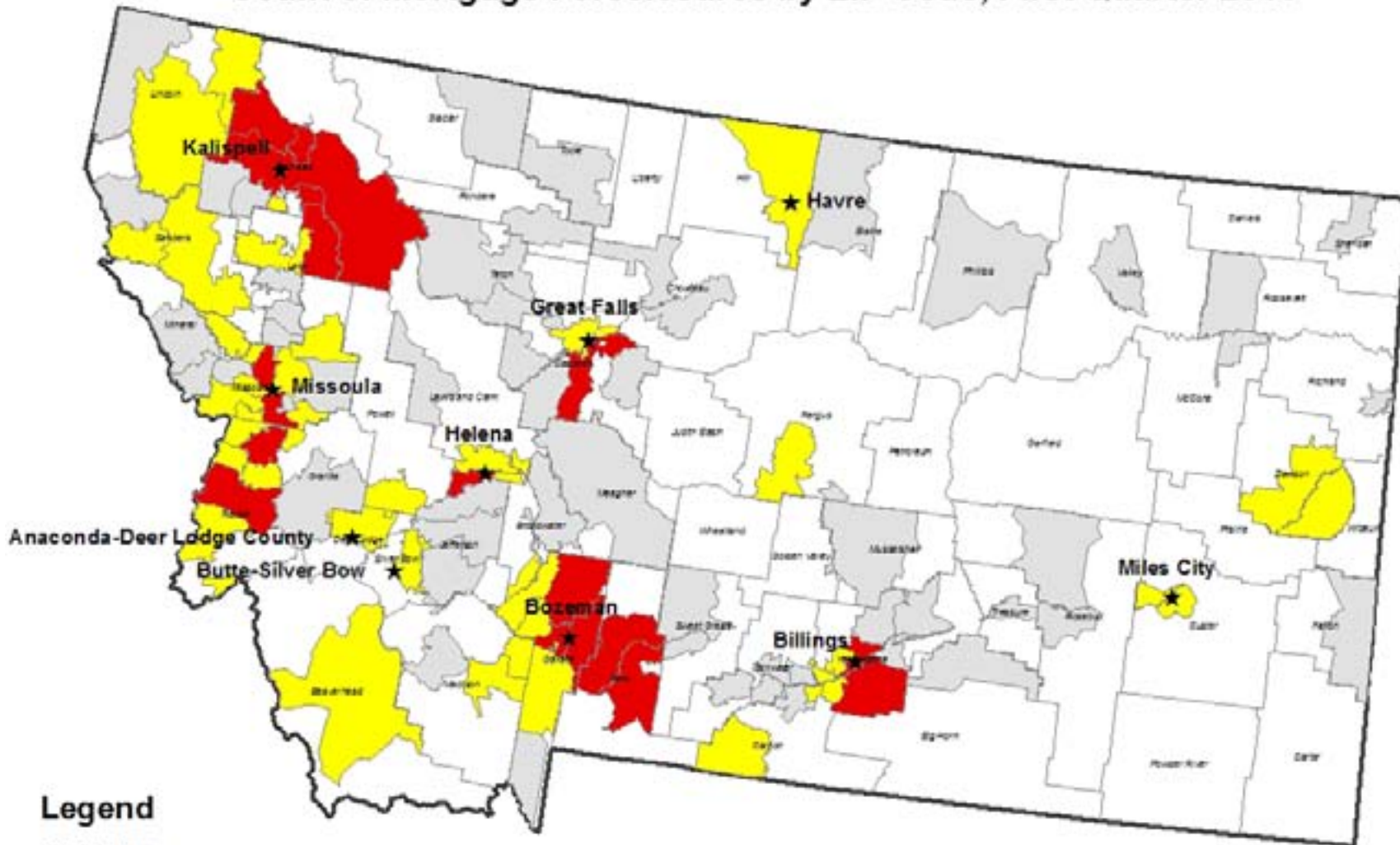
501 to 1,000

More than 1,000

Includes ZIP Codes with more than 100 active mortgages.

Source: Calculations by FRB San Francisco using LPS Analytics data.

Count of Mortgage Foreclosures by ZIP Code, First Quarter 2010



Legend

ZIP Codes

Foreclosures

5 or less

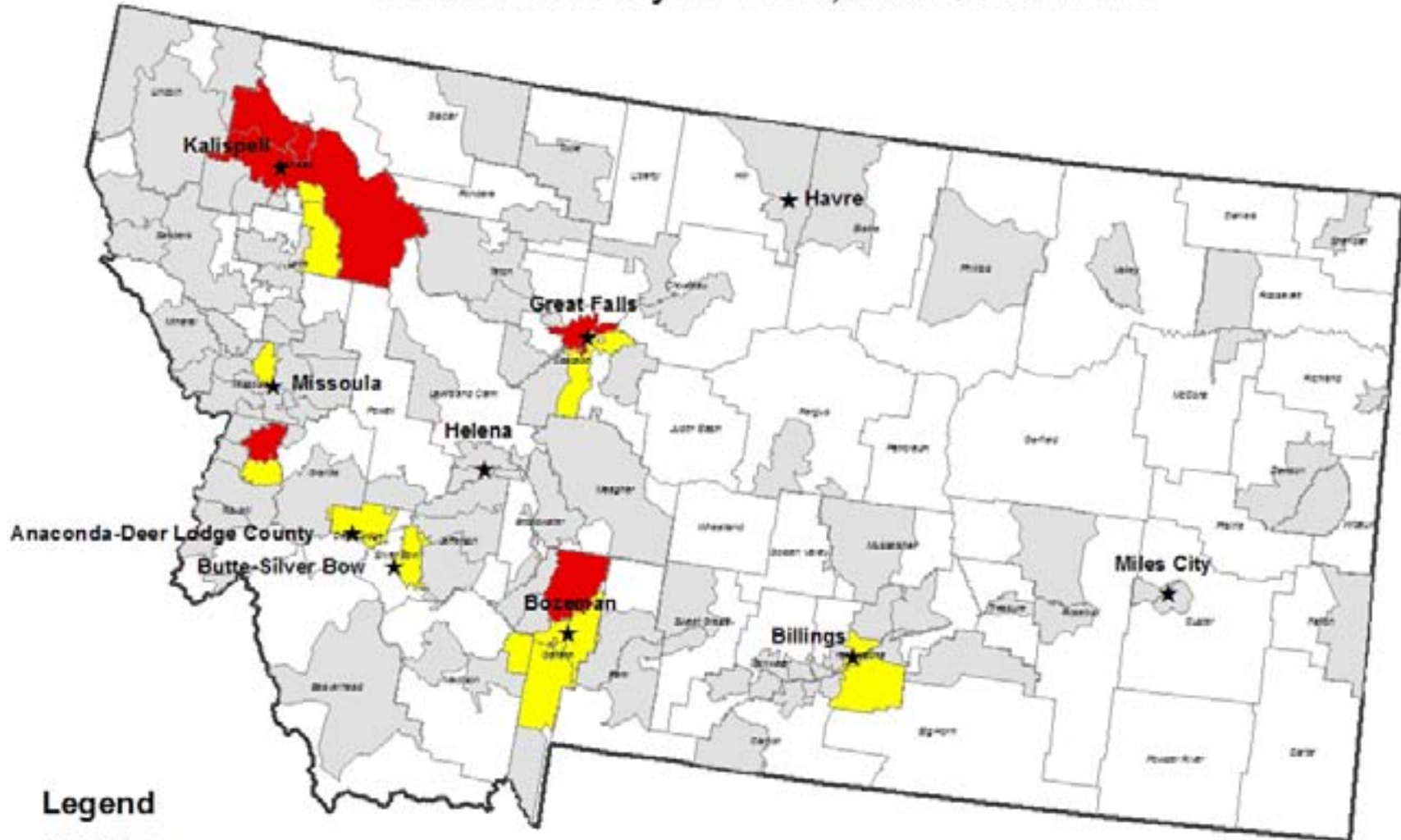
6 to 25

More than 25

Includes ZIP Codes with more than 100 active mortgages.

Source: Calculations by FRB San Francisco using LPS Analytics data.

Count of REOs by ZIP Code, First Quarter 2010



Legend

ZIP Codes

REO

5 or less

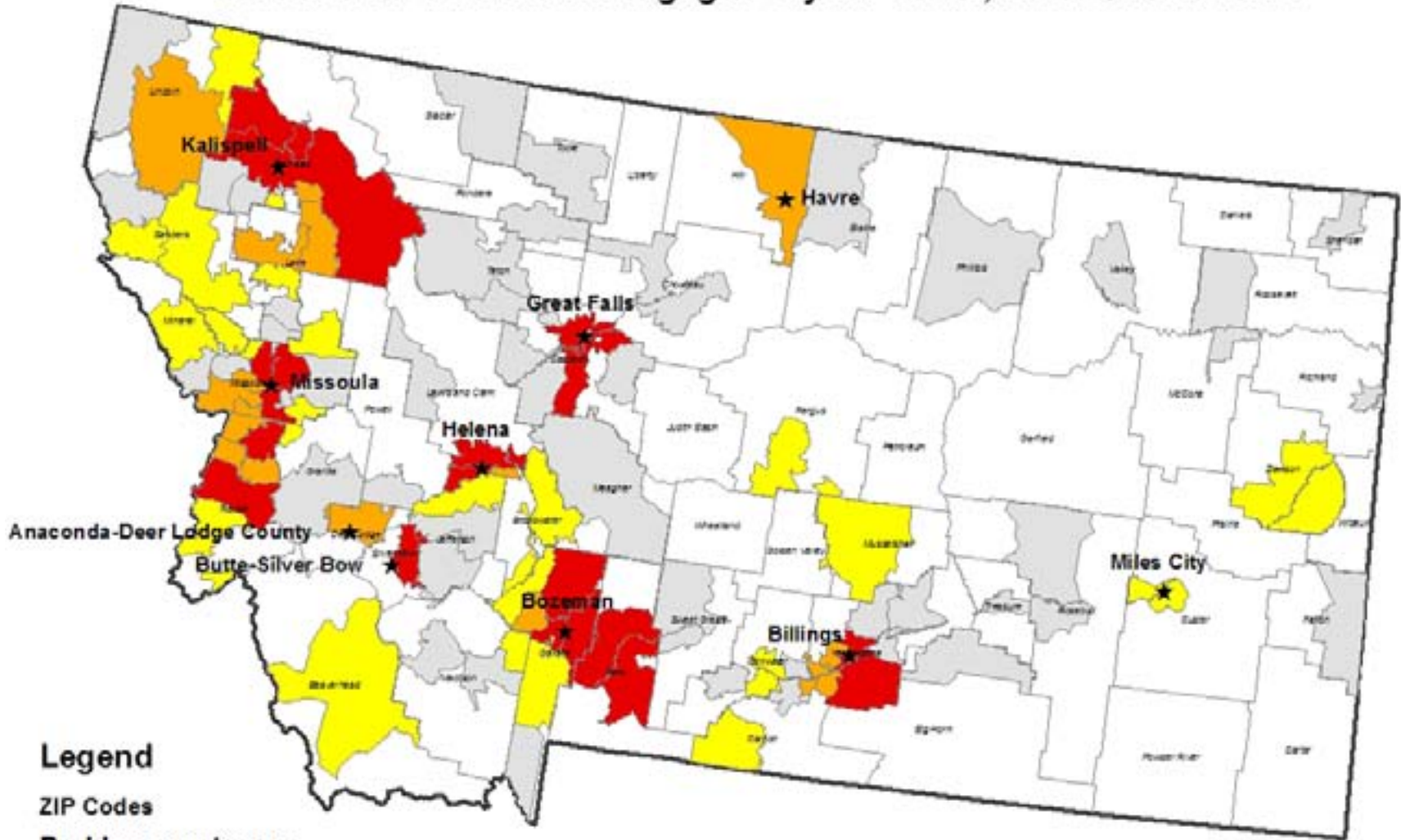
6 to 10

More than 10

Includes ZIP Codes with more than 100 active mortgages.

Source: Calculations by FRB San Francisco using LPS Analytics data.

Count of all "Problem Mortgages" by ZIP Code, First Quarter 2010



Legend

ZIP Codes

Problem mortgages

25 or less

26 to 50

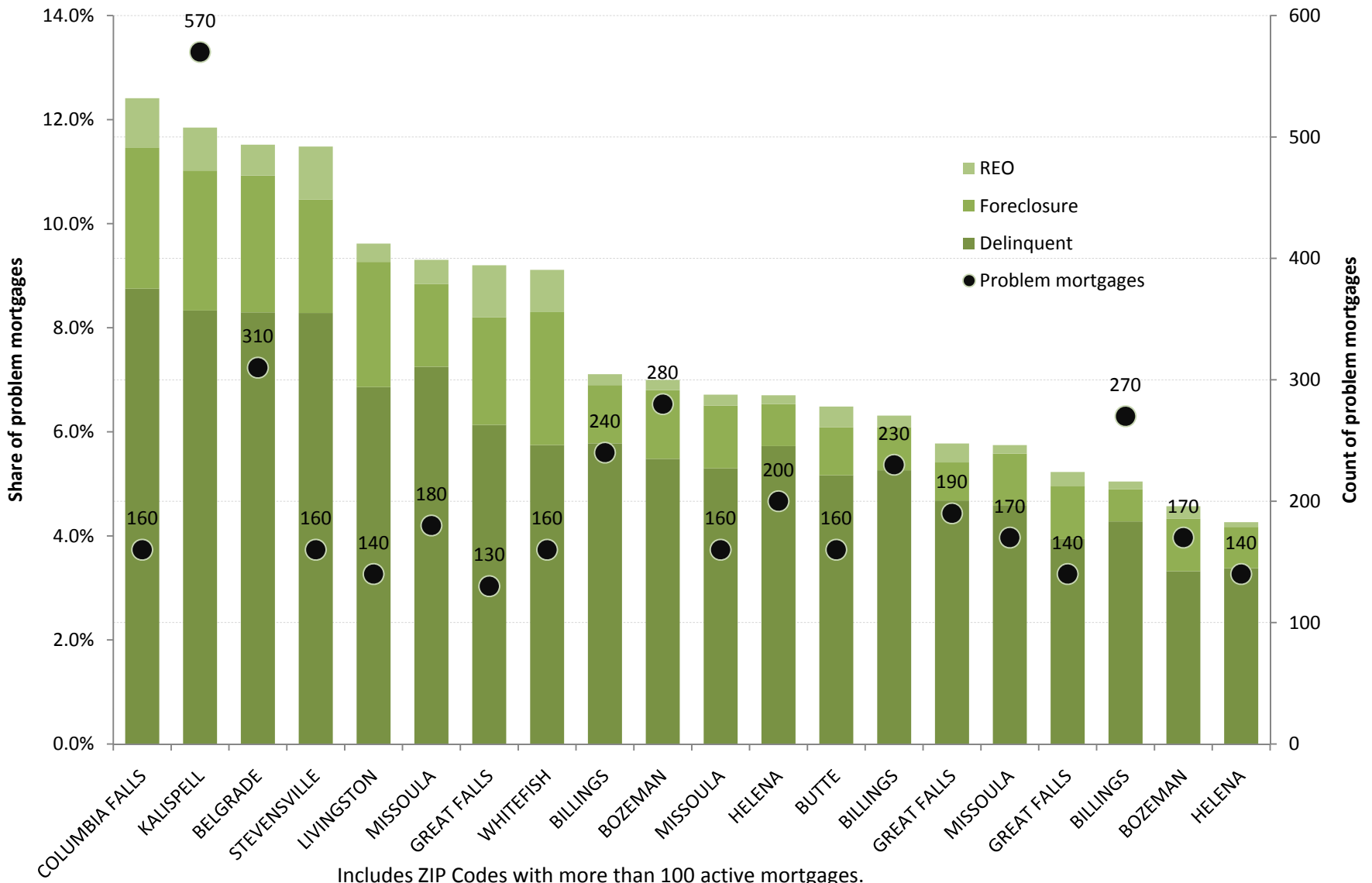
51 to 100

More than 100

Includes ZIP Codes with more than 100 active mortgages.

Source: Calculations by FRB San Francisco using LPS Analytics data.

Top 20 Montana ZIP Codes with the largest share of problem mortgages, First Quarter 2010



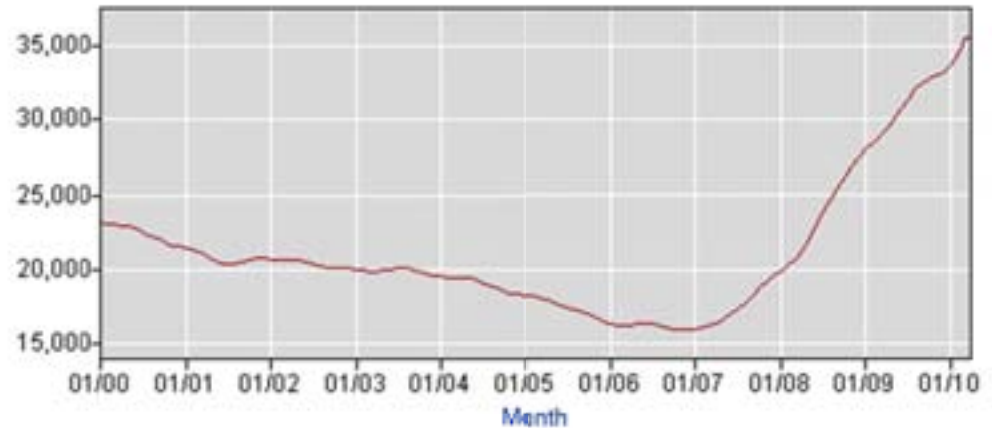
Includes ZIP Codes with more than 100 active mortgages.

Source: Calculations by FRB San Francisco using LPS Analytics data.

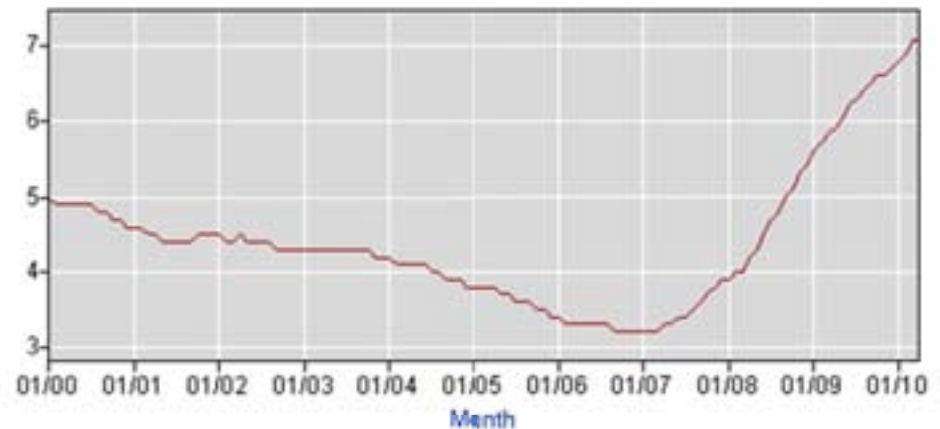
Other factors

Unemployment
in Montana
remains high

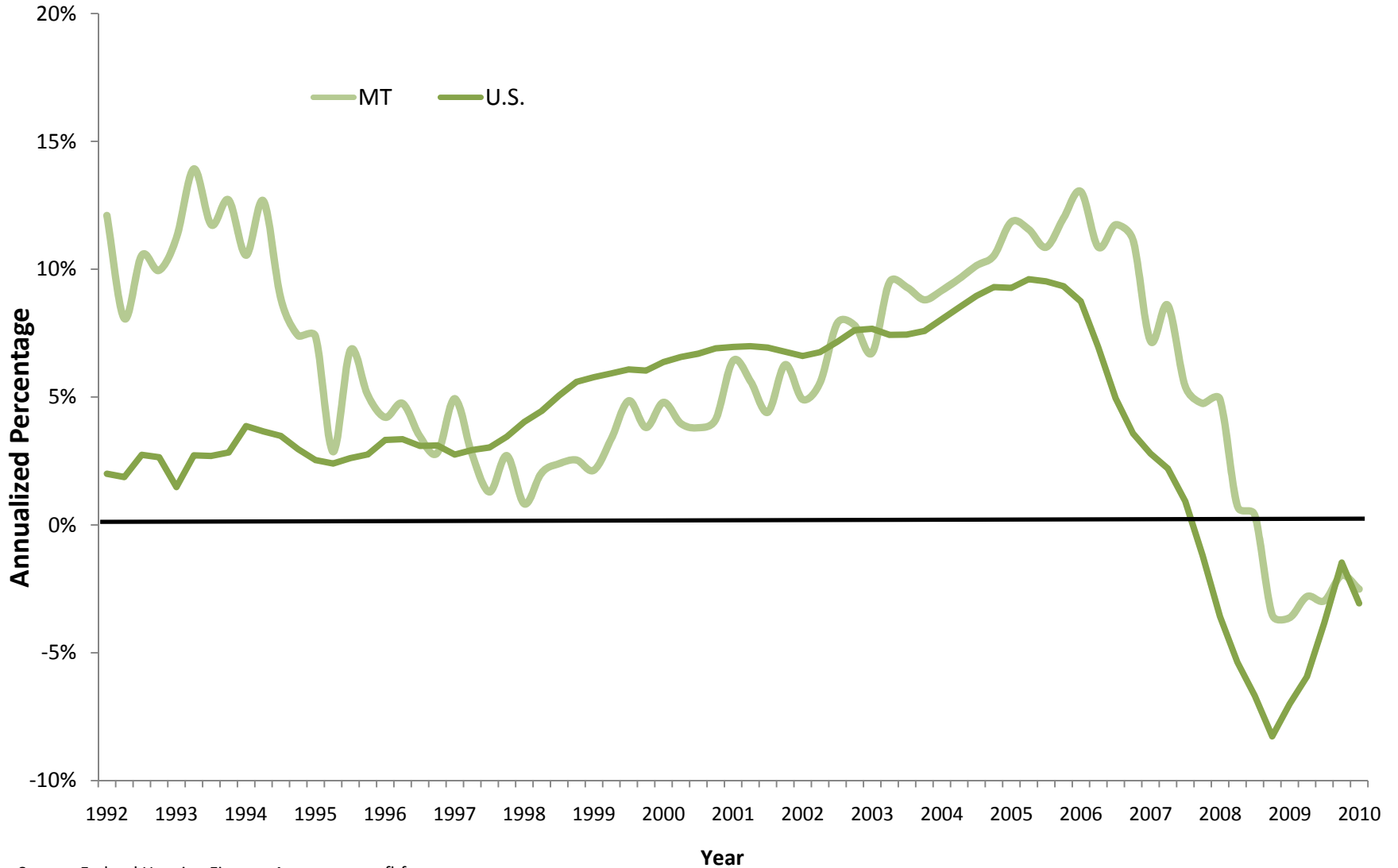
unemployment



unemployment rate



Home Price Appreciation Quarterly - Annualized



Source: Federal Housing Finance Agency, www.fhfa.gov.

Summary

- Comments
- Q & A
- Contact:

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