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September 12, 2012

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CORELOGIC® REPORTS NUMBER OF RESIDENTIAL PROPERTIES IN NEGATIVE EQUITY DECREASES AGAIN IN SECOND QUARTER OF 2012

—600,000 More Borrowers Now “Above Water” For a Total of 1.3 Million in First Half of 2012—

SANTA ANA, Calif., September 12, 2012—CoreLogic (NYSE: CLGX), a leading provider of information, analytics and business services, today released new analysis showing that 10.8 million, or 22.3 percent, of all residential properties with a mortgage were in [negative equity](#) at the end of the second quarter of 2012. This is down from 11.4 million properties, or 23.7 percent, at the end of the first quarter of 2012. An additional 2.3 million borrowers possessed less than 5 percent equity in their home, referred to as near-negative equity, at the end of the second quarter. Approximately 600,000 borrowers reached a state of positive equity at the end of the second quarter of 2012, adding to the more than 700,000 borrowers that moved into positive equity in the first quarter of this year.

Negative equity, often referred to as “underwater” or “upside down,” means that borrowers owe more on their mortgages than their homes are worth. Negative equity can occur because of a decline in value, an increase in mortgage debt or a combination of both.

Together, negative equity and near-negative equity mortgages accounted for 27.0 percent of all residential properties with a mortgage nationwide in the second quarter, down from 28.5 percent at the end of the first quarter in 2012. Nationally, negative equity decreased from \$691 billion at the end of the first quarter in 2012 to \$689 billion at the end of the second quarter, a decrease of \$2 billion driven in large part by an improvement in house price levels.

Most borrowers in negative equity are continuing to pay their mortgages. The share of borrowers that were underwater and current on their payments was 84.9 percent at the end of the second quarter in 2012. This is up from 84.8 percent at the end of the first quarter in 2012.

“The level of negative equity continues to improve with more than 1.3 million households regaining a positive equity position since the beginning of the year,” said Mark Fleming, chief



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economist for CoreLogic. “Surging home prices this spring and summer, lower levels of inventory, and declining REO sale shares are all contributing to the nascent housing recovery and declining negative equity.”

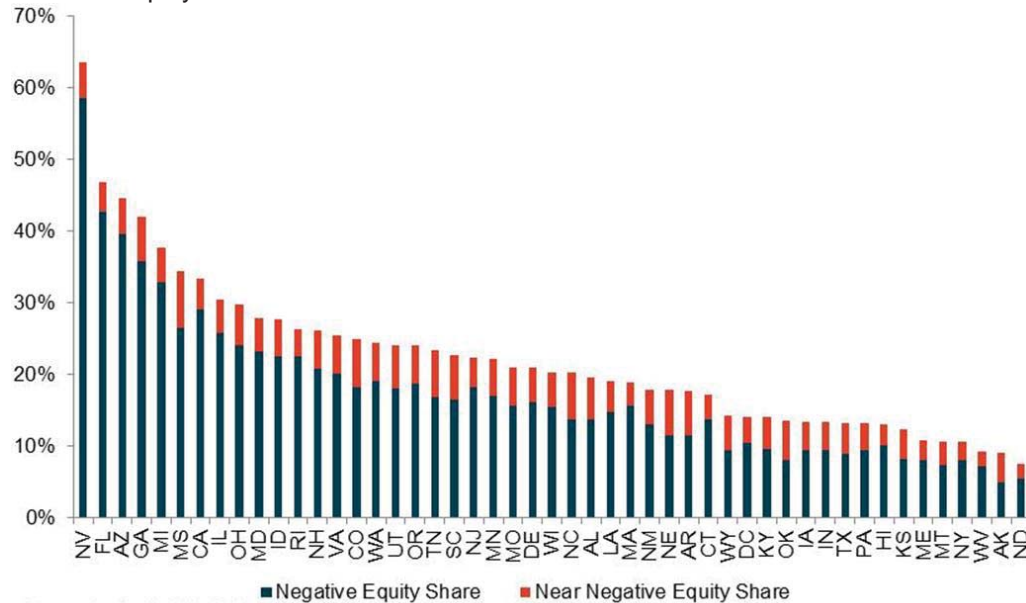
“Nearly 2 million more borrowers in negative equity would be above water if house prices nationally increased by 5 percent,” said Anand Nallathambi, president and CEO of CoreLogic. “We currently expect home prices to continue to trend up in August. Were this trend to be sustained we could see significant reductions in the number of borrowers in negative equity by next year.”

Highlights as of Q2 2012:

- Nevada had the highest percentage of mortgaged properties in negative equity at 59 percent, followed by Florida (43 percent), Arizona (40 percent), Georgia (36 percent) and Michigan (33 percent). These top five states combined account for 34.1 percent of the total amount of negative equity in the U.S.
- Of the total \$689 billion in aggregate negative equity, first liens without home equity loans accounted for \$339 billion aggregate negative equity, while first liens with home equity loans accounted for \$353 billion.
- Of the 10.8 million upside-down borrowers, 6.6 million hold first liens without home equity loans. The average mortgage balance for this group of borrowers is \$216,000, the average underwater amount is \$51,000, and 18 percent of the 6.6 million are in negative equity.
- 4.2 million upside-down borrowers possess both first and second liens. The average mortgage balance for this group of borrowers is \$300,000, the average underwater amount is \$84,000 and 38 percent of the 4.2 million are in negative equity.
- Approximately 41 percent of borrowers with first liens without home equity loans had loan-to-value (LTV) ratios of 80 percent or higher and approximately 60 percent of borrowers with first liens and home equity loans had combined LTVs of 80 percent or higher.
- At the end of the second quarter 2012, just over 17 million borrowers possessed qualifying LTVs between 80 and 125 percent for the Home Affordable Refinance Program (HARP) under the original requirements first introduced in March 2009. The lifting of the 125 percent LTV cap via HARP 2.0 opens the door to another 5 million borrowers.
- The bulk of negative equity is concentrated in the low end of the housing market. For example, for low-to-mid value homes (less than \$200,000), the negative equity share is 32 percent, almost twice the 17 percent for borrowers with home values greater than \$200,000.
- As of Q2 2012, there were 1.8 million borrowers who were only 5 percent underwater. If home prices continue increasing over the next year, these borrowers could move out of a negative equity position.

Figure 1 - Negative Equity Concentrated Mostly in Sand States

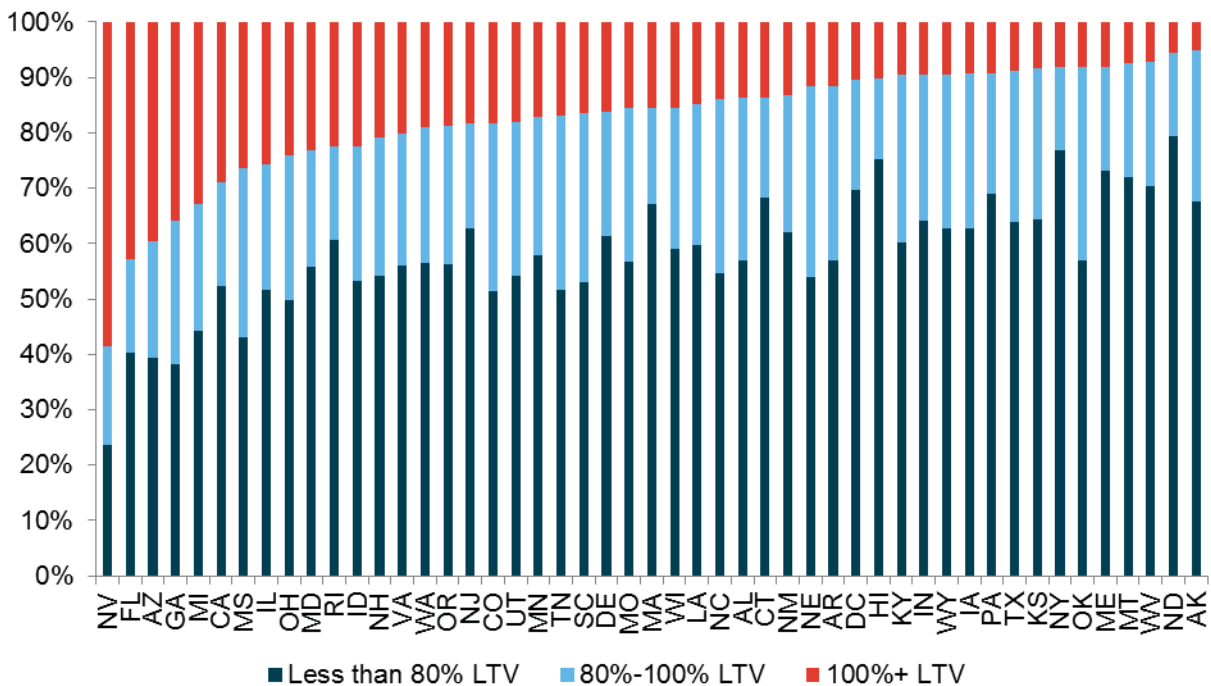
Q2 2012 Equity Share



Source: CoreLogic, Q2 - 2012

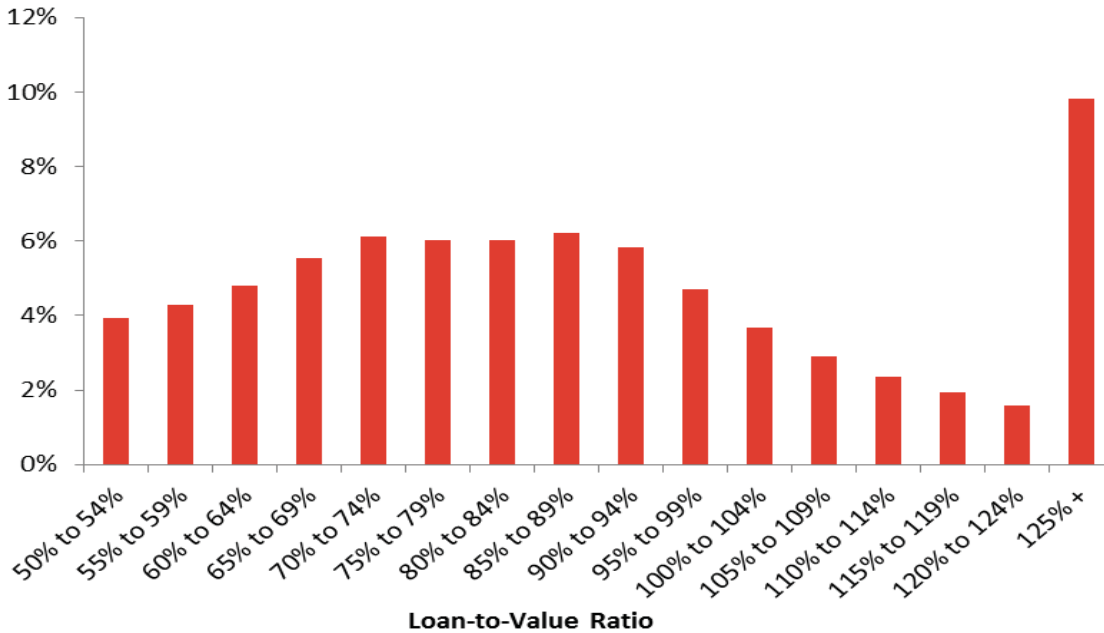
Figure 2 - Distribution of Equity Widely Varies by State

Q2 2012 Equity Distribution



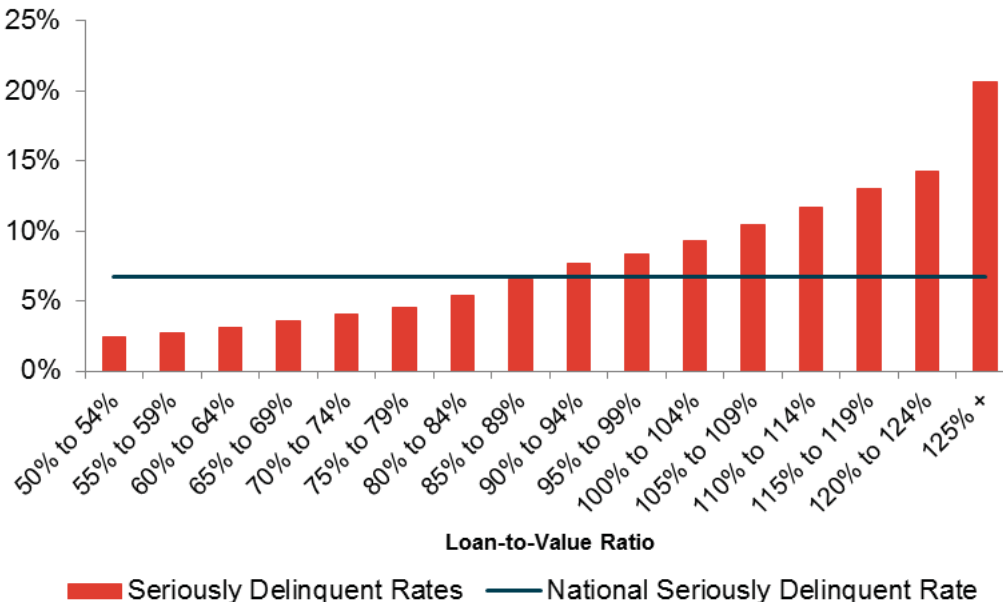
Source: CoreLogic, Q2 - 2012

Figure 3 – National Distribution of Home Equity
Negative Equity Share by LTV Segment



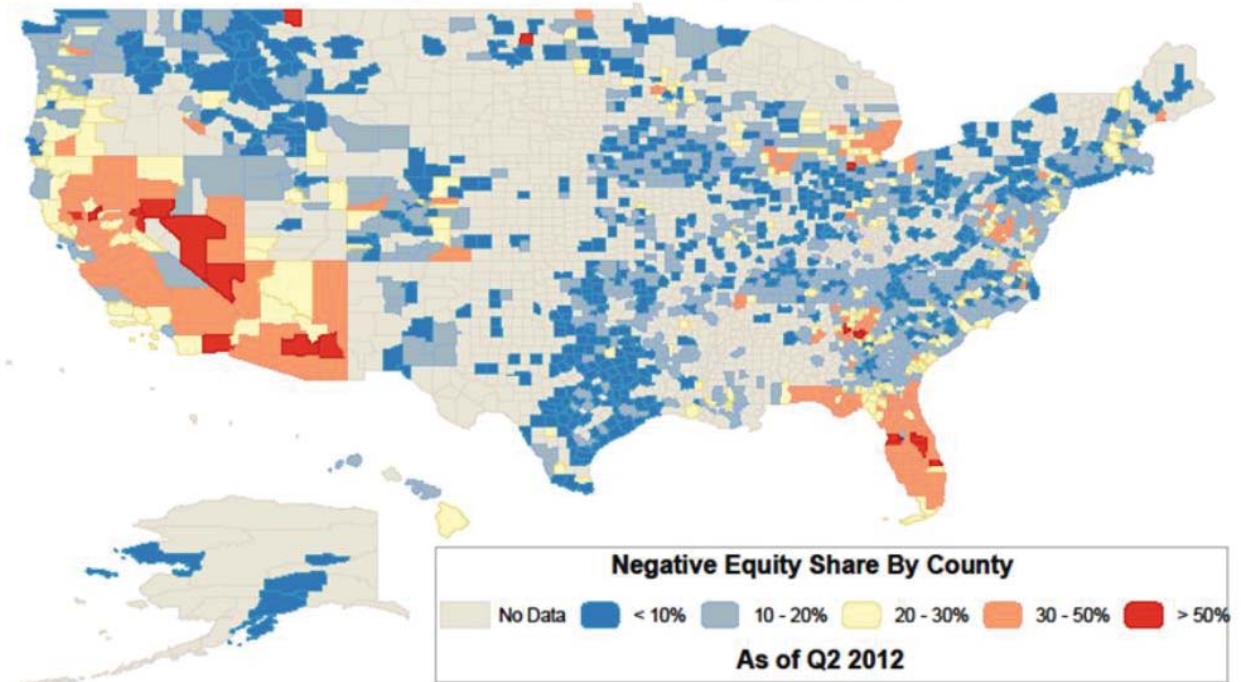
Source: CoreLogic Q2 - 2012

Figure 4 – National Distribution of Delinquency
Seriously Delinquent Rate by Loan-to-Value Segment



Source: CoreLogic Q2 - 2012

CoreLogic Negative Equity NE Share By County



Source: CoreLogic Negative Equity Report, Q2 2012, Negative Equity Share



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Q2 2012 Negative Equity by State*									
STATE	Properties With a Mortgage Outstanding					\$ Outstanding			
	Negative Equity Mortgages	Near** Negative Equity Mortgages	Negative Equity Share	Near** Negative Equity Share	Total Property Value	Mortgage Debt Outstanding	Net Homeowner Equity	Loan-to-Value Ratio	
US	48,372,070	10,778,556	2,283,625	22.3%	4.7%	12,448,243,904,800	8,666,372,860,646	3,781,871,044,154	69.6%
Alabama	345,113	47,349	20,481	13.7%	5.9%	63,721,990,900	44,747,695,150	18,974,295,750	70.2%
Alaska	88,723	4,464	3,625	5.0%	4.1%	25,439,073,000	16,449,141,253	8,989,931,747	64.7%
Arizona	1,314,964	521,598	65,430	39.7%	5.0%	257,447,339,500	221,765,343,763	35,681,995,737	86.1%
Arkansas	252,764	29,252	15,507	11.6%	6.1%	40,985,433,200	29,713,428,857	11,272,004,343	72.5%
California	6,790,527	1,972,012	296,554	29.0%	4.4%	2,724,492,823,800	1,906,647,669,535	817,845,154,265	70.0%
Colorado	1,147,423	208,946	76,614	18.2%	6.7%	305,381,022,200	217,451,300,624	87,929,721,576	71.2%
Connecticut	825,597	112,917	28,544	13.7%	3.5%	284,329,755,400	170,160,511,469	114,179,243,931	59.8%
Delaware	184,449	29,931	8,653	16.2%	4.7%	47,173,389,100	31,927,453,627	15,245,935,473	67.7%
Florida	4,222,134	1,804,276	171,775	42.7%	4.1%	792,889,102,000	682,226,097,281	110,663,004,719	86.0%
Georgia	1,618,193	579,029	101,599	35.8%	6.3%	295,881,168,200	248,242,995,333	47,638,172,867	83.9%
Hawaii	231,247	23,532	6,635	10.2%	2.9%	121,998,517,300	64,817,226,830	57,181,290,470	53.1%
Idaho	250,284	56,281	12,928	22.5%	5.2%	49,073,576,000	35,534,618,518	13,538,957,482	72.4%
Illinois	2,236,587	576,822	104,373	25.8%	4.7%	491,966,775,200	368,108,388,483	123,858,386,717	74.8%
Indiana	652,092	61,897	25,383	9.5%	3.9%	102,771,878,700	69,394,495,089	33,377,383,611	67.5%
Iowa	376,815	35,272	15,518	9.4%	4.1%	58,197,689,600	39,281,215,717	18,916,473,883	67.5%
Kansas	306,740	25,426	12,729	8.3%	4.1%	56,824,280,000	38,535,431,627	18,288,848,373	67.8%
Kentucky	298,935	28,474	13,633	9.5%	4.6%	51,385,700,800	34,878,777,238	16,506,923,562	67.9%
Louisiana	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Maine	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Maryland	1,353,735	313,833	64,112	23.2%	4.7%	422,067,810,700	293,392,473,414	128,675,337,286	69.5%
Massachusetts	1,489,506	231,826	49,547	15.6%	3.3%	529,545,630,400	325,778,396,475	203,767,233,925	61.5%
Michigan	1,365,341	448,447	65,459	32.8%	4.8%	200,310,114,800	163,421,081,587	36,889,033,213	81.6%
Minnesota	609,240	103,965	31,181	17.1%	5.1%	132,805,822,800	89,729,778,040	43,076,044,760	67.6%
Mississippi	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Missouri	781,392	122,146	41,968	15.6%	5.4%	137,206,096,700	97,659,869,934	39,546,226,766	71.2%
Montana	119,288	8,770	3,990	7.4%	3.3%	29,764,540,200	17,864,772,369	11,899,767,831	60.0%
Nebraska	229,482	26,586	14,553	11.6%	6.3%	35,900,786,200	26,703,643,897	9,197,142,303	74.4%
Nevada	555,772	325,534	27,817	58.6%	5.0%	94,971,706,400	106,076,511,581	-11,104,805,181	111.7%
New Hampshire	221,981	46,216	11,967	20.8%	5.4%	52,510,373,500	37,735,121,232	14,775,252,268	71.9%
New Jersey	1,884,820	343,345	77,773	18.2%	4.1%	643,989,549,600	412,586,377,891	231,403,171,709	64.1%
New Mexico	249,640	32,704	12,108	13.1%	4.9%	56,205,587,900	38,640,184,616	17,565,403,284	68.7%
New York	1,911,610	154,484	48,786	8.1%	2.6%	815,053,726,600	407,732,568,985	407,321,157,615	50.0%
North Carolina	1,584,806	218,698	102,634	13.8%	6.5%	322,972,570,000	232,051,888,686	90,920,681,314	71.8%
North Dakota	64,266	3,513	1,317	5.5%	2.0%	12,328,161,000	7,113,162,590	5,214,998,410	57.7%
Ohio	2,158,189	520,357	123,170	24.1%	5.7%	306,846,466,500	233,262,173,822	73,584,292,678	76.0%
Oklahoma	419,745	33,901	23,178	8.1%	5.5%	61,755,303,400	44,443,309,627	17,311,993,773	72.0%
Oregon	702,817	131,708	37,953	18.7%	5.4%	173,652,666,400	121,555,723,358	52,096,943,042	70.0%
Pennsylvania	1,872,877	175,270	70,935	9.4%	3.8%	399,626,286,500	248,095,474,797	151,530,811,703	62.1%
Rhode Island	229,101	51,727	8,527	22.6%	3.7%	60,475,598,600	39,662,471,774	20,813,126,826	65.6%
South Carolina	631,206	104,336	39,526	16.5%	6.3%	132,829,853,900	94,877,434,554	37,952,419,346	71.4%
South Dakota	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tennessee	966,896	162,467	63,364	16.8%	6.6%	167,588,207,600	120,865,337,690	46,722,869,910	72.1%
Texas	3,388,595	299,624	151,266	8.8%	4.5%	647,400,928,700	429,602,150,188	217,798,778,512	66.4%
Utah	480,029	87,084	28,952	18.1%	6.0%	117,863,646,300	83,583,629,974	34,280,016,326	70.9%
Vermont	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Virginia	1,321,861	265,332	71,702	20.1%	5.4%	440,740,850,200	304,575,715,395	136,165,134,805	69.1%
Washington	1,429,012	272,667	76,441	19.1%	5.3%	421,290,232,000	290,569,489,430	130,720,742,570	69.0%
Washington, DC	99,756	10,446	3,609	10.5%	3.6%	50,995,575,400	28,676,404,019	22,319,171,381	56.2%
West Virginia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wisconsin	674,966	104,289	32,703	15.5%	4.8%	125,032,252,000	87,307,021,649	37,725,230,351	69.8%
Wyoming	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*This data only includes properties with a mortgage. Non-mortgaged properties are by definition not included.
** Defined as properties in negative equity or within 5% of being in a negative equity position.



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Methodology

CoreLogic data includes 48 million properties with a mortgage, which accounts for over 85 percent of all mortgages in the U.S.* CoreLogic used its public record data as the source of the mortgage debt outstanding (MDO) which includes both first mortgage liens and second liens and is adjusted for amortization and home equity utilization in order to capture the true level of mortgage debt outstanding for each property. The calculations are not based on sampling, but use the full data set to avoid any potential adverse selection due to sampling. The current value of MDO was estimated using the CoreLogic GeoAVM Core™ Cascade, a suite of CoreLogic Automated Valuation Models (AVMs) for residential properties designed to select the most appropriate valuation model from a group of individual AVMs.** The data was filtered to include only properties valued between \$30,000 and \$30 million because AVM accuracy tends to quickly worsen outside of this value range, which could yield either overly pessimistic or overly optimistic equity estimates.

The amount of equity for each property was determined by subtracting the estimated current value of the property from the mortgage debt outstanding. If the mortgage debt was greater than the estimated value, then the property was determined to be in a negative equity position. The data was first generated at the property level and aggregated to higher levels of geography.

*Only data for mortgaged residential properties that have an AVM value is presented. There are several states where the public record, AVM or mortgage coverage is thin. Although coverage is thin, these states account for fewer than 5 percent of the total population of the U.S.

**Beginning Q1 2012, the modeling methodology used to estimate market value was enhanced by introducing the CoreLogic GeoAVM Core Cascade. This cascade optimally selects the most appropriate AVM to predict current market value and is calibrated to market sales activity on a quarterly basis. The “cascading” approach helps achieve greater valuation accuracy, increasing the resulting precision of negative equity estimates. CoreLogic has revised the entire negative equity time series to reflect the adoption of the new methodology.

Source: CoreLogic

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About CoreLogic

CoreLogic (NYSE: CLGX) is a leading provider of consumer, financial and property information, analytics and services to business and government. The Company combines public, contributory and proprietary data to develop predictive decision analytics and provide business services that bring dynamic insight and transparency to the markets it serves. CoreLogic has built one of the largest and most comprehensive U.S. real estate, mortgage application, fraud, and loan performance databases and is a recognized leading provider of mortgage and automotive credit reporting, property tax, valuation, flood determination, and geospatial analytics and services. More than one million users rely on CoreLogic to assess risk, support underwriting, investment and marketing decisions, prevent fraud, and improve business performance in their daily operations. The Company, headquartered in Santa Ana, Calif., has approximately 5,000 employees globally. For more information, visit www.corelogic.com.

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