



CoreLogic®



CoreLogic® National Foreclosure Report

MAY 2013

WITH QUARTERLY SHADOW INVENTORY SUPPLEMENT

FORECLOSURES - NATIONAL OVERVIEW MAY 2013

- ▶ Foreclosure Inventory Shows Double-Digit Decline from a Year Ago
 - ▶ Seriously Delinquent Mortgages Are at the Lowest Level Since December 2008
 - ▶ Shadow Inventory Falls Below 2 Million Homes—A First Since the Downturn in Fall 2008
-

COMPLETED FORECLOSURES



An analysis shows 52,000 foreclosures were completed in May 2013, a 27 percent year-over-year decline from 71,000 in May 2012. By comparison, prior to 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 increased 3.5 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

4.4 MILLION

FORECLOSURES HAVE BEEN COMPLETED

“We continue to see a sharp drop in foreclosures around the country and with it a decrease in the size of the shadow inventory. Affordability, despite the rise in home prices over the past year, and consumer confidence are big contributors to these positive trends. We are particularly encouraged by the broad-based nature of the housing market recovery so far in 2013.”

Anand Nallathambi, president and CEO of CoreLogic

*April 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

↓ **29%**

COMPARED TO MAY 2012

↓ **3.3%**

COMPARED TO APRIL 2013

Approximately 1.0 million homes in the U.S. were in some stage of foreclosure as of May 2013 compared to 1.4 million in May 2012, a decrease of 29 percent. This was the 19th consecutive month with a year-over-year decline. As of May 2013, the foreclosure inventory represented 2.6 percent of all homes with a mortgage compared to 3.5 percent in May 2012. The foreclosure inventory declined 3.3 percent from April 2013 to May 2013.

THE INVENTORY OF FORECLOSED HOMES HAS DECLINED AT 20 PERCENT YEAR OVER YEAR FOR FIVE CONSECUTIVE MONTHS

FEWER THAN 2.3 MILLION MORTGAGES, OR

5.6%

ARE SERIOUSLY DELINQUENT

“The stock of seriously delinquent homes, which is the main driver of shadow inventory, is at the lowest level since December 2008. Over the last year, it has decreased in 42 states by double-digit figures, resulting in rapid declines in shadow inventory for the first quarter of 2013.”

Dr. Mark Fleming, chief economist for CoreLogic

TIME SERIES - NATIONAL OVERVIEW

THE 12-MONTH SUM OF COMPLETED FORECLOSURES IS AT THE LOWEST POINT SINCE MARCH 2008, WITH DECLINES FOR THE PAST 17 CONSECUTIVE MONTHS

	JUN-12	JUL-12	AUG-12	SEP-12	OCT-12	NOV-12	DEC-12	JAN-13	FEB-13	MAR-13	APR-13	MAY-13
SDQ	6.86%	6.84%	6.75%	6.68%	6.52%	6.44%	6.39%	6.34%	6.20%	6.01%	5.76%	5.58%
-MOM % Chg in #	-0.5%	-0.2%	-1.6%	-1.2%	-2.9%	-1.2%	-1.3%	-1.3%	-3.7%	-3.4%	-4.0%	-3.6%
-YOY % Chg in #	-8.20%	-7.79%	-8.64%	-9.67%	-12.37%	-13.61%	-14.18%	-16.35%	-16.98%	-17.89%	-20.39%	-22.36%
Foreclosure Inventory*	1,403	1,405	1,392	1,349	1,265	1,226	1,215	1,186	1,150	1,140	1,065	1,030
-MOM % Chg in #	-3.0%	0.1%	-0.9%	-3.1%	-6.2%	-3.1%	-0.9%	-2.4%	-3.1%	-0.8%	-6.6%	-3.3%
-YOY % Chg in #	-6.27%	-5.52%	-5.71%	-9.85%	-16.10%	-16.13%	-15.64%	-20.19%	-22.12%	-22.13%	-27.44%	-28.75%
Completed Foreclosures*	68	64	71	83	66	62	49	53	44	43	50	52
-MOM % Chg in #	-4.8%	-4.9%	10.9%	15.6%	-19.6%	-6.4%	-20.6%	8.5%	-18.5%	-1.6%	17.6%	3.5%
-YOY % Chg in #	-17.4%	-7.7%	-6.8%	-2.5%	-7.1%	-14.4%	-31.2%	-29.0%	-34.9%	-35.2%	-18.6%	-26.6%
-12-Month Sum*	856	851	845	843	838	828	805	784	760	737	725	706

	MAY-12	JUN-12	JUL-12	AUG-12	SEP-12	OCT-12	NOV-12	DEC-12	JAN-13	FEB-13	MAR-13	APR-13
Shadow Inventory*	2,405	2,395	2,386	2,349	2,326	2,273	2,251	2,217	2,192	2,114	2,042	1,988
-SDQ*	1,043	1,068	1,064	1,038	1,048	1,051	1,057	1,042	1,037	991	928	890
-FCL*	984	955	956	948	919	862	835	828	808	783	777	761
-REO*	378	371	366	363	359	360	359	347	347	341	337	336
Months' Supply Visible	6.9	6.9	6.7	6.5	6.3	6.1	5.7	5.4	5.2	5.3	5.4	5.4
Months' Supply Shadow	5.8	5.7	6.1	5.6	6.8	6.1	6.5	6.3	7.7	7.2	5.9	5.3
-SDQ	2.5	2.6	2.7	2.5	3.1	2.8	3.1	3.0	3.6	3.4	2.7	2.4
-FCL	2.4	2.3	2.4	2.3	2.7	2.3	2.4	2.3	2.8	2.7	2.2	2.0
-REO	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.2	1.2	1.0	0.9
MOM Change (Shadow Counts)	-1.1%	-0.4%	-0.3%	-1.6%	-1.0%	-2.3%	-1.0%	-1.5%	-1.1%	-3.6%	-3.4%	-2.6%
YOY Change (Shadow Counts)	-8.7%	-8.3%	-7.8%	-8.6%	-9.7%	-12.4%	-13.7%	-15.0%	-17.3%	-16.6%	-17.2%	-18.2%
Roll Rates (3 Month Moving Avg)												
Current to 90	0.40%	0.40%	0.41%	0.43%	0.43%	0.44%	0.42%	0.43%	0.40%	0.36%	0.33%	0.32%
90+ to FCL	6.93%	6.59%	6.45%	6.52%	6.00%	5.28%	5.13%	5.39%	5.39%	5.63%	5.39%	5.59%
FCL to Current	1.02%	1.05%	1.07%	1.04%	1.03%	0.96%	0.95%	0.95%	1.00%	1.14%	1.21%	1.31%

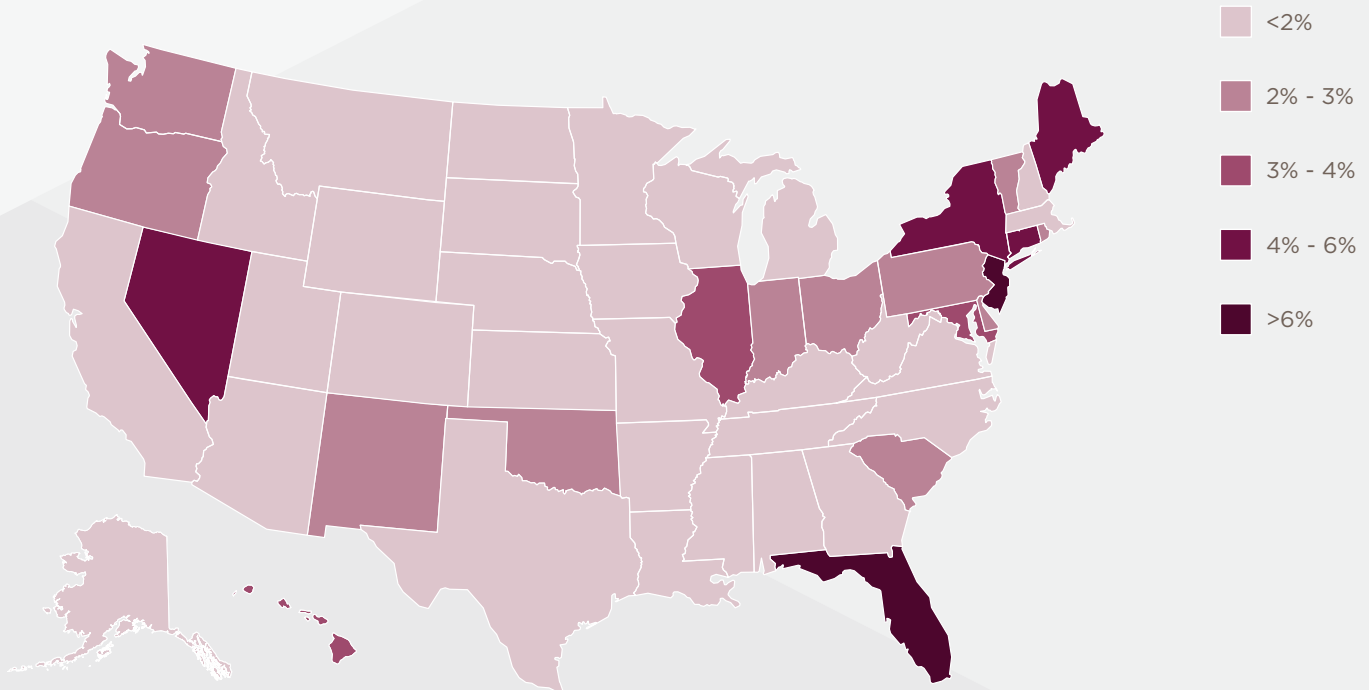
* Thousands of Units ** Year-to-Date

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 EIGHT CONSECUTIVE MONTHS

FORECLOSURE INVENTORY BY STATE



As of May 2013
 Source: CoreLogic Market Trends

- ▶ **SEVEN STATES SHOW YEAR-OVER-YEAR DECLINES IN FORECLOSURE INVENTORY OF MORE THAN 40 PERCENT, WITH CALIFORNIA AND ARIZONA SHOWING YEAR-OVER-YEAR DECLINES OF MORE THAN 50 PERCENT**

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

FLORIDA	NEW JERSEY	NEW YORK	MAINE	CONNECTICUT
8.8%	6.0%	4.8%	4.1%	4.1%

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

WYOMING	ALASKA	NORTH DAKOTA	NEBRASKA	VIRGINIA
0.5%	0.6%	0.6%	0.8%	0.8%

- ▶ **THE FORECLOSURE INVENTORY IS LOWER THAN THE NATIONAL RATE OF 2.6 PERCENT IN 36 STATES**

STATE HIGHLIGHTS

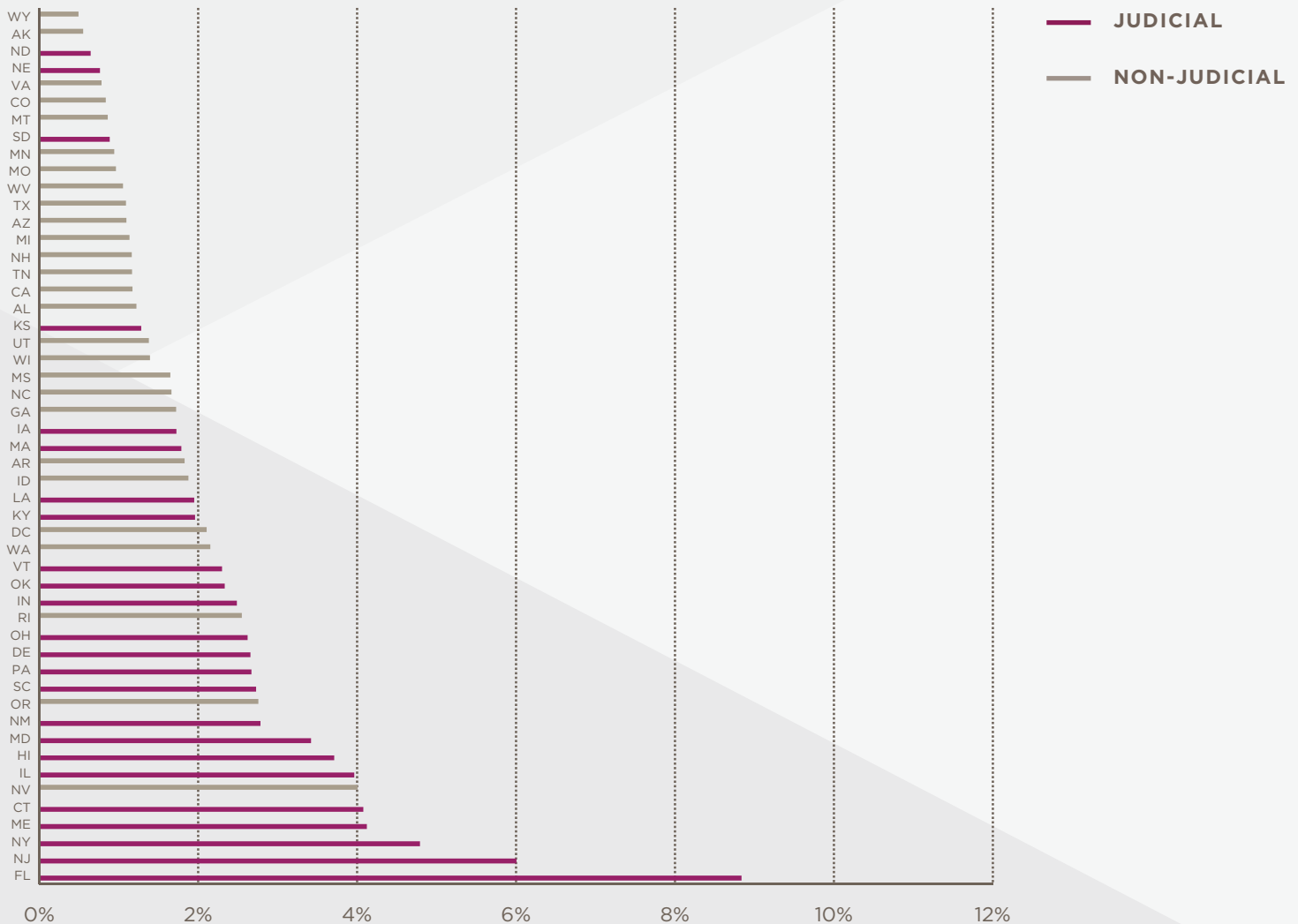
► Five states with the highest number of completed foreclosures during past 12 months

FLORIDA	CALIFORNIA	MICHIGAN	TEXAS	GEORGIA
103,000	76,000	64,000	51,000	47,000

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

D.C.	HAWAII	NORTH DAKOTA	WEST VIRGINIA	MAINE
108	453	467	517	644

► Percent of homes in foreclosure



Source: CoreLogic May 2013

STATE FORECLOSURE DATA - JUDICIAL STATES

JUDICIAL STATES	FORECLOSURE INVENTORY	FORECLOSURE INVENTORY PCT. POINT CHANGE FROM A YEAR AGO	COMPLETED FORECLOSURES (12 MONTHS ENDING MAY 2013)	SERIOUS DELINQUENCY
Florida	8.8%	-2.9%	103,087	13.3%
Illinois	4.0%	-1.4%	31,408	7.5%
Ohio	2.6%	-0.9%	29,581	5.8%
Indiana	2.5%	-0.9%	18,479	5.2%
Pennsylvania	2.7%	-0.5%	13,956	5.5%
South Carolina	2.7%	-0.8%	10,080	5.2%
Oklahoma	2.3%	-0.4%	8,736	4.6%
Louisiana	2.0%	-0.5%	7,513	5.1%
Iowa	1.7%	-0.4%	4,901	3.3%
Maryland	3.4%	-0.5%	4,788	7.4%
New York	4.8%	-0.3%	3,847	8.0%
Massachusetts	1.8%	-0.2%	3,842	4.9%
Connecticut	4.1%	-0.4%	3,649	6.9%
New Jersey	6.0%	-0.7%	3,321	10.8%
Kansas	1.3%	-0.4%	3,031	3.5%
New Mexico	2.8%	-0.7%	2,847	5.0%
Kentucky	2.0%	-0.8%	2,208	4.6%
Nebraska	0.8%	-0.2%	1,832	2.3%
Delaware	2.7%	-0.1%	1,161	6.3%
Maine	4.1%	0.0%	644	6.7%
North Dakota	0.6%	-0.2%	467	1.2%
Hawaii	3.7%	-0.5%	453	5.6%
South Dakota	0.9%	-0.4%	N/A	2.0%
Vermont	2.3%	-0.2%	N/A	3.8%

NATIONAL

Foreclosure Inventory:
2.6%

Foreclosure Inventory Pct. Point Change from a Year Ago:
-1.3%

Completed Foreclosures (12 months ending May 2013):
706,349

Serious Delinquency:
5.6%

Decline in Serious Delinquency (12 months ending May 2013):
22%

Source: CoreLogic May 2013

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 MAY 2013)	SERIOUS DELINQUENCY
California	1.2%	-1.3%	76,063	3.9%
Michigan	1.1%	-0.9%	63,624	4.2%
Texas	1.1%	-0.4%	51,101	3.4%
Georgia	1.7%	-0.7%	47,069	5.5%
Arizona	1.1%	-1.5%	32,910	3.4%
North Carolina	1.7%	-0.7%	26,577	4.5%
Tennessee	1.2%	-0.6%	21,027	4.8%
Washington	2.2%	0.1%	18,323	5.4%
Missouri	1.0%	-0.5%	16,367	3.5%
Colorado	0.8%	-0.6%	14,039	2.6%
Minnesota	0.9%	-0.7%	12,931	3.1%
Virginia	0.8%	-0.7%	12,666	3.2%
Nevada	4.0%	-1.0%	11,320	9.3%
Wisconsin	1.4%	-0.7%	10,348	3.4%
Alabama	1.2%	-0.3%	6,469	4.9%
Oregon	2.8%	-0.4%	4,536	4.9%
Arkansas	1.8%	0.2%	4,298	5.3%
Idaho	1.9%	-0.6%	4,081	3.9%
Utah	1.4%	-0.3%	3,825	3.6%
New Hampshire	1.2%	-0.4%	2,383	3.7%
Rhode Island	2.5%	-0.4%	1,614	6.7%
Montana	0.9%	-0.5%	1,379	2.2%
Mississippi	1.6%	-1.1%	1,215	6.2%
Alaska	0.6%	-0.3%	886	1.8%
Wyoming	0.5%	-0.2%	844	1.8%
West Virginia	1.1%	-0.4%	517	3.2%
District of Columbia	2.1%	-0.3%	108	5.1%

NATIONAL

Foreclosure Inventory:
2.6%

Foreclosure Inventory Pct. Point Change from a Year Ago:
-1.3%

Completed Foreclosures (12 months ending May 2013):
706,349

Serious Delinquency:
5.6%

Decline in Serious Delinquency (12 months ending May 2013):
22%

Source: CoreLogic May 2013

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 MAY 2013)	SERIOUS DELINQUENCY
Atlanta-Sandy Springs-Marietta, GA	1.9%	-0.9%	30,029	5.9%
Phoenix-Mesa-Glendale, AZ	1.0%	-1.7%	21,186	3.2%
Chicago-Joliet-Naperville, IL	4.7%	-1.6%	20,536	8.7%
Riverside-San Bernardino-Ontario, CA	1.7%	-1.9%	15,719	5.6%
Houston-Sugar Land-Baytown, TX	1.1%	-0.6%	13,614	3.5%
Los Angeles-Long Beach-Glendale, CA	1.3%	-1.2%	12,561	4.2%
Minneapolis-St. Paul-Bloomington, MN-WI	1.0%	-0.8%	10,746	3.2%
Dallas-Plano-Irving, TX	1.2%	-0.4%	9,693	3.7%
Seattle-Bellevue-Everett, WA	2.0%	-0.1%	6,811	5.0%
Denver-Aurora-Broomfield, CO	0.8%	-0.7%	6,504	2.6%
Philadelphia, PA	2.6%	-0.4%	4,909	5.4%
San Diego-Carlsbad-San Marcos, CA	1.0%	-1.1%	4,832	3.3%
Washington-Arlington-Alexandria, DC-VA-MD-WV	1.8%	-0.7%	4,526	4.7%
Baltimore-Towson, MD	3.4%	-0.5%	2,092	7.3%
New York-White Plains-Wayne, NY-NJ	5.0%	-0.6%	1,142	8.4%

Source: CoreLogic May 2013

QUARTERLY SHADOW INVENTORY SUPPLEMENT — NATIONAL OVERVIEW THROUGH APRIL 2013

- ▶ The Value of Shadow Inventory Was \$314 Billion, Down from the Previous Year's \$386 Billion and from \$320 Billion in October 2012
 - ▶ For Seven Consecutive Months, Shadow Inventory Has Experienced Double-Digit Year-Over-Year Declines
 - ▶ Of the Nation's Distressed Properties, 44 Percent Were Located in Four States—Florida, New York, Illinois and New Jersey—with 17 Percent in Florida
-

SHADOW INVENTORY HIGHLIGHTS

↓7%

IN THE QUARTER

1.99

MILLION UNITS

↓18%

COMPARED TO APRIL 2012

Shadow inventory, also called pending supply, decreased 18 percent from 2.4 million units in April 2012 to slightly below 2 million in April 2013. Current residential shadow inventory represents a supply of 5.3 months compared to the previous year's supply of 5.8 months. Shadow inventory is down 34 percent from its peak in January 2010 when it reached 3 million homes.

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 UNITS IN THE SHADOW INVENTORY, WHICH HAS FALLEN BELOW 2 MILLION UNITS, ARE DELINQUENT BUT NOT YET FORECLOSED.

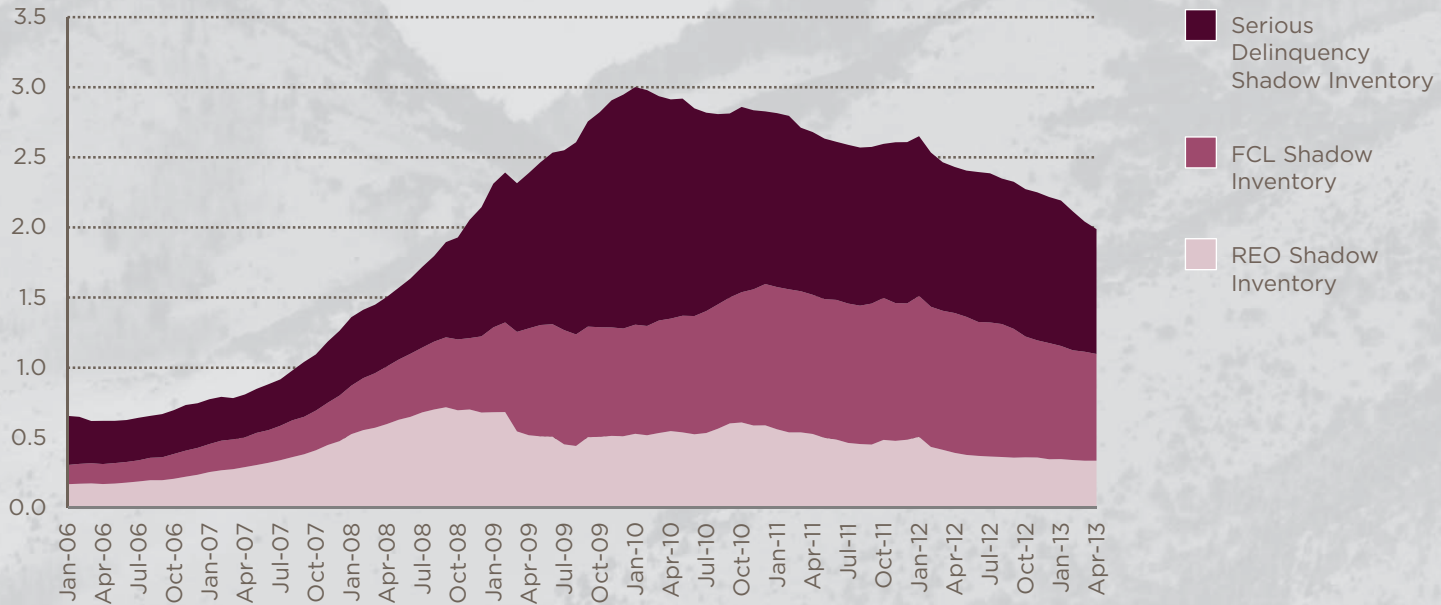
* Previous data was revised. Revisions with public records data are standard, and to ensure accuracy, CoreLogic incorporates the newly released public data to provide updated results.

SHADOW INVENTORY DETAIL

FOR THE YEAR ENDING APRIL 2013, SHADOW INVENTORY DECLINED AT AN AVERAGE MONTHLY RATE OF 37,000 UNITS

► **Figure 1. Shadow Inventory Detail**

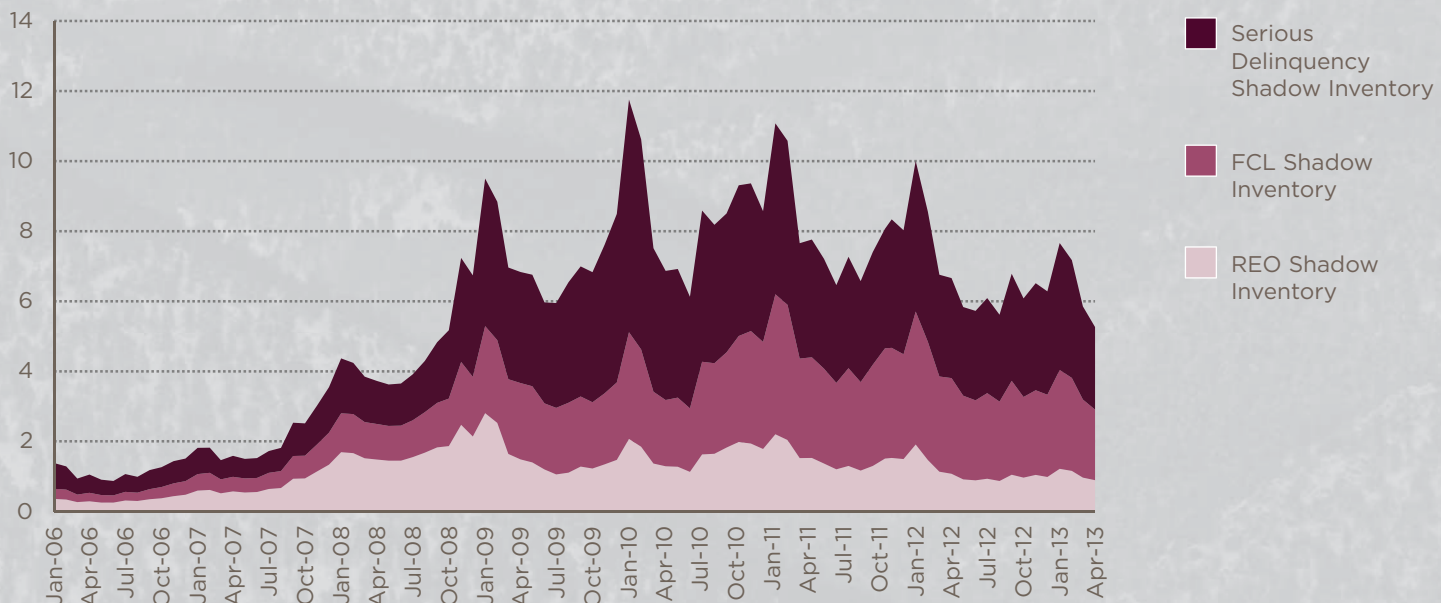
In Thousands, Not Seasonally Adjusted



Source: CoreLogic April 2013

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

Number of Months, Not Seasonally Adjusted



Source: CoreLogic April 2013

CORELOGIC NATIONAL FORECLOSURE REPORT

METHODOLOGY

The data in this report represent foreclosure activity reported through May 2013.

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 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 account for only first liens against a property and do 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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