



CoreLogic®



CoreLogic® Equity Report

THIRD QUARTER 2013

EQUITY REPORT - NATIONAL OVERVIEW

- ▶ Price Improvements Return More Than Three-Quarters of a Million Homes to Positive Equity
- ▶ Nearly 6.4 Million Mortgaged Residential Properties Still Have Negative Equity
- ▶ More Than 20 Percent of Mortgaged Properties Have Positive Equity But Are Considered Under-Equited

13.0%

**OF MORTGAGED HOMES HAVE
NEGATIVE EQUITY**

Our analysis shows that nearly 6.4 million homes, or 13 percent of all residential properties with a mortgage, were still in negative equity at the end of the third quarter. This compares to 7.2 million* homes, or 14.7 percent of all residential properties with a mortgage, at the end of the second quarter of 2013.

Negative equity means that a borrower owes more on a home than it is worth. These properties may be referred to as underwater or upside down.

↓7.8%

**IN AGGREGATE VALUE
OF NEGATIVE EQUITY**

The national aggregate value of negative equity decreased \$33.7 billion to \$397 billion at the end of the third quarter. The decrease was driven in large part by improving home prices. Of the total \$397 billion in negative equity, homes with first mortgages only accounted for \$202 billion, while first liens with home equity loans accounted for \$195 billion.

IF HOME PRICES INCREASED AN ADDITIONAL 5 PERCENT, 1.2 MILLION HOMES WOULD REGAIN POSITIVE EQUITY.

“Rising home prices continued to help homeowners regain their lost equity in the third quarter of 2013. Fewer than 7 million homeowners are underwater, with a total mortgage debt of \$1.6 trillion. Negative equity will decline even further in the coming quarters as the housing market continues to improve.”

Dr. Mark Fleming, chief economist for CoreLogic

* Q2 2013 data was revised. Revisions with public records are standard, and to ensure accuracy, CoreLogic incorporates the newly released public data to provide updated results.

EQUITY

PROPERTIES WITH LESS THAN 20 PERCENT EQUITY

OF RESIDENTIAL PROPERTIES WITH A MORTGAGE

20.4%

ARE UNDER-EQUITIED

Borrowers with less than 20 percent home equity are referred to as under-equited. Of the 48.9 million residential properties with a mortgage, nearly 10 million, or 20.4 percent, have less than 20 percent equity.

Underwriting constraints may make it more difficult for under-equited borrowers to obtain new home financing.

3.2%

OF RESIDENTIAL PROPERTIES ARE NEAR-NEGATIVE EQUITY

Additionally, at the end of the third quarter, 1.5 million homes, or 3.2 percent, had less than 5 percent equity. This is referred to as near-negative equity, which puts these properties at risk should home prices fall. In the quarter, 791,000 residential properties returned to positive equity.

“We should see a further rebound in consumer confidence and economic growth in 2014 as more homeowners escape the negative equity trap. Home price appreciation has helped more than 3 million property owners regain equity since the first quarter of 2013.”

Anand Nallathambi, president and CEO of CoreLogic

EQUITY SNAPSHOT

61.4%

AVERAGE LOAN TO VALUE

The average loan-to-value ratio for all mortgaged homes is 61.4 percent, with total mortgage debt outstanding close to \$8.6 trillion. Of residential properties with a mortgage, 1.2 million, or 2.4 percent, have a loan-to-value ratio of 100 percent to 105 percent. Another 2.4 million, or 5 percent, have a loan-to-value ratio greater than 125 percent. In between, with 105 percent to 125 percent loan to value, are 2.7 million residential properties, or 5.5 percent.

33.0%

AVERAGE PERCENT UNDERWATER

On average, residential properties with negative equity are underwater by 33 percent. Of the nearly 6.4 million underwater properties, 3.8 million, or 60 percent, have first mortgages only. With an average balance of \$221,000, these borrowers are underwater \$53,000 on average. An additional 2.5 million upside-down borrowers, or 40 percent, hold both first and second liens. The average balance for this group is \$296,000. Their average underwater amount is \$77,000.

92.0%

OF MORE EXPENSIVE HOMES HAVE EQUITY

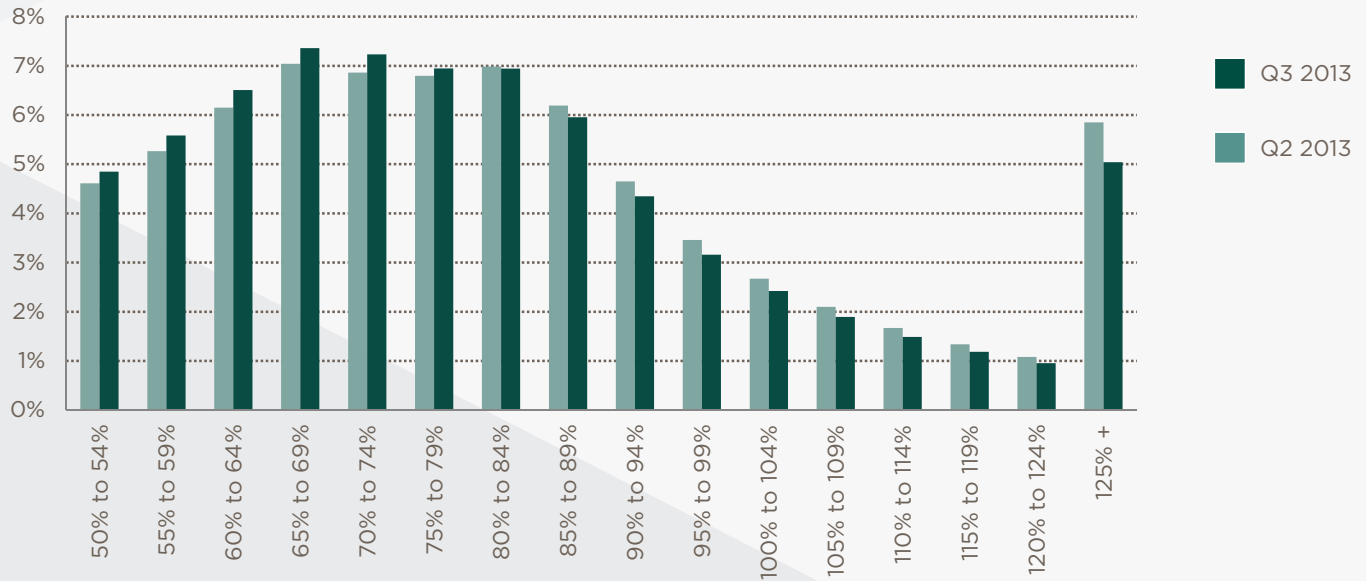
Home equity is concentrated at the higher end of the market. Just 82 percent of homes valued at less than \$200,000 have equity as compared to 92 percent valued at more than \$200,000.

NATIONAL EQUITY DISTRIBUTION

A LOOK AT LOAN-TO-VALUE RATIOS

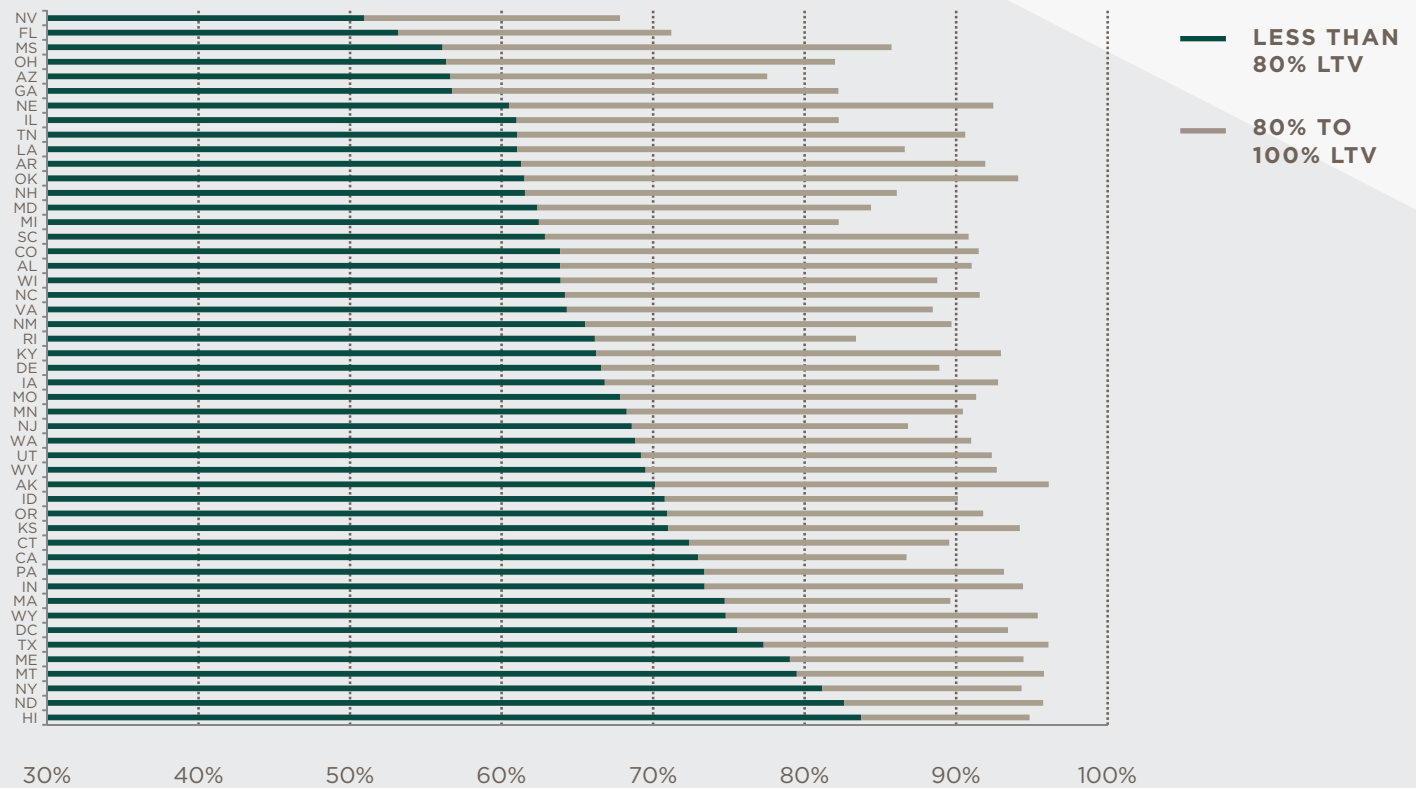
► Loan-to-Value Segment

National Equity Distribution by LTV Segment



Source: CoreLogic Q3 2013

► Equity Share by State and Equity Cohorts

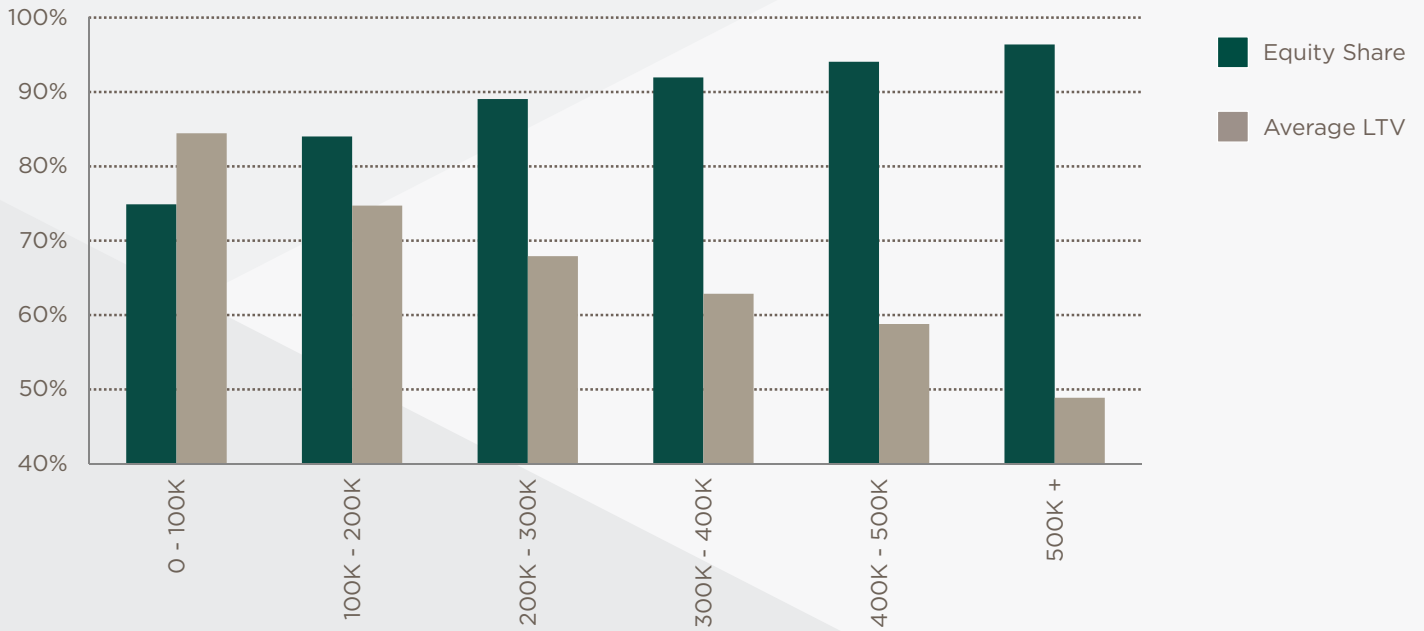


Source: CoreLogic Q3 2013

NATIONAL EQUITY DISTRIBUTION

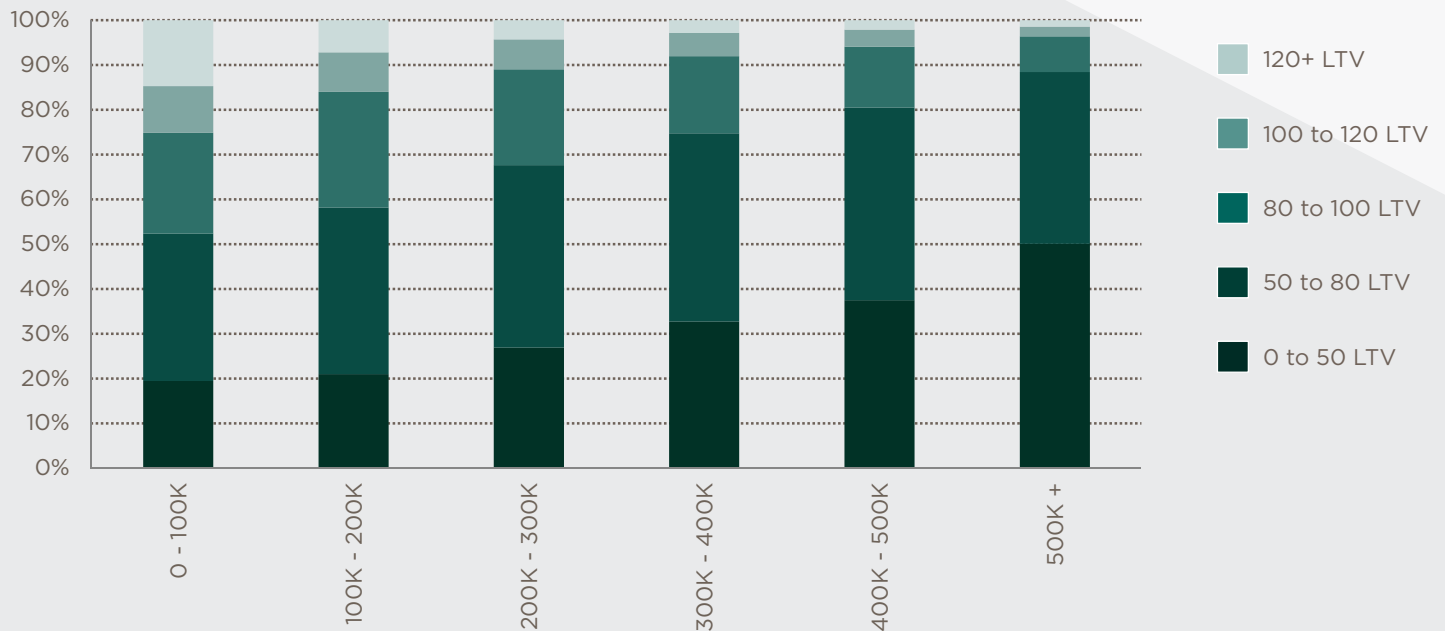
A LOOK AT LOAN-TO-VALUE RATIOS

► Equity Share with Average LTV by Property Value



Source: CoreLogic Q3 2013

► Cumulative Distribution of Equity by Loan Value

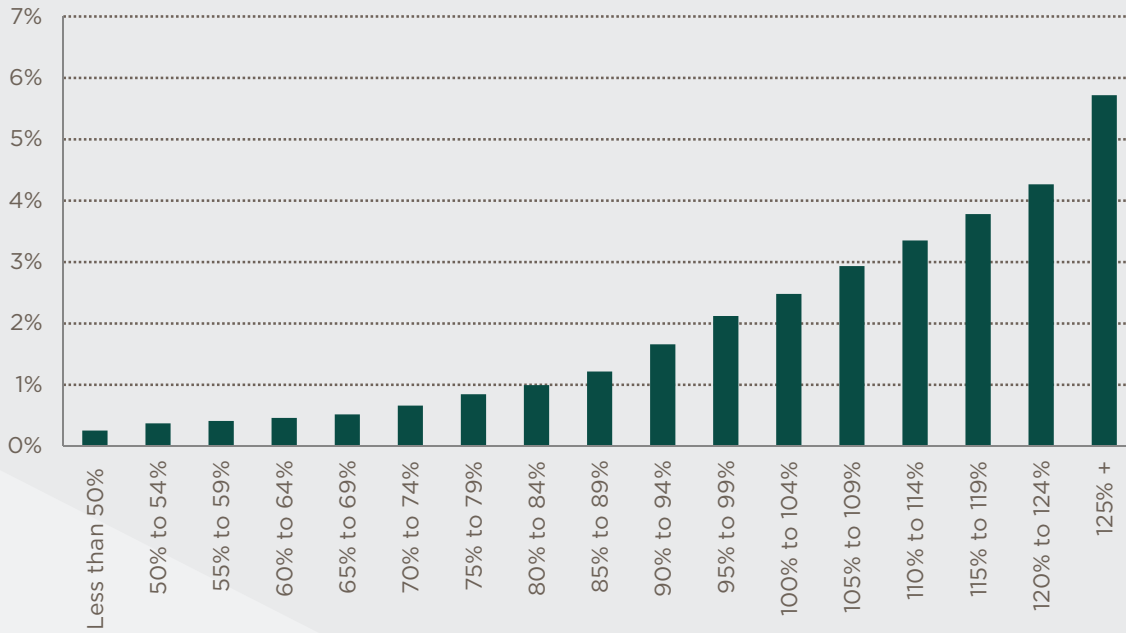


Source: CoreLogic Q3 2013

NATIONAL EQUITY DISTRIBUTION

A LOOK AT LOAN-TO-VALUE RATIOS

► Default Rate by LTV



Source: CoreLogic Q3 2013

NATIONAL LEVEL DETAIL

NATIONAL RESIDENTIAL EQUITY

	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012*	Q1 2013*	Q2 2013*	Q3 2013
Positive Equity Position													
LTV > 0 to < 100	75.3%	74.6%	75.0%	75.2%	75.6%	74.8%	76.3%	77.7%	78.0%	78.4%	80.1%	85.3%	87.0%
> 0 to < 80	53.3%	52.6%	52.9%	52.9%	53.2%	52.4%	53.5%	54.9%	55.0%	55.1%	56.9%	64.0%	66.6%
80 to < 100	21.9%	22.0%	22.1%	22.3%	22.4%	22.4%	22.8%	22.8%	23.0%	23.2%	23.1%	21.3%	20.4%
Near Negative Equity (95 to < 100)	4.8%	4.9%	4.9%	4.9%	4.8%	4.9%	4.9%	4.7%	4.8%	4.8%	4.4%	3.5%	3.2%
Negative Equity Position													
LTV 100+	24.7%	25.4%	25.0%	24.8%	24.4%	25.2%	23.7%	22.3%	22.0%	21.6%	19.9%	14.7%	13.0%
100 to < 105	3.9%	3.9%	3.9%	3.9%	3.8%	4.0%	3.9%	3.7%	3.7%	3.7%	3.4%	2.7%	2.4%
105 to < 125	9.4%	9.7%	9.6%	9.5%	9.4%	9.7%	9.3%	8.8%	8.7%	8.7%	8.1%	6.2%	5.5%
125+	11.5%	11.8%	11.5%	11.4%	11.1%	11.6%	10.6%	9.8%	9.6%	9.2%	8.3%	5.9%	5.0%
Number of Negative Equity Properties (millions)	11.6	12.0	11.8	11.8	11.6	12.1	11.4	10.8	10.6	10.5	9.7	7.2	6.4
Amount of Negative Equity (\$B)	769	780	735	737	722	743	692	690	670	629	579	430	397
Net Homeowner Equity (\$B)	\$3,623	\$3,493	\$3,556	\$3,568	\$3,578	\$3,479	\$3,611	\$3,782	\$3,769	\$3,867	\$4,189	\$5,052	\$5,398
Mortgage Debt Outstanding (\$B)	\$8,705	\$8,639	\$8,576	\$8,647	\$8,654	\$8,655	\$8,635	\$8,666	\$8,606	\$8,631	\$8,644	\$8,484	\$8,574
Average LTV	70.6%	71.2%	70.7%	70.8%	70.7%	71.3%	70.5%	69.6%	69.5%	69.1%	67.4%	62.7%	61.4%

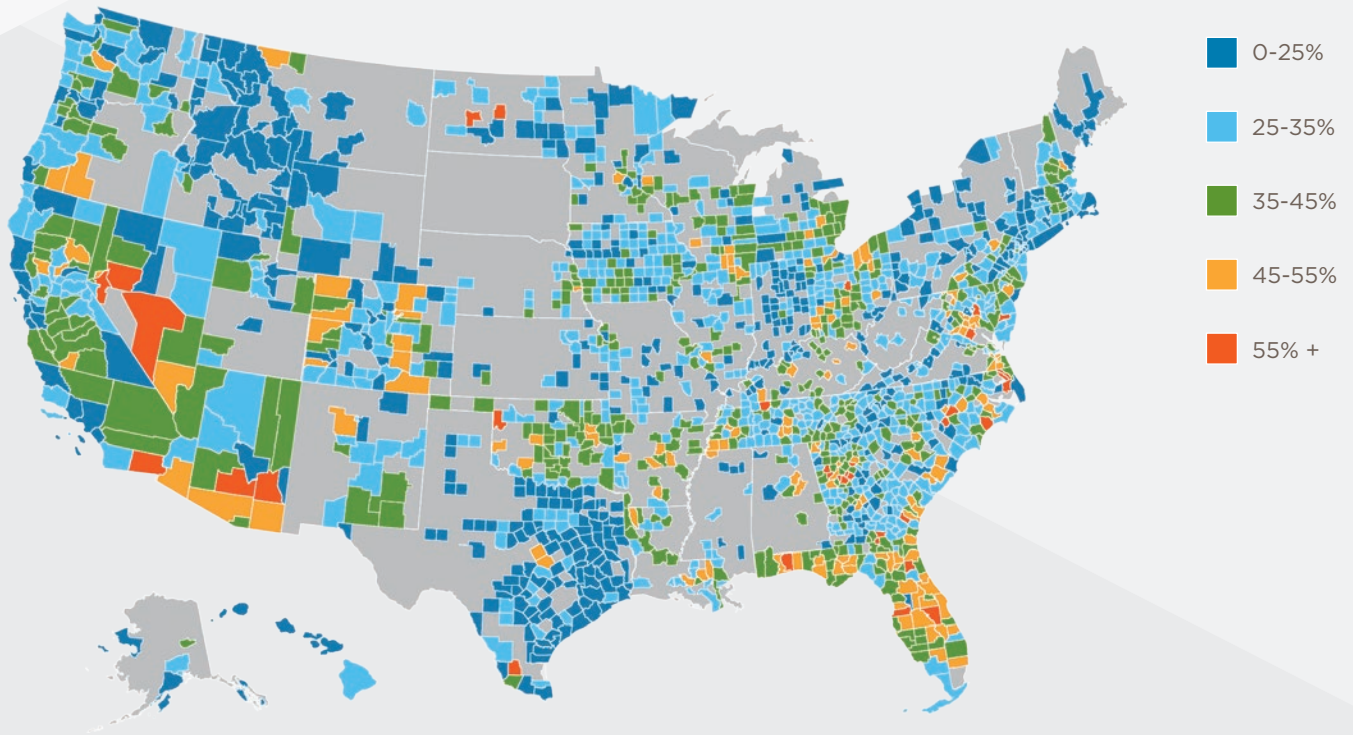
*Q2 2013, Q1 2013 and Q4 2012 were revised

NATIONAL SNAPSHOT

► Under-Equity and Negative Equity Share Combined by County

80+ LTV Share

As of Q3 2013



Source: CoreLogic

STATE HIGHLIGHTS

► Top Five States Where Mortgaged Residential Properties Have Negative Equity

NEVADA	FLORIDA	ARIZONA	OHIO	GEORGIA
32.2%	28.8%	22.5%	18.0%	17.8%

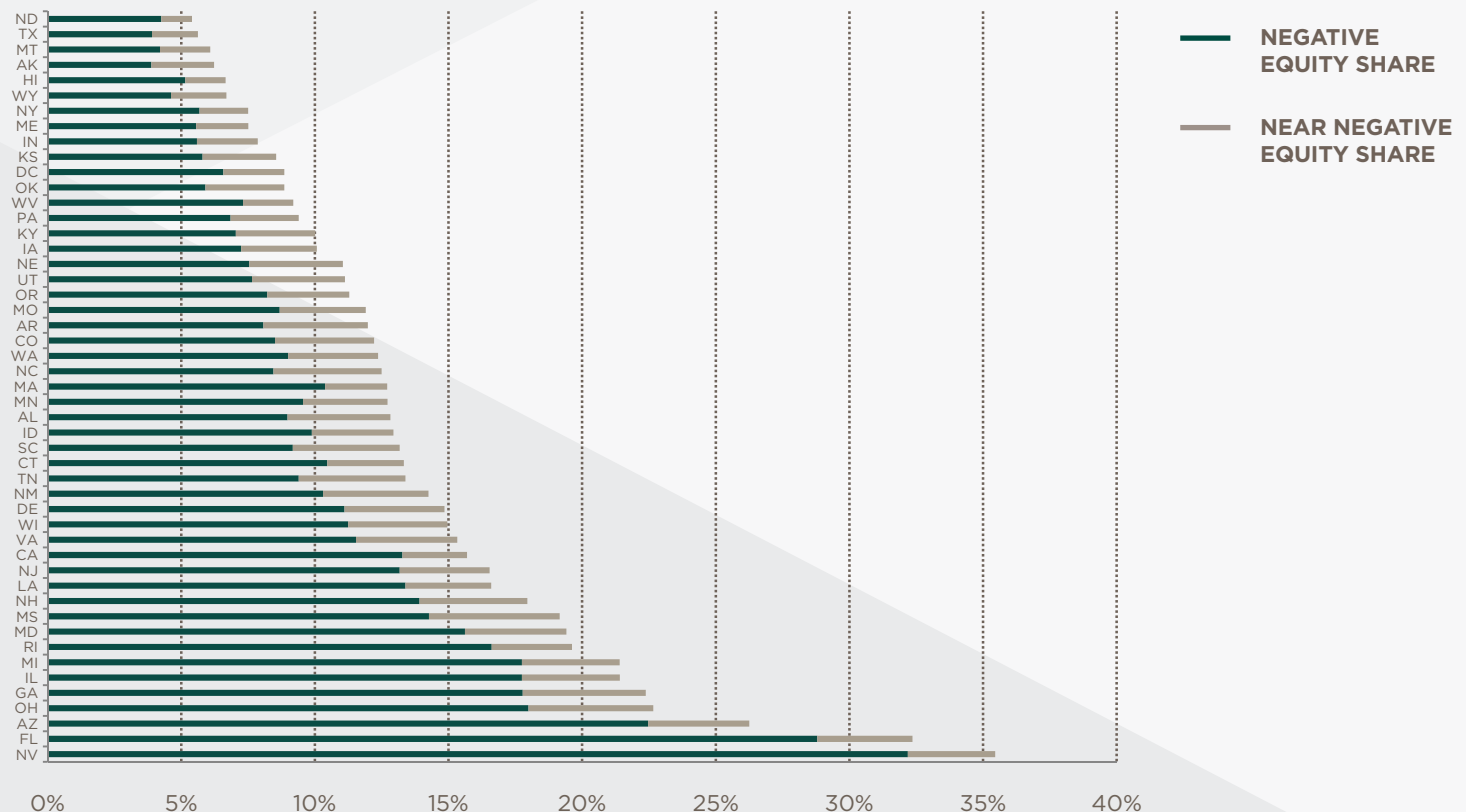
NEVADA, FLORIDA, ARIZONA, OHIO AND GEORGIA ACCOUNT FOR 36.4 PERCENT OF NEGATIVE EQUITY IN THE U.S.

► Top Five States Where Mortgaged Residential Properties Have Positive Equity

ALASKA	TEXAS	MONTANA	NORTH DAKOTA	WYOMING
96.1%	96.1%	95.8%	95.7%	95.4%

66.6 PERCENT OF MORTGAGED HOMES IN THE U.S. HAVE AT LEAST 20 PERCENT EQUITY.

► Near and Negative Equity Share by State



Source: CoreLogic Q3 2013

STATE LEVEL DETAIL

Q3 2013 NEGATIVE EQUITY BY STATE*

STATE	AVERAGE LTV	EQUITY SHARE	LTV SHARE >0 TO <80%	LTV SHARE 80% TO <100%	NEGATIVE EQUITY SHARE	NEAR NEGATIVE EQUITY SHARE (95% TO <100% LTV)	NEAR EQUITY SHARE (100% TO <105% LTV)	TOTAL MORTGAGED PROPERTY COUNT (THS.)
Alabama	66.0%	91.0%	63.9%	27.1%	9.0%	3.8%	2.5%	367
Alaska	64.1%	96.1%	70.1%	26.0%	3.9%	2.3%	1.2%	89
Arizona	71.8%	77.5%	56.6%	20.9%	22.5%	3.8%	3.3%	1,309
Arkansas	70.1%	91.9%	61.3%	30.6%	8.1%	3.9%	2.2%	271
California	56.0%	86.7%	73.0%	13.7%	13.3%	2.4%	2.1%	6,738
Colorado	65.0%	91.5%	63.9%	27.6%	8.5%	3.7%	2.4%	1,160
Connecticut	57.0%	89.5%	72.4%	17.2%	10.5%	2.9%	2.2%	834
Delaware	63.3%	88.9%	66.6%	22.3%	11.1%	3.7%	2.7%	200
District of Columbia	53.7%	93.4%	75.6%	17.9%	6.6%	2.3%	1.6%	101
Florida	72.3%	71.2%	53.2%	18.0%	28.8%	3.6%	3.2%	4,072
Georgia	71.1%	82.2%	56.7%	25.5%	17.8%	4.6%	3.6%	1,631
Hawaii	47.7%	94.9%	83.7%	11.1%	5.1%	1.5%	1.1%	244
Idaho	64.3%	90.1%	70.8%	19.3%	9.9%	3.1%	2.4%	251
Illinois	68.0%	82.3%	61.0%	21.3%	17.7%	3.7%	3.0%	2,220
Indiana	64.2%	94.4%	73.4%	21.0%	5.6%	2.3%	1.5%	720
Iowa	66.5%	92.8%	66.8%	25.9%	7.2%	2.8%	1.7%	391
Kansas	66.0%	94.2%	71.0%	23.2%	5.8%	2.8%	1.7%	321
Kentucky	65.4%	93.0%	66.3%	26.7%	7.0%	3.0%	1.8%	317
Louisiana	78.3%	86.6%	61.0%	25.6%	13.4%	3.2%	2.1%	317
Maine	58.0%	94.4%	79.0%	15.4%	5.6%	1.9%	1.3%	66
Maryland	64.1%	84.4%	62.4%	22.0%	15.6%	3.8%	3.1%	1,371
Massachusetts	55.2%	89.6%	74.7%	14.9%	10.4%	2.3%	1.9%	1,506
Michigan	68.8%	82.3%	62.5%	19.8%	17.7%	3.7%	3.1%	1,381
Minnesota	62.6%	90.4%	68.3%	22.2%	9.6%	3.2%	2.4%	664
Mississippi	72.3%	85.7%	56.1%	29.6%	14.3%	4.9%	3.7%	53

*Only those properties with mortgages are included.

EQUITY ALL U.S.

Average Loan to Value:
61.4%

Equity Share:
87.0%

Loan to Value Share
>0 to <80%:
66.6%

Loan to Value Share
80% to <100%:
20.4%

Negative Equity Share:
13.0%

Near Negative Equity
Share (95% to <100%
Loan to Value):
3.2%

Near Negative Equity
Share (100% to 105%
Loan to Value):
2.4%

Total Mortgaged
Property Count (ths.):
48,989

States with
Negative Equity Share
Higher Than the
National Average:
14

Homes with
Negative Equity:
6.4 million

CONTINUED ON
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STATE LEVEL DETAIL

Q3 2013 NEGATIVE EQUITY BY STATE*

STATE	AVERAGE LTV	EQUITY SHARE	LTV SHARE >0 TO <80%	LTV SHARE 80% TO <100%	NEGATIVE EQUITY SHARE	NEAR NEGATIVE EQUITY SHARE (95% TO <100% LTV)	NEAR EQUITY SHARE (100% TO <105% LTV)	TOTAL MORTGAGED PROPERTY COUNT (THS.)
Missouri	65.6%	91.3%	67.8%	23.5%	8.7%	3.2%	2.2%	792
Montana	57.1%	95.8%	79.5%	16.3%	4.2%	1.9%	1.1%	122
Nebraska	71.4%	92.5%	60.5%	31.9%	7.5%	3.5%	1.9%	238
Nevada	80.5%	67.8%	50.9%	16.9%	32.2%	3.3%	3.0%	537
New Hampshire	67.0%	86.1%	61.5%	24.5%	13.9%	4.0%	3.2%	232
New Jersey	59.6%	86.8%	68.6%	18.2%	13.2%	3.4%	2.7%	1,873
New Mexico	65.2%	89.7%	65.5%	24.2%	10.3%	3.9%	2.8%	250
New York	48.0%	94.3%	81.2%	13.2%	5.7%	1.8%	1.3%	1,961
North Carolina	65.6%	91.6%	64.2%	27.4%	8.4%	4.0%	2.5%	1,643
North Dakota	56.4%	95.7%	82.6%	13.1%	4.3%	1.1%	0.8%	67
Ohio	72.0%	82.0%	56.3%	25.7%	18.0%	4.7%	3.8%	2,145
Oklahoma	69.9%	94.1%	61.5%	32.6%	5.9%	3.0%	1.5%	450
Oregon	61.7%	91.8%	70.9%	20.8%	8.2%	3.1%	2.2%	716
Pennsylvania	59.0%	93.2%	73.4%	19.8%	6.8%	2.6%	1.6%	1,951
Rhode Island	61.2%	83.4%	66.2%	17.2%	16.6%	3.0%	2.6%	232
South Carolina	65.2%	90.8%	62.9%	28.0%	9.2%	4.0%	2.5%	659
Tennessee	67.1%	90.6%	61.0%	29.6%	9.4%	4.0%	2.6%	993
Texas	60.8%	96.1%	77.3%	18.8%	3.9%	1.7%	1.0%	3,459
Utah	63.1%	92.4%	69.2%	23.2%	7.6%	3.5%	2.3%	488
Virginia	62.8%	88.5%	64.3%	24.2%	11.5%	3.8%	2.8%	1,360
Washington	61.1%	91.0%	68.8%	22.2%	9.0%	3.4%	2.5%	1,439
West Virginia	68.6%	92.7%	69.5%	23.2%	7.3%	1.9%	1.3%	31
Wisconsin	67.5%	88.8%	63.9%	24.9%	11.2%	3.7%	2.7%	709
Wyoming	61.6%	95.4%	74.8%	20.6%	4.6%	2.1%	1.3%	44

*Only those properties with mortgages are included.

EQUITY ALL U.S.

Average Loan to Value:
61.4%

Equity Share:
87.0%

Loan to Value Share
>0 to <80%:
66.6%

Loan to Value Share
80% to <100%:
20.4%

Negative Equity Share:
13.0%

Near Negative Equity
Share (95% to <100%
Loan to Value):
3.2%

Near Negative Equity
Share (100% to 105%
Loan to Value):
2.4%

Total Mortgaged
Property Count (ths.):
48,989

States with
Negative Equity Share
Higher Than the
National Average:
14

Homes with
Negative Equity:
6.4 million

METROPOLITAN AREA HIGHLIGHTS

LARGEST 25 METROS

► Five Metros With Highest Percentage of Residences in Negative Equity

32.3%

ORLANDO-
KISSIMMEE-
SANFORD, FLA.

30.1%

TAMPA-ST.PETE-
CLEARWATER,
FLA.

23.2%

PHOENIX-MESA-
GLENDALE, ARIZ.

20.8%

RIVERSIDE-SAN
BERNARDINO-
ONTARIO, CALIF.

20.5%

CHICAGO-
NAPERVILLE-
ARLINGTON
HEIGHTS, ILL.

► Five Metros With Highest Percentage of Residences in Positive Equity

95.8%

HOUSTON-THE
WOODLANDS,
SUGAR LAND,
TEXAS

95.3%

DALLAS-PLANO-
IRVING, TEXAS

94.6%

ANAHEIM-SANTA
ANA-IRVINE,
CALIF.

93.4%

PORTLAND-
VANCOUVER-
HILLSBORO, ORE.

92.7%

SEATTLE-
BELLEVUE-
EVERETT, WASH.

METROPOLITAN AREA HIGHLIGHTS

Q3 2013 NEGATIVE EQUITY BY CBSA*

METROPOLITAN AREA**	AVERAGE LTV	EQUITY SHARE	LTV SHARE >0 TO <80%	LTV SHARE 80% TO <100%	NEGATIVE EQUITY SHARE	NEAR NEGATIVE EQUITY SHARE (95% TO <100% LTV)	NEAR EQUITY SHARE (100% TO <105% LTV)	TOTAL MORTGAGED PROPERTY COUNT (THS.)
Houston-The Woodlands-Sugar Land, TX	59.6%	95.8%	77.9%	17.9%	4.2%	1.8%	1.1%	956
Dallas-Plano-Irving, TX	62.0%	95.3%	75.8%	19.5%	4.7%	2.0%	1.3%	762
Anaheim-Santa Ana-Irvine, CA	52.1%	94.6%	83.3%	11.4%	5.4%	1.9%	1.4%	549
Portland-Vancouver-Hillsboro, OR-WA	61.1%	93.4%	72.9%	20.5%	6.6%	2.9%	2.1%	478
Seattle-Bellevue-Everett, WA	57.5%	92.7%	74.7%	18.1%	7.3%	2.7%	2.0%	637
Nassau County-Suffolk County, NY	48.2%	92.2%	80.0%	12.2%	7.8%	2.0%	1.6%	547
Denver-Aurora-Lakewood, CO	65.3%	92.0%	65.3%	26.7%	8.0%	3.3%	2.3%	636
New York-Jersey City-White Plains, NY-NJ	50.9%	91.5%	77.2%	14.3%	8.5%	2.4%	1.9%	1,644
Cambridge-Newton-Framingham, MA	53.5%	90.9%	77.9%	13.1%	9.1%	1.9%	1.6%	508
St. Louis, MO-IL	64.8%	90.6%	65.6%	25.0%	9.4%	3.6%	2.4%	559
Minneapolis-St. Paul-Bloomington, MN-WI	63.0%	90.1%	67.3%	22.8%	9.9%	3.3%	2.6%	564
Los Angeles-Long Beach-Glendale, CA	52.8%	90.1%	77.9%	12.2%	9.9%	2.1%	1.8%	1,520
San Diego-Carlsbad, CA	56.9%	88.6%	73.3%	15.3%	11.4%	2.4%	2.0%	585
Baltimore-Columbia-Towson, MD	62.4%	88.2%	65.6%	22.6%	11.8%	3.8%	3.0%	644
Newark, NJ-PA	58.1%	87.2%	70.5%	16.6%	12.8%	3.0%	2.4%	482
Oakland-Hayward-Berkeley, CA	57.3%	86.1%	73.6%	12.4%	13.9%	2.2%	1.9%	536
Washington-Arlington-Alexandria, DC-VA-MD-WV	63.2%	85.2%	63.1%	22.1%	14.8%	3.3%	2.7%	1,046
Sacramento--Roseville--Arden-Arcade, CA	65.6%	83.7%	67.7%	16.0%	16.3%	2.9%	2.5%	481
Warren-Troy-Farmington Hills, MI	69.0%	81.1%	62.0%	19.1%	18.9%	3.8%	3.2%	509
Atlanta-Sandy Springs-Roswell, GA	71.9%	80.0%	54.8%	25.2%	20.0%	4.8%	3.9%	1,188
Chicago-Naperville-Arlington Heights, IL	67.6%	79.5%	59.9%	19.7%	20.5%	3.7%	3.2%	1,377
Riverside-San Bernardino-Ontario, CA	71.1%	79.2%	63.7%	15.5%	20.8%	3.0%	2.7%	821
Phoenix-Mesa-Scottsdale, AZ	72.4%	76.8%	56.7%	20.2%	23.2%	3.6%	3.2%	906
Tampa-St. Petersburg-Clearwater, FL	75.6%	69.9%	50.5%	19.4%	30.1%	3.9%	3.5%	613
Orlando-Kissimmee-Sanford, FL	79.2%	67.7%	49.0%	18.7%	32.3%	3.6%	3.4%	468

* Metropolitan Areas used are CBSAs as defined by the Office of Management and Budget (OMB) or the Metropolitan Division of a CBSA where available.

** This table represents the largest 25 Metropolitan Areas by mortgage count, sorted by highest equity share.

For an expanded perspective on housing economies and property markets, visit the [CoreLogic Insights Blog](#) and follow us on:

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CORELOGIC EQUITY REPORT METHODOLOGY

The amount of equity for each property is determined by comparing the estimated current value of the property against the mortgage debt outstanding (MDO). If the MDO is greater than the estimated value, then the property is determined to be in a negative equity position. If the estimated value is greater than the MDO, then the property is determined to be in a positive equity position. The data is first generated at the property level and aggregated to higher levels of geography. CoreLogic data includes 49 million properties with a mortgage, which accounts for more than 85 percent of all mortgages in the U.S. CoreLogic uses its public record data as the source of the 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 MDO for each property. The calculations are not based on sampling, but rather on the full data set to avoid potential adverse selection due to sampling. The current value of the property is estimated using a suite of proprietary CoreLogic valuation techniques, including valuation models and the CoreLogic Home Price Index (HPI). Only data for mortgaged residential properties that have a current estimated value is included. There are several states or jurisdictions where the public record, current value or mortgage coverage is thin. These instances account for fewer than 5 percent of the total U.S. population.

ABOUT CORELOGIC

CoreLogic (NYSE: CLGX) is a leading property information, analytics and services provider in the United States and Australia. The company's combined data from public, contributory and proprietary sources includes over 3.3 billion records spanning more than 40 years, providing detailed coverage of property, mortgages and other encumbrances, consumer credit, tenancy, location, hazard risk and related performance information. The markets CoreLogic serves include real estate and mortgage finance, insurance, capital markets, transportation and government. CoreLogic delivers value to clients through unique data, analytics, workflow technology, advisory and managed services. Clients rely on CoreLogic to help identify and manage growth opportunities, improve performance and mitigate risk. Headquartered in Irvine, Calif., CoreLogic operates in seven countries. For more information, please visit www.corelogic.com.

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