



CoreLogic®



CoreLogic® Equity Report

FIRST QUARTER 2014

EQUITY REPORT - NATIONAL OVERVIEW

- ▶ Rising Home Prices Led to Improvements In Home Equity, with 312,000 Residential Properties Regaining Equity In Q1 2014
- ▶ 6.3 Million Homes with a Mortgage Still in Negative Equity
- ▶ 10.1 Million of Mortgaged Properties Have Equity but Are Considered Under-Equited

12.7%

**OF MORTGAGED HOMES HAVE
NEGATIVE EQUITY**

Our analysis shows that nearly 6.3 million homes, or 12.7 percent of all residential properties with a mortgage, were still in negative equity at the end of the first quarter of 2014. 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.

\$16.9B

**DECLINE IN AGGREGATE
VALUE OF NEGATIVE EQUITY**

For the homes in negative equity status, the national aggregate value of negative equity was \$383.7 billion for first quarter 2014, compared to \$400 billion for fourth quarter 2013*, a decrease of \$16.9 billion.

AN ADDITIONAL 1.2 MILLION PROPERTIES WOULD REGAIN EQUITY IF HOME PRICES ROSE ANOTHER 5 PERCENT.

“Prices continue to rise across most of the country and significantly fewer borrowers are underwater today compared to last year. An additional rise in home prices of 5 percent, which we are projecting will occur over the next 12 months, will lift another 1.2 million properties out of the negative equity trap.”

Anand Nallathambi, president and CEO of CoreLogic

* Q4 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.

UNDER EQUITY

PROPERTIES WITH LESS THAN 20 PERCENT EQUITY

OF MORTGAGED
RESIDENTIAL PROPERTIES

20.6%

ARE UNDER-EQUITIED

Borrowers with less than 20-percent home equity are referred to as under-equited. Of the 43 million properties with a mortgage, 10 million, or 20.6 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 first quarter, 1.6 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.

“Despite the massive improvement in prices and reduction in negative equity over the last few years, many borrowers still lack sufficient equity to move and purchase a home. One in five borrowers have less than 10 percent equity in their property, which is not enough to cover the down payment and additional costs associated with a conventional mortgage.”

Sam Khater, deputy chief economist for CoreLogic

EQUITY SNAPSHOT

60.8%

AVERAGE LOAN TO VALUE

The average loan-to-value ratio for all mortgaged homes is 60.8 percent. 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 4.8 percent, have a loan-to-value ratio greater than 125 percent.

33.0%

AVERAGE PERCENT UNDERWATER

On average, residential properties with negative equity are underwater by 33.0 percent. Nearly 3.8 million upside-down borrowers hold first liens without home equity loans. With an average balance of \$218,000, these borrowers are underwater \$52,000 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 \$290,000. Their average underwater amount is \$75,000.

93.0%

OF MORE EXPENSIVE HOMES HAVE EQUITY

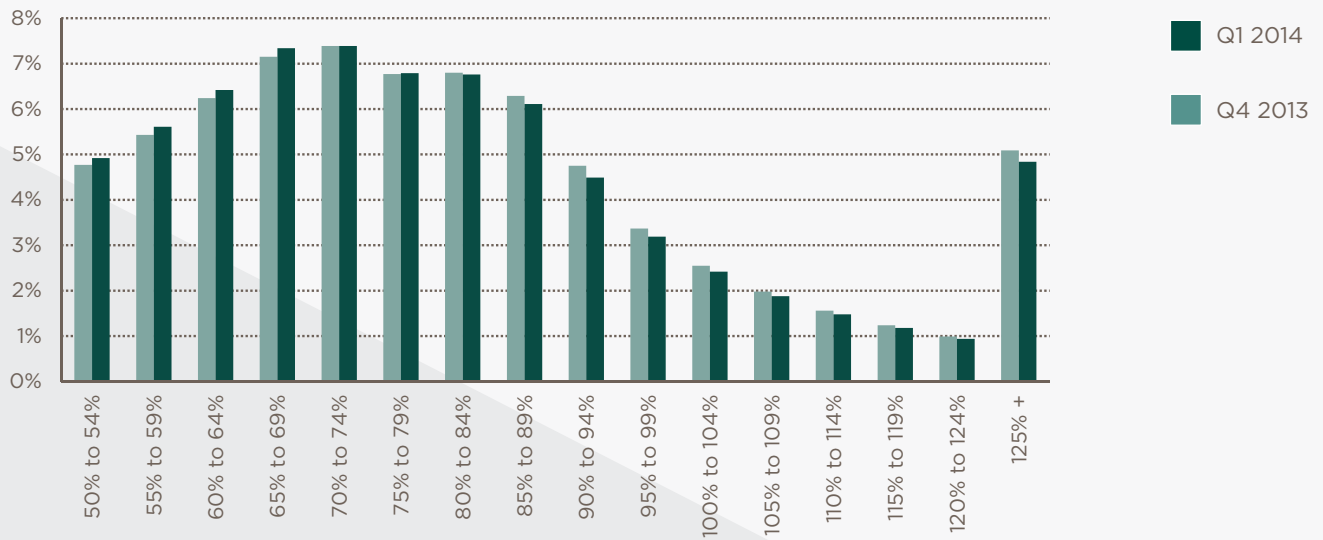
Home equity is concentrated at the higher end of the market. For example, 93 percent of homes valued at greater than \$200,000 have equity compared with 82 percent of homes valued at less than \$200,000.

NATIONAL EQUITY DISTRIBUTION

A LOOK AT LOAN-TO-VALUE RATIOS

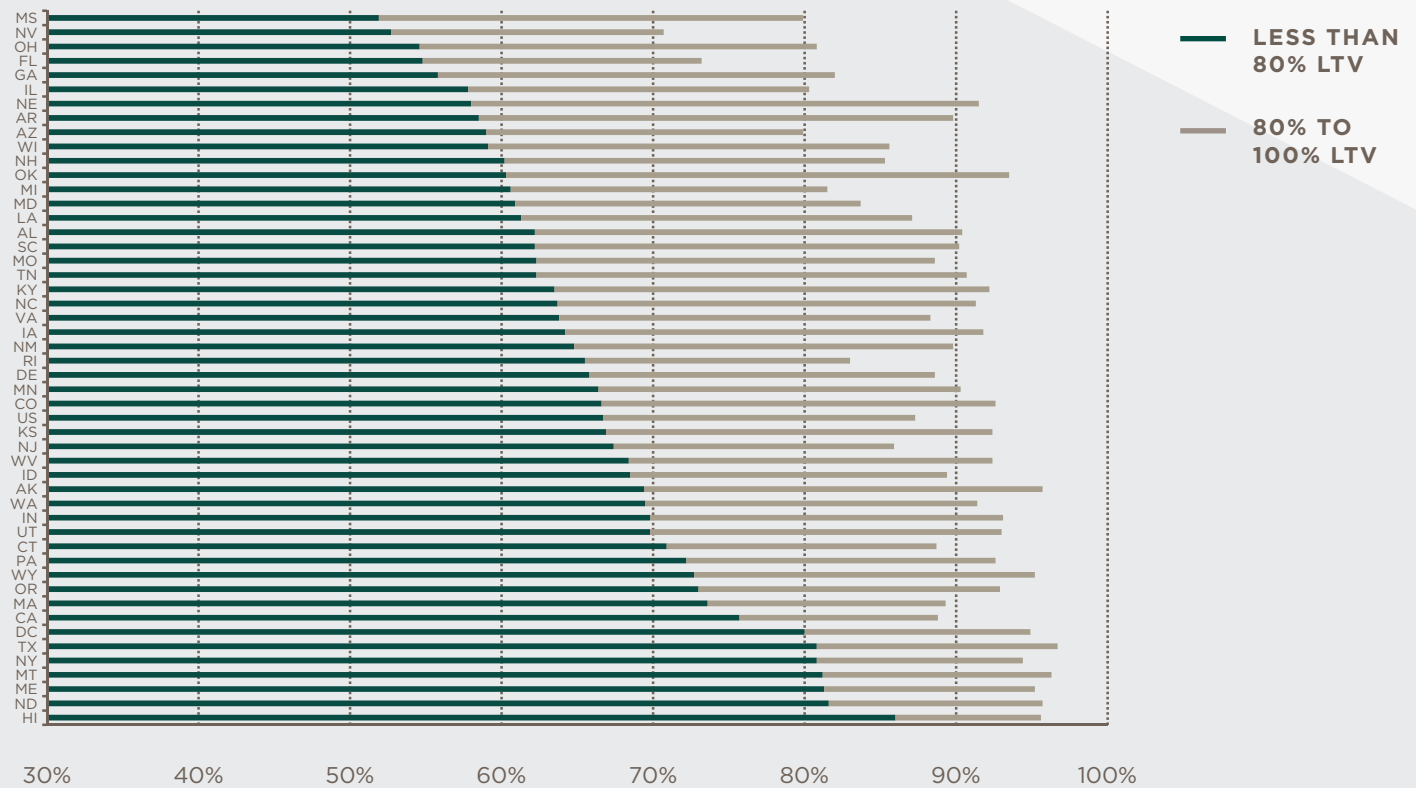
► Loan-to-Value Segment

National Equity Distribution by LTV Segment



Source: CoreLogic Q1 2014

► Equity Share by State and Equity Cohorts

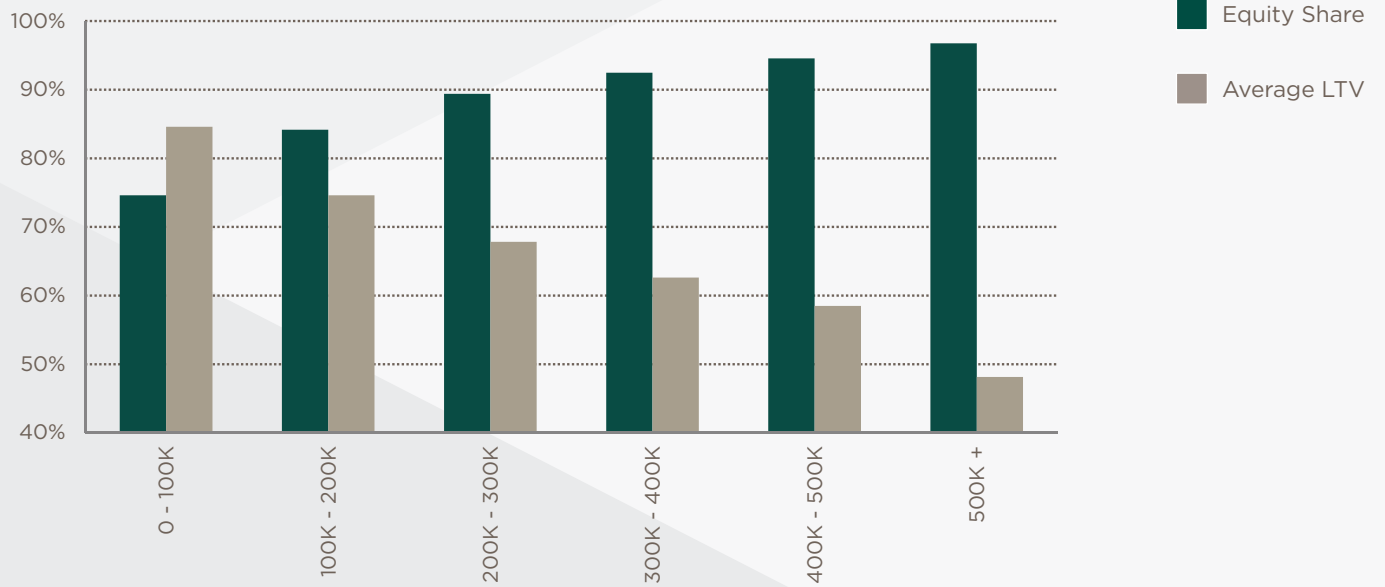


Source: CoreLogic Q1 2014

NATIONAL EQUITY DISTRIBUTION

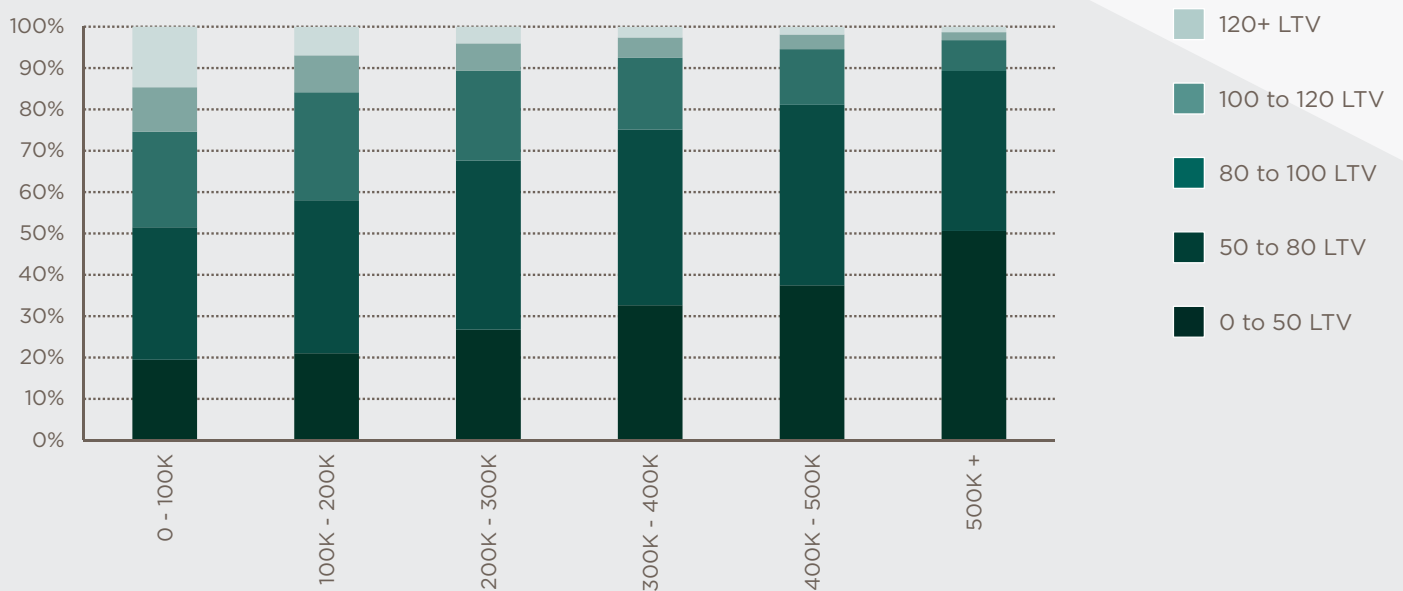
A LOOK AT LOAN-TO-VALUE RATIOS

► Equity Share with Average LTV by Property Value



Source: CoreLogic Q1 2014

► Cumulative Distribution of Equity by Loan Value

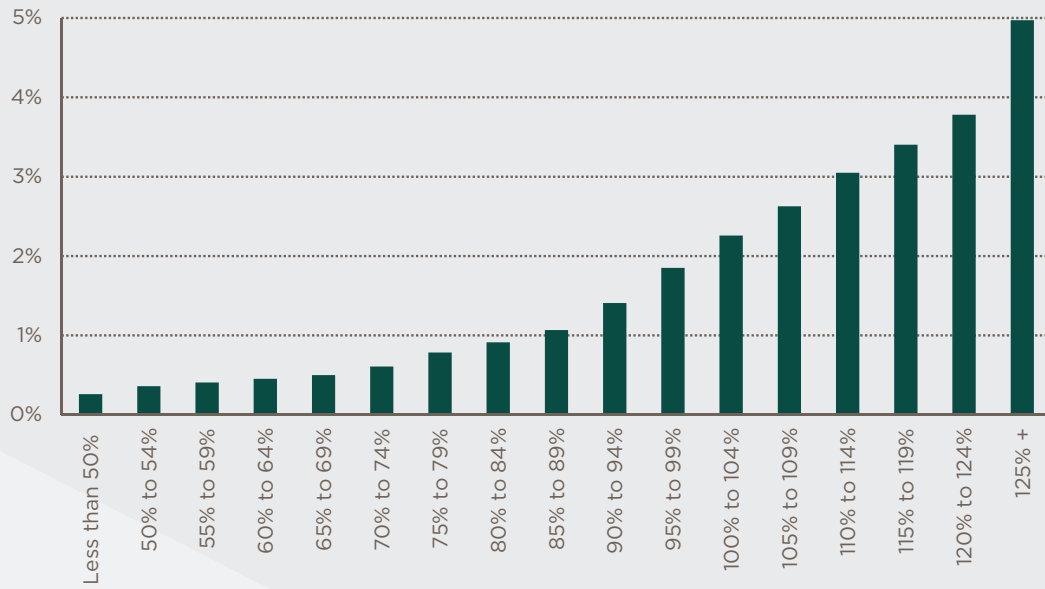


Source: CoreLogic Q1 2014

NATIONAL EQUITY DISTRIBUTION

A LOOK AT LOAN-TO-VALUE RATIOS

► Default Rate by LTV



Source: CoreLogic Q1 2014

NATIONAL LEVEL DETAIL

NATIONAL RESIDENTIAL EQUITY

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013*	Q2 2013*	Q3 2013*	Q4 2013	Q1 2014
Positive Equity Position													
LTV > 0 to < 100	75.0%	75.2%	75.6%	74.8%	76.3%	77.7%	78.0%	78.4%	79.8%	85.1%	86.7%	86.6%	87.3%
> 0 to < 80	52.9%	52.9%	53.2%	52.4%	53.5%	54.9%	55.0%	55.2%	56.7%	63.7%	66.0%	65.4%	66.7%
80 to < 100	22.1%	22.3%	22.4%	22.4%	22.8%	22.8%	23.0%	23.2%	23.1%	21.4%	20.7%	21.2%	20.6%
Near Negative Equity (95 to < 100)	4.9%	4.9%	4.8%	4.9%	4.9%	4.7%	4.8%	4.8%	4.5%	3.5%	3.3%	3.4%	3.2%
Negative Equity Position													
LTV 100+	25.0%	24.8%	24.4%	25.2%	23.7%	22.3%	22.0%	21.6%	20.2%	14.9%	13.3%	13.4%	12.7%
100 to < 105	3.9%	3.9%	3.8%	4.0%	3.9%	3.7%	3.7%	3.7%	3.5%	2.7%	2.5%	2.6%	2.4%
105 to < 125	9.6%	9.5%	9.4%	9.7%	9.3%	8.8%	8.7%	8.7%	8.3%	6.3%	5.7%	5.8%	5.5%
125+	11.5%	11.4%	11.1%	11.6%	10.6%	9.8%	9.6%	9.2%	8.4%	5.9%	5.1%	5.1%	4.8%
Number of Negative Equity Properties (millions)	11.8	11.8	11.6	12.1	11.4	10.8	10.6	10.5	9.8	7.2	6.5	6.6	6.3
Amount of Negative Equity (\$B)	735	737	722	743	692	690	670	628	582	433	401	401	384
Net Homeowner Equity (\$B)	\$3,556	\$3,568	\$3,578	\$3,479	\$3,611	\$3,782	\$3,769	\$3,868	\$4,170	\$5,029	\$5,342	\$5,297	\$5,567
Mortgage Debt Outstanding (\$B)	\$8,576	\$8,647	\$8,654	\$8,655	\$8,635	\$8,666	\$8,606	\$8,631	\$8,643	\$8,484	\$8,574	\$8,606	\$8,637
Average LTV	70.7%	70.8%	70.7%	71.3%	70.5%	69.6%	69.5%	69.1%	67.5%	62.8%	61.6%	61.9%	60.8%

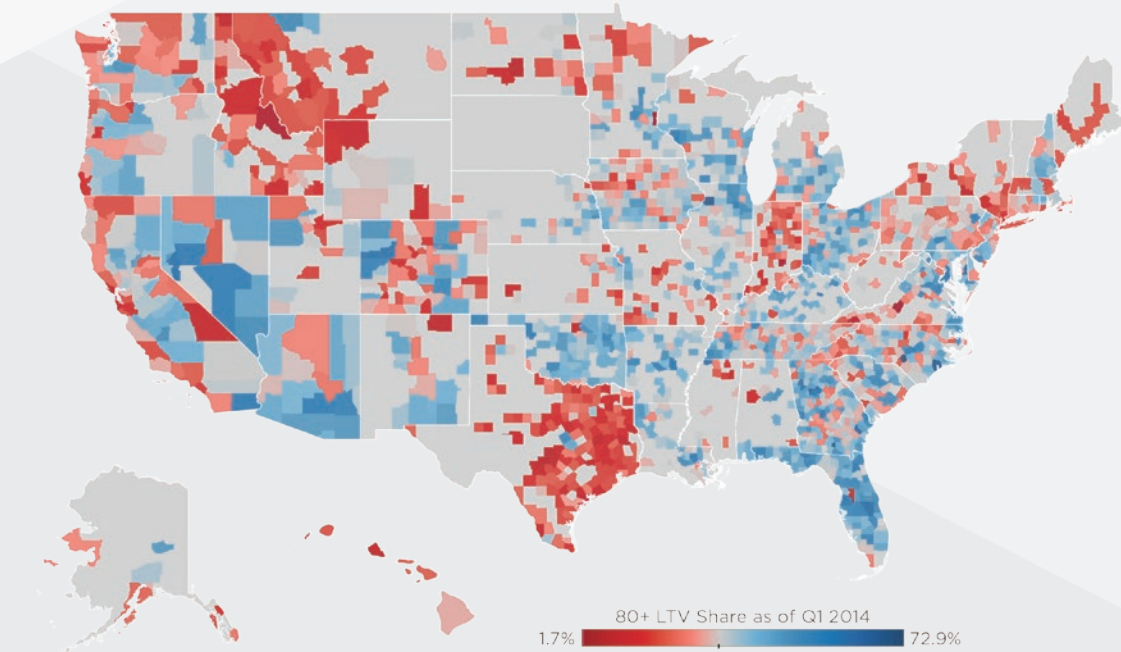
*Quarters Q1 2013 and forward were revised

NATIONAL SNAPSHOT

► **Under-Equity and Negative Equity Share Combined by County**

80+ LTV Share

As of Q1 2014



Source: CoreLogic

STATE HIGHLIGHTS

► Top Five States Where Mortgaged Residential Properties Have Negative Equity

NEVADA	FLORIDA	MISSISSIPPI	ARIZONA	ILLINOIS
29.4%	26.9%	20.1%	20.1%	19.7%

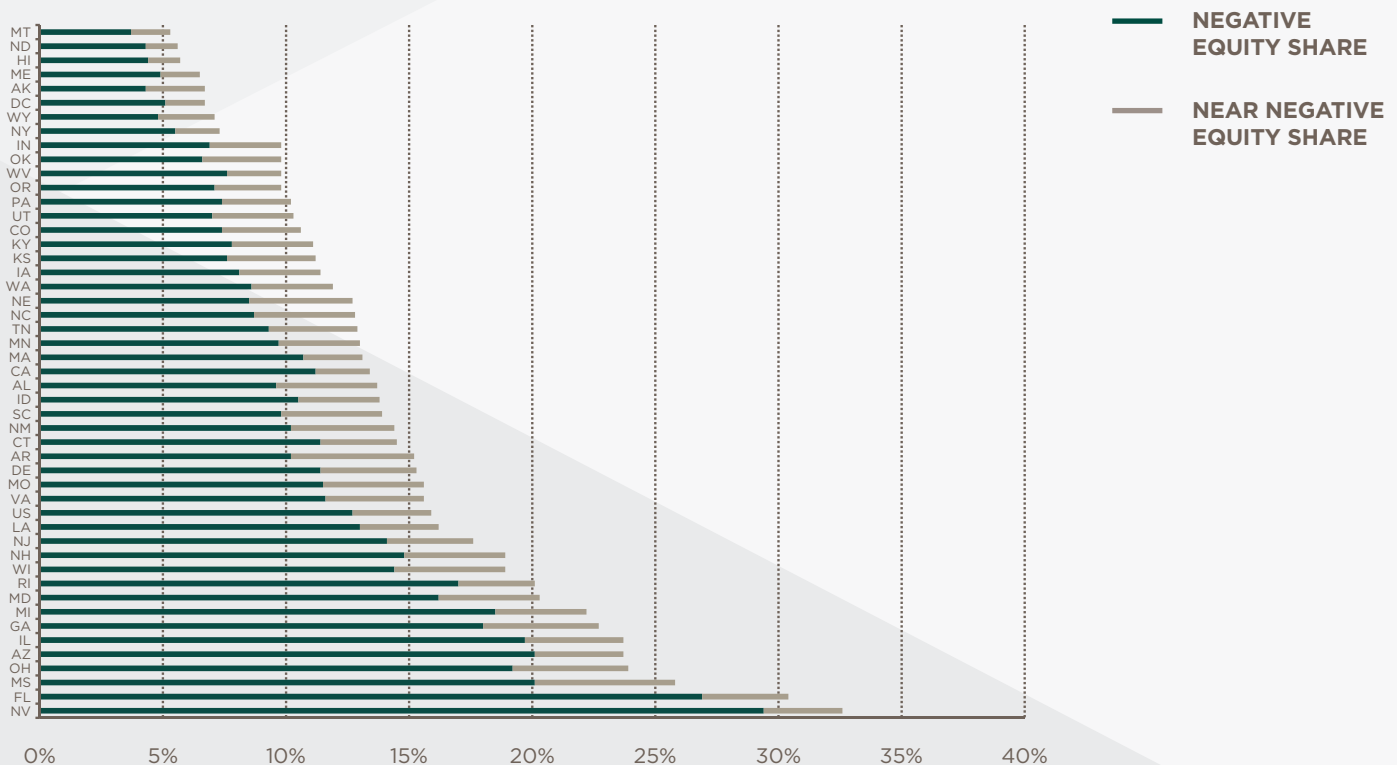
NEVADA, FLORIDA, MISSISSIPPI, ARIZONA AND ILLINOIS ACCOUNT FOR 31.1 PERCENT OF NEGATIVE EQUITY IN THE UNITED STATES.

► Top Five States Where Mortgaged Residential Properties Have Equity

TEXAS	MONTANA	ALASKA	NORTH DAKOTA	HAWAII
96.7%	96.3%	95.7%	95.7%	95.6%

ONLY 14 STATES HAVE A HIGHER NEGATIVE EQUITY SHARE THAN THE U.S. AVERAGE.

► Near and Negative Equity Share by State



Source: CoreLogic Q1 2014

STATE LEVEL DETAIL

Q1 2014 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	66.9%	90.4%	62.2%	28.2%	9.6%	4.1%	2.7%	375
Alaska	64.8%	95.7%	69.4%	26.3%	4.3%	2.4%	1.2%	95
Arizona	70.0%	79.9%	59.0%	20.9%	20.1%	3.6%	3.2%	1,309
Arkansas	71.6%	89.8%	58.5%	31.3%	10.2%	5.0%	3.0%	276
California	54.0%	88.8%	75.7%	13.2%	11.2%	2.2%	1.9%	6,730
Colorado	63.8%	92.6%	66.6%	26.0%	7.4%	3.2%	2.1%	1,164
Connecticut	57.7%	88.6%	70.9%	17.8%	11.4%	3.1%	2.4%	835
Delaware	64.0%	88.7%	65.8%	22.8%	11.4%	3.9%	2.7%	202
District of Columbia	52.4%	94.9%	80.0%	14.9%	5.1%	1.7%	1.2%	101
Florida	70.4%	73.1%	54.8%	18.4%	26.9%	3.5%	3.2%	4,036
Georgia	71.4%	82.0%	55.8%	26.2%	18.0%	4.7%	3.7%	1,646
Hawaii	46.1%	95.6%	86.0%	9.6%	4.4%	1.3%	0.9%	248
Idaho	65.7%	89.5%	68.6%	20.9%	10.5%	3.4%	2.4%	255
Illinois	69.7%	80.3%	57.8%	22.5%	19.7%	4.0%	3.2%	2,216
Indiana	65.6%	93.1%	69.8%	23.3%	6.9%	2.9%	1.9%	745
Iowa	67.9%	91.9%	64.3%	27.7%	8.1%	3.3%	2.0%	404
Kansas	67.8%	92.4%	66.9%	25.5%	7.6%	3.6%	2.2%	324
Kentucky	66.6%	92.2%	63.5%	28.7%	7.8%	3.3%	2.0%	327
Louisiana	78.0%	87.1%	61.3%	25.8%	13.0%	3.2%	2.1%	330
Maine	56.5%	95.2%	81.3%	13.9%	4.9%	1.7%	1.1%	68
Maryland	65.0%	83.8%	60.9%	22.8%	16.2%	4.1%	3.3%	1,372
Massachusetts	55.9%	89.3%	73.6%	15.7%	10.7%	2.5%	1.9%	1,514
Michigan	69.5%	81.5%	60.6%	20.9%	18.5%	3.7%	3.1%	1,389
Minnesota	63.5%	90.3%	66.4%	23.9%	9.7%	3.3%	2.5%	675
Mississippi	74.6%	79.9%	51.9%	28.0%	20.1%	5.8%	4.8%	56

*Only those properties with mortgages are included.

EQUITY ALL U.S.

Average Loan to Value:
60.8%

Equity Share:
87.3%

Loan to Value Share
>0 to <80%:
66.7%

Loan to Value Share
80% to <100%:
20.6%

Negative Equity Share:
12.7%

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.):
49,308

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

Homes with
Negative Equity:
6.3 million

CONTINUED ON
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STATE LEVEL DETAIL

Q1 2014 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	68.6%	88.5%	62.3%	26.3%	11.5%	4.1%	2.9%	811
Montana	56.7%	96.3%	81.2%	15.1%	3.7%	1.6%	0.9%	124
Nebraska	72.9%	91.5%	58.0%	33.5%	8.6%	4.2%	2.3%	241
Nevada	78.5%	70.6%	52.7%	18.0%	29.4%	3.2%	3.0%	539
New Hampshire	67.8%	85.2%	60.2%	25.1%	14.8%	4.1%	3.3%	235
New Jersey	60.3%	85.9%	67.4%	18.5%	14.1%	3.5%	2.8%	1,871
New Mexico	65.7%	89.8%	64.8%	25.0%	10.2%	4.2%	2.8%	249
New York	47.3%	94.5%	80.8%	13.6%	5.5%	1.9%	1.3%	1,977
North Carolina	65.8%	91.4%	63.7%	27.6%	8.7%	4.1%	2.6%	1,664
North Dakota	56.7%	95.7%	81.6%	14.1%	4.3%	1.3%	0.9%	71
Ohio	72.9%	80.8%	54.6%	26.2%	19.2%	4.7%	3.9%	2,148
Oklahoma	70.9%	93.4%	60.3%	33.2%	6.6%	3.2%	1.6%	459
Oregon	60.6%	92.9%	73.0%	19.9%	7.1%	2.8%	2.0%	718
Pennsylvania	59.7%	92.6%	72.2%	20.4%	7.4%	2.8%	1.8%	1,981
Rhode Island	61.3%	83.0%	65.5%	17.5%	17.0%	3.1%	2.6%	233
South Carolina	65.4%	90.2%	62.2%	28.0%	9.8%	4.1%	2.7%	677
Tennessee	66.7%	90.7%	62.3%	28.4%	9.3%	3.6%	2.3%	1,006
Texas	59.3%	96.7%	80.8%	15.9%	3.3%	1.4%	0.8%	3,512
Utah	63.0%	93.0%	69.8%	23.2%	7.0%	3.3%	2.2%	488
Virginia	62.9%	88.4%	63.8%	24.5%	11.6%	4.0%	2.8%	1,369
Washington	60.4%	91.4%	69.5%	21.9%	8.6%	3.3%	2.3%	1,449
West Virginia	69.1%	92.4%	68.4%	24.0%	7.6%	2.2%	1.3%	33
Wisconsin	70.0%	85.6%	59.1%	26.5%	14.4%	4.5%	3.3%	717
Wyoming	61.9%	95.2%	72.7%	22.5%	4.8%	2.3%	1.4%	46

*Only those properties with mortgages are included.

EQUITY ALL U.S.

Average Loan to Value:
60.8%

Equity Share:
87.3%

Loan to Value Share
>0 to <80%:
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Loan to Value Share
80% to <100%:
20.6%

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

Homes with
Negative Equity:
6.3 million

METROPOLITAN AREA HIGHLIGHTS

LARGEST 25 METROS

► Five Metros With Highest Percentage of Residences in Negative Equity

29.5%

TAMPA- ST.
PETERSBURG-
CLEARWATER,
FLA.

22.4%

CHICAGO-
NAPERVILLE-
ARLINGTON
HEIGHTS, ILL.

20.6%

PHOENIX-MESA-
SCOTTSDALE,
ARIZ.

19.5%

ATLANTA-SANDY
SPRINGS-
ROSWELL, GA.

18.3%

WARREN-TROY-
FARMINGTON
HILLS, MICH.

► Five Metros With Highest Percentage of Residences in Equity

97.0%

HOUSTON-THE
WOODLANDS,
SUGAR LAND,
TEXAS

96.2%

DALLAS-PLANO-
IRVING, TEXAS

95.6%

ANAHEIM-SANTA
ANA-IRVINE,
CALIF.

94.8%

PORTLAND-
VANCOUVER-
HILLSBORO, ORE.

93.7%

SEATTLE-
BELLEVUE-
EVERETT, WASH.

METROPOLITAN AREA HIGHLIGHTS

Q1 2014 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	57.1%	97.0%	83.9%	13.0%	3.0%	1.1%	0.7%	971
Dallas-Plano-Irving, TX	60.4%	96.2%	80.2%	16.0%	3.8%	1.5%	1.0%	764
Anaheim-Santa Ana-Irvine, CA	51.1%	95.6%	85.0%	10.7%	4.4%	1.6%	1.2%	548
Portland-Vancouver-Hillsboro, OR-WA	59.5%	94.8%	76.0%	18.8%	5.2%	2.4%	1.7%	479
Seattle-Bellevue-Everett, WA	56.3%	93.7%	76.5%	17.3%	6.3%	2.4%	1.8%	641
Denver-Aurora-Lakewood, CO	64.2%	93.3%	68.5%	24.8%	6.7%	2.9%	1.9%	636
Nassau County-Suffolk County, NY	47.6%	92.7%	80.6%	12.1%	7.4%	1.9%	1.5%	551
New York-Jersey City-White Plains, NY-NJ	50.1%	92.0%	78.1%	13.9%	8.0%	2.3%	1.8%	1,641
Los Angeles-Long Beach-Glendale, CA	50.9%	91.9%	80.5%	11.4%	8.1%	1.9%	1.6%	1,517
Charlotte-Concord-Gastonia, NC-SC	67.4%	91.7%	61.7%	30.0%	8.3%	4.0%	2.4%	472
Cambridge-Newton-Framingham, MA	53.7%	90.9%	77.1%	13.8%	9.1%	2.0%	1.6%	510
Minneapolis-St. Paul-Bloomington, MN-WI	63.8%	90.1%	65.6%	24.5%	9.9%	3.5%	2.6%	574
San Diego-Carlsbad, CA	55.6%	90.0%	75.3%	14.7%	10.0%	2.3%	1.9%	586
Oakland-Hayward-Berkeley, CA	55.1%	88.3%	76.6%	11.7%	11.8%	2.0%	1.7%	536
St. Louis, MO-IL	67.9%	87.9%	60.1%	27.8%	12.1%	4.6%	3.2%	561
Baltimore-Columbia-Towson, MD	63.4%	87.3%	64.0%	23.3%	12.7%	4.0%	3.1%	644
Sacramento--Roseville--Arden-Arcade, CA	63.9%	86.0%	70.0%	16.0%	14.0%	2.7%	2.4%	479
Newark, NJ-PA	59.8%	85.6%	68.3%	17.3%	14.4%	3.2%	2.6%	478
Washington-Arlington-Alexandria, DC-VA-MD-WV	63.1%	85.4%	63.1%	22.3%	14.6%	3.4%	2.6%	1,048
Riverside-San Bernardino-Ontario, CA	67.8%	82.7%	67.2%	15.4%	17.3%	2.8%	2.6%	822
Warren-Troy-Farmington Hills, MI	68.7%	81.7%	62.5%	19.3%	18.3%	3.6%	3.2%	508
Atlanta-Sandy Springs-Roswell, GA	71.7%	80.5%	55.0%	25.4%	19.5%	4.6%	3.7%	1,187
Phoenix-Mesa-Scottsdale, AZ	70.6%	79.4%	59.1%	20.3%	20.6%	3.5%	3.1%	906
Chicago-Naperville-Arlington Heights, IL	69.1%	77.6%	57.0%	20.6%	22.4%	3.9%	3.3%	1,373
Tampa-St. Petersburg-Clearwater, FL	75.7%	70.5%	50.0%	20.5%	29.5%	3.9%	3.5%	609

* 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 global property information, analytics and data-enabled services provider. 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, and the public sector. 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 North America, Western Europe and Asia Pacific. For more information, please visit www.corelogic.com.

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