




CoreLogic®



Equity Report

SECOND QUARTER 2016

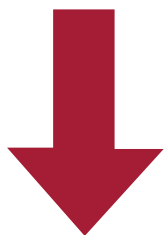


“We see home prices rising another 5 percent in the coming year based on the latest projected national CoreLogic Home Price Index. Assuming this growth is uniform across the U.S., that should release an additional 700,000 homeowners from the scourge of negative equity.”

Anand Nallathambi, president and CEO of CoreLogic

Equity Report – National Overview

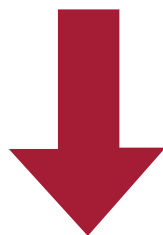
- ▶ Rising home prices led to improvements in home equity, with 548 thousand residential properties regaining equity in Q2 2016. The number of mortgaged residential properties with equity is now at 47.2 million.
- ▶ An additional 700,000 properties would regain equity if home prices rose another 5 percent.
- ▶ Over 50 million with a mortgage, 8.6 million, or 17 percent, of properties with a mortgage have positive equity, but are considered under-equited, with less than 20 percent equity.



8.9%

of mortgaged homes have negative equity

CoreLogic analysis indicates that approximately 3.6 million homes, or 7.1 percent of all residential properties with a mortgage, were still in negative equity at the end of the second quarter of 2016. 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.



\$30.0B

decrease in aggregate value of negative equity

Negative Equity value decreased \$30.0 billion from \$314 billion in Q2 2015 to \$284.3 billion in Q2 2016, a decrease of 9.5%.

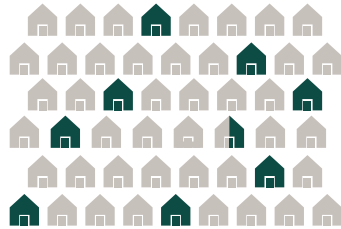
Negative Equity value fell \$20.4 billion from \$304.7 billion in Q1 2016 to \$284.3 billion in Q2 2016, an decrease of 6.7%.

An additional 700,000 properties would regain equity if home prices rose another 5 percent

* Q1 2016 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



UNDERWRITING CONSTRAINTS MAY MAKE IT MORE DIFFICULT FOR UNDER-EQUITIED BORROWERS TO OBTAIN NEW HOME FINANCING.

17.0%

of mortgaged residential properties are under-equity

Borrowers with less than 20-percent home equity are referred to as under-equity. Of the 47.2 million properties with a mortgage currently with equity, approximately 8.6 million, or 17 percent, have less than 20-percent equity.

1.9%

of residential properties are near-negative equity

Additionally, at the end of the second quarter, 1 million homes, or 1.9 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.

“Home-value gains have played a large part in restoring home equity. The CoreLogic Home Price Index for the U.S. recorded 5.2 percent growth in the year through June, an important reason that the number of owners with negative equity fell by 850,000 in the second quarter from a year earlier.”

Dr. Frank Nothaft, chief economist for CoreLogic

Equity Snapshot



56.0%

Average Loan to Value

The average loan-to-value ratio for all mortgaged homes is 56.0 percent. Of residential properties with a mortgage, 700,000, or 1.4 percent, have a loan-to-value ratio of 100 percent to 105 percent. Another 1.4 million, or 2.7 percent, have a loan-to-value ratio greater than 125 percent.



2.2M

Underwater borrowers hold a first lien without a home equity loan

Approximately 2.2 million upside-down borrowers hold first liens without home equity loans. With an average balance of \$252,000, these borrowers are underwater \$73,000 on average. An additional 1.4 million upside-down borrowers hold both first and second liens. The average balance for this group is \$314,000. Their average underwater amount is \$88,000.



96.0%

of more expensive homes have positive equity position

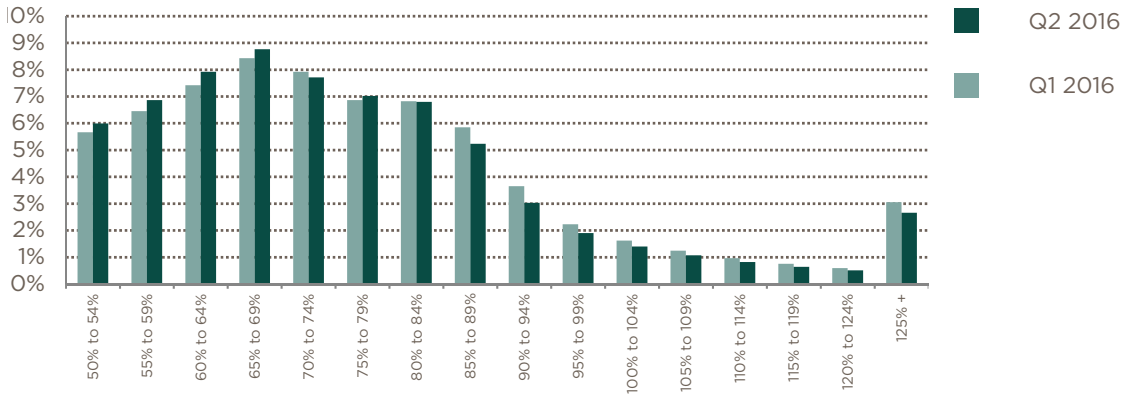
Home equity is concentrated at the higher end of the market. For example, 96 percent of homes valued at greater than \$200,000 have equity compared with 89 percent of homes valued at less than \$200,000.

National Equity Distribution

A look at loan-to-value ratios

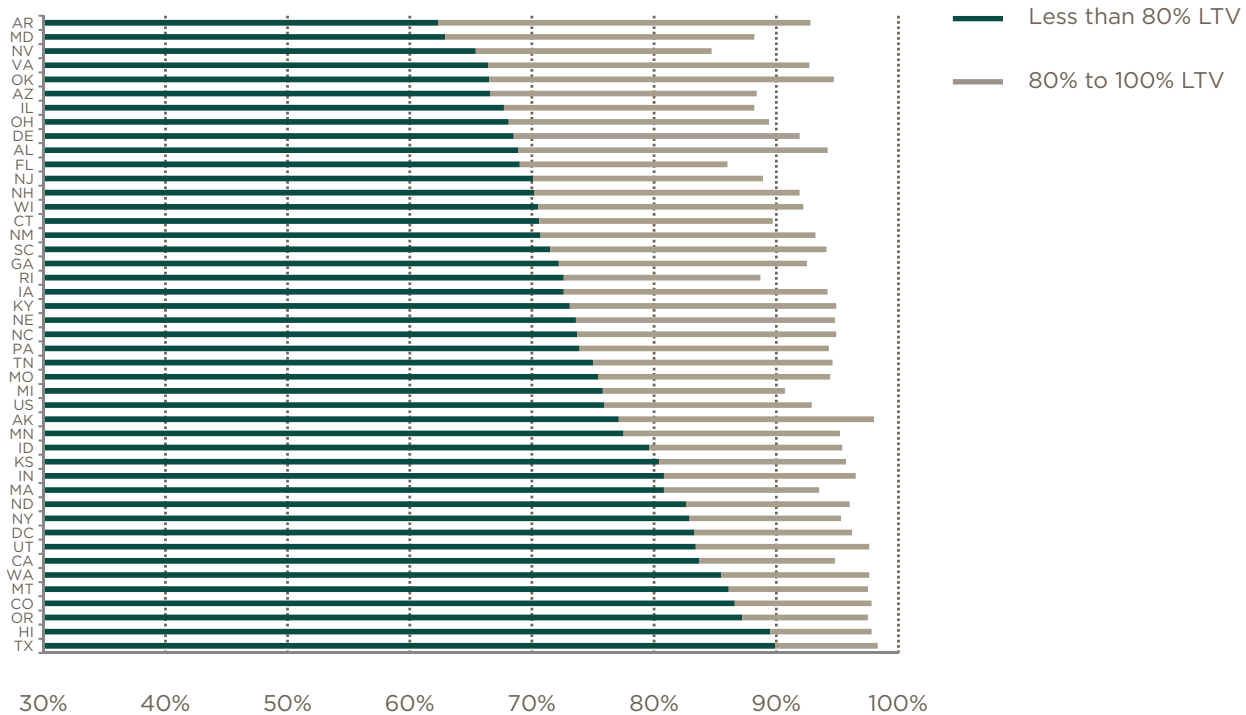
Loan-to-Value Segment

National Equity Distribution by LTV Segment



Source: CoreLogic Q2 2016

Equity Share by State and Equity Cohorts

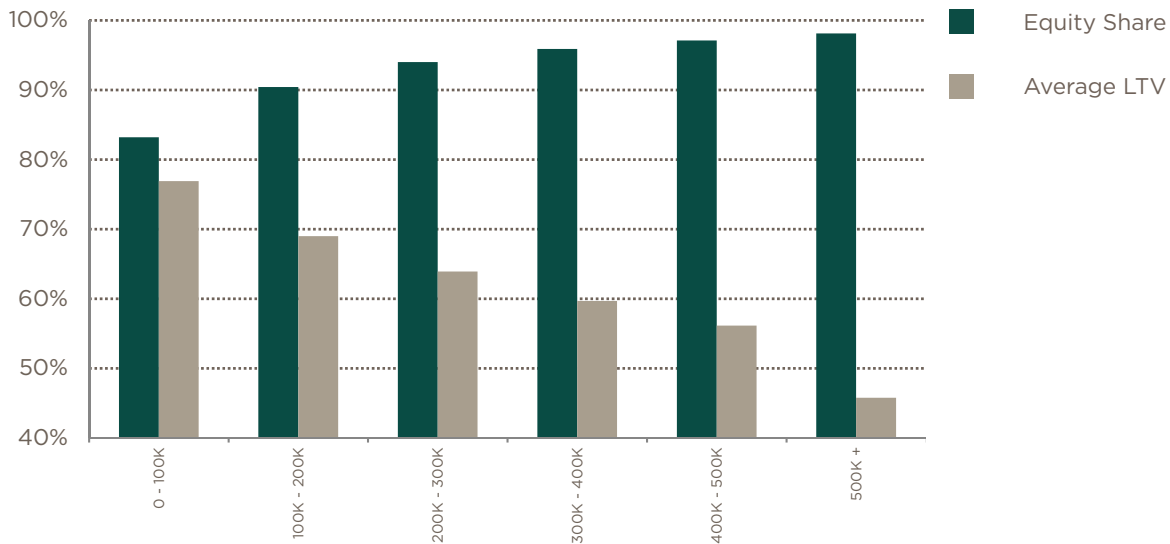


Source: CoreLogic Q2 2016

National Equity Distribution

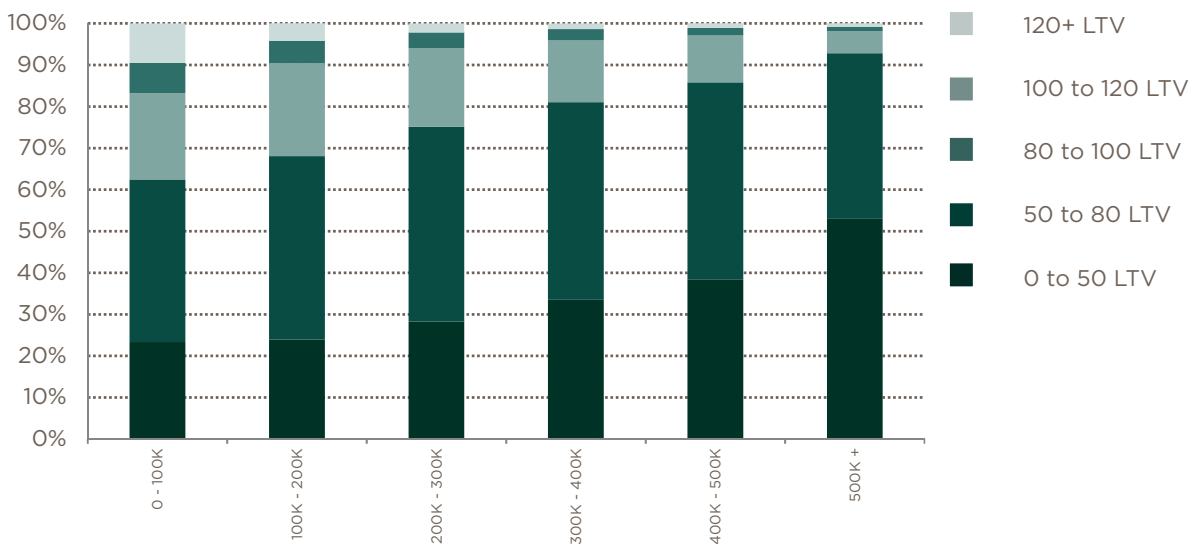
A look at loan-to-value ratios

Equity Share with Average LTV by Property Value



Source: CoreLogic Q2 2016

Cumulative Distribution of Equity by Property Value

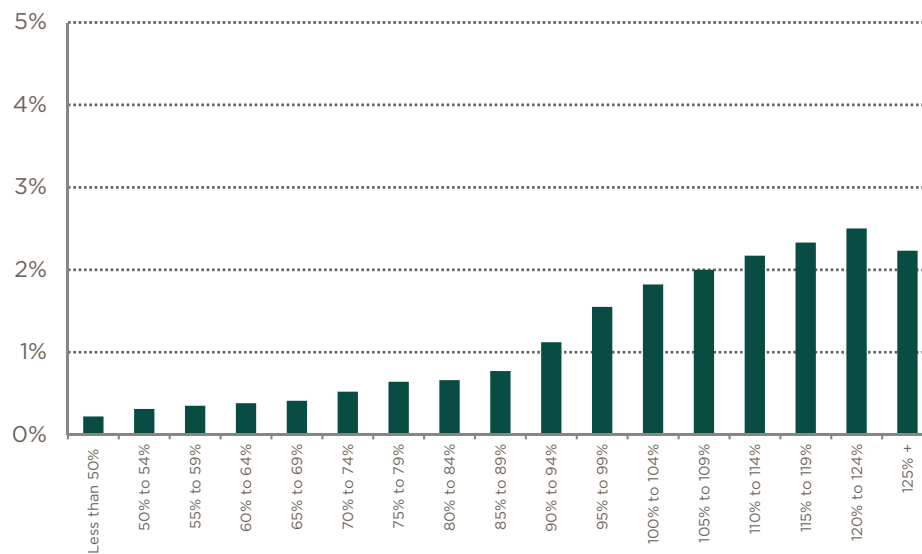


Source: CoreLogic Q2 2016

National Equity Distribution

A look at loan-to-value ratios

Default Rate by LTV



Source: CoreLogic Q2 2016

National Level Detail

National Residential Equity

	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Positive Equity Position													
LTV > 0 to < 100	85.1%	86.7%	86.6%	87.1%	89.1%	89.6%	89.3%	89.7%	91.1%	91.6%	91.6%	91.8%	92.9%
> 0 to < 80	63.7%	65.9%	65.3%	66.3%	69.8%	70.4%	69.3%	70.1%	72.8%	73.6%	73.0%	73.2%	75.9%
80 to < 100	21.4%	20.8%	21.2%	20.8%	19.3%	19.3%	20.0%	19.6%	18.3%	18.0%	18.6%	18.6%	17.0%
Near Negative Equity (95 to < 100)	3.5%	3.3%	3.4%	3.3%	2.8%	2.7%	2.8%	2.7%	2.3%	2.2%	2.3%	2.2%	1.9%
Negative Equity Position													
LTV 100+	14.9%	13.3%	13.4%	12.9%	10.9%	10.4%	10.7%	10.3%	8.9%	8.4%	8.4%	8.2%	7.1%
100 to < 105	2.7%	2.5%	2.6%	2.5%	2.1%	2.0%	2.1%	2.0%	1.7%	1.6%	1.7%	1.6%	1.4%
105 to < 125	6.3%	5.7%	5.8%	5.6%	4.7%	4.5%	4.6%	4.4%	3.8%	3.6%	3.6%	3.5%	3.0%
125+	5.9%	5.1%	5.1%	4.9%	4.1%	3.9%	4.0%	3.8%	3.3%	3.1%	3.1%	3.0%	2.7%
Number of Negative Equity Properties (millions)	7.2	6.5	6.6	6.3	5.4	5.2	5.3	5.1	4.5	4.2	4.3	4.2	3.6
Amount of Negative Equity (\$B)	433	403	403	388	350	341	348	340	314	306.7	309.2	304.7	284.3
Net Homeowner Equity (\$B)	\$5,029	\$5,329	\$5,288	\$5,500	\$5,956	\$6,052	\$5,938	\$6,145	\$6,557	\$6,708	\$6,666	\$6,804	\$7,203
Mortgage Debt Outstanding (\$B)	\$8,484	\$8,574	\$8,606	\$8,636	\$8,686	\$8,751	\$8,799	\$8,841	\$8,926	\$8,998	\$9,062	\$9,109	\$9,185
Average LTV	62.8%	61.7%	61.9%	61.1%	59.3%	59.1%	59.7%	59.0%	57.7%	57.3%	57.6%	57.2%	56.0%

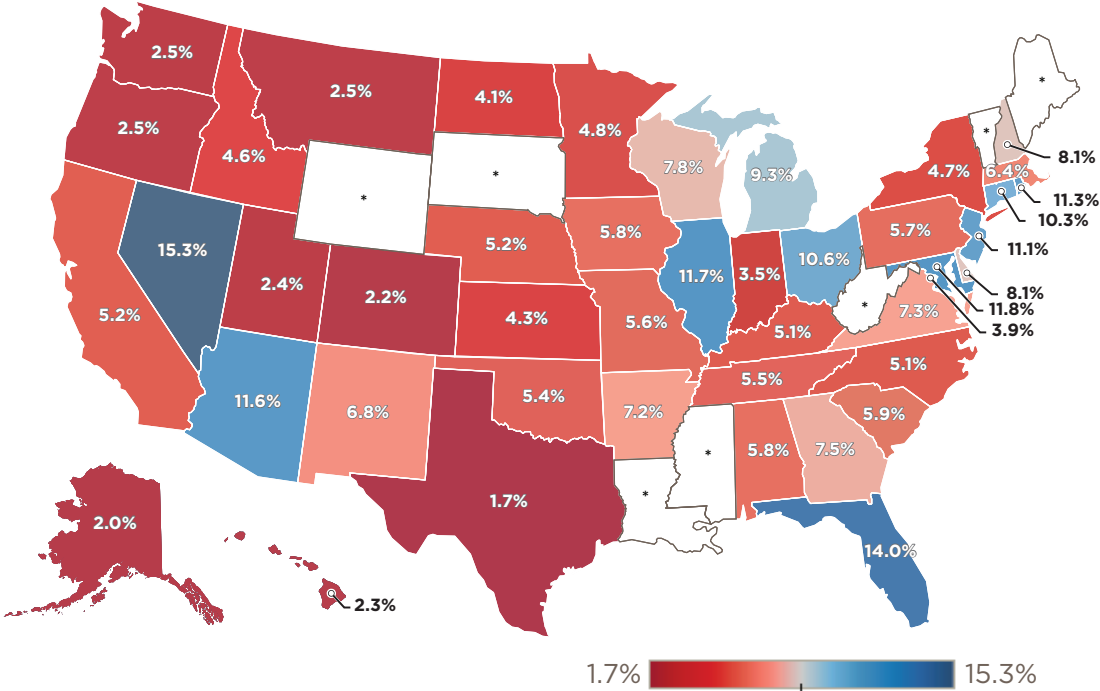
*Thousands of Units

*Quarters Q4 2014 and forward were revised

National Snapshot

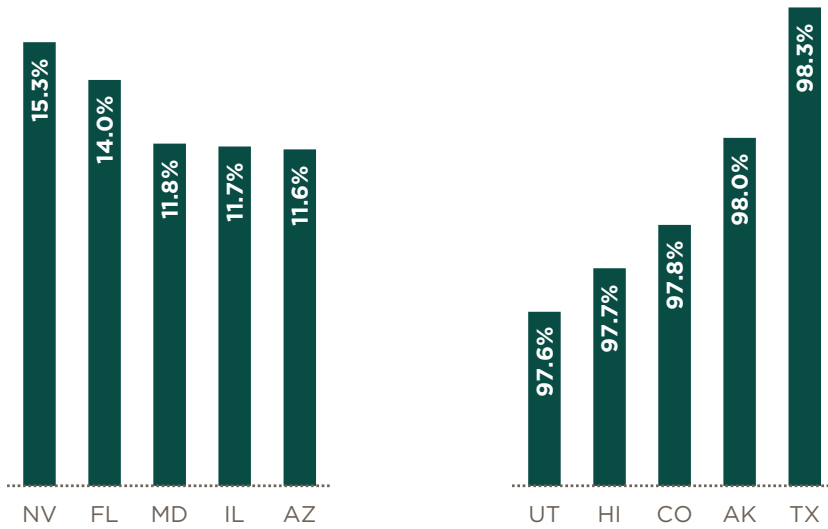
Negative Equity Share by State Q2 2016

Negative Equity Share as of Q2 2016



* Louisiana, Maine, Mississippi, South Dakota, Vermont, West Virginia and Wyoming have insufficient equity data to report.
Source: CoreLogic

State Highlights

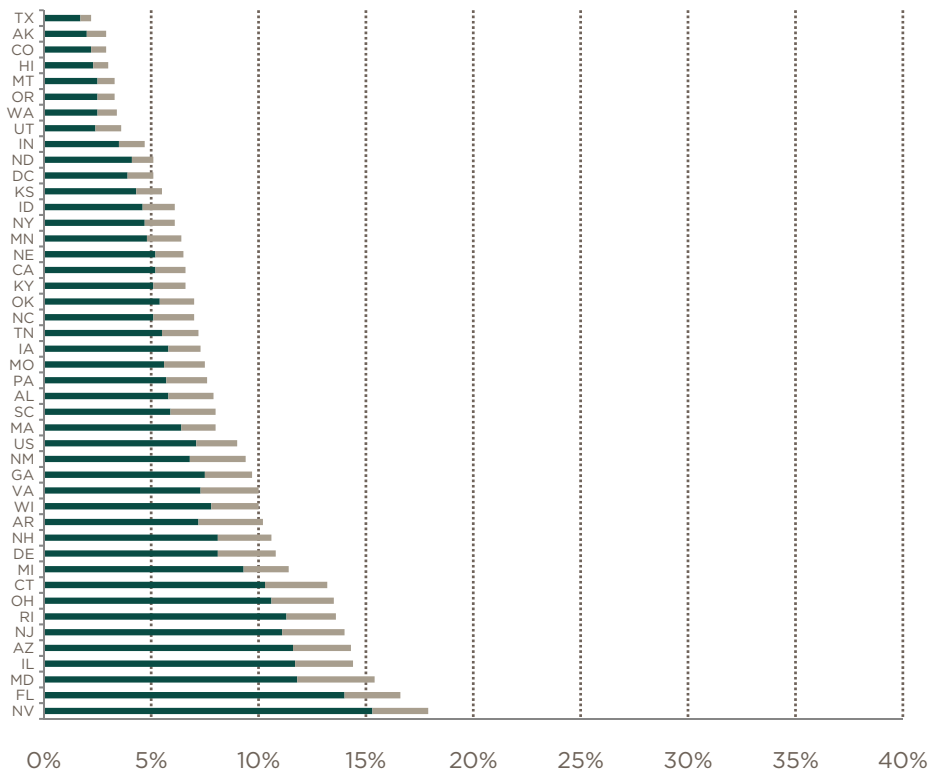


Top five states where mortgaged residential properties have negative equity

Top five states where mortgaged residential properties have equity

Nevada, Florida, Maryland, Illinois, and Arizona account for 33.7 percent of negative equity in the United States.

Near and Negative Equity Share



Legend:
█ Negative Equity Share
█ Near-Negative Equity Share

Only 16 states have a higher negative equity share than the U.S. average.

Source: CoreLogic Q2 2016

State Detail

Q2 2016 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.)
Alaska	62.5%	98.0%	77.1%	20.9%	2.0%	0.9%	0.5%	95
Alabama	63.8%	94.2%	68.9%	25.3%	5.8%	2.1%	1.4%	433
Arkansas	70.2%	92.8%	62.3%	30.5%	7.2%	3.0%	1.7%	304
Arizona	65.3%	88.4%	66.6%	21.8%	11.6%	2.7%	2.2%	1,344
California	48.1%	94.8%	83.7%	11.1%	5.2%	1.4%	1.1%	6,701
Colorado	54.9%	97.8%	86.6%	11.2%	2.2%	0.7%	0.5%	1,189
Connecticut	58.9%	89.7%	70.6%	19.1%	10.3%	2.9%	2.2%	848
District of Columbia	52.1%	96.1%	83.3%	12.9%	3.9%	1.2%	0.8%	101
Delaware	62.6%	91.9%	68.5%	23.4%	8.1%	2.7%	1.9%	208
Florida	61.1%	86.0%	69.0%	17.0%	14.0%	2.6%	2.2%	3,972
Georgia	63.1%	92.5%	72.2%	20.3%	7.5%	2.2%	1.6%	1,717
Hawaii	43.7%	97.7%	89.5%	8.3%	2.3%	0.7%	0.5%	247
Iowa	65.7%	94.2%	72.6%	21.6%	5.8%	1.5%	1.0%	453
Idaho	60.2%	95.4%	79.6%	15.8%	4.6%	1.5%	1.1%	284
Illinois	64.3%	88.3%	67.7%	20.5%	11.7%	2.7%	2.1%	2,234
Indiana	61.7%	96.5%	80.8%	15.7%	3.5%	1.2%	0.8%	844
Kansas	62.8%	95.7%	80.4%	15.3%	4.3%	1.2%	0.9%	342
Kentucky	63.3%	94.9%	73.1%	21.8%	5.1%	1.5%	0.9%	388
Massachusetts	51.8%	93.6%	80.8%	12.7%	6.4%	1.6%	1.2%	1,547
Maryland	64.0%	88.2%	62.9%	25.3%	11.8%	3.6%	2.7%	1,364
Michigan	61.0%	90.7%	75.8%	14.9%	9.3%	2.1%	1.7%	1,420
Minnesota	59.6%	95.2%	77.5%	17.7%	4.8%	1.6%	1.2%	741

*Only those properties with mortgages are included.

Equity All U.S.

Average Loan to Value: **56.0%**

Equity Share: **93.0%**

Loan to Value Share >0 to <80%: **75.9%**

Loan to Value Share 80% to <100%: **17.0%**

Negative Equity Share: **7.1%**

Near-Negative Equity Share (95% to <100% Loan to Value): **1.9%**

Near-Negative Equity Share (100% to 105% Loan to Value): **1.4%**

Total Mortgaged Property Count (ths.): **50,837**

States with Negative Equity Share Higher Than the National Average: **16**

Homes with Negative Equity: **3.6 million**

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	63.3%	94.4%	75.4%	19.0%	5.6%	1.9%	1.3%	848
Montana	54.1%	97.5%	86.1%	11.4%	2.5%	0.8%	0.5%	141
North Carolina	61.8%	94.9%	73.7%	21.2%	5.1%	2.0%	1.2%	1,747
North Dakota	58.1%	95.9%	82.6%	13.4%	4.1%	1.0%	0.7%	81
Nebraska	67.7%	94.8%	73.6%	21.2%	5.2%	1.3%	0.8%	258
New Hampshire	63.2%	91.9%	70.2%	21.7%	8.1%	2.5%	1.8%	261
New Jersey	59.1%	88.9%	70.1%	18.8%	11.1%	2.9%	2.3%	1,846
New Mexico	63.4%	93.3%	70.7%	22.5%	6.8%	2.6%	1.8%	268
Nevada	66.6%	84.7%	65.4%	19.3%	15.3%	2.6%	2.2%	547
New York	46.4%	95.3%	82.9%	12.4%	4.7%	1.5%	1.0%	2,044
Ohio	66.3%	89.4%	68.1%	21.3%	10.6%	2.9%	2.2%	2,169
Oklahoma	69.1%	94.6%	66.5%	28.2%	5.4%	1.6%	0.9%	490
Oregon	52.6%	97.5%	87.2%	10.3%	2.5%	0.8%	0.5%	736
Pennsylvania	59.1%	94.3%	73.9%	20.4%	5.7%	1.9%	1.3%	2,067
Rhode Island	57.3%	88.7%	72.6%	16.1%	11.3%	2.3%	1.9%	239
South Carolina	61.7%	94.1%	71.5%	22.6%	5.9%	2.1%	1.3%	745
Tennessee	62.0%	94.6%	75.0%	19.6%	5.5%	1.7%	1.1%	1,048
Texas	55.0%	98.3%	89.9%	8.4%	1.7%	0.5%	0.3%	3,652
Utah	57.1%	97.6%	83.4%	14.2%	2.4%	1.2%	0.6%	505
Virginia	62.1%	92.7%	66.4%	26.3%	7.3%	2.7%	1.8%	1,454
Washington	52.3%	97.5%	85.5%	12.1%	2.5%	0.9%	0.6%	1,477
Wisconsin	64.9%	92.2%	70.5%	21.7%	7.8%	2.2%	1.6%	786

*Only those properties with mortgages are included.

Equity All U.S.

Average Loan to Value: **56.0%**

Equity Share: **93.0%**

Loan to Value Share >0 to <80%: **75.9%**

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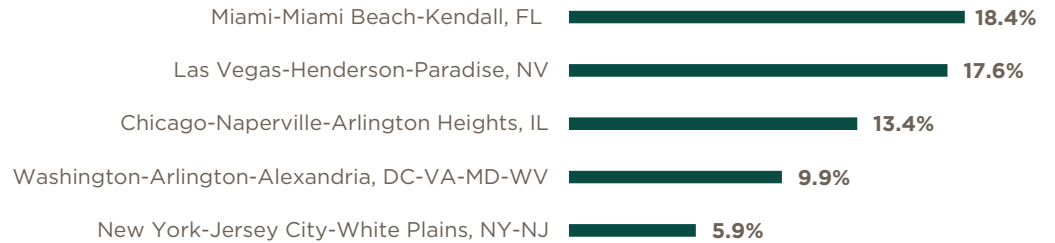
States with Negative Equity Share Higher Than the National Average: **16**

Homes with Negative Equity: **3.6 million**

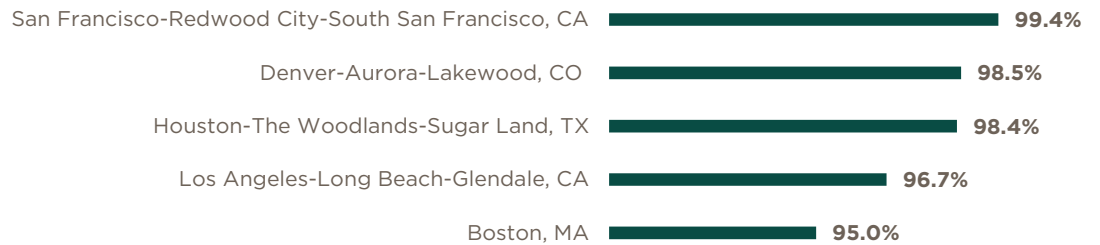
Metropolitan Area Highlights

Largest 10 Metros

Five metros with highest percentage of residences in negative equity



Five metros with highest percentage of residences with equity



Metropolitan Area Highlights

Q2 2016 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.)
New York-Jersey City-White Plains, NY-NJ	48.4%	94.1%	81.4%	12.7%	5.9%	1.7%	1.3%	1,637
Los Angeles-Long Beach-Glendale, CA	46.0%	96.7%	87.8%	8.9%	3.3%	1.1%	0.8%	1,499
Chicago-Naperville-Arlington Heights, IL	63.5%	86.6%	68.0%	18.6%	13.4%	2.7%	2.2%	1,361
Washington-Arlington-Alexandria, DC-VA-MD-WV	62.1%	90.1%	65.9%	24.3%	9.9%	2.9%	2.2%	1,058
Houston-The Woodlands-Sugar Land, TX	53.7%	98.4%	91.4%	7.0%	1.6%	0.4%	0.3%	998
Denver-Aurora-Lakewood, CO	54.2%	98.5%	90.8%	7.7%	1.5%	0.4%	0.3%	647
Miami-Miami Beach-Kendall, FL	59.1%	81.6%	66.8%	14.8%	18.4%	2.6%	2.4%	439
Boston, MA	50.2%	95.0%	84.6%	10.4%	5.0%	1.2%	0.9%	409
Las Vegas-Henderson-Paradise, NV	70.4%	82.4%	62.0%	20.4%	17.6%	2.7%	2.4%	403
San Francisco-Redwood City-South San Francisco, CA	35.9%	99.4%	97.7%	1.7%	0.6%	0.2%	0.1%	259

* 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.

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 4.5 billion records spanning more than 50 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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17-EQTYQ216-0916-00