



Forbearances Rise, True to Mid-Month Pattern

There was an increase in the number of loans in forbearance over the last week as the share within all lender portfolios, even the GSEs', moved higher. Black Knight said, however, that an uptick in mid-month has become common, generally driven by fewer borrowers exiting their plans. This was true this past week as well. **The strongest declines tend to occur at the first of each month**, as plans that expired at the end of the previous month are removed. The company says there are more than 550,000 plans set to expire at the end of December, so there should be more positive news about plan removals in the first week of January.

The total number of mortgages in active plans **rose by 37,000 during the week ended December 15**. There are 2.787 million forborene loans or 5.3 percent of the nation's 53 million mortgages now in plans. These loans represent \$563 billion in unpaid principal.

The number of FHA and VA loans in plans increased by 18,000 to 1.139 million or 9.4 percent of those portfolios. The second largest growth was in private label security (PLS) and portfolio held loans, up 14,000 to 678,000 (5.2 percent). The change in GSE loans, which had been trending down, was a modest 5,000 rise to 970,000. **Only 3.2 percent of Fannie Mae and Freddie Mac loans remain in forbearance.**

Forbearance plan starts, both new plans and restarts, fell this week. Black Knight says this can be **seen as good news given the overall increases** among all three portfolio categories.



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