



## Forbearance Numbers Rise for Second Week

The number of **forbearance plans increased again during the six-day period** (shortened because of the holiday) ended December 21 and again Black Knight cautioned that small increases are common mid-month. The company said the 20,000-loan change was due to limited plan removals during the week. Extensions of plan terms outnumbered removals by more than five to one.

Since the recovery began the larger declines have typically been early in the month as those plans that expired the prior month are removed. There are 376,000 plans set to expire at the end of December so Black Knight says there may be a **"meaningful increase in removals" over the first two weeks of January.**

There are now just over 2.8 million homeowners in active forbearance or 5.3 percent of the 53 million active mortgages. These loans represent aggregate unpaid principal of \$565 billion.

The GSE portfolios **resumed their downward trend after increasing slightly last week.** The number of forborne loans declined by 7,000 leaving 965,000 of Fannie Mae and Freddie Mac loans in active plans, 3.5 percent of their total. FHA and VA plans grew by 10,000 to 1.149 million, which is 9.5 percent of those portfolios. The largest increase was in loans serviced for private label securities (PLS) or bank portfolios, an uptick of 17,000 loans to 695,000 loans or 5.3 percent of the total.

Black Knight says that **forbearance starts, both new plans and program reentries, have declined** in each of the last two weeks. The company adds, "This improving trend can undoubtedly be seen as a positive development, as rising starts alongside unfavorable employment numbers early in the month have been threatening the broader trend of improvement of recent months."



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