HOUSING CONNECTION
Mortgage and Real Estate News That Matters

November Delinquencies at Lowest Levels Since June

Mortgage delinquencies are continuing a **slow retreat into pre-pandemic territory.** CoreLogic's Loan Performance Report for November put the percentage of loans that were 30 or more days past due, including those in foreclosure at 5.9 percent. While this is still 2 points higher than the rate in November 2019, it is the lowest overall rate since the initial surge in April of last year. The overall delinquency rate reached 7.1 percent by summer before beginning to improve.

The rate for early-stage delinquencies, those 30 to 59 days past due, was 1.4 percent in November, down from 2.0 percent a year earlier while adverse delinquency, loans 60 to 89 days past due, was unchanged year-over-year at 0.6 percent.

Loans that are seriously delinquent, 90 or more days past due or in foreclosure, are **significantly higher than in November 2019**, 3.9 percent versus 1.3 percent, **however, it is also the lowest rate since June**. CoreLogic points to this as a sign of increasing stabilization. The share of mortgages in process of foreclosure is 0.3 percent, down from 0.4 percent the prior November. This is probably an artifact of the foreclosure moratoriums that are still in effect.

The transition rate, mortgages that went from being current to 30 days past due, in November was 0.8 percent. In November 2019 1.0 percent transitioned to non-current status.

"The consistent decline in serious delinquency since August is a sign of growing financial stability for families," said Frank Martell, president, and CEO of CoreLogic. "In addition to ensuring that homeowners stay in their homes, the decline in delinquency means fewer distressed sales, which is both a positive for individual households and the overall housing market."

The report notes that the unemployment rate fell from 14.8 percent in April to 6.7 percent by the end of 2020. "Unfortunately, the 2020 recession has had a disparate impact on households, with those in oil and hospitality industries especially hard hit. However, the recent rebound in employment **has helped some struggling homeowners begin to make payments again**."

"Urban areas hit hard by the pandemic recession or by a natural disaster experienced the largest spike in delinquency over the last year," said Dr. Frank Nothaft, chief economist at CoreLogic. "**Forbearance and loan modification** helped struggling families rebuild their financial house in hard-hit places. While vaccination will mitigate the pandemic, the best cure for delinquency is income restoration through job creation."

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