



February's Shortened Calendar Likely Responsible for Delinquency Increase

Mortgage delinquency rates rose in February, **ending eight straight months of recovery** from the spike that followed the onset of the pandemic. Black Knight, in its first look at February loan performance data, said the national mortgage delinquency rate, the percentage of all mortgages that were 30 days or more past due, grew to 6.0 percent from January's 5.85 percent rate. Delinquency numbers include loans in both forbearance and foreclosure. The increase was primarily seen in early-stage delinquencies, while the number of loans 90 or more days past due saw a modest decline.

The company said such upticks are not unusual in months that end on a Sunday, cutting the days in which payment's can be processed. Given that it was also the year's shortest month, **the calendar may account for much of the increase.**

The number of delinquent loans increased 2.61 percent or by 56,000 loans for the month and 1.49 million or 83.03 percent year over year. Serious delinquencies, loans 90 or more days past due, declined by 15,000 loans, but the 2.075 loans in that bucket exceed those last February by 1,666 million.

There were 166,000 loans in the foreclosure inventory, down by 3,000 from January and by 71,000 from a year earlier. The 3,900 foreclosure starts were one-third fewer than the previous month and an 88 percent year-over-year decline. Black Knight said recently extended foreclosure moratoriums continue to suppress foreclosure activity.

Mississippi and Louisiana continued their long run as the states with the highest delinquency rates at 10.79 percent and 10.29 percent, respectively. They were followed by Hawaii, with a 150 percent annual increase, Oklahoma, and Maryland. All three states have rates in the 8 to 9 percent range.

Prepayment activity edged upward in February as well. The Single Month Mortality rate was 2.85 percent, a monthly 8.41 percent change and 110.35 percent higher for the year. Black Knight said recent 30-year interest rate increases are **likely to put downward pressure on prepayment rates in the coming months.**

The company will provide more in depth data on February's loan performance in the next issue of its Mortgage Monitor. It will be released on April 5.



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