



FEDERAL RESERVE BANK *of* KANSAS CITY

# **Mortgage Markets, Delinquencies, and Foreclosures in Kansas**

Kansas Housing Conference  
September 13, 2012

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Federal Reserve Bank of Kansas City

# Mortgage Servicing

- Substantial progress on single point of contact
- Modifications smooth with borrower contact and paperwork in order
  - Borrower contact chief problem

Source: *National Mortgage News*

# Mortgage Servicing

- 40% jump in modifications July over June (66,000) (Hope Now) – result of AG settlement?
- Short-sale/foreclosure ratio increasing
- Fannie and Freddie agree to streamline short sales process & up to \$6K toward settling secondary lien issues
- Core Logic: resolutions reducing foreclosure completions



Source: *National Mortgage News*

# Time On Market

Proprietary Data Removed

# Inventory (U.S.)



Proprietary Data Removed

# Buyers of Short Sales

(3mos moving average)



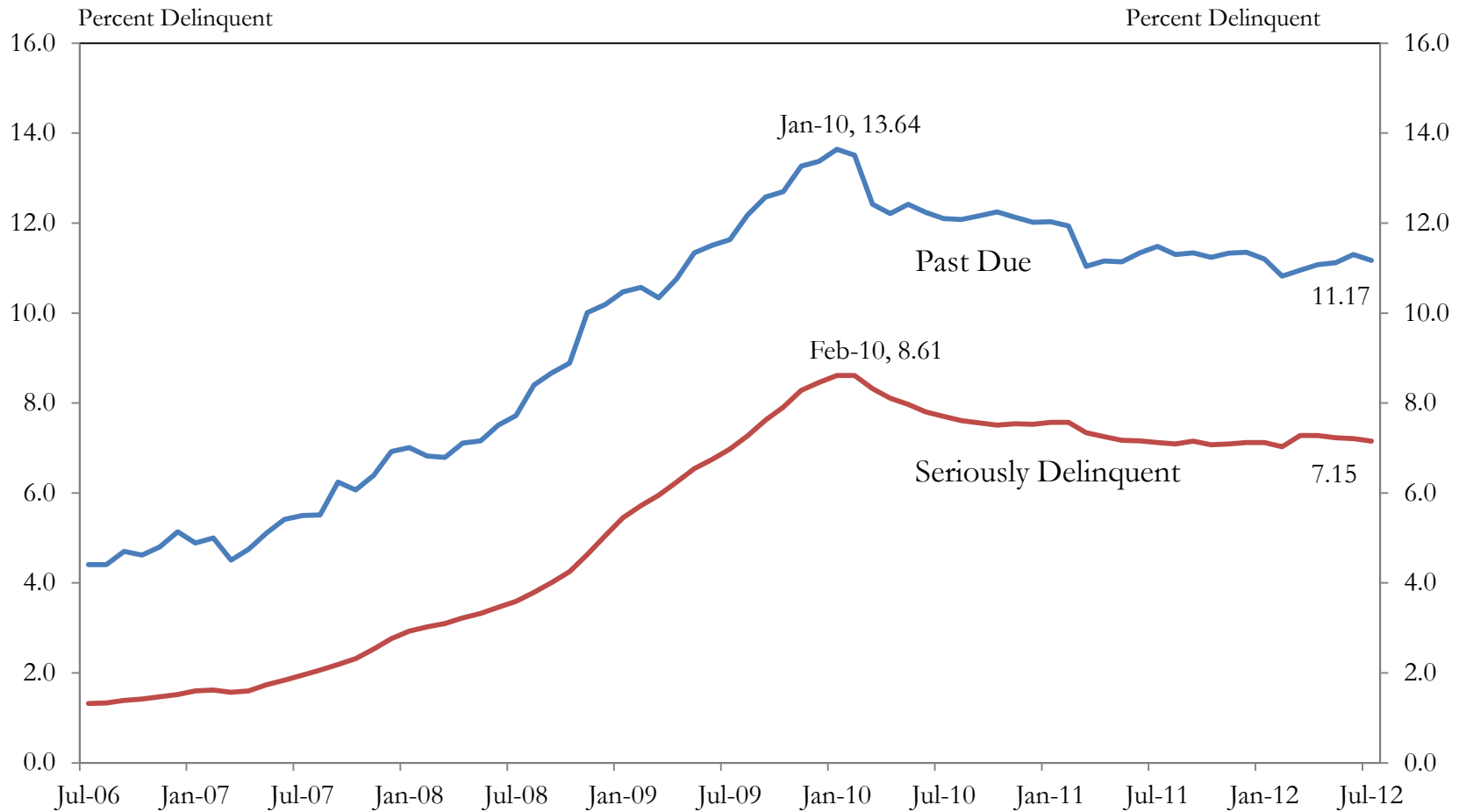
Proprietary Data Removed

# Mortgage Servicing

- Servicing market is changing
  - Large banks making efforts to reduce servicing portfolios (but still lead)
    - Bank of America: - 20%
    - CitiMortgage: -13%
    - Chase: -9%
    - Residential Capital (Ally): -5%
  - Two nonbanks have fastest growth in mortgage servicing rights (contracts to service, in dollars of debt)
    - Nationstar
    - Provident Funding

Source: *National Mortgage News*

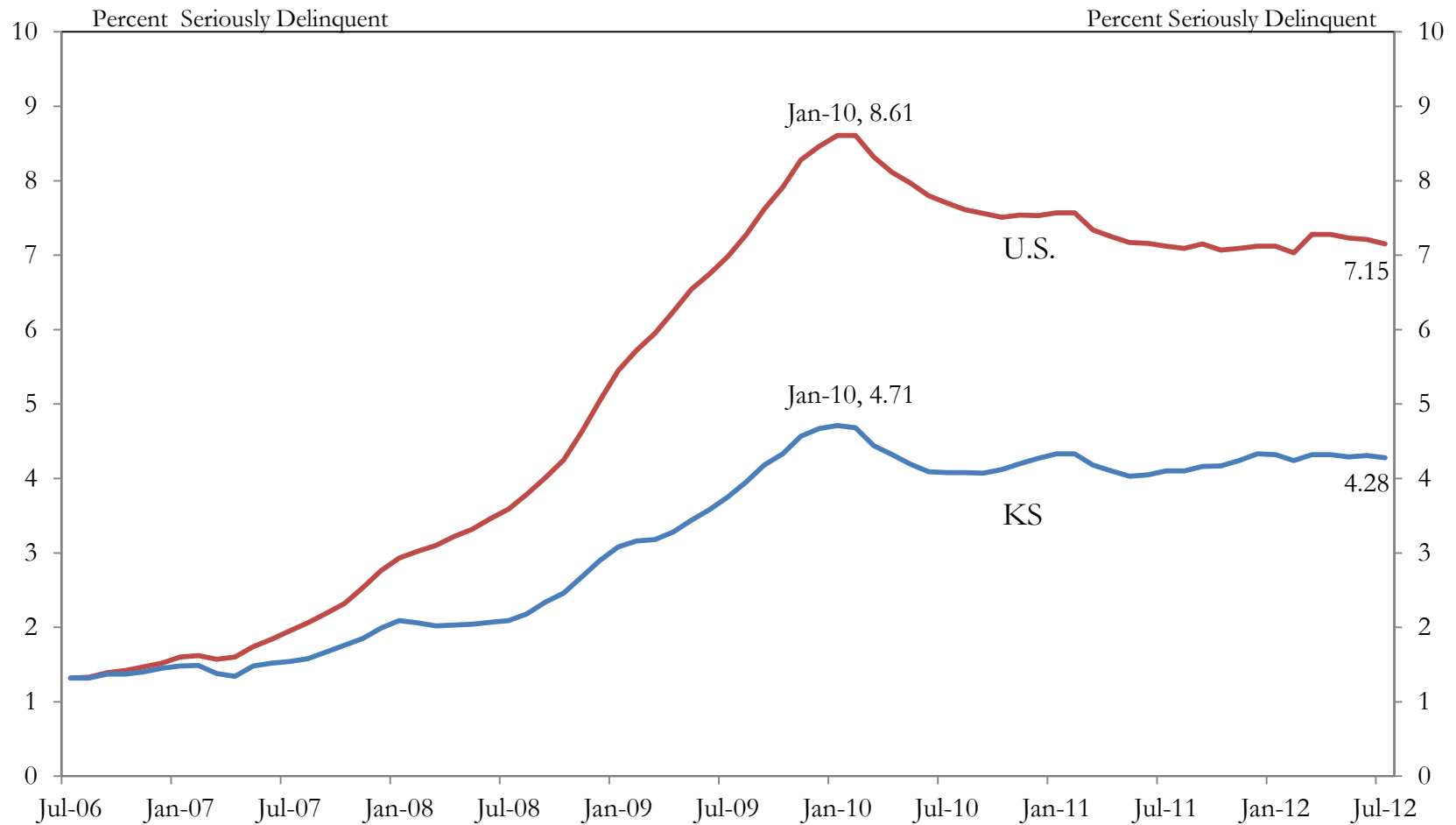
# Mortgage Delinquencies (U.S.)



Source: Lender Processing Services, Inc.



# Seriously Delinquent Rates



Source: Lender Processing Services, Inc.

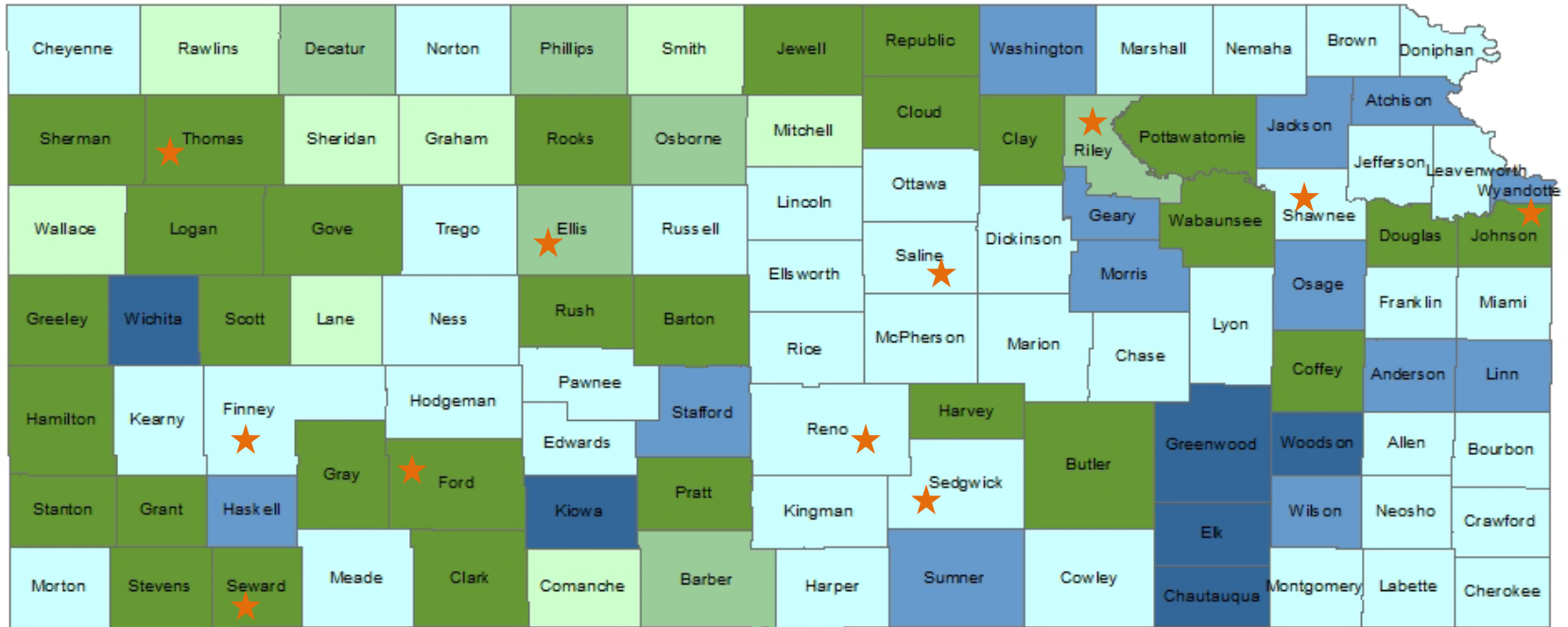
# Mortgage Status

| Status of Mortgage Pool | KC Metro (Kansas) | Manhattan Micro | Topeka Metro | Wichita Metro | Kansas | USA  |
|-------------------------|-------------------|-----------------|--------------|---------------|--------|------|
| Delinquent 30 days      | 2.6               | 2.2             | 3.4          | 3.3           | 3.0    | 2.9  |
| Delinquent 60 days      | 1.0               | 0.9             | 1.2          | 1.2           | 1.1    | 1.1  |
| Delinquent 90 days +    | 2.2               | 1.9             | 3.4          | 2.4           | 2.4    | 3.4  |
| In Foreclosure Process  | 2.0               | 1.0             | 2.1          | 1.8           | 1.9    | 3.8  |
|                         |                   |                 |              |               |        |      |
| SERIOUSLY DELINQUENT    | 4.2               | 2.9             | 5.5          | 4.2           | 4.3    | 7.2  |
|                         |                   |                 |              |               |        |      |
| TOTAL PAST DUE          | 7.8               | 6.0             | 10.1         | 8.7           | 8.4    | 11.2 |

Data Source: Lender Processing Services, Inc. (July 2012 data)

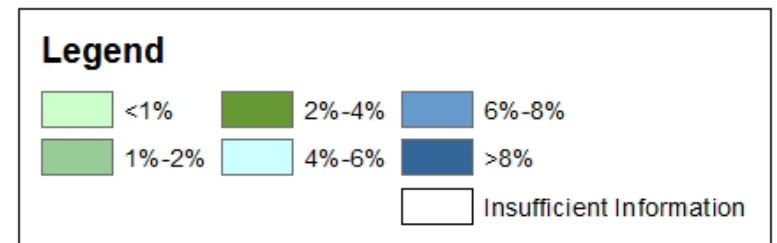
# Serious Delinquency Rates in Kansas Counties

## July, 2012



★ Major city

Source: Lender Processing Services, Inc.

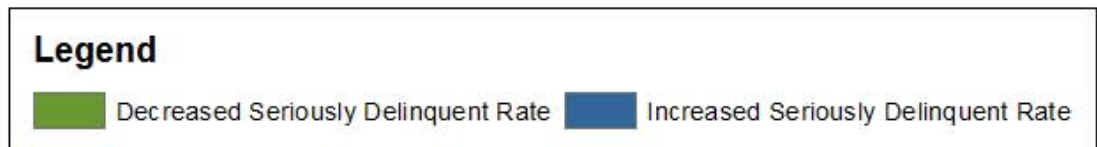


# Serious Delinquency Rates in Kansas Counties

## Change, July, 2010 – July, 2012

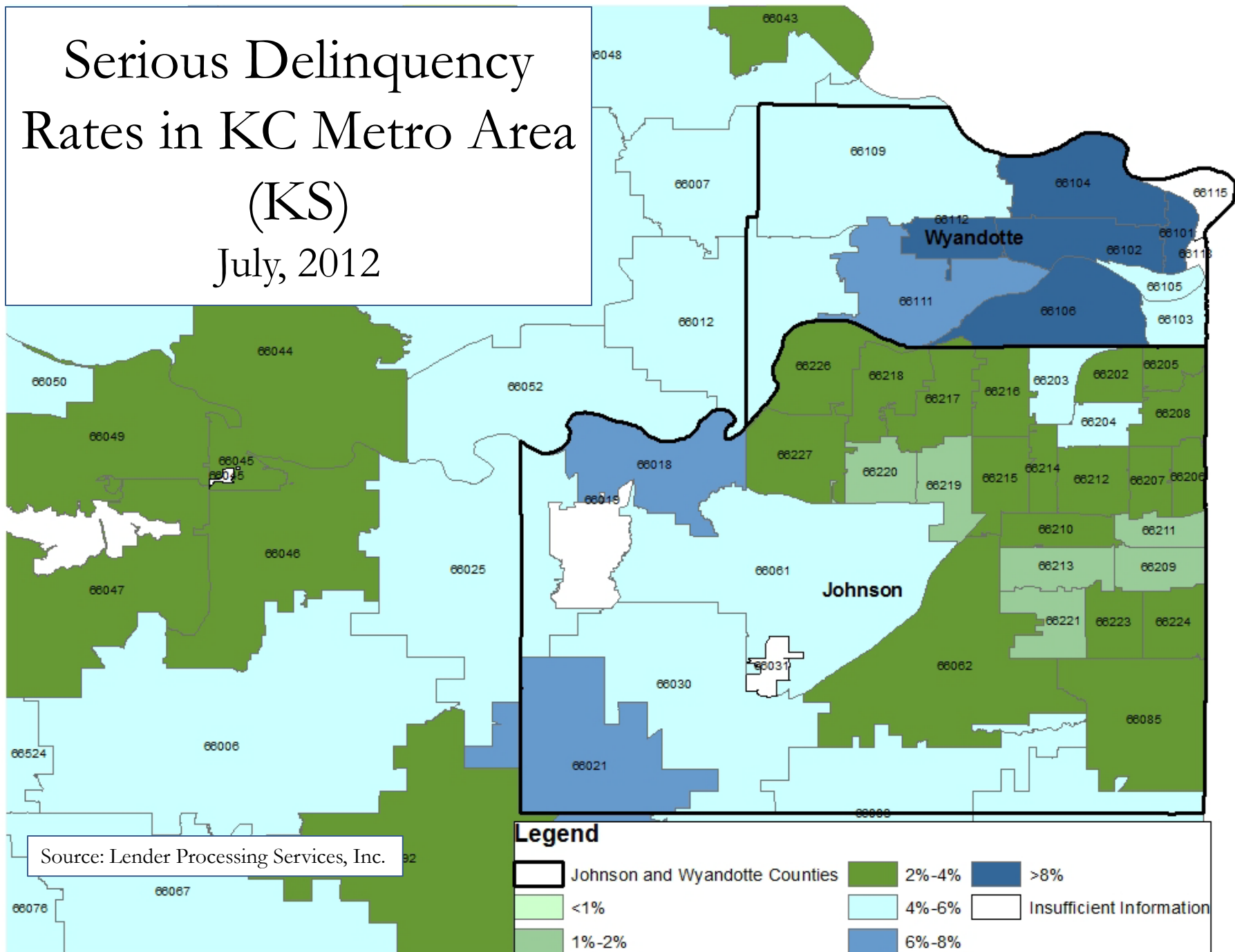


Source: Lender Processing Services, Inc.



# Serious Delinquency Rates in KC Metro Area (KS)

July, 2012



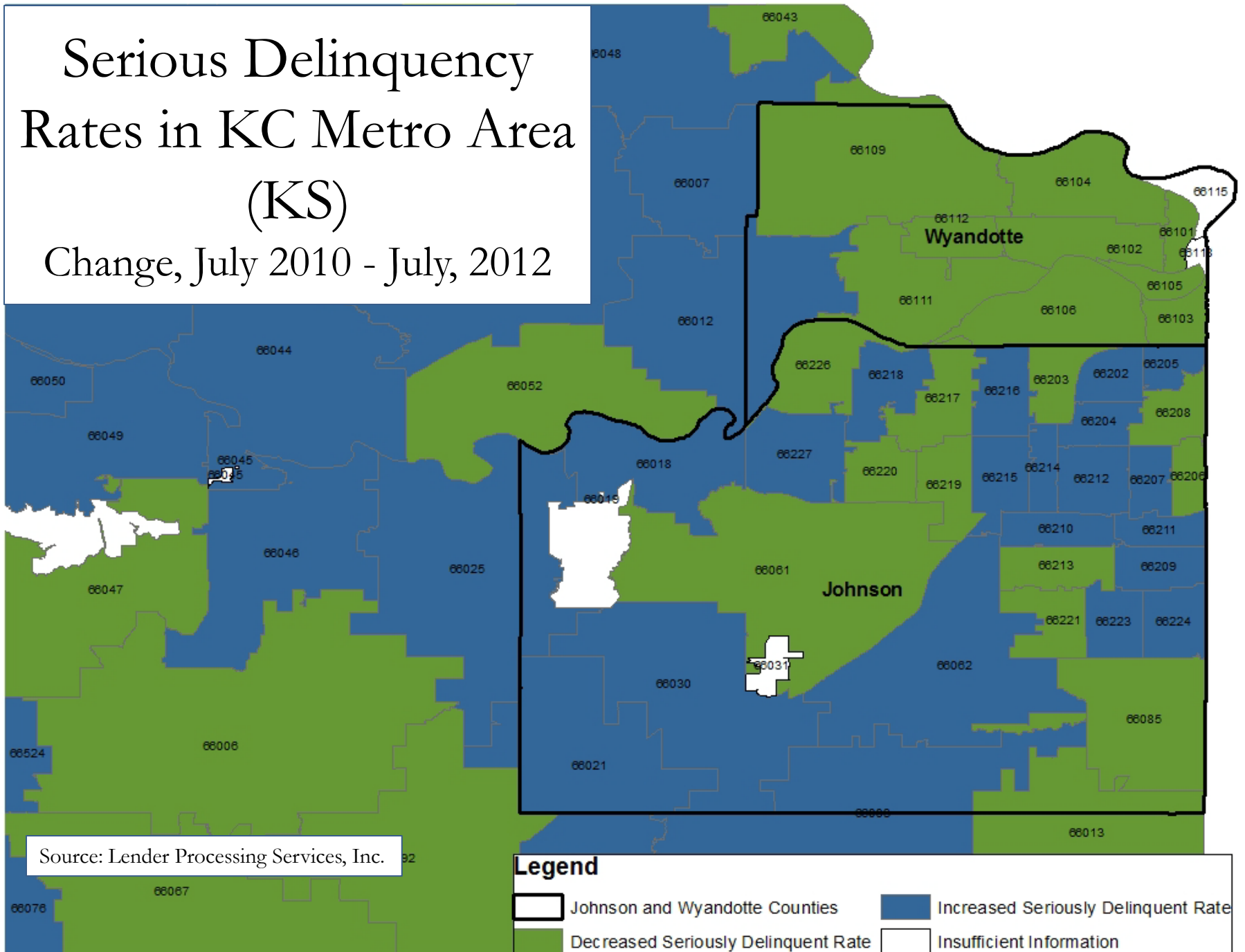
Source: Lender Processing Services, Inc.

**Legend**

|                                |       |                          |
|--------------------------------|-------|--------------------------|
| Johnson and Wyandotte Counties | 2%-4% | >8%                      |
| <1%                            | 4%-6% | Insufficient Information |
| 1%-2%                          | 6%-8% |                          |

# Serious Delinquency Rates in KC Metro Area (KS)

Change, July 2010 - July, 2012



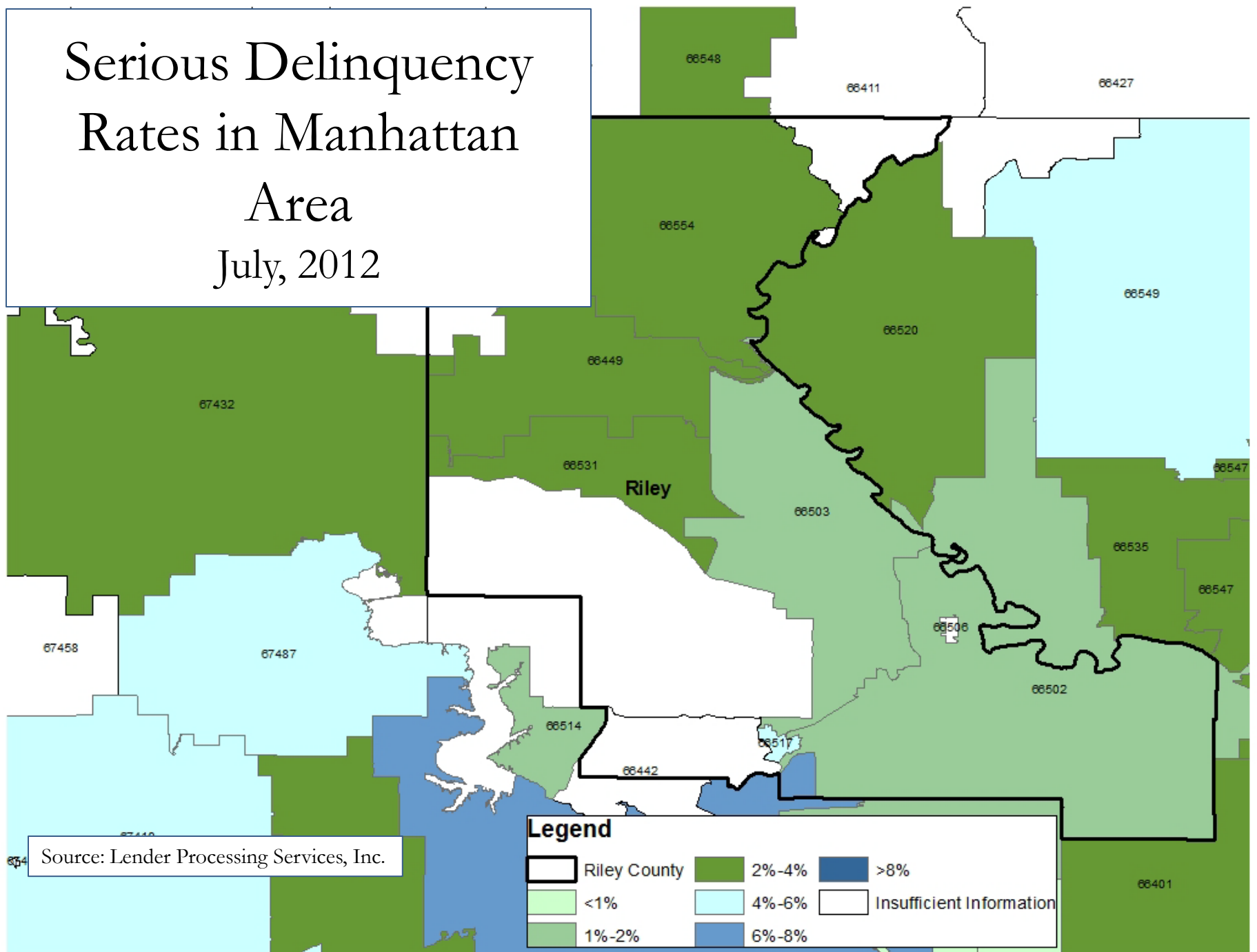
Source: Lender Processing Services, Inc.

**Legend**

- Johnson and Wyandotte Counties
- Increased Seriously Delinquent Rate
- Decreased Seriously Delinquent Rate
- Insufficient Information

# Serious Delinquency Rates in Manhattan Area

Area  
July, 2012



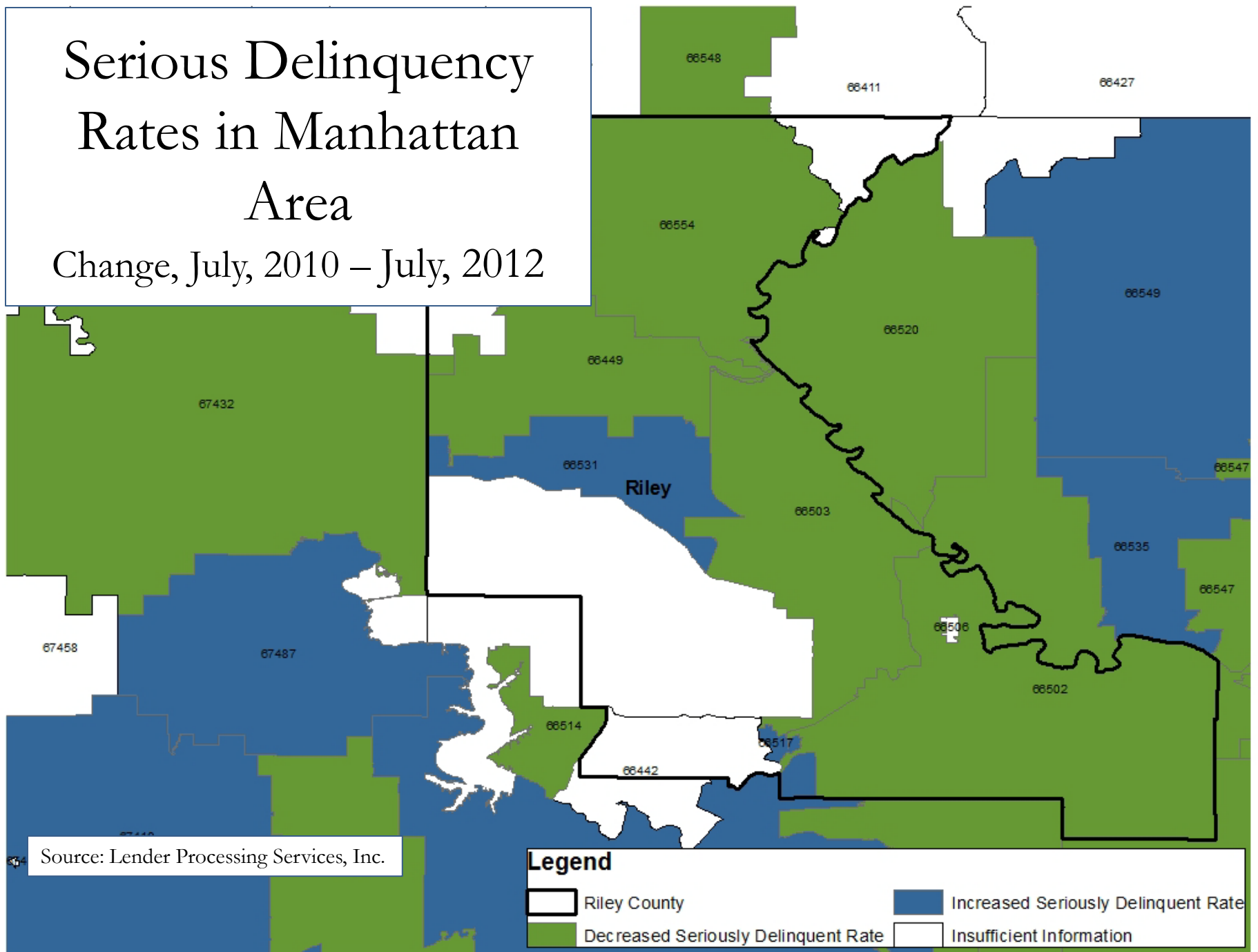
Source: Lender Processing Services, Inc.

## Legend

|              |       |                          |
|--------------|-------|--------------------------|
| Riley County | 2%-4% | >8%                      |
| <1%          | 4%-6% | Insufficient Information |
| 1%-2%        | 6%-8% |                          |

# Serious Delinquency Rates in Manhattan Area

Change, July, 2010 – July, 2012



Source: Lender Processing Services, Inc.

## Legend

Riley County

Decreased Seriously Delinquent Rate

Increased Seriously Delinquent Rate

Insufficient Information

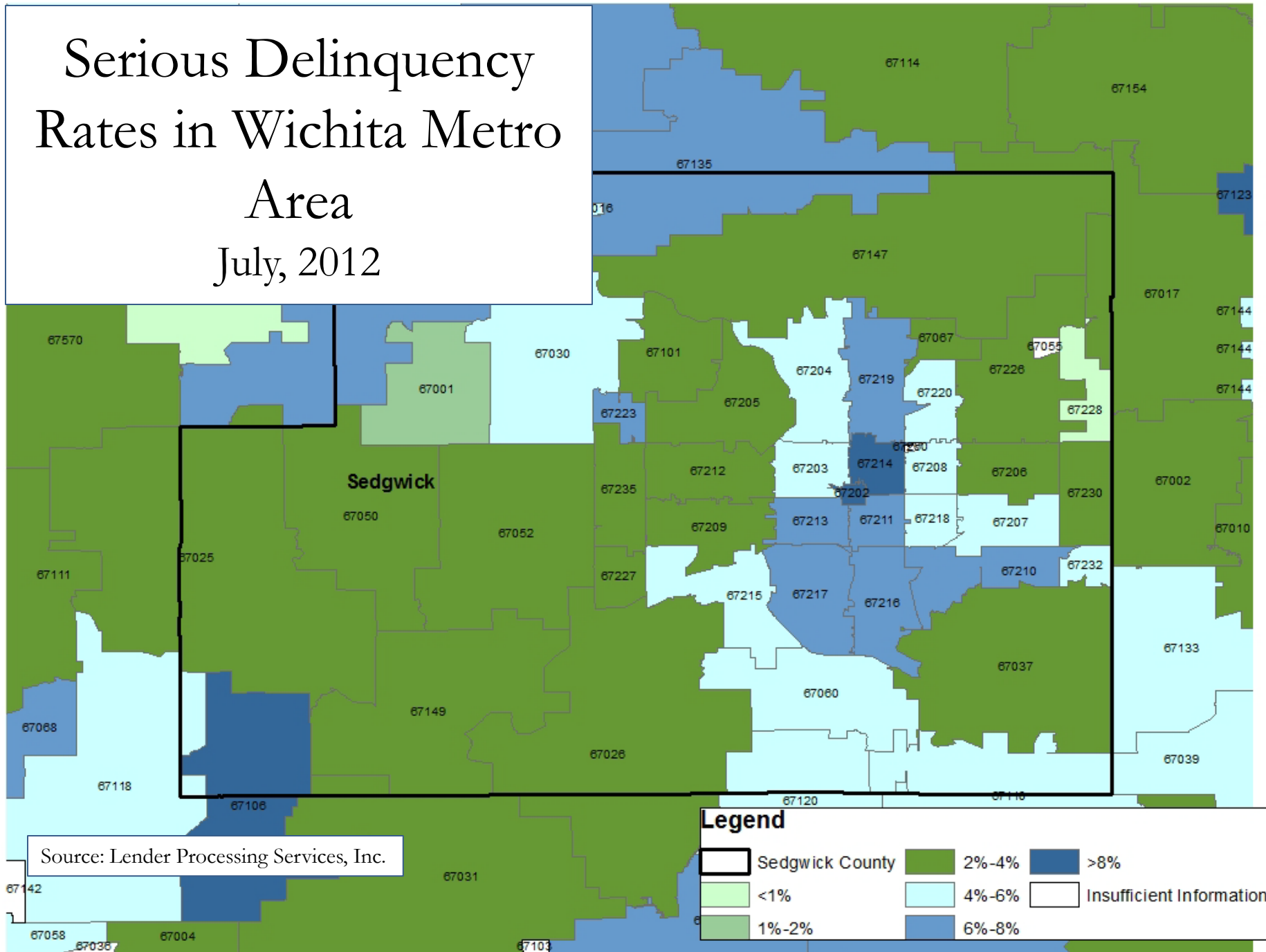






# Serious Delinquency Rates in Wichita Metro Area

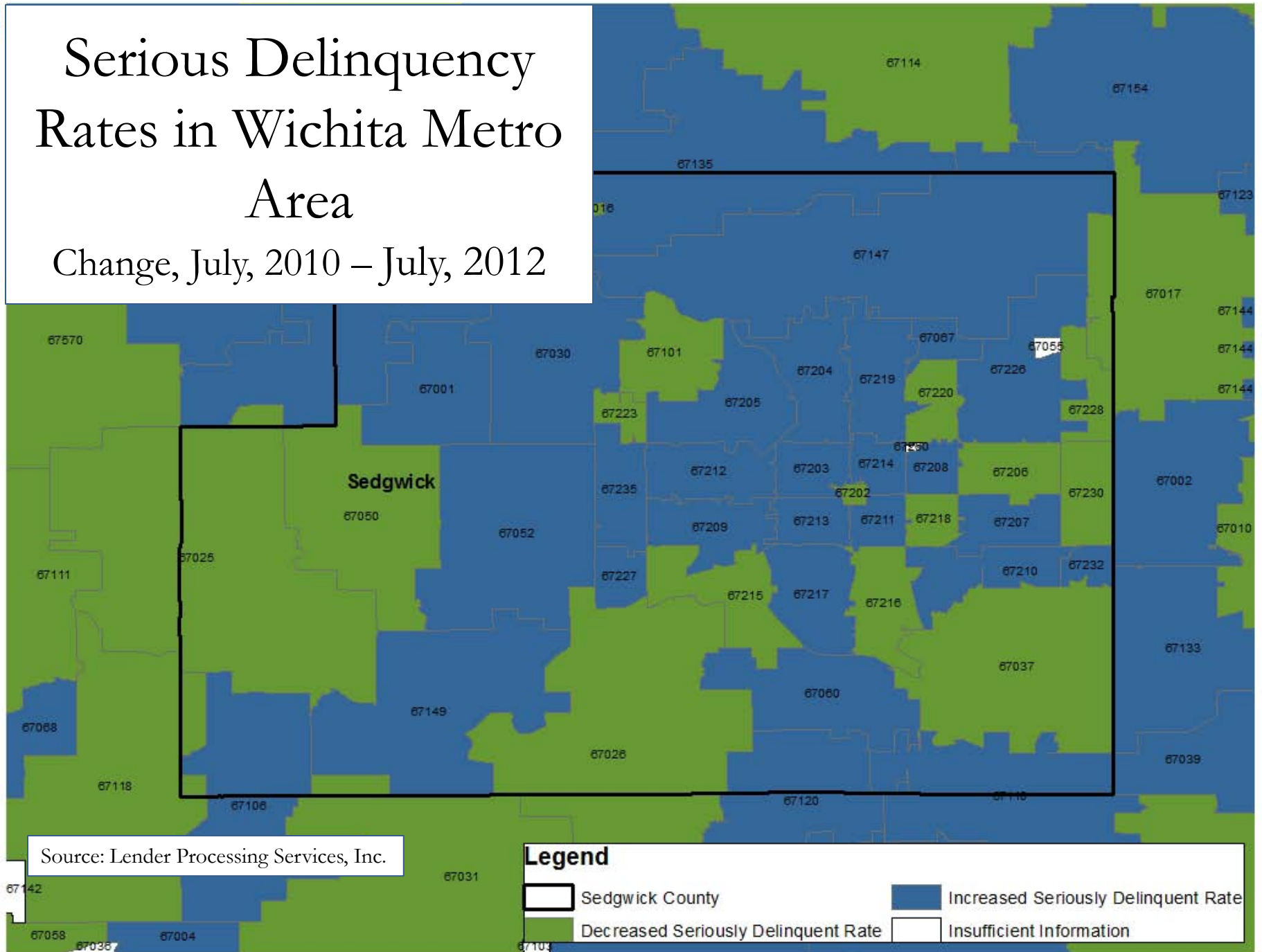
## July, 2012



Source: Lender Processing Services, Inc.


# Serious Delinquency Rates in Wichita Metro Area


Change, July, 2010 – July, 2012




Source: Lender Processing Services, Inc.

## Legend

 Sedgwick County

 Increased Seriously Delinquent Rate

 Decreased Seriously Delinquent Rate

 Insufficient Information



FEDERAL RESERVE BANK *of* KANSAS CITY

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