

30 FACTS AND STATISTICS ABOUT MORTGAGES

Home ownership is a big part of the American dream. It instills a sense of pride and helps us build wealth. Unfortunately, the state of the economy in recent years has turned the dream of home ownership into a nightmare for some. Foreclosures have become much more common, and more homeowners are struggling to avoid it. Here are 30 facts and statistics that paint a picture of the state of today's mortgage market.

1. According to the Federal Reserve, at the end of the third quarter of 2012, Americans had a total of over \$13 trillion in mortgage debt.
<http://www.federalreserve.gov/econresdata/releases/mortoutstand/current.htm>
2. Mortgage originations in 2010 totaled \$1.57 trillion, including \$473 billion in purchases and \$1.1 trillion in refinancing.
<http://www.census.gov/compendia/statab/2012/tables/12s1194.pdf>
3. The delinquency rate for residential mortgages in 2010 was 10.84%, and the charge-off rate was 2.12%. <http://www.census.gov/compendia/statab/2012/tables/12s1194.pdf>
4. Wells Fargo was the leading residential mortgage lender in the third quarter of 2012, lending \$140.7 billion and retaining a 28.64% market share. Chase came in a distant second, with \$50 billion in lending and a 10.21% market share.
http://mortgagestats.com/residential_lending/
5. According to the *Wall Street Journal*, in 2006 61% of subprime mortgage loans went to borrowers who could have qualified for conventional loans with better terms.
<http://www.responsiblelending.org/state-of-lending/State-of-Lending-report-1.pdf>
6. In the first quarter of 2012, an estimated 11.4 million homeowners were underwater on their mortgages. This means that they owed more on the home than it was worth.
<http://www.responsiblelending.org/state-of-lending/State-of-Lending-report-1.pdf>
7. The mortgage delinquency rate in Q3 2012 was 5.41%, down from 5.49% in the second quarter and almost 8% from Q3 2011. <http://newsroom.transunion.com/press-releases/transunion-national-mortgage-loan-delinquency-rat-0953194#.USLiRncrGRM>
8. Of those who refinanced a mortgage in Q4 2012, 27% refinanced for a shorter term, 69% kept the same term, and 4% refinanced for a longer term.
<http://freddiemac.mwnewsroom.com/press-releases/27-percent-of-borrowers-that-refinance-shorten-mor-otc-fmcc-984949>

9. Over 95% of refiners in Q4 2012 refinanced into a fixed-rate loan.
<http://freddiemac.mwnewsroom.com/press-releases/27-percent-of-borrowers-that-refinance-shorten-mor-otc-fmcc-984949>
10. 84% of those who refinanced in Q4 2012 either maintained the same loan amount or paid in money to reduce their principal balance.
<http://freddiemac.mwnewsroom.com/press-releases/84-percent-of-refinancing-homeowners-maintain-or-r-pinksheets-fmcc-981668>
11. Borrowers cashed in an estimated \$8.1 billion in home equity during Q4 2012, down from a peak of \$84 billion in the second quarter of 2006.
<http://freddiemac.mwnewsroom.com/press-releases/84-percent-of-refinancing-homeowners-maintain-or-r-pinksheets-fmcc-981668>
12. The average rate on a 30-year fixed-rate mortgage in 2012 was 3.66%, the lowest on record since 1971. <http://www.freddiemac.com/pmms/pmms30.htm>
13. The average rate on a 15-year fixed-rate mortgage in 2012 was 2.93%, the lowest on record since 1991. <http://www.freddiemac.com/pmms/pmms15.htm>
14. The average rate for a 5-year adjustable-rate mortgage in 2012 was 2.78%.
<http://www.freddiemac.com/pmms/pmms5.htm>
15. The average rate for a 1-year adjustable-rate mortgage in 2012 was 2.69%.
<http://www.freddiemac.com/pmms/pmmsarm.htm>
16. The average homeowner who refinanced during the fourth quarter of 2012 reduced their interest rate by 33%. http://www.freddiemac.com/news/finance/tab_fmhpi.html
17. Between September 2011 and September 2012, house prices in the United States rose an average of 4%. Arizona was the state with the highest increase (20%).
http://www.freddiemac.com/news/finance/tab_fmhpi.html
18. Housing prices fell from September 2011 to September 2012 in only six states: Connecticut, Delaware, Maryland, New Jersey, North Carolina and Pennsylvania.
http://www.freddiemac.com/news/finance/tab_fmhpi.html
19. Before the foreclosure crisis, less than one-half of one percent of mortgages entered the foreclosure process each quarter. At its peak in the third quarter of 2009, 1.4% of mortgages went into foreclosure. <http://www.responsiblelending.org/state-of-lending/State-of-Lending-report-1.pdf>
20. By February 2011, 6.4% of homeowners who took out mortgages between 2004 and 2008 had lost their homes to foreclosure, and an additional 8.3% were seriously

delinquent. <http://www.responsiblelending.org/mortgage-lending/research-analysis/Lost-Ground-exec-summary.pdf>

21. African-American and Latino borrowers were the most likely to lose their homes, accounting for 9.8% and 11.9% of foreclosures respectively. Asian homeowners accounted for 6.6% of foreclosures, and whites for 5.1%.
<http://www.responsiblelending.org/mortgage-lending/research-analysis/Lost-Ground-exec-summary.pdf>
22. Loans with high interest rates make up 15.6% of foreclosures, as opposed to a 4.6% foreclosure rate for low-interest mortgages. <http://www.responsiblelending.org/mortgage-lending/research-analysis/Lost-Ground-exec-summary.pdf>
23. Loans with a prepayment penalty also have a disproportionately high foreclosure rate – 14.7% as opposed to 4% for loans without such penalties.
<http://www.responsiblelending.org/mortgage-lending/research-analysis/Lost-Ground-exec-summary.pdf>
24. Fixed-rate and standard adjustable-rate mortgages have a low foreclosure rate (3.3%). The rate for “hybrid” and “option” adjustable-rate mortgages, which have features such as interest-only payments, negative amortization or an interest rate reset of less than five years, have a foreclosure rate of 12.8%.
<http://www.responsiblelending.org/mortgage-lending/research-analysis/Lost-Ground-exec-summary.pdf>
25. Florida is the state with the highest mortgage delinquency rate, with 13.09% in the third quarter of 2012. North Dakota had the lowest delinquency rate with 1.44%.
<http://newsroom.transunion.com/press-releases/transunion-national-mortgage-loan-delinquency-rat-0953194#.USLiRncrGRM>
26. According to Hope Now, 181,505 home loan modifications were approved in the second quarter of 2012. <http://www.responsiblelending.org/state-of-lending/State-of-Lending-report-1.pdf>
27. The average mortgage borrower in the United States owed \$186,445 in Q3 2012.
<http://newsroom.transunion.com/press-releases/transunion-national-mortgage-loan-delinquency-rat-0953194#.USLiRncrGRM>
28. The District of Columbia has the highest average mortgage debt at \$374,492. West Virginia has the lowest at \$102,817. <http://newsroom.transunion.com/press-releases/transunion-national-mortgage-loan-delinquency-rat-0953194#.USLiRncrGRM>
29. 66.2% of Americans are homeowners. <http://www.bills.com/national-mortgage-statistics/>

30. West Virginia has the highest home ownership rate (75.2%). New York has the lowest with 53%. <http://www.bills.com/national-mortgage-statistics/>

Some of these statistics are rather scary, but the news isn't all bad. Low refinance rates and programs designed to help financially distressed homeowners provide a silver lining to the dark cloud that is the foreclosure crisis.



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