



News Release

CONTACT: Carolyn Kemp
(202) 557-2727
ckemp@mortgagebankers.org

Angela C. Waugaman
(202) 557-2829
awaugaman@mortgagebankers.org

Mortgage Delinquencies for Vermont Rise in Latest National Delinquency Survey

WASHINGTON, D.C. (September 6, 2007) – The delinquency rate for mortgage loans on residential properties in Vermont increased 41 basis points to 3.17 percent by the end of the second quarter of 2007 according to the Mortgage Bankers Association. The percentage of loans on which foreclosure was started during the quarter rose 4 basis points to 0.35 percent, while the percentage of loans in the foreclosure process at the end of the quarter rose 8 basis points to 0.9 percent, according to MBA's National Delinquency Survey.

Delinquency rates almost always fall in the first quarter and rise again in the second quarter due to various seasonal factors. In the second quarter of 2007, all 50 states and DC saw an increase in delinquency rates.

The delinquency rate, which excludes loans already in foreclosure, was 2.04 percent for prime loans, up 23 basis points from the previous quarter, while the rate for subprime loans was 13 percent, up 134 basis points from the previous quarter. The delinquency rates for FHA and VA loans were 11.05 percent and 6.58 percent, respectively—up 109 basis points for FHA loans and up 44 basis points for VA loans.

The delinquency rate for prime adjustable rate mortgage (ARM) loans increased 87 basis points and the rate for prime fixed rate mortgage (FRM) loans increased 20 basis points. The delinquency rate for the subprime adjustable rate mortgage loans increased 134 basis points, while the rate for subprime fixed rate mortgage loans increased 163 basis points.

The percentage of prime loans in foreclosure decreased 2 basis points to 0.36 percent, the percentage of subprime loans in foreclosure increased 75 basis points to 6.46 percent, and the percentage of FHA loans in foreclosure increased 35 basis points to 2.21 percent. The percentage of VA loans in foreclosure increased 1 basis point to 0.59 percent.

The Vermont foreclosure inventory rate for prime adjustable rate mortgage loans decreased 9 basis points, while the rate for prime fixed rate mortgage loans decreased 4 basis points. The foreclosure inventory rate for subprime adjustable rate mortgage loans increased 243 basis points, while the rate for subprime fixed rate mortgage loans decreased 18 basis points.

The new foreclosure rate for prime adjustable rate mortgage loans decreased 25 basis points, while the rate for prime fixed rate mortgage loans decreased 3 basis points. The new foreclosure rate for subprime adjustable rate mortgage loans increased 155 basis points, while the rate for subprime fixed rate mortgage loans decreased 2 basis points.

Moreover, in the nation, Vermont ranked 43 in delinquencies and 37 in foreclosure inventory. In Vermont, non-prime borrowers (FHA and subprime) make up 10 percent of mortgage loans. A state's level of delinquency tends to be higher the higher this percentage is.

On a national level, the mortgage delinquency rate on residential properties was 5.12 percent in the first quarter, up 28 basis points from the last quarter. The percentage of loans in which foreclosure was started during the quarter rose 7 basis points to 0.65 percent, while the percentage of loans in the foreclosure process at the end of the quarter rose 12 basis points to 1.4 percent.

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The above data were obtained in cooperation with the Mortgage Banker's Association of America (MBA), which produces the National Delinquency Survey (NDS). The NDS, which has been conducted since 1953, covers over 44 million loans on one-to-four-unit residential properties, representing over 80 percent of all "first-lien" residential mortgage loans outstanding in the United States. Loans surveyed were reported by approximately 120 lenders, including mortgage bankers, commercial banks, and thrifts.

The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 500,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 3,000 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA's Web site: www.mortgagebankers.org.