



News Release

TransUnion.com: Mortgage Loan Delinquency Rates on Course to Hit Record in 2009 - Deceleration in Rate Climb Continues for Third Consecutive Quarter

CHICAGO, Nov. 17 /PRNewswire/ -- TransUnion.com released today the results of its analysis of trends in the mortgage industry for the third quarter of 2009 and the associated impact on the U.S. consumer. The report is part of an ongoing series of quarterly consumer lending sector analyses focusing on credit card, auto loan and mortgage data available on TransUnion's Web site at www.transunion.com/trenddata. Information for this analysis is culled quarterly from approximately 27 million anonymous, randomly sampled, individual credit files, representing approximately 10 percent of credit-active U.S. consumers and providing a real-life perspective on how they are managing their credit health.

Statistics

Mortgage loan delinquency (the ratio of borrowers 60 or more days past due) increased for the **11th** straight quarter, hitting an all-time national average high of 6.25 percent for the third quarter of 2009. This statistic is traditionally seen as a precursor to foreclosure and increased 7.57 percent from the previous quarter's 5.81 percent average. While still increasing, this quarter marks the third consecutive period the delinquency rate increase has decelerated. For comparison purposes, the delinquency rate from the fourth quarter 2008 to first quarter 2009 saw an increase of almost 14 percent, and the percent change from first quarter to second quarter 2009 increased by 11.3 percent. Year-over-year, mortgage borrower delinquency is up approximately 58 percent (from 3.96 percent).

Mortgage borrower delinquency rates in the third quarter of 2009 continued to be highest in Nevada (14.5 percent) and Florida (13.3 percent), while the lowest mortgage delinquency rates were found in North Dakota (1.7 percent), South Dakota (2.3 percent) and Vermont (2.6 percent). Areas showing the greatest percentage growth in delinquency from the previous quarter were Wyoming (+17.9 percent), Kansas (+17.4 percent) and North Dakota (+16 percent). Bright spots for the quarter included the District of Columbia, showing a decline in mortgage delinquency rates, down 0.19 percent from the previous quarter.

The average national mortgage debt per borrower dropped (0.36 percent) to \$193,121 from the previous quarter's \$193,811. On a year-over-year basis, the third quarter 2009 average represents a 0.43 percent increase over the third quarter 2008 average mortgage debt per borrower level of \$192,287.

The area with the highest average mortgage debt per borrower was the District of Columbia at \$359,788, followed by California at \$354,510 and Hawaii at \$312,844. The lowest average mortgage debt per borrower was in West Virginia at \$97,265. Quarter over quarter, South Dakota showed the greatest percentage increase in mortgage debt (+2.2 percent), followed by Montana (+1.96 percent) and Wyoming (+1.7 percent). Areas showing the largest percentage drop in average mortgage debt were Nevada (-2.6 percent), Vermont (-1.97 percent) and California (-1.4 percent).

Analysis

"The third quarter provided a mixed bag of economic indicators. Many companies' third quarter results are coming in above analysts' expectations. The unemployment rate like the mortgage delinquency rate is still climbing, but has decelerated in the number of monthly job losses during the quarter. While housing starts improved during the first four months of the year, a drop was seen during this quarter and consumer spending still remains anemic or cautious at best," said FJ Guarrera, vice president of TransUnion's financial services division. "The economic peaks and valleys that we experienced during the quarter will most likely continue into the first half of 2010."

"While it continues to be a positive sign that the increase in mortgage borrower delinquency rates has slowed for three consecutive quarters, we have to keep things in perspective. Delinquency rates are rising and expected to peak at record levels. Until the housing market can consistently demonstrate several months of home value appreciation and the unemployment rate improves, mortgage delinquency will likely continue to rise," explained Guarrera. "Many of these delinquencies in places like Nevada, California and Florida will result in foreclosures, potentially keeping home values depressed in these areas."

Forecast

"TransUnion is confident that its 2009 mortgage delinquency forecasts will continue on track falling just short of 7 percent by year end. TransUnion's 2009 third quarter national predictions were slightly above actuals, indicating in part that a slowdown in delinquency may be on the horizon. Until the stabilization of housing prices makes solid traction across the U.S., TransUnion does not see national delinquency rates beginning to fall until the first half of 2010," said Guarrera.

With regard to regional forecasts, Nevada is anticipated to experience the highest mortgage delinquency rate by the end of 2009, reaching as high as 16 percent. North Dakota is expected to continue to exhibit the lowest mortgage delinquency rate by year end (1.7 percent), with forecasts showing a downward trend by early 2010.



(Related Graphs: <http://transunion.mediaroom.com/index.php?s=98>)

(MP3 File Sound bites: <http://transunion.mediaroom.com/index.php?s=102>)

TransUnion's Trend Data database

The source of the underlying data used for this analysis is TransUnion's Trend Data, a one-of-a-kind database consisting of 27 million anonymous consumer records randomly sampled every quarter from TransUnion's national consumer credit database. Each record contains more than 200 credit variables that illustrate consumer credit usage and performance. Since 1992, TransUnion has been aggregating this information at the county, Metropolitan Statistical Area (MSA), state and national levels.

About TransUnion

As a global leader in credit and information management, TransUnion creates advantages for millions of people around the world by gathering, analyzing and delivering information. For businesses, TransUnion helps improve efficiency, manage risk, reduce costs and increase revenue by delivering comprehensive data and advanced analytics and decisioning. For consumers, TransUnion provides the tools, resources and education to help manage their credit health and achieve their financial goals. Through these and other efforts, TransUnion is working to build stronger economies worldwide. Founded in 1968 and headquartered in Chicago, TransUnion employs associates in more than 25 countries on five continents.

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