MONEY HOUSE

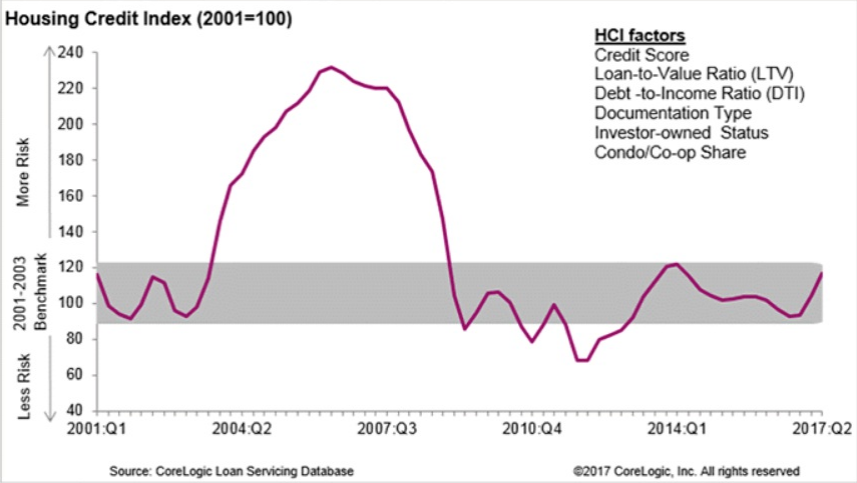
Chris Munson
SVP and Managing Director US Sales and Operations, The Moneyhouse
NMLS #169716
8751 Commodity Circl Ste 17 Orlando, FL 32819

Office: 407-255-2047
Mobile: 704-957-5053
cmunson@moneyhouseus.com

Investment Properties and Lower-Doc Loans Pushing Credit Risk Higher

While it is still within what is considered normal limits, **credit risk did move higher** among loans originated during the second quarter of the year. CoreLogic says its Housing Credit Index (HCI) increased by 20 points when compared to the second quarter of 2016, to 117.

The HCI measures the relative increase or decrease in credit risk for new mortgage loan originations when compared to earlier periods across six risk categories. The six are borrower credit score, debt-to-income ratio (DTI), loan-to-value ratio (LTV), investor-owned status, condo/co-op share and documentation level.



CoreLogic says risks in the three borrower credit categories, credit score, DTI, and LTV, improved during the quarter. **Credit scores moved higher** by 9 points to an average of 745, LTV's were down from 87.4 percent to an average of 85.5 percent, while the average DTI was unchanged. Those improvements, however, were **offset by shifts in the other three attributes.**

The investor share of home purchase loans increased year-over-year from 3.6 percent to 4.2 percent and the share of home purchase loans secured by a condo or co-op moved from 9.6 percent to 11.1 percent. Low-or no-documentation loans remained only a tiny part of the market, but did bump up 0.2 percentage point to a 1.7 percent share.

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.27%	-0.02	0.00
15YR Fixed	6.92%	-0.03	0.00
30YR FHA	6.90%	-0.01	0.00
30YR Jumbo	7.55%	0.00	0.00
7/6 SOFR	6.78%	-0.10	0.00
30YR VA	6.91%	-0.01	0.00

Rates as of: 10/30

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.82	+0.01
10 YR Treasury	4.9073	-0.0226
30 YR Treasury	5.2762	-0.0320

Pricing as of: 11/2 8:47AM EST

Recent Housing Data

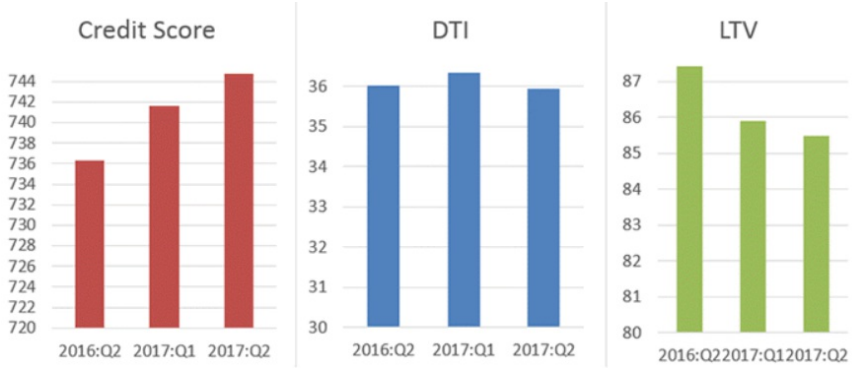
		Value	Change
Mortgage Apps	Oct 21	195	+3.39%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgageratesupdate.com/moneyhouse

Risk factors in the second quarter 2017 HCI are **within range** of those for 2001 to 2003, a period which CoreLogic says is a normal baseline for credit risk. For example, the share of homebuyers with scores under 640 was 2 percent in the second quarter of 2017 compared to a share of 25 percent in 2001. On the other hand, the share of homebuyers with DTIs equal to or greater than 43 percent has risen slightly, from 18 percent in 2001 to 22 percent and there was a big jump, almost 50 percent, in the share of loans with LTV's of 95 percent or more.



"Mortgage risk for new originations increased modestly in the second quarter of 2017, but much of this rise was due to a small **shift in the mix of loan types** to more investor and condominium loans, which have slightly higher risk attributes," said Dr. Frank Nothaft, chief economist for CoreLogic. "Despite the somewhat higher risk of new origination loans, purchase mortgage underwriting remains relatively clean with an average credit score of 745 and low delinquency risk."

Our Goal is to help our Wholesale Partners grow their business.

Let our highly experienced reverse mortgage team help your company grow its HECM business.

Chris Munson

EQUAL HOUSING OPPORTUNITY

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgageratesupdate.com/moneyhouse