



News Release

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Mortgage Delinquencies in Georgia Rise in Latest National Delinquency Survey

WASHINGTON, D.C. (August 26, 2010) – The delinquency rate for mortgage loans on residential properties in Georgia was 12.39 percent at the end of the second quarter of 2010, an increase of 29 basis points from the first quarter of 2010, according to the Mortgage Bankers Association. The delinquency rate excludes loans in the process of foreclosure. The percentage of loans in Georgia on which foreclosure was started during the quarter fell 24 basis points to 1.33 percent, while the percentage of loans in the foreclosure process at the end of the quarter fell 15 basis points to 3.73 percent.

These rates are not seasonally adjusted. Mortgage delinquency rates normally rise between the first and second quarters of the year due to a variety of seasonal factors.

The delinquency rate for prime adjustable rate mortgage loans increased 29 basis points to 11.93 percent and the rate for prime fixed rate mortgage loans decreased 18 basis points to 7.61 percent. The delinquency rate for the subprime ARM loans increased 57 basis points to 30.45 percent, while the rate for subprime fixed rate loans increased 79 basis points to 28.24 percent. The delinquency rates for FHA and VA loans were 19.86 percent and 9.45 percent, respectively—up 106 basis points for FHA loans and up 44 basis points for VA loans.

The foreclosure starts rate for prime ARM loans in Georgia decreased 42 basis points to 1.74 percent, while the rate for prime fixed rate loans remained unchanged at 0.97 percent. The foreclosure starts rate for subprime ARM loans decreased 110 basis points to 3.12 percent, while the rate for subprime fixed rate loans decreased 44 basis points to 2.64 percent.

The percent of prime ARM loans in foreclosure decreased 26 basis points to 5.85 percent and increased 8 basis points to 2.41 percent for prime fixed rate loans. The rate for subprime ARM loans decreased 118 basis points to 13.29 percent, while the rate for subprime fixed rate loans decreased 24 basis points to 7.47 percent. The percentage of FHA loans in foreclosure decreased 66 basis points to 4.07 percent. The percentage of VA loans in foreclosure decreased 21 basis points to 2.16 percent.

Among the 50 states and the District of Columbia, Georgia ranked 3rd in delinquencies and 5th in foreclosures started. Mississippi ranked first in delinquencies with a rate of 13.66 percent and Nevada ranked first in foreclosure starts with a rate of 2.93 percent.

On a national level, the delinquency rate for mortgage loans on one-to-four-unit residential properties was 9.40 percent on a non-seasonally adjusted basis, up two basis points from 9.38 percent in the first quarter of 2010. The seasonally adjusted delinquency rate on residential properties was 9.85 percent in the first quarter, down 21 basis points from last quarter's seasonally adjusted rate. The non-seasonally adjusted percentage of loans in which foreclosure

was started during the quarter decreased 12 basis points to 1.11 percent, while the non-seasonally adjusted percentage of loans in the foreclosure process at the end of the quarter fell 6 basis points to 4.57 percent.

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The above data were obtained in cooperation with the Mortgage Bankers Association (MBA), which produces the National Delinquency Survey (NDS). The NDS, which has been conducted since 1953, covers 44 million loans on one- to four-unit residential properties, representing about 85 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 280,000 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 2,200 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.