News Release

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Mortgage Delinquencies in Vermont Fall in Latest National Delinquency Survey

WASHINGTON, D.C. (May 9, 2013) – The delinquency rate for mortgage loans on residential properties in Vermont was 4.85 percent at the end of the first quarter of 2013, a decrease of 72 basis points from the fourth quarter of 2012, according to the Mortgage Bankers Association (MBA). The delinquency rate excludes loans in the process of foreclosure. The percentage of loans in Vermont on which foreclosure was started during the quarter rose 6 basis points to 0.60 percent, while the percentage of loans in the foreclosure process at the end of the quarter fell 7 basis points to 3.91 percent.

These rates are not seasonally adjusted. Mortgage delinquency rates normally fall in the first quarter relative to the fourth quarter of the previous year.

The delinquency rate does not include loans in the process of foreclosure. In addition, the rate at which new foreclosures are initiated and percentage of loans in the foreclosure process has been affected by procedural and legal factors at both the servicer and state level. States with judicial foreclosure systems generally have higher percentages of loans in foreclosure than do states with non-judicial systems.

The delinquency rate for prime adjustable rate mortgage (ARM) loans decreased 18 basis points to 5.05 percent and the rate for prime fixed rate mortgage loans decreased 65 basis points to 2.54 percent. The delinquency rate for the subprime ARM loans decreased 67 basis points to 21.01 percent, while the rate for subprime fixed rate loans decreased 37 basis points to 16.73 percent. The delinquency rates for FHA and VA loans were 8.04 percent and 4.45 percent, respectively—down 290 basis points for FHA loans and down 70 basis points for VA loans.

The foreclosure starts rate for prime ARM loans in Vermont decreased 21 basis points to 0.42 percent, while the rate for prime fixed rate loans decreased 14 basis points to 0.13 percent. The foreclosure starts rate for subprime ARM loans increased 70 basis points to 3.17 percent, while the rate for subprime fixed rate loans increased 17 basis points to 1.76 percent.

The percent of prime ARM loans in foreclosure decreased 58 basis points to 4.79 percent and decreased 4 basis points to 2.08 percent for prime fixed rate loans. The rate for subprime ARM loans decreased 383 basis points to 23.62 percent, while the rate for subprime fixed rate loans increased 4 basis points to 14.36 percent. The percentage of FHA loans in foreclosure increased 38 basis points to 6.06 percent. The percentage of VA loans in foreclosure decreased 32 basis points to 4.27 percent.

Among the 50 states and the District of Columbia, Vermont ranked 40th in delinquencies and 33rd in foreclosures started. Mississippi ranked first in delinquencies with a rate of 11.04 percent and Florida ranked first in foreclosure starts with a rate of 1.13 percent.

On a national level, the delinquency rate for mortgage loans on one-to-four-unit residential properties was 6.75 percent on a non-seasonally adjusted basis, down 76 basis points from 7.51 percent in the fourth quarter of 2012. The seasonally adjusted delinquency rate on residential properties was 7.25 percent in the first quarter, up 16 basis points from last quarter's seasonally adjusted rate. The non-seasonally adjusted percentage of loans on which foreclosure was started during the quarter remained unchanged at 0.70 percent, while the non-seasonally adjusted percentage of loans in the foreclosure process at the end of the quarter decreased 19 basis points to 3.55 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 41 million loans on one- to four-unit residential properties, representing about 88 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, REITs, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA's Web site: www.mortgagebankers.org.