



ComplianceEase Risk & Compliance Webinar Series: *Mortgage Lending in a Post-Pandemic World*

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Remote Closing and Digital Mortgages




Remote Work Arrangements



Business Continuity



GSE/Government Action on Forbearances



Impact of COVID-19 on GSE Reform



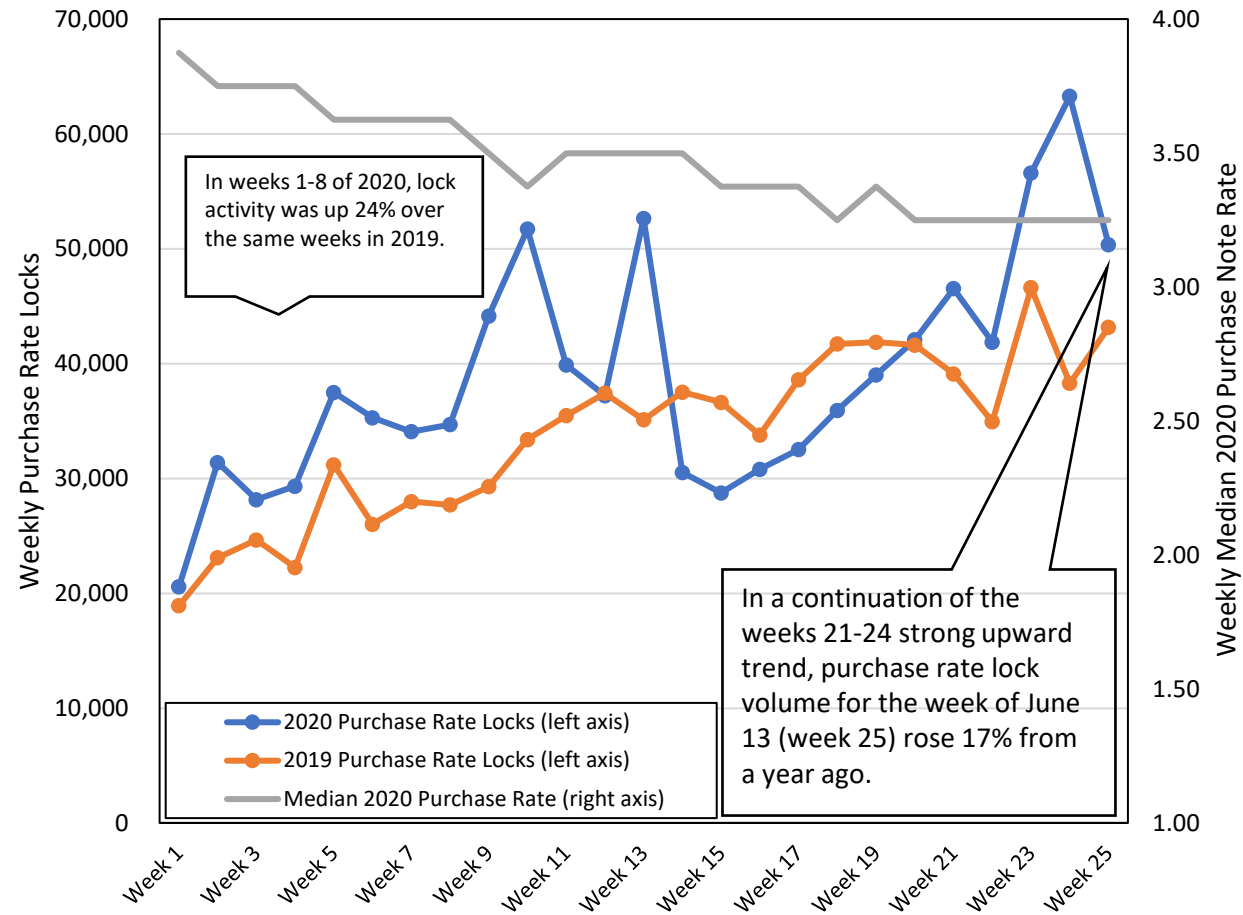
Nowcast on the Mortgage and Housing Markets

Mortgage Market Nowcast: Weekly Purchase Loan Rate Lock Volume

Purchase rate lock volume for the week of June 13 (week 25) rose 17% from a year ago.

- This builds on the strong uptick for the prior 4 weeks and was driven in part driven by low rates.
- Last 5 weeks y-o-y-increase is back to the level before the onset of the pandemic (weeks 1 to 8).

Weekly Purchase Loan Rate Locks and Weekly Median Purchase Note Rate



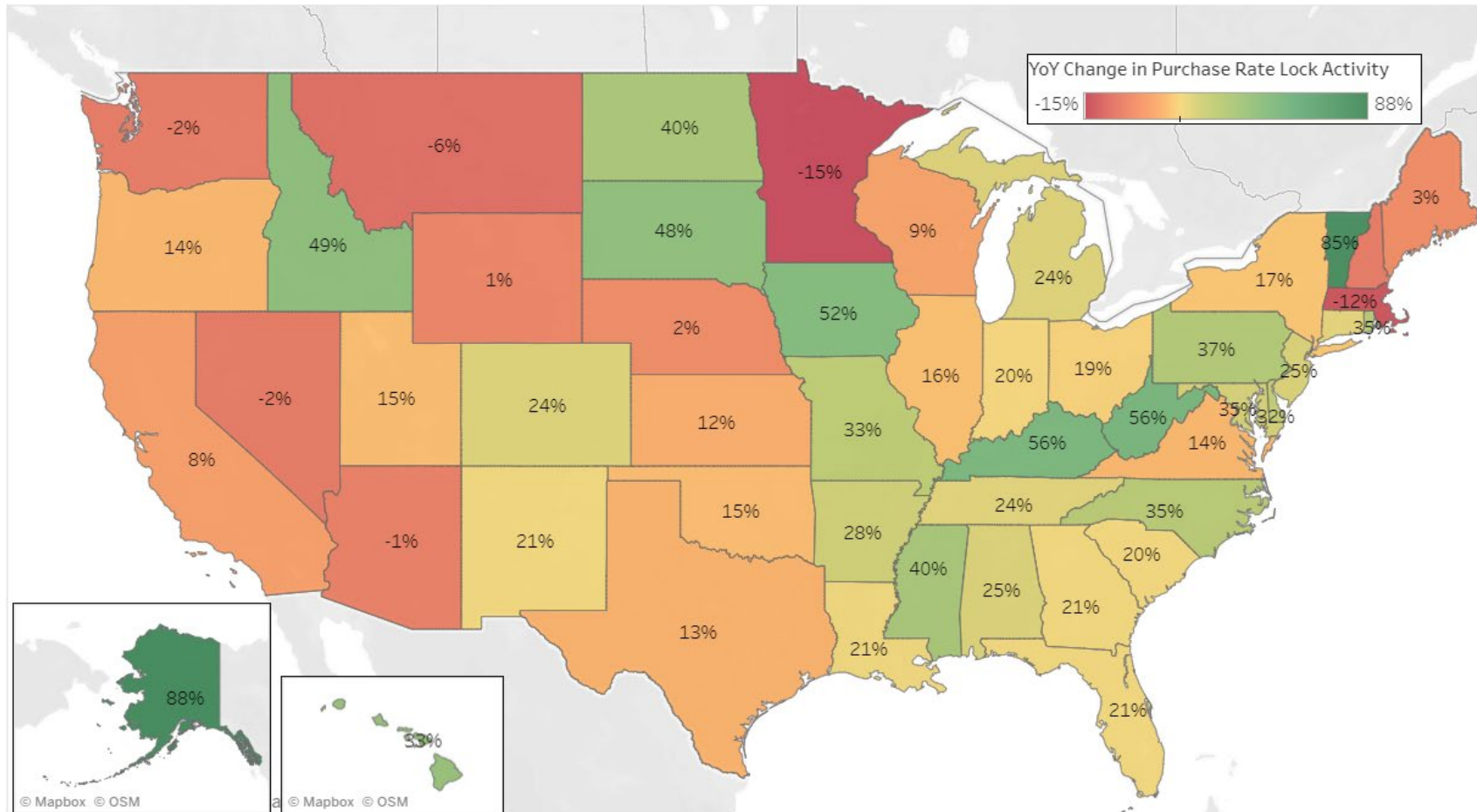
Source: AEI Housing Center, www.aei.org/housing, and Optimal Blue.

Mortgage Market Nowcast: Weekly Purchase Loan Rate Lock Volume

State Purchase Rate Locks for Week 25

- Rate lock activity varies greatly across the country compared to the same week a year ago.
 - Laggards include: MN, MA, MN, and WA
 - Gainers include: AK, VT, KY, WV, HI, and IA.

Year-over-Year Change in State Purchase Rate Lock Activity for Week 25 2020

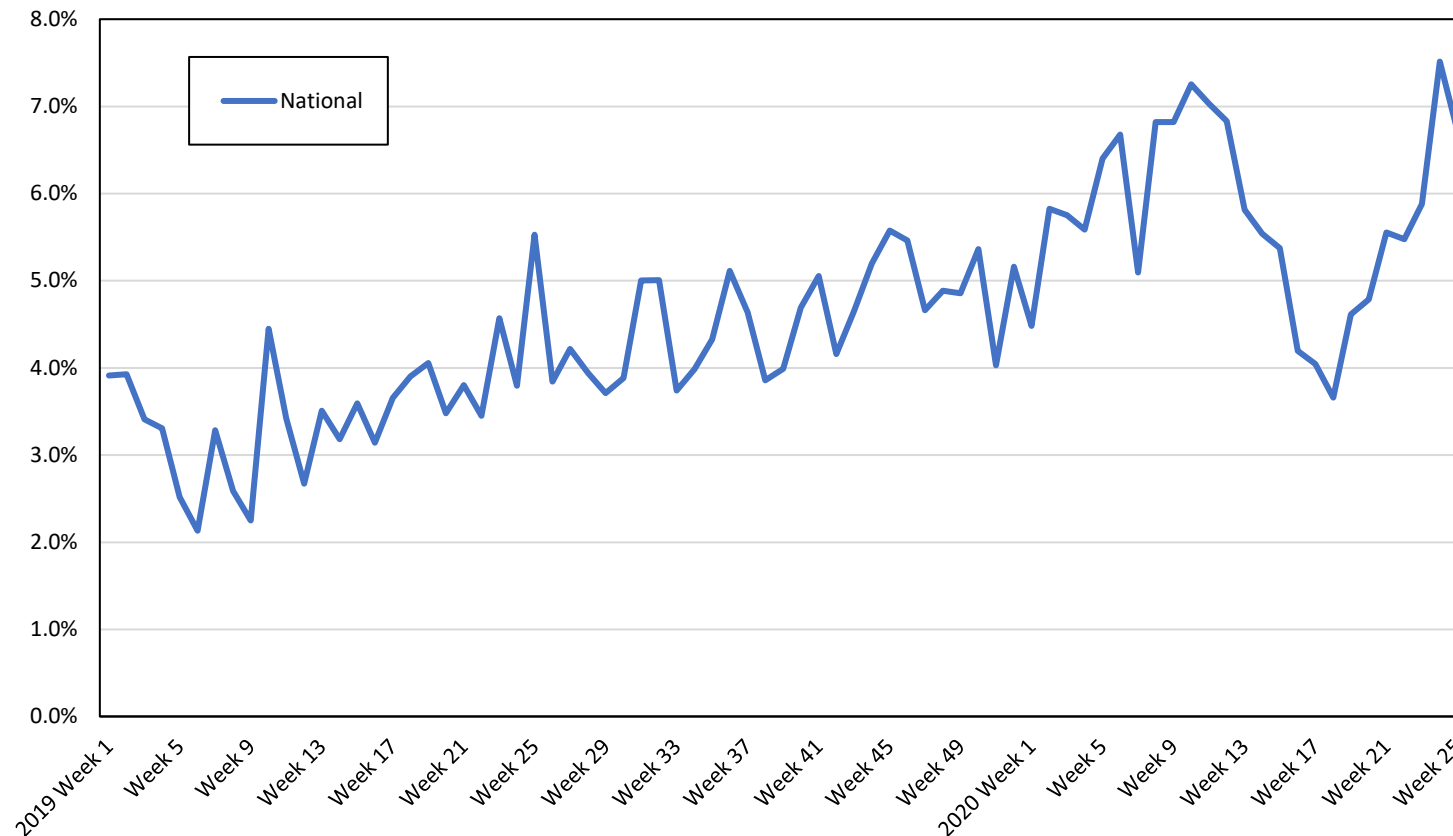


National home price appreciation (HPA) Now at about Same Level as Right before the Pandemic

This may indicate the home price boom will likely continue due to low rates & heavy demand.

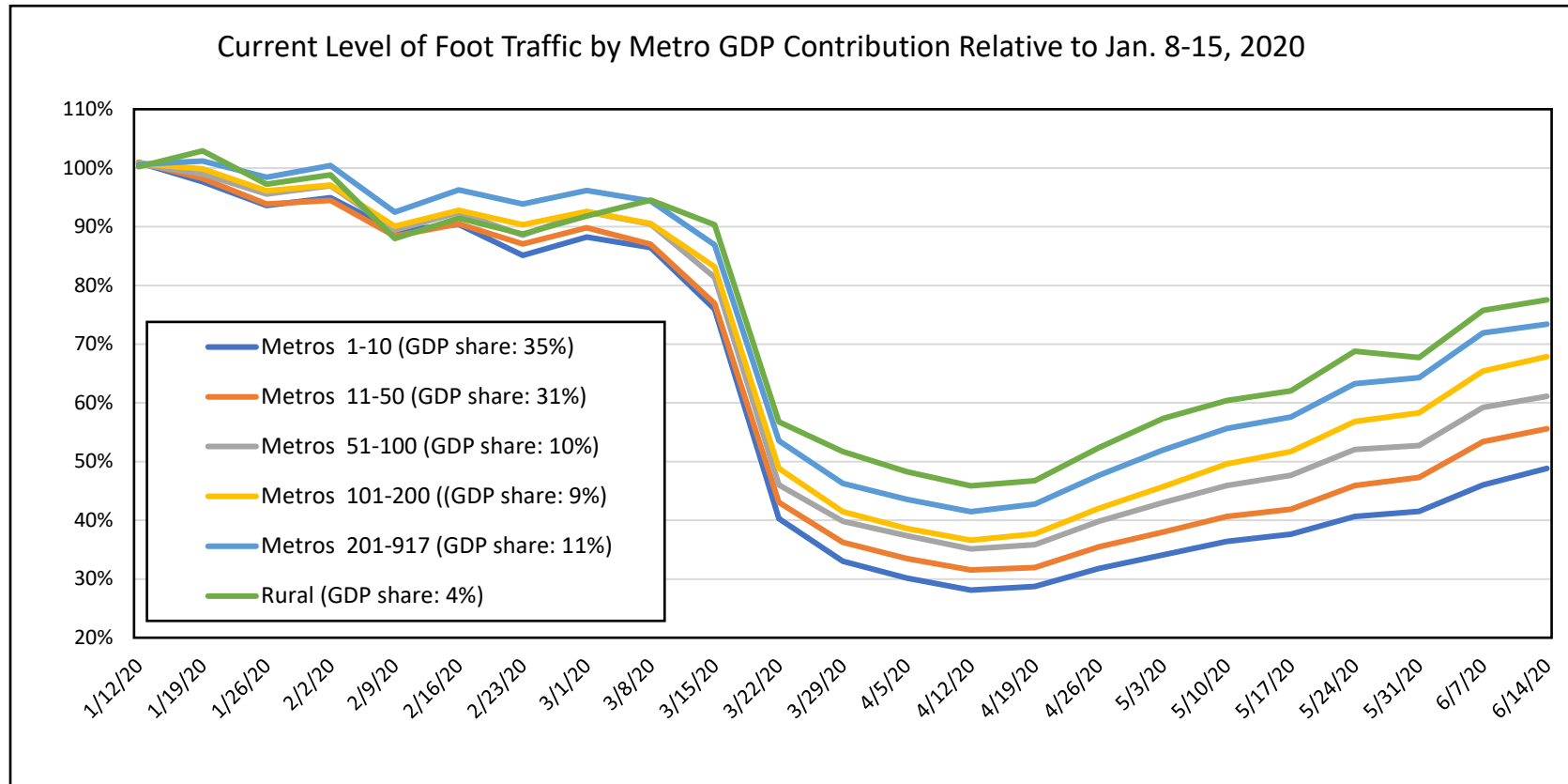
- Optimal Blue data indicate that for week 25, national HPA stood at a healthy 6.7%.

Weekly Year-over-Year National Home Price Appreciation



Source: AEI Housing Center, www.aei.org/housing, and Optimal Blue.

Current level of foot traffic by metro size bin relative to Jan. 8-15, 2020.
 For example, the top 10 metros account for 35% of US GDP by GDP and in week 24 have a foot traffic index of 49%.



Note: Within each bin, the level of foot traffic is a GDP weighted average of the respective metros.

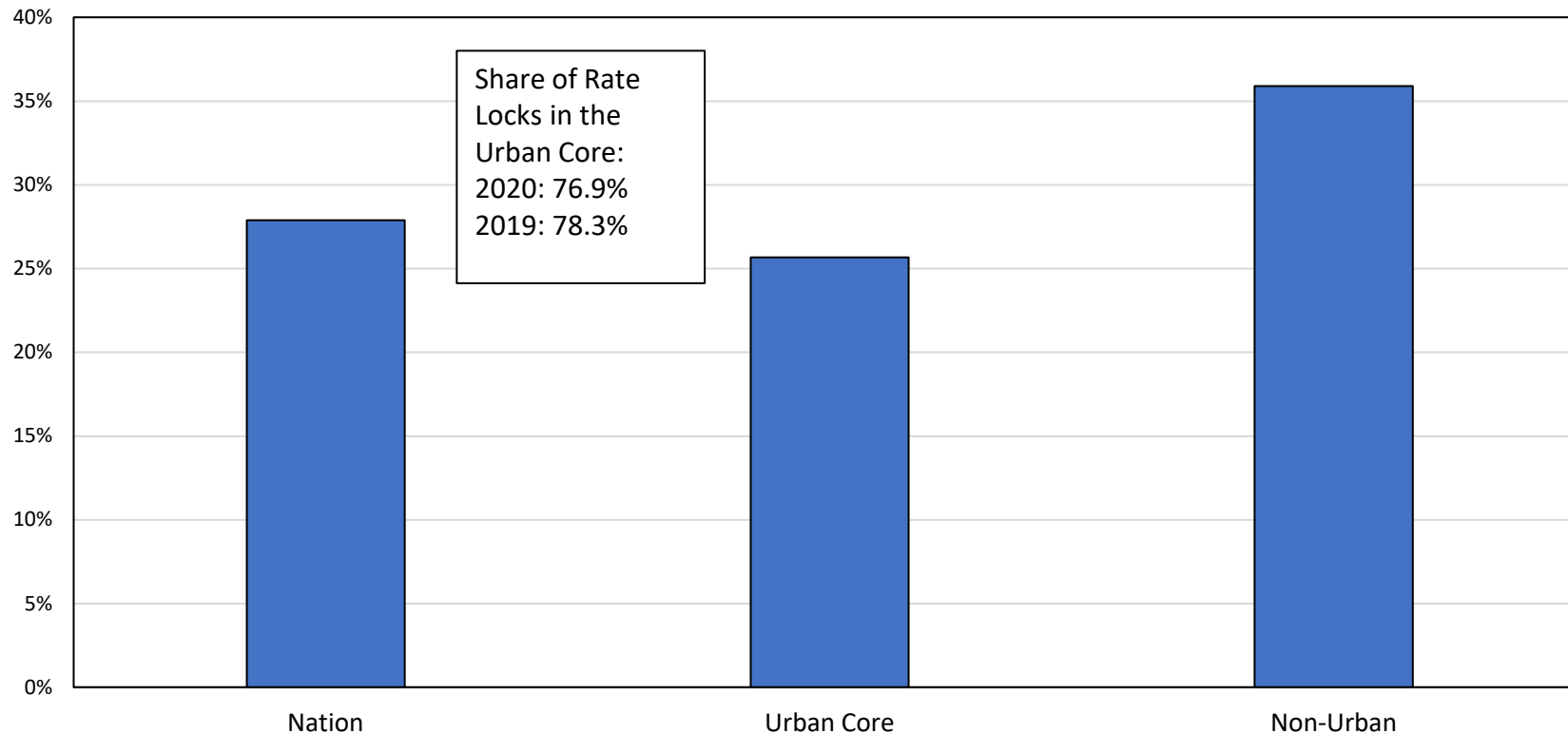
Sources: Foot traffic: <https://www.safegraph.com/dashboard/covid19-commerce-patterns>. GDP shares: US Conference of Majors. <https://www.usmayors.org/metro-economies/september-2019/>. Metro ranks: 1) Population rank source: USAFacts.org <https://usafacts.org/visualizations/coronavirus-covid-19-spread-map/>

American's on the Move: Urban-Rural Shift

Nationally, the urban core traditionally accounts for around 75% of all purchase rate locks.

- During 2020 weeks 21-24, the urban core has experienced year-over-year growth of 26% compared to 36% for non-urban areas.

2020 Year-over-Year Change in Urban Core and Non-Urban Purchase Rate Locks: Week 21-25

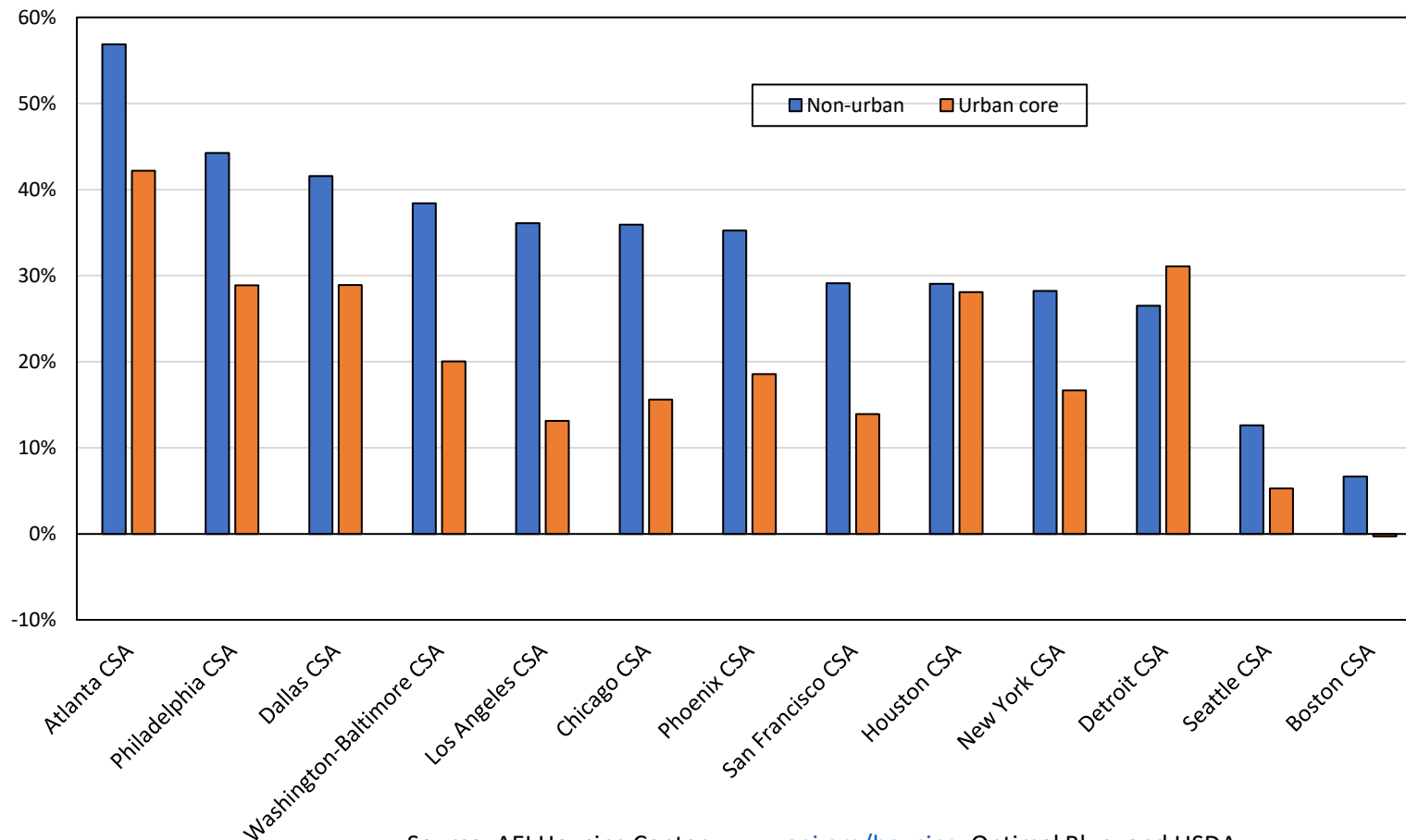


Source: AEI Housing Center, www.aei.org/housing, Optimal Blue, and USDA.

American's on the Move: Urban-Rural Shift

Among the 13 largest Consolidated Statistical Areas (CSAs) the pattern is generally more pronounced. In every one of these CSAs with the exception of Detroit, the non-urban areas are growing at a significantly faster pace than the urban core areas. The Miami CSA is excluded from the chart because 98% of its rate lock activity is in the urban core.

2020 Year-over-Year Change in Urban Core and Non-Urban Purchase Rate Locks: Week 21-25



American's on the Move: Density Shift

The share shift pattern is accentuated when broken out by density (weeks 21-25).

- Density shifts helps inform about movement to less dense ZIPs within the urban core.
 - Least dense ZIPs (Quintiles 1, 2, % 3) grew at about 2x rate of densest Quintile 5 (38% vs. 20%), thereby gaining 1.5 share points.
 - 2nd densest quintile (Quintile 4), accounted for 44% of locks in 2020, grew at a 1.5x rate of densest Quintile 5 (30% vs. 20%), thereby also gaining share points (0.8%).
 - Densest quintile (Quintile 5) accounted for 35.1% of locks in 2020, down from 37.4% in 2019.

National Purchase Rate Lock Share and YoY Growth for 2020 Weeks 21-25: By ZIP Code Density Quintile

ZIP Code Density Quintile (1= least, 5= most)	YoY Change	Share 2019	Share 2020
1&2&3	38.0%	19.0%	20.5%
4	30.3%	43.5%	44.3%
5	20.0%	37.4%	35.1%
All	28%		



Futurecast: Regions with Tailwinds & Headwinds

Futurecast: Regions with Tailwinds and Headwinds

Region/ States	Tailwinds (Pre-Pandemic)	Tailwinds (Post-Pandemic)	Headwinds (Pre-Pandemic)	Headwinds (Post-Pandemic)
South	<ul style="list-style-type: none"> High job growth & new construction (NC) Low taxes & home prices 	<ul style="list-style-type: none"> Low density Faster to reopen Population/job shifts 		<ul style="list-style-type: none"> Areas of tourism
Southwest	<ul style="list-style-type: none"> High job growth & new construction Low taxes & home prices 	<ul style="list-style-type: none"> Low density Faster to reopen Population/job shifts 		<ul style="list-style-type: none"> Areas of tourism
Northeast			<ul style="list-style-type: none"> Low job growth & NC High land use constraints High taxes & home prices 	<ul style="list-style-type: none"> High Density & Mass Transit Coronavirus Slow to reopen Population shifts/job losses Business travel loss
Midwest	<ul style="list-style-type: none"> Lower home prices 		<ul style="list-style-type: none"> Low job growth & NC Mixed land use constraints Relatively high taxes 	<ul style="list-style-type: none"> Moderate Density & Mass Transit Coronavirus Slow to reopen Population shifts/job losses
Great Plains		<ul style="list-style-type: none"> Low density Faster to reopen 	<ul style="list-style-type: none"> Mixed job growth & NC Mixed on taxes Mixed home prices 	
Mountain West	<ul style="list-style-type: none"> High job growth 		<ul style="list-style-type: none"> Mixed NC High land use constraints Mixed on taxes Mixed home prices 	<ul style="list-style-type: none"> Areas of tourism
West			<ul style="list-style-type: none"> Low/moderate job growth & low NC High land use constraints Mixed on taxes High home prices 	<ul style="list-style-type: none"> Areas of tourism Population shifts/job losses