

Delinquency Increase is Seasonal- Black Knight

By: Jann Swanson | Mbn, Aug 22 2016, 2:16 PM

Mortgage **delinquencies rose slightly** in July, a change Black Knight Financial Services sees as seasonal. The number of mortgages that were 30 or more days past due but not in foreclosure rose by 108,000 from June, pushing the delinquency rate up by 4.78 percent to 4.51 percent. Black Knight, in its "first look" at the month's mortgage performance statistics, says months that end on a Sunday, as July did, usually see an increase in non-performance followed by a decline the following month. On a year-over year basis the rate is down by 3.38 percent and there are 70,000 fewer loans in delinquent status although the total of loans that are 30 days past due but not in foreclosure remains at an elevated level of 2.29 million.

Seriously delinquent loans, 90 or more days past due but not yet in foreclosure, also increased by 3,000 month-over-month to 695,000. This is down 147,000 loans from a year earlier.

The foreclosure **inventory**, homes that are somewhere in the official foreclosure process, is down 28.36 percent from July 2015 to 550,000 units. This is a decrease of 8,000 properties in one month and 214,000 over the course of one year.

There were 61,300 foreclosure **starts** in July, down 12 percent from June and the second lowest number in 10 years.

At the end of the reporting period there were 2.84 million properties that were 30 or more days past due or in foreclosure, up 100,000 from June but 284,000 fewer than in July 2015.

The **non-performing mortgage** rate remains highest in Mississippi at 11.67 percent but that rate has eased more than 7 percent over the last year. Louisiana was second at 9.63 percent followed by New Jersey, West Virginia, and Alabama, all in the 8 percent range.

All three of the states that saw the largest deterioration in mortgage performance over the previous six months have a large stake in the energy sector. North Dakota saw a 6.21 percent change in its non-current mortgage to 2.56 percent followed by Alaska, up 4.72 percent, and Wyoming up 2.27 percent.

Prepayment activity fell in July despite overall growth in the number of refinance candidates and 30-year interest rates that remained at or below 3.45 percent for much of the month. The prepayment or SMM rate was 1.26 percent, down 11.98 percent from June and 1.0 percent compared to a year earlier.

Black Knight will report other July mortgage data in its Mortgage Monitor, scheduled for release on or before September 6.

View this Article: <https://www.mortgagenewsdaily.com/news/08222016-black-knight-first-look>