Much of the Stimulus Has Been Saved

Personal Saving Rate
Seasonally adjusted, as % of disposable income

Source: BEA
Very Different Recession Compared to 2009

Ratio of Unemployed Workers Per Job Opening

Source: BLS
Massive Deficits: US and Globally

Deficits in CBO's September 2020 Baseline Versus Its March 2020 Baseline
Percentage of Gross Domestic Product

Deeper Deficits
Contribution to change in global fiscal surplus or deficit

Source: Congressional Budget Office, International Monetary Fund
Inflation Likely to Increase, Supply Constraints Likely to Bind

Source: Bureau of Labor Statistics, Deutsche Bank
Short-term Rates At Zero Through 2022

Rate History and Forecast

- 30 yr fixed mortgage
- 10 Yr Treasury
- 2 Yr Treasury
- Fed funds

Source: Federal Reserve Board, Freddie Mac, MBA Forecast

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Refi Volume Robust, But Rates Have Turned?

Refinance Index and 30-Yr Fixed Mortgage Rate

Refi Index (left axis)  30 Yr Fixed Rate (right axis)

Source: MBA Weekly Application Survey
Refi Opportunity… and Impact of Burnout

Outstanding conventional 30-year loans by WAC and vintage; borrowers with 50bp or greater rate incentive have refi risk, $bn

Source: J.P. Morgan, Fannie Mae, Freddie Mac

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Purchase Applications Continuing Strong Annual Growth

Purchase Mortgage Applications Index
(by week of the year, NSA)

Source: Mortgage Bankers Association
Home Sales Robust, But Inventory is Tight

Source: Census Bureau, National Association of Realtors
Home Price Growth Accelerated in 2020

Home Price Changes – Purchase Only
Non-seasonally adjusted, year over year percent change

Source: Federal Housing Finance Agency

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Forecast Purchase Growth, Refinancing to Slow

Mortgage Originations History and Forecast

Source: MBA Forecast

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IMB Net Production Profits in Q3 2020 Surpasses 200 Basis Points

Source: MBA Quarterly Mortgage Bankers Performance Report: www.mba.org/performancereport © MBA 2021
IMB Production Expenses ($ per loan) Increasing with Higher Loan Balances

Source: MBA Quarterly Mortgage Bankers Performance Report
Will Production Revenues Hold? Mortgage-Treasury Spreads Have Narrowed

30-Year Fixed Mortgage Rate and 10-Year Treasury Yield

Source: Federal Reserve and Freddie Mac
eNote Adoption Growing Rapidly

Source: MERS
Mortgage Delinquency Rates by Loan Type
Seasonally adjusted, based on loan counts, excludes loans in foreclosure

Source: MBA's National Delinquency Survey
Seriously Delinquent Rate by Loan Type

Non-seasonally adjusted, based on loan count, includes 90+ days delinquency and loans in foreclosure

Source: MBA’s National Delinquency Survey
% of Servicing Portfolio Volume in Forbearance by Investor Type over Time (Full Sample)

Source: MBA’s Weekly Forbearance and Call Volume Survey, as of 2/14/21
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% of Total Weekly Forbearance Exits by Reason

Source: MBA’s Weekly Forbearance and Call Volume Survey, as of 2/14/21
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