Mortgage Monitor report

November 2025

Contents

Overview – November 2025

Each month, the ICE Mortgage Monitor examines key trends and developments in the mortgage and housing industries.

This month, we take a deeper look at mortgage performance data from our most recent First Look report, which tracks delinquency and foreclosure trends through the end of September, with a focus on FHA lending.

Next, we look at how recent interest rate movements have affected refinance incentive, including a view of early October prepayment trends. We revisit housing market trends, with updates on for-sale inventory, home affordability, purchase demand and home price dynamics. Finally, we provide an update on home equity and tappable equity, including a view of negative equity by market.

In producing Mortgage Monitor, the ICE Mortgage and Housing Market Research team aggregates, analyzes and reports on the most-recent data from the company's vast mortgage and housing-related data assets. Information is gathered from McDash and McDash Flash loan-level mortgage performance data, ICE Valuation Analytics home price and sales trends data, eMBS agency securities data, ICE Origination Data, the ICE Home Price Index, and the company's robust public records database covering 99.99% of the U.S. population. For more information on gaining access to ICE data assets, please call 844-474-2537 or email ICE-MortgageMonitor@ice.com.

First Look at mortgage performance

The ICE First Look at mortgage performance provides a high-level overview of delinquency, foreclosure and prepayment statistics sourced from the ICE McDash loan-level database.

Overview of mortgage performance

Foreclosure activity is trending higher off of recent record lows, largely driven by a resumption of FHA foreclosures following last year's moratoriums, but remains low from a historical perspective.

-2 bps

Delinquency rate

The number of borrowers a single payment past due decreased by 11K.

Loans 90+ days past due but not in foreclosure decreased 1% from August.

+23%

Foreclosure starts

Foreclosure starts surged YoY in Q3 but remained 18% below pre-pandemic levels.

Loans in active foreclosure increased +18% YoY in Q3, but remained 22% below 2019 levels.

+12%

Prepayment activity

Single-month mortality increased to 0.74% as rates dipped.

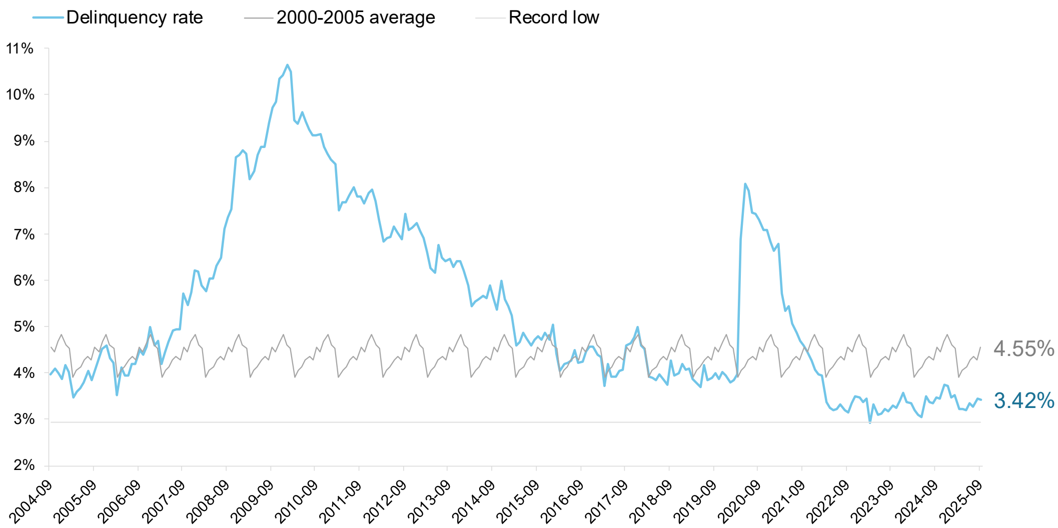
Prepayments were up almost 15% from a year ago.

Mortgage performance update

The ICE McDash loan-level database provides key performance metrics for a clearer picture of the mortgage landscape. In this section, we take an in-depth look at recent delinquency and foreclosure activity.

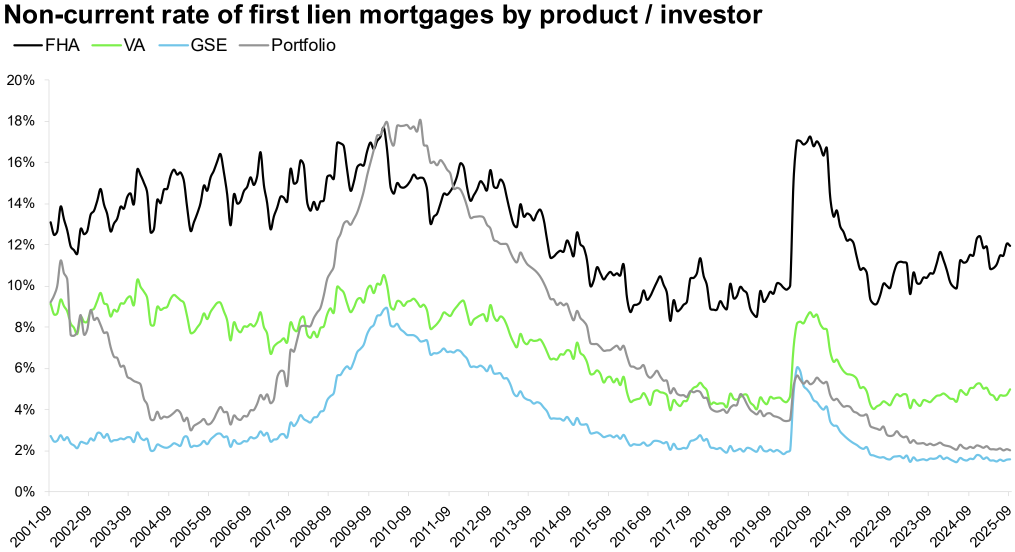
- The national delinquency rate fell by 2 basis points (bps) in September to 3.42%, down 6 bps from the same time last year and 58 bps below its September 2019 pre-pandemic level
- Both early-stage (30-day) and late-stage (90+ day) delinquencies improved month over month following the August Sunday month end, as the vast majority of borrowers remain current on their mortgage payments
- Delinquency inflows and rolls to 60-days late both declined, with rolls to 90-days late flat month over month, with cures to current improving across all stages of delinquency
- The non-current rate (delinquencies plus active foreclosures) declined year over year among GSE (-3 bps), VA (-4 bps) and portfolio-held loans (-17 bps), with FHA loans being the notable exception, rising by 44 bps from last year
- FHA loans now account for 47% of all delinquencies and 52% of all serious delinquencies (90+ days past due but not in foreclosure)
- Only 25% of FHA loans that are 90 or more days late are in foreclosure – the lowest share of any product – but with FHA guidelines changing this fall, that share may be poised to grow

National delinquency rate of first lien mortgages



Source: ICE McDash

Non-current rate of first lien mortgages by product / investor

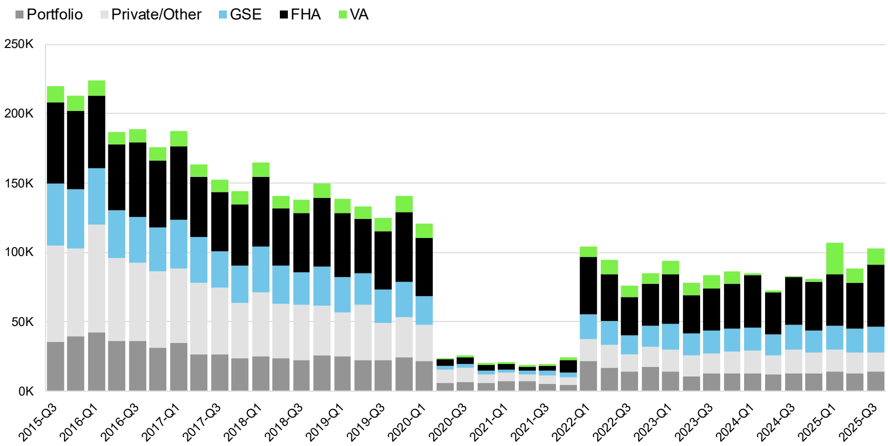


Source: ICE McDash

Mortgage performance update

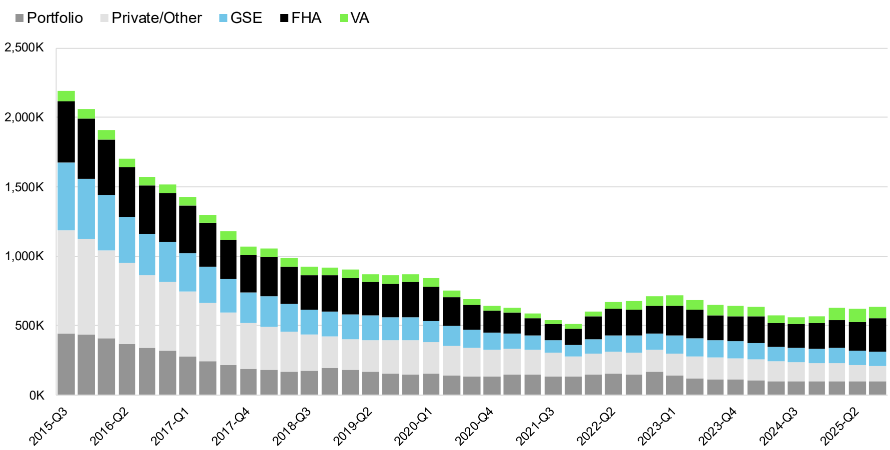
- There were 103K foreclosure starts in Q3 2025, a 23% increase from the same period last year, but 18% below Q3 2019's pre-pandemic levels with FHA loans accounting for 44% of foreclosure starts in Q3
- The number of loans in active foreclosure rose modestly year-over-year (18%), yet overall foreclosure volume remains historically low, with Q3 foreclosure sales (21K) at roughly half of 2019 levels
- FHA loans account for the majority of that rise, making up 38% of active foreclosures, roughly half of the annual rise in foreclosure starts and 80% of the rise in active foreclosures
- The resumption of VA foreclosure activity following last year's moratorium is largely responsible for the remainder of the recent growth, with foreclosure inventory for portfolio-held loans and GSE mortgages largely flat year over year

Foreclosure starts



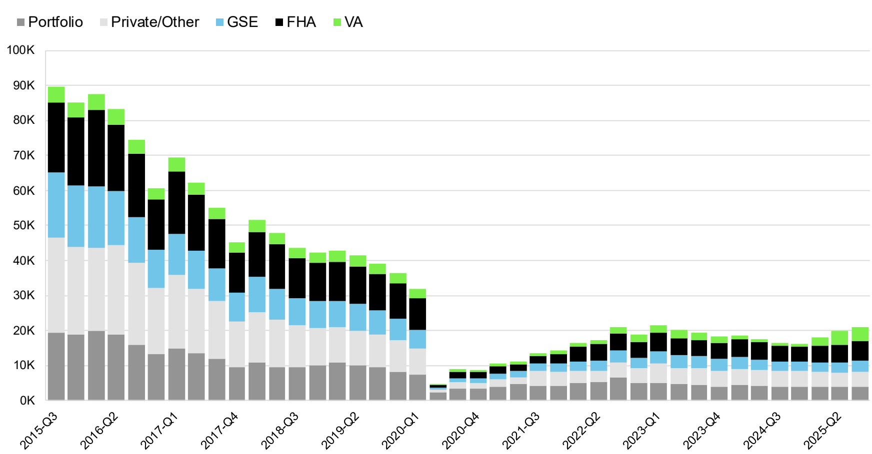
Source: ICE McDash

Active foreclosures



Source: ICE McDash

Foreclosure sales

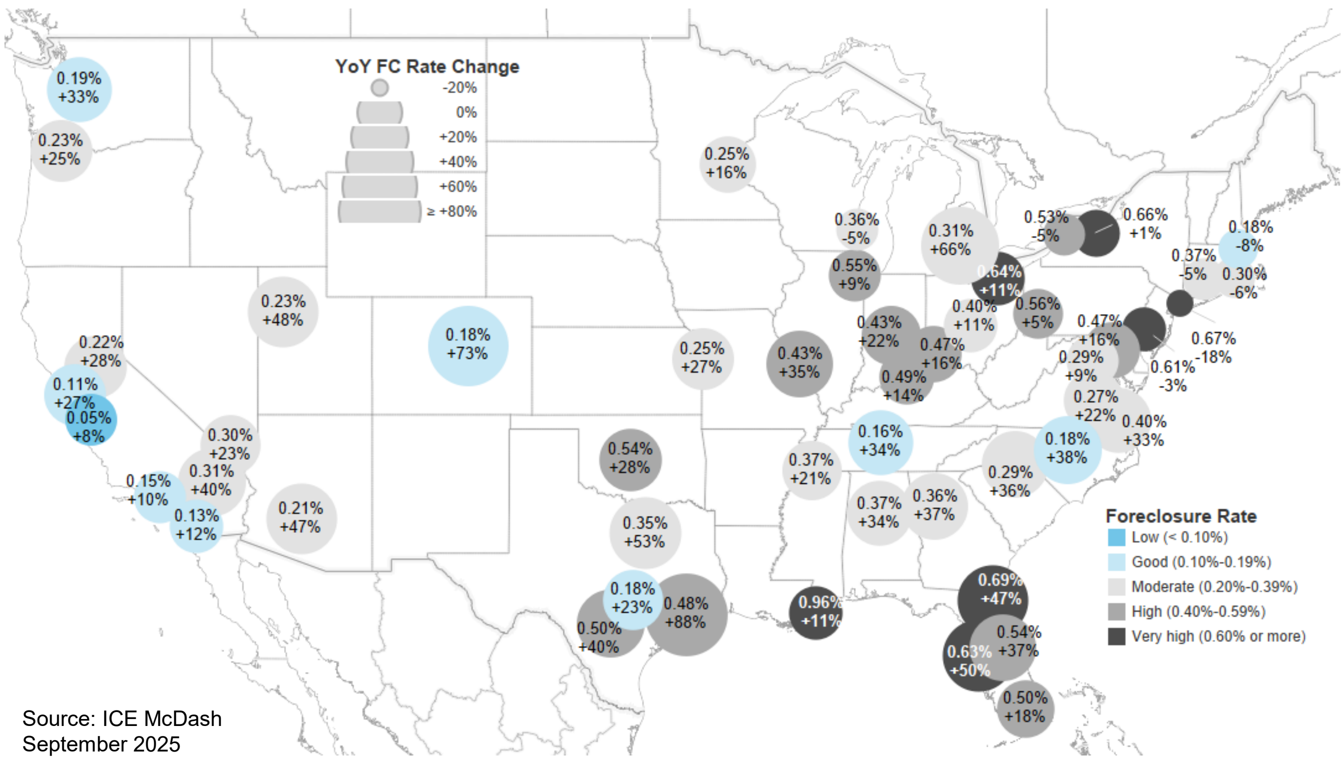


Source: ICE McDash

Mortgage performance update

- Markets in Louisiana – the state with the highest rate of non-current loans – also have the nation's highest foreclosure rates, with Baton Rouge at 1.10% and New Orleans at 0.96%
- Four Florida markets and two Texas markets rank among the 15 fastest rising foreclosure rates YoY: Cape Coral (+57%), Tampa (+50%), Deltona (+50%) and Jacksonville (+47%) along with Houston +88% and Dallas +53%. Two Colorado markets are up more than 70% but started from a very low base
- Provo, Detroit, Augusta, Salt Lake City, Phoenix and Spokane round out the top 15
- New York markets remain at high foreclosure rates due to a lengthy judicial foreclosure process, but their foreclosure rates are either down or flat from last year. Cleveland, with a foreclosure rate of 0.64%, is up only +11% YoY
- Markets in California, Arizona and Tennessee rank among the lowest for foreclosures despite recent increases

Foreclosure rate and annual change in foreclosure rate



Source: ICE McDash
September 2025

Lowest foreclosure rates	
CBSA	**FC Rate**
San Jose, CA	0.05%
Oxnard, CA	0.10%
San Francisco, CA	0.11%
San Diego, CA	0.13%
Grand Rapids, MI	0.13%
Boise City, ID	0.14%
Los Angeles, CA	0.15%
Nashville, TN	0.16%
Raleigh, NC	0.18%
Denver, CO	0.18%
Boston, MA	0.18%
Austin, TX	0.18%
Chattanooga, TN	0.19%
Seattle, WA	0.19%
Phoenix, AZ	0.21%

Highest foreclosure rates	
CBSA	**FC Rate**
Baton Rouge, LA	1.10%
New Orleans, LA	0.96%
Syracuse, NY	0.92%
Lakeland, FL	0.90%
Albany, NY	0.88%
Youngstown, OH	0.83%
Columbia, SC	0.73%
Deltona, FL	0.72%
Jacksonville, FL	0.69%
Scranton, PA	0.69%
New York, NY	0.67%
Rochester, NY	0.66%
Cleveland, OH	0.64%
Honolulu, HI	0.63%
Tampa, FL	0.63%

Lowest year over year change	
CBSA	**YoY Change**
New York, NY	-18%
Albany, NY	-17%
Boston, MA	-8%
Bridgeport, CT	-7%
Madison, WI	-7%
Providence, RI	-6%
Buffalo, NY	-5%
Milwaukee, WI	-5%
Hartford, CT	-5%
Urban Honolulu, HI	-5%
Philadelphia, PA	-3%
Scranton, PA	-2%
Oxnard, CA	+0%
Rochester, NY	+1%
Allentown, PA	+2%

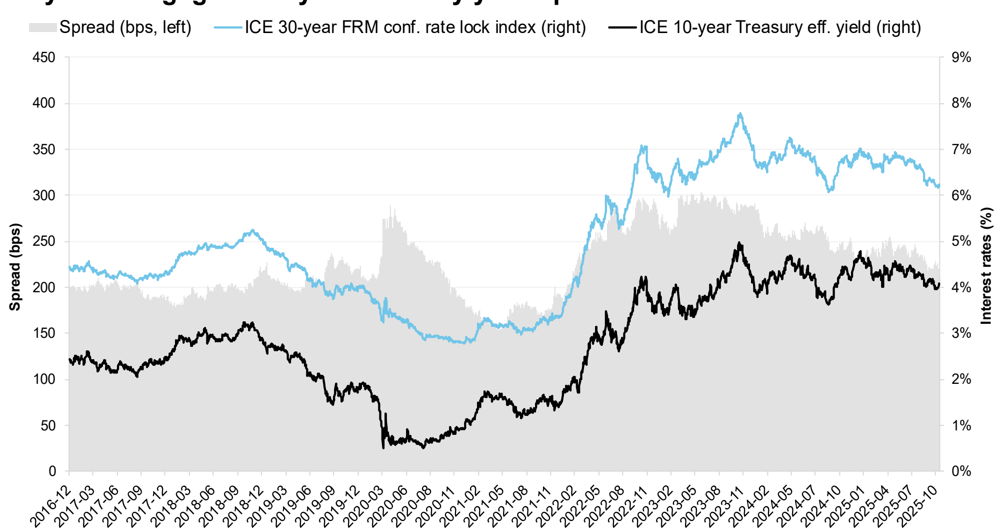
Highest year over year change	
CBSA	**YoY Change**
Houston, TX	+88%
Colorado Springs, CO	+76%
Denver, CO	+73%
Provo, UT	+68%
Detroit, MI	+66%
Augusta, GA	+62%
Cape Coral, FL	+57%
Dallas, TX	+53%
Tampa, FL	+50%
Deltona, FL	+50%
Knoxville, TN	+50%
Salt Lake City, UT	+48%
Jacksonville, FL	+47%
Phoenix, AZ	+47%
Spokane, WA	+45%

Interest rate, refinance and prepayment update

The ICE Index Platform and ICE McDash loan-level dataset allow us to take a deeper look at how recent interest rate movements have affected refinance incentive, including a view of early October prepayment trends.

- The ICE U.S. Conforming 30-year Fixed Mortgage Rate Lock Index dipped to 6.17% ahead of the October Fed meeting, the lowest level so far this year
- While the initial move following the Fed meeting was a modest uptick in 10-year treasury yields on a less certain view of the Fed cutting rates again in December and a reduction in rate cut expectations for 2026, tighter spreads so far have helped mute the impact on mortgage rates
- The spread between the 10-year Treasury yield and the 30-year fixed mortgage rate averaged 220 bps in October, the narrowest margin since the Fed ended quantitative easing (QE) back in early 2022
- The spread narrowed further to 212 bps entering November, following the Fed meeting, perhaps receiving a boost from Fed Chair Jerome Powell signaling an end to quantitative tightening (QT) runoff in December, which may help balance supply and demand in Treasury and MBS markets
- ICE Conforming 30-year Fixed Mortgage Rate Lock Weighted APR Index Futures prices imply that the market is pricing in modest but additional improvement in mortgage rates over the next six months, with rates priced to remain effectively flat through the end of this year before easing into the 6.125% range next spring

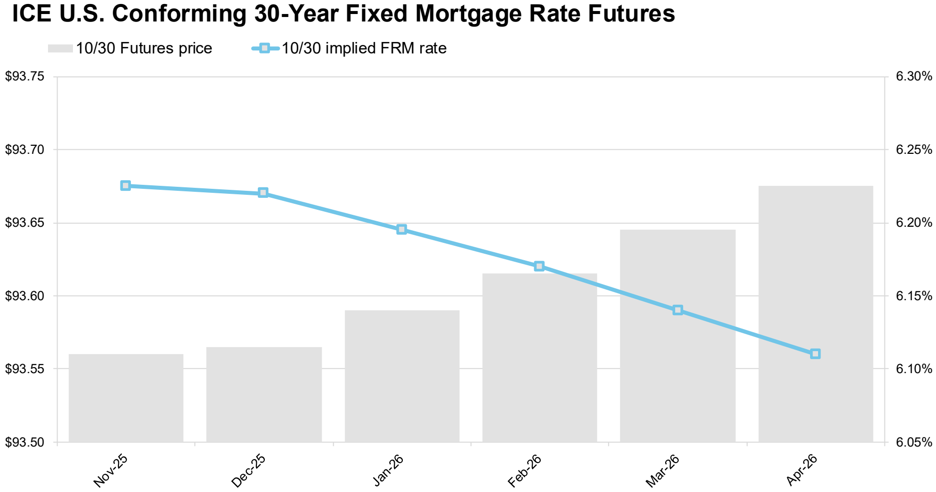
30-year mortgage to 10-year Treasury yield spread



Source: ICE Index Platform

Data through Oct. 30, 2025

ICE U.S. Conforming 30-Year Fixed Mortgage Rate Futures



Source: ICE Conforming 30-year Fixed Mortgage Rate Lock Weighted APR Index Futures

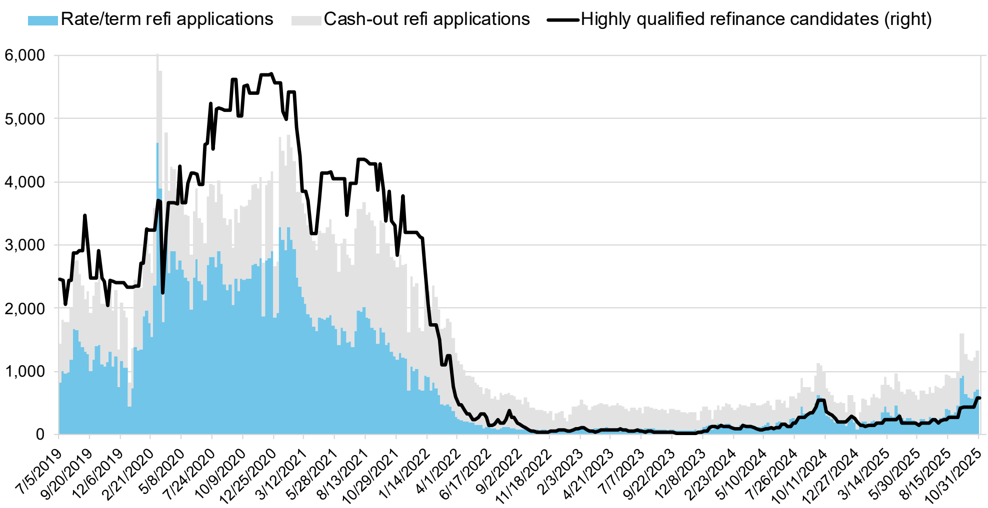
Implied 30-year mortgage rate is calculated using the single day spread between the loan balance weighted average APR futures price and simple average daily rate. Data as of Oct 30, 2025

Interest rate, refinance and prepayment update

- With mortgage rates at 6.17%, the number of highly qualified refinance candidates – those with 720+ credit scores, 20% equity, and potential rate savings of 75 bps or more – increased to 1.7M, the largest such volume in 3.5 years
- Excluding credit scores and equity requirements, as of Oct. 28, there were 4.1M mortgage holders with rates that would meet that 75 bps savings threshold
- If mortgage rates drop slightly to 6.125%, that number could surge to 5 million, due to a large concentration of borrowers with rates just under 7%
- The MBA Refinance Application Index trended higher in the week ending Oct. 24 on increased refinance incentives but remained below the peaks of mid-September
- Given the sensitivity to modest rate movements in their current range, borrower refinancing behavior will be worth watching closely in coming weeks for impacts on lending volumes and prepayments among recently originated loans

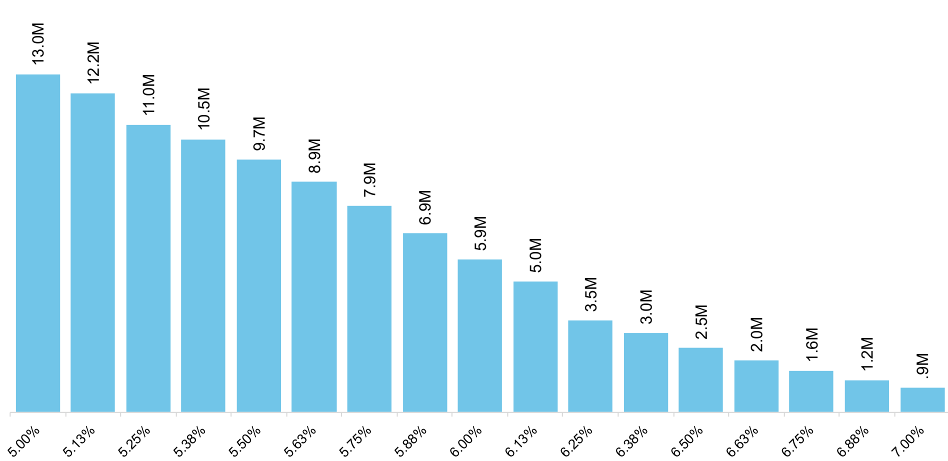
Refinance application volumes

(MBA indexed, scaled with ICE estimates of rate/term share)



Source: MBA,
ICE Origination Data,
FHLMC PMMS

Number of 'in the money' mortgages under various 30-year rate scenarios

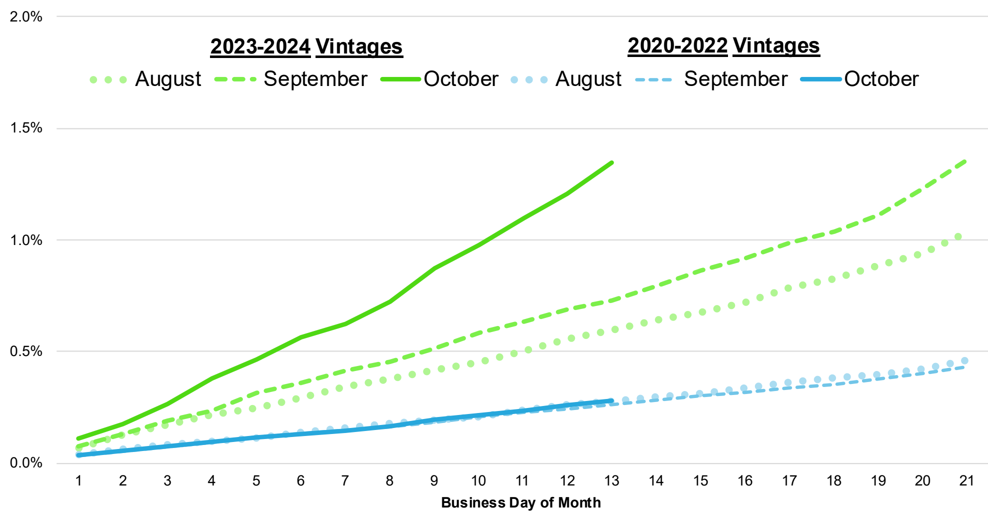


Source: ICE McDash

Interest rate, refinance and prepayment update

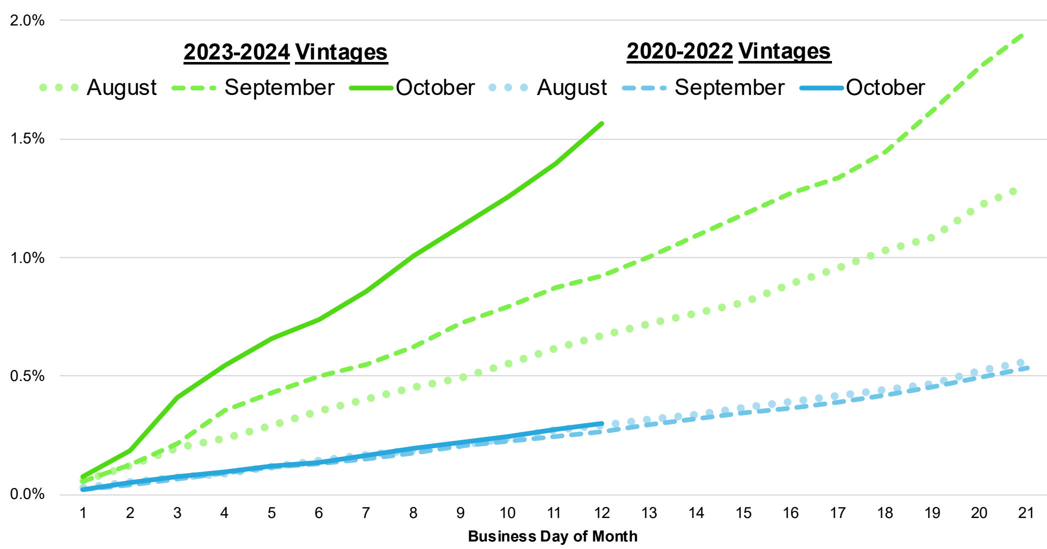
- Recent rate drops and increased refinancing are driving higher prepayment speeds across product types
- McDash Flash data shows prepayment speeds began rising in early September, accelerating sharply in October as mid-September refinance rate locks (triggered by 30-year rates near 6.25%) closed
- The impact is mostly seen in mortgages originated from 2023-2025, with minimal effects on loans from 2019-2022
- This trend suggests recent refinancing activity is led by newer borrowers seeking better rates and lower payments, with slight growth in cash-out refinances for older loans
- By mid-October, prepayment speeds for 2023-2024 GNMA and GSE loans more than doubled compared to August, while 2020-2022 loans remained steady

Cumulative daily prepayment rate (partial month mortality)
GSE securitized loans



Source: ICE McDash Flash

Cumulative daily prepayment rate (partial month mortality)
GNMA securitized loans

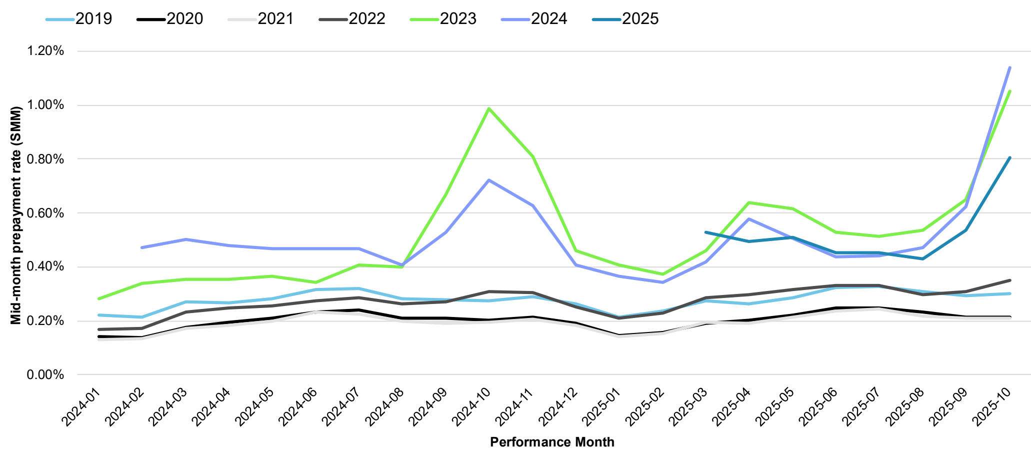


Source: ICE McDash Flash

Interest rate, refinance and prepayment update

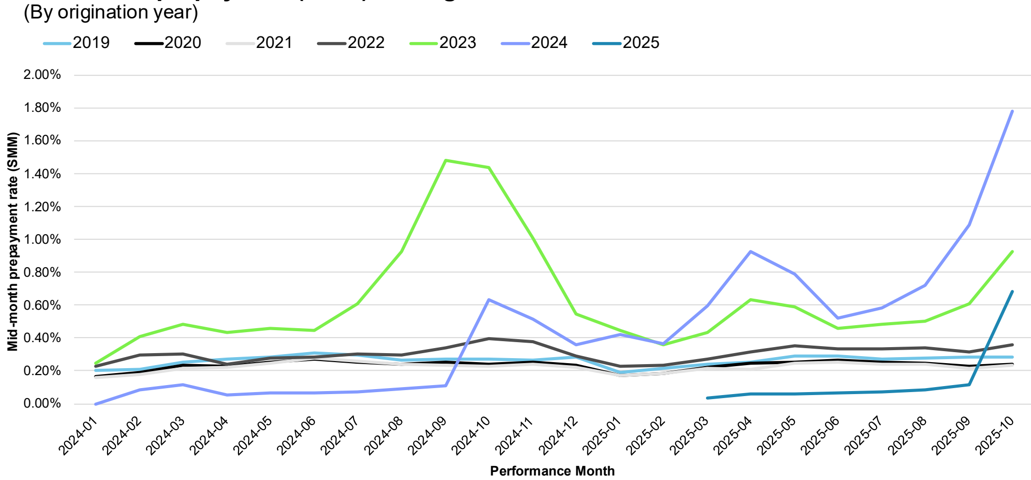
- Comparing mid-month prepayment speeds over time offers valuable insight into how October's speeds compare to previous months at similar points
- Recent refinance activity has primarily impacted prepayment speeds for mortgages originated between 2023 and 2025, with minimal effect on loans from 2022 and earlier
- Prepayment speeds for 2023-2025 vintage GSE mortgages have already surpassed early 2024 levels, indicating a sharper response despite mortgage rates being lower last fall than they are mid-October this year
- On the GNMA side, 2024 vintage loans are showing the strongest reaction, with prepayments of early 2025 vintage loans also picking up speed as they pass the 210-day seasoning mark and become eligible for streamline refinances in the current lower-rate environment
- Mid-month prepayment speeds among loans originated from 2019-2022 are largely running in line with prior month levels

Mid-month prepay rate (SMM) among GSE securitized loans
(By origination year)



Source: ICE McDash Flash

Mid-month prepay rate (SMM) among GNMA securitized loans
(By origination year)



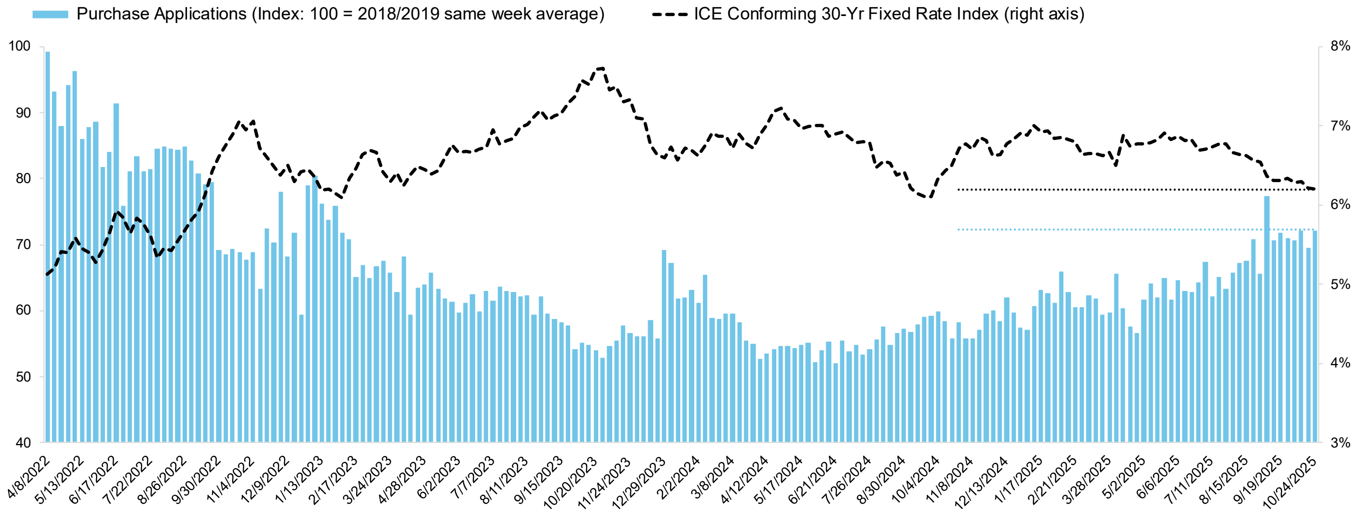
Source: ICE McDash Flash

Housing market update

Analyzing the latest data from the ICE Index Platform, ICE Origination Data and the ICE McDash loan-level dataset, along with public and private data sources, we examine the inventory of homes for sale, home affordability, purchase demand and the latest trends in home prices to provide a comprehensive look at the housing market.

- Purchase applications have pressed higher in recent weeks as easing rates improved affordability
- Applications over the four weeks of October were up an average of 24% from the same time last year, at roughly 72% of pre-pandemic levels
- Improvements in rates, affordability, demand, and supply could help support home sale volumes as we make our way into early Q4

Mortgage applications to purchase a home

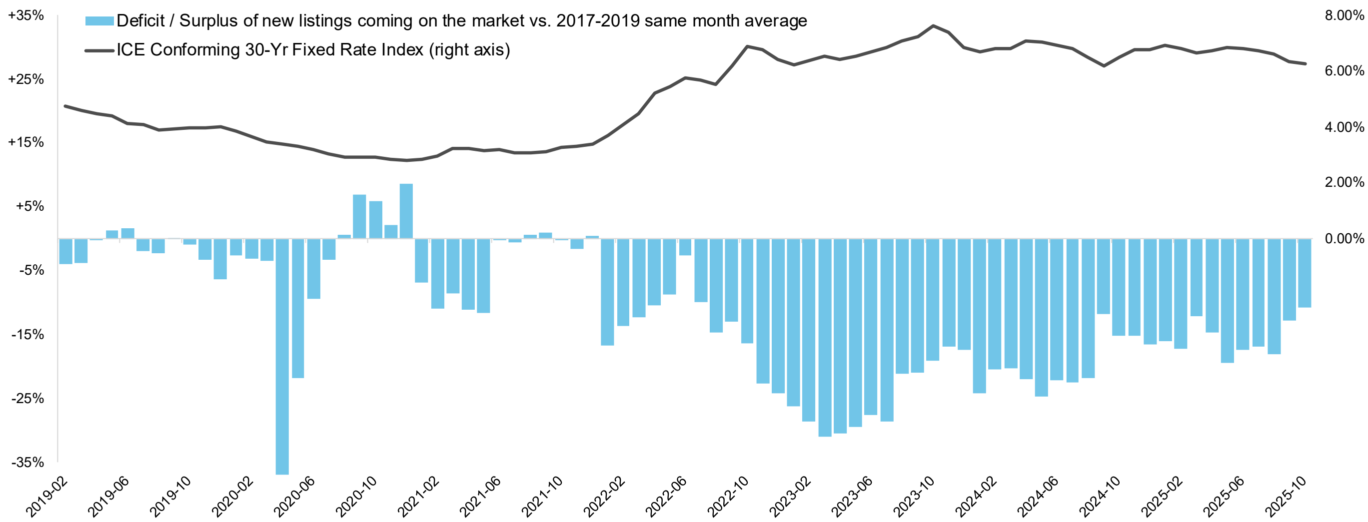


Source: ICE, MBA, ICE Index Platform

Housing market update

- While the connection between 30-year mortgage rates and the lock-in effect on homeowners and new real estate listings has been shaky in recent years, they have been moving in tandem in recent months
- Adjusted new listing volumes improved in September and October as mortgage rates fell below 6.25%, narrowing the deficit to -11% compared to 2017-2019 averages – the strongest level in over three years
- This is a positive sign after inventory growth stalled recently, with sellers pulling listings due to weaker home price trends
- Year-to-date, new listings are down 16% from pre-pandemic averages, an improvement from a 20% deficit last year and 25% in 2023. Three of the strongest months for new listings in the past three years occurred in September 2024 and September and October this year as rates eased

New real estate listings vs. 30-year mortgage rates

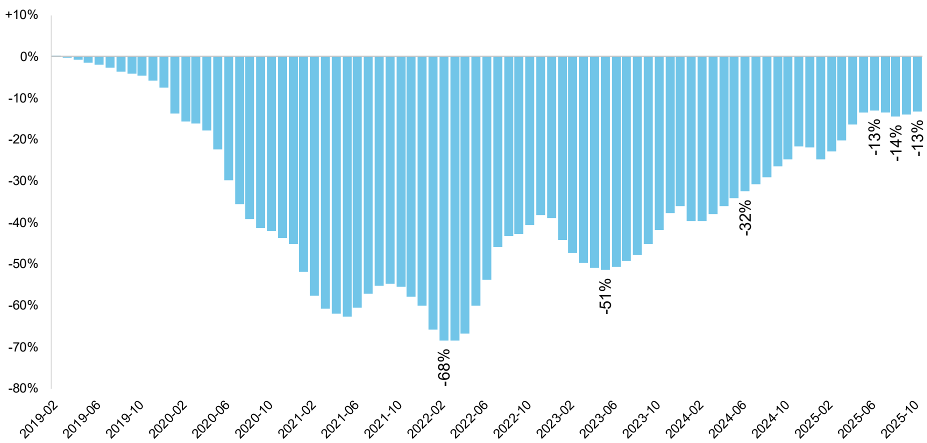


Source: ICE, Realtor.com, ICE Index Platform

Housing market update

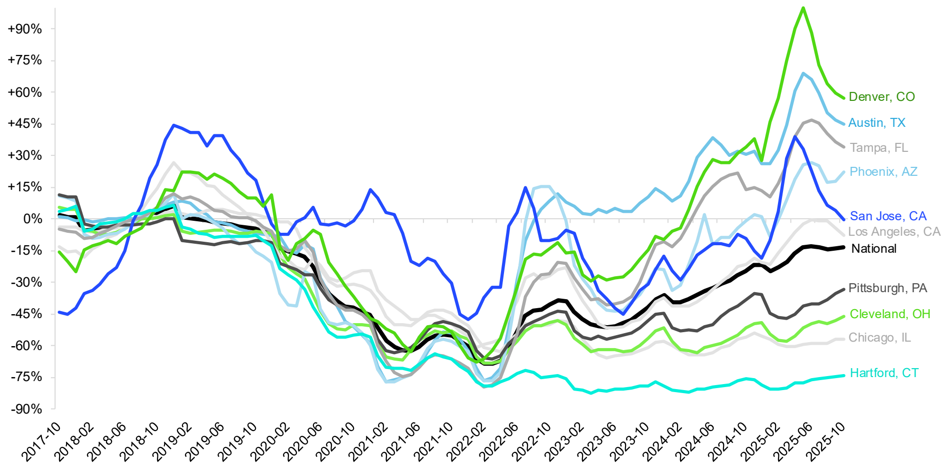
- For-sale inventory deficit improvement has stalled over the past six months after improving to -13% nationally in May 2025 from -34% in May 2024
- Over the past six months, 40% of markets have seen inventory decline, while 60% have experienced improvements
- The sharpest inventory drops have been in areas that previously had surpluses and weaker home prices, as sellers delayed or passed on selling to avoid lower prices
- Markets like San Francisco, San Jose, Seattle, Denver, and Stockton have seen inventory fall by over 20%, with more than a dozen other Western and Southern markets (including parts of Texas and Florida) seeing declines of over 10%
- Midwest and Northeast markets have seen the largest inventory gains recently, though many markets there still face significant deficits

Surplus / Deficit of homes listed for sale nationwide
Change from 2017-2019 same month average



Source: ICE, Realtor.com

Surplus / Deficit of homes listed for sale by market
Change from 2017-2019 same month average

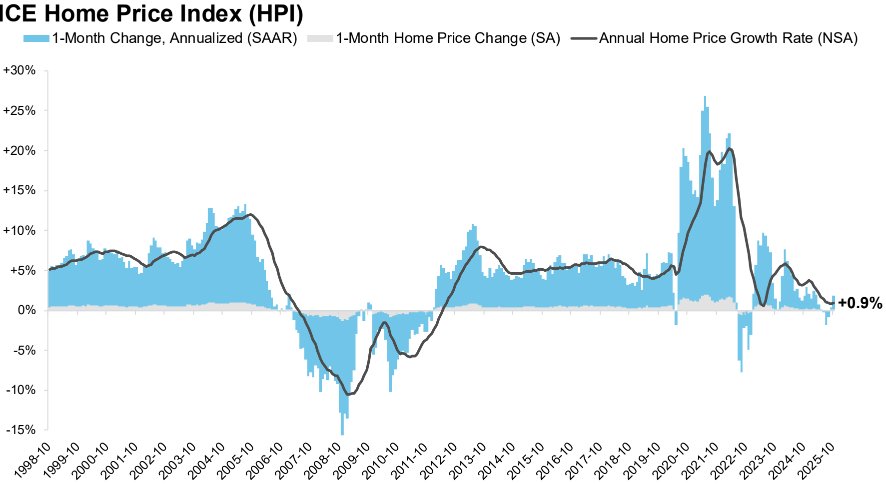


Source: ICE, Realtor.com

Housing market update

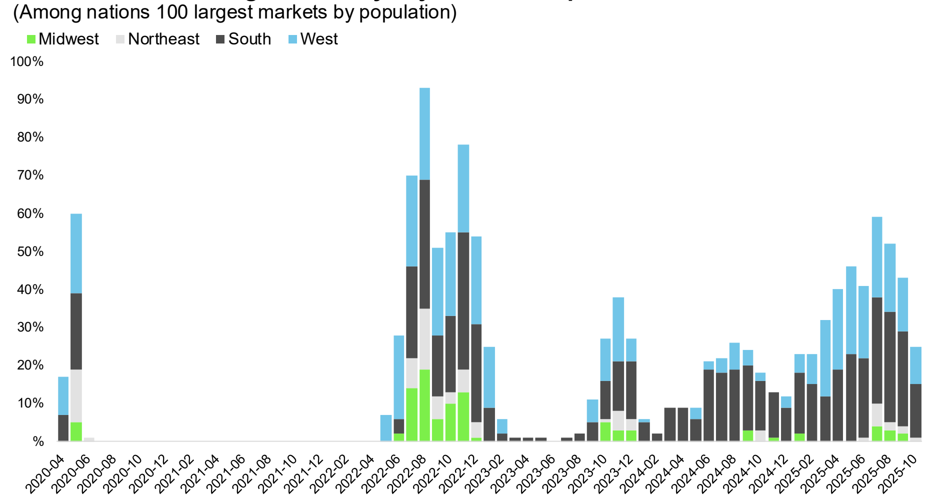
- Improved rates and tighter inventory boosted home prices in October, with annual growth rising to +0.9% and seasonally adjusted prices increasing +0.15% – the largest monthly gain since March
- That equates to a seasonally adjusted annualized growth rate of +1.8%, modest by historical standards but signaling potential for continued firming in the months ahead
- Single-family home prices rose +1.2% annually in October, while condo prices declined by -1.8% year over year
- Only 25% of major markets experienced month-over-month price drops in October, the smallest share since February and a significant improvement from earlier this year

ICE Home Price Index (HPI)



Source: ICE Home Price Index, October 2025 mid-month

Share markets seeing seasonally adjusted home price declines
(Among nations 100 largest markets by population)

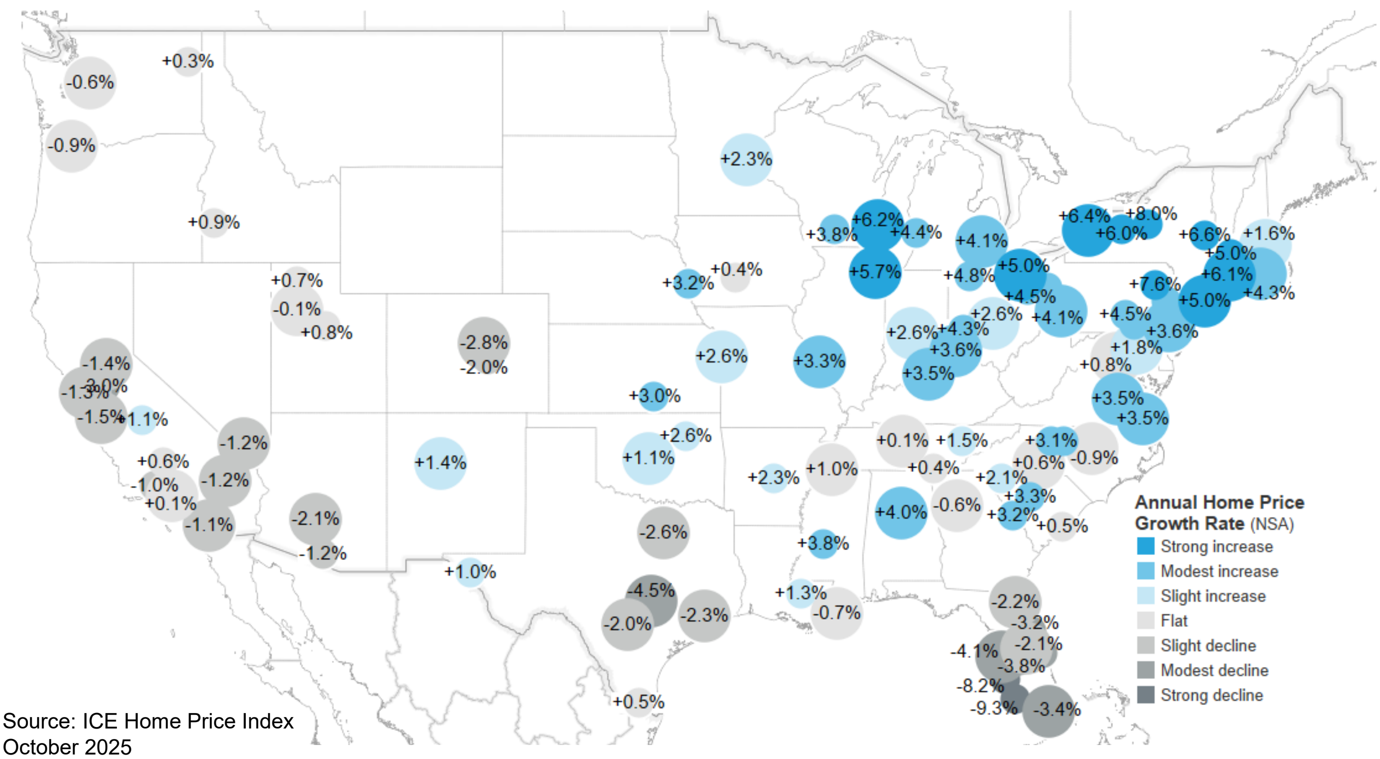


Source: ICE Home Price Index, October 2025 mid-month

Housing market update

- The market remains split, with 70% of markets seeing annual price gains and 30% experiencing declines, particularly in parts of Florida, Texas, and localized Western markets. However, most of the country saw slight price increases in October, with nearly 25% of markets rising at an annualized rate of over 4%
- The largest year-over-year price gains are concentrated in the Northeast, particularly in New York, Connecticut and Pennsylvania, while the biggest declines are in Florida, Texas and Colorado
- About one-third of major markets have seen prices drop by 1% or more from recent peaks, with 25% down at least 2% and 10% down 5% or more
- The steepest declines include Austin (-21.7%), Cape Coral (-15.3%), North Port (-14.3%), San Francisco (-8.6%), and Phoenix (-6.7%), with other notable drops in Tampa, Denver, and several Florida, Texas, and California markets. California's pullbacks, however, remain modest

Annual home price growth rate (NSA, September 2025)



Source: ICE Home Price Index
October 2025

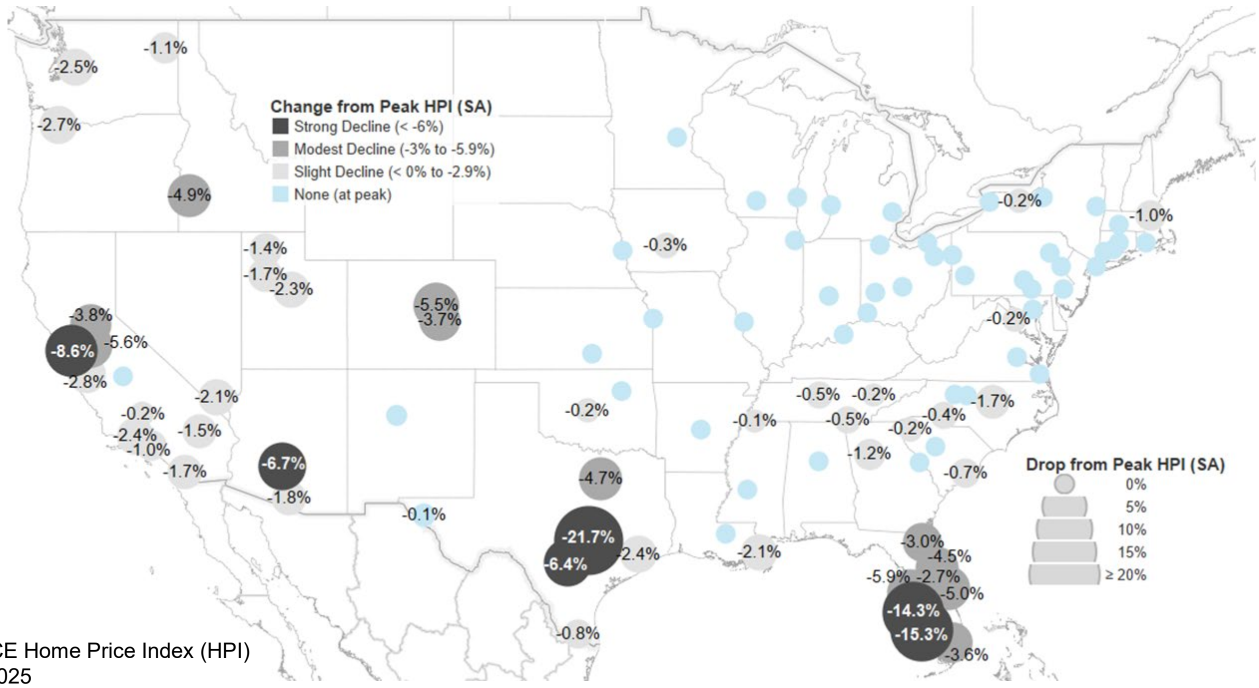
Rank	Geography (CBSA)	1-month home price growth rate (SA)	Annual home price growth rate		Seasonally adjusted annualized rate (SAAR)
Highest annual home price growth rates					
1	Syracuse, NY	+1.20%	**+9.7%**	▲	+14.4%
2	Bridgeport, CT	+0.54%	**+7.6%**	▼	+6.5%
3	Scranton, PA	+0.58%	**+7.5%**	▼	+6.9%
4	New Haven, CT	+0.81%	**+7.4%**	▲	+9.7%
5	Buffalo, NY	+0.69%	**+6.9%**	▲	+8.3%
6	Rochester, NY	+0.47%	**+6.7%**	▼	+5.6%
7	Albany, NY	+0.92%	**+6.5%**	▲	+11.1%
8	Hartford, CT	+0.52%	**+6.5%**	▼	+6.3%
9	Springfield, MA	+0.55%	**+6.0%**	▲	+6.6%
10	Milwaukee, WI	+0.38%	**+5.6%**	▼	+4.5%
11	Toledo, OH	+0.72%	**+5.3%**	▲	+8.6%
12	Cleveland, OH	+0.39%	**+5.3%**	▼	+4.7%
13	New York, NY	+0.43%	**+5.2%**	▼	+5.1%
14	Grand Rapids, MI	+0.47%	**+5.0%**	▲	+5.6%
15	Chicago, IL	+0.04%	**+4.9%**	▼	+0.5%

Rank	Geography (CBSA)	1-month home price growth rate (SA)	Annual home price growth rate		Seasonally adjusted annualized rate (SAAR)
Lowest annual home price growth rates					
86	San Francisco, CA	+0.24%	**-2.1%**	▲	+2.9%
87	Jacksonville, FL	-0.12%	**-2.1%**	▲	-1.4%
88	Houston, TX	-0.30%	**-2.2%**	▼	-3.6%
89	Denver, CO	-0.13%	**-2.4%**	▲	-1.5%
90	Dallas, TX	-0.39%	**-2.6%**	▼	-4.7%
91	Stockton, CA	-0.10%	**-2.7%**	▲	-1.3%
92	Palm Bay, FL	-0.11%	**-2.8%**	▲	-1.4%
93	Miami, FL	+0.12%	**-2.9%**	▲	+1.4%
94	San Antonio, TX	-0.51%	**-3.0%**	▼	-6.1%
95	Lakeland, FL	-0.17%	**-3.1%**	▲	-2.0%
96	Deltona, FL	+0.29%	**-3.1%**	▲	+3.5%
97	Tampa, FL	-0.12%	**-4.1%**	▲	-1.5%
98	Austin, TX	-0.46%	**-4.6%**	▼	-5.5%
99	North Port, FL	-0.58%	**-8.8%**	▲	-6.9%
100	Cape Coral, FL	-0.23%	**-9.2%**	▲	-2.8%

Housing market update

- About one-third of major markets have seen prices drop by 1% or more from recent peaks, with 25% down at least 2% and 10% down 5% or more
- The steepest declines include Austin (-21.7%), Cape Coral (-15.3%), North Port (-14.3%), San Francisco (-8.6%), and Phoenix (-6.7%), with other notable drops in Tampa, Denver, and several Florida, Texas, and California markets. California's pullbacks, however, remain modest

Home price change from recent peaks (Seasonally adjusted)



Source: ICE Home Price Index (HPI)
October 2025

Markets that have experienced the largest decline in home prices from recent peaks				
Geography (CBSA)	**Peak date**	**Change from recent peak (%)**	**Change from recent peak ($)**	
Austin, TX	2022-05	-21.7%	$	(128,529)
Cape Coral, FL	2022-06	-14.9%	$	(66,909)
North Port, FL	2022-06	-14.5%	$	(72,734)
San Francisco, CA	2022-04	-9.3%	$	(116,270)
San Antonio, TX	2022-06	-7.1%	$	(24,481)
Phoenix, AZ	2022-05	-6.7%	$	(34,375)
Tampa, FL	2023-11	-5.6%	$	(22,803)
Stockton, CA	2022-04	-5.5%	$	(31,236)
Denver, CO	2022-05	-5.2%	$	(32,856)
Boise City, ID	2022-04	-5.1%	$	(28,008)
Dallas, TX	2022-05	-4.7%	$	(20,605)
Lakeland, FL	2023-10	-4.4%	$	(13,865)
Deltona, FL	2024-02	-4.3%	$	(15,818)
Palm Bay, FL	2023-10	-4.0%	$	(15,444)
Sacramento, CA	2022-04	-3.6%	$	(22,155)
Miami, FL	2024-05	-3.2%	$	(17,052)
Colorado Springs, CO	2022-05	-3.1%	$	(15,688)
Portland, OR	2022-05	-3.1%	$	(17,707)
Provo, UT	2022-05	-3.0%	$	(17,394)
Jacksonville, FL	2024-03	-2.9%	$	(11,144)
Orlando, FL	2024-03	-2.6%	$	(10,770)
New Orleans, LA	2022-05	-2.4%	$	(7,139)
Seattle, WA	2022-04	-2.4%	$	(19,299)
Houston, TX	2024-11	-2.4%	$	(8,557)
Las Vegas, NV	2025-02	-2.1%	$	(9,767)
San Jose, CA	2025-02	-2.1%	$	(33,430)
Oxnard, CA	2025-02	-2.0%	$	(18,394)
Salt Lake City, UT	2022-04	-1.8%	$	(10,665)
Ogden, UT	2022-05	-1.8%	$	(9,419)
San Diego, CA	2025-02	-1.5%	$	(15,454)
Tucson, AZ	2025-02	-1.5%	$	(5,657)
Los Angeles, CA	2025-02	-1.4%	$	(15,150)
Riverside, CA	2025-02	-1.4%	$	(8,183)
Raleigh, NC	2025-03	-1.4%	$	(6,489)
Washington, DC	2025-02	-1.0%	$	(6,275)
Spokane, WA	2022-05	-1.0%	$	(4,263)

Source: ICE Home Price Index
October 2025

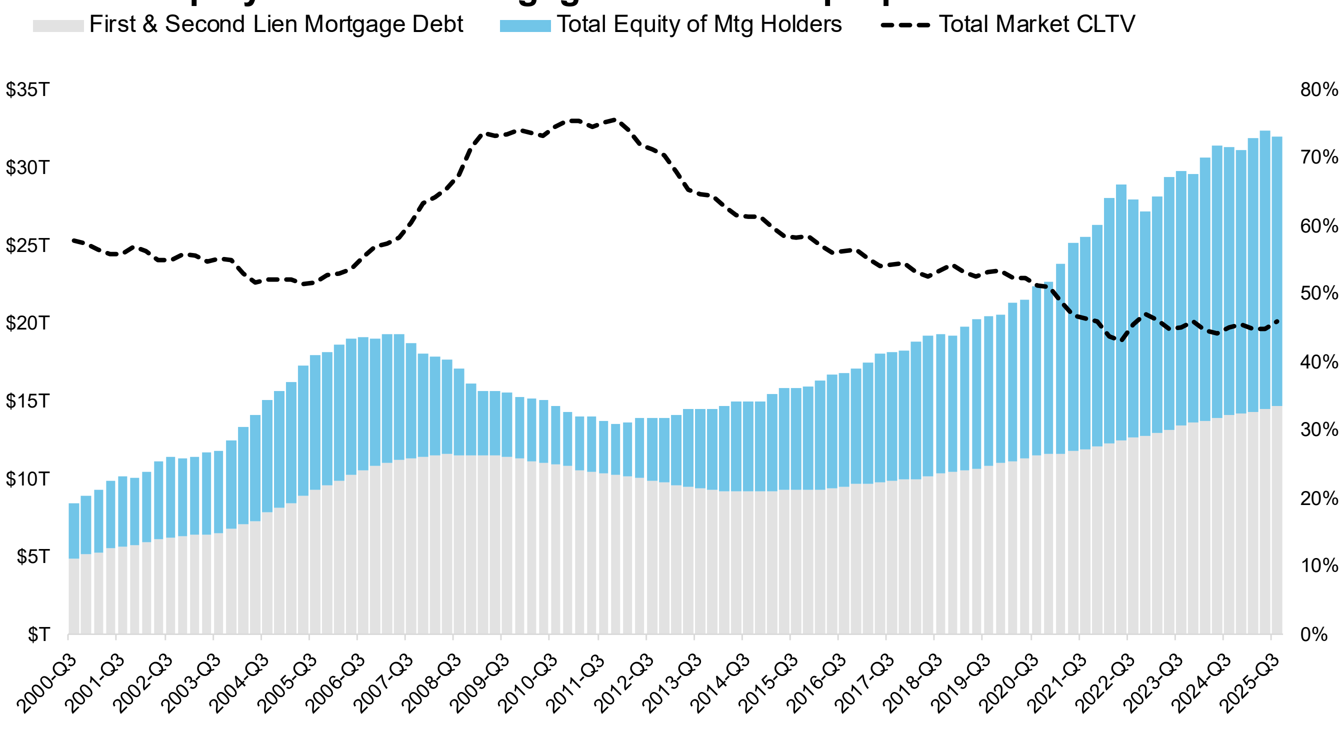
Seasonally adjusted price changes from local market post-pandemic peaks

Equity update

Analyzing ICE McDash + Property data, we offer insights into home equity, tappable equity – the amount of equity that can be withdrawn while leaving a 20% equity cushion, and the relatively small but growing percentage of homes where borrowers owe more than their homes are worth.

- Mortgage holder equity levels are stabilizing due to slower home price growth, but improved borrowing costs could benefit equity holders and lenders in the coming quarters
- As of Q4, mortgage holders have $17.3T in home equity, including $11.2T in tappable equity – accessible via cash-out refinances or home equity lines while maintaining 20% equity in the property
- Tappable equity is down seasonally from a $11.7T peak this summer and flat year over year, marking the slowest growth in over two years. The average mortgage holder has $204K in available equity
- Total first and second lien debt reached a record $14.7T in Q3, representing 46% of home values – slightly above recent years but still low historically – leaving 54% as mortgage holder equity

Debt vs. equity levels on mortgaged residential properties

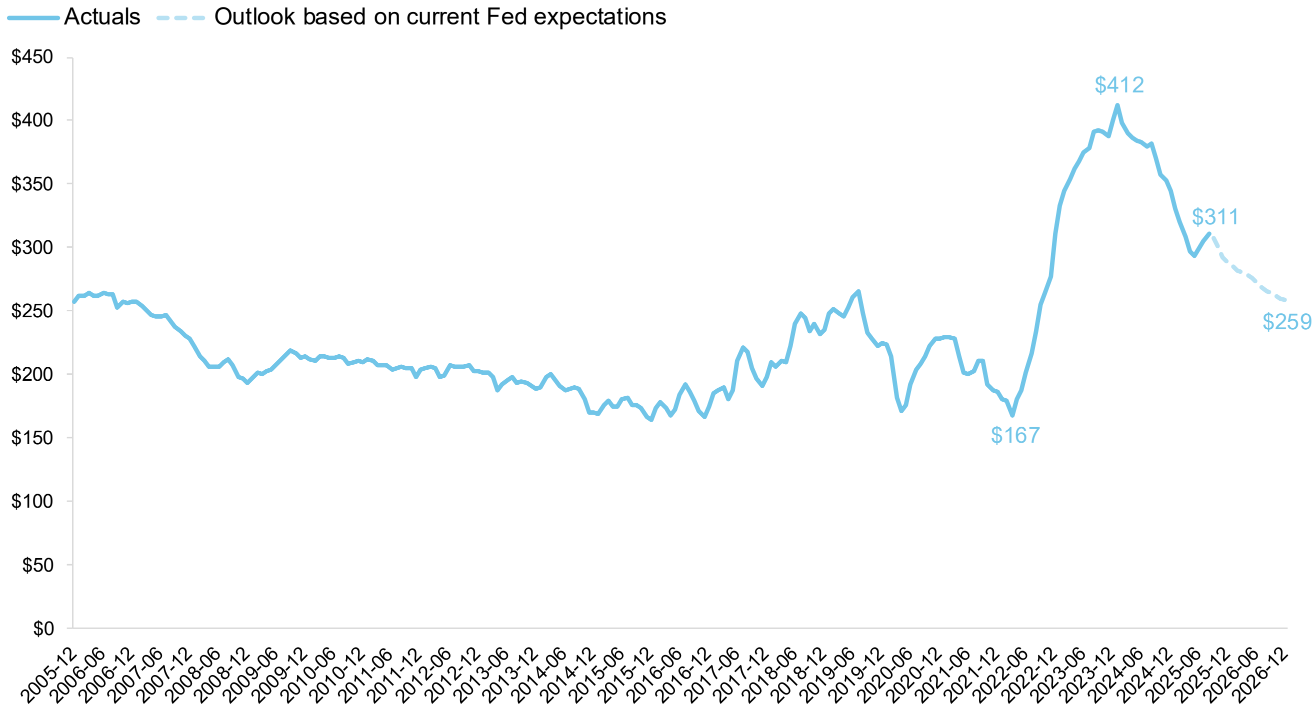


Source: : ICE McDash + Property

Equity update

- While equity growth has leveled off, the cost of accessing equity is improving and could drop further if the Fed implements additional rate cuts. Lower rates would benefit second-lien home equity products, often tied to prime or other short-term rate indexes
- The monthly payment to withdraw $50K in equity has already fallen by over $100 from recent highs, as HELOC rates dropped from nearly 10% in early 2024 to the low-to-mid 7% range by Q3 2025
- If the Fed cuts short-term rates by another 75 bps through 2026, as current market pricing reflects after the October rate cut, and current spreads hold, HELOC rates could fall to around 6.25% by late 2026, reducing the cost to borrow $50K by an additional $50+ per month, nearing long-term averages

Monthly HELOC payment needed to borrow $50,000 of equity

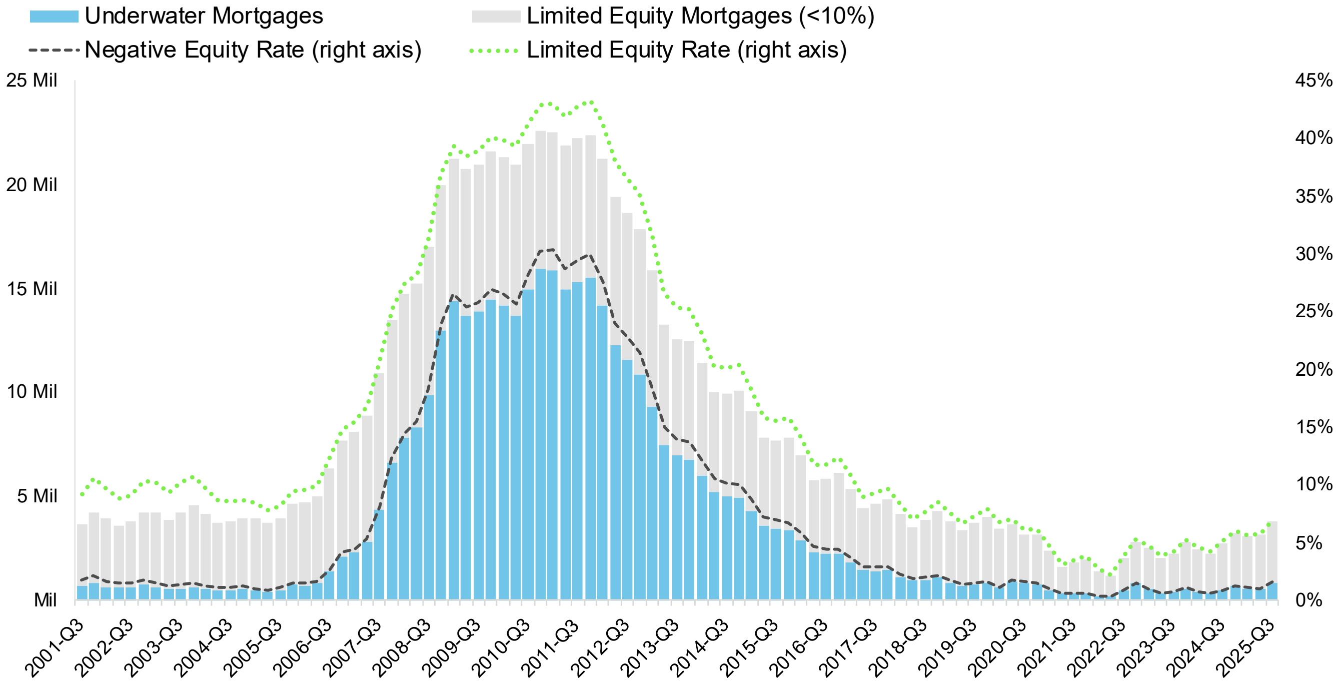


Source: ICE, McDash HomeEquity, EconForecasting

Equity update

- Negative equity rates, after years at record lows, have risen slightly toward more typical levels
- As of Q4, 875K mortgage holders (1.6%) owe more on their homes than they are worth, the highest rate in three years but comparable to pre-COVID levels and long-term averages outside the Great Financial Crisis
- The share of borrowers with limited equity (<10%) has also increased, reaching 6.9% in September – the highest since mid-2020 but still below long-term averages

Negative equity rate and volume

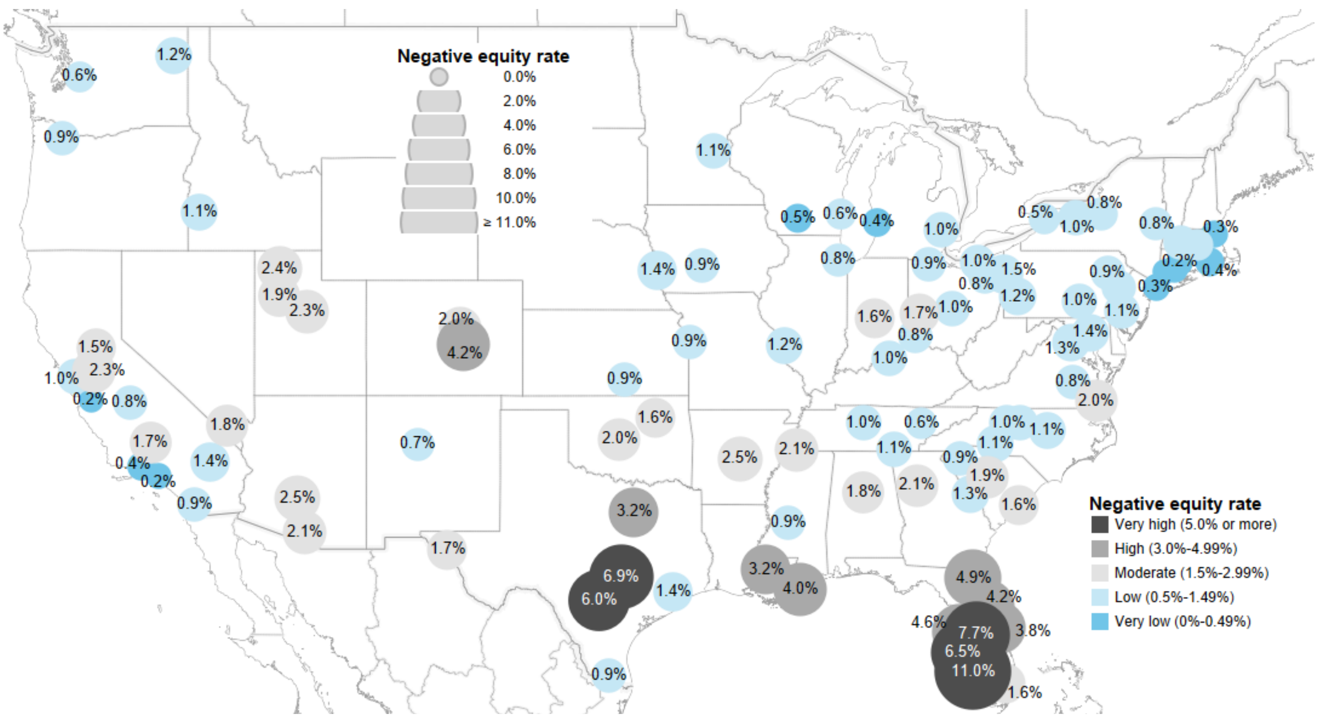


Source: ICE, McDash +Property

Equity update

- While overall negative equity rates remain low, certain markets are showing signs of concern, particularly in the Gulf Coast of Florida and Austin, Texas
- In Cape Coral, Fla., where home prices have dropped 15% from their peak, 11% of mortgages are underwater, including over one-third of those originated in 2023 and 2024
- In Austin, with prices down 21% from their highs, nearly 7% of mortgages are underwater, including about 25% of loans from 2022 and over 15% from 2023 and 2024
- Borrowers with low down payment FHA/VA loans in these areas face even higher negative equity rates, exceeding 60% in some cases
- In contrast, markets like Bridgeport, Hartford, New Haven (Conn.), San Jose, Los Angeles, Boston, and New York City, which have resilient home prices and larger down payments, have virtually no negative equity

Negative equity rate by market (CBSA)

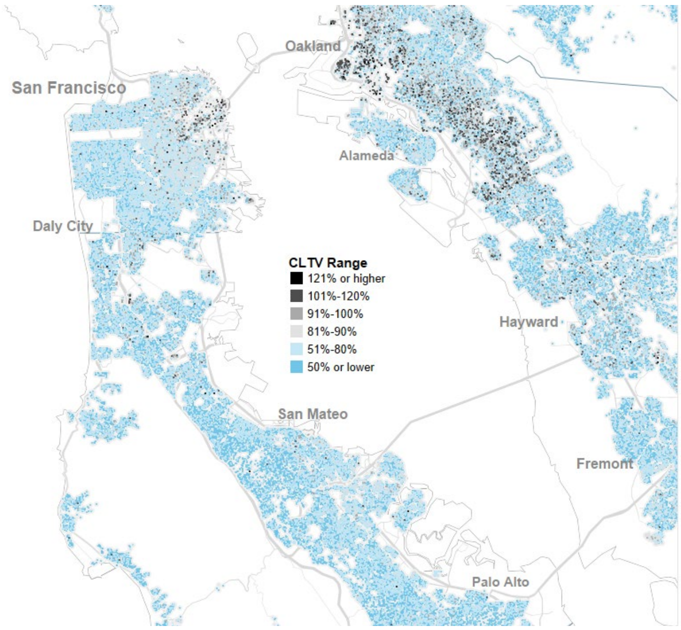


Source: ICE, McDash +Property

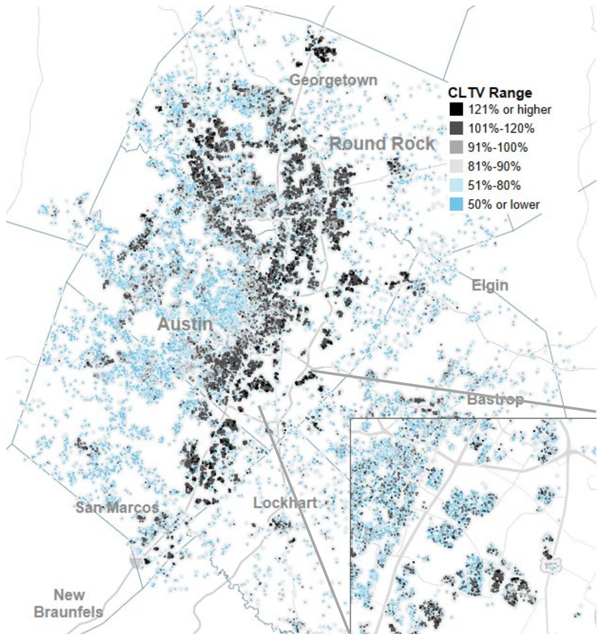
Equity update

- In the San Francisco metro, where prices are down 8.3% from their 2022 peak, negative equity is just 1.0%, mostly limited to distressed areas like Oakland due to tight inventory and low in-migration
- In Austin, Texas, with a 6.9% negative equity rate, underwater homes are common along the commuting corridor, where younger buyers purchased in newer, lower-priced developments that saw rapid post-pandemic growth but now face price drops due to surplus inventory
- In Cape Coral and Fort Myers, Fla., with an 11.0% negative equity rate, underwater properties are concentrated in lower-priced inland areas, while coastal regions prone to flood risk have been less affected

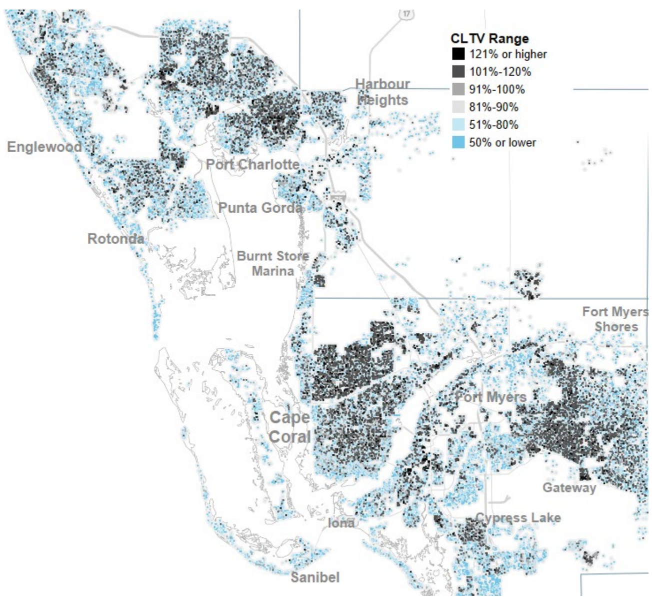
San Francisco Bay Area, Calif.



Austin, Texas



Cape Coral/Fort Myers, Fla.



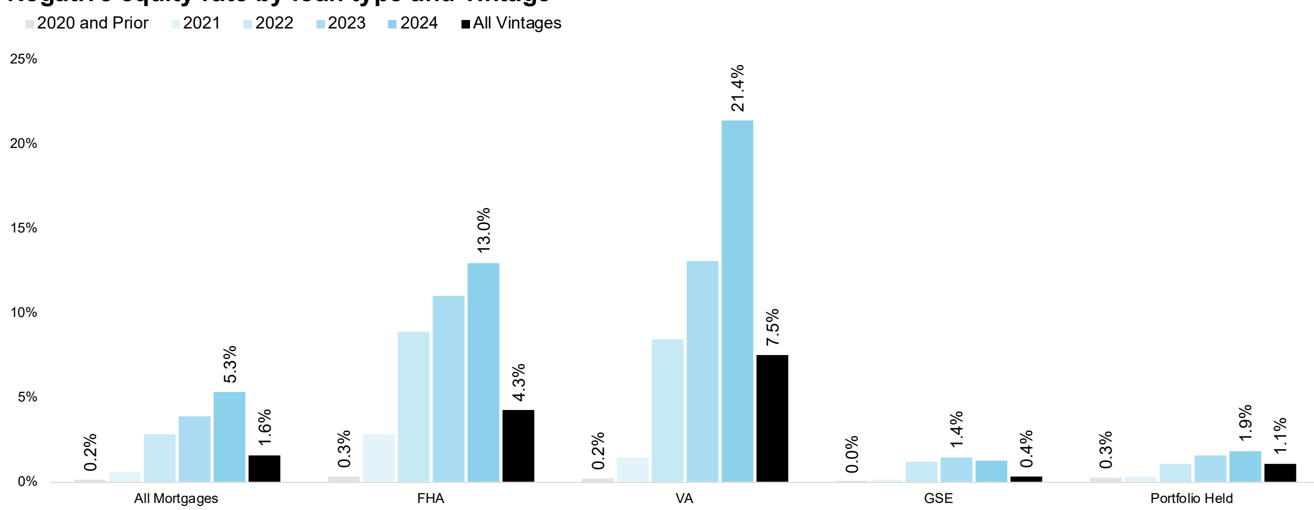
Source: ICE McDash,

Note: The sort order in these maps plots individual properties with higher CLTVs last, such that negative equity may appear overly prevalent

Equity update

- Negative equity rates remain low nationally but are higher for certain loan types and recent vintages
- Just 0.4% of GSE loans and 1.1% of bank-held loans are underwater, compared to 4.3% of FHA loans and 7.5% of VA loans
- Among low down payment loans from 2022-2024, 13% of FHA and 21.4% of VA loans from 2024 are underwater, with 5% of all loans from last year in negative equity
- GSE and portfolio-held loans show relatively low negative equity rates, even for borrowers who purchased at market peaks

Negative equity rate by loan type and vintage



Source: ICE, McDash +Property

Appendix

Summary statistics
September 30, 2025

Month	Total active count	30 days	60 days	90+ days	Foreclosure (FC)	Total non-current	FC starts	FC sales (completions)	Average days delinquent for 90+	Average days delinquent for FC	DQ%	Monthly change	Yearly change	FC%	Monthly change	Yearly change
9/30/2023	53,135,000	997,000	296,000	455,000	214,000	1,963,000	25,400	6,400	353	1,014	3.3%	3.7%	4.3%	0.4%	-0.4%	-7.2%
10/31/2023	53,205,000	980,000	306,000	447,000	217,000	1,951,000	33,100	6,400	347	972	3.3%	-1.0%	-2.8%	0.4%	1.2%	-6.1%
11/30/2023	53,250,000	1,022,000	322,000	459,000	216,000	2,020,000	29,100	6,500	335	953	3.4%	3.9%	-2.9%	0.4%	-0.4%	-8.2%
12/31/2023	53,376,000	1,097,000	336,000	475,000	212,000	2,120,000	23,900	5,400	323	954	3.6%	5.6%	2.6%	0.4%	-2.4%	-10.2%
1/31/2024	53,346,000	1,003,000	329,000	470,000	219,000	2,022,000	34,200	6,600	322	910	3.4%	-5.5%	-0.1%	0.4%	3.4%	-9.4%
2/29/2024	53,412,000	1,013,000	309,000	459,000	211,000	1,993,000	24,700	6,000	322	920	3.3%	-1.3%	-3.2%	0.4%	-3.5%	-13.2%
3/31/2024	53,519,000	986,000	291,000	435,000	205,000	1,916,000	26,000	5,800	332	929	3.2%	-4.2%	9.4%	0.4%	-3.2%	-15.8%
4/30/2024	53,619,000	956,000	285,000	417,000	199,000	1,857,000	25,800	5,900	339	936	3.1%	-3.3%	-6.6%	0.4%	-3.3%	-16.4%
5/31/2024	53,679,000	936,000	288,000	410,000	191,000	1,825,000	24,200	6,300	342	944	3.0%	-1.6%	-1.9%	0.4%	-3.8%	-18.0%
6/30/2024	53,713,000	1,120,000	323,000	431,000	186,000	2,058,000	22,700	5,300	328	948	3.5%	14.5%	11.7%	0.3%	-3.1%	-18.4%
7/31/2024	53,820,000	1,043,000	333,000	435,000	188,000	1,999,000	30,000	5,500	321	901	3.4%	-3.5%	4.8%	0.3%	1.0%	-15.9%
8/31/2024	53,978,000	1,017,000	334,000	450,000	187,000	1,988,000	27,400	5,700	313	891	3.3%	-0.9%	5.1%	0.3%	-0.9%	-14.6%
9/30/2024	54,036,000	1,059,000	346,000	476,000	188,000	2,068,000	25,900	5,300	303	879	3.5%	4.3%	5.7%	0.3%	0.3%	-13.9%
10/31/2024	54,135,000	1,048,000	342,000	479,000	189,000	2,058,000	29,100	5,800	305	856	3.5%	-0.8%	6.0%	0.3%	0.5%	-14.5%
11/30/2024	54,189,000	1,139,000	376,000	512,000	185,000	2,213,000	20,600	5,300	295	863	3.7%	8.4%	10.5%	0.3%	-2.1%	-16.0%
12/31/2024	54,221,000	1,098,000	377,000	541,000	192,000	2,208,000	31,000	5,000	286	836	3.7%	-0.6%	4.0%	0.4%	3.7%	-10.7%
1/31/2025	54,251,000	1,000,000	345,000	540,000	206,000	2,091,000	40,200	6,300	284	795	3.5%	-6.6%	2.8%	0.4%	7.2%	-7.4%
2/28/2025	54,258,000	1,057,000	328,000	528,000	211,000	2,123,000	33,300	5,600	281	724	3.5%	1.5%	5.7%	0.4%	2.2%	-2.0%
3/31/2025	54,329,000	946,000	304,000	495,000	213,000	1,957,000	33,300	6,100	292	716	3.2%	-8.9%	0.4%	0.4%	0.8%	2.1%
4/30/2025	54,426,000	978,000	298,000	476,000	209,000	1,961,000	29,200	6,500	289	711	3.2%	0.3%	4.1%	0.4%	-1.7%	3.7%
5/31/2025	54,467,000	976,000	302,000	466,000	206,000	1,951,000	28,200	7,000	293	709	3.2%	-0.5%	5.2%	0.4%	-1.5%	6.3%
6/30/2025	54,676,000	1,047,000	321,000	466,000	208,000	2,042,000	30,900	6,300	289	695	3.4%	4.7%	-3.8%	0.4%	0.2%	9.9%
7/31/2025	54,844,000	1,006,000	322,000	466,000	207,000	2,001,000	32,300	6,900	287	693	3.3%	-2.5%	-2.8%	0.4%	-0.6%	8.1%
8/31/2025	54,884,000	1,069,000	334,000	482,000	210,000	2,094,000	29,000	7,000	279	684	3.4%	5.0%	2.9%	0.4%	1.3%	10.5%
9/30/2025	54,890,000	1,057,000	342,000	477,000	222,000	2,098,000	41,600	7,200	278	650	3.4%	-0.4%	-1.8%	0.4%	5.7%	16.4%

Non-current loans by state

State		DQ %	FC %	NC %	Yr/yr change in NC%
National		3.4%	0.4%	3.8%	-0.1%
LA	*	6.9%	1.0%	7.9%	-4.9%
MS		7.3%	0.6%	7.8%	-4.5%
AL		5.5%	0.4%	5.9%	0.6%
IN	*	5.0%	0.6%	5.5%	1.7%
AR		5.1%	0.4%	5.5%	5.0%
WV		4.8%	0.4%	5.2%	-2.5%
GA		4.8%	0.4%	5.2%	3.4%
OK	*	4.3%	0.6%	5.0%	4.1%
OH	*	4.3%	0.6%	4.9%	1.1%
TX		4.4%	0.4%	4.8%	-3.5%
PA	*	4.2%	0.6%	4.8%	-1.8%
DE	*	4.3%	0.5%	4.8%	2.2%
IL	*	4.1%	0.6%	4.7%	0.3%
MD	*	4.2%	0.4%	4.7%	2.2%
KY	*	3.9%	0.6%	4.5%	3.7%
SC	*	3.9%	0.5%	4.4%	-2.6%
FL	*	3.8%	0.6%	4.4%	3.8%

State		DQ %	FC %	NC %	Yr/yr change in NC%
National		3.4%	0.4%	3.8%	-0.1%
IA	*	3.6%	0.5%	4.1%	-2.2%
MI		3.7%	0.3%	4.0%	2.0%
MO		3.7%	0.3%	4.0%	1.3%
TN		3.6%	0.2%	3.9%	0.0%
KS	*	3.4%	0.4%	3.8%	0.7%
WI	*	3.3%	0.4%	3.7%	-0.8%
NY	*	2.8%	0.9%	3.7%	-6.7%
CT	*	3.2%	0.4%	3.6%	-5.2%
NC		3.3%	0.3%	3.6%	-1.3%
NE	*	3.3%	0.3%	3.5%	-0.1%
NJ	*	3.1%	0.4%	3.5%	-3.7%
NM	*	3.0%	0.5%	3.5%	0.9%
RI		3.1%	0.3%	3.4%	-4.9%
VA		3.1%	0.3%	3.4%	-2.1%
ME	*	2.8%	0.6%	3.3%	-5.6%
MN		3.0%	0.3%	3.3%	0.8%
AZ		3.1%	0.2%	3.3%	5.0%

State		DQ %	FC %	NC %	Yr/yr change in NC%
National		3.4%	0.4%	3.8%	-0.1%
SD	*	2.7%	0.4%	3.1%	-3.2%
UT		2.8%	0.2%	3.0%	7.3%
NV		2.7%	0.3%	3.0%	2.7%
VT	*	2.4%	0.6%	2.9%	-5.8%
DC		2.1%	0.7%	2.8%	0.5%
MA		2.6%	0.2%	2.8%	-5.9%
ND	*	2.3%	0.5%	2.8%	-5.7%
AK		2.5%	0.3%	2.8%	-5.0%
WY		2.5%	0.2%	2.7%	-4.5%
NH		2.4%	0.2%	2.6%	-8.2%
OR		2.0%	0.3%	2.3%	4.4%
CA		2.0%	0.2%	2.2%	0.7%
HI	*	1.6%	0.6%	2.2%	-8.6%
CO		2.0%	0.2%	2.2%	3.3%
MT		1.9%	0.2%	2.1%	3.3%
WA		1.8%	0.2%	2.0%	-0.1%
ID		1.9%	0.2%	2.0%	-4.9%

Indicates Judicial State

Definitions

Total active count	All active loans as of month-end, including loans in any state of delinquency or foreclosure. Post-sale loans and loans in REO are excluded from the total active count.
Delinquency statuses (30, 60, 90+, etc.)	All delinquency statuses are calculated using the MBA methodology based on the payment due date provided by the servicer. Loans in foreclosure are reported separately and are not included in the MBA days delinquent.
90-day defaults	Loans that were less than 90 days delinquent in the prior month and were 90 days delinquent, but not in foreclosure, in the current month.
Foreclosure inventory	The servicer has referred the loan to an attorney for foreclosure. Loans remain in foreclosure inventory from referral to sale.
Foreclosure starts	Any active loan that was not in foreclosure in the prior month that moves into foreclosure inventory in the current month.
Non-current	Loans in any stage of delinquency or foreclosure.
Foreclosure sale / new REO	Any loan that was in foreclosure in the prior month that moves into post-sale status or is flagged as a foreclosure liquidation.
REO	The loan is in post-sale foreclosure status. Listing status is not a consieration; this includes all properties on and off the market.
Deterioration ratio	The ratio of the percentage of loans deteriorating in delinquency status vs. those improving.

Extrapolation methodology: Mortgage statistics are scaled to estimate the total market performance based on coverage within the McDash database.

Disclosures

You can reach us by email at
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Mortgage Monitor disclosures