

December 2023 Market Snapshot





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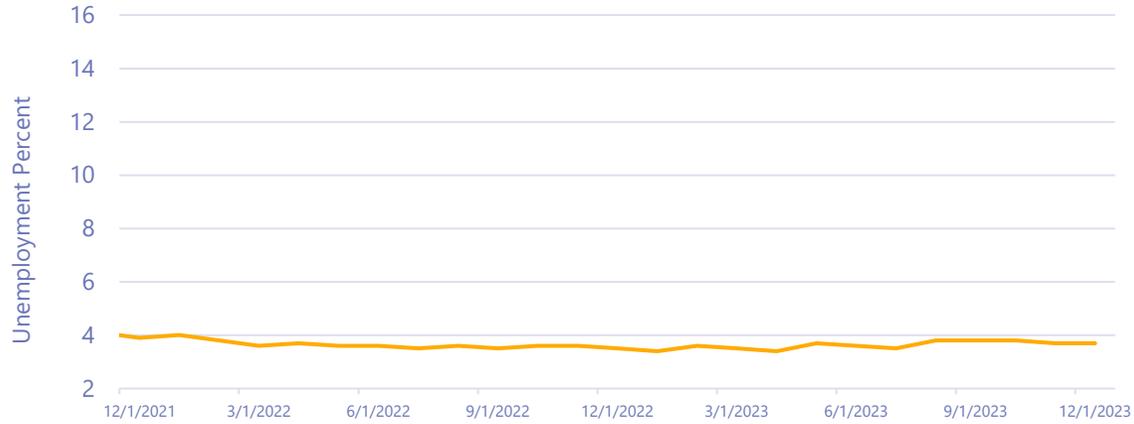
Macro- Economic Indicators

Summary

- Nonfarm payroll employment increased by 216,000 as the unemployment rate remained unchanged at 3.70%.
- The Federal Reserve held the federal funds rate steady at a range of 5.25% to 5.50% and indicated rate cuts in 2024.
- The MBA's Mortgage Refinance Application Index's weekly readings increased to 358, up from 328 recorded in the last week of November.
- Preliminary US housing starts are estimated to be lower month-over-month but higher year-over-year with 1,460,000 estimated housing starts for December.
- The total number of loans in forbearance, tracked by the MBA's Monthly Loan Monitoring Survey, decreased by 3 bps month-over-month to 0.23%.

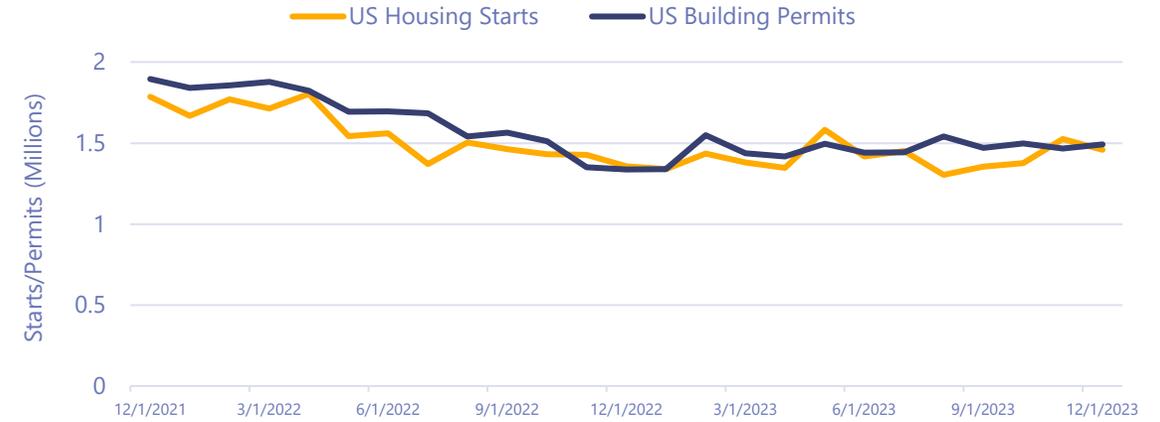
Macro-Economic Indicators

US Unemployment Rate



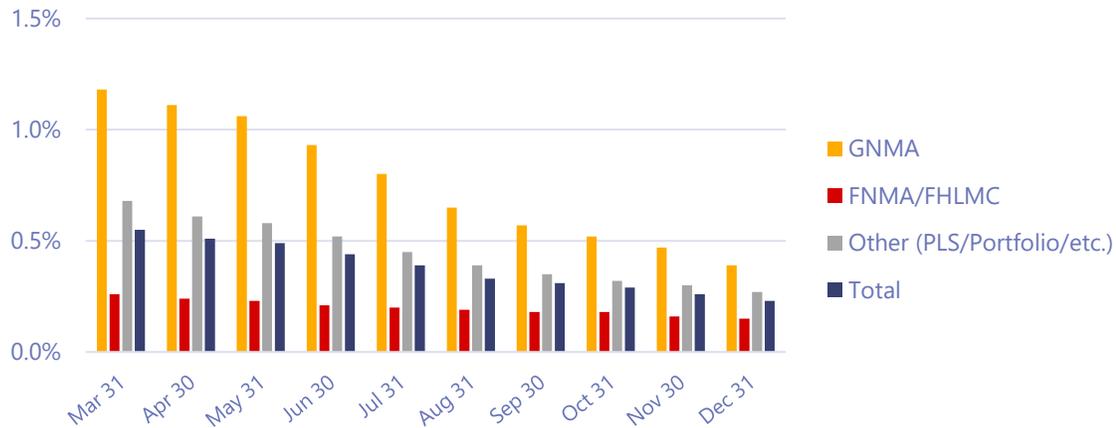
Sources: Thomson Reuters, Bureau of Labor Statistics, US Department of Labor

US Housing Starts/US Building Permits



Source: Thomson Reuters, US Census Bureau

Loans in Forbearance

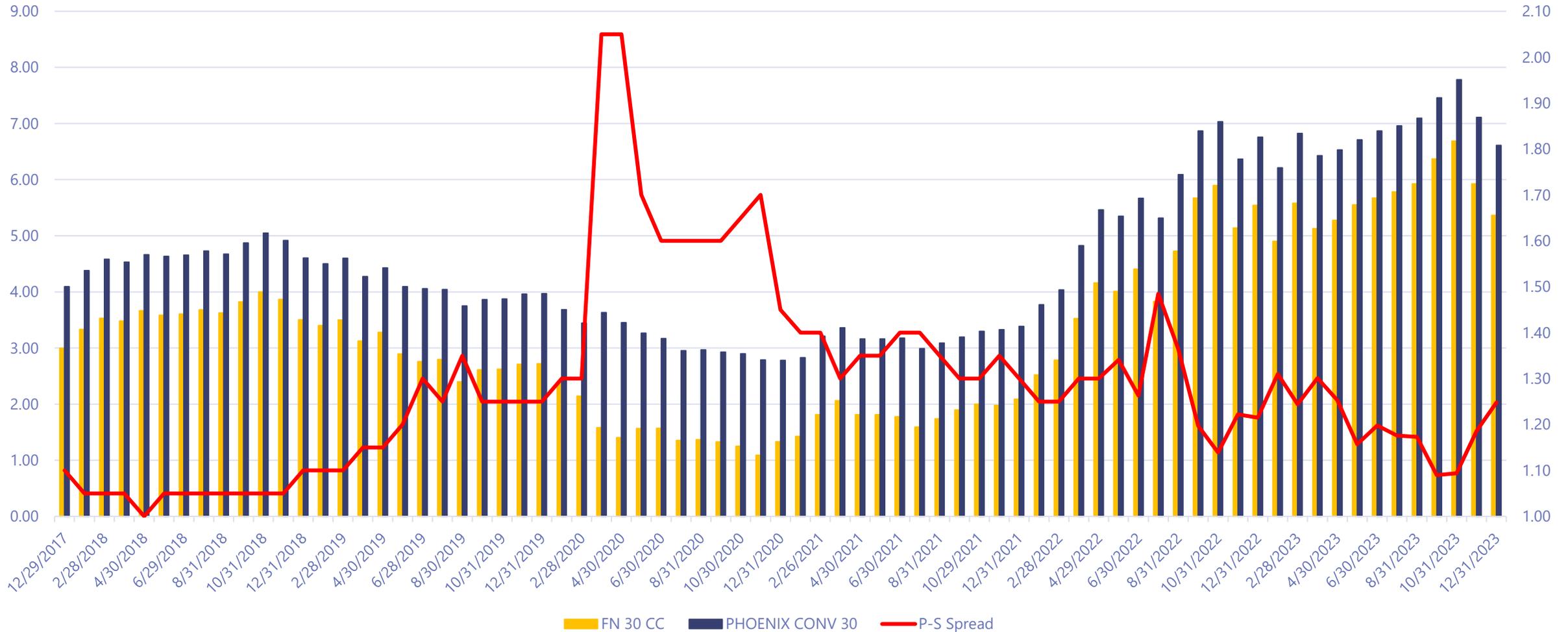


MBA Mortgage Refinance Application Index



Source: Thomson Reuters, Mortgage Bankers Association (MBA) of America

Primary Secondary Spread Tracking



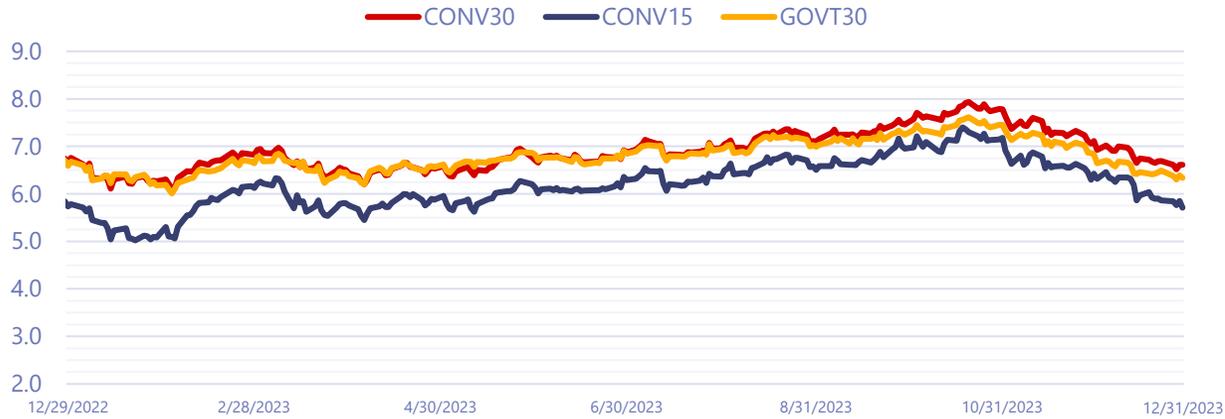
Rate History

Summary

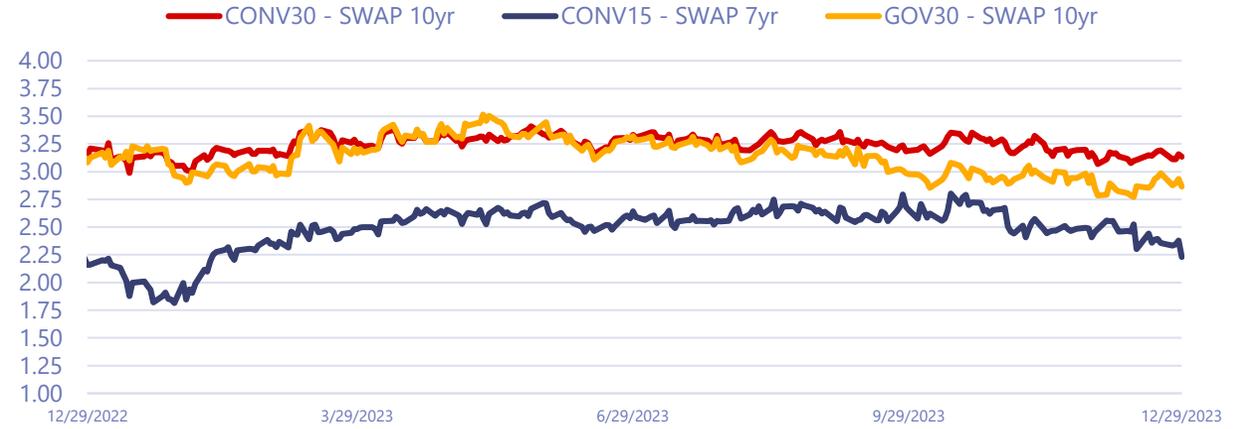
- PHOENIX primary mortgage rates decreased from November to December. The fixed 30-year CONV rate decreased by 49.9 bps, the GOVT product by 49.3 bps, and the 15-year rates by 71.6 bps.
- SWAP rates decreased in December with 5-year SWAP decreasing 48.6 bps from November month-end.
- Treasuries continued a downward trend this month.
- Volatilities were up month-over-month.

Rate History

PHOENIX Mortgage Par Rates (%)



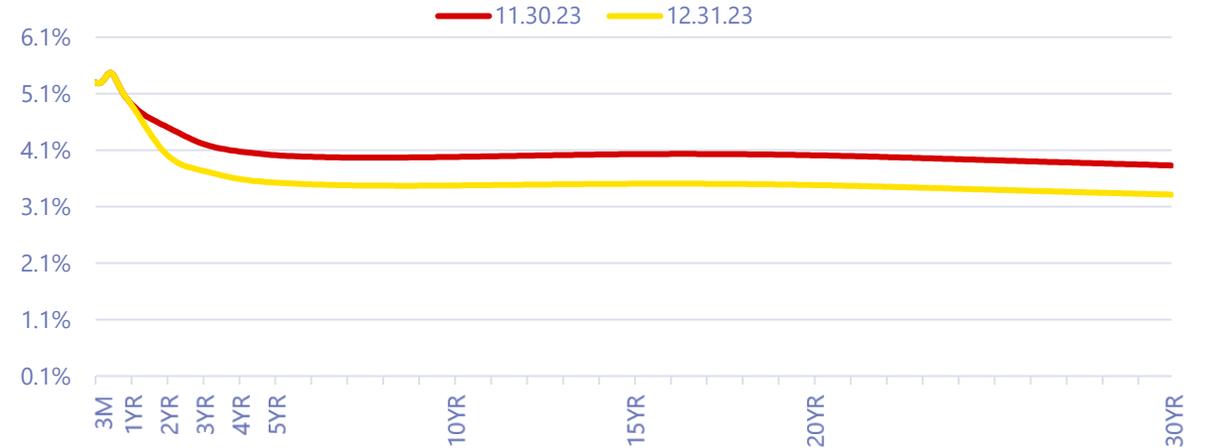
Mortgage Par Spread over SOFR Rates (%)



2yr and 10yr SOFR Spread



Yield Curve Comparison



Rate History (cont.)

Primary Rates as of 12/29/2023

Rate	12/30/2022	9/29/2023	11/30/2023	12/29/2023
CONV30	6.759	7.457	7.109	6.610
CONV15	5.781	6.949	6.425	5.709
GOV30	6.676	7.245	6.833	6.340
ARM 5/1	5.500	6.250	6.500	6.125

Secondary Rates as of 12/29/2023

Rate	12/30/2022	10/31/2023	11/30/2023	12/29/2023
FNMA 30	5.544	6.688	5.923	5.362
FNMA 15	4.764	5.868	5.532	4.782
GNMA II 30	5.319	6.582	5.758	5.287
GNMA II 15	4.546	5.497	5.532	4.782
ARM 5/1	5.490	7.120	6.810	6.400

SOFR Rates as of 12/29/2023

Rate	9/29/2023	10/31/2023	11/30/2023	12/29/2023
3 MO ED	5.295	5.295	5.295	5.295
6 MO ED	5.472	5.472	5.472	5.472
12 MO ED	4.976	4.976	4.976	4.976
2 YR SOFR	4.970	4.954	4.533	4.061
3 YR SOFR	4.637	4.699	4.228	3.745
5 YR SOFR	4.373	4.532	4.014	3.528
10 YR SOFR	4.267	4.513	3.979	3.474
15 YR SOFR	4.273	4.544	4.028	3.504
20 YR SOFR	4.226	4.504	4.009	3.482
30 YR SOFR	4.014	4.299	3.829	3.312

Source: Thomson Reuters and PHOENIX

Prepayment Speed Trends

Summary

- Quarter-over-quarter, national CPR speeds decreased to 4.32% in December from September's 5.22%.
- Average prepayment speeds for fixed-rate GNMA and GSE loans were 4.32% in December, an 18-bps increase from November's rate of 4.14%.
- Over the month, the CONV 30-year and 15-year CPR increased by 0.09% and 0.54%, respectively. FHA and VA speeds increased by 0.09% and 0.38%.
- Prepayment speeds have varied since the beginning of the year.

CPR Summary

SUMMARY TABLES - December 2023

Loan Characteristics

Investor	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%
CONV Fixed 30	\$265,802	3.93	754	74	44	4.07%	2.37%
CONV Fixed 15	\$208,202	2.99	762	61	46	5.18%	11.71%
GNMA Fixed 30	\$225,282	4.08	698	93	45	4.51%	5.23%
GNMA Fixed 15	\$144,862	3.38	718	77	57	8.23%	17.71%

Prepayments

Vintage	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%
2006	\$137,087	5.42	681	78	171	5.90%	8.56%
2007	\$145,387	5.31	676	80	162	5.60%	7.83%
2008	\$145,686	5.17	678	83	156	5.39%	4.02%
2009	\$158,295	4.85	721	80	161	5.97%	5.68%
2010	\$164,436	4.64	731	80	152	6.26%	5.14%
2011	\$163,089	4.43	735	79	143	6.40%	10.30%
2012	\$189,103	3.77	747	80	133	5.63%	7.68%
2013	\$181,456	3.80	742	79	124	5.55%	5.68%
2014	\$163,217	4.25	728	81	108	6.15%	4.68%
2015	\$185,825	3.94	734	79	98	5.63%	2.51%
2016	\$203,716	3.69	737	78	85	5.20%	1.36%
2017	\$191,754	4.09	727	80	73	5.96%	5.90%
2018	\$184,814	4.60	719	81	61	6.45%	5.63%
2019	\$218,960	3.98	732	81	49	5.38%	1.84%
2020	\$278,718	3.01	757	74	39	3.75%	1.99%

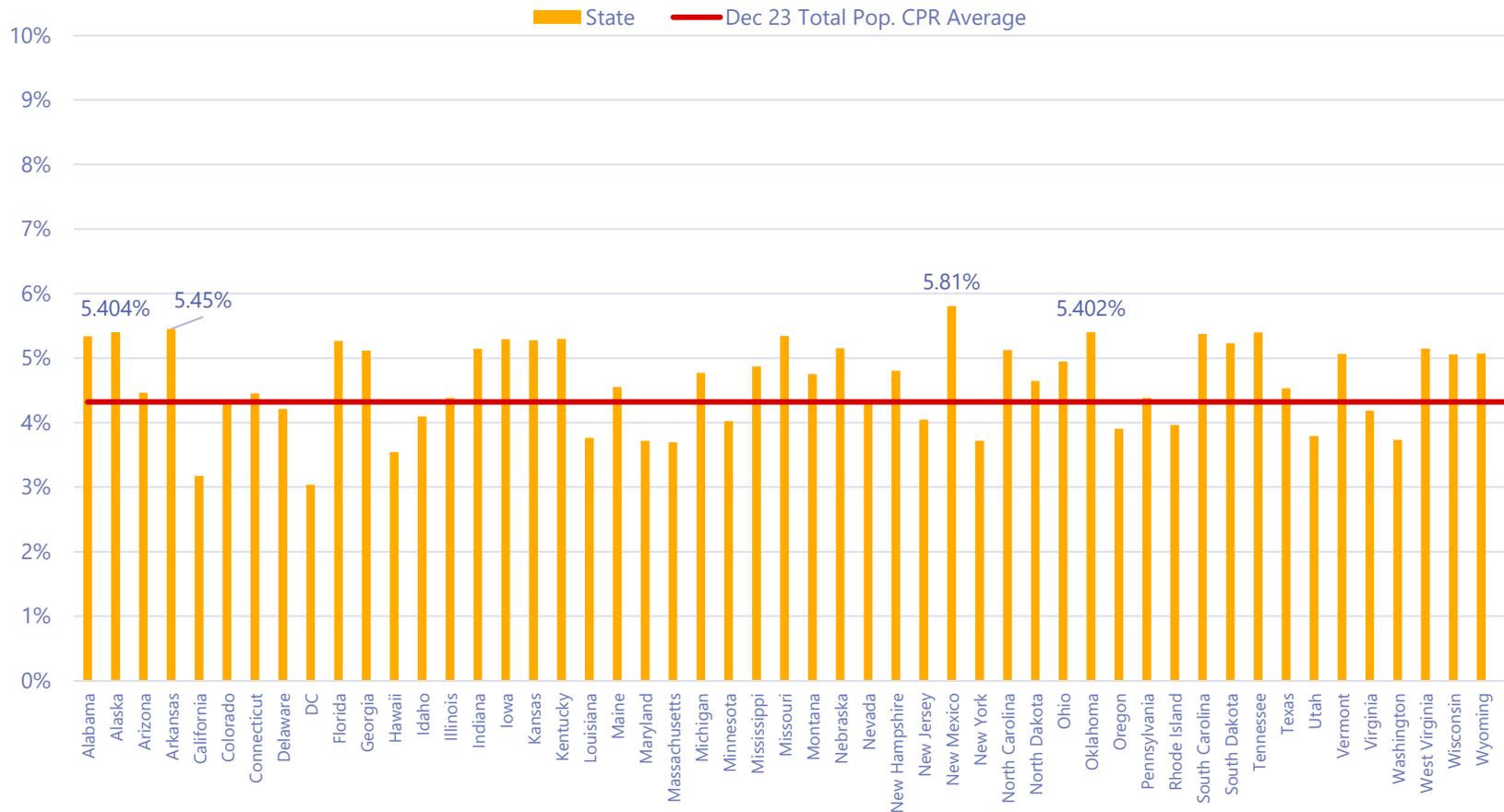
Tranche	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%
0.0000 - 2.4999	\$293,343	2.25	762	69	32	3.67%	6.53%
2.5000 - 2.9999	\$291,515	2.79	758	72	34	3.44%	5.61%
3.0000 - 3.4999	\$259,372	3.21	744	77	41	3.99%	1.60%
3.5000 - 3.9999	\$221,194	3.71	736	78	64	4.70%	1.62%
4.0000 - 4.4999	\$195,630	4.19	730	80	77	5.28%	3.27%
4.5000 - 4.9999	\$200,236	4.71	727	81	66	5.18%	6.04%
5.0000 - 5.4999	\$214,094	5.21	726	82	52	4.86%	5.83%
5.5000 - 5.9999	\$243,745	5.72	729	82	32	4.33%	3.56%
6.0000 - 6.4999	\$245,799	6.21	732	83	26	4.21%	1.59%
6.5000 or more	\$252,924	7.00	731	83	15	5.97%	10.62%

GSE and GNMA fixed rate product only

Source: Black Knight McDash

Prepayment Speed Trends

Average CPR by State - December 2023



Analysis

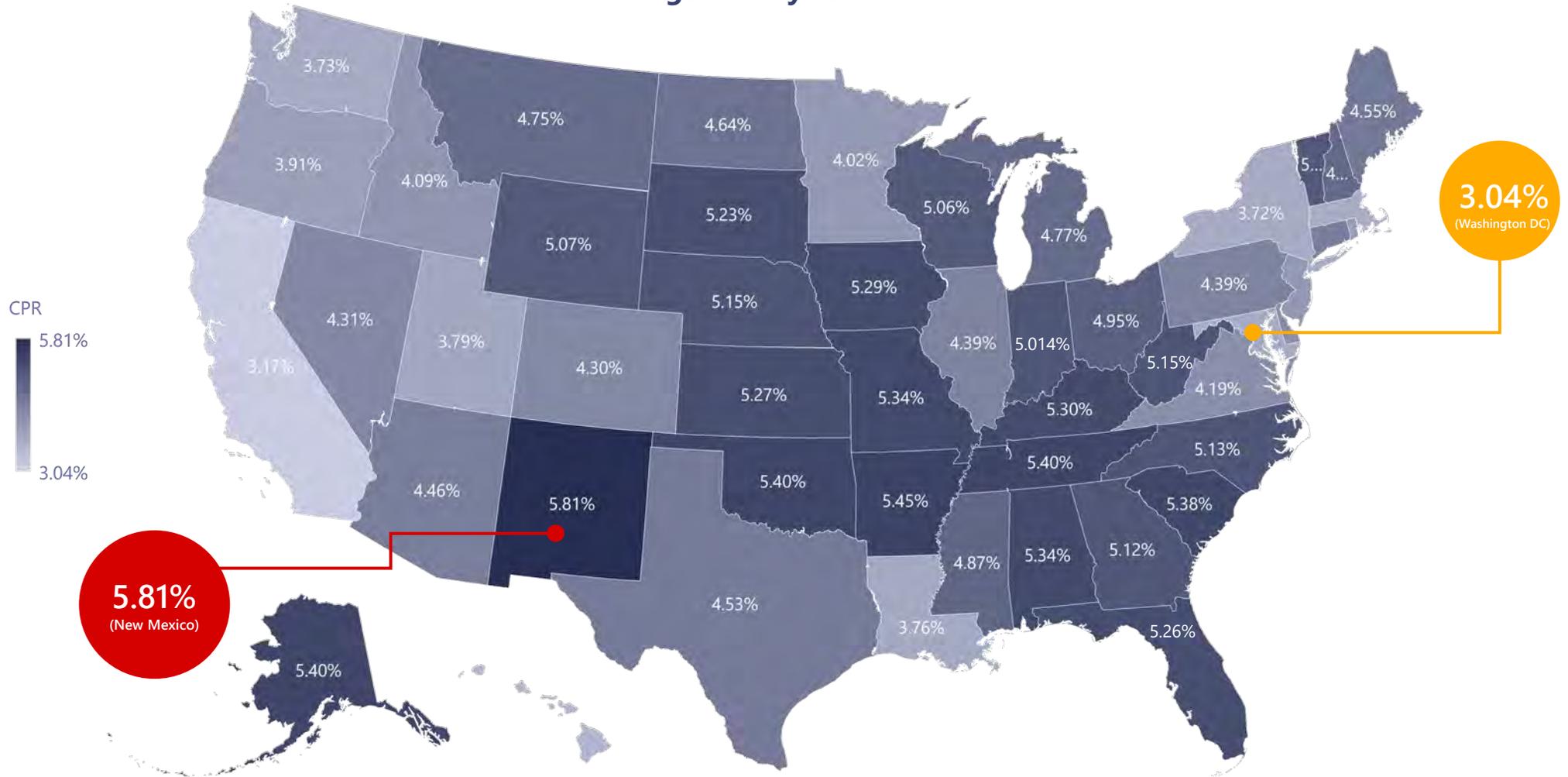
- New Mexico was the fastest prepaying state at 5.81%, closely followed by Arkansas (5.45%), Alaska (5.404%), and Oklahoma (5.402%).
- In December, the slowest prepaying state was Washington DC at 3.04%.
- The Pacific region showed the lowest prepayment speeds on average with a rate of 3.96% among WA, OR, CA, AK, and HI.
- The East South-Central region had the highest prepayment speed on average with a rate of 5.16% among the states of KY, TN, MS, and AL.

GSE and GNMA fixed rate product only

Source: Black Knight McDash

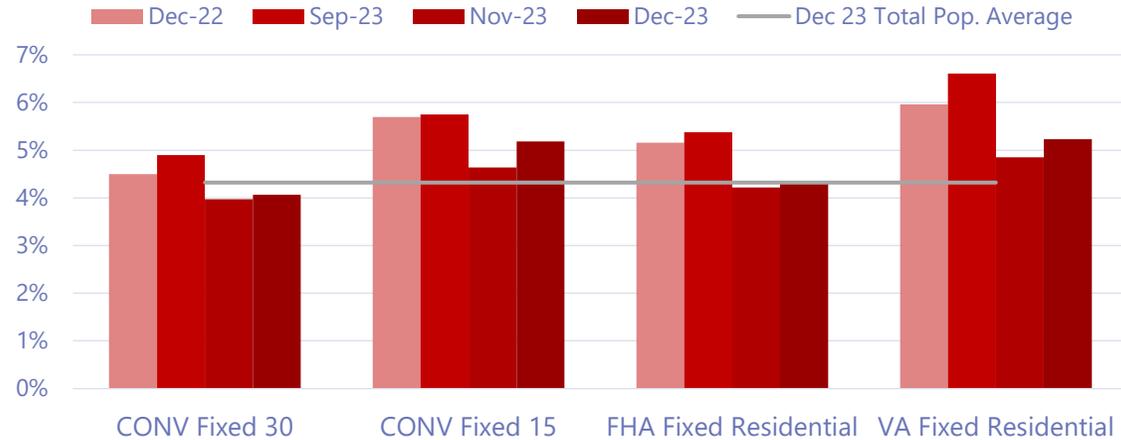
Prepayment Speed Trends (cont.)

Average CPR by State

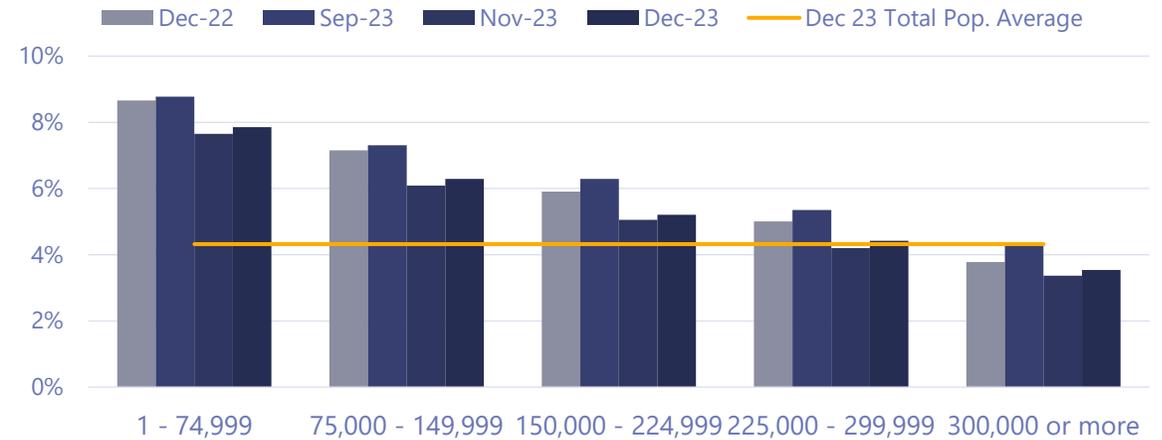


Prepayment Speed Trends (cont.)

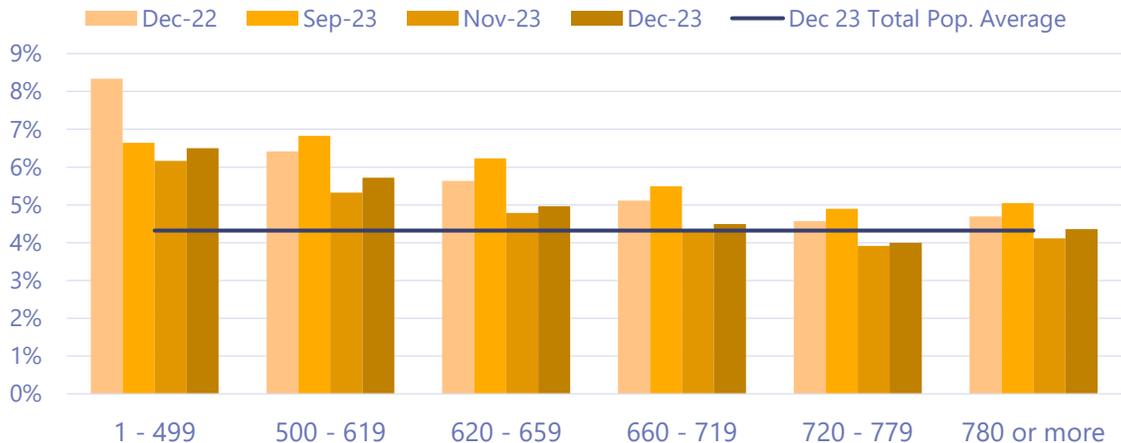
CPR by Fixed-Rate Product - December 2023



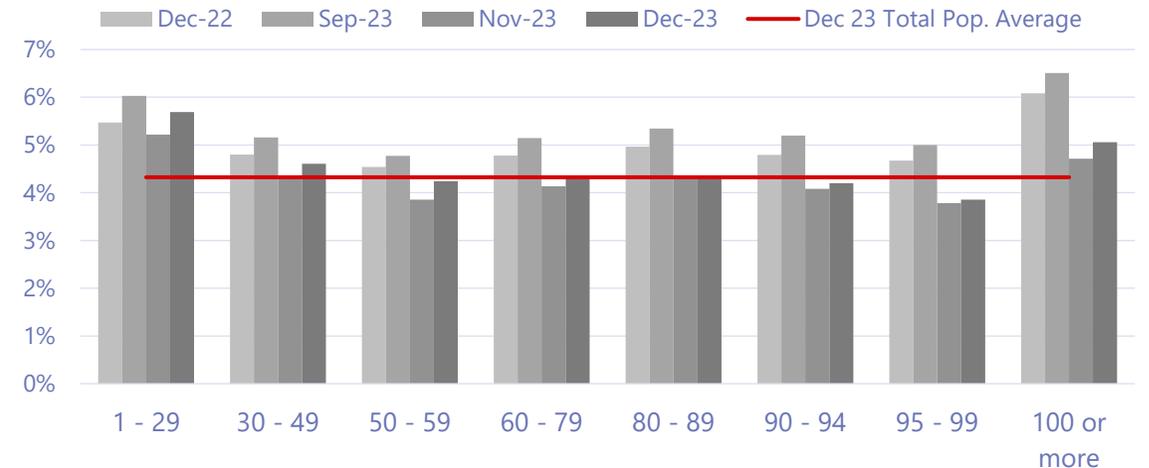
CPR by Original Loan Balance - December 2023



CPR by Original FICO - December 2023



CPR by Original LTV - December 2023



Delinquency Trends

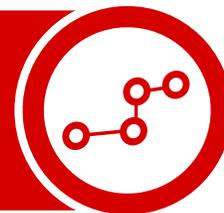
Summary

- The national delinquency and foreclosure rate went up to 3.12%, an increase of 17 bps compared to last month. This new value is 30 bps higher than the 2.82% national average delinquency and foreclosure rate from December 2022.
- CONV 30-year loans' and 15-year loans' delinquency and foreclosure rates increased by 13 bps and 5 bps, respectively, since November 2023.
- On a month-over-month basis, national average delinquency and foreclosure rates for fixed-rate FHA increased by 53 bps and VA loans increased by 4 bps.

NOTE: non-paying loans in forbearance are counted as delinquent in our data source.

Total delinquencies up

17 bps



Delinquency Summary

SUMMARY TABLES - December 2023

Loan Characteristics

Investor	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age
CONV Fixed 30	\$265,802	3.93	754	74	44
CONV Fixed 15	\$208,202	2.99	762	61	46
GNMA Fixed 30	\$225,282	4.08	698	93	45
GNMA Fixed 15	\$144,862	3.38	718	77	57

Delinquencies

30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%
1.00%	0.24%	0.43%	0.12%	1.79%	7.51%
0.47%	0.08%	0.14%	0.03%	0.72%	8.07%
4.23%	1.38%	1.82%	0.50%	7.93%	4.47%
1.51%	0.41%	0.44%	0.15%	2.51%	5.24%

Vintage	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%
2006	\$137,087	5.42	681	78	171	5.04%	1.46%	2.03%	1.57%	10.10%	5.29%
2007	\$145,387	5.31	676	80	162	5.41%	1.76%	2.09%	1.92%	11.17%	6.14%
2008	\$145,686	5.17	678	83	156	6.00%	1.80%	2.10%	1.53%	11.43%	6.92%
2009	\$158,295	4.85	721	80	161	3.47%	0.97%	1.03%	0.52%	5.99%	9.19%
2010	\$164,436	4.64	731	80	152	2.61%	0.71%	0.78%	0.35%	4.45%	7.51%
2011	\$163,089	4.43	735	79	143	2.30%	0.61%	0.70%	0.30%	3.91%	9.25%
2012	\$189,103	3.77	747	80	133	1.39%	0.33%	0.38%	0.16%	2.25%	8.11%
2013	\$181,456	3.80	742	79	124	1.53%	0.39%	0.48%	0.21%	2.60%	6.82%
2014	\$163,217	4.25	728	81	108	2.63%	0.73%	0.95%	0.40%	4.71%	5.97%
2015	\$185,825	3.94	734	79	98	2.36%	0.67%	0.85%	0.33%	4.22%	6.46%
2016	\$203,716	3.69	737	78	85	2.15%	0.61%	0.81%	0.32%	3.88%	6.56%
2017	\$191,754	4.09	727	80	73	3.00%	0.91%	1.22%	0.46%	5.60%	5.43%
2018	\$184,814	4.60	719	81	61	4.05%	1.33%	1.91%	0.69%	7.98%	4.43%
2019	\$218,960	3.98	732	81	49	2.64%	0.85%	1.18%	0.40%	5.07%	3.49%
2020	\$278,718	3.01	757	74	39	1.03%	0.27%	0.40%	0.10%	1.79%	6.35%

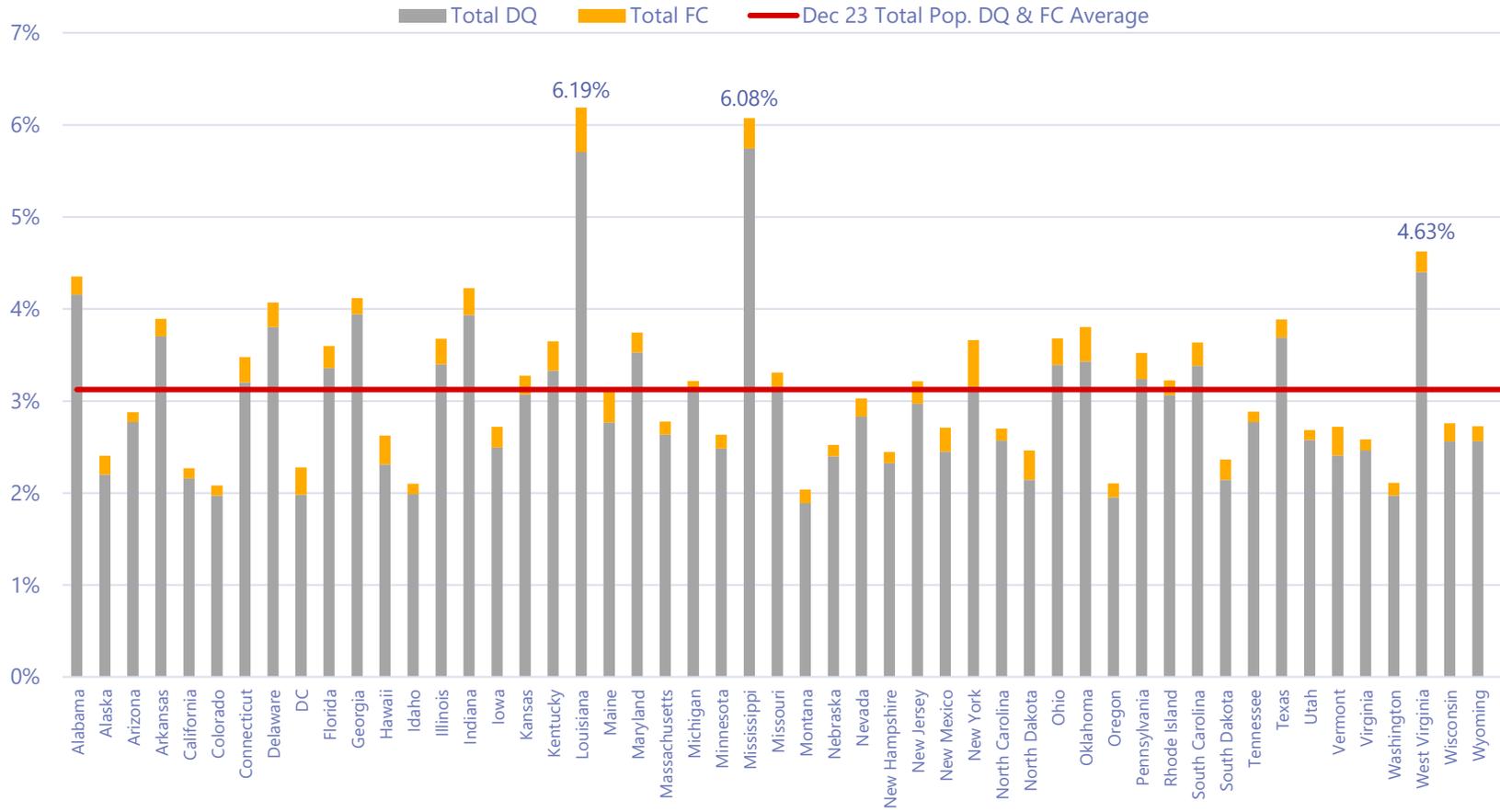
Tranche	Avg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%
0.0000 - 2.4999	\$293,343	2.25	762	69	32	0.65%	0.17%	0.26%	0.08%	1.15%	3.60%
2.5000 - 2.9999	\$291,515	2.79	758	72	34	0.92%	0.24%	0.37%	0.08%	1.62%	5.34%
3.0000 - 3.4999	\$259,372	3.21	744	77	41	1.73%	0.51%	0.78%	0.18%	3.20%	5.71%
3.5000 - 3.9999	\$221,194	3.71	736	78	64	1.97%	0.55%	0.81%	0.24%	3.58%	5.93%
4.0000 - 4.4999	\$195,630	4.19	730	80	77	2.48%	0.69%	0.99%	0.35%	4.51%	5.93%
4.5000 - 4.9999	\$200,236	4.71	727	81	66	2.61%	0.76%	1.10%	0.35%	4.81%	5.62%
5.0000 - 5.4999	\$214,094	5.21	726	82	52	2.75%	0.84%	1.28%	0.38%	5.24%	5.79%
5.5000 - 5.9999	\$243,745	5.72	729	82	32	2.26%	0.70%	1.07%	0.26%	4.29%	7.09%
6.0000 - 6.4999	\$245,799	6.21	732	83	26	2.06%	0.67%	0.95%	0.22%	3.90%	9.05%
6.5000 or more	\$252,924	7.00	731	83	15	1.88%	0.59%	0.71%	0.18%	3.35%	6.31%

GSE and GNMA fixed rate product only

Source: Black Knight McDash

Delinquency Trends

Average Delinquency and Foreclosure by State - December 2023



Source: Black Knight McDash

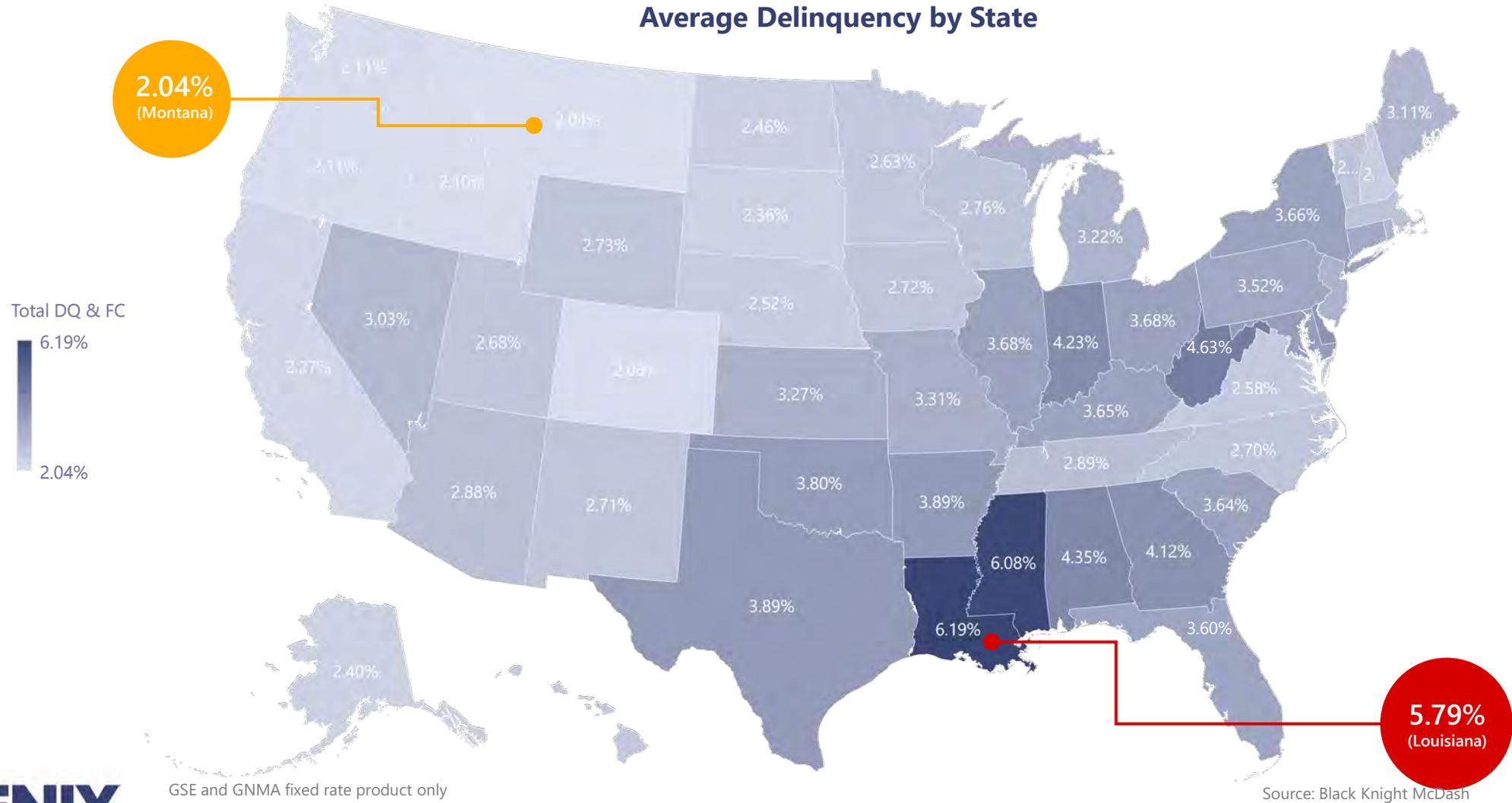
Analysis

- Montana was the best-performing state, where delinquency and foreclosure rates were 2.04%.
- The nation's most delinquent state was Louisiana with a 6.19% delinquency and foreclosure rate.
- Compared to December 2022, Louisiana had the nation's largest increase, moving from 5.11% to 6.19% (+108 bps).
- Regionally, the West South-Central region of TX, OK, AR, and LA had the highest delinquency rate (4.45%), and the East South-Central states of KY, TN, MS, and AL were close behind at 4.16%.

GSE and GNMA fixed rate product only

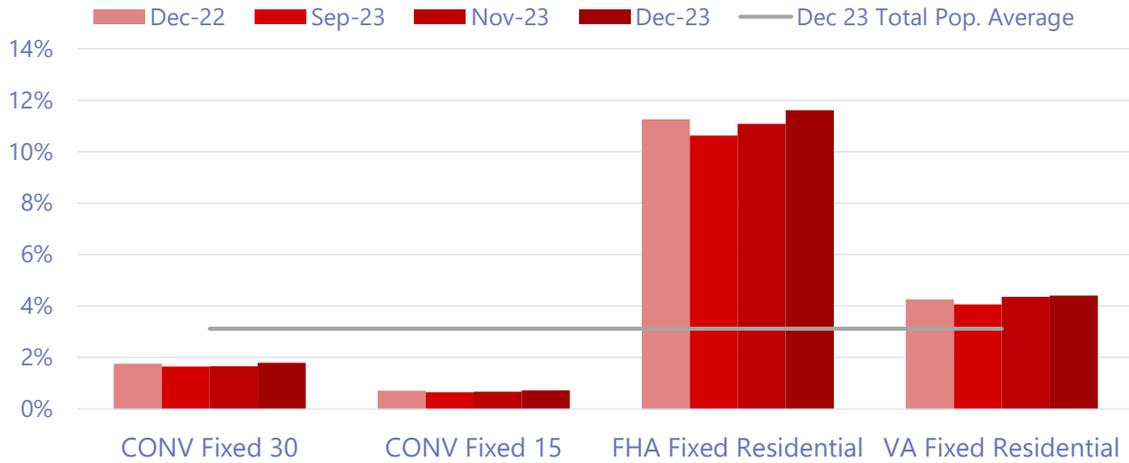


Delinquency Trends (cont.)

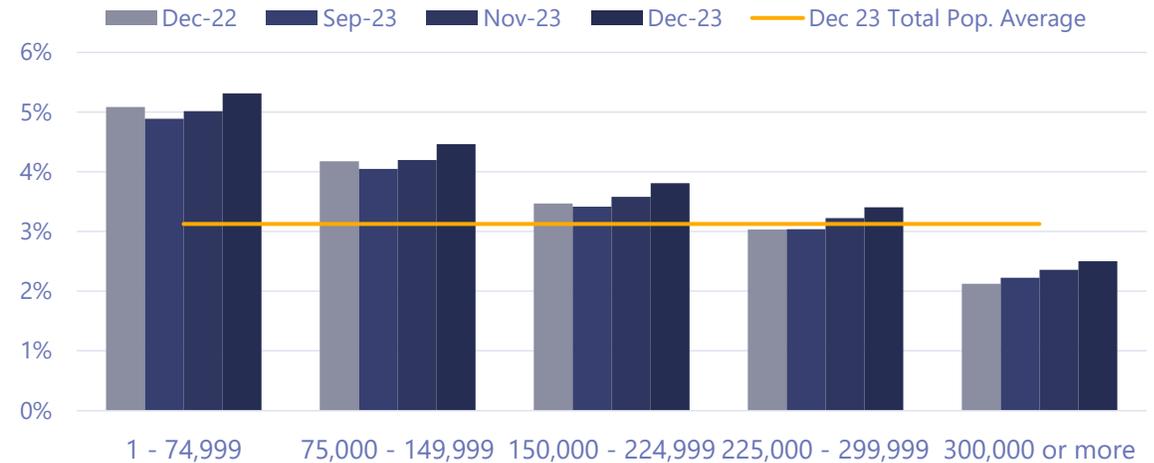


Delinquency Trends (cont.)

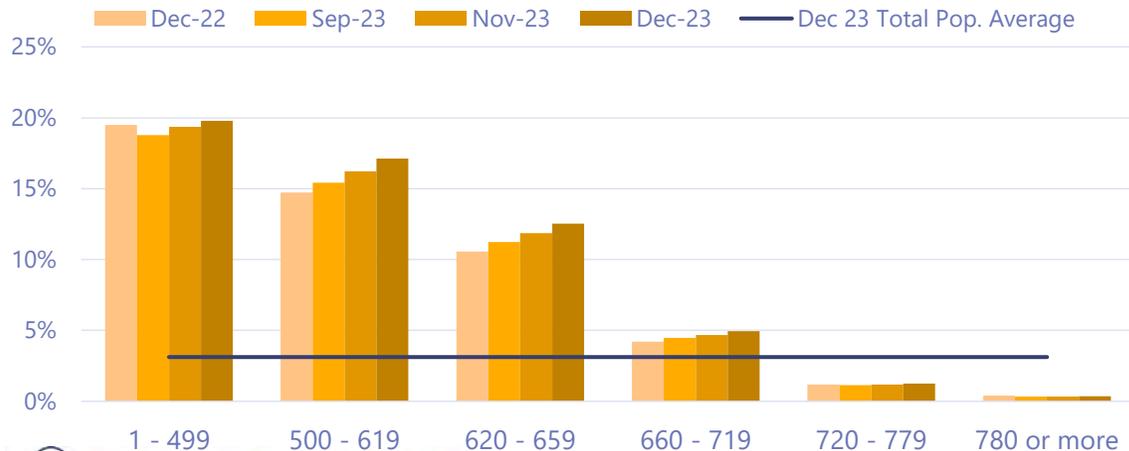
Delinquency and Foreclosure by Fixed-Rate Product - December 2023



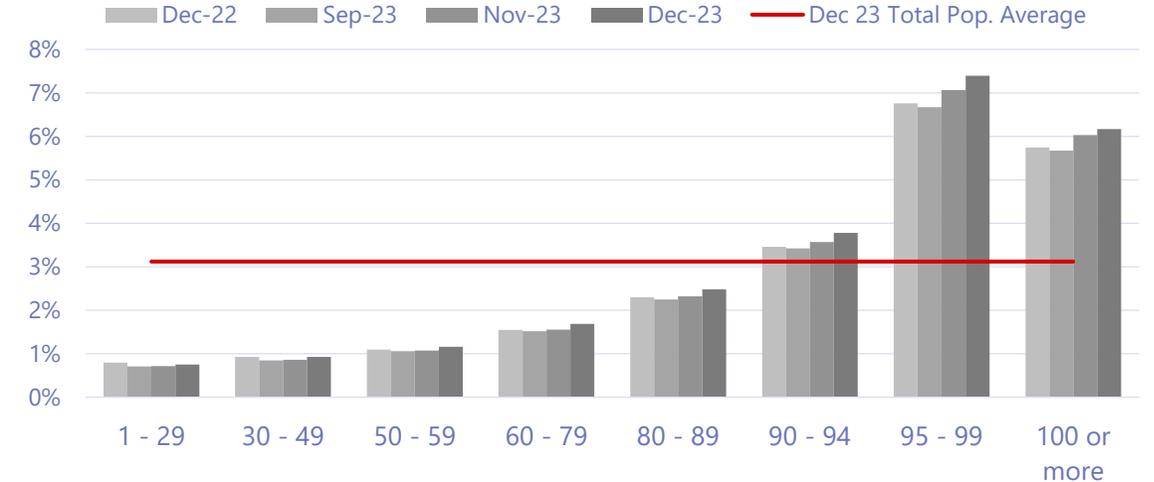
Delinquency and Foreclosure by Original Loan Balance - December 2023



Delinquency and Foreclosure by Original FICO - December 2023



Delinquency and Foreclosure by Original LTV - December 2023



Tables



State Summary

Prepayment and Delinquency

SUMMARY TABLES - December 2023

State	Loan Characteristics					Prepayments			Delinquencies						
	WAvg Orig Bal	WAC	WAvg Orig FICO	WAvg Orig LTV	WAvg Age	CPR	1mo CPR Change%	CPR Factor	30d DQ	60d DQ	+90d DQ	Total FC	Total DQ & FC	1mo DQ & FC Change%	DQ Factor
National	\$244,689	3.85	743	77	45	4.32%	4.42%	100.00%	1.71%	0.49%	0.72%	0.20%	3.12%	6.04%	100.00%
Alabama	\$190,096	4.02	731	83	46	5.34%	5.72%	123.56%	2.43%	0.71%	1.01%	0.20%	4.35%	6.33%	139.39%
Alaska	\$276,764	3.77	739	84	49	5.40%	17.76%	125.06%	1.34%	0.32%	0.54%	0.21%	2.40%	7.32%	76.98%
Arizona	\$248,591	3.87	743	76	38	4.46%	3.77%	103.26%	1.64%	0.46%	0.67%	0.11%	2.88%	7.59%	92.15%
Arkansas	\$170,498	4.01	733	83	47	5.45%	1.04%	126.15%	2.16%	0.62%	0.93%	0.19%	3.89%	7.18%	124.69%
California	\$351,769	3.58	752	68	45	3.17%	7.82%	73.41%	1.26%	0.35%	0.56%	0.11%	2.27%	5.19%	72.69%
Colorado	\$309,756	3.71	753	74	38	4.30%	3.66%	99.51%	1.16%	0.32%	0.49%	0.11%	2.08%	6.01%	66.67%
Connecticut	\$241,641	3.85	741	79	53	4.46%	8.87%	103.10%	1.94%	0.52%	0.74%	0.28%	3.48%	5.11%	111.34%
Delaware	\$236,535	3.91	737	80	48	4.21%	0.67%	97.50%	2.24%	0.72%	0.85%	0.27%	4.07%	5.17%	130.36%
DC	\$384,287	3.62	760	72	49	3.04%	-8.99%	70.26%	1.10%	0.30%	0.58%	0.30%	2.28%	10.52%	72.97%
Florida	\$236,820	4.08	737	80	41	5.26%	8.60%	121.82%	1.89%	0.57%	0.90%	0.24%	3.60%	4.62%	115.21%
Georgia	\$221,249	4.00	733	81	43	5.12%	1.07%	118.40%	2.17%	0.68%	1.09%	0.18%	4.12%	6.00%	131.86%
Hawaii	\$410,756	3.62	753	73	51	3.54%	12.91%	81.99%	1.06%	0.38%	0.87%	0.31%	2.63%	-2.02%	84.05%
Idaho	\$252,746	3.80	747	73	38	4.09%	-11.58%	94.72%	1.21%	0.31%	0.47%	0.11%	2.10%	7.03%	67.28%
Illinois	\$207,502	3.89	742	80	48	4.39%	8.56%	101.53%	1.91%	0.58%	0.90%	0.28%	3.68%	6.55%	117.74%
Indiana	\$169,344	4.12	732	82	43	5.14%	1.30%	119.00%	2.37%	0.69%	0.87%	0.29%	4.23%	7.26%	135.32%
Iowa	\$171,829	3.77	743	81	47	5.29%	10.18%	122.52%	1.52%	0.42%	0.56%	0.23%	2.72%	9.64%	87.06%
Kansas	\$182,341	3.93	740	82	45	5.27%	2.23%	122.03%	1.81%	0.50%	0.77%	0.20%	3.27%	5.04%	104.84%
Kentucky	\$176,583	4.00	733	81	45	5.30%	-6.30%	122.56%	2.01%	0.55%	0.77%	0.32%	3.65%	5.95%	116.87%
Louisiana	\$193,181	3.99	725	83	49	3.76%	-4.25%	87.09%	3.20%	1.05%	1.45%	0.49%	6.19%	7.08%	198.17%
Maine	\$212,278	3.86	740	77	48	4.55%	-4.69%	105.37%	1.78%	0.47%	0.52%	0.34%	3.11%	9.18%	99.42%
Maryland	\$284,068	3.74	741	81	48	3.72%	4.47%	86.07%	2.05%	0.58%	0.90%	0.22%	3.75%	7.18%	119.92%
Massachusetts	\$311,534	3.62	748	72	47	3.70%	1.26%	85.56%	1.59%	0.42%	0.62%	0.14%	2.78%	6.07%	88.95%
Michigan	\$175,549	3.90	741	79	46	4.77%	-3.01%	110.46%	1.84%	0.53%	0.73%	0.12%	3.22%	6.74%	102.98%
Minnesota	\$227,888	3.81	750	80	46	4.02%	-5.07%	93.08%	1.41%	0.42%	0.65%	0.15%	2.63%	6.94%	84.34%
Mississippi	\$175,762	4.06	721	84	47	4.87%	9.66%	112.75%	3.22%	1.01%	1.52%	0.33%	6.08%	4.87%	194.52%
Missouri	\$178,261	3.98	738	81	45	5.34%	1.67%	123.63%	1.88%	0.55%	0.72%	0.16%	3.31%	5.72%	105.99%
Montana	\$237,991	3.84	748	75	46	4.75%	2.48%	109.97%	1.19%	0.27%	0.43%	0.15%	2.04%	5.60%	65.23%
Nebraska	\$180,200	3.83	745	81	45	5.15%	3.58%	119.25%	1.42%	0.41%	0.57%	0.12%	2.52%	6.19%	80.76%
Nevada	\$262,443	3.90	739	79	39	4.31%	6.40%	99.63%	1.59%	0.45%	0.79%	0.20%	3.03%	3.63%	96.93%
New Hampshire	\$246,014	3.80	743	76	47	4.80%	0.27%	111.11%	1.45%	0.41%	0.46%	0.12%	2.45%	6.21%	78.32%
New Jersey	\$287,506	3.78	743	76	48	4.05%	8.82%	93.61%	1.73%	0.50%	0.74%	0.25%	3.22%	4.18%	102.95%
New Mexico	\$200,305	4.00	738	80	50	5.81%	10.44%	134.39%	1.50%	0.43%	0.52%	0.26%	2.71%	5.78%	86.74%
New York	\$276,170	3.92	743	74	57	3.72%	5.44%	86.07%	1.93%	0.49%	0.74%	0.50%	3.66%	7.84%	117.20%
North Carolina	\$220,182	3.94	743	79	43	5.13%	0.27%	118.65%	1.56%	0.43%	0.58%	0.13%	2.70%	7.56%	86.52%
North Dakota	\$211,526	3.68	747	82	45	4.64%	-7.82%	107.45%	1.36%	0.32%	0.46%	0.32%	2.46%	4.72%	78.90%
Ohio	\$165,195	4.06	734	82	47	4.95%	-1.00%	114.56%	2.03%	0.60%	0.77%	0.29%	3.68%	5.65%	117.90%
Oklahoma	\$175,832	4.15	732	84	47	5.40%	4.89%	125.02%	2.01%	0.59%	0.83%	0.37%	3.80%	4.71%	121.77%
Oregon	\$274,355	3.78	752	74	44	3.91%	3.44%	90.40%	1.12%	0.30%	0.53%	0.15%	2.11%	4.67%	67.40%
Pennsylvania	\$198,344	3.89	741	80	51	4.39%	5.71%	101.50%	1.97%	0.56%	0.71%	0.28%	3.52%	8.51%	112.74%
Rhode Island	\$243,736	3.83	740	77	48	3.96%	1.02%	91.69%	1.82%	0.52%	0.73%	0.16%	3.23%	5.91%	103.27%
South Carolina	\$211,919	4.00	737	81	42	5.38%	0.43%	124.42%	1.98%	0.58%	0.82%	0.25%	3.64%	6.78%	116.43%
South Dakota	\$201,956	3.72	749	79	44	5.23%	-5.90%	121.01%	1.29%	0.37%	0.48%	0.22%	2.36%	8.94%	75.66%
Tennessee	\$219,559	4.00	739	79	41	5.40%	0.30%	124.92%	1.64%	0.46%	0.67%	0.12%	2.89%	8.13%	92.41%
Texas	\$232,504	4.06	735	81	41	4.53%	9.95%	104.86%	2.12%	0.66%	0.91%	0.20%	3.89%	4.57%	124.50%
Utah	\$295,830	3.72	746	75	36	3.79%	5.25%	87.69%	1.50%	0.44%	0.64%	0.11%	2.68%	7.83%	85.94%
Vermont	\$212,492	3.93	745	77	52	5.07%	2.08%	117.22%	1.35%	0.43%	0.63%	0.31%	2.72%	6.21%	87.10%
Virginia	\$281,234	3.71	747	80	46	4.19%	7.69%	96.92%	1.46%	0.45%	0.56%	0.12%	2.58%	6.34%	82.71%
Washington	\$316,578	3.73	750	74	42	3.73%	1.50%	86.35%	1.14%	0.30%	0.53%	0.14%	2.11%	6.94%	67.60%
West Virginia	\$165,425	4.04	724	84	49	5.15%	-5.56%	119.09%	2.73%	0.78%	0.90%	0.23%	4.63%	7.96%	148.16%
Wisconsin	\$191,258	3.88	742	80	47	5.06%	0.18%	117.08%	1.55%	0.43%	0.58%	0.20%	2.76%	4.08%	88.28%
Wyoming	\$228,944	3.80	743	79	45	5.07%	-10.30%	117.31%	1.60%	0.41%	0.56%	0.16%	2.73%	2.29%	87.32%

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