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MortgagePoint Magazine

AUGUST 2025

2025 AGENT & BROKER EXCELLENCE Awards

As the market evolves, *MortgagePoint* highlights agents and brokers who elevate the client experience and contribute to a resilient, service-focused housing industry.

ALSO IN THIS ISSUE:

HOW TO COMBAT LOAN APPLICATION ABANDONMENT

Borrowers start the journey to homeownership with clear intent—but somewhere between application start and submission—they run into friction, confusion, and a lack of immediate support ... and then they're gone.

PROACTIVE, NOT REACTIVE: ENGAGING BORROWERS EARLY TO PREVENT DELINQUENCY

THE EXCHANGE:

PHIL CRESCENZO JR.

The Nation One Mortgage VP shares his outlook on a potential end to conservatorship, the impact of credit score-based pricing, and why lenders need to keep messaging simple and focused.

THE RESURRECTION OF VACANT REO AUCTIONS: GOOD NEWS FOR HOUSING

SHINING A SPOTLIGHT ON AGENTS

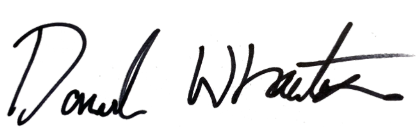
This month's issue of *MortgagePoint*, we're proud to spotlight our first Agent & Broker Excellence Awards, designed to honor licensed real estate professionals who consistently deliver exceptional service, build client trust, and uphold the highest standards of ethics and professionalism. These individuals demonstrate a deep understanding of their markets, maintain strong client relationships, and act as steady leaders in a changing industry. You can see this year's spotlighted recipients beginning on page 41.

That's just the beginning of this issue's focus on real estate agents, brokers, and how they support the industry. We've also got an exclusive interview with Jim Hastings, who serves as the current Chairman of Five Star's FORCE (the Federation of REO-Certified Experts), a network composed of pre-screened, certified, and seasoned REO agents and brokers. Hastings shares his insights on technology, REO trends, and how agents can stay ahead in a changing market.

Our agent/broker readers will also want to check out our Exchange interview with Jerry Mills, an Asset Manager with Phoenix Asset Management, who discusses where AI is proving useful, how agents can stay relevant in a shifting REO landscape, and why trust—not tech—remains the cornerstone of successful partnerships.

We've also got Q&As with Nation One Mortgage Corporation's Phil Crescenzo Jr., who shares his outlook on a potential end to conservatorship, the impact of credit score-based pricing, and why lenders need to keep messaging simple and focused; and David McCarthy, Chief Lobbyist & Head, Legislative Affairs for the CRE Finance Council, which promotes capital formation, encouraging commercial real estate finance market efficiency, transparency, and liquidity.

We've got a packed issue for you to distract you from that sweltering summer heat. Welcome to the August 2025 edition of *MortgagePoint*.



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"The thought is that the A.I. space is going to be the next major source of wealth creation in the global economy."
—Bradley Nelson, Chief Marketing Officer, Sotheby's

AI BOOM FUELS SURGE IN SAN FRANCISCO'S LUXURY HOUSING MARKET

San Francisco's luxury housing market is experiencing a dramatic revival, with artificial intelligence at the center of the city's real estate resurgence. According to Sotheby's International Realty's 2025 Mid-Year Luxury Outlook report, more homes sold for over $20 million in San Francisco than in any previous year on record.

The Bay Area's high-end real estate had cooled following the pandemic, but it's now seeing renewed demand from tech founders, engineers, and investors who are relocating or reinvesting in the region.

"The thought is that the AI space is going to be the next major source of wealth creation in the global economy," said Bradley Nelson, Sotheby's Chief Marketing Officer. "San Francisco became a magnetic location really quickly because if an entrepreneur or a tech investor was saying, 'OK, I want to make a bet in AI,' they were deciding they needed to do it in San Francisco and in the Bay Area for access to the labor pool with that technical expertise."

The city is home to OpenAI, the developer of ChatGPT, as well as a host of other startups and research institutions focused on artificial intelligence (AI). The tech boom has brought new energy (and a huge cash flow) into the housing market, most visibly on San Francisco's Billionaires' Row, where Laurene Powell Jobs reportedly purchased a home for $70 million.

Buyers aren't just purchasing ultra-pricey homes; they're committed to staying. Nelson noted that many new owners are investing in multi-million-dollar, multi-year custom renovations, signaling long-term plans to reside in the city. He also told Bloomberg that "the luxury real estate market in 2025 has just stepped out as the perennial safe haven," and credited San Francisco's rebound in part to newly elected Mayor Daniel Lurie.

Other luxury markets are also booming. In New York City, homes priced at $10 million or more saw an estimated 115% increase in sales, according to Sotheby's. Deer Valley, Utah, is another rising star, where a state record of 15 homes have sold for over $15 million this year already.

VEROS BROADENS VEROSELECT PLATFORM WITH VALLIGENT'S VIRTUAL INSPECTION

By integrating Valligent's virtual inspection, disaster inspection, and new evaluation services, Veros Real Estate Solutions (Veros) has announced a major expansion of its VeroSELECT platform.

"Veros is fundamentally transforming how clients manage valuation workflows," said Sarah Petteway-Dib, SVP of Product & Data Ops at Veros Real Estate Solutions, about the VeroSELECT expansion. "With Valligent's virtual tools, it's about smarter decisions through flexibility, insight, and speed."

Stronger risk mitigation and speedier workflows are still required by the home financing sector. Through this interface, VeroSELECT users can centrally manage all aspects of their valuation procedures, including Valligent's virtual tools, AVMs, assessments, and property inspections and appraisals. Users can achieve operational efficiency and a comprehensive understanding of collateral risk with a single platform.

"Our commitment at Veros is to continually advance what's possible in housing finance," said Sarah Petteway-Dib, SVP, Product & Data Operations at Veros. "Integrating Valligent's virtual inspection and valuation capabilities transforms how clients access and manage their workflows—providing more flexibility, sharper insights, and greater confidence in lending decisions."

This extension builds upon prior developments, such as the VeroSELECT API's provision of Disaster Vision. Within the same platform, clients can now rapidly discover properties that have probably been affected by natural catastrophes and start virtual inspections with homeowners to determine possible damage.

- The newly added Valligent offerings now available on VeroSELECT include: ValINSPECT Virtual (Interior/Exterior or Exterior Only): A streamlined virtual property inspection solution, leveraging Valligent's internal virtual inspection agents for mobile device-driven photo and live video streaming to deliver property insights.
- ValINSPECT Disaster (In Person or Virtual Exterior Inspection): Key rapid response inspection capabilities for properties in areas affected by natural disasters, conducted virtually or in person to provide timely collateral condition updates when they matter most.
- eVAL Virtual (Interior/Exterior or Exterior Only): An evaluation form compliant with interagency guidelines, paired with a virtual property inspection, where Valligent's internal evaluation staff provides value insights complemented by comprehensive virtual inspection data—a powerful combination for efficiency and compliance.
- Appraiser Field Review (Exterior): A Form 2000 residential field review, providing essential quality control and analysis of appraisal report accuracy—an important layer of oversight for appraisal integrity.

"This integration represents a unified vision for the future of property valuation," said George Paquette, COO at Valligent. "By combining Veros' foundation in data and analytics with Valligent's agility in virtual solutions, we're delivering a powerful, cohesive pipeline that supports smarter decisions from origination through servicing."

DARK MATTER TECHNOLOGIES PROPELS APPRAISAL INNOVATIONS

Dark Matter Technologies (Dark Matter) announced that it has integrated with the Uniform Collateral Data site (UCDP), a single site that is jointly managed by Freddie Mac and Fannie Mae (the GSEs). Dark Matter is now positioned as an early adopter of the technologies required to enable the Forms Redesign and Uniform Appraisal Dataset 3.6.

The new integration makes it possible to submit appraisal report data to the GSEs through UCDP, which helps lenders comply with the new appraisal standards mandate.

"By proactively adapting to these industry-driven updates, Dark Matter is demonstrating its technological leadership and commitment to driving efficiency in the mortgage ecosystem," said Stephanie Durflinger, Chief Product Officer at Dark Matter. "This achievement helps us better serve our lending partners and opens the door to broader capabilities in digital appraisal delivery."

Both the Empower and the Exchange℠ Network support for a new appraisal report data file, ZIP file submissions, the addition of six new data fields to improve property detail, and a simplified procedure for extracting PDF and XML files are innovations to support this endeavor. With these features, Dark Matter can help lenders make the switch to the new UAD 3.6, making reporting easier for all kinds of residential properties.

> "Our opening team uses Inspect at the very beginning of the file to catch discrepancies, like misspelled borrower names, incorrect dates of birth, or mismatches between the property address and the purchase contract, that we wouldn't have caught otherwise."
>
> —**Paola Patino**, Regional Processing Manager, Neighborhood Loans

★ ★ ★ ★ ★

All appraisal reports submitted to UCDP on or after November 2, 2026, must use the new UAD 3.6, which is available to GSE-approved lenders during the limited production period starting on September 8, 2025.

OCROLUS EXTENDS INSPECT WITH MORTGAGE CONDITIONS

Inspect has evolved into a conditioning solution with the announcement of a new condition authoring interface and Encompass integration by Ocrolus, the AI-driven data and analytics platform.

By creating and managing mortgage conditions directly within the platform, Ocrolus Inspect now gives lenders the ability to identify inconsistencies and take prompt action. To provide accurate documentation and effective issue resolution, users can name conditions, associate them with particular inconsistencies, and sync them back to the Encompass Form 1003. Teams can stay ahead of underwriting tasks and minimize pipeline friction with Inspect's integrated condition status tracking.

Inspect was developed to identify important discrepancies between borrower-stated information and supporting paperwork, automating laborious and error-prone manual verification operations. These insights assist processors and underwriters in identifying problems that may affect regulatory compliance, borrower eligibility, or possible fraud.

Lenders have more control over loan quality thanks to Inspect's early de-

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tection of missing papers, inconsistent data, and concealed information. This allows them to proceed with files more quickly, accurately, and confidently.

"The ability to create, sync, and track conditions within Inspect gives mortgage lenders a core decisioning engine to underwrite applications faster and with greater accuracy," said Vik Dua, President of Ocrolus. "We've heard from lenders in our early rollout that with these enhancements, they expect to reduce underwriter touches by up to 75%, while doubling the number of loans they can process with the same staff."

The solution closes the gap between insight and action to optimize workflows and boost operational efficiency by allowing users to modify conditions directly within the platform, which simplifies discrepancy management.

"Inspect has made a big difference for our business," said Paola Patino, Regional Processing Manager at Neighborhood Loans. "Our opening team uses Inspect at the very beginning of the file to catch discrepancies, like misspelled borrower names, incorrect dates of birth, or mismatches between the property address and the purchase contract, that we wouldn't have caught otherwise. It's fantastic."

INFORMATIVE RESEARCH ADDS HALCYON INTEGRATION TO VERIFICATION PLATFORM

Halcyon's IRS tax transcript service is now available through the IR Verification Platform, according to a statement from Informative Research (IR), a technology company that offers data-driven credit and verification solutions to the lending market. This addition broadens the range of employment and income verification services offered by Informative Research.

Lenders now have greater flexibility to automate income validation, satisfy investor rep and warrant relief obligations, and expedite workflows with reliable income data sources thanks to Halcyon's integration into the IR Verification Platform.

"This collaboration not only marks a significant step forward in our partnership with Halcyon, but it also enhances our platform's ability to support lender verification strategies with precision and efficiency," Informative Research EVP Steve Schulz said. "By incorporating IRS-sourced income data, we're giving lenders another powerful, automated tool for verifying borrower income, thus streamlining the process while maintaining compliance and confidence."

The news expands on the previously disclosed collaboration between Informative Research and Halcyon, which integrated AccountChek payroll data with consumer permissions into Halcyon's Income Analyzer.

"Making our IRS transcript solution available through Informative Research is a powerful step forward," said Kirk Donaldson, CEO of Halcyon. "We're helping lenders reduce friction, increase compliance, and move closer to a fully automated income verification experience."

FIRST AMERICAN TITLE INTRODUCES GENERATIVE AI TOOL TO INCREASE TITLE AGENT PRODUCTIVITY

First American Title Insurance Company, the largest subsidiary of First American Financial Corporation and a provider of title insurance and settlement services, announced the release of its AgentNet Assist tool, a generative artificial intelligence (AI) experience that instantly searches and summarizes First American's proprietary data and industry-leading underwriting expertise.

The AgentNet Assist tool, which is currently being rolled out nationally to First American policy-issuing title agents as part of the AgentNet platform, streamlines the process by offering succinct results along with links to reliable content. This makes it easier for title agents to obtain crucial advice through AgentNet Knowledge, the company's exclusive collection of expertly curated underwriting resources.

"What differentiates the AgentNet Assist tool is the unique knowledge base that fuels it—First American Title's underwriting excellence, proprietary data assets developed over decades, and unmatched domain expertise," said Steve Vincini, President of First American Title's Agency Division. "We've combined our extensive industry knowledge and specialized data with a powerful generative AI tool that provides title agents with access to trusted research instantly, enhancing outcomes and helping elevate their customers' experience."

Title agents can access vital issuing standards, fraud prevention resources, compliance documentation, bulletins, and forms through the AgentNet Assist interface, which is fully integrated into AgentNet Knowledge, First American Title's one-stop shop for underwriting guidance, education, and CE/CLE training courses. AgentNet is made to be the only name title agents need to remember for cutting-edge title technology, and it's easy to use and navigate.

FORCE
FEDERATION OF REO CERTIFIED EXPERTS

CREATING QUALITY REO CONNECTIONS.

The Five Star Institute creates countless opportunities for progress in the mortgage industry, and Five Star established the Federation of REO Certified Experts (FORCE) in 2011 to further this mission.

FORCE members are an elite group of knowledgeable agents and brokers dedicated to the residential REO market. The FORCE creates lasting connections between our distinguished network and top asset managers, investors, and servicers.

The FORCE Network's Five Pillars of Network Management Success

1. Compliance

As a member of the FORCE, your compliance is verified, which makes you a more reputable and marketable contact.

2. Communication

Members now have access to critical industry information through newsletters, webinars, social media, and emails.

3. Education

FORCE members can exceed expectations by staying up-to-date with the latest educational offerings, such as those available at the Five Star Conference.

4. Exposure

The FORCE will help you grow your business through Five Star's connections, complimentary and discounted ads, events, comarketing opportunities, vendor partnerships and more.

5. Inclusion

The FORCE is continuously working to provide productive partnerships and create new ways for members to connect with industry leaders.

We would enjoy speaking with you about what the FORCE can do for you. Contact FORCE@TheFiveStar.com

For More Information, Visit FiveStarFORCE.com.

HARD AT WORK FOR YOU

The FORCE network is in partnership with various organizations that are periodically in need of services provided by residential real estate agents and brokerage firms. These activities are at the discretion of the participating partners and may include but not be limited to:

Services Provided Include: REO Listings Short Sales Valuations Deed-In-Lieu Market Analysis

Movers & Shakers

Government

FORMER FHFA DIRECTOR NAMED CHIEF U.S. STATISTICIAN

Dr. Mark Calabria, former Director of the Federal Housing Finance Agency (FHFA), has been appointed Chief Statistician by Office of Management and Budget (OMB) Director Russ Vought.

Dr. Calabria takes over for Chief Statistician Karin Orvis in OMB's Statistical and Science Policy Branch. In the role of Chief Statistician, Dr. Calabria will maintain the integrity of federal statistics and data availability during leadership transitions and organizational changes. The Chief Statistician is also tasked with coordinating with 16 recognized statistical agencies on implementing the responsibilities described in the OMB's recent Public Trust Rule, while also ensuring they have the autonomy and resources needed to maintain public trust.

The OMB's Trust Rule aims to promote trust in federally disbursed statistics, and the recognized statistical agencies and units that produce them, by codifying and clarifying the fundamental responsibilities of statistical agencies across the Federal government: To produce and issue relevant and timely statistical information; to conduct credible and accurate statistical activities; to carry out objective statistical activities; and to protect the trust of respondents and information providers by ensuring the confidentiality and exclusive statistical use of their responses

Dr. Calabria formerly served as FHFA Director where he led the agency's response to the COVID-19 pandemic, and laid the groundwork for the removal of Fannie Mae and Freddie Mac from government conservatorship. As Director, Calabria also revitalized FHFA as a prudential regulator, establishing the agency's new Research, Accounting Policy, and Resolution Divisions.

The OMB's Chief Statistician role has become even more critical following the enactment of the Foundations for Evidence-Based Policymaking Act, signed by President Trump in 2019. This landmark bipartisan legislation—including Title 3, the Confidential Information Protection and Statistical Efficiency Act (CIPSEA)—expanded the responsibilities of Recognized Statistical Agencies and Units (RSAUs) and culminated in OMB's recent Public Trust Rule. Those agencies include the Census Bureau, Bureau of Economic Analysis, and Bureau of Labor Statistics, among others. As stated in the final rule, "Public trust in federal statistics is essential to their value and use in informing decisions across public and private sectors."

Prior to leading FHFA in the first Trump administration, Dr. Calabria served at the White House as Chief Economist to the Vice President. In addition, he worked as a senior aide to the U.S. Senate Committee on Banking, Housing and Urban Affairs and served as the Deputy Assistant Secretary for Regulatory Affairs in the Office of Housing at the U.S. Department of Housing and Urban Development, where he supervised HUD's regulation of the mortgage and real estate market. He was most recently a Senior Advisor to the Cato Institute.

In March 2023, Dr. Calabria released his book *Shelter From the Storm: How A COVID Mortgage Meltdown Was Averted*, published by the Cato Institute, documenting the FHFA's handling of the housing market without disruption at little to no cost to the taxpayer, and resisting repeated calls for industry bailouts and subsidies, during the nation's COVID-19 pandemic.

HUD BOLSTERS STAFF WITH TWO NEW ADDITIONS

DEFELICE

QUINONEZ

U.S. Department of Housing & Urban Development (HUD) Secretary Scott Turner has announced two new appointments to the Department's staff, with **Joseph J. DeFelice** joining as Assistant Deputy Secretary for the Office of Field Policy and Management and Regional Administrator for the Mid-Atlantic Region (Region III), and **Ashlea Quinonez** has been named Regional Administrator for the Southwest Region of HUD.

DeFelice returns to HUD after serving in President Trump's first administration as the Mid-Atlantic Regional Administrator. Between HUD appointments, DeFelice served as Senior In-House Counsel at a private commercial developer. This experience strengthened his belief that public-private partnerships are the best strategy to create lasting impact.

As HUD's Regional Administrator for the Mid-Atlantic Region, DeFelice will serve Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia. Additionally, DeFelice will provide national oversight and guidance for field operations across the country to support Secretary Turner in expanding access to affordable housing, promoting community revitalization, and unlocking homeownership opportunities for Americans in rural, tribal, and urban communities.

"I am deeply honored to be appointed to HUD a second time and serve under the leadership of Secretary Turner," DeFelice said. "This opportunity represents not just a continuation of the important work began in 2017, but a renewed commitment to addressing the unfinished business of empowering communities, enhancing self-sufficiency, and breaking the cycle of generational poverty."

HUD also announced the appointment of Ashlea Quinonez as the Regional Administrator for the Southwest Region (Region VI).

Quinonez has more than 20 years of experience in the private and public sectors. She served on boards for business and nonprofit organizations and received the National ATHENA Leadership Award in 2019. She also served in senior legislative and management roles for former U.S. Senator Phil Gramm, former U.S. Congressman Sam Johnson, and at the U.S. Department of Health and Human Services.

As Southwest Regional Administrator, Quinonez will lead field operations across Region VI, serving Arkansas, Louisiana, New Mexico, Oklahoma, and Texas. In this role, she will support Secretary Turner in expanding access to affordable housing, promoting community revitalization, and unlocking homeownership opportunities for Americans in rural, tribal, and urban communities.

"I am proud to appoint fellow Texan, Ashlea Quinonez, as HUD's Southwest Regional Administrator," HUD Secretary Turner said. "Her outstanding record in government relations throughout the great State of Texas is an invaluable asset as we work together to address the needs of Americans across the region."

SENATE CONFIRMS JONATHAN GOULD AS COMPTROLLER OF THE CURRENCY

The U.S. Senate has confirmed **Jonathan Gould** as the next Comptroller of the Currency at the Office of the Comptroller of the Currency (OCC) for a five-year term by a vote of 50-45.

"Jonathan's extensive background, including his firsthand experience at the OCC, means he'll be ready to hit the ground running as Comptroller," said U.S. Sen. Mike Crapo, Chair of the U.S. Senate Finance Committee. "I am confident in his ability to carry out the agency's critical mission to ensure the safety and soundness of our banking system, and to ensure banks provide fair access to financial services. He has the experience, quality of character and demeanor to be an effective leader of the agency, and I look forward to working with him in this new role."

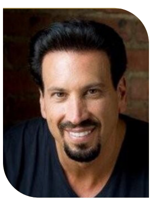
Gould, who was nominated in February, replaces Rodney E. Hood, who was named Acting Comptroller of the Currency on February 10, 2025.

Having previous experience at the OCC when crypto-banking was in its infancy, Gould's appointment could mean a potential push for crypto in the banking arena.

As Comptroller of the OCC, Gould will serve as the administrator of the federal banking system and CEO of the OCC. The OCC ensures that the federal banking system operates in a safe manner, provides fair access to financial services, treats customers fairly, and complies with applicable laws and regulations. The OCC supervises more than 1,000 national banks, federal savings associations, and federal branches and agencies of foreign banks that serve consumers, businesses, and communities across the United States. These institutions range from community banks to the nation's largest most internationally active banks. The Comptroller also serves as a Director of the Federal Deposit Insurance Corporation (FDIC) and a member of the Financial Stability Oversight Council (FSOC) and the Federal Financial Institutions Examination Council (FFIEC).

Gould previously served as the Senior Deputy Comptroller and Chief Counsel of the OCC. He oversaw all the agency's legal and licensing activities, including legal advisory services to banks and examiners, enforcement, litigation, agency administrative matters, legislative initiatives, the chartering of new banks, and changes in structure and activities of existing banks. He led the OCC's legal and licensing teams through a transformational period in which the agency revised its regulatory and licensing frameworks to reflect an evolution in banking. These efforts included a significant rewrite of banking regulation, including implementation of the Economic Growth Act, reforms to the Volcker Rule and swap margin rules, capital and liquidity changes, issuance of the Madden Rule, and expansion of bank powers. Under his direction, the OCC chartered the first fintech and crypto banks; recognized crypto-related activities as permissible; brought the largest enforcement actions in agency history; managed through the March 2020 financial crisis; and defended the agency's actions before Congress and in court.

ENTREPRENEUR APPOINTED TO FANNIE MAE BOARD



Barry Habib has been appointed to the Board of Directors of Fannie Mae, with a term lasting until the next annual election or until he resigns or is removed by the Federal Housing Finance Agency (FHFA). Habib's committee assignments have yet to be determined, and he will receive compensation as outlined in Fannie Mae's 2024 annual report.

A speaker and trainer for more than 25 years in the mortgage and real estate markets, Habib has personally originated in excess of $2 billion. His Certified Mortgage Advisor (CMA) course is renowned for elevating the level of professionalism and mortgage knowledge in the industry.

Some of career accomplishments include being named a three-time Crystal Ball Award winner by Zillow and Pulsenomics for the most accurate real estate forecasts out of 150 of the top U.S. economists; a finalist for the Ernst & Young Entrepreneur of the Year in 2019, and St. Armand Businessman of the Year in 2021.

His book, *Money in the Streets*, was an Amazon number one best seller, and Barry served as Lead Producer and Managing Partner for "Rock of Ages," one of the longest running shows in Broadway history. He also produced Criss Angel's *Mindfreak* at Planet Hollywood in Las Vegas.

» *Lenders/Servicers*

EMBRACE HOME LOANS NAMES NEW SVP

Embrace Home Loans has promoted **Brian Woltman** to SVP and inducted him into the company's Hall of Fame—an honor reserved for Embrace's most accomplished employees.

Woltman, who manages Embrace's Basking Ridge, New Jersey branch, is one of the company's top-producing originators and holds the record for the highest annual loan volume in Embrace's 40-year history. Since joining the company in 2016, he led his branch to more than $1.15 billion in funded loans and 2,500 closed loans. His personal production accounts for $640 million across more than 1,400 loans.

"Brian is a leader in every sense of the word—he's grown his branch from the ground up, built an incredible team, and consistently delivered extraordinary results," Embrace SVP and Regional Manager Tim Higgins said. "His work ethic, passion for clients, and commitment to mentoring others make him one of the most respected professionals in the industry."

Woltman was the company's top-producing loan officer for three of the past five years and has been named to the company's Chairman's Club five times. He also earned lifetime membership in the Founders Club, and has received multiple President's Club honors.

"Receiving this recognition means a lot, especially knowing the caliber of people I work with," Woltman said. "I've been fortunate to build a team that shares my values—treating people right, staying focused, and doing the work the right way. This is more than just a job to us—it's about delivering an experience people remember."

NEWREZ GROWS ITS COMMERCIAL DIVISION WITH NEW HIRE

Newrez LLC has appointed **Leslie Gillin** as Chief Commercial Officer (CCO), highlighting the company's commitment to accelerating revenue growth by expanding its diverse products and services and enhancing its customer-first platform for more than 3.7 million homeowners, which has quadrupled in portfolio size and originations market share over the past five years.

As Chief Commercial Officer, Gillin will lead enterprise-wide commercial strategy, focusing on marketing personalization, brand awareness, end-to-end homeowner experience, product growth, and strategic partnerships. An industry veteran in financial services, Leslie has held senior executive roles at top global banks, such as Bank of America, Citi, and JP Morgan Chase. Leslie was President of Chase Cobrand Cards, CMO of JP Morgan Chase, and most recently, Chief Growth Officer, at AI-led fintech Pagaya. In 2024, she was recognized as a Top 25 Women in Fintech by *American Banker*, and received the Innovation Award from Women in Payments.

"Leslie brings a proven track record of delivering growth, building iconic brands, and driving customer-centric innovation," said Baron Silverstein, President of Newrez. "Her deep expertise across lending products, marketing, and partnerships will be instrumental as we continue to scale our platform and deliver value to homeowners and partners alike."

PLANET HOME LENDING ADDS NEW MIDWEST SALES MANAGER

Planet Home Lending, a national mortgage lender, servicer, and asset manager, has named **Chris Carr** as Area Sales Manager in the Minneapolis-Metro

Area in Minnesota. With nearly 30 years of industry experience, Carr is licensed in Minnesota, North Dakota, South Dakota, and Wisconsin—where he will lead regional growth—as well as Illinois, Iowa, Tennessee, and Florida.

"Chris has a deep understanding of the communities he serves and the financial needs of his clients. He knows what it takes to earn their trust and guide them through the homeownership journey," said Matt Payan, Planet's SVP of Distributed Retail Sales. "His leadership, strong community presence, and mortgage industry expertise will support Planet's continued retail growth."

Carr most recently worked at Union Home Mortgage Corporation and has previous experience with leadership roles at Guaranteed Rate, Mortgage Master (a division of loanDepot), and Wells Fargo. Carr has built his career on listening to borrowers and delivering tailored solutions.

"Chris brings a true passion for the communities he serves, which is central to our mission at Planet," said John Bosley, President of Mortgage Lending at Planet Home Lending. "His commitment to customers and strong leadership make him a natural fit with our values, and we're confident he will play a key role in expanding our footprint in the Midwest."

SWBC NAMES NEW SVP OF PRODUCTION

SWBC Mortgage Corporation named **Tim Whittier** SVP of Production Optimization, bringing more than 30 years of mortgage expertise to his new role. Whittier brings a blend of operational insight and motivational leadership that will be instrumental in elevating SWBC's teams.

Beginning his career in 1992 as a Loan Officer, Whittier has assumed leadership roles throughout the industry, including regional manager and president of an independent mortgage bank ranked among the top 50 nationally. His professional journey is characterized by growth, innovation, and a proven track record of enhancing performance at every stage of the mortgage process. He will work closely with our marketing, training, and sales leaders to create a dynamic, collaborative environment that supports continuous learning, growth, and execution.

"Tim brings a unique blend of operational insight and motivational leadership that will be instrumental in elevating our teams," said Susan Stewart, CEO of SWBC Mortgage. "His innovative coaching techniques and extensive industry knowledge will be key in helping grow our region and drive long-term success."

Whittier has served as President of the Mortgage Bankers Association of Metropolitan Washington (MBA/MW).

NEW LEADERSHIP JOINS NAF IN THE SOUTHEAST

New American Funding (NAF), an independent mortgage lender, has appointed **Chris Shelton** as Divisional EVP of the Southeast for its Retail Division. In his new role, Shelton will be responsible for overseeing loan officers across the Southeast Division, including Georgia, Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

Drawing on his extensive 20-year career in the mortgage industry, Shelton will concentrate on cultivating a high-performance culture that drives growth and empowers loan officers to thrive.

"Chris is a highly respected leader in the mortgage industry. He had many choices on his next journey, and I'm honored that he chose to join myself and New American Funding," said Pat Bolan, NAF's Chief Production Officer. "His core values, encompassing strong character and high integrity, fit well with NAF's culture and are evident in his impeccable reputation and the trust he has built with customers. He is passionate about building, growing, and recruiting, and his extensive mortgage knowledge has been a key factor in driving his team's success."

Prior to joining NAF, Shelton led the East Coast Sales Team at Summit Funding, where he coached, mentored, and trained loan officers to meet both personal and professional goals while still fulfilling customer needs. He served as the Southeast Divisional head at Movement Mortgage for nearly 12 years, overseeing more than 1,200 loan officers and originating approximately $12 billion in loans annually, including more than $4 billion which he built and recruited.

RATE ADDS DECORATED VET AND TOP-PRODUCING LOAN OFFICER

Rate has added **Brian Bloete**, a decorated U.S. Marine Corps veteran and top-producing Loan Officer, to its team in Montville, New Jersey.

Since joining the mortgage industry in 2016, Bloete has closed more than $250 million in loans. Known for delivering tailored financing solutions and guiding clients through complex lending decisions with confidence, Bloete brings a customer-first mindset and proven production to Rate's expanding Northeast footprint.

"I moved to Rate to join a winning team, one with cutting-edge technology and product offerings that allow me to better serve every client," Bloete said. "This platform empowers me to provide personalized mortgage solutions that make a real difference for borrowers."

Headquartered in Chicago, Rate has more than 850 branches across all 50 states and Washington, D.C. Since its launch in 2000, Rate has helped more than two million homeowners with home purchase loans, refinances, and home equity loans.

» *Service Providers*

PULTE FINANCIAL VICE CHAIR ANNOUNCES RETIREMENT

PulteGroup Inc. has announced that **Debra W. Still, CMB**, Vice Chair of Pulte Financial Services, will retire at the end of 2025, concluding a 42-year career with the company.

Still's remarkable tenure spans the transformation of both PulteGroup and the entire mortgage industry. Starting as a Branch Manager in 1983, she advanced through the company and the industry to become one of the most respected leaders in housing finance, serving as President of Pulte Mortgage starting in 2004, and ultimately as CEO of Pulte Financial Services from 2010 to 2023 before transitioning to her current role as Vice Chair.

"Deb Still is one of the most respected leaders in our company and the broader housing-finance industry," said Ryan Marshall, PulteGroup President and CEO. "For more than four decades, she has embodied the very best of our company values. Deb has never shied away from difficult assignments, bringing fresh thinking to every challenge and always prioritizing our customers and colleagues above all else. Her impact extends far beyond our walls, as she has helped shape national housing policy and mentored countless professionals across our industry."

Under Still's leadership, Pulte Financial Services expanded to encompass Pulte Mortgage LLC, PGP Title, and Pulte Insurance Agency, employing more than 1,100 individuals nationwide.

Still's influence extends well beyond PulteGroup. She made history in 2013 as the second woman in 100-plus years to serve as Chairman of the Mortgage Bankers Association (MBA), and she testified before Congress on multiple occasions about critical housing finance issues. She currently serves as Chairman of MBA's Opens Doors Foundation, which provides mortgage and rental payment assistance to families with critically ill or injured children.

"Looking back on these four decades, what I'm most grateful for are the relationships made within Pulte and the broader industry. Colleagues who became lifelong friends, industry partners who shared our vision, regulators and Washington, D.C. decision makers, and of course the countless families and individuals we've had the privilege to serve," Still said. "Pulte gave me the chance to grow, to lead, and to make a real difference."

Following her retirement from PulteGroup, Still will continue her board service with Chimera Investment Corporation, where she has served as a director since 2018, and Enact Holdings Inc., where she joined the board in 2021. She will also maintain her involvement in various housing industry organizations. Eric Hart, who was named President and CEO of Pulte Financial Services in 2023, will continue to lead the organization.

NVR NAMES FORMER FREDDIE MAC CEO DEVITO TO ITS BOARD

Homebuilder NVR Inc. has appointed **Michael J. DeVito**, former CEO and Executive Director of Freddie Mac, to its Board of Directors as an Independent Director. DeVito served as Freddie Mac CEO and Executive Director from 2021-2024.

Before his tenure at Freddie Mac, DeVito spent 24 years at Wells Fargo &

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"I truly believe that each of us have a responsibility to promote diversity and inclusion throughout the mortgage industry. ... I have embraced individual differences through the years and valued the many community connections made. Through these connections, I have had the opportunity to serve in many board roles and philanthropic causes that enriched my personal life and optimized my business career."

—**Ruth Ruhl**, Founder and President, RUTH RUHL, P.C.,

mortgagediversitycouncil.com

Company, where he held various senior management positions in home lending, culminating in his role as EVP and Head of Home Lending.

The appointment brings significant mortgage industry experience to NVR's board. The company operates in two business segments: homebuilding and mortgage banking. Its homebuilding division sells and constructs homes under the Ryan Homes, NVHomes, and Heartland Homes brands across 36 metropolitan areas in 16 states and Washington, D.C.

AI PLATFORM FRIDAY HARBOR ADDS TO ITS LEADERSHIP TEAM


SIMMS


BUEHLER

Friday Harbor, an AI-powered platform that helps loan officers assemble complete and compliant loan files in real time, has announced that **Chris Simms** has joined the company as Head of Strategic Partnerships, and **Gregory Buehler** has joined as Founding Product Manager, bringing more than 35 years of combined experience in mortgage lending, product strategy, and technology innovation to the fold.

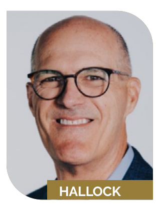
Simms will oversee Friday Harbor's customer relationships, as well as its strategic alliances with technology integration partners and industry associations. His initial focus will be on customer engagement and success as he works to ensure lenders see lower costs, shorter cycle times and a better experience for borrowers on every loan.

Buehler will define and execute product strategy in close partnership with the founding team, a role that Friday Harbor CEO Theo Ellis describes as "the glue between business and engineering." To that end, Buehler will collaborate with engineering, operations, and customer success to scale Friday Harbor's platform to serve a wider range of lenders, loan types and use cases while maintaining alignment with real-world origination pain points, workflows, and tech stacks.

Simms joins Friday Harbor after a 20-year career leading mortgage sales, origination, and capital markets teams at Mutual of Omaha Mortgage, First Integrity Mortgage Services, Pulaski Bank, and other institutions. During his time at these lenders, he partnered directly with mortgage technology firms to help align software solutions with real-world industry workflows. He currently serves as President of the Mortgage Bankers Association of St. Louis.

Buehler has more than 10 years of experience leading product development at early-stage B2B startups including Pebble Health, learning management software provider Skilljar (acquired by Gainsight) and social analytics firm Simply Measured (acquired by Sprout Social).

KIAVI EXPANDS LEADERSHIP TEAM


HALLOCK


JAYNE

Kiavi, a tech-enabled lender to residential real estate investors, has announced the additions of **Tom Hallock** as Head of Construction Lending, and **Robert Jayne** as Head of Originations, Construction Lending.

Hallock brings decades of expertise in construction financing and real estate investment lending. Prior to joining Kiavi, he served in various construction financing leadership roles, including Chief Lending Officer for DPL Capital and Genesis Capital, as well as Head of Loan Products at PeerStreet. A seasoned leader and construction industry expert, Hallock will oversee all aspects of Kiavi's Construction Lending vertical, including product ownership, team oversight, and growth strategies.

Jayne has 20 years of experience in construction finance, specializing in leading business development initiatives that significantly drive growth. His most-recent roles were Head of National Business Development at Archwest Capital with a focus on establishing the company's construction lending platform and Chief Construction Officer for Genesis Capital, overseeing its Construction Lending vertical. Jayne is also a residential real estate developer himself, founding a Los Angeles-based firm specializing in unique and historical renovation projects. At Kiavi, he will oversee all growth initiatives related to the company's Construction Lending vertical.

"We are delighted to welcome proven industry veterans Tom and Robert to the Kiavi team to take our ground-up construction product to the next level," said Arvind Mohan, CEO of Kiavi. "Both Tom and Robert have deep expertise in the construction financing space and are proven leaders, bringing the drive and strategic vision needed to fuel Kiavi's next chapter of growth. We look forward to putting Kiavi's technology platform, AI/ML models, and data advantage to work in serving even more real estate investors and developers, helping them move faster, build smarter, and create much-needed new housing units to combat the housing shortage nationwide."

» *Industry Groups*

NAR BOOSTS LEGAL AFFAIRS TEAM

The National Association of Realtors (NAR) has named **Leslie Nettleford-Freeman** as Associate General Counsel, VP of Legal Affairs and Brand Protection, a new position on NAR's Legal Team. A nationally recognized trademark protection expert and seasoned legal executive, Nettleford-Freeman brings 20-plus years of experience in intellectual property, brand enforcement, and strategic legal leadership to her new role.

Prior to joining NAR, Nettleford-Freeman served as Associate General Counsel at AARP, where she led major trademark enforcement campaigns protecting one of the most trusted brands serving Americans 50 and older. Her efforts included shutting down fraudulent websites and unauthorized entities claiming to offer AARP discounts or partnerships, including one case where she dismantled a network of more than 50 domain names misusing the AARP trademark. Under her leadership, AARP built a cross-departmental brand protection team—spanning digital, marketing, and IT—to respond quickly to emerging threats and protect seniors from scams and misuse of the brand. Beyond enforcement, Nettleford-Freeman provided extensive internal training, developing intellectual property programs to educate AARP staff on copyright and trademark compliance, licensing practices, and risk mitigation.

In addition to her corporate achievements, Nettleford-Freeman is an adjunct professor at Georgetown University Law Center, where she teaches intellectual property monetization and brand protection strategies. Her thought leadership and commitment to legal excellence have earned her multiple accolades, including the Outstanding In-House Counsel Award from the Association of Corporate Counsel and the Top Assistant General Counsel Award from the First Chair Awards Conference.

"I am honored to join NAR and look forward to contributing to the stewardship of one of the most respected trademarks in business," Nettleford-Freeman said. "Protecting the REALTOR brand is not just about legal enforcement—it's about preserving the trust and professionalism that our members represent."

NEIGHBORWORKS AMERICA NAMES NEW EVP/COO

NeighborWorks America has announced the appointment of **Lee Anne Adams** to serve as the organization's EVP and COO. Adams, who joined NeighborWorks in 2008, was previously SVP of the organization's National Initiatives Division, where she had principal responsibility for programs supporting affordable housing development and asset management, homeownership, lending, and wealth building and community initiatives. She follows Susan M. Ifill, who will be retiring after serving in the role since 2020.

"Throughout her tenure at NeighborWorks, Lee Anne has consistently demonstrated exceptional leadership, operational expertise and a deep commitment to our mission and values. As COO, I'm confident that she will continue to drive excellence and innovation across the organization," NeighborWorks America President and CEO Marietta Rodriguez said. "We are confident that under her leadership as COO, NeighborWorks will continue to grow stronger and deliver on our mission with even greater impact."

Since joining NeighborWorks America, Adams has served in several key roles, including Interim VP of Operations, Senior Director of Project Reinvest, and six years with the NeighborWorks Training Division. She has spearheaded corporate sustainability, resilience, and capital strategies, which included launching new resources, grants, and technical assistance to strengthen the NeighborWorks network. Adams led the planning and oversight of the $122.5 million Project Reinvest, making 140 awards to organizations across the United States, and the more recent $100 million Housing Stability Counseling Program that served more than 90,000 clients facing housing instability.

» *Attorneys*

DOSS LAW ADDS FORMER HUD ADVISOR AS ASSOCIATE ATTORNEY

Doss Law LLP has added Associate Attorney **Porfirio A. Gueiros**, who brings experience in HUD-insured multifamily transactions, complex real estate finance, and federal regulatory matters, to the firm. His background adds depth to the firm's focus on mortgage law and compliance-driven deal structuring for private and institutional lenders.

"Porfirio brings both legal skill and the right mindset. He understands complex deals and how to move them," said Christopher J. Donovan, Partner at Doss Law. "We're not hiring just to fill space. We're hiring to support the compliance-heavy private and institutional lending work we're doing a lot more of, and Porfirio strengthens our ability to do that."

Prior to joining Doss Law, Gueiros served as an Attorney/Advisor at the U.S. Department of Housing & Urban Development (HUD), where he advised on FHA-insured multifamily transactions exceeding $500 million. His experience navigating federal programs and structuring real estate-secured deals aligns with the firm's core work and client base.

"Our growth isn't just about more volume, it's about evolving as the work gets more complex, especially with all the regulatory changes," said Dennis Doss, Doss Law's Managing Partner. "We've built our name in private lending. Lenders know us for understanding the law, even when the regulators misinterpret it. We're building on that foundation as we grow not just in private lending but in other parts of the lending market too. Porfirio is part of that strategy."

Doss Law specializes in real estate-secured lending, fund formation, licensing, and compliance strategy and is widely recognized as a top legal partner in the private lending space.

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HOW TO COMBAT LOAN APPLICATION ABANDONMENT

Borrowers start the journey to homeownership with clear intent—but somewhere between application start and submission—they run into friction, confusion, and a lack of immediate support … and then they're gone.

By **DAN MICHAELI**

As the homebuying season gains momentum, lenders face a quiet but costly threat: loan application abandonment. When every relationship is hard-won and every closing counts, watching prospective borrowers vanish mid-application is a bitter missed opportunity. Increasingly, lenders are trying to use artificial intelligence (AI)-powered tools to intervene at just the right moment—offering real-time support and reducing friction before it drives customers away.

But the abandonment numbers are sobering. Despite improved digital platforms and record-level interest in online mortgage tools, around 68% of online loan applications are abandoned—usually due to poor customer interactions—and about 48% of consumers who experience digital friction take their business elsewhere. Borrowers start the journey with clear intent—but somewhere between application start and submission, they run into friction, confusion, and a lack of immediate support … and then they're gone.

For every abandoned application, there's a lost revenue opportunity and a disappointed potential borrower. But while the problem is easy to see, it's harder to solve. Why? Because it lies at the nebulous intersection of digital experience, customer support, and organizational readiness.

DAN MICHAELI *is Co-Founder and CEO of Glia, a customer interactions platform for industries where trust, security, and relationships are everything. Glia has been named a Deloitte Technology Fast 500 company for five consecutive years and is certified as a "Great Place to Work" (with a 98% employee satisfaction rating).*

Lenders are in dire need of more intelligent, context-aware, and personalized ways to support borrowers within the mortgage application process. Creating a program with that kind of support requires reimagining what support looks like in a digital-first environment.

Reasons for Abandonment

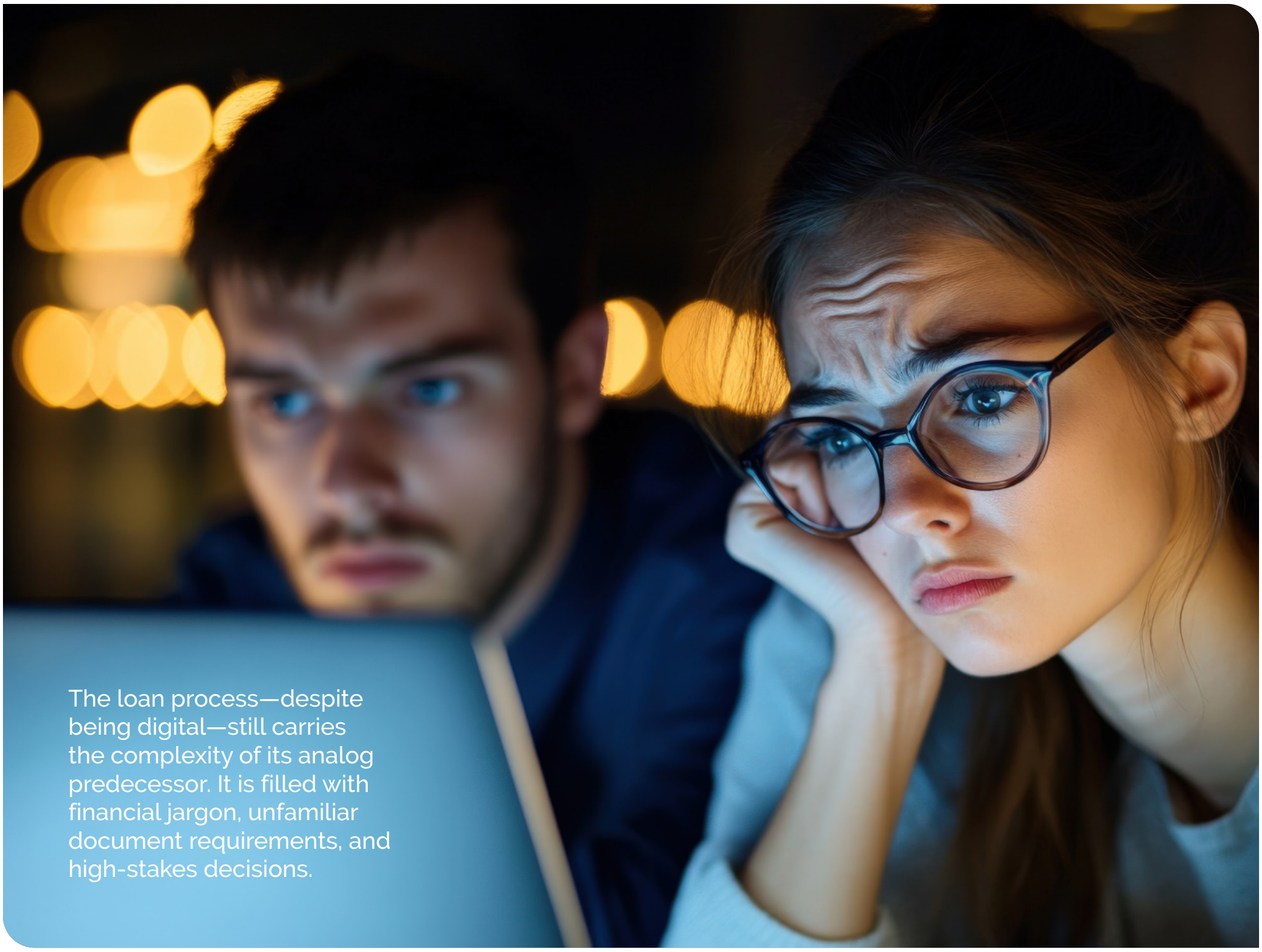
Mortgage technology has come a long way. Online applications are faster, sleeker, and more secure than ever. The real issue is not an unpolished interface—it's that borrowers abandon applications when the process becomes too complex for them to handle without guidance.

The loan process—despite being digital—still carries the complexity of its analog predecessor. It is filled with financial jargon, unfamiliar document requirements, and high-stakes decisions. When borrowers get stuck, they need help right then and there. And too often, they are met with unresponsive chatbots, slow email replies, or a prompt to call a service line and have to start from scratch.

It's a fractured experience, split into disconnected parts: chat windows, email threads, follow-up calls. It's support that looks digital but feels unnatural. And borrowers who expect real-time answers and seamless transitions lose patience.

What Customers Truly Want

In trying to make processes fully digital, lenders have inadvertently introduced new roadblocks. The future of lending support must elegantly combine the strengths of humans and emerging technology to create a model of support that's smarter, faster, and more intuitive than either could offer alone.



The loan process—despite being digital—still carries the complexity of its analog predecessor. It is filled with financial jargon, unfamiliar document requirements, and high-stakes decisions.

Emerging technologies—especially in AI—now enable what the mortgage industry has long needed: digital support that combines the efficiency of technology with the empathy of the human touch.

Discovering a New Model

Scalable and secure digital tools that support the customer journey can bridge the gap between customer intent and loan conversion. These solutions make support more effective, more contextual, and more human. Think of the evolution this way …

The old model is characterized by call center queues; a series of "we'll get back to you" replies; and half-answered questions.

The modern model features proactive, on-page support during the application process; context-driven AI assistants with high understanding rates; and intelligent escalations to human agents already equipped with context.

By meeting borrowers where they are—and providing support teams with tools that work across channels—lenders can dramatically reduce abandonment and convert more applications into loans.

Preventing Borrower Drop-Off

Abandonment does not happen all at once. It begins with hesitation … a confusing field, a question left unanswered, a document that will not upload. Even at that point, most borrowers do not cancel, they may pause the process. They say they will return, but rarely do.

How Can Lenders Stop This Hemorrhaging of Borrowers?

1. Be proactive, not passive: Waiting for a borrower to ask for help is too late. Smart digital engagement starts by anticipating when and where borrowers are likely to need help.

Behavioral cues—like a stalled application, repeated field edits, or a long hover over a specific question—can trigger a timely intervention. A better experience might involve an AI virtual assistant popping up on screen with guidance or offering to connect the borrower with a human agent right as these behavior cues start to happen. The key is to step in before confusion becomes frustration—and frustration leads to abandonment.

2. Preserve context across channels: Borrowers don't think in terms of "channels." They just want help. Whether they're using a laptop at home, switching to mobile at lunch, or clicking a support link in a follow-up email, they expect the interaction to carry over.

That is why context continuity is essential. Modern customer interaction platforms preserve conversation history and borrower data across digital touchpoints, so the interaction remains fluid, and frustration never enters the equation.

3. Use hands-on agent support to unblock the journey: Not every obstacle in the loan process is due to unanswered questions. Sometimes, poor interface elements—like unclear upload buttons or complex dropdowns—are the problem.

Digital tools can use advanced screen sharing that allow agents to view and navigate the application with the borrower in real time while protecting their private details. Agents can highlight fields, walk through tricky sections, and resolve confusion without the borrower ever leaving the loan application.

4. Accelerate document sharing securely: Document collection is one of the most common sources of abandonment. Applicants may be unsure what to upload (or where to find it), hesitant about privacy, or simply confused by the format.

Secure in-application upload tools, paired with instant confirmation and live assistance, reduce friction and instill confidence. The faster borrowers complete this step, the less likely they are to disengage.

5. Offer 24/7 virtual help for simple questions: Not every borrower needs an agent to help them. Many abandon simply because they cannot get quick answers to routine questions: "What's a DTI ratio?" "Do I need to upload pay stubs?" "How long does this take?"

AI-powered virtual assistants trained on loan-specific content can field these questions in real time—24/7. When escalation is necessary, they seamlessly transfer the interaction to a live rep, preserving the context.

With this kind of real-time, proactive support, borrowers can feel like they are getting the help they need—and lenders can create interactions that mirror the personal attention of an in-branch visit, building trust and loyalty during these critical financial moments.

> **"Borrowers want to complete their applications—they start with clear goals, and they are motivated. What they need is support that meets them in the moment, during the application, and on their terms."**

Empowered Agents Close More Loans

Improving borrower support is only half the equation. Agents also need smarter tools to work more effectively—and ultimately capture more loan revenue.

1. Let AI uncover agent coaching opportunities: With advanced interaction analytics, AI can monitor common abandonment points, flag ineffective agent responses, and surface opportunities for improvement. Contact center managers gain visibility into what is working, where support breaks down, and how individual agents can improve. It's targeted training—without the guesswork.

2. Provide real-time guidance: Agents are often expected to know everything: product specs, compliance rules, troubleshooting techniques. That is unrealistic, especially in high-volume environments like homebuying season.

Modern AI-powered support platforms surface real-time suggestions and reference materials during borrower interactions—providing agents with the right information, right when they need it. Think of it as a smart assistant for the agent, not just the customer.

3. Let agents focus on interactions where they add the most value: By automating routine support with AI-powered virtual assistants, human agents are free to focus on what they do best: solving complex issues, building trust, and guiding borrowers during critical financial moments. This shift improves performance and reduces burnout, helping agents feel more effective at their job.

The Lending Experience Borrowers Truly Want

Loan abandonment is often viewed as a borrower problem. But it is just as much a problem for lenders, and it is often rooted in aging support infrastructure that needs to be replaced.

Borrowers want to complete their applications—they start with clear goals, and they are motivated. What they need is support that meets them in the moment, during the application, and on their terms.

The good news is that leading lenders are already leveraging robust AI-powered digital tools to transform their borrower support. With these field-proven solutions readily available, the 2025 homebuying season presents an ideal opportunity for financial institutions to modernize and elevate their interactions.

This is the season to reimagine borrower support—not as a separate function, but as an integrated, intelligent part of the lending experience. MP

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Left to Right: ANDREW BOYLAN, CHAD NEEL, COLE PATTON, TOM HOLTHUS, MATT PODMENIK, KATIE JO KEELING, LANCE OLSEN & KEVIN MCCARTHY

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"Service Second to None"

THE RESURRECTION OF VACANT REO AUCTIONS: GOOD NEWS FOR HOUSING

By **DAREN BLOMQUIST**

The number of vacant properties available for bank-owned auction rose to a more than four-year high in the first quarter of 2025, according to Auction.com data. That's good news for prospective auction buyers who are less experienced and more risk-averse—including owner-occupants.

It's also good news for community revitalization and local housing market health. Vacant properties contribute to neighborhood blight the longer they sit vacant but often represent affordable housing inventory once renovated and returned to the retail market by auction buyers.

"I don't understand when a property is vacant for a year or two years, why they keep postponing the sale," said Landon Cunningham, VP of Client Relations at Tenet Capital, a Spokane, Washington-based lender that provides financing for buyers at auction. "Those houses are going to become more and more dilapidated. More crime, more people squatting in that house."

Cunningham noted that when vacant foreclosures are renovated, it's a win-win-win for the neighborhood, local economy, and new homeowners.

"The neighbors are happy, you are providing jobs to the contractors, and somebody has a nice house they can move into," he said.

DAREN BLOMQUIST *is VP of Market Economics for Auction.com. In his role, Blomquist analyzes and forecasts complex macro- and microeconomic data trends within the marketplace and greater industry to provide value to both buyers and sellers using the Auction.com platform. Blomquist's reports and analysis have been cited by thousands of media outlets nationwide, including the* Wall Street Journal, *the* New York Times, *and* USA TODAY, *and on many national network broadcasts, including CBS, ABC, CNN, CNBC, FOX Business, and Bloomberg.*

More than 5,000 vacant REO auctions occurred on the Auction.com platform in the first quarter, up 4% from the previous quarter and up 11% from a year ago to the highest level since the third quarter of 2020—soon after the onset of the COVID-19 pandemic.

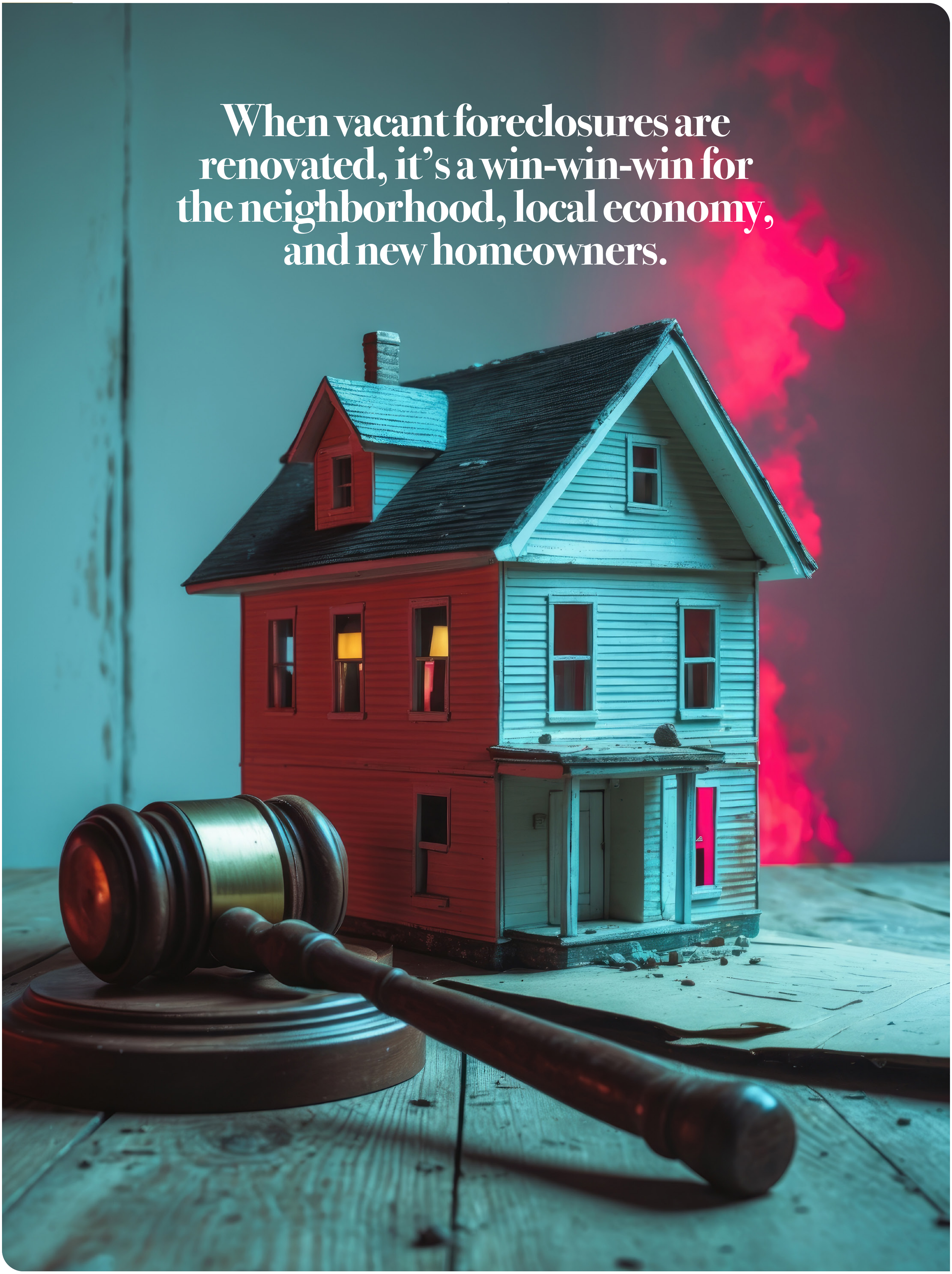
Vacant properties represented 53% of all REO auctions in the first quarter, the highest level since Q4 2021, when the nationwide foreclosure moratorium on government-backed mortgages expired. Vacant properties were exempted from the moratorium, so they represented a bigger share of a smaller REO auction pie in 2020 and 2021, when the moratorium was in effect.

From Vacant to Owner-Occupied

Until they're sold, vacant REOs represent risk for the surrounding neighborhood as deferred maintenance issues pile up and the property becomes a magnet for vandalism. On the flip side, these properties also represent latent opportunity for the local housing market. Once sold to a local community developer at auction, they can be transformed into quality, affordable housing.

"It had been vacant for quite a while … probably a year, so it was not very well taken care of," said Auction.com buyer Francois Delille about a Houston-area property he purchased at auction in 2022. Following renovations, he returned the property to the retail market as a rental. "The house being vacant, that's such a waste. … If that house had been to auction six months earlier, it would have been rented six months earlier. "

When vacant foreclosures are renovated, it's a win-win-win for the neighborhood, local economy, and new homeowners.



Auction.com buyers like Delille have purchased more than 45,000 vacant REOs over the last seven years. More than half of those are now owner-occupied (23,456), with 73% of the resales of those vacant REOs (when buyers like Delille resell) going to owner-occupants.

Affordable Housing Supply

Among the vacant REOs renovated and resold, the average sale price was a relatively affordable $301,156, requiring 31.1% of the local family income to buy on average—including mortgage, property taxes, and insurance. That's according to an Auction.com analysis of public record data.

Those not resold typically represent quality, affordable rentals. The average estimated rent for vacant REO purchases not resold was $1,591, representing 24.1% of the local family income, on average.

These quality, affordable rentals go to tenants like Dana Morgan, who now rents a home that Delille, previously purchased as a vacant REO.

"(We had looked at) 300 to 400 properties, and none of them had a bedroom downstairs that fit the lifestyle that we needed for my family," said Morgan, describing his search for a rental property in an Auction.com video. "So, this property was perfect."

More Owner-Occupant Buyers

Experienced local community developers like Delille and Cunningham aren't the only buyers interested in vacant REOs, which are often more accessible and appealing to a broader pool of less-experienced auction buyers—including owner-occupants. Auction.com data shows 20% of REO auction sales so far in 2025 going to owner-occupant buyers, up from 19% in 2024 to a new high as far back as data is available, 2017.

Vacant REO auctions are attractive to owner-occupants and other less-experienced auction buyers for a couple reasons. First, they typically come with an interior inspection and appraisal, making their valuation more certain and lessening the risk that a buyer will pick up a money pit property with myriad unexpected repairs. Because there is no current occupant, buyers don't have to factor in the additional time and money costs that come with a possible eviction.

More Precise Pricing

The higher valuation certainty also means that vacant REOs can be priced more precisely by sellers, and that translates into bigger discounts—relative to after-repair value—for buyers.

The average winning bid-to-after-repair value ratio for vacant REOS purchased on the Auction.com platform in the first quarter of 2025 was 54%, 6 percentage points below the ratio of 60% for occupied REOs. That 6-point delta is consistent with the long-term average going back to 2017.

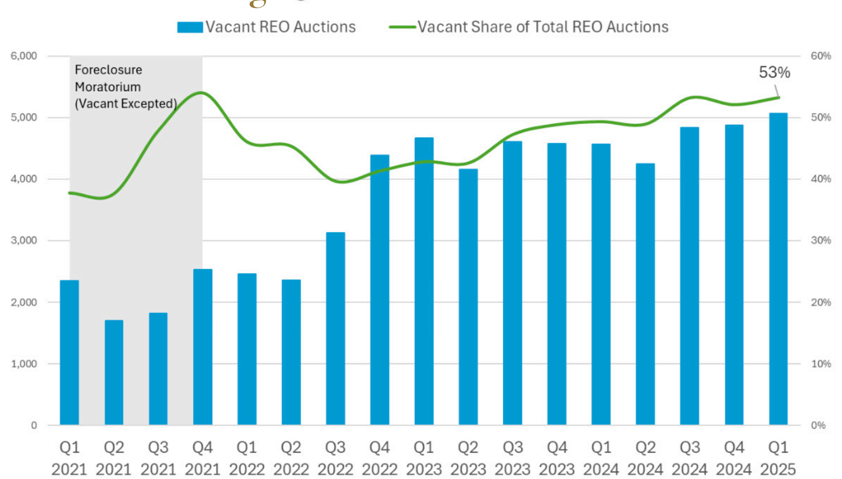
Conversely, the average winning bid-to-appraisal value ratio for vacant REOs purchased on the Auction.com platform in the first quarter was 83%, 7 percentage points above the ratio of 76% for occupied REOs. Because the appraisal for vacant REOs can be based on an interior inspection of the property—not possible with occupied REOs—the appraisal value is a more accurate reflection of the true "as-is" value for vacant properties than it is for occupied properties.

Clearing Out Older Inventory

The rise in vacant REO auctions over the past three years has helped to clear out the inventory of properties that have been sitting vacant for some time, weighing down surrounding property values and undermining neighborhood stabilization.

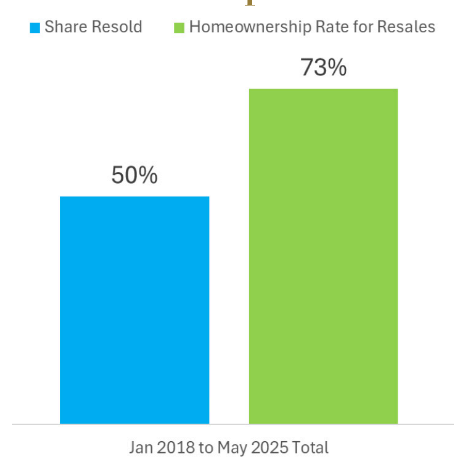
Vacant REO properties brought to auction in the first quarter of 2025 had been bank-owned an average of 345 days, down from an average of 744 days a year ago and down from an average

Rising Tide of Vacant REO Auctions



Sources: Auction.com

Vacant REO Auctions: Homeownership Outcomes



Sources: Auction.com, ATTOM

of 1,323 days in the first quarter of 2022, immediately after the foreclosure moratorium was lifted.

Despite the decrease, vacant REOs have been in foreclosure longer than occupied REOs. Occupied REOs brought to auction on Auction.com in the first quarter of 2025 had been bank-owned an average of 268 days, down from 633 days a year ago and down from 1,306 days in Q1 2022.

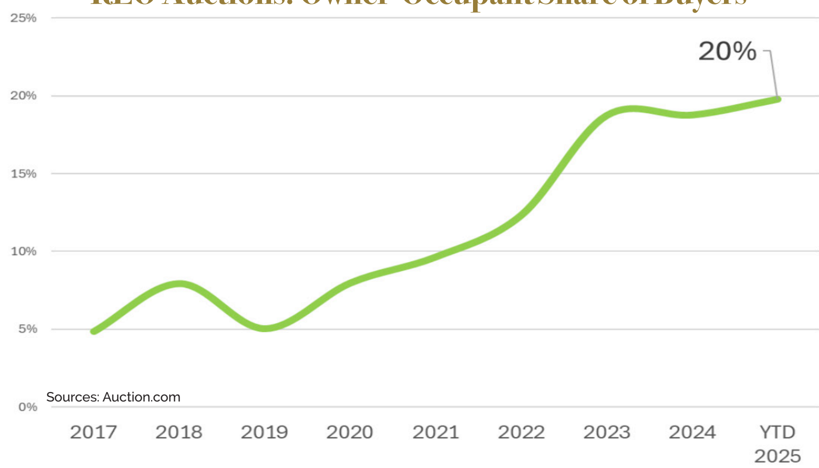
Rural Concentration

Vacant REOs available for auction are heavily concentrated in more rural areas, with 72% of the Q1 2025 volume in an area designated as rural by the Census Bureau. But that doesn't mean the properties are far from civilization. Only 8% were in areas designated as Rural-Remote (25 miles or more away from an urbanized area), while 30% were within five miles of an urbanized area.

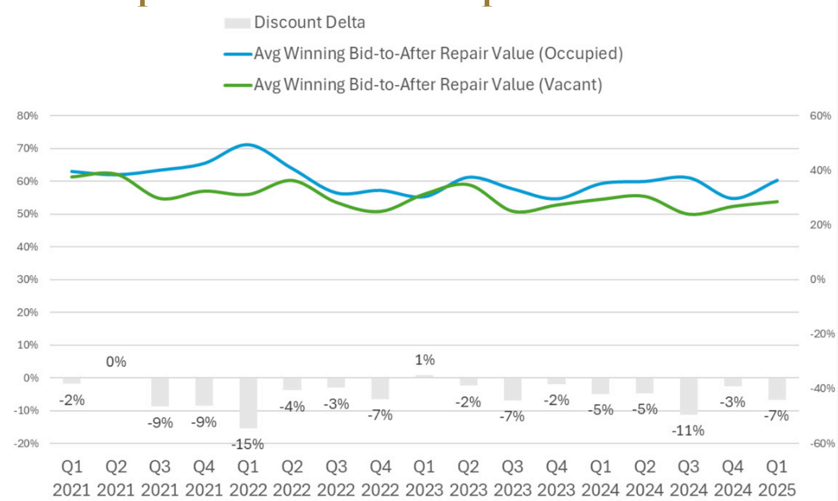
Among major metro areas, the biggest annual increases in vacant REO properties brought to auction in the first quarter of 2025 were found in Seattle; Wichita Falls, Texas; Phoenix; Colorado Springs; and Los Angeles.

Among major metro areas, those with an above-average share of vacant REO auctions in the first quarter of 2025 included Houston; Phoenix; Los Angeles; Riverside, California; and Baltimore. MP

REO Auctions: Owner-Occupant Share of Buyers

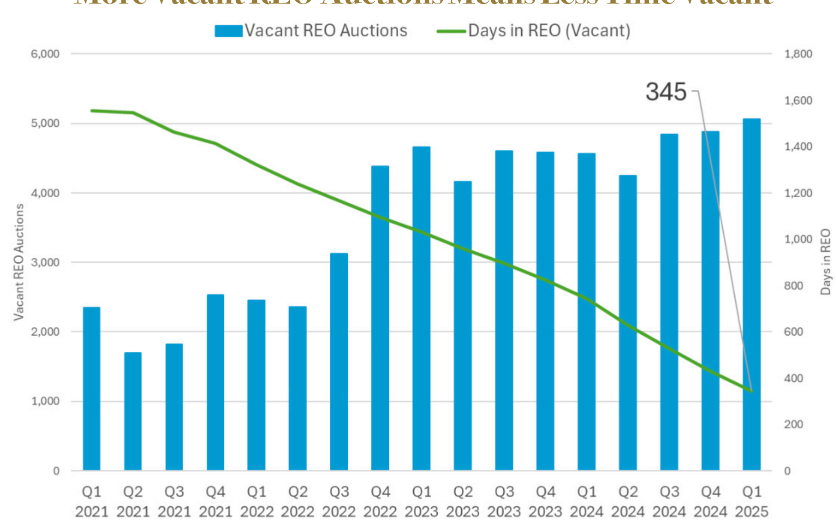


Deeper Discounts to After-Repair Value for Vacant



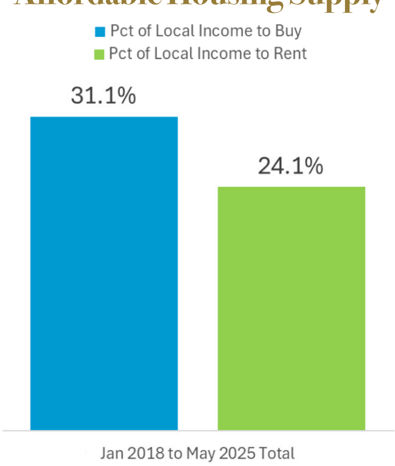
Sources: Auction.com

More Vacant REO Auctions Means Less Time Vacant



Sources: Auction.com

Vacant REO Auctions: Affordable Housing Supply



Sources: Auction.com, ATTOM, FHFA

MP MEMBERSHIPS SPOTLIGHT

August 2025

Jim Hastings

Hastings Brokerage, Ltd., FORCE Chairman

Hastings shares his insights on technology, REO trends, and how agents can stay ahead in a changing market.

Jim Hastings is the current Chairman of the Federation of REO Certified Experts (FORCE). He is the Broker of Hastings Brokerage, Ltd., a Las Vegas real estate firm that specializes in helping mortgage servicers and residential real estate portfolio managers with their complete REO process since 1984. Hastings holds a bachelor's degree in real estate from Arizona State University and has closed over $1 billion in residential REO. He holds real estate broker licenses in Nevada, California, and Arizona, and formerly Ohio. He has had offices in each state and is only operating in Nevada right now. He is also co-founder of Broker Brain, a web-based REO/property management system used throughout the United States. Hastings has written many articles for the FORCE newsletters and has spoken many times at the Five Star Conferences. His passion is to make sure that FORCE members get value out of their membership in a concrete way that will better their life.

As the industry faces economic uncertainty and rapid technological evolution, Hastings remains focused on equipping FORCE members with the tools and knowledge they need to succeed. In this interview, he discusses the FORCE's latest initiatives, the future of AI in real estate, and how a strong community of professionals can navigate whatever comes next.

Q: What FORCE initiatives, projects, and accomplishments would you like to spotlight from your tenure as Chairman thus far? What's on the horizon?

Hastings: I love the directory we created informing members who the REO sellers are, how to sign up to work with them, and what systems they use. It was worth the work done to create it for the members. Everyone should continuously review it and tell us when updates are needed. I am also happy with the evolving FORCE Rally during September's annual Five Star Conference. We have some exciting things planned for this year's Rally.

Q: What role does technology play in modern REO management, and where do you see the biggest opportunities for digital transformation?

Hastings: REO sales and management has moved to online systems. Listing agents need to be literate in all the systems the sellers use. Oftentimes, they will offer free accounts that agents should sign up for. These accounts help agents become more visible to potential clients. There are also listing agent REO management systems that help streamline workflow, like Broker Brain and others.

Q: How are you currently using AI in your career, if at all, and what specific benefits have you seen so far?

Hastings: Some clients use automated valuation models that rely on AI to assist with providing better comparables when completing BPOs. This typically helps narrow down values for a more accurate valuation but can also help save time. As with any new technology, mistakes can be made, so it is important to always take the time to review the data used. You may find something better. Using AI for virtual staging purposes is also something we have been looking into.

Q: How do you see REO volumes shifting in the next 3-6 months and also over the next year? What key economic indicators are you watching most closely?

Hastings: Moody's Analytics has been issuing their data for quite some time and have been consistently saying that standing REO inventory nationwide will increase significantly. They forecast there will be a sharp increase in REO nationwide by early 2027. Redfin is reporting the highest cancellation rate for the month of June 2025 since 2017. They stated it is due to buyers having more leverage due to more market options, along with anxiety over the broader economy.

The Federal Reserve is not lowering the Federal Open Market Committee (FOMC) rate right now due to concerns over the economy. It is important to note that when they lower the rate, they mean the FOMC rate. That is the rate their member banks pay to borrow from them overnight. It is a common misconception that when they lower the FOMC rate, that means mortgage rates are lowered. This isn't the case, as mortgage rates are driven by the bond market, along with risk and return. When interest rates were so low in the past, it was because the Federal Reserve created approximately five trillion dollars to buy

mortgages. They are selling the mortgages they bought now and taking a loss. For mortgage rates to go lower like they did in the past, the Federal Reserve would have to inject liquidity into the market again. They said they are willing to do that but only if something drastic happens, and no one wants to see that occur. Current mortgage rates are considered historically normal, not high. Prior rates were artificially low.

Q: How should agents position themselves now to stay competitive given these projected changes? How is FORCE working to help agents make those changes?

Hastings: REO listing agents need to become and stay both market literate and client procedure proficient. This can be achieved by being in community with others working in the same industry. We are better together. This is why the FORCE exists.

Q: What new skill sets or certifications will be especially important for agents to have?

Hastings: It is significant to explore the benefits and uses of AI. Experiment with the different ones, including Grok.

The FORCE is coming out with new classes to help members. It is important to get involved in the FORCE and tell the leadership if there are classes needed that aren't being provided. All of us together can create something good that can make a big impact.

Q: What are the keys to success for agents right now in this unpredictable market?

Hastings: I can't help but think of community. That is how I grew up in this industry. Remain humble, teachable, and ask for what you need from those ahead of you. As a seasoned agent, be willing to help those coming up behind you.

Q: How do you envision FORCE's role evolving as the real estate industry continues to shift?

The FORCE will be on the cutting edge of the evolving REO landscape. There will be significant events coming as the market changes. We will address them through our regular webinars and other educational opportunities. I look forward to this as we address the upcoming REO puzzle together. Our best is yet to come. **MP**

"The FORCE is coming out with new classes to help members. It is important to get involved in the FORCE and tell the leadership if there are classes needed that aren't being provided. All of us together can create something good that can make a big impact."

While many are debating how artificial intelligence will impact the industry, Jerry Mills, an Asset Manager with Phoenix Asset Management, remains firm on one point: there's no substitute for boots on the ground and personal relationships. In this Exchange Q&A, Mills discusses where AI is proving useful, how agents can stay relevant in a shifting REO landscape, and why trust—not tech—remains the cornerstone of successful partnerships.

Q: How is your organization currently using AI in asset management operations, and what specific benefits have you seen so far?

In several areas:

A. Asset Onboarding & Property Valuation
B. Property Preservation & Maintenance Management
C. Listing Strategy & Disposition
D. Buyer Matching & Sales
E. Compliance, Reporting, and QC
F. Risk & Portfolio Management

Q: How do you balance leveraging AI for efficiency while maintaining human connection, and how do those two factors play into decision-making right now?

Mills: We use AI as simply a tool to support our business. Personal connection along with eyes and boots on the ground are keys to success in this industry. As an agent myself, I put more emphasis on my agent expertise than I do on AI. AI is great to give me property characteristics along with who the target buyer is, or what hurdles we may encounter when marketing, but the agent works their market every day.

Q: How do you see REO volumes shifting in the next 3-6 months and also over the next year? What key economic indicators are you watching most closely?

Mills: We see an uptick coming for sure, but don't have accurate forecasting as to what that looks like right now. Third-party sales are unpredictable but appear to be slowing down, with a higher percentage of foreclosures coming through to REO. The biggest things I see as having an impact are increases in property taxes, increases in insurance costs, and legislation for short-term rentals, especially for homes bought in the last five years. Appreciation jumped considerably, and many folks maxed out their purchasing power to overbid other buyers. Now, their mortgages are adjusting to the increase in insurance and taxes, which is putting them behind or draining savings accounts. Credit card debt is still increasing as well, and people aren't able to leverage their equity to pay off debt.

Q: How should agents position themselves now to stay competitive given these projected changes?

Mills: Be present. Go to industry-related conferences and make sure asset managers know who you are. Provide updates in your market area to asset managers who ask for it. We are all busy, but to gain knowledge is always a benefit to me. A quick email with some stats about delinquency and filings in the area is something I will always take the time to review. That being said, don't pester your asset managers with weekly phone calls asking for business. Provide relevant information, and it will go a long way towards getting assignments when available. Most importantly, tell us what we need to know, not what we want to hear.

Q: How do you reset your expectations for REO agents and vendor partners in this new market environment?

Mills: Communication is key, no matter the condition of the market. Every property is different. I need to know what it is going to take to liquidate the property, keep squatters out, and maximize the return for my clients. Does it need repairs? Does it need a board-up? I live in Colorado, I know the things that need to be done here, but it may be very different where you live. Give me the details, because my clients are going to want to know. Clients are spending more time looking at property-level loses and doing more of their own diligence.

Q: What new skill sets or certifications will be especially important for agents to have?

Mills: It is important to communicate efficiently. I don't spend a lot of time worrying about certificates. There are some great industry people out there providing training and certifications. I will certainly pay more attention to those organizations and agents I have worked with, but to me, this is a relationship and trust business. Agents need to understand what our team needs from them to be successful for our clients. Knowing who you are, and your expertise, is more important than your certifications. We go to a lot of conferences and engage with the agent network as much as we can. Stop by and say hi when you see us.

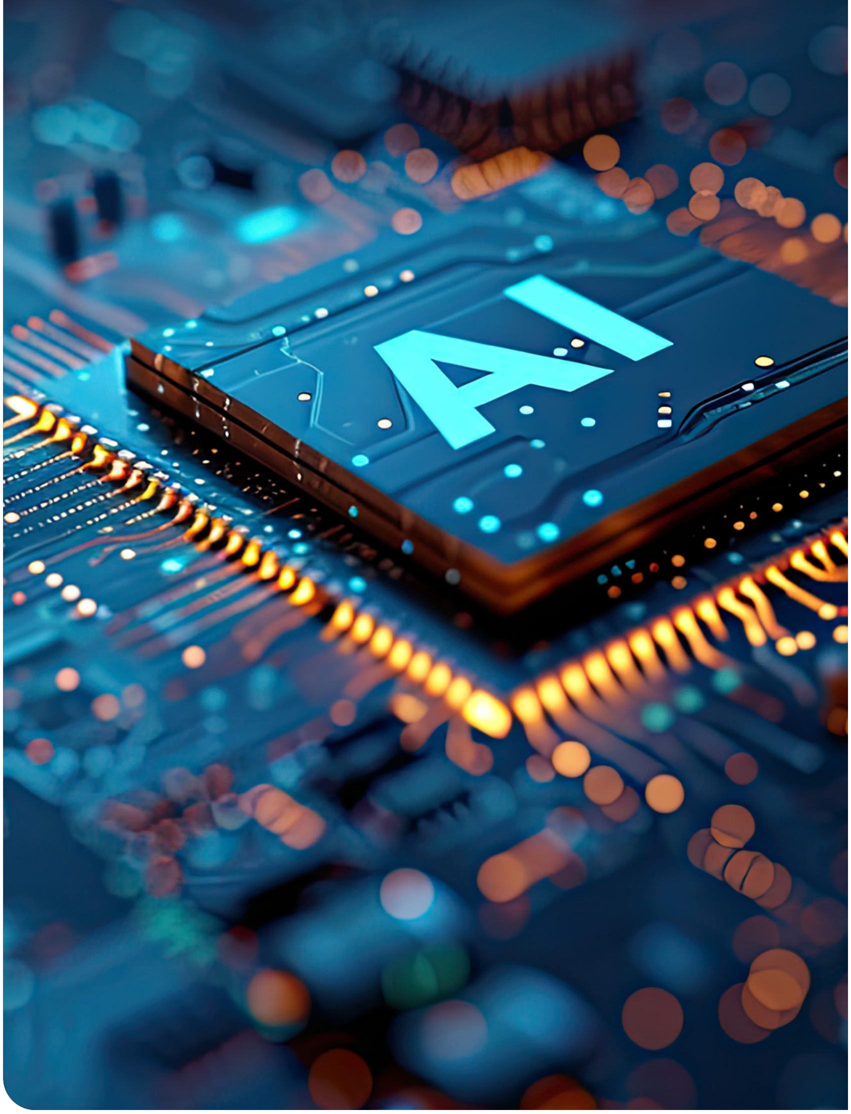
Q: How have your asset management platforms changed over the past year, and how do you expect them to change within the next 2-3 years? What's driving those changes?

Mills: Ours have not. New tasking and timeline management is what we are seeing the most of. Everyone yearns for more data. Better reporting is what we see being a focus for asset managers and our clients, not much on the agent side of things. That being said, AI will likely start to have a role in our systems and will likely be used to verify information provided by our agents, appraisers, and contractors. This is still real estate done by real estate professionals. The person-to-person interaction will always drive the best execution.

Q: What features or capabilities do you expect will be critical in next-generation asset management systems?

Mills: It all goes back to AI verification of information provided by the agent. I believe there will be companies out there that try and go with a strictly AI-driven platform, and data is important to our clients for projected losses and expenses. Clients are always trying to find ways to limit those, and I believe AI will assist with that. **MP**

"AI will likely start to have a role in our systems and will likely be used to verify information provided by our agents, appraisers, and contractors. This is still real estate done by real estate professionals. The person-to-person interaction will always drive the best execution."



PROACTIVE, NOT REACTIVE: ENGAGING BORROWERS EARLY TO PREVENT DELINQUENCY

Industry leaders stress the need for trust, technology, and training to keep homeowners in their homes … and delinquencies out of the red zone.

By **DAVID WHARTON**

Economic uncertainty, inflationary pressures, and escalating insurance and tax costs are pushing many homeowners to the financial brink, even as national delinquency numbers appear relatively steady. For mortgage servicers, preventing delinquency means acting before borrowers fall behind, and doing so with empathy, transparency, and technology that meets customers where they are.

That was the central theme of a recent *MortgagePoint* webinar, "Proactive, Not Reactive: Engaging Borrowers Early to Prevent Delinquency," sponsored by Selene and featuring an expert panel including:

- James Braxton, VP, Customer Resolution, Servbank
- JT Grubbs, EVP, Head of Servicing, Selene Finance
- Michael Merritt, SVP, Customer Care & Mortgage Default, BOK Financial
- Courtney Thompson, EVP, Mortgage Servicing, CMG Financial

Here are five big takeaways from this exclusive conversation on the future of borrower engagement.

1. Economic Pressures Are Multiplying

Inflation and higher costs for essentials like groceries, insurance, and property taxes are reshaping the risk landscape, even for customers who appear stable on paper.

DAVID WHARTON, *Editor-in-Chief of* MortgagePoint, *has 20 years' experience in journalism, having worked for the Five Star Institute since 2017. Wharton has an extensive and diversified portfolio of freelance material, with published contributions in both online and print media publications. He can be reached at David.Wharton@thefivestar.com.*

"Consumer debt almost every day reaches a new all-time high," Michael Merritt said. "We're seeing stresses across the board from consumers, and in different ways. It's not just debt: housing materials are more expensive, and housing repairs are more expensive. That's leading to higher taxes and insurance that are impacting customers in ways that we haven't seen before. … Customers today are dealing with different forces than we're used to seeing traditionally."

Merritt says these pressures are particularly acute for some FHA borrowers. While overall delinquency rates may look steady, Merritt warns, the numbers can hide "some icebergs" below the surface.

Courtney Thompson added that uncertainty is fueling consumer anxiety. "There's a general consumer trust crisis. If you were lucky enough to buy a house in '17, '18, '19, you're looking at a very different monthly payment scenario than if you're trying to get into a house today."

2. Building Trust Is Non-Negotiable

When a homeowner calls their servicer, the conversation isn't just about dollars; it's about trust. That level of trust often determines whether a homeowner reaches out for help or hides until it's too late.

"Transparency … is the biggest foundation when it comes to building trust," said James Braxton. "We have to start with empathy and precision."

"No one takes out a mortgage [expecting] to fall behind. No one takes out a mortgage expecting to lose a job, lose a spouse," Merritt said. "The most successful call I ever had in my career ended in a deed-in-lieu," he continued. "I could never keep them in the house, but I got them in the best situation for them. You've got to be willing to stay focused, have those conversations earlier, and never forget that it's someone's home. There's nothing more valuable to them. Whether they're ready to have that conversation or not, it's our job to draw them out and get them into an effective conversation." "

Thompson echoed that sentiment: "At the end of the day, this is a trust

> "No one takes out a mortgage [expecting] to fall behind. No one takes out a mortgage expecting to lose a job, lose a spouse"

—**Michael Merritt**, SVP, Customer Care & Mortgage Default, BOK Financial

and a shame game. If they don't trust you, they're not willing to tell you their secrets. [Sometimes] they're not willing to tell their family members their secrets about their financial circumstances. [You need to be able to convince this person] that you are here to help them, not throw them out of their house."

Ideally, building that sort of trust relationship starts early, often long before a homeowner misses a payment.

3. One Shot: Why Early Engagement Matters

Waiting until 60 days past due is no longer an option when it comes to helping homeowners achieve the best possible outcomes. The first meaningful interaction could happen during an escrow inquiry or a simple customer service call, and that single touchpoint could define the borrower's willingness to engage going forward.

"When we talk about proactive, we need to treat each customer as high-risk because we don't know exactly what's going on in their situations," JT Grubbs said. "When we talk about what doesn't work, like waiting or being patient or expecting to be able to throw the hammer of the toolkit, which used to be a modification in later-stage delinquencies and helping customers stay in their homes, those same opportunities don't exist today. You get one shot, right? Based on generational tendencies, that one shot could happen in any channel. That one shot can happen at any delinquency level."

Merritt added, "Rarely is a current customer going to say, 'I can't make my next payment.' They're still in a little bit of denial. So, you might ask, 'Why did you call about your escrow account when it's six months away from your analysis date?' Oh, it's because they know they're not going to be able to afford it, right? You've got to make sure you take that opportunity. You have to be consultative from the very beginning."

Braxton reinforced the point: "That one shot may come when the customer is calling in about an issue that has nothing to do with the delinquency.

> "The best bang for your buck right now is not to go to another AI presentation, it's to make sure you're optimizing the use of the digital tools."
>
> —**Courtney Thompson**, EVP, Mortgage Servicing, CMG Financial

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That interaction that we have with them, the way that they feel after that phone call, the way that they feel about our level of service or our appreciation, that builds trust."

4. Meeting Borrowers Where They Are, Across All Channels

For some borrowers, the comfort of a voice on the line matters most. For others—especially younger generations—text or chat is the preferred mode of communication. The webinar's panelists agreed: servicers must deliver consistently across all available channels.

"We've got to execute in all of those channels ... and execute flawlessly," Grubbs said. "Technology has moved so quickly. At no time before in this industry has there been such a gap from a technology standpoint, from the baby boomers down to Gen Z."

Servbank's Braxton underscored the importance of moving beyond compliance-driven messaging.

"We're dealing with a lot of newer-generation homeowners, and we need to be able to meet them where they feel comfortable. If it's a phone call, fantastic, but if it's some other means of communication, we need to continue to embrace that as well."

As Thompson noted, that includes reducing reliance on processes some might consider outdated.

"Whether we like it or not, the concept of sending paper through the U.S. Postal Service is still alive and well in mortgage servicing. Many mortgage servicers are still relying upon digital means, where these emails are going into junk email boxes. Understanding how the technology meets the customer experience is another level of training that is required in these call centers today."

5. People, Process, and Technology Working Together

AI and automation are top of mind, but the panelists suggested that technology alone won't solve the problem. The consensus was that servicers should invest in data organization, digital channels, and training.

"Invest in organizing your data and digitization," Thompson said. "Otherwise, all these fun little AI widgets are just going to be widgets; they're not going to be a deployable strategy that you can use across your operation."

She added, "The best bang for your buck right now is not to go to another AI presentation, it's to make sure you're optimizing the use of the digital tools."

Braxton emphasized the human element.

"Find the right people and make sure they have the right tools to do the right job."

Merritt emphasized one crucial truth: "Never forget that every call that we have, someone's home is on the other end of that line." MP

David McCarthy

Chief Lobbyist & Head, Legislative Affairs, **CRE Finance Council**

David McCarthy is Managing Director, Head of Legislative Affairs at the CRE Finance Council (CREFC), where he leads the trade organization's advocacy efforts with federal lawmakers in Washington, D.C. In addition to representing the CRE and multifamily finance industry on Capitol Hill, David supports the overall CREFC government relations effort by advising and supporting CREFC's legislative and regulatory efforts with policy analysis and strategy.

For more than three decades, CRE Finance Council (CREFC) has served lenders, investors, and servicers engaged in the nearly $6 trillion commercial real estate finance industry. More than 400 companies and over 19,000 individuals are members of CREFC. Member firms include life company and bank balance-sheet lenders, securitized lenders, alternative, high-yield lenders, loan and bond investors, private equity firms, servicers, and rating agencies, among others. CREFC promotes capital formation, encouraging commercial real estate finance market efficiency, transparency, and liquidity. CREFC also acts as a legislative and regulatory advocate for the industry, playing a vital role in setting market standards and providing education for market participants.

Prior to joining CREFC in 2016, David was an Assistant VP in the Regulatory Affairs department at U.S. Bank in D.C.. David grew up in rural Southwest Minnesota and graduated from Hamline University in St. Paul. He is a graduate of George Mason University School of Law.

McCarthy also worked as a Legal Intern for the Subcommittee on the Constitution of the U.S. House of Representatives Committee on the Judiciary.

MortgagePoint had a chance to chat with McCarthy regarding Section 899 of the One Big Beautiful Bill Act, a measure that takes aim at "unfair foreign taxes," specifically targeting the undertaxed profits rule (UTPR), digital services taxes (DSTs), and diverted profits taxes (DPTs). Section 899 was designed to increase the U.S. tax burden for investors tied to countries deemed to be engaging in unfair foreign taxation. Section 899 represents a shift in international tax policy, designed to protect American economic interests.

McCarthy shared his thoughts on Section 899 and its projected impact on the commercial real estate space both at home and abroad.

Q: Why were real estate market participants concerned about a provision in the Reconciliation Bill known as Section 899?

McCarthy: Section 899 would authorize the Treasury Secretary to impose retaliatory taxes on certain foreign companies and individuals in response to unfair tax practices abroad. Policymakers were aiming to defend U.S. tax sovereignty amid global tax minimum tax agreements by using the provision to apply punitive tax treatment when countries employ certain extraterritorial or discriminatory taxes against U.S. companies.

While Section 899 could have served as a negating tool on the international stage, the real estate industry was concerned that the provision would broadly impact debt and equity investment into the U.S. The House and Senate version of the bill would have swept in passive, non-controlling foreign investments—including those critical to financing United States. commercial real estate. The added uncertainty around how Treasury might implement this authority—and who could be targeted—created real risk for capital inflows into U.S. markets.

Q: Why was Section 899 such a concern when it comes to capital availability for U.S. borrowers?

McCarthy: U.S. commercial real estate (CRE) relies on a global investor base as foreign capital plays a key role in portfolio lending, debt funds, securitizations, and other financing vehicles. Section 899 introduced the risk of higher, unpredictable tax rates for certain foreign investors, which could cause capital to pull back or require higher returns to compensate for new tax risk. That could

> "Foreign capital has long been a key pillar of the U.S. commercial real estate market ... Reducing participation, or even creating uncertainty around it, can have ripple effects throughout the financing ecosystem."

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translate into tighter credit conditions, higher borrowing costs, and reduced liquidity, especially for borrowers already facing limited financing options.

U.S. CRE borrowers could have directly borne the increased tax burden. Many loan agreements with foreign lenders contain provisions that put the risk of increased international taxes on the borrower rather than the lender. If the tax rate goes up, the borrower pays it. This is often because tax treaties between the United States. and certain countries govern the tax treatment of these transactions, and there can be a risk of fluctuation if a party unilaterally backs out of the treaty.

Q: What is the importance of overseas capital providers for the U.S. commercial property market?

McCarthy: Foreign capital has long been a key pillar of the U.S. commercial real estate market. It provides important diversification, supports liquidity across asset classes, and often complements and fills gaps in domestic financing. Reducing participation, or even creating uncertainty around it, can have ripple effects throughout the financing ecosystem.

One illustrative data point is that in 2024, approximately $260 billion of U.S. CRE loans were held on foreign bank balance sheets, according to Federal Reserve data. At least $200 billion of that total had exposure to Section 899 retaliation.

Q: Was there any initial impact from this proposal?

McCarthy: Yes. Even before the provision became law, it created considerable concern among market participants, including foreign investors who began reevaluating their exposure to U.S. real estate. We had heard from lenders with foreign parent companies that projects were on pause. The uncertainty alone was enough to disrupt transactions, which highlights how sensitive the market is to perceived policy risk. The market turmoil around the Liberation Day tariffs certainly was a backdrop to the concern.

Section 899 as written was not destined to be a dormant policy tool, and investors were rightfully wary of the risks.

Q: How likely is Section 899 to be passed into law by U.S. lawmakers? What is the resolution and what happens now?

McCarthy: At this stage, it appears that Section 899 will not be enacted in its current form. Treasury leadership formally requested its removal, and congressional tax writers followed suit in the most recent revisions to the reconciliation package.

Although lawmakers and Treasury were sensitive to the inbound investment concerns, the G7 agreement on the underlying global minimum tax issue was enough to prompt policymakers to change course. The other nations themselves saw the potential negative impacts of the policy, as well, and took action to come to an agreement.

House Ways and Means Chair Jason Smith and Senate Finance Chair Mike Crapo noted, however, that they would not hesitate to pass similar legislation in the future if U.S. taxpayers are treated unfairly abroad.

Q: What did CREFC and other industry groups do when it comes to Section 899?

McCarthy: CREFC worked closely with other real estate trade associations to educate policymakers about the unintended consequences of Section 899. The industry engaged directly with congressional tax writers and Treasury officials, flagged concerns in joint letters, and pushed for exemptions to protect passive real estate debt and equity investment. Other industries with a global investor and business base also highlighted the issue. That sustained advocacy—coupled with market feedback—helped build the case for the multilateral agreement Treasury brokered. MP

NATION ONE MORTGAGE CORPORATION'S PHIL CRESCENZO JR.

The Nation One Mortgage VP shares his outlook on a potential end to conservatorship, the impact of credit score-based pricing, and why lenders need to keep messaging simple and focused.

By **DAVID WHARTON**

Phil Crescenzo Jr. Serves as VP, Southeast Division, at Nation One Mortgage Corporation. Crescenzo has over 20 years of industry experience helping homeowners, realtors, and building partners navigate the mortgage credit and approval process, making it easier for them to qualify. Whether buying, selling, refinancing, or building a dream home, Crescenzo understands that his clients have a lot on the line and is aware of the complexities of the market. As a mortgage expert, Crescenzo constantly monitors market conditions and the changes in mortgage programs in order to quickly and accurately provide financial guidance. Crescenzo and his team have a background in working with FHA Loans, VA loans, fixed-rate mortgages, adjustable-rate mortgages, HARP 2.0, reverse mortgages, and more.

In this candid Q&A, Crescenzo offers his take on the long-standing effects of GSE conservatorship, how credit score pricing continues to box out would-be buyers, and what originators should prioritize when talking with clients in today's unpredictable market. From equity-driven opportunity to policy-induced uncertainty, he argues that success lies in clarity, agility, and understanding what borrowers need.

Q: Could you discuss the potential impacts on the housing market if the GSEs end up finally leaving conservatorship?

Crescenzo Jr.: I worked in the industry before they were taken over in conservatorship, before the crash in 2008 and right after that. I have experience working with conventional loans and how they compare to FHA loans, then and now. One thing that gets lost in translation there is that when [conservatorship] took place, it was trying to recoup massive losses. It was panic. It was trying to correct a lot of things at once over a short period. Fannie Mae and Freddie Mac had such excessive price adjustments to start recouping some of the losses. They had to pay back big gains, but once the money was paid back, they never took it away. They kept them there. So, they're cashing in on astronomical amounts of money because they started a certain way and never changed.

That made it where, for a 620 or a 640 credit score, it became very difficult to obtain a conventional loan without severe price hits in the loan-level price adjustments. What that means in real life is that a 620 credit score, or even a 660, can't put 3% to 5% down without astronomical mortgage insurance because it's based on the criteria. Say if it's FHA, it's a flat amount. There are only two variations on FHA regarding PMI. The shift went one way and another, and it created this huge divide in between. What happens in that huge divide is that homebuyers get left behind and boxed out of the market.

If you have an FHA mortgage to compare, it doesn't matter what the credit score is; the MIP is going to be 0.55 for 3.5% down, and it's going to be 0.5 for 5% down and more. Let's take a conventional loan in today's market with a 620 credit score, which would be pretty good for FHA, or would be above the minimum qualifying. If you take a 620 credit score with 5% down, not even three and a half, and you're going to put more down, that PMI would be priced at about 220 basis points, which is five times the amount of that borrower's monthly payment, so they're not taking that loan.

What also took a big hit were cash-out loans. So, if a client wants to refinance with all these price adjustments and price hits when they are in an interest rate environment that's already strained, that's going to push even more people out because, financially, it wouldn't make sense to get a cash-out

"Government oversight always comes with heavy regulation, and you've got to play by their rules. But their rules aren't real-time with the market—they never are."

—**Phil Crescenzo Jr.**,
VP, Southeast Division,
Nation One Mortgage Corporation

loan at 80% loan-to-value unless you had a 700 or 720 credit score.

The conservatorship discussions happening now are interesting. Some of them are projections, some of them are what if this or that could happen. It makes for interesting dialogue, but for investors, it makes the asset more attractive to offset some of these negative fluctuations or added risk, knowing that there's government backing that removes some of that risk. However, government oversight always comes with heavy regulation, and you've got to play by their rules. But their rules aren't real-time with the market—they never are. They're always going to be a step behind, or they're going to be way ahead, off-topic, or they're going to be way behind and not reading the pulse of the marketplace. So, not everybody's going to get taken care of in those scenarios. If you had better economic conditions, then I would think that it would be very attractive not to have that government oversight.

If you have negative economic factors, you need to have government oversight. When they took away quantitative easing, that was the first big change in interest rates and mortgage-backed security pricing in several years. But for a consumer and from an originator standpoint, we knew that day when that changed. An hour later, you got a different price, and then it leveled out. But that was significant.

It was working for a while because in 2010, 2011, and 2012, there were still HARP loans. They were backing those loans to 125%, 150% loan-to-value appraisal waivers. No investor in their right mind would dream of taking on that loan without government backing.

That was extreme then because we were digging out of a hole. People thought, "Hey, the government's buying these. As long as we don't get stuck with them, what do we care? Let's get them in and out and shift that asset over where we know we're secure." Now, we need to level out the middle, but we're also in a new administration. You have Trump shaking up the whole world economically in the short-term, but if you're an investor, you still have to make long-term calls and project out years in advance.

Also, if the decision was made to privatize, you go right into the political spectrum where nobody's agreeing on anything. It's not going to be an open-and-shut case. Somebody's going to disagree, somebody's going to sue somebody, somebody's going to say, "Trump, you can't do that." And he's going to say, "Yes, I can." Even if they decided to move forward, you still must get the bodies on board because it's a complicated issue with the way it's government backed. Do the liquidity requirements change? Is it like we're saving 200 basis points because we don't have all these regulations and fees, and we can offer better rates in the marketplace? Everybody's trying to get to a more predictable market for a few quarters, which we haven't had in about three years.

I think that shakeups are good, within reason, and they absolutely could create better offerings in the marketplace. But how do we know what investor sentiment is going to be? That's the biggest piece. If there's a market, companies are going to get something on the street and sell it. But if they're not sure, they're going to move in a more certain direction. I see very little movement. I see a lot of talk and minimal rate adjustments.

Q: If a conservatorship exit does happen, how should lenders be preparing for that eventuality?

Crescenzo Jr.: They need to be forward-thinking about how they're going to communicate that to their database and to their clients. First, they must figure out what's going on and how that affects the client, because in some scenarios, it might not. It is the obligation of the originator not to confuse the client. There's a hunger for real, true communication. They don't want to be sold or hyped. They're overstimulated. They just want the facts. So, my recommendation would be to think ahead about, if something like that happens, how you would relate it to the client. But more importantly, if it's not relevant to them and it's not going to affect them, then it should be minimized so that you can use the available time to focus on what the client needs, not what the lender thinks they need.

Q: Beyond the question of conservatorship, what other changes or market shifts are you preparing for?

Crescenzo Jr.: There are far more pressing issues that would take center stage ahead of this, but as far as the market goes, I'm planning on very little change. Focus on what we have today. There's too much talk about the past and about what's going to happen—the consumer's head is spinning. I like to keep it simple and say, let's just confirm where we're at today. This is what we know today.

There are still some positives in the market. Equity gains are out of control in almost every area. The demand is still there. It's heavy, so that makes buying less risky. We're not going to be sitting on tons of inventory that can't ever move. That would be a much greater risk, which did happen in 2008, and its value dropped. We haven't seen it now because we have more people than homes in almost every area. They're moving, the market's helping, and that's what I'm stressing to the buyers that are coming through. And I think the customers are starting to get acclimated to a rate with a six in front of it—they don't like seven, and they're not asking for five. I expect by the end of the year we'll still be at six and a half, six and five eighths, barring anything major. MP

MortgagePoint

AGENT & BROKER EXCELLENCE Awards

2025

MortgagePoint's Agent & Broker Excellence Awards honor licensed real estate professionals who consistently deliver exceptional service, build client trust, and uphold the highest standards of ethics and professionalism. These individuals demonstrate a deep understanding of their markets, maintain strong client relationships, and act as steady leaders in a changing industry.

This award is part of *MortgagePoint* and the Five Star Institute's broader commitment to recognizing excellence across all corners of real estate—not just in REO. As the market evolves, we're highlighting agents and brokers who elevate the client experience and contribute to a resilient, service-focused housing industry.

Here are this year's recipients of the *MortgagePoint* Agent & Broker Excellence Awards.

Richard Bell

Broker

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How can we help? With over 15 years of REO experience, Richard Bell can get properties sold. He has experience in all aspects of REO, from inspections before foreclosure, CFK, evictions, preservation, repairs, and on-time task completion.

★ ★ ★ ★ ★

Eddie Blanco

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Eddie Blanco is the Broker/Owner of Stratwell, a Miami-based real estate brokerage specializing in REO disposition, institutional valuation, and asset strategy. With over 27 years of experience and more than 3,000 closed transactions, Eddie and his team have established themselves as trusted partners to mortgage servicers, asset managers, and institutional investors throughout South Florida. In 2024, Stratwell earned the No. 1 Small Team in Florida distinction in 2024 from Real Trends. The firm is known for precision execution, compliance-first processes, and speed-to-market on even the most complex assignments, from code enforcement cases and occupied properties to full renovation oversight. Eddie currently serves as the 2025 Chairman of the Miami Association of Realtors, where he champions professionalism, policy advocacy, and innovation. A frequent speaker at national forums including Five Star, IMN, NADP (REOMAC), and Florida Realtors, he brings institutional-grade insight into evolving market conditions, foreclosure trends, and post-settlement brokerage operations.

★ ★ ★ ★ ★

Paul Boudier

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Paul Boudier is Co-Founder of Keller Williams Roseville, one of the top-producing KW franchises in the world, with over 300 agents and an annual sales volume consistently over $1.5 billion. Paul is also the founder and team leader of the top-producing residential real estate sales team, Knowledge Real Estate Group, which specializes in traditional, REO, bankruptcy, and probate real estate sales throughout the greater Sacramento region. Paul holds the industry's most respected designations, including Certified Distressed Property Expert (CDPE), BK Certified, Probate Certified, and LHMS Luxury Certified. A leader in the real estate industry, Paul is an active HUD Broker, as well as a member of the Professional Fiduciary Association of California (PFAC) and Sacramento County Bar Association (SCBA). He also proudly serves on the Advisory and Education Committee for the National Association of Default Professionals (NADP) and on the board of directors for the Sacramento Valley Bankruptcy Forum (SVBF), Elite REO Network (ERN), and The Gathering Inn (TGI) nonprofit.

★ ★ ★ ★ ★

Julia Feng

Broker/Owner

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As a Woman and Minority Broker, Julia Feng is currently selling REO properties in the Greater Las Vegas Area, Southern California, and Phoenix and surrounding areas in Arizona. We have an excellent understanding of the REO process, including BPO, CFK, and extensive marketing strategies to accelerate the disposition of investor-held assets in any real estate market.

Her BPO strategy uses the most accurate price points to achieve the lowest possible days on the market. Her team's extensive experience representing both buyers and sellers allows them to accurately advise asset managers on their most valuable assets. She has a dedicated team with 3-4 full-time staff in each market, which enables asset managers to contact them 24/7. Guaranteed service speaks for itself: 48-hour turnaround for BPO; two-hour occupancy checks available; 98%+ CFK success rate; 96%+ sale to listing price ratio; same-day re-key service; same-day, high-quality, time-stamped digital photos; ready to list and ready to close inspection; last-minute repair and rehab.

Caroline Gim

Broker

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Caroline Gim is a second-generation real estate broker who "grew up" in the business since age five. Caroline has extensive experience and training in real estate sales, marketing, escrow, loan origination, property valuations, and property management. As a teenager, she held part-time jobs as a loan processor and transaction coordinator. Caroline majored in Film at the University of Southern California and minored in Business and Spanish. She then worked in the entertainment industry before joining the family business in 2003. Caroline specializes in property management and real estate sales for institutions and corporate clients. This includes banks, GSEs, asset management companies, loan servicers, bankruptcy trustees, receivers, attorneys, and professional fiduciaries.

Alexis Guilliani

Broker

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Alexis Guilliani has 19 years of real estate experience working with residential and commercial properties, including 13 years as an REO listing broker. During his time as an REO broker, Alexis has worked with and served numerous asset management companies, including HUD and Fannie Mae. He worked with the city of Passaic's NSP program as Property Coordinator and Listing Broker for all NSP properties. He has extensive experience working with cities and municipalities to resolve issues that may prevent the marketing and disposition of REO assets. Alexis' entire team is committed to delivering an extraordinary client experience and satisfaction. Veteran and minority-owned business operating in Northern New Jersey. Active member of the North Central Jersey Association of Realtors (NCJAR) and four different MLSs. Served in the USAF from 2003 – 2009, reaching the rank of Staff Sergeant and becoming a USAF war veteran. Alexis' experience in the real estate industry and the military drives him to aim for excellence in all he does, including working with his most valuable assets: his clients.

Jim Hastings

Broker; FORCE Chairman

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Jim Hastings is the current Chairman of the FORCE. He is the Broker of Hastings Brokerage, Ltd., a Las Vegas real estate firm that specializes in helping mortgage servicers and residential real estate portfolio managers with their complete REO process since 1984. Hastings holds a bachelor's degree in real estate from Arizona State University and has closed over $1 billion in residential REO. He holds real estate broker licenses in Nevada, California, Arizona, and formerly in Ohio. He has had offices in each state and is only operating in Nevada right now. He is also co-founder of Broker Brain, a web-based REO/property management system used throughout the US. Hastings has written many articles for the FORCE newsletters and has spoken many times at the Five Star Conferences. His passion is to make sure that FORCE members get value out of their membership in a concrete way that will improve their lives.

Caslyn Huck

Broker

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Caslyn Huck is the broker/owner of Never Settle Realty. Born in Belize, Caslyn came to the United States. as a young girl and was introduced to the real estate business by her father. Her passion is helping people achieve homeownership, and she actively participates in homebuyer seminars and is always expanding her knowledge in first-time homebuyer and down payment assistance programs. Caslyn has spent years building an experienced team of vendors to cover all needs with an emphasis on high-quality asset disposition. Follow-up, compliance, and communication are her most important traits, and she prides herself on a 97% list-to-sale-price average over her entire sales history. With over 17 years of experience in real estate and mortgage lending, she is extremely knowledgeable in default properties and residential transactions, as well as small commercial and multifamily properties.

Rochelle Jones

Broker

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Rochelle Jones, Principal Owner of Aplomb Real Estate, has been a trusted leader in the Houston market since 1994. She provides top-tier service to buyers, sellers, and financial institutions, guiding clients through complex transactions with expertise. Passionate about homeownership, she educates communities through courses on foreclosure prevention, real estate investment, and financial literacy. Jones actively collaborates with local organizations to promote sustainable housing solutions and economic development. She also mentors new agents, fostering industry excellence. Dedicated to making a lasting impact, Jones credits her success to her daughter, Logan Milan Jones, who continues to inspire her journey.

★ ★ ★ ★ ★

Jennifer Kuhn

Broker

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Jennifer Kuhn has been involved with REOs for almost eight years and has been working with distressed properties since 2005. Her business consists mostly of representing institutional investors. Typically, her team manages over 100 assets on rotation. This includes all phases, from property preservation to hitting the market for sale. She has an extremely high success rate for negotiating cash-for-keys. Her team takes pride in marketing REOs with the same quality and marketability as they do organic listings. They are diligent in providing accurate BPOs and ARVs to clients, along with a recommended course of action for each asset to the asset manager. Jennifer has gained a trusted network of vendors for construction, repairs, etc. Her HUB office is conveniently located in Central New Jersey to cover the entire state with pleasure and confidence.

★ ★ ★ ★ ★

Eduardo Marines

Broker

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As the main contact for all REO properties, Eduardo Marines personally represents clients' assets, ensuring direct and seamless communication. His extensive experience enables him to offer precise advice to asset managers, maximizing the value of their most important assets. Certified with both RES.NET and Equator, Marines brings over 25 years of real estate expertise and 17 years of specialization in the REO niche. His team is fully equipped to handle all critical business dealings. They have successfully represented numerous buyers in the purchase of REO properties and maintain a robust database of ready and willing buyers eager to invest in REO properties. Beyond professional services, Marines is dedicated to community development, teaching first-time homebuyers across Rhode Island as part of initiatives to revitalize distressed properties for low-to-moderate income families. This commitment ensures he can move properties efficiently and effectively. When it comes to marketing and selling assets, choosing Marines' services means opting for exceptional expertise and unwavering dedication.

★ ★ ★ ★ ★

Tamika Marks

Managing Broker

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As Managing Broker of Trademarks & Associates, LLC, and a Chicago native, Tamika Marks has achieved a proven track record in residential sales of both REO and non-REO assets over the past 19 years. In recent years, she has focused specifically on the disposition of reverse mortgage REO properties and has obtained a designation of Senior Real Estate Specialist. Offering personalized service to each one of her clients is her specialty, and providing excellent customer service to colleagues and service partners is the very foundation of her business. Her REO management services include occupancy checks, cash-for-keys, asset preservation, property condition reports with photos, BPOs, scheduling and coordinating of required repairs, working with municipal and government agencies to ensure compliance, and preparation of weekly/monthly reports as required by clients.

★ ★ ★ ★ ★

Kimberly L. McClinton

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Kimberly L. McClinton (Kim) is an aggressive knowledge broker who has led sellers' and buyers' transactions for the past five years as a Realtor and 17 years as a loan officer. Kim understands the importance of securing and ensuring all parties involved are handled with the utmost respect and courtesy, and that the asset/property is settled in the best hands. Kim has vast experience working with asset managers for BPOs, AVMs, and CMAs, fulfilling assignments promptly. Although currently only licensed in Illinois, she has completed Indiana's licensing and is awaiting her license to serve both states.

Sarah Richards

Broker; Vice Chair of FORCE

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As an experienced REO broker and short sale specialist with 19 + years in the industry, Sarah Richards brings a well-maintained and diversified full-service real estate brokerage office. The office is complete with all current technologies and equipment, with sufficient capacity to perform all services required. Marketing efforts go out to reach those individuals who believe that homeownership is not attainable to them. It is Richards' goal to create new homeowners wherever possible. She has a bachelor's degree in business management and a master's in business administration. She also has several certifications in REOs and Short Sales, CDPE certification, HAFA certification, Equator Certification, and she is RES.NET certified. She is here for your assistance, from cash-for-keys to the closing. Anything and everything that she can do to help make the process faster and smoother will remain her primary goal.

Lending/Originations

EMPLOYMENT CONCERNS DRIVING DOWN HOME PURCHASE SENTIMENT

Fannie Mae has published the results of its June 2025 National Housing Survey (NHS), which includes the Home Purchase Sentiment Index (HPSI), a measure of consumer sentiment toward housing. Month over month, Fannie Mae's HPSI decreased 3.7 points to 69.8, and year over year, the HPSI is down 2.8 points.

For the study, Fannie Mae factors in six HPSI components: Buying Conditions, Selling Conditions, Home Price Outlook (next 12 months), Mortgage Rate Outlook (next 12 months), Job Loss Concern (next 12 months), and Change in Household Income (past 12 months). Of the six, the only component to improve in June was Buying Conditions. The remaining five components reported declines.

"Driving this month's bout of pessimism [was] a sharp increase in job loss concern and continued uncertainty surrounding the future of mortgage rates," said Joel Berner, Senior Economist at Realtor.com. "The lone bright spot in the survey results came from prospective buyers starting to recognize the softness in the market at large and responding positively to the question about now being a good time to buy."

Of those polled, 28% said it was a "Good Time" to buy a house, while 71% felt it was a "Bad Time" to buy a home. The net share of consumers (-43%) who say it is a good time to buy a home increased five percentage points month over month. The share who says it is a good time to buy increased two percentage points (28%), while the share that says it is a bad time to buy (71%) decreased three percentage points. The net share of consumers who say it is a good time to sell decreased two percentage points month over month to 21%. Most consumers (60%) say it's a good time to sell, while 39% say it is a bad time to sell.

Trends Follow Trends

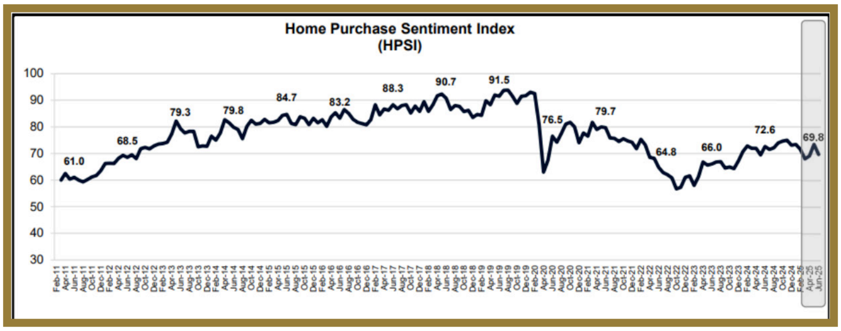
After a strong rebound in May, consumer confidence fell in June, as consumers remain concerned about the economy and labor market amid ongoing uncertainty, especially around tariffs. This decline erased almost half of the previous month's sharp gain, suggesting continued volatility in consumer sentiment.

As reported by the Conference Board, the Consumer Confidence Index, a measure of how optimistic or pessimistic consumers feel about their financial situation, fell from 98.4 to 93 in June 2025—the second lowest level reported since February 2021.

Consumers' assessment of current business conditions turned negative in June. Respondents rating business conditions as "good" decreased by 2.4 percentage points to 19%, while those claiming business conditions as "bad" rose by 1.6 percentage points to 15.3%.

"Consumer confidence weakened in June, erasing almost half of May's sharp gains," said Dr. Stephanie Guichard, Senior Economist, Global Indicators at The Conference Board. "The decline was broad-based across components, with consumers' assessments of the present situation and their expectations for the future both contributing to the deterioration. Consumers were less positive about current business conditions than in May. Their appraisal of current job availability weakened for the sixth consecutive month but remained in positive territory, in line with the still-solid labor market. The three components of the Expectations Index—business conditions, employment prospects, and future income—all weakened. Consumers were more pessimistic about business condi-

	June 2025			Net Change MoM	Net Change YoY
Buying Conditions	Good Time 28%	Bad Time 71%	Net Good Time to Buy -43%	+5	+20
Selling Conditions	Good Time 60%	Bad Time 39%	Net Good Time to Sell 21%	-2	-12
Home Price Outlook (next 12 months)	Go Up 45%	Go Down 22%	Net Go Up 23%	-1	-5
Mortgage Rate Outlook (next 12 months)	Go Down 25%	Go Up 34%	Net Go Down -9%	-7	-1
Job Loss Concern (next 12 months)	Not Concerned 70%	Concerned 29%	Net Not Concerned 41%	-13	-18
Change in Household Income (past 12 months)	Significantly Higher 16%	Significantly Lower 10%	Net Significantly Higher 6%	-3	0



tions and job availability over the next six months, and optimism about future income prospects eroded slightly."

The Conference Board reported on consumers' plans to buy a home within six months. Those planning to buy a home fell slightly to 5.9% in June. Of those, respondents planning to buy a newly constructed home decreased to 0.2%, and those planning to buy an existing home dropped to 3.2%. The remaining 2% were planning to buy a home but were undecided between new or existing homes.

The state of tariffs remains key for many as they begin to feel the economic pressure of the Trump administration-imposed actions.

"Tariffs remained on top of consumers' minds and were frequently associated with concerns about their negative impacts on the economy and prices," Dr. Guichard added. "Inflation and high prices were another important concern cited by consumers in June. However, there were a few more mentions of easing inflation compared to last month. This is in line with a cooling in consumers' average 12-month inflation expectations to 6.0% (down from 6.4% in May and 7% in April). References to geopolitics and social unrest increased slightly from previous months but remained much lower on the list of topics affecting consumers' views."

Builder Confidence Wanes

As buyers and sellers struggle with market conditions, builder confidence in the market for newly built single-family homes was 32 in June, down two points from May, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI). The Index has only posted a lower reading twice since 2012—in December 2022 when it hit 31 and in April 2020 at the start of the pandemic when it plunged more than 40 points to 30.

"Buyers are increasingly moving to the sidelines due to elevated mortgage rates and tariff and economic uncertainty," said NAHB Chairman Buddy Hughes, a Home Builder and Developer from Lexington, North Carolina. "To help address affordability concerns and bring hesitant buyers off the fence, a growing number of builders are moving to cut prices."

The latest HMI survey also revealed that 37% of builders reported cutting prices in June, the highest percentage since NAHB began tracking this figure on a monthly basis in 2022. This compares with 34% of builders who reported cutting prices in May and 29% in April. Meanwhile, the average price reduction was 5% in June, the same as it has been every month since last November.

"Rising inventory levels and prospective home buyers who are on hold waiting for affordability conditions to improve are resulting in weakening price growth in most markets and generating price declines for resales in a growing number of markets," NAHB Chief Economist Robert Dietz said. "Given current market conditions, NAHB is forecasting a decline in single-family starts for 2025."

HOMEBUYER COSTS HEIGHTEN AS AFFORDABILITY GAP WIDENS

A typical U.S. home was beyond the reach of a median-income household five years ago, and according to a recent Zillow analysis, even if they had $73,000 saved for a down payment, they are currently more than $17,000 short.

Incredible home value increase and rising mortgage rates in recent years have raised the financial bar for homeownership, even though the housing market is more buyer-friendly this spring with more properties for sale and a record number of sellers lowering their list prices. Affordability pressures have increased interest in single-family rentals while reducing buyers' desire.

"Affordability remains a steep hill to climb, especially for first-time buyers," said Kara Ng, Senior Economist at Zillow. "While the financial bar has gotten higher, we're also in the middle of the most buyer-friendly spring since before the pandemic for those who can make the finances work. Inventory is up, prices are softening, and sellers are negotiating. To make homeownership more broadly accessible, though, we need lasting solutions, starting with policies that allow more homes to be built in the right places."

Incredible home value increase and rising mortgage rates in recent years have raised the financial bar for homeownership, even though the housing market is more buyer-friendly this spring with more properties for sale and a record number of sellers lowering their list prices. Affordability pressures have increased interest in single-family rentals while reducing buyer desire.

How Homebuyers Are Faring in Today's Economy

In today's economy, if a buyer has $73,594 saved for a 20% down payment, they must earn about $100,000 annually to comfortably afford a median U.S. home valued $367,969. Accordingly, a median-income household would require a raise of $17,670. That same household would need a $36,287 pay boost if their savings were only sufficient for a 10% down payment.

In four large metro regions, all in California, median earnings would require six-figure hikes. A median-income household in San Jose would require a raise of more than $250,000 to afford the average property, even if they had a staggering $330,000 saved for a 20% down payment. Additionally, median-income households in San Diego ($128,954), Los Angeles ($149,375), and San Francisco ($165,566) would require six-figure hikes.

Five years ago, 39 big areas with median incomes could cover the average mortgage payment; now, there are just eleven. In the Midwest and Northeast, these are often midsize markets. Cleveland's median earners, who make $11,588 more than the average home cost, have the most money to spare. Pittsburgh, St. Louis, and Cincinnati come next with $11,244, $4,897, and $4,396, respectively.

The demand for single-family rentals has been increasing, tenants are getting older, and affordability barriers have become more severe for prospective first-time purchasers. Compared to multifamily units, which saw a 30% increase in rent, these residences now rent for 41% more than they did five years ago.

Buyers are searching everywhere for a down payment to make the financing work. Over 50% of purchasers use two or more sources. Savings account for 72% of down payment money, followed by the sale of a prior residence (46%), and a gift or loan from friends or family (38%). A down payment aid module is included in Zillow home listings to help buyers know what local resources might be available to them.

NEW HOME PURCHASES SURGE YOY

The Mortgage Bankers Association (MBA) Builder Application Survey (BAS) latest data for June 2025 shows that mortgage applications for new home purchases increased 8.5% year over year. Month over month, however, a different story was painted as applications decreased by 4% from May 2025. This change does not include any adjustment for typical seasonal patterns.

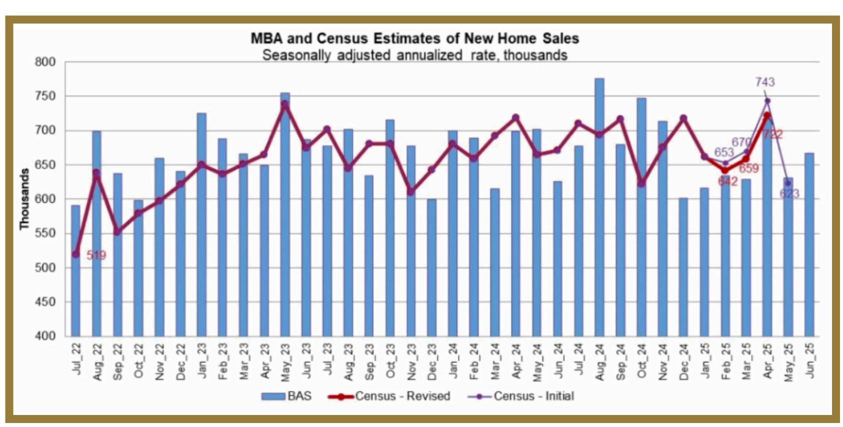
"Applications to purchase new homes fell in June, consistent with typical seasonal patterns, but remained ahead of last year's pace," said Joel Kan, MBA's VP and Deputy Chief Economist. "A cloudier economic outlook and elevated mortgage rates continue to weigh on potential buyers, while growing inventory, builder incentives, and lower prices have brought some buyers back to the market. As a result, we continue to see home sales ebb and flow. MBA's estimate of new home sales increased to a sales pace of 667,000 units, up on a monthly and annual basis."

According to the National Association of Realtors (NAR), home builders are showing more willingness to offer incentives, such as price reductions, credits for closing costs, and mortgage rate buy-downs, which are assisting buyers overcome affordability issues. Also, new-home prices are coming closer in line with the resale market. NAR reports that the median sales price of a new home was $430,700 in March, compared to $393,500 for existing-home sales. Approximately 22% of builders said they cut prices in April, with an average reduction of 6%, according to the National Association of Home Builders/Wells Fargo Housing Market Index.

"Although home prices and mortgage rates remain high, prices have been rising more slowly, and home builders have been introducing a broader mix of smaller homes in order to bring prices within reach of more home buyers," said Gregg Logan, a Housing Analyst and Managing Director at RCLCO Real Estate Consulting. "As rates come down later this year, we expect that trend to continue."

MBA reports that by product type, conventional loans comprised 50% of all loan applications; FHA loans comprised 35.1%, RHS/USDA loans comprised 1.2%, and VA loans comprised 13.8%. The average loan size for new homes decreased from $379,209 in May to $376,077 in June.

One major market adjustment has been uncovered in the housing invento-



ry space, as Realtor.com's June housing data reveals the housing market offered buyers more options, with inventory climbing for the 20th consecutive month and new listings increasing year over year across every major region.

Buyers found more options available in June, with the number of actively listed homes rising 28.9% compared to the same time last year, building upon May's 30.1% increase, and marking the 20th consecutive month of year over year inventory gains. The number of homes for sale topped one million (1.08 million) for the second consecutive month, and exceeded 2020 levels for the third straight month, a stat seen by many as a key pandemic recovery benchmark. Still, June inventory remains 12.9% below typical 2017-2019 levels, down from 14.4% in May, indicating the market is closing the pre-pandemic inventory gap at an accelerating pace.

Housing inventory rebounded in all four major U.S. regions in June, though the pace varied as the West reported a 38.3% rise; the South a 29.4% rise; the Midwest a 21.3% increase; and the Northeast reported a 17.6% increase in housing stock.

Another major driver of purchase apps, a low mortgage rate environment, offered buyers some relief in June. Mortgage rates, driven by investor speculation and economic data, have been impacted by the Trump administration's tax cuts and tariff policies. And if the fallout of high tariffs winds up falling upon the shoulders of consumers as anticipated, central bank policymakers may delay dropping the fed funds rate.

In June, for the fourth consecutive meeting of the Federal Reserve's Open Market Committee (FOMC), the federal funds rate was held steady at 4.25%-4.50%, amid an environment with tariff backlash, a rise in inflation, and a weakening economy.

"Increased uncertainty about the inflation picture lessens the chances of a cut in rates by the Fed," said Keith Gumbinger, VP at HSH.com. "Greater inflation would argue against cutting rates, absent any significant deterioration in labor conditions."

> **"With the job market softening, and increasing mortgage delinquency rates, some lenders are tightening up their credit offerings"**
>
> —**Joel Kan**, MBA's VP and Deputy Chief Economist

★ ★ ★ ★ ★

LENDERS CLAMP DOWN ON CREDIT OFFERINGS AMID MARKET UNCERTAINTY

According to the latest Mortgage Credit Availability Index (MCAI) from the Mortgage Bankers Association (MBA), mortgage credit availability decreased in June, dropping by 1.3% to 103.7. A decline in the MCAI indicates that lending standards are tightening, while increases in the Index are indicative of loosening credit. The MCAI was benchmarked to 100 in March 2012.

The MBA reports that in June, the Conventional MCAI decreased by 1.2%, while the Government MCAI decreased by 1.7%. Of the component indices of the Conventional MCAI, the Jumbo MCAI decreased by 0.7%, and the Conforming MCAI fell by 2.2%.

"Credit availability decreased in June after six months of growth, primarily led by fewer programs with low minimum credit scores," said Joel Kan, MBA's VP and Deputy Chief Economist. "There was also a reduction in streamline refinance programs. With the job market softening, and increasing mortgage delinquency rates, some lenders are tightening up their credit offerings. Jumbo credit availability decreased slightly overall relative to the previous month, but the availability of non-agency loan programs increased slightly."

Churning Economic Forces

According to the Bureau of Labor Statistics (BLS), job growth proved better than expected in June, led by government hiring. Nonfarm payrolls increased a seasonally adjusted 147,000 for the month, higher than the estimated 110,000 and just above the upwardly revised 144,000 in May.

The BLS also found that the unemployment rate fell to 4.1%, the lowest since February 2025, and against a forecast for a slight increase to 4.3%. Though the jobless rates fell, it was due largely to a decrease in those working or looking for jobs. In June, labor force participation rate dropped to 62.3%, its lowest level since late 2022. The household survey, which the BLS uses to calculate the unemployment rate, showed a smaller employment gain of just 93,000, as those who had not looked for a job in the past four weeks rose by 234,000 to 1.8 million.

Experian found that, in line with the MBA's MCAI data, first mortgage delinquencies and foreclosures increased in June 2025, particularly in later stages of delinquency. Home equity delinquencies remained low, signaling stability in that segment. Mortgage originations were up, with refis beginning to recover. HELOC direct mail offers have surpassed first mortgage offers, driven by aggressive marketing and AVM-based personalization.

Delinquency and foreclosure metrics indicate an upward shift in credit risk, particularly in first mortgage portfolios. Data trends show that early-stage delinquencies—30 Days Past Due (DPD)—are steadily increasing, according to Experian's analysis. More concerning is the continued progression of loans from 90 DPD to 120 DPD and ultimately into foreclosure, suggesting that borrower distress is not isolated but escalating through the default pipeline. This sustained deterioration in performance warrants enhanced vigilance from servicers and risk managers. Integrated portfolio monitoring, credit-based scoring overlays, and property data models offer a more proactive approach to identifying and mitigating risk.

In contrast, home equity products, especially HELOCs, have shown some resilience. Both early- and late-stage HELOC delinquencies have declined or stabilized in recent months. This contrast may reflect the different borrower profiles or underlying risk exposure between first mortgage and home equity borrowers.

FHFA'S PULTE CONSIDERS CRYPTO FOR MORTGAGE APPLICATION PROCESS

In the American mortgage market, cryptocurrency may someday be just as important as cash. Today, Bill Pulte, Director of the U.S. Federal Housing Finance Agency (FHFA), announced a ground-breaking initiative: the agency will investigate how cryptocurrency holdings affect mortgage eligibility.

Pulte's remark corresponds with the United States' growing embrace of cryptocurrency under President Trump. Pulte was sworn in on March 14 following Trump's nomination. According to public records, he holds up to $1 million in bitcoin. He also has investments in MARA Holdings, a cryptocurrency company, air conditioning companies, MrBeast Industries, and Elon Musk's X, among other companies.

For cryptocurrency assets to be taken into consideration, Fannie Mae and Freddie Mac now stipulate that they must be "exchanged into U.S. dollars and held in a U.S. or state-regulated financial institution."

In what might be a revolutionary change in U.S. housing financing, the FHFA is investigating whether cryptocurrency holdings could be taken into account when evaluating mortgage eligibility. The Federal Home Loan Administration (FHFA), which is in charge of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks (FHLB), is evaluating how cryptocurrency fits into the larger picture of borrower assets and may include it in the underwriting toolset that already consists of traditional savings, income, and credit ratings.

Key Findings:

- The FHFA is investigating if cryptocurrency assets can be used to qualify for a mortgage.

- If accepted, cryptocurrency might be used in loan applications alongside more conventional assets like cash and equities.
- The action would signal a significant change in U.S. housing policy with regard to digital assets.
- According to its director, the FHFA began reviewing digital asset balances in home loan applications.

This might alter the way Freddie Mac and Fannie Mae assess borrower wealth to take bitcoin holdings into account.

The idea has generated a lot of attention and discussion among professionals, cryptocurrency fans, and politicians, even though it has the potential to change the home finance market. Michael Saylor, the CEO of Strategy (MicroStrategy), responded to Pulte's X post by offering the company's BTC Credit model as a means of facilitating this change. This well-known methodology calculates Bitcoin's rating, risk, and credit by taking into account factors including volatility, collateral coverage, and loan term.

"We have developed a BTC Credit model that we are happy to share. It takes into account Loan Duration, Collateral Coverage, BTC Price, BTC Volatility, and BTC ARR outlook to generate statistical BTC Risk and BTC Credit spreads. Try it now on our website," Saylor said in his X post.

Another commenter pointed out that under federal lending laws, cryptocurrency holdings must already be recognized as valid collateral under the Digital Asset Market Clarity Act of 2025 (H.R. 3633). It does, however, forbid discrimination against digital commodities in the underwriting of mortgages.

"While innovation is critical, the real risk lies in D.C. bureaucrats layering redundant 'risk assessments' that duplicate existing fraud safeguards," noted the user, adding "the market's adapting faster than regulators—let's streamline, not suffocate progress with more studies."

Critics alert the Director to the possibility of a housing bubble similar to the one that occurred in 2008, when the exposure of Fannie Mae and Freddie Mac to subprime loans required a government rescue. The historical comparison encourages caution because there is currently no peer-reviewed research to substantiate this anxiety with crypto-backed mortgages.

While innovation is critical, the real risk lies in D.C. bureaucrats layering redundant 'risk assessments' that duplicate existing fraud safeguards.

Implementing Crypto Mortgage Apps & the "Three C's"

According to Pulte, the agency is currently investigating the possibility of incorporating cryptocurrency into mortgage applications, namely as a component of the asset evaluation procedure.

The "three C's"—Credit, Capacity, and Collateral—are traditionally taken into account by underwriters.

Financial strength is demonstrated by assets like cash, equities, and retirement accounts; however, cryptocurrency has mostly been left out because of its volatility and lack of clarity on regulations. Now, in today's markets, that could shift significantly.

Candidates with substantial digital holdings may benefit from adding cryptocurrency as a "fourth C," particularly if they don't want to unload before closing on a property.

The official recognition of cryptocurrency holdings, particularly Bitcoin or stablecoins, as qualified assets might provide access to traditional lending for millions of Americans who have amassed riches through digital means. Lenders frequently demand that assets be converted into fiat and "seasoned" in a bank account for months before they may be considered, even if a borrower has a sizable amount of cryptocurrency holdings.

It might be time to update that policy, according to Prashant Jha, a Crypto Journalist based in Delhi, India.

The FHFA might assist in updating mortgage guidelines to reflect a shifting financial landscape and increase credit availability for borrowers who are digital natives by treating cryptocurrencies similarly to other liquid assets. The FHFA's eventual approval of crypto-backed mortgage eligibility would represent a significant reversal of years of institutional prudence.

Until recently, traditional lenders were concerned about just dealing with cryptocurrency holders. Crypto is now getting closer to being considered like any other asset class as regulatory momentum grows, and digital assets become more widely accepted.

However, one thing remains certain: Crypto is no longer being disregarded at the top echelons of American banking, regardless of whether this opens the floodgates or just pushes the system forward. With continual economic shifts and uncertainty surrounding the future of the U.S. housing market, maybe this will allow more potential homebuyers—especially first-timers—more opportunities to qualify for a mortgage, inching closer toward the American Dream.

Default Servicing

HOME INSURANCE CRISIS INTENSIFIES

The nation's homeowner's insurance market has come under heavy pressure as the number of climate-related events striking the U.S. grows annually.

Talks of an overhaul of the Federal Emergency Management Agency (FEMA) and the National Flood Insurance Program (NFIP) have been met with criticism ever since Department of Homeland Security Secretary Kristi Noem announced in a cabinet meeting that "we're going to eliminate FEMA."

With FEMA's role in emergency management, flood mapping, and flood insurance under pressure from the Trump administration, an escalation in climate-related events has homeowners, lenders, and local governments exposed and ill-prepared to deal with any potential climate-related events.

While a national issue, California's homeowner's insurance market specifically is under growing financial pressure following January's catastrophic Eaton and Palisades wildfires, which caused an estimated $52.5 billion in economic losses and affected approximately 18,000 structures, including 11,300 homes (90% of which were absolutely destroyed). The fires also claimed 29 lives, making them among the costliest wildfires in U.S. history.

According to a study by Harvard's Joint Center for Housing Studies, signs of a deteriorating private insurance market preceded the fires. According to a Federal Insurance Office (FIO) report, private homeowner's insurance nonrenewal rates between 2018 and 2022 in fire-hit ZIP codes like Altadena (91001) and Pacific Palisades (90272) surpassed both California's statewide average (1.3%) and the national average (1.2%), reaching 1.7% and 1.8%, respectively, in 2022.

Premiums in these high-risk areas also rose well above inflation during the same period. In Pacific Palisades, the average annual homeowner's insurance premiums climbed 33% above inflation, from $5,025 to $6,689. In Altadena, inflation increased 26% from $1,485 to $1,873.

As private insurers have pulled back from riskier markets, California's Fair Access to Insurance Requirements (FAIR) Plan, which is the state's insurer of last resort, has seen unprecedented growth.

In Pacific Palisades and Altadena alone, FAIR Plan policies more than doubled between 2021 and 2024, growing from 1,184 to 2,388. Following the fires, the FAIR Plan received about 5,000 claims and is now facing an estimated $4 billion in total losses. To remain solvent, the plan will assess $1 billion in emergency fees on its member insurers, marking the first emergency assessment in more than 30 years. Half of those fees can be passed on to consumers (private insurers and policyholders across the state).

California's insurance commissioner recently approved a 17% rate increase for State Farm, the largest homeowner's insurer in the state, amid what was described as a "statewide insurance crisis."

As rebuilding begins, policymakers face competing pressures: respond quickly to displaced homeowners while improving long-term climate resilience. LA Mayor Karen Bass authorized expedited permitting and limited environmental review to "clear the way to rebuild homes as they were."

However, experts emphasize the importance of risk mitigation to ensure future insurability and affordability. Upgrades like fire-resistant roofs, windows, and landscaping can reduce losses and may qualify for insurance discounts. Some states, including California, now require premium discounts for specific home-hardening measures.

While the nation is in the midst of fire and hurricane seasons, understanding insurance coverage, hazard risks, and mitigation options will be crucial for homeowners navigating the state's evolving insurance landscape.

And while many are fortunate enough to still get coverage, many nationwide are bracing for premium hikes in the not-too-distant future.

State Farm, for example, announced that it is raising home insurance rates by 27% beginning August 15, 2025.

The price hikes come as the insurer anticipates more extreme weather, rising repair costs from inflation, and additional expenses related to Trump administration-imposed tariffs. The company claims that for every dollar in premiums collected, it paid out $1.26 in total costs.

"In Illinois alone last year, we paid out more than $638 million in hail damage claims," State Farm spokesperson Gina Morss-Fischer said in an interview with ABC News. "That was second only to the state of Texas, so these changes are taking effect today for new policies and for existing policies on August 15."

BANKRUPTCY FILINGS ON THE RISE IN '25

According to data given by Epiq AACER, a new Yahoo.com report revealed the number of bankruptcy files during the first half of 2025 was 276,126, which represents a 10% rise over the 251,069 total filings during the same period last year.

The total number of individual submissions increased by 11%, from 235,849 filings in the first half of 2024 to 260,938 filings in the first half of 2025. Compared to 141,566 Chapter 7 filings in the first half of 2024, the number of individual Chapter 7 filings increased by 15% to 163,219 in the first half of 2025. Compared to the 93,870 filings made during the same period in 2024, there were 97,125 individual Chapter 13s filed in the first half of 2025, an approximately 3% increase.

"Elevated prices, increased borrowing costs and uncertain geopolitical events continue to add to the growing debt loads shouldered by financially distressed families and small businesses," said ABI Executive Director Amy Quackenboss. "ABI looks forward to providing Congress with research, information, and statistics to re-establish higher debt thresholds for Subchapter V and Chapter 13 to provide greater access for struggling small businesses and consumers to reorganize their finances."

Total Bankruptcy Filings — First Half of 2025 (National)

The overall number of commercial files for the first half of 2025 was 15,188, which is a minor drop from the 15,220 total for the first half of 2024. Compared to the 4,205 commercial Chapter 11 bankruptcies filed in the same period in 2024, there were 3,576 filed in the first half of 2025, a 15% decline.

"The strong 15% increase in individual Chapter 7 bankruptcy filings underscores the growing financial pressure facing American households," said Michael Hunter, VP of Epiq AACER. "Elevated interest rates, record-high credit card and household debt, and the resumption of student loan repayments and collections are all contributing factors driving more individuals to seek bankruptcy protection."

The number of small business filings, which are recorded as subchapter V elections under Chapter 11, decreased by 4% to 1,183 in the first half of 2025 from 1,234 in 2024.

While commercial file categories decreased, total and consumer bankruptcy filings rose between June 2025 and June 2024. In June 2025, there were 46,226 filings overall, which is 15% more than the 40,293 filed in 2024. In June 2025, the total number of individual filings increased by 16%, from 37,512 to 43,655. In June 2025, there were 27,219 individual Chapter 7 filings, up 23% from 22,183 in June 2024, and 16,316 individual Chapter 13 filings, up 7% from 15,232 in June 2024.

In June 2025, there were 2,571 commercial registrations, which was an 8% reduction from the 2,781 commercial applications that were made in June 2024. Compared to the 996 files in June 2024, there were 622 commercial Chapter 11 filings in June, a 38% decline. Between June 2024 and June 2025, the number of subchapter V elections in Chapter 11 decreased by 23%, from 277 to 214.

"As of April 2025, the student loan delinquency rate has more than tripled compared to pre-pandemic levels," Hunter added. "With collections resuming this year and nearly 9 million loans currently delinquent, we anticipate the upward trend in individual filings to continue."

HUD ANNOUNCES FORECLOSURE RELIEF FOR IMPACTED TEXANS

In the areas of Kerr County, Texas, devastated by ongoing severe storms, straight-line winds, and flooding that started on July 2, 2025, Secretary Scott Turner of the U.S. Department of Housing and Urban Development (HUD) announced a 90-day foreclosure moratorium on single-family mortgages insured by the Federal Housing Administration (FHA).

"Our hearts break as we witness the catastrophe unfolding in Texas," said HUD Secretary Scott Turner. "The flash floods have claimed the lives of more than 100 Americans and displaced countless others. It is an unfathomable tragedy, and HUD will continue to provide resources and support as we pray for the Texas Hill Country community."

The Kerr County Presidentially Declared Major Disaster Area (PDMDA) has over 900 mortgages insured by the FHA. In order to determine the extent of the destruction and damage to properties in the designated area that have FHA-insured mortgages, HUD is collaborating with mortgage servicers and other stakeholders.

HUD Acts to Support Flood Victims

By giving families in the PDMDA flexibility, the FHA-insured single family mortgage foreclosure moratorium demonstrates HUD's dedication to helping Americans affected by natural disasters:

- The 90-day moratorium prohibits mortgage servicers from initiating or completing foreclosure actions on FHA-insured single-family forward or Home Equity Conversion mortgages in the Kerr County PDMDA.

The moratorium is effective as of the President's disaster declaration date.

- Borrowers unable to make their mortgage payments should contact their mortgage servicer for assistance as soon as practical. Borrowers may also contact the FHA Resource Center at 800-CALL-FHA (1-800-225-5342) for assistance. The FHA Resource Center is prepared to accept calls from persons who are deaf or hard of hearing, as well as individuals with speech or communication disabilities.
- For borrowers and renters who need immediate housing and disaster recovery assistance, HUD-certified housing counselors are prepared to provide guidance on the options that are available. To find a HUD-approved housing counseling agency, borrowers can use HUD's online search tool or use our phone search by calling 800-569-4287.
- For borrowers whose homes are destroyed or damaged to an extent that requires reconstruction or complete replacement, contact an FHA-approved lender about FHA's Section 203(h) loan program. This program provides 100% financing for eligible homeowners to rebuild their home or purchase a new one.
- For borrowers seeking to purchase and/or repair a home that has been damaged, contact an FHA-approved lender about FHA's Section 203(k) loan program. This program allows individuals to finance the purchase or refinance of a house, as well as the costs of repair or renovation, through a single mortgage.

President Trump's major disaster declaration for the State of Texas is supported by this action.

FINANCIAL STRAIN IMPACTING EARLY AND MID-STAGE DELINQUENCIES

According to VantageScore's new CreditGauge platform, mortgage loans in May were the primary cause of an increase in early- and mid-stage delinquencies in all credit categories. The 30-59 Days Past Due (DPD) payment category experienced the most year over year rise in home loans.

In May, mortgage delinquencies increased from 0.92% in the previous month to 1.03%, suggesting that the U.S. housing industry may be showing early warning signals of financial strain on borrowers.

"The rise in early and mid-stage delinquencies this month indicates potential financial strain among some consumers," said Susan Fahy, EVP and Chief Digital Officer at VantageScore. "While consumer behavior generally remains positive, particularly among younger borrowers, mortgages may be an area to watch for increasing credit stress, particularly for traditionally less-risky segments with credit scores above VantageScore 660."

Consumer Credit: Key Highlights — National

- **A surprise increase in delinquencies seen in mortgage loans:** Mortgage payments are usually given priority by consumers above other credit payments. However, the 30-59 Days Past Due (DPD) payment category experienced the biggest year over year increase in May for home loans. In May, mortgage delinquencies increased to 1.03% from 0.92% the previous month.
- **Across the majority of credit tiers, early-stage delinquencies increase most:** In May 2025, credit delinquencies in the VantageScore Nearprime,

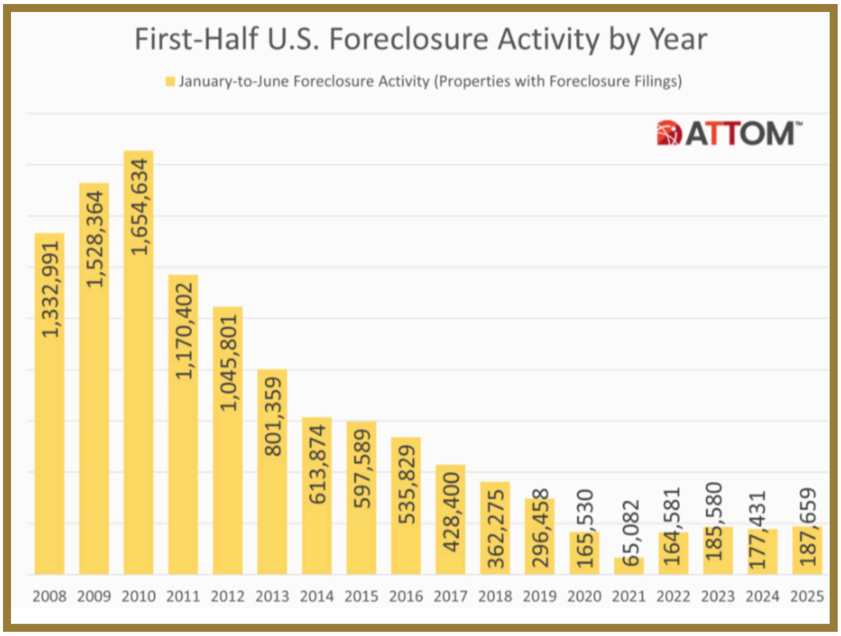
Prime, and Superprime segments in the 30-59 Days Past Due (DPD) category increased year over year. Even historically lower-risk borrowers may be starting to experience short-term financial hardship, as evidenced by modestly increasing delinquency percentages in other VantageScore credit classes, even though Subprime late payments decreased little year over year.

- **New highs for average credit balances:** May saw the average credit balance reach $106,000, up $249 (+0.24%) from April. This was the sixth consecutive month that the total reached a five-year high. Balances increased by $1,479 (+1.4%) from May 2024 to the current year. The product line with the biggest increase, climbing 2.8% year over year, was mortgage balances.

FORECLOSURE FILINGS SPIKE IN FIRST HALF OF 2025

The Mid-Year 2025 U.S. Foreclosure Market Report, published by ATTOM, revealed that in the first half of 2025, some 187,659 U.S. properties had foreclosure filings, such as default notices, scheduled auctions, or bank repossessions. That number represents a 5.8% increase from the same period last year and a 1.1% increase from the same period two years ago.

"Foreclosure activity continued its upward trend in the first half of 2025, with increases in both starts and completed foreclosures compared to last year," said Rob Barber, CEO at ATTOM. "While the overall numbers remain below pre-pandemic levels, the persistent rise suggests that some homeowners are still facing financial challenges amid today's housing and economic landscape."



The U.S. states that saw the **greatest increases in foreclosure activity** compared to a year ago in the first half of 2025 included:

1. Alaska (up 55%)
2. Rhode Island (+51%)
3. Wyoming (+46%)
4. Utah (+46%)
5. Colorado (+41%)

In the first half of 2025, one in every 758 housing units nationwide—or 0.13% of all housing units—had a foreclosure filing.

States with the worst foreclosure rates in the first half of 2025 were:

1. Illinois (0.23% of housing units with a foreclosure filing)
2. Delaware (0.23%)
3. Nevada (0.21%)
4. Florida (0.21%)
5. South Carolina (0.20%)

The following states have first-half foreclosure rates among the top 10 in the country:

1. Texas (0.15%)
2. Connecticut (0.17%)
3. Ohio (0.16%)
4. Indiana (0.18%)
5. New Jersey (0.18%)

Declining Foreclosure Activity Across the U.S.

The average duration of the foreclosure procedure for properties that went through foreclosure in Q2 2025 was 645 days. That number was down 21% from a year ago and down 4% from the prior quarter.

In Q2 2025, there were 100,687 homes in the U.S. with a foreclosure filing, reflecting a 7% increase from the previous quarter and a 13% increase from the same period last year.

Additional Highlights — National

- Nationwide in June 2025, one in every 4,361 properties had a foreclosure filing.
- States with the worst foreclosure rates in June 2025 were South Carolina (one in every 2,426 housing units with a foreclosure filing); Nevada (one in every 2,615 housing units); Florida (one in every 2,716 housing units); Illinois (one in every 2,766 housing units); and Delaware (one in every 3,074 housing units).
- 21,782 U.S. properties started the foreclosure process in June 2025, down 10% from the previous month but up 17% from June 2024.
- Lenders completed the foreclosure process on 3,892 U.S. properties in June 2025, up 1% from the previous month and up 35% from June 2024.

Government

FED REPORT: ARE INTEREST RATES LIKELY TO DECLINE ANYTIME SOON?

Despite the current relatively high levels of short-term borrowing costs, a new paper jointly published by the Federal Reserve Banks of New York and San Francisco states that the possibility of the Federal Reserve once again setting its short-term interest rate target at near-zero levels at some point in the upcoming years remains real.

"The medium- to long-term risk that the central bank's interest rate target will return to super low levels "is currently at the lower end of the range observed over the past fifteen years," said a paper that counted New York Fed President John Williams as a Co-Author. But the researchers added the chance of a return to near-zero rates "remains significant over the medium to long term … due to recent elevated uncertainty."

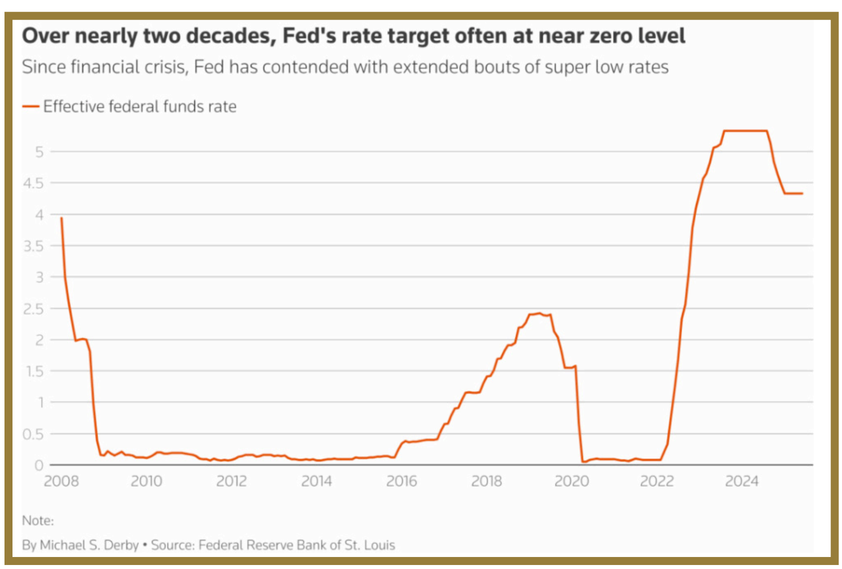
Troubled economic times and their aftermath are linked to a federal funds rate goal that is close to zero. From 2008 and the start of the financial crisis until late 2015, the Fed set its short-term interest rate target at these levels. The COVID-19 pandemic put it back at these levels in March 2020, but the Fed then began raising interest rates aggressively in the spring of 2022 to fight the worst inflation readings in decades.

Central bankers have significant difficulties when the Fed's interest rate target, which it needs to fulfill its employment and job mandates, is set close to zero. Officials have been forced to use contentious asset purchase programs designed to lower long-term rates to provide stimulus beyond what a super-low goal can offer. This has resulted in a significant expansion of the Fed's balance sheet. Additionally, the Fed had to use communication tactics, which policymakers thought would increase the stimulus effect of low interest rates.

During a multi-decade trend of lowering rates within a long-running trend of declining inflation pressures, recent episodes of hitting near-zero rates have occurred. A new environment for the central bank has emerged as a result of the experience of the past few years. Inflation caused by the epidemic has significantly decreased. However, the Fed remains at a level that is comparatively high in comparison to recent years' experience, with its current target rate hovering between 4.25% and 4.5%. Additionally, trade policy creates a great deal of ambiguity about the future.

Fed officials anticipated in June that they would begin the process of reducing their target to 3.4% by 2027. President Donald Trump is also calling on the central bank to implement substantial easing.

Officials have also been updating their prediction of the neutral rate in relation to the state of the economy. That estimate, along with the June projections, indicates that, compared to previous years, the Fed may have more leeway to lower rates without reaching zero.



HUD: COULD 'BUY NOW, PAY LATER' UNDERMINE HOME AFFORDABILITY?

The U.S. Department of Housing & Development (HUD) is investigating how Buy Now, Pay Later (BNPL) products impact a borrower's ability to meet housing-related expenses, including rent or mortgage payments. BNPL loans allow shoppers to divide a purchase into payment installments.

Data gathered in response to HUD's Request for Information (RFI) will inform HUD's efforts to ensure that FHA single-family mortgage insurance (MI) policies effectively address the evolving financial landscape and support the needs of American households.

Through the RFI, HUD wants to understand how BNPL obligations may affect the ability of FHA lenders to accurately assess risk, the impact of BNPL lending on housing affordability and stability, and whether policy changes are needed to preserve sound mortgage underwriting standards.

Consumer adoption of BNPL financing is rapidly growing and changing how individuals manage short-term expenses. According to a January 2025 report from the Consumer Financial Protection Bureau (CFPB), 21% of consumers with a credit record financed at least one purchase using a BNPL product from a major provider in 2022. Many of these consumers are "heavy users" of BNPL products, with more than 60% of them having multiple simultaneous BNPL loans in 2022.

This elevated credit utilization may reflect constrained liquidity that could impact qualifying ratios and risk layering in mortgage underwriting, which is of particular concern because most BNPL obligations are not reported to credit bureaus. BNPL loans essentially create "phantom debt" that mortgage lenders may not be readily able to detect as needed to fully assess a borrower's outstanding obligations or debt management behavior.

HUD is welcoming all comments relevant to BNPL loans and their impact on housing affordability and stability, including but not limited to:

- Evaluation methods used by mortgage lenders and underwriters to identify BNPL obligations.
- Risk assessment and loan approval challenges faced by underwriters when considering borrowers with BNPL debt.
- Debt-to-income (DTI) calculations are used in mortgage eligibility, especially when obligations are not visible in credit reports.
- Recommended policy measures to ensure that BNPL obligations are appropriately considered in DTI calculations without imposing undue burdens on borrowers or lenders.

According to HUD, "BNPL loans essentially create 'phantom debt' that mortgage lenders may not be readily able to detect when needed to fully assess a borrower's outstanding obligations or debt management behavior."

According to law firm Ballard Spahr, HUD said that FHA's policies would largely exclude BNPL loans from consideration in underwriting because closed-end debts are not required to be included if they will be paid off within 10 months from the date of closing, and the cumulative payments of all such debts are less than or equal to 5% of the borrower's gross monthly income.

In measuring the impact of BNPL products on credit, global analytics software provider FICO recently announced the launch of FICO Score 10 BNPL and FICO Score 10 T BNPL, the first credit scores to incorporate BNPL data. These innovative scores, developed by FICO from data-driven research, represent a significant advancement in credit scoring, accounting for the growing importance of BNPL loans in the U.S. credit ecosystem.

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> "Buy Now, Pay Later loans are playing an increasingly important role in consumers' financial lives."
>
> —**Julie May**, VP and General Manager of B2B Scores, FICO

"Buy Now, Pay Later loans are playing an increasingly important role in consumers' financial lives," said Julie May, VP and General Manager of B2B Scores at FICO. "By expanding our FICO Score 10 Suite with new models designed to incorporate BNPL data, we're enabling lenders to more accurately evaluate credit readiness, especially for consumers whose first credit experience is through BNPL products. This innovation also supports our mission to expand financial inclusion by helping more consumers gain access to credit."

FICO Score 10 BNPL and FICO Score 10 T BNPL were developed to harness the benefits offered by the incorporation of consumers' BNPL data into the calculation. FICO's year-long joint study on BNPL data confirmed that a unique consumer behavior associated with BNPL loans is the potential for a large number of these loans to be opened within a short period of time. To address this, FICO developed an approach that includes aggregating separate BNPL loans together when calculating certain in-model variables. This novel treatment has proven effective at capturing predictive signals from the inclusion of BNPL data while increasing FICO Scores for some BNPL borrowers.

"Our clients tell us that FICO's initiative to include BNPL data in credit scoring is a progressive step that acknowledges the evolving landscape of consumer financing," May added. "By capturing a broader view of consumer credit behavior, lenders believe they can make more informed decisions, ultimately benefiting both the industry and consumers."

PRECISION POLICY APPROACHES PROMOTE AFFORDABLE HOUSING GAINS

The J. Ronald Terwilliger Center for Housing Policy recently hosted the 4th Annual Terwilliger Center Summit on Housing Supply Solutions at Union Station in Washington, D.C.

The event brought together leaders from government, business, philanthropy, and more to discuss solutions to the nation's shortage of affordable housing.

Hosted by the Bipartisan Policy Center (BPC), a not-for-profit organization that ensures policymakers work across party lines to craft bipartisan solutions, members of Congress and housing policy leadership alike weighed in during a series of panel discussions geared toward finding solutions to enhance the nation's stock of affordable housing.

With the U.S. not having enough housing supply to meet demand, resulting in an uptick in cost and limited options for renters and homeowners alike, HUD Secretary Scott Turner addressed what it will take to boost housing supply.

"We recognize that more than 80% of American adults believe that homeownership is part of the American Dream, and that they want to own a home someday," HUD Secretary Turner said. "A home is much more than a financial investment. Homeownership is about providing a sanctuary for your family … a place of joy, of love, of family formation, and creating a legacy that you can pass on to your children and your grandchildren."

Moderated by Dennis Shea, EVP and Chair of the J. Ronald Terwilliger Center for Housing Policy for the BPC, "Home Matters: A Conversation on Housing Affordability" was led by the HUD Secretary, detailing how HUD is working to create more opportunities to unlock the American Dream of homeownership.

"A home is more than just brick and mortar. Sadly, many Americans today feel a long way away, and they feel that the American Dream of homeownership is beyond their reach. We need about seven million units of housing in our country today," added the HUD Secretary in addressing the lack of affordable units available. "Housing prices are going up, and sales are going down, and I know that with the experts here and this distinguished group, you understand that we need millions of units. The median home price as of this past April was $414,000 in America—a 21% increase from April 2021. Home sales last year were at their all-time lowest level in the last three decades. This is not sustainable for our country. These are not just numbers on a page. All these numbers represent American people who are not living the American Dream currently … who are seeing this dream pass further and further out of their reach. We have to do something about this for our beloved country, and the beloved people of this country."

Margaret Spellings, President and CEO, BPC, outlined the day's agenda, welcoming several dignitaries and introducing the opening panel discussion, "Finding Common Ground: Advancing Affordable Housing Through Bipartisanship." Moderated by Pamela Hughes Patenaude, Board Vice Chair, for the BPC and Former Deputy Secretary for the U.S. Department of Housing and Urban Development (HUD), Sens. Mike Rounds and Mark Warner joined Ron Terwilliger, Board Member of the BPC and Chairman Emeritus of Trammell Crow Residential Company in a discussion on the potential for bipartisan collaboration on housing policy, and how to advance meaningful legislation in the 119th Congress.

The second session, moderated by Shena Ashley, VP of Capital One Community Impact and Investment and President, Capital One Insights Center, focused on solutions for the urban market. "How Cities Are Rewriting the Housing Playbook" featured Mayors Danny Avula of Richmond, Virginia, and Jim Ross of Arlington, Texas, discussing the topic of the affordability challenges the mayors face in their communities, strategies they are pursuing to provide relief, and how stakeholders across the affordable housing ecosystem can best support these efforts.

During the "Unlocking Our Nation's Housing Supply: Strengthening the Housing Choice Voucher Program to Incentivize Housing Provider Participation" session, Bob Pinnegar, President and CEO of the National Apartment Association, led a panel featuring Alan Ferguson, Chief Housing and Real Estate Officer of Atlanta Housing; Bonnie Smetzer, EVP of Asset Living; and Jason Ward, Co-Director, RAND Center on Housing

"A home is more than just brick and mortar. Sadly, many Americans today feel a long way away, and they feel that the American Dream of homeownership is beyond their reach. We need about seven million units of housing in our country today."

—**Scott Turner,** HUD Secretary

and Homelessness and Professor of Policy Analysis, Pardee RAND Graduate School, detailed the Housing Choice Voucher (HCV) program and the administrative challenges behind this program. Once an essential tool for expanding access to housing, helping millions affordably rent homes in the private market, burdensome inspection requirements, and insufficient support have caused many property owners to drop out of the program. Panelists explored opportunities to improve the HCV program to encourage greater housing provider participation and foster greater usage of the voucher program.

Next up, Henry Cisneros, Board Chair of the BPC and Former Secretary of HUD welcomed a panel featuring Julia Glanz, Deputy Secretary of the Maryland Department of Housing and Community Development; Deborah Goddard, Secretary of Housing for the State of Rhode Island; RuthAnne Visnauskas, Commissioner and CEO of the New York State Homes and Community Renewal; and Steve Waldrip, Senior Advisor for Housing Strategy and Innovation, State of Utah, for the session, "A State-Led Agenda to Tackle the Housing Affordability Crisis." As states continue to shape policies and direct investments that impact housing supply and affordability, state leaders are advancing practical solutions to expand access and lower costs. The panel of senior housing officials shared the challenges they face, strategies that deliver results, and innovations that are driving progress in their states.

With natural disasters and climate-related events displacing more people each year, the "Innovations in Post-Disaster Housing" session examined how state and local governments, along with the private sector, can improve recovery efforts and ensure that survivors gain access to safe, stable housing. Adrianne Todman, Former Acting Secretary of HUD, led the panel discussion featuring Taylor Marr, Senior Housing Economist with Airbnb; Carlos Martín, VP for Research and Policy Engagement with Resources for the Future; and Sara Morgan, President of Fahe.

Katy O'Donnell, Financial Services Reporter with Politico, moderated the next session, "Collaborating in Congress: Finding Solutions to the Housing Supply Shortage." Featuring two of the 2025 recipients of the Terwilliger Bipartisanship in Housing Award, which recognizes lawmakers working to promote bipartisan solutions to America's affordable housing challenges, Sens. Lisa Blunt Rochester and Todd Young discussed the potential for bipartisan collaboration, and what it will take to advance legislation that would have a meaningful impact for Americans with the greatest housing needs.

During the "Financing the Fix to the Housing Supply Shortage" panel, Abha Bhattarai, Economics Correspondent with the *Washington Post*, led a panel discussing potential policies and program improvements to scale up success and help solve the housing affordability crisis. Thomas Bryan, Executive Director and CEO of the Colorado Housing and Finance Authority; Ismael Guerrero, President and CEO of Mercy Housing; and Barry Krinsky, National Production Manager with Citi Community Capital, offered their perspectives on the challenges they have faced securing financing, and provided ways they have made projects pan out.

> "Every single person in the richest country in the world should be able to have a roof over their head and a safe place to sleep. It's that simple."
>
> —U.S. Rep. **Pramila Jayapal**

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LEGISLATION INTRODUCED TO DECRIMINALIZE HOMELESSNESS

U.S. Reps. Pramila Jayapal and Maxwell Frost have introduced the Housing Not Handcuffs Act, a measure aimed at prohibiting the criminalization of homeless persons on public lands when there is nowhere else to go.

The Act prohibits federal agencies from arresting, ticketing, or otherwise criminalizing homelessness. The Housing Not Handcuffs Act is the first bill strictly aimed at stopping federal agencies from treating homelessness as a crime.

"Every single person in the richest country in the world should be able to have a roof over their head and a safe place to sleep. It's that simple," Rep. Jayapal said. "There is nowhere in this country where you can pay rent on a minimum wage salary. By criminalizing aspects of homelessness, cities and states across this country are only creating greater barriers for people to access housing—something that is already far too scarce. Fining people who already can't afford to live makes no sense and will only result in longer-term homelessness."

In 2024, homelessness increased by 18% nationwide, with a record high of 771,480 people experiencing homelessness. At the same time, there is a nationwide shortage of 200,000 shelter beds and a shortage of 7.1 million affordable and available rental homes.

Rep. Jayapal and Frost's bill is a response to a ruling in the Supreme Court case *City of Grants Pass v. Johnson* that found local ordinances prohibiting public camping and sleeping, even when no shelter is available, do not violate the Eighth Amendment's prohibition against cruel and unusual punishment. The *Grants Pass* decision allows cities to enforce anti-camping laws, even if they lead to the criminalization of homelessness when no alternative shelter exists.

"Since the *Grants Pass* decision, cities across the country have passed nearly 220 bills to criminalize homelessness, including in my own district. These policies don't solve homelessness; instead, they dehumanize our unhoused, saddle them with criminal records, and make it even harder for them to find stable housing. It's a vicious cycle that the Housing Not Handcuffs Act seeks to end," Rep. Frost said. "At a time when the cost of living is at an all-time high and Trump's Big Ugly Bill will only help the rich get richer and the working poor get poorer—we're fighting to make sure everyone has access to safe, decent, and affordable housing, not handcuffs."

Since the *Grants Pass* ruling, more than 260 anti-homeless laws have been passed by cities and states. Criminalizing homelessness creates greater barriers to accessing housing. Typically, these punishments come with fines, which create further financial strain on people who can already not afford the basics, and may create a criminal record, making it more difficult to get a job or apply for housing.

The Housing Not Handcuffs Act will ensure that people who are homeless cannot be criminally or civilly punished for:

- Living on federal lands unless safe, decent, accessible shelter is available;
- Asking for or sharing food, water, money, or other donations in public places;
- Praying, meditating, or practicing religion in public spaces;
- Occupying a lawfully parked motor vehicle;
- Storing their possessions and enjoying privacy in their personal property to the same degree as property in a private dwelling.

The legislation is co-sponsored by Reps. Yassamin Ansari, Sylvia Garcia, Henry C. "Hank" Johnson Jr, Summer Lee, James P. McGovern, Eleanor Holmes Norton, Delia Ramirez, Jan Schakowsky, Shri Thanedar, Rashida Tlaib, and Nydia M. Velázquez.

ONE BIG BEAUTIFUL BILL ACT BRINGS BACK MI PREMIUM TAX DEDUCTION

As part of President Trump's Big Beautiful Bill, a provision is included to reinstate and make permanent the deductibility of mortgage insurance (MI) premiums, returning a deduction to taxpayers that will provide middle-class homeowners with meaningful tax relief without increasing risk in the housing finance system.

"The One Big Beautiful Bill has passed, locking in the largest tax cut in American history and ushering in America's Golden Age," said HUD Secretary Scott Turner via X.

Beginning in 2007, the tax code allowed qualified homeowners to deduct MI premiums paid to private MI companies and government agencies, including

> **"The One Big Beautiful Bill has passed, locking in the largest tax cut in American history and ushering in America's Golden Age."**
>
> — **Scott Turner**, HUD Secretary

the Federal Housing Administration (FHA), U.S. Department of Veterans Affairs (VA), and U.S. Department of Agriculture's (USDA) Rural Housing Service (RHS), from their federal income taxes. This deduction expired after tax year 2021.

"By restoring this tax deduction, Congress and the President are standing up for American homeowners, homebuyers, and taxpayers," said Seth Appleton, President of U.S. Mortgage Insurers, an association representing the nation's leading private MI companies. "We welcome the inclusion of this deduction in the One Big Beautiful Bill Act and the tax relief it will deliver to millions of hard-working American homeowners with low down payment mortgages."

During the time the previous tax code was in effect:

- The MI premium deduction was claimed 44 million times, representing a combined $65 billion in deductions.
- Four million homeowners claim the deduction annually.
- The average deduction amount was $1,454 per qualified taxpayer.

Previous efforts to reinstate the deduction were supported by lawmakers from both parties and chambers of Congress, as well as a broad coalition of industry groups, housing advocates, and civil rights organizations, as well as lawmakers from both parties and chambers of Congress. Past standalone bills to reinstate the deduction were championed by Sens. Thom Tillis and Maggie Hassan, as well as Reps. Vern Buchanan and Jimmy Panetta.

USMI's "2024 National Homeownership Market Survey" found that Americans see private MI as providing benefits, including enabling borrowers to qualify for mortgage financing with a down payment as low as 3%, allowing access to homeownership, and the ability to begin building equity sooner. Rather than waiting years to save for large down payments, private MI allows homebuyers to get off the sidelines sooner and is a small cost that has declined in recent years due to the 2017 Trump tax cuts and enhanced risk-based pricing. Allowing MI premiums to be deducted at parity with mortgage interest payments further reduces costs for eligible low-down-payment borrowers.

"Just as Congress has taken action to deliver tax relief to individual taxpayers and support middle class homeowners by reinstating and making permanent the MI premium deduction, the private MI industry serves as a strong, dedicated source of private capital that each and every day enables homeownership for American families and protects taxpayers writ large from the risks of future housing downturns," Appleton said. "In fact, since the GSEs entered conservatorship, the private MI industry has covered nearly $60 billion in claims, shielding the GSEs and the taxpayers who stand behind them from significant financial losses."

Recently released data from U.S. Mortgage Insurers show that the private MI industry helped more than 800,000 borrowers secure mortgage financing in 2024. First-time homebuyers who will now be able to claim the MI premium deduction represented approximately 65% of purchasers with private MI. In addition, the industry supported nearly $300 billion in mortgage originations in 2024, according to public filings, representing $300 billion worth of mortgage credit extended to borrowers for which Fannie Mae and Freddie Mac, taxpayers, lenders, and investors are protected from risk of loss.

SUPREME COURT CLEARS PATH FOR TRUMP'S FEDERAL WORKFORCE CUTS

The U.S. Supreme Court has reversed a court order, allowing federal agencies across the government to resume laying off workers and drastically reducing staff.

President Trump's original executive order and memorandum, the "Department of Government Efficiency" Workforce Optimization Initiative, included guidance for staff reduction, including a general standard that no more than one employee should be hired for every four employees that depart, removing underperforming employees, and allowing term or temporary positions to expire without renewal.

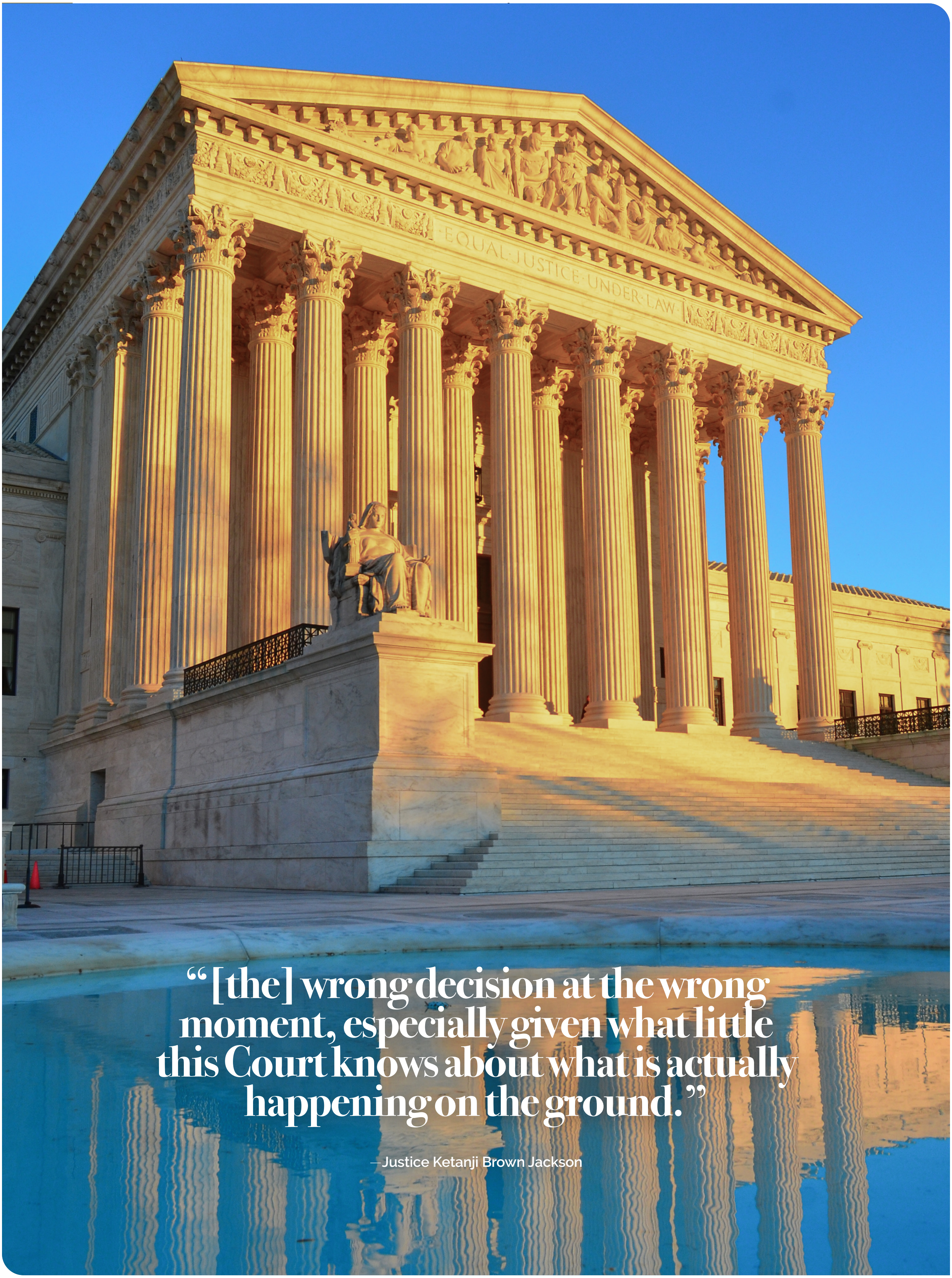
In the executive order, President Trump required that "Agency Heads shall promptly undertake preparations to initiate large-scale reductions in force (RIFs), consistent with applicable law."

U.S. District Judge Susan Illston in San Francisco halted the layoffs, ruling in late May that the approximately 20 affected agencies will not be able to function as Congress intended.

According to *USA Today*, in an unsigned and brief opinion, the Supreme Court justices said they are not ruling on the legality of a specific reorganization plan. The Supreme Court said the district judge was wrong to stop the Trump administration from moving ahead with such plans. Justice Ketanji Brown Jackson dissented, calling it the "wrong decision at the wrong moment, especially given what little this Court knows about what is actually happening on the ground."

In late April, U.S. District Judge Amy Berman Jackson temporarily halted the Trump administration's mass layoffs at the Consumer Financial Protection Bureau (CFPB), shortly after an appeals court narrowed an earlier injunction. Judge Berman Jackson's order temporarily blocked the terminations, which would have slashed the CFPB's workforce by roughly 90%. Judge Berman Jackson's order comes after plaintiffs in the case, which included the CFPB Employee Association and other labor entities, accused the government of violating an earlier injunction.

The case landed at the Supreme Court after a district judge in California ruled in favor of the unions, municipalities, and advocacy groups that sued over Trump's workforce reduction plans, and an appeals court subsequently allowed that ruling to remain in place.



> "[the] wrong decision at the wrong moment, especially given what little this Court knows about what is actually happening on the ground."

—Justice Ketanji Brown Jackson

According to Government Executive, agencies that had already sent out RIF notices—use Illston's order, U.S. Solicitor General D. John Sauer came to the Supreme Court in early June, asking the justices to intervene. Sauer contended that the order "inflicts ongoing and severe harm on the government" because it "interferes with the U.S. Departments of Health and Human Services and Education—can now finalize the offboarding of thousands of staff. Other federal departments, including the Departments of Interior, Agriculture, and State, are expected to quickly send out notices of their own to thousands of employees.

"The plans themselves are not before this Court, at this stage, and we thus have no occasion to consider whether they can and will be carried out consistent with the constraints of law," Justice Sonia Sotomayor wrote.

> "June is National Homeownership Month, a time to recognize the vital role that homeownership plays in building stronger communities, expanding access to economic opportunity, and empowering individuals and families through financial stability and generational wealth."
>
> —**Rodney E. Hood**, Former Acting Comptroller of the Currency for the Office of the Comptroller of the Currency

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REPORT WARNS FEMA CUTS COULD ENDANGER DISASTER READINESS

Ever since U.S. Department of Homeland Security Secretary Kristi Noem announced in a cabinet meeting, "We're going to eliminate FEMA," the future of the Federal Emergency Management Agency (FEMA) and the National Flood Insurance Program (NFIP) has been in jeopardy.

With FEMA's role in emergency management, flood mapping, and flood insurance under pressure from the Trump administration, an escalation in climate-related events has financial exposure for homeowners, lenders, and local governments at a near all-time high.

First Street, a provider of climate risk financial modeling, calculating climate risk for properties globally, has released a new report, "High Water, High Stakes: FEMA, Flood Risk, and the NFIP," highlighting the consequences faced by property owners nationwide in high flood risk areas without sufficient coverage.

According to First Street, as the primary flood insurance source in the United States, the NFIP currently encompasses 4.7 million policies across 22,594 communities, totaling $1.28 trillion in property coverage. Any disruption in the flood insurance market, whether due to lapses in the NFIP or reductions in FEMA's mapping and insurance capacity, could cause great ripples across local housing markets, thus stalling transactions and eroding market liquidity. The report claims that disrupting FEMA operations and NFIP stability could force an additional 4.7 million policies currently administered by the NFIP to transition to private insurance.

Takeaways of the Report

In the report, First Street highlights five major takeaways, including:

- **FEMA cuts threaten national resilience:** Eliminating or restructuring FEMA would disrupt disaster response, flood mapping, and mitigation funding, undermining resilience for 22,594 communities as climate risks escalate.
- **NFIP stability is critical for mortgage markets:** The NFIP covers 4.7 million policies totaling $1.28 trillion in property value, anchoring mortgage eligibility in flood zones and preventing credit market disruptions.
- **Approximately 13 million properties lack flood insurance:** Data shows that nearly 13 million high-risk properties are underinsured or uninsured, including 10 million outside Special Flood Hazard Areas (SFHAs) and 3.2 million within, exposing homeowners and lenders to sudden financial shocks.

- **Flood risk materially impacts property values and credit risk:** Rising flood hazards, insurance costs, and insurance availability concerns can reduce home values, lengthen sales cycles, and increase foreclosure risk, creating material financial impacts for homeowners, lenders, and local housing markets.
- **Private market cannot fully replace NFIP coverage:** While private insurers now cover 12% of all flood insurance policies while the NFIP covers the rest, 5% of current NFIP policies (about 235,000 properties) are too risky for the private market, meaning if the NFIP were to be dissolved, hundreds of thousands of homeowners would be left uninsured.

FOX Weather reports that recent flooding from the Guadalupe River in Texas that destroyed homes and summer camps in the early morning hours of July 4 has claimed at least 129 lives, with more than 170 still unaccounted for.

The National Oceanic and Atmospheric Administration (NOAA) reports that flooding is the most damaging physical climate hazard in the United States. Between 1980 and 2024, flood-related damages across both inland and hurricane events have totaled an estimated $1.7 trillion, accounting for nearly 60% of all billion-dollar disaster losses across hazard types, and it's not improving. The frequency and intensity of these events have also surged in the last decade alone; flooding has grown to be 3.7 times more likely and 13.6 times more costly than in the 1980s.

Should the Trump administration begin to restructure or dismantle FEMA, lenders would lose the framework they have long relied upon for assessing flood risk in mortgage portfolios. Past lapses in the NFIP show how disruptions can ripple through the system. Because the NFIP requires periodic congressional reauthorization, policy delays can halt the issuance and renewal of flood insurance, creating backlogs and uncertainty in the mortgage pipeline.

A recent lapse in 2010 delayed or canceled an estimated 1,400 home sales per day, stalling around 40,000 transactions before the program was reinstated. FEMA restructuring could lead to more frequent credit losses and deepen housing affordability and financing challenges in flood-prone regions.

LEGISLATION AIMS TO BAN HIDDEN FEES, BOOST TRANSPARENCY FOR TENANTS

Rep. Maxwell Alejandro Frost and Sen. Jeff Merkley have announced the introduction of bicameral legislation aimed at addressing the housing crisis and standing firmly with working-class renters—the End Junk Fees for Renters Act.

Rep. Frost's bill, which is being co-led by Rep. Jimmy Gomez in the House, Chair of the Congressional Renters Caucus, comes as Florida and the United States. face a housing affordability crisis that continues to squeeze working people and renters, forcing people to slip into homelessness at a time when cities are criminalizing folks who cannot afford to keep a roof over their heads.

Reps. Frost and Gomez first introduced the bill in July of 2023 to put an end to the growing number of excessive and dishonest junk fees renters face when looking for and securing housing.

Rep. Frost said: "This is about standing firmly on the side of renters and working people while holding greedy landlords and leasing companies accountable for nickel and diming people every chance they get. It's time to end the ridiculous fees and fight for housing justice and transparency."

The End Junk Fees for Renters Act seeks to protect tenants by cracking down on junk fees, specifically by:

- Banning application and screening fees;
- Putting an end to late fee profiteering by capping late fees at 3% of monthly rent and requiring a 15-day grace period;
- Requiring that landlords disclose in the rental contract: past and present litigation with tenants; ongoing pest and maintenance issues; rent increase percentages year after year over the last 10 years; and the total amount due each month to effectively eliminate surprise fees.
- Helping consumers comparison shop and making more informed choices when it comes to renting, inevitably driving down overall costs in the rental market, and improving living conditions.

"Billionaire corporations and huge rental companies are hiding fees and added costs to drive up rents and line their own pockets," Sen. Merkley said. "The End Junk Fees for Renters Act fights back against corporate landlords trying to squeeze every dime out of renters that they possibly can. Let's crack down on these junk fees to ensure all Americans have a fair shot at a safe, affordable roof overhead and the power to fight back against absurd costs."

According to a recent Redfin study, the median asking rent in the United States dropped 0.5% year over year (YoY) to $1,642 in June, marking the fourth consecutive month of yearly decreases. Overall, asking rents increased by an estimated 0.6% month over month. The median asking rent is only $63 below the all-time high of $1,705 set in August 2022, despite being lower than it was a year ago. For the past year or so, rents have generally been quite stable, with yearly decreases or rises of 1% or less since March 2024. This comes after significant fluctuations during the pandemic era, when the median asking rent rose by up to 18% annually and fell by up to 4% annually.

"Renters have the upper hand—at least for now—because there are a near-record number of apartments coming on the market that landlords are scrambling to lease," said Sheharyar Bokhari, Senior Economist at Redfin. "In certain parts of the country, renters may be able to negotiate discounted rent, flexible leases, or free parking. But these perks may be short-lived given that apartment construction is expected to slow and rental demand is expected to remain strong."

Rep. Jimmy Gomez added: "This bill will restore faith and transparency to the renting process by putting an end to the profiteering of predatory landlords and property managers. In my district, where up to 80% of households rent, this bill will lift an unnecessary financial burden and help working families build real stability."

HUD LAUNCHES 'EXPRESS LANE' TO ACCELERATE CARE FACILITY FINANCING

Secretary Scott Turner of the U.S. Department of Housing and Urban Development (HUD) announced the opening of a new "Express Lane" to speed up applications for insured refinances from the Federal Housing Administration (FHA) under the FHA Section 232/223(f) Mortgage Insurance for Residential Care Facilities program. For skilled nursing, assisted living, and board-and-care facilities, this new review procedure will speed up access to vital funding and drastically cut down on processing times.

"We're eliminating needless delays that stand in the way of access to critical financing, which helps vulnerable Americans access vital services," HUD Secretary Scott Turner said. "The result is a new and innovative Express Lane that will slash wait times by up to 90%. Under President Trump's leadership, we're empowering the federal government to move urgently with commonsense compassion and deliver mission-minded results for the American people."

To reduce the time between submitting an application and receiving a Firm Commitment to 10 to 15 days, FHA will give priority to reviewing specific low-risk, low-leverage transactions under the new procedure. In the past, FHA handled all Section 232 application evaluations according to the application submission date, which led to processing times of up to 150 days for all transactions.

FHA has specific criteria for transactions that will be eligible for Express Lane processing, which include, but are not limited to:

- A maximum of 70% loan-to-value;
- Limits on the allowable minimum Debt Service Coverage Ratios;
- Specific quality of care attributes;
- The facility operator must have been in place at the facility for two or more years prior to the application submission;
- The mortgage amount must not exceed $50 million ($70 million for the greater New York City area); and
- The application must be ready to underwrite, and a Firm Commitment decision must be able to be made immediately upon submittal.

Nursing homes, assisted living institutions, and board-and-care homes are among the residential care facilities covered under FHA's Section 232 Mortgage Insurance for Residential Care institutions program. FHA-approved lenders who create mortgages to fund the acquisition, refinance, new construction, or significant rehabilitation of a facility are eligible to participate in the program nationally.

"This new process will cut the time between application submission and issuance of a Firm Commitment by 90% for qualified Residential Care Facilities," HUD said in an X post.

HUD AND OMB BEGIN ROLLBACK OF PAVE TASK FORCE

U.S. Department of Housing and Urban Development (HUD) Secretary Scott Turner and Acting Administrator of the Office of Information and Regulatory Affairs (OIRA) at the Office of Management and Budget (OMB) Jeffrey Clark have announced the termination of policies introduced under the Property Appraisal and Valuation Equity (PAVE) task force. As part of the PAVE task force, members were directed to issue guidance on anti-discrimination obligations, review policies and practices, and issue new policies focused on "eliminating bias and advancing equity in home appraisals."

Eliminating core policies of the PAVE Task Force upholds President Trump's Executive Orders, including Ending Radical and Wasteful Government DEI Programs and Preferencing and Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis.

The termination of specific policies eliminates unnecessary regulatory hurdles imposed on lenders, appraisers, and other program participants, which will allow the Federal Housing Administration (FHA) to better serve American homebuyers and homeowners.

"By tearing down these onerous hurdles, we're freeing professionals from a tangle of red tape that drove up costs, inhibited access to homeownership, and discouraged market participation," HUD Secretary Turner said. "Under President Trump's leadership, the Biden era's obsession with DEI and overregulation is over. At HUD, we're restoring common sense and putting the American Dream of homeownership back within reach."

On June 1, 2021, President Joe Biden announced the creation of the PAVE Task Force, co-chaired at the time by then HUD Secretary Marcia Fudge and White House Domestic Policy Advisor Susan Rice. The Task Force was directed to evaluate the causes, extent, and consequences of appraisal bias and to establish a transformative set of recommendations to root out racial and ethnic bias in home valuations. The 13-member agencies and offices of the Task Force engaged philanthropic organizations, academics, civil rights leaders, housing industry stakeholders, and everyday Americans who currently own, or aspire to own, a home. The PAVE Task Force heard their stories, perspectives, and ideas, and committed to a set of actions to help ensure that every American has a chance to build generational wealth through homeownership.

"The myth is that wokeism is just a social policy. And it surely is corrosive social policy," Acting OMB OIRA Administrator Clark said. "But, in reality, wokeism at HUD was brass-tacks economic policy that snatched away the American Dream of homeownership from an entire generation. That ends today."

Data from the American Enterprise Institute (AEI) in the report, "Racial Bias in Appraisals: New Research," concludes that other characteristics unrelated to race—including educational attainment, average credit score, and family formation—are more likely significant drivers in differences between home values and appraisal outcomes.

"We're encouraged that HUD and other agencies are beginning to roll back certain PAVE-inspired policies adopted by the Biden administration," said Tobias Peter and Ed Pinto, Co-Directors at the AEI Housing Center. "These actions were driven by claims of race-based disparities in home values, mortgage denial rates, and appraisal under-valuations. These claims ignored AEI Housing Center research that found similar disparities in white communities with similar socioeconomic status, thereby invalidating the argument that the disparities were race-based."

The terminated policies related to Reconsideration of Value and Appraisal Fair Housing Compliance include:

- ML 2024-16, Extension to the Effective Date of Appraisal Review and Reconsideration of Value (ROV) Updates
- ML 2024-07, Appraisal Review and Reconsideration of Value
- ML 2021-27, Appraisal Fair Housing Compliance and Updated General Appraiser Requirements

According to a HUD release, current laws, including the Fair Housing Act and Equal Credit Opportunity Act (ECOA), prohibit discrimination in all housing-related transactions, including in the homebuying and lending processes. The Fair Housing Act and ECOA will continue to be enforced.

Market Trends

IS U.S. HOUSING SUPPLY MAKING A COMEBACK?

Is the U.S. housing supply increasing after years of scarcity? Twenty-two of the 50 largest U.S. metro areas have more active listings on the market than they did prior to the pandemic, according to the most recent Realtor.com Monthly Housing Report. With a 100% rise in available homes above the 2017–2019 average, Denver experienced the biggest recovery, followed by Austin (+69%) and Seattle (+60.9%).

"For-sale housing inventory in Denver has doubled compared with the pre-pandemic norm, providing a clear sign of a housing market realignment," said Danielle Hale, Chief Economist at Realtor.com. "In some areas, affordability concerns have also slowed buyer demand, giving the market room to breathe and contributing to gains in homes for sale. In general, we're seeing strong inventory rebounds in metros that have built more in the last 6 years. This milestone underscores both the importance of enabling housing construction and the growing divide in housing conditions across regions, where some markets are rapidly normalizing and others remain stuck in low-supply dynamics."

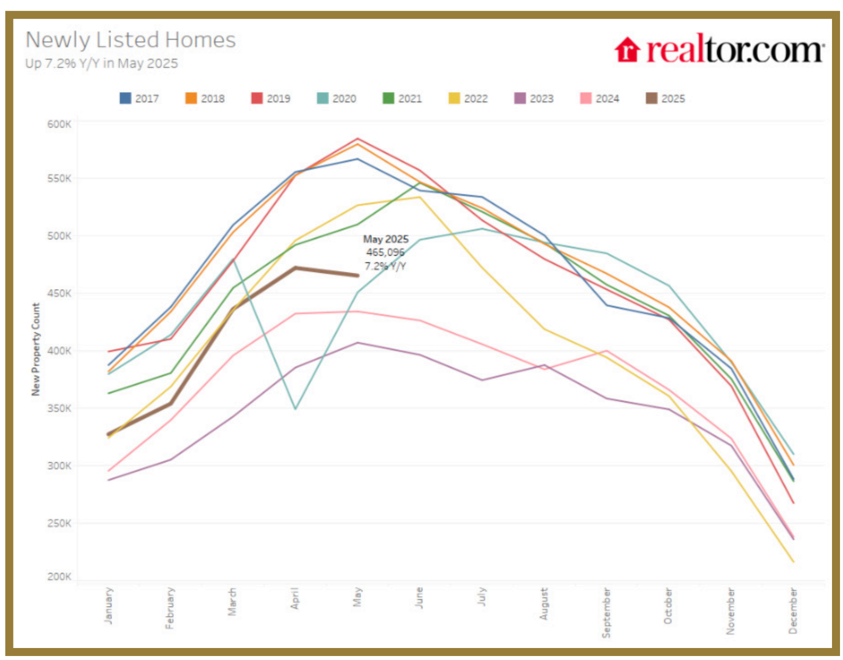
Popular Metros See Large Gains

The most notable improvement in active inventory compared to pre-pandemic levels has been observed in these metro areas. The list of cities, which are mostly in the West and South, may not be shocking, but it is noteworthy how much each metro area has grown. Over the years, active inventory increased by more than 50% in six metro areas, with the majority of this expansion occurring in the most recent year.

The markets most likely to exhibit inventory gains are those that constructed the newest homes both during and after the pandemic. In addition to seeing fast growth in construction, cities like Austin, Denver, and Nashville are now dealing with lengthier selling periods, which adds to the increase in inventory. According to Realtor.com's data, building activity after 2019 and inventory recovery are strongly positively correlated.

In 2025, properties are sitting longer in many Western and Southern urban areas, and buyers are becoming more hesitant. Active inventory is growing as a result of the longer duration on the market. This implies a cooling of demand and a leveling or even softening of prices in certain markets. Listings in Nashville now last up to 19 days longer on average than they did a year ago. The average increase in Miami and Orlando is 13 days.

With 4.6 months of supply in May—still below the 6-month figure that often characterizes a buyer's market—the U.S. housing market isn't technically in a buyer's market, but things are moving in the right direction. Today's buyers have more options, more time to decide, and sellers who are more eager to haggle over terms and price.



Rank	Metro	Change in Active Inventory vs. Pre-Pandemic
1	**Denver**	+100.0 %
2	**Austin, TX**	+69.0 %
3	**Seattle, WA**	+60.9 %
4	**Dallas-Fort Worth, TX**	+55.5 %
5	**San Antonio**	+58.3 %
6	**San Francisco**	+53.5 %
7	**Nashville, TN**	+44.4 %
8	**Orlando, FL**	+44.2 %
9	**Las Vegas**	+28.6 %
10	**Tucson, AZ**	+23.0 %

This changing environment is consistent with Realtor.com's 2025 projection, which called for the most evenly distributed market since 2016. However, the current transformation is taking place against a backdrop of chronic underbuilding, with a shortfall of about 4 million homes nationally, in contrast to previous buyer's markets that followed overbuilding. Local trends are therefore more important than ever for both buyers and sellers, as some metro areas may tilt into buyers' territory while others will stay tight.

SHARE OF HOME FLIPS SLIPS IN POPULAR U.S. MARKETS

The Q1 2025 U.S. Home Flipping Report from ATTOM reveals that although home flipping is still a common strategy across the country, investor returns differ greatly by region. Here's a closer look at flipping activity nationwide in all states with adequate data, plus the District of Columbia, from busy metro areas to rural hotspots.

According to the first quarter 2025 U.S. Home Flipping Report released today by ATTOM, a leading curator of land, property data, and real estate analytics, 67,394 single-family homes and condominiums were flipped in the first quarter of 2025, making up 8.3% of all home sales from January through March.

As a percentage of total sales, the proportion of flipped properties increased from 7.4% to 8.3% in the previous quarter. However, compared to the same period last year, when flips made up 8.7% of total sales, it was a little lower.

Home Flips Vary Across U.S.

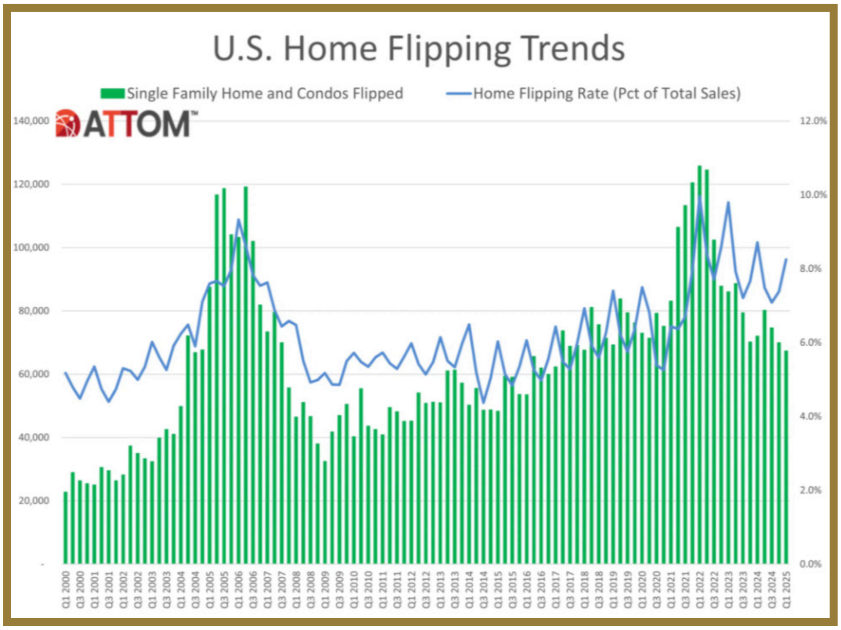
Home flippers also seem to be impacted by the downturn in purchasing. The first three months of the year saw 67,394 home and condo flips nationally, the fewest in a quarter since 2018. Additionally, returns have been declining; in Q1 2025, the average flipped property generated a 25% return on investment (before expenses). This maintained a slow slide from the recent peak of 48.8% in the fall of 2020 and was lower than the 28% recorded in the preceding quarter.

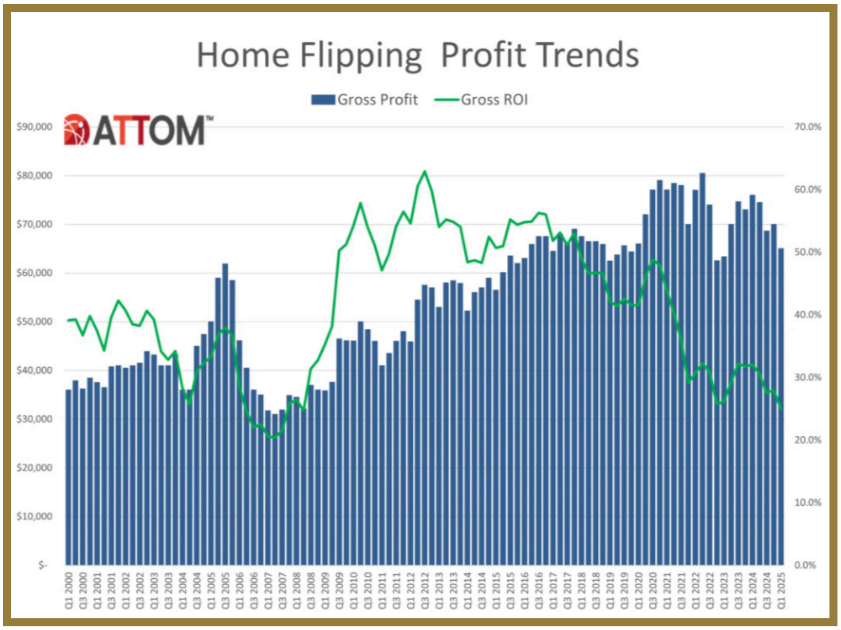
"The competitive home market means high prices, which is good for short-term investors on the selling end," said Rob Barber, CEO at ATTOM. "But that dynamic is also making it harder to find underpriced homes to buy up, and it's ultimately squeezing profit margins for the industry."

Of the 173 metropolitan statistical regions with enough data to analyze, some 76.3% (132) saw a quarter-over-quarter increase in home flips as a percentage of total sales. However, in two-thirds (115) of the metro regions, the share was lower than it was at the same time last year. Metro areas that experienced at least 50 home flips in Q1 2025, with a population of 200,000 or more, were considered.

Among the metro areas analyzed, home flippers accounted for the **biggest share of sales** in:

1. Macon, GA (flips compromised 21% of all home sales)
2. Warner-Robins, GA (20.6%)
3. Atlanta, GA (15.9%)
4. Memphis, TN (14.7%)
5. Akron, OH (13.3%)





"It's tricky to balance at times when the market looks like it could take a downturn," Barber said. "Investors don't want to buy a property when prices are high and then see them drop before they're ready to sell."

Birmingham, AL (12.8%), Kansas City, MO (11.6%), and Salt Lake City (11.1%) were the metro regions with populations over one million that had the highest percentage of flips, outside Atlanta and Memphis, TN.

Of those biggest metro areas, the **smallest proportion** of flips was in:

1. Honolulu (4.7%)
2. New Orleans (4.9%)
3. Seattle, WA (5.5%)
4. Pittsburgh (5.9%)
5. Portland, OR (6.1%)

In Q1 2025, a property that was flipped sold for a median price of $325,000 nationwide, yielding a 25% return on investment and a gross profit of $65,000 above the median acquisition price of $250,000. In ATTOM's investigation, profit margins decreased quarterly in 45.7% (79) of the 173 metro regions and annually in 63% (109) of the markets.

THE HOMES AMERICANS ARE BUYING ARE OLDER THAN EVER

Highlighting how a lack of new construction over the past 15 years has fast-tracked the aging of America's housing stock, the typical home bought in the United States. hit a record age of 36 years in 2024, according to a new report from Redfin. That's nine years older than the median age of homes purchased in 2012.

Redfin analyzed MLS data, looking at the age of homes bought between 2012 and 2024. "Newer homes" were defined as being less than five years old, and "older homes" as being more than 30 years old. Data referred to all home types (i.e., single-family, condos, and townhouses) combined.

The homes people are buying are getting older across all types, with condos aging the most, to a median of 38 years in 2024, from 26 years in 2012.

There are two main reasons Americans are increasingly buying older homes: lack of new supply and affordability. There have been fewer homes built in the past two decades, in comparison to earlier decades. That's especially true on the East Coast and in the Rust Belt, where the median age of sold homes can be more than 60 years. And, generally, older homes are cheaper than new homes: the typical 30-plus-year-old home sells for 15% less than the median price of all homes.

"America's housing stock is getting older by the year, and it's not because buyers prefer vintage homes—it's because we haven't built enough new ones," Redfin Senior Economist Sheharyar Bokhari said. "Without more construction, buyers are forced to choose from a pool of aging properties that present a new set of financial challenges, especially for those trying to save enough money to climb onto the property ladder. Older homes have aging systems, energy inefficiencies, and a steady stream of maintenance costs that can quickly add up after move-in."

Less Than 10% of U.S. Homes Were Built in the 2010s

The United States has been building fewer homes since the 2008 global financial crisis. Only 9% of America's homes were built in the 2010s—the lowest share of any decade since the 1940s, when World War II put a halt to construction.

The good news is that residential construction in the 2020s has picked up slightly, thanks in part to the pandemic-fueled building boom in many Sun Belt and Mountain West states. But it's not enough: at current speeds, the number of homes built is projected to be the second lowest in any decade since the 1940s.

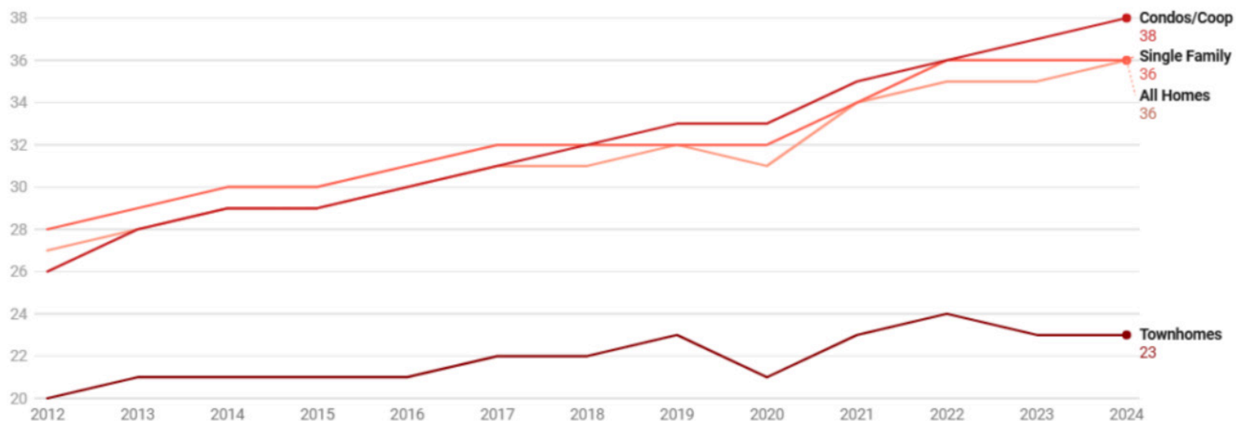
Price Gap Shrunk Considerably

In 2012, the typical price buyers paid more for a newer home (less than five years old) than an older one (30-plus years old): 77.9% more, $243,730 versus $137,000, respectively. But in 2024, that gap had shrunk to just 31.6% ($425,000 vs. $323,000).

While older homes have traditionally been more affordable than newer ones—due to factors such as depreciation, outdated features, and the potential need for repairs—they may require significant upgrades to meet current standards. That's unlike new construction, which typically includes modern designs, updated systems, and energy-efficient materials.

Median Age of Sold U.S Homes Rises to 36 Years Old

Median age of homes sold in years



Metros with the **oldest** homes bought in 2024:

	Median age (built year)	Median price <5 years old (share of homes sold)	Median price 30+ years old (share of homes sold)
Buffalo, NY	69 (1955)	$527,500 (2.6%)	$249,000 (87.3%)
Pittsburgh, PA	68 (1956)	$460,000 (4.5%)	$211,000 (81.2%)
Syracuse, NY	65 (1959)	$484,400 (2.8%)	$222,100 (85.4%)
Springfield, MA	65 (1959)	$549,950 (3.4%)	$322,000 (84.3%)
Cleveland, OH	65 (1959)	$460,000 (4.0%)	$205,000 (80.5%)

Metros with the **youngest** homes bought in 2024:

	Median age (built year)	Median price <5 years old (share of homes sold)	Median price 30+ years old (share of homes sold)
Provo, UT	6 (2018)	$490,000 (46.6%)	$479,900 (17.3%)
Austin, TX	8 (2016)	$420,000 (41.6%)	$475,000 (20.7%)
Boise City, ID	8 (2016)	$499,516 (44.1%)	$429,900 (22.1%)
San Antonio, TX	8 (2016)	$310,000 (44.7%)	$249,250 (24.4%)
Raleigh, NC	9 (2015)	$434,700 (41.1%)	$400,000 (20%)

Smaller Premiums for Newer Homes

In 2024, homebuyers paid 11.8% more for a newer home (less than five years old), compared to the median home price, whereas in 2012, they paid 44.4% more. Meanwhile, they're not getting as big a discount for purchasing an older home. In 2024, the typical older home (30-plus years old) sold for 15% less than the median home price. In 2012, buyers paid 18.9% less.

Why is the Price Gap Shrinking?

- **More affordable home types:** Builders are constructing smaller, lower-cost homes, such as townhouses, which now make up nearly 20% of new housing (a record high).
- **Construction in cheaper areas:** More new homes are being built in traditionally affordable regions, such as the Sun Belt and Mountain West. Demand in some of these areas (like Florida and Texas) is now declining, causing home prices to fall and listings to surge.
- **Prices rising in older metros:** Strong demand in areas with older housing stock, such as metros on the East Coast and in the Rust Belt, is helping to drive up prices of older homes.

Regional Trends

The typical home that sold in Buffalo in 2024 was 69 years old—the oldest among the 100 most populous metros with sufficient data that Redfin analyzed. Highlighting the lack of new inventory, only 2.6% of homes bought in Buffalo were less than five years old.

Next came Pittsburgh, with a median home age of 68 years, followed by Syracuse, New York; Springfield, Massachusetts; and Cleveland, Ohio—all of which had a median age of 65 years. There's a wide gap between the median price of newer homes and older homes in these metros, with homes over 30 years old typically selling for less than half the price of those built in the past five years.

"Older homes may cost less upfront, but the cost of repairing or replacing big-ticket items can be a huge burden for buyers," said Jerry Quade, a Redfin Premier Agent in Cleveland. "We always take a close look at the plumbing and electrical systems, along with the concrete foundations and the roof. Most of the old homes in Cleveland have basements, so we also look for any signs of water intrusion. At the end of the day, getting a building inspection is critical."

It's a very different story in Provo, Utah, where the typical home that sold last year was only six years old—the youngest of the metros Redfin analyzed. The price of an older home ($479,900) in Provo was nearly as high as that of a newer home ($490,000).

Next on the young homes list were Austin, Texas; Boise City, Idaho; and San Antonio, Texas, where the median home that sold was eight years old.

Austin is one of only four metros Redfin analyzed where the median price of a home over 30 years old cost more last year than a home built in the past five years. The other three metros were found in California: Oxnard, San Jose, and San Francisco. Raleigh, North Carolina, rounded out this top five list, with the typical sold home being nine years old.

BOOSTING HOUSING AFFORDABILITY IN THE GOLDEN STATE

California Gov. Gavin Newsom has signed legislation as part of the state's 2025-2026 budget, enacting new laws that will advance housing and infrastructure. These measures, including Assembly Bill 130 (Committee on Budget) and SB 131 (Committee on Budget and Fiscal Review), advancing more affordable housing and infrastructure as part of California's Abundance Agenda.

Together, the two budget trailer bills include a package that breaks down long-standing development barriers, modernizes California Environmental Quality Act (CEQA) review for critical housing and infrastructure, and creates new tools to speed up production, reduce costs, and improve accountability across the state.

"This isn't just a budget. This is a budget that builds. It proves what's possible when we govern with urgency, with clarity, and with a belief in abundance over scarcity," Gov. Newsom said. "In addition to the legislature, I thank the many housing, labor, and environmental leaders who heeded my call and came together around a common goal—to build more housing, faster, and create strong, affordable pathways for every Californian. Today's bill is a game changer, which will be felt for generations to come."

For decades, barriers have stood in the way of progress, blocking the urgency that would allow the state to address housing scarcity and better provide Californians with what they need: affordability and greater housing access.

Climate change has also impacted the housing landscape in California, as wildfires earlier this year in the Los Angeles area had a significant impact on government housing-related programs, the insurance market, affordability, and delinquencies, with many of the effects reaching far beyond the regions of the fires themselves. Before the Hughes Fire erupted in northern Los Angeles during the third week of January, some estimates already put the losses as high as 1.6% of the Los Angeles housing market, with more than 24,000 housing units destroyed and more expected to be lost.

The housing and infrastructure package delivers foundational reforms to break down systemic barriers and help ensure California can meet the housing needs of current and future generations.

"With these historic laws, we finally have the tools we need to move the needle on affordability in California," Sen. Scott Wiener said. "It isn't easy to make changes this big, but Californians are demanding an affordable future, and it's our job to deliver for them no matter what. I'm incredibly proud of the work Governor Newsom, Assemblymember Wicks, Speaker Rivas, and my friend and partner Pro Tem McGuire did to push this bold package across the finish line and set us on a path to build again in California."

The framework of the new legislation delivers:

- CEQA Reforms to accelerate housing and infrastructure by streamlining CEQA review to speed up delivery of housing and infrastructure projects—including infill housing, high-speed rail facilities, utilities, broadband, community-serving facilities, wildfire prevention, and farmworker housing—while maintaining protections for natural and sensitive lands. Also exempts local governments' rezoning from CEQA as part of their implementation of approved housing elements to accelerate site readiness.
- Faster housing permitting and approvals by expanding the Permit Streamlining Act, limiting certain Coastal Commission housing appeals, speeding up Coastal permitting, and making permanent key provisions of the Housing Accountability Act and Housing Crisis Act.
- Regulatory stability to help control costs by freezing new residential building standards through 2031, with exceptions for emergency, fire, and conservation-related updates.
- Sustainable financing tools, including a revolving fund to reinvest equity from stabilized affordable housing into new developments through the Affordable Housing Excess Equity Program, and by establishing a statewide CEQA VMT Mitigation Bank to provide an optional compliance tool to allow developers to more effectively fulfill their existing CEQA mitigation obligations by funding location-efficient affordable housing and infrastructure projects.
- More accountability and enforcement by strengthening oversight of local homeless shelters by requiring annual inspections by cities and counties—whether or not complaints are received—and provides stronger enforcement by allowing civil actions by both individuals and the Department of Housing and Community Development, and also requires annual reporting from all jurisdictions and authorizes the state to withhold funding from cities or counties that fail to comply.
- Supporting renters by more than doubling the Renters Tax Credit, subject to future appropriations, increasing the credit to up to $500 for qualified filers.

"Counties strongly support the CEQA overhaul in the state budget package," CSAC President and Inyo County Supervisor Jeff Griffiths said. "No longer will CEQA be leveraged to stall critical county wildfire, water, and housing projects. This legislation will make California more affordable for families by helping to alleviate our housing crisis and, in turn, reducing homelessness."

Douglas J. McCarron, President,

"We know that increasing housing supply is key to solving our affordability crisis and are confident these measures contribute to a future with more affordable, environmentally sustainable housing options for all Californians."

—**Matthew O. Franklin**, President & CEO, MidPen Housing

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United Brotherhood of Carpenters, said: "By streamlining housing construction, this budget will provide the legal foundation to get more homes built, bring housing costs down, and add stronger enforcement of wage laws for thousands of construction workers on the job."

Gov. Newsom's budget includes $500 million for the Homeless Housing, Assistance and Prevention (HHAP) Round 7 in 2026-2027, contingent on enhanced accountability measures that require districts to maintain a compliant housing element, adopt encampment policies aligned with Administration guidance, and accept the reallocation of funds from districts that fail to meet performance benchmarks to those that deliver results.

Additional investments in homelessness response include:

- $81 million for the Home Safe Program
- $100 million for Encampment Resolution Funds
- $81 million for the Bringing Families Home Program

These targeted investments are designed to strengthen local capacity, while reinforcing performance and compliance.

Building on continued support from voter-approved Proposition 1, Gov. Newsom announced nearly $103 million in Homekey+ awards to five counties. This first round of funding will create more than 315 permanent supportive housing units, which include housing with supportive services for veterans and individuals experiencing or at risk of homelessness due to mental health and/or substance use disorders. These homes are projected to serve thousands of residents over their lifetime.

This initial round is part of a larger investment: $1.033 billion in Proposition 1 bond funds will be available through Homekey+ for cities, counties, housing authorities, and Tribal entities to develop housing for veterans. An additional $1.11 billion is available for projects serving broader target populations, supported by a combination of Proposition 1 and HHAP funds. Homekey+ applications are being reviewed and approved on a rolling basis—HCD has received 67 applications requesting more than $1.14 billion as of June 24.

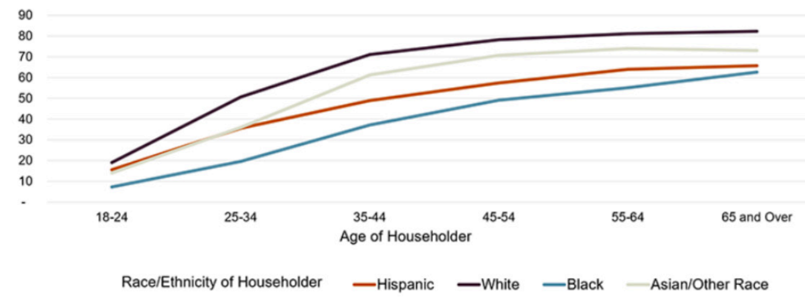
Between 2014 and 2019—before Governor Newsom took office—unsheltered homelessness in California rose by approximately 37,000 people. In 2024, while homelessness increased nationally by over 18%, California limited its overall increase to just 3%—a lower rate than in 40 other states. The state also held the growth of unsheltered homelessness to just 0.45%, compared to a national increase of nearly 7%. States like Florida, Texas, New York, and Illinois saw larger increases both in percentage and absolute numbers. California also achieved the nation's largest reduction in veteran homelessness and made meaningful progress in reducing youth homelessness.

"We applaud the governor and the legislature for this breakthrough reform package to streamline housing production," said Matthew O. Franklin, President and CEO, MidPen Housing. "We know that increasing housing supply is key to solving our affordability crisis and are confident these measures contribute to a future with more affordable, environmentally sustainable housing options for all Californians."

YOUNG HISPANIC FAMILIES FACING STEEPER BARRIERS TO HOMEOWNERSHIP

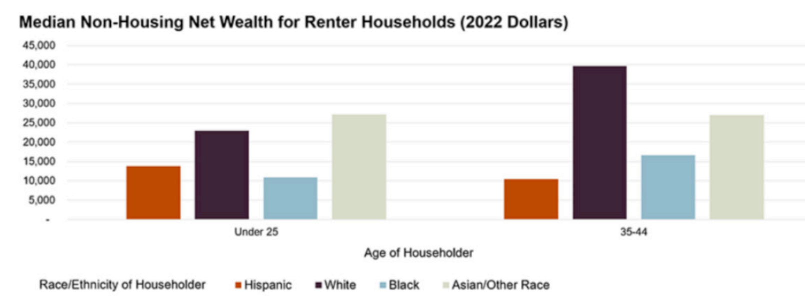
Many young Hispanic families in the United States face significant obstacles on the path to homeownership, according to a new analysis from the Joint Center for Hous-

FIGURE 1: THE WIDEST HOMEOWNERSHIP GAPS BETWEEN HISPANIC AND WHITE HOUSEHOLDS ARE AMONG THOSE AGED 35–44



Source: JCHS tabulations of US Census Bureau, 2022 American Community Survey 1-Year Estimates.

FIGURE 2: YOUNGER HISPANIC RENTERS HAVE LESS NET WEALTH THAN WHITE RENTERS



Notes: Hispanic householders may be of any race. White, Black, and Asian/Other Race householders are non-Hispanic.
Source: JCHS tabulations of Federal Reserve Board, 2022 Survey of Consumer Finances.

ing Studies of Harvard University. These early-stage barriers—shaped by income, wealth, credit access, and geography—contribute to persistent racial and ethnic disparities in housing equity.

The study, "*Cumulative Disadvantage in Hispanic Homeownership: Barriers to Passing Housing Equity to the Next Generation*," identifies four stages in the homeownership lifecycle:

- Becoming a homeowner
- Maintaining homeownership
- Late-life homeownership
- Passing housing wealth to future generations

The first stage, becoming a homeowner, reveals the steepest challenges for younger Hispanic households.

Homeownership typically begins between ages 35 and 44, but Hispanic households tend to enter later. In 2022, the homeownership rate for Hispanic households in this age range was 22 percentage points lower than for white households. The median first-time buyer age was 34 for Hispanics, compared to 31 for white households.

Income differences partly explain the delay. Hispanic renters aged 35 to 44 had a median income of $53,020, while white renters in the same age group earned $63,900. Wealth gaps are even more stark. Hispanic renters had a median net wealth of $10,400, compared to $39,670 for white renters, making it harder to cover downpayments, closing costs, and other upfront expenses.

Only 7.2% of Hispanic households reported receiving a financial gift or inheritance, compared to 29.9% of white households. And when financial transfers do occur, Hispanic families receive significantly less ($52,200) versus $88,500 for white households.

Credit access is another hurdle. In 2022, Hispanic households were 1.5 times more likely than white households to be denied credit, and 17% avoided applying due to fear of rejection, compared to just 4% of white households. Among renters aged 35 to 44, the median debt-to-income ratio for Hispanic households was 0.29, nearly twice the 0.15 for white renters.

Geography adds another layer, where 61% of Hispanic homeowners live in the nation's most expensive housing markets, versus 39% of white homeowners, compounding affordability challenges.

The report concludes that "lower incomes and wealth, limited credit access, and residence in high-cost markets delay homeownership for many Hispanic families, undermining their ability to build and transfer housing wealth across generations." To address these gaps, it calls for expanding access to credit, launching affordable homeownership initiatives, and increasing support for first-time buyers.

RENTERS GAIN BARGAINING POWER AS ASKING RENTS DROP YOY

According to a new Redfin study, the median asking rent in the U.S. dropped 0.5% year over year (YoY) to $1,642 in June, marking the fourth consecutive month of yearly decreases. Overall, asking rents increased by an estimated 0.6% month over month (MoM).

The median asking rent is only $63 below the all-time high of $1,705 set in August 2022, despite being lower than it was a year ago. For the past year or so, rents have generally been quite stable, with yearly decreases or rises of 1% or less since March 2024. This comes after significant fluctuations during the pandemic era, when the median asking rent rose by up to 18% annually and fell by up to 4% annually.

Because there is a greater supply of apartments than demand, even though many Americans choose to rent rather than buy due to the high cost of homeownership, rents have decreased somewhat but consistently over the past few months.

There are many empty apartments since apartment construction in the United States is close to a 50-year high. Less than half of newly constructed apartments finished by the end of 2024 were rented within three months, according to a recent Redfin analysis. The good news is that renters can now bargain with landlords because of this.

"Renters have the upper hand—at least for now—because there are a near-record number of apartments coming on the market that landlords are scrambling to lease," said Sheharyar Bokhari, Senior Economist at Redfin. "In certain parts of the country, renters may be able to negotiate discounted rent, flexible leases, or free parking. But these perks may be short-lived given that apartment construction is expected to slow and rental demand is expected to remain strong."

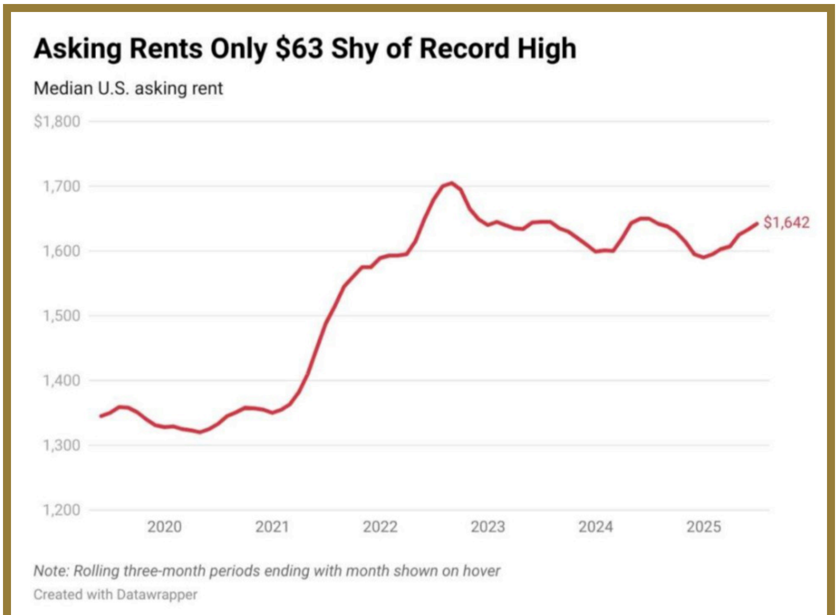
Apartment Supply Outpaces Demand, Giving Renters More Bargaining Power

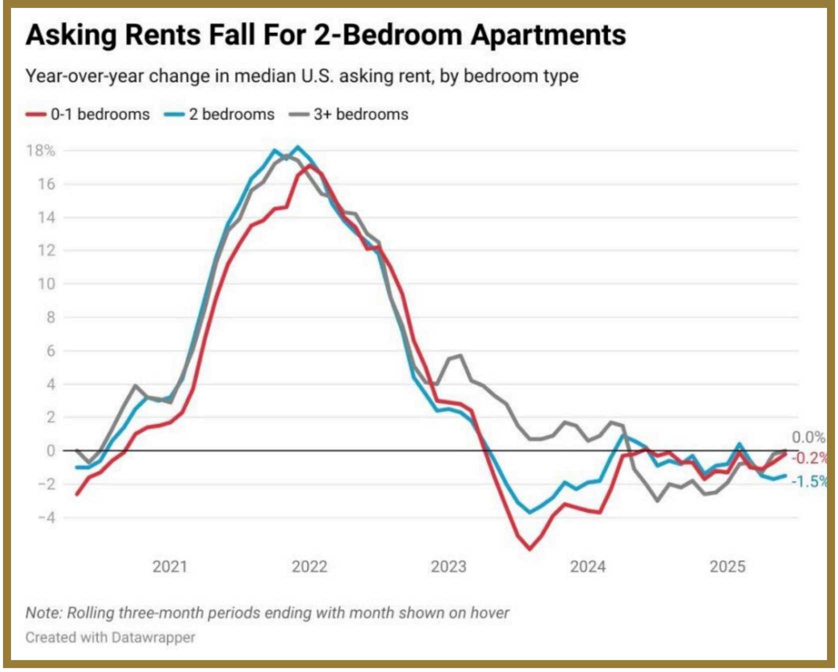
With apartment building permits now back to pre-epidemic levels, the multifamily development boom that escalated during the pandemic has begun to slow down.

Of the 44 major core-based statistical areas (CBSAs) that Redfin examined in June, asking rents decreased in 23 of them. The largest drops were in Minneapolis (-5.8% YoY), Austin, Texas (-5.7%), and Las Vegas (-4%). The median asking rent in Austin, Texas, has dropped to $1,379—the lowest level in more than four years.

Even though there is a high demand for apartments in Austin, Redfin agents claim that many residents are opting to rent rather than buy since it is more cost-effective. This is partly due to the particularly robust rise in apartment construction during the pandemic. Between 2021 and 2023, Austin's builders obtained a significantly higher number of permits than builders in other large metro regions, which caused vacancy rates to skyrocket.

Cincinnati saw the most increase in asking rentals, at 6.2% YoY. Next are Pittsburgh (3.7%) and St. Louis (4.3%), two more Rust Belt metro areas. These metro areas are seeing lower-than-normal apartment construction, which could be driving up rents.

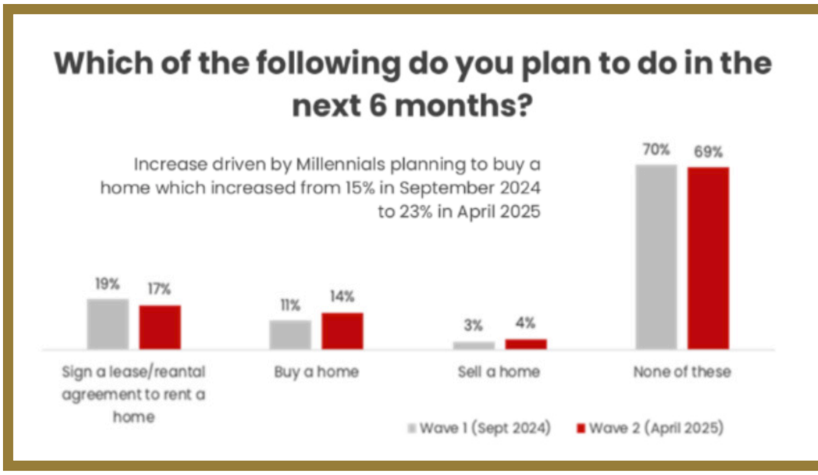


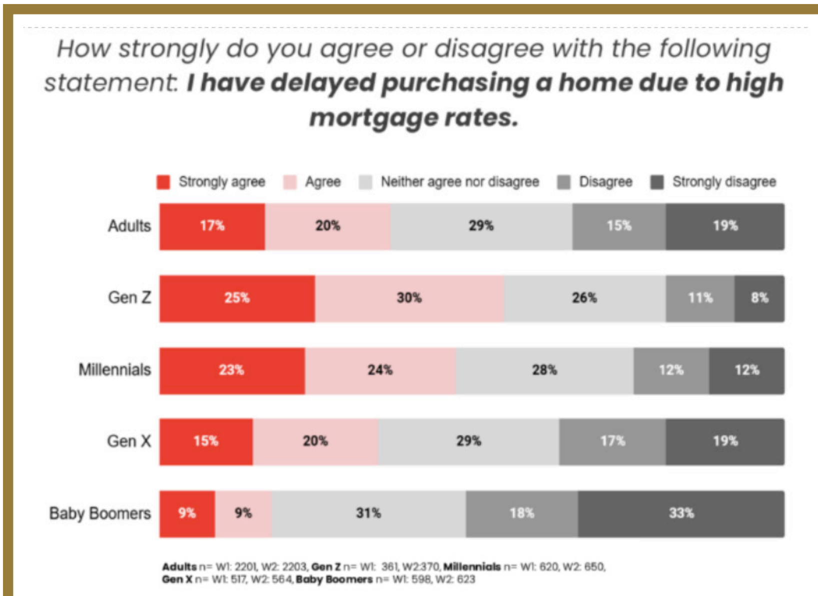


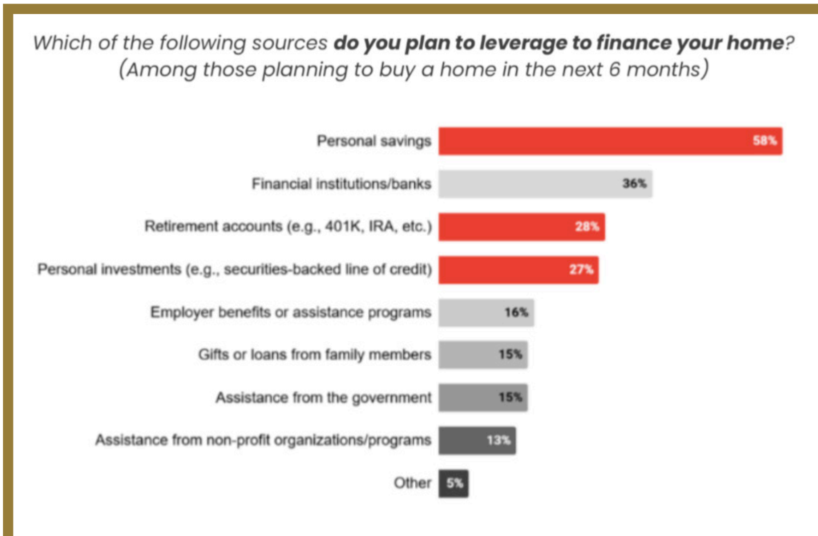
In June of this year, the median asking rent for two-bedroom apartments in the United States dropped 1.5% YoY to $1,713. Rents for apartments with 0–1 bedrooms and those with 3+ bedrooms were not much different from a year ago. For apartments with 0–1 bedrooms, the median asking rent was $1,499; for apartments with 3+ bedrooms, it was $2,014 a month.

Due to a record number of apartments hitting the market, renting an apartment is becoming more difficult. The fourth quarter saw the completion of about 125,000 new flats, the second-highest total ever, after the previous quarter's record-breaking total of 142,900.

After being mostly constant over the previous two years, asking rents have lately decreased, indicating that the increased supply has produced a much stronger market for renters.







"Renters are in a relatively rare position where they can finally benefit from market conditions rather than scramble to keep up with them," Bokhari said. "With more apartments available, renters can afford to be a little more picky about where they want to live and are in a stronger position to negotiate for concessions like flexible lease terms, lower rents, or free parking."

MILLENNIALS BUCK RATE TRENDS, SHOW RISING INTEREST IN HOMEBUYING

Millennials are the only generation with a growing interest in buying a home this spring, despite high borrowing costs and affordability pressures, according to a new Realtor.com survey. The share of millennials planning to buy a home in the next six months rose to 23%, up from 15% in September 2024.

"Despite current market challenges and persistently high mortgage rates, millennials are showing a notable increase in home buying interest this spring compared to last fall," said Laura Eddy, VP of Research and Insights at Realtor.com. "The influence of mortgage rates cannot be overstated, with the vast majority of Americans, including millennials, prioritizing lower rates before committing to a purchase. The lock-in effect is still very much in effect."

Overall, roughly 69% of Americans say they are not planning to engage in a real estate transaction in the next six months, reflecting ongoing reluctance amid elevated interest rates. Most buyers are still holding out for lower borrowing costs. According to the survey, 63% of respondents want mortgage rates to drop below 5% before considering a purchase, and only 2% would buy with rates above 6%.

Among current homeowners, the lock-in effect remains a powerful de-

SHORT SALES OFFERING RARE DISCOUNTS

In 2025's competitive and costly housing market, short sales offer patient buyers a chance to purchase homes at a significant discount. While the process can be slow and complicated, experts say the savings are among the best still available this year.

A short sale happens when a home is valued less than what the current owner still owes on the mortgage. In these cases, the lender allows a home sale for less than the outstanding loan balance, most often due to financial issues they may be having. While some may confuse this with foreclosures, there is a difference. Short sales are voluntary and give lenders a possibility of preventing greater losses and debilitating legal fees.

According to a 2024 report from Zillow, short sales during this past year sold well below listing price (10–12% on average), while foreclosures sold for 5%-7% below and traditional home sales only offered 3%-5% off. With inventory down 10% year over year, according to Redfin, this means that the opportunity for meaningful discounts is increasingly rare. However, the one possible silver lining seems to be that short sales continue to stand out.

Even then, the process takes time and requires patience. Multiple parties (banks, mortgage servicers, private investors, and even government programs like the FHA, to name a few) must approve the deal before it goes through. Each of these entities has its own criteria and time schedules for approval. As one would fear, delays are frequent, particularly if the mortgage has been sold or insured.

In these cases, while homes are typically listed close to market value, buyers can often negotiate significantly lower prices. Experts recommend starting offers at just under the asking price (8%-15%), taking into consideration the home's condition and current local market dynamics. While lenders do not want prolonged negotiations, you should not be surprised if they counter your offer at least once or twice before making a final decision.

If an offer is rejected, buyers can try again. You can even take a few weeks and then resubmit a similar or revised offer, which is an especially good strategy if the home has not sold or if the lender's priorities have shifted.

Buyers interested in short sales must stay alert. It is important to track listings closely, so that you can be ready to jump into action when you see a short-sale property pop up. Once you have made your initial move and the process has officially begun, that is where the patience comes into play, as you will most likely experience a long waiting game, marked by constant requests for more and more paperwork, and even frustrating or confusing lags/lapses in communication as lenders review all offers on the table.

Even with all of these challenges listed, short sales can save a ton (tens of thousands of dollars, in fact), making them one of the last feasible ways to buy a home below market value in 2025.

terrent. A recent Realtor.com survey of potential sellers found that half of those with a mortgage feel "locked in" by their current rate, particularly those who have delayed selling for more than a year.

One-third of survey respondents said they have delayed purchasing a home due to high mortgage rates—a figure consistent with findings from September. Among younger generations, the impact is even more pronounced: more than half of Gen Z and millennials reported postponing their plans to buy. Gen Z also showed an increased likelihood of signing leases and delaying home purchases compared to last fall.

While 41% of baby boomers said mortgage rates don't impact their purchase decisions, younger generations remain highly sensitive to fluctuations. In fact, over two-thirds of respondents overall acknowledged that mortgage rates influence their homebuying decisions.

The survey also highlighted how homebuyers are financing purchases: 57% across all generations used personal savings, 15% tapped retirement accounts or investments, and 12% received gifts or loans from family members. Among prospective buyers, one in four intend to use retirement or investment funds for financing.

"Mortgage rates on top of an insufficient supply of budget-friendly homes complicate the affordability picture, especially for first-time homebuyers," said Hannah Jones, Senior Research Analyst at Realtor.com. "However, we expect that this lock-in effect will ease as more homeowners grow tired of waiting for significant rate changes and as life factors such as jobs, kids, and retirements drive more to make a home purchase."

REPORT: HOUSEHOLD FINANCIAL EXPECTATIONS IMPROVING

The Federal Reserve Bank of New York's Center for Microeconomic Data has released its June 2025 Survey of Consumer Expectations, which shows that households' inflation expectations ticked down at the short-term horizon, and remained unchanged at the medium- and longer-term horizons. Households were more optimistic about their year-ahead financial situations and credit access. Unemployment and job loss expectations improved. Spending growth expectations slightly declined, while household income growth expectations increased. Households were more optimistic about their year-ahead financial situations and credit access.

Key findings from the Federal Reserve Bank of New York's June 2025 Survey include:

Household Finance

- The median expected growth in household income increased by 0.2 percentage points to 2.9% in June, equaling its 12-month trailing average.
- Median household spending growth expectations declined by 0.2 percentage points to 4.8%.
- Perceptions of credit access compared to a year ago showed a smaller share of households reporting it is harder to get credit. Expectations for future credit availability also improved, with a smaller share of respondents expecting it will be harder to obtain credit in the year ahead.
- The average perceived probability of missing a minimum debt payment over the next three months decreased by 1.4 percentage points to 12.0%, reaching the lowest level since May 2024.
- The median expectation regarding a year-ahead change in taxes at the current income level increased by 0.2 percentage points to 3.5%.
- Median year-ahead expected growth in government debt increased by 1.9 percentage points to 7.3%, the highest reading since October 2024.
- The mean perceived probability that the average interest rate on savings accounts will be higher in 12 months decreased by 1.7 percentage points to 23.7%.

Perceptions about households' current financial situations compared to a year ago improved markedly, with a smaller share of households reporting a worse financial situation and a larger share of households reporting a better financial situation. Year-ahead expectations about households' financial situations also improved, with a smaller share of households expecting a worse financial situation and a larger share of households expecting a better financial situation in one year from now.

The mean perceived probability that U.S. stock prices will be higher 12 months from now decreased by 0.3 percentage points to 36.0%.

Inflationary Concerns

- Median inflation expectations decreased by 0.2 percentage points to 3.0% at the one-year-ahead horizon. They were unchanged at the three-year (3.0%) and five-year-ahead (2.6%) horizons in June. The survey's measure of disagreement across respondents (the difference between the 75th and 25th percentiles of inflation expectations) decreased at all horizons.
- Median inflation uncertainty—or the uncertainty expressed regarding future inflation outcomes—decreased at the one- and three-year-ahead horizons and was unchanged at the five-year-ahead horizon.
- Median home price growth expectations remained unchanged at 3.0%. This series has been moving in a narrow range between 3.0% and 3.3% since August 2023.
- Median year-ahead commodity price change expectations increased by 1.5 percentage points for gas to 4.2%, by 1.9 percentage points for the cost of medical care to 9.3% (the highest level since June 2023), by 1.6 percentage points for the cost of college education to 9.1%, and by 0.7 percentage points for rent to 9.1%. The median year-ahead is expected to change in food prices and remain unchanged at 5.5%.

Perceptions about households' current financial situations compared to a year ago improved markedly, with a smaller share of households reporting a worse financial situation and a larger share of households reporting a better financial situation.

The State of Employment

- Median one-year-ahead earnings growth expectations fell by 0.2 percentage point to 2.5% in June, remaining below its 12-month trailing average of 2.8%. The series has been moving within the range between 2.5% and 3.0% since May 2021.
- Mean unemployment expectations—or the mean probability that the U.S. unemployment rate will be higher one year from now—decreased by 1.1 percentage points to 39.7%. The series remains above its 12-month trailing average of 37.9%.
- The mean perceived probability of losing one's job in the next 12 months decreased by 0.8 percentage points to 14.0%, its lowest level since December 2024. The decrease was broad-based across age and education groups. The mean probability of leaving one's job voluntarily in the next 12 months increased by 0.5 percentage points to 18.8%, remaining below its 12-month trailing average of 19.3%.
- The mean perceived probability of finding a job if one's current job were lost decreased by 1.1 percentage points to 49.6%. The series remains well below its 12-month trailing average of 52.1%.

The Bureau of Labor Statistics (BLS) found in its June employment report that the U.S. economy added 147,000 jobs, exceeding economists' expectations of around 110,000. The unemployment rate remained steady at 4.1%.

"While the June pop in jobs, combined with upward revisions to March and April reports, signal hiring has stabilized following a sluggish start to 2025, it means July will be a dud, with a Fed rate cut unlikely and dropping the odds for a move in September," First American Senior Economist Sam Williamson said.

Mortgage Bankers Association (MBA) SVP and Chief Economist Mike Fratantoni added: "The unemployment rate dropped back to 4.1%, but this was the result of more individuals leaving the labor force rather than gaining employment, as the labor force participation rate dropped again. Wage growth slowed again in June to a 3.7% rate over the last 12 months. Taken together, these data indicate a job market that is holding up reasonably well given the uncertainties facing this economy. While there are certainly some signs of softening in the private sector, the report is likely to keep the Federal Reserve on hold for now. MBA is still forecasting two cuts from the Fed this year."

The SCE contains information about how consumers expect overall inflation and prices for food, gas, housing, and education to behave. It also provides insight into Americans' views about job prospects and earnings growth and their expectations about future spending and access to credit. The SCE also provides measures of uncertainty regarding consumers' outlooks. Expectations are also available by age, geography, income, education, and numeracy.

"affordability headwinds persist"

Sam Khater, Chief Economist at Freddie Mac, explained that although there are still financial hurdles to overall affordability for many Americans, rate stability and a modest increase in inventory could help persuade potential homebuyers to jump into the market sooner.

★ ★ ★ ★ ★

"a cloudier economic outlook"

Joel Kan, MBA's VP and Deputy Chief Economist, said that although new home purchase applications fell in June, an increasingly uncertain economic outlook and higher mortgage rates continue to deter prospective buyers, but rising inventory, builder incentives, and reduced pricing have enticed some purchasers back to the market.

★ ★ ★ ★ ★

"committing to a purchase"

Laura Eddy, VP of Research and Insights at Realtor.com discussed how millennials' interest in purchasing a home has significantly increased this past spring compared to last fall, despite the current state of the market and stubbornly high mortgage costs, as many homebuyers prioritize lower rates before making a purchase.

★ ★ ★ ★ ★

"foreclosure activity continued"

Rob Barber, CEO at ATTOM, revealed how foreclosure activity continued its upward trend in the first half of 2025, but while overall numbers remain below pre-pandemic levels, the steady increase indicates that some homeowners are still having financial difficulties in the current housing and economic environment.

★ ★ ★ ★ ★

"home shoppers tapped the brakes"

Danielle Hale, Chief Economist at Realtor.com, talked about how affordability is still the biggest factor driving home searches, but other factors play a large role in considering where to live, as homebuyers slowed down their searches compared to the previous year.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