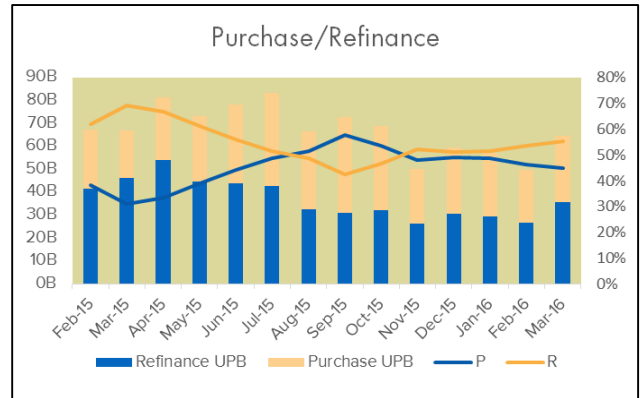


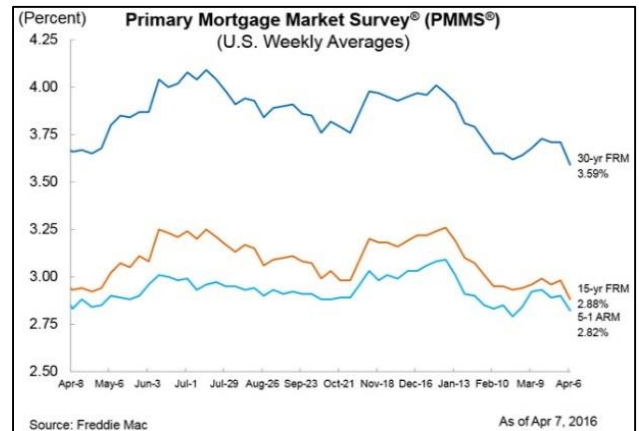
5 THINGS TO KNOW ABOUT AGENCY ISSUANCES – MARCH 2016

1 Issuance Volume Rebounds

Issuances for Fannie Mae and Freddie Mac were its highest since November, with a combined UPB of \$64.4B. The \$14.6B increase from last month places March’s issuances near the same level as last year’s amount of \$67.1B. The composition however seems to depart from the recent trend of equal parts Purchased and Refinanced loans. The difference (R – P) amounts to 10%, which is smaller than the 38% difference the year before.

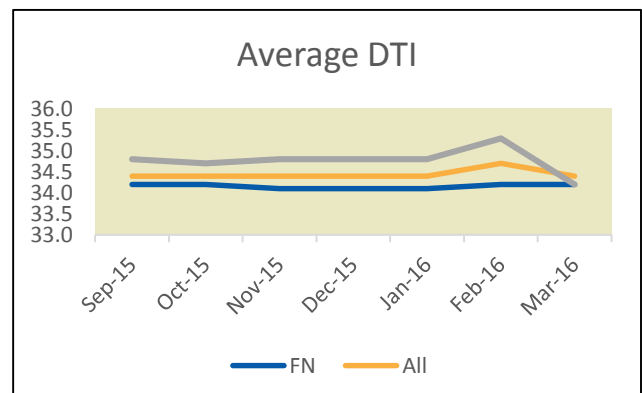


The pickup in refinance may be a reflection of the continuing trend of low interest rates. The [Primary Mortgage Market Survey](#) from Freddie Mac is an indication of what rate a consumer would expect to be offered if they requested a loan. The trend shows rates at a relative low, which might mean refinance volume will continue to outpace purchase volume.



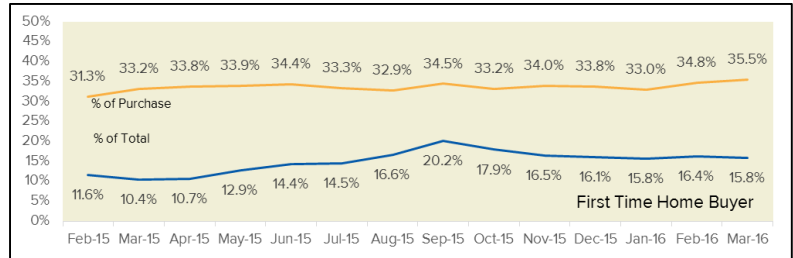
2 DTI Reverts

Debt-to-Income averages have returned to the level before last month’s sudden jump, caused primarily by FHLMC. The DTI remained unchanged for Fannie Mae, yet dropped significantly for Freddie Mac. The difference in the weighted average from last month is 1.1. This translates to a 0.3 decrease in the overall average DTI. However, the average FICO and LTV of issuances from Freddie did not vary much from last month. It will be interesting to see whether Freddie will remain at levels comparable to Fannie’s.



3 First Time Home Buyers Rise

The total issuance for loans for FTHBs increased by \$2.2B. While this is \$3.2B larger than a year ago, this is under the highest amount in September, with a total of \$15.0B. These loans, however, compose 35.5% of the purchased loans, which is the highest percentage in the past year. This may indicate a healthier market as a greater amount of mortgages are being handed to first time home buyers.

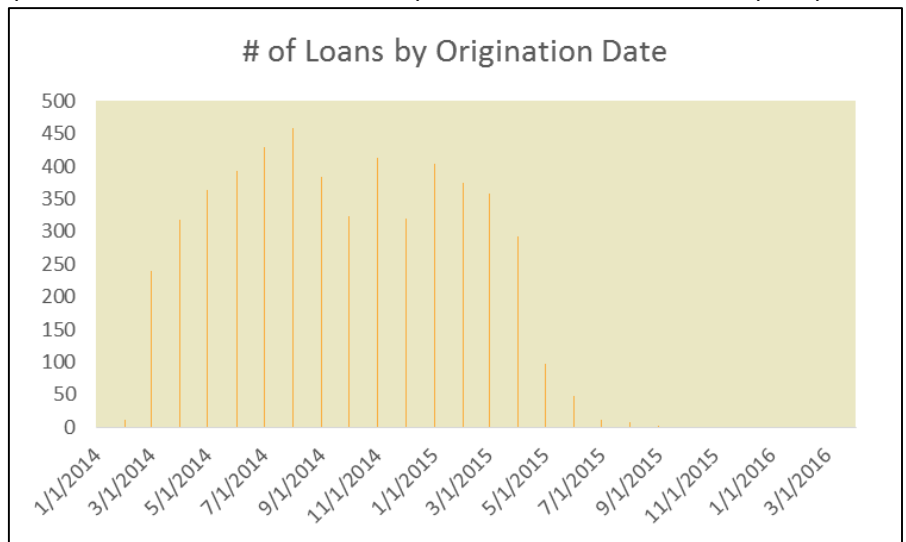


4 USAA Bank

Seller	UPB	Count	AvgLnSize	FICO	LTV	CLTV	Dtl	PurPct	RetailPct	SF_PUD_Pct	Prim_Pct	Fix_Pct	FTHB_Pct
USAA DIRECT DELIVERY	761,893,509	5,248	145,178	764	68.7	69.0	30.5	47.0	100.0	93.9	87.7	100.0	14.6

March demonstrated an unprecedented volume of USAA Bank loans in Fannie’s 15 year product. As the highest seller this month, USAA Bank sold 5,248 loans, a 1,200 increase over the second greatest seller, Wells Fargo at 3,042 loans. In fact, this is the only instance within the past year that USAA Bank has sold any loans to Fannie in their 15 year product category. Previous interactions involved the 30 year product at much lower volumes. The largest magnitude of loans was \$243,171,929 of 1,051 loans in June 2015. Freddie Mac shows no activity with USAA in its 15 year product – it lies only in its 30 year product.

As we group the loans by their origination date, which was calculated as first payment date one month back, the majority of loans are from 2014 to mid-2015. The pattern seems to indicate a bulk deal as USAA unloads their 15 year loans.



5 Product Differences

Within products, Fannie and Freddie generally align. However, there were some key differences this month. Retail percentages were around 10% higher in Fannie’s 30 year product than in Freddie’s. This seems to be the case last month. Additionally, Fannie seems to have boosted the number of 15 year mortgages to first time homebuyers since February while Freddie remains static.

March 2016

FANNIE													
Pool Prefi	UPB	Count	AvgLnSize	FICO	LTV	CLTV	Dtl	PurPct	RetailPct	PUD_Pct	Prim_Pct	Fix_Pct	FTHB_Pct
30 Year	29,938,215,619	127,843	234,180	744	76.9	77.8	34.7	53.1	61.9	89.0	86.7	100.0	21.3
15 Year	5,625,988,702	31,994	175,845	753	65.7	66.5	31.6	23.0	73.5	91.5	87.7	100.0	6.7
20 Year	1,658,539,108	8,040	206,286	751	70.1	71.2	32.8	11.8	62.5	92.9	91.6	100.0	3.5

FREDDIE													
Pool Prefi	UPB	Count	AvgLnSize	FICO	LTV	CLTV	Dtl	PurPct	RetailPct	PUD_Pct	Prim_Pct	Fix_Pct	FTHB_Pct
30 Year	11,352,380,134.02	51,312	221,242.00	749	75.9	76.7	35.2	52.5	49.7	90.6	88.1	100.0	21.2
15 Year	2,949,705,358.20	16,961	173,911.00	749	64.9	65.8	32.6	15.0	76.1	93.2	88.3	100.0	4.3
20 Year	1,091,345,587.28	5,343	204,257.00	750	69.7	70.8	33.5	10.3	67.5	94.4	92.0	100.0	3.4

February 2016

FANNIE													
Pool Prefi	UPB	Count	AvgLnSize	FICO	LTV	CLTV	Dtl	PurPct	RetailPct	PUD_Pct	Prim_Pct	Fix_Pct	FTHB_Pct
30 Year	21,061,235,442	95,069	221,536	743	77.1	78.0	34.8	55.6	59.6	88.6	86.1	100.0	22.7
15 Year	4,892,551,879	28,030	174,547	750	65.6	66.5	32.0	19.9	70.3	91.2	87.0	100.0	5.3
20 Year	1,406,888,869	6,987	201,358	748	69.6	70.9	33.2	11.3	75.0	91.9	90.5	100.0	3.6

FREDDIE													
Pool Prefi	UPB	Count	AvgLnSize	FICO	LTV	CLTV	Dtl	PurPct	RetailPct	PUD_Pct	Prim_Pct	Fix_Pct	FTHB_Pct
30 Year	8,831,902,952.09	39,408	224,114.00	744	76.9	77.7	35.6	52.1	48.6	90.8	85.9	100.0	20.0
15 Year	1,976,497,587.85	11,533	171,378.00	748	65.2	66.1	33.0	15.4	75.6	93.3	87.2	100.0	4.2
20 Year	825,078,243.74	4,002	206,166.00	748	69.5	70.6	33.7	10.8	73.3	93.4	90.4	100.0	2.6

Data Source: Fannie Mae PoolTalk® and Freddie Mac Loan Level Disclosure

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AND TECHNOLOGY

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