

MAMA Risk Summary
Data through 2011 Q3

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Report Contents

The MAMA Risk Summary provides summary reports and maps of the High Risk Indicators **vs. History** shown at the top of the MAMA reports. The High Risk Indicators are segmented by these categories:

- Home Prices
- Employment
- Affordability
- Credit Conditions

Each of the five categories is rated based on how current values compare to historical values for the area. Possible rating values include:

●	“High Alert”: All data studied indicates high risk
◐	“Warning”: Some data studied indicates high risk
○	“Normal”: No data studied indicates high risk

Current Risk Summary reports are based upon economic data as of **2011 Q3**. These reports provide a general sense of the relative risk of different metro areas and states. They do not represent a strict ranking of areas, but a broad classification of areas based on housing market fundamentals. Please refer to individual metro area/state MAMA reports for more detailed information about each area.

Following is the list of summary reports and maps provided in this document.

Reports and Maps:

1. Summary
2. Largest 50 Metro Areas Based on Number of Households
3. Home Prices Risk Indicator Summary Map
4. Employment Risk Indicator Summary Map
5. Affordability Risk Indicator Summary Map
6. Credit Conditions Risk Indicator Summary Map

If you have questions regarding the information contained in this document, please refer to the MAMA [User's Guide](#) or contact your RMIC Account Manager for more information.

Summary

- As expected, home prices regained stability during the peak buying season. The number of areas with “High Alerts” decreased significantly in the last quarter due to a decline in distressed sales as a percentage of total sales. This will not persist, however, as expectations are for a 5% drop in national home prices during the winter season. Price declines could be larger in areas with high unemployment and distressed inventory levels.
- 3-month, 6-month, and 1-year home price growth rates have been strongest in the Northeast and West South Central Regions, as well as in California. Much of the California stability has been aided by increased demand among investors, many of whom are purchasing properties via all-cash transactions.
- Improved employment growth numbers during the spring were not sustained in the summer months, as concern about the European economy rose, the auto industry struggled to recover from the impacts of a massive Japanese earthquake, and confidence fell as bipartisan bickering stalled progress on key initiatives in Congress. The weaker private sector growth, coupled with continued government job cuts pushed many areas across the country into the “High Risk” category. The central part of the country continues to outperform all other areas, buoyed by the Energy sector. Expect employment growth to slowly improve over the coming quarters due to the improved health of corporate balance sheets and the avoidance of another recession. The nature of the eventual resolution of political and economic uncertainties will determine the strength and speed of the recovery.
- Affordability levels remain strong across the country due to sizeable home price corrections and sustained low interest rates over the last several quarters. Recent declines in interest rates and home prices have further improved affordability for potential homebuyers. As rental prices continue to rise, the lower price of homeownership should help home prices find their trough. However, weak consumer confidence, constrained credit availability, and high unemployment rates will continue to limit home sales activity from growing substantially in the short-term.
- Delinquency and foreclosure rates remain very high relative to historical levels for most of the country. Expect this to remain the case for several more quarters as foreclosure processes remain extremely slow, and the volume of new performing loans remains small. This will keep distressed sales activity high and limit the potential for positive home price appreciation. The improvements in California indicators suggest that its housing markets may recover quicker than many expect, but the volatility in these markets should temper expectations for sustained home price appreciation in the near-term.

**MAMA Risk Summary Indicators for Largest 50 Metro Areas based on HMDA originations
Sorted in Alphabetical order**

Metro Name	High Risk Indicators			
	Home Prices vs. History	Employment vs. History	Affordability vs. History	Credit Conditions vs. History
Atlanta-Sandy Springs-Marietta, GA	◐	●	○	●
Austin-Round Rock-San Marcos, TX	○	◐	○	●
Baltimore-Towson, MD	◐	◐	◐	●
Bethesda-Rockville-Frederick, MD	○	◐	◐	●
Boston-Quincy, MA	○	◐	○	●
Bridgeport-Stamford-Norwalk, CT	○	◐	○	●
Cambridge-Newton-Framingham, MA	○	◐	○	●
Charlotte-Gastonia-Rock Hill, NC-SC	◐	◐	○	●
Chicago-Joliet-Naperville, IL	◐	◐	○	●
Cincinnati-Middletown, OH-KY-IN	●	◐	○	●
Columbus, OH	●	◐	○	●
Dallas-Plano-Irving, TX	○	◐	○	●
Denver-Aurora-Broomfield, CO	○	●	○	◐
Edison-New Brunswick, NJ	○	●	○	●
Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	○	●	○	●
Fort Worth-Arlington, TX	○	◐	○	●
Honolulu, HI	○	◐	◐	●
Houston-Sugar Land-Baytown, TX	○	◐	○	◐
Indianapolis-Carmel, IN	◐	●	○	●
Kansas City, MO-KS	◐	◐	○	●
Las Vegas-Paradise, NV	◐	◐	○	●
Los Angeles-Long Beach-Glendale, CA	○	◐	○	◐
Miami-Miami Beach-Kendall, FL	◐	◐	○	●
Minneapolis-St. Paul-Bloomington, MN-WI	◐	◐	○	●
Nashville-Davidson--Murfreesboro-Franklin, TN	◐	◐	○	●

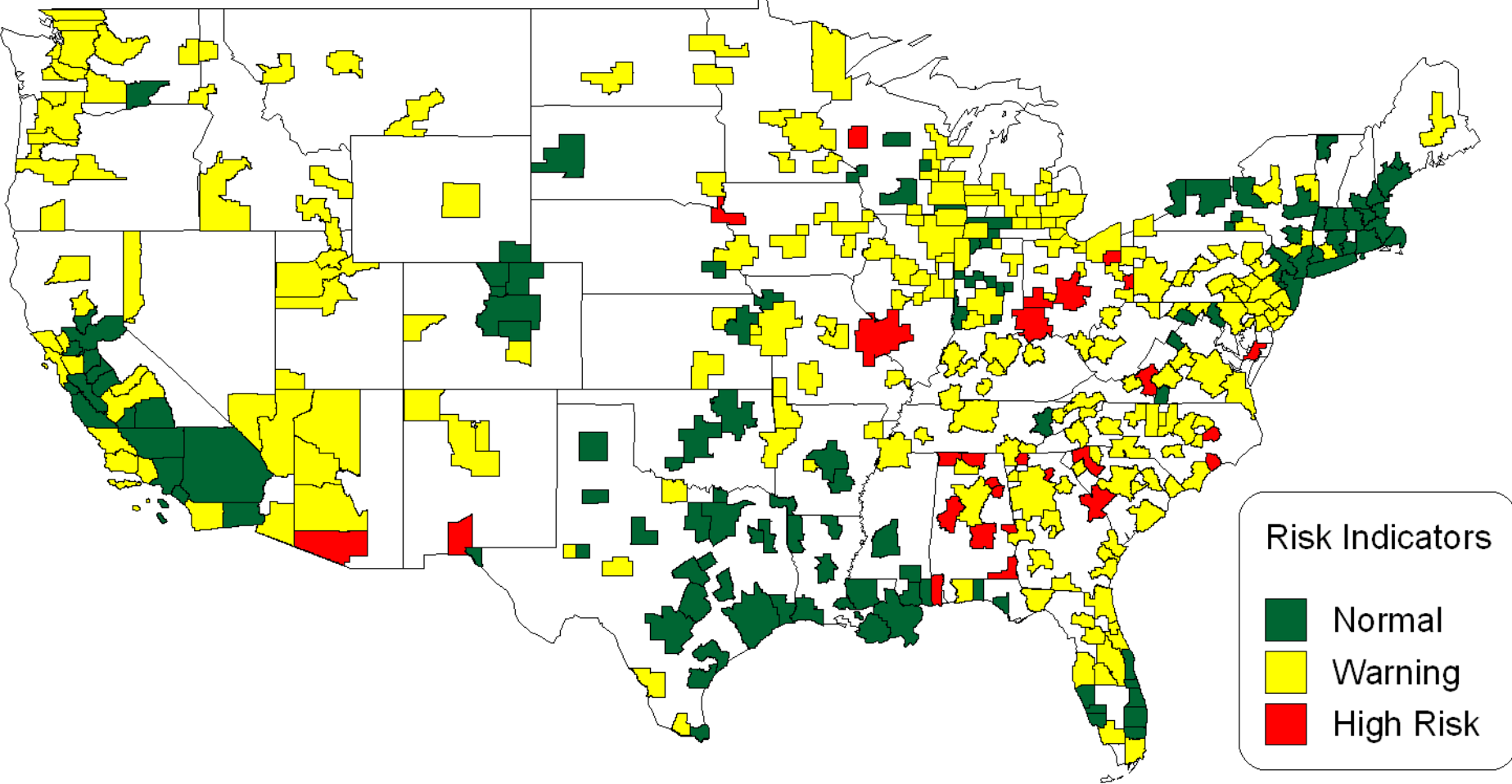
Criteria for Ranking:
HMDA origination dollars (decreasing)

**MAMA Risk Summary Indicators for Largest 50 Metro Areas based on HMDA originations
Sorted in Alphabetical order**

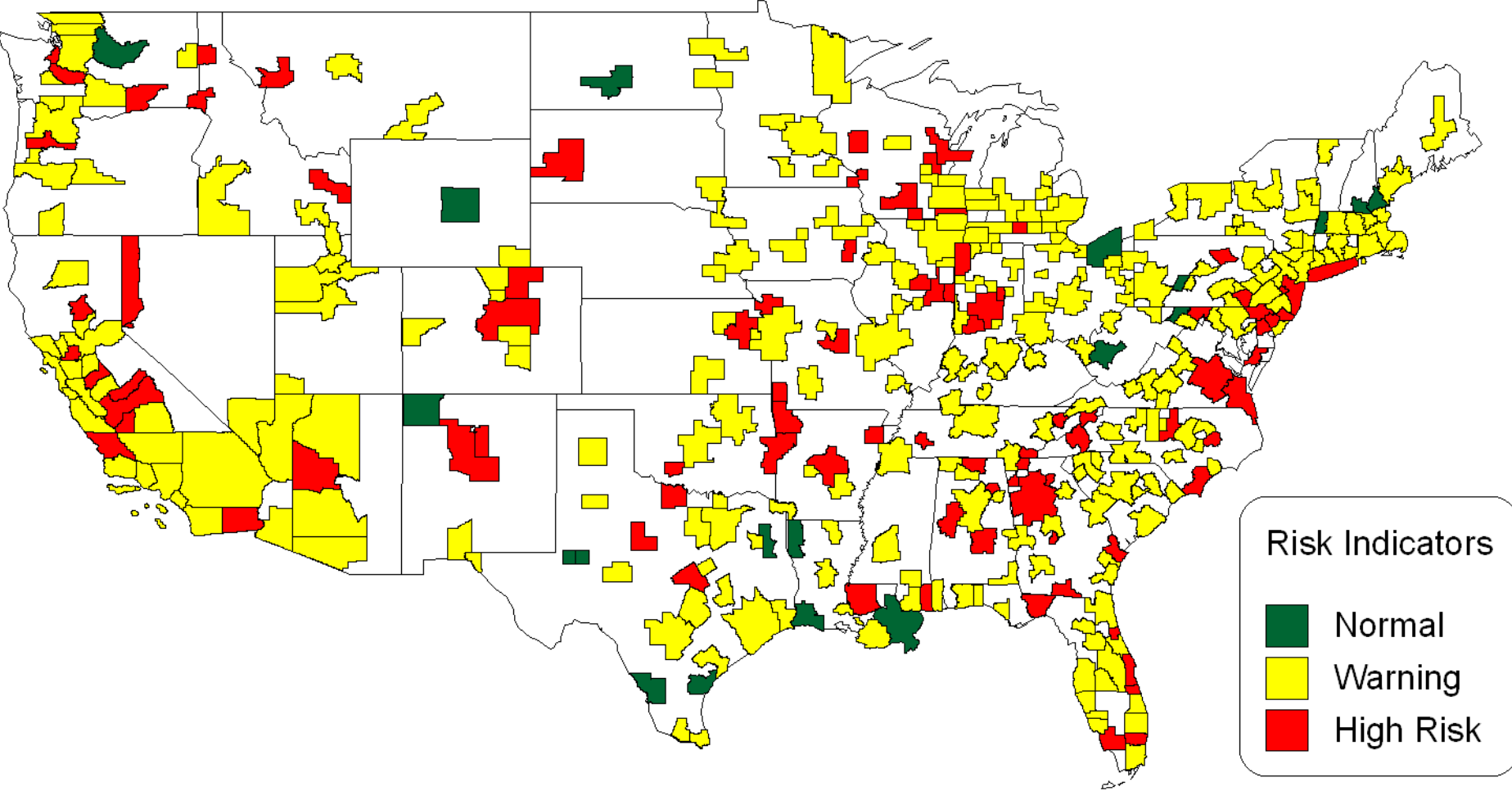
Metro Name	High Risk Indicators			
	Home Prices vs. History	Employment vs. History	Affordability vs. History	Credit Conditions vs. History
Nassau-Suffolk, NY	○	●	○	●
New York-White Plains-Wayne, NY-NJ	○	◐	◐	●
Newark-Union, NJ-PA	○	◐	○	●
Oakland-Fremont-Hayward, CA	◐	◐	○	●
Orlando-Kissimmee-Sanford, FL	◐	◐	○	●
Philadelphia, PA	◐	◐	◐	●
Phoenix-Mesa-Glendale, AZ	◐	◐	○	○
Pittsburgh, PA	◐	◐	◐	●
Portland-Vancouver-Hillsboro, OR-WA	◐	◐	◐	●
Raleigh-Cary, NC	◐	◐	○	●
Richmond, VA	◐	●	◐	●
Riverside-San Bernardino-Ontario, CA	○	◐	○	○
Sacramento--Arden-Arcade--Roseville, CA	○	◐	○	◐
Salt Lake City, UT	◐	◐	○	●
San Antonio-New Braunfels, TX	○	◐	○	●
San Diego-Carlsbad-San Marcos, CA	◐	◐	○	◐
San Francisco-San Mateo-Redwood City, CA	◐	◐	○	●
San Jose-Sunnyvale-Santa Clara, CA	○	◐	○	●
Santa Ana-Anaheim-Irvine, CA	○	◐	○	◐
Seattle-Bellevue-Everett, WA	◐	◐	○	●
St. Louis, MO-IL	●	◐	○	●
Tampa-St. Petersburg-Clearwater, FL	◐	◐	○	●
Virginia Beach-Norfolk-Newport News, VA-NC	◐	●	◐	●
Warren-Troy-Farmington Hills, MI	◐	◐	○	◐
Washington-Arlington-Alexandria, DC-VA-MD-WV	○	◐	◐	●

Criteria for Ranking:
HMDA origination dollars (decreasing)

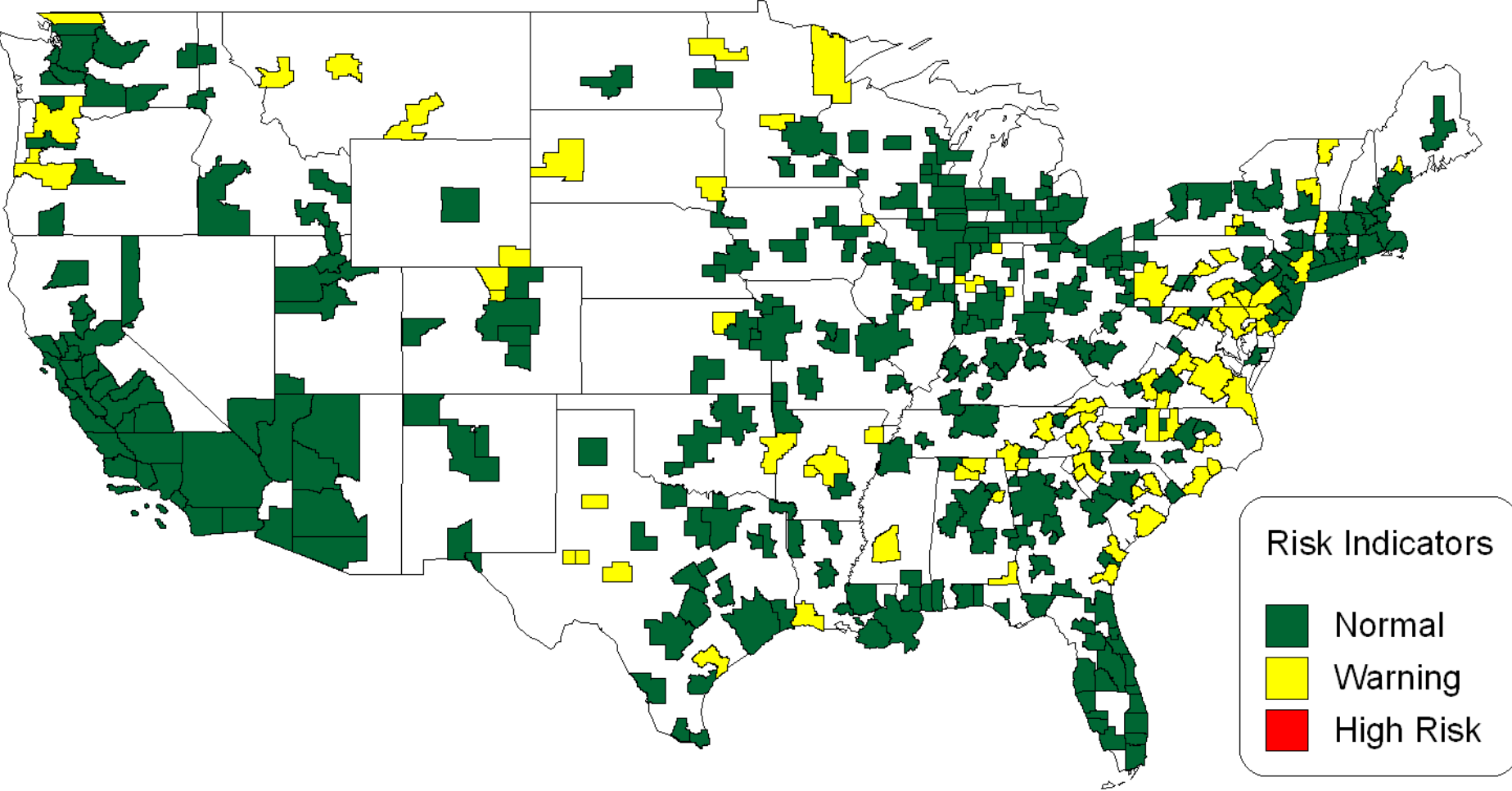
Home Price Risk Indicators vs. History (Data through 2011 Q3)



Employment Risk Indicators vs. History (Data through 2011 Q3)



Affordability Risk Indicators vs. History (Data through 2011 Q3)



Credit Conditions Risk Indicators vs. History (Data through 2011 Q3)

