



CoreLogic®

# CoreLogic® Reports Shadow Inventory Continues to Decline in October 2012

## Shadow Inventory, Now at 2.3 Million Units, Seen as Manageable in 2013

FOR IMMEDIATE RELEASE  
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**IRVINE, Calif., January 2, 2013**—CoreLogic (NYSE: CLGX), a leading provider of information, analytics and business services, reported today that the current residential shadow inventory as of October 2012 fell to 2.3 million units\*, representing a supply of seven months. The October inventory level represents a 12.3 percent drop from October 2011, when shadow inventory stood at 2.6 million units.

CoreLogic estimates the current stock of properties in the shadow inventory, also known as pending supply, by calculating the number of properties that are seriously delinquent, in foreclosure and held as real estate owned (REO) by mortgage servicers but not currently listed on multiple listing services (MLSs). Transition rates of “delinquency to foreclosure” and “foreclosure to REO” are used to identify the currently distressed unlisted properties most likely to become REO properties. Properties that are not yet delinquent but may become delinquent in the future are not included in the estimate of the current shadow inventory. Shadow inventory is typically not included in the official reporting measurements of unsold inventory.

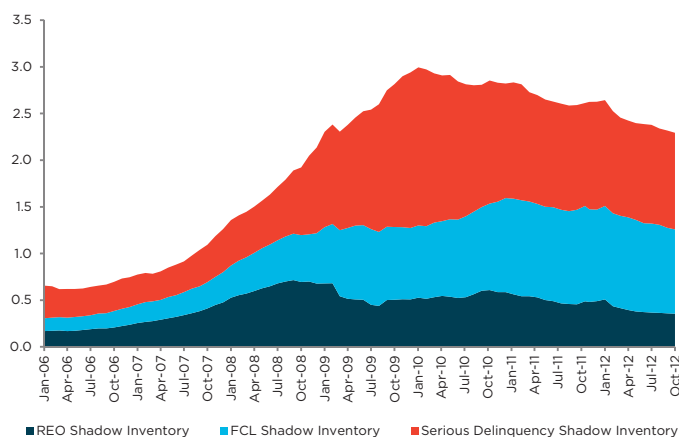
“The size of the shadow inventory continues to shrink from peak levels in terms of numbers of units and the dollars they represent,” said Anand Nallathambi, president and CEO of CoreLogic. “We expect a gradual and progressive contraction in the shadow inventory in 2013 as investors continue to snap up foreclosed and REO properties and the broader recovery in housing market fundamentals takes hold.”

“Almost half of the properties in the shadow are delinquent and not yet foreclosed,” said Mark Fleming, chief economist for CoreLogic. “Given the long foreclosure timelines in many states, the current shadow inventory stock represents little immediate threat to a significant swing in housing market supply. Investor demand will help to absorb the already foreclosed and REO properties in the shadow inventory in 2013.”

\*Previous data was revised. Revisions with public records data are standard, and to ensure accuracy, CoreLogic incorporates the newly released public data to provide updated results.

FIGURE 1: SHADOW INVENTORY DETAIL

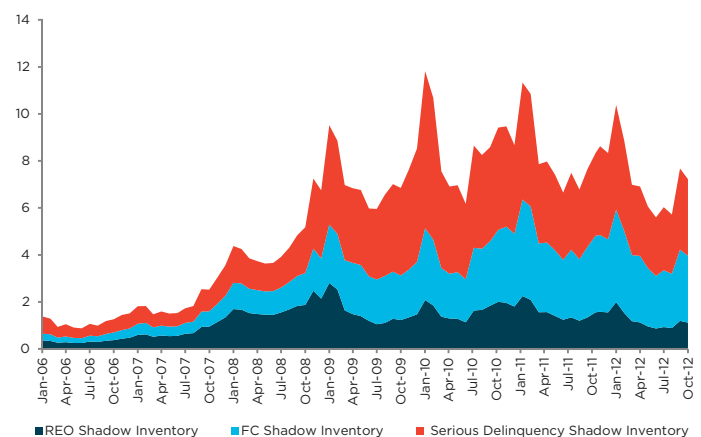
Count in Millions, Not Seasonally Adjusted



Source: CoreLogic October 2012

FIGURE 2: MONTHS' SUPPLY SHADOW INVENTORY DETAIL

Number of Months, Not Seasonally Adjusted



Source: CoreLogic October 2012

### Data Highlights as of October 2012:

- ▶ As of October 2012, shadow inventory fell to 2.3 million units, or seven months' supply, and represented 85 percent of the 2.7 million properties currently seriously delinquent, in foreclosure or in REO.
- ▶ Of the 2.3 million properties currently in the shadow inventory (Figures 1 and 2), 1.04 million units are seriously delinquent (3.3 months' supply), 903,000 are in some stage of foreclosure (2.8 months' supply) and 354,000 are already in REO (1.1 months' supply).
- ▶ As of October 2012, the dollar volume of shadow inventory was \$376 billion, down from \$399 billion a year ago.
- ▶ Over the three months ending in October 2012, serious delinquencies, which are the main driver of the shadow inventory, declined the most in Arizona (13.3 percent), California (9.7 percent), Michigan (6.8 percent), Colorado (6.8 percent) and Wyoming (5.9 percent).
- ▶ As of October 2012, Florida, California, Illinois, New York and New Jersey make up 45 percent of the 2.7 million properties that are seriously delinquent, in foreclosure or in REO. In October 2011, these same states made up 51.3 percent of all the distressed mortgages that were at least 90 days delinquent, in foreclosure or REO.

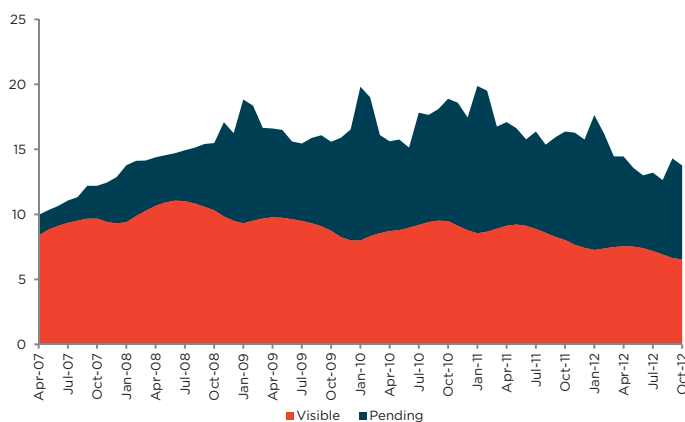
### Overall Mortgage Performance — National

	11-Nov	11-Dec	12-Jan	12-Feb	12-Mar	11-Apr	12-May	12-Jun	12-Jul	12-Aug	12-Sep	12-Oct	2010	2011	2012**
<b>Shadow Inventory*</b>	2,624	2,626	2,643	2,526	2,457	2,424	2,397	2,387	2,379	2,340	2,317	2,293	2,822	2,626	2,293
- SDQ*	1,151	1,157	1,133	1,094	1,054	1,037	1,038	1,063	1,058	1,032	1,042	1,036	1,228	1,157	1,036
- FCL*	992	980	1,003	996	989	993	981	952	953	945	915	903	1,007	980	903
- REO*	481	489	507	435	415	393	378	372	367	363	359	354	587	489	354
<b>Months' Supply Visible</b>	7.7	7.4	7.3	7.4	7.5	7.5	7.5	7.4	7.2	6.9	6.6	6.5	8.8	7.4	6.5
<b>Months' Supply Shadow</b>	8.6	8.3	10.4	8.8	7.0	6.9	6.1	5.6	6.0	5.7	7.7	7.2	8.7	8.3	7.2
- SDQ	3.8	3.7	4.4	3.8	3.0	3.0	2.6	2.5	2.7	2.5	3.5	3.3	3.8	3.7	2.9
- FCL	3.3	3.1	3.9	3.5	2.8	2.8	2.5	2.2	2.4	2.3	3.0	2.8	3.1	3.1	2.5
- REO	1.6	1.6	2.0	1.5	1.2	1.1	1.0	0.9	0.9	0.9	1.2	1.1	1.8	1.6	1.0
<b>MOM Change</b> (Shadow Counts)	0.4%	0.1%	0.6%	-4.4%	-2.7%	-1.4%	-1.1%	-0.4%	-0.4%	-1.6%	-1.0%	-1.0%	-	-	-
<b>YOY Change</b> (Shadow Counts)	-7.3%	-6.9%	-6.7%	-10.2%	-9.9%	-10.1%	-9.6%	-9.1%	-8.7%	-9.5%	-10.6%	-12.3%	-4.0%	-6.9%	-12.3%
<b>Roll Rates</b> (3 Month Moving Avg)															
<b>Current to 90</b>	0.50%	0.50%	0.47%	0.42%	0.40%	0.39%	0.41%	0.41%	0.42%	0.43%	0.43%	0.46%	0.57%	0.47%	0.37%
<b>90+ to FCL</b>	6.74%	6.44%	6.66%	7.11%	7.11%	7.40%	7.02%	6.78%	6.62%	6.68%	6.73%	6.17%	7.80%	7.02%	6.12%
<b>FCL to Current</b>	0.81%	0.77%	0.81%	0.99%	1.09%	1.11%	1.02%	1.04%	1.06%	0.99%	0.95%	0.83%	1.04%	0.94%	0.93%

\*Thousands of Units \*\*Year-to-Date  
 Note: Current includes loans that are 30 and 60 Days Delinquent  
 Note: 90+ Excludes FCL and REO ; SDQ is 90+ including FCL and REO

FIGURE 3: MONTHS' SUPPLY

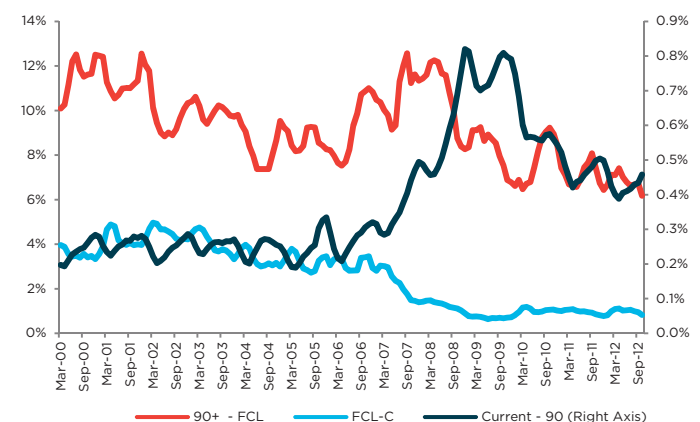
Number of Months, Not Seasonally Adjusted



Source: CoreLogic October 2012

FIGURE 4 - NATIONAL ROLL AND CURE RATES

3 Month Moving Average



Source: CoreLogic October 2012

Note: Current includes loans that are 30 and 60 Days Delinquent

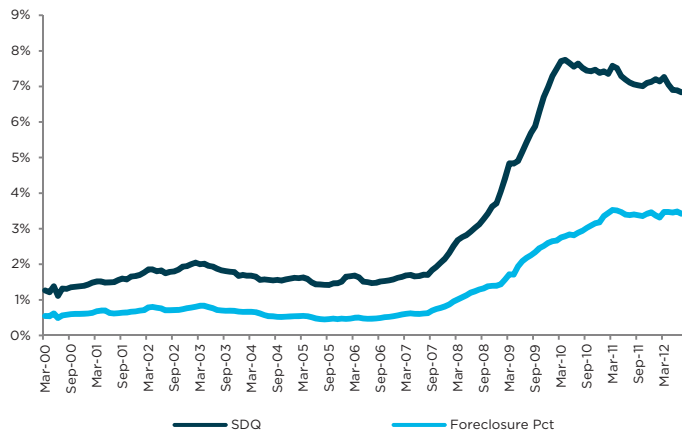
Note: 90+ excludes FCL and REO; SDQ is 90+ including FCL and REO

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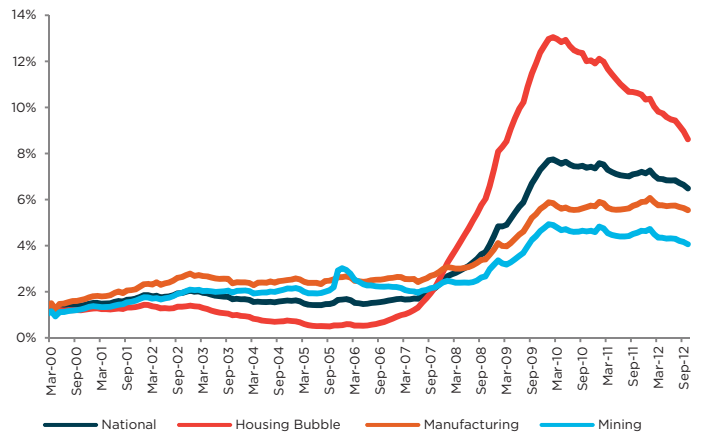
## Market Performance

### OVERALL MORTGAGE PERFORMANCE



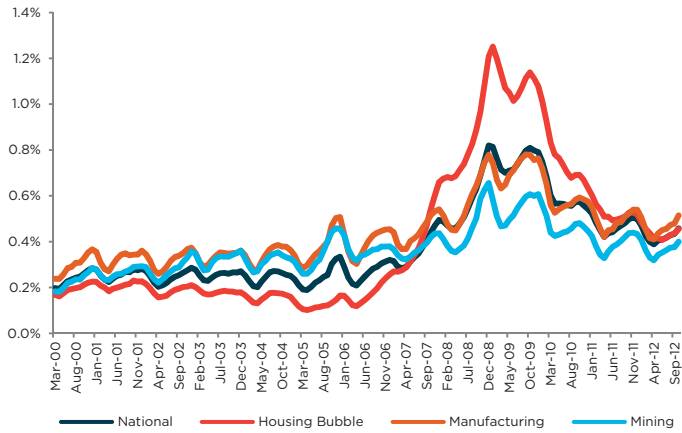
Source: CoreLogic October 2012

### SERIOUS DELINQUENCY RATE BY SELECTED STATE REGIONS



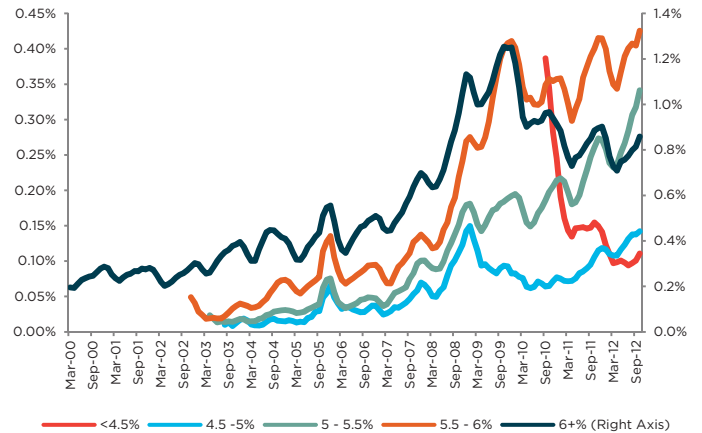
Source: CoreLogic October 2012

### CURRENT TO 90 DAY ROLL RATES FOR SELECTED STATE REGIONS\* 3 Month Moving Average



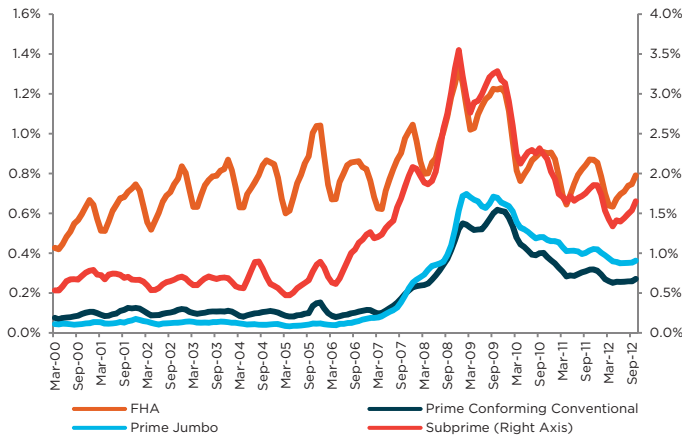
Source: CoreLogic October 2012

### CURRENT TO 90 DAY ROLL RATES BY INITIAL INTEREST RATES 3 Month Moving Average



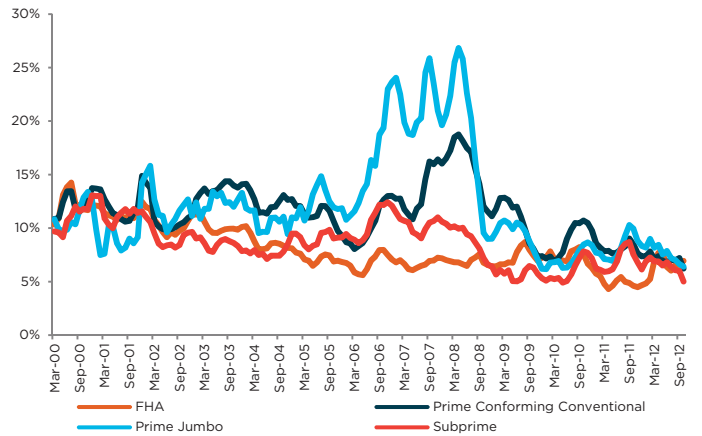
Source: CoreLogic October 2012

### ROLL RATES CURRENT TO 90 DAY BY LOAN TYPE 3 Month Moving Average



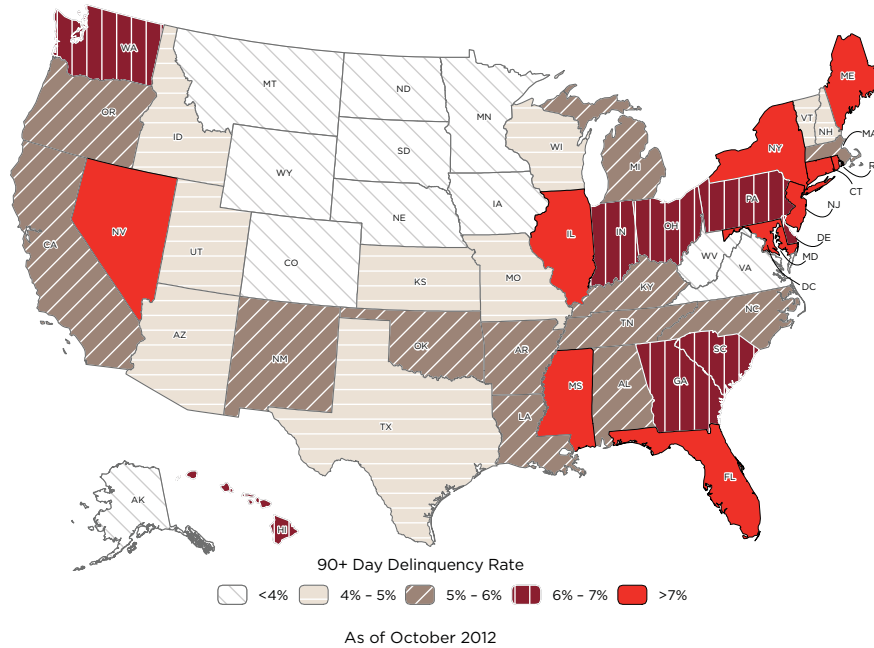
Source: CoreLogic October 2012

### ROLL RATES FROM 90+ DQ TO FORECLOSURE BY LOAN TYPE 3 Month Moving Average



Source: CoreLogic October 2012

\* Note: Manufacturing States : AL, AR, IN, IA, KS, MS, OH, SC, WI  
Mining State: AK, CO, LA, MT, NM, ND, OK, TX, WV, WY  
Housing Bubble States: AZ, CA, FL, NV



Source: CoreLogic Servicing

### Methodology:

CoreLogic uses its Loan Performance Servicing and Securities databases to size the number of 90+ day delinquencies, foreclosures and real estate owned (REO) properties. Cure rates, which measure the proportion of loans in one stage of default that cured (versus moving to more severe states of default), are applied to the number of loans in default at each stage of default. CoreLogic calculates the share of loans in default that are currently listed on MLS by matching public record properties in default to MLS active listings. It applies the percentage of defaulted loans that are currently listed to the estimate of outstanding loans that will proceed to further stages of default to calculate the pending supply inventory and adds that to the reported visible inventory. Visible inventory is compiled from CoreLogic ListingTrends. To determine months' supply for visible and shadow inventories, CoreLogic uses the number of non-seasonally adjusted home sales according to CoreLogic data.

### Source: CoreLogic

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### About CoreLogic

CoreLogic (NYSE: CLGX) is a leading property information, analytics and services provider in the United States and Australia. The company's combined data from public, contributory, and proprietary sources includes over 3.3 billion records spanning more than 40 years, providing detailed coverage of property, mortgages and other encumbrances, consumer credit, tenancy, location, hazard risk and related performance information. The markets CoreLogic serves include real estate and mortgage finance, insurance, capital markets, transportation and government. CoreLogic delivers value to clients through unique data, analytics, workflow technology, advisory and managed services. Clients rely on CoreLogic to help identify and manage growth opportunities, improve performance and mitigate risk. Headquartered in Irvine, Calif., CoreLogic operates in seven countries. For more information, please visit [corelogic.com](http://corelogic.com).