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# Delinquency rates are falling, but Illinois is still in the red

CoreLogic released its June market pulse report on housing market trends, mortgage rates and delinquency



**Kimberly Manning** CH | Jun 29, 2016

## imman CHICAGOLAND Key Takeaways



Welcome R Ann

• Loan originations have declined by 60 percent since 2005, when there were 117 loan applications for single-family homes.

- Home prices increased 1.2 percent monthly in Illinois and 1.8 percent on an annual basis.
- Illinois is still in the red for the number of foreclosures in the state.

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CoreLogic's June report finds that loan refinancing doesn't make sense for a lot of current homeowners in the U.S.

Forecasts predict mortgage rates will increase this year, so CoreLogic used its data to determine refinancing conditions, mortgage denial rates and the overall health of the housing market throughout the nation.

As of May 12, 2015, the monthly average commitment rate was reported at 3.57 percent. A good rule to follow for refinancing is to add 100 basis points onto the current rate, which would bring it to 4.57 percent.

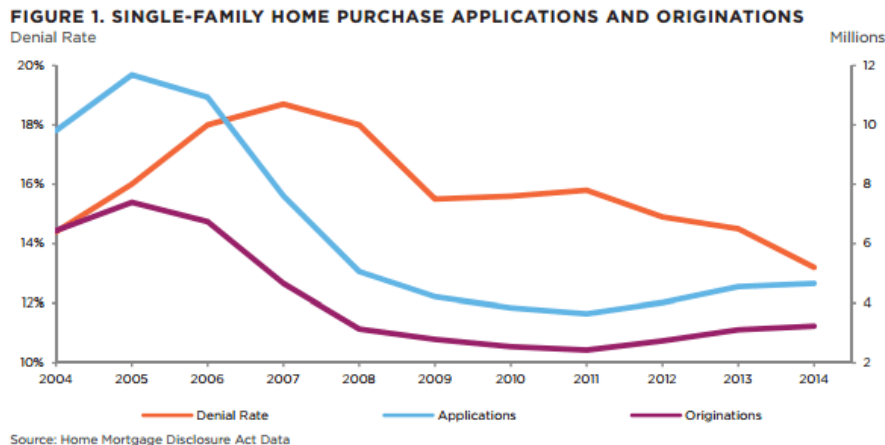
Most borrowers held mortgages around 4.50 percent in May, just slightly below the threshold that makes sense for refinancing. And if mortgage rates continue to climb this year as predicted, about 5.5 million borrowers will find refinancing to be an unappealing option.

## Mortgage loan applications low

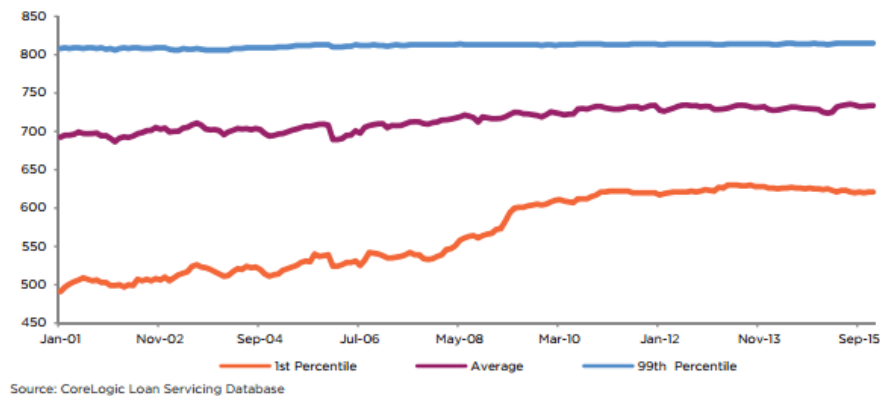
Although refinancing is down, loan origination is also significantly lower than it was 10 years ago. In 2005, there were 11.7 million loan applications for single-family homes. By 2011, that figure dropped to the lowest point in a decade, at 3.6 million.

While it has since upticked to 4.6 million by 2014, there is still a 60 percent drop in mortgage loan applications since the peak of 2005. During the same time period, the number of denials of mortgage loan applications also dropped significantly.

In 2007, 18.7 percent of mortgage loan applications were denied, and 13.2 percent of applicants were denied by 2014.



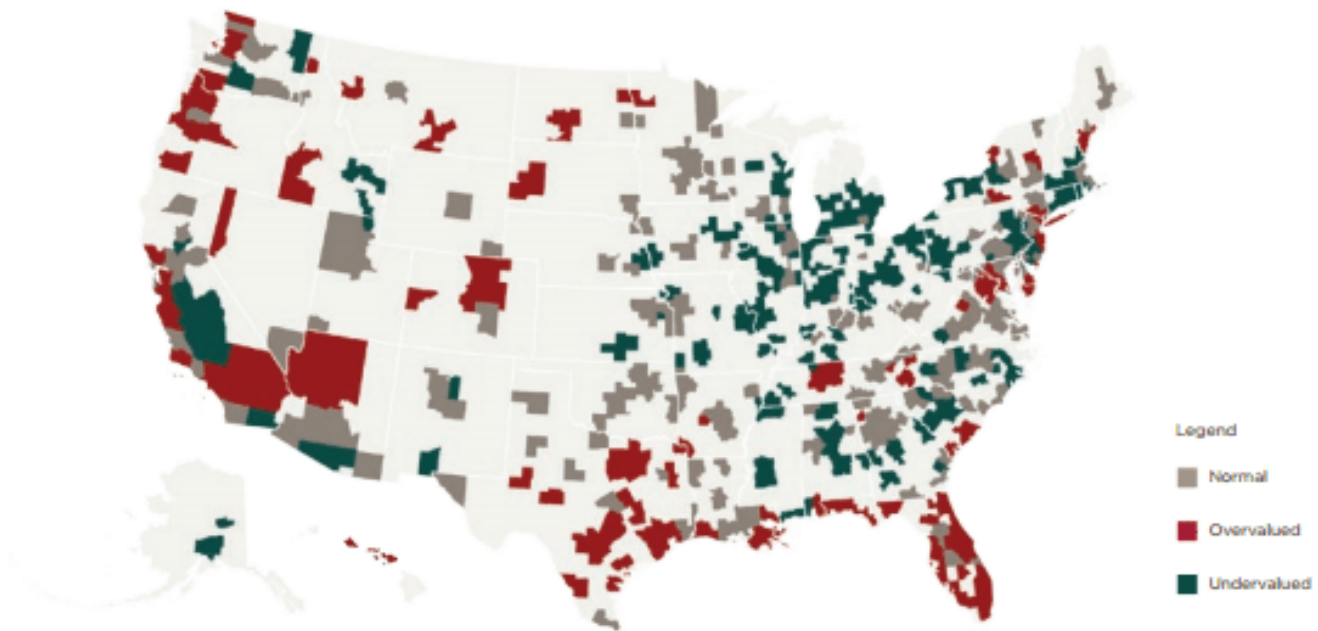
**FIGURE 2. BORROWER CREDIT SCORE OF PURCHASE-MONEY LOAN ORIGINATIONS**



## Mortgage delinquency falling

In April 2016, the number of seriously delinquent loans (SDQ) fell in April 2016 to 1,135, which is the smallest pool seen in the past year, according to CoreLogic. The April figures show a 21.6 percent annual decline and a 2.8 percent monthly fall.

Foreclosure inventory also dipped to 406 in April, a 3 percent dip monthly and 23.4 percent fall annually. Completed foreclosures also fell annually, but increased a sliver over March. There were 37 completed foreclosures reported in the month of April, just one more than in March but 15.8 percent less than the previous year.



Source: CoreLogic

CoreLogic HPI Single Family Combined Tier, data through April 2016.

CoreLogic HPI Forecasts Single Family Combined Tier, starting in May 2016.

## Illinois housing market data

In April 2016, CoreLogic's Home Price Index upticked on all levels. On a monthly basis, home prices increased 1.2 percent. Prices increased 1.8 percent on an annual basis.

The state is expected to continue to see home price increases. May 2016 is expected to post an increase of 0.9 percent. By April 2017, the Home Price Index is expected to be reported about 4.8 percent higher.

## Illinois home prices rose 1.8 percent annually, says CoreLogic

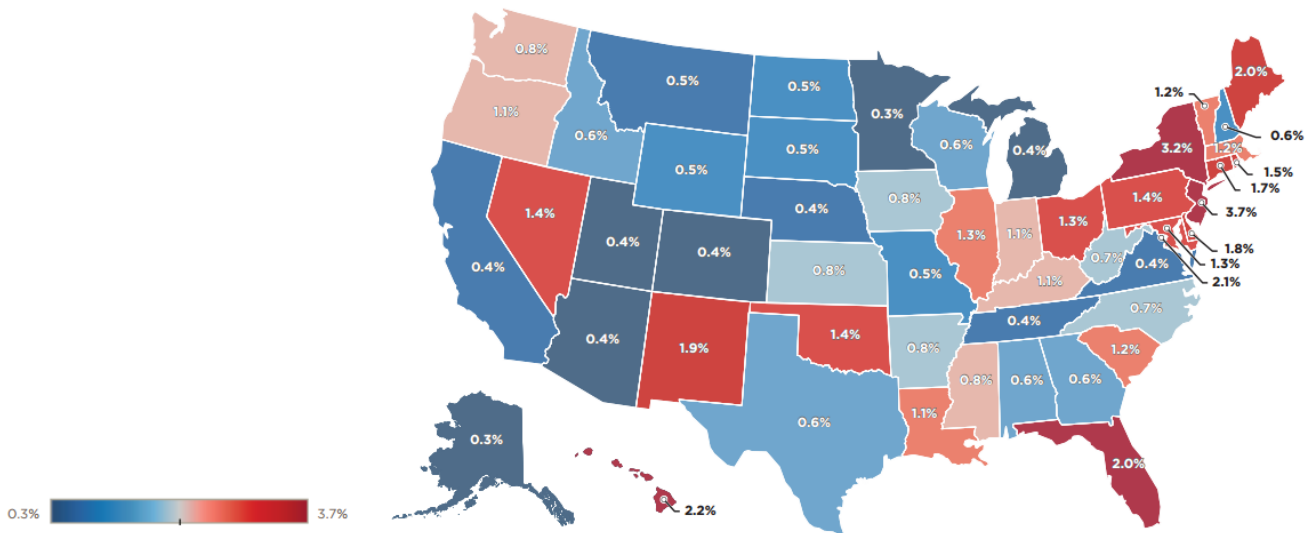
Compared with the rest of the nation, the foreclosure inventory in Illinois is slightly leaning toward the high side. Illinois foreclosure rates are higher than all of its surrounding states — including Indiana, which had a foreclosure rate of 1.1 percent.

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*Email Kimberly Manning*

## FORECLOSURE INVENTORY BY STATE

As of April 2016



Source: CoreLogic Market Trends

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