Press Release

Black Knight: 24% of Active Forbearance Plans Scheduled to End in March, When More than 600,000 Homeowners Face 12-Month Expirations

- Nearly 3.6 million 90-day defaults occurred in 2020 – the largest number since 2009 – with 2.1 million homeowners currently seriously delinquent on their mortgage payments
- At the current rate of improvement, when forbearance plans begin to expire in March, there would still be approximately 1.5 million more serious delinquencies than at the start of the pandemic
- As of mid-January, more than 2.7 million homeowners remain in active forbearance plans, with that rate of improvement slowing in recent months as well
- Based on the average improvement from June 2020 through January 2021, there could still be more than 2.5 million active plans at the end of March
- The more than 600,000 active forbearance plans expiring at the end of March represent a significant unknown in terms of impacted borrowers' ability to resume making mortgage payments at that time
- The share of borrowers in forbearance making mortgage payments has fallen to just 12%, suggesting a population that may well face an extended challenge in getting back to current on their mortgages

JACKSONVILLE, Fla. – Feb. 1, 2021 – Today, the Data & Analytics division of Black Knight, Inc. (NYSE:BKI) released its latest Mortgage Monitor Report, based upon the company's industry-leading mortgage, real estate and public records datasets. As the final, 12-month expiration point for many forbearance plans quickly approaches, this month's report looks at how the slowdown in improvement in recent months may present new challenges to recovery for seriously delinquent homeowners. According to Black Knight Data & Analytics President Ben Graboske, the end of March 2021 is shaping up to be an inflection point for the industry.

"For the roughly 6.7 million Americans who have been in COVID-19 related mortgage forbearance at some point since the onset of the pandemic, the programs have represented an essential lifeline," said Graboske. "The vast majority of plans have a 12-month cap on payment forbearance, though. And the various moratoriums which have kept foreclosure actions at bay over the past 10 months may be lulling us into a false sense of security about the scope of the post-forbearance problem we will need to confront come the end of March. Last year saw the largest number of homeowners – nearly 3.6 million – become 90 or more days past due since 2009, and as of the end of December, 2.1 million remained so.

"When nearly a quarter of all forbearance plans come to an end on March 31, at the current rate of improvement there would still be approximately 1.5 million more such serious delinquencies than before the pandemic. With that rate of improvement slowing in recent weeks, current trends suggest more than 2.5 million homeowners would still in forbearance at that point. While early in the pandemic roughly half of homeowners in forbearance continued to make their monthly mortgage payments, that number has steadily declined. Today, it's about 12%, which suggests the people who are taking the full forbearance period afforded to them may well be experiencing prolonged financial distress, and face extended challenges as they return to making payments."

Barring further action by the federal government, more than 600,000 seriously delinquent borrowers will reach the end of their allotted forbearance periods at the end of March. This clearly shows the industry-wide need for post-forbearance waterfalls to determine borrower need and readiness while foreclosure moratoriums are still in place. By efficiently addressing lower-risk borrowers as they exit forbearance, focus can then shift to those more in need. Robust portfolio monitoring, borrower outreach, loss mitigation and regulatory compliance will only become more important as the year progresses and the industry comes to terms with the size and scope of the post-forbearance problem. Much more detail can be found in Black Knight's December 2020 Mortgage Monitor Report.

About the Mortgage Monitor
The Data & Analytics division of Black Knight manages the nation's leading repository of loan-level residential mortgage data and performance information covering the majority of the overall market, including tens of millions of loans across the spectrum of credit products and more than 160 million historical records. The combined insight of the Black Knight HPI and Collateral Analytics' home price and real estate data provides one of the most complete, accurate and timely measures of home prices available, covering 95% of U.S. residential properties down to the ZIP-code level. In addition, the company maintains one of the most robust public property records databases available, covering 99.9% of the U.S. population and households from more than 3,100 counties.

Black Knight's research experts carefully analyze this data to produce a summary supplemented by dozens of charts and graphs that reflect trend and point-in-time observations for the monthly Mortgage Monitor Report. To review the full report, visit: https://www.blackknightinc.com/data-reports/

About Black Knight
Black Knight, Inc. (NYSE:BKI) is an award-winning software, data and analytics company that drives innovation in the mortgage lending and servicing and real estate industries, as well as the capital and secondary markets. Businesses leverage our robust, integrated solutions across the entire homeownership life cycle to help retain existing customers, gain new customers, mitigate risk and operate more effectively.

Our clients rely on our proven, comprehensive, scalable products and our unwavering commitment to delivering superior client support to achieve their strategic goals and better serving their customers. For more information on Black Knight, please visit www.blackknightinc.com/.

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