



## Press Release

For more information:

Michelle Kersch  
904.854.5043  
[michelle.kersch@bkfs.com](mailto:michelle.kersch@bkfs.com)

Mitch Cohen  
646.926.7741  
[mitch@mprg.com](mailto:mitch@mprg.com)

### **Black Knight's Mortgage Monitor: Most Borrowers Impacted by Hurricane Harvey Have Significant Equity; 350,000 in Hurricane Irma Disaster Areas Have Negative or Limited Equity**

- Average combined loan-to-value ratio for homeowners with mortgages in Hurricane Harvey-related disaster areas is 53 percent, holding an average of approximately \$131,000 in equity per borrower
- Fewer than 0.5 percent of Hurricane Harvey-impacted borrowers were in negative equity positions prior to the storm; fewer than four percent have less than 10 percent equity
- 5.3 percent of borrowers in Hurricane Irma-impacted counties still owe more than their home is worth, with another 5.6 percent of borrowers having less than 10 percent equity
- Nationally, just 2.8 percent of homeowners with mortgages (1.4 million borrowers) remain in a negative equity position

JACKSONVILLE, Fla. -- Oct. 2, 2017 -- Today, the [Data & Analytics](#) division of [Black Knight, Inc.](#) (NYSE: BKI) released its latest [Mortgage Monitor Report](#), based on data as of the end of August 2017. On the heels of [reporting an early, 16 percent spike in mortgage delinquencies](#) in Hurricane Harvey-related disaster areas, Black Knight examined the equity outlook for mortgage holders impacted by either Hurricane Harvey or Hurricane Irma. As Black Knight Data & Analytics Executive Vice President Ben Graboske explained, despite the extent of the damage in Texas, Hurricane Harvey-impacted borrowers have a greater equity stake, which may bode well for long-term recovery.

“Before Hurricane Harvey made landfall, the average combined loan-to-value ratio (CLTV) for homeowners with mortgages in what became FEMA-designated disaster areas was 53 percent,” said Graboske. “Right on par with the national average, that’s the lowest we’ve seen since prior to 2004. This equates to approximately \$131,000 in equity per borrower. That works out to a lot of skin in the game, and will likely serve as strong motivation for borrowers not to walk away from a storm-damaged home. In addition, over 75 percent of mortgages in the Hurricane Harvey footprint are held in Fannie Mae, Freddie Mac or Ginnie Mae securities. Therefore, the bulk of borrowers affected by the storm will be able to find assistance under the various foreclosure moratoriums and forbearance programs that have been instituted. While we have already seen an early spike in delinquencies in Hurricane Harvey-impacted disaster areas, with many more likely to follow in September’s data, the combination of available assistance and healthy equity stakes on the part of borrowers are both very positive signs for the long term.

“In Florida, Hurricane Irma impacted a much larger portion of the state. The 48 FEMA-declared Hurricane Irma disaster areas include over 90 percent of the state’s mortgaged properties. To put this in perspective, that means that by balance, over five percent of all mortgages in the U.S. are included in Hurricane Irma’s disaster areas. Unlike Houston, though, where all-time-high home prices have contributed to a significant reduction in negative equity, home prices in Florida remain 17 percent below their 2006 peak. On average, borrowers in Hurricane Irma-related disaster areas have a

CLTV of 57 percent, somewhat higher than the national average. Of the 3.2 million borrowers impacted by Irma, an estimated 170,000 were still in negative equity positions before the storm, with another 180,000 having less than 10 percent equity in their homes. Due to lackluster home price recovery since the housing crisis, the negative equity rate in Irma's disaster area is nearly twice the national average."

Between the two hurricanes, 4.4 million borrowers representing \$705 billion in unpaid principal balance (UPB) were affected. By volume, the GSEs and Ginnie Mae have the most exposure (3.2 million loans, \$466 billion in UPB), but in terms of share of total portfolio exposed, private-label securities (PLS) are most impacted. Nearly one out of every 10 loans remaining in a PLS was impacted by one or the other of the storms. Not only are 8.3 percent of all of outstanding PLS loans connected to properties within Hurricane Irma-related disaster areas, but over 17 percent of those same borrowers remain in a negative equity position with an additional eight percent having less than 10 percent equity. All in, as many as one in four PLS loans in Hurricane Irma's path had limited equity available, prior to any potential home price impact due to storm damage.

As was reported in Black Knight's most recent [First Look](#) news release, other key results include:

Total U.S. loan delinquency rate:	3.93%
Month-over-month change in delinquency rate:	0.72%
Total U.S. foreclosure pre-sale inventory rate:	0.76%
Month-over-month change in foreclosure pre-sale inventory rate:	-3.27%
States with highest percentage of non-current* loans:	MS, LA, AL, WV, ME
States with lowest percentage of non-current* loans:	MT, OR, MN, ND, CO
States with highest percentage of seriously delinquent** loans:	MS, LA, AL, AR, TN

\*Non-current totals combine foreclosures and delinquencies as a percent of active loans in that state.

\*\*Seriously delinquent loans are those past-due 90 days or more.

Totals are extrapolated based on Black Knight's loan-level database of mortgage assets.

### **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 on 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 company'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: <http://www.BKFS.com/CorporateInformation/NewsRoom/Pages/Mortgage-Monitor.aspx>

### **About Black Knight**

Black Knight is a leading provider of integrated software, data and analytics solutions that facilitate and automate many of the business processes across the homeownership lifecycle.

Black Knight is committed to being a premier business partner that clients rely on to achieve their strategic goals, realize greater success and better serve their customers by delivering best-in-class software, services and insights with a relentless commitment to excellence, innovation, integrity and leadership. For more information on Black Knight, please visit <http://www.blackknightinc.com/>.

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