



Press Release

For more information:

Michelle Kersch
904.854.5043
michelle.kersch@bkfs.com

Mitch Cohen
646.926.7741
mitch@mprg.com

Black Knight: Hurricane Harvey Could Result in 300,000 New Mortgage Delinquencies, with 160,000 Borrowers Becoming Seriously Past Due

- FEMA-designated disaster areas related to Hurricane Harvey are home to 1.18 million mortgaged properties
- Harvey-related disaster areas contain over twice as many mortgaged properties as those connected to Hurricane Katrina in 2005, carrying nearly four times the unpaid principal balance
- Post-Katrina mortgage delinquencies in Louisiana and Mississippi FEMA-designated disaster areas soared 25 percentage points, peaking at over 34 percent
- A similar impact to Harvey-related disaster areas would equate to 300,000 borrowers missing at least one mortgage payment, and 160,000 becoming 90 or more days past due

JACKSONVILLE, Fla. -- Sep. 11, 2017 -- Today, the [Data & Analytics](#) division of [Black Knight Financial Services, Inc.](#) (NYSE: BKFS) released an updated assessment of the potential mortgage-related impact from Hurricane Harvey. As Black Knight Data & Analytics Executive Vice President Ben Graboske explained, using post-Katrina Louisiana and Mississippi as benchmarks presents the possibility for significant rises in both early and long-term delinquencies.

“Although the situation around Hurricane Harvey continues to evolve, millions of American lives have already been impacted by the storm and immense flooding,” said Graboske. “For many, their struggles are just beginning. Using post-Hurricane Katrina as a model, Black Knight has found that as many as 300,000 homeowners with mortgages in FEMA-designated Harvey disaster areas could become past due over the next few months. Post-Katrina, delinquencies spiked in Louisiana and Mississippi disaster areas, jumping 25 percent to peak at 34 percent of all mortgaged properties being past due. The serious delinquency rate – tracking mortgages 90 or more days past due, but not yet in foreclosure – rose to more than 16 percent. New Orleans was hardest hit, with its delinquency jumping by 46 percentage points to nearly 55 percent, and the serious delinquency rate increasing by 24 percent

“Thankfully, Fannie Mae, Freddie Mac and the Federal Housing Administration have all announced temporary moratoria on evictions and foreclosure sales in Harvey-related disaster areas. With these three organizations accounting for nearly 900,000 of mortgaged properties, the moratoria should help temper the negative effects. Forbearance plans will help as well, though interest on the mortgage will continue to accrue under any of these efforts. Still, there are 1.18 million mortgaged properties in Harvey-related disaster areas, more than twice as many as were hit by Hurricane Katrina, with nearly four times the unpaid principal balance.

This will be a long-term recovery. If the Harvey-related disaster areas follow the same trajectory as those hit by Katrina, within four months we could be looking at as many as 160,000 borrowers falling 90 or more days past due on their mortgages.”

By the Numbers

- Total mortgaged properties in Hurricane Harvey-related FEMA disaster areas: 1,180,000
- Total mortgaged properties in Hurricane Katrina-related FEMA disaster areas: 456,000
- Total unpaid mortgage balances in Hurricane Harvey-related FEMA disaster areas: \$179 billion
- Total unpaid mortgage balances in Hurricane Katrina-related FEMA disaster areas: \$46 billion
- Post-Katrina delinquency (30+ days) increase in FEMA-designated disaster areas: from 8.7 to 34 percent
- Post-Katrina serious delinquency (90+ days) increase in FEMA-designated disaster areas: from 2.8 to 16.3 percent.
- Post-Harvey potential new delinquencies (30+ days): 300,000
- Post-Harvey potential new serious delinquencies (90+ days): 160,000

Black Knight will continue to monitor the impact of Hurricane Harvey on mortgage performance moving forward. The company’s Data & Analytics division is also currently watching Hurricane Irma’s projected path, and will report as the situation develops.

About Black Knight Financial Services, Inc.

Black Knight Financial Services, Inc. (NYSE: BKFS) is a leading provider of integrated technology, data and analytics solutions that facilitate and automate many of the business processes across the mortgage lifecycle.

Black Knight Financial Services is committed to being a premier business partner that lenders and servicers rely on to achieve their strategic goals, realize greater success and better serve their customers by delivering best-in-class technology, services and insight with a relentless commitment to excellence, innovation, integrity and leadership. For more information on Black Knight Financial Services, please visit www.BKFS.com.

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