

# The Mortgage Industry Today and Through 2008



# Mortgage Forecast



- **Mortgage Lenders will be tightening lending guidelines further in 2008 to reverse the damage of the recent mortgage crisis.**
- **Mortgage production, already down about 15 percent to \$2.31 trillion in 2007 from \$2.73 trillion in 2006, will decline another 18 percent in 2008 as both purchase and refinance originations drop, according to data from the Mortgage Bankers Association.**
- **While 2007 produced a record year of resetting ARMs, new records will be set in early 2008; March will see more than \$100 billion in resetting loans.**

# Mortgage Forecast (cont'd)



- **Because loan standards are now much tougher, at least 10 to 15% of the people who could have qualified for a home-purchase loan last year can't do so now, says Jan Hatzius, chief U.S. economist for Goldman Sachs.**
- **Many of the people who would still qualify for a loan don't want to buy a house now because they think prices will fall further.**
- **The housing market is likely to remain weak for at least another couple years, Mr Hatzius figures.**

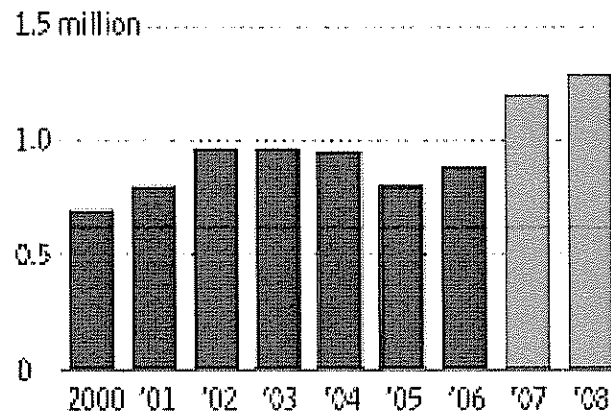
# Housing Hangover



## Housing Hangover

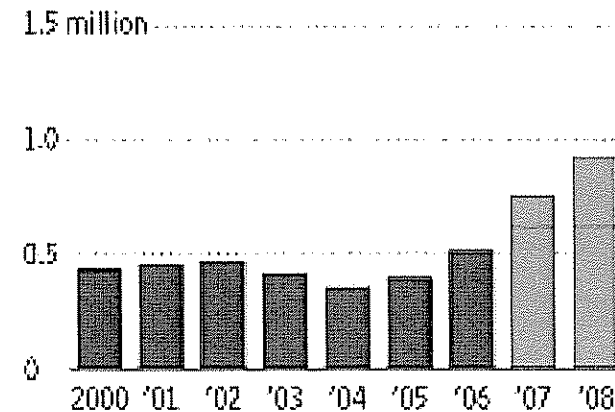
About 1.7 million of the 2.5 million loan defaults in 2007 and 2008 are expected to go through the entire foreclosure process.

Defaults on first-lien home mortgage loans



Note: Figures for 2007 and 2008 are projected

Homes acquired by lenders through foreclosure



Sources: FDIC; Equifax; Moody's Economy.com

# Questions??



# [www.MAC5M.com](http://www.MAC5M.com)

