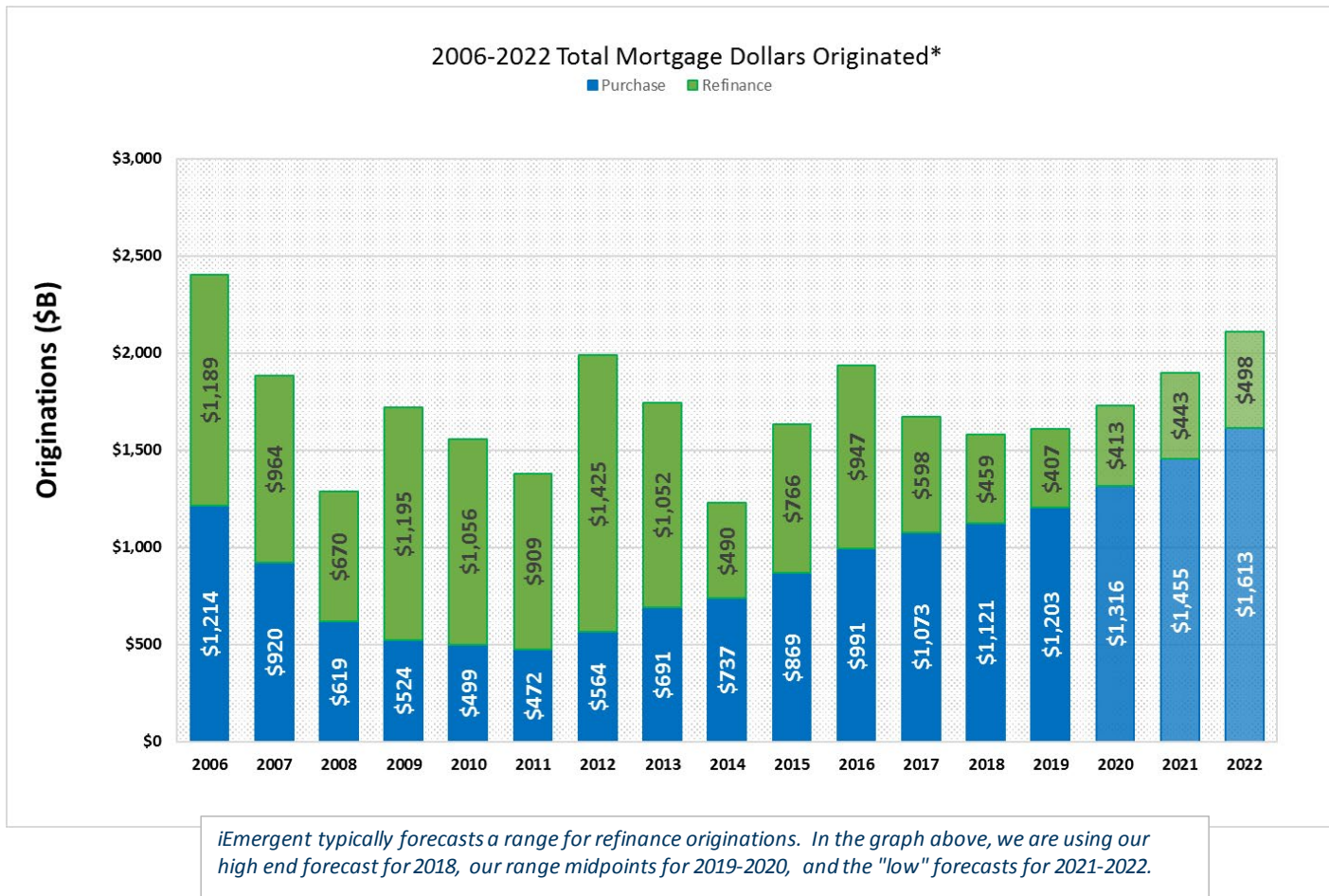




2018-2019 Mortgage Opportunity Outlook by State

iEmergent is a forecasting and advisory firm for the lending industry. Since 2000, we have been focused on delivering a forward-looking approach to helping organizations navigate the industry's changing landscape. iEmergent provides accurate forecasts and analytics that quantify what's next in mortgage markets across the nation. As housing and lending markets change, our forecasts drill down into states, metro areas, counties, and neighborhoods to quantify where and how mortgage opportunity will grow, slow, or stay the same. Our insight helps lenders determine where to go to capture more mortgage market opportunity as efficiently as possible.



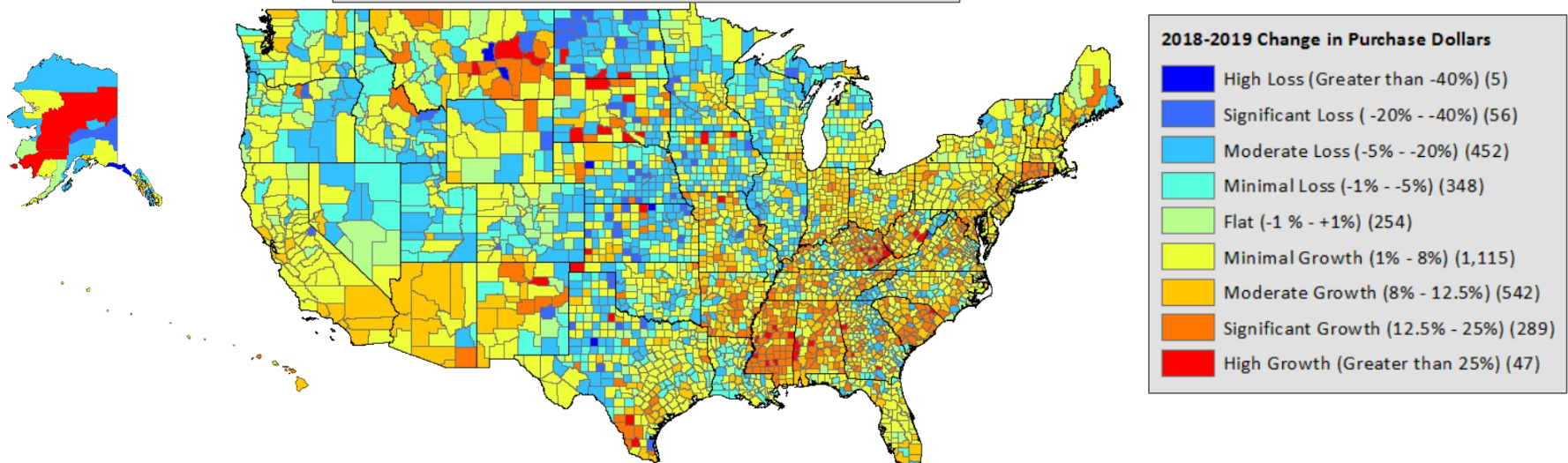
iEMERGENT	2017		2018		2019		2017-2018 Δ		2018-2019 Δ	
	Loans (M)	Dollars (\$B)	Loans (M)	Dollars (\$B)	Loans (M)	Dollars (\$B)	% Loans	% Dollars	% Loans	% Dollars
Purchase Volume	4.1	\$1,073.4	4.2	\$1,121.2	4.4	\$1,203.2	3.0%	4.5%	4.3%	7.3%
Refinance Volume Range										
Low					1.6	\$370.4	-21.3%	-23.2%	-18.8%	-19.4%
Actual 2017/High	2.5	\$597.9	1.9	\$459.5	1.9	\$443.2				
Total Volume Range										
Low					6.0	\$1,573.6	-6.1%	-5.4%	-3.0%	-0.4%
Actual 2017/High	6.6	\$1,671.4	6.2	\$1,580.7	6.3	\$1,646.4				

We project that 2019 purchase mortgage lending activity will rise modestly and the refinance range will continue to be weak and volatile, although the size of the gain remains uncertain as interest rate increases, global economic uncertainty, and credit availability still threaten to minimize the overall improvement in the housing market. Here are some factors contributing to our forecast:

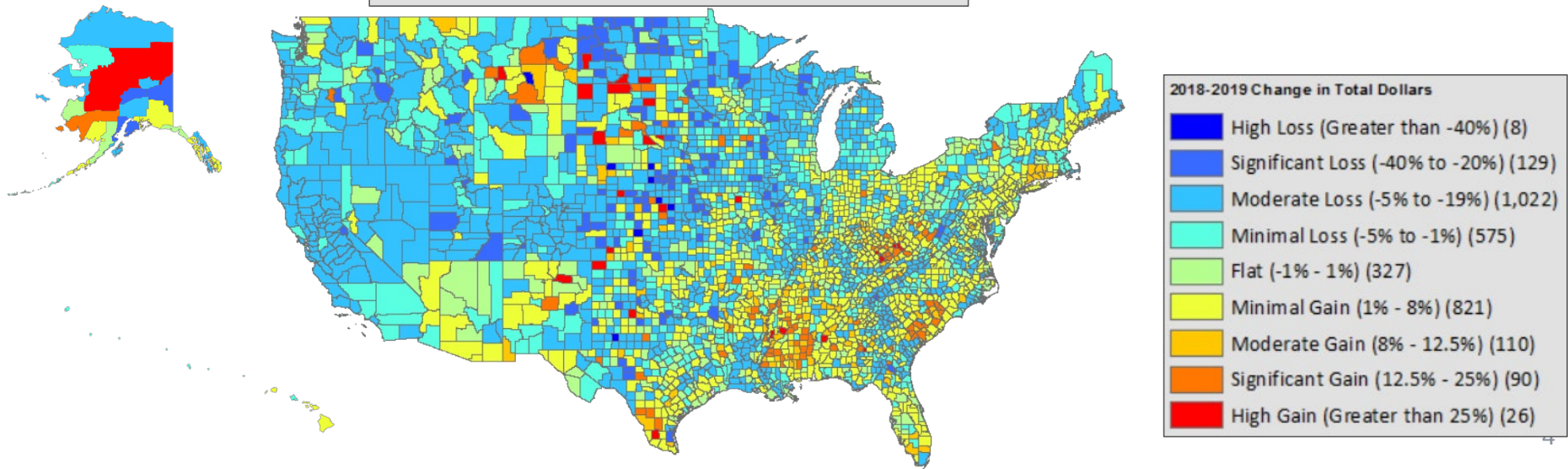
- **GDP:** the first estimate of Q2 real growth was +4.2%, though most economists agree that a level this high might be unsustainable going forward. However, the expansion will continue into 2019.
- **The stock market showed** a dip in Q1, but since then, it has continued an upward march to a new all-time high.
- **Job growth** continues to be solid, although wage growth remains much slower than expected.
- **Inflation** is on the rise. Core PCE inflation has been bumping up against the Fed's 2% target for several months, and the headline PCE rate has been over 2% the last 6 months in a row.
- **Interest rates** are on the rise, both short-term and long-term.
- **Housing market:** the inventory squeeze continues to worsen, with an increasing number of markets experiencing sales declines due to the lack of homes to sell. The months of supply statistic is the lowest it has been in 4 years and continues to fall. Construction is still sluggish, and generational low mobility is restricting the supply of existing homes for sale.
- **Delinquencies and foreclosures** continue to fall, returning to their longer-term "normal" after their increased number of occurrences in the past decade.

As the top map shows, purchase dollars will continue to rise from 2018-2019 in most counties – especially as housing values and loan sizes rise in many metro markets. The lower map shows a different scenario, as declining refinance numbers lead to lower gains in some counties and more counties showing a decline in total loan dollars.

2018-2019 Change in Purchase Dollars by County



2018-2019 Change in Total Dollars by County



2018-2019 TOTAL MORTGAGE LENDING OPPORTUNITY BY STATE

State	2018 Mortgage Originations (Est.)					2019 Mortgage Originations (Proj.)						2018-2019 % Change	
	Purchase Loans (#)	Purchase Dollars (\$M)	Total Loans (#)	Total Dollars (\$M)	% Purchase (\$)	Purchase Loans (#)	Purchase Dollars (\$M)	Total Loans (Low Proj.) (#)	Total Loans (High Proj.) (#)	Total Dollars (Low Proj.) (\$M)	Total Dollars (High Proj.) (\$M)	Total Loans	Total Dollars
AK	8,546	\$2,662.8	11,484	\$3,375.9	79%	8,275	\$2,710.8	10,552	10,993	\$3,274.9	\$3,384.8	-8.1%	-3.0%
AL	61,922	\$11,993.2	87,919	\$16,345.0	73%	66,835	\$13,308.9	89,161	93,512	\$17,053.8	\$17,790.5	1.4%	4.3%
AR	39,299	\$6,928.6	52,075	\$8,862.0	78%	42,032	\$7,672.3	53,245	55,393	\$9,376.4	\$9,707.2	2.2%	5.8%
AZ	132,091	\$32,019.4	189,808	\$44,613.9	72%	141,268	\$35,062.8	189,181	198,649	\$45,579.1	\$47,660.6	-0.3%	2.2%
CA	390,654	\$175,478.9	744,771	\$303,737.5	58%	412,327	\$190,306.0	680,461	733,563	\$287,164.7	\$306,345.3	-8.6%	-5.5%
CO	107,281	\$33,466.7	165,961	\$48,153.9	69%	105,211	\$33,816.8	148,335	156,870	\$44,556.2	\$46,687.1	-10.6%	-7.5%
CT	47,956	\$14,813.5	70,405	\$20,752.3	71%	55,125	\$17,334.6	75,408	79,409	\$22,717.2	\$23,778.9	7.1%	9.5%
DC	8,745	\$4,932.9	13,967	\$7,249.6	68%	8,985	\$5,371.6	13,001	13,800	\$7,159.9	\$7,517.3	-6.9%	-1.2%
DE	14,794	\$3,978.0	21,281	\$5,471.0	73%	15,244	\$4,213.0	20,586	21,641	\$5,459.2	\$5,705.4	-3.3%	-0.2%
FL	318,403	\$76,272.7	404,028	\$94,049.0	81%	326,229	\$79,713.9	401,456	416,205	\$95,413.4	\$98,495.4	-0.6%	1.5%
GA	153,364	\$33,827.2	214,345	\$45,215.1	75%	160,534	\$36,109.3	211,705	221,736	\$45,628.7	\$47,500.9	-1.2%	0.9%
HI	14,784	\$7,839.0	23,713	\$11,599.5	68%	15,505	\$8,528.3	22,630	24,035	\$11,575.0	\$12,175.8	-4.6%	-0.2%
IA	46,924	\$7,598.0	65,175	\$10,268.4	74%	47,358	\$7,947.4	61,626	64,385	\$10,044.6	\$10,451.1	-5.4%	-2.2%
ID	33,392	\$6,992.8	45,405	\$9,180.5	76%	33,174	\$7,178.4	42,822	44,730	\$8,947.5	\$9,297.5	-5.7%	-2.5%
IL	162,167	\$37,025.9	243,131	\$54,212.8	68%	171,765	\$39,981.4	238,636	251,711	\$54,212.6	\$57,014.8	-1.8%	0.0%
IN	100,592	\$16,981.6	140,781	\$22,671.1	75%	107,619	\$18,600.9	141,838	148,573	\$23,441.9	\$24,399.7	0.8%	3.4%
KS	36,425	\$6,995.0	50,306	\$9,217.3	76%	36,949	\$7,356.1	48,212	50,347	\$9,168.2	\$9,517.0	-4.2%	-0.5%
KY	57,861	\$10,210.4	81,508	\$13,828.0	74%	62,295	\$11,394.1	82,593	86,555	\$14,516.4	\$15,128.5	1.3%	5.0%
LA	40,349	\$8,800.6	56,701	\$11,665.3	75%	39,537	\$8,922.9	52,301	54,691	\$11,161.4	\$11,586.7	-7.8%	-4.3%
MA	86,280	\$31,564.4	136,064	\$45,993.3	69%	89,419	\$33,412.2	128,150	135,794	\$44,620.2	\$46,829.6	-5.8%	-3.0%
MD	86,175	\$29,734.4	132,039	\$42,764.3	70%	92,096	\$32,972.8	130,146	137,656	\$43,876.8	\$46,031.1	-1.4%	2.6%
ME	18,971	\$4,231.9	27,203	\$5,761.2	73%	20,142	\$4,606.2	27,104	28,457	\$5,906.5	\$6,160.0	-0.4%	2.5%
MI	128,959	\$21,682.6	191,973	\$31,142.6	70%	134,262	\$22,707.7	184,572	194,502	\$30,229.3	\$31,718.0	-3.9%	-2.9%
MN	91,233	\$20,237.1	130,915	\$27,939.8	72%	93,864	\$21,398.6	125,866	132,165	\$27,651.5	\$28,884.4	-3.9%	-1.0%
MO	93,034	\$16,878.6	133,587	\$23,554.9	72%	99,118	\$18,510.0	133,208	139,909	\$24,139.8	\$25,250.3	-0.3%	2.5%
MS	28,574	\$5,068.7	40,117	\$6,760.1	75%	31,188	\$5,683.7	41,115	43,033	\$7,133.2	\$7,415.3	2.5%	5.5%
MT	14,635	\$3,756.8	20,723	\$5,079.9	74%	15,261	\$4,067.1	20,278	21,257	\$5,165.9	\$5,377.9	-2.1%	1.7%

For 2019, iEmergent forecasts a range of total opportunity, due to typical volatility in refinance behavior. At publication time, we believe the “low” end of our refinance projections will be the most likely scenario. The % change listed in the above table is based on the “low” forecast

2018-2019 TOTAL MORTGAGE LENDING OPPORTUNITY BY STATE

	2018 Mortgage Originations (Est.)					2019 Mortgage Originations (Proj.)						2018-2019 % Change	
State	Purchase Loans (#)	Purchase Dollars (\$M)	Total Loans (#)	Total Dollars (\$M)	% Purchase (\$)	Purchase Loans (#)	Purchase Dollars (\$M)	Total Loans (Low Proj.) (#)	Total Loans (High Proj.) (#)	Total Dollars (Low Proj.) (\$M)	Total Dollars (High Proj.) (\$M)	Total Loans	Total Dollars
NC	151,325	\$34,771.6	207,787	\$45,536.9	76%	154,626	\$36,501.5	201,425	210,654	\$45,422.5	\$47,189.4	-3.1%	-0.3%
ND	8,449	\$1,945.6	11,882	\$2,525.0	77%	8,041	\$1,924.7	10,580	11,051	\$2,351.5	\$2,431.3	-11.0%	-6.9%
NE	24,403	\$4,352.3	33,684	\$5,729.1	76%	23,693	\$4,379.0	30,767	32,112	\$5,426.1	\$5,625.9	-8.7%	-5.3%
NH	21,468	\$5,421.4	31,113	\$7,505.8	72%	23,025	\$5,963.5	31,208	32,821	\$7,748.7	\$8,100.2	0.3%	3.2%
NJ	103,443	\$33,620.2	156,097	\$48,228.9	70%	109,713	\$36,213.9	153,334	161,918	\$48,374.7	\$50,766.9	-1.8%	0.3%
NM	21,337	\$4,525.1	30,474	\$6,213.0	73%	22,187	\$4,871.6	29,851	31,343	\$6,305.0	\$6,585.6	-2.0%	1.5%
NV	56,053	\$13,546.3	79,146	\$18,710.7	72%	59,463	\$14,397.9	78,317	82,052	\$18,603.6	\$19,436.7	-1.0%	-0.6%
NY	141,685	\$52,915.3	191,916	\$66,901.5	79%	147,203	\$56,717.7	189,731	197,429	\$68,692.7	\$70,814.7	-1.1%	2.7%
OH	149,877	\$25,339.4	208,153	\$33,725.4	75%	157,901	\$27,167.6	207,349	217,064	\$34,269.3	\$35,671.1	-0.4%	1.6%
OK	44,100	\$8,075.5	57,727	\$10,123.7	80%	44,940	\$8,519.6	56,308	58,462	\$10,216.5	\$10,543.6	-2.5%	0.9%
OR	57,827	\$17,095.2	85,033	\$23,403.2	73%	56,946	\$17,453.3	78,003	82,162	\$22,352.4	\$23,320.1	-8.3%	-4.5%
PA	139,504	\$29,318.0	200,899	\$39,885.3	74%	144,696	\$31,222.1	195,201	205,042	\$39,964.6	\$41,677.5	-2.8%	0.2%
RI	15,837	\$3,908.2	24,198	\$5,685.4	69%	17,384	\$4,371.1	24,422	25,814	\$5,884.3	\$6,183.8	0.9%	3.5%
SC	86,630	\$19,682.4	114,963	\$25,220.8	78%	93,167	\$21,723.4	118,259	123,169	\$26,634.2	\$27,601.3	2.9%	5.6%
SD	11,074	\$2,253.5	15,295	\$2,980.4	76%	11,176	\$2,365.3	14,537	15,192	\$2,947.6	\$3,061.1	-5.0%	-1.1%
TN	104,519	\$22,693.7	144,629	\$29,644.2	77%	111,644	\$25,105.2	145,791	152,550	\$31,045.4	\$32,222.9	0.8%	4.7%
TX	358,222	\$87,916.9	466,852	\$107,928.6	81%	368,689	\$93,945.0	459,066	476,598	\$110,484.8	\$113,720.9	-1.7%	2.4%
UT	60,376	\$15,717.8	89,055	\$21,891.9	72%	59,255	\$16,050.3	80,931	85,235	\$20,748.2	\$21,680.8	-9.1%	-5.2%
VA	129,097	\$42,844.0	193,808	\$60,493.4	71%	137,921	\$47,965.3	191,642	202,277	\$62,895.2	\$65,857.0	-1.1%	4.0%
VT	6,641	\$1,599.4	10,081	\$2,253.4	71%	6,769	\$1,688.6	9,495	10,037	\$2,215.6	\$2,320.3	-5.8%	-1.7%
WA	125,091	\$42,456.6	187,167	\$58,887.3	72%	128,842	\$45,566.0	178,560	188,408	\$58,826.7	\$61,453.5	-4.6%	-0.1%
WI	77,918	\$14,697.6	121,132	\$21,687.7	68%	79,913	\$15,476.8	113,991	120,731	\$21,039.1	\$22,139.2	-5.9%	-3.0%
WV	14,839	\$2,688.5	20,466	\$3,540.4	76%	15,081	\$2,814.0	19,734	20,603	\$3,520.9	\$3,656.6	-3.6%	-0.6%
WY	7,591	\$1,882.2	10,635	\$2,524.7	75%	7,443	\$1,933.3	9,793	10,250	\$2,436.5	\$2,534.0	-7.9%	-3.5%
Total	4,240,716	\$1,121,238.4	6,187,577	\$1,580,690.9	71%	4,421,335	\$1,203,224.7	6,002,483	6,312,545	\$1,573,580.1	\$1,646,405.2	-3.0%	-0.4%

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While interesting, state-level data does not adequately quantify how individual metro markets, counties, and local markets will change. iEmergent provides reports like this one for metro markets, counties, and even individual census tracts.

OUR COMPANY

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OUR PRODUCTS

Mortgage MarketSmart

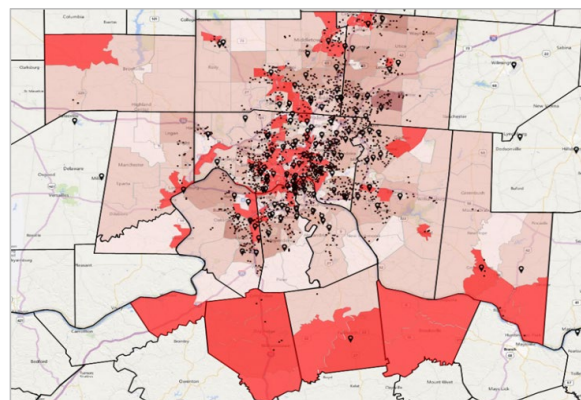
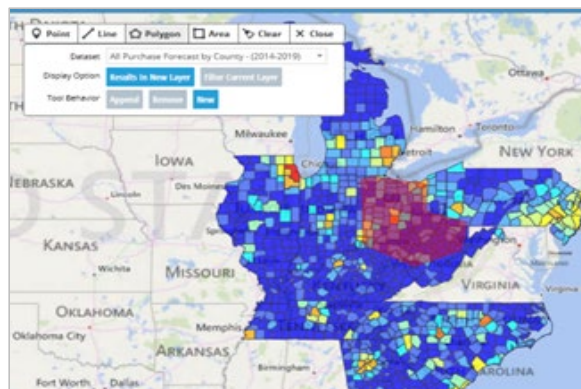
Many lenders access our data through Mortgage MarketSmart, a web application with dynamic maps. This powerful visualization tool brings HMDA, demographic, and detailed forecast data to life, helping organizations easily make decisions about high-level strategic opportunities and tactical, market-level challenges:

- Expand and grow responsibly
- Improve sales strategies at all levels
- Maximize profitability by right-sizing resources
- Recruit, hire, train, and retain sales resources
- Minimize distribution risk and meet CRA/Fair Lending regulations

Reports and Assessments

From standard forecast and HMDA datasets to custom expansion and diverse lending analyses, we provide insight on every market across the U.S. Our reports guide a wide range of decisions with comprehensive data:

- Forecasts of market opportunity
- Details on market speed, density, and health
- Competitive landscape metrics
- Granular, custom HMDA reports by market and by lender



MARKET GRANULARITY

Market Geography

- State
- MSA
- County
- Census Tract

Market Segments

- Occupancy Types
- Conventional Conforming
- Conventional Jumbo
- FHA, VA, FSA
- Borrower Income Levels
- Borrower Race/Ethnicity
- First Time Homebuyer
- Millennial
- CRA Eligible
- Refinance Ranges

For more information about Mortgage MarketSmart, our forecasts, or advisory services, call Bernard Nossuli at 515-327-0070 (x106).