HOMEBUYER REPORT 2024

HOUSING INSIGHTS AND SOLUTIONS PROVIDED BY

Freddie Mac

NAMB

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LETTER FROM THE PRESIDENT

NAMB
NATIONAL ASSOCIATION OF MORTGAGE BROKERS SINCE 1973

VALERIE SAUNDERS
President, 2023-2024

As the President of the National Association of Mortgage Brokers (NAMB), it is with immense pride and a deep sense of responsibility that I represent our esteemed members and the broader mortgage industry.

Our organization stands as a testament to the dedication, expertise, and integrity that define our profession. Each day, we are driven by a shared commitment to providing exceptional service and support to our clients, fostering trust and confidence in the mortgage process. Your unwavering commitment to these principles underscores the strength and success of our industry.

At NAMB, we are continually striving to advocate for policies and practices that benefit both our members and the consumers we serve. We understand the vital role that mortgage professionals play in shaping the dreams of homeownership and financial stability for countless individuals and families across the nation. It is our mission to ensure that our members are well-equipped with the resources, knowledge, and support needed to excel in an ever-evolving landscape.

It is a privilege to represent you and to work alongside such a passionate and dedicated community of professionals. Together, we will continue to elevate our industry and make a meaningful impact on the lives of those we serve.

THANK YOU TO FREDDIE MAC

NAMB appreciates the support and guidance provided by one of our top Industry Partners. Your valuable support and input helped to make this report possible.

ASSOCIATION OVERVIEW

ABOUT

The National Association of Mortgage Brokers has been the only national volunteer-led and membership-driven organization representing the interests of mortgage professionals and homebuyers since 1973.

NAMB provides mortgage professionals with advocacy, education, and rigorous certification programs to recognize members with the highest levels of professional knowledge and education. NAMB's active lobbying and advocacy efforts focus on national and state issues, protecting the interests of its members and borrowers.

As the leading national trade association for the mortgage industry, NAMB is affiliated with state associations throughout the country and represents the interests of more than 993,000 licensed and registered Mortgage Loan Originators and 68,000 licensed Mortgage Broker and Mortgage Lender businesses throughout the U.S. www.namb.org

THIRD-PARTY ORIGINATIONS

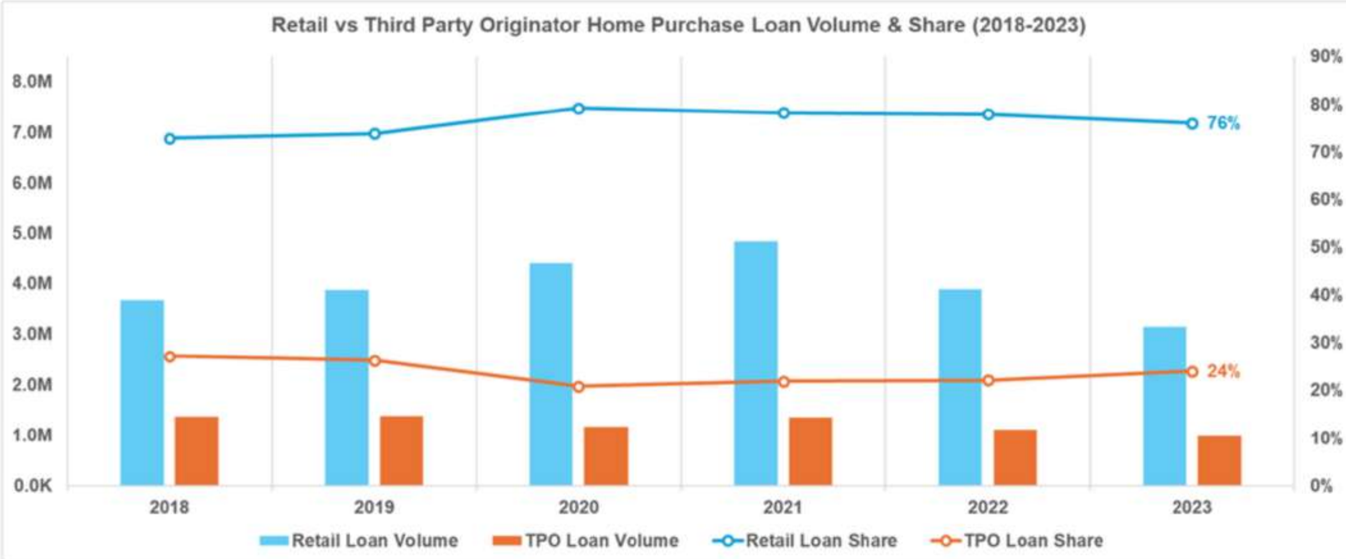
Third-party loan originations plays a crucial role in the mortgage and lending industry by expanding access to financial products and services, improving efficiency, and fostering competition.

Stability in Purchase Originations

Stability in Refinance Originations

Trends in the U.S.

The share of third-party purchase originations has remained relatively stable since 2020



Source: Data is HMDA 2023 for single family and manufactured housing properties, excluding redundant loans purchased by commercial banks, savings banks, savings associations, and affiliate institutions. Figures also exclude jumbo loans, home improvement loans, loans with a reported rate spread, HOEPA loans, second liens, and unsecured loans. Retail and TPO loans represent loans under action taken - 1 (Loan originated) and 6 (Purchased loan) respectively in HMDA 2023 data.

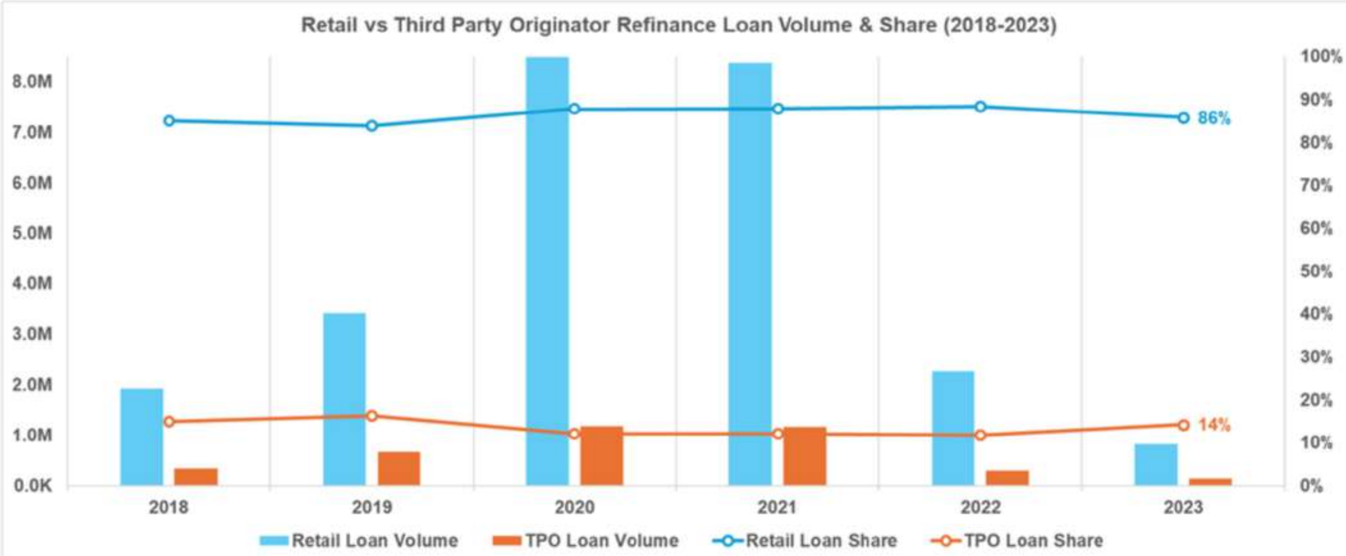
SHARE OF TPO PURCHASE ORIGINATIONS REMAINED STABLE SINCE 2020

From 2018 to 2023, third-party purchase originations accounted for about 24% of the market, while retail origination dominated with the other 76%.

The significant presence of third-party originations at 24% illustrates the key role independent brokers and agents who provide borrowers with more diverse loan options, increased flexibility, and tailored services play.

While retail originations remains the dominant channel, third-party originations' role demonstrates the industry's evolving landscape, catering to borrowers seeking competitive rates and specialized loan solutions. This balance reflects the coexistence of both models, serving different consumer needs and preferences within the mortgage market.

The share of third-party refinance originations has remained relatively consistent from 2018-2023



Source: Data is HMDA 2023 for single family and manufactured housing properties, excluding redundant loans purchased by commercial banks, savings banks, savings associations, and affiliate institutions. Figures also exclude jumbo loans, home improvement loans, loans with a reported rate spread, HOEPA loans, second liens, and unsecured loans. Retail and TPO loans represent loans under action taken - 1 (Loan originated) and 6 (Purchased loan) respectively in HMDA 2023 data.

SHARE OF TPO REFINANCE ORIGINATIONS REMAINED RELATIVELY CONSISTENT FROM 2018-2023

The share of third-party refinance originations has remained relatively consistent from 2018-2023 despite the overall decrease in refinance loan origination volume.

This suggests that borrowers continue to prioritize the flexibility and wider range of loan options offered by independent brokers and third-party originators.

Although retail originators still dominate the market, the trust in non-traditional channels for refinancing suggests consumers are increasingly seeking better rates, terms, and personalized service.

This steady demand highlights the value of independent brokers and third-party originators in offering tailored mortgage solutions in fluctuating market.

In 2023, large metros such as Dallas, New York, and Houston saw the largest third-party purchase originations

Third Party Home Purchase Originations by CBSA

Top 5 CBSAs	Third-Party Home Purchase Loan Volume
Dallas-Fort Worth-Arlington, TX	39.0K
New York-Newark-Jersey City, NY-NJ-PA	33.5K
Houston-The Woodlands-Sugar Land, TX	30.8K
Chicago-Naperville-Elgin, IL-IN-WI	28.4K
Atlanta-Sandy Springs-Alpharetta, GA	25.4K

Source: Data is HMDA 2023 for single family and manufactured housing properties, excluding redundant loans purchased by commercial banks, savings banks, savings associations, and affiliate institutions. Figures also exclude jumbo loans, home improvement loans, loans with a reported rate spread, HOEPA loans, second liens, and unsecured loans. TPO loans represent loans under action taken - 6 (Purchased loan) in HMDA 2023 data.

SOME LARGE METRO AREAS SAW LARGEST INCREASE IN TPO ORIGINATIONS IN 2023

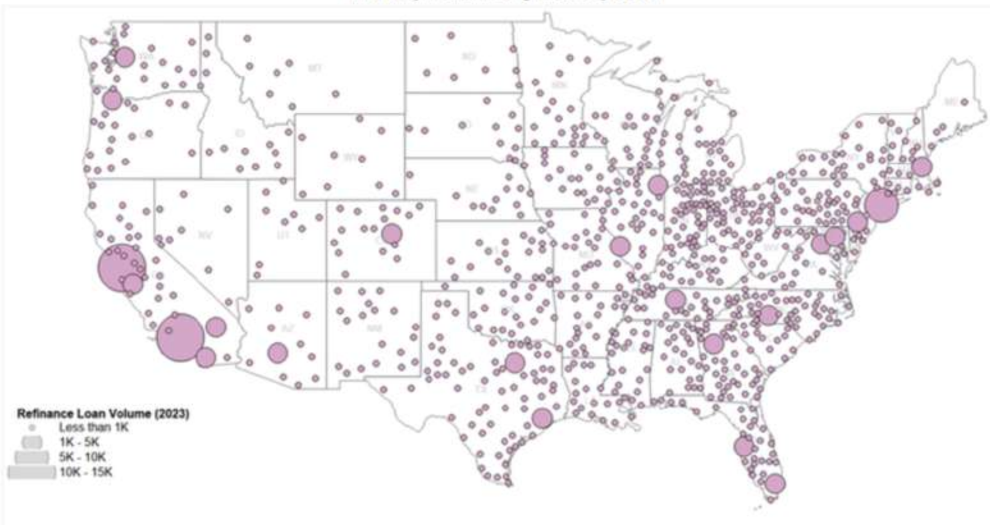
In 2023, large metropolitan areas such as Dallas, New York, and Houston experienced the highest levels of third-party purchase originations.

As homebuyers in these bustling metros face challenges such as limited inventory, rising home prices, and diverse financing needs, third-party originators have emerged as key players, offering tailored mortgage solutions and access to a wider range of loan products.

The prominence of third-party purchase originations in these cities reflects a shift toward leveraging external expertise to navigate complex transactions, as borrowers seek out more personalized services and competitive rates in fast-paced housing markets.

The highest volume of third-party refinance originations occurred in major metros like San Francisco, Los Angeles, and New York

Third Party Refinance Originations by CBSA



Top 5 CBSAs	Third-Party Refinance Loan Volume
San Francisco-Oakland-Berkeley, CA	12.8K
Los Angeles-Long Beach-Anaheim, CA	10.1K
New York-Newark-Jersey City, NY-NJ-PA	7.4K
Boston-Cambridge-Newton, MA-NH	4.0K
Atlanta-Sandy Springs-Alpharetta, GA	3.9K

Source: Data is HMDA 2023 for single family and manufactured housing properties, excluding redundant loans purchased by commercial banks, savings banks, savings associations, and affiliate institutions. Figures also exclude jumbo loans, home improvement loans, loans with a reported rate spread, HOEPA loans, second liens, and unsecured loans. TPO loans represent loans under action taken - 6 (Purchased loan) in HMDA 2023 data.

HIGHEST VOLUME OF TPO REFINANCE ORIGINATIONS IN MAJOR METRO AREAS

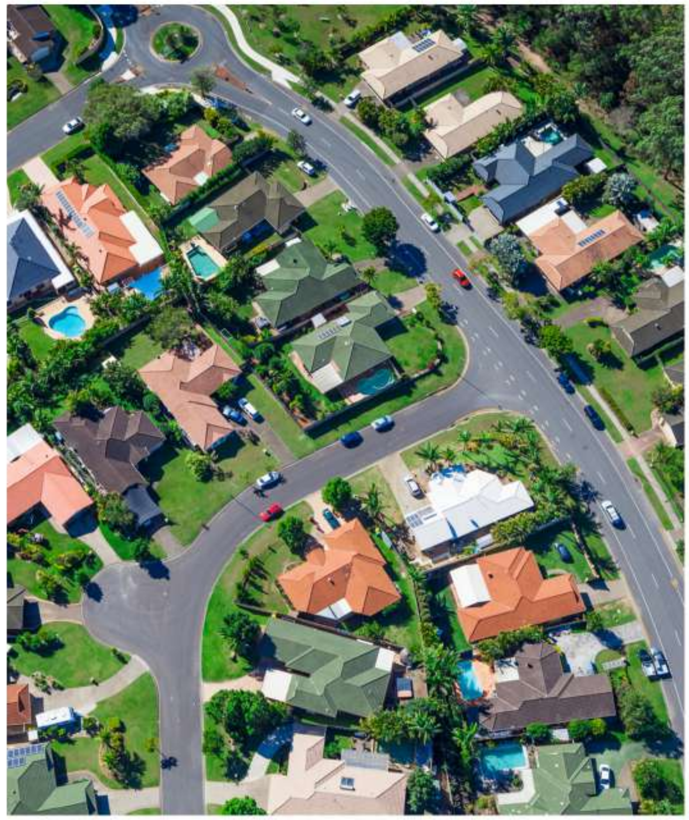
In 2023, the highest volume of third-party refinance originations occurred in major metropolitan areas such as San Francisco, Los Angeles, and New York. These regions, known for their dynamic real estate markets and high property values, saw strong borrower reliance on third-party originators to facilitate refinancing.

Third-party originators played a crucial role in helping borrowers navigate fluctuating interest rates, secure favorable terms, and optimize their financial positions in these high-cost urban environments.

This growth reflects the expanding influence of third-party channels in major housing markets.

HOUSING MARKET TRENDS

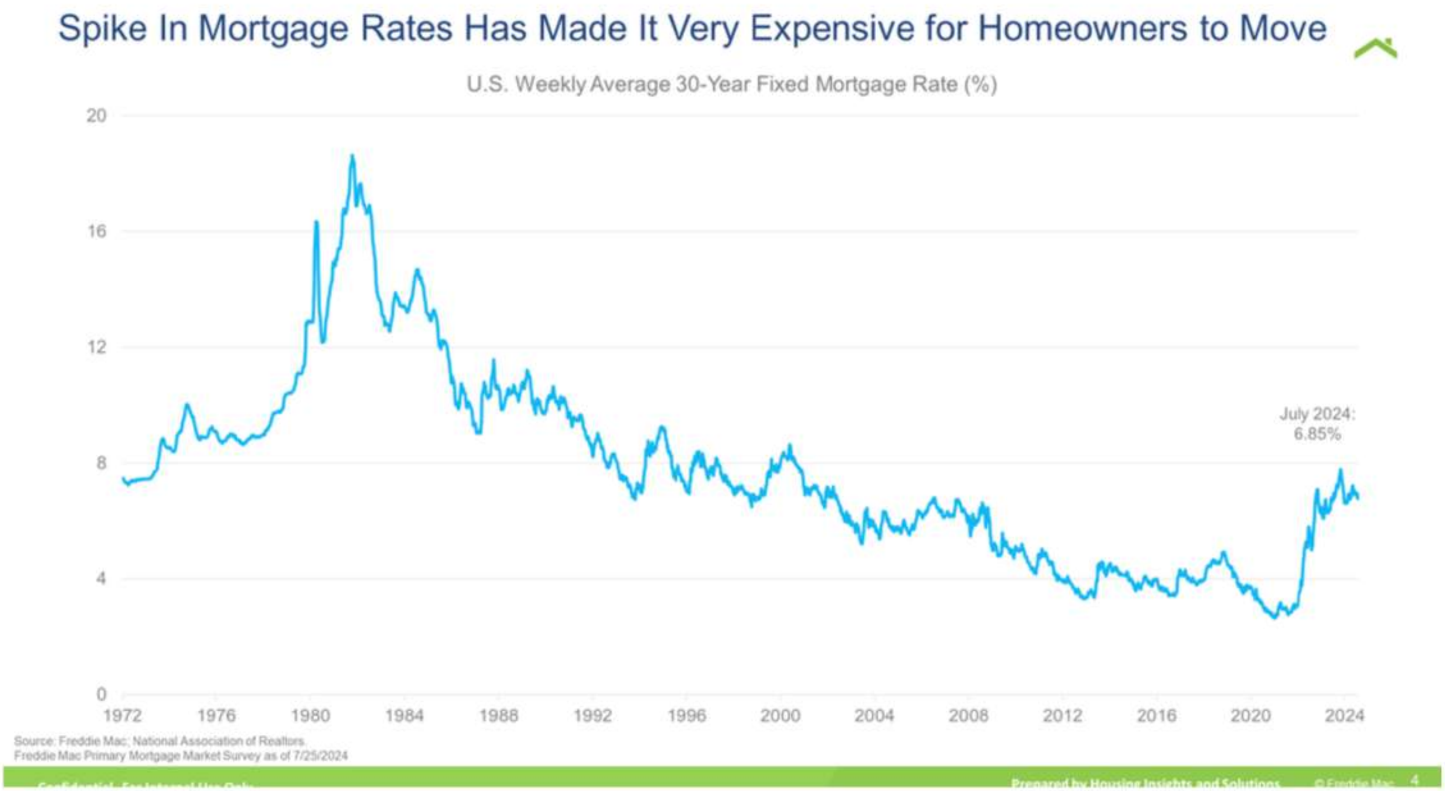
As we navigate the 2024 housing market, several key trends are emerging that will shape the landscape for buyers, sellers, and industry professionals alike.



Spike in Interest Rates

Housing in Short Supply

Trends in the U.S.

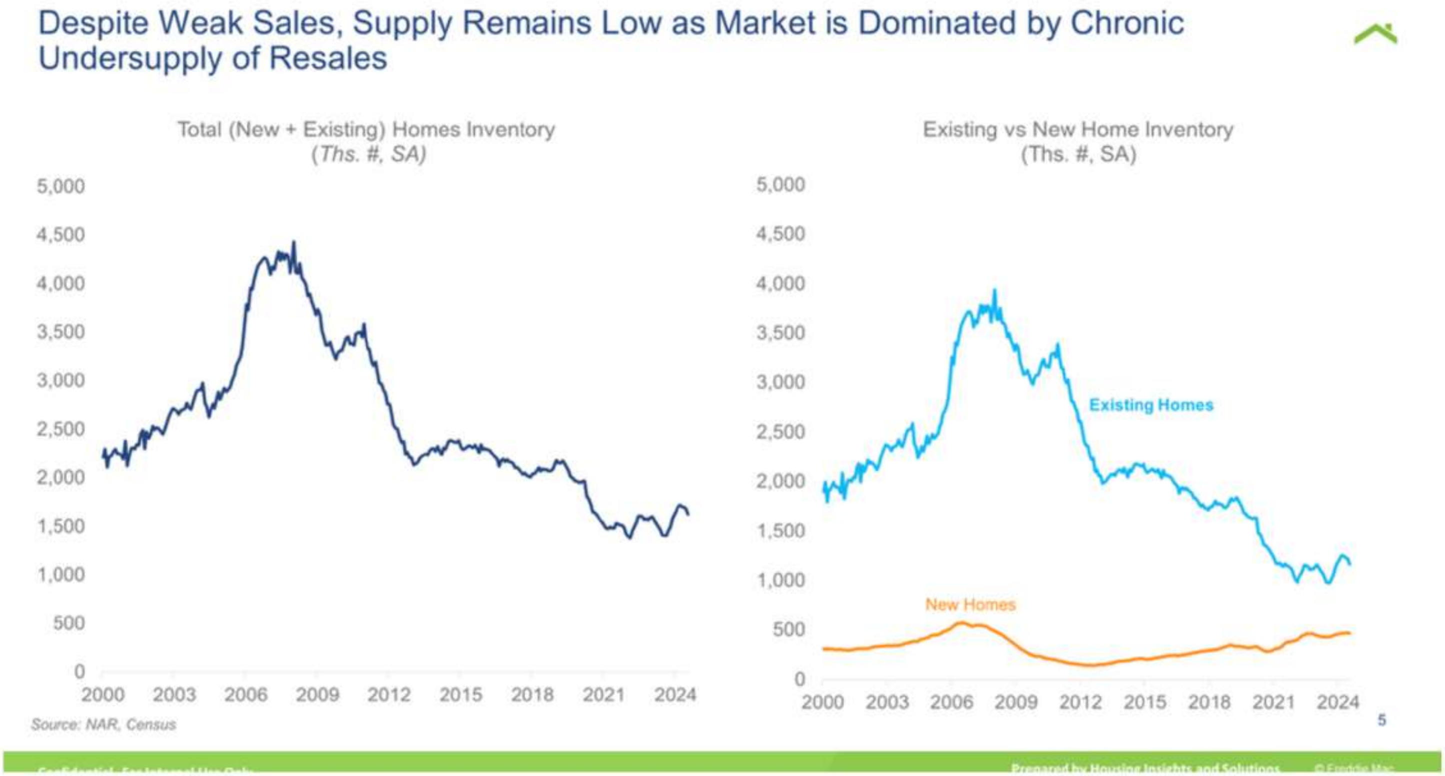


SPIKE IN MORTGAGE RATES

The recent spike in interest rates has significantly impacted the housing market, making it increasingly difficult for many individuals and families to move.

As borrowing costs rise, potential homebuyers are facing higher monthly mortgage payments, which has reduced their purchasing power and made new homes less affordable.

As of July, 2024, the U.S. weekly average 30-year fixed interest rate was 6.85%

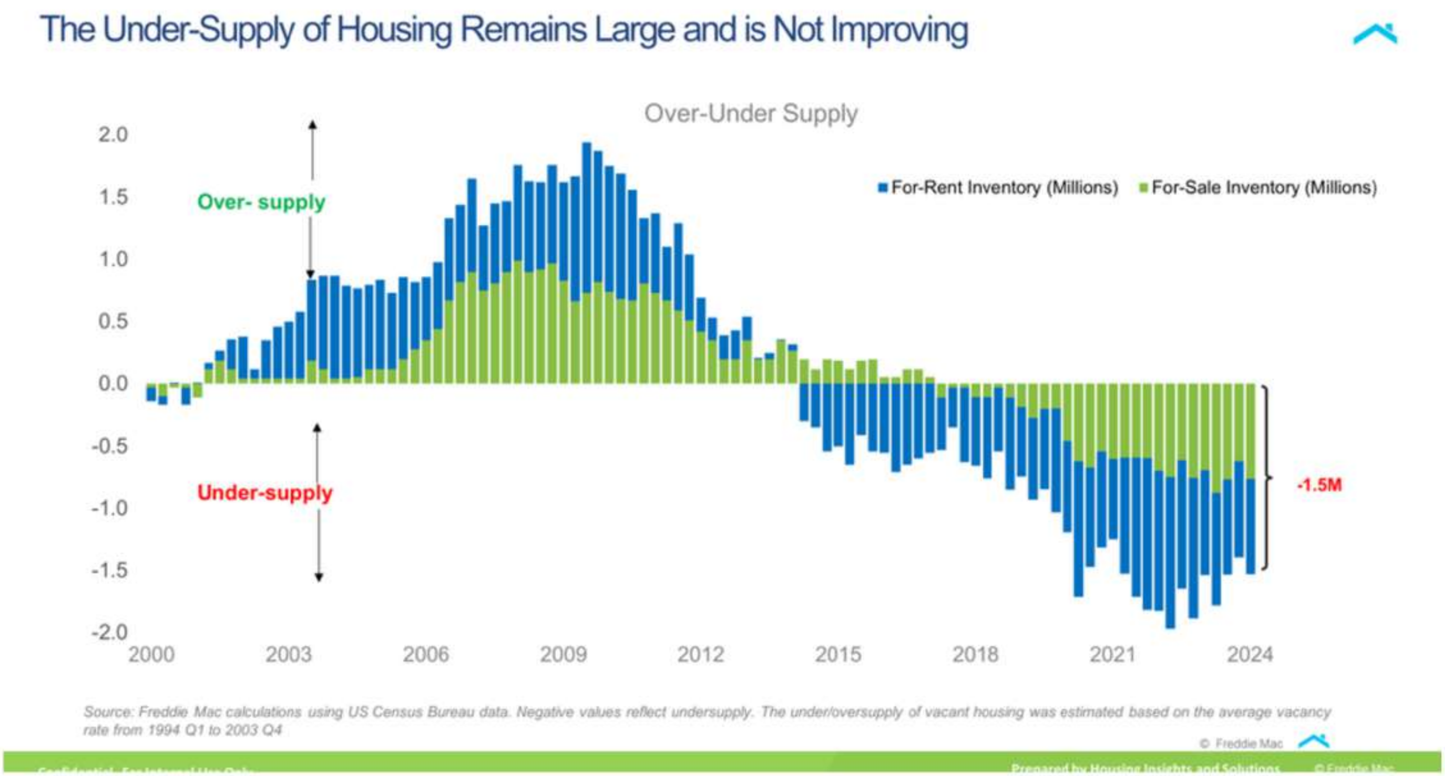


HOUSING SUPPLY REMAINS LOW

The U.S. housing market is currently grappling with a significant challenge: a low supply of homes available for sale.

The constrained housing supply is driven by several factors, including existing homeowners staying in their properties longer.

As a result, many potential buyers are finding it increasingly difficult to find suitable homes, while current homeowners face fewer options if they wish to sell.

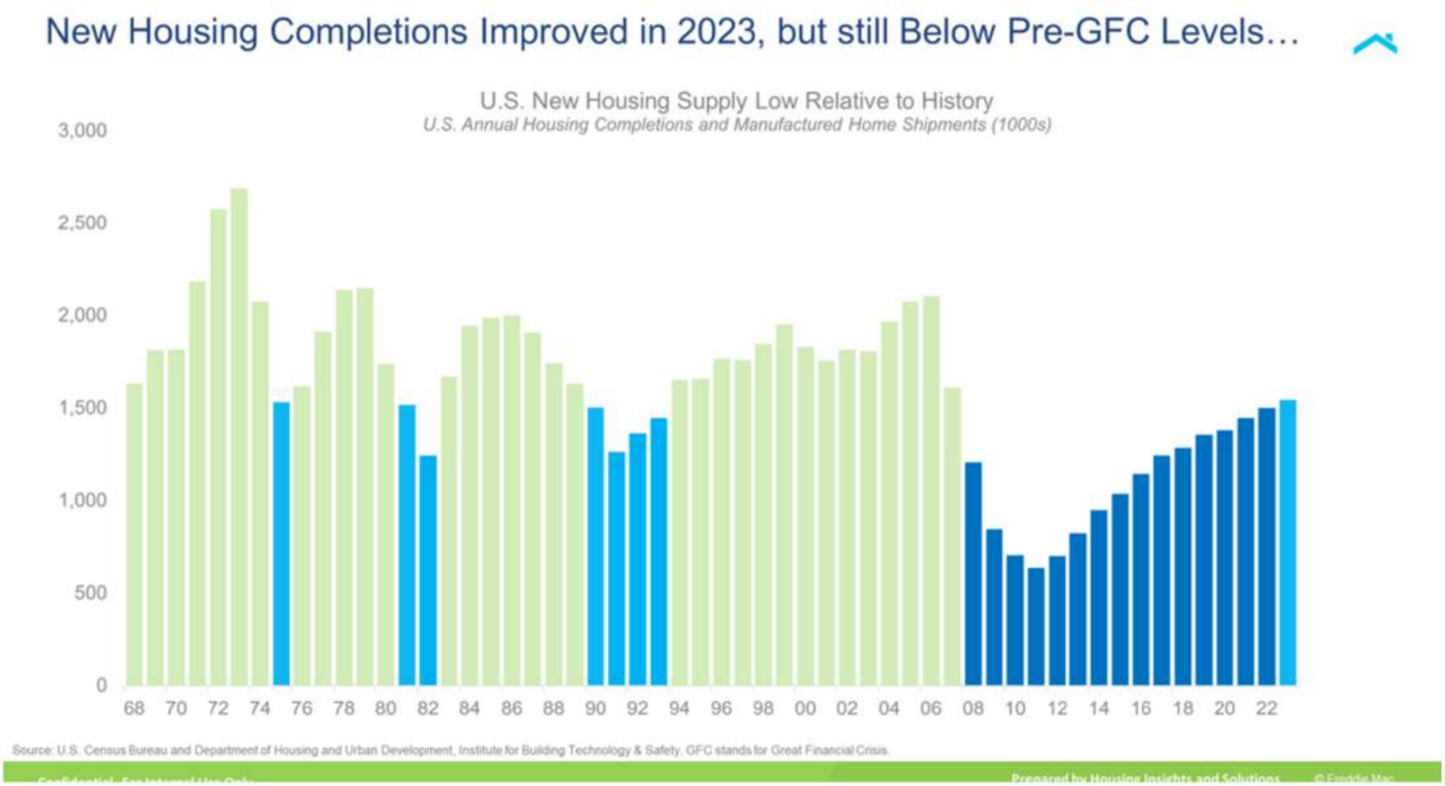


UNDER-SUPPLY REMAINS LARGE

The ongoing undersupply of housing in the U.S. presents a significant challenge for the real estate market and for prospective homeowners across the nation.

The persistent shortage of available homes is driving up prices, creating heightened competition, and placing added pressure on both buyers and sellers. These constraints have led to a market where demand outstrips supply, exacerbating affordability issues and reducing options for those seeking to buy or rent.

As of July, 2024, the undersupply of vacant housing is estimated on the average of -1.5 million homes.

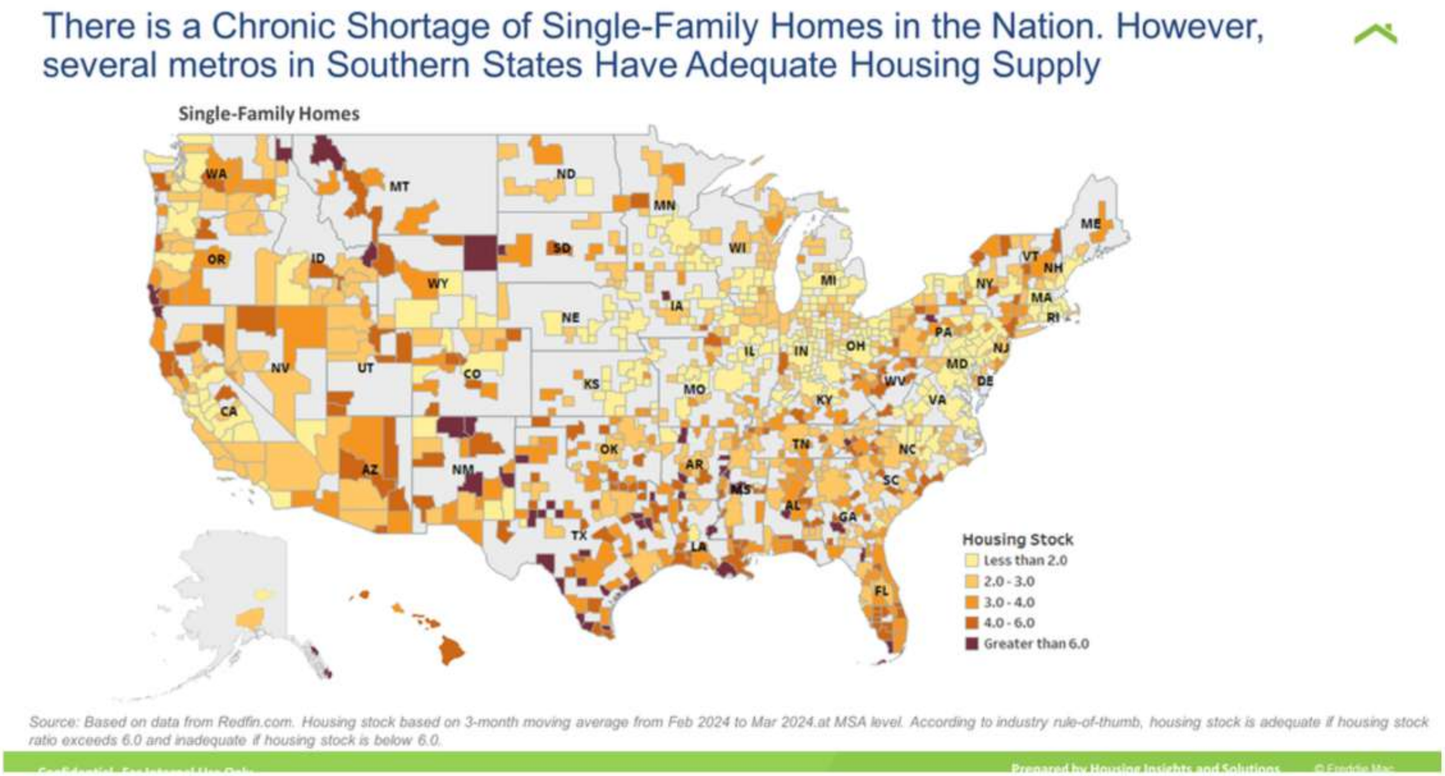


NEW HOUSING COMPLETIONS

Recent data indicates that new housing starts in the U.S. are currently falling below the levels observed during the Great Financial Crisis. This significant shortfall in new construction activity highlights a critical issue facing the housing market today.

The low levels of new housing starts are contributing to a broader housing supply shortage, exacerbating affordability challenges and limiting options for prospective buyers.

Addressing this issue is imperative for stabilizing the housing market and improving housing availability.

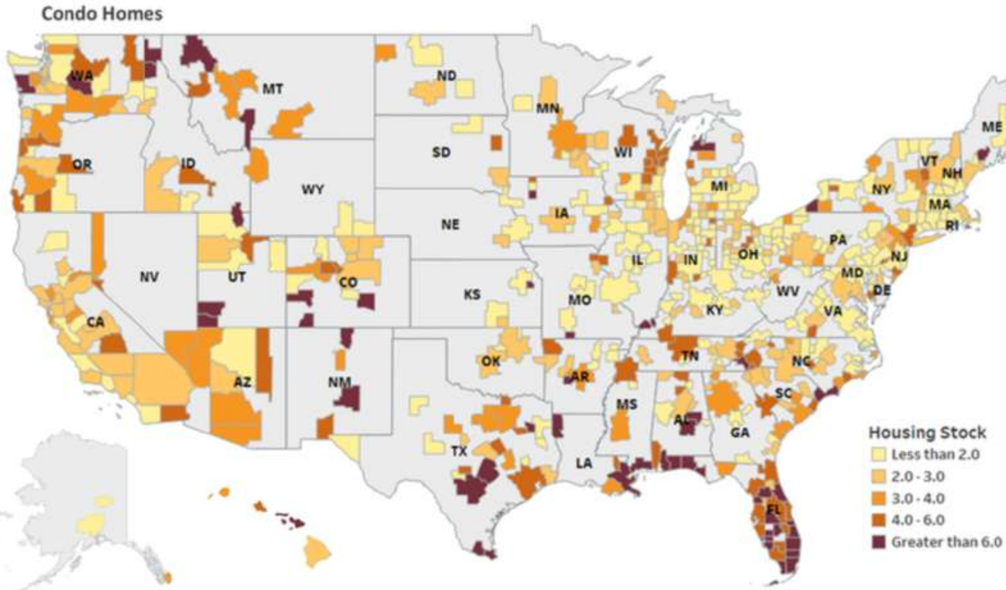


METROS IN SOUTHERN STATES ARE REBOUNDING

Recent assessments indicate that many metros in southern states are experiencing a more favorable housing supply situation compared to other regions in the U.S. This indicates a relatively stable balance between demand and supply in those areas.

However, it is important to recognize that while some southern metros have relatively adequate housing supply, the broader national housing landscape remains complex, with significant variations in supply and demand across regions.

Condo Market Also Faces Low Inventory, but Southern States Offer More Housing Supply for Homebuyers in 2024



Source: Based on data from Redfin.com. Housing stock based on 3-month moving average from Feb 2024 to Mar 2024.at MSA level. According to industry rule-of-thumb, housing stock is adequate if housing stock ratio exceeds 6.0 and inadequate if housing stock is below 6.0.

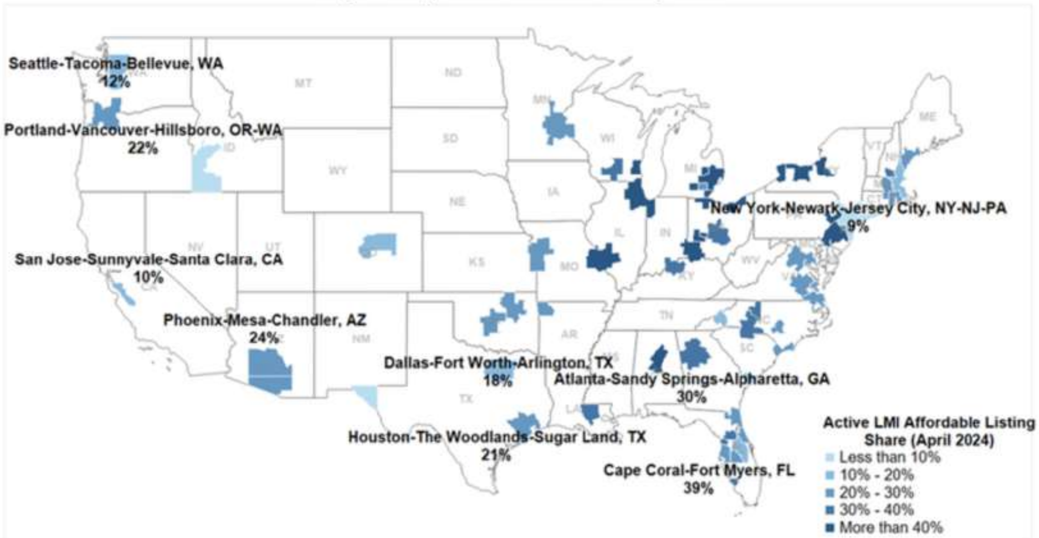
CONDO SUPPLY HIGHER IN SOUTH

Southern states are increasingly becoming hotspots for condominium development, offering a broader range of options for potential buyers and renters. This trend reflects a growing demand for more flexible living solutions that align with the lifestyle preferences of many residents in the region.

This increase in condo availability is helping to address housing needs by providing more affordable and accessible options in desirable locations.

Active Single-Family Listings Affordable to Low-To Moderate-Income (LMI) Households are Higher in Midwestern and Southeast States

Single-Family Home Affordable Listing Share



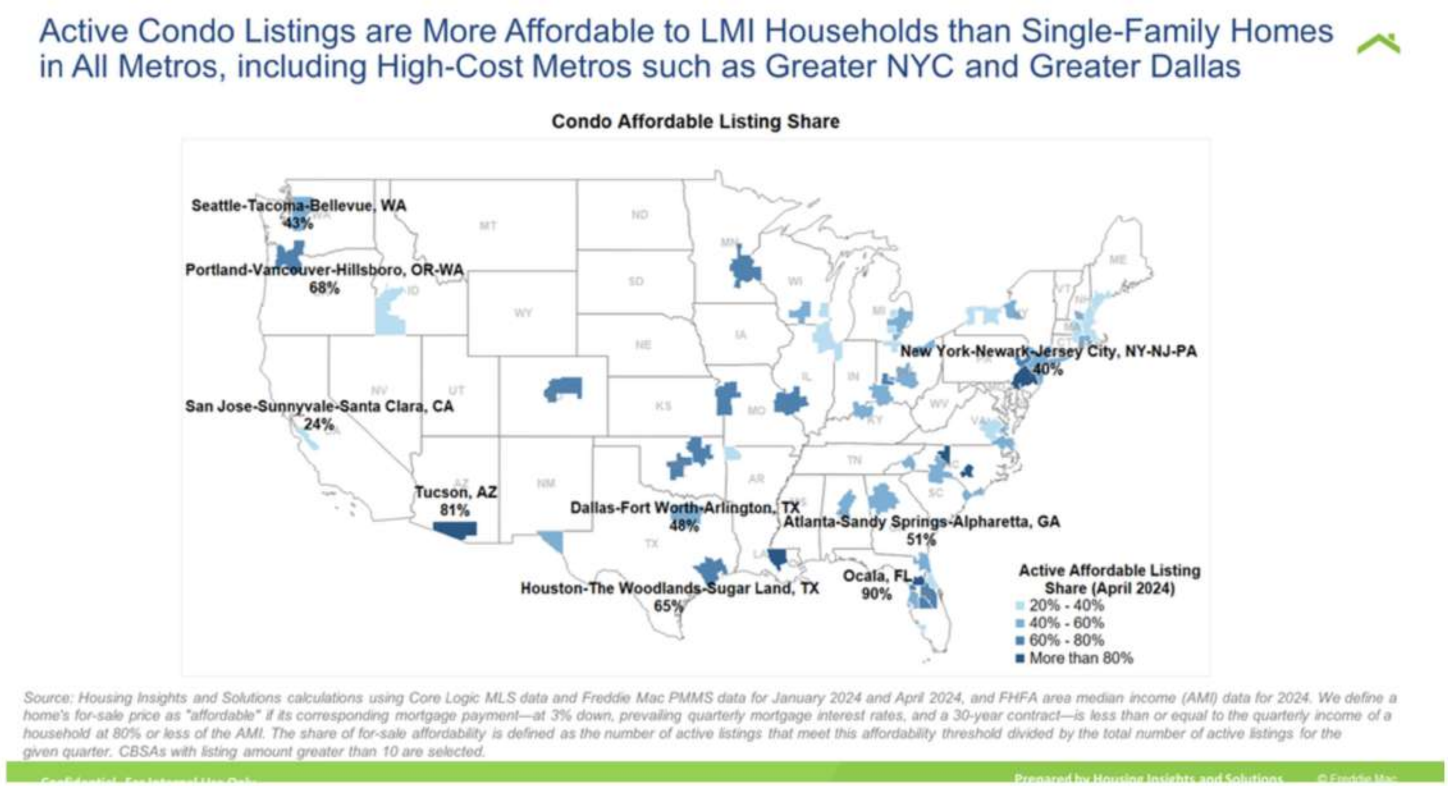
Source: Housing Insights and Solutions calculations using Core Logic MLS data and Freddie Mac PMMS data for January 2024 and April 2024, and FHFA area median income (AMI) data for 2024. We define a home's for-sale price as "affordable" if its corresponding mortgage payment—at 3% down, prevailing quarterly mortgage interest rates, and a 30-year contract—is less than or equal to the quarterly income of a household at 80% or less of the AMI. The share of for-sale affordability is defined as the number of active listings that meet this affordability threshold divided by the total number of active listings for the given quarter. CBSAs with listing amount greater than 30 are selected.

LOW-TO MODERATE-INCOME HOUSING LISTINGS

Data indicates that the availability of active listings suitable for low-to moderate-income buyers has been notably higher in the Midwest and Southeast regions of the U.S.

This trend reflects several factors including more affordable housing markets and lower cost of living.

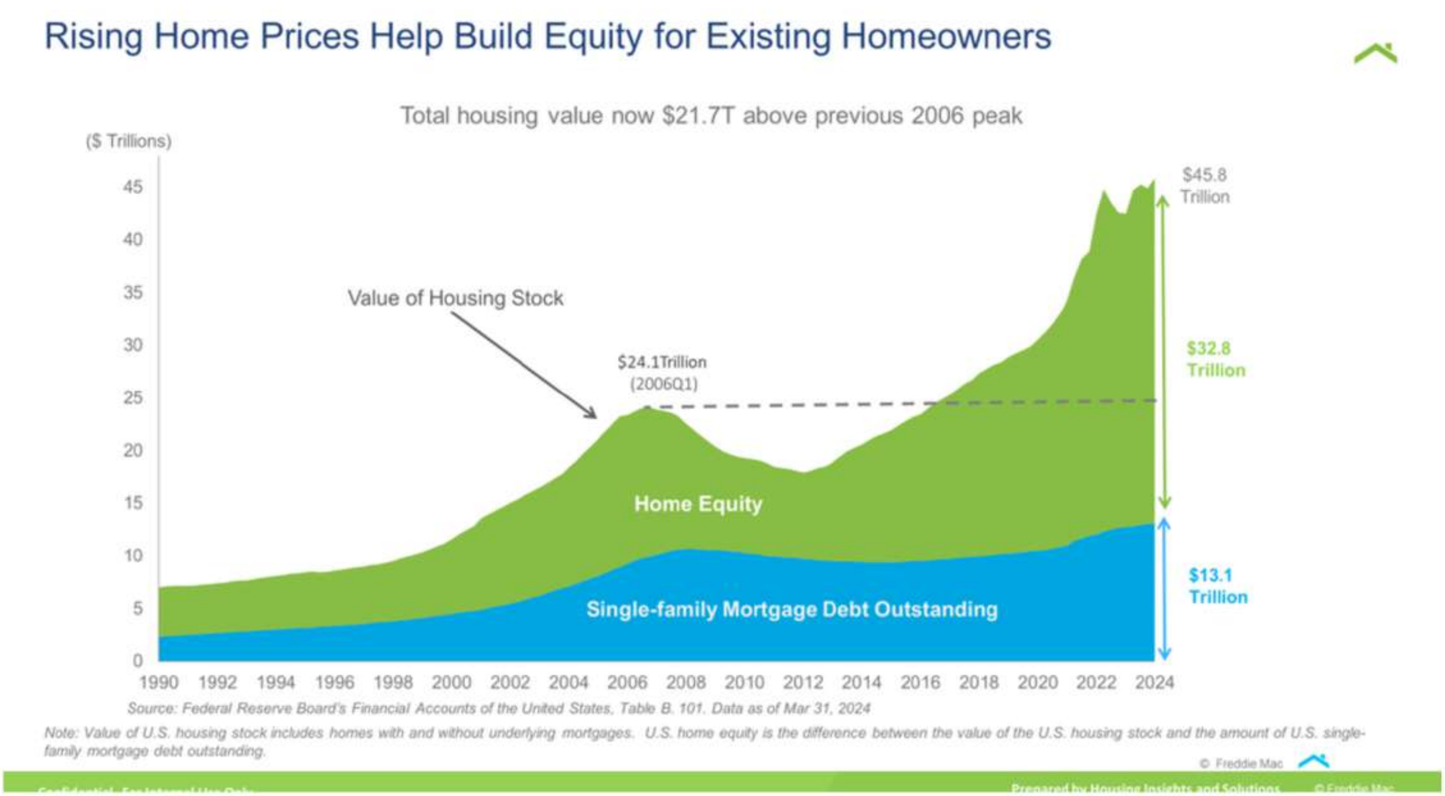
The higher inventory in these regions offers greater opportunities for individuals and families seeking affordable homeownership options.



LOW- TO MODERATE - INCOME CONDO LISTINGS

Market analysis reveals that active condominium listings are generally more affordable than single-family homes for low- to moderate-income buyers.

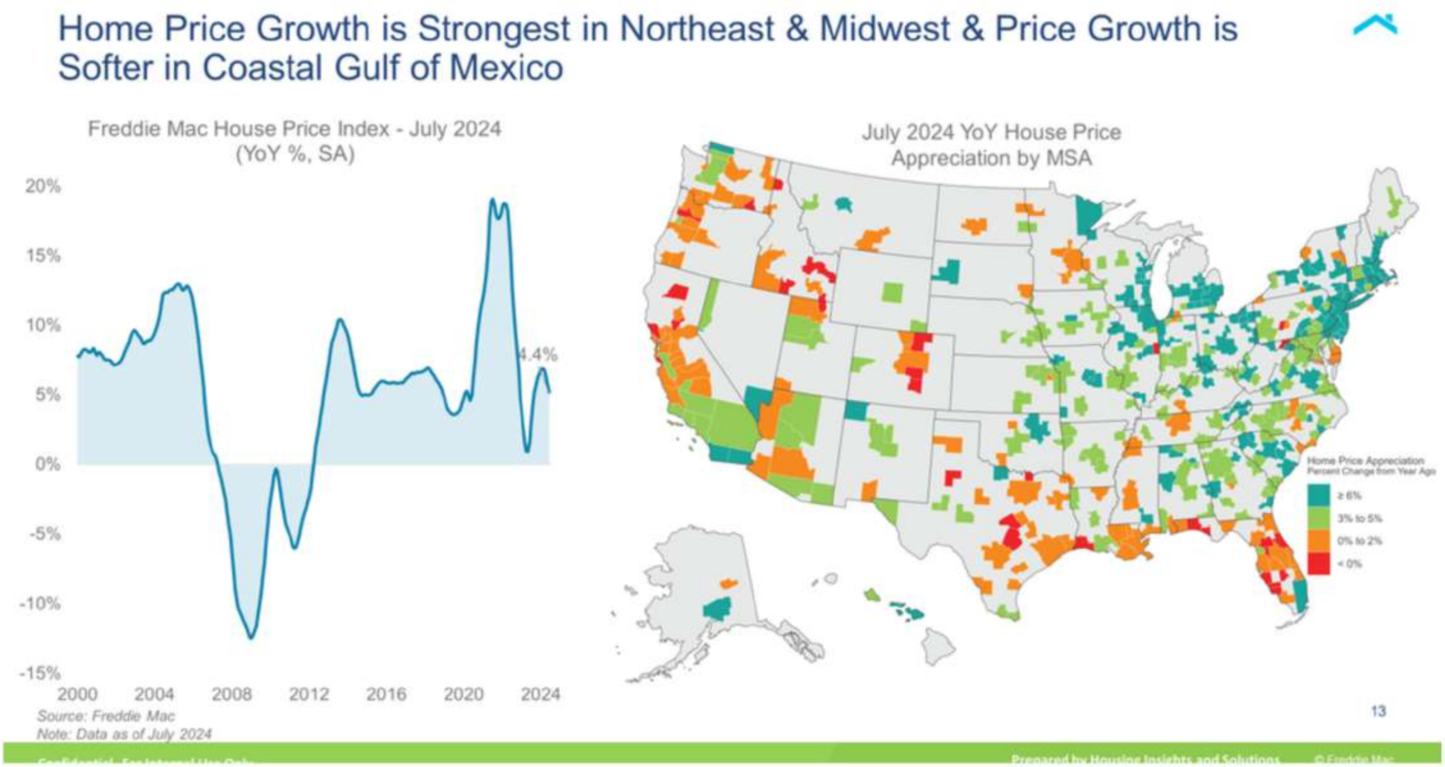
This affordability gap is driven by several factors, including the typically lower purchase prices of condos and shared amenities that can lead to cost savings.



RISING HOME PRICES HELP BUILD EQUITY

The recent surge in home prices has played a significant role in building equity for homeowners. In 2024, home equity tops $45 trillion, over $21 trillion above the prior high mark set in 2006.

Increased home equity can serve as a valuable financial resource, providing opportunities for refinancing, securing home equity loans, or funding major expenses such as education or home improvements. Furthermore, higher equity contributes to long-term wealth accumulation and can offer a financial cushion in times of economic uncertainty.



STRONG HPG IN NORTHEAST AND MIDWEST

Housing market trends indicate that house price growth has been particularly strong in the Northeast and Midwest regions of the U.S.

This robust growth can be attributed to several factors, including increased demand for housing in these areas, limited inventory, and economic stability.

In the Northeast, cities with strong job markets and desirable amenities have attracted more buyers, driving up home prices. Similarly, the Midwest has seen a surge in housing demand due to its relatively affordable cost of living, economic diversification, and attractive quality of life.

California and New York Experienced the Largest Net Out-Migration of Homebuyers

Net Migration by State (2022-2023)

Top 10 States With Positive Net Migration	
Texas	237.6K
Washington	181.7K
Florida	66.0K
Ohio	60.9K
Utah	59.0K
Kansas	55.2K
Colorado	51.5K
Kentucky	49.1K
Pennsylvania	49.0K
Indiana	36.1K

Top 10 States With Negative Net Migration	
California	-285.1K
New York	-253.9K
Oklahoma	-100.4K
Virginia	-60.4K
Hawaii	-46.6K
Michigan	-46.1K
New Jersey	-38.0K
Alabama	-33.2K
Arkansas	-30.1K
Missouri	-28.2K

Source: Freddie Mac calculations using American Community Survey of 2023 estimates www.ipums.org.

CALIFORNIA AND NEW YORK EXPERIENCED THE LARGEST NET OUT-MIGRATION OF HOMEBUYERS

The Northeast region of the U.S. currently experiences the highest net out-migration rates in the country.

Several factors contribute to this pattern, including high living costs, particularly in urban areas, and harsh weather conditions. Additionally, many individuals and families are seeking more affordable housing and better job opportunities in other regions, such as the South and West.

A Significant Population of Latino Americans Migrated Out of the West and South Regions, Whereas Texas and Pennsylvania Saw the Highest In-Migration

Latino Americans Net Migration by State (2022-2023)

Top 10 States With Positive Net Migration	
Texas	73.5K
Pennsylvania	58.4K
Georgia	37.6K
Ohio	25.5K
Arizona	16.9K
New Mexico	16.5K
Illinois	13.3K
Connecticut	11.7K
Colorado	10.0K
West Virginia	6.7K

Top 10 States With Negative Net Migration	
Oklahoma	-41.7K
Florida	-38.7K
California	-34.8K
Virginia	-18.8K
Michigan	-17.5K
Nevada	-15.8K
Oregon	-14.3K
Alabama	-11.6K
Kansas	-11.2K
Arkansas	-8.0K

Source: Freddie Mac calculations using American Community Survey of 2023 estimates www.ipums.org.

LATINO AMERICAN MIGRATION TRENDS

Recent migration trends show that Latino Americans have increasingly migrated out of the West (California and Oklahoma) and South (Florida and Virginia) regions of the U.S., with significant numbers moving to Texas, Pennsylvania, Georgia and Ohio.

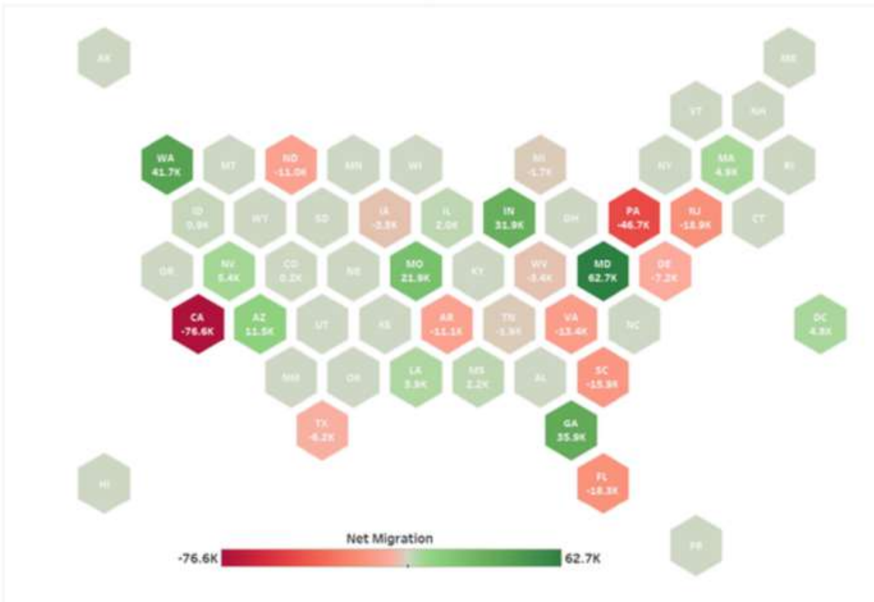
This shift may be driven by various factors, including economic opportunities, housing affordability, and community networks.

Texas has long been a popular destination due to its robust job market, relatively low cost of living, and established Latino communities.

Pennsylvania has seen a notable increase in its Latino population potentially due to its affordable housing, growing job markets in urban centers like Philadelphia and Pittsburgh, and efforts to create more inclusive and welcoming communities.

Black Americans Experienced the Highest Net-Out Migration from California and Pennsylvania and had the largest net increase in Maryland and Washington

Black Americans Net Migration by State (2022-2023)



Top 10 States With Positive Net Migration	
Maryland	62.7K
Washington	41.7K
Georgia	35.9K
Indiana	31.9K
Missouri	21.9K
Arizona	11.5K
Nevada	5.4K
Massachusetts	4.9K
District Of Columbia	4.8K
Louisiana	3.9K

Top 10 States With Negative Net Migration	
California	-76.6K
Pennsylvania	-46.7K
New Jersey	-18.9K
Florida	-18.3K
South Carolina	-15.9K
Virginia	-13.4K
Arkansas	-11.1K
North Dakota	-11.0K
Delaware	-7.2K
Texas	-6.2K

Source: Freddie Mac calculations using American Community Survey of 2023 estimates www.ipums.org.

BLACK AMERICAN MIGRATION TRENDS

While the South and Northeast continue to be the hub for Black Americans, even more Black Americans are moving into Georgia, Maryland, and a few Midwest states.

The Midwest, with its relatively lower cost of living and diverse economic opportunities, has become an attractive destination.

This migration trend reflects broader shifts in regional demographics and economic conditions, as individuals and families move to areas that promise a better balance of affordability and opportunity. The movement of Black Americans to the Midwest underscores the region's emerging role as a hub for economic growth and community development within the broader national landscape.

A Larger Population of AANHPI Migrated Out of Northeast States, While Washington and New Jersey Experienced the Highest In-Migration

AANHPI Net Migration by State (2022-2023)

Top 10 States With Positive Net Migration	
Washington	43.6K
New Jersey	31.2K
Nevada	15.4K
Maryland	11.9K
Colorado	9.3K
Texas	7.3K
Illinois	4.5K
Arizona	4.0K
Iowa	3.4K
Virginia	3.3K

Top 10 States With Negative Net Migration	
New York	-21.4K
Oregon	-13.9K
Pennsylvania	-10.4K
Massachusetts	-6.9K
Tennessee	-4.9K
Wyoming	-4.0K
Michigan	-2.6K
District Of Columbia	-2.1K
Hawaii	-1.8K
California	-0.9K

Source: Freddie Mac calculations using American Community Survey of 2023 estimates www.ipums.org.

AANHPI MIGRATION TRENDS

Asian American, Native Hawaiian, and Pacific Islander (AANHPI) populations are increasingly migrating to the Midwest. This shift is driven by several factors, including economic opportunities, educational prospects, and more affordable living conditions in the Midwest.

The Midwest offers diverse job markets, particularly in sectors such as technology, healthcare, and education, which attract AANHPI individuals and families seeking better employment opportunities. Additionally, the region's cost of living is generally lower than in many coastal states, making it an appealing destination for those looking to improve their quality of life.

New York and Oregon have seen the largest decline in their AANHPI populations, possibly due to limited economic opportunities and higher living costs in certain areas.

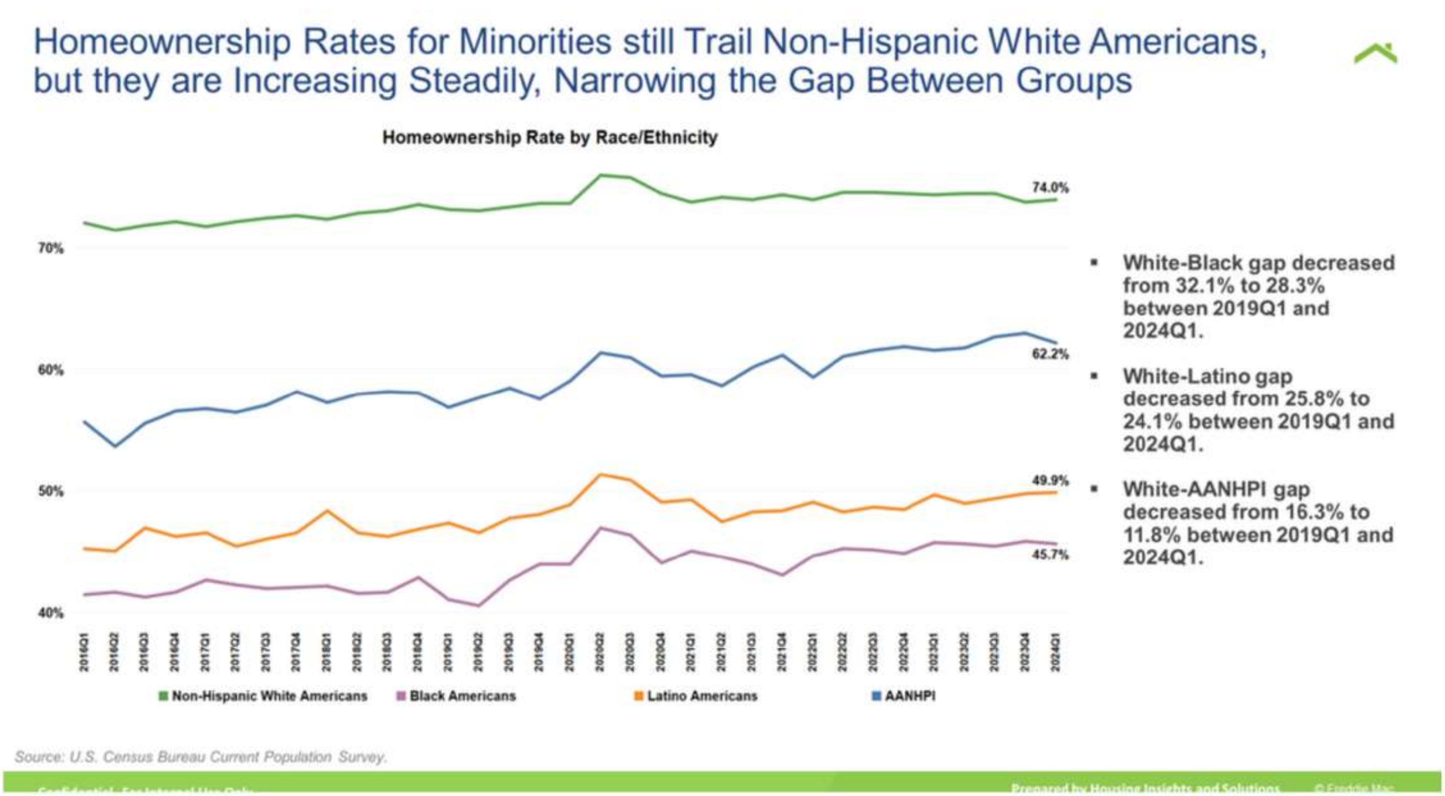
HOMEBUYER INSIGHTS

Navigating the 2024 housing market requires buyers to be well-informed, financially prepared, and flexible in their expectations. By understanding these key insights and trends, homebuyers can make strategic decisions that align with their needs and financial goals.

Homeownership Rates

Housing Disparities and Gaps

Trends in the U.S.



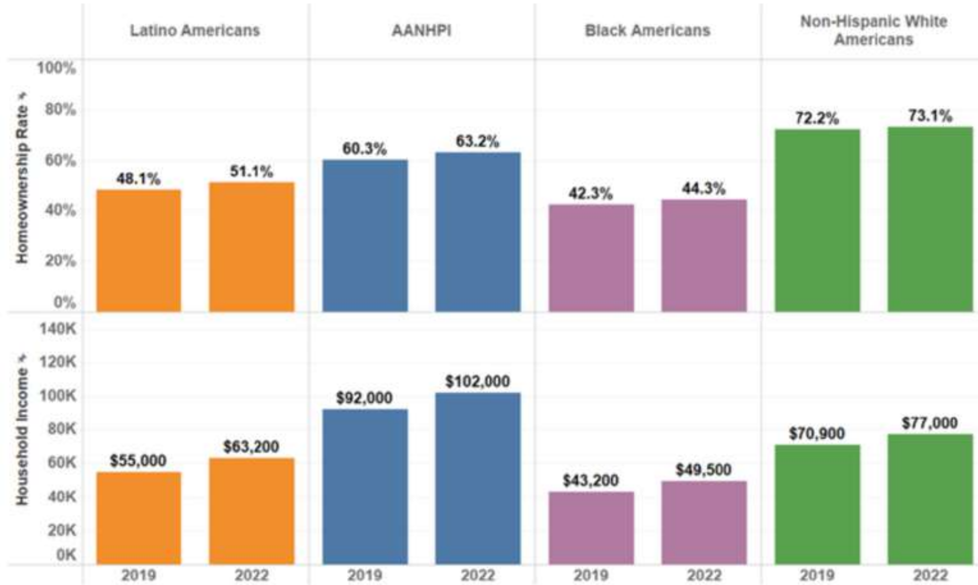
HOMEOWNERSHIP RATES FOR MINORITIES

The gap in homeownership rates between Minorities and Non-Hispanic White Americans has been a persistent issue, but there have been efforts and some progress in closing this gap.

Several factors contribute to the gradual improvement including policy interventions through government programs aimed at increasing affordable housing and providing down payment assistance; economic growth and rising incomes in minority communities and increased efforts to provide financial education and literacy programs have empowered more minority households to navigate the home buying process.

Statistics show that the gaps have decreased in all categories between 2019Q1 and 2024Q1 with the Non-Hispanic White - AANHPI gap showing the greatest improvement at a 4.5% decrease overall.

Latino American Households Experienced the Largest Percentage Growth in Income and Homeownership Rate Compared to Pre-Pandemic Levels



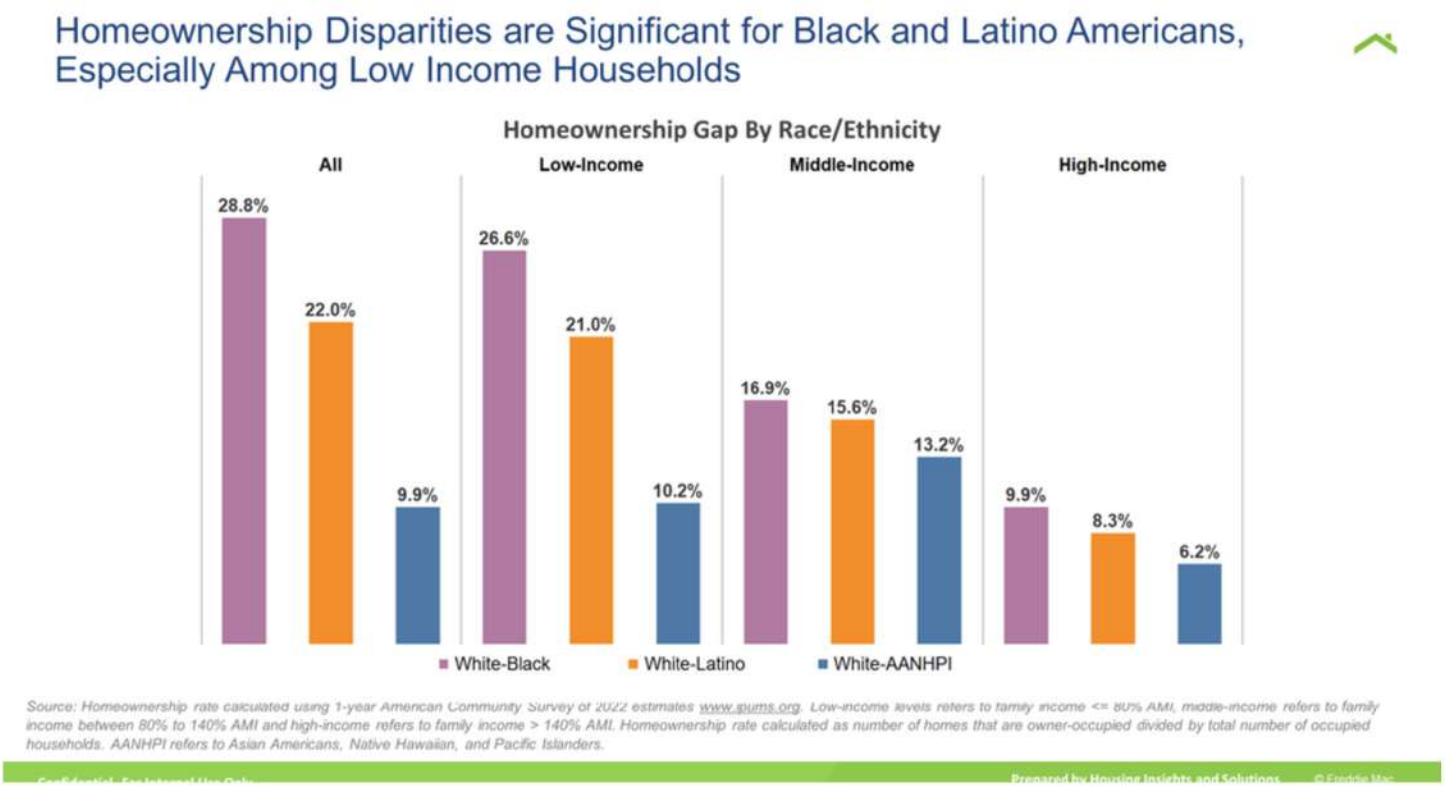
Source: Household Income and Homeownership rate calculated using 5-year American Community Survey of 2022 estimates www.ipums.org. Homeownership rate calculated as number of homes that are owner-occupied divided by total number of occupied households. AANHPI refers to Asian Americans, Native Hawaiian, and Pacific Islanders.

LATINO HOUSEHOLDS EXPERIENCE GROWTH

Latinos in the U.S. have experienced notable growth in both income and homeownership rates since the pre-pandemic period.

Contributing factors include economic resilience with improvements in employment rates and income levels; strong community networks and support systems have helped achieve financial stability and increased access to financial literacy programs and homebuyer assistance initiatives.

Between 2019 and 2022, Latino households increased homeownership rates by 3% and household income by $8,200 annually.

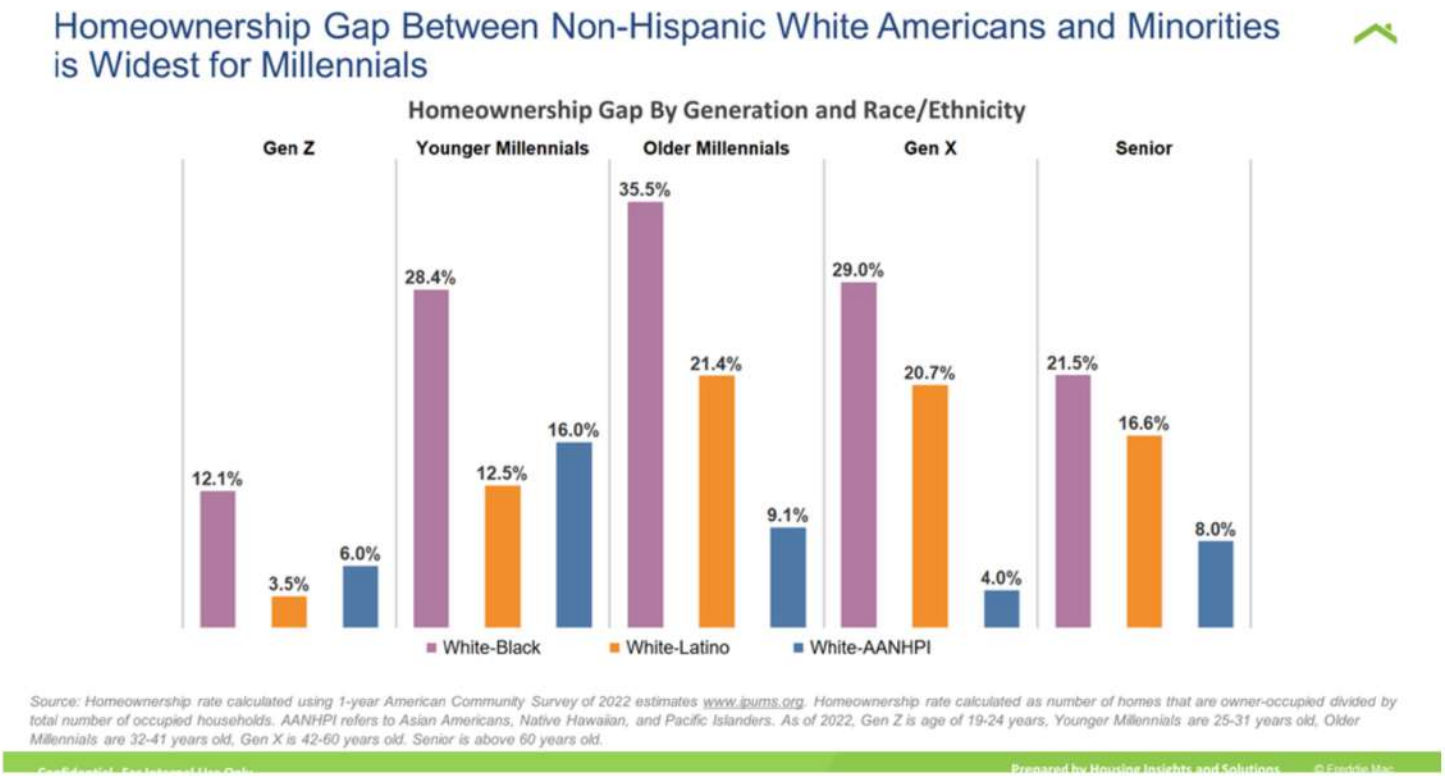


HOMEOWNERSHIP DISPARITIES ARE SIGNIFICANT

Homeownership disparities are significant for low-income Black and Latino households.

Income inequality, credit barriers, affordability issues, wealth gap and lower levels of financial literacy and access to homebuyer education can impede these household's ability to navigate the homebuying process.

Efforts to address these disparities include targeted policy interventions, such as expanding access to affordable housing programs; increased down payment assistance and investing in economic development and job creation in communities with high concentrations of low-income Black and Latino households.



HOMEOWNERSHIP GAP WIDEST IN MILLENNIALS

The homeownership gap is most pronounced among millennials, with minority millennials, particularly Black and Latino individuals, experiencing significantly lower homeownership rates compared to their white counterparts.

This disparity could be suggestively driven by a combination of economic challenges, such as high levels of student debt, stagnant wages, and the lasting impact of the Great Recession, which have disproportionately affected minority millennials.

Additionally, systemic issues like the racial wealth gap, discriminatory lending practices, and higher housing costs in urban areas where many minority millennials reside further exacerbate this gap.

Evaluating Maximum House Price for a Typical Household using Census data.

- The **green dot** represents the maximum house price, the **blue dot** represents the median home value at the MSA level, which serves as a benchmark. Affordability Ratio is obtained by dividing maximum house price by median home value.
- We define **Maximum House Price** as the maximum house price a household can afford such that the monthly mortgage payment is less that 31%* of monthly household income, assuming a 3% down payment and a prevailing 30-year fixed-rate mortgage. **Many lenders require a front-end DTI 31% and back-end DTI 43%*

Note: The calculation for maximum house price is based on FFIEC/HUD median family income data of 2024. Interest rate is derived from the average PMMS30. For more information, please see: https://www.jchs.harvard.edu/research-areas/working-papers/potential-shared-equity-and-other-forms-down-payment-assistance

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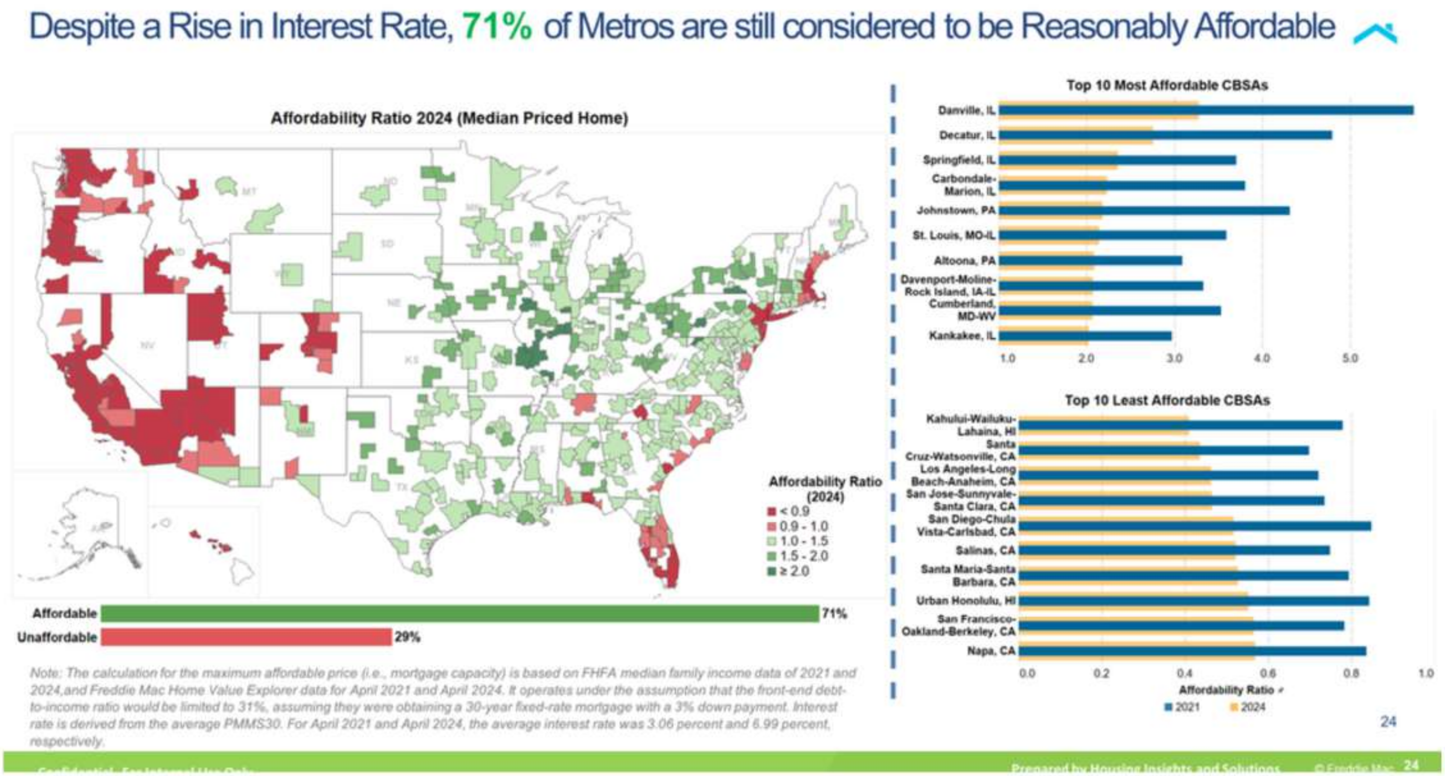
EVALUATION OF MAXIMUM HOUSE PRICE

The above methodology calculates the maximum house price that households can afford and evaluates the affordability of metros. Based on FFIEC/HUD median family income data, prevailing interest rate, and median home values, the affordability ratio for an area indicates if the median home value is affordable to the typical household in the area. It operates under the assumption that the front-end debt-to-income ratio should not exceed 31%, a 30-year fixed-rate mortgage with a 3% down payment.

By integrating these data points, policymakers and financial institutions can better understand housing affordability challenges and develop targeted strategies to support homeownership across different communities.

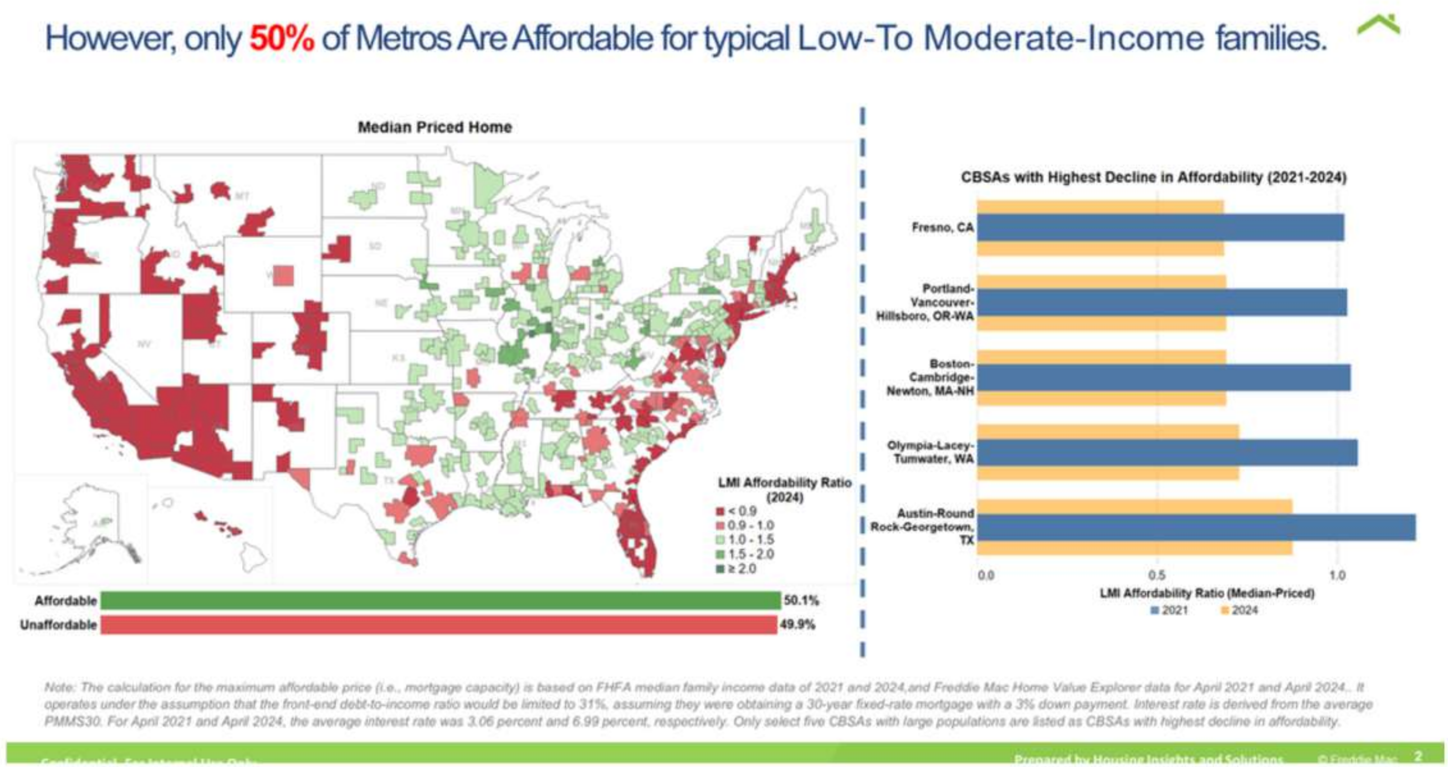


MANY METROS ARE CONSIDERED AFFORDABLE

Despite the recent rise in mortgage rates, 71% of metro areas across the U.S. are still considered affordable for homebuyers. Affordability in these regions is primarily driven by lower median home prices compared to national averages, along with relatively stable local economies and job markets.

Topmost affordable cities include Danville, IL; Decatur, IL; and Springfield, IL. Further, all the Core-Based Statistical Areas (CBSA) that were affordable in 2021 continue to be in 2024, despite the rate increase and they are concentrated in the mid-west. Not surprising, the least affordable CBSAs are in high-cost areas; Hawaii, California.

Overall, while rising mortgage rates pose a challenge to home affordability, certain metro areas continue to offer viable homeownership opportunities.



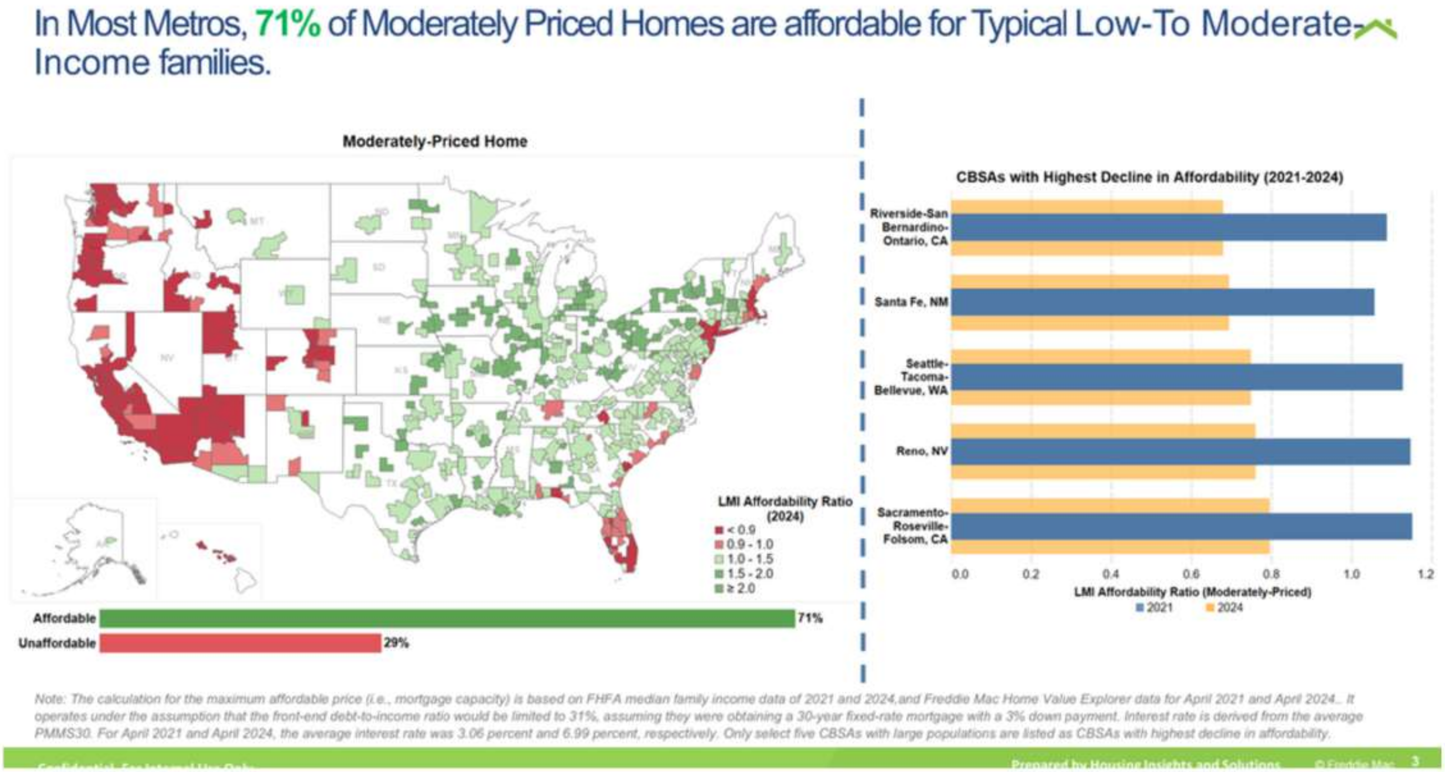
HOWEVER, ONLY LESS THAN 50 PERCENT OF METROS ARE AFFORDABLE TO LOW- TO MODERATE-INCOME FAMILIES

Many metropolitan areas are becoming increasingly unaffordable for low-to moderate-income families.

Driving factors include rising home prices; high rental costs; increased cost of living; limited affordable housing; and credit barriers.

Certain cities, including Fresno, CA; Portland, OR; Vancouver, WA; Boston, MA; Olympia, WA; and Austin, TX had the highest decline in affordability.

These declines highlight the need for affordable housing initiatives to address this growing issue.

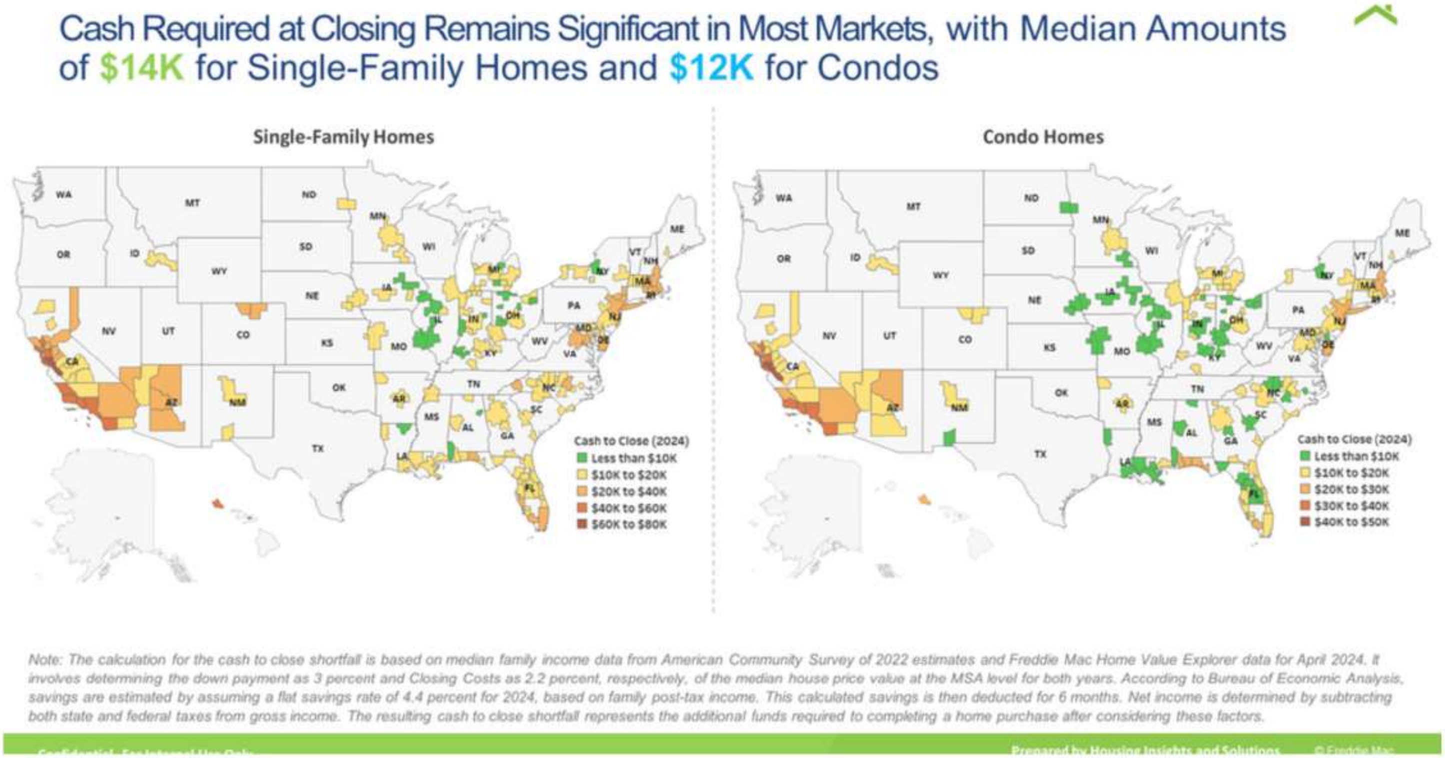


LMI FAMILIES CAN AFFORD MODERATELY PRICED HOMES (71% OF THE MEDIAN PRICED HOME)

While many median priced homes may be out of reach to most low-to moderate-income households, homes priced at 71 percent of the median remain affordable to this population.

Many areas of the Midwest, Southwest and Northeast maintain affordability. However, several coastal cities such as Riverside, CA; Santa Fe, NM; Seattle-Tacoma, WA; Reno, NV; and Sacramento, CA experienced high declines in affordability.

Elements such as diverse housing markets; local economic conditions; affordable housing policies and geographic variation can contribute to low-to moderate-income borrower affordability.



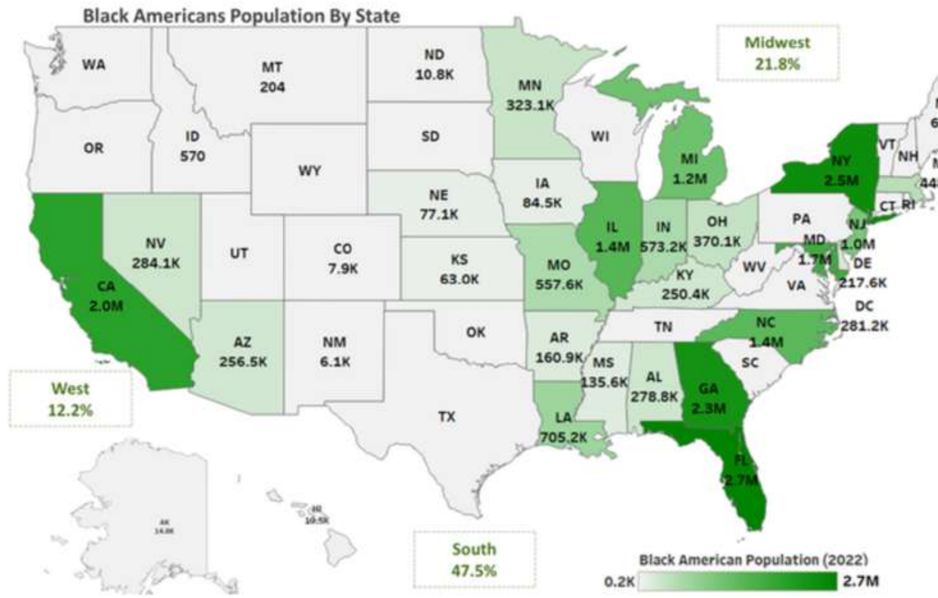
CASH REQUIRED AT CLOSING REMAINS HIGH

The high cash requirements at closing continue to be a major hurdle for many homebuyers, particularly for first-time buyers and those with limited savings.

Nationally, the median cash-to-close requirement for single-family homes is $14,000 and $12,000 for condos. However, there are substantial variations across the country with relatively higher amounts needed in high-cost cities.

Addressing this challenge involves increasing access to down payment assistance programs, offering more affordable loan options, and educating buyers on financial planning to better prepare for the costs associated with purchasing a home.

Black Americans are Predominantly Concentrated in South Region



Top 10 CBSAS with Highest Black American Homeownership Rate (2022)	
Memphis, TN-MS-AR	70.0%
Dover, DE	67.2%
Port St. Lucie, FL	66.2%
Palm Bay-Melbourne-Titusville, FL	55.7%
Cape Coral-Fort Myers, FL	54.5%
Augusta-Richmond County, GA-SC	54.5%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	53.1%
Lakeland-Winter Haven, FL	52.9%
Washington-Arlington-Alexandria, DC-VA-MD-WV	52.6%
Atlanta-Sandy Springs-Alpharetta, GA	51.4%

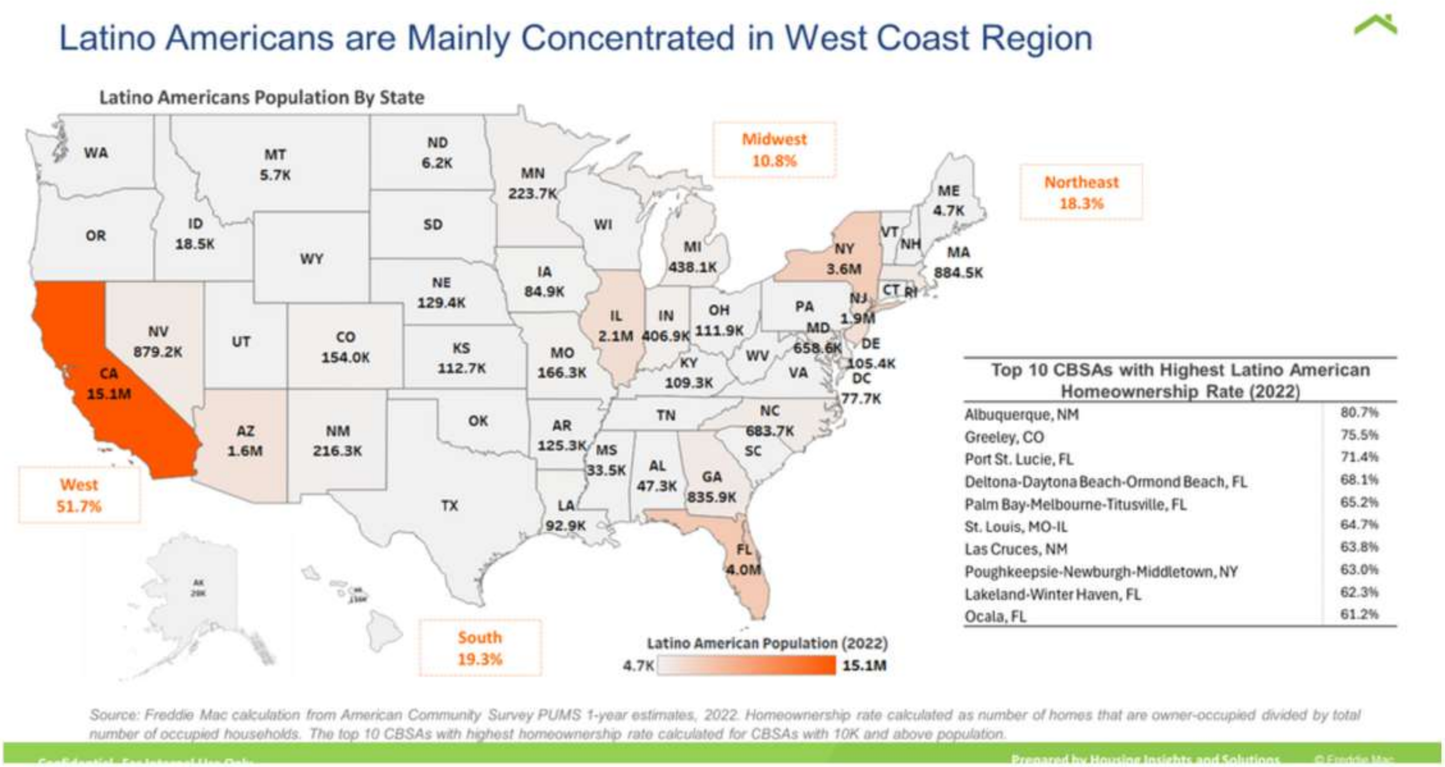
Source: Freddie Mac calculation from American Community Survey PUMS 1-year estimates, 2022. Homeownership rate calculated as number of homes that are owner-occupied divided by total number of occupied households. The top 10 CBSAs with highest homeownership rate calculated for CBSAs with 10K and above population.

BLACK AMERICANS ARE PREDOMINANTLY IN SOUTH

Black Americans are predominantly located in the southern U.S., a region that has long been the historical and cultural heart of Black American life.

Areas with the highest homeownership rates for Black Americans include Memphis, TN; Dover, DE; Port St. Lucie, FL; Augusta, GA; Philadelphia, PA; and Washington, DC.

This concentration of Black Americans in the South underscores the region's importance in shaping the social, economic, and cultural experiences of Black communities in the U.S.

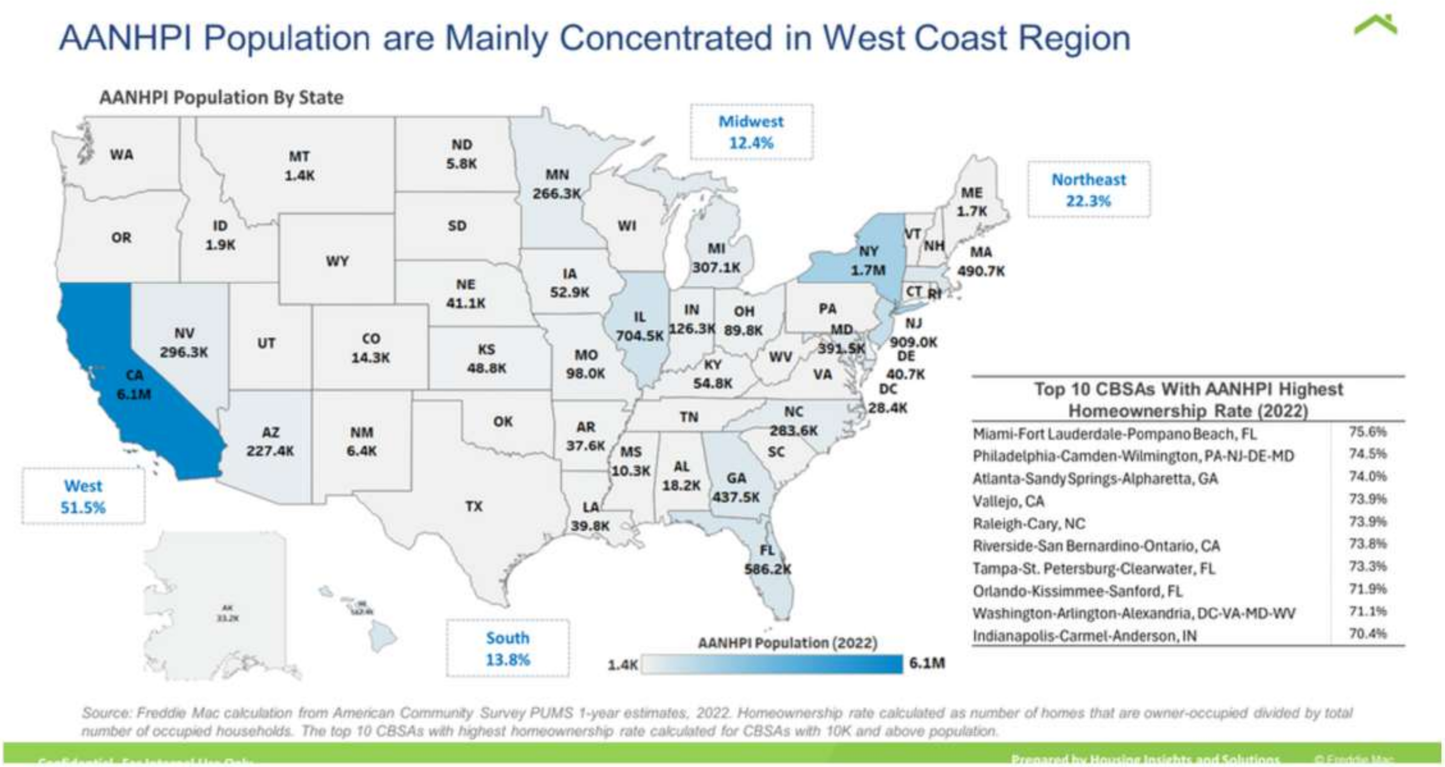


LATINO AMERICANS ARE CONCENTRATED IN WEST

Latino Americans are predominantly concentrated in the western U.S., a pattern shaped by historical, economic, and social factors including its proximity to Latin America; historical roots; immigration patterns; and cultural and community ties.

Albuquerque, NM; Greeley, CO; and Las Cruces, NM are some of the top cities with the highest Latino American homeownership rates.

This concentration highlights the significant role of the western U.S. in the demographic and cultural landscape of Latino Americans.



AANHPI POPULATION ARE MAINLY IN WEST COAST

Asian American, Native Hawaiian, and Pacific Islander (AANHPI) populations are predominantly concentrated on the West Coast of the U.S. This distribution is influenced by several factors including historical immigration patterns; proximity to Asia and the Pacific; economic opportunities and established communities such as Chinatowns, Japantowns, and Little Saigons.

Of the AANHPI population in the U.S., about 51% of the AANHPI population reside along the West Coast.

SINGLE WOMEN HOMEBUYERS

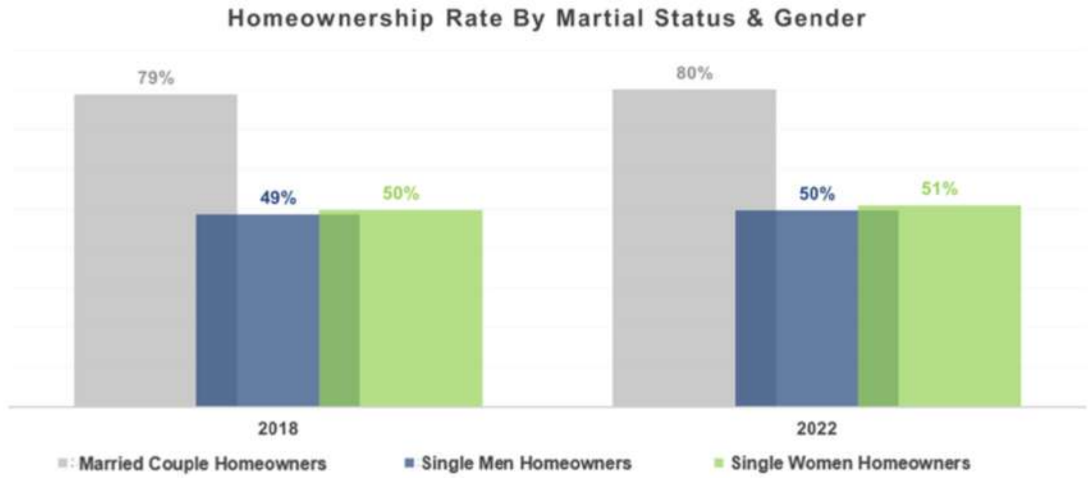
Single women are increasingly becoming a significant force in the homebuying market. They are purchasing homes at a growing rate, driven by a desire for stability, investment opportunities, and personal accomplishment.

Gender Homeownership Trends

Homeownership Rates

Predominant Areas of Homeownership

Based on Census Data, Single Females are Slightly More Likely to Become Homeowners Compared to Single Men



Source: Homeownership rate calculated using 1-year American Community Survey of 2022 estimates www.ipums.org. Single homeowners refers to homeowners who are not married, separated, divorced and widowed. Homeownership rate calculated as number of homes that are owner-occupied divided by total number of occupied households.

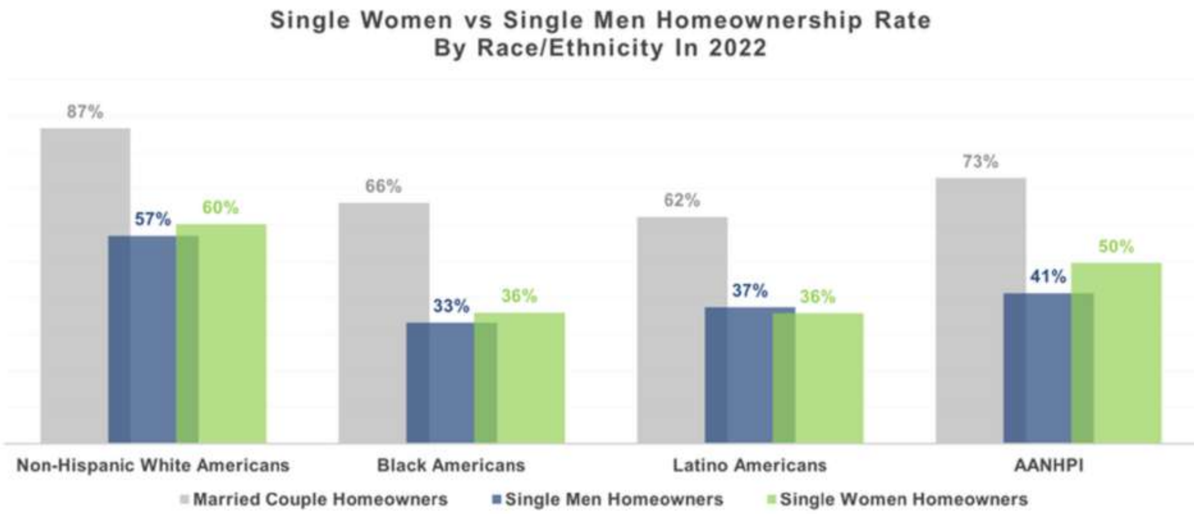
SINGLE FEMALES ARE MORE LIKELY TO BECOME HOMEOWNERS

Recent trends indicate that single women are slightly more likely to become homeowners compared to single men.

Across racial and ethnic groups, the homeownership rate for single women is higher than for single men except among Latinos.

The difference is most striking for AANHPI where there is a 9% homeownership gap.

Single Women Outpace Single Men in Homeownership Rate For Almost All Race/Ethnicity



Source Homeownership rate calculated using 1-year American Community Survey of 2022 estimates www.ipums.org. Single homeowners refers to homeowners who are not married, separated, divorced and widowed. Homeownership rate calculated as number of homes that are owner-occupied divided by total number of occupied households.

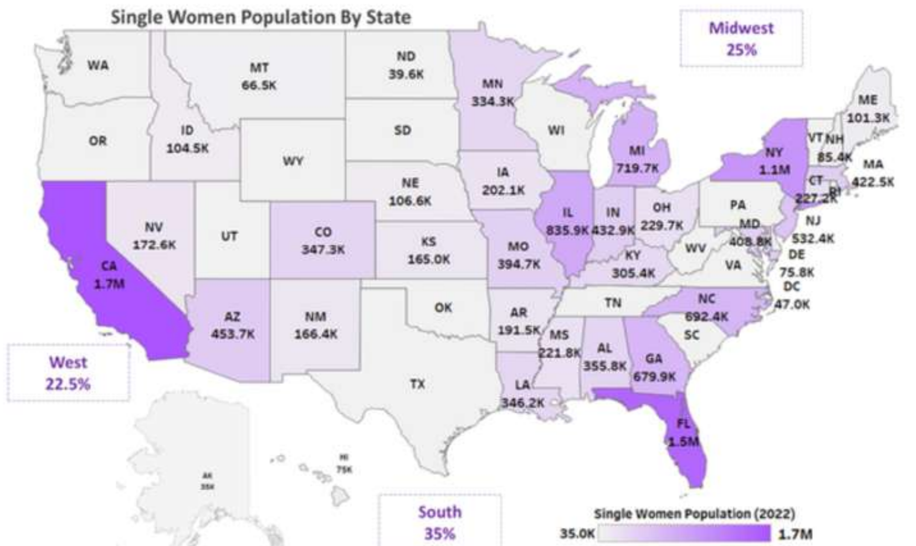
SINGLE WOMEN OUTPACE MEN IN HOMEOWNERSHIP RATE

Across racial and ethnic groups, the homeownership rate for single women is higher than for single men except among Latinos.

The difference is most striking for AANHPI where there is a 9% homeownership gap.

Latino single men have a slightly higher homeownership rate compared to single women.

Largest Population of Single Women are Concentrated in the Southern Region



Top 10 CBSAs With Highest Single Women Homeownership Rate (2022)

The Villages, FL	81.7%
Homosassa Springs, FL	81.5%
Punta Gorda, FL	79.5%
Las Cruces, NM	79.3%
Naples-Marco Island, FL	77.9%
Memphis, TN-MS-AR	77.9%
Saginaw, MI	77.0%
Myrtle Beach-Conway-North Myrtle Beach, SC-NC	76.8%
Ocala, FL	76.6%
Port St. Lucie, FL	75.2%

Source Homeownership rate calculated using 1-year American Community Survey of 2022 estimates www.ipums.org. Single homeowners refers to homeowners who are not married, separated, divorced and widowed. Homeownership rate calculated as number of homes that are owner-occupied divided by total number of occupied households. The top 10 CBSAs with highest homeownership rate calculated for CBSAs with 10K and above population.

MOST SINGLE WOMEN ARE HOMEOWNERS IN SOUTH

The largest population of single women homeowners are concentrated in the South.

The Villages, FL has the highest rate at 81.7%.

Overall, the Southern region has 35% of homeowners as single women.

STUDENT LOAN DEBT INSIGHTS

Student loan debt impacts homeownership, influencing both the ability to purchase a home and the timing of such a purchase.

Debts and Payments

Credit Delinquency Rate

Debt Among Age and Race

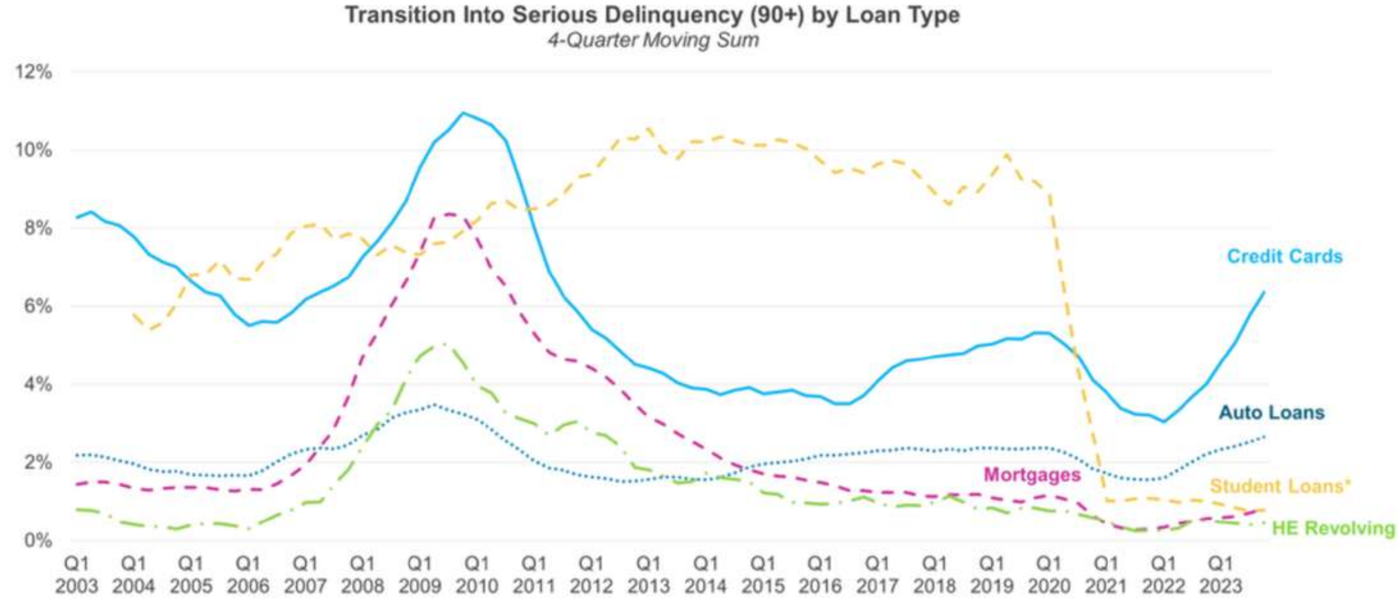
CREDIT CARD AND AUTO DEBT MORE PREVALENT

Credit card and auto loan debt are more prevalent forms of consumer debt in the U.S. compared to student loans.

For example, 84% of homeowners with first lien mortgages have credit card debt, and 46% have auto trades compared to only 16% with student loan debt.

Also, comparing the magnitude of monthly payment, the median required student loan payment is $233 compared to $430 average monthly payment made on card debt.

Serious Delinquency Rate for Credit Cards and Autos Continue to Increase, but Mortgage Performance Remains Solid



Source: *New York Fed Consumer Credit Panel/Equifax*

**Student loan data are not reported prior to 2004 due to uneven reporting. Delinquency rate for federal student loans from 2021-2023 is low because of the COVID-19 pandemic loan forbearance.*

SERIOUS DELINQUENCY RATE INCREASES

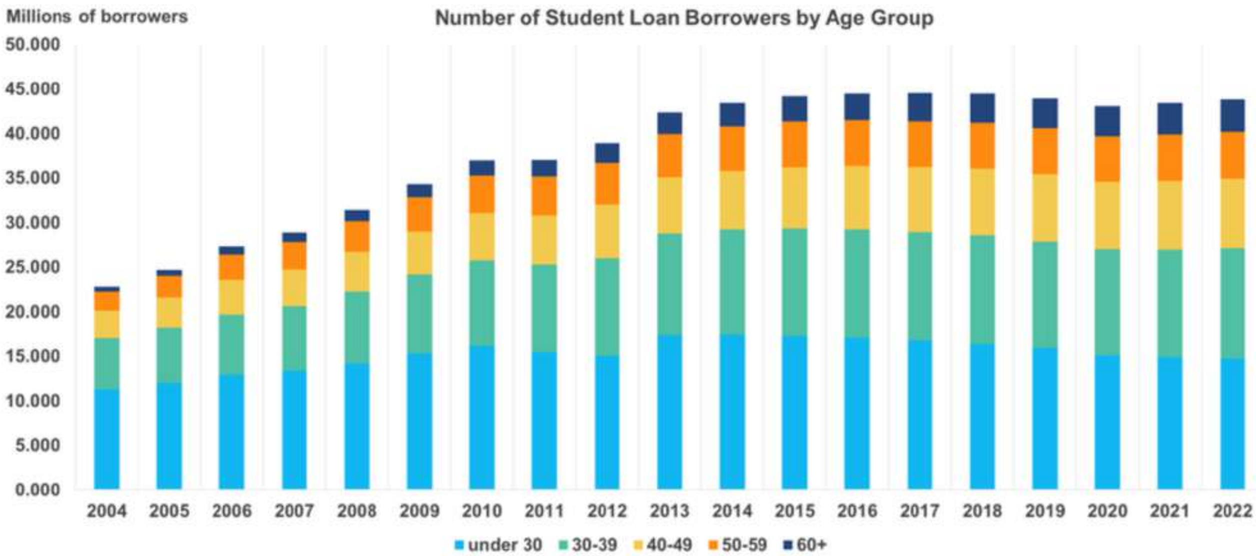
In the past ten years, serious delinquencies for student loans outpaced other trades. However, the negative performance plateaued in the last four years due to the automatic forbearance on the student loans.

On the other hand, delinquencies for other trades have increased since 2022 and is particularly striking for credit cards and auto loans.

Credit card delinquency has risen to over 6% and auto loans has increased to over 2%. However, mortgage deliquency continues to trend low.

Addressing the rising delinquency rates for credit cards and auto loans is crucial for improving overall financial health and stability, which in turn supports broader economic goals, including increased homeownership rates.

Over 60% of Student Loan Borrowers Are Under 40, Highlighting the Prevalence of Debt Among Younger Generations



Source: Federal Reserve Bank of New York Consumer Credit Panel / Equifax

MOST STUDENT LOAN BORROWERS ARE UNDER 40

The number of Americans borrowing money to attend college in rising and is driven by consumers under the age of 40.

Over 60% of student loan borrowers are under 40, Highlighting the prevalence of debt among younger generations.

Today's millennials face significant financial challenges as they navigate repayment obligations while also trying to achieve other financial milestones, such as homeownership and saving for the future.

Addressing the challenges faced by student loan borrowers under 40 is crucial for improving their financial well-being and supporting their ability to contribute to the economy.

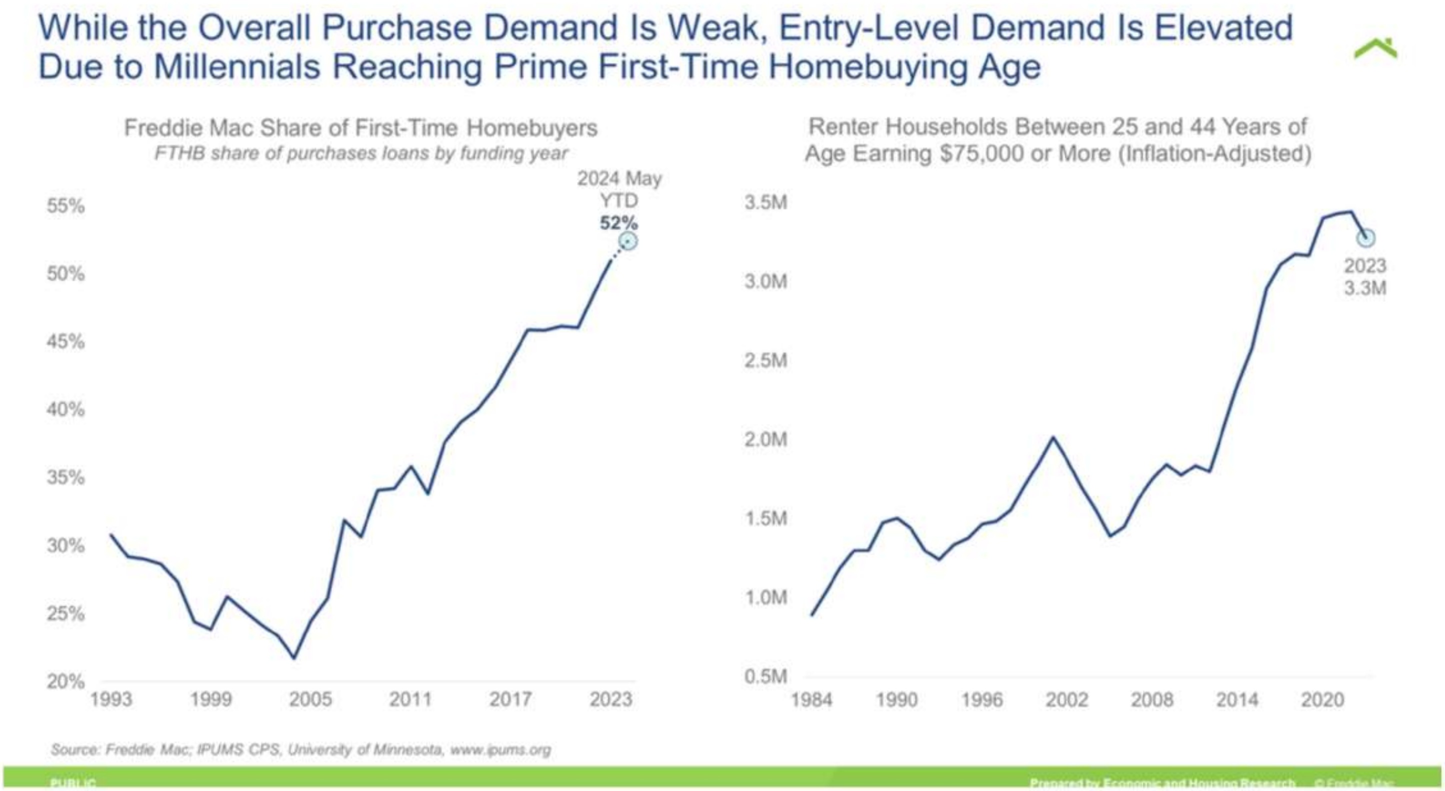
MILLENNIAL HOMEBUYER INSIGHTS

Millennial homebuyers have distinct preferences, challenges, and motivations in the housing market.

Homeownership Rates

Minority Homeowner Stats

Trends Across the U.S.



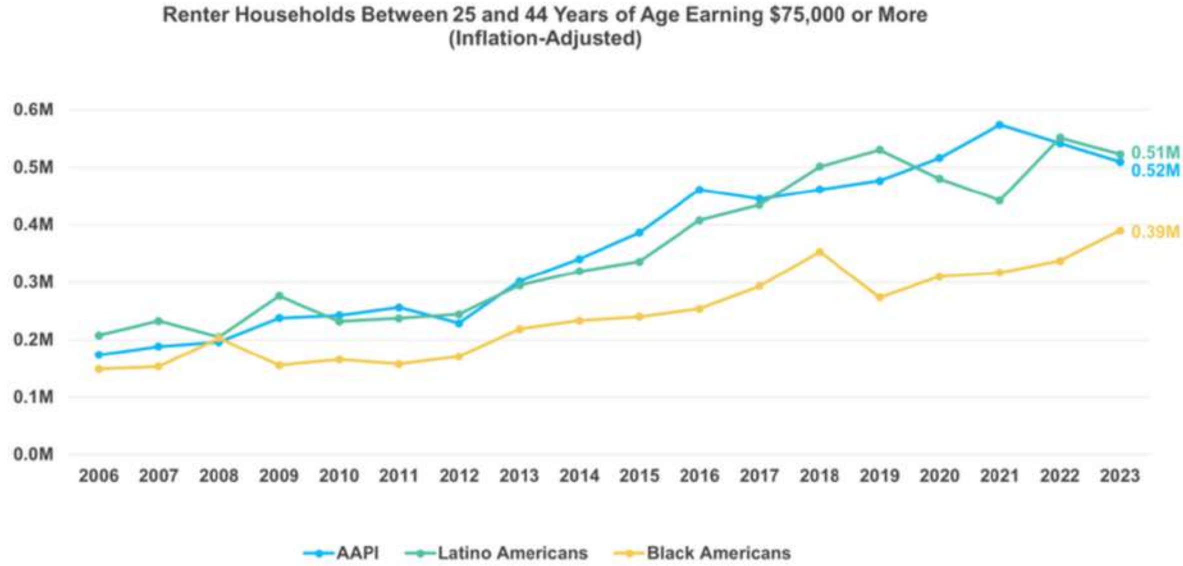
ENTRY LEVEL DEMAND IS ELEVATED

The demand for entry-level homeownership is elevated, largely driven by millennials. This demographic, now in their prime homebuying years, is significantly shaping the housing market.

Freddie Mac's share of first-time homebuyers is at 52% while the size of renter households in prime homebuying age is close to 3.3 million.

Overall, the elevated demand for entry-level homeownership is a clear reflection of millennial homebuyers' influence on the housing market, underscoring the need for increased affordable housing options to meet this growing demand.

Further, There is a Steady Increase in Minority Population Reaching the Prime Homebuying Age



Source: IPUMS CPS, University of Minnesota, www.ipums.org

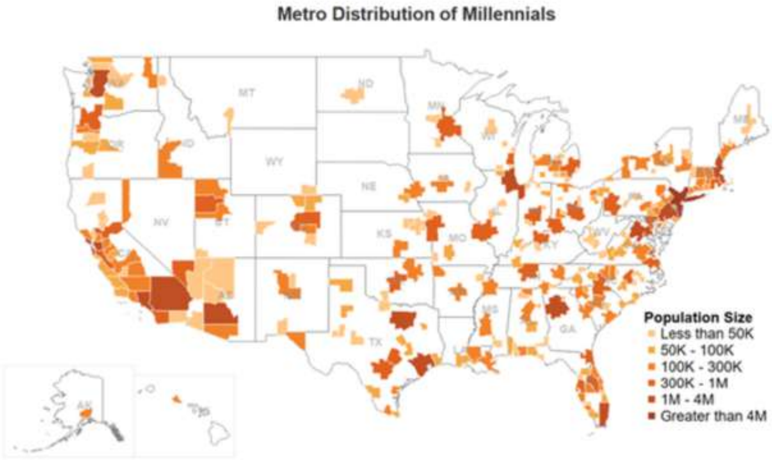
MINORITY POPULATIONS ARE REACHING HOMEBUYING AGE

The increase in the minority population reaching homebuying age is significantly influencing the housing market.

Statistics show millennial renter households steadily improving with Black Americans showing the greatest improvement.

The increasing number of minorities reaching homebuying age is reshaping the housing market, highlighting the importance of addressing financial barriers and promoting inclusive policies to support their journey to homeownership.

Though Millennials are Highly Concentrated in Large Metros & Coastal Cites, they have Lower Homeownership in these Areas



Top 10 CBSAs with Highest Millennial Homeownership Rate (2022)	
Albuquerque, NM	79.7%
Greeley, CO	74.2%
Memphis, TN-MS-AR	70.5%
Dover, DE	70.5%
Peoria, IL	68.6%
Monroe, MI	68.0%
Muskegon, MI	67.0%
Daphne-Fairhope-Foley, AL	66.4%
Hickory-Lenoir-Morganton, NC	66.3%
Salisbury, MD-DE	65.9%

Top 10 CBSAs with Lowest Millennial Homeownership Rate (2022)	
Los Angeles-Long Beach-Anaheim, CA	28.4%
San Jose-Sunnyvale-Santa Clara, CA	31.0%
New York-Newark-Jersey City, NY-NJ-PA	34.1%
San Diego-Chula Vista-Carlsbad, CA	36.0%
San Francisco-Oakland-Berkeley, CA	36.3%
Savannah, GA	36.9%
Little Rock-North Little Rock-Conway, AR	38.4%
Urban Honolulu, HI	38.8%
Gainesville, FL	38.8%
Tallahassee, FL	39.2%

Source Homeownership rate calculated using 1-year American Community Survey of 2022 estimates www.ipums.org. Millennials are aged 25 to 41 years old as of 2022. The top 10 CBSAs with homeownership rate calculated for CBSAs with 10K and above population.

MILLENNIALS CONCENTRATED IN METROS & COASTAL CITIES

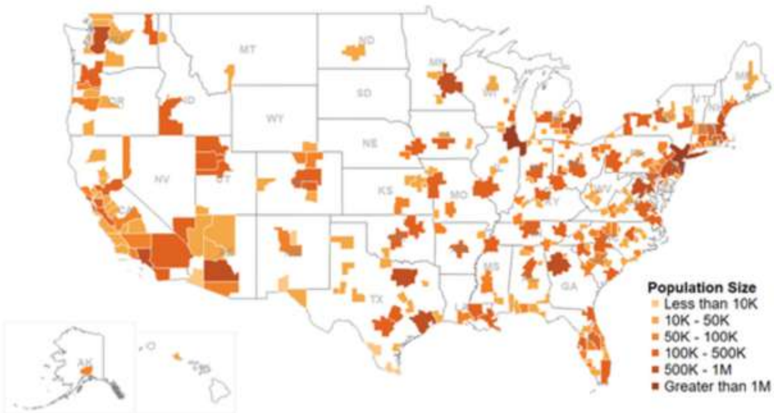
Millennials are heavily concentrated in large metropolitan areas and coastal cities, influencing housing market trends and urban development.

However, these areas reflect low homeownership rates likely due to cost-of-living expenses. Los Angeles, CA; New York, NY; San Francisco, CA; and Honolulu, HI show the lowest rates of millennial homeownership.

Understanding the concentration of millennials in large metropolitan areas and coastal cities is crucial for policymakers, real estate developers, and urban planners to address their housing needs, support economic growth, and foster vibrant, inclusive communities.

Non-Hispanic White Millennials Are Concentrated in the Midwest and Southern States, Finding Greater Success in Attaining Homeownership in those States

Metro Distribution of Non-Hispanic White Millennials



Source: Homeownership rate calculated using 1-year American Community Survey of 2022 estimates www.ipums.org. Millennials are aged 25 to 41 years old as of 2022. The top 10 CBSAs with homeownership rate calculated for CBSAs with 10K and above population.

Top 10 CBSAs with Highest Non-Hispanic White Millennial Homeownership Rate (2022)	
Greeley, CO	74.7%
Peoria, IL	74.5%
Daphne-Fairhope-Foley, AL	74.1%
Springfield, IL	74.1%
Detroit-Warren-Dearborn, MI	72.3%
Baton Rouge, LA	71.5%
Cedar Rapids, IA	70.5%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	69.6%
Fort Wayne, IN	68.1%
Davenport-Moline-Rock Island, IA-IL	67.8%

Top 10 CBSAs with Lowest Non-Hispanic White Millennial Homeownership Rate (2022)	
San Jose-Sunnyvale-Santa Clara, CA	28.6%
Los Angeles-Long Beach-Anaheim, CA	30.8%
San Francisco-Oakland-Berkeley, CA	35.0%
San Diego-Chula Vista-Carlsbad, CA	40.9%
New York-Newark-Jersey City, NY-NJ-PA	43.4%
Santa Rosa-Petaluma, CA	46.4%
Boston-Cambridge-Newton, MA-NH	47.3%
Lexington-Fayette, KY	47.3%
Asheville, NC	47.5%
Washington-Arlington-Alexandria, DC-VA-MD-WV	47.9%

MILLENNIALS FIND SUCCESS IN MIDWEST AND SOUTH

Non-Hispanic White millennials in the Midwest and South are finding greater success in homeownership compared to their counterparts in other regions.

Affordability, economic opportunities, availability of entry-level homes, remote work opportunities and quality of life all contribute to their increase in attaining homeownership.

Peoria, IL; Baton Rouge, LA; Cedar Rapids, IA; and Fort Wayne, IN are areas with the highest rate of Non-Hispanic White millennial homeownership.

Black Millennials are Populated Primarily Along the East Coast and South, with Higher Homeownership Rates in Those Markets

Metro Distribution of Black Millennials

Source: Homeownership rate calculated using 1-year American Community Survey of 2022 estimates www.ipums.org. Millennials are aged 25 to 41 years old as of 2022. The top 10 CBSAs with homeownership rate calculated for CBSAs with 10K and above population.

Top 10 CBSAs with Highest Black American Millennial Homeownership Rate	
Washington-Arlington-Alexandria, DC-VA-MD-WV	36.5%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	35.1%
Atlanta-SandySprings-Alpharetta, GA	32.6%
Baltimore-Columbia-Towson, MD	32.0%
Minneapolis-St. Paul-Bloomington, MN-WI	30.1%
Miami-Fort Lauderdale-Pompano Beach, FL	29.4%
Detroit-Warren-Dearborn, MI	28.9%
Tampa-St. Petersburg-Clearwater, FL	28.4%
Orlando-Kissimmee-Sanford, FL	27.4%
Indianapolis-Carmel-Anderson, IN	26.6%

Top 10 CBSAs with Lowest Black American Millennial Homeownership Rate	
Los Angeles-Long Beach-Anaheim, CA	13.8%
New York-Newark-Jersey City, NY-NJ-PA	18.6%
Charlotte-Concord-Gastonia, NC-SC	24.6%
Chicago-Naperville-Elgin, IL-IN-WI	24.7%
St. Louis, MO-IL	26.4%
Indianapolis-Carmel-Anderson, IN	26.6%
Orlando-Kissimmee-Sanford, FL	27.4%
Tampa-St. Petersburg-Clearwater, FL	28.4%
Detroit-Warren-Dearborn, MI	28.9%
Miami-Fort Lauderdale-Pompano Beach, FL	29.4%

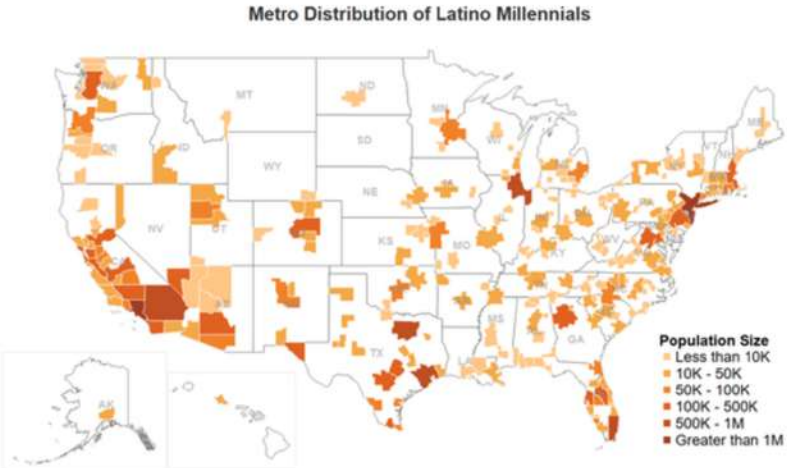
BLACK MILLENNIALS ALONG EAST COAST AND SOUTH

The concentration of Black millennials along the East Coast and in the South reflects a combination of historical, economic, social, and cultural factors that shape their residential patterns and life experiences.

Areas with highest homeownership rates include Washington, DC; Philadelphia, PA; Atlanta, GA; and Miami, FL.

With increased employment opportunities, large urban centers and deep historical roots, Black millennials continue to shape their experiences in these areas.

Latino Millennials are Predominantly Located in California Cities, with Homeownership Rate 50% or less in Those Markets



Source: Homeownership rate calculated using 1-year American Community Survey of 2022 estimates www.ipums.org. Millennials are aged 25 to 41 years old as of 2022. The top 10 CBSAs with homeownership rate calculated for CBSAs with 10K and above population.

Top 10 CBSAs with Highest Latino American Millennial Homeownership Rate (2022)	
Lakeland-Winter Haven, FL	57.1%
Detroit-Warren-Dearborn, MI	56.0%
Visalia, CA	51.3%
Riverside-San Bernardino-Ontario, CA	50.6%
Chicago-Naperville-Elgin, IL-IN-WI	49.3%
Modesto, CA	48.8%
Phoenix-Mesa-Chandler, AZ	48.1%
Baltimore-Columbia-Towson, MD	46.7%
Stockton, CA	46.1%
Bakersfield, CA	45.9%

Top 10 CBSAs with Lowest Latino American Millennial Homeownership Rate (2022)	
Los Angeles-Long Beach-Anaheim, CA	22.5%
New York-Newark-Jersey City, NY-NJ-PA	22.6%
San Francisco-Oakland-Berkeley, CA	24.2%
Boston-Cambridge-Newton, MA-NH	25.3%
San Diego-Chula Vista-Carlsbad, CA	28.4%
Fresno, CA	34.5%
Sacramento-Roseville-Folsom, CA	37.2%
Orlando-Kissimmee-Sanford, FL	38.3%
Miami-Fort Lauderdale-Pompano Beach, FL	39.5%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	40.4%

LATINO MILLENNIALS DOMINATE CALIFORNIA CITIES

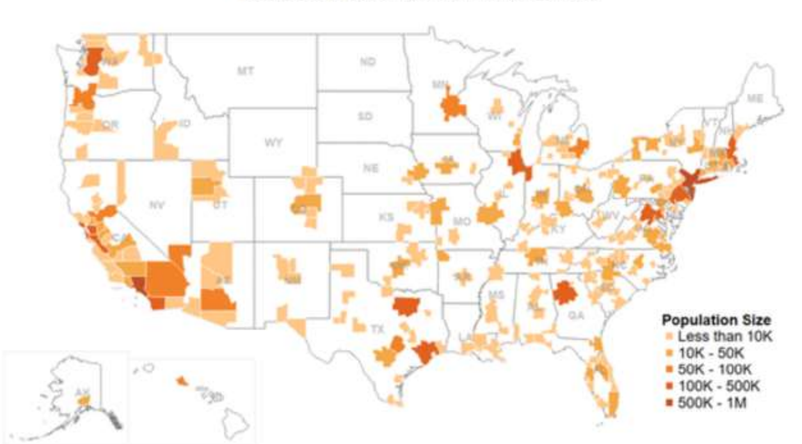
Latino millennials are predominantly located in California cities, significantly influencing the cultural, economic, and social landscape of the state.

Riverside, Modesto, Stockton and Bakersfield, CA are metros with the highest rate of millennial homeownership in the state.

The concentration of Latino millennials in California cities highlights the importance of addressing housing affordability, economic opportunities, and social support systems to ensure their continued growth and success in the state.

Almost Half of AANHPI Reside in High-Cost Markets, But They Have Higher Homeownership Rates in the Midwest and East

Metro Distribution of AANHPI Millennials



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Top 10 CBSAs with Highest AANHPI Millennial Homeownership Rate (2022)	
Riverside-San Bernardino-Ontario, CA	65.0%
Atlanta-Sandy Springs-Alpharetta, GA	61.1%
Las Vegas-Henderson-Paradise, NV	60.8%
Sacramento-Roseville-Folsom, CA	55.1%
Minneapolis-St. Paul-Bloomington, MN-WI	54.6%
Washington-Arlington-Alexandria, DC-VA-MD-WV	53.4%
Baltimore-Columbia-Towson, MD	53.1%
Phoenix-Mesa-Chandler, AZ	52.6%
Chicago-Naperville-Elgin, IL-IN-WI	51.9%
Urban Honolulu, HI	51.3%

Top 10 CBSAs with Lowest AANHPI Millennial Homeownership Rate (2022)	
San Jose-Sunnyvale-Santa Clara, CA	40.0%
New York-Newark-Jersey City, NY-NJ-PA	43.2%
Boston-Cambridge-Newton, MA-NH	44.0%
Los Angeles-Long Beach-Anaheim, CA	44.1%
San Diego-Chula Vista-Carlsbad, CA	44.5%
San Francisco-Oakland-Berkeley, CA	49.6%
Detroit-Warren-Dearborn, MI	50.1%
Urban Honolulu, HI	51.3%
Chicago-Naperville-Elgin, IL-IN-WI	51.9%
Phoenix-Mesa-Chandler, AZ	52.6%

AANHPI HOMEOWNERSHIP HIGHER IN MIDWEST AND EAST

The homeownership rates among Asian American, Native Hawaiian, and Pacific Islander (AANHPI) communities are higher in the Midwest and East compared to other regions.

The leading metros for AANHPI homeownership rate include Riverside, CA; Atlanta, GA; and Las Vegas, NV, with over 60% of the population owning homes.

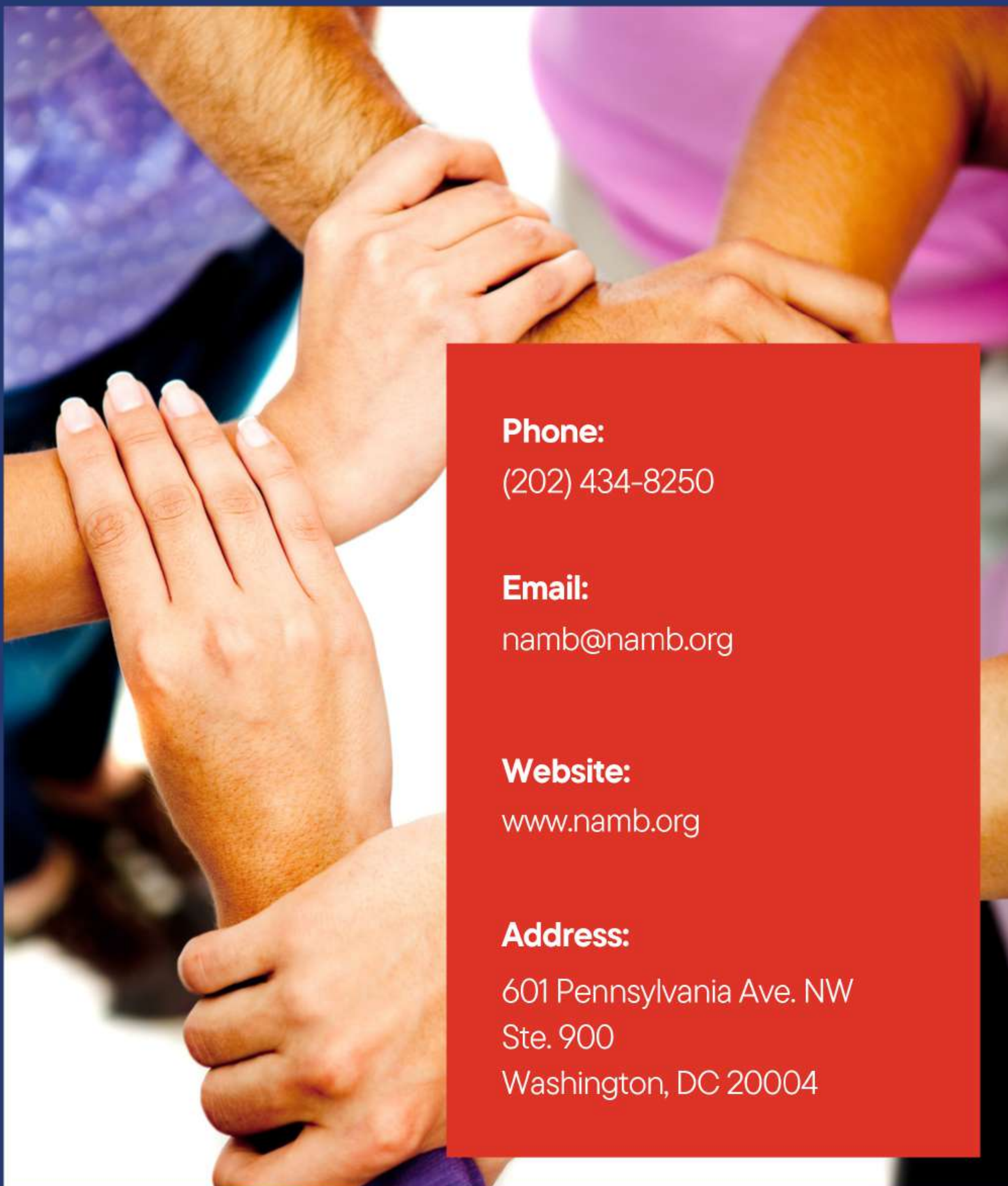
Established AANHPI communities in the Midwest and East provide strong social networks and support systems, making these regions attractive for new immigrants and younger generations seeking familiarity and cultural connection.

FUTURE OUTLOOK

The future of homeownership in 2025 and beyond will be shaped by a complex interplay of economic, demographic, technological, and policy factors. While there will be challenges, such as affordability and social equity, there will also be opportunities for innovation and growth in the housing market. By addressing these challenges and leveraging opportunities, the goal of increasing homeownership rates and creating stable, inclusive communities can be achieved.

"Homeownership is the cornerstone of a strong community and the foundation of a secure future. As we build our homes, we also build our dreams, our stability, and our legacy." — Jane Smith

NAMB



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