

U.S. Housing and MBS Market

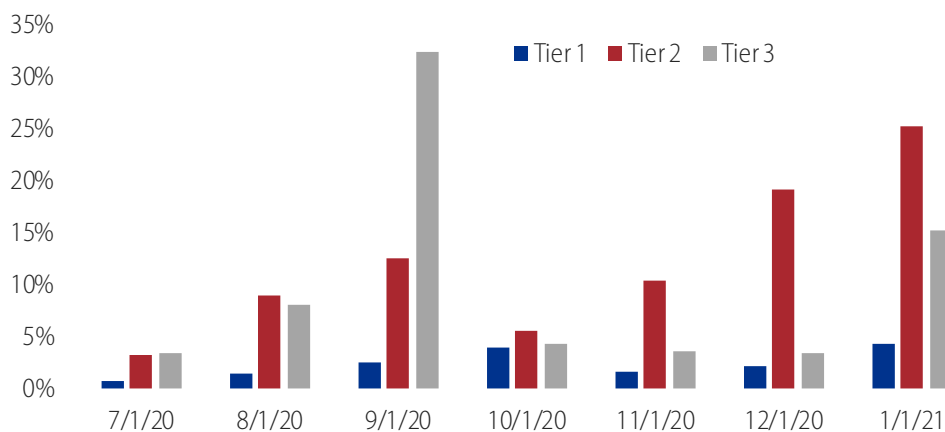
# Monthly Housing Finance Agency Prepayment Report, Delinquency Trends, and Outlook

The themes in January continue to build on those in recent months – lower voluntary prepayments in HFA Agency MBS, a regular clean-up of delinquencies by bank servicers in the Ginnie sector, a ramping up of buyouts by Lakeview Loan Servicing, and continued minimal buyouts by mission-focused HFA servicers. Month-over-month, Lakeview’s buyout increased 75%, with January buyouts extending to the 3.5% coupon as we had expected and to pockets of the 3% coupon as well, in addition to continued buyout of higher coupon delinquencies. Servicers like PennyMac and NationStar also continue to buy out delinquent loans, but at a significantly slower pace than Lakeview. We expect more of the same near-term, but buyouts by HFA servicers may start ticking up in the second quarter as forbearance terms start to run out.

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## GinnieMae HFA New Prod (Loan age <= 13) 1mo Voluntary Prepayment Ratio to generic counterparts has consistently been below 30%, and often below 10%

HFA/Generic VPR Ratio for Ginnie 4s (Age < 13, 100-150 ITM)



Tier 1 = AZ CRA/FL/IL/MD/NH/NM/OH/TX/VA; Tier 2 = CA/CO/DE/IN/MN/WA; Tier 3 = AZ STD/UT/NV

*HFA servicers may start ticking up in the second quarter as forbearance terms start to run out.*

Source: RiskSpan and HilltopSecurities.

This excerpt is a brief summary of our HilltopSecurities January 2021 HFA prepay report released last Friday, Jan. 22. For more details, please contact us at the MBS Strategy desk or your HilltopSecurities salesperson.

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