



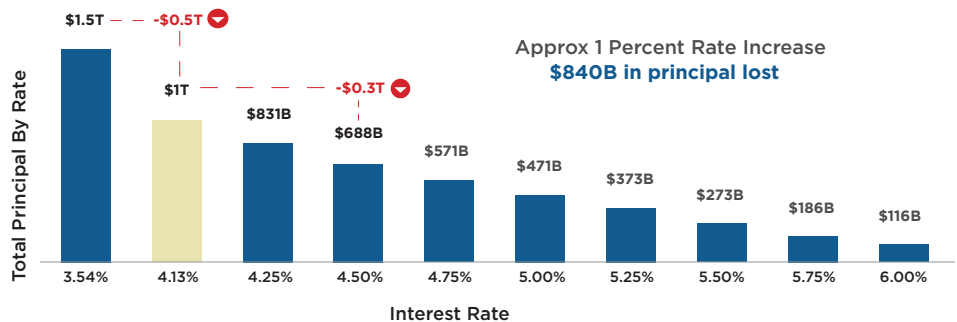
Refi Opportunities Abound

Understanding the local refi market potential across the nation

REFI POTENTIAL BY MSA : # 1-25

COUNTY	STATE	NUMBER OF REFI OPPORTUNITIES	TOTAL PRINCIPAL VALUE
Multnomah	OR	25,127	\$3.9 B
Salt Lake	UT	24,992	\$3.5 B
San Francisco	CA	24,991	\$7.1 B
Montgomery	MD	24,114	\$5.4 B
Oakland	MI	23,946	\$3.3 B
Ocean	NJ	23,533	\$3.8 B
Lee	FL	23,036	\$3.5 B
Pierce	WA	22,884	\$3.4 B
DuPage	IL	22,726	\$3.4 B
Essex	NJ	22,599	\$4.6 B
District of Columbia	DC	22,179	\$5.4 B
Bucks	PA	21,946	\$3.3 B
Nassau	NY	21,556	\$4.6 B
Morris	NJ	21,185	\$4.1 B
Worcester	MA	21,076	\$2.9 B
Montgomery	PA	21,028	\$3.9 B
Richmond	NY	20,842	\$4.0 B
Kings	NY	20,551	\$5.0 B
Plymouth	MA	19,699	\$3.2 B
Franklin	OH	19,534	\$2.4 B
Collier	FL	19,026	\$3.8 B
Barnstable	MA	18,996	\$3.6 B
Philadelphia	PA	18,781	\$2.5 B
Washington	OR	18,757	\$3.0 B
Chester	PA	18,497	\$3.1 B

\$1 TRILLION IN LOANS AVAILABLE FOR REFI



It's no secret that interest rates are in flux and will likely rise in 2017 as we transition with the new administration. What will be the implications of rising interest rates for lenders and their customers? HouseCanary reviewed the mortgage market to find out, and the results are significant. The total U.S. mortgage market is valued at nearly \$14 trillion dollars, and \$1 trillion of those loans are potential refinance opportunities.* It's clear that there are real dollars at stake—\$36 billion in annual savings to be exact, and 5.5 million households will benefit from refi opportu-

nities. The news is good for lenders and homeowners alike.

When we take a closer look, the data tells an urgent story. Since the presidential election, interest rates have risen approximately 60 basis points, resulting in a loss of a half trillion dollars in refi opportunities. If interest rates rise by 40 additional basis points the result is a total loss of over \$840B in refinance opportunity. Fortunately, the magnitude of the mortgage market means there is still substantial opportunity for lenders with knowledge of their local market to participate in the next refinancing wave.

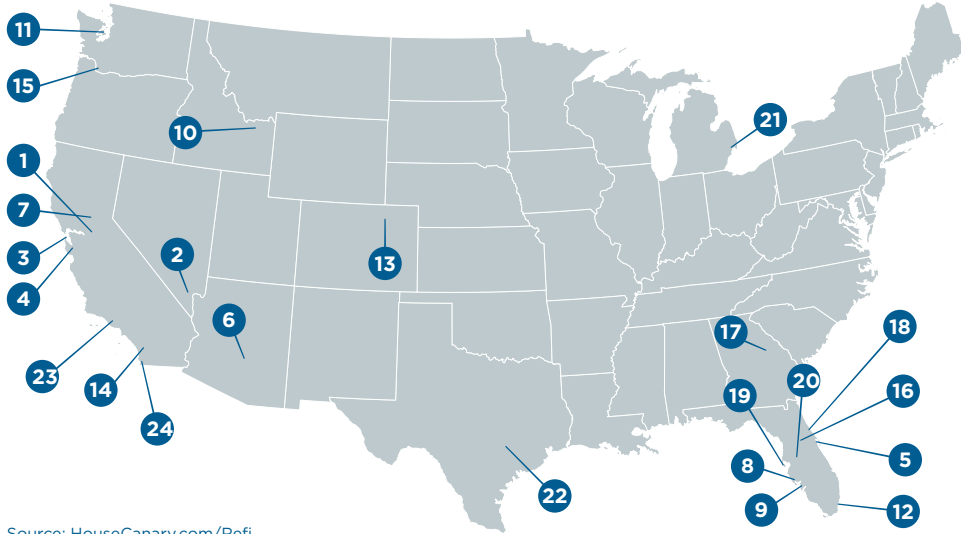
“Currently, 40 percent of all refinance opportunities are accessible by the top 25 lending institutions—totaling 2.8 million refinance initiatives. 60 percent of these opportunities are still up for grabs, with the next 100 lending institutions, representing 990k loans and an additional 3.4 million loans are ripe for the taking. The cup is still half full but opportunities will dwindle as interest rates climb.”

—Jeremy Sicklick, CEO, HouseCanary

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TOP 24 MSAs BY 5 YEAR APPRECIATION



Source: HouseCanary.com/Refi

MSA	5Y Appreciation	MSA	5Y Appreciation
1 Stockton-Lodi, CA	94%	13 Denver-Aurora-Lakewood, CO	69%
2 Las Vegas-Henderson-Paradise, NV	92%	14 Riverside-San Bernadino-Ontario, CA	68%
3 San Francisco-Oakland-Hayward, CA	88%	15 Portland-Vancouver-Hillsboro, OR-WA	68%
4 San Jose-Sunnyvale-Santa Claram, CA	81%	16 Orlando-Kissimmee-Sanford, FL	67%
5 Palm Bay-Melbourne-Titusville, FL	78%	17 Atlanta-Sandy Springs-Roswell, GA	63%
6 Phoenix-Mesa-Scottsdale, AZ	77%	18 Deltona-Daytona Beach-Ormond Beach, FL	62%
7 Sacramento-Roseville-Arden-Arcade, CA	76%	19 Tampa-St. Petersburg-Clearwater, FL	61%
8 North Port-Sarasota-Bradenton, FL	75%	20 Lakeland-Winter Haven, FL	60%
9 Cape Coral-Fort Meyers, FL	75%	21 Detroit-Warren-Dearborn, MI	60%
10 Boise City, ID	71%	22 Austin-Round Rock, TX	57%
11 Seattle-Tacoma-Bellevue, WA	71%	23 Los Angeles-Long Beach-Anaheim, CA	57%
12 Miami-Fort Lauderdale-West Palm Beach, FL	70%	24 San Diego-Carlsbad, CA	56%

As the 10 year anniversary of the market crash in 2007 approaches, we examined the rebound in values in the nation's top 24 MSAs. Over the past five years the data showed a steep curve of home value appreciation, ranging from 54 percent to 94 percent. It's safe to say many of the borrowers in these MSAs have likely grown their equity through significant home value

appreciation, timely mortgage payments, both of which positively impacted their LTV, making them ideal candidates for a refi. Let's take a look at a few yet unrealized refi opportunities in a small, medium, and large market. This table below shows three markets and the potential refi opportunity for neighborhood banks, at the current interest rate.

SMALL, MEDIUM, LARGE REFI MARKET OPPORTUNITIES

METRO	POPULATION	HOME VALUE APPRECIATION	NUMBER OF REFI OPPORTUNITIES
Phoenix-Mesa-Scottsdale, AZ	1,550,372	77%	80,984
Portland-Vancouver-Hillsboro, OR/WA	878,078	68%	57,936
Detroit-Warren-Dearborn, MI MSA	1,656,829	60%	17,428

The Phoenix-Mesa-Scottsdale, Arizona market, which is attractive to both the SFR investor and homeowner, presents an exceptional value at 77 percent appreciation over the last five years with 80,984 refinance opportunities. The middle of the road market of Portland-Vancouver-Hillsboro, Oregon/Washington MSA boasts a

68 percent home valuation appreciation with 57,936 localized refinance loans. The Detroit-Warren-Dearborn, Michigan MSA has seen a 60 percent home value appreciation, with 17,428 potential refinance opportunities at today's interest rate. Additional stats are available on other market potentials in the adjacent tables.

REFI POTENTIAL BY MSA : # 26-50

COUNTY	STATE	NUMBER OF REFI OPPORTUNITIES	TOTAL PRINCIPAL VALUE
Arapahoe	CO	18,471	\$2.8 B
Loudoun	VA	18,186	\$4.3 B
Jefferson	CO	17,877	\$2.7 B
Sarasota	FL	17,854	\$2.8 B
Union	NJ	17,264	\$3.3 B
Davidson	TN	17,251	\$2.2 B
Somerset	NJ	16,960	\$3.2 B
Brevard	FL	16,903	\$2.1 B
Anne Arundel	MD	16,870	\$2.8 B
New York	NY	16,736	\$9.1 B
Denver	CO	16,536	\$2.6 B
Virginia Beach	VA	16,345	\$2.5 B
DeKalb	GA	16,273	\$2.3 B
El Paso	CO	16,255	\$2.2 B
St. Louis	MO	16,039	\$2.2 B
Duval	FL	15,971	\$2.1 B
Bristol	MA	15,846	\$2.2 B
Hartford	CT	15,839	\$1.9 B
Fresno	CA	15,762	\$2.1 B
Pima	AZ	15,762	\$2.0 B
New Haven	CT	15,743	\$2.1 B
Cuyahoga	OH	15,418	\$1.8 B
Suffolk	MA	15,331	\$3.1 B
Erie	NY	15,242	\$1.7 B
Prince William	VA	15,135	\$2.6 B

A complete list of refinance opportunities, sorted by location, loan amount and LTV is available at HouseCanary.com/Refi

**HouseCanary has computed the refi opportunity based on these assumptions: (1) minimum loan amount of \$50,000, (2) borrower to save a minimum of \$2,000 per year, (3) < 80 percent LTV, (4) not in default, (5) prospect to save on the interest expense over the life of the loan, compared to what they would have paid in interest with original financing.*