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December 13, 2010

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NEW CORELOGIC DATA SHOWS THIRD CONSECUTIVE QUARTERLY DECLINE IN NEGATIVE EQUITY

SANTA ANA, Calif., December 13, 2010—CoreLogic (NYSE: CLGX), a leading provider of information, analytics and business services, today released negative equity data indicating a third consecutive quarterly decline in negative equity for residential properties. CoreLogic reports that 10.8 million, or 22.5 percent, of all residential properties with mortgages were in negative equity at the end of the third quarter of 2010, down from 11.0 million and 23 percent in the second quarter. This is due primarily to foreclosures of severely negative equity properties rather than an increase in home values.

During this year the number of borrowers in negative equity has declined by over 500,000 borrowers. An additional 2.4 million borrowers had less than five percent equity in the third quarter. Together, negative equity and near-negative equity mortgages accounted for 27.5 percent of all residential properties with a mortgage nationwide.

Negative equity, often referred to as “underwater” or “upside down,” means that borrowers owe more on their mortgages than their homes are worth. Negative equity can occur because of a decline in value, an increase in mortgage debt or a combination of both.

Data Highlights

- Negative equity remains concentrated in five states: Nevada, which had the highest negative equity percentage with 67 percent of all of its mortgaged properties underwater, followed by Arizona (49 percent), Florida (46 percent), Michigan (38 percent) and California (32 percent).
- The largest declines in negative equity were concentrated in the hardest hit states. Alaska experienced the largest decline, falling 1.8 percentage points, followed by Nevada (-1.6), Arizona (-1.4), California (-1.2), and Florida (-0.9). Idaho and Alabama are the only states with noticeable increases, which is not a surprise given they are currently the two top states for home price depreciation.
- Although the level of negative equity is very high, there are still many homeowners with equity (Figure 4). Nearly half of New York borrowers have 50 percent or more positive equity, which leads the nation, followed by Hawaii (43 percent), Massachusetts (40 percent), Connecticut (39 percent) and Rhode Island (40 percent). There are some states that have barbell distributions of somewhat higher negative equity shares and higher percentages of borrowers with 50 percent or more positive equity. Rhode Island is the most extreme example as it ranks in the top 15 for both negative equity and for states with the highest share of 50 percent or more



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positive equity. To a lesser degree Massachusetts, New Jersey, Washington, D.C. and California exhibit similar trends.

- According to the Census, the Q3 2010 homeownership rate was 66.9 percent, down from a peak of 69.2 percent in Q4 2004. The Census definition of homeownership includes homeowners in negative equity. However, homeowners in negative equity are not likely to behave similarly to homeowners with equity, because their financial interest (the equity) has disappeared and has only a small prospect of returning soon given price trends. The lack of equity means upside down homeowners are not likely to maintain and improve their property and are more likely to behave like renters.
- An alternative definition of homeownership is to exclude owners with negative equity, which nets the effective homeownership rate (Figure 5). Adjusting for severe negative equity of 25 percent or more reveals that the effective homeownership rate as of Q3 was 62.4 percent or 4.5 percentage points lower than the official rate. Removing all negative equity homeowners reveals an effective homeownership rate of 56.6 percent or over 10 percentage points lower than the official rate.
- At low shares of negative equity, the pre-foreclosure rate is higher for borrowers with more expensive homes (above \$500,000) than for borrowers with low to moderately priced homes (between \$100,000 and \$300,000). Interestingly, once in deep negative equity, the relationship reverses with the low to moderately priced homes exhibiting fairly higher pre-foreclosure rates (Figure 6).
- The aggregate level of negative equity declined to \$744 billion, which is a three-percent decline from Q2 2010 and a seven-percent decline from the end of 2009 when it stood at \$800 billion.

"Negative equity is a primary factor holding back the housing market and broader economy. The good news is that negative equity is slowly declining, but the bad news is that price declines are accelerating, which may put a stop to or reverse the recent improvement in negative equity," said Mark Fleming, chief economist with CoreLogic.



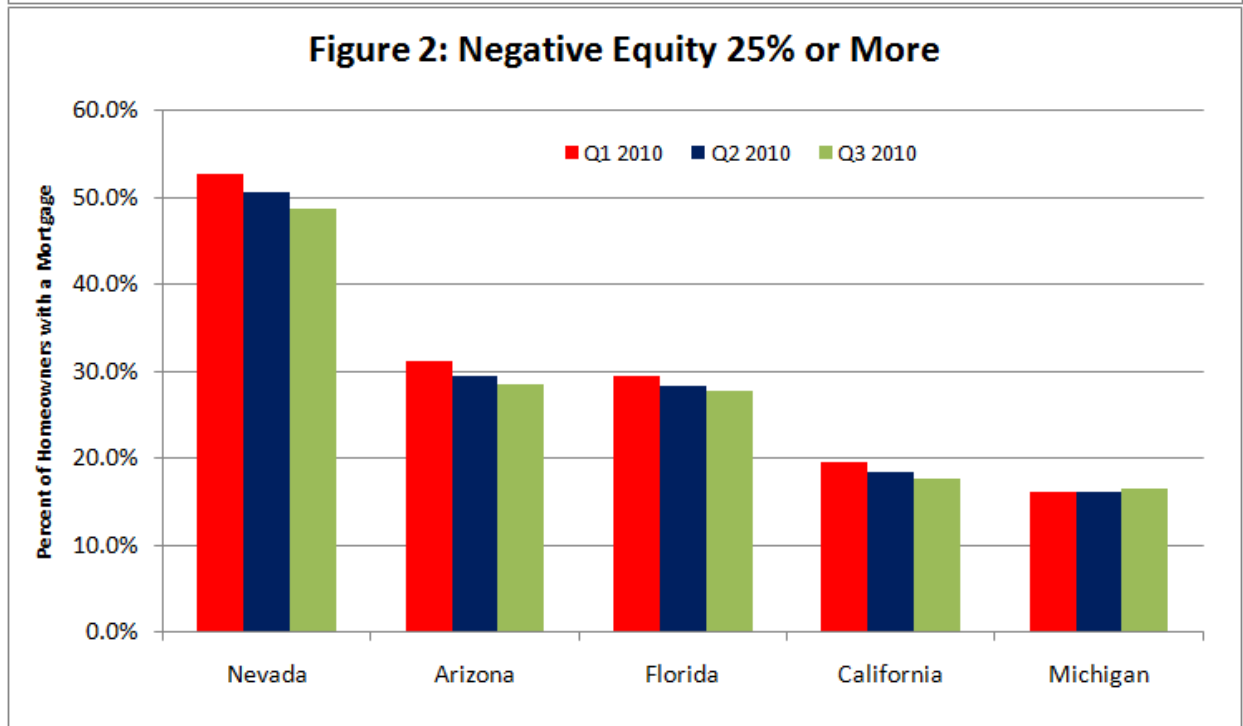
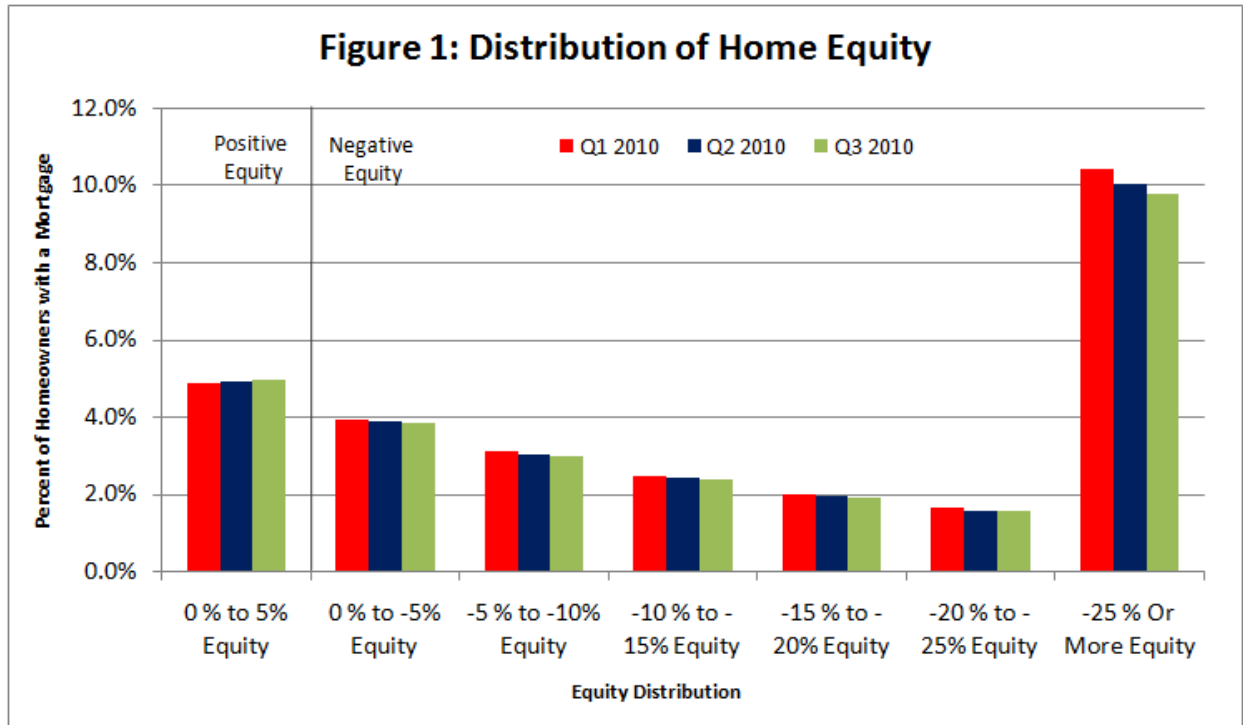
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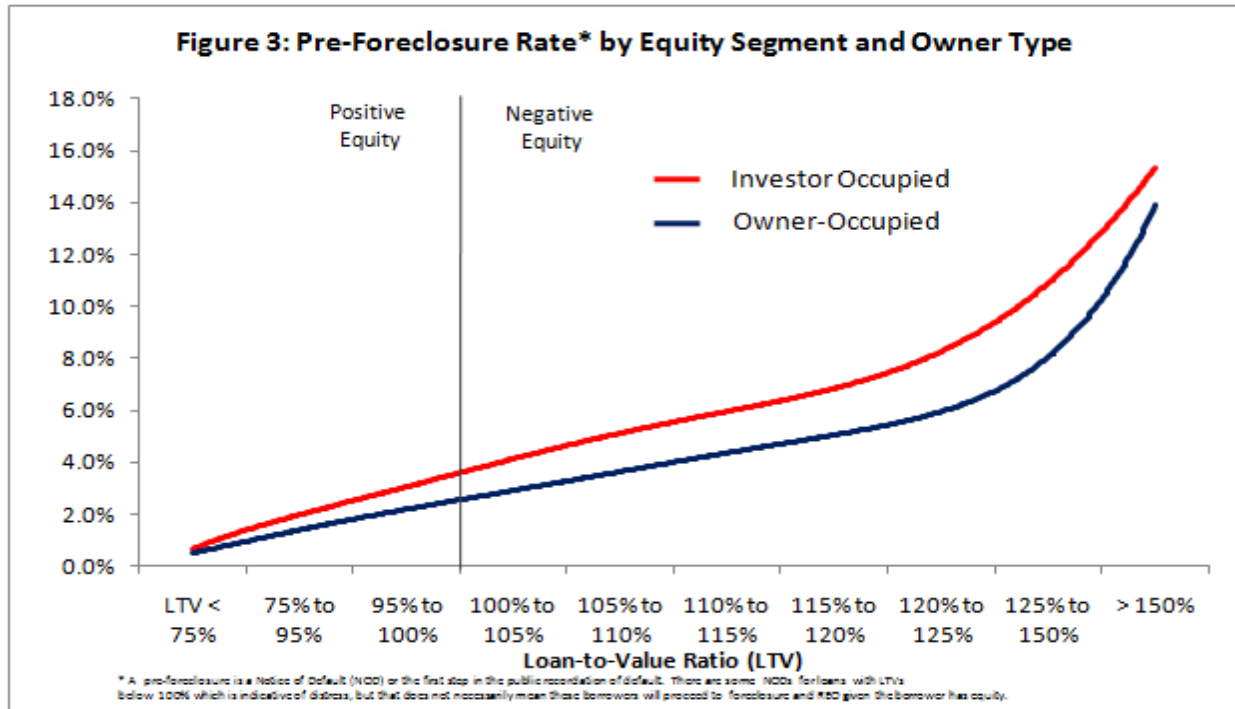
Table 1: Negative Equity by State*

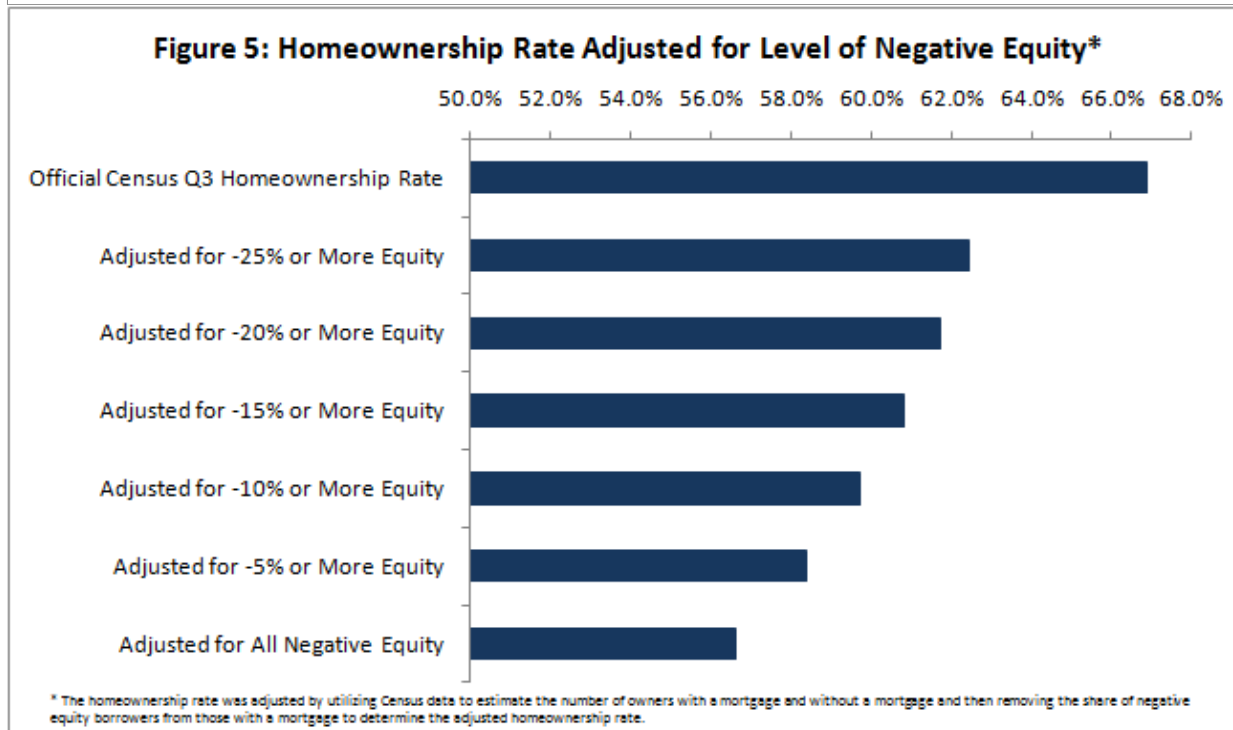
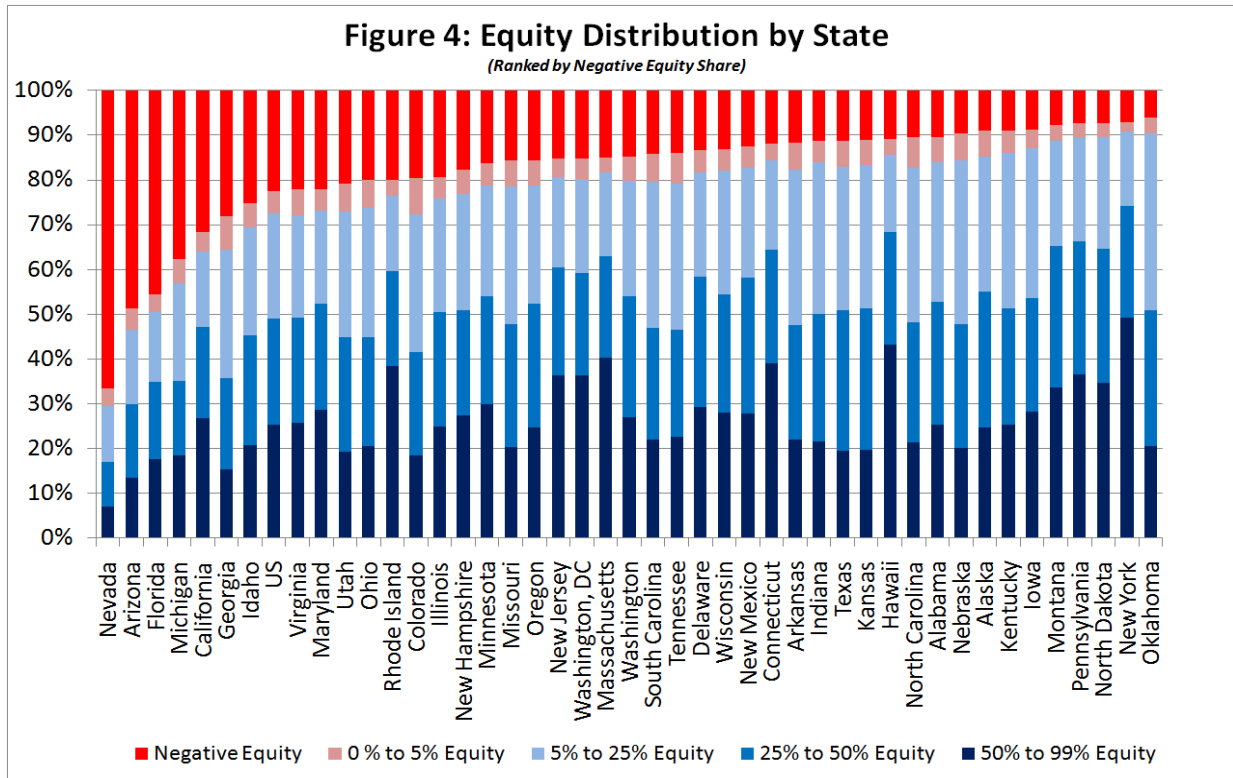
State	Properties With a Mortgage Outstanding					\$ Outstanding			
	Near** Negative					Total Property Value	Mortgage Debt Outstanding	Net Homeowner Equity	Loan-to-Value Ratio
	Mortgages	Negative Equity Mortgages	Equity Mortgages	Negative Equity Share	Near** Negative Equity Share				
Alabama	340,665	35,610	19,188	10.5%	5.6%	65,482,055,550	43,970,078,384	21,511,977,166	67%
Alaska	87,286	7,801	5,160	8.9%	5.9%	23,773,756,773	15,920,518,570	7,853,238,203	67%
Arizona	1,333,398	648,387	63,304	48.6%	4.7%	263,693,025,194	243,760,655,061	19,932,370,133	92%
Arkansas	238,011	27,580	14,360	11.6%	6.0%	37,303,484,103	27,450,225,612	9,853,258,491	74%
California	6,870,914	2,172,700	299,067	31.6%	4.4%	2,864,273,476,858	2,008,766,937,342	855,506,539,516	70%
Colorado	1,125,434	221,097	91,187	19.6%	8.1%	301,289,945,528	217,120,459,818	84,169,485,710	72%
Connecticut	816,560	97,244	29,957	11.9%	3.7%	294,814,146,661	171,517,175,208	123,296,971,453	58%
Delaware	179,322	23,906	8,937	13.3%	5.0%	47,059,588,802	31,949,546,484	15,110,042,318	68%
Florida	4,459,951	2,029,128	182,323	45.5%	4.1%	853,646,775,841	757,212,788,734	96,433,987,107	89%
Georgia	1,605,825	449,971	120,854	28.0%	7.5%	319,934,838,691	255,319,644,351	64,615,194,340	80%
Hawaii	229,600	24,664	8,280	10.7%	3.6%	117,791,198,842	65,339,432,694	52,451,766,148	55%
Idaho	243,589	61,566	12,927	25.3%	5.3%	48,204,517,879	35,737,930,659	12,466,587,220	74%
Illinois	2,227,602	431,050	108,239	19.4%	4.9%	534,999,520,161	377,625,407,977	157,374,112,184	71%
Indiana	603,484	68,196	28,936	11.3%	4.8%	91,672,823,585	64,195,877,062	27,476,946,523	70%
Iowa	334,689	28,976	14,366	8.7%	4.3%	51,019,867,858	34,150,823,254	16,869,044,604	67%
Kansas	295,839	32,787	16,284	11.1%	5.5%	53,431,665,604	37,737,206,158	15,694,459,446	71%
Kentucky	279,187	24,880	14,092	8.9%	5.0%	47,549,597,328	32,335,774,221	15,213,823,107	68%
Louisiana	NA	NA	NA	NA	NA	NA	NA	NA	NA
Maine	NA	NA	NA	NA	NA	NA	NA	NA	NA
Maryland	1,358,672	298,554	67,580	22.0%	5.0%	433,409,001,574	298,109,259,531	135,299,742,043	69%
Massachusetts	1,494,099	222,599	51,704	14.9%	3.5%	546,053,917,907	329,062,834,394	216,991,083,513	60%
Michigan	1,381,232	519,716	76,403	37.6%	5.5%	198,169,103,537	169,373,043,369	28,796,060,168	85%
Minnesota	554,535	90,090	27,608	16.2%	5.0%	124,901,317,584	81,787,965,185	43,113,352,399	65%
Mississippi	NA	NA	NA	NA	NA	NA	NA	NA	NA
Missouri	779,328	122,543	44,131	15.7%	5.7%	137,735,363,892	98,445,466,785	39,289,897,107	71%
Montana	112,444	8,650	3,939	7.7%	3.5%	28,244,797,730	16,968,913,610	11,275,884,120	60%
Nebraska	221,686	21,388	13,072	9.6%	5.9%	35,462,342,354	25,920,022,837	9,542,319,517	73%
Nevada	586,515	390,192	23,037	66.5%	3.9%	103,720,996,430	123,072,698,809	-19,351,702,379	119%
New Hampshire	211,489	37,488	11,351	17.7%	5.4%	51,974,243,397	35,837,313,271	16,136,930,126	69%
New Jersey	1,882,603	286,293	78,230	15.2%	4.2%	678,172,085,088	415,710,918,011	262,461,167,077	61%
New Mexico	234,004	29,375	10,847	12.6%	4.6%	55,009,963,072	36,551,762,344	18,458,200,728	66%
New York	1,838,917	129,633	40,013	7.0%	2.2%	835,125,621,032	415,765,632,474	419,359,988,558	50%
North Carolina	1,521,406	160,007	101,945	10.5%	6.7%	317,535,658,347	223,145,876,102	94,389,782,245	70%
North Dakota	48,415	3,582	1,478	7.4%	3.1%	8,291,290,055	4,967,349,459	3,323,940,596	60%
Ohio	2,204,754	441,379	137,601	20.0%	6.2%	324,006,229,515	242,010,058,915	81,996,170,600	75%
Oklahoma	408,155	24,411	14,962	6.0%	3.7%	60,039,397,170	42,451,471,333	17,587,925,837	71%
Oregon	693,304	108,335	38,849	15.6%	5.6%	179,130,635,748	122,988,902,147	56,141,733,601	69%
Pennsylvania	1,794,563	132,805	58,312	7.4%	3.2%	401,020,775,572	248,939,681,403	152,081,094,169	62%
Rhode Island	227,897	45,511	8,120	20.0%	3.6%	64,414,910,589	39,693,719,643	24,721,190,946	62%
South Carolina	598,223	85,226	37,091	14.2%	6.2%	131,254,482,178	92,349,858,129	38,904,624,049	70%
South Dakota	NA	NA	NA	NA	NA	NA	NA	NA	NA
Tennessee	962,894	133,956	67,386	13.9%	7.0%	166,572,683,790	118,119,771,078	48,452,912,712	71%
Texas	3,286,505	367,954	194,944	11.2%	5.9%	602,239,776,419	418,772,404,728	183,467,371,691	70%
Utah	472,867	98,093	30,339	20.7%	6.4%	114,775,697,922	84,499,611,037	30,276,086,885	74%
Vermont	NA	NA	NA	NA	NA	NA	NA	NA	NA
Virginia	1,252,705	276,910	73,763	22.1%	5.9%	419,006,811,369	295,429,338,477	123,577,472,892	71%
Washington	1,407,416	209,577	75,920	14.9%	5.4%	441,789,933,181	292,406,352,738	149,383,580,443	66%
Washington, DC	100,340	15,240	4,513	15.2%	4.5%	49,085,895,573	28,782,522,751	20,303,372,822	59%
West Virginia	NA	NA	NA	NA	NA	NA	NA	NA	NA
Wisconsin	619,792	81,267	30,026	13.1%	4.8%	120,246,415,775	80,769,544,053	39,476,871,722	67%
Wyoming	NA	NA	NA	NA	NA	NA	NA	NA	NA
Nation	47,871,838	10,780,236	2,376,159	22.5%	5.0%	12,711,358,863,378	8,850,515,659,256	3,860,843,204,122	70%

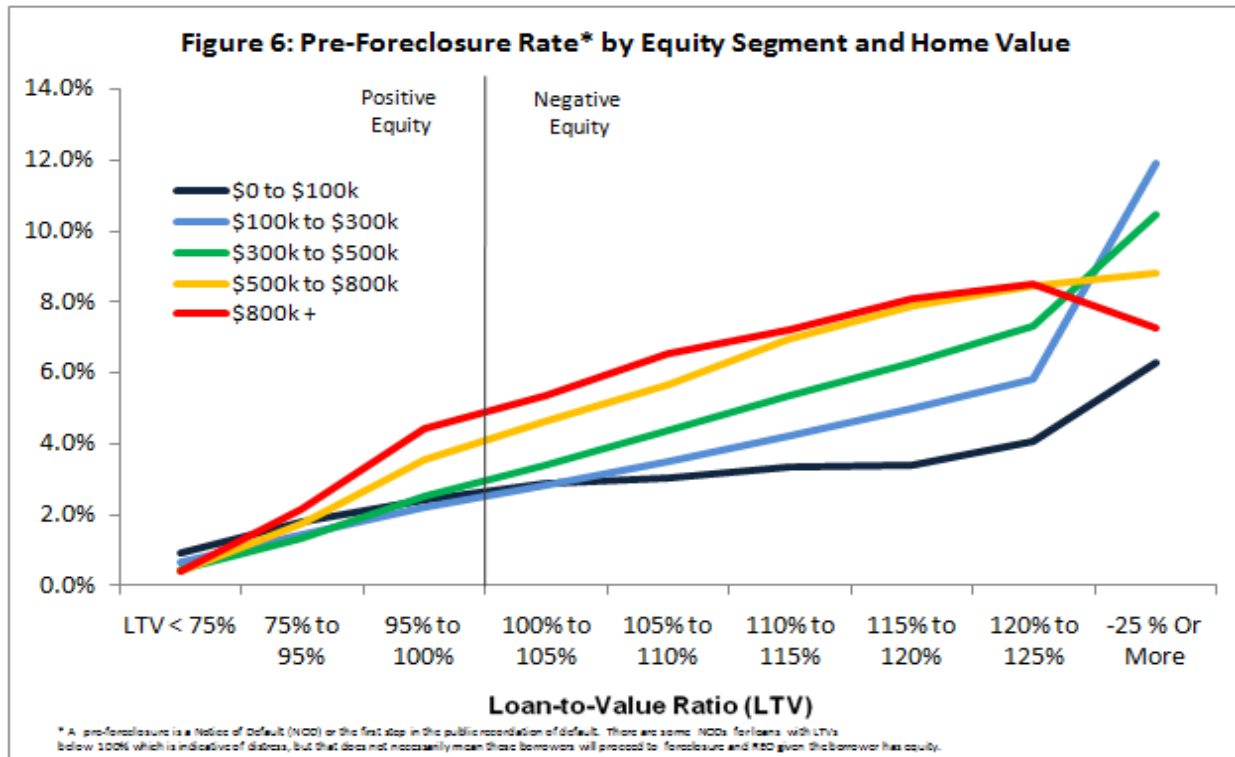
* This data only includes properties with a mortgage. Non-mortgaged properties are by definition not included.

** Defined as properties within 5% of being in a negative equity position.









Methodology:

CoreLogic data includes 48 million properties with a mortgage, which accounts for over 85 percent of all mortgages in the U.S.** CoreLogic used its public record data as the source of the mortgage debt outstanding (MDO) and it includes first mortgage liens and junior mortgage liens and is adjusted for amortization and home equity utilization in order to capture the true level of mortgage debt outstanding for each property. The current value was estimated by using the CoreLogic Automated Valuation Models (AVM) for residential properties. The data was filtered to include only properties valued between \$30,000 and \$30 million because AVM accuracy tends to quickly worsen outside of this value range.

The amount of equity for each property was determined by subtracting the property's estimated current value from the mortgage debt outstanding. If the mortgage debt was greater than the estimated value, then the property is in a negative equity position. The data was created at the property level and aggregated to higher levels of geography.

** Only data for mortgaged residential properties that have an AVM value is presented. There are several states where the public record, AVM or mortgage coverage is thin. Although coverage is thin, these states account for fewer than 5 percent of the total population of the U.S.

Source: CoreLogic.

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About CoreLogic

CoreLogic is a leading provider of consumer, financial and property information, analytics and services to business and government. The company combines public, contributory and proprietary data to develop predictive decision analytics and provide business services that bring dynamic insight and transparency to the markets it serves. CoreLogic has built the largest and most comprehensive U.S. real estate, mortgage application, fraud, and loan performance databases and is a recognized leading provider of mortgage and automotive credit reporting, property tax, valuation, flood determination, and geospatial analytics and services. More than one million users rely on CoreLogic to assess risk, support underwriting, investment and marketing decisions, prevent fraud, and improve business performance in their daily operations. Formerly, the information solutions group of The First American Corporation, CoreLogic began trading under the ticker CLGX on the NYSE on June 2, 2010. The company, headquartered in Santa Ana, Calif., has more than 10,000 employees globally with 2009 revenues of \$2 billion. For more information visit www.corelogic.com.

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