



Client Advisory Board 2025

Opening Remarks and Updates

Shelley Leonard, President, Xactus
Sasha Stair, CMO, Xactus

Antitrust Disclaimer Statement

By electing to take part in this meeting, you agree to refrain from discussing information about pricing policies, costs, fees of any kind charged to consumers or borrowers; payments of any kind made to employees or third-party providers; the exclusion of anyone from business opportunities; the allocation of markets or customers; and the limitation of product or service innovation.

Should any discussion of these items take place, you will be asked to refrain immediately and disregard any pursuant discussion, and should you deny such request, the meeting will be immediately disbanded.

Agenda

- 8:00 – 8:30: Opening Remarks & Updates
- 8:30 – 10:30: Industry and Market Fluctuations
- 10:30 – 11:00: Break
- 11:00 – 12:00: Xactus Roadmap Updates
- 12:00 – 1:00: Lunch
- 1:00 – 2:30: AI Session
- 2:30 – 3:00: Rapid Fire Brainstorm on AI
- 3:00 -3:45: Update with Mark Calabria
- 3:45 – 4:00 Closing Remarks and Next Steps

Member Update



Kim Nelson
CEO, BankSouth
Mortgage



Philip Marcus
VP Mortgage Fulfillment
PennyMac Loan Services



Justin Messer
CEO, Prosperity Home
Mortgage






Paul Akinmade
Chief Strategy Officer
CMG Financial

MBA Annual | Xactus Events




Powerhouse Women in Lending Dinner



 Delilah | The Wynn
 Saturday, October 18
 6:00 PM




Xactus Networking Brunch



 Fleur De Lis Penthouse
 Tuesday, October 21
 8:00 – 12:00 PM

Tech Talk: Innovation and Impact Without Tradeoffs



 HUB Expo, The HUB Stage
 Tuesday, October 21
 12:45 – 1:15 PM



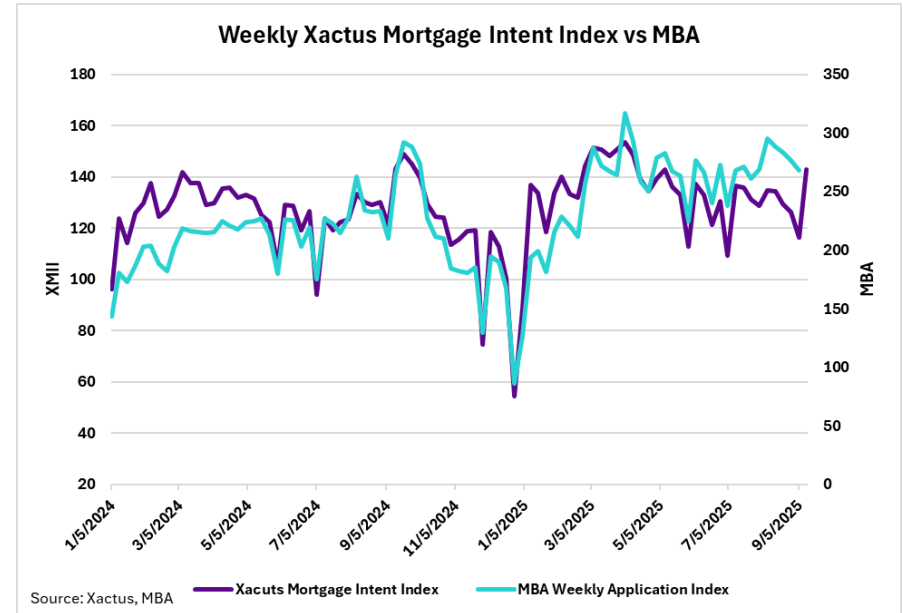
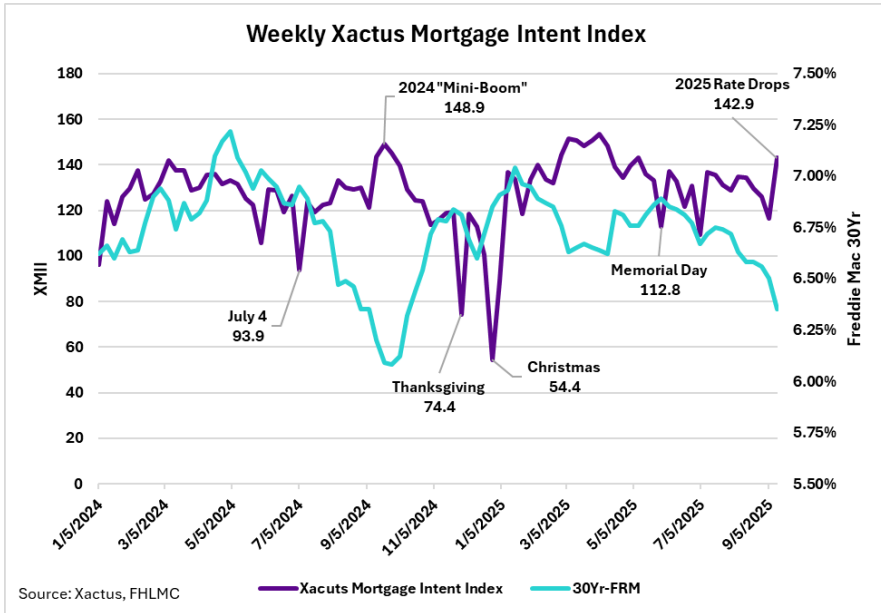
Client Advisory Board Spring 2026

Stanly Ranch, Napa California - April 1 – 3, 2026

Industry and Marketing Fluctuations: Impact on Lenders and Xactus

Christy Soukhamneut, CAB Chair
Nolan Turner, Guest
Thomas Lloyd, Xactus

Xactus Mortgage Intent Index



Xactus Roadmap Updates

Mike Brown
Chief Product Officer, Xactus

Xactus Roadmap

**New Features and
Functionality**

Future Roadmap

Feedback

AI Session

The Phoenix Group

Rapid Fire Brainstorm on AI

Thomas Lloyd, Chief Strategy Officer, Xactus

Industry Regulatory Update

Mark Calabria, Associate Director at the Office of Management and Budget (OMB)

Closing Remarks and Next Steps

Shelley Leonard, President, Xactus
Sasha Stair, CMO, Xactus

Join the Xactus CAB Signal Group



Simply scan the QR code and join the conversation

Stay connected with fellow **Client Advisory Board members** in a secure, private environment.

The Signal group provides an **encrypted, confidential way to communicate**, ensuring discussions remain safe and accessible only to members.

**Join us in shaping the next generation of
Xactus solutions—ensuring innovation
and alignment for EPC and non-EPC users
alike.**

Xactus CAB Subcommittee: EPC Feedback

Purpose:

Establish a focused subcommittee of CAB executives to provide early feedback on Xactus products—capturing perspectives from both EPC and non-EPC users.

Why Join?

Influence & Access: Shape product direction; early visibility into innovations.

Strategic Alignment: Ensure solutions fit business priorities and industry needs.

Competitive Advantage: Pilot access ahead of rollout; peer benchmarking.

Collaboration: Network with fellow executives; share insights and best practices.

How Feedback Will Be Used

Feedback documented, prioritized, and integrated into product roadmap.

Transparent follow-up reports: what was shared, what changed, what's next.

Closed-loop process ensuring tangible impact.

Commitment & Structure

Cadence: Quarterly virtual sessions + ad hoc touchpoints.

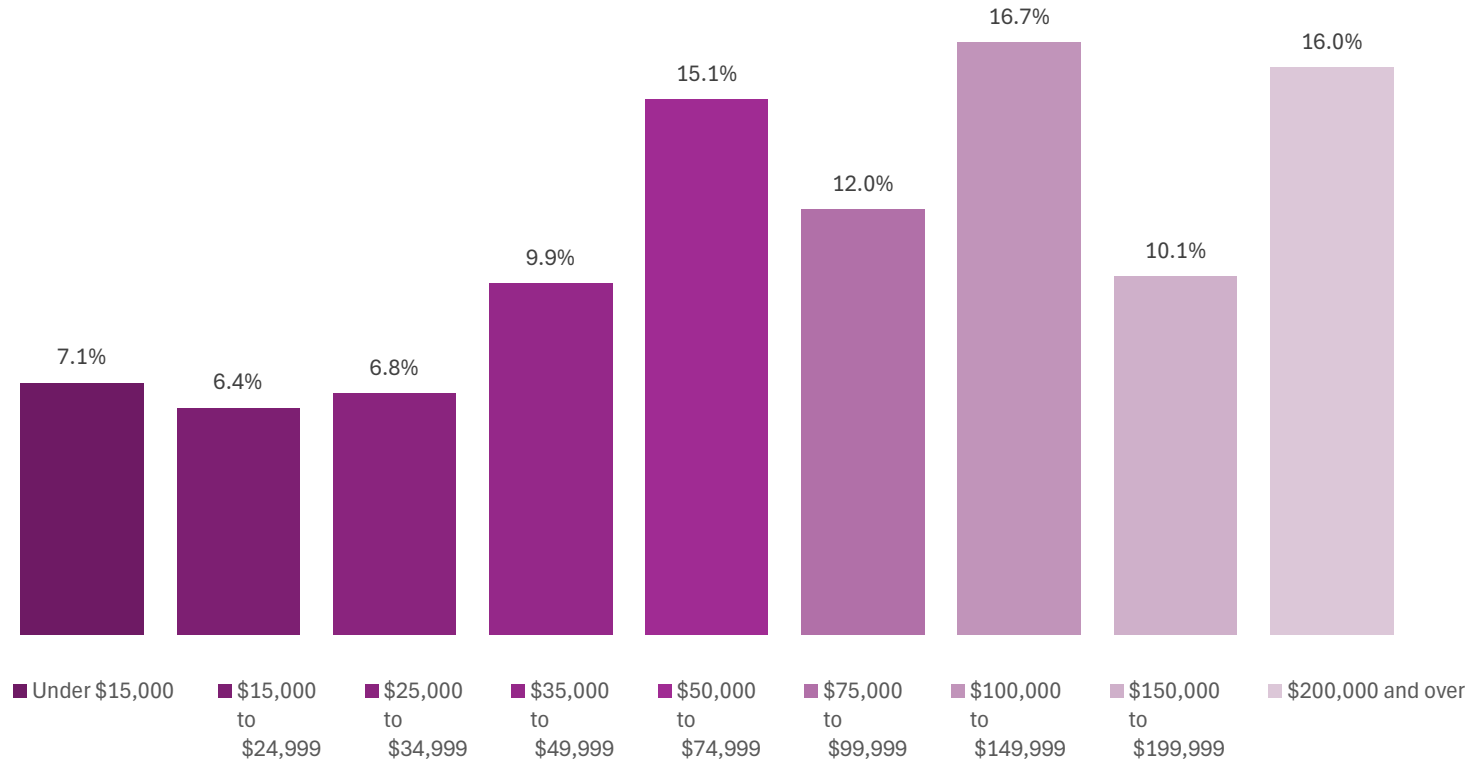
Time: 1–2 hours per quarter.

CAB Market Trends

Christy Soukhamneut, CAB Chair
Nolan Turner, Managing Director, Carrington
Thomas Llyod, Chief Strategy Officer, Xactus

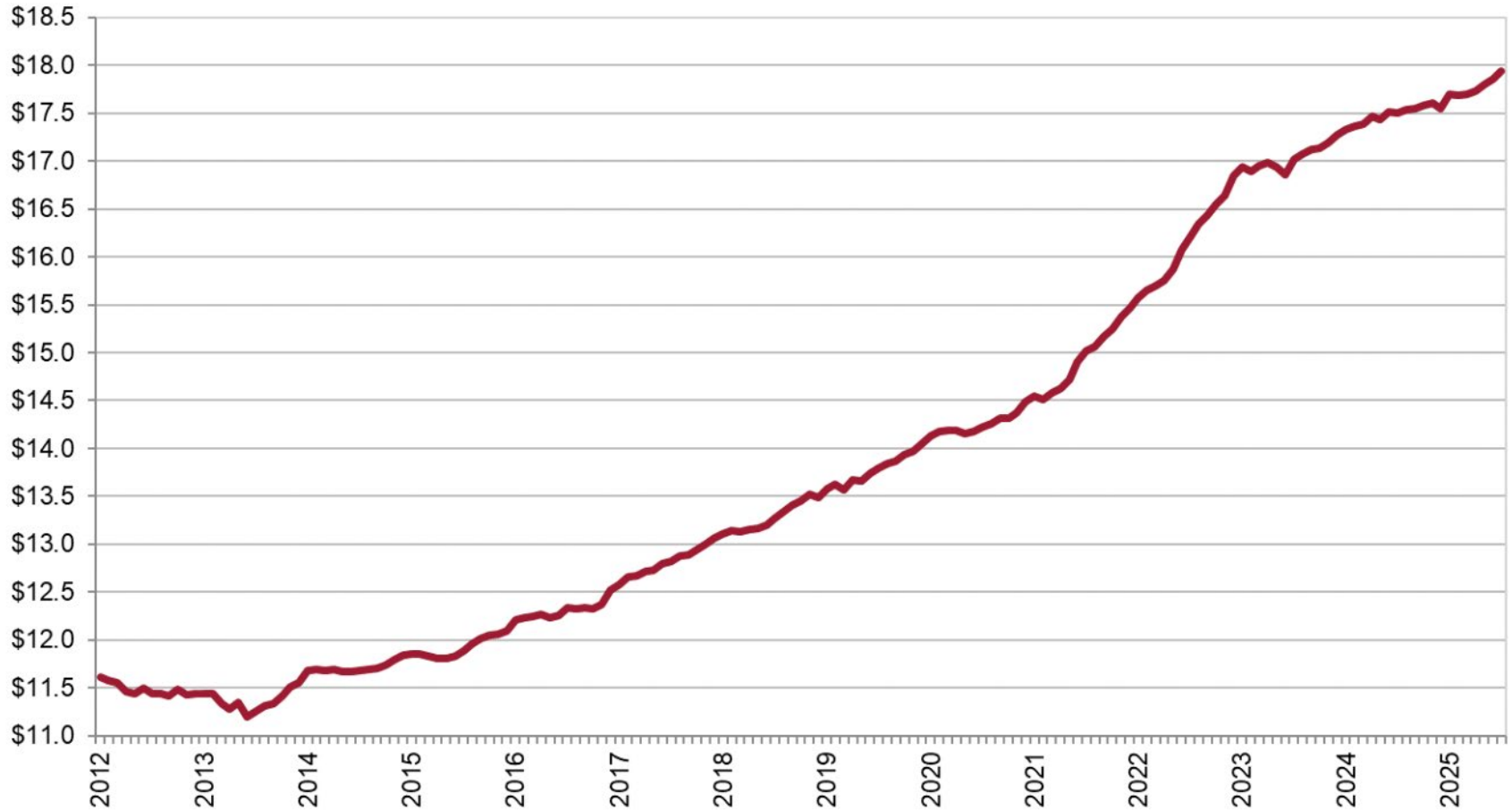
Household Income is Finite

74% of Households < \$150k, 57%<\$100K with income to earn the median home is \$112K



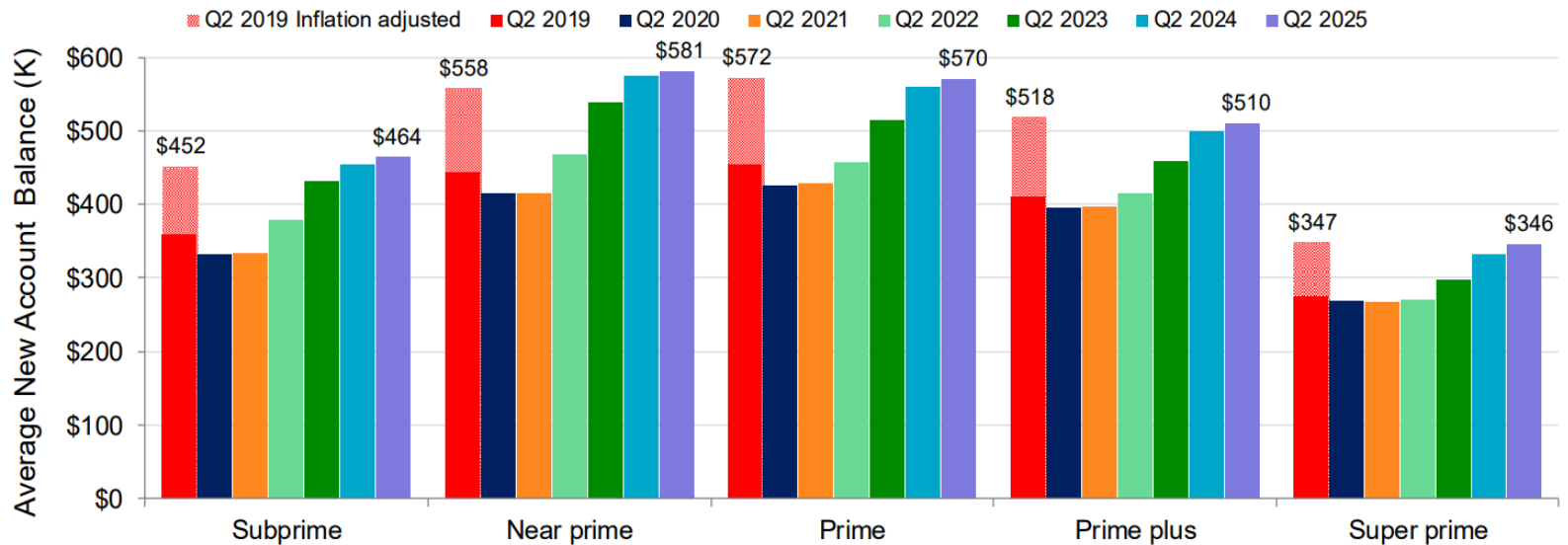
Consumer Debt is at all time Highs

Total Consumer Debt: (Auto, Credit Card, Consumer, First/Second Mortgage, Student, Other) (\$T)



Consumer Minimum Payments Rising Due to Inflation

Average Non-Mortgage Minimum Payment Due per Consumer with a Balance, By Risk Tier



Inflation Adjustment from Q2 2019 to Q2 2025 is 26%

Source: <https://data.bls.gov/cgi-bin/cpicalc.pl>

VantageScore® 4.0 risk ranges:

Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+

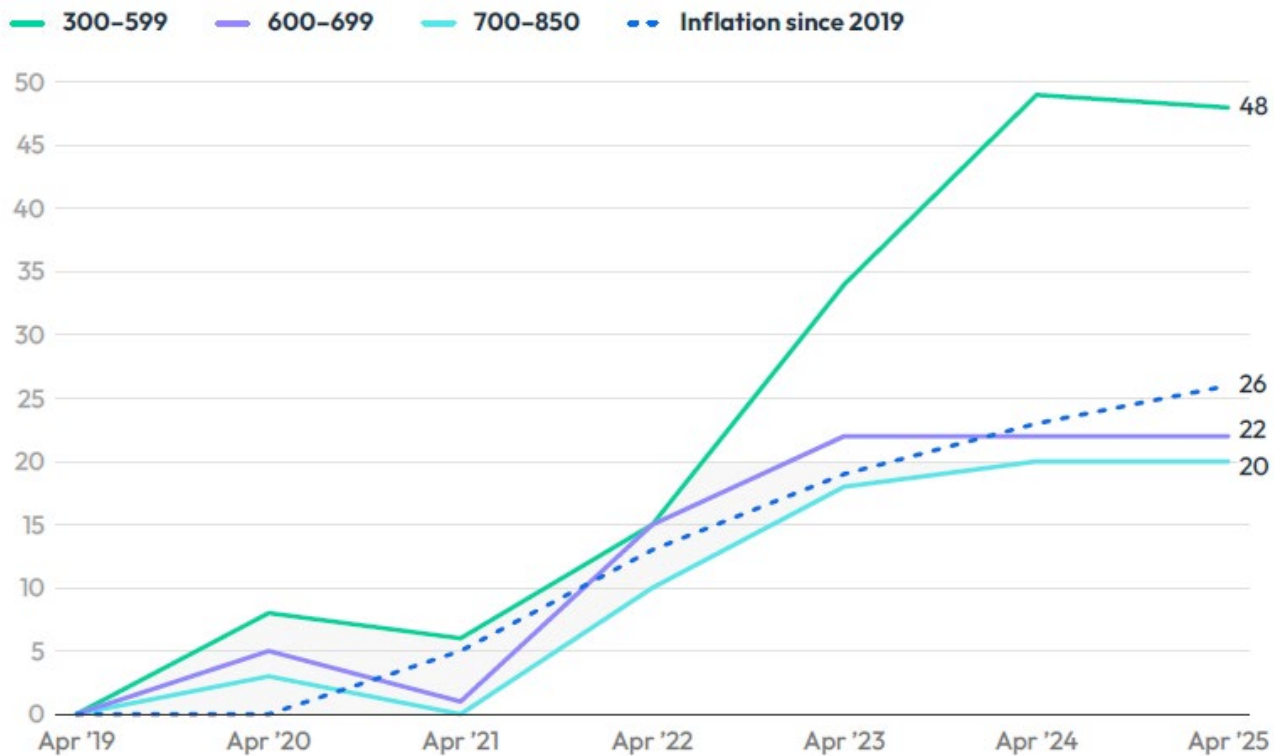


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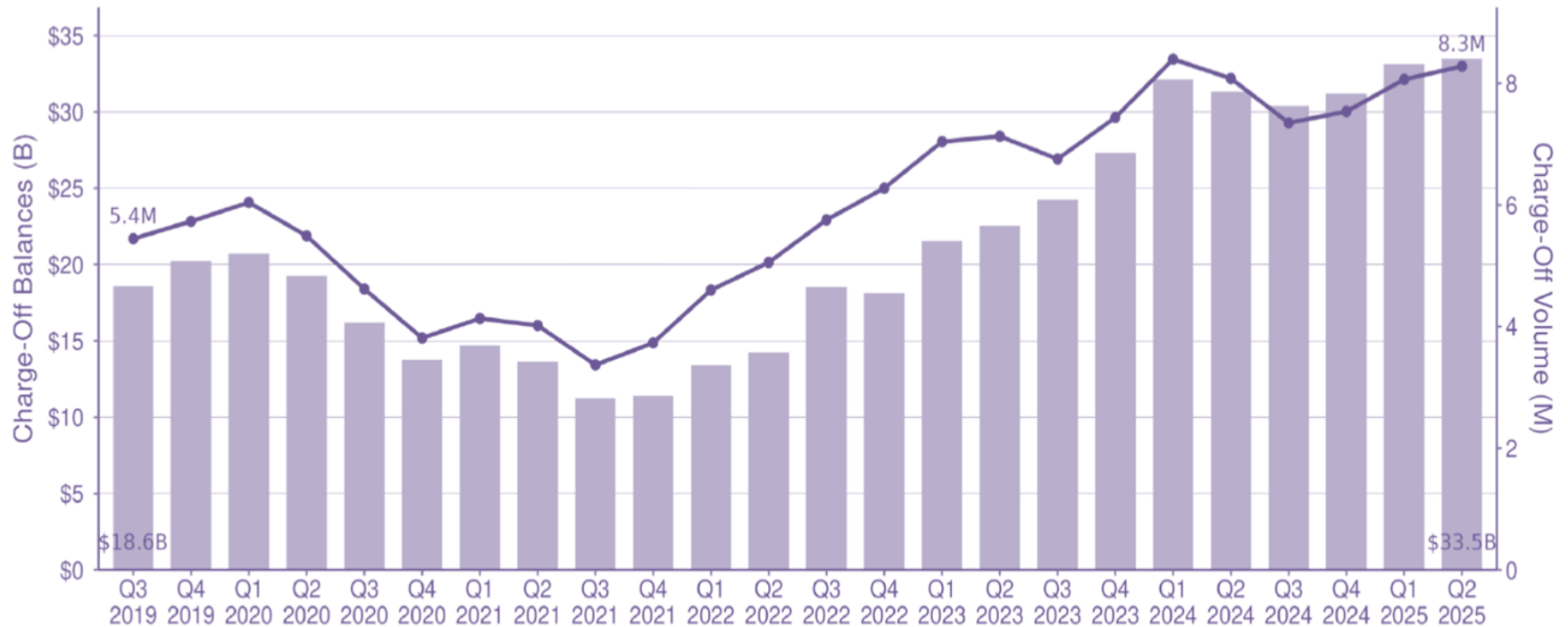
Source: TransUnion US consumer credit database

Lower Decile Credit Consumers Cannot Keep Pace

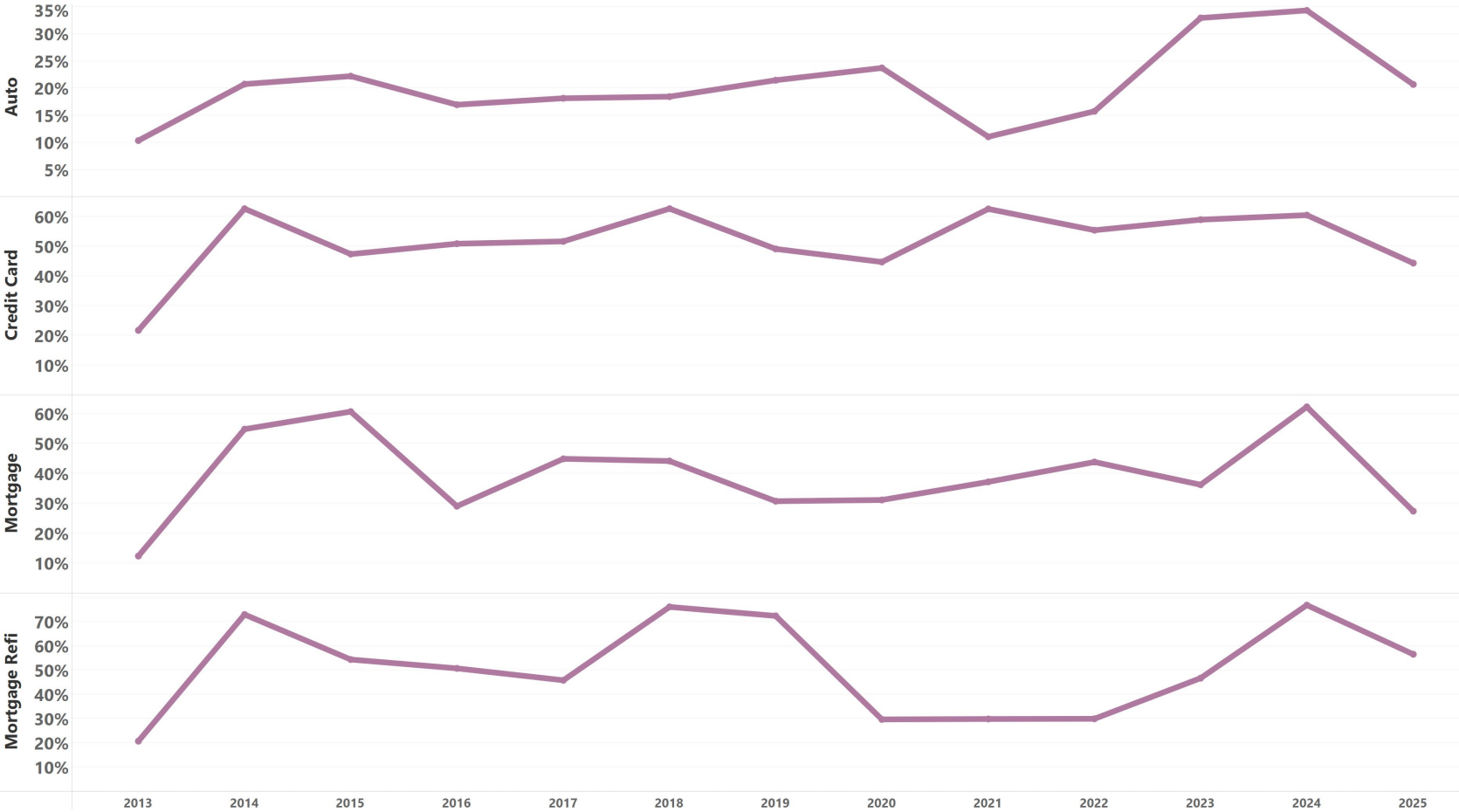
% change in personal loan balances since 2019



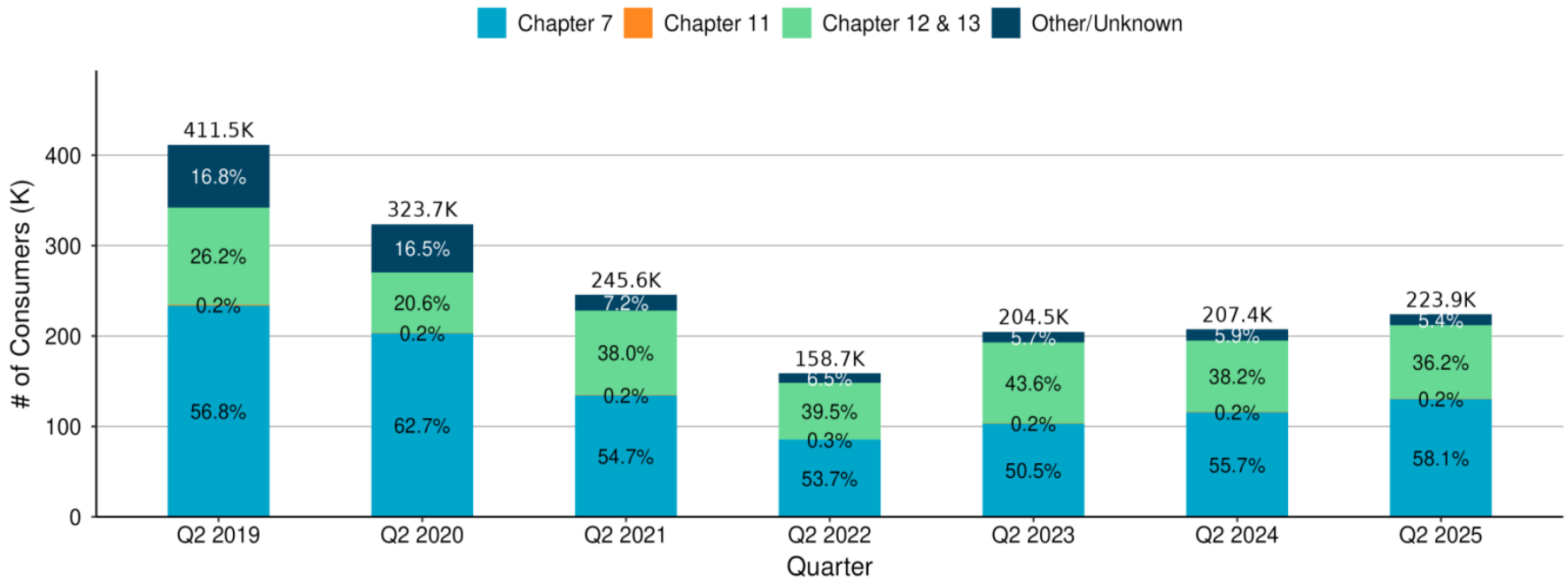
Charged Off Debt Rises with Increased Balances and Delinquency



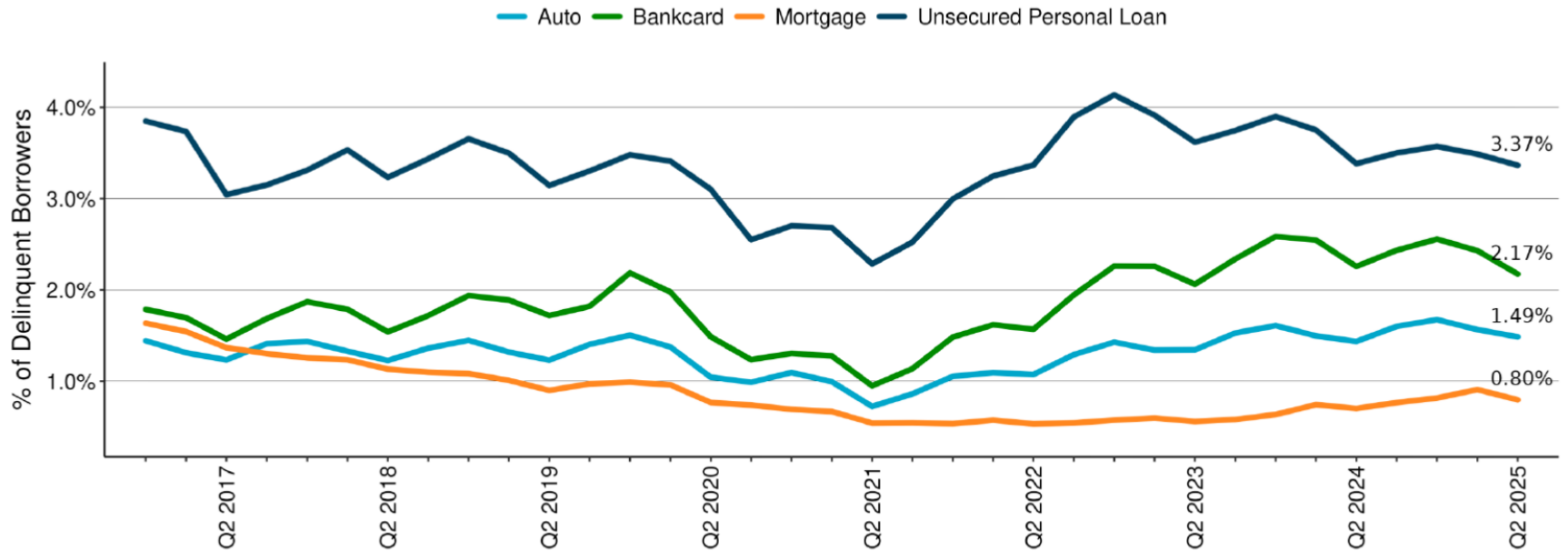
Rejection Rates are Easing After All-Time Highs



Bankruptcy is Low But Trending Higher



Serious Delinquency by Channel



Note: Mortgage totals from Q1 2024 to present have been updated to include Manufactured Housing
 Serious delinquency considered as 90+DPD for bankcard, mortgage, private label, HELOC and HELoan, 60+ DPD for all other products

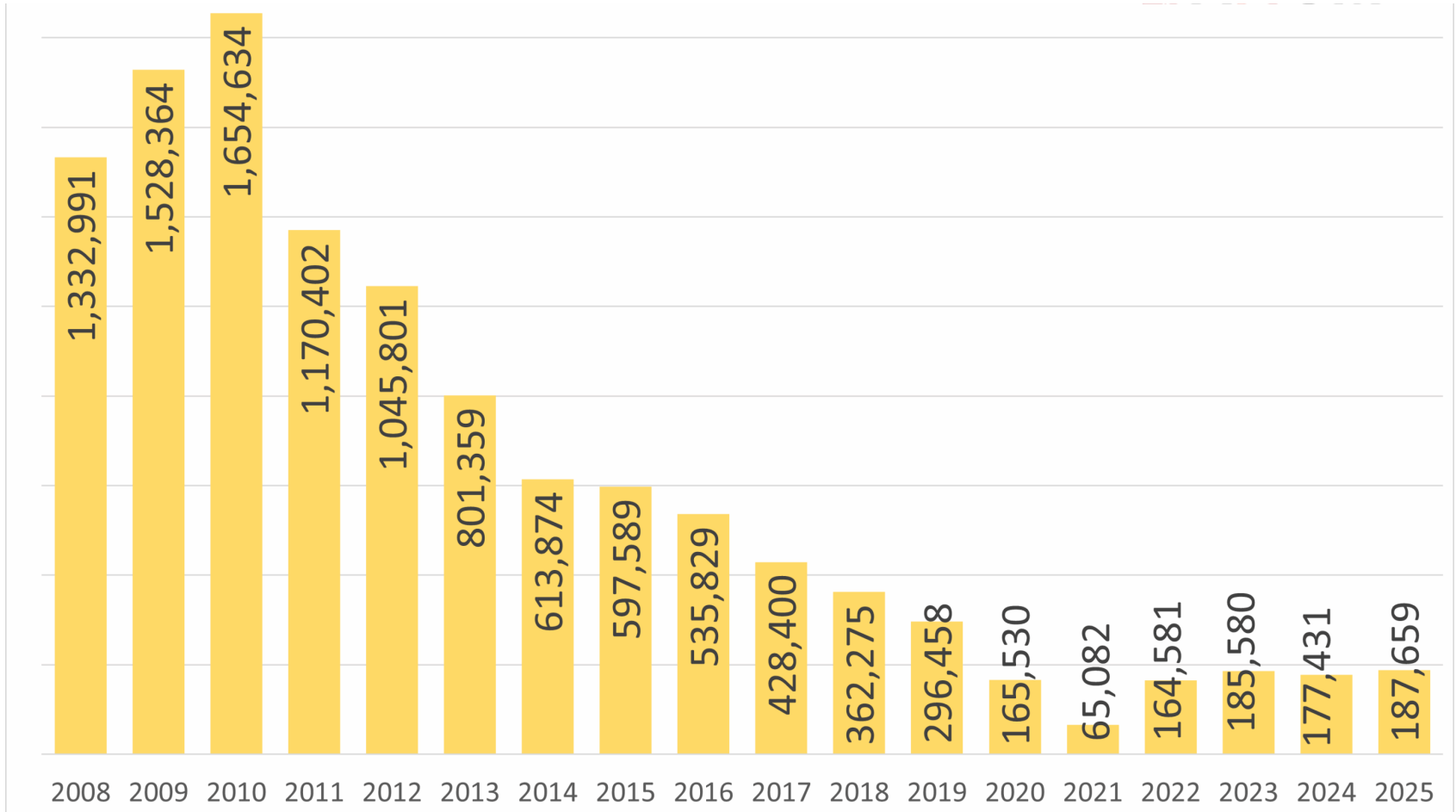


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Source: TransUnion US consumer credit database

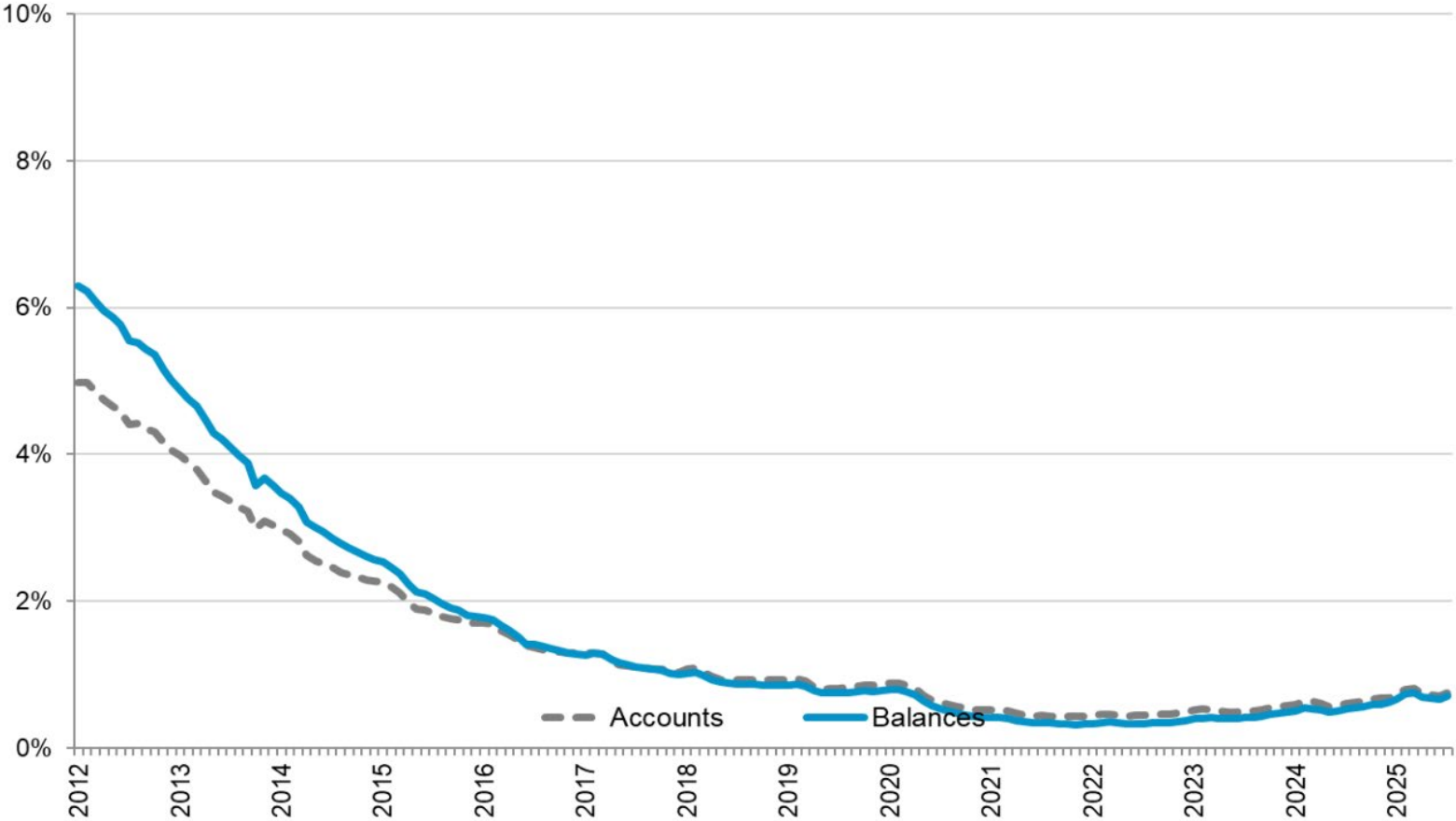
Foreclosure Rates remain low but edge higher led by FHA and VA borrowers

1H25 Active Foreclosure Filings



First Mortgage Severe Delinquency Rate is up 17b YoY

First Mortgage Severe Delinquency Rate: (90 Days+, BK, FC)



Student loans 101

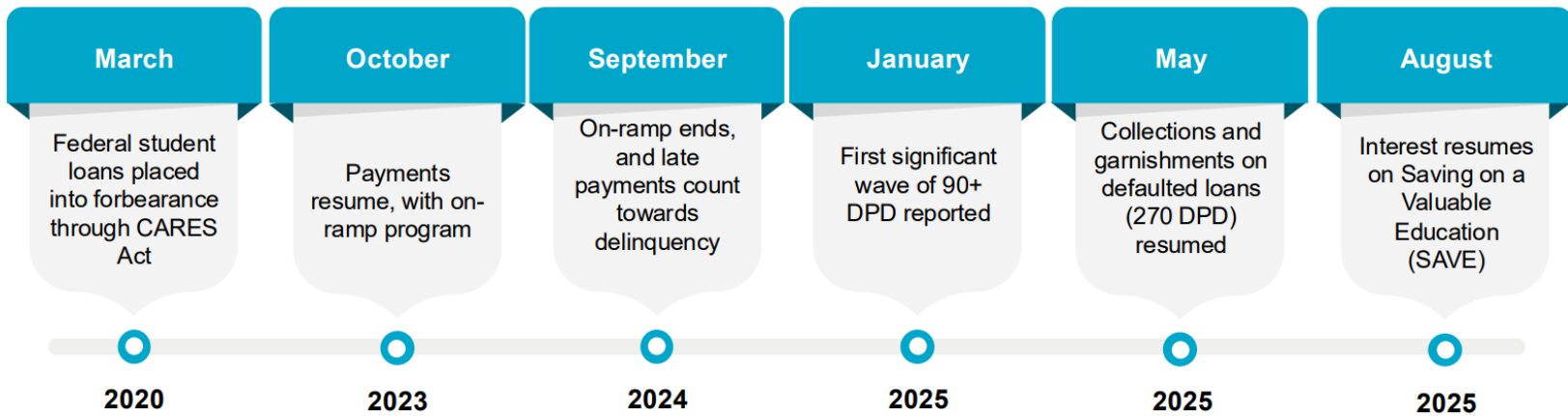
Today, the outstanding federal student loan portfolio includes 42.3 million recipients with federal student loans totaling \$1.67 trillion, which represents a three-percent-dollar increase from June 2024. The Direct Loan portfolio is 90% of the outstanding loan portfolio while the Federal Family Education Loan (FFEL) portfolio represents less than 10%, and Perkins Loans comprise less than one-fifth of one percent. The federally managed portfolio—which includes FFEL and Perkins Program loans owned by the U.S. Department of Education (ED) and Direct Loans—is now more than \$1.58 trillion, representing 95% of the total portfolio.

ED is directly responsible for managing 40.3 million recipient accounts with outstanding loans totaling \$1.58 trillion across the Direct Loan and ED-held FFEL portfolio. **More than 18.3 million recipients, or almost half of the 40.3 recipients, have at least one loan in a current repayment or delinquency status. These loans total approximately \$600 billion or 38% of the total \$1.58 trillion portfolio.**

As of June 2025, 10.3 million recipients (or more than a quarter of all recipients) have at least one loan in a forbearance status. This includes more than seven million borrowers in the Saving on a Valuable Education (SAVE) Plan forbearance due to litigation. As a result, forbearance usage in the federally managed portfolio has increased, year-over-year, from \$178 billion to \$582 billion. Forbearance peaked during the payment pause at \$1.14 trillion in June 2023 but was \$133 billion prior to the pause in February 2020.

Student Loan Collections, Garnishments and Interest have all resumed

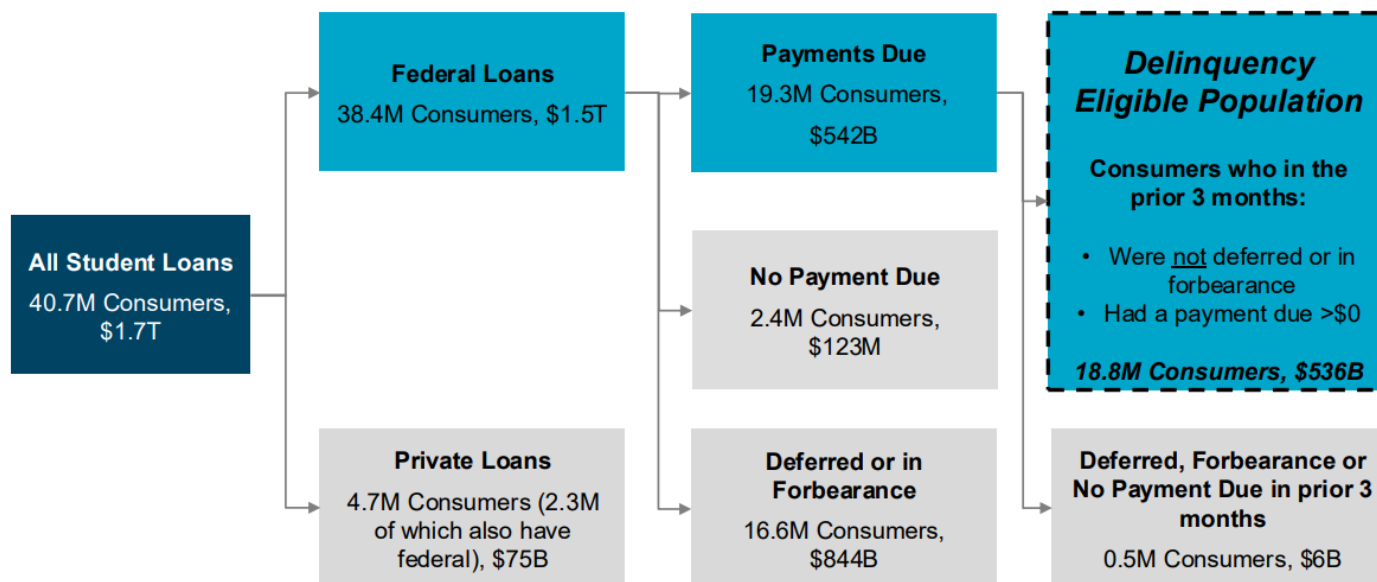
Student Loan Timeline



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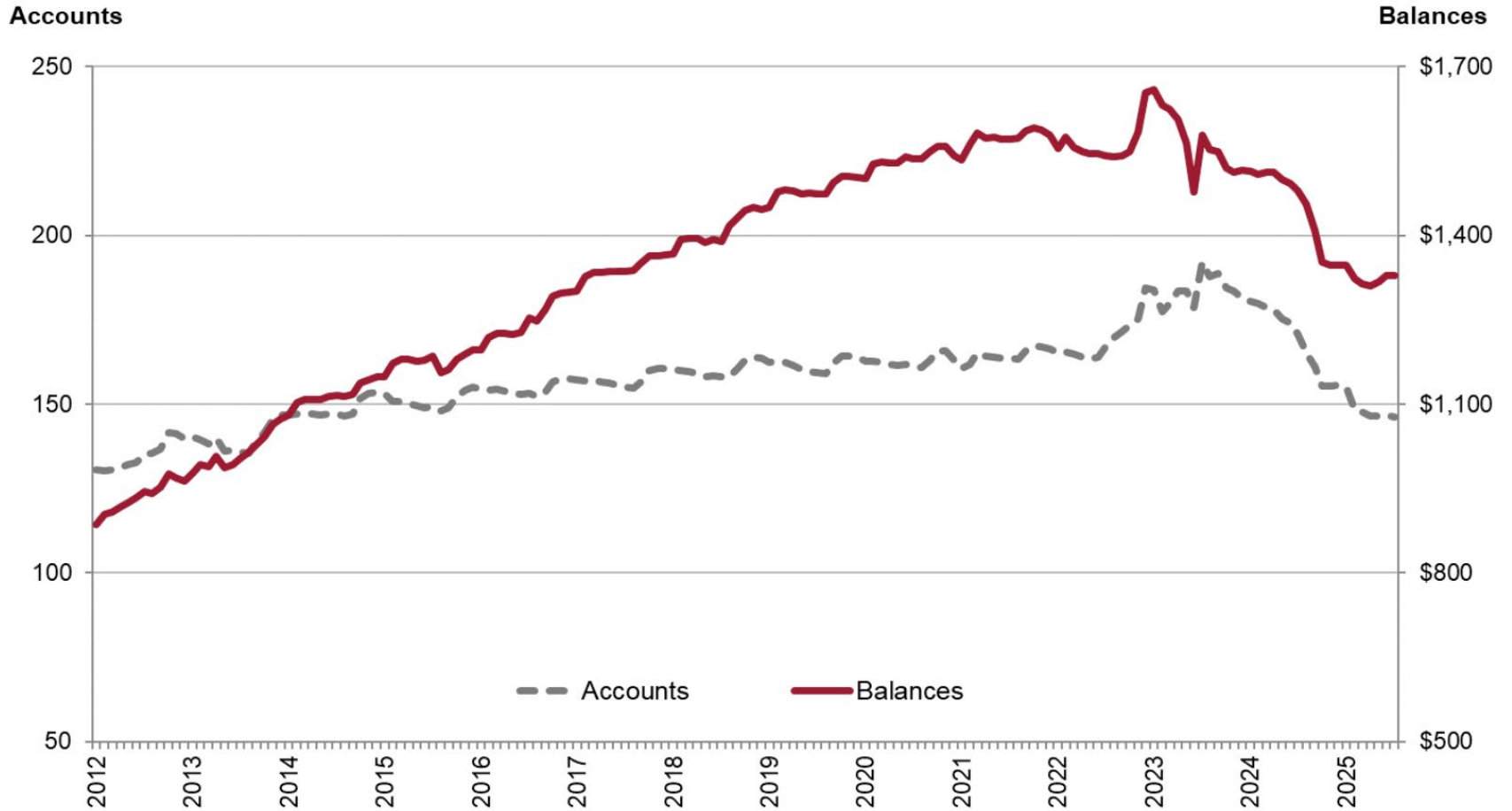
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Only consumers not in forbearance/deferred with a payment due in each of the preceding 3 months are included in delinquency rates



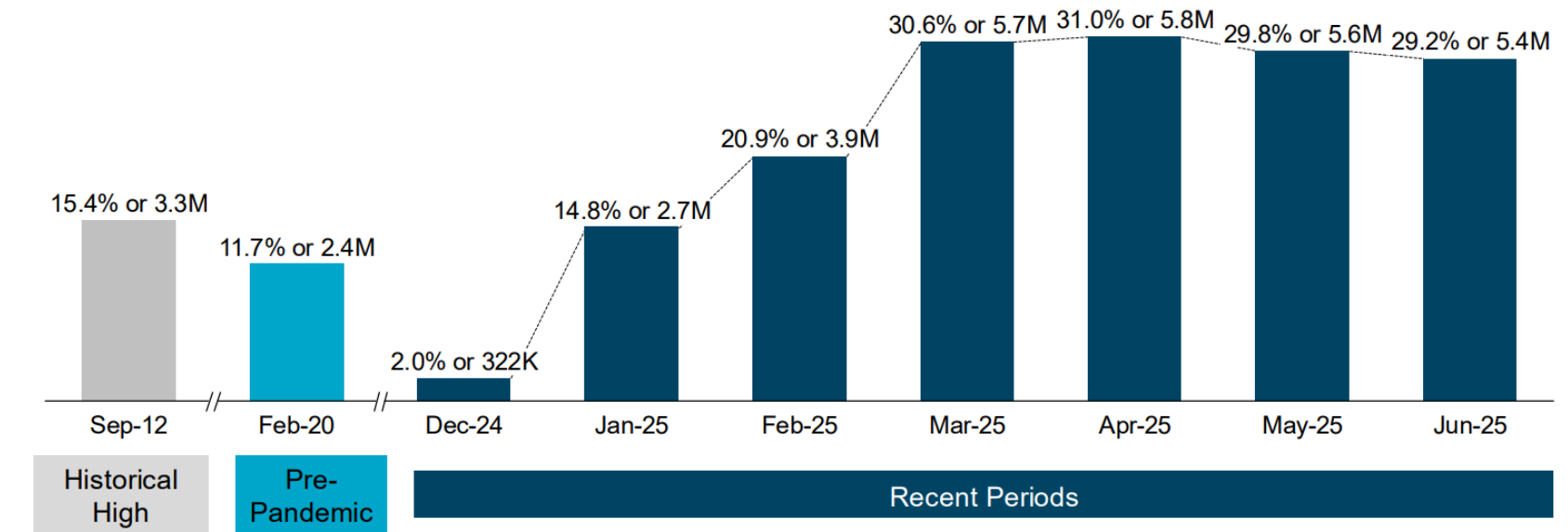
Outstanding Student Loan Volume continues to drop

Outstanding Student Loans: (\$B)



5.4M Consumers are 90+ Days Delinquent with 29% Delinquency Rate

% and # of Consumers Reported 90+ DPD

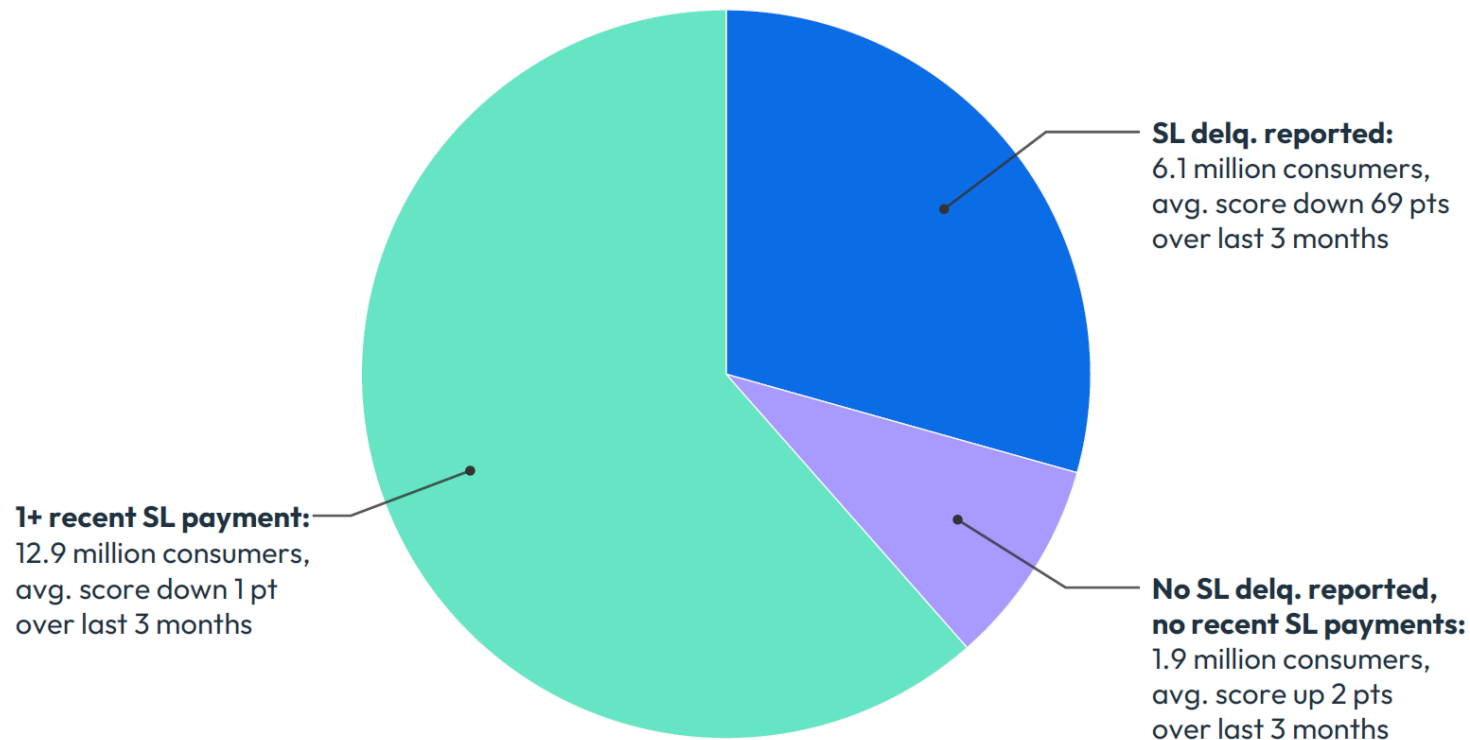


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Source: TransUnion US consumer credit database

Delinquent Student Loan Consumers seeing credit deterioration

Student loan (SL) borrowers with payments due



DQ Student Loans = NO Loan Mod

(B) Eligibility to Participate in HUD Programs

(1) Standard

The Mortgagee must verify that the Borrowers are eligible to participate in HUD's Loss Mitigation Program. As a part of determining eligibility, the Mortgagee must utilize the appropriate system to determine if the Borrower is excluded from HUD's Loss Mitigation Program.

To be eligible to participate in HUD's Loss Mitigation Program, the Borrower:

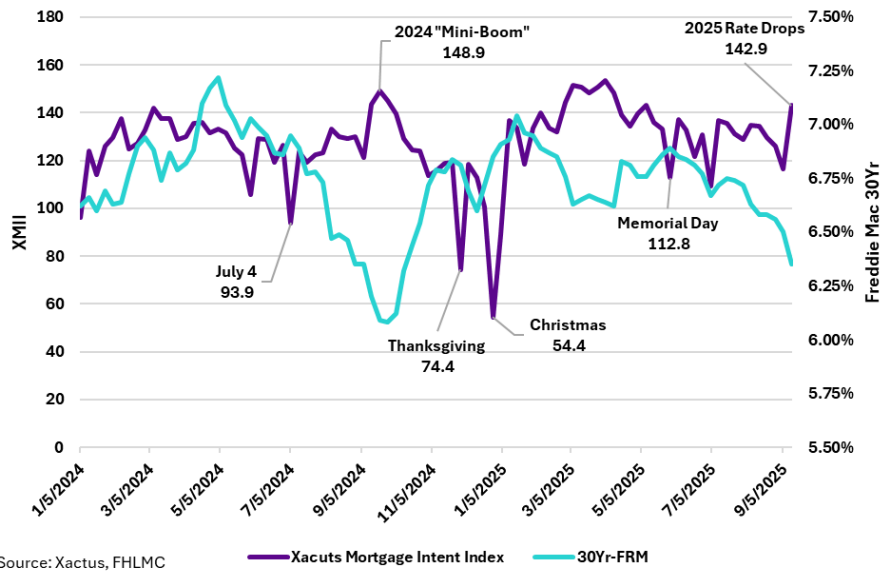
- may not own other real estate subject to FHA insurance, except within the stated [exceptions](#);
- has not been the Borrower, except through inheritance or as a co-signer only, on prior loans on which an FHA claim has been paid within the past three years; and
- for purposes of FHA-HAMP:
 - may not be debarred, suspended or subject to a HUD Limited Denial of Participation (LDP) as determined in accordance with [Excluded Parties](#) requirements; and
 - may not have unresolved delinquent Federal Debt as determined in accordance with [Borrower Ineligibility Due to Delinquent Federal](#)

Loss Mitigation and Operational Changes

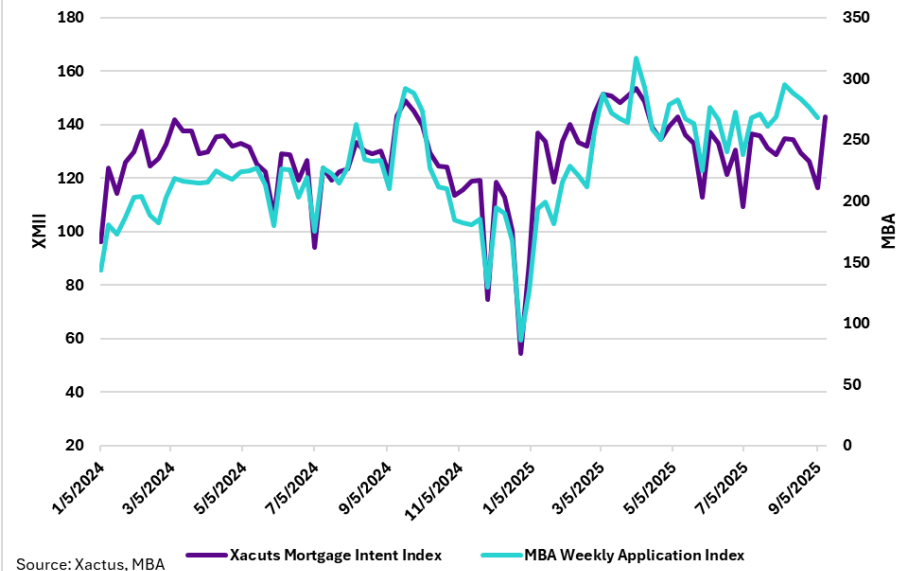
- **WAGE GARNISHMENT (15 % OF DISPOSABLE INCOME)**
- **AUCTION / CWCOT / CAFMV**
- **NEW HUD RULES – 1 LOAN MOD EVERY 24 MONTHS**
- **LIMITED VA LOSS MITIGATION OPTIONS – PARTIAL CLAIM COMING**
- **STREAMLINED DOC PROCESS WITH TRIAL PAYMENT PLANS**
- **HOME INSURANCE / REPLACEMENT COST VALUE / DEDUCTIBLE**

With declining rates – Mortgage Volume is increasing

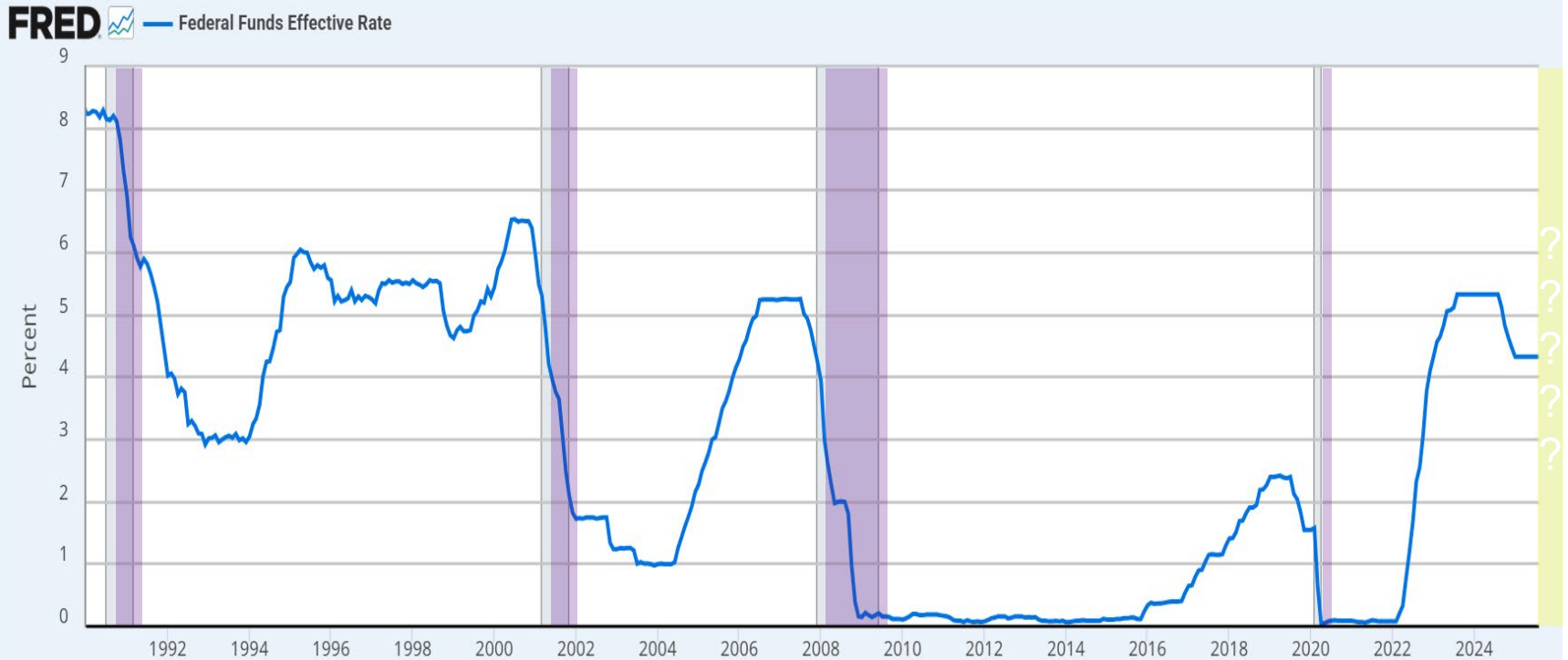
Weekly Xactus Mortgage Intent Index



Weekly Xactus Mortgage Intent Index vs MBA



Federal Funds Rates and U.S. Recessions



Source: Board of Governors of the Federal Reserve System (US) via FRED®

Shaded areas indicate U.S. recessions.

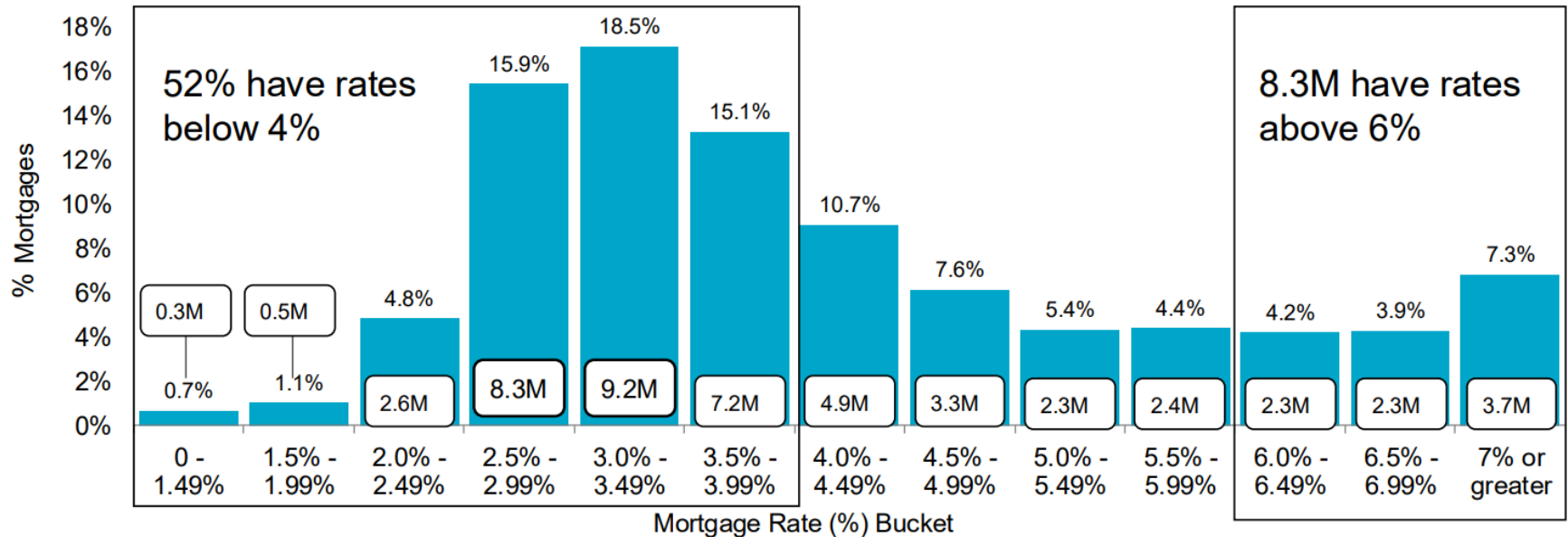
fred.stlouisfed.org

Fullscreen

Additional Rate cuts may be needed to sustain demand

Distribution of Rates on Outstanding Mortgages, Q2 2025

■ % Mortgages



Approximately 54 million mortgages as of Q2 2025

*From FRED as of July 2025

Note: Mortgage totals from Q1 2024 to present have been updated to include Manufactured Housing

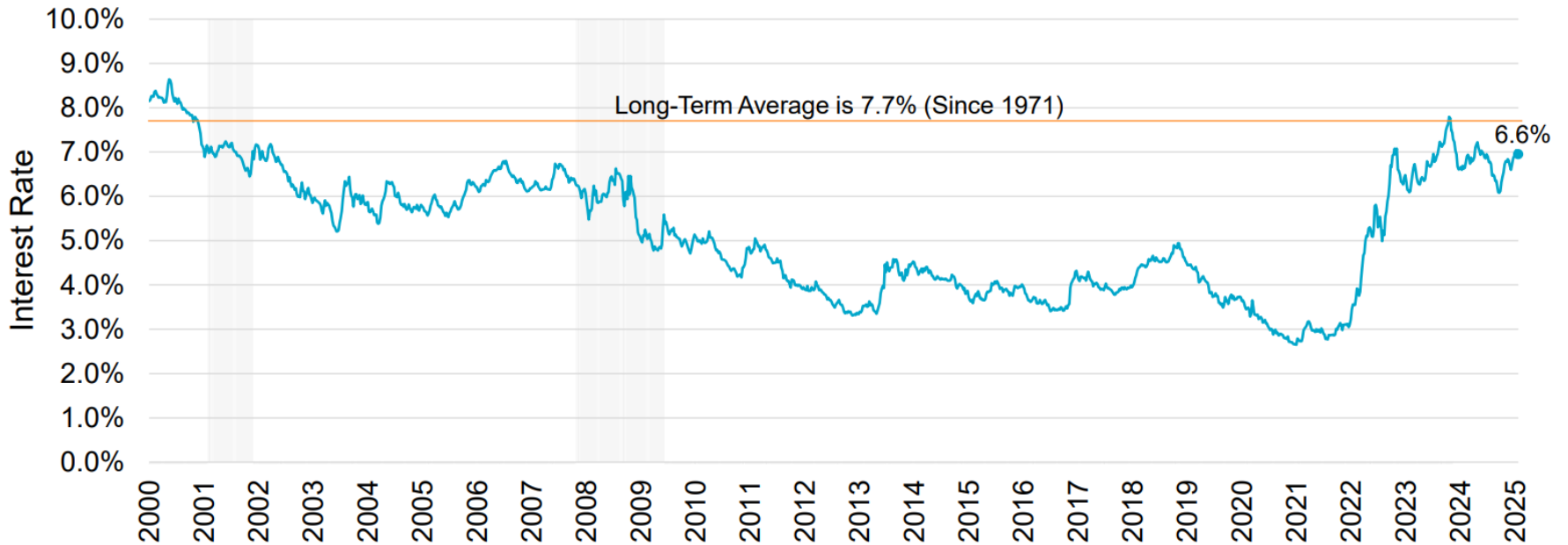
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Totals may not equal 100 due to rounding
Source: TransUnion US consumer credit database

Rate Make Housing Unaffordable - WRONG

30-Year Mortgage Interest Rates (2000 to Present)



It's the Payment – Not the Rate

re:venture APP

Mortgage to Income Ratio Matrix: % Change Values v Mortgage Rates

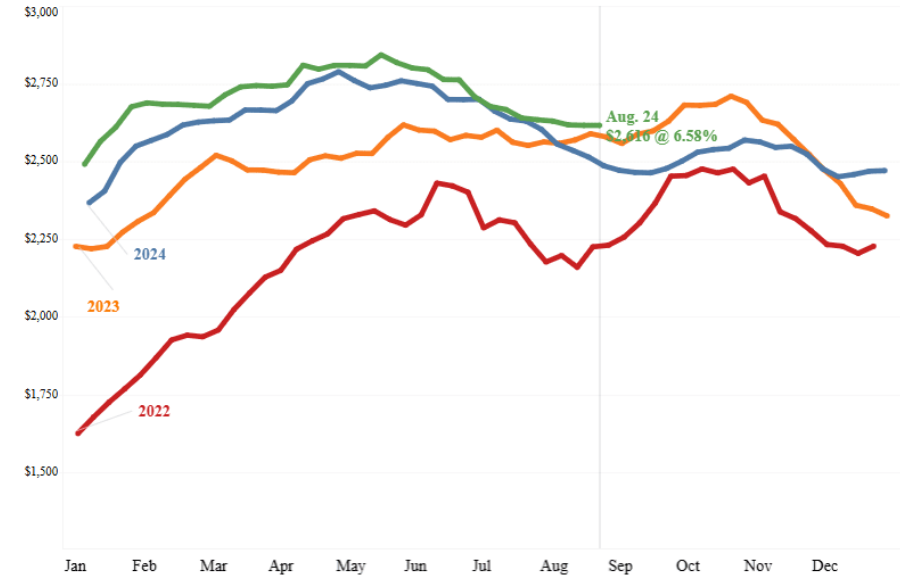
% Change in Home Values from June 2025 Level

		-30.0%	-25.0%	-20.0%	-15.0%	-10.0%	-5.0%	0.0%
Mortgage Rates	3.80%	22.1%	23.7%	25.3%	26.8%	28.4%	30.0%	31.6%
	4.30%	23.0%	24.6%	26.3%	27.9%	29.6%	31.2%	32.9%
	4.80%	23.9%	25.6%	27.3%	29.1%	30.8%	32.5%	34.2%
	5.30%	24.9%	26.7%	28.4%	30.2% ^{Target}	32.0%	33.8%	35.5%
	5.80%	25.9%	27.7%	29.5%	31.4%	33.2%	35.1%	36.9%
	6.30%	26.9%	28.8%	30.7%	32.6%	34.5%	36.4%	38.4%
	6.80%	27.9%	29.9%	31.9%	33.8%	35.8%	37.8%	39.8% ^{Now}

On Aug 28, 2025 the median monthly mortgage payment was \$2,616 at a 6.58% interest rate. Many Americans spend ***GREATER THAN 40 %*** of their income on their mortgage payment. In order to lower that monthly spend to 30 %... ***housing prices would need to decrease 15 % AND rates would need to drop 150 basis points from 6.80 % down to 5.30 %.***

While rates have lowered the Average Mortgage Payment = \$2,590

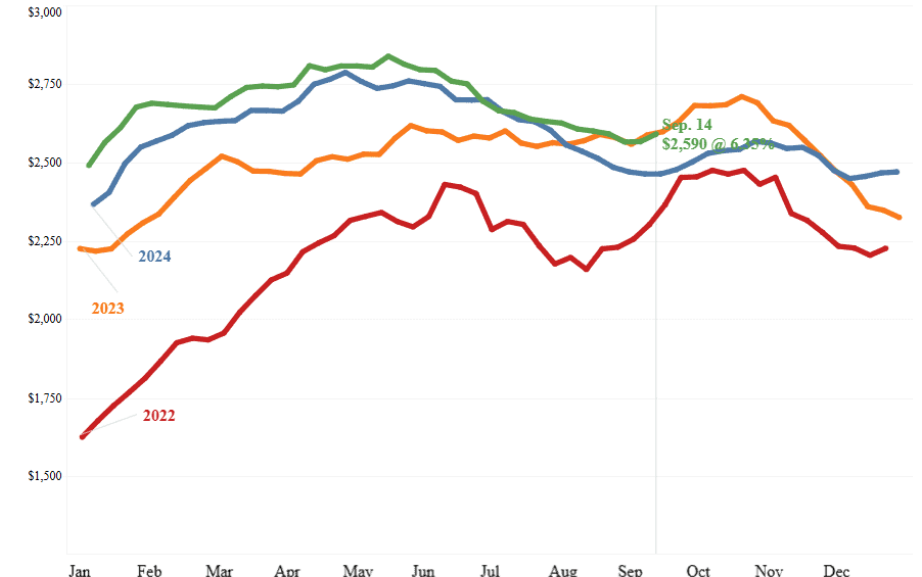
Homebuyer Housing Payments +5.2% Year Over Year
Mortgage payment on the 4-week rolling average of the median asking price



Source: Redfin analysis of MLS data, Freddie Mac Primary Mortgage Market Survey



Homebuyer Housing Payments +5.2% Year Over Year
Mortgage payment on the 4-week rolling average of the median asking price



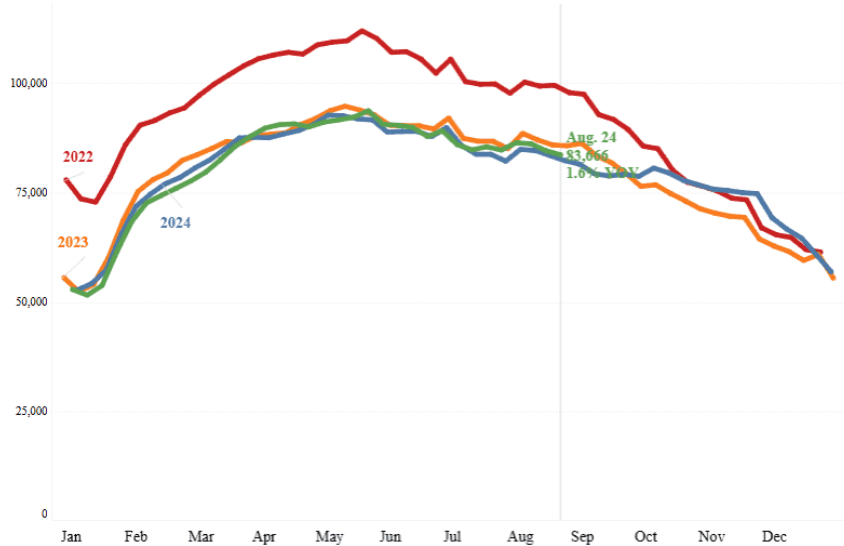
Source: Redfin analysis of MLS data, Freddie Mac Primary Mortgage Market Survey



Pending Sales Stagnate with active listings up ~12% YoY with ~4.3 Months Inventory

Pending Sales +2% Year Over Year

4-week rolling average of weekly pending sales

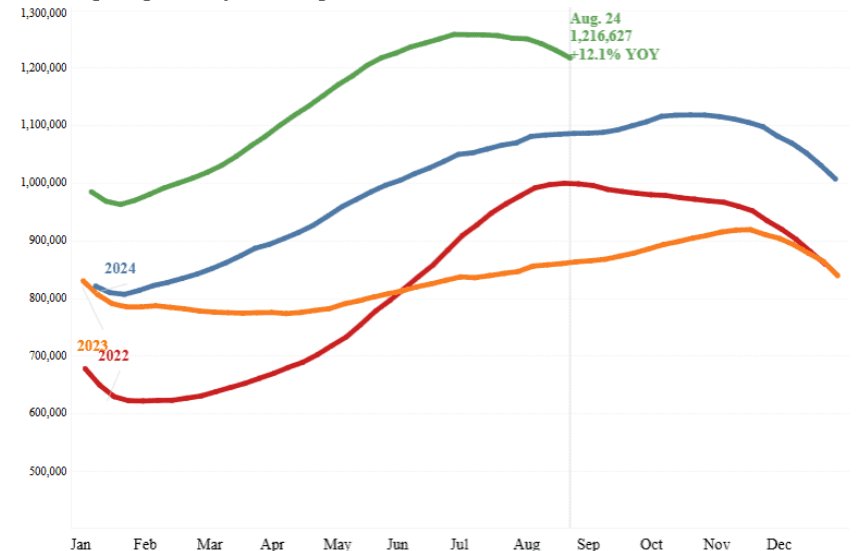


Source: Redfin analysis of MLS data



Active Listings of Homes for Sale +12% Year Over Year

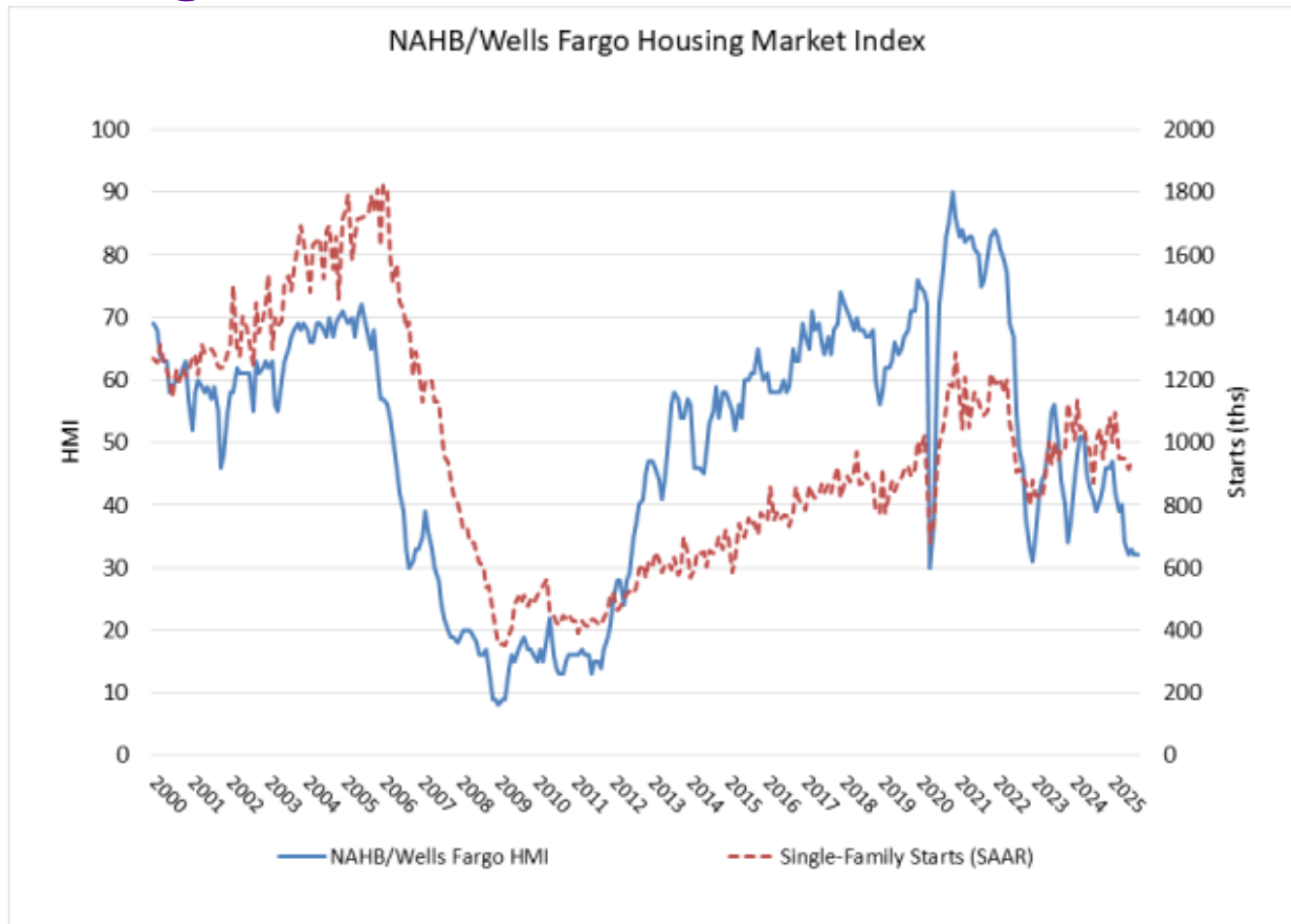
4-week rolling average of weekly active listings of homes for sale



Source: Redfin analysis of MLS data



Home Builder Confidence remains low as Housing Starts Stagnate



Source: NAHB/Wells Fargo HMI

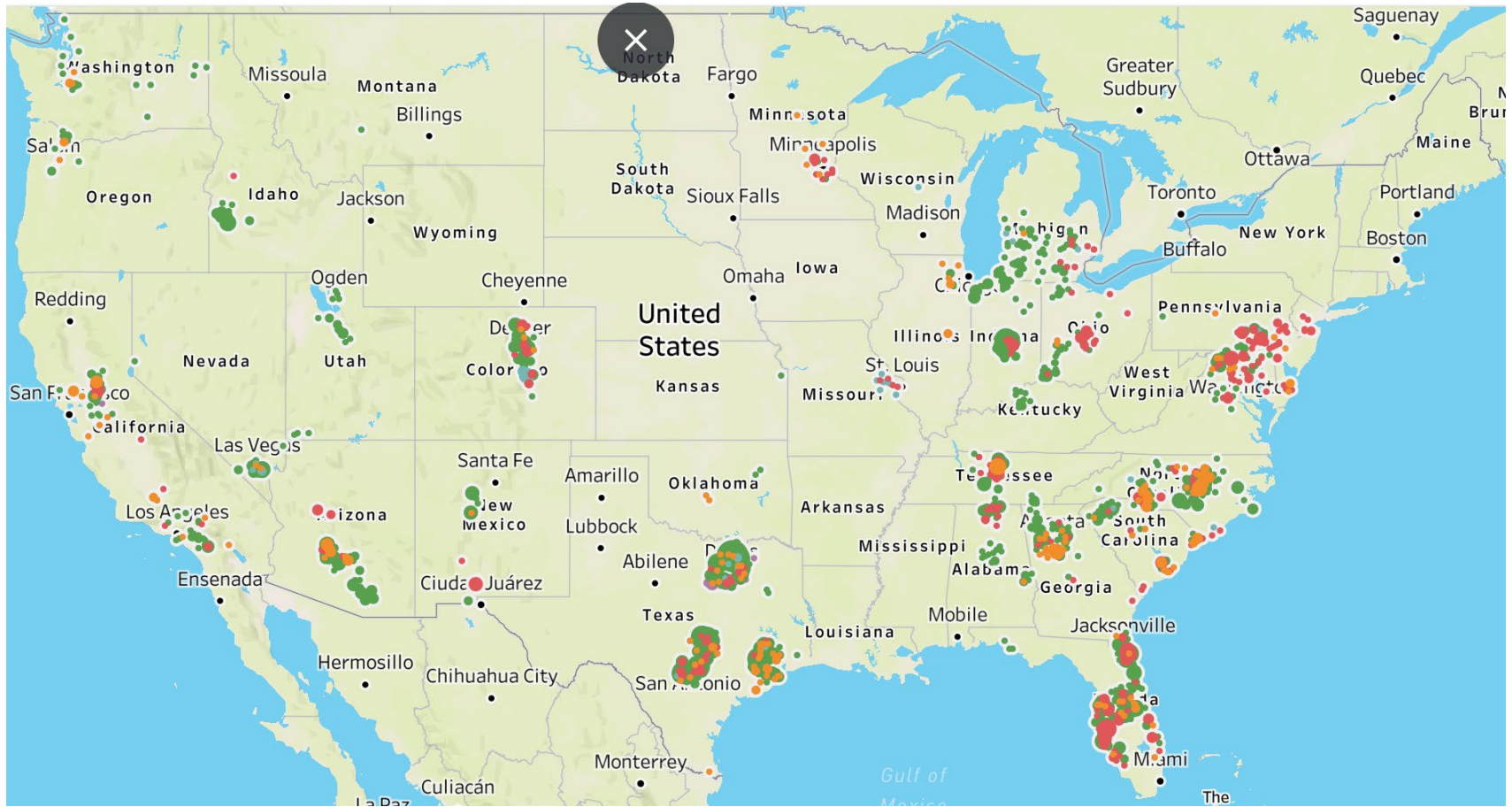
BUILDER CANCELLATION RATES

Builder	Cancellation Rate 2024	Cancellation Rate 2025	Unsold Homes	Backlog Units *	Incentives as % of Price	Average Rate Buy Down
PulteGroup	~10 %	~11 %	7,606	10,779	8.7	1.00-1.50 % below market
KB Home	~13 %	~16 %	~2,800	4,776	<i>not disclosed</i>	<i>not disclosed</i>
D.R. Horton	~18 %	~17 %	~23,500	14,164	9%	1.00-2.00 % below market 3.99 % FHA
Lennar	~14 %	<i>Not disclosed</i>	~29,000	15,538	13.3	4.75 - 5.50 % Fixed Rate
Meritage Homes	<i>not disclosed</i>	~10 %	<i>not disclosed</i>	1,748	5%	1.00-1.50 % below market
NVR, Inc.	~13 %	~17 %	<i>not disclosed</i>	10,069	<i>not disclosed</i>	<i>not disclosed</i>
Taylor Morrison	~9.4 %	~14.6 %	<i>not disclosed</i>	4,461	<i>not disclosed</i>	1.00-1.50 % below market

PulteGroup—which is worth \$23 billion—spends \$18,000 to \$21,000 on incentives on a \$600,000 home sale. But with affordability strained and housing market softness spreading, the homebuilding giant is now shelling out closer to \$52,200 per sale of a home of that value.

The inventory of new homes rose from 505,000 units in May to 511,000 in June. Based on the current pace, it would take 9.8 months to clear the inventory, up from 9.7 months in the previous month.

BUILDERS ARE MAKING DEALS



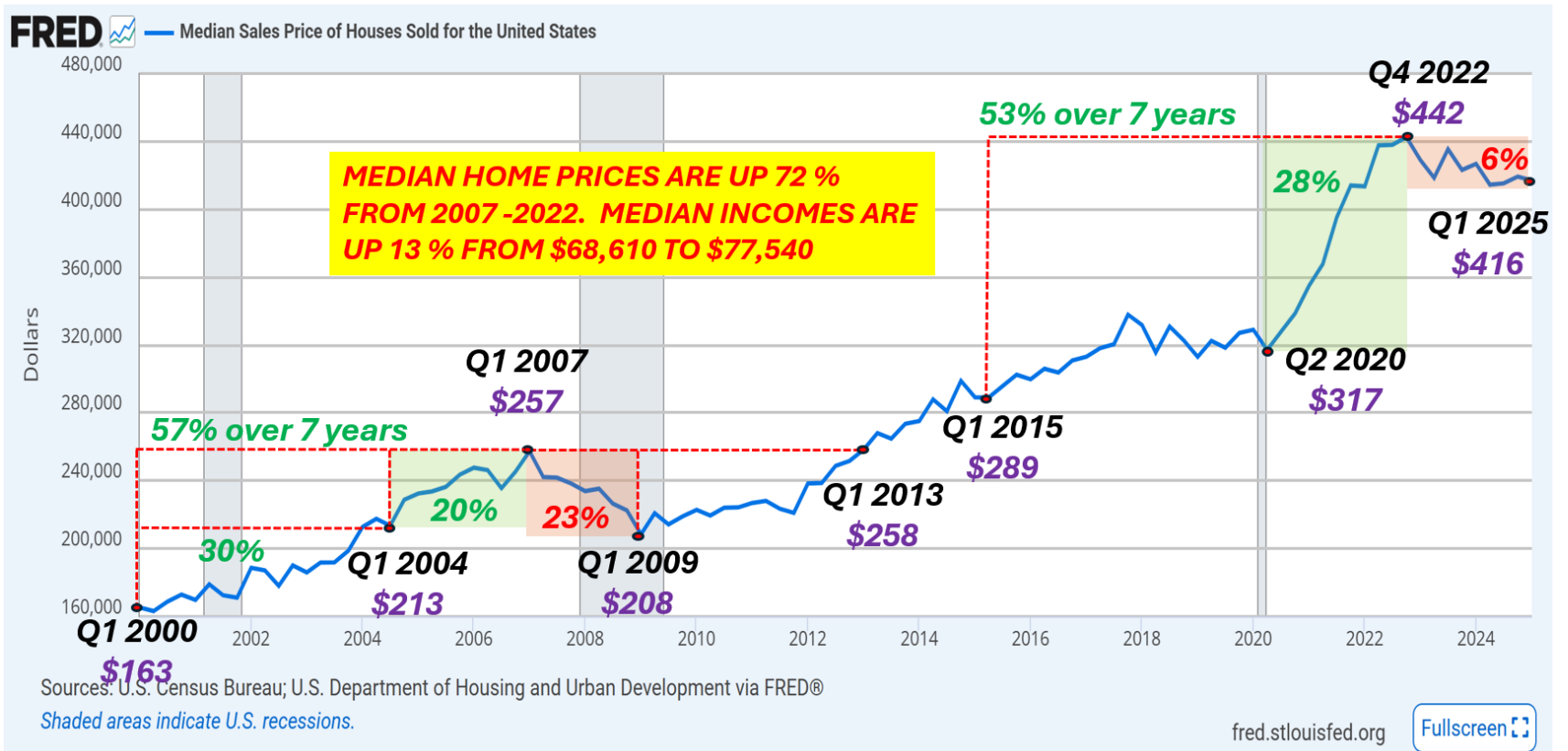
INVENTORY HOME VALUES PRICE CUTS

Metro	For Sale Inventory	% Change from June 2022	Home Value Growth (YoY)	Overvalued %	Value / Income Ratio	Price Cut %
Austin, TX	13,123	-22.70%	-5.70%	3.40%	4.20	37.80%
Punta Gorda, FL	3,971	-16.90%	-11.70%	3.70%	4.10	24.70%
New Orleans, LA	4,065	-13.40%	-1.50%	-13.10%	4.00	22.60%
Cape Coral, FL	12,353	-11.90%	-9.50%	8.10%	4.60	24.70%
North Port, FL	9,533	-11.20%	-8.50%	4.60%	5.00	25.80%
Lake Charles, LA	1,148	-10.50%	-0.30%	-23.00%	2.90	21.30%
San Francisco, CA	6,682	-10.20%	-3.30%	3.20%	8.40	21.10%
Boise City, ID	3,174	-9.30%	0.10%	27.70%	5.60	29.50%
Phoenix, AZ	18,157	-9.00%	-3.50%	13.70%	5.00	37.80%
Boulder, CO	1,512	-8.40%	-2.50%	21.40%	7.30	33.00%
Santa Cruz, CA	616	-7.90%	-2.40%	6.20%	10.20	27.00%
Chico, CA	618	-7.80%	0.00%	0.20%	6.00	31.20%
San Antonio, TX	13,574	-7.20%	-3.20%	9.30%	3.70	32.50%
Denver, CO	13,197	-7.00%	-2.60%	10.90%	5.30	41.50%
Bend, OR	2,206	-6.90%	-2.30%	13.90%	7.00	30.80%
Sacramento, CA	5,658	-6.70%	-1.60%	2.10%	5.80	31.70%
Vallejo, CA	928	-6.70%	-2.30%	5.10%	5.50	32.40%
Texarkana, TX	533	-6.70%	-4.70%	8.10%	3.30	17.30%
Colorado Springs, CO	3,985	-6.60%	-2.10%	9.90%	4.90	40.30%
Idaho Falls, ID	622	-6.40%	1.70%	29.90%	5.00	33.90%
Naples, FL	6,287	-6.20%	-7.30%	4.40%	5.90	17.00%
Stockton, CA	1,501	-6.10%	-2.20%	5.20%	5.90	28.80%
Lafayette, LA	1,438	-5.80%	-2.40%	-10.80%	3.20	26.40%
Provo, UT	2,840	-5.70%	1.60%	15.40%	5.10	34.70%
Lake Havasu City, AZ	1,454	-5.70%	-1.20%	17.40%	5.90	24.20%
Crestview, FL	5,015	-5.60%	-4.30%	5.10%	5.10	23.80%
St. George, UT	1,845	-5.60%	0.40%	27.60%	6.50	25.20%
Greeley, CO	1,455	-5.10%	-0.60%	19.20%	5.30	37.70%
Dallas, TX	31,819	-5.00%	-3.50%	20.40%	4.00	39.00%

If Prices decline...

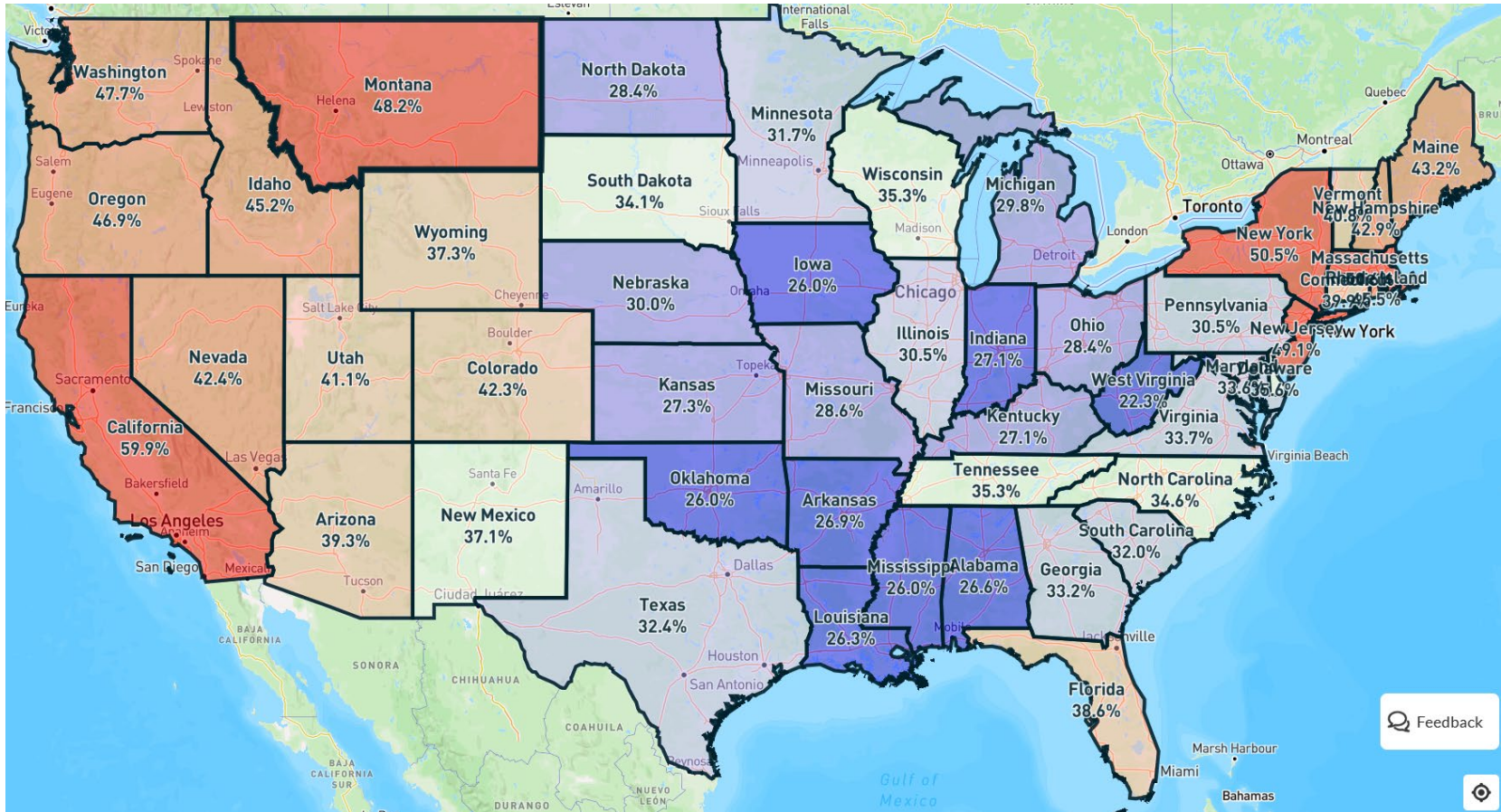
AT RISK OF SELLING AT A LOSS IF...									
Metro	May 2025	Single Family	Condos	Bought Pre-Pandemic	Bought July 2020 - July 2022	Bought Post Pandemic	IF Prices Fall 1%	IF Prices Fall 3%	IF Prices Fall 5%
San Francisco, CA	19.60%	5.70%	35.60%	16.60%	34.00%	21.70%	20.80%	23.10%	26.10%
Austin, TX	13.80%	13.20%	18.60%	0.50%	32.20%	47.50%	15.00%	16.90%	18.90%
San Antonio, TX	10.40%	10.20%	18.60%	0.80%	14.50%	29.80%	11.90%	15.10%	18.50%
Oakland, CA	11.00%	7.20%	23.20%	4.20%	32.00%	23.50%	11.70%	14.10%	16.20%
Tampa, FL	10.50%	8.80%	13.50%	0.90%	14.50%	35.80%	11.50%	13.80%	15.90%
Orlando, FL	9.80%	6.40%	17.00%	1.20%	10.10%	31.50%	11.10%	13.50%	16.20%
Dallas, TX	8.00%	7.70%	11.30%	0.40%	13.00%	26.20%	9.20%	12.10%	14.80%
Jacksonville, FL	8.40%	7.50%	12.40%	1.40%	9.80%	25.60%	9.70%	12.00%	15.00%
St. Louis, MO	9.90%	10.00%	10.60%	7.20%	14.20%	15.90%	10.60%	11.90%	14.00%
Denver, CO	7.50%	3.80%	16.00%	0.50%	14.50%	24.20%	8.60%	11.70%	14.80%
Phoenix, AZ	8.00%	7.20%	11.90%	0.30%	15.40%	25.50%	9.10%	11.50%	14.10%
Fort Worth, TX	7.10%	6.70%	14.30%	0.60%	11.00%	21.80%	8.30%	11.30%	14.40%
Houston, TX	7.20%	6.20%	18.80%	1.70%	10.00%	20.00%	8.30%	11.00%	14.20%
Portland, OR	6.30%	2.30%	24.80%	3.20%	11.60%	15.40%	7.40%	9.40%	12.10%
West Palm Beach, FL	6.90%	3.70%	10.30%	1.00%	7.90%	27.80%	7.50%	9.00%	10.40%
Fort Lauderdale, FL	6.90%	3.20%	9.90%	1.80%	7.50%	27.00%	7.60%	9.00%	10.40%
Nashville, TN	5.20%	3.30%	10.20%	0.20%	7.10%	15.20%	6.10%	8.70%	11.30%
San Jose, CA	6.00%	0.90%	14.70%	4.10%	9.10%	15.10%	6.50%	8.10%	10.20%
Detroit, MI	6.40%	6.10%	6.90%	5.60%	8.80%	6.40%	7.00%	7.90%	9.10%
Sacramento, CA	4.80%	4.40%	7.90%	0.60%	12.70%	12.80%	5.80%	7.80%	10.80%
Minneapolis, MN	5.00%	2.00%	17.40%	2.40%	8.40%	12.60%	6.00%	7.80%	10.40%
Seattle, WA	4.80%	1.40%	11.70%	2.30%	11.70%	9.70%	5.60%	7.20%	9.50%
New York, NY	5.00%	1.40%	9.70%	5.10%	4.20%	4.80%	5.80%	7.20%	9.00%
Riverside, CA	4.80%	4.40%	6.70%	0.40%	9.40%	14.30%	5.40%	7.10%	9.30%
Miami, FL	5.00%	1.80%	7.00%	1.70%	4.60%	17.60%	5.50%	6.80%	8.10%

Median Home Prices – Financial Crisis vs. Covid



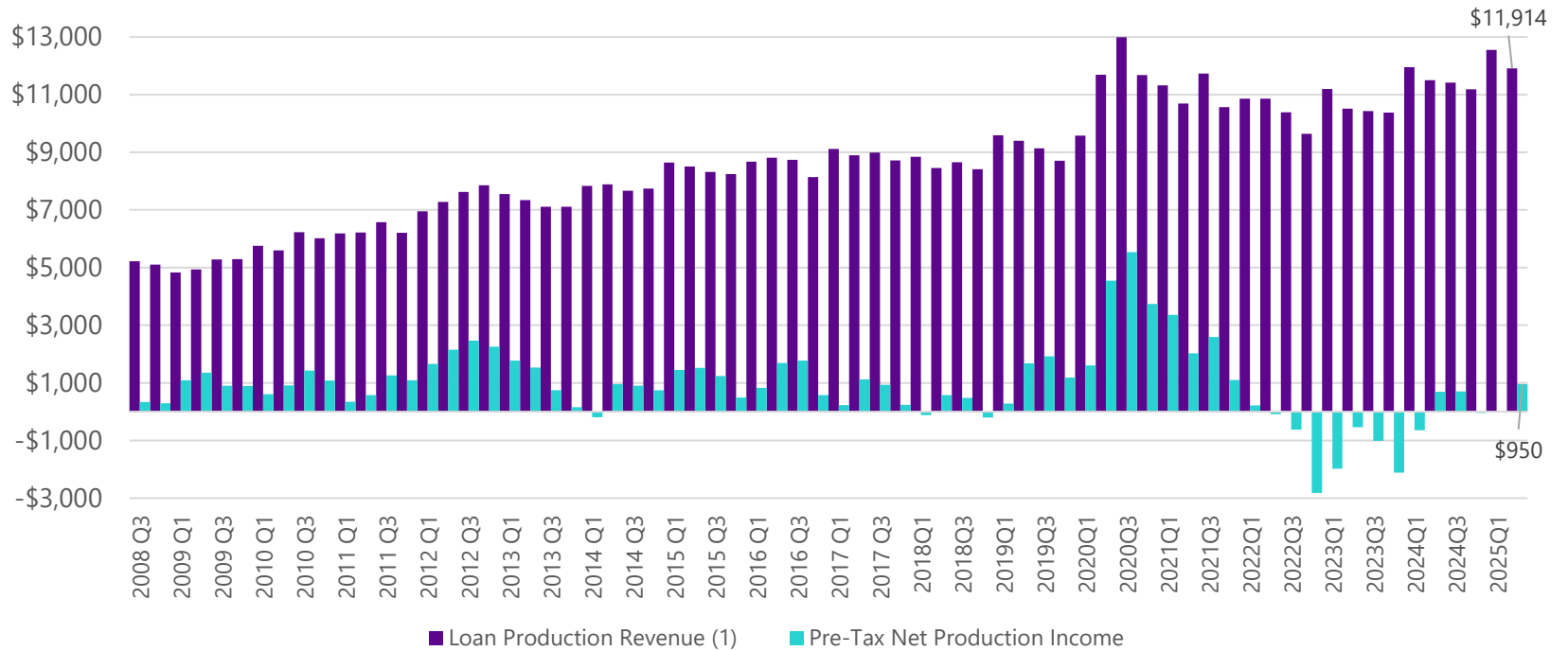
THE 28 % RUN UP DURING COVID... IS 40 % MORE THAN THE 20 % RUN UP BEFORE THE GFC

Mortgage Payment as a % of Income by State



Lender Profitability Rises despite high cost to Originate

Cost To Originate and Net Production Income

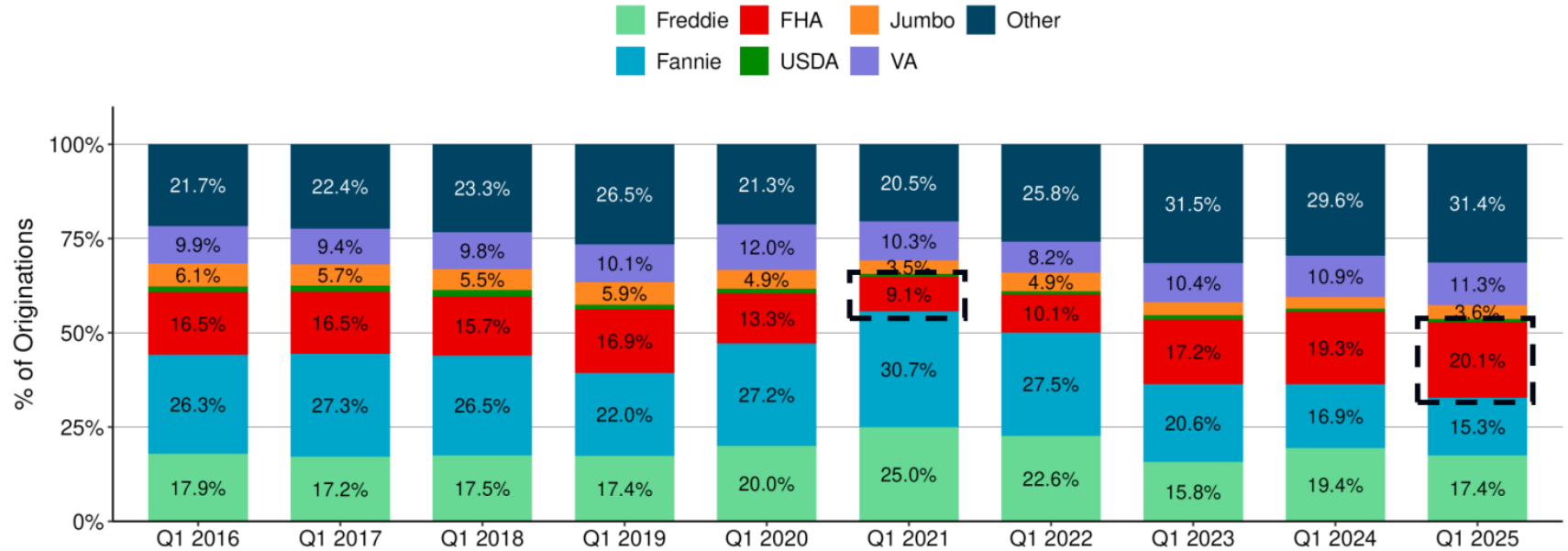


However, Portfolio Composition Matters

COST TO ORIGINATE	Q2 - 2025		Q2 - 2025		Q1 - 2025		Q1 - 2025		Q4 - 2024		Q4 - 2024	
	\$\$\$		BPS		\$\$\$		BPS		\$\$\$		BPS	
PRODUCT	<50%	>=50%	<50%	>=50%	<50%	>=50%	<50%	>=50%	<50%	>=50%	<50%	>=50%
\$ PER LOAN	Govt \$	Govt \$	Govt \$	Govt \$	Govt \$	Govt \$	Govt \$	Govt \$	Govt \$	Govt \$	Govt \$	Govt \$
ORIGINATION-RELATED INCOME												
Loan Origination Fees	2,032.63	1,969.41	60.27	69.43	1,941.19	1,759.74	57.63	62.36	1,964.69	1,932.13	60.20	67.63
Correspondent and Broker Fee Income (1)	104.64	116.70	3.08	3.95	108.06	181.02	3.08	6.19	127.63	160.11	3.97	5.39
Other Origination-Related Income (2)	686.89	1,642.46	19.73	49.58	691.84	1,886.52	21.11	60.80	668.92	1,245.61	19.75	36.39
Total Origination-Related Income	2,824.15	3,728.57	83.08	122.96	2,741.10	3,827.29	81.82	129.35	2,761.24	3,337.85	83.92	109.41
NET INTEREST INCOME												
Warehousing Income	1,443.16	1,130.00	38.94	39.75	1,519.11	1,232.85	41.29	46.24	1,511.32	1,247.95	41.94	44.86
Warehousing Expense	1,153.75	1,039.54	30.97	35.62	1,260.89	1,052.92	34.46	37.60	1,355.03	1,255.21	38.37	43.97
Net Interest Income	289.40	90.46	7.97	4.13	258.22	179.93	6.83	8.63	156.28	-7.26	3.57	0.89
SECONDARY MARKETING INCOME												
Secondary Mktg Gains (Losses)	7,011.17	5,611.92	193.26	184.47	7,667.33	5,936.61	216.87	198.69	6,589.57	4,862.80	191.10	174.98
Capitalized Servicing/Svg Released Premium	1,936.91	2,257.73	55.08	79.30	2,064.87	2,249.50	61.43	82.37	1,989.64	2,069.28	60.37	75.28
Repurchase Reserve Provision	-79.94	-81.48	-2.29	-2.43	-94.52	-66.19	-2.63	-2.04	-116.30	-98.51	-3.16	-3.24
Net Secondary Marketing Income	8,868.14	7,788.17	246.06	261.35	9,637.68	8,119.93	275.67	279.02	8,462.91	6,833.58	248.32	247.02
Total Loan Production Revenue	11,981.69	11,607.20	337.11	388.44	12,636.99	12,127.15	364.33	417.01	11,380.43	10,164.17	335.81	357.32
EXPENSES												
Personnel	6,960.57	5,254.11	197.08	176.72	7,841.43	6,399.87	229.57	221.54	7,124.60	5,638.79	214.05	193.31
Sales Personnel	3,366.80	1,966.05	93.01	64.18	3,461.44	2,498.95	99.12	82.05	3,391.68	2,423.60	100.55	81.32
Fulfillment Personnel	1,449.67	1,186.19	41.62	40.47	1,742.31	1,394.28	51.46	48.07	1,551.14	1,187.33	46.08	41.39
Production Support Employees	780.12	731.01	23.49	24.78	932.10	976.52	28.28	38.23	796.64	824.29	24.96	29.19
Management and Directors	446.40	667.90	12.49	23.53	533.24	569.72	15.69	19.52	491.37	532.26	15.48	18.18
Benefits	917.57	702.97	26.48	23.76	1,172.33	960.40	35.02	33.67	893.76	671.30	26.98	23.23
Occupancy and Equipment	466.76	481.46	14.13	17.46	631.44	568.67	18.94	20.80	540.91	467.83	16.82	17.10
Technology-Related Expenses	462.47	290.97	13.53	10.20	547.69	432.99	16.58	15.37	470.08	338.94	14.26	12.13
Other Direct Expenses	2,448.17	2,729.02	67.79	79.02	2,837.04	3,298.79	81.56	117.55	2,552.80	2,003.94	74.05	66.98
Outsourcing and Professional fees	532.17	593.49	14.59	23.49	623.27	751.36	18.36	27.20	571.90	629.77	16.24	25.39
Other Operating Expenses	1,915.99	2,135.53	53.20	55.53	2,213.77	2,547.43	63.20	90.35	1,980.91	1,374.17	57.81	41.59
Direct Loan Production Expenses	10,337.96	8,755.56	292.53	283.40	11,857.60	10,700.32	346.66	375.25	10,688.39	8,449.49	319.18	289.52
Corporate Allocation	736.17	1,708.71	21.88	68.50	940.08	802.71	29.33	28.74	839.53	1,175.58	25.37	48.91
Total Loan Production Expense	11,074.14	10,464.27	314.41	351.90	12,797.68	11,503.03	375.98	403.99	11,527.92	9,625.06	344.55	338.43
TOTAL NET PRODUCTION INCOME	907.55	1,142.93	22.70	36.54	-160.68	624.11	-11.65	13.02	-147.49	539.11	-8.75	18.90

FHA/VA (GNMA) is 31% of the Market

Distribution of Mortgage Originations, by Loan Type



Note: Mortgage totals from Q1 2024 to present have been updated to include Manufactured Housing
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Totals may not equal 100 due to rounding
 Source: TransUnion US consumer credit database



FHA and VA borrowers tend to have higher LTVs, higher DTIs, and lower FICO scores compared with GSE borrowers

Figure 38. FICO Distributions for Government and Conventional Conforming Loans

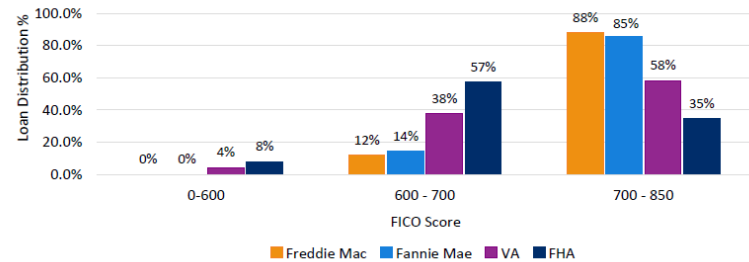


Figure 39. LTV Distributions for Government and Conventional Conforming Loans

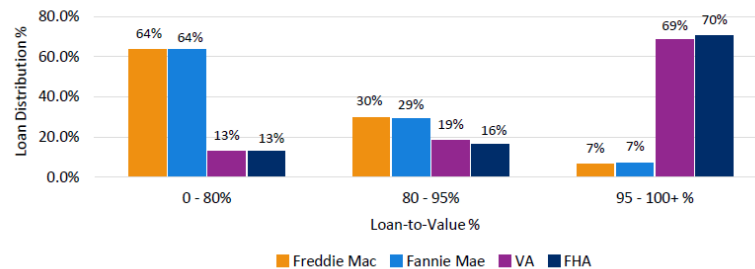
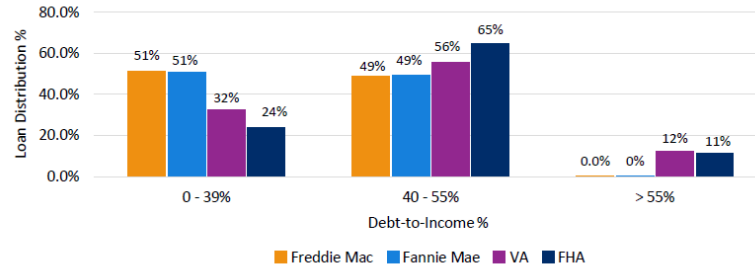


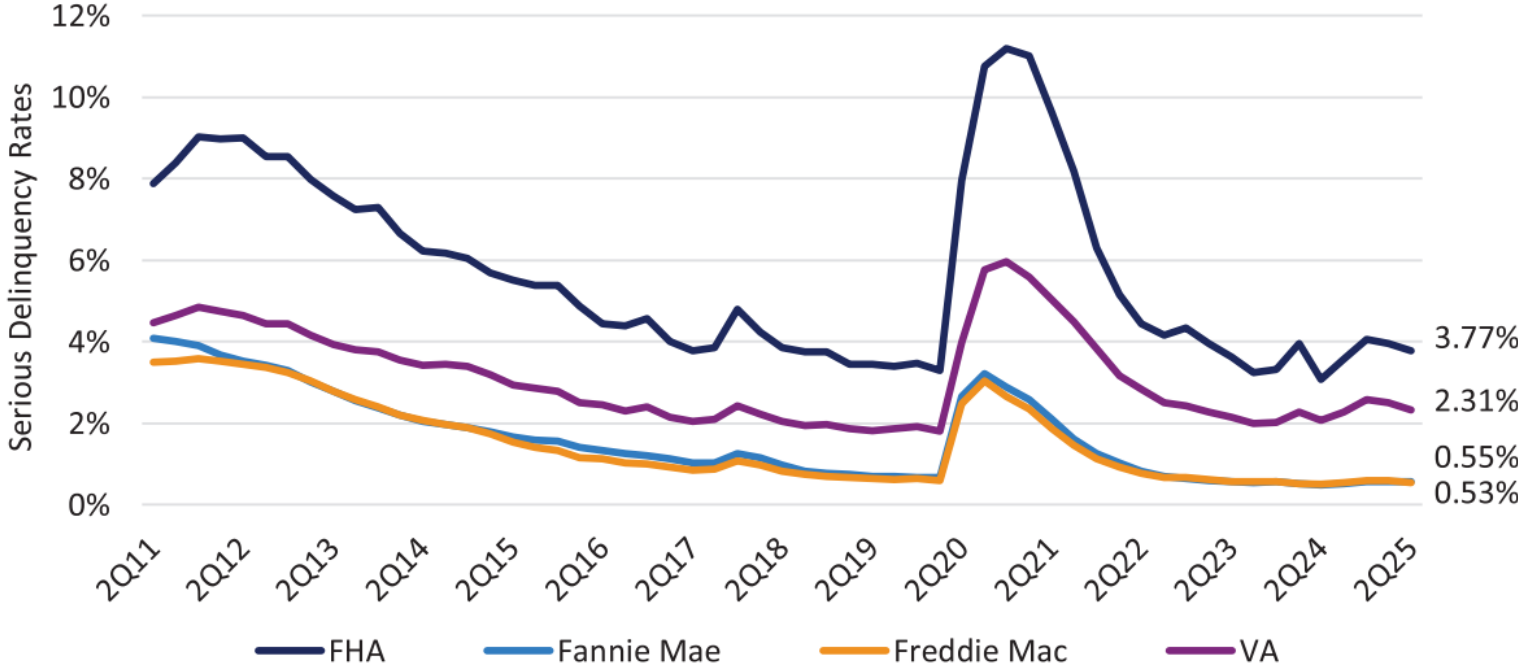
Figure 40. DTI Distributions for Government and Conventional Conforming Loans



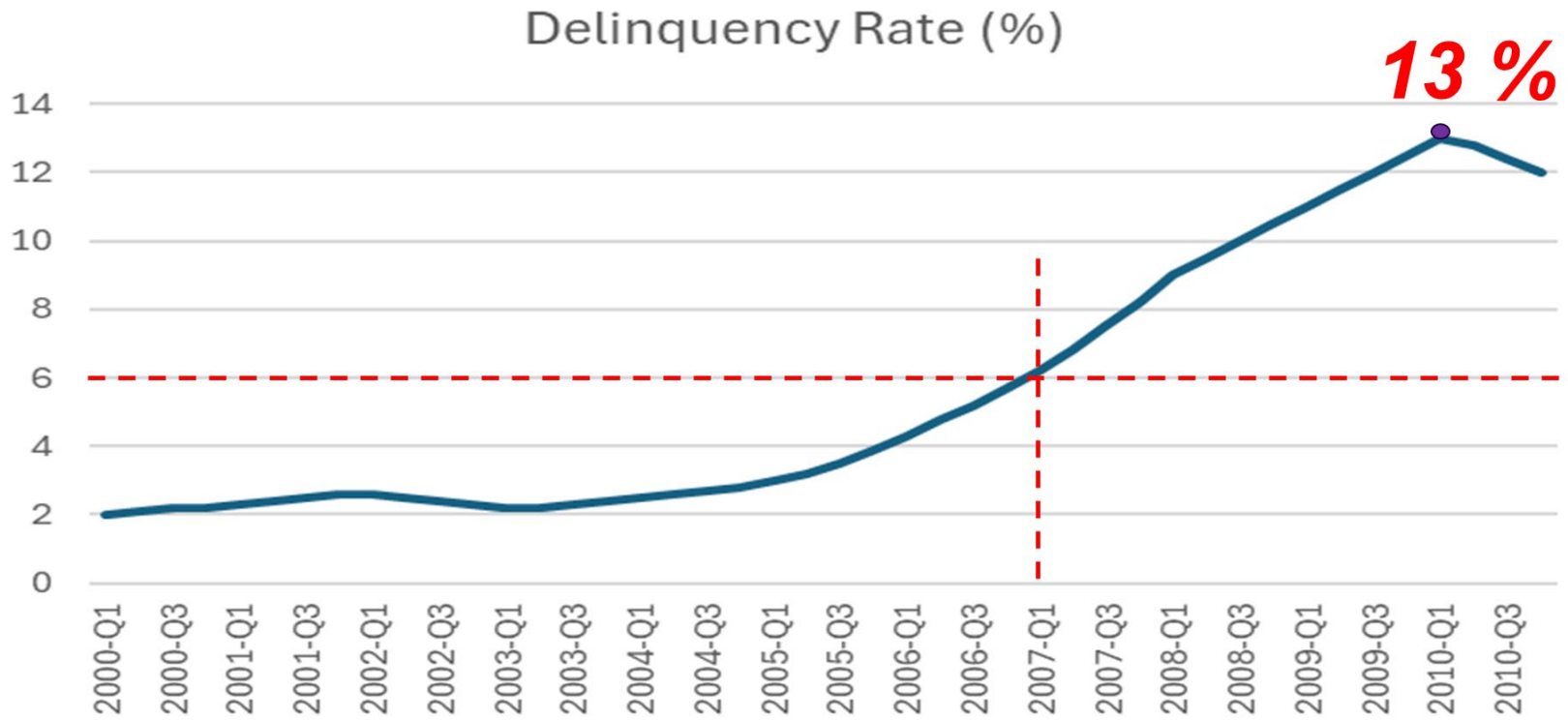
Source: Fannie Mae, Freddie Mac, and Ginnie Mae disclosure files [all charts] as of June 2025. Note: Data are rounded to nearest whole number.

Agency and Government Serious Delinquency Rate

Figure 44. Serious Delinquency Rates: Single-Family Loans



Financial Crisis Delinquency Rate



GNMA Delinquency Continues to Rise

Full Name	asofdate	CBal	% DQ	TOTAL DQ	#30D	#60D	#90D	#120D	#150D	#180+D
ALL GNMA ISSUERS	202508	2,577,303,367,426	8.13	986,468	484,136	169,193	86,171	54,297	35,652	157,019
ALL GNMA ISSUERS	202507	2,560,131,868,084	8.02	966,028	479,625	162,916	83,332	50,166	32,720	157,269
ALL GNMA ISSUERS	202506	2,540,515,551,242	7.99	960,069	482,935	159,974	78,925	46,695	31,737	159,803
ALL GNMA ISSUERS	202505	2,519,023,082,319	7.49	894,325	439,183	147,226	72,023	43,713	30,795	161,385
ALL GNMA ISSUERS	202504	2,501,580,259,626	7.54	891,658	432,629	142,548	71,052	44,911	33,803	166,715
ALL GNMA ISSUERS	202503	2,491,211,946,885	7.68	900,950	424,768	143,524	73,752	50,789	39,257	168,860
ALL GNMA ISSUERS	202502	2,485,756,956,847	8.06	946,315	443,265	152,656	83,700	58,506	43,408	164,780
ALL GNMA ISSUERS	202501	2,474,310,839,851	8.18	962,355	445,055	166,013	92,825	62,049	39,731	156,682
ALL GNMA ISSUERS	202412	2,457,904,192,915	8.65	1,017,220	488,955	181,976	98,586	58,332	39,008	150,363
ALL GNMA ISSUERS	202411	2,439,477,855,236	8.46	988,925	484,145	179,747	88,653	56,601	37,407	142,372
ALL GNMA ISSUERS	202410	2,416,283,006,182	8.12	940,028	470,507	163,529	86,257	53,284	34,540	131,911
ALL GNMA ISSUERS	202409	2,405,525,312,546	8.09	940,251	474,714	168,325	86,578	51,635	33,601	125,398
ALL GNMA ISSUERS	202408	2,389,844,006,330	7.64	881,356	443,333	159,279	80,760	48,262	30,282	119,440
ALL GNMA ISSUERS	202407	2,376,408,726,123	7.71	888,384	463,518	158,797	77,888	44,800	27,318	116,063
ALL GNMA ISSUERS	202406	2,360,831,817,923	7.48	861,666	459,235	151,102	72,370	39,848	25,333	113,778
ALL GNMA ISSUERS	202405	2,345,213,806,128	6.67	761,881	396,619	131,601	62,457	35,793	24,056	111,355
ALL GNMA ISSUERS	202404	2,330,901,524,289	6.77	773,315	408,862	129,639	61,079	35,961	25,558	112,216
ALL GNMA ISSUERS	202403	2,316,691,141,112	6.70	760,331	393,428	126,506	60,732	38,940	27,171	113,554
ALL GNMA ISSUERS	202402	2,304,154,907,823	7.01	793,207	407,165	134,220	65,881	42,128	29,908	113,905
ALL GNMA ISSUERS	202401	2,292,923,148,866	7.45	849,862	439,480	151,244	70,898	44,730	30,089	113,421
ALL GNMA ISSUERS	202312	2,282,119,157,434	7.49	856,173	452,521	150,959	70,476	42,607	28,175	111,435
ALL GNMA ISSUERS	202311	2,269,575,399,246	7.16	812,805	426,500	141,689	66,807	40,015	26,745	111,049
ALL GNMA ISSUERS	202310	2,253,478,075,327	7.14	807,774	429,306	138,661	63,950	38,104	25,328	112,425
ALL GNMA ISSUERS	202309	2,236,822,876,638	6.77	765,271	400,979	128,055	60,771	36,237	24,586	114,643
ALL GNMA ISSUERS	202308	2,218,123,557,171	6.54	734,339	380,144	121,778	57,245	33,997	23,936	117,239
ALL GNMA ISSUERS	202307	2,200,818,896,799	6.75	753,186	389,387	122,487	57,545	34,192	23,325	126,250
ALL GNMA ISSUERS	202306	2,182,332,933,307	6.34	701,034	350,465	111,040	52,506	31,680	23,209	132,134
ALL GNMA ISSUERS	202305	2,164,721,326,182	6.40	704,846	353,861	108,109	49,278	30,837	23,773	138,988
ALL GNMA ISSUERS	202304	2,150,943,638,036	6.32	692,280	344,927	101,674	47,138	30,826	26,506	141,209
ALL GNMA ISSUERS	202303	2,135,614,223,405	5.83	632,266	291,610	92,277	45,897	33,477	28,324	140,681
ALL GNMA ISSUERS	202302	2,127,425,725,300	6.71	734,678	358,193	109,287	54,740	37,936	31,603	142,919
ALL GNMA ISSUERS	202301	2,119,188,885,389	6.72	742,687	357,145	117,988	58,560	40,248	30,715	138,031
ALL GNMA ISSUERS	202212	2,104,891,841,330	6.64	733,287	356,099	117,113	59,045	38,103	30,344	132,583

GNMA Delinquency Continued..

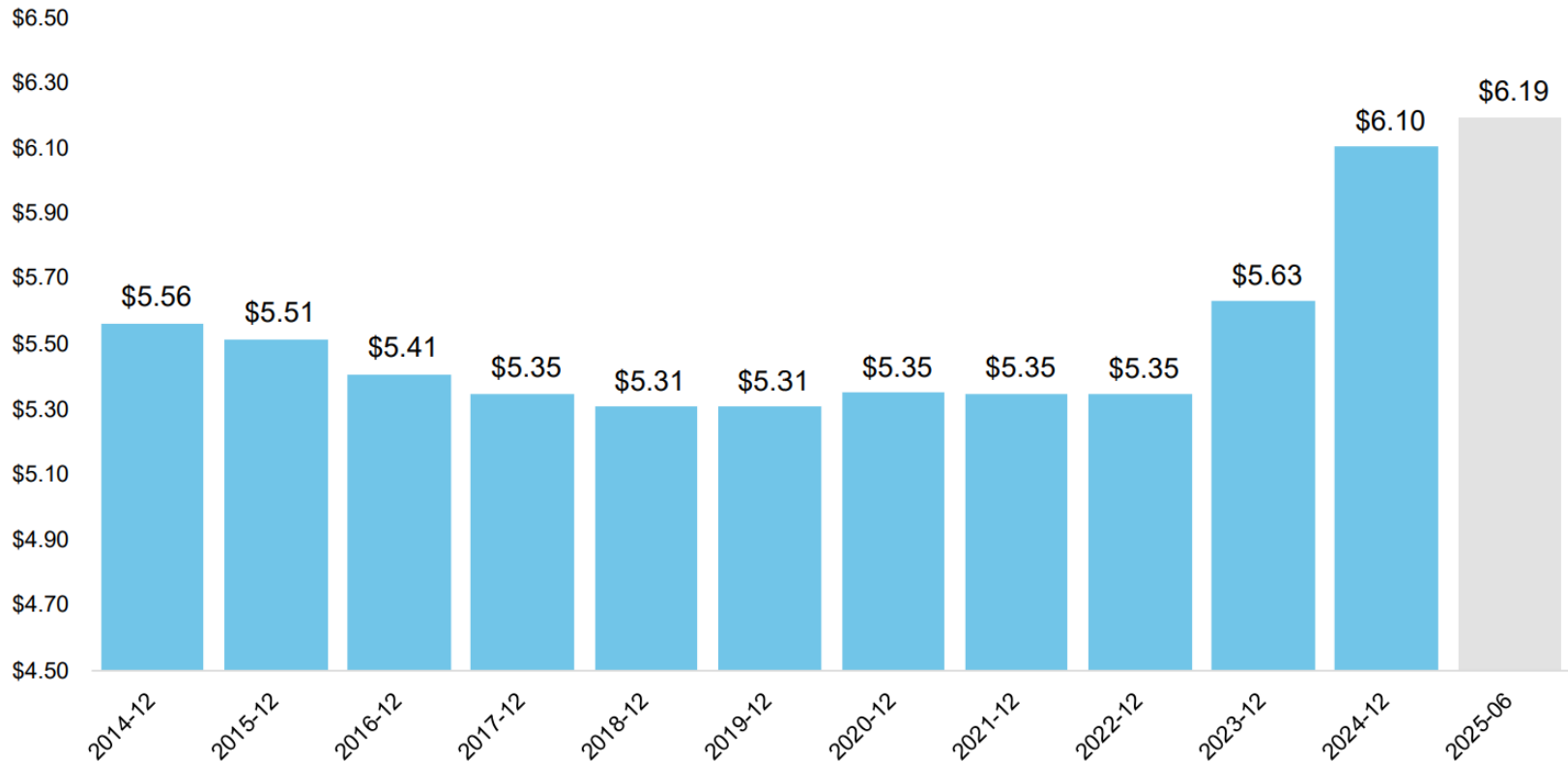
Full Name	asofdate	CBal	% DQ	TOTAL DQ	#30D	#60D	#90D	#120D	#150D	#180+D
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ALL GNMA ISSUERS	202507	2,560,131,868,084	8.02	966,028	479,625	162,916	83,332	50,166	32,720	157,269
ALL GNMA ISSUERS	202506	2,540,515,551,242	7.99	960,069	482,935	159,974	78,925	46,695	31,737	159,803
ALL GNMA ISSUERS	202505	2,519,023,082,319	7.49	894,325	439,183	147,226	72,023	43,713	30,795	161,385
ALL GNMA ISSUERS	202504	2,501,580,259,626	7.54	891,658	432,629	142,548	71,052	44,911	33,803	166,715
ALL GNMA ISSUERS	202503	2,491,211,946,885	7.68	900,950	424,768	143,524	73,752	50,789	39,257	168,860
ALL GNMA ISSUERS	202502	2,485,756,956,847	8.06	946,315	443,265	152,656	83,700	58,506	43,408	164,780
ALL GNMA ISSUERS	202501	2,474,310,839,851	8.18	962,355	445,055	166,013	92,825	62,049	39,731	156,682
ALL GNMA ISSUERS	202412	2,457,904,192,915	8.65	1,017,220	488,955	181,976	98,586	58,332	39,008	150,363
ALL FHA ISSUERS	202508	1,442,647,693,480	10.98	760,058	382,581	135,234	69,859	43,672	27,239	101,473
ALL FHA ISSUERS	202507	1,430,557,326,054	10.73	737,353	374,597	129,615	67,628	39,990	24,971	100,552
ALL FHA ISSUERS	202506	1,416,696,043,065	10.74	733,921	379,591	127,814	63,751	37,073	24,314	101,378
ALL FHA ISSUERS	202505	1,402,177,000,148	10.04	681,001	346,228	117,343	58,045	34,542	23,463	101,380
ALL FHA ISSUERS	202504	1,389,469,562,700	9.99	672,484	338,234	112,962	57,103	35,400	25,841	102,944
ALL FHA ISSUERS	202503	1,380,085,169,085	10.18	677,915	330,930	113,517	59,295	40,473	30,075	103,625
ALL FHA ISSUERS	202502	1,373,407,645,132	10.76	714,667	347,175	121,352	67,567	46,415	33,331	98,827
ALL FHA ISSUERS	202501	1,364,916,049,625	10.90	725,683	349,525	131,051	74,367	48,986	29,877	91,877
ALL FHA ISSUERS	202412	1,353,126,301,867	11.53	766,068	383,503	142,697	78,864	45,556	28,973	86,475
ALL VA ISSUERS	202508	1,030,353,622,935	4.02	152,377	64,005	22,346	11,589	7,869	6,147	40,421
ALL VA ISSUERS	202507	1,025,243,248,327	4.09	155,086	67,140	21,964	11,190	7,541	5,725	41,526
ALL VA ISSUERS	202506	1,019,402,049,704	4.03	152,872	65,222	21,142	10,827	7,160	5,591	42,930
ALL VA ISSUERS	202505	1,012,268,506,097	3.83	144,634	58,263	19,623	10,044	6,951	5,438	44,315
ALL VA ISSUERS	202504	1,007,440,005,942	4.03	150,971	59,998	19,875	10,123	7,159	5,864	47,952
ALL VA ISSUERS	202503	1,006,318,273,388	4.14	154,937	60,201	20,448	10,424	7,748	6,791	49,325
ALL VA ISSUERS	202502	1,007,212,295,979	4.27	159,985	61,038	20,872	11,419	9,072	7,345	50,239
ALL VA ISSUERS	202501	1,004,136,821,582	4.33	162,039	59,418	22,918	13,141	9,651	7,117	49,794
ALL VA ISSUERS	202412	999,411,248,684	4.63	172,476	66,209	26,198	14,025	9,315	7,305	49,424

60 % of loan modifications fail within 90-120 days

Issuance Date	Issuance Balance	Current Balance	TOTAL DQ	30D DQ%	60D DQ%	90D+ DQ%
August 2025	2.20 BN	2.20 BN	11.09%	10.60%	0.48%	0.01%
July 2025	1.72 BN	1.72 BN	43.74%	33.59%	9.70%	0.45%
June 2025	1.43 BN	1.42 BN	55.97%	21.00%	24.67%	10.30%
May 2025	1.62 BN	1.58 BN	60.93%	19.27%	14.13%	27.53%
April 2025	1.36 BN	1.30 BN	63.66%	18.09%	13.25%	32.32%
March 2025	1.16 BN	1.04 BN	65.41%	17.50%	12.80%	35.11%
February 2025	1.24 BN	1.07 BN	64.48%	16.88%	10.34%	37.26%
January 2025	833M	669M	65.11%	16.43%	11.42%	37.26%
December 2024	1.05 BN	816M	69.66%	14.05%	10.81%	44.80%
November 2024	945M	682M	68.29%	14.30%	8.89%	45.10%
October 2024	962M	611M	68.12%	14.30%	9.52%	0.443
September 2024	889M	509M	62.22%	14.25%	8.37%	39.60%
August 2024	776M	417M	64.83%	14.74%	8.64%	41.45%
July 2024	773M	393M	62.73%	12.10%	9.36%	41.27%
June 2024	964M	474M	60.92%	13.07%	8.96%	38.89%
May 2024	1.08 BN	544M	61.55%	15.14%	8.16%	38.25%
April 2024	959M	436M	59.99%	15.55%	7.65%	36.79%
March 2024	914M	392M	57.62%	14.38%	7.33%	35.91%
February 2024	722M	282M	51.98%	13.88%	7.22%	30.88%
January 2024	581M	225M	51.59%	15.47%	7.01%	29.11%
December 2023	650M	259M	46.83%	13.79%	7.31%	25.73%
November 2023	547M	216M	53.32%	15.30%	7.44%	30.58%
October 2023	586M	208M	48.94%	14.22%	7.45%	27.27%
September 2023	721M	285M	48.75%	15.57%	6.12%	27.06%
August 2023	828M	339M	46.27%	14.07%	6.57%	25.63%
July 2023	618M	272M	43.47%	13.49%	6.78%	23.20%
June 2023	544M	252M	40.33%	13.39%	6.24%	20.70%
May 2023	368M	179M	43.33%	13.77%	6.02%	23.54%

Inflation or Regression to Mean?

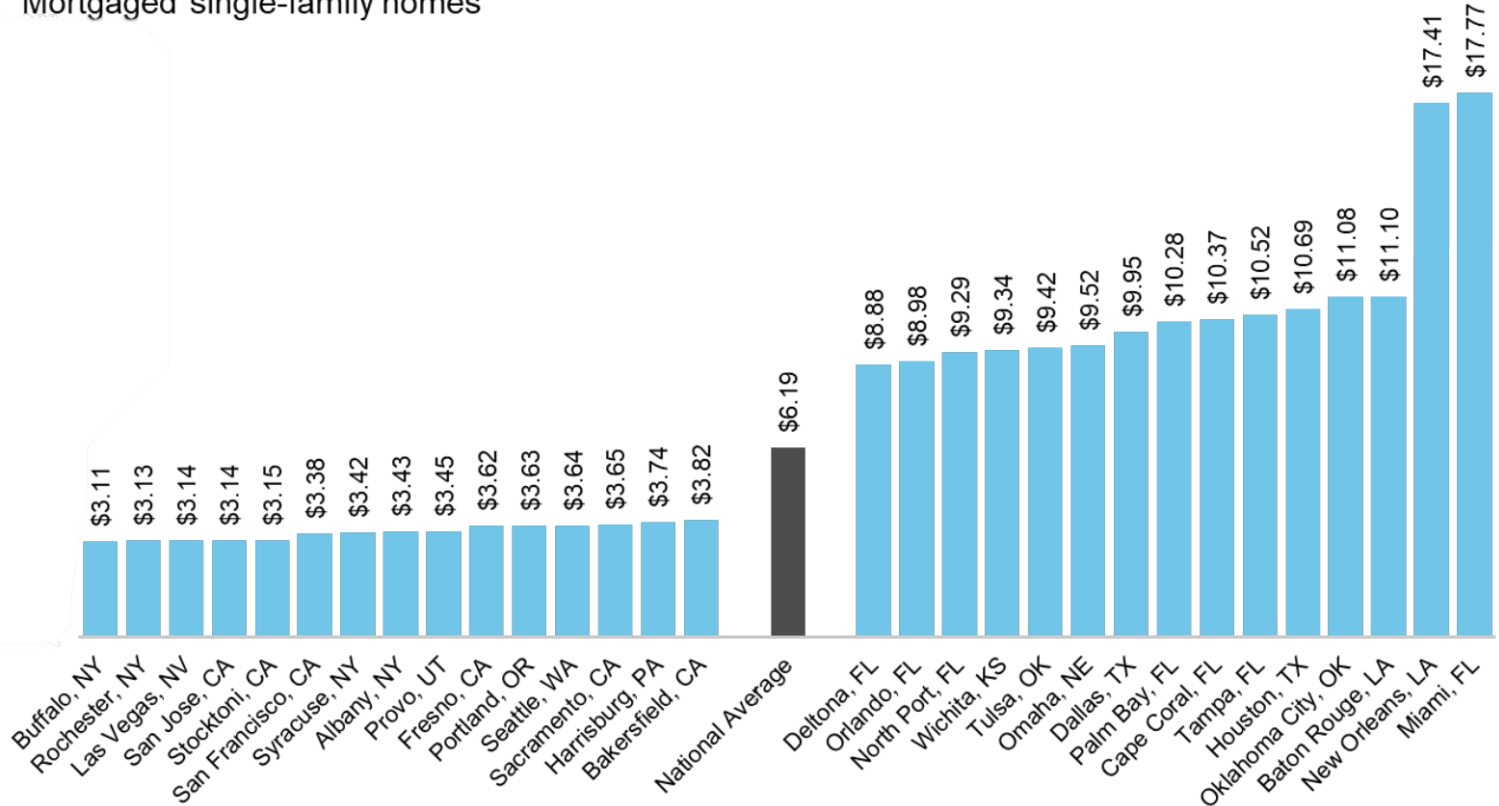
Average annual insurance premium per \$1000 of coverage
(Mortgaged single-family residences)



Cities in Texas and Florida have the Highest Property Insurance

Average cost per \$1000 of property insurance

Mortgaged single-family homes



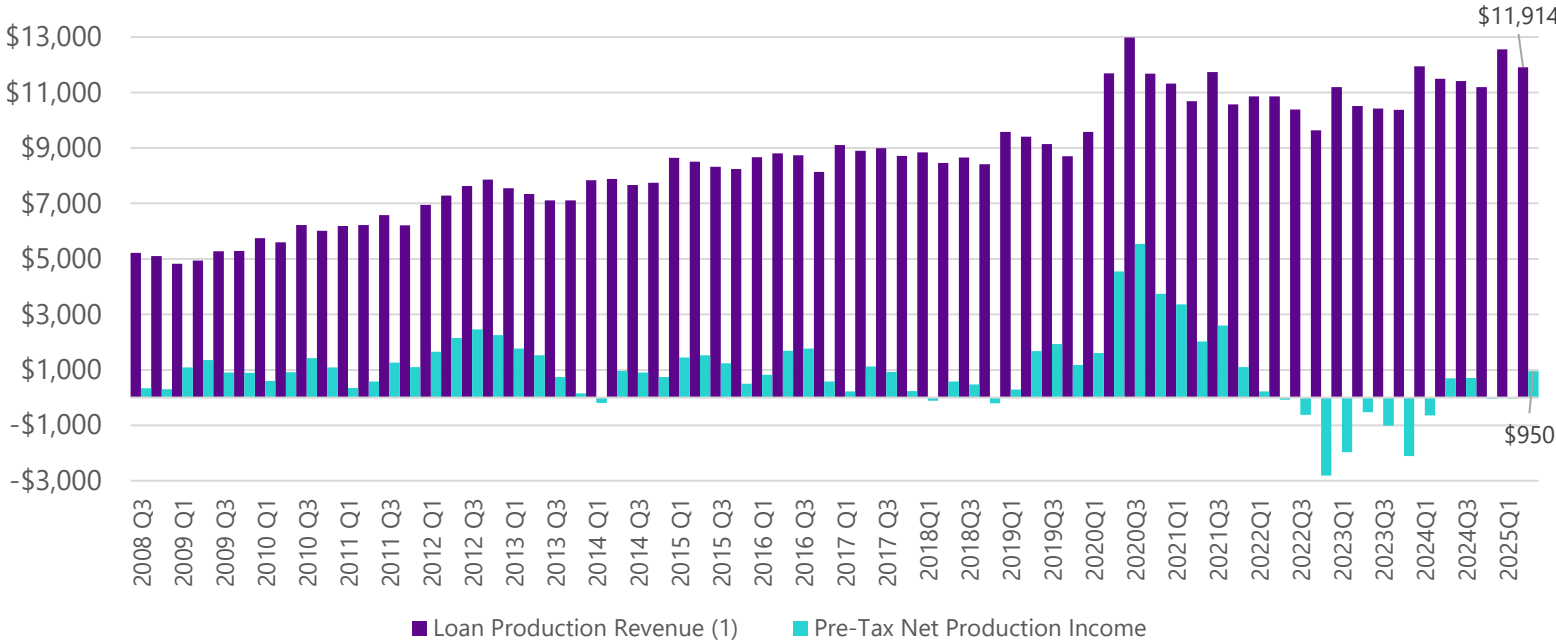
GNMA Serious Delinquency by State

State	% of GNMA Portfolio by Loan Count	June 2025 Serious Delinquency Rates		June 2024 Serious Delinquency Rates	
		FHA	VA	FHA	VA
National	100.0%	3.3%	1.8%	2.5%	1.6%
TX	10.6%	3.5%	2.2%	2.5%	2.0%
FL	8.2%	3.9%	2.5%	2.4%	1.9%
CA	6.4%	3.2%	1.6%	2.4%	1.5%
GA	4.6%	4.1%	2.4%	3.1%	2.2%
VA	4.0%	2.8%	1.1%	2.3%	1.0%
NC	3.9%	3.1%	1.6%	2.2%	1.3%
OH	3.8%	3.1%	1.9%	2.4%	1.8%
PA	3.4%	3.3%	2.0%	2.7%	2.0%
IL	3.3%	4.5%	2.4%	3.4%	2.3%
NY	2.7%	3.8%	2.4%	3.1%	2.3%

Source: Figure 41 Fannie Mae and Freddie Mac Monthly Summary Reports and MBA Delinquency Survey as of Q1 2025, Table 12 Recursion as of June 2025. Note: Serious delinquency is defined as 90 days or more past due or in the foreclosure process.

Which Brings us Back to Lender Profitability

Cost To Originate and Net Production Income



Consolidation continues within the Industry

Mortgage M&A Deals (2025)

Acquirer	Acquired / Target	Deal Highlights
Rocket Companies	Mr. Cooper	\$9.4 B all-stock transaction; expected to close in Q4 2025.
Rocket Companies	Redfin	Acquisition completed July 1, 2025; integrates real-estate search and brokerage with Rocket's mortgage platform.
Union Home Mortgage	Sierra Pacific Mortgage (origination assets)	Acquired Sierra Pacific's retail & wholesale originations; expands Union Home's channels.
Bayview Asset Management	Guild Holdings (Guild Mortgage)	\$1.3 B all-cash deal to take Guild private; shareholders receive \$20/share; closing expected in Q4 2025.
Credit Union ONE	Icon Mortgage	Icon Mortgage retained as a separate operation under Credit Union ONE's structure.

Credit Modernization

Credit Analysis Report

Xactus Strategy and Next Steps

Roundtable Discussion