

Volume 2: 379 Metro Markets; Best & Worst Places To Do Business

The optional **Volume 2** supplement covers 379 metro areas. We present numerous statistics on each, including a new item this year we call the **Value Trouble** index. Reflecting concerns over home values, this index measures applications denied by nonprime lenders due to collateral value problems as a percent of apps approved and funded.

You get a spiral-bound printed report of more than 400 pages. But don't fret over the size of it; **all clients also get the metro area data in an Excel spreadsheet**, making it easy to use and re-sort. **Clients who buy the main study get this one at a discount.** For each metro market, we show:

- 3 years of data on the size and growth of the nonprime mortgage originations market – with a 2006 percentage growth rate over 2004.
- Average sizes of home purchase, refinance, and home improvement loans from the 2005 HMDA data. Thanks to lien-type data in HMDA, we can now include piggyback deals as single transactions in average loan sizes.
- Our market segment data count B/C/D risks as a percent of the entire market, using HMDA data on loans with so-called “rate spreads” (loans with coupon rates at least 3 points over comparable Treasury securities). **We also show the percent of nonprime volume in purchase vs. refi categories.**
- On the high-rate loans, we show the average rate spread, enabling you to rank-order markets by those with most-to-least risky customers.
- Popularity of nonprime loans is computed by looking at the nonprime origination volume as a percentage of total U.S. mortgage volume.
- We show productivity of local markets through the closed loan conversion rate – the percent of applicants who became closed loan customers.
- We capture prepayment risk by computing the average refinancing rate for each metro area in a recent year.
- The new Value Trouble index (described above) lets you rank markets by their degree of collateral value problems encountered in underwriting.
- Credit risk: Bankruptcy filing rate per 1,000 adults through mid-2006.
- Most common problems of loan applicants are summarized by looking at 9 categories of reasons for loan denials, disclosed through HMDA.
- SMR's overall market attractiveness score.

**Where else do you find these data about 379 local markets?
Nowhere.**