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December 21, 2011

## Contact Information Below

### **CoreLogic® Reports Shadow Inventory as of October 2011 Still at January 2009 Levels**

*—For Every Two Homes Available for Sale, There Is One in the “Shadows”—*

**SANTA ANA, Calif., December 21, 2011**—CoreLogic (NYSE: CLGX), a leading provider of information, analytics and business services, reported today that the current residential shadow inventory as of October 2011 remained at 1.6 million units, representing a supply of 5 months. This was down from October 2010, when shadow inventory stood at 1.9 million units, or 7-months’ supply, but approximately the same level as reported in July 2011. Currently, the flow of new seriously delinquent loans into the shadow inventory has been offset by the roughly equal flow of distressed (short and real estate owned) sales.

CoreLogic estimates the current stock of properties in the shadow inventory, also known as pending supply, by calculating the number of distressed properties not currently listed on multiple listing services (MLSs) that are seriously delinquent (90 days or more), in foreclosure and real estate owned (REO) by lenders. Transition rates of “delinquency to foreclosure” and “foreclosure to REO” are used to identify the currently distressed non-listed properties most likely to become REO properties. Properties that are not yet delinquent but may become delinquent in the future are not included in the estimate of the current shadow inventory. Shadow inventory is typically not included in the official metrics of unsold inventory.

#### Data Highlights:

- As of October 2011, shadow inventory remained at 1.6 million units, or 5-months’ supply and represented half of the 3 million properties currently seriously delinquent, in foreclosure or in REO.
- Of the 1.6 million properties currently in the shadow inventory (Figures 1 and 2), 770,000 units are seriously delinquent (2.5-months’ supply), 430,000 are in some stage of foreclosure (1.4-months’ supply) and 370,000 are already in REO (1.2-months’ supply).
- Florida, California and Illinois account for more than a third of the shadow inventory. The top six states, which would also include New York, Texas and New Jersey, account for half of the shadow inventory.

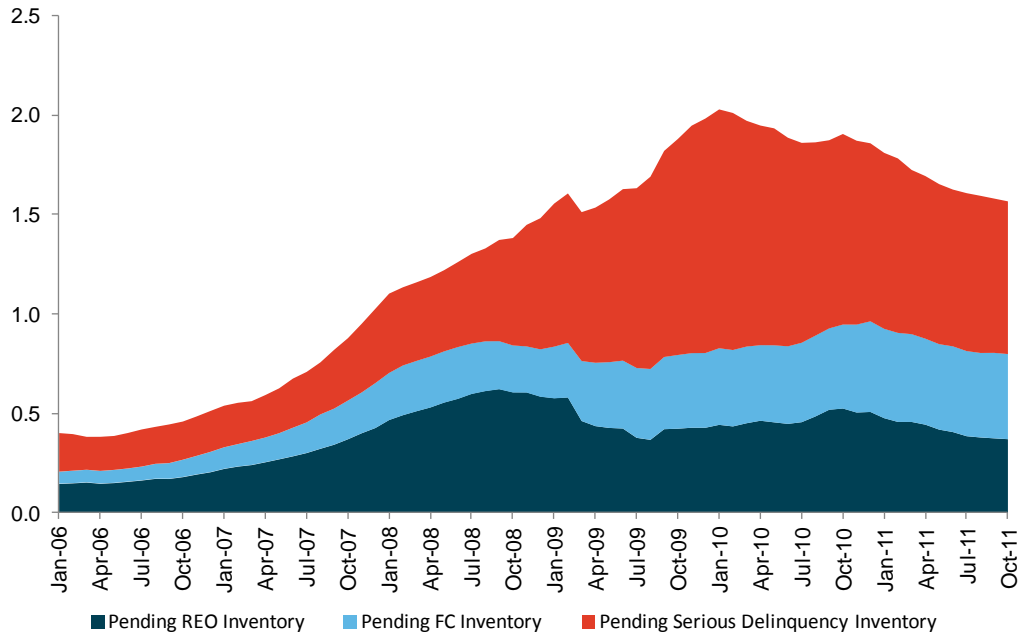


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- The shadow inventory is approximately four times higher than its low point (380,000 properties) at the peak of the housing bubble in mid-2006. A healthy housing market should have less than one-month's supply of shadow inventory, which would be an easily absorbed stock of distressed assets with little or no discernable impact on house prices, unless the inventory was geographically concentrated.
- Despite 3 million distressed sales since January 2009, a period when home prices were declining at their fastest rate, the shadow inventory in October 2011 is at the same level as January 2009.
- Because shadow inventory is often concentrated in suburban and exurban submarkets, where distressed sales compete with new construction sales, it is one of the reasons why new home sales continue to be weak. In normal times, new home sales account for 12 percent of all sales, but they are currently running at 7 percent of all sales.
- Based on current estimates of the visible inventory (both distressed and non-distressed), the shadow inventory is approximately half of all visible inventory listings. For every two homes available for sale, there is one home in the "shadows" (Figure 3).

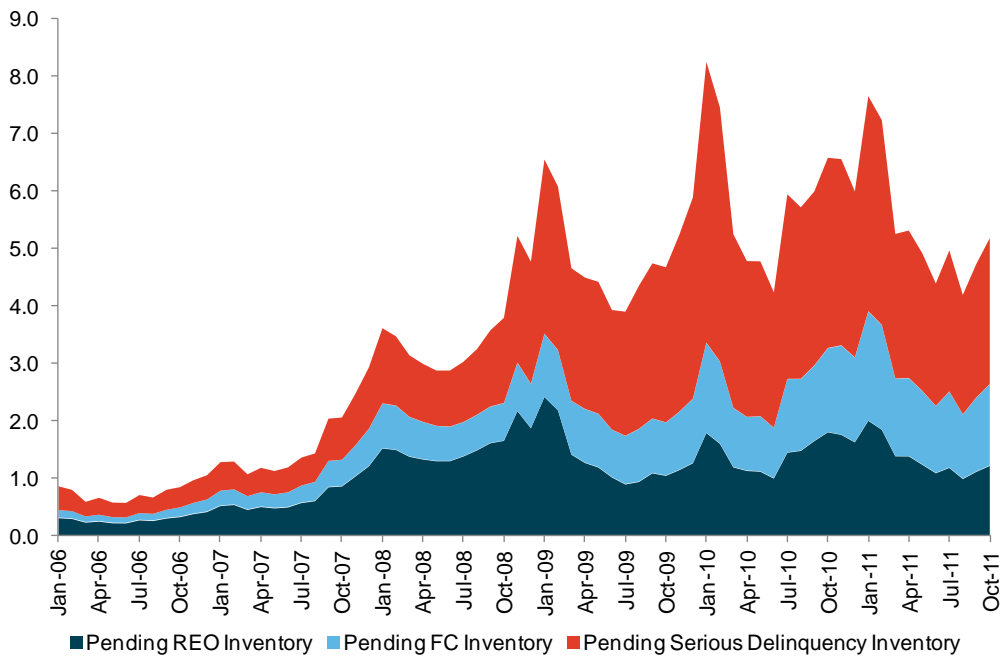
"The shadow inventory overhang is a large impediment to the improvement in the housing market because it puts downward pressure on home prices, which hurts home sales and building activity while encouraging strategic defaults," said Mark Fleming, chief economist for CoreLogic.

**Figure 1: Shadow Inventory Detail**  
Count in Millions, Not Seasonally Adjusted



Source: CoreLogic October 2011

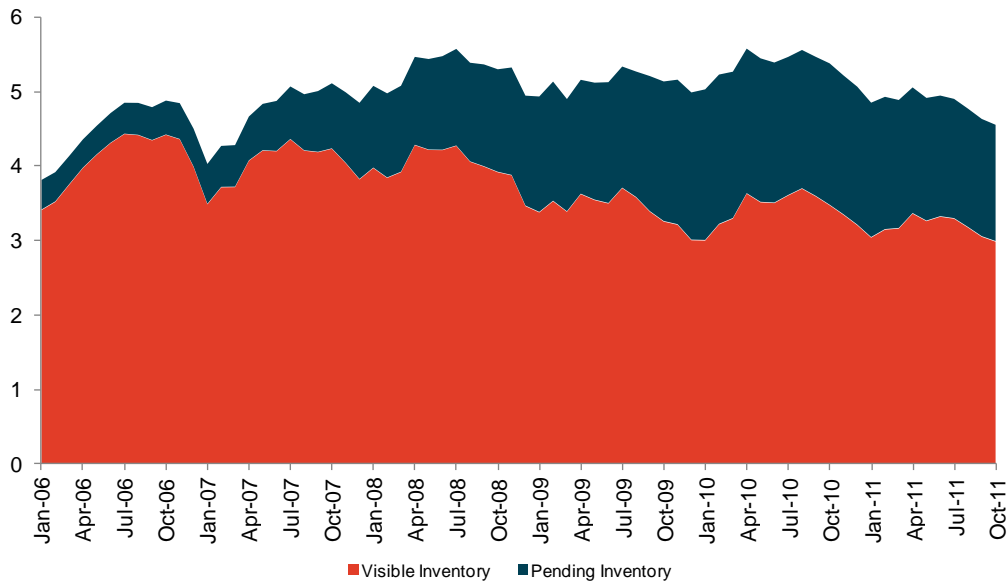
**Figure 2: Months' Supply Shadow Inventory Detail**  
Number of Months, Not Seasonally Adjusted



Source: CoreLogic October 2011



**Figure 3: Total Inventory Detail**  
Count in Millions, Not Seasonally Adjusted



Source: CoreLogic October 2011

**Methodology:**

CoreLogic utilized its LoanPerformance Servicing and Securities databases to size the number of 90+ day delinquencies, foreclosures and REOs. Roll rates, which measure the proportion of loans that were in one stage of default that rolled to the next stage of default over a period of time, were applied to the number of loans in default by each stage of default. This calculation allowed for estimating the number of loans that were proceeding from earlier to later stages of default. CoreLogic calculated the share of loans in default that are currently listed on MLS by matching public record properties in default to MLS active listings. It applied the percentage of defaulted loans that are being listed to the estimate of outstanding loans that will proceed to further stages of default to calculate the pending supply inventory by stage of default and added that to the visible inventory that is reported for existing homes and new homes by the National Association of Realtors and the Bureau of the Census, respectively. To determine months' supply for visible and shadow inventories, CoreLogic utilized the number of non-seasonally adjusted home sales according to CoreLogic data.



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**Source: CoreLogic**

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**About CoreLogic**

CoreLogic (NYSE: CLGX) 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 one of 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. The company, headquartered in Santa Ana, Calif., has more than 5,000 employees globally. For more information visit [www.corelogic.com](http://www.corelogic.com).

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