

**WaMu and Chase Residential Q2 Default and Foreclosure Pressure Builds**

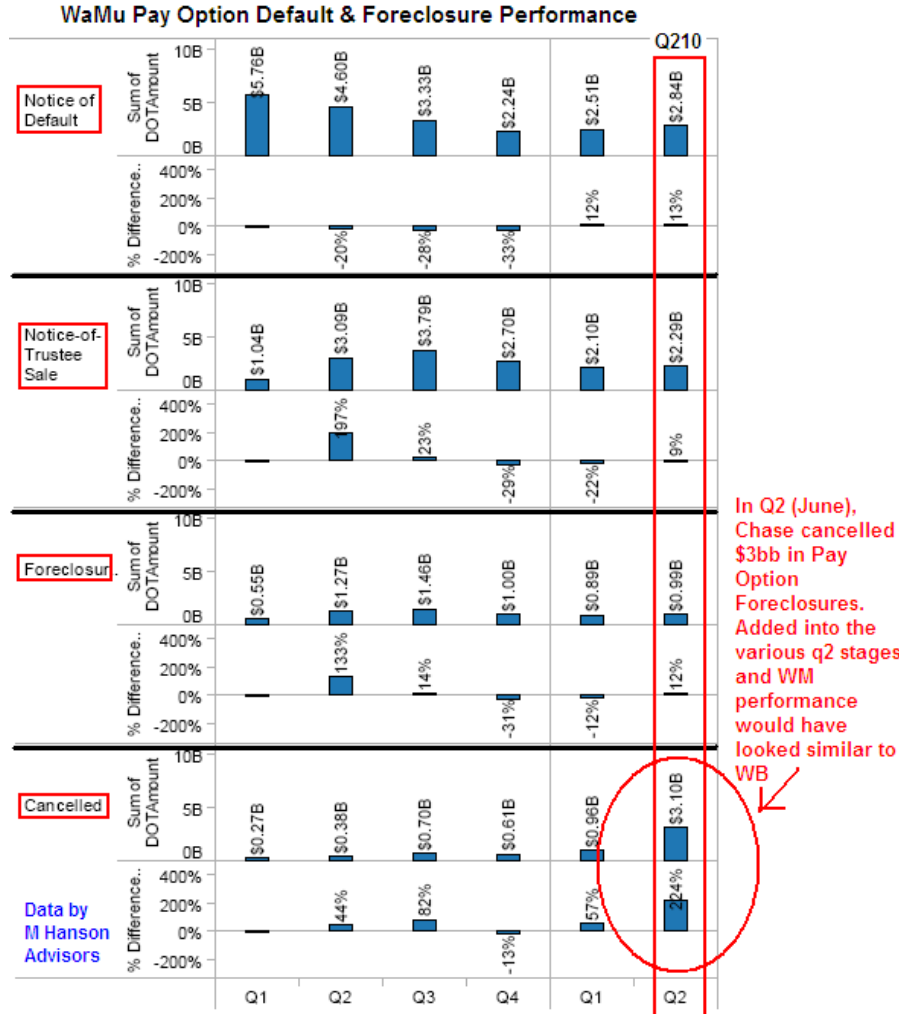
Releasing WB Pay Option data with WaMu Pay Option data is plain unfair...to WaMu. This is because despite everybody thinking WaMu's loans were so much worse than WB's, their quarterly default and foreclosure stats are not much worse.

In Q2 WaMu's totals were:

**\$2.84bb in NOD, up 13% qoq vs. WB's \$2.58bb**  
**\$2.29bb in NTS, up 9% qoq vs. WB's \$1.71bb**  
**\$99b in Foreclosures, up 12% qoq vs. \$.76bb**  
**and a whopping \$3.1bb in Cancelled Foreclosures up 224% qoq (most cancelled in the month of June).**  
 \*\*I capture approx 75% of the total origination dollar volume of this name

Without Chase cancelling unprecedented number of Foreclosures in June, the qoq change across the other foreclosure stages would have likely been a lot closer to WB's blow-out quarter.

Like with WB, the **WM q2 results are a sign of significant credit pressure on this portfolio of loans that is difficult to hold back.** At this point, the crack in the dam is obvious and the numbers below portend continued deterioration into q3.



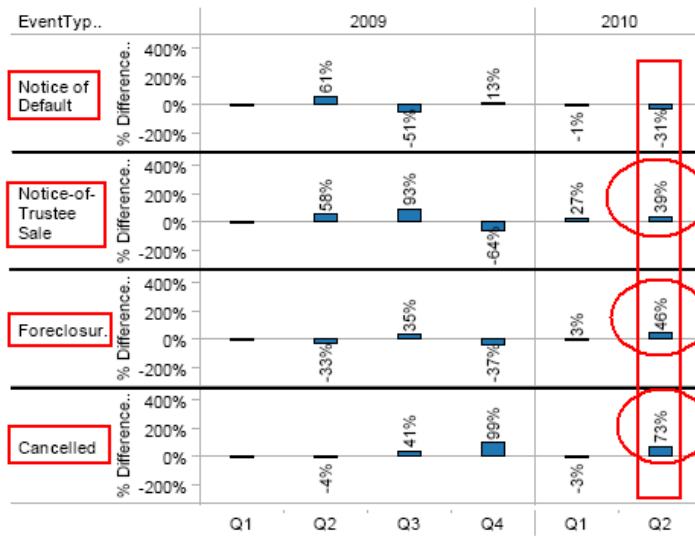
Tier-1 Client Proprietary default and foreclosure data and reporting not for redistribution. Thank you.

**Chase**

It's not just WaMu either. **Chase's performance** -- although better at the NOD stage -- **is far worse qoq than WM.** Obviously, this is not "credit" in the traditional sense that you are looking at, rather the after effects of putting off the inevitable for years through can kicking.

Based upon how many of the loans had previous NOD or NTS activity, a good percentage of the NTS and Foreclosure volume jump is actually the "leading edge of the modification redefault wave" that I have warned about for months.

## Chase Q2 Default & Foreclosure Performance



Tier-1 Client Proprietary default and foreclosure data and reporting not for redistribution. Thank you.  
Best Regards,

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