



NEWS RELEASE

ICE Mortgage Monitor: Amid a Cooling Housing Market, Early Signs of Homeowner Risk Emerge

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Rising negative equity, affordability workarounds, and student loan burdens point to growing financial strain for some homeowners

ATLANTA & NEW YORK--(BUSINESS WIRE)-- ICE Mortgage Technology, a neutral provider of a robust end-to-end mortgage platform and part of Intercontinental Exchange, Inc. (NYSE: ICE), today released its July 2025 Mortgage Monitor report. ICE data reveals that beneath the surface of a broadly cooling but stable housing market, early signs of financial stress are emerging among subsets of homeowners. Pockets of vulnerability can be seen in rising negative equity, increased use of mortgage products that improve short-term affordability, and exposure to student loan debt.

- Softening home prices expand from the Sunbelt to Western states, driving increased negative equity

According to ICE's Home Price Index, annual home price growth slowed to 1.3% in early June, and 30% of the largest markets have seen prices dip by at least a full percentage point from their recent highs. While this deceleration may help affordability, it could potentially weaken the equity positions of borrowers who purchased more recently, particularly those using FHA and VA loans, which are low down payment products. Nationally, one in four seriously delinquent loans would be in a negative equity position if sold at distressed (REO) prices. In certain markets, the figures are more pronounced: in Cape Coral, Fla., 27% of all 2023 and 2024 vintage loans are now underwater, while in Austin, Texas, the rate is 18% among 2022 vintage loans.

- ARM and temporary buydown usage reflect affordability pressure

More than 8% of borrowers financed homes with ARMs or temporary buydowns this year, which reduce monthly



payments in the first years of the loan. While these loans provide short-term relief, they may introduce future payment shock, particularly if interest rates remain elevated or reset higher.

- Student loan delinquency greatly increases mortgage delinquency risk

The return of both payments and collection efforts on defaulted federal student loans, which resumed in May after a five-year pause, may put additional financial strain on some homeowners. Analysis of ICE McDash data and ICE Tradelines data powered by TransUnion shows that nearly 20% of mortgage holders also carry student loan debt. Among FHA borrowers, that number rises to nearly 30%. Borrowers delinquent on student loans are four times more likely to be delinquent on their mortgage.

“While the slowdown in home price growth may be easing affordability pressures, and negative equity volumes remain low, we’re beginning to see localized pockets of recent homebuyers becoming financially exposed,” said Andy Walden, Head of Mortgage and Housing Market Research at ICE. “Borrowers with minimal equity — particularly those who purchased recently — are often the first to be exposed when home prices soften. These early signs of stress highlight the importance of monitoring borrower-level risk as market conditions evolve.”

Meanwhile, ICE Home Price Dynamics is beginning to show the impact of softening home prices on equity positions in credit risk transfer (CRT) securitizations with the majority of CRT deals issued in 2023 and 2024 having seen modest upticks in negative equity rates in recent months.

“As figures from the July Mortgage Monitor bear out, national averages don’t tell the full story,” said Tim Bowler, President of ICE Mortgage Technology. “We’re seeing early signs of risk building within specific markets and within specific borrower populations, like borrowers with limited equity or who are behind on student loans. This is when proactive monitoring and data-driven risk management become essential. Identifying and engaging these borrowers early may prevent hardship later.”

The full July Mortgage Monitor report contains a deeper analysis of May mortgage performance, a housing market update featuring June ICE Home Price Index (HPI) data, an analysis of the impact of student loans on homeowners and a look at loan origination operational trends.

Further detail, including charts, can be found in this month’s Mortgage Monitor report.

About the ICE Mortgage Monitor

ICE manages the nation’s leading repository of loan-level residential mortgage data and performance information covering the majority of the overall market, including tens of millions of loans across the spectrum of credit products and more than 160 million historical records. The ICE Home Price Index provides one of the most

complete, accurate and timely measures of home prices available, covering 95% of U.S. residential properties down to the ZIP code level. In addition, the company maintains one of the most robust public property records databases available, covering 99.9% of the U.S. population and households from more than 3,100 counties.

ICE's research experts carefully analyze this data to produce a summary supplemented by dozens of charts and graphs that reflect trend and point-in-time observations for the monthly Mortgage Monitor report. To review the full report, visit:

<https://mortgagetechnology.ice.com/resources/data-reports>.

About Intercontinental Exchange

Intercontinental Exchange, Inc. (NYSE: ICE) is a Fortune 500 company that designs, builds, and operates digital networks that connect people to opportunity. We provide financial technology and data services across major asset classes helping our customers access mission-critical workflow tools that increase transparency and efficiency. ICE's futures, equity, and options **exchanges** -- including the **New York Stock Exchange** -- and **clearing houses** help people invest, raise capital and manage risk. We offer some of the world's largest markets to trade and clear energy and environmental products. Our fixed income, **data services** and execution capabilities provide information, analytics and platforms that help our customers streamline processes and capitalize on opportunities. At **ICE Mortgage Technology**, we are transforming U.S. housing finance, from initial consumer engagement through loan production, closing, registration and the long-term servicing relationship. Together, ICE transforms, streamlines, and automates industries to connect our customers to opportunity.

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