



HD Moody's: Australian mortgage loans performance stable in February

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Moody's Investors Service says that delinquencies in excess of 30 days in Australian prime **residential** mortgage loans was at 1.48% in February. Compared with January's 1.45%, delinquencies have not changed much. February's performance is lower than the 1.60% recorded in February last year.

These figures were presented in Moody's just-released report titled "Global Structured Finance Collateral Performance Review."

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The prime 60-day-plus delinquency rate in February stood at 0.81%, which compares favorably to other markets. For example, the 60-day-plus delinquencies rate for US RMBS was over 5%, while Japan's 0.28% was one of the lowest.

"Looking ahead, we expect the performance trends for the Australian market in 2014 to be similar to those seen in 2013, with losses remaining low, despite an incremental rise in delinquencies," says Noirit Zaman, a Moody's Associate Analyst.

"This view is underpinned by our expectation for modest Australian GDP growth of 2% to 3%, as well as an ongoing low interest rate environment and broadly stable unemployment rates of around 6%," adds Zaman.

ABOUT MOODY'S GLOBAL STRUCTURED FINANCE COLLATERAL PERFORMANCE REVIEW REPORT

Moody's Global Structured Finance Collateral Performance Review Report is updated monthly and covers the collateral performance of 40 structured finance sectors located globally. In the US, the performance metrics of 12 asset classes are covered, in Europe: 19, in Japan: 3, in Australia: 1, and in Canada: 1.

The report features typical aggregate performance metrics, such as delinquencies and losses, as well as sector-specific metrics that include **residential** and **commercial property** prices, loans in special servicing, refinancing profiles, average WARF levels, senior OC levels, payment rates, and excess spread. The underlying data is also included. The metrics are accompanied by sector commentary and outlooks, and projected losses by vintage where applicable.

The Australian data focuses on:

- Australian Prime RMBS
- Australian Home Prices

Subscribers can access the report at:

https://www.moody.com/research/Global-Structured-Finance-Collateral-Performance-Review-Excel-Data-PBS_SF220325.

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