



**HD** Moody's: Australian prime mortgage arrears deteriorates in January 2014 compared to December 2013

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**LP**

Moody's Investors Service says that delinquencies in excess of 30 days in Australian prime **residential** mortgage loans reached 1.50% in January 2014, up from 1.41% in December 2013.

However, the January figure is lower than the 1.52% recorded in January 2013.

**TD**

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

Meanwhile, prime 60-day-plus arrears in January 2014 were at 0.84%, and compared favorably to most of the markets covered in the report.

Australian prime 90-day-plus arrears in January 2014 were at 0.57%, up from 0.53% in December 2013. As with the prime 30-day-plus arrears rate, the figure is lower than the 0.60% recorded in January 2013.

"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: 7, 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](https://www.moody.com/research/Global-Structured-Finance-Collateral-Performance-Review-Excel-Data-PBS_SF220325).

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Noirit Zaman

Associate Analyst

Structured Finance **Group**

Moody's Investors Service Pty. Ltd.

Level 10

1 O'Connell Street

Sydney NSW 2000

Australia

JOURNALISTS: (612) 9270-8102

SUBSCRIBERS: (612) 9270-8100

Marie Wai Man Lam

VP - Senior Credit Officer

Structured Finance **Group**

JOURNALISTS: (852) 3758 -1350

SUBSCRIBERS: (852) 3551-3077

Releasing Office:

Moody's Investors Service Pty. Ltd.

Level 10

1 O'Connell Street

Sydney NSW 2000

Australia

JOURNALISTS: (612) 9270-8102

SUBSCRIBERS: (612) 9270-8100

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