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LendingTree Borrower Health Report: Rising Home Prices Cause Borrower Health to Fall Slightly in Q3

CHARLOTTE, N.C., Oct. 30, 2013 /PRNewswire/ -- The financial health of prospective borrowers dipped slightly in the third quarter, according to LendingTree's Borrower Health Report, released today. The report analyzes the financial health of mortgage-seekers and assigns a Borrower Health Score used in the ranking of each state.

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(Logo: <http://photos.prnewswire.com/prnh/20110518/MM04455LOGO>)

During the third quarter, the average loan-to-value [LTV] ratio of potential borrowers increased from 88.4% to 89.8%, suggesting that rising home prices placed more financial pressure on potential borrowers. Because LTVs are a key qualifying factor, the increase in LTVs likely resulted in a decline of the Borrower Health Score, which fell 1.56 points to 79.94 in the third quarter. Additionally, the average credit score of prospective borrowers fell four points quarter-over-quarter from 640 to 636.

Although borrowers may not be in top condition, the Borrower Health Score is 7.28 points above where it was just a year earlier. This year-over-year improvement implies that mortgage-seekers are in relatively good health and that there is broader trend of improving borrower qualification levels.

Hawaii, Washington D.C., New Jersey, California and Massachusetts continue to lead the nation with the healthiest prospective borrowers, all with scores above 90. The average LTV ratios and credit scores for the top five states are below.

State	LTV Ratio	Avg. Credit Score
HI	89.66%	689
DC	86.45%	679
NJ	88.48%	677
CA	85.60%	676
MA	85.60%	679

"Because home prices have been steadily increasing, this minor slip in the Borrower Health Score isn't necessarily unsettling," said Doug Lebda, founder and CEO of LendingTree. "In order for the housing market to maintain and improve home prices, there needs to be a growing pool of well-qualified borrowers in the market for homes. Housing market recovery is geographically dispersed and dependent on the overall jobs market as well. States that ranked high in LendingTree's Borrower Health Report had enough highly qualified, active borrowers to support the higher home prices."

For a full ranking and the infographic in PDF versions, please visit the following links:

Infographic: http://marketing.lendingtree.com/pr/Borrower_Health_Report_Infographic_Q3_2013.pdf

Full Data: http://marketing.lendingtree.com/pr/Borrower_Health_Q3_2013.pdf

About LendingTree, LLC

LendingTree, LLC is the nation's leading online source for competitive home loan offers, empowering consumers during the mortgage, refinance or auto loan process. LendingTree provides an online marketplace which connects consumers with multiple lenders that compete for their business, as well as an array of online tools and information to help consumers find the best loan. Since inception, LendingTree has facilitated more than 30 million loan requests and \$214 billion in closed loan transactions. LendingTree provides access to lenders offering [mortgages](#) and [refinance loans](#), home equity loans/lines of credit, and more. LendingTree, LLC is a subsidiary of Tree.com, Inc. (NASDAQ: TREE). For more information go to www.lendingtree.com, dial 800-555-TREE, join our [Facebook page](#) and/or follow us on Twitter [@LendingTree](#).

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