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HOUSING AND MORTGAGE MONITOR

Manufacturing a solution to the housing shortage

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Shipments of manufactured homes remain well below pre-2000 levels

Affordability continues to be a major concern in the housing market. Our economics team estimates there is currently a shortage of approximately 3-4 million homes nationwide. One approach for increasing the supply of homes at more affordable price points is to promote access to manufactured housing. Manufactured homes (MH), colloquially also referred to as mobile homes, are residences that are prefabricated in a factory setting and then transported to their final location for installation. This method not only streamlines the construction process but also offers significant cost savings compared to traditional site-built homes, making manufactured housing a promising solution for those seeking affordable housing options. There are currently about 8.4 million manufactured housing units across the country.

Prior to 2000, shipments of manufactured homes averaged about 265k a year (Exhibit 1). Manufactured housing experienced a construction boom in the 1990s driven by overproduction and lax lending standards. However, this ended in a sharp increase in delinquencies, which was then followed by tighter lending standards and increased zoning restrictions. These restrictions reduced the attractiveness of manufactured housing. During the housing boom of the early 2000s, manufactured housing was increasingly viewed as a choice of last resort. The negative sentiment towards this sector has largely persisted with MH shipments averaging just 80,000 units a year since 2010. According to the 2024 American Community Survey, manufactured housing units account for about 6% of all owner-occupied housing in the US, although the share has drifted marginally lower from around 7% in 2010.

The top markets for manufactured homes are in the South and Southeast (Exhibit 2). Interestingly, several states that rank high in manufactured home sales rank low in single family home construction, suggesting the importance of local zoning and land-use regulations as a key constraining factor for the growth of MH. Over 54% of manufactured housing units are in rural areas (defined as territories with fewer than 2,500 people), while single-family homes are primarily in large urban areas (Exhibit 3). Manufactured homes are generally smaller than site-built homes and are historically viewed as starter homes for lower-income households (Exhibit 4).

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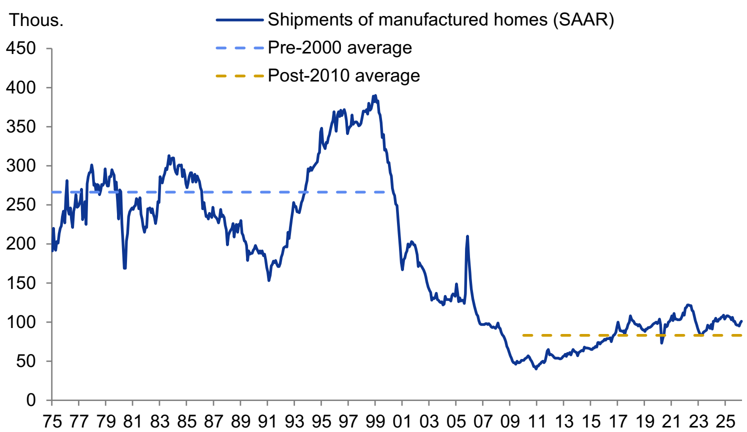
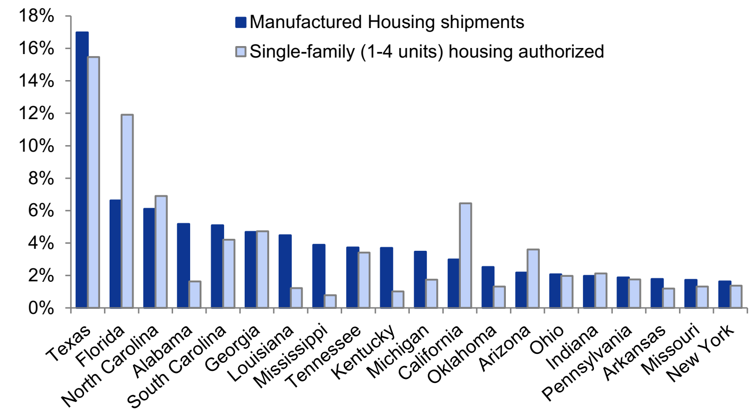
Exhibit 1: Shipments of manufactured homes experienced a significant decline after 2000 and continue to stay at low levels today
Shipments of new manufactured homes



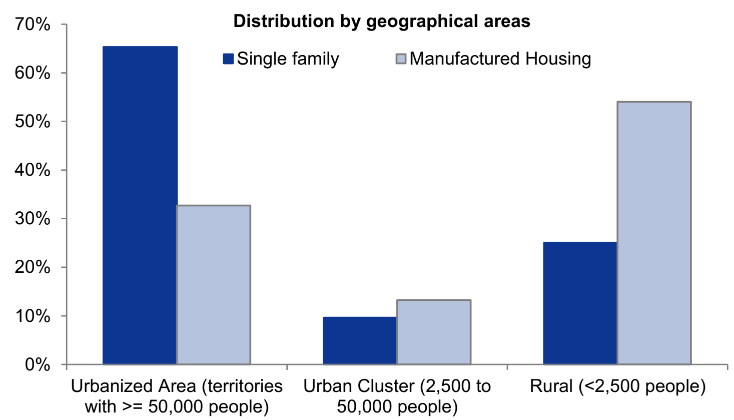
Source: US Census, Haver Analytics, Goldman Sachs Global Investment Research

Exhibit 2: Several states that rank high in manufactured home sales rank low in single family home construction



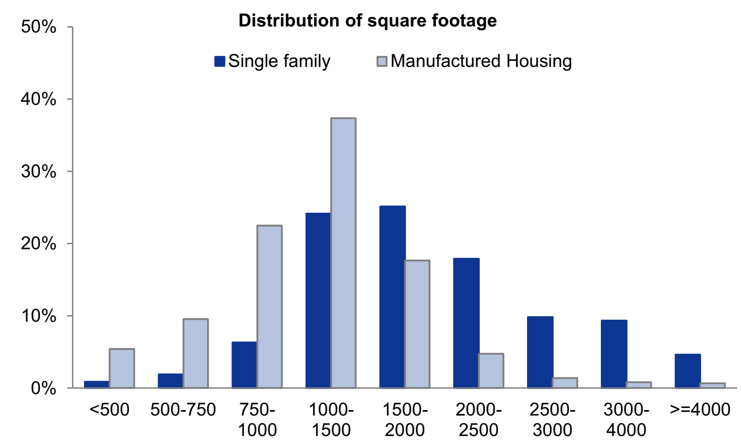
Source: US Census, Goldman Sachs Global Investment Research

Exhibit 3: Manufactured homes account for a greater share of homes in rural areas



Source: US Census, 2023 National American Housing Survey, Goldman Sachs Global Investment Research

Exhibit 4: Typically, manufactured homes have less square footage than site-built single-family homes

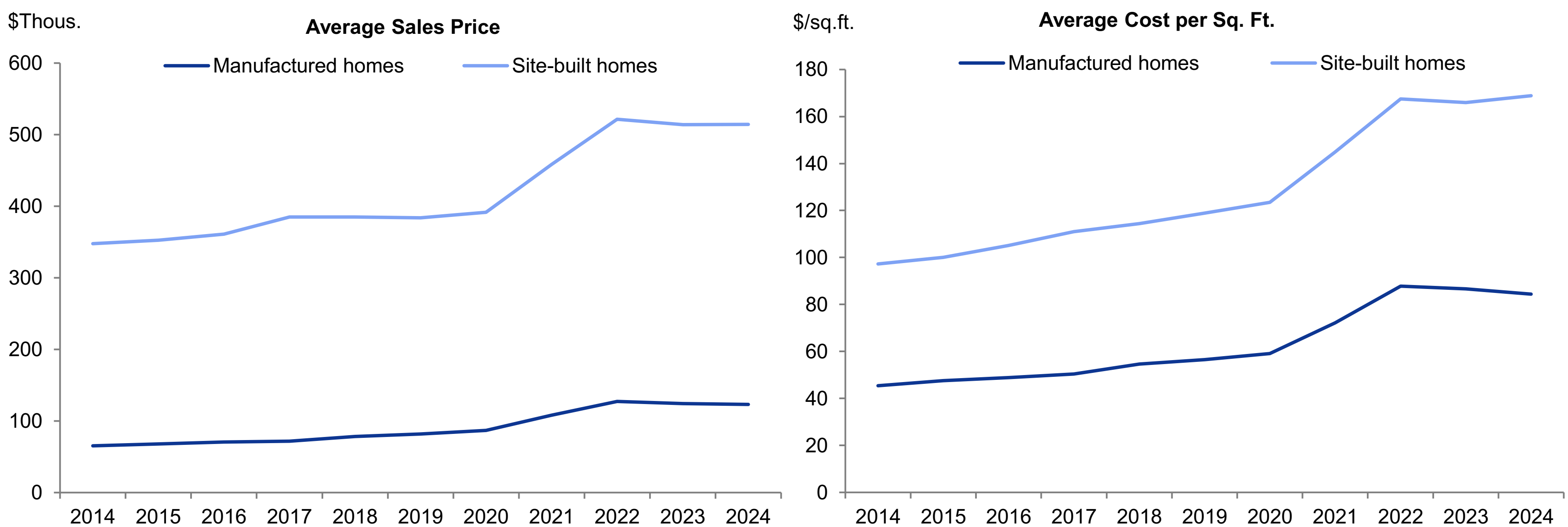


Source: US Census, 2023 National American Housing Survey, Goldman Sachs Global Investment Research

The main attraction of manufactured housing is its affordability

Manufactured housing provides a cost-effective alternative to traditional site-built starter homes. Among various actions to enhance housing affordability, expanding access to manufactured housing has received bipartisan support in recent months. Manufactured homes can be produced at a lower cost and are typically smaller, thereby contributing to increased affordability despite higher mortgage rates. As a result, easier access to MH can enable homeownership rates to rise. On average, manufactured housing is approximately half as expensive as site-built homes, excluding land costs (Exhibit 5).

Exhibit 5: Manufactured housing is more affordable vs. site-built housing
Comparison of average sale price (left panel) and average cost of structure per square foot (right panel) across manufactured homes and site-built homes



Source: US Census, Goldman Sachs Global Investment Research

Zoning, financing, and negative perception are key impediments to manufactured housing demand

Manufactured housing demand faces major obstacles from local zoning regulations, financing difficulties, and negative public perception. Broadly, there is a lack of sufficient awareness. In a 2022 Manufactured Housing survey conducted by Freddie Mac, 53% of the respondents reported having never heard of or being unfamiliar with MH, while only 17% reported being very familiar with the sector. Limited access to affordable financing has been a major challenge for the sector in recent years.

Manufactured homes are titled as either real property or personal property based on whether the owner owns the underlying land. Based on industry estimates, about 40% of manufactured housing units are situated within manufactured housing communities, where the homeowner typically does not own the land but rather pays rent to the community operator. When the homebuyer does not own the land on which the home is placed, they use chattel loans to finance the purchase. These loans come with shorter terms, higher interest rates and fewer borrower protections. The combination of shorter terms and higher interest rates makes them less affordable than if the borrower were to obtain a traditional mortgage. Also, in the case of payment defaults, lenders can more easily repossess properties backed by chattel loans (as they are treated as personal property like autos) without having to initiate a foreclosure process.

In response to MH quality issues in the past, HUD published a comprehensive building code in 1976 that set minimum material quality and energy efficiency standards for manufactured housing. As part of this code, HUD required manufactured housing units to be built on a permanent steel chassis. While the presence of this steel structure may have helped improve the structural integrity of the unit, lenders likely viewed the home as more akin to a movable property than an immovable property. The presence of a permanent chassis also increased the cost of the home.

Finally, even if the borrower owns the land and obtains a traditional MH mortgage, the fixed costs of origination may be prohibitively high compared to size of the mortgage.

Proposed changes are a step in the right direction; however, modifications to local zoning regulations will remain necessary

Support for manufactured housing is a key component of the 21st Century Road to Housing Act, which has recently garnered bipartisan backing. Among other proposals, the bill aims to eliminate the permanent chassis requirement, establishes HUD as the primary authority on construction and safety standards for manufactured homes, and increases the loan limits of FHA-insured manufactured housing loans. Removal of the permanent chassis requirement can reduce the cost of manufactured homes by $5-10k, enable more floor plan flexibility, and could make it easier to obtain local municipality approval. Without a permanent chassis, lenders may be more likely to treat these homes like site-built properties since they are less likely to be moved. Hence, financing terms for MH borrowers could become more favorable. The industry is optimistic about these proposals (Exhibit 6).

Exhibit 6: The industry is optimistic about the effects of the proposed manufactured housing changes in the 21st Century Road to Housing Act

Ticker	Company	Profile	Date of comments	Comments
SUI	Sun Communities	REIT operating MH communities	4/28/2026	Hugely supportive of anything that supports attainable housing. From a federal perspective, we get the intent, but much of this is local. The removal of the chassis requirement creates some really interesting opportunities potentially, both in the form of cost savings and making the product even more affordable, but at the same time, being able to build houses that have a different spec level and are more appealing to not just the consumers, but to the powers that be at the local level that ultimately provide the approvals for development that we may do someday. So we think all this is positive. We remain optimistic and encouraged by the progress with it.
SKY	Champion Homes	Manufactured housing builder	5/26/2026	It's clear the bipartisan focus on solving the affordable housing crisis remains strong, including support for manufactured housing. More broadly, we continue to monitor HUD code evolution, chassis rulemaking, and zoning reform activity at the state and local levels.
CVCO	Cavco Industries	Manufactured housing builder	5/22/2026	Various parts of the bill enable product innovation, reduce regulatory confusion, improve consumer and commercial funding availability, and encourage zoning improvement.

Source: Company earnings transcripts, Bloomberg, Goldman Sachs Global Investment Research

Recently, HUD released a final rule (effective March 2025) updating the national building code for factory-built manufactured homes introducing the flexibility to have up to four units per structure, which could make the units more competitive, especially in urban areas (in addition to other design upgrades).

However, these changes alone may not resolve all the issues facing the industry. In addition to federal initiatives, changes to local zoning laws are also required. The sector will benefit tremendously if states allow manufactured homes to be titled as real property – Montana and Kentucky recently passed legislation to treat MH on par with site-built homes, while a recent law change in Texas will see more areas within the state be available for MH effective September 2026.

Finally, if the GSEs were to launch a program to finance chattel loans, it could serve as an important benchmark for lending standards for the entire industry and increase access to financing.

Thank you to Patricia Pacheco for her contribution to this publication.

Housing Forecasts and Key Charts

Exhibit 7: We forecast total mortgage origination volume to be around $2.2 trillion in 2026
GS housing and mortgage forecasts

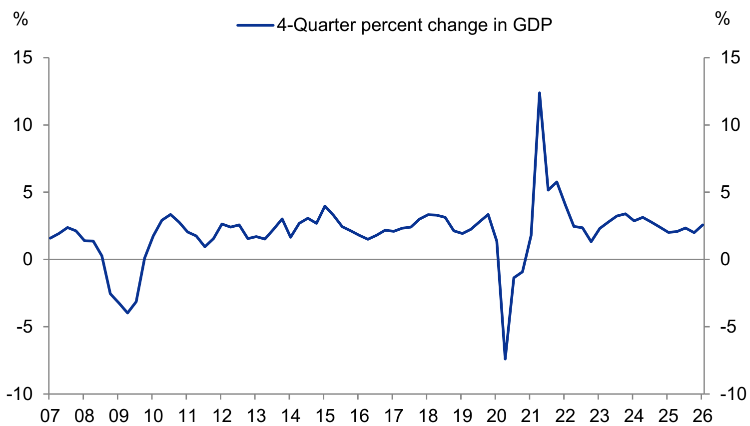
Variable	2026				Annual Data		
	Q1	Q2	Q3	Q4	2025	2026	2027
Interest Rates							
10-Year Treasury (%)	4.32	4.30	4.20	4.10	4.17	4.10	4.15
PMMS 30-Year Fixed-Rate Mortgage (%)	6.38	6.40	6.30	6.15	6.18	6.15	6.20
Mortgage Originations							
Total 1-4 Family ($Billions)	551	513	557	558	2,050	2,179	2,127
Purchase Originations	332	373	388	352	1,356	1,445	1,460
Refinance Originations	219	140	169	206	694	734	667
Refinance Share (%)	40	27	30	37	34	34	31

Note 1: Annual data for mortgage originations are the sum of quarterly originations.
Note 2: Interest rates refer to period end values.
Note 3: Sources for historical data are Census Bureau, NAR, Moody's Analytics, Federal Reserve, Freddie Mac, and MBA.
Note 4: Shaded columns reference actual reported values.

Source: Goldman Sachs Global Investment Research

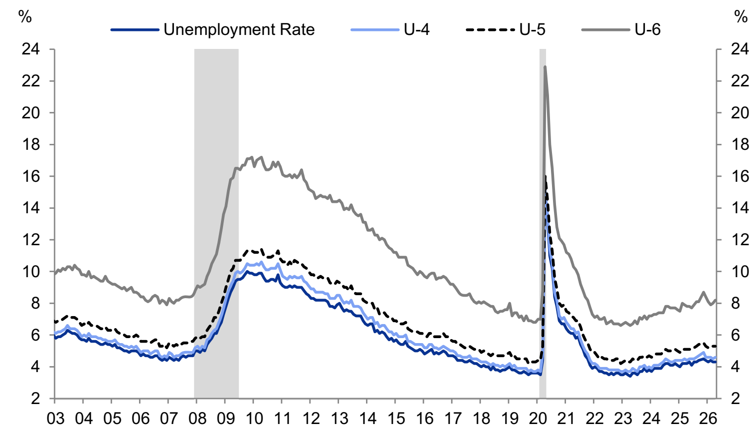
Economic growth remains positive year over year

Exhibit 8: Economic growth remains positive year over year
Year-over-year change in GDP



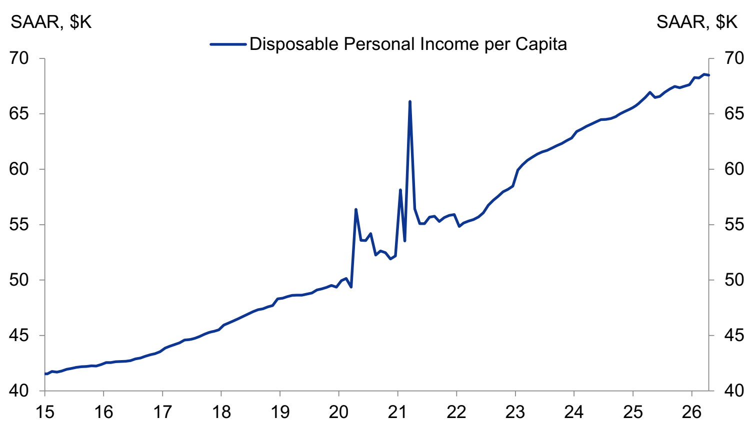
Source: US Bureau of Economic Analysis (BEA), Goldman Sachs Global Investment Research

Exhibit 9: Unemployment rate
Measures of labor under-utilization



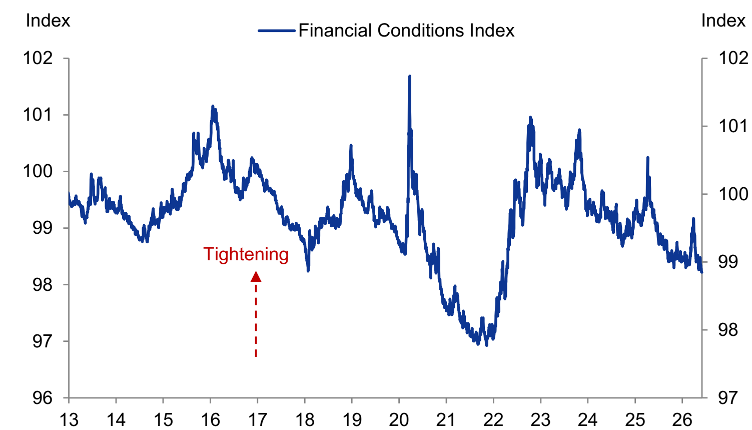
Source: BLS, Goldman Sachs Global Investment Research

Exhibit 10: Nominal personal income continues to grow
Disposable personal income per capita



Source: BEA, Goldman Sachs Global Investment Research

Exhibit 11: Financial conditions have loosened in the last month
Goldman Sachs Financial Conditions Index

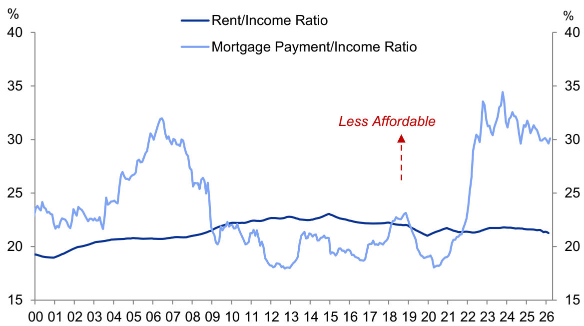


Source: Goldman Sachs Global Investment Research

US housing affordability is still poor

Exhibit 12: Rental affordability is superior to mortgage affordability

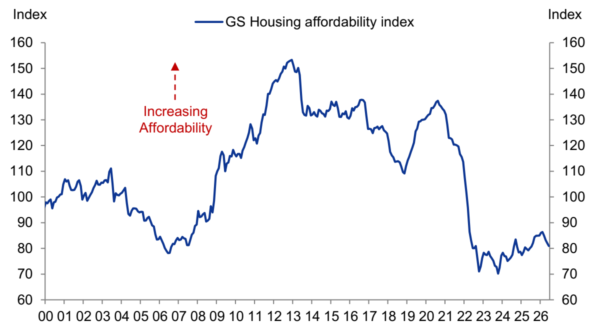
Housing vs. Rental Affordability Indices



Source: Goldman Sachs Global Investment Research

Exhibit 13: Our US housing affordability index remains low

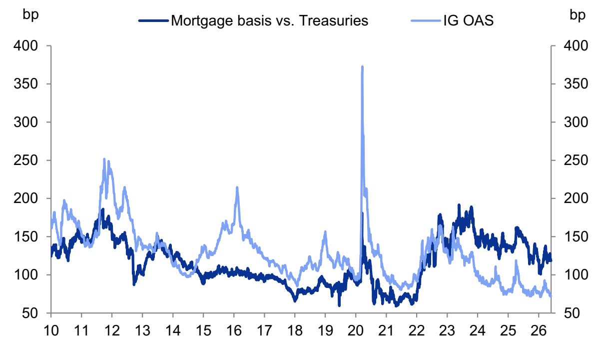
GS Housing Affordability Index



Source: Goldman Sachs Global Investment Research

Exhibit 14: Current coupon mortgage basis has tightened to 119bp this month

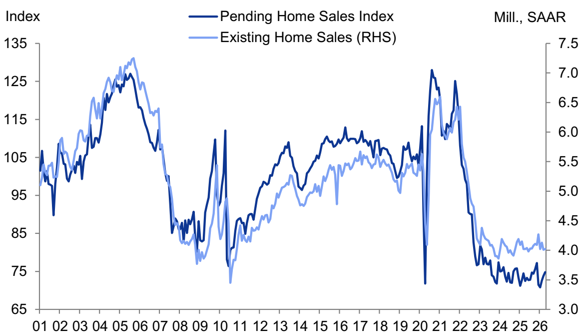
Mortgage basis (current coupon mortgage rate—5/10-Year Treasury rate)



Source: Goldman Sachs Global Investment Research

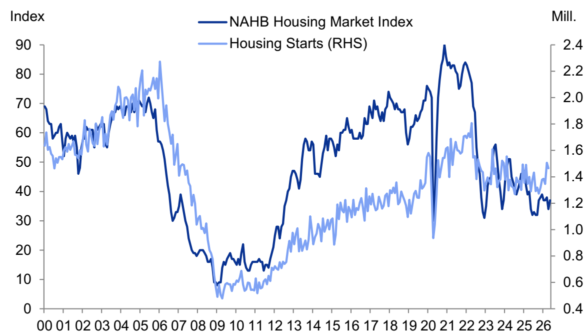
Home sales volume has fallen

Exhibit 15: Existing home sales increased in April
Pending and existing home sales



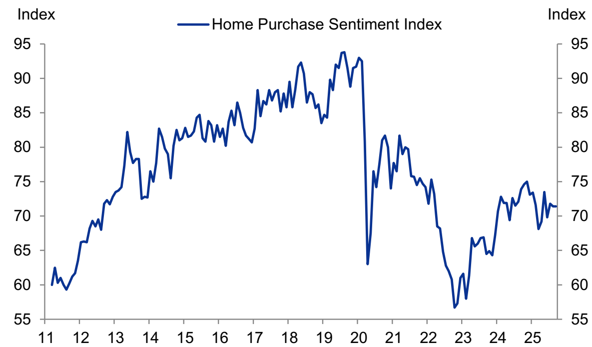
Source: NAR, Goldman Sachs Global Investment Research

Exhibit 16: Housing starts
NAHB housing market index and housing starts



Source: NAHB, Census Bureau, Goldman Sachs Global Investment Research

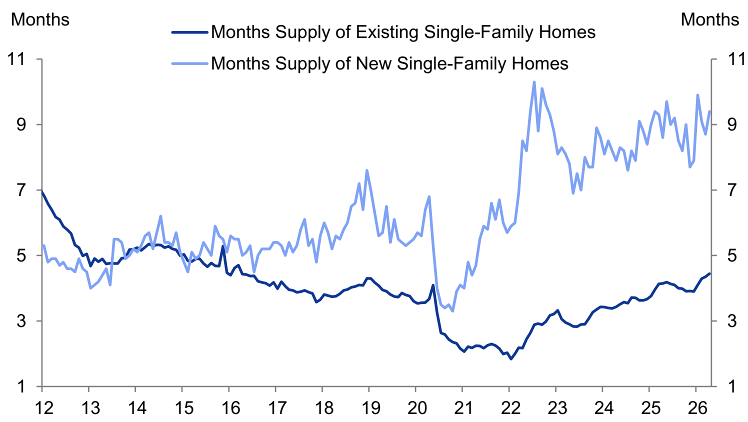
Exhibit 17: Homebuyer sentiment has somewhat stabilized
Fannie Mae Home Purchase Sentiment Index



Source: Fannie Mae, Haver Analytics, Goldman Sachs Global Investment Research

Supply of completed homes remains constrained

Exhibit 18: Months supply increased in April for new single-family homes
Months' supply of single-family homes

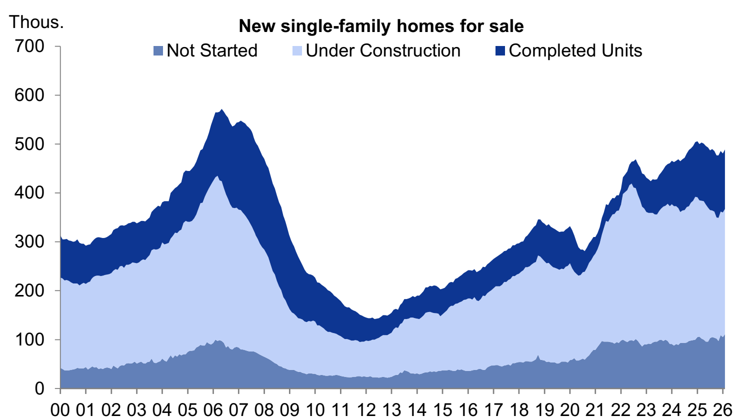


Source: National Association of Realtors (NAR), Census Bureau, Haver Analytics, Goldman Sachs Global Investment Research

Exhibit 19: Supply of homes listed for sale decreased in April
Total homes available for sale (seasonally adjusted)

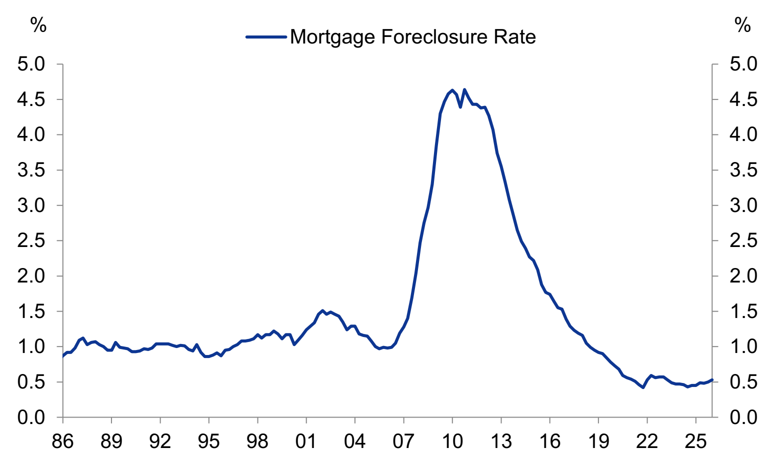
Source: National Association of Realtors (NAR), Goldman Sachs Global Investment Research

Exhibit 20: The pipeline of homes not yet completed remains substantial
For-sale single-family homes available by stage



Source: Census Bureau, Goldman Sachs Global Investment Research

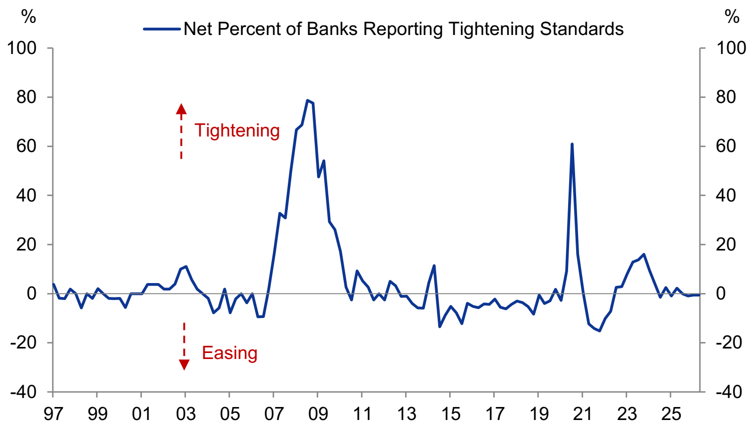
Exhibit 21: The share of loans in foreclosure remains very low at 0.53%
Mortgage foreclosure rate



Source: MBA, Goldman Sachs Global Investment Research

33% of new GSE purchase mortgages have DTI above 43%

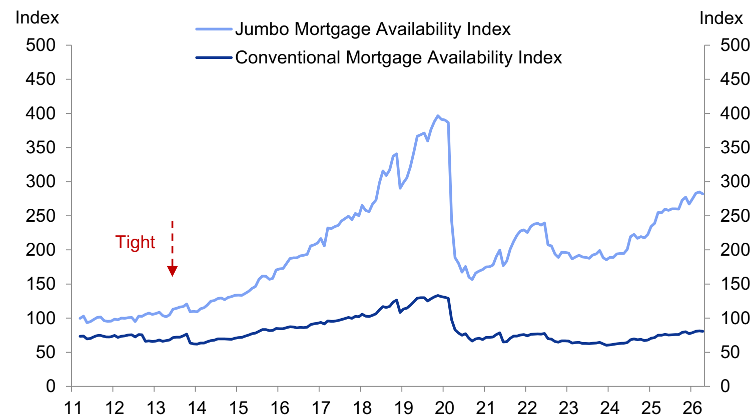
Exhibit 22: FRB Senior Loan Officer Opinion Survey on mortgage lending



Source: FRB, Haver Analytics

Exhibit 23: Jumbo mortgage availability has improved

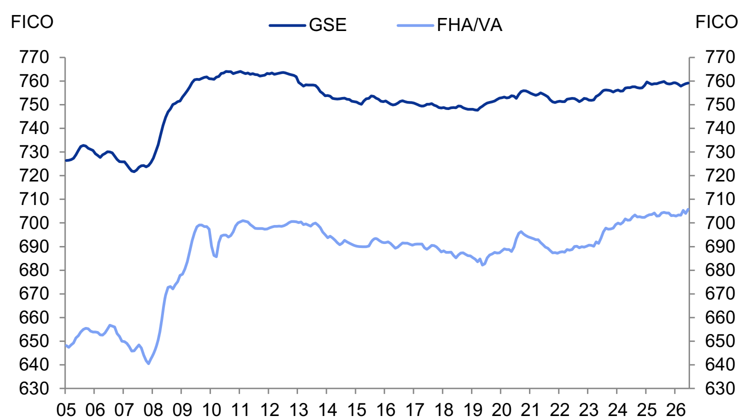
MBA Credit Availability Index (March 2012=100)



Source: MBA

Exhibit 24: FICO scores at origination remain high relative to pre-GFC levels

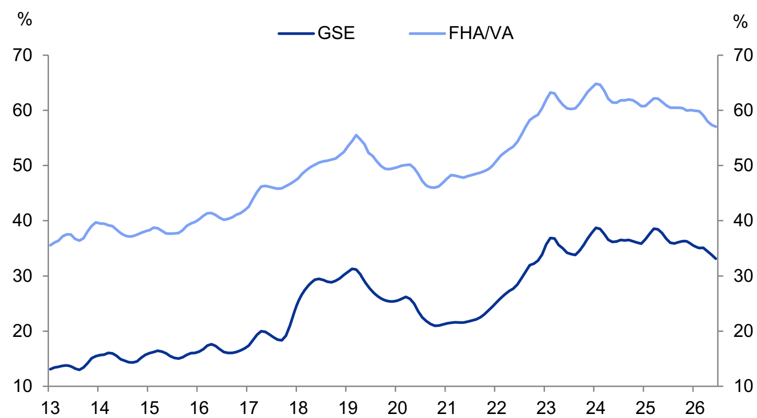
Average FICO at origination for purchase mortgages



Source: Black Knight, eMBS, Goldman Sachs Global Investment Research

Exhibit 25: 33% of new GSE purchase mortgages have DTI above 43%

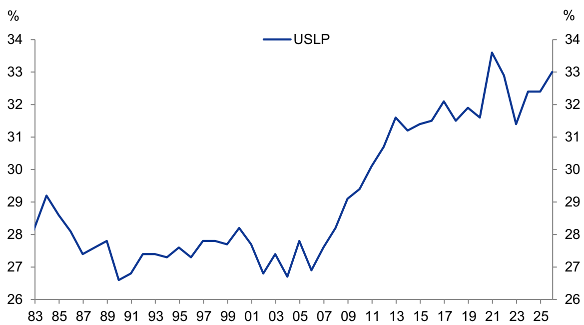
Share of loans with DTI above 43% for purchase mortgages by origination month



Source: eMBS, Goldman Sachs Global Investment Research

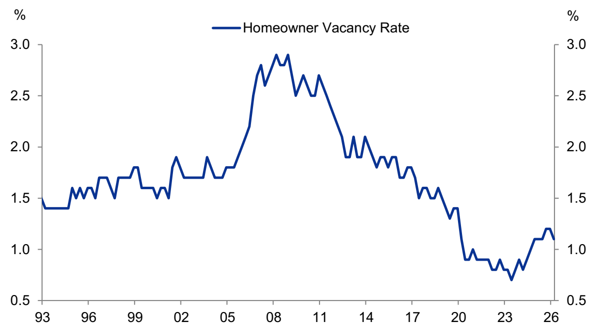
Homeownership rates have ticked down in Q12026

Exhibit 26: The share of young adults living with parents increased in 2025
Share of 18-34 year old individuals living with parents



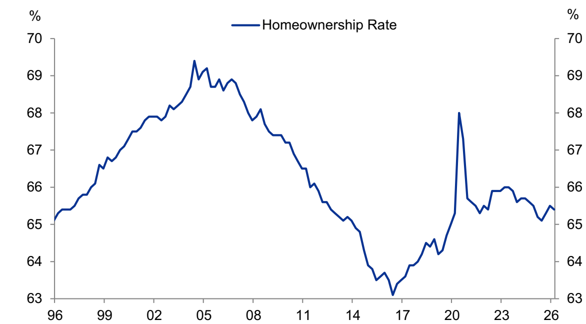
Source: Census Bureau, Goldman Sachs Global Investment Research

Exhibit 27: Homeowner vacancies remain near all-time low rates
Homeowner vacancy rate



Source: Census Bureau, Goldman Sachs Global Investment Research

Exhibit 28: US homeownership rate has ticked down in Q1 2026
Homeownership rate



Source: Census Bureau

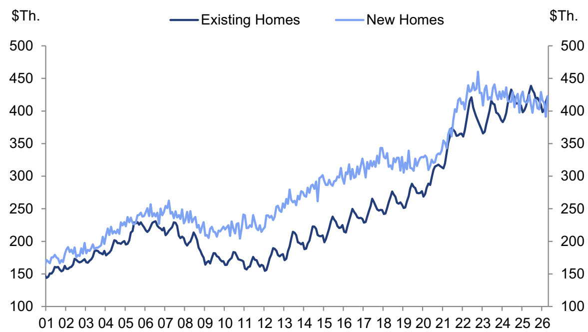
Sequential home price growth has slowed

Exhibit 29: Most home price indices show underperformance over last month
Annualized HPA across different house price indices and horizons

Metric	End Date	Annualized HPA (%, SA)			
		Past 1 Mon	Past 3 Mon	Past 6 Mon	Past 12 Mon
NAR	Apr-26	-6.6	-1.3	-1.7	1.3
Freddie Mac	Apr-26	2.6	1.8	1.6	1.1
FHFA	Mar-26	0.9	0.4	1.9	1.1
Zillow	Apr-26	-1.2	2.9	7.3	-0.6
Case-Shiller	Mar-26	-2.6	-0.9	2.2	0.6
Median	Apr-26	**-1.2**	**0.4**	**1.9**	**1.1**

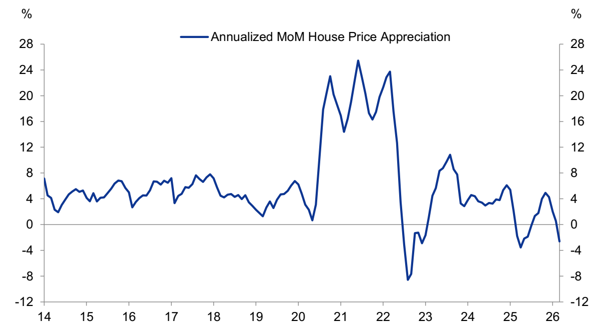
Source: FHFA, Freddie Mac, S&P, Zillow, Goldman Sachs Global Investment Research

Exhibit 30: Existing home sales prices have increased in April
Median price of new and existing single-family home sales



Source: NAR, Census Bureau, Goldman Sachs Global Investment Research

Exhibit 31: House prices decreased at a 2.6 rate in March
Annualized month over month price growth, Case-Shiller US Seasonally-Adjusted index



Source: S&P, Goldman Sachs Global Investment Research

Most US metros are seeing home price growth stabilize

Exhibit 32: Chicago and New York year-over-year house price growth is the highest of the top metro areas
Metro level housing indicators

City	1/2000 to Current HPA (%)	Annualized HPA 1/2000-Current (%)	YoY HPA (%)	Serious Delinq. (%)	Unemploy-ment Rate (%)	Vacancy Rate (%)	Median Price ($Th)	Median Income ($Th)	HOI	Average FICO
Chicago	128	3	6.1	2.9	5.1	0.0	347	125	51	739
New York	240	5	4.0	2.6	4.7	0.0	667	113	13	745
Cleveland	103	3	3.0	2.9	3.8	0.0	186	94	71	732
Boston	250	5	2.1	1.4	3.8	0.5	632	140	23	753
Minneapolis	146	3	1.8	1.6	2.8	0.2	350	125	60	753
Miami	346	6	1.2	2.4	2.9	0.0	451	85	22	732
Charlotte	184	4	0.9	2.1	3.7	0.0	389	103	37	740
San Diego	348	6	0.8	0.7	4.5	0.0	828	117	4	762
San Francisco	264	5	0.6	0.6	4.3	0.0	1108	158	9	768
Washington DC	236	5	-0.1	1.9	3.1	0.0	517	150	46	749
Atlanta	148	4	-0.5	3.1	3.6	1.3	375	104	40	735
Portland	229	5	-0.9	1.2	4.2	1.3	500	114	18	758
Las Vegas	199	4	-1.3	1.8	6.0	0.0	432	84	14	740
Los Angeles	344	6	-1.6	1.2	5.6	0.7	905	105	3	755
Phoenix	225	5	-1.6	1.8	3.4	0.0	440	99	22	745
Dallas	191	4	-1.7	2.2	3.9	0.0	376	103	28	740
Tampa	266	5	-1.9	2.5	3.6	1.5	359	89	31	737
Denver	214	4	-2.0	1.2	4.6	0.0	560	126	24	758
Seattle	288	5	-2.5	0.9	4.2	0.8	673	139	25	758

Source: Black Knight, Goldman Sachs Global Investment Research

Exhibit 33: Definitions of housing indicators

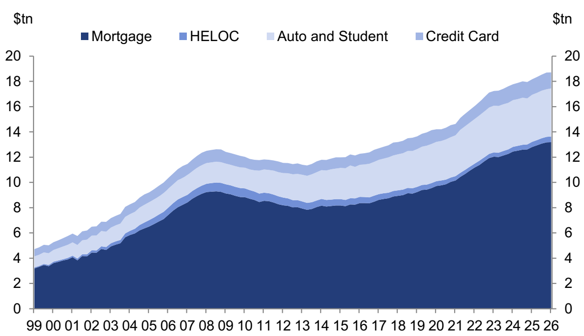
Metric	Definition	Source
1/2000-to-Current HPA	Cumulative house price growth from 1/2000 to current month	S&P
Annualized HPA (2000 to Current)	Annualized average house price growth from 1/2000 to current month	S&P
YoY HPA	Year-over-year house price growth	S&P
% Seriously Delinquent	Percentage of first-lien mortgages 60+ days delinquent or in foreclosure	Black Knight
Unemployment Rate	Seasonally adjusted unemployment rate	BLS
Vacancy Rate	Homeowner vacancy rate	US Census
Median Price	Median home price ($Th)	NAHB
Median Income	Median family income ($Th)	NAHB
HOI	Housing Opportunity Index: 100=affordable, 0=unaffordable	NAHB
Average FICO	Average FICO score at origination among outstanding first-lien mortgages	Black Knight

Source: Goldman Sachs Global Investment Research

Household balance sheet metrics remain resilient

Exhibit 34: HELOC debt increased by 11% year-over-year through 2026Q1

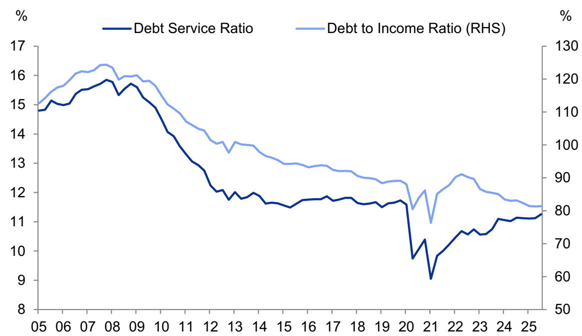
Household debt balance by type of debt



Source: FRB, FRBNY, Goldman Sachs Global Investment Research

Exhibit 35: Household debt to income ratios increased in 2025Q4

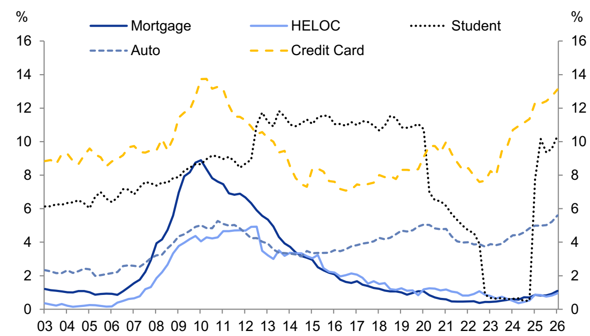
Debt service ratio and debt-to-income ratio



Source: FRB, BEA, Goldman Sachs Global Investment Research

Exhibit 36: Serious delinquency rates increased in Q1

90+-day delinquency rate by account type



Source: FRBNY, Goldman Sachs Global Investment Research

Subprime auto ABS losses have grown

Exhibit 37: Subprime auto ABS losses have grown

Subprime auto loan ABS annual loss rate vs. WAC

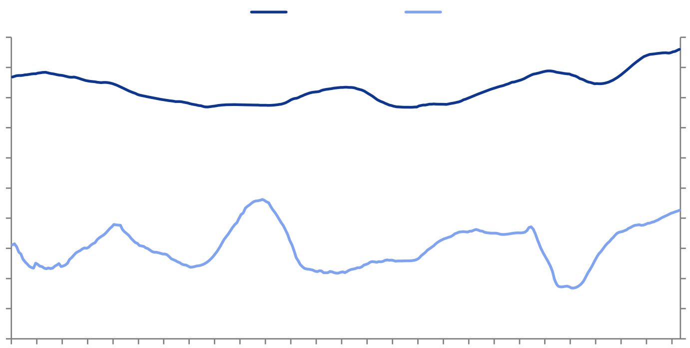


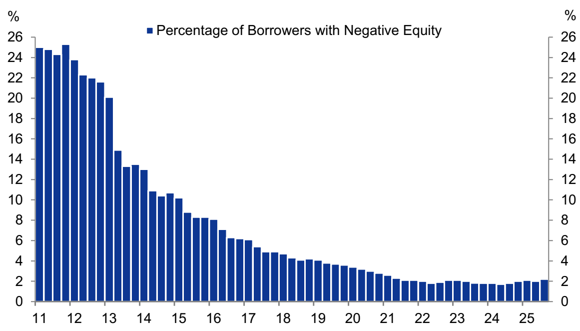
Exhibit 38: Auto loan credit scores are at the high end of their historical range

Auto loan 10th and 50th percentile credit scores by origination quarter

2.2% of mortgaged properties have negative equity

Exhibit 41: 2.2% of mortgaged properties have negative equity

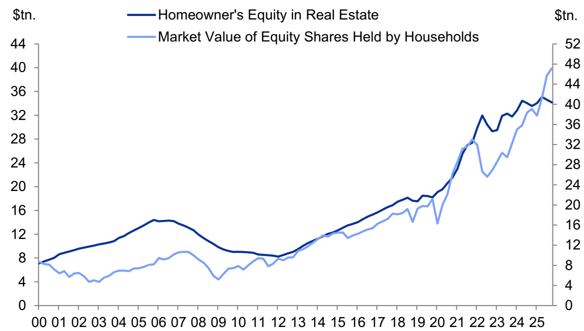
Percentage of mortgages with negative equity



Source: CoreLogic, Goldman Sachs Global Investment Research

Exhibit 42: Real estate equity and stock market holdings are at historical highs

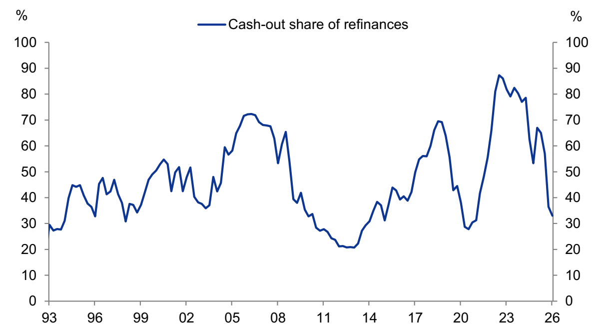
Housing and stock market equity held by households



Source: FRB, Goldman Sachs Global Investment Research

Exhibit 43: 33% of refinance originations are cash-out transactions

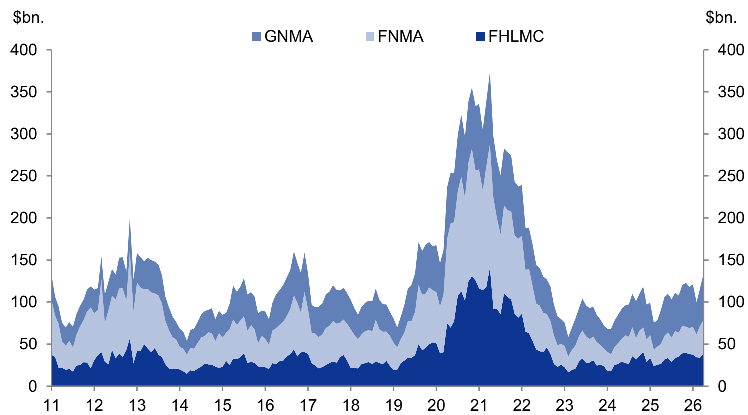
Cash-out refinance share by origination quarter



Source: FHFA, Goldman Sachs Global Investment Research

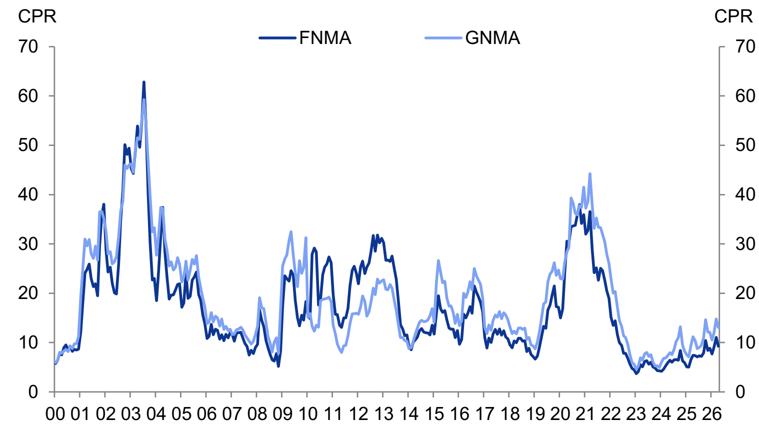
30-year FNMA prepayment rates were down 16% in April vs. March

Exhibit 44: Agency MBS issuance has picked up off seasonal strength
Agency MBS gross monthly issuance



Source: eMBS, Goldman Sachs Global Investment Research

Exhibit 45: Agency prepayments for 30-year conventionals decreased in April
30-year conventional and government MBS prepayment speeds (conditional prepayment rate)



Source: eMBS, Goldman Sachs Global Investment Research

Exhibit 46: 30-year FNMA prepayment rates were down 16% in April vs. March
Agency MBS prepayments by product

Product	Bal ($B)	WAC	WALA	CLTV	ALS	% Wells	% Chase	% BoA	Apr CPR	Mar CPR	% Chg
FN30	2,904	4.4	60	54	259	6	7	1	9	11	-16%
GN30-II	1,909	4.3	53	70	280	2	0	0	13	15	-12%
FN15	292	3.0	63	32	154	7	7	0	8	9	-1%
FN20	130	3.5	68	37	186	7	9	1	7	7	-6%

Source: eMBS, Goldman Sachs Global Investment Research

Conventional MBS prepayment rates decreased for higher coupons in April vs. March

Exhibit 47: Prepayments for the higher coupon cohort decreased in April vs. March

FNM 30-year MBS prepayments by coupon and vintage

Product	Coupon	Vintage	Bal ($B)	WAC	WALA	CLTV	FICO	ALS ($K)	Apr CPR	Mar CPR	% Chg
FNM30	1.5	2021	35	2.5	61	44	774	316	4	3	17%
		2020	33	2.5	65	42	774	304	4	3	16%
	2.0	2022	38	2.9	50	55	762	329	4	4	1%
		2021	389	2.8	58	48	763	280	5	4	14%
		2020	233	2.9	66	43	767	264	5	4	11%
	2.5	2022	65	3.3	50	59	749	303	6	5	15%
		2021	256	3.2	57	53	744	242	6	6	12%
		2020	176	3.4	69	43	756	232	6	5	12%
		2019	11	3.5	78	41	766	265	5	4	22%
	3.0	2022	57	3.7	49	61	744	283	7	6	7%
		2021	36	3.7	57	53	721	194	7	7	5%
		2020	51	3.8	71	43	744	186	7	6	14%
		2019	38	3.9	78	42	755	207	6	6	5%
		2016	45	3.6	116	32	761	179	6	5	10%
		2015	10	3.8	131	28	767	175	6	5	17%
		2013	33	3.6	156	22	764	141	6	6	1%
		2012	22	3.6	162	21	769	142	6	6	0%
	3.5	2022	52	4.2	47	65	744	286	7	7	2%
		2019	21	4.3	81	43	741	174	7	7	5%
		2017	27	4.0	104	36	754	169	7	6	10%
		2016	19	4.1	117	33	739	137	7	6	7%
		2015	25	4.1	129	30	751	147	6	6	3%
		2013	15	4.0	154	25	741	118	7	6	18%
		2012	23	4.0	166	21	757	119	7	7	0%
	4.0	2022	54	4.8	46	67	748	302	8	7	5%
		2019	11	4.8	82	43	729	151	8	8	-5%
		2018	21	4.6	94	40	743	171	7	7	1%
		2017	20	4.5	105	37	731	142	8	7	15%
		2014	12	4.6	141	29	735	120	7	7	8%
	4.5	2024	13	5.5	19	75	764	356	7	7	-5%
		2023	12	5.4	35	70	761	329	9	8	19%
		2022	56	5.3	44	69	750	297	9	8	6%
		2018	13	5.1	93	41	720	135	9	8	7%
	5.0	2026	42	6.0	2	76	765	373	4	4	17%
		2025	48	6.0	7	75	766	354	6	7	-13%
		2024	43	6.0	19	73	763	328	9	12	-26%
		2023	44	6.0	35	69	761	319	11	12	-5%
		2022	41	5.8	43	69	741	273	10	10	-1%
	5.5	2026	20	6.4	2	79	747	347	7	6	7%
		2025	87	6.5	9	76	761	333	12	20	-40%
		2024	72	6.5	21	74	761	316	16	24	-31%
		2023	57	6.5	34	70	758	303	16	21	-24%
		2022	23	6.3	42	69	740	269	13	14	-13%
	6.0	2025	82	6.9	10	78	752	321	20	32	-38%
		2024	67	7.0	22	75	755	310	26	38	-31%
		2023	44	6.9	33	71	752	289	24	32	-25%
		2022	10	6.8	41	70	739	259	20	25	-20%
	6.5	2025	25	7.3	10	78	729	293	28	36	-22%
		2024	26	7.5	22	76	742	287	35	43	-20%
		2023	29	7.4	32	72	744	278	33	41	-18%

Source: eMBS, Goldman Sachs Global Investment Research

High coupon Ginnie Mae prepayments decreased month-on-month

Exhibit 48: Prepayments for high coupon Ginnie Mae loans decreased in April vs. March

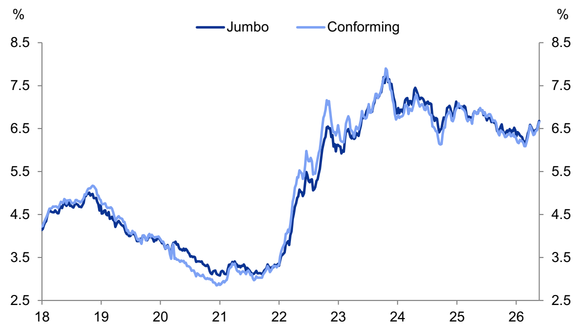
GNM II 30-year MBS prepayments by coupon and vintage

Product	Coupon	Vintage	Bal ($B)	WAC	WALA	CLTV	FICO	ALS ($K)	CDR	VCPR	Apr CPR	Mar CPR	% Chg
		2022	27	2.5	50	68	725	302	1	6	7	6	18%
	2.0	2021	200	2.4	58	60	727	264	0	6	6	6	4%
		2020	62	2.4	65	53	741	263	0	6	6	6	3%
		2022	35	3.0	50	70	697	244	1	6	7	7	6%
	2.5	2021	162	2.9	57	65	689	250	1	6	7	6	8%
		2020	96	2.9	68	54	712	236	0	6	7	6	8%
		2022	33	3.5	49	74	692	265	2	7	8	8	7%
		2021	40	3.4	56	67	661	237	2	6	8	7	4%
		2020	44	3.5	72	54	686	203	1	7	8	7	14%
	3.0	2019	20	3.5	79	51	706	202	0	7	7	6	17%
		2017	11	3.5	107	43	710	152	1	7	7	6	16%
		2016	28	3.4	116	40	706	149	0	6	7	6	11%
		2013	14	3.3	156	30	718	115	0	6	6	6	8%
		2022	31	4.0	47	76	690	275	2	7	8	8	7%
		2020	10	3.9	71	55	649	180	2	6	8	8	1%
		2019	17	4.0	81	52	675	187	1	7	8	8	1%
	3.5	2017	24	3.9	105	44	695	156	0	7	7	6	22%
		2016	17	3.9	118	40	676	135	1	7	7	7	4%
		2015	18	3.9	129	38	690	128	1	6	7	7	3%
		2022	48	4.5	45	79	699	304	2	7	9	9	9%
GNM II	4.0	2019	10	4.5	84	51	656	168	2	7	8	8	2%
		2018	11	4.5	94	49	688	158	1	7	8	7	14%
		2026	12	5.1	2	92	727	400	0	1	1	2	-42%
	4.5	2025	23	5.0	8	93	718	377	0	2	2	2	-3%
		2024	30	5.0	19	91	717	364	1	5	7	6	5%
		2023	18	5.0	34	84	711	330	2	7	9	8	10%
		2026	38	5.6	2	93	727	429	0	2	2	2	-1%
	5.0	2025	66	5.6	8	91	724	407	1	6	7	9	-27%
		2024	55	5.6	20	89	717	378	3	10	12	15	-20%
		2026	17	6.0	2	93	703	385	0	3	3	2	6%
	5.5	2025	87	6.0	9	91	720	401	1	26	27	35	-23%
		2024	67	6.1	21	89	711	365	3	22	25	33	
		2023	46	6.1	34	83	701	337	4	18	21	25	-14%
	6.0	2025	48	6.5	9	92	698	361	3	50	52	58	-10%
		2024	36	6.6	22	89	701	344	5	30	34	42	-19%
		2025	13	6.9	10	91	657	306	6	59	62	62	-1%
	6.5	2024	12	7.0	22	89	674	309	10	33	40	43	-8%
		2023	14	7.0	32	85	676	310	10	28	35	38	-7%

Source: eMBS, Goldman Sachs Global Investment Research

About 20% of mortgage borrowers are in-the-money for refinancing

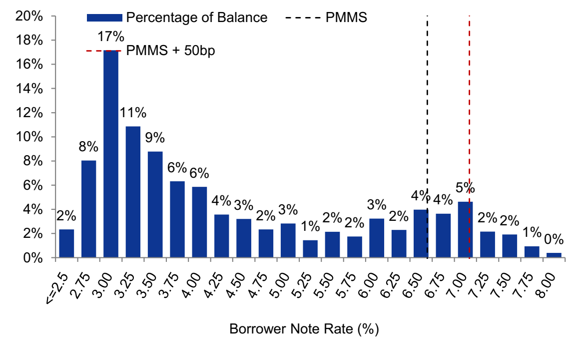
Exhibit 49: Jumbo vs. conforming mortgage rates



Source: MBA, Goldman Sachs Global Investment Research

Exhibit 50: About 86% of outstanding mortgages have interest rates below PMMS

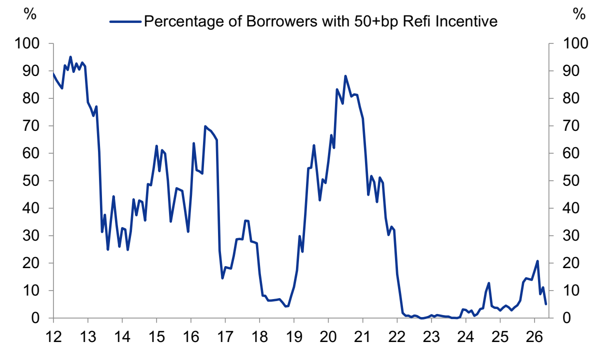
Distribution of outstanding 30-year conventional mortgage borrower interest rates



Source: eMBS, Goldman Sachs Global Investment Research

Exhibit 51: 5% of mortgage borrowers are in-the-money for refinancing

Percentage of outstanding 30-year conventional mortgages with at least a 50bp incentive to refinance



Source: eMBS, Goldman Sachs Global Investment Research

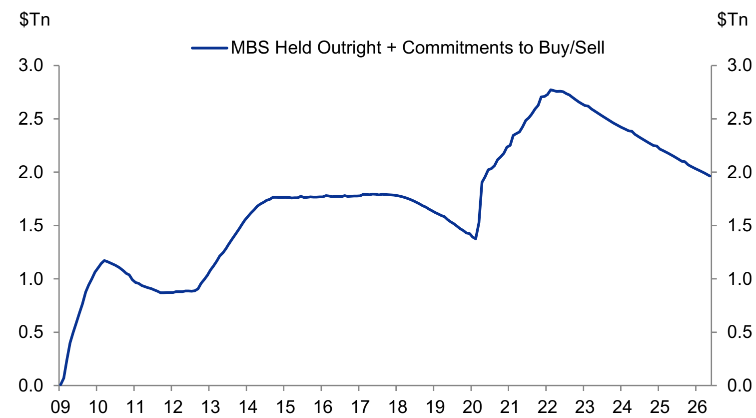
The Federal Reserve's agency MBS assets remain below $2.1 trillion

Exhibit 52: US Treasury yields

Source: Goldman Sachs Global Investment Research

Exhibit 53: Federal Reserve holdings of agency MBS have run off

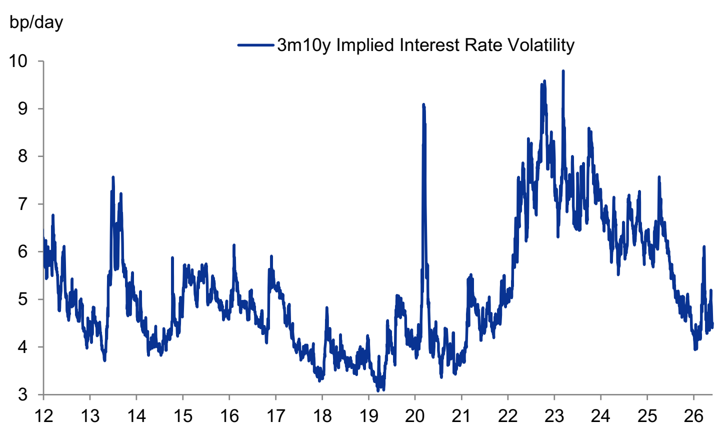
Federal Reserve holdings plus commitments to buy agency MBS



Source: Federal Reserve, Goldman Sachs Global Investment Research

Exhibit 54: Interest rate volatility has shifted up in the last year

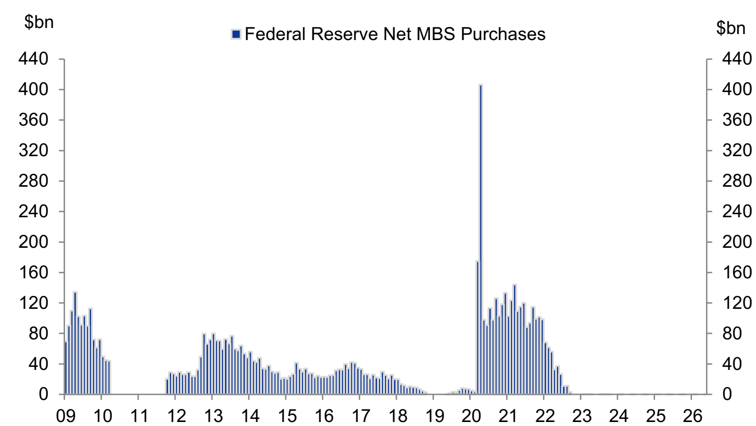
Implied interest rate volatility



Source: Goldman Sachs Global Investment Research

Exhibit 55: The Federal Reserve did not make MBS purchases in May

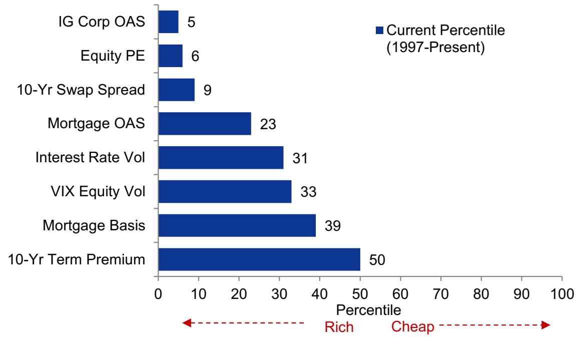
Federal Reserve gross monthly MBS purchase volumes



Source: Federal Reserve, Goldman Sachs Global Investment Research

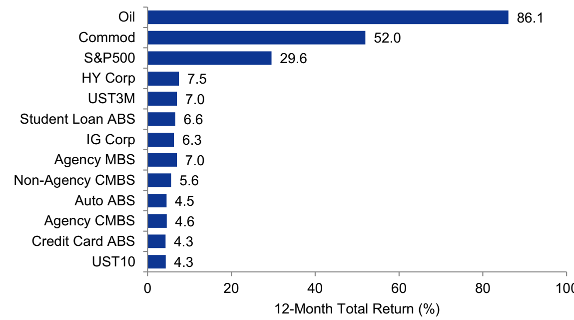
Agency MBS valuations have improved recently

Exhibit 56: The current coupon mortgage basis is in the 39th percentile of its 1997 - 2023 range
Current valuation percentiles vs. 1997–present distribution (0th percentile=rich, 100th percentile=cheap)



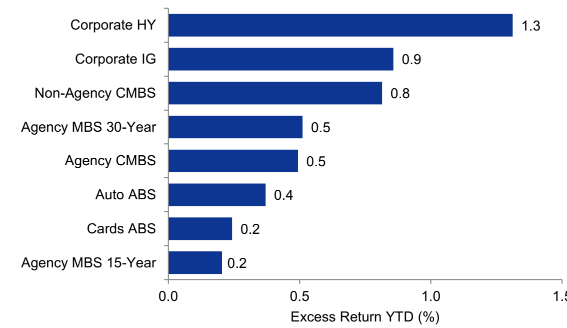
Source: Haver Analytics, Yield Book, Goldman Sachs Global Investment Research

Exhibit 57: Agency MBS has returned +7.0% over the past 12 months vs. +6.3% for IG corporate bonds
12-month lagging total return



Source: Bloomberg, Haver Analytics, Goldman Sachs Global Investment Research

Exhibit 58: 15-year agency MBS have delivered positive excess return in 2026
Excess returns year to date



Source: Bloomberg, Goldman Sachs Global Investment Research

CMBS delinquency rates remain contained despite challenging CRE fundamentals

Exhibit 59: Only 14% of 2025 conduit CMBS loans are collateralized by office properties, the lowest mark in over a decade
Conduit CMBS origination breakdown and performance by vintage

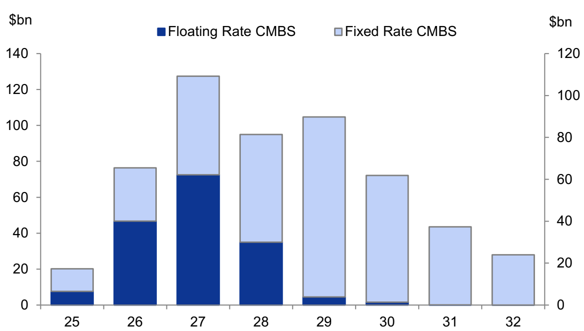
Vintage	Balance ($Bn)	Apartment %	Lodging %	Retail %	Office %	CA %	NY %	TX %	FL %	IO %	DQ/FCL/REO %
2014	7	1	4	23	57	12	24	8	3	94	62
2015	9	2	9	24	53	8	26	7	1	93	56
2016	22	5	12	32	31	13	15	6	4	74	23
2017	38	6	13	23	34	19	19	6	4	79	9
2018	34	10	14	26	28	17	12	5	8	80	11
2019	45	14	11	19	32	20	16	7	5	85	8
2020	28	16	9	13	35	18	26	6	4	89	6
2021	32	20	3	17	30	17	21	7	6	84	4
2022	24	15	6	18	31	13	17	6	7	88	4
2023	21	13	11	28	17	13	12	7	5	90	7
2024	34	24	11	24	14	13	19	8	6	91	4
2025	36	27	12	17	14	14	25	7	4	86	3

Source: Trepp, Goldman Sachs Global Investment Research

High CMBS note rates will be an obstacle to debt refinancing

Exhibit 60: Large CMBS loan maturities are hitting in 2026

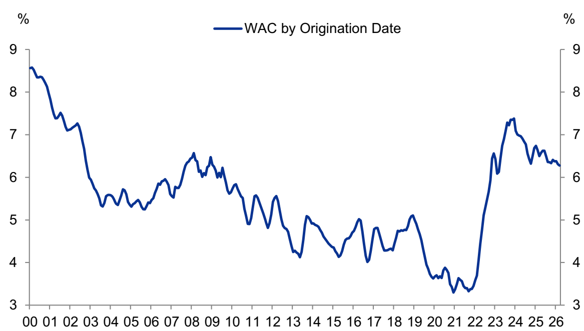
Remaining CMBS loan maturities by maturity date



Source: Trepp, Goldman Sachs Global Investment Research

Exhibit 61: Recent CMBS loan originations have an average note rate of 6.3%

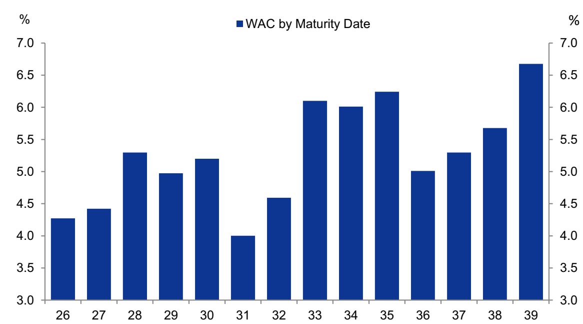
Conduit CMBS weighted average coupon by origination date



Source: Trepp, Goldman Sachs Global Investment Research

Exhibit 62: Loans maturing in 2026 have an average note rate of 4.3%

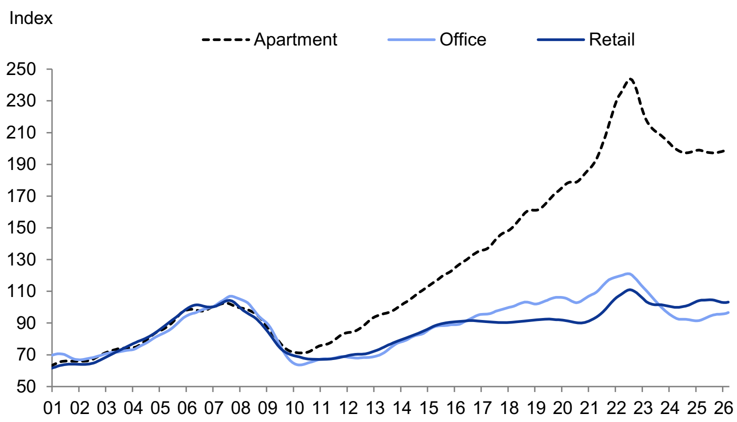
Conduit CMBS weighted average coupon by maturity date



Source: Trepp, Goldman Sachs Global Investment Research

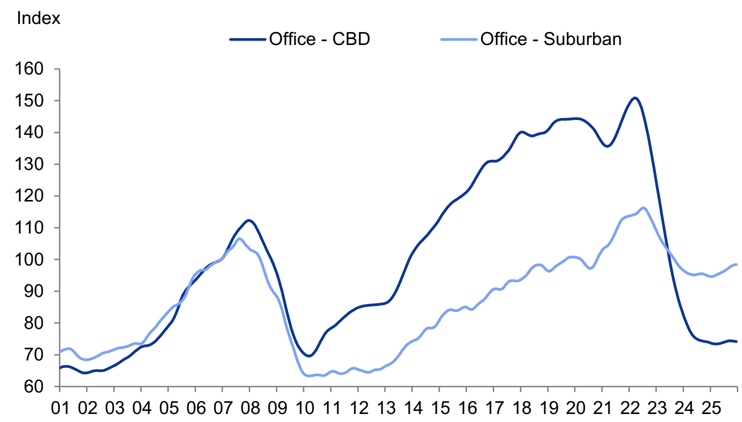
Apartment property prices have declined

Exhibit 63: Office and Retail prices are down year to date
Commercial property price indices by property type



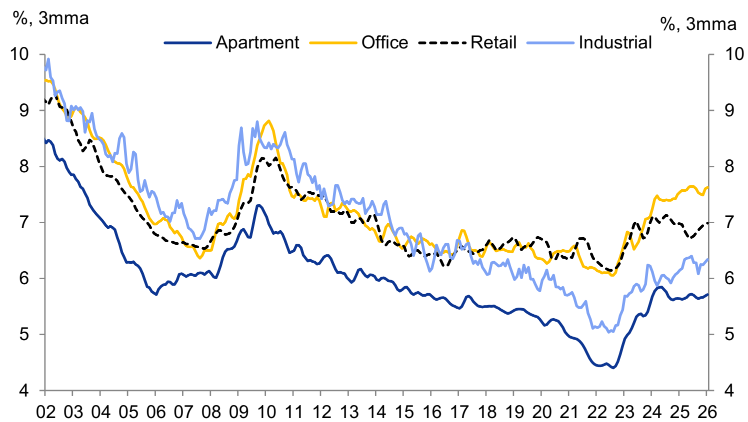
Source: RCA, Goldman Sachs Global Investment Research

Exhibit 64: CBD office prices have declined to post-GFC prices
Office commercial property price indices



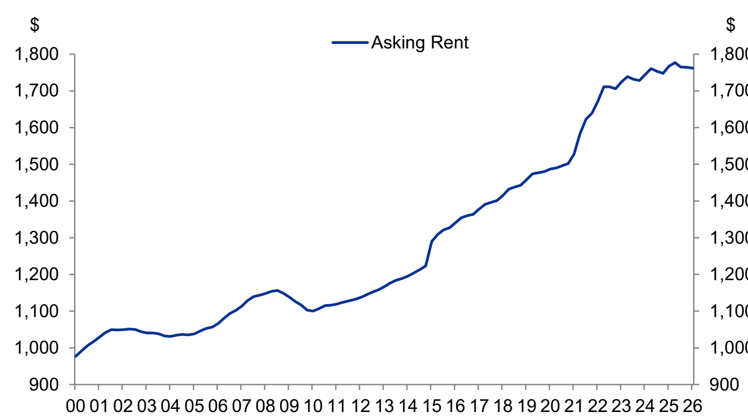
Source: RCA, Goldman Sachs Global Investment Research

Exhibit 65: Office cap rates have widened over the past six months
US commercial property cap rates



Source: RCA, Goldman Sachs Global Investment Research

Exhibit 66: US apartment asking rents are at historical highs
Apartment asking rent index

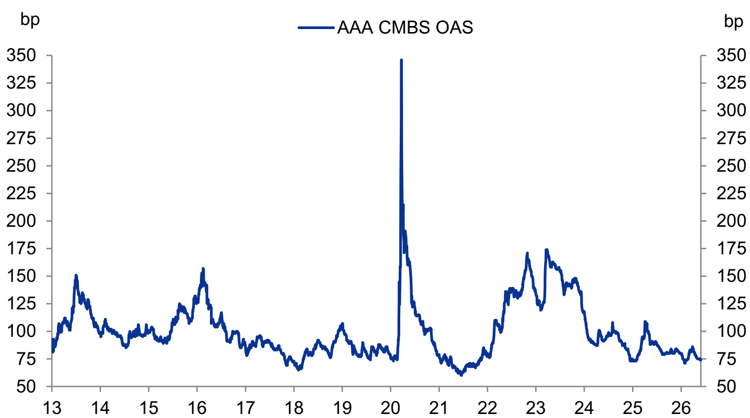


Source: CoStar, Goldman Sachs Global Investment Research

CMBS spreads have tightened

Exhibit 67: AAA CMBS spreads have tightened over the past month

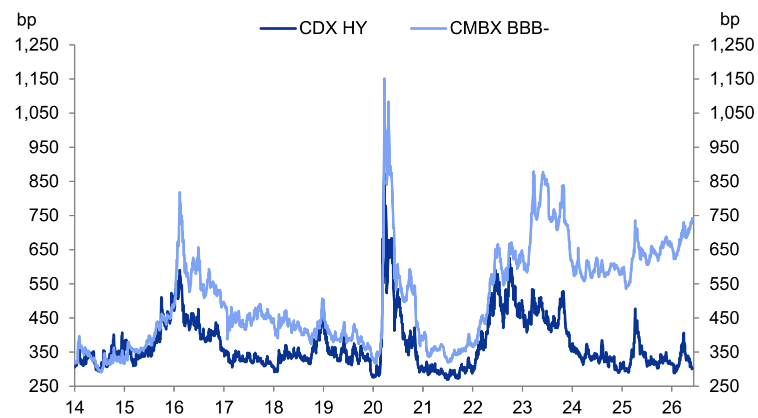
AAA conduit CMBS spreads



Source: Bloomberg, Goldman Sachs Global Investment Research

Exhibit 68: The spread between CMBX BBB- and CDX HY have widened

On-the-run CMBX BBB- vs. CDX HY spreads



Source: Markit, Goldman Sachs Global Investment Research

Disclosure Appendix

Reg AC

We, Arun Manohar, Ben Shumway and Neth Karunamuni, hereby certify that all of the views expressed in this report accurately reflect our personal views, which have not been influenced by considerations of the firm's business or client relationships.

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