

# Glossary



**ACUFactor Market Rating**

United Guaranty's patent-pending ACUFactor Market Rating is a forecasting model that displays the estimated economic risk associated with a particular CBSA.

The model presents charts, trends, rankings, and relative analyses of economic sectors within the CBSA and includes national CBSA rankings and individual trends along four economic sectors: home prices, economy, population stability, and delinquency rates.

**ACUFactor Score**

The ACUFactor score rates a metro area on a scale from 1 to 10, where 1 is the lowest indication of future decline and 10 is the highest. The ACUFactor score is the relative rank of each CBSA compared to all others ranked by the analysis. The ACUFactor score – which allows a relative comparison of a single CBSA or region of the country to general U.S. scores – enables analysts to distinguish which real estate markets may be best for product introduction.

**Annual Change**

The current value divided by the value four quarters prior.

**Economy Sector**

May include, but is not limited to, diversity indices, interest rates, income, and unemployment rates.

**Mortgage Delinquency Sector**

The components of this economic sector may include, but are not limited to, the ratio of loans reported 60 days past due to all loans serviced, not seasonally adjusted.

**Home Price Change**

Conventional and conforming home price index change over the course of four quarters, as reported by the Office of Federal Housing Enterprise Oversight (OFHEO).

**Home Price Sector**

The components of this sector may include, but are not limited to, home price index, annual home price appreciation, and four-year home price appreciation.

**Income**

Earnings received by households from employment (including self-employment), investments, and transfer payments.

**Positive/Negative  
(ACUFactor score)**

**Positive** Indicates that the ACUFactor score has improved since the previous quarter, thus a lower indication of future economic risk. For example, a score that goes from a 7 to 5 would be listed as "5 Positive."

**Negative** Indicates that the ACUFactor score has declined since the previous quarter, thus a higher indication of future economic risk. For example, a score that goes from a 1 to a 4 would be listed as "4 Negative."

**Risk Grades**

Risk grades appear in the State Risk Grades page, the state map, and the tables of ACUFactor scores (by state, by CBSA, by score, and by home prices score) that follow. Risk grades, which are low, relatively low, neutral, relatively high, and high, indicate economic risk, where "Low" indicates a low probability of economic decline, and "High" indicates a high probability of economic decline.

**Sector/Segment**

A distinct part or segment of an economy. Four sector ratings in the ACUFactor model reflect the underlying strengths and weaknesses in a CBSA that drive the resulting ACUFactor score. The ACUFactor score is derived from how each sector is performing and how the total market ranks against all other CBSAs.

**Stability Sector**

The components of this sector may include, but are not limited to, total population patterns, migration rates, and age demographics.