



OFFICE OF HOUSING

# OFFICE OF ASSET SALES

OFFICE OF FINANCE AND BUDGET

## **Report to the Commissioner on Post Sale Report March 2025 Report**

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**HUD-HELD VACANT AND NON VACANT LOAN SALES FOR  
HOME EQUITY CONVERSION MORTGAGES**

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**Department of Housing and Urban Development  
Federal Housing Administration**

## BACKGROUND

HUD-held Vacant Loan Sales (HVLS) for home equity conversion mortgages (HECMs) were introduced in 2016. These sales maximize recoveries to the Federal Housing Administration (FHA) insurance fund on behalf of taxpayers through competitive auctions. HVLS transactions are comprised of a portfolio of defaulted, formerly FHA-insured, single-family reverse mortgage loans owned by HUD. The loans are first liens secured by 1 to 4 unit, residential properties with the following attributes:

- ❖ The last surviving borrower is deceased;
- ❖ No borrower is survived by a non-borrowing spouse;
- ❖ The property securing the mortgage loan is vacant; and
- ❖ The heirs of the estate have not paid off the debt.

The HVLS sold loans were assigned to HUD from prior servicers, who are able to assign the loans to HUD when the loan balance reaches 98% of Maximum Claim Amount (MCA). MCA is equal to the lesser of the loan's appraised value or the maximum FHA lending limit at origination. HUD takes over servicing when the loans are assigned.

HUD can foreclose on these vacant properties but that is usually lengthy and costly to the U.S. taxpayers. Selling these defaulted mortgages through a competitive auction generates savings for FHA by avoiding holding, foreclosure, and sales expenses that would be incurred with a disposition through the REO conveyance program.

In December 2024, HUD introduced HUD-held Non Vacant Loan Sales (HNVLS), which have the same attributes as the HVLS sales with the exception that the underlying collateralized properties were reported to be occupied.

The HVLS and HNVLS portfolios are summarized below. This report includes post-sale reporting data due 12/15/2024, on twelve HVLS transactions, HVLS 2017-1 through HVLS 2024-2.

Per sale requirements, Purchasers must ensure that the loans are serviced in accordance with the Conveyance, Assignment and Assumption Agreement (CAA) and all applicable state and federal laws and regulations.

The information contained herein is based upon data reported by Purchasers.

### EXHIBIT 1: THE HVLS/HNVLS PORTFOLIO

Sale Name	Sale Date	Settled Loan Count	Updated Loan Balance/LB(MM)	Count with Repurchases	Count without Repurchases	Number of Pools
HVLS 2017-1	11/30/2016	1,644	\$333.4	77	1,567	5
HVLS 2017-2	6/21/2017	864	\$171.7	59	805	5
HVLS 2018-1	4/11/2018	566	\$120.2	55	511	4
HVLS 2019-1	12/12/2018	964	\$201.4	44	920	8
HVLS 2019-2	7/24/2019	1,473	\$329.5	98	1,375	10
HVLS 2020-1	6/24/2020	638	\$146.6	11	627	10
HVLS 2022-1	12/1/2021	1,605	\$398.6	18	1,587	17
HVLS 2022-2 Part 1	6/8/2022	699	\$190.9	12	687	7
HVLS 2022-2 Part 2	7/27/2022	682	\$139.5	14	668	13
HVLS 2023-1	5/23/2023	1,145	\$301.1	21	1,124	14
HVLS 2024-1	12/5/2023	1,488	\$372.6	23	1,465	13
HVLS 2024-2	5/7/2024	1,186	\$326.1	6	1,180	14
HVLS 2025-1	10/16/2024	2,610	\$726.3	0	2,610	22
HNVLS 2025-1	12/11/2024	758	\$310.9	0	758	11
<b>HVLS Total</b>		<b>16,322</b>	<b>\$4,068.7</b>	<b>438</b>	<b>15,884</b>	<b>153</b>

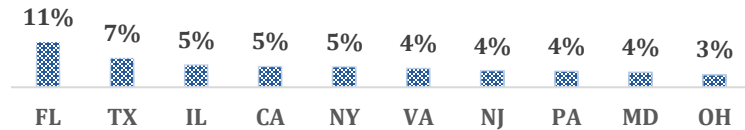
The table above includes settled loans only, including 438 loans that are shown as Repurchased by the Purchasers. Post-sale reporting is not yet due for HVLS 2025-1 and HNVLS 2025-1 and therefore is not reflected in Exhibit 3 and Exhibit 4.

## PROGRAM HIGHLIGHTS

- ❖ HVLS 2019-1, HVLS 2019-2 and HVLS 2020-1 featured carve-out pools which allowed nonprofits to self-select up to 10% of loans from the larger Regional pools offered for sale to all qualified bidders.
- ❖ In HVLS 2022-1, following a directive to increase supply to owner-occupants and mission-driven entities, the percentage of loans nonprofits could self-select was increased to 50% of the loans from the Regional pools offered for sale. Nonprofit organizations successfully won 50% of the notes eligible for carve-out bidding from each Regional pool.
- ❖ In HVLS 2022-2 bids were submitted for the first time on an individual loan basis for all the loans offered for sale in order to maximize recoveries.
  - For Part 1, loans were only offered to qualified nonprofit bidders up to 50% of the loan count.
  - For Part 2, remaining loans not awarded to nonprofits were offered to all qualified bidders.
- ❖ Starting in HVLS 2023-1 bids were submitted on an individual loan basis for all the loans offered for sale.
  - Nonprofits with a housing mission (Priority Bidders) were offered priority award up to 50% of the loan count.
  - Remaining loans were awarded to all qualified bidders.
- ❖ From time to time, HUD has also created set-aside pools offered only to nonprofit/local government bidders. These set-aside pools are a pre-defined set of loans within a larger pool offered for sale to all qualified investors.
- ❖ On December 11, 2024, HUD offered the first non vacant HECM sale, HNVLS 2025-1. Loans included in HNVLS 2025-1 are secured by properties that are occupied and where the borrowers are deceased and no borrower is survived by a non-borrower spouse.

## GEOGRAPHIC DISTRIBUTION

### Top 10 States for HVLS/HNVLS Properties



The HVLS and HNVLS loans sold were secured by properties in all 50 states, the District of Columbia and Puerto Rico. Approximately 52% of the loans sold were from the top 10 states.

HUD's pooling strategies have helped increase the volume of loans sold to nonprofits:

- Prior to 2019, the total loans sold to nonprofits was 4%.
- For HVLS 2019-1 and 2019-2, a total of 19% of the loans were sold to nonprofits.
- For HVLS 2020-1 and 2022-1, 26% and 50%, respectively, of the loans were sold to nonprofits.
- In HVLS 2022-2 Parts 1 and 2 combined, approximately 63% of the loans offered were sold to nonprofits.
- In HVLS 2023-1 and HVLS 2024-1, 41% and 34% of the loans offered were sold to Priority Bidders.
- In HVLS 2025-1 and HNVLS 2025-1, 53% and 23% of the loans offered were sold to Priority Bidders.

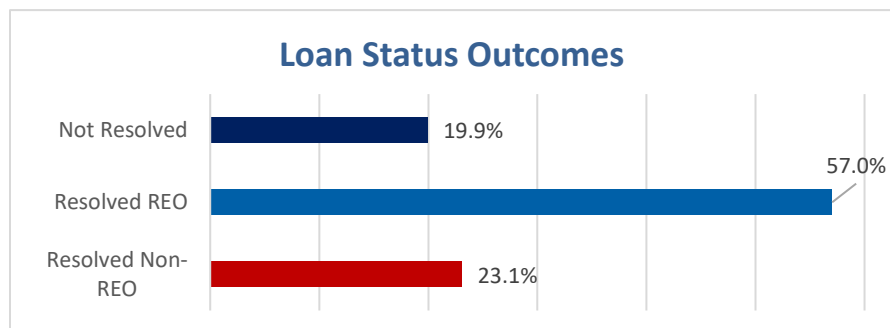
Nonprofits have purchased 33% of the total HVLS loans sold since the inception of the program. (Note the data above reflects loan counts at settlement including Repurchases).

## EXHIBIT 2: THE HVLS/HNVLS PURCHASERS

Purchaser	Settled Loan Count	% of Loan Count	Updated Loan Balance (MM)	Count with Repurchases	Count without Repurchases
GITSIT Solutions, LLC (Formerly known as Kondaur)	3,588	22.0%	\$ 796.7	46	3,542
Rushmore Loan Management Services LLC/Roosevelt	2,613	16.0%	\$ 558.6	198	2,415
VWH Capital Management, LP/ VRMTG ACQ, LLC	1,008	6.2%	\$ 207.1	64	944
Hogar Hispano, Inc. (Non-Profit)	818	5.0%	\$ 187.0	5	813
Headlands Foundation (Non-Profit)	740	4.5%	\$ 235.7	0	740
Home Preservation Partnership, LLC (Non-Profit)	724	4.4%	\$ 227.1	16	708
Waterfall Victoria Master Fund Ltd	701	4.3%	\$ 188.0	2	699
Seattle Bank	620	3.8%	\$ 145.4	25	595
RMH 2023-1 LLC (Non-Profit)	556	3.4%	\$ 178.1	7	549
The Corona Group	543	3.3%	\$ 125.5	44	499
Upland Mortgage Acquisition LLC	503	3.1%	\$ 102.6	9	494
LLACG Community Investment Fund	438	2.7%	\$ 114.7	0	438
Artimus V, LLC ( Non-Profit)	357	2.2%	\$ 62.4	0	357
Anders Capital Group	308	1.9%	\$ 79.1	0	308
Western Run Capital Management (Non-Profit)	244	1.5%	\$ 61.7	3	241
American Built Communities, Inc (Non-Profit)	200	1.2%	\$ 61.3	0	200
Springboard CDFI (Non-Profit)	184	1.1%	\$ 59.0	0	184
Housing Opportunities, Mortgage Assistance & Effective Neighborhood Solutions, Inc. (Non-Profit)	170	1.0%	\$ 78.3	3	167
Hogar Hispano-1, Inc. (Non-Profit)	169	1.0%	\$ 37.4	3	166
RM ACQ, LLC (Non-Profit)	165	1.0%	\$ 37.1	5	160
Bayview Asset Management	162	1.0%	\$ 25.1	1	161
Restora LLC (Non-Profit)	155	0.9%	\$ 40.1	0	155
American Built Communities, Inc. DBA American Built Communities, Inc. – West ( Non-Profit)	140	0.9%	\$ 36.9	0	140
LB-Flat Series VI Trust	138	0.8%	\$ 72.5	0	138
RCAF Loan Acquisition, LP	118	0.7%	\$ 40.3	0	118
Restoration III Trust (Non Profit)	108	0.7%	\$ 57.1	0	108
CAG National Fund II LLC (Non-Profit)	101	0.6%	\$ 27.3	2	99
SafeGuard Credit Counseling Services Inc.(Non-Profit)	99	0.6%	\$ 40.4	0	99
HECMResi 2023-1 LLC (Non-Profit)	62	0.4%	\$ 17.9	1	61
SafeGuard Misty Realty Group LLC (Non-Profit)	44	0.3%	\$ 15.1	0	44
Beltway Capital, LLC	39	0.2%	\$ 13.8	0	39
Residential Credit Opportunities Trust IX-A by American Mortgage Investment Partners Management, LLC as Administrator	39	0.2%	\$ 17.2	0	39

Purchaser	Settled Loan Count	% of Loan Count	Updated Loan Balance (MM)	Count with Repurchases	Count without Repurchases
Siwell Inc	36	0.2%	\$ 22.5	0	36
The Oguniola Foundation, Inc (Non-Profit)	34	0.2%	\$ 8.7	1	33
Southside NSP 2018-1 REO LLC (Non-Profit)	34	0.2%	\$ 4.9	0	34
AAMG FC Properties, LLC	32	0.2%	\$ 5.5	0	32
American Built Communities, Inc. DBA ABC-EAST (Non-Profit)	30	0.2%	\$ 4.4	0	30
NCP SSNS I LLC (Non-Profit)	29	0.2%	\$ 8.3	0	29
American Built Communities, Inc - North (Non Profit)	25	0.2%	\$ 3.0	0	25
National Faith Homebuyers (Non-Profit)	24	0.1%	\$ 5.4	1	23
Tikva 2024 LLC	23	0.1%	\$ 3.4	0	23
LL Funds Administrative Agent, LLC	22	0.1%	\$ 5.1	0	22
HHI Community Investment Fund (Non-Profit)	22	0.1%	\$ 6.3	1	21
Residential Credit Opportunities Trust X-A by American Mortgage Investment Partners Management, LLC as Administrator	21	0.1%	\$ 7.9	0	21
WDRB VII, LLC (Non-Profit)	20	0.1%	\$ 8.2	0	20
RDMO SSNS I LLC (Non-Profit)	19	0.1%	\$ 4.2	0	19
Home Independence, LLC (Non-Profit)	19	0.1%	\$ 3.8	0	19
ARK (Non-Profit)	16	0.1%	\$ 2.6	0	16
Odessa Housing Finance Corporation (Non-Profit)	16	0.1%	\$ 6.5	0	16
In His Mercy, Inc. ( Non -Profit)	12	0.1%	\$ 2.2	0	12
Marigold, Iris and Yarrow Financial, LLC (Non-Profit)	10	0.1%	\$ 3.2	1	9
PCN 2023-1 LLC (Non-Profit)	7	0.0%	\$ 1.3	0	7
Propel Housing, Inc. (Non Profit)	6	0.0%	\$ 2.1	0	6
NAAC 2022-2 LLC (Non-Profit)	6	0.0%	\$ .9	0	6
Land Quest Enterprises, LLC (Non-Profit)	5	0.0%	\$ 1.9	0	5
<b>HVLS/HNVLS Total</b>	<b>16,322</b>	<b>100%</b>	<b>\$ 4,068.7</b>	<b>438</b>	<b>15,884</b>

## LOAN STATUS OUTCOMES SUMMARY



Where post-sale reporting has been received, 57% of the loans were resolved through foreclosure or deed in lieu becoming Purchaser held Real Estate Owned (REO), 23% of loans were resolved through non-REO outcomes and 20% of the loans have not yet been resolved. Since the borrowers are deceased, the primary resolution method for Purchasers is REO; with 53% obtained through foreclosure and 4% obtained through deed in lieu.

### EXHIBIT 3: LOAN STATUS OUTCOMES BY SALE

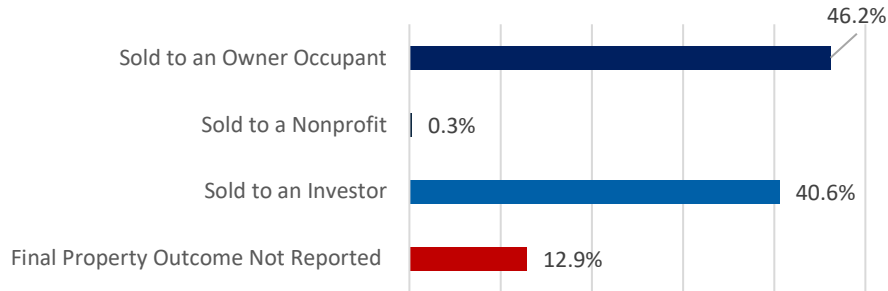
Category	Count					% of Loans Sold				
	2017-1	2017-2	2018-1	2019-1	2019-2	2017-1	2017-2	2018-1	2019-1	2019-2
<b>RESOLVED</b>										
<b>Resolved Non-REO</b>										
Paid-in-Full	59	29	4	6	14	3.8%	3.6%	0.8%	0.7%	1.0%
Short Payoff	0	1	2	12	4	0.0%	0.1%	0.4%	1.3%	0.3%
Short Sale	443	131	14	75	119	28.3%	16.3%	2.7%	8.2%	8.7%
Loans Sold at Foreclosure to a Third Party	0	40	162	15	144	0.0%	5.0%	31.7%	1.6%	10.5%
Charge-Offs	36	0	1	9	11	2.3%	0.0%	0.2%	1.0%	0.8%
<b>Total Resolved Non-REO</b>	<b>538</b>	<b>201</b>	<b>183</b>	<b>117</b>	<b>292</b>	<b>34.3%</b>	<b>25.0%</b>	<b>35.8%</b>	<b>12.7%</b>	<b>21.2%</b>
<b>Resolved REO</b>										
Foreclosure	1,003	586	266	721	964	64.0%	72.8%	52.1%	78.4%	70.1%
Deed in Lieu	0	11	28	63	32	0.0%	1.4%	5.5%	6.8%	2.3%
<b>Total Resolved REO</b>	<b>1,003</b>	<b>597</b>	<b>294</b>	<b>784</b>	<b>996</b>	<b>64.0%</b>	<b>74.2%</b>	<b>57.5%</b>	<b>85.2%</b>	<b>72.4%</b>
<b>Total Resolved</b>	<b>1,541</b>	<b>798</b>	<b>477</b>	<b>901</b>	<b>1,288</b>	<b>98.3%</b>	<b>99.1%</b>	<b>93.3%</b>	<b>97.9%</b>	<b>93.7%</b>
<b>NOT RESOLVED</b>										
<b>Total Not Resolved (In Delinquent Servicing)</b>	<b>26</b>	<b>7</b>	<b>34</b>	<b>19</b>	<b>87</b>	<b>1.7%</b>	<b>0.9%</b>	<b>6.7%</b>	<b>2.1%</b>	<b>6.3%</b>
<b>Number of Loans Sold</b>	<b>1,567</b>	<b>805</b>	<b>511</b>	<b>920</b>	<b>1,375</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Category	Count							% of Loans Sold						
	2020-1	2022-1	2022-2 Part 1	2022-2 Part 2	2023-1	2024-1	2024-2	2020-1	2022-1	2022-2 Part 1	2022-2 Part 2	2023-1	2024-1	2024-2
<b>RESOLVED</b>														
<b>Resolved Non-REO</b>														
Paid-in-Full	8	33	22	31	16	16	7	1.3%	2.1%	3.2%	4.6%	1.4%	1.1%	0.6%
Short Payoff	6	14	0	9	2	5	5	1.0%	0.9%	0.0%	1.3%	0.2%	0.3%	0.4%
Short Sale	39	140	12	79	69	79	17	6.2%	8.8%	1.7%	11.8%	6.1%	5.4%	1.4%
Loans Sold at Foreclosure to a Third Party	134	122	134	124	219	128	76	21.4%	7.7%	19.5%	18.6%	19.5%	8.7%	6.4%
Charge-Offs	0	9	0	0	0	0	0	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Resolved Non-REO</b>	<b>187</b>	<b>318</b>	<b>168</b>	<b>243</b>	<b>306</b>	<b>228</b>	<b>105</b>	<b>29.8%</b>	<b>20.0%</b>	<b>24.5%</b>	<b>36.4%</b>	<b>27.2%</b>	<b>15.6%</b>	<b>8.9%</b>
<b>Resolved REO</b>														
Foreclosure	277	937	442	237	501	469	214	44.2%	59.0%	64.3%	35.5%	44.6%	32.0%	18.1%
Deed in Lieu	72	77	23	38	90	78	9	11.5%	4.9%	3.3%	5.7%	8.0%	5.3%	0.8%
<b>Total Resolved REO</b>	<b>349</b>	<b>1,014</b>	<b>465</b>	<b>275</b>	<b>591</b>	<b>547</b>	<b>223</b>	<b>55.7%</b>	<b>63.9%</b>	<b>67.7%</b>	<b>41.2%</b>	<b>52.6%</b>	<b>37.3%</b>	<b>18.9%</b>
<b>Total Resolved</b>	<b>536</b>	<b>1,332</b>	<b>633</b>	<b>518</b>	<b>897</b>	<b>775</b>	<b>328</b>	<b>85.5%</b>	<b>83.9%</b>	<b>92.1%</b>	<b>77.5%</b>	<b>79.8%</b>	<b>52.9%</b>	<b>27.8%</b>
<b>NOT RESOLVED</b>														
<b>Total Not Resolved (In Delinquent Servicing)</b>	<b>91</b>	<b>255</b>	<b>54</b>	<b>150</b>	<b>227</b>	<b>690</b>	<b>852</b>	<b>14.5%</b>	<b>16.1%</b>	<b>7.9%</b>	<b>22.5%</b>	<b>20.2%</b>	<b>47.1%</b>	<b>72.2%</b>
<b>Number of Loans Sold</b>	<b>627</b>	<b>1,587</b>	<b>687</b>	<b>668</b>	<b>1,124</b>	<b>1,465</b>	<b>1,180</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>



## REO PROPERTY OUTCOMES SUMMARY

### REO PROPERTY OUTCOME



For loans that enter a Purchaser's REO inventory through foreclosure or deed in lieu and are sold, Purchasers are required to report on the Property Outcome. The Property Outcome identifies the new owner of the property. Out of the 6,055 properties in the REO sold inventory, 46.2% were sold to Owner Occupants, .3% were sold to Nonprofits, 40.6% were sold to Investors, and 12.9% have Property Outcome Unknown.

### EXHIBIT 4: REO PROPERTY OUTCOMES BY SALE

	2017-1	2017-2	2018-1	2019-1	2019-2	2020-1	2022-1	2022-2 Part 1	2022-2 Part 2	2023-1	2024-1	2024-2	Total	Percentage Total
<b>REO PROPERTY OUTCOMES</b>														
Sold to an Owner Occupant	594	202	66	244	418	110	431	212	157	234	117	11	2,796	46.2%
Sold to a Nonprofit	1	2	0	0	1	0	10	4	1	0	0	0	19	0.3%
Sold to a Unit of Local Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Gifted to Land Bank, ULG or Nonprofit	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Gift	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Sold to an Investor	378	244	53	405	351	119	518	150	64	122	51	4	2,459	40.6%
Property Outcome Unknown	18	145	172	128	211	104	0	2	1	0	0	0	781	12.9%
<b>Total REO Property Outcomes</b>	<b>991</b>	<b>593</b>	<b>291</b>	<b>777</b>	<b>981</b>	<b>333</b>	<b>959</b>	<b>368</b>	<b>223</b>	<b>356</b>	<b>168</b>	<b>15</b>	<b>6,055</b>	<b>100.0%</b>

### Exhibit 5: Glossary of Terms

Term	Definition
<b>Paid-in-Full</b>	The full amount of the debt is paid to the Purchaser. This includes a pay off at foreclosure sale when a third party bids more for the property than the amount of the outstanding debt or when the estate elects to pay off the debt to preserve the property.
<b>Short Payoff</b>	A portion of the remaining principal balance is paid off, the remainder of which is written off by the Purchaser.
<b>Short Sale</b>	The underlying property is sold to a third party, allowing foreclosure proceedings to be avoided.
<b>Loans Sold at Foreclosure to a Third Party</b>	Purchaser at foreclosure auction was a third party.
<b>Charge-Offs</b>	The Purchaser has written off the mortgage as uncollectible or bad debt.
<b>Foreclosure</b>	The servicer undergoes legal proceedings to take control of the property which serves as security for the mortgage. This includes instances where the property is sold at the foreclosure sale.
<b>Deed in Lieu</b>	The property is willingly conveyed to the new servicer in lieu of undergoing foreclosure proceedings.
<b>Total Not Resolved (In Delinquent Servicing)</b>	Loans that the Purchaser continues to actively service.
<b>Sold to an Owner Occupant</b>	Sold to Owner Occupant
<b>Sold to a Nonprofit</b>	Sold to a Nonprofit Organization
<b>Sold to a Unit of Local Government</b>	Sold to a unit of federal, state, or local government agency
<b>Gifted to Land Bank, ULG or Nonprofit</b>	Property was gifted to Land Bank or unit of federal, state, or local government.
<b>Gift</b>	Property was gifted to another entity.
<b>Sold to an Investor</b>	Sold to a third party that is neither a non-owner occupant, nonprofit organization, nor unit of federal, state or local government.

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## HVLS/HNVLS LIBRARY APPENDICES

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The HVLS/HNVLS Library Appendices, dated March 2025, has been prepared as a separate series of data tables that accompany this Report. The HVLS/HNVLS Library Appendices contain sale and pool level data on each HVLS/HNVLS transaction where available. It includes data on status outcomes, Purchasers and geographic information on the loans sold in each transaction. The HVLS/HNVLS Library Appendices are attached as a separate document.