FHA COMMERCIAL MORTGAGE PORTFOLIO

Office of Risk Management and Regulatory Affairs

APRIL 2018

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FHA

HOMEOWNERSHIP

Table of Contents

Table of Figures

Table 1. FHA Multifamily Apartments Insured Portfolio, Transitions within Portfolio		
Insured Portfolio	Number of Loans	Loan Balance ($ millions)
Insurance in Force (Beginning)	11,422	89,363.5
Terminations	(68)	(506.7)
Claims	(1)	(6.2)
Regular Claim	0	0.0
Mark to Market	(1)	(6.2)
Partial Payment Claim	0	0.0
Maturity	(1)	0.0
Prepayment	(44)	(294.7)
Refinanced with FHA Loans	(22)	(205.8)
New Endorsements	116	2,082.1
New Business	40	968.8
221(d)(3)[a]	0	0.0
221(d)(4)[b]	34	910.2
223(a)(7)[c]	0	0.0
241[e]	1	17.9
542(b) New Construction[f]	0	0.0
542(c) New Construction[g]	5	40.7
223(d)[h]	0	0.0
Other Rental[i]	0	0.0
Refinance	76	1,113.3
223(a)(7)[c]	10	112.3
223(f)[d]	64	982.0
241[e]	0	0.0
542(b) Refinance[f]	0	0.0
542(c) Refinance[g]	2	19.0
223(d)[h]	0	0.0
Amortization / Principal Reduction	na	(118.9)
Insurance in Force (Ending)	11,470	90,819.9
Defaults		
60+ Day Defaults (Beginning)	10	76.6
No Longer in Default	(1)	(0.3)
Reinstated	(1)	(0.3)
Default to Delinquent	0	0.0
Terminated Defaults	0	0.0
Continuing Defaults	9	77.0
New 60+ Day Defaults	3	56.1
Amortization / Principal Reduction	na	0.7
60+ Day Defaults (Ending)	12	133.1

na = not applicable.

NOTE: Data are for Apr 3–May 3, 2018.

[a] Section 221(d)(3): Insures mortgage loans in order to facilitate the new construction or rehabilitation of multi-family rental, cooperative housing, or single-room occupancy facilities (SROs) for moderate-income households, the elderly, and people with disabilities for up to 100 percent of replacement costs for public, nonprofit, and cooperative mortgagors.

[b] Section 221(d)(4): Insures mortgage loans in order to facilitate the new construction or rehabilitation of multi-family rental, cooperative housing, or single-room occupancy facilities (SROs) for moderate-income households, the elderly, and people with disabilities for up to 90 percent of replacement costs irrespective of the type of mortgagor.

[c] Section 223(a)(7): Permits refinancing of an existing loan to reduce interest rate and/or extend amortization period in order to reduce risk of default.

[d] Section 223(f): Insures mortgage loans to facilitate the purchase or refinancing of existing multifamily rental housing.

[e] Section 241: Insures mortgage loans to finance repairs, additions, and improvements to multifamily rental housing with FHA-insured first mortgages or HUD-held mortgages.

[f] Section 542(b): Authorizes HUD to enter into reinsurance agreements with Fannie Mae, Freddie Mac, qualified financial institutions (QFIs), and the Federal Housing Finance Board.

[g] Section 542(c): Enables HUD to carry out a program in conjunction with qualified state and local housing finance agencies (HFAs) to provide federal credit enhancement for loans for affordable multifamily housing through a system of risk-sharing agreements.

[h] Section 223(d): Insures two-year operating loss loans that cover operating losses during the first 2 years after completion (or any other 2-year period within the first 10 years after completion) of multifamily projects with a HUD-insured first mortgage.

[i] Other Rental: Mortgage loan insurance for Mobile Home Courts (Section 207), Management Cooperative (Section 213), Consumer Cooperative (Section 213(i)), Urban Renewal Housing (Section 220), and Elderly Housing (Section 231).

SOURCE: U.S. Department of HUD/FHA, May 2018.

Figure 1: FHA Multifamily Apartments Insurance-in-Force and Count, Last 2 Years
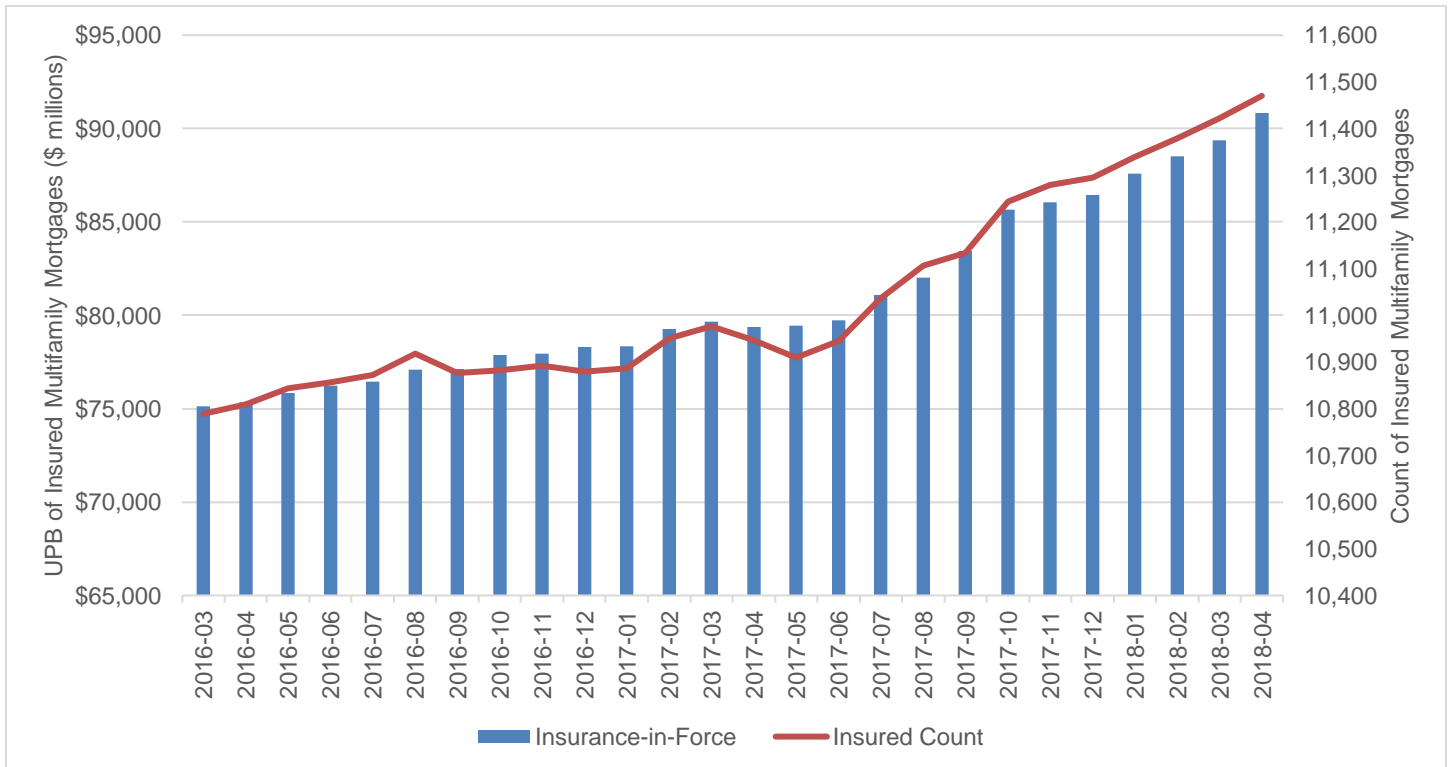
Unpaid Principal Balance (UPB) is the current outstanding principal balance due on the mortgage.

SOURCE: U.S. Department of HUD/FHA, May 2018.

Table 2. FHA Multifamily Apartments Pipeline Summary										
	Apr 2018		Apr 2017		FY 2018 to Date		FY 2017 to Date		FY 2017 Final	
	Number of Loans	Loan Balance ($ millions)	Number of Loans	Loan Balance ($ millions)	Number of Loans	Loan Balance ($ millions)	Number of Loans	Loan Balance ($ millions)	Number of Loans	Loan Balance ($ millions)
Applications	107	1,622.6	114	1,996.5	759	14,232.3	788	13,482.4	1,435	25,116.2
221(d)(3)[a], 223(d)[b], 241(a)[c]	1	2.7	3	46.1	5	53.3	11	140.6	15	186.3
221(d)(4)[d]	31	627.9	35	909.7	288	6,988.8	207	5,142.1	418	10,553.6
223(a)(7)[e]	1	23.0	5	99.9	31	473.5	115	1,620.0	164	2,181.8
223(f)[f]	56	782.8	60	781.8	353	5,088.1	382	5,367.0	692	9,952.2
542 Risk Share[g,h]	17	163.5	8	129.8	67	970.3	63	942.7	123	1,687.6
Other Rental[h]	1	22.7	3	29.3	15	658.3	10	270.0	23	554.7
Commitments	65	1,099.1	77	1,377.5	567	9,654.8	696	10,043.1	1,129	16,955.4
221(d)(3)[a], 223(d)[b], 241(a)[c]	2	13.8	1	13.7	5	51.9	4	36.4	10	115.3
221(d)(4)[d]	22	425.5	17	524.8	151	3,536.1	116	2,547.1	216	4,752.6
223(a)(7)[e]	3	41.4	10	195.9	50	635.5	138	1,768.0	165	2,119.7
223(f)[f]	30	541.1	42	515.8	301	4,611.5	370	4,778.7	606	8,019.3
542 Risk Share[g,h]	8	77.3	7	127.2	52	589.7	67	848.7	123	1,669.2
Other Rental[h]	0	0.0	0	0.0	8	230.2	1	64.3	9	279.2
Endorsements	61	1,277.2	89	1,345.8	567	9,121.5	654	8,626.7	1,051	15,177.2
221(d)(3)[a], 223(d)[b], 241(a)[c]	2	28.3	1	7.0	3	31.9	5	30.6	10	113.9
221(d)(4)[d]	21	625.2	16	428.1	150	3,588.9	114	2,304.1	193	4,152.2
223(a)(7)[e]	5	97.9	19	250.7	51	570.9	141	1,990.0	178	2,488.5
223(f)[f]	28	397.2	47	625.2	314	4,386.0	332	3,908.4	572	7,266.1
542 Risk Share[g,h]	4	43.7	6	34.7	43	388.0	61	327.5	92	905.7
Other Rental[i]	1	85.0	0	0.0	6	155.9	1	66.1	6	250.8

[a] Section 221(d)(3): Insures mortgage loans in order to facilitate the new construction or rehabilitation of multi-family rental, cooperative housing, or single-room occupancy facilities (SROs) for moderate-income households, the elderly, and people with disabilities for up to 100 percent of replacement costs for public, nonprofit, and cooperative mortgagors.

[b] Section 223(d): Insures two-year operating loss loans that cover operating losses during the first 2 years after completion (or any other 2-year period within the first 10 years after completion) of multifamily projects with a HUD-insured first mortgage.

[c] 241(a): Insures mortgage loans to finance repairs, additions, and improvements to multifamily rental housing and health care facilities with FHA-insured first mortgages or HUD-held mortgages.

[d] Section 221(d)(4): Insures mortgage loans in order to facilitate the new construction or rehabilitation of multi-family rental, cooperative housing, or single-room occupancy facilities (SROs) for moderate-income households, the elderly, and people with disabilities for up to 90 percent of replacement costs irrespective of the type of mortgagor.

[e] Section 223(a)(7): Permits refinancing of an existing loan to reduce interest rate and/or extend amortization period in order to reduce risk of default.

[f] Section 223(f): Insures mortgage loans to facilitate the purchase or refinancing of existing multifamily rental housing. These projects may have been financed originally with conventional or FHA-insured mortgages. Properties requiring substantial rehabilitation are not eligible for mortgage insurance under this program. HUD permits the completion of non-critical repairs after endorsement for mortgage insurance.

[g] Section 542(b): Authorizes HUD to enter into reinsurance agreements with Fannie Mae, Freddie Mac, qualified financial institutions (QFIs), and the Federal Housing Finance Board. The agreements provide for risk-sharing on a 50-50 basis. Currently, only Fannie Mae and Freddie Mac have active risk-sharing programs with HUD.

[h] Section 542(c): Enables HUD to carry out a program in conjunction with qualified state and local housing finance agencies (HFAs) to provide federal credit enhancement for loans for affordable multifamily housing through a system of risk-sharing agreements. Agreements provide for risk-sharing between 10 percent and 90 percent.

[i] Other Rental: Mortgage loan insurance for Mobile Home Courts (Section 207), Management Cooperative (Section 213), Consumer Cooperative (Section 213(i)), Urban Renewal Housing (Section 220), and Elderly Housing (Section 231).

SOURCE: U.S. Department of HUD/FHA, May 2018.

Figure 2: FHA Multifamily Apartments Endorsement UPB and Count for All Risk Categories, Last 2 Years
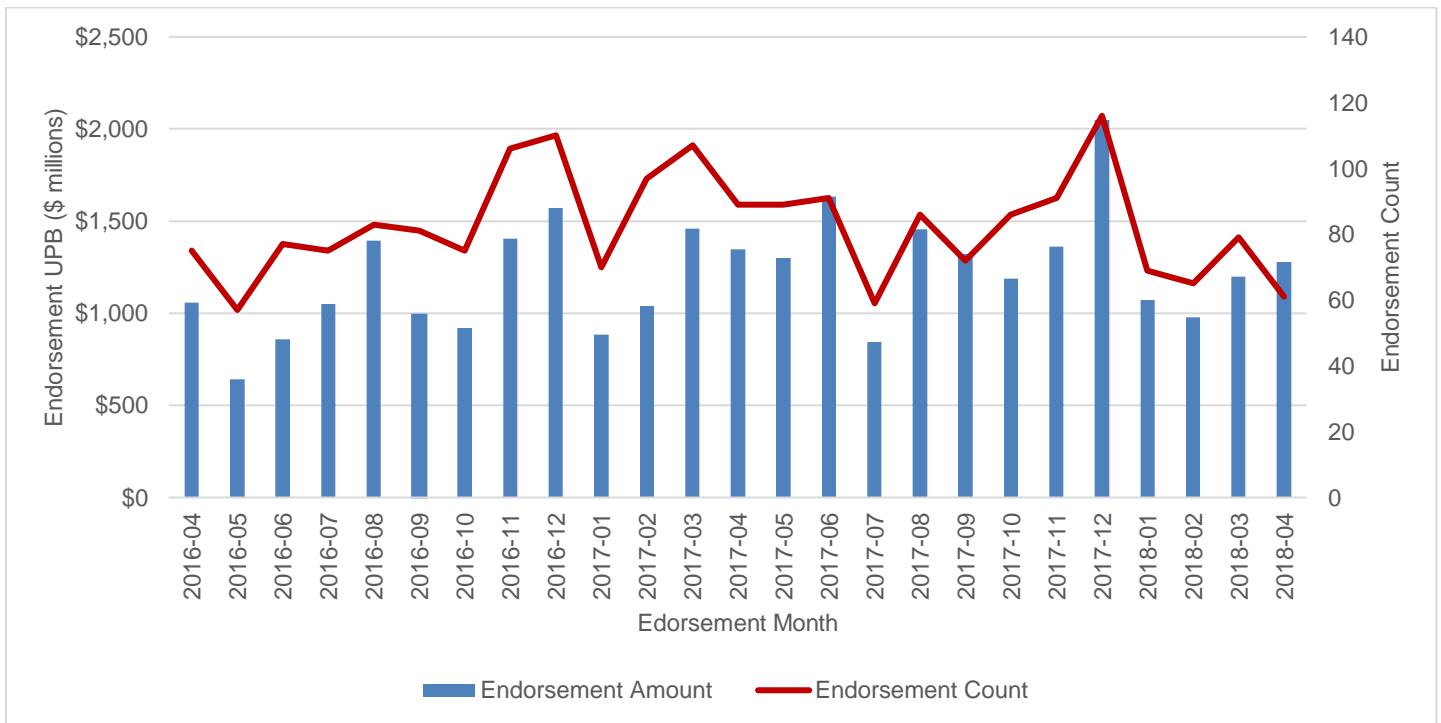
Unpaid Principal Balance (UPB) is the current outstanding principal balance due on the mortgage.
SOURCE: U.S. Department of HUD/FHA, May 2018.

Figure 3: FHA Multifamily Apartments Endorsement Amount by Risk Category, Last 2 Years

Unpaid Principal Balance (UPB) is the current outstanding principal balance due on the mortgage.
Other Rental: Mortgage loan Insurance for Mobile Home Courts (Section 207), Management Cooperative (Section 213), Consumer Cooperative (Section 213(i)), Urban Renewal Housing (Section 220) and Elderly Housing (Section 231).
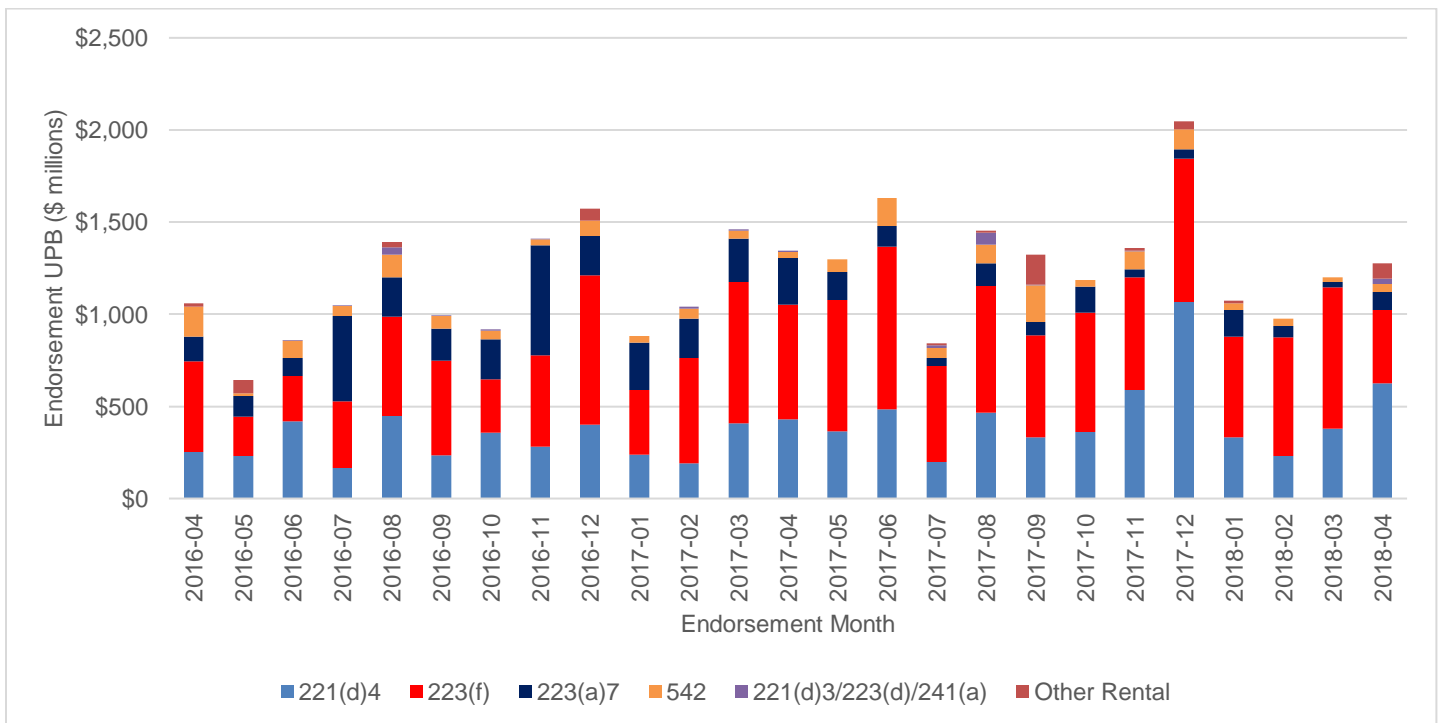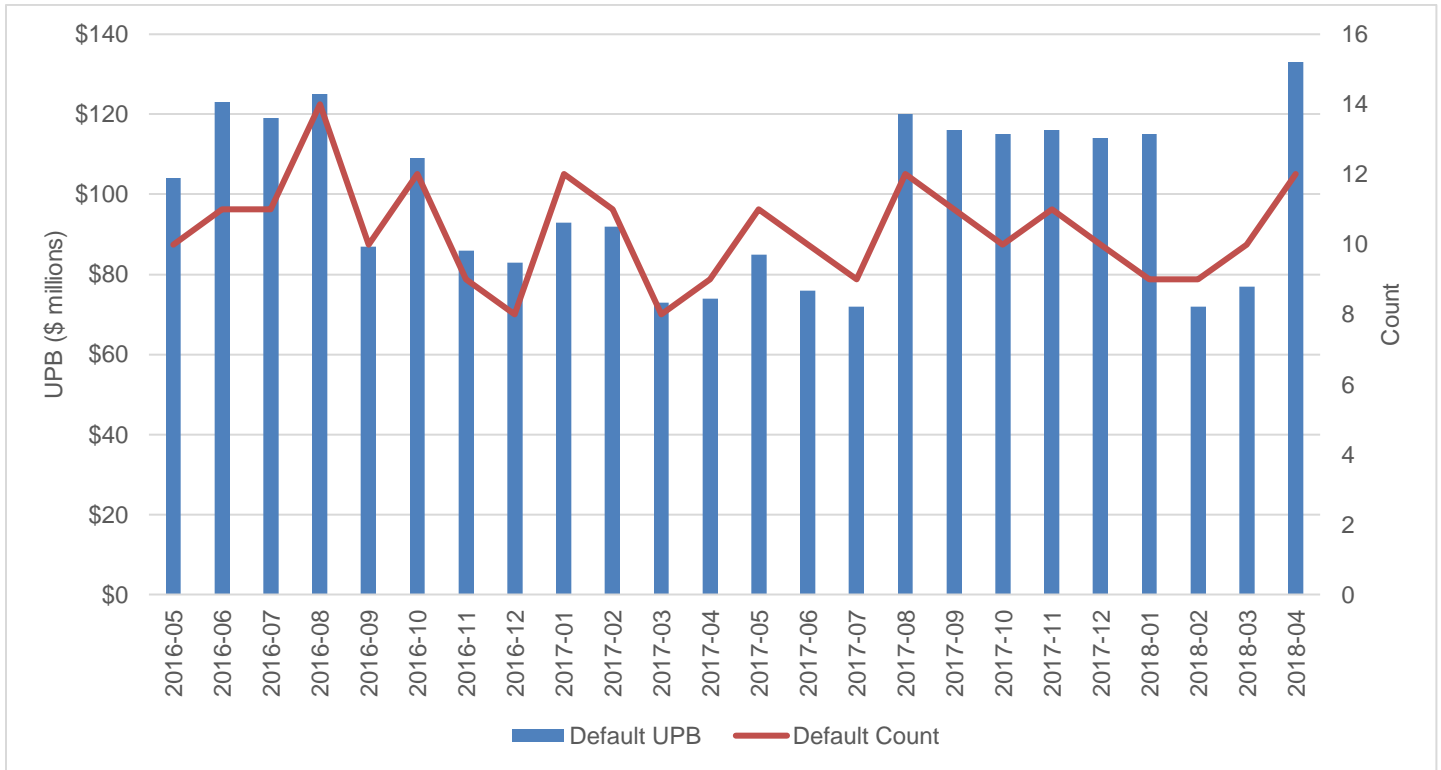SOURCE: U.S. Department of HUD/FHA, May 2018.

Table 3. FHA Multifamily Apartments 60+ Day Default Rate		
Calendar Year	Month	Default Rate[a] (%)
2015	Jan	0.24
	Feb	0.24
	Mar	0.23
	Apr	0.20
	May	0.15
	Jun	0.18
	Jul	0.18
	Aug	0.16
	Sep	0.15
	Oct	0.13
	Nov	0.12
	Dec	0.10
2016	Jan	0.10
	Feb	0.16
	Mar	0.11
	Apr	0.06
	May	0.14
	Jun	0.16
	Jul	0.16
	Aug	0.16
	Sep	0.11
	Oct	0.14
	Nov	0.11
	Dec	0.11
2017	Jan	0.12
	Feb	0.12
	Mar	0.09
	Apr	0.09
	May	0.11
	Jun	0.10
	Jul	0.09
	Aug	0.15
	Sep	0.14
	Oct	0.13
	Nov	0.13
	Dec	0.13
2018	Jan	0.13
	Feb	0.08
	Mar	0.09
	Apr	0.15

[a] The percentage of the total outstanding balance of FHA-insured multifamily loans that are 60 days or more past due.
SOURCE: U.S. Department of HUD/FHA, May 2018.

Figure 4: FHA Multifamily Apartments Default UPB and Count, Last 2 Years

Unpaid Principal Balance (UPB) is the current outstanding principal balance due on the mortgage.
SOURCE: U.S. Department of HUD/FHA, May 2018.

Table 4. FHA Residential Care Facilities Insured Portfolio, Transitions within Portfolio		
Insured Portfolio	Number of Loans	Loan Balance ($ millions)
Insurance in Force (Beginning)	3,556	27,925.7
Terminations	(17)	(150.1)
Claims	0	0.0
Regular Claim	0	0.0
Mark to Market	0	0.0
Partial Payment Claim	0	0.0
Maturity	0	0.0
Prepayment	(16)	(143.9)
Refinanced with FHA Loans	(1)	(6.2)
New Endorsements	19	212.6
New Business	2	32.7
223(d)[a]	0	0.0
232 New Construction[b]	1	20.0
241[c]	1	12.7
Refinance	17	179.9
223(d)[a]	0	0.0
232 Refinance[b]	17	179.9
Amortization / Principal Reduction	na	(53.1)
Insurance in Force (Ending)	3,558	27,935.2
Defaults		
60+ Day Defaults (Beginning)	50	393.9
No Longer in Default	(1)	(9.4)
Reinstated	0	0.0
Default to Delinquent	(1)	(9.4)
Terminated Defaults	0	0.0
Continuing Defaults	49	383.9
New 60+ Day Defaults	2	12.0
Amortization / Principal Reduction	na	(0.7)
60+ Day Defaults (Ending)	51	395.9

na = not applicable.
NOTE: Data are for Apr 3-May 3, 2018.
[a] Section 223(d): Insures 2-year operating loss loans that cover operating losses during the first 2 years after completion (or any other 2-year period within the first 10 years after completion) of residential care projects with a HUD-insured first mortgage.
[b] Section 232: Insures loans to finance nursing homes, assisted living facilities, and board and care facilities.
[c] Section 241: Insures loans to finance repairs, additions, and improvements to residential care facilities with FHA-insured first mortgages or HUD-held mortgages.
SOURCE: U.S. Department of HUD/FHA, May 2018.

Figure 5: FHA Residential Care Facilities Insurance-in-Force and Count, Last 2 Years
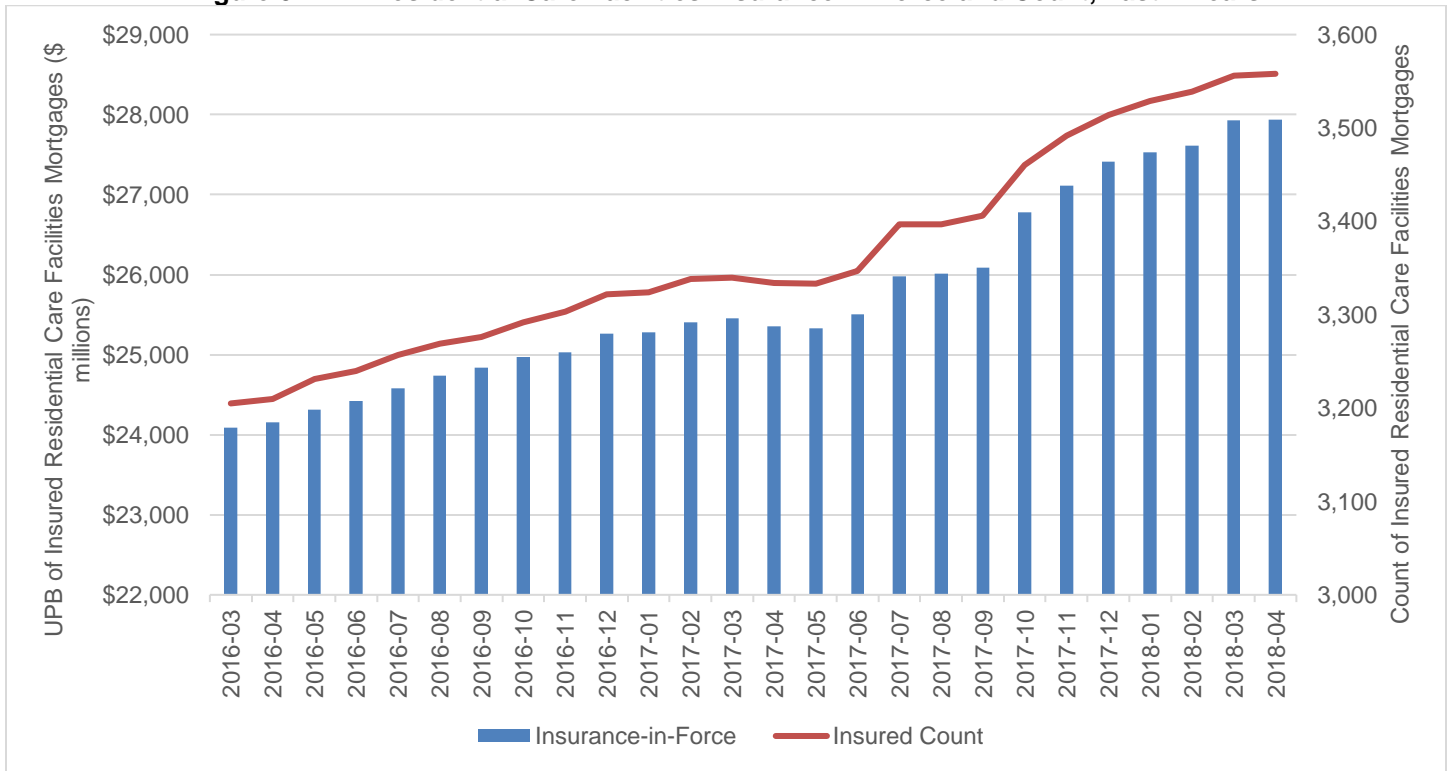
Unpaid Principal Balance (UPB) is the current outstanding principal balance due on the mortgage.
SOURCE: U.S. Department of HUD/FHA, May 2018.

Table 5. FHA Residential Care Facilities Pipeline Summary									
	Apr 2018		Apr 2017		FY 2018 to Date		FY 2017 to Date		FY 2017 Final	
	Number of Loans	Loan Balance ($ millions)	Number of Loans	Loan Balance ($ millions)	Number of Loans	Loan Balance ($ millions)	Number of Loans	Loan Balance ($ millions)	Number of Loans	Loan Balance ($ millions)
Applications[a]	26	214.3	40	421.4	250	2,925.1	299	3,468.0	463	5,038.0
223(d)[b]	0	0.0	0	0.0	0	0.0	1	1.2	1	1.2
232 New Construction[c]	1	6.5	2	52.5	12	284.3	15	269.9	24	406.1
232 Refinance[c]	25	207.8	35	358.3	232	2,605.1	277	3,169.5	424	4,556.9
241[d]	0	0.0	3	10.6	6	35.7	6	27.4	14	73.9
Commitments[e]	15	196.9	29	333.4	177	2,106.9	180	2,081.0	315	3,742.9
223(d)[b]	0	0.0	0	0.0	0	0.0	0	0.0	1	1.2
232 New Construction[c]	2	58.2	4	51.1	5	103.7	11	193.8	17	320.2
232 Refinance[c]	12	133.5	25	282.4	162	1,921.8	165	1,859.0	292	3,391.9
241[d]	1	5.3	0	0.0	10	81.4	4	28.2	5	29.6
Endorsements[f]	13	120.8	30	354.5	167	2,001.0	156	1,721.9	310	3,405.3
223(d)[b]	0	0.0	0	0.0	0	0.0	0	0.0	1	1.2
232 New Construction[c]	0	0.0	0	0.0	8	115.6	6	134.6	11	244.4
232 Refinance[c]	13	120.8	30	354.5	151	1,833.8	149	1,581.0	293	3,123.5
241[d]	0	0.0	0	0.0	8	51.6	1	6.3	5	36.3

[a] Application data may differ from data reported on the Office of Residential Care Facilities website due to data in the queue that are not yet assigned when this table is prepared.
[b] Section 223(d): Insures two-year operating loss loans that cover operating losses during the first 2 years after completion (or any other 2-year period within the first 10 years after completion) of residential care projects with a HUD-insured first mortgage.
[c] Section 232: Insures loans to finance nursing homes, assisted living facilities, and board and care facilities.
[d] Section 241: Insures loans to finance repairs, additions, and improvements to residential care facilities with FHA-insured first mortgages or HUD-held mortgages.
[e] Commitment data may differ from data reported on the Office of Residential Care Facilities website due to differences in when the reports are created.
[f] Endorsement data may differ from data reported on the Office of Residential Care Facilities website due to differences in when the reports are created.
SOURCE: U.S. Department of HUD/FHA, May 2018.

Table 6. FHA Residential Care Facilities 60+ Day Default Rate		
Calendar Year	Month	Default Rate[a] (%)
2015	Jan	1.28
	Feb	1.91
	Mar	1.95
	Apr	1.88
	May	1.76
	Jun	1.80
	Jul	1.68
	Aug	1.63
	Sep	1.67
	Oct	1.64
	Nov	1.70
	Dec	1.66
2016	Jan	1.70
	Feb	1.60
	Mar	1.63
	Apr	1.62
	May	1.62
	Jun	1.63
	Jul	1.61
	Aug	1.83
	Sep	1.40
	Oct	1.35
	Nov	1.39
	Dec	1.23
2017	Jan	1.36
	Feb	1.24
	Mar	1.28
	Apr	1.37
	May	1.45
	Jun	1.38
	Jul	1.46
	Aug	1.41
	Sep	1.49
	Oct	1.48
	Nov	1.41
	Dec	1.38
2018	Jan	1.49
	Feb	1.39
	Mar	1.41
	Apr	1.42

[a] The percentage of the total outstanding balance of FHA-insured residential care loans that are 60 days or more past due.
SOURCE: U.S. Department of HUD/FHA, May 2018.

Figure 6: FHA Residential Care Facilities Default UPB and Count, Last 2 Years
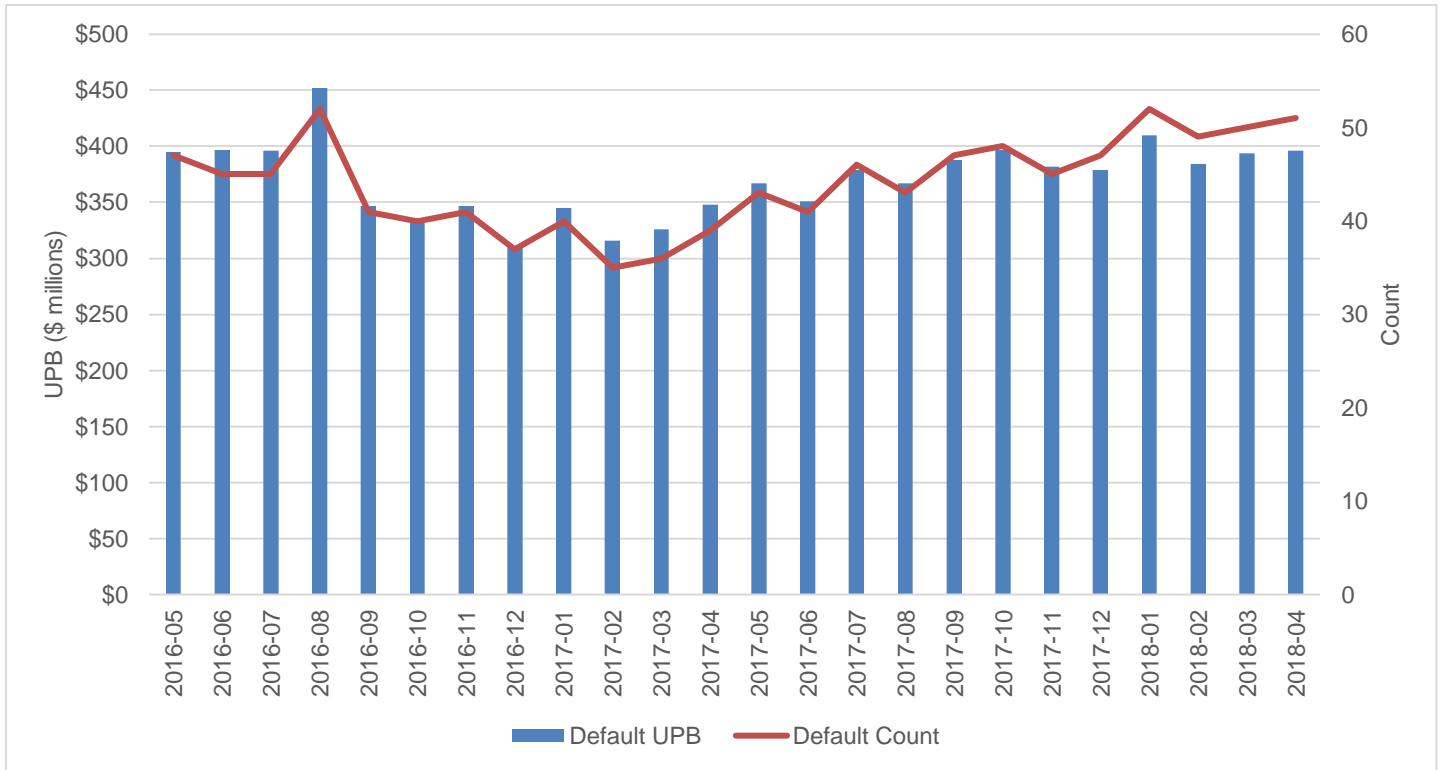
Unpaid Principal Balance (UPB) is the current outstanding principal balance due on the mortgage.
SOURCE: U.S. Department of HUD/FHA, May 2018.

Table 7. FHA Hospital Facilities Insured Portfolio, Transitions within Portfolio		
Insured Portfolio	Number of Loans	Loan Balance ($ millions)
Insurance in Force (Beginning)	103	6,926.2
Terminations	(2)	(68.7)
Claims	0	0.0
Regular Claim	0	0.0
Mark to Market	0	0.0
Partial Payment Claim	0	0.0
Maturity	0	0.0
Prepayment	(2)	(68.7)
Refinanced with FHA Loans	0	0.0
New Endorsements	0	0.0
New Business	0	0.0
242 Construction – Non-Portfolio Hospital[a]	0	0.0
241 Construction or Addition – Portfolio Hospital[b]	0	0.0
223(a)(7) Refinancing – Portfolio Hospital[c]	0	0.0
223(f) Refinancing or Acquisition – Non-Portfolio Hospital[d]	0	0.0
Refinance	0	0.0
223(a)(7) Refinancing – Portfolio Hospital[c]	0	0.0
223(f) Refinancing or Acquisition – Non-Portfolio Hospital[d]	0	0.0
Amortization / Principal Reduction	na	(10.6)
Insurance in Force (Ending)	101	6,846.9
Defaults		
60+ Day Defaults (Beginning)	1	32.0
No Longer in Default	0	0.0
Reinstated	0	0.0
Default to Delinquent	0	0.0
Terminated Defaults	0	0.0
Continuing Defaults	1	32.0
New 60+ Day Defaults	0	0.0
Amortization / Principal Reduction	na	0.0
60+ Day Defaults (Ending)	1	32.0

na = not applicable.
NOTE: Data are for Apr 3-May 3, 2018.
[a] Section 242: Provides mortgage insurance for acute care hospital facility construction loans.
[b] Section 241: Insures mortgage loans to finance repairs, additions, and improvements to hospital facilities with FHA-insured first mortgages or HUD-held mortgages.
[c] Section 223(a)(7): Permits refinancing of an existing loan to reduce interest rate and/or extend amortization period in order to reduce risk of default.
[d] Section 223(f): Insures mortgage loans to facilitate the purchase of a hospital facility or the refinancing of an existing hospital facility loan.
SOURCE: U.S. Department of HUD/FHA, May 2018.

Figure 7: FHA Hospital Facilities Insurance-in-Force and Count, Last 2 Years
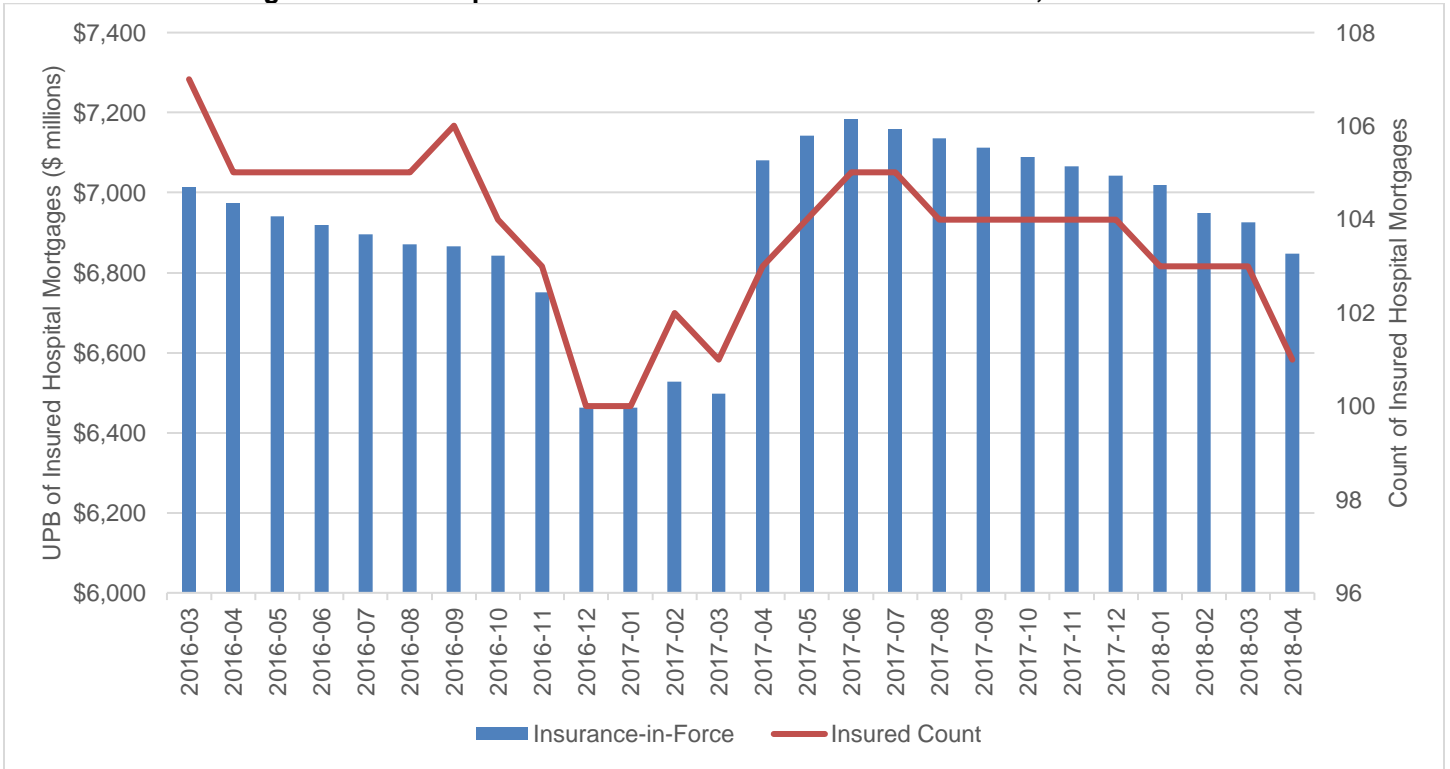
Unpaid Principal Balance (UPB) is the current outstanding principal balance due on the mortgage.
SOURCE: U.S. Department of HUD/FHA, May 2018.

Table 8. FHA Hospital Facilities Pipeline Summary

	Apr 2018		Apr 2017		FY 2018 to Date		FY 2017 to Date		FY 2017 Final	
	Number of Loans	Loan Balance ($ millions)	Number of Loans	Loan Balance ($ millions)	Number of Loans	Loan Balance ($ millions)	Number of Loans	Loan Balance ($ millions)	Number of Loans	Loan Balance ($ millions)
Applications[a]	0	0.0	0	0.0	1	115.6	2	140.9	7	767.8
242 Construction – Non-Portfolio Hospital[b]	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
241 Construction or Addition – Portfolio Hospital[c]	0	0.0	0	0.0	1	115.6	1	61.3	4	266.5
223(a)(7) Refinancing – Portfolio Hospital[d]	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
223(f) Refinancing or Acquisition – Non-Portfolio Hospital[e]	0	0.0	0	0.0	0	0.0	1	79.6	3	501.3
Commitments[f]	0	0.0	0	0.0	1	200.0	5	258.7	7	284.1
242 Construction – Non-Portfolio Hospital[b]	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
241 Construction or Addition – Portfolio Hospital[c]	0	0.0	0	0.0	1	200.0	2	95.1	4	120.6
223(a)(7) Refinancing – Portfolio Hospital[d]	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
223(f) Refinancing or Acquisition – Non-Portfolio Hospital[e]	0	0.0	0	0.0	0	0.0	3	163.6	3	163.6
Endorsements[g]	0	0.0	1	65.0	2	25.2	6	573.8	6	573.8
242 Construction – Non-Portfolio Hospital[b]	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
241 Construction or Addition – Portfolio Hospital[c]	0	0.0	1	65.0	2	25.2	3	411.5	3	411.5
223(a)(7) Refinancing – Portfolio Hospital[d]	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
223(f) Refinancing or Acquisition – Non-Portfolio Hospital[e]	0	0.0	0	0.0	0	0.0	3	162.3	3	162.3

[a] Application data from previous months may change as data are added to the HUD database after the creation date of this report.
[b] Section 242: Provides mortgage insurance for acute care hospital facility construction loans.
[c] Section 241: Insures mortgage loans to finance repairs, additions, and improvements to hospital facilities with FHA-insured first mortgages or HUD-held mortgages.
[d] Section 223(a)(7): Permits refinancing of an existing loan to reduce interest rate and/or extend amortization period in order to reduce risk of default.
[e] Section 223(f): Insures mortgage loans to facilitate the purchase of a hospital facility or the refinancing of an existing hospital facility loan.
[f] Commitment data from previous months may change as data are added to the HUD database after the creation date of this report.
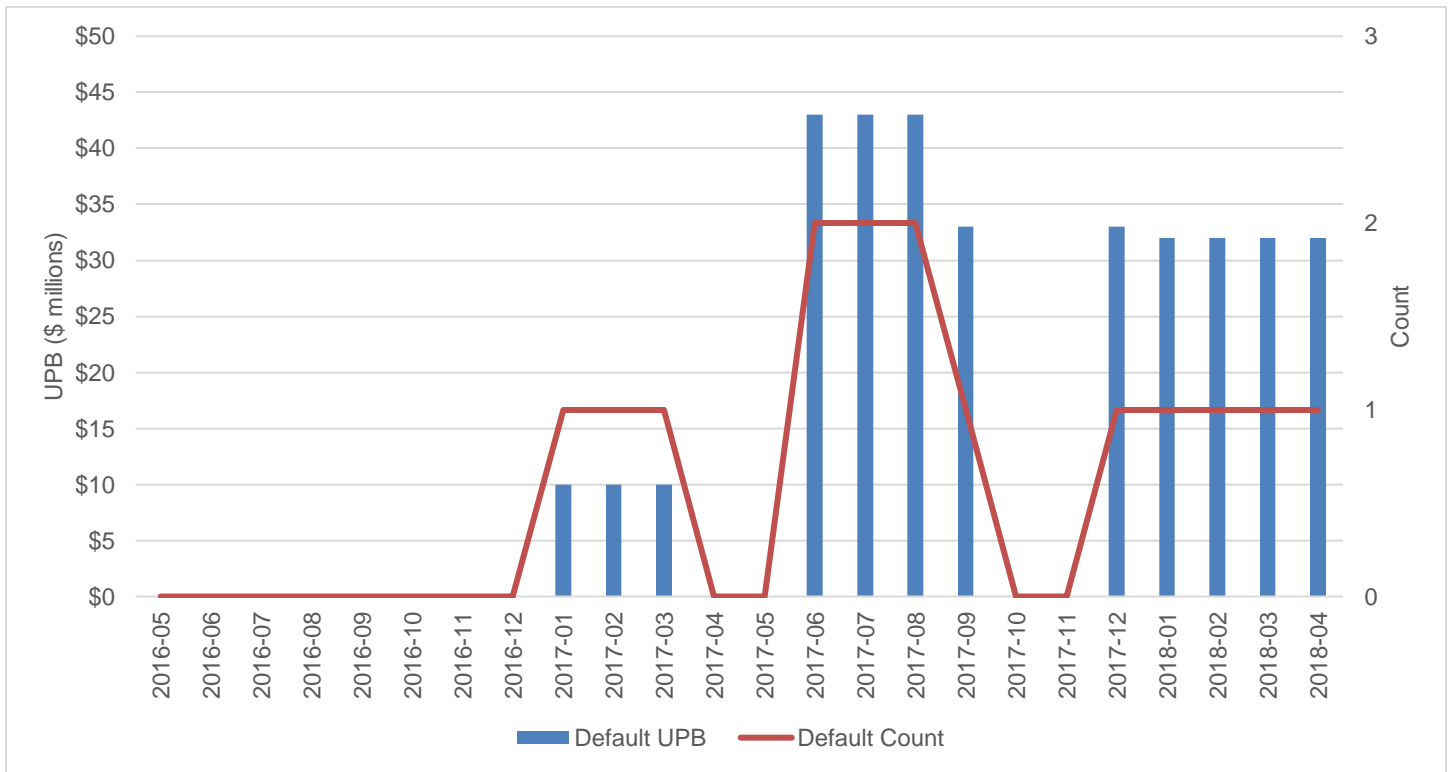[g] Endorsement data from previous months may change as data are added to the HUD database after the creation date of this report.
SOURCE: U.S. Department of HUD/FHA, May 2018.

Table 9. FHA Hospital Facilities 60+ Day Default Rate		
Calendar Year	Month	Default Rate[a] (%)
2015	Jan	0.00
	Feb	0.00
	Mar	0.00
	Apr	0.00
	May	0.00
	Jun	0.00
	Jul	0.00
	Aug	0.00
	Sep	0.00
	Oct	0.00
	Nov	0.00
	Dec	0.00
2016	Jan	0.00
	Feb	0.00
	Mar	0.00
	Apr	0.00
	May	0.00
	Jun	0.00
	Jul	0.00
	Aug	0.00
	Sep	0.00
	Oct	0.00
	Nov	0.00
	Dec	0.00
2017	Jan	0.16
	Feb	0.15
	Mar	0.15
	Apr	0.00
	May	0.00
	Jun	0.60
	Jul	0.60
	Aug	0.60
	Sep	0.46
	Oct	0.00
	Nov	0.00
	Dec	0.46
2018	Jan	0.46
	Feb	0.46
	Mar	0.46
	Apr	0.47

[a] The percentage of the total outstanding balance of FHA-insured hospital loans that are 60 days or more past due.
SOURCE: U.S. Department of HUD/FHA, May 2018.

Figure 8: FHA Hospital Facilities Default UPB and Count, Last 2 Years

Unpaid Principal Balance (UPB) is the current outstanding principal balance due on the mortgage.
SOURCE: U.S. Department of HUD/FHA, May 2018.