



FHA SINGLE FAMILY LOAN PERFORMANCE TRENDS

Credit Risk Report

Office of Risk Management and Regulatory Affairs,
Office of Evaluation, Reporting & Analysis Division

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2019

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Table 1. Delinquency Rates by Month

Month	Active Insurance in Force (EOM)	Delinquency Rates ^a (%)			Exceptions ^b (%)		Serious Delinquency Rate ^c (%)
		30-day	60-day	90-day	In Foreclosure	In Bankruptcy	
Non-Seasonally Adjusted							
Aug 2018	8,037,609	4.67	1.51	2.19	1.06	0.86	4.11
Sep	8,048,639	5.51	1.66	2.22	1.04	0.86	4.11
Oct	8,062,967	5.06	1.64	2.17	1.01	0.88	4.06
Nov	8,077,125	5.02	1.63	2.20	1.00	0.86	4.06
Dec	8,086,151	5.17	1.71	2.22	0.99	0.87	4.08
Jan 2019	8,112,026	5.00	1.74	2.26	1.03	0.88	4.16
Feb	8,117,180	4.99	1.64	2.19	1.04	0.88	4.10
Mar	8,118,034	4.55	1.45	2.01	1.00	0.87	3.88
Apr	8,117,498	4.58	1.40	1.91	0.96	0.87	3.74
May	8,114,839	4.48	1.42	1.86	0.94	0.87	3.67
Jun	8,114,665	5.44	1.62	1.94	0.92	0.90	3.76
Jul	8,116,418	5.11	1.66	1.96	0.91	0.91	3.78
Aug	8,117,513	5.10	1.69	2.00	0.91	0.91	3.82
Seasonally Adjusted							
Aug 2018	8,037,609	4.55	1.47	2.28	1.06	0.86	4.20
Sep	8,048,639	5.27	1.57	2.23	1.07	0.86	4.16
Oct	8,062,967	4.76	1.52	2.14	1.04	0.88	4.06
Nov	8,077,125	4.57	1.45	2.05	1.02	0.86	3.94
Dec	8,086,151	4.60	1.49	2.03	0.99	0.87	3.89
Jan 2019	8,112,026	4.80	1.56	2.03	1.02	0.88	3.92
Feb	8,117,180	5.09	1.67	2.08	1.01	0.88	3.97
Mar	8,118,034	5.26	1.68	2.09	0.98	0.87	3.94
Apr	8,117,498	5.01	1.60	2.00	0.95	0.87	3.81
May	8,114,839	4.78	1.56	1.97	0.93	0.87	3.77
Jun	8,114,665	5.51	1.72	2.06	0.92	0.89	3.87
Jul	8,116,418	5.23	1.70	2.09	0.92	0.91	3.93
Aug	8,117,513	4.97	1.65	2.08	0.91	0.92	3.91

EOM = end of month.

^a The 90-day category includes all loans that are at least 3 months delinquent excluding those loans in-foreclosure or in-bankruptcy processing. Included in the delinquency counts are loans under active consideration for loss mitigation foreclosure avoidance.

^b Exceptions are counted separately from delinquencies, regardless of the length of the delinquency period.

^c Serious delinquency rates are the sum of 90 day delinquencies, plus in-foreclosures and in-bankruptcies.

SOURCE: U.S. Department of HUD/FHA, September 2019.

Table 2. New 90+ Day Delinquencies by Reason for Delinquency

Fiscal Year and Quarter	New 90+ Day Delinquencies	Share by Reason for Delinquency (%)						
		Reduction of Income	Unemployed	Excessive Obligations	Death or Illness of Principal Borrower or Family	Marital Difficulties	No Contact	Other ^a
2014 Q4	101,848	32.48	7.52	20.88	12.61	4.43	11.39	10.69
2015 Q1	106,665	31.72	6.99	21.90	12.72	4.24	11.65	10.78
2015 Q2	82,864	32.25	7.11	21.58	12.57	4.18	11.41	10.91
2015 Q3	71,869	30.85	6.63	21.27	12.73	4.25	13.04	11.22
2015 Q4	88,262	30.59	6.56	22.19	12.75	4.02	12.07	11.83
2016 Q1	92,606	30.67	6.41	22.57	13.00	4.06	11.20	12.09
2016 Q2	78,978	30.23	6.70	22.78	12.84	3.92	11.72	11.82
2016 Q3	66,500	30.94	6.75	23.07	13.35	4.20	10.52	11.16
2016 Q4	85,289	31.92	7.04	23.80	13.15	4.04	9.43	10.63
2017 Q1	94,958	31.47	6.76	24.36	13.17	3.82	9.02	11.41
2017 Q2	75,376	31.63	6.92	24.38	13.27	3.84	9.56	10.40
2017 Q3	65,531	30.77	6.82	24.52	13.88	3.95	9.57	10.49
2017 Q4	87,286	31.32	6.91	25.02	13.11	3.77	8.88	11.00
2018 Q1	157,584	24.13	4.61	22.60	8.66	2.42	7.10	30.48
2018 Q2	88,660	28.91	6.18	24.55	11.82	3.27	8.55	16.73
2018 Q3	64,397	30.66	6.76	25.55	13.03	3.81	8.67	11.52
2018 Q4	84,222	31.16	7.15	25.88	13.38	3.87	8.51	10.04
2019 Q1	92,065	30.55	7.43	26.19	13.47	3.72	8.56	10.07
2019 Q2	84,788	30.37	8.04	25.70	13.70	3.66	9.04	9.49
2019 Q3	69,223	28.76	8.08	25.45	14.18	3.76	9.98	9.78
2019 Q4 - Jul	28,929	27.40	7.53	25.33	13.26	3.32	12.10	11.07
2019 Q4 - Aug	30,426	24.52	7.05	23.99	11.87	2.90	17.29	12.38

^a Includes abandonment of property, distant employment transfer, neighborhood problems, property problems, inability to sell or rent property, military service, business failure, casualty loss, energy-environment cost, servicing problems, payment adjustment, payment dispute, transfer of ownership pending fraud and incarceration.

SOURCE: U.S. Department of HUD/FHA, September 2019.

Table 3. Delinquency Rates by Loan and Property Characteristics

	IIF Shares ^a	Rates in Percent of Active Loan Counts						Serious Delinquency Rate ^c
		All Past Due ^b	30 Day	60 Day	90+ Day	In Foreclosure	In Bankruptcy	
Loan Purpose								
All Active Loans	8,117,513	10.61	5.10	1.69	2.00	0.91	0.91	3.82
Purchase	69.87	11.59	5.59	1.91	2.23	0.92	0.94	4.09
Refinance	30.13	8.35	3.97	1.19	1.46	0.88	0.85	3.19
Refinance								
Refinance Loans	2,445,929	8.35	3.97	1.19	1.46	0.88	0.85	3.19
Conventional	35.86	9.19	4.27	1.30	1.61	1.10	0.91	3.62
No Cash-out	20.97	9.22	4.31	1.29	1.60	1.09	0.94	3.62
Cash-out	14.89	9.14	4.22	1.31	1.64	1.12	0.86	3.62
FHA	13.90	6.78	3.48	0.98	1.18	0.51	0.63	2.32
No Cash-out	6.60	7.02	3.51	0.97	1.26	0.56	0.71	2.53
Cash-out	7.30	6.56	3.44	0.98	1.11	0.46	0.56	2.13
Streamline	50.24	8.19	3.89	1.18	1.43	0.82	0.86	3.12
Credit Score Range^d								
Loans with Credit Scores	6,504,372	10.44	5.05	1.67	1.99	0.85	0.87	3.72
< 500	0.10	33.45	12.41	4.96	7.46	4.10	4.52	16.08
500-579	1.82	27.77	11.72	4.42	5.54	2.94	3.15	11.63
580-619	8.01	20.39	9.46	3.43	4.06	1.72	1.73	7.51
620-659	31.57	15.00	7.26	2.45	2.92	1.11	1.26	5.29
660-719	39.30	7.52	3.78	1.17	1.37	0.62	0.58	2.58
720-850	19.21	3.00	1.50	0.43	0.52	0.34	0.21	1.07
Fiscal Year Cohort								
All Cohorts	8,117,513	10.61	5.10	1.69	2.00	0.91	0.91	3.82
pre-2004	6.28	16.13	7.63	2.72	2.90	1.46	1.43	5.78
2004	1.65	16.46	7.71	2.78	3.07	1.45	1.44	5.97
2005	1.24	18.31	8.51	3.02	3.40	1.66	1.71	6.77
2006	0.98	20.47	8.87	3.36	3.98	2.23	2.02	8.24
2007	0.93	23.95	9.81	3.59	4.77	3.13	2.64	10.54
2008	2.18	23.86	9.78	3.59	4.65	3.24	2.60	10.49
2009	4.71	16.14	7.02	2.40	2.98	2.01	1.72	6.71
2010	6.01	12.12	5.67	1.84	2.17	1.23	1.21	4.61
2011	4.85	10.34	4.89	1.61	1.84	0.97	1.03	3.83
2012	6.00	8.69	4.11	1.36	1.61	0.74	0.87	3.22
2013	8.37	7.40	3.55	1.10	1.30	0.66	0.80	2.75
2014	3.99	12.43	5.66	1.93	2.30	1.13	1.41	4.84
2015	7.52	10.93	5.13	1.68	2.10	0.90	1.12	4.12
2016	10.91	9.90	4.79	1.56	1.93	0.74	0.87	3.54
2017	12.60	9.60	4.80	1.55	2.01	0.64	0.59	3.25
2018	11.13	9.26	4.86	1.62	1.94	0.48	0.35	2.78
2019	10.68	3.69	2.50	0.66	0.43	0.06	0.04	0.53

Table 3. Delinquency Rates by Loan and Property Characteristics

	IIF Shares ^a	Rates in Percent of Active Loan Counts						Seriously Delinquency Rate ^c
		All Past Due ^b	30 Day	60 Day	90+ Day	In Foreclosure	In Bankruptcy	
Loan Amount at Origination (\$ thousands)								
All Loan Amounts	8,117,513	10.61	5.10	1.69	2.00	0.91	0.91	3.82
< 50	2.60	12.70	6.03	2.09	2.16	1.47	0.95	4.59
50-99	21.24	11.96	5.70	1.93	2.09	1.17	1.06	4.33
100-149	26.86	11.08	5.32	1.77	2.04	0.90	1.05	3.99
150-199	20.38	10.16	4.96	1.64	1.94	0.75	0.87	3.57
200-249	12.67	9.40	4.60	1.48	1.86	0.71	0.75	3.32
250-399	13.49	9.45	4.50	1.47	1.99	0.79	0.69	3.47
400-499	1.70	8.68	3.93	1.32	1.94	0.92	0.57	3.43
> 499	1.07	7.81	3.47	1.10	1.82	0.96	0.46	3.24
Property Type								
All Property Types	8,117,513	10.61	5.10	1.69	2.00	0.91	0.91	3.82
Detached	86.46	10.68	5.18	1.72	2.01	0.85	0.92	3.79
Manufactured Housing	3.31	11.63	5.34	1.79	1.97	1.47	1.06	4.50
2-4 Units	2.15	9.26	3.86	1.26	1.78	1.76	0.61	4.14
Condo	2.90	7.93	3.47	1.16	1.55	1.03	0.72	3.30
Townhouse	5.17	10.86	5.05	1.71	2.24	1.01	0.85	4.10
Purchase Loan Type								
All Purchase Loans	5,671,120	11.59	5.59	1.91	2.23	0.92	0.94	4.09
Repeat	17.06	9.16	4.62	1.42	1.65	0.73	0.75	3.12
First-time	82.94	12.09	5.79	2.01	2.35	0.96	0.98	4.29
Down Payment Assistance (DPA) Type								
All Sources of Funds	8,117,513	10.61	5.10	1.69	2.00	0.91	0.91	3.82
Government	7.22	12.87	5.98	2.15	2.66	0.97	1.10	4.74
Relative	16.37	13.31	6.50	2.23	2.59	1.00	0.98	4.57
Other	2.03	18.27	8.19	3.09	3.69	1.39	1.92	7.00
Seller Funded	0.54	27.88	11.17	4.61	5.59	3.00	3.51	12.10
No DPA	73.83	9.46	4.57	1.47	1.73	0.85	0.83	3.41

IIF = insurance in force.

^a For each subpanel, the loan shares add to 100%. However, in some of the subpanels, the total loans in the analysis do not add to 100% of IIF. For example, the IIF shares for refinance loans add to 100% of refinance loans. Streamline refinance loans are not included in the Credit Score Range analysis; the IIF shares in that panel, add to 100% of fully-underwritten loans.

^b Includes all loans 30 or more days past due, including those in bankruptcy or foreclosure.

^c Includes all loans 90 days past due plus all in-bankruptcy and in-foreclosure cases.

^d Credit score reporting began in May 2004 but was not mandatory until July 2008. Streamline Refinance loans do not require credit score reporting.

SOURCE: U.S. Department of HUD/FHA, September 2019.

Table 4. Monthly Foreclosure Statistics and Trends

Fiscal Year	Month	Insurance in Force	Foreclosure Starts	In Foreclosure ^a	Foreclosure Claims ^b	Foreclosure Starts: 6-month MA ^c	Annualized Foreclosure Rate ^d %
2016	Aug	7,834,822	10,444	121,608	7,416	9,904	1.13
	Sep	7,838,495	9,874	117,703	6,329	9,583	0.96
2017	Oct	7,840,261	10,153	115,282	6,505	9,588	0.99
	Nov	7,839,269	9,810	114,139	6,004	9,741	0.92
	Dec	7,842,834	10,164	114,447	5,757	9,898	0.88
	Jan	7,877,094	10,828	116,076	5,531	10,212	0.84
	Feb	7,891,926	10,890	115,469	4,974	10,287	0.75
	Mar	7,904,390	11,782	116,236	6,345	10,605	0.96
	Apr	7,917,975	9,081	114,284	5,517	10,426	0.83
	May	7,934,510	9,534	112,048	5,979	10,380	0.90
	Jun	7,950,029	8,778	108,632	6,286	10,149	0.94
	Jul	7,962,527	8,112	103,183	5,825	9,696	0.87
	Aug	7,973,604	9,471	103,830	6,800	9,460	1.02
	Sep	7,982,070	8,013	94,946	5,786	8,832	0.87
2018	Oct	7,986,663	8,749	94,012	6,008	8,776	0.90
	Nov	7,988,634	8,486	92,810	5,524	8,602	0.83
	Dec	7,989,699	8,849	93,261	4,756	8,613	0.71
	Jan	8,005,645	9,870	91,506	5,066	8,906	0.76
	Feb	8,007,772	9,935	92,797	5,023	8,984	0.75
	Mar	8,007,182	10,234	92,153	5,709	9,354	0.85
	Apr	8,012,065	9,685	90,663	5,406	9,510	0.81
	May	8,015,714	10,264	89,409	5,804	9,806	0.87
	Jun	8,024,523	9,100	87,390	5,440	9,848	0.81
	Jul	8,031,487	8,375	82,258	4,882	9,599	0.73
	Aug	8,037,609	9,801	85,106	5,207	9,577	0.77
	Sep	8,048,639	7,815	83,334	4,151	9,173	0.62
2019	Oct	8,062,967	10,336	81,407	5,549	9,282	0.82
	Nov	8,077,125	9,301	80,980	4,488	9,121	0.66
	Dec	8,086,151	9,423	80,094	4,086	9,175	0.60
	Jan	8,112,026	11,379	83,174	4,469	9,676	0.66
	Feb	8,117,180	10,279	84,258	4,355	9,756	0.64
	Mar	8,118,034	10,177	81,377	4,703	10,149	0.69
	Apr	8,117,498	9,438	78,277	4,884	10,000	0.72
	May	8,114,839	8,858	76,321	3,985	9,926	0.59
	Jun	8,114,665	7,774	74,502	3,746	9,651	0.55
	Jul	8,116,418	8,187	73,946	3,761	9,119	0.55
	Aug	8,117,513	9,645	73,562	4,032	9,013	0.59

^a Numbers of loans are in some stage of foreclosure processing at the end of each month.

^b This is the number of claims paid by HUD. These are nearly all for completed foreclosure actions.

^c The six-month moving average of foreclosure starts is presented here to smooth out variations in actual starts each month.

^d An annualized foreclosure rate takes the monthly foreclosure claim rate and transforms that into its annual equivalency. That is, if the same foreclosure claim rate continued for 12 straight months, then the figure is the final annual foreclosure rate result as a percentage of beginning insurance-in-force.

SOURCE: U.S. Department of HUD/FHA, September 2019.

Table 5. REO Recovery Rates

Disposition State ^b	Dispositions	Recovery Rates (%)			Percentage Point Change	
		July 2019	June 2019	July 2018	From Previous Month	From Previous Year
US	1,081	49.2	48.8	45.1	0.4	4.1
TX	80	67.3	70.1	66.6	-2.7	0.8
OH	71	37.5	40.3	33.5	-2.8	3.9
IL	55	29.1	21.5	27.1	7.6	2.0
OK	54	47.3	48.5	44.4	-1.2	3.0
NJ	52	30.0	26.1	17.1	3.9	12.9
PA	49	38.3	35.8	28.6	2.5	9.7
AL	48	43.6	54.0	50.0	-10.4	-6.4
MO	45	45.3	59.9	49.4	-14.6	-4.0
CT	44	46.4	36.2	36.7	10.1	9.7
MD	43	41.8	52.6	39.1	-10.8	2.7
LA	40	48.0	55.9	42.8	-7.9	5.2
VA	39	58.7	55.1	54.0	3.6	4.7
MI	38	60.4	49.5	35.8	10.8	24.5
FL	35	57.2	55.8	63.8	1.4	-6.6
PR	35	53.4	54.4	49.4	-1.0	4.0
KS	29	55.8	53.0	55.7	2.8	0.1
NC	27	56.2	46.8	47.0	9.4	9.2
NY	27	13.4	15.6	15.6	-2.2	-2.2
TN	26	71.4	74.6	62.8	-3.2	8.6
KY	24	37.4	44.9	47.0	-7.4	-9.6
MS	24	56.5	54.6	60.1	1.9	-3.6
GA	23	53.6	57.6	56.3	-4.0	-2.7
SC	23	52.8	46.7	56.7	6.0	-3.9
IN	20	44.0	45.7	49.0	-1.7	-5.0
NM	14	66.1	66.1	51.3	-0.0	14.9
AR	13	34.2	57.4	48.7	-23.2	-14.5
MN	10	58.9	50.7	44.3	8.2	14.6
WA	9	73.0	89.0	66.7	-16.0	6.4
WV	9	42.3	16.4	42.4	25.9	-0.1
CA	8	77.3	80.9	84.5	-3.6	-7.1
WY	8	55.5	49.3	64.8	6.3	-9.3
CO	7	77.3	89.4	83.0	-12.1	-5.6
MA	7	68.6	53.6	58.3	15.0	10.3
AK	6	51.5	66.8	56.2	-15.2	-4.7
NE	6	33.1	68.7	40.0	-35.5	-6.8
MT	5	64.2	57.2	58.5	7.0	5.7
DE	4	53.0	92.9	42.3	-39.9	10.7
SD	4	72.2	70.8	35.0	1.4	37.2
AZ	3	54.9	49.6	55.8	5.3	-0.9

Table 5. REO Recovery Rates

Disposition State ^b	Dispositions	Recovery Rates (%)			Percentage Point Change	
		July 2019	June 2019	July 2018	From Previous Month	From Previous Year
ND	3	51.0	73.4	56.1	-22.4	-5.1
NV	3	65.2	27.3	81.2	37.9	-16.0
WI	3	81.2	47.1	33.2	34.1	48.0
ID	2	69.2	96.8	94.5	-27.6	-25.3
OR	2	96.5	84.4	75.4	12.0	21.0
VT	2	27.4	43.7	41.3	-16.3	-13.9
RI	1	43.5	56.2	54.2	-12.7	-10.7
UT	1	175.1	80.3	59.4	94.8	115.7
HI	0	na	na	82.8	na	na
IA	0	na	32.5	34.8	na	na
ME	0	na	26.2	15.5	na	na
NH	0	na	20.4	75.2	na	na
VI	0	na	na	21.6	na	na

na = not applicable

^a Rates are percentages of unpaid loan balance at time of default.

^b State records are sorted by number of dispositions in the most recent month (largest to smallest).

SOURCE: U.S. Department of HUD/FHA, September 2019.

Table 6. REO Components of Loss by Property Disposition Month

Disposition Month	2019							2018					
	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul
Loss Components as Percent of Defaulted Loan Balance													
Claim Expenses ^a (%)	18.81	20.10	20.28	20.18	20.19	20.96	20.67	20.34	20.83	20.15	19.98	20.43	20.41
Holding Costs ^b (%)	4.78	5.12	5.35	5.12	5.16	5.12	5.08	5.15	5.15	5.02	5.14	4.94	4.73
Loss on Collateral ^c (%)	22.27	20.84	22.00	24.50	23.40	26.08	26.45	26.32	26.40	26.76	25.96	25.45	25.38
Sales Expense (%)	5.03	4.99	4.93	4.67	4.84	4.66	4.66	4.70	4.73	4.63	4.76	4.82	4.65
Program Discounts ^d (%)	0.32	0.31	0.29	0.11	0.20	0.16	0.26	0.25	0.24	0.22	0.40	0.33	0.24
Net Loss Rate ^e (%)	50.76	51.20	52.77	53.77	53.14	56.99	57.25	56.00	56.43	55.95	55.77	55.68	54.87
Average Amount													
Average Dollar Loss (\$)	61,584	61,677	62,142	65,198	64,182	67,555	67,928	67,096	66,385	66,903	67,073	66,711	66,178
Average Unpaid Balance (\$)	121,319	120,475	117,765	121,260	120,783	118,537	118,660	119,806	117,640	119,570	120,269	119,803	120,601
Occurrence Counts													
Number of Dispositions	1,081	1,139	1,344	1,287	1,441	1,409	1,450	1,353	1,564	1,715	1,476	1,951	1,813
Number of Discounts	7	7	9	4	5	4	8	6	8	9	10	12	12
Stage													
Average Time in Months													
Delinquency ^f	9.9	10.3	10.7	11.2	11.2	10.2	11.6	11.0	10.7	11.6	11.8	11.3	12.0
Foreclosure ^g	12.2	11.9	12.1	12.6	12.4	13.7	12.7	13.3	13.7	13.3	13.1	14.1	13.4
Deed Transfer ^h	12.3	11.7	12.9	13.0	12.7	12.8	13.4	13.8	13.8	13.8	13.4	13.8	14.1
REO	4.2	4.2	4.1	4.2	4.2	4.3	4.3	4.4	4.2	4.1	4.3	4.1	4.0
All Stages	38.5	38.1	39.7	40.8	40.4	40.9	41.8	42.3	42.3	42.7	42.5	43.2	43.3

^a Includes interest on principal.

^b Management, maintenance, repairs, administration, and security, net of rent and other income.

^c Value when foreclosed (UPB) minus value received in REO; does not include Streamline refinances.

^d Rate over all dispositions; effect is greater in the cases where a discount actually is given.

^e Profit (loss) divided by Unpaid Principal Balance (UPB). The listed cost categories are not exhaustive, and they will not sum to the loss rate

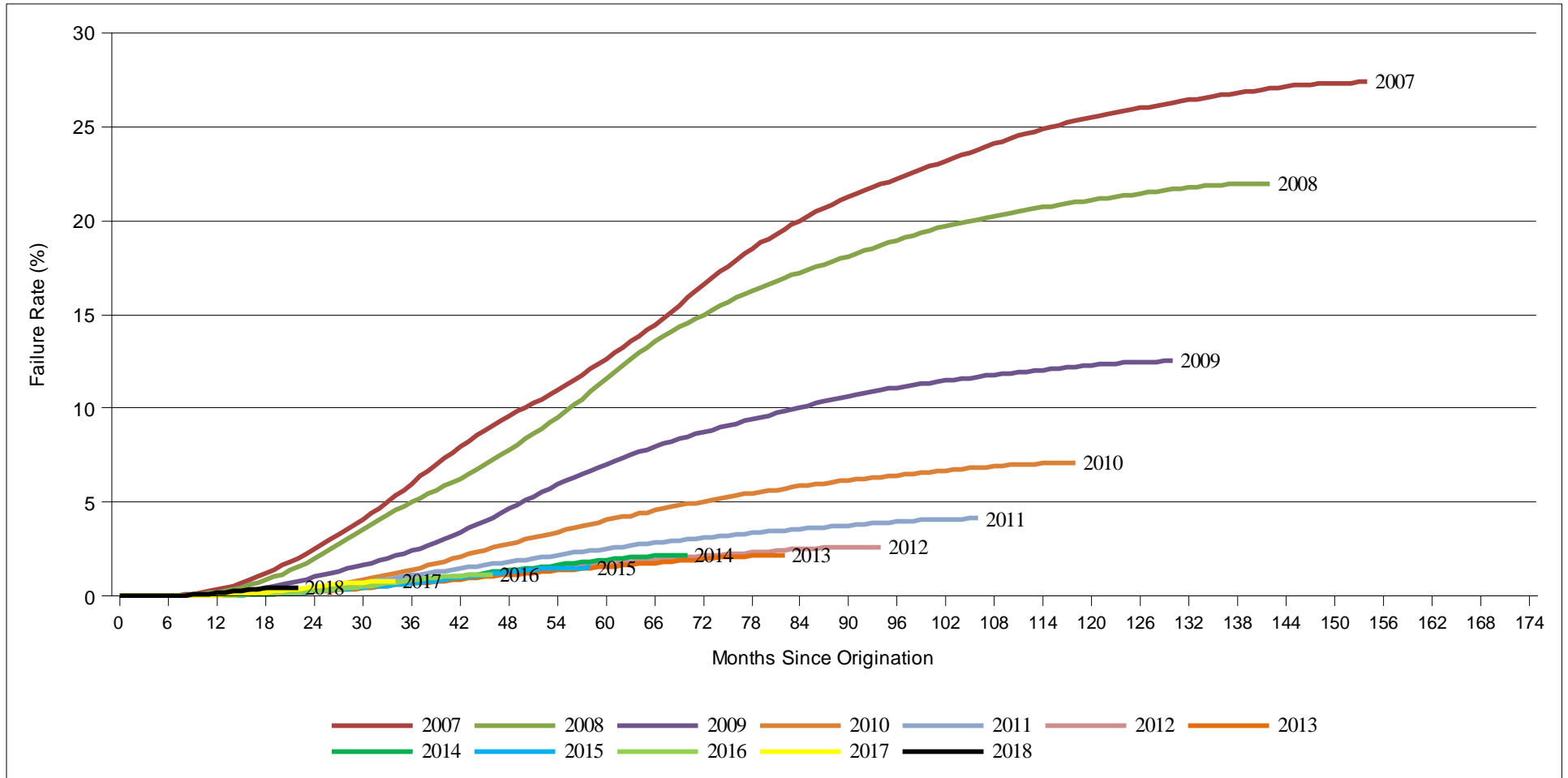
^f First missed payment to date foreclosure initiated.

^g Initiation of foreclosure proceedings to auction date.

^h Auction date to HUD acquisition date.

SOURCE: U.S. Department of HUD/FHA, September 2019.

Figure 1. Failure Rate by Fiscal Year



NOTES: A loan that is in foreclosure processing or has gone to claim is deemed to be a 'failure' for this illustration. The failure rate is the sum of Cumulative Claim Rate and Cumulative Active Foreclosure Rate divided by Total Loans.

SOURCE: U.S. Department of HUD/FHA, September 2019.