



# FHA SINGLE FAMILY LOAN PERFORMANCE TRENDS

## Credit Risk Report

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

DECEMBER  
2018

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**Table 1. Delinquency Rates by Month**

Month	Active Insurance in Force (EOM)	Delinquency Rates <sup>a</sup> (%)			Exceptions <sup>b</sup> (%)		Serious Delinquency Rate <sup>c</sup> (%)
		30-day	60-day	90-day	In Foreclosure	In Bankruptcy	
<b>Non-Seasonally Adjusted</b>							
Dec 2017	7,989,699	5.57	1.96	3.23	1.17	0.79	5.19
Jan 2018	8,005,645	4.95	1.82	3.24	1.14	0.80	5.19
Feb	8,007,772	4.84	1.66	3.09	1.16	0.81	5.06
Mar	8,007,182	4.16	1.40	2.68	1.15	0.84	4.66
Apr	8,012,065	4.26	1.37	2.56	1.13	0.85	4.54
May	8,015,714	4.27	1.37	2.40	1.12	0.83	4.35
Jun	8,024,523	4.87	1.47	2.35	1.09	0.84	4.28
Jul	8,031,487	4.59	1.48	2.22	1.02	0.83	4.08
Aug	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
<b>Seasonally Adjusted</b>							
Dec 2017	7,989,699	5.06	1.71	3.03	1.16	0.79	4.98
Jan 2018	8,005,645	4.74	1.65	3.02	1.13	0.80	4.95
Feb	8,007,772	5.00	1.69	3.00	1.13	0.81	4.95
Mar	8,007,182	4.82	1.62	2.76	1.12	0.85	4.73
Apr	8,012,065	4.64	1.57	2.67	1.13	0.85	4.65
May	8,015,714	4.44	1.50	2.48	1.13	0.84	4.45
Jun	8,024,523	4.88	1.53	2.44	1.09	0.83	4.36
Jul	8,031,487	4.70	1.51	2.37	1.03	0.83	4.24
Aug	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

EOM = end of month.

<sup>a</sup> 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.

<sup>b</sup> Exceptions are counted separately from delinquencies, regardless of the length of the delinquency period.

<sup>c</sup> Serious delinquency rates are the sum of 90 day delinquencies, plus in-foreclosures and in-bankruptcies.

SOURCE: U.S. Department of HUD/FHA, January 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 <sup>a</sup>
2013 Q4	105,089	36.32	8.29	19.05	12.38	4.57	8.74	10.65
2014 Q1	112,096	35.31	7.93	20.45	12.17	4.46	9.21	10.47
2014 Q2	93,183	34.73	8.04	19.65	11.79	4.31	10.70	10.79
2014 Q3	80,879	33.27	7.88	19.89	12.28	4.34	11.30	11.03
2014 Q4	101,848	32.49	7.52	20.91	12.59	4.42	11.42	10.65
2015 Q1	106,665	31.72	6.97	21.93	12.71	4.24	11.68	10.75
2015 Q2	82,864	32.23	7.11	21.60	12.54	4.19	11.44	10.87
2015 Q3	71,869	30.83	6.63	21.31	12.70	4.24	13.09	11.21
2015 Q4	88,262	30.52	6.59	22.16	12.74	4.00	12.16	11.83
2016 Q1	92,606	30.64	6.39	22.59	13.00	4.04	11.29	12.05
2016 Q2	78,978	30.21	6.69	22.79	12.83	3.92	11.83	11.72
2016 Q3	66,500	30.85	6.77	23.13	13.35	4.18	10.61	11.12
2016 Q4	85,289	31.73	7.06	23.91	13.12	4.02	9.50	10.66
2017 Q1	94,958	31.30	6.77	24.45	13.12	3.77	9.16	11.42
2017 Q2	75,376	31.40	6.97	24.34	13.25	3.86	9.73	10.46
2017 Q3	65,531	30.46	6.95	24.56	13.78	3.93	9.73	10.58
2017 Q4	87,286	30.95	7.01	25.03	13.02	3.72	9.09	11.17
2018 Q1	157,584	23.49	4.73	22.59	8.53	2.35	7.43	30.88
2018 Q2	88,660	27.90	6.56	24.60	11.79	3.16	8.98	17.01
2018 Q3	64,397	28.87	7.61	25.31	13.03	3.76	9.42	12.01
2018 Q4	84,222	28.55	7.67	25.57	13.25	3.58	10.07	11.32
2019 Q1	92,066	24.95	7.05	24.67	11.94	2.98	14.22	14.20

<sup>a</sup> 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, January 2019.

**Table 3. Delinquency Rates by Loan and Property Characteristics**

	IIF Shares <sup>a</sup>	Rates in Percent of Active Loan Counts						Serious Delinquency Rate <sup>c</sup>
		All Past Due <sup>b</sup>	30 Day	60 Day	90+ Day	In Foreclosure	In Bankruptcy	
<b>Loan Purpose</b>								
All Active Loans	8,086,151	10.98	5.17	1.71	2.22	0.99	0.87	4.08
Purchase	69.11	11.97	5.65	1.93	2.48	0.99	0.90	4.37
Refinance	30.89	8.76	4.10	1.21	1.65	0.98	0.80	3.44
<b>Refinance</b>								
Refinance Loans	2,497,714	8.76	4.10	1.21	1.65	0.98	0.80	3.44
Conventional	35.41	9.68	4.41	1.32	1.84	1.22	0.88	3.93
No Cash-out	21.33	9.72	4.41	1.33	1.83	1.24	0.90	3.97
Cash-out	14.08	9.61	4.41	1.31	1.85	1.20	0.83	3.88
FHA	12.89	6.93	3.58	0.95	1.23	0.57	0.58	2.39
No Cash-out	6.48	7.34	3.68	1.00	1.32	0.66	0.67	2.65
Cash-out	6.41	6.52	3.48	0.91	1.14	0.48	0.49	2.12
Streamline	51.70	8.59	4.02	1.20	1.64	0.92	0.80	3.36
<b>Credit Score Range<sup>d</sup></b>								
Loans with Credit Scores	6,377,271	10.70	5.09	1.68	2.18	0.92	0.81	3.92
< 500	0.10	34.38	12.44	5.08	7.80	4.99	4.03	16.83
500-579	1.89	28.43	11.48	4.40	6.28	3.30	2.96	12.54
580-619	7.66	21.06	9.55	3.42	4.48	1.89	1.68	8.06
620-659	30.94	15.58	7.42	2.51	3.21	1.22	1.19	5.62
660-719	39.48	7.76	3.86	1.17	1.51	0.67	0.54	2.72
720-850	19.93	3.16	1.55	0.43	0.60	0.36	0.21	1.17
<b>Fiscal Year Cohort</b>								
All Cohorts	8,086,151	10.98	5.17	1.71	2.22	0.99	0.87	4.08
pre-2004	6.79	17.35	7.88	2.86	3.51	1.61	1.46	6.59
2004	1.79	17.66	8.02	2.90	3.52	1.70	1.53	6.74
2005	1.33	19.45	8.66	3.12	3.99	1.90	1.77	7.66
2006	1.05	21.97	9.06	3.53	4.61	2.69	2.08	9.38
2007	0.99	24.83	9.66	3.63	5.60	3.41	2.53	11.53
2008	2.34	24.65	9.62	3.66	5.29	3.62	2.44	11.34
2009	5.09	17.36	7.41	2.53	3.42	2.31	1.67	7.40
2010	6.52	13.10	6.01	1.90	2.48	1.47	1.22	5.16
2011	5.27	11.02	5.04	1.66	2.17	1.10	1.02	4.29
2012	6.49	9.36	4.32	1.42	1.88	0.82	0.89	3.59
2013	9.03	7.92	3.70	1.16	1.56	0.70	0.78	3.03
2014	4.37	12.90	5.82	1.95	2.65	1.21	1.24	5.09
2015	8.28	10.92	5.07	1.69	2.35	0.88	0.92	4.15
2016	11.93	9.79	4.77	1.54	2.14	0.69	0.64	3.47
2017	13.66	8.57	4.39	1.40	1.94	0.48	0.36	2.77
2018	12.24	5.65	3.61	1.00	0.81	0.14	0.08	1.03
2019	2.83	1.20	1.09	0.11	0.01	0.00	0.00	0.01

**Table 3. Delinquency Rates by Loan and Property Characteristics**

	IIF Shares <sup>a</sup>	Rates in Percent of Active Loan Counts						Seriously Delinquency Rate <sup>c</sup>
		All Past Due <sup>b</sup>	30 Day	60 Day	90+ Day	In Foreclosure	In Bankruptcy	
<b>Loan Amount at Origination (\$ thousands)</b>								
All Loan Amounts	8,086,151	10.98	5.17	1.71	2.22	0.99	0.87	4.08
< 50	2.79	13.57	6.30	2.11	2.48	1.68	0.97	5.13
50-99	21.93	12.73	5.93	2.00	2.46	1.27	1.05	4.79
100-149	27.34	11.55	5.44	1.81	2.30	0.97	1.01	4.28
150-199	20.22	10.40	4.98	1.63	2.12	0.84	0.81	3.77
200-249	12.26	9.44	4.52	1.45	2.00	0.79	0.67	3.46
250-399	12.79	9.27	4.37	1.40	2.04	0.84	0.60	3.48
400-499	1.63	8.13	3.75	1.15	1.87	0.89	0.48	3.23
> 499	1.03	7.13	3.06	0.95	1.84	0.93	0.35	3.12
<b>Property Type</b>								
All Property Types	8,086,151	10.98	5.17	1.71	2.22	0.99	0.87	4.08
Detached	86.53	11.06	5.26	1.73	2.23	0.94	0.88	4.05
Manufactured Housing	3.25	12.10	5.49	1.80	2.39	1.48	0.94	4.81
2-4 Units	2.11	9.62	3.79	1.30	2.01	1.93	0.60	4.53
Condo	3.04	8.09	3.50	1.09	1.88	0.96	0.66	3.49
Townhouse	5.08	11.27	5.15	1.77	2.38	1.16	0.81	4.35
<b>Purchase Loan Type</b>								
All Purchase Loans	5,587,946	11.97	5.65	1.93	2.48	0.99	0.90	4.37
Repeat	17.52	9.52	4.68	1.47	1.84	0.80	0.71	3.34
First-time	82.48	12.49	5.86	2.03	2.61	1.04	0.93	4.58
<b>Down Payment Assistance (DPA) Type</b>								
All Sources of Funds	8,086,151	10.98	5.17	1.71	2.22	0.99	0.87	4.08
Government	6.87	13.57	6.25	2.21	2.98	1.02	1.11	5.11
Relative	16.10	13.52	6.50	2.23	2.82	1.04	0.91	4.77
Other	2.12	19.16	8.31	3.18	4.04	1.69	1.93	7.66
Seller Funded	0.59	28.43	10.87	4.36	6.47	3.43	3.28	13.18
No DPA	74.33	9.82	4.65	1.49	1.94	0.94	0.78	3.66

IIF = insurance in force.

<sup>a</sup> 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.

<sup>b</sup> Includes all loans 30 or more days past due, including those in bankruptcy or foreclosure.

<sup>c</sup> Includes all loans 90 days past due plus all in-bankruptcy and in-foreclosure cases.

<sup>d</sup> 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, January 2019.

**Table 4. Monthly Foreclosure Statistics and Trends**

Fiscal Year	Month	Insurance in Force	Foreclosure Starts	In Foreclosure <sup>a</sup>	Foreclosure Claims <sup>b</sup>	Foreclosure Starts: 6-month MA <sup>c</sup>	Annualized Foreclosure Rate <sup>d</sup> %
2016	Dec	7,779,458	11,856	143,477	7,116	11,080	1.09
	Jan	7,797,476	11,057	141,295	6,821	11,168	1.04
	Feb	7,809,458	11,493	138,663	8,182	11,242	1.25
	Mar	7,809,260	11,798	130,951	8,141	11,350	1.24
	Apr	7,810,381	10,124	130,532	7,276	11,128	1.11
	May	7,813,695	8,895	127,348	6,472	10,871	0.99
	Jun	7,814,304	9,216	126,941	6,647	10,431	1.02
	Jul	7,824,682	8,944	124,462	5,401	10,078	0.83
	Aug	7,834,822	10,446	121,608	7,416	9,904	1.13
Sep	7,838,495	9,869	117,703	6,329	9,582	0.96	
2017	Oct	7,840,261	10,152	115,282	6,505	9,587	0.99
	Nov	7,839,269	9,805	114,139	6,004	9,739	0.92
	Dec	7,842,834	10,158	114,447	5,757	9,896	0.88
	Jan	7,877,094	10,824	116,076	5,533	10,209	0.84
	Feb	7,891,926	10,889	115,469	4,975	10,283	0.75
	Mar	7,904,390	11,770	116,236	6,346	10,600	0.96
	Apr	7,917,975	9,078	114,284	5,517	10,421	0.83
	May	7,934,510	9,529	112,048	5,979	10,375	0.90
	Jun	7,950,029	8,774	108,632	6,288	10,144	0.95
	Jul	7,962,527	8,112	103,183	5,825	9,692	0.87
	Aug	7,973,604	9,469	103,830	6,801	9,455	1.02
	Sep	7,982,070	8,008	94,946	5,786	8,828	0.87
2018	Oct	7,986,663	8,748	94,012	6,008	8,773	0.90
	Nov	7,988,634	8,486	92,810	5,524	8,600	0.83
	Dec	7,989,699	8,840	93,261	4,756	8,611	0.71
	Jan	8,005,645	9,856	91,506	5,067	8,901	0.76
	Feb	8,007,772	9,935	92,797	5,023	8,979	0.75
	Mar	8,007,182	10,224	92,153	5,710	9,348	0.85
	Apr	8,012,065	9,673	90,663	5,408	9,502	0.81
	May	8,015,714	10,253	89,409	5,805	9,797	0.87
	Jun	8,024,523	9,089	87,390	5,443	9,838	0.81
	Jul	8,031,487	8,355	82,258	4,887	9,588	0.73
	Aug	8,037,609	9,782	85,106	5,210	9,563	0.78
	Sep	8,048,639	7,785	83,334	4,155	9,156	0.62
2019	Oct	8,062,967	10,442	81,407	5,553	9,284	0.82
	Nov	8,077,125	9,467	80,980	4,508	9,153	0.67
	Dec	8,086,151	9,953	80,094	4,109	9,297	0.61

<sup>a</sup> Numbers of loans are in some stage of foreclosure processing at the end of each month.

<sup>b</sup> This is the number of claims paid by HUD. These are nearly all for completed foreclosure actions.

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

<sup>d</sup> 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, January 2019.

**Table 5. REO Recovery Rates**

Disposition State <sup>b</sup>	Dispositions	Recovery Rates (%)			Percentage Point Change	
		November 2018	October 2018	November 2017	From Previous Month	From Previous Year
US	1,300	52.3	53.1	43.7	-0.8	8.6
IL	98	29.3	32.9	26.4	-3.5	3.0
OH	76	48.1	36.9	35.3	11.2	12.8
TX	76	65.3	68.5	62.0	-3.2	3.3
NJ	71	27.4	33.8	18.6	-6.4	8.8
PA	66	52.0	39.4	26.2	12.6	25.9
PR	61	54.0	53.0	50.0	1.0	4.0
VA	58	58.8	60.7	54.4	-1.9	4.4
CT	57	37.8	46.7	32.2	-8.9	5.5
FL	47	71.8	72.4	55.5	-0.6	16.3
GA	47	67.6	70.1	54.4	-2.5	13.2
OK	47	48.2	54.0	44.1	-5.7	4.2
MO	43	57.4	47.1	40.9	10.3	16.5
AL	42	62.0	53.8	50.6	8.2	11.4
MI	41	55.5	53.6	28.8	1.8	26.7
KS	36	58.5	66.4	54.5	-7.9	4.0
MD	35	60.3	47.3	43.3	13.1	17.0
LA	33	47.1	50.5	47.6	-3.4	-0.5
NY	32	19.3	39.1	6.7	-19.7	12.7
NC	29	66.5	67.3	48.4	-0.8	18.1
NM	29	50.4	68.9	48.2	-18.5	2.2
IN	28	56.6	76.3	33.7	-19.7	22.8
MS	28	68.1	65.0	50.5	3.1	17.6
TN	27	65.5	76.6	67.0	-11.2	-1.5
KY	23	59.5	37.4	43.3	22.1	16.2
SC	19	55.9	56.4	56.7	-0.5	-0.8
AR	16	59.0	59.4	38.4	-0.5	20.5
IA	15	47.1	30.1	20.5	17.0	26.6
MN	13	58.6	44.6	61.1	14.0	-2.6
WI	12	38.3	57.8	29.2	-19.5	9.1
WV	11	37.8	37.2	28.7	0.6	9.0
WY	11	72.2	64.9	46.3	7.3	25.9
AZ	7	87.5	83.2	71.0	4.3	16.6
MA	7	52.0	60.0	43.7	-8.0	8.3
MT	7	52.9	55.9	52.8	-3.0	0.1
WA	7	97.1	73.9	74.2	23.2	22.9
CA	5	58.9	76.5	83.4	-17.6	-24.5
CO	5	104.6	92.8	74.1	11.9	30.5
AK	4	57.2	46.8	58.5	10.4	-1.3
ME	4	27.4	43.3	34.9	-16.0	-7.6



**Table 5. REO Recovery Rates**

Disposition State <sup>b</sup>	Dispositions	Recovery Rates (%)			Percentage Point Change	
		November 2018	October 2018	November 2017	From Previous Month	From Previous Year
OR	4	107.0	87.7	75.2	19.2	31.8
RI	4	45.0	33.9	40.4	11.1	4.6
DE	3	78.5	62.0	56.7	16.5	21.8
NE	3	13.8	37.1	42.2	-23.3	-28.4
UT	3	90.6	87.0	72.0	3.6	18.6
ID	2	161.8	91.1	68.9	70.7	92.9
ND	2	45.1	39.4	64.9	5.7	-19.9
NH	2	63.1	57.5	45.2	5.6	17.9
SD	2	68.0	66.9	65.5	1.1	2.5
NV	1	17.8	na	57.2	na	-39.4
VT	1	30.8	na	43.9	na	-13.1
DC	0	na	na	67.3	na	na
HI	0	na	na	63.1	na	na

na = not applicable

<sup>a</sup> Rates are percentages of unpaid loan balance at time of default.

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

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

**Table 6. REO Components of Loss by Property Disposition Month**

Disposition Month	2018											2017	
	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov
<b>Loss Components as Percent of Defaulted Loan Balance</b>													
Claim Expenses <sup>a</sup> (%)	18.84	18.68	18.69	19.30	19.49	20.18	19.24	19.62	20.09	19.93	20.38	19.93	20.17
Holding Costs <sup>b</sup> (%)	5.09	4.97	5.11	4.91	4.72	4.89	4.92	4.89	4.79	4.46	4.71	4.86	4.85
Loss on Collateral <sup>c</sup> (%)	26.73	27.16	26.00	25.65	25.55	26.98	26.14	27.50	27.95	29.36	29.39	28.71	28.28
Sales Expense (%)	4.73	4.62	4.76	4.81	4.65	4.62	4.51	4.51	4.57	4.59	4.33	4.37	4.42
Program Discounts <sup>d</sup> (%)	0.26	0.22	0.40	0.33	0.25	0.29	0.12	0.14	0.25	0.30	0.26	0.17	0.38
Net Loss Rate <sup>e</sup> (%)	47.69	46.90	46.84	47.17	49.46	51.42	50.43	53.35	55.08	56.73	56.78	56.03	56.29
<b>Average Amount</b>													
Average Dollar Loss (\$)	55,519	56,058	56,462	56,608	59,652	61,925	61,107	64,163	65,255	67,242	66,425	66,194	66,370
Average Unpaid Balance (\$)	116,416	119,535	120,530	120,016	120,602	120,421	121,174	120,266	118,479	118,532	116,984	118,137	117,916
<b>Occurrence Counts</b>													
Number of Dispositions	1,300	1,678	1,464	1,932	1,797	1,896	2,213	2,181	2,457	2,376	2,294	2,410	2,221
Number of Discounts	6	9	10	12	12	10	6	7	13	16	7	10	5
<b>Stage</b>													
<b>Average Time in Months</b>													
Delinquency <sup>f</sup>	10.8	11.6	11.7	11.3	12.0	12.2	11.9	11.3	12.2	12.5	12.4	12.1	12.6
Foreclosure <sup>g</sup>	13.4	13.3	13.1	14.1	13.4	13.4	13.4	13.4	13.6	13.0	13.1	13.1	12.9
Deed Transfer <sup>h</sup>	13.4	13.6	13.2	13.6	14.0	13.7	13.3	13.5	14.4	13.4	13.2	13.2	13.6
REO	4.2	4.1	4.3	4.1	4.0	4.2	4.1	4.2	4.3	4.3	4.3	4.3	4.6
All Stages	41.7	42.6	42.3	43.0	43.2	43.4	42.5	42.4	44.4	43.2	42.9	42.7	43.7

<sup>a</sup> Includes interest on principal.

<sup>b</sup> Management, maintenance, repairs, administration, and security, net of rent and other income.

<sup>c</sup> Value when foreclosed (UPB) minus value received in REO; does not include Streamline refinances.

<sup>d</sup> Rate over all dispositions; effect is greater in the cases where a discount actually is given.

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

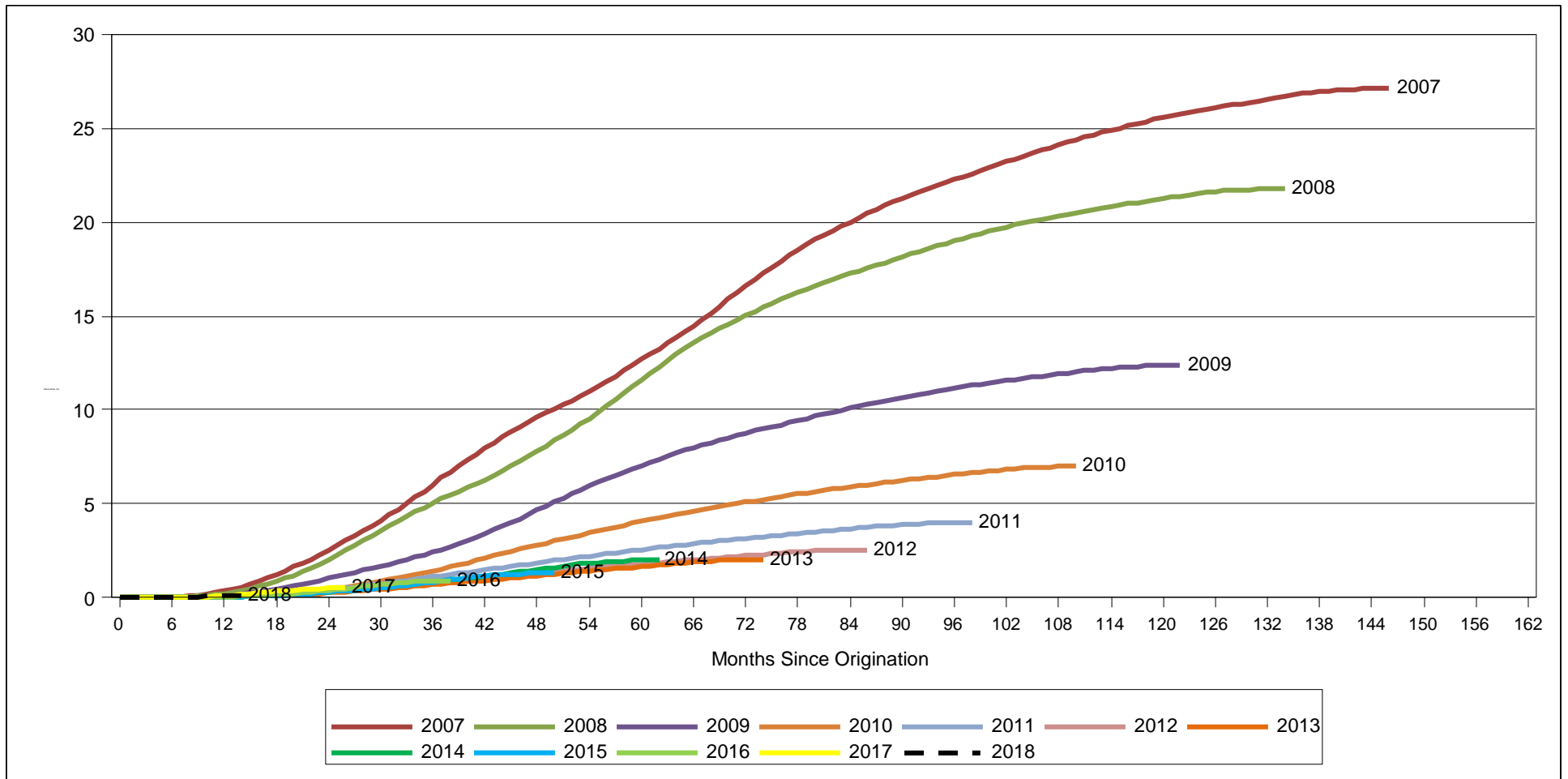
<sup>f</sup> First missed payment to date foreclosure initiated.

<sup>g</sup> Initiation of foreclosure proceedings to auction date.

<sup>h</sup> Auction date to HUD acquisition date.

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