



# FHA SINGLE FAMILY LOAN PERFORMANCE TRENDS

## Credit Risk Report

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

JULY  
2017

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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>							
Jul 2016	7,824,682	4.74	1.52	2.50	1.59	0.87	4.96
Aug	7,834,822	4.49	1.54	2.52	1.55	0.88	4.95
Sep	7,838,495	4.48	1.57	2.56	1.50	0.86	4.92
Oct	7,840,261	4.55	1.60	2.58	1.47	0.86	4.91
Nov	7,839,269	4.74	1.64	2.62	1.46	0.86	4.94
Dec	7,842,834	5.04	1.69	2.67	1.46	0.87	4.99
Jan 2017	7,877,094	4.66	1.63	2.62	1.47	0.87	4.97
Feb	7,891,926	4.44	1.47	2.49	1.46	0.86	4.81
Mar	7,904,390	3.68	1.23	2.21	1.47	0.86	4.54
Apr	7,917,975	4.63	1.32	2.17	1.44	0.86	4.47
May	7,934,510	4.32	1.37	2.09	1.41	0.86	4.36
Jun	7,950,029	4.37	1.39	2.07	1.37	0.85	4.28
Jul	7,962,527	4.51	1.44	2.08	1.30	0.82	4.20
<b>Seasonally Adjusted</b>							
Jul 2016	7,824,682	4.98	1.54	2.65	1.63	0.89	5.17
Aug	7,834,822	4.28	1.52	2.64	1.63	0.93	5.20
Sep	7,838,495	4.17	1.45	2.61	1.55	0.88	5.03
Oct	7,840,261	4.55	1.52	2.56	1.49	0.83	4.88
Nov	7,839,269	4.47	1.52	2.46	1.48	0.82	4.76
Dec	7,842,834	4.67	1.51	2.45	1.46	0.83	4.74
Jan 2017	7,877,094	4.45	1.45	2.34	1.45	0.85	4.64
Feb	7,891,926	4.77	1.59	2.35	1.43	0.85	4.64
Mar	7,904,390	4.27	1.42	2.28	1.43	0.87	4.58
Apr	7,917,975	5.04	1.52	2.26	1.44	0.86	4.56
May	7,934,510	4.48	1.49	2.15	1.43	0.87	4.46
Jun	7,950,029	4.39	1.44	2.15	1.37	0.84	4.36
Jul	7,962,527	4.50	1.45	2.19	1.30	0.82	4.31

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 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, August 2017.

**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>
2011 Q1	133,710	37.72	9.67	16.37	9.50	4.59	12.92	9.22
2011 Q2	117,908	37.31	10.23	16.08	10.14	4.52	12.03	9.68
2011 Q3	99,256	36.67	10.42	16.47	10.65	4.88	10.80	10.12
2011 Q4	133,829	37.30	10.24	17.49	10.94	4.76	9.40	9.88
2012 Q1	158,092	36.53	9.47	19.13	11.08	4.50	9.28	10.01
2012 Q2	114,762	37.13	10.00	17.60	11.35	4.76	8.58	10.58
2012 Q3	101,467	36.77	9.72	17.56	11.68	4.97	8.38	10.92
2012 Q4	125,200	36.77	9.50	18.07	11.85	4.65	8.14	11.01
2013 Q1	124,359	36.17	9.00	18.46	12.01	4.65	8.22	11.49
2013 Q2	104,165	35.79	8.80	18.03	12.22	4.52	8.20	12.44
2013 Q3	86,810	35.92	8.29	18.10	12.36	4.59	8.49	12.27
2013 Q4	105,090	36.28	8.30	19.08	12.38	4.58	8.75	10.64
2014 Q1	112,099	35.28	7.92	20.46	12.17	4.46	9.26	10.45
2014 Q2	93,183	34.72	8.04	19.66	11.79	4.32	10.74	10.73
2014 Q3	80,881	33.28	7.93	19.87	12.27	4.36	11.33	10.96
2014 Q4	101,850	32.45	7.53	20.94	12.61	4.42	11.44	10.61
2015 Q1	106,665	31.77	6.99	21.98	12.68	4.22	11.67	10.70
2015 Q2	82,866	32.13	7.15	21.63	12.55	4.20	11.52	10.82
2015 Q3	71,869	30.82	6.69	21.39	12.66	4.23	13.11	11.11
2015 Q4	88,263	30.50	6.66	22.23	12.75	3.98	12.18	11.71
2016 Q1	92,607	30.54	6.55	22.56	12.93	4.03	11.43	11.96
2016 Q2	78,978	30.13	6.90	22.74	12.78	3.90	11.94	11.61
2016 Q3	66,500	30.58	7.04	23.17	13.33	4.12	10.79	10.96
2016 Q4	85,289	31.38	7.70	23.76	13.16	3.95	9.72	10.32
2017 Q1	94,958	30.45	7.73	24.17	13.14	3.71	9.57	11.25
2017 Q2	75,376	29.98	8.32	24.03	13.25	3.69	10.52	10.21
2017 Q3	65,531	27.87	8.13	23.66	13.65	3.51	12.03	11.15
2017 Q4-Jul	26,317	25.04	7.60	22.96	11.93	3.37	16.33	12.76

<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, and transfer of ownership pending fraud and incarceration.

SOURCE: U.S. Department of HUD/FHA, August 2017.

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

	IIF Shares <sup>a</sup>	Rates 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	7,962,527	10.15	4.51	1.44	2.08	1.30	0.82	4.20
Purchase	66.62	10.95	4.94	1.63	2.27	1.26	0.85	4.38
Refinance	33.38	8.55	3.64	1.07	1.70	1.37	0.76	3.84
<b>Refinance</b>								
Refinance Loans	2,657,540	8.55	3.64	1.07	1.70	1.37	0.76	3.84
Conventional	33.46	10.36	4.19	1.27	2.08	1.88	0.93	4.90
No Cash Out	21.58	10.09	4.12	1.26	2.04	1.75	0.92	4.71
Cash Out	11.88	10.84	4.32	1.28	2.16	2.12	0.96	5.24
FHA	10.38	6.67	3.05	0.88	1.28	0.87	0.60	2.74
No Cash Out	6.27	6.60	3.04	0.88	1.23	0.82	0.62	2.68
Cash Out	4.11	6.78	3.05	0.89	1.34	0.94	0.56	2.84
Streamline	56.16	7.82	3.42	0.98	1.56	1.16	0.69	3.41
<b>Credit Score Range<sup>d</sup></b>								
Loans with Credit Scores	5,967,438	9.81	4.42	1.40	2.03	1.19	0.77	4.00
< 500	0.15	32.39	10.70	4.22	7.86	5.80	3.80	17.46
500–579	2.14	31.90	11.71	4.54	7.30	4.98	3.38	15.66
580–619	6.93	22.03	9.12	3.20	4.78	3.01	1.93	9.71
620–659	29.74	14.28	6.57	2.11	2.97	1.52	1.12	5.61
660–719	39.51	6.85	3.27	0.94	1.35	0.81	0.47	2.64
720–850	21.53	2.79	1.28	0.34	0.53	0.45	0.19	1.17
<b>Fiscal Year Cohort</b>								
All Cohorts	7,962,527	10.15	4.51	1.44	2.08	1.30	0.82	4.20
pre-2004	8.40	15.95	6.87	2.48	3.13	2.08	1.38	6.60
2004	2.20	17.05	7.24	2.55	3.30	2.40	1.56	7.25
2005	1.57	19.27	7.73	2.84	3.86	3.01	1.84	8.71
2006	1.24	22.88	8.60	3.24	4.75	4.10	2.19	11.04
2007	1.19	26.82	9.38	3.45	6.29	5.06	2.63	13.98
2008	2.83	27.14	9.70	3.42	6.14	5.23	2.65	14.02
2009	6.26	17.74	6.82	2.27	3.74	3.24	1.67	8.65
2010	8.08	12.44	5.22	1.67	2.55	1.87	1.14	5.56
2011	6.49	10.23	4.43	1.43	2.09	1.35	0.94	4.37
2012	7.91	8.40	3.75	1.20	1.71	0.94	0.78	3.44
2013	10.92	6.97	3.21	0.96	1.44	0.75	0.62	2.80
2014	5.47	10.81	4.97	1.52	2.37	1.12	0.83	4.32
2015	10.31	8.27	4.09	1.22	1.87	0.61	0.48	2.96
2016	14.17	5.86	3.33	0.94	1.12	0.27	0.20	1.59
2017	12.96	2.17	1.61	0.31	0.20	0.02	0.02	0.24

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

	IIF Shares <sup>a</sup>	Rates 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 Amount at Origination (\$ thousands)</b>								
All Loan Amounts	7,962,527	10.15	4.51	1.44	2.08	1.30	0.82	4.20
< 50	3.30	12.57	5.53	1.89	2.33	1.89	0.92	5.14
50–99	23.72	11.79	5.24	1.70	2.23	1.61	1.00	4.85
100–149	28.46	10.61	4.75	1.53	2.13	1.24	0.94	4.32
150–199	19.76	9.43	4.24	1.32	1.98	1.12	0.77	3.87
200–249	11.26	8.46	3.77	1.16	1.87	1.05	0.61	3.54
250–399	11.18	8.42	3.62	1.11	1.98	1.18	0.53	3.69
400–499	1.43	7.45	3.00	0.94	1.93	1.15	0.42	3.50
> 499	0.90	6.29	2.40	0.81	1.62	1.11	0.35	3.08
<b>Property Type</b>								
All Property Types	7,962,527	10.15	4.51	1.44	2.08	1.30	0.82	4.20
Detached	86.60	10.12	4.57	1.45	2.06	1.20	0.83	4.09
Manufactured Housing	3.14	13.07	5.30	1.65	2.53	2.45	1.14	6.12
2–4 Units	2.00	10.22	3.36	1.16	2.21	2.91	0.58	5.70
Condo	3.45	7.21	2.81	0.93	1.54	1.36	0.57	3.46
Townhouse	4.82	10.85	4.50	1.53	2.42	1.64	0.76	4.82
<b>Purchase Loan Type</b>								
All Purchase Loans	5,304,292	10.95	4.94	1.63	2.27	1.26	0.85	4.38
Repeat	18.49	8.78	4.08	1.24	1.71	1.04	0.71	3.45
First-time	81.51	11.44	5.14	1.71	2.40	1.31	0.89	4.59
<b>Seller-Funded Down Payment Assistance (DPA)</b>								
All Sources of Funds	7,962,527	10.15	4.51	1.44	2.08	1.30	0.82	4.20
Non-DPA	97.39	9.77	4.38	1.38	1.99	1.24	0.77	4.00
DPA	2.61	24.31	9.18	3.56	5.40	3.42	2.75	11.57

IIF = insurance in force.

<sup>a</sup> For each subpanel, the loan shares sum to 100%. However, in some of the subpanels, the total loans in the analysis do not sum to 100% of IIF. For example, the IIF shares for refinance loans sum 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, August 2017.

**Table 4. REO Components of Loss by Property Disposition Month**

Disposition Month	2017						2016						
	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun
<b>Loss Components as Percentage of Defaulted Loan Balance</b>													
Claim Expenses <sup>a</sup>	17.78	18.44	18.67	18.34	18.67	18.05	17.44	18.21	18.29	17.90	18.50	17.66	17.11
Holding Costs <sup>b</sup>	4.65	4.76	5.30	4.80	4.73	4.83	4.91	4.81	4.96	4.92	4.97	4.85	5.17
Loss on Collateral <sup>c</sup>	29.30	29.16	29.22	31.61	33.49	32.31	31.09	31.68	32.65	31.39	31.48	28.88	27.55
Sales Expense	4.37	4.55	4.66	4.39	4.29	4.40	4.33	4.30	4.20	4.24	4.36	4.55	4.71
Program Discounts <sup>d</sup>	0.15	0.13	0.19	0.15	0.15	0.17	0.11	0.14	0.14	0.11	0.18	0.13	0.26
Net Loss Rate <sup>e</sup>	51.88	52.76	54.86	57.28	59.82	58.32	56.45	58.17	58.75	57.77	58.69	55.19	53.93
<b>Average Amount (\$)</b>													
Average Dollar Loss	62,478	63,814	67,559	69,286	70,837	68,587	66,678	69,041	68,378	67,310	67,149	62,611	65,232
Average Unpaid Balance	120,430	120,954	123,159	120,951	118,409	117,608	118,126	118,684	116,392	116,512	114,422	113,442	120,945
<b>Occurrence Count</b>													
Number of Dispositions	2,803	3,653	3,525	4,508	3,632	3,626	4,188	4,192	4,519	4,769	4,633	3,380	3,377
Number of Discounts	14	14	19	24	14	18	11	14	19	17	27	14	21
<b>Stage</b>	<b>Average Time in Months</b>												
Delinquency <sup>f</sup>	13.3	13.2	13.2	13.2	13.3	12.9	13.1	13.3	12.8	12.7	12.9	12.8	12.9
Foreclosure <sup>g</sup>	13.4	13.5	14.0	13.5	13.4	12.7	12.3	13.1	12.9	13.1	12.9	12.3	12.7
Deed Transfer <sup>h</sup>	12.0	12.2	12.0	11.9	12.0	11.5	12.0	11.8	11.7	11.5	12.0	11.7	11.4
REO	4.6	4.7	4.9	5.1	5.1	5.1	5.0	5.0	5.0	4.8	4.7	4.4	4.1
All Stages	43.2	43.5	43.9	43.5	43.8	42.1	42.4	43.1	42.5	42.1	42.5	41.2	41.0

<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.

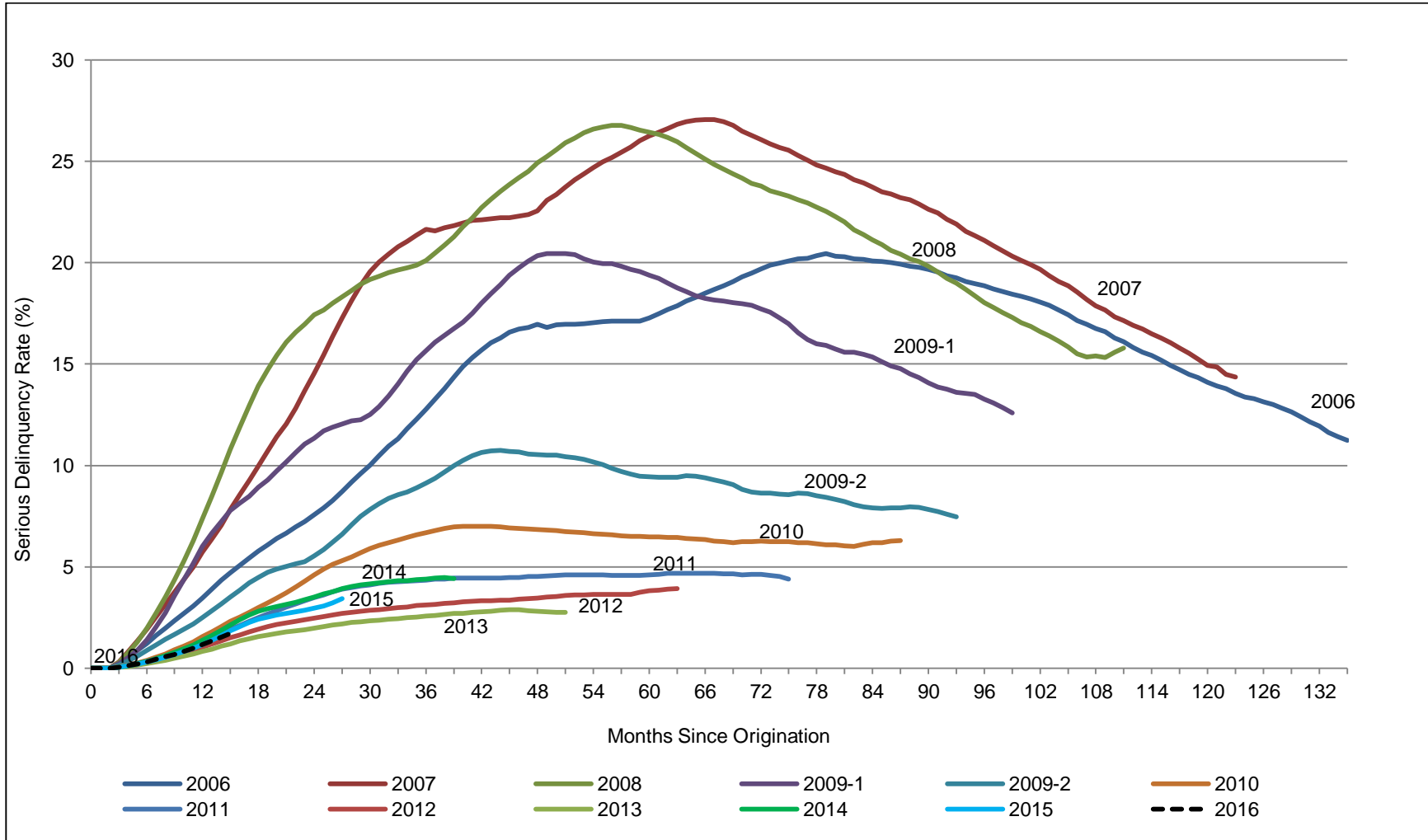
<sup>f</sup> First missed payment to date foreclosure initiated.

<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, August 2017.

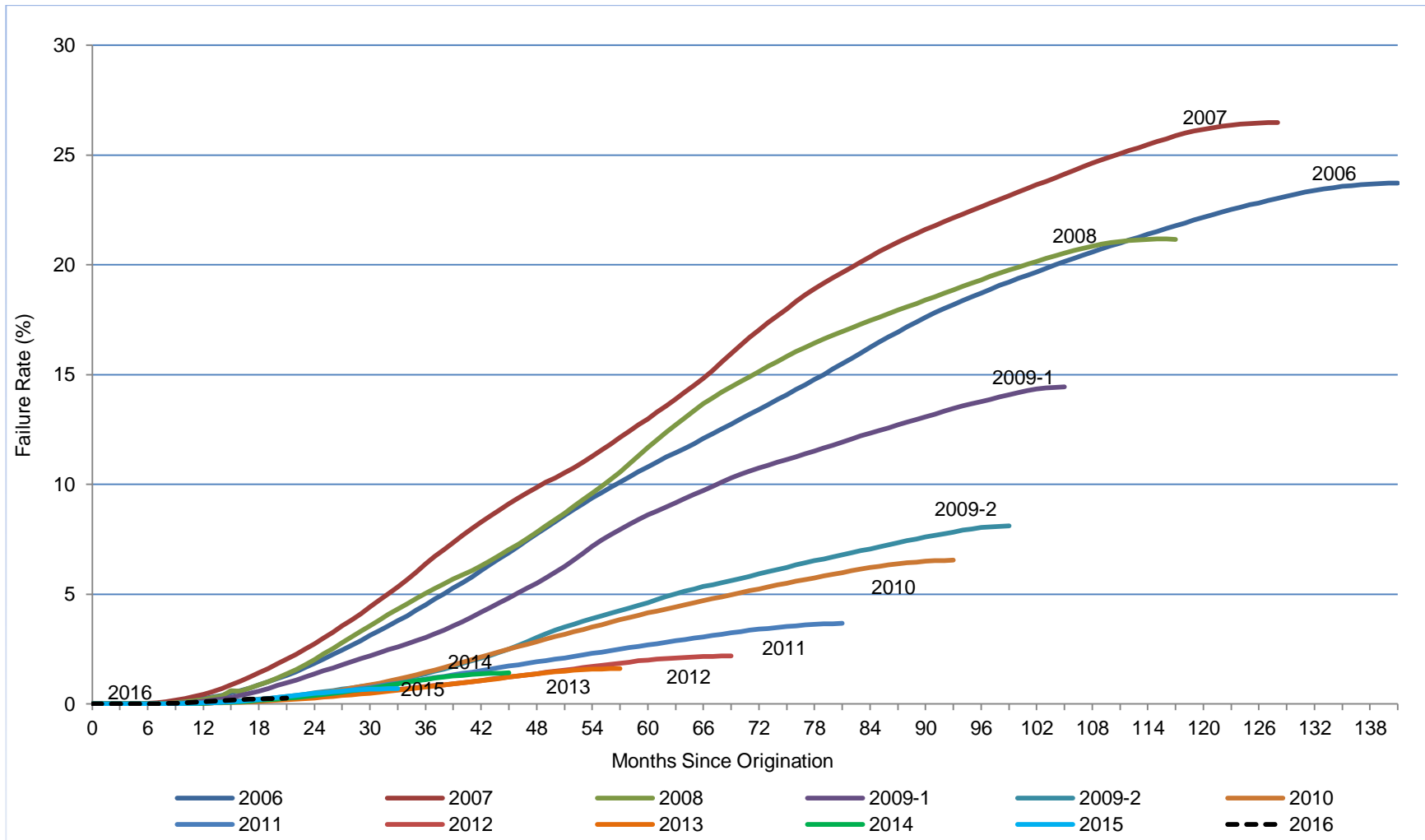
Figure 1. Serious Delinquency Rate by Fiscal Year



NOTE: The FY 2009 cohort is separated into two parts, representing loan originations from October through March in 2009-1 and loan originations from April through September in 2009-2. The last six months of the origination period have been removed to ensure seasoning of loans.  
 SOURCE: U.S. Department of HUD/FHA, August 2017.



Figure 2. Failure Rate by Fiscal Year



NOTES: The FY 2009 cohort is separated into two parts, representing loan originations from October through March in 2009-1 and loan originations from April through September in 2009-2. 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, August 2017.