



FHA Single Family Loan Performance Trends

March 2020
Credit Risk Report

Office of Risk Management
and Regulatory Affairs,
Office of Evaluation,
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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							
Mar 2019	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
Sep	8,107,806	5.27	1.74	2.07	0.90	0.92	3.88
Oct	8,098,839	5.12	1.76	2.13	0.89	0.91	3.93
Nov	8,094,347	5.01	1.89	2.26	0.88	0.91	4.06
Dec	8,096,131	5.35	1.85	2.52	0.90	0.93	4.35
Jan 2020	8,125,137	5.09	1.75	2.25	0.92	0.94	4.12
Feb	8,128,001	5.16	1.65	2.17	0.93	0.94	4.04
Mar	8,122,723	5.59	1.61	2.72	0.56	0.69	3.97
Seasonally Adjusted							
Mar 2019	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
Sep	8,107,806	5.05	1.65	2.08	0.92	0.93	3.93
Oct	8,098,839	4.82	1.63	2.10	0.91	0.92	3.93
Nov	8,094,347	4.56	1.68	2.11	0.90	0.91	3.93
Dec	8,096,131	4.75	1.61	2.30	0.90	0.93	4.14
Jan 2020	8,125,137	4.88	1.57	2.03	0.92	0.93	3.88
Feb	8,128,001	5.26	1.68	2.06	0.91	0.94	3.91
Mar	8,122,723	6.47	1.86	2.83	0.54	0.70	4.07

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, April 2020.

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
2015 Q1	106,665	31.72	6.98	21.88	12.73	4.24	11.67	10.78
2015 Q2	82,864	32.22	7.11	21.57	12.57	4.18	11.45	10.90
2015 Q3	71,869	30.85	6.62	21.25	12.71	4.24	13.13	11.19
2015 Q4	88,262	30.55	6.57	22.14	12.77	4.03	12.13	11.82
2016 Q1	92,606	30.65	6.42	22.52	13.01	4.05	11.27	12.09
2016 Q2	78,978	30.21	6.68	22.72	12.84	3.93	11.80	11.82
2016 Q3	66,500	30.88	6.75	23.02	13.38	4.19	10.61	11.17
2016 Q4	85,289	31.85	7.01	23.71	13.16	4.03	9.59	10.64
2017 Q1	94,958	31.45	6.74	24.34	13.18	3.83	9.13	11.34
2017 Q2	75,376	31.57	6.91	24.28	13.28	3.85	9.70	10.40
2017 Q3	65,531	30.73	6.81	24.43	13.86	3.94	9.78	10.46
2017 Q4	87,286	31.34	6.84	24.91	13.12	3.77	9.03	10.99
2018 Q1	157,584	24.17	4.57	22.55	8.72	2.42	7.17	30.41
2018 Q2	88,660	28.90	6.09	24.46	11.83	3.26	8.75	16.71
2018 Q3	64,397	30.75	6.57	25.31	13.02	3.86	8.87	11.61
2018 Q4	84,222	31.40	6.72	25.68	13.37	3.88	8.71	10.24
2019 Q1	92,065	31.07	6.72	26.09	13.48	3.71	8.63	10.30
2019 Q2	84,788	31.39	7.08	25.47	13.81	3.74	8.74	9.76
2019 Q3	69,223	30.40	7.62	25.87	14.31	3.96	8.18	9.67
2019 Q4	90,457	30.02	7.78	26.62	14.22	3.72	8.17	9.48
2020 Q1	113,969	27.62	7.16	25.28	13.31	3.24	8.42	14.98
2020 Q2	86,662	26.47	7.54	23.92	12.24	2.87	15.66	11.30

^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, April 2020.

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	8,122,723	11.17	5.59	1.61	2.72	0.56	0.69	3.97
Purchase	69.30	12.29	6.11	1.82	3.06	0.58	0.73	4.37
Refinance	30.70	8.63	4.42	1.14	1.95	0.51	0.61	3.07
Refinance								
Refinance Loans	2,493,637	8.63	4.42	1.14	1.95	0.51	0.61	3.07
Conventional	34.33	9.74	4.83	1.30	2.26	0.67	0.68	3.61
No Cash-out	19.71	9.63	4.75	1.28	2.20	0.68	0.71	3.59
Cash-out	14.62	9.89	4.94	1.32	2.33	0.66	0.63	3.63
FHA	14.49	7.48	4.07	0.97	1.63	0.31	0.49	2.43
No Cash-out	7.08	7.13	3.81	0.91	1.56	0.33	0.52	2.41
Cash-out	7.41	7.81	4.32	1.04	1.70	0.29	0.47	2.45
Streamline	51.17	8.22	4.24	1.09	1.84	0.45	0.60	2.90
Credit Score Range^d								
Loans with Credit Scores	6,509,868	11.14	5.59	1.59	2.74	0.54	0.67	3.96
< 500	0.09	32.87	13.05	5.02	9.55	2.68	2.57	14.80
500-579	1.76	27.52	12.02	4.18	7.50	1.75	2.07	11.32
580-619	8.24	21.03	9.90	3.25	5.57	1.04	1.27	7.89
620-659	32.07	15.74	7.88	2.27	3.90	0.71	0.97	5.59
660-719	39.14	8.21	4.31	1.12	1.91	0.40	0.47	2.77
720-850	18.69	3.37	1.78	0.43	0.77	0.21	0.17	1.15
Fiscal Year Cohort								
All Cohorts	8,122,723	11.17	5.59	1.61	2.72	0.56	0.69	3.97
pre-2005	7.47	16.48	8.05	2.72	3.89	0.78	1.04	5.71
2005	1.15	18.76	8.77	3.02	4.56	1.12	1.29	6.96
2006	0.93	20.44	9.19	3.19	5.07	1.54	1.45	8.06
2007	0.88	23.22	9.84	3.46	6.36	1.73	1.83	9.92
2008	2.06	23.36	10.01	3.32	6.31	2.00	1.73	10.04
2009	4.39	16.08	7.33	2.27	4.03	1.27	1.18	6.48
2010	5.55	12.30	5.94	1.77	2.88	0.83	0.89	4.60
2011	4.49	10.59	5.18	1.53	2.44	0.64	0.80	3.88
2012	5.58	8.87	4.41	1.24	2.04	0.47	0.70	3.22
2013	7.81	7.75	3.97	1.01	1.74	0.41	0.61	2.77
2014	3.65	12.96	6.12	1.78	3.18	0.72	1.16	5.05
2015	6.79	11.88	5.75	1.67	2.98	0.56	0.92	4.46
2016	9.86	11.04	5.52	1.54	2.76	0.47	0.75	3.98
2017	11.30	11.30	5.77	1.56	2.96	0.43	0.58	3.97
2018	9.68	12.21	6.15	1.71	3.40	0.46	0.49	4.36
2019	10.30	8.46	4.95	1.33	1.82	0.20	0.15	2.17
2020	8.11	2.27	1.87	0.27	0.11	0.00	0.01	0.12

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	8,122,723	11.17	5.59	1.61	2.72	0.56	0.69	3.97
< 50	2.45	12.49	5.98	1.92	2.90	0.92	0.77	4.59
50-99	20.64	11.92	5.80	1.75	2.80	0.75	0.82	4.37
100-149	26.38	11.46	5.66	1.68	2.75	0.58	0.80	4.13
150-199	20.42	10.87	5.51	1.56	2.65	0.47	0.67	3.80
200-249	13.01	10.38	5.34	1.48	2.59	0.42	0.56	3.56
250-399	14.19	10.67	5.50	1.48	2.76	0.43	0.49	3.69
400-499	1.79	10.14	5.19	1.34	2.75	0.46	0.40	3.61
> 499	1.12	9.89	5.05	1.30	2.69	0.51	0.34	3.54
Property Type								
All Property Types	8,122,723	11.17	5.59	1.61	2.72	0.56	0.69	3.97
Detached	86.45	11.26	5.68	1.63	2.72	0.53	0.70	3.95
Manufactured Housing	3.38	11.33	5.36	1.61	2.65	0.92	0.78	4.35
2-4 Units	2.19	9.81	4.46	1.26	2.72	0.94	0.44	4.10
Condo	2.81	8.62	4.07	1.15	2.30	0.54	0.56	3.40
Townhouse	5.17	11.52	5.59	1.67	2.97	0.63	0.66	4.25
Purchase Loan Type								
All Purchase Loans	5,628,654	12.29	6.11	1.82	3.06	0.58	0.73	4.36
Repeat	16.68	9.93	5.23	1.41	2.25	0.45	0.59	3.29
First-time	83.32	12.76	6.28	1.90	3.22	0.60	0.75	4.58
Down Payment Assistance (DPA) Type								
All Sources of Funds	8,122,723	11.17	5.59	1.61	2.72	0.56	0.69	3.97
Government	7.59	12.76	6.00	1.96	3.42	0.56	0.82	4.80
Relative	16.27	14.26	7.16	2.12	3.56	0.64	0.78	4.98
Other	1.94	18.48	8.46	2.93	4.68	0.98	1.43	7.09
Seller Funded	0.51	27.16	11.44	4.06	7.60	1.88	2.18	11.66
No DPA	73.68	10.02	5.08	1.41	2.38	0.51	0.63	3.52

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, April 2020.

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 %
2017	Mar	7,904,390	11,783	116,236	6,345	10,605	0.96
	Apr	7,917,975	9,085	114,284	5,517	10,427	0.83
	May	7,934,510	9,536	112,048	5,979	10,381	0.90
	Jun	7,950,029	8,779	108,632	6,286	10,150	0.94
	Jul	7,962,527	8,115	103,183	5,825	9,698	0.87
	Aug	7,973,604	9,472	103,830	6,800	9,462	1.02
	Sep	7,982,070	8,019	94,946	5,786	8,834	0.87
2018	Oct	7,986,663	8,751	94,012	6,008	8,779	0.90
	Nov	7,988,634	8,488	92,810	5,524	8,604	0.83
	Dec	7,989,699	8,854	93,261	4,756	8,617	0.71
	Jan	8,005,645	9,874	91,506	5,066	8,910	0.76
	Feb	8,007,772	9,937	92,797	5,023	8,987	0.75
	Mar	8,007,182	10,239	92,153	5,708	9,357	0.85
	Apr	8,012,065	9,692	90,663	5,406	9,514	0.81
	May	8,015,714	10,272	89,409	5,804	9,811	0.87
	Jun	8,024,523	9,106	87,390	5,440	9,853	0.81
	Jul	8,031,487	8,380	82,258	4,882	9,604	0.73
	Aug	8,037,609	9,811	85,106	5,207	9,583	0.77
Sep	8,048,639	7,830	83,334	4,151	9,182	0.62	
2019	Oct	8,062,967	10,356	81,407	5,549	9,293	0.82
	Nov	8,077,125	9,315	80,980	4,488	9,133	0.66
	Dec	8,086,151	9,431	80,094	4,086	9,187	0.60
	Jan	8,112,026	11,395	83,174	4,469	9,690	0.66
	Feb	8,117,180	10,288	84,258	4,355	9,769	0.64
	Mar	8,118,034	10,200	81,377	4,703	10,164	0.69
	Apr	8,117,498	9,461	78,277	4,883	10,015	0.72
	May	8,114,839	8,879	76,321	3,984	9,942	0.59
	Jun	8,114,665	7,710	74,502	3,746	9,656	0.55
	Jul	8,116,418	8,053	73,946	3,761	9,099	0.55
	Aug	8,117,513	9,057	73,562	4,032	8,893	0.59
Sep	8,107,806	7,816	72,575	3,558	8,496	0.53	
2020	Oct	8,098,839	9,751	71,711	4,163	8,544	0.62
	Nov	8,094,347	8,587	71,543	3,652	8,496	0.54
	Dec	8,096,131	9,090	73,070	3,566	8,726	0.53
	Jan	8,125,137	10,842	75,086	3,855	9,191	0.57
	Feb	8,128,001	10,643	75,294	3,378	9,455	0.50
	Mar	8,122,723	6,746	45,107	3,910	9,277	0.58

^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, April 2020.

Table 5. REO Recovery Rates

Disposition State ^b	Dispositions	Recovery Rates (%)			Percentage Point Change	
		February 2020	January 2020	February 2019	From Previous Month	From Previous Year
US	1,248	50.8	49.0	42.2	1.8	8.7
IL	81	22.3	22.4	16.2	-0.1	6.1
OH	80	36.7	38.2	28.7	-1.5	8.0
CT	77	51.5	45.8	33.9	5.7	17.6
NJ	76	39.0	35.5	16.3	3.5	22.7
NY	69	30.9	24.8	20.6	6.1	10.3
TX	67	64.6	61.3	58.9	3.3	5.7
PA	55	46.8	45.4	25.9	1.4	20.9
LA	50	43.3	45.2	44.2	-1.9	-0.9
MD	49	53.0	40.3	46.5	12.7	6.4
MI	48	54.2	45.9	39.1	8.3	15.1
FL	47	62.6	61.6	56.9	0.9	5.6
KS	42	59.3	48.8	49.5	10.5	9.8
MO	41	56.8	59.3	46.1	-2.5	10.7
AL	38	54.9	47.8	54.2	7.1	0.6
IN	38	43.2	41.1	35.0	2.1	8.2
GA	35	63.1	58.5	48.8	4.6	14.3
KY	35	54.0	42.8	35.6	11.2	18.3
VA	34	62.4	64.2	55.1	-1.8	7.3
NC	25	67.9	54.6	51.9	13.3	16.0
OK	23	53.1	45.1	46.4	8.0	6.7
PR	22	58.3	54.7	47.2	3.6	11.1
SC	22	53.0	52.1	42.2	0.9	10.8
MS	17	53.7	57.5	56.6	-3.8	-3.0
TN	17	65.1	61.1	66.6	4.0	-1.5
MN	16	59.5	53.7	52.4	5.8	7.1
AR	15	55.3	60.9	47.0	-5.7	8.3
MA	11	62.4	91.3	33.7	-29.0	28.7
WI	11	51.0	56.2	22.3	-5.2	28.6
WV	11	21.5	37.0	25.3	-15.5	-3.8
CO	10	86.4	85.0	75.3	1.4	11.1
IA	9	29.6	27.2	15.9	2.4	13.7
NM	9	37.4	52.1	48.7	-14.7	-11.3
AK	8	66.7	53.8	56.8	12.9	9.9
AZ	8	101.1	92.6	56.8	8.5	44.3
ME	8	16.1	59.0	11.0	-42.9	5.1
ND	7	47.0	34.2	50.9	12.8	-4.0
WA	7	89.1	74.0	70.2	15.1	18.9
MT	6	51.5	46.6	50.2	4.9	1.3
CA	5	67.9	83.1	90.7	-15.2	-22.7

Table 5. REO Recovery Rates

Disposition State ^b	Dispositions	Recovery Rates (%)			Percentage Point Change	
		February 2020	January 2020	February 2019	From Previous Month	From Previous Year
NH	4	94.5	64.0	24.8	30.5	69.7
OR	4	87.4	60.8	109.6	26.6	-22.1
DE	2	41.6	48.3	20.5	-6.7	21.1
NV	2	55.1	78.2	76.4	-23.1	-21.3
RI	2	46.4	59.3	46.9	-13.0	-0.5
SD	2	130.7	70.0	44.6	60.7	86.1
ID	1	76.1	71.5	95.7	4.6	-19.6
NE	1	56.8	158.2	71.7	-101.4	-14.9
WY	1	32.1	54.8	40.4	-22.7	-8.2
UT	0	na	69.9	68.1	na	na
VT	0	na	2.0	49.6	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, April 2020.

Table 6. REO Components of Loss by Property Disposition Month

Disposition Month	2020		2019										
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Loss Components as Percent of Defaulted Loan Balance													
Claim Expenses ^a (%)	19.08	19.59	19.67	19.78	20.25	20.66	20.36	20.05	20.95	20.74	20.81	20.85	21.43
Holding Costs ^b (%)	5.26	5.27	5.31	5.36	5.58	5.47	4.95	4.92	5.16	5.35	5.12	5.16	5.12
Loss on Collateral ^c (%)	23.22	22.79	23.79	23.30	21.46	22.24	21.96	21.35	20.79	22.13	24.56	23.42	26.08
Sales Expense (%)	4.97	5.21	4.81	5.04	4.95	4.87	4.93	5.03	5.00	4.92	4.66	4.84	4.66
Program Discounts ^d (%)	0.10	0.42	0.08	0.36	0.22	0.15	0.23	0.37	0.30	0.29	0.11	0.20	0.16
Net Loss Rate ^e (%)	49.16	50.98	51.51	51.10	49.50	50.83	50.94	50.66	51.82	53.53	54.66	54.49	57.84
Average Amount													
Average Dollar Loss (\$)	57,853	60,363	62,038	61,635	58,775	60,334	63,334	61,727	62,435	62,917	66,274	65,776	68,562
Average Unpaid Balance (\$)	117,684	118,396	120,443	120,619	118,746	118,689	124,336	121,835	120,480	117,544	121,258	120,711	118,537
Occurrence Counts													
Number of Dispositions	1,248	1,426	1,290	1,191	1,275	1,061	1,199	1,249	1,157	1,355	1,292	1,444	1,409
Number of Discounts	2	9	3	8	8	5	7	8	7	9	4	5	4
Stage													
Average Time in Months													
Delinquency ^f	9.8	9.6	9.8	10.5	10.6	10.2	10.5	10.0	10.3	10.8	11.2	11.1	10.3
Foreclosure ^g	11.7	11.7	12.1	12.1	12.5	12.3	12.0	12.2	11.9	12.1	12.6	12.6	13.7
Deed Transfer ^h	11.4	11.5	11.7	11.8	11.8	12.3	12.3	12.3	11.8	13.0	13.1	12.7	12.8
REO	4.5	4.4	4.4	4.4	4.3	4.5	4.3	4.2	4.2	4.1	4.2	4.2	4.3
All Stages	37.3	37.2	37.8	38.7	39.1	39.3	38.9	38.6	38.2	39.8	40.9	40.5	40.9

^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

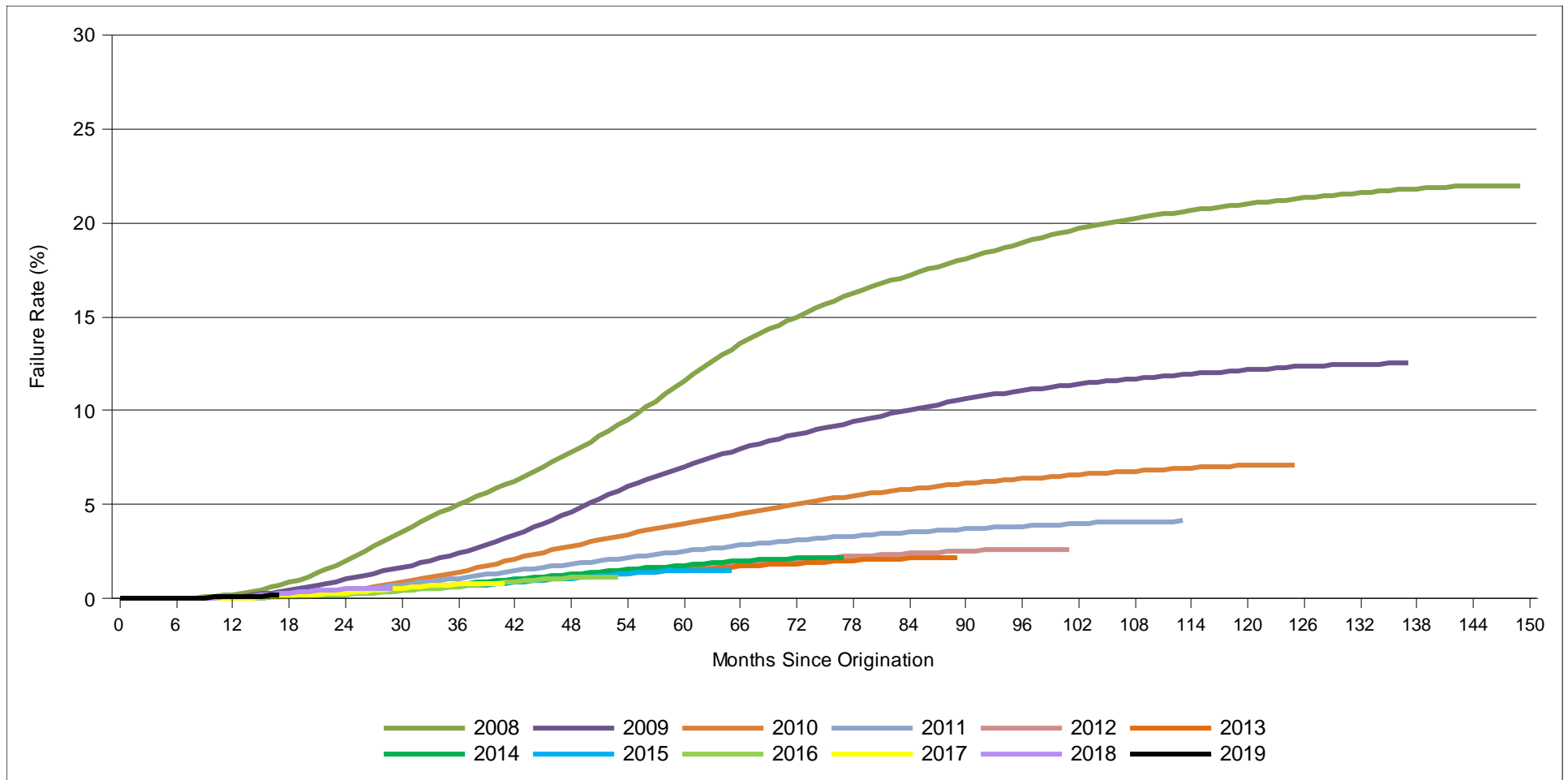
^f First missed payment to date foreclosure initiated.

^g Initiation of foreclosure proceedings to auction date.

^h Auction date to HUD acquisition date.

SOURCE: U.S. Department of HUD/FHA, April 2020.

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, April 2020.