



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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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							
Nov 2017	7,988,634	5.22	2.22	2.88	1.16	0.79	4.83
Dec	7,989,699	5.57	1.96	3.23	1.17	0.79	5.19
Jan 2018	8,005,645	4.96	1.81	3.24	1.14	0.80	5.18
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	1.11	0.83	4.35
Jun	8,024,523	4.87	1.47	2.35	1.09	0.84	4.28
Jul ^d	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
Seasonally Adjusted							
Nov 2017	7,988,634	4.76	2.00	2.76	1.17	0.78	4.71
Dec	7,989,699	5.06	1.71	3.03	1.16	0.79	4.98
Jan 2018	8,005,645	4.75	1.64	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	4.63	1.57	2.67	1.12	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 ^d	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

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 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.

^d Due to late reporting by a large servicer, the delinquency rates for July 2018 are likely understated. The August 2018 delinquency reporting rates accurately reflect the status of the portfolio.

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

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
2012 Q1	158,091	36.54	9.45	19.15	11.09	4.50	9.27	10.01
2012 Q2	114,762	37.13	9.99	17.61	11.35	4.75	8.58	10.59
2012 Q3	101,467	36.78	9.70	17.55	11.69	4.97	8.37	10.93
2012 Q4	125,200	36.79	9.49	18.06	11.85	4.65	8.15	11.00
2013 Q1	124,359	36.22	8.98	18.44	12.01	4.65	8.21	11.50
2013 Q2	104,165	35.81	8.79	17.99	12.24	4.51	8.21	12.44
2013 Q3	86,810	35.94	8.27	18.10	12.36	4.60	8.49	12.24
2013 Q4	105,090	36.32	8.29	19.05	12.38	4.58	8.74	10.64
2014 Q1	112,099	35.32	7.93	20.45	12.16	4.46	9.21	10.47
2014 Q2	93,183	34.73	8.04	19.66	11.79	4.31	10.69	10.78
2014 Q3	80,881	33.28	7.89	19.90	12.27	4.35	11.29	11.02
2014 Q4	101,850	32.52	7.51	20.89	12.61	4.42	11.42	10.63
2015 Q1	106,665	31.75	6.97	21.91	12.71	4.24	11.68	10.74
2015 Q2	82,866	32.23	7.12	21.61	12.55	4.18	11.45	10.86
2015 Q3	71,869	30.85	6.64	21.30	12.68	4.24	13.10	11.19
2015 Q4	88,263	30.55	6.61	22.18	12.73	4.00	12.15	11.79
2016 Q1	92,607	30.65	6.40	22.59	12.98	4.05	11.28	12.04
2016 Q2	78,978	30.21	6.70	22.80	12.84	3.92	11.82	11.71
2016 Q3	66,500	30.84	6.78	23.16	13.36	4.17	10.58	11.10
2016 Q4	85,289	31.73	7.07	23.91	13.13	4.02	9.52	10.63
2017 Q1	94,958	31.30	6.79	24.42	13.13	3.78	9.14	11.44
2017 Q2	75,376	31.41	6.96	24.38	13.24	3.85	9.73	10.43
2017 Q3	65,531	30.44	6.96	24.59	13.82	3.92	9.70	10.57
2017 Q4	87,286	30.86	7.09	24.99	13.00	3.72	9.10	11.23
2018 Q1	157,585	23.42	4.79	22.59	8.52	2.35	7.38	30.95
2018 Q2	88,660	27.72	6.67	24.58	11.75	3.17	9.01	17.10
2018 Q3	64,397	28.68	7.63	25.37	12.98	3.76	9.43	12.15
2018 Q4	84,222	27.88	7.70	25.58	13.20	3.55	10.31	11.78
2019 Q1 Oct	29,814	25.97	7.56	25.55	12.53	2.99	12.46	12.94
2019 Q1 Nov	30,229	23.11	6.76	24.09	11.18	2.93	16.15	15.79

^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, and transfer of ownership pending fraud and incarceration.
 SOURCE: U.S. Department of HUD/FHA, December 2018.

Table 3. Delinquency Rates by Loan and Property Characteristics

	IIF Shares ^a	Rates 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	8,077,125	10.72	5.02	1.63	2.20	1.00	0.86	4.06
Purchase	69.00	11.62	5.47	1.83	2.44	1.00	0.88	4.32
Refinance	31.00	8.70	4.02	1.19	1.67	1.01	0.81	3.49
Refinance								
Refinance Loans	2,504,067	8.70	4.02	1.19	1.67	1.01	0.81	3.49
Conventional	35.29	9.75	4.39	1.29	1.89	1.28	0.91	4.07
No Cash Out	21.34	9.76	4.38	1.30	1.87	1.28	0.93	4.08
Cash Out	13.94	9.74	4.39	1.28	1.92	1.27	0.87	4.07
FHA	12.75	6.74	3.42	0.92	1.24	0.59	0.58	2.41
No Cash Out	6.47	7.09	3.49	0.96	1.32	0.67	0.66	2.64
Cash Out	6.28	6.38	3.35	0.88	1.15	0.50	0.50	2.16
Streamline	51.96	8.46	3.91	1.18	1.63	0.94	0.80	3.36
Credit Score Range^d								
Loans with Credit Scores	6,355,236	10.43	4.93	1.60	2.15	0.94	0.81	3.90
< 500	0.10	35.50	12.41	5.19	8.20	5.20	4.51	17.91
500–579	1.90	29.56	11.86	4.46	6.53	3.51	3.20	13.24
580–619	7.61	20.89	9.39	3.27	4.50	1.99	1.73	8.23
620–659	30.89	15.10	7.18	2.38	3.16	1.22	1.17	5.55
660–719	39.50	7.49	3.71	1.11	1.48	0.67	0.53	2.67
720–850	20.00	3.08	1.50	0.41	0.60	0.36	0.20	1.16
Fiscal Year Cohort								
All Cohorts	8,077,125	10.72	5.02	1.63	2.20	1.00	0.86	4.06
2007	1.00	25.74	9.93	3.65	5.82	3.58	2.76	12.16
2008	2.36	25.81	10.09	3.61	5.60	3.88	2.64	12.11
2009	5.14	17.18	7.21	2.47	3.45	2.37	1.69	7.51
2010	6.59	12.66	5.72	1.81	2.46	1.49	1.19	5.14
2011	5.32	10.66	4.89	1.54	2.13	1.10	0.99	4.22
2012	6.55	8.96	4.11	1.33	1.83	0.82	0.87	3.52
2013	9.11	7.60	3.53	1.09	1.54	0.69	0.76	2.98
2014	4.42	12.56	5.62	1.87	2.65	1.22	1.20	5.07
2015	8.37	10.61	4.87	1.67	2.30	0.88	0.89	4.07
2016	12.03	9.45	4.63	1.46	2.08	0.67	0.61	3.36
2017	13.76	8.23	4.27	1.32	1.85	0.45	0.34	2.64
2018	12.30	4.92	3.26	0.84	0.65	0.11	0.07	0.82
2019	1.99	0.58	0.56	0.03	0.00	0.00	0.00	0.00

Table 3. Delinquency Rates by Loan and Property Characteristics

	IIF Shares ^a	Rates of Active Loan Counts (%)						Serious 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	8,077,125	10.72	5.02	1.63	2.20	1.00	0.86	4.06
< 50	2.82	13.11	6.10	1.98	2.41	1.69	0.94	5.03
50–99	22.03	12.39	5.73	1.91	2.42	1.28	1.05	4.75
100–149	27.41	11.25	5.26	1.72	2.28	0.98	1.00	4.26
150–199	20.20	10.14	4.85	1.55	2.10	0.85	0.80	3.74
200–249	12.21	9.23	4.38	1.39	2.00	0.80	0.67	3.46
250–399	12.70	9.11	4.26	1.36	2.03	0.87	0.59	3.48
400–499	1.62	8.11	3.65	1.16	1.91	0.91	0.47	3.29
> 499	1.02	7.20	3.09	0.95	1.84	0.95	0.37	3.16
Property Type								
All Property Types	8,077,125	10.72	5.02	1.63	2.20	1.00	0.86	4.06
Detached	86.53	10.76	5.09	1.65	2.20	0.95	0.87	4.01
Manufactured Housing	3.24	12.45	5.59	1.78	2.43	1.63	1.02	5.08
2–4 Units	2.11	9.71	3.83	1.23	2.04	2.00	0.61	4.65
Condo	3.05	8.03	3.43	1.08	1.88	0.99	0.64	3.51
Townhouse	5.07	10.92	4.93	1.66	2.37	1.17	0.79	4.33
Purchase Loan Type								
All Purchase Loans	5,572,563	11.62	5.47	1.83	2.44	1.00	0.88	4.32
Repeat	17.55	9.30	4.56	1.40	1.83	0.80	0.71	3.34
First-time	82.45	12.12	5.67	1.92	2.56	1.04	0.92	4.52
Down Payment Assistance (DPA) Type								
All Sources of Funds	8,077,125	10.72	5.02	1.63	2.20	1.00	0.86	4.06
Government	6.83	12.50	5.63	2.01	2.83	1.00	1.02	4.86
Relative	16.05	13.19	6.35	2.13	2.77	1.04	0.90	4.71
Other	2.13	19.00	8.21	3.03	4.06	1.75	1.95	7.76
Seller Funded	0.59	29.95	11.38	4.48	6.75	3.75	3.59	14.09
No DPA	74.40	9.63	4.54	1.43	1.93	0.95	0.78	3.66

IIF = insurance in force.

^a 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.

^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, December 2018.

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	Nov	7,780,970	10,438	142,850	6,761	10,934	1.04
	Dec	7,779,458	11,856	143,655	7,116	11,080	1.09
	Jan	7,797,476	11,057	141,184	6,821	11,168	1.04
	Feb	7,809,458	11,493	138,844	8,182	11,242	1.25
	Mar	7,809,260	11,797	130,976	8,141	11,350	1.24
	Apr	7,810,381	10,122	130,574	7,276	11,127	1.11
	May	7,813,695	8,895	127,396	6,472	10,870	0.99
	Jun	7,814,304	9,216	126,980	6,647	10,430	1.02
	Jul	7,824,682	8,944	124,479	5,401	10,078	0.83
Aug	7,834,822	10,446	121,623	7,416	9,903	1.13	
Sep	7,838,495	9,869	117,726	6,329	9,582	0.96	
2017	Oct	7,840,261	10,152	115,334	6,505	9,587	0.99
	Nov	7,839,269	9,805	114,184	6,004	9,739	0.92
	Dec	7,842,834	10,158	114,476	5,757	9,896	0.88
	Jan	7,877,094	10,823	116,091	5,533	10,209	0.84
	Feb	7,891,926	10,888	115,426	4,975	10,283	0.75
	Mar	7,904,390	11,769	116,334	6,346	10,599	0.96
	Apr	7,917,975	9,078	114,272	5,517	10,420	0.83
	May	7,934,510	9,529	112,065	5,979	10,374	0.90
	Jun	7,950,029	8,774	108,659	6,288	10,144	0.95
Jul	7,962,527	8,111	103,214	5,825	9,692	0.87	
Aug	7,973,604	9,470	103,849	6,801	9,455	1.02	
Sep	7,982,070	8,008	94,991	5,786	8,828	0.87	
2018	Oct	7,986,663	8,748	94,024	6,008	8,773	0.90
	Nov	7,988,634	8,488	92,840	5,524	8,600	0.83
	Dec	7,989,699	8,840	93,243	4,756	8,611	0.71
	Jan	8,005,645	9,855	91,530	5,067	8,902	0.76
	Feb	8,007,772	9,931	92,811	5,023	8,978	0.75
	Mar	8,007,182	10,225	92,141	5,710	9,348	0.85
	Apr	8,012,065	9,670	90,625	5,408	9,502	0.81
	May	8,015,714	10,250	89,356	5,805	9,795	0.87
	Jun	8,024,523	9,088	87,388	5,443	9,837	0.81
Jul	8,031,487	8,354	82,258	4,887	9,586	0.73	
Aug	8,037,609	9,778	85,105	5,210	9,561	0.78	
Sep	8,048,639	7,896	83,333	4,155	9,173	0.62	
2019	Oct	8,062,967	10,478	81,407	5,553	9,307	0.82
	Nov	8,077,125	9,805	80,980	4,508	9,233	0.67

^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, December 2018.

Table 5. REO Recovery Rates

Disposition State ^b	Dispositions	Recovery Rates ^a (%)			Percentage Point Change	
		Oct 2018	Sep 2018	Oct 2017	From Previous Month	From Previous Year
U.S.	1,495	52.7	53.7	42.5	-1.0	10.2
IL	100	32.3	30.6	26.5	1.6	5.7
OH	90	38.1	38.7	28.3	-0.6	9.9
PR	83	51.2	47.8	44.1	3.4	7.1
NJ	82	28.7	42.8	16.7	-14.1	12.0
PA	78	40.7	51.4	28.3	-10.7	12.4
TX	73	67.3	66.0	60.8	1.3	6.5
VA	65	59.2	60.0	55.0	-0.8	4.2
MI	64	54.8	50.3	29.8	4.5	25.0
MD	58	49.3	46.6	42.6	2.7	6.7
CT	53	51.3	39.8	29.7	11.5	21.6
KS	47	68.7	57.5	51.6	11.1	17.0
LA	46	51.8	45.7	45.4	6.1	6.4
OK	46	53.2	53.7	50.1	-0.5	3.1
MO	45	48.7	49.1	41.2	-0.4	7.5
MS	41	64.8	48.5	56.9	16.3	7.9
FL	39	70.6	81.8	56.7	-11.2	13.9
GA	38	66.3	78.6	53.8	-12.4	12.5
NC	33	70.4	68.5	58.9	1.9	11.6
TN	33	76.2	72.5	63.0	3.7	13.2
AL	32	50.5	49.7	44.7	0.8	5.8
IN	32	75.8	50.1	36.0	25.7	39.7
NY	32	45.9	17.2	15.9	28.8	30.0
KY	31	34.2	41.3	37.0	-7.1	-2.8
SC	29	58.7	55.7	56.2	2.9	2.5
AR	23	59.4	49.7	43.6	9.7	15.8
NM	22	68.6	60.8	46.8	7.8	21.8
WI	22	56.7	59.4	31.1	-2.7	25.7
MN	18	42.1	62.4	51.9	-20.3	-9.8
WY	17	64.4	68.8	55.1	-4.4	9.3
CO	13	92.4	76.9	78.5	15.5	13.9
WA	13	72.1	97.2	82.4	-25.1	-10.4
AZ	12	89.9	34.3	48.3	55.6	41.6
CA	9	74.8	77.0	74.1	-2.3	0.6
OR	9	88.0	76.3	67.4	11.7	20.6
WV	9	25.8	27.8	14.9	-2.0	10.9
IA	7	30.1	69.1	37.0	-39.0	-6.9
AK	6	42.0	66.0	46.1	-24.0	-4.1
DE	5	62.2	58.8	41.1	3.4	21.0

Table 5. REO Recovery Rates

Disposition State ^b	Dispositions	Recovery Rates ^a (%)			Percentage Point Change	
		Oct 2018	Sep 2018	Oct 2017	From Previous Month	From Previous Year
MA	5	38.5	119.5	51.8	-81.0	-13.3
ME	5	43.8	9.6	24.2	34.2	19.6
ND	5	39.4	43.2	45.6	-3.9	-6.2
ID	4	91.1	66.8	68.6	24.3	22.5
MT	4	55.9	54.3	57.1	1.6	-1.2
NH	4	52.1	67.9	38.3	-15.8	13.9
RI	4	34.0	36.2	45.6	-2.1	-11.6
UT	4	87.1	48.3	72.3	38.8	14.8
SD	3	70.2	54.9	62.2	15.3	8.0
NE	2	27.6	63.7	33.5	-36.1	-5.9
DC	0	na	82.9	na	na	na
HI	0	na	93.8	95.8	na	na
NV	0	na	128.3	67.0	na	na
VT	0	na	53.2	-0.6	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, December 2018.

Table 6. REO Components of Loss by Property Disposition Month

Disposition Month	2018										2017		
	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
Loss Components as Percentage of Defaulted Loan Balance													
Claim Expenses ^a	18.57	18.22	18.95	19.17	19.93	18.94	19.30	19.85	19.66	20.25	19.79	20.09	19.67
Holding Costs ^b	4.90	5.10	4.91	4.72	4.89	4.92	4.89	4.79	4.46	4.71	4.86	4.85	4.83
Loss on Collateral ^c	27.72	26.00	25.69	25.52	26.99	26.16	27.50	27.95	29.36	29.39	28.71	28.34	29.93
Sales Expense	4.58	4.76	4.80	4.65	4.62	4.50	4.51	4.57	4.59	4.33	4.37	4.42	4.32
Program Discounts ^d	0.22	0.40	0.33	0.25	0.29	0.12	0.14	0.25	0.30	0.26	0.17	0.38	0.04
Net Loss Rate ^e	47.30	46.31	46.77	49.06	51.24	50.05	52.92	54.66	56.13	56.45	55.59	55.82	57.52
Average Amount (\$)													
Average Dollar Loss	55,985	55,815	56,126	59,151	61,730	60,687	63,641	64,755	66,534	66,046	65,668	65,810	70,186
Average Unpaid Balance	118,350	120,530	119,997	120,578	120,477	121,249	120,266	118,477	118,532	117,003	118,137	117,907	122,020
Occurrence Count													
Number of Dispositions	1,495	1,464	1,926	1,793	1,895	2,211	2,181	2,456	2,376	2,293	2,410	2,220	2,362
Number of Discounts	7	10	12	12	10	6	7	13	16	7	10	5	3
Stage	Average Time in Months												
Delinquency ^f	11.7	11.7	11.3	12.0	12.2	11.9	11.3	12.2	12.5	12.3	12.1	12.6	12.4
Foreclosure ^g	13.2	13.1	14.1	13.4	13.5	13.4	13.5	13.7	13.1	13.1	13.1	12.9	13.3
Deed Transfer ^h	13.4	13.2	13.7	14.0	13.7	13.3	13.5	14.4	13.4	13.2	13.2	13.5	13.8
REO	4.1	4.3	4.1	4.0	4.2	4.1	4.3	4.3	4.3	4.3	4.3	4.6	4.7
All Stages	42.3	42.3	43.1	43.2	43.4	42.5	42.4	44.5	43.2	42.9	42.7	43.7	44.2

^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.

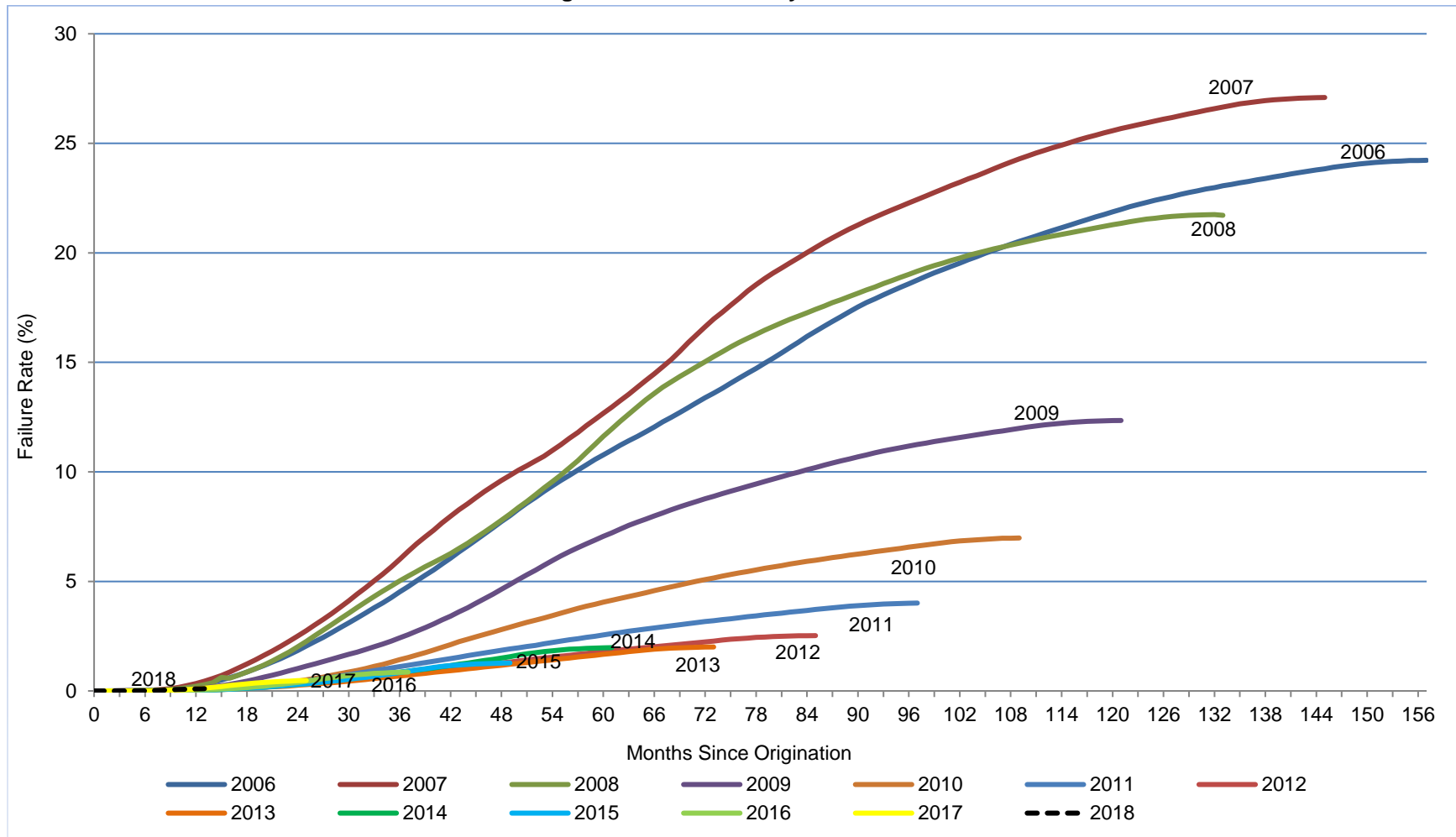
^f First missed payment to date foreclosure initiated.

^g Initiation of foreclosure proceedings to auction date.

^h Auction date to HUD acquisition date.

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

Figure 1. 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, December 2018.