



# 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 <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>							
Sep 2017	7,982,070	5.77	1.70	2.36	1.19	0.77	4.32
Oct	7,986,663	5.53	2.11	2.46	1.18	0.78	4.42
Nov	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 <sup>d</sup>	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
<b>Seasonally Adjusted</b>							
Sep 2017	7,982,070	5.56	1.61	2.36	1.21	0.77	4.34
Oct	7,986,663	5.37	1.98	2.44	1.20	0.77	4.41
Nov	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 <sup>d</sup>	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

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.

<sup>d</sup> 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, October 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 <sup>a</sup>
2011 Q4	133,826	37.31	10.22	17.50	10.94	4.76	9.41	9.87
2012 Q1	158,091	36.54	9.45	19.15	11.09	4.50	9.27	10.00
2012 Q2	114,762	37.14	9.99	17.61	11.35	4.75	8.58	10.59
2012 Q3	101,467	36.78	9.70	17.54	11.69	4.97	8.38	10.93
2012 Q4	125,200	36.79	9.49	18.07	11.85	4.65	8.16	11.00
2013 Q1	124,359	36.22	8.98	18.44	12.01	4.65	8.22	11.50
2013 Q2	104,165	35.80	8.79	18.00	12.23	4.52	8.22	12.43
2013 Q3	86,810	35.94	8.27	18.10	12.36	4.59	8.51	12.24
2013 Q4	105,090	36.32	8.29	19.06	12.38	4.57	8.75	10.63
2014 Q1	112,099	35.32	7.93	20.46	12.16	4.45	9.22	10.47
2014 Q2	93,183	34.74	8.04	19.65	11.79	4.31	10.71	10.75
2014 Q3	80,881	33.29	7.89	19.89	12.28	4.35	11.30	11.01
2014 Q4	101,850	32.51	7.51	20.90	12.61	4.42	11.43	10.61
2015 Q1	106,665	31.75	6.97	21.94	12.69	4.25	11.68	10.72
2015 Q2	82,866	32.24	7.12	21.60	12.55	4.19	11.47	10.85
2015 Q3	71,869	30.83	6.65	21.34	12.67	4.24	13.11	11.16
2015 Q4	88,263	30.56	6.61	22.19	12.74	4.00	12.16	11.73
2016 Q1	92,607	30.68	6.44	22.57	12.98	4.05	11.29	11.99
2016 Q2	78,978	30.21	6.72	22.84	12.84	3.91	11.80	11.68
2016 Q3	66,500	30.83	6.80	23.22	13.37	4.17	10.58	11.02
2016 Q4	85,289	31.78	7.12	23.94	13.11	4.04	9.48	10.52
2017 Q1	94,958	31.29	6.84	24.43	13.13	3.79	9.17	11.35
2017 Q2	75,376	31.44	7.05	24.36	13.25	3.83	9.70	10.37
2017 Q3	65,531	30.43	7.07	24.57	13.84	3.93	9.73	10.42
2017 Q4	87,286	30.78	7.21	25.10	13.03	3.75	9.01	11.11
2018 Q1	157,585	23.12	4.95	22.44	8.45	2.32	7.40	31.32
2018 Q2	88,660	27.28	6.92	24.43	11.77	3.14	9.21	17.25
2018 Q3	64,397	27.69	7.84	25.09	12.97	3.66	10.23	12.52
2018 Q4	84,223	25.06	7.41	24.79	12.33	3.17	13.93	13.32

<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, October 2018.

**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	8,048,639	11.28	5.51	1.66	2.22	1.04	0.86	4.11
Purchase	68.53	12.14	5.92	1.86	2.46	1.03	0.88	4.36
Refinance	31.47	9.40	4.61	1.22	1.71	1.06	0.81	3.57
<b>Refinance</b>								
Refinance Loans	2,519,762	9.40	4.61	1.22	1.71	1.06	0.81	3.57
Conventional	35.02	10.54	4.97	1.35	1.95	1.36	0.91	4.22
No Cash Out	21.37	10.55	4.99	1.35	1.93	1.34	0.93	4.21
Cash Out	13.65	10.51	4.93	1.35	1.98	1.38	0.87	4.23
FHA	12.41	7.28	3.90	0.94	1.26	0.60	0.58	2.45
No Cash Out	6.44	7.55	3.91	1.00	1.30	0.67	0.67	2.64
Cash Out	5.97	6.99	3.88	0.87	1.22	0.53	0.49	2.24
Streamline	52.58	9.14	4.54	1.19	1.65	0.96	0.79	3.41
<b>Credit Score Range<sup>d</sup></b>								
Loans with Credit Scores	6,295,881	10.92	5.37	1.62	2.17	0.96	0.80	3.93
< 500	0.11	37.85	14.39	4.83	8.85	5.35	4.43	18.62
500–579	1.93	31.45	13.07	4.60	6.82	3.71	3.24	13.78
580–619	7.50	22.10	10.30	3.38	4.58	2.09	1.75	8.42
620–659	30.76	15.79	7.80	2.43	3.16	1.24	1.16	5.56
660–719	39.53	7.85	4.05	1.11	1.49	0.68	0.52	2.69
720–850	20.17	3.23	1.64	0.40	0.61	0.37	0.20	1.19
<b>Fiscal Year Cohort</b>								
All Cohorts	8,048,639	11.28	5.51	1.66	2.22	1.04	0.86	4.11
pre-2004	7.01	17.88	8.32	2.86	3.53	1.74	1.44	6.70
2004	1.86	18.28	8.55	2.87	3.58	1.76	1.52	6.86
2005	1.37	20.33	9.28	3.17	4.02	2.11	1.76	7.89
2006	1.08	23.15	9.94	3.37	4.78	2.97	2.09	9.85
2007	1.02	27.31	10.95	3.81	5.93	3.89	2.74	12.55
2008	2.42	27.34	11.06	3.78	5.76	4.10	2.63	12.50
2009	5.26	18.31	8.03	2.53	3.55	2.51	1.68	7.75
2010	6.74	13.56	6.42	1.86	2.55	1.56	1.17	5.28
2011	5.44	11.36	5.45	1.59	2.18	1.15	0.99	4.32
2012	6.69	9.59	4.67	1.38	1.85	0.84	0.86	3.55
2013	9.30	8.10	3.97	1.13	1.56	0.69	0.75	3.00
2014	4.53	13.12	6.20	1.89	2.63	1.21	1.19	5.03
2015	8.56	11.01	5.37	1.63	2.30	0.84	0.87	4.01
2016	12.28	9.59	4.93	1.44	2.03	0.62	0.57	3.22
2017	13.99	8.15	4.53	1.27	1.71	0.37	0.28	2.35
2018	12.43	3.81	2.72	0.60	0.41	0.05	0.04	0.49

**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	8,048,639	11.28	5.51	1.66	2.22	1.04	0.86	4.11
< 50	2.87	13.64	6.46	2.09	2.39	1.75	0.95	5.09
50–99	22.25	12.95	6.17	1.97	2.44	1.33	1.04	4.80
100–149	27.55	11.80	5.75	1.74	2.31	1.01	0.99	4.31
150–199	20.15	10.69	5.34	1.56	2.13	0.87	0.80	3.80
200–249	12.09	9.77	4.89	1.39	2.02	0.82	0.65	3.49
250–399	12.49	9.70	4.78	1.38	2.06	0.90	0.58	3.54
400–499	1.59	8.54	4.09	1.16	1.83	0.96	0.49	3.28
> 499	1.01	7.59	3.49	0.97	1.71	1.03	0.39	3.13
<b>Property Type</b>								
All Property Types	8,048,639	11.28	5.51	1.66	2.22	1.04	0.86	4.11
Detached	86.55	11.33	5.59	1.68	2.22	0.97	0.87	4.06
Manufactured Housing	3.23	13.05	6.06	1.82	2.39	1.76	1.02	5.17
2–4 Units	2.09	10.23	4.17	1.25	2.12	2.09	0.61	4.81
Condo	3.09	8.52	3.78	1.12	1.96	1.02	0.64	3.62
Townhouse	5.04	11.45	5.31	1.74	2.41	1.22	0.77	4.40
<b>Purchase Loan Type</b>								
All Purchase Loans	5,528,369	12.14	5.92	1.86	2.46	1.03	0.88	4.36
Repeat	17.64	9.91	5.08	1.43	1.85	0.84	0.71	3.40
First-time	82.36	12.62	6.09	1.96	2.59	1.07	0.92	4.57
<b>Down Payment Assistance (DPA) Type</b>								
All Sources of Funds	8,048,639	11.28	5.51	1.66	2.22	1.04	0.86	4.11
Government	6.75	13.12	6.16	2.06	2.87	1.01	1.02	4.90
Relative	15.92	13.68	6.81	2.14	2.78	1.07	0.88	4.73
Other	2.15	20.15	9.03	3.19	4.10	1.85	1.99	7.94
Seller Funded	0.61	31.61	12.53	4.47	6.99	4.00	3.62	14.60
No DPA	74.57	10.18	5.01	1.46	1.95	0.98	0.78	3.72

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, October 2018.

**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> (%)
2015	Sep	7,742,143	11,136	145,114	7,147	11,070	1.10
2016	Oct	7,765,800	11,446	143,740	8,195	10,895	1.26
	Nov	7,780,970	10,427	142,850	6,761	10,925	1.04
	Dec	7,779,458	11,848	143,655	7,116	11,071	1.09
	Jan	7,797,476	11,049	141,184	6,821	11,158	1.04
	Feb	7,809,458	11,484	138,844	8,182	11,232	1.25
	Mar	7,809,260	11,792	130,976	8,141	11,341	1.24
	Apr	7,810,381	10,111	130,574	7,276	11,119	1.11
	May	7,813,695	8,891	127,396	6,472	10,863	0.99
	Jun	7,814,304	9,209	126,980	6,647	10,423	1.02
	Jul	7,824,682	8,938	124,479	5,401	10,071	0.83
Aug	7,834,822	10,437	121,623	7,416	9,896	1.13	
Sep	7,838,495	9,863	117,726	6,329	9,575	0.96	
2017	Oct	7,840,261	10,142	115,334	6,505	9,580	0.99
	Nov	7,839,269	9,795	114,184	6,004	9,731	0.92
	Dec	7,842,834	10,148	114,476	5,757	9,887	0.88
	Jan	7,877,094	10,811	116,091	5,534	10,199	0.84
	Feb	7,891,926	10,876	115,426	4,975	10,273	0.75
	Mar	7,904,390	11,761	116,334	6,346	10,589	0.96
	Apr	7,917,975	9,066	114,272	5,517	10,410	0.83
	May	7,934,510	9,519	112,065	5,979	10,364	0.90
	Jun	7,950,029	8,764	108,659	6,288	10,133	0.95
	Jul	7,962,527	8,101	103,214	5,825	9,681	0.87
Aug	7,973,604	9,454	103,849	6,801	9,444	1.02	
Sep	7,982,070	7,999	94,991	5,786	8,817	0.87	
2018	Oct	7,986,663	8,739	94,024	6,008	8,763	0.90
	Nov	7,988,634	8,478	92,840	5,524	8,589	0.83
	Dec	7,989,699	8,830	93,243	4,756	8,600	0.71
	Jan	8,005,645	9,839	91,530	5,067	8,890	0.76
	Feb	8,007,772	9,917	92,811	5,023	8,967	0.75
	Mar	8,007,182	10,216	92,141	5,710	9,337	0.85
	Apr	8,012,065	9,653	90,625	5,408	9,489	0.81
	May	8,015,714	10,233	89,356	5,805	9,781	0.87
	Jun	8,024,523	9,055	87,388	5,443	9,819	0.81
	Jul	8,031,487	8,460	82,258	4,887	9,589	0.73
Aug	8,037,609	9,966	85,105	5,210	9,597	0.78	
Sep	8,048,639	8,407	83,333	4,155	9,296	0.62	

<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, October 2018.

**Table 5. REO Recovery Rates**

Disposition State <sup>b</sup>	Dispositions	Recovery Rates <sup>a</sup> (%)			Percentage Point Change	
		Jul 2018	Jun 2018	Jul 2017	From Previous Month	From Previous Year
U.S.	1,647	54.5	52.0	39.9	2.5	14.6
PR	105	52.1	51.3	51.2	0.8	0.9
OH	103	39.3	47.4	25.4	-8.1	13.9
PA	82	51.5	47.3	24.2	4.2	27.3
TX	77	70.6	67.8	64.6	2.8	6.0
NJ	76	29.0	20.7	12.0	8.3	17.0
IL	70	36.0	38.8	23.6	-2.8	12.4
CT	66	41.5	48.2	26.6	-6.7	15.0
AL	64	42.3	56.3	45.4	-14.0	-3.1
MI	64	52.3	46.0	29.6	6.3	22.6
OK	64	46.7	51.3	42.3	-4.6	4.4
FL	63	79.1	74.8	48.4	4.3	30.7
VA	59	60.7	57.9	48.1	2.8	12.6
MD	57	60.6	42.8	37.1	17.8	23.5
KS	54	56.4	63.5	47.4	-7.2	9.0
NC	54	56.2	55.8	48.5	0.4	7.7
LA	51	51.0	43.9	42.7	7.0	8.3
MO	51	62.6	50.6	43.3	12.1	19.4
GA	50	75.7	66.3	54.7	9.4	21.0
IN	41	49.7	53.3	31.8	-3.6	17.9
TN	39	66.0	63.1	65.1	2.8	0.9
NY	38	51.8	26.3	7.2	25.5	44.5
AR	34	52.9	52.2	40.9	0.7	12.0
SC	31	60.8	66.7	55.8	-5.9	5.0
KY	27	47.0	56.2	46.9	-9.2	0.1
MS	27	59.7	65.7	44.5	-6.1	15.2
NM	25	56.2	51.3	49.7	4.8	6.5
WI	16	44.9	34.8	19.3	10.1	25.6
MN	14	67.2	51.6	53.0	15.6	14.2
CA	13	92.2	85.0	80.6	7.2	11.6
CO	12	67.0	99.7	75.0	-32.7	-8.0
MA	12	60.2	62.0	43.5	-1.8	16.6
OR	12	80.8	76.3	60.9	4.6	19.9
WA	11	72.6	73.9	74.3	-1.3	-1.7
WY	11	51.0	65.0	61.5	-14.0	-10.5
WV	9	40.5	43.8	36.3	-3.3	4.1
IA	8	73.0	61.4	28.4	11.6	44.6
AK	7	64.1	56.3	51.5	7.8	12.6
AZ	7	65.9	55.9	55.4	10.0	10.5
ND	6	48.8	58.3	49.7	-9.6	-0.9
NV	6	103.2	81.4	64.0	21.8	39.2



**Table 5. REO Recovery Rates**

Disposition State <sup>b</sup>	Dispositions	Recovery Rates <sup>a</sup> (%)			Percentage Point Change	
		Jul 2018	Jun 2018	Jul 2017	From Previous Month	From Previous Year
ID	5	68.3	94.5	68.2	-26.2	0.0
MT	5	68.3	58.5	54.0	9.7	14.3
SD	5	44.3	35.8	62.1	8.5	-17.8
NH	3	77.8	75.2	46.5	2.6	31.3
VT	3	50.8	41.3	28.3	9.5	22.5
DE	2	38.2	59.6	47.8	-21.4	-9.6
ME	2	64.7	49.5	20.7	15.2	44.0
NE	2	50.7	46.9	55.4	3.8	-4.7
RI	2	43.8	62.1	56.4	-18.4	-12.7
UT	2	133.4	76.6	63.0	56.8	70.3
DC	0	na	na	89.6	na	na
HI	0	na	82.9	na	na	na
VI	0	na	21.8	na	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, October 2018.

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

Disposition Month	2018								2017				
	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug
<b>Loss Components as Percentage of Defaulted Loan Balance</b>													
Claim Expenses <sup>a</sup>	17.74	18.41	19.57	18.65	18.99	19.68	19.52	20.16	19.71	20.04	19.63	19.33	20.65
Holding Costs <sup>b</sup>	4.70	4.68	4.89	4.91	4.88	4.78	4.45	4.70	4.86	4.85	4.83	4.94	5.04
Loss on Collateral <sup>c</sup>	26.07	25.56	27.08	26.16	27.44	27.98	29.38	29.37	28.74	28.34	29.94	28.41	29.79
Sales Expense	4.67	4.65	4.61	4.50	4.51	4.57	4.59	4.33	4.36	4.42	4.32	4.43	4.45
Program Discounts <sup>d</sup>	0.19	0.25	0.29	0.12	0.14	0.25	0.30	0.26	0.17	0.38	0.04	0.08	0.12
Net Loss Rate <sup>e</sup>	45.53	48.01	50.75	49.44	52.12	53.79	55.88	56.27	55.38	55.59	57.46	56.82	60.10
<b>Average Amount (\$)</b>													
Average Dollar Loss	53,517	57,928	61,219	60,014	62,671	63,739	66,249	65,808	65,415	65,539	70,116	68,379	72,327
Average Unpaid Balance	117,544	120,648	120,624	121,394	120,246	118,492	118,551	116,941	118,125	117,907	122,032	120,338	120,336
<b>Occurrence Count</b>													
Number of Dispositions	1,647	1,778	1,858	2,202	2,176	2,453	2,373	2,289	2,408	2,220	2,361	2,457	2,873
Number of Discounts	6	12	10	6	7	13	16	7	10	5	3	6	11
<b>Stage</b>													
<b>Average Time in Months</b>													
Delinquency <sup>f</sup>	11.1	11.9	12.3	11.9	11.3	12.2	12.5	12.3	12.1	12.6	12.4	13.3	13.1
Foreclosure <sup>g</sup>	13.8	13.4	13.4	13.3	13.4	13.6	13.1	13.1	13.1	12.9	13.3	13.0	14.6
Deed Transfer <sup>h</sup>	13.6	14.0	13.6	13.2	13.5	14.4	13.4	13.2	13.2	13.5	13.8	13.1	12.9
REO	4.1	4.0	4.2	4.1	4.2	4.3	4.3	4.3	4.3	4.6	4.7	4.6	4.7
All Stages	42.5	43.2	43.3	42.5	42.4	44.5	43.2	42.9	42.7	43.7	44.1	43.9	45.4

<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.

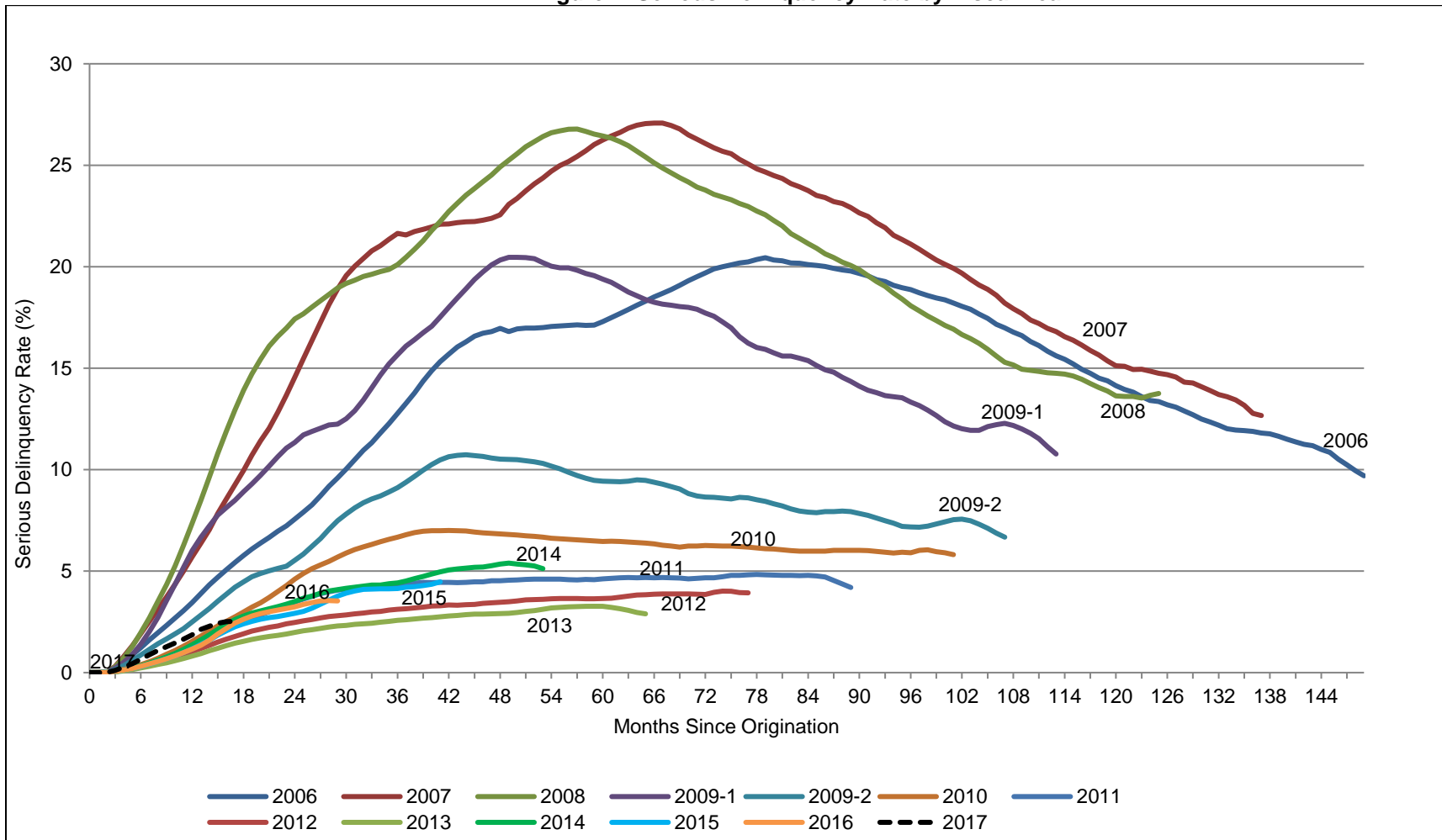
<sup>f</sup> First missed payment to date foreclosure initiated.

<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, October 2018.

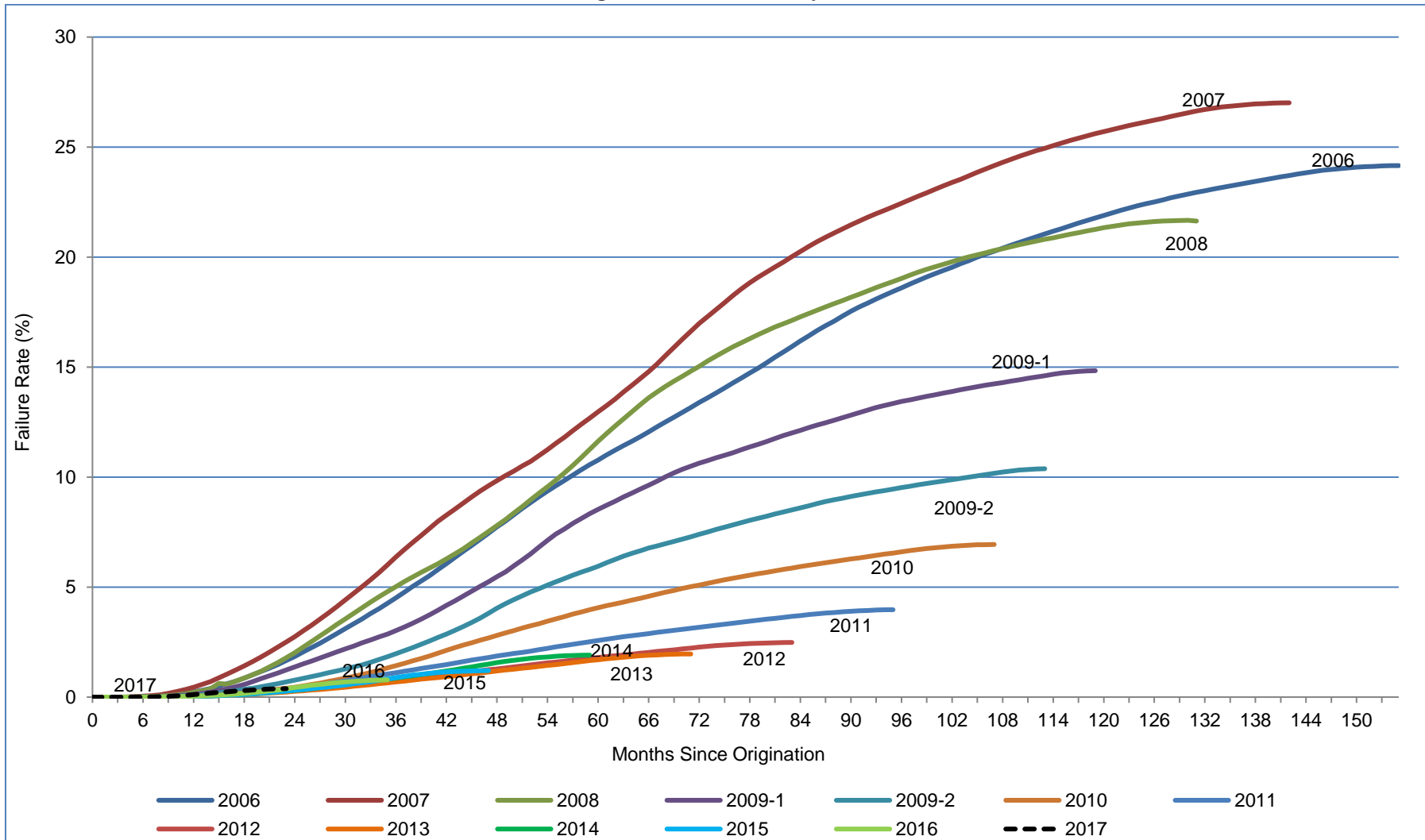
Figure 1. Serious Delinquency Rate by Fiscal Year



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, October 2018.

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, October 2018.