November 2022 Credit Risk Report

FHA Single Family Origination Trends

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

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Table 1. Distribution of New Endorsements by Loan Amount (%)

Fiscal Year	Quarter	Initial Loan Amount ($ thousands)								
		<50	50–99	100–149	150–199	200–249	250–399	400–499	500–625.5	>625.5
2016	Oct–Dec	1.28	14.22	25.71	22.39	15.53	16.35	2.73	1.53	0.26
	Jan–Mar	1.27	13.45	25.12	22.67	15.64	17.13	2.84	1.62	0.26
	Apr–Jun	1.05	13.24	25.36	23.22	15.97	16.96	2.51	1.45	0.24
	Jul–Sep	0.94	11.92	24.08	23.50	16.74	18.33	2.76	1.49	0.24
2017	Oct–Dec	0.95	11.90	23.54	23.12	16.92	18.84	2.90	1.57	0.26
	Jan–Mar	1.00	11.79	23.10	22.72	17.17	19.39	2.94	1.59	0.30
	Apr–Jun	0.94	11.71	23.14	23.29	17.18	19.27	2.75	1.41	0.32
	Jul–Sep	0.82	10.87	22.27	23.44	17.59	20.24	2.94	1.51	0.32
2018	Oct–Dec	0.79	11.15	22.13	23.17	17.58	20.39	2.96	1.48	0.34
	Jan–Mar	0.72	10.74	21.70	22.76	17.81	21.11	3.09	1.63	0.44
	Apr–Jun	0.69	11.07	22.22	23.14	17.57	20.74	2.80	1.36	0.42
	Jul–Sep	0.64	10.50	21.50	23.12	18.10	21.44	2.84	1.40	0.46
2019	Oct–Dec	0.74	10.73	21.18	23.03	17.87	21.67	2.88	1.45	0.45
	Jan–Mar	0.76	10.31	21.00	22.87	17.96	22.14	2.99	1.47	0.49
	Apr–Jun	0.63	9.69	20.14	22.70	18.50	23.28	3.10	1.41	0.55
	Jul–Sep	0.49	8.19	18.35	22.10	19.32	25.70	3.60	1.65	0.59
2020	Oct–Dec	0.42	7.99	18.14	21.67	19.32	26.27	3.79	1.74	0.66
	Jan–Mar	0.43	7.85	17.62	21.45	19.63	26.64	3.91	1.75	0.71
	Apr–Jun	0.30	6.66	16.59	21.63	20.57	28.22	3.74	1.64	0.64
	Jul–Sep	0.25	5.81	15.70	21.39	21.12	29.72	3.84	1.53	0.63
2021	Oct–Dec	0.22	5.56	15.05	20.84	21.01	30.48	4.23	1.82	0.78
	Jan–Mar	0.26	5.97	15.08	19.85	20.29	31.14	4.49	1.98	0.94
	Apr–Jun	0.34	6.20	15.08	19.40	19.41	31.82	4.75	2.03	0.97
	Jul–Sep	0.31	5.52	13.97	18.79	18.81	33.69	5.40	2.32	1.18
2022	Oct–Dec	0.31	5.49	13.82	18.22	18.09	34.63	5.76	2.41	1.27
	Jan–Mar	0.25	5.37	13.47	17.38	17.42	35.09	6.88	2.74	1.40
	Apr–Jun	0.25	5.13	12.76	16.64	16.60	35.41	8.64	3.01	1.56
	Jul–Sep	0.21	4.62	12.03	16.04	16.26	36.47	9.42	3.24	1.71
2023	Oct–Dec[a]	0.23	4.87	12.25	15.94	15.79	36.45	9.60	3.24	1.63

NOTES: Shares are based on loan counts. Excludes streamline refinancing.
[a] Only includes data for October and November.
SOURCE: U.S. Department of HUD/FHA, December 2022.

Table 2. Distribution of New Endorsements by Loan-to-Value Range (%)

Fiscal Year	Quarter	Loan-to-Value Range[a]			
		Less than or equal to 80[b]	81–90	91–95	96–98[b]
2016	Oct–Dec	7.55	12.57	8.26	71.62
	Jan–Mar	8.13	13.31	8.26	70.30
	Apr–Jun	6.84	11.76	7.72	73.69
	Jul–Sep	6.86	12.02	7.80	73.32
2017	Oct–Dec	8.06	13.98	7.73	70.23
	Jan–Mar	9.67	16.02	7.66	66.64
	Apr–Jun	8.03	13.82	7.57	70.58
	Jul–Sep	7.99	14.45	7.50	70.06
2018	Oct–Dec	8.84	16.41	7.42	67.34
	Jan–Mar	9.57	17.64	7.04	65.75
	Apr–Jun	7.88	14.44	6.88	70.81
	Jul–Sep	8.00	14.88	7.13	70.00
2019	Oct–Dec	9.31	16.79	7.06	66.83
	Jan–Mar	9.30	17.60	6.84	66.26
	Apr–Jun	8.34	16.28	6.80	68.59
	Jul–Sep	8.43	16.81	7.10	67.67
2020	Oct–Dec	13.88	14.76	7.54	63.82
	Jan–Mar	17.57	8.13	8.06	66.24
	Apr–Jun	12.61	6.87	7.90	72.61
	Jul–Sep	8.57	6.02	7.51	77.91
2021	Oct–Dec	10.16	6.60	7.85	75.39
	Jan–Mar	15.11	7.64	7.85	69.40
	Apr–Jun	16.38	7.37	7.35	68.90
	Jul–Sep	18.51	6.65	7.17	67.66
2022	Oct–Dec	21.13	6.22	6.97	65.68
	Jan–Mar	25.10	5.91	6.75	62.24
	Apr–Jun	26.30	5.87	6.94	60.89
	Jul–Sep	24.81	6.37	8.03	60.80
2023	Oct–Dec[c]	25.34	6.59	8.13	59.93

NOTES: Shares are based on loan counts. Excludes streamline refinancing.
[a] In accordance with statutory requirements for determining eligibility of loans for FHA insurance, HUD measures loan-to-value (LTV) ratio without including any financed mortgage insurance premium in the loan balance.
[b] The statutory maximum LTV since October 1, 2008, is 96.5 percent. Prior to October 1, 2008, the statutory maximum was 97 percent, with higher allowances for borrowers financing loan closing costs into the mortgage balance. If there was such financing, then the statutory maximum was between 97 and 98.15 percent, depending on the geographic location and price of the property.
[c] Only includes data for October and November.
SOURCE: U.S. Department of HUD/FHA, December 2022.

Table 3. Average Loan-to-Value Ratios on New Endorsements by Loan Purpose (%)

		Loan Purpose			
Fiscal Year	Quarter	Home Purchase	Conventional Loan Refinance	FHA-to-FHA Refinance[a]	All[a]
2016	Oct–Dec	95.68	79.39	82.64	93.18
	Jan–Mar	95.65	78.93	82.34	92.90
	Apr–Jun	95.79	79.29	82.54	93.42
	Jul–Sep	95.72	79.12	82.25	93.42
2017	Oct–Dec	95.70	78.91	82.23	92.86
	Jan–Mar	95.78	78.65	81.35	92.21
	Apr–Jun	95.75	78.07	81.21	92.87
	Jul–Sep	95.65	77.98	81.24	92.80
2018	Oct–Dec	95.70	78.31	81.48	92.36
	Jan–Mar	95.72	78.26	81.40	92.04
	Apr–Jun	95.73	77.82	81.19	92.86
	Jul–Sep	95.64	77.50	80.89	92.76
2019	Oct–Dec	95.57	76.98	80.94	92.13
	Jan–Mar	95.60	77.21	81.30	92.05
	Apr–Jun	95.61	77.50	81.72	92.44
	Jul–Sep	95.54	77.92	82.52	92.39
2020	Oct–Dec	95.46	77.05	82.16	91.44
	Jan–Mar	95.57	75.24	81.49	91.60
	Apr–Jun	95.71	76.33	82.90	92.87
	Jul–Sep	95.76	76.89	82.69	93.89
2021	Oct–Dec	95.66	76.29	81.69	93.43
	Jan–Mar	95.60	74.69	80.36	92.02
	Apr–Jun	95.52	73.29	78.42	91.64
	Jul–Sep	95.36	71.84	75.98	91.22
2022	Oct–Dec	95.23	70.37	74.69	90.55
	Jan–Mar	95.20	69.88	74.30	89.62
	Apr–Jun	94.92	69.33	73.68	89.25
	Jul–Sep	94.66	69.29	73.45	89.57
2023	Oct–Dec[b]	94.63	68.48	73.30	89.28

NOTE: In accordance with statutory requirements for determining eligibility of loans for FHA insurance, HUD measures loan-to-value (LTV) without including any mortgage insurance premium financed in the loan balance.
[a] These include only fully-underwritten loans and exclude streamline refinancing.
[b] Only includes data for October and November.
SOURCE: U.S. Department of HUD/FHA, December 2022.

Table 4. Distribution of New Endorsements by Credit Score Range (%)

		Credit Score Range[a]				
Fiscal Year	Quarter	500–619	620–639	640–679	680–719	720–850
2016	Oct–Dec	6.04	11.83	36.62	26.06	19.44
	Jan–Mar	6.26	11.97	36.40	26.33	19.04
	Apr–Jun	6.10	12.78	37.21	25.64	18.26
	Jul–Sep	6.03	12.69	37.00	25.91	18.38
2017	Oct–Dec	6.66	12.86	36.55	25.74	18.18
	Jan–Mar	7.52	12.84	36.18	25.34	18.12
	Apr–Jun	8.40	13.71	36.44	24.35	17.10
	Jul–Sep	9.38	13.88	36.15	23.92	16.67
2018	Oct–Dec	10.36	14.41	36.34	23.20	15.70
	Jan–Mar	11.50	14.49	36.38	22.75	14.87
	Apr–Jun	11.66	15.29	37.36	22.12	13.57
	Jul–Sep	12.18	15.36	37.23	21.73	13.49
2019	Oct–Dec	13.34	15.41	36.61	21.13	13.51
	Jan–Mar	13.79	15.87	36.74	20.66	12.94
	Apr–Jun	13.10	16.38	37.69	20.66	12.18
	Jul–Sep	11.75	15.34	38.38	21.57	12.95
2020	Oct–Dec	11.44	14.89	37.52	22.03	14.12
	Jan–Mar	11.85	15.29	37.16	21.35	14.35
	Apr–Jun	8.81	13.57	40.03	23.13	14.46
	Jul–Sep	4.47	11.69	42.35	25.72	15.78
2021	Oct–Dec	4.83	12.28	42.79	24.91	15.19
	Jan–Mar	5.77	13.47	42.44	23.84	14.48
	Apr–Jun	7.49	15.64	42.26	21.93	12.68
	Jul–Sep	8.86	16.88	42.72	20.47	11.06
2022	Oct–Dec	10.79	17.19	41.36	19.82	10.84
	Jan–Mar	12.06	17.17	40.46	19.60	10.71
	Apr–Jun	12.98	16.91	40.25	19.53	10.34
	Jul–Sep	13.62	15.87	39.41	20.36	10.75
2023	Oct–Dec[b]	13.47	15.17	38.41	21.21	11.73

NOTES: Shares are based on loan counts. Excludes streamline refinancing.
[a] Credit scores are cobranded between the three major credit repositories (Equifax, Experian, TransUnion) and Fair Isaac Corporation (FICO). Values can range from 300 to 850. FHA policy permits credit scores of 580 and above, except for loans with equity positions of 10 percent or more, which may have credit scores as low as 500.
[b] Only includes data for October and November.
SOURCE: U.S. Department of HUD/FHA, December 2022.

Table 5. Average Borrower Credit Scores on New Endorsements by Loan Purpose

Fiscal Year	Quarter	Loan Purpose: Home Purchase	Conventional Loan Refinance	FHA-to-FHA Refinance[a]	All[a]
2016	Oct–Dec	682	676	673	680
	Jan–Mar	681	676	672	680
	Apr–Jun	679	677	673	679
	Jul–Sep	680	677	672	679
2017	Oct–Dec	679	677	673	678
	Jan–Mar	679	675	669	678
	Apr–Jun	676	672	666	675
	Jul–Sep	676	669	664	674
2018	Oct–Dec	674	668	663	672
	Jan–Mar	672	666	661	670
	Apr–Jun	669	664	660	668
	Jul–Sep	669	663	658	668
2019	Oct–Dec	668	662	657	667
	Jan–Mar	667	660	656	665
	Apr–Jun	666	663	659	665
	Jul–Sep	668	667	663	667
2020	Oct–Dec	670	667	666	669
	Jan–Mar	671	661	662	669
	Apr–Jun	673	664	667	672
	Jul–Sep	677	674	674	677
2021	Oct–Dec	676	673	672	676
	Jan–Mar	675	671	670	674
	Apr–Jun	671	665	663	670
	Jul–Sep	669	659	656	666
2022	Oct–Dec	668	654	651	665
	Jan–Mar	668	652	649	664
	Apr–Jun	667	650	646	663
	Jul–Sep	669	646	642	663
2023	Oct–Dec[b]	670	647	642	665

NOTE: Credit scores are cobranded between the three major credit repositories (Equifax, Experian, TransUnion) and Fair Isaac Corporation (FICO). Values can range from 300 to 850. FHA policy permits credit scores of 580 and above, except for loans with equity positions of 10 percent or more, which may have credit scores as low as 500.
[a] These include only fully-underwritten loans and exclude streamline refinancing
[b] Only includes data for October and November.
SOURCE: U.S. Department of HUD/FHA, December 2022.

Table 6. Early Payment Delinquency Rates by Product Type (%)

Loan Origination Month	Percentage of New Loan Originations			
	Home Purchase Loans	Fully Underwritten Refinance	Streamline Refinance	All Loans
May 2019	0.97	0.33	0.91	0.85
Jun	1.03	0.34	0.64	0.88
Jul	0.97	0.30	0.87	0.84
Aug	0.85	0.26	0.66	0.72
Sep	0.74	0.24	0.54	0.61
Oct	0.72	0.21	0.64	0.60
Nov	1.35	0.70	1.23	1.20
Dec	6.06	4.37	7.14	5.97
Jan 2020	8.40	5.96	9.98	8.30
Feb	9.17	6.62	11.32	9.27
Mar	8.67	6.77	12.04	9.26
Apr	6.92	5.18	10.23	7.42
May	3.98	2.94	7.06	4.57
Jun	2.87	1.76	4.98	3.31
Jul	2.61	1.55	3.57	2.75
Aug	2.67	1.42	2.88	2.62
Sep	2.43	1.25	2.46	2.33
Oct	2.19	0.86	2.14	2.06
Nov	2.02	0.81	1.59	1.79
Dec	1.54	0.49	1.19	1.32
Jan 2021	1.39	0.54	1.02	1.19
Feb	1.48	0.44	0.82	1.10
Mar	1.43	0.51	0.76	1.04
Apr	1.59	0.47	0.87	1.18
May	1.88	0.61	1.07	1.46
Jun	2.12	0.64	1.26	1.69
Jul	2.30	0.72	1.41	1.87
Aug	2.42	0.89	1.48	1.99
Sep	2.44	0.81	1.71	2.02
Oct	2.33	0.69	1.66	1.94
Nov	2.21	0.78	1.38	1.81
Dec	2.03	0.64	1.24	1.65
Jan 2022	1.98	0.80	1.10	1.66
Feb	1.98	0.73	1.52	1.64
Mar	2.18	0.80	1.50	1.77
Apr	2.50	0.95	1.82	2.09

NOTE: Early payment delinquencies are defined as loans which have had a 90-day delinquency within the first six months of required mortgage payments. The first payment-due month is the second month after loan closing. Thus, these rates indicate the percentage of loans experiencing a 90-day delinquency within 7 months of loan closing. Due to late reporting by a large servicer, the delinquency rates for February 2021 are likely understated.
SOURCE: U.S. Department of HUD/FHA, December 2022.

Table 7. Average Debt-to-Income Ratios on Purchase Endorsements by Credit Score (%)

			Credit Score Range[a]					
Fiscal Year	Quarter	Loan Count	500–619	620–639	640–679	680–719	720–850	All
2016	Oct–Dec	210,550	36.28	40.67	41.09	41.02	41.04	40.75
	Jan–Mar	187,069	36.56	40.99	41.29	41.11	41.10	40.90
	Apr–Jun	225,132	36.36	40.76	41.23	40.94	40.89	40.75
	Jul–Sep	256,761	36.48	41.07	41.30	41.24	41.17	40.96
2017	Oct–Dec	220,353	37.73	41.29	41.59	41.45	41.49	41.26
	Jan–Mar	195,485	39.80	42.03	42.33	42.15	42.13	42.04
	Apr–Jun	230,475	40.11	41.98	42.31	42.19	42.22	42.06
	Jul–Sep	235,764	40.42	42.24	42.60	42.60	42.48	42.35
2018	Oct–Dec	195,513	40.95	42.51	42.85	42.85	42.63	42.59
	Jan–Mar	166,640	41.28	43.05	43.33	43.32	42.95	43.02
	Apr–Jun	202,746	41.37	43.03	43.55	43.66	43.34	43.24
	Jul–Sep	211,376	41.76	43.30	43.69	43.99	43.63	43.48
2019	Oct–Dec	179,590	42.05	43.73	44.04	44.42	43.99	43.83
	Jan–Mar	153,566	42.17	43.80	44.10	44.53	44.05	43.90
	Apr–Jun	192,032	41.52	43.20	43.70	44.19	43.83	43.46
	Jul–Sep	218,090	41.30	42.97	43.41	43.97	43.59	43.25
2020	Oct–Dec	197,376	41.37	42.91	43.28	43.80	43.55	43.17
	Jan–Mar	194,069	41.66	43.15	43.48	43.98	43.57	43.35
	Apr–Jun	191,924	40.87	42.50	43.00	43.64	43.33	42.96
	Jul–Sep	234,464	40.74	42.18	42.83	43.50	43.22	42.90
2021	Oct–Dec	228,155	40.89	42.36	42.95	43.75	43.55	43.07
	Jan–Mar	193,522	40.87	42.52	43.03	43.72	43.58	43.09
	Apr–Jun	203,986	41.02	42.70	43.28	44.01	43.85	43.27
	Jul–Sep	220,580	40.99	42.91	43.33	44.06	43.94	43.30
2022	Oct–Dec	201,819	41.53	43.22	43.55	44.35	44.13	43.55
	Jan–Mar	161,696	42.27	43.72	44.06	44.73	44.51	44.03
	Apr–Jun	161,080	42.33	43.96	44.45	45.26	45.16	44.42
	Jul–Sep	168,250	42.51	44.61	44.91	45.68	45.71	44.89
2023	Oct–Dec[b]	95,942	42.94	44.81	45.30	45.97	46.02	45.25

[a] Credit scores are cobranded between the three major credit repositories (Equifax, Experian, TransUnion) and Fair Isaac Corporation (FICO). Values can range from 300 to 850. FHA policy permits credit scores of 580 and above, except for loans with equity positions of 10 percent or more, which may have credit scores as low as 500.
[b] Only includes data for October and November.
SOURCE: U.S. Department of HUD/FHA, December 2022.

Table 8. Average Loan-to-Value Ratios on Purchase Endorsements by Credit Score (%)

			Credit Score Range[a]					
Fiscal Year	Quarter	Loan Count	500–619	620–639	640–679	680–719	720–850	All
2016	Oct–Dec	210,550	94.08	95.53	95.81	95.60	96.06	95.68
	Jan–Mar	187,069	94.33	95.47	95.77	95.58	96.00	95.65
	Apr–Jun	225,132	94.59	95.67	95.89	95.71	96.13	95.79
	Jul–Sep	256,761	94.24	95.63	95.87	95.61	96.07	95.72
2017	Oct–Dec	220,353	94.25	95.63	95.83	95.62	96.09	95.70
	Jan–Mar	195,485	94.11	95.61	95.94	95.69	96.26	95.78
	Apr–Jun	230,475	94.23	95.77	95.89	95.76	96.10	95.75
	Jul–Sep	235,764	94.14	95.63	95.82	95.69	95.98	95.65
2018	Oct–Dec	195,513	93.86	95.67	95.89	95.80	96.18	95.70
	Jan–Mar	166,640	93.85	95.73	95.92	95.91	96.19	95.72
	Apr–Jun	202,746	94.10	95.76	95.93	95.86	96.16	95.73
	Jul–Sep	211,376	93.83	95.68	95.90	95.85	96.01	95.64
2019	Oct–Dec	179,590	93.62	95.62	95.81	95.85	96.06	95.57
	Jan–Mar	153,566	93.77	95.65	95.87	95.83	96.10	95.60
	Apr–Jun	192,032	93.97	95.57	95.85	95.88	96.14	95.61
	Jul–Sep	218,090	93.68	95.52	95.74	95.83	96.13	95.54
2020	Oct–Dec	197,376	93.42	95.34	95.67	95.84	96.00	95.46
	Jan–Mar	194,069	93.62	95.47	95.71	95.97	96.15	95.57
	Apr–Jun	191,924	93.97	95.58	95.80	95.99	96.12	95.71
	Jul–Sep	234,464	93.93	95.45	95.79	95.94	96.14	95.76
2021	Oct–Dec	228,155	93.81	95.36	95.69	95.85	96.05	95.66
	Jan–Mar	193,522	93.59	95.29	95.67	95.86	96.02	95.60
	Apr–Jun	203,986	93.82	95.29	95.63	95.77	95.94	95.52
	Jul–Sep	220,580	93.49	95.12	95.51	95.67	95.85	95.36
2022	Oct–Dec	201,819	93.18	94.99	95.42	95.61	95.76	95.23
	Jan–Mar	161,696	93.10	94.94	95.43	95.58	95.80	95.20
	Apr–Jun	161,080	92.65	94.74	95.16	95.40	95.40	94.92
	Jul–Sep	168,250	92.18	94.42	94.94	95.16	95.15	94.66
2023	Oct–Dec[b]	95,942	91.95	94.30	94.83	95.19	95.38	94.63

[a] Credit scores are cobranded between the three major credit repositories (Equifax, Experian, TransUnion) and Fair Isaac Corporation (FICO). Values can range from 300 to 850. FHA policy permits credit scores of 580 and above, except for loans with equity positions of 10 percent or more, which may have credit scores as low as 500.
[b] Only includes data for October and November.
SOURCE: U.S. Department of HUD/FHA, December 2022.