



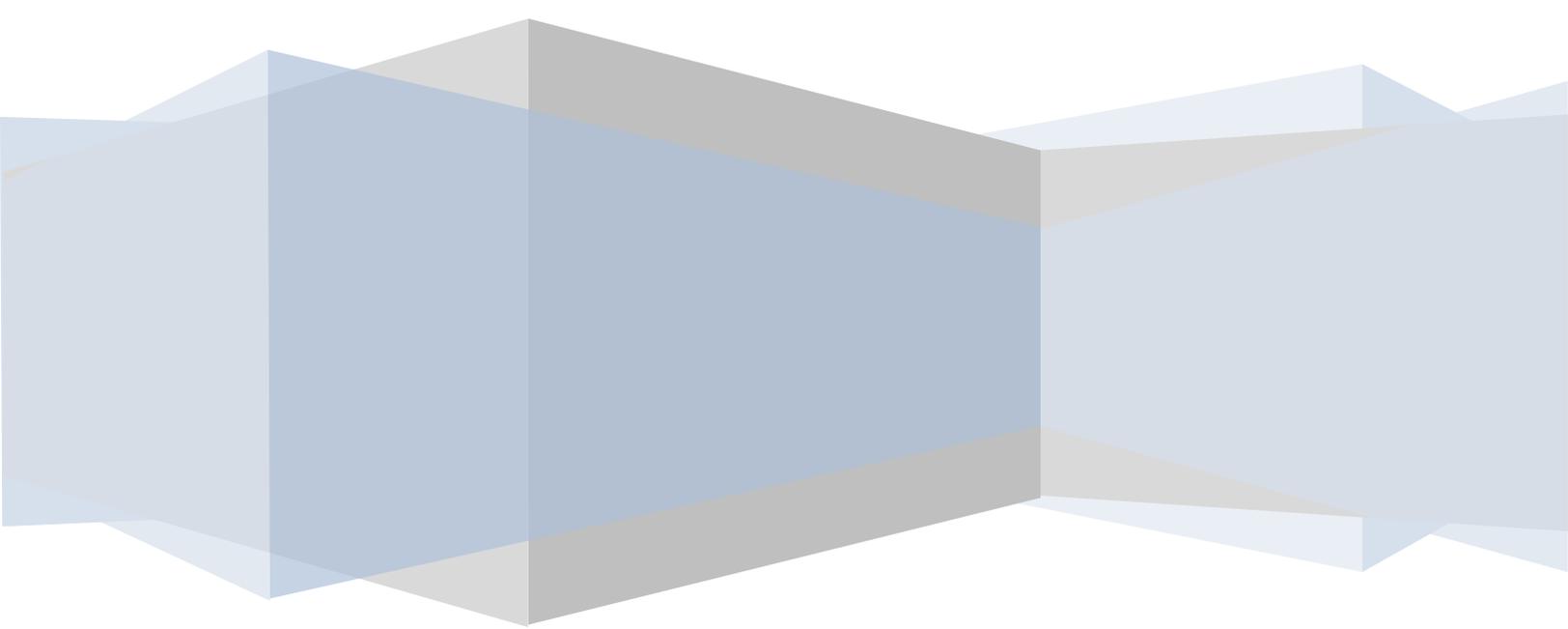
*U.S. Department of Housing and Urban Development*

# ***FHA Single-Family Mutual Mortgage Insurance Fund Programs***

*Quarterly Report to Congress*

*FY 2018 Q2*

*Delivered: June 1, 2018*



**Quarterly Report to Congress on FHA Single-Family  
Mutual Mortgage Insurance Fund Programs**

FY 2018 Q2  
Data as of March 31, 2018

U.S. Department of Housing and Urban Development  
Federal Housing Administration

## FOREWORD

On behalf of Secretary Carson and General Deputy Assistant Secretary for Housing Dana Wade, and pursuant to requirements of section 202(a)(5) of the National Housing Act, as amended by the FHA Modernization Act of 2008 (Public Law 110-289, Page 122 Stat. 2834), I am herewith transmitting the Fiscal Year 2018 Second Quarter Report. This report covers mortgages that are obligations of the Mutual Mortgage Insurance (MMI) Fund of the Federal Housing Administration. The reporting period covers January 1, 2018 through March 31, 2018.

This quarterly report provides detailed information on the composition and credit quality of new insurance, and on FHA's financial position. In addition to this report to Congress, FHA provides information regarding the status of the single-family mortgage-insurance portfolio via the publication of other complementary reports. All FHA reports can be found in the [Office of Housing Reading Room](#).

Also posted in the Office of Housing Reading Room are annual independent actuarial reviews of the MMI Fund and HUD's Annual Report to Congress on the financial status of that fund. HUD posted the Actuarial Review and Annual Report to Congress for FY 2017 on November 15, 2017. The FY 2017 Annual Report, which summarizes the independent actuary's analysis of the portfolio, includes detailed projections of future performance and discussion of economic risk to the MMI Fund. The Department is pleased to provide details to the Congress on how this report was prepared or to answer any questions about the information presented.

Sincerely,

A handwritten signature in blue ink that reads "Shawn Jones". The signature is written in a cursive style with a large, looped "S" and "J".

Shawn Jones

Acting Deputy Assistant Secretary  
Risk Management and Regulatory Affairs

This report is in fulfillment of the requirement under section 2118 of the Housing and Economic Recovery Act of 2008 (12 USC 1708(a)(5)) that HUD report to the Congress on a quarterly basis respecting mortgages that are an obligation of the Mutual Mortgage Insurance Fund. The specific items requested under the Act are:

Mandated Item	Summary	Page	Exhibit
<p>A) Cumulative volume of mortgage insurance commitments that have been made during such fiscal year through the end of the quarter for which the report is submitted</p>	<p>Single-family forward endorsements during the second quarter of FY 2018 decreased 12.0 percent by count from the prior quarter. Single-family forward endorsements were \$48.9 billion, down 10.5 percent from the prior quarter. Reverse Mortgage (HECM) endorsements by count were up 12.7 percent from the previous quarter. HECM endorsement volume, at \$5.4 billion for the second quarter of FY 2018, represents an increase of 17.5 percent from the previous quarter.</p>	<p><a href="#">5</a>, <a href="#">17</a>, <a href="#">18</a></p>	<p><a href="#">1</a>, <a href="#">A-1</a>, <a href="#">A-2</a></p>
<p>B) Types of mortgages insured, categorized by risk</p>	<p>The average credit score this quarter decreased by 2 points to 670. Endorsement share of 720+ credit score mortgages fell to 14.9 percent. Share of less than 640 credit score rose to 25.9 percent. Average borrower loan-to-value ratio fell to 92.0 percent.</p>	<p><a href="#">5</a>, <a href="#">6</a>, <a href="#">7</a>, <a href="#">19</a>, <a href="#">20</a>, <a href="#">21</a>, <a href="#">22</a></p>	<p><a href="#">2</a>, <a href="#">3</a>, <a href="#">4</a>, <a href="#">A-3</a>, <a href="#">A-4</a>, <a href="#">A-5</a>, <a href="#">A-6</a></p>
<p>C) Any significant changes between actual and projected claim and prepayment activity</p>	<p>Prepayment speeds through this quarter were 8.8 percent higher than predicted counts. Claim payments were running 38.9 percent below predicted level by count and 57.2 percent below predicted level by dollar amount.</p>	<p><a href="#">9</a>.</p>	<p><a href="#">5</a>,</p>
<p>D) Projected versus actual loss rates</p>	<p>The year-to-date net loss rate on claim activity of 47.6 percent is lower than the projection of 55.0 percent.</p>	<p><a href="#">9</a></p>	<p><a href="#">5</a></p>
<p>E) Updated projections of the annual subsidy rates</p>	<p>The budget execution credit subsidy rates (CSR) for FY 2018 Q2 are at -3.18 percent and -0.49 percent for forward mortgages and HECMs, respectively.</p>	<p><a href="#">10</a></p>	<p><a href="#">6</a></p>

Additional Risk Factors	Summary	Page	Exhibit
F) MMI Fund Cash and Investments	The MMI Fund Cash and Investments account balance at the end of FY 2018 Q2 was \$51.6 billion, up from \$50.8 billion last quarter.	<a href="#">11</a>	<a href="#">7</a>
G) Business Operations Cash Flow	Core business-operations cash flow in FY 2018 Q2 was \$716 million. FHA paid \$3.3 billion in claims and property expenses, while receiving approximately \$4.0 billion in revenues from premium collections, sale of notes and properties, and other revenue.	<a href="#">12</a>	<a href="#">8</a>
H) Early Payment Delinquency	The early payment delinquency (EPD) rate increased this quarter to 1.38 percent, from 1.02 percent last quarter (revised). This increase is due primarily to the hurricanes and wildfires that affected the United States and its territories in the second half of calendar year 2017.	<a href="#">13</a>	<a href="#">9</a>
I) Serious Delinquency Rates	The portfolio-level serious delinquency rate decreased this quarter to 4.66 percent, from 5.19 percent last quarter. This decrease is due primarily to some loans curing from the hurricanes and wildfires that affected the United States and its territories in the second half of calendar year 2017 as well as seasonal effects.	<a href="#">14, 15</a>	<a href="#">10, 11</a>
J) Cash-Out Refinancing Rates	Purchase mortgage share decreased from 73.1 percent last quarter (revised) to 70.8 percent. Cash-out refinance mortgage share increased as a percentage of overall business to 16.5 percent from 14.9 percent last quarter.	<a href="#">24</a>	<a href="#">A-8</a>
K) Debt-to-Income (DTI) Rates	The proportion of borrowers with DTI ratios above 50 percent increased from 23.0 percent in 2018 Q1 to 24.9 percent in 2018 Q2.	<a href="#">25</a>	<a href="#">A-9</a>

Additional Risk Factors	Summary	Page	Exhibit
L) Down Payment Assistance (DPA) – Serious Delinquency Rate (SDQ)	The share of Down Payment Assistance (Purchase only mortgages) decreased slightly from 39.5 percent last quarter to 39.3 percent. Generally, higher SDQ rates are associated with mortgages where down payment assistance came from governmental entities, such as state or municipal agencies.	<a href="#">26</a>	<a href="#">A-10</a>
M) Reverse Mortgage (HECM) Program Claims	Total HECM program claims decreased this quarter by 7.8 percent from 16,937 loans to 15,622 loans.	<a href="#">27</a>	<a href="#">A-11</a>

## Endorsement Activity

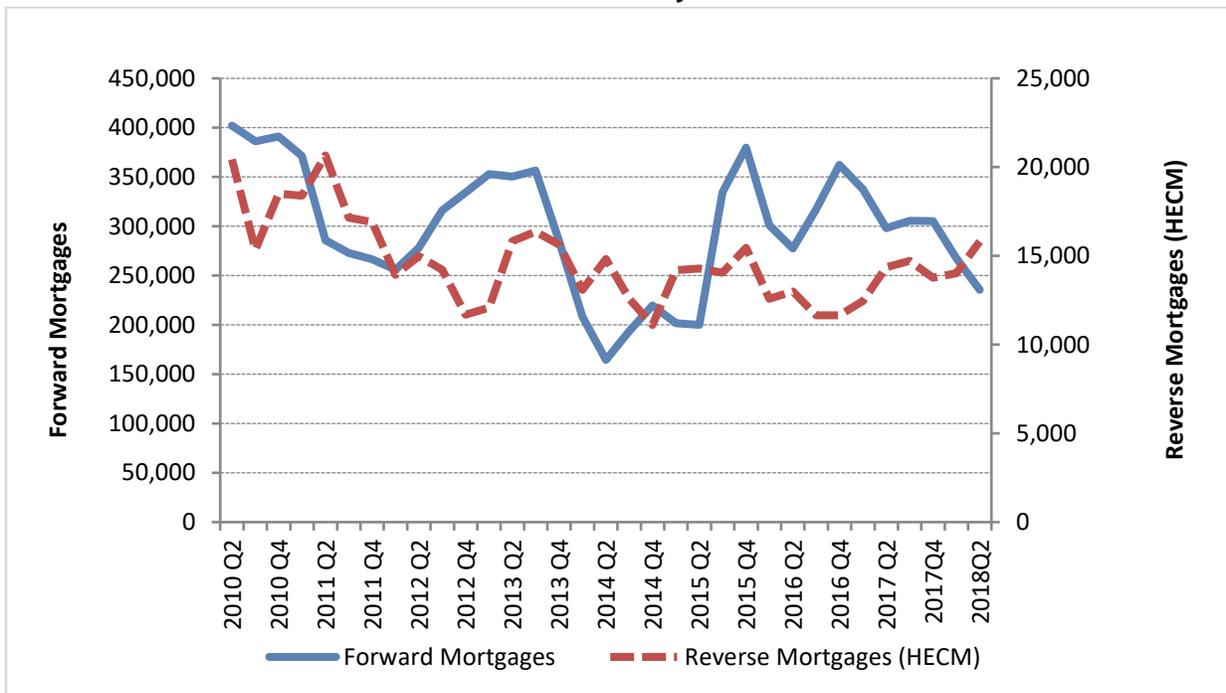
During the second quarter of fiscal year (FY) 2018, the FHA endorsed 235,410 forward mortgages for insurance, down 12.0 percent from the prior quarter.

The dollar volume of refinance endorsements (Conventional to FHA, FHA to FHA) in the quarter was down 2.0 percent from the previous quarter, while the dollar volume of all forward-mortgage endorsements was down 10.5 percent (Exhibit A-2).

FHA-to-FHA refinance activity, in terms of endorsed mortgages, decreased by 4.9 percent from the quarter-earlier period—from 42,034 to 39,992.

HECM endorsement volume, \$5.4 billion for the second quarter of FY 2018, was up 17.5 percent from the previous quarter. HECM endorsement counts in FY 2018 Q2 (15,802) were up 12.7 percent from last quarter.

**Exhibit 1. Endorsement Counts by Fiscal Year and Quarter**

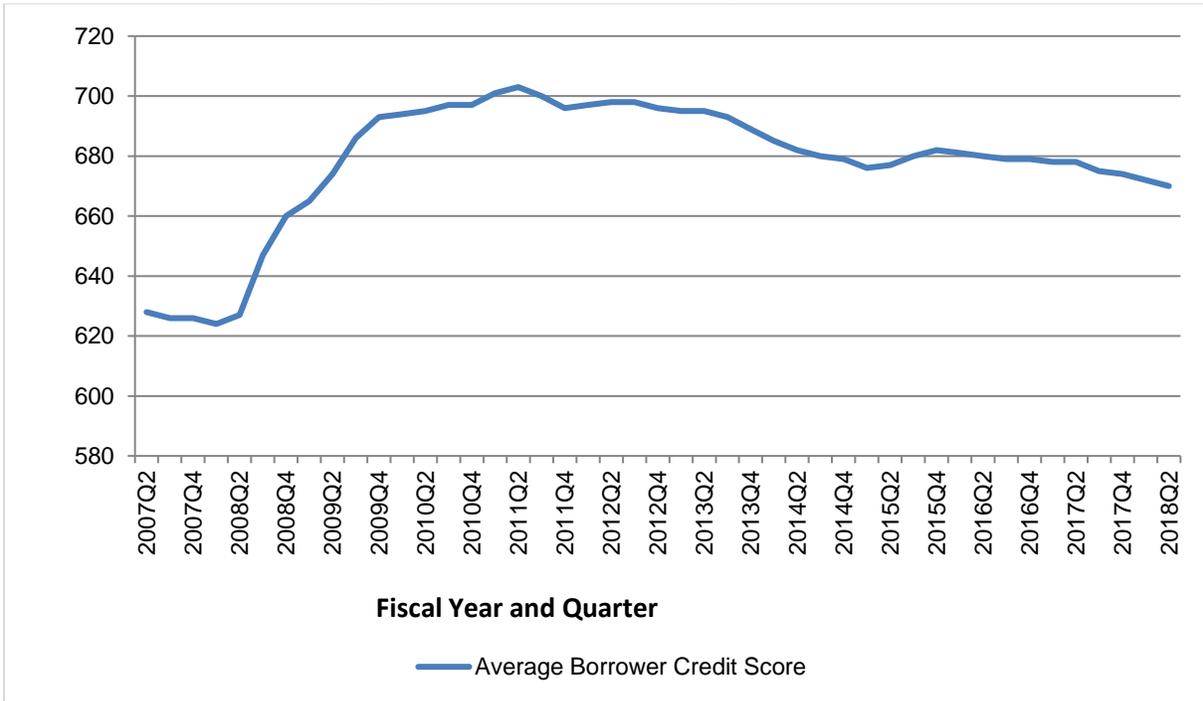


SOURCE: U.S. Department of HUD/FHA, April 2018.

## Borrower Credit Scores

Average borrower credit scores fell by 2 points to 670. Although this continues to be well above the levels preceding the mortgage and credit crisis, it is well below the peak of 703 in FY 2011 Q2 (Exhibit 2, Exhibit A-4).

**Exhibit 2. Average Borrower Credit Scores by Fiscal Year and Quarter**

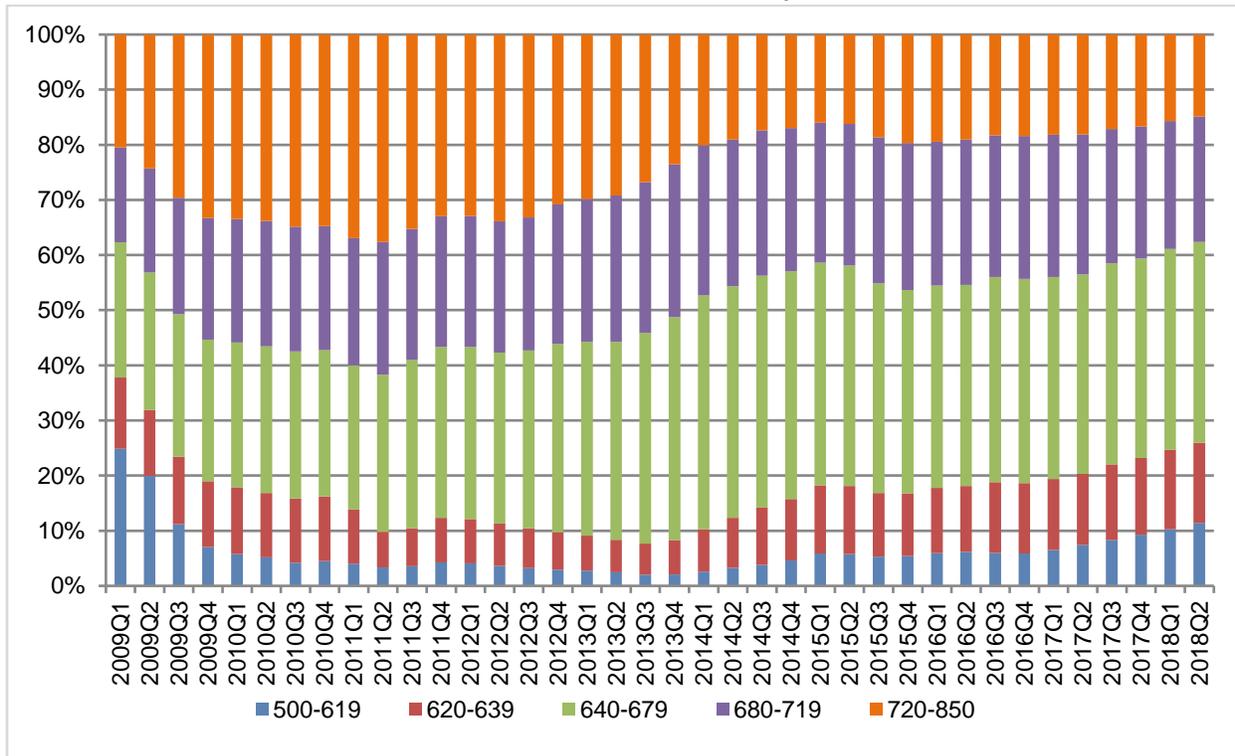


NOTE: Excludes streamline refinance activity.  
 SOURCE: U.S. Department of HUD/FHA, April 2018

As shown in Exhibit 3, the distribution of borrower credit scores has gradually changed over the past few years. The core of the distribution is in the 640–679 range (36.4 percent). In FY 2018 Q2 the share of 680–850 credit scores continued to decline. (Exhibit 3, Exhibit A-3).

A shift in FHA’s risk profile could easily be lost by focusing on average credit score alone. As shown in Exhibit 3, mortgages with less than 620 credit score accounted for almost 25 percent of total originations in 2009, compared to 11.4 percent today. On the other hand, the share of mortgages with credit scores exceeding 720, which accounted for more than one-third of FHA’s production in FY 2011, is now under 15 percent.

**Exhibit 3. Distribution of Borrower Credit Scores by Fiscal Year and Quarter**

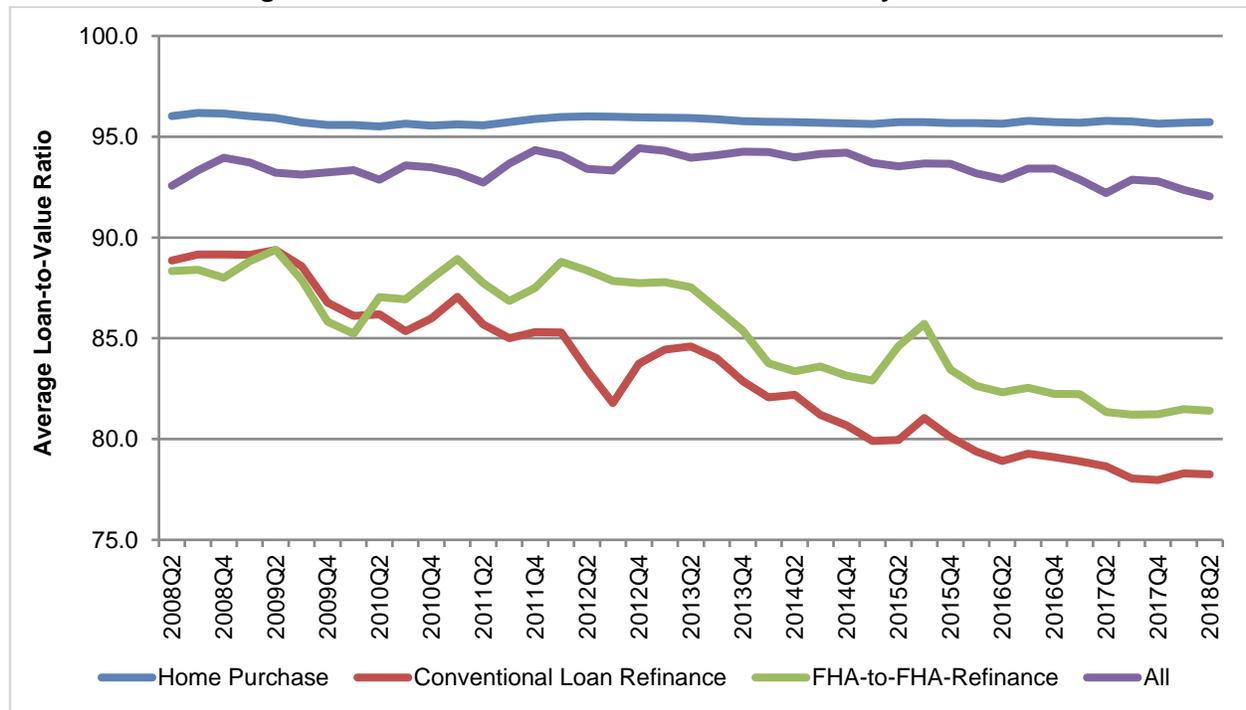


NOTE: Excludes streamline refinance activity.  
 SOURCE: U.S. Department of HUD/FHA, April 2018.

## Average Loan-to-Value (LTV)

The average LTV decreased slightly from 92.4 percent to 92.0 percent for all FHA mortgages combined. Typically, LTV ratios of refinance mortgages are lower than home purchase mortgages. (Exhibit 4, Exhibit A-1, Exhibit A-5, Exhibit A-6). FHA charges an upfront mortgage insurance premium (UFMIP) of 1.75 percent of the loan balance. FHA permits borrowers to finance the UFMIP by having it added to the loan balance, and nearly all FHA borrowers do so. However, despite the increase in the loan balance, FHA reporting conventions have been, and remain, to report the LTV ratio on the loan balance without inclusion of the UFMIP. In the conventional market, custom would be to include a financed premium into the loan balance, and therefore the calculation of the LTV ratio. In addition, Interested Party Contributions (IPC) are contributions made to the borrower from an interested party to the transaction, customarily the property seller. In the conventional market for a low down payment mortgage, an IPC in excess of 3 percent of the value of the home is treated as a reduction in the value of the home, resulting in an increase in the reported LTV ratio of the transaction. For FHA-insured mortgages, no downward adjustment is made to the value of the property until an IPC exceeds 6 percent of the value of the home.

**Exhibit 4. Average Loan-to-Value Ratios on New Endorsements by Fiscal Year and Quarter**



NOTE: Excludes streamline refinance activity.  
 SOURCE: U.S. Department of HUD/FHA, April 2018.

## Predicted and Actual Termination and Claim-Loss Rates

The predicted-versus-actual comparisons through the fourth quarter of FY 2018 are presented in Exhibit 5. Prepayment speeds were higher than predicted. Claims were well below predictions. The number of claims through FY 2018 Q2 (34,573) was 38.9 percent less than predicted (56,541). That deviation comes from a combination of continued foreclosure-processing delays in many states and more aggressive servicing actions to promote home retention. Neither of these is a factor that can easily be captured in the actuarial forecast models, which are based upon behavioral relationships observed over many years. When institutional and/or borrower behaviors change, it can take a number of years for the actuarial models to have enough data to reset the behavioral patterns to adapt to those changes (Exhibit 5).

**Exhibit 5. Termination and Claim Loss Experience Compared to Forecasts**

Oct 2017– Mar 2018	Year to Date Predicted <sup>a</sup>	Year to Date Actual	Deviation (Actual Minus Predicted)	Percentage Deviation (Actual Versus Predicted)
Prepayments (number)	407,226	442,976	35,710	8.8
Claims (number) <sup>a</sup>	56,541	34,573	(21,968)	(38.9)
Claims (\$ millions) <sup>b</sup>	7,027	3,008	(4,019)	(57.2)
Net Loss on Claims (%) <sup>c</sup>	55.00	47.63	(7.37)	(13.4)

na = not applicable.

<sup>a</sup> Projections of prepayment counts, claim counts, and claim dollars are modeled for the FY 2017 and FY 2018 FHA financial statements. All projections shown here use quarterly forecasts and thus reflect cyclical trends throughout the year.

<sup>b</sup> Claim payments and counts reported here include those for conveyance (foreclosure) claims, pre-foreclosure (short) sales, and claims paid in connection with sales of delinquent mortgages. They do not include payments for loss mitigation mortgage-workout actions.

<sup>c</sup> These rates are losses as a percentage of the defaulted mortgage balance, for both conveyance and pre-foreclosure-sale claims. Includes only mortgages in the MMI Fund.

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

## Budget Execution Credit Subsidy Rates

The budget execution subsidy rate for forward mortgages for FY 2018 Q2 is -3.18 percent. The subsidy rate for HECM mortgages is -0.49 percent for FY 2018 Q2 (Exhibit 6).

**Exhibit 6. Budget Execution Credit Subsidy Rates, FY 2018 Q2**

Type of Mortgage	Rate (%) <sup>a</sup>
Forward Mortgages	-3.18
Reverse Mortgages (HECM)	-0.49

<sup>a</sup> Budget execution credit subsidy rates are the expected net present value, per dollar of new insurance endorsements, of all cash flows from insurance operations over the life of the mortgage insurance as of the year of the insurance commitments. A negative rate means that the present value of premium revenues is expected to be greater than the present value of net claim expenses over the life of the insurance, i.e., a negative subsidy. Mortgages with negative credit subsidies are expected to produce receipts for the federal budget. These initial budget-execution rates are those approved by the Office of Management and Budget for budget accounting. The rates are updated on an annual basis, once the insurance is in place, to reflect both actual experience and updated forecasts of future mortgage performance and insurance cash flows. For a historical breakdown of credit subsidy rates and re-estimates, see <https://www.govinfo.gov/content/pkg/BUDGET-2019-FCS/pdf/BUDGET-2019-FCS.pdf>. SOURCE: U.S. Department of HUD/FHA, April 2018.

## MMI Fund Cash and Investments

As Exhibit 7 shows, the cash and investments of the MMI Fund increased to \$51.6 billion in FY 2018 Q2. \$16.5 billion is held in the Financing account, and \$35.1 billion is held in the Capital Reserve account.

**Exhibit 7. MMI Fund Cash and Investments by Quarter, FY 2011–FY 2018**

Fiscal Year	Quarter	Capital Reserve Account <sup>a</sup> (\$ billions)	Financing Account <sup>b</sup> (\$ billions)	Total <sup>c,d</sup> (\$ billions)
2011	Oct–Dec	6.3	26.4	32.7
	Jan–Mar	7.7	23.9	31.6
	Apr–Jun	2.8	28.9	31.7
	Jul–Sep	4.7	29.0	33.7
2012	Oct–Dec	5.7	27.6	33.3
	Jan–Mar	7.0	25.3	32.3
	Apr–Jun	9.8	21.9	31.6
	Jul–Sep	3.3	35.1	38.4
2013	Oct–Dec	7.1	30.0	37.1
	Jan–Mar	11.0	25.1	36.1
	Apr–Jun	15.8	17.3	33.1
	Jul–Sep	0	48.4	48.4
2014	Oct–Dec	2.6	44.5	47.1
	Jan–Mar	2.2	43.6	45.8
	Apr–Jun	4.9	40.4	45.3
	Jul–Sep	7.3	38.9	46.2
2015	Oct–Dec	10.4	35.8	46.2
	Jan–Mar	12.9	33.5	46.3
	Apr–Jun	12.0	34.5	46.5
	Jul–Sep	16.0	29.6	45.6
2016	Oct–Dec	18.2	27.3	45.5
	Jan–Mar	20.2	25.3	45.5
	Apr–Jun	34.4	16.6	51.0
	Jul–Sep	37.2	12.6	49.8
2017	Oct–Dec	40.3	9.6	49.9
	Jan–Mar	43.0	7.4	50.5
	Apr–Jun	28.8	22.8	51.7
	Jul–Sep	31.6	18.5	50.1
2018	Oct - Dec	33.5	17.3	50.8
	Jan–Mar	35.1	16.5	51.6

NOTE: Only end-of-year balances represent audited figures.

<sup>a</sup> This is an on-budget account that records net receipts provided by FHA to the federal budget over time. Balances are held in cash and Treasury securities. The securities earn interest for FHA. Periods in which irregular changes to the balance are seen represent times when HUD transfers funds to/from the Financing account for the rebalancing required by annual budget reestimates.

<sup>b</sup> This is a series of off-budget cash accounts used to manage insurance operation collections and disbursements.

<sup>c</sup> Total is the sum of cash and investments in the Capital Reserve and Financing accounts. It excludes other assets and liabilities.

<sup>d</sup> Capital Reserve Account and Financing Account may not always add to total because of rounding.

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

## Cash Flows from Business Operations

FY 2018 Q2 net cash flow was \$716 million compared to FY 2018 Q1 of \$637 million. HUD has been proactive in reducing average losses per claim through a more diversified asset disposition strategy, which includes the Distressed Asset Stabilization Program (DASP), promotion of third-party sales at foreclosure auctions, Claims Without Conveyance of Title (CWCOT), and expanded eligibility for pre-foreclosure (short) sales. Claim costs (as measured by loss rates) have decreased from a high of 65 percent in 2011 to around 50 percent over the last four quarters (Exhibit A-7).

**Exhibit 8. Business Operations Cash Flows, FY 2017 Q3–FY 2018 Q2 (\$ millions)**

	FY 2017 Q3	FY 2017 Q4	FY 2018 Q1	FY 2018 Q2	Past 4 Quarters
<b>Collections</b>					
Premiums	3,417	3,419	3,322	3,143	13,301
Property Sale Receipts	880	648	572	582	2,682
Note Sale Proceeds	108	121	121	123	473
Other (includes. Settlements)	164	200	216	145	725
<b>Total</b>	<b>4,569</b>	<b>4,388</b>	<b>4,231</b>	<b>3,993</b>	<b>17,181</b>
<b>Disbursements</b>					
Claims <sup>a</sup>	(3,414)	(3,499)	(3,564)	(3,215)	(13,692)
Property Maintenance	(41)	(39)	(30)	(45)	(155)
Other	(16)	(5)	0	(17)	(38)
<b>Total</b>	<b>(3,471)</b>	<b>(3,543)</b>	<b>(3,594)</b>	<b>(3,277)</b>	<b>(13,885)</b>
<b>Net Operations Cash Flow</b>	<b>1,098</b>	<b>845</b>	<b>637</b>	<b>716</b>	<b>3,296</b>

NOTE: Unaudited figures; details may not sum to total due to rounding.

<sup>a</sup> Claim payments shown here include conveyance, pre-foreclosure sale, note sales, loss mitigation (home retention) actions, and all HECM claims (assignment and shortfall claims).

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

## Early-Payment Delinquency Rates

The Early-Payment Delinquency (EPD) rate for mortgages originated in FY 2017 Q4 is up 36 basis points from the previous quarter (revised). This increase is due primarily to the hurricanes and wildfires that affected the United States and its territories in the second half of calendar year 2017.

**Exhibit 9. Early Payment Delinquency Rates**

Fiscal Year	Origination Quarter	Loan Type / Purpose (%)		
		Purchase	Refinance	All <sup>a</sup>
2012	Oct-Dec	0.31	0.29	0.31
	Jan-Mar	0.38	0.30	0.34
	Apr-Jun	0.39	0.32	0.36
	Jul-Sep	0.38	0.29	0.34
2013	Oct-Dec	0.25	0.20	0.23
	Jan-Mar	0.29	0.20	0.24
	Apr-Jun	0.32	0.22	0.27
	Jul-Sep	0.36	0.26	0.33
2014	Oct-Dec	0.32	0.29	0.31
	Jan-Mar	0.37	0.33	0.36
	Apr-Jun	0.46	0.37	0.44
	Jul-Sep	0.45	0.34	0.43
2015	Oct-Dec	0.36	0.27	0.34
	Jan-Mar	0.42	0.24	0.35
	Apr-Jun	0.43	0.28	0.37
	Jul-Sep	0.42	0.34	0.40
2016	Oct-Dec	0.31	0.27	0.30
	Jan-Mar	0.37	0.23	0.32
	Apr-Jun	0.46	0.34	0.42
	Jul-Sep	0.45	0.32	0.41
2017	Oct-Dec	0.31	0.22	0.28
	Jan-Mar	0.41	0.24	0.35
	Apr-Jun	1.15	0.65	1.02
	Jul-Sep	1.44	1.17	1.38

<sup>a</sup> Percent of mortgages originated in each quarter for FHA insurance that experience a three-month delinquency in the first six payment cycles.

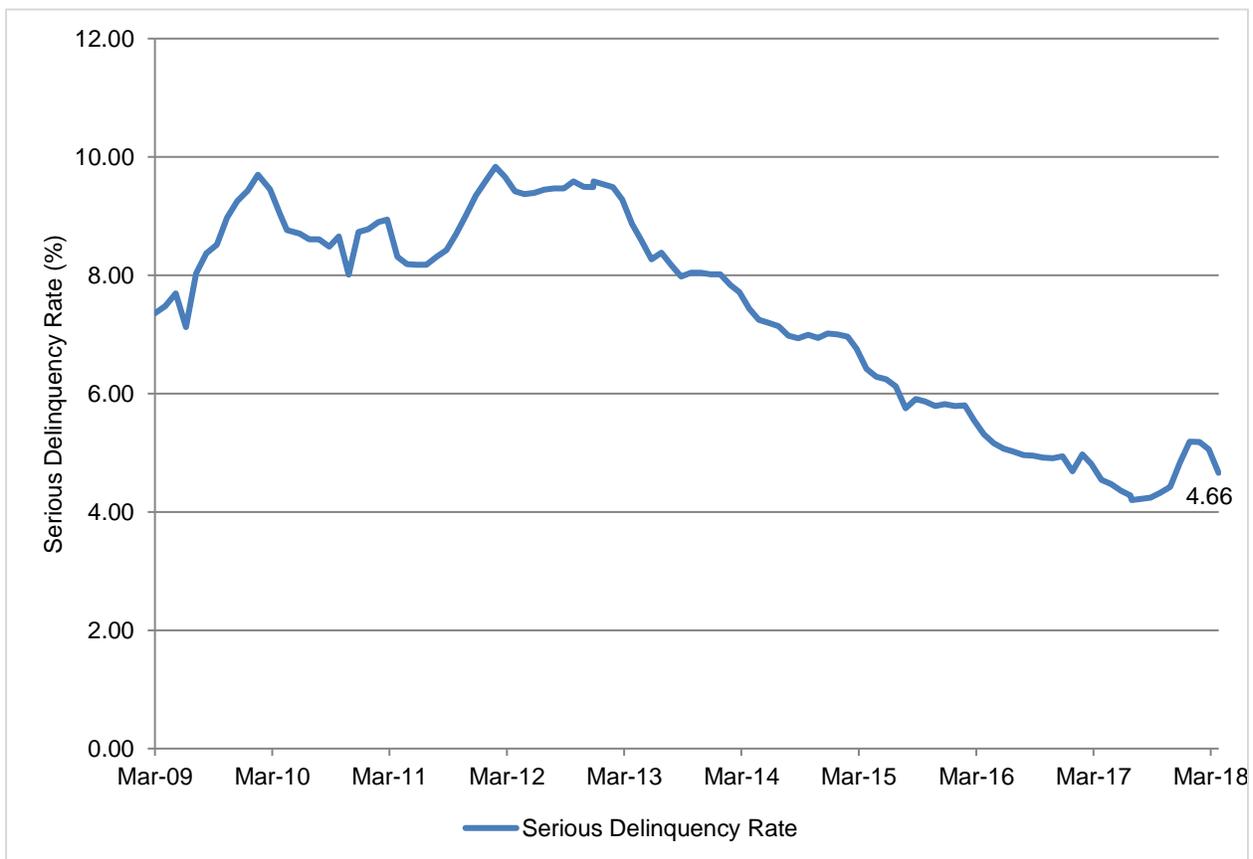
SOURCE: U.S. Department of HUD/FHA, April 2018.

## Serious Delinquency Rates

Serious delinquency (SDQ) rates for this quarter decreased to 4.66 percent, down 53 bps from last quarter. As the portfolio serious delinquency rate has reached historic lows and FHA expands access to underserved borrowers, FHA may see increases in SDQ rates going forward. For all cohorts, mortgages with DPA have typically underperformed those without DPA (Exhibit A-10).

SDQ rates tend to be somewhat seasonal and may fluctuate along current levels. Recent disasters such as hurricanes Harvey, Irma, and Maria, as well as wildfires in the Western United States, had a near term effect on overall delinquency rates. Overall, serious delinquency rates are significantly improved from the highs seen in 2012.

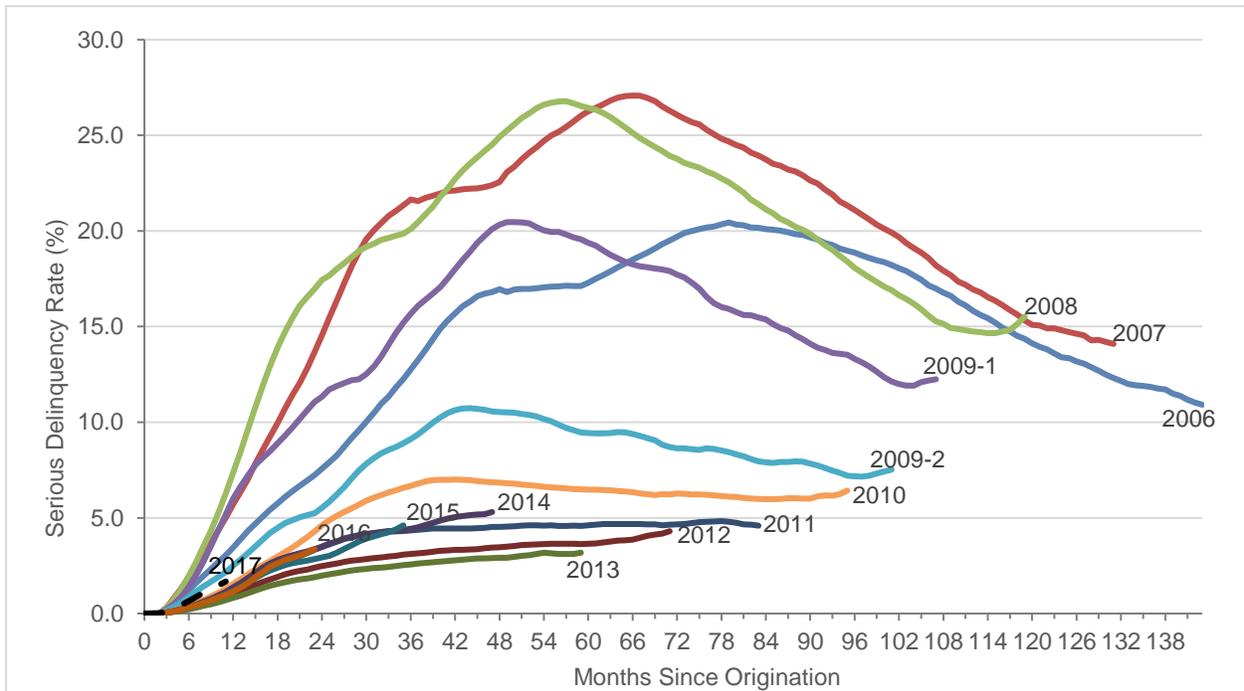
**Exhibit 10. Serious Delinquency Rates, All Single-Family Forward Endorsements**



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

Exhibit 11 follows the serious delinquency rates of recent vintages from their month of origination. Serious delinquency rates have risen in more recent vintages. This may be due to expansion of credit to underserved borrowers or other factors in the economy. The late 2017 hurricanes and wildfires in the United States and its territories has also created an increase in serious delinquency rates. However, recent vintage delinquency rates are still considerably lower than for those mortgages originated during 2006-2009.

**Exhibit 11. Serious Delinquency Rate by Fiscal Year**



NOTE: The FY 2009 cohort is separated into two parts, representing mortgage originations from October through March in 2009-1 and mortgage originations from April through September in 2009-2.  
 SOURCE: U.S. Department of HUD/FHA, April 2018.

## **APPENDIX**

**Exhibit A-1. New Endorsement Counts**

	Forward Mortgages <sup>a</sup>				Reverse Mortgages (HECM) <sup>b</sup>
	Home Purchase	Conventional Loan Refinance	FHA-to-FHA Refinance	All Forward Loans	
<b>Fiscal Year</b>					
2003	602,452	59,499	556,983	1,218,934	18,252
2004	540,314	53,939	298,170	892,423	37,887
2005	328,543	31,957	117,853	478,353	43,052
2006	293,257	58,226	48,423	399,906	76,105
2007	261,166	104,578	36,601	402,345	107,421
2008	591,327	349,123	91,133	1,031,583	112,051
2009	995,102	468,768	367,449	1,831,319	114,420
2010	1,109,164	305,296	252,451	1,666,911	79,060
2011	777,101	194,811	224,760	1,196,672	73,112
2012	733,699	129,185	321,614	1,184,498	54,817
2013	702,415	91,500	550,931	1,344,846	59,924
2014	594,998	55,352	136,001	786,351	51,616
2015	753,388	80,014	282,829	1,116,231	57,990
2016	879,512	107,463	271,074	1,258,049	48,868
2017	882,081	126,878	237,478	1,246,437	55,292
2018	362,117	58,906	82,026	503,049	29,826
<b>Fiscal Year and Quarter</b>					
2013 Q1	177,852	22,754	152,521	353,127	12,084
2013 Q2	157,439	25,428	167,487	350,354	15,832
2013 Q3	181,297	24,176	150,907	356,380	16,371
2013 Q4	185,827	19,142	80,016	284,985	15,637
2014 Q1	152,965	14,610	40,911	208,486	13,093
2014 Q2	119,833	13,456	31,202	164,491	14,827
2014 Q3	148,017	13,573	32,042	193,632	12,590
2014 Q4	174,183	13,713	31,846	219,742	11,106
2015 Q1	154,807	15,826	30,966	201,599	14,199
2015 Q2	132,529	15,430	52,179	200,138	14,288
2015 Q3	198,802	21,486	114,367	334,655	14,058
2015 Q4	267,250	27,272	85,317	379,839	15,445
2016 Q1	210,550	27,164	63,471	301,185	12,578
2016 Q2	187,068	26,111	64,247	277,426	13,002
2016 Q3	225,133	26,058	65,903	317,094	11,643
2016Q4	256,761	28,130	77,453	362,344	11,645
2017Q1	220,353	30,153	87,010	337,516	12,453
2017Q2	195,485	35,489	67,319	298,293	14,352
2017Q3	230,475	31,056	44,003	305,534	14,721
2017Q4	235,768	30,180	39,146	305,094	13,766
2018Q1	195,513	30,092	42,034	267,639	14,024
2018Q2	166,604	28,814	39,992	235,410	15,802

<sup>a</sup> Starting in FY 2008 Q4, these counts include 203(k) purchase and rehabilitation loans and 234(c) condominium loans.

<sup>b</sup> The FHA reverse-mortgage insurance program is called Home Equity Conversion Mortgage (HECM). Starting in FY 2009 (2008 Q4), all new HECM endorsements are included in the Mutual Mortgage Insurance Fund. Previous endorsements, by law, remain in the General and Special Risk Insurance Fund.

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

**Exhibit A-2. Endorsement Volumes**

	Volumes (\$ millions)					Reverse Mortgages (HECM) <sup>20</sup>
	Forward Mortgages <sup>a</sup>				All Forward Loans	
	Home Purchase	Conventional Loan Refinance	FHA-to-FHA Refinance			
Fiscal Year						
2000	79,397	3,181	3,697	86,276	839	
2001	79,709	4,947	22,894	107,550	1,115	
2002	91,025	7,404	37,713	136,142	1,998	
2003	73,026	7,602	66,682	147,310	3,020	
2004	66,835	6,998	33,787	107,621	6,895	
2005	40,196	4,258	13,521	57,975	8,864	
2006	37,102	8,521	6,110	51,733	17,925	
2007	35,003	16,095	5,419	56,516	24,635	
2008	95,374	61,525	14,907	171,806	24,248	
2009	171,672	86,984	71,729	330,385	30,073	
2010	191,602	56,431	49,469	297,502	21,074	
2011	134,357	36,846	46,440	217,642	18,214	
2012	124,454	23,473	65,344	213,272	13,164	
2013	124,934	16,932	98,250	240,116	14,682	
2014	105,721	9,410	20,085	135,216	13,521	
2015	140,262	14,428	58,431	213,121	16,130	
2016	171,632	20,550	53,223	245,405	14,660	
2017	178,621	25,303	47,030	250,954	17,691	
2018	75,033	11,721	16,880	103,634	9,973	
Fiscal Year and Quarter						
2013 Q1	30,994	4,135	28,596	63,725	2,821	
2013 Q2	27,887	4,793	30,991	63,671	3,839	
2013 Q3	32,330	4,510	26,445	63,285	4,090	
2013 Q4	33,724	3,494	12,217	49,435	3,932	
2014 Q1	27,346	2,577	5,903	35,825	3,434	
2014 Q2	21,424	2,316	4,560	28,300	3,997	
2014 Q3	25,849	2,212	4,755	32,816	3,202	
2014 Q4	31,102	2,305	4,868	38,275	2,887	
2015 Q1	27,596	2,604	4,975	35,175	3,802	
2015 Q2	23,975	2,658	10,561	37,195	3,916	
2015 Q3	36,989	4,012	25,064	66,065	3,871	
2015 Q4	51,702	5,154	17,831	74,687	4,540	
2016 Q1	40,563	5,038	12,480	58,081	3,625	
2016 Q2	36,486	5,035	12,008	53,529	3,906	
2016 Q3	43,525	4,975	13,038	61,538	3,527	
2016 Q4	51,059	5,502	15,697	72,257	3,603	
2017 Q1	44,120	6,027	18,148	68,295	3,892	
2017 Q2	39,558	7,137	13,048	59,743	4,548	
2017 Q3	46,441	6,146	8,252	60,839	4,801	
2017Q4	48,502	5,992	7,582	62,077	4,449	
2018Q1	40,220	5,937	8,505	54,662	4,585	
2018Q2	34,794	5,782	8,372	48,948	5,388	

<sup>a</sup> Starting in FY 2008 Q4, these counts include 203(k) purchase and rehabilitation loans and 234(c) condominium loans.

<sup>b</sup> The FHA reverse-mortgage insurance program is called Home Equity Conversion Mortgage (HECM). Starting in FY 2009 (2008 Q4), all new HECM endorsements are now in the Mutual Mortgage Insurance Fund. Previous endorsements, by law, remain in the General and Special Risk Insurance Fund.

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

**Exhibit A-3. Borrower Credit Score Distributions on New Endorsements (%)**

Fiscal Year	Quarter	Credit Score Range <sup>a</sup>				
		500–619	620–639	640–679	680–719	720–850
2010	Oct–Dec	5.7	12.1	26.3	22.4	33.4
	Jan–Mar	5.2	11.7	26.6	22.7	33.8
	Apr–Jun	4.2	11.7	26.7	22.6	34.9
	Jul–Sep	4.5	11.7	26.5	22.6	34.7
2011	Oct–Dec	4.0	9.8	26.1	23.1	36.9
	Jan–Mar	3.4	6.4	28.5	24.1	37.7
	Apr–Jun	3.6	6.9	30.6	23.7	35.3
	Jul–Sep	4.3	8.1	31.0	23.7	33.0
2012	Oct–Dec	4.1	8.0	31.2	23.8	32.9
	Jan–Mar	3.6	7.7	31.0	23.8	33.9
	Apr–Jun	3.3	7.2	32.2	24.2	33.2
	Jul–Sep	2.9	6.8	34.2	25.3	30.8
2013	Oct–Dec	2.8	6.4	35.1	26.0	29.8
	Jan–Mar	2.5	5.9	35.9	26.6	29.2
	Apr–Jun	2.0	5.7	38.2	27.3	26.8
	Jul–Sep	2.1	6.2	40.4	27.7	23.6
2014	Oct–Dec	2.6	7.7	42.4	27.2	20.1
	Jan–Mar	3.3	9.1	42.0	26.6	19.0
	Apr–Jun	3.8	10.4	42.1	26.3	17.4
	Jul–Sep	4.6	11.2	41.3	25.9	17.0
2015	Oct–Dec	5.9	12.3	40.4	25.4	16.0
	Jan–Mar	5.8	12.4	40.0	25.6	16.2
	Apr–Jun	5.3	11.6	38.1	26.5	18.6
	Jul–Sep	5.4	11.4	36.9	26.6	19.7
2016	Oct–Dec	5.9	11.9	36.7	26.1	19.5
	Jan–Mar	6.2	12.0	36.4	26.4	19.1
	Apr–Jun	6.0	12.8	37.3	25.7	18.3
	Jul–Sep	5.9	12.7	37.1	25.9	18.4
2017	Oct–Dec	6.5	12.9	36.6	25.8	18.2
	Jan–Mar	7.4	12.9	36.2	25.4	18.1
	Apr–Jun	8.3	13.7	36.5	24.4	17.1
	Jul–Sep	9.3	13.9	36.2	23.9	16.7
2018	Oct–Dec	10.3	14.4	36.4	23.2	15.7
	Jan–Mar	11.4	14.5	36.4	22.8	14.9

NOTES: Shares in each row may not sum to 100% due to rounding; excludes streamline refinance mortgages.

<sup>a</sup> 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. They are grouped here according to the “decision” score used for mortgage underwriting. That score represents the weakest borrower on a mortgage application when there are multiple applicants. Streamline refinance mortgages do not require full underwriting; therefore, they are not represented here.

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

**Exhibit A-4. Average Borrower Credit Scores on New Endorsements**

Fiscal Year	Quarter	Mortgage Purpose			
		Home Purchase	Conventional Refinance	FHA-to-FHA Refinance <sup>a</sup>	All <sup>a</sup>
2011	Oct–Dec	699	704	700	701
	Jan–Mar	701	707	703	703
	Apr–Jun	699	702	699	700
	Jul–Sep	697	694	697	696
2012	Oct–Dec	695	702	705	697
	Jan–Mar	695	707	708	698
	Apr–Jun	695	711	709	698
	Jul–Sep	695	698	704	696
2013	Oct–Dec	694	696	703	695
	Jan–Mar	694	697	703	695
	Apr–Jun	692	694	699	693
	Jul–Sep	690	685	690	689
2014	Oct–Dec	686	677	679	685
	Jan–Mar	684	674	675	682
	Apr–Jun	681	672	673	680
	Jul–Sep	680	671	671	679
2015	Oct–Dec	678	669	669	676
	Jan–Mar	678	673	675	677
	Apr–Jun	681	678	679	680
	Jul–Sep	682	677	674	682
2016	Oct–Dec	682	676	673	681
	Jan–Mar	681	676	672	680
	Apr–Jun	679	677	673	679
	Jul–Sep	680	677	673	679
2017	Oct–Dec	679	677	673	678
	Jan–Mar	679	675	669	678
	Apr–Jun	676	672	666	675
	Jul–Sep	676	670	664	674
2018	Oct–Dec	674	668	663	672
	Jan–Mar	672	666	661	670

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 mortgages with equity positions of 10 percent or more, which may have credit scores as low as 500. They are grouped here according to the “decision” score used for mortgage underwriting. The decision score represents the weakest borrower on a mortgage application when there are multiple applicants. Streamline refinance mortgages do not require full underwriting; therefore, they are not represented here.

<sup>a</sup> These include only fully-underwritten mortgages and exclude streamline refinancing.

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

**Exhibit A-5. Loan-to-Value (LTV) Ratio Distribution on New Endorsements**

Fiscal Year	Quarter	LTV Categories <sup>a</sup> (Shares in each row add up to 100%)			
		Up to 80	81-90	91-95	96-98
2011	Oct-Dec	6.21	15.87	10.95	66.97
	Jan-Mar	7.58	16.88	10.40	65.14
	Apr-Jun	6.21	13.08	9.00	71.70
	Jul-Sep	5.21	11.03	8.80	74.97
2012	Oct-Dec	5.85	12.02	9.33	72.80
	Jan-Mar	7.52	12.50	9.27	70.72
	Apr-Jun	7.67	11.34	8.96	72.04
	Jul-Sep	5.08	9.31	9.59	76.02
2013	Oct-Dec	5.17	9.99	10.14	74.70
	Jan-Mar	5.97	11.52	10.78	71.73
	Apr-Jun	5.64	10.27	9.75	74.35
	Jul-Sep	5.26	9.71	8.94	76.10
2014	Oct-Dec	5.58	9.95	9.00	75.47
	Jan-Mar	6.08	10.91	9.41	73.59
	Apr-Jun	5.63	9.61	9.04	75.72
	Jul-Sep	5.46	9.46	9.14	75.95
2015	Oct-Dec	6.70	10.79	8.93	73.57
	Jan-Mar	7.10	11.65	8.97	72.28
	Apr-Jun	6.14	11.59	8.76	73.52
	Jul-Sep	6.44	11.13	8.35	74.08
2016	Oct-Dec	7.54	12.57	8.26	71.62
	Jan-Mar	8.12	13.32	8.26	70.30
	Apr-Jun	6.83	11.77	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	16.03	7.66	66.64
	Apr-Jun	8.02	13.83	7.57	70.58
	Jul-Sep	7.99	14.45	7.50	70.06
2018	Oct-Dec	8.83	16.41	7.42	67.34
	Jan-Mar	9.57	17.64	7.04	65.75

NOTE: Shares are based on mortgage counts. Excludes streamline refinancing.

<sup>a</sup> In accordance with statutory requirements for determining eligibility of mortgages for FHA insurance, HUD measures loan-to-value (LTV) ratio without including any financed mortgage insurance premium in the mortgage balance.

SOURCE: US Department of HUD/FHA, April 2018.

**Exhibit A-6. Average Loan-to-Value (LTV) Ratios on New Endorsements (%)**

Fiscal Year	Quarter	Mortgage Purpose			
		Home Purchase	Conventional Mortgage Refinance	FHA-to-FHA Refinance <sup>a</sup>	All <sup>a</sup>
2011	Oct-Dec	95.6	87.1	88.9	93.2
	Jan-Mar	95.6	85.7	87.7	92.7
	Apr-Jun	95.7	85.0	86.9	93.7
	Jul-Sep	95.9	85.3	87.5	94.3
2012	Oct-Dec	96.0	85.3	88.8	94.1
	Jan-Mar	96.0	83.4	88.4	93.4
	Apr-Jun	96.0	81.8	87.9	93.3
	Jul-Sep	96.0	83.7	87.7	94.4
2013	Oct-Dec	96.0	84.4	87.8	94.3
	Jan-Mar	95.9	84.6	87.5	94.0
	Apr-Jun	95.9	84.0	86.5	94.1
	Jul-Sep	95.8	82.9	85.4	94.3
2014	Oct-Dec	95.7	82.1	83.8	94.2
	Jan-Mar	95.7	82.2	83.4	94.0
	Apr-Jun	95.7	81.2	83.6	94.2
	Jul-Sep	95.7	80.7	83.2	94.2
2015	Oct-Dec	95.6	79.9	82.9	93.7
	Jan-Mar	95.7	80.0	84.6	93.5
	Apr-Jun	95.7	81.1	85.7	93.7
	Jul-Sep	95.7	80.1	83.5	93.7
2016	Oct-Dec	95.7	79.4	82.6	93.2
	Jan-Mar	95.7	78.9	82.3	92.9
	Apr-Jun	95.8	79.3	82.5	93.4
	Jul-Sep	95.7	79.1	82.3	93.4
2017	Oct-Dec	95.7	78.9	82.2	92.9
	Jan-Mar	95.8	78.6	81.4	92.2
	Apr-Jun	95.8	78.1	81.2	92.9
	Jul-Sep	95.7	78.0	81.2	92.8
2018	Oct-Dec	95.7	78.3	81.5	92.4
	Jan-Mar	95.7	78.3	81.4	92.0

NOTE: In accordance with statutory requirements for determining eligibility of mortgages for FHA insurance, HUD measures loan-to-value (LTV) without including any mortgage insurance premium financed in the mortgage balance.

<sup>a</sup> These include only fully-underwritten mortgages and exclude streamline refinancing.

SOURCE: US Department of HUD/FHA, April 2018.

**Exhibit A-7. Termination Claim Type and Loss Severity Rates**

Fiscal Year	Quarter	Loss Rates (% Unpaid Principal Balance)			Disposition Counts			REO Alternatives Share of Dispositions (%)
		REO <sup>a</sup>	REO Alternatives <sup>b</sup>	Overall Loss Rate	REO	REO Alternatives	Total	
2011	Oct-Dec	66.9	47.4	60.9	13,597	4,081	17,678	23.1
	Jan-Mar	71.9	46.7	61.3	10,421	5,240	15,661	33.5
	Apr-Jun	71.4	48.6	64.2	24,256	7,365	31,621	23.3
	Jul-Sep	72.3	47.8	64.8	30,118	8,587	38,705	22.2
2012	Oct-Dec	72.1	47.0	63.2	25,342	9,389	34,731	27.0
	Jan-Mar	70.9	47.8	62.7	22,011	8,022	30,033	26.7
	Apr-Jun	69.2	48.7	61.3	23,908	10,138	34,046	29.8
	Jul-Sep	67.8	48.2	60.6	27,307	11,164	38,471	29.0
2013	Oct-Dec	66.1	55.4	61.6	25,246	12,966	38,212	33.9
	Jan-Mar	63.9	49.6	58.4	26,165	11,361	37,526	30.3
	Apr-Jun	60.3	54.1	57.0	28,097	22,931	51,028	44.9
	Jul-Sep	59.3	51.5	55.0	27,744	27,766	55,510	50.0
2014	Oct-Dec	61.1	47.6	54.0	23,649	19,664	43,313	45.4
	Jan-Mar	62.6	50.8	55.0	19,525	24,713	44,238	55.9
	Apr-Jun	58.9	45.3	50.9	15,615	17,040	32,655	52.2
	Jul-Sep	57.3	46.7	49.6	12,599	25,167	37,766	66.6
2015	Oct-Dec	59.4	45.1	50.1	12,720	18,678	31,398	59.5
	Jan-Mar	60.8	45.4	53.5	13,519	9,320	22,839	40.8
	Apr-Jun	57.8	43.0	51.5	15,464	8,925	24,389	36.6
	Jul-Sep	58.2	47.8	52.5	16,365	14,440	30,805	46.9
2016	Oct-Dec	60.8	49.0	54.6	15,983	13,868	29,851	46.5
	Jan-Mar	62.1	47.7	54.6	14,302	12,115	26,417	45.9
	Apr-Jun	58.8	49.7	53.8	12,643	11,741	24,384	48.2
	Jul-Sep	58.6	53.7	55.7	12,511	14,246	26,757	53.2
2017	Oct-Dec	60.1	52.9	55.6	12,918	16,887	29,805	56.7
	Jan-Mar	61.1	44.3	53.0	11,800	9,475	21,275	44.5
	Apr-Jun	57.9	43.7	49.7	10,604	12,790	23,394	54.7
	Jul-Sep	57.0	44.1	48.4	7,932	13,841	21,773	63.6
2018	Oct-Dec	53.3	44.7	47.7	6,976	11,436	18,412	62.1
	Jan-Mar	50.8	46.7	48.1	4,331	7,369	11,700	63.0

<sup>a</sup> Real Estate Owned (REO) refers to properties that HUD has assumed ownership of through the conveyance of title.

<sup>b</sup> REO alternatives comprise short sales, claims without conveyance of title (CWCOT), and note sales. Short sales refer to the sale of property where the defaulted borrower sells his/her home and uses the net sale proceeds to satisfy the mortgage debt even though the proceeds are less than the amount owed. Short sales are part of the pre-foreclosure sale (PFS) program. CWCOT is a program approved under Section 426 of the Housing and Urban-Rural Recovery Act of 1983. It is designed to reduce the number of single-family mortgages owned by HUD by authorizing the payment of claims to mortgagees without conveying (transferring) the title to the property to HUD. Note sale refers to the sale of defaulted mortgage notes in order to reduce foreclosure costs for borrowers. Note sales are conducted through the Distressed Asset Stabilization Program (DASP).

<sup>c</sup> Data through February 2018.

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

**Exhibit A-8. Cash Out Refinance**

Fiscal Year	Quarter	Conventional Cash-Out	FHA Cash Out	Conventional No Cash-Out	FHA No Cash-Out	Streamline	Purchase	Total
2010	Oct-Dec	6.5	0.7	11.2	0.8	18.2	62.5	487,502
	Jan-Mar	8.0	0.9	14.0	1.8	14.2	61.1	402,103
	Apr-Jun	6.4	0.8	10.6	1.6	5.7	75.0	386,303
	Jul-Sep	6.1	0.9	10.5	2.2	11.5	68.8	391,003
2011	Oct-Dec	5.6	1.0	11.9	3.4	25.1	53.0	371,346
	Jan-Mar	7.1	1.1	13.4	3.4	16.0	59.0	285,839
	Apr-Jun	5.6	0.8	9.5	2.1	8.4	73.6	273,066
	Jul-Sep	4.4	0.8	6.9	1.9	6.9	79.0	266,421
2012	Oct-Dec	4.4	0.9	8.1	3.5	14.3	68.8	255,795
	Jan-Mar	4.5	0.9	8.7	3.9	22.3	59.7	278,210
	Apr-Jun	4.0	0.8	8.0	3.6	22.3	61.2	316,059
	Jul-Sep	2.5	0.6	4.3	2.1	31.3	59.2	334,434
2013	Oct-Dec	2.3	0.7	4.1	2.2	40.3	50.4	353,127
	Jan-Mar	2.5	0.7	4.8	2.5	44.5	44.9	350,354
	Apr-Jun	2.4	0.8	4.4	2.2	39.4	50.9	356,380
	Jul-Sep	2.6	0.9	4.1	1.5	25.6	65.2	284,985
2014	Oct-Dec	3.1	1.3	3.9	1.1	17.2	73.4	208,486
	Jan-Mar	3.4	1.7	4.7	1.3	16.1	72.9	164,491
	Apr-Jun	3.1	1.5	3.9	1.2	13.9	76.4	193,632
	Jul-Sep	3.0	1.7	3.2	1.1	11.8	79.3	219,742
2015	Oct-Dec	3.9	2.2	4.0	1.5	11.7	76.8	201,599
	Jan-Mar	3.8	2.2	4.0	2.4	21.5	66.2	200,138
	Apr-Jun	3.0	2.0	3.4	3.1	29.1	59.4	334,655
	Jul-Sep	3.7	2.3	3.5	2.0	18.1	70.4	379,839
2016	Oct-Dec	4.9	2.8	4.1	1.9	16.3	69.9	301,185
	Jan-Mar	5.4	3.1	4.0	2.0	18.0	67.4	277,426
	Apr-Jun	4.8	2.8	3.4	2.0	16.0	71.0	317,094
	Jul-Sep	4.8	2.9	3.0	1.7	16.7	70.9	362,344
2017	Oct-Dec	5.6	3.6	3.3	2.1	20.1	65.3	337,516
	Jan-Mar	7.7	4.9	4.2	1.8	15.9	65.5	298,293
	Apr-Jun	6.9	4.5	3.2	1.2	8.7	75.4	305,534
	Jul-Sep	7.2	5.3	2.7	1.1	6.4	77.3	305,094
2018	Oct-Dec	8.3	6.6	2.9	1.3	7.8	73.1	267,639
	Jan-Mar	9.2	7.3	3.0	1.3	8.3	70.8	235,410

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

**Exhibit A-9. Debt-to-Income (DTI) Ratio**

Endorsement Fiscal Year	Quarter	Share of FHA Endorsed Purchase Mortgages				Average DTI %
		<=36%	>36% - <43%	>=43% - <50%	>= 50%	
2012	Oct-Dec	30.61	25.45	27.48	16.47	40.6
	Jan-Mar	31.02	25.40	27.61	15.97	40.5
	Apr-Jun	31.80	25.79	27.32	15.09	40.2
	Jul-Sep	32.18	26.08	27.38	14.36	40.1
2013	Oct-Dec	32.76	26.45	26.96	13.83	39.9
	Jan-Mar	32.36	26.62	27.34	13.68	40.0
	Apr-Jun	32.83	27.04	27.35	12.77	39.8
	Jul-Sep	30.46	27.14	28.52	13.88	40.4
2014	Oct-Dec	28.81	28.06	28.72	14.42	40.7
	Jan-Mar	28.59	28.53	28.39	14.49	40.7
	Apr-Jun	29.57	28.96	27.48	13.99	40.4
	Jul-Sep	28.97	28.86	27.61	14.56	40.6
2015	Oct-Dec	28.64	28.87	27.53	14.96	40.7
	Jan-Mar	29.23	29.33	26.91	14.53	40.5
	Apr-Jun	31.28	29.04	25.86	13.81	40.1
	Jul-Sep	29.90	28.35	26.79	14.95	40.5
2016	Oct-Dec	28.75	28.31	27.41	15.54	40.7
	Jan-Mar	28.44	27.96	27.25	16.36	40.9
	Apr-Jun	29.05	27.97	26.80	16.18	40.8
	Jul-Sep	28.55	27.50	26.86	17.10	41.0
2017	Oct-Dec	27.45	26.80	27.75	18.00	41.3
	Jan-Mar	24.87	25.42	29.16	20.55	42.0
	Apr-Jun	24.85	25.32	29.17	20.66	42.1
	Jul-Sep	23.99	24.90	29.20	21.91	42.3
2018	Oct-Dec	23.32	24.38	29.26	23.04	42.6
	Jan-Mar	22.12	23.44	29.58	24.86	43.0

SOURCE: US Department of HUD/FHA, April 2018.

**Exhibit A-10. Down Payment Assistance Program (DPA)**

Endorsement Fiscal Year	Quarters	Source of Down Payment Assistance (DPA) – Purchase Mortgages						No DPA	
		Government		Relative		Other (Non-Government/ Non-Relative)			
		Share	SDQ	Share	SDQ	Share	SDQ	Share	SDQ
2011	Oct-Dec	5.7	14.4	22.8	8.5	0.5	12.6	71.0	6.0
	Jan-Mar	7.2	13.1	22.5	7.5	0.4	7.3	69.8	5.1
	Apr-Jun	7.7	12.2	20.6	7.3	0.5	9.4	71.3	5.0
	Jul-Sept	7.6	11.8	22.3	7.2	0.5	8.5	69.7	4.8
2012	Oct-Dec	8.2	10.9	23.1	7.1	0.6	8.3	68.1	4.7
	Jan-Mar	8.0	10.3	23.3	6.3	0.4	8.0	68.3	4.6
	Apr-Jun	7.5	9.9	20.7	6.4	0.3	7.6	71.4	4.5
	Jul-Sept	7.5	9.1	21.9	5.8	0.3	9.8	70.3	4.3
2013	Oct-Dec	7.7	8.6	22.5	5.7	0.4	6.6	69.4	4.1
	Jan-Mar	8.5	7.7	22.5	5.4	0.4	6.1	68.6	4.1
	Apr-Jun	8.1	7.4	21.0	5.6	0.4	5.4	70.5	4.2
	Jul-Sept	4.3	8.5	23.9	5.4	0.4	4.7	71.5	4.3
2014	Oct-Dec	7.2	7.9	26.2	5.7	0.4	5.4	66.2	4.4
	Jan-Mar	8.6	7.6	26.5	5.6	0.5	5.6	64.4	4.2
	Apr-Jun	8.8	7.0	24.0	5.7	0.7	4.4	66.6	4.3
	Jul-Sept	8.9	6.6	25.7	5.7	1.0	5.0	64.4	4.1
2015	Oct-Dec	9.6	6.3	27.5	5.9	1.1	5.3	61.7	4.3
	Jan-Mar	10.3	6.3	27.1	6.0	1.3	4.2	61.2	4.4
	Apr-Jun	9.6	5.5	24.3	5.6	1.6	3.7	64.4	4.1
	Jul-Sept	10.0	4.9	25.6	5.3	1.8	3.9	62.6	3.7
2016	Oct-Dec	10.9	4.6	27.3	4.9	2.2	3.6	59.6	3.5
	Jan-Mar	10.6	4.0	26.6	4.9	2.2	3.3	60.6	3.3
	Apr-Jun	9.9	3.6	25.1	4.6	1.6	2.9	63.4	3.3
	Jul-Sept	9.8	3.3	26.4	4.3	1.6	3.6	62.1	2.9
2017	Oct-Dec	10.3	2.7	26.9	3.7	1.8	3.0	61.0	2.5
	Jan-Mar	10.5	2.7	26.9	3.4	2.0	2.3	60.6	2.2
	Apr-Jun	10.4	1.9	24.8	2.7	1.6	2.1	63.2	1.7
	Jul-Sept	11.0	0.9	26.1	1.6	1.4	1.1	61.5	1.0
2018	Oct-Dec	11.8	0.2	26.4	0.3	1.3	0.3	60.5	0.2
	Jan-Mar	11.3	0.0	26.8	0.0	1.2	0.0	60.7	0.0

SOURCE: US Department of HUD/FHA, April 2018.

**Exhibit A-11. Reverse Mortgage Program (HECM)**

Fiscal Year	Quarter	Claim counts and volumes (\$ millions) by Type <sup>a</sup>							
		Claim Type 1		Claim Type 2		Supplemental		Total Number <sup>c</sup>	
		Count	MCA <sup>b</sup> (\$M)	Count	MCA (\$M)	Count	MCA (\$M)	Count	MCA (\$M)
2013	Oct-Dec	3,502	662	1,296	263	515	95	5,313	1,019
	Jan-Mar	3,324	628	1,568	346	59	12	4,951	985
	Apr-Jun	2,376	466	1,827	422	565	111	4,768	999
	July-Sep	2,546	514	1,323	316	1018	202	4,887	1,033
Total		11,748	2,269	6,014	1,347	2157	420	19,919	4,036
2014	Oct-Dec	3,032	559	1,337	310	76	16	4,445	885
	Jan-Mar	2,977	584	1,827	400	49	8	4,853	992
	Apr-Jun	3,445	645	2,090	482	172	32	5,707	1,159
	July-Sep	2,819	511	1,874	429	429	80	5,122	1,021
Total		12,273	2,299	7,128	1,621	726	136	20,127	4,056
2015	Oct-Dec	12,516	2,263	1,701	396	1,125	202	15,342	2,861
	Jan-Mar	7,142	1,320	1,880	457	4,259	795	13,281	2,571
	Apr-Jun	8,386	1,530	3,919	1,004	2,982	593	15,287	3,126
	July-Sep	6,222	1,159	3,810	978	3,952	770	13,984	2,906
Total		34,266	6,271	11,310	2,835	12,318	2,359	57,894	11,465
2016	Oct-Dec	5,366	996	3,923	994	8,886	1,658	18,175	3,648
	Jan-Mar	5,854	1,100	3,874	984	11,526	2,175	21,254	4,259
	Apr-Jun	6,602	1,218	4,810	1,207	12,081	2,322	23,493	4,746
	July-Sep	6,021	1,115	5,941	1,464	18,517	3,478	30,479	6,056
Total		23,843	4,429	18,548	4,648	51,010	9,632	93,401	18,709
2017	Oct-Dec	6,144	1,153	6,204	1,518	7,823	1,464	20,171	4,136
	Jan-Mar	7,203	1,363	5,783	1,414	6,623	1,237	19,609	4,014
	Apr-Jun	6,006	1,124	4,640	1,106	6,348	1,207	16,994	3,437
	July-Sep	4,739	907	5,653	1,317	5,811	1,104	16,203	3,328
Total		24,092	4,548	22,280	5,355	26,605	5,012	72,977	14,915
2018	Oct-Dec	4,918	934	6,375	1,475	5,644	1,073	16,937	3,481
	Jan-Mar	4,702	925	5,424	1,249	5,496	1,059	15,622	3,232
Total		9,620	1,858	11,799	2,724	11,140	2,132	32,559	6,714

<sup>a</sup> Claims comprise claim types *Foreclosure*, *Deed in Lieu of Foreclosure*, and *Mortgagor's Short Sale*.

<sup>b</sup> MCA is the maximum claim amount payable by HUD. It is defined as the initial value of the property or FHA loan limit, whichever is lower.

<sup>c</sup> Details may not sum to total due to rounding.

SOURCE: US Department of HUD/FHA, May 2018.