



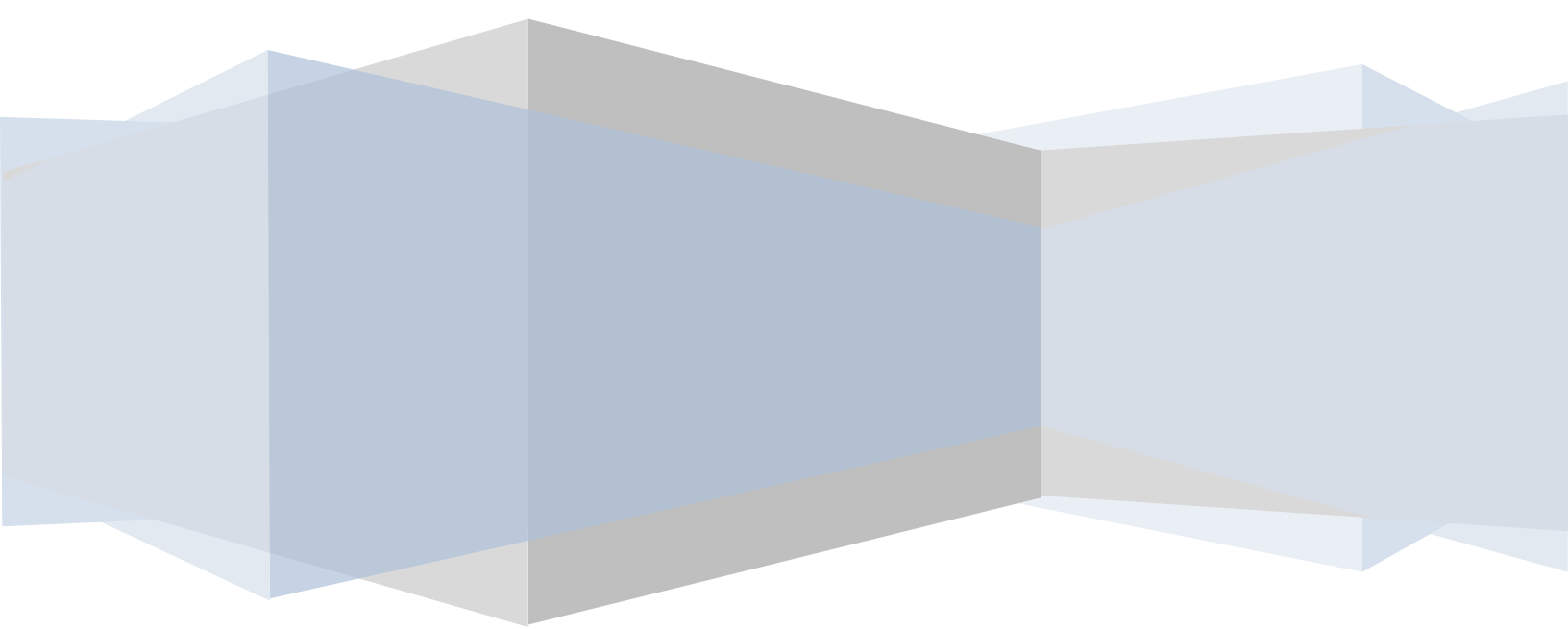
*U.S. Department of Housing and Urban Development*

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

*Quarterly Report to Congress*

*FY 2019 Q2*

*Delivered: June 07, 2019*



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

FY 2019 Q2  
Data as of March 31, 2019

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

## FOREWORD

On behalf of Secretary Carson and FHA Commissioner Brian Montgomery, 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 2019 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, 2019 through March 31, 2019.

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 2018 on November 15, 2018. The FY 2018 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,



Keith N. Becker  
Deputy Assistant Secretary  
Office of 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 2019 decreased 11.78 percent by count from the prior quarter. Single-family forward endorsements were \$42.52 billion, down 10.57 percent from the prior quarter. Reverse Mortgage (HECM) endorsements by count were up 11.32 percent from the previous quarter. HECM endorsement volume, at \$2.80 billion for the second quarter of FY 2019, represents an increase of 12.89 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 fell by 2 points to 665. Endorsement share of 720+ credit score mortgages declined to 12.95 percent. Share of less than 640 credit score rose to 29.63 percent. FHA has seen an increase in the concentration of mortgages with high debt-to-income (DTI) ratios. Nearly 28 percent of all FHA-insured forward mortgage purchase transactions in this quarter were comprised of mortgages where the borrower had a DTI ratio above 50 percent. Average property loan-to-value ratio fell to 92.05 percent.</p>	<p><a href="#">6</a>, <a href="#">7</a>,<a href="#">8</a>, <a href="#">9</a>, <a href="#">19</a>, <a href="#">20</a>, <a href="#">21</a>, <a href="#">22</a>, <a href="#">23</a></p>	<p><a href="#">2</a>, <a href="#">3a</a>, <a href="#">3b</a>, <a href="#">4</a>, <a href="#">5</a>, <a href="#">A-3</a>, <a href="#">A-4</a>, <a href="#">A-5</a>, <a href="#">A-6</a>, <a href="#">A-9</a></p>
<p>C) Any significant changes between actual and projected claim and prepayment activity</p>	<p>Prepayment speeds this quarter were 44.21 percent lower than predicted due mostly to the re-calibration of FHA's prepayment model. Claims were 17.39 percent below predicted level by count and 36.39 percent below predicted level by dollar amount.</p>	<p><a href="#">10</a>,</p>	<p><a href="#">6</a>,</p>

D) Projected versus actual loss rates	The year-to-date net loss rate on claim activity of 42.77 percent is slightly higher than the projection of 42.51 percent.	<a href="#">10</a>	<a href="#">6</a>
E) Updated projections of the annual subsidy rates	The budget execution credit subsidy rates (CSR) for FY 2019 Q2 are at -3.20 percent and -0.15 percent for forward mortgages and HECMs, respectively.	<a href="#">11</a>	<a href="#">7</a>

<b>Additional Risk Factors</b>	<b>Summary</b>	<b>Page</b>	<b>Exhibit</b>
F) MMI Fund Cash and Investments	The MMI Fund Cash and Investments account balance at the end of FY 2019 Q2 was \$49.87 billion, up from \$49.52 billion last quarter.	<a href="#">12</a>	<a href="#">8</a>
G) Business Operations Cash Flow	Core business-operations cash flow in FY 2019 Q2 was \$201 million this quarter. FHA paid \$3.71 billion in claims and property expenses, while receiving approximately \$3.91 billion in revenues from premium collections, sale of notes and properties, and other revenue.	<a href="#">13</a>	<a href="#">9</a>
H) Early Payment Delinquency	The early payment delinquency (EPD) rate increased this quarter to 0.87 percent, from 0.77 percent last quarter. This increase is likely due to both seasonal effects and a higher level of credit risk being brought into the portfolio through new endorsements.	<a href="#">14</a>	<a href="#">10</a>
I) Serious Delinquency Rates	The portfolio-level serious delinquency rate decreased this quarter to 3.88 percent, from 4.08 percent last quarter.	<a href="#">15</a>	<a href="#">11</a>
J) Termination Claim Type with Loss Severity Rates	The single family forward portfolio loss rate decreased to 40.22 percent from 42.90 percent last quarter. Total loan dispositions of 10,357 are lower by 40.05 percent due to reduced REO alternatives inventory levels.	<a href="#">23</a>	<a href="#">A-7</a>
K) Cash-Out Refinancing Rates	Purchase mortgage share decreased from 78.52 percent last quarter to 76.03 percent. Cash-out refinance mortgage	<a href="#">24</a>	<a href="#">A-8</a>

Additional Risk Factors	Summary	Page	Exhibit
	share slightly increased as a percentage of overall business to 17.72 percent from 17.26 percent last quarter.		
L) Down Payment Assistance (DPA) – Serious Delinquency Rate (SDQ)	The share of Down Payment Assistance (Purchase only mortgages) increased from 40.06 percent last quarter to 40.48 percent. Generally, higher SDQ rates are associated with mortgages where down payment assistance came from self-identified governmental entities.	<a href="#">26</a>	<a href="#">A-10</a>
M) Reverse Mortgage (HECM) Program Claims	Total HECM program claims decreased this quarter by 23.11 percent from 23,718 loans to 18,236 loans due to lower number of Assigned Claims (Type 2) to HUD.	<a href="#">27</a>	<a href="#">A-11</a>

## Endorsement Activity

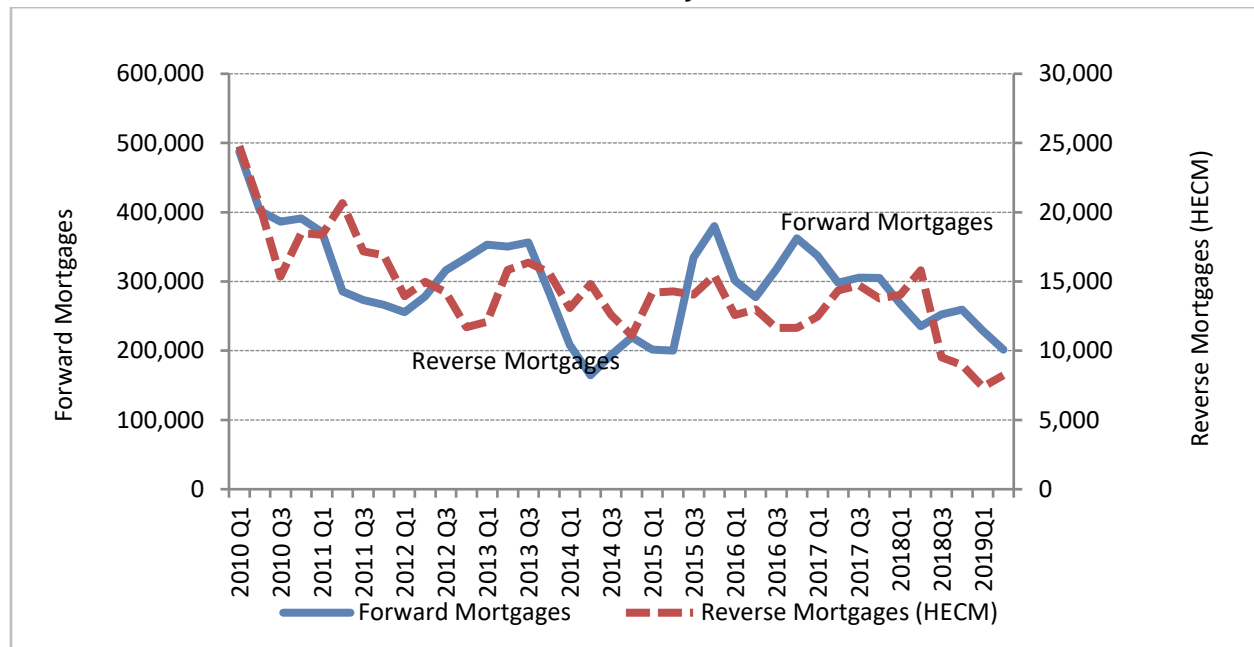
During the second quarter of fiscal year (FY) 2019, the FHA endorsed 201,779 forward mortgages for insurance, down 11.78 percent from the prior quarter (Exhibit A-1).

The dollar volume of refinance endorsements (Conventional to FHA, FHA to FHA) in the quarter was up 2.38 percent from the previous quarter, while the dollar volume of all forward-mortgage endorsements was down 10.57 percent (Exhibit A-2).

FHA-to-FHA refinance activity, in terms of endorsed mortgages, increased by 7.34 percent from the quarter-earlier period from 22,931 to 24,614.

HECM endorsement volume, \$2.80 billion for the second quarter of FY 2019, was up 12.89 percent from the previous quarter. HECM endorsement counts in FY 2019 Q2 of 8,222 was up 11.32% percent from last quarter. HECM endorsements likely increased due in part to the partial government shutdown which prevented HECM endorsements to be endorsed for part of the first quarter of FY 2019.

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

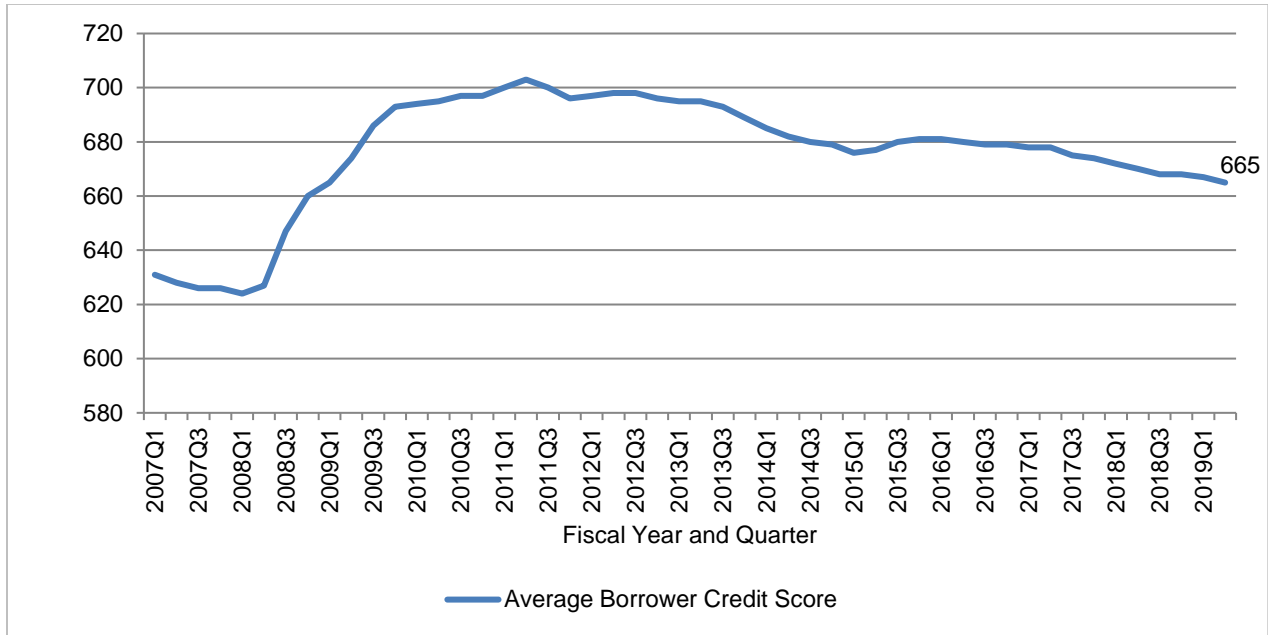


SOURCE: U.S. Department of HUD/FHA, April 2019.

## Borrower Credit Scores

Average borrower credit scores decreased to 665. Although this continues to be 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 and HECM endorsements.  
 SOURCE: U.S. Department of HUD/FHA, April 2019

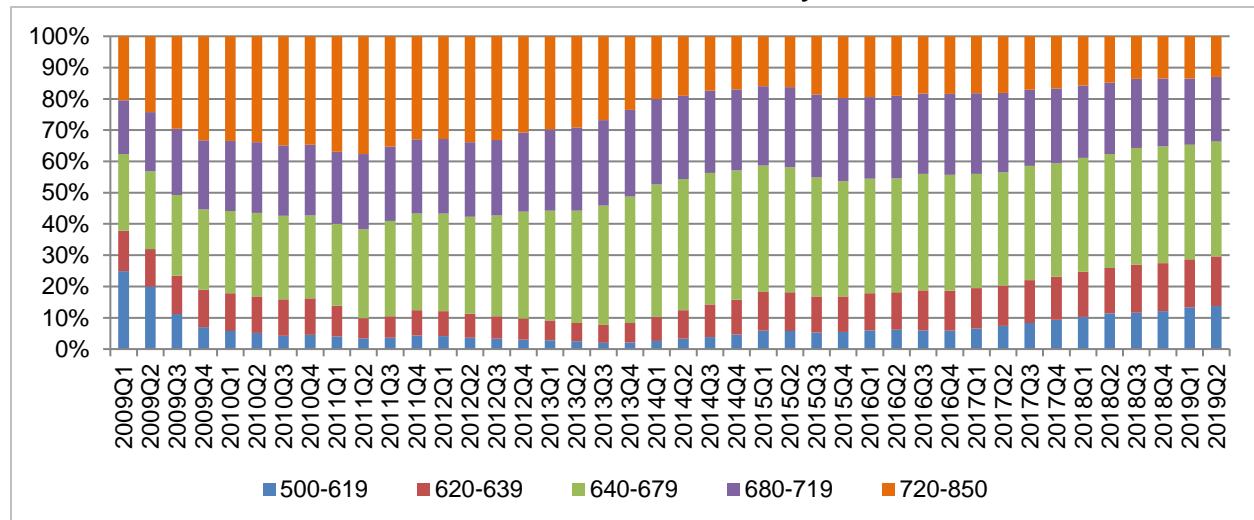


As shown in Exhibit 3a, the distribution of borrower credit scores has gradually changed over the past few years. The core of the distribution is in the 640–679 range (36.75 percent). In FY 2019 Q2 the share of 680–850 credit scores continued to decline. (Exhibit 3a, Exhibit A-3).

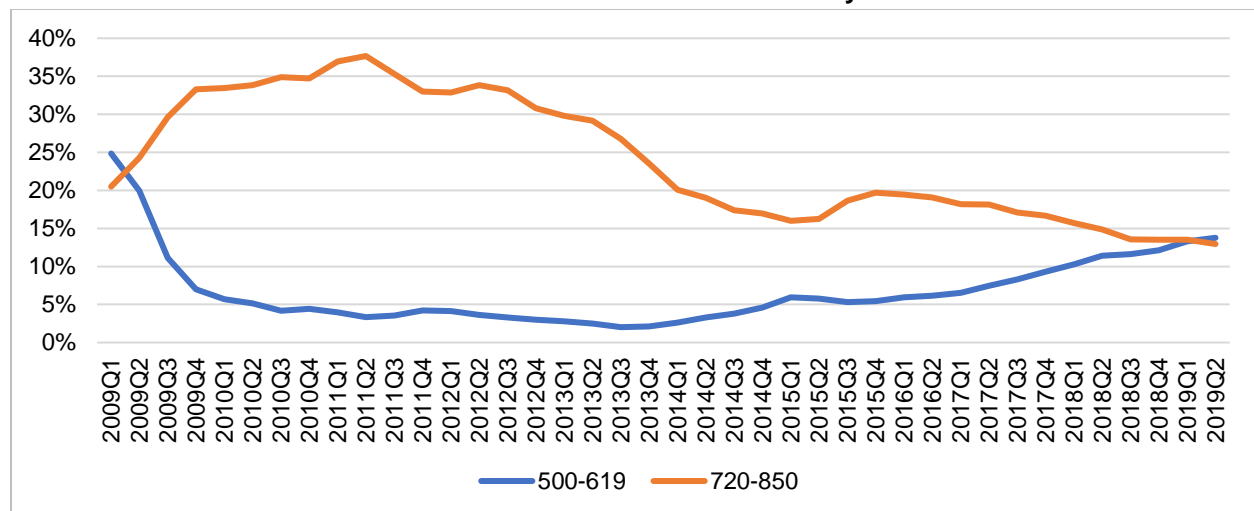
In Exhibit 3a, FHA’s credit risk profile has been shifting from nearly 60 percent of borrowers at greater than 680 credit scores in FY2011 to about 34 percent, currently. At the same time, less than 640 borrowers have grown to nearly 30 percent. This increase shows a much riskier population of mortgages being endorsed by FHA. Performance of these mortgages will be closely monitored to determine when policy changes should be implemented.

In Exhibit 3b, borrowers with 720 and greater credit score decreased to 12.95 percent in Q2 FY 2019 from 13.51 percent in Q1 FY 2019, while borrowers with less than 620 credit score increased from 13.31 percent in Q1 FY 2019 to 13.76 percent in Q2 FY 2019.

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



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

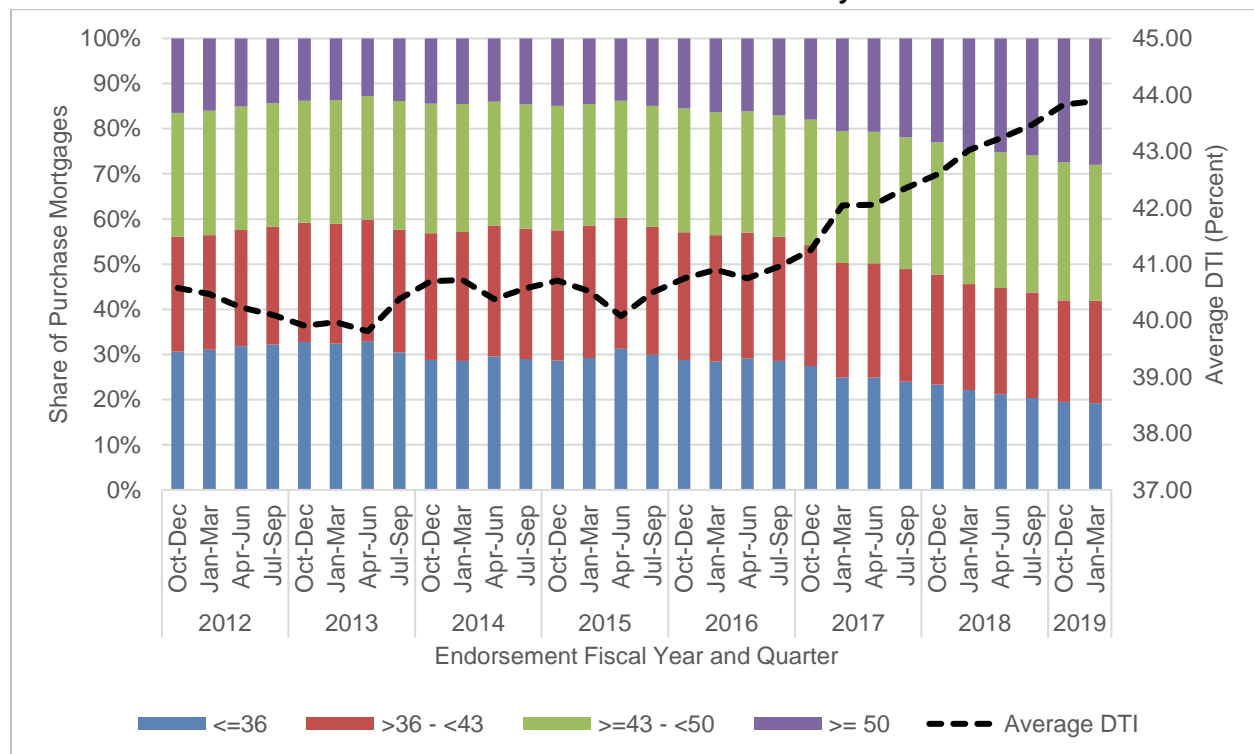


NOTE: Excludes streamline refinance and HECM activity.  
SOURCE: U.S. Department of HUD/FHA, April 2019.

## Debt-to-Income (DTI)

FHA has seen an increase in the concentration of mortgages with high debt-to-income (DTI) ratios. High DTI ratios may preclude borrowers from having the ability to make current mortgage obligations. Almost 25 percent of all FHA-insured forward mortgage purchase transactions in FY 2018 were comprised of mortgages where the borrower had a DTI ratio above 50 percent, and for this quarter, the percentage of borrowers with DTI's above 50 is nearly 28 percent -the highest percentage since at least the year 2000. This is a risk to the MMIF that the FHA is attempting to manage and mitigate through various policy levers.

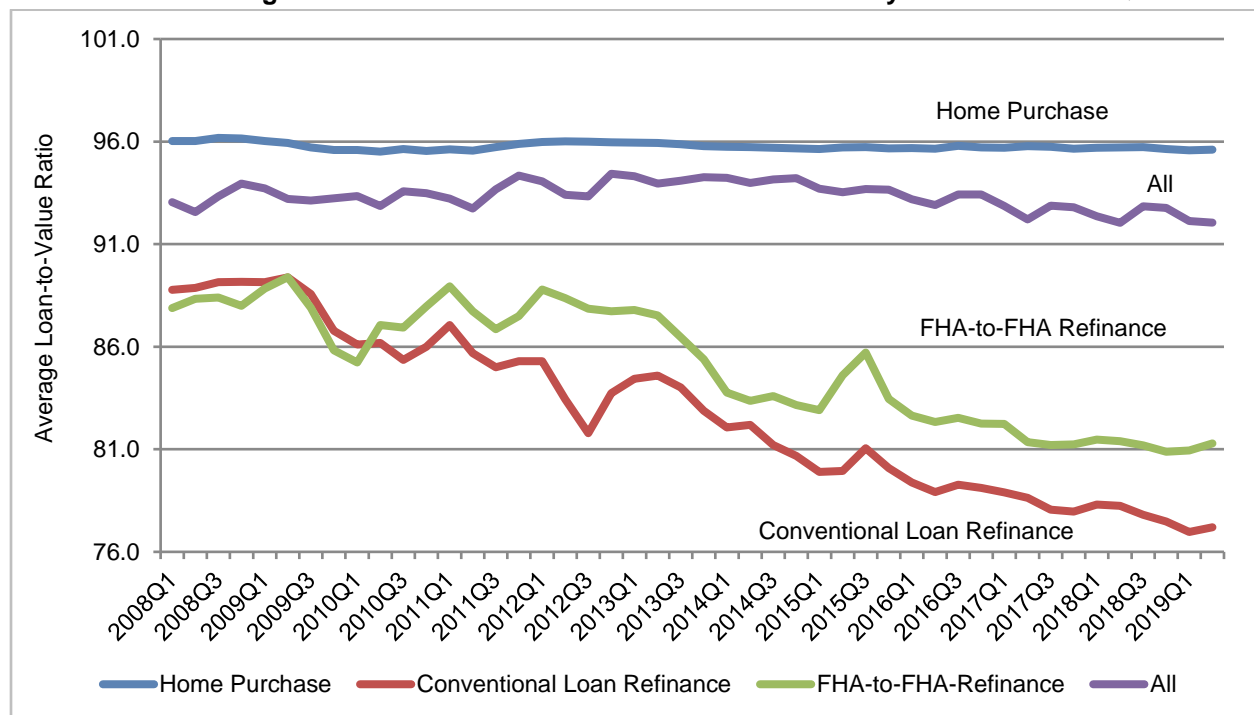
**Exhibit 4. Debt-to-Income Ratios on New Endorsements by Fiscal Year and Quarter**



## Average Loan-to-Value (LTV)

The average LTV decreased from 92.13 percent to 92.05 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). For a typical purchase mortgage endorsement, 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. Additionally, in the conventional market for a low down payment mortgage, an Interested Party Contribution (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.<sup>1</sup> For FHA-insured mortgages, no downward adjustment is made to the value of the property unless an IPC exceeds 6 percent of the value of the home.

**Exhibit 5. Average Loan-to-Value Ratios on New Endorsements by Fiscal Year and Quarter**



NOTE: Excludes streamline refinance and HECM activity.  
 SOURCE: U.S. Department of HUD/FHA, April 2019.

<sup>1</sup> Interested Party Contributions are contributions made to the borrower from an interested party to the transaction, customarily the property seller.

## Predicted and Actual Termination and Claim-Loss Rates

The predicted-versus-actual comparisons through the second quarter of FY 2019 are presented in Exhibit 5. Prepayment speeds were lower than predicted. Claims were well below predictions. The number of actual claims through FY 2019 Q2 of 29,611 was 17.39 percent less than the predicted 35,843. That deviation comes from model forecasts and actuarial models deviating from actual experience. 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 6. Termination and Claim Loss Experience Compared to Forecasts**

January 2019– March 2019	Year to Date Predicted <sup>a</sup>	Year to Date Actual	Deviation (Actual Minus Predicted)	Percentage Deviation (Actual Versus Predicted)
Prepayments (number)	595,045	331,981	(263,064)	(44.21)
Claims (number) <sup>a</sup>	35,843	29,611	(6,232)	(17.39)
Claims (\$ millions) <sup>b</sup>	3,619	2,302	(1,317)	(36.39)
Net Loss on Claims (%) <sup>c</sup>	42.51	42.77	0.26	0.61

na = not applicable.

Note: Due to differences in timing and data sources, the cash flow amounts may not reconcile fully with other tables in this report.

<sup>a</sup> Projections of prepayment counts, claim counts, and claim dollars are modeled for the FY 2018 and FY 2019 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 2019.

## Budget Execution Credit Subsidy Rates

The budget execution subsidy rate for forward mortgages for FY 2019 Q2 is -3.20 percent. The subsidy rate for HECM mortgages is -0.15 percent for FY 2019 Q2 (Exhibit 6).

**Exhibit 7. Budget Execution Credit Subsidy Rates, FY 2019 Q2**

Type of Mortgage	Rate (%) <sup>a</sup>
Forward Mortgages	-3.20
Reverse Mortgages (HECM)	-0.15

<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 2019.

## MMI Fund Cash and Investments

As Exhibit 7 shows, the cash and investments of the MMI Fund increased to \$49.87 billion in FY 2019 Q2, \$19.47 billion is held in the Financing account, and \$30.41 billion is held in the Capital Reserve account.

**Exhibit 8. MMI Fund Cash and Investments by Quarter, FY 2012–FY 2019**

Fiscal Year	Quarter	Capital Reserve Account <sup>a</sup> (\$ billions)	Financing Account <sup>b</sup> (\$ billions)	Total <sup>c,d</sup> (\$ billions)
2012	Oct–Dec	5.70	27.58	33.29
	Jan–Mar	7.03	25.30	32.33
	Apr–Jun	9.75	21.86	31.62
	Jul–Sep	3.31	35.10	38.41
2013	Oct–Dec	7.14	29.99	37.13
	Jan–Mar	10.98	25.15	36.13
	Apr–Jun	15.80	17.35	33.15
	Jul–Sep	0.00	48.35	48.35
2014	Oct–Dec	2.61	44.48	47.10
	Jan–Mar	2.16	43.64	45.80
	Apr–Jun	4.87	40.43	45.31
	Jul–Sep	7.33	38.88	46.21
2015	Oct–Dec	10.43	35.76	46.20
	Jan–Mar	12.87	33.46	46.33
	Apr–Jun	11.97	34.52	46.49
	Jul–Sep	15.99	29.64	45.63
2016	Oct–Dec	18.17	27.34	45.51
	Jan–Mar	20.21	25.33	45.55
	Apr–Jun	34.44	16.55	50.99
	Jul–Sep	37.24	12.59	49.83
2017	Oct–Dec	40.32	9.58	49.90
	Jan–Mar	43.05	7.42	50.46
	Apr–Jun	28.82	22.83	51.65
	Jul–Sep	31.64	18.47	50.11
2018	Oct–Dec	33.49	17.34	50.83
	Jan–Mar	35.14	16.47	51.61
	Apr–Jun	25.35	27.08	52.42
	Jul–Sep	27.22	23.00	50.22
2019	Oct–Dec	28.89	20.63	49.52
	Jan–Mar	30.41	19.47	49.87

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, January April 2019.

## Cash Flows from Business Operations

FY 2019 Q2 net cash flow was \$201 million compared to FY 2019Q1 of negative (\$597) million (Exhibit 8). 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 through its Claims Without Conveyance of Title (CWCOT) program, 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 less than 50 percent over the last four quarters.

**Exhibit 9. Business Operations Cash Flows, FY 2018 Q3–FY 2019 Q2 (\$ millions)**

	FY 2018 Q3	FY 2018 Q4	FY 2019 Q1	FY 2019 Q2	Past 4 Quarters
<b>Collections:</b>					
Premiums	3,340	3,315	3,251	3,157	13,063
Property Sale Receipts	551	466	457	385	1,859
Note Sale Proceeds	22	182	172	221	597
Other (includes Settlements)	473	385	219	151	1,228
<b>Total</b>	<b>4,386</b>	<b>4,348</b>	<b>4,099</b>	<b>3,914</b>	<b>16,747</b>
<b>Disbursements:</b>					
Claims <sup>a</sup>	(3,705)	(3,438)	(4,659)	(3,669)	(15,471)
Property Maintenance	(35)	(31)	(26)	(29)	(121)
Other	(10)	(11)	(11)	(15)	(47)
<b>Total</b>	<b>(3,750)</b>	<b>(3,480)</b>	<b>(4,696)</b>	<b>(3,713)</b>	<b>(15,639)</b>
<b>Net Operations Cash Flow</b>	<b>636</b>	<b>868</b>	<b>(597)</b>	<b>201</b>	<b>1,108</b>

NOTE: Unaudited figures; details may not sum to total due to rounding. Due to differences in timing and data sources, the cash flow amounts may not reconcile fully with other tables in this report.

<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 2019.

## Early-Payment Delinquency Rates

The Early-Payment Delinquency (EPD) rate for mortgages originated in FY 2019 Q2 is up 10 basis points from the previous quarter.

**Exhibit 10. Early Payment Delinquency Rates**

Fiscal Year	Origination Quarter	Mortgage Type/Purpose		
		Purchase	Refinance	All <sup>a</sup>
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	1.14	0.65	1.02
	Jul-Sep	1.44	1.17	1.38
2018	Oct-Dec	0.47	0.35	0.44
	Jan-Mar	0.56	0.30	0.49
	Apr-Jun	0.84	0.45	0.77
	Jul-Sep	0.96	0.47	0.87

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

SOURCE: U.S. Department of HUD/FHA, April 2019.

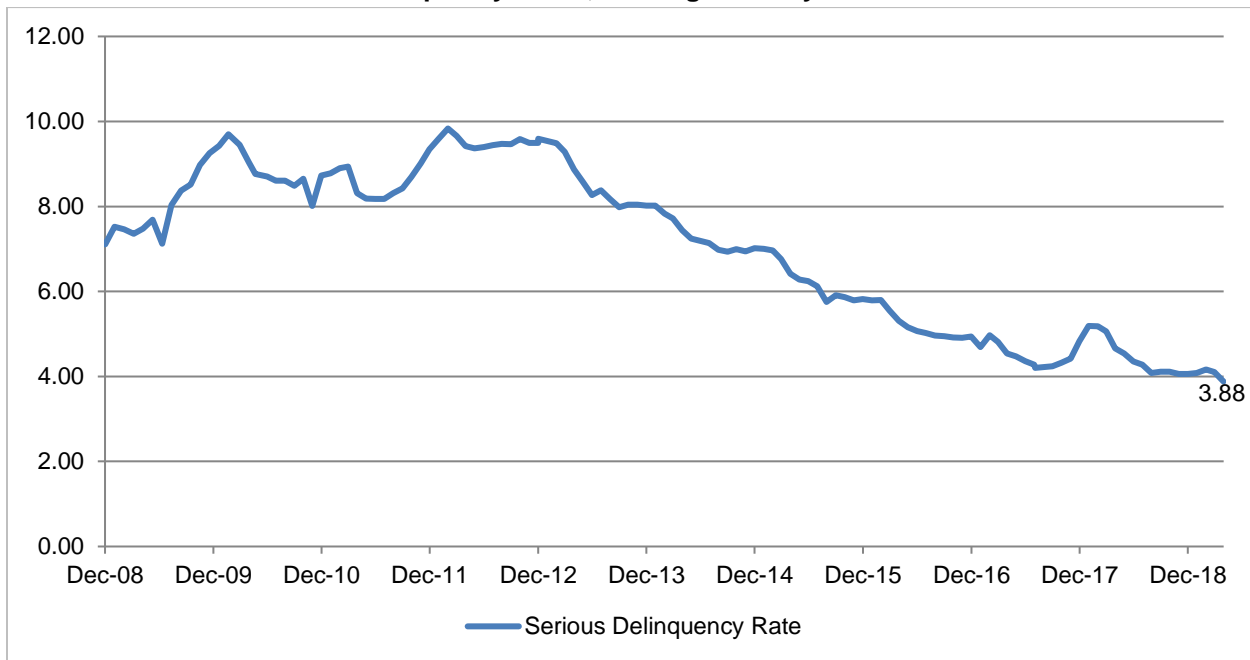


## Serious Delinquency Rates

Serious delinquency (SDQ) rates for this quarter decreased to 3.88 percent, down 20 bps from last quarter. As the portfolio serious delinquency rate has reached historic lows and FHA credit profile shifts, 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. Overall, serious delinquency rates are significantly improved from the highs seen in 2012.

**Exhibit 11. Serious Delinquency Rates, All Single-Family Forward Endorsements**



SOURCE: U.S. Department of HUD/FHA, April 2019.

## **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	
Fiscal Year					
2008	591,327	349,123	91,133	1,031,583	112,051
2009	995,102	468,768	367,449	1,831,319	114,423
2010	1,109,164	305,296	252,452	1,666,912	79,059
2011	777,101	194,811	224,760	1,196,672	73,112
2012	733,700	129,185	321,615	1,184,500	54,814
2013	702,415	91,500	550,930	1,344,845	59,924
2014	594,998	55,353	136,000	786,351	51,616
2015	753,387	80,014	282,829	1,116,230	57,990
2016	879,512	107,463	271,073	1,258,048	48,867
2017	882,078	126,876	237,479	1,246,433	55,291
2018	776,278	109,457	128,867	1,014,602	48,329
2019	333,010	49,941	47,545	430,496	15,608
Fiscal Year and Quarter					
2013 Q1	177,852	22,754	152,520	353,126	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	14,611	40,910	208,486	13,094
2014 Q2	119,833	13,456	31,202	164,491	14,826
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	154,806	15,826	30,966	201,598	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	27,165	63,470	301,185	12,578
2016 Q2	187,068	26,110	64,247	277,425	13,002
2016 Q3	225,133	26,059	65,903	317,095	11,643
2016 Q4	256,761	28,130	77,453	362,344	11,645
2017 Q1	220,353	30,153	87,011	337,517	12,453
2017 Q2	195,485	35,489	67,318	298,292	14,352
2017 Q3	230,475	31,055	44,003	305,533	14,721
2017 Q4	235,766	30,179	39,147	305,092	13,766
2018 Q1	195,513	30,091	42,034	267,638	14,024
2018 Q2	166,641	28,815	39,999	235,455	15,802
2018 Q3	202,747	25,315	24,267	252,329	9,529
2018 Q4	211,379	25,235	22,569	259,183	8,974
2019 Q1	179,590	26,196	22,931	228,717	7,386
2019 Q2	153,420	23,745	24,614	201,779	8,222

<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 2019.

## Exhibit A-2. Endorsement Volumes

	Volumes (\$ Billions)				
	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>					
2008	95,374	61,525	14,907	171,806	24,248
2009	171,672	86,984	71,729	330,385	30,074
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	65,345	213,272	13,163
2013	124,934	16,932	98,249	240,115	14,681
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	160,895	21,679	26,476	209,050	16,189
2019	70,039	9,824	10,206	90,069	5,282
<b>Fiscal Year and Quarter</b>					
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	3,624
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	15,696	72,257	3,603
2017 Q1	44,120	6,027	18,149	68,296	3,892
2017 Q2	39,558	7,137	13,048	59,742	4,548
2017 Q3	46,441	6,146	8,251	60,838	4,801
2017 Q4	48,502	5,992	7,583	62,077	4,450
2018 Q1	40,239	5,939	8,508	54,686	4,584
2018 Q2	34,803	5,782	8,373	48,959	5,388
2018 Q3	41,676	5,008	4,914	51,598	3,183
2018 Q4	44,176	4,949	4,681	53,806	3,034
2019 Q1	37,651	5,107	4,790	47,548	2,481
2019 Q2	32,388	4,717	5,416	42,521	2,801

<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 2019.

**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
2012	Oct–Dec	4.14	7.98	31.22	23.80	32.86
	Jan–Mar	3.65	7.70	30.98	23.82	33.85
	Apr–Jun	3.28	7.19	32.23	24.15	33.15
	Jul–Sep	2.98	6.82	34.16	25.25	30.79
2013	Oct–Dec	2.81	6.36	35.10	25.94	29.81
	Jan–Mar	2.49	5.88	35.90	26.56	29.18
	Apr–Jun	2.03	5.65	38.20	27.33	26.79
	Jul–Sep	2.11	6.23	40.43	27.69	23.54
2014	Oct–Dec	2.65	7.66	42.37	27.23	20.10
	Jan–Mar	3.28	9.11	41.97	26.61	19.04
	Apr–Jun	3.81	10.43	42.05	26.32	17.38
	Jul–Sep	4.61	11.16	41.33	25.93	16.98
2015	Oct–Dec	5.93	12.30	40.40	25.38	15.98
	Jan–Mar	5.78	12.36	39.98	25.64	16.24
	Apr–Jun	5.30	11.57	38.04	26.46	18.63
	Jul–Sep	5.43	11.39	36.87	26.61	19.70
2016	Oct–Dec	5.97	11.85	36.65	26.08	19.46
	Jan–Mar	6.18	11.98	36.43	26.36	19.05
	Apr–Jun	6.01	12.79	37.25	25.66	18.28
	Jul–Sep	5.93	12.71	37.04	25.93	18.39
2017	Oct–Dec	6.56	12.88	36.60	25.77	18.20
	Jan–Mar	7.45	12.85	36.21	25.35	18.14
	Apr–Jun	8.33	13.73	36.47	24.37	17.11
	Jul–Sep	9.31	13.89	36.18	23.93	16.69
2018	Oct–Dec	10.31	14.42	36.36	23.21	15.71
	Jan–Mar	11.44	14.51	36.40	22.77	14.88
	Apr–Jun	11.62	15.30	37.38	22.13	13.57
	Jul–Sep	12.14	15.37	37.25	21.74	13.50
2019	Oct–Dec	13.31	15.41	36.63	21.13	13.51
	Jan–Mar	13.76	15.87	36.75	20.67	12.95

NOTES: Shares are based on loan counts. Excludes streamline refinancing.

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

SOURCE: U.S. Department of HUD/FHA, April 2019.

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

Fiscal Year	Quarter	Mortgage Purpose			
		Home Purchase	Conventional Loan Refinance	FHA-to-FHA Refinance <sup>a</sup>	All
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	681
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
	Apr–Jun	670	664	660	668
	Jul–Sep	669	663	658	668
2019	Oct–Dec	668	662	657	667
	Jan–Mar	667	660	656	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. They are grouped here according to the “decision” score used for loan underwriting. The decision score represents the weakest borrower on a loan application when there are multiple applicants. Streamline refinance loans do not require full underwriting; therefore, they are not represented here.

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

SOURCE: U.S. Department of HUD/FHA, April 2019.

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

<b>Loan-to-Value (LTV) Ratio<sup>a</sup> Distribution on New Endorsements By Fiscal Year and Quarter</b>					
<b>Fiscal Year</b>	<b>Quarter</b>	<b>LTV Categories (Shares in each row add up to 100%)</b>			
		<b>Up to 80</b>	<b>81-90</b>	<b>91-95</b>	<b>96-98<sup>b</sup></b>
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	76.09
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	14.46	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
	Apr–Jun	7.87	14.44	6.88	70.81
	Jul–Sep	7.99	14.88	7.12	70.00
2019	Oct–Dec	9.31	16.80	7.07	66.83
	Jan–Mar	9.30	17.60	6.84	66.25

NOTES: Shares are based on loan counts. Excludes streamline refinancing.

<sup>a</sup> 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.

<sup>b</sup> 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.

SOURCE: U.S. Department of HUD/FHA, April 2019.

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

Fiscal Year	Quarter	Mortgage Purpose			All <sup>a</sup>
		Home Purchase	Conventional Mortgage Refinance	FHA-to-FHA Refinance <sup>a</sup>	
2012	Oct–Dec	95.98	85.29	88.79	94.06
	Jan–Mar	96.01	83.44	88.37	93.41
	Apr–Jun	95.99	81.79	87.85	93.32
	Jul–Sep	95.96	83.74	87.73	94.43
2013	Oct–Dec	95.95	84.43	87.79	94.31
	Jan–Mar	95.93	84.59	87.53	93.95
	Apr–Jun	95.87	84.01	86.47	94.09
	Jul–Sep	95.77	82.88	85.39	94.26
2014	Oct–Dec	95.74	82.07	83.76	94.24
	Jan–Mar	95.73	82.19	83.36	93.98
	Apr–Jun	95.70	81.20	83.60	94.15
	Jul–Sep	95.66	80.68	83.15	94.21
2015	Oct–Dec	95.63	79.90	82.91	93.70
	Jan–Mar	95.72	79.95	84.61	93.53
	Apr–Jun	95.73	81.05	85.71	93.68
	Jul–Sep	95.67	80.09	83.45	93.66
2016	Oct–Dec	95.68	79.38	82.64	93.18
	Jan–Mar	95.65	78.92	82.33	92.90
	Apr–Jun	95.79	79.27	82.54	93.42
	Jul–Sep	95.72	79.11	82.25	93.42
2017	Oct–Dec	95.70	78.90	82.23	92.86
	Jan–Mar	95.78	78.64	81.35	92.21
	Apr–Jun	95.75	78.05	81.21	92.87
	Jul–Sep	95.65	77.97	81.24	92.79
2018	Oct–Dec	95.70	78.30	81.48	92.36
	Jan–Mar	95.72	78.25	81.40	92.04
	Apr–Jun	95.73	77.80	81.19	92.85
	Jul–Sep	95.64	77.48	80.88	92.76
2019	Oct–Dec	95.57	76.97	80.94	92.13
	Jan–Mar	95.60	77.20	81.29	92.05

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.

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

SOURCE: U.S. Department of HUD/FHA, April 2019



**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 Loss Rate	REO Alternatives Loss Rate	Overall Loss Rate	REO Dispositions	REO Alternatives Dispositions <sup>b</sup>	Total Dispositions	
2012	Oct-Dec	72.44	47.22	63.42	26,623	10,092	36,715	27.49
	Jan-Mar	71.21	45.89	61.98	23,015	9,694	32,709	29.64
	Apr-Jun	69.38	48.58	61.35	24,923	10,830	35,753	30.29
	Jul-Sep	67.99	48.00	60.64	28,385	11,908	40,293	29.55
2013	Oct-Dec	66.36	54.87	61.48	26,269	13,916	40,185	34.63
	Jan-Mar	64.18	49.03	58.36	27,132	12,185	39,317	30.99
	Apr-June	60.61	53.88	57.02	29,159	24,618	53,777	45.78
	Jul-Sep	59.56	51.34	54.96	28,722	29,521	58,243	50.69
2014	Oct-Dec	61.29	47.13	53.81	24,467	21,002	45,469	46.19
	Jan-Mar	62.86	50.33	54.70	20,110	26,239	46,349	56.61
	Apr-Jun	59.11	44.61	50.42	16,090	18,398	34,488	53.35
	Jul-Sep	57.65	46.60	49.55	12,982	26,577	39,559	67.18
2015	Oct-Dec	59.70	44.26	49.57	13,147	20,016	33,163	60.36
	Jan-Mar	61.42	43.26	52.59	14,019	10,370	24,389	42.52
	Apr-June	59.71	41.00	51.61	15,980	10,008	25,988	38.51
	Jul-Sep	60.54	46.40	52.77	16,941	15,585	32,526	47.92
2016	Oct-Dec	62.88	47.39	54.59	16,507	15,120	31,627	47.81
	Jan-Mar	63.44	45.96	54.23	14,751	13,315	28,066	47.44
	Apr-Jun	60.01	47.15	52.84	13,084	13,201	26,285	50.22
	Jul-Sep	59.81	50.26	53.89	12,839	16,436	29,275	56.14
2017	Oct-Dec	60.75	49.84	53.81	12,925	18,309	31,234	58.62
	Jan-Mar	61.85	40.06	50.78	11,825	10,851	22,676	47.85
	Apr-Jun	58.92	40.73	48.06	10,639	14,137	24,776	57.06
	Jul-Sep	58.49	40.18	46.00	7,967	15,743	23,710	66.40
2018	Oct-Dec	56.88	38.46	44.24	6,994	14,389	21,383	67.29
	Jan-Mar	56.64	41.60	46.46	7,141	13,265	20,406	65.01
	Apr-Jun	52.81	40.13	43.71	6,314	14,272	20,586	69.33
	Jul-Sep	49.16	38.07	41.09	5,213	12,370	17,583	70.35
2019	Oct-Dec	48.58	41.09	42.90	4,609	12,667	17,276	73.32
	Jan-Mar <sup>a</sup>	49.16	37.40	40.22	2,669	7,688	10,357	74.23

NOTE: Real Estate Owned (REO) refers to properties that HUD has assumed ownership of through the conveyance of title.

<sup>a</sup> January and February 2019 only.

<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).

SOURCE: U.S. Department of HUD/FHA, April 2019.

**Exhibit A-8. Cash Out Refinance – Share of Endorsements by Loan type**

Fiscal Year	Quarter	Conventional Cash-Out	FHA Cash-Out	Conventional No Cash-Out	FHA No Cash-Out	Streamline	Purchase	Total
2012	Oct-Dec	4.39	0.91	8.05	3.47	14.33	68.84	255,796
	Jan-Mar	4.46	0.90	8.69	3.90	22.34	59.70	278,210
	Apr-Jun	4.04	0.82	8.01	3.62	22.27	61.24	316,059
	Jul-Sep	2.50	0.62	4.28	2.05	31.35	59.20	334,435
2013	Oct-Dec	2.31	0.66	4.14	2.22	40.32	50.37	353,126
	Jan-Mar	2.48	0.73	4.78	2.54	44.53	44.94	350,354
	Apr-Jun	2.36	0.79	4.42	2.17	39.39	50.87	356,380
	Jul-Sep	2.63	0.91	4.08	1.52	25.65	65.21	284,985
2014	Oct-Dec	3.08	1.27	3.93	1.13	17.22	73.37	208,486
	Jan-Mar	3.44	1.66	4.74	1.26	16.05	72.85	164,491
	Apr-Jun	3.10	1.51	3.91	1.15	13.88	76.44	193,632
	Jul-Sep	3.01	1.66	3.23	1.07	11.76	79.27	219,742
2015	Oct-Dec	3.87	2.22	3.98	1.47	11.67	76.79	201,598
	Jan-Mar	3.75	2.16	3.96	2.42	21.49	66.22	200,138
	Apr-Jun	3.03	2.02	3.39	3.06	29.09	59.41	334,655
	Jul-Sep	3.69	2.30	3.49	2.01	18.15	70.36	379,839
2016	Oct-Dec	4.93	2.83	4.08	1.91	16.33	69.91	301,185
	Jan-Mar	5.42	3.07	4.00	2.04	18.05	67.43	277,424
	Apr-Jun	4.83	2.80	3.38	1.97	16.01	71.00	317,095
	Jul-Sep	4.75	2.92	3.01	1.73	16.72	70.86	362,344
2017	Oct-Dec	5.64	3.64	3.29	2.05	20.09	65.29	337,517
	Jan-Mar	7.74	4.85	4.15	1.80	15.91	65.53	298,292
	Apr-Jun	6.94	4.54	3.23	1.20	8.67	75.43	305,533
	Jul-Sep	7.16	5.27	2.73	1.15	6.42	77.28	305,091
2018	Oct-Dec	8.30	6.60	2.94	1.29	7.81	73.05	267,637
	Jan-Mar	9.21	7.32	3.03	1.33	8.33	70.77	235,455
	Apr-Jun	7.69	6.07	2.34	0.79	2.76	80.35	252,327
	Jul-Sep	7.80	6.61	1.93	0.65	1.45	81.56	259,183
2019	Oct-Dec	9.42	7.84	2.03	0.78	1.41	78.52	228,717
	Jan-Mar	9.72	8.00	2.05	0.87	3.33	76.03	201,779

SOURCE: U.S. Department of HUD/FHA, April 2019.

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

Endorsement Fiscal Year	Quarter	Share of FHA Endorsed Purchase Mortgages				
		<=36	>36 - <43	>=43 - <50	>= 50	Average DTI
2012	Oct-Dec	30.61	25.45	27.48	16.47	40.58
	Jan-Mar	31.02	25.40	27.61	15.97	40.47
	Apr-Jun	31.80	25.79	27.32	15.09	40.23
	Jul-Sep	32.18	26.08	27.38	14.36	40.10
2013	Oct-Dec	32.76	26.45	26.96	13.83	39.91
	Jan-Mar	32.36	26.62	27.34	13.68	39.97
	Apr-Jun	32.83	27.04	27.35	12.77	39.81
	Jul-Sep	30.46	27.14	28.52	13.88	40.38
2014	Oct-Dec	28.81	28.06	28.72	14.42	40.70
	Jan-Mar	28.59	28.53	28.39	14.49	40.72
	Apr-Jun	29.57	28.96	27.48	13.99	40.38
	Jul-Sep	28.97	28.86	27.61	14.56	40.57
2015	Oct-Dec	28.64	28.87	27.53	14.96	40.71
	Jan-Mar	29.23	29.33	26.91	14.53	40.52
	Apr-Jun	31.28	29.04	25.86	13.81	40.08
	Jul-Sep	29.90	28.35	26.79	14.95	40.50
2016	Oct-Dec	28.75	28.31	27.41	15.54	40.75
	Jan-Mar	28.44	27.96	27.25	16.36	40.90
	Apr-Jun	29.05	27.97	26.80	16.18	40.75
	Jul-Sep	28.55	27.50	26.86	17.10	40.96
2017	Oct-Dec	27.45	26.80	27.75	18.00	41.25
	Jan-Mar	24.87	25.42	29.16	20.55	42.04
	Apr-Jun	24.85	25.32	29.17	20.66	42.05
	Jul-Sep	23.99	24.90	29.20	21.91	42.35
2018	Oct-Dec	23.32	24.38	29.26	23.04	42.59
	Jan-Mar	22.12	23.44	29.58	24.87	43.02
	Apr-Jun	21.21	23.55	29.99	25.25	43.23
	Jul-Sep	20.31	23.43	30.31	25.95	43.47
2019	Oct-Dec	19.48	22.52	30.56	27.45	43.83
	Jan-Mar	19.23	22.67	30.13	27.98	43.89

SOURCE: US Department of HUD/FHA, April 2019.

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

Endorsement Fiscal Year	Quarters	Government		Relative		Non-Government/ Non-Relative		No DPA	
		Share	SDQ	Share	SDQ	Share	SDQ	Share	SDQ
2012	Oct-Dec	8.24	10.90	23.06	7.04	0.61	8.32	68.09	4.70
	Jan-Mar	8.02	10.35	23.27	6.38	0.36	7.48	68.35	4.56
	Apr-Jun	7.51	10.06	20.74	6.43	0.32	8.52	71.42	4.54
	Jul-Sept	7.50	9.30	21.91	5.86	0.32	9.36	70.26	4.26
2013	Oct-Dec	7.72	8.82	22.51	5.71	0.36	6.17	69.41	4.13
	Jan-Mar	8.50	7.68	22.46	5.53	0.45	6.55	68.60	4.11
	Apr-Jun	8.09	7.76	21.01	5.56	0.42	6.14	70.48	4.24
	Jul-Sept	4.28	8.54	23.88	5.45	0.39	5.29	71.45	4.41
2014	Oct-Dec	7.18	8.07	26.24	5.81	0.40	5.57	66.18	4.42
	Jan-Mar	8.60	7.96	26.47	5.58	0.51	5.43	64.43	4.40
	Apr-Jun	8.77	7.08	23.96	5.90	0.70	4.67	66.58	4.54
	Jul-Sept	8.90	7.24	25.73	5.76	0.96	6.15	64.41	4.36
2015	Oct-Dec	9.61	6.89	27.51	6.21	1.13	5.44	61.75	4.48
	Jan-Mar	10.34	6.75	27.09	6.21	1.33	4.59	61.23	4.54
	Apr-Jun	9.62	6.45	24.34	5.60	1.60	5.12	64.44	4.26
	Jul-Sept	10.00	5.70	25.57	5.37	1.82	4.42	62.61	3.78
2016	Oct-Dec	10.94	5.37	27.26	5.22	2.15	4.46	59.65	3.70
	Jan-Mar	10.58	4.81	26.62	4.90	2.18	3.92	60.61	3.46
	Apr-Jun	9.86	4.52	25.10	4.91	1.63	4.04	63.42	3.61
	Jul-Sept	9.85	4.45	26.43	4.99	1.58	4.31	62.14	3.32
2017	Oct-Dec	10.34	3.93	26.86	4.49	1.77	4.23	61.03	3.20
	Jan-Mar	10.52	4.12	26.88	4.58	2.01	4.03	60.59	2.94
	Apr-Jun	10.38	3.97	24.76	4.19	1.64	4.16	63.22	2.79
	Jul-Sept	10.96	3.74	26.06	3.69	1.44	4.14	61.54	2.55
2018	Oct-Dec	11.77	3.14	26.45	3.41	1.26	3.24	60.53	2.18
	Jan-Mar	11.34	2.67	26.79	2.62	1.20	2.36	60.67	1.65
	Apr-Jun	10.76	1.85	25.29	1.82	1.25	2.17	62.70	1.20
	Jul-Sept	11.70	1.10	26.23	1.10	1.24	1.30	60.84	0.66
2019	Oct-Dec	12.25	0.29	26.74	0.36	1.08	0.36	59.94	0.22
	Jan-Mar	13.18	0.01	26.27	0.01	1.04	0.00	59.52	0.01

SOURCE: US Department of HUD/FHA, April 2019.

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

Reverse Mortgage Loans (HECM) Claims by Type									
Fiscal Year	Quarter	Claim Type 1		Claim Type 2		Supplemental		Total	
		Number	Total Claims Paid (\$M)	Number	Total Claims Paid (\$M)	Number	Total Claims Paid (\$M)	Number	Total Claims Paid (\$M)
2013	Oct-Dec	3,502	285,968,811	1,296	259,137,427	536	1,179,571	5,334	546,285,809
	Jan-Mar	3,324	261,630,124	1,568	342,744,830	59	176,253	4,951	604,551,206
	Apr-Jun	2,376	190,857,118	1,827	419,024,772	565	1,533,335	4,768	611,415,225
	July-Sep	2,546	212,967,352	1,323	313,427,347	1,018	2,684,389	4,887	529,079,088
<b>2013 Total</b>		<b>11,748</b>	<b>951,423,404</b>	<b>6,014</b>	<b>1,334,334,376</b>	<b>2,178</b>	<b>5,573,548</b>	<b>19,940</b>	<b>2,291,331,327</b>
2014	Oct-Dec	3,032	236,708,768	1,337	306,952,073	76	165,275	4,445	543,826,117
	Jan-Mar	2,977	243,464,207	1,827	396,681,617	49	112,194	4,853	640,258,017
	Apr-Jun	3,445	283,383,650	2,090	477,264,963	172	815,079	5,707	761,463,691
	July-Sep	2,819	226,894,442	1,874	423,459,523	429	1,061,179	5,122	651,415,144
<b>2014 Total</b>		<b>12,273</b>	<b>990,451,066</b>	<b>7,128</b>	<b>1,604,358,176</b>	<b>726</b>	<b>2,153,727</b>	<b>20,127</b>	<b>2,596,962,969</b>
2015	Oct-Dec	12,516	977,456,146	1,701	392,204,512	1,125	1,688,735	15,342	1,371,349,394
	Jan-Mar	7,142	574,998,013	1,880	453,417,423	4,259	8,666,375	13,281	1,037,081,812
	Apr-Jun	8,386	669,193,871	3,919	996,343,546	2,982	8,950,540	15,287	1,674,487,957
	July-Sep	6,222	517,499,053	3,810	969,598,335	3,953	14,192,066	13,985	1,501,289,453
<b>2015 Total</b>		<b>34,266</b>	<b>2,739,147,083</b>	<b>11,310</b>	<b>2,811,563,817</b>	<b>12,319</b>	<b>33,497,716</b>	<b>57,895</b>	<b>5,584,208,616</b>
2016	Oct-Dec	5,366	447,345,205	3,923	986,113,498	8,886	23,146,161	18,175	1,456,604,864
	Jan-Mar	5,854	455,189,374	3,874	972,917,814	11,526	24,824,881	21,254	1,452,932,070
	Apr-Jun	6,602	515,946,786	4,810	1,196,548,865	12,081	32,022,466	23,493	1,744,518,117
	July-Sep	6,021	467,520,045	5,941	1,450,894,509	18,517	76,463,822	30,479	1,994,878,376
<b>2016 Total</b>		<b>23,843</b>	<b>1,886,001,410</b>	<b>18,548</b>	<b>4,606,474,686</b>	<b>51,010</b>	<b>156,457,331</b>	<b>93,401</b>	<b>6,648,933,427</b>
2017	Oct-Dec	6,144	477,712,116	6,204	1,504,458,822	7,823	29,702,312	20,171	2,011,873,250
	Jan-Mar	7,203	581,198,659	5,783	1,401,927,594	6,623	18,908,074	19,609	2,002,034,327
	Apr-Jun	6,006	456,986,742	4,640	1,096,454,023	6,348	20,055,437	16,994	1,573,496,202
	July-Sep	4,739	361,379,418	5,653	1,309,239,889	5,811	14,970,627	16,203	1,685,589,934
<b>2017 Total</b>		<b>24,092</b>	<b>1,877,276,936</b>	<b>22,280</b>	<b>5,312,080,328</b>	<b>26,605</b>	<b>83,636,449</b>	<b>72,977</b>	<b>7,272,993,713</b>
2018	Oct-Dec	4,918	364,732,308	6,375	1,466,323,543	5,644	15,300,518	16,937	1,846,356,370
	Jan-Mar	4,702	365,552,817	5,424	1,241,859,664	5,496	18,069,817	15,622	1,625,482,297
	Apr-Jun	3,914	299,605,420	7,983	1,864,154,659	4,454	24,627,244	16,351	2,188,387,322
	July-Sep	4,076	312,957,811	8,109	1,866,625,083	3,910	21,055,093	16,095	2,200,637,987
<b>2018 Total</b>		<b>17,610</b>	<b>1,342,848,356</b>	<b>27,891</b>	<b>6,438,962,948</b>	<b>19,504</b>	<b>79,052,672</b>	<b>65,005</b>	<b>7,860,863,976</b>
2019	Oct-Dec	3,598	276,743,900	15,734	3,584,137,917	4,386	20,080,326	23,718	3,880,962,142
	Jan-Mar	3,864	298,948,014	10,105	2,339,723,175	4,267	18,244,197	18,236	2,656,915,385
<b>2019 Total</b>		<b>7,462</b>	<b>575,691,914</b>	<b>25,839</b>	<b>5,923,861,091</b>	<b>8,653</b>	<b>38,324,523</b>	<b>41,954</b>	<b>6,537,877,527</b>

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

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

NOTE: The Claim Type 1 category represents the dollar volume of claims generated when the borrower no longer occupies the home, and the property is sold at a loss, with the mortgage never being assigned to the HUD Secretary D. The Claim Type 2 category represents the dollar volume of claims resulting from the assignment of the mortgage to the HUD Secretary when the mortgage reaches 98 percent of the MCA. Supplemental claims are those claims submitted by lenders for other eligible expenses not included on original claims, such as property preservation expenses. Due to differences in timing and data sources, cash flow amounts may not reconcile fully with other tables in this report.

SOURCE: US Department of HUD/FHA, April 2019.