



July 2021 Credit Risk Report

FHA Single Family Loan Performance Trends



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

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Table 1. Delinquency Rates by Month

Month	Active Insurance in Force (EOM)	Delinquency Rates ^a (%)			Exceptions ^b (%)		Serious Delinquency Rate ^c (%)
		30-day	60-day	90-day	In Foreclosure	In Bankruptcy	
Non-Seasonally Adjusted							
Jul 2020	8,038,312	4.15	2.51	9.74	0.26	0.58	10.58
Aug	8,013,146	4.12	2.16	10.48	0.26	0.62	11.35
Sep	7,988,354	4.01	1.99	10.72	0.25	0.61	11.59
Oct	7,953,267	3.90	1.82	10.89	0.24	0.60	11.73
Nov	7,913,900	3.89	1.71	11.07	0.23	0.60	11.90
Dec	7,872,710	3.92	1.69	11.08	0.22	0.59	11.89
Jan 2021	7,854,545	3.62	1.60	11.07	0.22	0.55	11.83
Feb	7,820,058	3.83	1.50	10.72	0.18	0.47	11.37
Mar	7,754,867	2.72	1.19	10.88	0.20	0.53	11.61
Apr	7,712,623	2.61	1.01	10.38	0.20	0.49	11.06
May	7,675,350	3.12	1.03	9.91	0.20	0.49	10.59
Jun	7,627,918	3.13	1.05	9.41	0.20	0.49	10.11
Jul	7,588,572	3.09	1.06	8.96	0.21	0.49	9.66
Seasonally Adjusted							
Jul 2020	8,038,312	4.25	2.56	10.40	0.26	0.58	11.24
Aug	8,013,146	4.02	2.10	10.88	0.26	0.62	11.76
Sep	7,988,354	3.85	1.88	10.76	0.26	0.62	11.64
Oct	7,953,267	3.67	1.68	10.74	0.25	0.60	11.60
Nov	7,913,900	3.54	1.52	10.34	0.23	0.60	11.17
Dec	7,872,710	3.48	1.48	10.13	0.22	0.59	10.94
Jan 2021	7,854,545	3.47	1.44	9.96	0.22	0.54	10.72
Feb	7,820,058	3.90	1.53	10.18	0.17	0.47	10.83
Mar	7,754,867	3.15	1.37	11.31	0.20	0.53	12.04
Apr	7,712,623	2.85	1.15	10.89	0.19	0.48	11.56
May	7,675,350	3.33	1.13	10.51	0.19	0.48	11.19
Jun	7,627,918	3.17	1.12	9.98	0.20	0.49	10.68
Jul	7,588,572	3.17	1.08	9.57	0.21	0.49	10.27

EOM = end of month.

^a The 90-day category includes all loans that are at least 3 months delinquent excluding those loans in-foreclosure or in-bankruptcy processing. Included in the delinquency counts are loans under active consideration for loss mitigation foreclosure avoidance.^b Exceptions are counted separately from delinquencies, regardless of the length of the delinquency period.^c Serious delinquency rates are the sum of 90 day delinquencies, plus in-foreclosures and in-bankruptcies.

Due to late reporting by a large servicer, the delinquency rates for February 2021 are likely understated.

SOURCE: U.S. Department of HUD/FHA, August 2021.

Table 2. New 90+ Day Delinquencies by Reason for Delinquency

Fiscal Year and Quarter	New 90+ Day Delinquencies	Share by Reason for Delinquency (%)							
		Reduction of Income	Unemployed	Excessive Obligations	Death or Illness of Principal Borrower	Marital Difficulties	No Contact	National Emergency ^a	Other ^b
2016 Q3	66,500	30.69	6.72	22.54	13.23	4.17	10.70	0.80	11.14
2016 Q4	85,289	31.63	6.95	23.28	13.02	4.01	9.68	0.83	10.59
2017 Q1	94,958	31.16	6.69	23.79	13.02	3.80	9.27	0.94	11.33
2017 Q2	75,376	31.26	6.84	23.70	13.07	3.84	9.86	1.13	10.31
2017 Q3	65,531	30.32	6.71	23.55	13.61	3.90	9.97	1.55	10.39
2017 Q4	87,286	30.81	6.69	23.95	12.79	3.72	9.27	1.93	10.85
2018 Q1	157,584	23.71	4.45	21.77	8.43	2.37	7.30	1.73	30.24
2018 Q2	88,660	28.35	5.91	23.43	11.41	3.21	8.85	2.26	16.58
2018 Q3	64,397	29.75	6.27	23.73	12.37	3.72	9.09	3.55	11.52
2018 Q4	84,222	30.01	6.35	23.93	12.56	3.74	8.91	4.46	10.04
2019 Q1	92,065	29.38	6.17	23.99	12.51	3.48	8.82	5.62	10.03
2019 Q2	84,788	28.88	6.24	22.98	12.41	3.46	8.79	7.90	9.33
2019 Q3	69,223	26.94	5.94	22.17	12.29	3.51	8.21	11.85	9.10
2019 Q4	90,457	25.43	5.54	21.72	11.46	3.11	7.70	16.48	8.57
2020 Q1	113,969	21.51	4.63	18.25	9.39	2.41	6.99	25.32	11.50
2020 Q2	86,490	16.96	4.59	14.88	7.41	1.79	8.43	38.62	7.33
2020 Q3	467,424	5.27	2.23	2.21	0.84	0.16	1.32	84.29	3.68
2020 Q4	349,928	4.29	2.03	2.05	0.81	0.14	1.39	86.04	3.25
2021 Q1	189,162	4.79	2.49	2.77	1.42	0.25	2.76	82.35	3.18
2021 Q2	138,344	4.61	2.50	2.91	1.65	0.24	3.23	81.36	3.51
2021 Q3	78,120	4.40	2.36	3.32	2.21	0.31	5.06	78.13	4.20
2021 Q4 - Jul	27,549	4.90	2.37	3.94	2.18	0.40	9.90	71.44	4.87

^a Includes neighborhood problems and COVID-19 Pandemic.^b Includes abandonment of property, distant employment transfer, property problems, inability to sell or rent property, military service, business failure, casualty loss, energy-environment cost, servicing problems, payment adjustment, payment dispute, transfer of ownership pending fraud and incarceration.

Due to late reporting by a large servicer, the delinquency rates for February 2021 are likely understated.

SOURCE: U.S. Department of HUD/FHA, August 2021.

Table 3. Delinquency Rates by Loan and Property Characteristics

	IIF Shares ^a	Rates in Percent of Active Loan Counts						
		All Past Due ^b	30 Day	60 Day	90+ Day	In Foreclosure	In Bankruptcy	Serious Delinquency Rate ^c
Loan Purpose								
All Active Loans	7,588,572	13.81	3.09	1.06	8.96	0.21	0.49	9.66
Purchase	68.32	15.37	3.48	1.20	9.94	0.22	0.53	10.69
Refinance	31.68	10.46	2.27	0.74	6.85	0.19	0.41	7.46
Refinance								
Refinance Loans	2,403,853	10.46	2.27	0.74	6.85	0.19	0.41	7.46
Conventional	29.62	11.88	2.68	0.86	7.53	0.30	0.51	8.34
No Cash-out	16.91	11.26	2.66	0.84	6.95	0.30	0.51	7.76
Cash-out	12.71	12.70	2.71	0.88	8.30	0.30	0.51	9.11
FHA	14.35	10.28	2.14	0.72	6.93	0.11	0.37	7.42
No Cash-out	7.82	8.87	1.95	0.65	5.82	0.11	0.34	6.27
Cash-out	6.54	11.96	2.37	0.80	8.25	0.12	0.41	8.78
Streamline	56.03	9.76	2.08	0.68	6.47	0.16	0.38	7.00
Credit Score Range ^d								
Loans with Credit Scores	5,999,606	14.34	3.15	1.08	9.42	0.20	0.49	10.10
< 500	0.09	29.60	6.60	2.43	18.16	0.77	1.62	20.56
500-579	1.68	27.12	6.43	2.29	16.30	0.67	1.42	18.39
580-619	8.08	24.64	5.45	1.96	15.89	0.36	0.99	17.23
620-659	33.69	18.76	4.20	1.45	12.21	0.23	0.67	13.11
660-719	39.38	11.58	2.49	0.84	7.76	0.15	0.34	8.25
720-850	17.07	5.77	1.19	0.39	3.94	0.12	0.14	4.20
Fiscal Year Cohort								
All Cohorts	7,588,572	13.81	3.09	1.06	8.96	0.21	0.49	9.66
pre-2006	7.89	16.16	4.66	1.55	8.75	0.42	0.78	9.94
2006	0.84	20.00	5.19	1.67	11.52	0.64	0.97	13.13
2007	0.82	22.37	5.48	1.96	12.89	0.82	1.21	14.92
2008	1.88	22.76	5.36	1.85	13.64	0.77	1.13	15.54
2009	3.76	17.24	4.01	1.35	10.49	0.53	0.85	11.87
2010	4.61	14.28	3.21	1.06	8.98	0.38	0.66	10.01
2011	3.69	12.81	2.86	0.93	8.16	0.31	0.55	9.02
2012	4.63	11.16	2.42	0.81	7.23	0.22	0.48	7.94
2013	6.52	10.01	2.15	0.67	6.55	0.19	0.44	7.18
2014	2.92	16.28	3.63	1.15	10.29	0.32	0.89	11.50
2015	5.02	16.79	3.65	1.13	10.87	0.24	0.89	12.00
2016	7.15	17.04	3.55	1.15	11.33	0.20	0.80	12.34
2017	7.99	18.21	3.71	1.21	12.40	0.20	0.69	13.29
2018	6.66	21.42	4.06	1.44	15.03	0.23	0.66	15.92
2019	6.84	21.13	3.79	1.44	15.45	0.13	0.33	15.90
2020	13.22	11.74	2.40	0.94	8.32	0.01	0.06	8.40
2021	15.55	2.54	1.25	0.42	0.87	0.00	0.01	0.88

Table 3. Delinquency Rates by Loan and Property Characteristics

	IIF Shares ^a	Rates in Percent of Active Loan Counts						
		All Past Due ^b	30 Day	60 Day	90+ Day	In Foreclosure	In Bankruptcy	Seriously Delinquency Rate ^c
Loan Amount at Origination (\$ thousands)								
All Loan Amounts	7,588,572	13.81	3.09	1.06	8.96	0.21	0.49	9.66
< 50	2.24	12.76	3.84	1.28	6.55	0.50	0.57	7.63
50-99	19.84	13.01	3.49	1.15	7.42	0.34	0.61	8.37
100-149	25.23	13.71	3.28	1.10	8.52	0.23	0.59	9.34
150-199	20.07	14.08	3.10	1.05	9.28	0.16	0.49	9.93
200-249	13.54	13.88	2.80	0.99	9.57	0.13	0.40	10.09
250-399	15.85	14.39	2.63	0.95	10.38	0.12	0.32	10.82
400-499	2.01	15.02	2.30	0.87	11.48	0.14	0.23	11.85
> 499	1.22	16.41	2.11	0.85	13.06	0.18	0.20	13.44
Property Type								
All Property Types	7,588,572	13.81	3.09	1.06	8.96	0.21	0.49	9.66
Detached	86.18	13.88	3.14	1.07	8.97	0.20	0.50	9.67
Manufactured Housing	3.67	12.08	3.18	1.03	6.98	0.36	0.52	7.86
2-4 Units	2.35	14.15	2.26	0.85	10.40	0.37	0.27	11.04
Condo	2.60	11.72	2.22	0.77	8.05	0.27	0.42	8.74
Townhouse	5.20	14.91	3.06	1.13	10.07	0.20	0.46	10.73
Purchase Loan Type								
All Purchase Loans	5,184,358	15.37	3.48	1.20	9.94	0.22	0.53	10.68
Repeat	15.14	12.87	3.11	0.98	8.12	0.20	0.46	8.79
First-time	84.86	15.81	3.54	1.24	10.26	0.22	0.54	11.02
Down Payment Assistance (DPA) Type								
All Sources of Funds	7,588,572	13.81	3.09	1.06	8.96	0.21	0.49	9.66
Government	8.69	15.72	3.35	1.28	10.30	0.22	0.57	11.09
Relative	15.86	17.96	4.05	1.37	11.76	0.21	0.58	12.54
Other	1.84	19.59	4.78	1.64	11.78	0.42	0.97	13.17
Seller Funded	0.47	25.95	6.00	2.18	15.61	0.70	1.45	17.76
No DPA	73.14	12.47	2.80	0.94	8.08	0.20	0.45	8.73

IIF = insurance in force.

^a For each subpanel, the loan shares add to 100%. However, in some of the subpanels, the total loans in the analysis do not add to 100% of IIF. For example, the IIF shares for refinance loans add to 100% of refinance loans. Streamline refinance loans are not included in the Credit Score Range analysis; the IIF shares in that panel, add to 100% of fully-underwritten loans.

^b Includes all loans 30 or more days past due, including those in bankruptcy or foreclosure.

^c Includes all loans 90 days past due plus all in-bankruptcy and in-foreclosure cases.

^d Credit score reporting began in May 2004 but was not mandatory until July 2008. Streamline Refinance loans do not require credit score reporting.

SOURCE: U.S. Department of HUD/FHA, August 2021.

Table 4. Monthly Foreclosure Statistics and Trends

Fiscal Year	Month	Insurance in Force	Foreclosure Starts	In Foreclosure ^a	Foreclosure Claims ^b	Foreclosure Starts: 6-month MA ^c	Annualized Foreclosure Rate ^d %
2018	Jul	8,031,487	8,390	82,258	4,882	9,614	0.73
	Aug	8,037,609	9,823	85,106	5,207	9,593	0.77
	Sep	8,048,639	7,838	83,334	4,151	9,191	0.62
2019	Oct	8,062,967	10,365	81,407	5,549	9,301	0.82
	Nov	8,077,125	9,328	80,980	4,488	9,143	0.66
	Dec	8,086,151	9,438	80,094	4,086	9,197	0.60
	Jan	8,112,026	11,408	83,174	4,469	9,700	0.66
	Feb	8,117,180	10,294	84,258	4,355	9,779	0.64
	Mar	8,118,034	10,214	81,377	4,703	10,175	0.69
	Apr	8,117,498	9,468	78,277	4,883	10,025	0.72
	May	8,114,839	8,889	76,321	3,984	9,952	0.59
	Jun	8,114,665	7,720	74,502	3,746	9,666	0.55
	Jul	8,116,418	8,065	73,946	3,761	9,108	0.55
	Aug	8,117,513	9,076	73,562	4,032	8,905	0.59
	Sep	8,107,806	7,845	72,575	3,558	8,511	0.53
2020	Oct	8,098,839	9,782	71,711	4,163	8,563	0.62
	Nov	8,094,347	8,622	71,543	3,652	8,518	0.54
	Dec	8,096,131	9,114	73,070	3,566	8,751	0.53
	Jan	8,125,137	10,764	75,086	3,855	9,201	0.57
	Feb	8,128,001	10,451	75,294	3,378	9,430	0.50
	Mar	8,122,723	6,030	45,107	3,910	9,127	0.58
	Apr	8,118,070	69	32,204	3,364	7,508	0.50
	May	8,098,590	295	27,748	2,301	6,121	0.34
	Jun	8,066,691	442	20,552	2,082	4,675	0.31
	Jul	8,038,312	596	20,737	1,802	2,981	0.27
	Aug	8,013,146	378	20,789	1,589	1,302	0.24
	Sep	7,988,354	477	20,009	1,666	376	0.25
2021	Oct	7,953,267	412	19,270	1,644	433	0.25
	Nov	7,913,900	391	17,932	1,342	449	0.20
	Dec	7,872,710	423	17,397	1,479	446	0.23
	Jan	7,854,545	358	17,037	1,206	407	0.18
	Feb	7,820,058	494	13,862	1,250	426	0.19
	Mar	7,754,867	578	15,667	1,540	443	0.24
	Apr	7,712,623	500	15,230	1,130	457	0.18
	May	7,675,350	448	15,061	982	467	0.15
	Jun	7,627,918	525	15,607	1,088	484	0.17
	Jul	7,588,572	656	15,804	916	534	0.14

^a Numbers of loans are in some stage of foreclosure processing at the end of each month.

^b This is the number of claims paid by HUD. These are nearly all for completed foreclosure actions.

^c The six-month moving average of foreclosure starts is presented here to smooth out variations in actual starts each month.

^d An annualized foreclosure rate takes the monthly foreclosure claim rate and transforms that into its annual equivalency. That is, if the same foreclosure claim rate continued for 12 straight months, then the figure is the final annual foreclosure rate result as a percentage of beginning insurance-in-force.

SOURCE: U.S. Department of HUD/FHA, August 2021.

Table 5. REO Recovery Rates

Disposition State ^b	Dispositions	Recovery Rates (%)			Percentage Point Change	
		June 2021	May 2021	June 2020	From Previous Month	From Previous Year
US	322	67.1	67.4	47.8	-0.3	19.4
IL	27	54.0	41.0	25.2	13.0	28.8
TX	26	79.2	72.5	61.9	6.7	17.3
PA	23	42.3	67.4	35.6	-25.2	6.7
NY	16	47.1	50.8	2.5	-3.8	44.5
CT	15	70.4	66.0	39.3	4.4	31.1
MO	15	81.4	71.8	53.3	9.5	28.1
LA	13	58.2	61.7	37.2	-3.4	21.0
VA	13	112.0	98.4	64.6	13.6	47.4
AL	11	68.2	54.2	49.4	14.0	18.8
OK	11	46.5	59.8	46.0	-13.3	0.5
NJ	10	22.3	60.2	28.0	-37.9	-5.7
NC	9	102.3	72.4	63.1	29.9	39.2
OH	9	40.0	57.8	34.4	-17.8	5.6
GA	8	94.1	96.9	59.5	-2.9	34.6
KS	8	48.8	84.8	52.8	-36.0	-4.0
MS	8	77.3	39.7	52.4	37.7	24.9
NM	8	74.6	64.3	51.8	10.3	22.9
TN	8	75.7	100.8	57.5	-25.0	18.2
MD	7	71.9	44.2	47.8	27.7	24.1
AR	6	53.5	61.1	48.4	-7.6	5.1
IA	6	54.5	59.3	42.2	-4.8	12.3
WY	5	85.5	24.8	57.1	60.7	28.4
AK	4	67.2	85.8	64.0	-18.5	3.2
CA	4	123.0	115.4	82.7	7.6	40.2
MA	4	80.2	103.3	56.9	-23.1	23.3
MI	4	76.7	79.0	48.6	-2.3	28.1
MT	4	64.5	na	57.7	na	6.8
SD	4	73.7	78.0	59.2	-4.3	14.5
WV	4	52.6	22.2	29.9	30.4	22.8
MN	3	55.0	98.1	57.7	-43.0	-2.7
ND	3	44.1	35.6	42.9	8.6	1.2
NH	3	100.4	116.1	69.2	-15.7	31.2
SC	3	84.6	47.0	48.4	37.6	36.2
WI	3	14.9	35.8	34.7	-20.9	-19.8
CO	2	103.7	83.0	85.4	20.6	18.3
ME	2	133.5	88.0	10.7	45.4	122.8
RI	2	80.0	na	55.4	na	24.7
AZ	1	129.0	58.7	68.4	70.4	60.7
DE	1	80.5	na	24.7	na	55.9

Table 5. REO Recovery Rates

Disposition State ^b	Dispositions	Recovery Rates (%)			Percentage Point Change	
		June 2021	May 2021	June 2020	From Previous Month	From Previous Year
ID	1	95.8	na	101.9	na	-6.1
NE	1	46.5	73.9	61.0	-27.4	-14.5
NV	1	85.4	na	86.9	na	-1.5
OR	1	98.2	na	72.0	na	26.1
PR	1	58.8	77.5	48.5	-18.7	10.3
UT	1	53.7	na	83.2	na	-29.5
VI	1	12.8	na	na	na	na
VT	1	15.1	159.7	-0.5	-144.6	15.6
WA	1	127.5	na	75.1	na	52.3
FL	0	na	88.4	62.2	na	na
IN	0	na	50.1	50.4	na	na
KY	0	na	66.9	41.5	na	na

na = not applicable

^a Rates are percentages of unpaid loan balance at time of default.^b State records are sorted by number of dispositions in the most recent month (largest to smallest).

SOURCE: U.S. Department of HUD/FHA, August 2021.

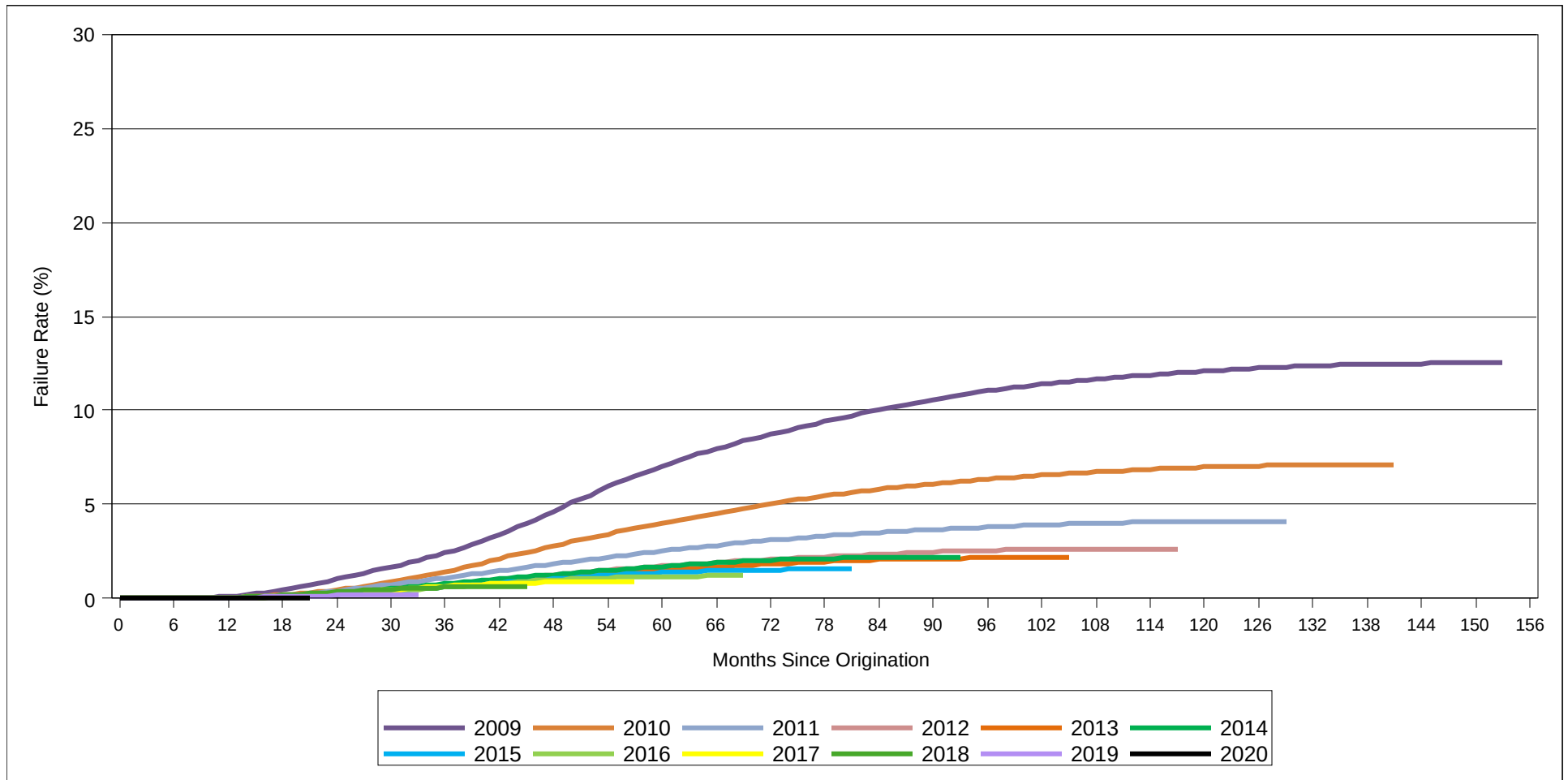
Table 6. REO Components of Loss by Property Disposition Month

Disposition Month	2021						2020						
	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun
Loss Components as Percent of Defaulted Loan Balance													
Claim Expenses ^a (%)	22.25	22.89	23.40	22.33	23.54	23.26	21.06	23.30	23.29	22.73	22.30	22.67	20.76
Holding Costs ^b (%)	8.53	7.32	7.29	6.66	7.05	6.43	5.93	6.68	6.50	6.01	5.86	5.72	5.63
Loss on Collateral ^c (%)	3.04	5.41	11.32	11.50	14.15	14.25	14.71	15.04	15.32	16.32	18.69	19.13	20.34
Sales Expense (%)	6.22	6.56	5.47	5.66	5.53	5.65	5.36	5.24	5.55	5.58	5.27	5.08	5.09
Program Discounts ^d (%)	0.95	0.82	0.27	0.25	0.39	0.27	0.14	0.48	0.41	0.48	0.43	0.11	0.32
Net Loss Rate ^e (%)	32.86	32.56	41.84	41.01	46.26	47.08	44.22	47.92	49.42	49.29	51.58	53.15	52.23
Average Amount													
Average Dollar Loss (\$)	40,488	38,966	50,674	48,248	54,913	57,277	55,686	58,231	58,943	60,734	62,910	64,880	63,264
Average Unpaid Balance (\$)	123,225	119,680	121,101	117,644	118,694	121,646	125,939	121,508	119,260	123,226	121,957	122,071	121,121
Occurrence Counts													
Number of Dispositions	322	377	500	574	561	590	737	659	970	1,034	1,243	1,537	1,745
Number of Discounts	6	7	4	4	6	5	2	5	6	12	11	4	10
Stage													
Average Time in Months													
Delinquency ^f	10.2	9.8	10.3	10.3	10.1	10.5	9.0	10.1	9.8	10.1	9.6	9.9	9.7
Foreclosure ^g	12.0	16.6	13.8	13.5	13.8	12.9	13.2	13.0	13.0	12.9	12.2	12.9	11.8
Deed Transfer ^h	16.2	18.0	15.7	15.6	16.0	15.6	15.0	14.9	13.6	12.9	12.2	11.7	11.1
REO	5.8	4.7	4.9	4.6	5.0	5.2	5.0	5.0	5.2	5.1	4.8	4.9	4.8
All Stages	44.3	48.7	44.7	43.7	44.8	44.0	41.9	43.0	41.4	41.0	38.8	39.3	37.3

^a Includes interest on principal.^b Management, maintenance, repairs, administration, and security, net of rent and other income.^c Value when foreclosed (UPB) minus value received in REO; does not include Streamline refinances.^d Rate over all dispositions; effect is greater in the cases where a discount actually is given.^e Profit (loss) divided by Unpaid Principal Balance (UPB). The listed cost categories are not exhaustive, and they will not sum to the loss rate^f First missed payment to date foreclosure initiated.^g Initiation of foreclosure proceedings to auction date.^h Auction date to HUD acquisition date.

SOURCE: U.S. Department of HUD/FHA, August 2021.

Figure 1. Failure Rate by Fiscal Year



NOTES: A loan that is in foreclosure processing or has gone to claim is deemed to be a 'failure' for this illustration. The failure rate is the sum of Cumulative Claim Rate and Cumulative Active Foreclosure Rate divided by Total Loans.

SOURCE: U.S. Department of HUD/FHA, August 2021.