April 2022 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](%) 30-day	60-day	90-day	Exceptions[b](%) In Foreclosure	In Bankruptcy	Serious Delinquency Rate[c] (%)
Non-Seasonally Adjusted							
Apr 2021	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
Aug	7,546,269	3.26	1.04	8.27	0.37	0.53	9.17
Sep	7,498,614	3.51	1.12	7.56	0.70	0.55	8.81
Oct	7,457,304	3.67	1.18	7.18	0.62	0.55	8.35
Nov	7,408,662	3.76	1.14	6.20	1.10	0.53	7.83
Dec	7,369,234	3.84	1.16	4.96	1.80	0.52	7.28
Jan 2022	7,344,489	4.04	1.27	5.50	0.80	0.52	6.81
Feb	7,313,781	4.24	1.37	5.35	0.58	0.55	6.48
Mar	7,279,440	3.61	1.18	4.83	0.62	0.55	6.00
Apr	7,256,669	3.73	1.04	4.15	0.60	0.49	5.23
Seasonally Adjusted							
Apr 2021	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
Aug	7,546,269	3.17	1.02	8.59	0.37	0.53	9.49
Sep	7,498,614	3.36	1.06	7.59	0.73	0.55	8.86
Oct	7,457,304	3.46	1.09	7.08	0.64	0.55	8.28
Nov	7,408,662	3.42	1.01	5.79	1.12	0.53	7.44
Dec	7,369,234	3.41	1.01	4.54	1.80	0.52	6.85
Jan 2022	7,344,489	3.88	1.14	4.95	0.79	0.52	6.25
Feb	7,313,781	4.32	1.40	5.08	0.57	0.55	6.20
Mar	7,279,440	4.17	1.37	5.03	0.61	0.55	6.18
Apr	7,256,669	4.07	1.18	4.35	0.58	0.49	5.42

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 differing reporting methodologies, the delinquency and foreclosure numbers shown above may not fully reconcile with other FHA reporting areas. These differences reflect ordering of intra-month default status codes which may result in different delinquency statuses of mortgages during a month and at month end. Due to late reporting by a large servicer, the delinquency rates for April 2022 are likely understated
SOURCE: U.S. Department of HUD/FHA, May 2022.

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]
2017 Q2	75,383	31.22	6.81	23.67	13.06	3.82	9.77	1.30	10.34
2017 Q3	65,535	30.29	6.69	23.45	13.57	3.89	9.87	1.81	10.42
2017 Q4	87,290	30.74	6.65	23.87	12.76	3.72	9.12	2.23	10.90
2018 Q1	157,584	23.67	4.40	21.75	8.40	2.36	7.25	1.92	30.25
2018 Q2	88,671	28.27	5.86	23.36	11.38	3.19	8.76	2.54	16.64
2018 Q3	64,437	29.62	6.22	23.61	12.31	3.69	9.01	3.99	11.55
2018 Q4	84,259	29.88	6.26	23.83	12.49	3.72	8.84	4.89	10.08
2019 Q1	92,139	29.22	6.06	23.86	12.43	3.45	8.74	6.13	10.10
2019 Q2	84,858	28.78	6.11	22.85	12.31	3.46	8.70	8.44	9.35
2019 Q3	69,332	26.78	5.78	22.11	12.23	3.48	7.99	12.44	9.20
2019 Q4	90,629	25.27	5.33	21.63	11.37	3.07	7.46	17.19	8.69
2020 Q1	114,329	21.45	4.47	18.21	9.36	2.40	6.70	25.86	11.57
2020 Q2	86,815	17.20	4.27	15.09	7.51	1.81	7.83	38.69	7.60
2020 Q3	467,859	5.71	1.89	2.70	1.02	0.21	1.26	82.86	4.35
2020 Q4	350,803	4.65	1.71	2.46	0.96	0.18	1.36	84.89	3.79
2021 Q1	190,051	5.19	2.01	3.30	1.60	0.30	2.45	81.42	3.72
2021 Q2	139,278	5.00	1.97	3.42	1.81	0.29	2.77	80.75	3.98
2021 Q3	79,165	4.89	1.91	3.82	2.45	0.37	3.44	79.11	4.02
2021 Q4	85,417	5.54	1.97	4.98	2.88	0.51	4.41	75.67	4.04
2022 Q1	105,939	5.84	2.03	5.43	3.09	0.55	4.83	73.69	4.53
2022 Q2	109,391	6.68	2.32	6.01	3.65	0.63	6.99	69.05	4.68
2022 Q3 - Apr	28,596	7.36	2.73	6.57	4.00	0.65	11.78	61.15	5.75

[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 and April 2022 are likely understated
SOURCE: U.S. Department of HUD/FHA, May 2022.

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	7,256,669	10.00	3.73	1.04	4.15	0.60	0.49	5.23
Purchase	68.86	11.37	4.24	1.22	4.75	0.63	0.53	5.91
Refinance	31.14	6.96	2.59	0.64	2.82	0.51	0.40	3.73
Refinance								
Refinance Loans	2,259,611	6.96	2.59	0.64	2.82	0.51	0.40	3.73
Conventional	29.35	8.12	2.95	0.73	3.14	0.78	0.53	4.44
No Cash-out	16.34	7.97	2.96	0.73	2.96	0.77	0.54	4.27
Cash-out	13.01	8.32	2.93	0.73	3.36	0.79	0.51	4.66
FHA	16.05	5.99	2.28	0.58	2.46	0.32	0.34	3.13
No Cash-out	8.01	6.01	2.32	0.58	2.47	0.32	0.33	3.12
Cash-out	8.04	5.97	2.24	0.58	2.46	0.33	0.35	3.14
Streamline	54.61	6.62	2.49	0.60	2.76	0.42	0.35	3.53
Credit Score Range[d]								
Loans with Credit Scores	5,803,450	10.34	3.83	1.07	4.36	0.59	0.49	5.44
< 500	0.09	22.35	8.07	2.54	8.21	1.81	1.72	11.74
500-579	1.64	20.08	7.14	2.12	7.73	1.59	1.51	10.83
580-619	8.43	17.55	6.22	1.88	7.48	1.05	0.92	9.45
620-659	34.55	13.80	5.16	1.47	5.82	0.70	0.66	7.17
660-719	39.07	8.04	3.03	0.80	3.40	0.47	0.35	4.21
720-850	16.22	3.69	1.33	0.34	1.56	0.31	0.14	2.02
Fiscal Year Cohort								
All Cohorts	7,256,669	10.00	3.73	1.04	4.15	0.60	0.49	5.23
pre-2007	8.25	13.20	5.26	1.57	4.57	1.01	0.79	6.37
2007	0.77	17.19	6.07	1.74	6.23	1.81	1.34	9.37
2008	1.77	17.15	6.05	1.67	6.27	1.84	1.32	9.43
2009	3.46	12.37	4.39	1.21	4.64	1.26	0.86	6.76
2010	4.18	9.80	3.57	1.01	3.70	0.90	0.62	5.22
2011	3.34	8.66	3.21	0.91	3.23	0.75	0.55	4.54
2012	4.24	7.59	2.91	0.75	2.84	0.59	0.50	3.93
2013	5.95	6.61	2.53	0.65	2.47	0.52	0.45	3.44
2014	2.59	12.17	4.52	1.21	4.50	0.93	1.00	6.43
2015	4.35	12.33	4.54	1.18	4.77	0.84	1.00	6.62
2016	6.11	12.13	4.53	1.14	4.79	0.75	0.93	6.46
2017	6.75	12.76	4.73	1.18	5.29	0.76	0.81	6.85
2018	5.51	15.86	5.41	1.47	7.19	0.99	0.80	8.97
2019	5.55	15.84	5.28	1.56	7.66	0.88	0.45	8.99
2020	10.94	9.78	3.37	0.99	5.02	0.29	0.11	5.42
2021	17.74	6.45	2.58	0.78	3.00	0.06	0.03	3.10
2022	8.51	2.46	1.52	0.40	0.54	0.00	0.00	0.54

Table 3. Delinquency Rates by Loan and Property Characteristics

		Rates in Percent of Active Loan Counts						
	IIF Shares[a]	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	7,256,669	10.00	3.73	1.04	4.15	0.60	0.49	5.23
< 50	2.12	11.09	4.29	1.26	3.74	1.23	0.57	5.54
50-99	19.11	10.28	3.94	1.09	3.77	0.87	0.61	5.26
100-149	24.33	10.21	3.87	1.06	4.02	0.65	0.61	5.28
150-199	19.73	10.23	3.84	1.05	4.34	0.49	0.51	5.34
200-249	13.67	9.81	3.61	1.02	4.37	0.43	0.39	5.19
250-399	17.22	9.42	3.40	0.95	4.36	0.40	0.29	5.06
400-499	2.37	8.63	2.89	0.88	4.16	0.48	0.22	4.86
> 499	1.44	8.80	2.66	0.78	4.59	0.59	0.16	5.35
Property Type								
All Property Types	7,256,669	10.00	3.73	1.04	4.15	0.60	0.49	5.23
Detached	85.78	10.08	3.81	1.05	4.16	0.57	0.50	5.23
Manufactured Housing	3.89	9.66	3.58	1.03	3.73	0.81	0.50	5.04
2-4 Units	2.49	8.58	2.54	0.75	4.06	0.99	0.24	5.28
Condo	2.51	7.91	2.54	0.70	3.47	0.78	0.42	4.67
Townhouse	5.33	10.49	3.71	1.14	4.54	0.62	0.48	5.64
Purchase Loan Type								
All Purchase Loans	4,996,719	11.37	4.24	1.22	4.75	0.63	0.53	5.91
Repeat	14.67	9.34	3.72	0.95	3.70	0.53	0.45	4.68
First-time	85.33	11.72	4.33	1.26	4.93	0.65	0.54	6.12
Down Payment Assistance (DPA) Type								
All Sources of Funds	7,256,669	10.00	3.73	1.04	4.15	0.60	0.49	5.23
Government	9.11	12.50	4.44	1.39	5.49	0.63	0.55	6.67
Relative	16.00	13.22	4.96	1.42	5.56	0.70	0.58	6.84
Other	1.80	14.99	5.62	1.71	5.77	0.91	0.99	7.67
Seller Funded	0.45	19.73	7.19	2.08	7.10	1.60	1.76	10.46
No DPA	72.65	8.79	3.30	0.88	3.61	0.55	0.44	4.61

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. Due to differing reporting methodologies, the delinquency and foreclosure numbers shown above may not fully reconcile with other FHA reporting areas. These differences reflect ordering of intra-month default status codes which may result in different delinquency statuses of mortgages during a month and at month end.
SOURCE: U.S. Department of HUD/FHA, May 2022.

Table 4. Monthly Foreclosure Statistics and Trends

Fiscal Year	Month	Insurance in Force	Foreclosure Starts	In Foreclosure	Foreclosure Claims[a]	Foreclosure Starts: 6-month MA[b]	Annualized Foreclosure Rate[c]%
2019	Apr	8,117,498	9,513	78,277	4,883	10,067	0.72
	May	8,114,839	8,943	76,321	3,984	9,996	0.59
	Jun	8,114,665	7,781	74,502	3,746	9,714	0.55
	Jul	8,116,418	8,120	73,946	3,761	9,158	0.55
	Aug	8,117,513	9,138	73,562	4,032	8,959	0.59
	Sep	8,107,806	7,906	72,575	3,558	8,567	0.53
2020	Oct	8,098,839	9,858	71,711	4,163	8,624	0.62
	Nov	8,094,347	8,698	71,543	3,652	8,584	0.54
	Dec	8,096,131	9,189	73,070	3,565	8,818	0.53
	Jan	8,125,137	10,890	75,086	3,855	9,280	0.57
	Feb	8,128,001	10,600	75,294	3,378	9,524	0.50
	Mar	8,122,723	6,142	45,107	3,910	9,230	0.58
	Apr	8,118,070	77	32,204	3,364	7,599	0.50
	May	8,098,590	303	27,748	2,301	6,200	0.34
	Jun	8,066,691	447	20,552	2,082	4,743	0.31
	Jul	8,038,312	601	20,737	1,801	3,028	0.27
	Aug	8,013,146	383	20,789	1,589	1,326	0.24
	Sep	7,988,354	482	20,009	1,666	382	0.25
2021	Oct	7,953,267	417	19,270	1,644	439	0.25
	Nov	7,913,900	397	17,932	1,342	455	0.20
	Dec	7,872,710	431	17,397	1,479	452	0.23
	Jan	7,854,545	368	17,037	1,206	413	0.18
	Feb	7,820,058	504	13,862	1,250	433	0.19
	Mar	7,754,867	588	15,667	1,540	451	0.24
	Apr	7,712,623	511	15,230	1,130	467	0.18
	May	7,675,350	457	15,061	981	477	0.15
	Jun	7,627,918	544	15,607	1,088	495	0.17
	Jul	7,588,572	714	15,804	916	553	0.14
	Aug	7,546,269	1,092	27,891	980	651	0.16
	Sep	7,498,614	801	52,834	830	687	0.13
2022	Oct	7,457,304	991	46,526	735	767	0.12
	Nov	7,408,662	1,906	81,541	723	1,008	0.12
	Dec	7,369,234	1,914	132,560	738	1,236	0.12
	Jan	7,344,489	6,184	58,513	820	2,148	0.13
	Feb	7,313,781	6,352	42,421	784	3,025	0.13
	Mar	7,279,440	12,294	45,348	1,090	4,940	0.18
	Apr	7,256,669	6,546	43,255	1,236	5,866	0.20

[a] This is the number of claims paid by HUD. These are nearly all for completed foreclosure actions.
[b] The six-month moving average of foreclosure starts is presented here to smooth out variations in actual starts each month.
[c] 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. Due to differing reporting methodologies, the delinquency and foreclosure numbers shown above may not fully reconcile with other FHA reporting areas. These differences reflect ordering of intra-month default status codes which may result in different delinquency statuses of mortgages during a month and at month end. Due to late reporting by a large servicer, the counts for February 2021 and April 2022 are likely understated
SOURCE: U.S. Department of HUD/FHA, May 2022.

Table 5. REO Recovery Rates

Disposition State[b]	Dispositions	Recovery Rates (%)			Percentage Point Change	
		March 2022	February 2022	March 2021	From Previous Month	From Previous Year
US	306	78.6	72.5	56.1	6.1	22.5
PR	37	80.1	61.3	63.4	18.8	16.6
OH	23	66.9	53.9	41.5	13.1	25.4
CT	19	79.9	62.6	54.6	17.3	25.3
IL	19	32.2	54.7	18.8	-22.4	13.5
LA	14	62.5	56.2	33.7	6.2	28.8
TX	13	88.6	73.5	64.2	15.1	24.4
AR	12	66.6	71.1	39.3	-4.5	27.4
FL	12	131.8	80.8	73.4	51.0	58.3
PA	12	98.8	56.5	37.2	42.4	61.6
MD	11	56.6	92.5	59.8	-35.9	-3.2
KY	10	64.8	82.5	55.7	-17.6	9.1
MO	10	94.4	118.3	70.9	-24.0	23.5
OK	10	69.9	64.0	57.8	6.0	12.1
NC	7	81.4	114.8	61.5	-33.3	19.9
IA	6	78.2	53.4	29.1	24.7	49.1
KS	6	60.8	-12.4	75.1	73.3	-14.3
ND	6	59.5	55.7	59.4	3.8	0.1
AL	5	71.5	58.3	48.2	13.2	23.3
MS	5	54.7	111.0	62.7	-56.3	-7.9
NJ	5	59.2	78.8	47.7	-19.6	11.5
NY	5	73.5	38.8	29.6	34.7	43.9
AK	4	74.6	78.7	57.9	-4.1	16.7
MA	4	145.0	na	45.1	na	99.9
MN	4	84.0	92.7	63.0	-8.7	21.0
NM	4	57.5	85.5	50.1	-27.9	7.4
WI	4	48.6	55.7	3.5	-7.2	45.0
WY	4	94.0	na	71.4	na	22.6
GA	3	110.3	134.7	82.5	-24.4	27.8
IN	3	83.9	74.6	75.1	9.3	8.8
MI	3	61.5	82.2	50.1	-20.7	11.3
SC	3	75.8	97.9	62.2	-22.1	13.7
MT	2	54.2	na	na	na	na
NE	2	78.4	86.9	123.3	-8.5	-44.9
OR	2	133.3	96.4	85.3	37.0	48.0
RI	2	87.6	44.7	84.9	42.9	2.7
SD	2	32.0	76.2	41.9	-44.1	-9.9
TN	2	67.2	131.0	70.6	-63.8	-3.5
UT	2	126.9	103.8	na	23.1	na
VA	2	112.6	91.0	72.6	21.7	40.1

Table 5. REO Recovery Rates

Disposition State[b]	Dispositions	Recovery Rates (%) March 2022	February 2022	March 2021	Percentage Point Change From Previous Month	From Previous Year
WV	2	73.2	23.7	49.9	49.5	23.2
AZ	1	166.8	196.8	117.8	-30.0	49.0
CA	1	188.9	128.1	95.8	60.7	93.1
CO	1	73.3	na	87.4	na	-14.1
NV	1	190.8	179.3	na	11.5	na
WA	1	116.7	na	127.5	na	-10.8
DC	0	na	na	96.6	na	na
ID	0	na	156.6	na	na	na
ME	0	na	na	42.2	na	na
NH	0	na	na	48.9	na	na
VT	0	na	75.1	117.6	na	na

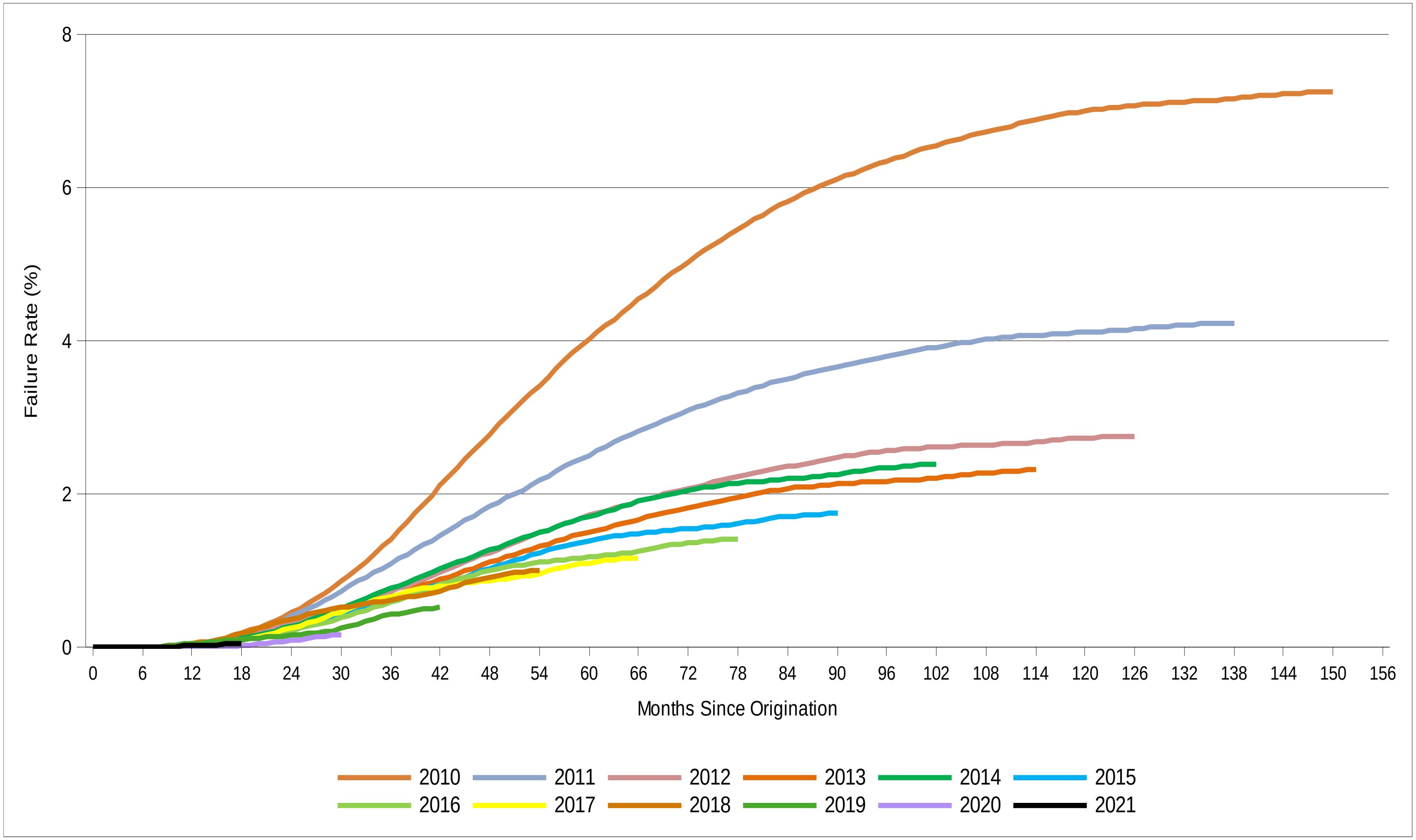
na = not applicable
[a] Rates are percentages of unpaid loan balance at time of default.
[b] State records are sorted by number of dispositions in the most recent month (largest to smallest).
SOURCE: U.S. Department of HUD/FHA, May 2022.

Table 6. REO Components of Loss by Property Disposition Month

	2022			2021									
Disposition Month	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
Loss Components as Percent of Defaulted Loan Balance													
Claim Expenses[a] (%)	22.82	24.42	24.82	24.53	24.64	25.98	29.00	25.19	23.95	25.46	25.40	25.11	24.19
Holding Costs[b] (%)	7.19	7.46	9.50	7.84	9.28	7.07	8.34	7.94	6.74	8.59	7.33	7.29	6.66
Loss on Collateral[c] (%)	7.92	2.96	1.78	3.96	0.95	2.43	0.37	3.67	6.56	3.04	5.41	11.32	11.50
Sales Expense (%)	6.70	6.38	7.83	6.42	6.39	5.74	6.11	5.93	6.38	6.22	6.56	5.47	5.66
Program Discounts[d] (%)	0.36	0.36	0.56	0.48	1.16	0.00	0.18	0.00	0.00	0.95	0.82	0.27	0.25
Net Loss Rate[e] (%)	21.41	27.47	37.38	37.73	34.38	33.16	34.54	42.39	28.23	38.00	37.77	44.98	43.87
Average Amount													
Average Dollar Loss ($)	26,479	34,408	42,062	44,564	38,822	45,389	40,479	51,669	36,375	46,822	45,208	54,468	51,615
Average Unpaid Balance ($)	123,647	125,251	112,530	118,112	112,913	136,869	117,185	121,896	128,848	123,225	119,680	121,101	117,644
Occurrence Counts													
Number of Dispositions	306	221	275	250	188	153	126	143	133	322	377	500	574
Number of Discounts	2	2	3	1	3	0	1	0	0	6	7	4	4
Stage	**Average Time in Months**												
Delinquency[f]	11.4	9.6	10.2	10.1	9.0	12.4	13.1	8.2	10.2	10.2	9.9	10.4	10.3
Foreclosure[g]	16.5	17.6	16.0	16.7	15.9	17.8	16.6	20.7	14.4	12.0	16.5	13.7	13.5
Deed Transfer[h]	18.2	18.5	14.9	16.6	17.2	22.3	17.6	15.6	16.8	16.2	18.0	15.7	15.6
REO	6.2	6.6	6.7	6.4	6.8	6.4	7.3	6.4	4.9	5.8	4.7	4.9	4.6
All Stages	52.2	51.8	47.3	49.6	48.9	58.3	54.0	50.3	46.0	44.3	48.7	44.7	43.7

[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 may exclude certain recoveries; 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, May 2022.

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, May 2022.