



FHA Single Family Loan Performance Trends

**DECEMBER 2020
CREDIT RISK
REPORT**

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							
Dec 2019	8,096,131	5.35	1.85	2.52	0.90	0.93	4.35
Jan 2020	8,125,137	5.09	1.75	2.25	0.92	0.94	4.12
Feb	8,128,001	5.16	1.65	2.17	0.93	0.94	4.04
Mar	8,122,723	5.59	1.61	2.72	0.56	0.69	3.97
Apr	8,118,070	9.20	2.28	3.00	0.40	0.64	4.04
May	8,098,590	6.37	5.99	4.01	0.34	0.56	4.91
Jun	8,066,691	4.74	3.71	8.13	0.25	0.58	8.97
Jul	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	11.07	0.22	0.59	11.89
Seasonally Adjusted							
Dec 2019	8,096,131	4.75	1.61	2.30	0.90	0.93	4.14
Jan 2020	8,125,137	4.88	1.57	2.03	0.92	0.93	3.88
Feb	8,128,001	5.26	1.68	2.06	0.91	0.94	3.91
Mar	8,122,723	6.47	1.86	2.83	0.54	0.70	4.07
Apr	8,118,070	10.05	2.61	3.15	0.39	0.64	4.18
May	8,098,590	6.80	6.62	4.26	0.34	0.55	5.15
Jun	8,066,691	4.81	3.93	8.63	0.25	0.57	9.45
Jul	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

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.

SOURCE: U.S. Department of HUD/FHA, January 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
2015 Q4	88,262	30.44	6.56	22.00	12.73	4.02	12.10	0.39	11.77
2016 Q1	92,606	30.53	6.38	22.39	12.93	4.04	11.23	0.46	12.04
2016 Q2	78,978	30.06	6.65	22.53	12.75	3.93	11.80	0.52	11.76
2016 Q3	66,500	30.72	6.72	22.74	13.28	4.18	10.57	0.69	11.10
2016 Q4	85,289	31.67	6.96	23.48	13.06	4.02	9.55	0.69	10.57
2017 Q1	94,958	31.20	6.69	24.02	13.07	3.80	9.11	0.82	11.28
2017 Q2	75,376	31.32	6.83	23.93	13.11	3.83	9.68	1.00	10.31
2017 Q3	65,531	30.39	6.74	23.88	13.65	3.90	9.74	1.34	10.37
2017 Q4	87,286	30.91	6.73	24.26	12.84	3.73	8.98	1.72	10.84
2018 Q1	157,584	23.78	4.45	22.00	8.48	2.37	7.14	1.55	30.23
2018 Q2	88,660	28.43	5.93	23.75	11.47	3.22	8.71	1.97	16.53
2018 Q3	64,397	29.83	6.33	24.24	12.51	3.73	8.78	3.14	11.44
2018 Q4	84,222	30.17	6.40	24.37	12.69	3.76	8.63	4.00	9.98
2019 Q1	92,065	29.56	6.24	24.47	12.64	3.51	8.56	5.06	9.97
2019 Q2	84,788	29.11	6.38	23.42	12.55	3.51	8.62	7.17	9.24
2019 Q3	69,223	27.27	6.12	22.85	12.49	3.56	7.86	10.82	9.02
2019 Q4	90,457	25.83	5.78	22.30	11.76	3.18	7.48	15.22	8.44
2020 Q1	113,969	21.85	4.81	18.77	9.61	2.44	7.05	24.00	11.46
2020 Q2	86,525	16.95	4.86	15.51	7.63	1.84	8.48	37.37	7.36
2020 Q3	467,424	4.68	2.15	1.88	0.77	0.14	1.33	86.21	2.83
2020 Q4	349,928	3.76	1.94	1.63	0.75	0.11	1.58	87.72	2.51
2021 Q1	189,163	4.02	2.14	2.42	1.33	0.22	4.40	82.61	2.86

^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.

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

Table 3. Delinquency Rates by Loan and Property Characteristics

	IIF Shares ^a	Rates in Percent of Active Loan Counts						Serious Delinquency Rate ^c
		All Past Due ^b	30 Day	60 Day	90+ Day	In Foreclosure	In Bankruptcy	
Loan Purpose								
All Active Loans	7,872,710	17.49	3.92	1.69	11.07	0.22	0.59	11.89
Purchase	69.11	19.12	4.30	1.88	12.09	0.22	0.63	12.94
Refinance	30.89	13.86	3.06	1.27	8.81	0.22	0.50	9.53
Refinance								
Refinance Loans	2,432,265	13.86	3.06	1.27	8.81	0.22	0.50	9.53
Conventional	31.69	14.81	3.44	1.37	9.11	0.31	0.59	10.00
No Cash-out	18.20	14.06	3.37	1.32	8.47	0.30	0.60	9.38
Cash-out	13.48	15.81	3.54	1.43	9.97	0.31	0.57	10.84
FHA	14.25	14.36	3.03	1.33	9.44	0.13	0.43	10.00
No Cash-out	7.54	12.54	2.77	1.19	8.06	0.12	0.40	8.58
Cash-out	6.71	16.41	3.33	1.49	11.00	0.13	0.46	11.60
Streamline	54.06	13.17	2.84	1.20	8.47	0.19	0.48	9.13
Credit Score Range^d								
Loans with Credit Scores	6,259,883	18.12	3.97	1.74	11.62	0.21	0.58	12.41
< 500	0.09	35.54	7.53	3.26	21.52	1.12	2.11	24.75
500-579	1.70	32.46	7.55	3.17	19.27	0.79	1.68	21.74
580-619	8.14	29.80	6.53	2.95	18.78	0.41	1.13	20.31
620-659	32.96	23.81	5.25	2.34	15.14	0.25	0.81	16.21
660-719	39.37	15.03	3.26	1.39	9.81	0.15	0.41	10.38
720-850	17.74	7.60	1.65	0.66	5.03	0.09	0.17	5.29
Fiscal Year Cohort								
All Cohorts	7,872,710	17.49	3.92	1.69	11.07	0.22	0.59	11.89
pre-2006	8.19	19.24	5.53	2.20	10.20	0.39	0.91	11.50
2006	0.88	23.90	5.81	2.50	13.77	0.64	1.18	15.59
2007	0.84	26.75	6.49	2.73	15.22	0.89	1.42	17.53
2008	1.96	27.14	6.36	2.60	15.84	0.97	1.37	18.18
2009	4.04	20.44	4.79	1.97	12.07	0.61	1.00	13.68
2010	5.01	17.21	3.92	1.61	10.56	0.34	0.78	11.68
2011	4.02	15.62	3.45	1.43	9.77	0.26	0.72	10.74
2012	5.03	13.96	2.93	1.24	9.01	0.16	0.62	9.79
2013	7.07	12.68	2.68	1.10	8.20	0.14	0.55	8.89
2014	3.23	19.54	4.29	1.74	12.16	0.30	1.06	13.51
2015	5.75	19.64	4.23	1.77	12.50	0.24	0.90	13.64
2016	8.31	19.93	4.37	1.82	12.76	0.22	0.76	13.74
2017	9.36	21.00	4.39	1.90	13.85	0.20	0.66	14.70
2018	7.94	24.10	4.74	2.24	16.31	0.21	0.59	17.11
2019	8.32	23.41	4.40	2.16	16.47	0.11	0.28	16.86
2020	15.51	11.24	2.75	1.33	7.12	0.01	0.04	7.16
2021	4.54	1.07	0.92	0.13	0.03	0.00	0.00	0.03

Table 3. Delinquency Rates by Loan and Property Characteristics

	IIF Shares ^a	Rates in Percent of Active Loan Counts						Seriously Delinquency Rate ^c
		All Past Due ^b	30 Day	60 Day	90+ Day	In Foreclosure	In Bankruptcy	
Loan Amount at Origination (\$ thousands)								
All Loan Amounts	7,872,710	17.49	3.92	1.69	11.07	0.22	0.59	11.89
< 50	2.32	15.21	4.87	1.76	7.44	0.47	0.67	8.58
50-99	20.17	16.12	4.39	1.78	8.89	0.33	0.73	9.94
100-149	25.76	17.15	4.11	1.74	10.37	0.23	0.70	11.30
150-199	20.31	17.69	3.88	1.71	11.33	0.19	0.58	12.10
200-249	13.36	17.84	3.58	1.64	12.01	0.15	0.47	12.63
250-399	15.06	19.04	3.37	1.55	13.58	0.14	0.39	14.12
400-499	1.88	20.02	2.94	1.38	15.27	0.15	0.28	15.70
> 499	1.15	21.80	2.64	1.37	17.35	0.21	0.22	17.78
Property Type								
All Property Types	7,872,710	17.49	3.92	1.69	11.07	0.22	0.59	11.89
Detached	86.32	17.58	3.96	1.71	11.10	0.21	0.60	11.91
Manufactured Housing	3.53	15.45	4.26	1.74	8.45	0.40	0.61	9.45
2-4 Units	2.26	18.28	3.02	1.44	13.09	0.39	0.34	13.82
Condo	2.70	14.40	2.67	1.25	9.81	0.21	0.46	10.48
Townhouse	5.20	18.65	3.93	1.73	12.18	0.23	0.57	12.98
Purchase Loan Type								
All Purchase Loans	5,440,050	19.12	4.30	1.88	12.09	0.22	0.63	12.94
Repeat	15.77	16.07	3.78	1.51	10.04	0.19	0.54	10.77
First-time	84.23	19.69	4.40	1.95	12.47	0.23	0.64	13.34
Down Payment Assistance (DPA) Type								
All Sources of Funds	7,872,710	17.49	3.92	1.69	11.07	0.22	0.59	11.89
Government	8.34	20.16	4.43	2.11	12.67	0.26	0.70	13.62
Relative	16.13	22.18	4.87	2.12	14.29	0.22	0.67	15.19
Other	1.88	24.02	5.58	2.48	14.42	0.37	1.17	15.96
Seller Funded	0.49	31.33	7.10	3.06	18.43	0.89	1.84	21.16
No DPA	73.16	15.89	3.58	1.52	10.05	0.21	0.54	10.79

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, January 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	Dec	7,989,699	8,859	93,261	4,756	8,621	0.71
	Jan	8,005,645	9,879	91,506	5,066	8,915	0.76
	Feb	8,007,772	9,945	92,797	5,023	8,994	0.75
	Mar	8,007,182	10,252	92,153	5,708	9,365	0.85
	Apr	8,012,065	9,702	90,663	5,405	9,521	0.81
	May	8,015,714	10,277	89,409	5,804	9,819	0.87
	Jun	8,024,523	9,113	87,390	5,440	9,861	0.81
	Jul	8,031,487	8,389	82,258	4,882	9,613	0.73
	Aug	8,037,609	9,820	85,106	5,207	9,592	0.77
Sep	8,048,639	7,835	83,334	4,151	9,189	0.62	
2019	Oct	8,062,967	10,364	81,407	5,549	9,300	0.82
	Nov	8,077,125	9,325	80,980	4,488	9,141	0.66
	Dec	8,086,151	9,436	80,094	4,086	9,195	0.60
	Jan	8,112,026	11,405	83,174	4,469	9,698	0.66
	Feb	8,117,180	10,293	84,258	4,355	9,776	0.64
	Mar	8,118,034	10,212	81,377	4,703	10,173	0.69
	Apr	8,117,498	9,466	78,277	4,883	10,023	0.72
	May	8,114,839	8,886	76,321	3,984	9,950	0.59
	Jun	8,114,665	7,718	74,502	3,746	9,663	0.55
	Jul	8,116,418	8,065	73,946	3,761	9,107	0.55
	Aug	8,117,513	9,074	73,562	4,032	8,904	0.59
Sep	8,107,806	7,836	72,575	3,558	8,508	0.53	
2020	Oct	8,098,839	9,777	71,711	4,163	8,559	0.62
	Nov	8,094,347	8,619	71,543	3,652	8,515	0.54
	Dec	8,096,131	9,112	73,070	3,566	8,747	0.53
	Jan	8,125,137	10,751	75,086	3,855	9,195	0.57
	Feb	8,128,001	10,445	75,294	3,378	9,423	0.50
	Mar	8,122,723	6,008	45,107	3,910	9,119	0.58
	Apr	8,118,070	66	32,204	3,365	7,500	0.50
	May	8,098,590	287	27,748	2,301	6,112	0.34
	Jun	8,066,691	440	20,552	2,082	4,666	0.31
	Jul	8,038,312	593	20,737	1,802	2,973	0.27
	Aug	8,013,146	375	20,789	1,589	1,295	0.24
Sep	7,988,354	472	20,009	1,666	372	0.25	
2021	Oct	7,953,267	411	19,270	1,644	430	0.25
	Nov	7,913,900	390	17,932	1,343	447	0.20
	Dec	7,872,710	396	17,397	1,479	440	0.23

^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, January 2021.

Table 5. REO Recovery Rates

Disposition State ^b	Dispositions	Recovery Rates (%)			Percentage Point Change	
		November 2020	October 2020	November 2019	From Previous Month	From Previous Year
US	659	55.4	54.9	46.1	0.4	9.3
IL	59	28.5	22.9	21.3	5.6	7.2
NY	40	37.3	34.4	14.4	2.9	22.9
TX	34	66.4	70.8	59.0	-4.4	7.4
PA	31	43.4	48.2	29.7	-4.7	13.7
NJ	30	38.9	30.6	25.0	8.3	13.9
CT	28	57.9	58.8	40.0	-0.9	18.0
AL	27	44.1	51.3	53.4	-7.3	-9.3
MI	26	67.8	55.8	49.2	11.9	18.5
PR	26	61.0	58.6	52.4	2.3	8.5
LA	25	41.2	48.1	41.7	-6.9	-0.5
OH	25	52.2	56.4	27.0	-4.2	25.2
FL	21	78.8	74.4	61.3	4.4	17.5
IA	20	46.9	62.4	54.2	-15.6	-7.3
VA	20	83.2	58.8	60.0	24.5	23.2
MO	19	63.4	47.0	41.2	16.4	22.2
KY	18	64.9	55.8	40.2	9.1	24.6
KS	17	63.4	51.0	35.7	12.4	27.7
GA	15	75.0	58.6	62.1	16.4	12.9
WI	12	40.2	55.6	54.4	-15.4	-14.2
WV	12	42.3	45.4	29.6	-3.1	12.6
AR	10	57.1	50.2	42.2	7.0	14.9
MD	10	54.2	60.2	51.5	-6.0	2.7
NM	10	58.1	65.0	46.3	-7.0	11.7
IN	9	64.2	42.2	31.2	22.0	33.0
MN	9	85.1	50.5	50.0	34.6	35.1
SC	9	57.2	60.0	57.6	-2.8	-0.4
CO	8	103.7	71.1	82.4	32.6	21.3
MS	8	51.8	71.5	52.0	-19.6	-0.2
MA	7	42.0	66.4	41.3	-24.3	0.7
NC	7	78.6	56.1	60.7	22.5	17.9
OK	7	58.7	18.0	39.5	40.8	19.3
TN	7	88.0	70.6	72.0	17.3	15.9
WY	7	56.1	51.6	45.0	4.5	11.1
AK	5	49.7	59.2	62.1	-9.5	-12.4
CA	5	74.4	110.5	90.9	-36.1	-16.5
SD	5	61.2	70.6	na	-9.3	na
NE	4	36.6	55.6	na	-19.1	na
AZ	3	109.3	59.3	55.3	50.0	53.9
DE	3	58.2	5.0	49.8	53.2	8.4

Table 5. REO Recovery Rates

Disposition State ^b	Dispositions	Recovery Rates (%)			Percentage Point Change	
		November 2020	October 2020	November 2019	From Previous Month	From Previous Year
ND	3	44.4	41.5	54.7	2.9	-10.3
NH	3	67.0	100.6	6.7	-33.5	60.3
UT	3	72.8	79.9	72.4	-7.1	0.4
WA	3	100.6	76.5	73.4	24.1	27.1
MT	2	56.4	61.0	37.4	-4.6	19.0
NV	2	85.6	46.0	75.3	39.6	10.2
OR	2	73.7	74.1	72.4	-0.5	1.3
ME	1	23.6	-38.0	na	61.6	na
RI	1	72.3	99.5	na	-27.2	na
VT	1	182.1	43.6	64.0	138.6	118.1
ID	0	na	147.4	73.5	na	na
VI	0	na	na	45.1	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, January 2021.

Table 6. REO Components of Loss by Property Disposition Month

Disposition Month	2020											2019	
	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov
Loss Components as Percent of Defaulted Loan Balance													
Claim Expenses ^a (%)	20.78	20.74	20.74	20.40	20.73	19.43	20.64	21.50	20.93	22.02	21.78	21.36	20.50
Holding Costs ^b (%)	6.51	6.47	6.04	5.85	5.70	5.61	5.60	5.48	5.43	5.42	5.37	5.47	5.48
Loss on Collateral ^c (%)	15.04	15.32	16.32	18.69	19.13	20.34	20.69	19.93	21.79	22.57	22.69	23.34	23.01
Sales Expense (%)	5.24	5.55	5.58	5.28	5.08	5.09	5.03	5.38	5.00	4.98	5.21	4.83	5.05
Program Discounts ^d (%)	0.48	0.41	0.48	0.43	0.11	0.32	0.27	0.42	0.25	0.15	0.47	0.15	0.38
Net Loss Rate ^e (%)	44.65	45.09	46.03	48.63	50.69	50.29	52.26	52.75	53.93	55.15	55.28	54.87	53.92
Average Amount													
Average Dollar Loss (\$)	54,251	53,771	56,720	59,302	61,872	60,915	64,361	62,474	64,531	64,778	65,910	66,671	65,463
Average Unpaid Balance (\$)	121,508	119,260	123,226	121,957	122,071	121,121	123,161	118,423	119,648	117,459	119,227	121,518	121,399
Occurrence Counts													
Number of Dispositions	659	970	1,034	1,243	1,537	1,745	1,617	1,233	1,523	1,507	1,463	1,309	1,206
Number of Discounts	5	6	12	11	4	10	7	10	9	5	11	4	9
Stage													
Average Time in Months													
Delinquency ^f	10.1	9.7	10.1	9.6	9.9	9.7	9.8	10.0	9.6	9.9	9.6	9.9	10.5
Foreclosure ^g	13.0	13.0	12.9	12.3	12.9	11.9	11.8	10.9	10.9	12.4	12.0	12.1	12.1
Deed Transfer ^h	14.9	13.6	12.9	12.2	11.7	11.1	11.5	10.9	11.3	11.3	11.7	12.0	11.9
REO	5.0	5.2	5.1	4.8	4.9	4.8	4.7	4.5	4.5	4.5	4.5	4.5	4.5
All Stages	43.0	41.4	41.0	38.8	39.3	37.3	37.7	36.3	36.2	38.0	37.6	38.3	38.9

^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

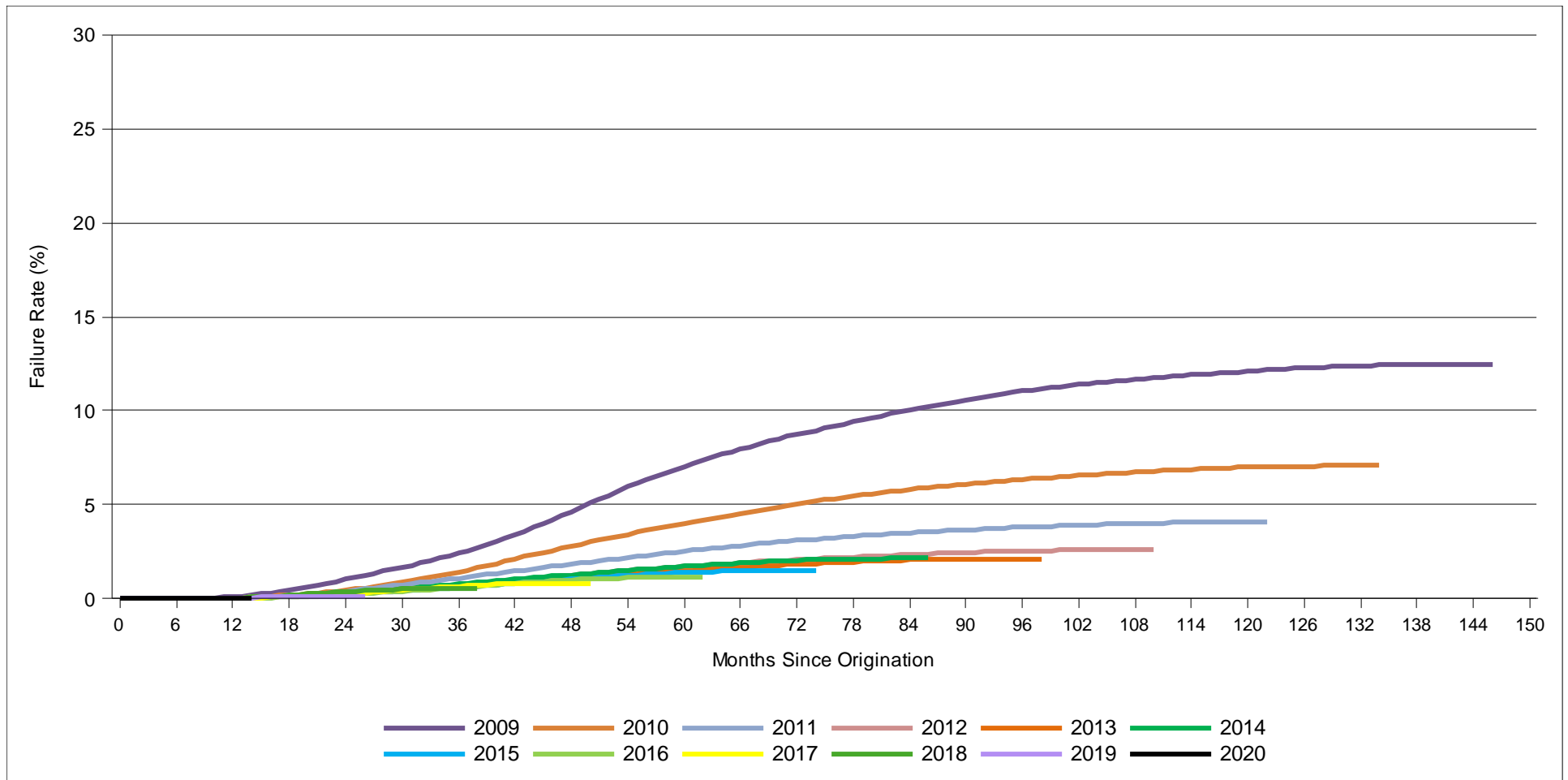
^f First missed payment to date foreclosure initiated.

^g Initiation of foreclosure proceedings to auction date.

^h Auction date to HUD acquisition date.

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