



# FHA Single Family Loan Performance Trends

**NOVEMBER 2020  
CREDIT RISK  
REPORT**

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

## Table of Contents

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Table 1. Delinquency Rates by Month .....	2
Table 2. New 90+ Day Delinquencies by Reason for Delinquency .....	3
Table 3. Delinquency Rates by Loan and Property Characteristics .....	4
Table 4. Monthly Foreclosure Statistics and Trends.....	6
Table 5. REO Recovery Rates.....	7
Table 6. REO Components of Loss by Property Disposition Month .....	9

## Table of Figures

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Figure 1: Failure Rate by Fiscal Year .....	10
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**Table 1. Delinquency Rates by Month**

Month	Active Insurance in Force (EOM)	Delinquency Rates <sup>a</sup> (%)			Exceptions <sup>b</sup> (%)		Serious Delinquency Rate <sup>c</sup> (%)
		30-day	60-day	90-day	In Foreclosure	In Bankruptcy	
<b>Non-Seasonally Adjusted</b>							
Nov 2019	8,094,347	5.01	1.89	2.26	0.88	0.91	4.06
Dec	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
<b>Seasonally Adjusted</b>							
Nov 2019	8,094,347	4.56	1.68	2.11	0.90	0.91	3.93
Dec	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

EOM = end of month.

<sup>a</sup> 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.

<sup>b</sup> Exceptions are counted separately from delinquencies, regardless of the length of the delinquency period.

<sup>c</sup> Serious delinquency rates are the sum of 90 day delinquencies, plus in-foreclosures and in-bankruptcies.

SOURCE: U.S. Department of HUD/FHA, December 2020.

**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 or Family	Marital Difficulties	No Contact	National Emergency <sup>a</sup>	Other <sup>b</sup>
2016 Q1	92,606	30.54	6.38	22.39	12.93	4.04	11.23	0.44	12.04
2016 Q2	78,978	30.08	6.65	22.54	12.76	3.92	11.80	0.49	11.76
2016 Q3	66,500	30.72	6.72	22.75	13.27	4.18	10.57	0.69	11.09
2016 Q4	85,289	31.66	6.96	23.49	13.06	4.02	9.55	0.68	10.58
2017 Q1	94,958	31.21	6.70	24.03	13.08	3.81	9.11	0.79	11.28
2017 Q2	75,376	31.33	6.83	23.96	13.10	3.83	9.67	0.97	10.31
2017 Q3	65,531	30.40	6.74	23.91	13.65	3.90	9.73	1.30	10.37
2017 Q4	87,286	30.90	6.75	24.28	12.86	3.73	8.96	1.70	10.84
2018 Q1	157,584	23.79	4.46	22.02	8.48	2.38	7.11	1.52	30.23
2018 Q2	88,660	28.45	5.95	23.78	11.49	3.22	8.67	1.92	16.53
2018 Q3	64,397	29.89	6.32	24.29	12.52	3.74	8.76	3.07	11.42
2018 Q4	84,222	30.23	6.42	24.44	12.72	3.78	8.53	3.90	9.99
2019 Q1	92,065	29.61	6.27	24.57	12.68	3.52	8.44	4.94	9.97
2019 Q2	84,788	29.18	6.43	23.51	12.61	3.53	8.48	7.04	9.22
2019 Q3	69,223	27.39	6.17	23.00	12.57	3.59	7.69	10.63	8.97
2019 Q4	90,457	25.92	5.87	22.49	11.81	3.21	7.29	14.94	8.46
2020 Q1	113,969	22.03	4.91	18.98	9.70	2.48	6.83	23.62	11.44
2020 Q2	86,528	17.15	4.93	15.70	7.66	1.86	8.31	37.00	7.39
2020 Q3	467,424	4.46	2.15	1.80	0.75	0.14	1.26	86.88	2.57
2020 Q4	349,928	3.41	1.85	1.54	0.69	0.11	1.57	88.48	2.35
2021 Q1 - Oct	70,156	3.58	2.01	2.16	1.18	0.21	3.45	84.90	2.51
2021 Q1 - Nov	61,753	3.83	2.03	2.38	1.30	0.22	5.34	81.64	3.25

<sup>a</sup> Includes neighborhood problems and COVID-19 Pandemic.

<sup>b</sup> 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, December 2020.

**Table 3. Delinquency Rates by Loan and Property Characteristics**

	IIF Shares <sup>a</sup>	Rates in Percent of Active Loan Counts						Serious Delinquency Rate <sup>c</sup>
		All Past Due <sup>b</sup>	30 Day	60 Day	90+ Day	In Foreclosure	In Bankruptcy	
<b>Loan Purpose</b>								
All Active Loans	7,913,900	17.51	3.89	1.71	11.07	0.23	0.60	11.90
Purchase	69.13	19.10	4.26	1.90	12.07	0.23	0.64	12.93
Refinance	30.87	13.95	3.07	1.30	8.85	0.22	0.51	9.58
<b>Refinance</b>								
Refinance Loans	2,442,995	13.95	3.07	1.30	8.85	0.22	0.51	9.58
Conventional	32.02	14.85	3.46	1.41	9.08	0.31	0.59	9.98
No Cash-out	18.39	14.13	3.40	1.34	8.46	0.31	0.61	9.39
Cash-out	13.62	15.83	3.54	1.50	9.91	0.32	0.56	10.79
FHA	14.28	14.48	3.07	1.36	9.47	0.13	0.44	10.04
No Cash-out	7.50	12.78	2.84	1.23	8.16	0.13	0.43	8.72
Cash-out	6.79	16.35	3.34	1.52	10.91	0.13	0.45	11.50
Streamline	53.70	13.28	2.83	1.22	8.55	0.19	0.48	9.22
<b>Credit Score Range<sup>d</sup></b>								
Loans with Credit Scores	6,297,823	18.12	3.94	1.76	11.62	0.21	0.59	12.42
< 500	0.09	35.91	8.08	3.49	21.14	1.13	2.05	24.33
500-579	1.71	32.40	7.54	3.29	19.02	0.84	1.71	21.57
580-619	8.16	29.42	6.51	2.99	18.35	0.43	1.14	19.91
620-659	32.86	23.72	5.20	2.35	15.07	0.26	0.83	16.16
660-719	39.33	15.14	3.22	1.42	9.92	0.16	0.41	10.49
720-850	17.85	7.75	1.64	0.68	5.17	0.10	0.16	5.43
<b>Fiscal Year Cohort</b>								
All Cohorts	7,913,900	17.51	3.89	1.71	11.07	0.23	0.60	11.90
pre-2006	8.23	19.30	5.59	2.24	10.16	0.39	0.92	11.47
2006	0.88	24.07	5.93	2.56	13.72	0.66	1.20	15.58
2007	0.85	26.78	6.50	2.89	15.01	0.94	1.44	17.39
2008	1.97	27.25	6.44	2.75	15.67	0.99	1.40	18.06
2009	4.07	20.55	4.86	1.99	12.08	0.61	1.00	13.70
2010	5.07	17.23	3.92	1.62	10.55	0.35	0.78	11.68
2011	4.08	15.74	3.46	1.45	9.84	0.26	0.72	10.83
2012	5.10	14.09	2.96	1.26	9.09	0.16	0.60	9.86
2013	7.16	12.80	2.67	1.12	8.32	0.15	0.54	9.01
2014	3.28	19.46	4.24	1.78	12.06	0.31	1.06	13.44
2015	5.88	19.41	4.16	1.78	12.32	0.24	0.90	13.47
2016	8.50	19.54	4.19	1.81	12.54	0.22	0.77	13.53
2017	9.59	20.69	4.35	1.92	13.56	0.20	0.66	14.42
2018	8.14	23.65	4.77	2.23	15.86	0.21	0.58	16.66
2019	8.55	22.82	4.31	2.16	15.98	0.10	0.27	16.35
2020	15.73	10.42	2.49	1.23	6.66	0.00	0.03	6.70
2021	2.91	0.54	0.51	0.03	0.01	0.00	0.00	0.01

**Table 3. Delinquency Rates by Loan and Property Characteristics**

	IIF Shares <sup>a</sup>	Rates in Percent of Active Loan Counts						Seriously Delinquency Rate <sup>c</sup>
		All Past Due <sup>b</sup>	30 Day	60 Day	90+ Day	In Foreclosure	In Bankruptcy	
<b>Loan Amount at Origination (\$ thousands)</b>								
All Loan Amounts	7,913,900	17.51	3.89	1.71	11.07	0.23	0.60	11.90
< 50	2.33	14.94	4.74	1.76	7.29	0.47	0.67	8.43
50-99	20.21	15.93	4.34	1.78	8.74	0.33	0.73	9.81
100-149	25.83	17.08	4.09	1.75	10.30	0.24	0.70	11.25
150-199	20.33	17.69	3.84	1.75	11.32	0.19	0.59	12.10
200-249	13.32	17.96	3.57	1.66	12.09	0.15	0.48	12.72
250-399	14.96	19.36	3.38	1.62	13.81	0.15	0.40	14.36
400-499	1.87	20.56	2.98	1.44	15.69	0.15	0.29	16.14
> 499	1.15	22.53	2.79	1.36	17.94	0.22	0.22	18.38
<b>Property Type</b>								
All Property Types	7,913,900	17.51	3.89	1.71	11.07	0.23	0.60	11.90
Detached	86.34	17.58	3.94	1.73	11.09	0.21	0.61	11.91
Manufactured Housing	3.51	15.23	4.22	1.73	8.25	0.40	0.62	9.28
2-4 Units	2.25	18.79	3.09	1.48	13.48	0.41	0.34	14.22
Condo	2.71	14.70	2.83	1.27	9.90	0.22	0.48	10.60
Townhouse	5.19	18.79	3.90	1.79	12.29	0.24	0.57	13.09
<b>Purchase Loan Type</b>								
All Purchase Loans	5,470,505	19.10	4.26	1.90	12.07	0.23	0.64	12.93
Repeat	15.87	16.09	3.74	1.53	10.08	0.19	0.54	10.82
First-time	84.13	19.66	4.36	1.97	12.44	0.23	0.65	13.33
<b>Down Payment Assistance (DPA) Type</b>								
All Sources of Funds	7,913,900	17.51	3.89	1.71	11.07	0.23	0.60	11.90
Government	8.24	20.12	4.40	2.15	12.61	0.26	0.71	13.57
Relative	16.14	22.16	4.84	2.15	14.25	0.23	0.68	15.16
Other	1.89	24.02	5.66	2.46	14.35	0.37	1.17	15.89
Seller Funded	0.49	31.22	6.98	3.26	18.14	0.93	1.90	20.97
No DPA	73.23	15.93	3.56	1.54	10.07	0.21	0.54	10.83

IIF = insurance in force.

<sup>a</sup> 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.

<sup>b</sup> Includes all loans 30 or more days past due, including those in bankruptcy or foreclosure.

<sup>c</sup> Includes all loans 90 days past due plus all in-bankruptcy and in-foreclosure cases.

<sup>d</sup> 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, December 2020.

**Table 4. Monthly Foreclosure Statistics and Trends**

Fiscal Year	Month	Insurance in Force	Foreclosure Starts	In Foreclosure <sup>a</sup>	Foreclosure Claims <sup>b</sup>	Foreclosure Starts: 6-month MA <sup>c</sup>	Annualized Foreclosure Rate <sup>d</sup> %
2018	Nov	7,988,634	8,491	92,810	5,524	8,608	0.83
	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	9,943	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	9,112	87,390	5,440	9,861	0.81
	Jul	8,031,487	8,386	82,258	4,882	9,612	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	9,299	0.82
	Nov	8,077,125	9,325	80,980	4,488	9,140	0.66
	Dec	8,086,151	9,435	80,094	4,086	9,194	0.60
	Jan	8,112,026	11,405	83,174	4,469	9,697	0.66
	Feb	8,117,180	10,292	84,258	4,355	9,776	0.64
	Mar	8,118,034	10,211	81,377	4,703	10,172	0.69
	Apr	8,117,498	9,465	78,277	4,883	10,022	0.72
	May	8,114,839	8,886	76,321	3,984	9,949	0.59
	Jun	8,114,665	7,717	74,502	3,746	9,663	0.55
	Jul	8,116,418	8,065	73,946	3,761	9,106	0.55
	Aug	8,117,513	9,071	73,562	4,032	8,903	0.59
	Sep	8,107,806	7,835	72,575	3,558	8,507	0.53
2020	Oct	8,098,839	9,777	71,711	4,163	8,559	0.62
	Nov	8,094,347	8,617	71,543	3,652	8,514	0.54
	Dec	8,096,131	9,111	73,070	3,566	8,746	0.53
	Jan	8,125,137	10,749	75,086	3,855	9,193	0.57
	Feb	8,128,001	10,443	75,294	3,378	9,422	0.50
	Mar	8,122,723	6,006	45,107	3,910	9,117	0.58
	Apr	8,118,070	65	32,204	3,365	7,499	0.50
	May	8,098,590	281	27,748	2,301	6,109	0.34
	Jun	8,066,691	440	20,552	2,082	4,664	0.31
	Jul	8,038,312	593	20,737	1,802	2,971	0.27
	Aug	8,013,146	374	20,789	1,589	1,293	0.24
	Sep	7,988,354	472	20,009	1,666	371	0.25
2021	Oct	7,953,267	411	19,270	1,644	429	0.25
	Nov	7,913,900	369	17,932	1,343	443	0.20

<sup>a</sup> Numbers of loans are in some stage of foreclosure processing at the end of each month.

<sup>b</sup> This is the number of claims paid by HUD. These are nearly all for completed foreclosure actions.

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

<sup>d</sup> 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, December 2020.



**Table 5. REO Recovery Rates**

Disposition State <sup>b</sup>	Dispositions	Recovery Rates (%)			Percentage Point Change	
		October 2020	September 2020	October 2019	From Previous Month	From Previous Year
US	809	53.5	54.1	46.8	-0.6	6.7
TX	59	65.8	64.3	61.2	1.5	4.6
OH	54	54.2	56.4	34.7	-2.2	19.5
IL	52	23.4	30.0	16.6	-6.6	6.7
NY	45	30.3	19.1	22.7	11.2	7.6
PA	42	49.4	54.3	36.7	-5.0	12.7
FL	34	62.6	72.6	61.4	-10.0	1.2
CT	31	63.0	56.3	37.9	6.7	25.1
NJ	31	27.2	45.3	26.6	-18.1	0.5
AL	30	50.8	53.4	54.3	-2.6	-3.4
MI	26	54.7	60.0	48.2	-5.2	6.6
PR	26	54.7	47.6	54.9	7.1	-0.2
VA	25	49.5	69.2	52.0	-19.7	-2.5
KY	23	55.8	56.5	36.4	-0.7	19.4
LA	22	48.9	40.0	43.4	8.9	5.5
WI	22	58.1	45.4	44.4	12.7	13.7
NM	21	64.4	54.9	61.9	9.5	2.5
TN	20	70.5	64.9	61.5	5.6	9.0
IN	19	44.8	33.6	39.0	11.2	5.8
KS	19	46.2	62.5	53.2	-16.3	-7.0
GA	16	59.7	69.5	59.8	-9.8	-0.1
MD	16	57.8	48.7	49.4	9.1	8.4
AR	15	52.3	52.4	45.2	-0.1	7.1
MO	14	46.8	60.6	44.6	-13.8	2.2
SC	13	61.4	57.0	43.2	4.4	18.2
NC	12	66.0	78.2	48.2	-12.2	17.8
IA	11	53.2	39.1	26.9	14.0	26.2
MS	11	63.7	46.9	54.9	16.8	8.8
MA	10	68.5	51.8	40.9	16.7	27.6
MN	10	49.4	57.0	45.4	-7.6	4.0
OK	9	21.0	56.4	43.1	-35.5	-22.1
CO	8	79.5	84.4	81.5	-4.9	-2.0
WV	8	35.3	49.3	31.9	-14.0	3.4
MT	7	63.8	85.5	54.5	-21.7	9.3
AZ	5	55.9	51.2	63.8	4.7	-7.9
VT	5	46.4	-23.3	na	69.6	na
CA	4	103.4	88.7	92.9	14.7	10.6
NH	4	100.6	54.5	48.6	46.0	52.0
AK	3	60.0	87.6	66.1	-27.6	-6.1
DE	3	5.0	62.2	55.9	-57.2	-50.9



**Table 5. REO Recovery Rates**

Disposition State <sup>b</sup>	Dispositions	Recovery Rates (%)			Percentage Point Change	
		October 2020	September 2020	October 2019	From Previous Month	From Previous Year
OR	3	74.1	89.4	67.7	-15.3	6.4
RI	3	99.5	36.1	54.0	63.4	45.5
SD	3	81.7	54.8	54.0	26.9	27.7
WA	3	72.6	71.2	63.2	1.4	9.4
ID	2	136.2	na	61.7	na	74.5
ND	2	41.5	41.7	42.6	-0.2	-1.0
NE	2	57.4	47.8	na	9.6	na
UT	2	79.9	67.6	59.5	12.3	20.3
WY	2	55.9	44.1	56.5	11.8	-0.5
ME	1	-38.0	-18.5	20.6	-19.5	-58.6
NV	1	74.9	na	86.7	na	-11.9
HI	0	na	132.6	86.9	na	na
VI	0	na	62.7	na	na	na

na = not applicable

<sup>a</sup> Rates are percentages of unpaid loan balance at time of default.

<sup>b</sup> State records are sorted by number of dispositions in the most recent month (largest to smallest).

SOURCE: U.S. Department of HUD/FHA, December 2020.

**Table 6. REO Components of Loss by Property Disposition Month**

Disposition Month	2020										2019		
	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
<b>Loss Components as Percent of Defaulted Loan Balance</b>													
Claim Expenses <sup>a</sup> (%)	19.83	20.55	20.30	20.35	19.36	20.48	21.27	20.64	22.04	21.68	21.29	20.51	20.94
Holding Costs <sup>b</sup> (%)	6.14	5.94	5.70	5.61	5.52	5.49	5.41	5.32	5.35	5.28	5.33	5.38	5.59
Loss on Collateral <sup>c</sup> (%)	16.45	16.45	18.80	19.70	20.26	21.08	19.98	22.00	22.77	22.83	23.69	23.19	21.43
Sales Expense (%)	5.58	5.58	5.27	5.06	5.11	5.02	5.39	5.00	4.98	5.20	4.82	5.05	4.96
Program Discounts <sup>d</sup> (%)	0.46	0.48	0.36	0.12	0.30	0.20	0.35	0.17	0.08	0.42	0.08	0.36	0.22
Net Loss Rate <sup>e</sup> (%)	46.53	45.93	49.07	50.68	50.03	52.21	52.81	53.68	55.33	55.34	55.53	54.09	53.18
<b>Average Amount</b>													
Average Dollar Loss (\$)	54,199	56,356	59,697	61,200	60,644	64,221	62,030	63,853	64,473	65,491	66,923	65,226	63,097
Average Unpaid Balance (\$)	116,487	122,689	121,654	120,755	121,207	123,000	117,458	118,942	116,519	118,350	120,513	120,581	118,647
<b>Occurrence Counts</b>													
Number of Dispositions	809	1,012	1,208	1,490	1,672	1,574	1,217	1,484	1,461	1,435	1,292	1,193	1,277
Number of Discounts	5	11	9	4	8	5	8	6	2	9	3	8	8
<b>Stage</b>													
<b>Average Time in Months</b>													
Delinquency <sup>f</sup>	9.7	10.2	9.5	9.9	9.7	9.8	10.0	9.6	9.9	9.6	9.8	10.5	10.6
Foreclosure <sup>g</sup>	12.5	12.8	12.2	12.6	11.3	11.6	10.7	10.5	11.8	11.7	12.1	12.1	12.5
Deed Transfer <sup>h</sup>	12.8	12.7	11.8	11.3	11.0	11.4	10.8	11.1	11.4	11.7	11.7	11.9	11.9
REO	5.1	5.1	4.8	4.8	4.7	4.7	4.4	4.4	4.5	4.4	4.4	4.4	4.3
All Stages	40.0	40.6	38.2	38.6	36.6	37.5	36.0	35.6	37.5	37.3	37.9	38.8	39.2

<sup>a</sup> Includes interest on principal.

<sup>b</sup> Management, maintenance, repairs, administration, and security, net of rent and other income.

<sup>c</sup> Value when foreclosed (UPB) minus value received in REO; does not include Streamline refinances.

<sup>d</sup> Rate over all dispositions; effect is greater in the cases where a discount actually is given.

<sup>e</sup> Profit (loss) divided by Unpaid Principal Balance (UPB). The listed cost categories are not exhaustive, and they will not sum to the loss rate

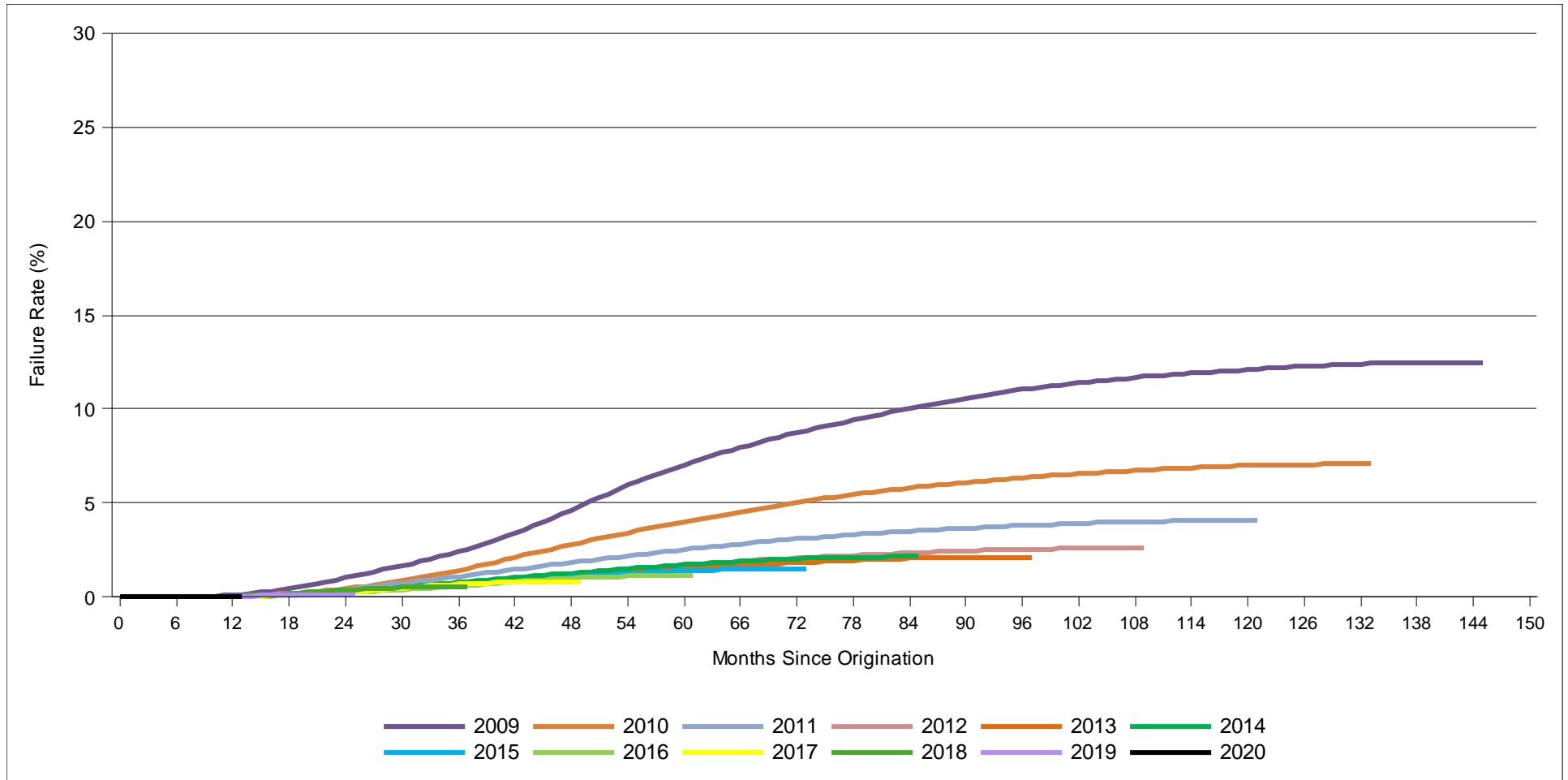
<sup>f</sup> First missed payment to date foreclosure initiated.

<sup>g</sup> Initiation of foreclosure proceedings to auction date.

<sup>h</sup> Auction date to HUD acquisition date.

SOURCE: U.S. Department of HUD/FHA, December 2020.

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, December 2020.