November 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](%) 30-day	60-day	90-day	Exceptions[b](%) In Foreclosure	In Bankruptcy	Serious Delinquency Rate[c] (%)
Non-Seasonally Adjusted							
Nov 2020	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
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
Seasonally Adjusted							
Nov 2020	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
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

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, December 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]
2017 Q1	94,958	31.13	6.67	23.77	13.02	3.81	9.21	1.05	11.35
2017 Q2	75,376	31.22	6.82	23.69	13.07	3.83	9.80	1.26	10.32
2017 Q3	65,531	30.30	6.70	23.49	13.59	3.89	9.91	1.73	10.39
2017 Q4	87,286	30.74	6.66	23.90	12.78	3.72	9.19	2.14	10.87
2018 Q1	157,584	23.68	4.41	21.75	8.41	2.37	7.26	1.90	30.23
2018 Q2	88,660	28.30	5.88	23.40	11.38	3.20	8.76	2.49	16.59
2018 Q3	64,397	29.69	6.24	23.66	12.32	3.70	8.99	3.87	11.54
2018 Q4	84,222	29.94	6.31	23.86	12.51	3.73	8.85	4.74	10.06
2019 Q1	92,065	29.27	6.11	23.91	12.46	3.47	8.73	6.00	10.05
2019 Q2	84,788	28.82	6.18	22.88	12.33	3.45	8.73	8.27	9.34
2019 Q3	69,223	26.78	5.84	22.10	12.22	3.52	8.09	12.36	9.10
2019 Q4	90,457	25.29	5.42	21.62	11.40	3.10	7.55	17.06	8.57
2020 Q1	113,969	21.38	4.51	18.18	9.35	2.39	6.76	25.94	11.49
2020 Q2	86,490	16.90	4.38	14.91	7.40	1.79	8.09	39.20	7.33
2020 Q3	467,424	5.39	1.95	2.39	0.90	0.17	1.28	83.96	3.95
2020 Q4	349,928	4.30	1.77	2.17	0.84	0.15	1.36	85.98	3.43
2021 Q1	189,162	4.74	2.10	2.91	1.42	0.27	2.51	82.71	3.34
2021 Q2	138,347	4.42	2.11	2.94	1.62	0.25	2.83	82.29	3.53
2021 Q3	78,119	4.01	1.93	3.27	2.19	0.31	3.83	80.75	3.72
2021 Q4	84,137	4.78	2.06	4.44	2.60	0.46	5.73	76.08	3.84
2022 Q1 - Oct	32,689	4.42	2.02	4.58	2.63	0.47	7.76	73.69	4.43
2022 Q1 - Nov	36,453	4.49	2.08	4.39	2.67	0.46	10.47	69.64	5.80

[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, December 2021.

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	Serious Delinquency Rate[c]
Loan Purpose								
All Active Loans	7,408,662	12.74	3.76	1.14	6.20	1.10	0.53	7.83
Purchase	68.48	14.30	4.25	1.32	7.00	1.16	0.57	8.73
Refinance	31.52	9.35	2.71	0.76	4.45	0.98	0.45	5.88
Refinance								
Refinance Loans	2,335,082	9.35	2.71	0.76	4.45	0.98	0.45	5.88
Conventional	29.24	10.84	3.18	0.88	5.28	0.92	0.58	6.78
No Cash-out	16.56	10.40	3.14	0.86	4.97	0.82	0.60	6.40
Cash-out	12.69	11.42	3.22	0.91	5.69	1.04	0.56	7.29
FHA	14.87	8.67	2.47	0.70	4.36	0.73	0.41	5.51
No Cash-out	7.88	8.06	2.42	0.66	3.99	0.62	0.38	4.99
Cash-out	6.99	9.36	2.53	0.74	4.78	0.86	0.45	6.10
Streamline	55.89	8.74	2.53	0.71	4.04	1.07	0.40	5.51
Credit Score Range[d]								
Loans with Credit Scores	5,875,557	13.20	3.86	1.18	6.54	1.10	0.53	8.16
< 500	0.09	27.00	7.61	2.51	13.34	1.68	1.87	16.88
500-579	1.66	25.06	7.30	2.33	11.77	1.98	1.68	15.43
580-619	8.22	22.89	6.43	2.15	11.16	2.13	1.02	14.31
620-659	34.19	17.31	5.09	1.59	8.52	1.38	0.72	10.62
660-719	39.23	10.47	3.10	0.89	5.24	0.88	0.37	6.48
720-850	16.62	5.15	1.48	0.41	2.67	0.44	0.15	3.27
Fiscal Year Cohort								
All Cohorts	7,408,662	12.74	3.76	1.14	6.20	1.10	0.53	7.83
pre-2007	8.55	15.82	5.41	1.62	7.03	0.92	0.84	8.78
2007	0.80	21.09	6.42	1.90	9.80	1.54	1.43	12.77
2008	1.83	21.31	6.17	1.86	10.38	1.48	1.42	13.27
2009	3.62	16.01	4.60	1.41	7.94	1.07	1.00	10.00
2010	4.41	13.15	3.85	1.09	6.63	0.81	0.76	8.20
2011	3.52	11.76	3.59	0.95	5.86	0.73	0.63	7.22
2012	4.43	9.85	2.85	0.79	5.00	0.66	0.56	6.22
2013	6.22	8.79	2.58	0.65	4.38	0.68	0.51	5.56
2014	2.76	15.04	4.36	1.24	6.99	1.44	1.01	9.44
2015	4.67	15.38	4.37	1.21	6.88	1.92	1.00	9.80
2016	6.60	15.61	4.34	1.17	7.24	1.92	0.93	10.09
2017	7.33	16.80	4.59	1.27	8.10	2.07	0.76	10.93
2018	6.05	20.39	5.19	1.62	10.75	2.09	0.73	13.57
2019	6.12	20.56	5.13	1.73	11.54	1.77	0.39	13.70
2020	11.92	12.47	3.32	1.17	6.89	1.00	0.09	7.98
2021	18.37	4.80	2.19	0.76	1.57	0.27	0.01	1.85
2022	2.82	0.57	0.54	0.03	0.00	0.00	0.00	0.00

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	7,408,662	12.74	3.76	1.14	6.20	1.10	0.53	7.83
< 50	2.20	13.01	4.55	1.39	5.43	1.05	0.59	7.07
50-99	19.56	12.68	4.15	1.24	5.65	0.97	0.68	7.29
100-149	24.82	12.91	3.95	1.18	6.10	1.02	0.66	7.77
150-199	19.91	13.05	3.82	1.16	6.39	1.15	0.53	8.07
200-249	13.61	12.50	3.51	1.08	6.33	1.17	0.41	7.91
250-399	16.45	12.39	3.28	1.02	6.54	1.23	0.32	8.09
400-499	2.14	12.22	2.86	0.87	6.98	1.29	0.22	8.49
> 499	1.31	12.87	2.58	0.82	7.93	1.38	0.17	9.48
Property Type								
All Property Types	7,408,662	12.74	3.76	1.14	6.20	1.10	0.53	7.83
Detached	86.01	12.81	3.82	1.15	6.19	1.10	0.54	7.83
Manufactured Housing	3.77	11.86	3.83	1.17	5.22	1.07	0.55	6.85
2-4 Units	2.42	11.96	2.66	0.84	6.91	1.31	0.24	8.46
Condo	2.55	10.50	2.67	0.78	5.58	1.02	0.45	7.05
Townhouse	5.25	13.59	3.85	1.18	7.06	1.04	0.46	8.56
Purchase Loan Type								
All Purchase Loans	5,073,228	14.30	4.25	1.32	7.00	1.16	0.57	8.73
Repeat	14.85	11.89	3.76	1.05	5.60	1.00	0.48	7.08
First-time	85.15	14.71	4.34	1.36	7.25	1.19	0.58	9.02
Down Payment Assistance (DPA) Type								
All Sources of Funds	7,408,662	12.74	3.76	1.14	6.20	1.10	0.53	7.83
Government	8.91	14.64	4.21	1.47	7.58	0.79	0.60	8.96
Relative	15.88	16.75	4.96	1.51	8.19	1.49	0.61	10.28
Other	1.82	18.20	5.62	1.72	8.61	1.13	1.12	10.86
Seller Funded	0.46	24.27	7.10	2.20	11.49	1.57	1.90	14.97
No DPA	72.93	11.42	3.38	1.00	5.50	1.05	0.48	7.04

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, December 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]%
2019	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	11,409	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	10,215	81,377	4,703	10,175	0.69
	Apr	8,117,498	9,471	78,277	4,883	10,026	0.72
	May	8,114,839	8,891	76,321	3,984	9,953	0.59
	Jun	8,114,665	7,721	74,502	3,746	9,667	0.55
	Jul	8,116,418	8,067	73,946	3,761	9,110	0.55
	Aug	8,117,513	9,079	73,562	4,032	8,907	0.59
	Sep	8,107,806	7,848	72,575	3,558	8,513	0.53
2020	Oct	8,098,839	9,786	71,711	4,163	8,565	0.62
	Nov	8,094,347	8,626	71,543	3,652	8,521	0.54
	Dec	8,096,131	9,117	73,070	3,566	8,754	0.53
	Jan	8,125,137	10,771	75,086	3,855	9,205	0.57
	Feb	8,128,001	10,458	75,294	3,378	9,434	0.50
	Mar	8,122,723	6,047	45,107	3,910	9,134	0.58
	Apr	8,118,070	71	32,204	3,364	7,515	0.50
	May	8,098,590	299	27,748	2,301	6,127	0.34
	Jun	8,066,691	443	20,552	2,082	4,682	0.31
	Jul	8,038,312	598	20,737	1,802	2,986	0.27
	Aug	8,013,146	381	20,789	1,589	1,307	0.24
	Sep	7,988,354	478	20,009	1,666	378	0.25
2021	Oct	7,953,267	413	19,270	1,644	435	0.25
	Nov	7,913,900	393	17,932	1,342	451	0.20
	Dec	7,872,710	426	17,397	1,479	448	0.23
	Jan	7,854,545	359	17,037	1,206	408	0.18
	Feb	7,820,058	497	13,862	1,250	428	0.19
	Mar	7,754,867	580	15,667	1,540	445	0.24
	Apr	7,712,623	500	15,230	1,130	459	0.18
	May	7,675,350	452	15,061	982	469	0.15
	Jun	7,627,918	528	15,607	1,088	486	0.17
	Jul	7,588,572	700	15,804	916	543	0.14
	Aug	7,546,269	1,061	27,891	980	637	0.16
	Sep	7,498,614	762	52,834	830	667	0.13
2022	Oct	7,457,304	953	46,526	735	743	0.12
	Nov	7,408,662	1,737	81,537	723	957	0.12

[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, December 2021.

Table 5. REO Recovery Rates

Disposition State[b]	Dispositions	Recovery Rates (%) October 2021	Recovery Rates (%) September 2021	Recovery Rates (%) October 2020	Percentage Point Change From Previous Month	Percentage Point Change From Previous Year
US	153	75.8	67.7	49.7	8.1	26.1
PR	27	68.9	67.2	55.6	1.7	13.3
PA	14	103.3	66.9	42.3	36.5	61.1
CT	11	55.8	86.0	47.9	-30.2	7.9
IL	10	41.5	33.7	17.7	7.8	23.8
VA	9	106.6	72.7	53.8	33.8	52.8
AL	7	64.0	65.0	49.8	-1.0	14.2
NJ	7	25.7	24.8	22.6	0.9	3.1
FL	6	68.3	78.6	66.3	-10.3	2.0
GA	6	106.3	87.2	56.5	19.1	49.8
MD	6	84.1	54.7	57.3	29.4	26.8
KY	5	141.0	47.8	54.4	93.2	86.6
MI	5	99.6	57.4	49.0	42.2	50.6
OH	5	29.9	40.8	51.6	-10.9	-21.7
SC	5	68.1	142.1	57.6	-74.0	10.5
IA	4	38.2	na	32.0	na	6.2
MS	4	61.4	61.9	70.8	-0.6	-9.4
CA	3	147.5	93.4	109.1	54.1	38.4
IN	2	123.4	39.0	40.4	84.4	83.0
ME	2	102.7	na	-39.4	na	142.1
NC	2	86.9	148.3	55.2	-61.4	31.6
NY	2	17.4	-5.6	24.4	23.0	-7.0
TN	2	77.5	138.6	55.9	-61.1	21.6
AK	1	89.6	64.6	56.7	25.0	32.9
DE	1	170.3	na	5.0	na	165.3
HI	1	93.6	na	na	na	na
MA	1	44.0	158.6	59.1	-114.7	-15.2
MO	1	65.1	na	46.1	na	19.0
RI	1	20.4	na	89.8	na	-69.4
WA	1	112.7	55.5	75.7	57.1	37.0
WI	1	8.3	36.2	54.0	-27.9	-45.7
WV	1	21.1	15.6	45.3	5.4	-24.2
AR	0	na	na	42.5	na	na
AZ	0	na	59.8	58.0	na	na
CO	0	na	na	71.1	na	na
DC	0	na	99.6	na	na	na
ID	0	na	na	147.4	na	na
KS	0	na	na	48.5	na	na
LA	0	na	na	45.6	na	na
MN	0	na	na	48.1	na	na

Table 5. REO Recovery Rates

Disposition State[b]	Dispositions	Recovery Rates (%) October 2021	September 2021	October 2020	Percentage Point Change From Previous Month	From Previous Year
MT	0	na	na	61.0	na	na
ND	0	na	na	41.5	na	na
NE	0	na	na	55.6	na	na
NH	0	na	na	100.6	na	na
NM	0	na	na	62.8	na	na
NV	0	na	na	46.0	na	na
OK	0	na	na	15.7	na	na
OR	0	na	na	74.1	na	na
SD	0	na	49.6	70.1	na	na
TX	0	na	na	68.4	na	na
UT	0	na	157.5	75.9	na	na
VT	0	na	na	37.8	na	na
WY	0	na	na	50.5	na	na

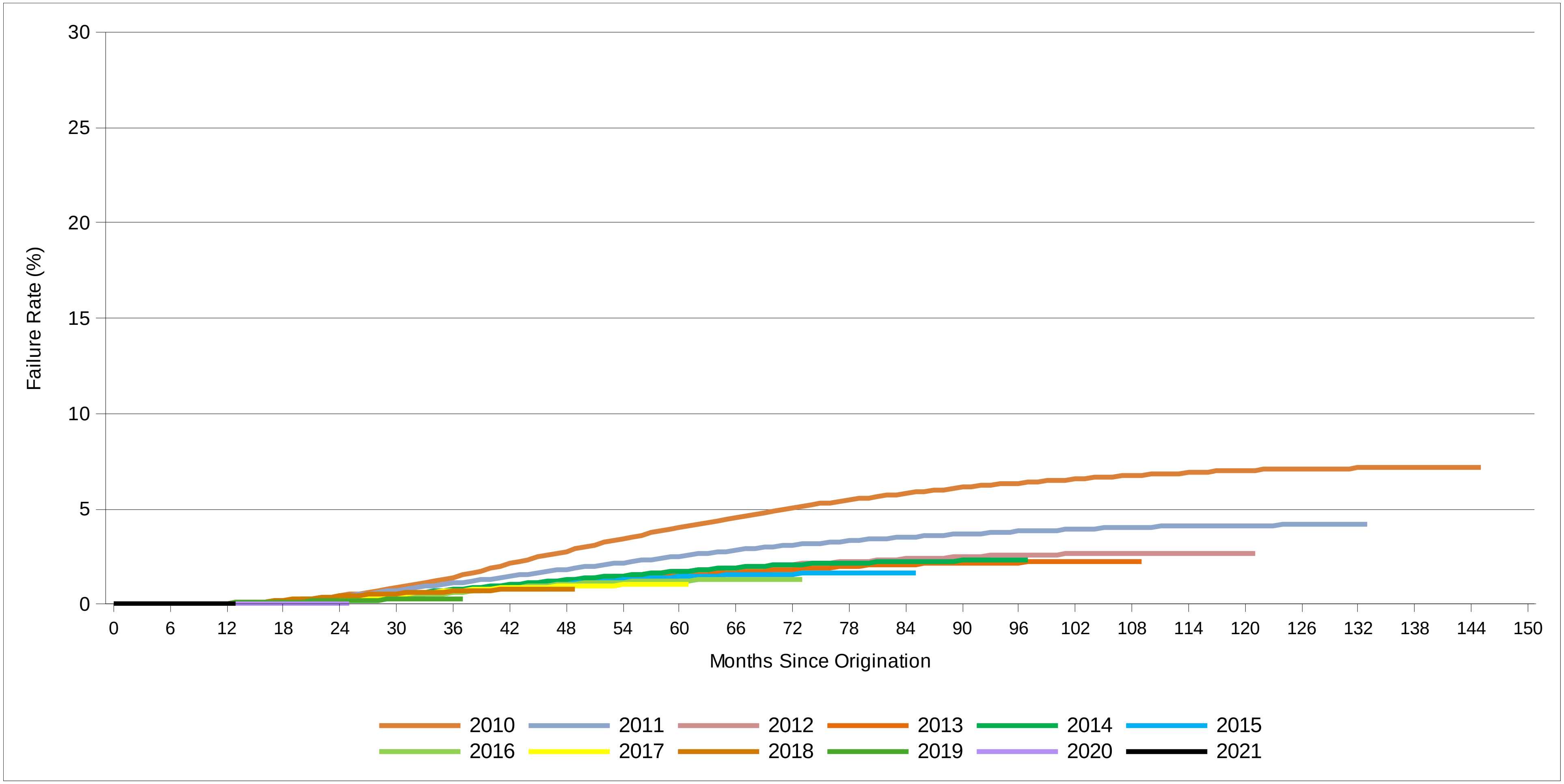
na = not applicable
[a] Rates are percentages of unpaid loan balance at time of default.
[b] State records are sorted by number of dispositions in the most recent month (largest to smallest).
SOURCE: U.S. Department of HUD/FHA, December 2021.

Table 6. REO Components of Loss by Property Disposition Month

Disposition Month	2021 Oct	2021 Sep	2021 Aug	2021 Jul	2021 Jun	2021 May	2021 Apr	2021 Mar	2021 Feb	2021 Jan	2020 Dec	2020 Nov	2020 Oct
Loss Components as Percent of Defaulted Loan Balance													
Claim Expenses[a] (%)	23.79	27.53	24.23	23.08	23.49	24.05	24.00	22.90	23.95	23.83	21.77	23.87	23.77
Holding Costs[b] (%)	6.84	8.28	7.97	6.78	8.59	7.32	7.29	6.66	7.06	6.43	5.93	6.79	6.51
Loss on Collateral[c] (%)	2.43	0.37	3.67	6.56	3.04	5.41	11.32	11.50	14.15	14.25	14.71	15.04	15.32
Sales Expense (%)	5.74	6.11	5.93	6.38	6.22	6.56	5.47	5.66	5.53	5.65	5.36	5.24	5.55
Program Discounts[d] (%)	0.00	0.18	0.00	0.00	0.95	0.82	0.27	0.25	0.39	0.27	0.14	0.48	0.41
Net Loss Rate[e] (%)	24.17	32.28	40.71	27.59	34.83	35.15	42.83	41.58	47.10	48.00	45.51	48.93	50.28
Average Amount													
Average Dollar Loss ($)	33,077	37,830	49,627	35,553	42,924	42,070	51,865	48,913	55,899	58,394	57,319	59,455	59,962
Average Unpaid Balance ($)	136,869	117,185	121,896	128,848	123,225	119,680	121,101	117,644	118,694	121,646	125,939	121,508	119,260
Occurrence Counts													
Number of Dispositions	153	126	143	133	322	377	500	574	561	590	737	659	970
Number of Discounts	0	1	0	0	6	7	4	4	6	5	2	5	6
Stage — **Average Time in Months**													
Delinquency[f]	12.4	13.1	8.2	10.2	10.2	9.8	10.3	10.3	10.0	10.5	9.1	10.1	9.8
Foreclosure[g]	17.8	16.6	20.7	14.4	12.0	16.5	13.8	13.5	13.8	12.9	13.2	13.0	13.0
Deed Transfer[h]	22.3	17.6	15.6	16.8	16.2	18.0	15.7	15.6	16.0	15.6	15.0	14.9	13.6
REO	6.4	7.3	6.4	4.9	5.8	4.7	4.9	4.6	5.0	5.2	5.0	5.0	5.2
All Stages	58.3	54.0	50.3	46.0	44.3	48.7	44.7	43.7	44.8	44.0	41.9	43.0	41.4

[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, December 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, December 2021.