October 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							
Oct 2020	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
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
Seasonally Adjusted							
Oct 2020	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
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

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, November 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 Q4	85,289	31.63	6.94	23.26	13.01	4.02	9.64	0.93	10.58
2017 Q1	94,958	31.13	6.68	23.78	13.02	3.80	9.22	1.03	11.34
2017 Q2	75,376	31.23	6.82	23.69	13.08	3.83	9.81	1.23	10.31
2017 Q3	65,531	30.34	6.70	23.51	13.59	3.89	9.91	1.69	10.38
2017 Q4	87,286	30.75	6.67	23.90	12.79	3.72	9.21	2.11	10.85
2018 Q1	157,584	23.69	4.42	21.75	8.41	2.37	7.28	1.86	30.22
2018 Q2	88,660	28.30	5.89	23.41	11.39	3.20	8.79	2.45	16.56
2018 Q3	64,397	29.70	6.24	23.67	12.34	3.70	9.03	3.82	11.51
2018 Q4	84,222	29.95	6.34	23.87	12.53	3.75	8.86	4.68	10.03
2019 Q1	92,065	29.32	6.13	23.93	12.47	3.47	8.77	5.91	10.01
2019 Q2	84,788	28.84	6.19	22.90	12.35	3.45	8.76	8.20	9.31
2019 Q3	69,223	26.87	5.88	22.07	12.23	3.52	8.14	12.22	9.06
2019 Q4	90,457	25.31	5.46	21.64	11.41	3.09	7.61	16.95	8.52
2020 Q1	113,969	21.41	4.57	18.18	9.37	2.39	6.83	25.81	11.44
2020 Q2	86,490	16.91	4.43	14.87	7.38	1.77	8.18	39.18	7.28
2020 Q3	467,424	5.33	2.07	2.32	0.87	0.17	1.29	84.13	3.84
2020 Q4	349,928	4.20	1.87	2.09	0.81	0.15	1.37	86.15	3.36
2021 Q1	189,162	4.58	2.25	2.79	1.37	0.26	2.55	82.91	3.28
2021 Q2	138,346	4.31	2.27	2.87	1.57	0.25	2.88	82.38	3.47
2021 Q3	78,119	3.94	2.06	3.20	2.15	0.31	3.98	80.66	3.70
2021 Q4	84,142	4.71	2.08	4.34	2.55	0.46	6.54	75.27	4.05
2022 Q1 - Oct	32,700	4.16	1.94	4.45	2.38	0.42	10.47	71.43	4.76

[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, November 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	7,457,304	13.21	3.67	1.18	7.18	0.62	0.55	8.35
Purchase	68.41	14.78	4.13	1.37	7.99	0.70	0.59	9.28
Refinance	31.59	9.81	2.67	0.79	5.41	0.47	0.47	6.35
Refinance								
Refinance Loans	2,355,815	9.81	2.67	0.79	5.41	0.47	0.47	6.35
Conventional	29.30	11.33	3.12	0.92	6.04	0.65	0.60	7.29
No Cash-out	16.62	10.86	3.11	0.91	5.61	0.63	0.61	6.85
Cash-out	12.68	11.95	3.15	0.94	6.60	0.67	0.59	7.87
FHA	14.72	9.25	2.48	0.74	5.28	0.34	0.42	6.03
No Cash-out	7.86	8.41	2.36	0.70	4.65	0.31	0.39	5.34
Cash-out	6.86	10.21	2.62	0.78	5.99	0.37	0.45	6.82
Streamline	55.98	9.16	2.49	0.73	5.11	0.41	0.42	5.94
Credit Score Range[d]								
Loans with Credit Scores	5,908,449	13.68	3.75	1.23	7.52	0.64	0.55	8.70
< 500	0.09	28.47	7.81	2.55	14.54	1.48	2.08	18.11
500-579	1.67	25.98	7.23	2.41	13.18	1.43	1.72	16.33
580-619	8.17	23.56	6.30	2.25	12.77	1.15	1.09	15.01
620-659	34.07	17.90	4.98	1.66	9.73	0.79	0.75	11.27
660-719	39.28	10.94	3.00	0.93	6.11	0.51	0.38	7.00
720-850	16.72	5.40	1.41	0.42	3.13	0.29	0.15	3.57
Fiscal Year Cohort								
All Cohorts	7,457,304	13.21	3.67	1.18	7.18	0.62	0.55	8.35
pre-2007	8.59	16.38	5.32	1.67	7.62	0.90	0.87	9.40
2007	0.80	21.78	6.25	2.06	10.48	1.56	1.43	13.47
2008	1.84	22.05	6.04	1.93	11.25	1.44	1.40	14.08
2009	3.65	16.70	4.58	1.42	8.74	0.96	0.99	10.70
2010	4.45	13.79	3.72	1.11	7.45	0.74	0.77	8.96
2011	3.56	12.29	3.31	1.01	6.67	0.65	0.65	7.97
2012	4.48	10.52	2.79	0.83	5.80	0.54	0.56	6.91
2013	6.29	9.40	2.48	0.71	5.21	0.49	0.52	6.21
2014	2.79	15.72	4.28	1.29	8.17	0.96	1.03	10.16
2015	4.76	16.01	4.25	1.25	8.46	0.99	1.06	10.51
2016	6.73	16.20	4.19	1.20	8.89	0.95	0.97	10.81
2017	7.49	17.37	4.43	1.32	9.84	0.95	0.82	11.61
2018	6.19	20.84	4.99	1.66	12.43	1.01	0.75	14.19
2019	6.28	20.99	4.92	1.80	13.03	0.85	0.38	14.26
2020	12.21	12.48	3.20	1.20	7.76	0.23	0.08	8.08
2021	18.46	4.18	2.04	0.71	1.38	0.04	0.01	1.43
2022	1.45	0.12	0.12	0.01	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	7,457,304	13.21	3.67	1.18	7.18	0.62	0.55	8.35
< 50	2.21	13.03	4.39	1.35	5.69	0.98	0.61	7.29
50-99	19.63	12.99	4.05	1.27	6.20	0.78	0.69	7.67
100-149	24.92	13.34	3.85	1.23	6.93	0.66	0.68	8.26
150-199	19.96	13.49	3.71	1.21	7.43	0.58	0.56	8.57
200-249	13.60	13.01	3.42	1.14	7.49	0.54	0.43	8.46
250-399	16.30	13.06	3.22	1.05	7.95	0.49	0.34	8.78
400-499	2.11	13.10	2.81	0.90	8.72	0.44	0.23	9.39
> 499	1.28	13.91	2.51	0.81	9.88	0.50	0.20	10.58
Property Type								
All Property Types	7,457,304	13.21	3.67	1.18	7.18	0.62	0.55	8.35
Detached	86.05	13.28	3.73	1.20	7.17	0.61	0.57	8.35
Manufactured Housing	3.74	12.06	3.82	1.18	5.67	0.83	0.57	7.06
2-4 Units	2.41	12.70	2.60	0.85	8.24	0.75	0.24	9.24
Condo	2.56	11.02	2.56	0.84	6.48	0.67	0.46	7.62
Townhouse	5.24	14.08	3.63	1.23	8.14	0.60	0.47	9.21
Purchase Loan Type								
All Purchase Loans	5,101,135	14.77	4.13	1.37	7.99	0.70	0.59	9.28
Repeat	14.91	12.39	3.71	1.11	6.48	0.57	0.51	7.57
First-time	85.09	15.19	4.21	1.41	8.26	0.72	0.60	9.58
Down Payment Assistance (DPA) Type								
All Sources of Funds	7,457,304	13.21	3.67	1.18	7.18	0.62	0.55	8.35
Government	8.85	14.98	4.03	1.47	8.10	0.78	0.60	9.48
Relative	15.87	17.29	4.81	1.58	9.47	0.80	0.64	10.91
Other	1.82	18.90	5.44	1.79	9.56	0.98	1.14	11.68
Seller Funded	0.46	25.15	6.94	2.17	12.61	1.52	1.92	16.04
No DPA	73.00	11.89	3.32	1.04	6.47	0.55	0.50	7.53

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, November 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	Oct	8,062,967	10,366	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	11,409	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	7,720	74,502	3,746	9,667	0.55
	Jul	8,116,418	8,066	73,946	3,761	9,110	0.55
	Aug	8,117,513	9,078	73,562	4,032	8,907	0.59
	Sep	8,107,806	7,848	72,575	3,558	8,512	0.53
2020	Oct	8,098,839	9,785	71,711	4,163	8,565	0.62
	Nov	8,094,347	8,625	71,543	3,652	8,520	0.54
	Dec	8,096,131	9,116	73,070	3,566	8,753	0.53
	Jan	8,125,137	10,772	75,086	3,855	9,204	0.57
	Feb	8,128,001	10,458	75,294	3,378	9,434	0.50
	Mar	8,122,723	6,045	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	442	20,552	2,082	4,681	0.31
	Jul	8,038,312	598	20,737	1,802	2,986	0.27
	Aug	8,013,146	381	20,789	1,589	1,306	0.24
	Sep	7,988,354	478	20,009	1,666	378	0.25
2021	Oct	7,953,267	412	19,270	1,644	435	0.25
	Nov	7,913,900	392	17,932	1,342	451	0.20
	Dec	7,872,710	424	17,397	1,479	448	0.23
	Jan	7,854,545	358	17,037	1,206	408	0.18
	Feb	7,820,058	496	13,862	1,250	427	0.19
	Mar	7,754,867	580	15,667	1,540	444	0.24
	Apr	7,712,623	499	15,230	1,130	458	0.18
	May	7,675,350	452	15,061	982	468	0.15
	Jun	7,627,918	528	15,607	1,088	486	0.17
	Jul	7,588,572	699	15,804	916	542	0.14
	Aug	7,546,269	1,062	27,891	980	637	0.16
	Sep	7,498,614	759	52,834	830	667	0.13
2022	Oct	7,457,304	869	46,524	735	728	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, November 2021.

Table 5. REO Recovery Rates

Disposition State[b]	Dispositions	Recovery Rates (%)			Percentage Point Change	
		September 2021	August 2021	September 2020	From Previous Month	From Previous Year
US	126	67.8	59.4	50.2	8.4	17.6
IL	18	34.0	43.6	28.7	-9.6	5.3
AL	14	65.0	49.9	53.0	15.1	12.0
PR	11	67.2	61.1	47.3	6.1	19.9
PA	8	66.9	44.2	40.4	22.6	26.5
FL	7	78.6	85.7	70.6	-7.0	8.1
MD	7	54.8	31.8	45.1	23.0	9.7
MS	7	61.9	51.9	46.1	10.1	15.8
TN	7	138.6	60.3	63.6	78.3	75.0
CT	6	86.0	58.5	51.8	27.5	34.2
MI	5	57.9	124.5	50.7	-66.6	7.2
GA	4	87.2	52.9	62.3	34.3	24.9
IN	4	39.2	62.9	32.0	-23.7	7.2
NY	4	-5.5	75.3	15.5	-80.8	-21.0
KY	3	48.1	53.3	50.2	-5.3	-2.1
NJ	3	24.9	21.6	35.1	3.3	-10.2
OH	3	40.8	90.9	51.5	-50.1	-10.7
NC	2	148.3	96.6	69.0	51.6	79.2
VA	2	72.7	na	60.9	na	11.8
AK	1	64.6	70.8	75.9	-6.2	-11.4
AZ	1	59.8	na	51.2	na	8.7
CA	1	93.4	98.4	85.2	-5.1	8.2
DC	1	99.6	na	na	na	na
MA	1	158.6	82.2	44.7	76.5	113.9
SC	1	142.1	64.7	52.6	77.4	89.5
SD	1	49.7	na	54.6	na	-4.9
UT	1	158.2	na	69.2	na	89.0
WA	1	55.5	na	70.5	na	-15.0
WI	1	36.4	na	37.6	na	-1.2
WV	1	15.6	na	43.3	na	-27.7
AR	0	na	45.6	45.5	na	na
CO	0	na	78.5	84.5	na	na
DE	0	na	na	62.2	na	na
HI	0	na	na	132.6	na	na
IA	0	na	na	35.8	na	na
ID	0	na	na	124.0	na	na
KS	0	na	110.7	54.8	na	na
LA	0	na	37.7	38.2	na	na
ME	0	na	12.1	-18.5	na	na
MN	0	na	na	50.6	na	na

Table 5. REO Recovery Rates

Disposition State[b]	Dispositions	Recovery Rates (%) September 2021	August 2021	September 2020	Percentage Point Change From Previous Month	From Previous Year
MO	0	na	na	57.6	na	na
MT	0	na	na	80.9	na	na
ND	0	na	na	39.6	na	na
NE	0	na	na	47.4	na	na
NH	0	na	na	54.5	na	na
NM	0	na	47.5	53.5	na	na
NV	0	na	92.0	na	na	na
OK	0	na	59.6	48.4	na	na
OR	0	na	na	89.1	na	na
RI	0	na	na	48.3	na	na
TX	0	na	73.5	62.5	na	na
VI	0	na	57.9	62.4	na	na
VT	0	na	na	-23.5	na	na
WY	0	na	na	43.2	na	na

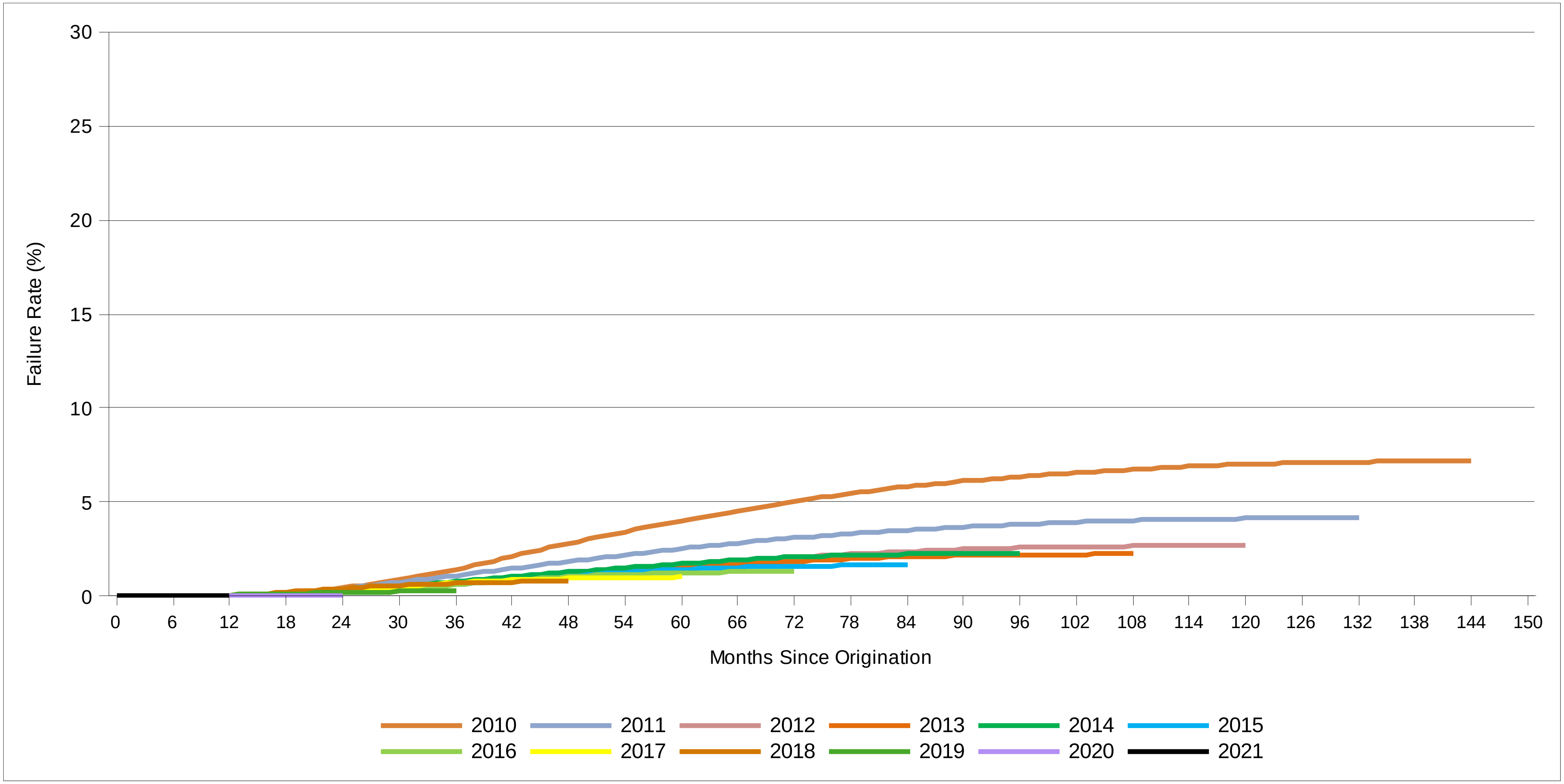
na = not applicable
[a] Rates are percentages of unpaid loan balance at time of default.
[b] State records are sorted by number of dispositions in the most recent month (largest to smallest).
SOURCE: U.S. Department of HUD/FHA, November 2021.

Table 6. REO Components of Loss by Property Disposition Month

Disposition Month	2021									2020			
	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep
Loss Components as Percent of Defaulted Loan Balance													
Claim Expenses[a] (%)	27.53	24.22	22.93	23.32	24.02	23.92	22.70	23.75	23.74	21.68	23.85	23.76	22.91
Holding Costs[b] (%)	8.20	7.94	6.71	8.59	7.32	7.29	6.66	7.06	6.43	5.93	6.79	6.51	6.02
Loss on Collateral[c] (%)	0.37	3.67	6.56	3.04	5.41	11.32	11.50	14.15	14.25	14.71	15.04	15.32	16.32
Sales Expense (%)	6.11	5.93	6.38	6.22	6.56	5.47	5.66	5.53	5.65	5.36	5.24	5.55	5.58
Program Discounts[d] (%)	0.18	0.00	0.00	0.95	0.82	0.27	0.25	0.39	0.27	0.14	0.48	0.41	0.48
Net Loss Rate[e] (%)	32.21	40.61	27.37	34.66	34.99	42.74	41.35	46.97	47.92	45.41	48.90	50.26	49.82
Average Amount													
Average Dollar Loss ($)	37,745	49,506	35,266	42,710	41,877	51,763	48,648	55,746	58,292	57,189	59,417	59,939	61,388
Average Unpaid Balance ($)	117,185	121,896	128,848	123,225	119,680	121,101	117,644	118,694	121,646	125,939	121,508	119,260	123,226
Occurrence Counts													
Number of Dispositions	126	143	133	322	377	500	574	561	590	737	659	970	1,034
Number of Discounts	1	0	0	6	7	4	4	6	5	2	5	6	12
Stage	**Average Time in Months**												
Delinquency[f]	13.1	8.2	10.2	10.2	9.8	10.3	10.3	10.0	10.5	9.1	10.1	9.7	10.1
Foreclosure[g]	16.6	20.7	14.4	12.0	16.5	13.8	13.5	13.8	12.9	13.1	13.0	13.0	12.9
Deed Transfer[h]	17.6	15.6	16.8	16.2	18.0	15.7	15.6	16.0	15.6	15.0	14.9	13.6	12.9
REO	7.3	6.4	4.9	5.8	4.7	4.9	4.6	5.0	5.2	5.0	5.0	5.2	5.1
All Stages	54.0	50.3	46.0	44.3	48.7	44.7	43.7	44.8	44.0	41.9	43.0	41.4	41.0

[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, November 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, November 2021.