October 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] (%)			Exceptions[b] (%)		Serious Delinquency Rate[c] (%)
		30-day	60-day	90-day	In Foreclosure	In Bankruptcy	
Non-Seasonally Adjusted							
Oct 2021	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
May	7,241,481	4.20	1.21	4.03	0.64	0.52	5.19
Jun	7,238,927	4.45	1.35	3.84	0.64	0.52	5.00
Jul	7,243,496	4.92	1.50	3.76	0.63	0.54	4.93
Aug	7,251,083	4.69	1.54	3.66	0.63	0.53	4.82
Sep	7,263,194	4.73	1.56	3.66	0.58	0.52	4.77
Oct	7,277,614	4.91	1.63	3.70	0.55	0.52	4.77
Seasonally Adjusted							
Oct 2021	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
May	7,241,481	4.47	1.34	4.27	0.63	0.52	5.42
Jun	7,238,927	4.51	1.43	4.07	0.64	0.51	5.22
Jul	7,243,496	5.04	1.54	4.02	0.63	0.54	5.19
Aug	7,251,083	4.57	1.50	3.80	0.63	0.54	4.97
Sep	7,263,194	4.53	1.47	3.68	0.60	0.53	4.81
Oct	7,277,614	4.63	1.50	3.65	0.57	0.52	4.73

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 latereporting by a large servicer, the delinquency rates for April 2022 are likely understated.
SOURCE: U.S. Department of HUD/FHA, November 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 or Family	Marital Difficulties	No Contact	National Emergency[a]	Other[b]
2017 Q4	87,260	30.71	6.62	23.85	12.76	3.72	9.16	2.25	10.93
2018 Q1	157,542	23.65	4.40	21.74	8.40	2.36	7.28	1.91	30.27
2018 Q2	88,642	28.24	5.86	23.34	11.37	3.19	8.78	2.56	16.66
2018 Q3	64,418	29.56	6.19	23.61	12.31	3.67	9.02	4.07	11.57
2018 Q4	84,237	29.84	6.25	23.82	12.49	3.72	8.88	4.89	10.11
2019 Q1	92,098	29.22	6.03	23.86	12.41	3.44	8.78	6.13	10.12
2019 Q2	84,826	28.76	6.09	22.86	12.32	3.45	8.73	8.37	9.41
2019 Q3	69,325	26.73	5.77	22.09	12.24	3.47	8.06	12.36	9.28
2019 Q4	90,580	25.24	5.29	21.63	11.41	3.08	7.51	17.06	8.79
2020 Q1	114,280	21.43	4.44	18.25	9.38	2.39	6.72	25.77	11.63
2020 Q2	86,774	17.35	4.22	15.28	7.63	1.86	7.82	38.13	7.71
2020 Q3	467,626	5.84	1.89	2.83	1.10	0.22	1.35	82.25	4.51
2020 Q4	350,795	4.84	1.72	2.61	1.04	0.20	1.46	84.19	3.94
2021 Q1	190,181	5.42	2.00	3.51	1.71	0.34	2.55	80.57	3.90
2021 Q2	139,418	5.33	2.03	3.68	1.99	0.32	2.94	79.58	4.13
2021 Q3	79,416	5.45	1.94	4.38	2.68	0.42	3.64	77.00	4.51
2021 Q4	85,569	6.37	1.99	5.64	3.18	0.57	4.45	73.23	4.56
2022 Q1	106,134	6.63	1.93	6.21	3.43	0.60	4.53	71.71	4.97
2022 Q2	109,897	7.83	2.29	6.95	4.01	0.70	4.84	68.30	5.07
2022 Q3	95,270	9.78	2.94	8.60	5.04	0.92	5.40	61.55	5.77
2022 Q4	121,671	12.32	3.64	9.97	5.75	1.11	7.83	53.45	5.93
2023 Q1 - Oct	42,863	12.29	3.75	10.34	5.94	0.97	13.44	46.63	6.64

[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, delinquency for February 2021 and April 2022 are likely understated.
SOURCE: U.S. Department of HUD/FHA, November 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	7,277,614	11.31	4.91	1.63	3.70	0.55	0.52	4.77
Purchase	69.67	12.90	5.57	1.91	4.28	0.58	0.55	5.42
Refinance	30.33	7.65	3.40	0.98	2.36	0.47	0.44	3.27
Refinance								
Refinance Loans	2,207,559	7.65	3.40	0.98	2.36	0.47	0.44	3.27
Conventional	30.12	8.55	3.69	1.08	2.53	0.70	0.56	3.78
No Cash-out	16.12	8.52	3.70	1.06	2.48	0.70	0.59	3.77
Cash-out	14.00	8.58	3.68	1.10	2.58	0.69	0.53	3.80
FHA	17.60	6.74	3.19	0.90	2.03	0.27	0.35	2.65
No Cash-out	8.01	7.03	3.25	0.94	2.17	0.30	0.37	2.84
Cash-out	9.59	6.51	3.14	0.87	1.91	0.25	0.34	2.50
Streamline	52.28	7.43	3.30	0.95	2.37	0.41	0.41	3.19
Credit Score Range[d]								
Loans with Credit Scores	5,913,102	11.73	5.08	1.70	3.89	0.55	0.52	4.95
< 500	0.08	24.84	9.83	3.59	7.82	1.74	1.87	11.43
500-579	1.61	21.39	8.84	3.12	6.54	1.39	1.51	9.43
580-619	8.67	20.32	8.41	3.07	6.87	0.99	0.98	8.84
620-659	34.72	15.81	6.84	2.34	5.27	0.66	0.70	6.62
660-719	39.07	8.95	3.96	1.25	2.95	0.42	0.36	3.74
720-850	15.85	3.90	1.74	0.50	1.24	0.27	0.14	1.65
Fiscal Year Cohort								
All Cohorts	7,277,614	11.31	4.91	1.63	3.70	0.55	0.52	4.77
pre-2008	8.47	14.30	6.30	2.13	4.10	0.93	0.84	5.88
2008	1.67	18.28	7.48	2.52	5.31	1.62	1.36	8.29
2009	3.25	13.31	5.54	1.78	3.88	1.20	0.91	5.99
2010	3.93	10.79	4.64	1.45	3.20	0.80	0.70	4.70
2011	3.14	9.35	3.99	1.28	2.88	0.63	0.58	4.08
2012	3.99	7.75	3.37	1.03	2.37	0.47	0.50	3.34
2013	5.62	6.66	2.93	0.88	1.99	0.41	0.45	2.86
2014	2.41	12.75	5.34	1.78	3.80	0.81	1.02	5.63
2015	4.04	12.97	5.59	1.74	3.87	0.75	1.03	5.65
2016	5.68	12.91	5.62	1.75	3.85	0.69	0.99	5.53
2017	6.26	14.10	6.17	1.96	4.29	0.76	0.93	5.97
2018	5.11	17.83	7.30	2.52	6.02	1.03	0.96	8.02
2019	5.13	18.55	7.51	2.76	6.61	1.01	0.66	8.27
2020	10.22	11.68	4.97	1.75	4.34	0.39	0.22	4.95
2021	16.91	9.32	4.06	1.34	3.69	0.15	0.09	3.92
2022	13.28	6.59	3.42	1.11	1.99	0.05	0.03	2.06
2023	0.89	0.13	0.13	0.00	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	7,277,614	11.31	4.91	1.63	3.70	0.55	0.52	4.77
< 50	1.98	12.28	5.24	1.73	3.51	1.19	0.61	5.31
50-99	18.22	11.44	5.00	1.63	3.36	0.81	0.65	4.81
100-149	23.51	11.53	5.02	1.65	3.58	0.61	0.66	4.86
150-199	19.48	11.70	5.12	1.70	3.85	0.48	0.55	4.88
200-249	13.81	11.34	4.98	1.65	3.89	0.39	0.42	4.71
250-399	18.46	10.85	4.68	1.57	3.91	0.36	0.33	4.60
400-499	2.85	9.37	3.86	1.36	3.56	0.37	0.22	4.15
> 499	1.69	9.22	3.53	1.27	3.71	0.52	0.18	4.42
Property Type								
All Property Types	7,277,614	11.31	4.91	1.63	3.70	0.55	0.52	4.77
Detached	85.59	11.47	5.03	1.66	3.73	0.53	0.53	4.78
Manufactured Housing	3.96	10.68	4.64	1.51	3.26	0.74	0.53	4.52
2-4 Units	2.55	8.85	3.30	1.09	3.27	0.91	0.28	4.46
Condo	2.46	8.23	3.28	1.00	2.87	0.62	0.45	3.94
Townhouse	5.44	11.79	4.86	1.73	4.14	0.59	0.47	5.21
Purchase Loan Type								
All Purchase Loans	5,069,733	12.90	5.57	1.91	4.28	0.58	0.55	5.42
Repeat	14.66	10.35	4.70	1.49	3.24	0.45	0.47	4.16
First-time	85.34	13.34	5.72	1.98	4.46	0.61	0.57	5.63
Down Payment Assistance (DPA) Type								
All Sources of Funds	7,277,614	11.31	4.91	1.63	3.70	0.55	0.52	4.77
Government	9.20	13.88	5.75	2.17	4.85	0.56	0.56	5.97
Relative	16.30	15.22	6.59	2.27	5.09	0.66	0.61	6.36
Other	1.75	16.05	6.86	2.40	5.01	0.79	0.99	6.79
Seller Funded	0.42	21.28	8.92	3.10	6.08	1.47	1.71	9.27
No DPA	72.32	9.92	4.36	1.39	3.19	0.51	0.48	4.18

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 on mortgages during a month and at month end.
SOURCE: U.S. Department of HUD/FHA, November 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]%
2020	Oct	8,098,839	9,858	71,711	4,163	8,625	0.62
	Nov	8,094,347	8,700	71,543	3,652	8,584	0.54
	Dec	8,096,131	9,190	73,070	3,565	8,819	0.53
	Jan	8,125,137	10,893	75,086	3,855	9,281	0.57
	Feb	8,128,001	10,605	75,294	3,378	9,526	0.50
	Mar	8,122,723	6,145	45,107	3,910	9,232	0.58
	Apr	8,118,070	78	32,204	3,363	7,602	0.50
	May	8,098,590	303	27,748	2,301	6,202	0.34
	Jun	8,066,691	448	20,552	2,082	4,745	0.31
	Jul	8,038,312	601	20,737	1,800	3,030	0.27
	Aug	8,013,146	384	20,789	1,589	1,327	0.24
	Sep	7,988,354	484	20,009	1,666	383	0.25
2021	Oct	7,953,267	418	19,270	1,644	440	0.25
	Nov	7,913,900	395	17,932	1,342	455	0.20
	Dec	7,872,710	432	17,397	1,479	452	0.23
	Jan	7,854,545	369	17,037	1,206	414	0.18
	Feb	7,820,058	503	13,862	1,250	434	0.19
	Mar	7,754,867	589	15,667	1,540	451	0.24
	Apr	7,712,623	515	15,230	1,130	467	0.18
	May	7,675,350	460	15,061	981	478	0.15
	Jun	7,627,918	545	15,607	1,088	497	0.17
	Jul	7,588,572	717	15,804	916	555	0.14
	Aug	7,546,269	1,097	27,891	979	654	0.16
	Sep	7,498,614	805	52,834	830	690	0.13
2022	Oct	7,457,304	994	46,526	735	770	0.12
	Nov	7,408,662	1,912	81,541	723	1,012	0.12
	Dec	7,369,234	1,923	132,560	738	1,241	0.12
	Jan	7,344,489	6,209	58,513	820	2,157	0.13
	Feb	7,313,781	6,402	42,421	784	3,041	0.13
	Mar	7,279,440	12,466	45,348	1,085	4,984	0.18
	Apr	7,256,669	7,247	43,255	1,236	6,027	0.20
	May	7,241,481	6,987	46,203	1,111	6,872	0.18
	Jun	7,238,927	7,385	46,146	1,113	7,783	0.18
	Jul	7,243,496	6,385	45,616	1,071	7,812	0.18
	Aug	7,251,083	7,071	45,509	1,312	7,924	0.22
	Sep	7,263,194	6,481	42,427	1,125	6,926	0.19
2023	Oct	7,277,614	5,789	40,020	1,042	6,683	0.17

[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.
SOURCE: U.S. Department of HUD/FHA, November 2022.

Table 5. REO Recovery Rates

Disposition State[b]	Dispositions	Recovery Rates (%)			Percentage Point Change	
		September 2022	August 2022	September 2021	From Previous Month	From Previous Year
US	218	72.0	66.6	61.8	5.4	10.2
PR	32	71.0	70.4	66.9	0.6	4.0
TX	21	91.4	83.9	na	7.5	na
PA	13	82.7	61.3	50.6	21.4	32.1
NY	11	30.1	29.2	-8.5	0.9	38.6
CT	9	78.9	79.9	83.2	-1.0	-4.3
KY	9	75.5	44.4	47.7	31.1	27.8
FL	8	92.8	64.0	77.0	28.8	15.8
VA	8	98.5	83.3	72.8	15.3	25.7
LA	7	16.5	48.0	na	-31.5	na
OH	7	48.5	63.5	40.1	-15.0	8.4
AL	6	56.7	81.6	59.4	-24.9	-2.7
GA	6	117.8	70.1	81.8	47.6	35.9
MO	6	116.4	56.0	na	60.4	na
SC	6	68.4	na	127.5	na	-59.1
IL	5	29.3	64.2	28.9	-34.9	0.4
MI	5	69.7	72.4	17.6	-2.7	52.1
NC	5	89.2	43.9	139.7	45.3	-50.5
NM	5	66.0	78.5	na	-12.5	na
AR	4	54.0	na	na	na	na
KS	4	56.4	26.6	na	29.8	na
MS	4	81.7	72.6	58.5	9.1	23.2
IA	3	79.9	45.0	na	35.0	na
IN	3	95.4	62.4	35.3	33.1	60.1
MA	3	9.8	na	158.6	na	-148.8
ND	3	68.3	48.2	na	20.1	na
WI	3	68.7	59.8	36.2	8.9	32.4
MD	2	80.5	79.7	51.3	0.8	29.2
MN	2	45.3	93.7	na	-48.4	na
NJ	2	56.2	120.8	24.6	-64.6	31.6
OK	2	6.5	56.2	na	-49.7	na
VT	2	40.3	51.7	na	-11.4	na
WV	2	53.8	53.0	15.1	0.9	38.7
CA	1	91.6	111.6	93.4	-20.0	-1.8
DE	1	78.4	68.4	na	9.9	na
ME	1	67.0	76.2	na	-9.2	na
MT	1	45.1	-0.6	na	45.6	na
NE	1	51.7	50.1	na	1.6	na
NH	1	84.4	na	na	na	na
RI	1	49.0	na	na	na	na

Table 5. REO Recovery Rates

		Recovery Rates (%)			Percentage Point Change	
Disposition State[b]	Dispositions	September 2022	August 2022	September 2021	From Previous Month	From Previous Year
SD	1	105.3	53.8	49.0	51.5	56.3
TN	1	104.2	48.7	105.1	55.4	-1.0
WY	1	17.1	na	na	na	na
AK	0	na	89.1	63.9	na	na
AZ	0	na	na	59.8	na	na
DC	0	na	na	96.4	na	na
UT	0	na	na	157.5	na	na
WA	0	na	75.4	55.4	na	na

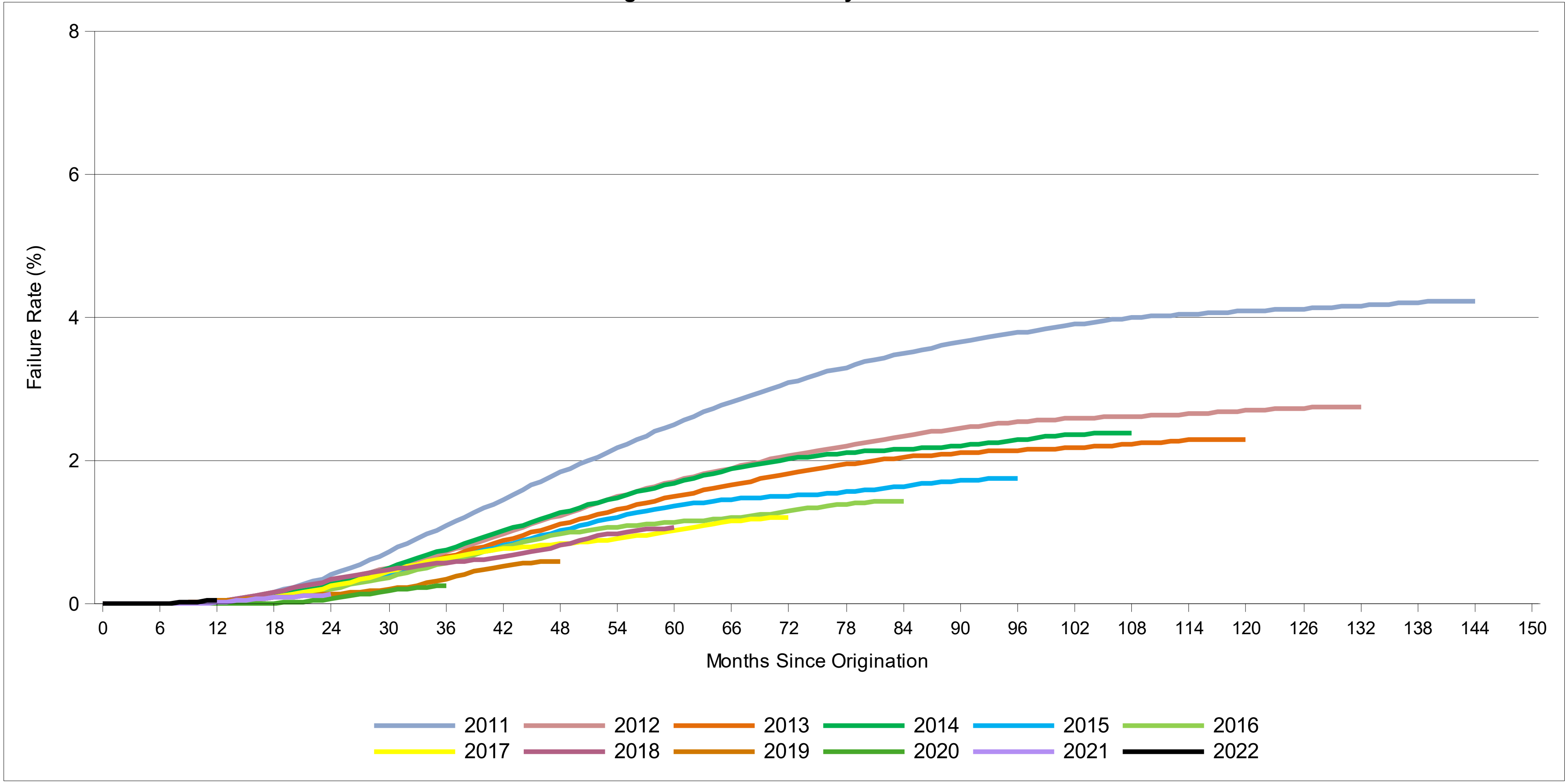
na = not applicable
[a] Rates are percentages of unpaid loan balance at time of default.
[b] State records are sorted by number of dispositions in the most recent month (largest to smallest).
SOURCE: U.S. Department of HUD/FHA, November 2022.

Table 6. REO Components of Loss by Property Disposition Month

	2022									2021			
Disposition Month	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep
Loss Components as Percent of Defaulted Loan Balance													
Claim Expenses[a] (%)	24.48	28.16	24.20	25.02	27.12	25.38	25.54	26.72	26.00	25.61	25.79	27.51	30.41
Holding Costs[b] (%)	8.78	9.41	9.26	8.00	8.45	7.92	7.27	7.48	8.03	7.20	9.27	7.06	8.33
Loss on Collateral[c] (%)	5.12	10.36	10.70	14.45	10.78	9.24	7.92	2.96	1.78	3.96	0.95	2.43	0.37
Sales Expense (%)	6.37	6.46	6.58	6.83	6.84	6.93	6.70	6.38	6.52	6.07	6.39	5.74	6.11
Program Discounts[d] (%)	0.25	0.00	0.00	0.40	0.66	0.52	0.36	0.36	0.56	0.48	1.16	0.00	0.18
Net Loss Rate[e] (%)	28.00	33.36	23.61	21.93	28.28	25.41	26.42	32.05	32.37	37.62	37.09	35.59	38.20
Average Amount													
Average Dollar Loss ($)	33,950	40,958	28,167	27,285	34,042	30,277	32,670	40,140	36,430	44,429	41,875	48,705	44,767
Average Unpaid Balance ($)	121,245	122,763	119,312	124,398	120,353	119,159	123,647	125,251	112,530	118,112	112,913	136,869	117,185
Occurrence Counts													
Number of Dispositions	218	218	212	227	267	290	306	221	275	250	188	153	126
Number of Discounts	1	0	0	1	3	2	2	2	3	1	3	0	1
Stage	**Average Time in Months**												
Delinquency[f]	16.1	10.5	12.1	10.8	11.7	10.7	11.5	9.6	10.2	10.2	9.0	12.4	13.1
Foreclosure[g]	15.9	18.6	19.7	19.8	16.5	16.6	16.5	17.6	16.1	16.7	15.9	17.8	16.6
Deed Transfer[h]	13.9	15.7	16.3	15.6	19.5	16.9	18.3	18.5	14.9	16.6	17.2	22.3	17.6
REO	6.1	6.2	6.6	6.0	6.9	6.2	6.2	6.6	6.7	6.4	6.8	6.4	7.3
All Stages	51.7	51.3	54.4	51.6	54.3	50.4	52.2	51.8	47.3	49.6	48.9	58.3	54.0

[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 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, November 2022.