

FHA SINGLE FAMILY LOAN PERFORMANCE TRENDS

Credit Risk Report

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

MAY 2013



Table of Contents

Table 1: Delinquency Rates	2
Table 2: New 90+-Day Delinquencies by Reason for Delinquency	3
Table 3: Delinquency Rates by Loan and Property Characteristics	4
Table of Figures	
Figure 1: Seriously Delinquent Vintage Rate Curves by Fiscal Year (All Loans)	6
Figure 2: Failure Rates by Seasoning and Vintage	7

Table 1: Delinquency Rates										
By Month										
	Active Delinquency Rates ^a Insurance in (%)			Except (%	Seriously Delinquent					
Month	Force (EOM)	30-day 60-day 90-day			In Foreclosure	In In Foreclosure Bankruptcy				
	Month (EOM) 30-day 60-day 90-day Foreclosure Bankruptcy (%) Non-Seasonally Adjusted									
May 2012	7,592,565	4.56	1.70	5.49	2.69	1.21	9.39			
Jun	7,636,852	4.82	1.78	5.40	2.82	1.22	9.44			
Jul	7,664,335	4.68	1.80	5.40	2.84	1.23	9.47			
Aug	7,692,799	4.58	1.78	5.31	2.92	1.23	9.47			
Sep	7,711,684	5.24	1.92	5.36	2.97	1.25	9.58			
Oct	7,733,203	4.69	1.83	5.21	3.03	1.26	9.49			
Nov	7,748,709	4.64	1.81	5.34	2.92	1.23	9.49			
Dec	7,719,941	5.19	1.96	5.46	2.94	1.16	9.59			
Jan 2013	7,781,633	4.74	1.89	5.36	2.90	1.23	9.49			
Feb	7,795,726	4.40	1.65	5.34	2.74	1.20	9.28			
Mar	7,801,713	4.15	1.45	4.96	2.71	1.20	8.87			
Apr	7,803,709	4.01	1.41	4.76	2.63	1.20	8.58			
May	7,803,213	4.08	1.45	4.67	2.41	1.19	8.27			
			Season	ally Adjusted	l					
May 2012	7,592,565	4.59	1.82	5.90	2.61	1.23	9.74			
Jun	7,636,852	4.86	1.86	5.81	2.89	1.24	9.94			
Jul	7,664,335	4.92	1.82	5.74	2.91	1.25	9.90			
Aug	7,692,799	4.36	1.77	5.57	3.07	1.30	9.94			
Sep	7,711,684	4.88	1.78	5.46	3.06	1.27	9.80			
Oct	7,733,203	4.69	1.74	5.18	3.07	1.21	9.46			
Nov	7,748,709	4.37	1.68	5.01	2.97	1.17	9.15			
Dec	7,719,941	4.81	1.75	5.00	2.95	1.14	9.09			
Jan 2013	7,781,633	4.53	1.69	4.78	2.86	1.20	8.84			
Feb	7,795,726	4.72	1.78	5.04	2.69	1.19	8.92			
Mar	7,801,713	4.71	1.72	5.07	2.61	1.23	8.91			
Apr	7,803,709	4.27	1.59	5.08	2.48	1.23	8.78			
May	7,803,213	4.10	1.55	5.02	2.34	1.21	8.57			

Source: US Department of HUD/FHA; May 2013.

^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 Seriously delinquent rates are the sum of 90 day delinquencies, plus in-foreclosures and in-bankruptcies.

Table 2: New 90+-Day Delinquencies by Reason for Delinquency

Quarterly

					Death or Illness of			
				_	Principal			
	N 00 D	Reduction of	** 1 1	Excessive	Borrower or	Marital	N. G.	0.1 8
Calendar Year	New 90+ Day	Income	Unemployed	Obligations	family	Difficulties	No Contact	Other ^a
and Quarter	Delinquencies	(%)	(%)	(%)	(%)	(%)	(%)	(%)
2008Q1	67,547	26.34	5.89	25.21	8.51	3.64	13.53	16.88
2008Q2	67,925	27.43	6.66	22.80	8.50	3.85	13.80	16.96
2008Q3	92,037	28.97	6.98	21.89	7.98	3.57	14.28	16.33
2008Q4	122,363	31.82	7.46	19.40	7.41	3.31	14.12	16.48
2009Q1	111,449	34.86	8.66	16.91	6.51	3.14	13.74	16.19
2009Q2	107,999	37.09	9.33	15.13	6.50	3.29	12.98	15.69
2009Q3	146,707	37.74	9.37	14.40	6.62	3.22	12.88	15.76
2009Q4	152,883	38.76	9.36	14.33	7.20	3.49	12.85	14.02
2010Q1	124,579	38.63	9.18	14.50	7.36	3.56	13.86	12.89
2010Q2	104,105	37.76	9.90	15.35	8.30	4.05	14.32	10.32
2010Q3	131,027	37.97	10.03	15.98	8.90	4.36	12.76	9.99
2010Q4	133,718	37.69	9.80	16.48	9.38	4.50	12.59	9.56
2011Q1	117,916	37.27	10.50	16.23	10.03	4.40	11.65	9.91
2011Q2	99,259	36.50	10.83	16.72	10.61	4.67	10.27	10.40
2011Q3	133,834	36.99	10.78	17.68	10.93	4.66	9.15	9.82
2011Q4	158,096	36.11	10.08	19.14	11.15	4.36	9.43	9.73
2012Q1	114,763	36.47	11.01	17.71	11.50	4.63	8.16	10.52
2012Q2	101,470	35.73	11.14	17.29	11.95	4.77	8.38	10.75
2012Q3	125,201	35.21	11.46	17.92	12.18	4.46	7.96	10.82
2012Q4	124,363	34.03	11.52	18.28	12.62	4.47	7.82	11.26
2013Q1	104,166	33.38	11.28	18.12	12.67	4.12	7.95	12.47
2013Q2 Apr	25,852	32.76	10.54	17.73	12.78	4.01	8.54	13.64
2013Q2 May	27,112	30.92	10.35	18.06	12.04	3.93	10.84	13.86

Source: US Department of HUD/FHA; May 2013.

^a Other includes: abandonment of property, distant employment transfer, neighborhood problems, 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.

Table 3: Delinquency Rates by Loan and Property Characteristics								
(Rates Based on Loan Counts)								
	IIF Shares ^a	All Past Due ^b (%)	30 Day (%)	60 Day (%) an Purpose	90+ Day (%)	In Foreclosure (%)	In Bankruptcy (%)	Seriously Delinq. Rate ^c (%)
Purchase	63.65	13.98	4.40	1.57	4.46	2.39	1.15	8.00
Refinance	36.35	13.50	3.52	1.23	5.05	2.44	1.26	8.75
All Active Loans	7,803,213	13.80	4.08	1.45	4.67	2.41	1.19	8.27
	.,,			efinance				
Conventional	38.72	16.87	4.20	1.47	6.40	3.24	1.56	11.20
No Cash-Out	27.08	15.21	3.87	1.32	5.68	2.88	1.45	10.01
Cash-Out	11.64	20.74	4.95	1.81	8.07	4.08	1.83	13.98
FHA	7.51	11.83	3.34	1.10	4.13	2.13	1.13	7.39
No Cash-Out	5.49	9.12	2.75	0.88	3.05	1.57	0.87	5.49
Cash-Out	2.02	19.19	4.94	1.68	7.07	3.66	1.82	12.56
Streamline	53.77	11.31	3.05	1.08	4.20	1.90	1.07	7.17
Refinance Loans	2,836,525	13.50	3.52	1.23	5.05	2.44	1.26	8.75
			Fiscal	Year Coho	ort			
pre-2004	14.07	19.15	6.71	2.33	5.07	3.19	1.85	10.11
2004	3.67	21.76	6.53	2.39	6.27	4.23	2.35	12.85
2005	2.68	24.92	7.01	2.61	7.44	5.13	2.72	15.30
2006	2.29	28.80	7.09	2.80	9.35	6.48	3.08	18.91
2007	2.33	34.84	7.47	2.90	12.53	8.27	3.67	24.47
2008	6.00	34.78	7.03	2.94	13.64	7.82	3.35	24.81
2009	13.33	20.26	4.95	1.86	8.14	3.61	1.70	13.45
2010	16.36	11.15	3.50	1.20	4.14	1.56	0.74	6.44
2011	12.84	7.12	2.76	0.89	2.40	0.71	0.36	3.47
2012	14.31	3.70	1.94	0.57	0.87	0.20	0.11	1.18
2013	12.11	0.93	0.71	0.13	0.08	0.01	0.01	0.10
All Cohorts	7,803,213	13.80	4.08	1.45	4.67	2.41	1.19	8.27
		Loan Am	ount at O	rigination	(In Thousa	ands)		
Below \$50	4.57	14.38	5.82	1.82	3.11	2.42	1.20	6.73
\$50 - 99	26.39	15.15	5.17	1.76	3.98	2.82	1.42	8.22
\$100 - 149	29.21	14.22	4.22	1.52	4.60	2.52	1.35	8.47
\$150 - 199	18.66	13.02	3.45	1.28	4.94	2.26	1.10	8.29
\$200 - 249	9.80	12.34	2.94	1.09	5.37	2.06	0.88	8.31
\$250 - 399	9.37	12.47	2.63	1.05	6.25	1.81	0.72	8.78
\$400 - 499	1.17	10.59	2.15	0.85	5.87	1.31	0.40	7.58
\$500 and above	0.82	7.63	1.48	0.53	4.34	1.00	0.28	5.62
All Loan Amounts	7,803,213	13.80	4.08	1.45	4.67	2.41	1.19	8.27

^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.

Table 3: Delinquency Rates by Loan and Property Characteristics									
	(Rates Based on Loan Counts)								
	IIF Shares ^a	All Past Due ^b (%)	30 Day (%)	60 Day (%)	90+ Day (%)	In Foreclosure (%)	In Bankruptcy (%)	Seriously Delinq. Rate ^c (%)	
	First-Time Homebuyer								
Repeat	22.08	11.32	3.72	1.26	3.39	1.91	1.04	6.34	
First-time	77.92	14.81	4.62	1.67	4.79	2.55	1.18	8.53	
All Borrowers	4,931,747	14.04	4.42	1.58	4.48	2.41	1.15	8.04	
Seller-Funded DPA									
Non-DPA	95.65	12.88	3.91	1.37	4.37	2.17	1.06	7.61	
DPA	4.35	34.03	7.92	3.22	11.31	7.64	3.94	22.89	
All Sources of Funds	7,803,213	13.80	4.08	1.45	4.67	2.41	1.19	8.27	

Source: US Department of HUD/FHA; May 2013.

FY 2009 Breakdown in to 6-Month Periods 35 30 2008 25 2007 /2009-1 20 2006 15 2009-2 10 -2011 6 9 12 15 18 21 24 27 30 33 36 39 42 45 48 51 54 57 60 63 66 69 72 75 78 81 84 87 Months **—**2009-2 **—**2010 **—**2011 **—**2012 **—**2006 **—**2007 **— -**2008 **---**2009-1

Figure 1: Seriously Delinquent Vintage Rate Curves by Fiscal Year (All Loans)

Source: US Department of HUD/FHA; Data as of May 2013.

In Figure 1, the 2009 cohort is separated into two parts, representing loan originations from October through March in 2009-1 and loan originations from April through October in 2009-2.

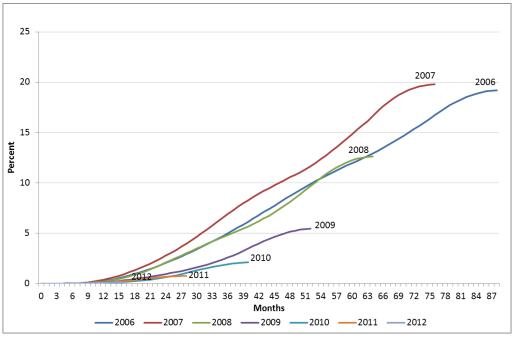


Figure 2: Failure^a Rates by Seasoning and Vintage

Source: US Department of HUD/FHA; Data as of May 2013.

^a A loan that is in foreclosure processing or has gone to claim is deemed to be a 'failure'. The failure rate is the sum of Cumulative Claim Rate and Cumulative Active Foreclosure Rate.