



FHA SINGLE FAMILY ORIGINATION TRENDS

Credit Risk Report

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

DECEMBER
2015

Table of Contents

Table 1: Distribution of New Endorsements by Loan Amount2
Table 2a: Distribution of New Endorsements by Loan-to-Value Range3
Table 2b: Average Loan-to-Value (LTV) Ratios on New Endorsements.....4
Table 3a: Distribution of New Endorsements by Credit Score Range.....5
Table 3b: Average Borrower Credit Scores on New Endorsements6
Table 4: Early Payment Delinquency Rates7
Table 5: Average Debt-to-Income Ratios on New Purchase Endorsements by Credit Score Value Range8
Table 6: Average Loan-to-Value Ratios on New Purchase Endorsements by Credit Score Value Range9

Table 1: Distribution of New Endorsements by Loan Amount
By Fiscal Year and Quarter

Fiscal Year	Quarter	Initial Loan Amount (000) (Shares ^a in Percent – Rows add to 100%)								
		Below \$50	\$50-99	\$100-149	\$150-199	\$200-249	\$250-399	\$400-499	\$500-625,499	\$625,500 and Above
2009	Oct-Dec	1.46	17.27	28.50	23.16	13.59	13.60	1.45	0.65	0.27
	Jan-Mar	1.35	16.43	28.60	23.36	14.34	13.77	1.34	0.62	0.17
	Apr-Jun	1.29	16.98	29.60	22.72	13.55	13.41	1.57	0.67	0.19
	Jul-Sep	1.33	17.33	29.97	22.14	13.16	13.14	1.77	0.82	0.33
2010	Oct-Dec	1.46	18.60	30.66	21.81	12.51	12.19	1.68	0.78	0.32
	Jan-Mar	1.68	18.83	29.28	21.03	12.66	13.16	1.95	0.96	0.45
	Apr-Jun	1.51	19.15	30.87	21.21	12.11	12.06	1.77	0.90	0.42
	Jul-Sep	1.68	19.08	29.40	20.91	12.35	13.01	2.03	1.04	0.50
2011	Oct-Dec	1.66	17.84	28.58	20.98	12.89	13.83	2.28	1.31	0.63
	Jan-Mar	1.68	18.71	28.63	20.60	12.65	13.56	2.24	1.29	0.64
	Apr-Jun	1.96	20.75	29.86	20.11	11.74	12.18	1.87	1.02	0.50
	Jul-Sep	2.06	21.26	30.01	19.93	11.52	11.94	1.85	0.95	0.47
2012	Oct-Dec	2.03	20.93	29.93	20.56	11.95	11.55	1.70	0.95	0.39
	Jan-Mar	1.99	20.67	29.91	20.30	11.96	12.03	1.80	1.02	0.31
	Apr-Jun	1.71	19.89	30.00	20.67	12.07	12.05	1.89	1.13	0.59
	Jul-Sep	1.66	19.28	29.83	20.89	12.30	12.53	1.91	1.05	0.55
2013	Oct-Dec	1.66	19.02	29.79	21.01	12.52	12.58	1.87	1.10	0.45
	Jan-Mar	1.56	18.43	28.96	21.11	12.75	13.32	2.17	1.19	0.51
	Apr-Jun	1.47	17.84	29.30	21.44	12.86	13.28	2.10	1.18	0.53
	Jul-Sep	1.39	17.34	28.96	21.66	12.92	13.80	2.28	1.15	0.49
2014	Oct-Dec	1.65	18.60	28.96	21.12	12.32	13.69	2.14	1.04	0.47
	Jan-Mar	1.72	18.43	29.01	21.14	12.39	13.67	2.20	1.05	0.39
	Apr-Jun	1.60	18.56	29.90	21.58	12.69	12.70	1.85	0.93	0.18
	Jul-Sep	1.41	17.03	29.13	22.17	13.55	13.58	1.96	1.00	0.17
2015	Oct-Dec	1.54	17.69	28.65	22.15	13.17	13.61	2.00	1.03	0.16
	Jan-Mar	1.57	17.03	27.60	22.06	13.67	14.50	2.21	1.19	0.17
	Apr-Jun	1.13	14.76	26.97	22.53	14.95	15.54	2.53	1.38	0.21
	Jul-Sep	1.05	13.40	25.82	22.91	15.61	16.68	2.70	1.58	0.24
2016	Oct-Dec	1.28	14.23	25.71	22.39	15.54	16.34	2.73	1.53	0.26

Source: US Department of HUD/FHA; January 2016.

^a Shares are based on loan counts.

Table 2a: Distribution of New Endorsements By Loan-to-Value Range (Excluding Streamline Refinance Cases)					
Fiscal Year	Quarter	Loan-to-Value Ranges ^a (Shares ^b in Percent – Rows add to 100%)			
		Up to 80 ^c	81-90	91-95	96-98 ^d
2009	Oct-Dec	6.28	11.25	21.38	61.09
	Jan-Mar	6.88	13.46	23.42	56.23
	Apr-Jun	6.41	14.38	17.73	61.48
	Jul-Sep	6.01	15.23	11.54	67.21
2010	Oct-Dec	5.82	14.83	10.11	69.24
	Jan-Mar	6.86	16.89	10.89	65.37
	Apr-Jun	5.73	12.94	9.53	71.81
	Jul-Sep	5.97	13.88	9.95	70.19
2011	Oct-Dec	6.21	15.87	10.95	66.97
	Jan-Mar	7.58	16.88	10.40	65.14
	Apr-Jun	6.21	13.08	9.00	71.70
	Jul-Sep	5.21	11.03	8.80	74.97
2012	Oct-Dec	5.85	12.02	9.33	72.80
	Jan-Mar	7.52	12.50	9.27	70.72
	Apr-Jun	7.67	11.34	8.96	72.04
	Jul-Sep	5.08	9.31	9.59	76.03
2013	Oct-Dec	5.17	9.99	10.14	74.70
	Jan-Mar	5.97	11.52	10.77	71.73
	Apr-Jun	5.63	10.27	9.75	74.35
	Jul-Sep	5.26	9.71	8.94	76.10
2014	Oct-Dec	5.58	9.95	9.00	75.47
	Jan-Mar	6.08	10.91	9.41	73.59
	Apr-Jun	5.63	9.61	9.04	75.72
	Jul-Sep	5.46	9.46	9.13	75.95
2015	Oct-Dec	6.71	10.79	8.93	73.57
	Jan-Mar	7.10	11.65	8.96	72.29
	Apr-Jun	6.14	11.58	8.76	73.51
	Jul-Sep	6.44	11.13	8.35	74.08
2016	Oct-Dec	7.53	12.56	8.24	71.67

Source: US Department of HUD/FHA; January 2016.

^a In accordance with statutory requirements for determining eligibility of loans for FHA insurance, HUD measures loan-to-value (LTV) ratio without including any financed mortgage insurance premium in the loan balance.

^b Shares are based on loan counts.

^c Loans with a LTV less than 80 percent.

^d The statutory maximum LTV since October 1, 2008, is 96.5 percent. Prior to October 1, 2008, the statutory maximum was 97 percent, with higher allowances for borrowers financing loan closing costs into the mortgage balance. If there was such financing, then the statutory maximum was between 97 and 98.15 percent, depending on the geographic location and price of the property.

Table 2b: Average Loan-to-Value (LTV) Ratios ^a on New Endorsements By Fiscal Year, Quarter, and Loan Purpose					
Fiscal Year	Quarter	Loan Purpose			
		Home Purchase	Conventional Loan Refinance	FHA-to-FHA Refinance ^b	All ^b
2009	Oct-Dec	96.03	89.14	88.83	93.72
	Jan-Mar	95.93	89.38	89.39	93.21
	Apr-Jun	95.71	88.57	87.90	93.12
	Jul-Sep	95.59	86.78	85.83	93.23
2010	Oct-Dec	95.59	86.12	85.23	93.34
	Jan-Mar	95.51	86.19	87.05	92.86
	Apr-Jun	95.64	85.36	86.93	93.57
	Jul-Sep	95.55	85.99	87.96	93.49
2011	Oct-Dec	95.62	87.06	88.94	93.22
	Jan-Mar	95.56	85.68	87.73	92.73
	Apr-Jun	95.73	85.00	86.85	93.67
	Jul-Sep	95.88	85.30	87.50	94.34
2012	Oct-Dec	95.98	85.29	88.79	94.06
	Jan-Mar	96.01	83.44	88.37	93.41
	Apr-Jun	95.99	81.79	87.85	93.32
	Jul-Sep	95.96	83.74	87.73	94.43
2013	Oct-Dec	95.95	84.43	87.80	94.31
	Jan-Mar	95.93	84.59	87.53	93.95
	Apr-Jun	95.87	84.01	86.47	94.09
	Jul-Sep	95.77	82.88	85.39	94.26
2014	Oct-Dec	95.74	82.07	83.75	94.24
	Jan-Mar	95.73	82.19	83.36	93.98
	Apr-Jun	95.70	81.20	83.61	94.14
	Jul-Sep	95.65	80.68	83.15	94.21
2015	Oct-Dec	95.63	79.90	82.90	93.70
	Jan-Mar	95.72	79.95	84.61	93.52
	Apr-Jun	95.73	81.05	85.71	93.68
	Jul-Sep	95.67	80.09	83.44	93.66
2016	Oct-Dec	95.68	79.38	82.64	93.18

Source: US Department of HUD/FHA; January 2016.

^a In accordance with statutory requirements for determining eligibility of loans for FHA insurance, HUD measures LTV without including any mortgage insurance premium financed in the loan balance.

^b These include only fully-underwritten loans and exclude streamline refinancing.

Table 3a: Distribution of New Endorsements by Credit Score ^a Range (Excluding Streamline Refinance Cases)						
Fiscal Year	Quarter	Credit Score Ranges (Shares ^b in Percent)				
		500-619	620-639	640-679	680-719	720-850
2009	Oct-Dec	23.82	12.96	24.56	17.18	20.49
	Jan-Mar	18.84	11.98	24.92	18.92	24.28
	Apr-Jun	9.97	12.27	25.87	21.17	29.63
	Jul-Sep	5.88	11.99	25.73	22.05	33.32
2010	Oct-Dec	4.64	12.14	26.31	22.45	33.47
	Jan-Mar	4.00	11.70	26.68	22.75	33.86
	Apr-Jun	3.09	11.69	26.72	22.63	34.92
	Jul-Sep	3.36	11.73	26.58	22.60	34.78
2011	Oct-Dec	2.87	9.86	26.17	23.18	37.01
	Jan-Mar	2.38	6.44	28.55	24.11	37.73
	Apr-Jun	2.77	6.87	30.60	23.78	35.33
	Jul-Sep	3.56	8.09	31.03	23.72	33.02
2012	Oct-Dec	3.43	8.01	31.28	23.85	32.93
	Jan-Mar	3.07	7.72	31.03	23.86	33.91
	Apr-Jun	2.76	7.20	32.29	24.20	33.21
	Jul-Sep	2.42	6.83	34.22	25.31	30.86
2013	Oct-Dec	2.24	6.37	35.18	26.00	29.89
	Jan-Mar	2.00	5.89	35.96	26.62	29.24
	Apr-Jun	1.58	5.66	38.27	27.37	26.85
	Jul-Sep	1.71	6.24	40.49	27.73	23.59
2014	Oct-Dec	2.30	7.67	42.42	27.26	20.12
	Jan-Mar	2.95	9.11	42.02	26.63	19.06
	Apr-Jun	3.51	10.44	42.09	26.35	17.40
	Jul-Sep	4.32	11.16	41.38	25.96	17.00
2015	Oct-Dec	5.63	12.31	40.44	25.40	16.00
	Jan-Mar	5.50	12.37	40.02	25.66	16.25
	Apr-Jun	5.06	11.58	38.06	26.48	18.65
	Jul-Sep	5.21	11.39	36.90	26.63	19.71
2016	Oct-Dec	5.76	11.86	36.67	26.10	19.47

Source: US Department of HUD/FHA; January 2016.

^a Credit scores are cobranded between the three major credit repositories (Equifax, Experian, TransUnion) and Fair Isaac Corporation (FICO). Values can range from 300 to 850. FHA policy permits credit scores of 580 and above, except for loans with equity positions of 10 percent or more, which may have credit scores as low as 500. They are grouped here according to the “decision” score used for loan underwriting. The decision score represents the weakest borrower on a loan application when there are multiple applicants. Streamline refinance loans do not require full underwriting; therefore, they are not represented here.

^b Shares are based on loan counts.

Fiscal Year	Quarter	Loan Purpose			
		Home Purchase	Conventional Loan Refinance	FHA-to-FHA Refinance ^b	All ^b
2009	Oct-Dec	673	652	649	666
	Jan-Mar	678	670	663	674
	Apr-Jun	688	685	676	687
	Jul-Sep	697	688	678	694
2010	Oct-Dec	697	690	680	695
	Jan-Mar	697	696	686	696
	Apr-Jun	698	699	689	698
	Jul-Sep	698	701	694	698
2011	Oct-Dec	701	705	701	702
	Jan-Mar	702	708	704	704
	Apr-Jun	700	703	700	701
	Jul-Sep	698	695	698	697
2012	Oct-Dec	696	702	706	697
	Jan-Mar	696	708	709	699
	Apr-Jun	695	711	709	698
	Jul-Sep	696	698	704	696
2013	Oct-Dec	695	697	703	696
	Jan-Mar	695	697	703	695
	Apr-Jun	693	694	699	693
	Jul-Sep	690	686	690	690
2014	Oct-Dec	686	677	680	685
	Jan-Mar	684	675	675	683
	Apr-Jun	681	672	673	680
	Jul-Sep	680	671	671	679
2015	Oct-Dec	678	669	669	677
	Jan-Mar	678	673	675	677
	Apr-Jun	681	678	679	681
	Jul-Sep	683	677	674	682
2016	Oct-Dec	682	676	673	682

Source: US Department of HUD/FHA; January 2016.

^a Credit scores are cobranded between the three major credit repositories (Equifax, Experian, TransUnion) and Fair Isaac Corporation (FICO). Values can range from 300 to 850. They are grouped here according to the “decision” score used for loan underwriting. That score represents the weakest borrower on a loan application when there are multiple applicants. Streamline refinance loans do not require full underwriting; therefore, they are not represented here.

^b These include only fully-underwritten loans and exclude streamline refinancing.

FHA Single Family Origination Trends

Table 4: Early Payment Delinquency Rates ^a By Product Type and Month of Loan Origination				
	Percent of New Loan Originations			
	Home Purchase Loans	Fully Underwritten Refinance	Streamline Refinance	All Loans
2012				
May	0.39	0.22	0.38	0.36
Jun	0.38	0.21	0.50	0.37
Jul	0.43	0.25	0.38	0.40
Aug	0.40	0.26	0.30	0.35
Sep	0.31	0.28	0.26	0.29
Oct	0.26	0.20	0.25	0.25
Nov	0.26	0.12	0.19	0.22
Dec	0.24	0.14	0.20	0.22
2013				
Jan	0.28	0.14	0.18	0.22
Feb	0.26	0.11	0.18	0.21
Mar	0.33	0.16	0.27	0.28
Apr	0.31	0.15	0.25	0.27
May	0.30	0.19	0.23	0.26
Jun	0.34	0.15	0.24	0.29
Jul	0.35	0.24	0.28	0.32
Aug	0.39	0.29	0.26	0.35
Sep	0.34	0.13	0.28	0.31
Oct	0.34	0.27	0.30	0.32
Nov	0.30	0.32	0.33	0.30
Dec	0.34	0.11	0.35	0.32
2014				
Jan	0.32	0.33	0.28	0.32
Feb	0.40	0.24	0.43	0.39
Mar	0.40	0.29	0.37	0.39
Apr	0.45	0.32	0.22	0.40
May	0.45	0.37	0.43	0.44
Jun	0.49	0.39	0.49	0.48
Jul	0.48	0.40	0.46	0.47
Aug	0.49	0.21	0.41	0.46
Sept	0.39	0.18	0.34	0.37
Oct	0.37	0.37	0.29	0.36
Nov	0.36	0.17	0.29	0.33
Dec	0.33	0.31	0.19	0.31
2015				
Jan	0.43	0.29	0.28	0.39
Feb	0.42	0.27	0.34	0.39
Mar	0.40	0.21	0.21	0.30
Apr	0.45	0.19	0.29	0.37
May	0.43	0.14	0.29	0.36

Source: US Department of HUD/FHA; January 2016.

^a Early Payment Delinquencies are defined as loans which have had a 90-day delinquency within the first six months of required mortgage payments. The first payment-due month is the second month after loan closing. Thus, these rates indicate the percent of loans experiencing a 90-day delinquency within 7 months of loan closing.

Fiscal Year	Quarter	Loan Count	Credit Score Value Ranges ^a					
			500-619	620-639	640-679	680-719	720-850	All
2009	Oct-Dec	261,430	39.98	41.94	42.36	42.50	41.16	41.59
	Jan-Mar	182,635	40.01	41.63	41.84	41.91	40.51	41.18
	Apr-Jun	228,751	39.74	41.42	41.37	41.00	39.75	40.66
	Jul-Sep	322,734	39.35	41.61	41.59	41.26	39.92	40.75
2010	Oct-Dec	304,928	39.11	41.51	41.46	41.24	39.90	40.65
	Jan-Mar	245,879	38.91	41.40	41.54	41.35	39.96	40.63
	Apr-Jun	289,776	38.88	41.01	41.24	41.07	39.60	40.36
	Jul-Sep	268,997	38.58	40.91	41.17	41.10	39.79	40.31
2011	Oct-Dec	196,800	38.50	40.59	40.74	40.80	39.61	40.05
	Jan-Mar	168,776	38.92	40.45	41.47	41.36	40.31	40.50
	Apr-Jun	201,157	38.45	40.30	41.31	41.33	40.29	40.34
	Jul-Sep	210,695	38.11	40.09	41.22	41.29	40.45	40.23
2012	Oct-Dec	176,168	37.81	40.01	40.95	41.04	40.37	40.04
	Jan-Mar	166,168	37.76	39.75	40.96	40.87	40.17	39.90
	Apr-Jun	193,557	37.54	39.42	40.67	40.60	39.94	39.63
	Jul-Sep	197,970	37.06	39.05	40.42	40.42	39.97	39.39
2013	Oct-Dec	177,852	37.08	38.62	40.17	40.29	39.78	39.19
	Jan-Mar	157,439	37.46	38.74	40.19	40.25	39.88	39.30
	Apr-Jun	181,297	36.50	38.47	39.94	40.06	39.86	38.97
	Jul-Sep	185,828	35.02	38.76	40.41	40.74	40.72	39.13
2014	Oct-Dec	152,965	35.15	39.24	40.73	41.04	41.26	39.49
	Jan-Mar	119,832	35.44	39.69	40.83	41.02	41.20	39.64
	Apr-Jun	148,017	35.68	39.42	40.57	40.63	40.95	39.45
	Jul-Sep	174,185	35.69	39.76	40.80	40.85	41.20	39.66
2015	Oct-Dec	154,807	36.10	40.24	40.93	41.07	41.36	39.94
	Jan-Mar	132,533	36.11	40.14	40.80	40.80	41.07	39.78
	Apr-Jun	198,801	35.80	39.67	40.42	40.27	40.52	39.33
	Jul-Sep	267,252	36.10	40.20	40.79	40.76	40.84	39.74
2016	Oct-Dec ^b	210,553	36.16	40.66	41.09	41.02	41.04	39.99

Source: US Department of HUD/FHA; January 2016.

^a Credit scores are cobranded between the three major credit repositories (Equifax, Experian, TransUnion) and Fair Isaac Corporation (FICO). Values can range from 300 to 850. FHA policy permits credit scores of 580 and above, except for loans with equity positions of 10 percent or more, which may have credit scores as low as 500. They are grouped here according to the “decision” score used for loan underwriting. The decision score represents the weakest borrower on a loan application when there are multiple applicants. Streamline refinance loans do not require full underwriting; therefore, they are not represented here.

^b Only includes data for October and November.

Table 6: Average Loan-to-Value Ratios on New Purchase Endorsements
By Credit Score Value Range

Fiscal Year	Quarter	Loan Count	Credit Score Value Ranges ^a					
			500-619	620-639	640-679	680-720	720-850	All
2009	Oct-Dec	261,430	95.33	96.08	96.23	96.31	96.26	96.04
	Jan-Mar	182,635	95.22	95.89	96.00	96.22	96.21	95.91
	Apr-Jun	228,751	95.03	95.75	95.70	95.85	95.85	95.64
	Jul-Sep	322,734	94.72	95.61	95.62	95.73	95.65	95.47
2010	Oct-Dec	304,928	94.86	95.59	95.61	95.70	95.63	95.48
	Jan-Mar	245,879	94.47	95.57	95.61	95.62	95.51	95.36
	Apr-Jun	289,776	94.75	95.76	95.73	95.70	95.60	95.51
	Jul-Sep	268,997	94.68	95.66	95.60	95.68	95.51	95.43
2011	Oct-Dec	196,800	94.38	95.56	95.70	95.74	95.64	95.41
	Jan-Mar	168,776	94.45	95.32	95.61	95.69	95.57	95.33
	Apr-Jun	201,157	94.64	95.53	95.77	95.87	95.74	95.51
	Jul-Sep	210,695	94.79	95.72	95.97	95.99	95.90	95.67
2012	Oct-Dec	176,168	94.68	95.82	96.09	96.06	96.04	95.74
	Jan-Mar	166,168	94.81	95.85	96.00	96.11	96.14	95.78
	Apr-Jun	193,557	94.92	95.84	96.05	96.01	96.05	95.77
	Jul-Sep	197,970	94.80	95.79	95.99	96.03	96.02	95.73
2013	Oct-Dec	177,852	94.38	95.60	95.93	96.01	96.14	95.61
	Jan-Mar	157,439	94.29	95.54	95.92	95.95	96.12	95.56
	Apr-Jun	181,297	94.41	95.59	95.87	95.80	96.11	95.56
	Jul-Sep	185,828	93.92	95.45	95.80	95.73	95.97	95.37
2014	Oct-Dec	152,965	93.82	95.42	95.80	95.64	96.10	95.35
	Jan-Mar	119,832	93.88	95.42	95.78	95.70	96.05	95.37
	Apr-Jun	148,017	93.93	95.49	95.83	95.55	96.06	95.37
	Jul-Sep	174,185	93.83	95.51	95.81	95.51	96.02	95.33
2015	Oct-Dec	154,807	94.06	95.52	95.76	95.46	96.13	95.39
	Jan-Mar	132,533	94.04	95.58	95.84	95.65	96.18	95.46
	Apr-Jun	198,801	94.37	95.62	95.86	95.61	96.04	95.50
	Jul-Sep	267,252	94.25	95.52	95.84	95.53	95.99	95.42
2016	Oct-Dec	210,553	94.02	95.53	95.81	95.59	96.06	95.40

Source: US Department of HUD/FHA; January 2016.

^a Credit scores are cobranded between the three major credit repositories (Equifax, Experian, TransUnion) and Fair Isaac Corporation (FICO). Values can range from 300 to 850. FHA policy permits credit scores of 580 and above, except for loans with equity positions of 10 percent or more, which may have credit scores as low as 500. They are grouped here according to the “decision” score used for loan underwriting. The decision score represents the weakest borrower on a loan application when there are multiple applicants. Streamline refinance loans do not require full underwriting; therefore, they are not represented here.