



FHA SINGLE FAMILY ORIGINATION TRENDS

Credit Risk Report

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

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Table 1. Distribution of New Endorsements by Loan Amount (%)

Fiscal Year	Quarter	Initial Loan Amount (\$ thousands)								
		< 50	50–99	100–149	150–199	200–249	250–399	400–499	500–625.5	> 625.5
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
	Jan–Mar	1.27	13.46	25.12	22.67	15.64	17.12	2.84	1.62	0.26
	Apr–Jun	1.05	13.24	25.36	23.23	15.96	16.96	2.50	1.45	0.24

NOTES: Shares are based on loan counts. Excludes streamline refinancing.
SOURCE: U.S. Department of HUD/FHA, July 2016.

Table 2. Distribution of New Endorsements by Loan-to-Value Range (%)

Fiscal Year	Quarter	Loan-to-Value Range ^a			
		Up to 80 ^b	81–90	91–95	96–98 ^c
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
	Jan–Mar	8.10	13.24	8.22	70.45
	Apr–Jun	6.80	11.68	7.67	73.85

NOTES: Shares are based on loan counts. Excludes streamline refinancing.

^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 Loans with an LTV less than 80 percent.

^c 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.

SOURCE: U.S. Department of HUD/FHA, July 2016.

Table 3. Average Loan-to-Value Ratios on New Endorsements by Loan Purpose (%)

Fiscal Year	Quarter	Loan Purpose			
		Home Purchase	Conventional Loan Refinance	FHA-to-FHA Refinance ^a	All ^a
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
	Jan–Mar	95.65	78.92	82.33	92.90
	Apr–Jun	95.79	79.27	82.54	93.42

NOTE: In accordance with statutory requirements for determining eligibility of loans for FHA insurance, HUD measures loan-to-value without including any mortgage insurance premium financed in the loan balance.

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

SOURCE: U.S. Department of HUD/FHA, July 2016.

Table 4. Distribution of New Endorsements by Credit Score Range (%)

Fiscal Year	Quarter	Credit Score Range ^a				
		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
	Jan–Mar	5.96	12.00	36.45	26.36	19.08
	Apr–Jun	5.84	12.81	37.27	25.67	18.29

NOTES: Excludes streamline refinancing. Shares are based on loan counts.

^aCredit 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.

SOURCE: U.S. Department of HUD/FHA, July 2016.

Table 5. Average Borrower Credit Scores on New Endorsements by Loan Purpose

Fiscal Year	Quarter	Loan Purpose			
		Home Purchase	Conventional Loan Refinance	FHA-to-FHA Refinance ^a	All ^a
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
	Jan–Mar	681	676	672	681
	Apr–Jun	680	677	673	679

NOTE: Credit scores are co-branded between the three major credit repositories (Equifax, Experian, and Transunion) and Fair-Isaac Corporation. Values can range from 300 to 850. 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.

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

SOURCE: U.S. Department of HUD/FHA, July 2016.

Table 6. Early Payment Delinquency Rates by Product Type (%)

Loan Origination Month	Percentage of New Loan Originations			
	Home Purchase Loans	Fully Underwritten Refinance	Streamline Refinance	All Loans
Oct 2012	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
Jan 2013	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
Jan 2014	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
Jan 2015	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
Jun	0.42	0.26	0.38	0.40
Jul	0.48	0.22	0.41	0.43
Aug	0.44	0.29	0.47	0.43
Sept	0.34	0.16	0.40	0.33
Oct	0.32	0.23	0.31	0.31
Nov	0.30	0.20	0.31	0.29

NOTE: Early payment delinquencies are defined as loans that 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.
 SOURCE: U.S. Department of HUD/FHA, July 2016.

Table 7. Average Debt-to-Income Ratios on Purchase Endorsements by Credit Score (%)

Fiscal Year	Quarter	Loan Count	Credit Score Range ^a					All
			500–619	620–639	640–679	680–719	720–850	
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	210,553	36.16	40.66	41.09	41.02	41.04	39.99
	Jan–Mar	187,069	36.41	40.99	41.29	41.10	41.09	40.18
	Apr–Jun	225,136	36.24	40.76	41.23	40.93	40.89	40.01

^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.

SOURCE: U.S. Department of HUD/FHA, July 2016.

Table 8. Average Loan-to-Value Ratios on Purchase Endorsements by Credit Score (%)

Fiscal Year	Quarter	Loan Count	Credit Score Range ^a					All
			500–619	620–639	640–679	680–720	720–850	
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
	Jan–Mar	187,069	94.27	95.47	95.77	95.58	96.00	95.42
	Apr–Jun	225,136	94.55	95.67	95.89	95.71	96.13	95.59

^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.

SOURCE: U.S. Department of HUD/FHA, July 2016.