



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										
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	19.03	29.79	21.01	12.52	12.58	1.87	1.10	0.45
	Jan-Mar	1.56	18.43	28.97	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

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

^a Shares are based on loan counts.

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	DPA Loans ^e
2009	Oct-Dec	6.2	11.2	21.1	48.8	12.7
	Jan-Mar	6.9	13.4	23.4	55.3	1.0
	Apr-Jun	6.4	14.4	17.7	61.3	0.2
	Jul-Sep	6.0	15.2	11.5	67.1	0.1
2010	Oct-Dec	5.8	14.8	10.1	69.1	0.2
	Jan-Mar	6.8	16.9	10.9	65.3	0.1
	Apr-Jun	5.7	12.9	9.5	71.7	0.2
	Jul-Sep	6.0	13.9	9.9	70.1	0.1
2011	Oct-Dec	6.2	15.9	10.9	66.9	0.1
	Jan-Mar	7.6	16.9	10.4	65.0	0.1
	Apr-Jun	6.2	13.1	9.0	71.5	0.2
	Jul-Sep	5.2	11.0	8.8	74.7	0.3
2012	Oct-Dec	5.8	12.0	9.3	72.4	0.4
	Jan-Mar	7.5	12.5	9.3	70.6	0.2
	Apr-Jun	7.7	11.3	8.9	71.9	0.2
	Jul-Sep	5.1	9.3	9.6	75.9	0.2
2013	Oct-Dec	5.2	10.0	10.1	74.6	0.2
	Jan-Feb	6.0	11.5	10.8	71.6	0.2
	Apr-Jun	5.6	10.3	9.7	74.2	0.2

Source: US Department of HUD/FHA; July 2013

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

^b Shares are based on loan counts.

^c Loans with a loan-to-value (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.

^e DPA loans represent downpayment assistance programs that operate through tax-exempt organizations. The small share of loans today represents charitable sources of downpayment funds. The large shares in the first quarter of this table represent so-called seller-funded downpayment (DPA) programs. In this table, DPA loans are classified as a separate LTV category because the risk profile of seller-funded DPA loans is substantially different from other loans.

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	96.0	88.8	87.9	93.1
	Jan-Mar	96.0	88.9	88.3	92.6
	Apr-Jun	96.2	89.1	88.4	93.3
	Jul-Sep	96.1	89.2	88.0	93.9
2010	Oct-Dec	96.0	89.1	88.8	93.7
	Jan-Mar	95.9	89.4	89.4	93.2
	Apr-Jun	95.7	88.6	87.9	93.1
	Jul-Sep	95.6	86.8	85.8	93.2
2011	Oct-Dec	95.6	86.1	85.2	93.3
	Jan-Mar	95.5	86.2	87.1	92.9
	Apr-Jun	95.6	85.4	86.9	93.6
	Jul-Sep	95.6	86.0	88.0	93.5
2012	Oct-Dec	95.6	87.1	88.9	93.2
	Jan-Mar	95.6	85.7	87.7	92.7
	Apr-Jun	95.7	85.0	86.9	93.7
	Jul-Sep	95.9	85.3	87.5	94.3
2013	Oct-Dec	96.0	85.3	88.8	94.1
	Jan-Mar	96.0	83.4	88.4	93.4
	Apr-Jun	96.0	81.8	87.8	93.3

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

^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 Range								
(Excluding Streamline Refinance Cases)								
Fiscal Year	Quarter	Credit Score Ranges						
		(Shares ^a in Percent – Rows add to 100%)						
		300+	500+	580+	620+	680+	720+	N/A ^b
2009	Oct-Dec	0.1	5.1	18.6	37.5	17.2	20.5	0.9
	Jan-Mar	0.0	3.3	15.5	36.9	18.9	24.3	1.0
	Apr-Jun	0.0	1.5	8.4	38.2	21.2	29.7	1.0
	Jul-Sep	0.0	1.0	4.9	37.8	22.1	33.4	0.9
2010	Oct-Dec	0.0	0.7	4.0	38.5	22.5	33.5	0.9
	Jan-Mar	0.0	0.5	3.5	38.4	22.8	33.9	0.9
	Apr-Jun	0.0	0.4	2.7	38.5	22.7	35.0	0.8
	Jul-Sep	0.0	0.4	3.0	38.4	22.6	34.8	0.8
2011	Oct-Dec	0.0	0.3	2.5	36.1	23.2	37.1	0.8
	Jan-Mar	0.0	0.2	2.2	35.0	24.1	37.8	0.7
	Apr-Jun	0.0	0.2	2.6	37.5	23.8	35.4	0.6
	Jul-Sep	0.0	0.2	3.3	39.1	23.7	33.1	0.5
2012	Oct-Dec	0.0	0.2	3.2	39.3	23.9	33.0	0.4
	Jan-Mar	0.0	0.2	2.8	38.8	23.9	33.9	0.4
	Apr-Jun	0.0	0.2	2.5	39.5	24.2	33.2	0.3
	Jul-Sep	0.0	0.2	2.3	41.1	25.3	30.9	0.3
2013	Oct-Dec	0.0	0.2	2.1	41.6	26.0	29.9	0.3
	Jan-Feb	0.0	0.2	1.8	41.9	26.6	29.3	0.2
	Apr-Jun	0.0	0.1	1.5	43.9	27.4	26.9	0.2

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

^a Shares are based on loan counts.

^b Borrowers without credit histories can be underwritten for FHA insurance using alternative criteria.

Table 3b: Average Borrower Credit Scores ^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	673	652	649	666
	Jan-Mar	678	669	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	703	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

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

^a 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, and 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				
	(Shares ^b in Percent – Rows add to 100%)			
	Purchase Loans (%)	Fully Underwritten Refinance (%)	Streamline Refinance (%)	All Loans (%)
2009				
Dec	0.30	0.27	1.05	0.44
2010				
Jan	0.42	0.32	1.23	0.56
Feb	0.40	0.32	1.02	0.45
Mar	0.37	0.39	1.04	0.43
Apr	0.34	0.34	0.64	0.36
May	0.29	0.33	0.69	0.32
Jun	0.40	0.42	1.04	0.43
Jul	0.46	0.40	0.59	0.46
Aug	0.49	0.32	0.73	0.49
Sep	0.37	0.24	0.56	0.38
Oct	0.34	0.19	0.47	0.34
Nov	0.30	0.21	0.37	0.30
Dec	0.32	0.19	0.38	0.30
2011				
Jan	0.34	0.16	0.34	0.30
Feb	0.36	0.23	0.62	0.36
Mar	0.41	0.19	0.69	0.39
Apr	0.40	0.23	0.69	0.39
May	0.49	0.27	0.67	0.46
Jun	0.49	0.35	0.82	0.49
Jul	0.46	0.44	0.94	0.49
Aug	0.41	0.38	0.90	0.44
Sep	0.33	0.43	0.64	0.37
Oct	0.32	0.24	0.57	0.34
Nov	0.29	0.14	0.35	0.28
Dec	0.33	0.14	0.38	0.31
2012				
Jan	0.36	0.17	0.41	0.34
Feb	0.42	0.15	0.39	0.36
Mar	0.36	0.13	0.43	0.34
Apr	0.39	0.17	0.38	0.35
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

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

^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.

^b Shares are based on loan counts.

Table 5: Average Debt-to-Income Ratios on New Loan Endorsements by Credit Score Value Range								
(Excluding Streamline Refinance Cases)								
Fiscal Year	Quarter	Loan Count	Credit Score Value Ranges					
			N/A	Under 620	620-679	680-719	720-850	All
2009	Oct-Dec	261,430	35.21	40.35	42.31	42.58	41.21	40.33
	Jan-Mar	182,635	36.58	40.39	41.88	41.95	40.58	40.28
	Apr-Jun	228,751	36.56	40.16	41.44	41.08	39.78	39.81
	Jul-Sep	322,734	36.92	39.89	41.64	41.30	39.95	39.94
2010	Oct-Dec	304,928	36.82	39.68	41.51	41.27	39.94	39.85
	Jan-Mar	245,881	36.16	39.78	41.54	41.40	40.05	39.78
	Apr-Jun	289,775	36.38	39.59	41.18	41.13	39.62	39.58
	Jul-Sep	268,997	35.62	39.41	41.10	41.13	39.83	39.42
2011	Oct-Dec	196,801	35.70	39.50	40.73	40.81	39.64	39.28
	Jan-Mar	168,775	35.27	39.97	41.31	41.37	40.32	39.65
	Apr-Jun	201,157	35.54	39.15	41.13	41.34	40.30	39.49
	Jul-Sep	210,695	33.43	38.90	41.00	41.32	40.46	39.02
2012	Oct-Dec	176,168	32.14	38.64	40.76	41.05	40.41	38.60
	Jan-Mar	166,169	30.75	38.87	40.73	40.88	40.18	38.28
	Apr-Jun	193,557	30.24	38.57	40.45	40.62	39.94	37.96
	Jul-Sep	197,970	30.79	37.91	40.20	40.44	39.97	37.86
2013	Oct-Dec	177,852	29.66	38.20	39.94	40.29	39.82	37.58
	Jan-Mar	157,440	29.98	38.53	40.00	40.25	39.94	37.74
	Apr-Jun	181,296	29.71	37.69	39.75	40.07	39.87	37.42

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

Fiscal Year	Quarter	Loan Count	Credit Score Value Ranges					
			N/A	Under 620	620-679	680-719	720-850	All
2009	Oct-Dec	261,430	93.38	95.44	96.18	96.31	96.26	95.51
	Jan-Mar	182,635	94.33	95.28	95.96	96.22	96.21	95.60
	Apr-Jun	228,751	94.48	95.09	95.71	95.85	95.85	95.40
	Jul-Sep	322,734	94.39	94.77	95.62	95.73	95.64	95.23
2010	Oct-Dec	304,928	94.49	94.92	95.60	95.70	95.63	95.27
	Jan-Mar	245,881	94.17	94.50	95.60	95.62	95.51	95.08
	Apr-Jun	289,775	94.38	94.80	95.74	95.70	95.60	95.25
	Jul-Sep	268,997	94.08	94.77	95.62	95.68	95.52	95.13
2011	Oct-Dec	196,801	93.90	94.46	95.66	95.74	95.64	95.08
	Jan-Mar	168,775	93.89	94.53	95.55	95.69	95.58	95.05
	Apr-Jun	201,157	94.09	94.73	95.73	95.87	95.74	95.23
	Jul-Sep	210,695	94.36	94.83	95.92	95.99	95.90	95.40
2012	Oct-Dec	176,168	93.98	94.76	96.03	96.06	96.04	95.37
	Jan-Mar	166,169	92.97	95.05	95.97	96.11	96.14	95.25
	Apr-Jun	193,557	93.38	95.11	96.01	96.01	96.05	95.31
	Jul-Sep	197,970	93.48	94.97	95.95	96.03	96.02	95.29
2013	Oct-Dec	177,852	93.19	94.55	95.88	96.01	96.14	95.15
	Jan-Mar	157,440	93.05	94.44	95.87	95.95	96.12	95.09
	Apr-Jun	181,296	93.96	94.47	95.84	95.79	96.11	95.23

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