



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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FHA Single Family Origination Trends

Table 1: Loan Amount Distributions on New Endorsements										
By Fiscal Year (FY) and Quarter										
Fiscal Year (FY)	Months in FY Quarter	Loan Amount (In Thousands) (%)								
		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	1.17	13.39	24.68	22.36	15.62	18.74	2.63	1.03	0.37
	Apr-Jun	0.79	11.74	23.57	23.36	16.71	19.90	2.52	1.10	0.31
	Jul-Sep	0.90	11.53	22.68	22.59	16.46	21.00	3.25	1.18	0.41
2011	Oct-Dec	0.88	10.59	21.73	21.96	16.90	22.40	3.59	1.52	0.43
	Jan-Mar	0.90	11.40	22.75	22.00	16.98	20.86	3.16	1.52	0.44
	Apr-Jun	1.12	13.02	24.51	22.55	15.77	18.76	2.69	1.18	0.41
	Jul-Sep	1.13	13.10	24.84	22.26	15.68	18.47	2.99	1.15	0.37
2012	Oct-Dec	1.14	13.15	25.11	23.27	15.95	17.35	2.79	0.95	0.28
	Jan-Mar	1.16	13.46	25.18	22.45	15.62	18.26	2.64	1.00	0.23
	Apr-Jun	0.97	12.59	25.01	22.33	15.87	18.57	2.83	1.37	0.46
	Jul-Sep	0.87	12.45	24.66	22.44	16.00	18.44	3.33	1.40	0.41
2013	Oct-Dec	0.90	12.16	25.32	23.40	16.07	17.71	2.81	1.33	0.31
	Jan-Mar	0.95	11.82	24.58	23.18	15.98	18.63	3.13	1.37	0.36
	Apr-Jun ^a	0.87	11.87	24.84	22.78	15.48	19.42	2.95	1.39	0.40

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

^a Only includes data for the months of April and May 2013.

Fiscal Year (FY)	Months in FY Quarter	Loan-to-Value Ranges ^a				
		Up to 80 ^a (%)	81-90 (%)	91-95 (%)	96-98 (%)	DPA Loans ^b (%)
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	7.3	18.7	12.5	61.4	0.1
	Apr-Jun	5.9	14.9	11.8	67.3	0.1
	Jul-Sep	6.2	15.4	11.9	66.4	0.1
2011	Oct-Dec	6.3	17.7	13.6	62.4	0.1
	Jan-Mar	8.0	18.9	12.3	60.7	0.1
	Apr-Jun	6.7	15.2	10.9	67.1	0.1
	Jul-Sep	5.4	12.6	10.6	71.3	0.2
2012	Oct-Dec	6.0	13.7	11.2	68.8	0.2
	Jan-Mar	8.6	14.3	11.3	65.7	0.2
	Apr-Jun	9.0	13.0	10.7	67.0	0.2
	Jul-Sep	5.2	10.2	12.1	72.4	0.2
2013	Oct-Dec	4.9	11.3	12.6	71.2	0.1
	Jan-Feb	6.2	12.9	13.4	67.5	0.1
	Apr-Jun ^c	5.6	11.9	11.8	70.6	0.1

^a Loans with an loan-to-value (LTV) less than 80 percent.

^b Down Payment Assistance Loans

Source: US Department of HUD/FHA; May 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 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 programs. In this table, DPA loans are classified as a separate LTV category because their risk profile is substantially different from other loans.

^c Only includes data for the months of April and May 2013.

Table 2b: Average Loan-to-Value (LTV) Ratios ^a on New Endorsements					
By Fiscal Year, Quarter, and Loan Purpose					
Fiscal Year (FY)	Months in FY Quarter	Loan Purpose			
		Home Purchase	Conventional Loan Refinance	FHA-to-FHA Refinance ^b	All ^b
2009	Oct-Dec	96.03	88.63	88.83	90.53
	Jan-Mar	95.93	88.50	89.39	90.58
	Apr-Jun	95.71	88.31	87.90	90.06
	Jul-Sep	95.59	86.62	85.83	88.67
2010	Oct-Dec	95.59	86.11	85.23	88.98
	Jan-Mar	95.51	90.50	87.05	90.89
	Apr-Jun	95.64	85.36	86.93	89.31
	Jul-Sep	95.55	85.99	87.96	89.83
2011	Oct-Dec	95.62	87.05	88.94	90.54
	Jan-Mar	95.56	85.68	87.73	89.66
	Apr-Jun	95.73	85.00	86.85	89.19
	Jul-Sep	95.88	85.30	87.50	89.56
2012	Oct-Dec	95.98	85.29	88.79	90.02
	Jan-Mar	96.01	83.44	88.37	89.27
	Apr-Jun	95.99	81.79	87.85	88.54
	Jul-Sep	95.96	83.74	87.73	89.14
2013	Oct-Dec	95.95	84.43	87.80	89.39
	Jan-Mar	95.93	84.59	87.53	89.35
	Apr-Jun ^c	95.90	84.22	86.65	88.92

Source: US Department of HUD/FHA; May 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. The upfront insurance premium charged since the start of FY 2011 has been 1.00 percent; for FY 2009 and through March 2010 it was 1.75 percent for fully-underwritten loans and 1.50 percent on streamline refinance loans. The premium rate was temporarily raised to 2.25 percent in April 2010, for all loans, for the remainder of FY 2010. Prior to FY 2009, the upfront premium rate varied depending on a number of factors.

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

^c Only includes data for the months of April and May 2013.

Fiscal Year (FY)	Months in FY Quarter	Credit Score Ranges						
		Under 500 (%)	501-579 (%)	580-619 (%)	620-679 (%)	680-719 (%)	>720 (%)	Missing (%)
2009	Oct-Dec	0.09	5.44	18.94	37.43	16.99	20.16	0.94
	Jan-Mar	0.04	3.61	15.78	36.91	18.76	23.92	0.99
	Apr-Jun	0.03	1.64	8.91	38.18	21.04	29.22	0.98
	Jul-Sep	0.03	1.02	5.42	37.82	21.91	32.89	0.92
2010	Oct-Dec	0.02	0.69	4.52	38.58	22.29	33.02	0.88
	Jan-Mar	0.01	0.49	3.52	36.98	23.45	34.74	0.80
	Apr-Jun	0.02	0.34	2.69	36.66	23.20	36.26	0.83
	Jul-Sep	0.01	0.33	2.98	36.85	22.89	36.12	0.83
2011	Oct-Dec	0.02	0.36	2.48	34.86	23.58	37.98	0.72
	Jan-Mar	0.01	0.24	1.97	34.33	24.39	38.46	0.60
	Apr-Jun	0.01	0.24	2.28	36.25	24.51	36.22	0.49
	Jul-Sep	0.04	0.28	3.10	38.17	24.18	33.79	0.45
2012	Oct-Dec	0.00	0.22	3.05	38.48	24.46	33.49	0.30
	Jan-Mar	0.00	0.21	2.71	37.90	24.60	34.31	0.27
	Apr-Jun	0.00	0.29	2.24	38.51	24.28	34.52	0.17
	Jul-Sep	0.00	0.20	2.10	40.91	25.82	30.77	0.20
2013	Oct-Dec	0.00	0.22	1.89	41.00	26.29	30.43	0.17
	Jan-Feb	0.00	0.17	1.59	41.19	26.73	30.17	0.15
	Apr-Jun ^a	0.00	0.14	1.33	42.85	26.87	28.66	0.15

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

^a Only includes data for the months of April and May 2013.

Table 3b: Average Borrower Credit Scores ^a on New Endorsements					
By Fiscal Year, Quarter, and Loan Purpose					
Fiscal Year (FY)	Months in FY Quarter	Loan Purpose			
		Home Purchase	Conventional Loan Refinance	FHA-to-FHA Refinance ^b	All ^b
2009	Oct-Dec	673	627	649	644
	Jan-Mar	678	630	663	650
	Apr-Jun	688	647	676	665
	Jul-Sep	697	662	678	675
2010	Oct-Dec	697	690	680	689
	Jan-Mar	697	681	686	686
	Apr-Jun	698	699	689	696
	Jul-Sep	698	701	694	697
2011	Oct-Dec	701	705	701	702
	Jan-Mar	703	708	704	705
	Apr-Jun	700	703	700	701
	Jul-Sep	698	695	698	697
2012	Oct-Dec	696	702	706	701
	Jan-Mar	696	708	709	704
	Apr-Jun	695	711	709	705
	Jul-Sep	696	698	704	699
2013	Oct-Dec	695	697	703	698
	Jan-Mar	695	697	703	698
	Apr-Jun ^c	693	695	700	696

Source: US Department of HUD/FHA; May 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.

^c Only includes data for the months of April and May 2013.

FHA Single Family Origination Trends

Table 4: Early Payment Delinquency Rates ^a				
By Product Type and Month of Loan Origination				
	Purchase Loans (%)	Fully Underwritten Refinance (%)	Streamline Refinance (%)	All Loans (%)
2009				
Nov	0.31	0.59	1.18	0.52
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

Source: US Department of HUD/FHA; May 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.

Fiscal Year	Months in FY Quarter	Loan Count	Credit Score Value Ranges					
			N/A	Under 620	620-679	680-719	720-850	All
2009	Oct-Dec	261,430	35.31	40.36	42.31	42.57	41.21	40.35
	Jan-Mar	182,635	36.61	40.39	41.88	41.95	40.58	40.28
	Apr-Jun	228,751	36.57	40.17	41.44	41.08	39.78	39.81
	Jul-Sep	322,734	36.95	39.90	41.64	41.30	39.95	39.95
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	36.44	39.59	41.18	41.13	39.62	39.59
	Jul-Sep	268,997	35.59	39.42	41.10	41.13	39.83	39.41
2011	Oct-Dec	196,801	35.72	39.50	40.73	40.81	39.64	39.28
	Jan-Mar	168,775	35.19	39.97	41.31	41.38	40.32	39.63
	Apr-Jun	201,157	35.60	39.15	41.13	41.34	40.30	39.50
	Jul-Sep	210,695	33.41	38.90	41.00	41.32	40.46	39.02
2012	Oct-Dec	176,168	32.21	38.64	40.76	41.05	40.41	38.61
	Jan-Mar	166,169	31.29	38.87	40.73	40.88	40.18	38.39
	Apr-Jun	193,557	30.22	38.57	40.45	40.62	39.94	37.96
	Jul-Sep	197,970	30.75	37.91	40.20	40.44	39.97	37.85
2013	Oct-Dec	177,853	29.66	38.20	39.94	40.29	39.82	37.58
	Jan-Mar	157,442	29.98	38.53	40.00	40.25	39.94	37.74
	Apr-Jun ^a	119,877	30.19	38.30	39.83	40.10	39.82	37.65

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

^a Only includes data for the months of April and May 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	93.40	95.44	96.18	96.31	96.26	95.52
	Jan-Mar	182,635	94.33	95.28	95.96	96.22	96.21	95.60
	Apr-Jun	228,751	94.50	95.09	95.71	95.85	95.85	95.40
	Jul-Sep	322,734	94.40	94.77	95.62	95.73	95.64	95.23
2010	Oct-Dec	304,928	94.48	94.92	95.60	95.70	95.63	95.27
	Jan-Mar	245,881	94.15	94.50	95.60	95.62	95.51	95.08
	Apr-Jun	289,775	94.39	94.80	95.74	95.70	95.60	95.25
	Jul-Sep	268,997	94.11	94.77	95.62	95.68	95.52	95.14
2011	Oct-Dec	196,801	93.91	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	94.10	94.73	95.73	95.87	95.74	95.23
	Jul-Sep	210,695	94.38	94.83	95.92	95.99	95.90	95.40
2012	Oct-Dec	176,168	93.99	94.76	96.03	96.06	96.04	95.38
	Jan-Mar	166,169	93.00	95.05	95.97	96.11	96.14	95.25
	Apr-Jun	193,557	93.37	95.11	96.01	96.01	96.05	95.31
	Jul-Sep	197,970	93.46	94.97	95.95	96.03	96.02	95.29
2013	Oct-Dec	177,853	93.19	94.55	95.88	96.01	96.14	95.15
	Jan-Mar	157,442	93.05	94.44	95.87	95.95	96.12	95.09
	Apr-Jun ^a	119,877	94.66	94.63	95.87	95.82	96.12	95.42

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

^a Only includes data for the months of April and May 2013.