May 2021 Credit Risk Report

# FHA Single Family Loan Performance Trends

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

## Table of Contents

Table 1. Deliquency Rates by Month ..... 2
Table 2. New 90+ Day Delinquencies by Reason for Delinquency ..... 3
Table 3. Delinquency Rates by Loan and Property Characteristics ..... 4
Table 4. Monthly Foreclosure Statistics and Trends ..... 6
Table 5. REO Recovery Rates ..... 7
Table 6. REO Components of Loss by Property Disposition Month ..... 9

## Table of Figures

Figure 1: Failure Rate by Fiscal Year ..... 10

## Table 1. Delinquency Rates by Month

| Month | Active Insurance in Force (EOM) | Delinquency Rates[a](%) | | | Exceptions[b](%) | | Serious Delinquency Rate[c] (%) |
|---|---|---|---|---|---|---|---|
| | | 30-day | 60-day | 90-day | In Foreclosure | In Bankruptcy | |
| **Non-Seasonally Adjusted** | | | | | | | |
| May 2020 | 8,098,590 | 6.37 | 5.99 | 4.01 | 0.34 | 0.56 | 4.91 |
| Jun | 8,066,691 | 4.74 | 3.71 | 8.13 | 0.25 | 0.58 | 8.97 |
| Jul | 8,038,312 | 4.15 | 2.51 | 9.74 | 0.26 | 0.58 | 10.58 |
| Aug | 8,013,146 | 4.12 | 2.16 | 10.48 | 0.26 | 0.62 | 11.35 |
| Sep | 7,988,354 | 4.01 | 1.99 | 10.72 | 0.25 | 0.61 | 11.59 |
| Oct | 7,953,267 | 3.90 | 1.82 | 10.89 | 0.24 | 0.60 | 11.73 |
| Nov | 7,913,900 | 3.89 | 1.71 | 11.07 | 0.23 | 0.60 | 11.90 |
| Dec | 7,872,710 | 3.92 | 1.69 | 11.08 | 0.22 | 0.59 | 11.89 |
| Jan 2021 | 7,854,545 | 3.62 | 1.60 | 11.07 | 0.22 | 0.55 | 11.83 |
| Feb | 7,820,058 | 3.83 | 1.50 | 10.72 | 0.18 | 0.47 | 11.37 |
| Mar | 7,754,867 | 2.72 | 1.19 | 10.88 | 0.20 | 0.53 | 11.61 |
| Apr | 7,712,623 | 2.60 | 1.01 | 10.38 | 0.20 | 0.49 | 11.06 |
| May | 7,675,350 | 3.12 | 1.02 | 9.91 | 0.20 | 0.49 | 10.59 |
| **Seasonally Adjusted** | | | | | | | |
| May 2020 | 8,098,590 | 6.80 | 6.62 | 4.26 | 0.34 | 0.55 | 5.15 |
| Jun | 8,066,691 | 4.81 | 3.93 | 8.63 | 0.25 | 0.57 | 9.45 |
| Jul | 8,038,312 | 4.25 | 2.56 | 10.40 | 0.26 | 0.58 | 11.24 |
| Aug | 8,013,146 | 4.02 | 2.10 | 10.88 | 0.26 | 0.62 | 11.76 |
| Sep | 7,988,354 | 3.85 | 1.88 | 10.76 | 0.26 | 0.62 | 11.64 |
| Oct | 7,953,267 | 3.67 | 1.68 | 10.74 | 0.25 | 0.60 | 11.60 |
| Nov | 7,913,900 | 3.54 | 1.52 | 10.34 | 0.23 | 0.60 | 11.17 |
| Dec | 7,872,710 | 3.48 | 1.48 | 10.13 | 0.22 | 0.59 | 10.94 |
| Jan 2021 | 7,854,545 | 3.47 | 1.44 | 9.96 | 0.22 | 0.54 | 10.72 |
| Feb | 7,820,058 | 3.90 | 1.53 | 10.18 | 0.17 | 0.47 | 10.83 |
| Mar | 7,754,867 | 3.15 | 1.37 | 11.31 | 0.20 | 0.53 | 12.04 |
| Apr | 7,712,623 | 2.84 | 1.15 | 10.89 | 0.19 | 0.48 | 11.56 |
| May | 7,675,350 | 3.33 | 1.13 | 10.51 | 0.19 | 0.48 | 11.19 |

EOM = end of month.

[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] Serious delinquency rates are the sum of 90 day delinquencies, plus in-foreclosures and in-bankruptcies.

Due to late reporting by a large servicer, the delinquency rates for February 2021 are likely understated.

SOURCE: U.S. Department of HUD/FHA, June 2021.

**Table 2. New 90+ Day Delinquencies by Reason for Delinquency**

| Fiscal Year and Quarter | New 90+ Day Delinquencies | Share by Reason for Delinquency (%) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Reduction of Income | Unemployed | Excessive Obligations | Death or Illness of Principal Borrower | Marital Difficulties | No Contact | National Emergency[a] | Other[b] |
| 2016 Q3 | 66,500 | 30.71 | 6.72 | 22.54 | 13.25 | 4.18 | 10.72 | 0.77 | 11.12 |
| 2016 Q4 | 85,289 | 31.64 | 6.95 | 23.28 | 13.03 | 4.01 | 9.70 | 0.80 | 10.59 |
| 2017 Q1 | 94,958 | 31.18 | 6.69 | 23.79 | 13.03 | 3.80 | 9.30 | 0.90 | 11.32 |
| 2017 Q2 | 75,376 | 31.27 | 6.84 | 23.71 | 13.07 | 3.83 | 9.87 | 1.09 | 10.32 |
| 2017 Q3 | 65,531 | 30.35 | 6.72 | 23.54 | 13.61 | 3.90 | 10.01 | 1.48 | 10.39 |
| 2017 Q4 | 87,286 | 30.82 | 6.69 | 23.96 | 12.80 | 3.72 | 9.28 | 1.88 | 10.85 |
| 2018 Q1 | 157,584 | 23.74 | 4.45 | 21.78 | 8.44 | 2.37 | 7.30 | 1.67 | 30.26 |
| 2018 Q2 | 88,660 | 28.36 | 5.89 | 23.45 | 11.42 | 3.21 | 8.89 | 2.18 | 16.60 |
| 2018 Q3 | 64,397 | 29.77 | 6.28 | 23.77 | 12.41 | 3.73 | 9.10 | 3.44 | 11.50 |
| 2018 Q4 | 84,222 | 30.08 | 6.35 | 23.92 | 12.59 | 3.74 | 8.93 | 4.35 | 10.04 |
| 2019 Q1 | 92,065 | 29.42 | 6.17 | 24.04 | 12.51 | 3.49 | 8.87 | 5.49 | 10.02 |
| 2019 Q2 | 84,788 | 28.91 | 6.26 | 22.98 | 12.43 | 3.46 | 8.89 | 7.73 | 9.34 |
| 2019 Q3 | 69,223 | 27.00 | 5.95 | 22.21 | 12.32 | 3.50 | 8.37 | 11.55 | 9.09 |
| 2019 Q4 | 90,457 | 25.52 | 5.54 | 21.72 | 11.50 | 3.13 | 7.91 | 16.17 | 8.52 |
| 2020 Q1 | 113,969 | 21.52 | 4.61 | 18.28 | 9.38 | 2.41 | 7.25 | 25.06 | 11.49 |
| 2020 Q2 | 86,490 | 16.79 | 4.52 | 14.85 | 7.35 | 1.79 | 8.74 | 38.64 | 7.32 |
| 2020 Q3 | 467,424 | 4.87 | 2.07 | 2.04 | 0.78 | 0.15 | 1.38 | 85.11 | 3.59 |
| 2020 Q4 | 349,928 | 3.70 | 1.82 | 1.81 | 0.72 | 0.13 | 1.47 | 87.24 | 3.10 |
| 2021 Q1 | 189,162 | 3.88 | 2.10 | 2.48 | 1.25 | 0.23 | 3.01 | 84.05 | 2.98 |
| 2021 Q2 | 138,343 | 3.56 | 2.12 | 2.56 | 1.43 | 0.22 | 3.76 | 82.99 | 3.36 |
| 2021 Q3 - Apr | 28,266 | 2.51 | 1.72 | 2.20 | 1.87 | 0.24 | 4.70 | 83.41 | 3.34 |
| 2021 Q3 - May | 24,586 | 2.89 | 1.64 | 2.72 | 1.71 | 0.27 | 7.06 | 79.60 | 4.11 |

[a] Includes neighborhood problems and COVID-19 Pandemic.
[b] Includes abandonment of property, distant employment transfer, 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.

Due to late reporting by a large servicer, the delinquency rates for February 2021 are likely understated.
SOURCE: U.S. Department of HUD/FHA, June 2021.

**Table 3. Delinquency Rates by Loan and Property Characteristics**

| | IIF Shares[a] | Rates in Percent of Active Loan Counts | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | All Past Due[b] | 30 Day | 60 Day | 90+ Day | In Foreclosure | In Bankruptcy | Serious Delinquency Rate[c] |
| **Loan Purpose** | | | | | | | | |
| All Active Loans | 7,675,350 | 14.73 | 3.12 | 1.02 | 9.91 | 0.20 | 0.49 | 10.59 |
| Purchase | 68.40 | 16.29 | 3.47 | 1.15 | 10.95 | 0.20 | 0.52 | 11.67 |
| Refinance | 31.60 | 11.35 | 2.36 | 0.75 | 7.65 | 0.18 | 0.41 | 8.24 |
| **Refinance** | | | | | | | | |
| Refinance Loans | 2,425,052 | 11.35 | 2.36 | 0.75 | 7.65 | 0.18 | 0.41 | 8.24 |
| Conventional | 30.08 | 12.74 | 2.84 | 0.87 | 8.26 | 0.28 | 0.50 | 9.03 |
| No Cash-out | 17.20 | 12.07 | 2.82 | 0.83 | 7.63 | 0.28 | 0.51 | 8.41 |
| Cash-out | 12.88 | 13.64 | 2.86 | 0.92 | 9.09 | 0.28 | 0.48 | 9.86 |
| FHA | 14.27 | 11.39 | 2.28 | 0.71 | 7.92 | 0.11 | 0.37 | 8.39 |
| No Cash-out | 7.77 | 9.82 | 2.12 | 0.64 | 6.62 | 0.10 | 0.33 | 7.06 |
| Cash-out | 6.50 | 13.26 | 2.48 | 0.79 | 9.47 | 0.11 | 0.41 | 9.99 |
| Streamline | 55.65 | 10.59 | 2.12 | 0.69 | 7.25 | 0.15 | 0.37 | 7.78 |
| **Credit Score Range[d]** | | | | | | | | |
| Loans with Credit Scores | 6,067,318 | 15.28 | 3.16 | 1.04 | 10.42 | 0.19 | 0.48 | 11.08 |
| < 500 | 0.09 | 32.01 | 6.83 | 2.77 | 19.95 | 0.86 | 1.60 | 22.41 |
| 500-579 | 1.68 | 28.51 | 6.63 | 2.16 | 17.73 | 0.61 | 1.37 | 19.72 |
| 580-619 | 8.07 | 25.88 | 5.32 | 1.86 | 17.39 | 0.33 | 0.97 | 18.70 |
| 620-659 | 33.46 | 19.94 | 4.16 | 1.38 | 13.51 | 0.22 | 0.67 | 14.40 |
| 660-719 | 39.43 | 12.48 | 2.53 | 0.81 | 8.66 | 0.14 | 0.33 | 9.13 |
| 720-850 | 17.27 | 6.29 | 1.25 | 0.40 | 4.40 | 0.11 | 0.13 | 4.65 |
| **Fiscal Year Cohort** | | | | | | | | |
| All Cohorts | 7,675,350 | 14.73 | 3.12 | 1.02 | 9.91 | 0.20 | 0.49 | 10.59 |
| pre-2006 | 7.99 | 17.03 | 4.89 | 1.56 | 9.43 | 0.39 | 0.76 | 10.58 |
| 2006 | 0.85 | 21.33 | 5.52 | 1.75 | 12.57 | 0.56 | 0.94 | 14.06 |
| 2007 | 0.83 | 23.38 | 5.67 | 1.92 | 13.85 | 0.76 | 1.17 | 15.78 |
| 2008 | 1.91 | 24.06 | 5.66 | 1.82 | 14.74 | 0.71 | 1.12 | 16.58 |
| 2009 | 3.85 | 18.20 | 4.20 | 1.40 | 11.28 | 0.50 | 0.83 | 12.60 |
| 2010 | 4.73 | 15.10 | 3.39 | 1.07 | 9.68 | 0.33 | 0.64 | 10.65 |
| 2011 | 3.79 | 13.62 | 3.00 | 0.95 | 8.87 | 0.27 | 0.53 | 9.68 |
| 2012 | 4.75 | 12.01 | 2.60 | 0.78 | 7.96 | 0.20 | 0.46 | 8.63 |
| 2013 | 6.68 | 10.72 | 2.22 | 0.68 | 7.24 | 0.17 | 0.42 | 7.83 |
| 2014 | 3.02 | 17.06 | 3.60 | 1.12 | 11.17 | 0.29 | 0.88 | 12.34 |
| 2015 | 5.23 | 17.45 | 3.51 | 1.10 | 11.78 | 0.23 | 0.84 | 12.84 |
| 2016 | 7.47 | 17.74 | 3.45 | 1.11 | 12.23 | 0.19 | 0.76 | 13.18 |
| 2017 | 8.38 | 18.83 | 3.52 | 1.16 | 13.32 | 0.19 | 0.64 | 14.15 |
| 2018 | 7.03 | 21.97 | 3.79 | 1.31 | 16.05 | 0.22 | 0.61 | 16.87 |
| 2019 | 7.28 | 21.63 | 3.61 | 1.28 | 16.33 | 0.11 | 0.30 | 16.74 |
| 2020 | 13.83 | 11.68 | 2.27 | 0.84 | 8.51 | 0.01 | 0.05 | 8.57 |
| 2021 | 12.38 | 2.04 | 1.06 | 0.32 | 0.66 | 0.00 | 0.00 | 0.66 |

**Table 3. Delinquency Rates by Loan and Property Characteristics**

| | | Rates in Percent of Active Loan Counts | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | IIF Shares[a] | All Past Due[b] | 30 Day | 60 Day | 90+ Day | In Foreclosure | In Bankruptcy | Seriously Delinquency Rate[c] |
| **Loan Amount at Origination ($ thousands)** | | | | | | | | |
| All Loan Amounts | 7,675,350 | 14.73 | 3.12 | 1.02 | 9.91 | 0.20 | 0.49 | 10.59 |
| < 50 | 2.26 | 13.02 | 3.92 | 1.16 | 6.90 | 0.47 | 0.57 | 7.95 |
| 50-99 | 19.96 | 13.57 | 3.51 | 1.09 | 8.04 | 0.32 | 0.60 | 8.97 |
| 100-149 | 25.42 | 14.49 | 3.29 | 1.06 | 9.34 | 0.21 | 0.58 | 10.13 |
| 150-199 | 20.15 | 14.98 | 3.09 | 1.02 | 10.24 | 0.15 | 0.48 | 10.87 |
| 200-249 | 13.49 | 15.01 | 2.82 | 0.97 | 10.72 | 0.12 | 0.39 | 11.22 |
| 250-399 | 15.57 | 15.80 | 2.68 | 0.94 | 11.74 | 0.11 | 0.32 | 12.18 |
| 400-499 | 1.96 | 16.66 | 2.35 | 0.91 | 13.03 | 0.12 | 0.25 | 13.40 |
| > 499 | 1.19 | 18.25 | 2.22 | 0.92 | 14.74 | 0.18 | 0.20 | 15.11 |
| **Property Type** | | | | | | | | |
| All Property Types | 7,675,350 | 14.73 | 3.12 | 1.02 | 9.91 | 0.20 | 0.49 | 10.59 |
| Detached | 86.23 | 14.80 | 3.16 | 1.03 | 9.93 | 0.18 | 0.49 | 10.61 |
| Manufactured Housing | 3.62 | 12.67 | 3.23 | 0.98 | 7.62 | 0.35 | 0.50 | 8.47 |
| 2-4 Units | 2.32 | 15.43 | 2.37 | 0.95 | 11.47 | 0.35 | 0.28 | 12.11 |
| Condo | 2.63 | 12.55 | 2.29 | 0.77 | 8.80 | 0.26 | 0.43 | 9.49 |
| Townhouse | 5.19 | 15.91 | 3.15 | 1.11 | 10.99 | 0.19 | 0.47 | 11.65 |
| **Purchase Loan Type** | | | | | | | | |
| All Purchase Loans | 5,249,932 | 16.29 | 3.47 | 1.15 | 10.95 | 0.20 | 0.52 | 11.67 |
| Repeat | 15.32 | 13.73 | 3.15 | 0.94 | 9.01 | 0.19 | 0.45 | 9.64 |
| First-time | 84.68 | 16.76 | 3.53 | 1.19 | 11.30 | 0.21 | 0.54 | 12.04 |
| **Down Payment Assistance (DPA) Type** | | | | | | | | |
| All Sources of Funds | 7,675,350 | 14.73 | 3.12 | 1.02 | 9.91 | 0.20 | 0.49 | 10.59 |
| Government | 8.60 | 16.90 | 3.34 | 1.18 | 11.58 | 0.22 | 0.58 | 12.38 |
| Relative | 15.92 | 18.89 | 3.97 | 1.31 | 12.84 | 0.20 | 0.57 | 13.61 |
| Other | 1.85 | 20.78 | 4.84 | 1.56 | 13.11 | 0.35 | 0.92 | 14.38 |
| Seller Funded | 0.48 | 27.41 | 6.25 | 2.12 | 16.95 | 0.64 | 1.46 | 19.05 |
| No DPA | 73.15 | 13.34 | 2.84 | 0.92 | 8.94 | 0.19 | 0.44 | 9.57 |

IIF = insurance in force.
[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.
[d] Credit score reporting began in May 2004 but was not mandatory until July 2008. Streamline Refinance loans do not require credit score reporting.
SOURCE: U.S. Department of HUD/FHA, June 2021.

## Table 4. Monthly Foreclosure Statistics and Trends

| Fiscal Year | Month | Insurance in Force | Foreclosure Starts | In Foreclosure[a] | Foreclosure Claims[b] | Foreclosure Starts: 6-month MA[c] | Annualized Foreclosure Rate[d]% |
|---|---|---|---|---|---|---|---|
| 2018 | May | 8,015,714 | 10,277 | 89,409 | 5,804 | 9,819 | 0.87 |
| | Jun | 8,024,523 | 9,115 | 87,390 | 5,440 | 9,862 | 0.81 |
| | Jul | 8,031,487 | 8,390 | 82,258 | 4,882 | 9,614 | 0.73 |
| | Aug | 8,037,609 | 9,822 | 85,106 | 5,207 | 9,593 | 0.77 |
| | Sep | 8,048,639 | 7,836 | 83,334 | 4,151 | 9,190 | 0.62 |
| 2019 | Oct | 8,062,967 | 10,365 | 81,407 | 5,549 | 9,301 | 0.82 |
| | Nov | 8,077,125 | 9,327 | 80,980 | 4,488 | 9,143 | 0.66 |
| | Dec | 8,086,151 | 9,438 | 80,094 | 4,086 | 9,196 | 0.60 |
| | Jan | 8,112,026 | 11,407 | 83,174 | 4,469 | 9,699 | 0.66 |
| | Feb | 8,117,180 | 10,295 | 84,258 | 4,355 | 9,778 | 0.64 |
| | Mar | 8,118,034 | 10,214 | 81,377 | 4,703 | 10,174 | 0.69 |
| | Apr | 8,117,498 | 9,467 | 78,277 | 4,883 | 10,025 | 0.72 |
| | May | 8,114,839 | 8,886 | 76,321 | 3,984 | 9,951 | 0.59 |
| | Jun | 8,114,665 | 7,719 | 74,502 | 3,746 | 9,665 | 0.55 |
| | Jul | 8,116,418 | 8,065 | 73,946 | 3,761 | 9,108 | 0.55 |
| | Aug | 8,117,513 | 9,076 | 73,562 | 4,032 | 8,905 | 0.59 |
| | Sep | 8,107,806 | 7,843 | 72,575 | 3,558 | 8,509 | 0.53 |
| 2020 | Oct | 8,098,839 | 9,782 | 71,711 | 4,163 | 8,562 | 0.62 |
| | Nov | 8,094,347 | 8,623 | 71,543 | 3,652 | 8,518 | 0.54 |
| | Dec | 8,096,131 | 9,115 | 73,070 | 3,566 | 8,751 | 0.53 |
| | Jan | 8,125,137 | 10,761 | 75,086 | 3,855 | 9,200 | 0.57 |
| | Feb | 8,128,001 | 10,449 | 75,294 | 3,378 | 9,429 | 0.50 |
| | Mar | 8,122,723 | 6,027 | 45,107 | 3,910 | 9,126 | 0.58 |
| | Apr | 8,118,070 | 68 | 32,204 | 3,365 | 7,507 | 0.50 |
| | May | 8,098,590 | 294 | 27,748 | 2,301 | 6,119 | 0.34 |
| | Jun | 8,066,691 | 442 | 20,552 | 2,082 | 4,674 | 0.31 |
| | Jul | 8,038,312 | 593 | 20,737 | 1,802 | 2,979 | 0.27 |
| | Aug | 8,013,146 | 378 | 20,789 | 1,589 | 1,300 | 0.24 |
| | Sep | 7,988,354 | 475 | 20,009 | 1,666 | 375 | 0.25 |
| 2021 | Oct | 7,953,267 | 412 | 19,270 | 1,644 | 432 | 0.25 |
| | Nov | 7,913,900 | 391 | 17,932 | 1,342 | 449 | 0.20 |
| | Dec | 7,872,710 | 422 | 17,397 | 1,479 | 445 | 0.23 |
| | Jan | 7,854,545 | 358 | 17,037 | 1,206 | 406 | 0.18 |
| | Feb | 7,820,058 | 494 | 13,862 | 1,250 | 425 | 0.19 |
| | Mar | 7,754,867 | 577 | 15,667 | 1,540 | 442 | 0.24 |
| | Apr | 7,712,623 | 491 | 15,230 | 1,130 | 456 | 0.18 |
| | May | 7,675,350 | 423 | 15,061 | 982 | 461 | 0.15 |

[a] Numbers of loans are in some stage of foreclosure processing at the end of each month.
[b] This is the number of claims paid by HUD. These are nearly all for completed foreclosure actions.
[c] The six-month moving average of foreclosure starts is presented here to smooth out variations in actual starts each month.
[d] An annualized foreclosure rate takes the monthly foreclosure claim rate and transforms that into its annual equivalency. That is, if the same foreclosure claim rate continued for 12 straight months, then the figure is the final annual foreclosure rate result as a percentage of beginning insurance-in-force.
SOURCE: U.S. Department of HUD/FHA, June 2021.

**Table 5. REO Recovery Rates**

| Disposition State[b] | Dispositions | Recovery Rates (%) | | | Percentage Point Change | |
|---|---|---|---|---|---|---|
| | | April 2021 | March 2021 | April 2020 | From Previous Month | From Previous Year |
| US | 500 | 58.8 | 59.5 | 46.3 | -0.7 | 12.5 |
| IL | 37 | 29.8 | 22.5 | 17.8 | 7.2 | 12.0 |
| PR | 36 | 66.3 | 64.1 | na | 2.2 | na |
| PA | 29 | 70.9 | 45.5 | 29.8 | 25.4 | 41.1 |
| NY | 26 | 24.0 | 33.9 | 7.5 | -10.0 | 16.5 |
| OH | 26 | 54.3 | 54.2 | 35.4 | 0.2 | 18.9 |
| TX | 24 | 68.1 | 67.5 | 65.2 | 0.6 | 2.9 |
| NJ | 20 | 43.8 | 49.7 | 31.1 | -5.9 | 12.8 |
| AL | 19 | 45.6 | 50.8 | 52.8 | -5.2 | -7.2 |
| MO | 19 | 56.5 | 71.2 | 44.7 | -14.7 | 11.8 |
| KS | 17 | 49.3 | 78.5 | 58.4 | -29.2 | -9.1 |
| LA | 17 | 37.8 | 34.9 | 38.3 | 2.9 | -0.5 |
| OK | 17 | 47.0 | 59.8 | 47.4 | -12.7 | -0.3 |
| CT | 16 | 55.6 | 58.1 | 42.2 | -2.5 | 13.4 |
| FL | 16 | 62.7 | 74.2 | 60.2 | -11.5 | 2.5 |
| GA | 14 | 58.5 | 83.1 | 47.6 | -24.7 | 10.9 |
| KY | 13 | 63.1 | 56.0 | 34.4 | 7.1 | 28.7 |
| MI | 12 | 66.3 | 51.3 | 47.1 | 14.9 | 19.2 |
| MD | 10 | 60.6 | 61.3 | 44.6 | -0.6 | 16.0 |
| MS | 10 | 54.3 | 63.2 | 51.1 | -9.0 | 3.1 |
| TN | 10 | 75.3 | 71.5 | 64.9 | 3.8 | 10.4 |
| ND | 8 | 58.7 | 59.3 | 36.5 | -0.7 | 22.2 |
| NC | 7 | 83.8 | 83.1 | 49.3 | 0.7 | 34.5 |
| NM | 7 | 41.6 | 50.1 | 53.1 | -8.5 | -11.6 |
| VA | 7 | 84.6 | 77.5 | 66.0 | 7.1 | 18.6 |
| WY | 7 | 81.9 | 71.9 | 49.7 | 10.0 | 32.2 |
| IA | 6 | 68.5 | 30.5 | 29.3 | 38.0 | 39.2 |
| MN | 6 | 79.5 | 68.5 | 75.7 | 10.9 | 3.8 |
| WI | 6 | 36.3 | 4.0 | 45.0 | 32.2 | -8.7 |
| IN | 5 | 89.5 | 72.3 | 43.9 | 17.2 | 45.6 |
| MT | 5 | 72.6 | na | 30.8 | na | 41.9 |
| SC | 5 | 63.3 | 62.6 | 52.2 | 0.7 | 11.1 |
| WA | 5 | 174.2 | 126.8 | 61.4 | 47.4 | 112.8 |
| WV | 5 | 31.3 | 68.1 | 41.6 | -36.8 | -10.3 |
| AR | 4 | 55.7 | 39.8 | 42.3 | 16.0 | 13.4 |
| SD | 4 | 89.0 | 43.6 | 43.8 | 45.4 | 45.2 |
| CA | 3 | 114.2 | 95.8 | 85.1 | 18.4 | 29.1 |
| CO | 3 | 84.6 | 87.7 | 98.8 | -3.2 | -14.2 |
| OR | 3 | 55.1 | 89.1 | 70.3 | -33.9 | -15.2 |
| VT | 3 | 53.2 | 117.2 | na | -64.0 | na |

**Table 5. REO Recovery Rates**

| Disposition State[b] | Dispositions | Recovery Rates (%) | | | Percentage Point Change | |
|---|---|---|---|---|---|---|
| | | April 2021 | March 2021 | April 2020 | From Previous Month | From Previous Year |
| AK | 2 | 59.7 | 87.6 | 66.0 | -27.9 | -6.3 |
| AZ | 2 | 79.2 | 118.1 | 56.8 | -38.9 | 22.4 |
| DE | 2 | 121.3 | na | 39.9 | na | 81.4 |
| NH | 2 | 79.5 | 50.2 | 55.1 | 29.2 | 24.3 |
| UT | 2 | 97.2 | na | 103.3 | na | -6.1 |
| ME | 1 | 42.1 | 41.8 | 31.0 | 0.3 | 11.1 |
| NE | 1 | 60.1 | 124.2 | 61.2 | -64.1 | -1.2 |
| NV | 1 | 59.0 | na | 64.0 | na | -5.1 |
| DC | 0 | na | 100.4 | 9.4 | na | na |
| ID | 0 | na | na | 92.1 | na | na |
| MA | 0 | na | 45.1 | 72.6 | na | na |
| RI | 0 | na | 83.1 | 36.9 | na | na |

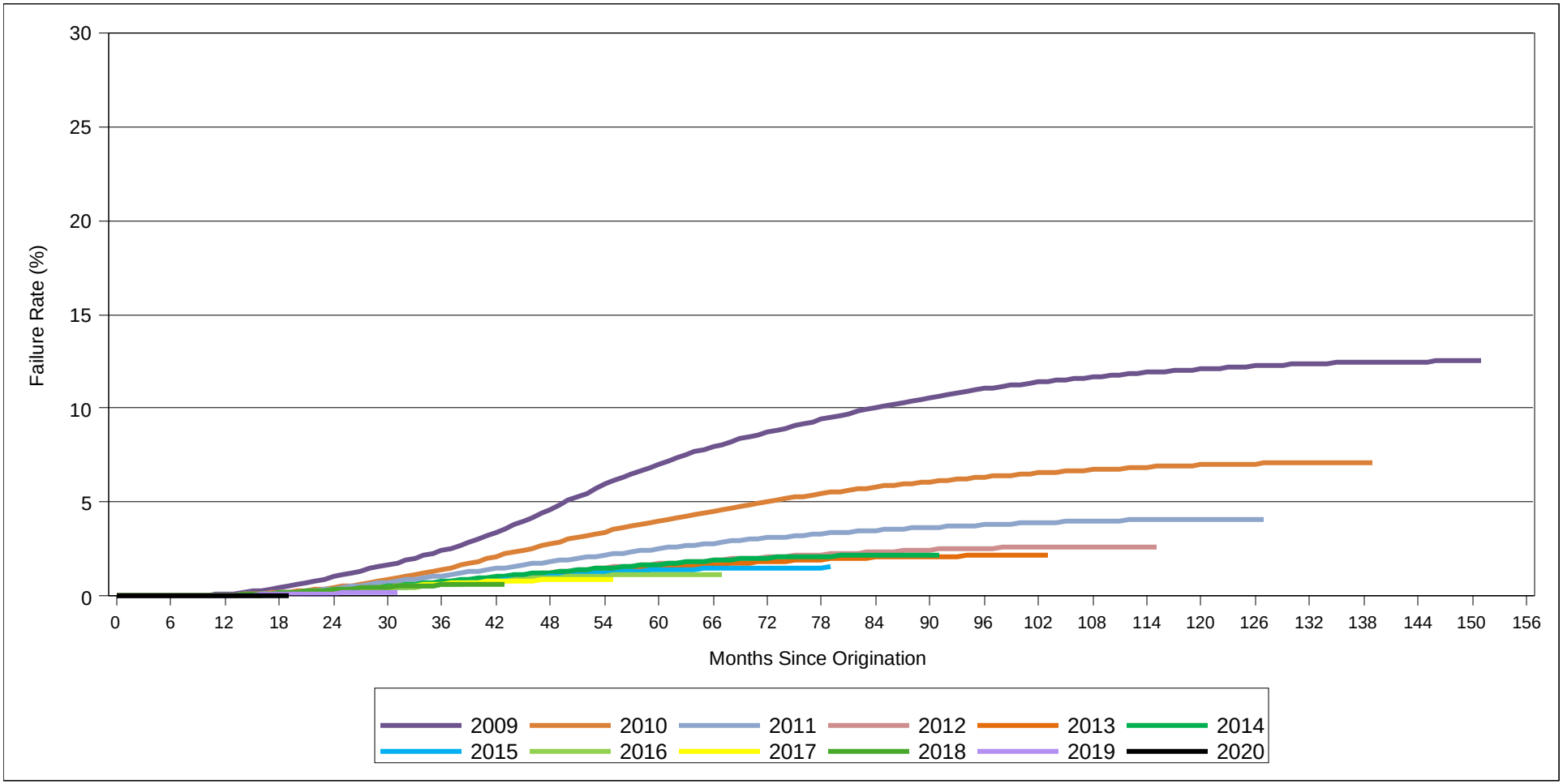
na = not applicable
[a] Rates are percentages of unpaid loan balance at time of default.
[b] State records are sorted by number of dispositions in the most recent month (largest to smallest).
SOURCE: U.S. Department of HUD/FHA, June 2021.

## Table 6. REO Components of Loss by Property Disposition Month

| | 2021 | | | | 2020 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Disposition Month | Apr | Mar | Feb | Jan | Dec | Nov | Oct | Sep | Aug | Jul | Jun | May | Apr |
| **Loss Components as Percent of Defaulted Loan Balance** | | | | | | | | | | | | | |
| Claim Expenses[a] (%) | 23.13 | 22.10 | 22.64 | 22.82 | 20.83 | 22.72 | 22.73 | 22.30 | 22.15 | 22.41 | 20.60 | 21.83 | 22.25 |
| Holding Costs[b] (%) | 7.19 | 6.66 | 7.04 | 6.43 | 6.07 | 6.68 | 6.51 | 6.01 | 5.86 | 5.72 | 5.63 | 5.62 | 5.48 |
| Loss on Collateral[c] (%) | 11.32 | 11.50 | 14.15 | 14.25 | 14.71 | 15.04 | 15.32 | 16.32 | 18.69 | 19.13 | 20.34 | 20.69 | 19.93 |
| Sales Expense (%) | 5.47 | 5.66 | 5.53 | 5.65 | 5.36 | 5.24 | 5.55 | 5.58 | 5.27 | 5.08 | 5.09 | 5.03 | 5.38 |
| Program Discounts[d] (%) | 0.27 | 0.25 | 0.39 | 0.27 | 0.14 | 0.48 | 0.41 | 0.48 | 0.43 | 0.11 | 0.32 | 0.27 | 0.42 |
| Net Loss Rate[e] (%) | 41.19 | 40.50 | 45.14 | 46.51 | 44.17 | 47.24 | 48.89 | 48.88 | 51.17 | 52.90 | 52.09 | 53.88 | 53.73 |
| **Average Amount** | | | | | | | | | | | | | |
| Average Dollar Loss ($) | 49,879 | 47,644 | 53,576 | 56,579 | 55,628 | 57,396 | 58,310 | 60,237 | 62,401 | 64,580 | 63,091 | 66,356 | 63,630 |
| Average Unpaid Balance ($) | 121,101 | 117,644 | 118,694 | 121,646 | 125,939 | 121,508 | 119,260 | 123,226 | 121,957 | 122,071 | 121,121 | 123,161 | 118,423 |
| **Occurrence Counts** | | | | | | | | | | | | | |
| Number of Dispositions | 500 | 574 | 561 | 590 | 737 | 659 | 970 | 1,034 | 1,243 | 1,537 | 1,745 | 1,617 | 1,233 |
| Number of Discounts | 4 | 4 | 6 | 5 | 2 | 5 | 6 | 12 | 11 | 4 | 10 | 7 | 10 |
| **Stage** | **Average Time in Months** | | | | | | | | | | | | |
| Delinquency[f] | 10.3 | 10.3 | 10.1 | 10.5 | 9.0 | 10.1 | 9.7 | 10.1 | 9.6 | 9.9 | 9.7 | 9.8 | 10.0 |
| Foreclosure[g] | 13.8 | 13.5 | 13.8 | 12.9 | 13.2 | 13.0 | 13.0 | 12.9 | 12.2 | 12.9 | 11.8 | 11.8 | 10.9 |
| Deed Transfer[h] | 15.7 | 15.6 | 16.0 | 15.6 | 15.0 | 14.9 | 13.6 | 13.0 | 12.2 | 11.7 | 11.1 | 11.5 | 10.9 |
| REO | 4.9 | 4.6 | 5.0 | 5.2 | 5.0 | 5.0 | 5.2 | 5.1 | 4.8 | 4.9 | 4.8 | 4.7 | 4.5 |
| All Stages | 44.7 | 43.7 | 44.8 | 44.0 | 41.9 | 43.0 | 41.4 | 41.0 | 38.8 | 39.3 | 37.3 | 37.7 | 36.3 |

[a] Includes interest on principal.
[b] Management, maintenance, repairs, administration, and security, net of rent and other income.
[c] Value when foreclosed (UPB) minus value received in REO; does not include Streamline refinances.
[d] Rate over all dispositions; effect is greater in the cases where a discount actually is given.
[e] Profit (loss) divided by Unpaid Principal Balance (UPB). The listed cost categories are not exhaustive, and they will not sum to the loss rate
[f] First missed payment to date foreclosure initiated.
[g] Initiation of foreclosure proceedings to auction date.
[h] Auction date to HUD acquisition date.
SOURCE: U.S. Department of HUD/FHA, June 2021.

**Figure 1. Failure Rate by Fiscal Year**




NOTES: A loan that is in foreclosure processing or has gone to claim is deemed to be a 'failure' for this illustration. The failure rate is the sum of Cumulative Claim Rate and Cumulative Active Foreclosure Rate divided by Total Loans.
Due to late reporting by a large servicer, the delinquency rates for February 2021 are likely understated.
SOURCE: U.S. Department of HUD/FHA, June 2021.