



HOUSING FINANCE AT A GLANCE

A MONTHLY CHARTBOOK

January 2025

ABOUT THE CHARTBOOK

The Housing Finance Policy Center's (HFPC) mission is to produce analyses and ideas that promote sound public policy, efficient markets, and access to economic opportunity in the area of housing finance. *At A Glance*—a monthly chartbook and data source for policymakers, academics, journalists, and others interested in the government's role in mortgage markets—is at the heart of this mission.

We welcome feedback from our readers on how we can make *At A Glance* a more useful publication. Please email any comments or questions to ataglance@urban.org.

To receive regular updates from the Housing Finance Policy Center, please visit [here](#) to sign up for our biweekly newsletter.

ABOUT THE URBAN INSTITUTE

The Urban Institute is a nonprofit research organization that provides data and evidence to help advance upward mobility and equity. We are a trusted source for changemakers who seek to strengthen decisionmaking, create inclusive economic growth, and improve the well-being of families and communities. For more than 50 years, Urban has delivered facts that inspire solutions—and this remains our charge today.

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Two Markets of Housing Supply

Industry experts broadly agree that we have a housing shortage—a number of estimates conclude the shortage is on the order of 4 million units. While the number of housing units relative to the number of households is the [primary driver](#) of our current unaffordable homebuying crisis, the type of housing for sale also plays a notable role. In particular multifamily construction ([page 23](#)) is very robust by historical standards, but single family construction has lagged.

There are two markets for single family home inventory: new and existing supply. Existing homes are more affordable than new constructions and have historically made up most housing supply. We have had a shortage of existing homes since June 2012, characterized by total months supply (listings divided by monthly sale volume) dropping below 6 months. This shortage grew especially dire during the pandemic, as the months supply of existing homes was around two months over 2021. The existing supply as of December 2024 (3.7 months) has recovered somewhat and is close to prepandemic levels but is still well below the 6 months that would indicate healthy inventory.

One of the reasons for the low turnover is the lock-in effect. Since mortgage interest rates dropped to historic lows then rapidly rose to historic highs ([page 9](#)), most homeowners have interest rates well below the prevailing rate ([page 10](#)) and are incentivized to stay in their home, even if they would rather sell and move to a larger or smaller home.

Somewhat paradoxically, there is a surplus of newly constructed homes. The months supply of new constructions is well above the target level of 5 to 6 months at 8.5 months in December 2024. The demand for new

homes may not be keeping pace with their construction because new homes often cost more than existing homes. In the third quarter of 2024, the median new home sold for over \$38,000, or 10 percent, more than the median existing home sold. The premium on recent constructions likely includes reasonable advantages like newer amenities or size. However, the surplus of new supply indicates that this may not be what homebuyers are looking for, especially when mortgages are already made expensive by high interest rates.

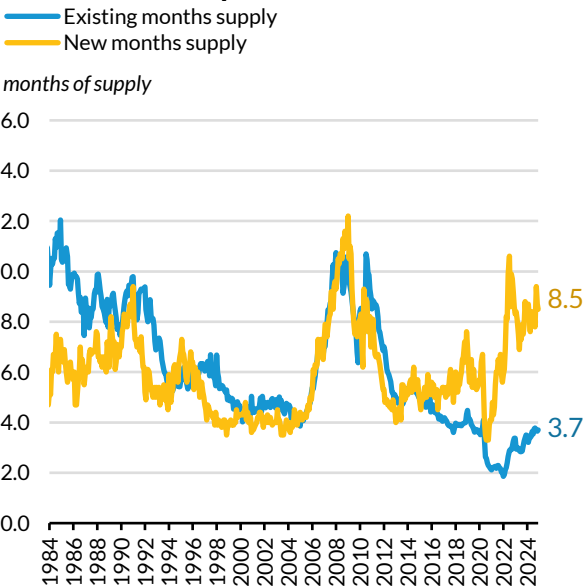
The surplus of new inventory does not bode well for future rates of construction. Despite not yet returning to their norm before the 2008 foreclosure crisis ([page 24](#)), new construction levels show signs of slowing. Housing starts over 2024 were lower than starts in 2023 and Industry forecasters expect new housing starts in 2025 to be similar to levels in 2024 ([page 22](#)).

Just building isn't enough to solve the supply crisis. Homebuilders need to construct more affordable units to refill some of our dwindling affordable supply and to make new construction more attractive to homebuyers.

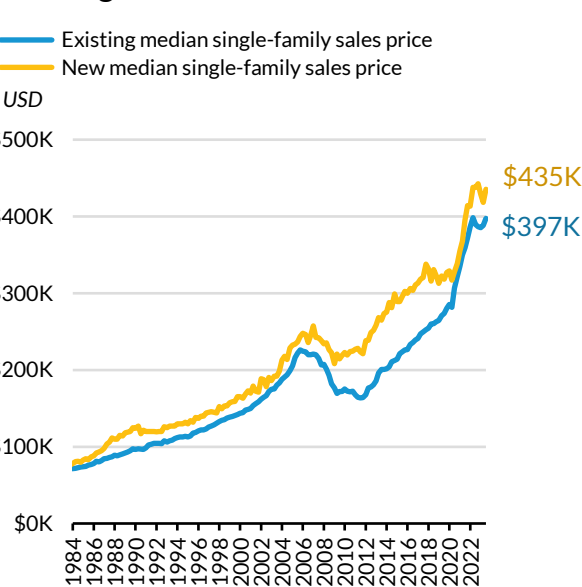
Inside This Issue

- Higher 10-Year Treasury rates have boosted mortgage rates in recent months ([page 9](#)).
- Prepayment speeds on newer vintage, higher rate mortgages have fallen ([page 11](#)).
- Originator Profitability and Unmeasured Costs (OPUC) has declined from an annual high in September ([page 21](#)).

There is a shortage of existing homes for sale and surplus of new



New homes are more expensive than existing homes



Source: National Association of Realtors: Existing Home Sales, U.S. Census Bureau: New Residential Sales, Moody's Data Analytics and Urban Institute.

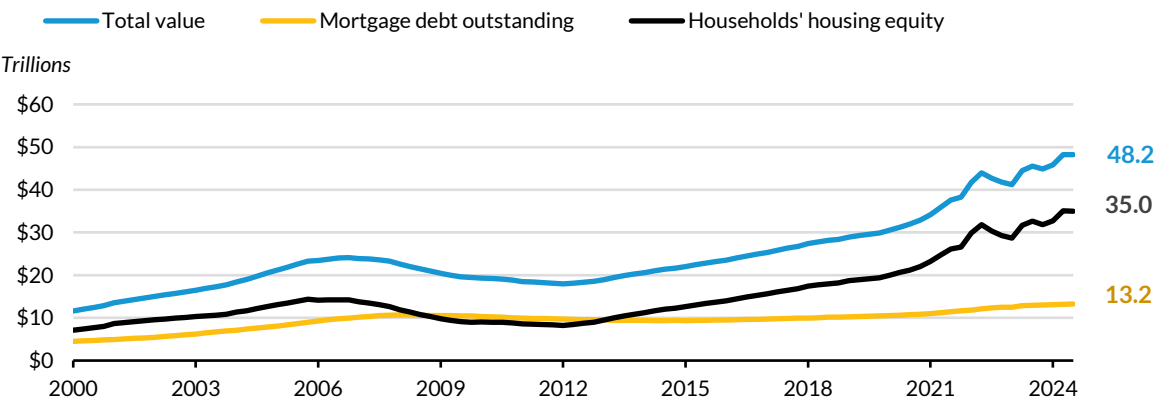
Note: Seasonally adjusted. Month of supply as of December 2024. Median home prices as of Q3 2024.

OVERVIEW // MARKET SIZE OVERVIEW

In the third quarter of 2024 (Q3 2024), the total value of the single-family housing market owned by households was \$48.2 trillion, 5.9 percent higher than in the third quarter of 2023. The rise was driven by a 7.2 percent increase in housing equity to \$35.0 trillion. Outstanding mortgage debt owed increased at a slower rate (2.6 percent) to \$13.2 trillion. The total housing market value owned by households in the third quarter of 2024 has virtually doubled from its fourth quarter 2006 peak, increasing 99.8 percent. This strong growth largely reflects housing equity, which more than doubled since the fourth quarter of 2006, rising 146.4 percent. Outstanding mortgage debt increased 33.4 percent during the same period.

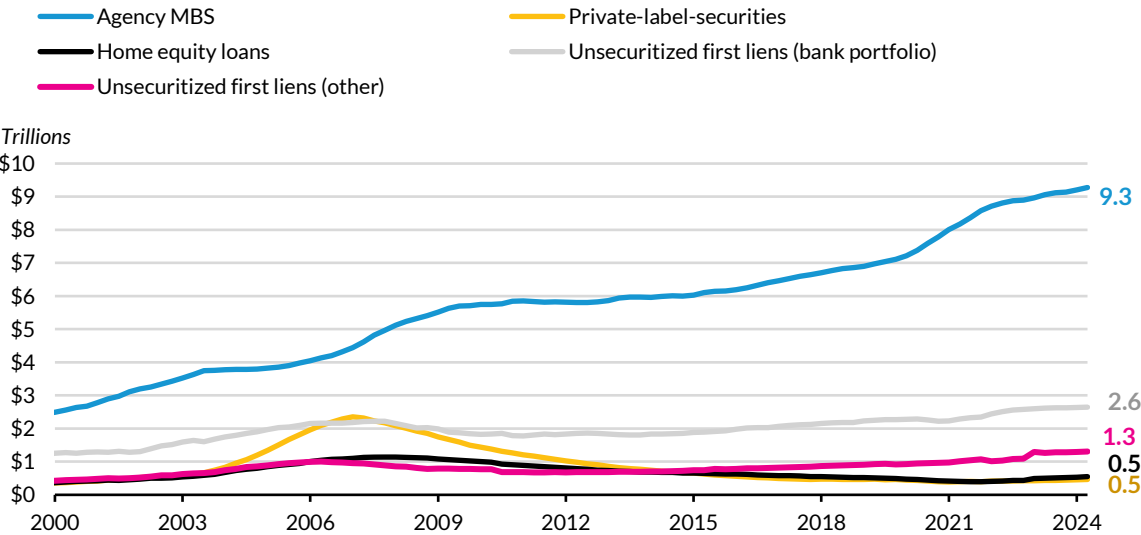
In the third quarter of 2024, agency MBS accounted for 65.1 percent (\$9.3 trillion) of total mortgage debt outstanding, while home equity loans made up 3.8 percent (\$0.5 trillion) and private-label securities made up 3.3 percent (\$0.5 trillion). Unsecuritized first liens, both bank portfolio and other, compose the remaining 27.8 percent (\$3.9 trillion), with banks making up 18.6 percent (\$2.6 trillion), and other accounting for 9.2 percent (\$1.3 trillion). Of other, nondepositories accounted for 5.2 percent (\$0.7 trillion) of the total, and credit unions account for 4.2 percent (\$0.6 trillion) (not shown).

Value of the US Single-Family Housing Market



Sources: Financial Accounts of the United States, table B.101, and the Urban Institute.
Notes: Data as of Q3 2024. Includes one-to-four-family owner-occupied mortgages. Mortgage debt outstanding in this figure does not match the totals in the figure below, as the this figure does not include investor-owned properties.

Composition of the US Single-Family Mortgage Market



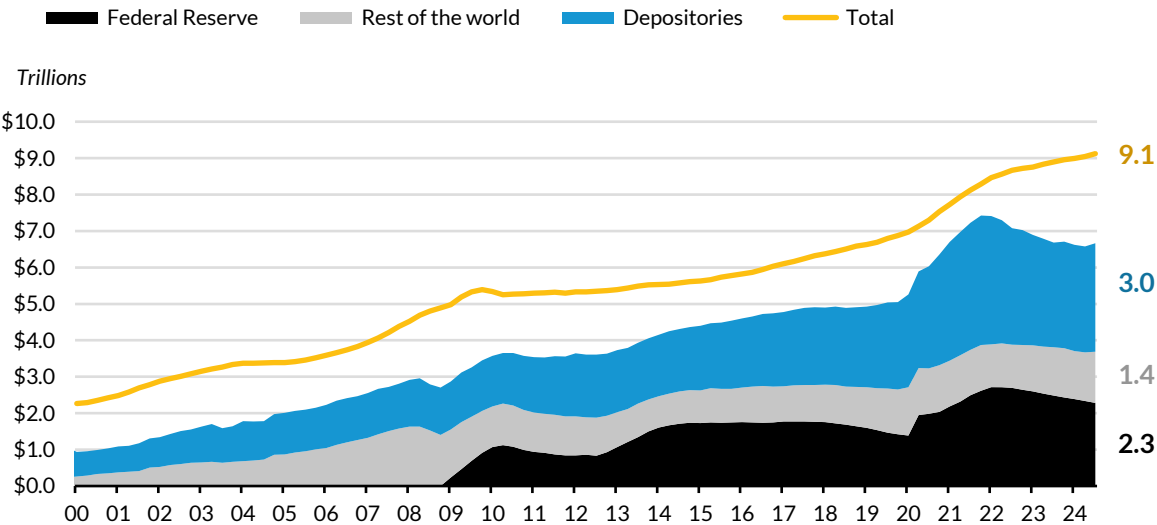
Sources: Financial Accounts of the United States and the Urban Institute.
Notes: Data as of Q3 2024. Unsecuritized first liens (other) includes mortgages not held on bank balance sheets. All categories include investor-owned properties.

OVERVIEW // MARKET SIZE OVERVIEW

In the third quarter of 2024, the three largest holders of the \$9.1 trillion in outstanding agency MBS are US depositories (\$3.0 trillion), the Federal Reserve (\$2.3 trillion), and foreign investors (\$1.4 trillion). Foreign investor holdings includes sovereign and private holdings. Amid quantitative tightening, the Federal Reserve had a noticeable reduction in its holdings over the past year. From Q3 2023 to Q3 2024, Federal Reserve holdings are down 9.3 percent, while commercial bank holdings are up 2.2 percent and foreign investor holdings are up 11.6 percent.

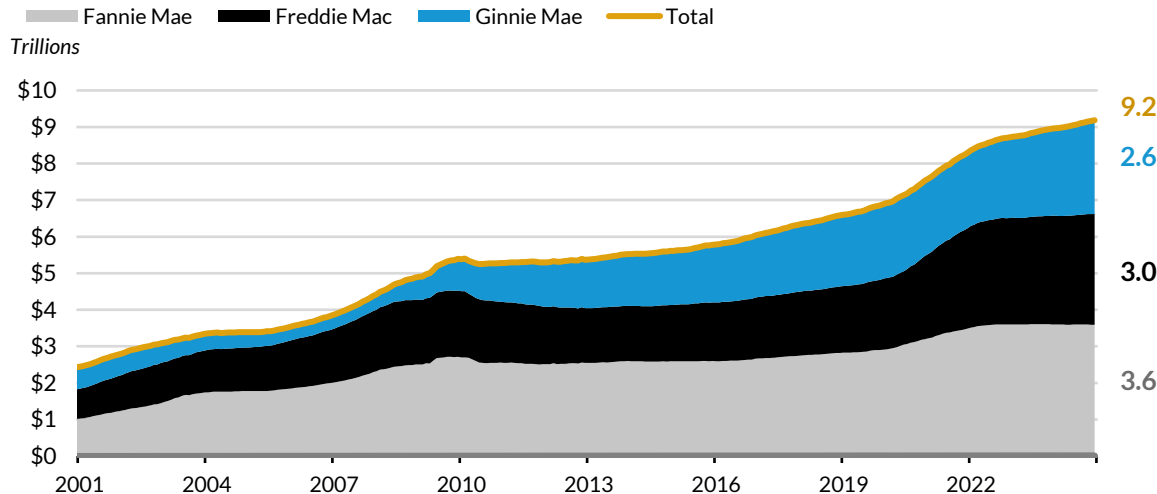
By the end of November 2024, outstanding securities in the agency market totaled slightly over \$9.2 trillion according to loan-level data, 39.6 percent (\$3.6 trillion) of which belonged to Fannie Mae, 33.0 percent (\$3.0 trillion) to Freddie Mac, and 27.4 percent (\$2.6 trillion) to Ginnie Mae. After closing the gap in securitized volume with Freddie Mac after the Great Recession, Ginnie Mae securitized volumes lagged from 2020 to 2022. Since then, the gap has begun to close amid higher home prices and interest rates.

Primary Holder of Agency MBS



Sources: Financial Accounts of the United States (table L.211), Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, Moody's Analytics, and Urban Institute calculations.
Note: Data as of Q3 2024. Federal reserve, depository and total holdings shown at face value and holding by the rest of the world at market value. Five percent of foreign MBS holdings is agency debentures. Holders not shown include households; nonfinancial business; federal, state, and local governments; insurance companies; pension and retirement funds; money market and mutual funds; real estate investment trusts; asset-backed security issuers; brokers; and holding companies.

Agency Mortgage-Backed Securities

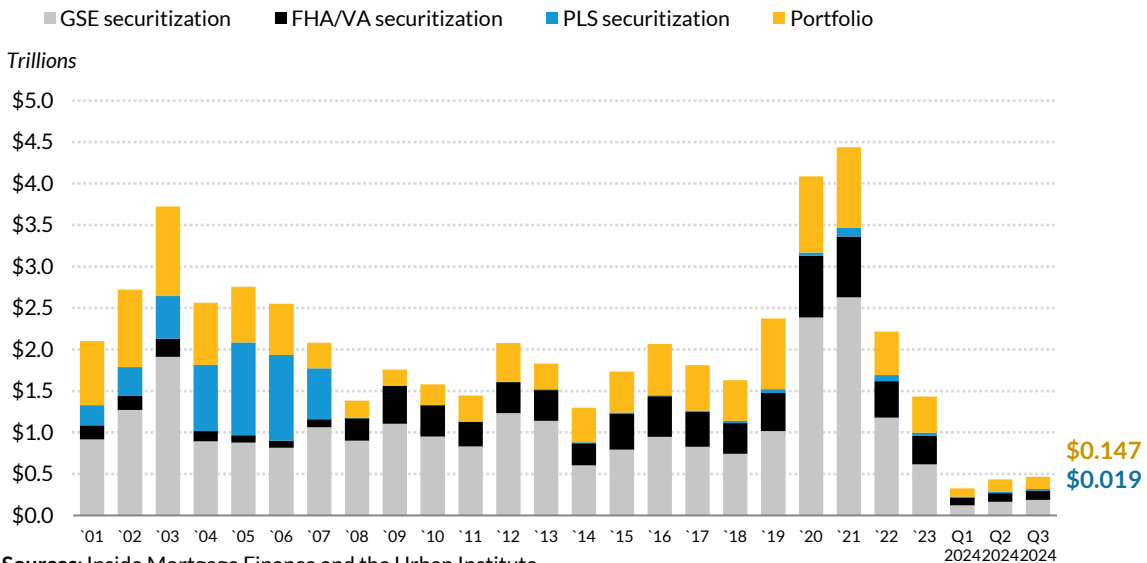


Sources: eMBS and the Urban Institute.
Note: Data as of December 2024.

OVERVIEW // ORIGATION VOLUME AND COMPOSITION

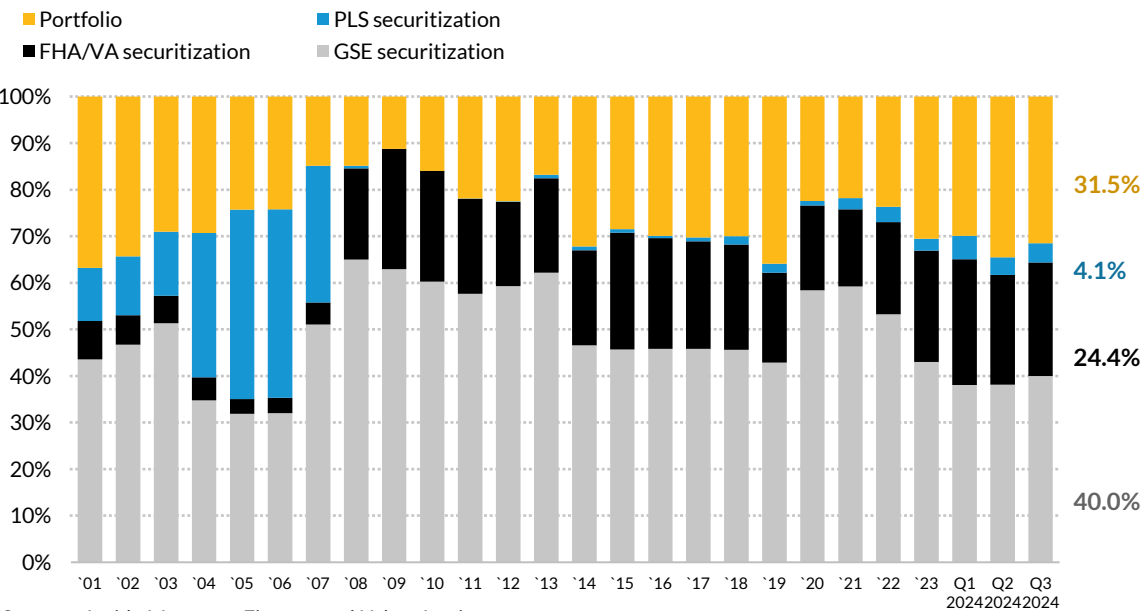
Mortgage origination volume totaled \$465 billion in Q3 2024, 14.8 percent higher than the \$405 billion in Q3 2023. The increase in originations largely reflects increases in PLS and portfolio securitization. PLS origination volume is \$19.1 billion in Q3 2024, nearly double the \$9.9 billion from Q3 2023. In Q3 2024, portfolio accounted for 31.5 percent of originations, up from 29.6 percent in Q3 2023, and 4.1 percent of securitizations were PLS, up from 2.4 percent. In contrast, the GSE share of securitizations is 40.0 percent, compared with 42.9 percent in Q3 2023, and FHA and VA securitizations made up 24.4 percent of total volume in Q3 2024, down from 25.1 percent in Q3 2023.

Volume of Securitized First-Lien Originations



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Data as of Q3 2024.

Composition of Securitized First-Lien Originations



Sources: Inside Mortgage Finance and Urban Institute.
Note: Data as of Q3 2024.

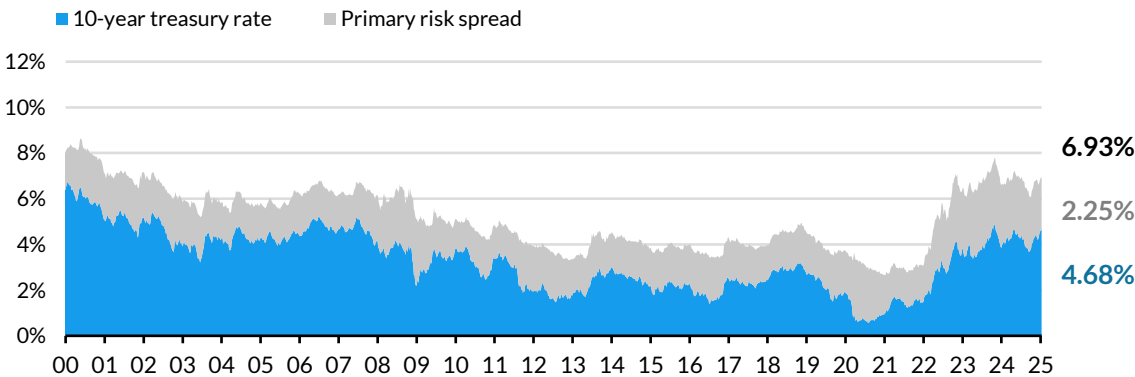
OVERVIEW // MORTGAGE INTEREST RATES

The primary mortgage market spread (the differential between the 30-year fixed mortgage rate and the 10-year Treasury rate) has been elevated primarily reflecting higher levels of interest rate volatility amid concerns about the broader economy. The spread has averaged 1.75 percent since 1990. It reached a series high of 3.13 percent in the first week of June 2023, when the 30-year fixed-rate mortgage was 6.79 percent and the 10-year Treasury rate was 3.66 percent. In the week of January 10, 2025, the 30-year fixed-rate mortgage is 6.93 percent. Although the primary spread has declined 88 basis points to 2.25 percent amid solid economic growth and greater price stability, the 10-year Treasury rate has increased 102 basis points to 4.68 percent.

From 2009 to early 2022, the adjustable-rate mortgage (ARM) share remained very low, generally between 5 and 8 percent, as ultra-low rates persisted and product risk was wrung out of the market following the housing bust. But with rates rising substantially in 2022 and affordability worsening, the ARM share increased to 12.8 percent as of the week ending October 14, 2022. As of January 3, 2025, the ARM share was 4.7 percent, slightly below its 2009–22 range.

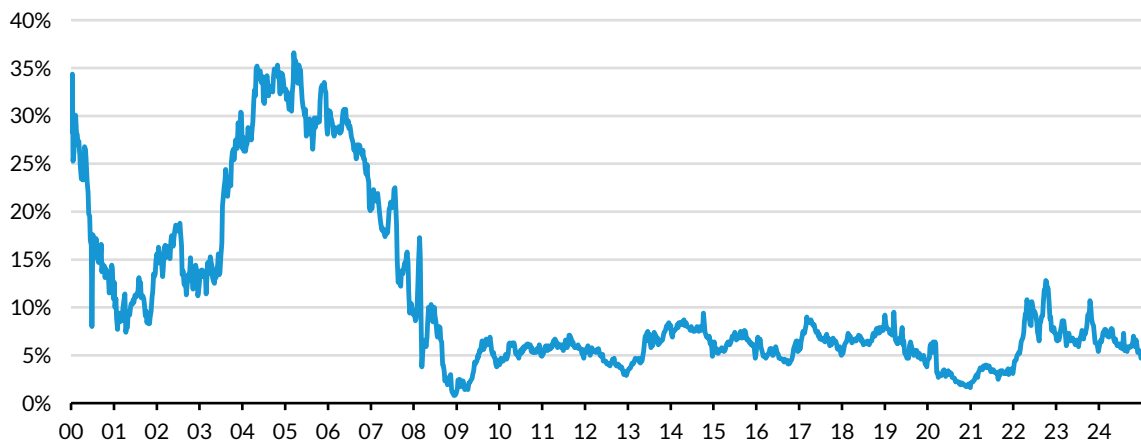
30-Year Fixed Mortgage Commitment Rate

By 10-year Treasury and risk spread



Source: Board of Governors of the Federal Reserve System and the Freddie Mac Primary Mortgage Market Survey.
Notes: Data as of January 10, 2025. The 30-year fixed-rate mortgage is the sum of the 10-year Treasury rate and the primary risk spread.

Adjustable-Rate Mortgage Share of Applications



Source: Mortgage Bankers Association Weekly Mortgage Applications Survey.
Notes: Includes purchase and refinance applications. Data updated through January 3, 2025.

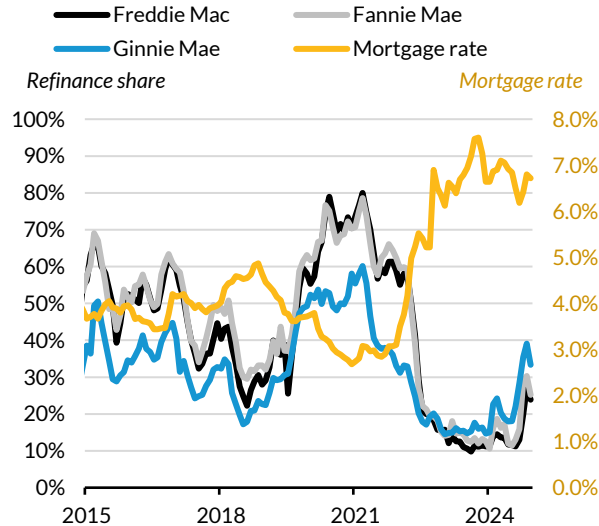
OVERVIEW // REFINANCABLE MORTGAGES

Despite some monthly variation, the refinance share of originations from late 2018 through March 2021 generally increased for Fannie Mae, Freddie Mac, and Ginnie Mae as interest rates dropped. The refinance share of originations dropped quickly over 2022 as interest rates increased. Refinance originations reflect mortgage rates from six to eight weeks earlier. Interest rates started rising quickly in September 2024 and in recent months, for the first time in over a decade, the Ginnie Mae refinance share exceeds that for Fannie Mae and Freddie Mac.

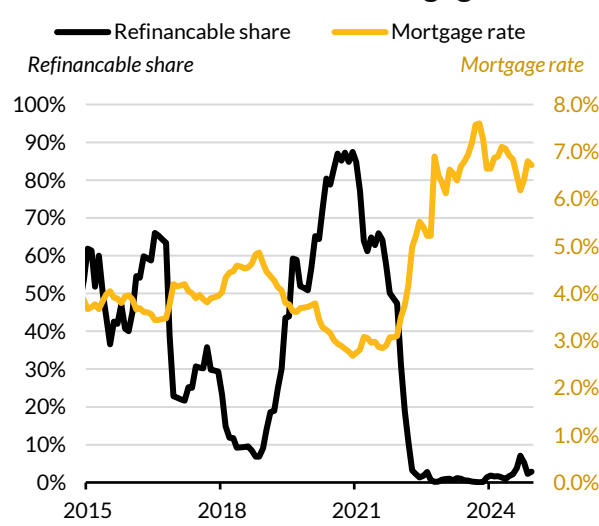
Amid falling mortgage rates in 2019 and 2020, the share of outstanding agency loans considered refinancable (i.e., with a note rate at least 50 basis points above the prevailing 30-year fixed mortgage rate) rose from 6.8 percent in October 2018 to 87.4 percent in December 2020. As interest rates increased in 2022 and 2023, the refinancable share of active agency loans plummeted to 3.21 percent in April 2022. The refinancable share of outstanding agency loans has remained low amid elevated interest rates. After reaching a recent high of 7.08 percent in September 2024, it is 2.9 percent in December 2024.

The share of outstanding mortgage volume with a rate of 3.5 percent or lower has declined only 10.3 percentage points from a high of 54.9 percent in April 2022 to 44.6 percent in December 2024. 77.3 percent of outstanding agency borrowers have a rate no higher than 5.0 percent.

Refinance Percentage at Issuance



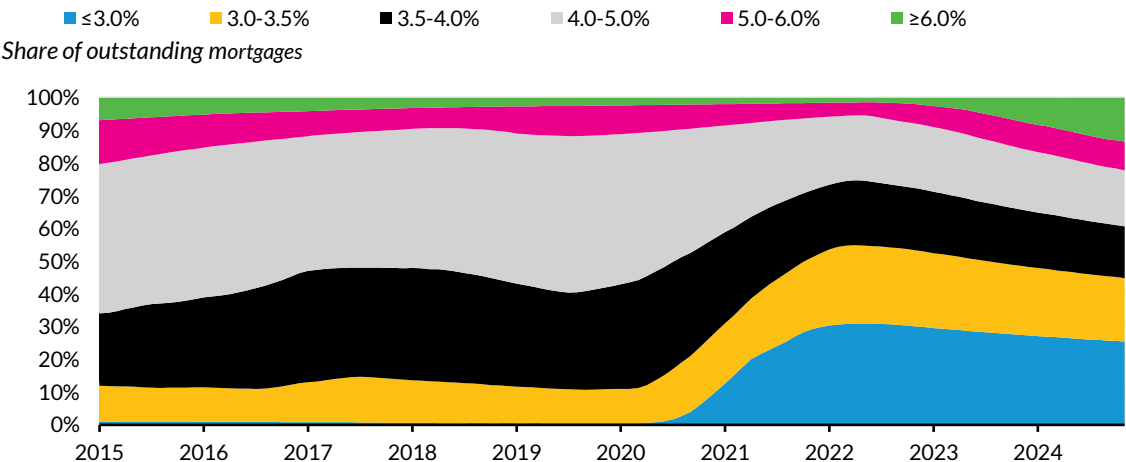
Refinancable Share of Mortgages



Sources: eMBS, Freddie Mac, and Urban Institute calculations.

Notes: Data as of December 2024. Loans are counted as refinancable if the note rate is at least 50 basis points over the mortgage rate reported by Freddie Mac's Primary Mortgage Market Survey.

Outstanding Agency Mortgage Volume, by Interest Rate



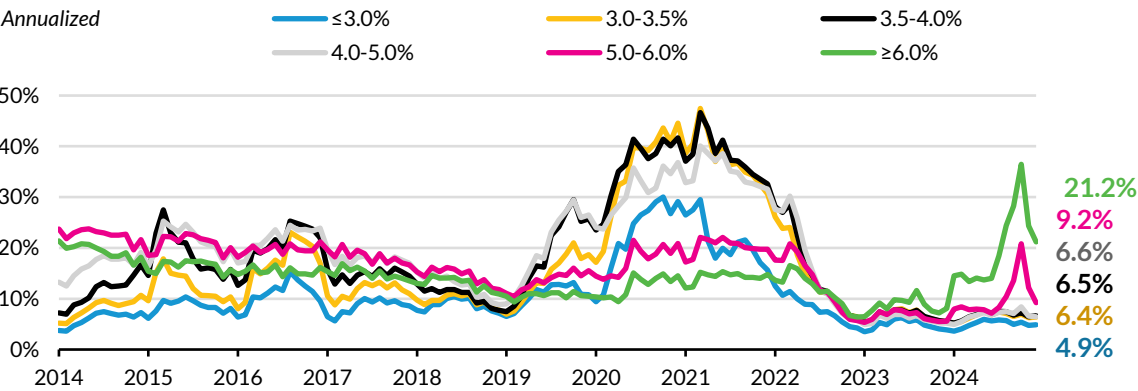
Sources: eMBS, Freddie Mac, and Urban Institute calculations.

Note: Data as of December 2024.

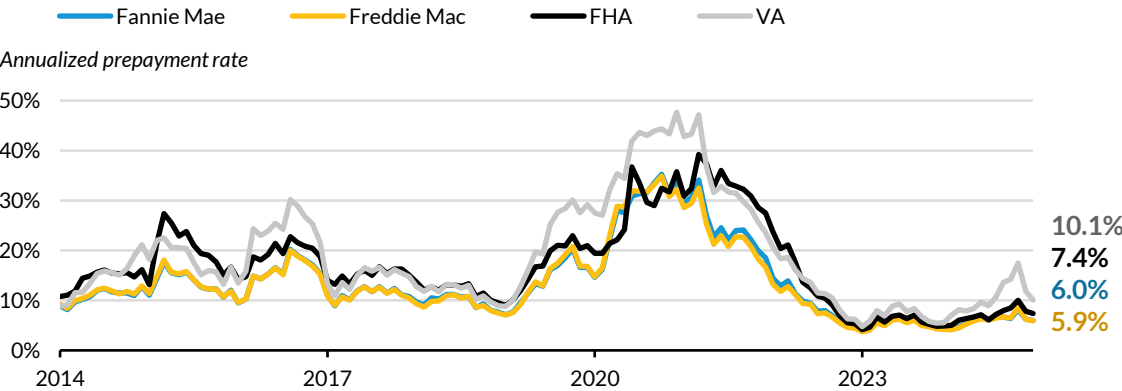
OVERVIEW // PREPAYMENT SPEEDS

After reaching lows at the beginning of 2019, the share of outstanding agency loans that prepaid increased significantly from 2019 to 2021, as interest rates dropped to historic lows (page 9) and refinancability soared (page 10). After slowing from July through September 2024, prepayment speeds accelerated, particularly among VA loans, loans originated in 2022 and later, and loans with interest rates over 5 percent. But increased interest rates over the last quarter of 2024 have caused prepayment rates to decrease for these loans.

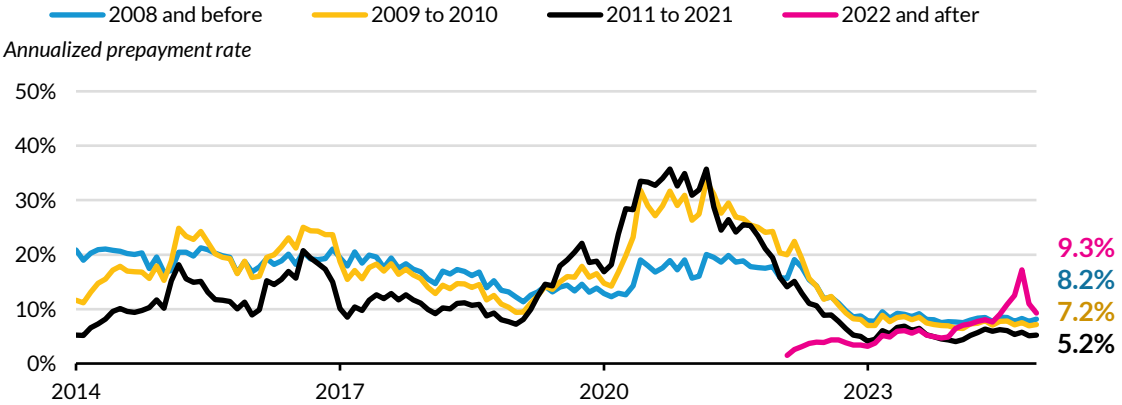
Prepayment Rates, by Note Rate



Prepayment Rates, by Agency



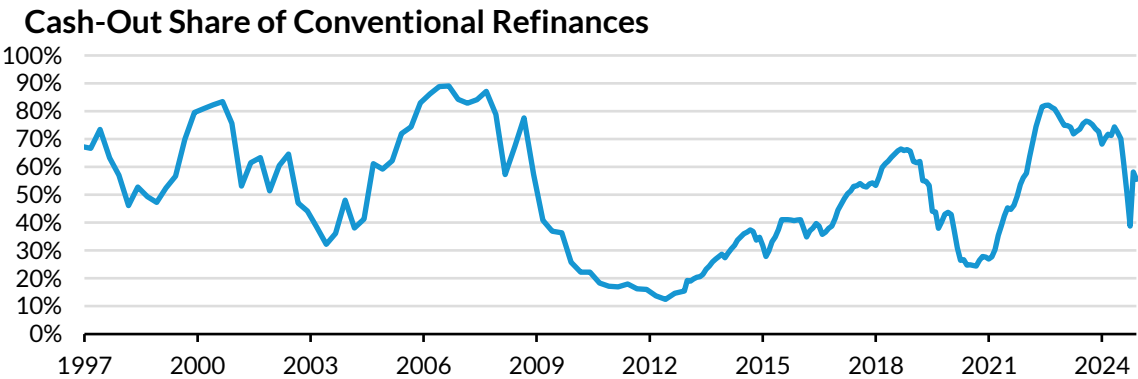
Prepayment Rates, by Vintage



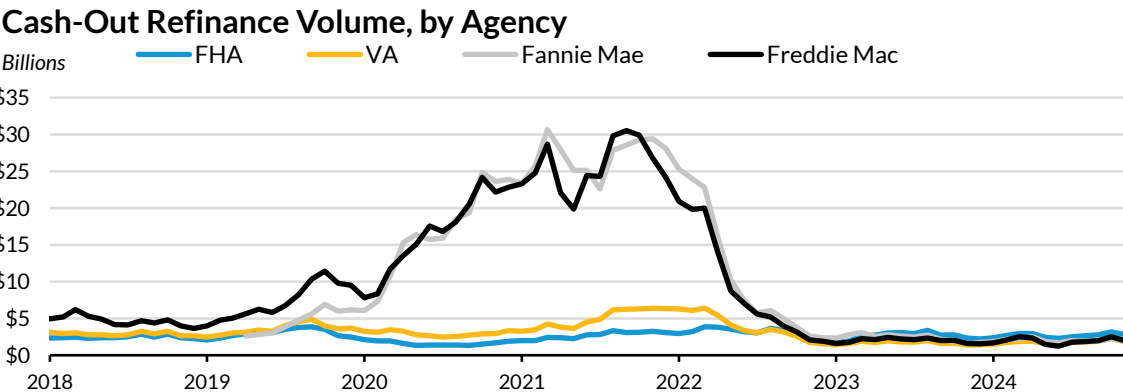
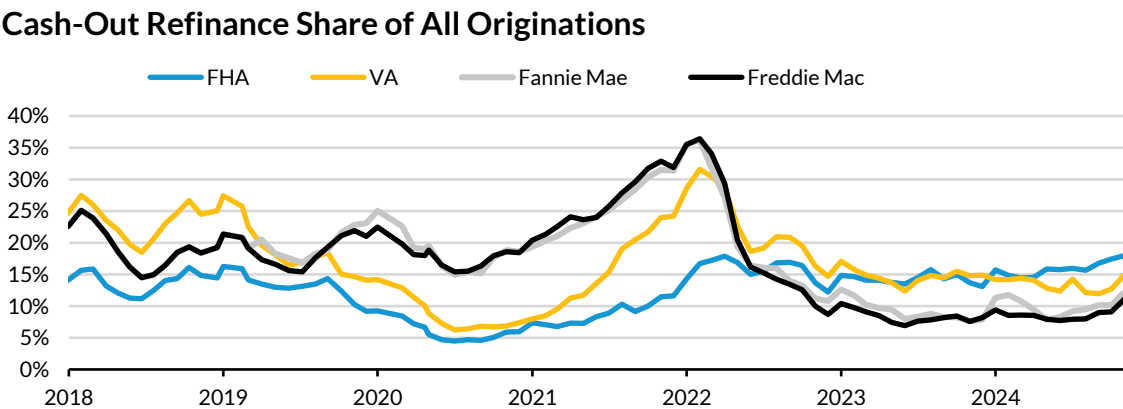
Source: Recursion Co. data as of December 2024.
Note: Prepayment rates calculated by loan count out of outstanding mortgage volume.

OVERVIEW // CASH-OUT REFINANCES

When mortgage rates are low, the cash-out share of refinances tends to fall, as more borrowers are incentivized to reduce their payments with rate-and-term refinancing. But when rates are high, the cash-out refinance share is elevated because the rate reduction incentive is gone and the only reason to refinance is to take out equity. Amid rising rates in 2022, the cash-out share reached a peak of 82.2 percent in August 2022. After the cash-out refinance share dipped to 38.8 percent in October, the cash-out share of refinance loans stood at 55.6 percent in December. The cash-out share is higher among Ginnie Mae loans than among GSE loans. In November 2024, 17.4 percent of FHA loans and 12.6 percent of VA loans were cash-out refinances, relative to 10.0 percent of Fannie Mae loans and 9.1 percent of Freddie Mac loans. The higher FHA cash-out share might reflect home equity extraction by borrowers with low credit scores. Total agency cash-out volume remains low.



Sources: Freddie Mac, eMBS and Urban Institute.
Note: The cash-out share for conventional market is calculated using Freddie Mac’s quarterly refinance statistics from 1995 to 2013. Post 2013 it is calculated monthly using eMBS. Data as of December 2024.



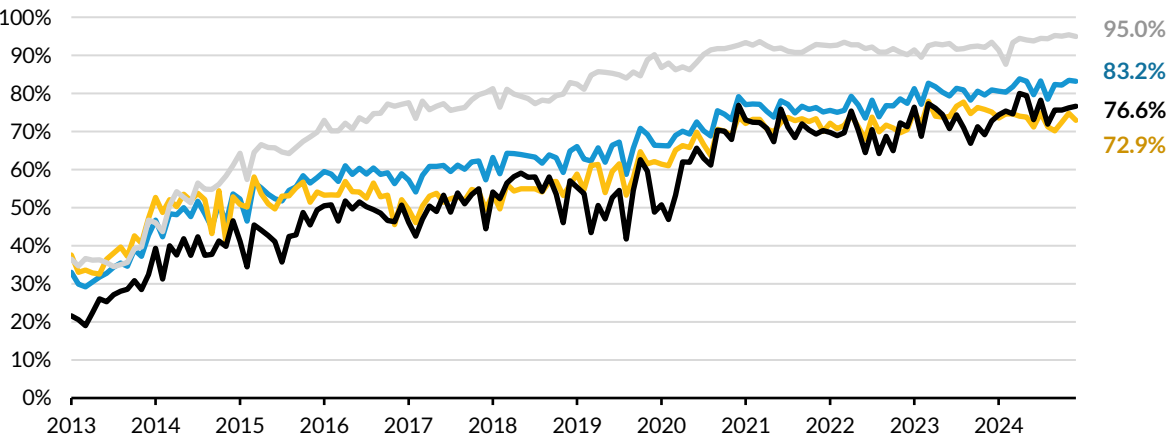
Sources: eMBS and the Urban Institute.
Notes: Data as of November 2024. Fannie Mae started reporting cash-out volume in 2018.

OVERVIEW // AGENCY NONBANK ORIGINATION SHARE

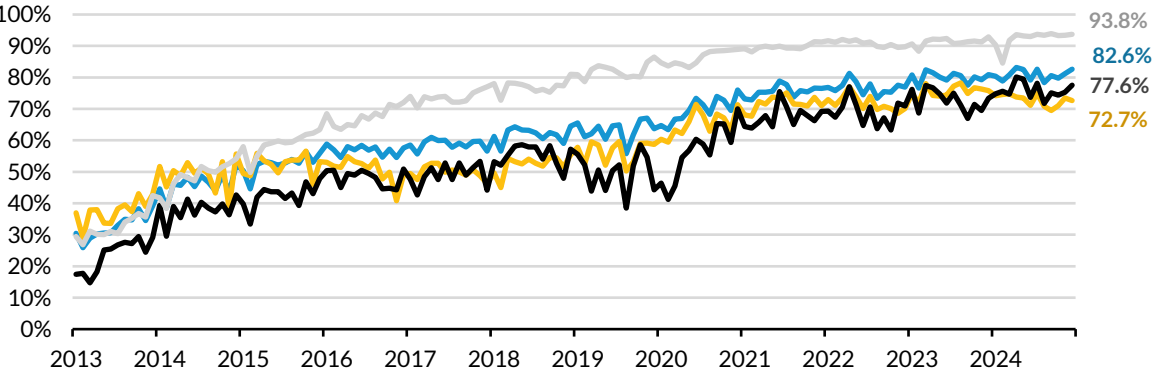
The nonbank share of agency originations (83.3 percent in December 2024) has risen steadily since 2013. The Ginnie Mae nonbank share has been consistently higher than the GSE share (95.0 percent in December 2024). Fannie Mae and Freddie Mac had nonbank shares of 72.9 and 76.6 percent, respectively. The Ginnie Mae nonbank share of refinance loans is 3.4 percentage points higher than the Ginnie Mae nonbank share of purchase loans. The nonbank share of Fannie Mae refinance loans is 2 percentage points lower than its share of Fannie Mae purchase loans, while the Freddie Mac nonbank refinance share is 3.7 percentage points higher than the purchase share. The nonbank share of refinance loans overall, 84.7 percent, is 2.1 percentage points above its 82.7 percent share of purchase loans.

— All — Fannie Mae — Freddie Mac — Ginnie Mae

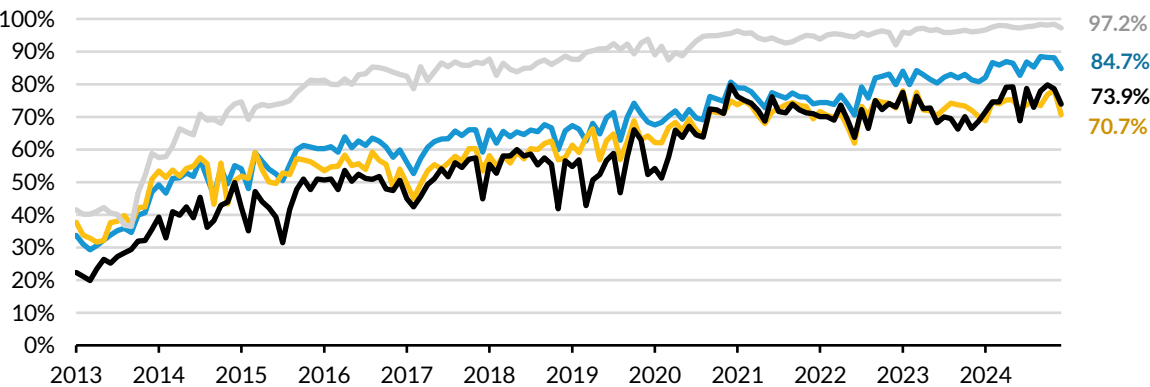
Nonbank Origination Share: All Loans



Nonbank Origination Share: Purchase Loans



Nonbank Origination Share: Refinance Loans

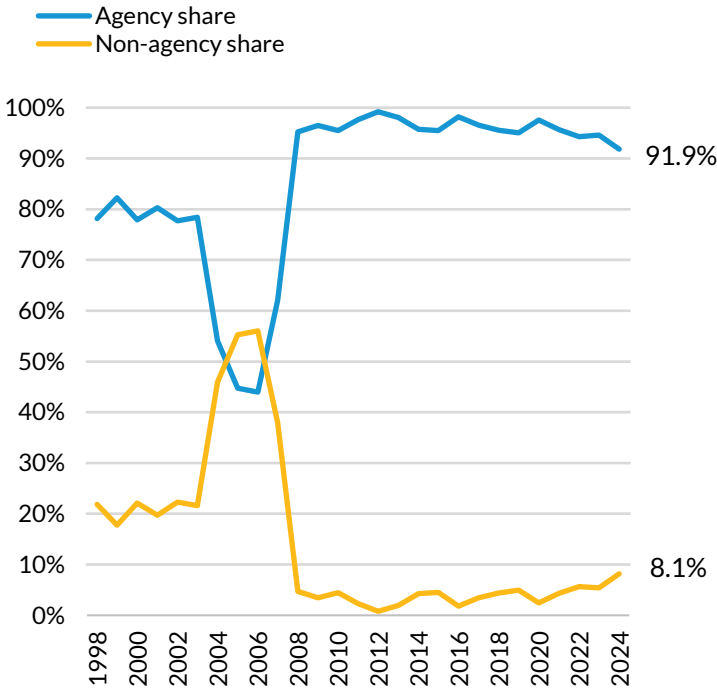


Sources: eMBS and Urban Institute.
Note: Data as of December 2024.

OVERVIEW // SECURITIZATION VOLUME AND COMPOSITION

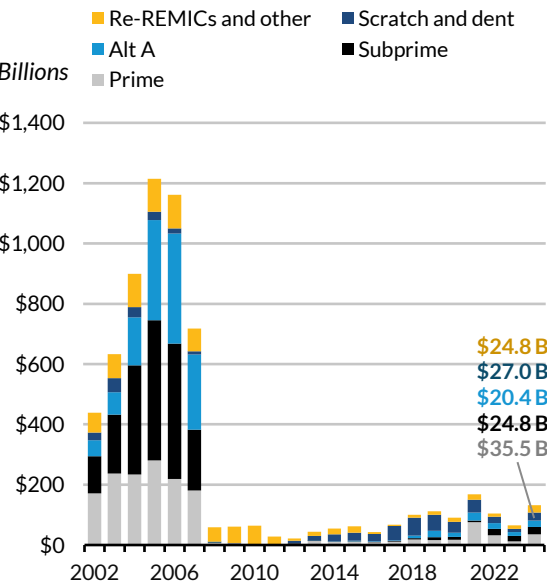
Agency and Non-agency Share of Residential MBS Issuance

During the housing boom years, the non-agency share of residential MBS issuance rose to more than half of all residential MBS issuance. Amid the housing market collapse, the non-agency share contracted to 1.3 percent in 2012. It has steadily increased from 2.4 percent in 2020 to 8.1 percent in 2024, the highest non-agency share since 2007. In 2024, the volume of non-agency issuance reached \$132.5 billion, over double the \$65.6 billion in 2023. Monthly non-agency securitization reached a two-year high of \$13.5 billion in October 2024 before contracting to \$8.1 billion in December 2024.



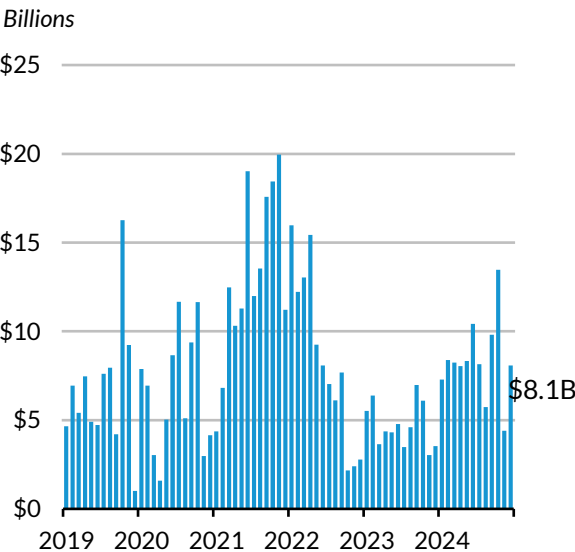
Sources: Inside Mortgage Finance and the Urban Institute.
Notes: Monthly non-agency volume is subject to revision. Data through December 2024.

Non-Agency MBS Issuance



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Data through Q4 2024.

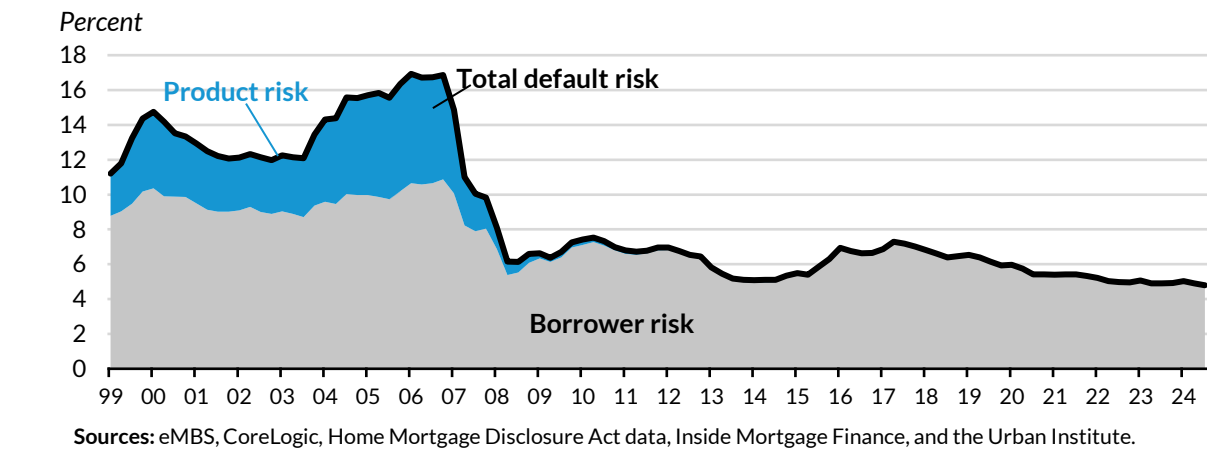
Monthly Non-Agency Securitization



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Data through December 2024

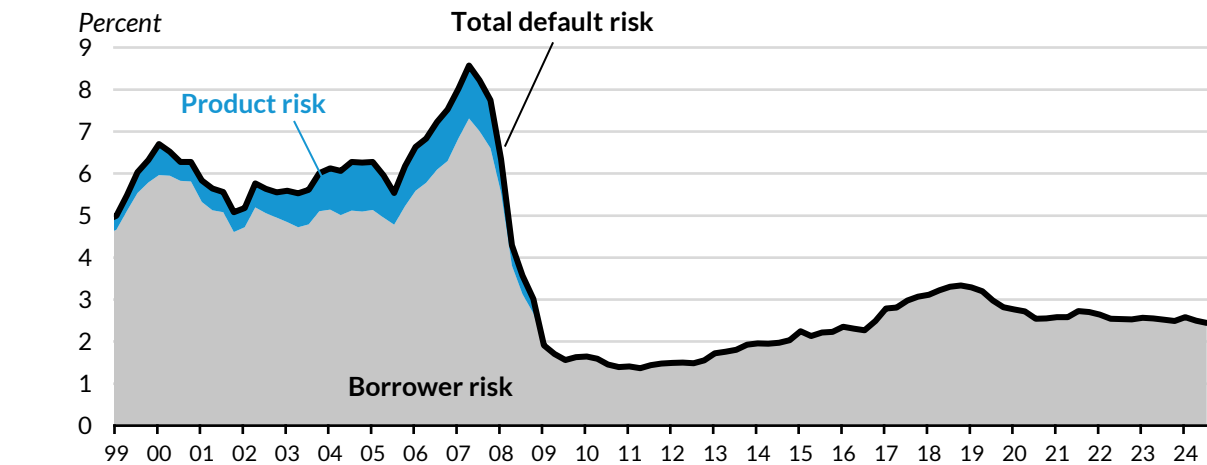
CREDIT BOX // HOUSING CREDIT AVAILABILITY INDEX

The Urban Institute’s Housing Credit Availability Index (HCAI) assesses lenders’ tolerance for both borrower risk and product risk, calculating the share of owner-occupied purchase loans that are likely to go 90 or more days delinquent over the life of the loan. The HCAI stood at 4.79 percent in Q3 2024, down from the previous quarter and previous year. Tighter credit standards from Q3 2023 to Q3 2024 reflect a decrease in default risk driven by a 5.6 percent decrease among government securities and 3.0 percent decline among the GSEs. This was slightly offset by portfolio and private-label securities, which loosened by 2.0 percent. We updated [the methodology](#) as of Q2 2020. More information about the HCAI is available [here](#).



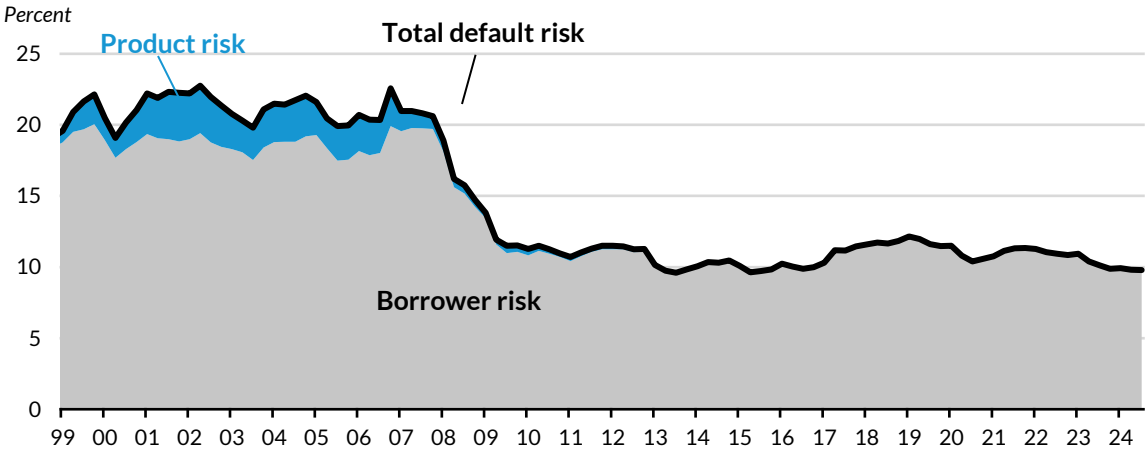
GSE Channel

The trend toward greater credit availability in the GSE channel began in Q2 2011. From Q2 2011 to Q1 2019, the total risk taken by the GSE channel more than doubled, from 1.4 percent to 3.1 percent. This is still very modest by precrisis standards. But accelerated tightening throughout 2020 induced by market conditions because COVID-19 and stay-at-home orders drove down credit risk to 2.5 percent in Q4 2020, where it has largely remained. In Q3 2024, credit availability was 2.4 percent.



Government Channel

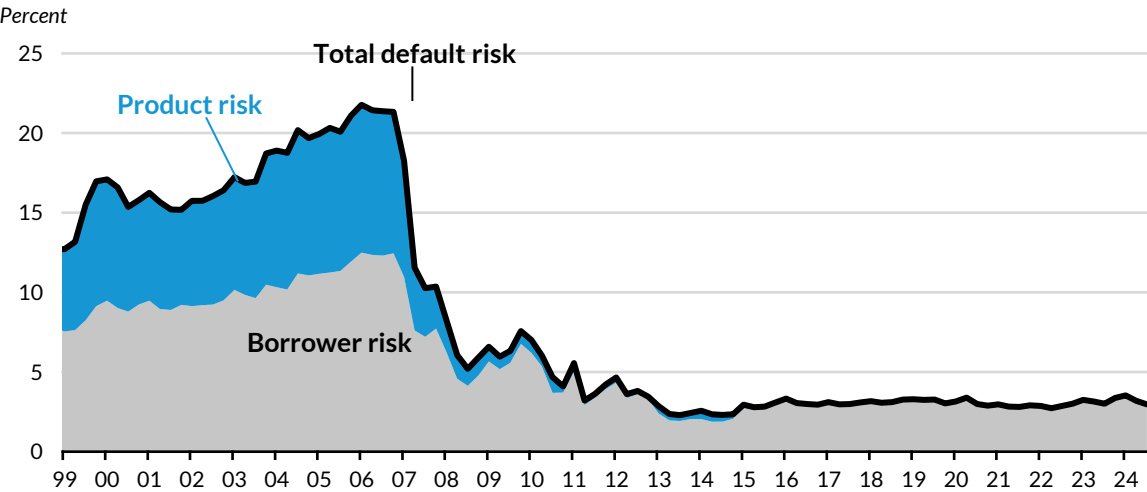
The total default risk the government loan channel is willing to take bottomed out at 9.6 percent in Q3 2013. It fluctuated in a narrow range at or above that percentage for three years. In the eleven quarters from Q4 2016 to Q1 2019, the risk in the government channel increased from 9.9 to 12.1 percent but has since receded. The government channel stands at 9.8 percent in Q3 2024, far below the pre-bubble level of 19.0 to 23.0 percent.



Sources: eMBS, CoreLogic, Home Mortgage Disclosure Act data, Inside Mortgage Finance, and the Urban Institute.

Portfolio and Private-Label Securities Channels

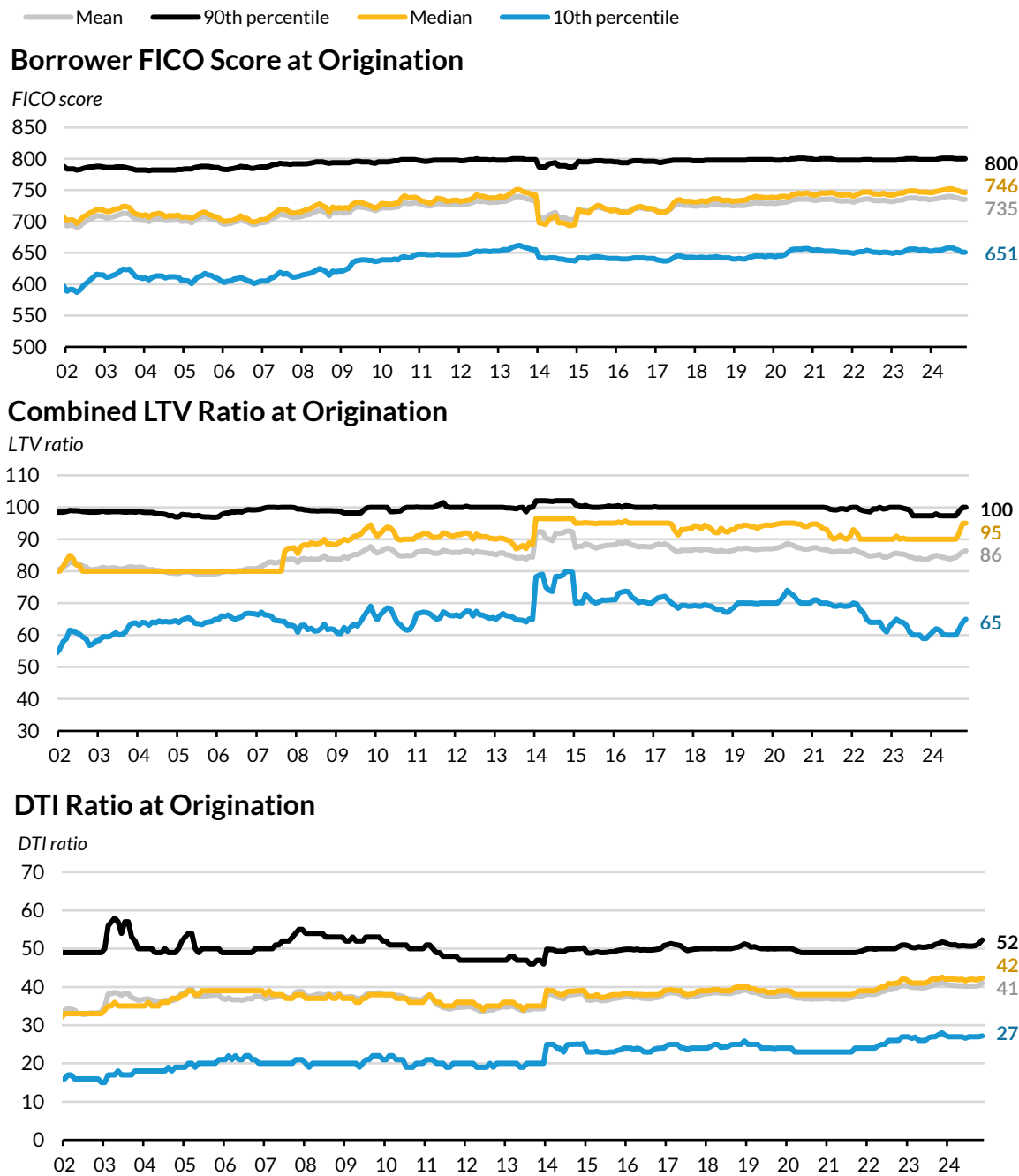
The portfolio and private-label securities (PP) channel took on more product risk than the government and GSE channels during the bubble. After the crisis, the channel's product and borrower risks dropped sharply. The numbers have stabilized since 2013, with product risk well below 0.5 percent and total risk ranging from 2.3 to 3.4 percent. Since 2022, default risk has increased from 2.6 to 2.9 percent in Q3 2024 but remains a shadow of the default risk taken before the financial crisis.



Sources: eMBS, CoreLogic, Home Mortgage Disclosure Act data, Inside Mortgage Finance, and the Urban Institute.
Notes: Default is defined as 90 days or more delinquent at any point. Last updated for Q3 2024.

CREDIT BOX // CREDIT AVAILABILITY FOR PURCHASE LOANS

Over 2023 and the first half of 2024, credit standards tightened, mostly across the FICO dimension. Starting in July 2024 credit standards started to loosen back to prepandemic norms. Median FICO score at origination in November 2024 was 746, 6 points lower than the recent high in July 2024 but still 4 points higher than the median FICO in December 2021 when interest rates started to rise. Median loan-to-value (LTV) ratio was 95 percent in November, higher than the 90 percent median from May 2023 to August 2024, and equal to the December 2021 median LTV. Median debt-to-income (DTI) ratio was 42 percent November 2024, where it has remained since the beginning of 2024 and above the 39 percent from December 2021.

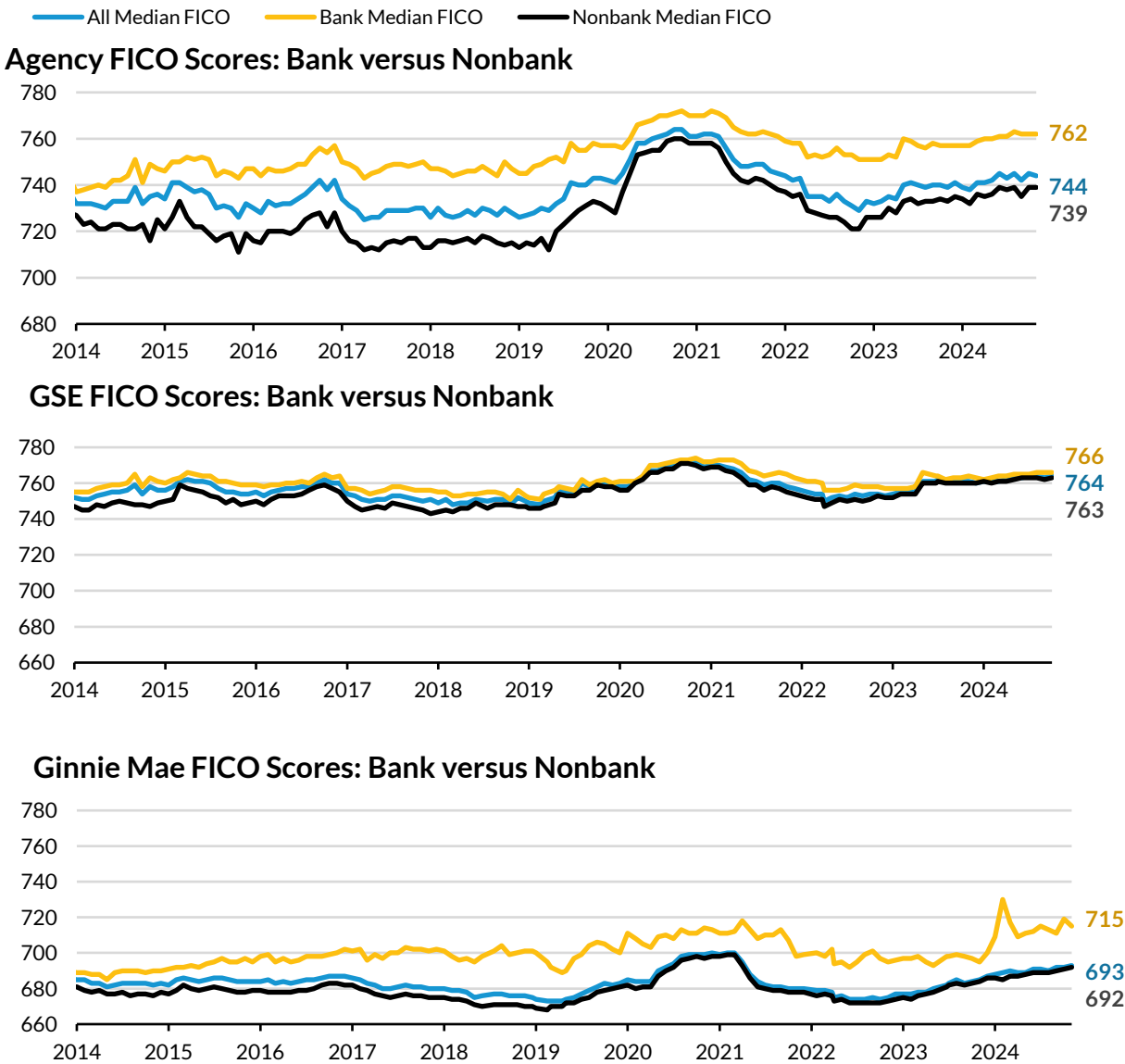


Sources: ICE Mortgage Technology, eMBS, Home Mortgage Disclosure Act data, Securities Industry and Financial Markets Association, CoreLogic, and the Urban Institute.
Notes: Includes owner-occupied purchase loans only. DTI ratio data before April 2018 are from CoreLogic; after that date, they are from ICE. A back-update to the ICE historical series was made in September 2021 for data starting from 2001 onward. Data as of November 2024.

CREDIT BOX // AGENCY NONBANK CREDIT BOX

FICO scores for banks and nonbanks in both GSE and Ginnie Mae segments increased from Q1 2019 to Q1 2021 because of increased refinance activity in response to lower rates. As refinance activity tapered over 2021 and 2022, FICO scores fell. Borrowers of refinance loans typically have higher FICO scores than borrowers of purchase loans, which boosted median scores amid the most recent refinancing wave and reduced median scores as rates rose. After falling in 2021 and most of 2022, the median agency FICO score increased in early 2023 and remains relatively high at 744 in November 2024, despite a sharp contraction in refinance activity. This likely reflects the fact that with affordability stretched because of the increases in interest rates and home prices, qualification often requires higher FICO scores to compensate.

The gap between agency bank and nonbank FICO scores remained at 23 points in November 2024. Although the GSEs accounted for 63 percent of agency volume, the difference between the median FICO score on bank and nonbank GSE loans stood at 3 points in November 2024. But across Ginnie Mae loans, the gap is 23 points. Because of the sharp cutback in FHA lending by banks post-2008, banks now compose only 6 percent of Ginnie Mae originations.

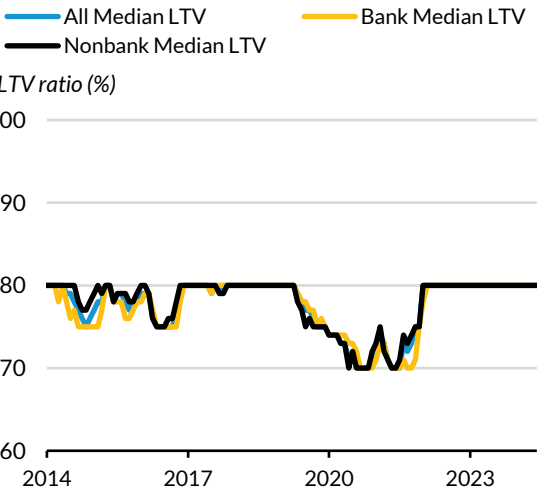


Sources: eMBS and the Urban Institute.
Note: Data as of November 2024.

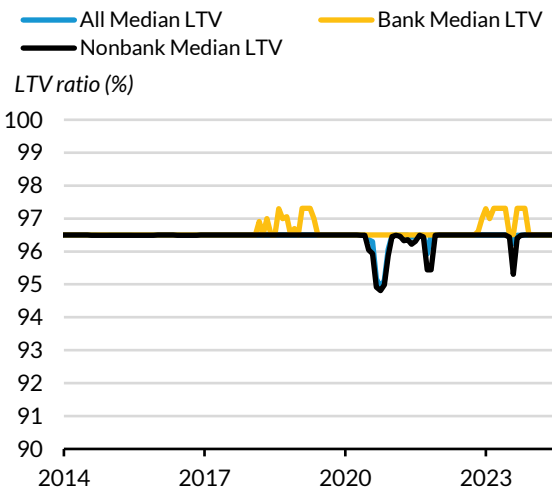
CREDIT BOX // AGENCY NONBANK CREDIT BOX

Nonbanks are more expansive in their lending than banks, as indicated by higher back-end DTI ratios in both GSE and Ginnie Mae markets. From early 2017 to early 2019, there was a sustained increase in DTI ratios, which has reversed beginning in spring 2019. This is true for both Ginnie Mae and the GSEs, for banks and nonbanks. As interest rates in 2018 increased, DTI ratios rose because borrower payments were driven up relative to incomes. As rates fell during most of 2019 and 2020, DTI ratios fell as borrower payments declined relative to incomes. Over 2021 and 2022, DTI ratios largely increased, reflecting higher rates and home prices, both of which force households to borrow more relative to income. Since 2023, DTI ratios have largely flattened at elevated levels.

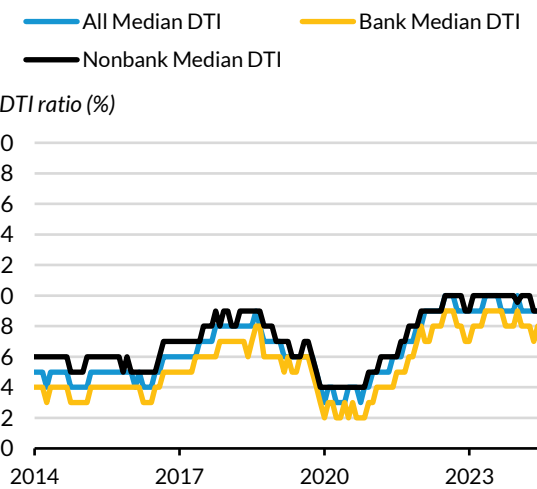
GSE LTV Ratios: Bank versus Nonbank



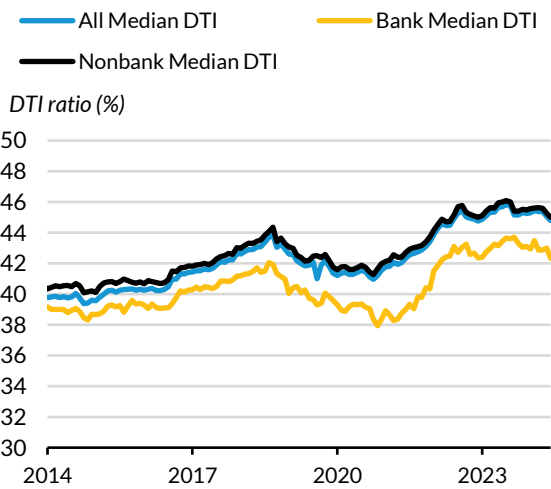
Ginnie Mae LTV Ratios: Bank versus Nonbank



GSE DTI Ratios: Bank versus Nonbank



Ginnie Mae DTI Ratios: Bank versus Nonbank

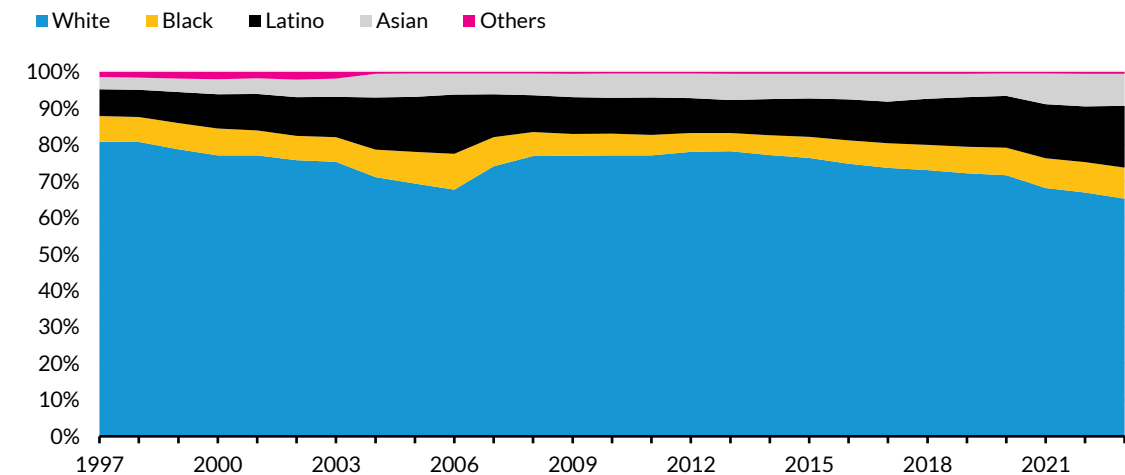


Sources: eMBS and the Urban Institute.
Note: Data as of November 2024.

STATE OF THE MARKET // RACIAL AND ETHNIC COMPOSITION

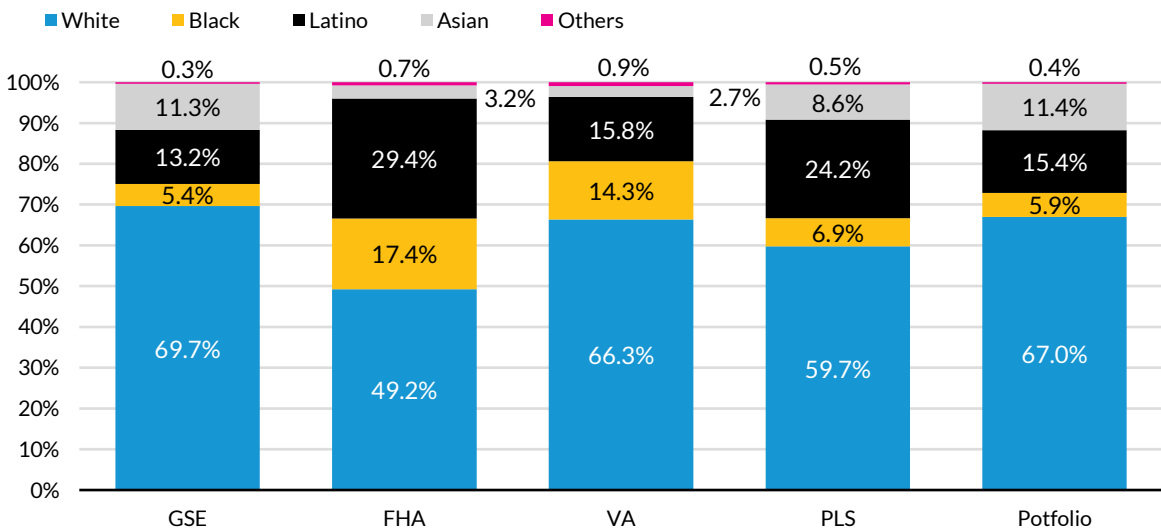
Across all channels, the share of purchase lending to applicants of color reached a peak of 32.3 percent in 2006, the year before the Great Recession. Following the Great Recession and amid a period of very tight credit, the share of purchase loans extended to borrowers of color declined to a low of 21.7 percent in 2013. Since then, it has slowly increased. In 2023, the borrower of color share stood at 34.8 percent, up from 33.1 percent in 2022. But the share of purchase lending to borrowers of color varied widely by channel in 2023. Just over half, 50.8 percent, of FHA homebuyers are borrowers of color and 40.3 percent of PLS borrowers. Borrowers of color represented a smaller loan share in the GSE, VA, and portfolio channels (30.3 percent, 33.7 percent, and 33.0 percent, respectively).

2023 Purchase Loan Shares, by Race or Ethnicity



Source: 1997 to 2023 Home Mortgage Disclosure Act data.
Note: Includes purchase loans only.

2023 Purchase Loan Channel Shares, by Race or Ethnicity



Source: 2023 Home Mortgage Disclosure Act data.
Note: Includes purchase loans only.

STATE OF THE MARKET // MORTGAGE ORIGINATION PROJECTIONS

Both Fannie Mae and the Mortgage Bankers Association (MBA) expect originations to be higher in 2024 than in 2023. This reflects the impact of increases in the refinance share; while still low, the increases have been notable. 2025 is expected to show a further marked increase in origination volume, as the refinance share is expected to rise further. 2023 will mark the cyclical low in origination activity, with large drops from 2021 and 2022. This primarily reflects declines in the refinance share as interest rates rose, with the slowing of home sales ([page 22](#)) also contributing to the low activity.

Total Originations and Refinance Shares

Period	Originations (\$ Billions)		Refinance Share (Percent)	
	Total, FNMA estimate	Total, MBA estimate	FNMA estimate	MBA estimate
2024 Q1	328	377	20	23
2024 Q2	433	429	16	22
2024 Q3	457	479	22	25
2024 Q4	471	494	32	38
2025 Q1	366	416	28	32
2025 Q2	515	526	24	30
2025 Q3	531	570	24	33
2025 Q4	504	556	28	34
2019	2,462	2,253	46	44
2020	4,374	4,108	64	64
2021	4,570	4,436	58	62
2022	2,374	2,245	31	33
2023	1,503	1,458	15	15
2024	1,689	1,779	23	28
2025	1,916	2,068	27	26

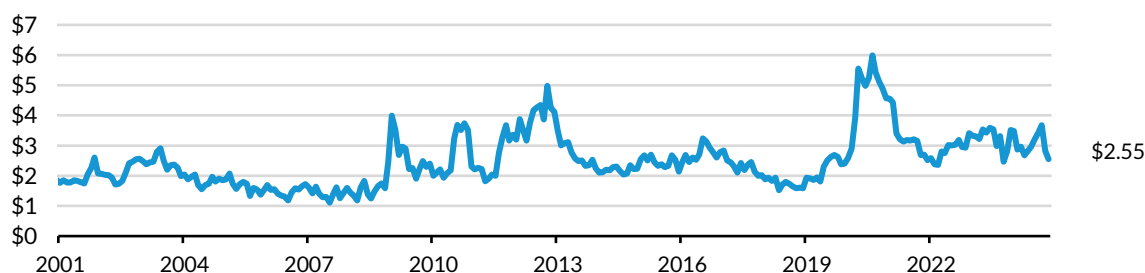
Sources: Fannie Mae (FNMA), the Mortgage Bankers Association (MBA), and the Urban Institute.

Note: Forecasts as of January 2024. Shaded boxes indicate forecasted figures. All figures are estimates for the total single-family (one-to-four-unit) market. Regarding interest rates, the yearly averages for 2017, 2018, 2019, 2020, 2021, and 2022 were 4.0, 4.6, 3.9, 3.0, 3.0, and 5.3 percent.

Originator Profitability and Unmeasured Costs

In November 2024, Originator Profitability and Unmeasured Costs (OPUC) was \$2.55 per \$100 loan, down from \$2.83 in October. Higher profitability in 2020 and early 2021 reflected lender capacity constraints amid strong refinance demand. Reduced profitability in 2022 reflected slower refinance activity, forcing originators to compete more aggressively on price. 2023 and 2024 profitability reflected less but significant competition between mortgage originators. OPUC, formulated and calculated by the Federal Reserve Bank of New York, is a strong relative measure of originator profitability. OPUC uses the sales price of a mortgage in the secondary market (less par) and adds two sources of profitability: retained servicing (both base and excess servicing, net of guarantee fees, or g-fees) and points the borrower pays. As volumes decline, fixed costs are spread out over fewer loans, overstating relative profitability. OPUC is generally high when interest rates are low, as originators are capacity constrained because of refinance demand and have no incentive to reduce rates. Conversely, when interest rates are higher and refinance activity is low, competition forces originators to lower rates, driving profitability down. Although higher rates are limiting volume, originators are adapting to the new environment by slashing head counts and fixed costs.

Dollars per \$100 loan



Sources: Federal Reserve Bank of New York, updated monthly and available at this link:

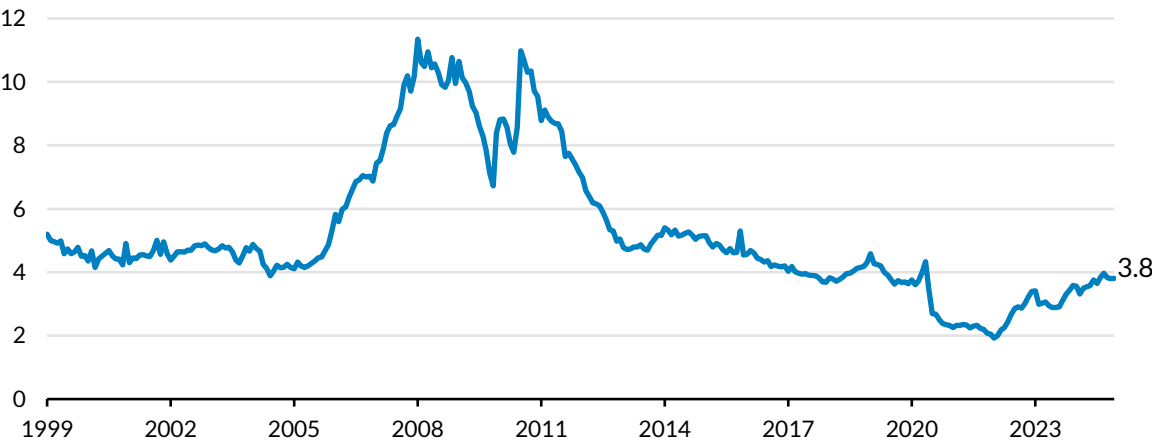
<http://www.ny.frb.org/research/epr/2013/1113fust.html> and the Urban Institute.

Note: Data as of November 2024. OPUC is a monthly (four-week moving) average, as discussed in the link above.

STATE OF THE MARKET // HOUSING SUPPLY

Months' supply of existing homes, or the inventory of homes as a share of existing home sales, remains low in a historical context. But since 2022, when interest rates began to rise noticeably, months' supply of existing homes also increased. From December 2023 to December 2024, the inventory of total homes rose 18.1 percent, while total home sales over the same period increased 8.5 percent. Fannie Mae, the MBA, and the National Association of Home Builders (NAHB) reported that housing starts over full-year 2023 lagged levels in 2022 and 2024 starts lagged 2023. Housing starts in 2025 are expected to be like projected levels in 2024. Industry forecasters expect total 2024 housing sales to be similar to 2023 activity, with 2025 sales up slightly from 2024.

Months' Supply



Sources: National Association of Realtors and the Urban Institute.
Note: Data as of December 2024.

Housing Starts and Home Sales

Year	Housing Starts, Thousands			Home Sales, Thousands		
	Total, FNMA estimate	Total, MBA estimate	Total, NAHB estimate	Total, FNMA estimate	Total, MBA estimate	Total, NAHB estimate*
2017	1,203	1,208	1,205	6,123	6,158	5,520
2018	1,250	1,250	1,247	5,957	5,956	5,350
2019	1,290	1,295	1,292	6,023	6,016	5,431
2020	1,380	1,397	1,394	6,462	6,506	5,888
2021	1,601	1,605	1,605	6,891	6,896	6,195
2022	1,553	1,551	1,552	5,671	5,740	5,170
2023	1,420	1,421	1,421	4,756	4,785	4,340
2024	1,348	1,365	1,349	4,743	4,744	4,344
2025	1,312	1,398	1,329	5,036	5,001	4,519

Sources: Fannie Mae (FNMA), Mortgage Bankers Association (MBA), and National Association of Home Builders (NAHB) forecasts as of January 2024.

Note: Shaded boxes indicate forecasted figures; column labels indicate source of estimate.

*The NAHB home sales also excludes existing condos and co-ops reported by the National Association of Realtors.

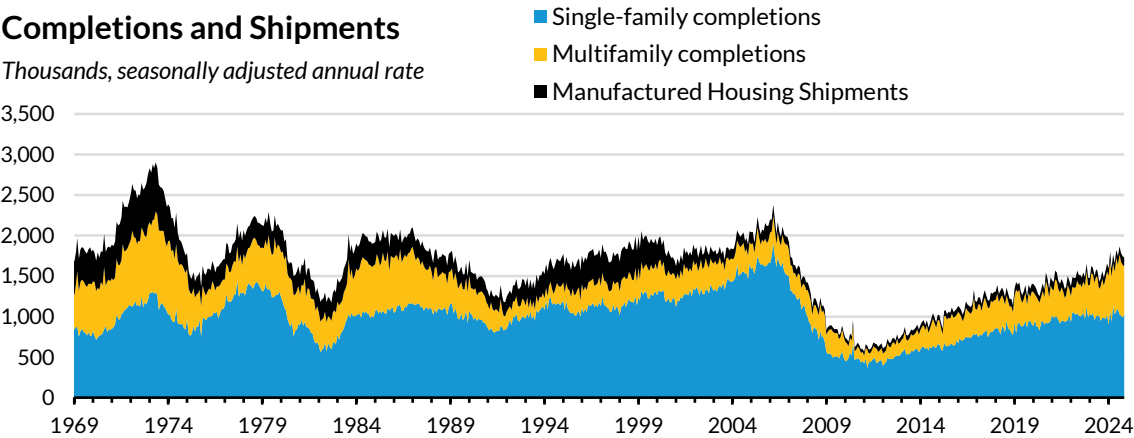
STATE OF THE MARKET // NEW RESIDENTIAL PRODUCTION

New residential production—including single-family and multifamily completions, as well as manufactured housing shipments—reached a seasonally adjusted annual rate of 1.73 million units in November 2024, 11.1 percent higher than its level a year prior. Since reaching a low of 565,000 units in January 2011, new production has risen 206 percent. But current production is still 27 percent lower than the peak March 2006 level of 2.38 million units. In November 2024, single-family completions are 46 percent lower than the March 2006 peak of 1.91 million units. But multifamily completions are 58 percent greater than their level in March 2006.

Only 5.0 percent of multifamily units completed in Q3 2024 were built for sale, down significantly from its Q2 2007 peak of 43.9 percent. The share of single-family units built for sale is 74.2 percent, rising after dropping amid high interest rates in early 2023, though 6.1 percentage points lower than the peak in Q1 2006. The owner-occupied share of mobile homes fell from 2006 to 2014 but has partially recovered.

Completions and Shipments

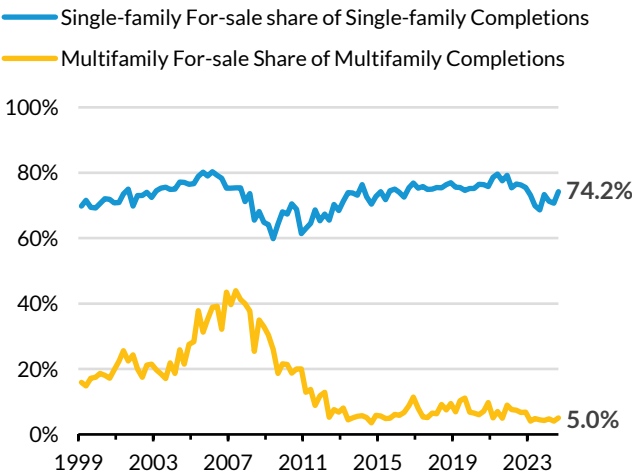
Thousands, seasonally adjusted annual rate



Sources: Moody's Analytics, US Census Bureau, and Urban Institute calculations.

November 2024

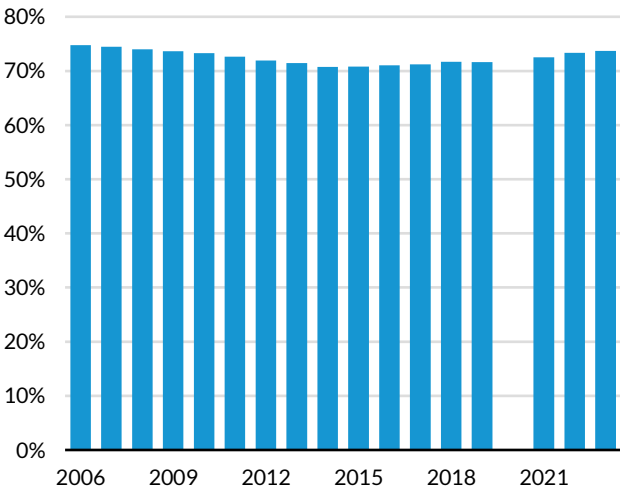
Share of Residential Completions Built For Sale



Sources: US Census Bureau and Urban Institute calculations.

Q3 2024

Owner-Occupied Share of Occupied Mobile Homes

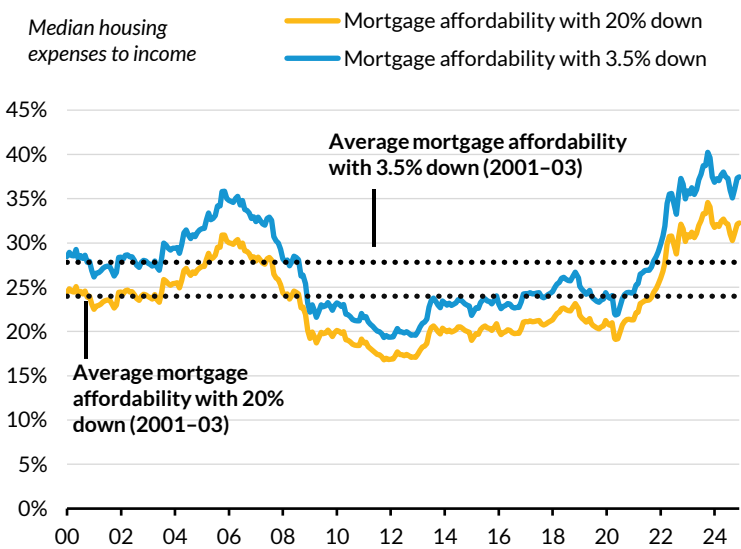


Source: One-year American Community Survey data.

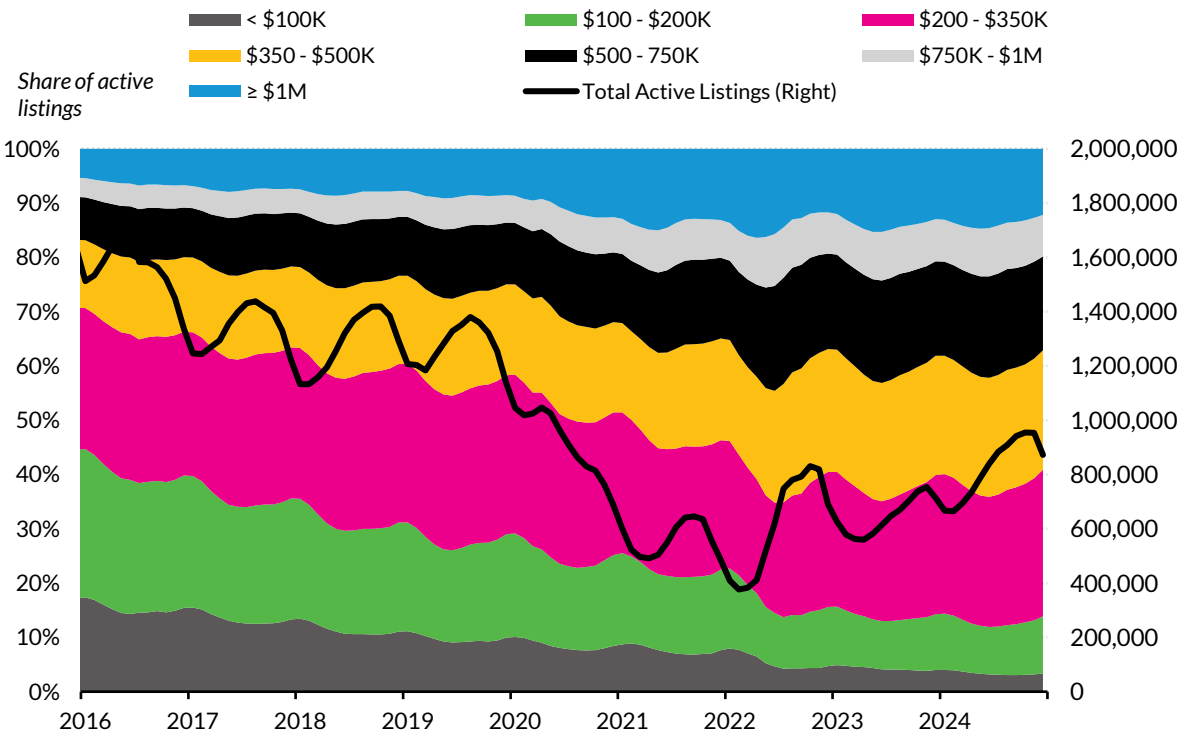
Note: Data are not available for 2020 because of low response rates during the pandemic.

National Mortgage Affordability over Time

Mortgage affordability remains close to the worst level since the inception of this series in 2002. As of December 2024, with a 20 percent down payment, the share of median income needed for the median monthly mortgage payment was 32.3 percent, above the 30.9 percent at the peak of the housing bubble in November 2005; and with 3.5 percent down, the housing cost burden is 37.5 percent, also above the 35.8 percent prior peak in November 2005. Even amid seasonal variation, active listings remain lower over time, and the distribution has shifted markedly toward more expensive homes.



Active Listings, by Price Tier, over Time



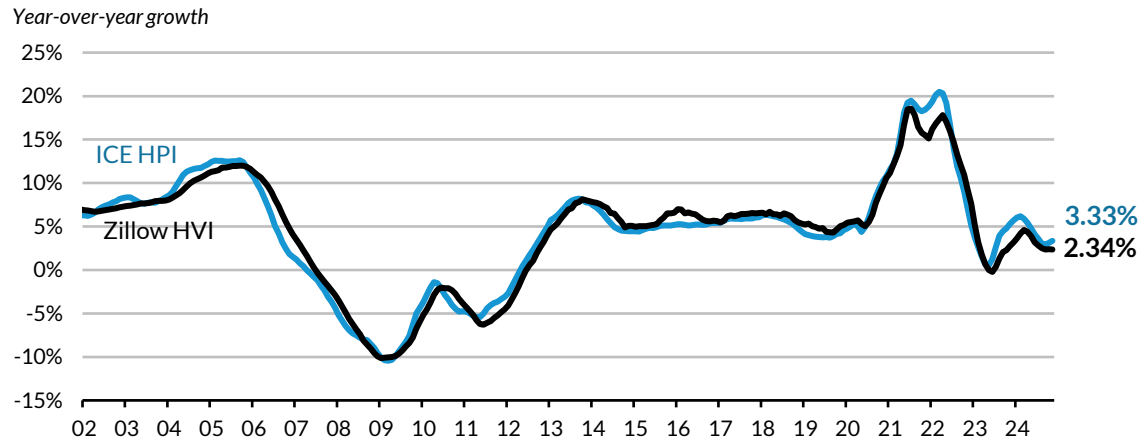
Sources: National Association of Realtors, the US Census Bureau, the Current Population Survey, the American Community Survey, Moody’s Analytics, the Freddie Mac Primary Mortgage Market Survey, Realtor.com, and the Urban Institute.

Notes: Mortgage affordability is the share of median family income devoted to the monthly principal, interest, taxes, and insurance payment required to buy the median home at the Freddie Mac prevailing rate for a 30-year fixed-rate mortgage and property tax and insurance at 1.75 percent of the housing value. Data for the bottom chart provided by Realtor.com as of December 2024.

STATE OF THE MARKET // HOME PRICE INDEXES

National Year-Over-Year HPI Growth

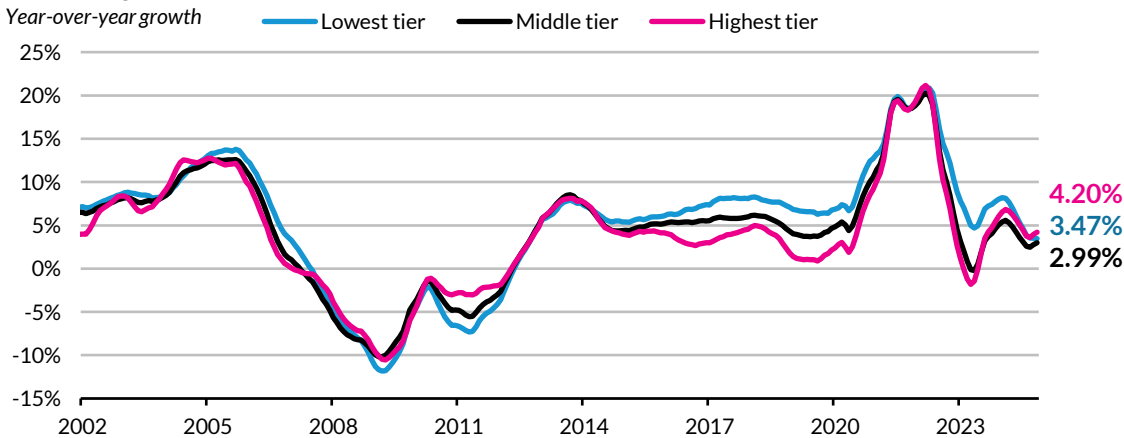
According to ICE Mortgage Technology's repeat sales index, year-over-year home price appreciation was 3.33 percent in November 2024, up from the previous month's 3.13 percent, continuing to rise after slowing from February to September 2024. Year-over-year home price appreciation, as measured by Zillow's hedonic home value index, is still slowing and is 2.34 percent in November 2024, down from 2.39 percent in October. Affordability remains low amid home prices increases, combined with elevated interest rates since 2022.



Sources: ICE Mortgage Technology, Zillow, and the Urban Institute.
Notes: ICE modified the methodology behind its HPI in February 2021, resulting in changes to historic price estimates. Data as of November 2024.

National Year-Over-Year HPI Growth, by Price Tier

Home price growth accelerated in the second half of 2020 into 2022 across all price tiers. With more expensive homes experiencing steeper appreciation in 2020 and 2021, year-over-year growth in the highest tier had surpassed the middle and lowest tiers by February 2022. With rates rising sharply in 2022, the appreciation rate slowed and then dropped for all price tiers. After bottoming out at the end of Q1 2023, home prices began to rise. From May 2023 to January 2024, year-over-year home price appreciation increased each month at all tiers. Year-over-year home price growth in October is slightly weaker than growth in September for the lowest and middle tiers of homes and stronger for the most expensive homes. Appreciation at the highest tier has the greatest year-over-year appreciation at 4.20 percent, followed by 3.47 percent for the lowest-tier homes and 2.99 for middle-tier homes. Appreciation for the most expensive homes only recently started to outpace appreciation for the least expensive homes after lagging from April 2022 to August 2024.

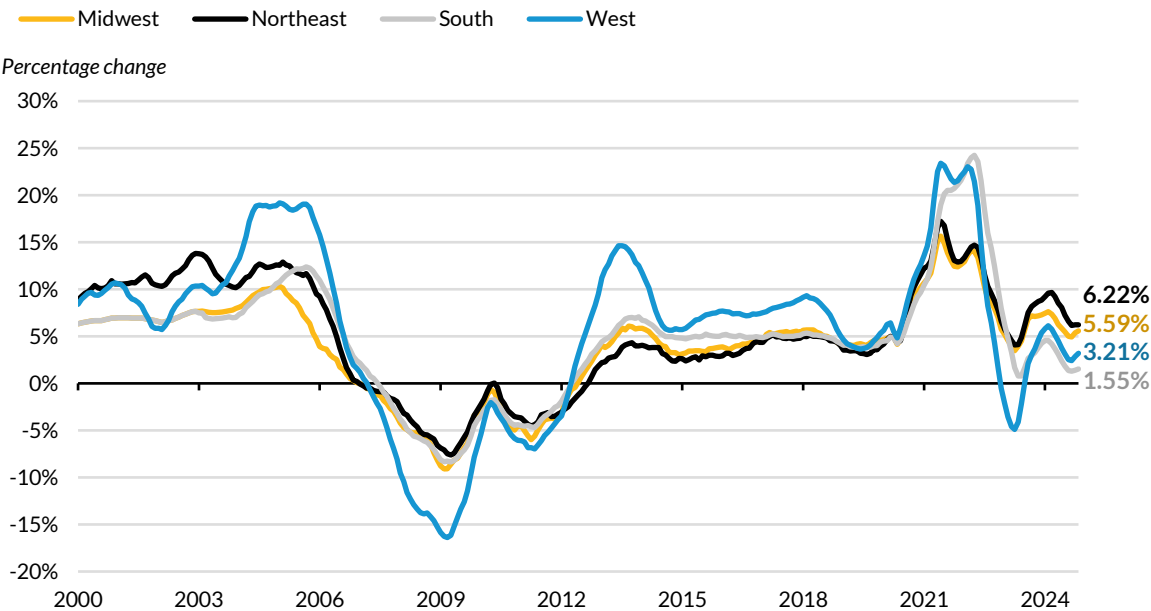


Sources: ICE Mortgage Technology and the Urban Institute.
Notes: ICE modified the methodology behind its HPI in February 2021, resulting in changes to historic price estimates. Data as of November 2024.

STATE OF THE MARKET // REGIONAL HOME PRICE INDEXES

In November 2024, the Northeast region had the highest year-over-year house price appreciation (6.22 percent), followed by the Midwest at 5.59 percent. The West and South have lower but positive appreciation (3.21 and 1.55 percent, respectively). Annual home price appreciation has generally been slowing in the last 6 months and month-over-month home price appreciation has been negative in each region of the country since August 2024.

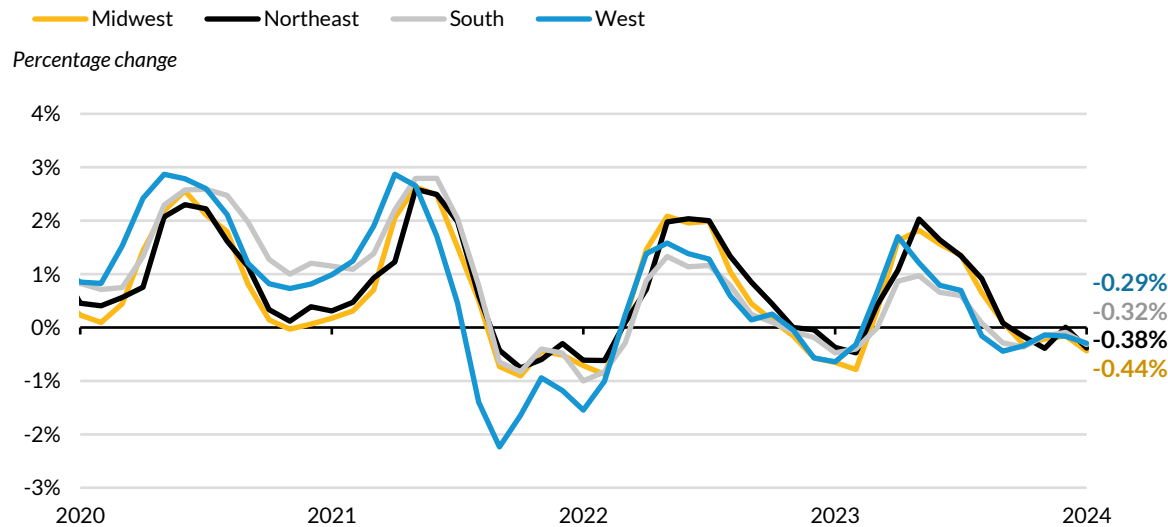
Year-over-Year Home Price Appreciation, by Region



Sources: ICE Mortgage Technology and Urban Institute calculations.

Note: Data as of October 2024.

Month-over-Month Home Price, by Region



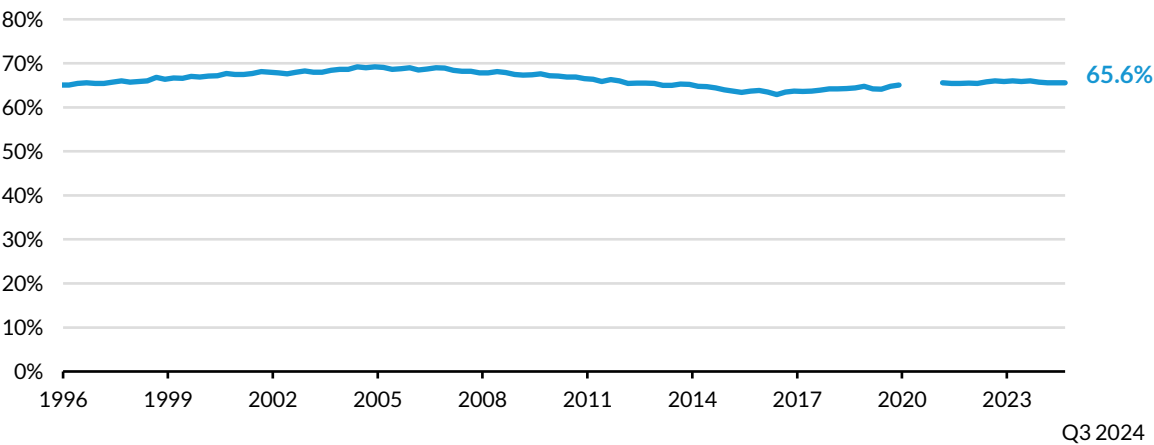
Sources: ICE Mortgage Technology and Urban Institute calculations.

Note: Data as of November 2024. Month-over-month appreciation changed in January 2025 from seasonally adjusted to not seasonally adjusted.

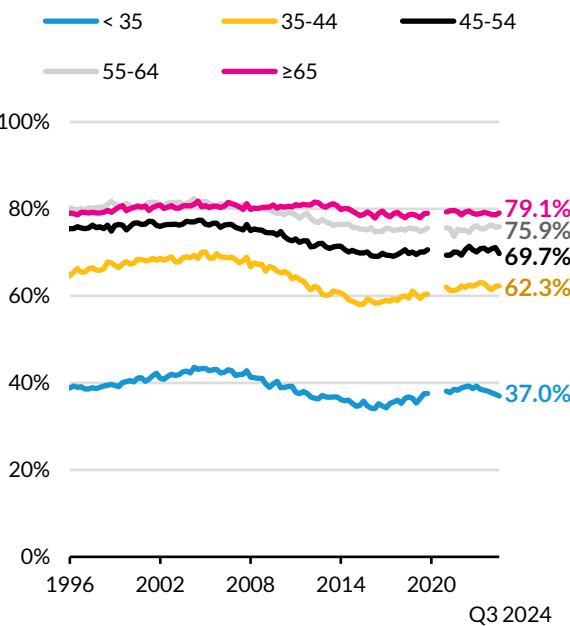
STATE OF THE MARKET // HOMEOWNERSHIP RATES

In Q3 2024, the homeownership rate was at 65.6 percent, unchanged from the previous quarter and 0.4 percentage points lower than a year earlier. After falling to 62.9 percent in Q2 2016, the homeownership rate began to recover but remains 3.4 percentage points below its Q1 2005 peak of 69.0 percent. By age groups, older households are more likely to be homeowners relative to younger households. In addition, the homeownership rate for households 65 and older is closest to its 2000s peak level. By race and ethnicity, white households are more likely to be homeowners relative to households of color. But the homeownership rate among Latino households is closest to returning to its 2000s peak.

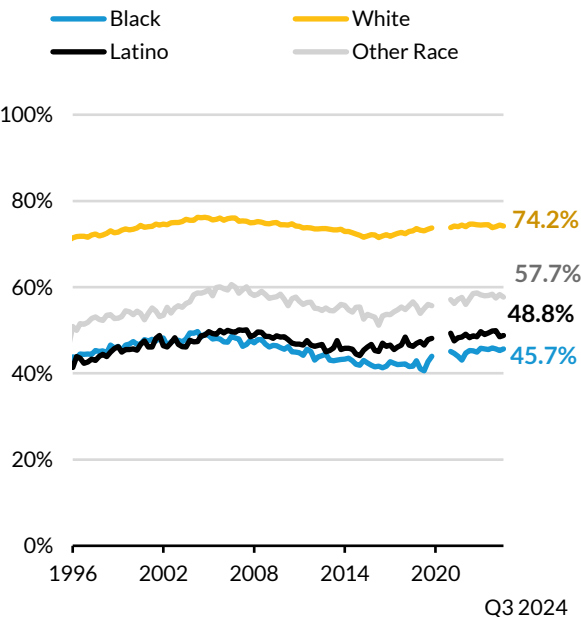
Overall Homeownership Rate



Homeownership, by Owner Age



Homeownership Rate, by Race or Ethnicity

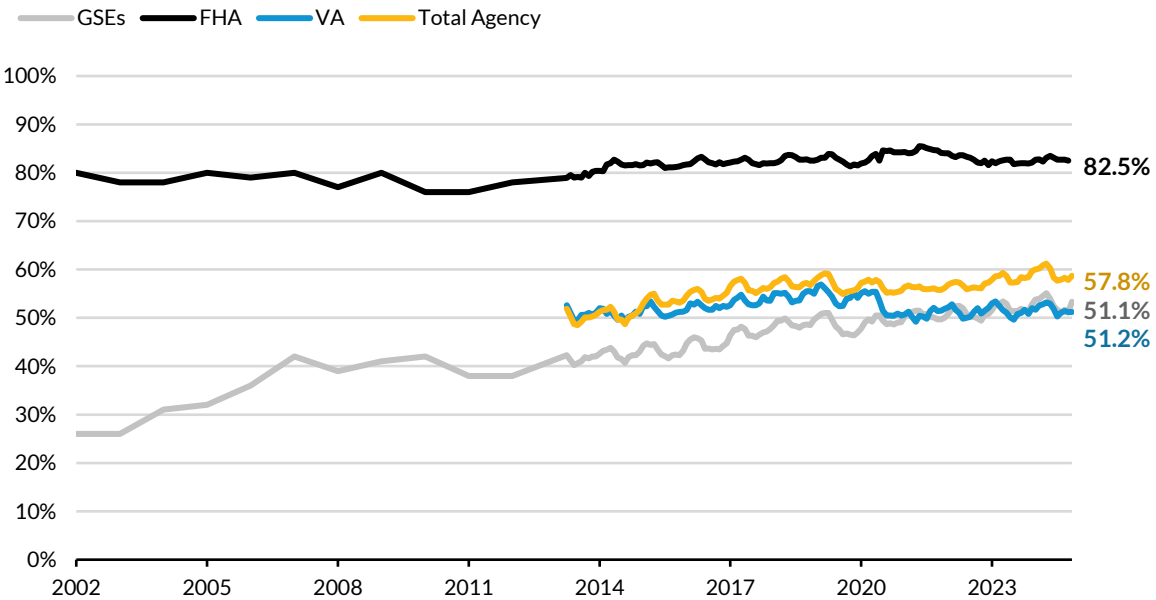


Sources: Moody's Analytics, US Census Bureau, and Urban Institute calculations.
Note: Data from 2020 are poor because of low response rates during the pandemic.

STATE OF THE MARKET // FIRST-TIME HOMEBUYERS

First-Time Homebuyer Share

In October 2024, the first-time homebuyer (FTHB) share for FHA loans was 82.5 percent, FHA has always been more focused on FTHBs than either VA or the GSEs. The FTHB share of GSE lending in October was 51.1 percent, higher than the VA share (51.2 percent). The bottom table shows that based on mortgages originated in November 2024, the average FTHB was more likely than an average repeat buyer to take out a smaller loan and to have a lower credit score and a higher LTV ratio.



Sources: eMBS, the Federal Housing Administration, and the Urban Institute. October 2024
Note: All series measure the first-time homebuyer share of purchase loans for principal residences.

Comparison of First-Time and Repeat Homebuyers, GSE and FHA Originations

Characteristics	GSEs		FHA		GSEs and FHA	
	First-time	Repeat	First-time	Repeat	First-time	Repeat
Loan amount	\$347,548	\$376,868	\$331,812	\$347,908	\$344,100	\$381,342
Credit score	753	764	691	696	725	750
LTV ratio (%)	84	75	95	92	90	81
DTI ratio (%)	38	39	45	47	41	41
Loan rate (%)	6.46	6.46	5.94	5.95	6.20	6.30

Sources: eMBS and the Urban Institute.
Note: Based on owner-occupied purchase mortgages originated in November 2024.

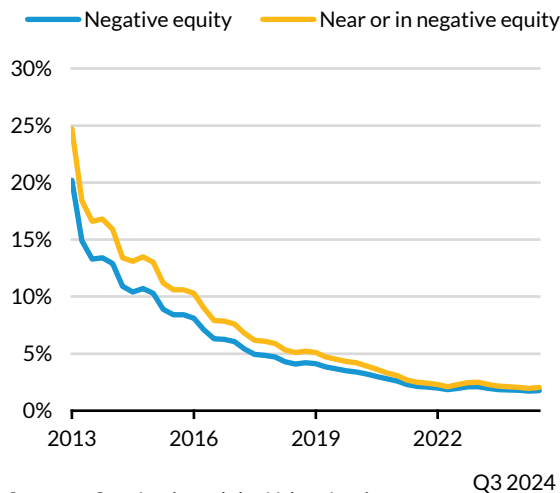
STATE OF THE MARKET // DELINQUENCIES AND LOSS MITIGATION

The share of loans with negative and near-negative equity increased from 2.0 to 2.1 percent from Q2 2024 to Q3 2024. In Q3 2024, the composition of loans with negative or near-negative equity consisted of 1.8 percent with negative equity and 0.3 percent with between 0 and 5 percent equity.

The share of loans that are 90 days or more delinquent or in foreclosure increased 9 basis points, from 1.44 percent in Q2 2024 to 1.53 percent in Q3 2024. This largely reflects a 7 basis-point increase in the share of mortgages 90 days or more delinquent; over the same period, the share of loans in foreclosure increased 2 basis points. Serious delinquencies include loans where borrowers have missed their payments, including loans in forbearance.

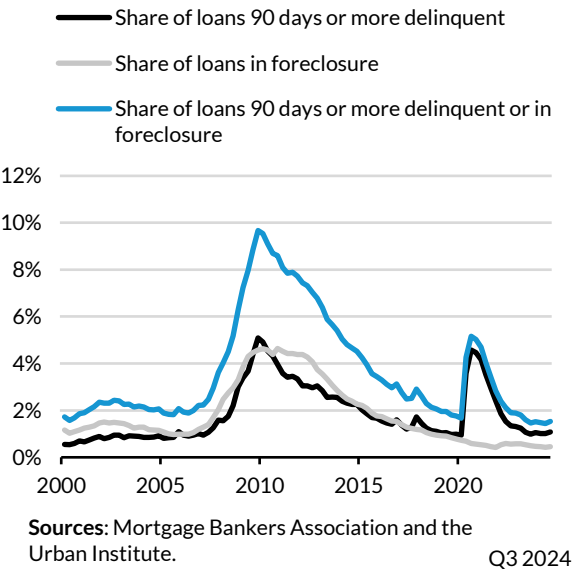
The bottom chart shows the share of loans in forbearance according to the MBA Weekly Forbearance and Call Volume Survey, launched in March 2020. After peaking at 8.55 percent in early June 2020, the total forbearance rate declined to 2.06 percent as of October 31, 2021, the final week of the call survey. The MBA has since moved to conducting a monthly survey, with the most recent forbearance rate increasing by 3 basis points to 0.50 percent as of November 30, 2024. Ginnie Mae loans had the highest forbearance rate (1.11 percent), up 5 basis points from October. GSE loans have consistently had the lowest forbearance rates and increased 1 basis points to 0.21 percent. The forbearance rate for other loans (e.g., portfolio and PLS) was 0.42 percent, 1 basis points lower than in October.

Negative Equity Share



Sources: CoreLogic and the Urban Institute.
Notes: Loans with negative equity refer to loans with LTV ratios above 100 percent. Loans near negative equity refer to loans with LTV ratios above 95 percent.

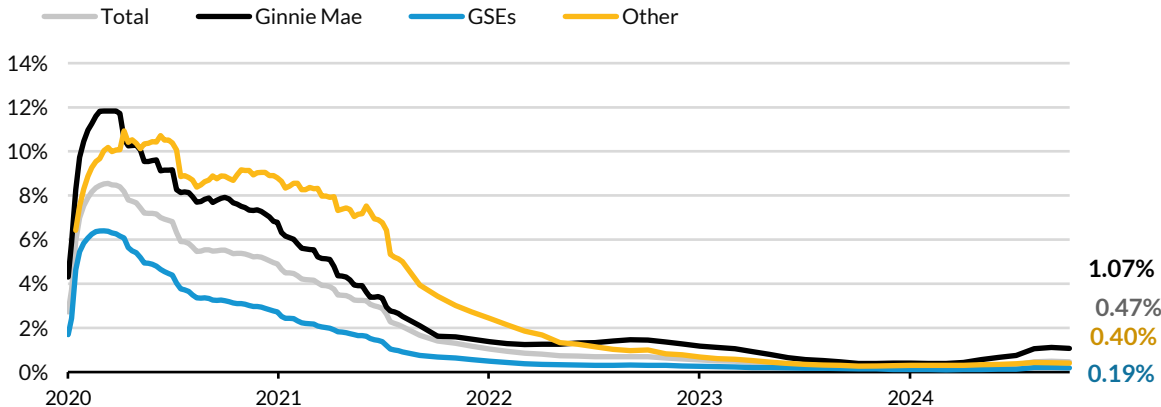
Loans in Serious Delinquency or Foreclosure



Sources: Mortgage Bankers Association and the Urban Institute.

Q3 2024

Forbearance Rates, by Channel

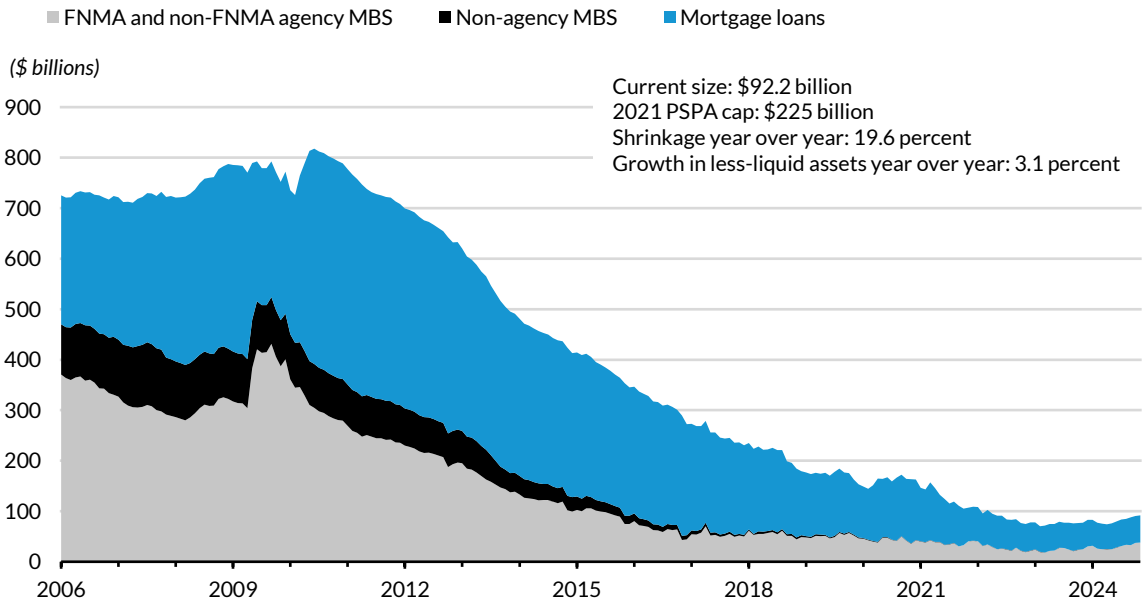


Source: MBA Weekly Forbearance and Call Volume Survey.
Note: Forbearance rates as of December 31, 2024.

GSEs UNDER CONSERVATORSHIP // GSE PORTFOLIO WIND-DOWN

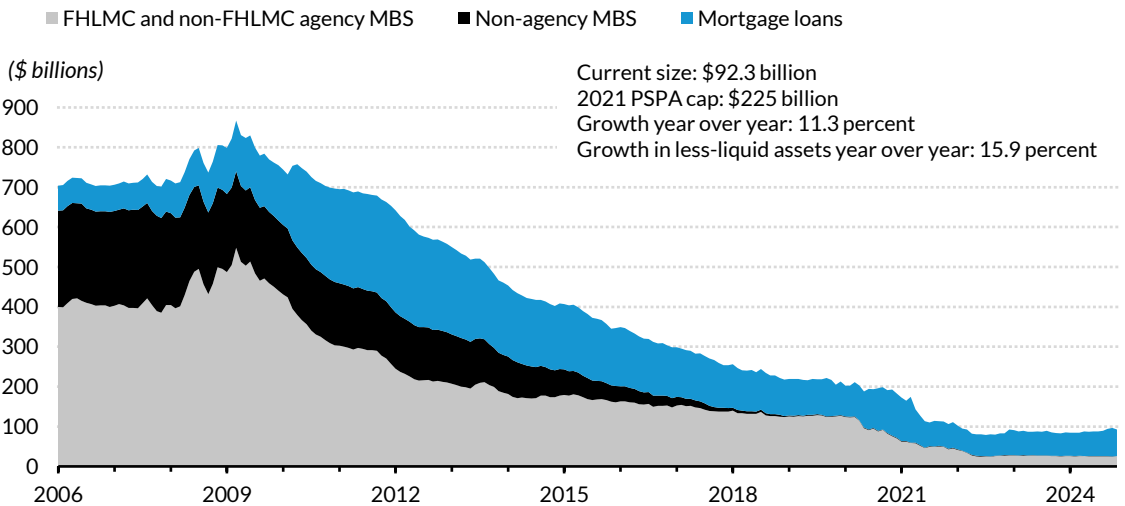
The Fannie Mae and Freddie Mac portfolios remain well below the \$225 billion cap mandated in January 2021 by the new Preferred Stock Purchase Agreements (PSPAs) (\$92.2 and \$92.3 billion, respectively). From November 2023 to November 2024, the Fannie Mae portfolio shrank 19.6 percent, and Freddie Mac's grew by 11.3 percent. Within the portfolios, Fannie Mae increased its less liquid assets (mortgage loans, non-agency MBS) by 3.1 percent while Freddie Mac increased its assets by 15.9 percent over the same 12 months.

Fannie Mae Mortgage-Related Investment Portfolio Composition



Sources: Fannie Mae (FNMA) and the Urban Institute. November 2024

Freddie Mac Mortgage-Related Investment Portfolio Composition



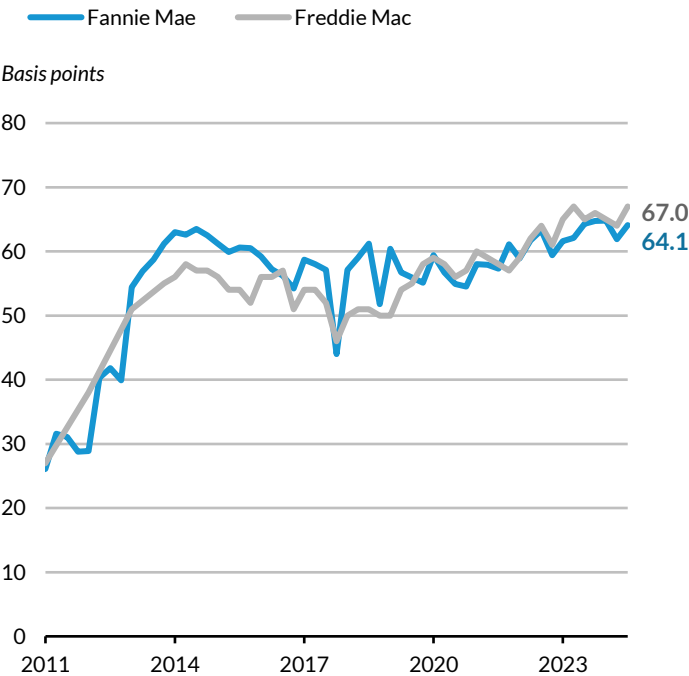
Sources: Freddie Mac (FHLMC) and the Urban Institute. November 2024

Note: Effective March 2021, Freddie Mac does not provide Freddie Mac/non-Freddie Mac breakout of agency mortgage-backed securities. The above charts were updated in May 2021 to reflect this.

Guarantee Fees Charged on New Acquisitions

Fannie Mae’s average g-fees charged on new acquisitions increased to 64.1 basis points in Q3 2024, up from 61.9 basis points in Q2 2024. Freddie Mac’s increased from 64.0 to 67.0 basis points over the same period. Today’s g-fees are markedly higher than g-fees in 2011 and 2012, contributing to the GSEs’ earnings amid sharp drops in acquisition volume.

The bottom table shows Fannie Mae loan-level pricing adjustments (LLPAs), which are expressed as up-front charges. In October 2022, the GSEs announced the elimination of LLPAs for loans to FTHBs earning up to the area median income; for affordable mortgage products such as Home Possible and Home Ready; and for loans supporting the Duty to Serve program. In January 2023, the GSEs released an updated LLPA Adjustment Matrix, effective since May 1, 2023.



Sources: Fannie Mae, Freddie Mac, and the Urban Institute.
Note: Data as of Q3 2024.

Fannie Mae Up-Front Loan-Level Price Adjustments (LLPAs)

Credit score	LTV Ratio								
	≤ 60%	30–60%	60–70%	70–75%	75–80%	80–85%	85–90%	90–95%	> 95%
> 779	0.000	0.000	0.000	0.500	0.375	0.375	0.250	0.250	0.125
760–779	0.000	0.000	0.000	0.250	0.625	0.625	0.500	0.500	0.250
740–759	0.000	0.000	0.125	0.375	0.875	1.000	0.750	0.625	0.500
720–739	0.000	0.000	0.250	0.750	1.250	1.250	1.000	0.875	0.750
700–719	0.000	0.000	0.375	0.875	1.375	1.500	1.250	1.125	0.875
680–699	0.000	0.000	0.625	1.125	1.750	1.875	1.500	1.375	1.125
660–679	0.000	0.000	0.750	1.375	1.875	2.125	1.750	1.625	1.250
640–679	0.000	0.000	1.125	1.500	2.250	2.500	2.000	1.875	1.500
< 640	0.000	0.125	1.500	2.125	2.750	2.875	2.625	2.250	1.750

Sources: Fannie Mae and the Urban Institute.
Note: Last updated January 2023.

GSEs UNDER CONSERVATORSHIP // GSE RISK-SHARING TRANSACTIONS

Fannie Mae and Freddie Mac have been laying off credit risk primarily through their CAS/STACR and reinsurance transactions. Since 2014, the GSEs have transferred the bulk of the credit risk on most of their mortgages to the private markets. Fannie Mae's CAS issuances since inception total \$2.27 trillion; Freddie's STACR totals \$2.74 trillion. After the COVID-19 spread widening in March 2020, and the repropoed capital rules released by FHFA shortly thereafter, Fannie Mae did not issue any deals from March 2020 to September 2021, while Freddie Mac continued to issue. With the changes in the final Capital Rule more credit risk transfer (CRT) friendly, and more positive attitude toward CRTs at FHFA, Fannie Mae resumed CAS issuance in October 2021. Over 2024, Fannie Mae issued 6 CAS deals and Freddie Mac issued 5 STACR deals. The amount of Freddie Mac STACR deals issued is 15 percent higher than issuance in 2023 and Fannie Mae CAS issuance in 2024 is 35 percent lower than CAS issuance over 2023.

Fannie Mae – Connecticut Avenue Securities (CAS)

Date	Transaction	Reference Pool Size (\$ m)	Amount Issued (\$m)	% of Reference Pool Covered
2013	CAS 2013 deals	\$26,756	\$675	2.5
2014	CAS 2014 deals	\$222,224	\$5,849	2.6
2015	CAS 2015 deals	\$187,127	\$5,463	2.9
2016	CAS 2016 deals	\$236,459	\$7,392	3.1
2017	CAS 2017 deals	\$264,697	\$8,707	3.3
2018	CAS 2018 deals	\$205,998	\$7,314	3.6
2019	CAS 2019 deals	\$290,211	\$8,073	2.8
2020	CAS 2020 deals	\$58,015	\$2,167	3.7
2021	CAS 2021 deals	\$142,202	\$3,095	2.2
2022	CAS 2022 deals	\$325,601	\$8,920	2.7
2023	CAS 2023 deals	\$191,497	\$5,440	2.8
2024	CAS 2024 deals	\$123,689	\$4,163	3.4
Total		\$2,274,476	\$67,258	3.0%

Freddie Mac – Structured Agency Credit Risk (STACR)

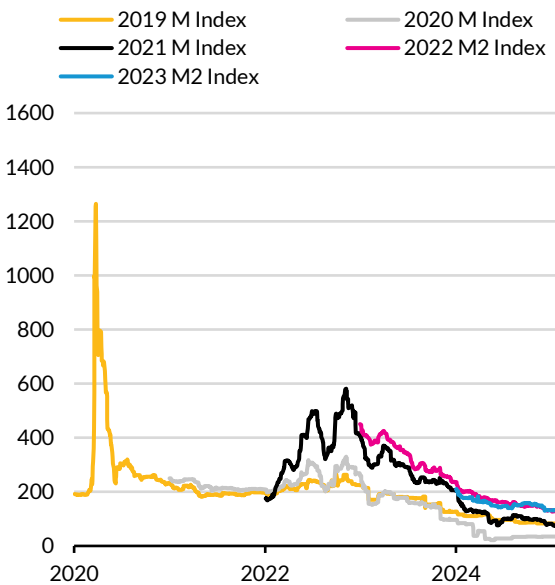
Date	Transaction	Reference Pool Size (\$ m)	Amount Issued (\$m)	% of Reference Pool Covered
2013	STACR 2013 deals	\$57,912	\$1,130	2.0
2014	STACR 2014 deals	\$147,120	\$4,916	3.3
2015	STACR 2015 deals	\$179,196	\$6,658	3.7
2016	STACR 2016 deals	\$183,421	\$5,541	3.0
2017	STACR 2017 deals	\$248,821	\$5,663	2.3
2018	STACR 2018 deals	\$243,007	\$6,055	2.5
2019	STACR 2019 deals	\$181,753	\$5,807	3.2
2020	STACR 2020 deals	\$403,591	\$10,372	2.6
2021	STACR 2021 deals	\$574,706	\$11,024	1.9
2022	STACR 2022 deals	\$327,773	\$11,203	3.4
2023	STACR 2023 deals	\$87,794	\$2,838	3.2
2024	STACR 2024 deals	\$101.024	\$2,826	2.8
January 2025	STACR 2025 – DNA1	\$19,301	\$676	3.5
Total		\$2,755,419	\$74,708	2.7%

Sources: Fannie Mae, Freddie Mac and Urban Institute. **Note:** Classes A-H, M-1H, M-2H, and B-H are reference tranches only. These classes are not issued or sold. The risk is retained by Fannie Mae and Freddie Mac. "CE" = credit enhancement.

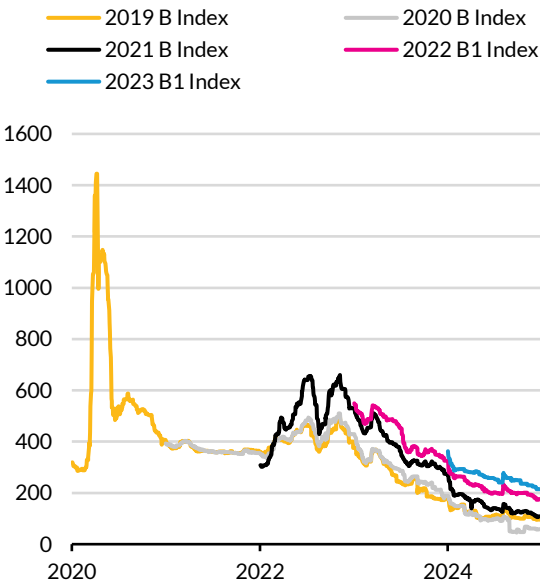
GSEs UNDER CONSERVATORSHIP // GSE RISK-SHARING INDEXES

The figures below show the spreads on 2019–23 indexes, as priced by dealers. The spread between 2021 indexes and previous vintages 2019 and 2020 widened from February to November 2022 and remained wide through 2023 but not to the same degree of widening that took place during the pandemic. Since December 2023, 2021 indexes dropped to align more with previous vintages. In addition, 2022 and 2023 indexes remain elevated compared with 2019–21 indexes. This pattern reflects lower embedded home price appreciation and higher mortgage rates, contributing to higher credit risk on newer vintages. But spreads on all indexes are declining over time, with greater declines on the 2022 and 2023 indexes.

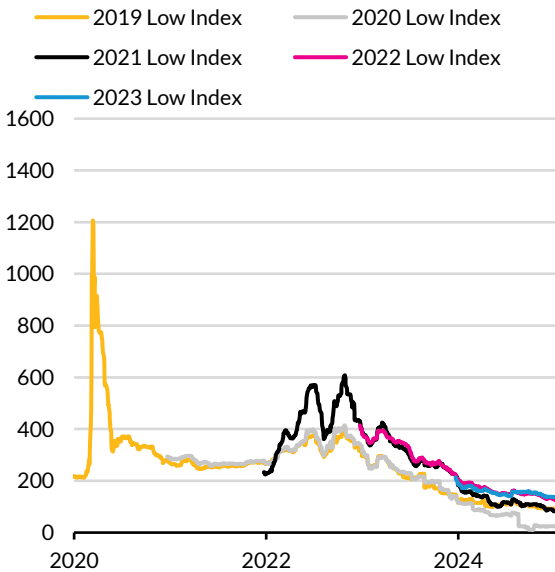
M Indexes



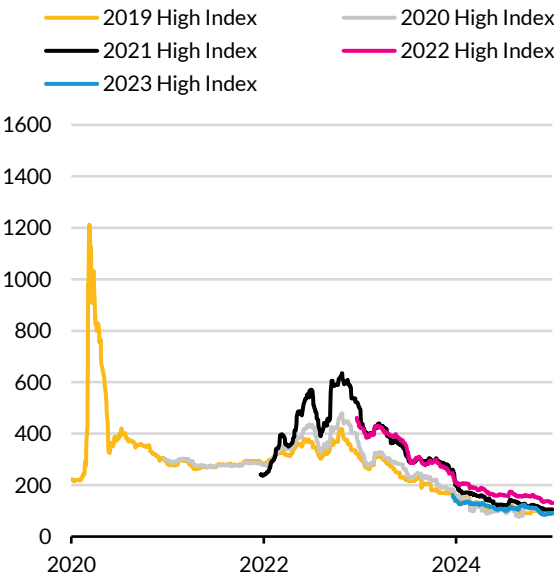
B Indexes



Low Indexes



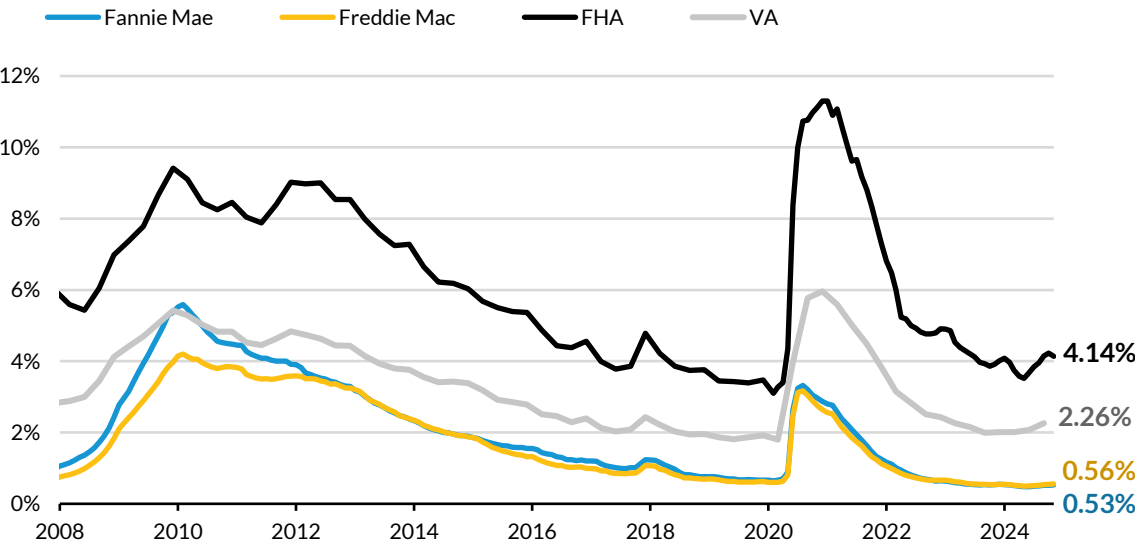
High Indexes



GSEs UNDER CONSERVATORSHIP // SERIOUS DELINQUENCY RATES

Serious delinquency rates for single-family loans have declined to prepandemic levels among GSE loans, with rates on FHA and VA loans only slightly above their prepandemic lows. In November 2024, the serious delinquency rates on Fannie Mae and Freddie Mac single-family loans both increased slightly to 0.53 and 0.56 percent, respectively. Serious delinquency rates for FHA loans, which are higher than those on GSE or VA loans, decreased from 4.23 percent in October to 4.14 percent in November. In Q3 2024, VA serious delinquency rates increased to 2.26 percent from 2.07 percent in Q2 2024. Loans in forbearance are counted as delinquent for the purpose of measuring delinquency rates. Serious delinquency rates on Fannie Mae and Freddie Mac multifamily loans rose in 2023 and 2024 amid higher interest rates and reports of lower property values on multifamily properties.

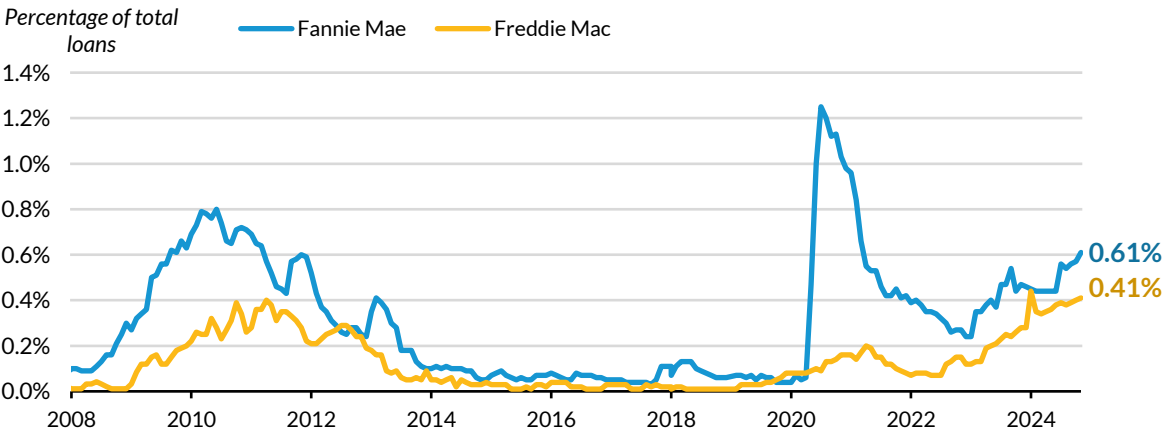
Serious Delinquency Rates among Single-Family Loans



Sources: Fannie Mae, Freddie Mac, the Federal Housing Administration, the MBA Delinquency Survey, and the Urban Institute. VA delinquencies are reported quarterly; last updated for Q3 2024. GSE and FHA delinquencies are reported monthly; data as of November 2024.

Notes: Serious delinquency refers to loans 90 days or more past due or in foreclosure. Not seasonally adjusted.

Serious Delinquency Rates among Multifamily GSE Loans



Sources: Fannie Mae, Freddie Mac, and the Urban Institute.

Notes: Data as of November 2024. Multifamily serious delinquency is the unpaid balance of loans 60 days or more past due, divided by the total unpaid balance.

AGENCY ISSUANCE // AGENCY GROSS AND NET ISSUANCE

Agency gross issuance totaled \$1.045 trillion in 2024: \$691.1 billion by the GSEs and \$453.6 billion by Ginnie Mae. GSE issuance was up 8.3 percent, and Ginnie Mae issuance was up 18.5 percent from 2023 issuance levels. Total 2024 net issuance (new securities issued less the decline in outstanding securities attributable to principal paydowns or prepayments) of \$211.9 billion was 3.0 percent lower than the net issuance through same period in 2023. This lower net level relative to a year earlier is mostly attributable to lower net GSE issuance.

Agency Gross Issuance

Issuance year	GSEs	Ginnie Mae	Total
2003	\$1,874.9	\$213.1	\$2,088.0
2004	\$872.6	\$119.2	\$991.9
2005	\$894.0	\$81.4	\$975.3
2006	\$853.0	\$76.7	\$929.7
2007	\$1,066.2	\$94.9	\$1,161.1
2008	\$911.4	\$267.6	\$1,179.0
2009	\$1,280.0	\$451.3	\$1,731.3
2010	\$1,003.5	\$390.7	\$1,394.3
2011	\$879.3	\$315.3	\$1,194.7
2012	\$1,288.8	\$405.0	\$1,693.8
2013	\$1,176.6	\$393.6	\$1,570.1
2014	\$650.9	\$296.3	\$947.2
2015	\$845.7	\$436.3	\$1,282.0
2016	\$991.6	\$508.2	\$1,499.8
2017	\$877.3	\$455.6	\$1,332.9
2018	\$795.0	\$400.6	\$1,195.3
2019	\$1,042.6	\$508.6	\$1,551.2
2020	\$2,407.5	\$775.4	\$3,182.9
2021	\$2,650.8	\$855.3	\$3,506.1
2022	\$1,200	\$527.4	\$1,727.4
2023	\$637.9	\$382.9	\$1,020.7
2024	\$691.1	\$453.6	\$1,144.7
2024 % change over 2023	8.3%	18.5%	12.1%

Agency Net Issuance

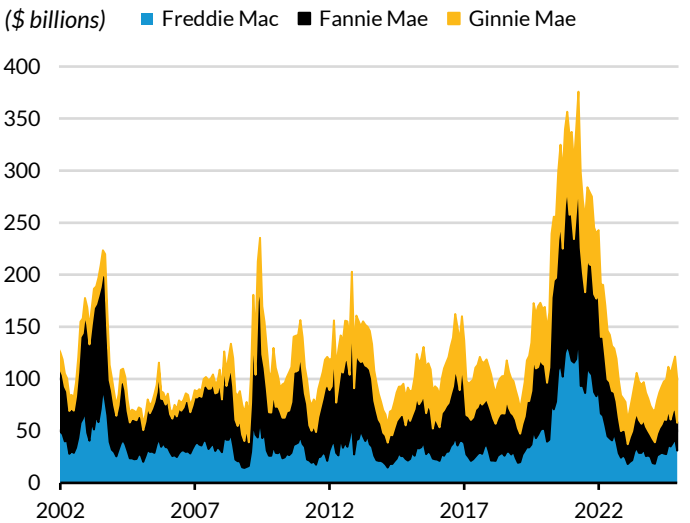
Issuance Year	GSEs	Ginnie Mae	Total
2003	\$334.9	-\$77.6	\$257.3
2004	\$82.5	-\$40.1	\$42.4
2005	\$174.2	-\$42.2	\$132.0
2006	\$313.6	\$0.2	\$313.8
2007	\$514.9	\$30.9	\$545.7
2008	\$314.8	\$196.4	\$511.3
2009	\$250.6	\$257.4	\$508.0
2010	-\$303.2	\$198.3	-\$105.0
2011	-\$128.4	\$149.6	\$21.2
2012	-\$42.4	\$119.1	\$76.8
2013	\$65.3	\$89.6	\$154.9
2014	\$26.0	\$61.6	\$87.7
2015	\$68.4	\$97.2	\$165.6
2016	\$127.4	\$125.8	\$253.1
2017	\$160.7	\$132.3	\$293.0
2018	\$149.4	\$112.0	\$261.5
2019	\$197.8	\$95.7	\$293.5
2020	\$632.8	\$19.9	\$652.7
2021	\$753.5	\$5.6	\$759.1
2022	\$289.5	\$143.0	\$432.5
2023	\$57.5	\$175.4	\$232.9
2024	\$47.5	\$181.2	\$228.7
2024 % change over 2023	-17.4%	3.4%	-1.8%

Sources: eMBS and the Urban Institute.

Notes: Dollar amounts are in billions. Data as of December 2024.

Monthly Gross Issuance

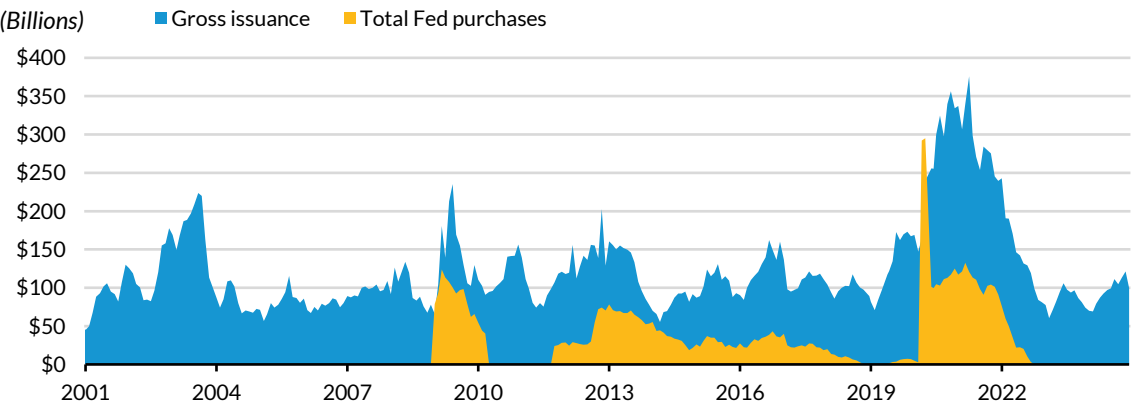
Agency issuances by the GSEs and Ginnie Mae totaled \$99.7 billion in December 2024, 34.5 percent higher than volume in December 2023. From 2016 through 2019 the Ginnie Mae share of new issuances remained relatively stable and ranged between 30 and 37 percent. The Ginnie Mae share then declined to a low of 20.4 percent in November 2020, reflecting the more robust ramp-up in GSE refinances relative to Ginnie Mae refinances. The Ginnie Mae share then reached a new series high of 43.5 percent in February 2024 and remains relatively high at 42.1 percent in December 2024.



Sources: eMBS and Urban Institute calculations. December 2024

Federal Reserve Absorption of Agency Gross Issuance

The Federal Reserve’s portfolio was a critical policy tool during the pandemic. In March 2020, the Fed announced it would buy mortgages and Treasury securities in an amount necessary to support smooth-functioning markets. The Fed stopped buying MBS in March 2022 and started allowing for runoff in June 2022. The Fed’s purchases of agency MBS dropped to \$0 in November 2022 and has remained negligible since, reflecting its policy of allowing paydowns up to \$35 billion to run off. It also allowed paydowns of \$60 billion in US Treasury securities. At its May 2024 meeting, the Fed decided to slow the pace of decline of its securities holdings by reducing the monthly redemption cap on Treasury securities from \$60 billion to \$25 billion. The Fed will maintain the monthly redemption cap on agency debt and agency MBS at \$35 billion and will reinvest any principal payments in excess of this cap into Treasury securities. On January 15, 2024, the Fed’s mortgage portfolio stood at \$2.23 trillion, down 8.2 percent from its level a year earlier. Recently, the Fed continued easing monetary policy by reducing the federal funds rate by 25 basis points to a range of 4.25 to 4.50 percent, but it also signaled a slower pace of easing in 2025 amid concerns of worsened price stability.

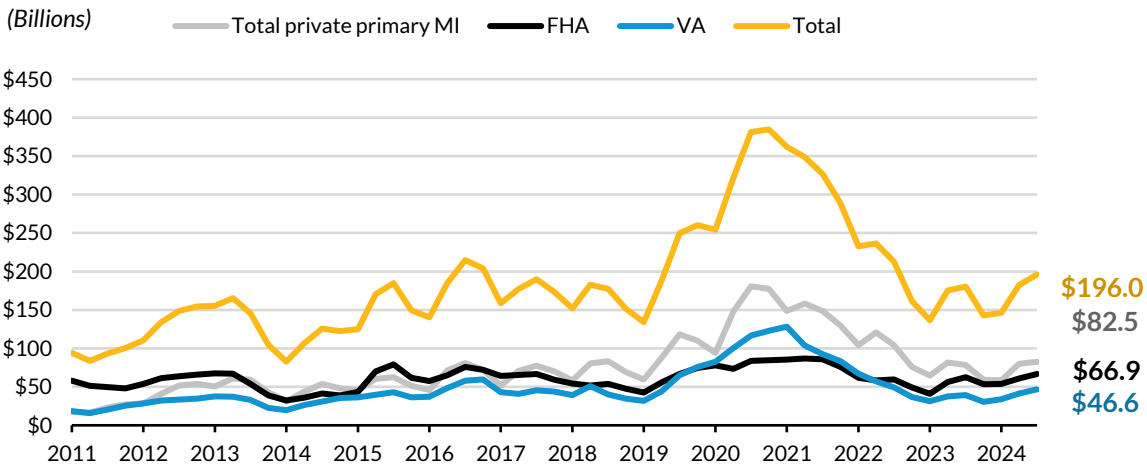


Sources: eMBS, the Federal Reserve Bank of New York, and the Urban Institute. December 2024

AGENCY ISSUANCE // MORTGAGE INSURANCE ACTIVITY

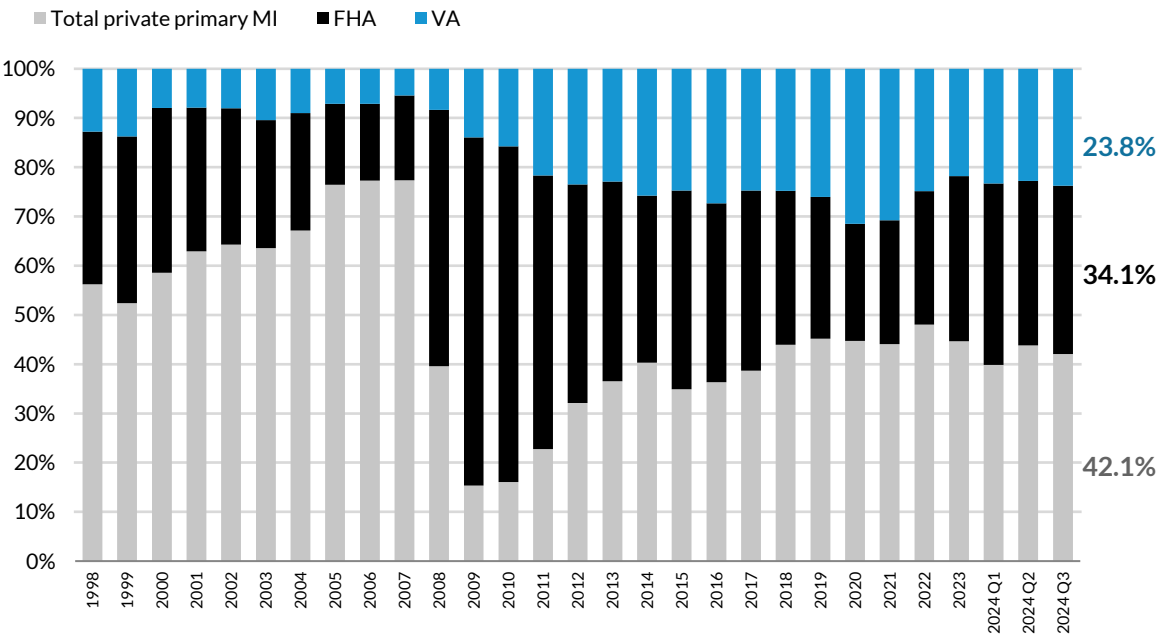
MI Activity

Total mortgage insurance written in Q3 2024 is 8.7 percent higher than in Q3 2023, reflecting greater use of the Ginnie Mae channel. VA and FHA mortgage insurance activity increased 18.5 and 6.6 percent, respectively, from a Q3 2023 to Q3 2024. In Q3 2024, private primary mortgage insurance activity was \$82.5 billion, 5.4 percent higher than in Q3 2023. Over the same period, the composition of total mortgage insurance activity shifted toward government channels. The private mortgage insurer share decreased from 43.8 to 42.1 percent. In contrast, the FHA share increased from 33.4 to 34.1 percent, and the VA share increased from 22.8 to 23.8 percent.



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Last updated for Q3 2024.

MI Market Share



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Last updated for Q3 2024.

AGENCY ISSUANCE // MORTGAGE INSURANCE ACTIVITY

FHA premiums rose significantly in the years following the housing crash, with annual premiums rising from 50 to 135 basis points between 2008 to 2013 as the FHA worked to shore up its finances. In January 2015, President Obama announced a 50 basis-point cut in annual insurance premiums. In February 2023, Vice President Harris announced another 30 basis-point cut to FHA insurance premiums, making FHA mortgages more attractive than GSE mortgages for most borrowers putting down less than 5 percent. A borrower putting 3.5 percent down with a FICO score below 760 will currently find FHA financing to be more financially attractive, and borrowers with FICO scores of 760 and above will find GSE execution with private mortgage insurance to be similar to FHA. This calculation reflects both the FHA MIP cut and the more favorable GSE LLPAs for borrowers with low and moderate incomes.

FHA MI Premiums for a Typical Purchase Loan

Case number date	Up-front mortgage insurance premium (UFMIP) paid (basis points)	Annual mortgage insurance premium (MIP) (basis points)
1/1/2001–7/13/2008	150	50
7/14/2008–4/5/2010*	175	55
4/5/2010–10/3/2010	225	55
10/4/2010–4/17/2011	100	90
4/18/2011–4/8/2012	100	115
4/9/2012–6/10/2012	175	125
6/11/2012–3/31/2013 ^a	175	125
4/1/2013–1/25/2015 ^b	175	135
1/26/2015–3/19/2023 ^c	175	85
Beginning 3/20/2023	175	55

Sources: Ginnie Mae and the Urban Institute.

Note: A typical purchase loan has an LTV ratio over 95 percent and a loan term longer than 15 years.

* For a short period in 2008, the FHA used a risk-based FICO score/LTV ratio matrix for MI.

^a Applies to purchase loans up to \$625,500. Those over that amount have an annual premium of 150 basis points.

^b Applies to purchase loans up to \$625,500. Those over that amount have an annual premium of 155 basis points.

^c Applies to purchase loans up to \$625,500. Those over that amount have an annual premium of 105 basis points.

Initial Monthly Payment Comparison: FHA versus GSE with PMI

Assumptions									
Property value	\$300,000								
Loan amount	\$289,500								
LTV ratio	96.5%								
Base rate									
Conforming base rate	7.22%								
FHA base rate	6.94%								
FICO	620–639	640–659	660–679	680–699	700–719	720–739	740–759	≥ 760	
FHA MI premiums									
FHA UFMIP	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
FHA MIP	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	
PMI									
PMI annual MIP	1.50%	1.31%	1.23%	0.98%	0.79%	0.70%	0.58%	0.46%	
Monthly payment									
FHA	\$2,081	\$2,081	\$2,081	\$2,081	\$2,081	\$2,081	\$2,081	\$2,081	
GSE plus PMI	\$2,331	\$2,285	\$2,266	\$2,205	\$2,160	\$2,138	\$2,109	\$2,080	
GSE plus PMI Advantage	-\$250	-\$204	-\$185	-\$125	-\$79	-\$57	-\$28	\$1	

Sources: Enact Mortgage Insurance, Ginnie Mae, and the Urban Institute. FHA and 30-year conforming rates come from the Mortgage Bankers Association Weekly Applications Survey.

Notes: PMI = private mortgage insurance. Rates as of January 15, 2024. Mortgage insurance premiums are listed in percentage points. Gray shading indicates the FHA monthly payment is more favorable, while blue indicates PMI is more favorable. The PMI monthly payment calculation is based on the 25 percent coverage that applies to Fannie Mae's HomeReady and Freddie Mac's Home Possible programs.

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