HOUSING FINANCE POLICY CENTER

HOUSING FINANCE AT A GLANCE

A MONTHLY CHARTBOOK

May 2025

URBAN INSTITUTE · ELEVATE · THE · DEBATE

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.

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States must increase housing supply to address the housing crisis

Throughout most of the 21st century, the United States has been in a housing shortage. The lack of housing has helped to reduce affordability and limit home sales. Additional new housing construction could be the key to alleviating the shortage and potentially improving homebuying conditions.

Varying estimates by researchers at Freddie Mac, the National Association of Home Builders, the National Association of REALTORS and Realtor.com, just to name a few, illustrate the size of the housing shortage. These calculations differ in scope and methodology, thereby producing different results. However, they all conclude that the challenge is significant.

New construction can help to boost the supply of housing. But a number of hurdles exist, undermining residential construction activity. Home builders and other experts suggest that a primary driver for this shortage has been land use regulations and zoning laws. In addition, home builders are experiencing additional constraints such as labor and land availability, building materials costs, as well as the availability and cost of obtaining financing. Furthermore, the industry has been resistant to growth in productivity-enhancing construction such as factory-built housing. These challenges make it difficult to reduce the shortage, particular of affordable “starter” homes.

While these factors have likely limited new construction nationwide, the differences in the pace of production, as measured by residential permits, varies by state. From 2010, approximately the end of the Great Recession and housing bust, to 2024, Arizona, Florida, and Texas have seen rapid growth in new housing development. The lower cost of home building, due in large part to lower regulatory barriers to construction is likely help to inform some state-level differences in housing production.

Although lighter cost burdens are partially to explain state-level differences, the economic fundamentals of population growth remain an important driver of new housing production as well. Between 2010 and 2024, states with higher annualized growth rates in housing permits also generally had higher rates of population growth. Generally, stronger population growth represents greater housing demand fueling residential construction activity.

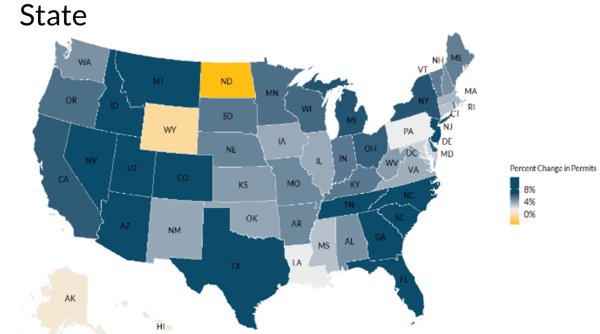
Increasing new construction is a key ingredient in solving the housing crisis. Easing zoning and regulatory burdens can help to unlock additional new housing. In addition, reducing the resource availability and cost barriers to new construction is a critical part of expanding the nation’s housing supply. However, state-by-state analysis also suggests that a link between greater housing construction activity and stronger population growth has developed. Builders that survived the Great Recession, may be less speculative, grounding their operations in fundamental indicators of a community’s growth.

Along with reducing costs for builders for single-family and multifamily homes, including unnecessary regulations as well as land, labor, and capital costs; expanding other forms of housing such as manufactured housing can help to address the supply shortage.

Inside this Issue

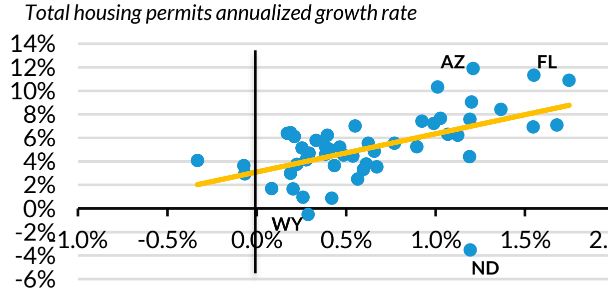
- Mortgage affordability remains close to the worst level since 2000 (page 24).
- The refinance share fell across many agency loans and the cashout share of refinances declined (page 10)
- Borrowers with a credit score below 760 will find FHA more attractive than the GSEs (page 38)
- Serious delinquency rates on government loans are trending upward (page 34)

Total Permit Growth from 2010 to 2024 by State



Population and Single-family Permit Growth, 2010 to 2024

Total housing permits annualized growth rate



Population annualized growth rate

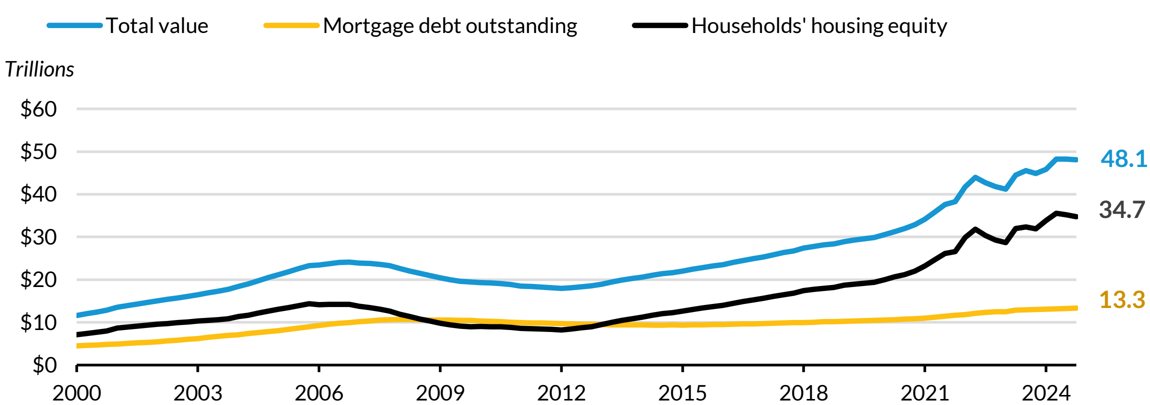
Source: US Census Bureau.
Note: The formula for the tendline is

OVERVIEW // MARKET SIZE OVERVIEW

In the fourth quarter of 2024 (Q4 2024), the total value of the single-family housing market owned by households decreased by 0.4 percent from the previous quarter to $48.1 trillion. Households' housing equity fell for the second consecutive quarter from $35.1 trillion in the second quarter of 2024 to $34.7 trillion in the fourth. Outstanding mortgage debt owed increased by 0.7 percent from $13.2 trillion in the previous quarter to $13.3 trillion. The total housing market value owned by households in the fourth quarter of 2024 has virtually doubled from its fourth quarter 2006 peak, increasing 99.1 percent. This strong growth largely reflects housing equity, which more than doubled since the fourth quarter of 2006, rising 144.6 percent. Outstanding mortgage debt increased 34.2 percent during the same period.

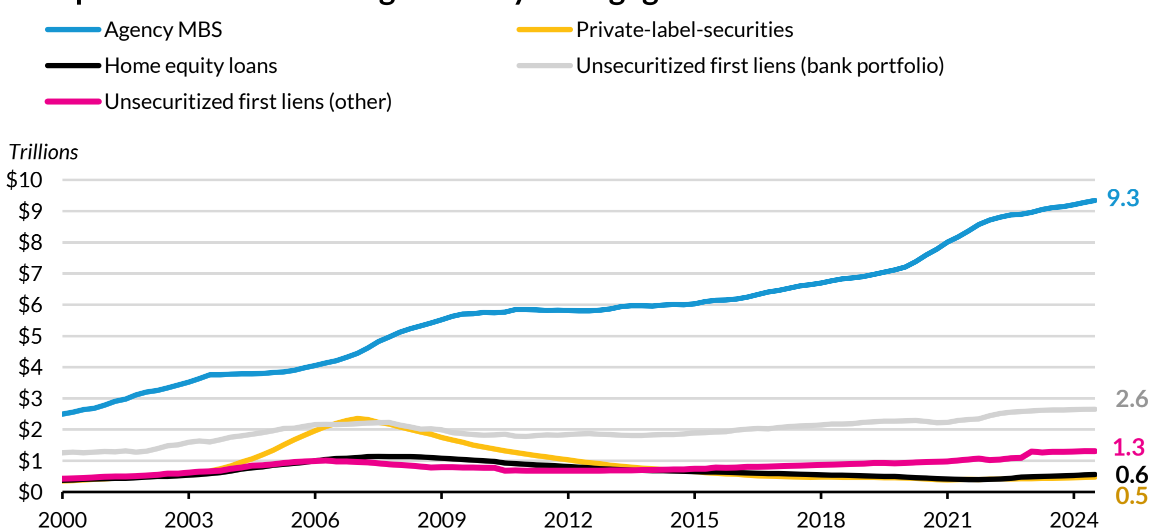
In the fourth quarter of 2024, agency MBS accounted for 65.2 percent ($9.3 trillion) of total mortgage debt outstanding, while home equity loans made up 3.9 percent ($0.6 trillion) and private-label securities made up 3.3 percent ($0.5 trillion). Unsecuritized first liens, both bank portfolio and other, compose the remaining 27.8 percent ($3.9 trillion), with banks making up 18.5 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 accounted 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 Q4 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



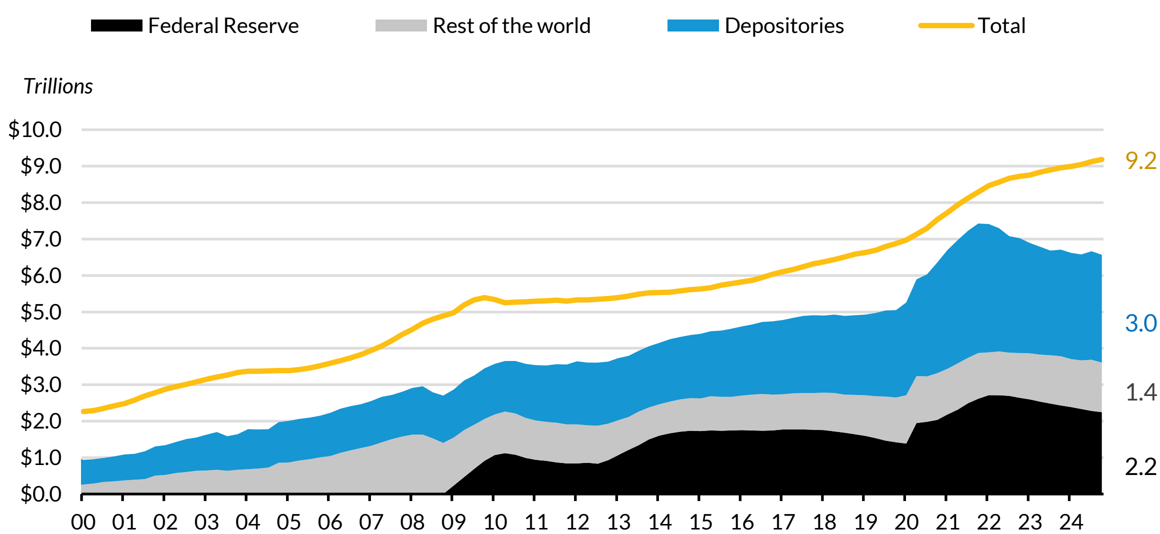
Sources: Financial Accounts of the United States and the Urban Institute.
Notes: Data as of Q4 2024. Unsecuritized first liens (other) includes mortgages not held on bank balance sheets and includes credit unions, nonprofits, nonfinancial business, insurance companies, pension funds, finance companies, trusts and federal, state and local government. All categories include investor-owned properties.

OVERVIEW // MARKET SIZE OVERVIEW

In the fourth quarter of 2024, the three largest holders of the $9.2 trillion in outstanding agency MBS are US depositories ($3.0 trillion), the Federal Reserve ($2.2 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 Q4 2023 to Q4 2024, Federal Reserve holdings are down 7.7 percent, while commercial bank holdings are up 1.5 percent and foreign investor holdings are up 0.5 percent. The combined amount among all other holders increased by 16.2 percent over the same period.

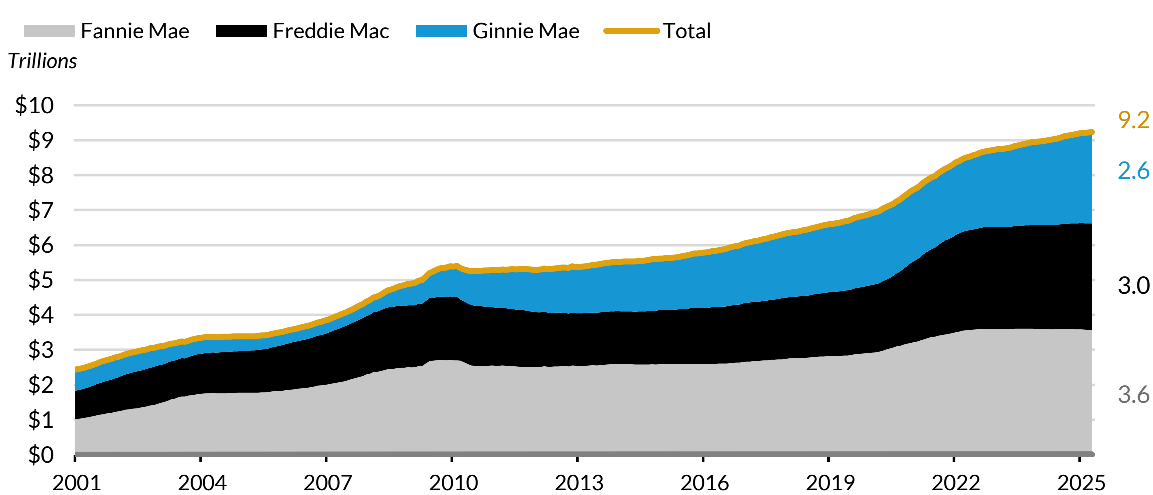
By the end of April 2025, outstanding securities in the agency market totaled slightly under $9.2 trillion according to loan-level data, 38.7 percent ($3.6 trillion) of which belonged to Fannie Mae, 33.0 percent ($3.0 trillion) to Freddie Mac, and 28.3 percent ($2.6 trillion) to Ginnie Mae. Since the middle of 2022, GSEs MBS outstanding has been largely flat while Ginne MBS outstanding has been steadily increasing.

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 Q4 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

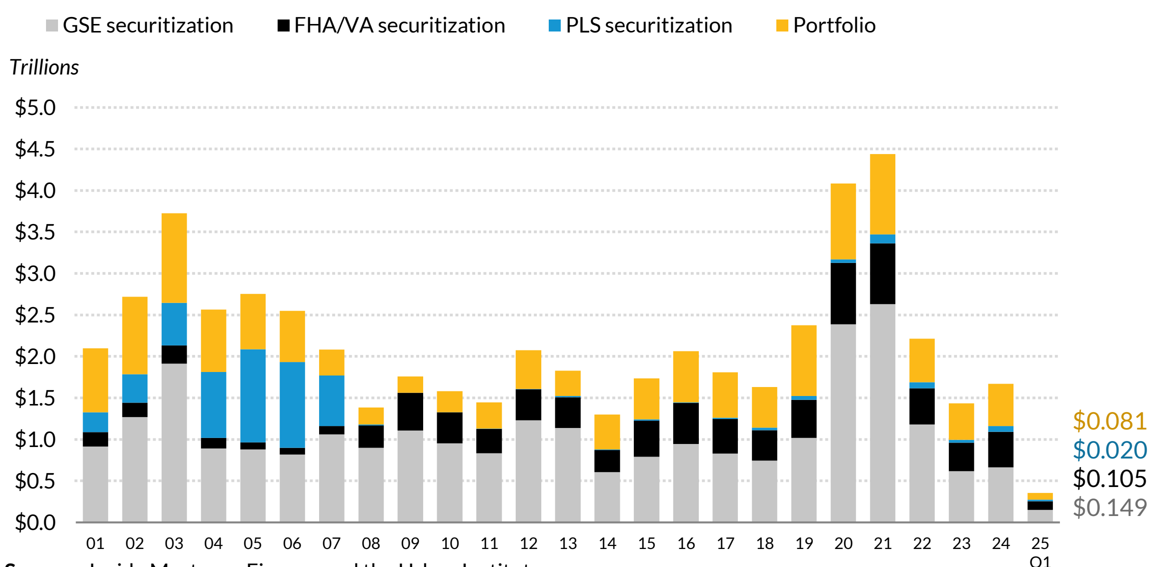


Sources: eMBS and the Urban Institute.
Note: Data as of April 2025. Total agency MBS in the top and bottom charts differ as the top is quarterly and the bottom is monthly. Values may not add up to total due to rounding.

OVERVIEW // ORIGINATION VOLUME AND COMPOSITION

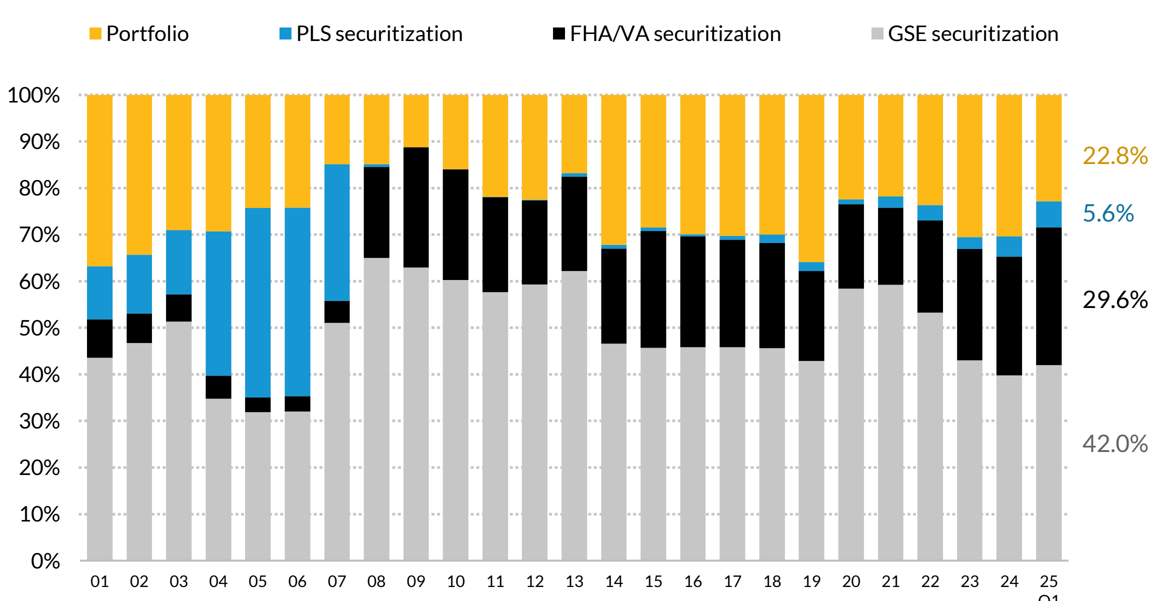
Total mortgage origination volume in 2025 Q1 was $355 billion, 10.9 percent higher than a year ago in 2024 Q1. From 2024 Q1 to 2025 Q1, the PLS, GSE and FHA/VA channels increased while the Portfolio channel shrank. First-lien PLS securitization volume in 2025 Q1 was $20.0 billion, 23.6 percent greater than 2024 Q1. GSE securities were $149 billion, 20.4 percent higher than in 2024 Q1. FHA/VA securitization volume was $105.0 billion, 19.6 percent greater than a year ago. However, Portfolio volume was $81.0 billion in 2025 Q1, 16.7 percent lower. In response to these year-over-year changes, in securitized first-lien originations, the GSE share of all securitized originations rose by 3.9 percentage points to 42.0 percent in 2025 Q1. FHA/VA and PLS securitizations made up greater shares of first-lien originations in 2025 Q1 than 2024 Q1, increasing 2.1 and 0.6 percentage points, respectively. But, the Portfolio share shrank by 7.6 percentage points.

Volume of Securitized First-Lien Originations



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Data as of Q1 2025.

Composition of Securitized First-Lien Originations



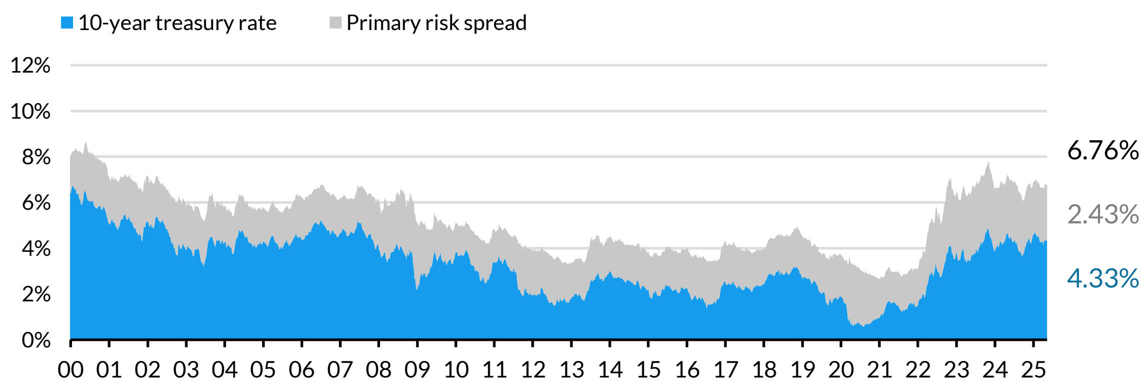
Sources: Inside Mortgage Finance and Urban Institute.
Note: Data as of Q1 2025.

While 30-year fixed rate mortgages have a shorter duration than the 10-year Treasury, analysts typically decouple mortgage rates into the 10-year Treasury rate and the residual between the 30-year mortgage rate and 10-year Treasury rate, the primary mortgage risk premium. The primary mortgage market spread has been elevated relative to its historical average of 1.75 percent. However, the primary spread has declined 68 basis points to 2.43 percent since the first week of June 2023 amid solid economic growth and greater progress in price stability over this period. However, stronger growth and above-target inflation have helped to boost the 10-year Treasury rate by 67 basis points to 4.33 percent. As a result of this interplay, the 30-year fixed rate mortgage remains largely unchanged at elevated levels. Looking forward, the federal government's fiscal challenges may require reckoning in the coming weeks and could impact longer-term interest rates.

Amid reduced affordability due to a spike in long-term interest rates in late April 2025, the ARM share jumped as well. But in recent weeks it has begun to recede back to post-Great Recession averages as tariff-induced rate volatility as well as stagflation concerns have settled somewhat.

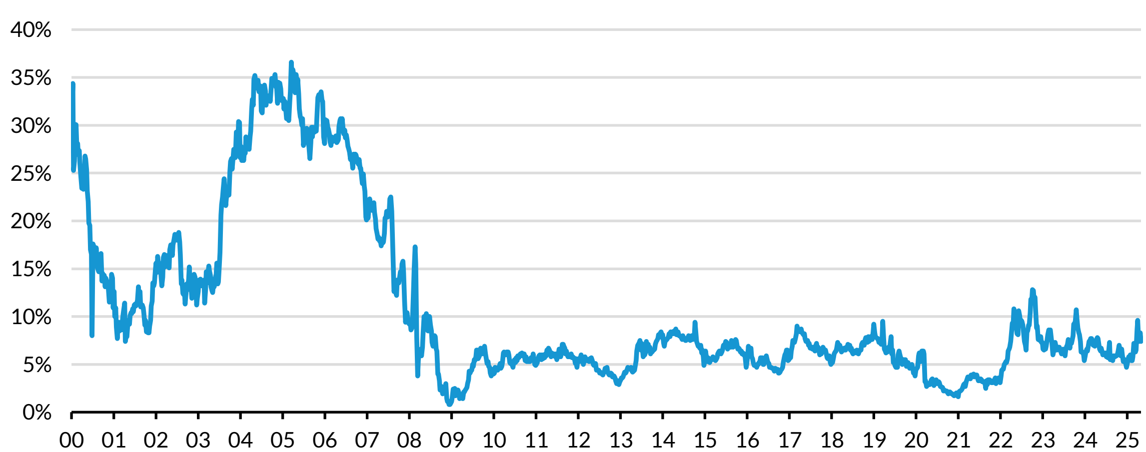
30-Year Fixed Mortgage Commitment Rate

By 10-year Treasury and risk spread



Source: Board of Governors of the Federal Reserve System and the Freddie Mac Primary Mortgage Market Survey and the Urban Institute.
Notes: Data as of May 9, 2025. The primary risk spread is the difference between the 30-year fixed mortgage rate and the 10-year Treasury note rate.

Adjustable-Rate Mortgage Share of Applications



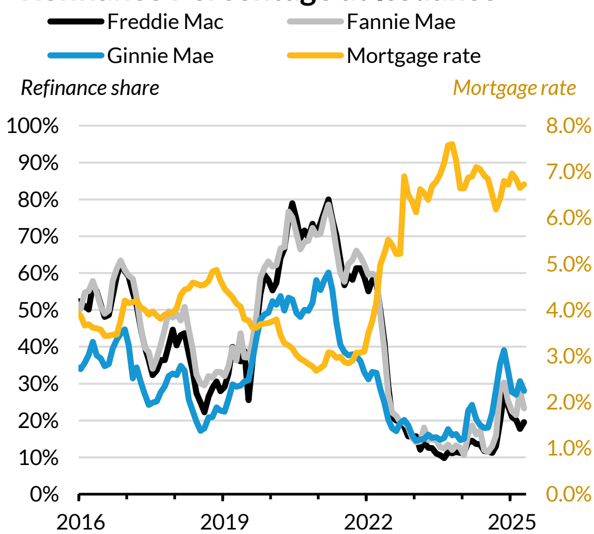
Source: Mortgage Bankers Association Weekly Mortgage Applications Survey.
Notes: Includes purchase and refinance applications. Data updated through May 9, 2025.

OVERVIEW // REFINANCABLE MORTGAGES

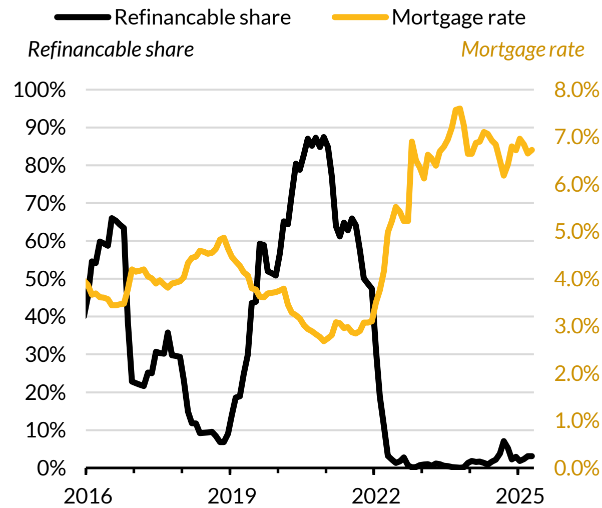
Mortgage rates have ticked down since the end of 2023 and in turn, the refinance share among agency loans has broadly increased. However, the refinance share remains well below its 2020 and 2021 levels when mortgage rates were lower. And more recently, mortgage rates have regained some of the lost ground since September 2024, pressuring the agency refinance share. Although the refinance share remains low across the agency space, in recent years, the Ginnie Mae refinance share has exceeded that for Fannie Mae and Freddie Mac, in contrast to much of the series' history.

The refinance share is low largely because only 3.21 percent of loans are refinancable. The lack of refinancability reflects the fact that eighty-five percent of outstanding agency borrowers have a rate lower than 6.0 percent (73 basis points below the 6.73 percent mortgage rate) and would likely not receive a lower rate or shorter term from refinancing.

Refinance Percentage at Issuance

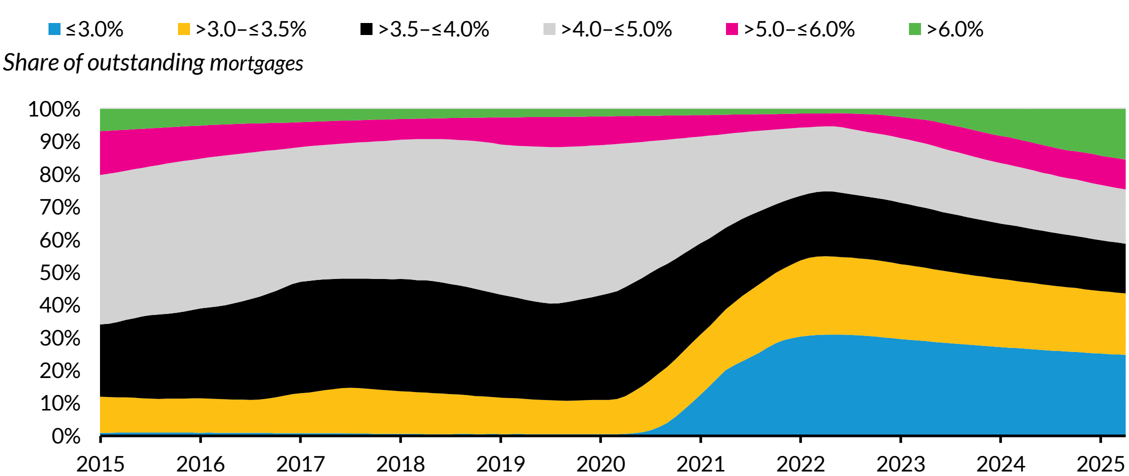


Refinancable Share of Mortgages



Sources: eMBS, Freddie Mac, and Urban Institute calculations.
Notes: Data as of April 2025. 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

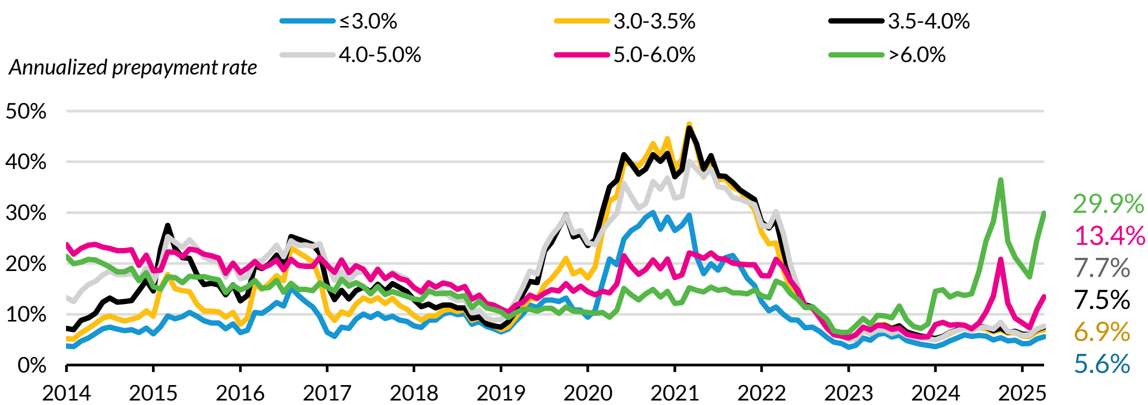


Sources: eMBS, Freddie Mac, and Urban Institute calculations.
Note: Data as of April 2025.

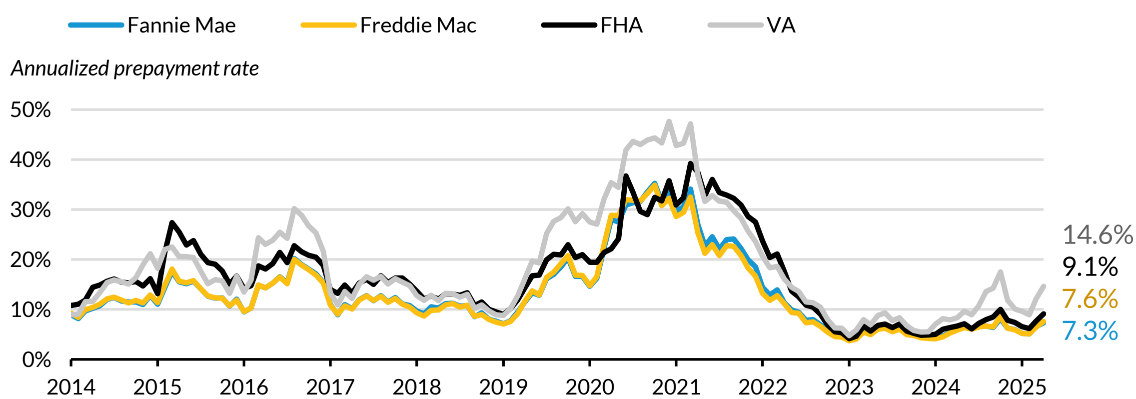
OVERVIEW // PREPAYMENT SPEEDS

Although the refinance share is low and falling, there may be some variation by mortgage rate or other loan characteristics. Prepayment speeds, which largely reflect refinanced loans are accelerating for loans with a rate above five percent and particularly among mortgages with a rate above six percent. They are also modestly increasing for VA loans and for loans originated in 2022 or onwards, a period of higher interest rates.

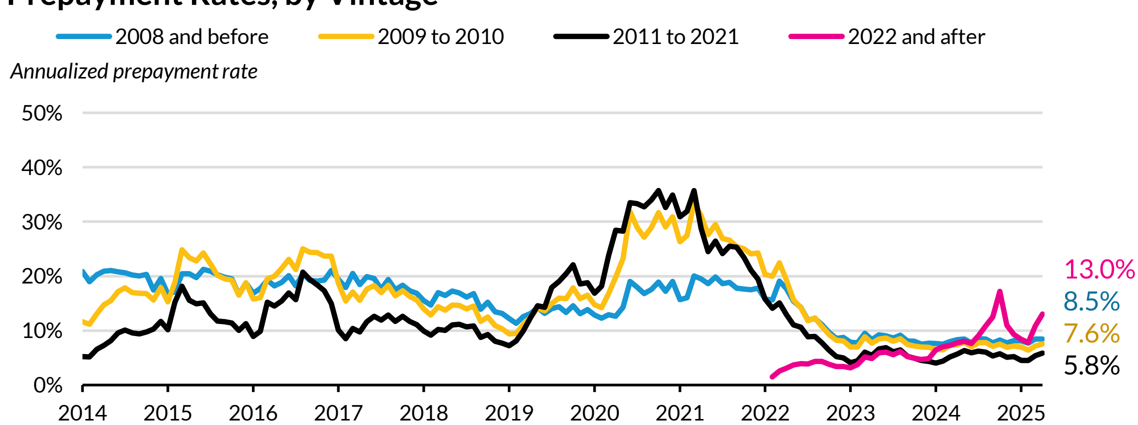
Prepayment Rates, by Note Rate



Prepayment Rates, by Agency



Prepayment Rates, by Vintage

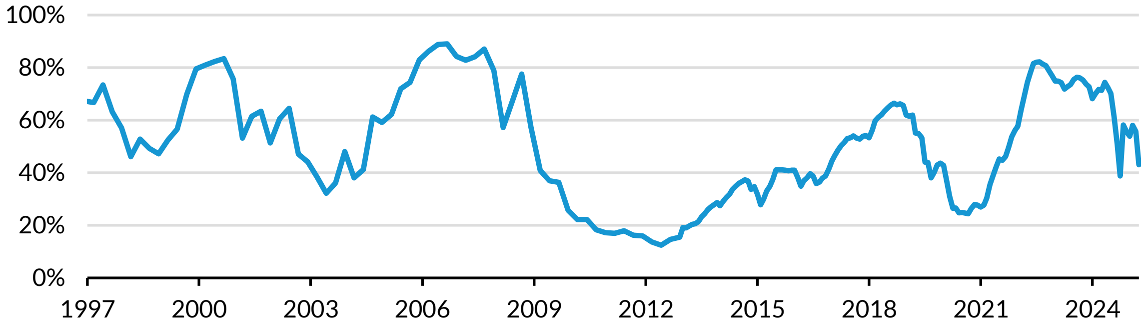


Source: Recursion Co. data as of May 2025.
Note: Prepayment rates calculated by loan count out of outstanding mortgage volume.

OVERVIEW // CASH-OUT REFINANCES

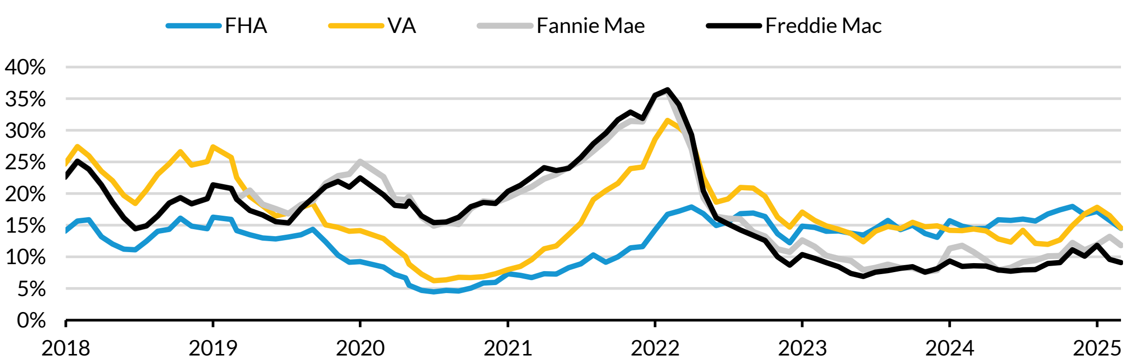
Homeowners can refinance to reduce their payment through a lower rate or shorten their loan term and finish paying off the principal balance faster. But homeowners can also refinance with a goal of extracting equity from their home. Typically, when rates are high, the cash-out refinance share is elevated because the rate reduction incentive is gone and the only reason to refinance is to take out equity. However, amid interest rates that are higher than the rates on most first mortgages and flattening home values in aggregate, fewer than half of conventional loans, 43 percent, are cash-out. Across all agency originations, the cash-out share remains low and steady from 2022 cyclical highs. With a low cash-out share, the volume of cash-out originations also remains low.

Cash-Out Share of Conventional Refinances

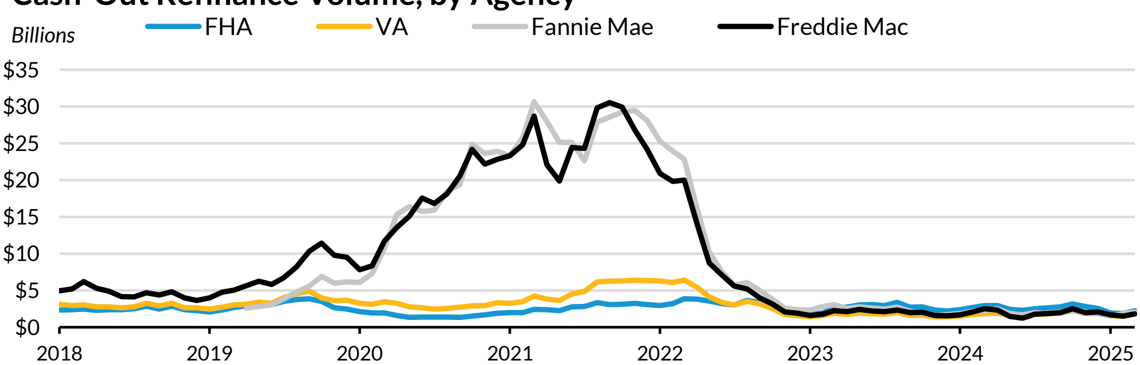


Sources: Freddie Mac, eMBS and Urban Institute.
Note: The cash-out share for conventional market is calculated using Freddie Mac's quarterly refinance statistics from 1995 to 2013. Post 2013 it is calculated monthly using eMBS. Data as of April 2025.

Cash-Out Refinance Share of All Originations



Cash-Out Refinance Volume, by Agency



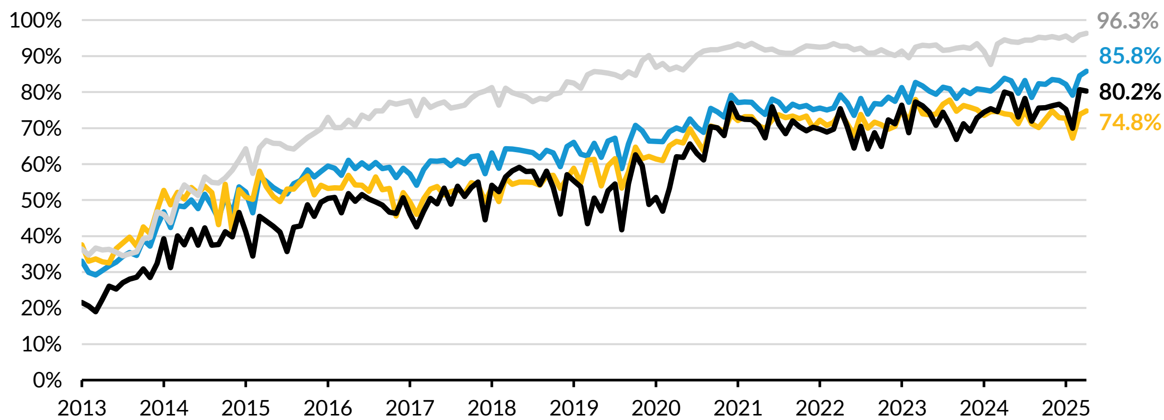
Sources: eMBS and the Urban Institute.
Notes: Data as of February 2025. Fannie Mae started reporting cash-out volume in 2018.

OVERVIEW // AGENCY NONBANK ORIGINATION SHARE

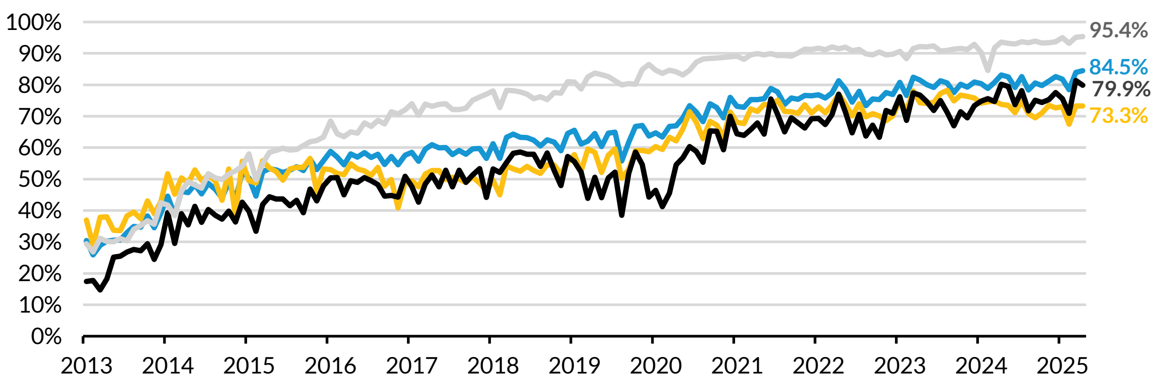
Most agency refinances, like agency purchase loans, are originated by nonbanks. As a result, the nonbank share across all agency originations, refinance and purchase loans, sits at 85.8 percent as of March 2025. The nonbank share of all agency loans has risen steadily since 2013. The Ginnie Mae nonbank share (96.3 percent in March 2025) has been consistently higher than the GSE share. Fannie Mae and Freddie Mac had nonbank shares of 73.8 and 80.7 percent, respectively.

All Fannie Mae Freddie Mac Ginnie Mae

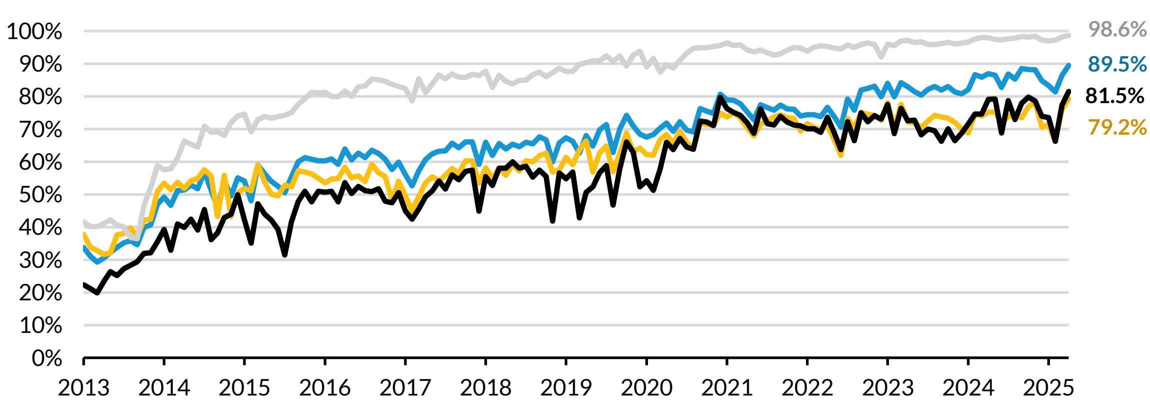
Nonbank Origination Share: All Loans



Nonbank Origination Share: Purchase Loans



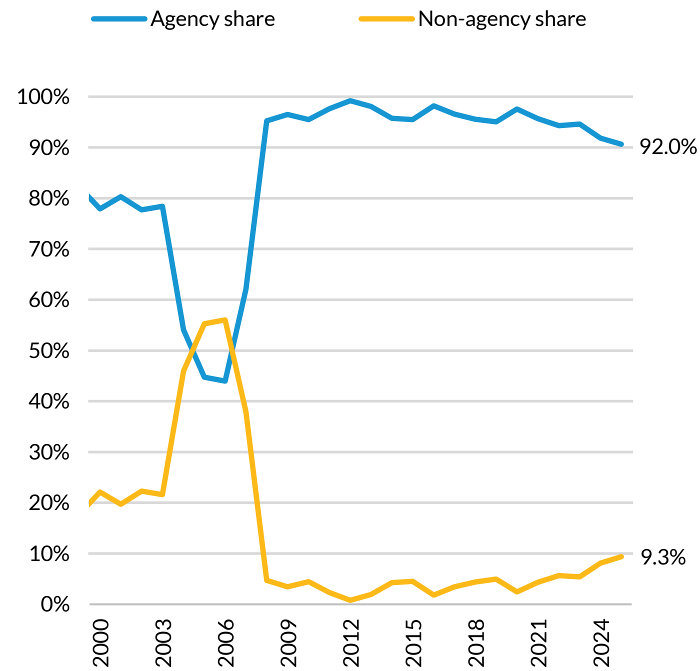
Nonbank Origination Share: Refinance Loans



Sources: eMBS and Urban Institute.
Note: Data as of April 2025.

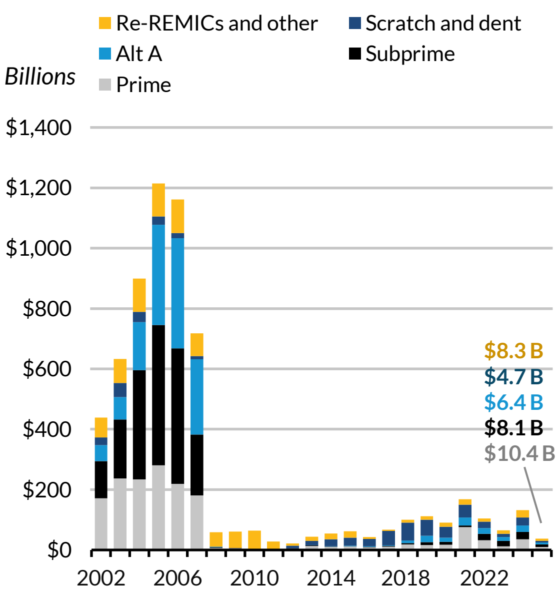
Agency and Non-agency Share of Residential MBS Issuance

The agency space receives a lot of attention today because it accounts for virtually all activity. As measured by residential MBS issuance, more than $9 out of every $10 in residential MBS issuance was agency loans. However, this was not always the case. At its peak in the first quarter of 2006, the non-agency share accounted for the majority, 56 percent, of residential MBS issuance volume. In recent years, the non-agency share has begun to rise, from 2.4 percent in 2020 to 9.3 percent in April 2025, but still below its housing boom peak. In the first quarter of 2025, the volume of non-agency issuance reached $38.0 billion, 33 percent higher than issuance in Q1 2024. Monthly non-agency securitization in April 2025 was higher than the average over the past two years at $9.5 billion.



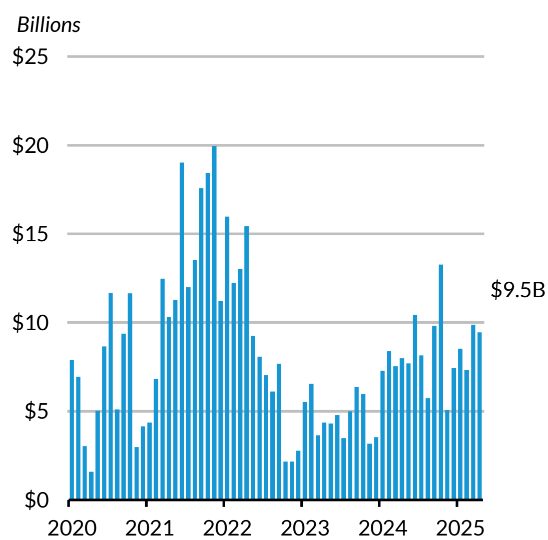
Sources: Inside Mortgage Finance and the Urban Institute.
Notes: Monthly non-agency volume is subject to revision. Data through April 2025.

Non-Agency MBS Issuance



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Data through Q1 2025.

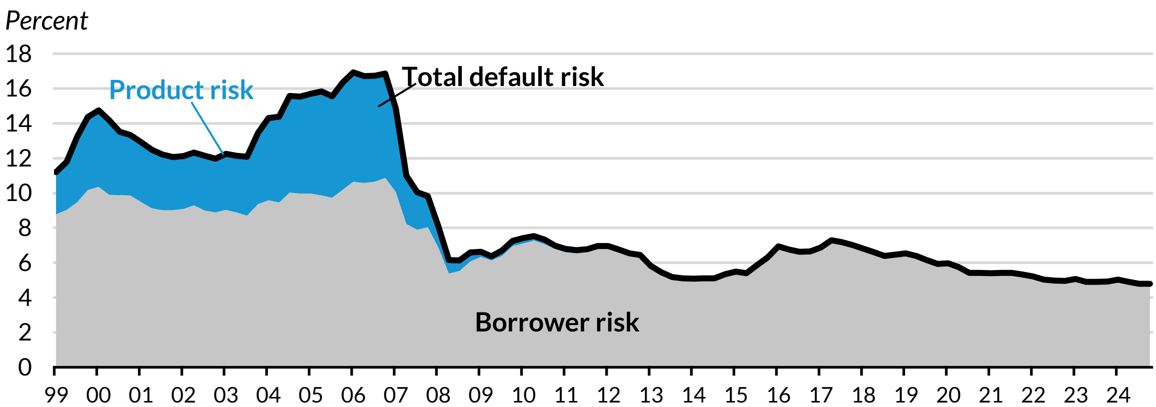
Monthly Non-Agency Securitization



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Data though March 2025.

CREDIT BOX // HOUSING CREDIT AVAILABILITY INDEX

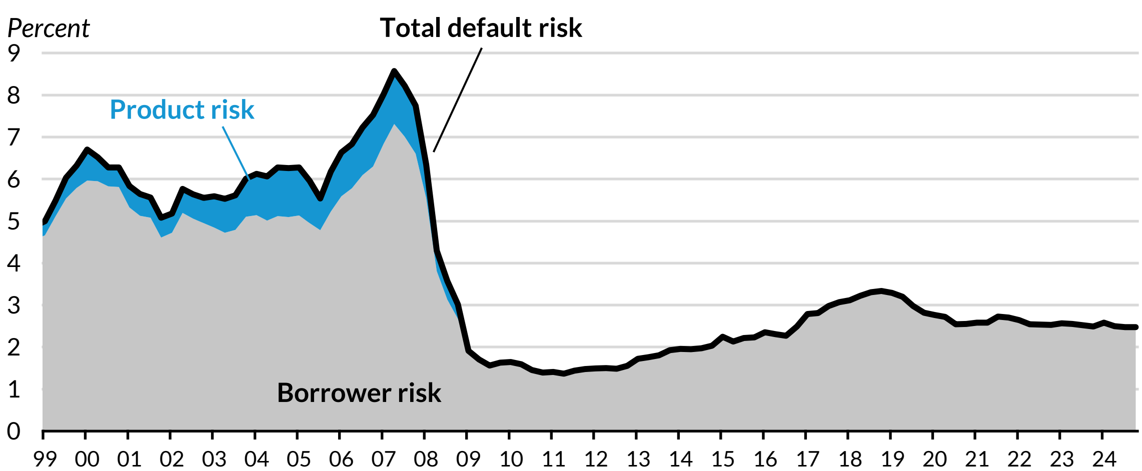
The Urban Institute's Housing Credit Availability Index (HCAI) assesses lenders' tolerance for both borrower risk and product risk, it stands at 4.80 percent in Q4 2024, up slightly from 4.79 percent in Q3 2024 but down from 4.93 percent in Q4, 2023. Year-over-year, this represents a 13 basis point decline. Credit availability tightened from Q4 2023 to Q4 2024 reflecting a decrease in default risk overall, led by a 14 percent decrease in default risk among portfolio and private label securities. There was tightening in the government and GSE channels, with small year-over-year declines in default risks in each. We updated the methodology as of Q2 2020. More information about the HCAI is available here.



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

GSE Channel

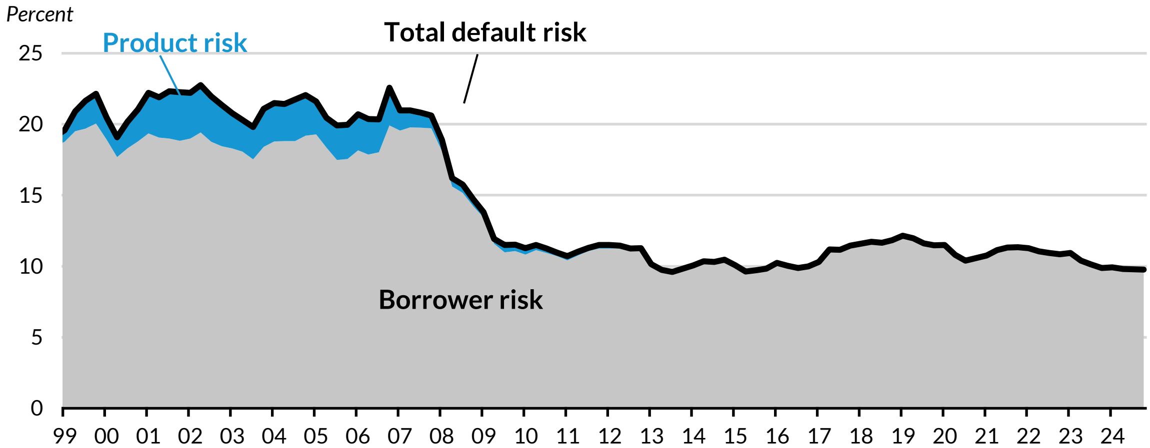
The trend toward greater credit availability in the GSE channel began in Q2 2011. From Q2 2011 to Q1 2020, the total risk taken by the GSE channel nearly doubled, from 1.4 percent to 2.7 percent. This is still very modest by pre-crisis standards. However, accelerated tightening throughout 2020 induced by market conditions due to COVID-19 drove down credit risk to 2.5 percent in Q4 2020. The increase in Q1 2021, to 2.58 percent, marked the first expansion of credit availability in the GSE channel since Q1 2019. In Q4 2024, credit availability stood at 2.47 percent, near its Q4 2023 level.



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 Q4 2024.

Government Channel

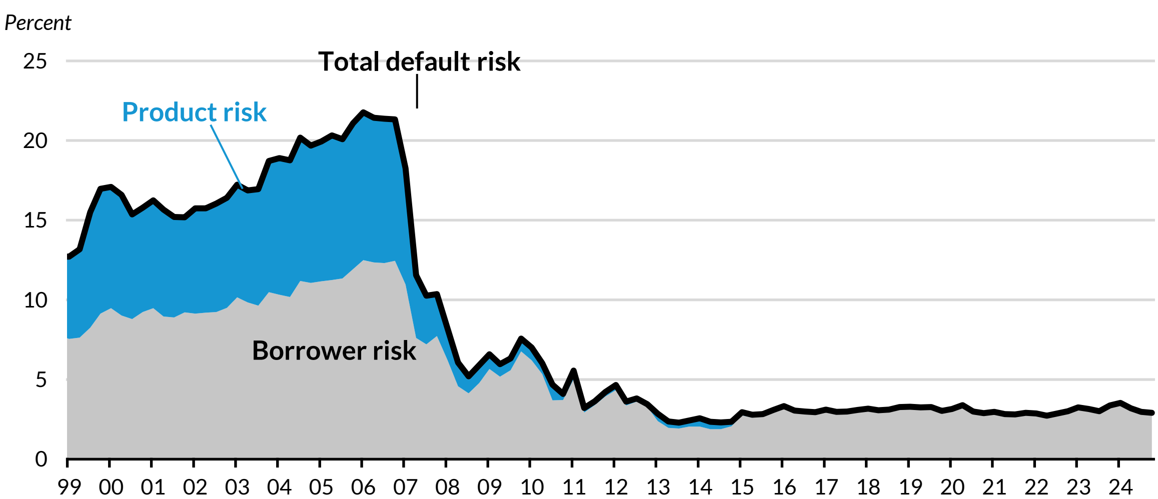
The total default risk the government loan channel is willing to take bottomed out at 9.6 percent in Q3 2013. It fluctuated in a narrow range at or above that number for three years. In the eleven quarters from Q4 2016 to Q1 2019, the risk in the government channel increased significantly from 9.9 to 12.1 percent but has since receded. After declining to 10.4 percent in Q3 of 2020, the government channel had begun to increase risk to 11.3 percent up until Q1 2022 but has since dropped to 9.76 percent in Q4 2024; far below the pre-bubble level of 19 to 23 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 largely in the range of 2.3-3.5 percent; it was 2.91 percent in Q4 2024. This represents a 14 percent tightening from 3.18 percent in Q4 2023.



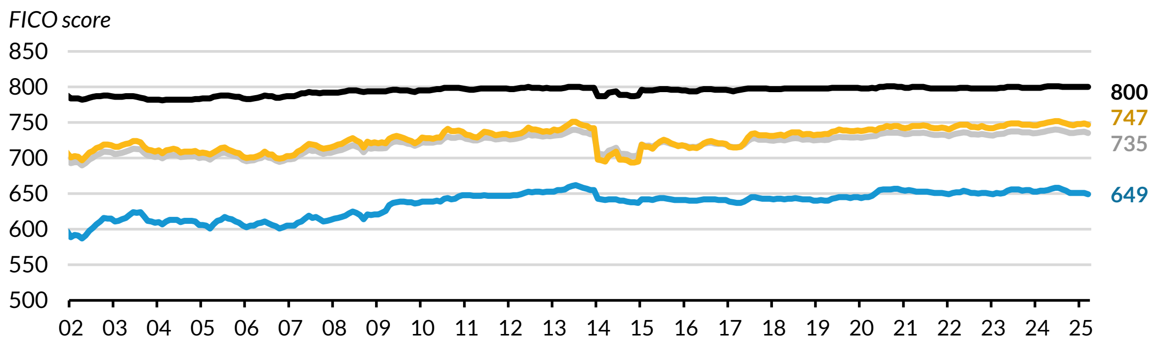
Sources: eMBS, CoreLogic, Home Mortgage Disclosure Act data, Inside Mortgage Finance, and the Urban Institute.
Notes: Default is defined as 90 days or more delinquent at any point. Last updated for Q4 2024.

CREDIT BOX // CREDIT AVAILABILITY FOR PURCHASE LOANS

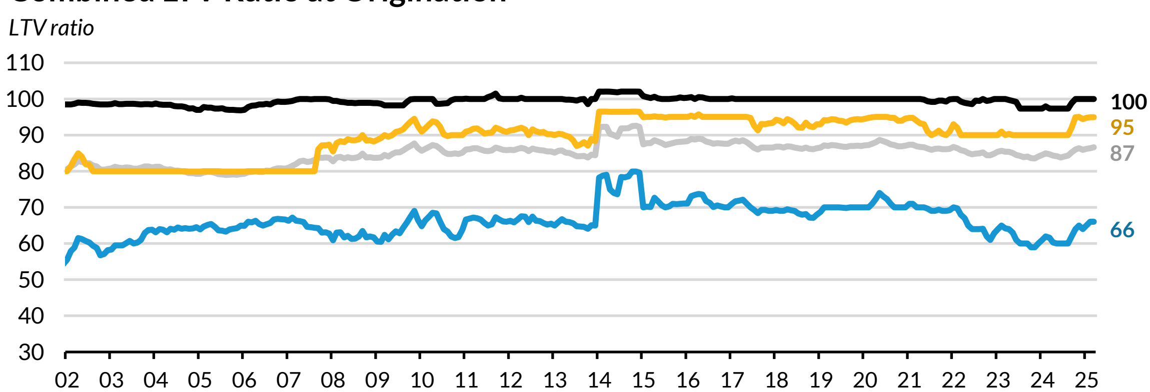
Another way to assess credit standards is to calculate changes in key loan characteristics. Since 2021, interest rates and home price have both risen. As a result, borrowers are seeking loans requiring smaller down payments (e.g. higher loan-to-value (LTV) ratios) and must use more of their income for debt service, reflected in increasing debt-to-income (DTI) ratios. Median LTVs have risen from 91 in December 2021 to 95 as of March 2025, while median DTIs have risen from 39 to 42. Offsetting the loosening in both LTV and DTI, there has been a tightening in credit scores. Median credit scores have increased modestly from 742 in December of 2021, which excludes the bulk of the COVID-era refinance wave, to 747 now. Over roughly the same period, average FICO scores across the entire score population have remained roughly flat.

Mean | 90th percentile | Median | 10th percentile

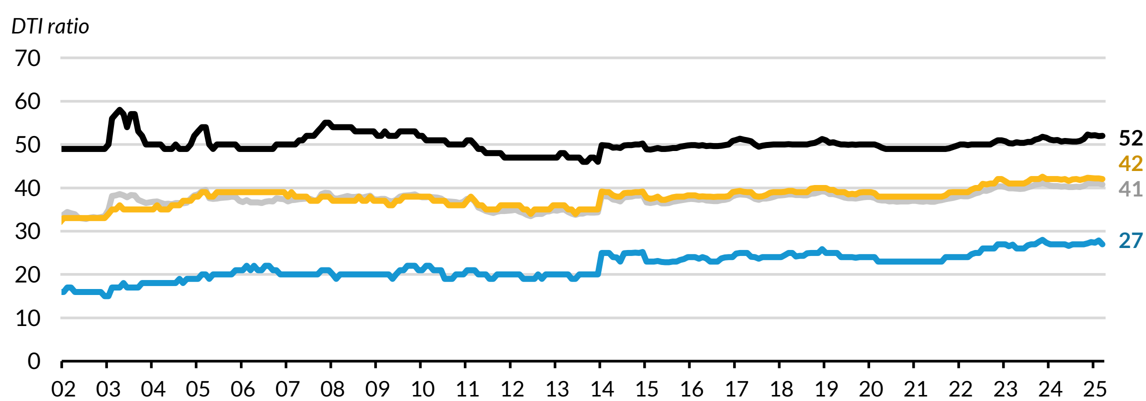
Borrower FICO Score at Origination



Combined LTV Ratio at Origination



DTI Ratio at Origination

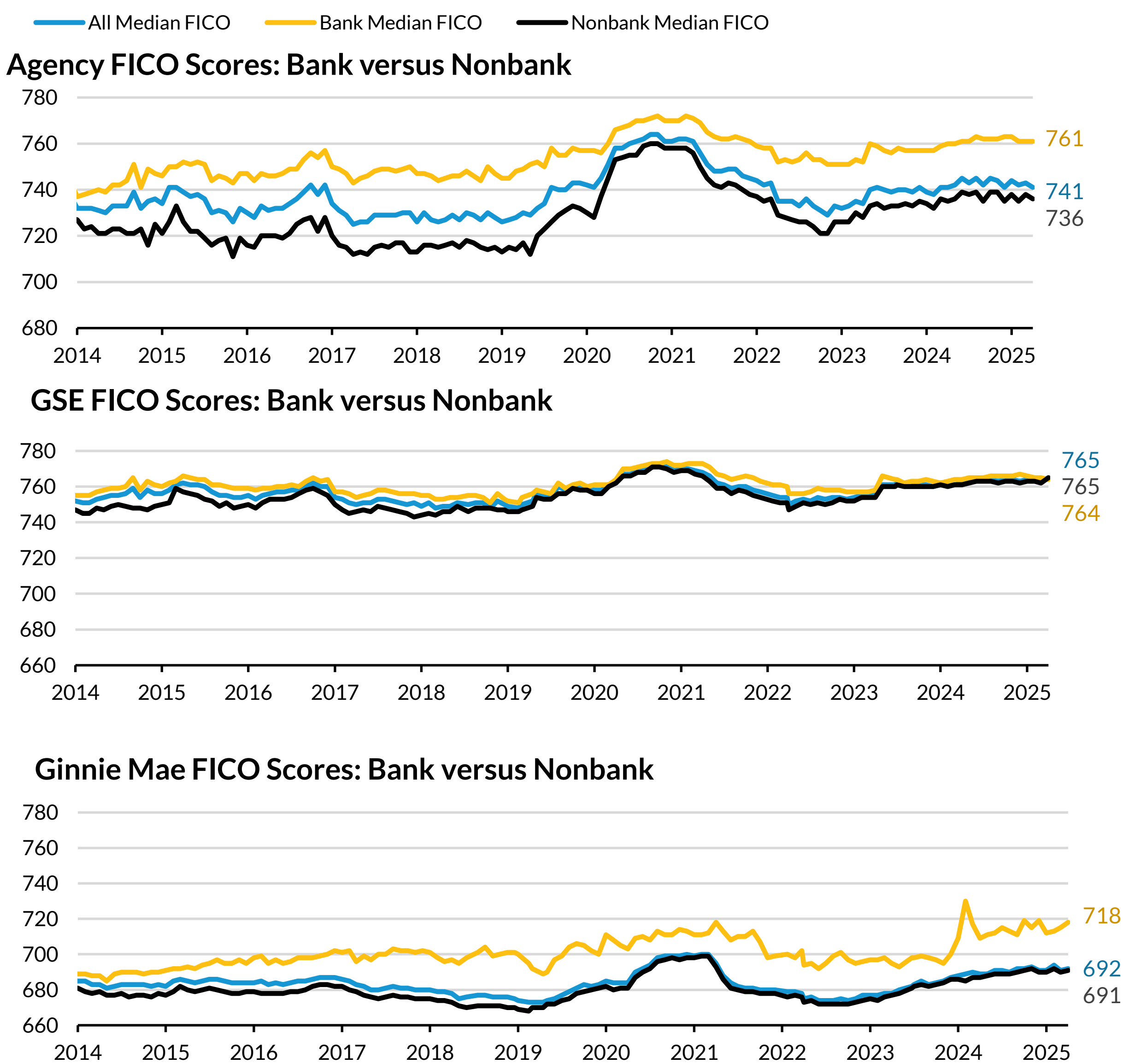


Sources: ICE Mortgage Technology, eMBS, Home Mortgage Disclosure Act data, Securities Industry and Financial Markets Association, CoreLogic, and the Urban Institute.
Notes: Includes owner-occupied purchase loans only. DTI ratio data before April 2018 are from CoreLogic; after that date, they are from ICE. A back-update to the ICE historical series was made in September 2021 for data starting from 2001 onward. Data as of March 2025.

CREDIT BOX // AGENCY NONBANK CREDIT BOX

The likely tightening of FICO scores broadly, may not be occurring across the subset of agency loans. Though that may not mean that the credit score channel is easing. The median FICO score on agency originations in December 2021 was 745, four points higher than its level in April 2025, 741. However, this decline likely reflects the distribution of originations increasingly to nonbank loans as described on page 13. Among bank loans, the median FICO score between December 2021 and April 2025 was the same at 761, but among nonbank loans the median FICO score over the same period fell two points from 738 to 736.

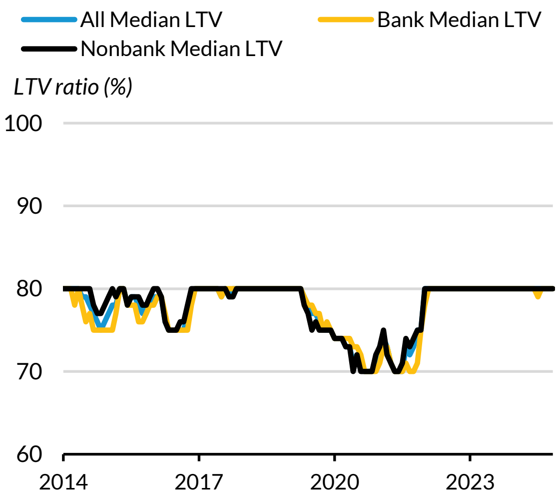
For GSE loans, the difference between the median FICO score on nonbank and bank loans stood at 1 point in April 2025. For Ginne Mae loans, the difference was 27 points. Overall, the gap between agency bank and nonbank FICO scores was 25 points in April 2025. This reflects the sharp cutback in FHA lending by banks in post-2008, banks now compose only 5 percent of Ginne Mae originations (page 13).



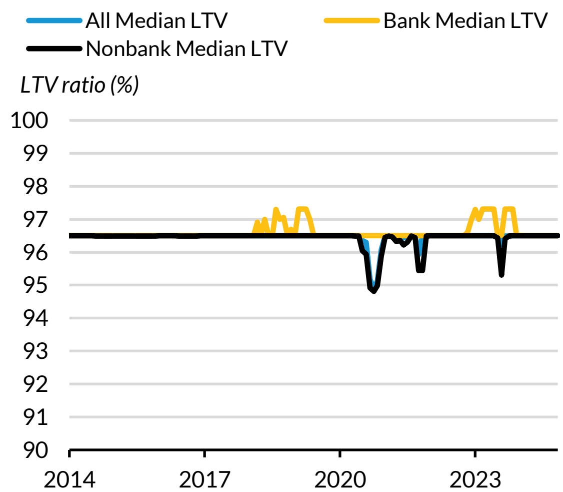
Sources: eMBS and the Urban Institute.
Note: Data as of April 2025.

Across agency loans, LTVs have eased, but specifically on GSE loans. Between December 2021 and April 2025, the median LTV rose 71 percent to 80 percent, with LTVs on loans tracked by banks and nonbanks largely tracking each other. However, despite some spot variation, LTVs on Ginnie loans were largely flat over the same time period ticking up t0 96.5 percent from 96.3 percent in December 2021. However, median DTIs rose noticeably on GSE and Ginnie loans. Like median LTVs, median DTIs are typically higher on Ginnie loans relative to GSE loans, but also on nonbank loans relative to bank loans.

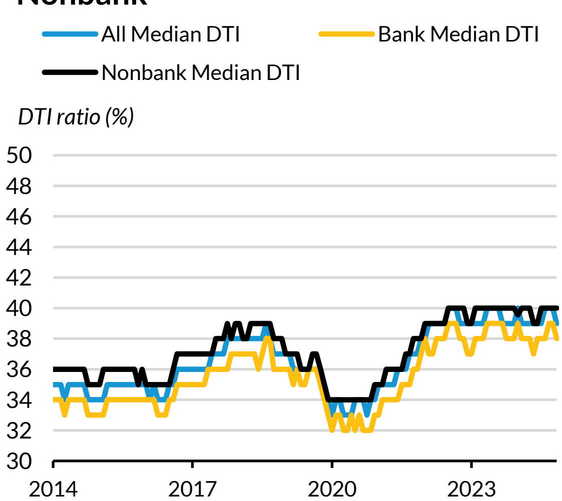
GSE LTV Ratios: Bank versus Nonbank



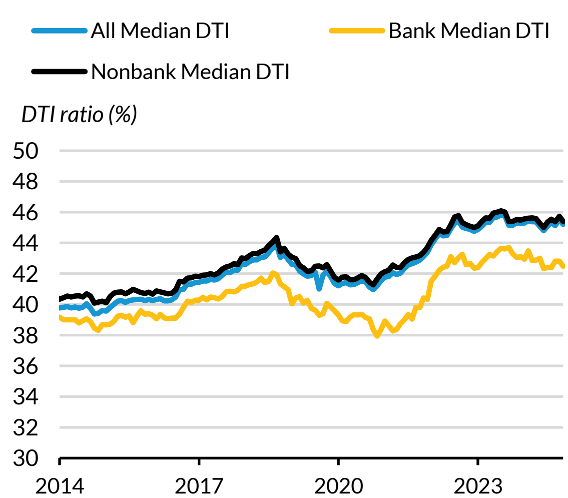
Ginnie Mae LTV Ratios: Bank versus Nonbank



GSE DTI Ratios: Bank versus Nonbank



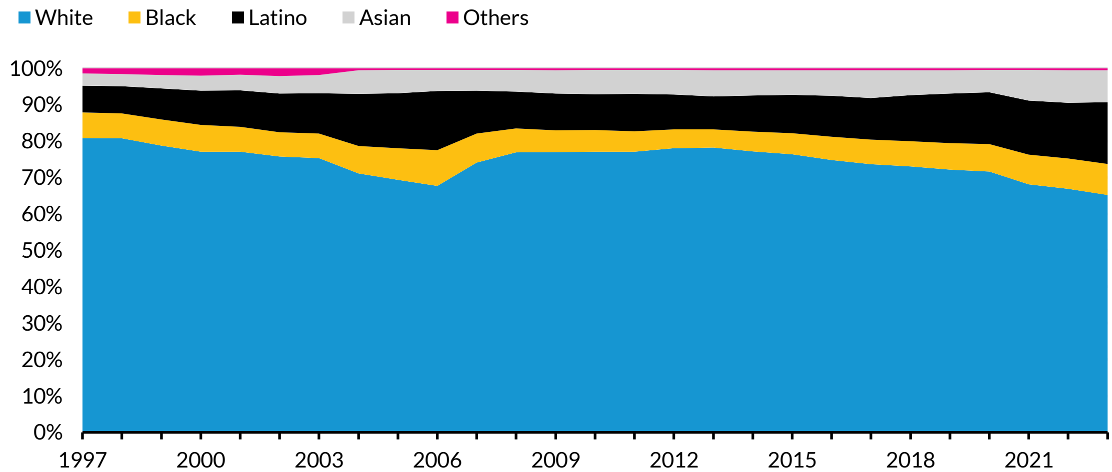
Ginnie Mae DTI Ratios: Bank versus Nonbank



Sources: eMBS and the Urban Institute.
Note: Data as of April 2025.

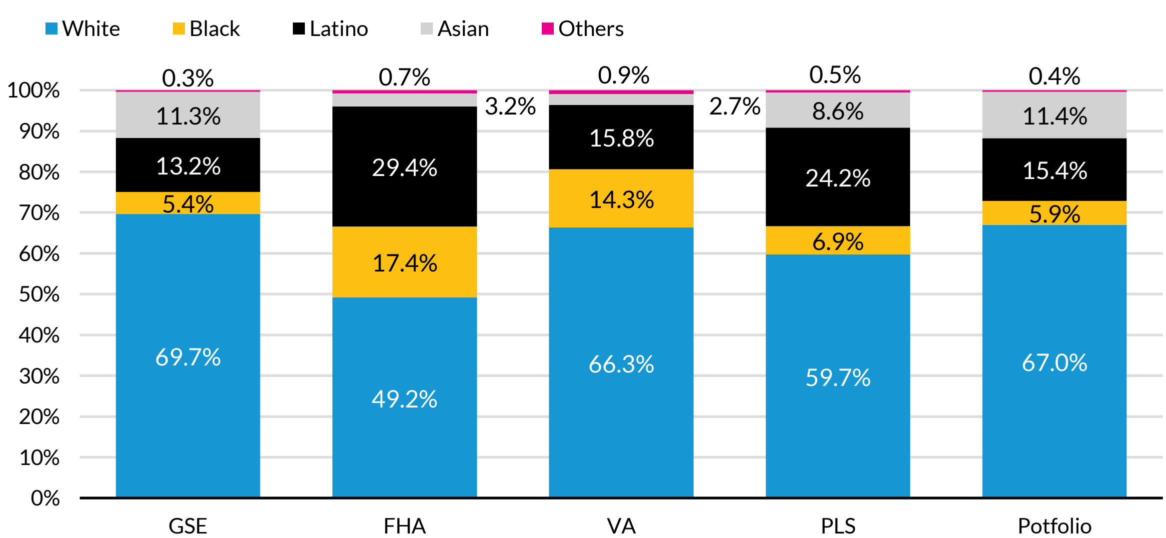
Across all channels, the share of purchase lending to applicants of color reached a peak of 32.3 percent in 2006, the year before the Great Recession. Following the Great Recession and amid a period of very tight credit, the share of purchase loans extended to borrowers of color declined to a low of 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.

As implied on page 10, mortgage origination volume estimated by the Mortgage Bankers Association was higher in the first quarter of 2025 compared to the first quarter of 2024. Home sales, which likely make up the majority of origination activity as implied on 12, exhibit high levels of seasonality that is not controlled for in this table. Originations are expected to continue to rise through the Spring homebuying season and for the rest of 2025. Additionally, industry forecasters also expect a sharp increase in the refinance share to drive originations volume over 2025 as well (see pages 10-12). If these trends occur, origination volume in 2025 is expected to continue recovering from its low in 2023, but still lag even 2022 levels.

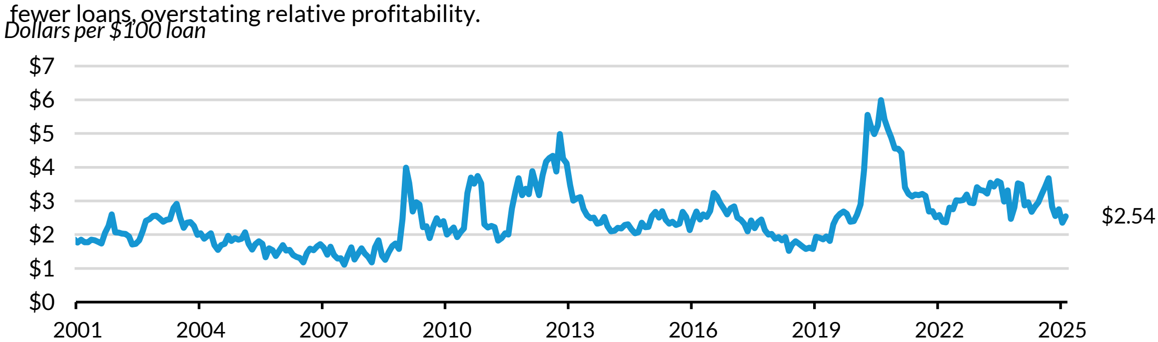
Total Originations and Refinance Shares

	Originations ($ Billions)		Refinance Share (Percent)	
Period	Total, FNMA estimate	Total, MBA estimate	FNMA estimate	MBA estimate
2024 Q1	327	377	20	23
2024 Q2	432	429	16	22
2024 Q3	455	479	22	25
2024 Q4	479	494	32	38
2025 Q1	378	384	25	29
2025 Q2	530	549	24	33
2025 Q3	550	575	26	32
2025 Q4	524	561	31	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	1,693	1,779	23	28
2025	1,982	2,069	26	32

Sources: Fannie Mae (FNMA), the Mortgage Bankers Association (MBA), and the Urban Institute.
Note: Fannie Mae forecasts as of April 2025. MBA forecasts as of May 2025. 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 2019, 2020, 2021, 2022, 2023, and 2024 were 3.9, 3.0, 3.0, 5.3, 6.8, and 6.7 percent.

Originator Profitability and Unmeasured Costs

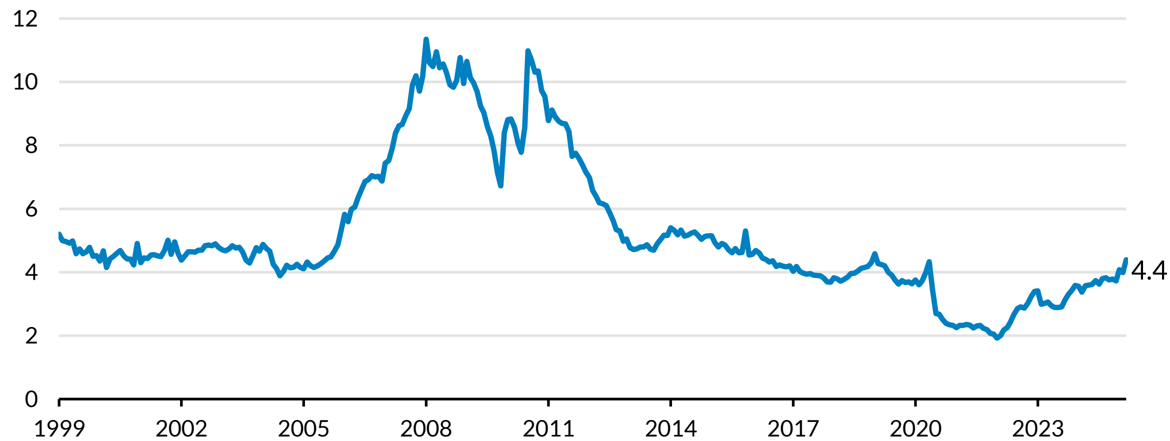
While origination activity may rise somewhat, there is excess capacity in the system due to higher rates, which continues to weigh on profitability. In February 2025, Originator Profitability and Unmeasured Costs (OPUC) was $2.54 per $100 loan, up from $2.35 in January, but down $3.67 in September 2024, when mortgage rates pivoted upward (see page 10). 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. 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.



Sources: Federal Reserve Bank of New York, updated monthly and available at this link: https://www.newyorkfed.org/research/epr/2013/1113fust.html and the Urban Institute.
Note: Data as of February 2025. OPUC is a is a monthly (four-week moving) average, as discussed in the link above.

Despite the modest increase in origination volume over 2024, real housing activity was flat to declining. Amid higher mortgage rates, the table below indicates that home sales in 2024 were largely flat and housing construction, which is typically not financed with mortgages, but with other forms of debt, were lower compared to 2023. Amid the continued decline in sales, months' supply of existing homes, or the inventory of homes as a share of existing home sales, continues to rise, though it remains low in a historical context. Looking forward, industry forecasters anticipate home sales to rise in 2025 from 2024 levels, but for housing starts to be largely flat over 2025.

Months' Supply



Sources: National Association of Realtors and the Urban Institute.
Note: Data as of February 2025.

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	4,341
2024	1,366	1,368	1,368	4,746	4,761	4,357
2025	1,323	1,385	1,379	4,863	4,990	4,544

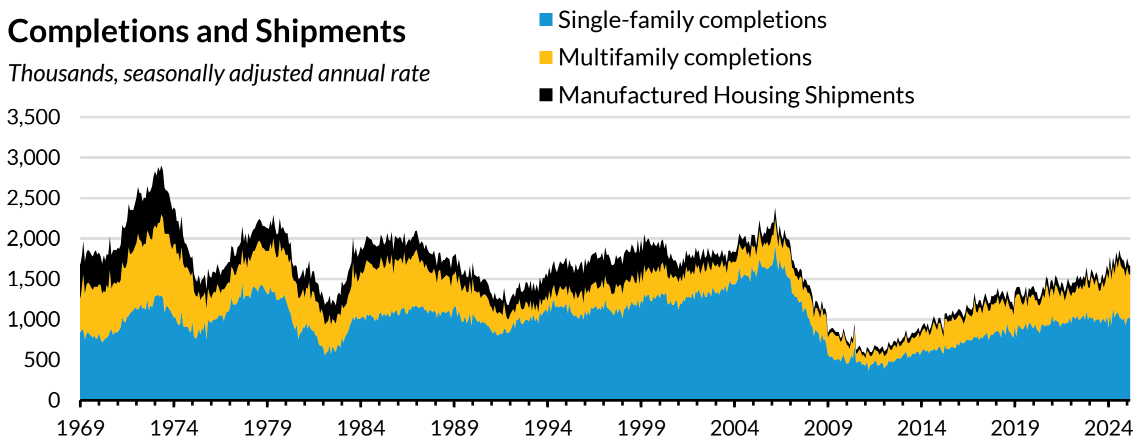
Sources: Fannie Mae (FNMA) forecasts as of April 2025. Mortgage Bankers Association (MBA) and National Association of Home Builders (NAHB) forecasts as of May 2025.
Note: Shaded boxes indicate forecasted figures; column labels indicate source of estimate.
*The NAHB home sales also excludes existing condos and co-ops reported by the National Association of Realtors.

New residential production—including single-family and multifamily completions, as well as manufactured housing shipments—reached a seasonally adjusted annual rate of 16.6 million units in March 2025. Since reaching a low of 565,000 units in January 2011, new production has risen 193 percent. But current production is still 30 percent lower than the peak March 2006 level of 2.38 million units. In March 2025, single-family completions are 46 percent lower than the March 2006 peak of 1.91 million units. But multifamily completions are 38 percent greater than their level in March 2006.

Although multifamily unit completions have exceeded the pre-Great Recession level, only 5.1 percent were built for sale in Q4 2024, down significantly from its Q2 2007 peak of 43.9 percent. In addition, the share of single-family units built for sale declined as interest rates rose in 2022. Although the for-sale share of single-family completions has now pivoted and begun to recover, it is still below its rate in Q4 2021, 79.2 percent. The owner-occupied share of manufactured homes has slowly increased over the past decade after declining amid the impact from the Great Recession.

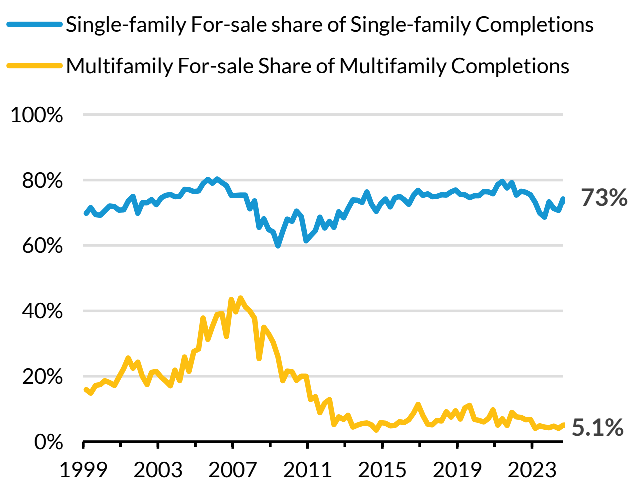
Completions and Shipments

Thousands, seasonally adjusted annual rate



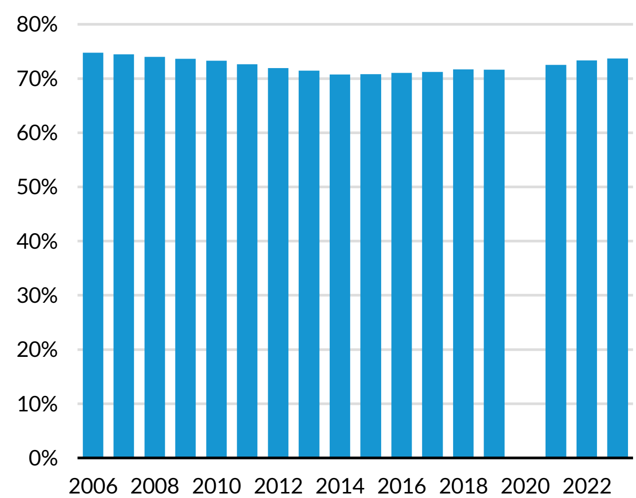
Sources: Moody's Analytics, US Census Bureau, and Urban Institute calculations. March 2025

Share of Residential Completions Built For Sale



Sources: US Census Bureau and Urban Institute calculations. Q4 2024

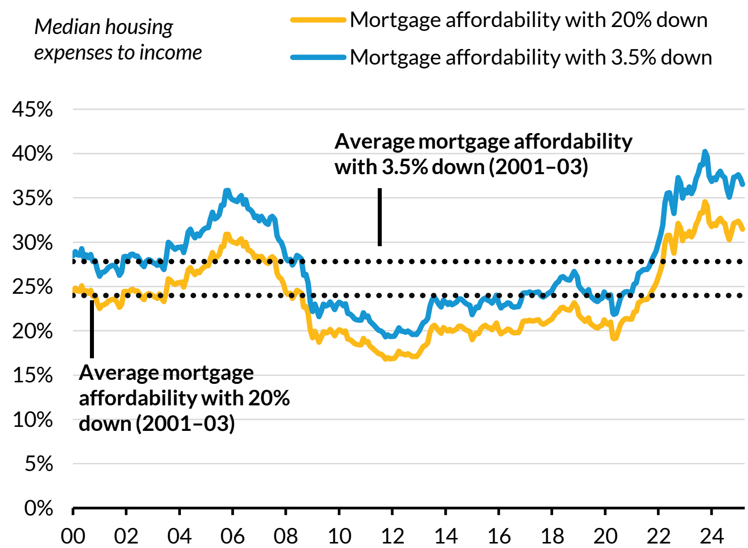
Owner-Occupied Share of Occupied Mobile Homes



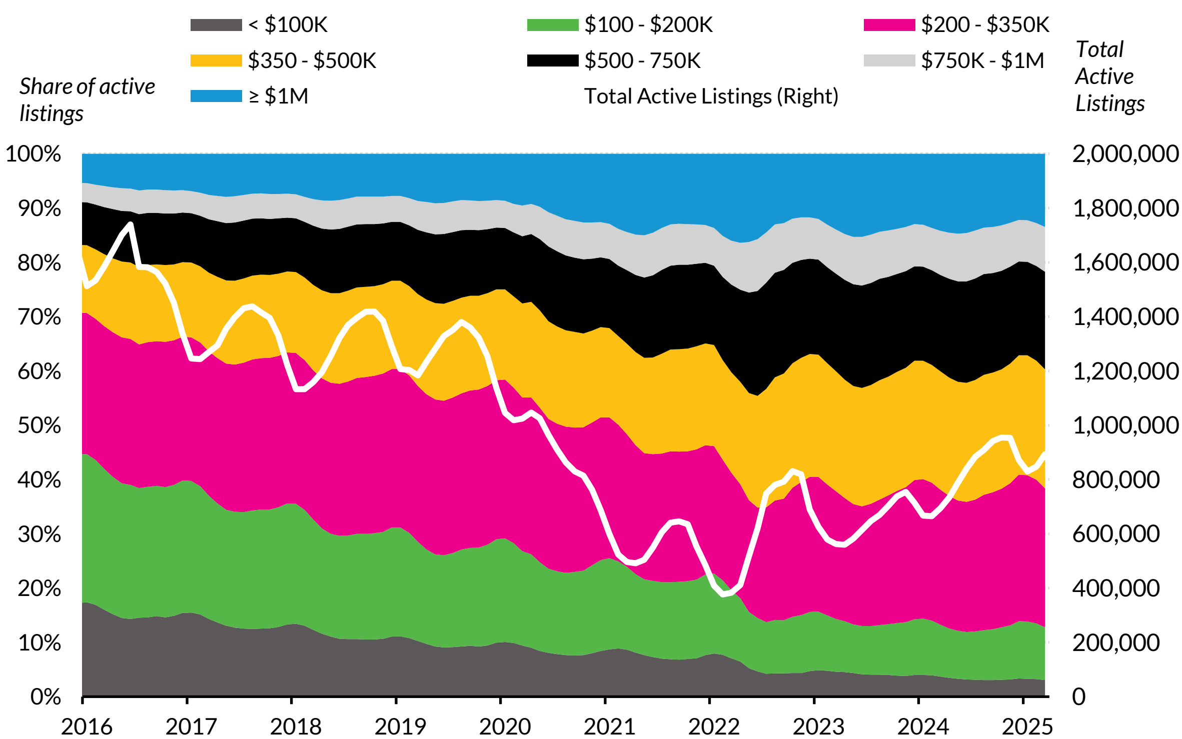
Source: One-year American Community Survey data 2006-2023.
Note: Data are not available for 2020 because of low response rates during the pandemic.

National Mortgage Affordability over Time

Mortgage affordability remains close to the worst level since the inception of this series in 2000. As of March 2025, with a 20 percent down payment, the share of median income needed for the median monthly mortgage payment was 31.5 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 36.5 percent, also above the 35.8 percent prior peak in November 2005. Active listings have broadly increased since 2022 but remain lower over time. And the distribution of housing inventory has become increasingly unaffordable.



Active Listings, by Price Tier, over Time

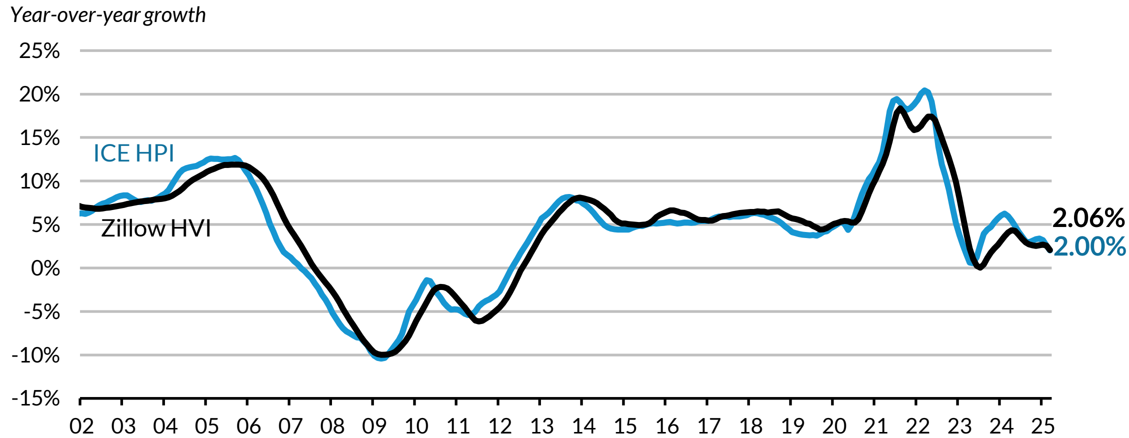


Sources: National Association of Realtors, the US Census Bureau, the Current Population Survey, the American Community Survey, Moody's Analytics, the Freddie Mac Primary Mortgage Market Survey, Realtor.com, and the Urban Institute.

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 March 2025.

National Year-Over-Year HPI Growth

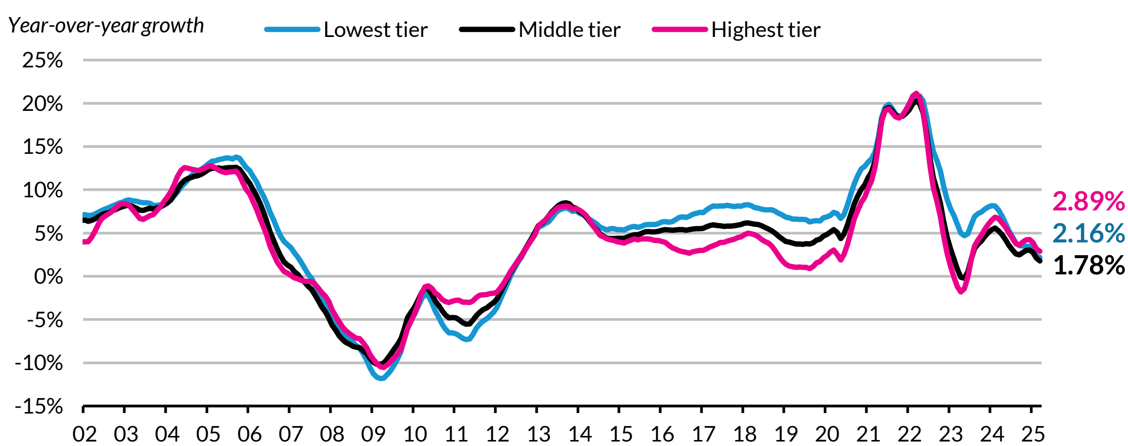
Higher mortgage rates have reduced homebuying demand and likely contributed to slower house price appreciation. However, house prices likely remain supported by the lack of supply. Two key measures of house prices slowed over the past month and settled at similar rates of house price appreciation. According to ICE Mortgage Technology's repeat sales index, year-over-year home price appreciation was 2.00 percent in March 2025, down from the previous month's 2.57 percent. Year-over-year home price appreciation, as measured by Zillow's hedonic home value index, is 2.06 percent in March 2025, down from 2.58 percent in February.



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 March 2025.

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

When interest rates are higher, house price appreciation has been historically tended to be more robust for lower priced properties versus higher priced homes. Higher interest rates not only delay homebuying lowering overall demand, but they can also reduce the property price affordable to the homebuyer, shifting demand from higher priced homes to lower priced ones. And higher interest rates can limit repeat buyers who typically exchange their current home for a more expensive, and often new, home. Faster appreciation in the low-price tier occurred in 2005 and 2006 as well as 2018. In the recent upward rate cycle, the historical pattern has not applied, house price appreciation has slowed across all three price tiers and have largely converged in March 2025. Year-over-year appreciation was highest among the most expensive homes at 2.89 percent, followed by 2.16 percent for the lowest-tier homes and 1.78 for middle-tier homes.

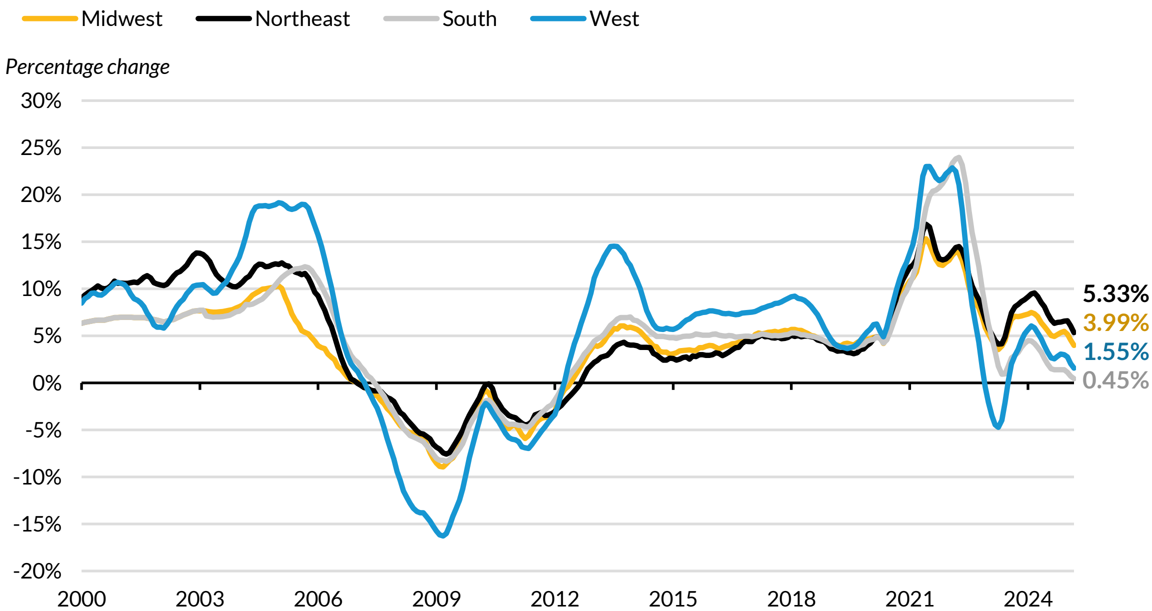


Sources: ICE Mortgage Technology and the Urban Institute.
Notes: ICE modified the methodology behind its HPI in February 2021, resulting in changes to historic price estimates. Data as of March 2025.

STATE OF THE MARKET // REGIONAL HOME PRICE INDEXES

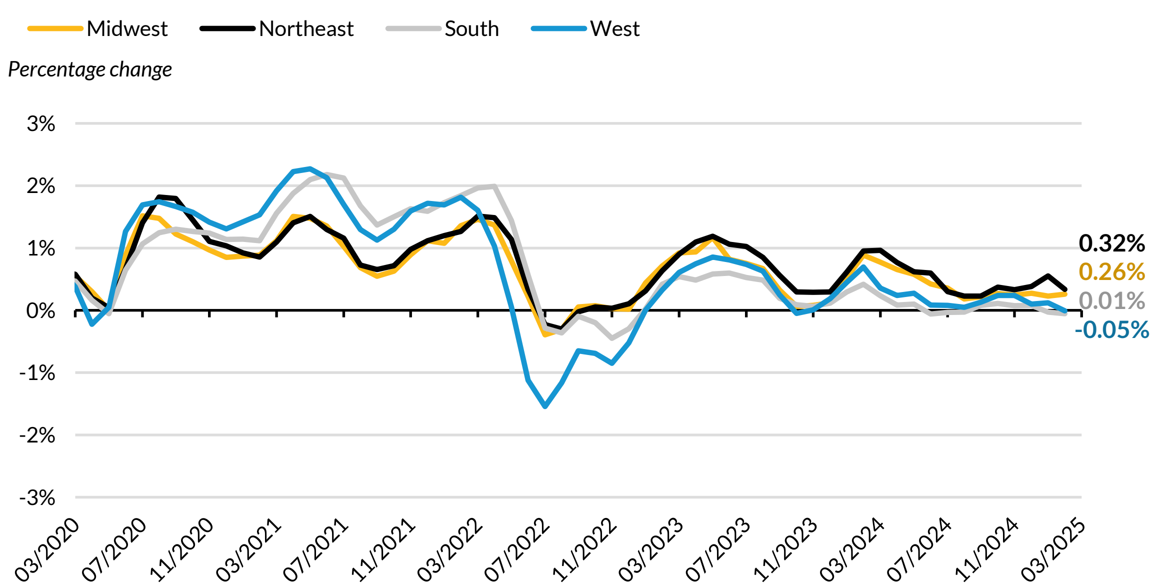
Home price appreciation varies considerably by region. House price appreciation across all regions of the country slowed through March 2025. But house price appreciation is particularly low in the South and West regions of the country, 0.45 and 1.55 percent, respectively. Year-over-year house price appreciation is historically volatile in the West, and since the onset of COVID-19 in the South as well. The lower pace of annual house price growth in South reflects house price stagnation in the most recent month of March 2025. In the West, house prices have now stagnated, tilting negative.

Year-over-Year Home Price Appreciation, by Region



Sources: ICE Mortgage Technology and Urban Institute calculations.
Note: Data as of March 2025.

Month-over-Month Home Price, by Region

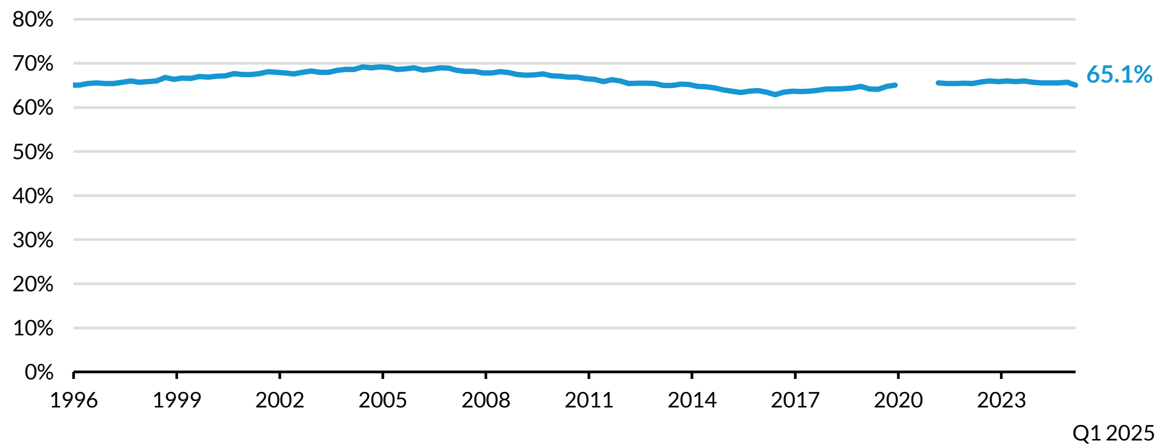


Sources: ICE Mortgage Technology and Urban Institute calculations.
Note: Data as of March 2025. Values are seasonally adjusted.

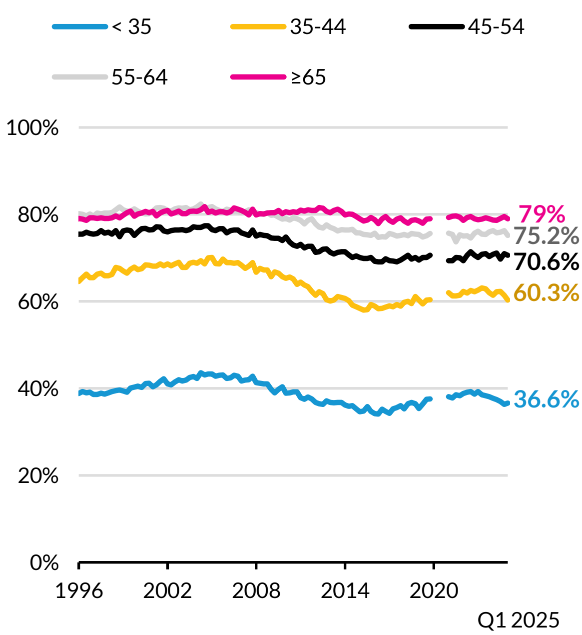
STATE OF THE MARKET // HOMEOWNERSHIP RATES

In Q1 2025, the homeownership rate was at 65.1 percent, slightly lower from the previous quarter and the 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.

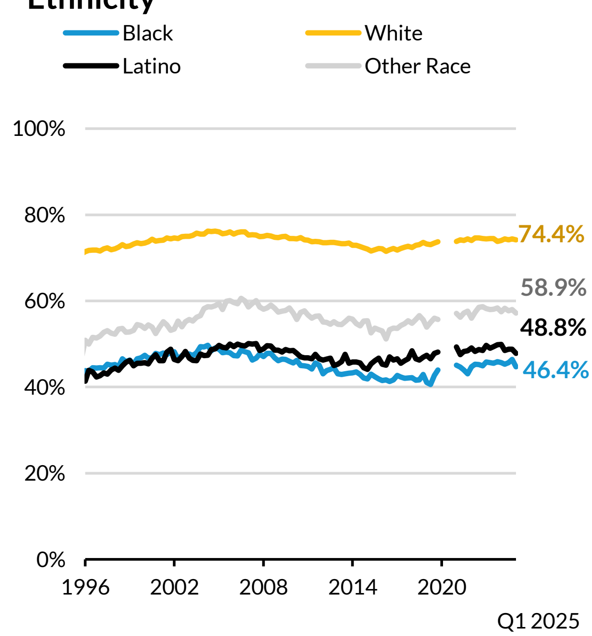
Overall Homeownership Rate



Homeownership, by Owner Age



Homeownership Rate, by Race or Ethnicity

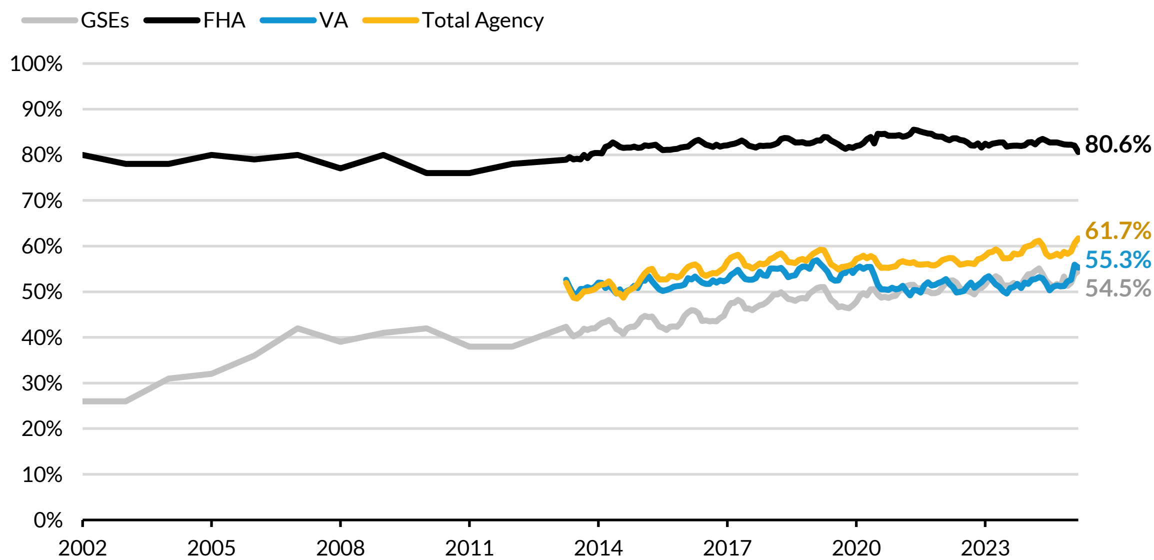


Sources: Moody's Analytics, US Census Bureau, and Urban Institute calculations.
Note: Data from 2020 are poor because of low response rates during the pandemic.

Although the homeownership rate, which compares homeowners and renters has declined modestly (page 27), the first-time homebuyer share, which compares first-time homebuyers with repeat buyers has increased. The increase in the first time homebuyer share reflects the fact that, in today's relatively high interest rate environment, repeat homebuyers are "locked into" their home through a low rate mortgage, This impact is much stronger than impact of higher rates on first time homebuyers, reducing homebuying affordability and thereby slowing the shift from renting to homeownership.First time homebuyers are traditionally more concentrated among FHA (83.6 percent). However, in March 2025, more than half of GSE and VA purchase originations are made to first-time homebuyers as well (54.5 percent and 55.3 percent, respectively).

The bottom table shows that based on mortgages originated in January 2025, the average FTHB was more likely than an average repeat buyer to take out a smaller loan (because they purchased a lower valued home), to have a lower credit score and a higher LTV ratio.

First-Time Homebuyer Share



Sources: eMBS, the Federal Housing Administration, and the Urban Institute. Data as of March 2025.
Note: All series measure the first-time homebuyer share of purchase loans for principal residences. FHA's FTHB share previously reflected the FHA's latest Production Report, however this report is currently lagging by one month. Current FHA FTHB uses the eMBS FTHB share for the month of March 2025.

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

	GSEs		FHA		GSEs and FHA	
Characteristics	First-time	Repeat	First-time	Repeat	First-time	Repeat
Loan amount	$355,447	$394,793	$324,226	$347,907	$346,045	$395,733
Credit score	754	765	690	695	726	752
LTV ratio (%)	84	76	95	93	90	81
DTI ratio (%)	38	39	45	47	41	41
Loan rate (%)	6.64	6.65	6.21	6.18	6.44	6.50

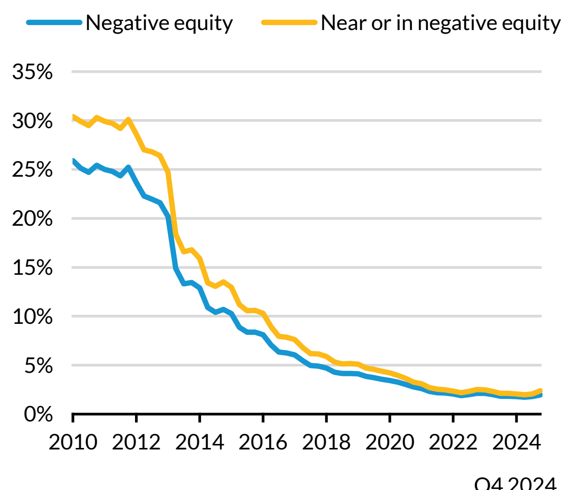
Sources: eMBS and the Urban Institute.
Note: Based on owner-occupied purchase mortgages originated in March 2025.

As house prices have stagnated, even falling in some parts of the country, the share of loans with negative and near-negative equity has increased from 2.0 to 2.4 percent from Q3 2024 to Q4 2024. In Q4 2024, the composition of loans with negative or near-negative equity consisted of 2.0 percent with negative equity and 0.4 percent with between 0 and 5 percent equity.

The share of loans that are 90 days or more delinquent or in foreclosure increased 2 basis points, from 1.64 percent in Q4 2024 to 1.66 percent in Q1 2025. This reflects a 4 basis-point increase in the share of mortgages in foreclosure to 0.49 percent; over the same period, the share of loans 90 days or more delinquent decreased by 2 basis points to 1.17 percent. Serious delinquencies include loans where borrowers have missed their payments, including loans in forbearance.

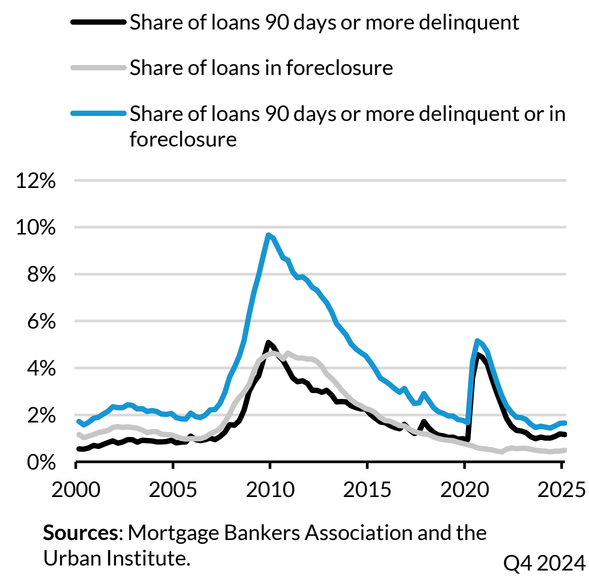
The bottom chart shows the share of loans in forbearance according to the MBA Weekly Forbearance and Call Volume Survey, launched in March 2020. After peaking at 8.55 percent in early June 2020, the total forbearance rate declined to 2.06 percent as of October 31, 2021, the final week of the call survey. The MBA has since moved to conducting a monthly survey, with the most recent forbearance rate decreasing by 2 basis points to 0.38 percent as of February 28, 2025. Ginnie Mae loans had the highest forbearance rate at 0.84 percent. GSE loans have consistently had the lowest forbearance rates at 0.15 percent. The forbearance rate across other loans (e.g., portfolio and PLS) was 0.37 percent.

Negative Equity Share



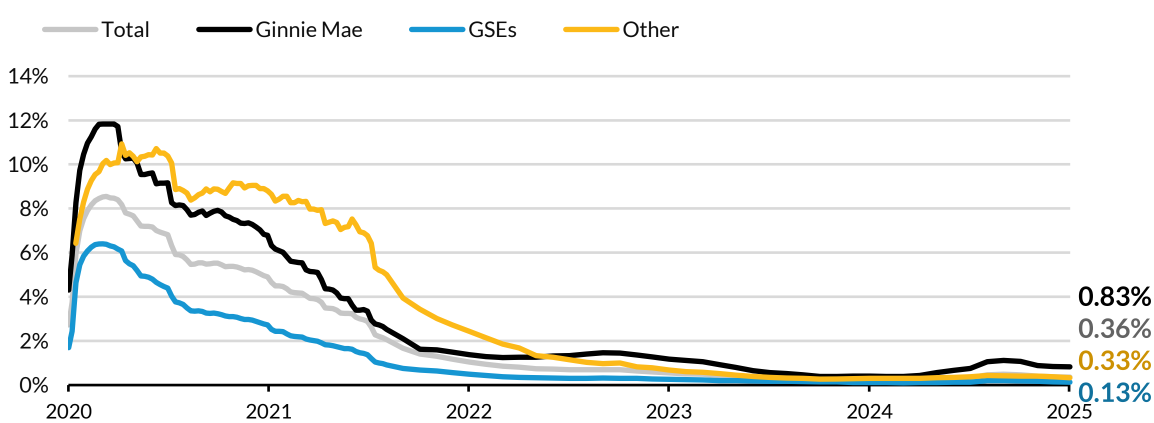
Sources: CoreLogic and the Urban Institute.
Notes: Loans with negative equity refer to loans with LTV ratios above 100 percent. Loans near negative equity refer to loans with LTV ratios above 95 percent.

Loans in Serious Delinquency or Foreclosure



Sources: Mortgage Bankers Association and the Urban Institute.
Q4 2024

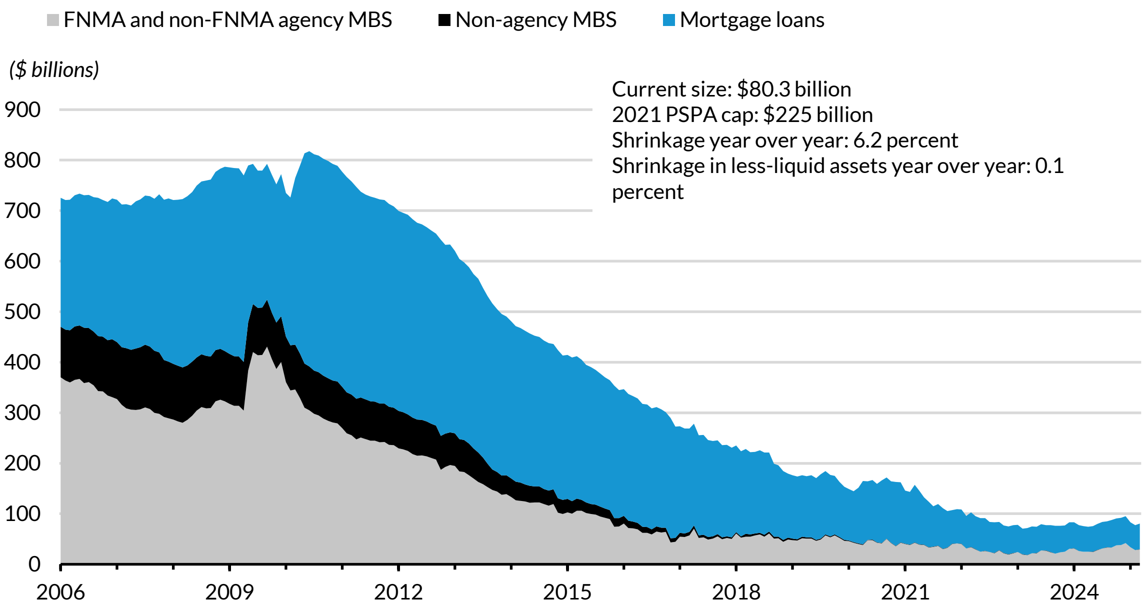
Forbearance Rates, by Channel



Source: MBA Weekly Forbearance and Call Volume Survey.
Note: Forbearance rates as of March 31, 2025.

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) ($80.3 and $92.0 billion, respectively). From March 2024 to March 2025, the Fannie Mae portfolio shrank 6.2 percent, and Freddie Mac's grew by 8.7 percent. Within the portfolios, Fannie Mae shrank their less liquid assets (mortgage loans, non-agency MBS) by 0.1 percent while Freddie's grew 13.4 percent.

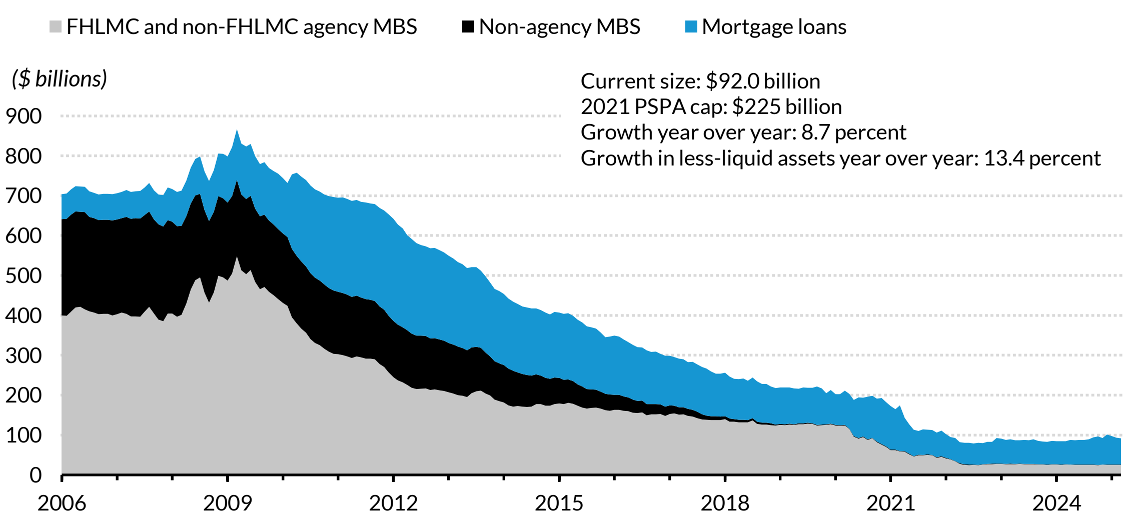
Fannie Mae Mortgage-Related Investment Portfolio Composition



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

March 2025

Freddie Mac Mortgage-Related Investment Portfolio Composition



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

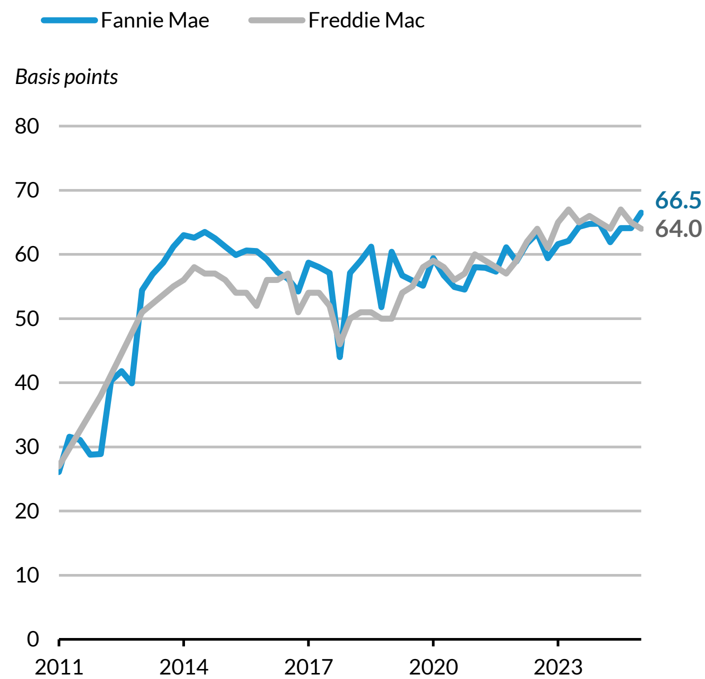
March 2025

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 66.5 basis points in Q1 2025 from 64.1 in Q4 2024, while Freddie Mac's decreased from 65 to 64 basis points. 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 Mae, and the Urban Institute.
Note: Data as of Q1 2025.

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.

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 $2.31 trillion; Freddie's STACR totals $2.78 trillion. 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. Thus far in 2025 Fannie Mae and Freddie Mac have each issued two credit risk transfer deals.

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
January 2025	CAS Series 2025 – R01	$17,922	$777	4.3
March 2025	CAS Series 2025 – R02	$17,423	$711	4.1
April 2025	CAS Series 2025 – R03	$23,840	$619	2.6
Total		**$2,333,662**	**$69,365**	**3.0%**

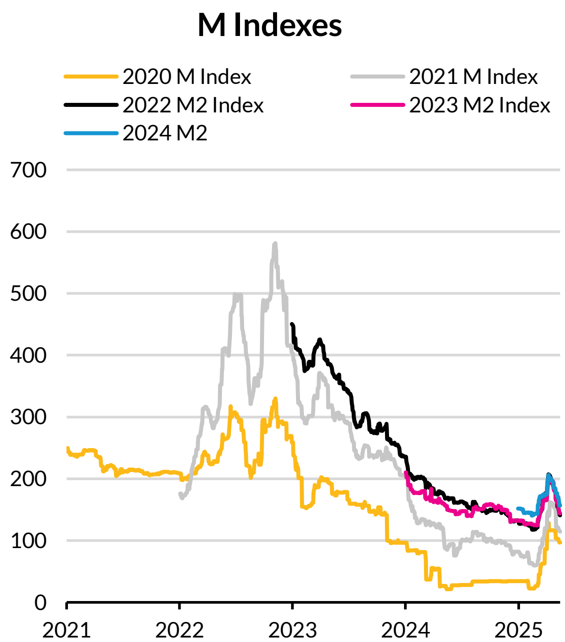
Freddie Mac – Structured Agency Credit Risk (STACR)

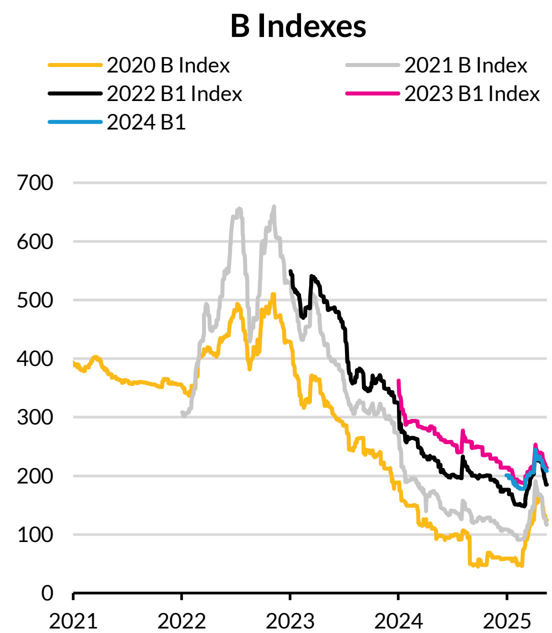
Date	Transaction	Reference Pool Size ($ m)	Amount Issued ($m)	% of Reference Pool Covered
2013	STACR 2013 deals	$57,912	$1,130	2.0
2014	STACR 2014 deals	$147,120	$4,916	3.3
2015	STACR 2015 deals	$179,196	$6,658	3.7
2016	STACR 2016 deals	$183,421	$5,541	3.0
2017	STACR 2017 deals	$248,821	$5,663	2.3
2018	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
February 2025	STACR 2025 – HQA1	$19,709	$620	3.1
Total		**$2,775,128**	**$75,328**	**2.7%**

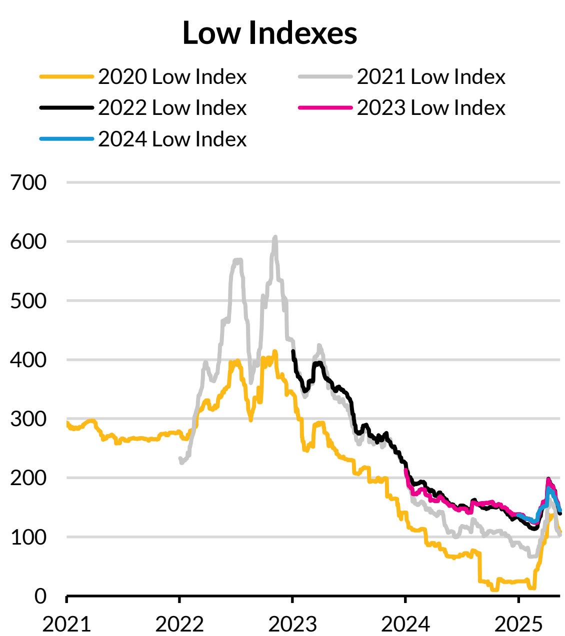
Sources: Fannie Mae, Freddie Mac and Urban Institute. **Note**: Classes A-H, M-1H, M-2H, and B-H are reference tranches only. These classes are not issued or sold. The risk is retained by Fannie Mae and Freddie Mac. "CE" = credit enhancement.

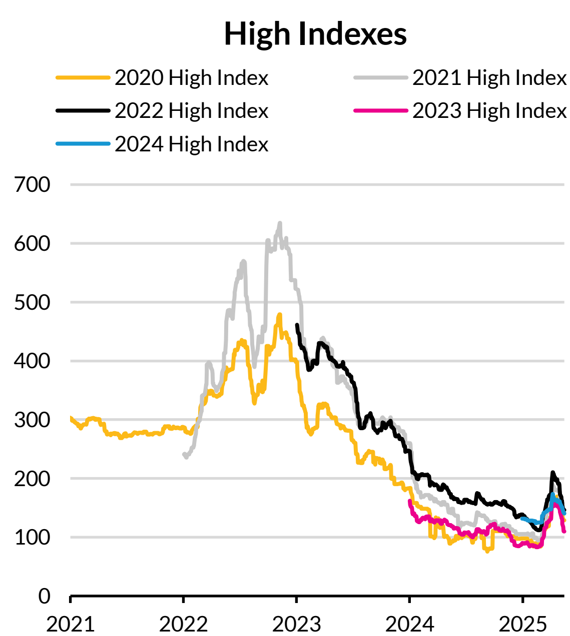
GSEs UNDER CONSERVATORSHIP // GSE RISK-SHARING INDEXES

The figures below show the spreads on 2020–2024 indexes, as priced by dealers. These spreads signal mortgage credit risk. Macroeconomic concerns of a recession due to monetary policy tightening in 2022 largely abated by 2023. Broadly, spreads began to decline, flatting at low levels through the beginning of 2025. More recently, growing concerns and uncertainty about the macroeconomic picture, amplified indications of greater mortgage non-performance in the housing industry contributed to a jump in spreads. Now most indexes are above their levels over 2024. The jump in spreads was partially retraced as announcements of key trade agreements reduced expectations of a recession. However, risks to the macro picture remain with above-target inflation also putting homeowners under broad pressure to continue meeting their mortgage payments.





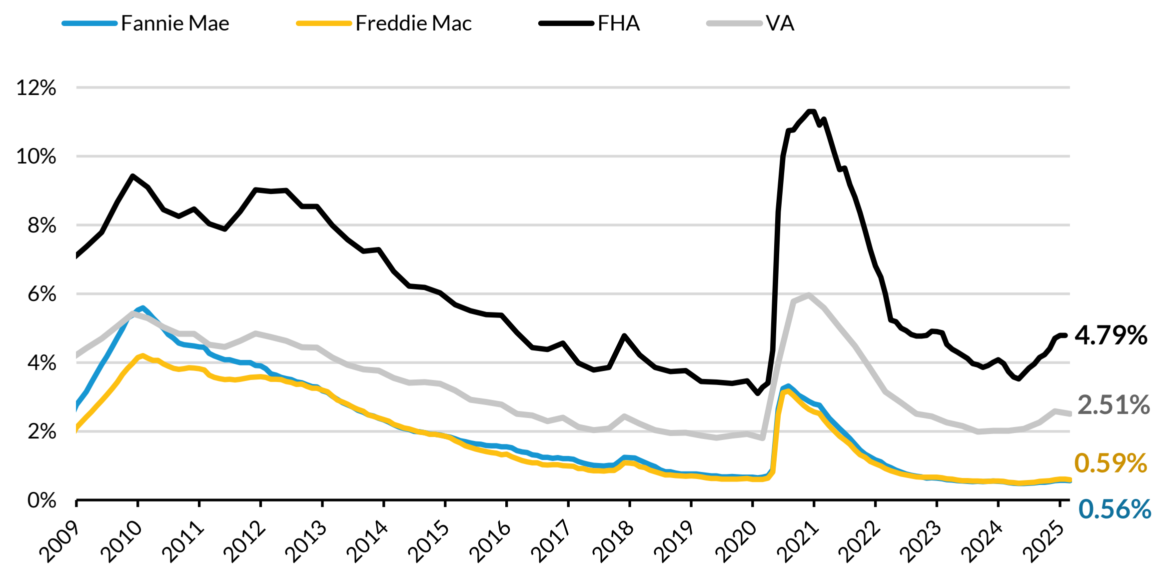




Sources: Vista Data Services and the Urban Institute.
Note: Data as of April 15, 2025.

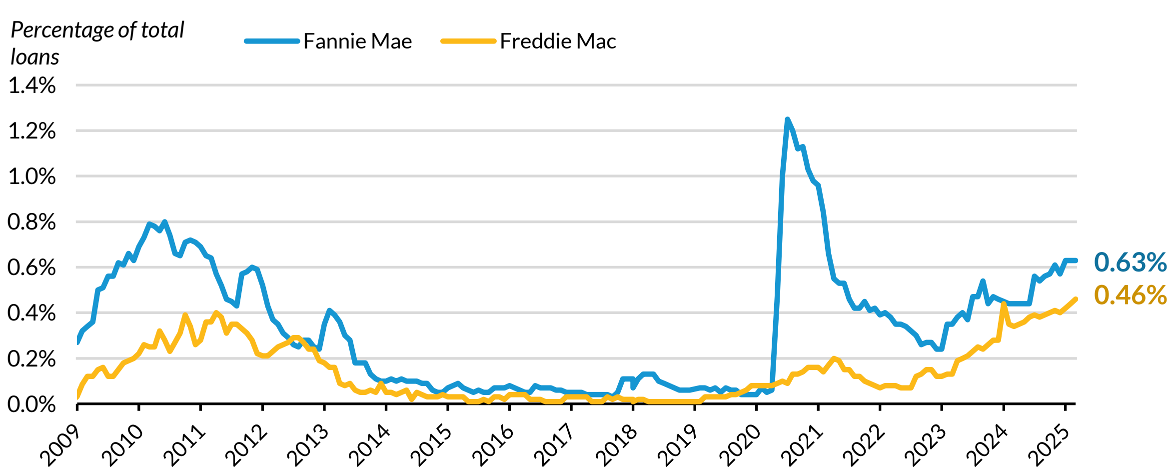
The rise in series delinquency rates on government loans took a breather in March 2025, but, unlike GSE loans, serious delinquency rates on government loans remain visibly above their 2024 lows., The broader increase in serious delinquency rates reflects increasing stress among less affluent borrowers, while serious delinquency rates on GSE loans, which serve more affluent borrower base remains unchanged. The serious delinquency rate for FHA single-family loans, which is higher than those on GSE or VA loans, was 4.79 percent in February 2025. In Q1 2025, VA serious delinquency rates on single-family loans decreased to 2.51 percent from 2.58 percent in Q4 2024. The serious delinquency rates on Fannie Mae and Freddie Mac single-family loans decreased in March from February at 0.56 and 0.59 percent, respectively. Loans in forbearance are counted as delinquent for the purpose of measuring delinquency rates. However, 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. And it continues to increase into 2025.

Serious Delinquency Rates among Single-Family Loans



Sources: Fannie Mae, Freddie Mac, FHA, the MBA Delinquency Survey, and the Urban Institute. VA data as of Q1 2025. GSE data as of March 2025 and FHA as of February 2025.
Notes: Serious delinquency refers to loans 90 days or more past due or in foreclosure. Not seasonally adjusted. From February 2020 through November 2024, FHA delinquency rates were collected from FHA's monthly single-family loan performance trends report, before and after this FHA serious delinquencies are from the quarterly MBA Delinquency Survey.

Serious Delinquency Rates among Multifamily GSE Loans



Sources: Fannie Mae, Freddie Mac, and the Urban Institute.
Notes: Data as of February 2025. 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 $259.1 billion in the first three months of 2025; $156.3 billion by the GSEs and $102.8 billion by Ginnie Mae. GSE issuance was up 20.9 percent, and Ginnie Mae issuance was up 15.0 percent from the first three months. The first three months' net issuance (new securities issued less the decline in outstanding securities attributable to principal paydowns or prepayments) of $38.6 billion was 10.1 percent higher than net issuance over the same period in 2024. The higher net level relative to a year earlier is largely attributable the GSEs as issuance in early 2024 was negative (new securities issued were less than the decline in outstanding securities).

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
2025	$156.3	$102.8	$259.1
2025 % Change from 2024	20.9%	15.0%	18.5%

Agency Net Issuance

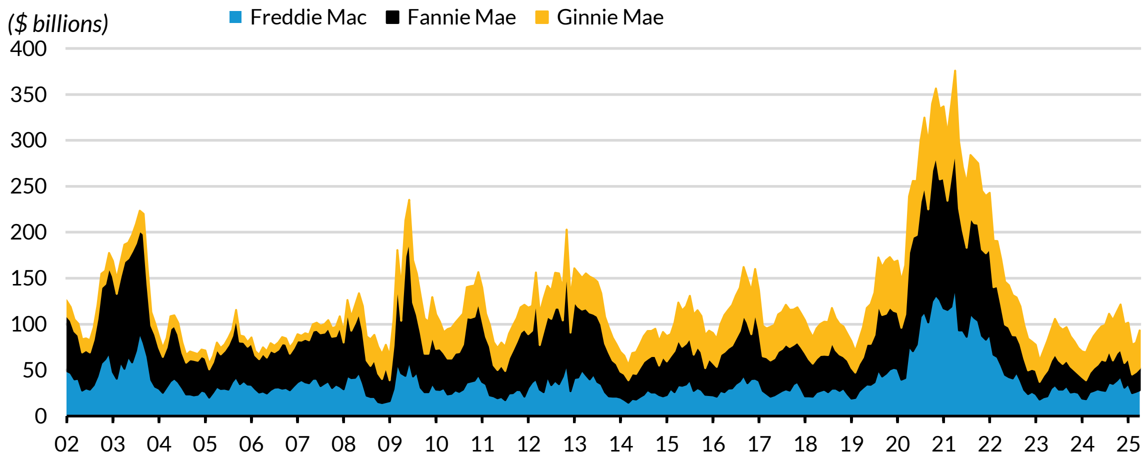
Issuance Year	GSEs	Ginnie Mae	Total
2003	$334.9	-$77.6	$257.3
2004	$82.5	-$40.1	$42.4
2005	$174.2	-$42.2	$132.0
2006	$313.6	$0.2	$313.8
2007	$514.9	$30.9	$545.7
2008	$314.8	$196.4	$511.3
2009	$250.6	$257.4	$508.0
2010	-$303.2	$198.3	-$105.0
2011	-$128.4	$149.6	$21.2
2012	-$42.4	$119.1	$76.8
2013	$65.3	$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
2025	$3.1	$35.5	$38.6
2025 % Change from 2024	-	-6.4%	10.1%

Sources: eMBS and the Urban Institute.
Notes: Dollar amounts are in billions. Data as of February 2025.

AGENCY ISSUANCE // AGENCY GROSS ISSUANCE AND FED PURCHASES

Agency issuances by the GSEs and Ginnie Mae totaled $93.1 billion in April 2025, 7.0 percent higher than volume in April 2024. However, amid the affordability shock led by the jump in mortgage rates, Ginnie Mae issuance has been a larger share of issuance after the pandemic than before. The Ginnie Mae share reached a new series high of 43.9 percent in April 2025.

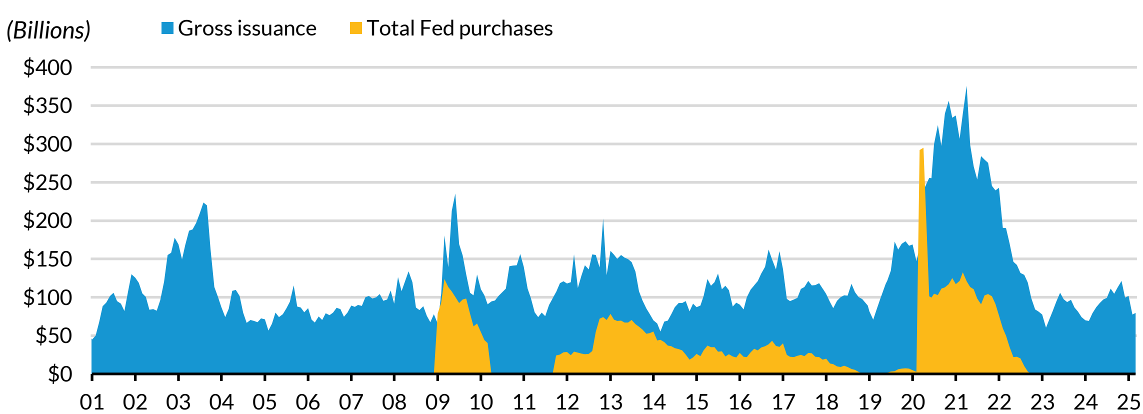
Monthly Gross Issuance



Sources: eMBS and Urban Institute calculations. Data as of March 2025.

Federal Reserve Absorption of Agency Gross Issuance

The Federal Reserve's portfolio was a critical policy tool used during the Great Recession and the more recent pandemic recession. In both instances, the Fed's portfolio, known as the system open market account (SOMA), ballooned as the agency bought both Treasury securities and agency MBS (including multifamily during the COVID recession). 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. More recently, at its March 2025 Federal Open Markets Committee (FOMC) meeting, the FOMC decided to slow the pace of decline of its securities holdings by reducing the monthly redemption cap on Treasury securities from $25 billion to $5 billion. The FOMC 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. Despite these actions, as well as maintaining the federal funds rate at a range of 4.25 to 4.50 percent, ten-year treasury rates and 30-year fixed mortgage rates have been highly volatile, with large upward daily movements in longer term rates seemingly tied instead to the news cycle.

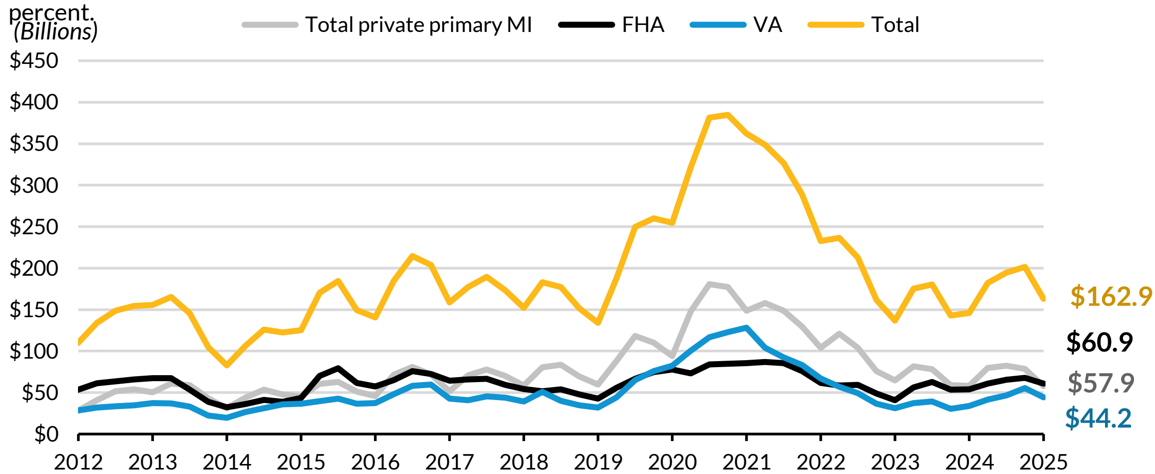


Sources: eMBS, the Federal Reserve Bank of New York, and the Urban Institute.

March 2025

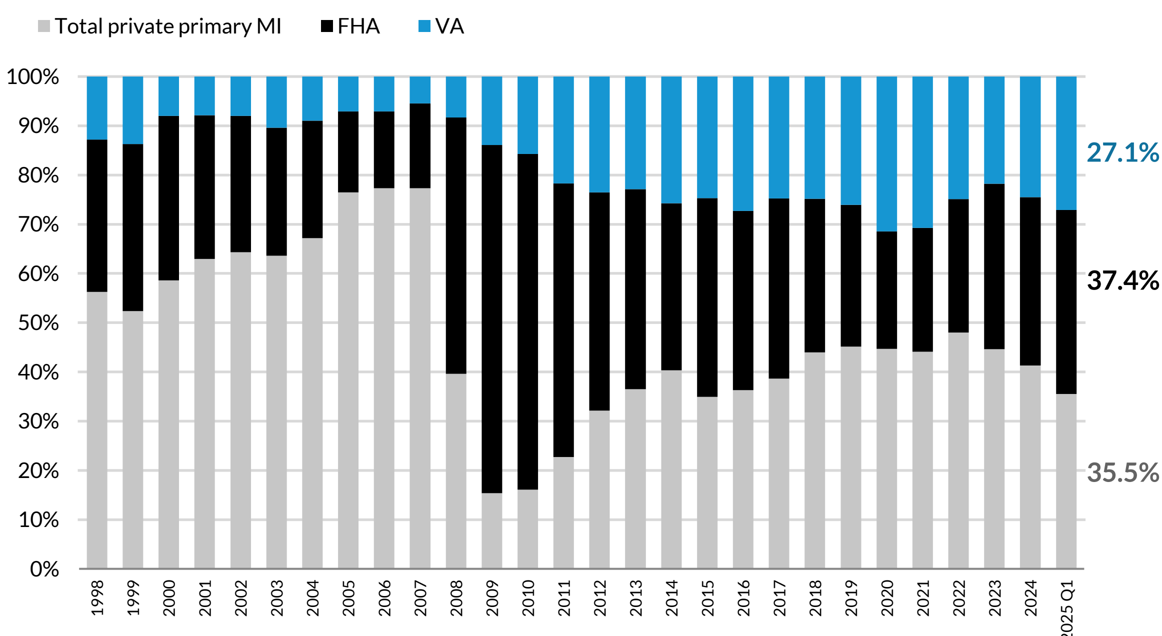
MI Activity

As mortgage originations were higher in the first quarter of 2025 compared to a year ago, total mortgage insurance grew as well, by 11.5 percent compared to 2024 Q1. Amid reduced affordability, the growth in total mortgage insurance reflected greater use of the Ginnie Mae channel, which account for a sizeable share of first-time homebuyers (see page 28). Mortgage insurance activity on FHA and VA loans, which have seen serious delinquency rates rise in recent periods, increased 13.0 and 29.9 percent, respectively, from 2024 Q1 to 2025 Q1. In 2025 Q1, private primary mortgage insurance activity was $57.9 billion, 0.6 percent lower than in 2024 Q1. As a result, the composition of total mortgage insurance activity shifted toward government channels over this period. The private mortgage insurer share decreased from 39.9 to 35.5 percent. In contrast, the FHA share increased from 36.9 to 37.4 percent, and the VA share increased from 23.3 to 27.1 percent.



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Last updated for Q1 2025.

MI Market Share



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Last updated for Q1 2025.

Following the increase in FHA premiums in the aftermath of the Great Recession, these premiums have largely retraced downward due to policy decisions by both the Obama and Biden Administrations. Partially due to the reduction in premiums, FHA loans are more attractive than GSE loans for borrowers with a 760 credit score or lower and putting down less than five percent. These are more likely to be first-time homebuyers, whose share of purchase loans has increased as would-be repeat buyers choose to hold on to their lower rate. Note that this best execution configuration reflects the wide spread between the Conforming and FHA base rates.

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	6.93%
FHA base rate	6.68%

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	$2,047	$2,047	$2,047	$2,047	$2,047	$2,047	$2,047	$2,047
GSE plus PMI	$2,287	$2,241	$2,222	$2,162	$2,116	$2,094	$2,065	$2,036
GSE plus PMI Advantage	-$240	-$195	-$175	-$115	-$69	-$47	-$18	$11

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 May 9, 2025. 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.

SPECIAL FEATURE: LOAN LEVEL GSE CREDIT DATA

FANNIE MAE COMPOSITION

After the foreclosure crisis, the composition of loans purchased by Fannie Mae shifted towards borrowers with higher FICO scores. For example, 63.4 percent of loans originated from 2018 to Q4 2024 were for borrowers with FICO scores above 750, compared to 44.2 percent of borrowers from 2005-2008 and 36.7 percent from 1999-2004. At the same time, the composition of Fannie Mae loans has shifted towards borrowers with higher LTVs. For example, 19.5 percent of loans originated from 2018 to Q4 2024 were for borrowers with LTV above 90 percent, compared to 6.4 percent of borrowers from 2005-2008 and 10.0 percent from 1999-2004.

Balance on 30-year, Fixed-rate, Full-doc, Amortizing Loans

Origination Year	Origination FICO	LTV				Total
		≤70	70 to 80	80 to 90	>90	
1999-2004	≤700	9.3%	15.0%	4.5%	4.5%	33.3%
	700 to 750	9.2%	14.2%	3.4%	3.2%	30.0%
	>750	15.6%	16.1%	2.7%	2.3%	36.7%
	Total	34.0%	45.3%	10.7%	10.0%	100.0%
2005-2008	≤700	10.6%	13.1%	3.8%	2.4%	29.8%
	700 to 750	8.4%	12.7%	3.0%	1.8%	26.0%
	>750	16.9%	21.4%	3.6%	2.2%	44.2%
	Total	36.0%	47.2%	10.4%	6.4%	100.0%
2009-2010	≤700	3.6%	2.9%	0.3%	0.2%	6.9%
	700 to 750	8.2%	10.8%	1.7%	0.8%	21.5%
	>750	32.3%	33.5%	4.0%	1.7%	71.6%
	Total	44.1%	47.2%	6.0%	2.7%	100.0%
2011-2017	≤700	3.5%	5.0%	1.3%	2.1%	12.0%
	700 to 750	5.6%	10.0%	3.2%	5.0%	23.8%
	>750	20.1%	28.0%	7.4%	8.8%	64.2%
	Total	29.2%	42.9%	12.0%	15.9%	100.0%
2018-4Q24	≤700	4.2%	3.7%	1.3%	2.2%	11.4%
	700 to 750	6.5%	8.5%	3.6%	6.6%	25.2%
	>750	22.0%	22.7%	8.1%	10.6%	63.4%
	Total	32.7%	34.9%	13.0%	19.5%	100.0%
Total		33.1%	40.6%	11.6%	14.7%	100.0%

Sources: Fannie Mae and Urban Institute.
Note: Fannie Mae loan level credit data includes loans originated from Q1 1999 to Q4 2024. The percentages are weighted by origination balance. The analysis included only mortgages with original terms of 241-420 months.

FANNIE MAE DEFAULT RATE

While the composition of Fannie Mae loans originated from 2005-2008 were similar to that of 2004 and earlier vintage years, 2005-2008 loans experienced a much higher default rate due to the sharp drop in home values in the foreclosure crisis. Post-2009 originations have pristine credit characteristics and a more favorable home price environment, contributing to very low default rates. Even so, delinquencies on new originations, which jumped in 2020 and 2021 due to COVID-19, have declined meaningfully.

Default Rate on 30-year, Fixed-rate, Full-doc, Amortizing Loans

Origination Year	Origination FICO	LTV				Total
		≤70	70 to 80	80 to 90	>90	
1999-2004	≤700	4.0%	4.9%	6.5%	7.4%	5.2%
	700 to 750	1.3%	2.0%	3.1%	3.2%	2.1%
	>750	0.5%	0.9%	1.6%	1.8%	0.8%
	Total	1.7%	2.6%	4.2%	4.8%	2.7%
2005-2008	≤700	17.8%	22.1%	28.3%	28.8%	21.9%
	700 to 750	7.5%	11.8%	16.7%	16.1%	11.3%
	>750	2.3%	4.7%	8.7%	9.2%	4.3%
	Total	8.1%	11.4%	18.2%	18.5%	11.4%
2009-2010	≤700	5.4%	7.0%	6.5%	7.7%	6.2%
	700 to 750	1.6%	2.8%	3.2%	3.9%	2.4%
	>750	0.4%	0.9%	1.4%	1.8%	0.7%
	Total	1.0%	1.7%	2.1%	2.9%	1.5%
2011-2017	≤700	5.4%	6.0%	7.0%	9.2%	6.5%
	700 to 750	2.4%	2.7%	3.0%	4.1%	3.0%
	>750	0.8%	1.0%	1.2%	1.7%	1.0%
	Total	1.7%	2.0%	2.3%	3.5%	2.2%
2018-4Q24	≤700	3.6%	4.9%	5.7%	7.8%	5.1%
	700 to 750	1.5%	2.1%	2.5%	3.6%	2.4%
	>750	0.4%	0.6%	0.9%	1.3%	0.7%
	Total	1.0%	1.4%	1.8%	2.8%	1.6%
Total		1.9%	2.8%	3.6%	3.8%	2.8%

Sources: Fannie Mae and Urban Institute.
Note: Fannie Mae loan level credit data includes loans originated from Q1 1999 to Q4 2024, with performance information on these loans also through Q4 2024. Default is defined as more than six months delinquent or disposed of via short sales, third-party sales, deeds-in-lieu of foreclosure, or real estate owned (REO acquisitions). The analysis included only mortgages with original terms of 241-420 months.

FREDDIE MAC COMPOSITION

Since the 2008 foreclosure crisis, the composition of loans purchased by Freddie Mac has shifted towards borrowers with higher FICO scores. For example, 58.9 percent of loans originated from 2018 to Q3 2024 were for borrowers with FICO scores above 750, compared to 42.0 percent of borrowers from 2005-2008 and 34.2 percent from 1999-2004. In addition, the composition of Freddie Mac loans has shifted toward borrowers with higher LTVs. 18.4 percent of loans originated from 2018 to Q3 2024 were for borrowers with LTV above 90 percent, compared to 7.1 percent of borrowers from 2005-2008 and 8.5 percent of borrowers from 1999-2004.

Balance on 30-year, Fixed-rate, Full-doc, Amortizing Loans

Origination Year	Origination FICO	LTV				Total
		≤70	70 to 80	80 to 90	>90	
1999-2004	≤700	8.7%	16.7%	4.5%	4.5%	34.3%
	700 to 750	9.9%	16.1%	2.8%	2.6%	31.5%
	>750	15.2%	15.7%	1.9%	1.5%	34.2%
	Total	33.8%	48.5%	9.2%	8.5%	100.0%
2005-2008	≤700	9.5%	14.0%	3.3%	3.1%	29.9%
	700 to 750	9.0%	14.5%	2.5%	2.0%	28.1%
	>750	17.6%	19.8%	2.7%	1.9%	42.0%
	Total	36.1%	48.3%	8.5%	7.1%	100.0%
2009-2010	≤700	3.8%	3.2%	0.3%	0.2%	7.6%
	700 to 750	9.3%	11.8%	1.7%	0.9%	23.7%
	>750	32.8%	31.0%	3.6%	1.4%	68.8%
	Total	46.0%	46.0%	5.5%	2.5%	100.0%
2011-2017	≤700	3.9%	5.0%	1.5%	2.0%	12.4%
	700 to 750	6.9%	12.2%	3.6%	5.3%	28.0%
	>750	18.5%	26.8%	6.6%	7.7%	59.6%
	Total	29.3%	44.0%	11.6%	15.1%	100.0%
2018-3Q24	≤700	5.1%	4.0%	1.6%	2.2%	12.9%
	700 to 750	7.6%	9.8%	4.2%	6.6%	28.2%
	>750	19.3%	22.0%	8.1%	9.6%	58.9%
	Total	31.9%	35.8%	13.9%	18.4%	100.0%
Total		33.1%	41.5%	11.5%	13.9%	100.0%

Sources: Freddie Mac and Urban Institute.
Note: Freddie Mac loan level credit data includes loans originated from Q1 1999 to Q3 2024, with performance data through Q4 2024. The percentages are weighted by origination balance. The analysis included only mortgages with original terms of 241-420 months.

SPECIAL FEATURE: LOAN LEVEL GSE CREDIT DATA

FREDDIE MAC DEFAULT RATE

While the composition of Freddie Mac loans originated from 2005-2008 were similar to that of 1999-2004 vintage years, 2005-2008 loans experienced a much higher default rate due to the sharp drop in home values during the recession. 2009 and later originations have pristine credit characteristics and a more favorable home price environment, contributing to very low default rates. Even so, delinquencies on new origination, which jumped in 2020 and 2021 due to COVID-19, have declined meaningfully.

Default Rate on 30-year, Fixed-rate, Full-doc, Amortizing Loans

Origination Year	Origination FICO	LTV				Total
		≤70	70 to 80	80 to 90	>90	
1999-2004	≤700	3.4%	4.7%	7.0%	7.4%	5.0%
	700 to 750	1.2%	1.9%	3.1%	3.2%	1.9%
	>750	0.4%	0.9%	1.7%	2.1%	0.8%
	Total	1.4%	2.5%	4.7%	5.2%	2.6%
2005-2008	≤700	15.6%	20.5%	25.6%	27.7%	20.3%
	700 to 750	6.9%	11.5%	15.4%	15.6%	10.6%
	>750	2.2%	5.1%	8.2%	9.4%	4.3%
	Total	6.9%	11.5%	17.1%	19.3%	10.9%
2009-2011	≤700	4.8%	6.6%	6.3%	6.7%	5.7%
	700 to 750	1.4%	2.7%	2.8%	3.5%	2.2%
	>750	0.4%	0.9%	1.4%	1.6%	0.7%
	Total	1.0%	1.7%	2.1%	2.7%	1.4%
2011-2017	≤700	5.1%	5.4%	6.3%	7.7%	5.8%
	700 to 750	2.5%	2.7%	3.0%	3.9%	2.9%
	>750	0.9%	1.1%	1.3%	1.8%	1.1%
	Total	1.8%	2.0%	2.5%	3.3%	2.2%
2018-3Q24	≤700	2.7%	3.6%	4.3%	4.8%	3.5%
	700 to 750	1.1%	1.6%	1.9%	2.6%	1.8%
	>750	0.4%	0.6%	0.7%	1.1%	0.6%
	Total	0.9%	1.2%	1.5%	2.1%	1.3%
Total		1.9%	3.0%	3.4%	3.6%	2.7%

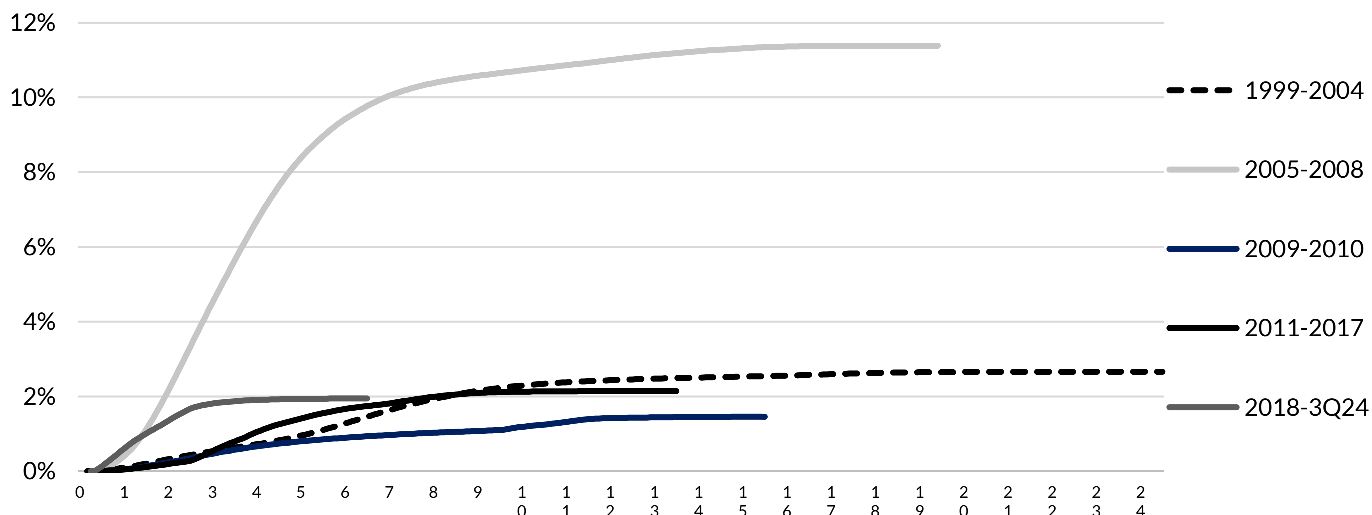
Sources: Freddie Mae and Urban Institute.
Note: Freddie Mac loan level credit data includes loans originated from Q1 1999 to Q3 2024, with performance data through Q4 2024. Default is defined as six months delinquent or disposed of via short sales, third-party sales, deeds-in-lieu of foreclosure, or real estate owned (REO acquisitions). The analysis included only mortgages with original terms of 241-420 months.

SPECIAL FEATURE: LOAN LEVEL GSE CREDIT DATA

DEFAULT RATE BY VINTAGE

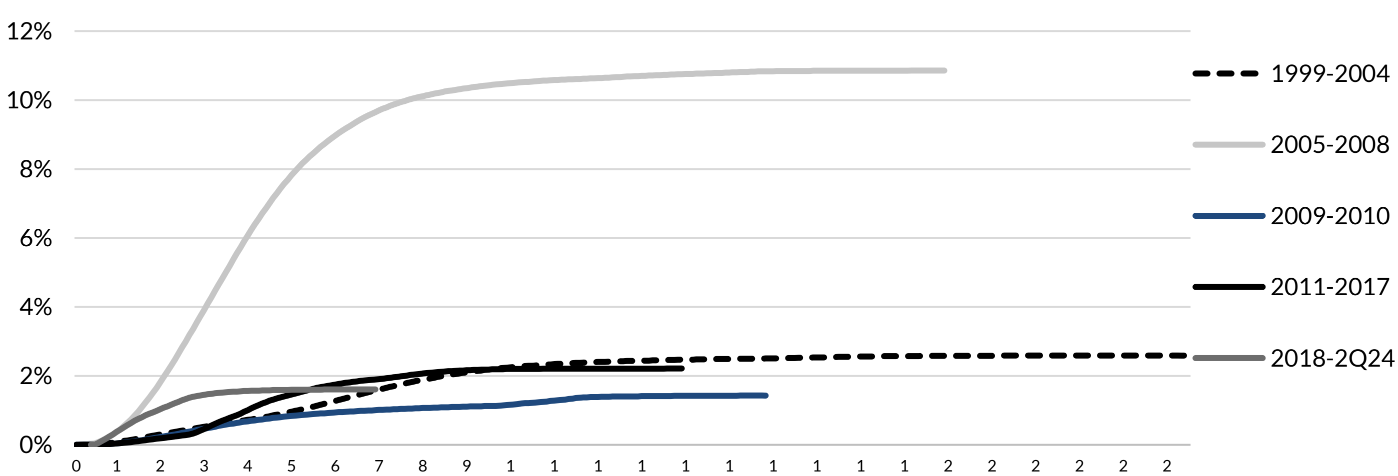
As a result of pristine books of business and a strong housing market, the effect of COVID-19 on GSE delinquencies is a fraction of what it was in the Great Financial Crisis. These charts show cumulative D180 (default) rates as of the end of Q3 2024 for Fannie and Freddie. For Fannie Mae and Freddie Mac's 1999-2004 vintages, cumulative defaults total 2.7 percent for Fannie and 2.6 percent for Freddie, while cumulative defaults for the 2005-2008 vintages are 11.4 percent for Fannie originations and 10.9 percent for Freddie originations. While the D180+ rate on loans originated in 2018 and later were running above the 1999-2004 levels, most of these loans have successfully exited forbearance. There are few new loans going D180+, leading to a flattening of the 2018 and later curves.

Fannie Mae Cumulative Default Rate by Vintage Year



Sources: Fannie Mae and Urban Institute.
Note: The analysis included only mortgages with original terms of 241-420 months. A default is defined as a delinquency of 180 days or more, a deed-in-lieu, short sale, foreclosure sale or REO sale.

Freddie Mac Cumulative Default Rate by Vintage Year



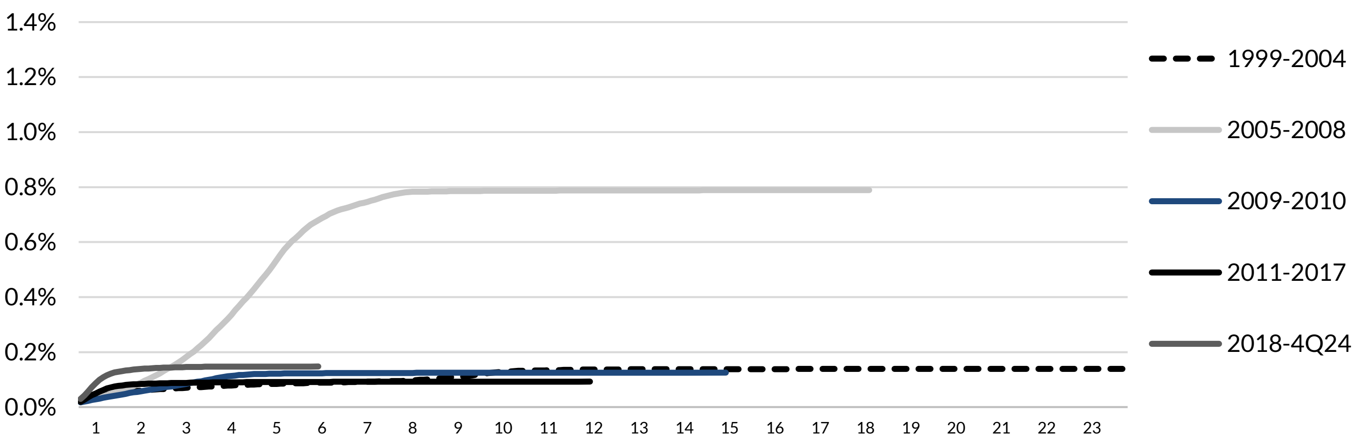
Sources: Freddie Mac and Urban Institute.
Note: The analysis included only mortgages with original terms of 241-420 months. A default is defined as a delinquency of 180 days or more, a deed-in-lieu, short sale, foreclosure sale or REO sale.

SPECIAL FEATURE: LOAN LEVEL GSE CREDIT DATA

REPURCHASE RATE BY VINTAGE

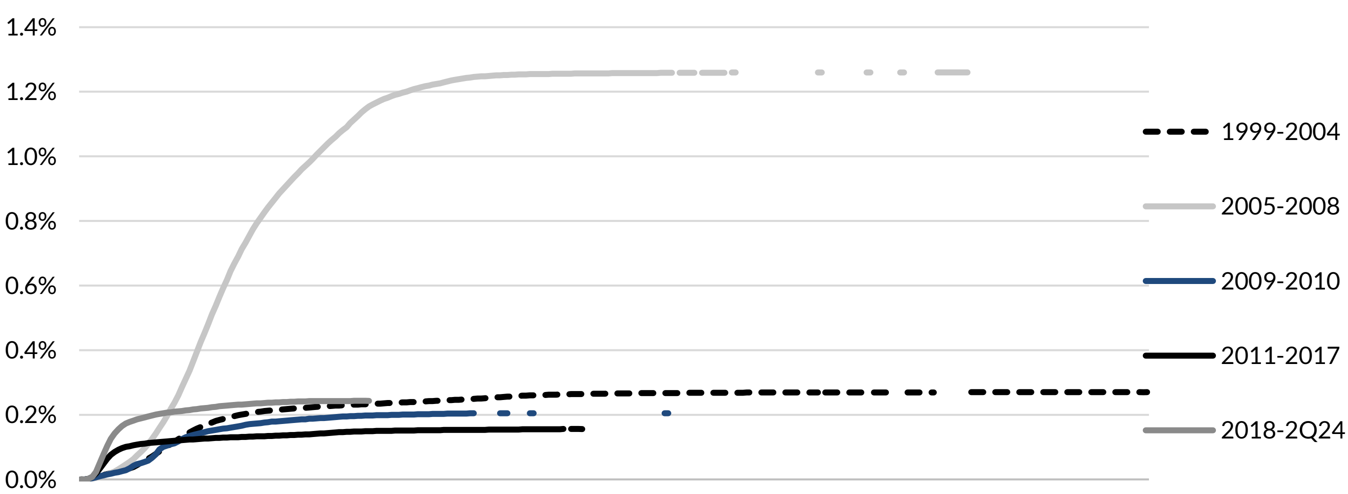
These figures show the cumulative percentage of fixed-rate, full documentation, amortizing 30-year loans of a given vintage that Fannie and Freddie have put back to lenders due to reps and warrants violations. Bubble era vintages were significantly more likely to be put back than either pre- or post-bubble vintages. Note that put-backs are generally quite small, with the exception of the 2005-2008 vintages. These numbers exclude loans put back through global settlements, which are not done at the loan level. In recent years, the GSEs have sharply increased their repurchase activity and become more aggressive in forcing more repurchases earlier in the life of the loan than was the case with earlier vintages. In the first few years of the mortgages' life, there have been more repurchases for the 2018-2023 origination years than there were in the 2005-08 origination years. Even though the number of affected loans is still low, the economic impact is magnified in a high-interest rate environment, as originations must repurchase these loans at a loss. As a result, access to credit becomes restricted as originators become less inclined to originate loan types with characteristics found in the repurchase requests.

Fannie Mae Repurchase Rate by Vintage Year



Sources: Fannie Mae and Urban Institute.
Note: The analysis included only mortgages with original terms of 241-420 months.

Freddie Mac Repurchase Rate by Vintage Year



Sources: Freddie Mac and Urban Institute.
Note: The analysis included only mortgages with original terms of 241-420 months.

SPECIAL FEATURE: LOAN LEVEL GSE CREDIT DATA

LOSS SEVERITY

Both Fannie Mae and Freddie Mac's credit data include the status of loans after they experience a credit event (default). A credit event is defined as a delinquency of 180 days or more, a deed-in-lieu, short sale, foreclosure sale or REO sale. We look at each loan that has experienced a credit event and categorize it based on present status—for Fannie Mae loans (top table) 17.02 percent are current, 34.68 percent are prepaid, 6.71 percent are still in the pipeline (not current, not prepaid, not liquidated) and 41.06 percent have already liquidated (deed-in-lieu, short sale, foreclosure sale, REO sale). Freddie Mac's results (bottom table) are very similar. The right side of both tables shows the severity of all loans that have liquidated, broken down by LTV buckets: total severities are 41.5 percent for Fannie and 40.6 percent for Freddie.

Fannie Mae - Liquidation Rates and Severities for D180+ loans

Origination Year	Paths for D180+ Loans (% of total count)				Severity for Liquidated Loans By LTV			
	Paths With No Eventual Loss		Paths With Eventual Loss					
	Current	Prepay*	Still in the Pipeline	% Already Liquidated Loans†	≤60	60-80	>80	Total
1999-2004	6.00%	35.14%	1.46%	57.40%	27.6%	41.0%	26.3%	34.3%
2005-2008	5.52%	30.55%	1.20%	62.74%	40.5%	52.9%	36.5%	47.2%
2009-2010	15.76%	39.66%	4.28%	40.30%	27.5%	37.3%	19.7%	32.9%
2011-2017	35.78%	43.35%	10.95%	9.91%	16.4%	24.3%	11.4%	17.3%
2018-1Q24	40.37%	32.83%	23.26%	3.54%	9.4%	11.6%	8.7%	9.6%
Total	17.02%	34.68%	6.71%	41.60%	35.7%	48.2%	30.4%	41.5%

Freddie Mac - Liquidation Rates and Severities for D180+ loans

Origination Year	Paths for D180+ Loans (% of total count)				Severity for Liquidated Loans By LTV			
	Paths With No Eventual Loss		Paths With Eventual Loss					
	Current	Prepay*	Still In The Pipeline	% Already Liquidated Loans†	≤60	60-80	>80	Total
1999-2004	4.17%	37.76%	1.39%	56.68%	25.2%	39.4%	28.8%	34.7%
2005-2008	3.69%	31.50%	1.03%	63.78%	37.9%	49.9%	37.0%	45.7%
2009-2010	11.83%	39.65%	3.08%	45.44%	22.2%	34.1%	29.6%	31.2%
2011-2017	31.93%	41.41%	8.81%	17.85%	12.5%	20.2%	26.0%	24.5%
2018-3Q24	42.10%	29.86%	25.80%	2.24%	5.1%	7.3%	8.2%	7.6%
Total	14.84%	34.95%	6.07%	44.15%	33.3%	46.2%	32.3%	40.6%

Sources: Fannie Mae, Freddie Mac, and Urban Institute.
Note: Fannie Mae loan level credit data includes loans originated from Q1 1999 to Q4 2024, with performance information on these loans also through Q4 2024. Freddie Mac loan level credit data includes loans originated from Q1 1999 to Q3 2024, with performance information on these loans through Q4 2024. The analysis included only mortgages with original terms of 241-420 months. *Prepay category includes reperforming loan sales. †Already liquidated loans include notes sales.

SPECIAL FEATURE: LOAN LEVEL GSE CREDIT DATA

LOSS SEVERITY BY CHANNEL

The table below shows the severity of Fannie and Freddie loans that have liquidated, broken down by liquidation channel and vintage year. Foreclosure alternatives, notes sales, short sales, and third party sales have higher defaulted unpaid principal balance (UPB) and much lower loss severities than REO sales. For example, for all Fannie Mae originations, foreclosure alternatives had a mean defaulted UPB of $179,091 and a loss severity of 32.19 percent, versus a mean defaulted UPB of $145,649 and a loss severity of 46.77 percent for REO sales.

Fannie Mae - Loss Severity for Already Liquidated Loans

Origination Year	Number of Loans			Mean defaulted UPB ($)			Severity		
	All	REO	Foreclosure Alternatives*	All	REO	Foreclosure Alternatives	All	REO	Foreclosure Alternatives
1999-2004	210,900	157,531	53,369	$110,714	$105,531	$126,014	34.33%	39.11%	22.49%
2005-2008	330,049	220,548	109,501	$183,055	$172,527	$204,261	47.25%	52.25%	38.74%
2009-2010	24,098	14,676	9,422	$169,935	$162,286	$181,849	32.86%	39.50%	23.63%
2011-2017	24,465	11,846	12,619	$158,494	$147,955	$168,387	17.30%	22.46%	13.05%
2018-1Q24	8,403	3,059	5,344	$203,346	$185,050	$213,819	9.59%	9.50%	9.64%
Total	597,915	407,660	190,255	$156,290	$145,649	$179,091	41.46%	46.77%	32.19%

Freddie Mac - Loss Severity for Already Liquidated Loans

Origination Year	Number of Loans			Mean defaulted UPB ($)			Severity		
	All	REO	Foreclosure Alternatives*	All	REO	Foreclosure Alternatives	All	REO	Foreclosure Alternatives
1999-2004	141,867	94,783	47,084	$110,982.3	$105,617.4	$121,782.2	34.71%	41.86%	22.21%
2005-2008	315,885	171,035	144,850	$179,765.3	$163,987.8	$198,395.0	45.65%	54.40%	37.11%
2009-2010	35,477	15,503	19,974	$188,963.1	$171,509.5	$202,509.9	31.15%	43.11%	23.29%
2011-2017	40,858	14,562	26,296	$167,963.1	$149,797.6	$178,022.7	24.51%	36.45%	18.94%
2018-3Q24	3,706	1,231	2,475	$185,261.1	$162,736.9	$196,464.1	7.61%	14.73%	4.68%
Total	537,793	297,114	240,679	$161,368.8	$145,058.2	$181,506.1	40.57%	49.70%	31.57%

Sources: Fannie Mae, Freddie Mac and Urban Institute.
Note: Fannie Mae loan level credit data includes loans originated from Q1 1999 to Q[illegible] 2024, with performance information on these loans also through Q4 2024. Freddie Mac loan level credit data includes loans originated from Q1 1999 to Q3 2024, with performance information on these loans through Q4 2024. The analysis included only mortgages with original terms of 241-420 months.
*Foreclosure Alternatives include notes sales.

PUBLICATIONS AND EVENTS

See our events page for more information on other upcoming and past events.

Projects

The Future of Homeownership and Housing Finance

A Road Map to Address America's Housing Crisis

Exploring Mom-and-Pop Landlord Rentals

Sustaining Homeownership

The Special Purpose Credit Program Data Toolkit

Home Ownership Means Equity (HOME) Initiative: Call for Papers on Advancing Latino Homeownership

Wealth Opportunities Realized through Homeownership State Data to Target Homeowner

Assistance Fund Dollars

The Mortgage Servicing Collaborative

Housing Credit Availability Index (HCAI)

Home Mortgage Disclosure Act Projects

Mortgage Markets COVID-19 Collaborative

Reducing the Racial Homeownership Gap

Monthly Chartbooks

Data Tools Available Online

Special Purpose Credit Program Data Toolkit

Tracking Rent Payments to Mom-and-Pop Landlords

Tracking Homeownership Wealth Gaps

Publications

Recapitalizing the GSEs through Administrative Action
Author: Laurie Goodman
Date: April 24, 2025

Buyers of Distressed Properties Need Improved Financial Tools To Better Serve Vulnerable Communities
Authors: Michael Neal, Katie Visalli
Date: April 4, 2025

Housing Counseling for Homeowners and Renters in Crisis: Lessons from the Housing Stability Counseling Program
Authors: Jung Hyun Choi, Sarah Gerecke, Matthew Pruitt, Janneke Ratcliffe, Mark Treskon, Katie Visalli, John Walsh
Date: April 4, 2025

Climate Risks to Latino Homeowners and Communities
Authors: Linna Zhu, John Walsh, Bryson Berry
Date: March 19, 2025

Evaluating the WORTH Initiative's Progress in Year 2
Authors: Michael Neal, Lydia Lo, Jung Hyun Choi, Ilina Mitra, Matthew Pruitt, Violet Sulka/Hewes, Corianne Payton Scally
Date: March 14, 2025

Blog Posts

The End of a Veterans Affairs Program Could Put Military Borrowers at Risk of Foreclosure
Authors: Todd Hill
Date: April 28, 2025

Current Financing Options for Home Renovations Don't Meet the Needs of the Nation's Aging Housing Stock
Authors: Laurie Goodman, Amalie Zinn
Date: April 17, 2025

Cuts to the FHA Will Hurt Households and Local Economies across the Country
Authors: Amalie Zinn, Katie Visalli, Laurie Goodman
Date: April 14, 2025

Staffing and Funding Cuts at HUD Would Have an Outsize Effect on Older Adults
Authors: Mark Treskon, Susan J. Popkin
Date: April 9, 2025

Homeownership Has Fallen Further Out of Reach for Younger Families with the Lowest Incomes
Authors: Laurie Goodman, Ted Tozer, Jun Zhu
Date: March 17, 2025

America's Housing Market Is Failing Older Adults
Authors: Linna Zhu, Amalie Zinn
Date: March 12, 2025

Gutting the FHA Will Decrease Housing Market Efficiency and Hurt Borrowers
Authors: Amalie Zinn, Katie Visalli, Laurie Goodman
Date: February 26, 2025

Black Housing Wealth Varies across Local Markets, Despite Recent Improvement in the Black Homeownership Rate Nationally
Authors: John Walsh, Jung Hyun Choi
Date: February 18. 2025

Including Rental Payment History in Underwriting and Credit Scores Could Expand Access to Credit
Authors: Daniel Pang, Laurie Goodman, Jung Hyun Choi
Date: January 16, 2025

Why Do Closing Costs Differ Between States?
Authors: Bryson Berry, Jung Hyun Choi, Laurie Goodman, Katie Visalli
Date: January 7, 2025

What Components Make Up Closing Costs?
Authors: Jung Hyun Choi, Bryson Berry, Laurie Goodman, Katie Visalli
Date: January 6, 2025

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