



HOUSING FINANCE AT A GLANCE

A MONTHLY CHARTBOOK

August 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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The Condo Share Rose Significantly in the Second Quarter of 2025

Following a steep increase during the housing boom of 20 years ago, multifamily for sale completions, broadly thought of as condominiums and co-operatives (condos and coops), have remained very low in the years since this period. As production of multifamily units for-rent (apartments) rose, the condo share, multifamily for-sale units completed as a share of all completed multifamily units declined to low levels. But in the second quarter of 2025, the condo share grew substantially, doubling to 6.6 percent of all multifamily completions, from 3.3 percent in the first quarter (page 23).

The strong increase in the multifamily for-sale share of all multifamily completions partly reflects a doubling of multifamily for-sale completions to 8,000 units in the second quarter from 4,000 units in the first quarter. However, the increase in the multifamily for-sale share is also due to a 5,000-unit decline in multifamily for-rent completions. The decrease in completions over the second quarter extends to a longer, three-quarter decline in the pace of multifamily for-rent completions. Since the third quarter of 2024, the quarter-to-quarter pace of multifamily for-rent completions has fallen by 32.7 percent to 113,000 units. Despite this decline in multifamily for-rent completions, the pace of new construction remains significantly elevated above historical levels.

A deepening focus on affordable supply raises a question about the future of new multifamily production. Housing starts can signal the future trend of completions. Multifamily for-sale starts have risen modestly in recent quarters. In Q2 2025, multifamily for-sale starts rose to 7,000 units from 6,000 in the previous quarter. Using the four-quarter moving average to address seasonality embedded in the quarterly data indicates that starts of multifamily for-sale units grew from an average of 4,250 units in Q2 2024 to 6,500 units in Q2 2025. At the same time, multifamily for-rent starts have also begun to show signs of recovering from recent lows. For-rent starts grew by 4,500 units from 85,000 in Q1 2025 to

89,500 units in Q2 2025. Looking forward, we anticipate a modest increase in for-sale completions, but as a share of all multifamily completions (condo share) the pace is likely to remain low.

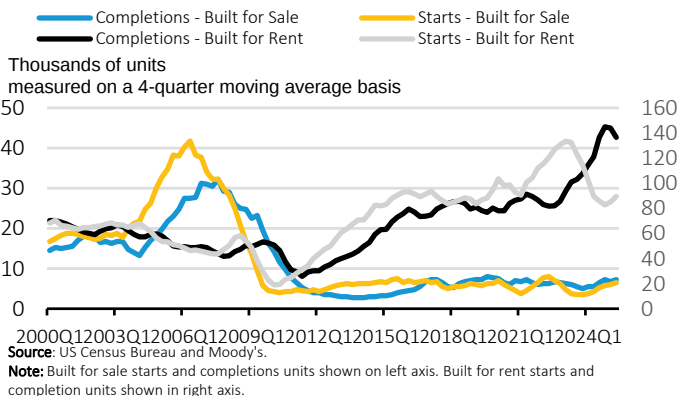
Even with the increase in multifamily starts, many may not be completed until 2027. The average time it takes for a multifamily unit to go from a start to a completion has been rising. In 2000, the average number of months between a multifamily housing start and completion was approximately 10 months. Despite a dip in the aftermath of the Great Recession, the average time from start to completion has risen to nearly a year-and-a-half, 16.9 months. This may partly reflect the growing share of multifamily buildings with 20 or more units compared to the past. But it may also be due to challenges like materials costs and labor availability that builders face.

Amid worsening affordability due to factors like rising insurance and single-family home costs, condos and co-ops can be an affordable homebuying option. However, while new multifamily for-sale completions are rising and may continue to rise further in coming years, the starts data suggests that this increase will likely not be significant. In addition, the multifamily for-sale buildings that are started may take some time before they are finally completed and ready for occupancy.

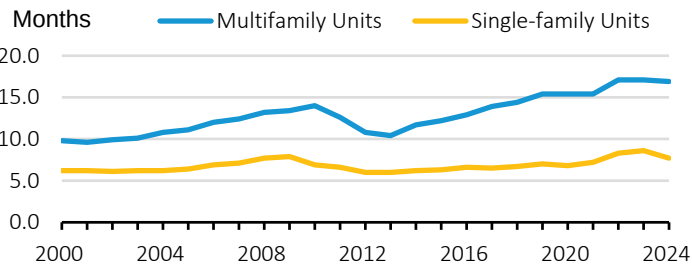
Inside this Issue

- House prices continue to slow, partially reflecting outright declines in the South (p. 26)
- The share of homes in negative or near-negative equity rose, reflecting a jump in the share in near-negative equity. (p. 29)
- Serious delinquency rates overall remain low and continue to fall (p. 29)

Multifamily Completions Largely Reflect Rental



The Average Months from Start to Completion Has Been Rising

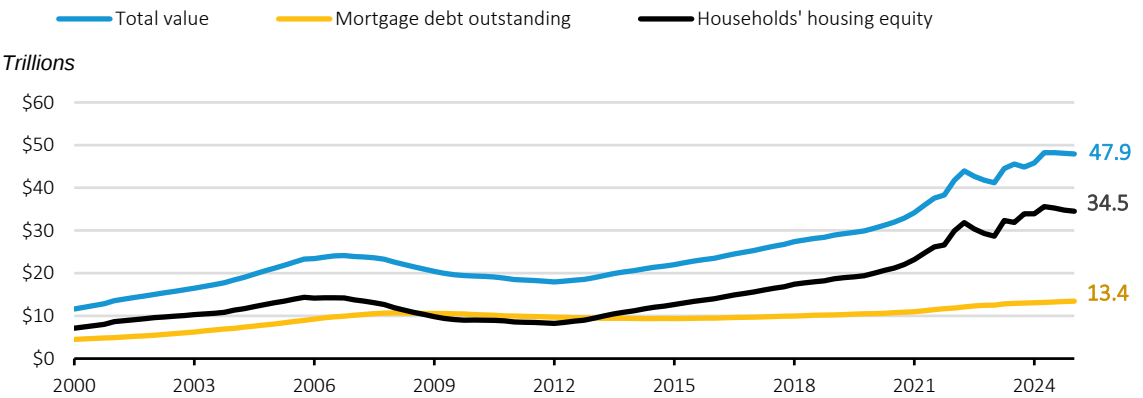


OVERVIEW // MARKET SIZE OVERVIEW

From Q1 2024 to Q1 2025, aggregate housing equity rose by 1.9 percent, reflecting a 4.6 percent increase in aggregate home values but a 2.7 percent increase in mortgage debt outstanding. However, over the past three quarters, housing equity has as total home values have been largely flat, declining very modestly over this period, while mortgage debt outstanding has expanded. Over the past three quarters, households' housing equity shrank by 2.0 percent, from \$35.5 trillion in the third quarter of 2024 to \$34.5 trillion by the first quarter of 2025. However, this data is not seasonally adjusted so four-quarter changes are considered a more accurate reflection of market conditions than quarter-quarter readings.

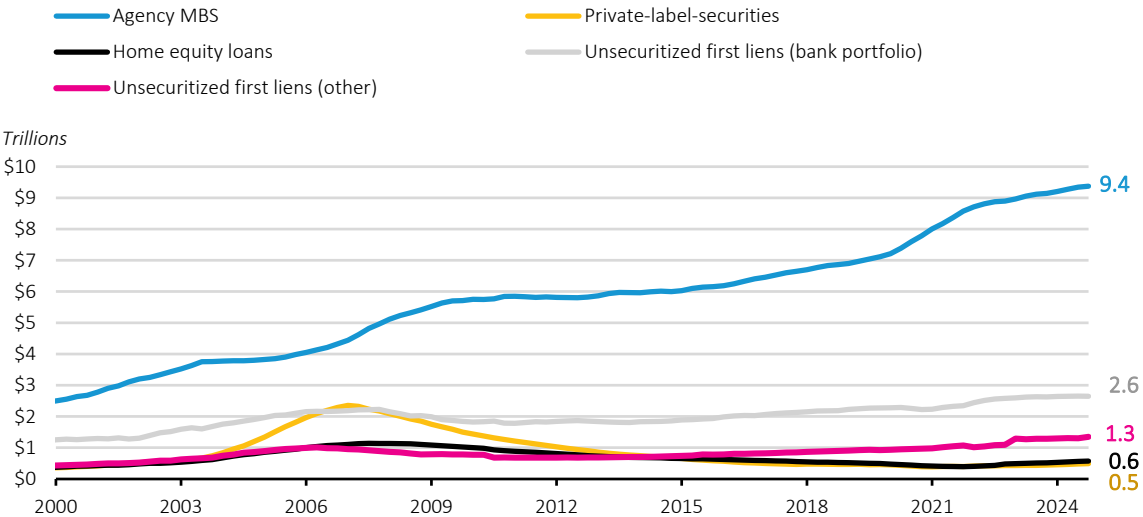
In the first quarter of 2025, agency MBS accounted for 64.2 percent (\$9.4 trillion) of total mortgage debt outstanding, while home equity loans made up 3.9 percent (\$0.6 trillion) and private-label securities made up 3.4 percent (\$0.5 trillion). Unsecuritized first liens, both bank portfolio and other, compose the remaining 28.5 percent (\$4.2 trillion), with banks making up 19.3 percent (\$2.8 trillion), and other accounting for 9.2 percent (\$1.3 trillion). Of other, nondepositories accounted for 5.1 percent (\$0.7 trillion) of the total, and credit unions accounted for 4.1 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 Q1 2025. 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



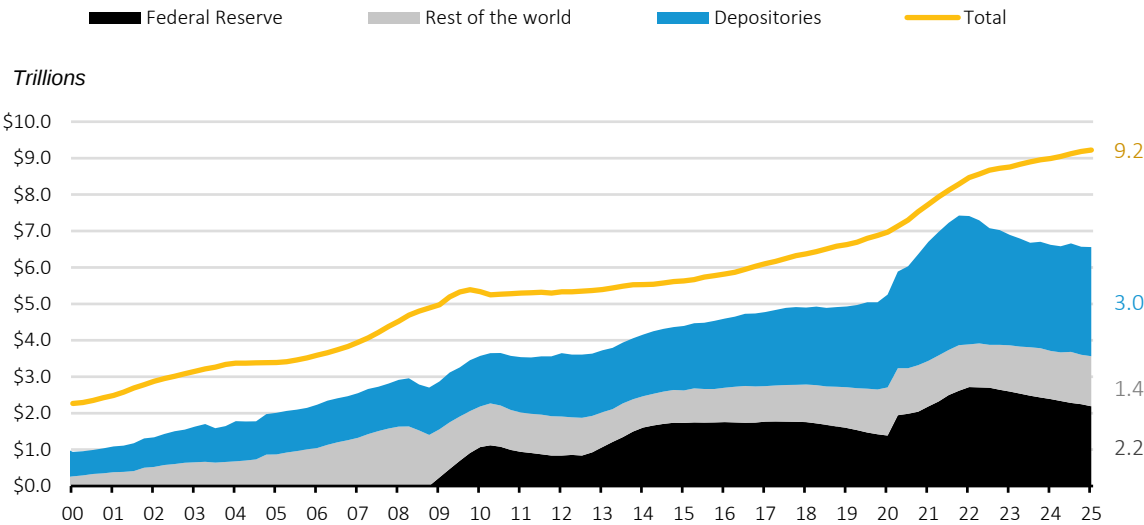
Sources: Financial Accounts of the United States and the Urban Institute.
Notes: Data as of Q1 2025. Unsecuritized first liens (other) consists of mortgages not held on bank balance sheets and credit unions, nonprofits, nonfinancial business, insurance companies, pension funds, finance companies, trusts and federal, state and local government. All categories include investor-owned properties.

OVERVIEW // MARKET SIZE OVERVIEW

In the first quarter of 2025, 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. As the Fed has not replaced maturing agency MBS securities with new purchases, the quantity of agency MBS on its balance sheet has shrunk over the past year. From Q1 2024 to Q1 2025, Federal Reserve holdings are down 8.4 percent. With rates set to fall, commercial bank holdings are up 2.8 percent and foreign investor holdings are up 4.1 percent over the past year. The combined amount among all other holders increased by 12.4 percent over the same period.

By the end of July 2025, outstanding securities in the agency market totaled slightly over \$9.3 trillion according to loan-level data, 38.3 percent (\$3.6 trillion) of which belonged to Fannie Mae, 32.9 percent (\$3.1 trillion) to Freddie Mac, and 28.7 percent (\$2.7 trillion) to Ginnie Mae. Since mid-2022, GSE’s MBS outstanding has been largely flat while Ginnie MBS outstanding has been steadily increasing.

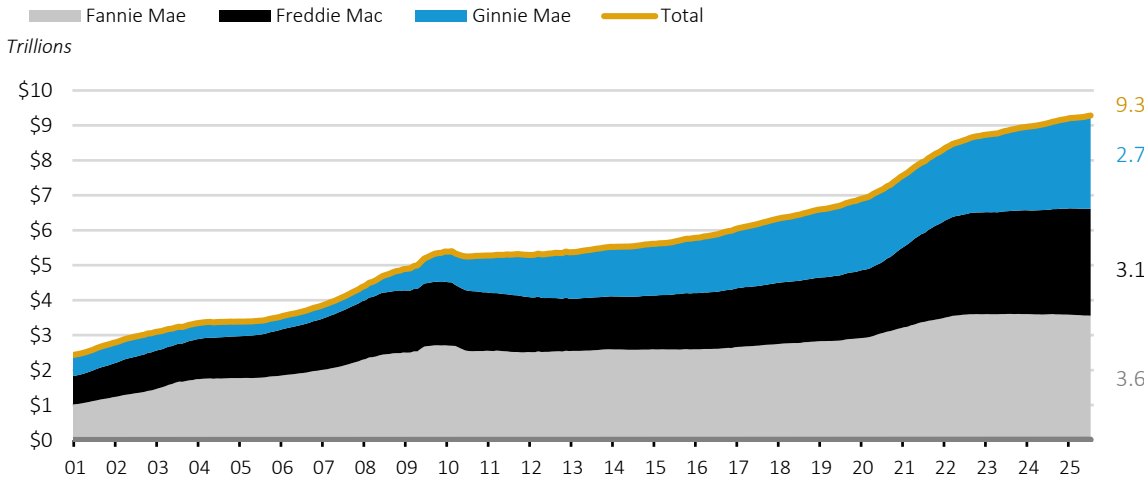
Primary Holder of Agency MBS



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 Q1 2025. 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



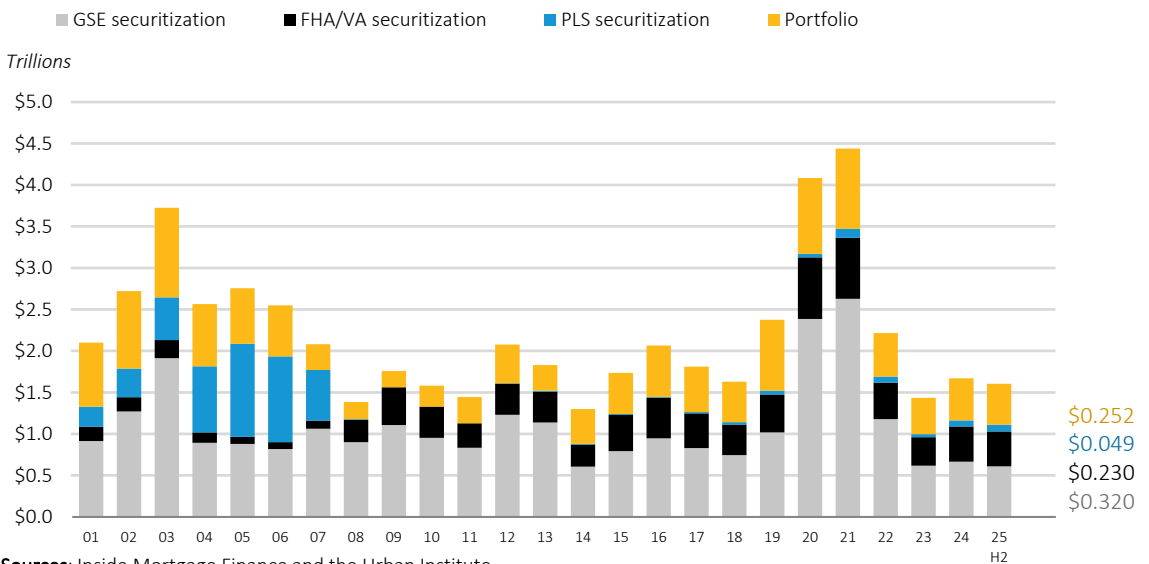
Sources: eMBS and the Urban Institute.

Note: Data as of July 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 // ORIGATION VOLUME AND COMPOSITION

Total mortgage origination volume in the first half of 2025 was approximately \$850 billion, 13.3 percent higher than a year ago in the first half of 2024. Over this same period, all channels experienced an increase in volume. First-lien PLS securitization volume in the first half of 2025 was \$48.6 billion, 48.4 percent greater than the first half of 2024. FHA/VA securitization volume was \$229.9 billion, 10.4 percent greater than a year ago while Portfolio volume was \$251.8 billion in 2025 H1, 3.9 percent higher than a year ago. Meanwhile, GSE securities were \$319.8 billion, 10.3 percent higher than in the first half of 2024. In response to these year-over-year changes in securitized first-lien originations, the GSE share of all securitized originations fell by 0.5 percentage points to 38.1 percent in the first half 2025. FHA/VA and PLS securitizations made up greater shares of first-lien originations in the first half of 2025, increasing 1.1 and 0.7 percentage points, respectively, to 26.3 and 5.1 percent. The Portfolio share shrank slightly by 1.3 percentage points to 30.9 percent.

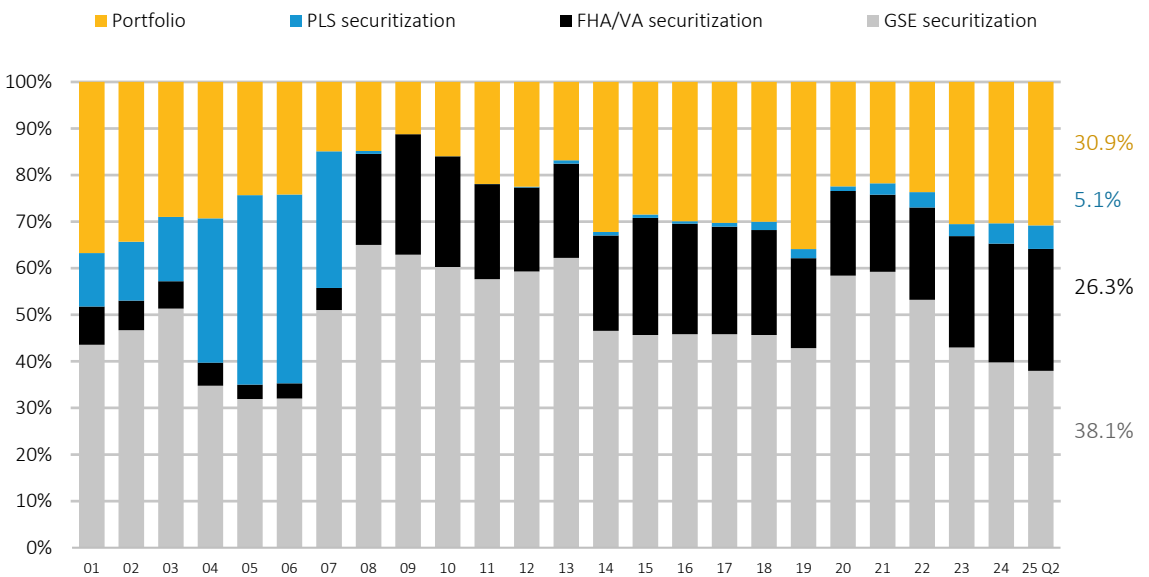
Volume of Securitized First-Lien Originations



Sources: Inside Mortgage Finance and the Urban Institute.

Note: Data as of the first half of 2025.

Composition of Securitized First-Lien Originations



Sources: Inside Mortgage Finance and Urban Institute.

Note: Data as of the first half of 2025.

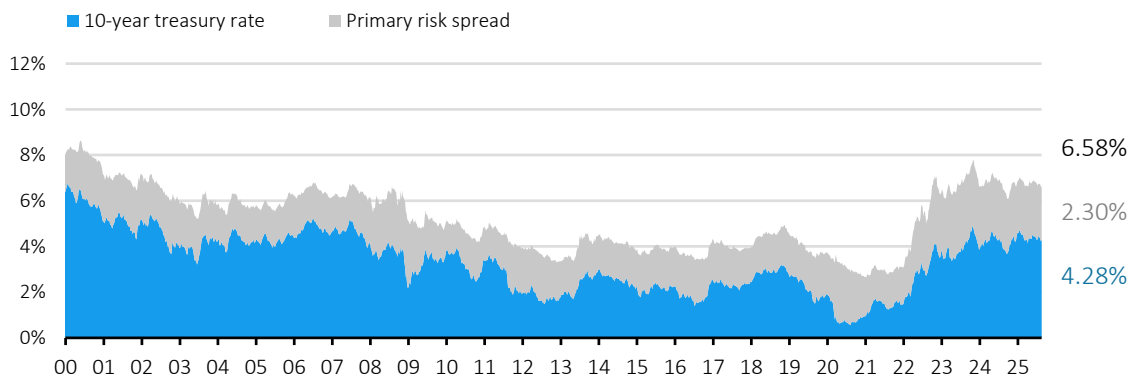
OVERVIEW // MORTGAGE INTEREST RATES

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 market spread. The primary mortgage market spread has been elevated relative to its historical average of 1.75 percent. However, the primary spread has declined 77 basis points to 2.30 percent since the first week of June 2023 amid solid economic growth and greater progress in price stability over this period. Partially offsetting this, stronger growth and above-target inflation have helped to boost the 10-year Treasury rate by 62 basis points to 4.28 percent. The 30-year fixed rate mortgage has drifted only modestly lower, but remains largely unchanged at elevated levels.

In recent weeks, amid reduced affordability due to a small uptick in mortgage rates in the Spring of 2025, the ARM share has jumped as well. And at 9.6 percent, sits near the top of the range that has prevailed over the past 15 years. But over the past month, it has begun to recede to levels that have largely prevailed in the post-Great Recession period.

30-Year Fixed Mortgage Commitment Rate

By 10-year Treasury and primary 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 August 15, 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



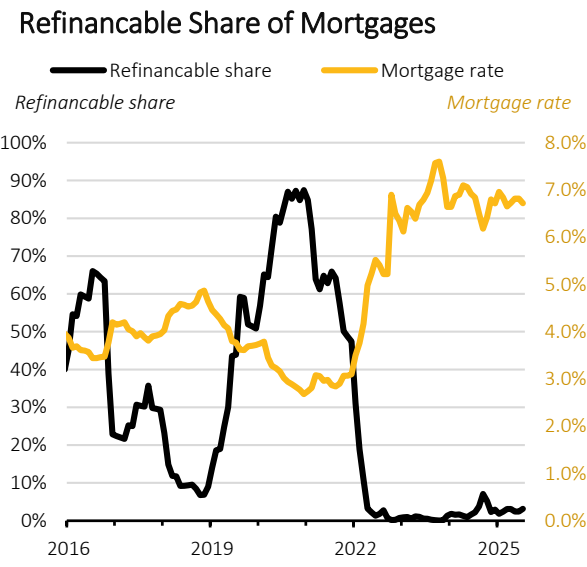
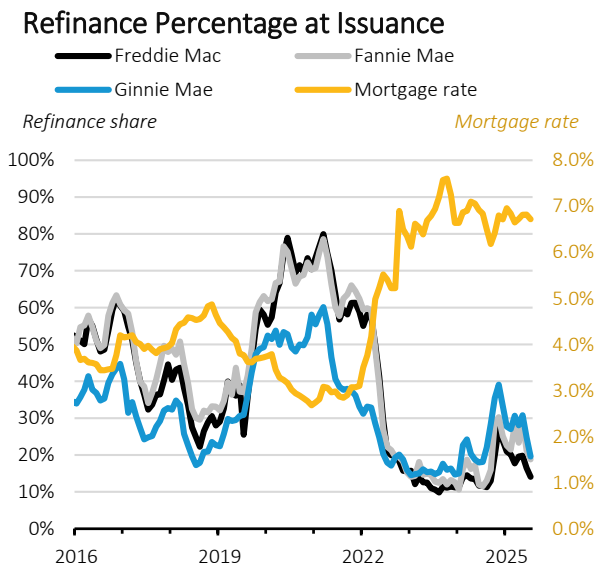
Source: Mortgage Bankers Association Weekly Mortgage Applications Survey.

Notes: Includes purchase and refinance applications. Data updated through August 8, 2025.

OVERVIEW // REFINANCABLE MORTGAGES

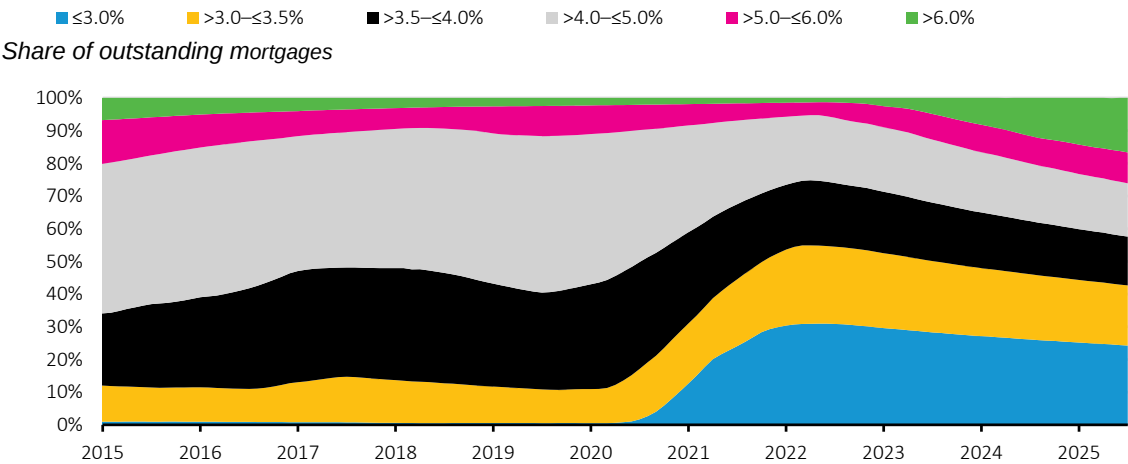
Since November 2024, the refinance percentage at issuance (refi share) has largely declined. In tandem, mortgage rates have moved upward since September 2024. Refinance originations reflect mortgage rates from six to eight weeks earlier

The refinance share is low largely because only 3.1 percent of loans are refinancable. The lack of refinancability reflects the fact that 83 percent of outstanding agency borrowers have a rate lower than 6.0 percent or lower (72 basis points below the 6.72 percent mortgage rate) and would receive a sizeable rate increase from refinancing.



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

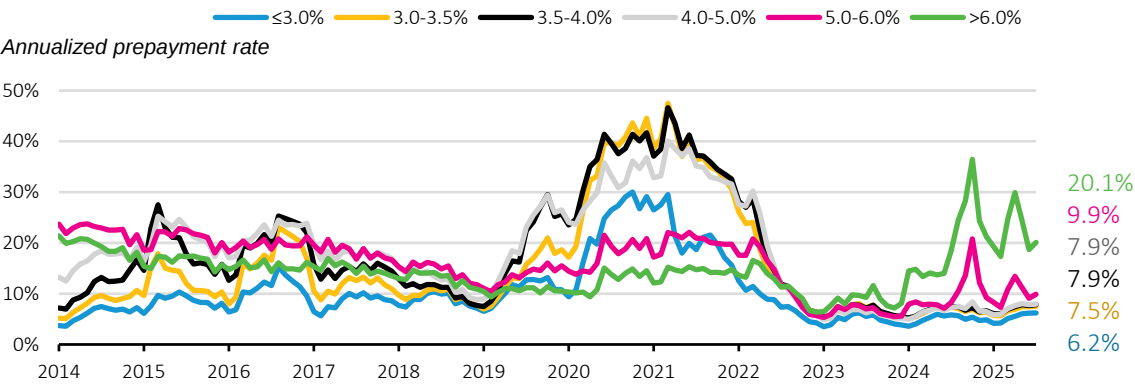


Sources: eMBS, Freddie Mac, and Urban Institute calculations.
Note: Data as of July 2025.

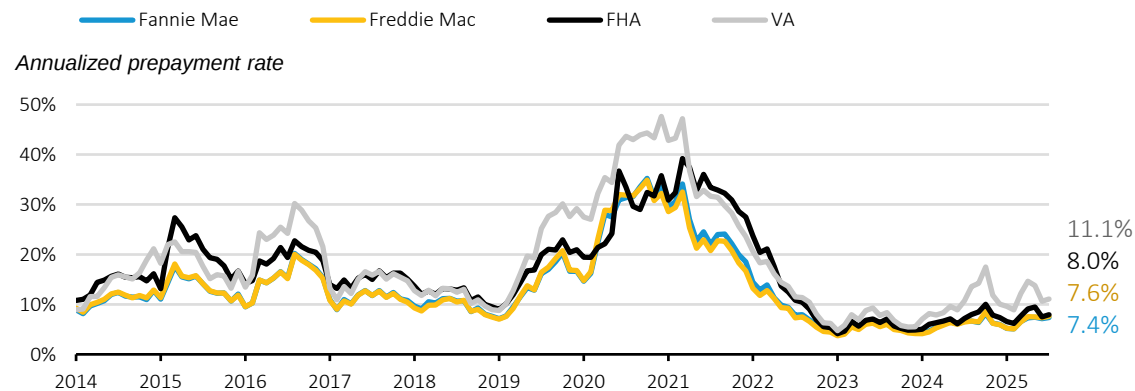
OVERVIEW // PREPAYMENT SPEEDS

Although the refinance share is low, there is some variation by mortgage rate or other loan characteristics. Prepayment speeds, which largely reflect refinanced loans, are higher for loans with a mortgage rate exceeding 5.0 percent and VA loans. However, prepayment speeds have seen the steepest declines in among loans with these characteristics, and on loans originated in 2022 or after. Mortgage rates remain elevated, but home values are also beginning to soften noticeably, which would disproportionately impact more recent homebuyers, making it more difficult to refinance.

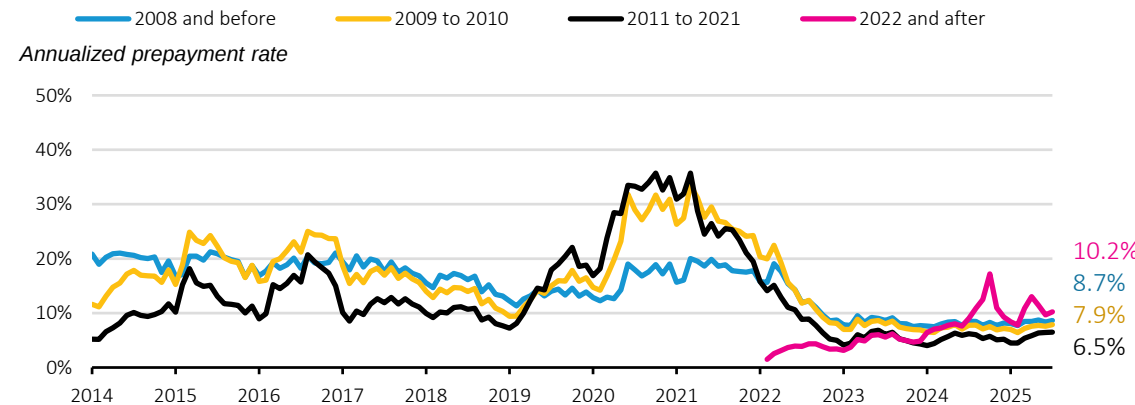
Prepayment Rates, by Note Rate



Prepayment Rates, by Agency



Prepayment Rates, by Vintage



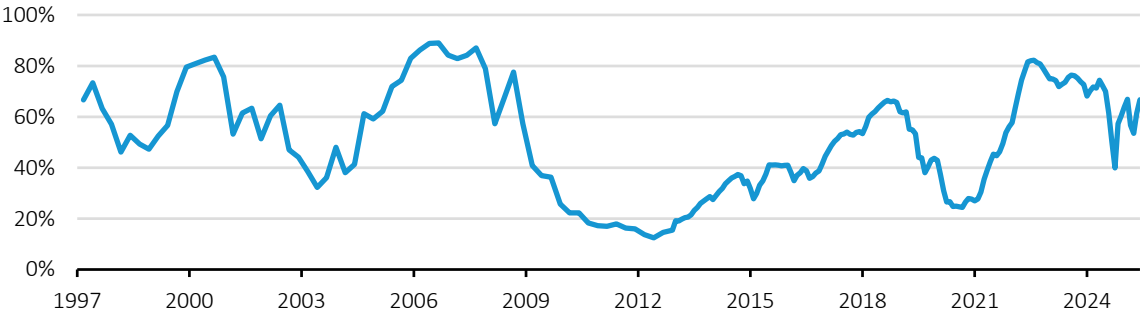
Source: Recursion Co. data as of July 2025.

Note: Prepayment rates calculated by loan count out of outstanding mortgage volume.

OVERVIEW // CASH-OUT REFINANCES

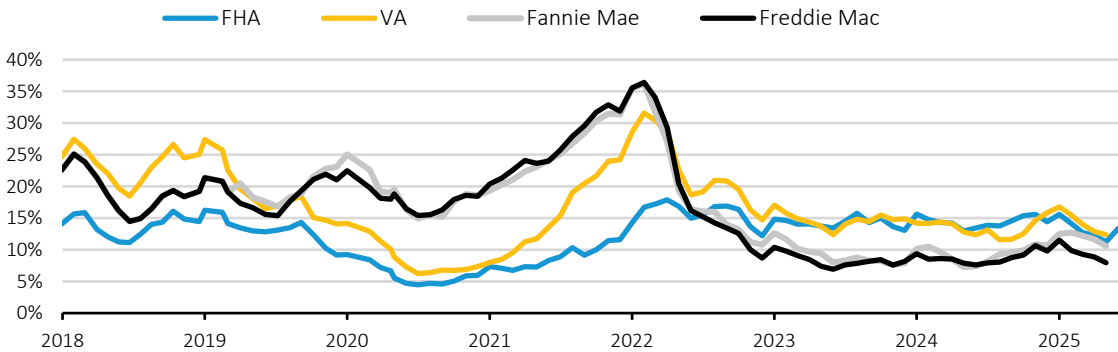
Homeowners can refinance to reduce their payment through a lower rate or shorten their loan term and finish paying off the principal balance faster. But homeowners can also refinance with a goal of extracting equity from their home. Typically, when rates are high, the cash-out refinance share is elevated because the rate reduction incentive is gone and the only reason to refinance is to take out equity. Amid elevated interest rates just over 60 percent of conventional refinances are cash-out. However, compared to all originations, including purchase loans, the cash-out share remains low and steady from 2022 cyclical highs. With a low percentage of all agency originations going to cash-out refinances, the volume of cash-out originations also remains low.

Cash-Out Share of Conventional Refinances

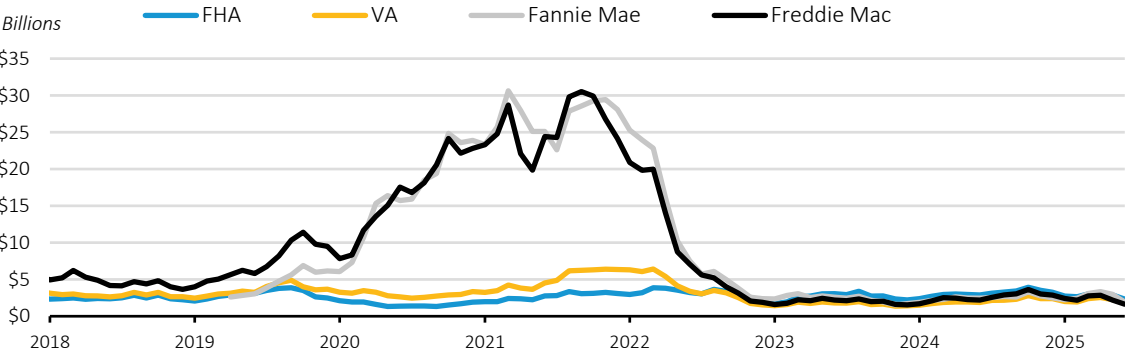


Sources: Freddie Mac, eMBS and Urban Institute.
Note: The cash-out share for conventional market is calculated using Freddie Mac’s quarterly refinance statistics from 1995 to 2013. Post 2013 it is calculated monthly using eMBS. Data as of July 2025.

Cash-Out Refinance Share of All Originations



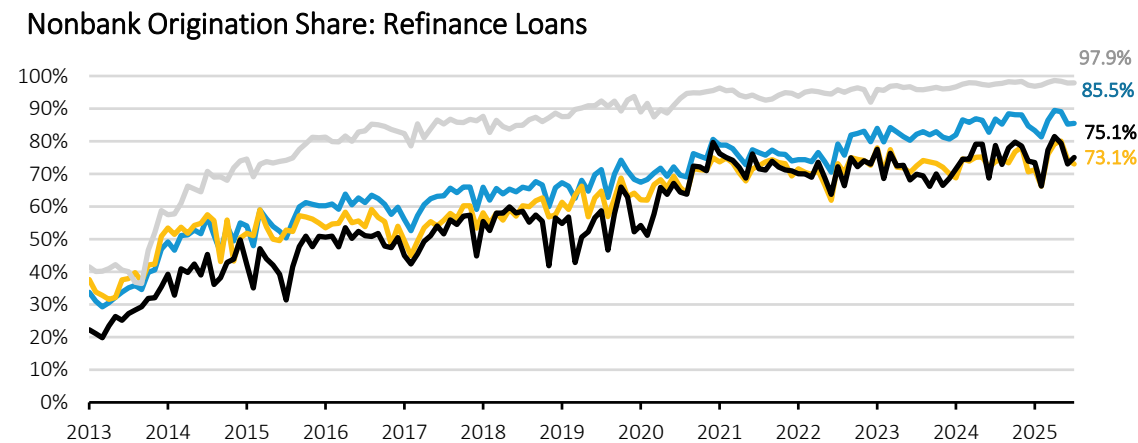
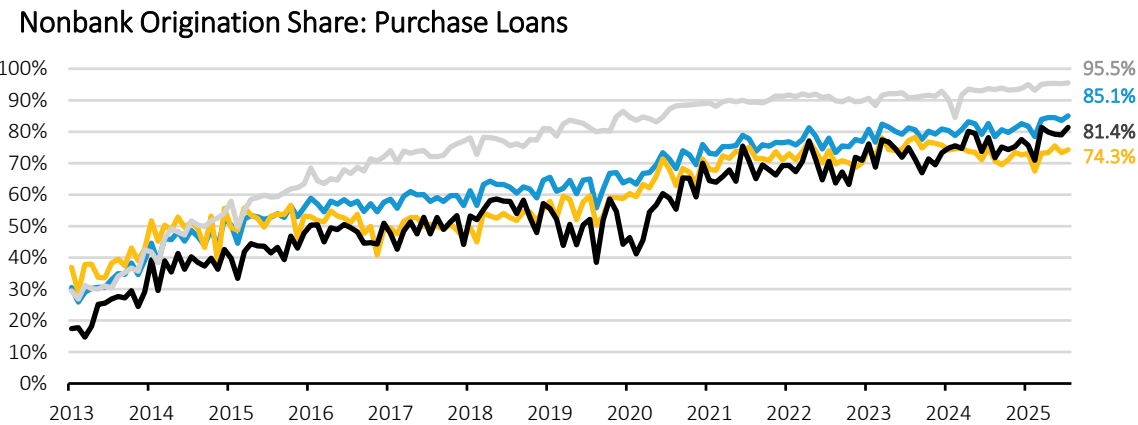
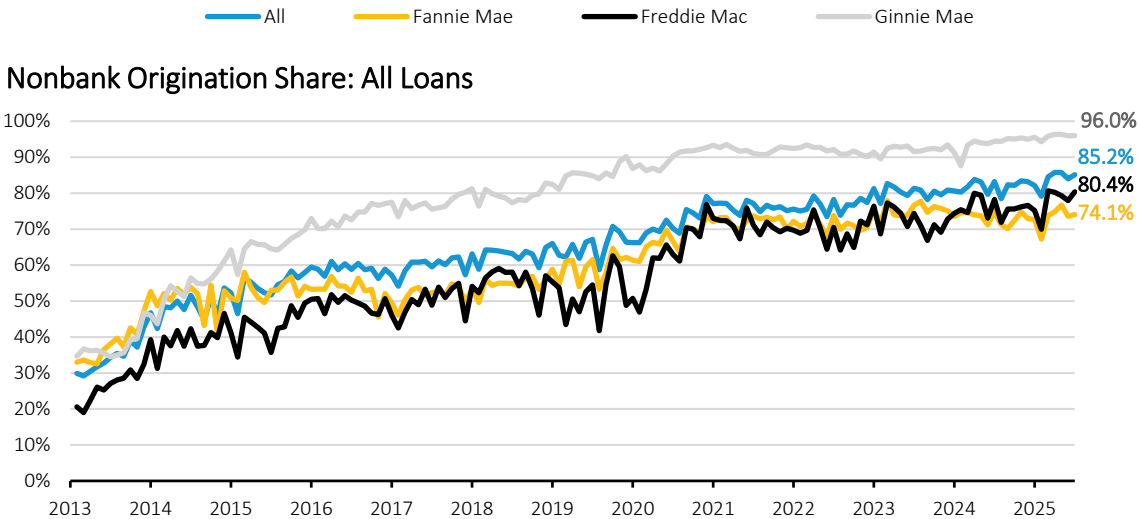
Cash-Out Refinance Volume, by Agency



Sources: eMBS and the Urban Institute.
Notes: Data as of June 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 85.2 percent as of July 2025. The nonbank share of all agency loans has risen steadily since 2013. The Ginnie Mae nonbank share (96.0 percent in July 2025) has been consistently higher than the GSE share. Fannie Mae and Freddie Mac had nonbank shares of 74.1 and 80.4 percent, respectively.

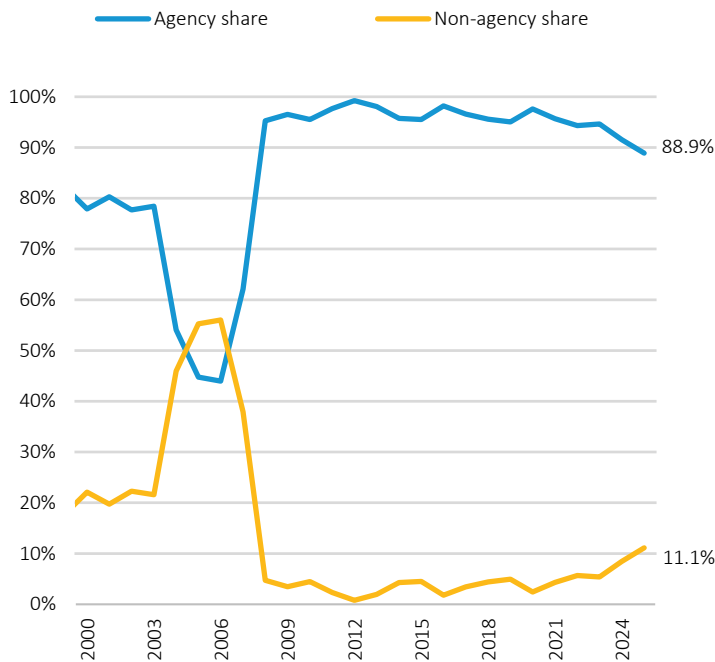


Sources: eMBS and Urban Institute.
Note: Data as of July 2025.

OVERVIEW // SECURITIZATION VOLUME AND COMPOSITION

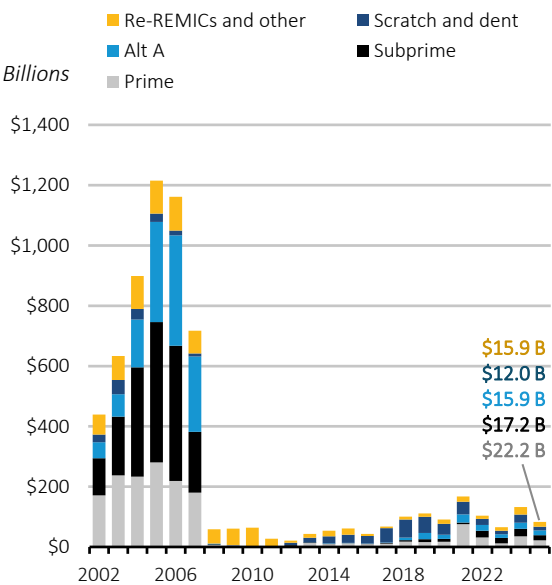
Agency and Non-agency Share of Residential MBS Issuance

Agency securitizations dominate the MBS market. As measured by residential MBS issuance, close to \$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. Amid relatively strong growth in PLS origination in recent years (though from very low levels), the non-agency share has begun to rise, from 2.4 percent in 2020 to 11.1 percent in 2025 through July (and a corresponding decline in the agency share), but still below its housing boom peak. In the second quarter of 2025, the volume of non-agency issuance reached \$45.2 billion, 30.7 percent higher than issuance in Q2 2024. Monthly non-agency securitization has been trending upward since the end of 2022.



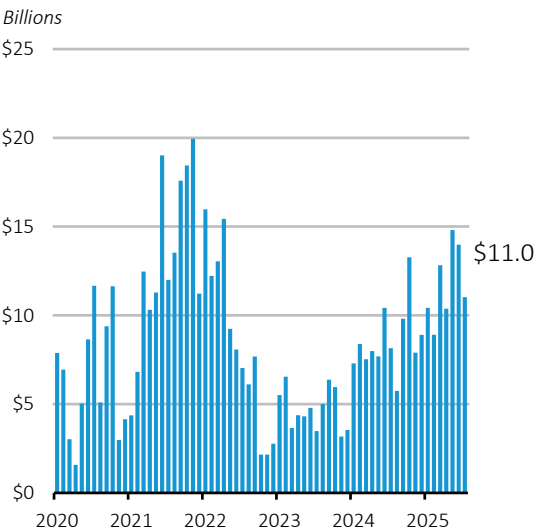
Sources: Inside Mortgage Finance and the Urban Institute.
Notes: Monthly non-agency volume is subject to revision. Data through July 2025.

Non-Agency MBS Issuance



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Data through Q2 2025.

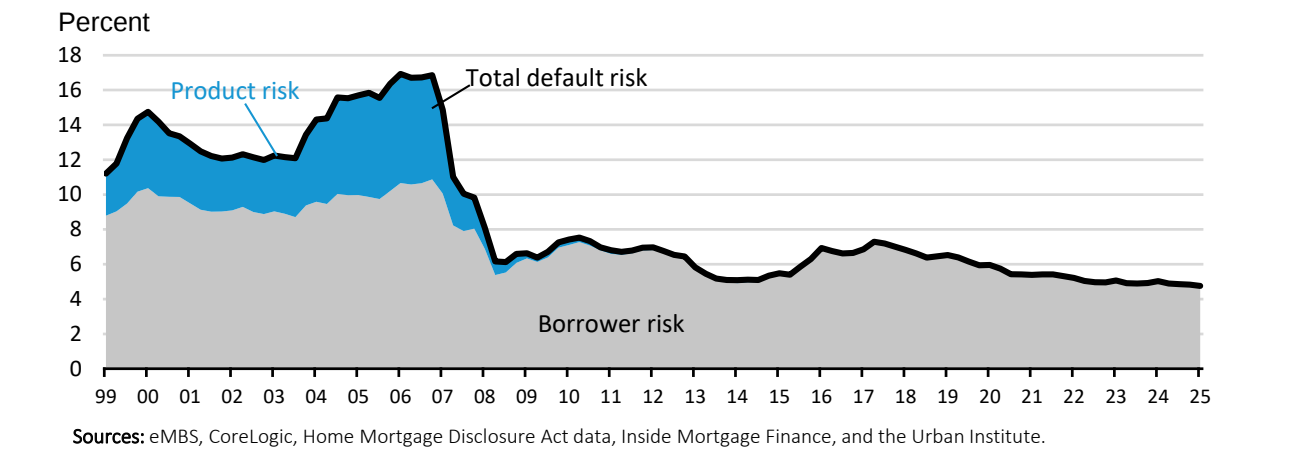
Monthly Non-Agency Securitization



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

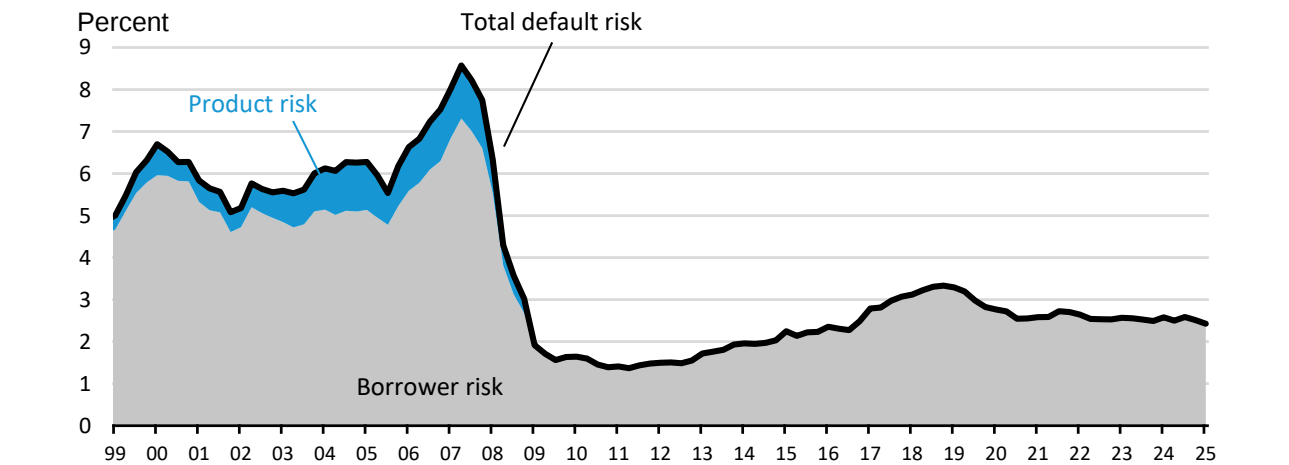
CREDIT BOX // HOUSING CREDIT AVAILABILITY INDEX

The Urban Institute’s Housing Credit Availability Index (HCAI) assesses lenders’ tolerance for both borrower risk and product risk. Across the whole market, it stands at 4.76 percent in Q1 2025, down slightly from 4.83 percent in Q4 2024 and down from 5.03 percent in Q1, 2024. Year-over-year, this represents a 27 basis point decline. Credit availability tightened from Q1 2024 to Q1 2025 reflecting a decrease in default risk overall, led by a 20.4 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](#).



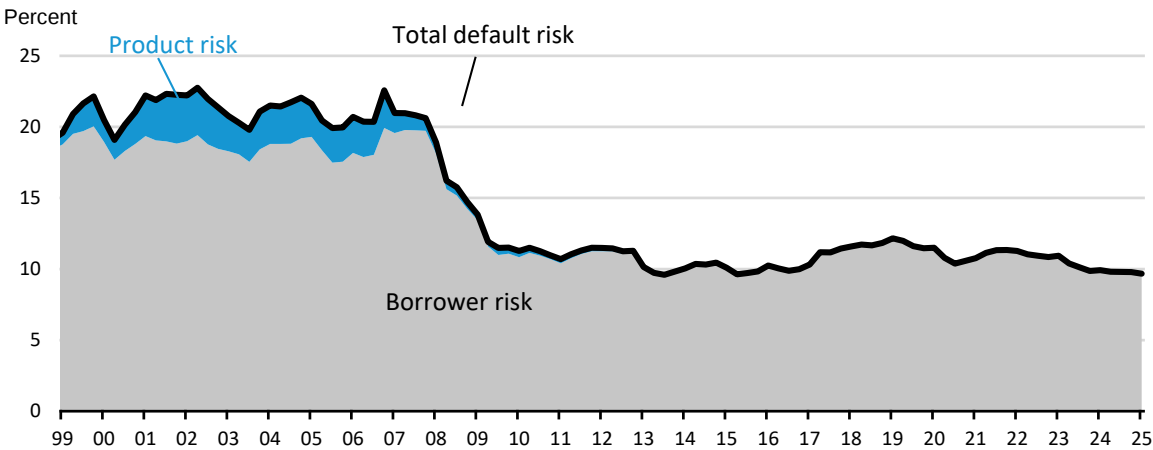
GSE Channel

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 Q1 2025, credit availability stood at 2.43 percent, down 15 basis points from its Q1 2024 level.



Government Channel

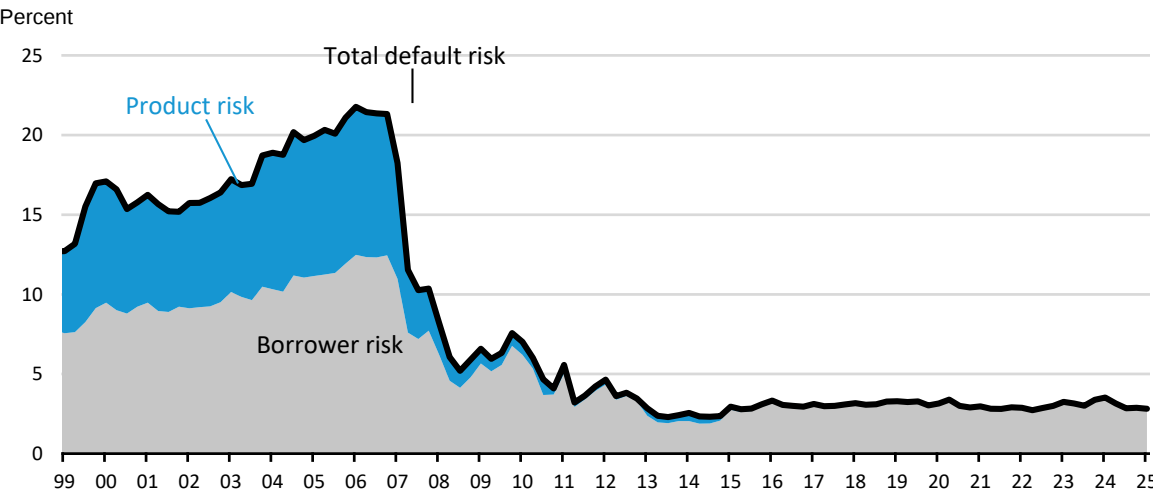
The total default risk the government loan channel is willing to take bottomed out at 9.6 percent in Q3 2013. It fluctuated in a narrow range at or above that number for three years. In the eleven quarters from Q4 2016 to Q1 2019, the risk in the government channel increased significantly from 9.9 to 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 9.67 percent in Q1 2025; nearly the lowest level on record, far below the pre-bubble range 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 2.82 percent in Q1 2025. This represents a 0.7 percentage point tightening from 3.53 percent in Q1 2024.

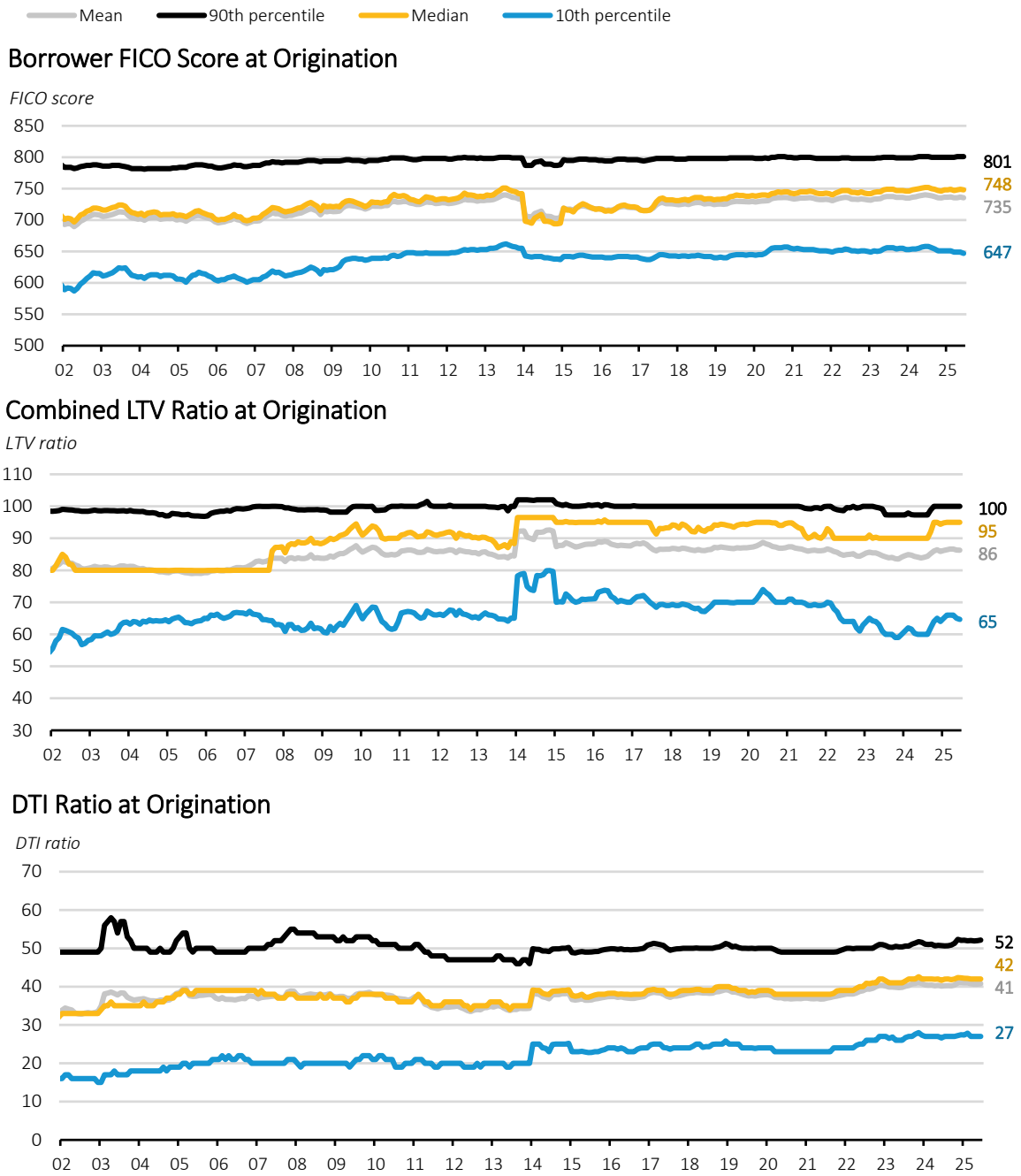


Sources: eMBS, CoreLogic, Home Mortgage Disclosure Act data, Inside Mortgage Finance, and the Urban Institute.

Notes: Default is defined as 90 days or more delinquent at any point. Last updated for Q1 2025.

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 prices 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 June 2025, while median DTIs have risen from 39 to 42. However, the loosening in both LTV and DTI has been partially offset by higher median FICO score. The median credit score has increased from 742 in December of 2021 to 747 now. Over roughly the same period, average FICO scores across the entire score population have remained roughly flat.

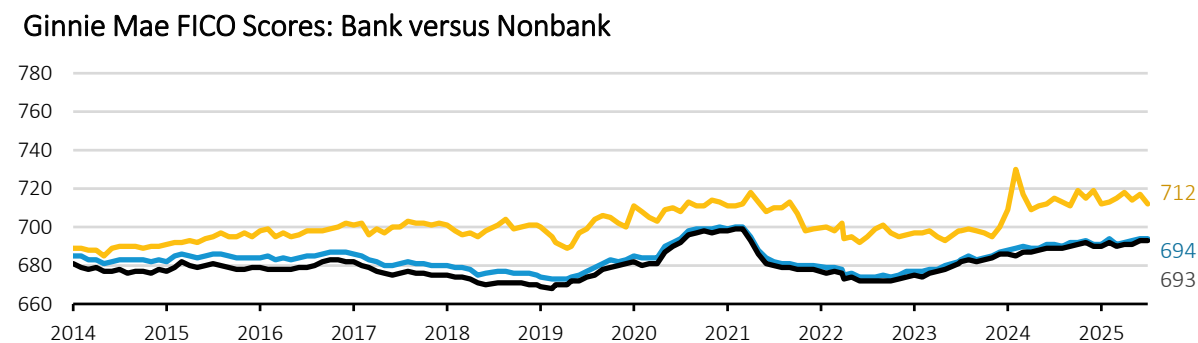
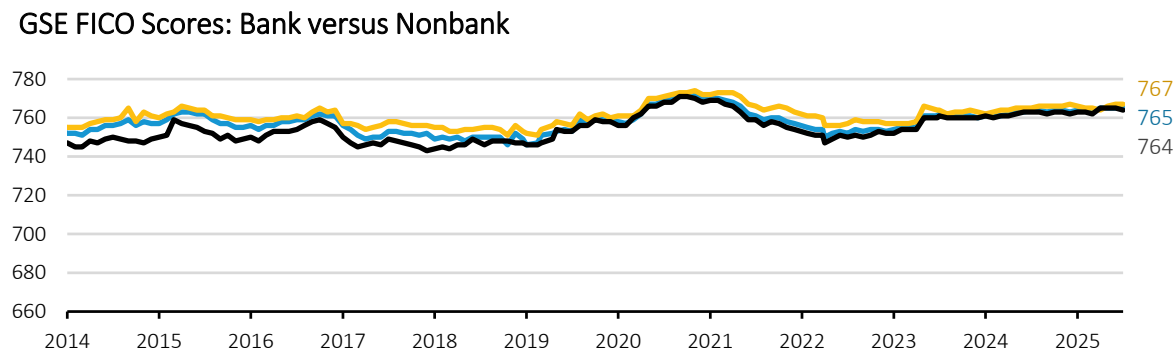
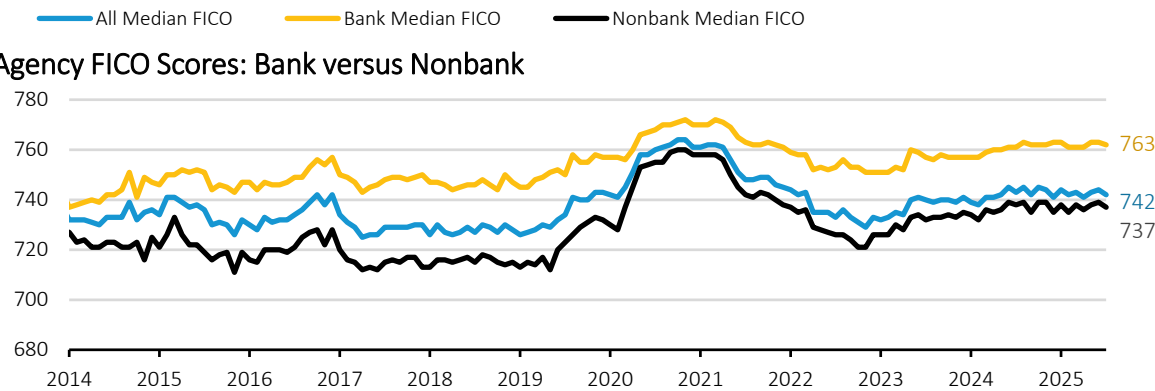


Sources: ICE Mortgage Technology, eMBS, Home Mortgage Disclosure Act data, Securities Industry and Financial Markets Association, CoreLogic, and the Urban Institute.
Notes: Includes owner-occupied purchase loans only. DTI ratio data before April 2018 are from CoreLogic; after that date, they are from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

CREDIT BOX // AGENCY NONBANK CREDIT BOX

When we look at all agency loans (rather than purchase only on the preceding page), we find that credit scores have declined slightly since late 2021, reflecting the fact that refinance loans tend to have higher credit scores than their purchase counterparts, and current origination has fewer refinance loans than late 2021 origination. The median FICO score on agency originations in July was 742, three points lower than its December 2021 level of 745. Among bank loans, the median FICO score between December 2021 and July 2025 increased slightly from 761 to 763, and, despite some fluctuation, the median FICO score among nonbanks in July 2025 declined one point, 738 to 737, from December 2021.

For GSE loans, the difference between the median FICO score on nonbank and bank loans stood at 3 points in July 2025. For Ginnie Mae loans, the difference was 19 points. Overall, the gap between agency bank and nonbank FICO scores was 25 points in July 2025. This reflects the sharp cutback in FHA lending by banks in post-2008, banks now compose only 5 percent of Ginnie Mae originations (page 13).

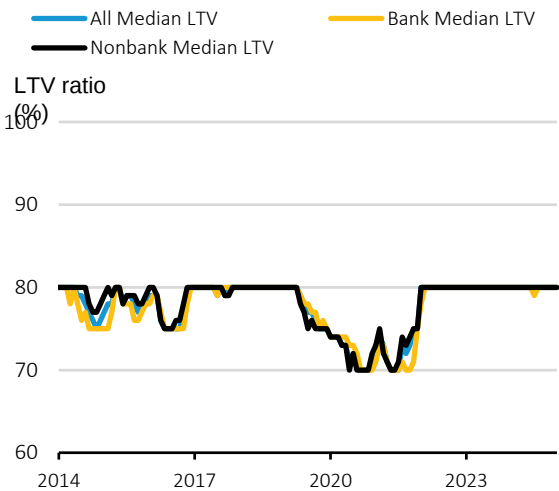


Sources: eMBS and the Urban Institute.
Note: Data as of July 2025.

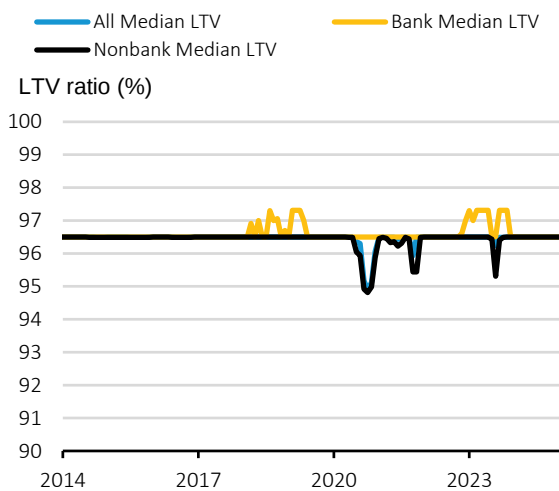
CREDIT BOX // AGENCY NONBANK CREDIT BOX

Across agency loans, LTVs have remained stable since mid-2022 for GSE and May 2024 for Ginnie loans. Between December 2021 and June 2025, the median LTV on GSE loans rose 9 percentage points to 80 percent, with LTVs on loans tracked by banks and nonbanks largely tracking each other. However, despite some small variation, LTVs on Ginnie loans were largely flat over the same time period ticking up to 96.5 percent from 96.3 percent in December 2021. Median DTIs rose noticeably on both 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.

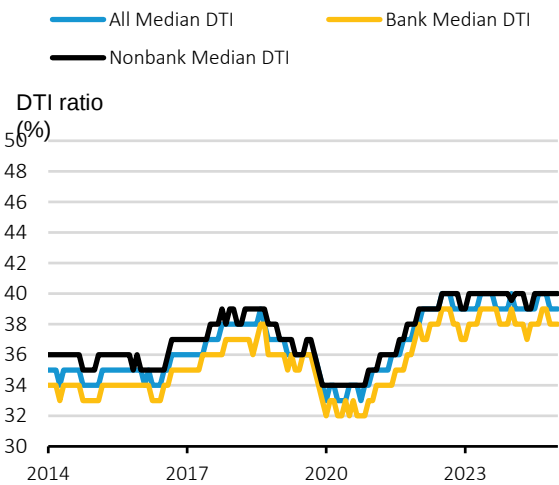
GSE LTV Ratios: Bank versus Nonbank



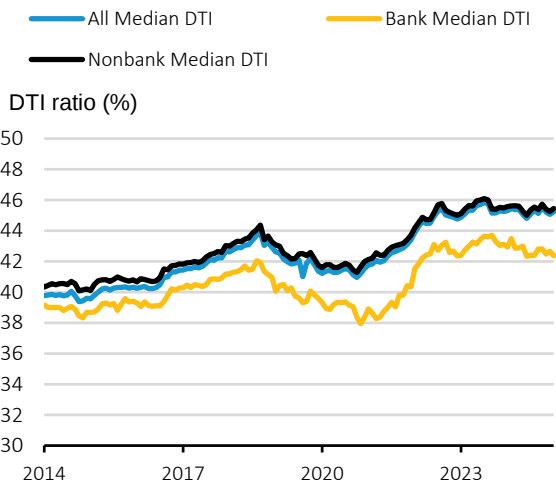
Ginnie Mae LTV Ratios: Bank versus Nonbank



GSE DTI Ratios: Bank versus Nonbank



Ginnie Mae DTI Ratios: Bank versus Nonbank

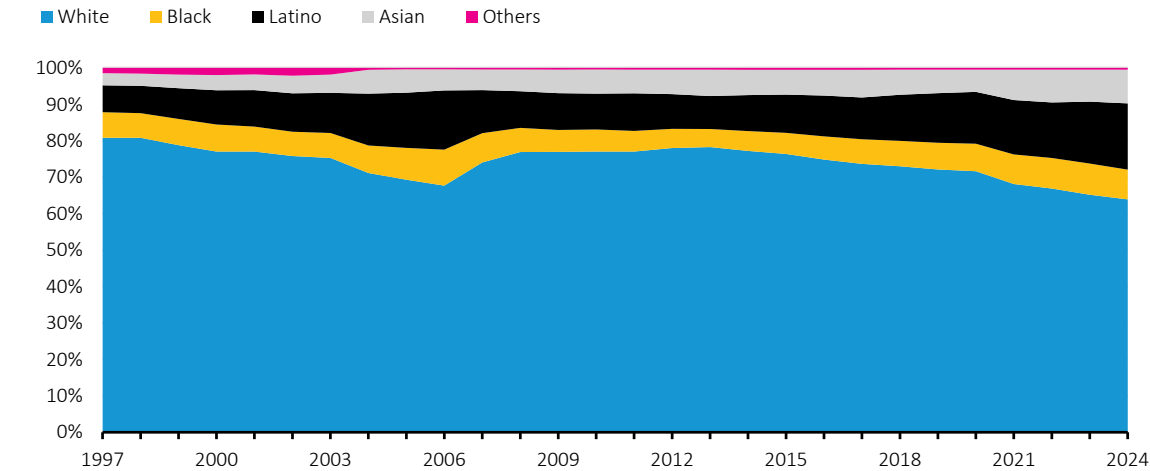


Sources: eMBS and the Urban Institute.
Note: Data as of June 2025.

STATE OF THE MARKET // RACIAL AND ETHNIC COMPOSITION

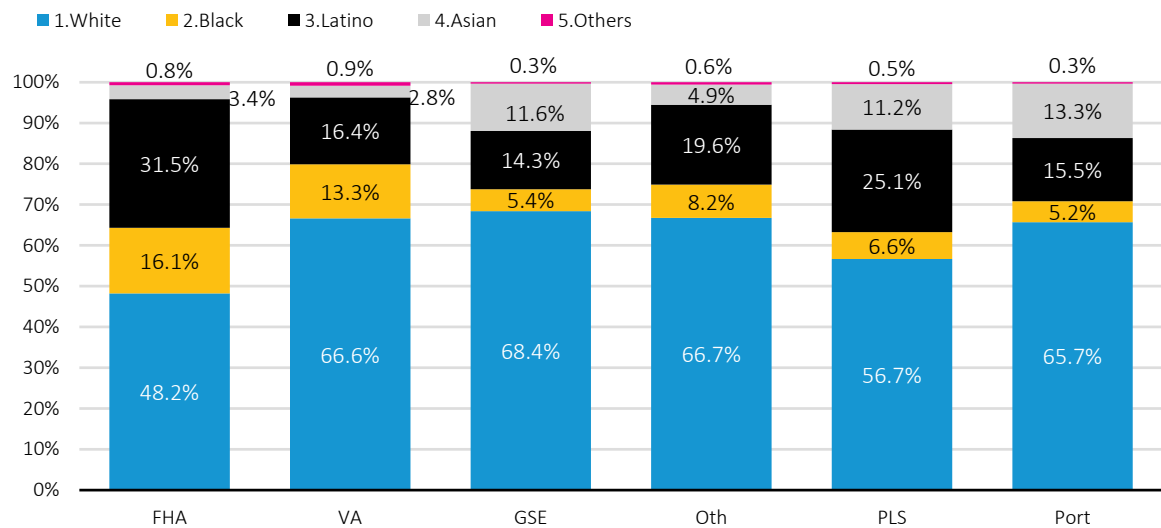
Across all channels, the share of purchase lending to applicants of color reached a peak of 32.3 percent in 2006, the year before the Great Recession. Following the Great Recession and amid a period of very tight credit, the share of purchase loans extended to borrowers of color declined to a low of 21.7 percent in 2013. Since then, it has slowly increased. In 2024, the borrower of color share stood at 36.1 percent, up from 34.8 percent in 2023. But the share of purchase lending to borrowers of color varied widely by channel in 2024. Nearly 52 percent, of FHA homebuyers are borrowers of color and 43.3 percent of PLS borrowers. Borrowers of color represented a smaller loan share in the GSE, VA, and portfolio channels (31.6 percent, 33.4 percent, and 34.3 percent, respectively).

2024 Purchase Loan Shares, by Race or Ethnicity



Source: 1997 to 2024 Home Mortgage Disclosure Act data.
Note: Includes purchase loans only.

2024 Purchase Loan Channel Shares, by Race or Ethnicity



Source: 2024 Home Mortgage Disclosure Act data.
Note: Includes purchase loans only.

STATE OF THE MARKET // MORTGAGE ORIGINATION PROJECTIONS

Industry forecasters project originations to rise in Q2 2025 from Q1 levels though this increase partly reflects seasonality given the importance of the Spring season to housing activity. Origination volume for full year 2025 is expected to continue its recovery from its 2023 lows, and forecasters project origination to continue rising in 2026. The refinance share is expected to rise for the balance of 2025 in support of expanded origination volume, and, on an annual average basis, continue to increase in 2026 as well.

Total Originations and Refinance Shares

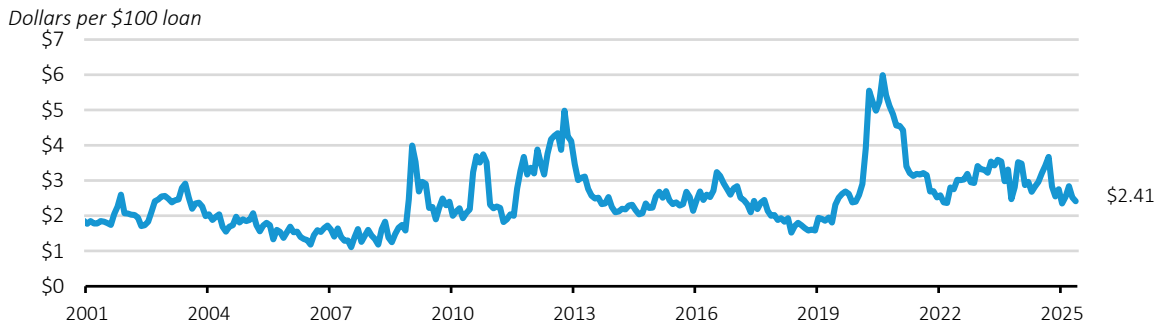
Period	Originations (\$ Billions)		Refinance Share (Percent)	
	Total, FNMA estimate	Total, MBA estimate	FNMA estimate	MBA estimate
2025 Q1	365	384	25	29
2025 Q2	500	549	25	33
2025 Q3	496	554	22	33
2025 Q4	492	534	39	35
2026 Q1	459	541	39	37
2026 Q2	608	584	30	34
2026 Q3	605	581	27	33
2026 Q4	589	536	33	36
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	1,690	1,779	23	28
2025	1,852	2,021	25	33
2026	2,262	2,242	32	35

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

Note: Fannie Mae and MBA forecasts as of August 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 May 2025, Originator Profitability and Unmeasured Costs (OPUC) was \$2.41 per \$100 loan, down from \$2.85 in April. 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 May 2025. OPUC is a monthly (four-week moving) average, as discussed in the link above.

STATE OF THE MARKET // HOUSING SUPPLY

Despite the modest increase in origination volume in 2024 over 2023 (continuing into 2025), 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 new home sales were lower compared to 2023. Amid rising inventories, months’ supply of existing homes, or the inventory of homes as a share of existing home sales, continues to rise and is now at levels that prevailed prior to the housing bust in the mid-2000s suggesting that the existing home sales market may be about balanced. Looking forward, industry forecasters anticipate home sales and housing starts to remain mostly flat for 2025.

Months’ Supply



Sources: National Association of Realtors and the Urban Institute.
Note: Data as of July 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*
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	1,367	1,368	1,368	4,746	4,761	4,357
2025	1,320	1,354	1,342	4,741	4,839	4,285
2026	1,340	1,327	1,346	5,231	5,187	4,666

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

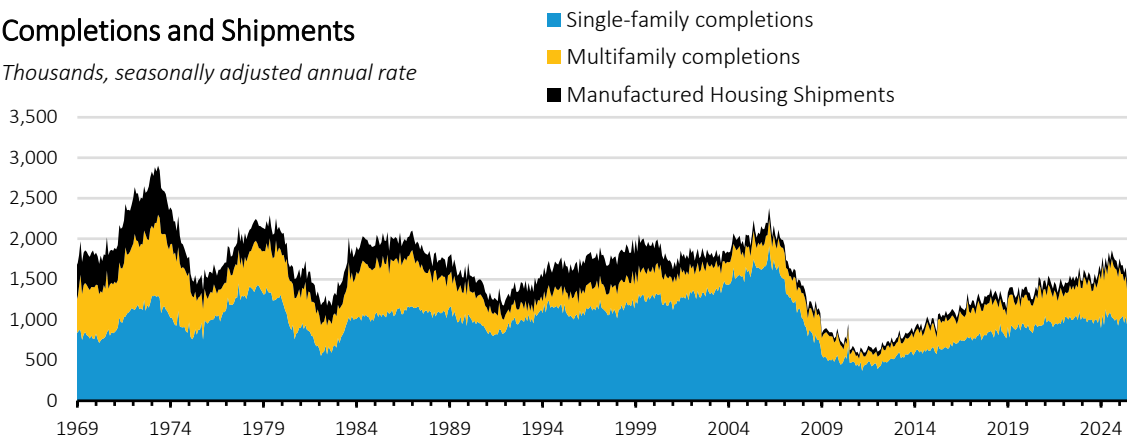
STATE OF THE MARKET // NEW RESIDENTIAL PRODUCTION

New residential production—including single-family and multifamily completions, as well as manufactured housing shipments—reached a seasonally adjusted annual rate of 1.44 million units in June 2025. Since reaching a low of 565,000 units in January 2011, new production has risen 155 percent. But current production is still 40 percent lower than the peak March 2006 level of 2.38 million units. In June 2025, single-family completions were 52 percent lower than the March 2006 peak of 1.91 million units. Multifamily completions are 11 percent greater than their level in March 2006, but have declined by 36 percent in the past 12 months.

Among multifamily completions, only 6.6 percent were built for sale in Q2 2025, double the share in Q1 2025. While still very low in a historical context, this is the highest share since 2022 Q4. 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; at 73.2 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

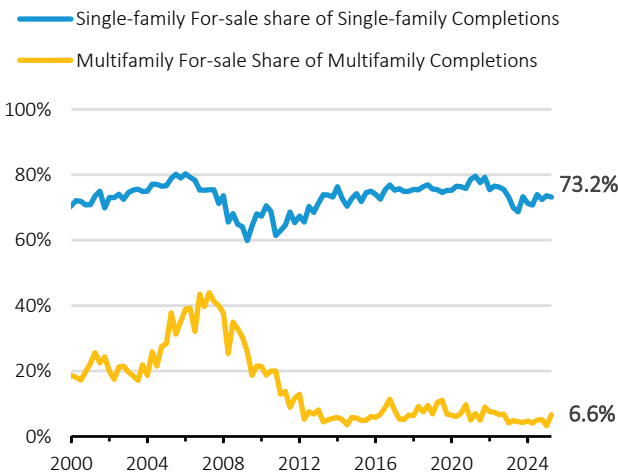
Thousands, seasonally adjusted annual rate



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

June 2025

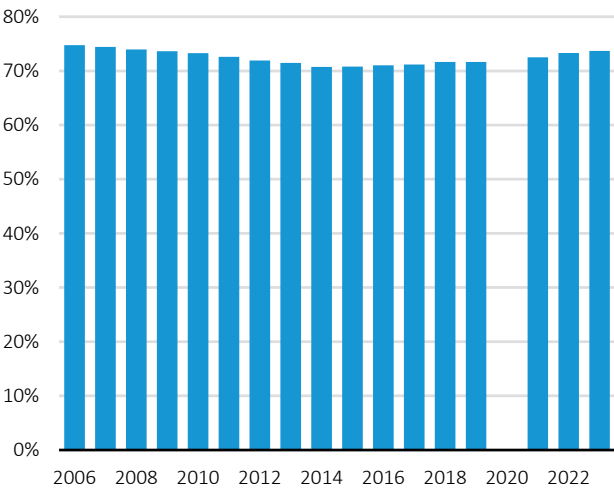
Share of Residential Completions Built For Sale



Sources: US Census Bureau and Urban Institute calculations.

Q2 2025

Owner-Occupied Share of Occupied Mobile Homes

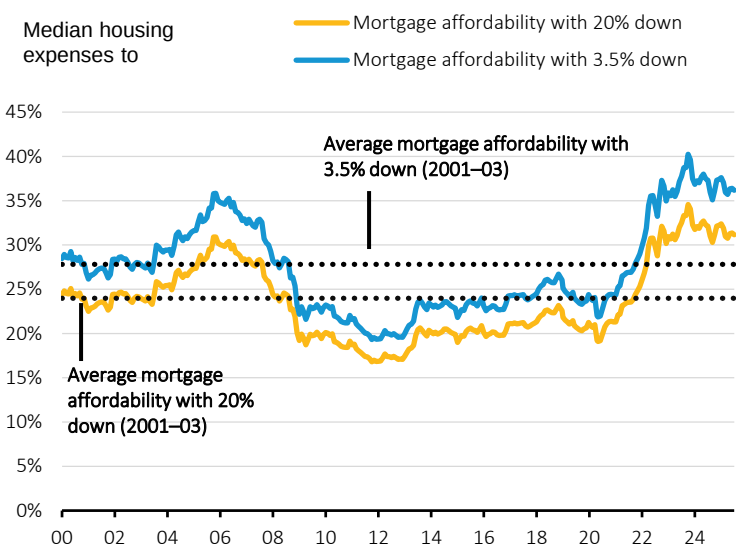


Source: One-year American Community Survey data 2006-2023.

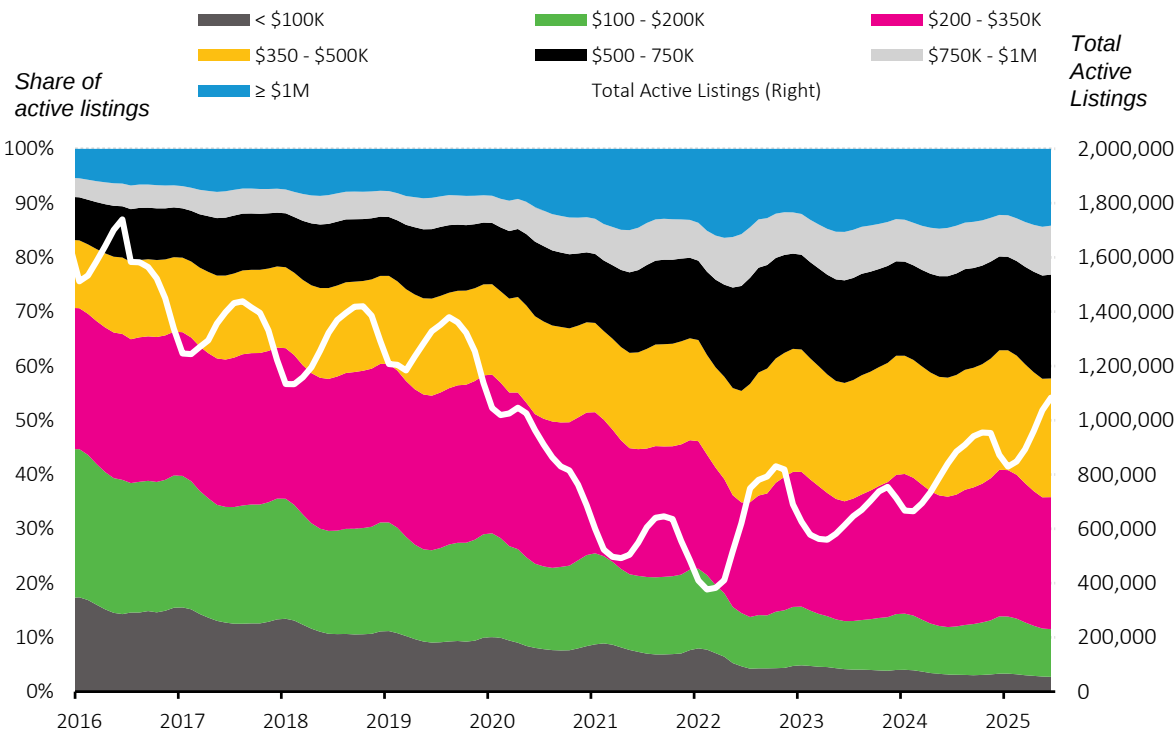
Note: Data are not available for 2020 because of low response rates during the pandemic.

National Mortgage Affordability over Time

Mortgage affordability remains close to the worst level since the inception of this series since 2000 due to high, but stable interest rates and high home values. But, in recent months, affordability has shown signs of improvement. As of July 2025, with a 20 percent down payment, the share of median income needed for the median monthly mortgage payment was 31.2 percent, slightly above the peak of the housing bubble in November 2005; and with 3.5 percent down, the housing cost burden is 36.2 percent, also just above the 35.8 percent peak in November 2005. Active listings have broadly increased since 2022 but remain lower than pre-pandemic levels. And the distribution of housing inventory has become increasingly unaffordable.



Active Listings, by Price Tier, over Time

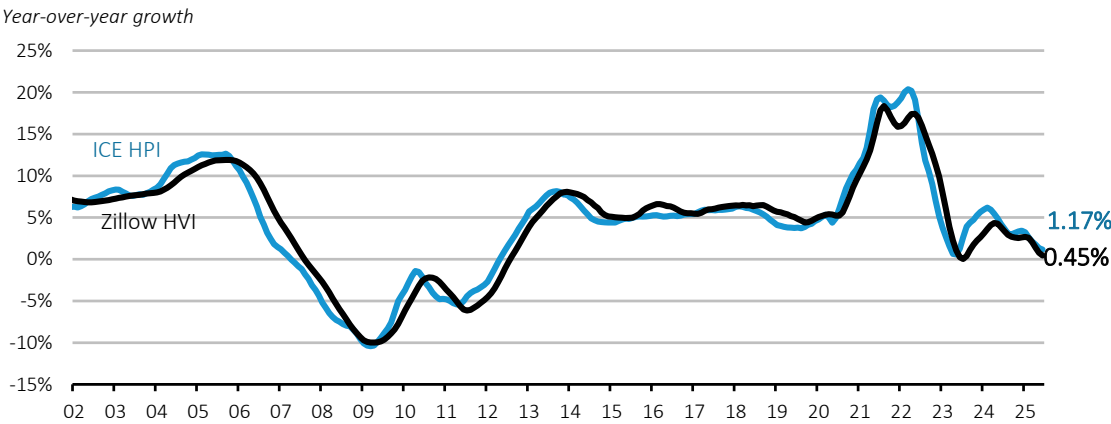


Sources: National Association of Realtors, the US Census Bureau, the Current Population Survey, the American Community Survey, Moody's Analytics, the Freddie Mac Primary Mortgage Market Survey, Realtor.com, and the Urban Institute.

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 June 2025.

National Year-Over-Year HPI Growth

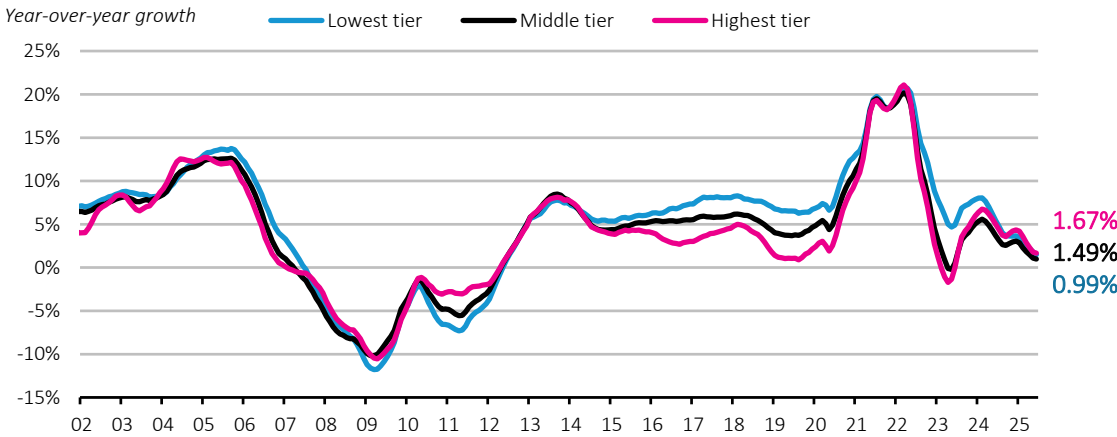
Higher mortgage rates have reduced homebuying demand and likely contributed to slower house price appreciation. However, house prices likely remain supported by the lack of supply. Two key measures of house prices slowed over the past month. According to ICE Mortgage Technology’s repeat sales index, year-over-year home price appreciation was 1.17 percent in June 2025, down from the previous month’s 1.33 percent. Year-over-year home price appreciation, as measured by Zillow’s hedonic home value index, is 0.45 percent in June 2025, down from 0.78 percent in May.



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 June 2025.

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

When interest rates are higher, house price appreciation has 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 May 2025.

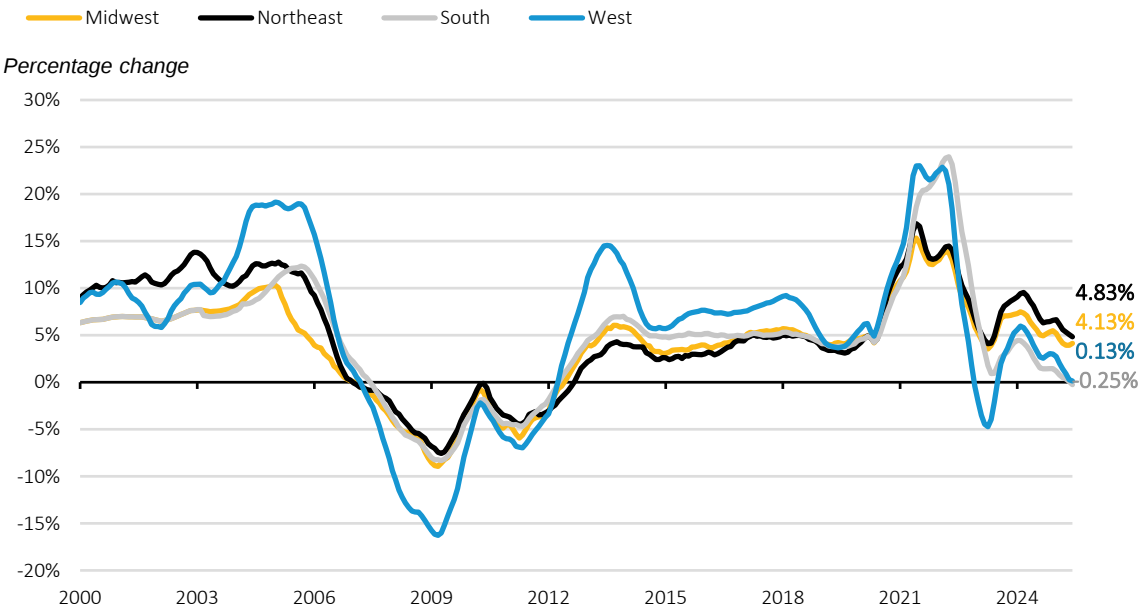


Sources: ICE Mortgage Technology and the Urban Institute.
Notes: ICE modified the methodology behind its HPI in February 2021, resulting in changes to historic price estimates. Data as of June 2025.

STATE OF THE MARKET // REGIONAL HOME PRICE INDEXES

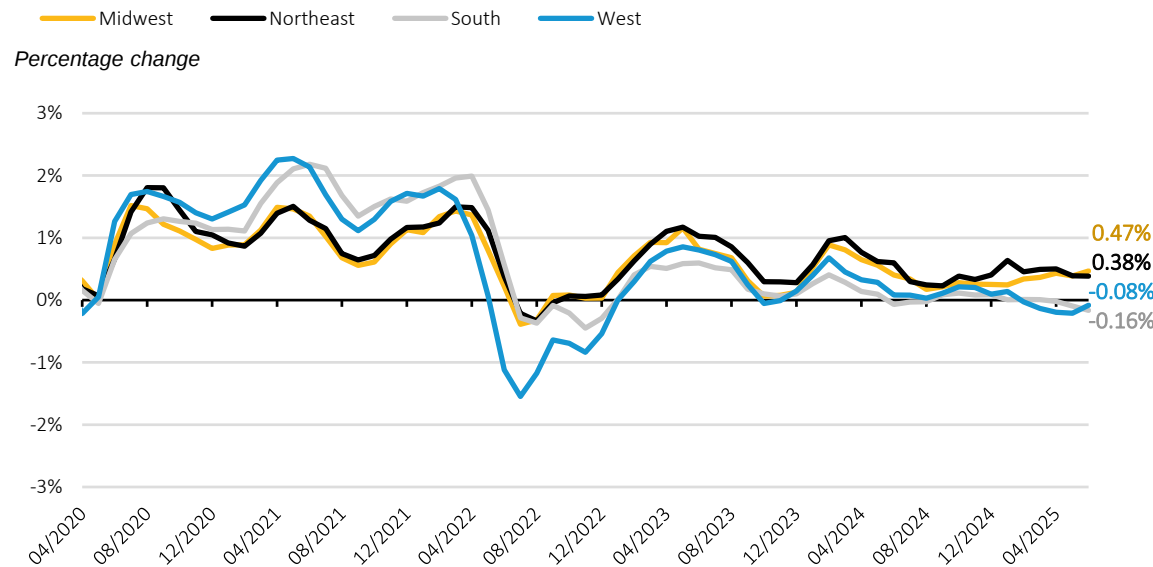
House price appreciation across all regions of the country slowed over 12 months ending in May 2025. However, 12-month house price appreciation varies considerably by region. Year-over-year, house prices are rising above four percent in the Northeast and Midwest. But in the South, house prices have declined by 0.25 percent over the past year. Although house prices continue to rise on a year-over-year basis in the West, albeit modestly, recent monthly declines suggest that house prices will fall there as well.

Year-over-Year Home Price Appreciation, by Region



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

Month-over-Month Home Price, by Region

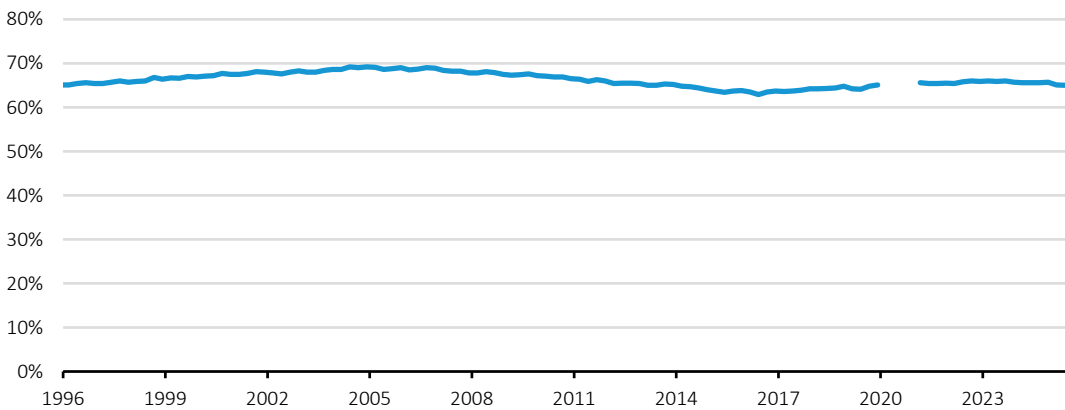


Sources: ICE Mortgage Technology and Urban Institute calculations.
Note: Data as of June 2025. Values are seasonally adjusted.

STATE OF THE MARKET // HOMEOWNERSHIP RATES

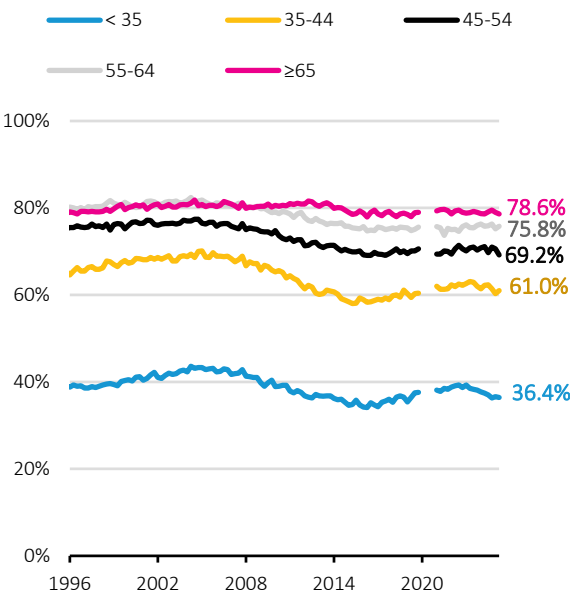
In Q2 2025, the homeownership rate was at 65 percent, slightly lower from the previous quarter and the year earlier. After falling to 62.9 percent in Q2 2016, the homeownership rate began to recover but remains 3.4 percentage points below its Q1 2005 peak of 69.0 percent. By age groups, older households 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



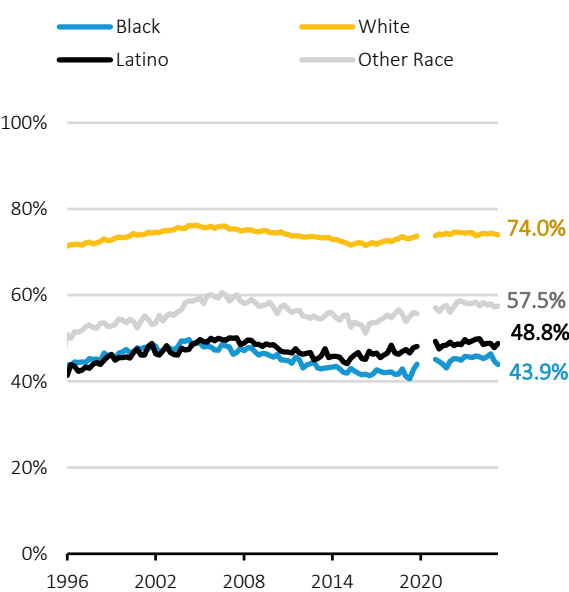
Q2 2025

Homeownership, by Owner Age



Q2 2025

Homeownership Rate, by Race or Ethnicity



Q2 2025

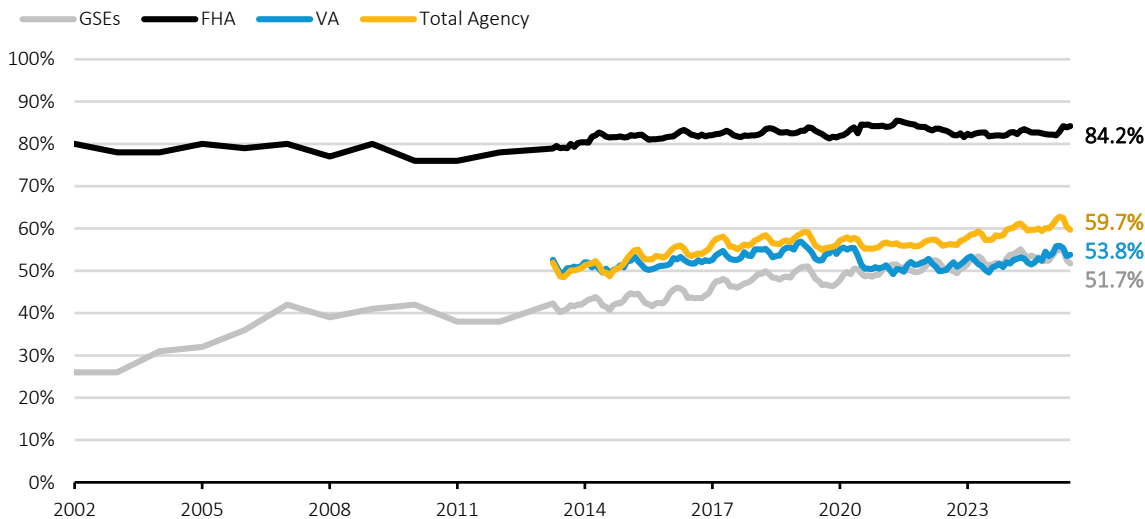
Sources: Moody's Analytics, US Census Bureau, and Urban Institute calculations.
Note: Data from 2020 are poor because of low response rates during the pandemic.

STATE OF THE MARKET // FIRST-TIME HOMEBUYERS

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 (84.2 percent). However, in June 2025, more than half of GSE and VA purchase originations are made to first-time homebuyers as well (51.7 percent and 53.8 percent, respectively).

The bottom table shows that based on mortgages originated in June 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. But while first-time homebuyers were more likely to have a lower credit score and a higher LTV, they had a lower mortgage rate. This likely reflects the disproportionate share of FHA loans originated to first-time homebuyers and the wide spread in mortgage rates between GSE and FHA loans.

First-Time Homebuyer Share



Sources: eMBS, the Federal Housing Administration, and the Urban Institute. Data as of June 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 two months. Current FHA FTHB uses the eMBS FTHB share for the month of March and April 2025.

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	\$356,888	\$399,346	\$326,626	\$348,417	\$348,474	\$401,631
Credit score	754	765	689	692	725	752
LTV ratio (%)	84	75	95	92	90	81
DTI ratio (%)	38	39	45	46	41	41
Loan rate (%)	6.73	6.73	6.28	6.24	6.50	6.58

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

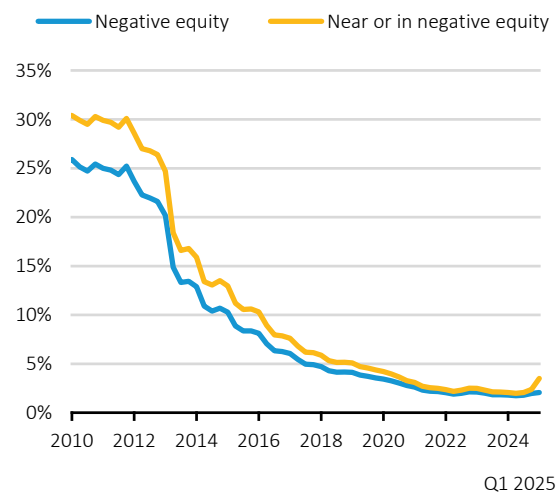
STATE OF THE MARKET // DELINQUENCIES AND LOSS MITIGATION

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 2.4 to 2.5 percent from Q4 2024 to Q1 2025, reflecting a jump in the share in near negative equity. From Q4 2024 to Q1 2025, the composition of loans in negative equity remained flat at 2.1 percent while the share in near negative equity, defined as having zero to five percent in equity, rose from 0.42 percent to 0.44 percent over the same period.

Serious delinquency continues to fall as the share of loans in negative equity remains low and steady. The share of loans that are 90 days or more delinquent or in foreclosure decreased 7 basis points, from 1.66 percent in Q1 2025 to 1.59 percent in Q2 2025. This reflects a 1 basis-point decrease in the share of mortgages in foreclosure to 0.48 percent; over the same period, the share of loans 90 days or more delinquent decreased by 6 basis points to 1.11 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 0.36 percent as of March 31, 2025. Ginnie Mae loans had the highest forbearance rate at 0.83 percent. GSE loans have consistently had the lowest forbearance rates at 0.13 percent. The forbearance rate across other loans (e.g., portfolio and PLS) was 0.33 percent.

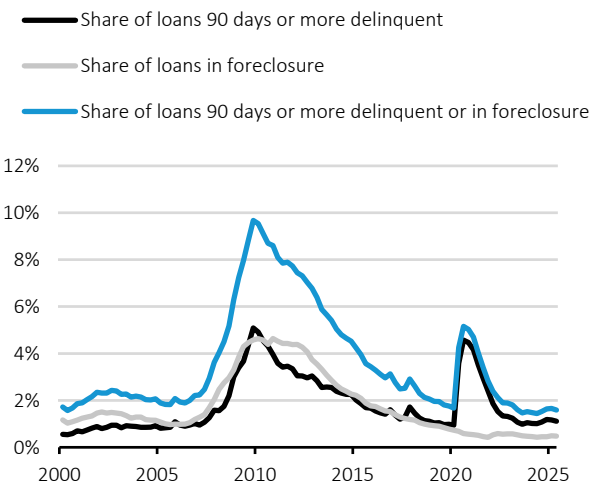
Negative Equity Share



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.

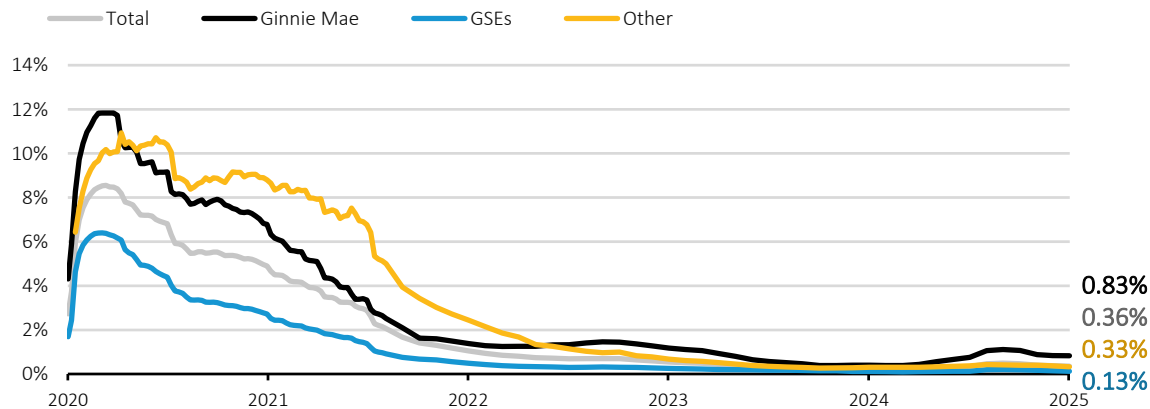
Loans in Serious Delinquency or Foreclosure



Sources: Mortgage Bankers Association and the Urban Institute.

Q2 2025

Forbearance Rates, by Channel



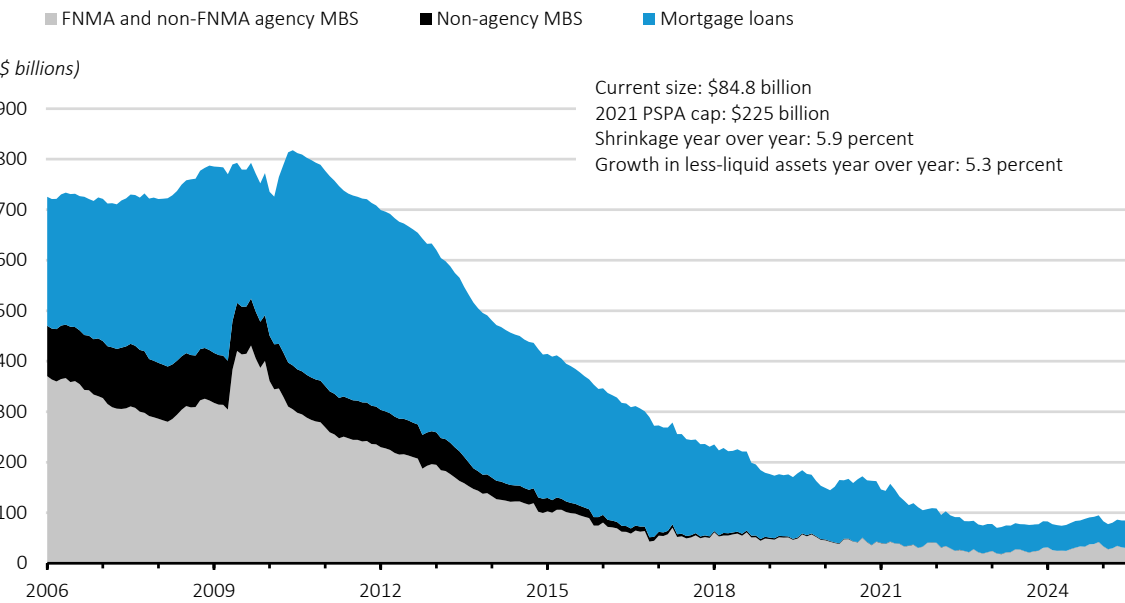
Source: MBA Weekly Forbearance and Call Volume Survey.

Note: Forbearance rates as of March 31, 2025.

GSEs UNDER CONSERVATORSHIP // GSE PORTFOLIO WIND-DOWN

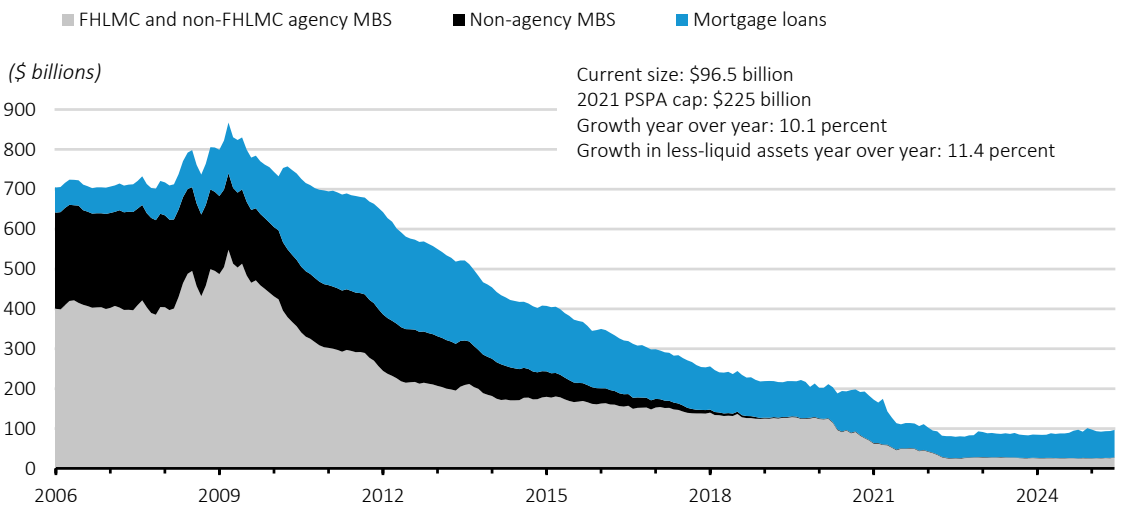
The Fannie Mae and Freddie Mac portfolios remain well below the \$225 billion cap mandated in January 2021 by the new Preferred Stock Purchase Agreements (PSPAs) (\$84.6 and \$93.9 billion, respectively). From June 2024 to June 2025, the Fannie Mae portfolio shrank 5.9 percent, and Freddie Mac’s grew by 10.1 percent. Within the portfolios, Fannie Mae and Freddie Mac grew their liquid assets (mortgage loans, non-agency MBS) by 5.3 and 11.4 percent, respectively.

Fannie Mae Mortgage-Related Investment Portfolio Composition



Sources: Fannie Mae (FNMA) and the Urban Institute. June 2025

Freddie Mac Mortgage-Related Investment Portfolio Composition



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

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 \$2.35 trillion; Freddie's STACR totals \$2.80 trillion. Over 2024, Fannie Mae issued 6 CAS deals and Freddie Mac issued 5 STACR deals. The amount of Freddie Mac STACR deals issued in 2024 was 15 percent higher than issuance in 2023 and Fannie Mae CAS issuance in 2024 was 35 percent lower than CAS issuance over 2023. Thus far in 2025, Fannie Mae has issued four and Freddie Mac has issued three 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
April 2025	CAS Series 2025 – R03	\$23,840	\$619	2.6
June 2025	CAS Series 2025 – R04	\$17,440	\$614	3.5
July 2025	CAS Series 2025 – R05	\$23,578	\$635	2.7
Total		\$2,374,680	\$70,615	3.0%

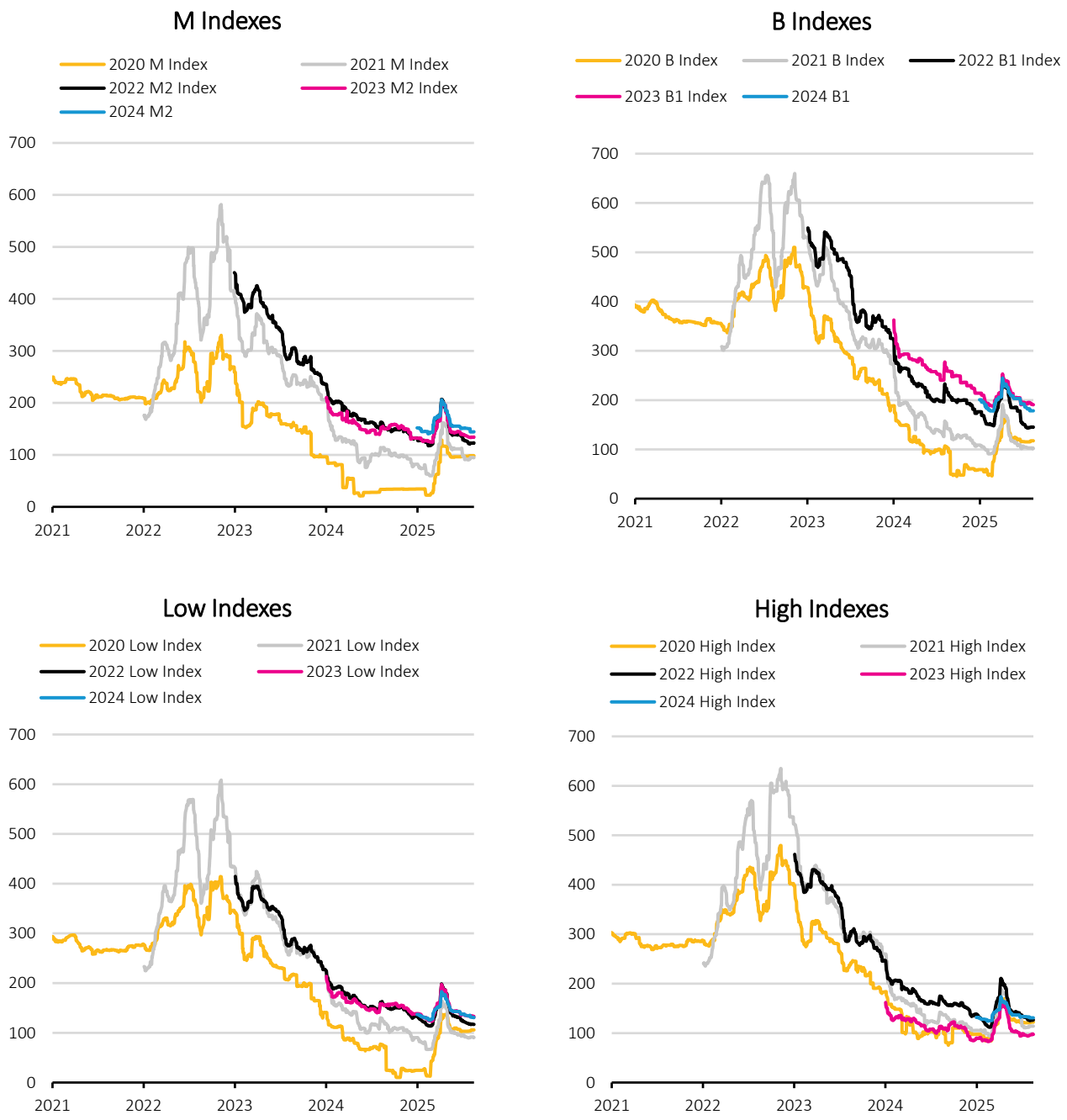
Freddie Mac – Structured Agency Credit Risk (STACR)

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
May 2025	STACR 2025 – DNA2	\$19,943	\$529	2.7
Total		\$2,795,070	\$75,857	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, flattening at low levels through the beginning of 2025. More recently, growing concerns and uncertainty about the macroeconomic picture, as well as amplified indications of greater mortgage non-performance in the housing industry contributed to a jump in spreads. Now most indexes are above their 2024 levels. The jump in spreads was partially retraced as announcements of key trade agreements reduced expectations of a recession. However, risks to the macro and housing pictures remain with labor market concerns growing, and potentially softer house prices putting some homeowners under broad pressure to continue meeting their mortgage payments amid upside inflationary pressures.

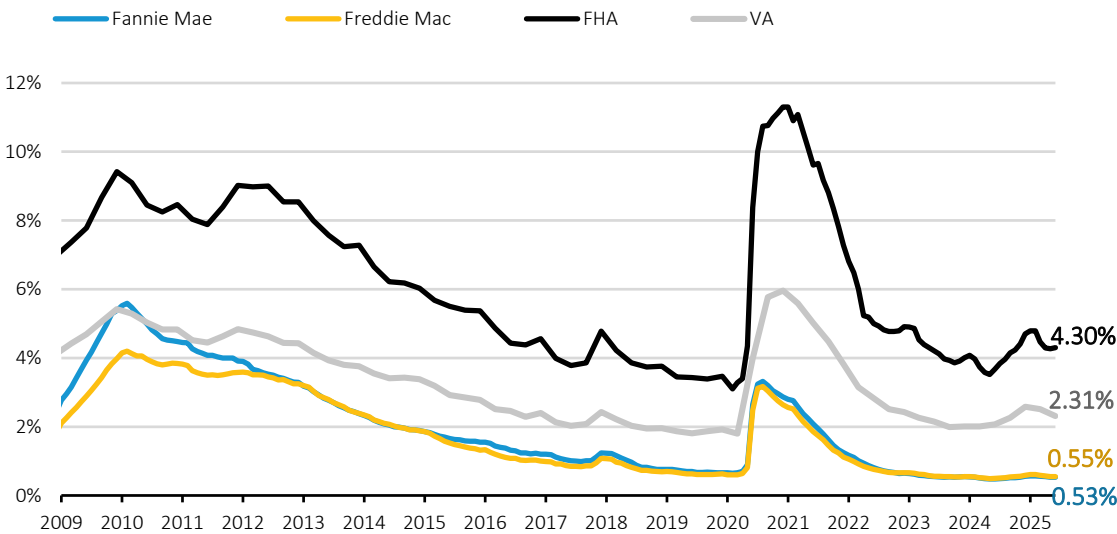


Sources: Vista Data Services and the Urban Institute.
Note: Data as of August 15, 2025.

GSEs UNDER CONSERVATORSHIP // SERIOUS DELINQUENCY RATES

The rise in series delinquency rates on government loans took a breather beginning 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 was 4.3 percent in June 2025, higher than those on GSE or VA loans. In Q2 2025, VA serious delinquency rates on single-family loans decreased to 2.31 percent from 2.51 percent in Q1 2025. The serious delinquency rates on Fannie Mae and Freddie Mac single-family loans stayed at 0.055% from May to June. 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.

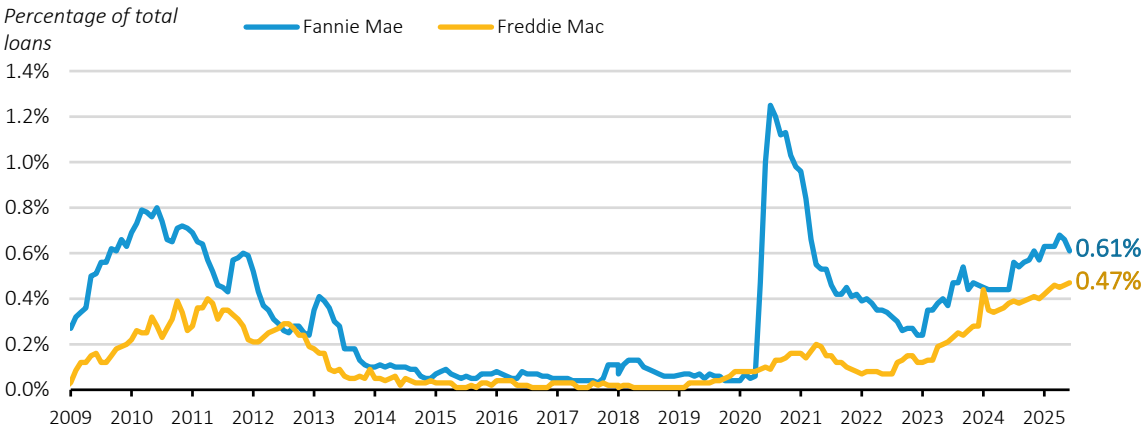
Serious Delinquency Rates among Single-Family Loans



Sources: Fannie Mae, Freddie Mac, FHA, the MBA Delinquency Survey, and the Urban Institute. VA data as of Q2 2025. GSE and FHA data as of June 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 June 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 \$678.7 billion in the first seven months of 2025; \$395.9 billion by the GSEs and \$282.8 billion by Ginnie Mae. GSE issuance was up 10.0 percent and Ginnie Mae issuance was up 20.6 percent from the first seven months of 2024. Net issuance (new securities issued less the decline in outstanding securities attributable to principal paydowns or prepayments) in the first seven months of 2025 of \$99.7 billion was 7.6 percent lower than net issuance over the same period in 2024. The lower net level relative to a year earlier is attributable to negative issuance (new securities issued were less than the decline in outstanding securities) by the GSEs in early 2025 versus early 2024 levels, and by lower net issuance from Ginnie Mae.

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	\$395.9	\$282.8	\$678.7
2025 % Change from 2024	10.0%	20.6%	14.2%

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	-\$3.7	\$103.4	\$99.7
2025 % Change from 2024	-137.8%	25.0%	7.6%

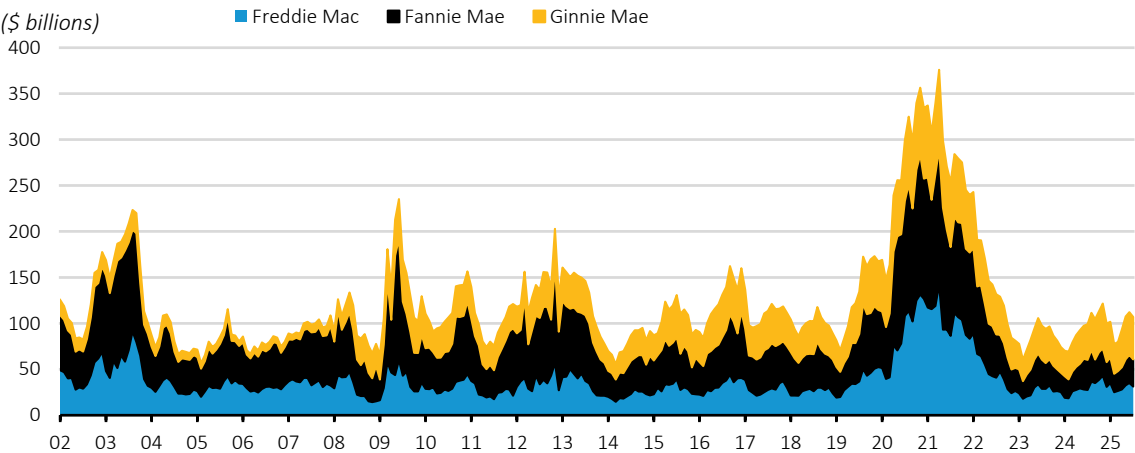
Sources: eMBS and the Urban Institute.

Notes: Dollar amounts are in billions. Data as of July 2025.

AGENCY ISSUANCE // AGENCY GROSS ISSUANCE AND FED PURCHASES

Agency issuances by the GSEs and Ginnie Mae totaled \$106.9 billion in July 2025, 8.0 percent higher than volume in July 2024. Upward risks to inflation coupled with the downside risks to economic growth are contributing to macroeconomic uncertainty, making it more difficult to forecast how quickly the Federal Reserve will cut interest rates for the balance of 2025.

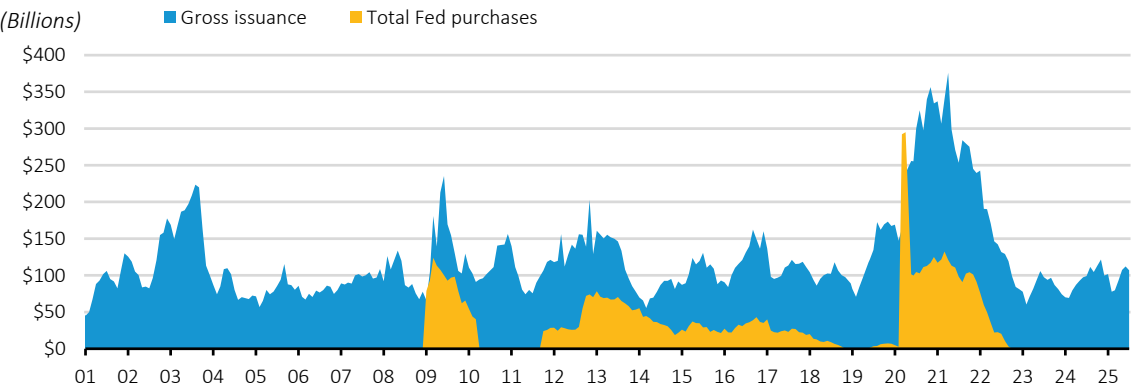
Monthly Gross Issuance



Sources: eMBS and Urban Institute calculations. Data as of July 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. At its most recent meeting in June, the Federal Open Markets Committee (FOMC) pledged to continue reducing its holdings of Treasury securities and agency debt and agency mortgage backed securities and also kept its key policy rate, the federal funds rate, at a range of 4.25-4.50 percent. Despite the rapid acceleration in wholesale prices that likely reflect the impact of tariffs, Chairman Powell’s speech at Jackson Hole focused on slowing labor market conditions, raising the likelihood of policy rate cuts in the near future.

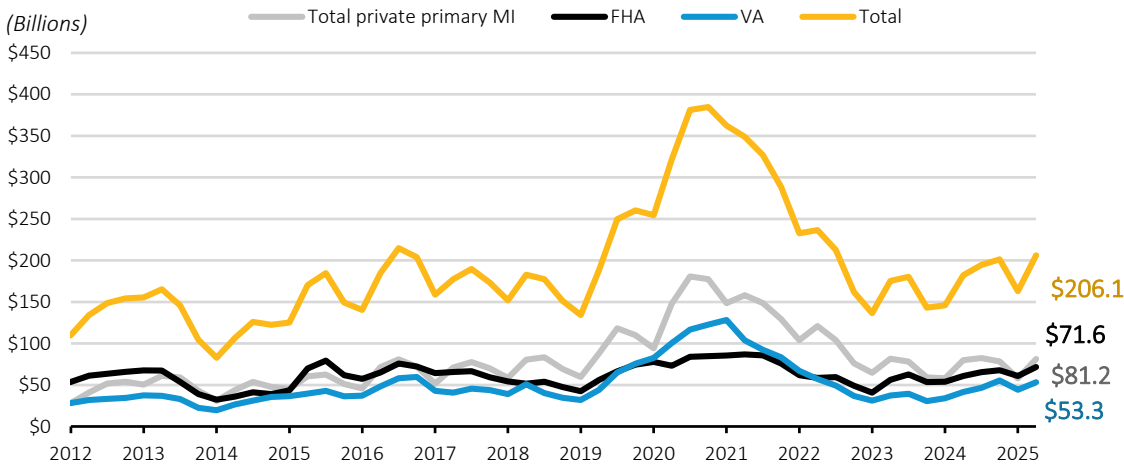


Sources: eMBS, the Federal Reserve Bank of New York, and the Urban Institute.

July 2025

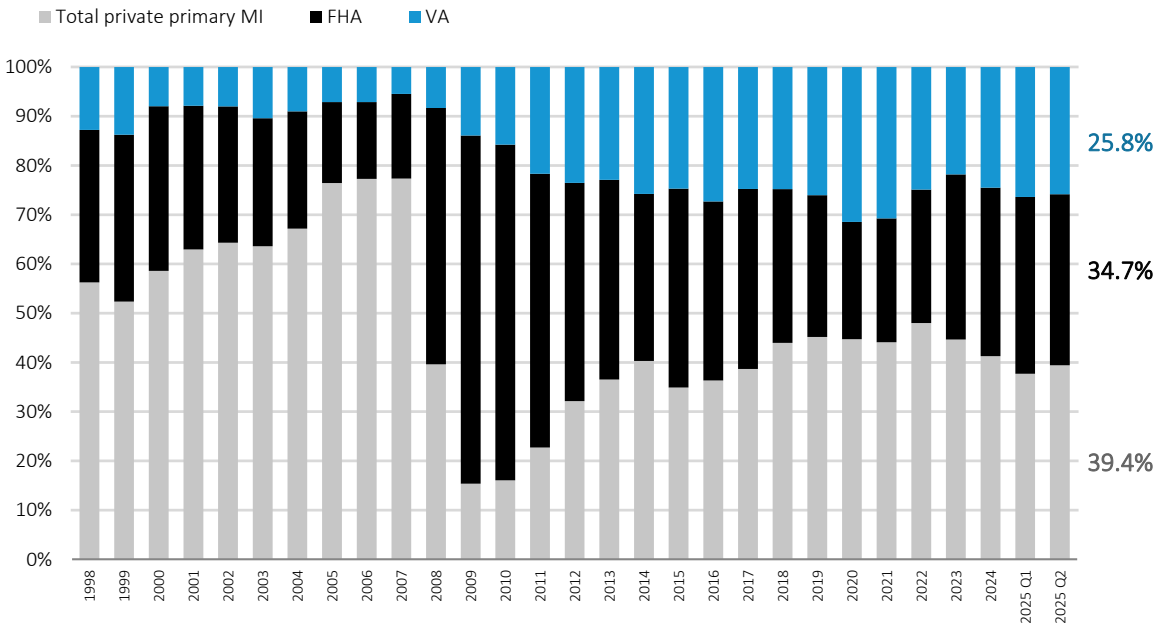
MI Activity

As mortgage originations were higher in the second quarter of 2025 compared to a year ago, total mortgage insurance grew as well, by 13.1 percent compared to 2024 Q2. Amid reduced affordability, the growth in total mortgage insurance reflected greater use of the Ginnie Mae channel, which accounts for a sizeable share of first-time homebuyers (see page 28). Mortgage insurance activity on FHA and VA loans increased 17.7 and 28.4 percent, respectively, from 2024 Q2 to 2025 Q2. In 2025 Q2, private primary mortgage insurance activity was \$81.2 billion, 1.7 percent higher than in 2024 Q2. The composition of total mortgage insurance activity shifted towards government channels over this period. The private mortgage insurer share decreased from 43.8 to 39.4 percent. In contrast, the FHA share increased from 33.4 to 34.7 percent, and the VA share increased from 22.8 to 25.8 percent.



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Last updated for Q2 2025.

MI Market Share



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Last updated for Q2 2025.

AGENCY ISSUANCE // MORTGAGE INSURANCE ACTIVITY

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 credit score lower 760 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. But note that FHA is almost equally attractive as the GSEs for borrowers with a FICO score at or above 760. While GSE borrowers typically put more down, even among first-time homebuyers (see page 28), its worth noting 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	6.8%
FHA base rate	6.52%

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	\$1,999	\$1,999	\$1,999	\$1,999	\$1,999	\$1,999	\$1,999	\$1,999
GSE plus PMI	\$2,249	\$2,203	\$2,184	\$2,124	\$2,078	\$2,056	\$2,027	\$1,998
GSE plus PMI Advantage	-\$250	-\$205	-\$185	-\$125	-\$79	-\$57	-\$28	\$1

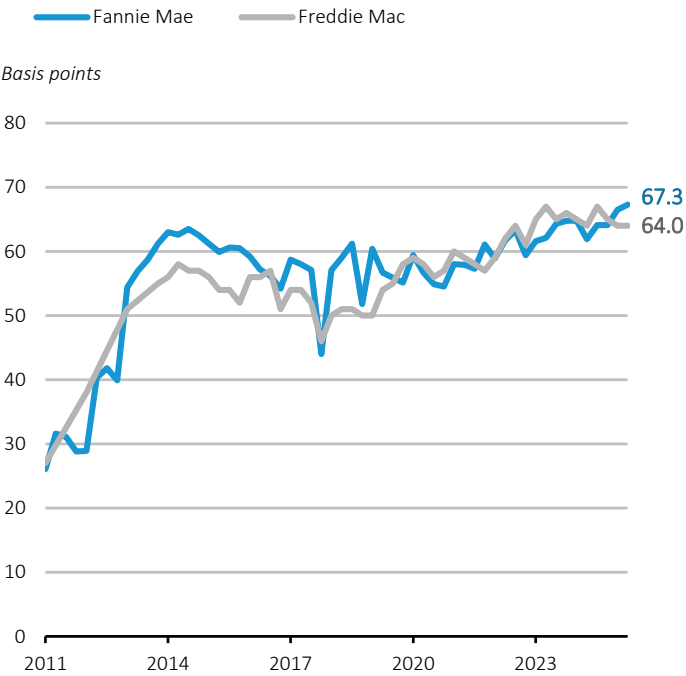
Sources: Enact Mortgage Insurance, Ginnie Mae, and the Urban Institute. FHA and 30-year conforming rates come from the Mortgage Bankers Association Weekly Applications Survey.

Notes: PMI = private mortgage insurance. Rates as of August 15, 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.

Guarantee Fees Charged on New Acquisitions

Fannie Mae’s average g-fees charged on new acquisitions increased to 67.3 basis points in Q2 2025 from 66.5 in Q1 2025, while Freddie Mac’s remained at 64.0 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 Mac, and the Urban Institute.
Note: Data as of Q2 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.

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 Q1 2025 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 Q1 2025 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. However, while the share of borrowers with a LTV has increased in successive periods since 2009-2010, the share of borrowers with a FICO score above 750 has declined, though at a more modest pace and the share still remains above the percentages that prevailed over 2000-2004 and 2005-2008.

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%
2018-1Q25	≤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 Q1 2025. 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

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%
2018-1Q25	≤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 Q1 2025, with performance information on these loans also through Q1 2025. 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.

SPECIAL FEATURE: LOAN LEVEL GSE CREDIT DATA

FREDDIE MAC 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 Q1 2025 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 Q1 2025 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. However, while the share of borrowers with a LTV has increased in successive periods since 2009-2010, the share of borrowers with a FICO score above 750 has declined, though at a more modest pace and the share still remains above the percentages that prevailed over 2000-2004 and 2005-2008.

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%
2018-4Q24	≤700	5.0%	4.0%	1.6%	2.2%	12.8%
	700 to 750	7.6%	9.7%	4.2%	6.6%	28.1%
	>750	19.2%	22.0%	8.1%	9.7%	59.1%
	Total	31.8%	35.7%	13.9%	18.5%	100.0%
Total		33.1%	41.4%	11.6%	14.0%	100.0%

Sources: Freddie Mac and Urban Institute.

Note: Freddie Mac loan level credit data includes loans originated from Q1 1999 to Q4 2024, with performance data through Q1 2025. 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

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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%	6.4%	7.7%	5.8%
	700 to 750	2.5%	2.7%	3.1%	3.9%	2.9%
	>750	0.9%	1.1%	1.3%	1.8%	1.2%
	Total	1.9%	2.0%	2.5%	3.3%	2.2%
2018-4Q24	≤700	2.8%	3.7%	4.4%	4.9%	3.7%
	700 to 750	1.2%	1.7%	2.0%	2.7%	1.8%
	>750	0.4%	0.6%	0.8%	1.2%	0.6%
	Total	1.0%	1.2%	1.5%	2.1%	1.4%
Total		1.9%	3.0%	3.3%	3.6%	2.7%

Sources: Freddie Mae and Urban Institute.

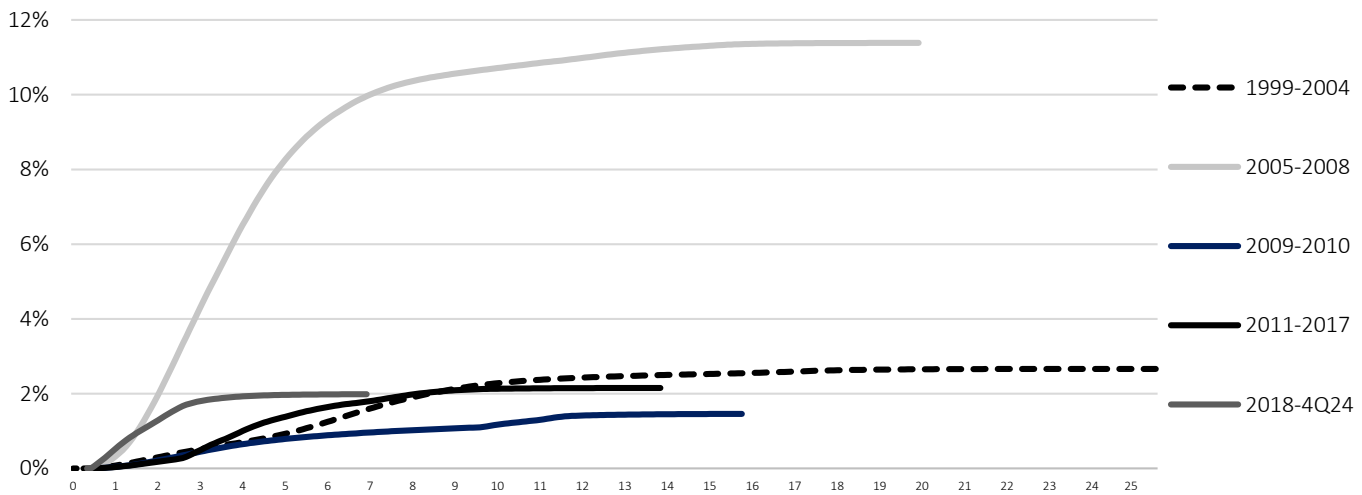
Note: Freddie Mac loan level credit data includes loans originated from Q1 1999 to Q4 2024, with performance data through Q1 2025. Default is defined as six months delinquent or disposed of via short sales, third-party sales, deeds-in-lieu of foreclosure, or real estate owned (REO acquisitions). The 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 Q4 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.

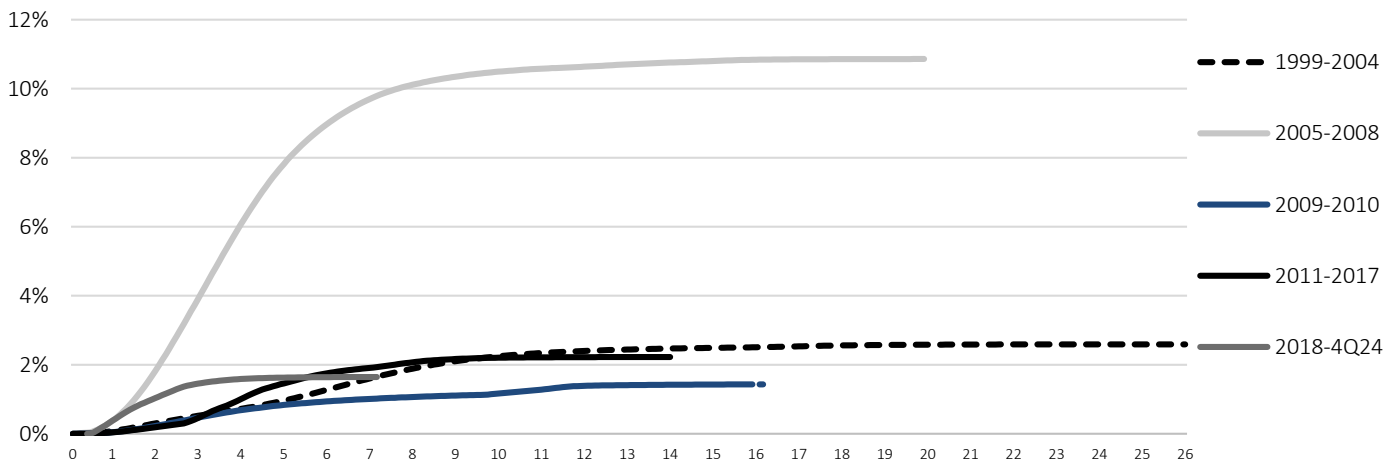
Fannie Mae Cumulative Default Rate by Vintage Year



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.

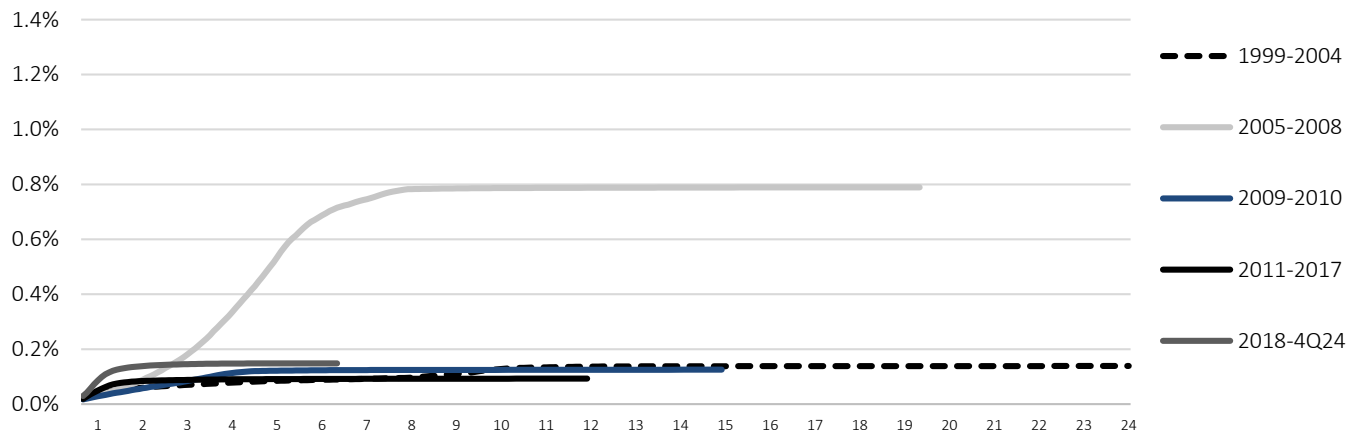
Note: The analysis included only mortgages with original terms of 241-420 months. A default is defined as a delinquency of 180 days or more, a deed-in-lieu, short sale, foreclosure sale or REO sale.

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.

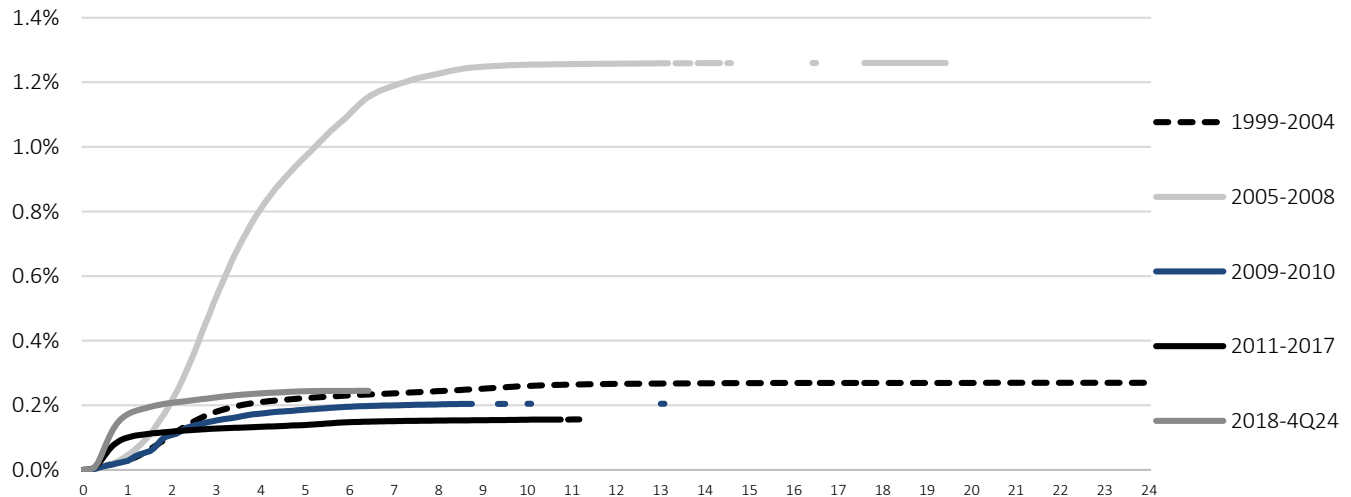
Fannie Mae Repurchase Rate by Vintage Year



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.

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