

HOUSING FINANCE POLICY CENTER



# HOUSING FINANCE AT A GLANCE

A MONTHLY CHARTBOOK

November 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](mailto: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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# CONTENTS

## OVERVIEW

### Market Size Overview

<a href="#">Value of the US Residential Housing Market</a>	6
<a href="#">Size of the US Residential Mortgage Market</a>	6
<a href="#">Private Label Securities</a>	7
<a href="#">Agency Mortgage-Backed Securities</a>	7

### Origination Volume and Composition

<a href="#">First Lien Origination Volume &amp; Share</a>	8
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### Mortgage Interest Rates

<a href="#">30-Year FRM</a>	9
<a href="#">ARM Share</a>	9

### Refinancable Mortgages

<a href="#">Percent Refi at Issuance</a>	10
<a href="#">Refinancable share of Mortgages</a>	10
<a href="#">Outstanding Note Rates</a>	10

### Prepayment Speeds

<a href="#">Prepayment Rates by Note Rate</a>	11
<a href="#">Prepayment Rates by Agency</a>	11
<a href="#">Prepayment Rates by Vintage</a>	11

### Cash-Out Refinances

<a href="#">Loan Amount After Refinancing</a>	12
<a href="#">Cash-out Refinance Share of All Originations</a>	12
<a href="#">Total Home Equity Cashed Out</a>	12

### Nonbank Origination Share

<a href="#">Nonbank Origination Share: All Loans</a>	13
<a href="#">Nonbank Origination Share: Purchase Loans</a>	13
<a href="#">Nonbank Origination Share: Refi Loans</a>	13

### Securitization Volume and Composition

<a href="#">Agency/Non-Agency Share of Residential MBS Issuance</a>	14
<a href="#">Non-Agency MBS Issuance</a>	14
<a href="#">Non-Agency Securitization</a>	14

## CREDIT BOX

### Housing Credit Availability Index (HCAI)

<a href="#">Housing Credit Availability Index</a>	15
<a href="#">Housing Credit Availability Index by Channel</a>	15-16

### Credit Availability for Purchase Loans

<a href="#">Borrower FICO Score at Origination Month</a>	17
<a href="#">Combined LTV at Origination Month</a>	17
<a href="#">DTI at Origination Month</a>	17
<a href="#">Origination FICO and LTV by MSA</a>	18

### Nonbank Credit Box

<a href="#">Agency FICO: Bank vs. Nonbank</a>	18
<a href="#">GSE FICO: Bank vs. Nonbank</a>	18
<a href="#">Ginnie Mae FICO: Bank vs. Nonbank</a>	18
<a href="#">GSE LTV: Bank vs. Nonbank</a>	19
<a href="#">Ginnie Mae LTV: Bank vs. Nonbank</a>	19
<a href="#">GSE DTI: Bank vs. Nonbank</a>	19
<a href="#">Ginnie Mae DTI: Bank vs. Nonbank</a>	19

## STATE OF THE MARKET

### Racial and Ethnic Composition

<a href="#">Purchase Loan Shares by Race</a>	20
<a href="#">Purchase Loan Channel Shares by Race</a>	20

<b>Mortgage Origination Projections and Originator Profitability</b>	
<a href="#">Total Originations and Refinance Shares</a>	21
<a href="#">Originator Profitability and Unmeasured Costs</a>	21
<b>Housing Supply</b>	
<a href="#">Months of Supply</a>	22
<a href="#">Housing Starts and Home Sales</a>	22
<b>New Residential Construction</b>	
<a href="#">New Completions</a>	23
<a href="#">Share Built for Sale</a>	23
<b>Housing Affordability</b>	
<a href="#">National Housing Affordability Over Time</a>	24
<a href="#">Active Listings by Price Tier Over Time</a>	24
<b>Home Price Indexes</b>	
<a href="#">National Year-Over-Year HPI Growth</a>	25
<a href="#">Changes in CoreLogic HPI for Top MSAs</a>	25
<a href="#">Regional Home Price Appreciation</a>	26
<b>Homeownership Rates</b>	
<a href="#">Overall Homeownership</a>	27
<a href="#">Homeownership by Age</a>	27
<a href="#">Homeownership by Race/Ethnicity</a>	27
<b>First-Time Homebuyers</b>	
<a href="#">First-Time Homebuyer Share</a>	28
<a href="#">Comparison of First-time and Repeat Homebuyers, GSE and FHA Originations</a>	28
<b>Delinquencies and Loss Mitigation</b>	
<a href="#">Negative Equity Share</a>	29
<a href="#">Loans in Serious Delinquency/Foreclosure</a>	29
<a href="#">Forbearance Rates by Channel</a>	29
<b>THE GSES UNDER CONSERVATORSHIP</b>	
<b>GSE Portfolio Wind-Down</b>	
<a href="#">Fannie Mae Mortgage-Related Investment Portfolio</a>	30
<a href="#">Freddie Mac Mortgage-Related Investment Portfolio</a>	30
<b>Effective Guarantee Fees &amp; GSE Risk-Sharing Transactions</b>	
<a href="#">Effective Guarantee Fees</a>	31
<a href="#">Fannie Mae Upfront Loan-Level Price Adjustment</a>	31
<a href="#">GSE Risk-Sharing Transactions and Spreads</a>	32-33
<b>Serious Delinquency Rates</b>	
<a href="#">Serious Delinquency Rates – Fannie Mae, Freddie Mac, FHA &amp; VA</a>	34
<a href="#">Serious Delinquency Rates – Single-Family Loans &amp; Multifamily GSE Loans</a>	34
<b>AGENCY ISSUANCE</b>	
<b>Agency Gross and Net Issuance</b>	
<a href="#">Agency Gross Issuance</a>	35
<a href="#">Agency Net Issuance</a>	35
<b>Agency Gross Issuance and Fed Purchases</b>	
<a href="#">Monthly Gross Issuance</a>	36
<a href="#">Fed Absorption of Agency Gross Issuance</a>	36
<b>Mortgage Insurance Activity</b>	
<a href="#">MI Activity &amp; Market Share</a>	37
<a href="#">FHA MI Premiums for Typical Purchase Loan</a>	38
<a href="#">Initial Monthly Payment Comparison: FHA vs. PMI</a>	
	<b>GSE Special Feature 2025 Q2</b>
<a href="#">Fannie Mae Composition and Default Rate</a>	39-40
<a href="#">Freddie Mac Composition and Default Rate</a>	41-42
<a href="#">Default Rate by Vintage</a>	43
<a href="#">Repurchase Rate by Vintage</a>	44
<a href="#">Loss Severity</a>	45-46
<a href="#">Publications and Events</a>	47

# Current Homebuying Conditions Suggest Growing “Pent-Up” Demand

The for-sale market has experienced strong headwinds in recent years. A lack of for-sale supply, particularly among affordable homes helped to boost house price appreciation. In addition, tightening monetary policy largely helped to boost mortgage rates. Combined, high interest rates and house prices have reduced homebuying affordability. In response, total home sales have declined (page 22 of this chartbook).

Mortgage rates began to rise noticeably in the beginning of 2022 as the Federal Reserve pivoted to a more hawkish stance amid fears of accelerating inflation (see page 9 of this chartbook). Encouragingly, the for-sale inventory began to rise in the beginning of 2022 as well (see page 24 of this chartbook). Since 2022, the for-sale inventory has increased from about 400,000 units to nearly 1.2 million homes for sale.

However, the growing inventory of for-sale homes has not boosted home sales. Instead, home sales have continued their descent. This may reflect a large decline in demand. Using purchase mortgage applications as a proxy for homebuying demand indicates that the rise in mortgage rates resulted in a steep decline in applications to purchase a mortgage. And as rates remain elevated, purchase mortgage applications have held steady, but at lower levels. Some homebuyers may choose not to use a mortgage to purchase a home, but the pace of pending sales of existing homes, which includes both those using a mortgage to buy an existing home and those that decide not to, [currently](#) sits below its level from 12 months ago.

These trends confirm [similar, earlier analysis](#) and suggest that the for-sale market has shifted closer to one that

favors homebuyers and away from home sellers. Key indicators such as [days-on-market and number of price cuts](#) are increasing, consistent with a “buyers’ market”. And amid weaker demand and rising supply, house price appreciation has slowed nationwide, with some regions of the country experiencing house price declines (see pages 25 and 26 of this chartbook).

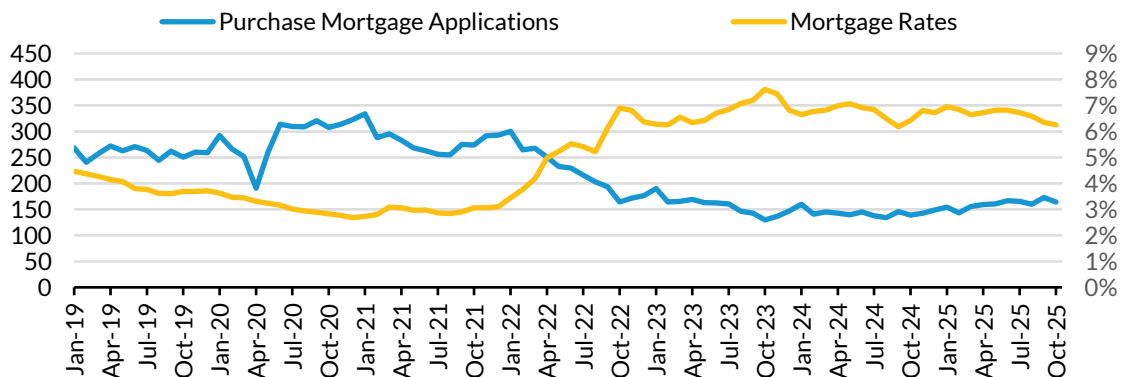
Short-run cyclical conditions have temporarily reduced the number of households seeking to purchase a home. But in the medium term, the homebuying market continues to suffer from a lack of supply, especially affordable supply. This result reflects a pace of new home creation or preservation that has lagged household formation for years.

Th combination of longer-term and short-run trends suggests that the lack of affordability in the home sale market is increasing the amount of “pent-up” demand. Would-be homeowners may be waiting on the sidelines until homebuying conditions become more favorable. And while the exact conditions for unleashing pent-up demand are unclear, the pace of homebuying demand could rise substantially when these conditions are met.

## Inside this Issue

1. Mortgage rates remain elevated, but have drifted downward (page 9)
2. Prepayment speeds have spiked recently (page 11)
3. Fewer than 10 percent of agency loans are refinancable (page 10)

## Homebuying Demand Declined as Mortgage Rates Rose



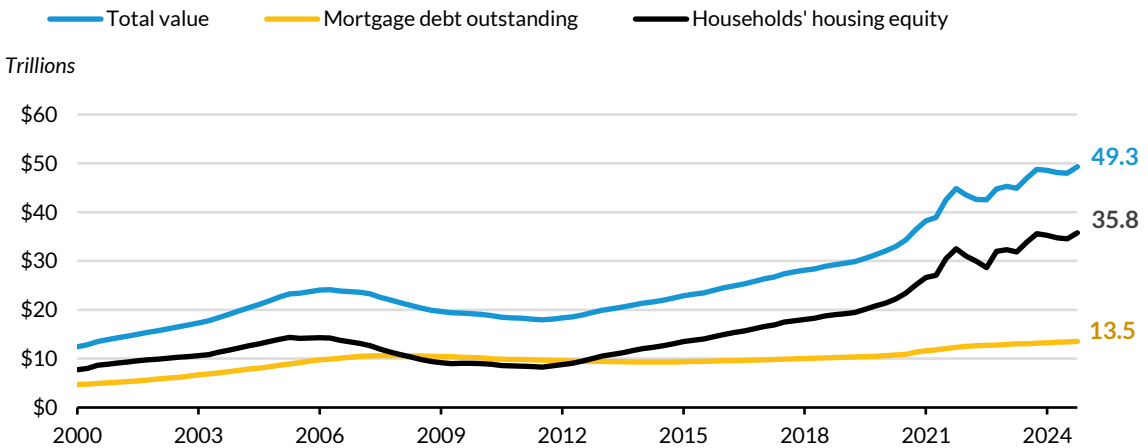
Source: Mortgage Bankers Association and Fannie Mae.

# OVERVIEW // MARKET SIZE OVERVIEW

From Q2 2024 to Q2 2025, the aggregate value of housing equity held by households expanded by 0.5, reflecting a 1.1 percent increase in aggregate home values and a 2.8 percent increase in mortgage debt outstanding. After 6 consecutive quarters of expanded housing equity held by household, the year-over-year change in mortgage debt outstanding has outpaced the change in aggregate home values in both Q1 and Q2 of 2025, limiting its growth.

In the second quarter of 2025, agency MBS accounted for 64.8 percent (\$9.4 trillion) of total mortgage debt outstanding, while home equity loans made up 4.0 percent (\$0.6 trillion) and private-label securities made up 3.5 percent (\$0.6 trillion). Unsecuritized first liens, both bank portfolio and other, compose the remaining 27.7 percent (\$4.1 trillion), with banks making up 18.3 percent (\$2.7 trillion), and other accounting for 9.4 percent (\$1.4 trillion). Of other, nondepositories accounted for 5.2 percent (\$0.8 trillion) of the total, and credit unions accounted for 4.2 percent (\$0.6 trillion) (not shown).

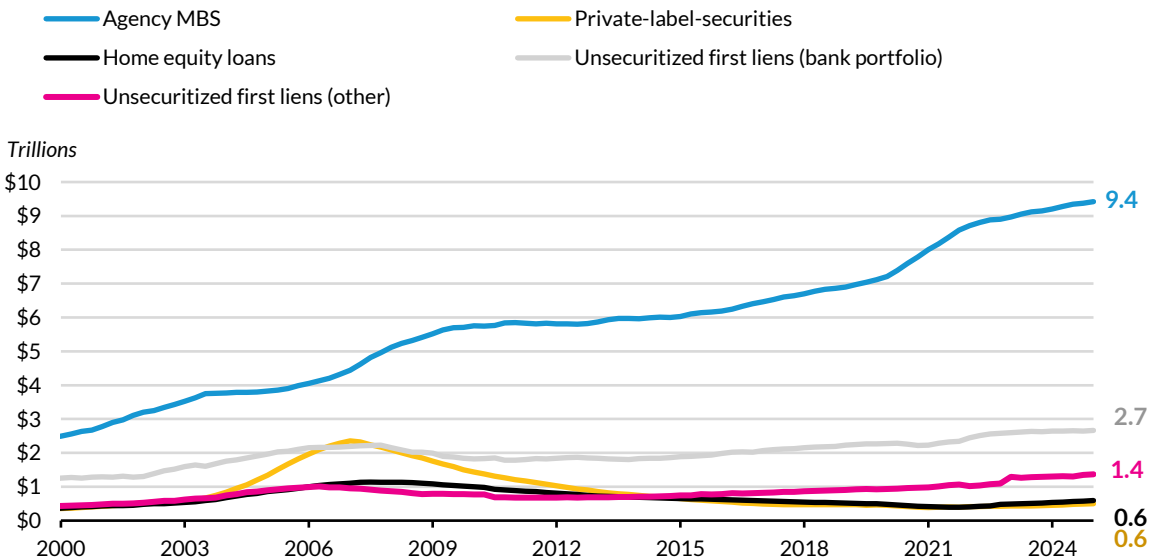
## Value of the US Single-Family Housing Market



Sources: Financial Accounts of the United States, table B.101, and the Urban Institute.

Notes: Data as of Q2 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.

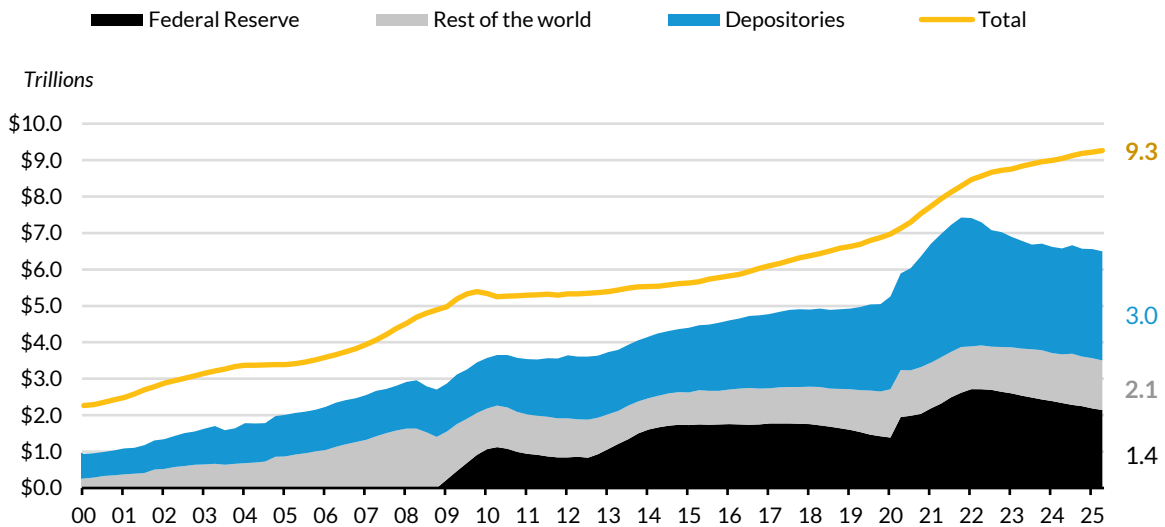
Notes: Data as of Q2 2025. Unsecuritized first liens (other) consists of mortgages not held on bank balance sheets and credit unions, nonprofits, nonfinancial business, insurance companies, pension funds, finance companies, trusts and federal, state and local government. All categories include investor-owned properties.

# OVERVIEW // MARKET SIZE OVERVIEW

In the second quarter of 2025, the three largest holders of the \$9.3 trillion in outstanding agency MBS are US depositories (\$3.0 trillion), the Federal Reserve (\$2.1 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 Q2 2024 to Q2 2025, Federal Reserve holdings are down 8.5 percent. Commercial bank holdings are up 3.0 percent and foreign investor holdings are up 2.5 percent over the past year. The combined amount among all other holders increased by 11.9 percent over the same period.

By the end of September 2025, outstanding securities in the agency market totaled over \$9.3 trillion according to loan-level data, 38.1 percent (\$3.6 trillion) of which belonged to Fannie Mae, 32.9 percent (\$3.1 trillion) to Freddie Mac, and 29.0 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.

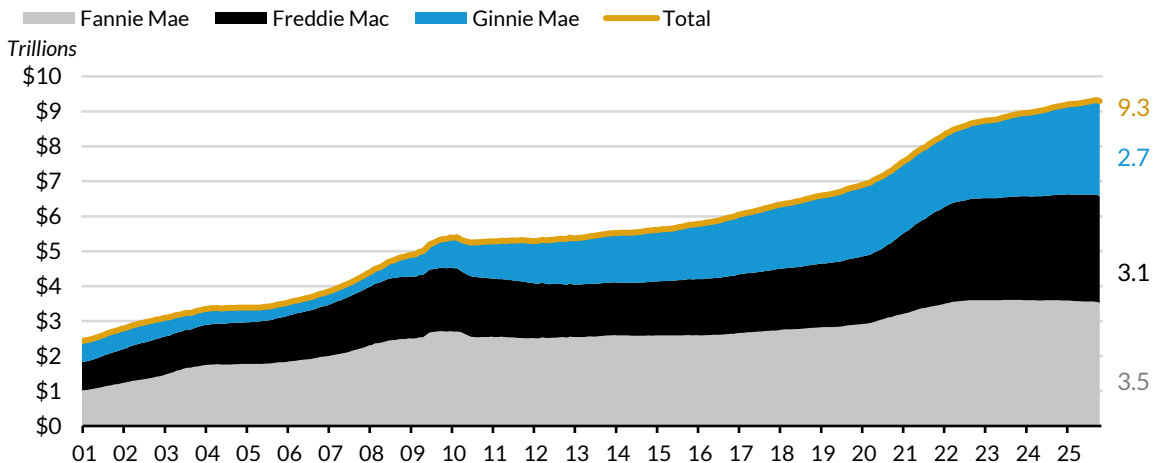
## Primary Holder of Agency MBS



**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 Q2 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



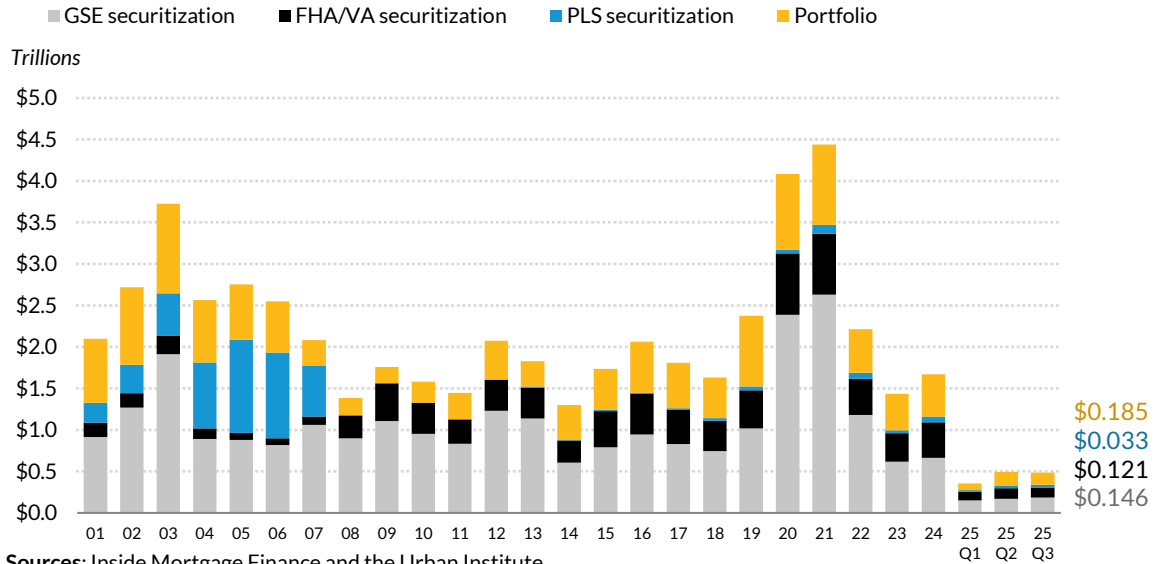
**Sources:** eMBS and the Urban Institute.

**Note:** Data as of October 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.

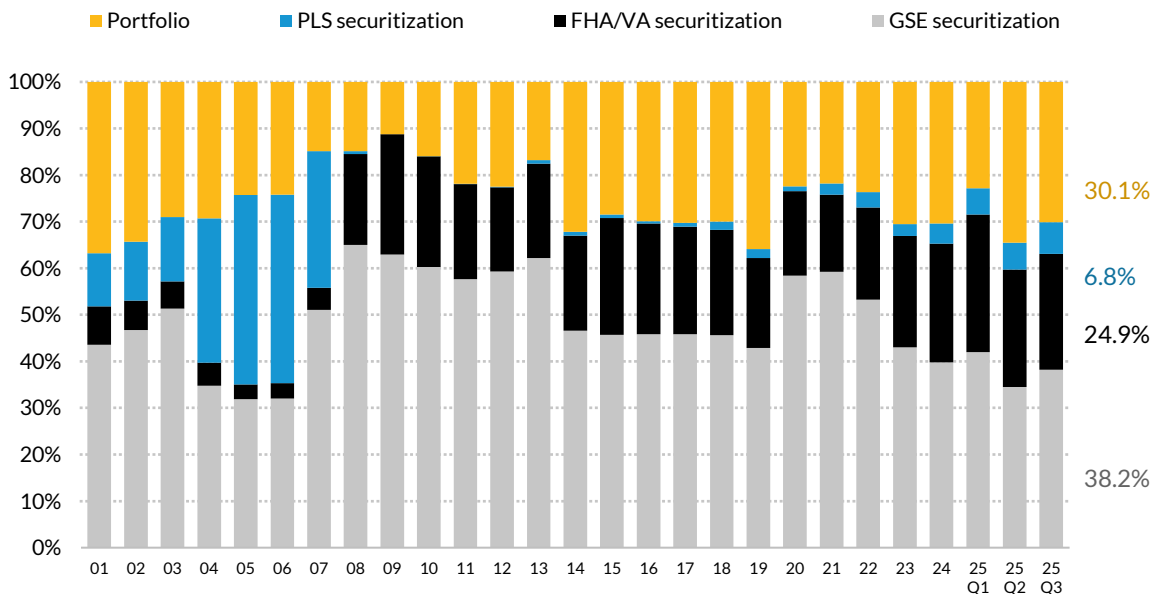
# OVERVIEW // ORIGATION VOLUME AND COMPOSITION

Total mortgage origination volume in Q3 2025 was approximately \$485 billion, 6.6 percent higher than a year ago in Q3 2024. Over this same period, all channels but the GSEs experienced an increase in volume. First-lien PLS securitization volume in Q3 2025 was \$33.1 billion, 73.5 percent greater than Q3 2024. FHA/VA securitization volume was \$120.7 billion, 7.1 percent greater than a year ago while Portfolio volume was \$146.0 billion in 2025 Q2, 6.2 percent higher than a year ago. Meanwhile, the volume of GSE securities originated in Q3 2025 was \$185.2 billion, 0.3 percent lower than in Q3 2024. In response to these year-over-year changes in securitized first-lien originations, the GSE share of all securitized originations fell by 2.7 percentage points to 38.2 in Q3 2025. FHA/VA and PLS securitizations made up greater shares of first-lien originations over the same period, increasing 0.1 and 2.6 percentage points, respectively, to 24.9 and 6.8 percent. Since the four-quarter growth in Portfolio originations lagged the overall average, then the Portfolio share fell slightly, by 0.1 percentage points to 30.1 percent.

## Volume of Securitized First-Lien Originations



## Composition of Securitized First-Lien Originations



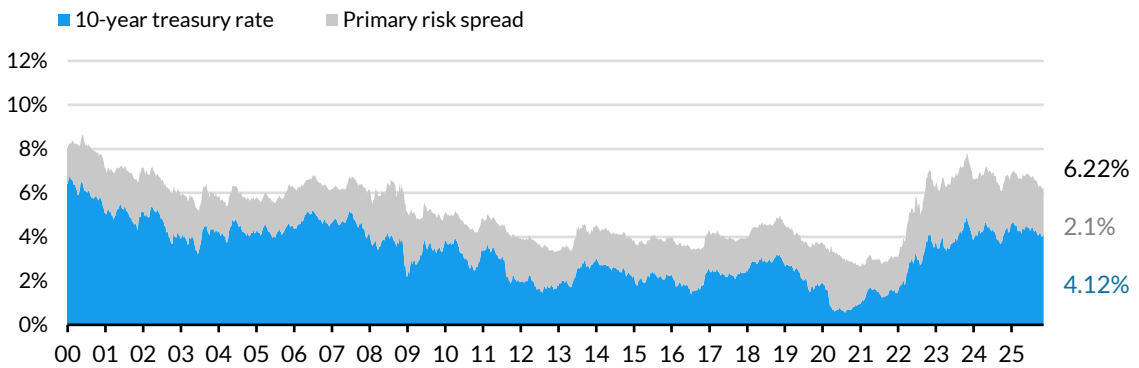
# OVERVIEW // MORTGAGE INTEREST RATES

While 30-year fixed rate mortgages have a shorter duration than the 10-year Treasury Note, analysts typically decouple mortgage rates into the 10-year Treasury rate and the residual between the 30-year mortgage rate and 10-year Treasury Note rate, the primary mortgage market spread. The primary mortgage market spread has been elevated relative to its historical average of 1.76 percent. The 30-year fixed rate mortgage has drifted modestly lower. Since the end of May, the 30-year fixed rate mortgage has fallen by 66 basis points, from 6.89 percent to 6.22 percent. The decline in mortgage rates reflects 31 basis point decline in the 10-Year Treasury Note rate, from 4.44 percent to 4.12 percent. Over the same period the primary mortgage risk premium fell by an additional 35 basis points, from 2.45 percent to 2.1 percent. Growing expectations of monetary policy easing may be helping to reduce both the 10-Year Treasury Note rate and the primary risk premium.

Mortgage rates remain elevated, limiting affordability overall. In recent weeks, the ARM share has declined modestly as the yield curve has remained mostly flat, slightly decreasing the differential between ARMs and fixed-rate mortgages.

## 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 November 7, 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.

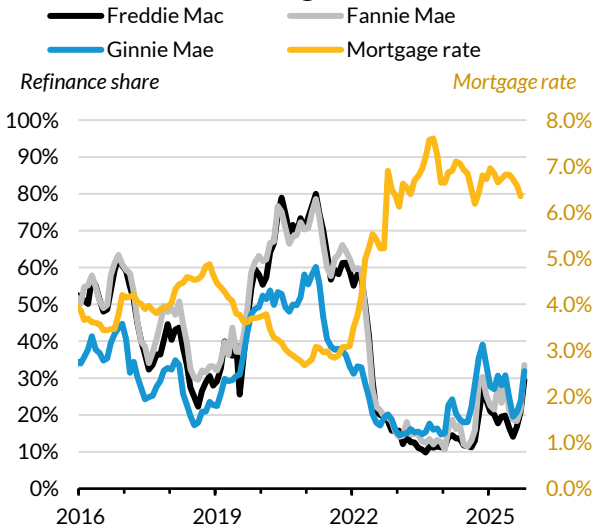
**Notes:** Includes purchase and refinance applications. Data updated through November 7, 2025.

# OVERVIEW // REFINANCABLE MORTGAGES

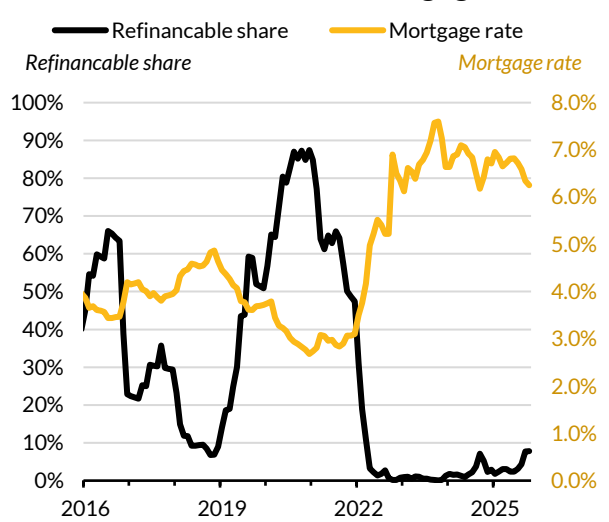
Since November 2024, the refinance percentage at issuance (refi share) has largely declined. Meanwhile, mortgage rates have remained elevated since September 2024. Refinance originations reflect mortgage rates from six to eight weeks earlier.

The refinance share is low largely because only 7.8 percent of loans are refinancable (have a contract rate at least 50 basis points lower than the prevailing market 30-year fixed-rate mortgage rate) as of September 2025. The lack of refinancability reflects the fact that 82.2 percent of outstanding agency borrowers have a rate 6.0 percent or lower (25 basis points below the 6.25 percent mortgage rate) and would receive a sizeable rate increase from refinancing. But as rates have drifted lower since the summer, both the refi share and the share refinancable have ticked up.

## Refinance Percentage at Issuance



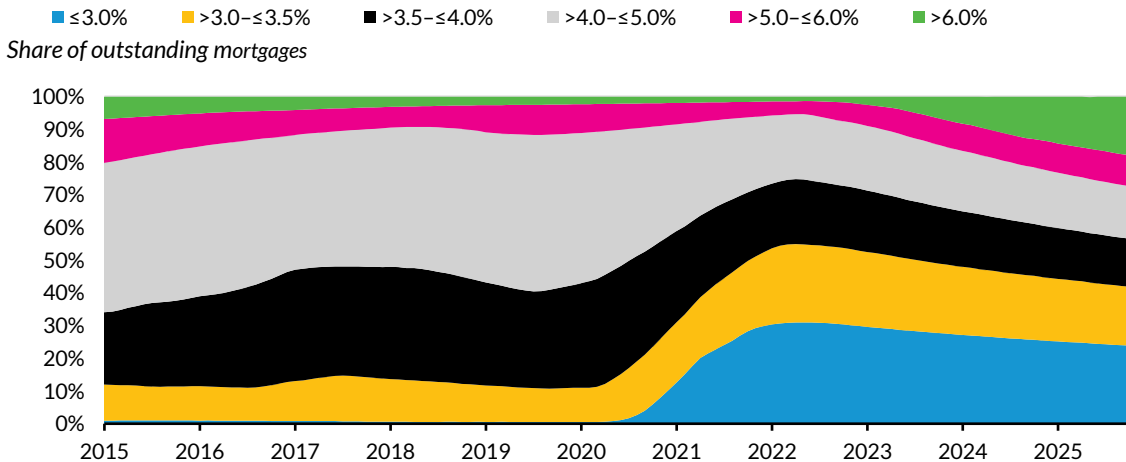
## Refinancable Share of Mortgages



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

Notes: Data as of October 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



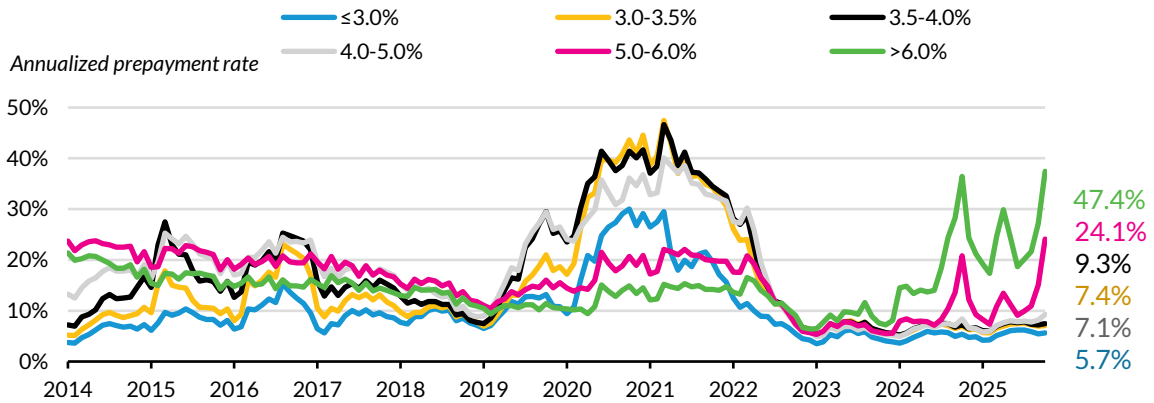
Sources: eMBS, Freddie Mac, and Urban Institute calculations.

Note: Data as of October 2025.

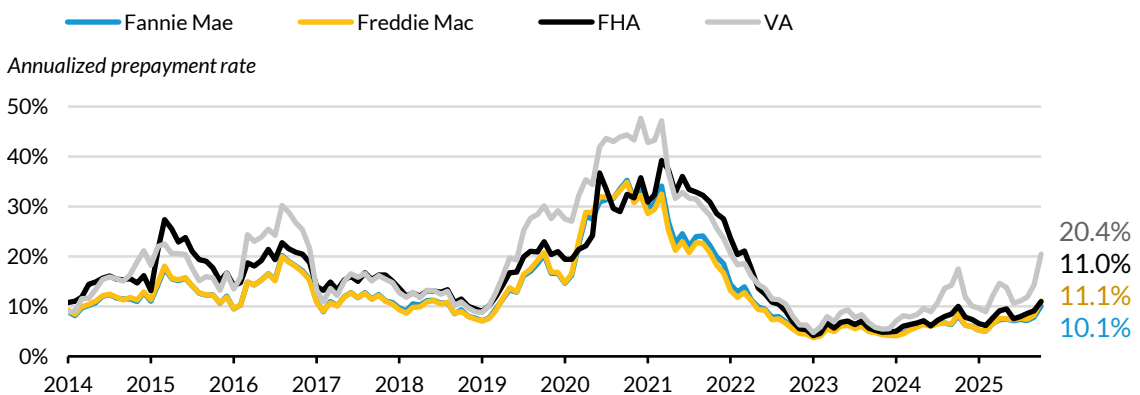
# OVERVIEW // PREPAYMENT SPEEDS

Although the refinance share is low, limited by the large share of borrowers with rates below 6.0 percent, there is some variation by loan characteristics. Prepayment speeds, which largely reflect refinanced loans, are higher for loans originated since 2022, loans with a mortgage rate exceeding 5.0 percent and VA loans. However, these prepayment speeds have fluctuated dramatically compared to historical norms. The recent drop in mortgage rates should result in some increase in refinancing activity, as the relatively few borrowers who have mortgage rates high enough to benefit from refinancing, largely those that purchased their home in recent years, choose to do so.

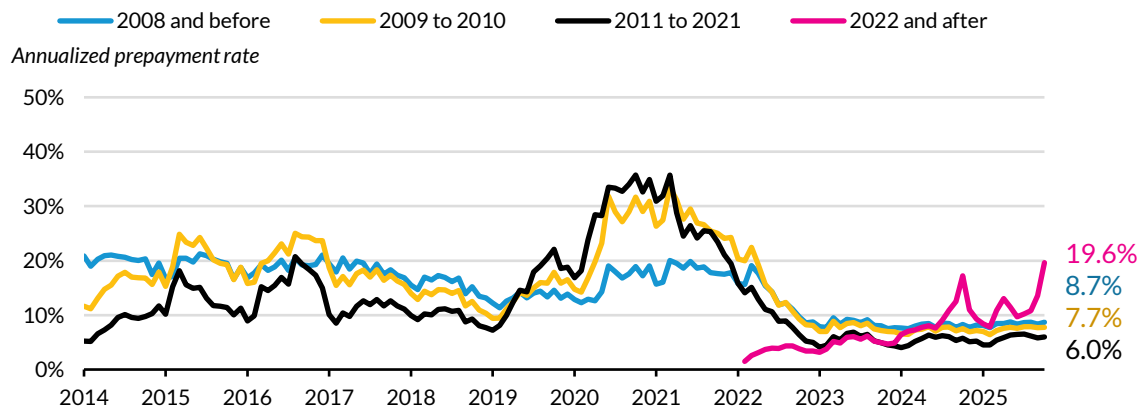
## Prepayment Rates, by Note Rate



## Prepayment Rates, by Agency



## Prepayment Rates, by Vintage



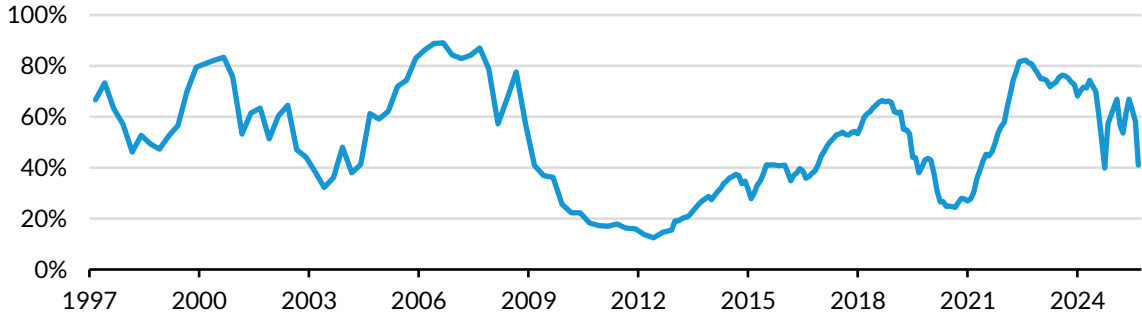
Source: Recursion Co. data as of October 2025.

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 primary reason to refinance is to take out equity. Amid elevated interest rates, 41.0 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.

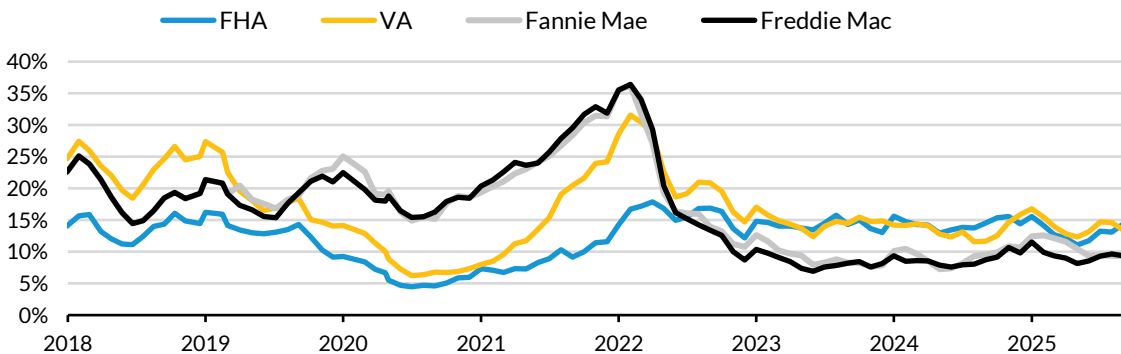
## Cash-Out Share of Conventional Refinances



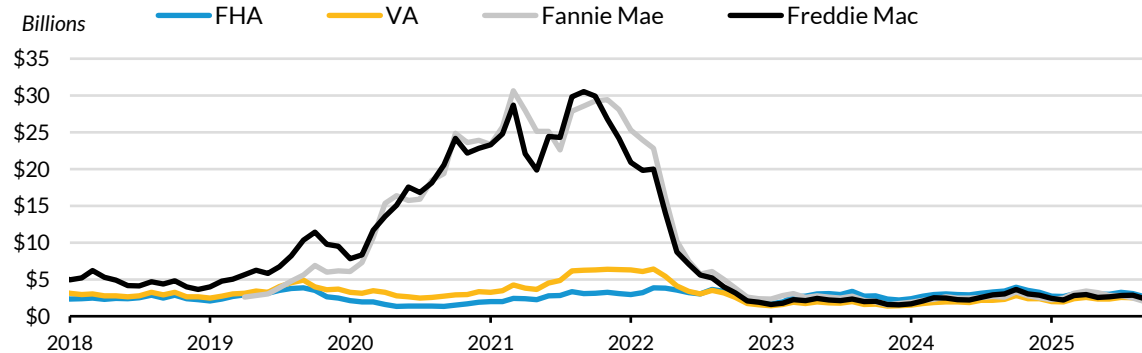
Sources: Freddie Mac, eMBS and Urban Institute.

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 September 2025.

## Cash-Out Refinance Share of All Originations



## Cash-Out Refinance Volume, by Agency



Sources: eMBS and the Urban Institute.

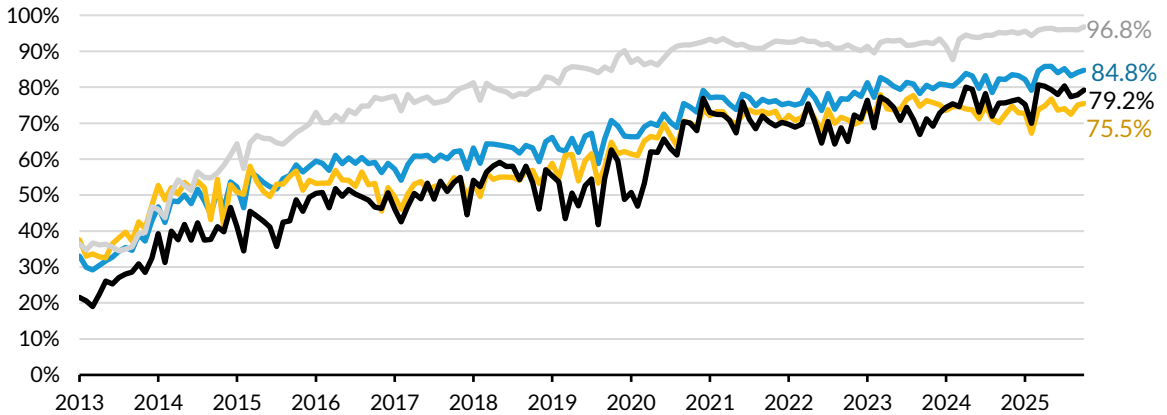
Notes: Data as of September 2025. Fannie Mae started reporting cash-out volume in 2018.

# OVERVIEW // AGENCY NONBANK ORIGINATION SHARE

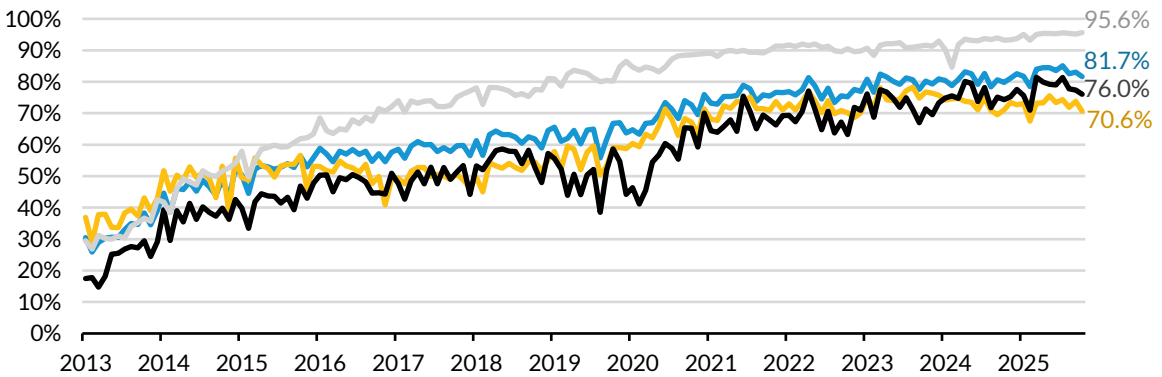
Most agency refinances, like agency purchase loans, are originated by nonbanks. As a result, the nonbank share across all agency originations, refinance and purchase loans, sits at 84.8 percent as of October 2025. The nonbank share of all agency loans has risen steadily since 2013. The Ginnie Mae nonbank share (96.8 percent in October 2025) has been consistently higher than the GSE share. Fannie Mae and Freddie Mac had nonbank shares of 79.2 and 75.5 percent, respectively.

— All      — Fannie Mae      — Freddie Mac      — Ginnie Mae

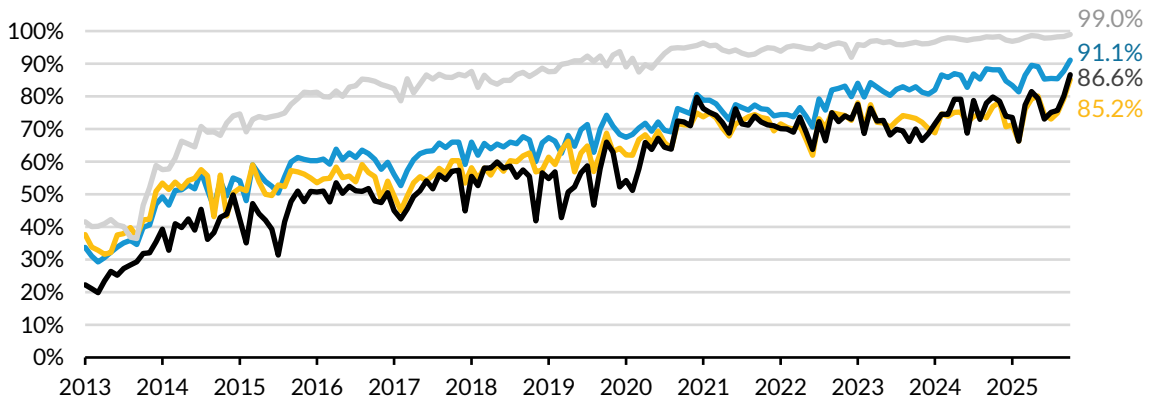
## Nonbank Origination Share: All Loans



## Nonbank Origination Share: Purchase Loans



## Nonbank Origination Share: Refinance Loans



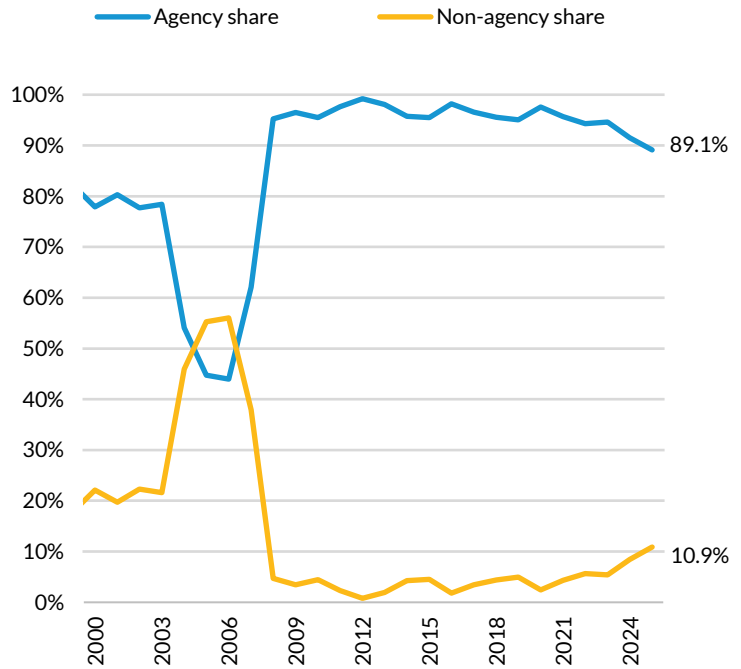
Sources: eMBS and Urban Institute.

Note: Data as of October 2025.

# OVERVIEW // SECURITIZATION VOLUME AND COMPOSITION

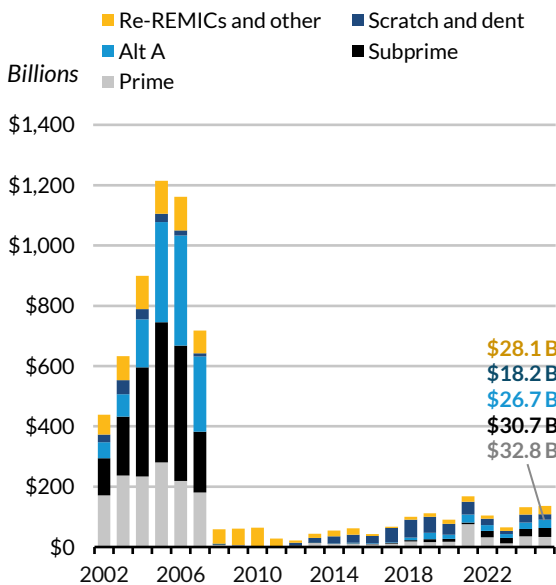
## Agency and Non-agency Share of Residential MBS Issuance

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 10.9 percent in 2025 through October (and a corresponding decline in the agency share), but still below its housing boom peak. Through the third quarter of 2025, the total volume of non-agency issuance reached \$135 billion, 44.3 percent higher than issuance through the third quarter of 2024. Monthly non-agency securitization has been trending upward since the end of 2022.



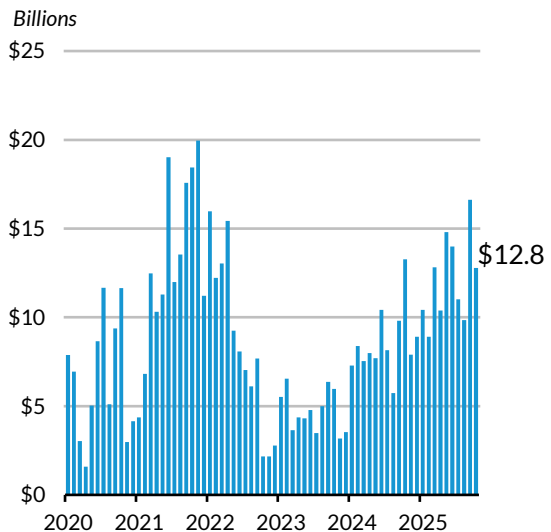
Sources: Inside Mortgage Finance and the Urban Institute.  
Notes: Monthly non-agency volume is subject to revision. Data through October 2025.

## Non-Agency MBS Issuance



Sources: Inside Mortgage Finance and the Urban Institute.  
Note: Data through Q3 2025.

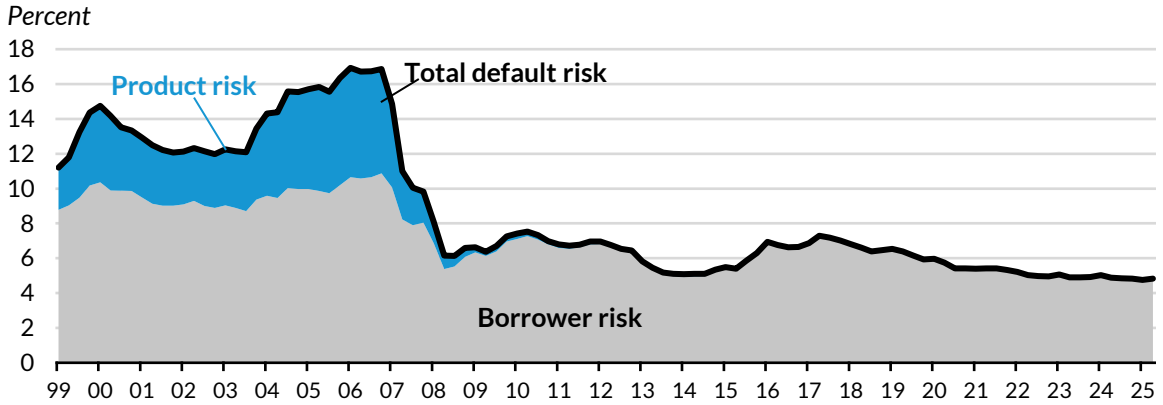
## Monthly Non-Agency Securitization



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

# CREDIT BOX // HOUSING CREDIT AVAILABILITY INDEX

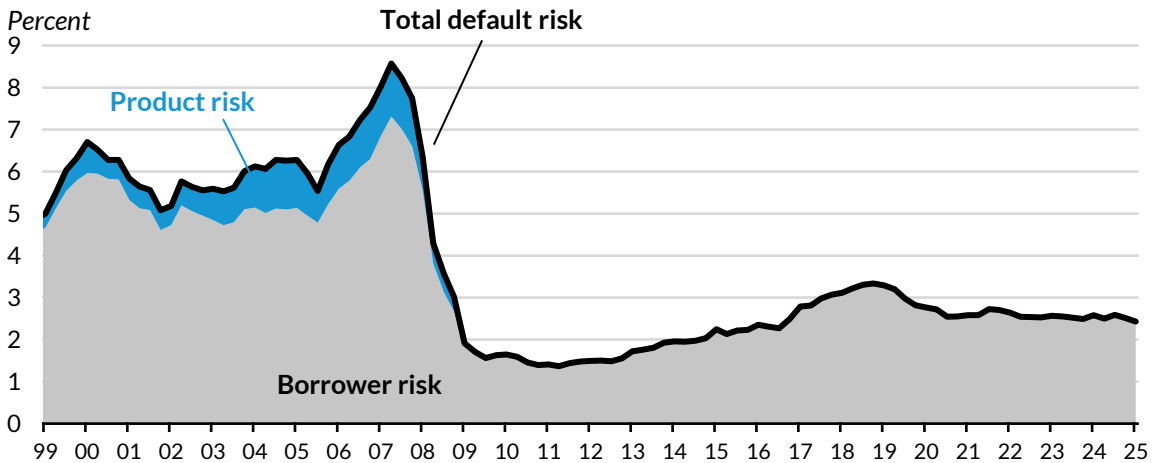
The Urban Institute’s Housing Credit Availability Index (HCAI) assesses lenders’ tolerance for both borrower risk and product risk. Across the whole market, it stands at 4.83 percent in Q2 2025, up slightly from 4.76 percent in Q1 2025 and down from 4.89 percent in Q2, 2024, a 6 basis point decline. Lower default risk overall reflected a 12.6 percent year-over-year 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 Q4 2018, the total risk taken by the GSE channel more than doubled, from 1.4 percent to 3.3 percent. This is still very modest by pre-crisis standards. However, in the ensuing years, the total risk through the GSE channel has broadly declined. And in Q2 2025, credit availability stood at 2.41 percent, down 9 basis points from its Q2 2024 level.

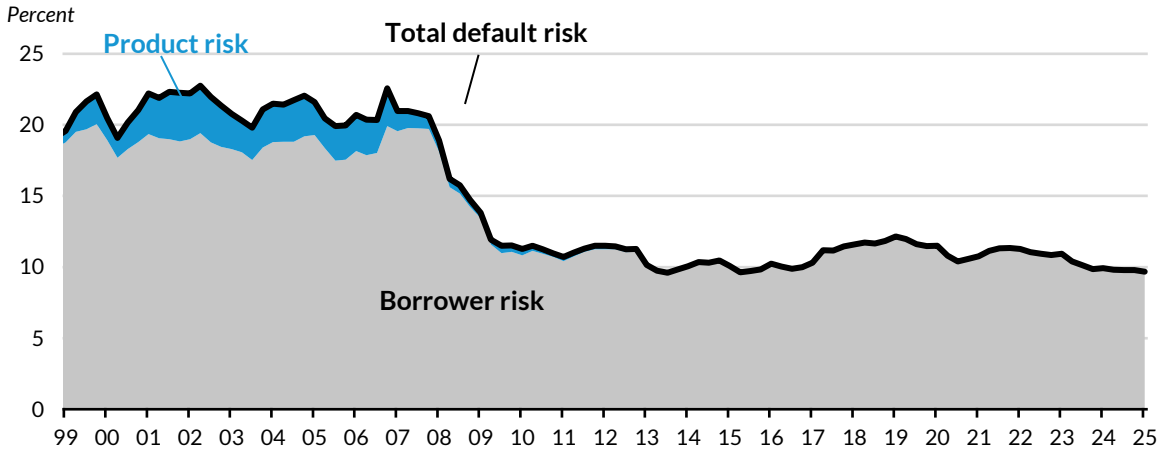


Sources: eMBS, CoreLogic, Home Mortgage Disclosure Act data, Inside Mortgage Finance, and the Urban Institute.

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

## Government Channel

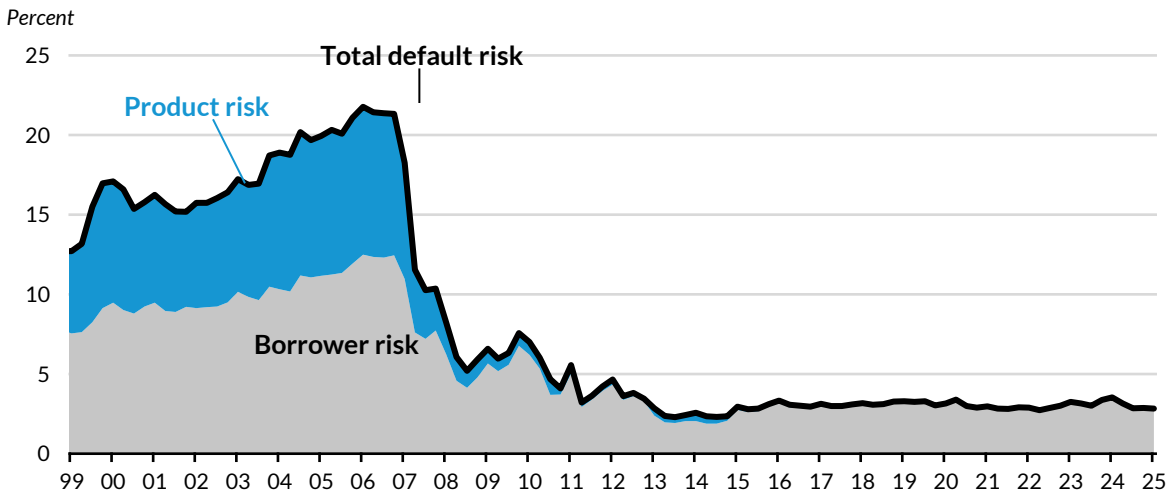
The total default risk the government loan channel is willing to take bottomed out at 9.6 percent in Q3 2013. It fluctuated in a narrow range at or above that number for three years. In the eleven quarters from Q4 2016 to Q1 2019, the risk in the government channel increased significantly from 9.9 to 12.1. In subsequent years, the risk in the government channel has largely declined, reaching 9.8 percent in Q2 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 2.8 percent in Q2 2025. This represents a 0.4 percentage point tightening from 3.2 percent in Q2 2024.



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

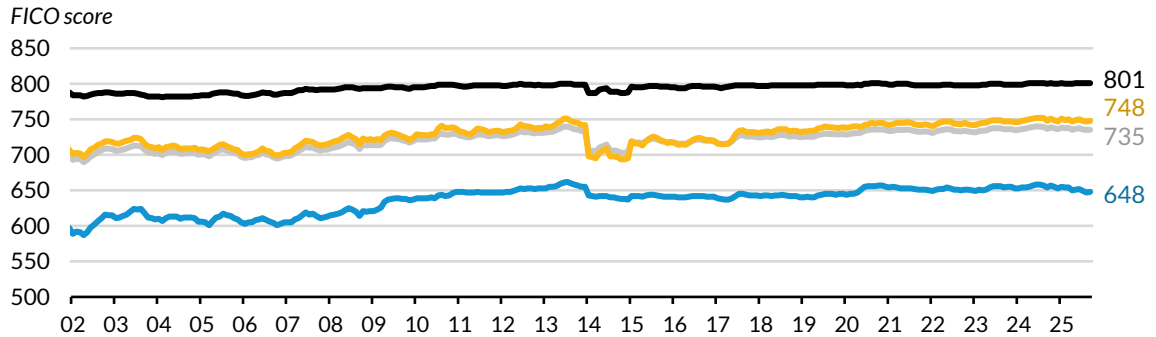
Notes: Default is defined as 90 days or more delinquent at any point. Last updated for Q2 2025.

# CREDIT BOX // CREDIT AVAILABILITY FOR PURCHASE LOANS

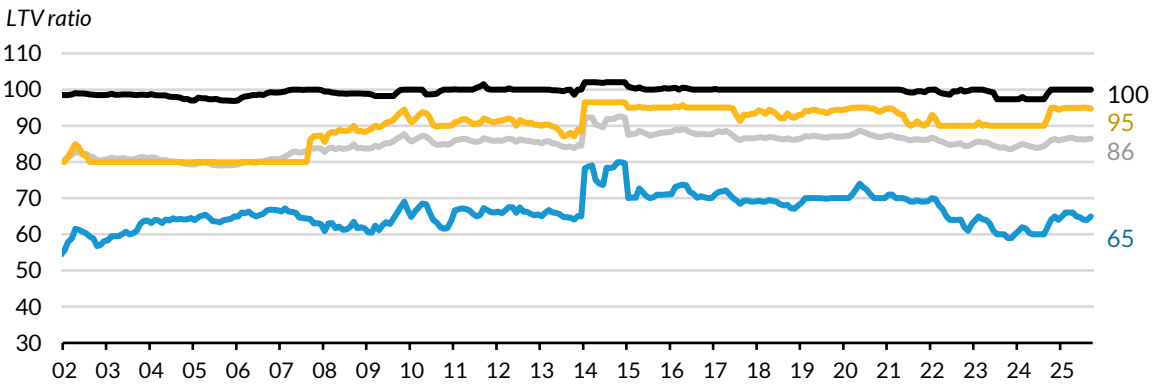
Changes in key loan characteristics can help us assess credit standards. Since 2021, interest rates and home prices have both risen. As a result, borrowers are seeking loans requiring smaller down payments (e.g. higher loan-to-value (LTV) ratios) and must use more of their income for debt service, reflected in increasing debt-to-income (DTI) ratios. Median LTVs have risen from 91 in December 2021 to 95 as of August 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 in August 2025. Over roughly the same period, average FICO scores across the entire score population have remained roughly flat.

— Mean — 90th percentile — Median — 10th percentile

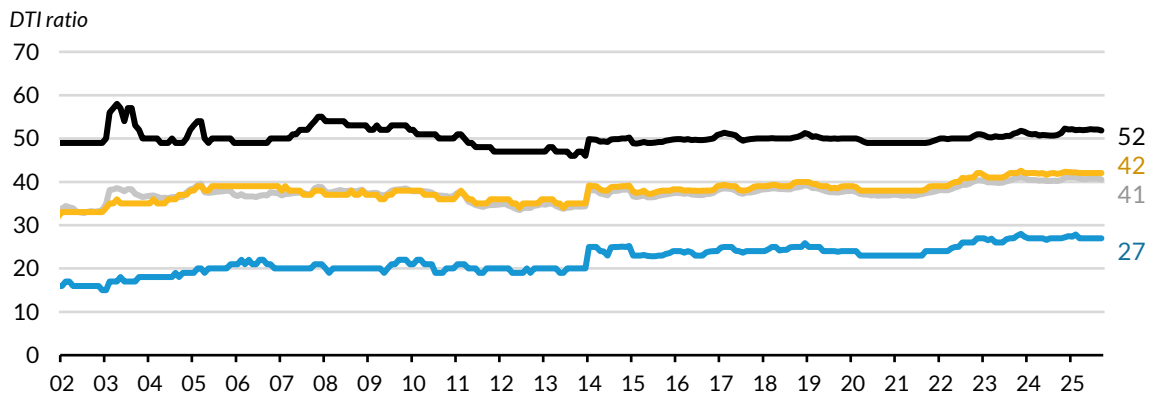
## Borrower FICO Score at Origination



## 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 September 2025.

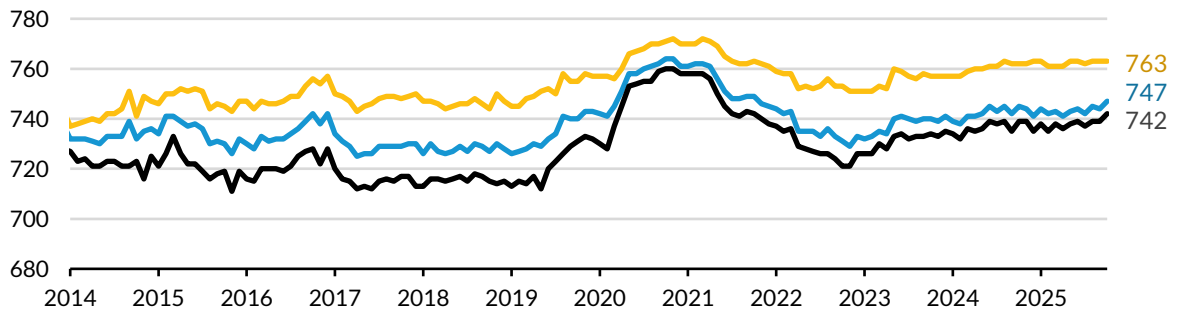
# CREDIT BOX // AGENCY NONBANK CREDIT BOX

When we look at all agency loans (rather than purchase only on the page 17), 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. However, credit scores have increased since 2018, which was also a period of relatively high rates and low refinance activity. Since mid-2024, the median credit score on agency loans has stayed within a range of 741 to 747 (compared to a range of 726 to 730 in 2018). Similarly, bank and nonbank median credit scores have both stabilized to 761 to 763 for bank (higher than 744 to 748 in 2018) and 735 to 742 for nonbank (higher than 713 to 717 in 2018).

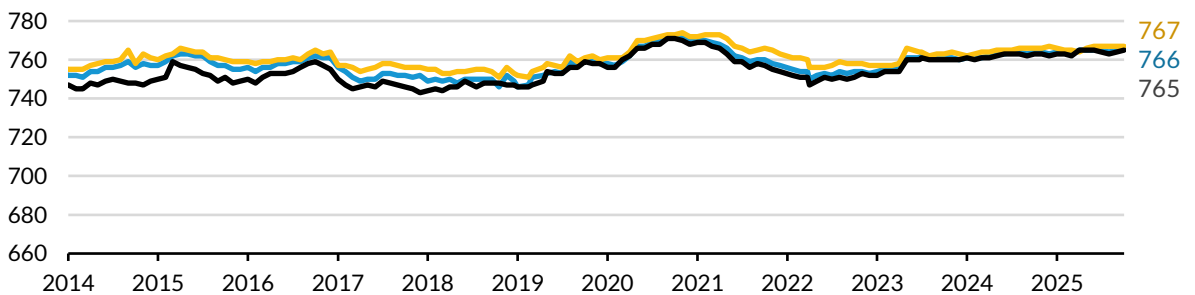
For GSE loans, the difference between the median FICO score on nonbank and bank loans stood at 2 points in October 2025. For Ginnie Mae loans, the difference was 20 points. Overall, the gap between agency bank and nonbank FICO scores was 21 points in October 2025. This reflects the sharp cutback in FHA lending by banks in post-2008, banks now compose only 3.2 percent of Ginnie Mae originations (page 13).

— All Median FICO — Bank Median FICO — Nonbank Median FICO

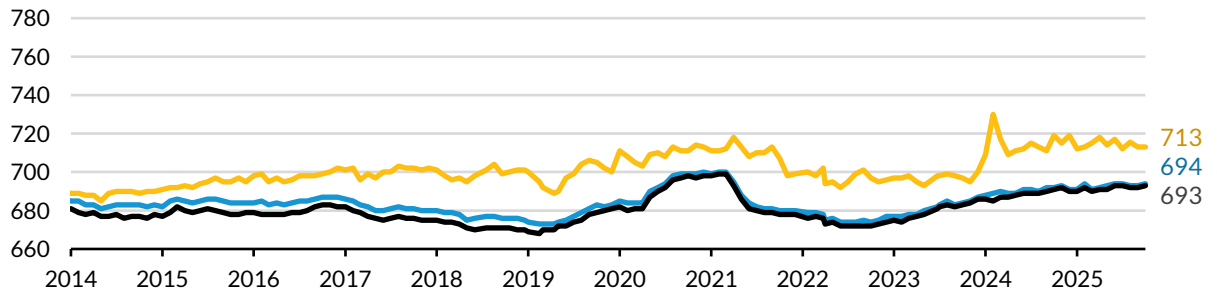
## Agency FICO Scores: Bank versus Nonbank



## GSE FICO Scores: Bank versus Nonbank



## Ginnie Mae FICO Scores: Bank versus Nonbank



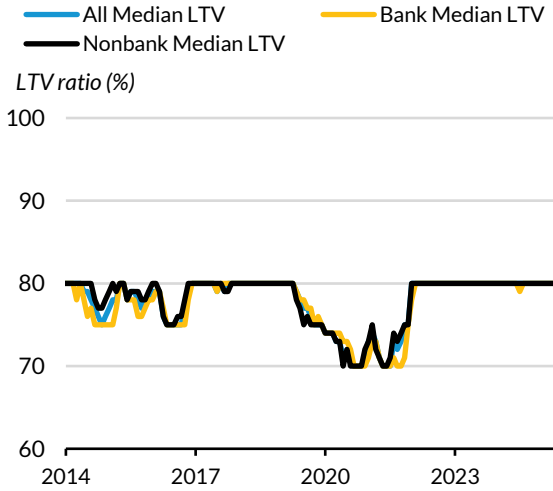
Sources: eMBS and the Urban Institute.

Note: Data as of October 2025.

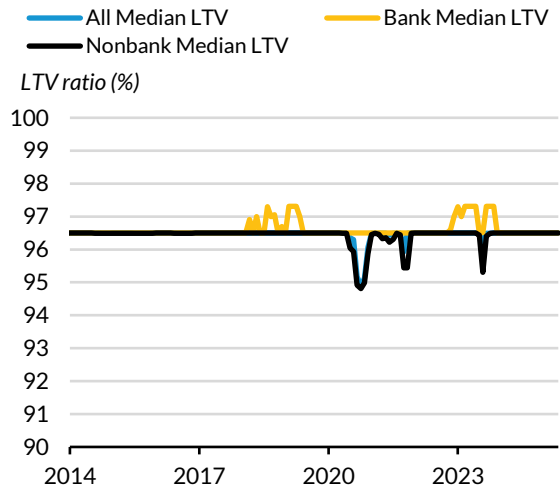
# CREDIT BOX // AGENCY NONBANK CREDIT BOX

Across agency loans, LTVs have remained stable since mid-2022 for GSE and May 2024 for Ginnie loans. Between December 2021 and October 2025, the median LTV on GSE loans rose 9 percentage points to 80 percent, with LTVs on loans originated by banks and nonbanks largely tracking each other. However, despite some small variation, LTVs on Ginnie loans were largely flat over the same 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.

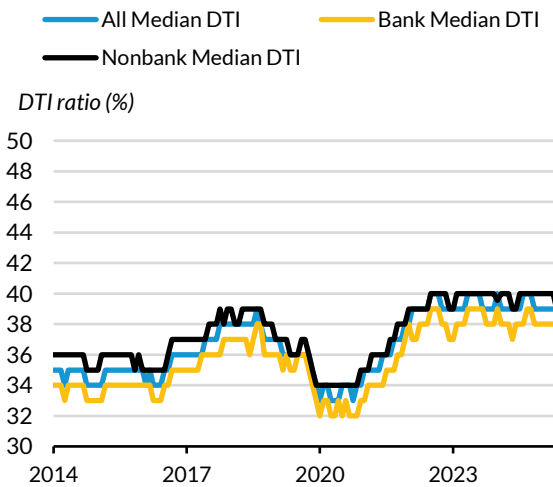
## GSE LTV Ratios: Bank versus Nonbank



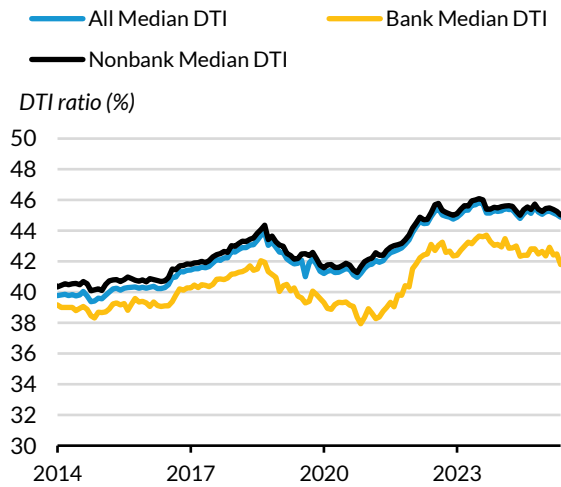
## Ginnie Mae LTV Ratios: Bank versus Nonbank



## GSE DTI Ratios: Bank versus Nonbank



## Ginnie Mae DTI Ratios: Bank versus Nonbank

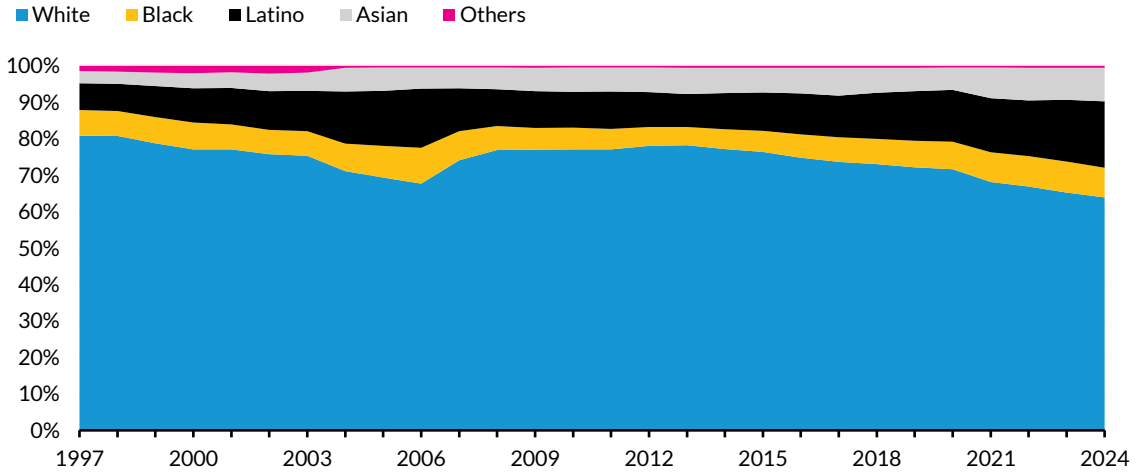


Sources: eMBS and the Urban Institute.  
 Note: Data as of October 2025.

# 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).

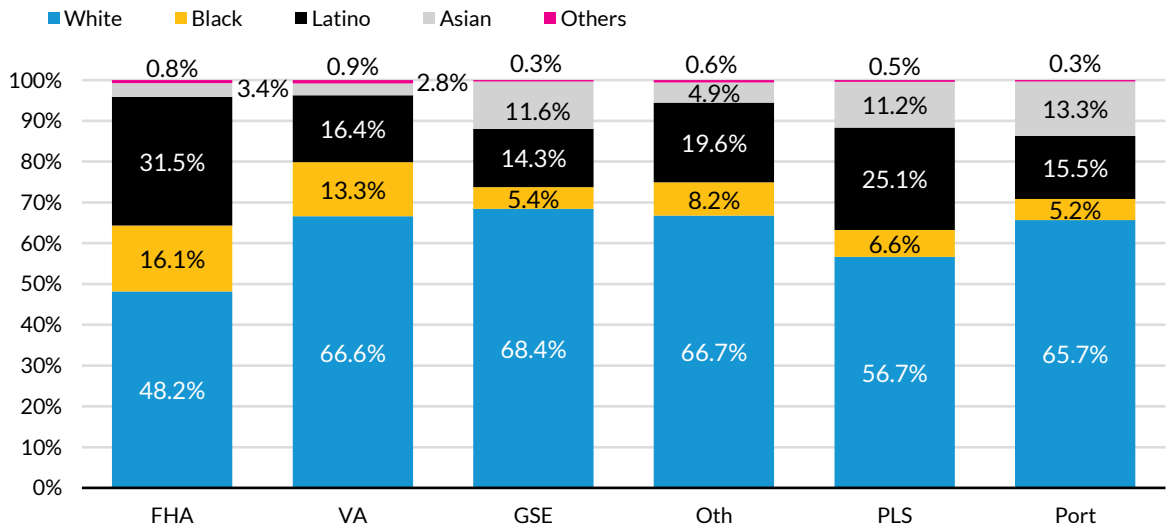
## 2024 Purchase Loan Shares, by Race or Ethnicity



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

Originations rose in Q2 2025 from Q1 levels; however, this increase partly reflects seasonality given the importance of the Spring season to housing activity. Industry forecasters project origination volume for full year 2025 is expected to continue its recovery from its 2023 lows, and forecasters project originations to continue rising in 2026, due in part to forecasts of lower mortgage rates and increased refinance activity.

## Total Originations and Refinance Shares

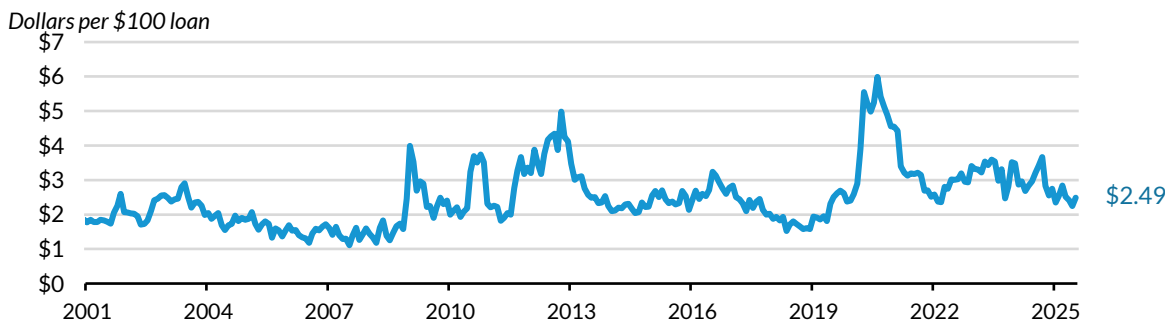
Period	Originations (\$ Billions)		Refinance Share (Percent)	
	Total, FNMA estimate	Total, MBA estimate	FNMA estimate	MBA estimate
2025 Q1	371	384	25	32
2025 Q2	508	515	25	32
2025 Q3	488	565	21	36
2025 Q4	513	586	33	45
2026 Q1	464	546	41	41
2026 Q2	635	569	34	36
2026 Q3	634	566	34	34
2026 Q4	608	517	38	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	1,684	1,685	23	21
2025	1,880	2,050	26	37
2026	2,341	2,198	36	37

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

Note: Fannie Mae and MBA forecasts as of October 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 July 2025, Originator Profitability and Unmeasured Costs (OPUC) was \$2.49 per \$100 loan, up from \$2.25 in June. 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 July 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 and 2025 year-to-date, real housing activity has remained low. Amid higher mortgage rates, the table below indicates that home sales in 2024 were largely flat to 2023 levels and new housing starts were lower compared to 2023. Looking forward, industry forecasters on balance anticipate that by the end of 2025, both home sales and housing starts will remain steady. But while home sales are expected to rise over 2026, housing starts will remain stagnant. In recent years, the months' supply of existing homes has increased from very low levels.

### Months' Supply



Sources: National Association of Realtors and the Urban Institute.

Note: Data as of October 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	1,367	1,368	4,746	4,761	4,357
2025	1,351	1,359	1,348	4,730	4,802	4,780
2026	1,317	1,310	1,346	5,077	5,099	5,143

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

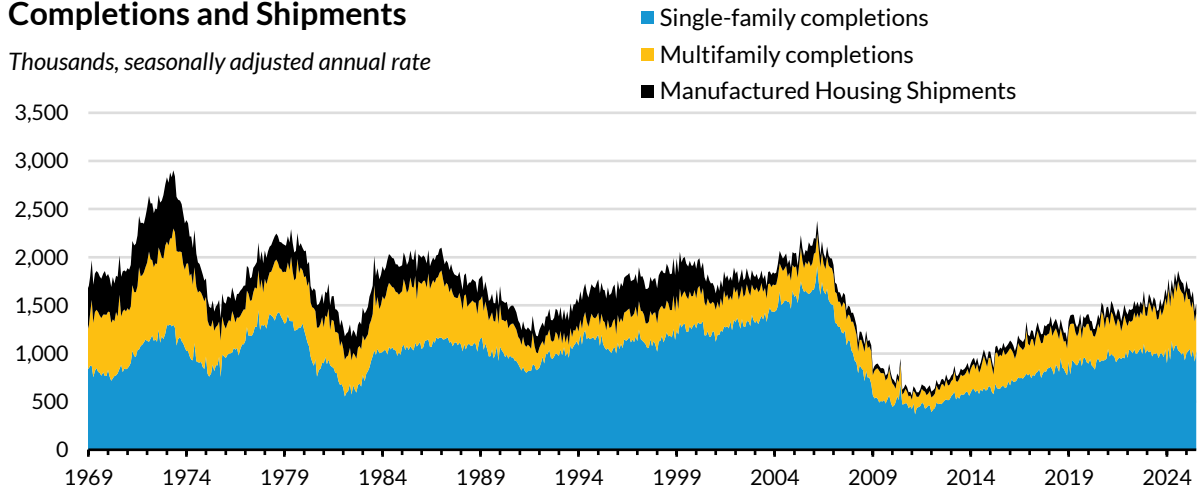
# STATE OF THE MARKET // NEW RESIDENTIAL PRODUCTION

New residential production—including single-family and multifamily completions, as well as manufactured housing shipments—reached a seasonally adjusted annual rate of 1.52 million units in July 2025. Since reaching a low of 565,000 units in January 2011, new production has risen 169 percent. But current production is still 36 percent lower than the peak March 2006 level of 2.38 million units. In July 2025, single-family completions were 47 percent lower than the March 2006 peak of 1.91 million units. Multifamily completions are 4 percent greater than their level in March 2006 but have declined by 40 percent since a recent peak in June 2024.

Among multifamily completions, 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

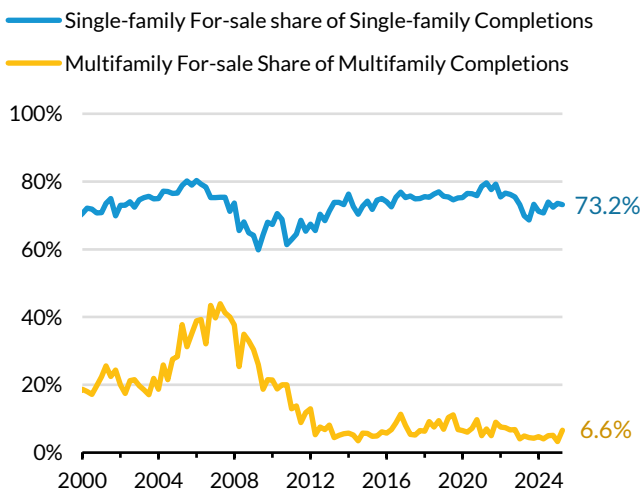
Thousands, seasonally adjusted annual rate



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

July 2025

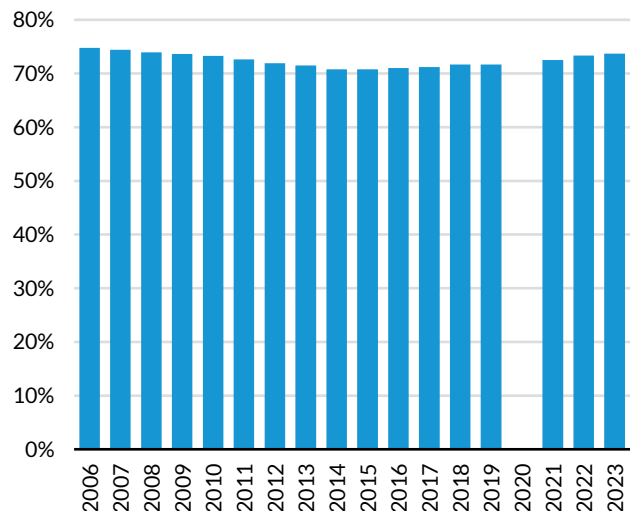
## Share of Residential Completions Built For Sale



Sources: US Census Bureau and Urban Institute calculations.

Note: Data as of Q2 2025

## Owner-Occupied Share of Occupied Manufactured Homes



Source: 1-year American Community Survey data 2006-2023.

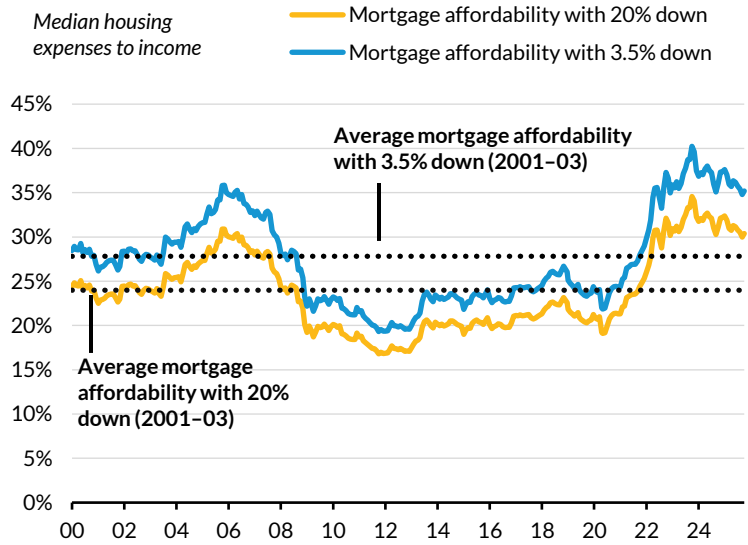
Note: Data are not available for 2020 because of low response rates during the pandemic.

# STATE OF THE MARKET // HOUSING AFFORDABILITY

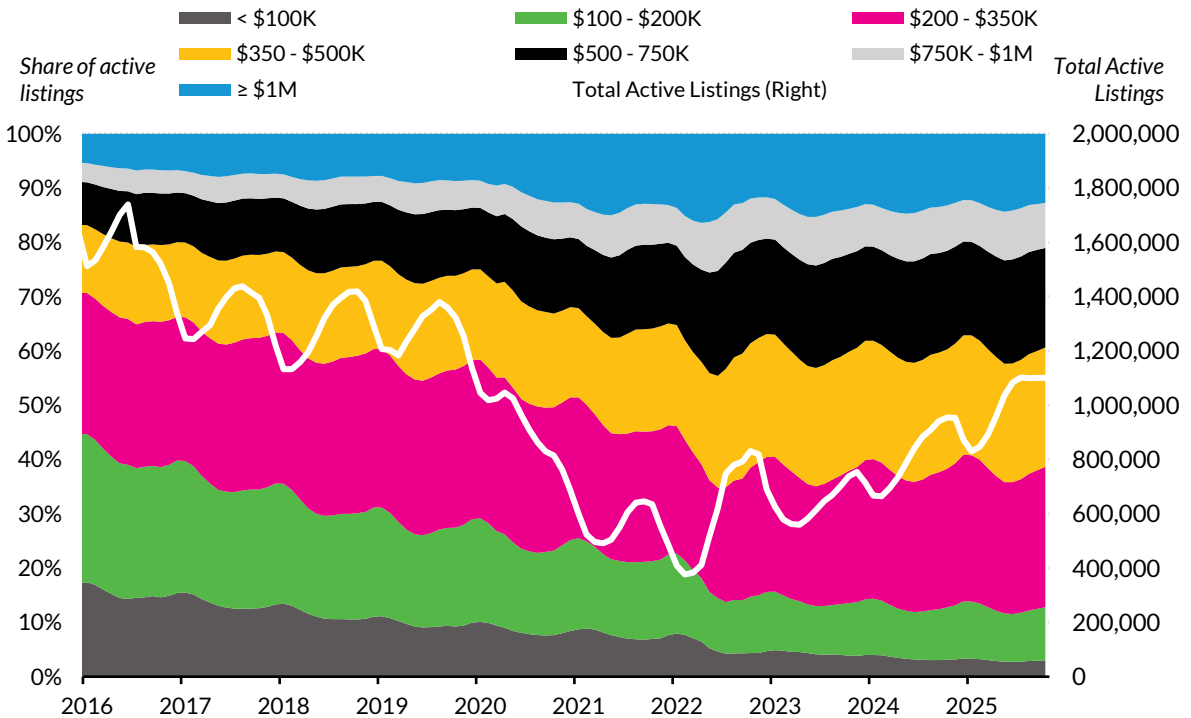
## National Mortgage Affordability over Time

Mortgage affordability remains poor, but as home values have flatlined and mortgage rates have fallen, affordability has shown signs of improvement. As of October 2025, with a 20 percent down payment, the share of median income needed for the median monthly mortgage payment was 30.4 percent, slightly below the peak of the housing bubble in November 2005; and with 3.5 percent down, the housing cost burden is 35.2 percent, also just below the 35.8 percent peak in November 2005.

Amid low homebuyer affordability, active listings have broadly increased since 2022 and currently sit at levels that prevailed just prior to COVID, potentially shifting the for-sale market closer to one that favors homebuyers. However, while the for-sale inventory has expanded from series lows, it remains below levels that prevailed a decade ago.



## Active Listings, by Price Tier, over Time

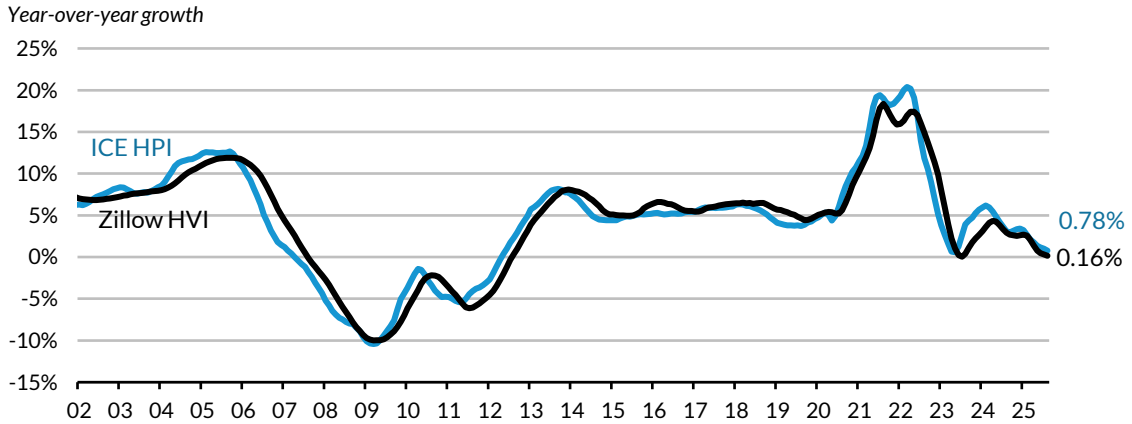


**Sources:** National Association of Realtors, the US Census Bureau, the Current Population Survey, the American Community Survey, Moody's Analytics, the Freddie Mac Primary Mortgage Market Survey, Realtor.com, and the Urban Institute.

**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 October 2025.

## National Year-Over-Year HPI Growth

While house prices likely remain supported by the lack of supply, home price appreciation has slowed appreciably over the past month, as demonstrated by two key measures of home price indices. According to ICE Mortgage Technology’s repeat sales index, year-over-year home price appreciation was 0.78 percent in August 2025, down from the previous month’s 0.98 percent. Year-over-year home price appreciation, as measured by Zillow’s hedonic home value index, is 0.16 percent in August 2025, down from 0.29 percent in July.

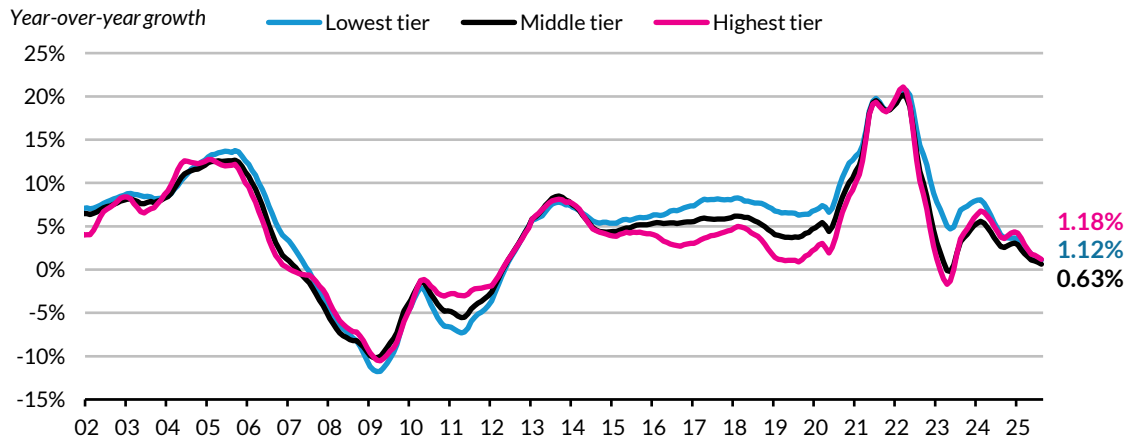


Sources: ICE Mortgage Technology, Zillow, and the Urban Institute.

Notes: ICE modified the methodology behind its HPI in February 2021, resulting in changes to historic price estimates. Data as of August 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 than higher priced properties. Higher interest rates not only delay homebuying, lowering overall demand, but they can also reduce the property price affordable to the homebuyer. This shifts 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 August 2025.



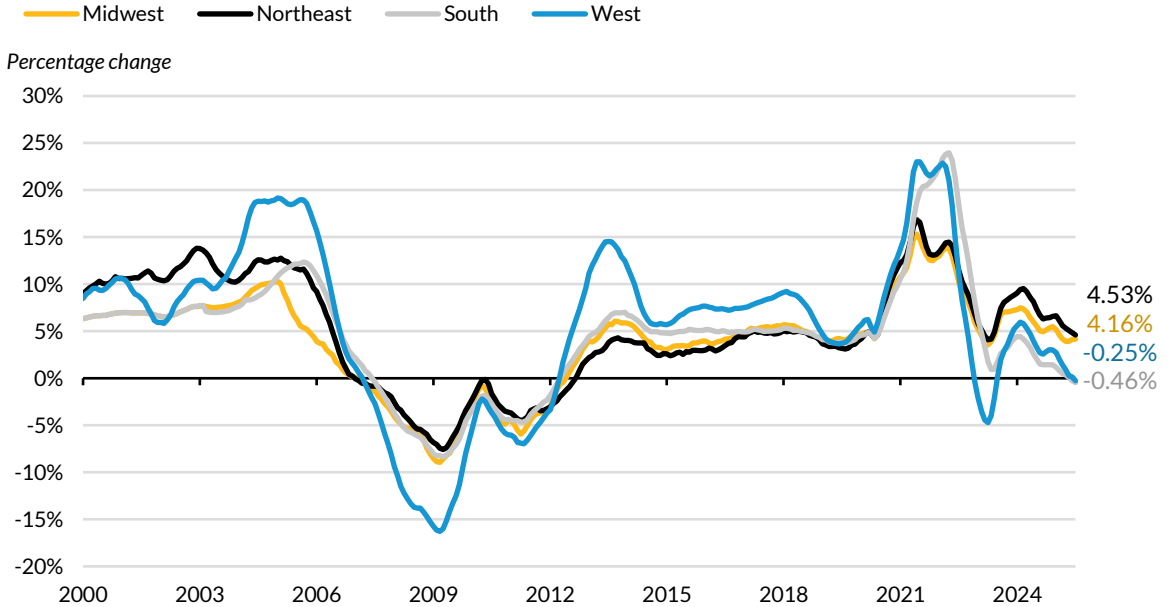
Sources: ICE Mortgage Technology and the Urban Institute.

Notes: ICE modified the methodology behind its HPI in February 2021, resulting in changes to historic price estimates. Data as of July 2025.

# STATE OF THE MARKET // REGIONAL HOME PRICE INDEXES

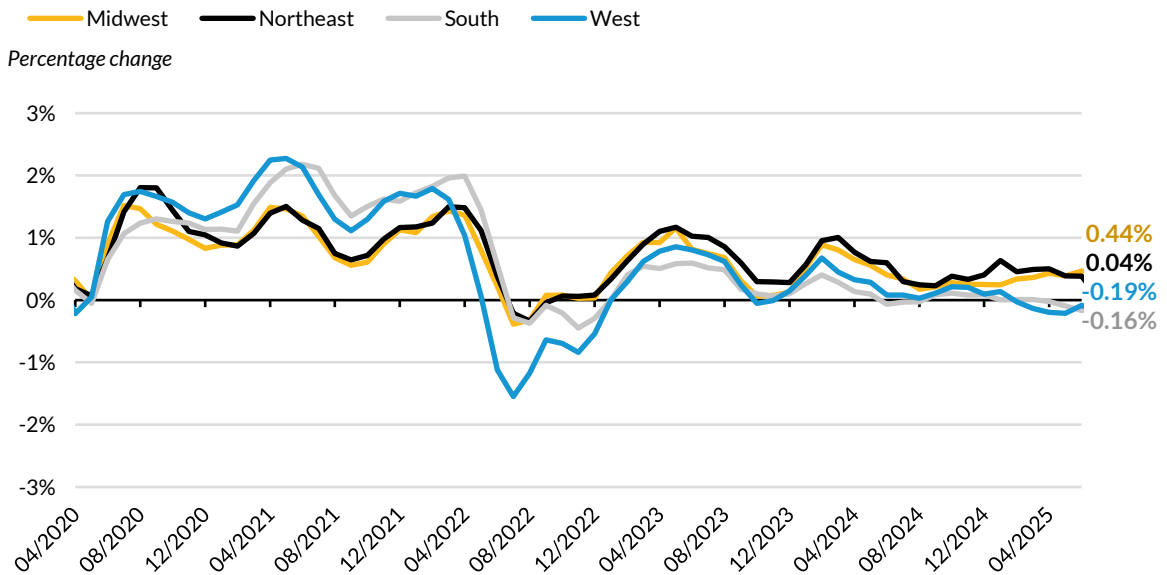
House price appreciation across all regions of the country slowed over 12 months ending in May 2025. However, 12-month house price appreciation varies considerably by region. Year-over-year, house prices are rising above four percent in the Northeast and Midwest. But in the South and West, house prices have declined by 0.46 and 0.25 percent respectively over the past year.

## Year-over-Year Home Price Appreciation, by Region



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

## Month-over-Month Home Price, by Region

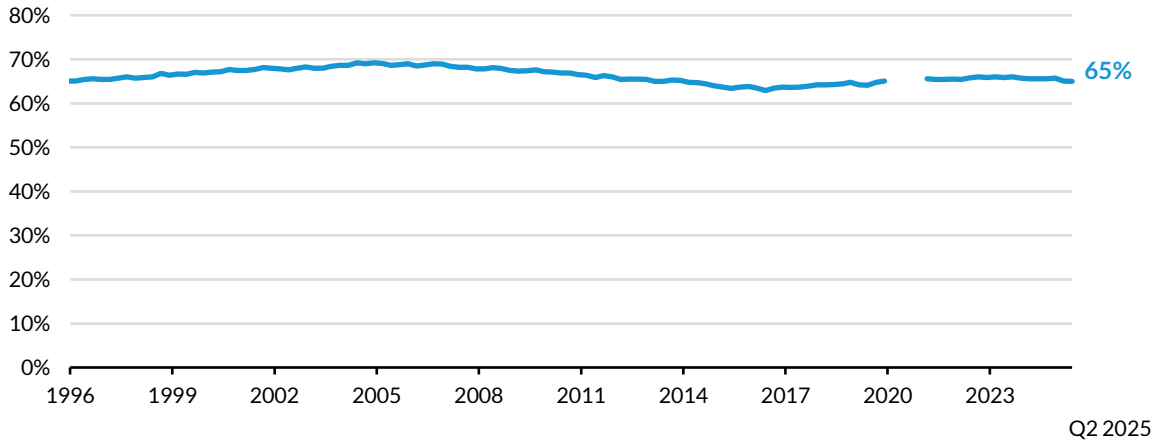


Sources: ICE Mortgage Technology and Urban Institute calculations.  
 Note: Data as of July 2025. Values are seasonally adjusted.

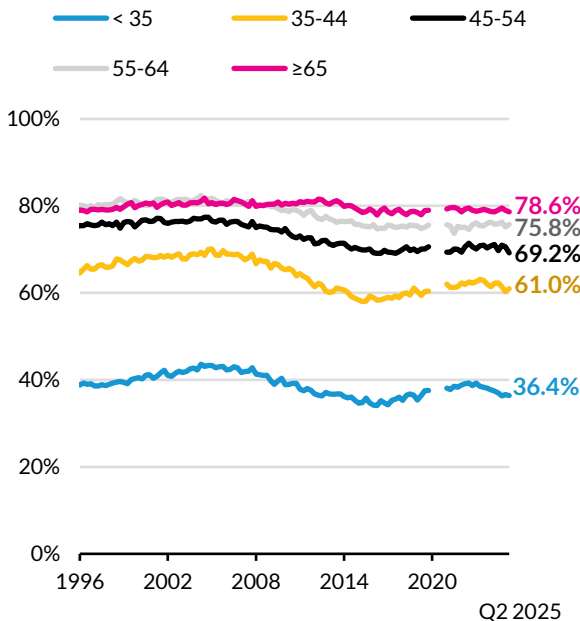
# STATE OF THE MARKET // HOMEOWNERSHIP RATES

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.

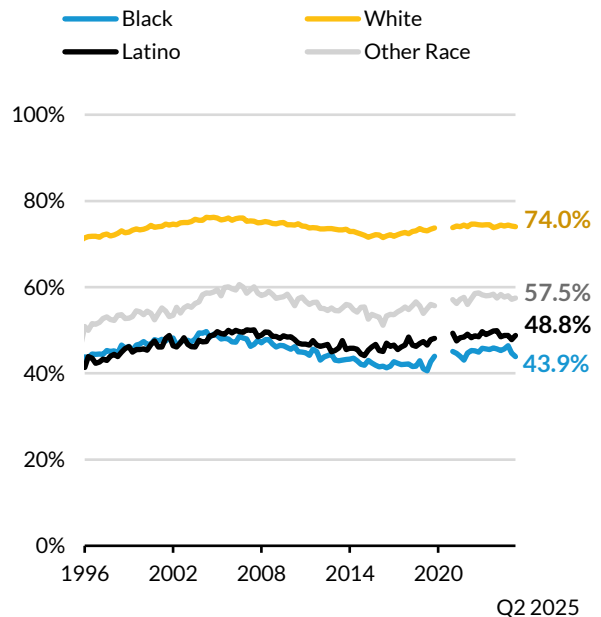
## Overall Homeownership Rate



## Homeownership, by Owner Age



## Homeownership Rate, by Race or Ethnicity



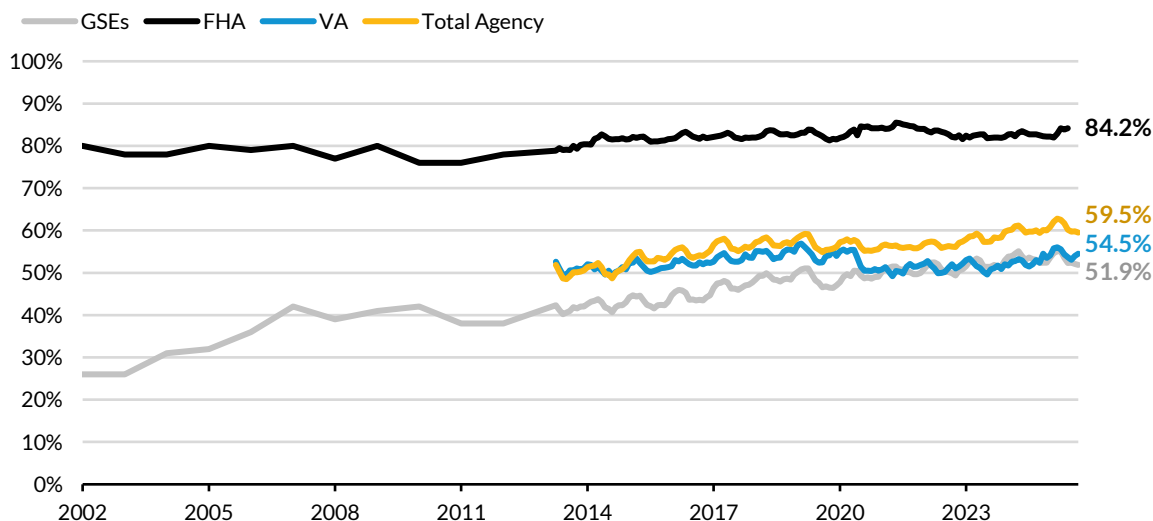
Sources: Moody's Analytics, US Census Bureau, and Urban Institute calculations.  
 Note: Data from 2020 are poor because of low response rates during the pandemic.

## STATE OF THE MARKET // FIRST-TIME HOMEBUYERS

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 over the past decade. But in recent years, first-time homebuyer share among agency loans has largely steadied around 60 percent. First time homebuyers are traditionally more concentrated among FHA (84.2 percent as of the latest data in June 2025). However, in September 2025, more than half of GSE and VA purchase originations were made to first-time homebuyers (51.9 percent and 54.5 percent, respectively).

The bottom table shows that based on mortgages originated in September 2025, the average FTTHB 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 September 2025.

Note: All series measure the first-time homebuyer share of purchase loans for principal residences. FHA's FTTHB share reflects its latest Production Report, which was last updated in June 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	\$347,889	\$387,282	\$325,114	\$345,976	\$342,488	\$389,852
Credit score	753	764	689	694	725	751
LTV ratio (%)	84	76	95	92	90	81
DTI ratio (%)	37	39	45	47	41	41
Loan rate (%)	6.40	6.38	6.04	5.98	6.22	6.25

Sources: eMBS and the Urban Institute.

Note: Based on owner-occupied purchase mortgages originated in September 2025.

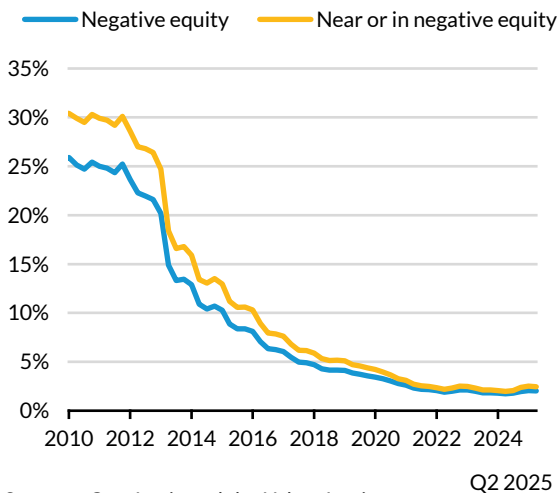
# STATE OF THE MARKET // DELINQUENCIES AND LOSS MITIGATION

As house prices have stagnated, even falling in some parts of the country, the share of loans with negative and near-negative equity has decreased from 2.5 to 2.4 percent from Q1 2025 to Q2 2025, reflecting declines in the shares in both negative and near negative equity. From Q1 2025 to Q2 2025, the composition of loans in negative equity declined slightly to 2.0 percent while the share in near negative equity, defined as having zero to five percent in equity, declined from 0.44 percent to 0.42 percent over the same period.

Serious delinquency has ticked up slightly in the recent quarter. The share of loans that are 90 days or more delinquent or in foreclosure increase 2 basis points, from 1.59 percent in Q2 2025 to 1.61 percent in Q3 2025. The share of mortgages in foreclosure has also ticked up 2 basis points to 0.5 percent; over the same period, while the share of loans 90 days or more delinquent remained the same at 1.11 percent. Serious delinquencies include loans where borrowers have missed three or more payments, including those 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.

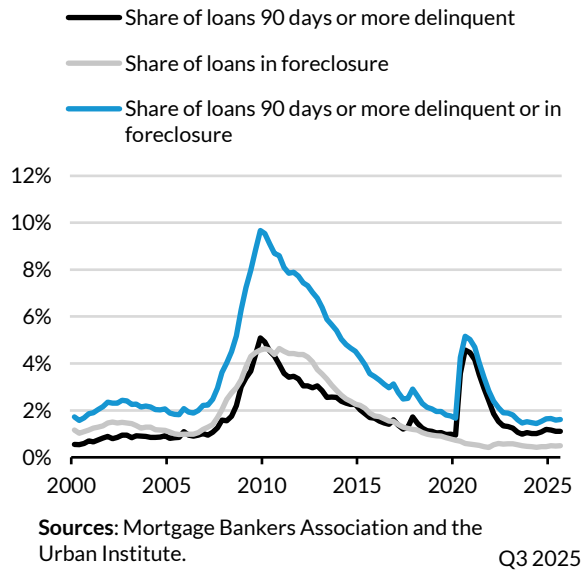
## Negative Equity Share



Sources: CoreLogic and the Urban Institute.

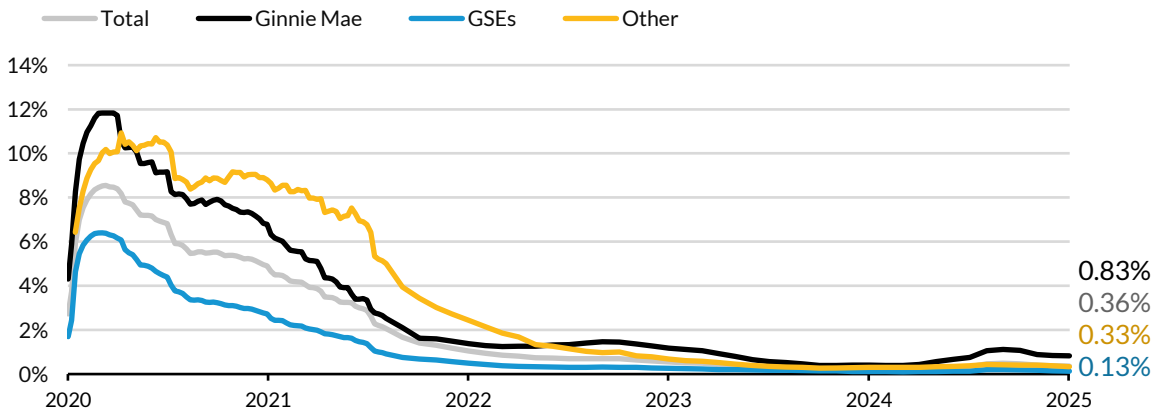
Notes: Loans with negative equity refer to loans with LTV ratios above 100 percent. Loans near negative equity refer to loans with LTV ratios above 95 percent.

## Loans in Serious Delinquency or Foreclosure



Sources: Mortgage Bankers Association and the Urban Institute.

## Forbearance Rates, by Channel



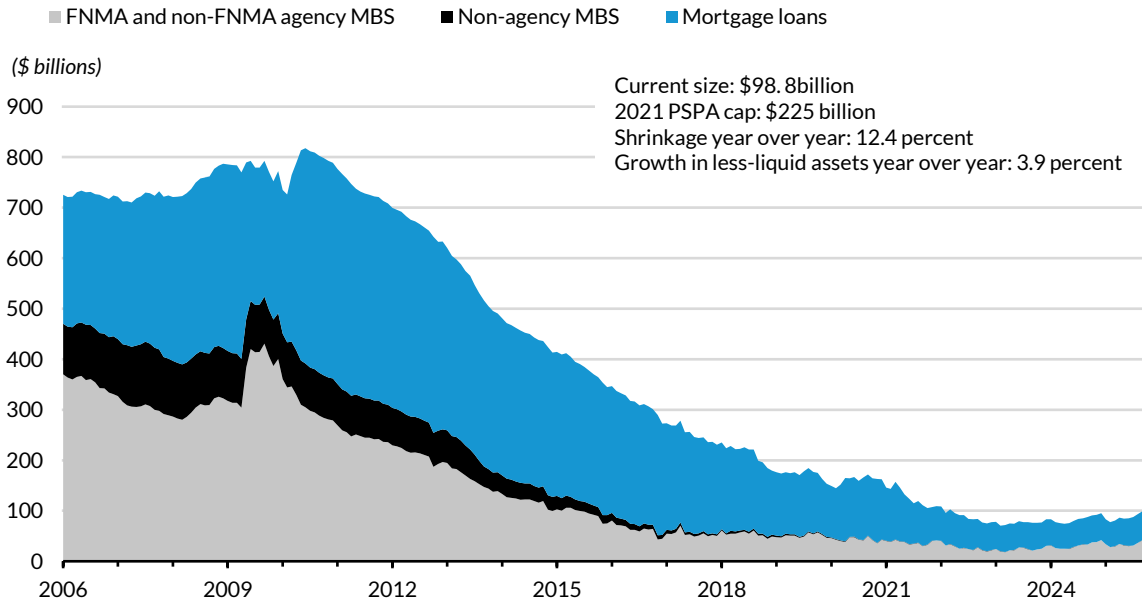
Source: MBA Weekly Forbearance and Call Volume Survey.

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) (\$98.8 and \$116.4 billion, respectively). From September 2024 to September 2025, the Fannie Mae portfolio shrank 12.4 percent, and Freddie Mac's grew by 23.4 percent. Within the portfolios, Fannie Mae and Freddie Mac grew their less-liquid assets (mortgage loans, non-agency MBS) by 3.9 and 24.0 percent, respectively.

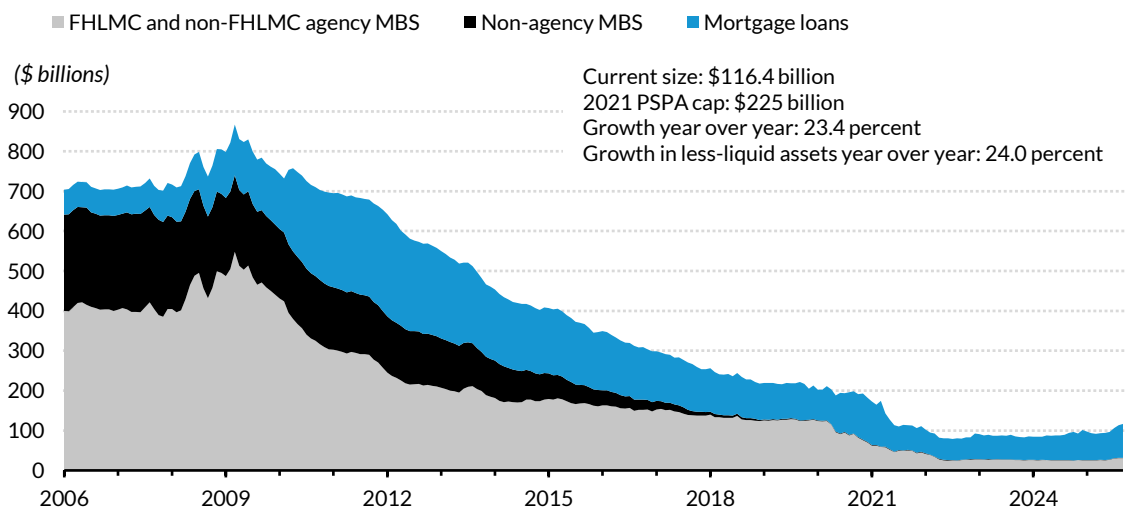
## Fannie Mae Mortgage-Related Investment Portfolio Composition



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

September 2025

## Freddie Mac Mortgage-Related Investment Portfolio Composition



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

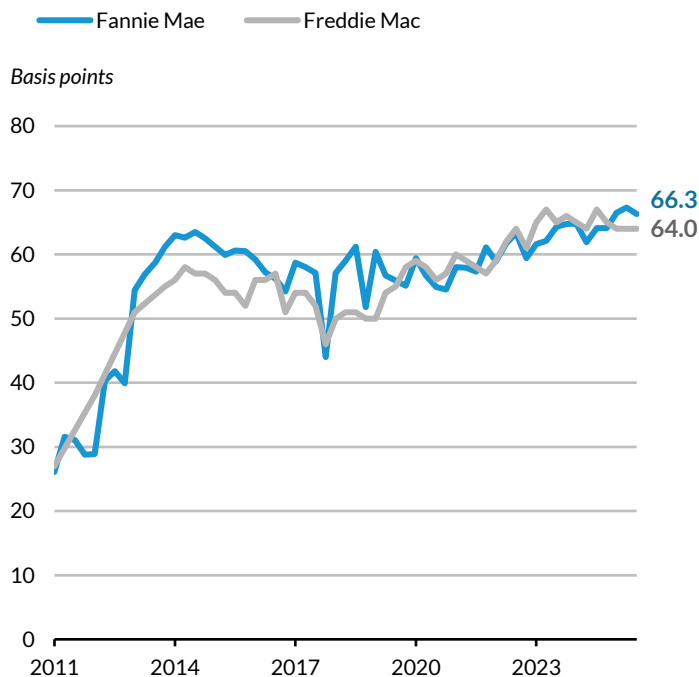
September 2025

**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 declined to 66.3 basis points in Q3 2025 from 67.3 in Q2 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.

# 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 \$2.39 trillion; Freddie's STACR totals \$2.82 trillion. Over 2024, Fannie Mae issued six CAS deals and Freddie Mac issued five STACR deals. So far in 2025, the amount of Freddie Mac STACR deals issued was 20 percent lower year-to-date than issuance in 2024 and Fannie Mae CAS issuance in 2025 is 5 percent lower year-to-date than CAS issuance over 2024. Thus far in 2025, Fannie Mae has issued six and Freddie Mac has issued five credit risk transfer deals.

## Fannie Mae – Connecticut Avenue Securities (CAS)

Date	Transaction	Reference Pool Size (\$ m)	Amount Issued (\$m)	% of Reference Pool Covered
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
June 2025	CAS Series 2025 – R04	\$17,440	\$614	3.5
July 2025	CAS Series 2025 – R05	\$23,578	\$635	2.7
October 2025	CAS Series 2025 – R06	\$17,647	\$645	3.6
<b>Total</b>		<b>\$2,392,327</b>	<b>\$71,260</b>	<b>3.0%</b>

## Freddie Mac – Structured Agency Credit Risk (STACR)

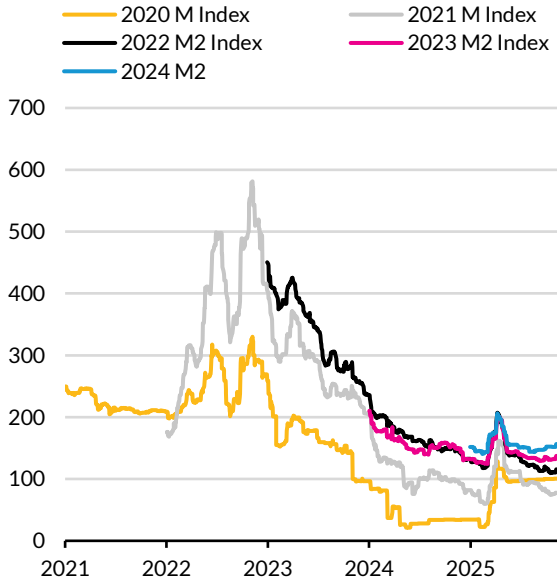
Date	Transaction	Reference Pool Size (\$ m)	Amount Issued (\$m)	% of Reference Pool Covered
2015	STACR 2015 deals	\$179,196	\$6,658	3.7
2016	STACR 2016 deals	\$183,421	\$5,541	3.0
2017	STACR 2017 deals	\$248,821	\$5,663	2.3
2018	STACR 2018 deals	\$243,007	\$6,055	2.5
2019	STACR 2019 deals	\$181,753	\$5,807	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
September 2025	STACR 2025 – DNA3	\$21,499	\$610	2.8
October 2025	STACR 2025 – DNA4	\$21,241	\$605	2.8
<b>Total</b>		<b>\$2,837,810</b>	<b>\$77,072</b>	<b>2.7%</b>

**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.

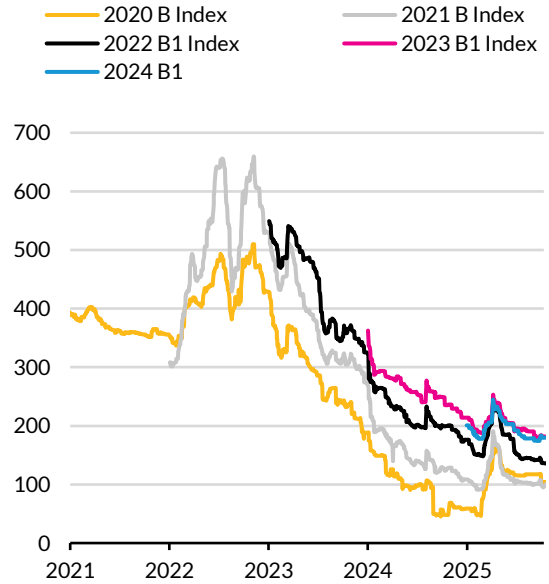
# GSEs UNDER CONSERVATORSHIP // GSE RISK-SHARING INDEXES

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 in early 2025. Despite this uncertainty, however, spreads are now below their 2024 levels.

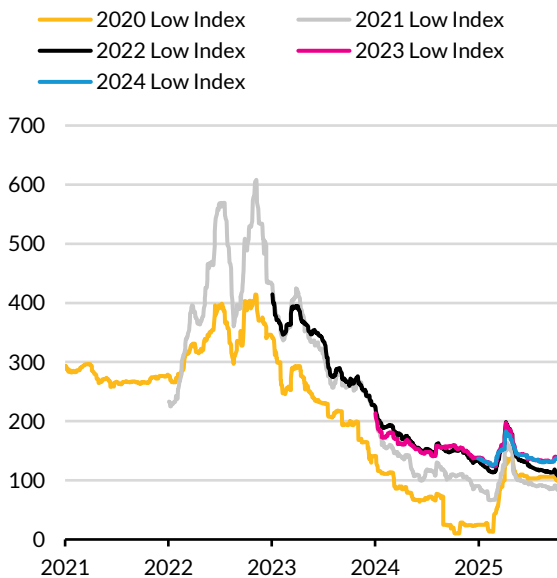
## M Indexes



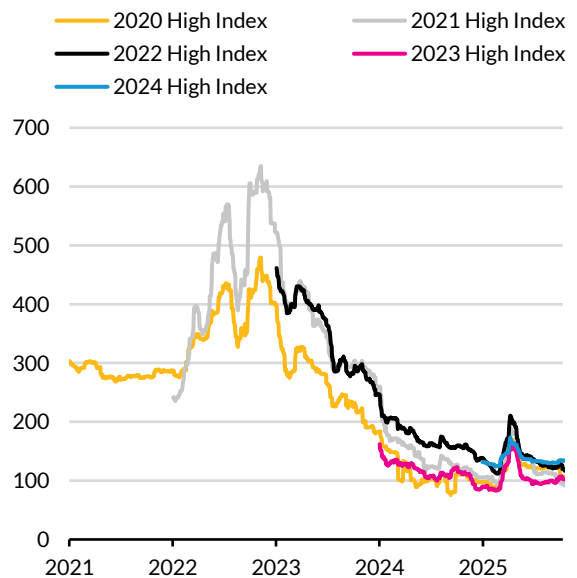
## B Indexes



## Low Indexes



## High Indexes

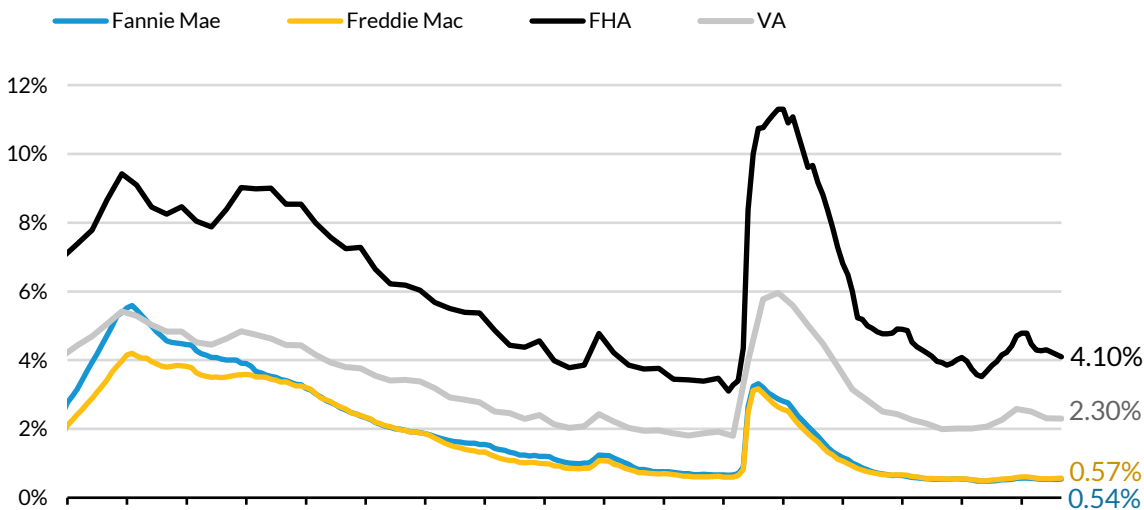


Sources: Vista Data Services and the Urban Institute.  
 Note: Data as of November 14, 2025.

# GSEs UNDER CONSERVATORSHIP // SERIOUS DELINQUENCY RATES

After peaking in Q1 2025, serious delinquency rates on Government Mortgage rates have declined, but remain visibly above their 2024 lows. The broader increase 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 4.1 percent in September 2025, higher than those on GSE or VA loans. In Q3 2025, VA serious delinquency rates on single-family loans decreased to 2.30 percent from 2.31 percent in Q2 2025. The serious delinquency rates on Fannie Mae and Freddie Mac single-family loans rose to 0.54 percent and 0.57 percent respectively from August to September. Loans in forbearance are counted as delinquent for the purpose of measuring delinquency rates. Serious delinquency rates on Fannie Mae and Freddie Mac multifamily loans rose in 2023, 2024 and so far in 2025 amid higher interest rates and reports of lower values on multifamily properties

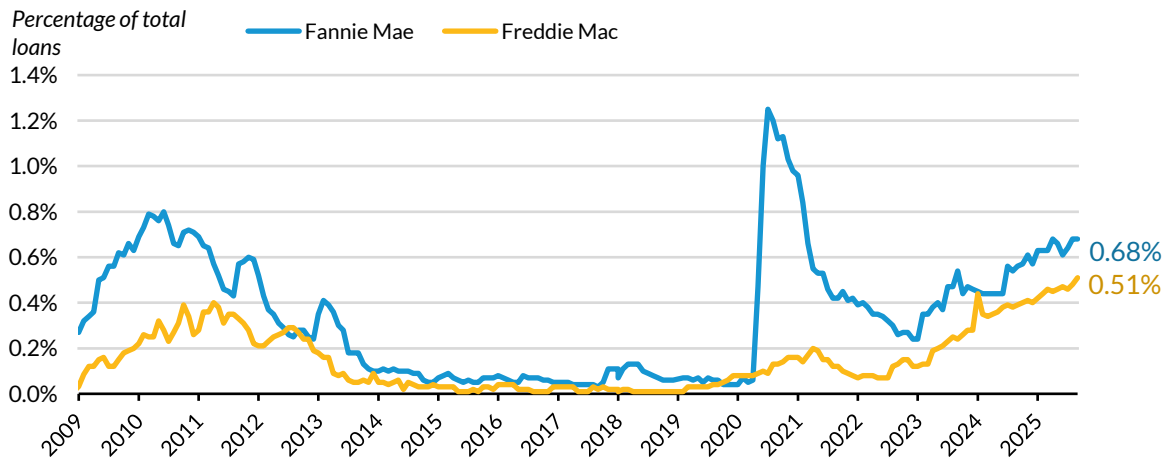
## Serious Delinquency Rates among Single-Family Loans



Sources: Fannie Mae, Freddie Mac, FHA, the MBA Delinquency Survey, and the Urban Institute. VA and FHA data as of Q3 2025. GSE data as of November 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 September 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 \$901.9 billion in the first eight months of 2025; \$528.7 billion by the GSEs and \$373.2 billion by Ginnie Mae. GSE issuance was up 7.3 percent and Ginnie Mae issuance was up 19.6 percent from the first eight months of 2024. Net issuance (new securities issued less the decline in outstanding securities attributable to principal paydowns or prepayments) in the first eight months of 2025 of \$122.1 billion was 18.0 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 year-to-date 2025 versus year-to-date 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	\$528.7	\$373.2	\$901.9
<b>2025 % Change from 2024</b>	7.3%	19.6%	12.1%

### Agency Net Issuance

Issuance Year	GSEs	Ginnie Mae	Total
2003	\$334.9	-\$77.6	\$257.3
2004	\$82.5	-\$40.1	\$42.4
2005	\$174.2	-\$42.2	\$132.0
2006	\$313.6	\$0.2	\$313.8
2007	\$514.9	\$30.9	\$545.7
2008	\$314.8	\$196.4	\$511.3
2009	\$250.6	\$257.4	\$508.0
2010	-\$303.2	\$198.3	-\$105.0
2011	-\$128.4	\$149.6	\$21.2
2012	-\$42.4	\$119.1	\$76.8
2013	\$65.3	\$89.6	\$154.9
2014	\$26.0	\$61.6	\$87.7
2015	\$68.4	\$97.2	\$165.6
2016	\$127.4	\$125.8	\$253.1
2017	\$160.7	\$132.3	\$293.0
2018	\$149.4	\$112.0	\$261.5
2019	\$197.8	\$95.7	\$293.5
2020	\$632.8	\$19.9	\$652.7
2021	\$753.5	\$5.6	\$759.1
2022	\$289.5	\$143.0	\$432.5
2023	\$57.5	\$175.4	\$232.9
2024	\$47.5	\$181.2	\$228.7
2025	-\$0.7	\$122.8	\$122.1
<b>2025 % Change from 2024</b>	--	4.7%	-18.0%

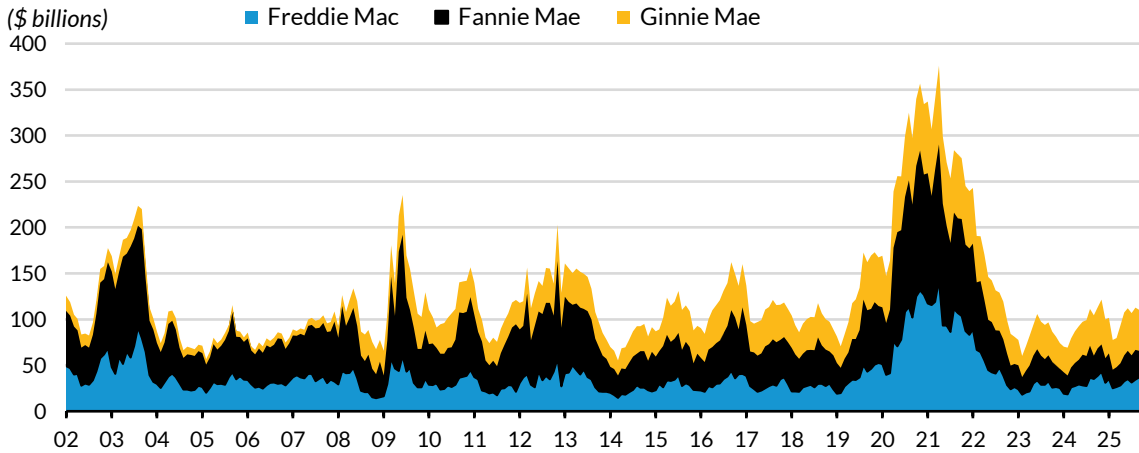
Sources: eMBS and the Urban Institute.

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

# AGENCY ISSUANCE // AGENCY GROSS ISSUANCE AND FED PURCHASES

Agency issuances by the GSEs and Ginnie Mae totaled \$110.4 billion in September 2025, 5.6 percent higher than volume in September 2024. Freddie Mac comprised 33.4 percent of agency gross issuance in September 2025 (up from 30.6 percent in August 2025), Fannie Mae comprised 26.2 percent (down from 28.7 percent), and Ginnie Mae comprised 40.4 percent (down from 40.7 percent).

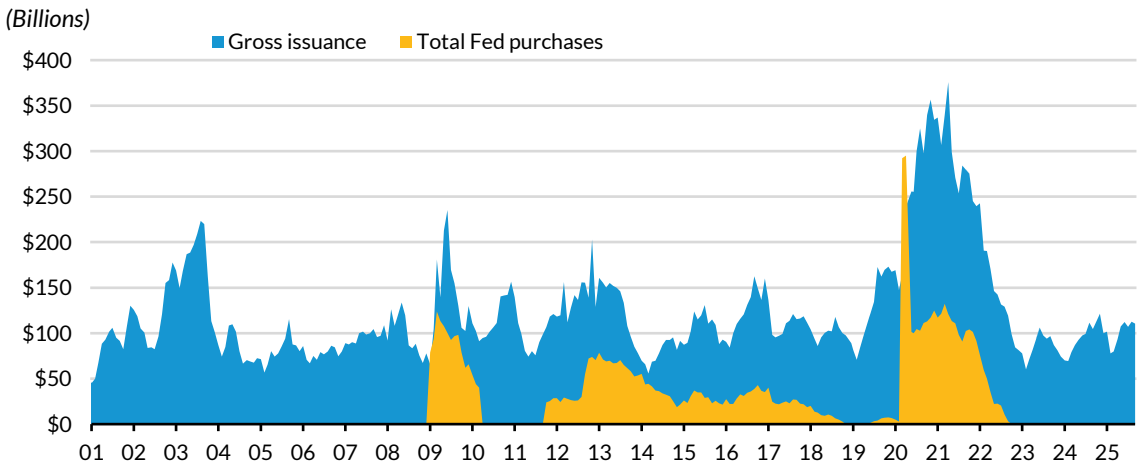
## Monthly Gross Issuance



Sources: eMBS and Urban Institute calculations. Data as of September 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 September, the Federal Open Markets Committee (FOMC) decreased its key policy rate, the federal funds rate, by 25 basis points to a range of 4.00-4.25 percent

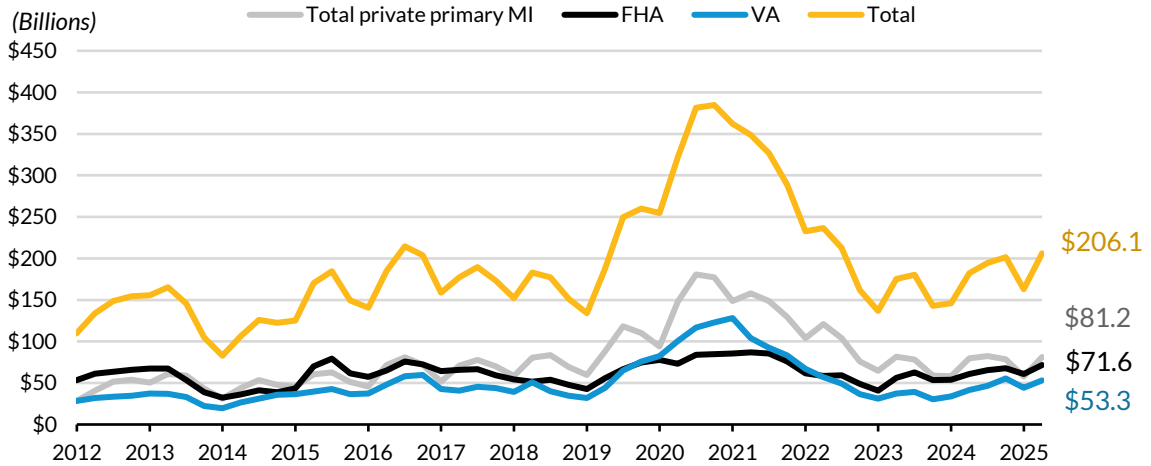


Sources: eMBS, the Federal Reserve Bank of New York, and the Urban Institute. Data as of September 2025.

# AGENCY ISSUANCE // MORTGAGE INSURANCE ACTIVITY

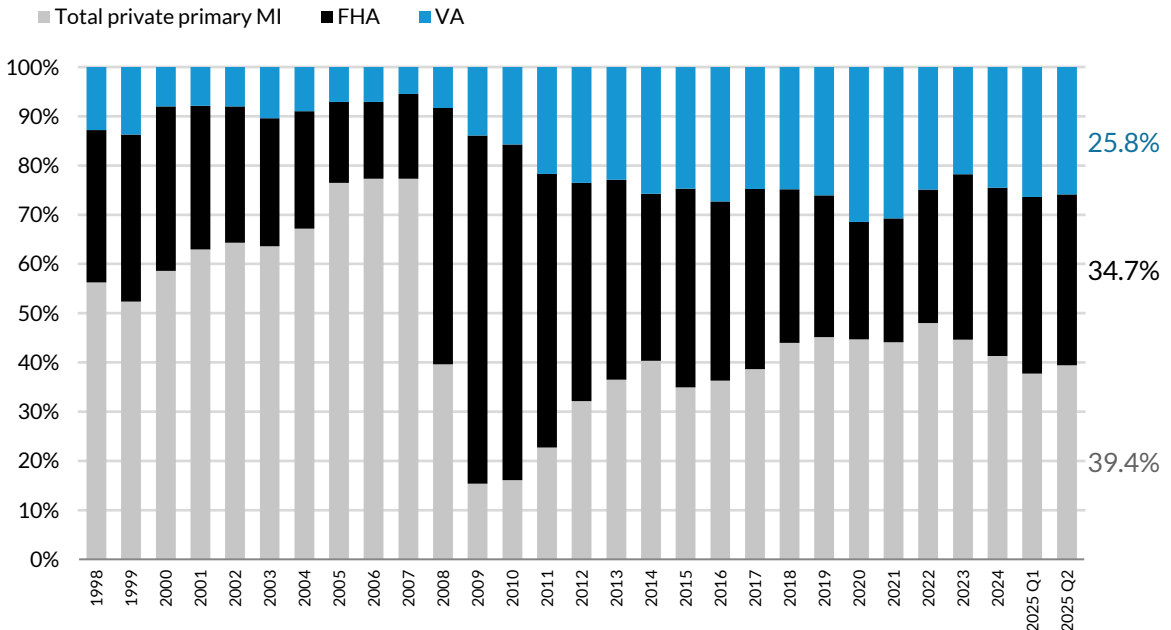
## MI Activity

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 increase in the 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 from 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 decreased due to policy decisions by both the Obama and Biden Administrations. Mortgage insurance premiums on FHA loans now amount to 2.3 percent of the loan amount, irrespective of the borrower's credit score. But for Conforming borrowers, private mortgage insurance (PMI) is less than the combined FHA MIP for all credit scores. In addition, PMI declines as the borrower's credit score increases. However, the gap in mortgage insurance paid by FHA and Conforming loan borrowers is partially offset by a 20 basis point lower base rate for FHA borrowers compared to their Conforming peers. Taken together, FHA is a more financially attractive option for borrowers with credit scores less than 700 where the mortgage insurance gap between FHA and Conforming borrowers is smaller. But as a borrower's credit score strengthens, the mortgage insurance premium gap between FHA and Conforming loans widens overcoming the base rate disadvantage and reducing the relative financial attractiveness of FHA. For borrowers with a credit score at or above 700, Conforming loans become the more financially attractive option.

### 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 <sup>a</sup>	175	125
4/1/2013–1/25/2015 <sup>b</sup>	175	135
1/26/2015–3/19/2023 <sup>c</sup>	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.

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

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

<sup>c</sup> 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	\$400,000								
Loan amount	\$386,000								
LTV ratio	96.5%								
Base rate									
Conforming base rate	6.54%								
FHA base rate	6.34%								
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	1.75
FHA MIP	0.55	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	\$2,650	\$2,650	\$2,650	\$2,650	\$2,650	\$2,650	\$2,650	\$2,650	\$2,650
GSE plus PMI	\$2,870	\$2,809	\$2,783	\$2,702	\$2,641	\$2,612	\$2,574	\$2,535	
GSE plus PMI Advantage	-\$220	-\$159	-\$133	-\$52	\$9	\$38	\$76	\$115	

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. MIP = mortgage insurance premium. UFMIP = upfront mortgage insurance premium. Rates as of November 12, 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, 63.6 percent of loans originated from 2018 to Q2 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, 19.6 percent of loans originated from 2018 to Q2 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 above 90 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%
2018-2Q25	≤700	4.2%	3.6%	1.3%	2.2%	11.3%
	700 to 750	6.4%	8.4%	3.6%	6.6%	25.1%
	>750	21.9%	22.7%	8.2%	10.8%	63.6%
	Total	32.5%	34.8%	13.1%	19.6%	100.0%
Total		33.0%	40.5%	11.7%	14.8%	100.0%

Sources: Fannie Mae and Urban Institute.

Note: Fannie Mae loan level credit data includes loans originated from Q1 1999 to Q2 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%	6.1%	7.0%	9.3%	6.6%
	700 to 750	2.4%	2.7%	3.1%	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%
2018-2Q25	≤700	3.9%	5.1%	6.0%	8.2%	5.3%
	700 to 750	1.6%	2.2%	2.6%	3.7%	2.5%
	>750	0.4%	0.6%	0.9%	1.4%	0.7%
	Total	1.1%	1.5%	1.9%	2.9%	1.7%
<b>Total</b>		2.0%	2.8%	3.6%	3.9%	2.8%

Sources: Fannie Mae and Urban Institute.

Note: Fannie Mae loan level credit data includes loans originated from Q1 1999 to Q2 2025, with performance information on these loans also through Q2 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

Since the foreclosure crisis, the composition of loans purchased by Freddie Mac shifted towards borrowers with higher FICO scores. For example, 59.3 percent of loans originated from 2018 to Q2 2025 were for borrowers with FICO scores above 750, compared to 42 percent of borrowers from 2005-2008 and 34.2 percent from 1999-2004. At the same time, the composition of Fannie Mae loans has shifted towards borrowers with higher LTVs. For example, 18.7 percent of loans originated from 2018 to Q2 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%
2018-2Q25	≤700	5.0%	4.0%	1.6%	2.2%	12.8%
	700 to 750	7.5%	9.6%	4.2%	6.7%	28.0%
	>750	19.1%	22.1%	8.2%	9.9%	59.3%
	Total	31.6%	35.7%	14.0%	18.7%	100.0%
Total		32.9%	41.2%	11.7%	14.2%	100.0%

Sources: Freddie Mac and Urban Institute.

Note: Freddie Mac loan level credit data includes loans originated from Q1 1999 to Q2 2025, with performance data through Q2 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

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%	6.4%	6.8%	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%	5.5%	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%	3.4%	2.2%
2018-2Q25	≤700	2.9%	3.8%	4.5%	5.0%	3.7%
	700 to 750	1.2%	1.7%	2.0%	2.7%	1.8%
	>750	0.4%	0.6%	0.7%	1.2%	0.6%
	Total	1.0%	1.2%	1.5%	2.2%	1.4%
<b>Total</b>		1.9%	2.9%	3.3%	3.6%	2.7%

Sources: Freddie Mae and Urban Institute.

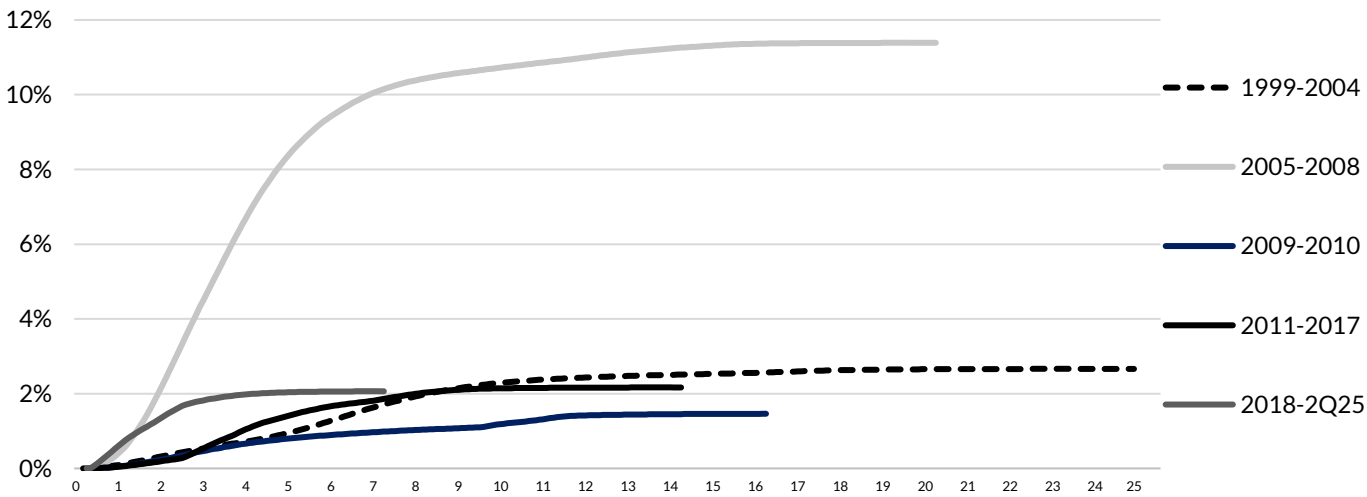
Note: Freddie Mac loan level credit data includes loans originated from Q1 1999 to Q2 2025, with performance data through Q2 2025. Default is defined as six months delinquent or disposed of via short sales, third-party sales, deeds-in-lieu of foreclosure, or real estate owned (REO acquisitions). The 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 Q2 2025 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.

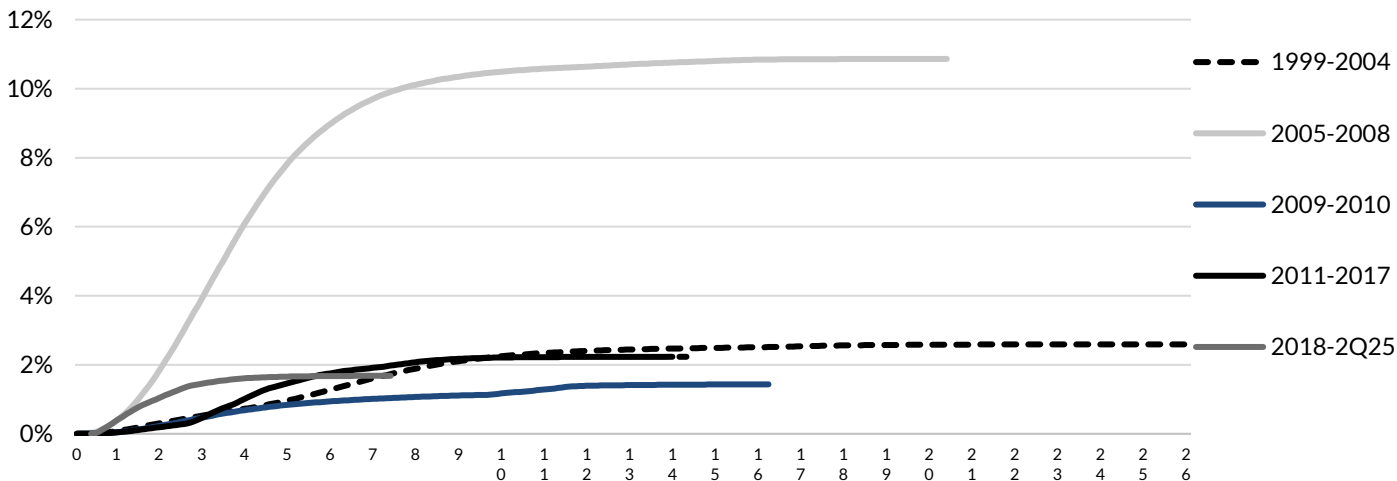
### Fannie Mae Cumulative Default Rate by Vintage Year



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.

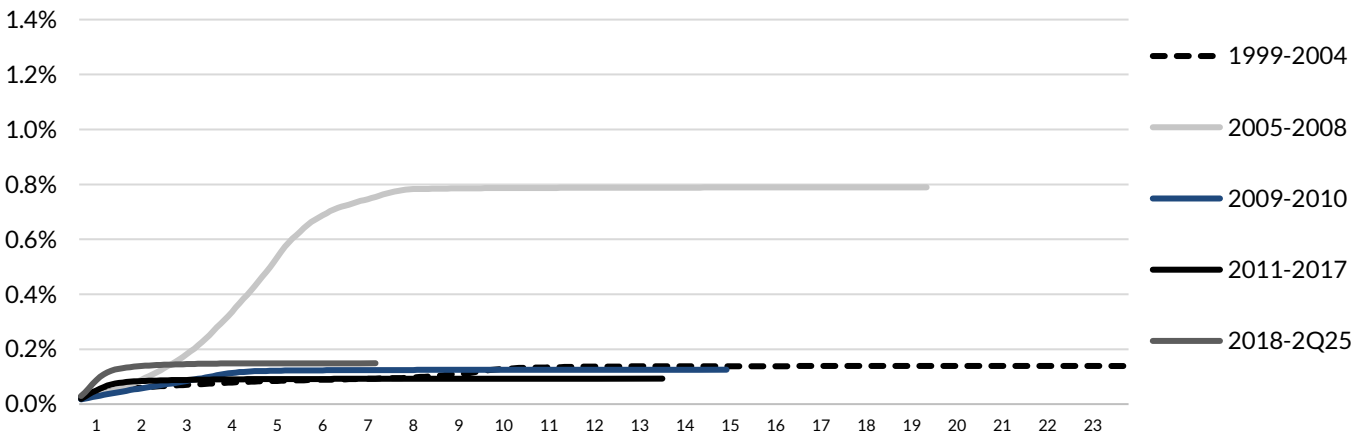
Note: The analysis included only mortgages with original terms of 241-420 months. A default is defined as a delinquency of 180 days or more, a deed-in-lieu, short sale, foreclosure sale or REO sale.

# 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 2018-2025 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.

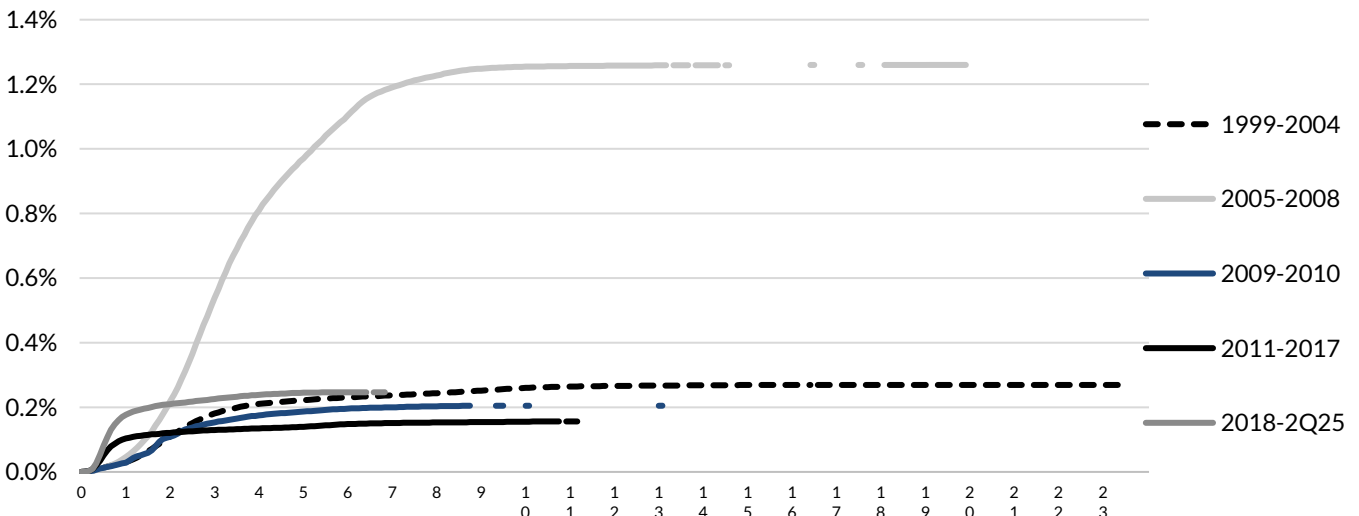
### Fannie Mae Repurchase Rate by Vintage Year



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) 17.06 percent are current, 34.04 percent are prepaid, 6.68 percent are still in the pipeline (not current, not prepaid, not liquidated) and 41.21 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 41.4 percent for Fannie and 40.4 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		≤60	60-80	>80	Total
	Current	Prepay*	Still in the Pipeline	% Already Liquidated Loans†				
1999-2004	5.88%	35.40%	1.33%	57.38%	27.7%	41.0%	26.3%	34.4%
2005-2008	5.43%	30.76%	1.07%	62.74%	40.6%	53.0%	36.5%	47.3%
2009-2010	15.49%	40.33%	3.93%	40.26%	27.6%	37.5%	19.8%	33.1%
2011-2017	35.52%	44.53%	9.92%	10.03%	22.4%	25.4%	12.4%	18.6%
2018-2Q25	39.56%	32.86%	23.49%	4.09%	12.0%	14.8%	10.7%	11.9%
Total	17.06%	35.04%	6.68%	41.21%	35.9%	48.2%	30.3%	41.4%

### 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		≤60	60-80	>80	Total
	Current	Prepay*	Still In The Pipeline	% Already Liquidated Loans†				
1999-2004	4.01%	38.12%	1.17%	56.69%	25.2%	39.4%	28.8%	34.7%
2005-2008	3.51%	31.82%	0.89%	63.78%	37.8%	49.9%	37.0%	45.6%
2009-2010	11.30%	40.57%	2.73%	45.40%	22.1%	34.1%	29.6%	31.1%
2011-2017	31.27%	42.80%	7.88%	18.05%	12.2%	19.6%	25.9%	24.3%
2018-2Q25	40.50%	30.05%	26.64%	2.81%	4.4%	7.1%	8.5%	7.6%
Total	14.70%	35.44%	6.14%	43.71%	33.0%	46.1%	32.2%	40.4%

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

**Note:** Fannie Mae loan level credit data includes loans originated from Q1 1999 to Q2 2025, with performance information on these loans also through Q2 2025. Freddie Mac loan level credit data includes loans originated from Q1 1999 to Q1 2025, with performance information on these loans through Q2 2025. The analysis included only mortgages with original terms of 241-420 months. \*Prepay category includes repricing 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 \$179,287 and a loss severity of 32.03 percent, versus a mean defaulted UPB of \$145,743 and a loss severity of 46.89 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	211,078	157,567	53,511	\$110,675	\$105,513	\$125,874	34.40%	39.20%	22.53%
2005-2008	330,267	220,588	109,679	\$183,009	\$172,514	\$204,117	47.28%	52.31%	38.73%
2009-2010	24,194	14,700	9,494	\$169,660	\$162,146	\$181,294	33.09%	39.92%	23.64%
2011-2017	25,001	11,947	13,054	\$158,299	\$147,765	\$167,939	18.56%	24.83%	13.51%
2018-2Q25	10,408	3,660	6,748	\$209,004	\$191,704	\$218,386	11.89%	13.78%	10.99%
Total	600,948	408,462	192,486	\$156,487	\$145,743	\$179,287	41.43%	46.89%	32.03%

### 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	142,111	94,886	47,225	\$110,939	\$105,609	\$121,647	34.70%	41.87%	22.19%
2005-2008	316,210	171,131	145,079	\$179,670	\$163,960	\$198,266	45.65%	54.42%	37.09%
2009-2010	35,623	15,526	20,097	\$188,645	\$171,381	\$201,982	31.12%	43.16%	23.23%
2011-2017	41,694	14,783	26,911	\$167,830	\$149,767	\$177,752	24.31%	36.59%	18.62%
2018-2Q25	5,083	1,734	3,349	\$192,685	\$172,159	\$203,312	7.61%	15.38%	4.20%
Total	540,721	298,060	242,661	\$161,424	\$145,115	\$181,457	40.41%	49.64%	31.36%

Sources: Fannie Mae, Freddie Mac and Urban Institute.

Note: Fannie Mae loan level credit data includes loans originated from Q1 1999 to Q2 2025, with performance information on these loans also through Q2 2025. Freddie Mac loan level credit data includes loans originated from Q1 1999 to Q1 2025, with performance information on these loans through Q2 2025. 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

[Building Financial Resilience Amidst Macroeconomic Dynamics](#)

[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](#)

[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

[The Value of the FHLBank System to Bank Liquidity and Stability](#)

Authors: Jung Hyun Choi, Laurie Goodman, Jun Zhu

Date: November 12, 2025

[Understanding Delinquency Patterns Across Consumer Debt Markets](#)

Authors: Laurie Goodman, Bryson Berry, Edward Golding

Date: November 5, 2025

[Affordable Abundance](#)

Authors: Daniel Hornung, Aaron Shroyer

Date: October 29, 2025

[Do Automated Valuation Models Reinforce Disparities in Home Values?: A Case Study Using Race Imputation](#)

Authors: Linna Zhu, Judah Axelrod, Amalie Zinn

Date: October 21, 2025

[Latino Homeowner Risk from Natural Disasters](#)

Authors: Linna Zhu, John Walsh, Bryson Berry

Date: October 13, 2025

## Blog Posts

[A New VA Home Loan Program Reform Act Is a Step toward Helping Veterans Avoid Foreclosure, but Implementation Issues Remain](#)

Authors: Laurie Goodman, Todd Hill, Ted Tozer, Jung Hyun Choi

Date: August 27, 2025

[Considerations for Implementing New Credit Scores in Mortgage Lending](#)

Authors: Laurie Goodman, Jung Hyun Choi, Todd Hill

Date: August 18, 2025

[Modernizing Home Appraisals Would Advance Accuracy, Transparency, and Equity](#)

Authors: Alanna McCargo

Date: July 18, 2025

[New Mortgage Data Standards Could Transform the Housing Counseling Experience for Homebuyers, Homeowners, Lenders, and Investors](#)

Authors: Sarah Gerecke, Janneke Ratcliffe

Date: June 30, 2025

[The Road to Affordable and Stable Housing Starts with a Comprehensive Federal Housing Package](#)

Authors: Aniket Mehrotra, Janneke Ratcliffe

Date: May 21, 2025

[How the CWCOT Program Could Deliver Even More Benefits to the FHA, Borrowers, and Homeowners Facing Foreclosure](#)

Authors: Laurie Goodman and Jung Hyun Choi

Date: May 30, 2025

[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

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