HOUSING FINANCE POLICY CENTER

HOUSING FINANCE AT A GLANCE

A MONTHLY CHARTBOOK

January 2026

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ERRATA

This chartbook was corrected on February 9, 2025. A highlight on page 5 notes that "Approximately one-quarter of all single family homes are not built for sale." A previous version incorrectly said that those homes are built for rent. These homes did not go on sale to the market, but are not necessarily for rent.

ABOUT THE CHARTBOOK

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

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

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

ABOUT THE URBAN INSTITUTE

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

CONTENTS

A Tale of Two Markets: New and Existing House Prices

House price growth accelerated dramatically in 2020 and 2021. House price gains during this period occurred against the backdrop of low mortgage rates, work-from-home guidelines and weaker impact on higher-income office workers. By the beginning of 2022, some measures of house prices suggested that year-over-year growth exceeded 20 percent (see page 24 of this chartbook).

Since this period, house price growth has slowed dramatically, and has largely stagnated year-over-year. House price deceleration reflects an unwinding of many of the determinants of its rapid rise. This includes a significant increase in mortgage rates as well as work-from-home orders largely being rescinded.

However, the performance of house prices in the post-COVID era reflects two diverging trends. Across existing homes nationwide, house prices continue to rise. Through 2022, the median price of new homes largely tracked that of existing homes. But recently, this trend has started diverging. Since the fourth quarter of 2022, the median new home price has been largely declining.

A significant decline in homebuyer demand has contributed to softening house prices. The National Association of Home Builders' Housing Market Index (HMI) fell to a reading of 37. The HMI is an accurate measure of the trend of new construction two-three months in the future with readings below 50 indicated pessimism among surveyed builders. The low reading on the HMI is led by a low reading of 23 on builders' views on the traffic of prospective buyers. The other two components of the HMI, sales expectations and current sales conditions sat at 49 and 41 respectively.

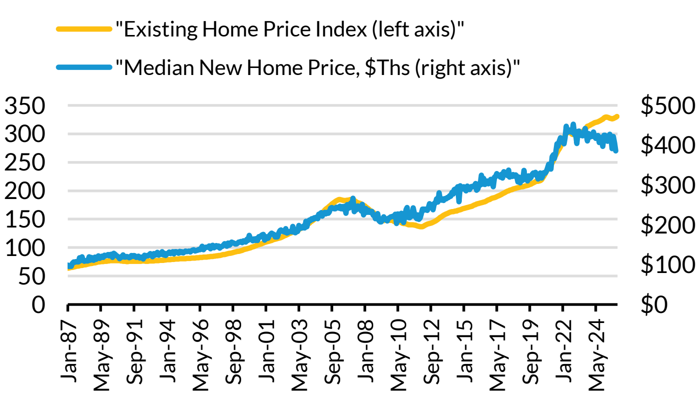
The steep drop in demand comes amid a surplus of new homes in inventory. As the figure below illustrates, months' supply of new homes has risen dramatically, from a low of 2.6 months to 7.9 months today. Arithmetically, months' supply is the amount of inventory relative to the pace of home sales, and it measures how long it would take to exhaust the inventory at the current sales pace. A market is considered balanced when months' supply is six. Above six months is considered a surplus and less than six months is a shortage. The figure below suggests a shortage of existing homes, but a surplus of new homes.

Since the existing market historically accounts for 80-90 percent of total sales, broad market trends often mask the new home market. But the new home market is particularly important given the intense focus on new construction as part of the solution to addressing the medium-term supply gap. Policies that reduce acquisition, development and construction costs, particularly in support of affordable home product are especially critical in this environment. In addition, given the responsiveness of builders to prospective demand, policies that give potential first-time homebuyers the confidence and financial resources to purchase a home are also important. Reduced interest rates, either through traditional policy levers or rate buydowns can help entice some homeowners to trade-up to a new home, likely releasing their existing home into the for-sale inventory.

Inside this Issue

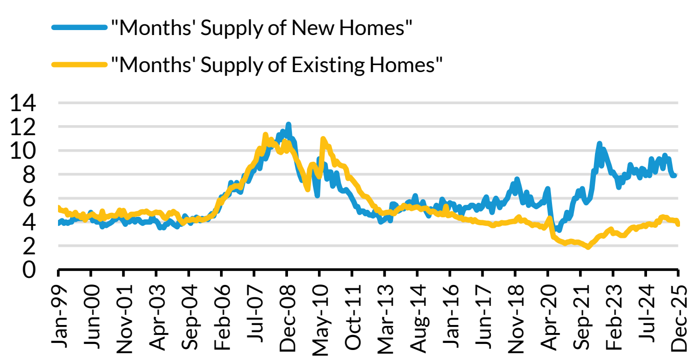
- Months' supply has fallen to 3.81 in December 2025, from 4.12 in November, its lowest level since March 2025 (page 22)
- August 2025 was the first decline in YoY manufactured housing shipments since November 2023. (page 23)
- YoY multifamily starts have declined by their largest amount since September 2021.
- Approximately one-quarter (25.6 percent) of all single-family homes are not built for sale (page 23).

Median New Home Prices Decline While Existing Home Prices Rise



Source: Census Bureau, US Department of Housing and Urban Development, Case-Shiller/Cotality.

Months' Supply Suggests a Surplus of New Homes and a Shortage of Existing Homes



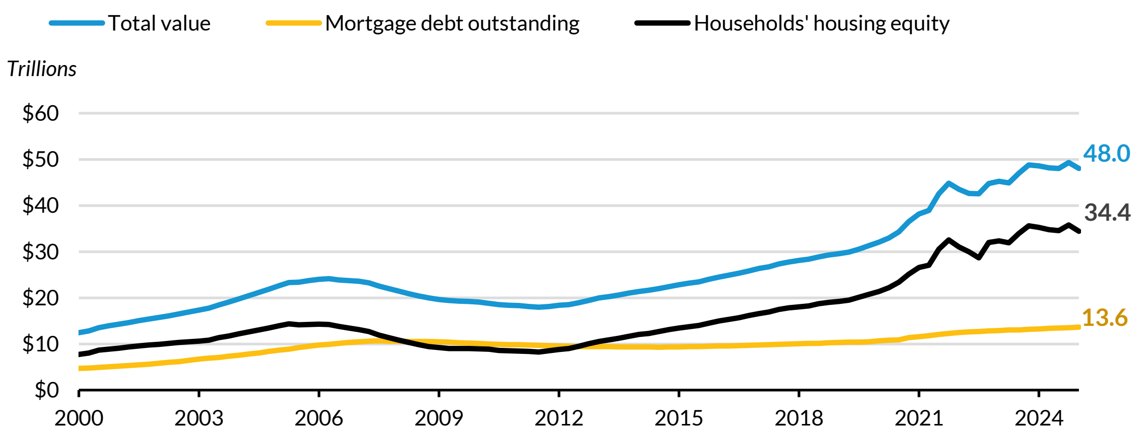
Source: Census Bureau, US Department of Housing and Urban

OVERVIEW // MARKET SIZE OVERVIEW

From Q3 2024 to Q3 2025, the aggregate value of housing equity held by households decreased by 2.5 percent, reflecting a 1.1 percent decrease in aggregate home values and a 2.8 percent increase in mortgage debt outstanding. After two years of expanded housing equity held by households, the year-over-year change in mortgage debt outstanding has outpaced the change in aggregate home values in the first three quarters of 2025, limiting homeowners' aggregate equity growth.

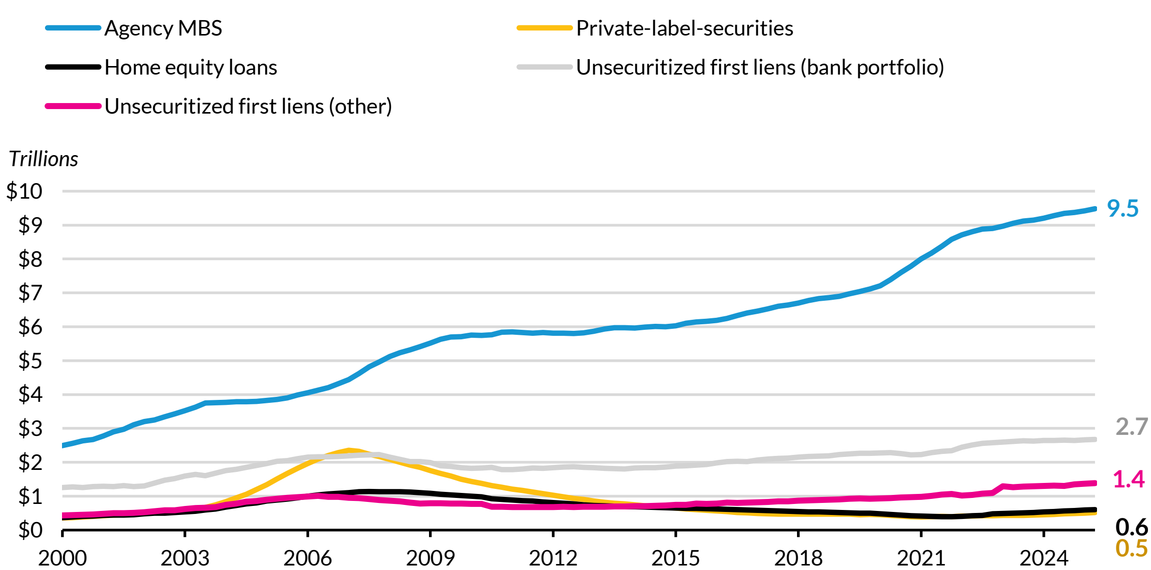
In the third quarter of 2025, agency MBS accounted for 64.7 percent ($9.5 trillion) of total mortgage debt outstanding, while home equity loans made up 4.1 percent ($0.6 trillion) and private-label securities made up 3.5 percent ($0.5 trillion). Unsecuritized first liens, both bank portfolio and other, compose the remaining 27.7 percent ($4.1 trillion), with banks making up 18.2 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 Q3 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

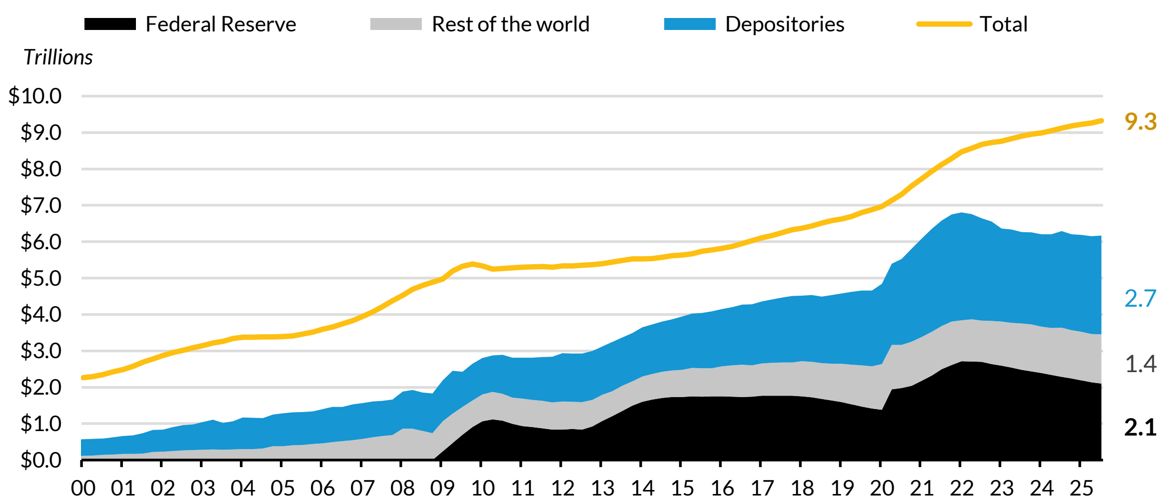


Sources: Financial Accounts of the United States and the Urban Institute.
Notes: Data as of Q3 2025. Unsecuritized first liens (other) consists of mortgages not held on bank balance sheets and credit unions, nonprofits, nonfinancial business, insurance companies, pension funds, finance companies, trusts and federal, state and local government. All categories include investor-owned properties.

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 include 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, and is expected to continue to grow if Fannie Mae and Freddie Mac purchase $200 billion in agency MBS.

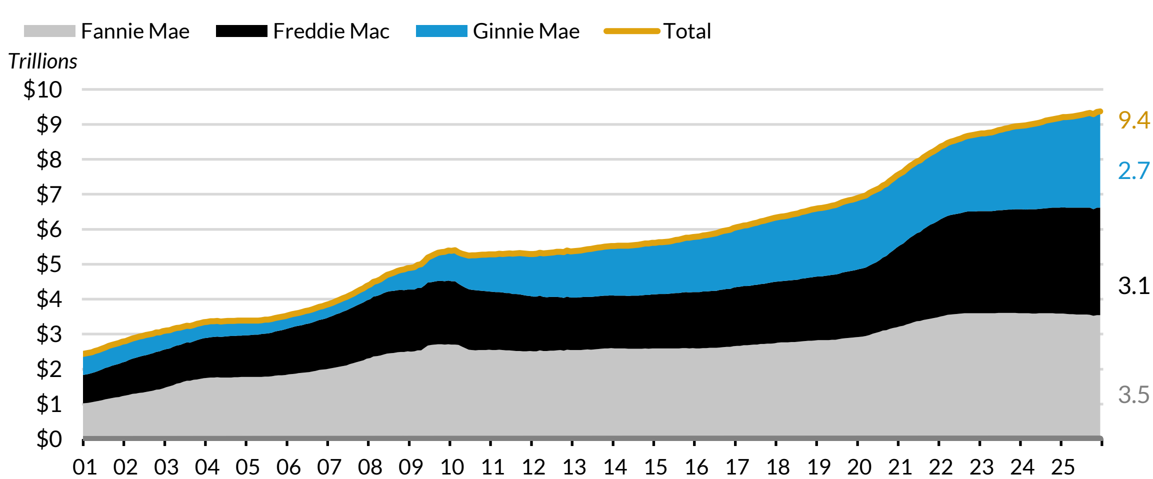
By the end of December 2025, outstanding securities in the agency market totaled over $9.4 trillion according to loan-level data, 37.8 percent ($3.5 trillion) of which belonged to Fannie Mae, 32.9 percent ($3.1 trillion) to Freddie Mac, and 29.3 percent ($2.7 trillion) to Ginnie Mae. Since mid-2022, GSEs 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 Q3 2025. Federal reserve, depository and total holdings shown at face value and holding by the rest of the world at market value. As of Q3 2025, we have replaced the depositories series with just commercial banks due to a change in data reporting from the Federal Reserve. Five percent of foreign MBS holdings is agency debentures. Holders not shown include households; nonfinancial business; federal, state, and local governments; insurance companies; pension and retirement funds; money market and mutual funds; real estate investment trusts; asset-backed security issuers; brokers; and holding companies.

Agency Mortgage-Backed Securities

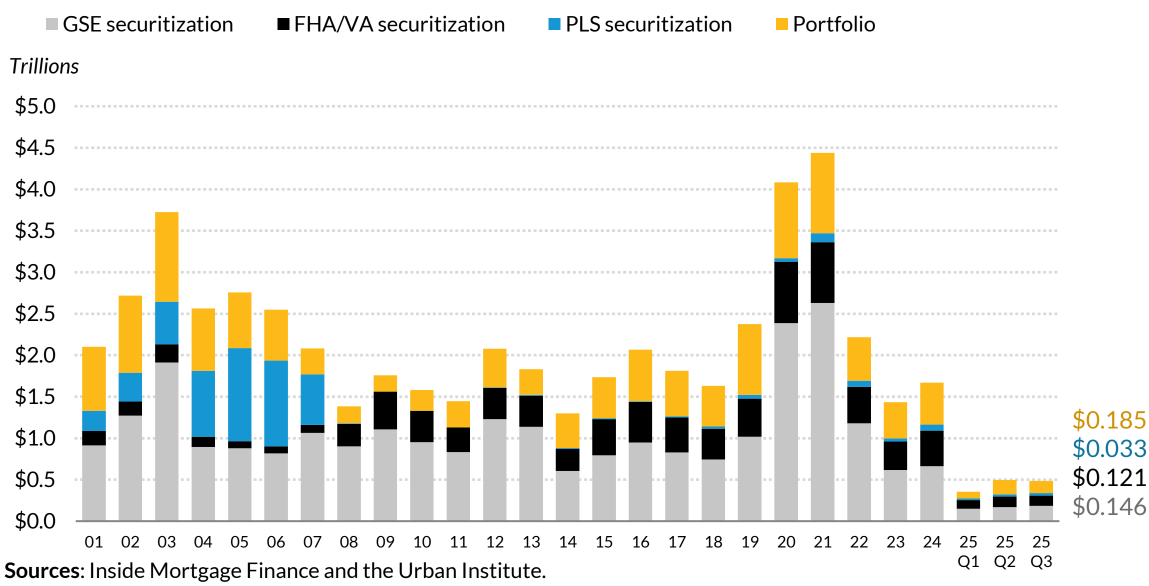


Sources: eMBS and the Urban Institute.
Note: Data as of December 2025. Total agency MBS in the top and bottom charts differ as the top is quarterly and the bottom is monthly. Values may not add up to total due to rounding.

OVERVIEW // ORIGINATION VOLUME AND COMPOSITION

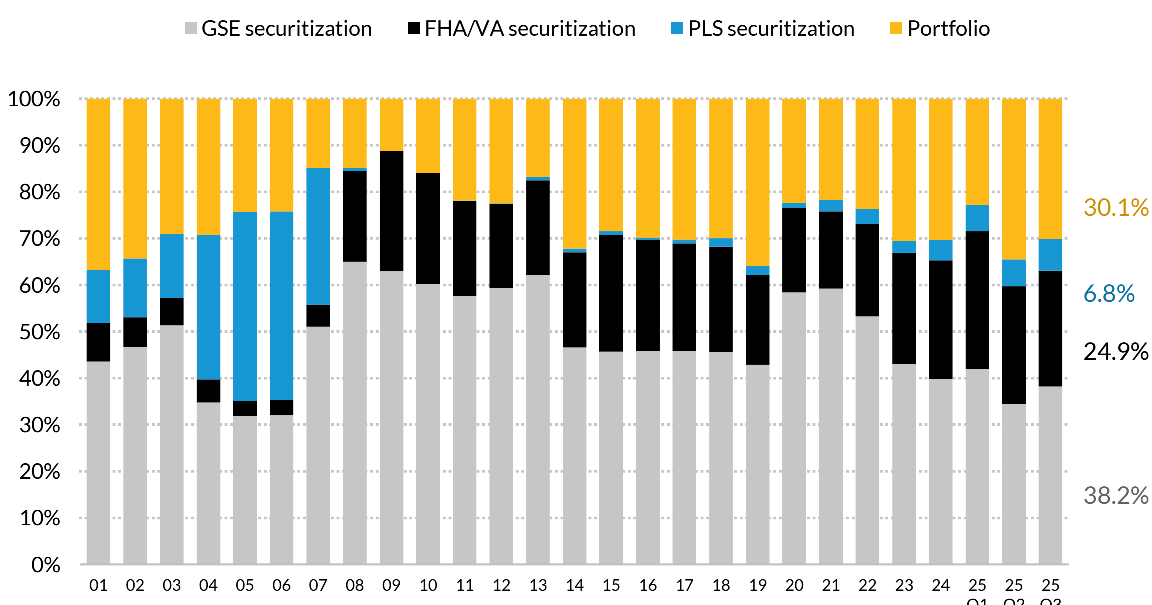
Total mortgage origination volume in Q3 2025 was approximately $485 billion, 6.6 percent higher than a year ago in Q3 2024. Over this same period, all channels but the GSEs experienced an increase in volume. First-lien PLS securitization volume in Q3 2025 was $33.1 billion, 73.5 percent greater than 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 Q3, 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 percent 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, the portfolio share fell slightly, by 0.1 percentage points to 30.1 percent.

Volume of Securitized First-Lien Originations



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

Composition of Securitized First-Lien Originations



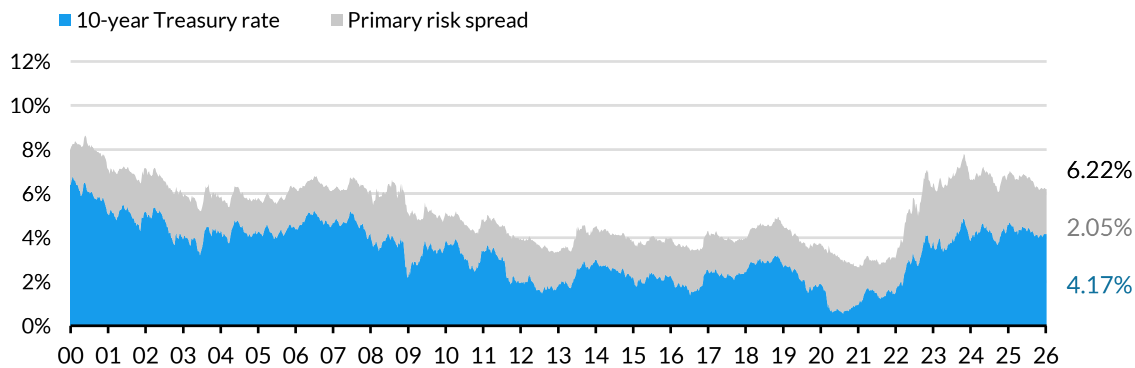
Sources: Inside Mortgage Finance and Urban Institute.
Note: Data as of Q3 2025.

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 a 27 basis point decline in the 10-year Treasury Note rate, from 4.44 percent to 4.17 percent. Over the same period the primary mortgage risk premium fell by an additional 40 basis points, from 2.45 percent to 2.05 percent. The easing of monetary policy has likely contributed both to the reduction in the 10-year Treasury note and to the primary mortgage market spread.

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 January 9, 2025. The primary risk spread is the difference between the 30-year fixed mortgage rate and the 10-year Treasury note rate.

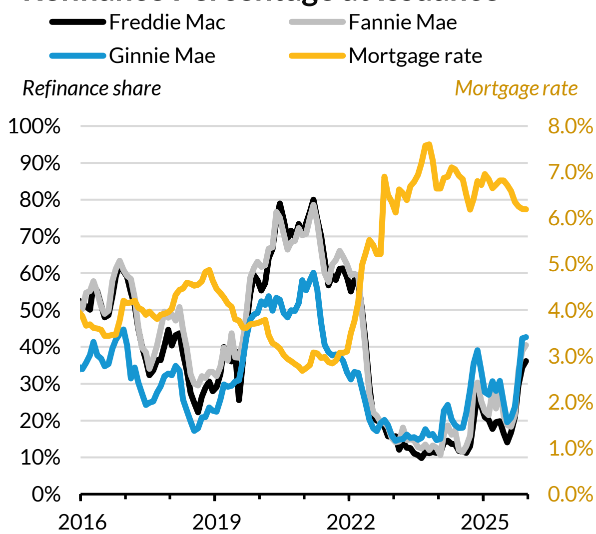
Adjustable-Rate Mortgage Share of Applications

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

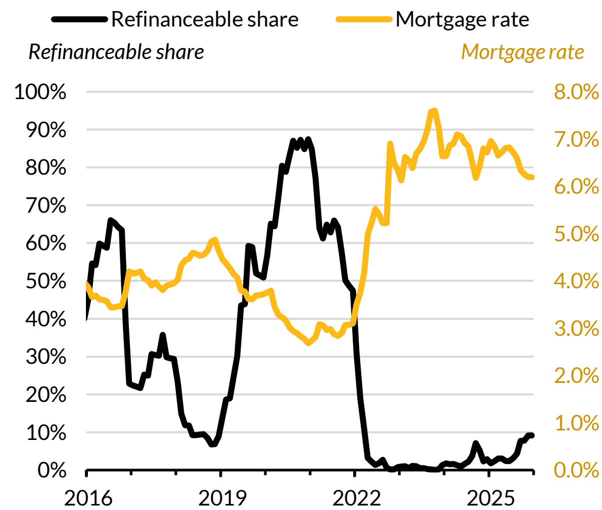
OVERVIEW // REFINANCEABLE MORTGAGES

The refinance share has jumped over the second half of 2025 as mortgage rates began to fall. However, absent continued rate declines, the number of potential refinancings is limited, largely because only 9.1 percent of loans are refinanceable (have a contract rate at least 50 basis points lower than the prevailing market 30-year fixed-rate mortgage rate) as of December 2025. The lack of refinanceability reflects the fact that 81.7 percent of outstanding agency borrowers have a rate 6.0 percent or lower (20 basis points below the 6.0 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 refinanceable have ticked up.

Refinance Percentage at Issuance

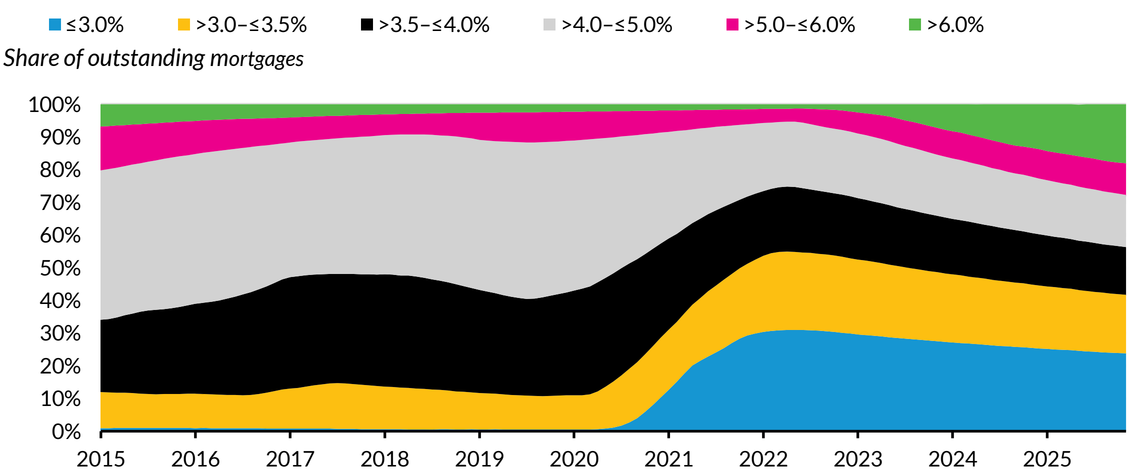


Refinanceable Share of Mortgages



Sources: eMBS, Freddie Mac, and Urban Institute calculations.
Notes: Data as of December 2025. Loans are counted as refinanceable if the note rate is at least 50 basis points over the mortgage rate reported by Freddie Mac's Primary Mortgage Market Survey.

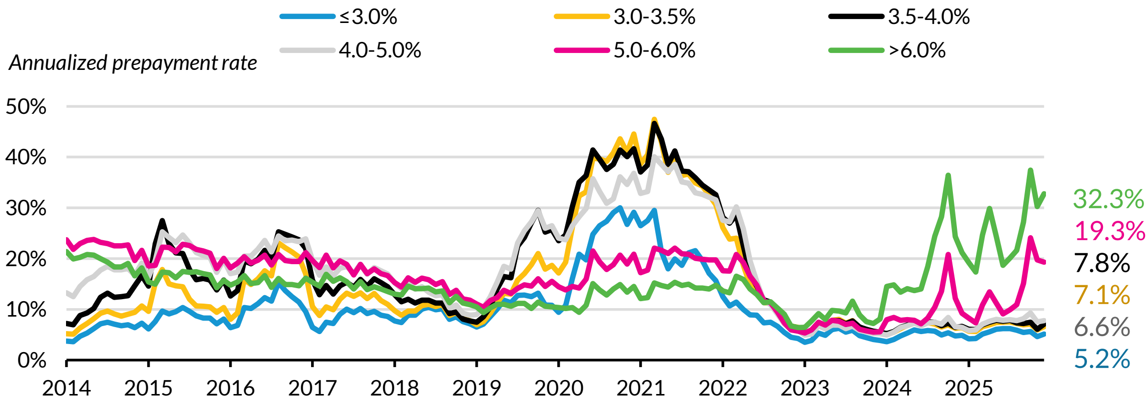
Outstanding Agency Mortgage Volume, by Interest Rate



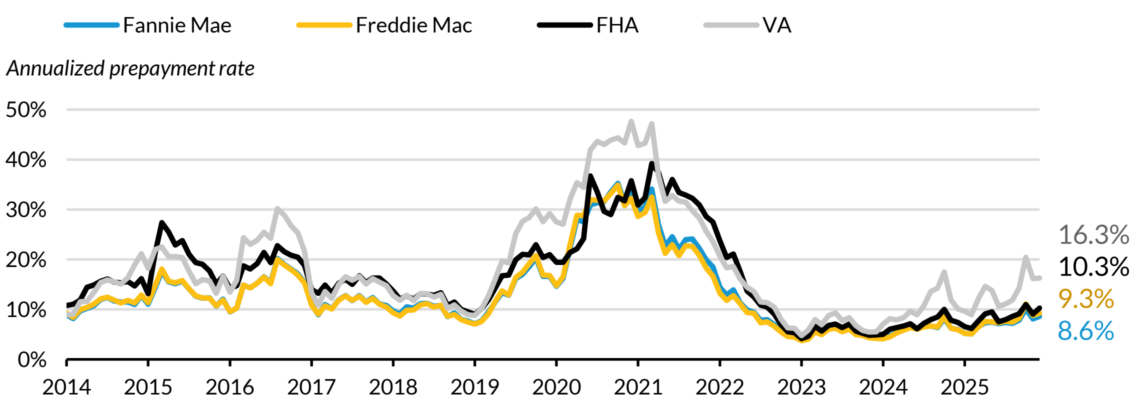
Sources: eMBS, Freddie Mac, and Urban Institute calculations.
Note: Data as of December 2025.

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. Prepayment speeds have been more volatile than historical norms, as borrowers have been quicker to react to changes in rates. The recent drop in mortgage rates should result in elevated 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.

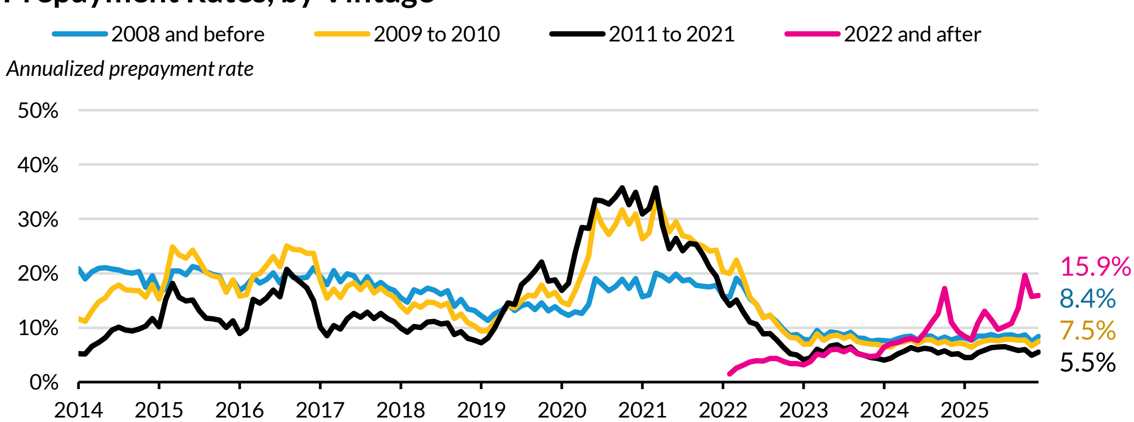
Prepayment Rates, by Note Rate



Prepayment Rates, by Agency



Prepayment Rates, by Vintage

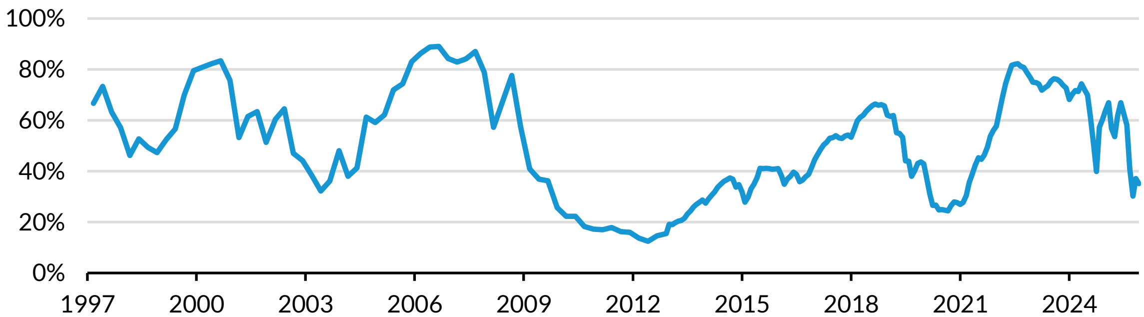


Source: Recursion Co. data as of December 2025.
Note: Prepayment rates calculated by loan count out of outstanding mortgage volume.

OVERVIEW // CASH-OUT REFINANCES

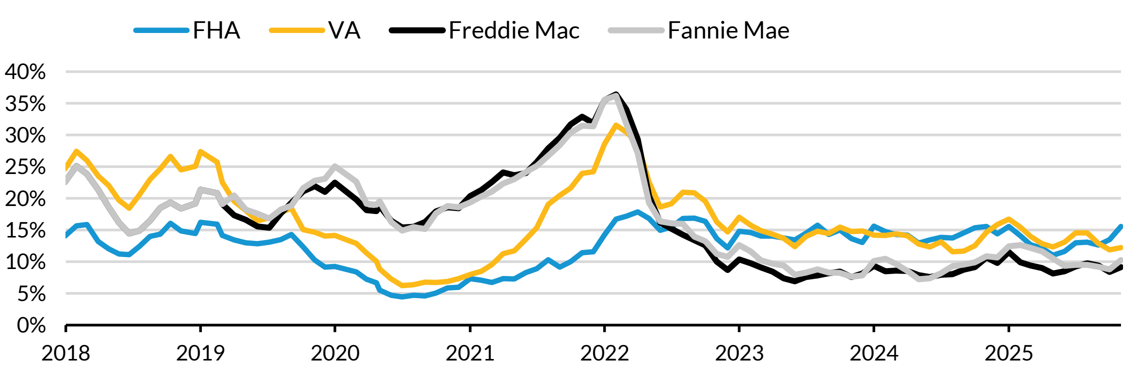
Homeowners can refinance to reduce their payment through a lower rate or shorten their loan term and finish paying off the principal balance faster. But homeowners can also refinance with a goal of extracting equity from their home. Typically, when rates are high, the primary reason to refinance is to take out equity. However, with the drop in mortgage rates, there has been an increase in rate/term refinancing activity; cash-out refinances now represent 37.0 percent of total refinance activity. And, compared with all originations, including purchase loans, the cash-out share remains low across all channels except FHA compared to 2022 cyclical highs. Across all channels, including FHA, the volume of cash-out originations also remains low.

Cash-Out Share of Conventional Refinances

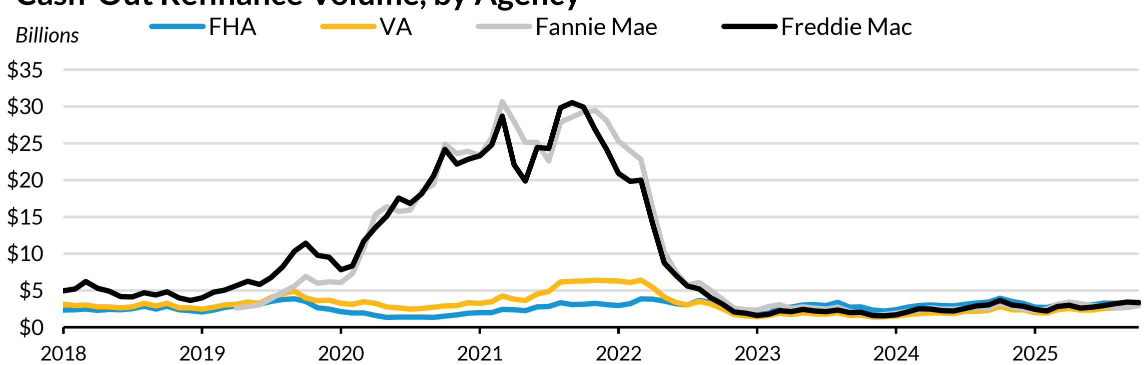


Sources: Freddie Mac, eMBS and Urban Institute.
Note: The cash-out share for the conventional market is calculated using Freddie Mac's quarterly refinance statistics from 1995 to 2013. Post 2013 it is calculated monthly using eMBS. Data as of December 2025.

Cash-Out Refinance Share of All Originations



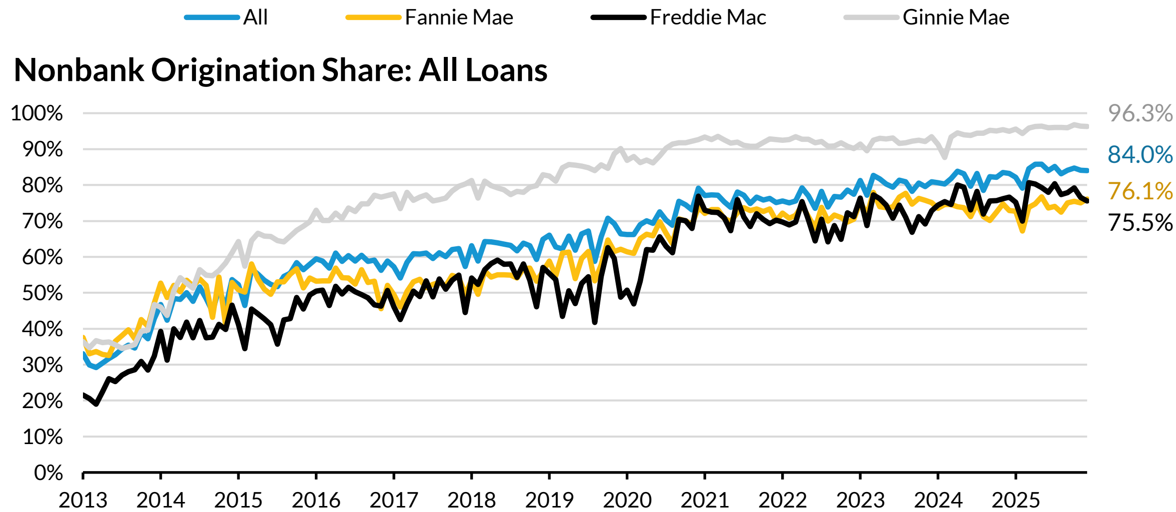
Cash-Out Refinance Volume, by Agency

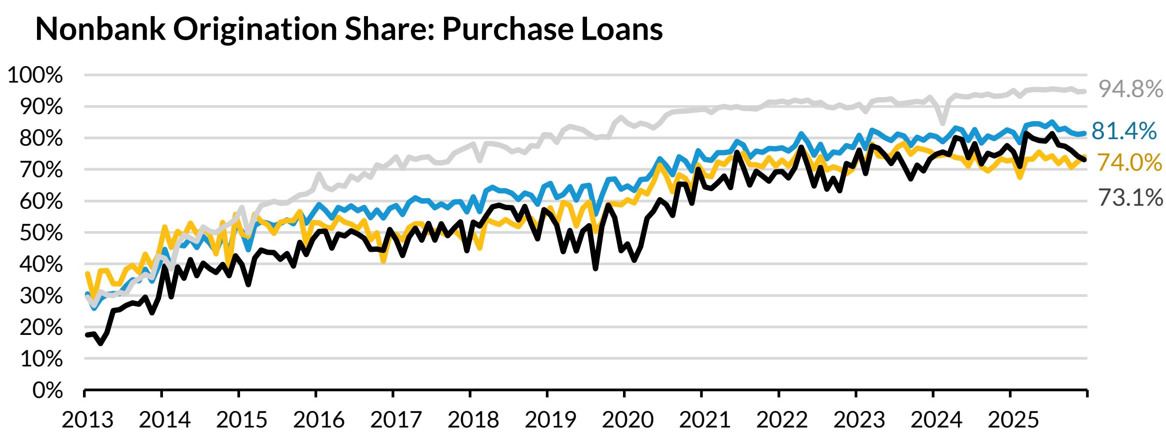


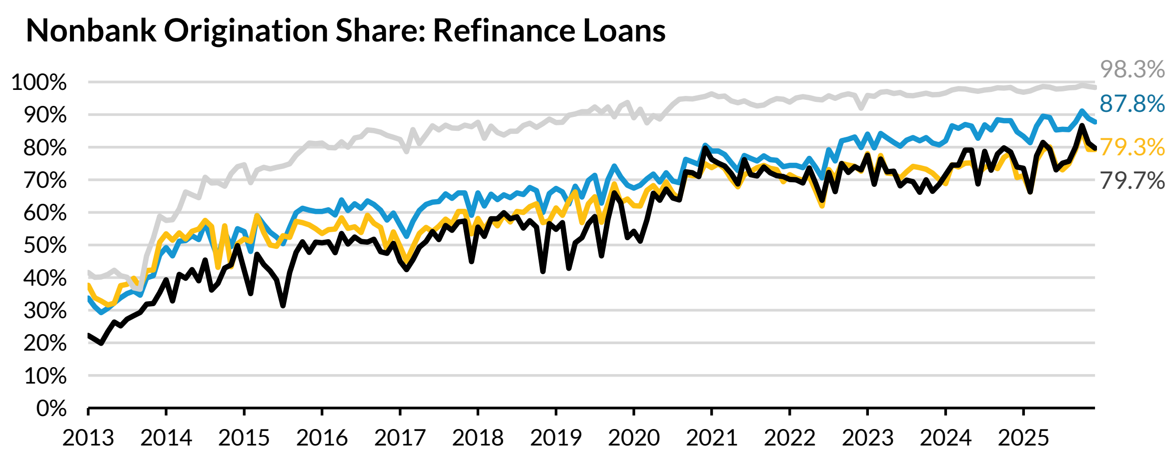
Sources: eMBS and the Urban Institute.
Note: Data as of November 2025. Fannie Mae started reporting cash-out volume in 2018.

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 84.0 percent as of December 2025. The nonbank share of all agency loans has risen steadily since 2013. The Ginnie Mae nonbank share (96.3 percent in December 2025) has been consistently higher than the GSE share. Fannie Mae and Freddie Mac had nonbank shares of 76.1 and 75.5 percent, respectively.



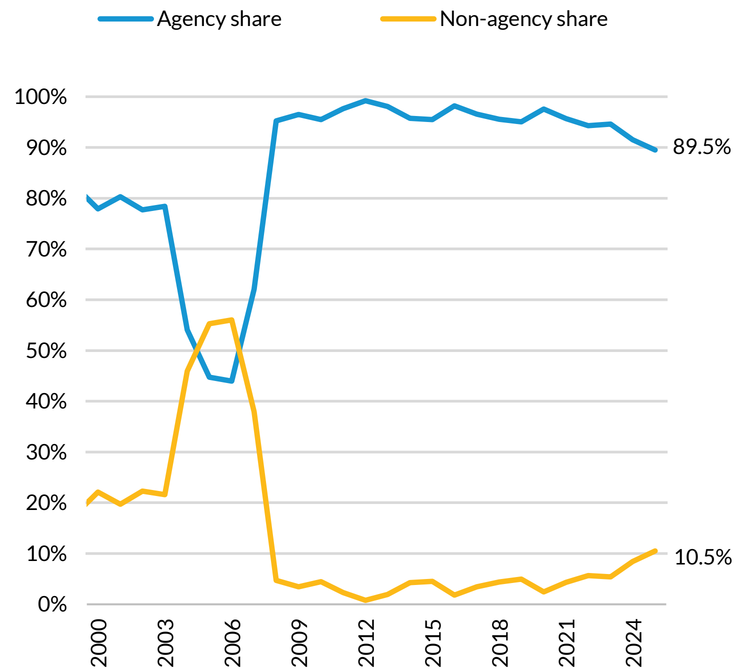




Sources: eMBS and Urban Institute.
Note: Data as of December 2025.

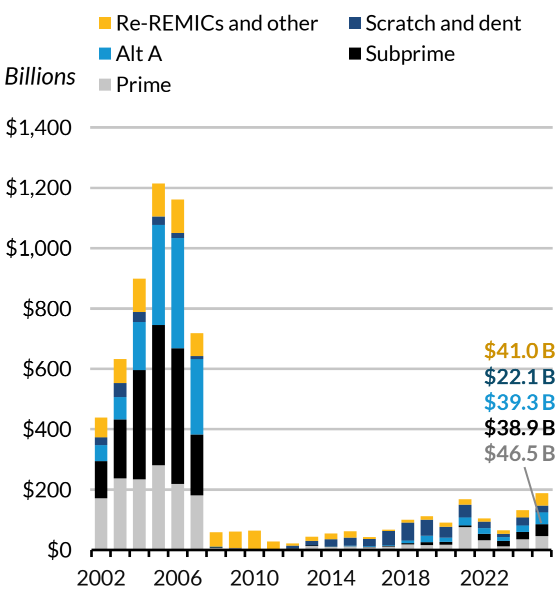
Agency and Non-agency Share of Residential MBS Issuance

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 10.5 percent in 2025 through December (and a corresponding decline in the agency share), but still below its housing boom peak. Through the fourth quarter of 2025, the total volume of non-agency issuance reached $186 billion, 41. percent higher than issuance through the fourth quarter of 2025. Monthly non-agency securitization has been trending upward since the end of 2022.



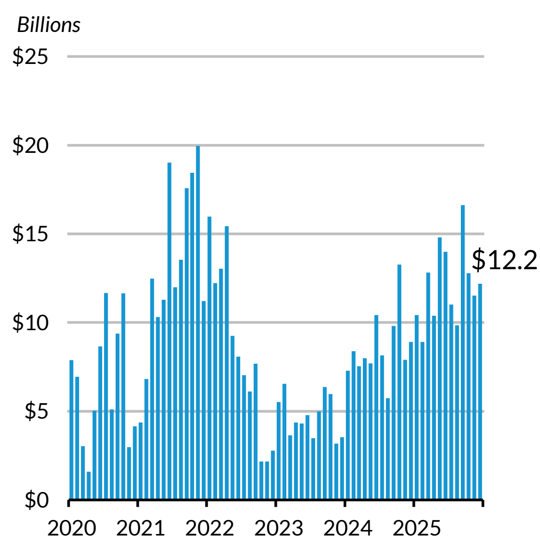
Sources: Inside Mortgage Finance and the Urban Institute.
Notes: Monthly non-agency volume is subject to revision. Data through December 2025.

Non-Agency MBS Issuance



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Data through Q4 2025.

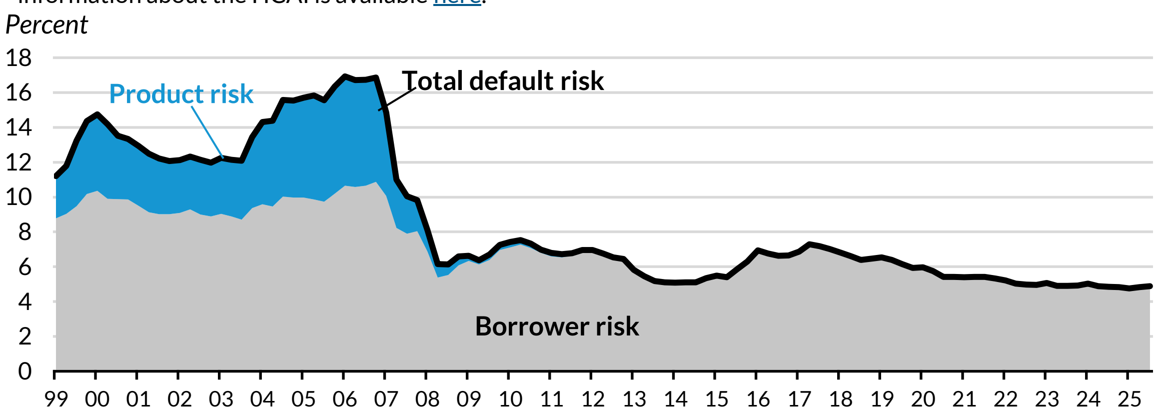
Monthly Non-Agency Securitization



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

CREDIT BOX // HOUSING CREDIT AVAILABILITY INDEX

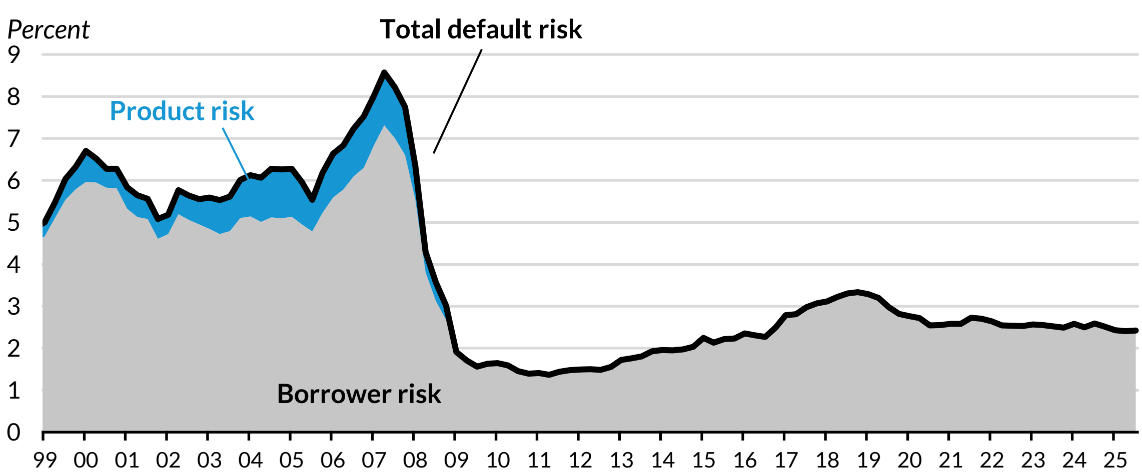
The Urban Institute's Housing Credit Availability Index (HCAI) assesses lenders' tolerance for both borrower risk and product risk. Across the whole market, it stands at 4.89 percent in Q3 2025, up slightly from 4.83 percent in Q2 2025 and up from 4.79 percent in Q3 2024, a 10 basis point increase. This slightly higher default risk primarily reflects the reduced GSE share and the higher government and portfolio and private label securities shares (page 8). The GSEs have a much tighter credit box than the government market and a slightly tighter credit box than the portfolio and private label sectors. A shift from the GSEs into the other sectors will hence increase the overall default risk. 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

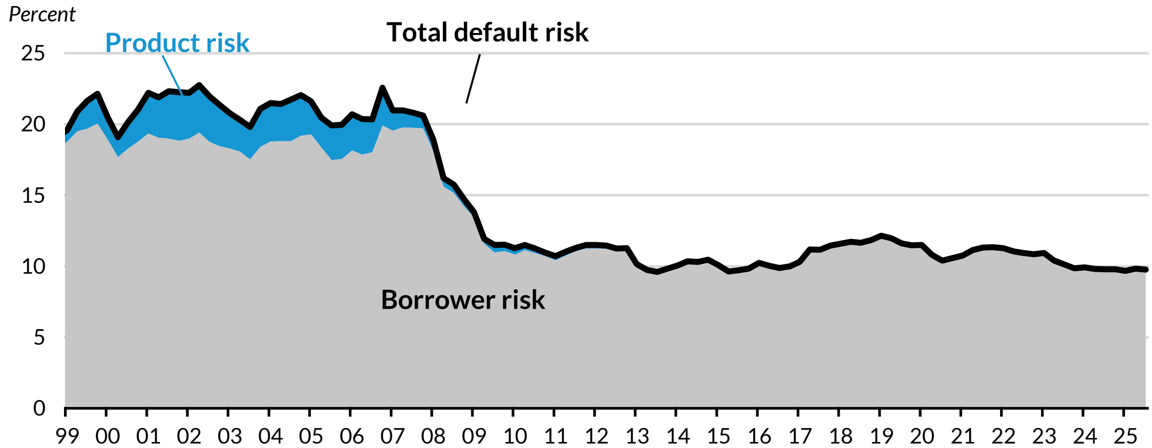
The trend toward greater credit availability in the GSE channel began in Q2 2011. From Q2 2011 to Q4 2018, the total risk taken by the GSE channel more than doubled, from 1.4 percent to 3.3 percent. This is still very modest by pre-crisis standards. However, in the ensuing years, the total risk through the GSE channel has broadly declined. And in Q3 2025, credit availability stood at 2.42 percent, roughly the same level as Q3 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 Q3 2025.

Government Channel

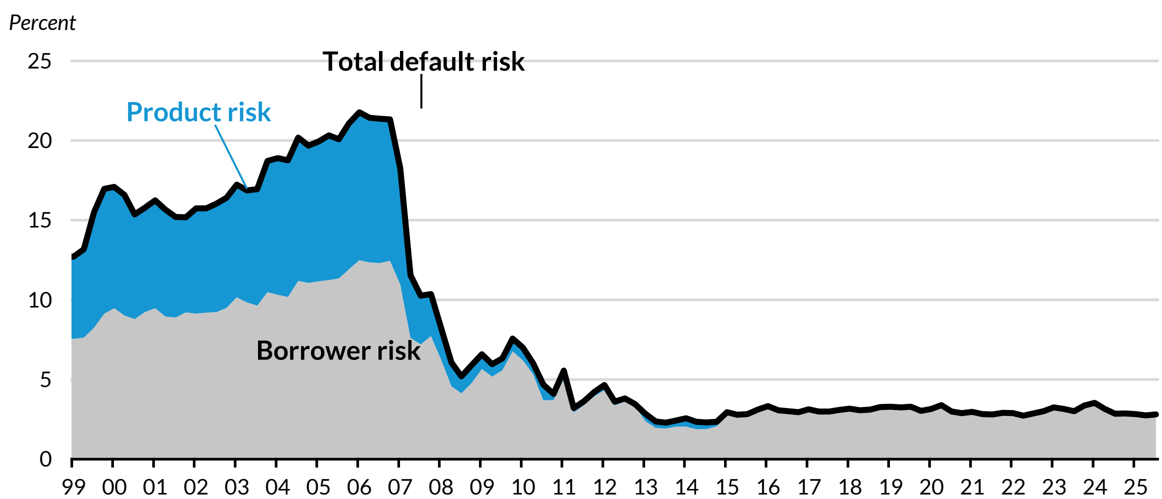
The total default risk the government loan channel is willing to take bottomed out at 9.6 percent in Q3 2013. It fluctuated in a narrow range at or above that number for three years. In the eleven quarters from Q4 2016 to Q1 2019, the risk in the government channel increased significantly from 9.9 to 12.1. In subsequent years, the risk in the government channel has largely declined, reaching 9.76 percent in Q3 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

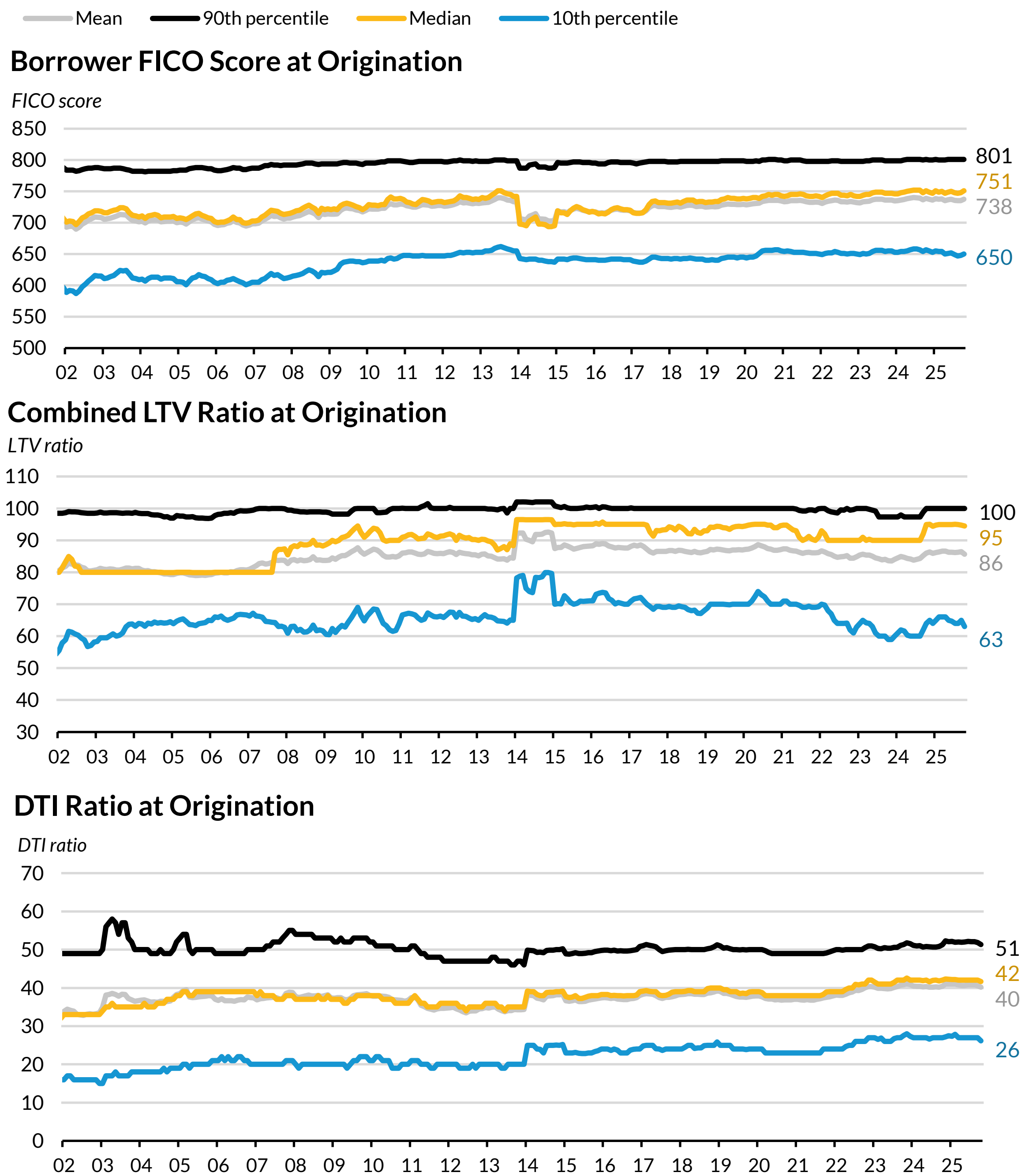
The portfolio and private-label securities (PP) channel took on more product risk than the government and GSE channels during the bubble. After the crisis, the channel's product and borrower risks dropped sharply. The numbers have stabilized since 2013, with product risk well below 0.5 percent and total risk largely in the range of 2.3-3.5 percent; it was 2.8 percent in Q3 2025. This represents a small 0.1 percentage point tightening from 2.9 percent in Q3 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 Q3 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 October 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 scores. The median credit score has increased from 738 in December of 2021 to 747 in October 2025. Over roughly the same period, average FICO scores across the entire score population have remained roughly flat.



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

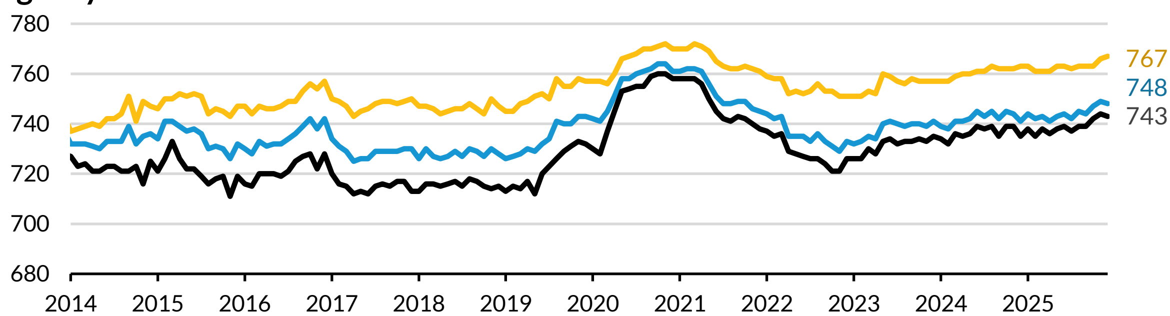
CREDIT BOX // AGENCY NONBANK CREDIT BOX

We find the median FICO score for all agency loans (this page) is slightly higher than purchase only mortgages (page 17). This reflects the fact that refinance loans tend to have higher credit scores than their purchase counterparts; the drop in median credit scores in 2021-2023 was attributable to the fact that rates rose and refi activity declined. Note that in the 2023-2025 period, the range for median credit scores was substantially higher than their ranges before the pandemic. And, over this period, credit scores on agency originations have begun to trend upwards. In December 2025, the median agency credit score of 748 is higher than the range from 2023 to 2025 Q3.

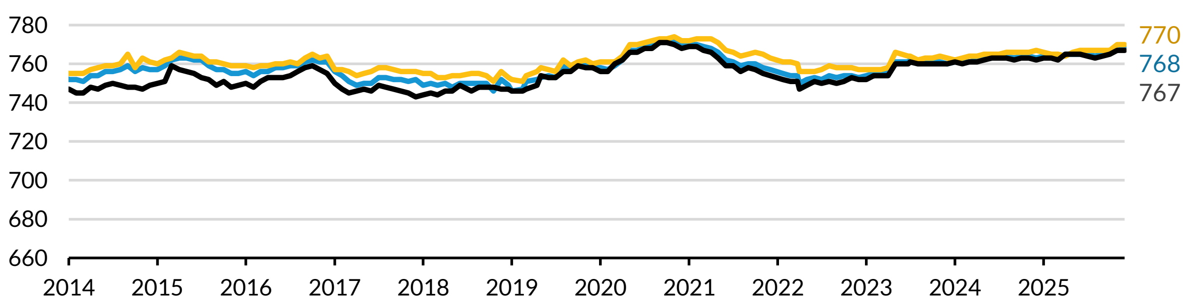
For GSE loans, the difference between the median FICO score on nonbank and bank loans stood at 3 points in December 2025. For Ginnie Mae loans, the difference was 20 points. Overall, the gap between agency bank and nonbank FICO scores was 24 points in November 2025. This reflects the sharp cutback in FHA lending by banks post-2008, banks now compose only 3.7 percent of Ginnie Mae originations (page 13).

All Median FICO   Bank Median FICO   Nonbank Median FICO

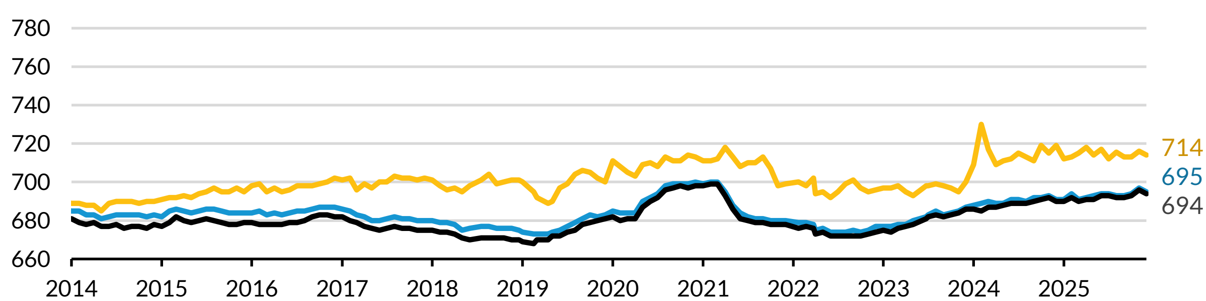
Agency FICO Scores: Bank versus Nonbank



GSE FICO Scores: Bank versus Nonbank



Ginnie Mae FICO Scores: Bank versus Nonbank

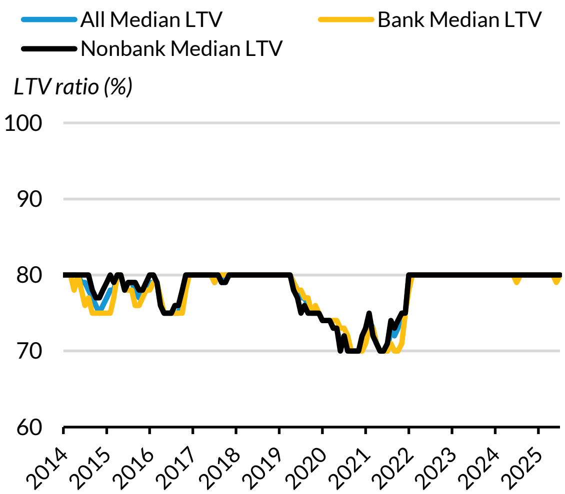


Sources: eMBS and the Urban Institute.
Note: Data as of November 2025.

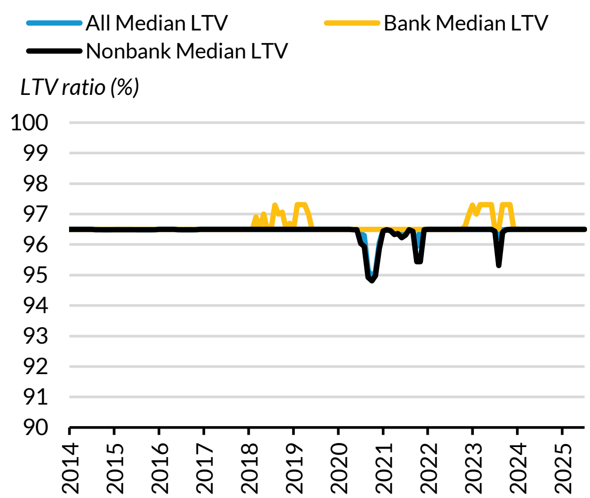
CREDIT BOX // AGENCY NONBANK CREDIT BOX

Across agency loans, LTVs have remained stable since mid-2022 for GSE and May 2024 for Ginnie loans. Between December 2021 and mid-2022, as we moved from a refi to a purchase environment, 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, and on nonbank loans relative to bank loans.

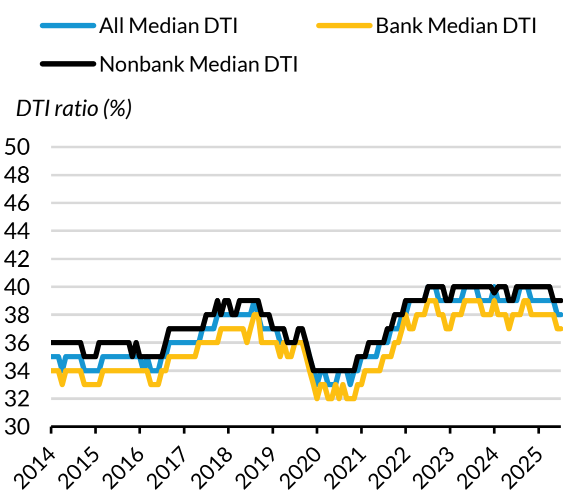
GSE LTV Ratios: Bank versus Nonbank



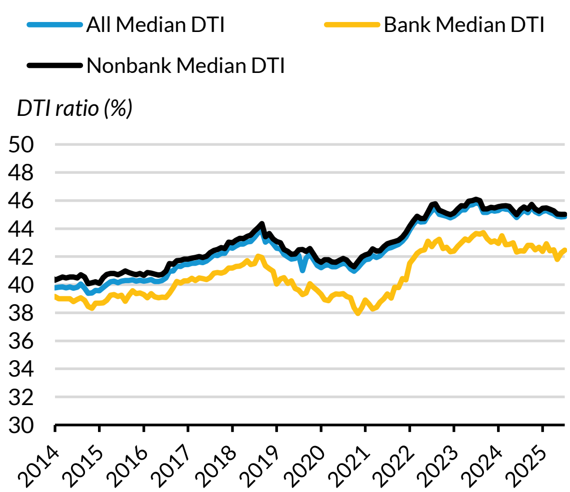
Ginnie Mae LTV Ratios: Bank versus Nonbank



GSE DTI Ratios: Bank versus Nonbank



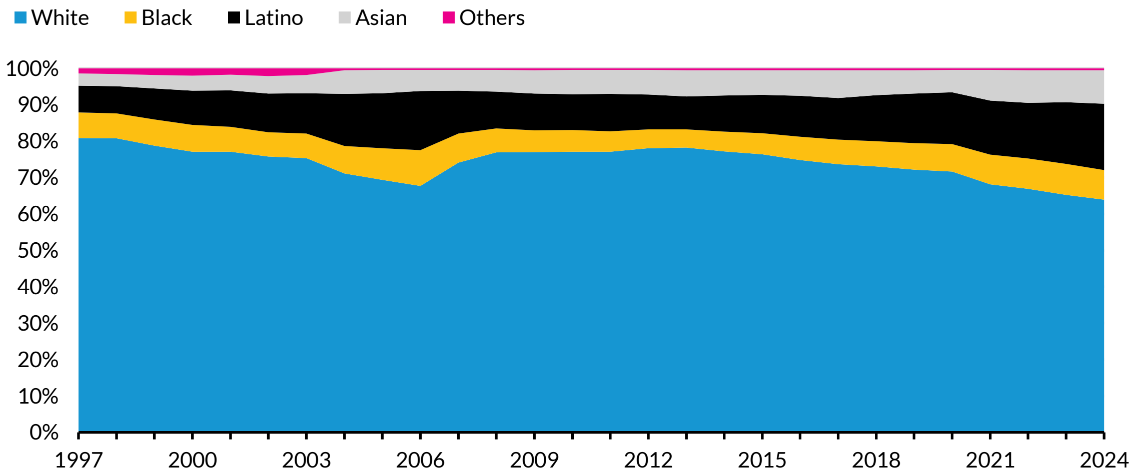
Ginnie Mae DTI Ratios: Bank versus Nonbank



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

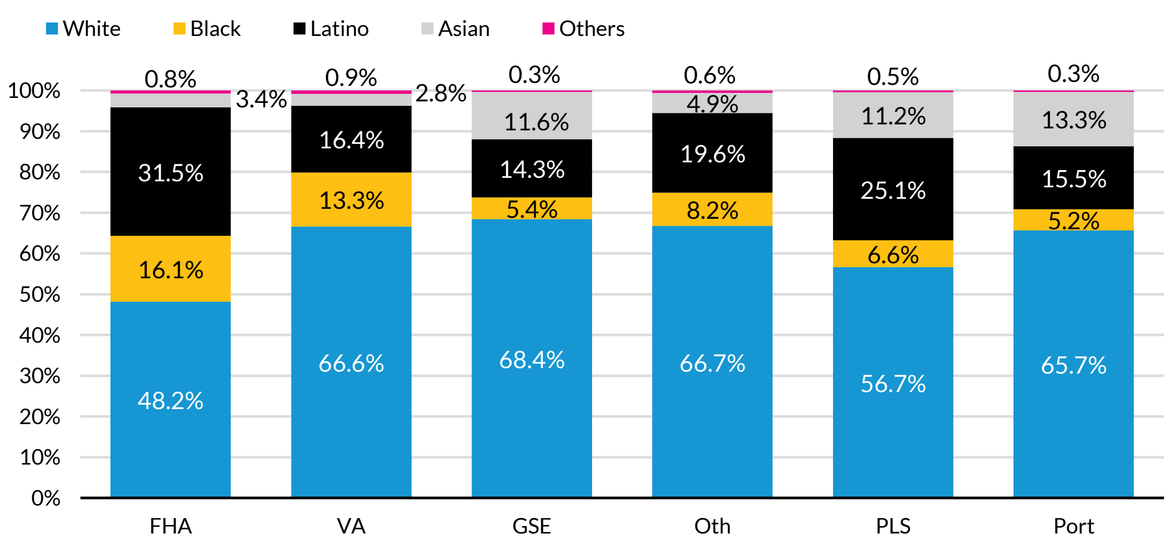
Across all channels, the share of purchase lending to applicants of color reached a peak of 32.3 percent in 2006, the year before the Great Recession. Following the Great Recession and amid a period of very tight credit, the share of purchase loans extended to borrowers of color declined to a low of 21.7 percent in 2013. Since then, it has slowly increased. In 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 are 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.

Originations rose in Q2 2025 from Q1 levels; however, this increase partly reflects seasonality given the importance of the Spring season to housing activity. Q3 levels are expected to be down slightly from Q2 levels and Q4 is expected to be up, reflecting the impact of lower rates. 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 to levels near 2022.

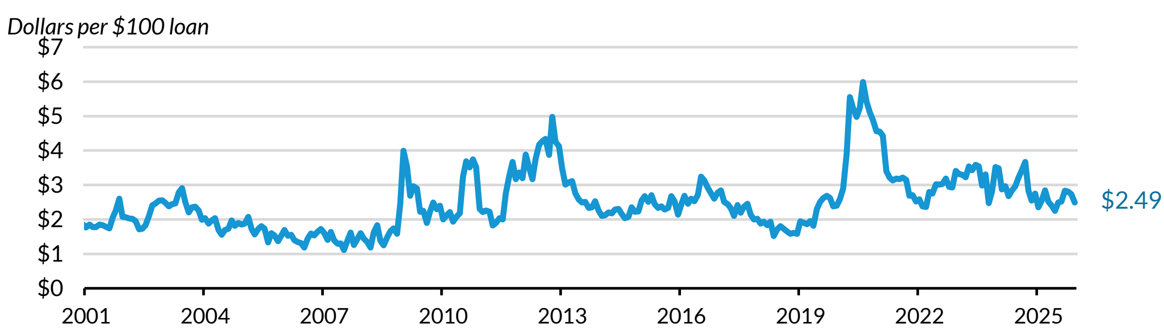
Total Originations and Refinance Shares

	Originations ($ Billions)		Refinance Share (Percent)	
Period	**Total, FNMA estimate**	**Total, MBA estimate**	**FNMA estimate**	**MBA estimate**
2025 Q1	371	384	25	32
2025 Q2	506	515	25	32
2025 Q3	503	565	24	36
2025 Q4	565	586	30	45
2026 Q1	497	543	45	44
2026 Q2	658	572	37	36
2026 Q3	643	567	34	34
2026 Q4	609	521	38	36
2019	2,462	2,253	46	44
2020	4,374	4,108	64	64
2021	4,570	4,436	58	62
2022	2,374	2,245	31	33
2023	1,503	1,458	15	15
2024	1,695	1,685	21	21
2025	1,944	2,050	29	37
2026	2,408	2,203	38	38

Sources: Fannie Mae (FNMA), the Mortgage Bankers Association (MBA), and the Urban Institute.
Note: Fannie Mae forecasts as of January 2026 and MBA forecasts as of December 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

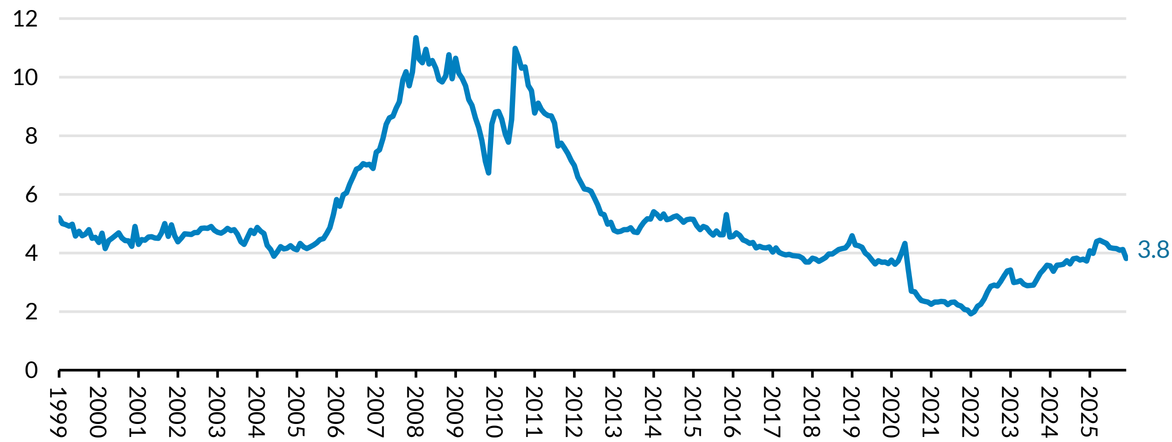
While origination activity may rise somewhat, there is excess capacity in the system due to higher rates, which continues to weigh on profitability. In December 2025, Originator Profitability and Unmeasured Costs (OPUC) was $2.49 per $100 loan, down from $2.79 in November. OPUC is generally high when 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 December 2025. OPUC is a monthly (four-week moving) average, as discussed in the link above.

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 2025 are expected to be largely flat compared to 2023 and 2024 levels. But while home sales are expected to rise over 2026, housing starts will remain stagnant. These trends are already pushing months' supply down; it currently stands at the lowest since March 2025.

Months' Supply



Sources: National Association of Realtors and the Urban Institute.
Note: Data as of December 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	1,371	4,746	4,761	4,358
2025	1,347	1,358	1,344	4,748	4,793	4,371
2026	1,297	1,313	1,343	5,078	5,107	4.770

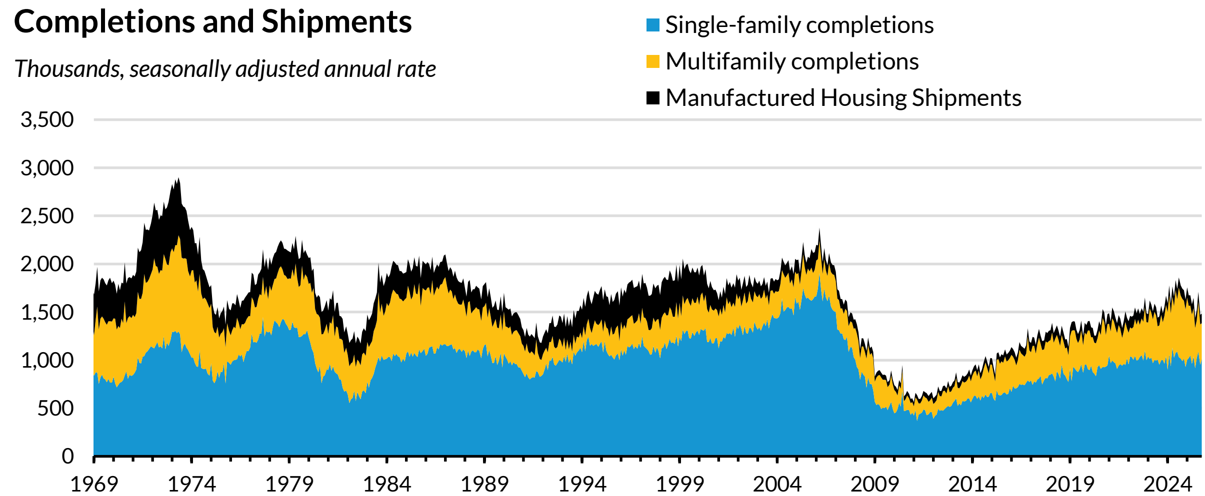
Sources: Fannie Mae (FNMA) and Mortgage Bankers Association (MBA) and National Association of Home Builders (NAHB) forecasts as of December 2025.
Note: Shaded boxes indicate forecasted figures; column labels indicate source of estimate.
*The NAHB home sales also excludes existing condos and co-ops reported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

New residential production—including single-family and multifamily completions, as well as manufactured housing shipments—reached a seasonally adjusted annual rate of 1.48 million units in October 2025. Since reaching a low of 565,000 units in January 2011, new production has risen 162 percent. But current production is still 38 percent lower than the peak March 2006 level of 2.38 million units. In October 2025, single-family completions were 47 percent lower than the March 2006 peak of 1.91 million units. Multifamily completions are 1 percent lower than their level in March 2006 and have declined by 43 percent since a recent peak in June 2024.

Among multifamily completions, 3.2 percent were built for sale in Q3 2025, half the share in Q2 2025. This is the lowest share since the beginning of the series in 1999. 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 74.4 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.

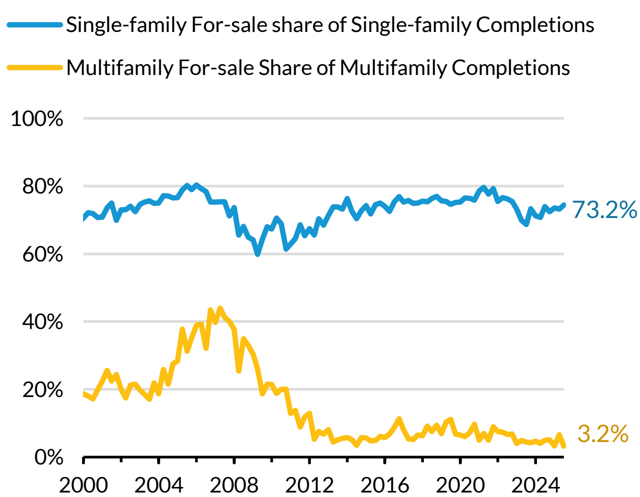
Completions and Shipments

Thousands, seasonally adjusted annual rate



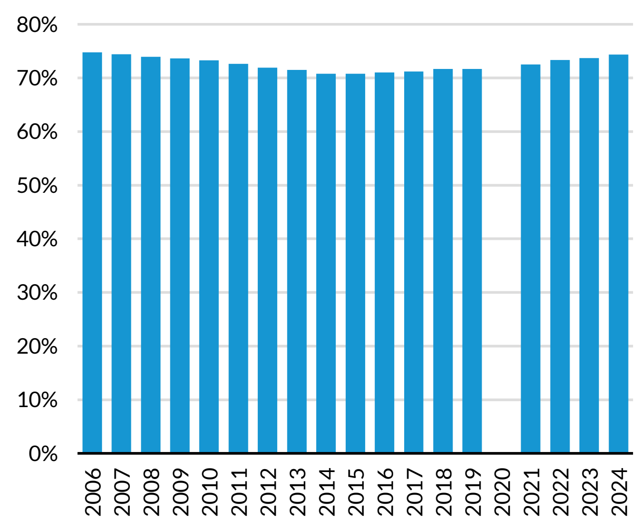
Sources: Moody's Analytics, US Census Bureau, and Urban Institute calculations. October 2025

Share of Residential Completions Built For Sale



Sources: US Census Bureau and Urban Institute calculations.
Note: Data as of Q3 2025

Owner-Occupied Share of Occupied Manufactured Homes

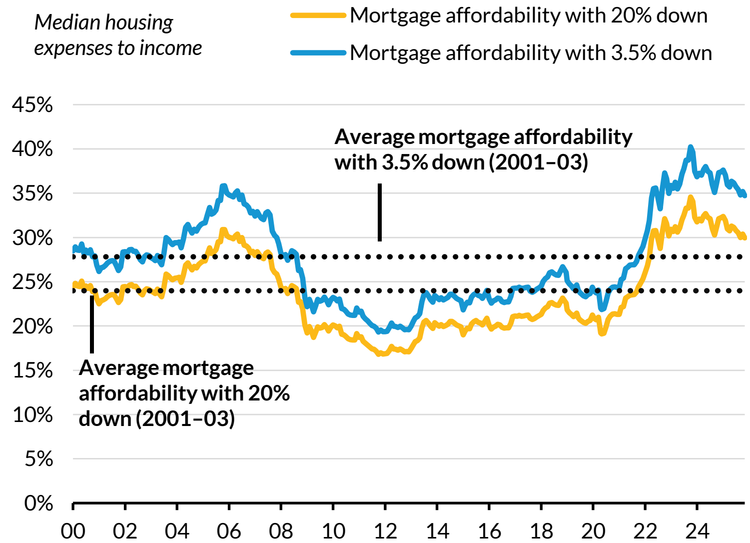


Source: 1-year American Community Survey data 2006-2023.
Note: Data are not available for 2020 because of low response rates during the pandemic.

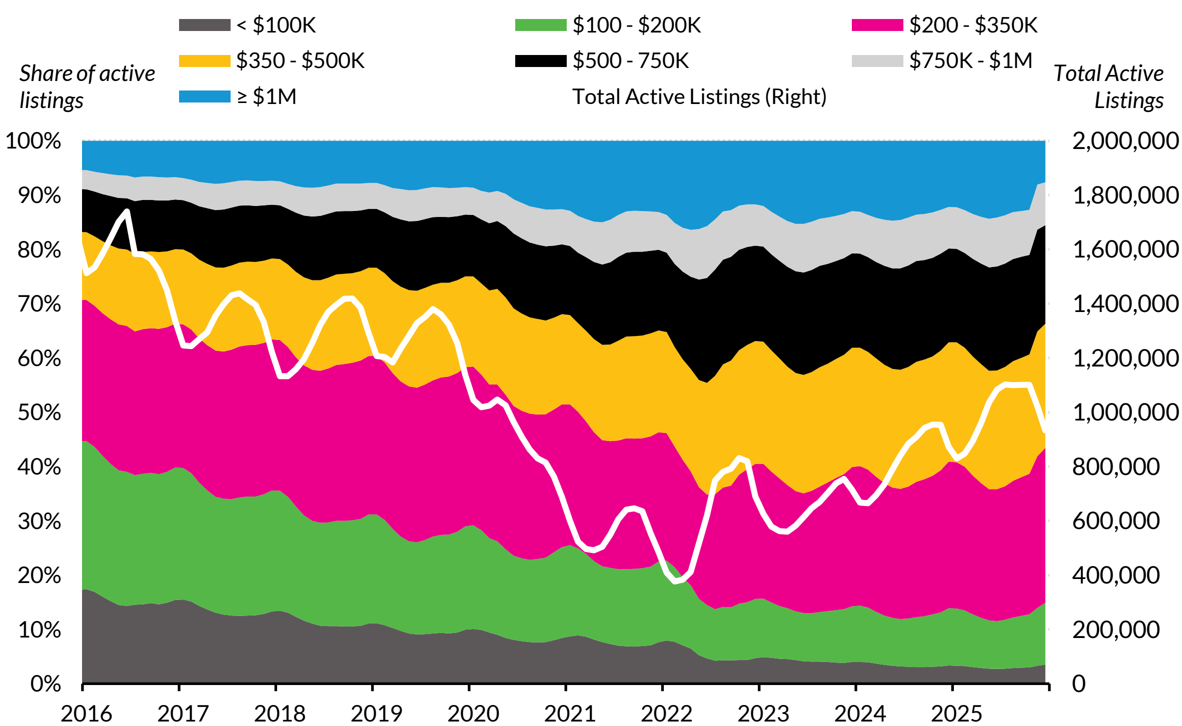
National Mortgage Affordability over Time

Mortgage affordability remains poor, but as home values have flatlined and mortgage rates have fallen, affordability has shown signs of improvement. As of November 2025, with a 20 percent down payment, the share of median income needed for the median monthly mortgage payment was 30.0 percent, below the peak of the housing bubble in November 2005; and with 3.5 percent down, the housing cost burden is 34.7 percent, also just below the 35.8 percent peak in November 2005.

Amid low homebuyer affordability, active listings have broadly increased since 2022, although more recently, the increase has partially reversed. We currently sit at levels slightly lower than those just prior to COVID. It is important to realize that 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

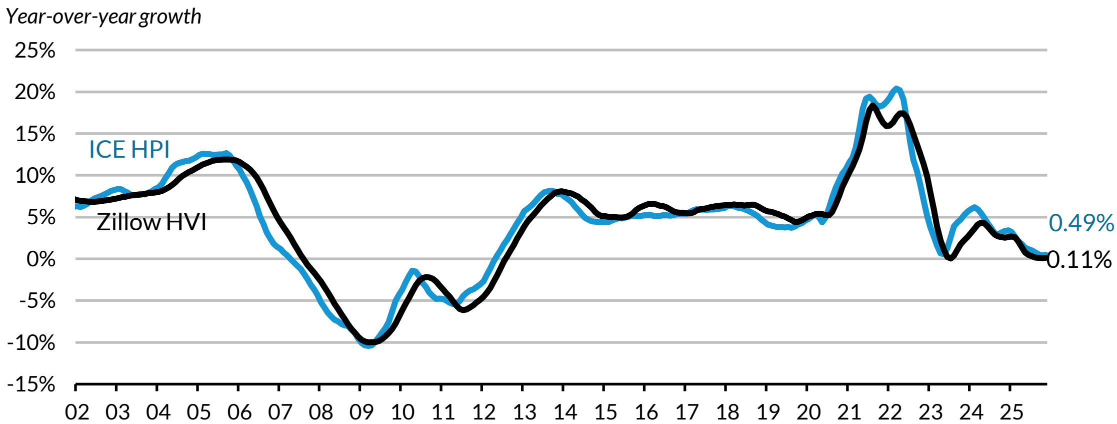


Sources: National Association of Realtors, the US Census Bureau, the Current Population Survey, the American Community Survey, Moody's Analytics, the Freddie Mac Primary Mortgage Market Survey, Realtor.com, and the Urban Institute.

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 December 2025.

National Year-Over-Year HPI Growth

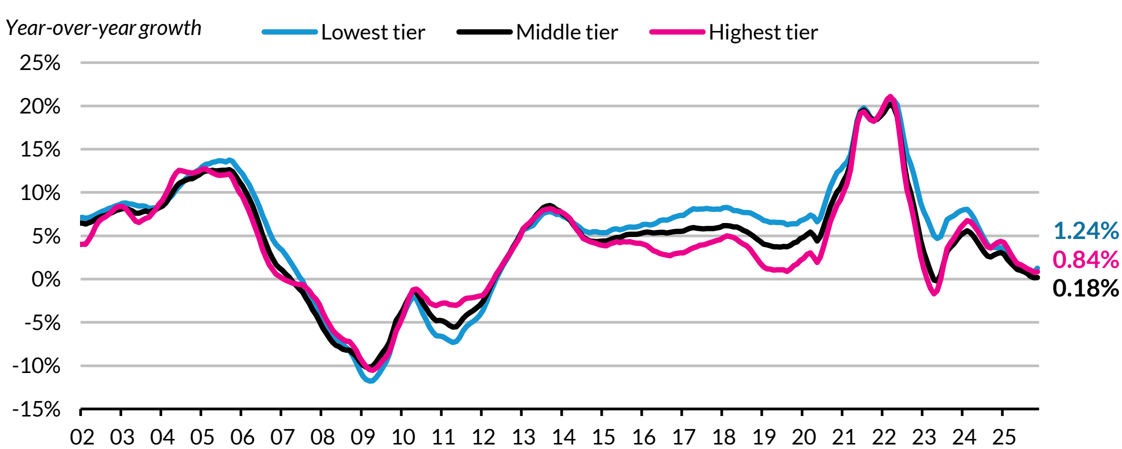
While house prices likely remain supported by the lack of supply, home price appreciation has continued to slow though 2025, as demonstrated by two key measures of home price indices. According to ICE Mortgage Technology's repeat sales index, year-over-year home price appreciation was 0.49 percent in November 2025, up from the previous month's 0.4 percent. Year-over-year home price appreciation, as measured by Zillow's hedonic home value index, is 0.11 percent in November 2025, up from 0.06 percent in September.



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

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

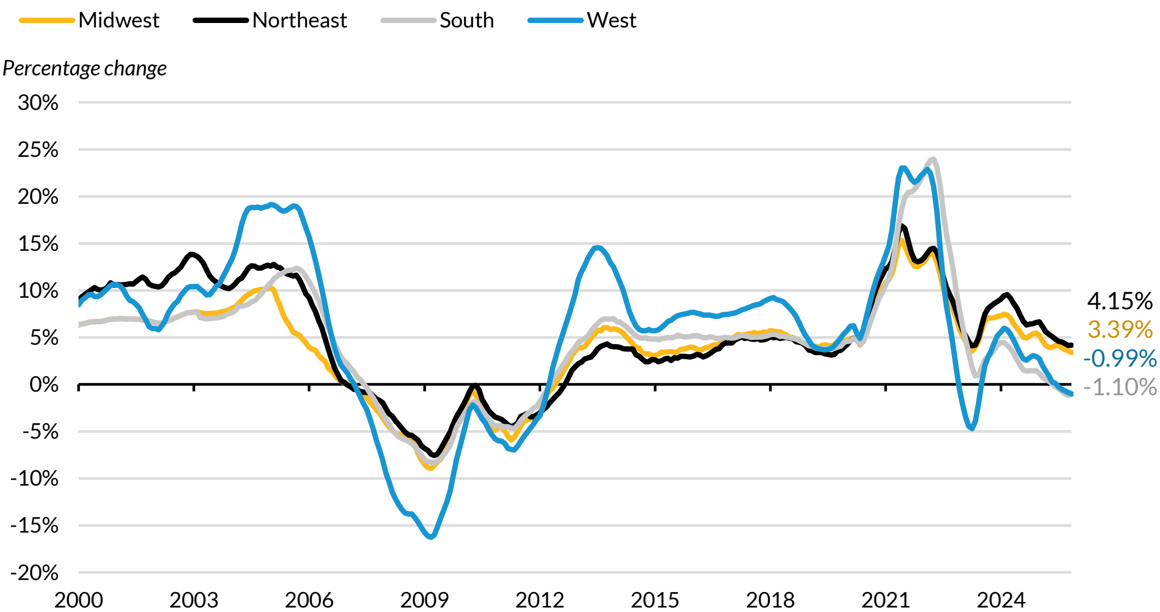
When interest rates are higher, house price appreciation has historically tended to be more robust for lower priced than higher priced properties. Higher interest rates not only delay homebuying, lowering overall demand, but they can also reduce the property price affordable to the homebuyer. This shifts 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, homes. 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 was slowing across all three price tiers. However, in November 2025, house price appreciation has begun to tick upwards in the lowest and middle tiers.



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

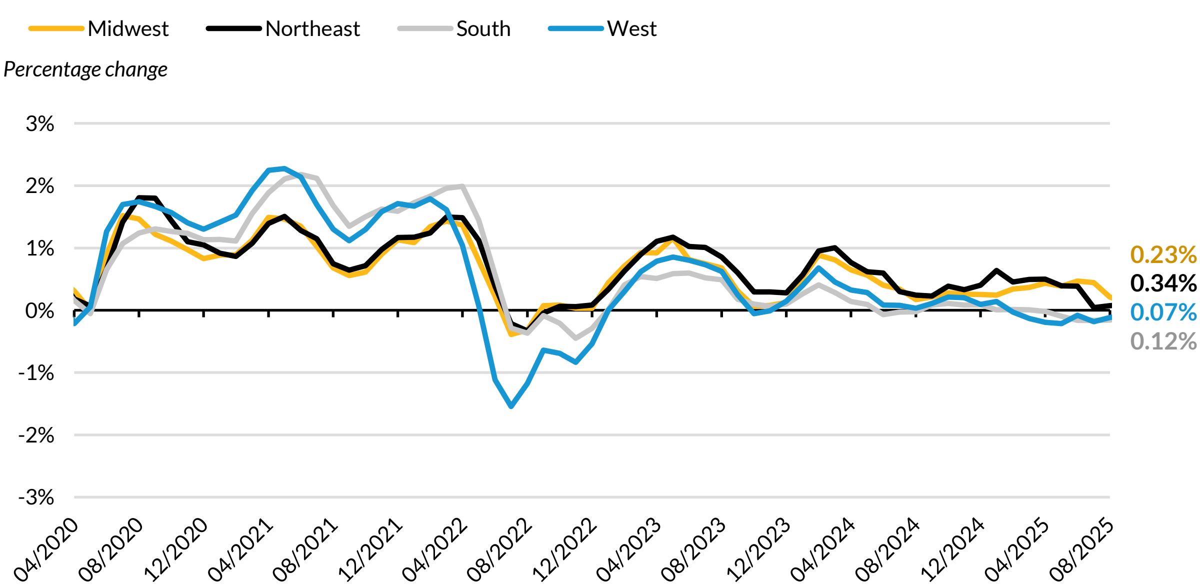
House price appreciation across all regions of the country continued to slow over 12 months ending in August 2025. However, 12-month house price appreciation varies considerably by region. Year-over-year, house price appreciation continues to slow in the Northeast and Midwest. But in the South and West, house prices have declined year-over-year by 1.1 and 0.99 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 November 2025.

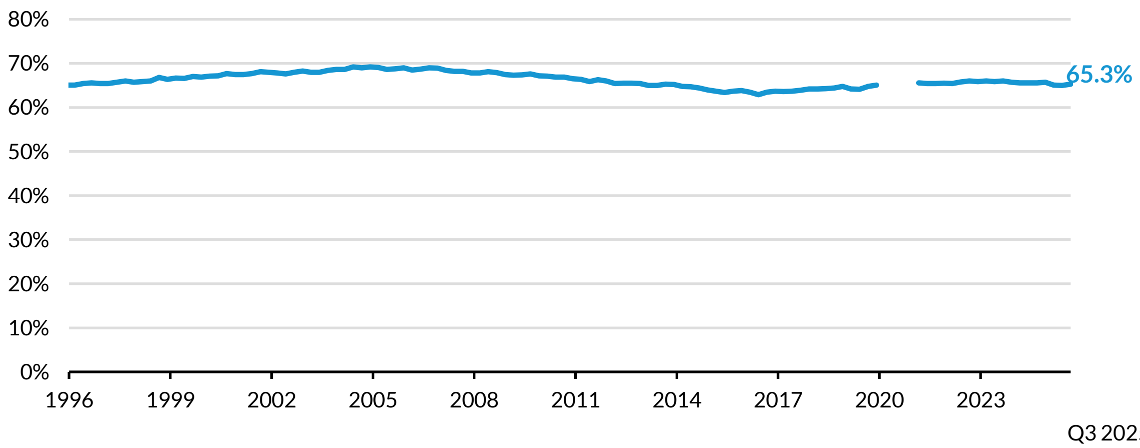
Month-over-Month Home Price, by Region



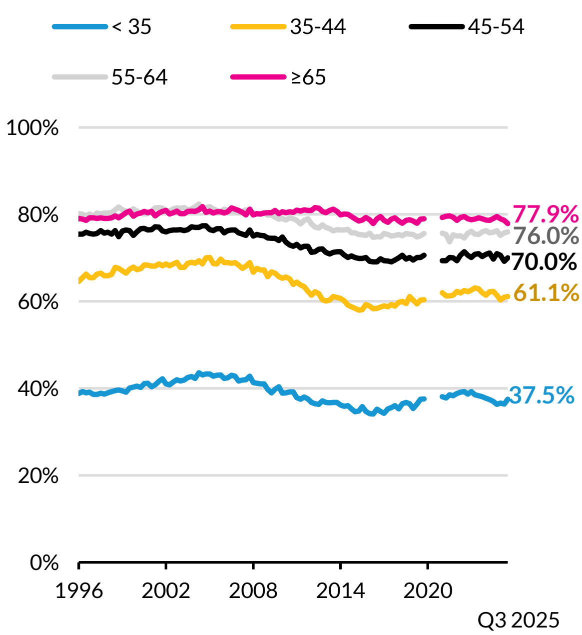
Sources: ICE Mortgage Technology and Urban Institute calculations.
Note: Data as of November 2025. Values are seasonally adjusted.

In Q3 2025, the homeownership rate was at 65.3 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 3.7 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.

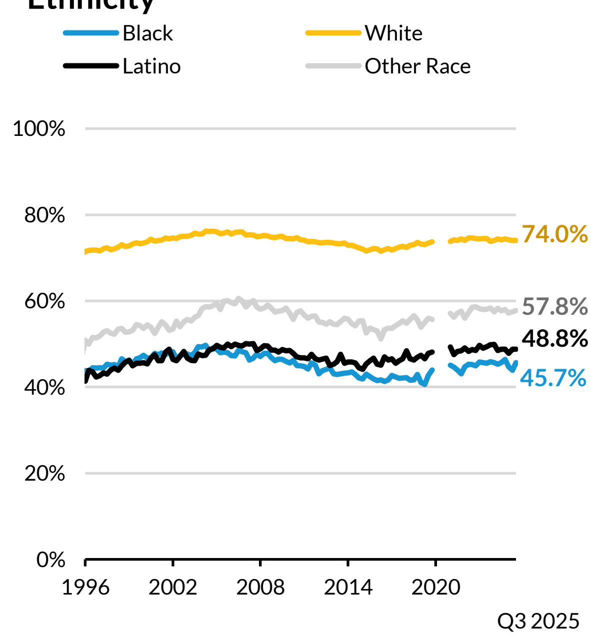
Overall Homeownership Rate



Homeownership, by Owner Age



Homeownership Rate, by Race or Ethnicity

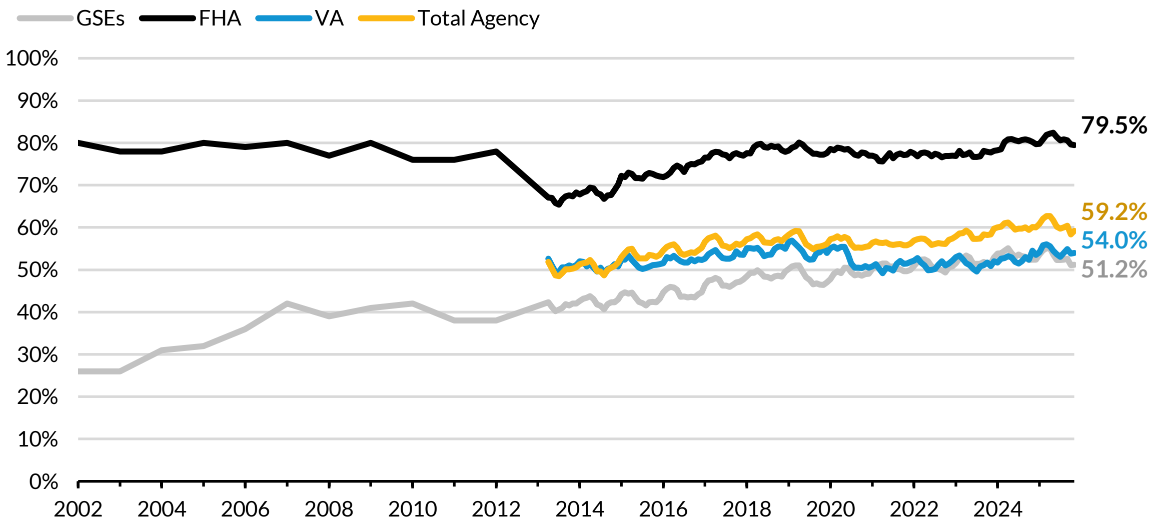


Sources: Moody's Analytics, US Census Bureau, and Urban Institute calculations.
Note: Data from 2020 are poor because of low response rates during the pandemic.

While the homeownership rate has declined over the past two decades, it has increased over the past decade (page 27). This reflects the fact that the first-time homebuyer share, which compares first-time homebuyers with repeat buyers has also increased over the past decade. In recent years, however, the homeownership rate has remained largely static and the first-time homebuyer share among agency loans has largely steadied around 60 percent. First-time homebuyers are traditionally more concentrated among FHA (in November 2025). However, in November 2025, more than half of GSE and VA purchase originations were made to first-time homebuyers (51.2 percent and 54.0 percent, respectively).

The bottom table shows that based on mortgages originated in November 2025, the average FTHB was more likely than an average repeat buyer to take out a smaller loan (because they purchased a lower valued home), to have a lower credit score and a higher LTV ratio. But while first-time homebuyers were more likely to have a lower credit score and a higher LTV, they had a lower mortgage rate. This likely reflects the disproportionate share of FHA loans originated to first-time homebuyers and the widespread 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 November 2025.
Note: All series measure the first-time homebuyer share of purchase loans for principal residences. In January 2026, we changed the source of our FHA FTHB share from FHA's Production Report to eMBS.

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

	GSEs		FHA		GSEs and FHA	
Characteristics	First-time	Repeat	First-time	Repeat	First-time	Repeat
Loan amount	$350,784	$395,103	$319,690	$341,636	$341,821	$395,151
Credit score	753	765	690	692	725	752
LTV ratio (%)	84	76	95	93	90	81
DTI ratio (%)	37	38	45	46	41	40
Loan rate (%)	6.10	6.10	5.87	5.84	5.98	6.00

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

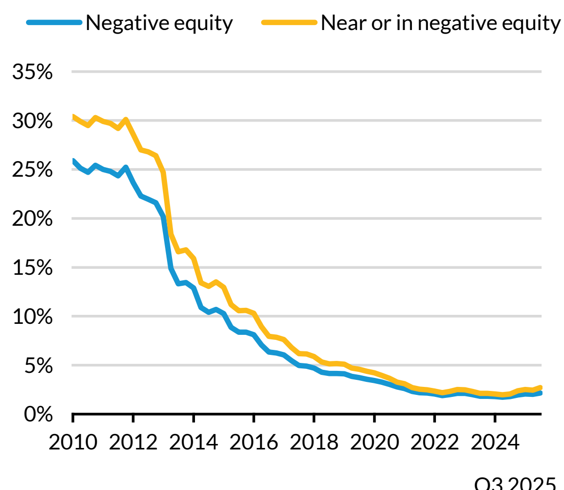
STATE OF THE MARKET // DELINQUENCIES AND LOSS MITIGATION

Though house prices have stagnated, and even fallen in some parts of the country, the share of loans with negative and near-negative equity has increased slightly from 2.43 to 2.72 percent from Q2 2025 to Q3 2025, reflecting increases in the shares in both negative and near-negative equity. From Q2 2025 to Q3 2025, the composition of loans in negative equity rose slightly to 2.16 percent while the share in near-negative equity, defined as having zero to five percent in equity, rose from 0.42 percent to 0.56 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 increased 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.

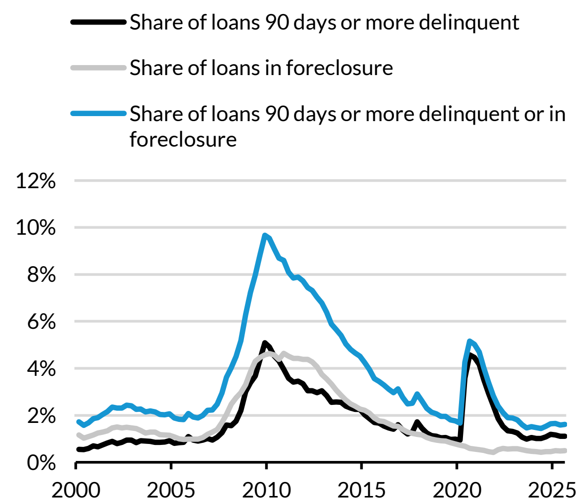
The bottom chart shows the share of loans in forbearance according to the MBA Weekly Forbearance and Call Volume Survey, launched in March 2020. After peaking at 8.55 percent in early June 2020, the total forbearance rate declined to 2.06 percent as of October 31, 2021, the final week of the call survey. 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.

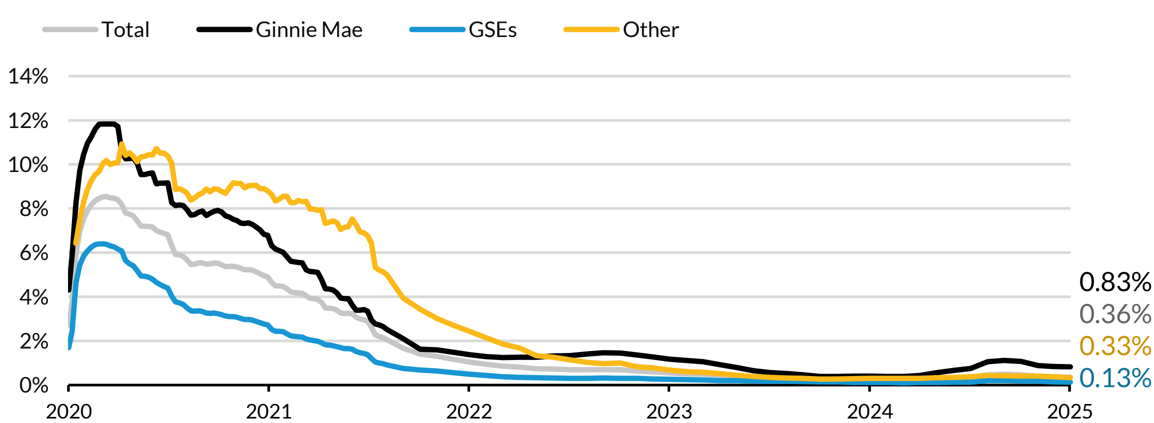
Loans in Serious Delinquency or Foreclosure



Sources: Mortgage Bankers Association and the Urban Institute.

Q3 2025

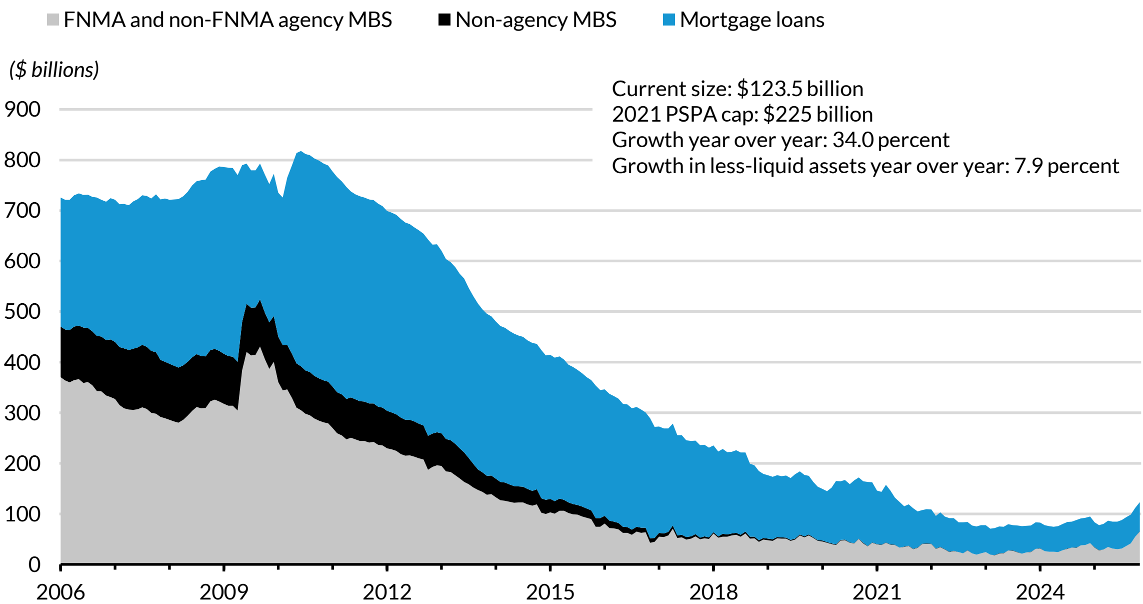
Forbearance Rates, by Channel



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

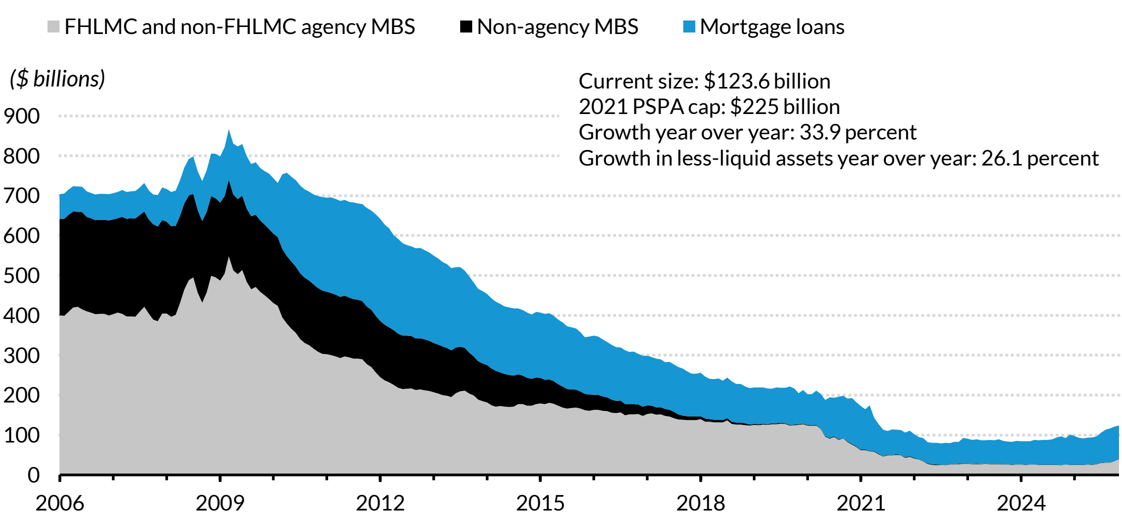
The Fannie Mae and Freddie Mac portfolios remain well below the $225 billion cap mandated in January 2021 by the new Preferred Stock Purchase Agreements (PSPAs) ($123.5 and $123.6 billion, respectively). From November 2024 to November 2025, the Fannie Mae portfolio grew by 34.0 percent, and Freddie Mac's grew by 33.9 percent. This growth reflects primarily the addition of Agency MBS since the summer months. Note that within the portfolios, Fannie Mae and Freddie Mac grew their less-liquid assets (mortgage loans, non-agency MBS) by 7.9 and 26.1 percent, respectively, much less than the growth of the overall portfolios.

Fannie Mae Mortgage-Related Investment Portfolio Composition



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

Freddie Mac Mortgage-Related Investment Portfolio Composition



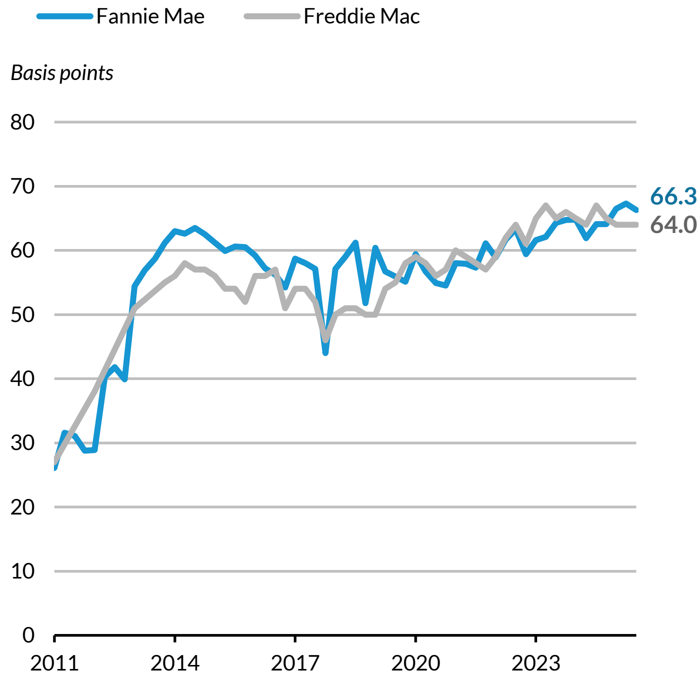
Sources: Freddie Mac (FHLMC) and the Urban Institute. November 2025

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 Mae, and the Urban Institute.
Note: Data as of Q2 2025.

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

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

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

Fannie Mae and Freddie Mac have been laying off credit risk primarily through their CAS/STACR and reinsurance transactions. Since 2014, the GSEs have transferred the bulk of the credit risk on most of their mortgages to the private markets. Fannie Mae's CAS issuances since inception total $2.39 trillion; Freddie's STACR totals $2.82 trillion. Over 2024, Fannie Mae issued six CAS deals and Freddie Mac issued five STACR deals. Over 2025, Fannie Mae issued six CAS deals and Freddie Mac issued five STACR deals. The amount of Freddie Mac STACR deals issued in 2025 was 20 percent lower year-to-date than issuance in 2024 and Fannie Mae CAS issuance in 2025 is 5 percent lower than CAS issuance over 2024.

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
Total		**$2,392,327**	**$71,260**	**3.0%**

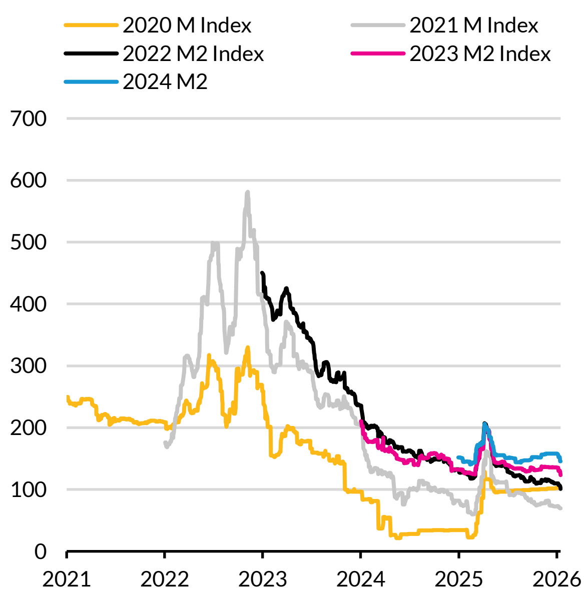
Freddie Mac – Structured Agency Credit Risk (STACR)

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
Total		**$2,837,810**	**$77,072**	**2.7%**

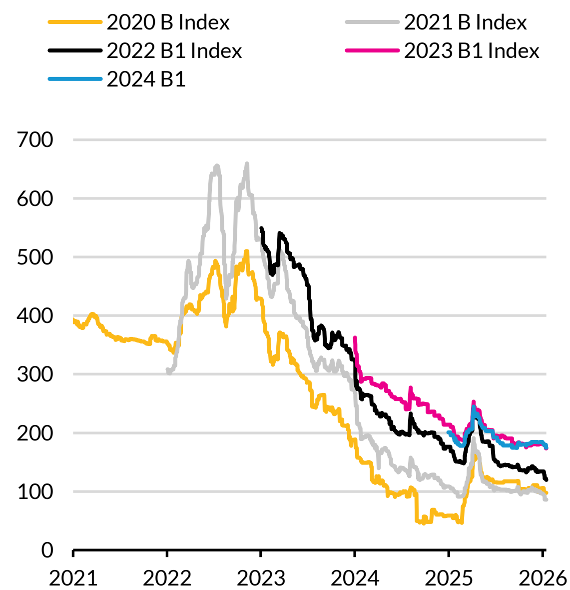
Sources: Fannie Mae, Freddie Mac and Urban Institute. **Note:** Classes A-H, M-1H, M-2H, and B-H are reference tranches only. These classes are not issued or sold. The risk is retained by Fannie Mae and Freddie Mac. "CE" = credit enhancement.

The figures below show the spreads for 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. In early 2025, 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. Except for 2020 vintages, spreads have narrowed but amidst house price weakness, spreads reflected in newer indexes generally exceed that of older indexes.

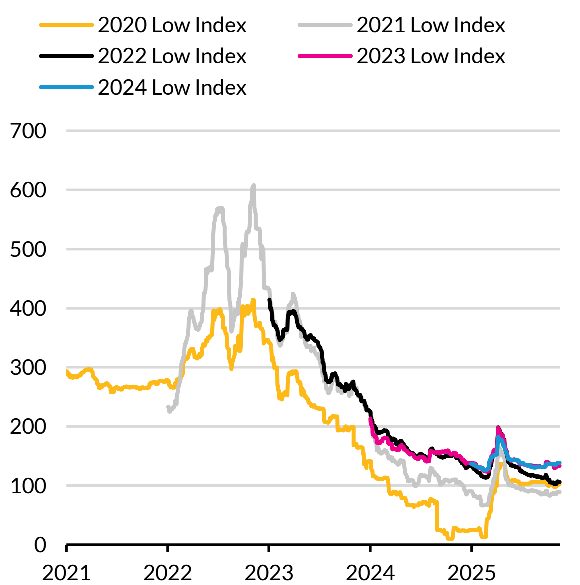
M Indexes



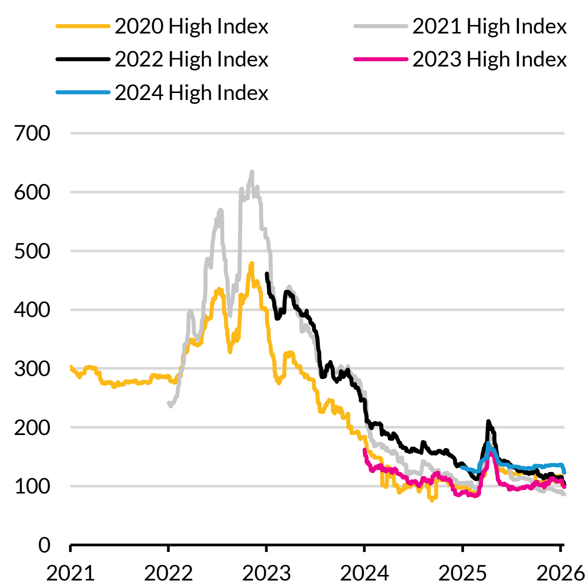
B Indexes



Low Indexes



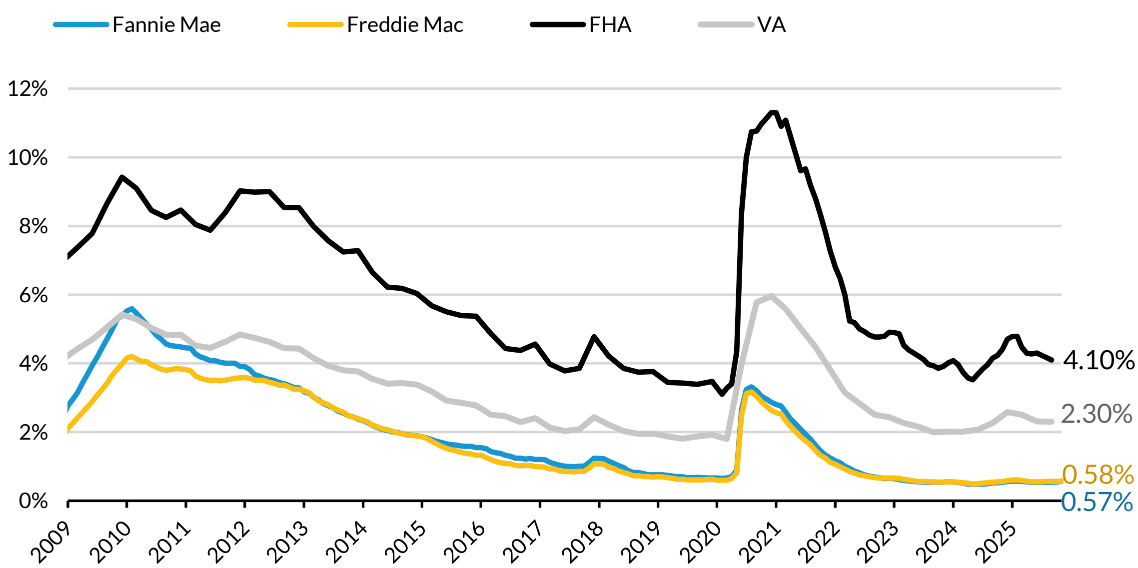
High Indexes



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

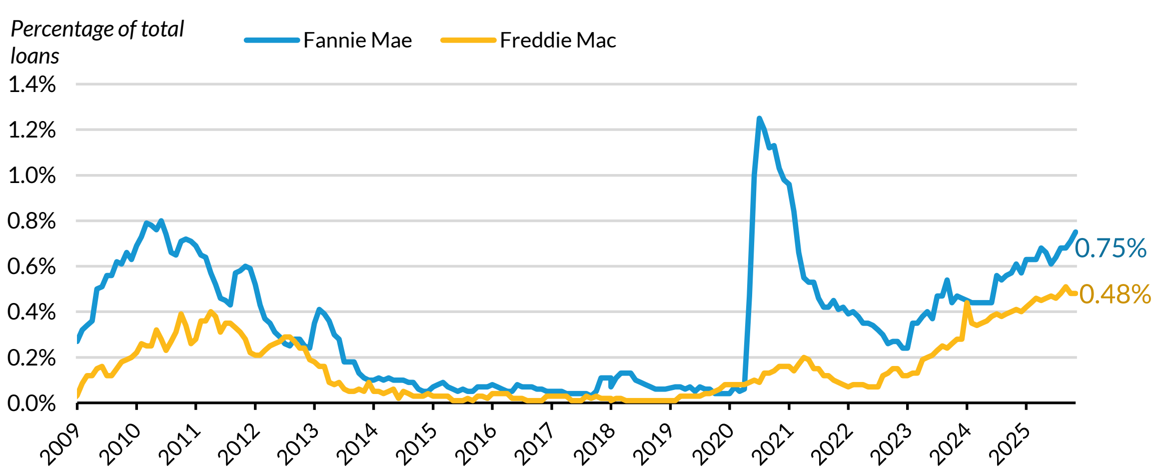
After peaking in Q1 2025, serious delinquency rates on government mortgage loans have declined, but remain visibly above their 2024 lows. The broader increase reflects increasing stress among less affluent borrowers, while serious delinquency rates on GSE loans, which serve a more affluent borrower base, 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 0.57 percent and 0.58 percent respectively from October to November 2025. 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 November 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 $1,274.8 billion in 2025; $751.0 billion by the GSEs and $523.8 billion by Ginnie Mae. GSE issuance was up 8.7 percent and Ginnie Mae issuance was up 15.5 percent from 2024. Net issuance (new securities issued less the decline in outstanding securities attributable to principal paydowns or prepayments) in 2025 of $187.8 billion was 17.9 percent lower than net issuance over the same period in 2024. The lower net level relative to a year earlier is attributable to negligible issuance by the GSEs, 93.0 percent lower than 2024 net issuance. Ginnie net issuance was 1.8 percent higher than issuance over 2024.

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	$751.0	$523.8	$1,274.8
2025 % Change from 2024	8.7%	15.5%	11.4%

Agency Net Issuance

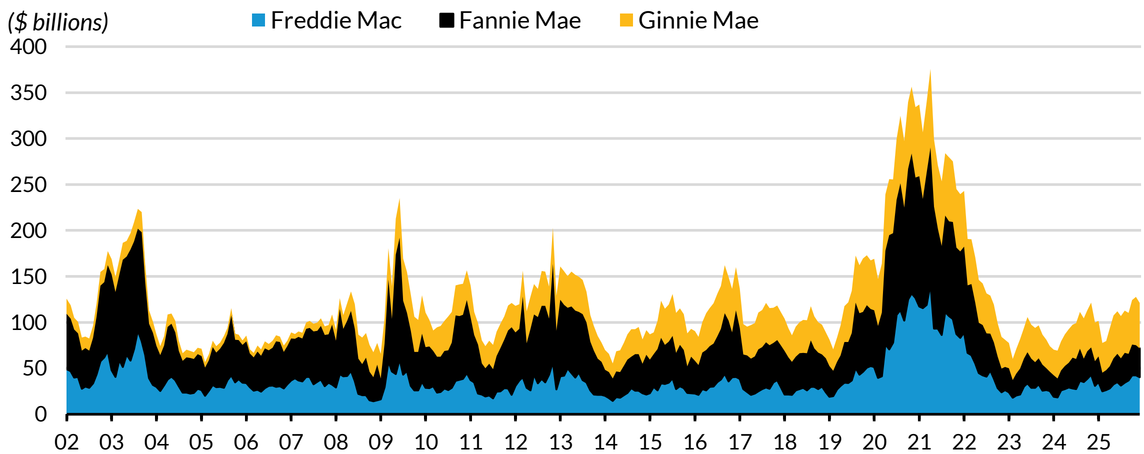
Issuance Year	GSEs	Ginnie Mae	Total
2003	$334.9	-$77.6	$257.3
2004	$82.5	-$40.1	$42.4
2005	$174.2	-$42.2	$132.0
2006	$313.6	$0.2	$313.8
2007	$514.9	$30.9	$545.7
2008	$314.8	$196.4	$511.3
2009	$250.6	$257.4	$508.0
2010	-$303.2	$198.3	-$105.0
2011	-$128.4	$149.6	$21.2
2012	-$42.4	$119.1	$76.8
2013	$65.3	$89.6	$154.9
2014	$26.0	$61.6	$87.7
2015	$68.4	$97.2	$165.6
2016	$127.4	$125.8	$253.1
2017	$160.7	$132.3	$293.0
2018	$149.4	$112.0	$261.5
2019	$197.8	$95.7	$293.5
2020	$632.8	$19.9	$652.7
2021	$753.5	$5.6	$759.1
2022	$289.5	$143.0	$432.5
2023	$57.5	$175.4	$232.9
2024	$47.5	$181.2	$228.7
2025	$3.3	$184.4	$187.8
2025 % Change from 2024	-93.0%	1.8%	-17.9%

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

AGENCY ISSUANCE // AGENCY GROSS ISSUANCE AND FED PURCHASES

Agency issuances by the GSEs and Ginnie Mae totaled $121.0 billion in December 2025, 21.3 percent higher than volume in December 2024. Freddie Mac comprised 33.5 percent of agency gross issuance in December 2025 (up from 30.9 percent in December 2024), Fannie Mae comprised 25.7 percent (down from 27.0 percent), and Ginnie Mae comprised 40.9 percent (down from 42.1 percent).

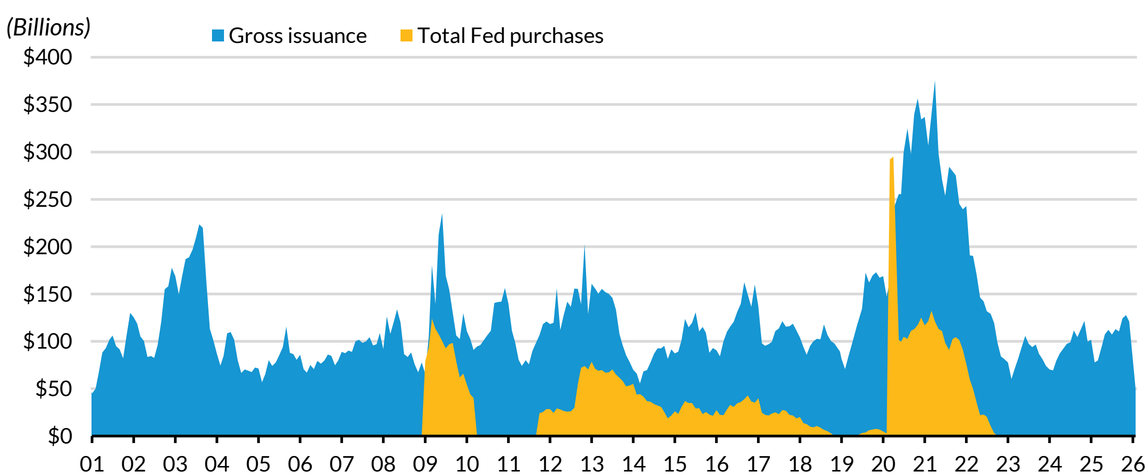
Monthly Gross Issuance



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

Federal Reserve Absorption of Agency Gross Issuance

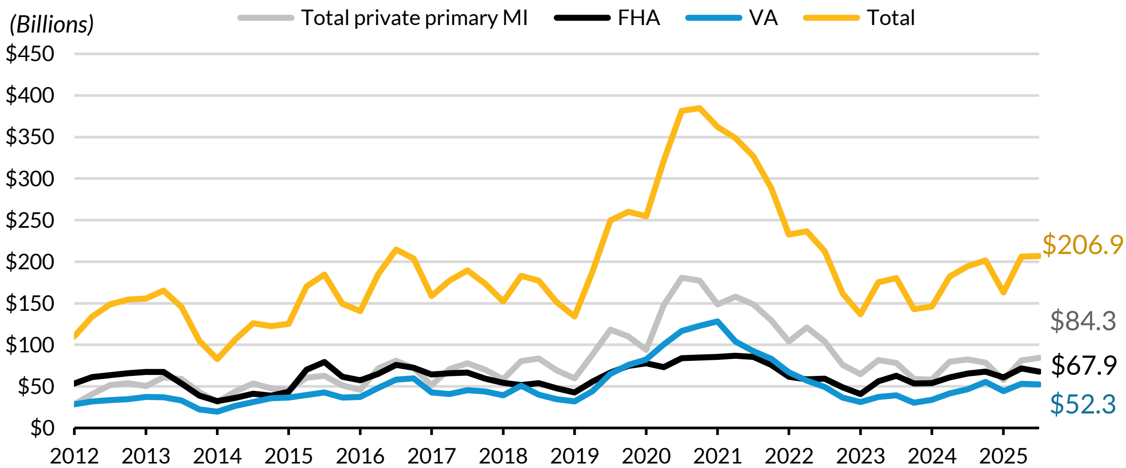
The Federal Reserve's portfolio was a critical policy tool used during the Great Recession and the more recent pandemic recession. In both instances, the Fed's portfolio, known as the system open market account (SOMA), ballooned as the agency bought both Treasury securities and agency MBS (including 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 December, the Federal Open Markets Committee (FOMC) decreased its key policy rate, the federal funds rate, by 25 basis points to a range of 3.50-3.75 percent. In addition, at its October meeting, the FOMC decided to conclude the reduction of its aggregate securities holdings on December 1. The mortgages run off from the Fed portfolio is being replaced by Treasury bill purchases.



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

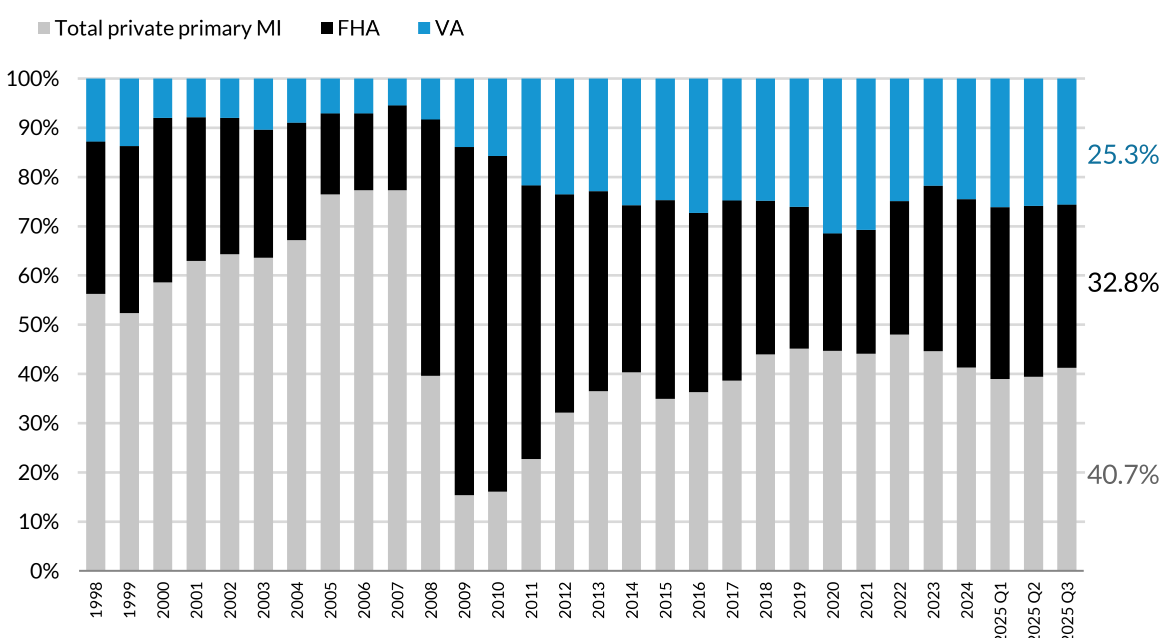
MI Activity

As mortgage originations were higher in the third quarter of 2025 compared to a year ago, total mortgage insurance grew as well, by 6.3 percent compared to 2024 Q3. 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 3.6 and 12.3 percent, respectively, from 2024 Q3 to 2025 Q3. In 2025 Q3, private primary mortgage insurance activity was $84.3 billion, 2.2 percent higher than in 2024 Q3. The composition of total mortgage insurance activity shifted towards the VA channel over this period. The private mortgage insurer share decreased from 42.4 to 40.7 percent and the FHA share declined from 33.7 to 32.8 percent. In contrast, the VA share increased from 23.9 to 25.3 percent.



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Last updated for Q3 2025.

MI Market Share



Sources: Inside Mortgage Finance and the Urban Institute.
Note: Last updated for Q3 2025.

Following the increase in FHA premiums in the aftermath of the Great Recession, these premiums have decreased since 2012. Mortgage insurance premiums on FHA loans are now 1.75% upfront and 0.55% per year, irrespective of the borrower's credit score (top table). By contrast, private mortgage insurance (PMI), applicable to high LTV GSE borrowers, uses risk-based pricing. The GSEs also use risk-based loan level pricing adjustments, but these are waived for lower income borrowers participating in Fannie Mae's Home Possible and Freddie Mac's Home Ready programs; we do not take LLPAs into account in this calculation (bottom table). FHA will be more attractive to lower credit score borrowers, who are disadvantaged by the PMI risk-based pricing relative to the FHA flat rate. Note also that the base rate for an FHA borrower is 20 basis points lower compared to their conforming peers. Taken together, this month we find FHA loans are a more financially attractive option for borrowers with credit scores less than 700, conforming loans are more financially attractive for borrowers with a credit score at or above 700.

FHA MI Premiums for a Typical Purchase Loan

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

Sources: Ginnie Mae and the Urban Institute.
Note: A typical purchase loan has an LTV ratio over 95 percent and a loan term longer than 15 years.
* For a short period in 2008, the FHA used a risk-based FICO score/LTV ratio matrix for MI.
[a] Applies to purchase loans up to $625,500. Those over that amount have an annual premium of 150 basis points.
[b] Applies to purchase loans up to $625,500. Those over that amount have an annual premium of 155 basis points.
[c] Applies to purchase loans up to $625,500. Those over that amount have an annual premium of 105 basis points.

Initial Monthly Payment Comparison: FHA versus GSE with PMI

Assumptions	
Property value	$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
FHA MIP	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
PMI								
PMI annual MIP	1.50%	1.31%	1.23%	0.98%	0.79%	0.70%	0.58%	0.46%
Monthly payment								
FHA	$2,586	$2,586	$2,586	$2,586	$2,586	$2,586	$2,586	$2,586
GSE plus PMI	$2,870	$2,809	$2,783	$2,702	$2,641	$2,612	$2,574	$2,535
GSE plus PMI Advantage	-$283	-$222	-$196	-$116	-$55	-$26	$13	$51

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 January 14, 2026. 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.

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

AANHPI Homeownership and Wealth-Building Trajectories
Authors: Linna Zhu, Bryson Berry, Daniel Pang, Jun Zhu
Date: January 27, 2025

The Value of the FHLBank System to Promote Housing and Community Development Lending
Authors: Jung Hyun Choi, Jun Zhu, Laurie Goodman, Jun Zhu, John Walsh, Katie Visalli, Bryson Berry
Date: December 4, 2025

The MBS Market is Operating without a Net
Authors: Laurie Goodman, Jim Parrott
Date: January 5, 2026

Mortgage Insurance Data at a Glance 2025
Authors: John Walsh, Daniel Pang, Aniket Mehrotra, Laurie Goodman, Jun Zhu, Katie Visalli
Date: December 4, 2025

The Value of the FHLBank System to Bank Liquidity and Stability
Authors: Jung Hyun Choi, Laurie Goodman, Jun Zhu
Date: November 12, 2025

Blog Posts

Home Price Indexes Don't Fully Capture Home Improvement Spending, Overestimating Appreciation
Authors: Laurie Goodman, Jung Hyun Choi
Date: January 27, 2026

Will Regulating Large Institutional Investors Actually Make Housing More Affordable?
Authors: Laurie Goodman
Date: January 26, 2026

Consumers with Low Incomes Often Distrust Mainstream Financial Services. New Data Shed Light on the Reasons
Authors: Michael Neal, Amalie Zinn
Date: December 19, 2025

Portable Mortgages Could Alleviate Homeowner Lock-In but Come with Challenges and Do Not Solve the Housing Supply Problem
Authors: Laurie Goodman, Alexei Alexandrov
Date: December 10, 2025

Four Reasons Assumable Mortgages are Unlikely to Stimulate the Housing Market
Authors: Laurie Goodman, Alexei Alexandrov
Date: December 10, 2025

Federal Home Loan Banks Significantly Reduce the Risk of Financial Crises
Authors: Jung Hyun Choi, Laurie Goodman, Jun Zhu
Date: December 1, 2025

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 Hosuing Counseling Experience for Homebuyers, Homeowners, Lenders, and Investors
Authors: Sarah Gerecke, Janneke Ratcliffe
Date: June 30, 2025

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