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 bi-weekly newsletter.

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## Related HFPC Work

### Publications and Events
Low-Income Homeowners Spend More Time on Household Activities than Either Higher Income Homeowners or Renters

When comparing homeownership to renting, potential homeowners often look exclusively at the financial costs. Rents are compared to the mortgage payments plus other costs associated with homeownership such as real estate taxes, insurance, maintenance costs as well as any homeowner association fees. Non-financial costs such as time and the opportunity cost of that time should be a part of the comparison but rarely are.

Analysis of the 2019 American Time Use Survey (ATUS) suggests that homeowners also pay a greater non-financial cost in the form of their time. The ATUS measures the amount of time people spend doing various activities, such as paid work, household activities, childcare, and volunteering, including the amount of time spent arranging for and purchasing services done by others. For this analysis, we use the 2019 Survey instead of the 2020 one because the latter was impacted by the pandemic and is not representative of the full year.

Moreover, the average time spent on household activities differed by income levels, with lower income homeowners spending more time in a given day on household activities than higher income homeowners. And the highest income homeowners spending equal amount of time on household activities as the lowest income renters.

Research has already indicated that lower income homeowners face a larger barrier to achieving homeownership; and to maintain homeownership, analysis indicates that they face a greater net financial cost relative to higher income homeowners. This analysis adds another dimension to the discussion by suggesting that low-income homeowners face another disproportionately greater non-financial cost as well, the time used to engage in household activities. Part of the reason for this is likely due to the reality that higher income homeowners are better positioned to pay for household services relative to their lower-income peers.

Indeed, we have shown that compared to renters with similar low incomes, the lowest income homeowners are both more likely to engage in household activities and to spend more time on those activities. This suggests that homeowner readiness counseling should also focus on the non-financial costs associated with homeownership such as the increased time required for household activities in addition to the financial costs. Deepening this dimension of homebuyer counseling services could further prepare low income households to enter and sustain homeownership.

### INSIDE THIS ISSUE

- Non-agency securitization volume totaled $45.78 billion in Q3 2021, a significant increase relative to the $26.34 billion total in Q3 2019 and the highest level in years (Page 12).
- Credit availability, as measured by HCAI, improved slightly from 5.1 percent in Q1 2021 to 5.2 percent in Q2 2021, reflecting improved credit availability in the government channel (Page 13).
- New chart on racial composition of lending: In 2020, 68.6, 9.0, 15.6, and 6.2 percent of purchase loans were made to White, Black, Hispanic, and Asian borrowers respectively. Ten years ago, in 2010, the corresponding shares were 73.8, 7.6, 11.5, and 6.5 percent (Page 16).
- Since the pandemic started in March 2020, Freddie Mac has issued thirteen STACR deals, while Fannie has issued zero CAS deals. With the proposed changes in the Capital Rule, and the more positive attitude toward CRT at the FHFA, Fannie resumed CAS issuance in October 2021, with CAS 2021-R01 (Page 27).
OVERVIEW

MARKET SIZE OVERVIEW

The Federal Reserve’s Flow of Funds Report has indicated a gradually increasing total value of the housing market, driven primarily by growing home equity since 2012. Mortgage debt outstanding increased slightly from $11.8 trillion in Q1 2021 to $12.0 trillion in Q2 2021, while total household equity increased from $24.2 trillion to $25.1 trillion. The total value of the housing market reached $37.1 trillion in the second quarter of 2021, 45.4 percent higher than the pre-crisis peak in 2006. Agency MBS account for 66.6 percent of the total mortgage debt outstanding, private-label securities make up 3.2 percent, and home equity loans make up 3.4 percent. Unsecuritized first liens comprise the remaining 26.7 percent with banks making up 18.6 percent, credit unions 4.6 percent, and other non-depositories accounting for 3.6 percent of the total.

Value of the US Single Family Housing Market

($ trillions)

Note: Single family includes 1-4 family mortgages. The home equity number is grossed up from Fed totals to include the value of households and the non-financial business sector.

Composition of the US Single Family Mortgage Market

($ trillions)

Notes: Unsecuritized First Liens (Other) includes mortgages not held on bank balance sheets.
MARKET SIZE OVERVIEW

As of Q2 2021, unsecuritized first liens held outside banks and credit unions totaled $0.45 trillion. In this space, REITs, insurers and retirement funds have experienced particularly robust percentage increases over the last decade. In September 2021, outstanding securities in the agency market totaled $8.1 trillion, 42.2 percent of which was Fannie Mae, 32.5 percent Freddie Mac, and 25.3 percent Ginnie Mae.

**Unsecuritized 1st Liens Held by Non-Depositories**

($ trillions)

**Sources:** Federal Reserve Flow of Funds and Urban Institute. *Last updated September 2021.*

**Agency Mortgage-Backed Securities**

($ trillions)

**Sources:** eMBS and Urban Institute.
Mortgage origination activity remained very strong in the second quarter of 2021, totaling $1.23 trillion. The share of portfolio originations was 24.6 percent in the second quarter of 2021, a slight decrease from the 24.7 percent share in the second quarter of 2020. The GSE share was higher in the second quarter of 2021 at 58.0 percent, compared to 56.9 percent in the second quarter of 2020. The higher GSE share reflects the effects of heavy refinance activity in 2020 and 2021. The FHA/VA share in the second quarter of 2021 stood at 15.5 percent, down from 17.5 percent in the second quarter of 2020. The PLS share was slightly higher in the second quarter of 2021 at 1.93 percent, compared to 0.80 percent in the second quarter of 2020, but a fraction of its share pre-2008. The smaller share of portfolio and PLS in 2020 relative to 2019 reflects the impact of COVID-19, which made it difficult to originate mortgages without government support. Thus with the pull back in private capital, the federal government played an outsized role in the market in 2020 relative to 2019. The private label securities market has largely recovered, but bank portfolio holdings have not.

OVERVIEW

PRODUCT COMPOSITION AND REFINANCE SHARE

The 30-year fixed-rate mortgage continues to remain the bedrock of the US housing finance system, accounting for 75.9 percent of new originations in August 2021. The share of 15-year fixed-rate mortgages, predominantly a refinance product, was 15.3 percent of new originations in August 2021. The ARM share accounted for 1.5 percent of new originations. From late 2018-though March 2021, while there was some month-to-month variation, the refi share (bottom chart) generally increased for both the GSEs and for Ginnie Mae as interest rates dropped. Since April 2021, in reaction to slightly higher interest rates, the refi share has dropped. In September 2021, the GSE refi shares are in the 58 to 64 percent range; the Ginnie Mae refi share was 38.0 percent.

Product Composition

Sources: Black Knight, eMBS, HMDA, SIFMA and Urban Institute.
Note: Includes purchase and refinance originations.

Percent Refi at Issuance

Sources: eMBS and Urban Institute.
Note: Based on at-issuance balance. Figure based on data from September 2021.
OVERVIEW

CASH-OUT REFINANCES

When mortgage rates are low, the share of cash-out refinances tends to be relatively smaller, as rate/term refinancing allows borrowers to save money by taking advantage of lower rates. But when rates are high, the cash-out refinance share is higher since the rate reduction incentive is gone and the only reason to refinance is to take out equity. The cash-out share of refinances generally declined in 2020, reaching 25 percent in September 2020 due to increased rate refinances amidst historically low rates. As rates have stabilized in recent months and the bulk of rate-refinance activity behind us, the cash-out share increased to 47 percent in September 2021. Despite the increase in the cash-out share, the absolute volume of cash-out refinances is declining.

Cash-out Share of Conventional Refinances

Cash-out Refi Share of All Originations

Cash-out Refinance Volume by Agency

Sources: Freddie Mac, eMBS and Urban Institute.
Note: Data as of August 2021.

Sources: eMBS and Urban Institute. Note: Data as of August 2021.
OVERVIEW

AGENCY NONBANK ORIGINATION SHARE

The nonbank share for agency originations has been rising steadily since 2013, standing at 76.7 percent in September 2021. The Ginnie Mae nonbank share has been consistently higher than the GSEs, remaining the same from August to September 2021 at 90.8 percent. Fannie and Freddie had nonbank shares of 72.9 percent and 72.0 percent respectively in September 2021. All three agencies had higher nonbank origination shares for refi activity than for purchase activity in September 2021.

Nonbank Origination Share: All Loans

Nonbank Origination Share: Purchase Loans

Nonbank Origination Share: Refi Loans

Sources: eMBS and Urban Institute.
OVERVIEW

SECURITIZATION VOLUME AND COMPOSITION

Agency/Non-Agency Share of Residential MBS Issuance

The non-agency share of mortgage securitizations increased gradually over the post-crisis years, from 1.83 percent in 2012 to 5.0 percent in 2019. In 2020, the non-agency share dropped to 2.44 percent, and as of August 2021, it stood at 3.53 percent. The sharp drop in 2020 reflects increased refinance activity and less non-agency production due to dislocations caused by COVID-19; the market is recovering in 2021, although the share remains lower than 2019. Non-agency securitization volume totaled $45.78 billion in Q3 2021, a significant increase relative to the $26.34 billion total in Q3 2019. Non-agency securitization has been rampant in the first 8 months of 2021 totaling $89.79 billion, compared to $49.69 in the first 8 months of 2019. However, non-agency securitizations continue to be tiny compared to pre-housing market crisis levels.

Sources: Inside Mortgage Finance and Urban Institute.
Note: Based on data from August 2021. Monthly non-agency volume is subject to revision.
The Urban Institute’s Housing Credit Availability Index (HCAI) assesses lenders’ tolerance for both borrower risk and product risk, calculating the share of owner-occupied purchase loans that are likely to go 90+ days delinquent over the life of the loan. The HCAI stood at 5.2 percent in Q2 2021, up from a historic low in Q3 2020 of just below 5.0 percent and slightly above the Q1 2021 level at 5.1 percent. Note that we updated the methodology as of Q2 2020, see new methodology here. The slight credit loosening from Q1 2021 to Q2 2021 was primarily led by increased borrower default risk in the government channel Credit loosening from Q4 2020 to Q1 2021 was led by increased borrower default risk among government channel originations, as well as a shift in market composition, with the GSE channel making up a smaller portion of total purchase originations. More information about the HCAI is available here.

### All Channels

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 Q2</td>
<td>Total default risk</td>
</tr>
<tr>
<td>2020 Q2</td>
<td>2.56 percent</td>
</tr>
</tbody>
</table>

### GSE Channel

The trend toward greater credit availability in the GSE channel began in Q2 2011. From Q2 2011 to Q1 2020, the total risk taken by the GSE channel doubled, from 1.4 percent to 2.7 percent. This is still very modest by pre-crisis standards. However, accelerated tightening throughout 2020 induced by market conditions due to COVID-19 drove down credit risk to 2.5 percent in Q4 2020. The increase in Q1 2021, to 2.58 percent, marks the first expansion of credit availability in the GSE channel since Q1 2019. In Q2 2021, credit availability was largely unchanged from Q1 at 2.56 percent.

### Sources
- eMBS, CoreLogic, HMDA, IMF, and Urban Institute.
- Default is defined as 90 days or more delinquent at any point. Last updated October 2021.
**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 above that number for three years. In the eleven quarters from Q4 2016 to Q1 2019, the risk in the government channel increased significantly from 9.9 to 12.1 percent but has since receded. After declining to 10.4 percent in Q3 2020 due to the pandemic, the government channel has since increased risk to 11.1 percent in Q2 2021; still far below the pre-bubble level of 19 – 23 percent.

**Portfolio and Private Label Securities Channels**

The portfolio and private-label securities (PP) channel took on more product risk than the FVR 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 2.3-3.0 percent; it was 2.7 percent in Q2 2021. However, the PP market share plummeted during the COVID-19 crisis, as borrowers increasingly used government or GSE channels or could not obtain a mortgage at all. The PP share has since increased from Q4 2020 to Q2 2021 but remains a shadow of what it once was.
Access to credit remains tight, especially for lower FICO borrowers. The median FICO for current purchase loans is about 24 points higher than the pre-housing crisis level of around 722. The 10th percentile, which represents the lower bound of creditworthiness to qualify for a mortgage, was 656 in August 2021, which is high compared to low-600s pre-bubble. The median LTV at origination of 90 percent also remains high, reflecting the rise of FHA and VA lending. Origination DTIs trended lower over the course of 2020 and early 2021, reflecting the sharp decline in mortgage rates.
OVERVIEW
RACIAL & ETHNIC COMPOSITION

Across all channels, the share of purchase lending to minorities reached a peak of 37.0% in 2006. Following the Great Recession and amidst a period of very tight credit, the minority share of purchase lending declined to a low of 24.5% in 2013. Since then, it has slowly recovered – it stood at 31.4% in 2020. The share of purchase lending to Black borrowers varied widely by channel in 2020. 16.3 percent of FHA loans were originated to Black borrowers compared with 12.8 percent of VA loans, 4.8 percent for GSEs and 4.0 percent of portfolio loans. Similarly, 26.5 percent of FHA purchase loans were originated to Hispanics in 2020 compared to 13.3 percent of VA loans, 11.2 percent for GSEs, and 10.1 percent of portfolio loans.

Purchase Loan Shares by Race

Source: 2020 Home Mortgage Disclosure Act (HMDA).
Note: Includes purchase loans only.

2020 Purchase Loan Channel Shares by Race

Source: 2020 Home Mortgage Disclosure Act (HMDA).
Note: Includes purchase loans only.
In the GSE space, FICO scores for banks and nonbanks have dipped in 2021 although they remain elevated. The difference between the two stood at 7 points in September 2021, compared to the 34 point gap between bank and nonbank FICOs in the Ginnie space. FICO scores for banks and nonbanks in both GSE and Ginnie Mae segments increased during the Q1 2019 to Q1 2021 period, due to increased refi activity; with refi activity now waning, originators, particularly nonbank originators, have been aggressively competing for new business, and are now more accommodating to borrowers with lower credit scores. Note that there has been a sharp cut-back in FHA lending by banks post-2008. As pointed out on page 11, banks now comprise only about 9 percent of Ginnie Mae originations.
The median LTVs for nonbank and bank originations are comparable, while the median DTI for nonbank loans is higher than for bank loans, more so in the Ginnie Mae space. From early 2017 to early 2019, there was a sustained increase in DTIs, which has reversed beginning in the spring of 2019. This is true for both Ginnie Mae and the GSEs, for banks and nonbanks. As interest rates in 2017 and 2018 increased, DTIs rose, because borrower payments were driven up relative to incomes. As rates fell during most of 2019 and 2020, DTIs fell as borrower payments declined relative to incomes. Over the last few months, DTIs have increased, reflecting the small rise in rates and steep house price increases, both of which force households to borrow more in relation to income.

GSE LTV: Bank vs. Nonbank

GSE DTI: Bank vs. Nonbank

Ginnie Mae LTV: Bank vs. Nonbank

Ginnie Mae DTI: Bank vs. Nonbank
Fannie Mae, Freddie Mac and the MBA estimate 2021 origination volume to be between $3.85 and $4.46 trillion, lower than the $4.11 to $4.44 trillion in 2020. 2020 was the highest origination year in the 21st century; page 8 top provides the longer historical time series. The very robust 2020 origination volume is due to very strong refinance activity. All three groups expect the 2021 refinance share to be 7 percentage points lower than in 2020.

### Total Originations and Refinance Shares

<table>
<thead>
<tr>
<th>Period</th>
<th>Total, FNMA estimate</th>
<th>Total, FHLMC estimate</th>
<th>Total, MBA estimate</th>
<th>Refi Share (percent)</th>
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<tr>
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<td>751</td>
<td>563</td>
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<td>2020 Q2</td>
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<td>928</td>
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<td>2020 Q3</td>
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<td>2021 Q3</td>
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<td>2021 Q4</td>
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<td>2022</td>
<td>3330</td>
<td>3109</td>
<td>2585</td>
<td>40</td>
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</tbody>
</table>

Sources: Fannie Mae, Freddie Mac, Mortgage Bankers Association and Urban Institute.

Note: Shaded boxes indicate forecasted figures. All figures are estimates for total single-family market. Regarding interest rates, the yearly averages for 2017, 2018, 2019 and 2020 were 4.0, 4.6, 3.9, and 3.0 percent. For 2021, the respective projections for Fannie, Freddie, and MBA are 2.9, 3.0, and 3.1 percent. Freddie Mac forecasts are now released quarterly, last updated September 2021.

### Originator Profitability and Unmeasured Costs

In September 2021, Originator Profitability and Unmeasured Costs (OPUC) stood at $3.15 per $100 loan, down from last month’s $3.21. Increased profitability reflects lender capacity constraints amidst strong refi demand. The continued decline reflects the fact that the backlog of refinance has been processed, and originators are competing more aggressively on price. OPUC, formulated and calculated by the Federal Reserve Bank of New York, is a good 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 g-fees), and points paid by the borrower. OPUC is generally high when interest rates are low, as originators are capacity constrained due to refinance demand and have no incentive to reduce rates. Conversely, when interest rates are higher and refi activity low, competition forces originators to lower rates, driving profitability down.


Note: OPUC is a is a monthly (4-week moving) average as discussed in Fuster et al. (2013).
STATE OF THE MARKET

HOUSING SUPPLY

Months of supply in September 2021 was 2.4, up from the record low of 1.9 in January 2021, but very low in a historical context. Strong demand for housing in recent years, fueled by low mortgage rates, has kept the months supply limited. Fannie Mae, the MBA, and the NAHB forecast 2021 housing starts to be 1.57 to 1.61 million units; these 2021 forecasts are above 2020 levels. Fannie Mae, Freddie Mac, the MBA, and the NAHB predict total home sales of 6.10 to 6.87 million units in 2021, above 2020 levels.

Months of Supply

<table>
<thead>
<tr>
<th>Year</th>
<th>Housing Starts, thousands</th>
<th>Home Sales, thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total, FNMA estimate</td>
<td>Total, MBA estimate</td>
</tr>
<tr>
<td>2017</td>
<td>1203</td>
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<tr>
<td>2018</td>
<td>1250</td>
<td>1250</td>
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<td>2020</td>
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<tr>
<td>2021</td>
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<tr>
<td>2022</td>
<td>1555</td>
<td>1642</td>
</tr>
</tbody>
</table>

Sources: Mortgage Bankers Association, Fannie Mae, Freddie Mac, National Association of Home Builders and Urban Institute.

Note: Shaded boxes indicate forecasted figures; column labels indicate source of estimate. Freddie Mac home sales are now updated quarterly instead of monthly, with the last update in September 2021. *NAHB home sales estimate is for single-family structures only, it excludes condos and co-ops. Other figures include all single-family sales.
National Mortgage Affordability Over Time

Despite historic low interest rates, increases in home prices have pushed affordability to the worst levels since 2008. As of September 2021, with a 20 percent down payment, the share of median income needed for the monthly mortgage payment stood at 27.2 percent; with 3.5 percent down it is 31 percent. These numbers are well above the 2001-2003 median, and represent a sharp worsening in affordability over the past year. As shown in the bottom picture, mortgage affordability varies widely by MSA.

Mortgage Affordability by MSA


**Note:** 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 2018 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 as of Q3 2020.
HOME PRICE INDICES

National Year-Over-Year HPI Growth

According to Black Knight’s updated repeat sales index, year-over-year home price appreciation decreased to 18.98 percent in August 2021, compared to 19.40 percent the previous month. Year-over-year home price appreciation as measured by Zillow’s hedonic index was 17.68 percent in August 2021, up from 16.52 in July. Although housing affordability remains constrained, especially at the lower end of the market, low rates serve as a partial offset.

Sources: Black Knight, Zillow, and Urban Institute. Note: Black Knight modified the methodology behind their HPI in February 2021, resulting in changes to historic price estimates. Data as of August 2021.

National Year-Over-Year HPI Growth by Price Tier

House prices escalated significantly in the second half of 2020 and into 2021 across all price tiers. Before the pandemic, lower priced homes appreciated much more than higher priced homes. With higher priced homes also experiencing steep appreciation last year, the gap has disappeared.

Sources: Black Knight and Urban Institute. Note: Black Knight modified the methodology behind their HPI in February 2021, resulting in changes to historic price estimates. Data as of August 2021.
STATE OF THE MARKET
FIRST-TIME HOMEBUYERS

First-Time Homebuyer Share
In September 2021, the FTHB share for FHA, which has always been more focused on first time homebuyers, was 84.9 percent. The FTHB share of VA lending in September was 51.2 percent. The GSE FTHB share decreased in September relative to August, to 49.8 percent. The bottom table shows that based on mortgages originated in August 2021, the average FTHB was more likely than an average repeat buyer to take out a smaller loan, have a lower credit score, and have a higher LTV, thus paying a higher interest rate.

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

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

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>GSEs</th>
<th>FHA</th>
<th>GSEs and FHA</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>First-time</td>
<td>Repeat</td>
<td>First-time</td>
</tr>
<tr>
<td>Loan Amount ($)</td>
<td>309,463</td>
<td>330,417</td>
<td>255,102</td>
</tr>
<tr>
<td>Credit Score</td>
<td>746</td>
<td>756</td>
<td>670</td>
</tr>
<tr>
<td>LTV (%)</td>
<td>87</td>
<td>79</td>
<td>95</td>
</tr>
<tr>
<td>DTI (%)</td>
<td>35</td>
<td>35</td>
<td>43</td>
</tr>
<tr>
<td>Loan Rate (%)</td>
<td>3.11</td>
<td>3.03</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Sources: eMBS and Urban Institute.
Note: Based on owner-occupied purchase mortgages originated in August 2021.
Loans in and near negative equity continued to decline in Q2 2021; 2.3 percent now have negative equity, an additional 0.4 percent have less than 5 percent equity. Due to the effects of COVID-19, the share of loans that are 90 days or more delinquent or in foreclosure remained high but declined by 67 basis points, from 4.70 in Q1 2021 to 4.03 percent in Q2 2021. This number includes loans where borrowers have missed their payments, including loans in COVID-19 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 has declined to 2.28 percent as of October 10, 2021. GSE loans have consistently had the lowest forbearance rates, standing at 1.05 percent as of October. The most recent forbearance rate for Ginnie Mae loans was 2.77 percent; other (e.g., portfolio and PLS) loans had the highest forbearance rate at 5.34 percent.

Negative Equity Share

Loans in Serious Delinquency/Foreclosure

Sources: CoreLogic and Urban Institute.
Note: Loans with negative equity refer to loans above 100 percent LTV. Loans near negative equity refer to loans above 95 percent LTV. Last updated September 2021.

Forbearance Rates by Channel

The Fannie Mae and Freddie Mac portfolios remain well below the $250 billion size they were required to reach by year-end 2018, or the $225 billion cap mandated in January 2021 by the new Preferred Stock Purchase Agreements (PSPAs). From August 2020 to August 2021, the Fannie portfolio contracted year-over-year by 28.5 percent, and the Freddie portfolio contracted by 42.0 percent. Within the portfolio, both Fannie Mae and Freddie Mac contracted their less-liquid assets (mortgage loans, non-agency MBS), by 34.1 percent and 40.0 percent, respectively, over the same 12 month period.

**Fannie Mae Mortgage-Related Investment Portfolio Composition**

*Current size: $119.0 billion*

- 2021 PSPA cap: $225 billion
- Shrinkage year-over-year: 28.5 percent
- Shrinkage in less-liquid assets year-over-year: 34.1 percent

**Freddie Mac Mortgage-Related Investment Portfolio Composition**

*Current size: $113.9 billion*

- 2021 PSPA cap: $225 billion
- Shrinkage year-over-year: 42.0 percent
- Shrinkage in less-liquid assets year-over-year: 40.0 percent

**Sources:** Fannie Mae and Urban Institute.

**Note:** Effective March 2021, Freddie Mac doesn’t provide FHLMC/non-FHLMC breakout of agency MBS. The above charts were updated in May 2021 to reflect this.
GSES UNDER CONSERVATORSHIP

EFFECTIVE GUARANTEE FEES

Guarantee Fees Charged on New Acquisitions

Fannie Mae and Freddie Mac’s average g-fees charged have largely converged since the first quarter of 2020. Fannie Mae’s average g-fees charged on new acquisitions decreased from 59.0 bps in Q1 2021 to 57.9 bps in Q2 2021. Freddie’s also decreased from 60.0 bps to 59.0 bps. The gap between the two g-fees was 1.1 bps in Q2 2021. Today’s g-fees are markedly higher than g-fee levels in 2011 and 2012, and have contributed to the GSEs’ earnings; the bottom table shows Fannie Mae LLPAs, which are expressed as upfront charges.


Fannie Mae Upfront Loan-Level Price Adjustments (LLPAs)

<table>
<thead>
<tr>
<th>Credit Score</th>
<th>LTV (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>≤60</td>
</tr>
<tr>
<td>&gt; 740</td>
<td>0.00</td>
</tr>
<tr>
<td>720 – 739</td>
<td>0.00</td>
</tr>
<tr>
<td>700 – 719</td>
<td>0.00</td>
</tr>
<tr>
<td>680 – 699</td>
<td>0.00</td>
</tr>
<tr>
<td>660 – 679</td>
<td>0.00</td>
</tr>
<tr>
<td>640 – 659</td>
<td>0.50</td>
</tr>
<tr>
<td>620 – 639</td>
<td>0.50</td>
</tr>
<tr>
<td>&lt; 620</td>
<td>0.50</td>
</tr>
</tbody>
</table>

Product Feature (Cumulative)


**GSE RISK-SHARING TRANSACTIONS**

Fannie Mae and Freddie Mac have been laying off back-end credit risk through CAS and STACR deals and through reinsurance transactions. They have also done front-end transactions with originators and reinsurers, and experimented with deep mortgage insurance coverage with private mortgage insurers. Historically, the GSEs have transferred vast majority of their credit risk to private markets. Fannie Mae’s CAS issuances since inception total $1.65 trillion; Freddie’s STACR totals $2.1 trillion. Since the COVID-19 induced spread widening in March 2020, Freddie Mac has issued thirteen deals, while Fannie has issued one. With the proposed changes in the Capital Rule, and the more positive attitude toward CRT at the FHFA, Fannie resumed CAS issuance in October 2021, with CAS 2021-R01.

### Fannie Mae – Connecticut Avenue Securities (CAS)

<table>
<thead>
<tr>
<th>Date</th>
<th>Transaction</th>
<th>Reference Pool Size ($ m)</th>
<th>Amount Issued ($m)</th>
<th>% of Reference Pool Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>CAS 2013 deals</td>
<td>$26,756</td>
<td>$675</td>
<td>2.5</td>
</tr>
<tr>
<td>2014</td>
<td>CAS 2014 deals</td>
<td>$227,234</td>
<td>$5,849</td>
<td>2.6</td>
</tr>
<tr>
<td>2015</td>
<td>CAS 2015 deals</td>
<td>$187,126</td>
<td>$5,463</td>
<td>2.9</td>
</tr>
<tr>
<td>2016</td>
<td>CAS 2016 deals</td>
<td>$236,459</td>
<td>$7,392</td>
<td>3.1</td>
</tr>
<tr>
<td>2017</td>
<td>CAS 2017 deals</td>
<td>$264,697</td>
<td>$8,707</td>
<td>3.3</td>
</tr>
<tr>
<td>2018</td>
<td>CAS 2018 deals</td>
<td>$205,900</td>
<td>$7,314</td>
<td>3.6</td>
</tr>
<tr>
<td>2019</td>
<td>CAS 2019 deals</td>
<td>$291,400</td>
<td>$8,071</td>
<td>2.8</td>
</tr>
<tr>
<td>January 2020</td>
<td>CAS 2020 – R01</td>
<td>$29,000</td>
<td>$1,030</td>
<td>3.6</td>
</tr>
<tr>
<td>February 2020</td>
<td>CAS 2020 – R02</td>
<td>$29,000</td>
<td>$1,134</td>
<td>3.9</td>
</tr>
<tr>
<td>March 2020</td>
<td>CAS 2020 – SBT1</td>
<td>$152,000</td>
<td>$966</td>
<td>0.6</td>
</tr>
<tr>
<td>October 2021</td>
<td>CAS 2021 – R01</td>
<td>$72,302</td>
<td>$1,202</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$1,721,874</strong></td>
<td><strong>$47,803</strong></td>
<td><strong>2.8</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Transaction</th>
<th>Reference Pool Size ($ m)</th>
<th>Amount Issued ($m)</th>
<th>% of Reference Pool Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>STACR 2013 deals</td>
<td>$57,912</td>
<td>$1,130</td>
<td>2.0</td>
</tr>
<tr>
<td>2014</td>
<td>STACR 2014 deals</td>
<td>$147,120</td>
<td>$4,916</td>
<td>3.3</td>
</tr>
<tr>
<td>2015</td>
<td>STACR 2015 deals</td>
<td>$209,521</td>
<td>$6,658</td>
<td>3.2</td>
</tr>
<tr>
<td>2016</td>
<td>STACR 2016 deals</td>
<td>$183,421</td>
<td>$5,541</td>
<td>2.8</td>
</tr>
<tr>
<td>2017</td>
<td>STACR 2017 deals</td>
<td>$248,821</td>
<td>$5,663</td>
<td>2.3</td>
</tr>
<tr>
<td>2018</td>
<td>STACR 2018 deals</td>
<td>$216,581</td>
<td>$6,055</td>
<td>2.8</td>
</tr>
<tr>
<td>2019</td>
<td>STACR 2019 deals</td>
<td>$271,105</td>
<td>$5,947</td>
<td>2.2</td>
</tr>
<tr>
<td>January 2020</td>
<td>STACR Series 2020 – DNA1</td>
<td>$29,641</td>
<td>$794</td>
<td>2.7</td>
</tr>
<tr>
<td>February 2020</td>
<td>STACR Series 2020 – HQA1</td>
<td>$24,268</td>
<td>$738</td>
<td>3.0</td>
</tr>
<tr>
<td>February 2020</td>
<td>STACR Series 2020 – DNA2</td>
<td>$43,596</td>
<td>$1,169</td>
<td>2.7</td>
</tr>
<tr>
<td>March 2020</td>
<td>STACR Series 2020 – HQA2</td>
<td>$35,066</td>
<td>$1,006</td>
<td>2.9</td>
</tr>
<tr>
<td>July 2020</td>
<td>STACR Series 2020 – DNA3</td>
<td>$48,328</td>
<td>$1,106</td>
<td>2.3</td>
</tr>
<tr>
<td>July 2020</td>
<td>STACR Series 2020 – HQA3</td>
<td>$31,278</td>
<td>$835</td>
<td>2.7</td>
</tr>
<tr>
<td>August 2020</td>
<td>STACR Series 2020 – DNA4</td>
<td>$41,932</td>
<td>$1,088</td>
<td>2.6</td>
</tr>
<tr>
<td>September 2020</td>
<td>STACR Series 2020 – HQA4</td>
<td>$25,009</td>
<td>$680</td>
<td>2.7</td>
</tr>
<tr>
<td>October 2020</td>
<td>STACR Series 2020 – DNA5</td>
<td>$43,406</td>
<td>$1,086</td>
<td>2.5</td>
</tr>
<tr>
<td>November 2020</td>
<td>STACR Series 2020 – HQA5</td>
<td>$42,257</td>
<td>$1,080</td>
<td>2.6</td>
</tr>
<tr>
<td>December 2020</td>
<td>STACR Series 2020 – DNA6</td>
<td>$38,810</td>
<td>$790</td>
<td>2.0</td>
</tr>
<tr>
<td>January 2021</td>
<td>STACR Series 2021 – DNA1</td>
<td>$58,041</td>
<td>$970</td>
<td>1.7</td>
</tr>
<tr>
<td>February 2021</td>
<td>STACR Series 2021 – HQA1</td>
<td>$62,980</td>
<td>$1,386</td>
<td>2.2</td>
</tr>
<tr>
<td>March 2021</td>
<td>STACR Series 2021 – DNA2</td>
<td>$55,687</td>
<td>$1,188</td>
<td>2.1</td>
</tr>
<tr>
<td>April 2021</td>
<td>STACR Series 2021 – DNA3</td>
<td>$44,585</td>
<td>$950</td>
<td>2.1</td>
</tr>
<tr>
<td>June 2021</td>
<td>STACR Series 2021 – HQA2</td>
<td>$56,550</td>
<td>$550</td>
<td>1.0</td>
</tr>
<tr>
<td>July 2021</td>
<td>STACR Series 2021 – DNA5</td>
<td>$71,388</td>
<td>$1,186</td>
<td>1.7</td>
</tr>
<tr>
<td>September 2021</td>
<td>STACR Series 2021 – HQA3</td>
<td>$37,677</td>
<td>$1,071</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$2,124,980</strong></td>
<td><strong>$53,583</strong></td>
<td><strong>2.5</strong></td>
</tr>
</tbody>
</table>

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 on 2017, 2018, 2019, and 2020 indices, as priced by dealers. Note the substantial spread widening in March 2020. This reflected expectations of higher defaults and potential credit losses owing to COVID-19, as well as forced selling. Spreads have tightened back to just below pre-COVID levels for the M tranches but remain above pre-COVID levels for the B tranches. The 2017, 2018, 2019, and 2020 indices contain both the bottom mezzanine tranche as well as the equity tranche, in all deals when the latter was sold. 2020 indices are heavily Freddie Mac as Fannie did not issue any new deals in the last three quarters of 2020.

Sources: Vista Data Services and Urban Institute.
Note: Data as of October 15, 2021.
Serious delinquency rates for single-family GSE loans decreased in August 2021, to 1.79 percent for Fannie Mae and 1.62 percent for Freddie Mac. Serious delinquency rates for FHA loans also decreased in August 2021, to 9.17 percent. In Q2 2021, VA serious delinquency rates declined to 5.02 percent. Note that loans that are in forbearance are counted as delinquent for the purpose of measuring delinquency rates. Fannie multifamily delinquencies decreased in August at 0.42 percent, and Freddie multifamily delinquencies also declined to 0.12 percent.

Serious Delinquency Rates—Single-Family Loans

Serious Delinquency Rates—Multifamily GSE Loans

Sources: Fannie Mae, Freddie Mac, Federal Housing Administration, MBA Delinquency Survey and Urban Institute.

Note: Serious delinquency is defined as 90 days or more past due or in the foreclosure process. Not seasonally adjusted. VA delinquencies are reported on a quarterly basis, last updated for Q2 2021. GSE and FHA delinquencies are reported monthly, last updated for August 2021.

Sources: Fannie Mae, Freddie Mac and Urban Institute.

Note: Multifamily serious delinquency rate is the unpaid balance of loans 60 days or more past due, divided by the total unpaid balance.
Agency gross issuance was $2.75 trillion for the first nine months of 2021, a 27.6 percent increase over the same period of 2020. The sharp increase is due to the refinance wave, which accelerated significantly in 2020 and into 2021. Net issuance (new securities issued less the decline in outstanding securities due to principal pay-downs or prepayments) totaled $590.4 billion in the first nine months of 2021, a 157.2 percent increase from the volume in the first nine months of 2020.

### Agency Gross Issuance

<table>
<thead>
<tr>
<th>Issuance Year</th>
<th>GSEs</th>
<th>Ginnie Mae</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$885.1</td>
<td>$171.5</td>
<td>$1,056.6</td>
</tr>
<tr>
<td>2002</td>
<td>$1,238.9</td>
<td>$169.0</td>
<td>$1,407.9</td>
</tr>
<tr>
<td>2003</td>
<td>$1,874.9</td>
<td>$213.1</td>
<td>$2,088.0</td>
</tr>
<tr>
<td>2004</td>
<td>$872.6</td>
<td>$119.2</td>
<td>$991.9</td>
</tr>
<tr>
<td>2005</td>
<td>$894.0</td>
<td>$81.4</td>
<td>$975.3</td>
</tr>
<tr>
<td>2006</td>
<td>$853.0</td>
<td>$76.7</td>
<td>$929.7</td>
</tr>
<tr>
<td>2007</td>
<td>$1,066.2</td>
<td>$94.9</td>
<td>$1,161.1</td>
</tr>
<tr>
<td>2008</td>
<td>$911.4</td>
<td>$267.6</td>
<td>$1,179.0</td>
</tr>
<tr>
<td>2009</td>
<td>$1,280.0</td>
<td>$451.3</td>
<td>$1,731.3</td>
</tr>
<tr>
<td>2010</td>
<td>$1,003.5</td>
<td>$390.7</td>
<td>$1,394.3</td>
</tr>
<tr>
<td>2011</td>
<td>$879.3</td>
<td>$315.3</td>
<td>$1,194.7</td>
</tr>
<tr>
<td>2012</td>
<td>$1,288.8</td>
<td>$405.0</td>
<td>$1,693.8</td>
</tr>
<tr>
<td>2013</td>
<td>$1,176.6</td>
<td>$393.6</td>
<td>$1,570.1</td>
</tr>
<tr>
<td>2014</td>
<td>$650.9</td>
<td>$296.3</td>
<td>$947.2</td>
</tr>
<tr>
<td>2015</td>
<td>$845.7</td>
<td>$436.3</td>
<td>$1,282.0</td>
</tr>
<tr>
<td>2016</td>
<td>$991.6</td>
<td>$508.2</td>
<td>$1,499.8</td>
</tr>
<tr>
<td>2017</td>
<td>$877.3</td>
<td>$455.6</td>
<td>$1,332.9</td>
</tr>
<tr>
<td>2018</td>
<td>$795.0</td>
<td>$400.6</td>
<td>$1,195.3</td>
</tr>
<tr>
<td>2019</td>
<td>$1,042.6</td>
<td>$508.6</td>
<td>$1,551.2</td>
</tr>
<tr>
<td>2020</td>
<td>$2,407.5</td>
<td>$775.4</td>
<td>$3,182.9</td>
</tr>
<tr>
<td>2021 YTD</td>
<td>$2,083.4</td>
<td>$662.8</td>
<td>$2,746.2</td>
</tr>
</tbody>
</table>

### Agency Net Issuance

<table>
<thead>
<tr>
<th>Issuance Year</th>
<th>GSEs</th>
<th>Ginnie Mae</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$368.40</td>
<td>-$9.90</td>
<td>$358.50</td>
</tr>
<tr>
<td>2002</td>
<td>$357.20</td>
<td>-$51.20</td>
<td>$306.10</td>
</tr>
<tr>
<td>2003</td>
<td>$334.90</td>
<td>-$77.60</td>
<td>$257.30</td>
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<tr>
<td>2004</td>
<td>$82.50</td>
<td>-$40.10</td>
<td>$42.40</td>
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<tr>
<td>2005</td>
<td>$174.20</td>
<td>-$42.20</td>
<td>$132.00</td>
</tr>
<tr>
<td>2006</td>
<td>$313.60</td>
<td>$0.20</td>
<td>$313.80</td>
</tr>
<tr>
<td>2007</td>
<td>$514.90</td>
<td>$30.90</td>
<td>$545.70</td>
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<td>2008</td>
<td>$314.80</td>
<td>$196.40</td>
<td>$511.30</td>
</tr>
<tr>
<td>2009</td>
<td>$250.60</td>
<td>$257.40</td>
<td>$508.00</td>
</tr>
<tr>
<td>2010</td>
<td>-$303.20</td>
<td>$198.30</td>
<td>-$105.00</td>
</tr>
<tr>
<td>2011</td>
<td>-$128.40</td>
<td>$149.60</td>
<td>$21.20</td>
</tr>
<tr>
<td>2012</td>
<td>-$42.40</td>
<td>$119.10</td>
<td>$76.80</td>
</tr>
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<td>2013</td>
<td>$69.10</td>
<td>$87.90</td>
<td>$157.00</td>
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<tr>
<td>2014</td>
<td>$30.5</td>
<td>$61.6</td>
<td>$92.1</td>
</tr>
<tr>
<td>2015</td>
<td>$75.1</td>
<td>$97.3</td>
<td>$172.5</td>
</tr>
<tr>
<td>2016</td>
<td>$127.4</td>
<td>$125.8</td>
<td>$253.1</td>
</tr>
<tr>
<td>2017</td>
<td>$168.5</td>
<td>$131.3</td>
<td>$299.7</td>
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<tr>
<td>2018</td>
<td>$149.4</td>
<td>$112.0</td>
<td>$261.5</td>
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<tr>
<td>2019</td>
<td>$197.8</td>
<td>$95.7</td>
<td>$293.5</td>
</tr>
<tr>
<td>2020</td>
<td>$632.8</td>
<td>$19.9</td>
<td>$652.7</td>
</tr>
<tr>
<td>2021 YTD</td>
<td>$596.7</td>
<td>-$6.3</td>
<td>$590.4</td>
</tr>
</tbody>
</table>

### Change Over 2020

<table>
<thead>
<tr>
<th>Issuance Year</th>
<th>% Change</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>30.3%</td>
<td>168.8%</td>
</tr>
<tr>
<td>2021 Annualized</td>
<td>19.8%</td>
<td>28.8%</td>
</tr>
</tbody>
</table>

### Annualized

<table>
<thead>
<tr>
<th>Issuance Year</th>
<th>GSEs</th>
<th>Ginnie Mae</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$2,777.9</td>
<td>$883.7</td>
<td>$3,661.5</td>
</tr>
</tbody>
</table>

**Sources:** eMBS and Urban Institute.

**Note:** Dollar amounts are in billions. Data as of September 2021.
On March 23, 2020, in response to the market dislocations caused by the coronavirus pandemic, the Fed announced they would purchase Treasuries and agency MBS in an amount necessary to support smooth functioning markets. In March 2020 the Fed bought $292.2 billion in agency MBS, and April 2020 clocked in at $295.1 billion, the largest two months of mortgage purchases ever; and well over 100 percent of gross issuance for each of those two months. After the market stabilized, the Fed slowed its purchases to around $100-$125 billion per month ($40 billion of net new purchases). In September 2021, Fed purchases totaled $102.3 billion; 36.6 percent of monthly gross issuance. As of September 2021, total agency MBS owned by the Fed equaled $2.80 trillion. Prior to the COVID-19 intervention, the Fed was winding down its MBS portfolio from its 2014 prior peak.

Sources: eMBS, Federal Reserve Bank of New York, and Urban Institute.
MI Activity
In the second quarter of 2021, private mortgage insurance written increased by $10.2 billion, FHA increased by $13.7 billion, and VA increased by $3.3 billion relative to Q2 2020. During this period, the VA share decreased from 30.1 to 29.1 percent, while the FHA share increased from 22.4 to 24.4 percent. The private mortgage insurers share decreased, from 45.3 to 44.4 percent compared to the same period a year ago.


MI Market Share

FHA premiums rose significantly in the years following the housing crash, with annual premiums rising from 50 to 135 basis points between 2008 to 2013 as FHA worked to shore up its finances. In January 2015, President Obama announced a 50 bps cut in annual insurance premiums, making FHA mortgages more attractive than GSE mortgages for the overwhelming majority of borrowers putting down less than 5%. The April 2016 reduction in PMI rates for borrowers with higher FICO scores and April 2018 reduction for lower FICO borrowers has partially offset that. As shown in the bottom table, a borrower putting 3.5 percent down with a FICO of less than 720 will find FHA financing to be more financially attractive, borrowers with FICOs of 720 and above will find GSE execution with PMI to be more attractive.

FHA MI Premiums for Typical Purchase Loan

<table>
<thead>
<tr>
<th>Case number date</th>
<th>Upfront mortgage insurance premium (UFMIP) paid</th>
<th>Annual mortgage insurance premium (MIP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/2001 - 7/13/2008</td>
<td>150</td>
<td>50</td>
</tr>
<tr>
<td>7/14/2008 - 4/5/2010*</td>
<td>175</td>
<td>55</td>
</tr>
<tr>
<td>10/4/2010 - 4/17/2011</td>
<td>100</td>
<td>90</td>
</tr>
<tr>
<td>4/18/2011 - 4/8/2012</td>
<td>100</td>
<td>115</td>
</tr>
<tr>
<td>4/9/2012 - 6/10/2012</td>
<td>175</td>
<td>125</td>
</tr>
<tr>
<td>6/11/2012 - 3/31/2013a</td>
<td>175</td>
<td>125</td>
</tr>
<tr>
<td>4/1/2013 – 1/25/2015b</td>
<td>175</td>
<td>135</td>
</tr>
<tr>
<td>Beginning 1/26/2015c</td>
<td>175</td>
<td>85</td>
</tr>
</tbody>
</table>

Sources: Ginnie Mae and Urban Institute.

Note: A typical purchase loan has an LTV over 95 and a loan term longer than 15 years. Mortgage insurance premiums are listed in basis points.

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

* Applies to purchase loans less than or equal to $625,500. Those over that amount have an annual premium of 150 bps.

* Applies to purchase loans less than or equal to $625,500. Those over that amount have an annual premium of 155 bps.

* Applies to purchase loans less than or equal to $625,500. Those over that amount have an annual premium of 105 bps.

Initial Monthly Payment Comparison: FHA vs. PMI

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>FHA MI Premiums</th>
<th>GSE LLPA*</th>
<th>PMI Annual MIP</th>
<th>Monthly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Value</td>
<td>$250,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Amount</td>
<td>$241,250</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LTV</td>
<td>96.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base Rate</td>
<td>2.90</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conforming</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FHA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FICO 620 - 639</td>
<td>1.75</td>
<td>3.50</td>
<td>1.86</td>
<td>$1,228</td>
</tr>
<tr>
<td>FICO 640 - 659</td>
<td>1.75</td>
<td>2.75</td>
<td>1.65</td>
<td>$1,228</td>
</tr>
<tr>
<td>FICO 660 - 679</td>
<td>1.75</td>
<td>2.25</td>
<td>1.54</td>
<td>$1,228</td>
</tr>
<tr>
<td>FICO 680 - 699</td>
<td>1.75</td>
<td>1.50</td>
<td>1.21</td>
<td>$1,228</td>
</tr>
<tr>
<td>FICO 700 - 719</td>
<td>1.75</td>
<td>1.00</td>
<td>0.99</td>
<td>$1,228</td>
</tr>
<tr>
<td>FICO 720 - 739</td>
<td>1.75</td>
<td>0.75</td>
<td>0.87</td>
<td>$1,228</td>
</tr>
<tr>
<td>FICO 740 - 759</td>
<td>1.75</td>
<td>0.75</td>
<td>0.70</td>
<td>$1,228</td>
</tr>
<tr>
<td>FICO 760 +</td>
<td>1.75</td>
<td>0.75</td>
<td>0.58</td>
<td>$1,228</td>
</tr>
</tbody>
</table>


Note: Rates as of September 2021.

Mortgage insurance premiums listed in percentage points. Grey shade indicates FHA monthly payment is more favorable, while blue indicates PMI is more favorable. The PMI monthly payment calculation does not include special programs like Fannie Mae’s HomeReady and Freddie Mac’s Home Possible (HP), both offer more favorable rates for low- to moderate-income borrowers.

LLPA= Loan Level Price Adjustment, described in detail on page 25.
Upcoming events:
See our events page for more information on other upcoming and past events.

Projects

- 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

Web Features

- Tracking Rent Payments to Mom-and-Pop Landlords

Publications

- Mortgage Denial Rates and Household Finances among older Americans
  Authors: Karan Kaul & Linna Zhu
  Date: October 25, 2021

- How Newark, New Jersey, Provides a Template for Targeting the Homeowner Assistance Fund
  Authors: Michael Neal & Daniel Pang
  Date: September 28, 2021

- Detroit Market: Keys Unlock Dreams Initiative
  Authors: Jung Choi, Gideon Berger, Janneke Ratcliffe, Laurie Goodman, Peter Mattingly, Linna Zhu, John Walsh, Daniel Pang
  Date: September 28, 2021

- A Shortcoming in the Method for Allocating Federal Support for Multifamily Housing
  Authors: David Brickman
  Date: September 28, 2021

- Chicago Housing Overview: Preserving Affordability and Expanding Accessibility
  Authors: John Walsh, Gideon Berger, et al.
  Date: September 20, 2021

Blog Posts

- Institutional Investors Have a Comparative Advantage in Purchasing Homes That Need Repair
  Authors: Laurie Goodman & Edward Golding
  Date: October 20, 2021

- More Older Americans Are Drawing Wealth from Their Home Equity, but Racial Gaps Persist
  Authors: Karan Kaul & Linna Zhu
  Date: October 15, 2021

- Closing the Homeownership Gap Will Require Rooting Systemic Racism Out of Mortgage Underwriting
  Authors: Liam Reynolds, Vanessa Perry, Jung Choi
  Date: October 13, 2021

- It’s Difficult for Manufactured Home Borrowers to Reap the Benefits of Historically Low Interest Rates
  Authors: Laurie Goodman, Michael Neal
  Date: September 17, 2021

- Renters Living in Units Owned by Mom-and-Pop Landlords Are Struggling to Pay Rent More Than Those Living in Large Multifamily Buildings
  Authors: Jung Choi, Laurie Goodman, Daniel Pang
  Date: September 14, 2021

- The FHA’s New Loss Mitigation Waterfall Will Offer Much Needed Relief to Borrowers Exiting Forbearance
  Authors: Karan Kaul & Laurie Goodman
  Date: August 25, 2021

- Fannie Mae’s Decision to Incorporate Rental Payments into the Mortgage Origination Process Will Expand Access to Homeownership Over Time
  Authors: Laurie Goodman & Jun Zhu
  Date: August 12, 2021

- If Repurposed for Their Intended Use, Guarantee Fees Can Help Advance Racial Equity in Housing
  Authors: Michael Stegman
  Date: August 5, 2021
Acknowledgments

The Housing Finance Policy Center (HFPC) was launched with generous support at the leadership level from the Citi Foundation and John D. and Catherine T. MacArthur Foundation. Additional support was provided by The Ford Foundation and The Open Society Foundations.

Ongoing support for HFPC is also provided by the Housing Finance Innovation Forum, a group of organizations and individuals that support high-quality independent research that informs evidence-based policy development. Funds raised through the Forum provide flexible resources, allowing HFPC to anticipate and respond to emerging policy issues with timely analysis. This funding supports HFPC’s research, outreach and engagement, and general operating activities.

The chartbook is funded by these combined sources. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

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