



COMMERCIAL / MULTIFAMILY MORTGAGE DELINQUENCY RATES FOR MAJOR INVESTOR GROUPS | Q4 2023

This data is provided by MBA solely for use as a reference. No part of the survey or data may be reproduced, stored in a retrieval system, transmitted or redistributed in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without MBA's prior written consent.

© 2024 Mortgage Bankers Association (MBA). All rights reserved, except as explicitly granted.
1919 M Street NW, 5th Floor, Washington, DC 20036 | (202) 557-2700

This data is provided by MBA solely for use as a reference. No part of the survey or data may be reproduced, stored in a retrieval system, transmitted or redistributed in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without MBA's prior written consent.

Disclaimer

Although the MBA takes great care in producing this and all related data products, the MBA does not guarantee that the information is accurate, current or suitable for any particular purpose. The referenced data are provided on an “as is” basis, with no warranties of any kind whatsoever, either express or implied, including, but not limited to, any warranties of title or accuracy or any implied warranties of merchantability or fitness for a particular purpose. Use of the data is at the user’s sole risk. In no event will MBA be liable for any damages whatsoever arising out of or related to the data, including, but not limited to direct, indirect, incidental, special, consequential or punitive damages, whether under a contract, tort or any other theory of liability, even if MBA is aware of the possibility of such damages.

COMMERCIAL/MULTIFAMILY
**MORTGAGE DELINQUENCY
RATES FOR MAJOR INVESTOR
GROUPS | Q4 2023**

MBA[®]

MORTGAGE BANKERS ASSOCIATION

Commercial/Multifamily Mortgage Delinquencies

Commercial Mortgage Delinquency Rates Increased in Fourth-Quarter 2023
Fourth Quarter 2023

Commercial mortgage delinquencies increased in the fourth quarter of 2023, according to the Mortgage Bankers Association's (MBA) latest Commercial Delinquency Report.

"Commercial mortgage delinquency rates rose again during the fourth quarter of 2023," said Jamie Woodwell, MBA's Head of Commercial Real Estate Research. "Every major capital source has seen an increase over the last six months, as higher interest rates, uncertainty about property values and challenges in some property fundamentals work their way through the markets."

MBA's quarterly analysis looks at commercial delinquency rates for five of the largest investor-groups: commercial banks and thrifts, commercial mortgage-backed securities (CMBS), life insurance companies, and Fannie Mae and Freddie Mac. Together, these groups hold more than 80 percent of commercial mortgage debt outstanding. MBA's analysis incorporates the measures used by each individual investor group to track the performance of their loans. Because each investor group tracks delinquencies in its own way, delinquency rates are not comparable from one group to another. As an example, Fannie Mae reports loans receiving payment forbearance as delinquent, while Freddie Mac excludes those loans if the borrower is in compliance with the forbearance agreement.

Based on the unpaid principal balance (UPB) of loans, delinquency rates for each group at the end of the fourth quarter of 2023 were as follows:

- Banks and thrifts (90 or more days delinquent or in non-accrual): 0.94 percent, an increase of 0.09 percentage points from the third quarter of 2023;
- Life company portfolios (60 or more days delinquent): 0.36 percent, an increase of 0.04 percentage points from the third quarter of 2023;

- Fannie Mae (60 or more days delinquent): 0.46 percent, a decrease of 0.08 percentage points from the third quarter of 2023;
- Freddie Mac (60 or more days delinquent): 0.28 percent, an increase of 0.04 percentage points from the third quarter of 2023; and
- CMBS (30 or more days delinquent or in REO): 4.30 percent, an increase of 0.04 percentage points from the third quarter of 2023.

Construction and development loans are generally not included in the numbers presented in this report but are included in many regulatory definitions of 'commercial real estate' despite the fact they are often backed by single-family residential development projects rather than by office buildings, apartment buildings, shopping centers, or other income-producing properties. The FDIC delinquency rates for bank and thrift held mortgages reported here do include loans backed by owner-occupied commercial properties. Differences between the delinquencies measures are detailed in Appendix A.

To download current report go to: <https://www.mba.org/news-and-research/research-and-economics/commercial-multifamily-research/commercial-multifamily-mortgage-delinquency-rates>.

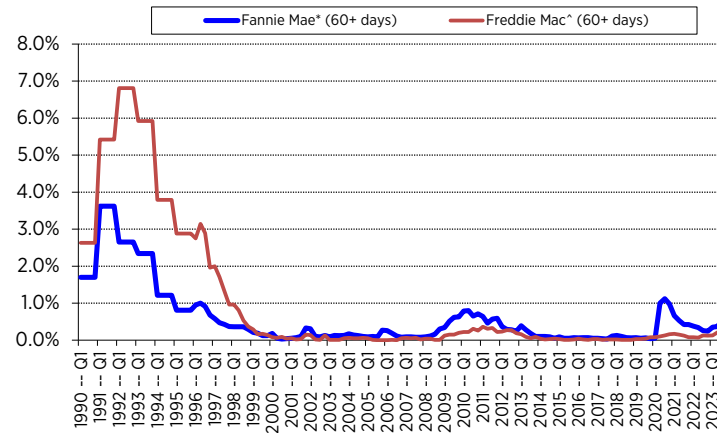
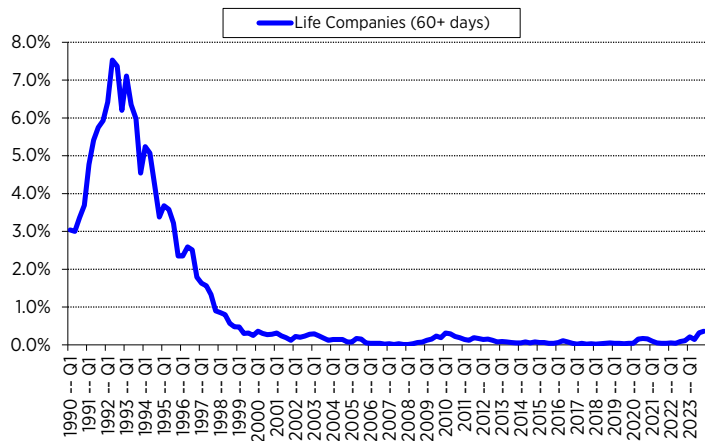
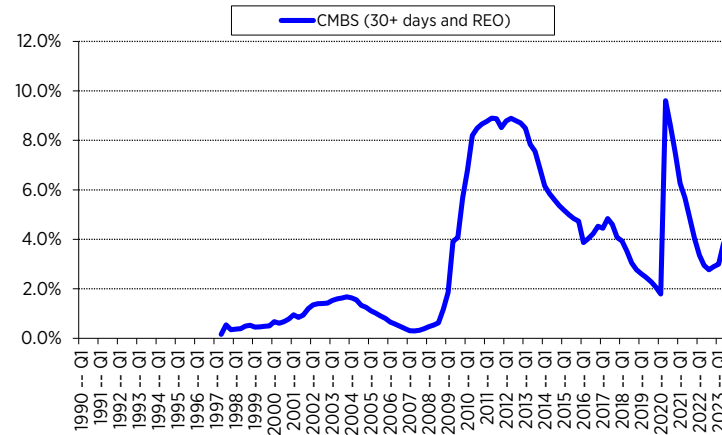
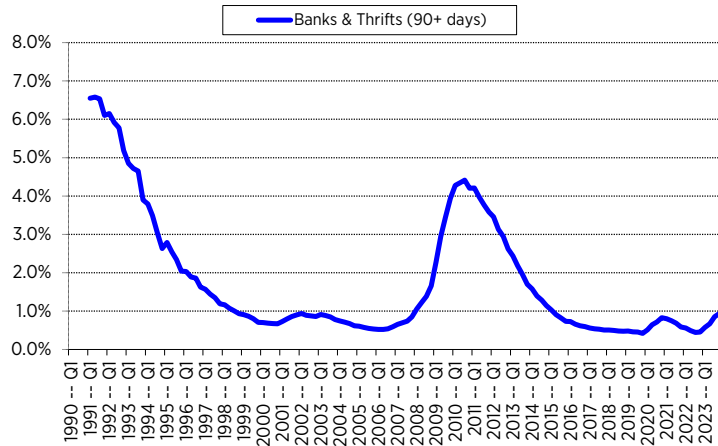
NOTE: In addition to this report, MBA works with its servicer members to develop the CREF Loan Performance Survey each quarter, which highlights delinquency rates by property type. For more information on the most recent results and the historical series go to: <https://www.mba.org/home/product/commercial-multifamily-loan-performance-survey-73258>.

CHART 1. COMMERCIAL/MULTIFAMILY MORTGAGE DELINQUENCY RATES AMONG MAJOR INVESTOR GROUPS



Selected delinquency rates at the end of the period

NOTE: Delinquency rates shown are NOT comparable between investor groups. These rates show how performance of loans for each investor groups has varied over time, but cannot be used to compare one investor group to another.



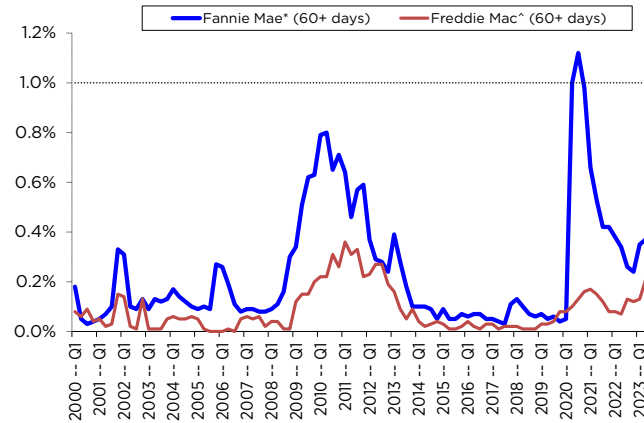
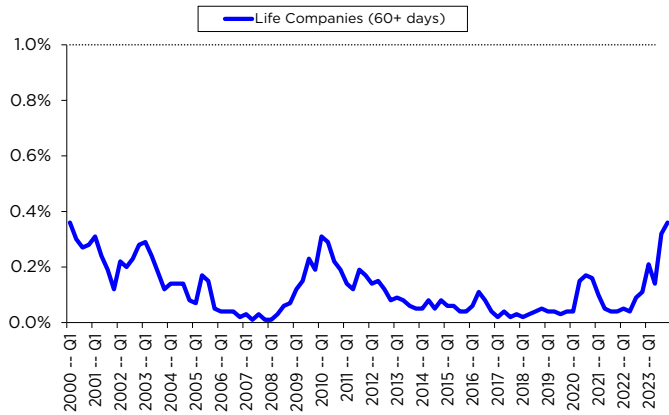
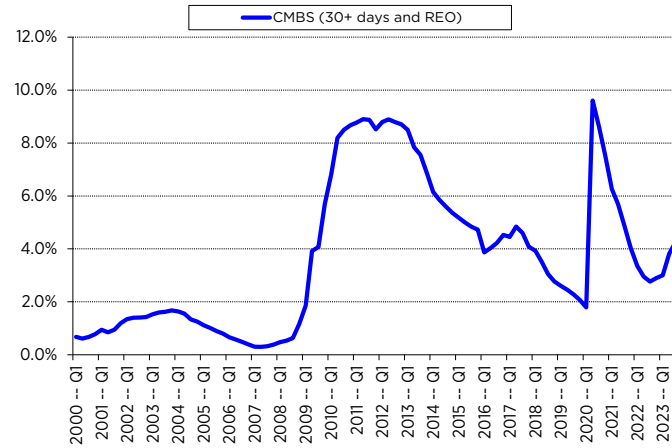
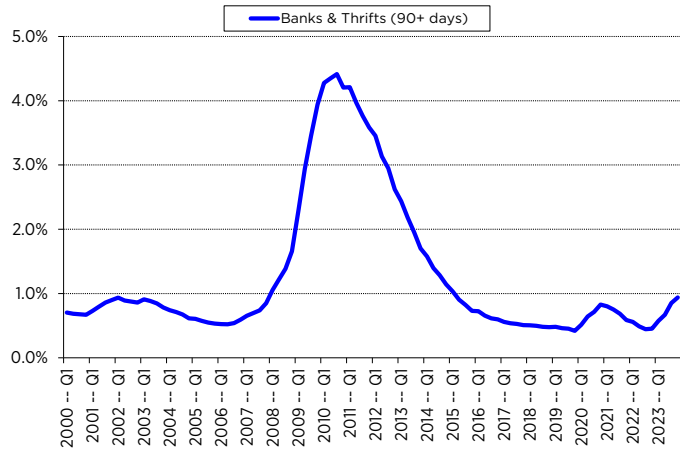
Sources: Trepp LLC, American Council of Life Insurers, Fannie Mae, Freddie Mac, OFHEO and Federal Deposit Insurance Corporation

CHART 2. COMMERCIAL/MULTIFAMILY MORTGAGE DELINQUENCY RATES AMONG MAJOR INVESTOR GROUPS, 2000 - PRESENT



Selected delinquency rates at the end of the period

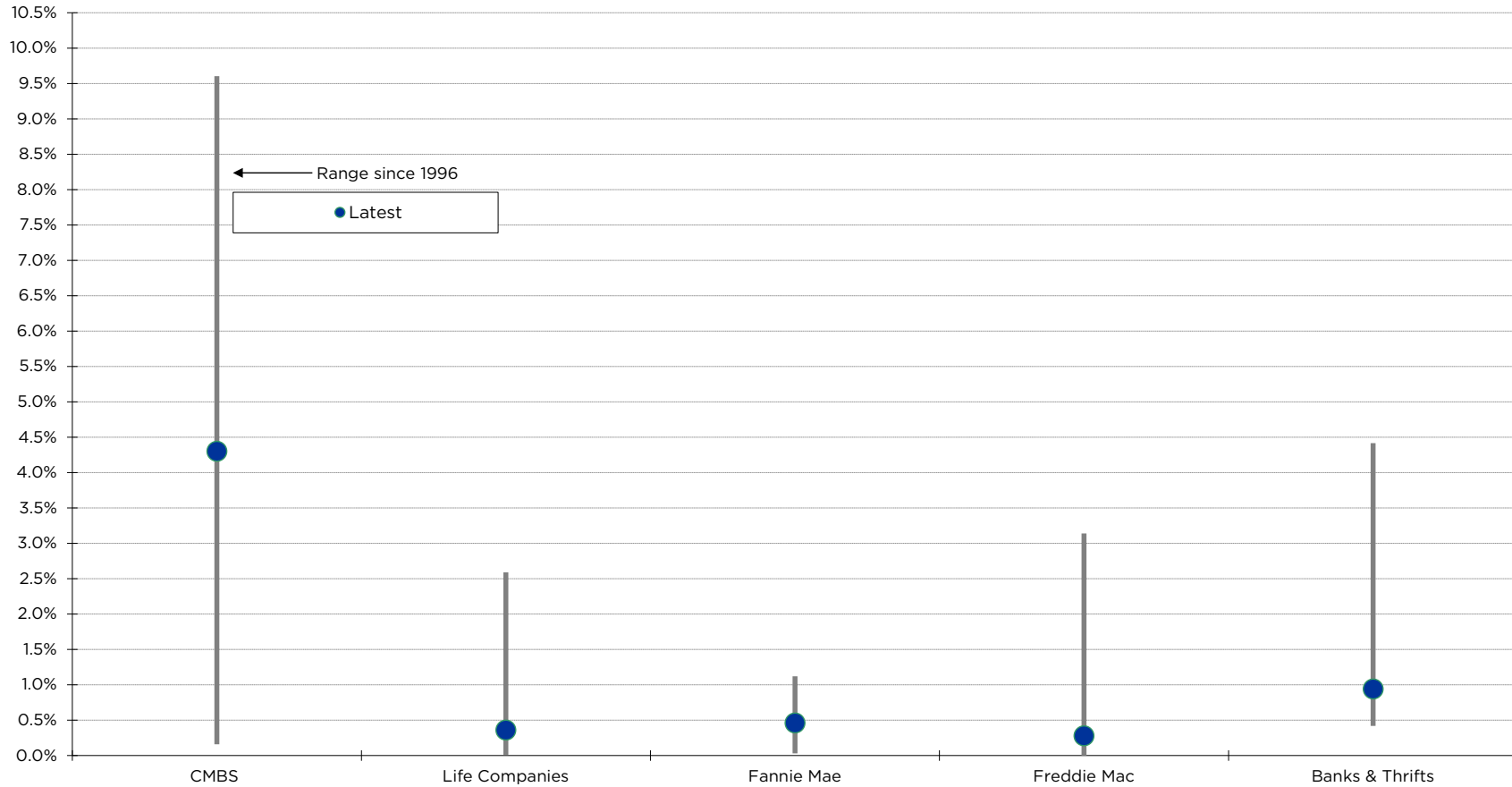
NOTE: Delinquency rates shown are NOT comparable between investor groups. These rates show how performance of loans for each investor groups has varied over time, but cannot be used to compare one investor group to another.



Sources: Trepp LLC, American Council of Life Insurers, Fannie Mae, Freddie Mac, OFHEO and Federal Deposit Insurance Corporation

CHART 3. Latest Delinquency Rates and Range Since 1996

NOTE: Delinquency rates shown are NOT comparable between investor groups. These rates show how performance of loans for each investor groups has varied over time, but cannot be used to compare one investor group to another.



Sources: Trepp LLC, American Council of Life Insurers, Fannie Mae, Freddie Mac, OFHEO and Fannie Mae, Freddie Mac, OFHEO and Federal Deposit Insurance Corporation

COMMERCIAL/MULTIFAMILY MORTGAGE DELINQUENCY RATES AMONG MAJOR INVESTOR GROUPS



Selected delinquency rates at the end of the period

NOTE: Delinquency rates shown are NOT comparable between investor groups. These rates show how performance of loans for each investor groups has varied over time, but cannot be used to compare one investor group to another.

	CMBS (30+ days and REO)	Life Companies (60+ days)	Fannie Mae (60+ days)	Freddie Mac (60+days)	Banks & Thrifts (90+ days)
Year-end					
2004 -- Q4	1.25%	0.08%	0.10%	0.06%	0.62%
2005 -- Q4	0.80%	0.05%	0.27%	0.00%	0.53%
2006 -- Q4	0.39%	0.02%	0.08%	0.05%	0.59%
2007 -- Q4	0.39%	0.01%	0.08%	0.02%	0.85%
2008 -- Q4	1.17%	0.07%	0.30%	0.01%	1.66%
2009 -- Q4	5.68%	0.19%	0.63%	0.20%	3.94%
2010 -- Q4	8.67%	0.19%	0.71%	0.26%	4.21%
2011 -- Q4	8.51%	0.17%	0.59%	0.22%	3.58%
2012 -- Q4	8.71%	0.08%	0.24%	0.19%	2.62%
2013 -- Q4	6.86%	0.05%	0.10%	0.09%	1.70%
2014 -- Q4	5.36%	0.08%	0.05%	0.04%	1.14%
2015 -- Q4	4.73%	0.04%	0.07%	0.02%	0.73%
2016 -- Q4	4.53%	0.04%	0.05%	0.03%	0.60%
2017 -- Q4	4.08%	0.03%	0.11%	0.02%	0.51%
2018 -- Q4	2.77%	0.05%	0.06%	0.01%	0.48%
2019 -- Q4	2.07%	0.04%	0.04%	0.08%	0.42%
2020 -- Q4	7.50%	0.16%	0.98%	0.16%	0.83%
2021 -- Q4	4.02%	0.04%	0.42%	0.08%	0.59%
2022 -- Q4	2.90%	0.11%	0.24%	0.12%	0.45%
2023 -- Q4	4.30%	0.36%	0.46%	0.28%	0.94%
Quarter-end					
2019 -- Q4	2.07%	0.04%	0.04%	0.08%	0.42%
2020 -- Q1	1.79%	0.04%	0.05%	0.08%	0.51%
2020 -- Q2	9.60%	0.15%	1.00%	0.10%	0.64%
2020 -- Q3	8.60%	0.17%	1.12%	0.13%	0.71%
2020 -- Q4	7.50%	0.16%	0.98%	0.16%	0.83%
2021 -- Q1	6.26%	0.10%	0.66%	0.17%	0.80%
2021 -- Q2	5.68%	0.05%	0.53%	0.15%	0.75%
2021 -- Q3	4.86%	0.04%	0.42%	0.12%	0.69%
2021 -- Q4	4.02%	0.04%	0.42%	0.08%	0.59%
2022 -- Q1	3.36%	0.05%	0.38%	0.08%	0.56%
2022 -- Q2	2.95%	0.04%	0.34%	0.07%	0.49%
2022 -- Q3	2.77%	0.09%	0.26%	0.13%	0.45%
2022 -- Q4	2.90%	0.11%	0.24%	0.12%	0.45%
2023 -- Q1	3.00%	0.21%	0.35%	0.13%	0.58%
2023 -- Q2	3.82%	0.14%	0.37%	0.21%	0.67%
2024 -- Q3	4.26%	0.32%	0.54%	0.24%	0.85%
2023 -- Q4	4.30%	0.36%	0.46%	0.28%	0.94%

Sources: Trepp LLC, American Council of Life Insurers, Fannie Mae, Freddie Mac, OFHEO and Federal Deposit Insurance Corporation.

Note: Differences between the delinquency measures are detailed in Appendix A.

APPENDIX A SOURCES & MEASURES OF DELINQUENCIES

Commercial Mortgage-backed Securities (CMBS)

Source: Trepp LLC.

The delinquency rate for CMBS loans covers loans 30+ days delinquent, including those in foreclosure, and real estate owned (REO). The CMBS rate is the only one to include REO in either the numerator or the denominator.

Life Companies

Source: American Council of Life Insurers

The delinquency rate for life insurance company loans covers loans 60+ days delinquent, including those in foreclosure, and does not include real estate owned (REO) in either the numerator or the denominator.

Fannie Mae

Source: Fannie Mae Monthly Volume Summary and Office of Federal Housing Enterprise Oversight Annual Reports to Congress the delinquency rate for multifamily loans either held in portfolio or securitized and guaranteed by the company covers loans 60+ days delinquent, including those in foreclosure, and does not include real estate owned (REO) in either the numerator or the denominator. The company was unable to provide December delinquency figures for the years 2000 to 2004, so the fourth quarter numbers presented for those years are November, rather December, figures. In January 2011, Fannie Mae revised its 2010 monthly multifamily delinquency rates for all periods presented to exclude multifamily borrowers who have entered into a forbearance agreement and are abiding by the terms of the agreement, but had been previously included in the multifamily delinquency rates due to an error.

Freddie Mac

Source: Freddie Mac Monthly Volume Summary and Office of Federal Housing Enterprise Oversight Annual Reports to Congress

The delinquency rate for multifamily loans either held in portfolio or securitized and guaranteed by the company covers loans 60+ days delinquent, including those in foreclosure, and does not include real estate owned (REO) in either the numerator or the denominator.

Freddie Mac notes that their delinquency rate “[e]xcludes mortgage loans whose original contractual terms have been modified under an agreement with the borrower as long as the borrower complies with the modified contractual terms.” As an example, after Hurricane Katrina, Freddie Mac modified a number of loans affected by the storms. In May 2010, Freddie Mac returned to reporting multifamily delinquencies as those loans 60+ days delinquent.

FDIC-insured Banks & Thrifts

Source: Federal Deposit Insurance Corporation

The delinquency rate for FDIC banks and thrifts covers loans 90+ days delinquent, including those in foreclosure and in non-accrual status, and does not include real estate owned (REO) in either the numerator or the denominator. The universe of loans covered by this series also includes a large number of “owner-occupied” commercial loans – loans supported by the income of the resident business rather than by rent and lease payments. In a 2007 analysis by MBA of the ten banks with the largest commercial mortgage portfolios, approximately half, in dollar volume, of their commercial (non-multifamily) loan portfolio was comprised of these “owner-occupied” properties.

Data are available for life companies, FDIC-insured banks and thrifts, Fannie Mae and Freddie Mac since 1990 and CMBS since 1997.



MORTGAGE BANKERS ASSOCIATION

1919 M STREET NW, 5th FLOOR
WASHINGTON, DC 20036

Purchase ground-breaking, comprehensive mortgage origination information.

Commercial Real Estate/Multifamily Finance Database Annual Subscription

Member \$4,250/nonmember \$6,500

Commercial/Multifamily Annual Origination Volumes Rankings

All Firms (member \$250/nonmember \$350)

Commercial/Multifamily Annual Origination Volume Summation

Member \$150/nonmember \$250

Commercial/Multifamily Loan Maturity Volumes

Member \$150/nonmember \$250

To subscribe, order or participate, call **(800) 348-8653**, or visit mba.org/crefresearch