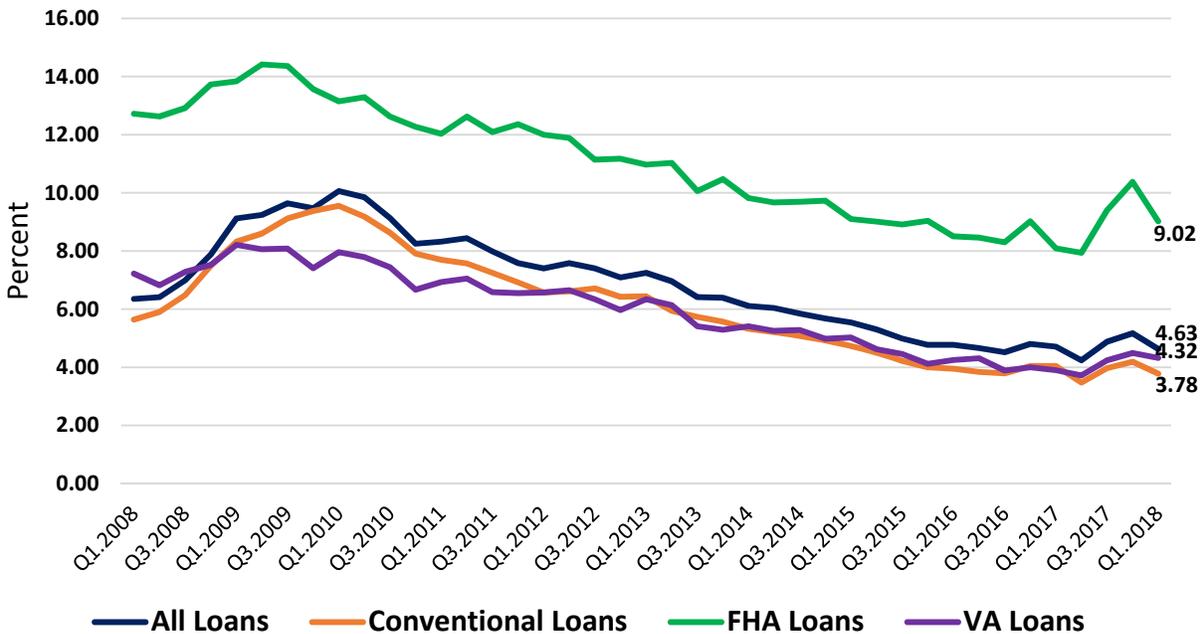


Chart of the Week - May 18, 2018

Mortgage Delinquency Rates, By Loan Type

Seasonally adjusted, based on loan count, excludes loans in foreclosure



Source: MBA [National Delinquency Survey](#)

The delinquency rate for mortgage loans on one-to-four-unit residential properties fell to a seasonally adjusted rate of 4.63 percent of all loans outstanding at the end of the first quarter of 2018. The delinquency rate was down 54 basis points from the previous quarter, and was eight basis points lower than one year ago, according to the Mortgage Bankers Association’s (MBA) National Delinquency Survey. Mortgage delinquencies decreased from the previous quarter across all loan types – FHA, Conventional and VA – as the effects of the September hurricanes dissipated.

The FHA delinquency rate declined by 136 basis points over the previous quarter – the largest single-quarter decline reported for the National Delinquency Survey data series. The conventional and VA delinquency rates declined by 41 basis points and 17 basis points respectively from the previous quarter. On a year-over-year basis, the overall mortgage delinquency rate increased by 93 basis points for FHA loans, dropped by 26 basis points for conventional loans, and increased 42 basis points for VA loans.

The strong economy, low unemployment rate, tax refunds and bonuses and home price appreciation were key factors that helped push delinquencies down in the first quarter. There are offsetting factors that may put upward pressure on delinquency rates in future quarters, including: a difficult recovery for some borrowers in hurricane-impacted states; the aging of loan portfolios; higher interest rates that limit a borrower’s rate-term refinance options; higher energy prices; stretching of housing affordability given limited supply; and the easing of credit overlays as mortgage market conditions have changed.

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