

# MBAPR 42<sup>nd</sup> Annual Convention



**FHA Production Statistics**  
**Puerto Rico – Data as of April 30, 2016**



# PUERTO RICO

STATE  
RANKING

52\*

In Puerto Rico, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$498**. In order to afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn **\$1,661** monthly or **\$19,930** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of:

 **\$9.58** PER HOUR

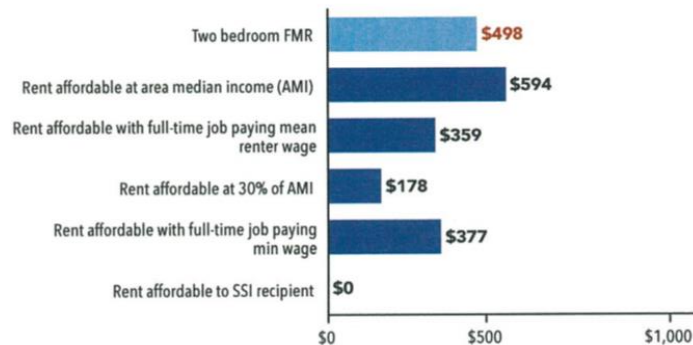
## STATE FACTS

Minimum Wage	\$7.25
Average Renter Wage	\$6.91
2-Bedroom Housing Wage	\$9.58
Number of Renter Households	379,256
Percent Renters	31%

## MOST EXPENSIVE AREAS

## HOUSING WAGE\*

San Juan-Guaynabo HMFA	\$10.54
Caguas HMFA	\$10.23
Ceiba Municipio	\$9.87
Fajardo Municipio	\$9.87
Luquillo Municipio	\$9.87



53

Work Hours Per Week At Minimum Wage Needed To Afford a 2-Bedroom Unit (at FMR)

1.3

Number of Full-Time Jobs At Minimum Wage Needed To Afford a 2-Bedroom Unit (at FMR)

\* Ranked from Highest to Lowest 2-Bedroom Housing Wage



# **MORTGAGEE LETTERS (ML)**

***PERIOD COVERED: 8/29/2014– 5/31/2016***

## **ML 2014-17: AUGUST 29, 2014**

*Subject: Extension of Temporary Approval Provisions for the FHA Condominium Project Approval Process.*

*Note: To be Extended (Date TBD)*

- This Mortgagee Letter (ML) announces an extension of the temporary condominium project approval guidelines issued in ML 2012-18 to allow time for completion of the condominium rulemaking process.

## **ML 2015-08: MARCH 26, 2015**

***Subject:** Electronic Appraisal Delivery (EAD) portal for Federal Housing Administration (FHA) Insured Single Family Mortgages*

- This Mortgagee Letter (ML) announces FHA's implementation of the EAD portal and provides information necessary for mortgagees to prepare for delivering origination appraisals (forward and reverse) through FHA's new EAD portal.
- All appraisals for new originations must be submitted to FHA through the portal for all FHA case numbers assigned on or after June 27, 2016.

## **ML 2016-08: APRIL 13, 2016**

***Subject:** Student Loans – The purpose of the ML is to provide guidance on calculating student loan payments.*

- This guidance is effective for all case numbers assigned on or after June 30, 2016; however, Mortgagees may begin using the policy in this ML immediately. All revisions will be incorporated into HUD's Single Family Housing Policy Handbook 4000.1 (Handbook 4000.1) on June 30, 2016.

# **SF HOUSING POLICY HANDBOOK (HANDBOOK 4000.1)**

- The new online SF Handbook most recent update was March 14, 2016.
  - Background/Approach
    - Industry Perspective
    - How to Eliminate ambiguity
    - Be more deliberate
  - Consistency
- One Resource
- Highlight of Changes



# SF HOUSING POLICY HANDBOOK (HANDBOOK 4000.1)

*Subject: Federal Housing Administration (FHA) annual Mortgage Insurance Premium (MIP) rates*

Mortgage Term of More Than 15 Years			
Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$625,500	≤ 90.00%	80	11 years
	> 90.00% but ≤ 95.00%	80	Mortgage term
	> 95.00%	85	Mortgage term
Greater than \$625,500	≤ 90.00%	100	11 years
	> 90.00% but ≤ 95.00%	100	Mortgage term
	> 95.00%	105	Mortgage term
Mortgage Term of Less than or Equal to 15 Years			
Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$625,500	≤ 90.00%	45	11 years
	> 90.00%	70	Mortgage term
Greater than \$625,500	≤ 78.00%	45	11 years
	> 78.00% but ≤ 90.00%	70	11 years
	> 90.00%	95	Mortgage term

**For refinance of previous Mortgage endorsed on or before May 31, 2009**

UFMIP: 1 (bps) (.01%) All Mortgages

**All Mortgage Terms**

Base Loan Amount	LTV	Annual MIP (bps)	Duration
All	≤ 90.00%	55	11 years
	> 90.00%	55	Mortgage term

For Mortgages where FHA does not require an appraisal, the value from the previous Mortgage

**For refinance of previous Mortgage endorsed on or before May 31, 2009**

UFMIP: 1 (bps) (.01%) All Mortgages

is used to calculate the LTV.



# **SERVICING OF FHA-INSURED MORTGAGES**

## **I. DOING BUSINESS WITH FHA**

### **A. FHA Lenders and Mortgagees**

#### **6. Post-Approval Operations - Handbook 4000.1 Page 39**

Publish Date: 3/18/2015/Effective Date: 09/14/2015

#### **d. Servicing of FHA-Insured Mortgages**

- The servicing of FHA-insured Mortgages must be performed by FHA-approved Mortgagees. FHA-approved Mortgagees that use a subservicer to service FHA-insured Mortgages must ensure the subservicer is also approved by FHA to service FHA-insured Mortgages. The servicing Mortgagee is responsible for the actions of their subservicers.
- The costs associated with subservicing may not be imposed on the FHA Borrower or passed along to HUD in a claim for mortgage insurance benefits.
- Reference: SF Handbook 4000.1, I. Doing Business with FHA, A. FHA Lenders and Mortgagees, 6. Post-Approval Operations, d. Servicing of FHA-Insured Mortgages Page 39 of SF Handbook 4000.1



# FHA QUALITY CONTROL LOAN REVIEW FINDINGS

Final as of March 1, 2016

6/3/2016

# QUARTERLY LOAN REVIEW UPDATE

## General Information

### *Post Endorsement Technical Reviews*

This update provides information on Single Family Post Endorsement Technical Reviews conducted between July 1, and September 30, 2015.

The data presented below reflects ratings and findings as of March 1, 2016, which may continue to change until the review cycle is complete. This generally takes six months from the initial review.



## Sample Characteristics

*Total Loans Reviewed = 6,148*

Type	#	% of Total
Purchase	4,532	73.7%
Streamline	619	10.1%
Rate & Term	419	6.8%
HECM	578	9.4%

Performing	3,226	52.5%
EPDs	1,969	32.0%
Random	953	15.5%

# FREQUENTLY MITIGATED LOAN FINDINGS

**FHA is committed to reducing the initial unacceptable rate and is focusing its attention on those lenders with a pattern of unacceptable findings that are easily mitigated.**

The table shows the most frequently mitigated findings. The number of initial unacceptable findings and the number of those findings subsequently mitigated are for the loans reviewed between July 1, and September 30, 2015.

Description	Category	Code	# of Initial Unacceptable	# Mitigated After 6	Mitigation Rate
Concerns related to assets derived from gift(s)	Borrower Assets	FD20	548	470	86%
Unacceptable, unsupported or insufficient source of funds	Borrower Assets	FD10	491	415	85%
Obligations of borrower(s) omitted, inaccurate, not supported, not disclosed and/or not legible	Borrower Credit	LA04	455	370	81%
Data integrity deficiencies. File documentation does not support Accept/Approve decision in AUS	Lender Operations	AU01	410	323	79%
Income improperly documented	Borrower Income	IC20	341	292	86%
Existing construction in Special Flood Hazard Area (A or V Zone) without evidence of flood insurance	Property Eligibility	VA03	312	292	94%

Mitigated findings often represent easily-remedied **documentation errors** rather than **actual loan manufacturing defects**, but mitigation requires significant time and resources from lenders and FHA.

# OPERATING PRINCIPLES:

- Ensure sufficient sample size across portfolio and lender base
- Timely, efficient QC review
- Identification of material non-compliance
- Prompt resolution and mitigation of material findings
- Prompt performance feedback to lenders and policy makers
- Commitment to an independent, meaningful review of staff quality

# LENDER SELF-REPORTS COMMON DEFICIENCIES REPORTED

- Underwriting Deficiencies
- Loan Modification Misrepresentation
- Source of Funds Asset Misrepresentation – Origination
- Income Documentation Deficiencies – Origination
- Minimum Required Investment Not Met
- Occupancy Misrepresentation – Origination
- Asset Misrepresentation – Short Sale

**Note:** Calendar year-to-date only 6 loans were self-reported from Puerto Rico.

# LENDER MONITOR REVIEWS

## COMMON DEFICIENCIES REPORTED - PR

### ORIGINATION

- Utilities continue to be a common deficiency
- Translations continue to be an issue – Specialist may request translation to be able to review file
- AUS – file doesn't support 'Accept'
- 92900-A not completed
- Income not supported/documented

### SERVICING

- Not adequately administering HUDs Loss Mitigation program
- Unallowable Fees
- Assumption processing Deficiencies
- Single Family Default System Operating deficiencies
- Escrow Analysis Deficiencies



# OFFICE OF INSPECTOR GENERAL REFERRALS

- Occupancy Misrepresentation at origination by parents
- Straw buyer concerns
- Occupancy Misrepresentation – Loan Modification
- Income Misrepresentation – Loan Modification

# FHA LOAN QUALITY ASSESSMENT METHODOLOGY (*"DEFECT TAXONOMY"*) *JUNE 18, 2015*

**This Taxonomy represents an evolution in FHA's approach to Quality Assurance.**

## **Pre-Taxonomy Approach to QA**

**The majority of current defect codes focus on causes**, often leading to multiple codes all describing a small piece of a single fundamental issue (e.g., borrower income not being sufficient).

**Two potential levels of findings for each defect - Unacceptable and Deficient,<sup>1</sup>** providing only a limited ability to analyze the scope of defects solely on the basis of the finding reported.

**Much of the detail of the sources and causes of defects is captured only in loan reviewer's notes**, which prevents data analysis on why defects are occurring at the aggregate level.

## **Taxonomy**

**The coding of defects is standardized within a limited number of defect categories**, allowing FHA to capture greater detail on the fundamental issues impacting a loan's quality. Although there are significantly fewer defects, each defect employs between 15-30 "reason codes" to capture rich detail about why a defect occurred.

**Subdivision of each existing findings level, creating four tiers of defects**, allowing FHA to capture greater detail on the scope of the defect.

**The sources and causes of defects are captured as part of the Basis of Ratings code**, allowing FHA to analyze the reason why defects are occurring at the aggregate level.

<sup>1</sup> The terms "Unacceptable" and "Deficient" refer solely to the code names used by FHA in its previous QA systems and practice and should not be extrapolated to any other context or for any other purpose. Because these terms could be open to a variety of interpretations and do not provide the level of specificity desired by FHA, they are being replaced under the Taxonomy with Tier labels.



# CALL CENTER DATA

# PUERTO RICO

## FHA Resource Center

Service Requests with a Property State = Puerto Rico

*Puerto Rico represents 0.9% of all FY Service Requests*

**Fiscal Year 2016**

Primary Category	October	November	December	January	February	March	April	Category Totals
Appraisal/Property Analysis	4	9	3	2	13	16	11	58
Closing and Insuring	219	129	228	177	206	184	200	1,343
Condominium Project Approval	3	4	7	10	8	7	2	41
Credit Underwriting	16	19	17	14	13	26	27	132
FHA System Support	9	9	9	4	13	6	6	56
HUD Owned Properties	5	2	3	4	3	5	3	25
Lender Approval/Eligibility	7		3	2	4	1	10	27
Other	2		2	7	1	4		16
Partner Approval/Eligibility	1							1
Quality Control/Compliance	1				1			2
Rehabilitation Programs	1		1	4	2	2	2	12
Reverse Mortgage Programs	1					1		2
<b>Total</b>	<b>269</b>	<b>172</b>	<b>273</b>	<b>224</b>	<b>264</b>	<b>252</b>	<b>261</b>	<b>1,715</b>

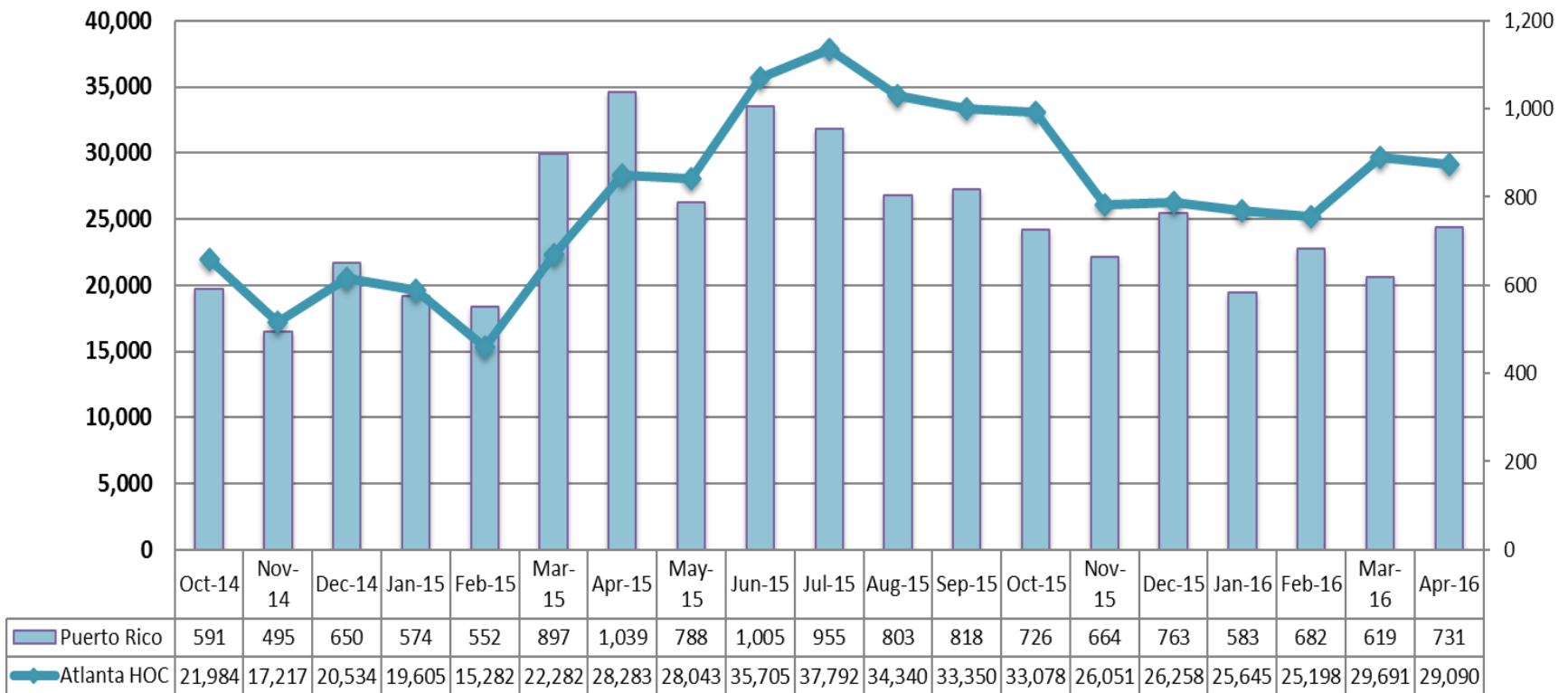


# FHA PRODUCTION STATISTICS

Data as of  
April 30, 2016 (*or as noted*)

# MONTHLY ENDORSEMENT TRENDS

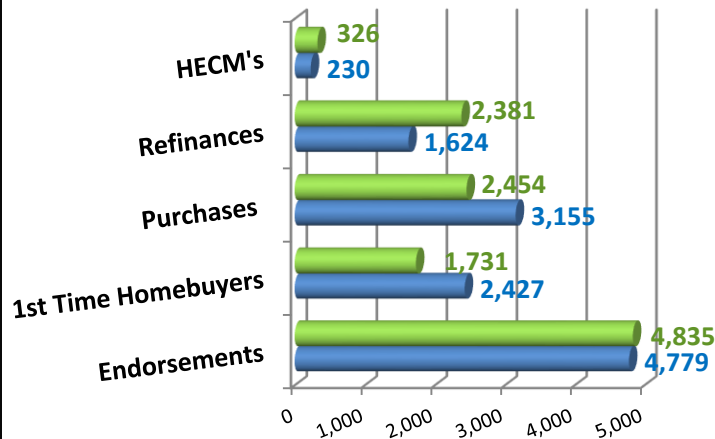
FHA Endorsements by Month: Fiscal Year 2015 through April FYTD 2016



# ENDORSEMENT SHARE BY LOAN TYPE

Endorsement Trends - Puerto Rico

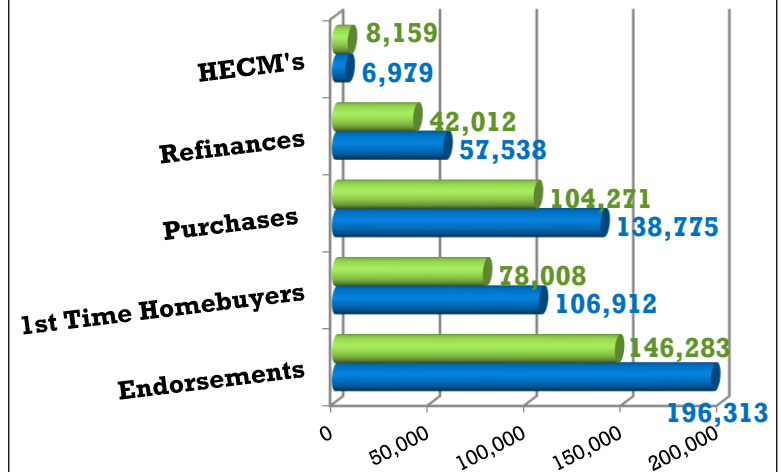
■ Apr FYTD 2015 ■ Apr FYTD 2016



**Year over Year, Endorsement volumes are down 1%, Purchases are up 29%, and Refinances are down 32%.**

Endorsement Trends - Atlanta HOC

■ Apr FYTD 2015 ■ Apr FYTD 2016

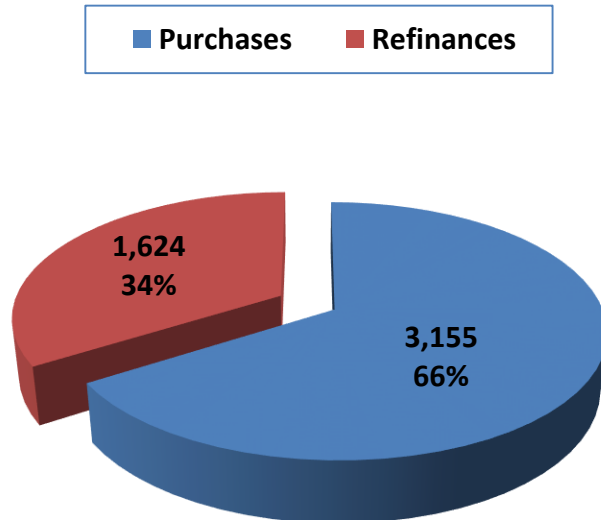


**Year over Year, Endorsement volumes are up 34%, Purchases are up 33%, and Refinances are up 37%.**

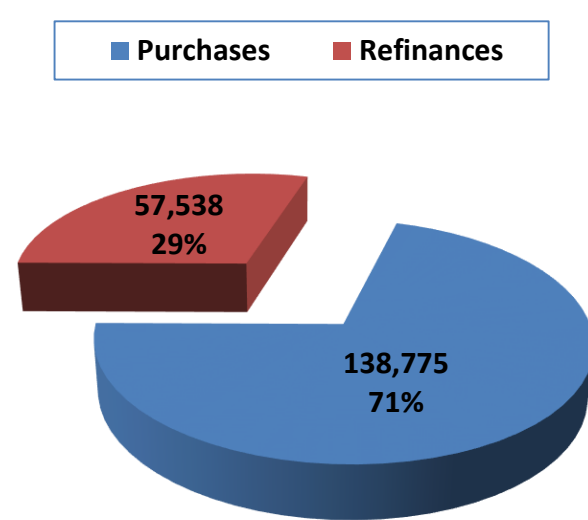


# ENDORSEMENT TRENDS BY LOAN TYPE

Endorsement Share by Loan Type  
April FYTD 2016  
Puerto Rico



Endorsement Share by Loan Type  
April FYTD 2016  
Atlanta HOC



# CONDOMINIUM STATISTICS: PUERTO RICO

Condominium Projects		FY 2015	FYTD 2016
Approvals:	Initial	14	1
	Recertifications	30	0
Rejects:	Initial	32	12
	Recertifications	11	9
Total Projects Received		87	22

*(\*\*Initial approvals include Initial and re-approval of existing projects)*

*Note: FY 2016 data through May 24, 2016*

## Most common deficiencies:

1. The Master Deed and Bylaws MUST be recorded;
2. The budget must demonstrate that at least 10% is being allocated toward the reserves
3. Financial documents (Budget, Income, and Balance Sheet) must be within the last 90 days of project submission

# CONDOMINIUMS: PUERTO RICO

**New Allowance:** Guidance for Puerto Rico Condo submissions and insurance compliance. Two options:

1. Puerto Rico condominium project submitters may add to the budget a “line-item” dollar amount for the insurance coverage with a notation that the fees are collected by a third party, as previously discussed, or
2. The project submitter may provide an insurance rider or addendum. The insurance rider or addendum should address the nature of “common business practices” within Puerto Rico in which the insurance fees are not amassed by the HOA to pay the insurance premiums; rather the insurance fees are escrowed, collected and paid by the bank. The rider should include the dollar amount of the hazard insurance (master or blanket) coverage.

# LEADING LENDERS BY ENDORSEMENTS PUERTO RICO

## Forward lenders

State	Originating Mortgagee	#	\$
PUERTO RICO	BANCO POPULAR DE PUERTO RICO	1,143	139,536,969
PUERTO RICO	FIRST BANK OF PR	589	75,108,278
PUERTO RICO	ORIENTAL BANK	427	50,449,458
PUERTO RICO	SCOTIABANK DE PUERTO RICO	343	41,830,528
PUERTO RICO	MONEY HOUSE INC	315	34,203,563
PUERTO RICO	EMI EQUITY MORTGAGE INC	213	26,315,231
PUERTO RICO	PREFERRED MORTGAGE CORP	203	21,308,034
PUERTO RICO	TRUST MORTGAGE CORPORATION	138	14,213,729
PUERTO RICO	SUN WEST MORTGAGE CO INC	127	16,224,132
PUERTO RICO	VIG MORTGAGE CORP	120	14,695,413
PUERTO RICO	METRO ISLAND MORTGAGE INC	102	11,981,458
PUERTO RICO	HR MORTGAGE CORP	95	10,278,001
PUERTO RICO	HOME MORTGAGE BANKERS	86	9,602,028
PUERTO RICO	R F MORTGAGE AND INVESTMENT CORP	80	10,363,970
PUERTO RICO	FIRST EQUITY MORTGAGE BANKERS INC	76	10,276,207
PUERTO RICO	THE LENDING CENTER CORPORATION	75	8,008,255
PUERTO RICO	FIRST SECURITY MORTGAGE INC	72	9,032,619
PUERTO RICO	BANCO DE SANTANDER-PR N.A.	57	8,320,043
PUERTO RICO	RM ACTUAL MORTGAGE INC	49	5,059,730
PUERTO RICO	AAA CONCORDIA MORTGAGE CORP	42	4,499,980
PUERTO RICO	LATIN AMERICAN FINANCIAL CORPORATION	40	4,359,581
PUERTO RICO	ASOCIACION DE EMPLEADOS DEL ELA DE PR	39	4,583,703
PUERTO RICO	MULTIPLES MORTGAGE CORPORATION	33	4,386,618
PUERTO RICO	SCOTIABANK DE PUERTO RICO	31	3,508,668
PUERTO RICO	TRUST MORTGAGE CORPORATION	29	2,948,714
PUERTO RICO	MORTGAGE HOUSE	27	3,406,723
PUERTO RICO	ADVANCE MORTGAGE BANKERS INC	25	2,957,647

## HECM Lenders

State	Originating Mortgagee	#	\$
PUERTO RICO	MONEY HOUSE INC	113	6655973.92
PUERTO RICO	SENIOR MORTGAGE BANKERS INC	28	1694790.56
PUERTO RICO	VIG MORTGAGE CORP	19	1963459.72
PUERTO RICO	METRO ISLAND MORTGAGE INC	13	1082128.39
PUERTO RICO	SUN WEST MORTGAGE CO INC	7	728190.6
PUERTO RICO	FIRST EQUITY MORTGAGE BANKERS INC	4	447581.56
PUERTO RICO	EMI EQUITY MORTGAGE INC	3	174847.58
PUERTO RICO	MCM HOLDINGS INC	3	245877.12
PUERTO RICO	FIRST SECURITY MORTGAGE INC	2	254735.54
PUERTO RICO	HOME MORTGAGE BANKERS	2	84721.98
PUERTO RICO	HR MORTGAGE CORP	2	113368.78
PUERTO RICO	MULTIPLES MORTGAGE CORPORATION	2	163099.94
PUERTO RICO	R F MORTGAGE AND INVESTMENT CORP	2	120693.87
PUERTO RICO	RM ACTUAL MORTGAGE INC	2	185706.78
PUERTO RICO	AAA CONCORDIA MORTGAGE CORP	1	53610.57
PUERTO RICO	ADVANCE MORTGAGE BANKERS INC	1	33575.31
PUERTO RICO	PREFERRED MORTGAGE CORP	1	54514.7
PUERTO RICO	THE LENDING CENTER CORPORATION	1	199531.1
PUERTO RICO	No Lender Indicated	24	1894659.06

# REO CONTACTS

## Asset Managers

CONTRACT AREA	AM CONTRACTOR	POINT OF CONTACT	ADDRESS	PHONE NUMBER	FAX	<a href="#">E-MAIL ADDRESS</a>
Florida and Puerto Rico	Sage Acquisitions, LLC	<b>Velicia*</b> <b>Williams</b>	7000 Central Parkway, Ste. 800 Atlanta, GA 30328	<b>470-444-8066</b>		<a href="mailto:velicia.williams@sageacq.com">velicia.williams@sageacq.com</a>
		Tom Wilson		<b>770-609-6808</b>		<a href="mailto:tom.wilson@sageacq.com">tom.wilson@sageacq.com</a>

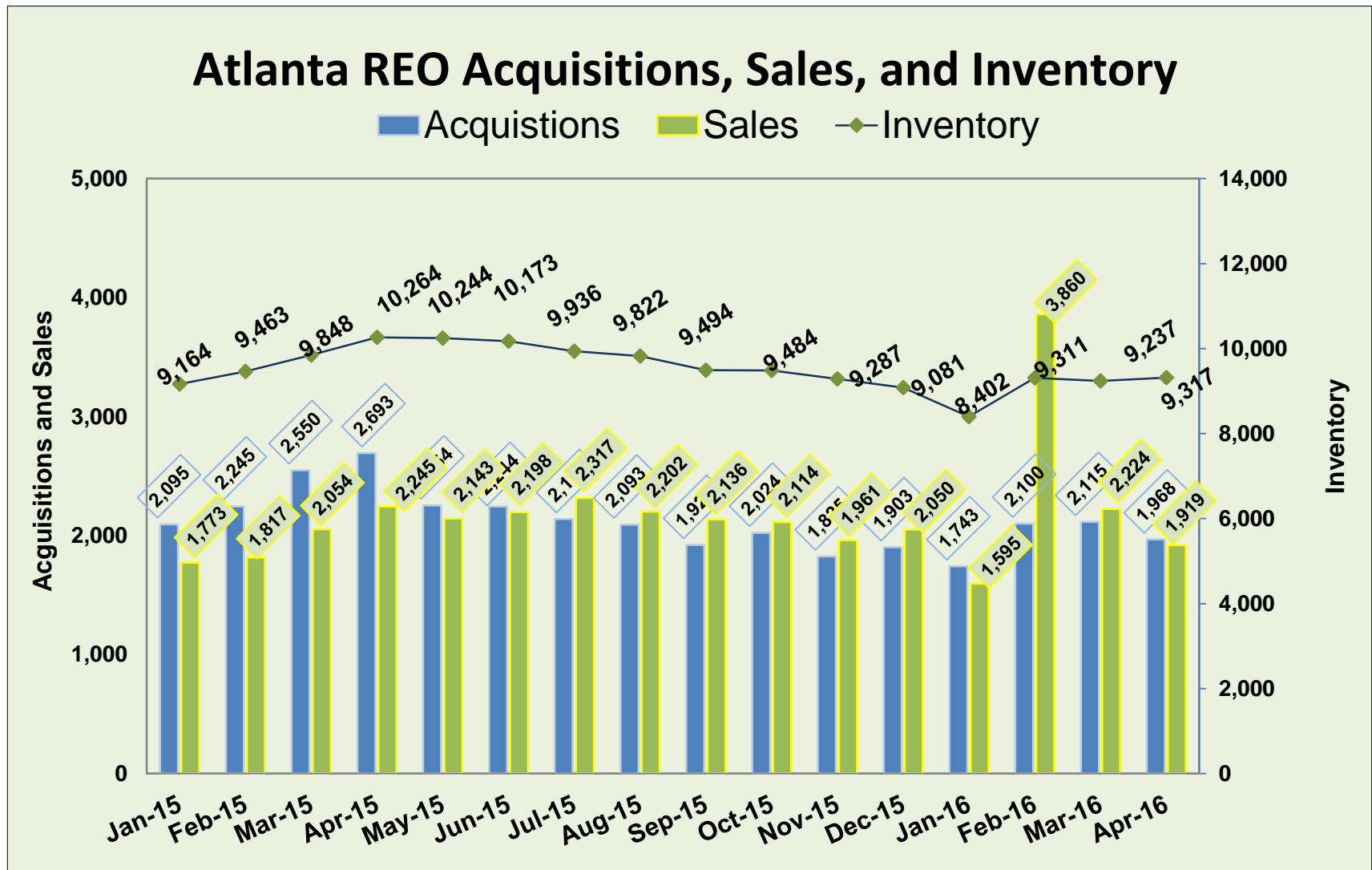
\*Contract Manager

## Field Service Manager

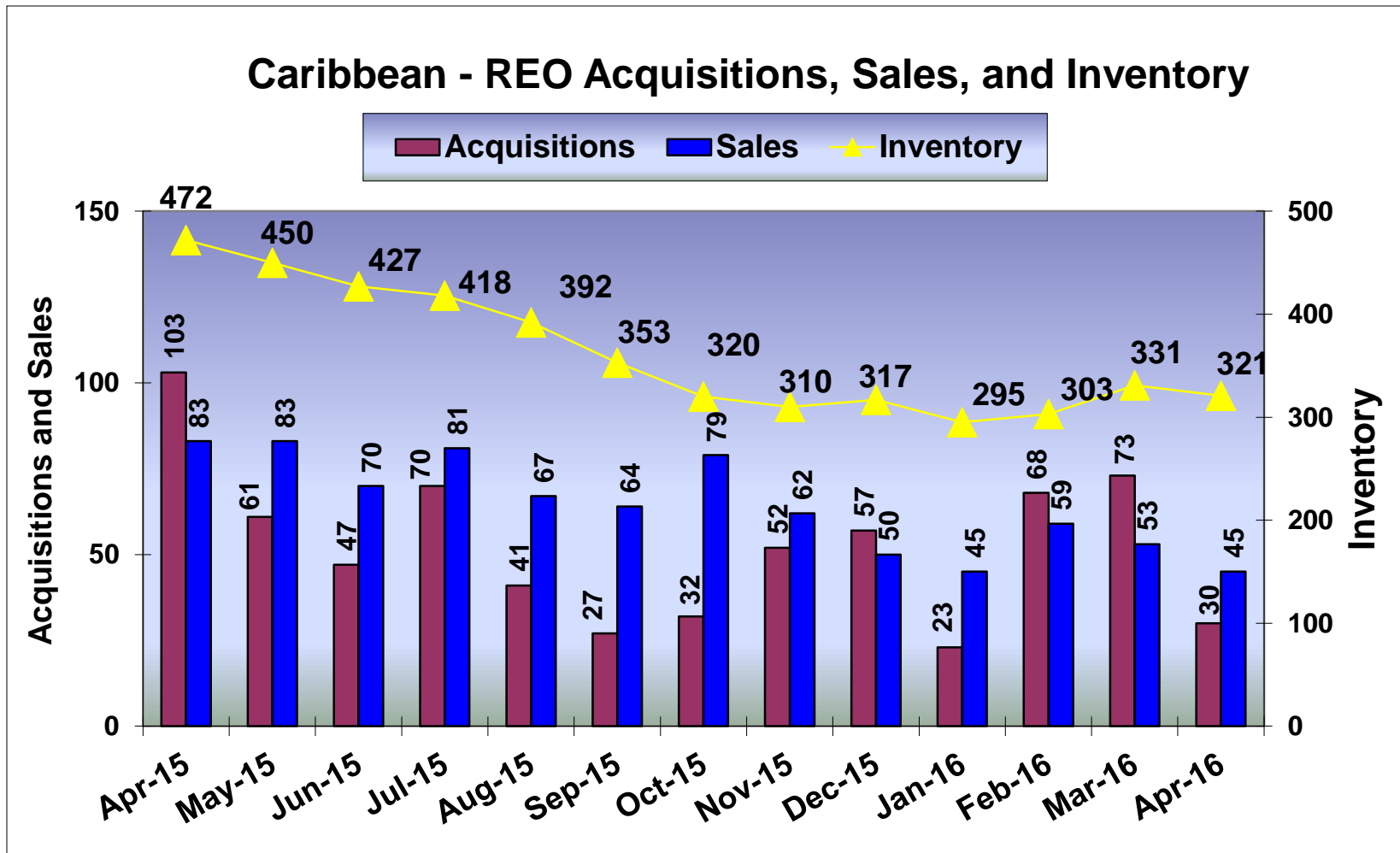
CONTRACT AREA	FSM CONTRACTOR	POINT OF CONTACT	ADDRESS	PHONE NUMBER	FAX	<a href="#">E-MAIL ADDRESS</a>
Florida and Puerto Rico	CWIS	David Ramagos	102 South Tejon Street, Ste. 1200 Colorado Springs, CO 80903	719-579-7582		<a href="mailto:dave@cwis-llc.com">dave@cwis-llc.com</a>

Updated 5/25/2016, Porter, G

# REO ACQUISITIONS, SALES & INVENTORY – ATLANTA HOC



# REO ACQUISITIONS, SALES, & INVENTORY – CARIBBEAN





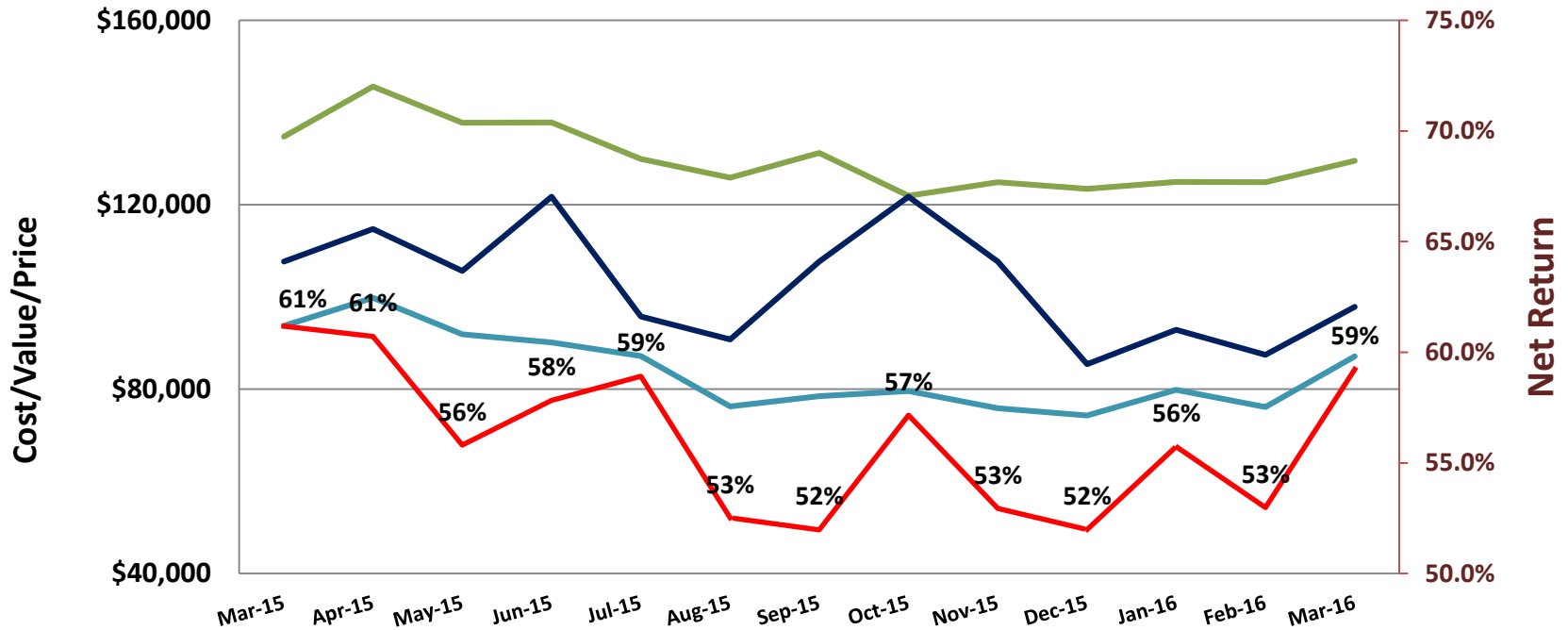
# IIF, DEFAULTS, AND FORECLOSURES

		2014	2015	Apr FYTD 2016
Jurisdiction				
Puerto Rico	Insurance In Force	112,184	113,730	115,052
	Unpaid Balance	\$9,919,802,797	\$10,455,142,090	\$10,372,596,458
	90+ Day Defaults	9,500	9,119	8,086
	90+ Day Default Rate	8.468%	8.018%	7.028%
	Defaults in Bankruptcy	1,934	2,114	1,925
	% 90+ Defaults	20.358%	23.182%	23.807%
	Foreclosed Upon	3,277	3,867	3,842
	Foreclosed Upon Rate	2.921%	3.400%	3.339%
	% AHOC	4.92%	4.95%	4.95%
	% National	1.44%	1.47%	1.47%
ATLANTA HOC	Insurance In Force	2,278,296	2,296,583	2,321,964
	Unpaid Balance	\$286,062,190,636	\$305,702,800,810	\$296,464,120,472
	90+ Day Defaults	182,725	147,823	126,797
	90+ Day Default Rate	8.020%	6.437%	5.461%
	Defaults in Bankruptcy	34,972	31,988	30,510
	% 90+ Defaults	19.139%	21.639%	24.062%
	Foreclosed Upon	58,663	50,579	44,842
	Foreclosed Upon Rate	2.575%	2.202%	1.931%
NATIONAL	Insurance In Force	7,797,435	7,752,478	7,810,382
	Unpaid Balance	\$1,178,166,107,296	\$1,264,583,607,473	\$1,194,251,858,714
	90+ Day Defaults	528,564	434,901	384,496
	90+ Day Default Rate	6.779%	5.610%	4.923%
	Defaults in Bankruptcy	80,417	72,789	70,551
	% 90+ Defaults	15.214%	16.737%	18.349%
	Foreclosed Upon	163,147	145,784	132,063
	Foreclosed Upon Rate	2.092%	1.880%	1.691%

This report and its content were developed and produced by the Single Family National Servicing Center (NSC) of the U.S. Department of Housing and Urban Development (HUD). The source data is the HUD Single Family Data Warehouse (SFDW). Any questions regarding this report should be directed via e-mail to [SFDDataRequests@hud.gov](mailto:SFDDataRequests@hud.gov). (Data as of April 30, 2016)

# REO SALES - NET RETURN: PUERTO RICO

Net Return: Puerto Rico



	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Acq. Cost (Claim)	\$134,74	\$145,62	\$137,77	\$137,83	\$129,89	\$125,87	\$131,19	\$121,95	\$124,88	\$123,45	\$124,96	\$124,88	\$129,51
Acq. Appraised Value	\$107,69	\$114,75	\$105,60	\$121,74	\$95,770	\$90,790	\$107,69	\$121,74	\$107,69	\$85,385	\$92,865	\$87,462	\$97,846
Sales Price	\$93,690	\$99,833	\$91,874	\$90,146	\$87,151	\$76,264	\$78,489	\$79,564	\$75,839	\$74,285	\$79,864	\$76,092	\$87,083
Net Return	61.2%	60.7%	55.8%	57.8%	58.9%	52.5%	52.0%	57.2%	52.9%	52.0%	55.7%	53.0%	59.2%

# DEFAULT REASONS

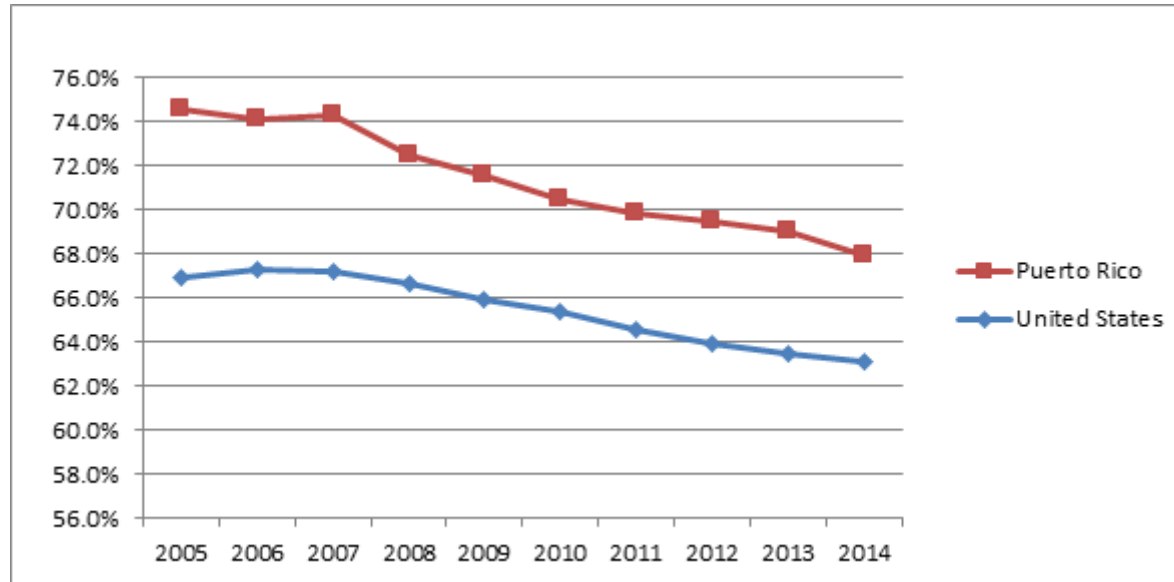
Reasons for Borrower Defaults - Puerto Rico				
FHA Cases	Unpaid Balance	% Total	Default Reason	
18	1,951,074	28.57%	007	Excessive obligations (same income, including habitual nonpayment of debts.)
16	1,751,240	25.40%	015	Other
6	675,352	9.52%	002	Illness of principal mortgagor
6	581,742	9.52%	027	Payment Dispute
4	402,887	6.35%	031	Unable to Contact Borrower
3	338,338	4.76%	001	Death of principal borrower
3	500,991	4.76%	006	Curtailment of Borrower Income
2	200,836	3.17%	003	Illness of mortgagor's family member
2	286,238	3.17%	004	Marital Difficulties
2	247,310	3.17%	016	Unemployment
1	233,092	1.59%	023	Servicing Problems

Reasons for Borrower Defaults - AHOC				
FHA Cases	Unpaid Balance	% Total	Default Reason	
1,652	257,681,625	79.92%	015	Other
1,300	211,961,460	62.89%	031	Unable to Contact Borrower
610	94,610,206	29.51%	007	Excessive obligations (same income, including habitual nonpayment of debts.)
368	60,316,234	17.80%	006	Curtailment of Borrower Income
266	42,557,073	12.87%	023	Servicing Problems
148	23,134,165	7.16%	027	Payment Dispute
123	18,070,750	5.95%	002	Illness of principal mortgagor
101	15,605,503	4.89%	016	Unemployment
64	9,986,036	3.10%	003	Illness of mortgagor's family member
41	6,358,158	1.98%	004	Death of borrower family member
29	3,939,031	1.40%	005	Marital difficulties
18	2,433,682	0.87%	001	Death of principal borrower
17	2,239,831	0.82%	026	Payment adjustment
14	2,697,140	0.68%	011	Property problem
6	1,372,346	0.29%	017	Business Failure
5	677,398	0.24%	029	Transfer of ownership pending
4	684,247	0.19%	009	Distant employment transfer
4	657,811	0.19%	030	Casualty Loss
2	98,519	0.10%	022	Energy-Environment cost
2	225,039	0.10%	008	Abandonment of Property
1	175,512	0.05%	014	Business Failure
1	161,660	0.05%	000	No reason indicated
1	115,627	0.05%	019	Fraud
1	111,175	0.05%	013	Inability to rent property

# DEFAULT REASONS

Reasons for Borrower Defaults - NATIONAL				
FHA Cases	Unpaid Balance	% Total	Default Reason	
5,858	1,131,519,533	34.37%	015	Other
4,861	946,160,227	28.52%	031	Unable to Contact Borrower
2,067	395,588,872	12.13%	007	Excessive obligations (same income, including habitual nonpayment of debts.)
1,316	249,751,760	7.72%	006	Curtailement of Borrower Income
847	163,186,151	4.97%	023	Servicing Problems
567	109,151,019	3.33%	027	Payment Dispute
410	78,455,800	2.41%	016	Unemployment
360	62,178,633	2.11%	002	Illness of principal mortgagor
213	40,831,476	1.25%	003	Illness of mortgagor's family member
135	25,203,666	0.79%	004	Marital difficulties
107	19,763,843	0.63%	005	Death of borrower family member
60	10,036,870	0.35%	001	Death of principal borrower
57	10,729,006	0.33%	026	Payment adjustment
53	10,934,018	0.31%	011	Property problem
31	7,306,012	0.18%	017	Military service
26	5,315,776	0.15%	030	Casualty Loss
22	4,140,449	0.13%	029	Transfer of ownership pending
18	3,298,333	0.11%	009	Distant employment transfer
9	1,784,537	0.05%	019	Fraud
7	1,901,133	0.04%	013	Inability to rent property
6	1,358,753	0.04%	012	Inability to sell property
4	486,200	0.02%	008	Abandonment of property
3	569,674	0.02%	022	Energy-Environment cost
3	380,552	0.02%	014	Business Failure
3	419,098	0.02%	INC	Incarceration
2	254,225	0.01%	000	No Reason Indicated
1	438,515	0.01%	010	Neighborhood Problem

# HOMEOWNERSHIP RATE TRENDS



Homeownership Rate

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<i>United States</i>	66.9%	67.3%	67.2%	66.6%	65.9%	65.4%	64.6%	63.9%	63.5%	63.1%
<i>Puerto Rico</i>	74.5%	74.1%	74.3%	72.4%	71.5%	70.5%	69.8%	69.5%	69.0%	67.9%

Source: American Community Survey and Puerto Rico Community Survey, 1-year Estimates