April HFA Prepay Report Delinquency Trends and Outlook

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April HFA voluntary prepayment ratios to generic counterparts were generally flat to lower from March in most Tiers 1 and 2 programs. Tier 3 ratios generally increased. The ratios on new production Tier 1 and Tier 2 Ginnie 2.5s were 25% and 41%, and teens percent on higher coupons. In Tier 3, the ratio for 2.5 was 102% and in the 40s and 50s percent for higher coupons. These trends are consistent with early signs of a normalization of HFA S-curves in higher coupons.

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