July HFA Prepay Report, Delinquency Trends, and Outlook

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July HFA voluntary prepayment ratios to generic counterparts continue to drift higher as refi component declines with rising rates. That said, the absolute ratios remain consistently below 100% in most cases. The ratios on new production Tier 1 Ginnies range from the low single digits to 60+ percent. Tier 2 ratios are in the 30% to 75% range, and Tier 3 ratios are mostly in the 40% to 70% range with some sharp outliers. HFA S-curves have normalized significantly and should settle down at these flatter levels in the coming months.

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