

July HFA Prepay Report, Delinquency Trends, and Outlook

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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