

## March HFA Prepay Report Delinquency Trends, and Outlook

March HFA voluntary prepayment ratios to generic counterparts broadly ticked up from multi-month lows last month with a notable spike in the Tier1 2.5s ratios across multiple states at the 12-13 WALA mark. Tier2 2.5s ratios are also near their highs of the past several months. Higher up the stack, the new production Tier 1 ratios remain in the single digits to teens percent, and Tier 2 mostly in the teens percent. Tier 3 ratios have dropped off, into the 30s percent. These trends are potentially early signs of a normalization of HFA S-curves in higher coupons.

*Mahesh Swaminathan*

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