

FHA 203(k) MARKET INTELLIGENCE REPORT

MAY 2026 EDITION

Renovation Lending Analytics & Lender Intelligence

Published June 1, 2026 · Data: HUD CHUMS F17FCY-20260601, Freddie Mac PMMS

HUD FY 2026 = Oct 1, 2025 – Sep 30, 2026 · YTD = 8 months (Oct '25–May '26)

KEY METRICS — MAY 2026 (ACTUAL)

230

May Endorsements
HUD CHUMS actual

-23.6%

YoY Change (May '25: 301)
Sharp volume decline

-20.7%

MoM Change (Apr '26: 290)
Seasonal + rate headwind

2,297

FY 2026 YTD (Oct–May)
vs. FY 2025 YTD: 2,306

6.53%

30-Yr Conv. (May 28)
Freddie Mac PMMS

-0.4%

FY YoY (8-month basis)
FY'26 now trailing FY'25

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Intelligence Report
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Source: HUD CHUMS
F17FVCY-20260601
(published June 1, 2026)
Freddie Mac PMMS
HUD FY = Oct 1 – Sep 30

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01 — EXECUTIVE SUMMARY

May 2026 · HUD CHUMS Actuals Published June 1, 2026

May 2026 recorded 230 national 203(k) endorsements — a sharp -23.6% decline versus May 2025's 301 cases and a -20.7% pullback from April's 290. This is the lowest single-month total of FY 2026 and marks the first month where the program meaningfully trailed its year-ago pace. FY 2026 YTD now stands at 2,297 cases through 8 months (Oct 2025–May 2026), marginally behind FY 2025's 2,306 at the same point (-0.4%).

Sharp Volume Decline: -23.6% YoY

230 cases vs. 301 in May 2025 — the largest YoY single-month decline of FY 2026. Rising mortgage rates through the back half of May (6.36% → 6.53%) are the primary driver.

Rate Headwind: +17 bps in 2 Weeks

Rates jumped from 6.36% (May 14) to 6.53% (May 28) — the fastest May acceleration since 2023. The 203(k) premium of 75–100 bps brings effective renovation financing near 7.28–7.53%, sharply reducing borrower qualification.

Norwich Commercial Breaks Top 8

Norwich Commercial Group (68 FY YTD) enters the named lender top 8, powered by a 15-case May. Strong presence in Northeast — Boston (5), New York (3), Chicago (3) — signals regional specialist growth.

FY 2026 Now Trails FY 2025

For the first time, FY 2026 YTD (2,297) is below FY 2025 same-period (2,306). The cumulative lead built Oct–Mar has been erased. Rate volatility and spring demand hesitation are converging.

loanDepot Leads May Month (17 cases)

loanDepot posted the highest May single-month total (17 endorsements) among named lenders, narrowing the FY gap to AFR: 174 vs. 166. CrossCountry and Norwich Commercial tied at 15.

FHA Credit Scoring Modernization

FHA INFO 2026-11 confirms FHA will adopt VantageScore 4.0 and FICO Score 10T alongside Classic FICO. This could meaningfully expand the 203(k)-eligible borrower pool, particularly for first-time buyers.

ANALYST OUTLOOK ·

May's sharp decline is a genuine signal, not a data anomaly. The rate spike in the final two weeks of May suppressed applications; those closings will likely be missing from June as well. Recovery depends on rate stabilization below 6.40%. The FHA credit scoring expansion is a structural tailwind — watch for impact in Q4 FY2026.

02 — MARKET OVERVIEW

May 2026 Actual Volume · 8-Month FY Trajectory · Rate Environment

230

May 2026 Endorsements

-23.6% YoY

301

May 2025 Endorsements

YoY baseline

290

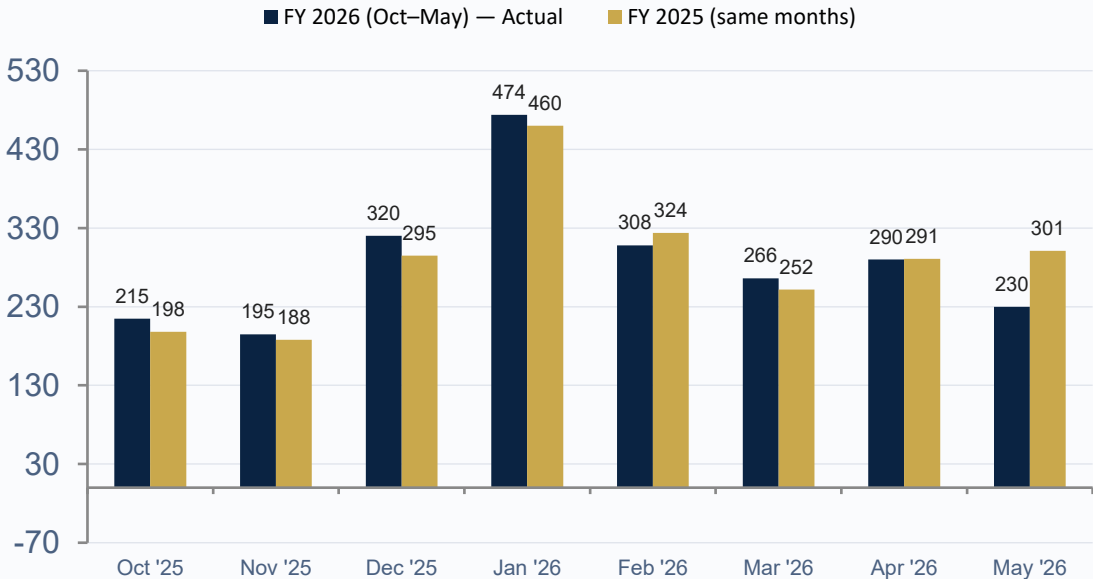
Apr 2026 Endorsements

-20.7% MoM

2,297

FY 2026 YTD (Oct–May)

-0.4% vs FY25 (2,306)



All values are HUD CHUMS actuals. HUD FY = October 1–September 30. May 2026 is the lowest FY2026 monthly total.

MAY 2026 RATE ENVIRONMENT (FREDDIE MAC PMMS)

Week	30-Yr Conv.	Change
May 1 (open)	~6.32%	-2 bps
May 7	6.37%	+5 bps
May 14	6.36%	-1 bps
May 21	6.51%	+15 bps
May 28 (close)	6.53%	+2 bps
Monthly Avg.	~6.44%	▲ +11 bps vs Apr

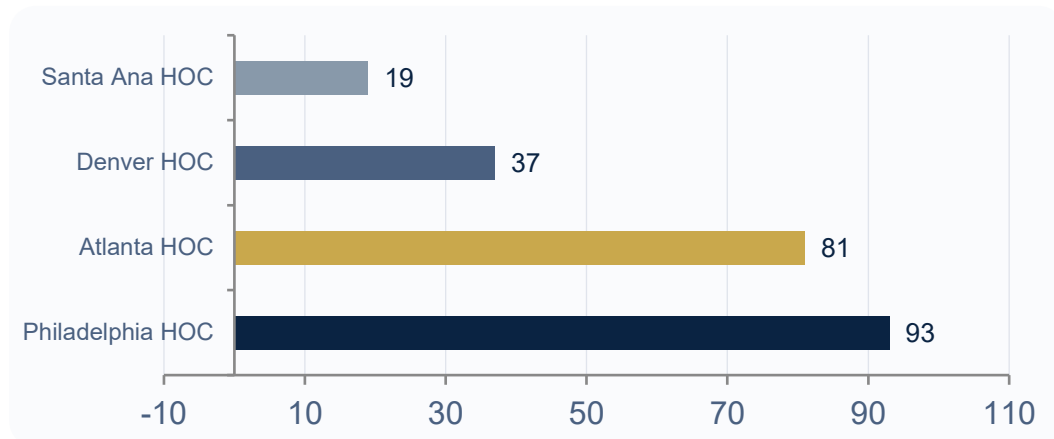
May Rate Analysis

May opened at ~6.32% — near April's low — then surged 21 bps to 6.53% by May 28.
YoY: 6.89% (May 25, 2025) → 6.53% = -36 bps improvement, but intra-month volatility drove application pullback in weeks 3–4.
203(k) effective rate: ~7.28–7.53% (75–100 bps premium).

02 — MARKET OVERVIEW

May 2026 HOC Geographic Distribution (Actual)

HOC DISTRIBUTION — MAY 2026 (ACTUAL)



HOC COMPARISON: MAY 2025 vs. MAY 2026 (BOTH ACTUAL)

Region	May '25	May '26	YoY	FY '26 YTD
Philadelphia HOC	114	93	-18%	835
Atlanta HOC	132	81	-39%	950
Denver HOC	40	37	-8%	335
Santa Ana HOC	15	19	+27%	177
NATIONAL	301	230	-23.6%	2,297

TOP FIELD OFFICES — MAY 2026 (ACTUAL)

Field Office	May '26	FY YTD
Caribbean (PR/USVI)	24	319
Philadelphia, PA	15	80
New York, NY	13	56
Chicago, IL	11	149
Boston, MA	11	73
New Orleans, LA	7	36
Jacksonville, FL	6	52

Philadelphia Rebounds to Lead (+4.5% MoM)

93 May cases — reclaims the monthly HOC lead. Philadelphia: 15 cases, New York: 13, Boston: 11. Northeast showing relative resilience versus national decline.

Atlanta HOC: Sharp Pullback (-38.6% YoY)

81 May cases vs. 132 in May 2025. Caribbean drops from 40 (April) to 24 (May). Chicago holds at 11 but Atlanta market softens. FY YTD still leads all HOCs at 950.

Denver HOC Cooling (-7.5% YoY)

37 May cases vs. 40 in May 2025. Houston (5), New Orleans (7), Topeka (5) active. The April surge (+63.6%) was partly a one-month anomaly.

03 — PERFORMANCE METRICS

Pipeline · Portfolio · FY 2026 8-Month Progress

PIPELINE & ORIGINATION

App-to-Endorsement Conversion	~58–65%
Industry benchmark (203k-specific)	
Avg. Days: Application to Close	60–90 Days
Standard 203k; up to 110 for complex	
203(k) Share of FHA Purchase Apps	~0.3%
MBA / FHA Commissioner estimate	
Limited 203(k) Project Timeline	Up to 6 Mo.
Per ML 2024-14	
Standard 203(k) Project Timeline	Up to 12 Mo.
Per ML 2024-14	

FY 2026 8-MONTH PACE TRACKER

Month	FY '26	FY '25	YoY	Running Δ
Oct 2025	215	198	+17	+17
Nov 2025	195	188	+7	+24
Dec 2025	320	295	+25	+49
Jan 2026	474	460	+14	+63
Feb 2026	308	324	-16	+47
Mar 2026	266	252	+14	+61
Apr 2026	290	291	-1	+60
May 2026	230	301	-71	-11
8-Mo. TOTAL	2297	2306	-9	-9

04 — LENDER LANDSCAPE

FY 2026 YTD Rankings (Oct 2025–May 2026) · Norwich Commercial Enters Top 8 · Equity Prime Fades

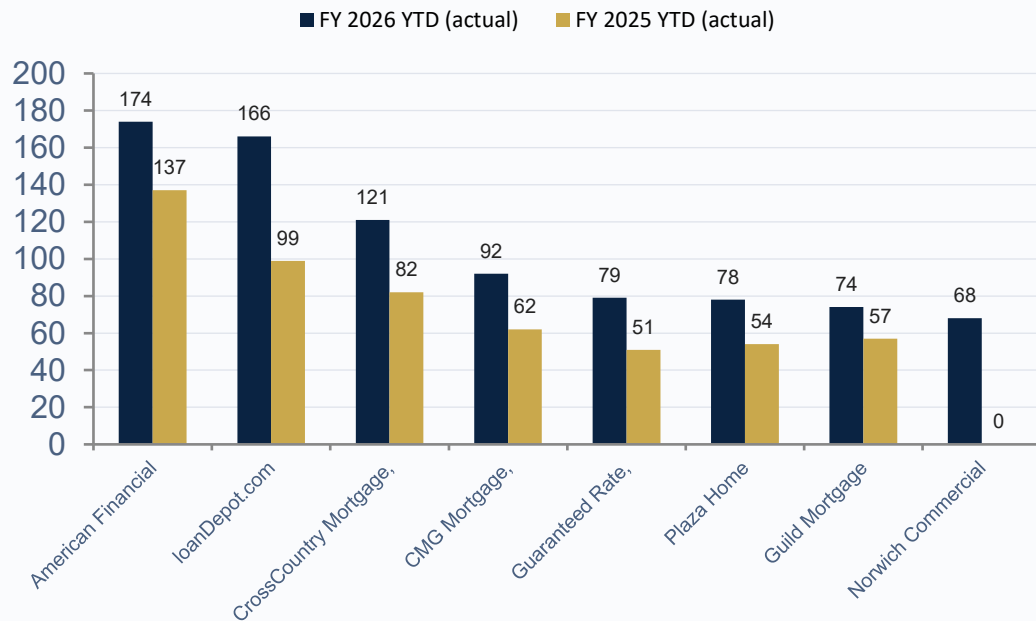
 **LEADERSHIP SHIFTS:** loanDepot leads May month (17 cases); Norwich Commercial Group enters top 8 (68 FY YTD, 15 May cases); Equity Prime crashes from 17 (April) to 1 (May), confirming April was anomalous.

#	Lender	FY YTD	May '26	FY Share	May Month Rank	Key Signal
1	American Financial Resources (AFR)	174	13	7.6%	#3 May	FY leader; May (13) trails loanDepot
2	loanDepot.com	166	17	7.2%	#1 May	★ May LEADER (17 cases); closing FY gap
3	CrossCountry Mortgage, LLC	121	15	5.3%	#2 May	Consistent #3; 15 May cases
4	CMG Mortgage, Inc.	92	5	4.0%	#6 May	Steady; 5 May cases
5	Guaranteed Rate, Inc.	79	10	3.4%	#4 May	Strong May (10); gaining share
6	Plaza Home Mortgage, Inc.	78	7	3.4%	#5 May	Stable; 7 May cases
7	Guild Mortgage Company LLC	74	8	3.2%	#5 May	Steady; 8 May cases
8	 Norwich Commercial Group Inc	68	15	3.0%	#2 May	 NEW TOP 8; 15 May endorsements
9	New American Funding, LLC	66	7	2.9%	#5 May	Consistent; 7 May cases
10	Fairway Independent Mortgage Corp.	64	4	2.8%	#8 May	Quiet May (4 cases); at risk of #10
—	All Other Lenders	1315	~107	57%	Various	Regional & community lenders

04 — LENDER LANDSCAPE

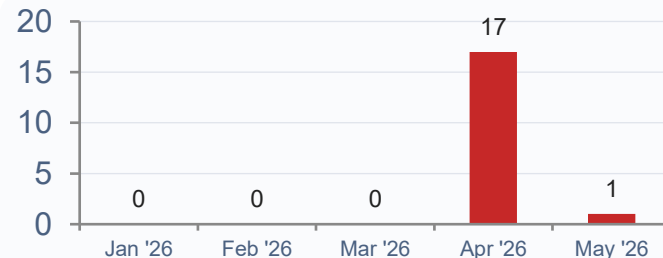
FY 2026 vs. FY 2025 YTD · Monthly Trend · Equity Prime Anomaly Analysis

TOP 8: FY 2026 YTD vs. FY 2025 YTD (OCT–MAY, ACTUAL)



FY 2025 Norwich bar = 0 (not in top 8 in FY2025). Source: HUD CHUMS actuals.

EQUITY PRIME MORTGAGE: APRIL ANOMALY CONFIRMED



April's 17-case surge appears to be a one-month anomaly — May returned to near-zero activity.

CARIBBEAN SPECIALIST LENDERS (FY YTD)

Lender	May '26	FY YTD
Home Mortgage Bankers	4	51
Money House Inc	4	48
Preferred Mortgage LLC	5	45
Caribbean Total FY	—	319

Caribbean FY YTD (319) = 13.9% of national 2,297 volume. Three specialists dominate.

05 — POLICY & REGULATORY UPDATES

May 2026 · FHA Credit Scoring Modernization · Standing Policies Active

Announced Apr 22, 2026

FHA INFO 2026-11: New Credit Scoring Models

FHA confirmed adoption of VantageScore® 4.0 (V4) and FICO® Score 10T (10T) as eligible credit scoring models alongside Classic FICO®. Announced by Secretary Turner April 22, 2026. Will enable more competitive pricing and modernize FHA's credit framework.

⚡ *203(k) Impact: Borrowers previously below Classic FICO thresholds may now qualify under V4 or 10T, potentially expanding the renovation-eligible borrower pool. Watch for implementation timeline — adoption date not yet confirmed.*

May 2026 (Operational)

FHAC Condo SUA Streamlining (May 26)

FHA Connection updated to automatically assign case numbers for condominium projects with 'Expired' or 'Rejected-Register SUA' status. Previously required manual lender submission on every case.

⚡ *Limited 203(k) applicability — condo projects with structural/system rehabilitation needs could benefit from faster case assignment, reducing lender operational friction.*

Jan 1, 2026 (Active)

2026 FHA Loan Limits

Floor: \$541,287 | Ceiling: \$1,249,125 (+3.2% YoY). Continues to expand eligible post-renovation value thresholds, unlocking transactions in mid-tier markets. Particularly relevant as May inventory continues building.

⚡ *May's 93 Philadelphia HOC cases and 81 Atlanta HOC cases reflect markets benefiting from limit expansion — more properties fall within post-renovation appraised value thresholds.*

Nov 4, 2024 (Active)

ML 2024-14: 203(k) Modernization

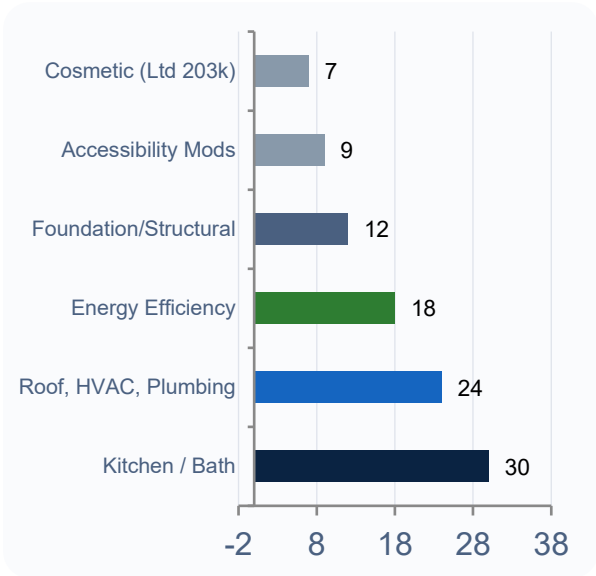
Limited 203(k) cap: \$75K. Standard timeline: 12 months; Limited: 6 months. Now 7 months post-implementation — industry adoption is well-established and the extended timelines have become the operational norm.

⚡ *The \$75K Limited cap is especially relevant given May's inventory build — more entry-level listings within the cap range are entering the market. Consultant fee financing continues to reduce upfront borrower burden.*

06 — EMERGING TRENDS

May 2026 · Renovation Demand · Borrower Signals · Geographic Hotspots

RENOVATION CATEGORY DEMAND



Energy efficiency share rising (now 18%) as IRA rebate programs gain traction alongside 203(k) financing.

MAY 2026 BORROWER SIGNALS

First-Time Buyers	~55–60%
FHA equity mission — highest 203k demographic	
Median Income	\$62–75K
Renovation management capacity signal	
Median FICO	660–680
Below conventional avg. ~740 V4/10T may expand	
Minority Borrowers	~38–42%
FHA equity mission consistent	
Avg. Loan Size	~\$295K
Purchase + renovation combined	
Down Payment Min.	3.5%
Post-renovation appraised value basis	

MAY 2026 GEOGRAPHIC HOTSPOTS (ACTUAL)

Philadelphia, PA	May: 15
Top single field office May 2026. Northeast resilience while Southern markets pulled back sharply.	
Caribbean (PR/USVI)	May: 24
Down from 40 (April) but still 10.4% of national. Three Caribbean specialists (HMB, Money House, Preferred) FY YTD total: 144 cases combined.	
Chicago + New Orleans	May: 11 / 7
Midwest and Gulf Coast holding up. loanDepot leads Chicago (2 cases). New Orleans showing consistent activity.	
Northeast Cluster	May: ~44 total
Boston (11), New York (13), Newark (6) combining for 30 Northeast cases — Norfolk cluster providing relative stability in down month.	

06B — MISSED OPPORTUNITY GAP

Housing Age × Inventory × Renovation Lending Penetration · May 2026 (230 FHA Endorsements)

42 yrs

Median US Home Age

NAHB/ACS 2024

47%

Owner-Occ. Pre-1980

~39.5M units

~55K/mo

Reno-Eligible Transactions

NAR Apr÷12×47%×35%

230+460=690

Total Reno Loans (May '26)

230 FHA + 460 Conv est.

1.3%

Market Penetration

690÷55,108 eligible

\$193B

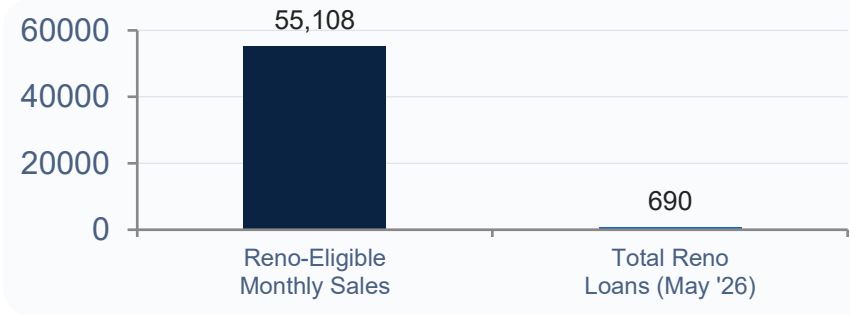
Annualized Missed Volume

@ \$295K avg loan

THE RENOVATION MARKET FUNNEL

Total US Housing Units	145 M	Census Q4 2025
Owner-Occupied Units	84 M	ACS 2024
Built Before 1980 (Pre-Reno)	~39.5M	47% of owner-occ.
Est. Needing Significant Work	~13.8M	39.5M × 35%
Monthly For-Sale Transactions	~335K	NAR Apr 2026 ÷12
Reno-Eligible Monthly Sales	~55K	335K×47%×35%
Total Reno Loans (May '26)	690	230 FHA + 460 Conv
→ MARKET PENETRATION RATE	1.3%	690÷55,108

MONTHLY GAP: ELIGIBLE vs. LOANS CLOSED



MONTHLY PENETRATION TREND (FY 2026 ACTUALS)

Month	FHA 203(k)	Total Reno	Elig. Sales	Penetration
Mar 2026	266	798	~56K	1.4%
Apr 2026	290	870	~55K	1.6%
May 2026	230	690	~55K	1.3%

FHA = HUD CHUMS actual. Conv = 2×FHA (industry est.). Eligible = NAR Apr 4.02M÷12×47%×35%.

Source: HUD CHUMS F17FCY-20260601 | NAR Apr 2026 | NAHB/ACS 2024 | Census AHS

07 — CHALLENGES & OPPORTUNITIES

May 2026 · Rate Surge Impact · Structural Tailwinds

⚠ CHALLENGES

Sharpest YoY Decline of FY 2026 (~23.6%)

230 endorsements vs. 301 in May 2025. The rate surge from 6.36% to 6.53% in the final two weeks of May suppressed applications — those missing closings will likely carry into June.

FY 2026 Now Trails FY 2025

Cumulative FY2026 (2,297) is 9 cases below FY2025 (2,306) at the same 8-month point. The program's early-FY momentum has been erased by three consecutive softer months (Mar/Apr/May).

Effective 203(k) Rate Near 7.5%

6.53% convention + 75–100 bps 203(k) premium = 7.28–7.53% effective renovation financing rate. At this level, qualified borrower count drops materially versus the 6.2x rates of early 2026.

Caribbean Volume Cooling

Caribbean dropped from 40 (April) to 24 (May) — still the top single field office, but a 40% MoM decline. Three Caribbean specialist lenders (HMB, Money House, Preferred) also moderated.

✓ OPPORTUNITIES

FHA Credit Scoring Expansion (VantageScore + FICO 10T)

FHA INFO 2026-11 adoption of V4 and 10T alongside Classic FICO could meaningfully expand the qualifying borrower pool for 203(k). Many first-time buyers near the Classic FICO threshold gain access.

Pending Home Sales Up 3 Consecutive Months

Freddie Mac noted pending home sales increased three months in a row (as of May 28), indicating latent demand that will convert when rates pull back. This pipeline sets up a potential June–July rebound.

Inventory Continues Building

April NAR showed 1.47M listings (+5.8% MoM) — May likely continued that trend. More fixer-upper inventory at expanded loan limits means more eligible 203(k) transactions waiting for rate relief.

Norwich Commercial Group: Northeast Specialist Emerging

15 May endorsements — tied for the monthly lead among named lenders — positions Norwich as an emerging specialist in the Northeast market (Boston, New York, Chicago active). A growth story to watch.



30-yr Rate Trajectory: Oct 2025 → May 28, 2026 (Freddie Mac PMMS actual)

08 — OUTLOOK & RECOMMENDATIONS

June–August 2026 Forward View · Stakeholder Action Items

220–280

cases

June 2026 Forecast

Rate surge lag effect persists into June pipeline

260–320

cases

July 2026 Projection

Recovery conditional on rates below 6.40%

2,700–3,000

cases

FY 2026 Full-Year

Below FY2025 unless H2 rebounds strongly

6.2–6.7%

FHA Rate (Jun–Aug)

Fed trajectory and Treasury yields are the swing factor

FOR LENDERS

May's -23.6% YoY decline is a rate-driven event, not a structural collapse. Pipelines built during mid-April's 6.23% window should close in May–June — track those carefully for recovery signals.

Prepare for the VantageScore 4.0 / FICO 10T implementation. Identify borrowers who previously didn't qualify under Classic FICO but would under V4/10T — these are your first new 203(k) candidates.

loanDepot leads May month (17 cases). If you're a wholesale partner, their execution model is worth benchmarking — they are closing the gap on AFR's FY lead.

Norwich Commercial Group's 15-case May signals Northeast specialist growth. Regional lenders in MA, NY, NJ, IL should study their field office concentration strategy.

FOR BROKERS & CONSULTANTS

The rate environment is volatile — build rate-lock cost into every renovation loan discussion. A 20-bps move can disqualify a borrower mid-process given the 203(k) premium layer.

VantageScore/FICO 10T adoption is your opportunity to revisit declined borrowers. Many first-time buyers who failed Classic FICO thresholds will qualify under updated scoring — rescreen your database.

Pending home sales up 3 consecutive months (Freddie Mac) = latent demand. Position now to capture that demand when rates pull back. 203(k) buyers who are ready will move fast.

The Missed Opportunity Gap is now \$193B annualized at May's 230-case volume. That's your market development story: every 1pp penetration gain = ~\$194B in annual originations.

FOR REAL ESTATE PROS

May's volume decline is temporary — the latent demand signal (pending sales up 3 months straight) means buyers are waiting. Position fixer-upper listings now for buyers who will act when rates dip below 6.40%.

Caribbean market (24 cases, 10.4% of national) remains active despite monthly pullback. If your network extends to PR/USVI, partner with one of the three Caribbean specialist lenders for referral business.

The new FHA credit scoring models (VantageScore 4.0, FICO 10T) will expand your buyer pool — previously unqualifiable buyers may now be able to finance a fixer-upper via 203(k). Retarget them now.

Use the Missed Opportunity Gap data in listing presentations: '55,000 renovation-eligible transactions happen monthly — fewer than 700 get renovation financing. Your buyers can be different.'

09 — DATA SOURCES & METHODOLOGY

✓ **MAY 2026 CHUMS DATA CONFIRMED** — F17FVCY-20260601.txt retrieved June 1, 2026

230 national endorsements | 2,297 FY YTD | Published on schedule June 1, 2026. All 203(k) volume data in this report is actual HUD CHUMS data — no projections.

HUD CHUMS F17FVCY-20260601.txt — May 2026 ACTUAL

apps.hud.gov/pub/chums/f17fvc/F17FVCY-20260601.txt

Primary source: May 2026 203(k) endorsements. National: 230 cases, FY YTD: 2,297. All HOC, field office, and lender data is actual. Published June 1, 2026 (on schedule).

HUD CHUMS F17FVCY-20250601.txt — May 2025 (YoY baseline)

apps.hud.gov/pub/chums/f17fvc/F17FVCY-20250601.txt

May 2025 actual: 301 national endorsements, 2,306 FY YTD. Used for all YoY comparisons. HOC actuals: Philadelphia 114, Atlanta 132, Denver 40, Santa Ana 15.

Freddie Mac PMMS — May 2026 (All Weeks)

freddiemac.com/pmms

May 7: 6.37% | May 14: 6.36% | May 21: 6.51% | May 28: 6.53% (monthly avg ~6.44%). YoY: 36 bps lower than May 2025. Source: Freddie Mac + StockTitan/GlobeNewswire.

FHA INFO 2026-11 — Credit Scoring Modernization

hud.gov/hud-partners/single-family-fha-info

FHA adopting VantageScore 4.0 and FICO Score 10T alongside Classic FICO for underwriting. Announced Secretary Turner April 22, 2026. Implementation timeline pending.

NAR Existing-Home Sales — April 2026 (Most Recent)

nar.realtor/newsroom/nar-existing-home-sales-report

Released May 11, 2026. 4.02M SAAR, 1.47M inventory (+5.8% MoM), \$417,700 median, HAI 110.6. Used for Missed Opportunity Gap (May 2026 NAR not yet published at time of this report).

HUD ML 2024-14 | 2026 FHA Limits | Census AHS / NAHB / ACS

hud.gov | census.gov | nahb.org

ML 2024-14: Limited cap \$75K, extended timelines. 2026 FHA floor \$541,287, ceiling \$1,249,125. Housing age: 47% pre-1980, median 42 years (ACS 2024). HUD FY = Oct 1–Sep 30.

DISCLAIMER: For informational purposes only. Not investment, lending, or regulatory advice. Conventional renovation volume (2:1 FHA ratio) is an industry convention estimate. Missed Opportunity Gap uses April 2026 NAR data (May NAR not yet published). HUD FY runs October 1–September 30.