# Black Knight's First Look: Another Record Low For Delinquencies

Rates may be much higher in each of the past 3 months, but those with mortgages are making their payments with record-setting regularity. The overall delinquency rate fell 0.05% to 2.75% in May--the third consecutive record low.

Serious delinquencies (90 days or more past due, but not in foreclosure) are still 45% higher than pre-pandemic levels, but fell sharply (7%) from last month.

Foreclosure starts were down even more, falling 12% from April. Starts remain far below pre-pandemic levels, but active foreclosures increased modestly.

One other statistic measured in the First Look data is "prepayment" activity. This refers to a loan being paid off for any reason (sale, refi, foreclosure, short sale, etc). With interest rates surging in 2022 and refi demand drying up to near record lows, it's no surprise to see a huge decline in prepayments, falling 11.1% in May and 59.1% year over year.

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| | May-22 | Month-over-month change | | Year-over-year change | | 12 Month Trend |
|---|---|---|---|---|---|---|
| Total U.S. loan delinquency rate (loans 30 or more days past due, but not in foreclosure): | 2.75% | ⬇ | -1.93% | ⬇ | -41.96% | |
| Total U.S. foreclosure pre-sale inventory rate: | 0.33% | ⬆ | 1.03% | ⬆ | 17.55% | |
| Total U.S. foreclosure starts: | 18,800 | ⬇ | -12.15% | ⬆ | 394.74% | |
| Monthly Prepayment Rate (SMM): | 0.88% | ⬇ | -11.13% | ⬇ | -59.16% | |
| Foreclosure Sales as % of 90+: | 0.50% | ⬆ | 8.61% | ⬆ | 305.57% | |
| | | | | | | |
| Number of properties that are 30 or more days past due, but not in foreclosure: | 1,461,000 | ⬇ | -35,000 | ⬇ | -1,050,000 | |
| Number of properties that are 90 or more days past due, but not in foreclosure: | 595,000 | ⬇ | -45,000 | ⬇ | -1,074,000 | |
| Number of properties in foreclosure pre-sale inventory: | 174,000 | ⬆ | 1,000 | ⬆ | 26,000 | |
| Number of properties that are 30 or more days past due or in foreclosure: | 1,635,000 | ⬇ | -34,000 | ⬇ | -1,024,000 | |