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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Q3 2024 mortgage default risk ticks up to 2.12%

Default risk for home purchase loans equal to risk for refinance loans, for first time since 2021

SEATTLE – JANUARY 7, 2025 – Milliman, Inc., a premier global consulting and actuarial firm, today announced the third quarter (Q3) 2024 results of the Milliman Mortgage Default Index (MMDI), which shows Milliman’s latest monthly estimate of the lifetime serious delinquency rates (180 days +) of U.S.-backed mortgages.

Mortgage delinquency risk increased from 2.03% in Q2 2024 to 2.12% for loans acquired in Q3 2024, driven primarily by the projected slowing of home price appreciation. Borrower risk for the quarter remained nearly level, decreasing from 1.47% to 1.46%, with less-risky purchase loans continuing to make up the bulk of originations, at about 82% of total volume. In Q3 2024, the volume for rate/term and cashout refinance loans was approximately \$16 billion each (\$32 billion total for refinance loans).

“For the first time in nearly three years, default risk on refinance loans is equal to or less than the default risk for purchase loans,” said Jonathan Glowacki, a principal at Milliman and co-author of the MMDI. “With the volume of relatively lower-risk rate/term refinance and higher-risk cash-out refinance loans equaling each other, the default risk for these loans ended up averaging out to a similar default risk rate as purchase loan originations.”

The MMDI reflects a baseline forecast of future home prices. When reviewing quarter-over-quarter changes in the MMDI, it is important to note that the MMDI values for Q2 2024 have been restated since the last publication.[www](http://www.milliman.com)

For more information, go to www.milliman.com/mmdi. To access additional mortgage market thought-leadership, analytics, and technology go to <https://www.milliman.com/en/products/milliman-m-pire>.

About Milliman

Milliman is among the world's largest providers of actuarial, risk management, and technology solutions. Our consulting and advanced analytics capabilities encompass healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. Visit us at milliman.com.

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