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# **FHA Portfolio Analysis**

**Data as of June 2004**

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**Federal Housing Administration Monthly Report**

***FHA Portfolios Summary***

June 2004

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<b>PORTFOLIO</b>	<b>NUMBER</b>	<b>DOLLARS (Billions)</b>	<b>CHANGE FROM PRIOR YEAR</b>
<b>Single Family Insured</b>	<b>4,991,393</b>	<b>\$ 422.0</b>	<b>-11.3%</b>
<b>Multifamily Insured</b>	<b>13,286</b>	<b>\$ 55.8</b>	<b>-0.5%</b>
<b>Title I Property Improvement Insured</b>	<b>60,634</b>	<b>\$ 0.9</b>	<b>-33.1%</b>
<b>Title I Manufactured Housing Insured</b>	<b>35,312</b>	<b>\$ 0.9</b>	<b>-9.2%</b>
<b>Single Family Notes</b>	<b>404</b>	<b>\$ 0.02</b>	<b>-21.6%</b>
<b>Multifamily Notes</b>	<b>2,675</b>	<b>\$ 3.6</b>	<b>16.9%</b>
<b>Title I Notes</b>	<b>33,248</b>	<b>\$ 0.4</b>	<b>-10.0%</b>
<b>Single Family Properties</b>	<b>27,966</b>	<b>\$ 2.6</b>	<b>-18.9%</b>
<b>Multifamily Properties</b>	<b>17</b>	<b>\$ 0.02</b>	<b>-50.2%</b>

## *Multifamily Insured Portfolio*

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### **Endorsements**

- Nine months into this fiscal year, FHA endorsed a total of 1,046 mortgages compared to 826 mortgages during the same period a year ago.
- For the month of June, new construction and substantial rehabilitation mortgages totaled 31 for \$262.4 million.
- Through June of this fiscal year, the number of Section 221(d)(4) mortgages was 486 insured for \$2.6 billion.
- Fiscal year-to-date, health care facilities endorsements totaled 211 for \$1.3 billion, compared to 218 endorsements for \$1.7 billion for the same period in FY 2003.

### **Insurance-in-Force**

- At the end of June 2004, the dollar volume of FHA's multifamily insurance-in-force was \$56 billion, less than one percent above the amount for the same time last year.
- Since June, the number of FHA insured mortgages declined 3.4 percent to 13,286.

### **Prepayments**

- Fiscal year-to-date, the number of prepayments totaled 1,136 for \$3.8 billion, compared to 1,080 prepayments for \$3.4 billion during the same time last year.

### **Claims**

- The number of claims processed through June of this fiscal year was 307 for \$1 billion, compared to 241 claims for \$679.9 million for the same period a year ago.

**Federal Housing Administration Monthly Report**  
**Multifamily Insured Portfolio**

	Current Month Jun 2004			Current FYTD Oct 2003-Jun 2004			Prior FYTD Oct 2002-Jun 2003			Percent Change Dollars
	Number	Units	Dollars (\$M)	Number	Units	Dollars (\$M)	Number	Units	Dollars (\$M)	
<b>Insurance in Force(Beginning)</b>	<b>13,355</b>	<b>1,590,720</b>	<b>\$55,932.4</b>	<b>13,681</b>	<b>1,635,028</b>	<b>\$55,893.3</b>	<b>14,248</b>	<b>1,694,502</b>	<b>\$55,158.0</b>	<b>1.3%</b>
<b>FY Prepayments(-)</b>	(102)	(11,902)	(\$350.1)	(1,136)	(146,545)	(\$3,759.2)	(1,080)	(137,004)	(\$3,366.4)	11.7%
<b>FY Claim Terminations(-)</b>	(59)	(6,368)	(\$266.8)	(307)	(29,065)	(\$1,020.0)	(241)	(23,700)	(\$679.9)	50.0%
<b>FY Endorsements(+)</b>	93	12,145	\$578.4	1,046	124,326	\$5,279.4	826	111,721	\$5,090.9	3.7%
FY Endorsements by Mortgage type										
New Construction/Sub Rehab	31	4,562	\$262.4	305	42,393	\$2,629.6	218	34,594	\$2,450.2	7.3%
Refinance	62	7,583	\$316.0	553	66,915	\$2,424.7	487	66,942	\$2,454.0	-1.2%
Supplemental/Equity	0	0	\$0.0	2	0	\$9.7	7	0	\$77.1	-87.5%
Operating Loss	0	0	\$0.0	2	0	\$2.4	2	0	\$3.8	-37.4%
Portfolio Re-engineering	0	0	\$0.0	184	15,018	\$213.0	112	10,185	\$105.7	101.4%
FY Endorsements by Program type										
Rental Housing										
Section 221(d)(3) & 236	3	245	\$2.6	38	2,866	\$51.8	22	973	\$60.0	-13.7%
Section 221(d)(4)	48	6,632	\$266.9	486	60,025	\$2,579.4	386	50,667	\$2,118.0	21.8%
Other Rental	14	1,659	\$44.5	194	25,130	\$857.0	162	27,417	\$974.2	-12.0%
Risk Share	8	1,131	\$61.7	117	12,726	\$533.3	38	5,850	\$283.4	88.2%
Health Care Facilities										
Nursing Homes	13	1,676	\$86.2	149	18,349	\$806.5	153	19,941	\$976.2	-17.4%
BoardCare	1	55	\$5.2	5	650	\$28.0	10	1,293	\$73.1	-61.7%
Assisted Living	5	246	\$20.8	54	3,950	\$266.4	52	4,503	\$399.9	-33.4%
Hospitals	1	501	\$90.5	3	630	\$156.9	3	1,077	\$206.2	-23.9%
<b>Prior FY Prepayments(-)</b>	(1)	(244)	(\$0.8)	(15)	(1,901)	(\$16.1)	(18)	(1,528)	(\$31.2)	
<b>Prior FY Claims(-)</b>	(2)	(574)	(\$39.4)	(2)	(574)	(\$39.4)	(1)	(81)	(\$1.5)	
<b>Prior FY Endorsements(+)</b>	0			17	2,435	\$143.3	17	2,127	\$50.2	
<b>Adjustments</b>	2	260	(\$75.8)	2	333	(\$703.2)	4	816	(\$135.7)	
<b>Insurance in Force(Ending)</b>	<b>13,286</b>	<b>1,584,037</b>	<b>\$55,778.0</b>	<b>13,286</b>	<b>1,584,037</b>	<b>\$55,778.0</b>	<b>13,755</b>	<b>1,646,853</b>	<b>\$56,084.5</b>	<b>-0.5%</b>

Note: Dollars represent original mortgage amount for endorsements and unpaid principal balance for insurance in force and terminations.  
Units are not counted for Supplemental, Equity or Operating Loss mortgages.

## *Multifamily Notes and Properties*

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### **Notes**

- The multifamily note inventory compared to last year increased by 16.9 percent in dollars to \$3.6 billion and increased in number from 2,327 to 2,675 notes as of June 2004.
- Fiscal year-to-date, multifamily note assignments increased to 471 from 330 note assignments for the same time in FY 2003, and the dollar amount of the notes assigned was \$952.4 million, which was 53.6 percent higher than the dollar amount reported for the same time in FY 2003.

### **Properties**

- The balance of the property inventory was 17 with a cost of \$23.1 million compared to 23 for \$46.4 million for the same time a year ago, a decrease of 50.2 percent in dollars.

**Federal Housing Administration Monthly Report**  
**Multifamily Notes and Properties**

	Current Month Jun 2004			Current FYTD Oct 2003-Jun 2004			Prior FYTD Oct 2002-Jun 2003			Percent Change Dollars
	Number	Units	Dollars (\$M)	Number	Units	Dollars (\$M)	Number	Units	Dollars (\$M)	
<b>Notes(Beginning)</b>	<b>2,645</b>	<b>199,607</b>	<b>\$3,448.0</b>	<b>2,398</b>	<b>180,950</b>	<b>\$3,132.6</b>	<b>2,141</b>	<b>160,152</b>	<b>\$2,825.4</b>	<b>10.9%</b>
Pay Offs(-)	(10)	(763)	(\$9.3)	(75)	(6,704)	(\$117.4)	(51)	(3,398)	(\$63.1)	86.1%
Conversions(-)	(2)	(374)	(\$4.8)	(14)	(1,810)	(\$26.5)	(5)	(916)	(\$12.5)	111.8%
Sales(-)	(1)	(83)	(\$0.5)	(57)	(6,524)	(\$280.5)	(75)	(9,636)	(\$300.8)	-6.7%
Assignments/Seconds(+)	45	4,862	\$153.3	471	42,333	\$952.4	330	32,097	\$620.2	53.6%
<b>Assignments/Seconds by type</b>										
Portfolio Re-engineering	35	3,267	\$50.8	375	30,314	\$462.2	252	23,200	\$327.0	41.3%
Section 221(g)(4)	0			0			8	1,119	\$23.6	N/A
Other Assignments	10	1,595	\$102.5	96	12,019	\$490.2	70	7,778	\$269.7	81.8%
Adjustments	(2)	(112)	(\$0.2)	(48)	(5,108)	(\$74.0)	(13)	(1,750)	(\$2.4)	
<b>Notes(Ending)</b>	<b>2,675</b>	<b>203,137</b>	<b>\$3,586.6</b>	<b>2,675</b>	<b>203,137</b>	<b>\$3,586.6</b>	<b>2,327</b>	<b>176,549</b>	<b>\$3,066.8</b>	<b>16.9%</b>
<b>Properties(Beginning)</b>	<b>17</b>	<b>1,664</b>	<b>\$23.1</b>	<b>20</b>	<b>3,016</b>	<b>\$41.2</b>	<b>39</b>	<b>4,489</b>	<b>\$132.6</b>	<b>-68.9%</b>
Conversions(+)	1	71	\$1.2	13	1,569	\$27.7	7	1,905	\$20.9	32.5%
Sales(-)	(1)	(71)	(\$1.2)	(16)	(2,921)	(\$107.1)	(23)	(3,128)	(\$45.8)	133.8%
<b>Properties(Ending)</b>	<b>17</b>	<b>1,664</b>	<b>\$23.1</b>	<b>17</b>	<b>1,664</b>	<b>\$23.1</b>	<b>23</b>	<b>3,266</b>	<b>\$46.4</b>	<b>-50.2%</b>

Note: Dollars represent assignment amount for notes and acquisition cost for properties; Data for notes are from May 20-Jun 20 for current month and from Oct 1 - Jun 20 for FYTD.  
Data for properties are from Jun 1-Jun 30 for current month and from Oct 1 - Jun 30 for FYTD  
Units are not counted for Supplemental, Equity, or Operating Loss mortgages that are not in the first position.

## *Single Family Insured Portfolio*

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### **Insurance-in-Force**

- From June 2003 to June 2004, FHA single family insurance-in-force decreased by 634,637 insured mortgages. This was a drop of 11 percent to 4,991,393 in number of active mortgages.
- At the end of June 2004, the dollar amount of insurance-in-force has decreased 6.5 percent compared to a year ago.

### **Prepayments**

- Fiscal year-to-date, single family prepayments totaled 1,076,059; 32 percent below the number of prepayments during the same time a year ago.

### **Claims**

- Single family claim terminations processed through June of this fiscal year have increased by 1 percent compared to this same time in FY 2003.

### **Endorsements**

- FHA endorsed 806,522 mortgages, including HECM's, totaling \$96.7 billion, through June of this fiscal year, 17 percent under the number reported during the same time a year ago.
- October through June of FY 2004, Mutual Mortgage Insurance Fund endorsements decreased by 18 percent to 724,544 from 879,755 during the same time in FY 2003.
- Fiscal year-to-date, the number of condominium mortgages decreased by 27 percent to 51,116 compared to the same period a year ago.
- Loans to purchase and improve homes under Section 203(k) decreased 11 percent to 3,503 through the June of FY 2004 compared to the same time in FY 2003.
- Fiscal year-to-date, adjustable rate mortgages (ARM's) increased 25 percent compared to the same time a year ago, numbering 77,386; fixed rate mortgages (FRM's) decreased 21 percent to 702,699 mortgages.
- Refinancings have decreased 28 percent in number from 459,763 through June of FY 2003 to 329,480 during the same time in FY 2004.
- Endorsements that used Freddie Mac Loan Prospector for credit processing represented 39 percent of all endorsements, while Fannie Mae represented 29.5 percent of all endorsements through June of FY 2004.

**Federal Housing Administration Monthly Report**  
**Single Family Insured Portfolio**

	Current Month Jun 2004		Current FYTD Oct 2003-Jun 2004		Prior FYTD Oct 2002-Jun 2003		Percent Change (Number)
	Number	Dollars (\$M)	Number	Dollars (\$M)	Number	Dollars (\$M)	
<b>Insurance-in-Force (Beginning)</b>	5,035,737	\$ 423,652.6	5,344,611	\$ 438,311.2	6,324,842	\$ 499,386.7	-15%
Prepayments(-)	(111,507)	\$ (9,961.6)	(1,076,059)	\$ (99,578.9)	(1,591,286)	\$ (151,725.4)	-32%
Claim Terminations(-)	(6,605)	\$ (569.2)	(64,471)	\$ (5,506.1)	(63,660)	\$ (5,185.8)	1%
Endorsements(+)	73,768	\$ 8,879.7	780,085	\$ 93,424.9	954,023	\$ 112,752.8	-18.2%
HECM Endorsements	2,768	\$ 356.0	26,437	\$ 3,313.6	12,243	\$ 1,457.7	116%
<i>Endorsements by Program</i>							
MMIF	68,823	\$ 8,265.9	724,544	\$ 86,702.8	879,755	\$ 104,148.9	-18%
GIF/SRIF	4,945	\$ 613.8	55,541	\$ 6,722.1	74,268	\$ 8,603.9	-25%
234 Condo	4,508	\$ 551.8	51,116	\$ 6,124.5	69,599	\$ 8,007.4	-27%
203(k) Improvement	334	\$ 49.4	3,503	\$ 498.6	3,928	\$ 523.0	-11%
Other	103	\$ 12.5	922	\$ 99.0	741	\$ 73.6	24%
<i>Endorsements by Type</i>							
Adjustable Rate Mortgages	9,100	\$ 1,320.1	77,386	\$ 11,204.2	62,113	\$ 8,775.5	25%
Fixed Rate Mortgages	64,668	\$ 7,559.6	702,699	\$ 82,220.7	891,910	\$ 103,977.3	-21%
<i>Endorsements by Purpose</i>							
Refinancings	27,168	\$ 3,125.3	329,480	\$ 37,893.9	459,763	\$ 54,264.7	-28%
Purchases	46,600	\$ 5,754.4	450,605	\$ 55,531.0	494,260	\$ 58,488.1	-9%
<i>Endorsements by Credit Processing*</i>							
FHA	21,167	\$ 2,349.6	244,918	\$ 27,349.4	338,126	\$ 38,434.4	-28%
FHLMC Scorecard	24,438	\$ 2,945.9	304,784	\$ 36,954.0	400,432	\$ 47,754.2	-24%
FNMA Scorecard	28,163	\$ 3,584.2	230,383	\$ 29,121.5	215,465	\$ 26,564.1	7%
Adjustments	-	\$ -	7,227	\$ (4,649.6)	2,111	\$ (3,802.3)	
<b>Insurance-in-Force (Ending)</b>	4,991,393	\$ 422,001.5	4,991,393	\$ 422,001.5	5,626,030	\$ 451,425.9	-11%

Note: Dollars represent unpaid balance.

## *Single Family Notes and Properties*

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### **Notes**

- The single family note inventory declined by 22 percent in the first nine months of FY 2004 compared to the same period in FY 2003.
- Fiscal year-to-date, the number of notes on which FHA foreclosed, resulting in conversions to properties, was 58 compared to 156 converted during the same period a year ago.

### **Properties**

- The single family property inventory had 27,966 properties at the end of June 2004, which is 19 percent less than a year ago.
- Property sales numbered 60,204 through June of FY 2004, compared to 51,910 for the same period in FY 2003.
- During the month of June 2004, the count of property sales exceeded new property conveyances by 8 percent.

**Federal Housing Administration Monthly Report**  
**Single Family Notes and Properties**

	Current Month Jun-04		Current FYTD Oct 2003-Jun 2004		Prior FYTD Oct 2002-Jun 2003		Percent Change (Number)
	Number	Dollars (\$M)	Number	Dollars (\$M)	Number	Dollars (\$M)	
<b>Notes (Beginning)</b>	412	\$ 15.3	473	\$ 18.0	682	\$ 26.7	-31%
Pay-Offs(-)	(6)	\$ (0.1)	(44)	\$ (1.2)	(81)	\$ (1.8)	-46%
Conversions(-)	(4)	\$ -	(58)	\$ -	(156)	\$ -	-63%
Sales(-)	-	\$ -		\$ -	-	\$ -	
Assignments MNA(+)	-	\$ -	28	\$ 1.3	60	\$ 2.7	-53%
Assignments PMM(+)	-	\$ -	3	\$ 0.1	2	\$ -	50%
Adjustments	2	\$ (0.2)	2	\$ (3.1)	8	\$ (7.9)	
<b>Notes (Ending)</b>	404	\$ 15.0	404	\$ 15.0	515	\$ 19.8	-22%
<b>Properties (Beginning)</b>	28,602	\$ 2,701.1	34,144	\$ 3,158.5	31,224	\$ 2,791.3	9%
Sales(-)	(6,519)	\$ (616.9)	(60,204)	\$ (5,697.0)	(51,910)	\$ (4,763.4)	16%
Conversions(+)	4	\$ -	58	\$ -	156	\$ -	-63%
Conveyances(+)	6,036	\$ 571.6	54,333	\$ 5,146.9	55,610	\$ 5,117.2	-2.3%
Adjustments	(157)	\$ (9.5)	(365)	\$ 37.9	(598)	\$ 19.0	
<b>Properties (Ending)</b>	27,966	\$ 2,646.4	27,966	\$ 2,646.4	34,482	\$ 3,164.1	-19%

Note: Dollars represent unpaid balance for notes and acquisition cost for properties.

## *Single Family Detail*

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### **Defaults**

- At the end of May 2004, FHA's single family default rate reached a high of 5.97 percent, compared to 5.13 percent at the same time a year ago.
- The 50 metropolitan statistical areas (MSAs) with the highest default rates as of May 2004 accounted for 31.9 percent of the national total of defaults.
- 29 of the MSAs in the top 50 that have endorsed ARMS have higher default rates on FRMs than on ARMs.

### **Loss Mitigation Activity**

- Use of loss mitigation methods to keep borrowers in their homes increased 18 percent during the first nine months of FY 2004 compared to the same time a year ago.
- Through June of FY 2004, lenders used loan modifications a total of 25,481 times compared to 20,278 times during the same period last fiscal year.
- Lenders used partial claims a total of 10,546 times for first nine months of FY 2004, compared to 8,803 times during the same period last fiscal year.

### **Insurance Claims**

- October through June of this fiscal year, pre-foreclosure sales increased by 37 percent to 3,741 while deeds-in-lieu are down 18 percent to 321 compared to the same period a year ago.
- Conveyance foreclosure claims number reached 54,811, during the first nine months of FY 2004 compared to FY 2003 when they were 54, 621.

**Federal Housing Administration Monthly Report**  
**Single Family Detail**

	Current Month Jun 2004 Number	Current FYTD Oct 2003-Jun 2004 Number	Prior FYTD Oct 2002-Jun 2003 Number	Percent Change
<b>Status of Insurance-in-Force*</b>				
Current	4,734,962	4,734,962	5,422,891	-13%
In Default (90 or more days delinquent)	300,775	300,775	293,096	3%
Total Insurance-in-Force	5,035,737	5,035,737	5,715,987	-12%
Default Rate	5.97%	5.97%	5.13%	
<b>Loss Mitigation Activity **</b>				
Forbearance Agreements	2,091	22,426	20,569	9%
Loan Modifications	2,909	25,481	20,278	26%
Partial Claims	1,445	10,546	8,803	20%
Total	6,445	58,453	49,650	18%
<b>Insurance Claims</b>				
Conveyance Foreclosure	5,860	54,811	54,621	0.3%
Pre-Foreclosure Sale	440	3,741	2,725	37%
Deed-in-Lieu of Foreclosure	30	321	390	-18%
Other***	275	5,598	5,924	-6%
Total	6,605	64,471	63,660	1%

\*May data: June data not available until after July 31, 2004.

\*\*Counts are based on settlement dates of loss mitigation claims.

\*\*\*Accelerated Claims Disposition Demonstration Program (601)

**Federal Housing Administration Monthly Report  
Single Family Detail (continued)**

**MSA's With The Highest Single Family Default Rates  
(Data as of May 2004)**

Rank	MSA Name	Default Rates						Total IIF			Defaults		
		Current Year May 2004			Prior Year May 2003			Current Year	Prior Year	Percent Change	Current Year	Prior Year	Percent Change
		Total	FRM	ARM	Total	FRM	ARM	May 2004	May 2003		May 2004	May 2003	
1	MEMPHIS, TN-AR-MS	12.19	12.13	13.17	10.73	10.49	15.20	60,892	69,692	-13%	7,421	7,475	-1%
2	NEW YORK, NY	11.76	11.84	10.84	11.82	11.66	14.16	29,444	41,647	-29%	3,463	4,921	-30%
3	VINELAND-MILLVILLE-BRIGETON, NJ	11.65	11.51	14.77	10.31	10.25	11.63	3,684	4,056	-9%	429	418	3%
4	NASSAU-SUFFOLK, NY	11.42	11.30	14.15	10.94	10.71	17.39	17,809	28,354	-37%	2,034	3,103	-34%
5	CLEVELAND-LORAIN-ELYRIA, OH	11.39	11.26	13.24	9.07	8.79	13.33	34,668	38,778	-11%	3,949	3,516	12%
6	TRENTON, NJ	11.05	10.90	13.13	8.81	8.47	13.28	4,670	5,606	-17%	516	494	4%
7	NEWARK, NJ	11.02	11.04	10.73	9.83	9.75	11.05	21,415	26,348	-19%	2,360	2,589	-9%
8	PHILADELPHIA, PA-NJ	10.71	10.53	13.54	9.00	8.70	13.47	100,939	124,429	-19%	10,809	11,192	-3%
9	YOUNGSTOWN-WARREN, OH	10.59	10.61	10.24	8.36	8.29	10.13	6,411	6,894	-7%	679	576	18%
10	HAMILTON-MIDDLETOWN, OH	9.98	10.21	8.25	7.50	7.32	8.97	6,183	7,078	-13%	617	531	16%
11	ATLANTIC-CAPE MAY, NJ	9.95	9.58	15.10	8.23	7.84	14.29	6,574	8,750	-25%	654	720	-9%
12	SUMTER, SC	9.80	9.72	13.04	9.21	9.14	11.54	867	945	-8%	85	87	-2%
13	NEWBURGH, NY-PA	9.77	9.74	10.47	7.22	7.07	10.85	2,354	3,465	-32%	230	250	-8%
14	GARY, IN	9.64	9.59	10.50	8.16	7.90	12.41	14,530	16,213	-10%	1,401	1,323	6%
15	ROCKFORD, IL	9.53	9.41	11.01	8.29	7.70	14.36	8,352	8,432	-1%	796	699	14%
16	BIRMINGHAM, AL	9.53	9.55	9.13	8.15	8.04	10.14	24,084	28,182	-15%	2,294	2,296	0%
17	DETROIT, MI	9.48	10.04	5.44	7.83	8.07	5.45	73,707	83,106	-11%	6,989	6,505	7%
18	TOLEDO, OH	9.40	9.71	5.13	7.07	7.03	7.72	5,169	5,870	-12%	486	415	17%
19	FALL RIVER, MA-RI	9.09	7.69	11.11	10.00	10.71	8.33	22	40	-45%	2	4	-50%
20	CHATTANOOGA, TN-GA	8.97	8.98	8.49	7.48	7.47	7.90	9,637	10,945	-12%	864	819	5%
21	TERRE HAUTE, IN	8.95	8.98	8.11	7.78	7.60	12.82	1,195	1,144	4%	107	89	20%
22	AGUADILLA, PR	8.93	8.93	0.00	7.99	7.99	0.00	1,075	1,276	-16%	96	102	-6%
23	KOKOMO, IN	8.88	8.98	7.34	6.98	7.02	6.50	1,757	1,819	-3%	156	127	23%
24	READING, PA	8.85	8.75	10.67	7.26	7.12	9.67	4,734	5,273	-10%	419	383	9%
25	INDIANAPOLIS, IN	8.80	8.74	9.20	7.55	7.31	9.31	62,993	65,870	-4%	5,540	4,970	11%

**Federal Housing Administration Monthly Report  
Single Family Detail (continued)**

**MSA's With The Highest Single Family Default Rates  
(Data as of May 2004)**

Rank	MSA Name	Default Rates						Total IIF			Defaults		
		Current Year May 2004			Prior Year May 2003			Current Year May 2004	Prior Year May 2003	Percent Change	Current Year May 2004	Prior Year May 2003	Percent Change
		Total	FRM	ARM	Total	FRM	ARM						
26	COLUMBUS, OH	8.77	8.69	9.55	6.84	6.42	11.12	48,480	53,645	-10%	4,253	3,667	16%
27	CINCINNATI, OH-KY-IN	8.69	8.70	8.58	6.80	6.60	8.80	27,097	30,526	-11%	2,354	2,077	13%
28	DAYTON-SPRINGFIELD, OH	8.66	8.59	9.38	6.56	6.34	8.99	20,794	22,498	-8%	1,800	1,475	22%
29	MONMOUTH-OCEAN, NJ	8.63	8.58	9.37	7.95	7.65	12.46	10,872	15,227	-29%	938	1,211	-23%
30	ATLANTA, GA	8.62	8.67	8.17	7.11	6.96	8.74	152,572	170,856	-11%	13,147	12,152	8%
31	JANESVILLE-BELOIT, WI	8.61	8.25	10.94	8.58	7.89	12.82	964	1,107	-13%	83	95	-13%
32	CHICAGO, IL	8.57	8.46	9.12	7.65	7.23	9.86	124,384	152,125	-18%	10,660	11,641	-8%
33	AKRON, OH	8.56	8.57	8.38	6.70	6.57	9.01	10,560	12,155	-13%	904	814	11%
34	KENOSHA, WI	8.43	8.02	12.44	7.70	7.18	12.65	2,361	2,598	-9%	199	200	-1%
35	JERSEY CITY, NJ	8.26	7.98	13.27	8.61	8.46	11.97	4,286	5,601	-23%	354	482	-27%
36	JACKSONVILLE, FL	8.24	8.24	8.27	6.35	6.29	7.89	26,126	31,064	-16%	2,153	1,971	9%
37	WATERBURY, CT	8.22	8.13	9.96	6.73	6.48	10.99	5,278	6,445	-18%	434	434	0%
38	CANTON-MASSILLON, OH	8.15	8.34	6.17	7.25	7.18	8.28	4,502	4,896	-8%	367	355	3%
39	RACINE, WI	8.03	7.93	9.49	8.30	7.87	14.02	2,167	2,363	-8%	174	196	-11%
40	MIDDLESEX-SOMERSET-HUNTERDON,NJ	7.99	8.10	6.89	7.11	6.99	8.57	9,348	12,561	-26%	747	893	-16%
41	MANSFIELD, OH	7.88	7.83	8.33	7.71	7.68	8.13	1,473	1,543	-5%	116	119	-3%
42	ELKHART-GOSHEN, IN	7.86	7.96	6.96	6.17	6.24	5.52	3,294	3,581	-8%	259	221	17%
43	BATON ROUGE, LA	7.86	7.88	6.64	6.48	6.45	8.18	15,428	17,426	-11%	1,212	1,129	7%
44	PEORIA-PEKIN, IL	7.82	7.87	6.20	5.78	5.73	7.32	3,734	3,770	-1%	292	218	34%
45	ROCKY MOUNT, NC	7.75	7.20	14.58	6.65	6.20	12.50	1,291	1,338	-4%	100	89	12%
46	WILMINGTON-NEWARK, DE-MD	7.74	7.53	10.83	6.64	6.46	8.95	13,689	16,681	-18%	1,060	1,107	-4%
47	WAUSAU, WI	7.72	7.08	33.33	5.17	4.93	11.11	246	232	6%	19	12	58%
48	FLINT, MI	7.67	7.81	5.18	6.28	6.31	5.51	10,604	12,014	-12%	813	754	8%
49	SAGINAW-BAY CITY-MIDLAND, MI	7.66	7.73	6.60	5.18	5.13	5.90	5,953	6,292	-5%	456	326	40%
50	GREENVILLE-SPARTANBURG-ANDERSON, SC	7.65	7.71	6.77	6.42	6.16	11.35	9,971	10,582	-6%	763	679	12%
											43,657		

Source SFDW  
Data as of May 2004

## *Title I Portfolios*

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### **Insurance-in-Force**

- Property improvement insurance-in-force in June 2004 declined to \$868 million, down 34 percent in dollars from a year ago.
- Manufactured housing insurance-in-force declined to \$935 million, a drop of 7 percent in dollars from a year ago.

### **Prepayments**

- Property improvement loan prepayments decreased 23 percent through the ninth month of this fiscal year compared to the number reported during the same time a year ago.
- Manufactured housing loan prepayments decreased 7 percent through the ninth month of this fiscal year compared to the number reported during the same time last fiscal year.

### **Claims**

- October through June of FY 2004, property improvement claim terminations processed decreased by 42 percent compared to the same time during FY 2003.
- October through June of FY 2004, manufactured housing claims processed decreased 26 percent compared to the same time a year ago.

### **Endorsements**

- Fiscal year-to-date, Property improvement endorsements have totaled 3,635, compared to 3,566 during the same period in FY 2003.
- Fiscal year-to-date, there have been 1,588 manufactured housing endorsements, compared to 1,557 at this time in FY 2003.

### **Notes**

- The Title I note portfolio numbered 33,248 notes at the end of June of FY 2004, compared to 36,953 at the same time in the previous fiscal year.
- At the end of June FY 2004, a total of 2,880 Title I cases had been closed, up 14 percent compared to the 2,526 closed in the same period in FY 2003.

**Federal Housing Administration Monthly Report**  
***Title I Portfolios***

	Current Month June 2004		Current FYTD Oct 2003-June 2004		Prior FYTD Oct 2002-June 2003		Percent Change (Number)
	Number	Dollars (\$M)	Number	Dollars (\$M)	Number	Dollars (\$M)	
<b>Insurance-in-Force (Beginning)</b>							
Property Improvement	62,739	\$ 898.5	82,130	\$ 1,189.7	119,271	\$ 1,749.1	-31%
Manufactured Housing	35,910	\$ 949.0	38,305	\$ 995.4	41,975	\$ 1,062.7	-9%
Prepayments(-)							
Property Improvement	(2,077)	(29)	(23,971)	(358)	(31,226)	(460.9)	-23%
Manufactured Housing	(642)	(16)	(3,894)	(97)	(4,184)	(98.6)	-7%
Claim Terminations(-)							
Property Improvement	(20)	(0)	(677)	(9)	(1,168)	(16.0)	-42%
Manufactured Housing	-	-	(328)	(9)	(444)	(12.5)	-26%
Endorsements(+)							
Property Improvement	474	6	3,635	49	3,566	43.6	2%
Manufactured Housing	159	6	1,588	55	1,557	53.5	2%
Adjustments							
Property Improvement	(243)	\$ (2.9)	(590)	\$ (6.3)	48	\$ 1.0	
Manufactured Housing	(38)	\$ (0.9)	(296)	\$ (6.9)	(11)	\$ (0.3)	
<b>Insurance-in-Force (Ending)</b>							
Property Improvement	60,634	\$ 867.7	60,634	\$ 867.7	90,610	\$ 1,318.6	-33%
Manufactured Housing	35,312	\$ 935.0	35,312	\$ 935.0	38,882	\$ 1,004.4	-9%
<b>Notes (Beginning)</b>	33,801	\$ 431.9	35,724	\$ 455.5	38,228	\$ 471.8	-7%
New Cases Assigned(+)	96	\$ 1.0	1,394	\$ 14.7	1,828	\$ 20.5	-24%
Interest Accrual(+)	N/A	\$ 1.4	N/A	\$ 13.5	N/A	\$ 15.6	
Net Collections(-)	N/A	\$ (2.5)	N/A	\$ (26.2)	N/A	\$ (26.4)	
Cases Closed(-)	(442)	\$ (4.1)	(2,880)	\$ (27.8)	(2,526)	\$ (17.4)	14%
Adjustments	(207)	\$ (0.4)	(990)	\$ (2.3)	(577)	\$ 1.9	
<b>Notes (Ending)</b>	33,248	\$ 427.4	33,248	\$ 427.4	36,953	\$ 466.0	-10%

Note: Dollars represent original loan proceeds for insurance-in-force and unpaid balance for notes.  
The June Title I portfolio includes cases classified as Currently Not Collectable (15,366 cases totaling \$227.66 million dollars)

## *Commitments and GI/SRI Credit Subsidy*

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### **MMIF**

- Fiscal year-to-date, MMIF commitments total \$88.0 billion.
- The MMIF commitment authority is \$185 billion for FY 2004.

### **GIF/SRIF**

- GIF/SRIF commitments, which, for multifamily programs, include only those programs that are in positive credit subsidy risk categories, total \$10.1 billion for the first nine months this fiscal year.
- The GIF/SRIF commitment authority is \$25 billion for FY 2004

### **GI/SRI Credit Subsidy**

- Through the month of June of FY 2004, there are positive credit subsidy factors for the Title I manufactured housing program.
- October through June of FY 2004, FHA used \$77 thousand in credit subsidy.
- FHA authority is \$14.9 million for all of FY 2004.

**Federal Housing Administration Monthly Report  
Commitments & Credit Subsidy  
By Program and Month: FY 2004**

*Dollars in Millions*

**Commitments**

Fiscal Year 2004	MMIF	GI/SRIF Total	Section 234			Section 203(k)		GI/SRI Other SF*	Title I Property	Title I Mobile	GI/SRIF
			Improvement	Homes	Multifamily**						
Oct	\$ 13,920.484	\$ 1,503.754	\$ 1,087.249	\$ 65.986	\$ 331.164	\$ 9.922	\$ 9.433	\$ -			
Nov	\$ 10,197.665	\$ 1,209.510	\$ 824.912	\$ 64.100	\$ 309.947	\$ 5.249	\$ 5.302	\$ -			
Dec	\$ 9,658.562	\$ 1,044.063	\$ 720.815	\$ 57.553	\$ 259.079	\$ 1.855	\$ 4.760	\$ -			
Jan	\$ 9,210.209	\$ 692.104	\$ 439.291	\$ 28.273	\$ 209.013	\$ 8.439	\$ 7.088	\$ -			
Feb	\$ 8,289.262	\$ 1,399.883	\$ 781.778	\$ 84.051	\$ 527.131	\$ 4.097	\$ 2.827	\$ -			
Mar	\$ 10,663.357	\$ 1,205.622	\$ 599.466	\$ 61.559	\$ 535.070	\$ 4.010	\$ 5.517	\$ -			
Apr	\$ 9,779.850	\$ 1,109.555	\$ 572.332	\$ 40.487	\$ 487.791	\$ 4.812	\$ 4.134	\$ -			
May	\$ 8,092.079	\$ 993.818	\$ 546.875	\$ 47.118	\$ 384.926	\$ 4.808	\$ 10.090	\$ -			
Jun	\$ 8,324.192	\$ 981.586	\$ 551.810	\$ 49.444	\$ 368.488	\$ 6.191	\$ 5.653	\$ -			
Jul	\$ -	\$ -									
Aug	\$ -	\$ -									
Sep	\$ -	\$ -									
<b>FYTD 2004 Total</b>	<b>\$ 88,135.660</b>	<b>\$ 10,139.895</b>	<b>\$ 6,124.528</b>	<b>\$ 498.572</b>	<b>\$ 3,412.609</b>	<b>\$ 49.383</b>	<b>\$ 54.804</b>	<b>\$ -</b>			
<b>FY 2003 Total</b>	<b>\$ 179,003.093</b>	<b>\$ 14,130.495</b>	<b>\$ 11,098.452</b>	<b>\$ 686.936</b>	<b>\$ 2,205.430</b>	<b>\$ 60.308</b>	<b>\$ 70.835</b>	<b>\$ 8.533</b>			
<b>FY 2004 Annualized</b>	<b>\$ 117,514.214</b>	<b>\$ 13,519.860</b>	<b>\$ 8,166.037</b>	<b>\$ 664.762</b>	<b>\$ 4,550.145</b>	<b>\$ 65.844</b>	<b>\$ 73.072</b>	<b>\$ -</b>			
<b>FY 2004 Authority</b>	<b>\$ 185,000.000</b>	<b>\$ 25,000.000</b>									

**Credit Subsidy**

Fiscal Year 2004	MMIF	GI/SRIF Total	Section 234			Section 203(k)		GI/SRI Other SF	Title I Property	Title I Mobile	GI/SRIF
			Improvement	Homes	Multifamily**						
<i>Subsidy Factor</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>0.0014</i>	<i>Various</i>			
Oct	N/A	\$ 0.013	N/A	N/A	N/A	N/A	\$ 0.013	\$ -			
Nov	N/A	\$ 0.007	N/A	N/A	N/A	N/A	\$ 0.007	\$ -			
Dec	N/A	\$ 0.007	N/A	N/A	N/A	N/A	\$ 0.007	\$ -			
Jan	N/A	\$ 0.010	N/A	N/A	N/A	N/A	\$ 0.010	\$ -			
Feb	N/A	\$ 0.004	N/A	N/A	N/A	N/A	\$ 0.004	\$ -			
Mar	N/A	\$ 0.008	N/A	N/A	N/A	N/A	\$ 0.008	\$ -			
Apr	N/A	\$ 0.006	N/A	N/A	N/A	N/A	\$ 0.006	\$ -			
May	N/A	\$ 0.014	N/A	N/A	N/A	N/A	\$ 0.014	\$ -			
Jun	N/A	\$ 0.008	N/A	N/A	N/A	N/A	\$ 0.008	\$ -			
Jul	N/A	\$ -	N/A	N/A	N/A	N/A	\$ -	\$ -			
Aug	N/A	\$ -	N/A	N/A	N/A	N/A	\$ -	\$ -			
Sep	N/A	\$ -	N/A	N/A	N/A	N/A	\$ -	\$ -			
<b>FYTD 2004 Total</b>	<b>N/A</b>	<b>\$ 0.077</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 0.077</b>	<b>\$ -</b>			
<b>FY 2003 Total</b>	<b>N/A</b>	<b>\$ 1.331</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 0.065</b>	<b>\$ 98.704</b>			
<b>FY 2004 Annualized</b>	<b>N/A</b>	<b>\$ 0.102</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 0.102</b>	<b>\$ -</b>			
<b>FY 2004 Authority</b>	<b>N/A</b>	<b>\$ 14.912</b>									

\* includes HECMs

\*\* includes only those Multifamily programs that are in positive credit subsidy risk categories

## *Single Family Market Comparisons*

*(Due to a lag in reporting of conventional information, these notes describe data for the previous month)*

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### **Insured Mortgage Applications**

- Total mortgage insurance applications decreased 37 percent through May of this fiscal year compared to the same period in FY 2003.
- Fiscal year-to-date, FHA applications decreased 35 percent; this compares to a 42 percent decrease in conventional mortgage applications and 13 percent decrease in VA guarantee applications.
- FHA's share of total mortgage insurance applications was 33 percent so far this fiscal year compared to 31 percent during the same period a year ago.

### **Insured Mortgage Endorsements**

- For FHA endorsements, there is a decrease of 16 percent through May of FY2004 compared to the same period a year ago.
- FHA's share of insured mortgage endorsement dollars is 30 percent through May of FY 2004 compared to 25 percent during the same period of FY 2003.
- Fiscal year-to-date, the share of insured mortgage endorsement dollars for conventional insurers is 58 percent and VA's share is 12 percent.

### **Home Sales Market**

- The number of FHA purchase mortgages decreased 8 percent through May of FY 2004 compared to the same period a year ago.
- Overall, home sales are up 11 percent through May of FY 2004 compared to the same period in FY 2003.
- FHA's share of home sales was 8.1 percent through May of this fiscal year compared to 9.8 percent for the same period in FY 2003.

## Single Family Market Comparisons

(Due to a lag in reporting of conventional information, these data are for the previous month)

Current Month May 2004			Current FYTD Oct 2003- May 2004			Prior FYTD Oct 2002-May 2003			Percent Change (Number)	
Number	Application Share		Number	Application Share		Number	Application Share			
<b>INSURED MORTGAGE APPLICATIONS</b>										
Conventional	152,880	54%	1,319,906	57%		2,265,774	61%		-42%	
FHA *	105,153	37%	760,059	33%		1,167,114	31%		-35%	
VA	26,588	9%	252,886	11%		291,494	8%		-13%	
<b>TOTAL</b>	<b>284,621</b>	<b>100%</b>	<b>2,332,851</b>	<b>100%</b>		<b>3,724,382</b>	<b>100%</b>		<b>-37%</b>	
<b>INSURED MORTGAGE ENDORSEMENTS</b>										
Number	Dollars (\$M)	Insured Share (\$)	Number	Dollars (\$M)	Insured Share (\$)	Number	Dollars (\$M)	Insured Share (\$)	Percent Change (Dollars)	
Conventional	152,842	\$ 19,259.4	61%	1,249,957	\$ 161,516.1	58%	1,726,929	\$ 258,526.4	65%	-38%
FHA	71,082	\$ 8,679.6	28%	706,320	\$ 85,273.5	30%	841,594	\$ 101,189.3	25%	-16%
VA	26,523	\$ 3,506.5	11%	253,452	\$ 32,887.9	12%	291,425	\$ 37,649.3	9%	-13%
<b>TOTAL</b>	<b>250,447</b>	<b>\$ 31,445.5</b>	<b>100%</b>	<b>2,209,729</b>	<b>\$ 279,677.5</b>	<b>100%</b>	<b>2,859,948</b>	<b>\$ 397,365.0</b>	<b>100%</b>	<b>-30%</b>
<b>HOMES SALES MARKET</b>										
Number	FHA Share		Number	FHA Share		Number	FHA Share		Percent Change (Number)	
FHA Purchase Mortgages**	39,695	6.1%	404,008	8.1%		441,476	9.8%		-8%	
Home Sales***	651,833		5,007,500			4,509,333			11%	

\* Data for applications are for Apr 18, 2004 - May 22, 2004 for current month; Sept 21, 2003 - May 22, 2004 for current FYTD, and Sep 22, 2002 - May 24, 2003 for prior FYTD.

\*\* FHA insured minus FHA refinancings

\*\*\* Includes new and existing construction home sales and a month lag between home sale and FHA endorsement of mortgage to purchase home.

Note: Dollars represent original amounts insured