

FHA OUTLOOK

SINGLE FAMILY OPERATIONS

June 1-15, 2009

CONTACT INFORMATION
WILLIAM F. SHAW 202-402-7550
ZENORA HINES 202-402-7544

Applications

- During early June, 127,029 single family applications were received -- 15.1 percent higher than the prior reporting period. This total was made up of 68,952 purchase cases, 52,232 refinances and 5,845 reverse mortgage applications. This is the first time since July 15, 2008 that the purchase total has been this high. With respect to refinance applications, there were 20,743 prior FHA cases and 31,489 conventional to FHA's.
- Also, the estimated seasonally adjusted total slipped to an annual rate of 2,766,800.

Endorsements

- 94,069 mortgages were insured -- 23.7 percent above the prior period and the highest amount in over nine years. These consisted of 41,622 purchase money mortgages, 48,182 refinance transactions and 4,265 HECM's.
- Of the purchase cases, 32,960 or roughly 80 percent were for first time home buyers.
- With respect to refinance transactions, 28,820 were prior FHA mortgages, most of which were handled with streamline procedures.
- In addition, 19,360 conventional conversions were endorsed. Also, 2 formerly delinquent conventionals were endorsed.
- During this reporting period, 4,265 HECM mortgages were insured. These included 3,867 traditional reverse mortgages, 372 refinance HECM's and 26 purchase type HECM's. 85 percent of all HECM's had ARM provisions.
- 755 Section 203(k) mortgages were insured as well as 4,796 condominium units. Also, 1,920 manufactured homes were insured. Most of the single family mortgages were insured under Section 203(b).
- As of 5/31/09 we are publishing a different average FICO score series. This series represents the composite FICO score value that is used for loan underwriting. In many cases this will be lower than the average (of applicant) FICO scores that was previously published in the Outlook. See final table.

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BI-WEEKLY COMPARISONS

	CURRENT 2 WEEK PERIOD	LAST PERIOD	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
TOTAL APPLICATIONS: *	127,029	110,320	15.1%	95,280	33.3%
Annual Rate	2,766,800	2,896,900	-4.5%	2,246,300	23.2%
Average per workday	10,936	11,450	-4.5%	8,879	23.2%
Purchase	68,952	53,179	29.7%	54,308	27.0%
Refinance	52,232	52,528	-0.6%	35,566	46.9%
Prior FHA	20,743	23,495	-11.7%	4,122	403.2%
Conventional to FHA	31,489	29,033	8.5%	31,116	1.2%
Conventional to FHA (Delinquent)				328	
H4H (HOPE for Homeowners)	0	4	-100.0%		
HECM	5,845	4,613	26.7%	5,406	8.1%
TOTAL ENDORSEMENTS: *	94,069	76,059	23.7%	59,150	59.0%
Annual Rate	2,257,700	1,825,400	23.7%	1,419,600	59.0%
Average FICO Score (Apr) **	681	693	-1.7%	661	3.0%
Minority	21,082	17,651	19.4%	15,144	39.2%
% Minority	22.4%	23.2%	-0.8% #	25.6%	-3.2% #
Purchase	41,622	33,498	24.3%	31,219	33.3%
% Purchase	44.2%	44.0%	0.2% #	52.8%	-8.5% #
Average FICO Score (Apr) **	683	698	-2.1%	669	2.1%
1st Time Home Buyer	32,960	26,574	24.0%	24,364	35.3%
% 1st Time Home Buyer	79.2%	79.3%	-0.1% #	78.0%	1.1% #
Non-Minority	21,666	16,930	28.0%	16,281	33.1%
% Non-Minority	65.7%	63.7%	2.0% #	66.8%	-1.1% #
Minority	9,165	7,834	17.0%	6,686	37.1%
% Minority	27.8%	29.5%	-1.7% #	27.4%	0.4% #
Not-Disclosed	2,129	1,810	17.6%	1,397	52.4%
% Not-Disclosed	6.5%	6.8%	-0.4% #	5.7%	0.7% #
Refinanced	48,182	38,695	24.5%	23,335	106.5%
% Refinanced	51.2%	50.9%	0.3% #	39.5%	11.8% #
Average FICO Score (Apr) **	679	688	-1.3%	650	4.5%
Prior FHA	28,820	21,324	35.2%	5,021	474.0%
Streamline	27,205	19,872	36.9%	3,735	628.4%
% Streamline	56.5%	51.4%	5.1% #	16.0%	40.5% #
Full Process	1,615	1,452	11.2%	1,286	25.6%
Cash Out	n/a	481 r	n/a	697	n/a
Conventional to FHA	19,360	17,369	11.5%	18,060	7.2%
Cash Out	n/a	4,070 r	n/a	7,407	n/a
Conventional to FHA (Delinquent)	2	2	0.0%	254	-99.2%
Total Cash Out	n/a	4,551 r	n/a	8,104	n/a
Total % Cash Out	n/a	11.8%	n/a #	34.7%	n/a #
H4H (HOPE for Homeowners)	0	0			
HECM	4,265	3,866	10.3%	4,596	-7.2%
% HECM	4.5%	5.1%	-0.5% #	7.8%	-3.2% #
HECM Traditional	3,867	3,518	9.9%	4,402	-12.2%
HECM Traditional ARM	3,309	3,108	6.5%	4,337	-23.7%
HECM Purchase	26	26	0.0%		
HECM Purchase ARM	26	26	0.0%		
HECM Refinance	372	322	15.5%	194	91.8%
% HECM Refinance	8.7%	8.3%	0.4% #	4.2%	4.5% #
HECM Refinance ARM	323	286	12.9%	194	66.5%

Source: * F17 CHUMS # - Percentage point difference

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	CURRENT 2 WEEK PERIOD	LAST PERIOD	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	755	660	14.4%	284	165.8%
Condominium Section 234(c)	4,796	3,664	30.9%	2,366	102.7%
% Condominium Section 234(c)	5.1%	4.8%	0.3% #	4.0%	1.1% #
ARM (Excludes HECM ARM)	253	113	123.9%	408	-38.0%
% ARM	0.3%	0.1%	0.1% #	0.7%	-0.4% #
Manufactured Housing (Real Estate)	1,920	1,480	29.7%	2,580	-25.6%
Interest Buy-down	143	150	-4.7%	290	-50.7%
Average Processing Time *					
(Existing Homes, weeks)					
Application to Closing	6.6	6.0	10.0%	5.0	32.0%
Closing to Endorsement	4.0	4.1	-2.4%	4.7	-14.9%
Automated Underwriting System * x					
AUS Endorsed (May)	105,616	108,836	-3.0%	70,322	50.2%
AUS as % of Total Endorsed	68.5%	72.2%	-3.7% #	66.0%	2.5% #
Lender Insurance *					
Total Lender Insurance	67,336	52,325	28.7%	44,590	51.0%
% of Total Insurance	71.6%	68.8%	2.8% #	75.4%	-3.8% #
Forward Mortgages	66,514	51,342	29.6%	42,822	55.3%
HECM	822	983	-16.4%	1,768	-53.5%
Mortgage Insurance (May)					
Total Number	162,690	162,351	0.2%	115,620	40.7%
Total Amount (\$M)	\$30,820	\$30,493	1.1%	\$19,943	54.5%
Forward Mortgages					
Purchase Number	70,259	69,554	1.0%	56,429	24.5%
Amount (\$M)	\$11,840	\$11,708	1.1%	\$9,048	30.9%
Refinance Number	84,035	81,137	3.6%	50,080	67.8%
Amount (\$M)	\$16,588	\$15,703	5.6%	\$8,921	85.9%
Reverse Mortgages					
HECM Number	8,396	11,660	-28.0%	9,111	-7.8%
Max Claim Amount (\$M)	\$2,392	\$3,082	-22.4%	\$1,974	21.2%

Source: * F17 CHUMS

- Percentage point difference

x AUS total includes only cases accepted and endorsed by the score card (TOTAL). Does not include cases referred for standard processing, standard rejects or actual fall out or streamline refinances.. Percentage based on forward mortgages only.

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FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2009	FY 2009 TO DATE	FY 2008 TO DATE	RATE OF CHANGE 2009/2008	FY 2008 FINAL
TOTAL APPLICATIONS: *	3,000,000	2,068,762	1,268,570	63.1%	2,008,157
Purchase	1,185,000	811,041	564,269	43.7%	977,550
Refinance	1,650,000	1,141,974	601,448	89.9%	885,972
Prior FHA	552,700	425,297	107,964	293.9%	147,992
Conventional to FHA	1,097,300	715,682	483,806	47.9%	727,225
Conventional to FHA (Delinquent)		995	9,678	-89.7%	10,755
H4H (HOPE for Homeowners)		945			
HECM	165,000	115,747	102,853	12.5%	144,635
TOTAL ENDORSEMENTS: *	2,100,000	1,286,827	685,768	87.6%	1,199,624
Minority	550,000	322,565	189,253	70.4%	322,002
% Minority	26.2%	25.1%	27.6%	-2.5% #	26.8%
Purchase	1,079,400	625,514	314,053	99.2%	631,667
% Purchase	51.4%	48.6%	45.8%	2.8% #	52.7%
1st Time Home Buyer	863,500	487,523	249,056	95.7%	492,295
% 1st Time Home Buyer	80.0%	77.9%	79.3%	-1.4% #	77.9%
Non-Minority	561,300	302,245	159,331	89.7%	319,449
% Non-Minority	65.0%	62.0%	64.0%	-2.0% #	64.9%
Minority	267,700	153,375	76,766	99.8%	144,623
% Minority	31.0%	31.5%	30.8%	0.6% #	29.4%
Not-Disclosed	34,500	31,866	12,975	145.6%	28,218
% Not-Disclosed	4.0%	6.5%	5.2%	1.3% #	5.7%
Refinanced	890,400	579,136	293,225	97.5%	455,803
% Refinanced	42.4%	45.0%	42.8%	2.2% #	38.0%
Prior FHA	296,500	238,765	69,446	243.8%	95,287
Streamline	249,300	211,345	50,805	316.0%	66,785
% Streamline	28.0%	36.5%	17.3%	19.2% #	14.7%
Full Process	44,500	27,420	18,641	47.1%	28,502
Cash Out	17,000	#VALUE!	10,664	#VALUE!	16,424
Conventional to FHA	593,000	340,042	220,700	54.1%	356,722
Cash Out	203,000	#VALUE!	93,176	#VALUE!	150,051
Conventional to FHA (Delinquent)	890	329	3,079	-89.3%	3,794
Total Cash Out	220,000	#VALUE!	103,840	#VALUE!	166,475
Total % Cash Out	24.7%	#VALUE!	35.4%	#VALUE! #	36.5%
H4H (HOPE for Homeowners)		1			
HECM	130,200	82,177	78,490	4.7%	112,154
% HECM	6.2%	6.4%	11.4%	-5.1% #	9.3%
HECM Traditional	120,900	75,913	75,002	1.2%	107,719
HECM Traditional ARM	114,800	72,623	72,868	-0.3%	105,144
HECM Purchase	300	193			
HECM Purchase ARM	250	189			
HECM Refinance	9,000	6,071	3,488	74.1%	4,435
% HECM Refinance	6.9%	7.4%	4.4%	2.9% #	4.0%
HECM Refinance ARM	8,500	5,814	3,401	70.9%	4,342

Source: * F17 CHUMS

- Percentage point difference

Department of Housing and Urban Development, Housing - Deputy Assistant Secretary for Finance and Budget, Office of Evaluation

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FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2009	FY 2009 TO DATE	FY 2008 TO DATE	RATE OF CHANGE 2009/2008	FY 2008 FINAL
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	15,000	10,549	3,725	183.2%	6,751
Condominium Section 234(c)	84,000	59,984	23,813	151.9%	46,873
% Condominium Section 234(c)	4.0%	4.7%	3.5%	1.2% #	3.9%
ARM (Excludes HECM ARM)	10,500	7,097	4,151	71.0%	13,461
% ARM	0.5%	0.6%	0.6%	-0.1% #	1.1%
Manufactured Housing (Real Estate)	60,000	34,214	40,912	-16.4%	60,614
Interest Buy-down	10,000	5,580	4,321	29.1%	7,354
Automated Underwriting System * x					
AUS Endorsed (May)	1,536,000	852,120	287,523	196.4%	735,330
AUS as % of Total Endorsed	77.9%	76.4%	52.0%	24.4% #	67.6%
Claims (May) **					
Loss Mitigation Retention	175,000	127,939	103,644	23.4%	159,673
Loss Mitigation (Property Sales)	105,700	79,049	62,051	27.4%	96,482
Loss Mitigation (Property Sales)	5,100	4,016	2,814	42.7%	4,685
Other Claims (Conveyances)	64,200	44,874	38,779	15.7%	58,506
Lender Insurance *					
Total Lender Insurance	1,680,000	902,989	469,641	92.3%	852,844
% of Total Insurance	80.0%	70.2%	68.5%	1.7% #	71.1%
Forward Mortgages	1,302,000	876,109	445,966	96.5%	815,525
HECM	98,000	26,880	23,675	13.5%	37,319

Source: * F17 CHUMS ** A43C Claims System

= Percentage point difference

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AVERAGE FICO SCORES

Fiscal Year	Total	Purchase	Refinance
2007	627	635	622
Oct	629	641	623
Nov	628	639	623
Dec	627	638	622
Jan	628	636	624
Feb	628	636	625
Mar	627	632	624
Apr	626	632	623
May	626	632	624
Jun	626	633	623
Jul	626	634	621
Aug	624	634	620
Sep	623	633	618
2008	628	648	621
Oct	609	634	601
Nov	613	633	606
Dec	612	632	606
Jan	615	633	609
Feb	617	633	611
Mar	626	639	619
Apr	628	646	623
May	636	654	630
Jun	644	663	638
Jul	647	667	640
Aug	647	670	639
Sep	645	671	636
2009	654	678	646
Oct	646	671	638
Nov	642	673	632
Dec	647	675	637
Jan	645	677	634
Feb	653	678	644
Mar	669	680	665
Apr	661	683	653
May	673	688	668

Source: SFDW

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