

FHA OUTLOOK

SINGLE FAMILY OPERATIONS

September 16-30, 2004

Applications

- After seasonal adjustment, the annual rate of applications during this reporting period slipped 6.7 percent to 749,800.
- For the fiscal year, FHA received 1,035,863 applications-- down 41.3 percent from FY 2003 when 1,764,398 were recorded.

Endorsements

- During this reporting period, 29,611 mortgages were insured -- up 6 percent from early September.
- For the fiscal year, 998,441 cases were endorsed -- down 25.4 percent from last year.
- The refinancing of mortgages was very volatile as noted by the 43.4 percent drop in volume from 661,173 last year to 374,418 in 2004.
- Among specific loan types, another sharp decline was in Section 234c mortgages, which dropped 35.7 percent to 58,601 from 91,161 last year.
- On the other hand, adjustable rate mortgages rose 34.9 percent -- being recorded at 139,729 this year -- up from 103,568.
- The largest relative gain was in HECM loans, jumping 109 percent over last year -- 37,827 in 2004 from 18,096 last year.

Automated Underwriting

- Although not as many loans were accepted and approved by automated models -- the percent of total cases accepted and insured climbed significantly from 32 percent last year to 42.8 percent this year.

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CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
Applications: *					
Annual Rate	749,800	803,700	-6.7%	1,205,900	-37.8%
Average per workday	2,964	3,177	-6.7%	4,767	-37.8%
Actual	32,960	33,398	-1.3%	51,460	-36.0%
% for Refinance (Sep)	22.8%	18.0%	4.8% #	25.8%	-3.0% #
Endorsements: *					
Annual Rate	710,700	670,400	6.0%	1,658,600	-57.2%
Actual	29,611	27,934	6.0%	69,109	-57.2%
Purchase	23,139	21,394	8.2%	33,199	-30.3%
% Purchase	78.1%	76.6%	1.6% #	48.0%	30.1% #
1st Time Home Buyer	16,638	15,306	8.7%	25,630	-35.1%
% 1st Time Home Buyer	77.8%	77.4%	0.4% #	78.4%	-0.6% #
Non-Minority	10,117	9,452	7.0%	16,023	-36.9%
% Non Minority	60.8%	61.8%	-0.9% #	62.5%	-1.7%
Minority	5,925	5,294	11.9%	8,663	-31.6%
% Minority	35.6%	34.6%	1.0% #	33.8%	1.8%
Not-Disclosed	595	559	6.4%	944	-37.0%
% Not-Disclosed	3.6%	3.7%	-0.1% #	3.7%	-0.1%
Refinanced	6,472	6,540	-1.0%	35,910	-82.0%
% Refinanced	21.9%	23.4%	-1.6% #	52.0%	-30.1% #
Streamline	4,350	4,540	-4.2%	30,408	-85.7%
% Streamline	67.2%	69.4%	-2.2% #	84.7%	-17.5% #
Full Process	2,122	2,000	6.1%	5,502	-61.4%
Cash Out	1,455	1,409	3.3%	3,340	-56.4%
% Cash Out	68.6%	70.5%	-1.9% #	60.7%	7.9% #
Section 203(k)	162	158	2.5%	175	-7.4%
Section 234(c)	1,644	1,446	13.7%	3,902	-57.9%
% Section 234(c)	5.6%	5.2%	0.4% #	5.6%	-0.1% #
ARM	5,316	5,222	1.8%	6,474	-17.9%
% ARM	18.0%	18.7%	-0.7% #	9.4%	8.6% #
HECM	1,753	1,629	7.6%	472	271.4%
Manufactured Housing	1,461	1,471	-0.7%	1,504	-2.9%
Interest Buydown	1,426	1,289	10.6%	1,589	-10.3%
Investors	60	60	0.0%	214	-72.0%
Minority	10,091	9,271	8.8%	20,387	-50.5%
% Minority	34.1%	33.2%	0.9% #	29.5%	4.6% #
Automated Underwriting System * x					
AUS Endorsed (Sep)	28,488	34,131	-16.5%	45,289	-37.1%
AUS as % of Total Endorse.	49.5%	50.4%	-0.9% #	33.5%	16.0% #

= Percentage point difference

Source: * F17 CHUMS

x AUS total includes only cases accepted and endorsed by the score cards. Does not include cases referred for standard processing, standard rejects or actual fall out.

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OUTLOOK

	PROJECTIONS FY 2004	FY 2004 TO DATE	FY 2003 TO DATE	% CHANGE 2004/2003	FY 2003 FINAL
Applications *	1,200,000	1,035,863	1,764,398	-41.3%	1,764,398
Endorsements *	1,292,000	998,441	1,337,901	-25.4%	1,337,901
Purchase	801,000	624,023	676,788	-7.8%	676,788
% Purchase	62.0%	62.5%	50.6%	11.9% #	50.6%
1st Time Home Buyer	640,000	454,320	521,764	-12.9%	521,764
% 1st Time Home Buyer	79.9%	77.5%	79.2%	-1.7% #	79.2%
Non-Minority	384,000	268,229	305,938	-12.3%	305,938
% Non Minority	60.0%	59.0%	58.6%	0.4%	58.6%
Minority	231,000	159,035	195,009	-18.4%	195,009
% Minority	36.1%	35.0%	37.4%	-2.4%	37.4%
Not-Disclosed	25,000	24,497	20,817	17.7%	20,817
% Not-Disclosed	3.9%	5.4%	4.0%	1.4%	4.0%
Refinanced	491,000	374,418	661,113	-43.4%	661,113
% Refinanced	38.0%	37.5%	49.4%	-11.9% #	49.4%
Streamline	393,000	291,555	560,910	-48.0%	560,910
% Streamline	80.0%	77.9%	84.8%	-7.0% #	84.8%
Full Process	98,000	82,863	100,203	-17.3%	100,203
Cash Out	59,000	54,238	60,649	-10.6%	60,649
% Cash Out	60.2%	65.5%	60.5%	4.9% #	60.5%
Section 203(k)	5,300	4,602	5,028	-8.5%	5,028
Section 234(c)	90,000	58,601	91,160	-35.7%	91,160
% Section 234(c)	7.0%	5.9%	6.8%	-0.9% #	6.8%
ARM	150,000	139,729	103,568	34.9%	103,568
% ARM	11.6%	14.0%	7.7%	6.3% #	7.7%
HECM	40,000	37,827	18,096	109.0%	18,096
Manufactured Housing	35,000	35,771	32,378	10.5%	32,378
Interest Buydown	35,000	34,997	33,583	4.2%	33,583
Investors	4,000	2,615	4,424	-40.9%	4,424
Minority	452,000	326,662	414,336	-21.2%	414,336
% Minority	35.0%	32.7%	31.0%	1.7% #	31.0%
Automated Underwriting System * x					
AUS Endorsed (Sep)	426,000	426,983	429,568	-0.6%	429,568
AUS as % of Total Endorse.	33.0%	42.8%	32.1%	10.7% #	32.1%
Loans Delinquent as of (Aug) **	300,000	282,565	311,512	-9.3%	306,982
Claims (Sep) ***	153,000	163,429	153,187	6.7%	153,187
Loss Mitigation Retention	67,000	78,528	68,003	15.5%	68,003
Loss Mitigation Disposition	4,000	5,694	4,300	32.4%	4,300
Other Claims	82,000	79,207	80,884	-2.1%	80,884

= Percentage point difference

Source: * F17 CHUMS ** F42D Single Family Default Monitoring System *** A43C Claims System

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