

## SINGLE-FAMILY OPERATIONS

February 2011

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### Applications

During February, the seasonally adjusted annual rate for applications rose 15.6 percent to an estimated 1,676,800.

The actual count of applications was 114,215 -- 9.8 percent over January which was seriously affected by very bad weather. Of the total number of applications, 67,990 were purchase transactions, 38,076 were refinances and 8,149 were for reverse mortgages.

The refinance count included 10,777 prior FHA cases and 27,299 conventional conversions to FHA. Also included in this refinance total were 89 short refinance transactions and 154 Hope for Homeowners cases.

### Endorsements

This month 88,269 mortgages for \$16.8 billion were endorsed for insurance. This total included 46,899 purchase money mortgages, 34,466 refinanced transactions and 6,904 HECMs.

For the purchase cases, three out of every four mortgages were for first time home buyers.

With respect to the refinanced mortgage transactions, 16,459 were prior FHA cases and 18,009 were conventional mortgages converting to FHA.

It is of interest to note that 12,560 out of the 16,459 prior FHA refinances were handled by streamlined procedures -- 76.3 percent of the prior FHA refinances.

Of the 6,904 HECMs insured this month 6,092 were traditional type reverse mortgages. In addition, 296 mortgages insured were under the new "SAVER" program.

### Automated Underwriting

During February, 67,566 mortgages were accepted and endorsed using the FHA scorecard, representing 83 percent of the total cased endorsed.

### Insurance-In-Force

At the end of February, FHA had 6,932,510 single family mortgages in force with an outstanding balance of \$956.9 billion.

### Defaults and Claims

As of February 28, lenders reported that 619,712 single family mortgages were in serious default (90 days +, in bankruptcy or in foreclosure) yielding a default rate of 8.9 percent. In addition, FHA had paid 139,637 claims this year. 90,395 were loss mitigation claims and 39,217 were conveyance claims.

# FHA SINGLE-FAMILY OUTLOOK

## SINGLE-FAMILY OPERATIONS

February 2011

### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>TOTAL APPLICATIONS: *</b>	<b>114,215</b>	<b>103,991</b>	<b>9.8%</b>	<b>165,239</b>	<b>-30.9%</b>
Annual Rate	1,676,800	1,450,900	15.6%	2,011,600	-16.6%
Average per workday	6,628	5,735	15.6%	7,951	-16.6%
<b>Purchase</b>	<b>67,990</b>	<b>55,417</b>	<b>22.7%</b>	<b>97,171</b>	<b>-30.0%</b>
<b>Refinance</b>	<b>38,076</b>	<b>41,178</b>	<b>-7.5%</b>	<b>61,425</b>	<b>-38.0%</b>
Prior FHA	10,777	13,276	-18.8%	12,464	-13.5%
Conventional to FHA	27,299	27,902	-2.2%	48,961	-44.2%
H4H (HOPE for Homeowners)	154	149	3.4%	46	234.8%
Short Refinance	89	60	48.3%		
<b>HECM</b>	<b>8,149</b>	<b>7,396</b>	<b>10.2%</b>	<b>6,643</b>	<b>22.7%</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>88,269</b>	<b>119,521</b>	<b>-26.1%</b>	<b>131,978</b>	<b>-33.1%</b>
Annual Rate	1,059,200	1,434,300	-26.2%	1,583,700	-33.1%
Weighted Average FICO Score **	703	703	0.0%	693	1.4%
Minority	22,051	28,357	-22.2%	33,902	-35.0%
% Minority	25.0%	23.7%	1.3% #	25.7%	-0.7% #
<b>Purchase</b>	<b>46,899</b>	<b>63,887</b>	<b>-26.6%</b>	<b>73,038</b>	<b>-35.8%</b>
% Purchase	53.1%	53.5%	-0.3% #	55.3%	-2.2% #
Average FICO Score **	703	703	0.0%	697	0.9%
1st Time Home Buyer	35,020	47,429	-26.2%	57,890	-39.5%
% 1st Time Home Buyer	74.7%	74.2%	0.4% #	79.3%	-4.6% #
Non-Minority	20,810	28,546	-27.1%	35,059	-40.6%
% Non-Minority	59.4%	60.2%	-0.8% #	60.6%	-1.1% #
Minority	11,972	15,681	-23.7%	18,972	-36.9%
% Minority	34.2%	33.1%	1.1% #	32.8%	1.4% #
Not-Disclosed	2,238	3,201	-30.1%	3,859	-42.0%
% Not-Disclosed	6.4%	6.7%	-0.4% #	6.7%	-0.3% #
<b>Refinanced</b>	<b>34,466</b>	<b>49,167</b>	<b>-29.9%</b>	<b>51,916</b>	<b>-33.6%</b>
% Refinanced	39.0%	41.1%	-2.1% #	39.3%	-0.3% #
Average FICO Score **	706	707	-0.1%	683	3.4%
Prior FHA	16,459	26,856	-38.7%	22,761	-27.7%
Streamline	12,560	21,458	-41.5%	19,107	-34.3%
% Streamline	36.4%	43.6%	-7.2% #	36.8%	-0.4% #
Full Process	3,899	5,398	-27.8%	3,654	6.7%
Cash Out	777	984	-21.0%	1,149	-32.4%
Conventional to FHA	18,009	22,314	-19.3%	29,156	-38.2%
Cash Out	4,857	5,811	-16.4%	9,298	-47.8%
Total Cash Out	5,634	6,795	-17.1%	10,447	-46.1%
Total % Cash Out	16.3%	13.8%	2.5% #	20.1%	-3.8% #
H4H (HOPE for Homeowners)	16	23	-30.4%	0	
Short Refinance	24	18	33.3%	0	
<b>HECM</b>	<b>6,904</b>	<b>6,464</b>	<b>6.8%</b>	<b>7,024</b>	<b>-1.7%</b>
% HECM	7.8%	5.4%	2.4% #	5.3%	2.5% #
HECM Traditional	6,092	5,917	3.0%	6,358	-4.2%
HECM Traditional ARM	2,025	2,256	-10.2%	1,979	2.3%
HECM Purchase	136	117	16.2%	129	5.4%
HECM Purchase ARM	15	14	7.1%	10	50.0%
HECM Refinance	380	265	43.4%	537	-29.2%
% HECM Refinance	5.5%	4.1%	1.4% #	7.6%	-2.1% #
HECM Refinance ARM	96	72	33.3%	203	-52.7%
HECM Traditional Saver	296	165	79.4%		

Source: \* F17 CHUMS

# - Percentage point difference

\*\* This series represents the composite FICO score value that is used for loan underwriting.

# FHA SINGLE-FAMILY OUTLOOK

## SINGLE-FAMILY OPERATIONS

February 2011

### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	1,478	1,715	-13.8%	1,804	-18.1%
Condominium	3,754	5,549	-32.3%	7,541	-50.2%
% Condominium	4.3%	4.6%	-0.4% #	5.7%	-1.5% #
ARM (Excludes HECM ARM)	4,378	5,344	-18.1%	3,719	17.7%
% ARM	5.0%	4.5%	0.5% #	2.8%	2.1% #
Manufactured Housing (Real Estate)	1,574	1,769	-11.0%	2,937	-46.4%
Interest Buy-down	165	311	-46.9%	197	-16.2%
<b>Average Processing Time * ^</b>					
(Existing Homes, weeks)					
Application to Closing	7.6	8.1	-6.2%	7.7	-1.3%
Closing to Endorsement	3.8	4.0	-5.0%	5.3	-28.3%
<b>Lender Insurance *</b>					
Total Lender Insurance	66,375	91,451	-27.4%	98,246	-32.4%
% of Total Insurance	75.2%	76.5%	-1.3% #	74.4%	0.8% #
Forward Mortgages	64,600	89,616	-27.9%	96,849	-33.3%
HECM	1,775	1,835	-3.3%	1,397	27.1%
<b>Automated Underwriting System * x</b>					
AUS Endorsed	67,566	90,301	-25.2%	102,071	-33.8%
AUS as % of Total Endorsed	83.0%	79.9%	3.2% #	81.7%	1.4% #
<b>Mortgage Insurance *</b>					
Total Number	88,269	119,518	-26.1%	131,978	-33.1%
Total Amount (\$B)	\$16.8	\$23.1	-27.3%	\$24.4	-31.1%
Forward Mortgages					
Total Forward Number	81,365	113,054	-28.0%	124,954	-34.9%
Amount (\$B)	\$15.0	\$21.4	-29.9%	\$22.5	-33.3%
Purchase Number					
Purchase Number	46,899	63,887	-26.6%	73,038	-35.8%
Amount (\$B)	\$8.3	\$11.4	-27.2%	\$12.8	-35.2%
Refinance Number					
Refinance Number	34,466	49,167	-29.9%	51,916	-33.6%
Amount (\$B)	\$6.7	\$10.0	-33.0%	\$9.7	-30.9%
Reverse Mortgages					
HECM Number	6,904	6,464	6.8%	7,024	-1.7%
Max Claim Amount (\$B)	\$1.8	\$1.7	5.9%	\$1.9	-5.3%
<b>Mortgage Insurance-In-Force **</b>					
Total Number	6,932,510	6,882,984	0.7%	6,014,729	15.3%
Total Unpaid Balance Amount (\$B)	\$956.9	\$947.8	1.0%	\$786.5	21.7%
<b>Loans Seriously Delinquent *** &lt;</b>					
90 Days + Delinquent	619,712	612,443	1.2%	570,799 r	8.6%
Seriously Delinquent Rate	8.9%	8.9%	0.0% #	9.5% r	-0.6% #

Source: \* F17 CHUMS \*\* A43 Single Family Insurance System \*\*\* F42D Consolidated Single Family Default Monitoring System

# Percentage point difference

r - revised

^ Existing homes, including purchase and refinance cases, represent virtually all of insurance activity.

x AUS includes only forward mortgages accepted and endorsed by the FHA scorecard (TOTAL).

< This count of seriously delinquent mortgages includes all bankruptcies, all foreclosures and 90 days or more delinquencies.

# FHA SINGLE-FAMILY OUTLOOK

## SINGLE-FAMILY OPERATIONS

February 2011

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2011 AS OF OCT 10	FY 2011 TO DATE	FY 2010 TO DATE	RATE OF CHANGE 2011/2010	FY 2010 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>2,000,000</b>	<b>647,325</b>	<b>892,359</b>	<b>-27.5%</b>	<b>2,334,696</b>
<b>Purchase</b>	<b>1,120,000</b>	<b>313,017</b>	<b>470,332</b>	<b>-33.4%</b>	<b>1,256,565</b>
<b>Refinance</b>	<b>800,000</b>	<b>294,027</b>	<b>390,190</b>	<b>-24.6%</b>	<b>981,160</b>
Prior FHA	300,000	128,835	155,698	-17.3%	423,093
Conventional to FHA	500,000	165,192	234,492	-29.6%	558,067
H4H (HOPE for Homeowners)		517	149		340
Short Refinance		271			
<b>HECM</b>	<b>80,000</b>	<b>40,281</b>	<b>31,837</b>	<b>26.5%</b>	<b>96,971</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>1,500,000</b>	<b>597,834</b>	<b>803,126</b>	<b>-25.6%</b>	<b>1,746,997</b>
Minority	375,000	140,688	193,138	-27.2%	429,926
% Minority	25.0%	23.5%	24.0%	-0.5% #	24.6%
<b>Purchase</b>	<b>900,000</b>	<b>307,615</b>	<b>468,036</b>	<b>-34.3%</b>	<b>1,109,699</b>
% Purchase	60.0%	51.5%	58.3%	-6.8% #	63.5%
1st Time Home Buyer	720,000	226,171	383,584	-41.0%	882,200
% 1st Time Home Buyer	80.0%	73.5%	82.0%	-8.4% #	79.5%
Non-Minority	460,800	136,810	246,240	-44.4%	558,991
% Non-Minority	64.0%	60.5%	64.2%	-3.7% #	63.4%
Minority	216,000	74,284	111,975	-33.7%	265,138
% Minority	30.0%	32.8%	29.2%	3.7% #	30.1%
Not-Disclosed	43,200	15,074	25,386	-40.6%	58,061
% Not-Disclosed	6.0%	6.7%	6.6%	0.0% #	6.6%
<b>Refinanced</b>	<b>525,000</b>	<b>258,458</b>	<b>295,645</b>	<b>-12.6%</b>	<b>558,192</b>
% Refinanced	35.0%	43.2%	36.8%	6.4% #	32.0%
Prior FHA	231,000	152,791	149,203	2.4%	252,522
Streamline	204,750	127,243	134,782	-5.6%	212,940
% Streamline	39.0%	49.2%	45.6%	3.6% #	38.1%
Full Process	26,250	25,548	14,421	77.2%	39,582
Cash Out	17,000	4,692	5,490	-14.5%	12,129
Conventional to FHA	294,000	105,677	146,444	-27.8%	305,676
Cash Out	203,000	26,782	47,919	-44.1%	98,107
Total Cash Out	220,000	31,474	53,409	-41.1%	110,236
Total % Cash Out	41.9%	12.2%	18.1%	-5.9% #	19.7%
H4H (HOPE for Homeowners)		109	12		107
Short Refinance		64			
<b>HECM</b>	<b>75,000</b>	<b>31,758</b>	<b>39,445</b>	<b>-19.5%</b>	<b>79,106</b>
% HECM	5.0%	5.3%	4.9%	0.4% #	4.5%
HECM Traditional	67,500	29,241	35,989	-18.8%	72,855
HECM Traditional ARM	66,150	10,679	12,209	-12.5%	23,005
HECM Purchase	2,400	568	662	-14.2%	1,389
HECM Purchase ARM	2,352	77	75	2.7%	146
HECM Refinance	5,100	1,394	2,795	-50.1%	4,862
% HECM Refinance	6.8%	4.4%	7.1%	-2.7% #	6.1%
HECM Refinance ARM	4,998	364	885	-58.9%	1,457
HECM Traditional Saver		555			

Source: \* F17 CHUMS

# - Percentage point difference

# FHA SINGLE-FAMILY OUTLOOK

## SINGLE-FAMILY OPERATIONS

February 2011

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2011 AS OF OCT 10	FY 2011 TO DATE	FY 2010 TO DATE	RATE OF CHANGE 2011/2010	FY 2010 FINAL
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	22,000	7,974	8,995	-11.4%	22,491
Condominium	110,000	27,812	46,584	-40.3%	93,468
% Condominium	7.3%	4.7%	5.8%	-1.1% #	5.4%
ARM (Excludes HECM ARM)	50,000	21,211	19,675	7.8%	46,940
% ARM	3.3%	3.5%	2.4%	1.1% #	2.7%
Manufactured Housing (Real Estate)	50,000	9,023	14,547	-38.0%	30,751
Interest Buy-down	4,000	1,272	1,537	-17.2%	3,845
<b>Lender Insurance *</b>					
Total Lender Insurance	1,050,000	453,472	571,808	-20.7%	1,277,137
% of Total Insurance	70.0%	75.9%	71.2%	4.7% #	73.1%
Forward Mortgages	1,029,000	444,863	564,052	-21.1%	1,259,909
HECM	21,000	8,609	7,756	11.0%	17,228
<b>Automated Underwriting System * x</b>					
AUS Endorsed	1,125,000	432,397	607,547	-28.8%	1,409,766
AUS as % of Total Endorsed	78.9%	76.4%	79.6%	-3.2% #	84.5%
<b>Mortgage Insurance *</b>					
Total Number	1,500,000	597,831	803,121	-25.6%	1,746,997
Total Amount (\$B)	\$288.7	\$116.6	\$147.0	-20.7%	\$318.8
Forward Mortgages					
Total Forward Number	1,425,000	566,073	763,676	-25.9%	1,667,891
Amount (\$B)	\$270.0	\$108.5	\$136.0	-20.2%	\$297.7
Purchase Number					
Purchase Number	900,000	307,615	468,034	-34.3%	1,109,699
Amount (\$B)	\$162.0	\$54.8	\$80.3	-31.8%	\$191.7
Refinance Number					
Refinance Number	525,000	258,458	295,642	-12.6%	558,192
Amount (\$B)	\$107.6	\$53.7	\$55.7	-3.6%	\$106.0
Reverse Mortgages					
HECM Number	75,000	31,758	39,445	-19.5%	79,106
Max Claim Amount (\$B)	\$18.7	\$8.1	\$11.0	-26.4%	\$21.1
<b>Claims **</b>					
Total Claims	305,000	139,637	100,428	39.0%	303,402
Loss Mitigation Retention	185,000	90,395	58,018	55.8%	182,968
Pre-Foreclosures	15,000	7,053	4,958	42.3%	15,291
Conveyances	100,000	39,217	35,755	9.7%	99,653
Other Claims	5,000	2,972	1,697	75.1%	5,490

Source: \* F17 CHUMS \*\* A43C Claims System

# = Percentage point difference

r - revised

x AUS includes only forward mortgages accepted and endorsed by the FHA scorecard (TOTAL).