

SINGLE-FAMILY OPERATIONS

January 2013

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

Applications

During January, lenders submitted 147,509 applications for mortgage insurance. Included in that count were 58,993 home purchase loans, 79,923 refinance actions, and 8,593 reverse mortgages.

Streamline actions accounted for 58,753 of all refinance applications. The refinance total can also be broken out into 62,757 FHA-to-FHA actions and 17,166 conventional conversions. There were 413 applications under the insurance for borrowers in negative equity program that requires lenders to first write-down the loan principal on a conventional conversion.

Endorsements

This month, FHA insured 134,461 single-family mortgages. By loan purpose, the January 2013 counts were: 60,924 home-purchase mortgages, 68,348 refinancings, and 5,189 HECM loans.

Mortgage Insurance Volumes

The 134,461 mortgages insured in January created \$24.9 billion in dollar volume, with an average mortgage amount of \$185,353.

At the end of the month, FHA had an insurance-in-force of 7,780,073 mortgages with \$1,093.5 billion in outstanding balances.

Of Additional Interest

Borrower credit quality remains very high, with average FICO scores of 695 for home-purchase loans and 701 for refinancings.

The average processing time for a case from application to insurance was 12.1 weeks.

There were 107,866 insured cases handled through Lender Insurance -- 80.2% of the total for the month.

Loans Delinquent

At the end of the month, 738,109 mortgages were in serious delinquency, resulting in a default rate of 9.5 percent.

Claims

For fiscal year 2013, FHA has now paid 55,613 regular insurance claims for 37,310 property conveyances, 11,149 pre-foreclosure sales and 7,154 other claims. In addition, 64,373 special claims were paid. Those included 58,393 loss mitigation actions and 5,980 HECM mortgage assignments. The total number of claims paid fiscal-year-to-date is 119,986. This month's report now identifies "Other" claims paid as coming from HUD's new Distressed Asset Sale Program and its pilot program to encourage more third-party sales at foreclosure auctions. These are now identified under Regular claims as Accelerated Claims (601) and Non-Conveyance Foreclosure.

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

January 2013

MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
TOTAL APPLICATIONS: *	147,509	127,057	16.1%	126,835	16.3%
Annual Rate	2,513,100	2,391,800	5.1%	2,377,000	5.7%
Average per workday	9,933	9,454	5.1%	9,395	5.7%
Purchase	58,993	49,927	18.2%	61,547	-4.1%
Refinance	79,923	69,880	14.4%	59,493	34.3%
Prior FHA	62,757	55,185	13.7%	34,498	81.9%
Conventional to FHA	17,166	14,695	16.8%	24,995	-31.3%
Short Refinance	413	636	-35.1%	236	75.0%
HECM	8,593	7,250	18.5%	5,795	48.3%
TOTAL ENDORSEMENTS: *	134,461	113,856	18.1%	102,011	31.8%
Annual Rate	1,613,500	1,366,300	18.1%	1,224,100	31.8%
Weighted Average FICO Score **	696	696	0.0%	698	-0.3%
Minority	34,458	29,032	18.7%	26,137	31.8%
% Minority	25.6%	25.5%	0.1% #	25.6%	0.0% #
Purchase	60,924	53,239	14.4%	61,663	-1.2%
% Purchase	45.3%	46.8%	-1.5% #	60.4%	-15.1% #
Average FICO Score **	695	695	0.0%	696	-0.1%
1st Time Home Buyer	47,683	41,526	14.8%	47,235	0.9%
% 1st Time Home Buyer	78.3%	78.0%	0.3% #	76.6%	1.7% #
Non-Minority	28,914	25,485	13.5%	28,563	1.2%
% Non-Minority	60.6%	61.4%	-0.7% #	60.5%	0.2% #
Minority	16,084	13,744	17.0%	15,787	1.9%
% Minority	33.7%	33.1%	0.6% #	33.4%	0.3% #
Not-Disclosed	2,685	2,297	16.9%	2,885	-6.9%
% Not-Disclosed	5.6%	5.5%	0.1% #	6.1%	-0.5% #
Refinanced	68,348	56,706	20.5%	35,173	94.3%
% Refinanced	50.8%	49.8%	1.0% #	34.5%	16.4% #
Average FICO Score **	701	701	0.0%	706	-0.7%
Prior FHA	59,582	49,632	20.0%	22,458	165.3%
Streamline	55,548	46,377	19.8%	17,968	209.1%
Streamline % of Refinance	81.3%	81.8%	-0.5% #	51.1%	30.2% #
Streamline % of Prior FHA	93.2%	93.4%	-0.2% #	80.0%	13.2% #
Full Process	4,034	3,255	23.9%	4,490	-10.2%
Cash Out	767	569	34.8%	703	9.1%
Conventional to FHA	8,766	7,074	23.9%	12,716	-31.1%
Cash Out	2,426	1,941	25.0%	3,557	-31.8%
Total Cash Out	3,193	2,510	27.2%	4,260	-25.0%
Total % Cash Out	4.7%	4.4%	0.2% #	12.1%	-7.4% #
Short Refinance	140	135	3.7%	99	41.4%
HECM	5,189	3,911	32.7%	5,175	0.3%
% HECM	3.9%	3.4%	0.4% #	5.1%	-1.2% #
HECM Standard Traditional	4,603	3,464	32.9%	4,564	0.9%
HECM Stndrd Traditional ARM	1,117	852	31.1%	1,373	-18.6%
HECM Standard Purchase	169	156	8.3%	161	5.0%
HECM Stndrd Purchase ARM	5	4	25.0%	9	-44.4%
HECM Standard Refinance	103	69	49.3%	118	-12.7%
% HECM Standard Refinance	2.0%	1.8%	0.2% #	2.3%	-0.3% #
HECM Stndrd Refinance ARM	22	12	83.3%	46	-52.2%
HECM Saver Total	314	223	40.8%	332	-5.4%

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

January 2013

MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	1,831	1,555	17.7%	1,854	-1.2%
Condominium	5,879	5,016	17.2%	3,604	63.1%
% Condominium	4.4%	4.4%	0.0% #	3.5%	0.8% #
ARM (Excludes HECM ARM)	568	493	15.2%	2,267	-74.9%
% ARM	0.4%	0.4%	0.0% #	2.2%	-1.8% #
Manufactured Housing (Real Estate)	2,333	2,036	14.6%	1,845	26.4%
Interest Buy-down	350	267	31.1%	488	-28.3%
Average Processing Time * ^					
(Existing Homes, weeks)					
Application to Closing	7.8	7.4	5.4%	6.6	18.2%
Closing to Endorsement	4.3	3.9	10.3%	4.1	4.9%
Lender Insurance *					
Total Lender Insurance	107,866	92,545	16.6%	80,044	34.8%
% of Total Insurance	80.2%	81.3%	-1.1% #	78.5%	1.8% #
Forward Mortgages	107,866	92,545	16.6%	80,044	34.8%
HECM	0	0		0	
Automated Underwriting System * x					
AUS Endorsed	70,783	61,004	16.0%	76,280	-7.2%
AUS as % of Total Endorsed	54.8%	55.5%	-0.7% #	78.8%	-24.0% #
Mortgage Insurance *					
Total Number	134,461	113,856	18.1%	102,011	31.8%
Total Amount (\$B)	\$24.9	\$20.9	19.1%	\$18.3	36.1%
Forward Mortgages					
Total Forward Number	129,272	109,945	17.6%	96,836	33.5%
Amount (\$B)	\$23.7	\$20.0	18.5%	\$17.1	38.6%
Purchase Number					
Purchase Number	60,924	53,239	14.4%	61,663	-1.2%
Amount (\$B)	\$10.8	\$9.4	14.9%	\$10.3	4.9%
Refinance Number					
Refinance Number	68,348	56,706	20.5%	35,173	94.3%
Amount (\$B)	\$12.9	\$10.6	21.7%	\$6.8	89.7%
Reverse Mortgages					
HECM Number	5,189	3,911	32.7%	5,175	0.3%
Max Claim Amount (\$B)	\$1.2	\$0.9	33.3%	\$1.2	0.0%
Mortgage Insurance-In-Force **					
Total Number	7,780,073	7,749,412	0.4%	7,512,171	3.6%
Total Unpaid Balance Amount (\$B)	\$1,093.5	\$1,088.3	0.5%	\$1,051.0	4.0%
Loans Seriously Delinquent *** <					
Seriously Delinquent	738,109	734,658	0.5%	733,844	0.6%
Seriously Delinquent Rate	9.5%	9.5%	0.0% #	9.8%	-0.3% #

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

Percentage point difference

^ 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

January 2013

FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2013 AS OF OCT 2012	FY 2013 TO DATE	FY 2012 TO DATE	RATE OF CHANGE 2013/2012	FY 2012 FINAL
TOTAL APPLICATIONS: *	1,800,000	600,092	492,532	21.8%	1,826,191
Purchase	907,200	245,963	256,442	-4.1%	921,175
Refinance	810,000	322,614	209,373	54.1%	821,543
Prior FHA	486,000	256,358	116,759	119.6%	564,574
Conventional to FHA	324,000	66,256	92,614	-28.5%	256,969
Short Refinance		1,785	1,084	64.7%	3,268
HECM	82,800	31,515	26,717	18.0%	83,473
TOTAL ENDORSEMENTS: *	1,368,000	499,877	371,995	34.4%	1,239,874
Minority	342,000	126,040	96,110	31.1%	311,812
% Minority	25.0%	25.2%	25.8%	-0.6% #	25.1%
Purchase	807,100	238,819	237,878	0.4%	733,959
% Purchase	59.0%	47.8%	63.9%	-16.2% #	59.2%
1st Time Home Buyer	605,300	186,664	182,246	2.4%	569,912
% 1st Time Home Buyer	75.0%	78.2%	76.6%	1.5% #	77.6%
Non-Minority	387,400	115,351	111,123	3.8%	353,119
% Non-Minority	64.0%	61.8%	61.0%	0.8% #	62.0%
Minority	181,600	60,958	60,168	1.3%	183,392
% Minority	30.0%	32.7%	33.0%	-0.4% #	32.2%
Not-Disclosed	36,300	10,355	10,954	-5.5%	33,396
% Not-Disclosed	6.0%	5.5%	6.0%	-0.5% #	5.9%
Refinanced	492,500	243,778	115,000	112.0%	451,095
% Refinanced	36.0%	48.8%	30.9%	17.9% #	36.4%
Prior FHA	344,800	212,236	70,412	201.4%	321,820
Streamline	293,100	196,332	54,664	259.2%	274,160
Streamline % of Refinance	59.5%	80.5%	47.5%	33.0% #	60.8%
Streamline % of Prior FHA	85.0%	92.5%	77.6%	14.9% #	85.2%
Full Process	51,700	14,209	15,748	-9.8%	47,660
Cash Out	7,200	2,626	2,551	2.9%	7,558
Conventional to FHA	147,700	31,548	44,595	-29.3%	129,293
Cash Out	39,900	8,820	12,361	-28.6%	35,098
Total Cash Out	47,100	11,446	14,912	-23.2%	42,656
Total % Cash Out	9.6%	4.7%	13.0%	-8.3% #	9.5%
Short Refinance		519	412	26.0%	1,440
HECM	68,400	17,280	19,117	-9.6%	54,820
% HECM	5.0%	3.5%	5.1%	-1.7% #	4.4%
HECM Standard Traditional	59,800	15,294	16,807	-9.0%	47,950
HECM Stndrd Traditional ARM	58,600	3,656	4,799	-23.8%	12,858
HECM Standard Purchase	2,000	633	520	21.7%	1,612
HECM Stndrd Purchase ARM	1,900	17	23	-26.1%	56
HECM Standard Refinance	1,800	330	506	-34.8%	1,440
% HECM Standard Refinance	2.6%	1.9%	2.6%	-0.7% #	2.6%
HECM Stndrd Refinance ARM	1,700	63	191	-67.0%	418
HECM Saver Total	4,800	1,024	1,285	-20.3%	3,820

Source: * F17 CHUMS

Percentage point difference

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

January 2013

FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2013 AS OF OCT 12	FY 2013 TO DATE	FY 2012 TO DATE	RATE OF CHANGE 2013/2012	FY 2012 FINAL
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)		6,855	7,996	-14.3%	22,495
Condominium		21,710	12,730	70.5%	44,970
% Condominium		4.3%	3.4%	0.9% #	3.6%
ARM (Excludes HECM ARM)		2,230	9,658	-76.9%	20,351
% ARM		0.4%	2.6%	-2.2% #	1.6%
Manufactured Housing (Real Estate)		8,409	6,754	24.5%	20,479
Interest Buy-down		1,242	1,635	-24.0%	4,670
Lender Insurance *					
Total Lender Insurance	980,000	403,315	287,787	40.1%	975,544
% of Total Insurance	71.6%	80.7%	77.4%	3.3% #	78.7%
Forward Mortgages	960,400	403,315	286,979	40.5%	974,735
HECM	19,600	0	808	-100.0%	809
Automated Underwriting System * x					
AUS Endorsed	1,094,400	273,648	288,063	-5.0%	880,319
AUS as % of Total Endorsed	84.2%	56.7%	81.6%	-24.9% #	74.3%
Mortgage Insurance *					
Total Number	1,368,000	499,877	371,995	34.4%	1,239,874
Total Amount (\$B)	\$248.6	\$100.9	\$66.2	52.4%	\$226.5
Forward Mortgages					
Total Forward Number	1,299,600	482,597	352,878	36.8%	1,185,054
Amount (\$B)	\$231.1	\$96.9	\$61.7	57.1%	\$213.4
Purchase Number					
Total Purchase Number	807,100	238,819	237,878	0.4%	733,959
Amount (\$B)	\$141.9	\$51.2	\$39.5	29.6%	\$124.5
Refinance Number					
Total Refinance Number	492,500	243,778	115,000	112.0%	451,095
Amount (\$B)	\$89.2	\$45.7	\$22.2	105.9%	\$88.9
Reverse Mortgages					
HECM Number	68,400	17,280	19,117	-9.6%	54,820
Max Claim Amount (\$B)	\$17.5	\$4.0	\$4.5	-11.1%	\$13.2
Claims **					
Total Claims	287,000	119,986	81,067	48.0%	284,196
Regular					
Total Regular	143,000	55,613	37,965	46.5%	142,779
Conveyances					
Total Conveyances		37,310	25,342	47.2%	102,236
Pre-Foreclosures					
Total Pre-Foreclosures		11,149	12,446	-10.4%	36,740
Accelerated Claims (601)					
Total Accelerated Claims (601)		5,256	116		1,165
Non-Conveyance Foreclosure					
Total Non-Conveyance Foreclosure		1,898	61		2,638
Special					
Total Special	144,000	64,373	43,102	49.4%	141,417
Loss Mitigation Retention					
Total Loss Mitigation Retention	132,000	58,393	39,879	46.4%	129,626
HECM Assignments					
Total HECM Assignments	12,000	5,980	3,223	85.5%	11,791

Source: * F17 CHUMS ** A43C Claims System

= Percentage point difference

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

Beginning with the January 2013 report, we are identifying the Other claims as either Accelerated Claims under HUD's Distressed Asset Sale Program (DASP) or as Non-Conveyance Claims. The non-conveyance claims are from HUD's pilot demonstration of encouraging more third-party sales at foreclosure auctions to avoid property conveyance and REO management. Both of these initiatives are expected to grow in the future.