

SINGLE-FAMILY OPERATIONS

September 2011

CONTACT INFORMATION

WILLIAM F. SHAW 202-402-7550

ZENORA HINES 202-402-7544

Applications

During September 129,045 single family applications were received. They included 73,283 purchase cases, 48,368 refinancing and 7,394 reverse mortgage transactions. The refinance applications included 23,656 prior FHA cases and 24,712 conventional conversion actions. The refinance total also covered 285 short refinance cases.

During the fiscal year, FHA received 1,603,669 applications made up of 921,886 (57.4%) prior FHAs, 586,092 (36.6%) conventional and 95,691 HECMs (6.0%).

Endorsements

During the month, 91,963 single family mortgages were insured. This covered 66,602 purchase money mortgages, 19,771 refinanced mortgages and 5,590 reverse mortgage transactions.

First time home buyers accounted for 76.2 percent of the purchase mortgages and 32.6 percent of these were minority households.

With respect to refinanced mortgages 9,579 involved prior FHA cases -- 6,881 which were handled with streamline procedures, most of which involved no appraisal cases.

Also, it should be noted that 3,806 of the refinance mortgages were cash out transactions. There were 200 H4H and 29 short refinance mortgages included in the refinance count.

For the fiscal year, FHA insured 1,271,211 mortgages for \$236 billion. This included 777,521 purchase mortgages, 420,561 refinanced mortgages as well as 73,129 reverse mortgages.

Lender Insurance

During this month, 78.3 percent of the mortgages insured were handled with the lender insurance option. For the fiscal year 76.8 percent of the mortgages were processed this way.

Automated Underwriting

Using the FHA scorecard, 76,395 mortgages were accepted and endorsed this month -- that represents 88.4 percent of the cases insured this month.

Processing Time

During September, the total processing time was 9.5 weeks -- 5.9 weeks from application to closing and another 3.6 weeks from closing to endorsement.

Insurance-In-Force

At the end of September, FHA held 7,304,368 mortgages-in-force, with an outstanding balance of \$1,019.7 billion.

Defaults and Claims

On September 30, servicers reported 635,096 mortgages in serious default, yielding a default rate of 8.7 percent.

This fiscal year, FHA paid 326,892 claims. Loss mitigation actions accounted for 200,808 claims, while 91,448 were property conveyance actions.

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

September 2011

MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
TOTAL APPLICATIONS: *	129,045	142,793	-9.6%	255,938	-49.6%
Annual Rate	1,377,000	1,507,400	-8.7%	3,291,700	-58.2%
Average per workday	5,443	5,958	-8.6%	13,011	-58.2%
Purchase	73,283	85,080	-13.9%	96,446	-24.0%
Refinance	48,368	49,773	-2.8%	146,014	-66.9%
Prior FHA	23,656	21,724	8.9%	94,351	-74.9%
Conventional to FHA	24,712	28,049	-11.9%	51,663	-52.2%
H4H (HOPE for Homeowners)	0	2		29	
Short Refinance	285	188	51.6%	14	
HECM	7,394	7,940	-6.9%	13,478	-45.1%
TOTAL ENDORSEMENTS: *	91,963	100,490	-8.5%	126,326	-27.2%
Annual Rate	1,103,600	1,205,900	-8.5%	1,515,900	-27.2%
Weighted Average FICO Score **	697	697	0.0%	699	-0.3%
Minority	24,355	26,751	-9.0%	30,745	-20.8%
% Minority	26.5%	26.6%	-0.1% #	24.3%	2.1% #
Purchase	66,602	75,798	-12.1%	71,145	-6.4%
% Purchase	72.4%	75.4%	-3.0% #	56.3%	16.1% #
Average FICO Score **	697	697	0.0%	700	-0.4%
1st Time Home Buyer	50,737	57,794	-12.2%	51,489	-1.5%
% 1st Time Home Buyer	76.2%	76.2%	-0.1% #	72.4%	3.8% #
Non-Minority	31,116	35,701	-12.8%	30,840	0.9%
% Non-Minority	61.3%	61.8%	-0.4% #	59.9%	1.4% #
Minority	16,541	18,528	-10.7%	17,134	-3.5%
% Minority	32.6%	32.1%	0.5% #	33.3%	-0.7% #
Not-Disclosed	3,080	3,565	-13.6%	3,515	-12.4%
% Not-Disclosed	6.1%	6.2%	-0.1% #	6.8%	-0.8% #
Refinanced	19,771	18,885	4.7%	49,215	-59.8%
% Refinanced	21.5%	18.8%	2.7% #	39.0%	-17.5% #
Average FICO Score **	698	695	0.4%	699	-0.1%
Prior FHA	9,579	8,386	14.2%	27,042	-64.6%
Streamline	6,881	5,894	16.7%	22,151	-68.9%
% Streamline	34.8%	31.2%	3.6% #	45.0%	-10.2% #
Full Process	2,698	2,492	8.3%	4,891	-44.8%
Cash Out	576	607	-5.1%	1,037	-44.5%
Conventional to FHA	10,192	10,499	-2.9%	22,173	-54.0%
Cash Out	3,030	3,167	-4.3%	6,100	-50.3%
Total Cash Out	3,606	3,774	-4.5%	7,137	-49.5%
Total % Cash Out	18.2%	20.0%	-1.7% #	14.5%	3.7% #
H4H (HOPE for Homeowners)	200	80		11	
Short Refinance	29	32	-9.4%		
HECM	5,590	5,807	-3.7%	5,966	-6.3%
% HECM	6.1%	5.8%	0.3% #	4.7%	1.4% #
HECM Standard Traditional	4,743	4,935	-3.9%	5,587	-15.1%
HECM Stndrd Traditional ARM	1,270	1,264	0.5%	1,680	-24.4%
HECM Standard Purchase	188	142	32.4%	107	75.7%
HECM Stndrd Purchase ARM	10	4		17	-41.2%
HECM Standard Refinance	121	194	-37.6%	272	-55.5%
% HECM Standard Refinance	2.2%	3.3%	-1.2% #	4.6%	-2.4% #
HECM Stndrd Refinance ARM	24	32	-25.0%	64	-62.5%
HECM Saver Total	538	536	0.4%		

Source: * F17 CHUMS

- Percentage point difference

NA - Not available at this time.

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

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

September 2011

MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	2,217	2,242	-1.1%	1,738	27.6%
Condominium	3,152	3,637	-13.3%	5,908	-46.6%
% Condominium	3.4%	3.6%	-0.2% #	4.7%	-1.2% #
ARM (Excludes HECM ARM)	3,634	4,084	-11.0%	3,387	7.3%
% ARM	4.0%	4.1%	-0.1% #	2.7%	1.3% #
Manufactured Housing (Real Estate)	1,691	1,817	-6.9%	2,109	-19.8%
Interest Buy-down	398	411	-3.2%	182	118.7%
Average Processing Time * ^					
(Existing Homes, weeks)					
Application to Closing	5.9	5.9	0.0%	6.8	-13.2%
Closing to Endorsement	3.6	3.5	2.9%	3.9	-7.7%
Lender Insurance *					
Total Lender Insurance	71,995	78,561	-8.4%	94,302	-23.7%
% of Total Insurance	78.3%	78.2%	0.1% #	74.6%	3.6% #
Forward Mortgages	70,546	76,885	-8.2%	92,808	-24.0%
HECM	1,449	1,676	-13.5%	1,494	-3.0%
Automated Underwriting System * x					
AUS Endorsed	76,395	85,572	-10.7%	96,292	-20.7%
AUS as % of Total Endorsed	88.4%	90.4%	-1.9% #	80.0%	8.4% #
Mortgage Insurance *					
Total Number	91,963	100,490	-8.5%	126,326	-27.2%
Total Amount (\$B)	\$16.2	\$17.4	-6.9%	\$24.4	-33.6%
Forward Mortgages					
Total Forward Number	86,373	94,683	-8.8%	120,360	-28.2%
Amount (\$B)	\$14.8	\$16.0	-7.5%	\$22.9	-35.4%
Purchase Number					
Purchase Number	66,602	75,798	-12.1%	71,145	-6.4%
Amount (\$B)	\$11.2	\$12.7	-11.8%	\$12.8	-12.5%
Refinance Number					
Refinance Number	19,771	18,885	4.7%	49,215	-59.8%
Amount (\$B)	\$3.6	\$3.3	9.1%	\$10.1	-64.4%
Reverse Mortgages					
HECM Number	5,590	5,807	-3.7%	5,966	-6.3%
Max Claim Amount (\$B)	\$1.4	\$1.4	0.0%	\$1.5	-6.7%
Mortgage Insurance-In-Force **					
Total Number	7,304,368	7,259,736	0.6%	6,624,780	10.3%
Total Unpaid Balance Amount (\$B)	\$1,019.7	\$1,012.8	0.7%	\$897.5	13.6%
Loans Seriously Delinquent *** <					
Seriously Delinquent	635,096	611,822	3.8%	553,459	14.8%
Seriously Delinquent Rate	8.7%	8.4%	0.3% #	8.4%	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

September 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 2011 FINAL
TOTAL APPLICATIONS: *	2,000,000	1,603,669	2,334,696	-31.3%	1,603,669
Purchase	1,120,000	921,886	1,256,565	-26.6%	921,886
Refinance	800,000	586,092	981,160	-40.3%	586,092
Prior FHA	300,000	247,124	423,093	-41.6%	247,124
Conventional to FHA	500,000	338,968	558,067	-39.3%	338,968
H4H (HOPE for Homeowners)		1,408	540	160.7%	1,408
Short Refinance		1,333	14		1,333
HECM	80,000	95,691	96,971	-1.3%	95,691
TOTAL ENDORSEMENTS: *	1,500,000	1,271,211	1,746,997	-27.2%	1,271,211
Minority	375,000	312,940	429,926	-27.2%	312,940
% Minority	25.0%	24.6%	24.6%	0.0% #	24.6%
Purchase	900,000	777,521	1,109,699	-29.9%	777,521
% Purchase	60.0%	61.2%	63.5%	-2.4% #	61.2%
1st Time Home Buyer	720,000	585,091	882,200	-33.7%	585,091
% 1st Time Home Buyer	80.0%	75.3%	79.5%	-4.2% #	75.3%
Non-Minority	460,800	360,891	558,991	-35.4%	360,891
% Non-Minority	64.0%	61.7%	63.4%	-1.7% #	61.7%
Minority	216,000	187,022	265,138	-29.5%	187,022
% Minority	30.0%	32.0%	30.1%	1.9% #	32.0%
Not-Disclosed	43,200	37,176	58,061	-36.0%	37,176
% Not-Disclosed	6.0%	6.4%	6.6%	-0.2% #	6.4%
Refinanced	525,000	420,561	558,192	-24.7%	420,561
% Refinanced	35.0%	33.1%	32.0%	1.1% #	33.1%
Prior FHA	231,000	224,936	252,522	-10.9%	224,936
Streamline	204,750	180,330	212,940	-15.3%	180,330
% Streamline	39.0%	42.9%	38.1%	4.7% #	42.9%
Full Process	26,250	44,606	39,582	12.7%	44,606
Cash Out	17,000	9,022	12,129	-25.6%	9,022
Conventional to FHA	294,000	195,634	305,676	-36.0%	195,634
Cash Out	203,000	52,921	98,107	-46.1%	52,921
Total Cash Out	220,000	61,943	110,236	-43.8%	61,943
Total % Cash Out	41.9%	14.7%	19.7%	-5.0% #	14.7%
H4H (HOPE for Homeowners)		632	107		632
Short Refinance		334	0		334
HECM	75,000	73,129	79,106	-7.6%	73,129
% HECM	5.0%	5.8%	4.5%	1.2% #	5.8%
HECM Standard Traditional	67,500	65,062	72,855	-10.7%	65,062
HECM Stndrd Traditional ARM	66,150	19,429	23,005	-15.5%	19,429
HECM Standard Purchase	2,400	1,514	1,389	9.0%	1,514
HECM Stndrd Purchase ARM	2,352	112	146	-23.3%	112
HECM Standard Refinance	5,100	2,727	4,862	-43.9%	2,727
% HECM Standard Refinance	6.8%	3.7%	6.1%	-2.4% #	3.7%
HECM Stndrd Refinance ARM	4,998	565	1,457	-61.2%	565
HECM Saver Total		3,828	0		3,828

Source: * F17 CHUMS

- Percentage point difference

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

September 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 2011 FINAL
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	22,000	21,297	22,491	-5.3%	21,297
Condominium	110,000	54,694	93,468	-41.5%	54,694
% Condominium	7.3%	4.3%	5.4%	-1.0% #	4.3%
ARM (Excludes HECM ARM)	50,000	50,882	46,940	8.4%	50,882
% ARM	3.3%	4.0%	2.7%	1.3% #	4.0%
Manufactured Housing (Real Estate)	50,000	21,378	30,751	-30.5%	21,378
Interest Buy-down	4,000	3,790	3,845	-1.4%	3,790
Lender Insurance *					
Total Lender Insurance	1,050,000	976,312	1,277,137	-23.6%	976,312
% of Total Insurance	70.0%	76.8%	73.1%	3.7% #	76.8%
Forward Mortgages	1,029,000	956,514	1,259,909	-24.1%	956,514
HECM	21,000	19,798	17,228	14.9%	19,798
Automated Underwriting System * x					
AUS Endorsed	1,125,000	994,574	1,409,766	-29.5%	994,574
AUS as % of Total Endorsed	78.9%	83.0%	84.5%	-1.5% #	83.0%
Mortgage Insurance *					
Total Number	1,500,000	1,271,211	1,746,997	-27.2%	1,271,211
Total Amount (\$B)	\$288.7	\$236.0	\$318.8	-26.0%	\$236.0
Forward Mortgages					
Total Forward Number	1,425,000	1,198,082	1,667,891	-28.2%	1,198,082
Amount (\$B)	\$270.0	\$217.8	\$297.7	-26.8%	\$217.8
Purchase Number					
Purchase Number	900,000	777,521	1,109,699	-29.9%	777,521
Amount (\$B)	\$162.0	\$134.4	\$191.7	-29.9%	\$134.4
Refinance Number					
Refinance Number	525,000	420,561	558,192	-24.7%	420,561
Amount (\$B)	\$107.6	\$83.4	\$106.0	-21.3%	\$83.4
Reverse Mortgages					
HECM Number	75,000	73,129	79,106	-7.6%	73,129
Max Claim Amount (\$B)	\$18.7	\$18.2	\$21.1	-13.7%	\$18.2
Claims **					
Total Claims	345,000	326,892	303,402	7.7%	326,892
Loss Mitigation Retention	218,000	200,808	182,968	9.8%	200,808
Pre-Foreclosures	19,000	25,069	15,291	63.9%	25,069
Conveyances	100,000	91,448	99,653	-8.2%	91,448
HECM	7,000	7,951	5,361	48.3%	7,951
Other Claims	1,000	1,616	129		1,616

Source: * F17 CHUMS ** A43C Claims System

= Percentage point difference

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