

## SINGLE-FAMILY OPERATIONS

December 2010

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### Applications

During December, the seasonally adjusted annual rate was estimated to be 1,778,000 -- slightly above last month.

The actual number of applications received was 112,500. While it is expected that December will be the low of the year because of the holiday season and heavy travel activity, severe weather in many parts of the country has made the expected monthly total worse.

Once again purchase transactions, with 57,390 applications was the leader (51%) followed by refinances (46,840) and 8,270 reverse mortgage applications.

The total count of refinances was made up of 17,580 prior FHA cases and 29,260 conventional conversions. Included in this refinance figure were 60 Hope for Homeowner cases as well as 30 short refinance transactions.

### Endorsements

FHA endorsed 133,603 mortgages in December. This included 66,165 purchase money mortgages, of which 48,539 were for first time home buyers.

Also, there were 60,884 refinanced mortgages insured, of which 37,762 were prior FHA cases and 23,122 were conventional mortgages converted to FHA. Included in the total were 21 H4H cases and 21 short refinance transactions.

There were also 6,554 HECM's insured, most being traditional type reverse mortgages.

### Automated Underwriting

In December, 93,995 mortgages were accepted and underwritten using the FHA score card. This represents about three out of every four mortgages insured this month.

### Insurance-In-Force

At the end of the month, FHA held 6,812,689 mortgages in force with an estimated mortgage balance of \$934.2 billion.

### Defaults and Claims

This month ended with 598,140 mortgages in serious default, yielding a default rate of 8.8 percent.

So far this fiscal year, FHA had paid 87,827 claims, 58,032 were loss mitigation retention transactions, 24,004 conveyance cases and the rest were miscellaneous other type claims.

# FHA SINGLE-FAMILY OUTLOOK

## SINGLE-FAMILY OPERATIONS

December 2010

### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>TOTAL APPLICATIONS: *</b>	<b>112,500</b>	<b>141,199</b>	<b>-20.3%</b>	<b>141,766</b>	<b>-20.6%</b>
Annual Rate	1,778,000	1,752,100	1.5%	2,138,400	-16.9%
Average per workday	7,028	6,925	1.5%	8,452	-16.8%
<b>Purchase</b>	<b>57,390</b>	<b>63,920</b>	<b>-10.2%</b>	<b>74,453</b>	<b>-22.9%</b>
<b>Refinance</b>	<b>46,840</b>	<b>69,062</b>	<b>-32.2%</b>	<b>60,387</b>	<b>-22.4%</b>
Prior FHA	17,580	30,593	-42.5%	15,198	15.7%
Conventional to FHA	29,260	38,469	-23.9%	45,189	-35.2%
H4H (HOPE for Homeowners)	60	88	-31.8%	19	215.8%
Short Refinance	30	40	-25.0%		
<b>HECM</b>	<b>8,270</b>	<b>8,217</b>	<b>0.6%</b>	<b>6,926</b>	<b>19.4%</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>133,603</b>	<b>131,258</b>	<b>1.8%</b>	<b>179,155</b>	<b>-25.4%</b>
Annual Rate	1,603,200	1,575,100	1.8%	2,149,900	-25.4%
Weighted Average FICO Score **	702	701	0.1%	694	1.2%
Minority	30,933	30,228	2.3%	42,217	-26.7%
% Minority	23.2%	23.0%	0.1% #	23.6%	-0.4% #
<b>Purchase</b>	<b>66,165</b>	<b>64,896</b>	<b>2.0%</b>	<b>106,137</b>	<b>-37.7%</b>
% Purchase	49.5%	49.4%	0.1% #	59.2%	-9.7% #
Average FICO Score **	701	700	0.1%	696	0.7%
1st Time Home Buyer	48,539	47,454	2.3%	89,124	-45.5%
% 1st Time Home Buyer	73.4%	73.1%	0.2% #	84.0%	-10.6% #
Non-Minority	29,370	28,894	1.6%	57,896	-49.3%
% Non-Minority	60.5%	60.9%	-0.4% #	65.0%	-4.5% #
Minority	15,885	15,312	3.7%	25,304	-37.2%
% Minority	32.7%	32.3%	0.5% #	28.4%	4.3% #
Not-Disclosed	3,284	3,247	1.1%	5,924	-44.6%
% Not-Disclosed	6.8%	6.8%	-0.1% #	6.6%	0.1% #
<b>Refinanced</b>	<b>60,884</b>	<b>59,803</b>	<b>1.8%</b>	<b>64,734</b>	<b>-5.9%</b>
% Refinanced	45.6%	45.6%	0.0% #	36.1%	9.4% #
Average FICO Score **	705	703	0.3%	687	2.6%
Prior FHA	37,762	38,285	-1.4%	36,553	3.3%
Streamline	31,814	32,943	-3.4%	34,001	-6.4%
% Streamline	52.3%	55.1%	-2.8% #	52.5%	-0.3% #
Full Process	5,948	5,342	11.3%	2,552	133.1%
Cash Out	1,041	963	8.1%	1,027	1.4%
Conventional to FHA	23,122	21,518	7.5%	28,161	-17.9%
Cash Out	5,738	5,188	10.6%	8,889	-35.4%
Total Cash Out	6,779	6,151	10.2%	9,916	-31.6%
Total % Cash Out	11.1%	10.3%	0.8% #	15.3%	-4.2% #
H4H (HOPE for Homeowners)	21	27	-22.2%		
Short Refinance	21	1			
<b>HECM</b>	<b>6,554</b>	<b>6,559</b>	<b>-0.1%</b>	<b>8,284</b>	<b>-20.9%</b>
% HECM	4.9%	5.0%	-0.1% #	4.6%	0.3% #
HECM Traditional	6,105	6,172	-1.1%	7,630	-20.0%
HECM Traditional ARM	2,594	2,319	11.9%	2,418	7.3%
HECM Purchase	115	108	6.5%	155	-25.8%
HECM Purchase ARM	21	15	40.0%	21	0.0%
HECM Refinance	259	260	-0.4%	499	-48.1%
% HECM Refinance	4.0%	4.0%	0.0% #	6.0%	-2.1% #
HECM Refinance ARM	85	63	34.9%	142	-40.1%
HECM Traditional Saver	75	19			

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

December 2010

### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	1,562	1,588	-1.6%	1,800	-13.2%
Condominium	6,389	6,284	1.7%	10,483	-39.1%
% Condominium	4.8%	4.8%	0.0% #	5.9%	-1.1% #
ARM (Excludes HECM ARM)	4,621	3,576	29.2%	4,362	5.9%
% ARM	3.5%	2.7%	0.7% #	2.4%	1.0% #
Manufactured Housing (Real Estate)	1,966	1,903	3.3%	2,937	-33.1%
Interest Buy-down	261	271	-3.7%	361	-27.7%
<b>Average Processing Time * ^</b>					
(Existing Homes, weeks)					
Application to Closing	7.6	7.3	4.1%	7.5	1.3%
Closing to Endorsement	4.1	4.1	0.0%	4.4	-6.8%
<b>Lender Insurance *</b>					
Total Lender Insurance	102,320	100,275	2.0%	124,914	-18.1%
% of Total Insurance	76.6%	76.4%	0.2% #	69.7%	6.9% #
Forward Mortgages	100,359	98,382	2.0%	123,231	-18.6%
HECM	1,961	1,893	3.6%	1,683	16.5%
<b>Automated Underwriting System * x</b>					
AUS Endorsed	93,995	90,502	3.9%	132,449	-29.0%
AUS as % of Total Endorsed	74.0%	72.6%	1.4% #	77.5%	-3.5% #
<b>Mortgage Insurance *</b>					
Total Number	133,603	131,258	1.8%	179,155	-25.4%
Total Amount (\$B)	\$26.4	\$26.1	1.1%	\$32.5	-18.8%
Forward Mortgages					
Total Forward Number	127,049	124,699	1.9%	170,871	-25.6%
Amount (\$B)	\$24.7	\$24.4	1.2%	\$30.2	-18.2%
Purchase Number					
Amount (\$B)	\$11.8	\$11.6	1.7%	\$17.9	-34.1%
Refinance Number					
Amount (\$B)	\$12.9	\$12.8	0.8%	\$12.3	4.9%
Reverse Mortgages					
HECM Number	6,554	6,559	-0.1%	8,284	-20.9%
Max Claim Amount (\$B)	\$1.7	\$1.7	0.0%	\$2.3	-26.1%
<b>Mortgage Insurance-In-Force **</b>					
Total Number	6,812,689	6,745,827	1.0%	5,815,006	17.2%
Total Unpaid Balance Amount (\$B)	\$934.2	\$921.0	1.4%	\$750.3	24.5%
<b>Loans Seriously Delinquent *** &lt;</b>					
90 Days + Delinquent	598,140	588,947	1.6%	549,661 r	8.8%
Seriously Delinquent Rate	8.8%	8.7%	0.1% #	9.5% r	-0.7% #

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

December 2010

### 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>429,119</b>	<b>601,077</b>	<b>-28.6%</b>	<b>2,334,696</b>
<b>Purchase</b>	<b>1,120,000</b>	<b>189,610</b>	<b>302,468</b>	<b>-37.3%</b>	<b>1,256,565</b>
<b>Refinance</b>	<b>800,000</b>	<b>214,773</b>	<b>279,220</b>	<b>-23.1%</b>	<b>981,160</b>
Prior FHA	300,000	104,782	132,857	-21.1%	423,093
Conventional to FHA	500,000	109,991	146,363	-24.9%	558,067
H4H (HOPE for Homeowners)		214	60		340
Short Refinance		122			
<b>HECM</b>	<b>80,000</b>	<b>24,736</b>	<b>19,389</b>	<b>27.6%</b>	<b>96,971</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>1,500,000</b>	<b>390,044</b>	<b>512,536</b>	<b>-23.9%</b>	<b>1,746,997</b>
Minority	375,000	90,280	119,618	-24.5%	429,926
% Minority	25.0%	23.1%	23.3%	-0.2% #	24.6%
<b>Purchase</b>	<b>900,000</b>	<b>196,829</b>	<b>304,968</b>	<b>-35.5%</b>	<b>1,109,699</b>
% Purchase	60.0%	50.5%	59.5%	-9.0% #	63.5%
1st Time Home Buyer	720,000	143,722	252,604	-43.1%	882,200
% 1st Time Home Buyer	80.0%	73.0%	82.8%	-9.8% #	79.5%
Non-Minority	460,800	87,454	166,211	-47.4%	558,991
% Non-Minority	64.0%	60.8%	65.8%	-4.9% #	63.4%
Minority	216,000	46,631	69,954	-33.3%	265,138
% Minority	30.0%	32.4%	27.7%	4.8% #	30.1%
Not-Disclosed	43,200	9,635	16,438	-41.4%	58,061
% Not-Disclosed	6.0%	6.7%	6.5%	0.2% #	6.6%
<b>Refinanced</b>	<b>525,000</b>	<b>174,825</b>	<b>182,775</b>	<b>-4.3%</b>	<b>558,192</b>
% Refinanced	35.0%	44.8%	35.7%	9.2% #	32.0%
Prior FHA	231,000	109,476	96,176	13.8%	252,522
Streamline	204,750	93,225	88,737	5.1%	212,940
% Streamline	39.0%	53.3%	48.5%	4.8% #	38.1%
Full Process	26,250	16,251	7,439	118.5%	39,582
Cash Out	17,000	2,931	3,193	-8.2%	12,129
Conventional to FHA	294,000	65,354	86,599	-24.5%	305,676
Cash Out	203,000	16,114	28,818	-44.1%	98,107
Total Cash Out	220,000	19,045	32,011	-40.5%	110,236
Total % Cash Out	41.9%	10.9%	17.5%	-6.6% #	19.7%
H4H (HOPE for Homeowners)		70	12		107
Short Refinance		22			
<b>HECM</b>	<b>75,000</b>	<b>18,390</b>	<b>24,793</b>	<b>-25.8%</b>	<b>79,106</b>
% HECM	5.0%	4.7%	4.8%	-0.1% #	4.5%
HECM Traditional	67,500	17,232	22,720	-24.2%	72,855
HECM Traditional ARM	66,150	6,398	7,986	-19.9%	23,005
HECM Purchase	2,400	315	420	-25.0%	1,389
HECM Purchase ARM	2,352	48	57	-15.8%	146
HECM Refinance	5,100	749	1,653	-54.7%	4,862
% HECM Refinance	6.8%	4.1%	6.7%	-2.6% #	6.1%
HECM Refinance ARM	4,998	196	512	-61.7%	1,457
HECM Traditional Saver		94			

Source: \* F17 CHUMS

# - Percentage point difference

# FHA SINGLE-FAMILY OUTLOOK

## SINGLE-FAMILY OPERATIONS

December 2010

### 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	4,781	5,274	-9.3%	22,491
Condominium	110,000	18,509	29,858	-38.0%	93,468
% Condominium	7.3%	4.7%	5.8%	-1.1% #	5.4%
ARM (Excludes HECM ARM)	50,000	11,489	12,249	-6.2%	46,940
% ARM	3.3%	2.9%	2.4%	0.6% #	2.7%
Manufactured Housing (Real Estate)	50,000	5,680	8,649	-34.3%	30,751
Interest Buy-down	4,000	796	1,065	-25.3%	3,845
<b>Lender Insurance *</b>					
Total Lender Insurance	1,050,000	295,646	358,901	-17.6%	1,277,137
% of Total Insurance	70.0%	75.8%	70.0%	5.8% #	73.1%
Forward Mortgages	1,029,000	290,647	353,846	-17.9%	1,259,909
HECM	21,000	4,999	5,055	-1.1%	17,228
<b>Automated Underwriting System * x</b>					
AUS Endorsed	1,125,000	274,530	385,331	-28.8%	1,409,766
AUS as % of Total Endorsed	78.9%	73.9%	79.0%	-5.1% #	84.5%
<b>Mortgage Insurance *</b>					
Total Number	1,500,000	390,044	512,531	-23.9%	1,746,997
Total Amount (\$B)	\$288.7	\$76.7	\$93.5	-18.0%	\$318.8
Forward Mortgages					
Total Forward Number	1,425,000	371,654	487,738	-23.8%	1,667,891
Amount (\$B)	\$270.0	\$72.1	\$86.5	-16.6%	\$297.7
Purchase Number					
Purchase Number	900,000	196,829	304,966	-35.5%	1,109,699
Amount (\$B)	\$162.0	\$35.1	\$52.0	-32.5%	\$191.7
Refinance Number					
Refinance Number	525,000	174,825	182,772	-4.3%	558,192
Amount (\$B)	\$107.6	\$37.0	\$34.5	7.2%	\$106.0
Reverse Mortgages					
HECM Number	75,000	18,390	24,793	-25.8%	79,106
Max Claim Amount (\$B)	\$18.7	\$4.6	\$7.0	-34.3%	\$21.1
<b>Claims **</b>					
Total Claims	305,000	87,827	56,842	54.5%	303,402
Loss Mitigation Retention	185,000	58,032	32,124	80.6%	182,968
Pre-Foreclosures	15,000	4,072	2,914	39.7%	15,291
Conveyances	100,000	24,004	20,689	16.0%	99,653
Other Claims	5,000	1,719	1,115	54.2%	5,490

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

# = Percentage point difference

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