

## SINGLE FAMILY OPERATIONS

September 16-30, 2008

CONTACT INFORMATION  
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### Applications

- The seasonally adjusted annual rate for applications was 2,983,900 -- at record levels and one percent above that reported for early September.
- Actual receipts for this reporting period was 125,945 applications -- or slightly more than 11,000 per workday.
- This total consisted of 60,160 purchase cases, 59,562 refinances and 6,223 reverse mortgage applications.
- The refinance applications totaled 11,353 FHA cases, 47,846 conventional to FHA and 363 delinquent conventionals converting to FHA instruments.

### Endorsements

- During this period, 80,388 mortgages were endorsed. They involved 51,699 purchase money mortgages, 23,604 refinanced cases and 5,085 HECM's.
- Purchase mortgages were 64.3 percent of the endorsements and of those, 39,737 were for first time home buyers -- 76.9 percent of the purchase loans.
- Refinanced mortgages were primarily conventional to FHA conversions (20,796), followed by FHA to FHA's (2,726) and delinquent conventional (82).
- Of all the refinances, 40.8 percent were cash out transactions.
- 440 Section 203k mortgages were endorsed -- 326 of these were handled under the Streamlined (k) Limited Repair program.
- Under Section 234c, 3,681 condominium units were insured.
- 5,085 HECM's were endorsed, 4,984 were first HECM units, while the remaining 101 cases were refinances of original HECM.
- 3,028 Manufactured Housing mortgages were endorsed.
- Case processing time is of some interest. For a proposed construction case the average time is 10.8 weeks from application to closing, then another 6.4 weeks to endorsement for a total of 17.2 weeks. However, for an existing home transaction, the total is 9.5 weeks, 5.1 weeks from application to closing then 4.4 weeks from closing to endorsement.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

September 16-30, 2008

### COMMENTS

#### Single Family Activity During Fiscal Year 2008

Fiscal Year 2008 was a great year for FHA. Thanks to the Economic Stimulus Act which raised FHA mortgages limits, the FHA Secure Initiative and the unfortunate state of the housing market as a result of the sub prime disaster, FHA activity soared.

During the year, FHA received 2,008,157 single family applications and insured 1,199,624 mortgages. This represents gains of 161 percent and 125 percent, respectively over last year.

Of the total applications received, more than 9 out of every 10 were existing construction sales or refinances. Considering activity by type of loan, 977,550 were purchase cases (49%), 885,972 were refinances and 144,635 were for reverse mortgages. A breakdown of the type of refinance applications was, 147,992 FHA to FHA, 727,225 conventional to FHA (82%) and 10,755 delinquent conversions.

Also, during the year FHA endorsed 1,199,624 mortgages for insurance, of which 631,667 were purchase money mortgages, 455,803 were refinanced transactions and 112,154 were HECM's.

For the purchase mortgages which made up 53% of the transactions 78 percent were for first time home buyers, 29.4 percent of which were minority families.

A look at the refinanced cases indicate that 95,287 were FHA cases, 356,722 were conventional conversions and the remaining 3,794 were formerly delinquent mortgages going FHA. Cash out transactions accounted for 36.5 percent of the refinancing.

With respect to HECM's, 112,154 were insured this year -- 107,719 first HECM and 4,435 refinanced HECM's.

For individual programs, some of the totals are as follows: 6,751 Section 203k mortgages, 46,873 Section 234c condo units and 241 disaster loans.

While there was only a small portion of mortgages with ARM provisions (excluding HECM's) they totaled 13,461. Their respective terms were; 622 with 1 year, 6219 with 3 years, 5,294 with 5 years, 1,302 with 7 years and only 24 with 10 year terms.

Lender Insurance activity accounted for 852,844 endorsements -- 71 percent of the mortgages endorsed during the fiscal year.

# FHA OUTLOOK

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### BI-WEEKLY COMPARISONS

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>	<b>125,945</b>	<b>109,794</b>	<b>14.7%</b>	<b>44,079</b>	<b>185.7%</b>
Annual Rate	2,983,900	2,963,500	0.7%	1,147,300	160.1%
Average per workday	11,794	11,713	0.7%	4,535	160.1%
<b>Purchase</b>	<b>60,160</b>	<b>61,693</b>	<b>-2.5%</b>	<b>17,796</b>	<b>238.1%</b>
<b>Refinance</b>	<b>59,562</b>	<b>42,698</b>	<b>39.5%</b>	<b>19,893</b>	<b>199.4%</b>
Prior FHA	11,353	6,396	77.5%	2,559	343.6%
Conventional to FHA	47,846	36,032	32.8%	17,053	180.6%
Conventional to FHA (Delinquent)	363	270	34.4%	281	29.2%
<b>HECM</b>	<b>6,223</b>	<b>5,403</b>	<b>15.2%</b>	<b>6,391</b>	<b>-2.6%</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>80,388</b>	<b>70,053</b>	<b>14.8%</b>	<b>26,620</b>	<b>202.0%</b>
Annual Rate	1,929,300	1,681,300	14.8%	638,900	202.0%
Average FICO Score (Jul)	681	668	1.9%	652	4.4%
Minority	21,223	18,367	15.5%	7,504	182.8%
% Minority	26.4%	26.2%	0.2% #	28.2%	-1.8% #
<b>Purchase</b>	<b>51,699</b>	<b>44,459</b>	<b>16.3%</b>	<b>14,082</b>	<b>267.1%</b>
% Purchase	64.3%	63.5%	0.8% #	52.9%	11.4% #
Average FICO Score (Jul)	690	677	1.9%	660	4.5%
1st Time Home Buyer	39,737	33,816	17.5%	11,204	254.7%
% 1st Time Home Buyer	76.9%	76.1%	0.8% #	79.6%	-2.7% #
Non-Minority	25,740	22,017	16.9%	7,198	257.6%
% Non Minority	64.8%	65.1%	-0.3% #	64.2%	0.5% #
Minority	11,476	9,611	19.4%	3,542	224.0%
% Minority	28.9%	28.4%	0.5% #	31.6%	-2.7% #
Not-Disclosed	2,519	2,187	15.2%	466	440.6%
% Not-Disclosed	6.3%	6.5%	-0.1% #	4.2%	2.2% #
<b>Refinanced</b>	<b>23,604</b>	<b>21,185</b>	<b>11.4%</b>	<b>8,379</b>	<b>181.7%</b>
% Refinanced	29.4%	30.2%	-0.9% #	31.5%	-2.1% #
Total Cash Out	9,630	8,526	12.9%	6,769	42.3%
Total % Cash Out	40.8%	40.2%	0.6% #	80.8%	-40.0% #
Average FICO Score (Jul)	663	657	0.9%	637	4.1%
Prior FHA	2,726	2,761	-1.3%	1,533	77.8%
Streamline	1,262	1,358	-7.1%	735	71.7%
% Streamline	5.3%	6.4%	-1.1% #	8.8%	-3.4% #
Full Process	1,464	1,403	4.3%	798	83.5%
Cash Out	850	836	1.7%		
Conventional to FHA	20,796	18,332	13.4%	6,846	203.8%
Cash Out	8,780	7,690	14.2%		
Conventional to FHA (Delinquent)	82	92	-10.9%		
<b>HECM</b>	<b>5,085</b>	<b>4,409</b>	<b>15.3%</b>	<b>4,159</b>	<b>22.3%</b>
% HECM	6.3%	6.3%	0.0% #	15.6%	-9.3% #
HECM First	4,984	4,295	16.0%	3,959	25.9%
HECM First ARM	4,940	4,235	16.6%	3,947	25.2%
HECM Refinance	101	114	-11.4%	200	-49.5%
% HECM Refinance	2.0%	2.6%	-0.6% #	4.8%	-2.8% #
HECM Refinance ARM	100	114	-12.3%	198	-49.5%

Source: \* F17 CHUMS

# - Percentage point difference

# FHA OUTLOOK

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September 16-30, 2008

### BI-WEEKLY COMPARISONS

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	440	397	10.8%	163	169.9%
Section 234(c)	3,681	3,263	12.8%	792	364.8%
% Section 234(c)	4.6%	4.7%	-0.1% #	3.0%	1.6% #
ARM (Excludes HECM ARM)	1,939	1,897	2.2%	204	850.5%
% ARM	2.4%	2.7%	-0.3% #	0.8%	1.6% #
Manufactured Housing	3,028	2,625	15.4%	2,498	21.2%
Interest Buy-down	550	383	43.6%	353	55.8%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	5.1	5.3	-3.8%	4.1	24.4%
Closing to Endorsement	4.4	4.5	-2.2%	4.6	-4.3%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Sep)	116,189	108,273	7.3%	22,521	415.9%
AUS as % of Total Endorsed	82.4%	78.2%	4.2% #	55.6%	26.8% #
<b>Lender Insurance *</b>					
Total Lender Insurance	59,185	52,872	11.9%	16,960	249.0%
% of Total Insurance	73.6%	75.5%	-1.9% #	63.7%	9.9% #
Forward Mortgages	57,362	50,991	12.5%	15,656	266.4%
HECM	1,823	1,881	-3.1%	1,304	39.8%

Source: \* F17 CHUMS # - Percentage point difference r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

September 16-30, 2008

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>2,000,000</b>	<b>2,008,157</b>	<b>768,770</b>	<b>161.2%</b>	<b>768,770</b>
<b>Purchase</b>	<b>900,000</b>	<b>977,550</b>	<b>378,995</b>	<b>157.9%</b>	<b>378,995</b>
<b>Refinance</b>	<b>944,000</b>	<b>885,972</b>	<b>269,471</b>	<b>228.8%</b>	<b>269,471</b>
Prior FHA	171,000	147,992	54,951	169.3%	54,951
Conventional to FHA	759,000	727,225	214,225	239.5%	214,225
Conventional to FHA (Delinquent)	14,000	10,755	295		295
<b>HECM</b>	<b>156,000</b>	<b>144,635</b>	<b>120,304</b>	<b>20.2%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>1,100,000</b>	<b>1,199,624</b>	<b>532,337</b>	<b>125.4%</b>	<b>532,337</b>
Minority	330,000	322,002	148,927	116.2%	148,927
% Minority	30.0%	26.8%	28.0%	-1.1% #	28.0%
<b>Purchase</b>	<b>506,000</b>	<b>631,667</b>	<b>278,422</b>	<b>126.9%</b>	<b>278,422</b>
% Purchase	46.0%	52.7%	52.3%	0.4% #	52.3%
1st Time Home Buyer	405,000	492,295	221,492	122.3%	221,492
% 1st Time Home Buyer	80.0%	77.9%	79.6%	-1.6% #	79.6%
Non-Minority	263,000	319,449	143,170	123.1%	143,170
% Non Minority	64.9%	64.9%	64.6%	0.3% #	64.6%
Minority	125,000	144,623	69,041	109.5%	69,041
% Minority	30.9%	29.4%	31.2%	-1.8% #	31.2%
Not-Disclosed	17,000	28,218	9,275	204.2%	9,275
% Not-Disclosed	4.2%	5.7%	4.2%	1.5% #	4.2%
<b>Refinanced</b>	<b>462,000</b>	<b>455,803</b>	<b>146,357</b>	<b>211.4%</b>	<b>146,357</b>
% Refinanced	42.0%	38.0%	27.5%	10.5% #	27.5%
Total Cash Out	157,000	166,475	112,767	47.6%	112,767
Total % Cash Out	34.0%	36.5%	77.0%	-40.5% #	77.0%
Prior FHA	101,000	95,287	38,606	146.8%	38,606
Streamline	76,000	66,785	22,105	202.1%	22,105
% Streamline	16.5%	14.7%	15.1%	-0.5% #	15.1%
Full Process	25,000	28,502	16,501	72.7%	16,501
Cash Out	15,000	16,424			
Conventional to FHA	356,000	356,722	107,761	231.0%	107,761
Cash Out	157,000	150,051			
Conventional to FHA (Delinquent)	5,000	3,794			
<b>HECM</b>	<b>132,000</b>	<b>112,154</b>	<b>107,558</b>	<b>4.3%</b>	<b>107,558</b>
% HECM	12.0%	9.3%	20.2%	-10.9% #	20.2%
HECM First	125,000	107,719	100,809	6.9%	100,809
HECM First ARM	123,000	105,144	100,713	4.4%	100,713
HECM Refinance	7,000	4,435	6,749	-34.3%	6,749
% HECM Refinance	5.3%	4.0%	6.3%	-2.3% #	6.3%
HECM Refinance ARM	6,400	4,342	6,725	-35.4%	6,725

Source: \* F17 CHUMS

# - Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

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### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	11,000	6,751	3,391	99.1%	3,391
Section 234(c)	44,000	46,873	16,865	177.9%	16,865
% Section 234(c)	4.0%	3.9%	3.2%	0.7% #	3.2%
ARM (Excludes HECM ARM)	6,000	13,461	5,204	158.7%	5,204
% ARM	0.5%	1.1%	1.0%	0.1% #	1.0%
Manufactured Housing	77,000	60,614	50,366	20.3%	50,366
Interest Buy-down	10,000	7,354	3,647	101.6%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Sep)	546,000	735,330	240,656	205.6%	240,656
AUS as % of Total Endorse.	56.4%	67.6%	56.7%	10.9% #	56.7%
<b>Loans Delinquent as of (Aug) **</b>					
	230,000	236,791	192,088	23.3%	202,197
<b>Claims (Sep) ***</b>					
Loss Mitigation Retention	75,000	96,482	86,527	11.5%	86,527
Loss Mitigation Disposition	5,000	4,685	4,480	4.6%	4,480
Other Claims	55,000	58,506	51,448	13.7%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	770,000	852,844	303,011	181.5%	303,011
% of Total Insurance	70.0%	71.1%	56.9%	14.2% #	56.9%
Forward Mortgages	662,000	815,525	290,339	180.9%	290,339
HECM	108,000	37,319	12,672	194.5%	12,672

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

# = Percentage point difference r - revised

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. Percentage based on forward mortgages only.

## SINGLE FAMILY OPERATIONS

September 1-15, 2008

CONTACT INFORMATION  
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### Applications

- Applications, at a seasonally adjusted annual rate, continued to climb -- reaching almost 3 million (2,963,500) -- the best in over 10 years.
- By actual count for the period application receipts totaled 109,794 -- composed of 2,297 proposed cases, 103,688 existing home transactions and 3,809 sales of properties less than 1 year old.
- In addition, the count by type of loan was 61,693 purchase transactions, 42,698 refinances and 5,403 HECM's.

### Endorsements

- 70,053 mortgages were insured in early September -- they included 44,459 purchase money mortgages, 21,185 refinanced mortgages and 4,409 reverse mortgages.
- With respect to the purchase mortgage -- about three out of four were for first time home buyers (33,816).
- Looking at the refinanced pattern, 2,761 were FHA to FHA transactions, 18,332 deals were conventional conversions to FHA and only 92 were delinquent conventional conversions.
- It is also worth noting that 40 percent of the refinances included a cash out (8,526).
- 3,263 condominium units were insured.
- Although only a small number of mortgages (1,897) had ARM terms, 762 were 3 year hybrids and 986 had 5 year terms; other terms were minimal.
- 2,625 mortgages covered Manufactured Housing.,
- Case processing -- application to endorsement covered about 2 1/2 months.

## SINGLE FAMILY OPERATIONS

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### COMMENTS

#### FHA Jumbo Mortgages

In March of this year, the Economic Security Act raised the maximum insured limit for FHA single family homes to \$729,750. Since that time FHA has endorsed 665,915 single family homes for insurance. Many of these transactions were higher than the former local maximum amounts. However, this discussion will deal primarily with those over the conforming limit -- \$417,000 (jumbo mortgages).

By the end of August, only 7,479 were in the jumbo category. In March, 47 were recorded, then 283 in April, 902 in May, 1,539 in June, 2,166 during July and 2,542 for August. The largest number were purchase transactions (4,897), many undoubtedly due to distress sales on good properties where buyers could get greatly reduced prices.

In addition, there were 2,582 refinances -- 95 percent which were conventional mortgages converting to FHA's. It is also of interest to note that 38 percent of the conversions were also cash out deals. This is probably due to homeowners getting better rates and/or terms and still had adequate equity to be able to get some cash out of the transaction.

The total price of all FHA mortgages is interesting -- definitely affected by the new limits. In March, the average FHA mortgage was \$157,374. By August, the average had moved up to \$174,911. This represents an 11 percent increase in five months.

Most of the jumbo mortgages are originating in the high cost areas of the Northeast part of the country as well as California. During August, the largest number of cases were from the Northeast, the Washington DC area (458) and New York City (307) environs. California was slow in starting but by August most were showing noticeable action in the jumbo loans. For example, Los Angeles with 330, San Francisco with 285, Santa Ana with 252, San Diego and Sacramento were lower but showing recent activity in high priced mortgages.

The range of mortgage amounts, nationally, for the jumbo mortgage was: 51 percent in the \$417 to \$499 thousand range, 30 percent in the \$500 thousand group, 13 percent in the \$600 thousand group and just 6 percent in the \$700-\$730 thousand range.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

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### BI-WEEKLY COMPARISONS

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>	<b>109,794</b>	<b>92,870</b>	<b>18.2%</b>	<b>39,483</b>	<b>178.1%</b>
Annual Rate	2,963,500	2,496,400	18.7%	1,181,200	150.9%
Average per workday	11,713	9,867	18.7%	4,669	150.9%
<b>Purchase</b>	<b>61,693</b>	<b>54,305</b>	<b>13.6%</b>	<b>17,211</b>	<b>258.5%</b>
<b>Refinance</b>	<b>42,698</b>	<b>32,874</b>	<b>29.9%</b>	<b>17,093</b>	<b>149.8%</b>
Prior FHA	6,396	2,552	150.6%	2,350	172.2%
Conventional to FHA	36,032	30,100	19.7%	14,727	144.7%
Conventional to FHA (Delinquent)	270	222	21.6%	15	1700.0%
<b>HECM</b>	<b>5,403</b>	<b>5,691</b>	<b>-5.1%</b>	<b>5,180</b>	<b>4.3%</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>70,053</b>	<b>70,091</b>	<b>-0.1%</b>	<b>21,588</b>	<b>224.5%</b>
Annual Rate	1,681,300	1,682,200	-0.1%	518,100	224.5%
Average FICO Score (Jul)	681	668	1.9%	652	4.4%
Minority	18,367	18,075	1.6%	6,084	201.9%
% Minority	26.2%	25.8%	0.4% #	28.2%	-2.0% #
<b>Purchase</b>	<b>44,459</b>	<b>44,580</b>	<b>-0.3%</b>	<b>11,657</b>	<b>281.4%</b>
% Purchase	63.5%	63.6%	-0.1% #	54.0%	9.5% #
Average FICO Score (Jul)	690	677	1.9%	660	4.5%
1st Time Home Buyer	33,816	33,941	-0.4%	9,301	263.6%
% 1st Time Home Buyer	76.1%	76.1%	-0.1% #	79.8%	-3.7% #
Non-Minority	22,017	22,263	-1.1%	5,941	270.6%
% Non Minority	65.1%	65.6%	-0.5% #	63.9%	1.2% #
Minority	9,611	9,557	0.6%	2,946	226.2%
% Minority	28.4%	28.2%	0.3% #	31.7%	-3.3% #
Not-Disclosed	2,187	2,121	3.1%	413	429.5%
% Not-Disclosed	6.5%	6.2%	0.2% #	4.4%	2.0% #
<b>Refinanced</b>	<b>21,185</b>	<b>21,013</b>	<b>0.8%</b>	<b>6,395</b>	<b>231.3%</b>
% Refinanced	30.2%	30.0%	0.3% #	29.6%	0.6% #
Total Cash Out	8,526	8,433	1.1%	5,151	65.5%
Total % Cash Out	40.2%	40.1%	0.1% #	80.5%	-40.3% #
Average FICO Score (Jul)	663	657	0.9%	637	4.1%
Prior FHA	2,761	2,939	-6.1%	1,098	151.5%
Streamline	1,358	1,635	-16.9%	526	158.2%
% Streamline	6.4%	7.8%	-1.4% #	8.2%	-1.8% #
Full Process	1,403	1,304	7.6%	572	145.3%
Cash Out	836	783	6.8%		
Conventional to FHA	18,332	17,961	2.1%	5,297	246.1%
Cash Out	7,690	7,650	0.5%		
Conventional to FHA (Delinquent)	92	113	-18.6%		
<b>HECM</b>	<b>4,409</b>	<b>4,498</b>	<b>-2.0%</b>	<b>3,536</b>	<b>24.7%</b>
% HECM	6.3%	6.4%	-0.1% #	16.4%	-10.1% #
HECM First	4,295	4,383 r	-2.0%	3,356	28.0%
HECM First ARM	4,235	4,312 r	-1.8%	3,348	26.5%
HECM Refinance	114	115 r	-0.9%	180	-36.7%
% HECM Refinance	2.6%	2.6%	0.0% #	5.1%	-2.5% #
HECM Refinance ARM	114	114 r	0.0%	177	-35.6%

Source: \* F17 CHUMS

# - Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

September 1-15, 2008

### BI-WEEKLY COMPARISONS

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	397	455	-12.7%	119 r	233.6%
Section 234(c)	3,263	3,309	-1.4%	639	410.6%
% Section 234(c)	4.7%	4.7%	-0.1% #	3.0%	1.7% #
ARM (Excludes HECM ARM)	1,897	1,809	4.9%	183	936.6%
% ARM	2.7%	2.6%	0.1% #	0.8%	1.9% #
Manufactured Housing	2,625	2,725	-3.7%	1,869	40.4%
Interest Buy-down	383	390	-1.8%	227	68.7%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	5.3	5.0	6.0%	4.4	20.5%
Closing to Endorsement	4.5	4.7	-4.3%	4.4	2.3%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Aug)	108,273	101,387	6.8%	25,039	332.4%
AUS as % of Total Endorsed	78.2%	75.4%	2.8% #	56.1%	22.1% #
<b>Lender Insurance *</b>					
Total Lender Insurance	52,872	52,250	1.2%	13,839	282.1%
% of Total Insurance	75.5%	74.5%	0.9% #	64.1%	11.4% #
Forward Mortgages	50,991	50,232	1.5%	12,692	301.8%
HECM	1,881	2,018	-6.8%	1,147	64.0%

Source: \* F17 CHUMS # - Percentage point difference r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

September 1-15, 2008

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>2,000,000</b>	<b>1,882,213</b>	<b>724,691</b>	<b>159.7%</b>	<b>768,770</b>
<b>Purchase</b>	<b>900,000</b>	<b>918,547</b>	<b>361,348</b>	<b>154.2%</b>	<b>378,995</b>
<b>Refinance</b>	<b>944,000</b>	<b>825,253</b>	<b>249,829</b>	<b>230.3%</b>	<b>269,471</b>
Prior FHA	171,000	133,317	52,441	154.2%	54,951
Conventional to FHA	759,000	681,215	197,369	245.1%	214,225
Conventional to FHA (Delinquent)	14,000	10,721	15		295
<b>HECM</b>	<b>156,000</b>	<b>138,413</b>	<b>114,043</b>	<b>21.4%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>1,100,000</b>	<b>1,119,430</b>	<b>505,786</b>	<b>121.3%</b>	<b>532,337</b>
Minority	330,000	300,802	141,446	112.7%	148,927
% Minority	30.0%	26.9%	28.0%	-1.1% #	28.0%
<b>Purchase</b>	<b>506,000</b>	<b>580,013</b>	<b>264,364</b>	<b>119.4%</b>	<b>278,422</b>
% Purchase	46.0%	51.8%	52.3%	-0.5% #	52.3%
1st Time Home Buyer	405,000	452,564	210,289	115.2%	221,492
% 1st Time Home Buyer	80.0%	78.0%	79.5%	-1.5% #	79.6%
Non-Minority	263,000	293,743	135,978	116.0%	143,170
% Non Minority	64.9%	64.9%	64.7%	0.2% #	64.6%
Minority	125,000	133,143	65,508	103.2%	69,041
% Minority	30.9%	29.4%	31.2%	-1.7% #	31.2%
Not-Disclosed	17,000	25,699	8,809	191.7%	9,275
% Not-Disclosed	4.2%	5.7%	4.2%	1.5% #	4.2%
<b>Refinanced</b>	<b>462,000</b>	<b>432,343</b>	<b>137,991</b>	<b>213.3%</b>	<b>146,357</b>
% Refinanced	42.0%	38.6%	27.3%	11.3% #	27.5%
Total Cash Out	157,000	156,939	106,005	48.0%	112,767
Total % Cash Out	34.0%	36.3%	76.8%	-40.5% #	77.0%
Prior FHA	101,000	92,568	37,094	149.5%	38,606
Streamline	76,000	65,527	21,373	206.6%	22,105
% Streamline	16.5%	15.2%	15.5%	-0.3% #	15.1%
Full Process	25,000	27,041	15,721	72.0%	16,501
Cash Out	15,000	15,576			
Conventional to FHA	356,000	335,947	100,918	232.9%	107,761
Cash Out	157,000	141,363			
Conventional to FHA (Delinquent)	5,000	3,828			
<b>HECM</b>	<b>132,000</b>	<b>107,074</b>	<b>103,431</b>	<b>3.5%</b>	<b>107,558</b>
% HECM	12.0%	9.6%	20.4%	-10.9% #	20.2%
HECM First	125,000	102,684	96,879	6.0%	100,809
HECM First ARM	123,000	98,546	96,795	1.8%	100,713
HECM Refinance	7,000	4,334	6,552	-33.9%	6,749
% HECM Refinance	5.3%	4.0%	6.3%	-2.3% #	6.3%
HECM Refinance ARM	6,400	4,242	6,530	-35.0%	6,725

Source: \* F17 CHUMS

# - Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

September 1-15, 2008

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	11,000	6,314	3,228 r	95.6%	3,391
Section 234(c)	44,000	43,203	16,066	168.9%	16,865
% Section 234(c)	4.0%	3.9%	3.2%	0.7% #	3.2%
ARM (Excludes HECM ARM)	6,000	11,509	4,995	130.4%	5,204
% ARM	0.5%	1.0%	1.0%	0.0% #	1.0%
Manufactured Housing	77,000	57,593	47,876	20.3%	50,366
Interest Buy-down	10,000	6,781	3,266	107.6%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Aug)	546,000	619,185	218,150	183.8%	240,656
AUS as % of Total Endorse.	56.4%	59.6%	56.8%	2.8% #	56.7%
<b>Loans Delinquent as of (Aug) **</b>					
	230,000	236,791	192,088	23.3%	202,197
<b>Claims (Aug) ***</b>					
Loss Mitigation Retention	135,000	144,294	130,981	10.2%	142,455
Loss Mitigation Disposition	75,000	86,823	79,300	9.5%	86,527
Other Claims	5,000	4,172	4,163	0.2%	4,480
	55,000	53,299	47,518	12.2%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	770,000	793,813	286,082	177.5%	303,011
% of Total Insurance	70.0%	70.9%	56.6%	14.4% #	56.9%
Forward Mortgages	662,000	758,316	274,798	176.0%	290,339
HECM	108,000	35,497	11,284	214.6%	12,672

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

# = Percentage point difference r - revised

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. Percentage based on forward mortgages only.

## SINGLE FAMILY OPERATIONS

August 16-31, 2008

CONTACT INFORMATION  
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ZENORA HINES 202-402-7544

### Applications

- After seasonal adjustment, the annual rate for applications was 2,496,400 -- 2.4 percent above early August and the eleventh consecutive reporting period when the rate was in the two million range.
- By contract, the actual count was down slightly to 92,870 -- primarily because of one less work day during this period.
- 54,305 cases were purchase transactions, 32,874 were refinances and 5,691 were HECM's.
- Most of the refinances were conventional conversions to FHA.

### Endorsements

- During late August, 70,091 mortgages were endorsed -- 63.6 percent being purchase money instruments, 30 percent refinances and the rest reverse mortgages.
- 76.1 percent of the purchase transactions were for first time home buyers and 28.2 percent of these mortgages were for minority households.
- As to refinance actions, 40.1 percent were cash out deals and as with applications, the bulk of these refinances were conventional mortgages moving to FHA insured.
- The average FICO score for all mortgages was 676 -- much better than the 651 recorded a year ago -- suggesting improved credit quality for the current mortgages being insured.
- This is also noted in the class of loans -- for purchase cases, it is 685 now and 659 a year ago, and for the refinances, 661 now versus 637 last year.
- 52,250 mortgages were insured under the Lender Insurance program -- that is 74.5 percent of the cases insured this period.

### Automated Underwriting

- During August 108,273 mortgages were accepted and insured using the FHA score card, representing 78.2 percent of the total endorsements.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

August 16-31, 2008

### BI-WEEKLY COMPARISONS

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>	<b>92,870</b>	<b>101,011</b>	<b>-8.1%</b>	<b>45,458</b>	<b>104.3%</b>
Annual Rate	2,496,400	2,437,600	2.4%	1,014,000	146.2%
Average per workday	9,867	9,635	2.4%	4,008	146.2%
<b>Purchase</b>	<b>54,305</b>	<b>58,121</b>	<b>-6.6%</b>	<b>21,313</b>	<b>154.8%</b>
<b>Refinance</b>	<b>32,874</b>	<b>36,704</b>	<b>-10.4%</b>	<b>17,805</b>	<b>84.6%</b>
Prior FHA	2,552	2,807	-9.1%	2,452	4.1%
Conventional to FHA	30,100	33,655	-10.6%	15,353	96.1%
Conventional to FHA (Delinquent)	222	242	-8.3%		
<b>HECM</b>	<b>5,691</b>	<b>6,186</b>	<b>-8.0%</b>	<b>6,340</b>	<b>-10.2%</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>70,091</b>	<b>77,608</b>	<b>-9.7%</b>	<b>27,791</b>	<b>152.2%</b>
Annual Rate	1,682,200	1,862,600	-9.7%	667,000	152.2%
Average FICO Score (Jun)	676	668	1.2%	651	3.8%
Minority	18,075	19,926	-9.3%	7,929	128.0%
% Minority	25.8%	25.7%	0.1% #	28.5%	-2.7% #
<b>Purchase</b>	<b>44,580</b>	<b>48,802</b>	<b>-8.7%</b>	<b>14,994</b>	<b>197.3%</b>
% Purchase	63.6%	62.9%	0.7% #	54.0%	9.7% #
Average FICO Score (Jun)	685	677	1.2%	659	3.9%
1st Time Home Buyer	33,941	37,335	-9.1%	11,917	184.8%
% 1st Time Home Buyer	76.1%	76.5%	-0.4% #	79.5%	-3.3% #
Non-Minority	22,263	24,597	-9.5%	7,651	191.0%
% Non Minority	65.6%	65.9%	-0.3% #	64.2%	1.4% #
Minority	9,557	10,311	-7.3%	3,744	155.3%
% Minority	28.2%	27.6%	0.5% #	31.4%	-3.3% #
Not-Disclosed	2,121	2,427	-12.6%	524	304.8%
% Not-Disclosed	6.2%	6.5%	-0.3% #	4.4%	1.9% #
<b>Refinanced</b>	<b>21,013</b>	<b>23,994</b>	<b>-12.4%</b>	<b>8,272</b>	<b>154.0%</b>
% Refinanced	30.0%	30.9%	-0.9% #	29.8%	0.2% #
Total Cash Out	8,433	9,344	-9.7%	6,781	24.4%
Total % Cash Out	40.1%	38.9%	1.2% #	82.0%	-41.8% #
Average FICO Score (Jun)	661	657	0.6%	637	3.8%
Prior FHA	2,939	3,665	-19.8%	1,490	97.2%
Streamline	1,635	2,177	-24.9%	682	139.7%
% Streamline	7.8%	9.1%	-1.3% #	8.2%	-0.5% #
Full Process	1,304	1,488	-12.4%	808	61.4%
Cash Out	783	894	-12.4%		
Conventional to FHA	17,961	20,197	-11.1%	6,781	164.9%
Cash Out	7,650	8,450	-9.5%		
Conventional to FHA (Delinquent)	113	132	-14.4%		
<b>HECM</b>	<b>4,498</b>	<b>4,812</b>	<b>-6.5%</b>	<b>4,525</b>	<b>-0.6%</b>
% HECM	6.4%	6.2%	0.2% #	16.3%	-9.9% #
HECM First	4,383 r	4,653	-5.8%	4,242	3.3%
HECM First ARM	4,312 r	2,990	44.2%	4,236	1.8%
HECM Refinance	115 r	103	11.7%	283	-59.4%
% HECM Refinance	2.6%	2.1%	0.4% #	6.3%	-3.7% #
HECM Refinance ARM	114 r	102	11.8%	282	-59.6%

Source: \* F17 CHUMS

# - Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

August 16-31, 2008

### BI-WEEKLY COMPARISONS

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	455	472	-3.6%	182 r	150.0%
Section 234(c)	3,309	3,415	-3.1%	913	262.4%
% Section 234(c)	4.7%	4.4%	0.3% #	3.3%	1.4% #
ARM (Excludes HECM ARM)	1,809	1,530	18.2%	253	615.0%
% ARM	2.6%	2.0%	0.6% #	0.9%	1.7% #
Manufactured Housing	2,725	2,990	-8.9%	2,439	11.7%
Interest Buy-down	390	419	-6.9%	249	56.6%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	5.0	5.1	-2.0%	4.0	25.0%
Closing to Endorsement	4.7	4.7	0.0%	4.3	9.3%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Aug)	108,273	101,387	6.8%	25,039	332.4%
AUS as % of Total Endorsed	78.2%	75.4%	2.8% #	56.1%	22.1% #
<b>Lender Insurance *</b>					
Total Lender Insurance	52,250	57,175	-8.6%	17,602	196.8%
% of Total Insurance	74.5%	73.7%	0.9% #	63.3%	11.2% #
Forward Mortgages	50,232	55,256	-9.1%	16,015	213.7%
HECM	2,018	1,919	5.2%	1,587	27.2%

Source: \* F17 CHUMS # - Percentage point difference r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

August 16-31, 2008

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>2,000,000</b>	<b>1,772,419</b>	<b>685,208</b>	<b>158.7%</b>	<b>768,770</b>
<b>Purchase</b>	<b>900,000</b>	<b>856,854</b>	<b>344,137</b>	<b>149.0%</b>	<b>378,995</b>
<b>Refinance</b>	<b>944,000</b>	<b>782,555</b>	<b>232,736</b>	<b>236.2%</b>	<b>269,471</b>
Prior FHA	171,000	126,921	50,091	153.4%	54,951
Conventional to FHA	759,000	645,183	182,642	253.3%	214,225
Conventional to FHA (Delinquent)	14,000	10,451			295
<b>HECM</b>	<b>156,000</b>	<b>133,010</b>	<b>108,863</b>	<b>22.2%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>1,100,000</b>	<b>1,049,377</b>	<b>484,198</b>	<b>116.7%</b>	<b>532,337</b>
Minority	330,000	282,435	135,362	108.7%	148,927
% Minority	30.0%	26.9%	28.0%	-1.0% #	28.0%
<b>Purchase</b>	<b>506,000</b>	<b>535,554</b>	<b>252,707</b>	<b>111.9%</b>	<b>278,422</b>
% Purchase	46.0%	51.0%	52.2%	-1.2% #	52.3%
1st Time Home Buyer	405,000	418,751	200,991	108.3%	221,492
% 1st Time Home Buyer	80.0%	78.2%	79.5%	-1.3% #	79.6%
Non-Minority	263,000	271,726	130,037	109.0%	143,170
% Non Minority	64.9%	64.9%	64.7%	0.2% #	64.6%
Minority	125,000	123,532	62,562	97.5%	69,041
% Minority	30.9%	29.5%	31.1%	-1.6% #	31.2%
Not-Disclosed	17,000	23,512	8,396	180.0%	9,275
% Not-Disclosed	4.2%	5.6%	4.2%	1.4% #	4.2%
<b>Refinanced</b>	<b>462,000</b>	<b>411,158</b>	<b>131,596</b>	<b>212.4%</b>	<b>146,357</b>
% Refinanced	42.0%	39.2%	27.2%	12.0% #	27.5%
Total Cash Out	157,000	148,413	100,854	47.2%	112,767
Total % Cash Out	34.0%	36.1%	76.6%	-40.5% #	77.0%
Prior FHA	101,000	89,807	35,996	149.5%	38,606
Streamline	76,000	64,169	20,847	207.8%	22,105
% Streamline	16.5%	15.6%	15.8%	-0.2% #	15.1%
Full Process	25,000	25,638	15,149	69.2%	16,501
Cash Out	15,000	14,740			
Conventional to FHA	356,000	317,615	95,621	232.2%	107,761
Cash Out	157,000	133,673			
Conventional to FHA (Delinquent)	5,000	3,736			
<b>HECM</b>	<b>132,000</b>	<b>102,665</b>	<b>99,895</b>	<b>2.8%</b>	<b>107,558</b>
% HECM	12.0%	9.8%	20.6%	-10.8% #	20.2%
HECM First	125,000	98,389 r	93,523	5.2%	100,809
HECM First ARM	123,000	94,311 r	93,447	0.9%	100,713
HECM Refinance	7,000	4,220 r	6,372	-33.8%	6,749
% HECM Refinance	5.3%	4.1%	6.4%	-2.3% #	6.3%
HECM Refinance ARM	6,400	4,128 r	6,353	-35.0%	6,725

Source: \* F17 CHUMS

# - Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

August 16-31, 2008

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	11,000	5,917	3,109 r	90.3%	3,391
Section 234(c)	44,000	39,940	15,427	158.9%	16,865
% Section 234(c)	4.0%	3.8%	3.2%	0.6% #	3.2%
ARM (Excludes HECM ARM)	6,000	9,612	4,812	99.8%	5,204
% ARM	0.5%	0.9%	1.0%	-0.1% #	1.0%
Manufactured Housing	77,000	54,968	46,007	19.5%	50,366
Interest Buy-down	10,000	6,398	3,039	110.5%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Aug)	546,000	619,185	218,150	183.8%	240,656
AUS as % of Total Endorse.	56.4%	59.6%	56.8% r	2.8% #	56.7%
<b>Loans Delinquent as of (Jul) **</b>					
	230,000	232,864	188,894	23.3%	202,197
<b>Claims (Aug) ***</b>					
Loss Mitigation Retention	75,000	86,823	79,300	9.5%	86,527
Loss Mitigation Disposition	5,000	4,172	4,163	0.2%	4,480
Other Claims	55,000	53,299	47,518	12.2%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	770,000	740,941	272,243	172.2%	303,011
% of Total Insurance	70.0%	70.6%	56.2%	14.4% #	56.9%
Forward Mortgages	662,000	707,325	262,106	169.9%	290,339
HECM	108,000	33,616	10,137	231.6%	12,672

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

# = Percentage point difference r - revised

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. Percentage based on forward mortgages only.

## SINGLE FAMILY OPERATIONS

August 1-15, 2008

CONTACT INFORMATION  
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ZENORA HINES 202-402-7544

### Applications

- After seasonal adjustment, the annual rate for applications was 2,437,600 -- 11.7 percent higher than the prior period.
- Actual receipts totaled 101,011 -- of which 58,121 were purchase money mortgages, 36,704 refinanced actions and 6,186 reverse mortgages. The bulk of the refinances were conventional conversions (33,655).
- As of August 15, applications were 141.5 percent higher than reported for the same period last year.

### Endorsements

- 77,608 mortgages were endorsed during this report period with an average FICO score of 676.
- Of this total, 48,802 were purchase money mortgages, 23,994 refinanced transactions and 4,812 HECM's.
- The average FICO score for purchase cases was 685 and for refinances it was 661.
- With respect to purchase transactions, 76.5 percent of the mortgages were for first time home buyers and of those 27.6 percent were for minority households.
- 38.9 percent of the refinance transactions were cash out deals.
- 73.7 percent of the insurance endorsements were handled using the Lender Insurance protocol.

### Automated Underwriting

- During July, 101,387 mortgages were accepted and endorsed using the FHA scorecard -- 75.4 percent of the total mortgages insured during July.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

August 1-15, 2008

### BI-WEEKLY COMPARISONS

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>	<b>101,011</b>	<b>101,500</b>	<b>-0.5%</b>	<b>41,819</b>	<b>141.5%</b>
Annual Rate	2,437,600	2,182,500	11.7%	1,006,600	142.2%
Average per workday	9,635	8,627	11.7%	3,979	142.1%
<b>Purchase</b>	<b>58,121</b>	<b>56,155</b>	<b>3.5%</b>	<b>20,655</b>	<b>181.4%</b>
<b>Refinance</b>	<b>36,704</b>	<b>38,612</b>	<b>-4.9%</b>	<b>15,505</b>	<b>136.7%</b>
Prior FHA	2,807	3,236	-13.3%	2,230	25.9%
Conventional to FHA	33,655	35,139	-4.2%	13,275	153.5%
Conventional to FHA (Delinquent)	242	237	2.1%		
<b>HECM</b>	<b>6,186</b>	<b>6,733</b>	<b>-8.1%</b>	<b>5,658</b>	<b>9.3%</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>77,608</b>	<b>82,079</b>	<b>-5.4%</b>	<b>25,815</b>	<b>200.6%</b>
Annual Rate	1,862,600	1,969,900	-5.4%	619,600	200.6%
Average FICO Score (Jun)	676	668	1.2%	651	3.8%
Minority	19,926	20,836	-4.4%	7,245	175.0%
% Minority	25.7%	25.4%	0.3% #	28.1%	-2.4% #
<b>Purchase</b>	<b>48,802</b>	<b>50,364</b>	<b>-3.1%</b>	<b>14,159</b>	<b>244.7%</b>
% Purchase	62.9%	61.4%	1.5% #	54.8%	8.0% #
Average FICO Score (Jun)	685	677	1.2%	659	3.9%
1st Time Home Buyer	37,335	38,610	-3.3%	11,081	236.9%
% 1st Time Home Buyer	76.5%	76.7%	-0.2% #	78.3%	-1.8% #
Non-Minority	24,597	25,607	-3.9%	7,199	241.7%
% Non Minority	65.9%	66.3%	-0.4% #	65.0%	0.9% #
Minority	10,311	10,563	-2.4%	3,422	201.3%
% Minority	27.6%	27.4%	0.3% #	30.9%	-3.3% #
Not-Disclosed	2,427	2,439	-0.5%	459	428.8%
% Not-Disclosed	6.5%	6.3%	0.2% #	4.1%	2.4% #
<b>Refinanced</b>	<b>23,994</b>	<b>26,087</b>	<b>-8.0%</b>	<b>7,175</b>	<b>234.4%</b>
% Refinanced	30.9%	31.8%	-0.9% #	27.8%	3.1% #
Total Cash Out	9,344	9,907	-5.7%	5,843	59.9%
Total % Cash Out	38.9%	38.0%	1.0% #	81.4%	-42.5% #
Average FICO Score (Jun)	661	657	0.6%	637	3.8%
Prior FHA	3,665	4,320	-15.2%	1,383	165.0%
Streamline	2,177	2,760	-21.1%	670	224.9%
% Streamline	9.1%	10.6%	-1.5% #	9.3%	-0.3% #
Full Process	1,488	1,560	-4.6%	713	108.7%
Cash Out	894	920	-2.8%		
Conventional to FHA	20,197	21,579	-6.4%	5,792	248.7%
Cash Out	8,450	8,987	-6.0%		
Conventional to FHA (Delinquent)	132	188	-29.8%		
<b>HECM</b>	<b>4,812</b>	<b>5,628</b>	<b>-14.5%</b>	<b>4,481</b>	<b>7.4%</b>
% HECM	6.2%	6.9%	-0.7% #	17.4%	-11.2% #
HECM First	4,653	5,450	-14.6%	4,154	12.0%
HECM First ARM	2,990	5,386	-44.5%	4,144	-27.8%
HECM Refinance	103	178	-42.1%	327	-68.5%
% HECM Refinance	2.1%	3.2%	-1.0% #	7.3%	-5.2% #
HECM Refinance ARM	102	176	-42.0%	325	-68.6%

Source: \* F17 CHUMS

# - Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

August 1-15, 2008

### BI-WEEKLY COMPARISONS

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	472	522	-9.6%	155 r	204.5%
Section 234(c)	3,415	3,614	-5.5%	826	313.4%
% Section 234(c)	4.4%	4.4%	0.0% #	3.2%	1.2% #
ARM (Excludes HECM ARM)	1,530	1,060	44.3%	260	488.5%
% ARM	2.0%	1.3%	0.7% #	1.0%	1.0% #
Manufactured Housing	2,990	3,128	-4.4%	2,291	30.5%
Interest Buy-down	419	463	-9.5%	190	120.5%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	5.1	5.0	2.0%	4.2	21.4%
Closing to Endorsement	4.7	5.1	-7.8%	4.2	11.9%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Jul)	101,387	86,982	16.6%	23,330	334.6%
AUS as % of Total Endorsed	75.4%	71.7%	3.7% #	56.9% r	18.5% #
<b>Lender Insurance *</b>					
Total Lender Insurance	57,175	61,698	-7.3%	16,750	241.3%
% of Total Insurance	73.7%	75.2%	-1.5% #	64.9%	8.8% #
Forward Mortgages	55,256	59,501	-7.1%	15,121	265.4%
HECM	1,919	2,197	-12.7%	1,629	17.8%

Source: \* F17 CHUMS # - Percentage point difference r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

August 1-15, 2008

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>2,000,000</b>	<b>1,679,549</b>	<b>639,750</b>	<b>162.5%</b>	<b>768,770</b>
<b>Purchase</b>	<b>900,000</b>	<b>802,549</b>	<b>322,824</b>	<b>148.6%</b>	<b>378,995</b>
<b>Refinance</b>	<b>944,000</b>	<b>749,681</b>	<b>214,931</b>	<b>248.8%</b>	<b>269,471</b>
Prior FHA	171,000	124,369	47,639	161.1%	54,951
Conventional to FHA	759,000	615,083	167,289	267.7%	214,225
Conventional to FHA (Delinquent)	14,000	10,229			295
<b>HECM</b>	<b>156,000</b>	<b>127,319</b>	<b>102,523</b>	<b>24.2%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>1,100,000</b>	<b>979,286</b>	<b>456,407</b>	<b>114.6%</b>	<b>532,337</b>
Minority	330,000	264,360	127,433	107.5%	148,927
% Minority	30.0%	27.0%	27.9%	-0.9% #	28.0%
<b>Purchase</b>	<b>506,000</b>	<b>490,974</b>	<b>237,713</b>	<b>106.5%</b>	<b>278,422</b>
% Purchase	46.0%	50.1%	52.1%	-1.9% #	52.3%
1st Time Home Buyer	405,000	384,816	189,076	103.5%	221,492
% 1st Time Home Buyer	80.0%	78.4%	79.5%	-1.2% #	79.6%
Non-Minority	263,000	249,463	122,386	103.8%	143,170
% Non Minority	64.9%	64.8%	64.7%	0.1% #	64.6%
Minority	125,000	113,975	58,818	93.8%	69,041
% Minority	30.9%	29.6%	31.1%	-1.5% #	31.2%
Not-Disclosed	17,000	21,391	7,872	171.7%	9,275
% Not-Disclosed	4.2%	5.6%	4.2%	1.4% #	4.2%
<b>Refinanced</b>	<b>462,000</b>	<b>390,145</b>	<b>123,324</b>	<b>216.4%</b>	<b>146,357</b>
% Refinanced	42.0%	39.8%	27.0%	12.8% #	27.5%
Total Cash Out	157,000	139,980	94,073	48.8%	112,767
Total % Cash Out	34.0%	35.9%	76.3%	-40.4% #	77.0%
Prior FHA	101,000	86,868	34,506	151.7%	38,606
Streamline	76,000	62,534	20,165	210.1%	22,105
% Streamline	16.5%	16.0%	16.4%	-0.3% #	15.1%
Full Process	25,000	24,334	14,341	69.7%	16,501
Cash Out	15,000	13,957			
Conventional to FHA	356,000	299,654	88,840	237.3%	107,761
Cash Out	157,000	126,023			
Conventional to FHA (Delinquent)	5,000	3,623			
<b>HECM</b>	<b>132,000</b>	<b>98,167</b>	<b>95,370</b>	<b>2.9%</b>	<b>107,558</b>
% HECM	12.0%	10.0%	20.9%	-10.9% #	20.2%
HECM First	125,000	94,006	89,281	5.3%	100,809
HECM First ARM	123,000	89,999	89,211	0.9%	100,713
HECM Refinance	7,000	4,105	6,089	-32.6%	6,749
% HECM Refinance	5.3%	4.2%	6.4%	-2.2% #	6.3%
HECM Refinance ARM	6,400	4,014	6,071	-33.9%	6,725

Source: \* F17 CHUMS

# - Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

August 1-15, 2008

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	11,000	5,462	2,927 r	86.6%	3,391
Section 234(c)	44,000	36,631	14,514	152.4%	16,865
% Section 234(c)	4.0%	3.7%	3.2%	0.6% #	3.2%
ARM (Excludes HECM ARM)	6,000	7,803	4,559	71.2%	5,204
% ARM	0.5%	0.8%	1.0%	-0.2% #	1.0%
Manufactured Housing	77,000	52,243	43,568	19.9%	50,366
Interest Buy-down	10,000	6,008	2,790	115.3%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Jul)	546,000	510,912	193,111	164.6%	240,656
AUS as % of Total Endorse.	56.4%	63.2%	56.8% r	6.4% #	56.7%
<b>Loans Delinquent as of (Jul) **</b>					
	230,000	232,864	188,894	23.3%	202,197
<b>Claims (Jul) ***</b>					
Loss Mitigation Retention	135,000	131,159	118,312	10.9%	142,455
Loss Mitigation Disposition	75,000	78,715	71,561	10.0%	86,527
Loss Mitigation Disposition	5,000	3,787	3,785	0.1%	4,480
Other Claims	55,000	48,657	42,966	13.2%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	770,000	688,691	254,641	170.5%	303,011
% of Total Insurance	70.0%	70.3%	55.8%	14.5% #	56.9%
Forward Mortgages	662,000	657,093	246,091	167.0%	290,339
HECM	108,000	31,598	8,550	269.6%	12,672

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

# = Percentage point difference r - revised

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. Percentage based on forward mortgages only.

## SINGLE FAMILY OPERATIONS

July 16-31, 2008

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

### Applications

- Seasonally adjusted, the annual rate for applications was 2,182,500 -- down from 2,891,700 reported early July but still at a significantly high level.
- The actual count of applications for this reporting period was 101,500. This included 1,666 proposed construction applications, 97,074 existing home applications and 2,794 to cover existing homes less than one year old.
- By type of loan, 56,155 were purchase transactions, 38,612 refinancing and 6,733 reverse mortgages. With respect to the refinancing, 3,236 were prior FHA's, 35,139 conventional and 237 delinquent conventional conversions.

### Endorsements

- 82,079 mortgages were endorsed -- 50,364 purchase money mortgages, 26,087 refinanced and 5,628 HECM's.
- The refinances consisted of 4,320 prior FHA cases, 21,579 conventional conversions and 188 delinquent conventional.
- 3,614 Section 234c condominium units were insured.
- There were only 1,060 ARM provision mortgages endorsed and most of them were of the 3 and 5 year type.
- 3,128 manufactured homes were endorsed.
- During this period, 61,698 out of the 82,079 mortgages insured were handled with Lender Insurance procedures.
- In late July, it was taking 13.5 weeks to process a proposed construction case from application to endorsement, 10.4 weeks to process an existing construction case and only 4.4 weeks to handle an existing less than one year case.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

July 16-31, 2008

### BI-WEEKLY COMPARISONS

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>	<b>101,500</b>	<b>112,162</b>	<b>-9.5%</b>	<b>39,751</b>	<b>155.3%</b>
Annual Rate	2,182,500	2,891,700	-24.5%	853,400	155.7%
Average per workday	8,627	11,430	-24.5%	3,373	155.8%
<b>Purchase</b>	<b>56,155</b>	<b>68,726</b>	<b>-18.3%</b>	<b>20,397</b>	<b>175.3%</b>
<b>Refinance</b>	<b>38,612</b>	<b>37,879</b>	<b>1.9%</b>	<b>13,682</b>	<b>182.2%</b>
Prior FHA	3,236	3,219	0.5%	1,972	64.1%
Conventional to FHA	35,139	34,418	2.1%	11,709	200.1%
Conventional to FHA (Delinquent)	237	242	-2.1%		
<b>HECM</b>	<b>6,733</b>	<b>5,557</b>	<b>21.2%</b>	<b>5,672</b>	<b>18.7%</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>82,079</b>	<b>61,899</b>	<b>32.6%</b>	<b>29,974</b>	<b>173.8%</b>
Annual Rate	1,969,900	1,485,600	32.6%	719,400	173.8%
Average FICO Score (May)	668	661	1.1%	650	2.8%
Minority	20,836	15,807	31.8%	8,340	149.8%
% Minority	25.4%	25.5%	-0.2% #	27.8%	-2.4% #
<b>Purchase</b>	<b>50,364</b>	<b>36,882</b>	<b>36.6%</b>	<b>15,713</b>	<b>220.5%</b>
% Purchase	61.4%	59.6%	1.8% #	52.4%	8.9% #
Average FICO Score (May)	677	669	1.2%	656	3.2%
1st Time Home Buyer	38,610	28,098	37.4%	12,330	213.1%
% 1st Time Home Buyer	76.7%	76.2%	0.5% #	78.5%	-1.8% #
Non-Minority	25,607	18,761	36.5%	8,061	217.7%
% Non Minority	66.3%	66.8%	-0.4% #	65.4%	0.9% #
Minority	10,563	7,633	38.4%	3,755	181.3%
% Minority	27.4%	27.2%	0.2% #	30.5%	-3.1% #
Not-Disclosed	2,439	1,704	43.1%	513	375.4%
% Not-Disclosed	6.3%	6.1%	0.3% #	4.2%	2.2% #
<b>Refinanced</b>	<b>26,087</b>	<b>21,161</b>	<b>23.3%</b>	<b>8,440</b>	<b>209.1%</b>
% Refinanced	31.8%	34.2%	-2.4% #	28.2%	3.6% #
Total Cash Out	9,907	7,738	28.0%	6,628	49.5%
Total % Cash Out	38.0%	36.6%	1.4% #	78.5%	-40.6% #
Average FICO Score (May)	657	650	1.1%	639	2.8%
Prior FHA	4,320	3,951	9.3%	1,872	130.8%
Streamline	2,760	2,735	0.9%	1,044	164.4%
% Streamline	10.6%	12.9%	-2.3% #	12.4%	-1.8% #
Full Process	1,560	1,216	28.3%	828	88.4%
Cash Out	920	684	34.5%		
Conventional to FHA	21,579	17,073	26.4%	6,568	228.5%
Cash Out	8,987	7,054	27.4%		
Conventional to FHA (Delinquent)	188	137	37.2%		
<b>HECM</b>	<b>5,628</b>	<b>3,856</b>	<b>46.0%</b>	<b>5,821</b>	<b>-3.3%</b>
% HECM	6.9%	6.2%	0.6% #	19.4%	-12.6% #
HECM First	5,450	3,727	46.2%	5,350	1.9%
HECM First ARM	5,386	3,657	47.3%	5,338	0.9%
HECM Refinance	178	129	38.0%	471	-62.2%
% HECM Refinance	3.2%	3.3%	-0.2% #	8.1%	-4.9% #
HECM Refinance ARM	176	129	36.4%	465	-62.2%

Source: \* F17 CHUMS

# - Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

July 16-31, 2008

### BI-WEEKLY COMPARISONS

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	522	345	51.3%	193 r	170.5%
Section 234(c)	3,614	2,731	32.3%	927	289.9%
% Section 234(c)	4.4%	4.4%	0.0% #	3.1%	1.3% #
ARM (Excludes HECM ARM)	1,060	560	89.3%	313	238.7%
% ARM	1.3%	0.9%	0.4% #	1.0%	0.2% #
Manufactured Housing	3,128	2,320	34.8%	2,587	20.9%
Interest Buy-down	463	376	23.1%	149	210.7%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	5.0	5.1	-2.0%	4.3	16.3%
Closing to Endorsement	5.1	4.8	6.3%	4.3	18.6%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Jul)	101,387	86,982	16.6%	23,330	334.6%
AUS as % of Total Endorsed	75.4%	71.7%	3.7% #	56.9% r	18.5% #
<b>Lender Insurance *</b>					
Total Lender Insurance	61,698	47,712	29.3%	19,452	217.2%
% of Total Insurance	75.2%	77.1%	-1.9% #	64.9%	10.3% #
Forward Mortgages	59,501	46,082	29.1%	17,237	245.2%
HECM	2,197	1,630	34.8%	2,215	

Source: \* F17 CHUMS # - Percentage point difference r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

July 16-31, 2008

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>2,000,000</b>	<b>1,578,538</b>	<b>597,931</b>	<b>164.0%</b>	<b>768,770</b>
<b>Purchase</b>	<b>900,000</b>	<b>744,428</b>	<b>302,169</b>	<b>146.4%</b>	<b>378,995</b>
<b>Refinance</b>	<b>944,000</b>	<b>712,977</b>	<b>199,426</b>	<b>257.5%</b>	<b>269,471</b>
Prior FHA	171,000	121,562	45,409	167.7%	54,951
Conventional to FHA	759,000	581,428	154,014	277.5%	214,225
Conventional to FHA (Delinquent)	14,000	9,987			295
<b>HECM</b>	<b>156,000</b>	<b>121,133</b>	<b>96,865</b>	<b>25.1%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>1,100,000</b>	<b>901,678</b>	<b>430,592</b>	<b>109.4%</b>	<b>532,337</b>
Minority	330,000	244,434	120,188	103.4%	148,927
% Minority	30.0%	27.1%	27.9%	-0.8% #	28.0%
<b>Purchase</b>	<b>506,000</b>	<b>442,172</b>	<b>223,554</b>	<b>97.8%</b>	<b>278,422</b>
% Purchase	46.0%	49.0%	51.9%	-2.9% #	52.3%
1st Time Home Buyer	405,000	347,487	177,997	95.2%	221,492
% 1st Time Home Buyer	80.0%	78.6%	79.6%	-1.0% #	79.6%
Non-Minority	263,000	224,866	115,187	95.2%	143,170
% Non Minority	64.9%	64.7%	64.7%	0.0% #	64.6%
Minority	125,000	103,664	55,396	87.1%	69,041
% Minority	30.9%	29.8%	31.1%	-1.3% #	31.2%
Not-Disclosed	17,000	18,964	7,413	155.8%	9,275
% Not-Disclosed	4.2%	5.5%	4.2%	1.3% #	4.2%
<b>Refinanced</b>	<b>462,000</b>	<b>366,151</b>	<b>116,149</b>	<b>215.2%</b>	<b>146,357</b>
% Refinanced	42.0%	40.6%	27.0%	13.6% #	27.5%
Total Cash Out	157,000	130,636	88,230	48.1%	112,767
Total % Cash Out	34.0%	35.7%	76.0%	-40.3% #	77.0%
Prior FHA	101,000	83,203	33,123	151.2%	38,606
Streamline	76,000	60,357	19,495	209.6%	22,105
% Streamline	16.5%	16.5%	16.8%	-0.3% #	15.1%
Full Process	25,000	22,846	13,628	67.6%	16,501
Cash Out	15,000	13,063			
Conventional to FHA	356,000	279,457	83,048	236.5%	107,761
Cash Out	157,000	117,573			
Conventional to FHA (Delinquent)	5,000	3,491			
<b>HECM</b>	<b>132,000</b>	<b>93,355</b>	<b>90,889</b>	<b>2.7%</b>	<b>107,558</b>
% HECM	12.0%	10.4%	21.1%	-10.8% #	20.2%
HECM First	125,000	89,353	85,127	5.0%	100,809
HECM First ARM	123,000	87,009	85,067	2.3%	100,713
HECM Refinance	7,000	4,002	5,762	-30.5%	6,749
% HECM Refinance	5.3%	4.3%	6.3%	-2.1% #	6.3%
HECM Refinance ARM	6,400	3,912	5,746	-31.9%	6,725

Source: \* F17 CHUMS

# - Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

July 16-31, 2008

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	11,000	4,990	2,772 r	80.0%	3,391
Section 234(c)	44,000	33,216	13,688	142.7%	16,865
% Section 234(c)	4.0%	3.7%	3.2%	0.5% #	3.2%
ARM (Excludes HECM ARM)	6,000	6,273	4,299	45.9%	5,204
% ARM	0.5%	0.7%	1.0%	-0.3% #	1.0%
Manufactured Housing	77,000	49,253	41,277	19.3%	50,366
Interest Buy-down	10,000	5,589	2,600	115.0%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Jul)	546,000	510,912	193,111	164.6%	240,656
AUS as % of Total Endorse.	56.4%	63.2%	56.8% r	6.4% #	56.7%
<b>Loans Delinquent as of (Jun) **</b>					
	230,000	226,050	185,071	22.1%	202,197
<b>Claims (Jul) ***</b>					
Loss Mitigation Retention	135,000	131,159	118,312	10.9%	142,455
Loss Mitigation Disposition	75,000	78,715	71,561	10.0%	86,527
Loss Mitigation Disposition	5,000	3,787	3,785	0.1%	4,480
Other Claims	55,000	48,657	42,966	13.2%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	770,000	631,516	237,891	165.5%	303,011
% of Total Insurance	70.0%	70.0%	55.2%	14.8% #	56.9%
Forward Mortgages	662,000	601,837	230,970	160.6%	290,339
HECM	108,000	29,679	6,921		12,672

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

# = Percentage point difference r - revised

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. Percentage based on forward mortgages only.

## SINGLE FAMILY OPERATIONS

June 16-30, 2008

CONTACT INFORMATION  
WILLIAM F. SHAW 202-402-7550  
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### Applications

- Seasonally adjusted, applications were estimated at an annual rate of 2,145,800 -- 4.5 percent below the figure reported for early June.
- The actual count of applications recorded was 96,306 -- slightly higher than the prior reporting period.
- The breakdown by type of transaction was as follows: 56,122 purchase transactions, 34,194 refinances and 5,990 reverse mortgages. Of the refinances, 3,140 were prior FHA mortgages, 30,836 conventional mortgages converting to FHA and 218 delinquent conventional conversions.

### Endorsements

- 72,208 mortgages were endorsed for insurance, 40,914 purchase money mortgages, 25,821 refinanced instruments and 5,473 HECM's.
- Purchase transactions accounted for 56.7 percent of the endorsements and 77.6 percent of these were first time home buyers, of which 27.4 percent were minority buyers.
- With respect to the 25,821 refinances, 35.8 percent were cash out actions. Of all of the refinances, 5,493 were FHA to FHA actions, 20,130 were conventional conversions and 198 represented delinquent conventionals converting to FHA.
- Of the 5,473 reverse mortgages insured, only 4.6 percent were refinanced HECM's.
- The average processing time for cases was almost 10 weeks -- 5 weeks from application to closing and 4.9 weeks from closing to endorsement.
- During this reporting period, 52,601 cases were handled using Lender Insurance procedures, representing 72.8 percent of the cases endorsed this period.

### Automated Underwriting

- During June, 86,982 cases were accepted and endorsed using the FHA score card -- 71.7 percent of the cases insured in June

## SINGLE FAMILY OPERATIONS

June 16-30, 2008

### COMMENTS

Due to the spectacular rise in activity, especially since March, it is necessary to re-estimate business activity for fiscal year 2008. It is now projected that there will be at about two million single family applications and roughly one million insurance endorsements -- substantially higher than the estimates made last September.

A review of the activity for the fiscal year to date indicates that FHA received 1,364,876 applications -- 158.4 percent higher than this time last year. While purchase cases and HECM's were up, the biggest advance was in refinancing actions, especially in conventional to FHA conversions (282%).

FHA insurance endorsements were recorded at 757,700 to date -- 99.8 percent over last year. It is also noteworthy that minority households almost doubled what they were, a year ago.

354,926 purchase money mortgages were endorsed so far this fiscal year -- 80.1 percent over the total, a year ago (197,095). Also, 318,903 refinanced mortgages have been insured, accounting for 42.1 percent of the total endorsements. Most of these refinances were conventional mortgage conversion to FHA. In addition, 112,991 (35.4%) of the total number of refinances were cash out transactions.

A breakdown of the refinanced cases are as follows: 74,932 FHA to FHA refinances, 240,805 conventional conversions to FHA and 3,166 delinquent conversions to FHA. Also, the conventional conversions were 235.6 percent higher than the 71,748 recorded a year ago.

There were 83,871 HECM's insured, to date -- accounting for 11.1 percent of the total endorsements. Most of these were original HECM transactions, with a very small number in the refinanced category -- virtually all of the HECM's were adjustable rate instruments.

Section 203k (4,123) and Section 234c (26,871) activity were more than double the volume, at this time last year. Lender Insurance cases totaled 522,106 -- 156.2 percent over last year and made up 68.9 percent of the total cases processed this year.

Automated Underwriting procedures handled 60.8 percent of the cases insured. That is, 409,525 cases were accepted and insured using the FHA Score Card.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

June 16-30, 2008

### BI-WEEKLY COMPARISONS

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>	<b>96,306</b>	<b>95,280</b>	<b>1.1%</b>	<b>33,479</b>	<b>187.7%</b>
Annual Rate	2,145,800	2,246,300	-4.5%	820,700	161.5%
Average per workday	8,482	8,879	-4.5%	3,244	161.5%
<b>Purchase</b>	<b>56,122</b>	<b>54,308</b>	<b>3.3%</b>	<b>17,407</b>	<b>222.4%</b>
<b>Refinance</b>	<b>34,194</b>	<b>35,566</b>	<b>-3.9%</b>	<b>11,259</b>	<b>203.7%</b>
Prior FHA	3,140	4,122	-23.8%	1,692	85.6%
Conventional to FHA	30,836	31,116	-0.9%	9,567	222.3%
Conventional to FHA (Delinquent)	218	328	-33.5%		
<b>HECM</b>	<b>5,990</b>	<b>5,406</b>	<b>10.8%</b>	<b>4,813</b>	<b>24.5%</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>72,208</b>	<b>59,150</b>	<b>22.1%</b>	<b>24,641</b>	<b>193.0%</b>
Annual Rate	1,733,000	1,419,600	22.1%	591,400	193.0%
Average FICO Score (Apr)	661	654	1.1%	650	1.7%
Minority	18,607	15,144	22.9%	6,862	171.2%
% Minority	25.8%	25.6%	0.2% #	27.8%	-2.1% #
<b>Purchase</b>	<b>40,914</b>	<b>31,219</b>	<b>31.1%</b>	<b>12,711</b>	<b>221.9%</b>
% Purchase	56.7%	52.8%	3.9% #	51.6%	5.1% #
Average FICO Score (Apr)	669	663	0.9%	639	4.7%
1st Time Home Buyer	31,746	24,364	30.3%	10,121	213.7%
% 1st Time Home Buyer	77.6%	78.0%	-0.5% #	79.6%	-2.0% #
Non-Minority	21,180	16,281	30.1%	6,607	220.6%
% Non Minority	66.7%	66.8%	-0.1% #	65.3%	1.4% #
Minority	8,714	6,686	30.3%	3,083	182.6%
% Minority	27.4%	27.4%	0.0% #	30.5%	-3.0% #
Not-Disclosed	1,848	1,397	32.3%	431	328.8%
% Not-Disclosed	5.8%	5.7%	0.1% #	4.3%	1.6% #
<b>Refinanced</b>	<b>25,821</b>	<b>23,335</b>	<b>10.7%</b>	<b>7,002</b>	<b>268.8%</b>
% Refinanced	35.8%	39.5%	-3.7% #	28.4%	7.3% #
Total Cash Out	9,244	8,104	14.1%	5,411	70.8%
Total % Cash Out	35.8%	34.7%	1.1% #	77.3%	-41.5% #
Average FICO Score (Apr)	650	645	0.8%	650	0.0%
Prior FHA	5,493	5,021	9.4%	1,740	215.7%
Streamline	4,061	3,735	8.7%	984	312.7%
% Streamline	15.7%	16.0%	-0.3% #	14.1%	1.7% #
Full Process	1,432	1,286	11.4%	756	89.4%
Cash Out	798	697	14.5%		
Conventional to FHA	20,130	18,060	11.5%	5,263	282.5%
Cash Out	8,446	7,407	14.0%		
Conventional to FHA (Delinquent)	198	254	-22.0%		
<b>HECM</b>	<b>5,473</b>	<b>4,596</b>	<b>19.1%</b>	<b>4,928</b>	<b>11.1%</b>
% HECM	7.6%	7.8%	-0.2% #	20.0%	-12.4% #
HECM First	5,221	4,402	18.6%	4,529	15.3%
HECM First ARM	5,144	4,337	18.6%	4,516	13.9%
HECM Refinance	252	194	29.9%	399	-36.8%
% HECM Refinance	4.6%	4.2%	0.4% #	8.1%	-3.5% #
HECM Refinance ARM	251	194	29.4%	396	-36.6%

Source: \* F17 CHUMS

# - Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

June 16-30, 2008

### BI-WEEKLY COMPARISONS

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	402	284	41.5%	161 r	149.7%
Section 234(c)	3,064	2,366	29.5%	718	326.7%
% Section 234(c)	4.2%	4.0%	0.2% #	2.9%	1.3% #
ARM (Excludes HECM ARM)	486	408	19.1%	248	96.0%
% ARM	0.7%	0.7%	0.0% #	1.0%	-0.3% #
Manufactured Housing	2,898	2,580	12.3%	2,208	31.3%
Interest Buy-down	402	290	38.6%	146	175.3%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	5.0	5.0	0.0%	4.1	22.0%
Closing to Endorsement	4.9	4.7	4.3%	4.3	14.0%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Jun)	86,982	70,322	23.7%	22,584	285.1%
AUS as % of Total Endorsed	71.7%	66.0%	5.7% #	56.6% r	15.1% #
<b>Lender Insurance *</b>					
Total Lender Insurance	52,601	44,590	18.0%	16,086	227.0%
% of Total Insurance	72.8%	75.4%	-2.5% #	65.3%	7.6% #
Forward Mortgages	50,421	42,822	17.7%	14,350	251.4%
HECM	2,180	1,768	23.3%	1,736	

Source: \* F17 CHUMS # - Percentage point difference r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

June 16-30, 2008

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>2,000,000</b>	<b>1,364,876</b>	<b>528,294</b>	<b>158.4%</b>	<b>768,770</b>
<b>Purchase</b>	<b>900,000</b>	<b>619,547</b>	<b>265,732</b>	<b>133.1%</b>	<b>378,995</b>
<b>Refinance</b>	<b>944,000</b>	<b>636,486</b>	<b>175,922</b>	<b>261.8%</b>	<b>269,471</b>
Prior FHA	171,000	115,107	41,869	174.9%	54,951
Conventional to FHA	759,000	511,871	134,052	281.8%	214,225
Conventional to FHA (Delinquent)	14,000	9,508			295
<b>HECM</b>	<b>156,000</b>	<b>108,843</b>	<b>87,169</b>	<b>24.9%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>1,100,000</b>	<b>757,700</b>	<b>379,147</b>	<b>99.8%</b>	<b>532,337</b>
Minority	330,000	207,791	106,089	95.9%	148,927
% Minority	30.0%	27.4%	28.0%	-0.6% #	28.0%
<b>Purchase</b>	<b>506,000</b>	<b>354,926</b>	<b>197,095</b>	<b>80.1%</b>	<b>278,422</b>
% Purchase	46.0%	46.8%	52.0%	-5.1% #	52.3%
1st Time Home Buyer	405,000	280,793	157,238	78.6%	221,492
% 1st Time Home Buyer	80.0%	79.1%	79.8%	-0.7% #	79.6%
Non-Minority	263,000	180,498	101,544	77.8%	143,170
% Non Minority	64.9%	64.3%	64.6%	-0.3% #	64.6%
Minority	125,000	85,468	49,160	73.9%	69,041
% Minority	30.9%	30.4%	31.3%	-0.8% #	31.2%
Not-Disclosed	17,000	14,821	6,528	127.0%	9,275
% Not-Disclosed	4.2%	5.3%	4.2%	1.1% #	4.2%
<b>Refinanced</b>	<b>462,000</b>	<b>318,903</b>	<b>101,626</b>	<b>213.8%</b>	<b>146,357</b>
% Refinanced	42.0%	42.1%	26.8%	15.3% #	27.5%
Total Cash Out	157,000	112,991	76,807	47.1%	112,767
Total % Cash Out	34.0%	35.4%	75.6%	-40.1% #	77.0%
Prior FHA	101,000	74,932	29,898	150.6%	38,606
Streamline	76,000	54,862	17,703	209.9%	22,105
% Streamline	16.5%	17.2%	17.4%	-0.2% #	15.1%
Full Process	25,000	20,070	12,195	64.6%	16,501
Cash Out	15,000	11,459			
Conventional to FHA	356,000	240,805	71,748	235.6%	107,761
Cash Out	157,000	101,532			
Conventional to FHA (Delinquent)	5,000	3,166			
<b>HECM</b>	<b>132,000</b>	<b>83,871</b>	<b>80,426</b>	<b>4.3%</b>	<b>107,558</b>
% HECM	12.0%	11.1%	21.2%	-10.1% #	20.2%
HECM First	125,000	80,176	75,541	6.1%	100,809
HECM First ARM	123,000	77,966	75,503	3.3%	100,713
HECM Refinance	7,000	3,695	4,885	-24.4%	6,749
% HECM Refinance	5.3%	4.4%	6.1%	-1.7% #	6.3%
HECM Refinance ARM	6,400	3,607	4,877	-26.0%	6,725

Source: \* F17 CHUMS

# - Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

June 16-30, 2008

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	11,000	4,123	2,429 r	69.7%	3,391
Section 234(c)	44,000	26,871	12,148	121.2%	16,865
% Section 234(c)	4.0%	3.5%	3.2%	0.3% #	3.2%
ARM (Excludes HECM ARM)	6,000	4,653	3,773	23.3%	5,204
% ARM	0.5%	0.6%	1.0%	-0.4% #	1.0%
Manufactured Housing	77,000	43,805	36,815	19.0%	50,366
Interest Buy-down	10,000	4,750	2,337	103.3%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Jun)	546,000	409,525	169,781	141.2%	240,656
AUS as % of Total Endorse.	56.4%	60.8%	56.8% r	4.0% #	56.7%
<b>Loans Delinquent as of (May) **</b>					
	230,000	219,625	187,747	17.0%	202,197
<b>Claims (Jun) ***</b>					
	135,000	117,860	106,588	10.6%	142,455
Loss Mitigation Retention	75,000	70,757	64,383	9.9%	86,527
Loss Mitigation Disposition	5,000	3,284	3,367	-2.5%	4,480
Other Claims	55,000	43,819	38,838	12.8%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	770,000	522,106	203,811	156.2%	303,011
% of Total Insurance	70.0%	68.9%	53.8%	15.2% #	56.9%
Forward Mortgages	662,000	496,254	201,365	146.4%	290,339
HECM	108,000	25,852	2,446		12,672

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

# = Percentage point difference r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

June 1-15, 2008

### Applications

- Application activity remained at a high level, with the annual rate being recorded at 2,246,300 -- up 3.9% over the late May reporting period. This was also one and a half times higher than a year ago.
- The actual count of applications receipt was 95,280 -- compared with the 91,595 reported two weeks ago.
- The count of applications by type were: 54,308 purchase cases, 35,566 refinance transaction and 5,406 HECM's.

### Endorsements

- 59,150 mortgages were endorsed for insurance of which 25.6 percent were for minority households.
- Also, about 4 of every 5 purchase cases were for first time home buyers.
- 52.8 percent of the endorsements were purchase transaction, 39.5 percent were refinances and 7.8 were reverse mortgages.
- With respect to refinanced transactions (23,335), 34.7 percent (8,104) were cash out deals.
- Of the total refinances, 5,021 were prior FHA's, while 254 were delinquent conventional's insured by FHA.
- 4,596 HECM's were insured -- most of which were original transactions. Only 4.2 percent were HECM refinances.
- 44,590 cases were endorsed via Lender insurance procedures -- 75.4 percent of the total endorsements.
- The average case processing time was 5 weeks for application to closing plus 4.7 weeks more for closing to insurance.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

June 1-15, 2008

### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	2,246,300	2,161,400	3.9%	867,500	158.9%
Average per workday	8,879	8,543	3.9%	3,429	158.9%
<b>Actual</b>	<b>95,280</b>	<b>91,595</b>	<b>4.0%</b>	<b>39,965</b>	<b>138.4%</b>
<b>Purchase</b>	<b>54,308</b>	<b>49,551</b>	<b>9.6%</b>	<b>20,501</b>	<b>164.9%</b>
<b>Refinance</b>	<b>35,566</b>	<b>36,727</b>	<b>-3.2%</b>	<b>13,936</b>	<b>155.2%</b>
Prior FHA	4,122	4,940	-16.6%	2,494	65.3%
Conventional to FHA	31,116	31,349	-0.7%	11,442	171.9%
Conventional to FHA (Delinquent)	328	438	-25.1%		
<b>HECM</b>	<b>5,406</b>	<b>5,317</b>	<b>1.7%</b>	<b>5,528</b>	<b>-2.2%</b>
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	1,419,600	1,375,700	3.2%	580,700	144.5%
<b>Actual</b>	<b>59,150</b>	<b>57,322</b>	<b>3.2%</b>	<b>24,197</b>	<b>144.5%</b>
Average FICO Score (Apr)	661	654	1.1%	650	1.7%
Minority	15,144	14,639	3.4%	6,872	120.4%
% Minority	25.6%	25.5%	0.1% #	28.4%	-2.8% #
<b>Purchase</b>	<b>31,219</b>	<b>29,157</b>	<b>7.1%</b>	<b>13,065</b>	<b>139.0%</b>
% Purchase	52.8%	50.9%	1.9% #	54.0%	-1.2% #
Average FICO Score (Apr)	669	663	0.9%	639	4.7%
1st Time Home Buyer	24,364	22,936	6.2%	10,464	132.8%
% 1st Time Home Buyer	78.0%	78.7%	-0.6% #	80.1%	-2.0% #
Non-Minority	16,281	15,212	7.0%	6,820	138.7%
% Non-Minority	66.8%	66.3%	0.5% #	65.2%	1.6% #
Minority	6,686	6,346	5.4%	3,213	108.1%
% Minority	27.4%	27.7%	-0.2% #	30.7%	-3.3% #
Not-Disclosed	1,397	1,378	1.4%	429	225.6%
% Not-Disclosed	5.7%	6.0%	-0.3% #	4.1%	1.6% #
<b>Refinanced</b>	<b>23,335</b>	<b>24,202</b>	<b>-3.6%</b>	<b>7,135</b>	<b>227.0%</b>
% Refinanced	39.5%	42.2%	-2.8% #	29.5%	10.0% #
Total Cash Out	8,104	8,311	-2.5%	5,463	48.3%
Total % Cash Out	34.7%	34.3%	0.4% #	76.6%	-41.8% #
Average FICO Score (Apr)	650	645	0.8%	650	0.0%
Prior FHA	5,021	5,599	-10.3%	1,851	171.3%
Streamline	3,735	4,254	-12.2%	1,071	248.7%
% Streamline	16.0%	17.6%	-1.6% #	15.0%	1.0% #
Full Process	1,286	1,345	-4.4%	780	64.9%
Cash Out	697	709	-1.7%		
Conventional to FHA	18,060	18,338	-1.5%	5,285	241.7%
Cash Out	7,407	7,602	-2.6%		
Conventional to FHA (Delinquent)	254	265	-4.2%		
<b>HECM</b>	<b>4,596</b>	<b>3,963</b>	<b>16.0%</b>	<b>3,997</b>	<b>15.0%</b>
% HECM	7.8%	6.9%	0.9% #	16.5%	-8.7% #
HECM First	4,402	3,777	16.5%	3,632	21.2%
HECM First ARM	4,337	3,694	17.4%	3,627	19.6%
HECM Refinance	194	186	4.3%	365	-46.8%
% HECM Refinance	4.2%	4.7%	-0.5% #	9.1%	-4.9% #
HECM Refinance ARM	194	181	7.2%	363	-46.6%

Source: \* F17 CHUMS

# = Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

June 1-15, 2008

### CURRENT

	<u>CURRENT</u> <u>2 WEEK</u> <u>PERIOD</u>	<u>LAST</u> <u>PERIOD</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>LAST</u> <u>YEAR</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	284	253	12.3%	149 r	90.6%
Section 234(c)	2,366	2,152	9.9%	814	190.7%
% Section 234(c)	4.0%	3.8%	0.2% #	3.4%	0.6% #
ARM (Excludes HECM ARM)	408	391	4.3%	204	100.0%
% ARM	0.7%	0.7%	0.0% #	0.8%	-0.2% #
Manufactured Housing	2,580	2,591	-0.4%	2,206	17.0%
Interest Buy-down	290	261	11.1%	133	118.0%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	5.0	4.7	6.4%	4.2	19.0%
Closing to Endorsement	4.7	4.7	0.0%	4.3	9.3%
<b>Automated Underwriting System * x</b>					
AUS Endorsed ( <b>May</b> )	70,322	58,032	21.2%	21,158	232.4%
AUS as % of Total Endorsed	66.0%	61.4%	4.6% #	56.2% r	9.8% #
<b>Lender Insurance *</b>					
Total Lender Insurance	44,590	40,722	9.5%	15,479	188.1%
% of Total Insurance	75.4%	71.0%	4.3% #	64.0%	11.4% #
Forward Mortgages	42,822	39,450	8.5%	14,684	191.6%
HECM	1,768	1,272	39.0%	795	

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

June 1-15, 2008

### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>1,600,000</b>	<b>1,268,570</b>	<b>494,815</b>	<b>156.4%</b>	<b>768,770</b>
<b>Purchase</b>	<b>640,000</b>	<b>564,269</b>	<b>248,234</b>	<b>127.3%</b>	<b>378,995</b>
<b>Refinance</b>	<b>800,000</b>	<b>601,448</b>	<b>164,279</b>	<b>266.1%</b>	<b>269,471</b>
Prior FHA	160,000	107,964	40,049	<b>169.6%</b>	54,951
Conventional to FHA	624,000	483,806	124,229	<b>289.4%</b>	214,225
Conventional to FHA (Delinquent)	16,000	9,678			295
<b>HECM</b>	<b>160,000</b>	<b>96,670</b>	<b>82,303</b>	<b>17.5%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>880,000</b>	<b>685,768</b>	<b>354,545</b>	<b>93.4%</b>	<b>532,337</b>
Minority	264,000	189,253	99,238	90.7%	148,927
% Minority	30.0%	27.6%	28.0%	-0.4% #	28.0%
<b>Purchase</b>	<b>387,000</b>	<b>314,053</b>	<b>184,399</b>	<b>70.3%</b>	<b>278,422</b>
% Purchase	44.0%	45.8%	52.0%	-6.2% #	52.3%
1st Time Home Buyer	309,000	249,056	147,121	69.3%	221,492
% 1st Time Home Buyer	79.8%	79.3%	79.8%	-0.5% #	79.6%
Non-Minority	201,000	159,331	94,940	67.8%	143,170
% Non Minority	65.0%	64.0%	64.5%	-0.6% #	64.6%
Minority	96,000	76,766	46,083	66.6%	69,041
% Minority	31.1%	30.8%	31.3%	-0.5% #	31.2%
Not-Disclosed	12,000	12,975	6,097	112.8%	9,275
% Not-Disclosed	3.9%	5.2%	4.1%	1.1% #	4.2%
<b>Refinanced</b>	<b>361,000</b>	<b>293,225</b>	<b>94,633</b>	<b>209.9%</b>	<b>146,357</b>
% Refinanced	41.0%	42.8%	26.7%	16.1% #	27.5%
Total Cash Out	128,000	103,840	71,404	45.4%	112,767
Total % Cash Out	35.5%	35.4%	75.5%	-40.0% #	77.0%
Prior FHA	79,000	69,446	28,143	146.8%	38,606
Streamline	55,000	50,805	16,722	203.8%	22,105
% Streamline	15.2%	17.3%	17.7%	-0.3% #	15.1%
Full Process	24,000	18,641	11,421	63.2%	16,501
Cash Out	15,000	10,664			
Conventional to FHA	278,000	220,700	66,498	231.9%	107,761
Cash Out	128,000	93,176			
Conventional to FHA (Delinquent)	4,000	3,079			
<b>HECM</b>	<b>132,000</b>	<b>78,490</b>	<b>75,513</b>	<b>3.9%</b>	<b>107,558</b>
% HECM	15.0%	11.4%	21.3%	-9.9% #	20.2%
HECM First	125,000	75,002	71,026	5.6%	100,809
HECM First ARM	124,000	72,868	71,001	2.6%	100,713
HECM Refinance	7,000	3,488	4,487	-22.3%	6,749
% HECM Refinance	5.3%	4.4%	5.9%	-1.5% #	6.3%
HECM Refinance ARM	6,000	3,401	4,482	-24.1%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

June 1-15, 2008

### OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	3,725	1,412 r	163.8%	3,391
Section 234(c)	35,000	23,813	11,421	108.5%	16,865
% Section 234(c)	4.0%	3.5%	3.2%	0.3% #	3.2%
ARM (Excludes HECM ARM)	11,000	4,151	3,524	17.8%	5,204
% ARM	1.3%	0.6%	1.0%	-0.4% #	1.0%
Manufactured Housing	62,000	40,912	34,409	18.9%	50,366
Interest Buy-down	9,000	4,321	2,172	98.9%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (May)	260,000	287,523	147,204	95.3%	240,656
AUS as % of Total Endorse.	59.6%	52.0%	56.9% r	-4.9% #	56.7%
<b>Loans Delinquent as of (May) **</b>	230,000	219,625	187,747	17.0%	202,197
<b>Claims (May) ***</b>	135,000	103,644	94,301	9.9%	142,455
Loss Mitigation Retention	75,000	62,051	56,726	9.4%	86,527
Loss Mitigation Disposition	5,000	2,814	2,963	-5.0%	4,480
Other Claims	55,000	38,779	34,612	12.0%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	572,000	469,641	187,738	150.2%	303,011
% of Total Insurance	65.0%	68.5%	53.0%	15.5% #	56.9%
Forward Mortgages	486,000	445,966	186,943	138.6%	290,339
HECM	86,000	23,675			12,672

# = Percentage point difference      r - revised

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

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

May 16-31, 2008

### Applications

- Applications, after seasonal adjustment , slipped 6.6 percent to an annual rate of 2,161,400 -- averaging 8,543 applications a day -- up significantly over a year ago when the average per day was 3,051.
- Actual count of receipts was 91,595 -- down from the previous period when 108,830 were recorded.
- Of the count, there were 49,551 purchase cases, 36,727 refinance transactions and 5,317 reverse mortgages.

### Endorsements

- During late May, 57,322 mortgages were insured -- 29,157 purchase money mortgages, 24,202 refinances, and 3,963 HECM's.
- Purchase transactions accounted for 50.9 percent of the cases and of these, 78.7 percent were for first time home buyers -- 27.7 percent who were members of a minority group.
- Of the 24,202 refinanced mortgages, 5,599 were prior FHA's , 18,338 were conventional to FHA transactions and 265 were delinquent conventional conversions.
- It is interesting to note that only 17.6 percent of the cases were handled by streamlined procedures and also that 34.3 percent of the fully processed cases were cash outs.
- The average FICO score for purchase transactions was 663 while the score for refinanced cases was noticeably lower -- 645.
- The average processing time from application to endorsement was 9.4 weeks.
- Other than for HECM's the share of ARM's for forward mortgages was only 0.7 percent.
- During the latter part of May, 40,722 mortgages were insured by Lender Insurance approved lenders -- 71 percent of total insured for the period.

### Automated Underwriting

- During May, 70,322 mortgages were accepted and insured using the FHA score card. This represents 66 percent of endorsement activity.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

May 16-31, 2008

### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	2,161,400	2,315,100	-6.6%	771,900	180.0%
Average per workday	8,543	9,151	-6.6%	3,051	180.0%
<b>Actual</b>	<b>91,595</b>	<b>108,830</b>	<b>-15.8%</b>	<b>36,313</b>	<b>152.2%</b>
<b>Purchase</b>	<b>49,551</b>	<b>58,022</b>	<b>-14.6%</b>	<b>18,221</b>	<b>171.9%</b>
<b>Refinance</b>	<b>36,727</b>	<b>44,682</b>	<b>-17.8%</b>	<b>12,706</b>	<b>189.1%</b>
Prior FHA	4,940	6,482	-23.8%	2,331	111.9%
Conventional to FHA	31,349	37,646	-16.7%	10,374	202.2%
Conventional to FHA (Delinquent)	438	554	-20.9%		
<b>HECM</b>	<b>5,317</b>	<b>6,126</b>	<b>-13.2%</b>	<b>5,387</b>	<b>-1.3%</b>
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	1,375,700	1,399,500	-1.7%	596,200	130.7%
<b>Actual</b>	<b>57,322</b>	<b>58,312</b>	<b>-1.7%</b>	<b>24,840</b>	<b>130.8%</b>
Average FICO Score (Mar)	654	648	0.9%	651	0.5%
Minority	14,639	15,085	-3.0%	7,094	106.4%
% Minority	25.5%	25.9%	-0.3% #	28.6%	-3.0% #
<b>Purchase</b>	<b>29,157</b>	<b>27,280</b>	<b>6.9%</b>	<b>12,422</b>	<b>134.7%</b>
% Purchase	50.9%	46.8%	4.1% #	50.0%	0.9% #
Average FICO Score (Mar)	663	657	0.9%	656	1.1%
1st Time Home Buyer	22,936	21,587	6.2%	10,060	128.0%
% 1st Time Home Buyer	78.7%	79.1%	-0.5% #	81.0%	-2.3% #
Non-Minority	15,212	14,316	6.3%	6,503	133.9%
% Non-Minority	66.3%	66.3%	0.0% #	64.6%	1.7% #
Minority	6,346	6,113	3.8%	3,163	100.6%
% Minority	27.7%	28.3%	-0.6% #	31.4%	-3.8% #
Not-Disclosed	1,378	1,157	19.1%	395	248.9%
% Not-Disclosed	6.0%	5.4%	0.6% #	3.9%	2.1% #
<b>Refinanced</b>	<b>24,202</b>	<b>25,883</b>	<b>-6.5%</b>	<b>7,110</b>	<b>240.4%</b>
% Refinanced	42.2%	44.4%	-2.2% #	28.6%	13.6% #
Total Cash Out	8,311	8,501	-2.2%	5,451	52.5%
Total % Cash Out	34.3%	32.8%	1.5% #	76.7%	-42.3% #
Average FICO Score (Mar)	645	639	0.9%	640	0.8%
Prior FHA	5,599	6,785	-17.5%	1,870	199.4%
Streamline	4,254	5,290	-19.6%	1,079	294.3%
% Streamline	17.6%	20.4%	-2.9% #	15.2%	2.4% #
Full Process	1,345	1,495	-10.0%	791	70.0%
Cash Out	709	817	-13.2%		
Conventional to FHA	18,338	18,814	-2.5%	5,239	250.0%
Cash Out	7,602	7,684	-1.1%		
Conventional to FHA (Delinquent)	265	284	-6.7%		
<b>HECM</b>	<b>3,963</b>	<b>5,149</b>	<b>-23.0%</b>	<b>5,308</b>	<b>-25.3%</b>
% HECM	6.9%	8.8%	-1.9% #	21.4%	-14.5% #
HECM First	3,777	4,957	-23.8%	4,846	-22.1%
HECM First ARM	3,694	4,819	-23.3%	4,831	-23.5%
HECM Refinance	186	192	-3.1%	462	-59.7%
% HECM Refinance	4.7%	3.7%	1.0% #	8.7%	-4.0% #
HECM Refinance ARM	181	186	-2.7%	459	-60.6%

Source: \* F17 CHUMS

# = Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

May 16-31, 2008

### CURRENT

	<u>CURRENT</u> <u>2 WEEK</u> <u>PERIOD</u>	<u>LAST</u> <u>PERIOD</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>LAST</u> <u>YEAR</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	253	241	5.0%	132 r	91.7%
Section 234(c)	2,152	2,193	-1.9%	729	195.2%
% Section 234(c)	3.8%	3.8%	0.0% #	2.9%	0.8% #
ARM (Excludes HECM ARM)	391	483	-19.0%	209	87.1%
% ARM	0.7%	0.8%	-0.1% #	0.8%	-0.2% #
Manufactured Housing	2,591	2,619	-1.1%	2,181	18.8%
Interest Buy-down	261	214	22.0%	120	117.5%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	4.7	4.6	2.2%	4.0	17.5%
Closing to Endorsement	4.7	4.4	6.8%	4.4	6.8%
<b>Automated Underwriting System * x</b>					
AUS Endorsed ( <b>May</b> )	70,322	58,032	21.2%	21,158	232.4%
AUS as % of Total Endorsed	66.0%	61.4%	4.6% #	56.2% r	9.8% #
<b>Lender Insurance *</b>					
Total Lender Insurance	40,722	42,416	-4.0%	13,236	207.7%
% of Total Insurance	71.0%	72.7%	-1.7% #	53.3%	17.8% #
Forward Mortgages	39,450	40,354	-2.2%	13,236	198.1%
HECM	1,272	2,062	-38.3%		

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

May 16-31, 2008

### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>1,600,000</b>	<b>1,173,290</b>	<b>454,850</b>	<b>158.0%</b>	<b>768,770</b>
<b>Purchase</b>	<b>640,000</b>	<b>509,961</b>	<b>227,733</b>	<b>123.9%</b>	<b>378,995</b>
<b>Refinance</b>	<b>800,000</b>	<b>565,882</b>	<b>150,343</b>	<b>276.4%</b>	<b>269,471</b>
Prior FHA	160,000	103,842	37,555	<b>176.5%</b>	54,951
Conventional to FHA	624,000	452,690	112,787	<b>301.4%</b>	214,225
Conventional to FHA (Delinquent)	16,000	9,350			295
<b>HECM</b>	<b>160,000</b>	<b>91,264</b>	<b>76,775</b>	<b>18.9%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>880,000</b>	<b>626,618</b>	<b>330,348</b>	<b>89.7%</b>	<b>532,337</b>
Minority	264,000	174,109	92,366	88.5%	148,927
% Minority	30.0%	27.8%	28.0%	-0.2% #	28.0%
<b>Purchase</b>	<b>387,000</b>	<b>282,834</b>	<b>171,334</b>	<b>65.1%</b>	<b>278,422</b>
% Purchase	44.0%	45.1%	51.9%	-6.7% #	52.3%
1st Time Home Buyer	309,000	224,699	136,659	64.4%	221,492
% 1st Time Home Buyer	79.8%	79.4%	79.8%	-0.3% #	79.6%
Non-Minority	201,000	143,050	88,120	62.3%	143,170
% Non Minority	65.0%	63.7%	64.5%	-0.8% #	64.6%
Minority	96,000	70,080	42,870	63.5%	69,041
% Minority	31.1%	31.2%	31.4%	-0.2% #	31.2%
Not-Disclosed	12,000	11,578	5,668	104.3%	9,275
% Not-Disclosed	3.9%	5.2%	4.1%	1.0% #	4.2%
<b>Refinanced</b>	<b>361,000</b>	<b>269,890</b>	<b>87,498</b>	<b>208.5%</b>	<b>146,357</b>
% Refinanced	41.0%	43.1%	26.5%	16.6% #	27.5%
Total Cash Out	128,000	95,736	65,941	45.2%	112,767
Total % Cash Out	35.5%	35.5%	75.4%	-39.9% #	77.0%
Prior FHA	79,000	64,425	26,292	145.0%	38,606
Streamline	55,000	47,070	15,651	200.7%	22,105
% Streamline	15.2%	17.4%	17.9%	-0.4% #	15.1%
Full Process	24,000	17,355	10,641	63.1%	16,501
Cash Out	15,000	9,967			
Conventional to FHA	278,000	202,640	61,213	231.0%	107,761
Cash Out	128,000	85,769			
Conventional to FHA (Delinquent)	4,000	2,825			
<b>HECM</b>	<b>132,000</b>	<b>73,894</b>	<b>71,516</b>	<b>3.3%</b>	<b>107,558</b>
% HECM	15.0%	11.8%	21.6%	-9.9% #	20.2%
HECM First	125,000	70,600	67,394	4.8%	100,809
HECM First ARM	124,000	68,531	67,374	1.7%	100,713
HECM Refinance	7,000	3,294	4,122	-20.1%	6,749
% HECM Refinance	5.3%	4.5%	5.8%	-1.3% #	6.3%
HECM Refinance ARM	6,000	3,207	4,119	-22.1%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

### May 16-31, 2008

#### OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	3,441	1,395 r	146.7%	3,391
Section 234(c)	35,000	21,447	10,607	102.2%	16,865
% Section 234(c)	4.0%	3.4%	3.2%	0.2% #	3.2%
ARM (Excludes HECM ARM)	11,000	3,743	3,320	12.7%	5,204
% ARM	1.3%	0.6%	1.0%	-0.4% #	1.0%
Manufactured Housing	62,000	38,332	32,403	18.3%	50,366
Interest Buy-down	9,000	4,031	2,039	97.7%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (May)	260,000	287,523	147,204	95.3%	240,656
AUS as % of Total Endorse.	59.6%	52.0%	56.9% r	-4.9% #	56.7%
<b>Loans Delinquent as of (Apr) **</b>	230,000	217,201	183,858	18.1%	202,197
<b>Claims (May) ***</b>	135,000	103,644	94,301	9.9%	142,455
Loss Mitigation Retention	75,000	62,051	56,726	9.4%	86,527
Loss Mitigation Disposition	5,000	2,814	2,963	-5.0%	4,480
Other Claims	55,000	38,779	34,612	12.0%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	572,000	425,051	172,259	146.8%	303,011
% of Total Insurance	65.0%	67.8%	52.1%	15.7% #	56.9%
Forward Mortgages	486,000	403,144	172,259	134.0%	290,339
HECM	86,000	21,907			12,672

# = Percentage point difference      r - revised

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

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

May 1-15, 2008

### Applications

- Applications, after adjustment, were recorded at an annual rate of 2,315,100, 6.4 percent higher than for late April and 176.1 percent over this time, a year ago.
- Actual receipts totaled 108,830 applications -- 58,022 purchase transactions, 44,682 refinances and 6,126 HECM's.
- For the refinance applications, 6,482 were prior FHA's, 37,646 were conventional to FHA's and 554 were delinquent conversions.

### Endorsements

- FHA endorsed 58,312 mortgages -- 53,163 forward mortgages and 5,149 reverse mortgages. Of the total, 40,354 forward mortgages were handled using Lender Insurance as well as 2,062 HECM's.
- Of the 58,312 mortgages insured, purchase money mortgages accounted for 27,280 of these endorsements -- 46.8 percent.
- As for the 25,883 refinanced mortgages, 6,785 were prior FHA's, 18,814 were conventional conversions and 284 were delinquent conventional conversions to FHA insured.
- Of this total of refinanced mortgages, 32.8 percent were cash out transactions.
- 72.7 percent of the endorsed mortgages were handled using the Lender Insurance protocol.

### Automated Underwriting

- 58,032 mortgages were accepted and insured using the FHA scorecard -- 61.4 percent of the total number of endorsements during May.

## **FHA SINGLE FAMILY OPERATIONS COMMENTS**

(Supplement to FHA Outlook)

**May 1-15, 2008**

The current surge in FHA business reminds one of the story of the rise of the Phoenix from ashes. In recent years, the rise of the sub prime market and soaring property values seriously affected FHA business and its share of the market declined to the point of just about being a minor participant in the housing finance sector.

Then, as foreclosures soared and property values fell, lenders were reporting big losses, it then appeared that the FHA program was the only safe game in town for them to accommodate borrowers intending to buy a home or refinancing in order to keep their home.

FHA activity started to rise in 2007 and was boosted by the FHA Secure Program to help home owners after resetting ARM's and legislation that raised the FHA mortgages insurance limit to \$729,750 in high cost areas. If borrowers could meet FHA underwriting standards they could refinance their mortgages with less onerous terms.

Activity has since grown very rapidly. For example, applications are up 158 percent and endorsements rose almost 86 percent in the past year. The first chart below showing application and endorsement activity portrays the sharp climb in applications and the slower rise in endorsements. Since the close rate of applications has fallen from the expected 70 percent to slightly higher than 50 percent, it appears that lenders are tightening their underwriting because of potential borrowers credit problems and the continued decline in property values. While this may slow down the rate of increase in endorsements, it may also keep the highest risk cases out of the FHA portfolio.

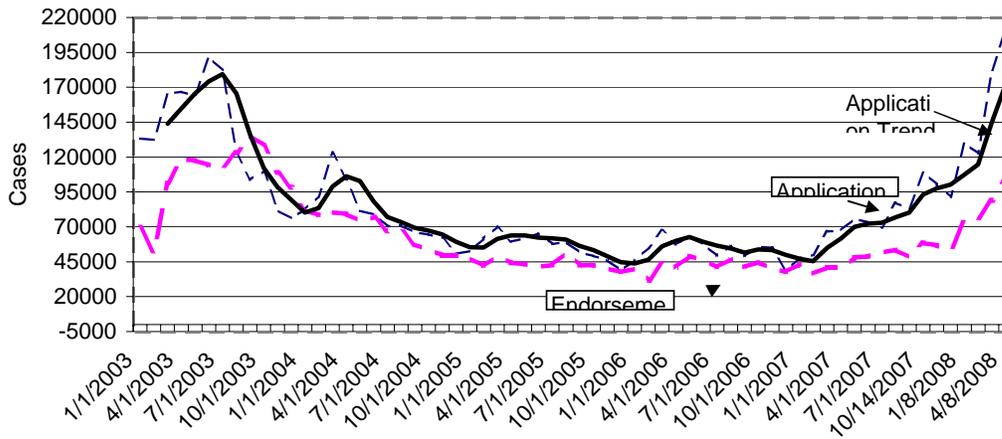
The second chart indicates the proportion of mortgages insured. Note the recent climb in the share of refinanced mortgages -- most of which are non delinquent conversions of conventional mortgages.

# FHA SINGLE FAMILY OPERATIONS CHARTS

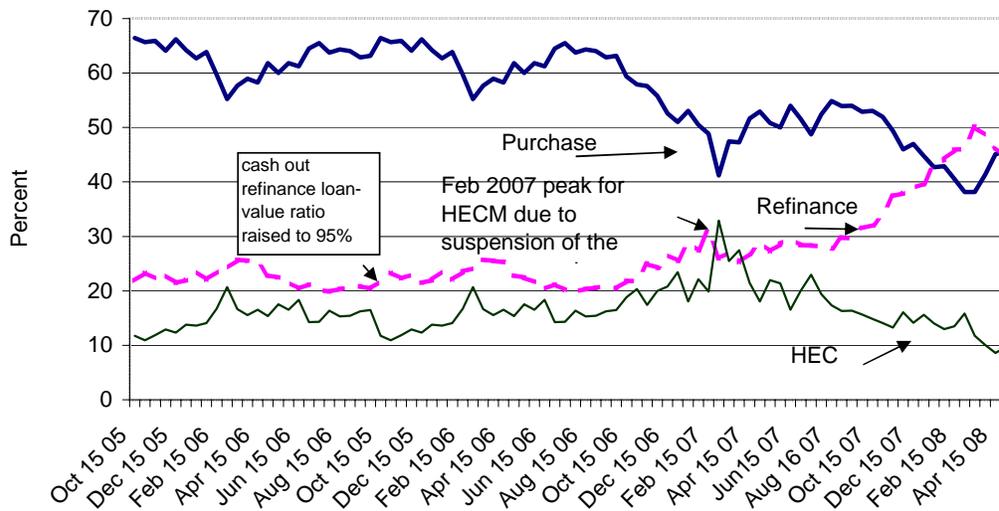
(Supplement to FHA Outlook)

May 1-15, 2008

Applications and Endorsements



FHA Endorsements by Type of Loan



# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

May 1-15, 2008

### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	2,315,100	2,175,200	6.4%	838,500	176.1%
Average per workday	9,151	8,598	6.4%	3,314	176.1%
<b>Actual</b>	<b>108,830</b>	<b>102,104</b>	<b>6.6%</b>	<b>39,427</b>	<b>176.0%</b>
<b>Purchase</b>	<b>58,022</b>	<b>52,157</b>	<b>11.2%</b>	<b>19,933</b>	<b>191.1%</b>
<b>Refinance</b>	<b>44,682</b>	<b>43,966</b>	<b>1.6%</b>	<b>13,712</b>	<b>225.9%</b>
Prior FHA	6,482	5,898	9.9%	2,868	126.0%
Conventional to FHA	37,646	37,450	0.5%	10,844	247.2%
Conventional to FHA (Delinquent)	554	618	-10.4%		
<b>HECM</b>	<b>6,126</b>	<b>5,981</b>	<b>2.4%</b>	<b>5,782</b>	<b>5.9%</b>
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	1,399,500	1,327,300	5.4%	557,900	150.9%
<b>Actual</b>	<b>58,312</b>	<b>55,303</b>	<b>5.4%</b>	<b>23,245</b>	<b>150.9%</b>
Average FICO Score (Mar)	654	648	0.9%	651	0.5%
Minority	15,085	14,828	1.7%	6,524	131.2%
% Minority	25.9%	26.8%	-0.9% #	28.1%	-2.2% #
<b>Purchase</b>	<b>27,280</b>	<b>25,214</b>	<b>8.2%</b>	<b>11,814</b>	<b>130.9%</b>
% Purchase	46.8%	45.6%	1.2% #	50.8%	-4.0% #
Average FICO Score (Mar)	663	657	0.9%	656	1.1%
1st Time Home Buyer	21,587	20,081	7.5%	9,632	124.1%
% 1st Time Home Buyer	79.1%	79.6%	-0.5% #	81.5%	-2.4% #
Non-Minority	14,316	12,969	10.4%	6,216	130.3%
% Non-Minority	66.3%	64.6%	1.7% #	64.5%	1.8% #
Minority	6,113	5,968	2.4%	3,021	102.4%
% Minority	28.3%	29.7%	-1.4% #	31.4%	-3.0% #
Not-Disclosed	1,157	1,144	1.1%	394	193.7%
% Not-Disclosed	5.4%	5.7%	-0.3% #	4.1%	1.3% #
<b>Refinanced</b>	<b>25,883</b>	<b>24,720</b>	<b>4.7%</b>	<b>6,330</b>	<b>308.9%</b>
% Refinanced	44.4%	44.7%	-0.3% #	27.2%	17.2% #
Total Cash Out	8,501	7,900	7.6%	4,802	
Total % Cash Out	32.8%	32.0%	0.9% #	75.9%	-43.0% #
Average FICO Score (Mar)	645	639	0.9%	640	0.8%
Prior FHA	6,785	6,507	4.3%	1,729	292.4%
Streamline	5,290	5,049	4.8%	1,015	421.2%
% Streamline	20.4%	20.4%	0.0% #	16.0%	4.4% #
Full Process	1,495	1,458	2.5%	714	109.4%
Cash Out	817	783	4.3%		
Conventional to FHA	18,814	17,924	5.0%	4,601	308.9%
Cash Out	7,684	7,117	8.0%		
Conventional to FHA (Delinquent)	284	289	-1.7%		
<b>HECM</b>	<b>5,149</b>	<b>5,369</b>	<b>-4.1%</b>	<b>5,101</b>	<b>0.9%</b>
% HECM	8.8%	9.7%	-0.9% #	21.9%	-13.1% #
HECM First	4,957	5,172	-4.2%	4,710	5.2%
HECM First ARM	4,819	4,946	-2.6%	4,707	2.4%
HECM Refinance	192	197	-2.5%	391	-50.9%
% HECM Refinance	3.7%	3.7%	0.1% #	7.7%	-3.9% #
HECM Refinance ARM	186	189	-1.6%	391	-52.4%

Source: \* F17 CHUMS

# = Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

May 1-15, 2008

### CURRENT

	<u>CURRENT</u> <u>2 WEEK</u> <u>PERIOD</u>	<u>LAST</u> <u>PERIOD</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>LAST</u> <u>YEAR</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	241	277	-13.0%	128 r	88.3%
Section 234(c)	2,193	2,027	8.2%	779	181.5%
% Section 234(c)	3.8%	3.7%	0.1% #	3.4%	0.4% #
ARM (Excludes HECM ARM)	483	530	-8.9%	201	140.3%
% ARM	0.8%	1.0%	-0.1% #	0.9%	0.0% #
Manufactured Housing	2,619	2,706	-3.2%	2,062	27.0%
Interest Buy-down	214	213	0.5%	106	101.9%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	4.6	4.4	4.5%	3.9	17.9%
Closing to Endorsement	4.4	4.6	-4.3%	4.3	2.3%
<b>Automated Underwriting System * x</b>					
AUS Endorsed ( <b>Apr</b> )	58,032	44,656	30.0%	18,268	217.7%
AUS as % of Total Endorsed	61.4%	56.3%	5.1% #	55.4% r	6.0% #
<b>Lender Insurance *</b>					
Total Lender Insurance	42,416	38,148	11.2%	12,623	236.0%
% of Total Insurance	72.7%	69.0%	3.8% #	54.3%	18.4% #
Forward Mortgages	40,354	36,399	10.9%	12,623	219.7%
HECM	2,062	1,749	17.9%		

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

### May 1-15, 2008

#### OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>TOTAL APPLICATIONS: *</b>	<b>1,600,000</b>	<b>1,081,695</b>	<b>418,537</b>	<b>158.4%</b>	<b>768,770</b>
<b>Purchase</b>	<b>640,000</b>	<b>460,410</b>	<b>209,512</b>	<b>119.8%</b>	<b>378,995</b>
<b>Refinance</b>	<b>800,000</b>	<b>529,155</b>	<b>137,637</b>	<b>284.5%</b>	<b>269,471</b>
Prior FHA	160,000	98,902	35,224	<b>180.8%</b>	54,951
Conventional to FHA	624,000	421,341	102,413	<b>311.4%</b>	214,225
Conventional to FHA (Delinquent)	16,000	8,912			295
<b>HECM</b>	<b>160,000</b>	<b>85,947</b>	<b>71,388</b>	<b>20.4%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>880,000</b>	<b>569,296</b>	<b>305,508</b>	<b>86.3%</b>	<b>532,337</b>
Minority	264,000	159,470	85,272	87.0%	148,927
% Minority	30.0%	28.0%	27.9%	0.1% #	28.0%
<b>Purchase</b>	<b>387,000</b>	<b>253,677</b>	<b>158,912</b>	<b>59.6%</b>	<b>278,422</b>
% Purchase	44.0%	44.6%	52.0%	-7.5% #	52.3%
1st Time Home Buyer	309,000	201,768	126,599	59.4%	221,492
% 1st Time Home Buyer	79.8%	79.5%	79.7%	-0.1% #	79.6%
Non-Minority	201,000	127,838	81,617	56.6%	143,170
% Non Minority	65.0%	63.4%	64.5%	-1.1% #	64.6%
Minority	96,000	63,734	39,707	60.5%	69,041
% Minority	31.1%	31.6%	31.4%	0.2% #	31.2%
Not-Disclosed	12,000	10,200	5,273	93.4%	9,275
% Not-Disclosed	3.9%	5.1%	4.2%	0.9% #	4.2%
<b>Refinanced</b>	<b>361,000</b>	<b>245,688</b>	<b>80,388</b>	<b>205.6%</b>	<b>146,357</b>
% Refinanced	41.0%	43.2%	26.3%	16.8% #	27.5%
Total Cash Out	128,000	87,425	60,490	44.5%	112,767
Total % Cash Out	35.5%	35.6%	75.2%	-39.7% #	77.0%
Prior FHA	79,000	58,826	24,422	140.9%	38,606
Streamline	55,000	42,816	14,572	193.8%	22,105
% Streamline	15.2%	17.4%	18.1%	-0.7% #	15.1%
Full Process	24,000	16,010	9,850	62.5%	16,501
Cash Out	15,000	9,258			
Conventional to FHA	278,000	184,302	55,974	229.3%	107,761
Cash Out	128,000	78,167			
Conventional to FHA (Delinquent)	4,000	2,560			
<b>HECM</b>	<b>132,000</b>	<b>69,931</b>	<b>66,208</b>	<b>5.6%</b>	<b>107,558</b>
% HECM	15.0%	12.3%	21.7%	-9.4% #	20.2%
HECM First	125,000	66,823	62,548	6.8%	100,809
HECM First ARM	124,000	64,837	62,543	3.7%	100,713
HECM Refinance	7,000	3,108	3,660	-15.1%	6,749
% HECM Refinance	5.3%	4.4%	5.5%	-1.1% #	6.3%
HECM Refinance ARM	6,000	3,026	3,660	-17.3%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

### May 1-15, 2008

#### OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	3,188	1,263 r	152.4%	3,391
Section 234(c)	35,000	19,295	9,878	95.3%	16,865
% Section 234(c)	4.0%	3.4%	3.2%	0.2% #	3.2%
ARM (Excludes HECM ARM)	11,000	3,352	3,111	7.7%	5,204
% ARM	1.3%	0.6%	1.0%	-0.4% #	1.0%
Manufactured Housing	62,000	35,741	30,222	18.3%	50,366
Interest Buy-down	9,000	3,770	1,919	96.5%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Apr)	260,000	252,313	126,046	100.2%	240,656
AUS as % of Total Endorse.	59.6%	56.5%	57.0% r	-0.5% #	56.7%
<b>Loans Delinquent as of (Apr) **</b>	230,000	217,201	183,858	18.1%	202,197
<b>Claims (Apr) ***</b>	135,000	89,730	82,125	9.3%	142,455
Loss Mitigation Retention	75,000	53,339	49,251	8.3%	86,527
Loss Mitigation Disposition	5,000	2,383	2,553	-6.7%	4,480
Other Claims	55,000	34,008	30,321	12.2%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	572,000	384,329	159,023	141.7%	303,011
% of Total Insurance	65.0%	67.5%	52.1%	15.5% #	56.9%
Forward Mortgages	486,000	363,694	159,023	128.7%	290,339
HECM	86,000	20,635			12,672

# = Percentage point difference      r - revised

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

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

April 16-30, 2008

### Applications

- Applications, at an annual rate, were estimated at 2,012,400 -- some what less than reported (6%) for early April. Nevertheless, it now appears that the application volume has reached a steady state -- in the 2 million range, -- since the last seven reporting periods have hovered in that area.
- The actual count of applications was 102,104 -- 52,157 purchase cases and 43,966 refinances as well as 5,981 HECM's.
- Most of the applications, represented existing construction (95%) and a large share (85%) of the refinance applications were conventional conversions to FHA.

### Endorsements

- During this reporting period, 55,303 mortgages were endorsed -- 49,934 forward mortgages and 5,369 reverse mortgages.
- As for the forward mortgages, 25,214 were purchase money instruments and of these, 20,081 were for first time home buyers. In addition, there were 24,720 refinanced mortgages endorsed -- most of these (72.5%), were non delinquent conventional conversions.
- 2,027 mortgages were insured under the Section 234c Condominium Program.
- 5,369 HECM cases were endorsed and of these, 197 were refinanced HECM's.
- 2,706 Manufactured Housing loans were insured this period.
- Cases insured during this reporting cycle took an average of 9 weeks from application to endorsement. The breakdown was 4.4 weeks from application to closing and another 4.6 weeks to get the case insured. Virtually all of the closing to endorsement time was lender's time.

### Automated Underwriting

- For April, 58,032 mortgages were accepted and endorsed using the FHA score card, that was 61.4 percent of the total cases insured during the month.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

April 16-30, 2008

### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	2,175,200	2,314,000	-6.0%	776,700	180.1%
Average per workday	8,598	9,146	-6.0%	3,070	180.1%
<b>Actual</b>	<b>102,104</b>	<b>108,495</b>	<b>-5.9%</b>	<b>36,460</b>	<b>180.0%</b>
<b>Purchase</b>	<b>52,157</b>	<b>52,011</b>	<b>0.3%</b>	<b>18,373</b>	<b>183.9%</b>
<b>Refinance</b>	<b>43,966</b>	<b>50,170</b>	<b>-12.4%</b>	<b>12,395</b>	<b>254.7%</b>
Prior FHA	5,898	8,313	-29.1%	2,480	137.8%
Conventional to FHA	37,450	41,168	-9.0%	9,915	277.7%
Conventional to FHA (Delinquent)	618	689	-10.3%		
<b>HECM</b>	<b>5,981</b>	<b>6,314</b>	<b>-5.3%</b>	<b>5,693</b>	<b>5.1%</b>
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	1,327,300	1,172,400	13.2%	542,300	144.8%
<b>Actual</b>	<b>55,303</b>	<b>48,848</b>	<b>13.2%</b>	<b>22,596</b>	<b>144.7%</b>
Average FICO Score (Feb)	648	647	0.2%	652	-0.6%
Minority	14,828	13,176	12.5%	6,479	128.9%
% Minority	26.8%	27.0%	-0.2% #	28.7%	-1.9% #
<b>Purchase</b>	<b>25,214</b>	<b>22,030</b>	<b>14.5%</b>	<b>11,964</b>	<b>110.7%</b>
% Purchase	45.6%	45.1%	0.5% #	52.9%	-7.4% #
Average FICO Score (Feb)	657	657	0.0%	659	-0.3%
1st Time Home Buyer	20,081	17,652	13.8%	9,614	108.9%
% 1st Time Home Buyer	79.6%	80.1%	-0.5% #	80.4%	-0.7% #
Non-Minority	12,969	11,474	13.0%	6,150	110.9%
% Non-Minority	64.6%	65.0%	-0.4% #	64.0%	0.6% #
Minority	5,968	5,261	13.4%	3,032	96.8%
% Minority	29.7%	29.8%	-0.1% #	31.5%	-1.8% #
Not-Disclosed	1,144	916	24.9%	433	164.2%
% Not-Disclosed	5.7%	5.2%	0.5% #	4.5%	1.2% #
<b>Refinanced</b>	<b>24,720</b>	<b>22,623</b>	<b>9.3%</b>	<b>6,547</b>	<b>277.6%</b>
% Refinanced	44.7%	46.3%	-1.6% #	29.0%	15.7% #
Total Cash Out	7,900	7,062	11.9%	4,819	63.9%
Total % Cash Out	32.0%	31.2%	0.7% #	73.6%	-41.6% #
Average FICO Score (Feb)	639	634	0.8%	641	-0.3%
Prior FHA	6,507	6,682	-2.6%	2,011	223.6%
Streamline	5,049	5,309	-4.9%	1,283	293.5%
% Streamline	20.4%	23.5%	-3.0% #	19.6%	0.8% #
Full Process	1,458	1,373	6.2%	728	100.3%
Cash Out	783	741	5.7%		
Conventional to FHA	17,924	15,683	14.3%	4,537	295.1%
Cash Out	7,117	6,321	12.6%		
Conventional to FHA (Delinquent)	289	258	12.0%		
<b>HECM</b>	<b>5,369</b>	<b>4,195</b>	<b>28.0%</b>	<b>4,085</b>	<b>31.4%</b>
% HECM	9.7%	8.6%	1.1% #	18.1%	-8.4% #
HECM First	5,172	4,019	28.7%	3,836	34.8%
HECM First ARM	4,946	3,753	31.8%	3,835	29.0%
HECM Refinance	197	176	11.9%	249	-20.9%
% HECM Refinance	3.7%	4.2%	-0.5% #	6.1%	-2.4% #
HECM Refinance ARM	189	168	12.5%	249	-24.1%

Source: \* F17 CHUMS

# = Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

April 16-30, 2008

### CURRENT

	<u>CURRENT</u> <u>2 WEEK</u> <u>PERIOD</u>	<u>LAST</u> <u>PERIOD</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>LAST</u> <u>YEAR</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	277	266	4.1%	167 r	65.9%
Section 234(c)	2,027	1,776	14.1%	721	181.1%
% Section 234(c)	3.7%	3.6%	0.0% #	3.2%	0.5% #
ARM (Excludes HECM ARM)	530	377	40.6%	220	140.9%
% ARM	1.0%	0.8%	0.2% #	1.0%	0.0% #
Manufactured Housing	2,706	2,475	9.3%	2,163	25.1%
Interest Buy-down	213	181	17.7%	178	19.7%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	4.4	4.5	-2.2%	3.9	12.8%
Closing to Endorsement	4.6	4.2	9.5%	4.3	7.0%
<b>Automated Underwriting System * x</b>					
AUS Endorsed ( <b>Apr</b> )	58,032	44,656	30.0%	18,268	217.7%
AUS as % of Total Endorsed	61.4%	56.3%	5.1% #	55.4% r	6.0% #
<b>Lender Insurance *</b>					
Total Lender Insurance	38,148	34,500	10.6%	12,619	202.3%
% of Total Insurance	69.0%	70.6%	-1.6% #	55.8%	13.1% #
Forward Mortgages	36,399	32,928	10.5%	12,619	188.4%
HECM	1,749	1,572	11.3%		

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

April 16-30, 2008

### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>1,600,000</b>	<b>972,865</b>	<b>379,110</b>	<b>156.6%</b>	<b>768,770</b>
<b>Purchase</b>	<b>640,000</b>	<b>402,388</b>	<b>189,579</b>	<b>112.3%</b>	<b>378,995</b>
<b>Refinance</b>	<b>800,000</b>	<b>484,473</b>	<b>123,925</b>	<b>290.9%</b>	<b>269,471</b>
Prior FHA	160,000	92,420	32,356	<b>185.6%</b>	54,951
Conventional to FHA	624,000	383,695	91,569	<b>319.0%</b>	214,225
Conventional to FHA (Delinquent)	16,000	8,358			295
<b>HECM</b>	<b>160,000</b>	<b>79,821</b>	<b>65,606</b>	<b>21.7%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>880,000</b>	<b>510,984</b>	<b>282,263</b>	<b>81.0%</b>	<b>532,337</b>
Minority	264,000	144,385	78,748	83.4%	148,927
% Minority	30.0%	28.3%	27.9%	0.4% #	28.0%
<b>Purchase</b>	<b>387,000</b>	<b>226,397</b>	<b>147,098</b>	<b>53.9%</b>	<b>278,422</b>
% Purchase	44.0%	44.3%	52.1%	-7.8% #	52.3%
1st Time Home Buyer	309,000	180,186	116,969	54.0%	221,492
% 1st Time Home Buyer	79.8%	79.6%	79.5%	0.1% #	79.6%
Non-Minority	201,000	113,522	75,401	50.6%	143,170
% Non Minority	65.0%	63.0%	64.5%	-1.5% #	64.6%
Minority	96,000	57,621	36,686	57.1%	69,041
% Minority	31.1%	32.0%	31.4%	0.6% #	31.2%
Not-Disclosed	12,000	9,043	4,879	85.3%	9,275
% Not-Disclosed	3.9%	5.0%	4.2%	0.8% #	4.2%
<b>Refinanced</b>	<b>361,000</b>	<b>219,805</b>	<b>74,058</b>	<b>196.8%</b>	<b>146,357</b>
% Refinanced	41.0%	43.0%	26.2%	16.8% #	27.5%
Total Cash Out	128,000	78,924	55,688	41.7%	112,767
Total % Cash Out	35.5%	35.9%	75.2%	-39.3% #	77.0%
Prior FHA	79,000	52,041	22,693	129.3%	38,606
Streamline	55,000	37,526	13,557	176.8%	22,105
% Streamline	15.2%	17.1%	18.3%	-1.2% #	15.1%
Full Process	24,000	14,515	9,136	58.9%	16,501
Cash Out	15,000	8,441			
Conventional to FHA	278,000	165,488	51,373	222.1%	107,761
Cash Out	128,000	70,483			
Conventional to FHA (Delinquent)	4,000	2,276			
<b>HECM</b>	<b>132,000</b>	<b>64,782</b>	<b>61,107</b>	<b>6.0%</b>	<b>107,558</b>
% HECM	15.0%	12.7%	21.6%	-9.0% #	20.2%
HECM First	125,000	61,866	57,838	7.0%	100,809
HECM First ARM	124,000	60,018	57,836	3.8%	100,713
HECM Refinance	7,000	2,916	3,269	-10.8%	6,749
% HECM Refinance	5.3%	4.5%	5.3%	-0.8% #	6.3%
HECM Refinance ARM	6,000	2,840	3,269	-13.1%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

April 16-30, 2008

### OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	2,947	1,135 r	159.6%	3,391
Section 234(c)	35,000	17,102	9,099	88.0%	16,865
% Section 234(c)	4.0%	3.3%	3.2%	0.1% #	3.2%
ARM (Excludes HECM ARM)	11,000	2,869	2,910	-1.4%	5,204
% ARM	1.3%	0.6%	1.0%	-0.5% #	1.0%
Manufactured Housing	62,000	33,122	28,160	17.6%	50,366
Interest Buy-down	9,000	3,556	1,813	96.1%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Apr)	260,000	252,313	126,046	100.2%	240,656
AUS as % of Total Endorse.	59.6%	56.5%	57.0% r	-0.5% #	56.7%
<b>Loans Delinquent as of (Mar) **</b>	230,000	217,603	180,635	20.5%	202,197
<b>Claims (Apr) ***</b>	135,000	89,730	82,125	9.3%	142,455
Loss Mitigation Retention	75,000	53,339	49,251	8.3%	86,527
Loss Mitigation Disposition	5,000	2,383	2,553	-6.7%	4,480
Other Claims	55,000	34,008	30,321	12.2%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	572,000	341,913	146,400	133.5%	303,011
% of Total Insurance	65.0%	66.9%	51.9%	15.0% #	56.9%
Forward Mortgages	486,000	323,340	146,400	120.9%	290,339
HECM	86,000	18,573			12,672

# = Percentage point difference r - revised

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

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

April 1-15, 2008

### Applications

- Another new high! The seasonally adjusted annual rate continued its climb and was recorded at 2,314,000 -- 15 percent above the prior period and three times higher than a year ago when the rate was 742,100.
- This is an average of 9,146 applications per work day -- much higher than for late March -- 7,957.
- Of the total, 52,011 were purchase cases, 50,170 refinances and 6,314 reverse mortgage applications.

### Endorsements

- During this reporting period, 48,848 mortgages were endorsed -- 22,030 purchase money mortgages, 22,623 refinances and 4,195 HECM's.
- The average FICO score for all cases was 648, but quite a difference between purchase cases (657) and refinanced cases (639).
- Four out of five purchases were for first time home buyers, most of which were non-minority households (65%).
- For the refinanced transactions, 31.2 percent were cash outs.
- Of the 22,623 refinance endorsement, 6,682 were prior FHA's, 15,683 were conventional to FHA conversions and 258 delinquent conversion cases.
- For the 4,195 HECM, 4,019 were first time HECM's and 176 were HECM refinances.
- The average processing time for cases -- application to endorsement was 8.7 weeks -- slightly higher than for a year ago -- 8.3 weeks.
- Lender insurance cases totaled 34,500 -- 70.6 percent of activity.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

April 1-15, 2008

### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	2,314,000	2,013,000	15.0%	742,100	211.8%
Average per workday	9,146	7,957	14.9%	2,933	211.8%
<b>Actual</b>	<b>108,495</b>	<b>96,923</b>	<b>11.9%</b>	<b>31,069</b>	<b>249.2%</b>
<b>Purchase</b>	<b>52,011</b>	<b>43,029</b>	<b>20.9%</b>	<b>15,727</b>	<b>230.7%</b>
<b>Refinance</b>	<b>50,170</b>	<b>47,711</b>	<b>5.2%</b>	<b>10,578</b>	<b>374.3%</b>
Prior FHA	8,313	8,047	3.3%	2,518	230.1%
Conventional to FHA	41,168	38,961	5.7%	8,060	410.8%
Conventional to FHA (Delinquent)	689	703	-2.0%		
<b>HECM</b>	<b>6,314</b>	<b>6,183</b>	<b>2.1%</b>	<b>4,763</b>	<b>32.6%</b>
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	1,172,400	1,138,500	3.0%	442,500	164.9%
<b>Actual</b>	<b>48,848</b>	<b>47,436</b>	<b>3.0%</b>	<b>18,436</b>	<b>165.0%</b>
Average FICO Score (Feb)	648	647	0.2%	652	-0.6%
Minority	13,176	12,937	1.8%	5,123	157.2%
% Minority	27.0%	27.3%	-0.3% #	27.8%	-0.8% #
<b>Purchase</b>	<b>22,030</b>	<b>19,637</b>	<b>12.2%</b>	<b>9,525</b>	<b>131.3%</b>
% Purchase	45.1%	41.4%	3.7% #	51.7%	-6.6% #
Average FICO Score (Feb)	657	657	0.0%	659	-0.3%
1st Time Home Buyer	17,652	15,724	12.3%	7,660	130.4%
% 1st Time Home Buyer	80.1%	80.1%	0.1% #	80.4%	-0.3% #
Non-Minority	11,474	10,207	12.4%	4,993	129.8%
% Non-Minority	65.0%	64.9%	0.1% #	65.2%	-0.2% #
Minority	5,261	4,739	11.0%	2,335	125.3%
% Minority	29.8%	30.1%	-0.3% #	30.5%	-0.7% #
Not-Disclosed	916	777	17.9%	331	176.7%
% Not-Disclosed	5.2%	4.9%	0.2% #	4.3%	0.9% #
<b>Refinanced</b>	<b>22,623</b>	<b>23,024</b>	<b>-1.7%</b>	<b>4,954</b>	<b>356.7%</b>
% Refinanced	46.3%	48.5%	-2.2% #	26.9%	19.4% #
Total Cash Out	7,062	7,365	-4.1%	3,631	94.5%
Total % Cash Out	31.2%	32.0%	-0.8% #	73.3%	-42.1% #
Average FICO Score (Feb)	639	634	0.8%	641	-0.3%
Prior FHA	6,682	6,866	-2.7%	1,515	341.1%
Streamline	5,309	5,481	-3.1%	959	453.6%
% Streamline	23.5%	23.8%	-0.3% #	19.4%	4.1% #
Full Process	1,373	1,385	-0.9%	556	146.9%
Cash Out	741	753	-1.6%		
Conventional to FHA	15,683	15,903	-1.4%	3,439	356.0%
Cash Out	6,321	6,612	-4.4%		
Conventional to FHA (Delinquent)	258	255	1.2%		
<b>HECM</b>	<b>4,195</b>	<b>4,775</b>	<b>-12.1%</b>	<b>3,957</b>	<b>6.0%</b>
% HECM	8.6%	10.1%	-1.5% #	21.5%	-12.9% #
HECM First	4,019	4,583	-12.3%	3,725	7.9%
HECM First ARM	3,753	4,238	-11.4%	3,724	0.8%
HECM Refinance	176	192	-8.3%	232	-24.1%
% HECM Refinance	4.2%	4.0%	0.2% #	5.9%	-1.7% #
HECM Refinance ARM	168	170	-1.2%	232	-27.6%

Source: \* F17 CHUMS

# = Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

April 1-15, 2008

### CURRENT

	<u>CURRENT 2 WEEK PERIOD</u>	<u>LAST PERIOD</u>	<u>PERCENT CHANGE</u>	<u>LAST YEAR</u>	<u>PERCENT CHANGE</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	266	233	14.2%	126 r	111.1%
Section 234(c)	1,776	1,715	3.6%	547	224.7%
% Section 234(c)	3.6%	3.6%	0.0% #	3.0%	0.7% #
ARM (Excludes HECM ARM)	377	245	53.9%	180	109.4%
% ARM	0.8%	0.5%	0.3% #	1.0%	-0.2% #
Manufactured Housing	2,475	2,533	-2.3%	1,773	39.6%
Interest Buy-down	181	157	15.3%	140	29.3%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	4.5	4.5	0.0%	4.0	12.5%
Closing to Endorsement	4.2	4.5	-6.7%	4.3	-2.3%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Mar)	44,656	34,659 r	28.8%	16,947	163.5%
AUS as % of Total Endorsed	56.3%	54.4% r	1.9% #	56.1% r	0.2% #
<b>Lender Insurance *</b>					
Total Lender Insurance	34,500	32,261	6.9%	9,989	245.4%
% of Total Insurance	70.6%	68.0%	2.6% #	54.2%	16.4% #
Forward Mortgages	32,928	30,780	7.0%	9,989	229.6%
HECM	1,572	1,481	6.1%		

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

April 1-15, 2008

### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>1,600,000</b>	<b>870,761</b>	<b>342,650</b>	<b>154.1%</b>	<b>768,770</b>
<b>Purchase</b>	<b>640,000</b>	<b>350,231</b>	<b>171,206</b>	<b>104.6%</b>	<b>378,995</b>
<b>Refinance</b>	<b>800,000</b>	<b>440,507</b>	<b>111,530</b>	<b>295.0%</b>	<b>269,471</b>
Prior FHA	160,000	86,522	29,876	<b>189.6%</b>	54,951
Conventional to FHA	624,000	346,245	81,654	<b>324.0%</b>	214,225
Conventional to FHA (Delinquent)	16,000	7,740			295
<b>HECM</b>	<b>160,000</b>	<b>73,840</b>	<b>59,913</b>	<b>23.2%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>880,000</b>	<b>455,681</b>	<b>259,667</b>	<b>75.5%</b>	<b>532,337</b>
Minority	264,000	129,557	72,269	79.3%	148,927
% Minority	30.0%	28.4%	27.8%	0.6% #	28.0%
<b>Purchase</b>	<b>387,000</b>	<b>201,183</b>	<b>135,134</b>	<b>48.9%</b>	<b>278,422</b>
% Purchase	44.0%	44.1%	52.0%	-7.9% #	52.3%
1st Time Home Buyer	309,000	160,105	107,356	49.1%	221,492
% 1st Time Home Buyer	79.8%	79.6%	79.4%	0.1% #	79.6%
Non-Minority	201,000	100,553	69,251	45.2%	143,170
% Non Minority	65.0%	62.8%	64.5%	-1.7% #	64.6%
Minority	96,000	51,653	33,654	53.5%	69,041
% Minority	31.1%	32.3%	31.3%	0.9% #	31.2%
Not-Disclosed	12,000	7,899	4,446	77.7%	9,275
% Not-Disclosed	3.9%	4.9%	4.1%	0.8% #	4.2%
<b>Refinanced</b>	<b>361,000</b>	<b>195,085</b>	<b>67,511</b>	<b>189.0%</b>	<b>146,357</b>
% Refinanced	41.0%	42.8%	26.0%	16.8% #	27.5%
Total Cash Out	128,000	71,024	50,869	39.6%	112,767
Total % Cash Out	35.5%	36.4%	75.3%	-38.9% #	77.0%
Prior FHA	79,000	45,534	20,682	120.2%	38,606
Streamline	55,000	32,477	12,274	164.6%	22,105
% Streamline	15.2%	16.6%	18.2%	-1.5% #	15.1%
Full Process	24,000	13,057	8,408	55.3%	16,501
Cash Out	15,000	7,658			
Conventional to FHA	278,000	147,564	46,836	215.1%	107,761
Cash Out	128,000	63,366			
Conventional to FHA (Delinquent)	4,000	1,987			
<b>HECM</b>	<b>132,000</b>	<b>59,413</b>	<b>57,022</b>	<b>4.2%</b>	<b>107,558</b>
% HECM	15.0%	13.0%	22.0%	-8.9% #	20.2%
HECM First	125,000	56,694	54,002	5.0%	100,809
HECM First ARM	124,000	55,072	54,001	2.0%	100,713
HECM Refinance	7,000	2,719	3,020	-10.0%	6,749
% HECM Refinance	5.3%	4.6%	5.3%	-0.7% #	6.3%
HECM Refinance ARM	6,000	2,651	3,020	-12.2%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

April 1-15, 2008

### OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	2,670 r	968 r	175.8%	3,391
Section 234(c)	35,000	15,075 r	8,378	79.9%	16,865
% Section 234(c)	4.0%	3.3% r	3.2%	0.1% #	3.2%
ARM (Excludes HECM ARM)	11,000	2,339 r	2,690	-13.0%	5,204
% ARM	1.3%	0.5% r	1.0%	-0.5% #	1.0%
Manufactured Housing	62,000	30,416 r	25,997	17.0%	50,366
Interest Buy-down	9,000	3,343 r	1,635	104.5%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Mar)	260,000	194,281	107,778	80.3%	240,656
AUS as % of Total Endorse.	59.6%	55.3%	57.3% r	-2.0% #	56.7%
<b>Loans Delinquent as of (Mar) **</b>	230,000	217,603	192,922	12.8%	202,197
<b>Claims (Mar) ***</b>					
Loss Mitigation Retention	75,000	44,104	42,985	2.6%	86,527
Loss Mitigation Disposition	5,000	1,982	2,162	-8.3%	4,480
Other Claims	55,000	28,988	26,095	11.1%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	572,000	303,765 r	133,781	127.1%	303,011
% of Total Insurance	65.0%	66.7% r	51.5%	15.1% #	56.9%
Forward Mortgages	486,000	286,941 r	133,781	114.5%	290,339
HECM	86,000	16,824 r			12,672

# = Percentage point difference r - revised

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

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

March 16-31, 2008

### **Applications**

- o During this period, applications continued to climb and were recorded at an annual rate of 2,013,000 -- the highest rate since July 15, 2003.
- o On a per workday basis, that is almost 8,000 applications a day.
- o The actual count of applications was 96,923 -- 14.1 percent over early March.
- o There were 43,029 purchase applications, 47,711 refinance cases and 6,183 reverse mortgage applications.

### **Endorsements**

- o 47,436 cases were insured, 19,637 purchase money mortgages, 23,024 refinanced loans and 4,775 HECM's.
- o 80.1 percent of the purchase mortgages were for first time home buyers.
- o 30.1 percent of the first time home owners were classified as members of a minority.
- o 23,024 endorsements were refinanced transactions -- of these 6,866 were prior FHA cases, 15,903 were conventional mortgages refinancing with FHA insurance and 255 were troubled conventional mortgages in delinquency, converting to FHA.
- o For the 4,775 HECM's that were insured, 192 were refinanced HECM's.
- o 32,261 Lender Insurance mortgages were endorsed -- 68 percent of total insurance. 30,780 were forward mortgages and 1,481 were reverse mortgages.

### **Automated Underwriting**

- o During March, 44,656 mortgages were accepted and endorsed using the FHA score card -- 56.3 percent of the cases insured during the month.

## **FHA SINGLE FAMILY OPERATIONS COMMENTS**

(Supplement to FHA Outlook)

**March 16-31, 2008**

At midyear, FHA had received 762,266 single family program applications -- almost one and a half times greater for this period last year -- 311,581. This is partially due to the housing crisis in the sub prime market and the FHA Secure Program.

Of this total, 43,631 applications covered proposed construction and 718,635 involving existing home sales. Also, broken out by loan type, 298,220 were for purchase cases and 390,337 were for a refinance transaction. These refinances involved 78,209 FHA to FHA actions, 305,077 conventional mortgage conversions to FHA and 7,051 delinquent conventional to FHA. In addition, 73,709 HECM applications were received.

So far this year, 351,615 forward mortgages were insured as well as 55,218 reverse mortgages. By type of mortgage, 179,153 purchase money mortgages were endorsed, of which 142,457 were for first time home buyers.

Of the refinance forward mortgages, 38,852 were FHA to FHA refinances, 131,881 were conventional to FHA closings and 1,729 delinquent conventional.

It should also be noted that 63,962 refinanced transaction involved a cash out -- 37% of the refinances.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

March 16-31, 2008

### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	2,013,000	1,891,700	6.4%	708,900	184.0%
Average per workday	7,957	7,477	6.4%	2,802	184.0%
<b>Actual</b>	<b>96,923</b>	<b>84,975</b>	<b>14.1%</b>	<b>34,089</b>	<b>184.3%</b>
<b>Purchase</b>	<b>43,029</b>	<b>38,686</b>	<b>11.2%</b>	<b>16,783</b>	<b>156.4%</b>
<b>Refinance</b>	<b>47,711</b>	<b>40,268</b>	<b>18.5%</b>	<b>11,142</b>	<b>328.2%</b>
Prior FHA	8,047	6,922	16.3%	2,645	204.2%
Conventional to FHA	38,961	32,688	19.2%	8,497	358.5%
Conventional to FHA (Delinquent)	703	658	6.8%		
<b>HECM</b>	<b>6,183</b>	<b>6,021</b>	<b>2.7%</b>	<b>6,164</b>	<b>0.3%</b>
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	1,138,500	998,100	14.1%	504,300	125.8%
<b>Actual</b>	<b>47,436</b>	<b>41,588</b>	<b>14.1%</b>	<b>21,011</b>	<b>125.8%</b>
Average FICO Score (Jan)	647	647	0.0%	653	-0.9%
Minority	12,937	11,293	14.6%	5,981	116.3%
% Minority	27.3%	27.2%	0.1% #	28.5%	-1.2% #
<b>Purchase</b>	<b>19,637</b>	<b>15,858</b>	<b>23.8%</b>	<b>9,934</b>	<b>97.7%</b>
% Purchase	41.4%	38.1%	3.3% #	47.3%	-5.9% #
Average FICO Score (Jan)	657	657	0.0%	659	-0.3%
1st Time Home Buyer	15,724	12,746	23.4%	7,996	96.6%
% 1st Time Home Buyer	80.1%	80.4%	-0.3% #	80.5%	-0.4% #
Non-Minority	10,207	8,097	26.1%	5,096	100.3%
% Non Minority	64.9%	63.5%	1.4% #	63.7%	1.2% #
Minority	4,739	3,981	19.0%	2,560	85.1%
% Minority	30.1%	31.2%	-1.1% #	32.0%	-1.9% #
Not-Disclosed	777	667	16.5%	340	128.5%
% Not-Disclosed	4.9%	5.2%	-0.3% #	4.3%	0.7% #
<b>Refinanced</b>	<b>23,024</b>	<b>20,842</b>	<b>10.5%</b>	<b>5,309</b>	<b>333.7%</b>
% Refinanced	48.5%	50.1%	-1.6% #	25.3%	23.3% #
Total Cash Out	7,365	6,614	11.4%	3,993	84.4%
Total % Cash Out	32.0%	31.7%	0.3% #	75.2%	-43.2% #
Average FICO Score (Jan)	636	634	0.3%	640	-0.6%
Prior FHA	6,866	6,188	11.0%	1,563	339.3%
Streamline	5,481	4,998	9.7%	968	466.2%
% Streamline	23.8%	24.0%	-0.2% #	18.2%	5.6% #
Full Process	1,385	1,190	16.4%	595	132.8%
Cash Out	753	639	17.8%		
Conventional to FHA	15,903	14,412	10.3%	3,744	324.8%
Cash Out	6,612	5,975	10.7%		
Conventional to FHA (Delinquent)	255	242	5.4%		
<b>HECM</b>	<b>4,775</b>	<b>4,888</b>	<b>-2.3%</b>	<b>5,768</b>	<b>-17.2%</b>
% HECM	10.1%	11.8%	-1.7% #	27.5%	-17.4% #
HECM First	4,583	4,721	-2.9%	5,480	-16.4%
HECM First ARM	4,238	4,485	-5.5%	5,480	-22.7%
HECM Refinance	192	167	15.0%	288	-33.3%
% HECM Refinance	4.0%	3.4%	0.6% #	5.0%	-1.0% #
HECM Refinance ARM	170	159	6.9%	288	-41.0%

Source: \* F17 CHUMS

# = Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

# March 16-31, 2008

## CURRENT

	<u>CURRENT</u> <u>2 WEEK</u> <u>PERIOD</u>	<u>LAST</u> <u>PERIOD</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>LAST</u> <u>YEAR</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	233	213	9.4%	108 r	115.7%
Section 234(c)	1,715	1,363	25.8%	540	217.6%
% Section 234(c)	3.6%	3.3%	0.3% #	2.6%	1.0% #
ARM (Excludes HECM ARM)	245	136	80.1%	136	80.1%
% ARM	0.5%	0.3%	0.2% #	0.6%	-0.1% #
Manufactured Housing	2,533	2,283	11.0%	1,932	31.1%
Interest Buy-down	157	135	16.3%	105	49.5%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	4.5	4.5	0.0%	3.8	18.4%
Closing to Endorsement	4.5	4.6	-2.2%	5.1	-11.8%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Mar)	44,656	34,659	28.8%	16,947	163.5%
AUS as % of Total Endorsed	56.3%	54.4%	1.9% #	56.1% r	0.2% #
<b>Lender Insurance *</b>					
Total Lender Insurance	32,261	28,640	12.6%	9,689	233.0%
% of Total Insurance	68.0%	68.9%	-0.9% #	46.1%	21.9% #
Forward Mortgages	30,780	27,231	13.0%	9,689	217.7%
HECM	1,481	1,409	5.1%		

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

March 16-31, 2008

### OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>TOTAL APPLICATIONS: *</b>	<b>1,600,000</b>	<b>762,266</b>	<b>311,581</b>	<b>144.6%</b>	<b>768,770</b>
<b>Purchase</b>	<b>640,000</b>	<b>298,220</b>	<b>155,479</b>	<b>91.8%</b>	<b>378,995</b>
<b>Refinance</b>	<b>800,000</b>	<b>390,337</b>	<b>100,952</b>	<b>286.7%</b>	<b>269,471</b>
Prior FHA	160,000	78,209	27,358	<b>185.9%</b>	54,951
Conventional to FHA	624,000	305,077	73,594	<b>314.5%</b>	214,225
Conventional to FHA (Delinquent)	16,000	7,051			295
<b>HECM</b>	<b>160,000</b>	<b>73,709</b>	<b>55,150</b>	<b>33.7%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>880,000</b>	<b>406,833</b>	<b>241,231</b>	<b>68.6%</b>	<b>532,337</b>
Minority	264,000	116,381	67,146	73.3%	148,927
% Minority	30.0%	28.6%	27.8%	0.8% #	28.0%
<b>Purchase</b>	<b>387,000</b>	<b>179,153</b>	<b>125,609</b>	<b>42.6%</b>	<b>278,422</b>
% Purchase	44.0%	44.0%	52.1%	-8.0% #	52.3%
1st Time Home Buyer	309,000	142,457	99,696	42.9%	221,492
% 1st Time Home Buyer	79.8%	79.5%	79.4%	0.1% #	79.6%
Non-Minority	201,000	89,079	64,258	38.6%	143,170
% Non-Minority	65.0%	62.5%	64.5%	-1.9% #	64.6%
Minority	96,000	46,392	31,319	48.1%	69,041
% Minority	31.1%	32.6%	31.4%	1.2% #	31.2%
Not-Disclosed	12,000	6,983	4,115	69.7%	9,275
% Not-Disclosed	3.9%	4.9%	4.1%	0.8% #	4.2%
<b>Refinanced</b>	<b>361,000</b>	<b>172,462</b>	<b>62,557</b>	<b>175.7%</b>	<b>146,357</b>
% Refinanced	41.0%	42.4%	25.9%	16.5% #	27.5%
Total Cash Out	128,000	63,962	47,238	35.4%	112,767
Total % Cash Out	35.5%	37.1%	75.5%	-38.4% #	77.0%
Prior FHA	79,000	38,852	19,167	102.7%	38,606
Streamline	55,000	27,168	11,315	140.1%	22,105
% Streamline	15.2%	15.8%	18.1%	-2.3% #	15.1%
Full Process	24,000	11,684	7,852	48.8%	16,501
Cash Out	15,000	6,917			
Conventional to FHA	278,000	131,881	43,397	203.9%	107,761
Cash Out	128,000	57,045			
Conventional to FHA (Delinquent)	4,000	1,729			
<b>HECM</b>	<b>132,000</b>	<b>55,218</b>	<b>53,065</b>	<b>4.1%</b>	<b>107,558</b>
% HECM	15.0%	13.6%	22.0%	-8.4% #	20.2%
HECM First	125,000	52,675	50,277	4.8%	100,809
HECM First ARM	124,000	51,319	50,277	2.1%	100,713
HECM Refinance	7,000	2,543	2,788	-8.8%	6,749
% HECM Refinance	5.3%	4.6%	5.3%	-0.6% #	6.3%
HECM Refinance ARM	6,000	2,483	2,788	-10.9%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

# SINGLE FAMILY OPERATIONS

March 16-31, 2008

## OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	2,404	842 r	185.5%	3,391
Section 234(c)	35,000	13,299	7,831	69.8%	16,865
% Section 234(c)	4.0%	3.3%	3.2%	0.0% #	3.2%
ARM (Excludes HECM ARM)	11,000	1,962	2,510	-21.8%	5,204
% ARM	1.3%	0.5%	1.0%	-0.6% #	1.0%
Manufactured Housing	62,000	27,941	24,224	15.3%	50,366
Interest Buy-down	9,000	3,162	1,495	111.5%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Mar)	260,000	194,281	107,778	80.3%	240,656
AUS as % of Total Endorse.	59.6%	55.3%	57.3% r	-2.0% #	56.7%
<b>Loans Delinquent as of (Feb) **</b>	230,000	224,250	202,078	11.0%	202,197
<b>Claims (Mar) ***</b>	135,000	75,074	71,242	5.4%	142,455
Loss Mitigation Retention	75,000	44,104	42,985	2.6%	86,527
Loss Mitigation Disposition	5,000	1,982	2,162	-8.3%	4,480
Other Claims	55,000	28,988	26,095	11.1%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	572,000	269,265	123,792	117.5%	303,011
% of Total Insurance	65.0%	66.2%	51.3%	14.9% #	56.9%
Forward Mortgages	486,000	254,013	123,792	105.2%	290,339
HECM	86,000	15,252			12,672

# = Percentage point difference      r - revised

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

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

March 1-15, 2008

### Applications

- Applications, after seasonal adjustment, continued a sharp upward movement to an annual rate of 1,891,700 -- a gain of 10.5 percent over the prior reporting period.
- 84,975 applications were received -- 38,686 to purchase a home, 40,268 to refinance a mortgage and 6,021 HECM's.
- Most of the refinances (32,688) involved a conventional mortgage converting to an FHA mortgage.

### Endorsements

- During early March, 41,588 mortgages were insured -- 15,858 purchase money instruments, 20,842 refinance transactions and 4,888 Reverse mortgages.
- Of the purchase cases, 80.4 percent were for first time home buyers. Also, 31.2 percent of these transactions involved minority households.
- With respect to the 20,842 refinances, 6,188 were prior FHA cases, 14,412 were conventional to FHA conversions and just 242 were delinquent conventionals.
- It is also noteworthy that 31.7 percent of these refinances were cash outs -- most of which were conventional conversions.
- 4,888 HECM transactions were insured -- 4,721 first HECM's and 167 refinances of prior HECM's.
- 1,363 condominium units were insured as well as 213 Section 203k mortgages.
- 2,283 Manufactured Housing cases were endorsed during this reporting period.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

March 1-15, 2008

### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	1,891,700	1,711,900	10.5%	664,500	184.7%
Average per workday	7,477	6,766	10.5%	2,626	184.7%
<b>Actual</b>	<b>84,975</b>	<b>67,916</b>	<b>25.1%</b>	<b>32,796</b>	<b>159.1%</b>
<b>Purchase</b>	<b>38,686</b>	<b>29,180</b>	<b>32.6%</b>	<b>16,971</b>	<b>128.0%</b>
<b>Refinance</b>	<b>40,268</b>	<b>33,190</b>	<b>21.3%</b>	<b>10,418</b>	<b>286.5%</b>
Prior FHA	6,922	5,850	18.3%	2,815	145.9%
Conventional to FHA	32,688	26,832	21.8%	7,603	329.9%
Conventional to FHA (Delinquent)	658	508	29.5%		
<b>HECM</b>	<b>6,021</b>	<b>5,546</b>	<b>8.6%</b>	<b>5,407</b>	<b>11.4%</b>
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	998,100	865,100	15.4%	482,400	106.9%
<b>Actual</b>	<b>41,588</b>	<b>36,047</b>	<b>15.4%</b>	<b>20,098</b>	<b>106.9%</b>
Average FICO Score (Dec)	647	650	-0.5%	654	-1.1%
Minority	11,293	10,142	11.3%	5,735	96.9%
% Minority	27.2%	28.1%	-1.0% #	28.5%	-1.4% #
<b>Purchase</b>	<b>15,858</b>	<b>13,755</b>	<b>15.3%</b>	<b>9,538</b>	<b>66.3%</b>
% Purchase	38.1%	38.2%	0.0% #	47.5%	-9.3% #
Average FICO Score (Dec)	657	664	-1.1%	661	-0.6%
1st Time Home Buyer	12,746	10,953	16.4%	7,650	66.6%
% 1st Time Home Buyer	80.4%	79.6%	0.7% #	80.2%	0.2% #
Non-Minority	8,097	6,751	19.9%	4,838	67.4%
% Non-Minority	63.5%	61.6%	1.9% #	63.2%	0.3% #
Minority	3,981	3,599	10.6%	2,434	63.6%
% Minority	31.2%	32.9%	-1.6% #	31.8%	-0.6% #
Not-Disclosed	667	603	10.6%	377	76.9%
% Not-Disclosed	5.2%	5.5%	-0.3% #	4.9%	0.3% #
<b>Refinanced</b>	<b>20,842</b>	<b>16,589</b>	<b>25.6%</b>	<b>5,440</b>	<b>283.1%</b>
% Refinanced	50.1%	46.0%	4.1% #	27.1%	23.0% #
Total Cash Out	6,614	5,630	17.5%	3,969	66.6%
Total % Cash Out	31.7%	33.9%	-2.2% #	73.0%	-41.2% #
Average FICO Score (Dec)	634	641	-1.1%	639	-0.8%
Prior FHA	6,188	4,122	50.1%	1,769	249.8%
Streamline	4,998	3,099	61.3%	1,124	344.7%
% Streamline	24.0%	18.7%	5.3% #	20.7%	3.3% #
Full Process	1,190	1,023	16.3%	645	84.5%
Cash Out	639	581	10.0%		
Conventional to FHA	14,412	12,243	17.7%	3,670	292.7%
Cash Out	5,975	5,049	18.3%		
Conventional to FHA (Delinquent)	242	224	8.0%		
<b>HECM</b>	<b>4,888</b>	<b>5,703</b>	<b>-14.3%</b>	<b>5,120</b>	<b>-4.5%</b>
% HECM	11.8%	15.8%	-4.1% #	25.5%	-13.7% #
HECM First	4,721	5,469	-13.7%	4,871	-3.1%
HECM First ARM	4,485	5,350	-16.2%	4,871	-7.9%
HECM Refinance	167	234	-28.6%	249	-32.9%
% HECM Refinance	3.4%	4.1%	-0.7% #	4.9%	-1.4% #
HECM Refinance ARM	159	230	-30.9%	249	-36.1%

Source: \* F17 CHUMS

# = Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

March 1-15, 2008

### CURRENT

	<u>CURRENT</u> <u>2 WEEK</u> <u>PERIOD</u>	<u>LAST</u> <u>PERIOD</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>LAST</u> <u>YEAR</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	213	224	-4.9%	123 r	73.2%
Section 234(c)	1,363	1,118	21.9%	557	144.7%
% Section 234(c)	3.3%	3.1%	0.2% #	2.8%	0.5% #
ARM (Excludes HECM ARM)	136	113	20.4%	126	7.9%
% ARM	0.3%	0.3%	0.0% #	0.6%	-0.3% #
Manufactured Housing	2,283	2,296	-0.6%	1,833	24.5%
Interest Buy-down	135	127	6.3%	112	20.5%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	4.5	4.3	4.7%	4.0	12.5%
Closing to Endorsement	4.6	5.1	-9.8%	4.8	-4.2%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Feb)	34,659	35,156	-1.4%	14,878	133.0%
AUS as % of Total Endorsed	54.4%	54.8%	-0.4% #	55.2% r	-0.8% #
<b>Lender Insurance *</b>					
Total Lender Insurance	28,640	22,861	25.3%	9,534	200.4%
% of Total Insurance	68.9%	63.4%	5.4% #	47.4%	21.4% #
Forward Mortgages	27,231	21,384	27.3%	9,534	185.6%
HECM	1,409	1,477	-4.6%		

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

March 1-15, 2008

### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>1,000,000</b>	<b>665,344</b>	<b>276,801</b>	<b>140.4%</b>	<b>768,770</b>
<b>Purchase</b>	<b>420,000</b>	<b>255,894</b>	<b>138,314</b>	<b>85.0%</b>	<b>378,995</b>
<b>Refinance</b>	<b>450,000</b>	<b>341,924</b>	<b>89,639</b>	<b>281.4%</b>	<b>269,471</b>
Prior FHA	58,500	67,108	24,691	171.8%	54,951
Conventional to FHA	378,000	268,255	64,949	313.0%	214,225
Conventional to FHA (Delinquent)	9,000	6,561			295
<b>HECM</b>	<b>130,000</b>	<b>67,526</b>	<b>48,849</b>	<b>38.2%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>780,000</b>	<b>359,468</b>	<b>220,137</b>	<b>63.3%</b>	<b>532,337</b>
Minority	234,000	103,462	61,174	69.1%	148,927
% Minority	30.0%	28.8%	27.8%	1.0% #	28.0%
<b>Purchase</b>	<b>351,000</b>	<b>159,533</b>	<b>115,624</b>	<b>38.0%</b>	<b>278,422</b>
% Purchase	45.0%	44.4%	52.5%	-8.1% #	52.3%
1st Time Home Buyer	281,000	126,735	91,702	38.2%	221,492
% 1st Time Home Buyer	80.1%	79.4%	79.3%	0.1% #	79.6%
Non-Minority	183,000	78,879	59,176	33.3%	143,170
% Non Minority	65.1%	62.2%	64.5%	-2.3% #	64.6%
Minority	87,000	41,659	28,762	44.8%	69,041
% Minority	31.0%	32.9%	31.4%	1.5% #	31.2%
Not-Disclosed	11,000	6,206	3,775	64.4%	9,275
% Not-Disclosed	3.9%	4.9%	4.1%	0.8% #	4.2%
<b>Refinanced</b>	<b>312,000</b>	<b>149,491</b>	<b>57,193</b>	<b>161.4%</b>	<b>146,357</b>
% Refinanced	40.0%	41.6%	26.0%	15.6% #	27.5%
Total Cash Out	141,000	56,617	43,210	31.0%	112,767
Total % Cash Out	45.2%	37.9%	75.6%	-37.7% #	77.0%
Prior FHA	50,000	31,988	17,562	82.1%	38,606
Streamline	26,000	21,689	10,335	109.9%	22,105
% Streamline	8.3%	14.5%	18.1%	-3.6% #	15.1%
Full Process	24,000	10,299	7,227	42.5%	16,501
Cash Out	15,000	6,164			
Conventional to FHA	243,000	115,995	39,486	193.8%	107,761
Cash Out	118,000	50,453			
Conventional to FHA (Delinquent)	19,000	1,508			
<b>HECM</b>	<b>117,000</b>	<b>50,444</b>	<b>47,320</b>	<b>6.6%</b>	<b>107,558</b>
% HECM	15.0%	14.0%	21.5%	-7.5% #	20.2%
HECM First	110,000	48,093	44,818	7.3%	100,809
HECM First ARM	109,000	47,082	44,818	5.1%	100,713
HECM Refinance	7,000	2,351	2,502	-6.0%	6,749
% HECM Refinance	6.0%	4.7%	5.3%	-0.6% #	6.3%
HECM Refinance ARM	6,900	2,313	2,502	-7.6%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

# FHA OUTLOOK

# SINGLE FAMILY OPERATIONS

March 1-15, 2008

## OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	2,172	1,457 r	49.1%	3,391
Section 234(c)	29,000	11,585	7,283	59.1%	16,865
% Section 234(c)	3.7%	3.2%	3.3%	-0.1% #	3.2%
ARM (Excludes HECM ARM)	4,000	1,712	2,372	-27.8%	5,204
% ARM	0.5%	0.5%	1.1%	-0.6% #	1.0%
Manufactured Housing	82,000	25,414	22,277	14.1%	50,366
Interest Buy-down	9,000	2,991	1,383	116.3%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Feb)	260,000	149,631	90,851	64.7%	240,656
AUS as % of Total Endorse.	59.6%	55.0%	57.6% r	-2.6% #	56.7%
<b>Loans Delinquent as of (Feb) **</b>	230,000	224,250	202,078	11.0%	202,197
<b>Claims (Feb) ***</b>					
Loss Mitigation Retention	135,000	61,423	59,667	2.9%	142,455
Loss Mitigation Retention	75,000	36,226	36,512	-0.8%	86,527
Loss Mitigation Disposition	5,000	1,633	1,764	-7.4%	4,480
Other Claims	55,000	23,564	21,391	10.2%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	546,000	237,048	113,980	108.0%	303,011
% of Total Insurance	70.0%	65.9%	51.8%	14.2% #	56.9%
Forward Mortgages	464,000	223,276	113,980	95.9%	290,339
HECM	82,000	13,772			12,672

# = Percentage point difference      r - revised

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

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

February 16-29, 2008

### Applications

- o The seasonally adjusted annual rate for applications was estimated at 1,711,900 -- slightly below early February.
- o The actual count for application receipts was 67,916 -- almost 20 percent below early February but this period only had 9 workdays.
- o Of the total, 43 percent were purchase applications, 49 percent to refinance and 8 percent for a HECM.
- o The bulk (81%) of the refinance cases were conventional to FHA conversions.

### Endorsements

- o During late February, 36,047 mortgages were endorsed, 13,755 purchase money mortgages, 16,589 refinances and 5,703 reverse mortgages.
- o It should be noted that the average FICO score for purchase transactions was 647 while the average refinanced case was 634. This is probably due in part to the probability that many refinances were originally sub prime or A-mortgages.
- o With respect to the 16,589 refinances, 5,630 were cash out transactions -- 34 percent of the total refinanced mortgages.
- o By type, 4,122 refinances were prior FHA cases, 12,243 were conventional to FHA conversions while only 224 were prior delinquent conventional.
- o 5,703 HECM's were insured -- most being first HECM's, with 234 in the refinanced category.
- o During this work period, it took 9.4 weeks to complete an insurance transaction -- 4.3 weeks from application to closing and 5.1 weeks from closing to endorsement.

### Automated Underwriting

- o During February, 34,659 cases were accepted and endorsed using the FHA score card -- 54.4 percent of the cases insured in February.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

February 16-29, 2008

## CURRENT

	CURRENT 2 WEEK <u>PERIOD</u>	LAST PERIOD	PERCENT <u>CHANGE</u>	LAST <u>YEAR</u>	PERCENT <u>CHANGE</u>
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	1,711,900	1,795,300	-4.6%	632,800	170.5%
Average per workday	6,766	7,096	-4.7%	2,501	170.5%
<b>Actual</b>	<b>67,916</b>	<b>84,709</b>	<b>-19.8%</b>	<b>22,280</b>	<b>204.8%</b>
<b>Purchase</b>	<b>29,180</b>	<b>30,543</b>	<b>-4.5%</b>	<b>11,485</b>	<b>154.1%</b>
<b>Refinance</b>	<b>33,190</b>	<b>47,810</b>	<b>-30.6%</b>	<b>6,827</b>	<b>386.2%</b>
Prior FHA	5,850	13,131	-55.4%	1,575	271.4%
Conventional to FHA	26,832	34,005	-21.1%	5,252	410.9%
Conventional to FHA (Delinquent)	508	674	-24.6%		
<b>HECM</b>	<b>5,546</b>	<b>6,356</b>	<b>-12.7%</b>	<b>3,968</b>	<b>39.8%</b>
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	865,100	926,400	-6.6%	394,200	119.5%
<b>Actual</b>	<b>36,047</b>	<b>38,598</b>	<b>-6.6%</b>	<b>16,425</b>	<b>119.5%</b>
Average FICO Score (Dec)	647	650	-0.5%	654	-1.1%
Minority	10,142	11,489	-11.7%	4,598	120.6%
% Minority	28.1%	29.8%	-1.6% #	28.0%	0.1% #
<b>Purchase</b>	<b>13,755</b>	<b>15,652</b>	<b>-12.1%</b>	<b>6,767</b>	<b>103.3%</b>
% Purchase	38.2%	40.6%	-2.4% #	41.2%	-3.0% #
Average FICO Score (Dec)	657	664	-1.1%	661	-0.6%
1st Time Home Buyer	10,953	12,462	-12.1%	5,340	105.1%
% 1st Time Home Buyer	79.6%	79.6%	0.0% #	78.9%	0.7% #
Non-Minority	6,751	7,429	-9.1%	3,372	100.2%
% Non Minority	61.6%	59.6%	2.0% #	63.1%	-1.5% #
Minority	3,599	4,366	-17.6%	1,730	108.0%
% Minority	32.9%	35.0%	-2.2% #	32.4%	0.5% #
Not-Disclosed	603	667	-9.6%	238	153.4%
% Not-Disclosed	5.5%	5.4%	0.2% #	4.5%	1.0% #
<b>Refinanced</b>	<b>16,589</b>	<b>17,736</b>	<b>-6.5%</b>	<b>4,258</b>	<b>289.6%</b>
% Refinanced	46.0%	46.0%	0.1% #	25.9%	20.1% #
Total Cash Out	5,630	6,180	-8.9%	3,130	79.9%
Total % Cash Out	33.9%	34.8%	-0.9% #	73.5%	-39.6% #
Average FICO Score (Dec)	634	641	-1.1%	639	-0.8%
Prior FHA	4,122	4,557	-9.5%	1,350	205.3%
Streamline	3,099	3,411	-9.1%	834	271.6%
% Streamline	18.7%	19.2%	-0.6% #	19.6%	-0.9% #
Full Process	1,023	1,146	-10.7%	516	98.3%
Cash Out	581	703	-17.4%		
Conventional to FHA	12,243	12,967	-5.6%	2,908	321.0%
Cash Out	5,049	5,477	-7.8%		
Conventional to FHA (Delinquent)	224	212	5.7%		
<b>HECM</b>	<b>5,703</b>	<b>5,210</b>	<b>9.5%</b>	<b>5,400</b>	<b>5.6%</b>
% HECM	15.8%	13.5%	2.3% #	32.9%	-17.1% #
HECM First	5,469	4,958	10.3%	5,116	6.9%
HECM First ARM	5,350	4,775	12.0%	5,116	4.6%
HECM Refinance	234	252	-7.1%	284	-17.6%
% HECM Refinance	4.1%	4.8%	-0.7% #	5.3%	-1.2% #
HECM Refinance ARM	230	242	-5.0%	284	-19.0%

Source: \* F17 CHUMS

# = Percentage point difference

## FHA OUTLOOK

### SINGLE FAMILY OPERATIONS

February 16-29, 2008

## CURRENT

	CURRENT 2 WEEK <u>PERIOD</u>	LAST PERIOD	PERCENT <u>CHANGE</u>	LAST <u>YEAR</u>	PERCENT <u>CHANGE</u>
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**FORWARD ENDORSEMENTS ONLY: \***

Section 203(k)	224	227	-1.3%	119 r	88.2%
Section 234(c)	1,118	1,262	-11.4%	389	187.4%
% Section 234(c)	3.1%	3.3%	-0.2% #	2.4%	0.7% #
ARM (Excludes HECM ARM)	113	136	-16.9%	143	-21.0%
% ARM	0.3%	0.4%	0.0% #	0.9%	-0.6% #
Manufactured Housing	2,296	2,630	-12.7%	1,554	47.7%
Interest Buy-down	127	201	-36.8%	102	24.5%

**Average Processing Time**

(Existing Homes, weeks)

Application to Closing	4.3	4.6	-6.5%	3.9	10.3%
Closing to Endorsement	5.1	5.2	-1.9%	5.8	-12.1%

**Automated Underwriting System \* x**

AUS Endorsed (Feb)	34,659	35,156	-1.4%	14,878	133.0%
AUS as % of Total Endorsed	54.4%	54.8%	-0.4% #	55.2% r	-0.8% #

**Lender Insurance \***

Total Lender Insurance	22,861	26,083	-12.4%	7,237	215.9%
% of Total Insurance	63.4%	67.6%	-4.2% #	44.1%	19.4% #
Forward Mortgages	21,384	24,845	-13.9%	7,237	195.5%
HECM	1,477	1,238	19.3%		

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

**FHA OUTLOOK****SINGLE FAMILY OPERATIONS****February 16-29, 2008****OUTLOOK**

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>1,000,000</b>	<b>580,369</b>	<b>244,005</b>	<b>137.9%</b>	<b>768,770</b>
<b>Purchase</b>	<b>420,000</b>	<b>217,208</b>	<b>121,343</b>	<b>79.0%</b>	<b>378,995</b>
<b>Refinance</b>	<b>450,000</b>	<b>301,656</b>	<b>79,221</b>	<b>280.8%</b>	<b>269,471</b>
Prior FHA	58,500	60,186	21,876	175.1%	54,951
Conventional to FHA	378,000	235,567	57,346	310.8%	214,225
Conventional to FHA (Delinquent)	9,000	5,903			295
<b>HECM</b>	<b>130,000</b>	<b>61,505</b>	<b>43,442</b>	<b>41.6%</b>	<b>120,304</b>

<b>TOTAL ENDORSEMENTS: *</b>	<b>780,000</b>	<b>317,880</b>	<b>200,039</b>	<b>58.9%</b>	<b>532,337</b>
Minority	234,000	92,169	55,439	66.3%	148,927
% Minority	30.0%	29.0%	27.7%	1.3% #	28.0%
<b>Purchase</b>	<b>351,000</b>	<b>143,675</b>	<b>106,086</b>	<b>35.4%</b>	<b>278,422</b>
% Purchase	45.0%	45.2%	53.0%	-7.8% #	52.3%
1st Time Home Buyer	281,000	113,993	84,052	35.6%	221,492
% 1st Time Home Buyer	80.1%	79.3%	79.2%	0.1% #	79.6%
Non-Minority	183,000	70,782	54,338	30.3%	143,170
% Non Minority	65.1%	62.1%	64.6%	-2.6% #	64.6%
Minority	87,000	37,678	26,328	43.1%	69,041
% Minority	31.0%	33.1%	31.3%	1.7% #	31.2%
Not-Disclosed	11,000	5,539	3,398	63.0%	9,275
% Not-Disclosed	3.9%	4.9%	4.0%	0.8% #	4.2%
<b>Refinanced</b>	<b>312,000</b>	<b>128,649</b>	<b>51,753</b>	<b>148.6%</b>	<b>146,357</b>
% Refinanced	40.0%	40.5%	25.9%	14.6% #	27.5%
Total Cash Out	141,000	50,003	39,241	27.4%	112,767
Total % Cash Out	45.2%	38.9%	75.8%	-37.0% #	77.0%
Prior FHA	50,000	25,800	15,793	63.4%	38,606
Streamline	26,000	16,691	9,211	81.2%	22,105
% Streamline	8.3%	13.0%	17.8%	-4.8% #	15.1%
Full Process	24,000	9,109	6,582	38.4%	16,501
Cash Out	15,000	5,525			
Conventional to FHA	243,000	101,583	35,816	183.6%	107,761
Cash Out	118,000	44,478			
Conventional to FHA (Delinquent)	19,000	1,266			
<b>HECM</b>	<b>117,000</b>	<b>45,556</b>	<b>42,200</b>	<b>8.0%</b>	<b>107,558</b>
% HECM	15.0%	14.3%	21.1%	-6.8% #	20.2%
HECM First	110,000	43,372	39,947	8.6%	100,809
HECM First ARM	109,000	42,597	39,947	6.6%	100,713
HECM Refinance	7,000	2,184	2,253	-3.1%	6,749
% HECM Refinance	6.0%	4.8%	5.3%	-0.5% #	6.3%
HECM Refinance ARM	6,900	2,154	2,253	-4.4%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

## FHA OUTLOOK

### SINGLE FAMILY OPERATIONS

#### February 16-29, 2008

#### OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	1,959	1,334	46.9%	3,391
Section 234(c)	29,000	10,222	6,726	52.0%	16,865
% Section 234(c)	3.7%	3.2%	3.4%	-0.1% #	3.2%
ARM (Excludes HECM ARM)	4,000	1,576	2,246	-29.8%	5,204
% ARM	0.5%	0.5%	1.1%	-0.6% #	1.0%
Manufactured Housing	82,000	23,131	20,444	13.1%	50,366
Interest Buy-down	9,000	2,856	1,271	124.7%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Feb)	260,000	149,631	90,851	64.7%	240,656

AUS as % of Total Endorse.	59.6%	55.0%	57.6% r	-2.6% #	56.7%
<b>Loans Delinquent as of (Jan) **</b>	230,000	231,536	203,531	13.8%	202,197
<b>Claims (Feb) ***</b>	135,000	61,423	59,667	2.9%	142,455
Loss Mitigation Retention	75,000	36,226	36,512	-0.8%	86,527
Loss Mitigation Disposition	5,000	1,633	1,764	-7.4%	4,480
Other Claims	55,000	23,564	21,391	10.2%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	546,000	208,408	104,446	99.5%	303,011
% of Total Insurance	70.0%	65.6%	52.2%	13.3% #	56.9%
Forward Mortgages	464,000	196,045	104,446	87.7%	290,339
HECM	82,000	12,363			12,672

# = Percentage point difference r - revised

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

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

February 1-15, 2008

### **Applications**

- o When seasonally adjusted, the annualized rate for applications rose to 1,795,300 -- slightly higher than the last period but the highest since August 15, 2003.
- o Actual receipts totaled 84,709 -- the best total in 4 1/2 years.
- o This total was made up of 30,543 purchase mortgages, 47,810 refinances and 6,356 HECM's.
- o Most of the refinances were conventional to FHA conversions.

### **Endorsements**

- o During early February, 38,598 mortgages were insured -- 15,652 purchase money mortgages, 17,736 refinanced transactions and 5,210 Reverse mortgages.
- o The average FICO score for purchase transactions was 657 while those for refinances was only 634.
- o The breakdown of the 17,736 refinances was; 4,557 prior FHA mortgages, 12,967 conventional to FHA conversions and 212 delinquent conventional conversions.
- o In addition, 34.8 percent of the refinanced mortgages involved a cash out action.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

February 1-15, 2008

### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	1,795,300	1,776,800	1.0%	586,600	206.1%
Average per workday	7,096	7,023	1.0%	2,318	206.1%
<b>Actual</b>	<b>84,709</b>	<b>76,998</b>	<b>10.0%</b>	<b>27,723</b>	<b>205.6%</b>
<b>Purchase</b>	<b>30,543</b>	<b>25,740</b>	<b>18.7%</b>	<b>14,224</b>	<b>114.7%</b>
<b>Refinance</b>	<b>47,810</b>	<b>45,096</b>	<b>6.0%</b>	<b>8,944</b>	<b>434.5%</b>
Prior FHA	13,131	12,328	6.5%	2,265	479.7%
Conventional to FHA	34,005	32,008	6.2%	6,679	409.1%
Conventional to FHA (Delinquent)	674	760	-11.3%		
<b>HECM</b>	<b>6,356</b>	<b>6,162</b>	<b>3.1%</b>	<b>4,556</b>	<b>39.5%</b>
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	926,400	975,900	-5.1%	477,600	94.0%
<b>Actual</b>	<b>38,598</b>	<b>40,664</b>	<b>-5.1%</b>	<b>19,901</b>	<b>94.0%</b>
Average FICO Score (Dec)	647	650	-0.5%	654	-1.1%
Minority	11,489	12,127	-5.3%	5,476	109.8%
% Minority	29.8%	29.8%	-0.1% #	27.5%	2.2% #
<b>Purchase</b>	<b>15,652</b>	<b>17,447</b>	<b>-10.3%</b>	<b>9,716</b>	<b>61.1%</b>
% Purchase	40.6%	42.9%	-2.4% #	48.8%	-8.3% #
Average FICO Score (Dec)	657	664	-1.1%	661	-0.6%
1st Time Home Buyer	12,462	13,834	-9.9%	7,701	61.8%
% 1st Time Home Buyer	79.6%	79.3%	0.3% #	79.3%	0.4% #
Non-Minority	7,429	8,407	-11.6%	4,977	49.3%
% Non Minority	59.6%	60.8%	-1.2% #	64.6%	-5.0% #
Minority	4,366	4,751	-8.1%	2,381	83.4%
% Minority	35.0%	34.3%	0.7% #	30.9%	4.1% #
Not-Disclosed	667	676	-1.3%	343	94.5%
% Not-Disclosed	5.4%	4.9%	0.5% #	4.5%	0.9% #
<b>Refinanced</b>	<b>17,736</b>	<b>17,949</b>	<b>-1.2%</b>	<b>6,236</b>	<b>184.4%</b>
% Refinanced	46.0%	44.1%	1.8% #	31.3%	14.6% #
Total Cash Out	6,180	6,761	-8.6%	4,328	42.8%
Total % Cash Out	34.8%	37.7%	-2.8% #	69.4%	-34.6% #
Average FICO Score (Dec)	634	641	-1.1%	639	-0.8%
Prior FHA	4,557	3,511	29.8%	2,216	105.6%
Streamline	3,411	2,326	46.6%	1,517	124.9%
% Streamline	19.2%	13.0%	6.3% #	24.3%	-5.1% #
Full Process	1,146	1,185	-3.3%	699	63.9%
Cash Out	703	694	1.3%		
Conventional to FHA	12,967	14,197	-8.7%	4,020	222.6%
Cash Out	5,477	6,067	-9.7%		
Conventional to FHA (Delinquent)	212	241	-12.0%		
<b>HECM</b>	<b>5,210</b>	<b>5,268</b>	<b>-1.1%</b>	<b>3,949</b>	<b>31.9%</b>
% HECM	13.5%	13.0%	0.5% #	19.8%	-6.3% #
HECM First	4,958	5,044	-1.7%	3,735	32.7%
HECM First ARM	4,775	4,891	-2.4%	3,735	27.8%
HECM Refinance	252	224	12.5%	214	17.8%
% HECM Refinance	4.8%	4.3%	0.6% #	5.4%	-0.6% #
HECM Refinance ARM	242	221	9.5%	214	13.1%

Source: \* F17 CHUMS

# = Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

### February 1-15, 2008

#### CURRENT

	<u>CURRENT</u> <u>2 WEEK</u> <u>PERIOD</u>	<u>LAST</u> <u>PERIOD</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>LAST</u> <u>YEAR</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	227	270	-15.9%	156 r	45.5%
Section 234(c)	1,262	1,327	-4.9%	666	89.5%
% Section 234(c)	3.3%	3.3%	0.0% #	3.3%	-0.1% #
ARM (Excludes HECM ARM)	136	210	-35.2%	194	-29.9%
% ARM	0.4%	0.5%	-0.2% #	1.0%	-0.6% #
Manufactured Housing	2,630	2,815	-6.6%	2,104	25.0%
Interest Buy-down	201	247	-18.6%	132	52.3%
<b>Average Processing Time</b> (Existing Homes, weeks)					
Application to Closing	4.6	4.8	-4.2%	4.2	9.5%
Closing to Endorsement	5.2	5.7	-8.8%	5.9	-11.9%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Jan)	35,156	25,416	38.3%	19,547	79.9%
AUS as % of Total Endorsed	54.8%	55.2%	-0.4% #	56.7% r	-1.9% #
<b>Lender Insurance *</b>					
Total Lender Insurance	26,083	27,129	-3.9%	11,286	131.1%
% of Total Insurance	67.6%	66.7%	0.9% #	56.7%	10.9% #
Forward Mortgages	24,845	25,867	-4.0%		
HECM	1,238	1,262	-1.9%		

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

February 1-15, 2008

### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>1,000,000</b>	<b>512,453</b>	<b>221,725</b>	<b>131.1%</b>	<b>768,770</b>
<b>Purchase</b>	<b>420,000</b>	<b>188,028</b>	<b>109,858</b>	<b>71.2%</b>	<b>378,995</b>
<b>Refinance</b>	<b>450,000</b>	<b>268,466</b>	<b>72,394</b>	<b>270.8%</b>	<b>269,471</b>
Prior FHA	58,500	54,336	20,301	167.7%	54,951
Conventional to FHA	378,000	208,735	52,094	300.7%	214,225
Conventional to FHA (Delinquent)	9,000	5,395			295
<b>HECM</b>	<b>130,000</b>	<b>55,959</b>	<b>39,474</b>	<b>41.8%</b>	<b>120,304</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>780,000</b>	<b>281,833</b>	<b>183,614</b>	<b>53.5%</b>	<b>532,337</b>
Minority	234,000	82,027	50,841	61.3%	148,927
% Minority	30.0%	29.1%	27.7%	1.4% #	28.0%
<b>Purchase</b>	<b>351,000</b>	<b>129,920</b>	<b>99,319</b>	<b>30.8%</b>	<b>278,422</b>
% Purchase	45.0%	46.1%	54.1%	-8.0% #	52.3%
1st Time Home Buyer	281,000	103,042	78,715	30.9%	221,492
% 1st Time Home Buyer	80.1%	79.3%	79.3%	0.1% #	79.6%
Non-Minority	183,000	64,031	50,966	25.6%	143,170
% Non Minority	65.1%	62.1%	64.7%	-2.6% #	64.6%
Minority	87,000	34,079	24,598	38.5%	69,041
% Minority	31.0%	33.1%	31.2%	1.8% #	31.2%
Not-Disclosed	11,000	4,936	3,160	56.2%	9,275
% Not-Disclosed	3.9%	4.8%	4.0%	0.8% #	4.2%
<b>Refinanced</b>	<b>312,000</b>	<b>112,060</b>	<b>47,495</b>	<b>135.9%</b>	<b>146,357</b>
% Refinanced	40.0%	39.8%	25.9%	13.9% #	27.5%
Total Cash Out	141,000	44,373	36,111	22.9%	112,767
Total % Cash Out	45.2%	39.6%	76.0%	-36.4% #	77.0%
Prior FHA	50,000	21,678	14,443	50.1%	38,606
Streamline	26,000	13,592	8,377	62.3%	22,105
% Streamline	8.3%	12.1%	17.6%	-5.5% #	15.1%
Full Process	24,000	8,086	6,066	33.3%	16,501
Cash Out	15,000	4,944			
Conventional to FHA	243,000	89,340	32,908	171.5%	107,761
Cash Out	118,000	39,429			
Conventional to FHA (Delinquent)	19,000	1,042			
<b>HECM</b>	<b>117,000</b>	<b>39,853</b>	<b>36,800</b>	<b>8.3%</b>	<b>107,558</b>
% HECM	15.0%	14.1%	20.0%	-5.9% #	20.2%
HECM First	110,000	37,903	34,831	8.8%	100,809
HECM First ARM	109,000	37,247	34,831	6.9%	100,713
HECM Refinance	7,000	1,950	1,969	-1.0%	6,749
% HECM Refinance	6.0%	4.9%	5.4%	-0.5% #	6.3%
HECM Refinance ARM	6,900	1,924	1,969	-2.3%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

February 1-15, 2008

### OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	1,735	1,215 r	42.8%	3,391
Section 234(c)	29,000	9,104	6,337	43.7%	16,865
% Section 234(c)	3.7%	3.2%	3.5%	-0.2% #	3.2%
ARM (Excludes HECM ARM)	4,000	1,463	2,103	-30.4%	5,204
% ARM	0.5%	0.5%	1.1%	-0.6% #	1.0%
Manufactured Housing	82,000	20,835	18,890	10.3%	50,366
Interest Buy-down	9,000	2,729	1,169	133.4%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Jan)	260,000	114,972	75,973	51.3%	240,656
AUS as % of Total Endorse.	59.6%	55.1%	58.1% r	-3.0% #	56.7%
<b>Loans Delinquent as of (Jan) **</b>	230,000	231,536	203,531	13.8%	202,197
<b>Claims (Jan) ***</b>	135,000	48,409	49,421	-2.0%	142,455
Loss Mitigation Retention	75,000	28,566	30,545	-6.5%	86,527
Loss Mitigation Disposition	5,000	1,303	1,485	-12.3%	4,480
Other Claims	55,000	18,540	17,391	6.6%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	546,000	185,547	97,209	90.9%	303,011
% of Total Insurance	70.0%	65.8%	52.9%	12.9% #	56.9%
Forward Mortgages	464,000	174,661			
HECM	82,000	10,886			

# = Percentage point difference      r - revised

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

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

January 16-31, 2008

### Applications

- Applications, after seasonal adjustment, continued its upward trend, estimated at an annual rate of 1,776,800 for this period -- up 19.6 percent over early January and almost three times higher than for this period last year.
- The actual count of applications received was 76,998, almost 45 percent higher than the last period.
- Most of these applications (45,096) were for refinanced mortgages, the bulk being conventional to FHA conversions.

### Endorsements

- 40,664 mortgages were insured, 17,447 purchase money mortgages, 17,949 refinances and 5,268 HECM's.
- 4 out of every 5 purchase transactions were for first time home buyers and most were for non-minority purchasers. 34.3 percent were for minority buyers and 4.9 percent of the buyers refused to disclose race or ethnicity.
- Of the refinanced cases, 3,511 were prior FHA's, 14,197 were conventional to FHA transactions and 241 were formally delinquent conventional mortgages insured by FHA.
- Also, 37.7 percent of the refinanced case involved a cash out deal.
- 4.3 percent of the HECM's were refinanced original FHA HECM mortgages.
- 1,327 Section 234c condo mortgages were insured as well as 270 Section 203k mortgages.
- 2,815 manufactured housing mortgages were endorsed in late January.

### Automated Underwriting

- During January 35,156 mortgages were accepted and endorsed using the FHA scorecard. This represents 54.8 percent of the cases insured during the month.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

### January 16-31, 2008

#### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	1,776,800	1,485,000	19.6%	592,100	200.1%
Average per workday	7,023	5,869	19.7%	2,340	200.1%
<b>Actual</b>	<b>76,998</b>	<b>53,121</b>	<b>44.9%</b>	<b>27,953</b>	<b>175.5%</b>
<b>Purchase</b>	<b>25,740</b>	<b>18,647</b>	<b>38.0%</b>		
<b>Refinance</b>	<b>45,096</b>	<b>29,377</b>	<b>53.5%</b>		
Prior FHA	12,328	6,093	102.3%		
Conventional to FHA	32,008	22,659	41.3%		
Conventional to FHA (Delinquent)	760	625	21.6%		
<b>HECM</b>	<b>6,162</b>	<b>5,097</b>	<b>20.9%</b>		
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	975,900	803,800	21.4%	588,100	65.9%
<b>Actual</b>	<b>40,664</b>	<b>33,491</b>	<b>21.4%</b>	<b>24,505</b>	<b>65.9%</b>
Average FICO Score (Nov)	647	650	-0.5%	656	-1.4%
Minority	12,127	9,505	27.6%	6,947	74.6%
% Minority	29.8%	28.4%	1.4% #	28.3%	1.5% #
<b>Purchase</b>	<b>17,447</b>	<b>14,309</b>	<b>21.9%</b>	<b>12,172</b>	<b>43.3%</b>
% Purchase	42.9%	42.7%	0.2% #	49.7%	-6.8% #
Average FICO Score (Nov)	657	664	-1.1%	662	-0.8%
1st Time Home Buyer	13,834	11,251	23.0%	9,687	42.8%
% 1st Time Home Buyer	79.3%	78.6%	0.7% #	79.6%	-0.3% #
Non-Minority	8,407	6,972	20.6%	6,000	40.1%
% Non-Minority	60.8%	62.0%	-1.2% #	61.9%	-1.2% #
Minority	4,751	3,706	28.2%	3,211	48.0%
% Minority	34.3%	32.9%	1.4% #	33.1%	1.2% #
Not-Disclosed	676	572	18.2%	415	62.9%
% Not-Disclosed	4.9%	5.1%	-0.2% #	4.3%	0.6% #
<b>Refinanced</b>	<b>17,949</b>	<b>14,493</b>	<b>23.8%</b>	<b>6,907</b>	<b>159.9%</b>
% Refinanced	44.1%	43.3%	0.9% #	28.2%	16.0% #
Total Cash Out	6,761	5,227	29.3%	5,067	33.4%
Total % Cash Out	37.7%	36.1%	1.6% #	73.4%	-35.7% #
Average FICO Score (Nov)	634	641	-1.1%	641	-1.1%
Prior FHA	3,511	3,275	7.2%		
Streamline	2,326	2,215	5.0%	1,423	63.5%
% Streamline	13.0%	15.3%	-2.3% #	20.6%	-7.6% #
Full Process	1,185	1,060	11.8%		
Cash Out	694	626	10.9%		
Conventional to FHA	14,197	11,047	28.5%		
Cash Out	5,971	4,545	31.4%		
Conventional to FHA (Delinquent)	241	171	40.9%		
Cash Out	96	56	71.4%		
<b>HECM</b>	<b>5,268</b>	<b>4,689</b>	<b>12.3%</b>	<b>5,426</b>	<b>-2.9%</b>
% HECM	13.0%	14.0%	-1.0% #	22.1%	-9.2% #
HECM First	5,044	4,454	13.2%	5,149	-2.0%
HECM First ARM	4,891	4,387	11.5%	5,149	-5.0%
HECM Refinance	224	235	-4.7%	277	-19.1%
% HECM Refinance	4.3%	5.0%	-0.8% #	5.1%	-0.9% #
HECM Refinance ARM	221	234	-5.6%	277	-20.2%

Source: \* F17 CHUMS

# = Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

### January 16-31, 2008

#### CURRENT

	<u>CURRENT</u> <u>2 WEEK</u> <u>PERIOD</u>	<u>LAST</u> <u>PERIOD</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>LAST</u> <u>YEAR</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	270	213	26.8%	156 r	73.1%
Section 234(c)	1,327	1,077	23.2%	815	62.8%
% Section 234(c)	3.3%	3.2%	0.0% #	3.3%	-0.1% #
ARM (Excludes HECM ARM)	210	141	48.9%	203	3.4%
% ARM	0.5%	0.4%	0.1% #	0.8%	-0.3% #
Manufactured Housing	2,815	2,306	22.1%	2,592	8.6%
Interest Buy-down	247	263	-6.1%	131	88.5%
<b>Average Processing Time</b> (Existing Homes, weeks)					
Application to Closing	4.8	5.1	-5.9%	4.4	9.1%
Closing to Endorsement	5.7	5.5	3.6%	6.6	-13.6%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Jan)	35,156	25,416	38.3%	19,547	79.9%
AUS as % of Total Endorsed	54.8%	55.2%	-0.4% #	56.7% r	-1.9% #
<b>Lender Insurance *</b>					
Total Lender Insurance	27,129	22,371	21.3%	12,520	116.7%
% of Total Insurance	66.7%	66.8%	-0.1% #	51.1%	15.6% #
Forward Mortgages	25,867	21,072	22.8%		
HECM	1,262	1,299	-2.8%		

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

January 16-31, 2008

### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>1,000,000</b>	<b>427,744</b>	<b>194,002</b>	<b>120.5%</b>	<b>768,770</b>
<b>Purchase</b>	<b>420,000</b>	<b>157,485</b>			
<b>Refinance</b>	<b>450,000</b>	<b>220,656</b>			
Prior FHA	58,500	41,205			
Conventional to FHA	378,000	174,730			
Conventional to FHA (Delinquent)	9,000	4,721			
<b>HECM</b>	<b>130,000</b>	<b>49,603</b>			
<b>TOTAL ENDORSEMENTS: *</b>	<b>780,000</b>	<b>243,235</b>	<b>163,713</b>	<b>48.6%</b>	<b>532,337</b>
Minority	234,000	70,538	45,365	55.5%	148,927
% Minority	30.0%	29.0%	27.7%	1.3% #	28.0%
<b>Purchase</b>	<b>351,000</b>	<b>114,268</b>	<b>89,603</b>	<b>27.5%</b>	<b>278,422</b>
% Purchase	45.0%	47.0%	54.7%	-7.8% #	52.3%
1st Time Home Buyer	281,000	90,581	71,018	27.5%	221,492
% 1st Time Home Buyer	80.1%	79.3%	79.3%	0.0% #	79.6%
Non-Minority	183,000	56,602	45,989	23.1%	143,170
% Non Minority	65.1%	62.5%	64.8%	-2.3% #	64.6%
Minority	87,000	29,713	22,217	33.7%	69,041
% Minority	31.0%	32.8%	31.3%	1.5% #	31.2%
Not-Disclosed	11,000	4,269	2,817	51.5%	9,275
% Not-Disclosed	3.9%	4.7%	4.0%	0.7% #	4.2%
<b>Refinanced</b>	<b>312,000</b>	<b>94,324</b>	<b>41,259</b>	<b>128.6%</b>	<b>146,357</b>
% Refinanced	40.0%	38.8%	25.2%	13.6% #	27.5%
Total Cash Out	141,000	38,193	31,783	20.2%	112,767
Total % Cash Out	45.2%	40.5%	77.0%	-36.5% #	77.0%
Prior FHA	50,000	17,121			
Streamline	26,000	10,181	6,860	48.4%	22,105
% Streamline	8.3%	10.8%	16.6%	-5.8% #	15.1%
Full Process	24,000	6,940			
Cash Out	15,000	4,241			
Conventional to FHA	243,000	76,373			
Cash Out	118,000	33,620			
Conventional to FHA (Delinquent)	19,000	830			
Cash Out	8,000	332			
<b>HECM</b>	<b>117,000</b>	<b>34,643</b>	<b>32,851</b>	<b>5.5%</b>	<b>107,558</b>
% HECM	15.0%	14.2%	20.1%	-5.8% #	20.2%
HECM First	110,000	32,945	31,096	5.9%	100,809
HECM First ARM	109,000	32,472	31,096	4.4%	100,713
HECM Refinance	7,000	1,698	1,755	-3.2%	6,749
% HECM Refinance	6.0%	4.9%	5.3%	-0.4% #	6.3%
HECM Refinance ARM	6,900	1,682	1,755	-4.2%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

January 16-31, 2008

### OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	1,508	1,059 r	42.4%	3,391
Section 234(c)	29,000	7,842	5,671	38.3%	16,865
% Section 234(c)	3.7%	3.2%	3.5%	-0.2% #	3.2%
ARM (Excludes HECM ARM)	4,000	1,327	1,909	-30.5%	5,204
% ARM	0.5%	0.5%	1.2%	-0.6% #	1.0%
Manufactured Housing	82,000	18,205	16,786	8.5%	50,366
Interest Buy-down	9,000	2,528	1,037	143.8%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Jan)	260,000	114,972	75,973	51.3%	240,656
AUS as % of Total Endorse.	59.6%	55.1%	58.1% r	-3.0% #	56.7%
<b>Loans Delinquent as of (Dec) **</b>	230,000	225,803	195,910	15.3%	202,197
<b>Claims (Jan) ***</b>					
Loss Mitigation Retention	75,000	28,566	30,545	-6.5%	86,527
Loss Mitigation Disposition	5,000	1,303	1,485	-12.3%	4,480
Other Claims	55,000	18,540	17,391	6.6%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	546,000	159,464	85,923	85.6%	303,011
% of Total Insurance	70.0%	65.6%	52.5%	13.1% #	56.9%
Forward Mortgages	464,000	149,816			
HECM	82,000	9,648			

# = Percentage point difference

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

x AUS total includes only cases accepted - revised

for standard processing, standard rejects or actual fall out. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

January 1-15, 2008

### Applications

- After seasonal adjustment, the annual rate for applications was 1,485,000 -- 20.5 percent above the prior period -- and a continuation of a trend started early last year.
- The actual count of application receipts was 53,121 -- almost 46 percent higher than the end of the December reporting period.
- All classes of applications rose sharply but refinances was the most active -- jumping 60.5 percent from late December.

### Endorsements

- During early January, FHA endorsed 33,491 mortgages -- up 32.7 percent from the last report.
- 14,309 purchase money mortgages were insured -- 42.7 percent of the total and of these 11,251 (78.6%) were for first time home owners.
- Refinanced transaction accounted for 14,493 cases and of these 5,227 cases (36.1%) were cash out actions.
- Only 15.3 percent of the transactions could be handled by streamlined procedures because of the heavy load of cash outs that require full processing.
- 4,689 HECM cases were insured and of these 235 were HECM refinances.
- 213 Section 230k mortgages were insured.
- 1,077 Section 234c condo units were endorsed -- 3.2 percent of the total cases endorsed.
- 2,306 Manufactured Housing transaction were insured.
- During this period, it took about 10.6 weeks to complete an insurance transaction -- 5.1 weeks from application to closing and 5.5 weeks from closing to endorsement.
- 66.8 percent of the insurance transaction were processed by the Lender Insurance Program.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

January 1-15, 2007

CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	1,485,000	1,232,600	20.5%	689,100	115.5%
Average per workday	5,869	4,872	20.5%	2,724	115.5%
<b>Actual</b>	<b>53,121</b>	<b>36,398</b>	<b>45.9%</b>	<b>19,697</b>	<b>169.7%</b>
<b>Purchase</b>	<b>18,647</b>	<b>13,636</b>	<b>36.7%</b>		
<b>Refinance</b>	<b>29,377</b>	<b>18,306</b>	<b>60.5%</b>		
Prior FHA	6,093	2,945	106.9%		
Conventional to FHA	22,659	14,965	51.4%		
Conventional to FHA (Delinquent)	625	396	57.8%		
<b>HECM</b>	<b>5,097</b>	<b>4,456</b>	<b>14.4%</b>		
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	803,800	605,600	32.7%	451,300	78.1%
<b>Actual</b>	<b>33,491</b>	<b>25,234</b>	<b>32.7%</b>	<b>18,803</b>	<b>78.1%</b>
Average FICO Score (Oct)	650	650	0.0%	658	-1.2%
Minority	9,505	7,325	29.8%	5,300	79.3%
% Minority	28.4%	29.0%	-0.6% #	28.2%	0.2% #
<b>Purchase</b>	<b>14,309</b>	<b>11,289</b>	<b>26.8%</b>	<b>9,974</b>	<b>43.5%</b>
% Purchase	42.7%	44.7%	-2.0% #	53.0%	-10.3% #
Average FICO Score (Oct)	664	658	0.9%	664	0.0%
1st Time Home Buyer	11,251	8,913	26.2%	7,938	41.7%
% 1st Time Home Buyer	78.6%	79.0%	-0.3% #	79.6%	-1.0% #
Non-Minority	6,972	5,576	25.0%	5,174	34.8%
% Non Minority	62.0%	62.6%	-0.6% #	65.2%	-3.2% #
Minority	3,706	2,907	27.5%	2,518	47.2%
% Minority	32.9%	32.6%	0.3% #	31.7%	1.2% #
Not-Disclosed	572	429	33.3%	306	86.9%
% Not-Disclosed	5.1%	4.8%	0.3% #	3.9%	1.2% #
<b>Refinanced</b>	<b>14,493</b>	<b>10,011</b>	<b>44.8%</b>	<b>5,429</b>	<b>167.0%</b>
% Refinanced	43.3%	39.7%	3.6% #	28.9%	14.4% #
Total Cash Out	5,227	4,080	28.1%	3,983	31.2%
Total % Cash Out	36.1%	40.8%	-4.7% #	73.4%	-37.3% #
Average FICO Score (Oct)	641	634	1.1%	641	0.0%
Prior FHA	3,275	1,636	100.2%		
Streamline	2,215	940	135.6%	1,051	110.8%
% Streamline	15.3%	9.4%	5.9% #	19.4%	-4.1% #
Full Process	1,060	696	52.3%		
Cash Out	626	432	44.9%		
Conventional to FHA	11,047	8,239	34.1%		
Cash Out	4,545	3,591	26.6%		
Conventional to FHA (Delinquent)	171	136	25.7%		
Cash Out	56	57	-1.8%		
<b>HECM</b>	<b>4,689</b>	<b>3,934</b>	<b>19.2%</b>	<b>3,400</b>	<b>37.9%</b>
% HECM	14.0%	15.6%	-1.6% #	18.1%	-4.1% #
HECM First	4,454	3,742	19.0%	3,236	37.6%
HECM First ARM	4,387	3,669	19.6%	3,236	35.6%
HECM Refinance	235	192	22.4%	164	43.3%
% HECM Refinance	5.0%	4.9%	0.1% #	4.8%	0.2% #
HECM Refinance ARM	234	189	23.8%	164	42.7%

Source: \* F17 CHUMS

# = Percentage point difference

## FHA OUTLOOK

### SINGLE FAMILY OPERATIONS

#### January 1-15, 2008

CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	213	167	27.5%	131 r	62.6%

Section 234(c)	1,077	745	44.6%	701	53.6%
% Section 234(c)	3.2%	3.0%	0.3% #	3.7%	-0.5% #
ARM (Excludes HECM ARM)	141	134	5.2%	197	-28.4%
% ARM	0.4%	0.5%	-0.1% #	1.0%	-0.6% #
Manufactured Housing	2,306	1,872	23.2%	1,991	15.8%
Interest Buy-down	263	231	13.9%	126	108.7%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	5.1	4.3	18.6%	4.7	8.5%
Closing to Endorsement	5.5	5.1	7.8%	5.7	-3.5%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Dec)	25,416	25,416	0.0%	15,975	59.1%
AUS as % of Total Endorsed	55.2%	55.2%	0.0% #	57.8% r	-2.6% #
<b>Lender Insurance *</b>					
Total Lender Insurance	22,371	16,093	39.0%	10,765	107.8%
% of Total Insurance	66.8%	63.8%	3.0% #	57.3%	9.5% #
Forward Mortgages	21,072	15,163	39.0%		
HECM	1,299	930	39.7%		

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

## FHA OUTLOOK

### SINGLE FAMILY OPERATIONS

#### January 1-15, 2008

#### OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>TOTAL APPLICATIONS: *</b>	<b>1,000,000</b>	<b>350,746</b>	<b>166,049</b>	<b>111.2%</b>	<b>768,770</b>
<b>Purchase</b>	<b>420,000</b>	<b>131,745</b>			
<b>Refinance</b>	<b>450,000</b>	<b>175,560</b>			
Prior FHA	58,500	28,877			
Conventional to FHA	378,000	142,722			
Conventional to FHA (Delinquent)	9,000	3,961			
<b>HECM</b>	<b>130,000</b>	<b>43,441</b>			
<b>TOTAL ENDORSEMENTS: *</b>	<b>780,000</b>	<b>202,571</b>	<b>139,208</b>	<b>45.5%</b>	<b>532,337</b>
Minority	234,000	58,411	38,418	52.0%	148,927
% Minority	30.0%	28.8%	27.6%	1.2% #	28.0%

<b>Purchase</b>	<b>351,000</b>	<b>96,821</b>	<b>77,431</b>	<b>25.0%</b>	<b>278,422</b>
% Purchase	45.0%	47.8%	55.6%	-7.8% #	52.3%
1st Time Home Buyer	281,000	76,749	61,335	25.1%	221,492
% 1st Time Home Buyer	80.1%	79.3%	79.2%	0.1% #	79.6%
Non-Minority	183,000	48,195	39,989	20.5%	143,170
% Non Minority	65.1%	62.8%	65.2%	-2.4% #	64.6%
Minority	87,000	24,962	19,006	31.3%	69,041
% Minority	31.0%	32.5%	31.0%	1.5% #	31.2%
Not-Disclosed	11,000	3,593	2,402	49.6%	9,275
% Not-Disclosed	3.9%	4.7%	3.9%	0.8% #	4.2%
<b>Refinanced</b>	<b>312,000</b>	<b>76,375</b>	<b>34,352</b>	<b>122.3%</b>	<b>146,357</b>
% Refinanced	40.0%	37.7%	24.7%	13.0% #	27.5%
Total Cash Out	141,000	31,432	26,716	17.7%	112,767
Total % Cash Out	45.2%	41.2%	77.8%	-36.6% #	77.0%
Prior FHA	50,000	13,610			
Streamline	26,000	7,855	5,437	44.5%	22,105
% Streamline	8.3%	10.3%	15.8%	-5.5% #	15.1%
Full Process	24,000	5,755			
Cash Out	15,000	3,547			
Conventional to FHA	243,000	62,176			
Cash Out	118,000	27,649			
Conventional to FHA (Delinquent)	19,000	589			
Cash Out	8,000	236			
<b>HECM</b>	<b>117,000</b>	<b>29,375</b>	<b>27,425</b>	<b>7.1%</b>	<b>107,558</b>
% HECM	15.0%	14.5%	19.7%	-5.2% #	20.2%
HECM First	110,000	27,901	25,947	7.5%	100,809
HECM First ARM	109,000	27,581	25,947	6.3%	100,713
HECM Refinance	7,000	1,474	1,478	-0.3%	6,749
% HECM Refinance	6.0%	5.0%	5.4%	-0.4% #	6.3%
HECM Refinance ARM	6,900	1,461	1,478	-1.2%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

## FHA OUTLOOK

### SINGLE FAMILY OPERATIONS

#### January 1-15, 2008

#### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	1,238	772 r	60.4%	3,391
Section 234(c)	29,000	6,515	4,856	34.2%	16,865
% Section 234(c)	3.7%	3.2%	3.5%	-0.3% #	3.2%
ARM (Excludes HECM ARM)	4,000	1,117	1,509	-26.0%	5,204
% ARM	0.5%	0.6%	1.1%	-0.5% #	1.0%
Manufactured Housing	82,000	15,390	12,203	26.1%	50,366
Interest Buy-down	9,000	2,281	780	192.4%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Dec)	260,000	79,816	56,426	41.5%	240,656
AUS as % of Total Endorse.	59.6%	55.3%	58.5% r	-3.2% #	56.7%

<b>Loans Delinquent as of (Dec) **</b>	230,000	225,803	195,910	15.3%	202,197
<b>Claims (Dec) ***</b>	135,000	35,141	36,024	-2.5%	142,455
Loss Mitigation Retention	75,000	20,533	22,302	-7.9%	86,527
Loss Mitigation Disposition	5,000	960	1,131	-15.1%	4,480
Other Claims	55,000	13,648	12,591	8.4%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	546,000	132,335	73,403	80.3%	303,011
% of Total Insurance	70.0%	65.3%	52.7%	12.6% #	56.9%
Forward Mortgages	464,000	123,949			
HECM	82,000	8,386			

# = Percentage point difference

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

x AUS total includes only cases accepted - revised

for standard processing, standard rejects or actual fall out. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

December 16-31, 2007

### Applications

- During the late December reporting period, the seasonally adjusted annual rate for applications fell one-third -- to 1,232,600. However, it should be noted that December numbers, historically, have not been stable -- due to the holiday season, heavy travel and sometimes severe weather, odd things happen -- causing unpredictable ups and downs. At another time of the year, this sharp change could be a significant event, but not necessarily in December, unless this trend continues.
- By actual count, 36,398 applications were received. Down from last time because of the holidays.
- It should be noted that the largest share of the applications were conventional to FHA conversions.

### Endorsements

- During this period, 25,234 mortgages were insured -- 21,300 forward mortgages and 3,934 HECM's. It is interesting to note that 71 percent of the forward mortgages were handled with Lender Insurance, while just 24 percent of the HECM's were processed that way.
- Of the mortgages endorsed by type, 11,289 were purchase money instruments, 10,011 were refinances and 3,934 were HECM's.
- With respect to the 10,011 refinanced cases insured, 8,239 mortgages were conventional to FHA conversions, 1,636 prior FHA refinances and 136 conventional to FHA conversions that were delinquent.

### Automated Underwriting

- During December 25,416 mortgages were accepted and approved by the FHA score card -- 55% of the mortgages endorsed.

## **FHA SINGLE FAMILY OPERATIONS COMMENTS**

(Supplement to FHA Outlook)

**December 16-31, 2007**

So far this fiscal year, FHA has received 297,625 applications under the single family programs. Most of these (93%) involved existing home transactions. In addition, looking at mortgages by type, 113,098 were purchase money applications (38%), 146,183 applications to refinances (49%) and 38,344 HECM transactions (13%).

While we still do not have enough experience with FHA Secure, a different pattern appears to be emerging on the insurance side. Of the 169,080 mortgages insured, 82,512 were purchase cases (49%), 61,882 refinances (37%) and 24,686 HECM's (15%).

Currently, this shift taking place may simply be due to the time between application and endorsement -- about 2 months. The high level of conversions in relation to purchases (120,163 vs. 113,098), maybe more noticeable as time passes.

A cursory review of these raw numbers, clearly indicates we could be looking for over 1 million applications this year with about 700 to 750 thousand endorsements to follow, if this level of activity continues.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

December 16-31, 2007

### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	1,232,600	1,824,600	-32.4%	507,700	142.8%
Average per workday	4,872	7,212	-32.4%	2,007	142.8%
<b>Actual</b>	<b>36,398</b>	<b>55,080</b>	<b>-33.9%</b>	<b>15,068</b>	<b>141.6%</b>
<b>Purchase</b>	<b>13,636</b>	<b>19,342</b>	<b>-29.5%</b>		
<b>Refinance</b>	<b>18,306</b>	<b>29,711</b>	<b>-38.4%</b>		
Prior FHA	2,945	6,164	-52.2%		
Conventional to FHA	14,965	22,905	-34.7%		
Conventional to FHA (Delinquent)	396	642	-38.3%		
<b>HECM</b>	<b>4,456</b>	<b>6,027</b>	<b>-26.1%</b>		
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	605,600	691,400	-12.4%	356,700	69.8%
<b>Actual</b>	<b>25,234</b>	<b>28,810</b>	<b>-12.4%</b>	<b>14,862</b>	<b>69.8%</b>
Average FICO Score (Oct)	650	650	0.0%	658	-1.2%
Minority	7,325	8,515	-14.0%	4,138	77.0%
% Minority	29.0%	29.6%	-0.5% #	27.8%	1.2% #
<b>Purchase</b>	<b>11,289</b>	<b>13,541</b>	<b>-16.6%</b>	<b>7,585</b>	<b>48.8%</b>
% Purchase	44.7%	47.0%	-2.3% #	51.0%	-6.3% #
Average FICO Score (Oct)	664	658	0.9%	664	0.0%
1st Time Home Buyer	8,913	10,788	-17.4%	6,027	47.9%
% 1st Time Home Buyer	79.0%	79.7%	-0.7% #	79.5%	-0.5% #
Non-Minority	5,576	6,625	-15.8%	3,893	43.2%
% Non-Minority	62.6%	61.4%	1.1% #	64.6%	-2.0% #
Minority	2,907	3,657	-20.5%	1,909	52.3%
% Minority	32.6%	33.9%	-1.3% #	31.7%	0.9% #
Not-Disclosed	429	506	-15.2%	222	93.2%
% Not-Disclosed	4.8%	4.7%	0.1% #	3.7%	1.1% #
<b>Refinanced</b>	<b>10,011</b>	<b>11,196</b>	<b>-10.6%</b>	<b>3,791</b>	<b>164.1%</b>
% Refinanced	39.7%	38.9%	0.8% #	25.5%	14.2% #
Total Cash Out	4,080	4,496	-9.3%	2,942	38.7%
Total % Cash Out	40.8%	40.2%	0.6% #	77.6%	-36.8% #
Average FICO Score (Oct)	641	634	1.1%	641	0.0%
Prior FHA	1,636	1,989	-17.7%		
Streamline	940	1,180	-20.3%	598	57.2%
% Streamline	9.4%	10.5%	-1.1% #	15.8%	-6.4% #
Full Process	696	809	-14.0%		
Cash Out	432	478	-9.6%		
Conventional to FHA	8,239	9,094	-9.4%		
Cash Out	3,591	3,963	-9.4%		
Conventional to FHA (Delinquent)	136	113	20.4%		
Cash Out	57	55	3.6%		
<b>HECM</b>	<b>3,934</b>	<b>4,073</b>	<b>-3.4%</b>	<b>3,486</b>	<b>12.9%</b>
% HECM	15.6%	14.1%	1.5% #	23.5%	-7.9% #
HECM First	3,742	3,859	-3.0%	3,292	13.7%
HECM First ARM	3,669	3,772	-2.7%	3,292	11.5%
HECM Refinance	192	214	-10.3%	194	-1.0%
% HECM Refinance	4.9%	5.3%	-0.4% #	5.6%	-0.7% #
HECM Refinance ARM	189	212	-10.8%	194	-2.6%

Source: \* F17 CHUMS

# = Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

December 16-31, 2007

### CURRENT

	<u>CURRENT</u> <u>2 WEEK</u> <u>PERIOD</u>	<u>LAST</u> <u>PERIOD</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>LAST</u> <u>YEAR</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	167	172	-2.9%	92 r	81.5%
Section 234(c)	745	935	-20.3%	485	53.6%
% Section 234(c)	3.0%	3.2%	-0.3% #	3.3%	-0.3% #
ARM (Excludes HECM ARM)	134	148	-9.5%	165	-18.8%
% ARM	0.5%	0.5%	0.0% #	1.1%	-0.6% #
Manufactured Housing	1,872	2,205	-15.1%	1,423	31.6%
Interest Buy-down	231	283	-18.4%	76	203.9%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	4.3	4.6	-6.5%	3.9	10.3%
Closing to Endorsement	5.1	4.8	6.3%	5.6	-8.9%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Dec)	25,416	26,423	-3.8%	15,975	59.1%
AUS as % of Total Endorsed	55.2%	54.5%	0.7% #	57.8% r	-2.6% #
<b>Lender Insurance *</b>					
Total Lender Insurance	16,093	18,939	-15.0%	7,851	105.0%
% of Total Insurance	63.8%	65.7%	-2.0% #	52.8%	10.9% #
Forward Mortgages	15,163	17,644	-14.1%		
HECM	930	1,295	-28.2%		

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

December 16-31, 2007

### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>1,000,000</b>	<b>297,625</b>	<b>146,352</b>	<b>103.4%</b>	<b>768,770</b>
<b>Purchase</b>	<b>420,000</b>	<b>113,098</b>			
<b>Refinance</b>	<b>450,000</b>	<b>146,183</b>			
Prior FHA	58,500	22,784			
Conventional to FHA	378,000	120,063			
Conventional to FHA (Delinquent)	9,000	3,336			
<b>HECM</b>	<b>130,000</b>	<b>38,344</b>			
<b>TOTAL ENDORSEMENTS: *</b>	<b>780,000</b>	<b>169,080</b>	<b>120,405</b>	<b>40.4%</b>	<b>532,337</b>
Minority	234,000	48,906	33,118	47.7%	148,927
% Minority	30.0%	28.9%	27.5%	1.4% #	28.0%
<b>Purchase</b>	<b>351,000</b>	<b>82,512</b>	<b>67,457</b>	<b>22.3%</b>	<b>278,422</b>
% Purchase	45.0%	48.8%	56.0%	-7.2% #	52.3%
1st Time Home Buyer	281,000	65,501	53,402	22.7%	221,492
% 1st Time Home Buyer	80.1%	79.4%	79.2%	0.2% #	79.6%
Non-Minority	183,000	41,223	34,815	18.4%	143,170
% Non Minority	65.1%	62.9%	65.2%	-2.3% #	64.6%
Minority	87,000	21,256	16,488	28.9%	69,041
% Minority	31.0%	32.5%	30.9%	1.6% #	31.2%
Not-Disclosed	11,000	3,021	2,096	44.1%	9,275
% Not-Disclosed	3.9%	4.6%	3.9%	0.7% #	4.2%
<b>Refinanced</b>	<b>312,000</b>	<b>61,882</b>	<b>28,923</b>	<b>114.0%</b>	<b>146,357</b>
% Refinanced	40.0%	36.6%	24.0%	12.6% #	27.5%
Total Cash Out	141,000	26,205	22,733	15.3%	112,767
Total % Cash Out	45.2%	42.3%	78.6%	-36.3% #	77.0%
Prior FHA	50,000	10,335			
Streamline	26,000	5,640	4,386	28.6%	22,105
% Streamline	8.3%	9.1%	15.2%	-6.1% #	15.1%
Full Process	24,000	4,695			
Cash Out	15,000	2921			
Conventional to FHA	243,000	51,129			
Cash Out	118,000	23,104			
Conventional to FHA (Delinquent)	19,000	418			
Cash Out	8,000	180			
<b>HECM</b>	<b>117,000</b>	<b>24,686</b>	<b>24,025</b>	<b>2.8%</b>	<b>107,558</b>
% HECM	15.0%	14.6%	20.0%	-5.4% #	20.2%
HECM First	110,000	23,447	22,711	3.2%	100,809
HECM First ARM	109,000	23,194	22,711	2.1%	100,713
HECM Refinance	7,000	1,239	1,314	-5.7%	6,749
% HECM Refinance	6.0%	5.0%	5.5%	-0.5% #	6.3%
HECM Refinance ARM	6,900	1,227	1,314	-6.6%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

# FHA OUTLOOK

# SINGLE FAMILY OPERATIONS

December 16-31, 2007

## OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	1,025	772 r	32.8%	3,391
Section 234(c)	29,000	5,438	4,155	30.9%	16,865
% Section 234(c)	3.7%	3.2%	3.5%	-0.2% #	3.2%
ARM (Excludes HECM ARM)	4,000	976	1,509	-35.3%	5,204
% ARM	0.5%	0.6%	1.3%	-0.7% #	1.0%
Manufactured Housing	82,000	13,084	12,203	7.2%	50,366
Interest Buy-down	9,000	2,018	780	158.7%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Dec)	260,000	79,816	56,426	41.5%	240,656
AUS as % of Total Endorse.	59.6%	55.3%	58.5% r	-3.2% #	56.7%
<b>Loans Delinquent as of (Nov) **</b>	230,000	218,218	206,038	5.9%	202,197
<b>Claims (Dec) ***</b>					
Loss Mitigation Retention	135,000	35,141	36,024	-2.5%	142,455
Loss Mitigation Retention	75,000	20,533	22,302	-7.9%	86,527
Loss Mitigation Disposition	5,000	960	1,131	-15.1%	4,480
Other Claims	55,000	13,648	12,591	8.4%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	546,000	109,964	62,638	75.6%	303,011
% of Total Insurance	70.0%	65.0%	52.0%	13.0% #	56.9%
Forward Mortgages	464,000	102,877			
HECM	82,000	7,087			

# = Percentage point difference

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

x AUS total includes only cases accepted - revised

for standard processing, standard rejects or actual fall out. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

December 1-15, 2007

### Applications

- After seasonal adjustment, applications flowed in at an annual rate of 1,824,600 -- a strong 39 percent increase over late November.
- The actual receipts for the period totaled 55,080 -- almost 22 percent above the prior period.
- The application total was made up of 19,342 purchase transactions, 29,711 refinances and 6,027 reverse mortgages.

### Endorsements

- During the reporting period 28,810 mortgages were endorsed -- 13,541 which were purchase cases and 4 out of every 5 of these were for first time home buyers.
- In addition, there were 11,196 mortgages refinanced and insured. Of these, 1,989 were prior FHA mortgages, 9,094 conventional conversions to FHA and 113 conventional to FHA that were delinquent at time of insurance.
- Only 10.5 percent of the refinances could be handled using streamlined procedures.
- Also, it should be noted that of all the refinanced cases, 40.2 percent were cash outs.
- HECM's totaling 4,073 cases accounted for 14.1 percent of the cases.
- Manufactured housing made up 2,205 cases and Section 234c accounted for 935 endorsements.
- Lender Insurance processing involved 18,939 cases which was 65.7 percent of the total cases insured.
- A break down of Lender Insurance indicates that it was made up of 17,644 Forward mortgages and 1,295 HECM's.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

December 1-15, 2007

### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	1,824,600	1,314,100	38.8%	796,300	129.1%
Average per workday	7,212	5,194	38.9%	3,148	129.1%
<b>Actual</b>	<b>55,080</b>	<b>45,212</b>	<b>21.8%</b>	<b>26,462</b>	<b>108.1%</b>
<b>Purchase</b>	<b>19,342</b>	<b>16,860</b>	<b>14.7%</b>		
<b>Refinance</b>	<b>29,711</b>	<b>22,408</b>	<b>32.6%</b>		
Prior FHA	6,164	3,188	93.4%		
Conventional to FHA	22,905	18,663	22.7%		
Conventional to FHA (Delinquent)	642	557	15.3%		
<b>HECM</b>	<b>6,027</b>	<b>5,944</b>	<b>1.4%</b>		
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	691,400	643,100	7.5%	492,900	40.3%
<b>Actual</b>	<b>28,810</b>	<b>26,796</b>	<b>7.5%</b>	<b>20,538</b>	<b>40.3%</b>
Average FICO Score (Oct)	650	650	0.0%	658	-1.2%
Minority	8,515	7,702	10.6%	5,663	50.4%
% Minority	29.6%	28.7%	0.8% #	27.6%	2.0% #
<b>Purchase</b>	<b>13,541</b>	<b>12,321</b>	<b>9.9%</b>	<b>10,798</b>	<b>25.4%</b>
% Purchase	47.0%	46.0%	1.0% #	52.6%	-5.6% #
Average FICO Score (Oct)	664	658	0.9%	664	0.0%
1st Time Home Buyer	10,788	9,765	10.5%	8,559	26.0%
% 1st Time Home Buyer	79.7%	79.3%	0.4% #	79.3%	0.4% #
Non-Minority	6,625	6,158	7.6%	5,593	18.5%
% Non-Minority	61.4%	63.1%	-1.7% #	65.3%	-3.9% #
Minority	3,657	3,158	15.8%	2,643	38.4%
% Minority	33.9%	32.3%	1.6% #	30.9%	3.0% #
Not-Disclosed	506	452	11.9%	323	56.7%
% Not-Disclosed	4.7%	4.6%	0.1% #	3.8%	0.9% #
<b>Refinanced</b>	<b>11,196</b>	<b>10,169</b>	<b>10.1%</b>	<b>5,466</b>	<b>104.8%</b>
% Refinanced	38.9%	37.9%	0.9% #	26.6%	12.2% #
Total Cash Out	4,496	4,346	3.5%	4,162	8.0%
Total % Cash Out	40.2%	42.7%	-2.6% #	76.1%	-36.0% #
Average FICO Score (Oct)	641	634	1.1%	641	0.0%
Prior FHA	1,989	1,559	27.6%		
Streamline	1,180	789	49.6%	955	23.6%
% Streamline	10.5%	7.8%	2.8% #	17.5%	-6.9% #
Full Process	809	770	5.1%		
Cash Out	478	491	-2.6%		
Conventional to FHA	9,094	8,523	6.7%		
Cash Out	3,963	3,819	3.8%		
Conventional to FHA (Delinquent)	113	87	29.9%		
Cash Out	55	36	52.8%		
<b>HECM</b>	<b>4,073</b>	<b>4,306</b>	<b>-5.4%</b>	<b>4,274</b>	<b>-4.7%</b>
% HECM	14.1%	16.1%	-1.9% #	20.8%	-6.7% #
HECM First	3,859	4,098	-5.8%	4,038	-4.4%
HECM First ARM	3,772	4,060	-7.1%	4,038	-6.6%
HECM Refinance	214	208	2.9%	236	-9.3%
% HECM Refinance	5.3%	4.8%	0.4% #	5.5%	-0.3% #
HECM Refinance ARM	212	206	2.9%	236	-10.2%

Source: \* F17 CHUMS

# = Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

December 1-15, 2007

### CURRENT

	<u>CURRENT</u> <u>2 WEEK</u> <u>PERIOD</u>	<u>LAST</u> <u>PERIOD</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>LAST</u> <u>YEAR</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	172	152	13.2%	110 r	56.4%
Section 234(c)	935	850	10.0%	720	29.9%
% Section 234(c)	3.2%	3.2%	0.1% #	3.5%	-0.3% #
ARM (Excludes HECM ARM)	148	138	7.2%	216	-31.5%
% ARM	0.5%	0.5%	0.0% #	1.1%	-0.5% #
Manufactured Housing	2,205	1,976	11.6%	1,962	12.4%
Interest Buy-down	283	311	-9.0%	130	117.7%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	4.6	4.3	7.0%	4.4	4.5%
Closing to Endorsement	4.8	4.8	0.0%	5.4	-11.1%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Nov)	26,423	27,979	-5.6%	19,283	37.0%
AUS as % of Total Endorsed	54.5%	56.0%	-1.5% #	58.9% r	-4.4% #
<b>Lender Insurance *</b>					
Total Lender Insurance	18,939	16,538	14.5%	10,778	75.7%
% of Total Insurance	65.7%	61.7%	4.0% #	52.5%	13.3% #
Forward Mortgages	17,644	15,562	13.4%		
HECM	1,295	976	32.7%		

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

December 1-15, 2007

### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>1,000,000</b>	<b>261,227</b>	<b>131,284</b>	<b>99.0%</b>	<b>768,770</b>
<b>Purchase</b>	<b>420,000</b>				
<b>Refinance</b>	<b>450,000</b>				
Prior FHA	58,500				
Conventional to FHA	378,000				
Conventional to FHA (Delinquent)	9,000				
<b>HECM</b>	<b>130,000</b>				
<b>TOTAL ENDORSEMENTS: *</b>	<b>780,000</b>	<b>143,869</b>	<b>105,560</b>	<b>36.3%</b>	<b>532,337</b>
Minority	234,000	41,585	28,982	43.5%	148,927
% Minority	30.0%	28.9%	27.5%	1.4% #	28.0%
<b>Purchase</b>	<b>351,000</b>	<b>71,232</b>	<b>59,881</b>	<b>19.0%</b>	<b>278,422</b>
% Purchase	45.0%	49.5%	56.7%	-7.2% #	52.3%
1st Time Home Buyer	281,000	56,589	47,377	19.4%	221,492
% 1st Time Home Buyer	80.1%	79.4%	79.1%	0.3% #	79.6%
Non-Minority	183,000	35,651	30,928	15.3%	143,170
% Non Minority	65.1%	63.0%	65.3%	-2.3% #	64.6%
Minority	87,000	18,351	14,581	25.9%	69,041
% Minority	31.0%	32.4%	30.8%	1.7% #	31.2%
Not-Disclosed	11,000	2,594	1,874	38.4%	9,275
% Not-Disclosed	3.9%	4.6%	4.0%	0.6% #	4.2%
<b>Refinanced</b>	<b>312,000</b>	<b>51,876</b>	<b>25,137</b>	<b>106.4%</b>	<b>146,357</b>
% Refinanced	40.0%	36.1%	23.8%	12.2% #	27.5%
Total Cash Out	141,000	29,057	19,798	46.8%	112,767
Total % Cash Out	45.2%	56.0%	78.8%	-22.7% #	77.0%
Prior FHA	50,000				
Streamline	26,000	4,701	3,789	24.1%	22,105
% Streamline	8.3%	9.1%	15.1%	-6.0% #	15.1%
Full Process	24,000				
Cash Out	15,000				
Conventional to FHA	243,000				
Cash Out	118,000				
Conventional to FHA (Delinquent)	19,000				
Cash Out	8,000				
<b>HECM</b>	<b>117,000</b>	<b>20,761</b>	<b>20,542</b>	<b>1.1%</b>	<b>107,558</b>
% HECM	15.0%	14.4%	19.5%	-5.0% #	20.2%
HECM First	110,000	19,714	19,422	1.5%	100,809
HECM First ARM	109,000	19,534	19,421	0.6%	100,713
HECM Refinance	7,000	1,047	1,120	-6.5%	6,749
% HECM Refinance	6.0%	5.0%	5.5%	-0.4% #	6.3%
HECM Refinance ARM	6,900	1,038	1,120	-7.3%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

# FHA OUTLOOK

# SINGLE FAMILY OPERATIONS

December 1-15, 2007

## OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	858	681 r	26.0%	3,391
Section 234(c)	29,000	4,693	3,670	27.9%	16,865
% Section 234(c)	3.7%	3.3%	3.5%	-0.2% #	3.2%
ARM (Excludes HECM ARM)	4,000	841	1,343	-37.4%	5,204
% ARM	0.5%	0.6%	1.3%	-0.7% #	1.0%
Manufactured Housing	82,000	11,214	10,784	4.0%	50,366
Interest Buy-down	9,000	1,780	697	155.4%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Nov)	260,000	54,402	40,452	34.5%	240,656
AUS as % of Total Endorse.	59.6%	55.3%	58.8% r	-3.5% #	56.7%
<b>Loans Delinquent as of (Nov) **</b>	230,000	218,218	206,038	5.9%	202,197
<b>Claims (Nov) ***</b>					
Loss Mitigation Retention	135,000	24,168	24,181	-0.1%	142,455
Loss Mitigation Retention	75,000	14,206	14,721	-3.5%	86,527
Loss Mitigation Disposition	5,000	635	797	-20.3%	4,480
Other Claims	55,000	9,327	8,663	7.7%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	546,000	93,880	54,794	71.3%	303,011
% of Total Insurance	70.0%	65.3%	51.9%	13.3% #	56.9%
Forward Mortgages	464,000				
HECM	82,000				

# = Percentage point difference

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

x AUS total includes only cases accepted - revised

for standard processing, standard rejects or actual fall out. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

November 16-30, 2007

### Applications

- Applications, after seasonal adjustment, remained at a respectful level (1,314,100) although down slightly from early November.
- 45,212 applications were received, 18,800 purchase cases, 22,408 refinances and 5,944 HECM's. The bulk of the refinances were conventional conversions, (18,663).

### Endorsements

- 26,796 cases were endorsed -- 12,321 purchase transactions, 10,169 refi's and 4,306 HECM's.
- The average FICO score for all forward mortgages was 650 -- for purchase cases 658 and 634 for refinance mortgages.
- The average processing time for existing home cases (by far the largest share) was 4.3 weeks from application to closing and another 4.8 weeks from closing to endorsement. By far, the largest part of the closing to endorsement time was the lenders.
- 16,538 endorsements were handled with lender insurance processing. This included 15,562 forward mortgages and 979 HECM cases.

### Automated Underwriting

- During November, 26,423 cases were accepted and endorsed using the FHA scorecard. This represents 54.5 percent of the total cases insured during the month.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

November 16-30, 2007

### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	1,314,100	1,414,200	-7.1%	628,900	109.0%
Average per workday	5,194	5,590	-7.1%	2,486	108.9%
<b>Actual</b>	<b>45,212</b>	<b>54,240</b>	<b>-16.6%</b>	<b>21,705</b>	<b>108.3%</b>
<b>Purchase</b>	<b>16,860</b>	<b>20,588</b>	<b>-18.1%</b>		
<b>Refinance</b>	<b>22,408</b>	<b>26,586</b>	<b>-15.7%</b>		
Prior FHA	3,188	3,525	-9.6%		
Conventional to FHA	18,663	22,420	-16.8%		
Conventional to FHA (Delinquent)	557	641	-13.1%		
<b>HECM</b>	<b>5,944</b>	<b>7,066</b>	<b>-15.9%</b>		
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	643,100	718,100	-10.4%	439,100	46.5%
<b>Actual</b>	<b>26,796</b>	<b>29,922</b>	<b>-10.4%</b>	<b>18,295</b>	<b>46.5%</b>
Average FICO Score (Sep)	650	651	-0.2%	661	-1.7%
Minority	7,702	8,571	-10.1%	5,139	49.9%
% Minority	28.7%	28.6%	0.1% #	28.1%	0.7% #
<b>Purchase</b>	<b>12,321</b>	<b>14,773</b>	<b>-16.6%</b>	<b>10,205</b>	<b>20.7%</b>
% Purchase	46.0%	49.4%	-3.4% #	55.8%	-9.8% #
Average FICO Score (Sep)	658	659	-0.2%	668	-1.5%
1st Time Home Buyer	9,765	11,755	-16.9%	8,111	20.4%
% 1st Time Home Buyer	79.3%	79.6%	-0.3% #	79.5%	-0.2% #
Non-Minority	6,158	7,410	-16.9%	5,242	17.5%
% Non-Minority	63.1%	63.0%	0.0% #	64.6%	-1.6% #
Minority	3,158	3,785	-16.6%	2,550	23.8%
% Minority	32.3%	32.2%	0.1% #	31.4%	0.9% #
Not-Disclosed	452	560	-19.3%	320	41.3%
% Not-Disclosed	4.6%	4.8%	-0.1% #	3.9%	0.7% #
<b>Refinanced</b>	<b>10,169</b>	<b>11,184</b>	<b>-9.1%</b>	<b>4,439</b>	<b>129.1%</b>
% Refinanced	37.9%	37.4%	0.6% #	24.3%	13.7% #
Total Cash Out	4,346	4,828	-10.0%	3,532	23.0%
Total % Cash Out	42.7%	43.2%	-0.4% #	79.6%	-36.8% #
Average FICO Score (Sep)	634	634	0.0%	640	-0.9%
Prior FHA	1,559	1,877	-16.9%		
Streamline	789	994	-20.6%	623	26.6%
% Streamline	7.8%	8.9%	-1.1% #	14.0%	-6.3% #
Full Process	770	883	-12.8%		
Cash Out	491	546	-10.1%		
Conventional to FHA	8,523	9,239	-7.7%		
Cash Out	3,819	4,253	-10.2%		
Conventional to FHA (Delinquent)	87	68	27.9%		
Cash Out	36	29	24.1%		
<b>HECM</b>	<b>4,306</b>	<b>3,965</b>	<b>8.6%</b>	<b>3,651</b>	<b>17.9%</b>
% HECM	16.1%	13.3%	2.8% #	20.0%	-3.9% #
HECM First	4,098	3,752	9.2%	3,472	18.0%
HECM First ARM	4,060	3,726	9.0%	3,472	16.9%
HECM Refinance	208	213	-2.3%	179	16.2%
% HECM Refinance	4.8%	5.4%	-0.5% #	4.9%	-0.1% #
HECM Refinance ARM	206	212	-2.8%	179	15.1%

Source: \* F17 CHUMS

# = Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

### November 16-30, 2007

#### CURRENT

	<u>CURRENT</u> <u>2 WEEK</u> <u>PERIOD</u>	<u>LAST</u> <u>PERIOD</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>LAST</u> <u>YEAR</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	152	193	-21.2%	125 r	21.6%
Section 234(c)	850	931	-8.7%	620	37.1%
% Section 234(c)	3.2%	3.1%	0.1% #	3.4%	-0.2% #
ARM (Excludes HECM ARM)	138	147	-6.1%	256	-46.1%
% ARM	0.5%	0.5%	0.0% #	1.4%	-0.9% #
Manufactured Housing	1,976	2,296	-13.9%	1,960	0.8%
Interest Buy-down	311	397	-21.7%	120	159.2%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	4.3	4.4	-2.3%	4.0	7.5%
Closing to Endorsement	4.8	4.3	11.6%	5.4	-11.1%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Nov)	26,423	27,979	-5.6%	19,283	37.0%
AUS as % of Total Endorsed	54.5%	56.0%	-1.5% #	58.9% r	-4.4% #
<b>Lender Insurance *</b>					
Total Lender Insurance	16,538	20,152	-17.9%	9,318	77.5%
% of Total Insurance	61.7%	67.3%	-5.6% #	50.9%	10.8% #
Forward Mortgages	15,562	18,953	-17.9%		
HECM	976	1,199	-18.6%		

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

November 16-30, 2007

### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>1,000,000</b>	<b>206,147</b>	<b>104,822</b>	<b>96.7%</b>	<b>768,770</b>
<b>Purchase</b>	<b>420,000</b>				
<b>Refinance</b>	<b>450,000</b>				
Prior FHA	58,500				
Conventional to FHA	378,000				
Conventional to FHA (Delinquent)	9,000				
<b>HECM</b>	<b>130,000</b>				
<b>TOTAL ENDORSEMENTS: *</b>	<b>780,000</b>	<b>115,059</b>	<b>85,022</b>	<b>35.3%</b>	<b>532,337</b>
Minority	234,000	33,070	23,319	41.8%	148,927
% Minority	30.0%	28.7%	27.4%	1.3% #	28.0%
<b>Purchase</b>	<b>351,000</b>	<b>57,691</b>	<b>49,083</b>	<b>17.5%</b>	<b>278,422</b>
% Purchase	45.0%	50.1%	57.7%	-7.6% #	52.3%
1st Time Home Buyer	281,000	45,803	38,819	18.0%	221,492
% 1st Time Home Buyer	80.1%	79.4%	79.1%	0.3% #	79.6%
Non-Minority	183,000	29,026	25,335	14.6%	143,170
% Non Minority	65.1%	63.4%	65.3%	-1.9% #	64.6%
Minority	87,000	14,694	11,938	23.1%	69,041
% Minority	31.0%	32.1%	30.8%	1.3% #	31.2%
Not-Disclosed	11,000	2,088	1,551	34.6%	9,275
% Not-Disclosed	3.9%	4.6%	4.0%	0.6% #	4.2%
<b>Refinanced</b>	<b>312,000</b>	<b>40,680</b>	<b>19,671</b>	<b>106.8%</b>	<b>146,357</b>
% Refinanced	40.0%	35.4%	23.1%	12.2% #	27.5%
Total Cash Out	141,000	24,561	15,636	57.1%	112,767
Total % Cash Out	45.2%	60.4%	79.5%	-19.1% #	77.0%
Prior FHA	50,000				
Streamline	26,000	3,521	2,834	24.2%	22,105
% Streamline	8.3%	8.7%	14.4%	-5.8% #	15.1%
Full Process	24,000				
Cash Out	15,000				
Conventional to FHA	243,000				
Cash Out	118,000				
Conventional to FHA (Delinquent)	19,000				
Cash Out	8,000				
<b>HECM</b>	<b>117,000</b>	<b>16,688</b>	<b>16,268</b>	<b>2.6%</b>	<b>107,558</b>
% HECM	15.0%	14.5%	19.1%	-4.6% #	20.2%
HECM First	110,000	15,855	15,384	3.1%	100,809
HECM First ARM	109,000	15,762	15,383	2.5%	100,713
HECM Refinance	7,000	833	884	-5.8%	6,749
% HECM Refinance	6.0%	5.0%	5.4%	-0.4% #	6.3%
HECM Refinance ARM	6,900	826	884	-6.6%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

# FHA OUTLOOK

# SINGLE FAMILY OPERATIONS

November 16-30, 2007

## OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	686	571 r	20.1%	3,391
Section 234(c)	29,000	3,758	2,950	27.4%	16,865
% Section 234(c)	3.7%	3.3%	3.5%	-0.2% #	3.2%
ARM (Excludes HECM ARM)	4,000	693	1,127	-38.5%	5,204
% ARM	0.5%	0.6%	1.3%	-0.7% #	1.0%
Manufactured Housing	82,000	9,009	8,822	2.1%	50,366
Interest Buy-down	9,000	1,497	567	164.0%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Nov)	260,000	54,402	40,452	34.5%	240,656
AUS as % of Total Endorse.	59.6%	55.3%	58.8% r	-3.5% #	56.7%
<b>Loans Delinquent as of (Oct) **</b>	230,000	206,878	221,216	-6.5%	202,197
<b>Claims (Nov) ***</b>					
Loss Mitigation Retention	135,000	24,168	24,181	-0.1%	142,455
Loss Mitigation Retention	75,000	14,206	14,721	-3.5%	86,527
Loss Mitigation Disposition	5,000	635	797	-20.3%	4,480
Other Claims	55,000	9,327	8,663	7.7%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	546,000	74,941	44,016	70.3%	303,011
% of Total Insurance	70.0%	65.1%	51.8%	13.4% #	56.9%
Forward Mortgages	464,000				
HECM	82,000				

# = Percentage point difference

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

x AUS total includes only cases accepted - revised

for standard processing, standard rejects or actual fall out. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

November 1-15, 2007

Note that the FHA Outlook has been expanded to take advantage of new information that has just become available. Some of the cumulative or last years data are not yet available and will be included as it becomes available.

### Applications

- Applications, seasonally adjusted, reached a current new high at an annual rate of 1,414,200. This is the best rate since April 2004 (1,420,800).
- During this reporting period, 54,240 applications were received -- 20,588 purchase cases, 26,586 refinances and 7,066 HECM's.
- A breakdown of the refinance applications shows 3,525 prior FHA cases, 22,420 conventional to FHA conversions and 641 conventional to FHA cases that were in a delinquency status.

### Endorsements

- 29,922 endorsements were processed in early November and of those, 14,773 were purchase money mortgages, 11,184 forward mortgage refinances and 3,965 reverse mortgages. The bulk of these HECM's had adjustable mortgage terms.
- A new breakout of refinance mortgages indicates that 1,877 were FHA to FHA transactions about evenly divided between streamlined and full processed cases.
- Also, and more important is the number and type of conversions taking place. More specifically, of the 11,184 refi's, 9,239 were conventional to FHA conversions -- 83 percent of the total. In addition, another 68 of the conversions were delinquent prior to insurance.
- Another interesting fact in that a large share of the conversions (48%) are cash outs. Given the large proportion of such cases it is apparent that mortgagors are taking advantage of the 95 percent loan-value ratio that FHA allows for refinances and very likely that many lenders are offering better refinancing terms to alleviate ARM resets and possible foreclosure by suggesting borrowers refinance with FHA insurance. Even 29 of the 68 delinquent refi's had enough equity to cash out a significant amount of money.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

November 1-15, 2007

### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>TOTAL APPLICATIONS: *</b>					
Annual Rate	1,414,200	1,180,300	19.8%	680,500	107.8%
Average per workday	5,590	4,665	19.8%	2,690	107.8%
<b>Actual</b>	<b>54,240</b>	<b>55,408</b>	<b>-2.1%</b>	<b>27,417</b>	<b>97.8%</b>
<b>Purchase</b>	<b>20,588</b>				
<b>Refinance</b>	<b>26,586</b>				
Prior FHA	3,525				
Conventional to FHA	22,420				
Conventional to FHA (Delinquent)	641				
<b>HECM</b>	<b>7,066</b>				
<b>TOTAL ENDORSEMENTS: *</b>					
Annual Rate	718,100	780,400	-8.0%	526,700	36.3%
<b>Actual</b>	<b>29,922</b>	<b>32,518</b>	<b>-8.0%</b>	<b>21,944</b>	<b>36.4%</b>
Average FICO Score (Sep)	650	651	-0.2%	661	-1.7%
Minority	8,571	9,441	-9.2%	6,003	42.8%
% Minority	28.6%	29.0%	-0.4% #	27.4%	1.3% #
<b>Purchase</b>	<b>14,773</b>	<b>16,896</b>	<b>-12.6%</b>	<b>12,648</b>	<b>16.8%</b>
% Purchase	49.4%	52.0%	-2.6% #	57.6%	-8.3% #
Average FICO Score (Sep)	658	659	-0.2%	668	-1.5%
1st Time Home Buyer	11,755	13,418	-12.4%	9,995	17.6%
% 1st Time Home Buyer	79.6%	79.4%	0.2% #	79.0%	0.5% #
Non-Minority	7,410	8,462	-12.4%	6,494	14.1%
% Non-Minority	63.0%	63.1%	0.0% #	65.0%	-1.9% #
Minority	3,785	4,335	-12.7%	3,078	23.0%
% Minority	32.2%	32.3%	-0.1% #	30.8%	1.4% #
Not-Disclosed	560	621	-9.8%	423	32.4%
% Not-Disclosed	4.8%	4.6%	0.1% #	4.2%	0.5% #
<b>Refinanced</b>	<b>11,184</b>	<b>11,044</b>	<b>1.3%</b>	<b>5,469</b>	<b>104.5%</b>
% Refinanced	37.4%	34.0%	3.4% #	24.9%	12.5% #
Total Cash Out	4,828 xx	8,836	-45.4%	4,211	14.7%
Total % Cash Out	43.2% xx	80.0%	-36.8% #	77.0%	-33.8% #
Average FICO Score (Sep)	634	634	0.0%	640	-0.9%
Prior FHA	1,877				
Streamline	994	891	11.6%	909	9.4%
% Streamline	8.9%	8.1%	0.8% #	16.6%	-7.7% #
Full Process	883				
Cash Out	546				
Conventional to FHA	9,239				
Cash Out	4,253				
Conventional to FHA (Delinquent)	68				
Cash Out	29				
<b>HECM</b>	<b>3,965</b>	<b>4,578</b>	<b>-13.4%</b>	<b>3,827</b>	<b>3.6%</b>
% HECM	13.3%	14.1%	-0.8% #	17.4%	-4.2% #
HECM First	3,752	4,369	-14.1%	3,653	2.7%
HECM First ARM	3,726	4,346	-14.3%	3,653	2.0%
HECM Refinance	213	209	1.9%	174	22.4%
% HECM Refinance	5.4%	4.6%	0.8% #	4.5%	0.8% #
HECM Refinance ARM	212	206	2.9%	174	21.8%

Source: \* F17 CHUMS

# = Percentage point difference

xx Any large difference in the number or percent of cash outs is due to a more precise definition of a cash out transaction.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

November 1-15, 2007

### CURRENT

	<u>CURRENT</u> <u>2 WEEK</u> <u>PERIOD</u>	<u>LAST</u> <u>PERIOD</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>LAST</u> <u>YEAR</u>	<u>PERCENT</u> <u>CHANGE</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	193	191	1.0%	162 r	19.1%
Section 234(c)	931	1,144	-18.6%	739	26.0%
% Section 234(c)	3.1%	3.5%	-0.4% #	3.4%	-0.3% #
ARM (Excludes HECM ARM)	147	212	-30.7%	260	-43.5%
% ARM	0.5%	0.7%	-0.2% #	1.2%	-0.7% #
Manufactured Housing	2,296	2,594	-11.5%	2,387	-3.8%
Interest Buy-down	397	399	-0.5%	140	183.6%
<b>Average Processing Time</b>					
(Existing Homes, weeks)					
Application to Closing	4.4				
Closing to Endorsement	4.3				
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Oct)	27,979	22,521	24.2%	21,172	32.2%
AUS as % of Total Endorsed	56.0%	55.6%	0.4% #	58.8% r	-2.8% #
<b>Lender Insurance *</b>					
Total Lender Insurance	20,152	20,922	-3.7%	12,103	66.5%
% of Total Insurance	67.3%	64.3%	3.0% #	55.2%	12.2% #
Forward Mortgages	18,953				
HECM	1,199				

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

November 1-15, 2007

### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>1,000,000</b>	<b>160,935</b>	<b>83,117</b>	<b>93.6%</b>	<b>768,770</b>
<b>Purchase</b>	<b>420,000</b>				
<b>Refinance</b>	<b>450,000</b>				
Prior FHA	58,500				
Conventional to FHA	378,000				
Conventional to FHA (Delinquent)	9,000				
<b>HECM</b>	<b>130,000</b>				
<b>TOTAL ENDORSEMENTS: *</b>	<b>780,000</b>	<b>88,263</b>	<b>66,727</b>	<b>32.3%</b>	<b>532,337</b>
Minority	300,000	25,368	18,180	39.5%	148,927
% Minority	38.5%	28.7%	27.2%	1.5% #	28.0%
<b>Purchase</b>	<b>351,000</b>	<b>45,370</b>	<b>38,878</b>	<b>16.7%</b>	<b>278,422</b>
% Purchase	45.0%	51.4%	58.3%	-6.9% #	52.3%
1st Time Home Buyer	281,000	36,038	30,708	17.4%	221,492
% 1st Time Home Buyer	80.1%	79.4%	79.0%	0.4% #	79.6%
Non-Minority	183,000	22,868	20,093	13.8%	143,170
% Non Minority	65.1%	63.5%	65.4%	-2.0% #	64.6%
Minority	87,000	11,536	9,388	22.9%	69,041
% Minority	31.0%	32.0%	30.6%	1.4% #	31.2%
Not-Disclosed	11,000	1,636	1,231	32.9%	9,275
% Not-Disclosed	3.9%	4.5%	4.0%	0.5% #	4.2%
<b>Refinanced</b>	<b>312,000</b>	<b>30,511</b>	<b>15,232</b>	<b>100.3%</b>	<b>146,357</b>
% Refinanced	40.0%	34.6%	22.8%	11.7% #	27.5%
Total Cash Out	141,000	20,215 xx	12,104	67.0%	112,767
Total % Cash Out	45.2%	66.3% xx	79.5%	-13.2% #	77.0%
Prior FHA	50,000				
Streamline	26,000	2,732	2,211	23.6%	22,105
% Streamline	8.3%	9.0%	14.5%	-5.6% #	15.1%
Full Process	24,000				
Cash Out	15,000				
Conventional to FHA	243,000				
Cash Out	118,000				
Conventional to FHA (Delinquent)	19,000				
Cash Out	8,000				
<b>HECM</b>	<b>117,000</b>	<b>12,382</b>	<b>12,617</b>	<b>-1.9%</b>	<b>107,558</b>
% HECM	15.0%	14.0%	18.9%	-4.9% #	20.2%
HECM First	110,000	11,757	11,912	-1.3%	100,809
HECM First ARM	98,000	11,702	11,911	-1.8%	100,713
HECM Refinance	7,000	625	705	-11.3%	6,749
% HECM Refinance	6.0%	5.0%	5.6%	-0.5% #	6.3%
HECM Refinance ARM	6,500	620	705	-12.1%	6,725

# = Percentage point difference

Source: \* F17 CHUMS

xx Any large difference in the number or percent of cash outs is due to a more precise definition of a cash out transaction.

# FHA OUTLOOK

# SINGLE FAMILY OPERATIONS

November 1-15, 2007

## OUTLOOK

	PROJECTIONS <u>FY 2008</u>	FY 2008 <u>TO DATE</u>	FY 2007 <u>TO DATE</u>	% CHANGE <u>2008/2007</u>	FY 2007 <u>FINAL</u>
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	8,000	534	446 r	19.7%	3,391
Section 234(c)	29,000	2,908	2,330	24.8%	16,865
% Section 234(c)	3.7%	3.3%	3.5%	-0.2% #	3.2%
ARM (Excludes HECM ARM)	10,000	555	871	-36.3%	5,204
% ARM	1.3%	0.6%	1.3%	-0.7% #	1.0%
Manufactured Housing	82,000	7,033	6,862	2.5%	50,366
Interest Buy-down	12,000	1,186	447	165.3%	3,647
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Oct)	260,000	27,979	21,172	32.2%	240,656
AUS as % of Total Endorse.	59.6%	56.0%	58.8% r	-2.8% #	56.7%
<b>Loans Delinquent as of (Oct) **</b>	230,000	202,197	221,216	-8.6%	202,197
<b>Claims (Oct) ***</b>	135,000	12,507	12,343	1.3%	142,455
Loss Mitigation Retention	75,000	7,374	7,458	-1.1%	86,527
Loss Mitigation Disposition	5,000	359	433	-17.1%	4,480
Other Claims	55,000	4,774	4,452	7.2%	51,448
<b>Lender Insurance *</b>					
Total Lender Insurance	468,000	58,403	34,698	68.3%	303,011
% of Total Insurance	60.0%	66.2%	52.0%	14.2% #	56.9%
Forward Mortgages	418,000				
HECM	50,000				

# = Percentage point difference

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

x AUS total includes only cases accepted - revised

for standard processing, standard rejects or actual fall out. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

October 16-31, 2007

### Applications

- Seasonally adjusted, the annual rate for applications slipped slightly but was still at a high level -- 1,180,300.
- The actual application count was 55,408 -- 8 percent above the prior period -- due to more workdays.

### Endorsements

- 32,518 mortgages were endorsed -- 25.9 percent over early October.
- This total consisted of 16,896 purchase mortgages, 11,044 refinances and 4,578 HECM's.
- First timers made up almost 80 percent of the purchase transactions.
- 32.3 percent of the first time buyers were minority families.
- 4.6 percent of the buyers did not disclose their race or ethnicity.
- 34 percent of the endorsements were refinanced.
- 91 percent of these refi's required full underwriting since they could not be handled by streamline procedures.
- HECM's accounted for 14.1 percent of insurance activity and 4.6 percent of the HECM's were refinanced.

### Automated Underwriting

- 27,979 mortgages were accepted and endorsed using the score card -- 56 percent of the total forward mortgages insured.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

### October 16-31, 2007

#### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>Applications: *</b>					
Annual Rate	1,180,300	1,285,800	-8.2%	631,500	86.9%
Average per workday	4,665	5,082	-8.2%	2,496	86.9%
Actual	55,408	51,287	8.0%	29,984	84.8%
<b>Endorsements: *</b>					
Annual Rate	780,400	619,800	25.9%	589,000	32.5%
Actual	32,518	25,823	25.9%	24,540	32.5%
Purchase	16,896	13,701	23.3%	14,215	18.9%
% Purchase	52.0%	53.1%	-1.1% #	57.9%	-6.0% #
1st Time Home Buyer	13,418	10,867	23.5%	11,223	19.6%
% 1st Time Home Buyer	79.4%	79.3%	0.1% #	79.0%	0.5% #
Non-Minority	8,462	6,996	21.0%	7,365	14.9%
% Non Minority	63.1%	64.4%	-1.3% #	65.6%	-2.6% #
Minority	4,335	3,416	26.9%	3,430	26.4%
% Minority	32.3%	31.4%	0.9% #	30.6%	1.7% #
Not-Disclosed	621	455	36.5%	429	44.8%
% Not-Disclosed	4.6%	4.2%	0.4% #	3.8%	0.8% #
Refinanced	11,044	8,283	33.3%	5,340	106.8%
% Refinanced	34.0%	32.1%	1.9% #	21.8%	12.2% #
Streamline	891	847	5.2%	703	26.7%
% Streamline	8.1%	10.2%	-2.2% #	13.2%	-5.1% #
Full Process	10,153	7,436	36.5%	4,637	119.0%
Cash Out	8,836	6,551	34.9%	4,321	104.5%
% Cash Out	87.0%	88.1%	-1.1% #	93.2%	-6.2% #
HECM	4,578	3,839	19.2%	4,985	-8.2%
% HECM	14.1%	14.9%	-0.8% #	20.3%	-6.2% #
HECM Refinance	209	203	3.0%	308	-32.1%
% HECM Refinance	4.6%	5.3%	-0.7% #	6.2%	-1.6% #
Section 203(k)	191	150	27.3%	163 r	17.2%
Section 234(c)	1,144	833	37.3%	842	35.9%
% Section 234(c)	3.5%	3.2%	0.3% #	3.4%	0.1% #
ARM (Excludes HECM ARM)	212	196	8.2%	338	-37.3%
% ARM	0.7%	0.8%	-0.1% #	1.4%	-0.7% #
Manufactured Housing	2,594	2,143	21.0%	2,424	7.0%
Interest Buy-down	399	390	2.3%	154	159.1%
Lender Insurance	20,922	17,329	20.7%	12,307	70.0%
Minority	9,441	7,356	28.3%	6,718	40.5%
% Minority	29.0%	28.5%	0.5% #	27.4%	1.7% #
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Oct)	27,979	22,521	24.2%	21,172	32.2%
AUS as % of Total Forward	56.0%	55.6%	0.4% #	58.8% r	-2.8% #

# = Percentage point difference      r - revised

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

October 16-31, 2007

### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>Applications *</b>	650,000	106,695	55,700	91.6%	768,770
<b>Endorsements *</b>	514,000	58,341	44,783	30.3%	532,337
Purchase	319,000	30,597	26,230	16.6%	278,422
% Purchase	62.1%	52.4%	58.6%	-6.1% #	52.3%
1st Time Home Buyer	255,000	24,284	20,716	17.2%	221,492
% 1st Time Home Buyer	79.9%	79.4%	79.0%	0.4% #	79.6%
Non-Minority	165,000	15,458	13,599	13.7%	143,170
% Non Minority	64.7%	63.7%	65.6%	-2.0% #	64.6%
Minority	81,000	7,751	6,310	22.8%	69,041
% Minority	31.8%	31.9%	30.5%	1.5% #	31.2%
Not-Disclosed	9,000	1,076	808	33.2%	9,275
% Not-Disclosed	3.5%	4.4%	3.9%	0.5% #	4.2%
Refinanced	117,000	19,327	9,763	98.0%	146,357
% Refinanced	22.8%	33.1%	21.8%	11.3% #	27.5%
Streamline	39,000	1,738	1,302	33.5%	22,105
% Streamline	33.3%	9.0%	13.3%	-4.3% #	15.1%
Full Process	78,000	17,589	8,461	107.9%	124,252
Cash Out	70,000	15,387	7,893	94.9%	112,767
% Cash Out	89.7%	87.5%	93.3%	-5.8% #	90.8%
HECM	78,000	8,417	8,790	-4.2%	107,558
% HECM	15.2%	14.4%	19.6%	-5.2% #	20.2%
HECM Refinance	5,000	412	531	-22.4%	6,749
% HECM Refinance	6.4%	4.9%	6.0%	-1.1% #	6.3%
Section 203(k)	4,000	341	284	20.1%	3,391
Section 234(c)	21,000	1,977	1,591	24.3%	16,865
% Section 234(c)	4.1%	3.4%	3.6%	-0.2% #	3.2%
ARM (Excludes HECM ARM)	12,000	408	611	-33.2%	5,204
% ARM	2.3%	0.7%	1.4%	-0.7% #	1.0%
Manufactured Housing	43,000	4,737	4,475	5.9%	50,366
Interest Buy-down	4,000	789	307	157.0%	3,647
Lender Insurance	200,000	38,251	22,595	69.3%	303,011
Minority	140,000	16,797	12,177	37.9%	148,927
% Minority	27.2%	28.8%	27.2%	1.6% #	28.0%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Oct)	260,000	27,979	21,172	32.2%	240,656
AUS as % of Total Forward	59.6%	56.0%	58.8%	-2.8% #	56.7%
<b>Loans Delinquent as of (Sep) **</b>	230,000	202,197	239,255	-15.5%	202,197
<b>Claims (Oct) ***</b>	135,000	12,507	12,343	1.3%	142,455
Loss Mitigation Retention	75,000	7,374	7,458	-1.1%	86,527
Loss Mitigation Disposition	5,000	359	433	-17.1%	4,480
Other Claims	55,000	4,774	4,452	7.2%	51,448

# = Percentage point difference

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

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. Percentage based on forward mortgages only.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

October 1-15, 2007

### Applications

- Seasonally adjusted, applications continued to rise, being recorded at an annual rate of 1,285,800 -- 12.1 percent above the last reporting period.
- The actual count of applications received this period was 51,287 -- 16.4 percent above late September -- due to a much larger average per day receipt of applications.

### Endorsements

- 25,823 mortgages were insured -- 13,701 purchase money instruments, 8,283 refinances and 3,839 reverse mortgages.
- Purchase transactions accounted for 53.1 percent of total insurance volume and of those about 4 out of every 5 mortgages were for first time home buyers.
- Refinances share of the total was 32.1 percent, the bulk of which had to be handled with full underwriting procedures. Streamlined processing could only be used for 847 out of the total 8,283 refinanced cases.
- HECM's made up 14.9 percent of the insured cases and of these 5.3 percent of the cases were refinanced.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

### October 1-15, 2007

#### CURRENT

	CURRENT 2 WEEK PERIOD	LAST PERIOD	PERCENT CHANGE	LAST YEAR	PERCENT CHANGE
<b>Applications: *</b>					
Annual Rate	1,285,800	1,147,300	12.1%	736,300	74.6%
Average per workday	5,082	4,535	12.1%	2,910	74.6%
Actual	51,287	44,079	16.4%	25,716	99.4%
<b>Endorsements: *</b>					
Annual Rate	619,800	638,900	-3.0%	485,800	27.6%
Actual	25,823	26,620	-3.0%	20,243	27.6%
Purchase	13,701	14,082	-2.7%	12,015	14.0%
% Purchase	53.1%	52.9%	0.2% #	59.4%	-6.3% #
1st Time Home Buyer	10,867	11,204	-3.0%	9,493	14.5%
% 1st Time Home Buyer	79.3%	79.6%	-0.2% #	79.0%	0.3% #
Non-Minority	6,996	7,198	-2.8%	6,234	12.2%
% Non Minority	64.4%	64.2%	0.1% #	65.7%	-1.3% #
Minority	3,416	3,542	-3.6%	2,880	18.6%
% Minority	31.4%	31.6%	-0.2% #	30.3%	1.1% #
Not-Disclosed	455	466	-2.4%	379	20.1%
% Not-Disclosed	4.2%	4.2%	0.0% #	4.0%	0.2% #
Refinanced	8,283	8,379	-1.1%	4,423	87.3%
% Refinanced	32.1%	31.5%	0.6% #	21.8%	10.2% #
Streamline	847	735	15.2%	599	41.4%
% Streamline	10.2%	8.8%	1.5% #	13.5%	-3.3% #
Full Process	7,436	7,644	-2.7%	3,824	94.5%
Cash Out	6,551	6,769	-3.2%	3,572	83.4%
% Cash Out	88.1%	88.6%	-0.5% #	93.4%	-5.3% #
HECM	3,839	4,159	-7.7%	3,805	0.9%
% HECM	14.9%	15.6%	-0.8% #	18.8%	-3.9% #
HECM Refinance	203	200	1.5%	223	-9.0%
% HECM Refinance	5.3%	4.8%	0.5% #	5.9%	-0.6% #
Section 203(k)	150	163	-8.0%	121 r	24.0%
Section 234(c)	833	792 r	5.2%	749	11.2%
% Section 234(c)	3.2%	3.0%	0.3% #	3.7%	-0.5% #
ARM (Excludes HECM ARM)	196	204	-3.9%	273	-28.2%
% ARM	0.8%	0.8%	0.0% #	1.3%	-0.6% #
Manufactured Housing	2,143	2,498	-14.2%	2,051	4.5%
Interest Buy-down	390	353	10.5%	153	154.9%
Lender Insurance	17,329	16,960	2.2%	10,288	68.4%
Minority	7,356	7,504	-2.0%	5,459	34.7%
% Minority	28.5%	28.2%	0.3% #	27.0%	1.5% #
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Sep)	22,521	25,039	-10.1%	20,779	8.4%
AUS as % of Total Endorsed	55.6%	56.1%	-0.5% #	55.3%	0.3% #

# = Percentage point difference      r - revised

Source: \* F17 CHUMS

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# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

October 1-15, 2007

### OUTLOOK

	PROJECTIONS FY 2008	FY 2008 TO DATE	FY 2007 TO DATE	% CHANGE 2008/2007	FY 2007 FINAL
<b>Applications *</b>	650,000	51,287	25,716	99.4%	768,770
<b>Endorsements *</b>	514,000	25,823	20,243	27.6%	532,337
Purchase	319,000	13,701	12,015	14.0%	278,422
% Purchase	62.1%	53.1%	59.4%	-6.3% #	52.3%
1st Time Home Buyer	255,000	10,867	9,493	14.5%	221,492
% 1st Time Home Buyer	79.9%	79.3%	79.0%	0.3% #	79.6%
Non-Minority	165,000	6,996	6,234	12.2%	143,170
% Non Minority	64.7%	64.4%	65.7%	-1.3% #	64.6%
Minority	81,000	3,416	2,880	18.6%	69,041
% Minority	31.8%	31.4%	30.3%	1.1% #	31.2%
Not-Disclosed	9,000	455	379	20.1%	9,275
% Not-Disclosed	3.5%	4.2%	4.0%	0.2% #	4.2%
Refinanced	117,000	8,283	4,423	87.3%	146,357
% Refinanced	22.8%	32.1%	21.8%	10.2% #	27.5%
Streamline	39,000	847	599	41.4%	22,105
% Streamline	33.3%	10.2%	13.5%	-3.3% #	15.1%
Full Process	78,000	7,436	3,824	94.5%	124,252
Cash Out	70,000	6,551	3,572	83.4%	112,767
% Cash Out	89.7%	88.1%	93.4%	-5.3% #	90.8%
HECM	78,000	3,839	3,805	0.9%	107,558
% HECM	15.2%	14.9%	18.8%	-3.9% #	20.2%
HECM Refinance	5,000	203	223	-9.0%	6,749
% HECM Refinance	6.4%	5.3%	5.9%	-0.6% #	6.3%
Section 203(k)	4,000	150	121	24.0%	3,391
Section 234(c)	21,000	833	749	11.2%	16,865
% Section 234(c)	4.1%	3.2%	3.7%	-0.5% #	3.2%
ARM (Excludes HECM ARM)	12,000	196	273	-28.2%	5,204
% ARM	2.3%	0.8%	1.3%	-0.6% #	1.0%
Manufactured Housing	43,000	2,143	2,051	4.5%	50,366
Interest Buy-down	4,000	390	153	154.9%	3,647
Lender Insurance	200,000	17,329	10,288	68.4%	303,011
Minority	140,000	7,356	5,459	34.7%	148,927
% Minority	27.2%	28.5%	27.0%	1.5% #	28.0%
<b>Automated Underwriting System * x</b>					
AUS Endorsed (Sep)	260,000	240,656	253,275	-5.0%	240,656
AUS as % of Total Endorse.	59.6%	56.7%	59.5%	-2.8% #	56.7%
<b>Loans Delinquent as of (Sep) **</b>	230,000	202,197	239,255	-15.5%	202,197
<b>Claims (Sep) ***</b>	135,000	142,455	135,303	5.3%	142,455
Loss Mitigation Retention	75,000	86,527	75,528	14.6%	86,527
Loss Mitigation Disposition	5,000	4,480	5,244	-14.6%	4,480
Other Claims	55,000	51,448	54,531	-5.7%	51,448

# = Percentage point difference

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

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