

# FHA SINGLE-FAMILY OUTLOOK

## SINGLE-FAMILY OPERATIONS

November 2012

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### Applications

In November, lenders started 151,574 applications for FHA single family insurance. This total included 63,234 purchase loans, 80,914 refinance actions and 7,426 reverse mortgages.

With respect to refinancing, 63,641 were for borrowers presently with FHA mortgages, and 17,273 for homeowners looking to convert from conventional financing to FHA. Included in the refinance count were 386 (conventional-conversion) principal write-down mortgages.

### Endorsements

During the month, FHA insured 120,911 single family mortgages -- 7.5 percent less than last month (130,684)

Total endorsement activity included 57,247 purchase loans, 59,228 refinance actions, and 4,436 HECMs.

Among the refinance cases, 51,878 had prior FHA loans and 48,490 of that group (94%) were streamline-process cases.

There were 7,350 conventional conversion refinance endorsements in November, of which 125 were principal write-down transactions. Among HECM loans, 278 used the Saver MIP option.

### Mortgage Insurance Volumes

At the end of the month, FHA had 7,747,702 mortgages in-force with an amortized balance of \$1,088.6 billion. Also, during the month, 120,911 mortgages were insured for \$22.1 billion. The average loan was \$183,580 -- up from \$180,924 in the previous month.

### Loans Delinquent

At the end of November, FHA had 735,276 mortgages in serious delinquency, yielding a default rate of 9.5 percent -- matching October but slightly higher than in the year-earlier period.

### Claims

Over the first two months of the fiscal year, FHA paid 60,775 total claims, 26,475 which were for loan-termination (regular type) actions and 34,300 for home retention actions (special claims).

The regular claims included 18,325 property conveyances, 5,621 pre-foreclosure sale actions, and 2,529 of other types. Of the special claims, 31,098 were for loss mitigation actions and 3,202 for HECMs. HECM claims are primarily for loan assignment to HUD while the borrower is still living in the home.

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### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>TOTAL APPLICATIONS: *</b>	<b>151,574</b>	<b>173,952</b>	<b>-12.9%</b>	<b>125,596</b>	<b>20.7%</b>
Annual Rate	2,532,908	2,225,200	13.8%	1,925,800	31.5%
Average per workday	10,011	8,795	13.8%	7,612	31.5%
<b>Purchase</b>	<b>63,234</b>	<b>74,015</b>	<b>-14.6%</b>	<b>67,358</b>	<b>-6.1%</b>
<b>Refinance</b>	<b>80,914</b>	<b>91,691</b>	<b>-11.8%</b>	<b>50,730</b>	<b>59.5%</b>
Prior FHA	63,641	72,283	-12.0%	26,866	136.9%
Conventional to FHA	17,273	19,408	-11.0%	23,864	-27.6%
Short Refinance	386	364	6.0%	293	31.7%
<b>HECM</b>	<b>7,426</b>	<b>8,246</b>	<b>-9.9%</b>	<b>7,508</b>	<b>-1.1%</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>120,911</b>	<b>130,684</b>	<b>-7.5%</b>	<b>88,206</b>	<b>37.1%</b>
Annual Rate	1,450,900	1,568,200	-7.5%	1,058,500	37.1%
Weighted Average FICO Score **	696	696	0.0%	697	-0.1%
Minority	30,047	32,509	-7.6%	22,810	31.7%
% Minority	24.9%	24.9%	0.0% #	25.9%	-1.0% #
<b>Purchase</b>	<b>57,247</b>	<b>67,422</b>	<b>-15.1%</b>	<b>57,038</b>	<b>0.4%</b>
% Purchase	47.3%	51.6%	-4.2% #	64.7%	-17.3% #
Average FICO Score **	695	695	0.0%	695	0.0%
1st Time Home Buyer	44,890	52,574	-14.6%	43,968	2.1%
% 1st Time Home Buyer	78.4%	78.0%	0.4% #	77.1%	1.3% #
Non-Minority	28,152	32,806	-14.2%	26,818	5.0%
% Non-Minority	62.7%	62.4%	0.3% #	61.0%	1.7% #
Minority	14,261	16,872	-15.5%	14,492	-1.6%
% Minority	31.8%	32.1%	-0.3% #	33.0%	-1.2% #
Not-Disclosed	2,477	2,896	-14.5%	2,658	-6.8%
% Not-Disclosed	5.5%	5.5%	0.0% #	6.0%	-0.5% #
<b>Refinanced</b>	<b>59,228</b>	<b>59,517</b>	<b>-0.5%</b>	<b>26,514</b>	<b>123.4%</b>
% Refinanced	49.0%	45.5%	3.4% #	30.1%	18.9% #
Average FICO Score **	699	700	-0.1%	703	-0.6%
Prior FHA	51,878	51,159	1.4%	16,201	220.2%
Streamline	48,490	47,626	1.8%	12,349	292.7%
Streamline % of Refinance	81.9%	80.0%	1.8% #	46.6%	35.3% #
Streamline % of Prior FHA	93.5%	93.1%	0.4% #	76.2%	17.2% #
Full Process	3,388	3,533	-4.1%	3,852	-12.0%
Cash Out	623	667	-6.6%	644	-3.3%
Conventional to FHA	7,350	8,359	-12.1%	10,313	-28.7%
Cash Out	2,076	2,378	-12.7%	2,898	-28.4%
Total Cash Out	2,699	3,045	-11.4%	3,542	-23.8%
Total % Cash Out	4.6%	5.1%	-0.6% #	13.4%	-8.8% #
Short Refinance	125	119	5.0%	76	64.5%
<b>HECM</b>	<b>4,436</b>	<b>3,745</b>	<b>18.5%</b>	<b>4,654</b>	<b>-4.7%</b>
% HECM	3.7%	2.9%	0.8% #	5.3%	-1.6% #
HECM Standard Traditional	3,923	3,305	18.7%	4,113	-4.6%
HECM Stndrd Traditional ARM	932	756	23.3%	1,096	-15.0%
HECM Standard Purchase	153	155	-1.3%	121	26.4%
HECM Stndrd Purchase ARM	1	7	-85.7%	6	-83.3%
HECM Standard Refinance	82	76	7.9%	110	-25.5%
% HECM Standard Refinance	1.8%	2.0%	-0.2% #	2.4%	-0.5% #
HECM Stndrd Refinance ARM	14	15	-6.7%	31	-54.8%
HECM Saver Total	278	209	33.0%	310	-10.3%

Source: \* F17 CHUMS

# - Percentage point difference

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

# FHA SINGLE-FAMILY OUTLOOK

## SINGLE-FAMILY OPERATIONS

November 2012

### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	1,718	1,753	-2.0%	2,148	-20.0%
Condominium	5,303	5,513	-3.8%	2,937	80.6%
% Condominium	4.4%	4.2%	0.2% #	3.3%	1.1% #
ARM (Excludes HECM ARM)	566	601	-5.8%	2,280	-75.2%
% ARM	0.5%	0.5%	0.0% #	2.6%	-2.1% #
Manufactured Housing (Real Estate)	2,006	2,035	-1.4%	1,644	22.0%
Interest Buy-down	288	337	-14.5%	357	-19.3%
<b>Average Processing Time * ^</b>					
(Existing Homes, weeks)					
Application to Closing	7.1	7.1	0.0%	6.0	18.3%
Closing to Endorsement	3.8	3.8	0.0%	3.7	2.7%
<b>Lender Insurance *</b>					
Total Lender Insurance	96,987	105,937	-8.4%	67,305	44.1%
% of Total Insurance	80.2%	81.1%	-0.8% #	76.3%	3.9% #
Forward Mortgages	96,987	105,937	-8.4%	67,287	44.1%
HECM	0	0		18	
<b>Automated Underwriting System * x</b>					
AUS Endorsed	65,432	76,443	-14.4%	68,818	-4.9%
AUS as % of Total Endorsed	56.2%	60.2%	-4.0% #	82.4%	-26.2% #
<b>Mortgage Insurance *</b>					
Total Number	120,911	130,684	-7.5%	88,206	37.1%
Total Amount (\$B)	\$22.0	\$23.6	-6.8%	\$15.6	41.0%
Forward Mortgages					
Total Forward Number	116,475	126,939	-8.2%	83,552	39.4%
Amount (\$B)	\$21.0	\$22.7	-7.5%	\$14.5	44.8%
Purchase Number					
Amount (\$B)	\$9.9	\$11.7	-15.4%	\$9.4	5.3%
Refinance Number					
Amount (\$B)	\$11.1	\$11.0	0.9%	\$5.1	117.6%
Reverse Mortgages					
HECM Number	4,436	3,745	18.5%	4,654	-4.7%
Max Claim Amount (\$B)	\$1.0	\$0.9	11.1%	\$1.1	-9.1%
<b>Mortgage Insurance-In-Force **</b>					
Total Number	7,747,702	7,732,341	0.2%	7,376,641	5.0%
Total Unpaid Balance Amount (\$B)	\$1,088.6	\$1,086.7	0.2%	\$1,030.4	5.6%
<b>Loans Seriously Delinquent *** &lt;</b>					
Seriously Delinquent	735,276	734,025	0.2%	689,346	6.7%
Seriously Delinquent Rate	9.5%	9.5%	0.0% #	9.3%	0.2% #

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

# Percentage point difference

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

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

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

# FHA SINGLE-FAMILY OUTLOOK

## SINGLE-FAMILY OPERATIONS

November 2012

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2013 AS OF OCT 12	FY 2013 TO DATE	FY 2012 TO DATE	RATE OF CHANGE 2013/2012	FY 2012 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>1,800,000</b>	<b>325,526</b>	<b>255,271</b>	<b>27.5%</b>	<b>1,826,191</b>
<b>Purchase</b>	<b>907,200</b>	<b>137,249</b>	<b>137,938</b>	<b>-0.5%</b>	<b>921,175</b>
<b>Refinance</b>	<b>810,000</b>	<b>172,605</b>	<b>102,502</b>	<b>68.4%</b>	<b>821,543</b>
Prior FHA	486,000	135,924	53,339	154.8%	564,574
Conventional to FHA	324,000	36,681	49,163	-25.4%	256,969
Short Refinance		750	559	34.2%	3,268
<b>HECM</b>	<b>82,800</b>	<b>15,672</b>	<b>14,831</b>	<b>5.7%</b>	<b>83,473</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>1,368,000</b>	<b>251,595</b>	<b>176,266</b>	<b>42.7%</b>	<b>1,239,874</b>
Minority	342,000	62,556	45,800	36.6%	311,812
% Minority	25.0%	24.9%	26.0%	-1.1% #	25.1%
<b>Purchase</b>	<b>807,100</b>	<b>124,669</b>	<b>117,634</b>	<b>6.0%</b>	<b>733,959</b>
% Purchase	59.0%	49.6%	66.7%	-17.2% #	59.2%
1st Time Home Buyer	605,300	97,464	90,160	8.1%	569,912
% 1st Time Home Buyer	75.0%	78.2%	76.6%	1.5% #	77.6%
Non-Minority	387,400	60,958	55,166	10.5%	353,119
% Non-Minority	64.0%	62.5%	61.2%	1.4% #	62.0%
Minority	181,600	31,133	29,495	5.6%	183,392
% Minority	30.0%	31.9%	32.7%	-0.8% #	32.2%
Not-Disclosed	36,300	5,373	5,499	-2.3%	33,396
% Not-Disclosed	6.0%	5.5%	6.1%	-0.6% #	5.9%
<b>Refinanced</b>	<b>492,500</b>	<b>118,745</b>	<b>49,325</b>	<b>140.7%</b>	<b>451,095</b>
% Refinanced	36.0%	47.2%	28.0%	19.2% #	36.4%
Prior FHA	344,800	103,037	28,943	256.0%	321,820
Streamline	293,100	96,116	21,858	339.7%	274,160
Streamline % of Refinance	59.5%	80.9%	44.3%	36.6% #	60.8%
Streamline % of Prior FHA	85.0%	93.3%	75.5%	17.8% #	85.2%
Full Process	51,700	6,921	7,085	-2.3%	47,660
Cash Out	7,200	1,290	1,178	9.5%	7,558
Conventional to FHA	147,700	15,709	20,383	-22.9%	129,293
Cash Out	39,900	4,454	5,660	-21.3%	35,098
Total Cash Out	47,100	5,744	6,838	-16.0%	42,656
Total % Cash Out	9.6%	4.8%	13.9%	-9.0% #	9.5%
Short Refinance		244	165	47.9%	1,440
<b>HECM</b>	<b>68,400</b>	<b>8,181</b>	<b>9,307</b>	<b>-12.1%</b>	<b>54,820</b>
% HECM	5.0%	3.3%	5.3%	-2.0% #	4.4%
HECM Standard Traditional	59,800	7,228	8,168	-11.5%	47,950
HECM Stndrd Traditional ARM	58,600	1,688	2,207	-23.5%	12,858
HECM Standard Purchase	2,000	308	250	23.2%	1,612
HECM Stndrd Purchase ARM	1,900	8	11	-27.3%	56
HECM Standard Refinance	1,800	158	232	-31.9%	1,440
% HECM Standard Refinance	2.6%	1.9%	2.5%	-0.6% #	2.6%
HECM Stndrd Refinance ARM	1,700	29	58	-50.0%	418
HECM Saver Total	4,800	487	657	-25.9%	3,820

Source: \* F17 CHUMS

# Percentage point difference

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### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2013 AS OF OCT 12	FY 2013 TO DATE	FY 2012 TO DATE	RATE OF CHANGE 2013/2012	FY 2012 FINAL
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)		3,471	4,164	-16.6%	22,495
Condominium		10,816	5,935	82.2%	44,970
% Condominium		4.3%	3.4%	0.9% #	3.6%
ARM (Excludes HECM ARM)		1,167	5,275	-77.9%	20,351
% ARM		0.5%	3.0%	-2.5% #	1.6%
Manufactured Housing (Real Estate)		4,041	3,292	22.8%	20,479
Interest Buy-down		625	776	-19.5%	4,670
<b>Lender Insurance *</b>					
Total Lender Insurance	980,000	202,924	135,361	49.9%	975,544
% of Total Insurance	71.6%	80.7%	76.8%	3.9% #	78.7%
Forward Mortgages	960,400	202,924	134,557	50.8%	974,735
HECM	19,600	0	804	-100.0%	809
<b>Automated Underwriting System * x</b>					
AUS Endorsed	1,094,400	141,875	140,071	1.3%	880,319
AUS as % of Total Endorsed	84.2%	58.3%	83.9%	-25.6% #	74.3%
<b>Mortgage Insurance *</b>					
Total Number	1,368,000	251,595	176,266	42.7%	1,239,874
Total Amount (\$B)	\$248.6	\$45.6	\$31.3	45.7%	\$226.5
Forward Mortgages					
Total Forward Number	1,299,600	243,414	166,959	45.8%	1,185,054
Amount (\$B)	\$231.1	\$43.7	\$29.1	50.2%	\$213.4
Purchase Number					
Amount (\$B)	807,100	124,669	117,634	6.0%	733,959
Refinance Number	492,500	118,745	49,325	140.7%	451,095
Amount (\$B)	\$89.2	\$22.1	\$9.5	132.6%	\$88.9
Reverse Mortgages					
HECM Number	68,400	8,181	9,307	-12.1%	54,820
Max Claim Amount (\$B)	\$17.5	\$1.9	\$2.2	-13.6%	\$13.2
<b>Claims **</b>					
Total Claims	291,000	60,775	42,593	42.7%	284,196
Regular					
Conveyances	147,000	26,475	19,912	33.0%	142,779
Pre-Foreclosures	105,000	18,325	12,724	44.0%	102,236
Other Claims	38,000	5,621	7,138	-21.3%	36,740
Special	4,000	2,529	50		3,803
Loss Mitigation Retention	144,000	34,300	22,681	51.2%	141,417
HECM Assignments	132,000	31,098	21,314	45.9%	129,626
	12,000	3,202	1,367	134.2%	11,791

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

# = Percentage point difference

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