

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

October 2012

CONTACT INFORMATION
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Applications

FHA received 173,952 single family applications in October -- 21.7 percent greater than September. Included in the October count were 74,015 purchase cases, 91,691 refinance transactions, and 8,246 HECM applications.

Refinance applications were for 72,283 prior FHA mortgages and 19,408 conventional conversions. The later group includes 364 principal write-down loans for borrowers with negative equity.

The refinance count was the largest since July and was due to growth in both conventional conversions and streamline refinance transactions.

Endorsements

FHA endorsed 130,684 mortgages in October -- the highest number since November 2010 (131,258). This consisted of 67,422 purchase money mortgages, 59,517 refinances, and 3,745 reverse mortgages. Of home-purchase-loan endorsements, 78 percent were for first time home buyers.

The refinance mortgage count has 51,159 prior FHA cases, of which 47,626 (93%) were handled with streamlined procedures.

There were 8,359 conventional conversion refinance loans insured, of which 119 were principal write-down cases.

Of the 3,745 reverse mortgage endorsements in October, 3,536 were Standard HECM and 209 were for the Saver option. Within these groups there was a small number of purchase and refinance loans.

Mortgage Insurance Volumes

During the month, 130,684 mortgages were insured for \$23.6 billion. In addition at the end of October, FHA had 7,732,341 single family mortgages-in-force with an amortized balance of almost \$1.1 trillion -- 5.3 percent higher than a year ago.

Loans Delinquent

At the end of October, loan servicers reported 734,025 single family mortgage in serious delinquency (90 days or more, or in foreclosure or bankruptcy), yielding a default rate of 9.5 percent -- down from last month (9.6%).

Claims

This month FHA has paid 13,379 regular claims which covered 9,457 conveyances (REO), 2,841 pre-foreclosure (short) sales, and 1,081 assignments (for pre-foreclosure note sales).

In addition, FHA has paid loan servicers for 18,539 loss mitigation home-retention actions, and has received 908 HECM note assignments via claim payments.

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MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
TOTAL APPLICATIONS: *	173,952	142,978	21.7%	129,675	34.1%
Annual Rate	2,225,200	1,680,400	32.4%	1,667,100	33.5%
Average per workday	8,795	6,642	32.4%	6,589	33.5%
Purchase	74,015	65,596	12.8%	70,580	4.9%
Refinance	91,691	70,507	30.0%	51,772	77.1%
Prior FHA	72,283	54,645	32.3%	26,473	173.0%
Conventional to FHA	19,408	15,862	22.4%	25,299	-23.3%
Short Refinance	364	365	-0.3%	266	36.8%
HECM	8,246	6,875	19.9%	7,323	12.6%
TOTAL ENDORSEMENTS: *	130,684	109,293	19.6%	88,060	48.4%
Annual Rate	1,568,200	1,311,500	19.6%	1,056,700	48.4%
Weighted Average FICO Score **	696	696	0.0%	697	-0.1%
Minority	32,509	26,621	22.1%	22,990	41.4%
% Minority	24.9%	24.4%	0.5% #	26.1%	-1.2% #
Purchase	67,422	56,812	18.7%	60,596	11.3%
% Purchase	51.6%	52.0%	-0.4% #	68.8%	-17.2% #
Average FICO Score **	695	695	0.0%	696	-0.1%
1st Time Home Buyer	52,574	44,146	19.1%	46,192	13.8%
% 1st Time Home Buyer	78.0%	77.7%	0.3% #	76.2%	1.7% #
Non-Minority	32,806	27,517	19.2%	28,348	15.7%
% Non-Minority	62.4%	62.3%	0.1% #	61.4%	1.0% #
Minority	16,872	14,122	19.5%	15,003	12.5%
% Minority	32.1%	32.0%	0.1% #	32.5%	-0.4% #
Not-Disclosed	2,896	2,507	15.5%	2,841	1.9%
% Not-Disclosed	5.5%	5.7%	-0.2% #	6.2%	-0.6% #
Refinanced	59,517	48,775	22.0%	22,811	160.9%
% Refinanced	45.5%	44.6%	0.9% #	25.9%	19.6% #
Average FICO Score **	700	699	0.1%	703	-0.4%
Prior FHA	51,159	42,325	20.9%	12,742	301.5%
Streamline	47,626	39,577	20.3%	9,509	400.9%
Streamline % of Refinance	80.0%	81.1%	-1.1% #	41.7%	38.3% #
Streamline % of Prior FHA	93.1%	93.5%	-0.4% #	74.6%	18.5% #
Full Process	3,533	2,748	28.6%	3,233	9.3%
Cash Out	667	564	18.3%	534	24.9%
Conventional to FHA	8,359	6,455	29.5%	10,070	-17.0%
Cash Out	2,378	1,916	24.1%	2,762	-13.9%
Total Cash Out	3,045	2,480	22.8%	3,296	-7.6%
Total % Cash Out	5.1%	5.1%	0.0% #	14.4%	-9.3% #
Short Refinance	119	136	-12.5%	89	33.7%
HECM	3,745	3,706	1.1%	4,653	-19.5%
% HECM	2.9%	3.4%	-0.5% #	5.3%	-2.4% #
HECM Standard Traditional	3,305	3,246	1.8%	4,055	-18.5%
HECM Stndrd Traditional ARM	756	755	0.1%	1,111	-32.0%
HECM Standard Purchase	155	126	23.0%	129	20.2%
HECM Stndrd Purchase ARM	7	5	40.0%	5	40.0%
HECM Standard Refinance	76	105	-27.6%	122	-37.7%
% HECM Standard Refinance	2.0%	2.8%	-0.8% #	2.6%	-0.6% #
HECM Stndrd Refinance ARM	15	20	-25.0%	27	-44.4%
HECM Saver Total	209	229	-8.7%	347	-39.8%

Source: * F17 CHUMS

- Percentage point difference

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

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	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	1,753	1,599	9.6%	2,016	-13.0%
Condominium	5,513	4,538	21.5%	2,998	83.9%
% Condominium	4.2%	4.2%	0.1% #	3.4%	0.8% #
ARM (Excludes HECM ARM)	601	587	2.4%	2,995	-79.9%
% ARM	0.5%	0.5%	-0.1% #	3.4%	-2.9% #
Manufactured Housing (Real Estate)	2,035	1,670	21.9%	1,648	23.5%
Interest Buy-down	337	314	7.3%	419	-19.6%
Average Processing Time * ^					
(Existing Homes, weeks)					
Application to Closing	7.1	6.8	4.4%	6.0	18.3%
Closing to Endorsement	3.8	3.8	0.0%	3.6	5.6%
Lender Insurance *					
Total Lender Insurance	105,937	87,732	20.8%	68,056	55.7%
% of Total Insurance	81.1%	80.3%	0.8% #	77.3%	3.8% #
Forward Mortgages	105,937	87,732	20.8%	67,270	57.5%
HECM	0	0		786	
Automated Underwriting System * x					
AUS Endorsed	76,443	63,801	19.8%	71,253	7.3%
AUS as % of Total Endorsed	60.2%	60.4%	-0.2% #	85.4%	-25.2% #
Mortgage Insurance *					
Total Number	130,684	109,293	19.6%	88,060	48.4%
Total Amount (\$B)	\$23.6	\$20.0	18.0%	\$15.7	50.3%
Forward Mortgages					
Total Forward Number	126,939	105,587	20.2%	83,407	52.2%
Amount (\$B)	\$22.7	\$19.1	18.8%	\$14.6	55.5%
Purchase Number					
Amount (\$B)	\$11.7	\$9.9	18.2%	\$10.2	14.7%
Refinance Number					
Amount (\$B)	\$11.0	\$9.2	19.6%	\$4.4	150.0%
Reverse Mortgages					
HECM Number	3,745	3,706	1.1%	4,653	-19.5%
Max Claim Amount (\$B)	\$0.9	\$0.9	0.0%	\$1.1	-18.2%
Mortgage Insurance-In-Force **					
Total Number	7,732,341	7,710,746	0.3%	7,342,078	5.3%
Total Unpaid Balance Amount (\$B)	\$1,086.7	\$1,083.3	0.3%	\$1,025.5	6.0%
Loans Seriously Delinquent *** <					
Seriously Delinquent	734,025	738,991	-0.7%	661,554	11.0%
Seriously Delinquent Rate	9.5%	9.6%	-0.1% #	9.0%	0.5% #

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.

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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
TOTAL APPLICATIONS: *	1,800,000	173,952	129,675	34.1%	1,826,191
Purchase	907,200	74,015	70,580	4.9%	921,175
Refinance	810,000	91,691	51,772	77.1%	821,543
Prior FHA	486,000	72,283	26,473	173.0%	564,574
Conventional to FHA	324,000	19,408	25,299	-23.3%	256,969
Short Refinance		364	266	36.8%	3,268
HECM	82,800	8,246	7,323	12.6%	83,473
TOTAL ENDORSEMENTS: *	1,368,000	130,684	88,060	48.4%	1,239,874
Minority	342,000	32,509	22,990	41.4%	311,812
% Minority	25.0%	24.9%	26.1%	-1.2% #	25.1%
Purchase	807,100	67,422	60,596	11.3%	733,959
% Purchase	59.0%	51.6%	68.8%	-17.2% #	59.2%
1st Time Home Buyer	605,300	52,574	46,192	13.8%	569,912
% 1st Time Home Buyer	75.0%	78.0%	76.2%	1.7% #	77.6%
Non-Minority	387,400	32,806	28,348	15.7%	353,119
% Non-Minority	64.0%	62.4%	61.4%	1.0% #	62.0%
Minority	181,600	16,872	15,003	12.5%	183,392
% Minority	30.0%	32.1%	32.5%	-0.4% #	32.2%
Not-Disclosed	36,300	2,896	2,841	1.9%	33,396
% Not-Disclosed	6.0%	5.5%	6.2%	-0.6% #	5.9%
Refinanced	492,500	59,517	22,811	160.9%	451,095
% Refinanced	36.0%	45.5%	25.9%	19.6% #	36.4%
Prior FHA	344,800	51,159	12,742	301.5%	321,820
Streamline	293,100	47,626	9,509	400.9%	274,160
Streamline % of Refinance	59.5%	80.0%	41.7%	38.3% #	60.8%
Streamline % of Prior FHA	85.0%	93.1%	74.6%	18.5% #	85.2%
Full Process	51,700	3,533	3,233	9.3%	47,660
Cash Out	7,200	667	534	24.9%	7,558
Conventional to FHA	147,700	8,359	10,070	-17.0%	129,293
Cash Out	39,900	2,378	2,762	-13.9%	35,098
Total Cash Out	47,100	3,045	3,296	-7.6%	42,656
Total % Cash Out	9.6%	5.1%	14.4%	-9.3% #	9.5%
Short Refinance		119	89	33.7%	1,440
HECM	68,400	3,745	4,653	-19.5%	54,820
% HECM	5.0%	2.9%	5.3%	-2.4% #	4.4%
HECM Standard Traditional	59,800	3,305	4,055	-18.5%	47,950
HECM Stndrd Traditional ARM	58,600	756	1,111	-32.0%	12,858
HECM Standard Purchase	2,000	155	129	20.2%	1,612
HECM Stndrd Purchase ARM	1,900	7	5	40.0%	56
HECM Standard Refinance	1,800	76	122	-37.7%	1,440
% HECM Standard Refinance	2.6%	2.0%	2.6%	-0.6% #	2.6%
HECM Stndrd Refinance ARM	1,700	15	27	-44.4%	418
HECM Saver Total	4,800	209	347	-39.8%	3,820

Source: * F17 CHUMS

Percentage point difference

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	PROJECTIONS FY 2013 AS OF OCT 12	FY 2013 TO DATE	FY 2012 TO DATE	RATE OF CHANGE 2013/2012	FY 2012 FINAL
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)		1,753	2,016	-13.0%	22,495
Condominium		5,513	2,998	83.9%	44,970
% Condominium		4.2%	3.4%	0.8% #	3.6%
ARM (Excludes HECM ARM)		601	2,995	-79.9%	20,351
% ARM		0.5%	3.4%	-2.9% #	1.6%
Manufactured Housing (Real Estate)		2,035	1,648	23.5%	20,479
Interest Buy-down		337	419	-19.6%	4,670
Lender Insurance *					
Total Lender Insurance	980,000	105,937	68,056	55.7%	975,544
% of Total Insurance	71.6%	81.1%	77.3%	3.8% #	78.7%
Forward Mortgages	960,400	105,937	67,270	57.5%	974,735
HECM	19,600	0	786	-100.0%	809
Automated Underwriting System * x					
AUS Endorsed	1,094,400	76,443	71,253	7.3%	880,319
AUS as % of Total Endorsed	84.2%	60.2%	85.4%	-25.2% #	74.3%
Mortgage Insurance *					
Total Number	1,368,000	130,684	88,060	48.4%	1,239,874
Total Amount (\$B)	\$248.6	\$23.6	\$15.7	50.3%	\$226.5
Forward Mortgages					
Total Forward Number	1,299,600	126,939	83,407	52.2%	1,185,054
Amount (\$B)	\$231.1	\$22.7	\$14.6	55.5%	\$213.4
Purchase Number					
Purchase Number	807,100	67,422	60,596	11.3%	733,959
Amount (\$B)	\$141.9	\$11.7	\$10.2	14.7%	\$124.5
Refinance Number					
Refinance Number	492,500	59,517	22,811	160.9%	451,095
Amount (\$B)	\$89.2	\$11.0	\$4.4	150.0%	\$88.9
Reverse Mortgages					
HECM Number	68,400	3,745	4,653	-19.5%	54,820
Max Claim Amount (\$B)	\$17.5	\$0.9	\$1.1	-18.2%	\$13.2
Claims **					
Total Claims	291,000	32,826	22,805	43.9%	284,196
Regular					
Regular	147,000	13,379	11,237	19.1%	142,779
Conveyances					
Conveyances	105,000	9,457	6,757	40.0%	102,236
Pre-Foreclosures					
Pre-Foreclosures	38,000	2,841	4,434	-35.9%	36,740
Other Claims					
Other Claims	4,000	1,081	46	2250.0%	3,803
Special					
Special	144,000	19,447	11,568	68.1%	141,417
Loss Mitigation Retention					
Loss Mitigation Retention	132,000	18,539	10,718	73.0%	129,626
HECM Assignments					
HECM Assignments	12,000	908	850	6.8%	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).