

SINGLE-FAMILY OPERATIONS

May 2011

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

Applications

In May the estimated annual rate for applications tumbled to 1,288,100 -- down 21 percent from last month and 39 percent lower than a year ago (2,125,700).

The actual count of applications accepted was 118,784, a slide of 26 percent below last month (160,186). This aggregate included 79,931 purchase transactions, 31,380 refinances and 7,473 HECM's.

There were 10,308 prior FHA cases and 21,072 conventional conversions in the refinance total. Also, 134 Hope for Homeowners and 65 short refinances were part of the refinance figure.

It is noted that total activity for the month was down significantly , however, the last two weeks showed renewed strength.

Endorsements

During May, FHA insured 95,907 single family mortgages valued at \$16.9 billion.

Included in this total were 66,475 purchase money mortgages, of which 51,236 were for first time home buyers. Also, 30 percent of these were minority households.

Also, included were 24,244 refinances -- 10,315 prior FHA's and 13,929 conventional conversions.

It is interesting to note that 19 percent of the refinance cases were cash out transactions. In addition, this insurance total included 5,188 HECM's, 4,587 which were traditional reverse mortgages.

Automated Underwriting

This month, 81,347 mortgages were accepted and endorsed by TOTAL, the FHA scorecard -- 89 percent of all single-family insured cases this month.

Insurance-In-Force

FHA now has more than 7 million mortgages-in-force (7,090,489) for \$984.6 billion. Roughly 7 out of every 10 of these are home purchase transactions.

Defaults and Claims

At the end of May, lenders reported 578,933 mortgages 90 days or more delinquent, in bankruptcy or in foreclosure, yielding a serious default rate of 8.17 percent -- fractionally lower than last month.

FHA has paid 226,671 claims so far this year -- 27.8 percent more than a year ago. Loss mitigation accounted for 145,479 of these actions. In addition, 61,474 conveyances' were paid. The remaining number were for other claims.

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

May 2011

MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
TOTAL APPLICATIONS: *	118,784	160,186	-25.8%	181,524	-34.6%
Annual Rate	1,288,100	1,624,500	-20.7%	2,125,700	-39.4%
Average per workday	5,091	6,421	-20.7%	8,402	-39.4%
Purchase	79,931	107,125	-25.4%	121,035	-34.0%
Refinance	31,380	45,690	-31.3%	52,135	-39.8%
Prior FHA	10,308	15,137	-31.9%	13,668	-24.6%
Conventional to FHA	21,072	30,553	-31.0%	38,467	-45.2%
H4H (HOPE for Homeowners)	134	155	-13.5%	72	86.1%
Short Refinance	65	60	8.3%		
HECM	7,473	7,371	1.4%	8,354	-10.5%
TOTAL ENDORSEMENTS: *	95,907	93,394	2.7%	124,759	-23.1%
Annual Rate	1,150,900	1,120,700	2.7%	1,497,100	-23.1%
Weighted Average FICO Score **	NA	703		698	
Minority	23,677	23,200	2.1%	30,420	-22.2%
% Minority	24.7%	24.8%	-0.2% #	24.4%	0.3% #
Purchase	66,475	60,378	10.1%	89,291	-25.6%
% Purchase	69.3%	64.6%	4.7% #	71.6%	-2.3% #
Average FICO Score **	NA	701		698	
1st Time Home Buyer	51,236	46,247	10.8%	71,091	-27.9%
% 1st Time Home Buyer	77.1%	76.6%	0.5% #	79.6%	-2.5% #
Non-Minority	32,704	29,112	12.3%	46,272	-29.3%
% Non-Minority	63.8%	62.9%	0.9% #	65.1%	-1.3% #
Minority	15,451	14,273	8.3%	20,383	-24.2%
% Minority	30.2%	30.9%	-0.7% #	28.7%	1.5% #
Not-Disclosed	3,081	2,862	7.7%	4,434	-30.5%
% Not-Disclosed	6.0%	6.2%	-0.2% #	6.2%	-0.2% #
Refinanced	24,244	26,893	-9.9%	30,909	-21.6%
% Refinanced	25.3%	28.8%	-3.5% #	24.8%	0.5% #
Average FICO Score **	NA	704		695	
Prior FHA	10,315	11,836	-12.9%	9,827	5.0%
Streamline	7,658	8,940	-14.3%	6,909	10.8%
% Streamline	31.6%	33.2%	-1.7% #	22.4%	9.2% #
Full Process	2,657	2,896	-8.3%	2,918	-8.9%
Cash Out	611	651	-6.1%	796	-23.2%
Conventional to FHA	13,929	15,059	-7.5%	21,084	-33.9%
Cash Out	4,026	4,262	-5.5%	6,804	-40.8%
Total Cash Out	4,637	4,913	-5.6%	7,600	-39.0%
Total % Cash Out	19.1%	18.3%	0.9% #	24.6%	-5.5% #
H4H (HOPE for Homeowners)	39	29	34.5%	6	
Short Refinance	44	44	0.0%		
HECM	5,188	6,123	-15.3%	4,554	13.9%
% HECM	5.4%	6.6%	-1.1% #	3.7%	1.8% #
HECM Standard Traditional	4,587	5,388	-14.9%	4,239	8.2%
HECM Stndrd Traditional ARM	1,019	1,301	-21.7%	1,231	-17.2%
HECM Standard Purchase	96	121	-20.7%	76	26.3%
HECM Stndrd Purchase ARM	3	4	-25.0%	3	0.0%
HECM Standard Refinance	140	223	-37.2%	239	-41.4%
% HECM Standard Refinance	2.7%	3.6%	-0.9% #	5.2%	-2.5% #
HECM Stndrd Refinance ARM	20	26	-23.1%	48	-58.3%
HECM Saver Total	365	392	-6.9%		

Source: * F17 CHUMS

- Percentage point difference

NA - Not available at this time.

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

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

May 2011

MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	1,759	1,534	14.7%	1,574	11.8%
Condominium	3,960	3,954	0.2%	5,942	-33.4%
% Condominium	4.1%	4.2%	-0.1% #	4.8%	-0.6% #
ARM (Excludes HECM ARM)	4,194	4,761	-11.9%	3,383	24.0%
% ARM	4.4%	5.1%	-0.7% #	2.7%	1.7% #
Manufactured Housing (Real Estate)	1,720	1,777	-3.2%	2,001	-14.0%
Interest Buy-down	328	250	31.2%	318	3.1%
Average Processing Time * ^					
(Existing Homes, weeks)					
Application to Closing	6.0	6.1	-1.6%	6.6	-9.1%
Closing to Endorsement	3.0	3.0	0.0%	3.4	-11.8%
Lender Insurance *					
Total Lender Insurance	74,208	71,895	3.2%	94,049	-21.1%
% of Total Insurance	77.4%	77.0%	0.4% #	75.4%	2.0% #
Forward Mortgages	73,070	70,587	3.5%	93,001	-21.4%
HECM	1,138	1,308	-13.0%	1,048	8.6%
Automated Underwriting System * x					
AUS Endorsed	81,347	76,669	6.1%	109,838	-25.9%
AUS as % of Total Endorsed	89.7%	87.9%	1.8% #	91.4%	-1.7% #
Mortgage Insurance *					
Total Number	95,907	93,394	2.7%	124,754	-23.1%
Total Amount (\$B)	\$16.9	\$16.8	0.6%	\$22.3	-24.2%
Forward Mortgages					
Total Forward Number	90,719	87,271	4.0%	120,200	-24.5%
Amount (\$B)	\$15.6	\$15.3	2.0%	\$21.1	-26.1%
Purchase Number	66,475	60,378	10.1%	89,291	-25.6%
Amount (\$B)	\$11.2	\$10.3	8.7%	\$15.3	-26.8%
Refinance Number	24,244	26,893	-9.9%	30,909	-21.6%
Amount (\$B)	\$4.4	\$5.0	-12.0%	\$5.8	-24.1%
Reverse Mortgages					
HECM Number	5,188	6,123	-15.3%	4,554	13.9%
Max Claim Amount (\$B)	\$1.3	\$1.5	-13.3%	\$1.2	8.3%
Mortgage Insurance-In-Force **					
Total Number	7,090,489	7,035,016	0.8%	6,296,586	12.6%
Total Unpaid Balance Amount (\$B)	\$984.6	\$975.2	1.0%	\$837.8	17.5%
Loans Seriously Delinquent *** <					
Seriously Delinquent	578,933	575,950	0.5%	548,193 r	5.6%
Seriously Delinquent Rate	8.2%	8.2%	0.0% #	8.7% r	-0.5% #

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

Percentage point difference

r - revised

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

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

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

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

May 2011

FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2011 AS OF OCT 10	FY 2011 TO DATE	FY 2010 TO DATE	RATE OF CHANGE 2011/2010	FY 2010 FINAL
TOTAL APPLICATIONS: *	2,000,000	1,084,770	1,535,867	-29.4%	2,334,696
Purchase	1,120,000	600,141	905,045	-33.7%	1,256,565
Refinance	800,000	420,666	575,064	-26.8%	981,160
Prior FHA	300,000	172,342	202,093	-14.7%	423,093
Conventional to FHA	500,000	248,324	372,971	-33.4%	558,067
H4H (HOPE for Homeowners)		1,098	368		540 r
Short Refinance		535			
HECM	80,000	63,963	55,758	14.7%	96,971
TOTAL ENDORSEMENTS: *	1,500,000	886,087	1,186,424	-25.3%	1,746,997
Minority	375,000	212,278	287,788	-26.2%	429,926
% Minority	25.0%	24.0%	24.3%	-0.3% #	24.6%
Purchase	900,000	492,481	724,899	-32.1%	1,109,699
% Purchase	60.0%	55.6%	61.1%	-5.5% #	63.5%
1st Time Home Buyer	720,000	367,257	586,783	-37.4%	882,200
% 1st Time Home Buyer	80.0%	74.6%	80.9%	-6.4% #	79.5%
Non-Minority	460,800	225,327	375,942	-40.1%	558,991
% Non-Minority	64.0%	61.4%	64.1%	-2.7% #	63.4%
Minority	216,000	118,247	172,251	-31.4%	265,138
% Minority	30.0%	32.2%	29.4%	2.8% #	30.1%
Not-Disclosed	43,200	23,703	38,605	-38.6%	58,061
% Not-Disclosed	6.0%	6.5%	6.6%	-0.1% #	6.6%
Refinanced	525,000	343,232	406,206	-15.5%	558,192
% Refinanced	35.0%	38.7%	34.2%	4.5% #	32.0%
Prior FHA	231,000	190,311	185,589	2.5%	252,522
Streamline	204,750	155,591	161,043	-3.4%	212,940
% Streamline	39.0%	45.3%	39.6%	5.7% #	38.1%
Full Process	26,250	34,720	24,546	41.4%	39,582
Cash Out	17,000	6,722	8,371	-19.7%	12,129
Conventional to FHA	294,000	152,952	220,617	-30.7%	305,676
Cash Out	203,000	40,200	72,132	-44.3%	98,107
Total Cash Out	220,000	46,922	80,503	-41.7%	110,236
Total % Cash Out	41.9%	13.7%	19.8%	-6.1% #	19.7%
H4H (HOPE for Homeowners)		227	41		107
Short Refinance		195			
HECM	75,000	50,375	55,315	-8.9%	79,106
% HECM	5.0%	5.7%	4.7%	1.0% #	4.5%
HECM Standard Traditional	67,500	45,618	50,724	-10.1%	72,855
HECM Stndrd Traditional ARM	66,150	14,697	16,467	-10.7%	23,005
HECM Standard Purchase	2,400	906	910	-0.4%	1,389
HECM Stndrd Purchase ARM	2,352	93	102	-8.8%	146
HECM Standard Refinance	5,100	2,131	3,681	-42.1%	4,862
% HECM Standard Refinance	6.8%	4.2%	6.7%	-2.4% #	6.1%
HECM Stndrd Refinance ARM	4,998	468	1,143	-59.1%	1,457
HECM Saver Total		1,721			

Source: * F17 CHUMS

- Percentage point difference

r - revised

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

May 2011

FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2011 AS OF OCT 10	FY 2011 TO DATE	FY 2010 TO DATE	RATE OF CHANGE 2011/2010	FY 2010 FINAL
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	22,000	12,838	14,553	-11.8%	22,491
Condominium	110,000	39,997	66,071	-39.5%	93,468
% Condominium	7.3%	4.5%	5.6%	-1.1% #	5.4%
ARM (Excludes HECM ARM)	50,000	35,395	29,283	20.9%	46,940
% ARM	3.3%	4.0%	2.5%	1.5% #	2.7%
Manufactured Housing (Real Estate)	50,000	14,354	21,275	-32.5%	30,751
Interest Buy-down	4,000	2,106	2,469	-14.7%	3,845
Lender Insurance *					
Total Lender Insurance	1,050,000	675,384	859,145	-21.4%	1,277,137
% of Total Insurance	70.0%	76.2%	72.4%	3.8% #	73.1%
Forward Mortgages	1,029,000	662,209	847,982	-21.9%	1,259,909
HECM	21,000	13,175	11,163	18.0%	17,228
Automated Underwriting System * x					
AUS Endorsed	1,125,000	668,599	937,806	-28.7%	1,409,766
AUS as % of Total Endorsed	78.9%	80.0%	82.9%	-2.9% #	84.5%
Mortgage Insurance *					
Total Number	1,500,000	886,087	1,186,409	-25.3%	1,746,997
Total Amount (\$B)	\$288.7	\$168.5	\$216.3	-22.1%	\$318.8
Forward Mortgages					
Total Forward Number	1,425,000	835,713	1,131,096	-26.1%	1,667,891
Amount (\$B)	\$270.0	\$155.8	\$201.2	-22.6%	\$297.7
Purchase Number					
Purchase Number	900,000	492,481	724,896	-32.1%	1,109,699
Amount (\$B)	\$162.0	\$86.3	\$124.8	-30.8%	\$191.7
Refinance Number					
Refinance Number	525,000	343,232	406,200	-15.5%	558,192
Amount (\$B)	\$107.6	\$69.5	\$76.4	-9.0%	\$106.0
Reverse Mortgages					
HECM Number	75,000	50,374	55,313	-8.9%	79,106
Max Claim Amount (\$B)	\$18.7	\$12.7	\$15.1	-15.9%	\$21.1
Claims **					
Total Claims	345,000	226,671	177,300	27.8%	303,402
Loss Mitigation Retention	218,000	145,479	104,566	39.1%	182,968
Pre-Foreclosures	19,000	13,502	9,078	48.7%	15,291
Conveyances	100,000	61,474	60,775	1.2%	99,653
HECM	7,000	5,128	2,881	78.0%	5,361
Other Claims	1,000	1,088	0		129

Source: * F17 CHUMS ** A43C Claims System

= Percentage point difference

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