

## SINGLE-FAMILY OPERATIONS

July 2011

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### Applications

This month the seasonally adjusted annual rate for FHA single family applications was estimated to be 1,375,500 --- lower than last month and a continuation of the decline started last fall.

The actual count of applications was 115,263 -- also below last month. This downtrend is noted in the average number of daily receipts -- 5,763 this month versus 8,241 -- a year ago.

The total application count included 76,543 purchase cases, 31,081 refinancing and 7,639 reverse mortgage deals.

With respect to refinancing, 10,536 were former FHA cases and 20,545 were conventional conversions to FHA. Included in this refinance total were 214 H4H transactions and 54 short refinance cases.

### Endorsements

During July, FHA insured 91,533 single-family loans for \$16.1 billion. Included in the total were 68,336 purchase money mortgages, 17,683 refinanced transactions and 5,514 HECMs.

76.3 percent of the purchase money mortgages were for first time home buyers. It is also of interest to note that 19.7 percent of the refinanced mortgages were cash out actions.

Included in the refinance total were 67 Hope for Homeowner mortgages as well as 28 short refinance instruments.

Most of the HECM transactions were traditional reverse mortgages. Also, 496 Saver type HECMs were insured.

78.2 percent of the mortgages insured were processed under Lender Insurance program.

### Automated Underwriting

77,611 mortgages were insured using the FHA scorecard (TOTAL) -- representing 90.2 percent of the cases endorsed this month.

### Processing Time

The average processing time for a case from application to endorsement was 9.6 weeks.

### Insurance-In-Force

FHA now has 7.2 million single-family mortgages-in-force for over 1 trillion dollars.

### Defaults and Claims

At the end of the month, lenders reported 598,921 FHA mortgages in serious default -- 8.3 percent, fractionally higher than last month.

So far this fiscal year, FHA has paid 278,658 claims. About two thirds of these were the result of loss mitigation actions. In addition, 75,139 were conveyance to FHA claims.

# FHA SINGLE-FAMILY OUTLOOK

## SINGLE-FAMILY OPERATIONS

July 2011

### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>TOTAL APPLICATIONS: *</b>	<b>115,263</b>	<b>131,796</b>	<b>-12.5%</b>	<b>173,068</b>	<b>-33.4%</b>
Annual Rate	1,375,500	1,388,000	-0.9%	2,060,300	-33.2%
Average per workday	5,437	5,486	-0.9%	8,144	-33.2%
<b>Purchase</b>	<b>76,543</b>	<b>87,674</b>	<b>-12.7%</b>	<b>80,396</b>	<b>-4.8%</b>
<b>Refinance</b>	<b>31,081</b>	<b>35,367</b>	<b>-12.1%</b>	<b>83,711</b>	<b>-62.9%</b>
Prior FHA	10,536	12,748	-17.4%	37,507	-71.9%
Conventional to FHA	20,545	22,619	-9.2%	46,204	-55.5%
H4H (HOPE for Homeowners)	214	157	36.3%	46	365.2%
Short Refinance	54	114	-52.6%		
<b>HECM</b>	<b>7,639</b>	<b>8,755</b>	<b>-12.7%</b>	<b>8,961</b>	<b>-14.8%</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>91,533</b>	<b>101,469</b>	<b>-9.8%</b>	<b>144,514</b>	<b>-36.7%</b>
Annual Rate	1,098,400	1,217,600	-9.8%	1,734,200	-36.7%
Weighted Average FICO Score **	699	700	-0.1%	697	0.3%
Minority	23,938	25,699	-6.9%	37,801	-36.7%
% Minority	26.2%	25.3%	0.8% #	26.2%	0.0% #
<b>Purchase</b>	<b>68,336</b>	<b>74,370</b>	<b>-8.1%</b>	<b>108,608</b>	<b>-37.1%</b>
% Purchase	74.7%	73.3%	1.4% #	75.2%	-0.5% #
Average FICO Score **	699	699	0.0%	697	0.3%
1st Time Home Buyer	52,108	57,229	-8.9%	85,338	-38.9%
% 1st Time Home Buyer	76.3%	77.0%	-0.7% #	78.6%	-2.3% #
Non-Minority	32,411	36,366	-10.9%	53,029	-38.9%
% Non-Minority	62.2%	63.5%	-1.3% #	62.1%	0.1% #
Minority	16,355	17,373	-5.9%	26,767	-38.9%
% Minority	31.4%	30.4%	1.0% #	31.4%	0.0% #
Not-Disclosed	3,341	3,490	-4.3%	5,542	-39.7%
% Not-Disclosed	6.4%	6.1%	0.3% #	6.5%	-0.1% #
<b>Refinanced</b>	<b>17,683</b>	<b>21,242</b>	<b>-16.8%</b>	<b>30,005</b>	<b>-41.1%</b>
% Refinanced	19.3%	20.9%	-1.6% #	20.8%	-1.4% #
Average FICO Score **	696	698	-0.3%	695	0.1%
Prior FHA	7,918	8,952	-11.6%	11,005	-28.1%
Streamline	5,756	6,353	-9.4%	8,005	-28.1%
% Streamline	32.6%	29.9%	2.6% #	26.7%	5.9% #
Full Process	2,162	2,599	-16.8%	3,000	-27.9%
Cash Out	517	611	-15.4%	784	-34.1%
Conventional to FHA	9,765	12,290	-20.5%	19,000	-48.6%
Cash Out	2,975	3,557	-16.4%	5,903	-49.6%
Total Cash Out	3,492	4,168	-16.2%	6,687	-47.8%
Total % Cash Out	19.7%	19.6%	0.1% #	22.3%	-2.5% #
H4H (HOPE for Homeowners)	67	58	15.5%	12	
Short Refinance	28	50	-44.0%		
<b>HECM</b>	<b>5,514</b>	<b>5,857</b>	<b>-5.9%</b>	<b>5,901</b>	<b>-6.6%</b>
% HECM	6.0%	5.8%	0.3% #	4.1%	1.9% #
HECM Standard Traditional	4,745	5,045	-5.9%	5,475	-13.3%
HECM Stndrd Traditional ARM	1,048	1,162	-9.8%	1,521	-31.1%
HECM Standard Purchase	134	146	-8.2%	114	17.5%
HECM Stndrd Purchase ARM	3	2	50.0%	6	-50.0%
HECM Standard Refinance	139	142	-2.1%	312	-55.4%
% HECM Standard Refinance	2.5%	2.4%	0.1% #	5.3%	-2.8% #
HECM Stndrd Refinance ARM	20	21	-4.8%	84	-76.2%
HECM Saver Total	496	524	-5.3%		

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

July 2011

### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	1,925	2,077	-7.3%	2,172	-11.4%
Condominium	3,607	4,291	-15.9%	7,346	-50.9%
% Condominium	3.9%	4.2%	-0.3% #	5.1%	-1.1% #
ARM (Excludes HECM ARM)	3,610	4,085	-11.6%	4,934	-26.8%
% ARM	3.9%	4.0%	-0.1% #	3.4%	0.5% #
Manufactured Housing (Real Estate)	1,663	1,856	-10.4%	2,446	-32.0%
Interest Buy-down	406	453	-10.4%	409	-0.7%
<b>Average Processing Time * ^</b>					
(Existing Homes, weeks)					
Application to Closing	6.0	6.1	-1.6%	6.9	-13.0%
Closing to Endorsement	3.6	3.3	9.1%	4.3	-16.3%
<b>Lender Insurance *</b>					
Total Lender Insurance	71,549	79,092	-9.5%	107,579	-33.5%
% of Total Insurance	78.2%	77.9%	0.2% #	74.4%	3.7% #
Forward Mortgages	69,773	77,369	-9.8%	106,119	-34.3%
HECM	1,776	1,723	3.1%	1,460	21.6%
<b>Automated Underwriting System * x</b>					
AUS Endorsed	77,611	86,618	-10.4%	126,849	-38.8%
AUS as % of Total Endorsed	90.2%	90.6%	-0.4% #	91.5%	-1.3% #
<b>Mortgage Insurance *</b>					
Total Number	91,533	101,469	-9.8%	144,514	-36.7%
Total Amount (\$B)	\$16.1	\$17.7	-9.0%	\$25.9	-37.8%
Forward Mortgages					
Total Forward Number	86,019	95,612	-10.0%	138,613	-37.9%
Amount (\$B)	\$14.8	\$16.3	-9.2%	\$24.4	-39.3%
Purchase Number	68,336	74,370	-8.1%	108,608	-37.1%
Amount (\$B)	\$11.6	\$12.5	-7.2%	\$18.7	-38.0%
Refinance Number	17,683	21,242	-16.8%	30,005	-41.1%
Amount (\$B)	\$3.2	\$3.8	-15.8%	\$5.7	-43.9%
Reverse Mortgages					
HECM Number	5,514	5,857	-5.9%	5,901	-6.6%
Max Claim Amount (\$B)	\$1.3	\$1.4	-7.1%	\$1.5	-13.3%
<b>Mortgage Insurance-In-Force **</b>					
Total Number	7,202,951	7,151,199	0.7%	6,499,005	10.8%
Total Unpaid Balance Amount (\$B)	\$1,003.2	\$994.6	0.9%	\$873.5	14.8%
<b>Loans Seriously Delinquent *** &lt;</b>					
Seriously Delinquent	598,921	584,822	2.4%	559,620 r	7.0%
Seriously Delinquent Rate	8.3%	8.2%	0.1% #	8.6% r	-0.3% #

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

July 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
<b>TOTAL APPLICATIONS: *</b>	<b>2,000,000</b>	<b>1,331,829</b>	<b>1,877,851</b>	<b>-29.1%</b>	<b>2,334,696</b>
<b>Purchase</b>	<b>1,120,000</b>	<b>764,358</b>	<b>1,074,664</b>	<b>-28.9%</b>	<b>1,256,565</b>
<b>Refinance</b>	<b>800,000</b>	<b>487,114</b>	<b>729,380</b>	<b>-33.2%</b>	<b>981,160</b>
Prior FHA	300,000	195,626	267,692	-26.9%	423,093
Conventional to FHA	500,000	291,488	461,688	-36.9%	558,067
H4H (HOPE for Homeowners)		1,469	467	214.6%	540 r
Short Refinance		703	0		
<b>HECM</b>	<b>80,000</b>	<b>80,357</b>	<b>73,807</b>	<b>8.9%</b>	<b>96,971</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>1,500,000</b>	<b>1,078,885</b>	<b>1,481,744</b>	<b>-27.2%</b>	<b>1,746,997</b>
Minority	375,000	261,860	363,269	-27.9%	429,926
% Minority	25.0%	24.3%	24.5%	-0.2% #	24.6%
<b>Purchase</b>	<b>900,000</b>	<b>635,149</b>	<b>949,295</b>	<b>-33.1%</b>	<b>1,109,699</b>
% Purchase	60.0%	58.9%	64.1%	-5.2% #	63.5%
1st Time Home Buyer	720,000	476,583	764,295	-37.6%	882,200
% 1st Time Home Buyer	80.0%	75.0%	80.5%	-5.5% #	79.5%
Non-Minority	460,800	294,084	488,677	-39.8%	558,991
% Non-Minority	64.0%	61.7%	63.9%	-2.2% #	63.4%
Minority	216,000	151,964	225,708	-32.7%	265,138
% Minority	30.0%	31.9%	29.5%	2.4% #	30.1%
Not-Disclosed	43,200	30,533	49,917	-38.8%	58,061
% Not-Disclosed	6.0%	6.4%	6.5%	-0.1% #	6.6%
<b>Refinanced</b>	<b>525,000</b>	<b>381,995</b>	<b>465,947</b>	<b>-18.0%</b>	<b>558,192</b>
% Refinanced	35.0%	35.4%	31.4%	4.0% #	32.0%
Prior FHA	231,000	207,035	206,257	0.4%	252,522
Streamline	204,750	167,598	175,835	-4.7%	212,940
% Streamline	39.0%	43.9%	37.7%	6.1% #	38.1%
Full Process	26,250	39,437	30,422	29.6%	39,582
Cash Out	17,000	7,839	10,045	-22.0%	12,129
Conventional to FHA	294,000	174,966	259,695	-32.6%	305,676
Cash Out	203,000	46,725	84,462	-44.7%	98,107
Total Cash Out	220,000	54,564	94,507	-42.3%	110,236
Total % Cash Out	41.9%	14.3%	20.3%	-6.0% #	19.7%
H4H (HOPE for Homeowners)		352	60		107
Short Refinance		273	0		
<b>HECM</b>	<b>75,000</b>	<b>61,741</b>	<b>66,502</b>	<b>-7.2%</b>	<b>79,106</b>
% HECM	5.0%	5.7%	4.5%	1.2% #	4.5%
HECM Standard Traditional	67,500	55,395	61,101	-9.3%	72,855
HECM Stndrd Traditional ARM	66,150	16,899	19,328	-12.6%	23,005
HECM Standard Purchase	2,400	1,186	1,125	5.4%	1,389
HECM Stndrd Purchase ARM	2,352	98	113	-13.3%	146
HECM Standard Refinance	5,100	2,412	4,279	-43.6%	4,862
% HECM Standard Refinance	6.8%	3.9%	6.4%	-2.5% #	6.1%
HECM Stndrd Refinance ARM	4,998	509	1,300	-60.8%	1,457
HECM Saver Total		2,749	0		

Source: \* F17 CHUMS

# - Percentage point difference

r - revised

# FHA SINGLE-FAMILY OUTLOOK

## SINGLE-FAMILY OPERATIONS

July 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
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	22,000	16,839	18,565	-9.3%	22,491
Condominium	110,000	47,894	81,045	-40.9%	93,468
% Condominium	7.3%	4.4%	5.5%	-1.0% #	5.4%
ARM (Excludes HECM ARM)	50,000	43,113	38,783	11.2%	46,940
% ARM	3.3%	4.0%	2.6%	1.4% #	2.7%
Manufactured Housing (Real Estate)	50,000	17,870	26,061	-31.4%	30,751
Interest Buy-down	4,000	2,969	3,305	-10.2%	3,845
<b>Lender Insurance *</b>					
Total Lender Insurance	1,050,000	825,824	1,078,152	-23.4%	1,277,137
% of Total Insurance	70.0%	76.5%	72.8%	3.8% #	73.1%
Forward Mortgages	1,029,000	809,151	1,064,415	-24.0%	1,259,909
HECM	21,000	16,673	13,737	21.4%	17,228
<b>Automated Underwriting System * x</b>					
AUS Endorsed	1,125,000	832,685	1,199,242	-30.6%	1,409,766
AUS as % of Total Endorsed	78.9%	81.9%	84.7%	-2.9% #	84.5%
<b>Mortgage Insurance *</b>					
Total Number	1,500,000	1,078,885	1,481,744	-27.2%	1,746,997
Total Amount (\$B)	\$288.7	\$202.5	\$268.5	-24.6%	\$318.8
Forward Mortgages					
Total Forward Number	1,425,000	1,017,144	1,415,242	-28.1%	1,667,891
Amount (\$B)	\$270.0	\$187.1	\$250.6	-25.3%	\$297.7
Purchase Number					
Purchase Number	900,000	635,149	949,295	-33.1%	1,109,699
Amount (\$B)	\$162.0	\$110.5	\$163.1	-32.3%	\$191.7
Refinance Number					
Refinance Number	525,000	381,995	465,947	-18.0%	558,192
Amount (\$B)	\$107.6	\$76.6	\$87.5	-12.5%	\$106.0
Reverse Mortgages					
HECM Number	75,000	61,741	66,502	-7.2%	79,106
Max Claim Amount (\$B)	\$18.7	\$15.4	\$17.9	-14.0%	\$21.1
<b>Claims **</b>					
Total Claims	345,000	278,658	239,747	16.2%	303,402
Loss Mitigation Retention	218,000	176,547	145,826	21.1%	182,968
Pre-Foreclosures	19,000	19,177	12,214	57.0%	15,291
Conveyances	100,000	75,139	77,815	-3.4%	99,653
HECM	7,000	6,323	3,891	62.5%	5,361
Other Claims	1,000	1,472	1		129

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

# = Percentage point difference

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