

## SINGLE-FAMILY OPERATIONS

August 2011

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### Applications

During August, FHA received 142,793 applications for single family mortgage insurance. This represents a 23.9 percent increase over last month, partially due to the surge in refinance cases.

This total included 85,080 purchase cases, 49,773 refinances as well as 7,940 reverse mortgage applications. The forward refinances included 21,724 prior FHA cases as well as 28,049 conventional cases seeking to qualify for FHA insurance. There were 188 short refinances and 2 H4H applications included with the refinance total.

### Endorsements

This month FHA insured 100,490 single family mortgages -- 9.8 percent more than last month. This total consisted of 75,798 purchase money mortgages, 18,885 refinance transactions as well as 5,807 reverse mortgages. With respect to the purchase cases 76.2 percent were for first time home buyers.

Regarding the refinances, 8,386 were the insurance of prior FHA mortgages and 10,499 conventional conversions. Also, included in the refinance count were 32 short refinance mortgage transactions and 80 Hope for Homeowner cases.

### Automated Underwriting

This month 85,572 mortgages were accepted and endorsed using automated underwriting. This represents 90.4 percent of the mortgages insured in August.

### Processing Time

The average processing time for an existing case from application to endorsement was 9.4 weeks. It took 5.9 weeks from receipt of the application to closing. Then another 3.5 weeks from closing to endorsement. This time last year the total time was higher -- 11.1 weeks.

### Insurance-In-Force

At the end of August, FHA had 7,259,736 single family mortgages-in-force with an outstanding balance of over a trillion dollars 1,012(\$B).

### Defaults and Claims

At the end of the month, servicers reported 611,822 mortgages in a serious default status, yielding a default rate of 8.4 percent -- fractionally higher than last month.

So far this fiscal year, FHA has paid 304,334 claims on single family mortgages. Loss Mitigation actions accounted for 190,380 claims while 83,098 were for property conveyance claims.

# FHA SINGLE-FAMILY OUTLOOK

## SINGLE-FAMILY OPERATIONS

August 2011

### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>TOTAL APPLICATIONS: *</b>	<b>142,793</b>	<b>115,263</b>	<b>23.9%</b>	<b>200,907</b>	<b>-28.9%</b>
Annual Rate	1,507,400	1,375,500	9.6%	2,425,800	-37.9%
Average per workday	5,958	5,437	9.6%	9,588	-37.9%
<b>Purchase</b>	<b>85,080</b>	<b>76,543</b>	<b>11.2%</b>	<b>86,569</b>	<b>-1.7%</b>
<b>Refinance</b>	<b>49,773</b>	<b>31,081</b>	<b>60.1%</b>	<b>104,652</b>	<b>-52.4%</b>
Prior FHA	21,724	10,536	106.2%	55,103	-60.6%
Conventional to FHA	28,049	20,545	36.5%	49,549	-43.4%
H4H (HOPE for Homeowners)	2	214	-99.1%	39	-94.9%
Short Refinance	188	54	248.1%		
<b>HECM</b>	<b>7,940</b>	<b>7,639</b>	<b>3.9%</b>	<b>9,686</b>	<b>-18.0%</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>100,490</b>	<b>91,533</b>	<b>9.8%</b>	<b>139,045</b>	<b>-27.7%</b>
Annual Rate	1,205,900	1,098,400	9.8%	1,668,500	-27.7%
Weighted Average FICO Score **	698	699	-0.1%	697	0.1%
Minority	26,751	23,938	11.8%	35,951	-25.6%
% Minority	26.6%	26.2%	0.5% #	25.9%	0.8% #
<b>Purchase</b>	<b>75,798</b>	<b>68,336</b>	<b>10.9%</b>	<b>89,322</b>	<b>-15.1%</b>
% Purchase	75.4%	74.7%	0.8% #	64.2%	11.2% #
Average FICO Score **	697	699	-0.3%	697	0.0%
1st Time Home Buyer	57,794	52,108	10.9%	66,465	-13.0%
% 1st Time Home Buyer	76.2%	76.3%	0.0% #	74.4%	1.8% #
Non-Minority	35,701	32,411	10.2%	39,511	-9.6%
% Non-Minority	61.8%	62.2%	-0.4% #	59.4%	2.3% #
Minority	18,528	16,355	13.3%	22,317	-17.0%
% Minority	32.1%	31.4%	0.7% #	33.6%	-1.5% #
Not-Disclosed	3,565	3,341	6.7%	4,636	-23.1%
% Not-Disclosed	6.2%	6.4%	-0.2% #	7.0%	-0.8% #
<b>Refinanced</b>	<b>18,885</b>	<b>17,683</b>	<b>6.8%</b>	<b>43,078</b>	<b>-56.2%</b>
% Refinanced	18.8%	19.3%	-0.5% #	31.0%	-12.2% #
Average FICO Score **	695	696	-0.1%	698	-0.4%
Prior FHA	8,386	7,918	5.9%	19,248	-56.4%
Streamline	5,894	5,756	2.4%	14,974	-60.6%
% Streamline	31.2%	32.6%	-1.3% #	34.8%	-3.6% #
Full Process	2,492	2,162	15.3%	4,274	-41.7%
Cash Out	607	517	17.4%	1,047	-42.0%
Conventional to FHA	10,499	9,765	7.5%	23,832	-55.9%
Cash Out	3,167	2,975	6.5%	7,551	-58.1%
Total Cash Out	3,774	3,492	8.1%	8,598	-56.1%
Total % Cash Out	20.0%	19.7%	0.2% #	20.0%	0.0% #
H4H (HOPE for Homeowners)	80	67	19.4%	36	122.2%
Short Refinance	32	28	14.3%		
<b>HECM</b>	<b>5,807</b>	<b>5,514</b>	<b>5.3%</b>	<b>6,645</b>	<b>-12.6%</b>
% HECM	5.8%	6.0%	-0.2% #	4.8%	1.0% #
HECM Standard Traditional	4,935	4,745	4.0%	6,175	-20.1%
HECM Stndrd Traditional ARM	1,264	1,048	20.6%	1,999	-36.8%
HECM Standard Purchase	142	134	6.0%	158	-10.1%
HECM Stndrd Purchase ARM	4	3	33.3%	16	-75.0%
HECM Standard Refinance	194	139	39.6%	312	-37.8%
% HECM Standard Refinance	3.3%	2.5%	0.8% #	4.7%	-1.4% #
HECM Stndrd Refinance ARM	32	20	60.0%	94	-66.0%
HECM Saver Total	536	496	8.1%		

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

August 2011

### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	2,242	1,925	16.5%	2,195	2.1%
Condominium	3,637	3,607	0.8%	6,518	-44.2%
% Condominium	3.6%	3.9%	-0.3% #	4.7%	-1.1% #
ARM (Excludes HECM ARM)	4,084	3,610	13.1%	4,742	-13.9%
% ARM	4.1%	3.9%	0.1% #	3.4%	0.7% #
Manufactured Housing (Real Estate)	1,817	1,663	9.3%	2,582	-29.6%
Interest Buy-down	411	406	1.2%	331	24.2%
<b>Average Processing Time * ^</b>					
(Existing Homes, weeks)					
Application to Closing	5.9	6.0	-1.7%	6.8	-13.2%
Closing to Endorsement	3.5	3.6	-2.8%	4.3	-18.6%
<b>Lender Insurance *</b>					
Total Lender Insurance	78,561	71,549	9.8%	104,770	-25.0%
% of Total Insurance	78.2%	78.2%	0.0% #	75.3%	2.8% #
Forward Mortgages	76,885	69,773	10.2%	102,774	-25.2%
HECM	1,676	1,776	-5.6%	1,996	-16.0%
<b>Automated Underwriting System * x</b>					
AUS Endorsed	85,572	77,611	10.3%	114,321	-25.1%
AUS as % of Total Endorsed	90.4%	90.2%	0.2% #	86.3%	4.0% #
<b>Mortgage Insurance *</b>					
Total Number	100,490	91,533	9.8%	139,045	-27.7%
Total Amount (\$B)	\$17.4	\$16.1	8.1%	\$25.9	-32.8%
Forward Mortgages					
Total Forward Number	94,683	86,019	10.1%	132,400	-28.5%
Amount (\$B)	\$16.0	\$14.8	8.1%	\$24.2	-33.9%
Purchase Number					
Purchase Number	75,798	68,336	10.9%	89,322	-15.1%
Amount (\$B)	\$12.7	\$11.6	9.5%	\$15.8	-19.6%
Refinance Number					
Refinance Number	18,885	17,683	6.8%	43,078	-56.2%
Amount (\$B)	\$3.3	\$3.2	3.1%	\$8.4	-60.7%
Reverse Mortgages					
HECM Number	5,807	5,514	5.3%	6,645	-12.6%
Max Claim Amount (\$B)	\$1.4	\$1.3	7.7%	\$1.7	-17.6%
<b>Mortgage Insurance-In-Force **</b>					
Total Number	7,259,736	7,202,951	0.8%	6,577,199	10.4%
Total Unpaid Balance Amount (\$B)	\$1,012.8	\$1,003.2	1.0%	\$888.0	14.1%
<b>Loans Seriously Delinquent *** &lt;</b>					
Seriously Delinquent	611,822	598,921	2.2%	558,316	9.6%
Seriously Delinquent Rate	8.4%	8.3%	0.1% #	8.5%	-0.1% #

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

August 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>1,474,622</b>	<b>2,078,758</b>	<b>-29.1%</b>	<b>2,334,696</b>
<b>Purchase</b>	<b>1,120,000</b>	<b>849,438</b>	<b>1,161,233</b>	<b>-26.9%</b>	<b>1,256,565</b>
<b>Refinance</b>	<b>800,000</b>	<b>536,887</b>	<b>834,032</b>	<b>-35.6%</b>	<b>981,160</b>
Prior FHA	300,000	217,350	322,795	-32.7%	423,093
Conventional to FHA	500,000	319,537	511,237	-37.5%	558,067
H4H (HOPE for Homeowners)		1,471	506	190.7%	540 r
Short Refinance		891	0		
<b>HECM</b>	<b>80,000</b>	<b>88,297</b>	<b>83,493</b>	<b>5.8%</b>	<b>96,971</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>1,500,000</b>	<b>1,179,375</b>	<b>1,620,789</b>	<b>-27.2%</b>	<b>1,746,997</b>
Minority	375,000	288,611	399,220	-27.7%	429,926
% Minority	25.0%	24.5%	24.6%	-0.2% #	24.6%
<b>Purchase</b>	<b>900,000</b>	<b>710,947</b>	<b>1,038,617</b>	<b>-31.5%</b>	<b>1,109,699</b>
% Purchase	60.0%	60.3%	64.1%	-3.8% #	63.5%
1st Time Home Buyer	720,000	534,357	830,735	-35.7%	882,200
% 1st Time Home Buyer	80.0%	75.2%	80.0%	-4.8% #	79.5%
Non-Minority	460,800	329,785	528,188	-37.6%	558,991
% Non-Minority	64.0%	61.7%	63.6%	-1.9% #	63.4%
Minority	216,000	170,492	248,025	-31.3%	265,138
% Minority	30.0%	31.9%	29.9%	2.0% #	30.1%
Not-Disclosed	43,200	34,098	54,553	-37.5%	58,061
% Not-Disclosed	6.0%	6.4%	6.6%	-0.2% #	6.6%
<b>Refinanced</b>	<b>525,000</b>	<b>400,880</b>	<b>509,025</b>	<b>-21.2%</b>	<b>558,192</b>
% Refinanced	35.0%	34.0%	31.4%	2.6% #	32.0%
Prior FHA	231,000	215,421	225,505	-4.5%	252,522
Streamline	204,750	173,492	190,809	-9.1%	212,940
% Streamline	39.0%	43.3%	37.5%	5.8% #	38.1%
Full Process	26,250	41,929	34,696	20.8%	39,582
Cash Out	17,000	8,446	11,092	-23.9%	12,129
Conventional to FHA	294,000	185,465	283,527	-34.6%	305,676
Cash Out	203,000	49,892	92,013	-45.8%	98,107
Total Cash Out	220,000	58,338	103,105	-43.4%	110,236
Total % Cash Out	41.9%	14.6%	20.3%	-5.7% #	19.7%
H4H (HOPE for Homeowners)		432	96		107
Short Refinance		305	0		
<b>HECM</b>	<b>75,000</b>	<b>67,548</b>	<b>73,147</b>	<b>-7.7%</b>	<b>79,106</b>
% HECM	5.0%	5.7%	4.5%	1.2% #	4.5%
HECM Standard Traditional	67,500	60,330	67,276	-10.3%	72,855
HECM Stndrd Traditional ARM	66,150	18,163	21,327	-14.8%	23,005
HECM Standard Purchase	2,400	1,328	1,283	3.5%	1,389
HECM Stndrd Purchase ARM	2,352	102	129	-20.9%	146
HECM Standard Refinance	5,100	2,606	4,591	-43.2%	4,862
% HECM Standard Refinance	6.8%	3.9%	6.3%	-2.4% #	6.1%
HECM Stndrd Refinance ARM	4,998	541	1,394	-61.2%	1,457
HECM Saver Total		3,285	0		

Source: \* F17 CHUMS

# - Percentage point difference

r - revised

# FHA SINGLE-FAMILY OUTLOOK

## SINGLE-FAMILY OPERATIONS

August 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	19,081	20,760	-8.1%	22,491
Condominium	110,000	51,531	87,563	-41.1%	93,468
% Condominium	7.3%	4.4%	5.4%	-1.0% #	5.4%
ARM (Excludes HECM ARM)	50,000	47,197	43,525	8.4%	46,940
% ARM	3.3%	4.0%	2.7%	1.3% #	2.7%
Manufactured Housing (Real Estate)	50,000	19,687	28,643	-31.3%	30,751
Interest Buy-down	4,000	3,380	3,636	-7.0%	3,845
<b>Lender Insurance *</b>					
Total Lender Insurance	1,050,000	904,385	1,182,922	-23.5%	1,277,137
% of Total Insurance	70.0%	76.7%	73.0%	3.7% #	73.1%
Forward Mortgages	1,029,000	886,036	1,167,189	-24.1%	1,259,909
HECM	21,000	18,349	15,733	16.6%	17,228
<b>Automated Underwriting System * x</b>					
AUS Endorsed	1,125,000	918,257	1,313,563	-30.1%	1,409,766
AUS as % of Total Endorsed	78.9%	82.6%	84.9%	-2.3% #	84.5%
<b>Mortgage Insurance *</b>					
Total Number	1,500,000	1,179,375	1,620,789	-27.2%	1,746,997
Total Amount (\$B)	\$288.7	\$219.9	\$294.4	-25.3%	\$318.8
Forward Mortgages					
Total Forward Number	1,425,000	1,111,827	1,547,642	-28.2%	1,667,891
Amount (\$B)	\$270.0	\$203.1	\$274.8	-26.1%	\$297.7
Purchase Number					
Purchase Number	900,000	710,947	1,038,617	-31.5%	1,109,699
Amount (\$B)	\$162.0	\$123.2	\$178.9	-31.1%	\$191.7
Refinance Number					
Refinance Number	525,000	400,880	509,025	-21.2%	558,192
Amount (\$B)	\$107.6	\$79.9	\$95.9	-16.7%	\$106.0
Reverse Mortgages					
HECM Number	75,000	67,548	73,147	-7.7%	79,106
Max Claim Amount (\$B)	\$18.7	\$16.8	\$19.6	-14.3%	\$21.1
<b>Claims **</b>					
Total Claims	345,000	304,334	270,964	12.3%	303,402
Loss Mitigation Retention	218,000	190,380	164,744	15.6%	182,968
Pre-Foreclosures	19,000	21,837	13,916	56.9%	15,291
Conveyances	100,000	83,098	87,807	-5.4%	99,653
HECM	7,000	7,414	4,496	64.9%	5,361
Other Claims	1,000	1,605	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).