

SINGLE-FAMILY OPERATIONS

September 2012

CONTACT INFORMATION

WILLIAM F. SHAW 202-402-7550

ZENORA HINES 202-402-7544

Applications

This month, FHA received 142,978 initial applications for single family mortgage insurance (case number assignments). They included 65,596 for home purchase, 70,507 for home refinance, and 6,875 for reverse mortgages. This count was 19.8 percent below last month's total, but 10.8 percent above that of the year-earlier period.

Refinance applications can be further defined by type: 54,645 on prior FHA cases, and 15,862 conventional conversions to FHA. The conventional transfers include 365 principal write down applications through the FHA Short Refinance program.

Endorsements

During September, FHA endorsed 109,293 single family mortgages for insurance -- 13.3 percent less than in the prior month (126,051) but 18.8 percent more than a year ago. The September total includes 56,812 purchase money mortgages, 48,775 refinance transactions, and 3,706 HECM.

Home purchase mortgages accounted for 52 percent of the transactions. Of those, 44,146 (78%) were for first-time homebuyers.

With respect to refinance transactions, 42,325 were on prior FHA cases and 6,455 were conventional conversions to FHA. There were 136 principal write-down (FHA Short Refinance) mortgages in the refinance total.

Overall, there were very few cash-out refinance endorsements (2,480) and even fewer adjustable rate mortgages (587) in the September totals.

Mortgage Insurance

Across the entire fiscal year, FHA insured 1,239,874 single family mortgages for \$226.5 billion. This included 733,959 purchase mortgages for \$124.5 billion, 451,095 refinances for \$88.9 billion, and 54,820 reverse mortgages for \$13.2 billion.

At the end of the fiscal year, FHA had 7,710,746 active mortgages insured, with an amortized (outstanding) balance of \$1,083.3 billion.

Loans Delinquent

On September 30, loan servicers reported 738,991 mortgages in serious delinquency, for a default rate of 9.6 percent -- just slightly higher than the August rate of 9.5%.

Claims

For all of FY 2012, FHA paid a total of 284,196 insurance claims for various servicer actions. There were 142,779 loan-termination claims, including 102,236 property conveyances, 36,740 pre-foreclosure sales, and 3,803 other actions (primarily assignment claims to facilitate note sales). In addition, there were 141,417 special type claims, including 129,626 loss mitigation home retention actions and 11,791 HECM assignments.

FHA SINGLE-FAMILY OUTLOOK

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MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
TOTAL APPLICATIONS: *	142,978	178,314	-19.8%	129,045	10.8%
Annual Rate	1,680,400	1,833,100	-8.3%	1,377,000	22.0%
Average per workday	6,642	7,246	-8.3%	5,443	22.0%
Purchase	65,596	79,329	-17.3%	73,283	-10.5%
Refinance	70,507	90,880	-22.4%	48,368	45.8%
Prior FHA	54,645	72,066	-24.2%	23,656	131.0%
Conventional to FHA	15,862	18,814	-15.7%	24,712	-35.8%
Short Refinance	365	348	4.9%	285	28.1%
HECM	6,875	8,105	-15.2%	7,394	-7.0%
TOTAL ENDORSEMENTS: *	109,293	126,051	-13.3%	91,963	18.8%
Annual Rate	1,311,500	1,512,600	-13.3%	1,103,600	18.8%
Weighted Average FICO Score **	696	696	0.0%	697	-0.1%
Minority	26,621	31,031	-14.2%	24,355	9.3%
% Minority	24.4%	24.6%	-0.3% #	26.5%	-2.1% #
Purchase	56,812	71,428	-20.5%	66,602	-14.7%
% Purchase	52.0%	56.7%	-4.7% #	72.4%	-20.4% #
Average FICO Score **	695	695	0.0%	697	-0.3%
1st Time Home Buyer	44,146	55,617	-20.6%	50,737	-13.0%
% 1st Time Home Buyer	77.7%	77.9%	-0.2% #	76.2%	1.5% #
Non-Minority	27,517	34,808	-20.9%	31,116	-11.6%
% Non-Minority	62.3%	62.6%	-0.3% #	61.3%	1.0% #
Minority	14,122	17,578	-19.7%	16,541	-14.6%
% Minority	32.0%	31.6%	0.4% #	32.6%	-0.6% #
Not-Disclosed	2,507	3,227	-22.3%	3,080	-18.6%
% Not-Disclosed	5.7%	5.8%	-0.1% #	6.1%	-0.4% #
Refinanced	48,775	50,501	-3.4%	19,771	146.7%
% Refinanced	44.6%	40.1%	4.6% #	21.5%	23.1% #
Average FICO Score **	699	701	-0.3%	698	0.1%
Prior FHA	42,325	42,607	-0.7%	9,579	341.9%
Streamline	39,577	39,559	0.0%	6,881	475.2%
Streamline % of Refinance	81.1%	78.3%	2.8% #	34.8%	46.3% #
Streamline % of Prior FHA	93.5%	92.8%	0.7% #	71.8%	21.7% #
Full Process	2,748	3,048	-9.8%	2,698	1.9%
Cash Out	564	570	-1.1%	576	-2.1%
Conventional to FHA	6,455	7,894	-18.2%	10,192	-36.7%
Cash Out	1,916	2,317	-17.3%	3,030	-36.8%
Total Cash Out	2,480	2,887	-14.1%	3,606	-31.2%
Total % Cash Out	5.1%	5.7%	-0.6% #	18.2%	-13.2% #
Short Refinance	136	107	27.1%	29	
HECM	3,706	4,122	-10.1%	5,590	-33.7%
% HECM	3.4%	3.3%	0.1% #	6.1%	-2.7% #
HECM Standard Traditional	3,246	3,674	-11.6%	4,743	-31.6%
HECM Stndrd Traditional ARM	755	794	-4.9%	1,270	-40.6%
HECM Standard Purchase	126	130	-3.1%	188	-33.0%
HECM Stndrd Purchase ARM	5	4	25.0%	10	-50.0%
HECM Standard Refinance	105	98	7.1%	121	-13.2%
% HECM Standard Refinance	2.8%	2.4%	0.5% #	2.2%	0.7% #
HECM Stndrd Refinance ARM	20	16	25.0%	24	-16.7%
HECM Saver Total	229	220	4.1%	538	-57.4%

Source: * F17 CHUMS

- Percentage point difference

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

FHA SINGLE-FAMILY OUTLOOK

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MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	1,599	2,030	-21.2%	2,217	-27.9%
Condominium	4,538	5,009	-9.4%	3,152	44.0%
% Condominium	4.2%	4.0%	0.2% #	3.4%	0.7% #
ARM (Excludes HECM ARM)	587	887	-33.8%	3,634	-83.8%
% ARM	0.5%	0.7%	-0.2% #	4.0%	-3.4% #
Manufactured Housing (Real Estate)	1,670	2,001	-16.5%	1,691	-1.2%
Interest Buy-down	314	399	-21.3%	398	-21.1%
Average Processing Time * ^					
(Existing Homes, weeks)					
Application to Closing	6.8	6.3	7.9%	5.9	15.3%
Closing to Endorsement	3.8	3.6	5.6%	3.6	5.6%
Lender Insurance *					
Total Lender Insurance	87,732	100,454	-12.7%	71,995	21.9%
% of Total Insurance	80.3%	79.7%	0.6% #	78.3%	2.0% #
Forward Mortgages	87,732	100,454	-12.7%	70,546	24.4%
HECM	0	0		1,449	
Automated Underwriting System * x					
AUS Endorsed	63,801	79,534	-19.8%	76,395	-16.5%
AUS as % of Total Endorsed	60.4%	65.2%	-4.8% #	88.4%	-28.0% #
Mortgage Insurance *					
Total Number	109,293	126,051	-13.3%	91,963	18.8%
Total Amount (\$B)	\$20.0	\$23.1	-13.4%	\$16.2	23.5%
Forward Mortgages					
Total Forward Number	105,587	121,929	-13.4%	86,373	22.2%
Amount (\$B)	\$19.1	\$22.1	-13.6%	\$14.8	29.1%
Purchase Number					
Purchase Number	56,812	71,428	-20.5%	66,602	-14.7%
Amount (\$B)	\$9.9	\$12.4	-20.2%	\$11.2	-11.6%
Refinance Number					
Refinance Number	48,775	50,501	-3.4%	19,771	146.7%
Amount (\$B)	\$9.2	\$9.7	-5.2%	\$3.6	155.6%
Reverse Mortgages					
HECM Number	3,706	4,122	-10.1%	5,590	-33.7%
Max Claim Amount (\$B)	\$0.9	\$1.0	-10.0%	\$1.4	-35.7%
Mortgage Insurance-In-Force **					
Total Number	7,710,746	7,691,776	0.2%	7,304,368	5.6%
Total Unpaid Balance Amount (\$B)	\$1,083.3	\$1,080.5	0.3%	\$1,019.7	6.2%
Loans Seriously Delinquent *** <					
Seriously Delinquent	738,991	728,227	1.5%	635,096	16.4%
Seriously Delinquent Rate	9.6%	9.5%	0.1% #	8.7%	0.9% #

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

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FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2012 AS OF OCT 11	FY 2012 TO DATE	FY 2011 TO DATE	RATE OF CHANGE 2012/2011	FY 2011 FINAL
TOTAL APPLICATIONS: *	1,750,000	1,826,191	1,603,669	13.9%	1,603,669
Purchase	1,015,000	921,175	921,886	-0.1%	921,886
Refinance	630,000	821,543	586,092	40.2%	586,092
Prior FHA	252,000	564,574	247,124	128.5%	247,124
Conventional to FHA	378,000	256,969	338,968	-24.2%	338,968
Short Refinance		3,268	1,333	145.2%	1,333
HECM	105,000	83,473	95,691	-12.8%	95,691
TOTAL ENDORSEMENTS: *	1,400,000	1,239,874	1,271,211	-2.5%	1,271,211
Minority	350,000	311,812	312,940	-0.4%	312,940
% Minority	25.0%	25.1%	24.6%	0.5% #	24.6%
Purchase	840,000	733,959	777,521	-5.6%	777,521
% Purchase	60.0%	59.2%	61.2%	-2.0% #	61.2%
1st Time Home Buyer	630,000	569,912	585,091	-2.6%	585,091
% 1st Time Home Buyer	75.0%	77.6%	75.3%	2.4% #	75.3%
Non-Minority	403,200	353,119	360,891	-2.2%	360,891
% Non-Minority	64.0%	62.0%	61.7%	0.3% #	61.7%
Minority	189,000	183,392	187,022	-1.9%	187,022
% Minority	30.0%	32.2%	32.0%	0.2% #	32.0%
Not-Disclosed	37,800	33,396	37,176	-10.2%	37,176
% Not-Disclosed	6.0%	5.9%	6.4%	-0.5% #	6.4%
Refinanced	476,000	451,095	420,561	7.3%	420,561
% Refinanced	34.0%	36.4%	33.1%	3.3% #	33.1%
Prior FHA	247,520	321,820	224,936	43.1%	224,936
Streamline	223,720	274,160	180,330	52.0%	180,330
Streamline % of Refinance	47.0%	60.8%	42.9%	17.9% #	42.9%
Streamline % of Prior FHA	90.4%	85.2%	80.2%	5.0% #	80.2%
Full Process	23,800	47,660	44,606	6.8%	44,606
Cash Out	7,200	7,558	9,022	-16.2%	9,022
Conventional to FHA	228,480	129,293	195,657	-33.9%	195,634
Cash Out	36,000	35,098	52,921	-33.7%	52,921
Total Cash Out	43,200	42,656	61,943	-31.1%	61,943
Total % Cash Out	9.1%	9.5%	14.7%	-5.3% #	14.7%
Short Refinance		1,440	334		334
HECM	84,000	54,820	73,129	-25.0%	73,129
% HECM	6.0%	4.4%	5.8%	-1.3% #	5.8%
HECM Standard Traditional	75,000	47,950	65,062	-26.3%	65,062
HECM Stndrd Traditional ARM	22,500	12,858	19,429	-33.8%	19,429
HECM Standard Purchase	1,700	1,612	1,514	6.5%	1,514
HECM Stndrd Purchase ARM	500	56	112	-50.0%	112
HECM Standard Refinance	3,000	1,440	2,727	-47.2%	2,727
% HECM Standard Refinance	3.6%	2.6%	3.7%	-1.1% #	3.7%
HECM Stndrd Refinance ARM	660	418	565	-26.0%	565
HECM Saver Total	4,300	3,820	3,828	-0.2%	3,828

Source: * F17 CHUMS

Percentage point difference

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FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2012 AS OF OCT 11	FY 2012 TO DATE	FY 2011 TO DATE	RATE OF CHANGE 2012/2011	FY 2011 FINAL
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	22,000	22,495	21,297	5.6%	21,297
Condominium	110,000	44,970	54,694	-17.8%	54,694
% Condominium	7.9%	3.6%	4.3%	-0.7% #	4.3%
ARM (Excludes HECM ARM)	50,000	20,351	50,882	-60.0%	50,882
% ARM	3.6%	1.6%	4.0%	-2.4% #	4.0%
Manufactured Housing (Real Estate)	50,000	20,479	21,378	-4.2%	21,378
Interest Buy-down	4,000	4,670	3,790	23.2%	3,790
Lender Insurance *					
Total Lender Insurance	980,000	975,544	976,312	-0.1%	976,312
% of Total Insurance	70.0%	78.7%	76.8%	1.9% #	76.8%
Forward Mortgages	960,400	974,735	956,514	1.9%	956,514
HECM	19,600	809	19,798	-95.9%	19,798
Automated Underwriting System * x					
AUS Endorsed	1,050,000	880,319	994,574	-11.5%	994,574
AUS as % of Total Endorsed	79.8%	74.3%	83.0%	-8.7% #	83.0%
Mortgage Insurance *					
Total Number	1,400,000	1,239,874	1,271,211	-2.5%	1,271,211
Total Amount (\$B)	\$248.6	\$226.5	\$236.0	-4.0%	\$236.0
Forward Mortgages					
Total Forward Number	1,316,000	1,185,054	1,198,082	-1.1%	1,198,082
Amount (\$B)	\$231.1	\$213.4	\$217.8	-2.0%	\$217.8
Purchase Number					
Purchase Number	840,000	733,959	777,521	-5.6%	777,521
Amount (\$B)	\$141.9	\$124.5	\$134.4	-7.4%	\$134.4
Refinance Number					
Refinance Number	476,000	451,095	420,561	7.3%	420,561
Amount (\$B)	\$89.2	\$88.9	\$83.4	6.6%	\$83.4
Reverse Mortgages					
HECM Number	84,000	54,820	73,129	-25.0%	73,129
Max Claim Amount (\$B)	\$17.5	\$13.2	\$18.2	-27.5%	\$18.2
Claims **					
Total Claims	318,500	284,196	326,892	-13.1%	326,892
Regular					
Regular	118,500	142,779	118,133	20.9%	118,133
Conveyances					
Conveyances	92,000	102,236	91,448	11.8%	91,448
Pre-Foreclosures					
Pre-Foreclosures	25,400	36,740	25,069	46.6%	25,069
Other Claims					
Other Claims	1,100	3,803	1,616	135.3%	1,616
Special					
Special	200,000	141,417	208,759	-32.3%	208,759
Loss Mitigation Retention					
Loss Mitigation Retention	195,000	129,626	200,808	-35.4%	200,808
HECM Assignments					
HECM Assignments	5,000	11,791	7,951	48.3%	7,951

Source: * F17 CHUMS ** A43C Claims System

= Percentage point difference

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