

SINGLE FAMILY OPERATIONS

February 2010

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

Applications

During February, despite bad weather in some parts of the country, the estimated annual rate for applications rose to 2,011,600 -- up from 1,681,500 during January.

The actual count of request for case numbers (application) was 165,239 -- 31.1 percent above the 126,048 reported last month. This total consisted of 97,171 purchase mortgage applications, 61,425 refinances as well as 6,643 reverse mortgage applications. The refinances included 12,464 prior FHA mortgages and 48,961 conventional to FHA conversions. There were 46 H4H applications included in this refinance total.

Endorsements

During February, FHA endorsed 131,978 single-family mortgages. This involved 73,038 purchase money mortgages, 51,916 refinances and 7,024 HECMs. The refinanced cases included 22,761 prior FHA cases, most handled with streamlined procedures, 29,156 conventional conversions and 1 formally delinquent conventional conversion.

With respect to the refinances, 10,447 were cash out deals -- 20.1 percent of the refinance actions.

No H4H mortgages were insured.

As for HECMs, 7,024 cases were endorsed during February -- most of these being traditional reverse mortgages.

Automated Underwriting

This month 102,071 cases were accepted and endorsed using the FHA scorecard. This represents 81.7 percent of the total cases insured this month.

Other

The total amount of insurance endorsed this month covered 131,978 mortgages for \$24 billion. This includes 124,954 in forward mortgages for \$22.5 billion and 7,024 in reverse mortgages for \$1.9 billion.

For February, 553,929 mortgages were in a seriously delinquent status (90 days +) for a default rate of 9.2 percent.

So far this fiscal year, FHA has paid 100,428 claims. Most have been loss mitigation retention claims.

FHA OUTLOOK

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MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
TOTAL APPLICATIONS: *	165,239	126,043	31.1%	224,365	-26.4%
Annual Rate	2,011,600	1,681,500	19.6%	2,851,400	-29.5%
Average per workday	7,951	6,646	19.6%	11,271	-29.5%
Purchase	97,171	70,693	37.5%	85,521	13.6%
Refinance	61,425	49,545	24.0%	126,113	-51.3%
Prior FHA	12,464	10,377	20.1%	45,722	-72.7%
Conventional to FHA	48,961	39,168	25.0%	80,391	-39.1%
Conventional to FHA (Delinquent)					
H4H (HOPE for Homeowners)	46	43	7.0%	209	-78.0%
HECM	6,643	5,805	14.4%	12,731	-47.8%
TOTAL ENDORSEMENTS: *	131,978	158,612	-16.8%	135,718	-2.8%
Annual Rate	1,583,700	1,903,300	-16.8%	1,628,600	-2.8%
Weighted Average FICO Score **	693	694	-0.1%	663	4.5%
Minority	33,902	39,618	-14.4%	33,659	0.7%
% Minority	25.7%	25.0%	0.7% #	24.8%	0.9% #
Purchase	73,038	90,030	-18.9%	52,356	39.5%
% Purchase	55.3%	56.8%	-1.4% #	38.6%	16.8% #
Average FICO Score **	697	696	0.1%	678	2.8%
1st Time Home Buyer	57,890	73,111	-20.8%	40,699	42.2%
% 1st Time Home Buyer	79.3%	81.2%	-1.9% #	77.7%	1.5% #
Non-Minority	35,059	44,970	-22.0%	23,992	46.1%
% Non-Minority	60.6%	61.5%	-0.9% #	58.9%	1.6% #
Minority	18,972	23,049	-17.7%	13,935	36.1%
% Minority	32.8%	31.5%	1.2% #	34.2%	-1.5% #
Not-Disclosed	3,859	5,089	-24.2%	2,773	39.2%
% Not-Disclosed	6.7%	7.0%	-0.3% #	6.8%	-0.1% #
Refinanced	51,916	60,954	-14.8%	74,276	-30.1%
% Refinanced	39.3%	38.4%	0.9% #	54.7%	-15.4% #
Average FICO Score **	683	690	-1.0%	644	6.1%
Prior FHA	22,761	30,266	-24.8%	35,615	-36.1%
Streamline	19,107	26,938	-29.1%	32,201	-40.7%
% Streamline	36.8%	44.2%	-7.4% #	43.4%	-6.5% #
Full Process	3,654	3,328	9.8%	3,414	7.0%
Cash Out	1,149	1,148	0.1%	1,259	-8.7%
Conventional to FHA	29,156	30,689	-5.0%	38,644	-24.6%
Cash Out	9,298	9,803	-5.2%	11,105	-16.3%
Conventional to FHA (Delinquent)	1	0		22	-95.5%
Total Cash Out	10,447	10,951	-4.6%	12,364	-15.5%
Total % Cash Out	20.1%	18.0%	2.2% #	16.6%	3.5% #
H4H (HOPE for Homeowners)	0	0			
HECM	7,024	7,628	-7.9%	9,086	-22.7%
% HECM	5.3%	4.8%	0.5% #	6.7%	-1.4% #
HECM Traditional	6,358	6,911	-8.0%	7,980	-20.3%
HECM Traditional ARM	1,979	2,244	-11.8%	7,694	-74.3%
HECM Purchase	129	113	14.2%	5	
HECM Purchase ARM	10	8	25.0%	5	
HECM Refinance	537	605	-11.2%	1,102	-51.3%
% HECM Refinance	7.6%	7.9%	-0.3% #	12.1%	-4.5% #
HECM Refinance ARM	203	170	19.4%	1,071	-81.0%

Source: * F17 CHUMS

- Percentage point difference

** As of 5/31/09 we are publishing a different average FICO score series. This series represents the composite FICO score value that is used for loan underwriting. In many cases this will be lower than the average (of applicant) FICO scores that was previously published in the Outlook. FICO Scores are weighted by the relative importance of loan type.

FHA 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)	1,804	1,917	-5.9%	1,061	70.0%
Condominium	7,541	9,185	-17.9%	5,925	27.3%
% Condominium	5.7%	5.8%	-0.1% #	4.4%	1.3% #
ARM (Excludes HECM ARM)	3,719	3,707	0.3%	184	1921.2%
% ARM	2.8%	2.3%	0.5% #	0.1%	2.7% #
Manufactured Housing (Real Estate)	2,937	2,961	-0.8%	3,342	-12.1%
Interest Buy-down	197	275	-28.4%	277	-28.9%
Average Processing Time * ^					
(Existing Homes, weeks)					
Application to Closing	7.7	8.2	-6.1%	5.7	35.1%
Closing to Endorsement	5.3	5.3	0.0%	3.7	43.2%
Lender Insurance *					
Total Lender Insurance	98,246	114,661	-14.3%	93,923	4.6%
% of Total Insurance	74.4%	72.3%	2.2% #	69.2%	5.2% #
Forward Mortgages	96,849	113,357	-14.6%	90,677	6.8%
HECM	1,397	1,304	7.1%	3,246	-57.0%
Automated Underwriting System * x					
AUS Endorsed	102,071	120,145	-15.0%	87,838	16.2%
AUS as % of Total Endorsed	81.7%	79.6%	2.1% #	69.4%	12.3% #
Mortgage Insurance *					
Total Number	131,978	158,612	-16.8%	135,718	-2.8%
Total Amount (\$B)	\$24.4	\$29.1	-16.2%	\$25.5	-4.3%
Forward Mortgages					
Total Forward Number	124,954	150,984	-17.2%	126,632	-1.3%
Amount (\$B)	\$22.5	\$27.0	-16.7%	\$23.1	-2.6%
Purchase Number	73,038	90,030	-18.9%	52,356	39.5%
Amount (\$B)	\$12.8	\$15.5	-17.4%	\$9.0	42.2%
Refinance Number	51,916	60,954	-14.8%	74,276	-30.1%
Amount (\$B)	\$9.7	\$11.5	-15.7%	\$14.1	-31.2%
Reverse Mortgages					
HECM Number	7,024	7,628	-7.9%	9,086	-22.7%
Max Claim Amount (\$B)	\$1.9	\$2.1	-9.5%	\$2.4	-20.8%
Mortgage Insurance-In-Force **					
Total Number	6,014,729	5,917,805	1.6%	4,819,839	24.8%
Total Unpaid Balance Amount (\$B)	\$786.5	\$768.7	2.3%	\$560.0	40.4%
Loans Seriously Delinquent *** <					
90 Days + Delinquent	553,929	558,944	-0.9%	348,703	58.9%
Seriously Delinquent Rate	9.2%	9.4%	-0.2% #	7.3%	1.9% #

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 total includes only cases accepted and endorsed by the score card (TOTAL). Does not include cases referred for standard processing, standard rejects or actual fall out or streamline refinances.. Percentage based on forward mortgages only.

< This count of seriously delinquent mortgages includes bankruptcies and foreclosures.

FHA OUTLOOK

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FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2010 AS OF OCT 09	FY 2010 TO DATE	FY 2009 TO DATE	RATE OF CHANGE 2010/2009	FY 2009 FINAL
TOTAL APPLICATIONS: *	2,500,000	892,359	1,098,059	-18.7%	2,861,482
Purchase	1,375,000	470,332	397,075	18.4%	1,256,494
Refinance	1,000,000	390,190	631,500	-38.2%	1,472,023
Prior FHA	375,000	155,698	199,968	-22.1%	559,698
Conventional to FHA	625,000	234,492	430,319	-45.5%	911,373
Conventional to FHA (Delinquent)			1,213		952
H4H (HOPE for Homeowners)		149	674	-77.9%	934
HECM	125,000	31,837	69,484	-54.2%	162,619
TOTAL ENDORSEMENTS: *	1,875,000	803,126	716,609	12.1%	1,946,809
Minority	487,500	193,138	189,359	2.0%	474,072
% Minority	26.0%	24.0%	26.4%	-2.4% #	24.4%
Purchase	969,375	468,036	384,465	21.7%	995,590
% Purchase	51.7%	58.3%	53.7%	4.6% #	51.1%
1st Time Home Buyer	775,500	383,584	296,962	29.2%	781,718
% 1st Time Home Buyer	80.0%	82.0%	77.2%	4.7% #	78.5%
Non-Minority	496,320	246,240	181,477	35.7%	496,506
% Non-Minority	64.0%	64.2%	61.1%	3.1% #	63.5%
Minority	232,650	111,975	96,012	16.6%	233,104
% Minority	30.0%	29.2%	32.3%	-3.1% #	29.8%
Not-Disclosed	46,530	25,386	19,429	30.7%	52,054
% Not-Disclosed	6.0%	6.6%	6.5%	0.1% #	6.7%
Refinanced	798,750	295,645	285,547	3.5%	836,528
% Refinanced	42.6%	36.8%	39.8%	-3.0% #	43.0%
Prior FHA	351,450	149,203	83,911	77.8%	367,480
Streamline	311,522	134,782	68,322	97.3%	329,441
% Streamline	39.0%	45.6%	23.9%	21.7% #	39.4%
Full Process	39,928	14,421	15,589	-7.5%	38,039
Cash Out	17,000	5,490	7,372	-25.5%	23,432
Conventional to FHA	447,300	146,444	201,343	-27.3%	468,740
Cash Out	203,000	47,919	71,554	-33.0%	233,755
Conventional to FHA (Delinquent)	320		315		316
Total Cash Out	220,000	53,409	78,926	-32.3%	257,187
Total % Cash Out	27.5%	18.1%	27.6%	-9.6% #	30.7%
H4H (HOPE for Homeowners)		12			23
HECM	106,875	39,445	46,597	-15.3%	114,691
% HECM	5.7%	4.9%	6.5%	-1.6% #	5.9%
HECM Traditional	96,188	35,989	43,394	-17.1%	104,667
HECM Traditional ARM	94,264	12,209	42,194	-71.1%	95,905
HECM Purchase	3,420	662	6		428
HECM Purchase ARM	3,352	75	6		332
HECM Refinance	7,268	2,795	3,199	-12.6%	9,297
% HECM Refinance	6.8%	7.1%	6.9%	0.2% #	8.1%
HECM Refinance ARM	7,122	885	3,118	-71.6%	8,548

Source: * F17 CHUMS

- Percentage point difference

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FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2010 AS OF OCT 09	FY 2010 TO DATE	FY 2009 TO DATE	RATE OF CHANGE 2010/2009	FY 2009 FINAL
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	15,000	8,995	6,094	47.6%	16,904
Condominium	84,375	46,584	33,129	40.6%	96,119
% Condominium	4.5%	5.8%	4.6%	1.2% #	4.9%
ARM (Excludes HECM ARM)	9,375	19,675	6,035	226.0%	14,361
% ARM	0.5%	2.4%	0.8%	1.6% #	0.7%
Manufactured Housing (Real Estate)	50,000	14,547	22,330	-34.9%	46,463
Interest Buy-down	8,000	1,537	4,545	-66.2%	6,702
Lender Insurance *					
Total Lender Insurance	1,312,500	572,258	513,720	11.4%	1,363,323
% of Total Insurance	70.0%	71.3%	71.7%	-0.4% #	70.0%
Forward Mortgages	1,273,125	564,052	498,014	13.3%	1,330,825
HECM	39,375	8,206	15,706	-47.8%	32,498
Automated Underwriting System * x					
AUS Endorsed	1,406,250	607,547	539,796	12.6%	1,399,854
AUS as % of Total Endorsed	79.5%	79.6%	80.6%	-1.0% #	76.4%
Mortgage Insurance *					
Total Number	1,875,000	803,121	716,609	12.1%	1,946,809
Total Amount (\$B)	\$349.7	\$147.0	\$130.1	13.0%	\$360.7
Forward Mortgages					
Total Forward Number	1,768,125	763,676	670,012	14.0%	1,832,118
Amount (\$B)	\$323.0	\$136.0	\$119.2	14.1%	\$330.5
Purchase Number					
Purchase Number	969,375	468,034	384,465	21.7%	995,590
Amount (\$B)	\$169.6	\$80.3	\$66.6	20.6%	\$171.7
Refinance Number					
Refinance Number	798,750	295,642	285,547	3.5%	836,528
Amount (\$B)	\$153.4	\$55.7	\$52.6	5.9%	\$158.8
Reverse Mortgages					
HECM Number	106,875	39,445	46,597	-15.3%	114,691
Max Claim Amount (\$B)	\$26.7	\$11.0	\$10.9	0.9%	\$30.2
Claims **					
Total Claims	213,000	100,428	77,076	30.3%	207,957
Loss Mitigation Retention	130,000	58,018	48,366	20.0%	127,134
Loss Mitigation (Property Sales)	8,000	5,309	2,452	116.5%	7,410
Other Claims (Conveyances)	75,000	37,101	26,258	41.3%	73,413

Source: * F17 CHUMS ** A43C Claims System

= Percentage point difference

x AUS total includes only cases accepted and endorsed by the score card (TOTAL). Does not include cases referred for standard processing, standard rejects or actual fall out or streamline refinances.. Percentage based on forward mortgages only.