

## SINGLE FAMILY OPERATIONS

August 1-31, 2009

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

### Applications

- o During August, after seasonal adjustment, the estimated annual rate was 2,813,700.
- o The number of applications for August was 222,528. They included 121,337 purchase transactions, 90,140 refinances and 11,051 reverse mortgage applications. As for the refinance actions, 30,680 were prior FHA mortgages while 59,460 were formerly conventional mortgages coming to FHA. All of these application figures were slightly lower than for July. Nevertheless, they were higher than for last August, except for HECM's, which were about the same.

### Endorsements

- o 185,423 mortgages were endorsed for insurance. There were 109,069 purchase money mortgages, 67,421 refinances and 8,933 HECM's.
- o The forward mortgage refinances included 31,775 prior FHA mortgages as well as 35,645 conventional conversions and 1 formerly delinquent conventional mortgage.
- o Of the 109,069 purchase mortgages, 86,644 were for first-time home buyers, 27 percent of which were minority families.
- o For the refinance mortgages, 43 percent of the prior FHA's were handled with the streamlined procedure -- most of which did not require an appraisal.
- o Of the 8,933 reverse mortgages, the traditional type were by far the bulk of the cases. However, there were 855 refinance HECM's and 101 purchase type HECM's.
- o During August, there were 185,423 mortgages insured for \$34.5 billion and for the fiscal year to date that totaled 1,770,237 mortgages for \$328 billion.
- o As of the end of August FHA had 5,406,747 mortgages in force with an outstanding balance of \$675 billion.

### Automated Underwriting

- o During August, 141,877 cases were accepted and insured using the FHA "TOTAL" score card. That represents 80 percent of the total number of forward mortgages this month.

**PLEASE NOTE THAT A NEW FICO TABLE IS ATTACHED.**

**COMMENTS**

During July, there were 185,910 one-family mortgages insured by FHA. The average size of these mortgages was \$180,210. Included in this count were 4,461 jumbo mortgages (\$417,000 or more).

During that month, the total was made up of 104,783 purchase money mortgages averaging \$173,257 as well as 80,527 refinanced mortgages, averaging \$190,434. The refinanced mortgages included 41,356 prior FHA's averaging \$195,055, 39,170 conventional conversions averaging \$185,500 and one formally delinquent conversion for \$206,000.

The field offices with the highest mortgage amount insured were New York, NY (\$342,000), Honolulu (\$333,000), San Francisco (\$329,000), Washington, DC (\$307,000), Newark (\$302,000), Los Angeles (\$301,000) and San Diego (\$300,000).

On the other hand, the lowest insured mortgages were in Flint (\$111,000) and Grand Rapids, Michigan (\$120,000), Topeka (\$123,000), Lubbock (\$126,000) and Oklahoma City (\$127,000).

For the 4,461 jumbo mortgages insured 2,456 were purchase mortgages and 2,005 were refinanced transactions. Most of the jumbo mortgages were in the \$417,000 to \$699,000 range, but the \$700,000 group included 271 mortgages and there was a slightly higher percentage of purchase transactions.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

August 1-31, 2009

### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>TOTAL APPLICATIONS: *</b>	<b>222,528</b>	<b>233,450</b>	<b>-4.7%</b>	<b>193,881</b>	<b>14.8%</b>
Annual Rate	2,813,700	2,701,800	4.1%	2,496,400	12.7%
Average per workday	11,121	10,679	4.1%	9,751	14.0%
<b>Purchase</b>	<b>121,337</b>	<b>128,588</b>	<b>-5.6%</b>	<b>112,426</b>	<b>7.9%</b>
<b>Refinance</b>	<b>90,140</b>	<b>93,680</b>	<b>-3.8%</b>	<b>69,578</b>	<b>29.6%</b>
Prior FHA	30,680	31,803	-3.5%	5,359	472.5%
Conventional to FHA	59,460	61,877	-3.9%	63,755	-6.7%
Conventional to FHA (Delinquent)				464	
H4H (HOPE for Homeowners)					
<b>HECM</b>	<b>11,051</b>	<b>11,182</b>	<b>-1.2%</b>	<b>11,877</b>	<b>-7.0%</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>185,423</b>	<b>197,614</b>	<b>-6.2%</b>	<b>147,699</b>	<b>25.5%</b>
Annual Rate	2,225,100	2,371,400	-6.2%	1,772,400	25.5%
Weighted Average FICO Score **	692	686	0.9%	660	4.8%
Minority	42,869	45,014	-4.8%	38,001	12.8%
% Minority	23.1%	22.8%	0.3% #	25.7%	-2.6% #
<b>Purchase</b>	<b>109,069</b>	<b>106,123</b>	<b>2.8%</b>	<b>93,382</b>	<b>16.8%</b>
% Purchase	58.8%	53.7%	5.1% #	63.2%	-4.4% #
Average FICO Score **	697	695	0.3%	670	4.0%
1st Time Home Buyer	86,644	84,000	3.1%	71,276	21.6%
% 1st Time Home Buyer	79.4%	79.2%	0.3% #	76.3%	3.1% #
Non-Minority	57,500	55,493	3.6%	46,860	22.7%
% Non-Minority	66.4%	66.1%	0.3% #	65.7%	0.6% #
Minority	23,299	22,686	2.7%	19,868	17.3%
% Minority	26.9%	27.0%	-0.1% #	27.9%	-1.0% #
Not-Disclosed	5,845	5,820	0.4%	4,548	28.5%
% Not-Disclosed	6.7%	6.9%	-0.2% #	6.4%	0.4% #
<b>Refinanced</b>	<b>67,421</b>	<b>81,660</b>	<b>-17.4%</b>	<b>45,007</b>	<b>49.8%</b>
% Refinanced	36.4%	41.3%	-5.0% #	30.5%	5.9% #
Average FICO Score **	678	662	2.4%	639	6.1%
Prior FHA	31,775	41,973	-24.3%	6,604	381.1%
Streamline	28,762	38,650	-25.6%	3,812	654.5%
% Streamline	42.7%	47.3%	-4.7% #	8.5%	34.2% #
Full Process	3,013	3,323	-9.3%	2,792	7.9%
Cash Out	n/a	n/a	n/a	1677	n/a
Conventional to FHA	35,645	39,686	-10.2%	38,158	-6.6%
Cash Out	n/a	n/a	n/a	16,100	n/a
Conventional to FHA (Delinquent)	1	1		245	-99.6%
Total Cash Out	n/a	n/a	n/a	17,777	n/a
Total % Cash Out	n/a	n/a	n/a #	39.5%	n/a #
H4H (HOPE for Homeowners)	0	0			
<b>HECM</b>	<b>8,933</b>	<b>9,831</b>	<b>-9.1%</b>	<b>9,310</b>	<b>-4.0%</b>
% HECM	4.8%	5.0%	-0.2% #	6.3%	-1.5% #
HECM Traditional	7,977	8,877	-10.1%	9,092	-12.3%
HECM Traditional ARM	5,541	6,875	-19.4%	8,965	-38.2%
HECM Purchase	101	95	6.3%		
HECM Purchase ARM	51	57	-10.5%		
HECM Refinance	855	859	-0.5%	218	292.2%
% HECM Refinance	9.6%	8.7%	0.8% #	2.3%	7.2% #
HECM Refinance ARM	609	710	-14.2%	216	181.9%

Source: \* F17 CHUMS

# - Percentage point difference

n/a - not available

\*\* 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.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

August 1-31, 2009

### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	1,790	1,882	-4.9%	927	93.1%
Condominium Section 234(c)	10,569	10,442	1.2%	6,724	57.2%
% Condominium Section 234(c)	5.7%	5.3%	0.4% #	4.6%	1.1% #
ARM (Excludes HECM ARM)	2,173	1,553	39.9%	3,339	-34.9%
% ARM	1.2%	0.8%	0.4% #	2.3%	-1.1% #
Manufactured Housing (Real Estate)	3,273	3,965	-17.5%	5,715	-42.7%
Interest Buy-down	320	347	-7.8%	809	-60.4%
<b>Average Processing Time * ^</b>					
(Existing Homes, weeks)					
Application to Closing	6.9	6.8	0.7%	5.1	34.3%
Closing to Endorsement	4.4	4.5	-3.3%	4.7	-7.4%
<b>Lender Insurance *</b>					
Total Lender Insurance	131,168	137,891	-4.9%	109,425	19.9%
% of Total Insurance	70.7%	69.8%	1.0% #	74.1%	-3.3% #
Forward Mortgages	129,639	135,985	-4.7%	105,488	22.9%
HECM	1,529	1,906	-19.8%	3,937	-61.2%
<b>Automated Underwriting System * x</b>					
AUS Endorsed	141,877	142,438	-0.4%	108,273	31.0%
AUS as % of Total Endorsed	80.4%	75.9%	4.5% #	78.2%	2.2% #
<b>Mortgage Insurance *</b>					
Total Number	185,423	197,613	-6.2%	147,696	25.5%
Total Amount (\$M)	\$34,514	\$37,076	-6.9%	\$26,354	31.0%
Forward Mortgages					
Purchase Number	109,069	106,124	2.8%	93,379	16.8%
Amount (\$M)	\$19,132	\$18,488	3.5%	\$16,213	18.0%
Refinance Number					
Amount (\$M)	\$12,726	\$15,649	-18.7%	\$8,142	56.3%
Reverse Mortgages					
HECM Number	8,933	9,830	-9.1%	9,310	-4.0%
Max Claim Amount (\$M)	\$2,656	\$2,939	-9.6%	\$1,999	32.9%
<b>Mortgage Insurance-In-Force **</b>					
Total Number	5,406,747	5,263,811	2.7%	4,269,957	26.6%
Total Unpaid Balance Amount (\$M)	\$675,283	\$647,330	4.3%	\$453,719	48.8%

Source: \* F17 CHUMS \*\* A43 Single Family Insurance 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.

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

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

August 1-31, 2009

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2009	FY 2009 TO DATE	FY 2008 TO DATE	RATE OF CHANGE 2009/2008	FY 2008 FINAL
<b>TOTAL APPLICATIONS: *</b>	<b>3,000,000</b>	<b>2,637,117</b>	<b>1,772,419</b>	<b>48.8%</b>	<b>2,008,157</b>
<b>Purchase</b>	<b>1,185,000</b>	<b>1,124,636</b>	<b>856,854</b>	<b>31.3%</b>	<b>977,550</b>
<b>Refinance</b>	<b>1,650,000</b>	<b>1,368,919</b>	<b>782,555</b>	<b>74.9%</b>	<b>885,972</b>
Prior FHA	618,800	512,054	126,921	<b>303.4%</b>	147,992
Conventional to FHA	1,097,300	855,891	645,183	<b>32.7%</b>	727,225
Conventional to FHA (Delinquent)		974	10,451	<b>-90.7%</b>	10,755
H4H (HOPE for Homeowners)		949			
<b>HECM</b>	<b>165,000</b>	<b>143,562</b>	<b>133,010</b>	<b>7.9%</b>	<b>144,635</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>2,100,000</b>	<b>1,770,246</b>	<b>1,049,377</b>	<b>68.7%</b>	<b>1,199,624</b>
Minority	505,000	432,956	282,435	53.3%	322,002
% Minority	24.0%	24.5%	26.9%	-2.5% #	26.8%
<b>Purchase</b>	<b>1,085,700</b>	<b>888,034</b>	<b>535,554</b>	<b>65.8%</b>	<b>631,667</b>
% Purchase	51.7%	50.2%	51.0%	-0.9% #	52.7%
1st Time Home Buyer	868,600	695,643	418,751	66.1%	492,295
% 1st Time Home Buyer	80.0%	78.3%	78.2%	0.1% #	77.9%
Non-Minority	555,800	439,736	271,726	61.8%	319,449
% Non-Minority	64.0%	63.2%	64.9%	-1.7% #	64.9%
Minority	260,600	209,689	123,532	69.7%	144,623
% Minority	30.0%	30.1%	29.5%	0.6% #	29.4%
Not-Disclosed	52,000	46,182	23,512	96.4%	28,218
% Not-Disclosed	6.0%	6.6%	5.6%	1.0% #	5.7%
<b>Refinanced</b>	<b>894,600</b>	<b>776,955</b>	<b>411,158</b>	<b>89.0%</b>	<b>455,803</b>
% Refinanced	42.6%	43.9%	39.2%	4.7% #	38.0%
Prior FHA	393,600	340,560	89,807	279.2%	95,287
Streamline	340,000	305,157	64,169	375.6%	66,785
% Streamline	38.0%	39.3%	15.6%	23.7% #	14.7%
Full Process	53,600	35,403	25,638	38.1%	28,502
Cash Out	17,000	n/a	14,740	n/a	16,424
Conventional to FHA	500,650	436,025	317,615	37.3%	356,722
Cash Out	203,000	n/a	133,673	n/a	150,051
Conventional to FHA (Delinquent)	350	332	3,736	-91.1%	3,794
Total Cash Out	220,000	n/a	148,413	n/a	166,475
Total % Cash Out	24.6%	n/a	36.1%	n/a #	36.5%
H4H (HOPE for Homeowners)	30	1			
<b>HECM</b>	<b>119,700</b>	<b>105,305</b>	<b>102,665</b>	<b>2.6%</b>	<b>112,154</b>
% HECM	5.7%	5.9%	9.8%	-3.8% #	9.3%
HECM Traditional	108,500	96,687	98,445	-1.8%	107,719
HECM Traditional ARM	105,600	88,211	95,974	-8.1%	105,144
HECM Purchase	500	423			
HECM Purchase ARM	400	327			
HECM Refinance	10,700	8,195	4,220	94.2%	4,435
% HECM Refinance	8.9%	7.8%	4.1%	3.7% #	4.0%
HECM Refinance ARM	10,500	7,477	4,128	81.1%	4,342

Source: \* F17 CHUMS

# - Percentage point difference

n/a - not available

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

August 1-31, 2009

### FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2009	FY 2009 TO DATE	FY 2008 TO DATE	RATE OF CHANGE 2009/2008	FY 2008 FINAL
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	17,000	15,165	5,917	156.3%	6,751
Condominium Section 234(c)	94,500	86,082	39,940	115.5%	46,873
% Condominium Section 234(c)	4.5%	4.9%	3.8%	1.1% #	3.9%
ARM (Excludes HECM ARM)	12,000	11,066	9,612	15.1%	13,461
% ARM	0.6%	0.6%	0.9%	-0.3% #	1.1%
Manufactured Housing (Real Estate)	50,000	43,431	54,968	-21.0%	60,614
Interest Buy-down	8,000	6,445	6,398	0.7%	7,354
<b>Lender Insurance *</b>					
Total Lender Insurance	1,470,000	1,242,278	740,941	67.7%	852,844
% of Total Insurance	70.0%	70.2%	70.6%	-0.4% #	71.1%
Forward Mortgages	1,372,000	1,211,171	707,325	71.2%	815,525
HECM	98,000	31,107	33,616	-7.5%	37,319
<b>Automated Underwriting System * x</b>					
AUS Endorsed	1,575,000	1,262,458	619,185	103.9%	735,330
AUS as % of Total Endorsed	79.5%	75.8%	65.4%	10.4% #	67.6%
<b>Mortgage Insurance *</b>					
Total Number	2,100,000	1,770,237	1,049,343	68.7%	1,199,600
Total Amount (\$M)	\$386,300	\$328,015	\$178,755	83.5%	\$205,446
Forward Mortgages					
Purchase Number	1,085,000	888,035	535,539	65.8%	631,661
Amount (\$M)	\$186,000	\$153,005	\$85,304	79.4%	\$101,991
Refinance Number	894,000	776,902	411,140	89.0%	455,786
Amount (\$M)	\$169,800	\$147,625	\$71,181	107.4%	\$79,184
Reverse Mortgages					
HECM Number	121,000	105,300	102,664	2.6%	112,153
Max Claim Amount (\$M)	\$30,500	\$27,385	\$22,270	23.0%	\$24,271
<b>Claims **</b>					
Total Claims	210,000	189,175	144,294	31.1%	159,673
Loss Mitigation Retention	120,000	116,221	86,823	33.9%	96,482
Loss Mitigation (Property Sales)	7,000	6,415	4,172	53.8%	4,685
Other Claims (Conveyances)	83,000	66,539	53,299	24.8%	58,506

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.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

August 1-31, 2009

### AVERAGE FICO SCORE

(revised)

<u>Fiscal</u> <u>Year</u>	<u>All</u> <u>Loans</u>	<u>Purchase</u>	<u>Refinance</u>
<b>2007</b>	<b>631</b>	<b>635</b>	<b>622</b>
Oct	636	641	623
Nov	635	639	623
Dec	633	638	622
Jan	632	636	624
Feb	632	636	625
Mar	630	632	624
Apr	629	632	623
May	629	632	624
Jun	630	633	623
Jul	630	634	621
Aug	629	634	620
Sep	628	633	618
<b>2008</b>	<b>638</b>	<b>648</b>	<b>621</b>
Oct	621	634	601
Nov	621	633	606
Dec	621	632	606
Jan	621	633	609
Feb	622	633	611
Mar	629	639	618
Apr	635	646	622
May	644	654	630
Jun	653	663	637
Jul	658	667	641
Aug	660	670	639
Sep	660	671	636
<b>2009</b>	<b>672</b>	<b>683</b>	<b>652</b>
Oct	661	671	637
Nov	658	673	632
Dec	661	675	637
Jan	661	677	634
Feb	663	678	644
Mar	673	680	665
Apr	672	683	653
May	678	688	661
Jun	684	693	666
Jul	686	695	662
Aug	692	697	678

---

Source: SFDW

Note: All Loans averages are weighted averages based upon the number of purchase and refinance loans endorsed each month.