

## SINGLE FAMILY OPERATIONS

January 2010

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

### Applications

During January of 2010, we received 126,043 applications – a sharp decrease from the 243,511 we received during January of 2009. This may in part be because (1) FHA tightened its underwriting standards for streamline refinancing in mid-November and (2) during December and January there were severe weather conditions in the middle Atlantic States as well as some other parts of the country.

Of these 126,043 applications, 70,693 were requests for appraisal for purchase money mortgages, 49,545 for refinancing, and 5,805 for reverse mortgages (HECMs).

### Endorsements

158,618 single-family mortgages were endorsed for insurance during January 2010. This consisted of 90,030 purchase money mortgages, 60,954 refinanced mortgages, and 7,628 HECMs. Of the refinancing, 30,266 were on prior FHA mortgages and 30,689 were on conventional mortgages. No H4H mortgages were endorsed during January, 2010.

The 7,628 HECMs consisted of 6,911 traditional HECMs, 113 purchase HECMs, and 605 refinanced HECMs.

Over the past year, there has been a gradual increase in the use of adjustable rate mortgages (ARMs). From a low of 184 ARM endorsements during February 2009, we endorsed 4,362 ARMs during December 2009, and 3,707 during January 2010.

### Automated Underwriting

During January, 120,145 single-family mortgages were accepted and endorsed using the FHA score card, TOTAL. That represented 79.6 percent of all cases endorsed for the month.

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

January 2010

### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>TOTAL APPLICATIONS: *</b>	<b>126,043</b>	<b>141,766</b>	<b>-11.1%</b>	<b>243,511</b>	<b>-48.2%</b>
Annual Rate	1,681,500	2,138,400	-21.4%	3,232,300	-48.0%
Average per workday	6,646	8,452	-21.4%	12,776	-48.0%
<b>Purchase</b>	<b>70,693</b>	<b>74,453</b>	<b>-5.1%</b>	<b>63,258</b>	<b>11.8%</b>
<b>Refinance</b>	<b>49,545</b>	<b>60,387</b>	<b>-18.0%</b>	<b>167,576</b>	<b>-70.4%</b>
Prior FHA	10,377	15,198	-31.7%	73,835	-85.9%
Conventional to FHA	39,168	45,189	-13.3%	93,739	-58.2%
Conventional to FHA (Delinquent)				2	-100.0%
H4H (HOPE for Homeowners)	43	19	126.3%	95	-54.7%
<b>HECM</b>	<b>5,805</b>	<b>6,926</b>	<b>-16.2%</b>	<b>12,677</b>	<b>-54.2%</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>158,612</b>	<b>179,155</b>	<b>-11.5%</b>	<b>143,961</b>	<b>10.2%</b>
Annual Rate	1,903,300	2,149,900	-11.5%	1,727,500	10.2%
Weighted Average FICO Score **	694	694	0.0%	660	5.2%
Minority	39,618	42,217	-6.2%	37,837	4.7%
% Minority	25.0%	23.6%	1.4% #	26.3%	-1.3% #
<b>Purchase</b>	<b>90,030</b>	<b>106,137</b>	<b>-15.2%</b>	<b>70,674</b>	<b>27.4%</b>
% Purchase	56.8%	59.2%	-2.5% #	49.1%	7.7% #
Average FICO Score **	696	696	0.0%	677	2.8%
1st Time Home Buyer	73,111	89,124	-18.0%	54,534	34.1%
% 1st Time Home Buyer	81.2%	84.0%	-2.8% #	77.2%	4.0% #
Non-Minority	44,970	57,896	-22.3%	32,402	38.8%
% Non-Minority	61.5%	65.0%	-3.5% #	59.4%	2.1% #
Minority	23,049	25,304	-8.9%	18,500	24.6%
% Minority	31.5%	28.4%	3.1% #	33.9%	-2.4% #
Not-Disclosed	5,089	5,924	-14.1%	3,629	40.2%
% Not-Disclosed	7.0%	6.6%	0.3% #	6.7%	0.3% #
<b>Refinanced</b>	<b>60,954</b>	<b>64,734</b>	<b>-5.8%</b>	<b>63,429</b>	<b>-3.9%</b>
% Refinanced	38.4%	36.1%	2.3% #	44.1%	-5.6% #
Average FICO Score **	690	687	0.4%	633	9.0%
Prior FHA	30,266	36,553	-17.2%	22,646	33.6%
Streamline	26,938	34,001	-20.8%	19,377	39.0%
% Streamline	44.2%	52.5%	-8.3% #	30.5%	13.6% #
Full Process	3,328	2,552	30.4%	3,269	1.8%
Cash Out	1,148	1,027	11.8%	1,447	-20.7%
Conventional to FHA	30,689	28,181	8.9%	40,744	-24.7%
Cash Out	9,803	8,889	10.3%	13,441	-27.1%
Conventional to FHA (Delinquent)	0			50	-100.0%
Total Cash Out	10,951	9,916	10.4%	14,888	-26.4%
Total % Cash Out	18.0%	15.3%	2.6% #	23.5%	-5.5% #
H4H (HOPE for Homeowners)	0	0			
<b>HECM</b>	<b>7,628</b>	<b>8,284</b>	<b>-7.9%</b>	<b>9,858</b>	<b>-22.6%</b>
% HECM	4.8%	4.6%	0.2% #	6.8%	-2.0% #
HECM Traditional	6,911	7,630	-9.4%	8,780	-21.3%
HECM Traditional ARM	2,244	2,418	-7.2%	8,448	-73.4%
HECM Purchase	113	155	-27.1%		
HECM Purchase ARM	8	21	-61.9%		
HECM Refinance	605	499	21.2%	1,078	-43.9%
% HECM Refinance	7.9%	6.0%	1.9% #	10.9%	-3.0% #
HECM Refinance ARM	170	142	19.7%	1,047	-83.8%

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

## SINGLE FAMILY OPERATIONS

January 2010

### MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	1,917	1,800	6.5%	1,532	25.1%
Condominium	9,185	10,483	-12.4%	6,452	42.4%
% Condominium	5.8%	5.9%	-0.1% #	4.5%	1.3% #
ARM (Excludes HECM ARM)	3,707	4,362	-15.0%	483	667.5%
% ARM	2.3%	2.4%	-0.1% #	0.3%	2.0% #
Manufactured Housing (Real Estate)	2,961	2,937	0.8%	4,093	-27.7%
Interest Buy-down	275	361	-23.8%	631	-56.4%
<b>Average Processing Time * ^</b>					
(Existing Homes, weeks)					
Application to Closing	8.2	7.5	9.3%	5.6	46.4%
Closing to Endorsement	5.3	4.4	20.5%	4.0	32.5%
<b>Lender Insurance *</b>					
Total Lender Insurance	114,661	124,914	-8.2%	103,891	10.4%
% of Total Insurance	72.3%	69.7%	2.6% #	72.2%	0.1% #
Forward Mortgages	113,357	123,231	-8.0%	99,930	13.4%
HECM	1,304	1,683	-22.5%	3,961	-67.1%
<b>Automated Underwriting System * x</b>					
AUS Endorsed	120,145	132,449	-9.3%	105,043	14.4%
AUS as % of Total Endorsed	79.6%	77.5%	2.1% #	78.3%	1.2% #
<b>Mortgage Insurance *</b>					
Total Number	158,612	179,155	-11.5%	143,961	10.2%
Total Amount (\$B)	\$29.1	\$32.5	-10.5%	\$26.6	9.4%
Forward Mortgages					
Total Forward Number	150,984	170,871	-11.6%	134,103	12.6%
Amount (\$B)	\$27.0	\$30.2	-10.6%	\$24.1	12.0%
Purchase Number	90,030	106,137	-15.2%	70,674	27.4%
Amount (\$B)	\$15.5	\$17.9	-13.4%	\$12.3	26.0%
Refinance Number	60,954	64,734	-5.8%	63,429	-3.9%
Amount (\$B)	\$11.5	\$12.3	-6.5%	\$11.8	-2.5%
Reverse Mortgages					
HECM Number	7,628	8,284	-7.9%	9,858	-22.6%
Max Claim Amount (\$B)	\$2.1	\$2.3	-8.7%	\$2.5	-16.0%
<b>Mortgage Insurance-In-Force **</b>					
Total Number	5,917,805	5,815,006	1.8%	4,756,624	24.4%
Total Unpaid Balance Amount (\$B)	\$768.7	\$750.3	2.5%	\$547.5	40.4%
<b>Loans Seriously Delinquent *** &lt;</b>					
90 Days + Delinquent	558,944	531,671	5.1%	344,856	62.1%
Seriously Delinquent Rate	9.4%	9.1%	0.3% #	7.3%	2.1% #

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

## SINGLE FAMILY OPERATIONS

January 2010

### 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
<b>TOTAL APPLICATIONS: *</b>	<b>2,500,000</b>	<b>727,120</b>	<b>873,694</b>	<b>-16.8%</b>	<b>2,880,628</b>
<b>Purchase</b>	<b>1,375,000</b>	<b>373,161</b>	<b>311,554</b>	<b>19.8%</b>	<b>1,256,494</b>
<b>Refinance</b>	<b>1,000,000</b>	<b>328,765</b>	<b>505,387</b>	<b>-34.9%</b>	<b>1,472,023</b>
Prior FHA	375,000	143,234	154,246	-7.1%	559,698
Conventional to FHA	625,000	185,531	349,928	-47.0%	911,373
Conventional to FHA (Delinquent)			1,213		952
H4H (HOPE for Homeowners)		103	465	-77.8%	934
<b>HECM</b>	<b>125,000</b>	<b>25,194</b>	<b>56,753</b>	<b>-55.6%</b>	<b>162,619</b>
<b>TOTAL ENDORSEMENTS: *</b>	<b>1,875,000</b>	<b>671,148</b>	<b>580,891</b>	<b>15.5%</b>	<b>1,946,809</b>
Minority	487,500	159,236	155,700	2.3%	474,072
% Minority	26.0%	23.7%	26.8%	-3.1% #	24.4%
<b>Purchase</b>	<b>969,375</b>	<b>394,998</b>	<b>332,109</b>	<b>18.9%</b>	<b>995,590</b>
% Purchase	51.7%	58.9%	57.2%	1.7% #	51.1%
1st Time Home Buyer	775,500	325,705	256,267	27.1%	781,718
% 1st Time Home Buyer	80.0%	82.5%	77.2%	5.3% #	78.5%
Non-Minority	496,320	211,181	157,485	34.1%	496,506
% Non-Minority	64.0%	64.8%	61.5%	3.4% #	63.5%
Minority	232,650	93,003	82,077	13.3%	233,104
% Minority	30.0%	28.6%	32.0%	-3.5% #	29.8%
Not-Disclosed	46,530	21,527	16,656	29.2%	52,054
% Not-Disclosed	6.0%	6.6%	6.5%	0.1% #	6.7%
<b>Refinanced</b>	<b>798,750</b>	<b>243,729</b>	<b>211,271</b>	<b>15.4%</b>	<b>836,528</b>
% Refinanced	42.6%	36.3%	36.4%	-0.1% #	43.0%
Prior FHA	351,450	126,442	48,296	161.8%	367,480
Streamline	311,522	115,675	36,121	220.2%	329,441
% Streamline	39.0%	47.5%	17.1%	30.4% #	39.4%
Full Process	39,928	10,767	12,175	-11.6%	38,039
Cash Out	17,000	4,341	6,113	-29.0%	23,432
Conventional to FHA	447,300	117,288	162,699	-27.9%	468,740
Cash Out	203,000	38,621	60,449	-36.1%	233,755
Conventional to FHA (Delinquent)	320		293		316
Total Cash Out	220,000	42,962	66,562	-35.5%	257,187
Total % Cash Out	27.5%	17.6%	31.5%	-13.9% #	30.7%
H4H (HOPE for Homeowners)		12			23
<b>HECM</b>	<b>106,875</b>	<b>32,421</b>	<b>37,511</b>	<b>-13.6%</b>	<b>114,691</b>
% HECM	5.7%	4.8%	6.5%	-1.6% #	5.9%
HECM Traditional	96,188	29,631	35,414	-16.3%	105,467
HECM Traditional ARM	94,264	10,230	34,500	-70.3%	96,659
HECM Purchase	3,420	533			423
HECM Purchase ARM	3,352	65			327
HECM Refinance	7,268	2,258	2,097	7.7%	9,273
% HECM Refinance	6.8%	7.0%	5.6%	1.4% #	8.1%
HECM Refinance ARM	7,122	682	2,047	-66.7%	8,524

Source: \* F17 CHUMS

# - Percentage point difference

# FHA OUTLOOK

## SINGLE FAMILY OPERATIONS

January 2010

### 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
<b>FORWARD ENDORSEMENTS ONLY: *</b>					
Section 203(k)	15,000	7,191	5,033	42.9%	16,904
Condominium	84,375	39,043	27,204	43.5%	96,119
% Condominium	4.5%	5.8%	4.7%	1.1% #	4.9%
ARM (Excludes HECM ARM)	9,375	15,956	5,851	172.7%	14,361
% ARM	0.5%	2.4%	1.0%	1.4% #	0.7%
Manufactured Housing (Real Estate)	50,000	11,610	18,988	-38.9%	46,463
Interest Buy-down	8,000	1,340	4,268	-68.6%	6,702
<b>Lender Insurance *</b>					
Total Lender Insurance	1,312,500	474,012	419,797	12.9%	1,363,323
% of Total Insurance	70.0%	70.6%	72.3%	-1.6% #	70.0%
Forward Mortgages	1,273,125	467,203	407,337	14.7%	1,330,825
HECM	39,375	6,809	12,460	-45.4%	32,498
<b>Automated Underwriting System * x</b>					
AUS Endorsed	1,406,250	505,476	451,958	11.8%	1,399,854
AUS as % of Total Endorsed	79.5%	79.1%	83.2%	-4.0% #	76.4%
<b>Mortgage Insurance *</b>					
Total Number	1,875,000	671,143	580,891	15.5%	1,946,809
Total Amount (\$B)	\$349.7	\$122.5	\$104.6	17.1%	\$360.7
Forward Mortgages					
Total Forward Number	1,768,125	638,722	543,380	17.5%	1,832,118
Amount (\$B)	\$323.0	\$113.4	\$96.1	18.0%	\$330.5
Purchase Number					
Purchase Number	969,375	394,996	332,109	18.9%	995,590
Amount (\$B)	\$169.6	\$67.5	\$57.6	17.1%	\$171.7
Refinance Number					
Refinance Number	798,750	243,726	211,271	15.4%	836,528
Amount (\$B)	\$153.4	\$46.0	\$38.5	19.4%	\$158.8
Reverse Mortgages					
HECM Number	106,875	32,421	37,511	-13.6%	114,691
Max Claim Amount (\$B)	\$26.7	\$9.1	\$8.5	6.7%	\$30.2
<b>Claims **</b>					
Total Claims	213,000	77,877	61,721	26.2%	207,957
Loss Mitigation Retention	130,000	44,195	38,704	14.2%	127,134
Loss Mitigation (Property Sales)	8,000	4,312	2,027	112.7%	7,410
Other Claims (Conveyances)	75,000	29,370	20,990	39.9%	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.