

SINGLE-FAMILY OPERATIONS

June 2010

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Applications

During the month of June 168,915 applications for insurance were received. Included were 89,951 purchase transactions, 69,876 refinance cases and 9,088 HECM applications. The refinance cases consisted of 23,659 prior FHA's and 46,217 conventional conversions to FHA. There were 50 Hope for Homeowner cases which part of the refinances.

Based on the applications received, the seasonally adjusted annual rate was estimated to be 1,898,900, down 13 percent from last month and the lowest rate since January -- 1,691,500.

Endorsements

This month 150,911 mortgages were endorsed for insurance. They included 115,831 purchase money mortgages, 29,776 refinanced mortgages and 5,304 reverse mortgages. The refinance total consisted of 9,682 former FHA mortgages and 20,095 prior conventional mortgages.

Of the 9,682 FHA mortgages refinanced, 6,801 were processed using streamlined procedures. Seven H4H mortgages were insured -- all former conventional loans.

Automated Underwriting

During the month 134,648 mortgages were accepted and endorsed using the FHA score card (TOTAL). This number represents 92.5 percent of the mortgages insured during this period.

Insurance-In-Force

In June, FHA insured 150,911 mortgages with a face amount of \$26.4 billion. At the end of the month, FHA had 6,402,527 mortgages in force with an outstanding balance of \$865.5 billion.

Defaults and Claims

As of June 30, 532,757 mortgages were at least 90 days or more in a delinquent status for a seriously default rate of 8.3%.

So far this fiscal year, FHA has paid 207,715 claims. 124,191 were for loss mitigation and 83,524 were for property conveyances.

FHA OUTLOOK

SINGLE-FAMILY OPERATIONS

June 2010

MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
TOTAL APPLICATIONS: *	168,915	181,524	-6.9%	239,405	-29.4%
Annual Rate	1,848,900	2,125,700	-13.0%	2,637,400	-29.9%
Average per workday	7,308	8,402	-13.0%	20,849	-64.9%
Purchase	89,951	121,035	-25.7%	133,715	-32.7%
Refinance	69,876	52,135	34.0%	94,263	-25.9%
Prior FHA	23,659	13,668	73.1%	34,367	-31.2%
Conventional to FHA	46,217	38,467	20.1%	59,896	-22.8%
H4H (HOPE for Homeowners)	50	72	-30.6%		
HECM	9,088	8,354	8.8%	11,427	-20.5%
TOTAL ENDORSEMENTS: *	150,911	124,759	21.0%	194,526	-22.4%
Annual Rate	1,810,900	1,497,100	21.0%	2,334,300	-22.4%
Weighted Average FICO Score **	697	698	-0.1%	684	1.9%
Minority	37,728	30,420	24.0%	43,606	-13.5%
% Minority	25.0%	24.4%	0.6% #	22.4%	2.6% #
Purchase	115,831	89,291	29.7%	88,975	30.2%
% Purchase	76.8%	71.6%	5.2% #	45.7%	31.0% #
Average FICO Score **	698	698	0.0%	693	0.7%
1st Time Home Buyer	92,198	71,091	29.7%	70,456	30.9%
% 1st Time Home Buyer	79.6%	79.6%	0.0% #	79.2%	0.4% #
Non-Minority	59,725	46,272	29.1%	46,175	29.3%
% Non-Minority	64.8%	65.1%	-0.3% #	65.5%	-0.8% #
Minority	26,701	20,383	31.0%	19,498	36.9%
% Minority	29.0%	28.7%	0.3% #	27.7%	1.3% #
Not-Disclosed	5,772	4,434	30.2%	4,783	20.7%
% Not-Disclosed	6.3%	6.2%	0.0% #	6.8%	-0.5% #
Refinanced	29,776	30,909	-3.7%	96,918	-69.3%
% Refinanced	19.7%	24.8%	-5.0% #	49.8%	-30.1% #
Average FICO Score **	694	695	-0.1%	666	4.2%
Prior FHA	9,682	9,827	-1.5%	56,885	-83.0%
Streamline	6,801	6,909	-1.6%	53,622	-87.3%
% Streamline	22.8%	22.4%	0.5% #	55.3%	-32.5% #
Full Process	2,881	2,918	-1.3%	3,263	-11.7%
Cash Out	892	796	12.1%	1,898	-53.0%
Conventional to FHA	20,095	21,084	-4.7%	40,032	-49.8%
Cash Out	6,426	6,804	-5.6%	17,926	-64.2%
Total Cash Out	7,318	7,600	-3.7%	19,824	-63.1%
Total % Cash Out	24.6%	24.6%	0.0% #	20.5%	4.1% #
H4H (HOPE for Homeowners)	7	6		0	
HECM	5,304	4,554	16.5%	8,633	-38.6%
% HECM	3.5%	3.7%	-0.1% #	4.4%	-0.9% #
HECM Traditional	4,916	4,239	16.0%	7,791	-36.9%
HECM Traditional ARM	1,348	1,231	9.5%	6,485	-79.2%
HECM Purchase	101	76	32.9%	60	68.3%
HECM Purchase ARM	5	3	66.7%	56	-91.1%
HECM Refinance	287	239	20.1%	782	-63.3%
% HECM Refinance	5.4%	5.2%	0.2% #	9.1%	-3.6% #
HECM Refinance ARM	74	48	54.2%	667	-88.9%

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

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MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	1,845	1,574	17.2%	1,704	8.3%
Condominium	7,638	5,942	28.5%	9,889	-22.8%
% Condominium	5.1%	4.8%	0.3% #	5.1%	0.0% #
ARM (Excludes HECM ARM)	4,542	3,383	34.3%	514	783.7%
% ARM	3.0%	2.7%	0.3% #	0.3%	2.7% #
Manufactured Housing (Real Estate)	2,345	2,001	17.2%	3,902	-39.9%
Interest Buy-down	404	318	27.0%	323	25.1%
Average Processing Time * ^					
(Existing Homes, weeks)					
Application to Closing	7.1	6.6	7.6%	6.6	7.6%
Closing to Endorsement	3.9	3.4	14.7%	4.1	-4.9%
Lender Insurance *					
Total Lender Insurance	111,490	94,049	18.5%	137,566	-19.0%
% of Total Insurance	73.9%	75.4%	-1.5% #	70.7%	3.2% #
Forward Mortgages	110,374	93,001	18.7%	135,952	-18.8%
HECM	1,116	1,048	6.5%	1,614	-30.9%
Automated Underwriting System * x					
AUS Endorsed	134,648	109,838	22.6%	126,068	6.8%
AUS as % of Total Endorsed	92.5%	91.4%	1.1% #	67.8%	24.7% #
Mortgage Insurance *					
Total Number	150,911	124,754	21.0%	194,526	-22.4%
Total Amount (\$B)	\$26.4	\$22.3	18.4%	\$36.8	-28.3%
Forward Mortgages					
Total Forward Number	145,607	120,200	21.1%	185,893	-21.7%
Amount (\$B)	\$25.1	\$21.1	19.0%	\$34.2	-26.6%
Purchase Number	115,831	89,291	29.7%	88,975	30.2%
Amount (\$B)	\$19.6	\$15.3	28.1%	\$15.2	28.9%
Refinance Number	29,776	30,909	-3.7%	96,918	-69.3%
Amount (\$B)	\$5.5	\$5.8	-5.2%	\$19.0	-71.1%
Reverse Mortgages					
HECM Number	5,304	4,554	16.5%	8,633	-38.6%
Max Claim Amount (\$B)	\$1.3	\$1.2	8.3%	\$2.6	-50.0%
Mortgage Insurance-In-Force **					
Total Number	6,402,527	6,296,586	1.7%	5,156,279	24.2%
Total Unpaid Balance Amount (\$B)	\$865.5	\$837.8	3.3%	\$663.8	30.4%
Loans Seriously Delinquent *** <					
90 Days + Delinquent	532,757	530,140	0.5%	392,123	35.9%
Seriously Delinquent Rate	8.3%	8.4%	-0.1% #	7.6%	0.7% #

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

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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	1,704,783	2,181,139	-21.8%	2,876,522
Purchase	1,375,000	994,268	874,711	13.7%	1,256,494
Refinance	1,000,000	645,669	1,185,099	-45.5%	1,472,023
Prior FHA	375,000	230,185	449,571	-48.8%	559,698
Conventional to FHA	625,000	415,484	734,554	-43.4%	911,373
H4H (HOPE for Homeowners)		421	949	-55.6%	934
HECM	125,000	64,846	121,329	-46.6%	162,619
TOTAL ENDORSEMENTS: *	1,875,000	1,337,243	1,387,209	-3.6%	1,946,809
Minority	487,500	325,468	345,073	-5.7%	474,072
% Minority	26.0%	24.3%	24.9%	-0.5% #	24.4%
Purchase	969,375	840,691	672,842	24.9%	995,590
% Purchase	51.7%	62.9%	48.5%	14.4% #	51.1%
1st Time Home Buyer	775,500	678,968	525,015	29.3%	781,718
% 1st Time Home Buyer	80.0%	80.8%	78.0%	2.7% #	78.5%
Non-Minority	496,320	435,648	326,743	33.3%	496,506
% Non-Minority	64.0%	64.2%	62.2%	1.9% #	63.5%
Minority	232,650	198,941	163,704	21.5%	233,104
% Minority	30.0%	29.3%	31.2%	-1.9% #	29.8%
Not-Disclosed	46,530	44,375	34,517	28.6%	52,054
% Not-Disclosed	6.0%	6.5%	6.6%	0.0% #	6.7%
Refinanced	798,750	435,949	627,826	-30.6%	836,528
% Refinanced	42.6%	32.6%	45.3%	-12.7% #	43.0%
Prior FHA	351,450	195,252	266,830	-26.8%	367,480
Streamline	311,522	167,830	237,745	-29.4%	329,441
% Streamline	39.0%	38.5%	37.9%	0.6% #	39.4%
Full Process	39,928	27,422	29,067	-5.7%	38,039
Cash Out	17,000	9,261	18,541	-50.1%	23,432
Conventional to FHA	447,300	240,695	361,014	-33.3%	468,740
Cash Out	203,000	78,559	188,089	-58.2%	233,755
Total Cash Out	220,000	87,820	206,630	-57.5%	257,187
Total % Cash Out	27.5%	20.1%	32.9%	-12.8% #	30.7%
H4H (HOPE for Homeowners)		48	1		23
HECM	106,875	60,604	86,541	-30.0%	114,691
% HECM	5.7%	4.5%	6.2%	-1.7% #	5.9%
HECM Traditional	96,188	55,626	79,833	-30.3%	104,478
HECM Traditional ARM	94,264	17,807	75,795	-76.5%	94,696
HECM Purchase	3,420	1,011	227	345.4%	483
HECM Purchase ARM	3,352	107	219	-51.1%	383
HECM Refinance	7,268	3,967	6,481	-38.8%	8,977
% HECM Refinance	6.8%	6.5%	7.5%	-0.9% #	7.8%
HECM Refinance ARM	7,122	1,216	6,158	-80.3%	8,144

Source: * F17 CHUMS

- Percentage point difference

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
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	22,000	16,393	11,493	42.6%	16,904
Condominium	110,000	73,699	65,071	13.3%	96,119
% Condominium	5.9%	5.5%	4.7%	0.8% #	4.9%
ARM (Excludes HECM ARM)	50,000	33,849	7,360	359.9%	14,361
% ARM	2.7%	2.5%	0.5%	2.0% #	0.7%
Manufactured Housing (Real Estate)	50,000	23,615	36,193	-34.8%	46,463
Interest Buy-down	4,000	2,896	5,778	-49.9%	6,702
Lender Insurance *					
Total Lender Insurance	1,312,500	970,573	973,219	-0.3%	1,363,323
% of Total Insurance	70.0%	72.6%	70.2%	2.4% #	70.0%
Forward Mortgages	1,273,125	958,296	945,547	1.3%	1,330,825
HECM	39,375	12,277	27,672	-55.6%	32,498
Automated Underwriting System * x					
AUS Endorsed	1,406,250	1,072,393	978,143	9.6%	1,399,854
AUS as % of Total Endorsed	79.5%	84.0%	75.2%	8.8% #	76.4%
Mortgage Insurance *					
Total Number	1,875,000	1,337,230	1,387,201	-3.6%	1,946,809
Total Amount (\$B)	\$349.7	\$242.6	\$256.5	-5.4%	\$360.7
Forward Mortgages					
Total Forward Number	1,768,125	1,276,629	1,300,664	-1.8%	1,832,118
Amount (\$B)	\$323.0	\$226.2	\$234.7	-3.6%	\$330.5
Purchase Mortgages					
Purchase Number	969,375	840,687	672,842	24.9%	995,590
Amount (\$B)	\$169.6	\$144.4	\$115.4	25.1%	\$171.7
Refinance Mortgages					
Refinance Number	798,750	435,942	627,822	-30.6%	836,528
Amount (\$B)	\$153.4	\$81.8	\$119.3	-31.4%	\$158.8
Reverse Mortgages					
HECM Number	106,875	60,601	86,537	-30.0%	114,691
Max Claim Amount (\$B)	\$26.7	\$16.4	\$21.8	-24.8%	\$30.2
Claims **					
Total Claims	213,000	207,715	148,333	40.0%	207,957
Loss Mitigation Retention	130,000	124,191	91,575	35.6%	127,134
Loss Mitigation (Property Sales)	8,000	11,407	4,781	138.6%	7,410
Other Claims (Conveyances)	75,000	72,117	51,977	38.7%	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.