

FHA's Home Equity Conversion Mortgages (HECMs)

MBA Washington, DC 2007

HECM Production

This is Good!

- FY04---37,789
- FY05---43,081
- FY06---76,283
- FY07---58,861

This Isn't!

- 3.7% of total
- 7.7%
- 15.2%
- 21.0%

Top HECM States (Total Since Inception)

■ California	69,314
■ Florida	25,664
■ New York	15,782
■ Texas	13,821
■ New Jersey	10,787
■ Colorado	9910
■ Michigan	9659

HECM Changes

With Modernization

- Eliminates Volume Cap
- One-nationwide limit
- HECM for Purchase
- Co-op Fix
- Study of Costs to Homeowner

Internal Improvements

- Fixed-Rate ML
- Broker/Advisor
- MIP Reduction for Refis of Assigned Loans
- LIBOR (w/OMB)
- Updated 4235.1 handbook

Stuff We're Working On...

- 2 and 3 Unit Condo Projects (which would include HECMs)
- MH/Condo Projects (Proposed Rule)
- HECM Condo (Relaxed Approval Process)
- HECM “Underwriting” Rule
- HECM Counseling Roster Rule