



A Review of FHA's Multifamily Production through FY 2016 through August 31

Western Lenders

Fall 2016

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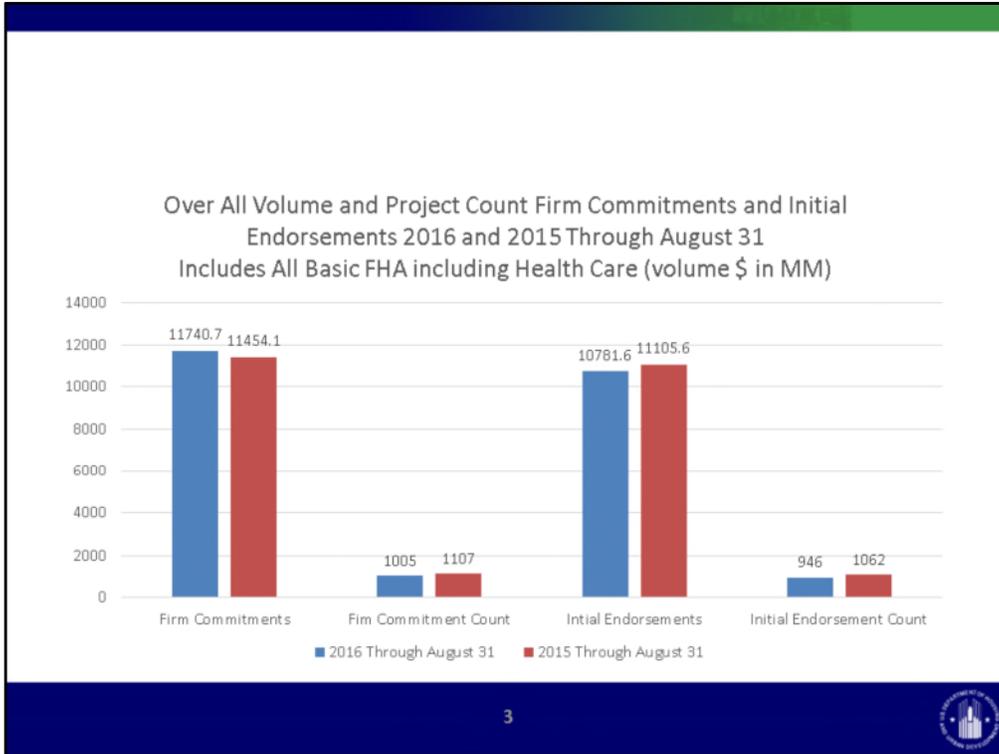
This presentation will review our current production in terms of historical figures, review the mix of programs under which we have been closing loans. I will have a few slides about our recent quarter-by-quarter volume of Firm Commitments that highlight the question Where do we go from here?.

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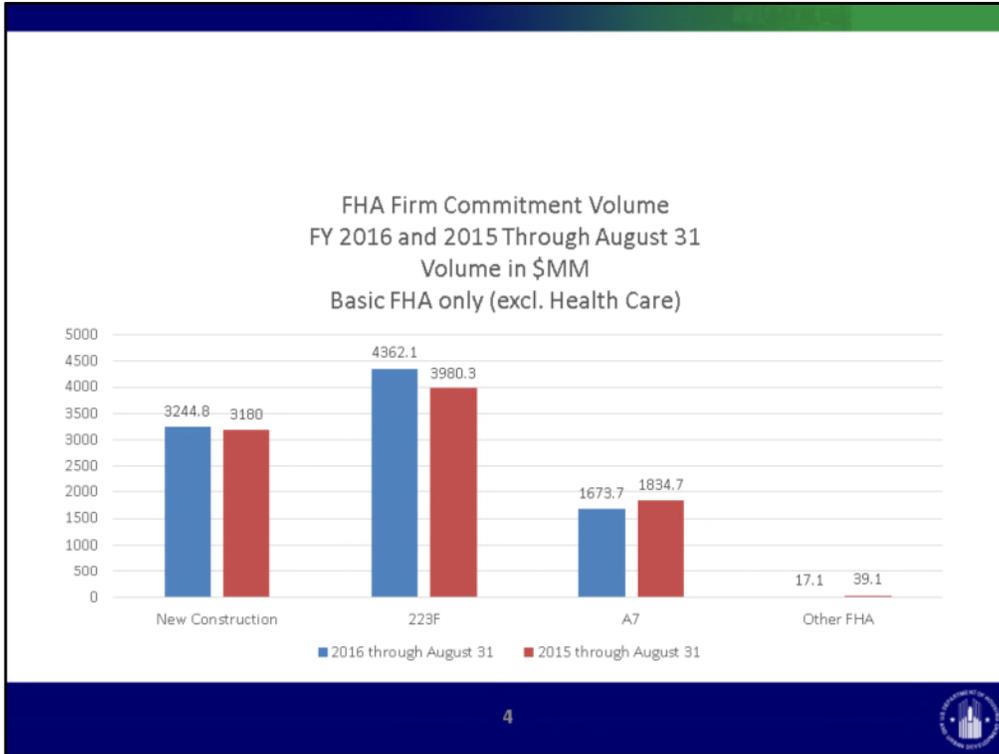


Firm Commitment volume for the last years by quarter.

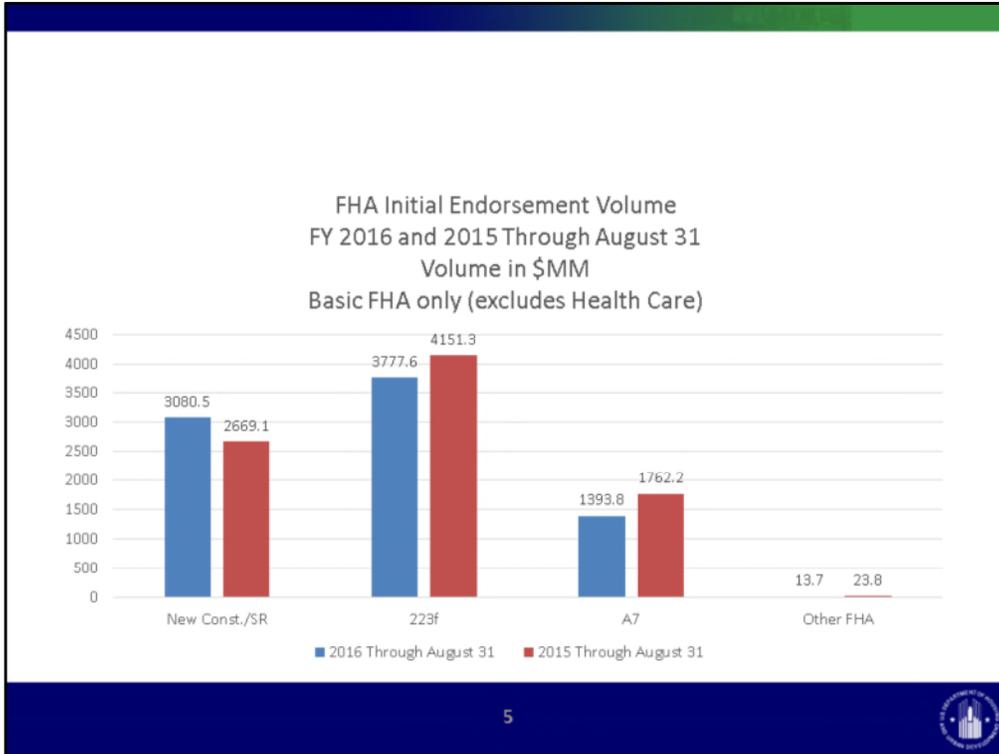
You can see that our Commitment volume shows a regular yearly pattern but the trend has been down since 2013. A7 volume explains much of this decrease.



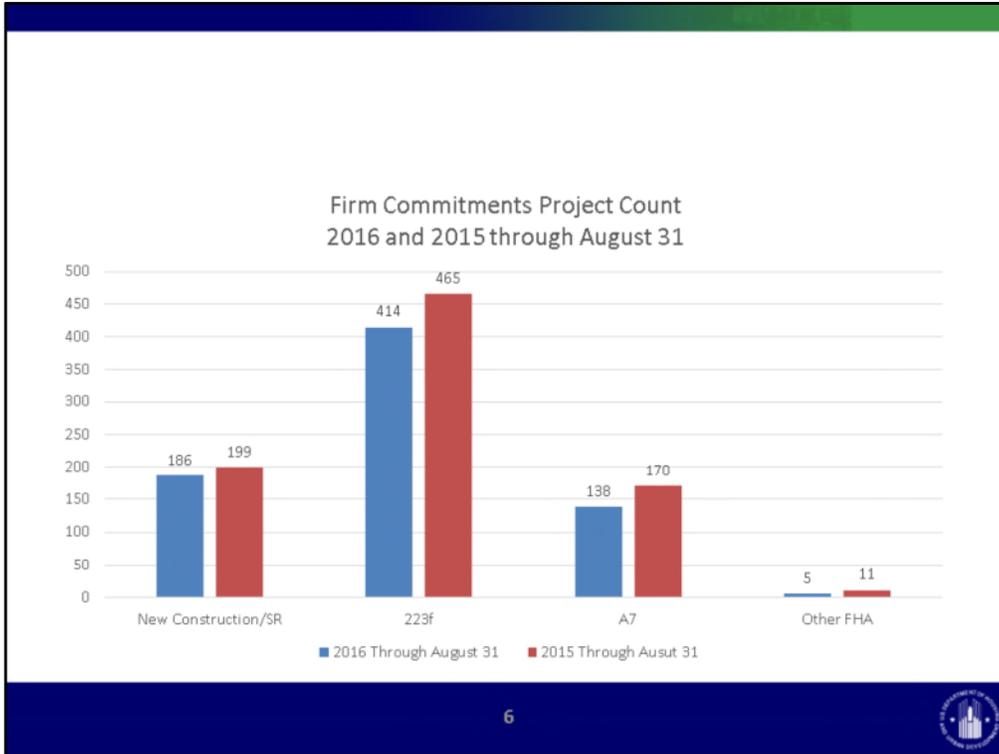
As for the past two years, our year to date volume including Health Care is very steady. We are within a few percentage points of last year in both Firms and Initial Endorsements volume and the number of projects underwritten.



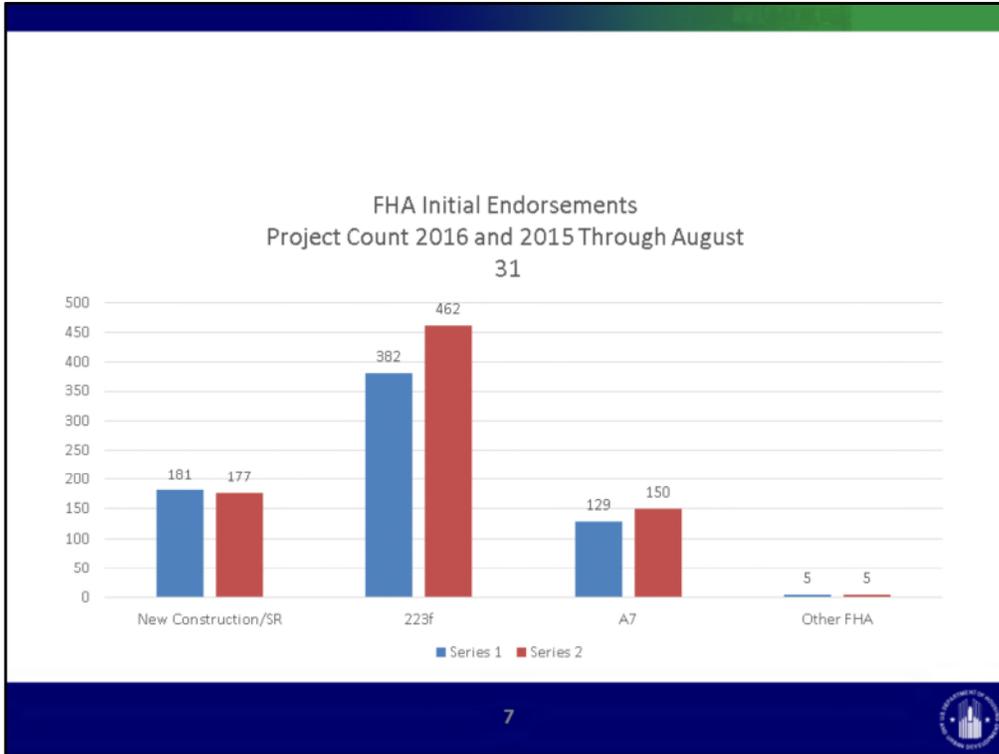
The mix of our Firm Commitment volume is only slightly different from last year's mix. Larger new construction projects seem to be a trend.



This, our Endorsement volume mix follows the same trends. Overall about the same as last year with fewer A7 projects.



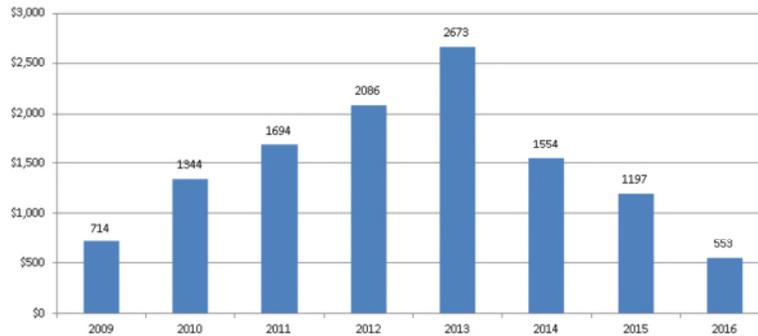
Project Count is overall lower in all categories of firm commitments.



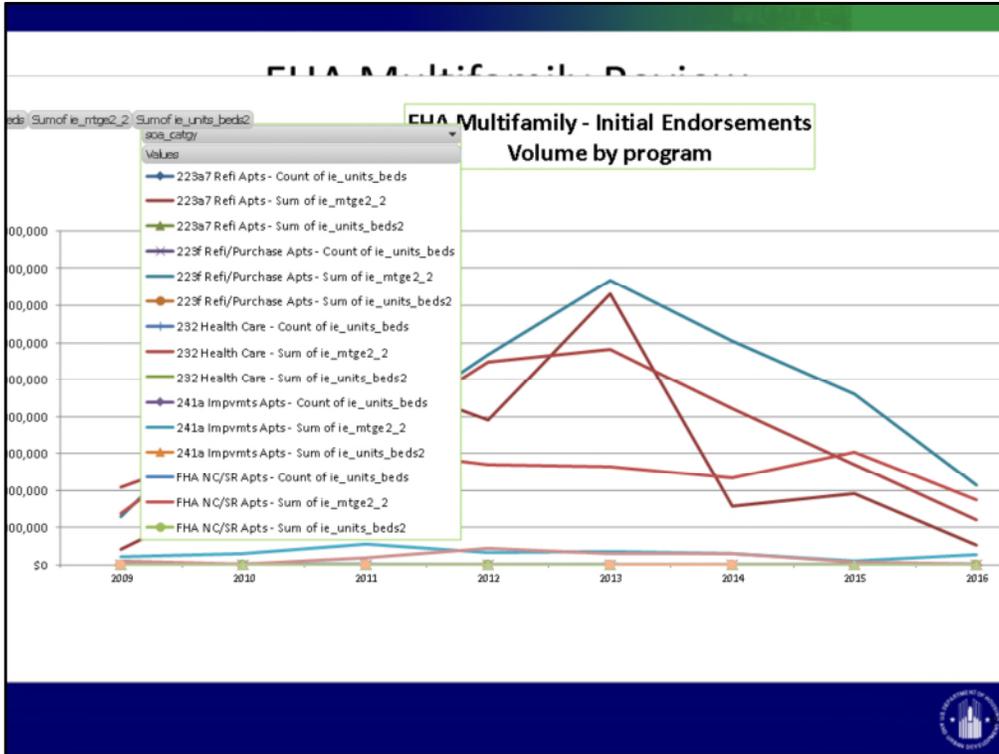
Project Counts of initial endorsements reflect the trend we've seen: NC up a bit 22fs and A7s down.

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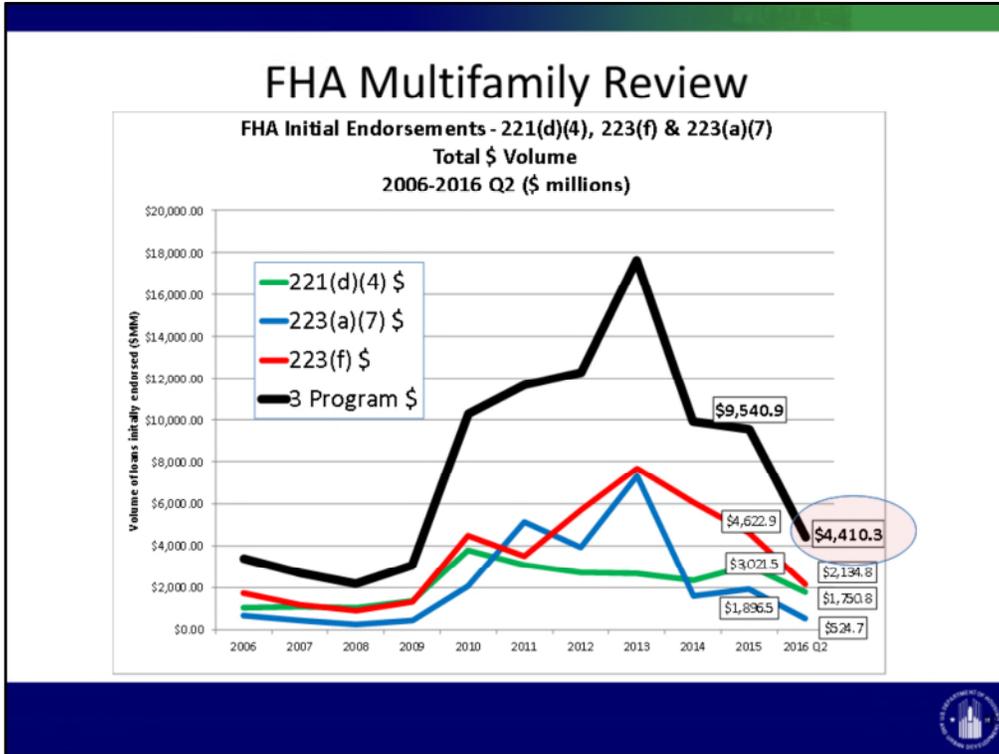
FHA Multifamily - Initial Endorsements, All programs
including Health Care and Apartments
NC/SR, 223(f), A(7), 241a, Other FHA, 232, HFA Risk Share & QPE Risk Share
2016 includes Q1 & Q2



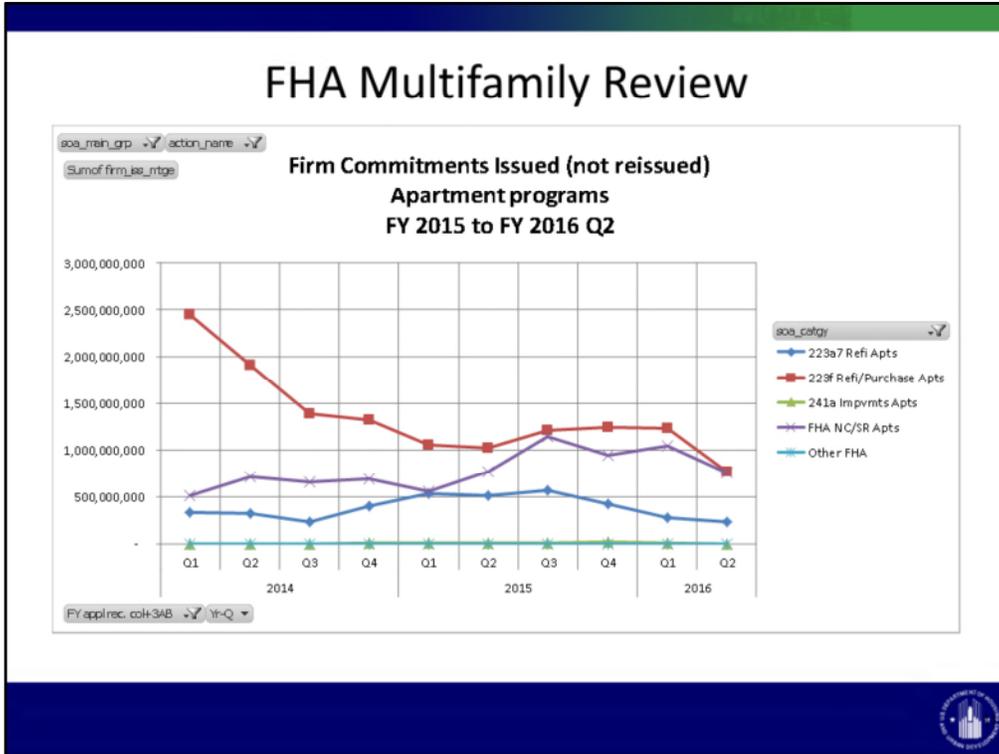
Some perspective: Recovery from the onset of the recession which began in 2008 and historically low rates encouraged a build-up of volume through 2013, when one program in particular – the A7 program – became less utilized as a result of a more efficient and attractive innovation by FHA – a simple Interest Rate Reduction program. Also factoring into our volume numbers is a healthier private sector market for loans and a somewhat slackening market for additional units.



The fall in A7 volume (the dark blue line that peaks in 2013) is evident.



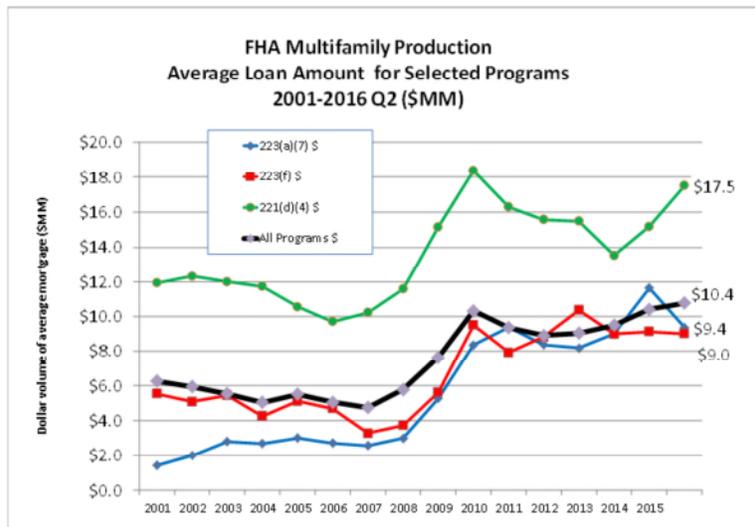
Turning to our three basic apartment programs, 3-program total volume closed and program totals.



Though this presentation is focused on Initial Endorsements, I want to show at least one slide of our Firm Commitment volume for last year.

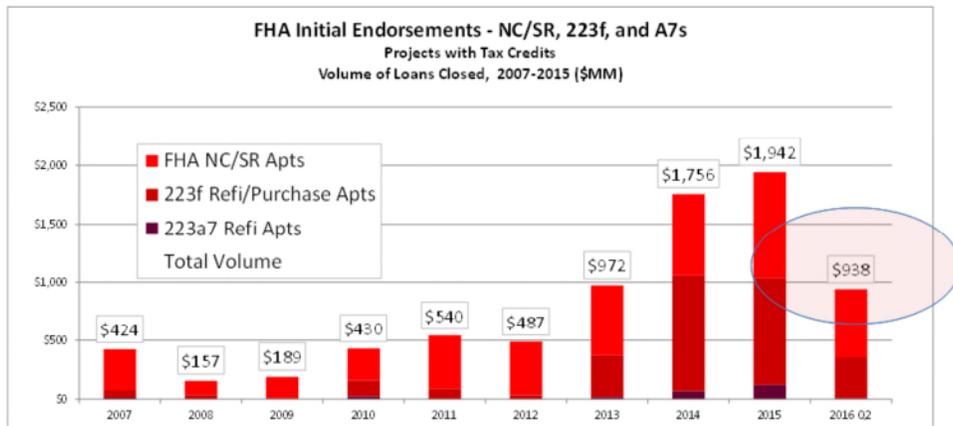
You can see that our Commitment volume and mix runs very close to our Initial Endorsement volume mix, although comparing one year's commitments to the same year's closings does not produce a meaningful ratio.

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From an historical perspective, however, you can see that we are doing larger average loans than we did before the downturn in 2008.

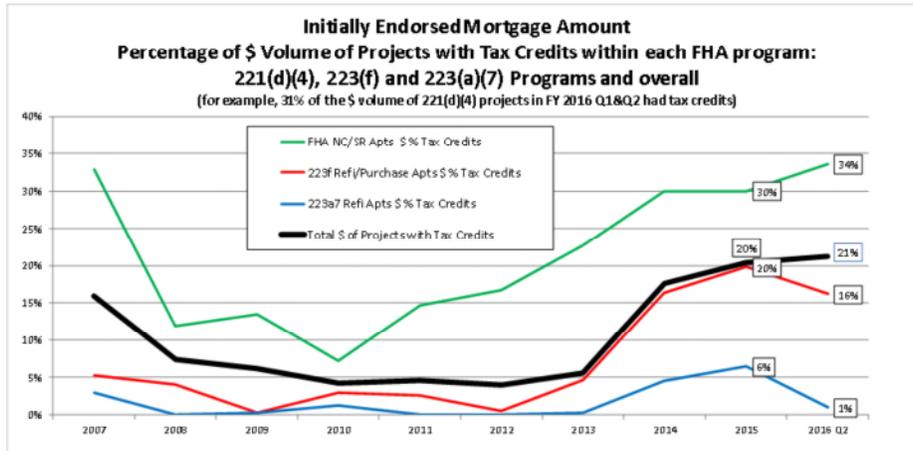
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We don't have this year's numbers fully counted but Tax Credit project volume will show another increase this year. This shows the mix of tax credit projects processed under various SOAs. New Construction and 223(f) projects each account for approximately 48% of our tax credit project volume, with the balance of about 4% coming under the A7 program.

Let's turn now to our overall FY 2015 production. Let me begin showing you where we've made our loans.

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This slide breaks out one of our other new program initiatives – our tax credit program.