

State of California

MEMORANDUM

To: Board of Directors

Date: January 15, 2013



Tim Hsu, Director of Financing

From: CALIFORNIA HOUSING FINANCE AGENCY

Subject: Homeownership Loan Portfolio Update

Attached for your information is a report summarizing the Agency's Homeownership loan portfolio:

- Delinquencies as of November 30, 2012 by insurance type,
- Delinquencies as of November 30, 2012 by product (loan) type,
- Delinquencies as of November 30, 2012 by loan servicer,
- Delinquencies as of November 30, 2012 by county,
- A chart of the number of CalHFA's FHA Delinquent Loan Trend for 30-90 Day and 120 Day (for the period of July 2010 thru November 2012)
- A chart of the number of CalHFA's Conventional Delinquent Loan Trend for 30-90 Day and 120 Day (for the period of July 2010 thru November 2012)
- A graph of CalHFA's 90-day+ ratios for FHA and Conventional loans (for the period of November 2007 through November 2012);
- A graph of 90-day+ ratios for CalHFA's three Conventional loan (products) types, for the period of November 2010 through November 2012,
- Real Estate Owned (REO) at December 31, 2012,
- Accumulated Uninsured Losses from January 1, 2008 through December 31, 2012,
- Disposition of 1st Trust Deed Gain/(Loss) for January 1 through December 31, 2012, and
- Write-Offs of subordinate loans for January 1 through December 31, 2012

**HOMEOWNERSHIP LOAN PORTFOLIO
DELINQUENCY, REO, SHORT SALE and LOSS REPORT**

**Reconciled Loan Delinquency Summary
All Active Loans By Insurance Type
As of November 30, 2012**

	Loan Count	Balance	% of Balance	DELINQUENCY RATIOS - % of Loan Count						Totals	
				Loan Count	30-Day	Loan Count	60-Day	Loan Count	90(+) Day	Count	%
Federal Guaranty											
FHA	8,704	\$ 1,013,815,561	29.40%	510	5.86%	177	2.03%	579	6.65%	1,266	14.55%
VA	236	29,187,330	0.85%	7	2.97%	1	0.42%	21	8.90%	29	12.29%
RHS	82	14,850,419	0.43%	4	4.88%	0	0.00%	12	14.63%	16	19.51%
Conventional loans											
with MI											
CalHFA MI Fund	5,259	1,346,337,105	39.04%	215	4.09%	112	2.13%	587	11.16%	914	17.38%
without MI											
Orig with no MI	4,598	882,080,607	25.58%	132	2.87%	57	1.24%	275	5.98%	464	10.09%
MI Cancelled*	1,199	162,409,823	4.71%	31	2.59%	7	0.58%	47	3.92%	85	7.09%
Total CalHFA	20,078	\$ 3,448,680,845	100.00%	899	4.48%	354	1.76%	1,521	7.58%	2,774	13.82%

*Cancelled per Federal Homeowner Protection Act of 1998, which grants the option to cancel the MI with 20% equity.

**Reconciled Loan Delinquency Summary
All Active Loans By Loan Type
As of November 30, 2012**

	Loan Count	Balance	% of Balance	DELINQUENCY RATIOS - % of Loan Count						Totals	
				Loan Count	30-Day	Loan Count	60-Day	Loan Count	90(+) Day	Count	%
30-yr level amort											
FHA	8,704	\$ 1,013,815,561	29.40%	510	5.86%	177	2.03%	579	6.65%	1,266	14.55%
VA	236	29,187,330	0.85%	7	2.97%	1	0.42%	21	8.90%	29	12.29%
RHS	82	14,850,419	0.43%	4	4.88%	0	0.00%	12	14.63%	16	19.51%
Conventional - with MI	2,954	674,885,648	19.57%	102	3.45%	45	1.52%	271	9.17%	418	14.15%
Conventional - w/o MI	5,105	882,754,399	25.60%	133	2.61%	49	0.96%	249	4.88%	431	8.44%
40-yr level amort											
Conventional - with MI	414	117,582,971	3.41%	15	3.62%	10	2.42%	55	13.29%	80	19.32%
Conventional - w/o MI	187	36,911,834	1.07%	2	1.07%	3	1.60%	14	7.49%	19	10.16%
5-yr IOP, 30-yr amort											
Conventional - with MI	1,891	553,868,487	16.06%	98	5.18%	57	3.01%	261	13.80%	416	22.00%
Conventional - w/o MI	505	124,824,198	3.62%	28	5.54%	12	2.38%	59	11.68%	99	19.60%
Total CalHFA	20,078	\$ 3,448,680,845	100.00%	899	4.48%	354	1.76%	1,521	7.58%	2,774	13.82%
<i>Weighted average of conventional loans:</i>				378	3.42%	176	1.59%	909	8.22%	1,463	13.23%

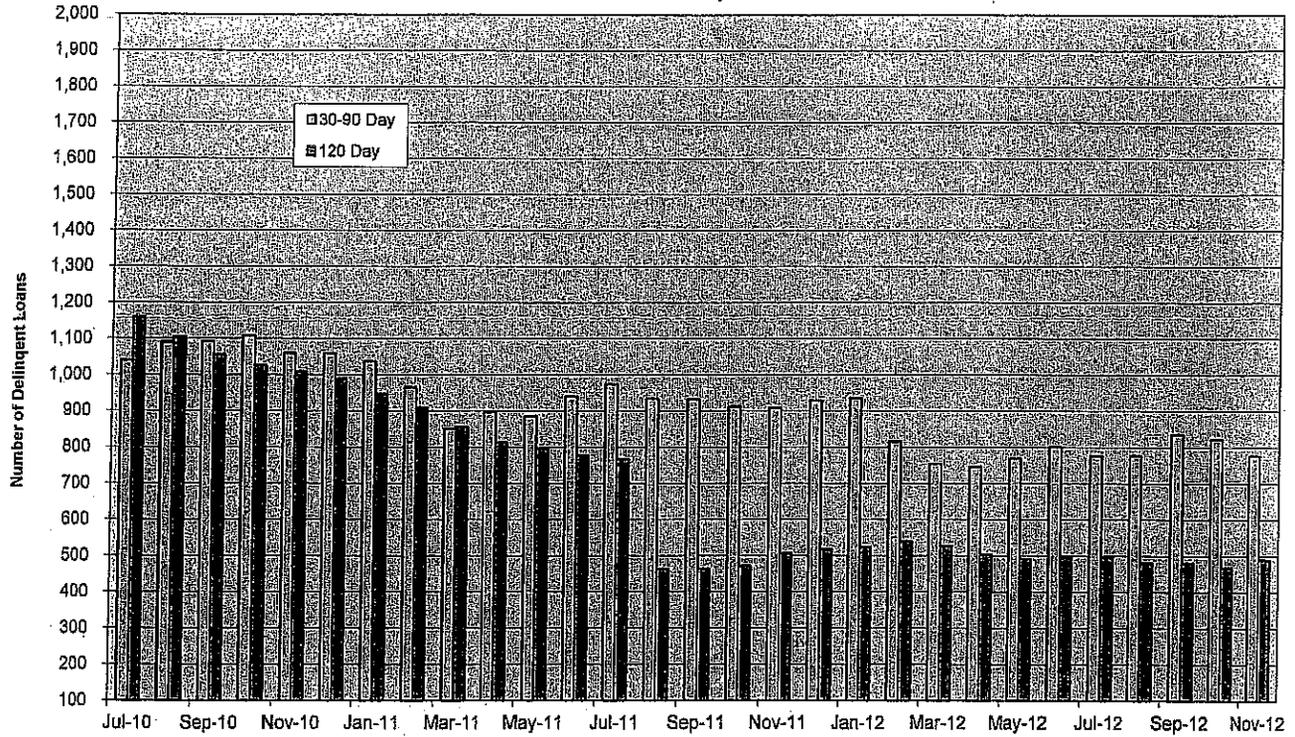
Reconciled Loan Delinquency Summary All Active Loans By Servicer As of November 30, 2012

Loan Count	Balance	% of Balance	DELINQUENCY RATIOS - % of Loan Count							Totals	
			Loan Count	30-Day	Loan Count	60-Day	Loan Count	90(+)-Day	Count	%	
CALHFA - LOAN SERVICING	7,491	\$ 1,614,918,889	46.83%	255	3.40%	112	1.50%	546	7.29%	913	12.19%
GUILD MORTGAGE	4,644	753,068,581	21.84%	247	5.32%	91	1.96%	250	5.38%	588	12.66%
WELLS FARGO HOME MORTGAGE	2,110	232,033,017	6.73%	81	3.84%	33	1.56%	143	6.78%	257	12.18%
BAC HOME LOANS SERVICING, LP	1,864	342,190,074	9.92%	114	6.12%	47	2.52%	336	18.03%	497	26.66%
EVERHOME MORTGAGE COMPANY	1,882	168,614,693	4.89%	113	6.00%	20	1.06%	79	4.20%	212	11.26%
FIRST MORTGAGE CORP	768	144,151,025	4.18%	35	4.56%	19	2.47%	53	6.90%	107	13.93%
GMAC MORTGAGE CORP	818	103,669,996	3.01%	44	5.38%	18	2.20%	49	5.99%	111	13.57%
BANK OF AMERICA, NA	252	40,350,702	1.17%	6	2.38%	6	2.38%	31	12.30%	43	17.06%
JPMORGAN CHASE BANK, N.A.	164	38,293,462	1.11%	2	1.22%	5	3.05%	30	18.29%	37	22.56%
CITIMORTGAGE, INC.	42	9,385,925	0.27%	1	2.38%	2	4.76%	4	9.52%	7	16.67%
DOVENMUEHLE MORTGAGE, INC.	40	1,118,073	0.03%	1	2.50%	0	0.00%	0	0.00%	1	2.50%
WESCOM CREDIT UNION	3	886,410	0.03%	0	0.00%	1	33.33%	0	0.00%	1	33.33%
Total CalHFA	20,078	\$ 3,448,680,845	100.00%	899	4.48%	354	1.76%	1,521	7.58%	2,774	13.82%

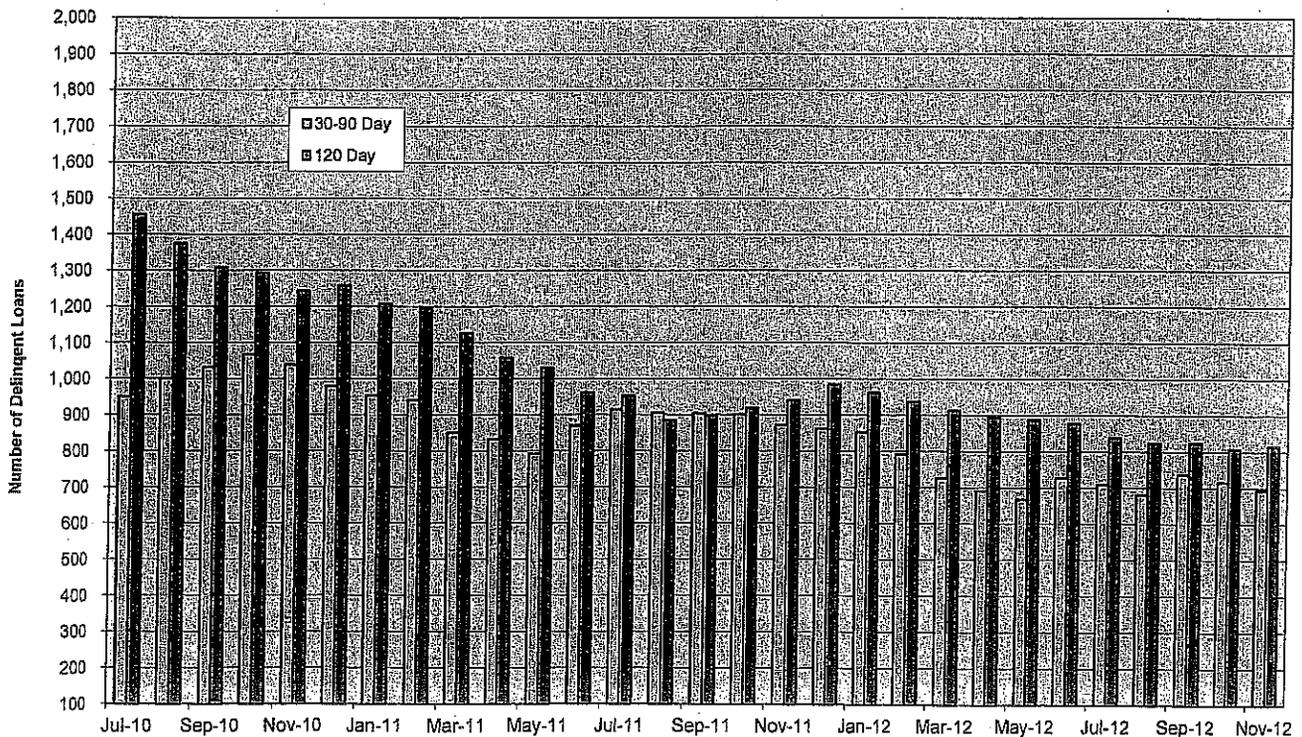
Reconciled Loan Delinquency Summary All Active Loans By County As of November 30, 2012

Loan Count	Balance	% of Balance	DELINQUENCY RATIOS - % of Loan Count							Total	
			Loan Count	30-Day	Loan Count	60-Day	Loan Count	90-Day+	Count	%	
LOS ANGELES	3,335	\$ 668,287,845	19.38%	152	4.56%	50	1.50%	281	8.43%	483	14.48%
SAN DIEGO	1,770	366,749,907	10.63%	53	2.99%	41	2.32%	185	10.45%	279	15.76%
SANTA CLARA	1,394	353,953,547	10.26%	32	2.30%	13	0.93%	74	5.31%	119	8.54%
KERN	1,255	125,791,961	3.65%	88	7.01%	38	3.03%	62	4.94%	188	14.98%
FRESNO	1,030	87,915,228	2.55%	56	5.44%	19	1.84%	52	5.05%	127	12.33%
TULARE	1,022	88,199,672	2.56%	69	6.75%	19	1.86%	62	6.07%	150	14.68%
ORANGE	979	212,216,447	6.15%	28	2.86%	14	1.43%	76	7.76%	118	12.05%
SACRAMENTO	952	158,496,783	4.60%	34	3.57%	16	1.68%	95	9.98%	145	15.23%
SAN BERNARDINO	941	149,256,617	4.33%	61	6.48%	17	1.81%	105	11.16%	183	19.45%
RIVERSIDE	906	136,077,120	3.95%	63	6.95%	27	2.98%	98	10.82%	188	20.75%
ALAMEDA	890	206,349,923	5.98%	17	1.91%	5	0.56%	63	7.08%	85	9.55%
CONTRA COSTA	700	147,474,400	4.28%	29	4.14%	11	1.57%	69	9.86%	109	15.57%
VENTURA	498	126,917,706	3.68%	24	4.82%	4	0.80%	34	6.83%	62	12.45%
IMPERIAL	483	46,149,850	1.34%	36	7.45%	20	4.14%	26	5.38%	82	16.98%
SONOMA	402	78,304,494	2.27%	16	3.98%	2	0.50%	17	4.23%	35	8.71%
OTHER COUNTIES	3,521	496,539,346	14.40%	141	4.00%	58	1.65%	222	6.31%	421	11.86%
Total CalHFA	20,078	\$ 3,448,680,845	100.00%	899	4.48%	354	1.76%	1,521	7.58%	2,774	13.82%

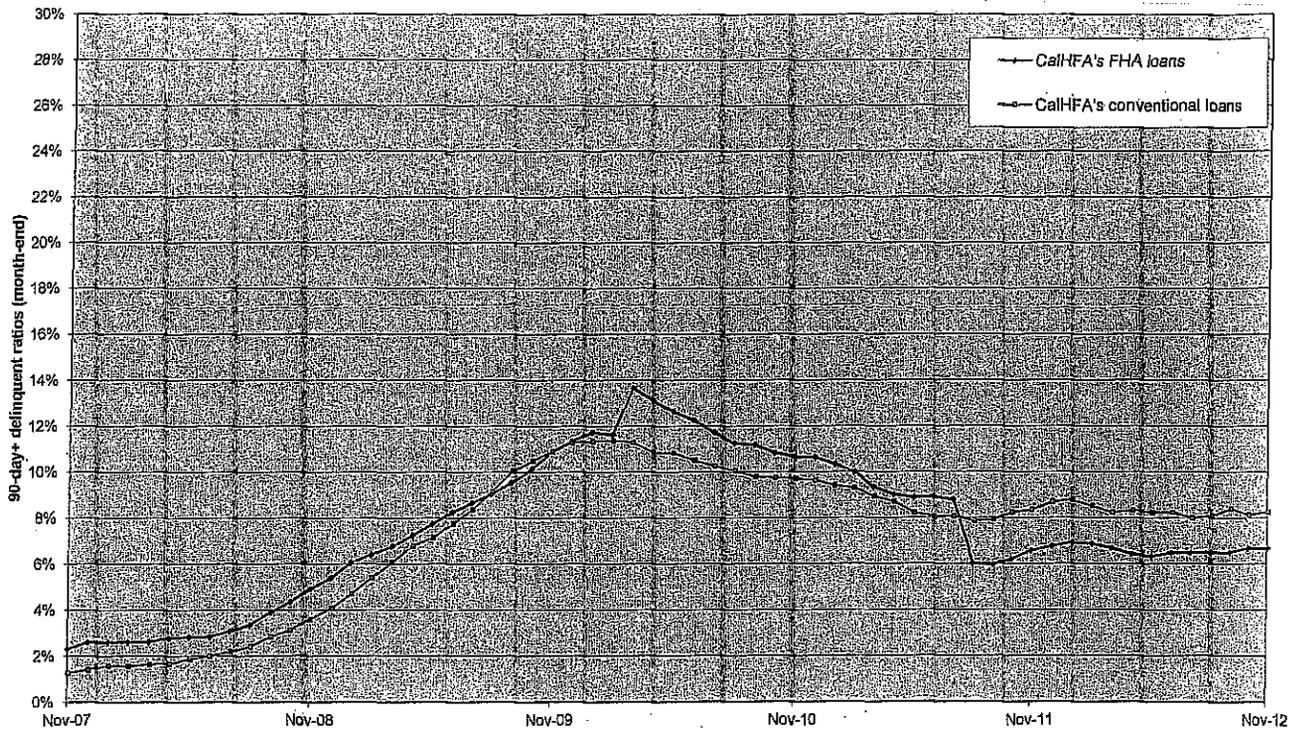
CalHFA's FHA Delinquent Loan Trend for 30-90 Day and 120 Day
As of November 30, 2012



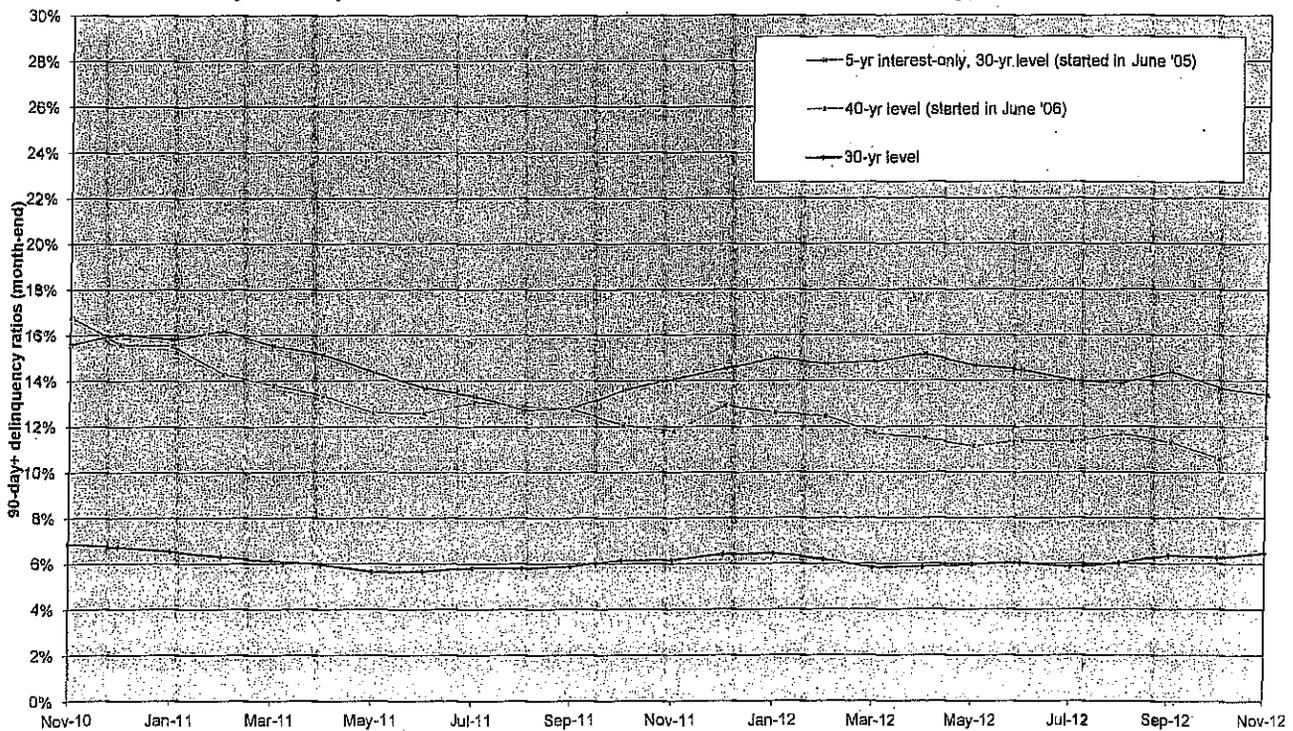
CalHFA's Conventional Delinquent Loan Trend for 30-90 Day and 120 Day
As of November 30, 2012



90 day+ delinquent ratios for CalHFA's FHA and weighted average of all Conventional Loans



90 day+ delinquent ratios for CalHFA's Three Conventional Loan Types



Real Estate Owned

Calendar Year 2012 (As of December 31, 2012)													
Loan Type	Beginning Balance # of Loans	Prior Calendar Adj.	Trustee Sales			Disposition of REO(s)					Ending Balance # of Loans	UPB of REO's Owned	
			Reverted to CalHFA Jan-Nov	Reverted to CalHFA December	Total Trustee Sales	Repurchased by Lender Jan-Nov	Market Sale(s) Jan-Nov	Repurchased by Lender December	Market Sale(s) December	Total Disposition of REO(s)			
FHA/RHS/VA	124	(18)	305	7	312	361			12		373	45	\$ 7,884,581
Conventional	565	3	766	20	786		1,146		47	1,193	161	40,029,375	
Total	689	(15)	1,071	27	1,098	361	1,146		12	47	1,566	206	\$ 47,913,957

Calendar Year 2011						
Loan Type	Beginning Balance # of Loans	Trustee Sales	Disposition of REO(s)		Ending Balance # of Loans	UPB of REO's Owned
		Reverted to CalHFA 2011	Repurchased by Lender 2011	Market Sale(s) 2011		
FHA/RHS/VA	198	496	570		124	\$ 22,948,976
Conventional	1084	1311		1830	565	123,482,821
Total	1282	1807	570	1830	689	\$ 146,431,797

Calendar Year 2010						
Loan Type	Beginning Balance # of Loans	Trustee Sales	Disposition of REO(s)		Ending Balance # of Loans	UPB of REO's Owned
		Reverted to CalHFA 2010	Repurchased by Lender 2010	Market Sale(s) 2010		
FHA/RHS/VA	187	816	805		198	\$ 41,905,865
Conventional	619	1551		1086	1084	226,793,920
Total	806	2367	805	1086	1282	\$ 268,699,784

Calendar Year 2009						
Loan Type	Beginning Balance # of Loans	Trustee Sales	Disposition of REO(s)		Ending Balance # of Loans	UPB of REO's Owned
		Reverted to CalHFA 2009	Repurchased by Lender 2009	Market Sale(s) 2009		
FHA/RHS/VA	51	588	452		187	\$ 40,850,369
Conventional	226	929		536	619	150,498,899
Total	277	1517	452	536	806	\$ 191,349,268

*3rd party trustee sales are not shown in the tables (title to these loans were never transferred to CalHFA). There were eight (8) 3rd party sales in calendar year 2008, eighteen (18) 3rd party sales year 2009, thirty-nine (39) 3rd party sales year 2010, twenty two (22) 3rd party sales in calendar year 2011, and there are thirty-nine (39) 3rd party sold to date 2012.

Accumulated Uninsured Losses as of December 31, 2012						
Conventional Loans	# of Properties Sold	Principal Write-Offs ⁽¹⁾	# of GAP Claims	Actual GAP ⁽²⁾ Claim Payments	# of Subordinate Loans	Subordinate Write-Offs ⁽³⁾
REOs Sold	4,706	\$ (173,218,722)	2,601	\$ (117,367,774)		
Short Sales	992	(40,889,766)	395	(17,461,359)	2,586	\$ (22,331,098)
3rd Party Sales	53	(196,576)	4	(170,867)	129	(1,134,231)
Write-offs resulting from foreclosures					9,395	(90,388,362)
Total:	5,751	\$ (214,405,064)	3,000	\$ (135,000,000)	12,110	\$ (113,853,690)

(1) Principal loan write-offs from January 1, 2008. Does not include allowance for loan losses or loan loss reserves.

(2) The California Housing Loan Insurance Fund (the MI FundTM) provided GAP insurance to meet HMRB bond indenture requirements that all loans held within that indenture have 50% of the unpaid principal balance insured by a mortgage insurance policy for the life of the loan. The insurance may be provided by any combination of government insurance, private mortgage insurance, or a policy from the MI fund. The Agency agreed, pursuant to an internal interfund agreement, to indemnify the MI Fund for claims paid for principal losses under the GAP insurance policy, up to a cumulative maximum amount of \$135 million, this maximum amount was reached in August 2011. The indemnification is payable solely from available funds held in a sub account within the California Housing Finance Fund.

(3) Includes both FHA/Conventional Loans.

**2012 Year to Date Composition of 1st Trust Deed Loss
(As of December 31, 2012)**

Loan Type	Disposition				Principal Write-Offs	Actual GAP Claim Payments
	Repurchased by Lender	Market Sales	Short Sales	Loan Balance at Sales		
FHA/RHS/VA	373		31	\$ 74,557,196		
Conventional		1,193	356	422,345,401	\$ (101,670,048)	\$ (1,483,256)
	373	1,193	387	\$ 496,902,597	\$ (101,670,048)	\$ (1,483,256)

**2012 Year to Date Composition of Subordinate Write-Offs by Loan Type⁽¹⁾
(As of December 31, 2012)**

Loan Type	Active Loans		Write-Offs	
	Active Loans	Dollar Amount	Number of Write-Offs	Dollar Amount
CHAP/HICAP	7,973	\$85,034,783	943	\$9,950,053
CHDAP/ECTP/HIRAP	24,815	180,634,191	1,175	8,731,050
Other ⁽²⁾	230	3,034,572	2	10,500
	33,018	\$268,703,546	2,120	\$18,691,603

(1) Does not include FNMA and CalSTRS subordinates (non-agency loans serviced by in house loan servicing)

(2) Includes HPA, MDP, OHPA, and SSLP.