7th Annual Regional & Community Bankers’ Conference
FHA Related Initiatives

Federal Reserve Bank of Boston
October 16, 2008
Michael Watson
Assistant Vice President
Regional & Community Supervision
FHA / Subprime

- Utility
- Hosted FHA Outreach Event
- Business Criteria
Product Niche

- Low Down Payment
- Limited Underwriting Exceptions
- *Hope For Homeowners*
<table>
<thead>
<tr>
<th>City &amp; State</th>
<th>Trulia Median Sales Price</th>
<th>FHA Mortgage Maximum</th>
<th>2008 Estimated Median Family Income (EMFI)</th>
<th>FHA Maximum Loan $ for 2008 EMFI</th>
<th>FHA Maximum Loan $ Amount for EMFI as a % of Median Sales Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manchester, CT</td>
<td>$248,000</td>
<td>$440,000</td>
<td>$81,000</td>
<td>$249,139</td>
<td>101%</td>
</tr>
<tr>
<td>Milford, CT</td>
<td>$307,000</td>
<td>$387,500</td>
<td>$74,900</td>
<td>$230,377</td>
<td>75%</td>
</tr>
<tr>
<td>Brockton, MA</td>
<td>$179,676</td>
<td>$523,750</td>
<td>$79,500</td>
<td>$244,526</td>
<td>124%</td>
</tr>
<tr>
<td>Danvers, MA</td>
<td>$312,000</td>
<td>$523,750</td>
<td>$78,800</td>
<td>$242,373</td>
<td>78%</td>
</tr>
<tr>
<td>Hooksett, NH</td>
<td>$219,000</td>
<td>$302,500</td>
<td>$66,200</td>
<td>$203,618</td>
<td>67%</td>
</tr>
<tr>
<td>Salem, NH</td>
<td>$265,500</td>
<td>$523,750</td>
<td>$82,300</td>
<td>$225,138</td>
<td>85%</td>
</tr>
<tr>
<td>Warwick, RI</td>
<td>$175,400</td>
<td>$475,000</td>
<td>$68,300</td>
<td>$210,077</td>
<td>120%</td>
</tr>
<tr>
<td>Woonsocket, RI</td>
<td>$162,000</td>
<td>$475,000</td>
<td>$68,300</td>
<td>$210,077</td>
<td>130%</td>
</tr>
</tbody>
</table>

- Trulia Median Sales Prices as of August 27, 2008 (Trulia.com)
- FHA Mortgage Maximum (HUD.gov)
- EMFI = 2008 HUD Estimated Median Family Income (HUD data)
- FHA Maximum calculated with GNMA online qualification tool (Ginniemae.gov)
- FHA Maximum Loan for EMFI calculated by dividing FHA Maximum Loan by Trulia Median Sales Price.
State Programs

- Varied Depending Upon State
- Income Restrictions
- Underwriting Relief
FHA Overview

- Four players
- Revenue
- Costs
Current Volumes


Source: HUD Website: http://www.hud.gov/offices/hsg/comp/rpts/sfend/sfend.xls
Hope For Homeowners

- 31% or more of household income
- Write down to 90% of AV
- Equity Sharing
- 2nd’s and 3rd’s
Conclusion

- Welcome Feedback
- Public Posting of Document