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OFHEO Issues “Single-Family Mortgages Originated and Outstanding: 1990 – 2004”

Statistics Presented in New OFHEO Research Paper Allow Estimation of Important Mortgage Market Trends

WASHINGTON, DC – The Office of Federal Housing Enterprise Oversight (OFHEO) has issued a research report, “Single-Family Mortgages Originated and Outstanding: 1990 – 2004”. The report presents statistics for conventional and government-guaranteed or insured single-family mortgages originated and outstanding. This OFHEO report is the first by a federal agency to present statistics for conventional non-jumbo and jumbo mortgages and, within each of those categories, for adjustable-rate and fixed-rate loans (ARMs and FRMs).

The statistics presented in the paper allow estimation of the share of single-family mortgage originations represented by Fannie Mae and Freddie Mac purchases. Purchases in this case are defined to include cash purchases plus securitizations. For example, estimates by OFHEO utilizing data in the research paper show:

- The combined purchases of conventional, non-jumbo mortgages by Fannie Mae and Freddie Mac in 2004 represented 40 percent of originations of those mortgages, down from 66 percent in 2003.
- The Enterprises’ combined purchases of non-jumbo FRMs represented 47 percent of originations of those loans in 2004, down from 70 percent in 2003.
- Enterprise purchases of conventional, non-jumbo ARMs represented 25 percent of originations of those loans in 2004, down from 43 percent in 2003.

“The declines in the Enterprises’ shares of the markets for fixed- and adjustable-rate loans last year were due to changes in the composition of originations in the primary market and heightened competition from other secondary market investors,” said OFHEO Economist Forrest Pafenberg, author of the paper.

“In the secondary market for FRMs, Fannie Mae and Freddie Mac faced greater competition from banks and other non-GSE investors in 2004. Heightened competition reduced the yields on those loans and made them less attractive investments for the Enterprises,” Pafenberg added.

Non-traditional hybrid ARMs—which blend the features of both fixed- and adjustable-rate loans, often with interest-only payments for a specified period—were increasingly popular last year, but the Enterprises purchased those mortgages very cautiously. Subprime loans, which the Enterprises also purchased very selectively, also made up a larger proportion of non-jumbo, conventional ARMs in 2004.

The paper also discusses the strengths and weaknesses of publicly available data on mortgages, both originated and outstanding, from government, trade associations, and private organizations.

OFHEO has developed the estimates in the paper to give policy makers and the public a statistical baseline that can be used to assess mortgage market trends. As data becomes available, the estimates will be updated in the future.

LINKS:

July 13, 2005 - [“Single-Family Mortgages Originated and Outstanding: 1990 – 2004”](#)

[Updated assumptions 1990-2008Q3](#) - January 2009

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