
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

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FHFA Refinance Report Shows Refinance Volumes Dropped in September; Mortgage Rates Still Higher than the Spring

Washington, DC –Fannie Mae and Freddie Mac refinanced more than 3.5 million mortgage loans in 2009 through September of this year. In the month of September, 262,000 mortgages were refinanced—a drop from the volume of the preceding month— with mortgage rates still higher than levels observed in the spring. The numbers were announced today by Edward J. DeMarco, Acting Director of the Federal Housing Finance Agency (FHFA), in its monthly report on Enterprises' refinance volumes and the Administration's Making Home Affordable Refinance Program (HARP).

The report covers January 1, 2009 through September 30, 2009. It shows that refinance volume decreased from August to September as the average interest rate on a 30-year mortgage in July and August – 5.22 and 5.19 percent respectively as reported by Freddie Mac – were at a level higher than the rates observed earlier in 2009. Refinancing volumes are strongly influenced by mortgage rates with the effect most visible on a one- to two- month lag. Mortgage rates have declined since August.

In July, FHFA announced the expansion of HARP to allow borrowers with LTVs up to 125 percent to participate. Fannie Mae began accepting deliveries of refinanced whole loans with LTVs over 105 percent up to 125 percent on September 1 and began accepting mortgage-backed securities (MBS) for loans with LTVs over 105 percent up to 125 percent on October 1. Beginning October 1, lenders began delivering HARP loans with LTVs greater than 105 and less than or equal to 125 percent to Freddie Mac.

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$6.3 trillion in funding for the U.S. mortgage markets and financial institutions.



Federal Housing Finance Agency

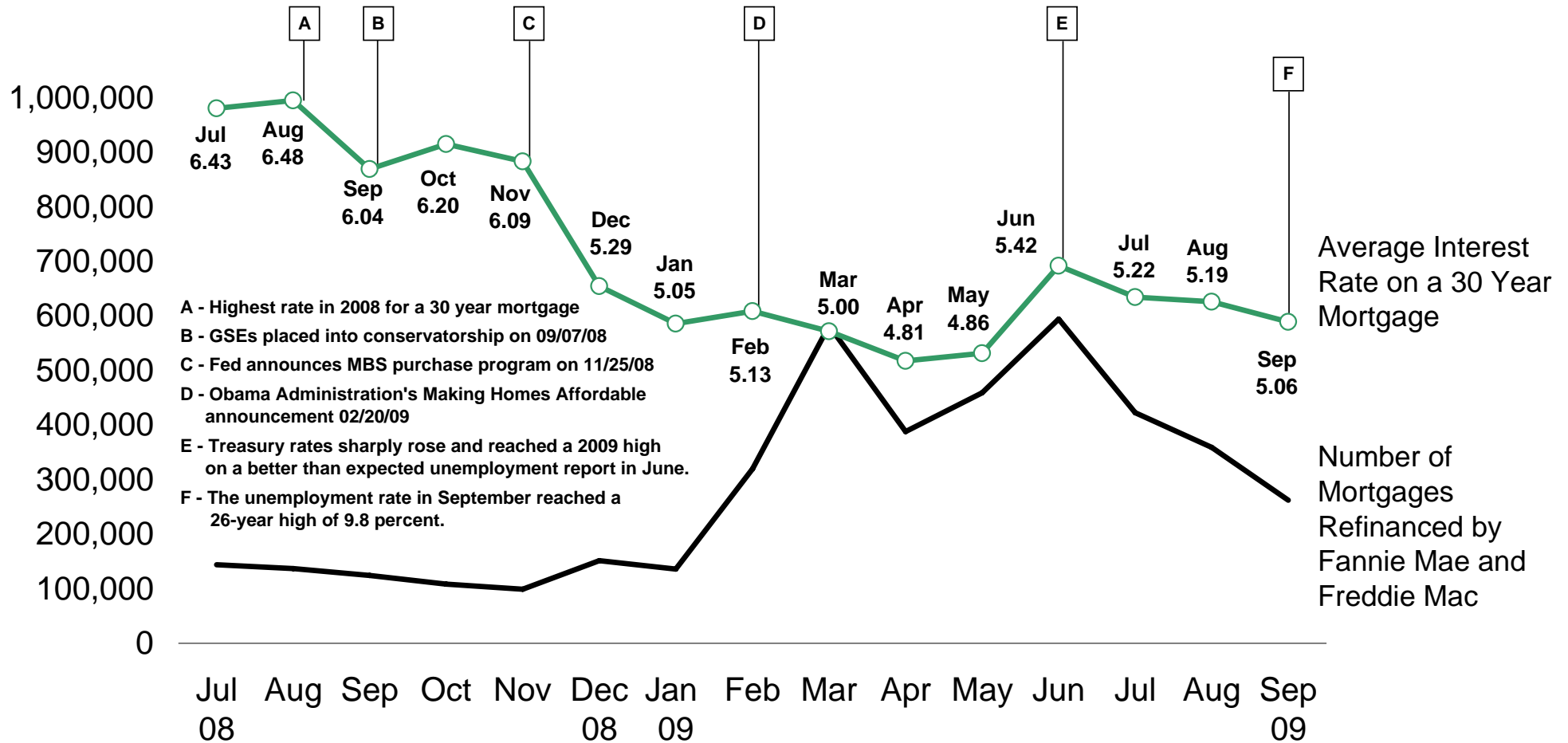
Refinance Report
September 2009

Fannie Mae and Freddie Mac Refinance Volume Trends

January 1, 2009 through September 30, 2009



The June-to-September decline in the average rate for a 30 year mortgage had little effect on refinance volumes as consumers finished taking advantage of a much larger rate drop that ran from 2008 to the spring of 2009.



Sources

* Mortgage rates are from the Freddie Mac Primary Mortgage Market Survey, monthly average, from the Freddie Mac website.

Fannie Mae and Freddie Mac Refinance Volumes

January 1, 2009 through September 30, 2009



Fannie Mae and Freddie Mac Refinance Volumes

	September 2009	Inception to Date ¹	Year to Date
Total Refinances	262,037	2,483,873	3,521,292
HARP LTV >80% - 125%	23,503	116,677	116,677
All Other Streamlined Refis	30,979	201,492	201,492

Notes

Fannie Mae: HARP Refinance Loans are defined as Fannie Mae to Fannie Mae refinance loans with limited and no cash out that are owner occupied with LTV's over 80 to 125. Fannie Mae began accepting deliveries of refinanced whole loans with LTVs over 105 percent up to 125 percent on September 1. Fannie Mae began taking deliveries for mortgage-backed securities (MBS) for loans with LTVs over 105 percent up to 125 percent on October 1.

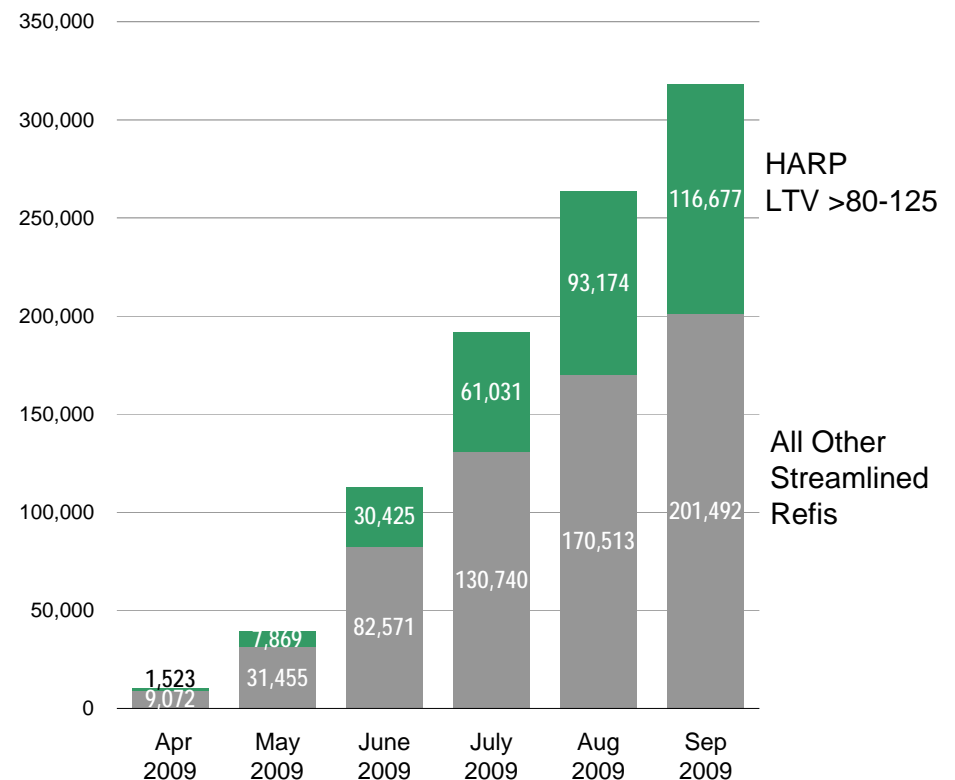
Freddie Mac: HARP Refinance Loans are defined as first lien Freddie Mac to Freddie Mac refinance loans with limited and no cash out that are owner occupied with LTV's over 80 to 105. On October 1, Freddie Mac began taking deliveries of HARP loans with LTVs greater than 105 and less than or equal to 125.

All Other Streamlined Refis are streamlined refinances that do not qualify as HARP >80% - 125% refinances. Fannie Mae implements streamlined refinances through the Refi Plus product for manual underwriting and DU Refi Plus product for loans underwritten through Desktop Underwriter. The product is available for refinances of existing Fannie Mae loans only. Freddie Mac implements streamlined refinances through the Relief Refinance Mortgage product. Loans may be originated by any Freddie Mac approved servicer.

¹Inception to Date - Since April 1, 2009

Monthly totals may change due to ongoing reconciliation.

Fannie Mae and Freddie Mac Cumulative Refinance Volumes



Fannie Mae and Freddie Mac Refinance Volumes

January 1, 2009 through September 30, 2009



	September 2009	Inception to Date ¹	Year to Date
Total Refinances			
Fannie Mae	163,989	1,465,538	2,069,220
Freddie Mac	98,048	1,018,335	1,452,072
HARP LTV >80% -125%			
Fannie Mae	14,818	62,364	62,364
Freddie Mac	8,685	54,313	54,313
All Other Streamlined Refis			
Fannie Mae	23,417	158,135	158,135
Freddie Mac	7,562	43,357	43,357

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