

## **FY11 Audit of FHA is Released**

FHA's FY2011 audit was released last week. It showed FHA's total cash reserves increased by \$400 million over last year for a total reserves of \$33.7 billion. The excess reserves remain below the congressionally mandated 2% ratio, but the audit expects them to return to that level by FY14. Despite some news reports, FHA does not need a bailout. FHA's total delinquency rate is now at the lowest level in more than five years. The audit states that "Both the economic value and the IIF (insurance in force) of the Fund are expected to increase each year over the next seven years."