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Administrator of National Banks

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Office of Thrift Supervision
US Department of the Treasury

OCC and OTS Mortgage Metrics Report

Disclosure of National Bank and Federal Thrift Mortgage Loan Data

Third Quarter 2010

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Executive Summary

This *OCC and OTS Mortgage Metrics Report* for the third quarter of 2010 provides performance data on first-lien residential mortgages serviced by national banks and federally regulated thrifts. The mortgages in this portfolio comprise 64 percent of all mortgages outstanding in the United States—33.3 million loans totaling almost \$6 trillion in principal balances. The report provides information on their performance through September 30, 2010.

Mortgage delinquency levels remained elevated and foreclosures (new, in process, and completed) increased during the third quarter of 2010. New home retention actions (modifications, trial-period plans, and payment plans) decreased during the quarter. The overall credit quality of the portfolio of first-lien mortgages serviced by the largest national banks and thrifts remained steady during the third quarter of 2010 after showing some improvement during the previous two quarters.

Data included in this report covers mortgage-related activities of national banks and thrifts through the end of the third quarter of 2010, and do not reflect activities related to the foreclosure processing irregularities that surfaced late in the third quarter of 2010.

Key Findings From This Report

- The percentage of mortgages that were current and performing remained unchanged from the previous quarter at 87.4 percent of the total servicing portfolio, indicating no change in overall credit quality. However, foreclosures in process, up 6 percent since the prior quarter and 12 percent from one year ago, reached a new high of 3.6 percent of the total serviced portfolio.
- Seriously delinquent mortgages—mortgages that were 60 or more days delinquent or delinquent loans to bankrupt borrowers—declined across all risk categories to 5.8 percent of the serviced portfolio overall. Although elevated from historic norms, this third consecutive quarterly decline in serious delinquencies brought them to their lowest level in more than a year. The decrease in seriously delinquent mortgages is due to a combination of loan modifications and an increasing number of seriously delinquent mortgages progressing to foreclosure.
- At 3.2 percent of the portfolio, early stage delinquencies—mortgages that were 30 to 59 days delinquent—increased across all risk categories during the quarter but were down from a year ago. Early stage delinquencies have ranged between 2.8 percent and 3.4 percent of the portfolio since the fourth quarter of 2008 when they reached a two-year high of 3.5 percent. Regulators will continue to monitor increases in early stage delinquencies as an early indicator of portfolio performance trends.
- Servicers implemented 470,321 new home retention actions during the third quarter of 2010, almost twice the 244,840 home forfeiture actions—completed foreclosures, new short sales, and new deed-in-lieu-of-foreclosure actions. However, the number of home retention actions—modifications, trial-period plans, and payment plans—decreased during the quarter while the number of newly initiated foreclosures, foreclosures in process, and completed foreclosures increased. Completed foreclosures, which have risen for six consecutive quarters, are expected to continue rising as servicers and borrowers exhaust home retention options to assist borrowers with seriously delinquent mortgages.

- Home retention activity included 233,853 permanent modifications during the third quarter, a 12.5 percent decrease from the previous quarter. New trial-period plans also decreased during the quarter—down 26.2 percent from the previous quarter. Since the beginning of 2008, servicers have implemented nearly 1.75 million loan modifications.
- More than 88 percent of modifications implemented during the quarter decreased monthly principal and interest payments. More than 54 percent of those modifications reduced payments by 20 percent or more. On average, modifications during the second quarter reduced borrowers' monthly principal and interest payments by \$396. Home Affordable Modification Program (HAMP) modifications implemented during the quarter reduced payments by an average of \$585.
- More recent modifications that emphasized sustainability and affordability continued to outperform modifications implemented earlier.

Mortgage Performance

- The percentage of current and performing mortgages—87.4 percent of the total portfolio—remained unchanged from the previous quarter, but was slightly higher than the 87.2 percent reported a year ago (see table 9).
- The percentage of mortgages that was seriously delinquent—5.8 percent—was the lowest in more than five quarters, down 6.4 percent from the previous quarter and down 7.2 percent from a year ago (see table 12). New modifications as well as the number of seriously delinquent loans progressing to foreclosure contributed to the decline.
- Loans 30 to 59 days delinquent increased 4.3 percent from the previous quarter to 3.2 percent of the total portfolio (see table 13).
- Government-guaranteed mortgages performed worse than the overall portfolio. While decreasing slightly from the previous quarter, the percentage of current and performing government-guaranteed mortgages increased 2.6 percent from a year ago. Of those mortgages, 85.1 percent were current and performing at the end of the third quarter (see table 10). Increased origination of these loans continued in the third quarter, with government-guaranteed mortgages composing 19 percent of the total portfolio.
- Mortgages serviced for Fannie Mae and Freddie Mac (GSEs) performed better than the overall portfolio because of their higher concentration of prime mortgages. Of the GSE mortgages, 92.3 percent were current and performing at the end of the third quarter (see table 11). Loans serviced for the two GSEs made up 61 percent of the total portfolio.

Home Retention Actions: Loan Modifications, Trial-Period Plans, and Payment Plans

- Servicers implemented 470,321 new home retention actions—loan modifications, trial-period plans, and payment plans—during the quarter. This represents a 17.0 percent decline from the previous quarter. HAMP modifications decreased by 45.7 percent during the quarter while other modifications increased by 10.1 percent. New HAMP trial plans decreased by 33.2 percent, and other trial-period plans decreased 21.0 percent from the previous quarters (see table 1). Servicers report that this decline resulted from requirements to obtain, verify, and analyze borrower income before beginning a trial period plan and the falling number of borrowers who are eligible for existing modification programs.

| Table 1. Number of New Home Retention Actions | | | | | | | |
|--|---------|----------|---------|---------|---------|------------|-------------|
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y % Change |
| Other Modifications | 130,464 | 102,820 | 129,572 | 159,073 | 175,063 | 10.1% | 34.2% |
| HAMP Modifications | 783 | 21,878 | 100,301 | 108,257 | 58,790 | -45.7% | 7,408.3% |
| Other Trial-Period Plans | 127,902 | 95,250 | 87,143 | 88,919 | 70,264 | -21.0% | -45.1% |
| HAMP Trial-Period Plans | 272,709 | 258,905 | 184,171 | 65,484 | 43,739 | -33.2% | -84.0% |
| Payment Plans | 163,551 | 121,722 | 120,439 | 145,157 | 122,465 | -15.6% | -25.1% |
| Total | 695,409 | 600,575 | 621,626 | 566,890 | 470,321 | -17.0% | -32.4% |

- Following the prescribed sequence of actions established by HAMP, which is also generally followed in other modification programs, servicers capitalized missed payments and fees in 87.5 percent of all modifications made during the third quarter and reduced interest rates in 86.2 percent of modifications. Term extensions were used in 57.4 percent of all modifications, principal deferrals in 10.1 percent, and principal reductions in 4.5 percent (see table 18). Principal deferral was used in 24.6 percent of HAMP modifications, while principal reduction was used in 10.2 percent of the HAMP modifications (see table 19).
- Overall, servicers reduced principal and interest payments in 88.2 percent of all loan modifications made during the quarter, and they reduced payments by 20 percent or more in 54.1 percent of those modifications (see table 23). As in previous quarters, nearly all HAMP modifications implemented during the third quarter reduced borrower principal and interest payments, and 76.0 percent reduced monthly payments by 20 percent or more (see table 24).
- Modifications made during the third quarter reduced monthly principal and interest payments by an average of \$396. HAMP modifications made during the quarter reduced payments by an average of \$585, compared with other modifications that reduced average monthly payments by \$332. The average savings in monthly payments resulting from loan modifications has increased 53.7 percent from a year ago (see table 25).

Modified Loan Performance

- Servicers modified 1,506,025 loans from the beginning of 2008 through the second quarter of 2010. At the end of the third quarter of 2010, 48.0 percent of these modifications remained current or were paid off. Another 10.2 percent were 30 to 59 days delinquent. Almost 24 percent of the modifications were seriously delinquent, 9.4 percent were in the process of foreclosure, and 4.2 percent had completed the foreclosure process (see table 2).
- Modifications that reduced payments by 10 percent or more performed better than modifications that reduced payments by less than 10 percent. At the end of the third quarter, 58.9 percent of modifications that reduced payments by 10 percent or more were current and performing, compared with the 33.4 percent of modifications that reduced payments by less than 10 percent (see table 2).

| Table 2. Status of Mortgages Modified in 2008–2010 | | | | | | | | |
|--|-----------|---------|-----------------------|----------------------|-------------------------|------------------------|----------|-----------------------------|
| | Total | Current | 30–59 Days Delinquent | Seriously Delinquent | Foreclosures in Process | Completed Foreclosures | Paid Off | No Longer in the Portfolio* |
| 2008 | 421,322 | 25.8% | 7.5% | 29.9% | 14.5% | 10.2% | 2.5% | 9.5% |
| 2009 | 587,500 | 43.5% | 10.0% | 27.7% | 10.9% | 3.3% | 0.9% | 3.8% |
| 2010** | 497,203 | 68.7% | 12.6% | 14.4% | 3.2% | 0.2% | 0.2% | 0.8% |
| Total | 1,506,025 | 46.9% | 10.2% | 23.9% | 9.4% | 4.2% | 1.1% | 4.4% |
| Modifications That Reduced Payments by 10 Percent or More | | | | | | | | |
| Modifications That Reduced Payments by 10% or More | 794,686 | 58.9% | 10.4% | 17.9% | 6.4% | 2.1% | 0.6% | 3.7% |
| Modifications That Reduced Payments by Less Than 10 Percent | | | | | | | | |
| Modifications That Reduced Payments by Less Than 10% | 711,339 | 33.4% | 9.9% | 30.6% | 12.6% | 6.6% | 1.7% | 5.2% |

*Processing constraints prevented some servicers from reporting the reason for removal from the portfolio.

**Includes only modifications implemented during the first two quarters of 2010 that have been in effect at least three months.

- More recent modifications have performed better than earlier modifications every quarter since the end of the first quarter of 2009, though the rate of improvement appears to be moderating. At 6 months after modification, 20.2 percent of the modifications made in the fourth quarter of 2009 were seriously delinquent compared with 33.5 percent of the modifications made during the second quarter of 2009 (see table 3). This trend of lower delinquency rates following modification corresponds with the increasing emphasis on repayment sustainability through reduction of the borrower’s monthly payment, verified borrower income, and payment affordability relative to income.

| Table 3. Modified Loans 60 or More Days Delinquent | | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
| Modification Date | 3 Months After Modification | 6 Months After Modification | 9 Months After Modification | 12 Months After Modification* |
| Second Quarter 2009 | 18.7% | 33.5% | 40.8% | 43.1% |
| Third Quarter 2009 | 14.7% | 27.7% | 32.7% | 36.7% |
| Fourth Quarter 2009 | 11.3% | 20.2% | 27.6% | -- |
| First Quarter 2010 | 11.2% | 19.1% | -- | -- |
| Second Quarter 2010 | 10.5% | -- | -- | -- |

*All re-default data are based on modified loans that remain in effect at the specified amount of time after the modification. All loans that have been repaid in full, refinanced, or sold, or have completed the foreclosure process are removed from the calculation. Data include only modifications that have had time to age the indicated number of months.

- HAMP modifications performed better than other modifications implemented during the same periods at the end of the third quarter of 2010. At 6 months after modification, the re-default rate for HAMP modifications, measured as 60 or more days delinquent at 6 months after the modification, was about half that of other modifications for loans modified during the fourth quarter 2009 and first quarter 2010 (see table 32). These lower post-modification delinquency rates reflect HAMP’s emphasis on the affordability of monthly payments relative to borrower income, verification of income, and completion of a successful trial payment period.

- Modified mortgages held in the servicers’ portfolios performed better than modified mortgages serviced for others. This variance may result from differences in modification programs, servicers’ additional flexibility to modify mortgage terms, and the underlying quality of loans serviced for different investors. Modified government-guaranteed mortgages had the highest delinquency rates at 6, 9, and 12 months following modification, consistent with their higher overall delinquency rates (see table 4).

Table 4. Re-Default Rates for Portfolio Loans and Loans Serviced for Others
(60 or More Days Delinquent)*

| Investor Loan Type | 3 Months After Modification | 6 Months After Modification | 9 Months After Modification | 12 Months After Modification |
|-----------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| Fannie Mae | 15.2% | 27.6% | 42.5% | 52.5% |
| Freddie Mac | 16.2% | 28.7% | 44.2% | 55.8% |
| Government-Guaranteed | 21.6% | 42.9% | 55.9% | 62.3% |
| Private | 28.1% | 42.1% | 52.5% | 58.2% |
| Portfolio Loans | 9.2% | 18.2% | 24.8% | 30.1% |
| Overall | 20.0% | 33.8% | 44.7% | 51.4% |

*Data include all modifications implemented since January 1, 2008 that have had time to age the indicated number of months.

Modified Loan Performance, by Change in Monthly Payments

- Modifications that decreased monthly payments consistently had lower re-default rates than modifications that left payments unchanged or increased payments. After 6 months, 14.6 percent of modifications implemented since the second quarter of 2009 that decreased monthly payments by 20 percent or more were seriously delinquent. In contrast, 28.1 percent of modifications that left payments unchanged and 42.6 percent of modifications that increased payments were seriously delinquent (see table 5). While lower payments reduce monthly cash flows to investors, the payments may result in longer-term sustainability.

Table 5. 60+ Delinquency at 6 Months After Modification by Change to Monthly Payments

| | Decreased by 20% or More | Decreased by 10% to Less Than 20% | Decreased by Less Than 10% | Unchanged | Increased | Overall |
|---------------------|--------------------------|-----------------------------------|----------------------------|-----------|-----------|---------|
| Second Quarter 2009 | 20.9% | 35.0% | 39.9% | 34.9% | 52.9% | 33.6% |
| Third Quarter 2009 | 18.1% | 30.1% | 31.9% | 30.9% | 39.9% | 27.7% |
| Fourth Quarter 2009 | 11.4% | 21.2% | 27.1% | 12.3% | 37.6% | 20.1% |
| First Quarter 2010 | 11.7% | 21.2% | 28.4% | 33.4% | 37.7% | 19.1% |
| Overall | 14.6% | 26.3% | 31.8% | 28.1% | 42.6% | 24.4% |

*Data include all modifications that have had time to age the indicated number of months.

Foreclosures and Other Home Forfeiture Actions

- Newly initiated foreclosures increased 31.2 percent from the previous quarter and 3.7 percent from a year ago, reflecting the large number of seriously delinquent mortgages and loans in process of foreclosure progressing toward foreclosure sale. Foreclosures in process increased 4.5 percent from the previous quarter and 10.1 percent from a year ago. More than

1.2 million mortgages were in the process of foreclosure at the end of the third quarter of 2010 (See table 6).

| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
|------------------------------|-----------|-----------|-----------|-----------|-----------|---------------|---------------|
| Newly Initiated Foreclosures | 369,209 | 312,520 | 369,944 | 291,758 | 382,751 | 31.2% | 3.7% |
| Foreclosures in Process | 1,091,620 | 1,079,386 | 1,170,874 | 1,149,461 | 1,201,622 | 4.5% | 10.1% |

- Completed foreclosures and other home forfeiture actions totaled 244,840 during the third quarter of 2010, an increase of 11.2 percent from the previous quarter and an increase of 62.6 percent from a year ago. While HAMP and proprietary foreclosure prevention programs are designed to help a significant number of distressed homeowners, these programs are not expected to help all delinquent borrowers. Servicers indicated that completed foreclosures and other home forfeiture actions are likely to increase as alternatives for seriously delinquent borrowers are exhausted and loans in process of foreclosure proceed to foreclosure sale (see table 7).

| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
|---|---------|----------|---------|---------|---------|---------------|---------------|
| Completed Foreclosures | 118,606 | 128,859 | 152,882 | 162,904 | 186,854 | 14.7% | 57.5% |
| New Short Sales | 30,766 | 37,584 | 41,031 | 55,441 | 56,257 | 1.5% | 82.9% |
| New Deed-in-Lieu-of-Foreclosure Actions | 1,233 | 1,054 | 1,202 | 1,753 | 1,729 | -1.4% | 40.2% |
| Total | 150,605 | 167,497 | 195,115 | 220,098 | 244,840 | 11.2% | 62.6% |

Home Equity Loans

The following paragraphs update information included in the previous report regarding the performance and risk of home equity loans. At the end of the third quarter of 2010, the unpaid balance of home equity loans held by national banks that were 30 or more days past due was \$22.1 billion, or 3.9 percent of these loans. Thrifts reported \$1.26 billion in unpaid balances of home equity loans that were 30 or more days past due, or 2.9 percent of these loans.

Because junior liens behind troubled first-lien mortgages are also likely at risk, the OCC directed large banks to consider inherent risk in junior-lien repayment capacity and collateral protection and to reserve appropriately even if the junior lien is current and performing. At the end of September 2010, the estimated size of the “at-risk” portfolio among national banks was less than \$30 billion, out of a potential total home equity loan portfolio of \$414 billion.

Examiners review loan-loss reserve and charge-off analysis at the largest banks each quarter and are confident that home equity reserves and charge-off practices are adequate. The largest national bank lenders increased loan-loss reserves related to their home equity portfolios from \$9.3 billion in the first quarter of 2008 to \$29.6 billion in the third quarter of 2010. Since January 2008, national banks have recognized \$53.4 billion in losses from home equity portfolios according to the federal financial call report, more than 11 times the losses recognized

over the previous five year period Thrifts recognized more than \$4.9 billion in home equity losses during that same period.

HAMP and its Second-Lien Modification Program (2MP) require junior-lien holders to offer modifications on the second if the borrower qualifies for a modification on the first mortgage. The major home equity lenders, which are included in this report, participate in both HAMP and 2MP.

Home equity loan information is not a regular feature of this report, which focuses on first-lien mortgages, and it is not expected to be included in future reports.

About Mortgage Metrics

The *OCC and OTS Mortgage Metrics Report* presents data on first-lien residential mortgages serviced by national banks and thrifts, focusing on credit performance, loss mitigation efforts, and foreclosures. The OCC and the OTS collect these data from the eight national banks and one thrift with the largest mortgage-servicing portfolios among national banks and thrifts.¹ The data represent 64 percent of all first-lien residential mortgages outstanding in the country. More than 91 percent of the mortgages in the portfolio were serviced for third parties because of loan sales and securitization. At the end of September 2010, the reporting institutions serviced 33.3 million first-lien mortgage loans, totaling more than \$5.8 trillion in outstanding balances.

The loans reflected in this report represent a large percentage of the overall mortgage industry, but they do not represent a statistically random sample of all mortgage loans. The characteristics of these loans differ from the overall population of mortgages. This report does not attempt to quantify or adjust for known seasonal effects that occur within the mortgage industry.

In addition to providing information to the public, the data support the supervision of national bank and thrift mortgage practices. Examiners use the data to help assess emerging trends, identify anomalies, compare servicers with peers, evaluate asset quality and necessary loan-loss reserves, and evaluate loss mitigation actions.

The report promotes the use of standardized terms and elements, which allow better comparisons across the industry and over time. The report uses standardized definitions for prime, Alt-A, and subprime mortgages based on commonly used credit score ranges.

The OCC, the OTS, and the participating institutions devote significant resources to ensuring that the information is reliable and accurate. Steps to ensure the validity of the data include comparisons with institutions' quarterly call and thrift financial reports, with internal quality reviews conducted by the banks and thrifts, and with data supplied by participating banks and aggregated by an external vendor to support this report. Data sets of this size and scope inevitably suffer from a degree of inconsistency, missing data, and other imperfections. This report notes cases in which data anomalies may have affected the results. The OCC and the OTS

¹ The eight banks are Bank of America, JPMorgan Chase, Citibank, HSBC, MetLife, PNC, U.S. Bank, and Wells Fargo. The thrift is OneWest Bank (formerly IndyMac). Merrill Lynch FSB was merged into Bank of America in November 2009. MetLife Bank replaced First Tennessee as a reporting institution in January 2010. Wachovia Bank was merged into Wells Fargo National Bank in March 2010.

require previous data submissions to be adjusted when errors and omissions are detected. In some cases, data presented in this report reflect resubmissions from institutions that restate and correct earlier information.

New in This Report

The OCC and OTS continuously improve this report by developing and reporting additional data and analysis that responds to the needs of financial supervisors and policy makers as well as public interest. In this report, the agency added mortgage modification data by state in Appendix E. Developed over several quarters, this data also fulfills reporting requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203).

Table 48 presents the number and percentage of HAMP modifications and other modifications in each state during the third quarter of 2010. Tables 49 and 50 present the number and percentage of each type of action included in modifications made during the quarter in each state. Tables 51 and 52 present the number and percentage of each type of action included in combination modifications made during the quarter in each state. Tables 53 and 54 present the number and percentage of modifications made during the quarter in each state by the amount of change in the borrowers monthly principal and interest payment. Tables 55 and 56 present the number and percentage of modifications made in the first quarter of 2010 that were 60 or more days delinquent or in process of foreclosure at the end of the third quarter (re-defaults.)

Definitions and Method

The report uses standard definitions for three categories of mortgage creditworthiness based on the following ranges of borrowers' credit scores at the time of origination:

- **Prime**—660 and above.
- **Alt-A**—620 to 659.
- **Subprime**—below 620.

Approximately 13 percent of mortgages in the portfolio were not accompanied by credit scores and are classified as "other." This group includes a mix of prime, Alt-A, and subprime mortgages. In large part, the lack of credit scores results from acquisitions of portfolios from third parties for which borrower credit scores at origination were not available.

Additional definitions include:

- **Completed foreclosures**—Ownership of properties transferred to servicers or investors. The ultimate result is the loss of borrowers' homes because of nonpayment.
- **Deed-in-lieu-of-foreclosure actions**—Actions in which borrowers transfer ownership of the properties (deeds) to servicers in full satisfaction of the outstanding mortgage debt to lessen the adverse impact of the debt on borrowers' credit records. Deed-in-lieu-of-foreclosure actions typically have less adverse impact than foreclosure on borrowers' credit records.
- **Foreclosures in process**—Number of mortgages for which servicers have begun formal foreclosure proceedings but have not yet completed the process resulting in the loss of

borrowers' homes. The foreclosure process varies by state and can take 15 months or more to complete. Many foreclosures in process never result in the loss of borrowers' homes because servicers simultaneously pursue other loss mitigation actions and borrowers may act to return their mortgages to current and performing status.

- **Government-guaranteed mortgages**—All mortgages with an explicit guaranty from the U.S. government, including the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), and certain other departments. These loans may be held in pools backing Government National Mortgage Association (Ginnie Mae) securities or owned by and/or securitized through different investors.
- **Home retention actions**—Loan modifications, trial-period plans, and payment plans that allow borrowers to retain ownership and occupancy of their homes while attempting to return the loans to a current and performing status.
- **Loan modifications**—Actions that contractually change the terms of mortgages with respect to interest rates, maturity, principal, or other terms of the loan.
- **Newly initiated foreclosures**—Mortgages for which the servicers initiate formal foreclosure proceedings during the month. Many newly initiated foreclosures do not result in the loss of borrowers' homes because servicers simultaneously pursue other loss mitigation actions and borrowers may act to return their mortgages to current and performing status.
- **Payment plans**—Short- to medium-term changes in scheduled terms and payments to return mortgages to a current and performing status.
- **Payment option adjustable rate mortgages (ARMs)**—Mortgages that allow borrowers to choose a monthly payment that may reduce principal, pay interest only, or result in negative amortization, in which some amount of unpaid interest is added to the principal balance of the loan and results in an increased amount owed.
- **Principal deferral modifications**—Modifications that remove a portion of the principal from the amount used to calculate monthly principal and interest payments for a set period. The deferred amount becomes due at the end of the loan term.
- **Principal reduction modifications**—Modifications that permanently forgive a portion of the principal amount owed on a mortgage.
- **Re-default rates**—Percentage of modified loans that subsequently become delinquent or enter the foreclosure process. As alternative measures of delinquency, this report presents re-default rates using 30, 60, and 90 or more days delinquent and in process of foreclosure but focuses most often on the 60-day-delinquent measure. All re-default data presented in this report are based on modified loans that remain in effect at the specified amount of time after the modification. All loans that have been repaid in full, refinanced, or sold, or have completed the foreclosure process are removed from the calculation.

Data include only modifications that have had time to age the indicated number of months following the modification.²

- **Seriously delinquent loans**—Mortgages that are 60 or more days past due and all mortgages held by bankrupt borrowers whose payments are 30 or more days past due.
- **Short sales**—Sales of the mortgaged properties at prices that net less than the total amount due on the mortgages. Servicers and borrowers negotiate repayment programs, forbearance, or forgiveness for any remaining deficiency on the debt. Short sales typically have less adverse impact than foreclosure on borrowers' credit records.
- **Trial-period plans**—Home retention actions that allow borrowers to demonstrate capability and willingness to pay their modified mortgages for a set period of time. The action becomes a permanent loan modification following the successful completion of the trial period.

Loan delinquencies are reported using the Mortgage Bankers Association convention that a loan is past due when a scheduled payment is unpaid for 30 days or more. The statistics and calculated ratios are based on the number of loans rather than on the dollar amount outstanding.

Percentages are rounded to one decimal unless the result is less than 0.1 percent, which is rounded to two decimal places. The report uses whole numbers when approximating.

In tables throughout this report, the quarters are indicated by the last day of the quarter (e.g., 6/30/10), quarter-to-quarter changes are shown under the column "1Q %Change," and year-to-year changes are shown under the column "1Y %Change."

In tables throughout this report, percentages shown under "1Q %Change" and "1Y %Change" are calculated using unrounded values for each quarter. Calculating these percentages from the rounded values shown in the table may yield materially different values.

Mortgage Metrics Report data may not agree with other published data because of timing delays in updating servicer-processing systems.

² Some servicers have offered modification programs that do not reset or "re-age" delinquency status following modification. Loans in this category represent a small percentage of total loan modifications.

PART I: Mortgage Performance

Part I describes the performance of the overall mortgage portfolio, the performance of government-guaranteed mortgages, mortgages serviced for the government-sponsored enterprises (GSEs), and each loan risk category.

Overall Mortgage Portfolio

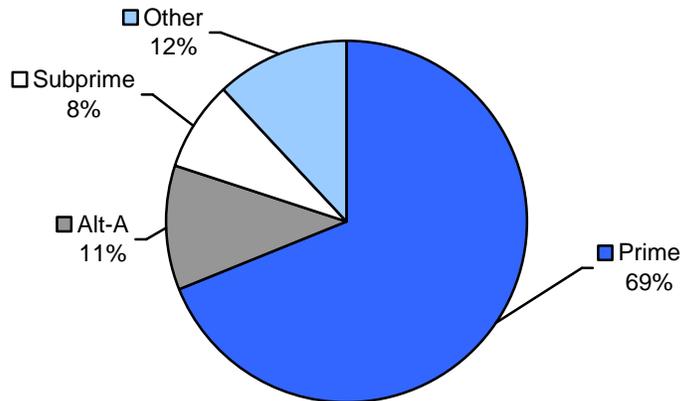
At the end of the third quarter of 2010, the size of the servicing portfolio declined slightly to 33.3 million loans totaling more than \$5.8 trillion in unpaid principal balances. The composition of the portfolio remained generally steady with 69 percent prime, 11 percent Alt-A, 8 percent subprime, and 12 percent other loans.

| Table 8. Overall Mortgage Portfolio | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 |
| Total Servicing (Millions) | \$5,998,986 | \$5,952,423 | \$5,947,548 | \$5,907,917 | \$5,811,107 |
| Total Servicing (Number of Loans) | 34,024,601 | 33,824,889 | 33,895,628 | 33,747,459 | 33,326,073 |
| Composition (Percentage of All Mortgages in the Portfolio) | | | | | |
| Prime | 68% | 68% | 68% | 69% | 69% |
| Alt-A | 10% | 11% | 11% | 11% | 11% |
| Subprime | 8% | 8% | 8% | 8% | 8% |
| Other | 14% | 13% | 14% | 13% | 12% |
| Composition (Number of Loans in Each Risk Category of the Portfolio) | | | | | |
| Prime | 23,064,371 | 23,136,115 | 23,034,396 | 23,152,805 | 23,003,175 |
| Alt-A | 3,524,305 | 3,560,656 | 3,567,635 | 3,615,409 | 3,590,974 |
| Subprime | 2,774,027 | 2,758,613 | 2,667,582 | 2,618,823 | 2,550,622 |
| Other | 4,661,898 | 4,369,505 | 4,626,015 | 4,360,422 | 4,181,302 |

*Percentages may not total 100 percent because of rounding.

Figure 1. Portfolio Composition

Percentage of All Mortgage Loans in the Portfolio
Third Quarter 2010



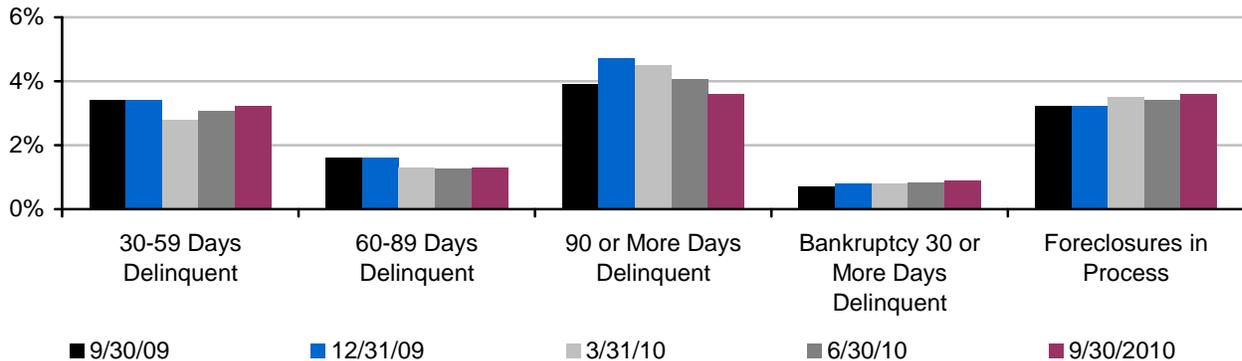
Overall Mortgage Performance

The percentage of current and performing mortgages remained unchanged from the previous quarter at 87.4 percent. Early delinquencies, mortgages 30 to 59 days delinquent, were 3.2 percent of the portfolio—up from 3.1 percent at the end of the previous quarter but down from 3.4 percent a year ago. The percentage of seriously delinquent mortgages fell to 5.8 percent—down from 6.2 percent at the end of the previous quarter and down from 6.2 percent a year ago. Foreclosures in process increased to 3.6 percent of the total portfolio—up from 3.4 percent at the end of the previous quarter and 3.2 percent a year ago.

| Table 9. Overall Portfolio Performance | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|--------------|--------------|
| (Percentage of Mortgages in the Portfolio) | | | | | | | |
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
| Current and Performing | 87.2% | 86.4% | 87.3% | 87.4% | 87.4% | 0.1%* | 0.3% |
| 30–59 Days Delinquent | 3.4% | 3.4% | 2.8% | 3.1% | 3.2% | 4.3% | -6.2% |
| The Following Three Categories Are Classified as Seriously Delinquent: | | | | | | | |
| 60–89 Days Delinquent | 1.6% | 1.6% | 1.3% | 1.3% | 1.3% | 4.7% | -14.3% |
| 90 or More Days Delinquent | 3.9% | 4.7% | 4.5% | 4.1% | 3.6% | -12.4% | -9.1% |
| Bankruptcy 30 or More Days Delinquent | 0.7% | 0.8% | 0.8% | 0.8% | 0.9% | 6.5% | 18.4% |
| Subtotal for Seriously Delinquent | 6.2% | 7.1% | 6.5% | 6.2% | 5.8% | -6.4% | -7.2% |
| Foreclosures in Process | 3.2% | 3.2% | 3.5% | 3.4% | 3.6% | 5.9% | 12.4% |
| (Number of Mortgages in the Portfolio) | | | | | | | |
| Current and Performing | 29,666,568 | 29,217,743 | 29,574,953 | 29,490,635 | 29,143,015 | -1.2% | -1.8% |
| 30–59 Days Delinquent | 1,154,825 | 1,138,822 | 939,306 | 1,030,522 | 1,061,246 | 3.0% | -8.1% |
| The Following Three Categories Are Classified as Seriously Delinquent: | | | | | | | |
| 60–89 Days Delinquent | 529,845 | 525,071 | 424,534 | 430,217 | 444,769 | 3.4% | -16.1% |
| 90 or More Days Delinquent | 1,332,228 | 1,604,014 | 1,525,662 | 1,371,346 | 1,185,957 | -13.5% | -11.0% |
| Bankruptcy 30 or More Days Delinquent | 249,515 | 259,853 | 260,299 | 275,278 | 289,464 | 5.2% | 16.0% |
| Subtotal for Seriously Delinquent | 2,111,588 | 2,388,938 | 2,210,495 | 2,076,841 | 1,920,190 | -7.5% | -9.1% |
| Foreclosures in Process | 1,091,620 | 1,079,386 | 1,170,874 | 1,149,461 | 1,201,622 | 4.5% | 10.1% |

*Unrounded numbers yield a slight increase during the quarter.

Figure 2. Overall Portfolio Performance



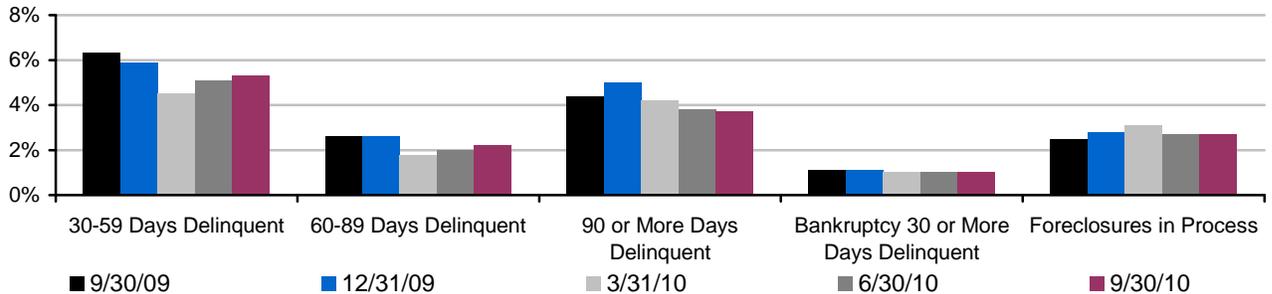
Performance of Government-Guaranteed Mortgages

The percentage of current government-guaranteed mortgages decreased during the quarter to 85.1. Serious delinquencies increased to 6.9 percent of government-guaranteed mortgages—up from 6.8 percent at the end of the previous quarter but down from 8.2 percent a year ago. The percentage of government-guaranteed mortgages that were 30 to 59 days delinquent increased to 5.3 percent—up from 5.1 percent from the previous quarter but down from 6.3 percent a year ago. Foreclosures in process remained steady from the previous quarter at 2.7 percent—but up from 2.5 percent a year ago. Government-guaranteed mortgages continue to increase as a portion of the overall servicing portfolio and represent 19 percent of the portfolio. About 79 percent of these loans were FHA loans, 16 percent were VA loans, and 5 percent were other government-guaranteed mortgages. More than 84 percent of these mortgages were in pools of loans backing Ginnie Mae securities.

| Table 10. Performance of Government-Guaranteed Mortgages (Percentage)* | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|-------------|---------------|
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
| Current and Performing | 83.0% | 82.7% | 85.4% | 85.3% | 85.1% | -0.2% | 2.6% |
| 30–59 Days Delinquent | 6.3% | 5.9% | 4.5% | 5.1% | 5.3% | 2.9% | -16.8% |
| The Following Three Categories Are Classified as Seriously Delinquent: | | | | | | | |
| 60–89 Days Delinquent | 2.6% | 2.6% | 1.8% | 2.0% | 2.2% | 9.5% | -18.1% |
| 90 or More Days Delinquent | 4.4% | 5.0% | 4.2% | 3.8% | 3.7% | -2.8% | -16.0% |
| Bankruptcy 30 or More Days Delinquent | 1.1% | 1.1% | 1.0% | 1.0% | 1.0% | 1.5% | -2.9% |
| Subtotal for Seriously Delinquent | 8.2% | 8.6% | 7.0% | 6.8% | 6.9% | 1.4% | -14.9% |
| Foreclosures in Process | 2.5% | 2.8% | 3.1% | 2.7% | 2.7% | -1.7% | 6.3% |
| Performance of Government-Guaranteed Mortgages (Number) | | | | | | | |
| Current and Performing | 4,376,413 | 4,602,510 | 4,991,326 | 5,230,076 | 5,344,688 | 2.2% | 22.1% |
| 30–59 Days Delinquent | 333,614 | 331,188 | 261,986 | 313,456 | 330,353 | 5.4% | -1.0% |
| The Following Three Categories Are Classified as Seriously Delinquent: | | | | | | | |
| 60–89 Days Delinquent | 139,019 | 142,114 | 105,019 | 120,931 | 135,618 | 12.1% | -2.4% |
| 90 or More Days Delinquent | 233,914 | 277,617 | 247,105 | 235,057 | 234,106 | -0.4% | 0.1% |
| Bankruptcy 30 or More Days Delinquent | 56,848 | 59,499 | 59,084 | 63,232 | 65,756 | 4.0% | 15.7% |
| Subtotal for Seriously Delinquent | 429,781 | 479,230 | 411,208 | 419,220 | 435,480 | 3.9% | 1.3% |
| Foreclosures in Process | 132,713 | 153,637 | 179,948 | 166,843 | 167,975 | 0.7% | 26.6% |

*Percentages may not total 100 because of rounding.

Figure 3. Performance of Government-Guaranteed Mortgages

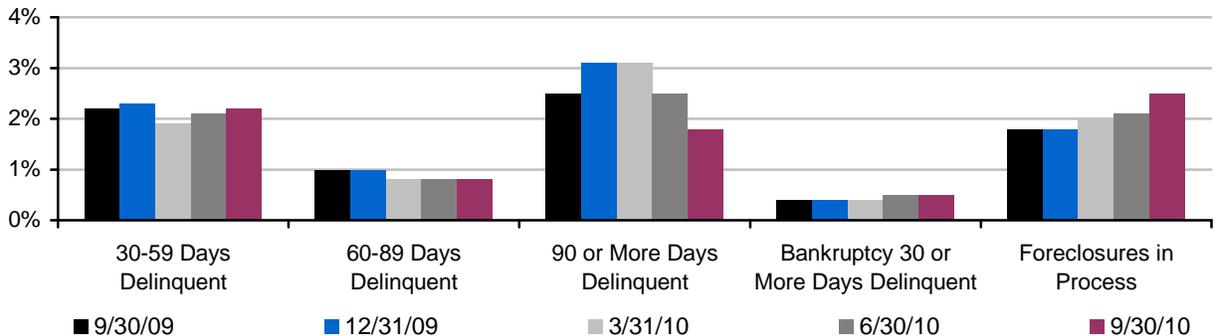


Performance of GSE Mortgages

GSE mortgages continued to perform better than the overall portfolio because they include more prime mortgages than mortgages serviced for other investors. Current and performing GSE loans increased to 92.3 percent, compared with 87.4 percent for the overall portfolio and 85.1 percent for government-guaranteed mortgages. The percentage of GSE mortgages that were 30 to 59 days delinquent increased to 2.2 percent—up from 2.1 percent at the end of the previous quarter but steady from a year ago. Seriously delinquent GSE mortgages declined to 3.1 percent—down from 3.8 percent at the end of the previous quarter and 3.9 percent from a year ago. Foreclosures in process, however, increased to 2.5 percent—up from 2.1 percent at the end of the previous quarter and 1.8 percent from a year ago. GSE mortgages made up 61 percent of the overall servicing portfolio. Of the GSE mortgages, about 58 percent were serviced for Fannie Mae, and 42 percent were serviced for Freddie Mac.

| Table 11. Performance of GSE Mortgages (Percent) | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
| Current and Performing | 92.1% | 91.3% | 91.8% | 92.0% | 92.3% | 0.3% | 0.2% |
| 30–59 Days Delinquent | 2.2% | 2.3% | 1.9% | 2.1% | 2.2% | 4.6% | -2.8% |
| The Following Three Categories Are Classified as Seriously Delinquent: | | | | | | | |
| 60–89 Days Delinquent | 1.0% | 1.0% | 0.8% | 0.8% | 0.8% | 1.6% | -14.5% |
| 90 or More Days Delinquent | 2.5% | 3.1% | 3.1% | 2.5% | 1.8% | -28.6% | -29.6% |
| Bankruptcy 30 or More Days Delinquent | 0.4% | 0.4% | 0.4% | 0.5% | 0.5% | 9.9% | 29.9% |
| Subtotal for Seriously Delinquent | 3.9% | 4.6% | 4.3% | 3.8% | 3.1% | -17.2% | -19.8% |
| Foreclosures in Process | 1.8% | 1.8% | 2.0% | 2.1% | 2.5% | 14.4% | 34.9% |
| Performance of GSE Mortgages (Number) | | | | | | | |
| Current and Performing | 19,775,288 | 19,361,573 | 19,471,020 | 19,282,071 | 18,877,065 | -2.1% | -4.5% |
| 30–59 Days Delinquent | 480,320 | 490,139 | 404,565 | 435,687 | 444,871 | 2.1% | -7.4% |
| The Following Three Categories Are Classified as Seriously Delinquent: | | | | | | | |
| 60–89 Days Delinquent | 210,156 | 212,754 | 179,974 | 172,604 | 171,249 | -0.8% | -18.5% |
| 90 or More Days Delinquent | 538,299 | 667,075 | 648,649 | 517,496 | 360,798 | -30.3% | -33.0% |
| Bankruptcy 30 or More Days Delinquent | 84,192 | 89,985 | 91,482 | 97,024 | 104,146 | 7.3% | 23.7% |
| Subtotal for Seriously Delinquent | 832,647 | 969,814 | 920,105 | 787,124 | 636,193 | -19.2% | -23.6% |
| Foreclosures in Process | 390,664 | 391,042 | 420,049 | 449,458 | 502,019 | 11.7% | 28.5% |

Figure 4. Performance of GSE Mortgages

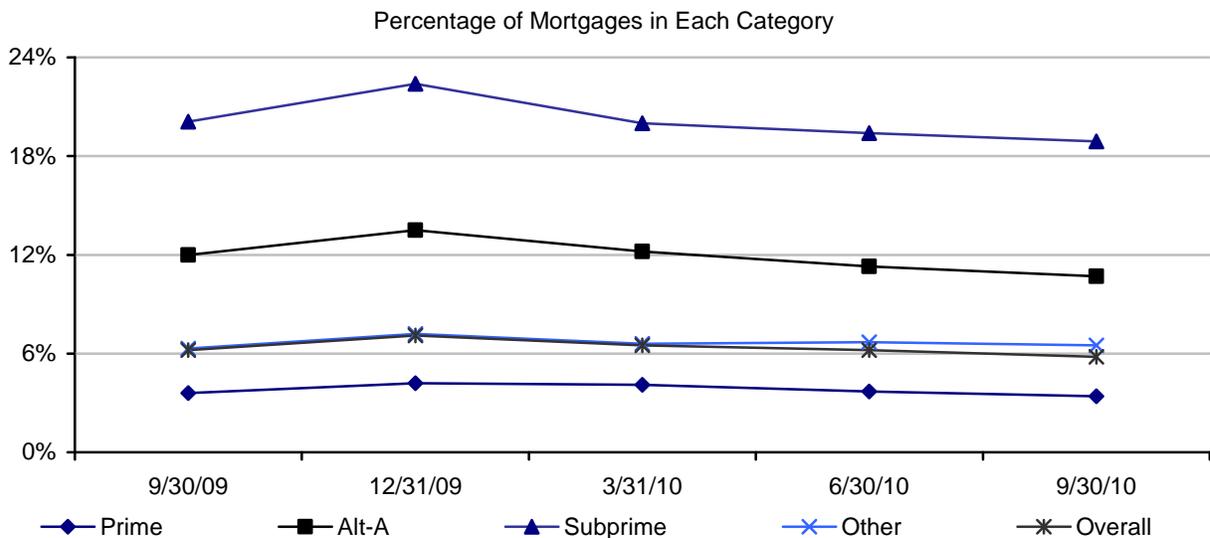


Seriously Delinquent Mortgages, by Risk Category

Serious delinquencies declined for the third consecutive quarter to 5.8 percent of the overall servicing portfolio—the lowest level since the end of June 2009. The number of seriously delinquent loans declined across all risk categories during the quarter. The percentage of prime mortgages that were seriously delinquent was 3.4 percent—down from 3.7 percent at the end of the previous quarter and 3.6 percent from a year ago. Subprime serious delinquencies at 18.9 percent declined from 19.4 percent at the end of the previous quarter and from 20.1 percent a year ago. Overall, about 191,000 fewer loans were seriously delinquent compared with a year ago.

| Table 12. Seriously Delinquent Mortgages | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|------------|------------|
| (Percentage of Mortgages in Each Category) | | | | | | | |
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
| Prime | 3.6% | 4.2% | 4.1% | 3.7% | 3.4% | -9.2% | -6.5% |
| Alt-A | 12.0% | 13.5% | 12.2% | 11.3% | 10.7% | -5.6% | -10.7% |
| Subprime | 20.1% | 22.4% | 20.0% | 19.4% | 18.9% | -2.5% | -6.2% |
| Other | 6.3% | 7.2% | 6.6% | 6.7% | 6.5% | -2.9% | 3.9% |
| Overall | 6.2% | 7.1% | 6.5% | 6.2% | 5.8% | -6.4% | -7.2% |
| (Number of Mortgages in Each Category) | | | | | | | |
| Prime | 838,083 | 976,183 | 935,167 | 866,422 | 781,237 | -9.8% | -6.8% |
| Alt-A | 422,277 | 479,506 | 436,663 | 409,826 | 384,300 | -6.2% | -9.0% |
| Subprime | 558,419 | 617,601 | 533,301 | 507,425 | 481,784 | -5.1% | -13.7% |
| Other | 292,809 | 315,648 | 305,364 | 293,168 | 272,869 | -6.9% | -6.8% |
| Total | 2,111,588 | 2,388,938 | 2,210,495 | 2,076,841 | 1,920,190 | -7.5% | -9.1% |

Figure 5. Seriously Delinquent Mortgages



Mortgages 30–59 Days Delinquent, by Risk Category

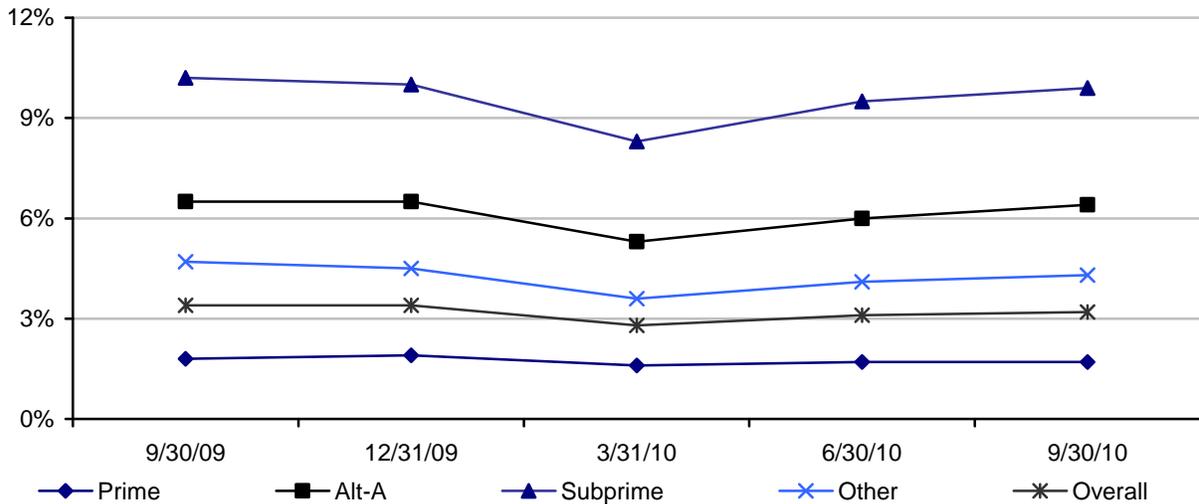
The proportion of early stage delinquencies—mortgages 30 to 59 days delinquent—increased across all risk categories during the third quarter but were down from a year ago. Overall, 3.2 percent of the total portfolio was 30 to 59 days delinquent at the end of the quarter—up from 3.1 percent at the end of the previous quarter but down from 3.4 percent a year ago.

| Table 13. Mortgages 30–59 Days Delinquent | | | | | | | |
|--|-----------|-----------|---------|-----------|-----------|------------|------------|
| (Percentage of Mortgages in Each Category) | | | | | | | |
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
| Prime | 1.8% | 1.9% | 1.6% | 1.7% | 1.7% | 4.1%* | -5.4% |
| Alt-A | 6.5% | 6.5% | 5.3% | 6.0% | 6.4% | 6.9% | -1.4% |
| Subprime | 10.2% | 10.0% | 8.3% | 9.5% | 9.9% | 3.8% | -3.5% |
| Other | 4.7% | 4.5% | 3.6% | 4.1% | 4.3% | 5.0% | -8.1% |
| Overall | 3.4% | 3.4% | 2.8% | 3.1% | 3.2% | 4.3% | -6.2% |
| (Number of Mortgages in Each Category) | | | | | | | |
| Prime | 420,000 | 432,188 | 360,385 | 382,963 | 396,214 | 3.5% | -5.7% |
| Alt-A | 230,077 | 232,609 | 190,767 | 217,629 | 231,098 | 6.2% | 0.4% |
| Subprime | 284,251 | 275,235 | 221,157 | 249,387 | 252,136 | 1.1% | -11.3% |
| Other | 220,497 | 198,790 | 166,997 | 180,543 | 181,798 | 0.7% | -17.6% |
| Total | 1,154,825 | 1,138,822 | 939,306 | 1,030,522 | 1,061,246 | 3.0% | -8.1% |

*Unrounded numbers yield an increase during the quarter.

Figure 6. Mortgages 30–59 Days Delinquent

Percentage of Mortgages in Each Category



PART II: Home Retention Actions

Home retention actions include loan modifications, in which servicers modify one or more mortgage contract terms; trial-period plans, in which the loans will be converted to modifications upon successful underwriting and completion of the trial periods; and payment plans, in which no terms are contractually modified, but borrowers are given time to catch up on missed payments. All of these actions are intended to enable the borrower to attain payment sustainability and retain the home.

A. Loan Modifications, Trial-Period Plans, and Payment Plans

Newly Initiated Home Retention Actions

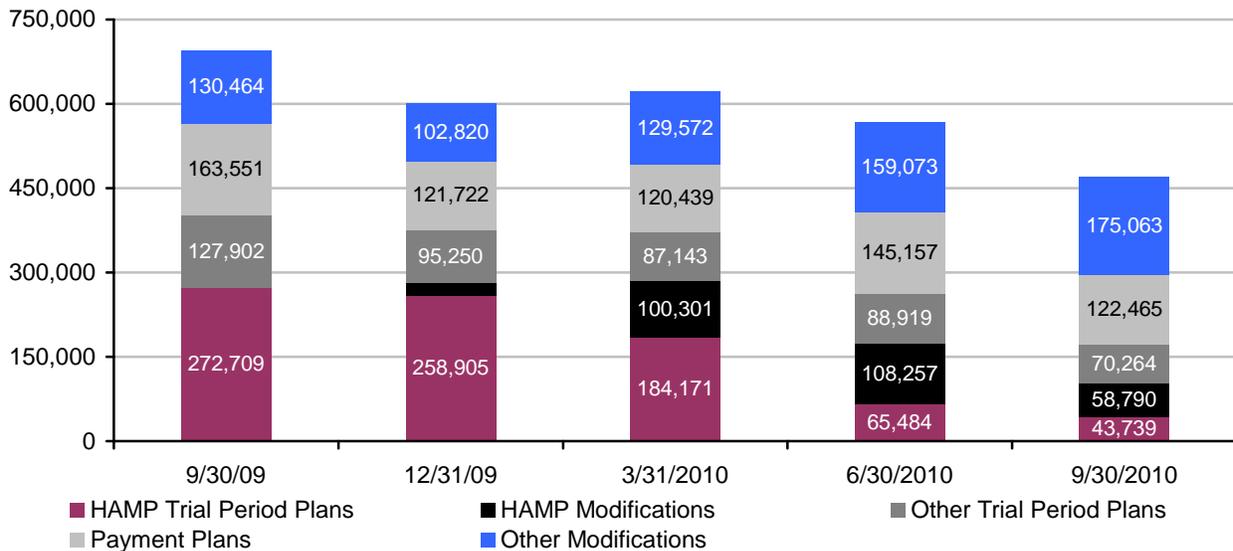
During the third quarter of 2010, servicers implemented 470,321 new home retention actions—loan modifications, trial-period plans, and payment plans. Servicers implemented 233,853 modifications during the quarter, a 12.5 percent decrease from the previous quarter. The decline is largely the result of a 45.7 percent drop in HAMP modifications from the previous quarter, which eclipsed the 10.1 percent increase in other modifications. Total home retention actions declined 17.0 percent from the prior quarter. During the past five quarters, servicers have initiated 2,954,821 home retention actions—987,001 modifications, 1,294,486 trial-period plans, and 673,334 payment plans.

Table 14. Number of New Home Retention Actions

| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y % Change |
|--------------------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
| Other Modifications | 130,464 | 102,820 | 129,572 | 159,073 | 175,063 | 10.1% | 34.2% |
| HAMP Modifications | 783 | 21,878 | 100,301 | 108,257 | 58,790 | -45.7% | 7408.3% |
| Other Trial-Period Plans | 127,902 | 95,250 | 87,143 | 88,919 | 70,264 | -21.0% | -45.1% |
| HAMP Trial-Period Plans | 272,709 | 258,905 | 184,171 | 65,484 | 43,739 | -33.2% | -84.0% |
| Payment Plans | 163,551 | 121,722 | 120,439 | 145,157* | 122,465 | -15.6% | -25.1% |
| Total | 695,409 | 600,575 | 621,626 | 566,890 | 470,321 | -17.0% | -32.4% |

*Servicer resubmission of second quarter 2010 data to conform to reporting standard resulted in a 52,623 increase in new payment plans reported for the quarter.

Figure 7. Number of New Home Retention Actions



HAMP Modifications and Trial-Period Plans, by Investor and Risk Category

Servicers implemented 58,790 HAMP modifications during the third quarter of 2010, down 45.7 percent from the 108,257 implemented during the previous quarter. Approximately 50 percent of HAMP modifications made in the third quarter of 2010 went to mortgages serviced for Fannie Mae and Freddie Mac. Prime loans received about half of all HAMP modifications, while subprime loans received less than a quarter of these modification actions.

| Table 15. HAMP Modifications, by Investor and Risk Category (Modifications Implemented in the Third Quarter of 2010) | | | | | | |
|--|------------|-------------|-----------------------|-----------|---------|--------|
| | Fannie Mae | Freddie Mac | Government-Guaranteed | Portfolio | Private | Total |
| Prime | 8,957 | 8,709 | 95 | 7,133 | 4,671 | 29,565 |
| Alt-A | 3,010 | 2,707 | 205 | 3,692 | 2,327 | 11,941 |
| Subprime | 2,002 | 1,406 | 690 | 4,461 | 3,255 | 11,814 |
| Other | 1,894 | 853 | 144 | 1,052 | 1,527 | 5,470 |
| Total | 15,863 | 13,675 | 1,134 | 16,338 | 11,780 | 58,790 |

Servicers implemented 43,739 new HAMP trial-period plans during the quarter, a decrease of 33.2 percent from the 65,484 trial plans initiated in the previous quarter. Prime mortgages, which represent 68 percent of the total portfolio and the risk category with the largest number of past-due loans, received more than half of the HAMP trial-period plans implemented during the quarter. Alt-A and subprime mortgages received less than a quarter of the HAMP trial plans implemented during the quarter. More than 43 percent of HAMP trial-period plans initiated during the second quarter were for Fannie Mae or Freddie Mac mortgages.

| Table 16. HAMP Trial-Period Plans, by Investor and Risk Category (Trial Plans Implemented in the Third Quarter of 2010) | | | | | | |
|---|------------|-------------|-----------------------|-----------|---------|--------|
| | Fannie Mae | Freddie Mac | Government-Guaranteed | Portfolio | Private | Total |
| Prime | 6,471 | 5,353 | 7 | 5,711 | 5,858 | 23,400 |
| Alt-A | 1,988 | 1,529 | 4 | 2,794 | 2,401 | 8,716 |
| Subprime | 1,182 | 713 | 2 | 3,320 | 2,846 | 8,063 |
| Other | 1,307 | 492 | 3 | 638 | 1,120 | 3,560 |
| Total | 10,948 | 8,087 | 16 | 12,463 | 12,225 | 43,739 |

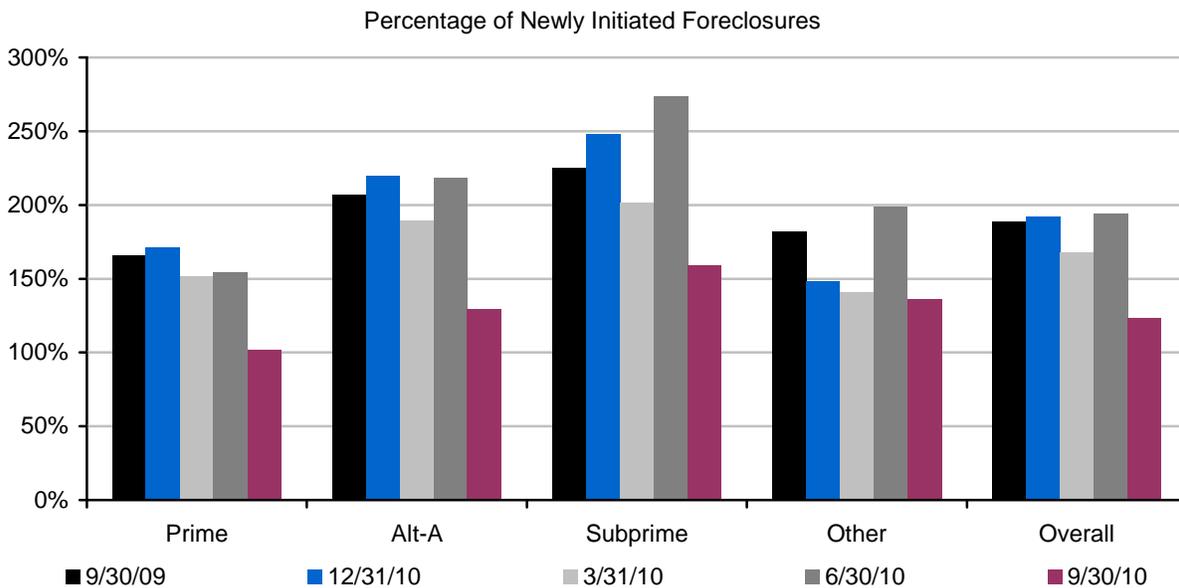
Newly Initiated Home Retention Actions Relative to Newly Initiated Foreclosures

Newly initiated home retention actions relative to newly initiated foreclosure actions declined during the third quarter largely because of both the 17.0 percent decline in home retention actions and the 31.2 percent increase in newly initiated foreclosure actions. Servicers continued to implement more new home retention actions than new foreclosures overall.

| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
|--|---------|----------|---------|----------|---------|------------|------------|
| Prime | 165.9% | 171.0% | 151.9% | 154.0% | 102.1% | -33.7% | -38.5% |
| Alt-A | 207.1% | 219.8% | 189.5% | 218.2% | 129.4% | -40.7% | -37.5% |
| Subprime | 224.8% | 248.2% | 201.7% | 273.4% | 159.2% | -41.8% | -29.2% |
| Other | 181.8% | 148.3% | 140.6% | 198.7% | 136.3% | -31.4% | -25.0% |
| Overall | 188.4% | 192.2% | 168.0% | 194.3% | 122.9% | -36.8% | -34.8% |
| Number of Newly Initiated Home Retention Actions | 695,409 | 600,575 | 621,626 | 566,890* | 470,321 | -17.0% | -32.4% |
| Number of Newly Initiated Foreclosures | 369,209 | 312,520 | 369,944 | 291,758 | 382,751 | 31.2% | 3.7% |

*Servicer resubmission of second quarter 2010 data to conform to reporting standard resulted in a 52,623 increase in new payment plans reported for the quarter.

Figure 8. Newly Initiated Home Retention Actions by Risk Category



Types of Modification Actions

The types of modification actions or combinations of actions have different effects on the borrowers' mortgage structures and monthly principal and interest payments. Different actions may, over time, have different effects on the long-term sustainability of mortgages. Servicers generally use a combination of actions when modifying mortgages, with more than 90 percent of modifications implemented during the third quarter changing more than one of the original loan terms. Servicers capitalized missed fees and payments in 87.5 percent of all modifications made during the third quarter of 2010, reduced interest rates in 86.2 percent of the modified mortgages, and extended the loan maturity in 57.4 percent of all modifications. Servicers deferred repayment of some portion of the principal balance in 10.1 percent of all modifications, while principal reduction was used in 4.5 percent of modifications made in the quarter. Because most modifications changed more than one term, the total of the individual actions exceeds 100 percent of total modifications. Appendix D presents additional detail on combination modifications.

| Table 18. Changes in Loan Terms for Modifications Made Through the Third Quarter of 2010 | | | | | | | |
|---|---------|----------|---------|---------|---------|---------------|---------------|
| (Percentage of Total Modifications in Each Category) | | | | | | | |
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
| Capitalization | 68.2% | 83.1% | 91.4% | 93.9% | 87.5% | -6.8% | 28.2% |
| Rate Reduction | 81.1% | 84.8% | 85.6% | 86.9% | 86.2% | -0.7% | 6.3% |
| Rate Freeze | 2.7% | 1.7% | 1.6% | 4.3% | 1.9% | -55.4% | -28.7% |
| Term Extension | 47.4% | 45.4% | 45.7% | 51.7% | 57.4% | 11.1% | 21.2% |
| Principal Reduction | 13.0% | 6.8% | 1.9% | 2.2% | 4.5% | 106.2% | -65.3% |
| Principal Deferral | 3.1% | 6.2% | 10.1% | 10.5% | 10.1% | -4.0% | 227.9% |
| Not Reported* | 1.9% | 1.2% | 0.4% | 0.6% | 2.0% | 253.0% | 8.4% |
| (Number of Changes in Each Category) | | | | | | | |
| Capitalization | 89,553 | 103,604 | 210,153 | 250,959 | 204,624 | -18.5% | 128.5% |
| Rate Reduction | 106,443 | 105,705 | 196,754 | 232,229 | 201,688 | -13.2% | 89.5% |
| Rate Freeze | 3,512 | 2,173 | 3,701 | 11,442 | 4,463 | -61.0% | 27.1% |
| Term Extension | 62,156 | 56,647 | 104,997 | 138,080 | 134,250 | -2.8% | 116.0% |
| Principal Reduction | 17,090 | 8,435 | 4,464 | 5,866 | 10,581 | 80.4% | -38.1% |
| Principal Deferral | 4,040 | 7,676 | 23,289 | 28,106 | 23,601 | -16.0% | 484.2% |
| Not Reported* | 2,447 | 1,512 | 915 | 1,531 | 4,727 | 208.8% | 93.2% |

*Processing constraints at some servicers prevented them from aggregating and reporting specific modified term(s).

Types of HAMP Modification Actions

HAMP modifications follow a prescribed series of actions to attain a targeted monthly mortgage payment. Consistent with modification actions overall and the prescribed order of actions required by HAMP, capitalization of missed payments and fees, interest rate reductions, and term extensions were the prevailing actions on HAMP modifications. Principal deferral, another prescribed action in the HAMP hierarchy, was used in 24.6 percent of HAMP modifications during the third quarter of 2010 compared with 20.5 percent in the previous quarter, although the number of such modifications declined substantially. The use of principal reduction increased to 10.2 percent of all HAMP modifications implemented during the quarter, compared with 3.1 percent during the previous quarter.

| | Total Number of Changes in Each Category | | | | Percentage of Modifications in Each Category | | | |
|---------------------|--|---------|---------|---------|--|-------------------------|-------------------------|--------------------------|
| | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 12/31/09 (of 21,878) | 3/31/10 (of 100,301) | 6/30/10 (of 108,257) | 9/30/2010 (of 58,790) |
| Capitalization | 21,538 | 97,688 | 106,961 | 56,210 | 98.4% | 97.4% | 98.8% | 95.6% |
| Rate Reduction | 21,321 | 94,167 | 101,211 | 56,402 | 97.5% | 93.9% | 93.5% | 95.9% |
| Rate Freeze | 35 | 150 | 1,148 | 83 | 0.2% | 0.1% | 1.1% | 0.1% |
| Term Extension | 11,070 | 46,415 | 53,253 | 32,744 | 50.6% | 46.3% | 49.2% | 55.7% |
| Principal Reduction | 22 | 162 | 3,342 | 6,011 | 0.1% | 0.2% | 3.1% | 10.2% |
| Principal Deferral | 5,984 | 19,340 | 22,218 | 14,454 | 27.4% | 19.3% | 20.5% | 24.6% |
| Not Reported* | 154 | 167 | 78 | 151 | 0.7% | 0.2% | 0.1% | 0.3% |

*Processing constraints at some servicers prevented them from aggregating and reporting specific modified term(s).

Types of Modification Actions, by Risk Category

Servicers use a combination of actions when modifying mortgages, and no single action can be identified as the primary component of a successful modification. Modifications across all risk categories predominantly featured interest rate reduction and term extension in addition to the capitalization of past-due interest and fees. Because most modifications changed more than one term, the number of individual features changed exceeds the total number of modified loans in each risk category. The mix of capitalization, rate reduction, and term extension in modified mortgages did not differ significantly among prime, Alt-A, and subprime mortgages. Principal deferral was used more extensively in modifications of prime mortgages than other risk categories to attain sustainable monthly payments relative to the borrowers' income level in accordance with HAMP and other modification program guidelines.

| Table 20. Changes in Loan Terms for Modifications, by Risk Category in Third Quarter 2010 | | | | | |
|--|---------|--------|----------|--------|---------|
| (Percentage of Total Modifications in Each Category) | | | | | |
| | Prime | Alt-A | Subprime | Other | Overall |
| Capitalization | 82.7% | 89.5% | 90.4% | 95.9% | 87.5% |
| Rate Reduction | 83.3% | 86.6% | 89.8% | 89.4% | 86.2% |
| Rate Freeze | 1.3% | 2.1% | 2.1% | 3.3% | 1.9% |
| Term Extension | 56.0% | 56.2% | 58.3% | 62.7% | 57.4% |
| Principal Reduction | 6.3% | 4.4% | 3.2% | 0.9% | 4.5% |
| Principal Deferral | 13.7% | 8.8% | 5.8% | 7.6% | 10.1% |
| Not Reported* | 3.1% | 1.8% | 0.9% | 0.8% | 2.0% |
| (Number of Changes in Each Category) | | | | | |
| Total Mortgages Modified | 103,331 | 45,827 | 55,328 | 29,367 | 233,853 |
| Capitalization | 85,458 | 40,996 | 50,004 | 28,166 | 204,624 |
| Rate Reduction | 86,047 | 39,686 | 49,697 | 26,258 | 201,688 |
| Rate Freeze | 1,330 | 983 | 1,184 | 966 | 4,463 |
| Term Extension | 57,820 | 25,735 | 32,274 | 18,421 | 134,250 |
| Principal Reduction | 6,522 | 2,013 | 1,774 | 272 | 10,581 |
| Principal Deferral | 14,124 | 4,048 | 3,185 | 2,244 | 23,601 |
| Not Reported* | 3,158 | 817 | 503 | 249 | 4,727 |

*Processing constraints at some servicers prevented them from reporting specific modified term(s).

Types of Modification Actions, by Investor and Product Type

Modifications of mortgages serviced for the GSEs—Fannie Mae and Freddie Mac—accounted for 44.2 percent of third quarter modifications. Mortgages serviced for private investors received 20.3 percent of all modifications, while government-guaranteed loans received 17.6 percent. Mortgages held in servicer portfolios received 17.9 percent of third quarter modifications. Table 21 shows the distribution of the types of modification actions by investor. Because modifications often change more than one term, the number exceeds the total number of modified loans for each investor.

Interest rate reduction, on loans that may also include the capitalization of missed payments and fees, remained the primary type of modification for all investors and product types, with term extension used in a majority of GSE, government-guaranteed, and portfolio modifications. Principal deferral, one of the actions prescribed by HAMP and other modification programs, was increasingly used in GSE, private investor, and portfolio modifications to attain sustainable monthly payments relative to the borrowers’ income level. Principal reduction was used almost exclusively for loans held in portfolio.

| Table 21. Type of Modification Action, by Investor, in Third Quarter 2010 | | | | | | |
|--|------------|-------------|-----------------------|------------------|-----------|---------|
| <i>(Percentage of Total Modifications in Each Category)</i> | | | | | | |
| | Fannie Mae | Freddie Mac | Government-Guaranteed | Private Investor | Portfolio | Overall |
| Capitalization | 98.3% | 98.2% | 99.6% | 78.8% | 58.8% | 87.5% |
| Rate Reduction | 91.1% | 78.7% | 97.1% | 87.5% | 70.8% | 86.2% |
| Rate Freeze | 2.2% | 2.9% | 0.4% | 2.0% | 2.0% | 1.9% |
| Term Extension | 51.0% | 67.4% | 81.0% | 38.8% | 59.6% | 57.4% |
| Principal Reduction | 0.0% | 0.0% | 0.0% | 0.2% | 25.1% | 4.5% |
| Principal Deferral | 11.7% | 12.6% | 0.1% | 11.5% | 13.8% | 10.1% |
| Not Reported* | 0.2% | 0.3% | 0.2% | 1.2% | 9.1% | 2.0% |
| <i>(Number of Changes in Each Category)</i> | | | | | | |
| Total Mortgages Modified | 74,311 | 29,051 | 41,177 | 47,568 | 41,746 | 233,853 |
| Capitalization | 73,032 | 28,534 | 41,009 | 37,488 | 24,561 | 204,624 |
| Rate Reduction | 67,682 | 22,852 | 39,978 | 41,603 | 29,573 | 201,688 |
| Rate Freeze | 1,644 | 842 | 183 | 939 | 855 | 4,463 |
| Term Extension | 37,928 | 19,590 | 33,363 | 18,469 | 24,900 | 134,250 |
| Principal Reduction | 4 | 2 | 0 | 111 | 10,464 | 10,581 |
| Principal Deferral | 8,659 | 3,669 | 30 | 5,486 | 5,757 | 23,601 |
| Not Reported* | 185 | 91 | 80 | 554 | 3,817 | 4,727 |

*Processing constraints at some servicers prevented them from reporting specific modified term(s).

Types of HAMP Modification Actions, by Investor and Product Type

Of the 58,790 HAMP modifications implemented in the third quarter, 50.1 percent were on GSE— Fannie Mae and Freddie Mac mortgages, 27.8 percent were on mortgages held in servicers' portfolios, and 20.0 percent were on mortgages serviced for private investors. Consistent with overall modification actions, interest rate reduction on modifications that included capitalization of past-due interest and fees and often term extension were the prevailing actions among HAMP modifications. Principal deferral was used in a significant number of HAMP modifications for all investors other than government-guaranteed loans. Principal reduction was used almost exclusively for loans held in portfolio.

| Table 22. Type of HAMP Modification Action by Investor in Second Quarter 2010 | | | | | | |
|--|-------------------|--------------------|------------------------------|-------------------------|------------------|----------------|
| (Percentage of Total Modifications in Each Category) | | | | | | |
| | Fannie Mae | Freddie Mac | Government-Guaranteed | Private Investor | Portfolio | Overall |
| Capitalization | 97.1% | 97.1% | 98.0% | 99.4% | 90.0% | 95.6% |
| Rate Reduction | 94.4% | 94.8% | 99.2% | 96.0% | 98.1% | 95.9% |
| Rate Freeze | 0.0% | 0.2% | 0.0% | 0.2% | 0.2% | 0.1% |
| Term Extension | 54.4% | 57.6% | 47.1% | 32.4% | 72.8% | 55.7% |
| Principal Reduction | 0.0% | 0.0% | 0.0% | 0.4% | 36.5% | 10.2% |
| Principal Deferral | 21.5% | 20.8% | 0.0% | 31.4% | 27.5% | 24.6% |
| Not Reported* | 0.4% | 0.3% | 0.3% | 0.2% | 0.2% | 0.3% |
| (Number of Changes in Each Category) | | | | | | |
| Total Mortgages Modified | 15,863 | 13,675 | 1,134 | 11,780 | 16,338 | 58,790 |
| Capitalization | 15,408 | 13,284 | 1,111 | 11,707 | 14,700 | 56,210 |
| Rate Reduction | 14,976 | 12,961 | 1,125 | 11,310 | 16,030 | 56,402 |
| Rate Freeze | 6 | 27 | 0 | 25 | 25 | 83 |
| Term Extension | 8,632 | 7,881 | 534 | 3,811 | 11,886 | 32,744 |
| Principal Reduction | 1 | 1 | 0 | 52 | 5,957 | 6,011 |
| Principal Deferral | 3,417 | 2,851 | 0 | 3,700 | 4,486 | 14,454 |
| Not Reported* | 59 | 42 | 3 | 22 | 25 | 151 |

*Processing constraints at some servicers prevented them from reporting specific modified term(s).

Changes to Monthly Payments Resulting From Modification

The previous sections of this report describe the types of modification actions across risk categories, investors, and product types. This section describes the effect of those changes on borrowers' monthly principal and interest payments.

Modifications that decrease payments occur when servicers elect to lower interest rates, extend the amortization period, or forgive or defer principal. The reduced payments can make mortgages more affordable and more sustainable over time. However, the lower payments also result in less monthly cash flow and interest income to the mortgage investor.

Mortgage modifications may increase monthly payments when borrowers and servicers agree to add past-due interest, advances for taxes or insurance, and other fees to the loan balances and re-amortize the new balances over the remaining life of the mortgages. The interest rate or maturity of the loans may be changed on these modifications but not enough to offset the increase in payment caused by the additional capitalized principal. Modifications may also result in increased monthly payments when interest rates or principal payments on adjustable rate mortgages and option ARMs are reset higher but by less than the amount indicated in the original mortgage contracts.

Modifications that increase payments may be appropriate when borrowers experience temporary cash flow or liquidity problems or have reasonable prospects to make the higher payments to repay the debt over time. However, during periods of prolonged economic stress, this strategy carries additional risk, underscoring the importance of verifying borrowers' income and debt payment ability so that borrowers and servicers have confidence that the modifications will be sustainable.

Servicers also modify some mortgages that leave principal and interest payments unchanged. This occurs, for example, when servicers "freeze" current interest rates and payments instead of allowing them to increase to levels required by the original mortgage contracts.

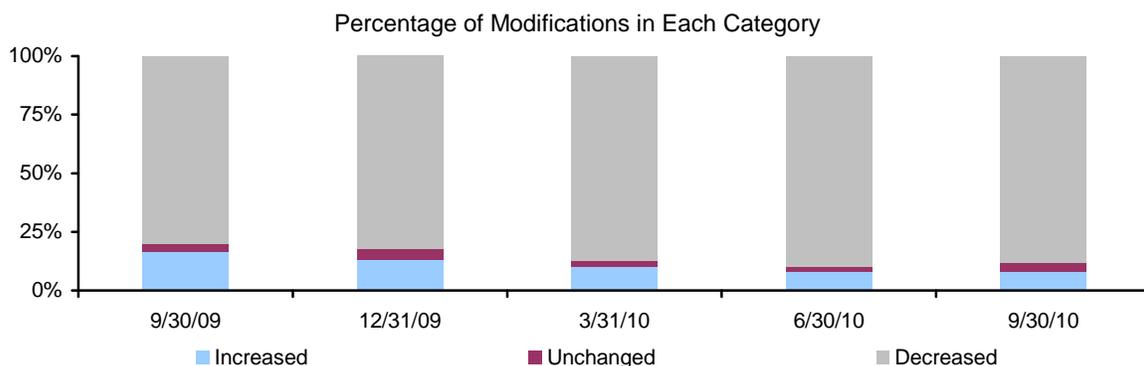
Changes to Monthly Payments Resulting From Modifications, by Quarter

More than 88 percent of all modifications in the third quarter lowered monthly principal and interest payments. More than 54 percent of the modifications reduced the payment by 20 percent or more. Another 18 percent reduced the payment by 10 percent to 20 percent. Modifications that resulted in a higher payment declined slightly to 8.1 percent of all third quarter modifications.

| Table 23. Changes in Monthly Principal and Interest Payments Resulting From Modifications | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
| (Percentage of Modifications in Each Category)* | | | | | | | |
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
| Decreased by 20% or More | 37.2% | 42.3% | 54.6% | 55.9% | 54.1% | -3.1% | 45.6% |
| Decreased by 10% to Less Than 20% | 18.4% | 19.1% | 17.7% | 17.8% | 18.0% | 1.6% | -1.9% |
| Decreased by Less Than 10% | 24.5% | 21.0% | 14.9% | 16.3% | 16.0% | -1.7% | -34.6% |
| Subtotal for Decreased | 80.1% | 82.4% | 87.3% | 90.0% | 88.2% | -1.9% | 10.1% |
| Unchanged | 3.6% | 4.6% | 2.9% | 1.9% | 3.7% | 96.9% | 3.1% |
| Increased | 16.3% | 13.0% | 9.9% | 8.2% | 8.1% | -0.8% | -50.4% |
| Subtotal for Unchanged and Increased | 19.9% | 17.6% | 12.7% | 10.0% | 11.8% | 17.4% | -40.8% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | | |
| (Number of Modifications in Each Category) | | | | | | | |
| Decreased by 20% or More | 48,352 | 51,956 | 125,036 | 148,803 | 125,301 | -15.8% | 159.1% |
| Decreased by 10% to Less Than 20% | 23,915 | 23,494 | 40,557 | 47,258 | 41,743 | -11.7% | 74.5% |
| Decreased by Less Than 10% | 31,867 | 25,739 | 34,119 | 43,413 | 37,097 | -14.5% | 16.4% |
| Subtotal for Decreased | 104,134 | 101,189 | 199,712 | 239,474 | 204,141 | -14.8% | 96.0% |
| Unchanged | 4,651 | 5,591 | 6,589 | 4,984 | 8,532 | 71.2% | 83.4% |
| Increased | 21,254 | 15,975 | 22,585 | 21,760 | 18,761 | -13.8% | -11.7% |
| Subtotal for Unchanged and Increased | 25,905 | 21,566 | 29,174 | 26,744 | 27,293 | 2.1% | 5.4% |
| Total | 130,039 | 122,755 | 228,886 | 266,218 | 231,434 | -13.1% | 78.0% |

*Payment change information was not reported on 1,208 in the third quarter of 2009, 1,943 in the fourth quarter of 2009, 987 in the first quarter of 2010, 1,112 in the second quarter of 2010, and 2,419 in the third quarter of 2010.

Figure 9. Changes in Monthly Principal and Interest Payments



Changes to Monthly Payments Resulting From HAMP Modifications, by Quarter

Consistent with the HAMP emphasis on promoting sustainable payments, nearly all HAMP modifications reduced monthly payments, with 76.0 percent reducing payments by more than 20 percent. In addition to achieving lower payments, HAMP attempts to increase payment sustainability by targeting monthly housing payments at 31 percent of borrowers' income. Performance data on other modifications show that reduced monthly payments result in lower re-default rates over time, and that the greater the decrease in payment, the lower the rate of subsequent re-default.

| Table 24. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications | | | | | |
|---|---------------|---------------|----------------|---------------|---------------|
| (Percentage of HAMP Modifications)* | | | | | |
| | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change |
| Decreased by 20% or More | 81.6% | 78.2% | 78.4% | 76.0% | -3.1% |
| Decreased by 10% to Less Than 20% | 10.8% | 12.6% | 12.5% | 13.3% | 6.6% |
| Decreased by Less Than 10% | 6.2% | 7.6% | 7.9% | 8.8% | 11.4% |
| Subtotal for Decreased | 98.6% | 98.4% | 98.8% | 98.1% | -0.7% |
| Unchanged | 1.2% | 1.5% | 0.7% | 0.3% | -59.2% |
| Increased | 0.2% | 0.1% | 0.5% | 1.6% | 235.0% |
| Subtotal for Unchanged and Increased | 1.4% | 1.6% | 1.2% | 1.9% | 62.6% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | |
| (Number of HAMP Modifications) | | | | | |
| | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change |
| Decreased by 20% or More | 17,601 | 78,295 | 84,731 | 44,528 | -47.4% |
| Decreased by 10% to Less Than 20% | 2,338 | 12,620 | 13,487 | 7,803 | -42.1% |
| Decreased by Less Than 10% | 1,333 | 7,580 | 8,522 | 5,150 | -39.6% |
| Subtotal for Decreased | 21,272 | 98,495 | 106,740 | 57,481 | -46.1% |
| Unchanged | 264 | 1,489 | 746 | 165 | -77.9% |
| Increased** | 40 | 74 | 527 | 958 | 81.8% |
| Subtotal for Unchanged and Increased | 304 | 1,563 | 1,273 | 1,123 | -11.8% |
| Total | 21,576 | 100,058 | 108,013 | 58,604 | -45.7% |

*Payment change information was not reported on 302 HAMP modifications in the fourth quarter of 2009, 243 in the first quarter of 2010, 244 in the second quarter of 2010, and 186 in the third quarter of 2010.

**A small number of HAMP modifications, like other modifications, may increase the borrowers' monthly principal and interest payment when loans with a previous interest-only or partial payment are modified to amortize the loan over its remaining term. While the principal and interest portion of the payment might increase, the total payment will reflect a housing expense ratio of 31 percent as specified by HAMP.

Average Change to Monthly Payments Resulting From Modifications, by Quarter

Modifications made during the third quarter reduced monthly principal and interest payments by an average of \$396. HAMP modifications made during the quarter reduced payments by an average of \$585, compared with other modifications that reduced average monthly payments by \$332 overall. The emphasis on repayment sustainability through reduced monthly payments has resulted in the average monthly savings increasing 53.7 percent from a year ago.

| Table 25. Average Change in Monthly Payments Resulting From Modifications | | | | | | | |
|---|----------|----------|---------|---------|---------|---------------|---------------|
| All Modifications | | | | | | | |
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
| Decreased by 20% or More | (\$622)* | (\$624) | (\$663) | (\$695) | (\$673) | -3.3% | 8.1% |
| Decreased by 10% to Less Than 20% | (\$198) | (\$185) | (\$189) | (\$187) | (\$188) | 0.7% | -5.4% |
| Decreased by Less Than 10% | (\$56) | (\$62) | (\$67) | (\$68) | (\$59) | -13.0% | 5.8% |
| Unchanged | -- | -- | -- | -- | -- | -- | -- |
| Increased | \$146 | \$154 | \$163 | \$132 | \$139 | 5.3% | -4.8% |
| Overall | (\$258) | (\$293) | (\$389) | (\$422) | (\$396) | -6.2% | 53.7% |
| Other Modifications | | | | | | | |
| Decreased by 20% or More | (\$620) | (\$569) | (\$581) | (\$647) | (\$643) | -0.6% | 3.7% |
| Decreased by 10% to Less Than 20% | (\$198) | (\$181) | (\$174) | (\$174) | (\$181) | 4.2% | -8.7% |
| Decreased by Less Than 10% | (\$56) | (\$61) | (\$62) | (\$64) | (\$55) | -13.7% | -0.8% |
| Unchanged | -- | -- | -- | -- | -- | -- | -- |
| Increased* | \$146 | \$154 | \$164 | \$131 | \$138 | 5.7% | -5.2% |
| Overall | (\$255) | (\$221) | (\$233) | (\$296) | (\$332) | 12.3% | 30.0% |
| HAMP Modifications | | | | | | | |
| Decreased by 20% or More | (\$795) | (\$732) | (\$711) | (\$732) | (\$726) | -0.8% | -8.7% |
| Decreased by 10% to Less Than 20% | (\$216) | (\$221) | (\$223) | (\$219) | (\$217) | -0.8% | 0.6% |
| Decreased by Less Than 10% | (\$73) | (\$81) | (\$85) | (\$83) | (\$82) | -1.2% | 12.4% |
| Unchanged | -- | -- | -- | -- | -- | -- | -- |
| Increased** | -- | \$140 | \$78 | \$172 | \$149 | -13.5% | |
| Overall | (\$719) | (\$626) | (\$591) | (\$607) | (\$585) | -3.6% | -18.6% |

*Parentheses indicates that, on average, borrowers' monthly payments decreased by the amount enclosed within the parentheses.

**Some modifications may increase the borrowers' monthly principal and interest payment when past-due interest, advances for taxes or insurance and other fees are added to the loan balance, or when loans with a previous interest-only or partial payment are modified to amortize the loan over its remaining term.

B. Modified Loan Performance

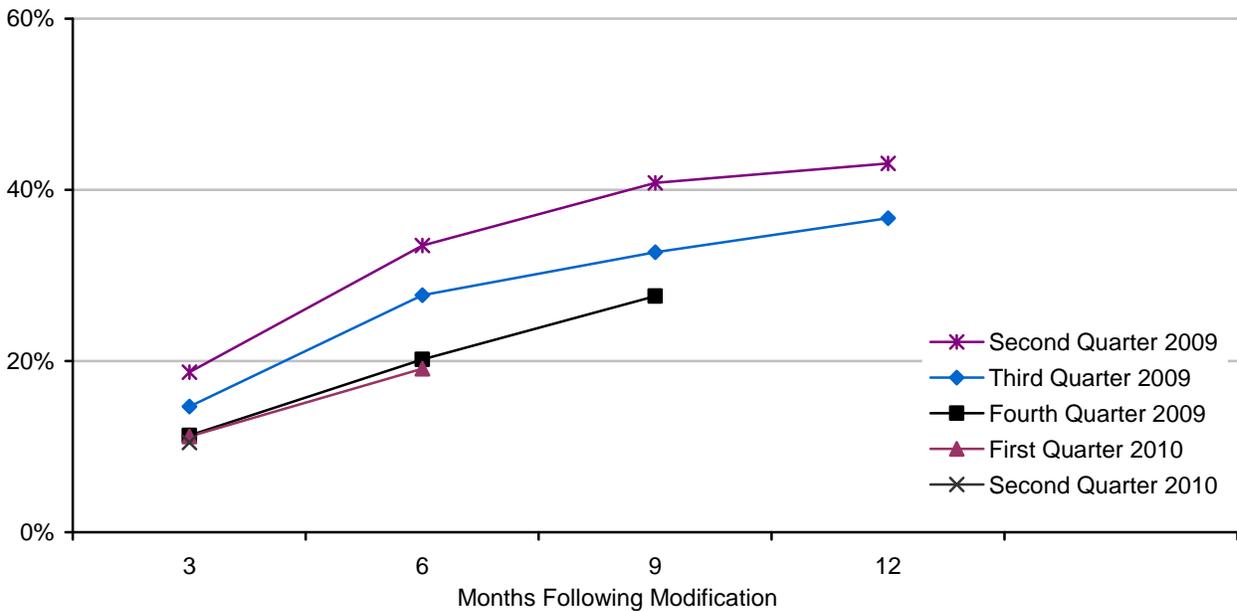
Re-Default Rates of Modified Loans: 60 or More Days Delinquent

More recent modifications continued to perform better than earlier modifications, continuing the improving trend noted in previous quarters. The better performance of more recent modifications corresponds with the ongoing emphasis on lowering monthly payments and improving payment sustainability.

| Modification Date | 3 Months After Modification | 6 Months After Modification | 9 Months After Modification | 12 Months After Modification |
|---------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| Second Quarter 2009 | 18.7% | 33.5% | 40.8% | 43.1% |
| Third Quarter 2009 | 14.7% | 27.7% | 32.7% | 36.7% |
| Fourth Quarter 2009 | 11.3% | 20.2% | 27.6% | -- |
| First Quarter 2010 | 11.2% | 19.1% | -- | -- |
| Second Quarter 2010 | 10.5% | -- | -- | -- |

*All re-default data is based on modified loans that remain in effect at the specified amount of time after the modification. All loans that have been repaid in full, refinanced, or sold, or have completed the foreclosure process are removed from the calculation. Data include only modifications that have had time to age the indicated number of months.

Figure 10. Modified Loans 60 or More Days Delinquent



Re-Default Rates of Modified Loans: 30 or More Days Delinquent

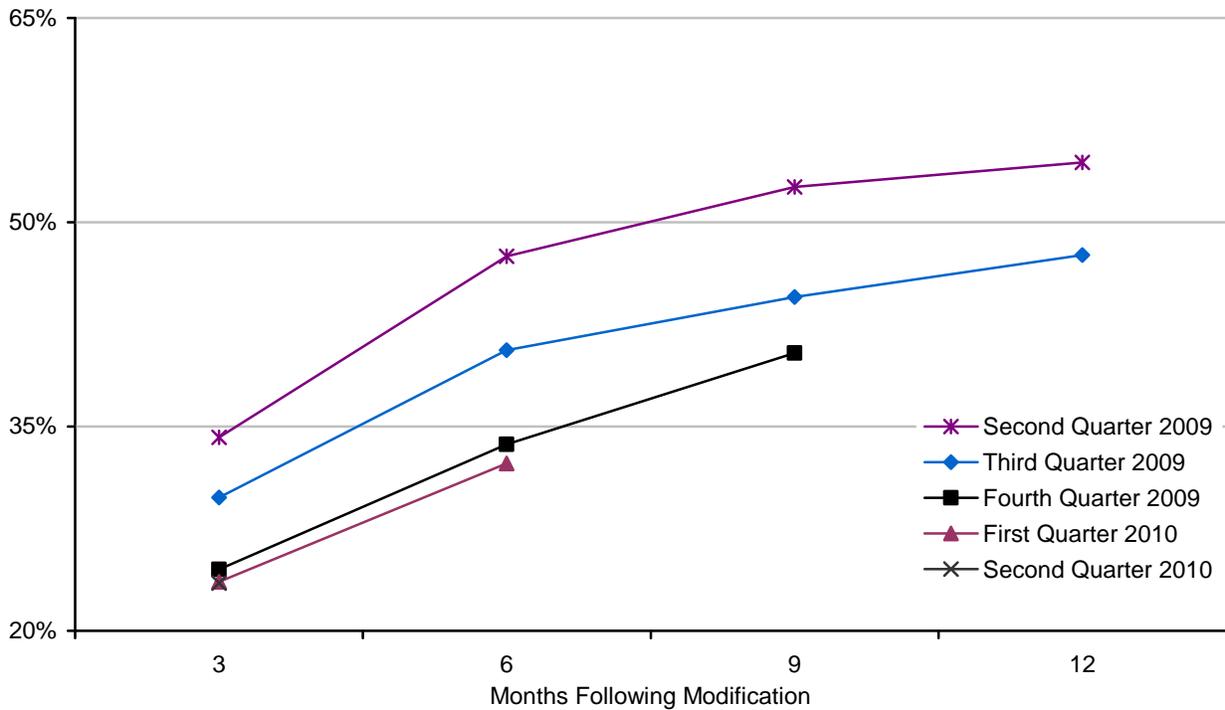
Re-default rates measured at 30 or more days delinquent provide an early indicator of mortgages that may need additional attention to prevent more serious delinquency or foreclosure.

Modifications made since the second quarter of 2009 consistently show lower 30-day re-default rates than previous modifications as a result of the increased emphasis on sustainability.

| Table 27. Modified Loans 30 or More Days Delinquent | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| Modification Date | 3 Months After Modification | 6 Months After Modification | 9 Months After Modification | 12 Months After Modification |
| Second Quarter 2009 | 34.2% | 47.5% | 52.6% | 54.4% |
| Third Quarter 2009 | 29.8% | 40.6% | 44.5% | 47.6% |
| Fourth Quarter 2009 | 24.5% | 33.7% | 40.4% | -- |
| First Quarter 2010 | 23.6% | 32.3% | -- | -- |
| Second Quarter 2010 | 23.5% | -- | -- | -- |

*Data include only modifications that have had time to age the indicated number of months.

Figure 11. Modified Loans 30 or More Days Delinquent



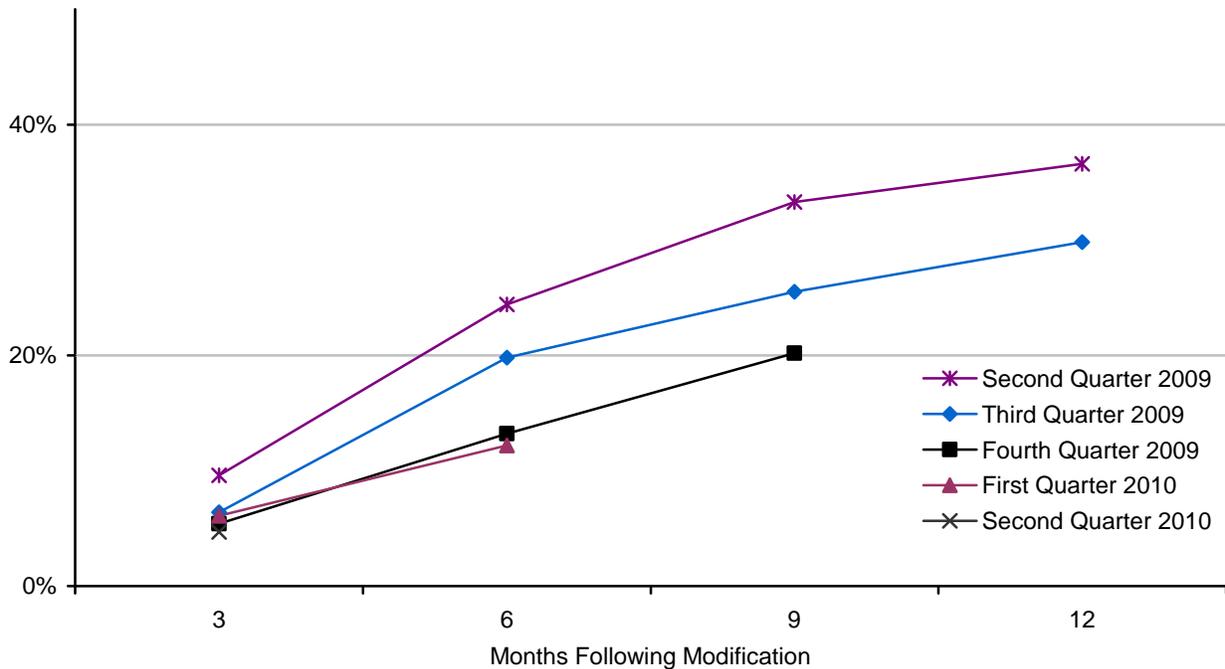
Re-Default Rates of Modified Loans: 90 or More Days Delinquent

The percentage of modified mortgages that were 90 or more days delinquent after modification was naturally lower than shorter-term delinquency measures. As with other measures of modification sustainability, more recent modifications have outperformed previous vintages of loan modifications.

| Modification Date | 3 Months After Modification | 6 Months After Modification | 9 Months after Modification | 12 Months After Modification |
|---------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| Second Quarter 2009 | 9.6% | 24.4% | 33.3% | 36.6% |
| Third Quarter 2009 | 6.4% | 19.8% | 25.5% | 29.8% |
| Fourth Quarter 2009 | 5.4% | 13.2% | 20.2% | -- |
| First Quarter 2010 | 6.1% | 12.2% | -- | -- |
| Second Quarter 2010 | 4.7% | -- | -- | -- |

*Data include only modifications that have had time to age the indicated number of months.

Figure 12. Modified Loans 90 or More Days Delinquent



Re-Default Rate, by Investor (60 or More Days Delinquent)

Modifications on mortgages held in the servicers’ own portfolios performed better than modifications on mortgages serviced for others. Re-default rates for government-guaranteed mortgages were highest over time, corresponding to the higher risk associated with those mortgages. The lower re-default rates for portfolio mortgages may reflect differences in modification programs and additional flexibility to modify terms for greater sustainability. Consistent with trends shown elsewhere, recent vintages of modifications performed better than earlier modifications. After 6 months, 19.1 percent of mortgages modified in 2010 were 60 or more days delinquent, compared with 32.1 percent of modifications made in 2009 and 45.4 percent of modifications made in 2008 (see tables 29, 30, and 31).

Table 29. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2008
(60 or More Days Delinquent)*

| Investor Loan Type | 3 Months After Modification | 6 Months After Modification | 9 Months After Modification | 12 Months After Modification |
|-----------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| Fannie Mae | 30.2% | 44.9% | 54.1% | 59.5% |
| Freddie Mac | 22.7% | 40.0% | 51.2% | 57.5% |
| Government-Guaranteed | 32.5% | 53.6% | 63.7% | 67.8% |
| Private | 36.8% | 49.1% | 56.1% | 61.2% |
| Portfolio Loans | 16.2% | 27.9% | 35.0% | 40.0% |
| Overall | 31.7% | 45.4% | 53.2% | 58.2% |

Table 30. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2009
(60 or More Days Delinquent)*

| Investor Loan Type | 3 Months After Modification | 6 Months after Modification | 9 Months after Modification | 12 Months After Modification |
|-----------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| Fannie Mae | 17.9% | 31.3% | 37.7% | 48.0% |
| Freddie Mac | 28.3% | 36.5% | 41.5% | 54.7% |
| Government-Guaranteed | 23.4% | 42.2% | 51.7% | 58.2% |
| Private | 28.0% | 40.7% | 48.7% | 54.8% |
| Portfolio Loans | 7.1% | 15.2% | 20.9% | 25.6% |
| Overall | 19.9% | 32.1% | 39.4% | 45.9% |

Table 31. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2010
(60 or More Days Delinquent)*

| Investor Loan Type | 3 Months After Modification | 6 Months After Modification | 9 Months After Modification | 12 Months After Modification |
|-----------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| Fannie Mae | 11.2% | 17.1% | -- | -- |
| Freddie Mac | 7.7% | 13.2% | -- | -- |
| Government-Guaranteed | 13.2% | 30.2% | -- | -- |
| Private | 12.3% | 20.5% | -- | -- |
| Portfolio Loans | 7.3% | 13.9% | -- | -- |
| Overall | 10.8% | 19.1% | -- | -- |

*Data include all modifications implemented during 2010 that have aged the indicated number of months.

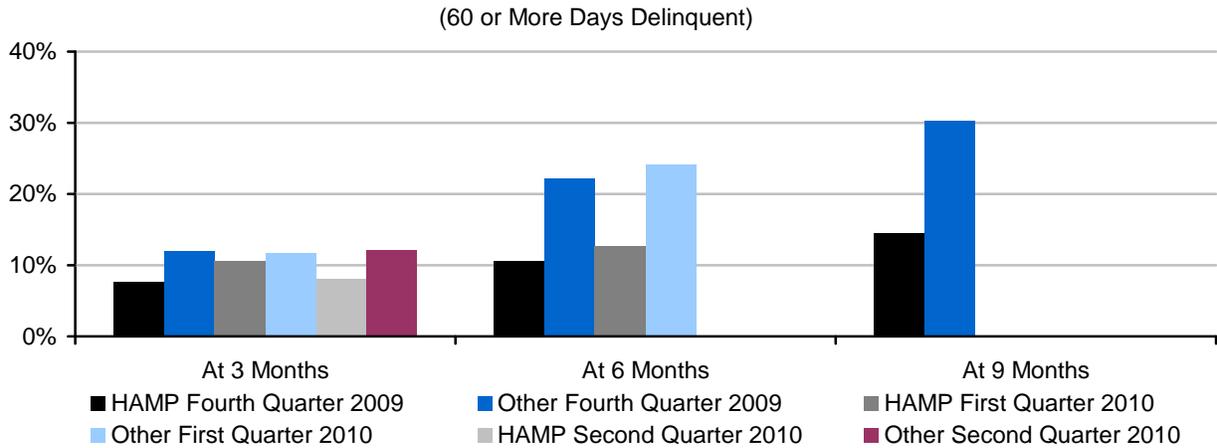
Performance of HAMP Modifications Compared With Other Modifications

HAMP modifications were performing better than other modifications implemented during the same periods at the end of the third quarter of 2010. These lower post-modification delinquency rates reflect HAMP’s emphasis on the affordability of monthly payments relative to the borrower’s income, verification of income, and completion of a successful trial payment period.

| Table 32. Performance of HAMP Modifications Compared with Other Modifications* | | | | |
|---|--------------------------------|------------------------------------|------------------------------------|------------------------------------|
| (60 or More Days Delinquent) | | | | |
| | Number of Modifications | 3 Months After Modification | 6 Months After Modification | 9 Months After Modification |
| HAMP Fourth Quarter 2009 | 21,878 | 7.7% | 10.6% | 14.4% |
| Other Fourth Quarter 2009 | 102,820 | 12.0% | 22.2% | 30.3% |
| HAMP First Quarter 2010 | 100,301 | 10.6% | 12.6% | -- |
| Other First Quarter 2010 | 129,572 | 11.6% | 24.1% | -- |
| HAMP Second Quarter 2010 | 108,257 | 8.1% | -- | -- |
| Other Second Quarter 2010 | 159,073 | 12.1% | -- | -- |

*Data include all modifications that have had time to age the indicated number of months.

Figure 13. Performance of HAMP Modifications Compared With Other Modifications



C. Modified Loan Performance, by Change in Monthly Payments

Many factors influence mortgage delinquencies, including employment status, amount of homeowner equity, total homeowner debt, life-changing events, and poor initial underwriting.

Similar factors drive re-default rates of modified mortgages. However, the data in this section consistently show that re-default rates have been lower for modifications that reduce monthly payments. The data also show that the larger the reduction in monthly payment, the lower the subsequent re-default rate. Lower recent re-default rates may also result from the increased emphasis of HAMP and other modification programs to lower monthly payments relative to the borrower's income and ability to repay, as well as verification of income and completion of a successful trial period.

For servicers and investors, determining the optimal type of modification often requires weighing the reduction in cash flow from loan terms that reduce monthly principal and interest payments, along with the possible costs of delaying foreclosure, against the potential for longer-term sustainability of the payments and ultimate repayment of the mortgage.

Re-Default Rates of Loans by Change in Payment

The following tables present the re-default rates, measured as 60 or more days delinquent, for modifications made since January 1, 2008. Data show re-default rates decreased as reduction in monthly principal and interest payments increased. Also, the re-default rates were lower among modifications made in 2009 and 2010 compared with 2008 modifications, likely reflecting servicer emphasis on repayment sustainability and the borrower’s ability to repay the debt.

| Table 33. Re-Default Rates of Loans Modified in 2008 by Change in Payment | | | | |
|--|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| (60 or More Days Delinquent)* | | | | |
| | 3 Months After Modification | 6 Months After Modification | 9 Months After Modification | 12 Months After Modification |
| Decreased by 20% or More | 15.8% | 26.0% | 33.4% | 39.5% |
| Decreased by 10% to Less Than 20% | 20.9% | 33.1% | 41.6% | 48.2% |
| Decreased by Less Than 10% | 24.0% | 40.7% | 50.3% | 56.0% |
| Unchanged | 47.4% | 56.8% | 62.5% | 65.9% |
| Increased | 35.4% | 54.7% | 63.8% | 69.0% |
| Total | 31.6% | 45.2% | 53.0% | 58.1% |

| Table 34. Re-Default Rates of Loans Modified in 2009 by Change in Payment | | | | |
|--|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| (60 or More Days Delinquent)* | | | | |
| | 3 Months After Modification | 6 Months after Modification | 9 Months After Modification | 12 Months After Modification |
| Decreased by 20% or More | 11.1% | 19.5% | 25.4% | 31.7% |
| Decreased by 10% to Less Than 20% | 16.1% | 29.8% | 37.8% | 44.1% |
| Decreased by Less Than 10% | 17.9% | 34.2% | 42.9% | 48.3% |
| Unchanged | 46.7% | 51.4% | 56.6% | 62.0% |
| Increased | 26.6% | 46.6% | 56.0% | 61.2% |
| Total | 19.8% | 32.1% | 39.4% | 45.9% |

| Table 35. Re-Default Rates of Loans Modified in 2010 by Change in Payment | | | | |
|--|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| (60 or More Days Delinquent)* | | | | |
| | 3 Months After Modification | 6 Months After Modification | 9 Months After Modification | 12 Months after Modification |
| Decreased by 20% or More | 7.8% | 11.7% | -- | -- |
| Decreased by 10% to Less Than 20% | 10.7% | 21.2% | -- | -- |
| Decreased by Less Than 10% | 14.5% | 28.4% | -- | -- |
| Unchanged | 25.2% | 33.4% | -- | -- |
| Increased | 19.1% | 37.7% | -- | -- |
| Total | 10.8% | 19.1% | -- | -- |

*Data include all modifications implemented during 2010 that have aged the indicated number of months. Data do not include modifications for which payment change was not reported.

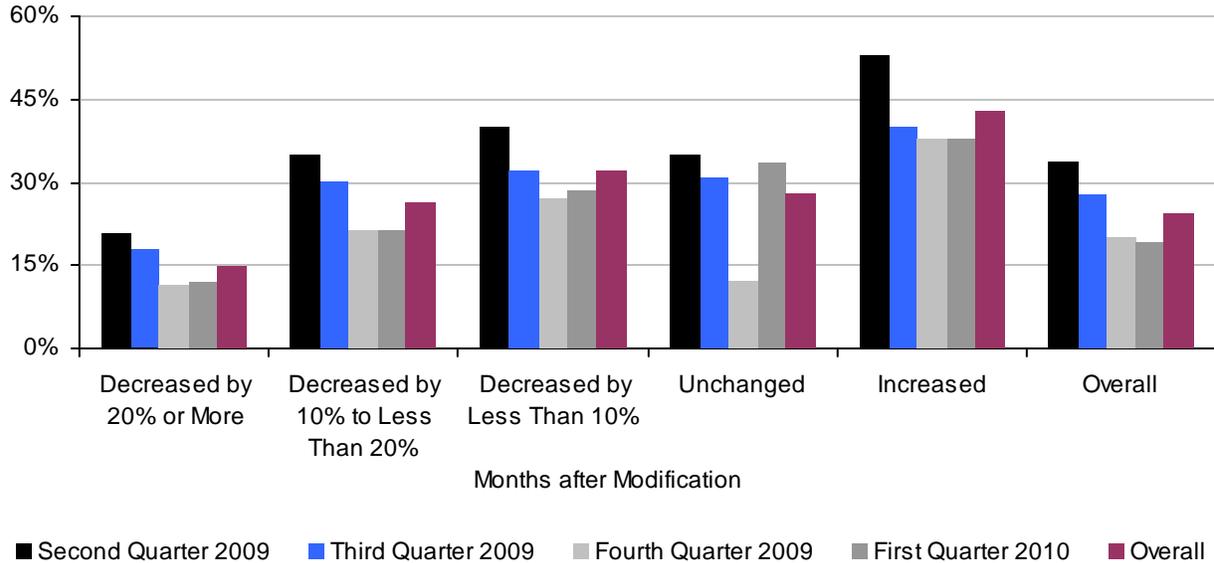
60+ Delinquency at 6 Months After Modification by Change to Monthly Payments

Modifications that significantly reduce monthly principal and interest payments consistently performed better than modifications that increase monthly payment unchanged. Modifications with the greatest decrease in monthly payment consistently had the lowest re-default rates. More recent modifications have also tended to perform better than earlier modifications as servicers have increasingly emphasized lower monthly payments and payment sustainability when modifying loan terms.

| | Decreased by 20% or More | Decreased by 10% to Less Than 20% | Decreased by Less Than 10% | Unchanged | Increased | Overall |
|---------------------|--------------------------|-----------------------------------|----------------------------|-----------|-----------|---------|
| Second Quarter 2009 | 20.9% | 35.0% | 39.9% | 34.9% | 52.9% | 33.6% |
| Third Quarter 2009 | 18.1% | 30.1% | 31.9% | 30.9% | 39.9% | 27.7% |
| Fourth Quarter 2009 | 11.4% | 21.2% | 27.1% | 12.3% | 37.6% | 20.1% |
| First Quarter 2010 | 11.7% | 21.2% | 28.4% | 33.4% | 37.7% | 19.1% |
| Overall | 14.6% | 26.3% | 31.8% | 28.1% | 42.6% | 24.4% |

*Data include all modifications that have had time to age the indicated number of months. Data do not include modifications for which payment change data was not reported.

Figure 14. 60+ Delinquency at 6 Months After Modification by Change to Monthly Payments



Status of Mortgages Modified in 2008-2010

Servicers implemented 421,322 loan modifications in 2008, 587,500 in 2009, and 497,203 in the first two quarters of 2010, for a total of 1,506,025 loan modifications during this period. Of these modifications, 46.9 percent were current and performing on their modified terms at the end of the third quarter of 2010. Another 1.1 percent were paid off. Less than half were delinquent, in process of foreclosure or had completed the foreclosure process. Modifications that reduced borrowers' monthly payments by 10 percent or more performed significantly better than modifications that reduced payments less than 10 percent, increased the payments, or left the payments unchanged. Of the nearly 794,686 modifications that reduced payments by 10 percent or more, 58.9 percent were current and performing at the end of the second quarter, compared with 33.4 percent of modifications that reduced payments less than 10 percent.

Modifications on mortgages held in the servicers' own portfolio and those serviced for GSEs performed better than modifications of mortgages serviced for other investors. At the end of the third quarter 2010, 58.9 percent of modifications of loans held in servicer portfolios and 58.7 percent of modifications made to GSE mortgages were current and performing, compared with 36.8 percent of modifications on mortgages held by other investors.

| Table 37. Status of Modified Mortgages in 2008–2010 | | | | | | | | |
|--|-----------|---------|-----------------------|----------------------|-------------------------|------------------------|----------|-----------------------------|
| | Total | Current | 30–59 Days Delinquent | Seriously Delinquent | Foreclosures in Process | Completed Foreclosures | Paid Off | No Longer in the Portfolio* |
| 2008 | 421,322 | 25.8% | 7.5% | 29.9% | 14.5% | 10.2% | 2.5% | 9.5% |
| 2009 | 587,500 | 43.5% | 10.0% | 27.7% | 10.9% | 3.3% | 0.9% | 3.8% |
| 2010** | 497,203 | 68.7% | 12.6% | 14.4% | 3.2% | 0.2% | 0.2% | 0.8% |
| Total | 1,506,025 | 46.9% | 10.2% | 23.9% | 9.4% | 4.2% | 1.1% | 4.4% |
| Modifications That Reduced Payments by 10 Percent or More | | | | | | | | |
| Modifications That Reduced Payments by 10% or More | 794,686 | 58.9% | 10.4% | 17.9% | 6.4% | 2.1% | 0.6% | 3.7% |
| Modifications That Reduced Payments by Less than 10 Percent | | | | | | | | |
| Modifications That Reduced Payments by Less than 10% | 711,339 | 33.4% | 9.9% | 30.6% | 12.6% | 6.6% | 1.7% | 5.2% |
| Status of Modifications by Major Investor Categories | | | | | | | | |
| Portfolio | 309,359 | 58.9% | 8.4% | 15.6% | 7.1% | 2.2% | 1.4% | 6.4% |
| GSE | 381,013 | 58.7% | 10.8% | 15.1% | 8.8% | 3.4% | 0.9% | 2.3% |
| Other*** | 815,653 | 36.8% | 10.5% | 31.2% | 10.5% | 5.3% | 1.1% | 4.6% |

*Processing constraints at some servicers prevented reporting on some loans they no longer serviced. These loans may have been refinanced or paid in full, transferred or sold to another entity, or removed from the servicing system through foreclosure, short sale, or a deed-in-lieu-of-foreclosure action.

**Includes only modifications implemented during the first two quarters of 2010 that have been in effect at least three months.

***Includes all government-guaranteed and private investor mortgages.

Part III: Home Forfeiture Actions: Foreclosures, Short Sales, and Deed-in-Lieu-of-Foreclosure Actions

Completed Foreclosures and Other Home Forfeiture Actions

Home forfeiture actions—foreclosure sales, short sales, and deed-in-lieu-of-foreclosure actions—totaled 244,840 during the third quarter of 2010, an increase of 11.2 percent from the previous quarter and an increase of 62.6 percent from a year ago. Completed foreclosures increased to 186,854—14.7 percent from the previous quarter and 57.5 percent from a year ago. Short sales increased slightly during the quarter and remained less than 23 percent of home forfeiture actions overall. Deed-in-lieu-of-foreclosure actions remained a very small portion of home forfeiture actions. While home forfeiture actions increased in the third quarter, servicers implemented almost twice as many home retention actions—loan modifications, trial-period plans, and payment plans—as home forfeiture actions.

While HAMP and proprietary foreclosure prevention programs are designed to help a significant number of distressed homeowners, these programs are not expected to help all delinquent borrowers. In this regard, servicers indicated that completed foreclosures and other home forfeiture actions are likely to continue rising as alternatives for seriously delinquent borrowers are exhausted and loans in process of foreclosure proceed to foreclosure sale.

Table 38. Completed Foreclosures and Other Home Forfeiture Actions

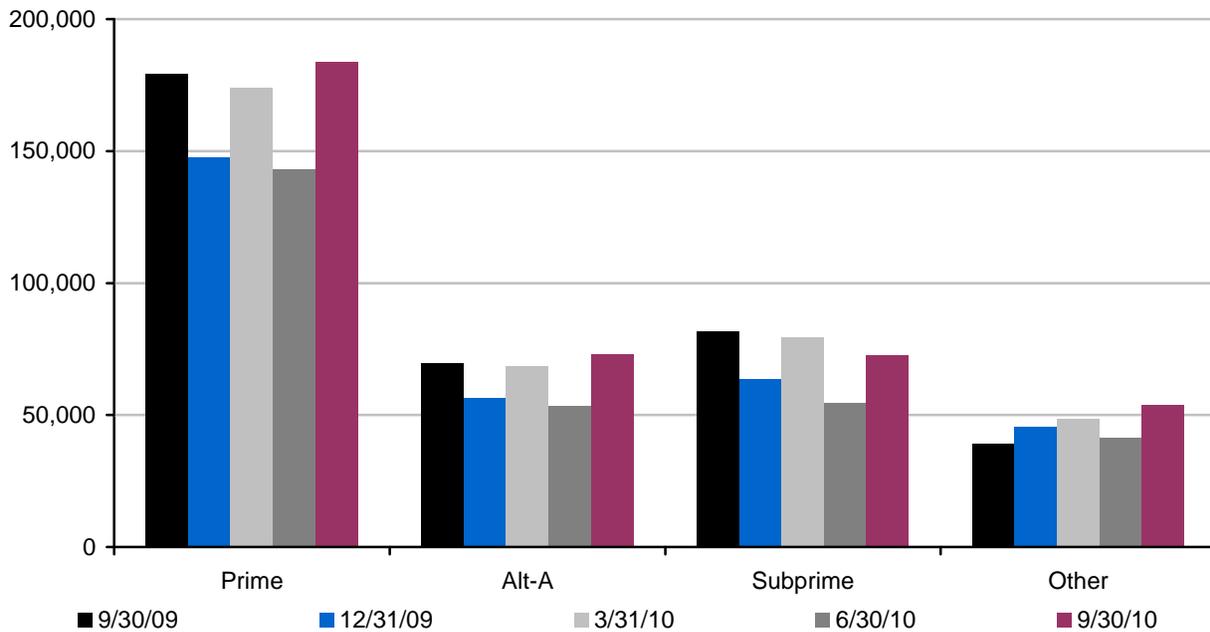
| | 9/30/09 | 12/31/09 | 03/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
|---|---------|----------|----------|---------|---------|---------------|---------------|
| Completed Foreclosures | 118,606 | 128,859 | 152,882 | 162,904 | 186,854 | 14.7% | 57.5% |
| New Short Sales | 30,766 | 37,584 | 41,031 | 55,441 | 56,257 | 1.5% | 82.9% |
| New Deed-in-Lieu-of-Foreclosure Actions | 1,233 | 1,054 | 1,202 | 1,753 | 1,729 | -1.4% | 40.2% |
| Total | 150,605 | 167,497 | 195,115 | 220,098 | 244,840 | 11.2% | 62.6% |
| Newly Initiated Home Retention Actions Relative to Completed Foreclosures and Other Home Forfeiture Actions | 461.7% | 358.6% | 318.6% | 257.6% | 192.1% | -25.4% | -58.4% |

Newly Initiated Foreclosures

Foreclosure actions are initiated when modifications or alternate workout solutions cannot be arranged. The number of newly initiated foreclosures increased by 31.2 percent, to 382,751, during the third quarter of 2010, the highest level in more than a year. Servicers indicated that new foreclosure actions are likely to continue rising as alternatives for seriously delinquent borrowers are exhausted.

| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
|----------|---------|----------|---------|---------|---------|------------|------------|
| Prime | 179,087 | 147,419 | 173,764 | 142,920 | 183,741 | 28.6% | 2.6% |
| Alt-A | 69,566 | 56,399 | 68,451 | 53,140 | 72,859 | 37.1% | 4.7% |
| Subprime | 81,721 | 63,400 | 79,209 | 54,534 | 72,424 | 32.8% | -11.4% |
| Other | 38,835 | 45,302 | 48,520 | 41,164 | 53,727 | 30.5% | 38.3% |
| Total | 369,209 | 312,520 | 369,944 | 291,758 | 382,751 | 31.2% | 3.7% |

Figure 15. Number of Newly Initiated Foreclosures

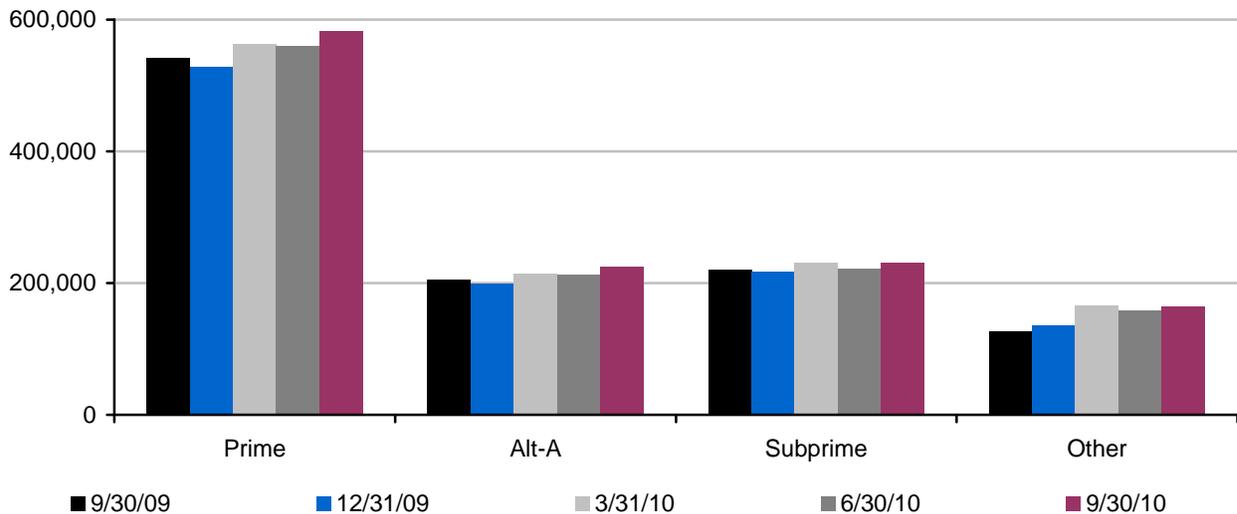


Foreclosures in Process

The number of loans in process of foreclosure increased by 4.5 percent from the previous quarter to 1,201,622, reflecting the increasing number of newly initiated foreclosures and the increase in time required to complete foreclosures. The ratio of foreclosures in process to total serviced mortgages was highest for subprime mortgages at 9.0 percent and lowest for prime mortgages at 2.5 percent. Many mortgages remain in process of foreclosure for longer periods than historical norms, as borrowers and servicers seek other resolutions. In addition, the amount of time required to process foreclosures has increased because of the volume of foreclosures in process.

| Table 40. Foreclosures in Process | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|------------|------------|
| Percentage of Foreclosures in Process Relative to Mortgages in That Risk Category | | | | | | | |
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
| Prime | 2.3% | 2.3% | 2.4% | 2.4% | 2.5% | 4.8% | 7.9% |
| Alt-A | 5.8% | 5.6% | 6.0% | 5.9% | 6.3% | 6.9% | 7.4% |
| Subprime | 7.9% | 7.8% | 8.6% | 8.4% | 9.0% | 7.3% | 14.0% |
| Other | 2.7% | 3.1% | 3.6% | 3.6% | 3.9% | 8.4% | 45.8% |
| Total | 3.2% | 3.2% | 3.5% | 3.4% | 3.6% | 5.9% | 12.4% |
| Number of Foreclosures in Process | | | | | | | |
| Prime | 540,762 | 527,792 | 561,692 | 559,168 | 582,063 | 4.1% | 7.6% |
| Alt-A | 205,343 | 199,254 | 213,649 | 211,713 | 224,782 | 6.2% | 9.5% |
| Subprime | 220,106 | 216,519 | 230,503 | 220,825 | 230,813 | 4.5% | 4.9% |
| Other | 125,409 | 135,821 | 165,030 | 157,755 | 163,964 | 3.9% | 30.7% |
| Total | 1,091,620 | 1,079,386 | 1,170,874 | 1,149,461 | 1,201,622 | 4.5% | 10.1% |

Figure 16. Number of Foreclosures in Process

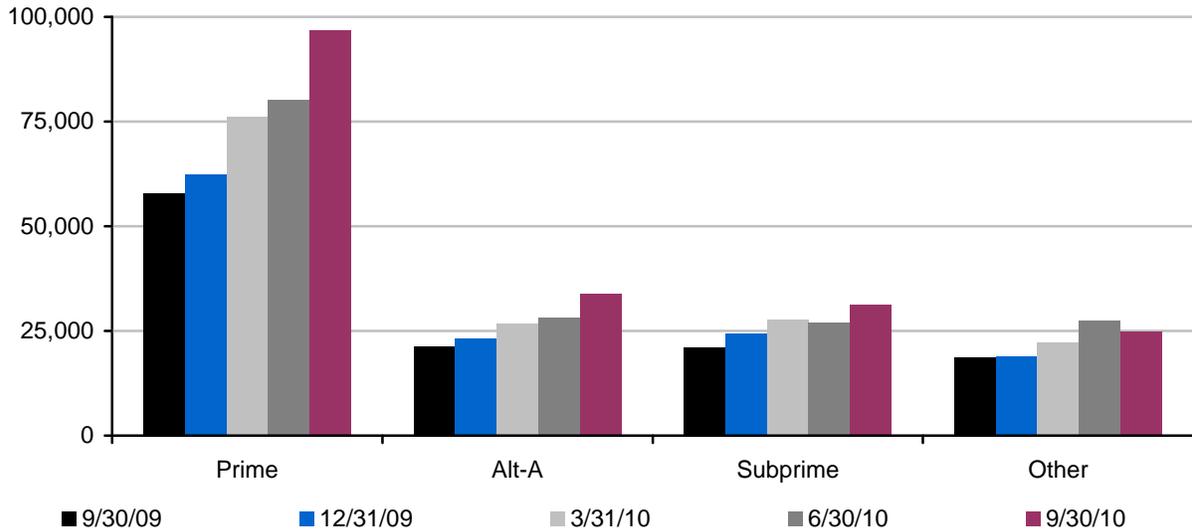


Completed Foreclosures

Completed foreclosures increased to 186,854 during the third quarter of 2010, up 14.7 percent from the previous quarter and up 57.5 percent from a year ago. The increase in completed foreclosures resulted from the large number of foreclosures in process that continued to progress toward foreclosure sale. Foreclosures are completed when ownership of the properties transfers to the servicers or investors. Completed foreclosures are expected to continue rising as the large number of seriously delinquent mortgages and foreclosures in process work through the system.

| Table 41. Completed Foreclosures | | | | | | | |
|--|---------|----------|---------|---------|---------|------------|------------|
| Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category | | | | | | | |
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
| Prime | 0.3% | 0.3% | 0.3% | 0.3% | 0.4% | 21.4% | 68.2% |
| Alt-A | 0.6% | 0.7% | 0.8% | 0.8% | 0.9% | 21.2% | 57.1% |
| Subprime | 0.8% | 0.9% | 1.0% | 1.0% | 1.2% | 18.9% | 60.4% |
| Other | 0.4% | 0.4% | 0.5% | 0.6% | 0.6% | -5.6% | 50.0% |
| Total | 0.3% | 0.4% | 0.5% | 0.5% | 0.6% | 16.2% | 60.8% |
| Number of Completed Foreclosures | | | | | | | |
| Prime | 57,739 | 62,243 | 76,207 | 80,258 | 96,836 | 20.7% | 67.7% |
| Alt-A | 21,176 | 23,286 | 26,802 | 28,154 | 33,888 | 20.4% | 60.0% |
| Subprime | 21,162 | 24,425 | 27,704 | 26,951 | 31,208 | 15.8% | 47.5% |
| Other | 18,529 | 18,905 | 22,169 | 27,541 | 24,922 | -9.5% | 34.5% |
| Total | 118,606 | 128,859 | 152,882 | 162,904 | 186,854 | 14.7% | 57.5% |

Figure 17. Number of Completed Foreclosures



Home Retention Actions Relative to Forfeiture Actions, by Risk Category

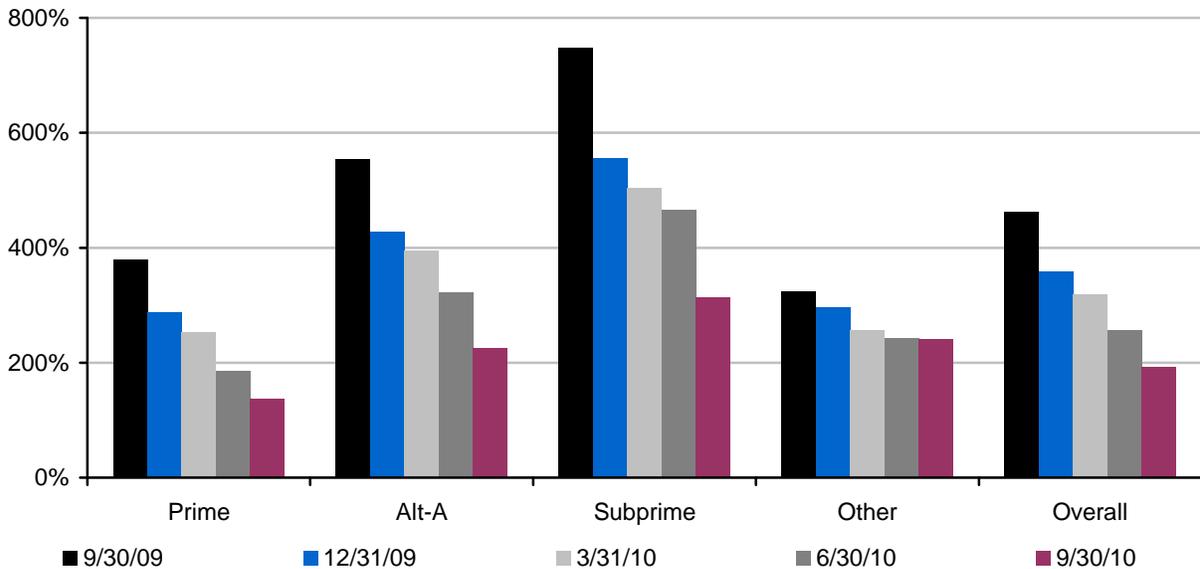
Home retention actions relative to home forfeitures declined across all risk categories during the third quarter as the number of home forfeitures increased and the number of home retention actions decreased. Notwithstanding this decline, servicers initiated almost twice as many home retention actions as home forfeiture actions during the third quarter.

Table 42. Newly Initiated Home Retention Actions
(Percentage of Completed Foreclosures and Other Home Forfeiture Actions)

| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
|----------|---------|----------|---------|---------|---------|------------|------------|
| Prime | 379.7% | 287.9% | 253.6% | 185.6% | 137.7% | -25.8% | -63.7% |
| Alt-A | 554.4% | 428.7% | 395.6% | 322.6% | 226.1% | -29.9% | -59.2% |
| Subprime | 748.0% | 555.2% | 504.0% | 465.5% | 314.4% | -32.5% | -58.0% |
| Other | 323.4% | 296.3% | 256.7% | 243.8% | 241.7% | -0.9% | -25.3% |
| Overall | 461.7% | 358.6% | 318.6% | 257.6% | 192.1% | -25.4% | -58.4% |

Figure 18. Newly Initiated Home Retention Actions

(Percentage of Completed Foreclosures and Other Home Forfeiture Actions)



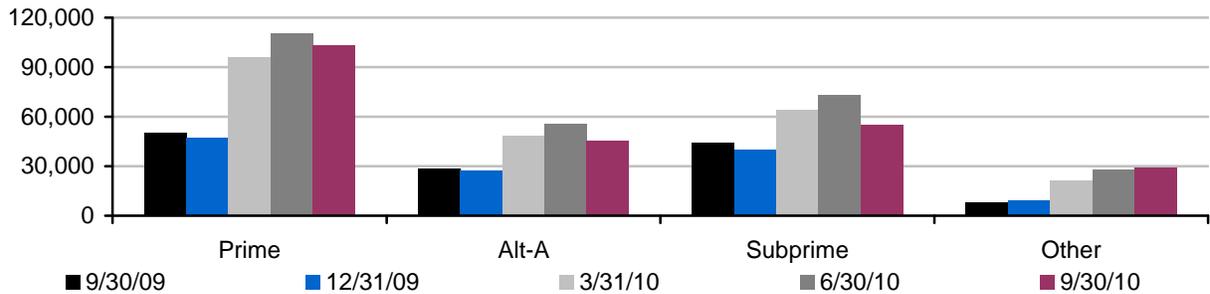
Appendixes

Appendix A—New Loan Modifications

New loan modifications decreased by 12.5 percent to 233,853 during the third quarter of 2010. New modifications decreased across all risk categories except “Other” during the quarter.

| Table 43. Number of New Loan Modifications | | | | | | | |
|---|---------|----------|---------|---------|---------|------------|------------|
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
| Prime | 50,002 | 47,530 | 96,010 | 110,326 | 103,331 | -6.3% | 106.7% |
| Alt-A | 28,780 | 27,584 | 48,625 | 55,744 | 45,827 | -17.8% | 59.2% |
| Subprime | 44,452 | 39,883 | 63,959 | 73,146 | 55,328 | -24.4% | 24.5% |
| Other | 8,013 | 9,701 | 21,279 | 28,114 | 29,367 | 4.5% | 266.5% |
| Total | 131,247 | 124,698 | 229,873 | 267,330 | 233,853 | -12.5% | 78.2% |

Figure 19. Number of New Loan Modifications



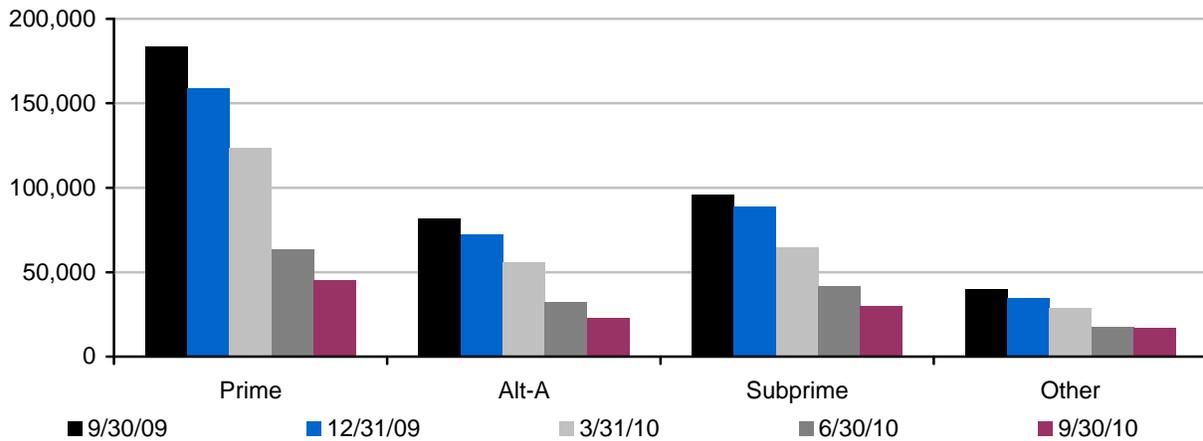
Appendix B—New Trial-Period Plans

Trial-period plans become permanent modifications following the successful completion of the trial period. Servicers initiated 114,003 trial-period plans during the third quarter of 2010, 5.0 percent less than in the previous quarter. Declines in new trial-period plans were recorded across all risk categories, a continuation of trends sustained over the past several quarters. Servicers reported that the decline in new trial plans resulted from fewer eligible borrowers and requirements to obtain and review borrower financial documentation before starting a new trial plan.

Table 44. Number of New Trial Period Plans

| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
|----------|---------|----------|---------|---------|---------|------------|------------|
| Prime | 183,368 | 158,664 | 123,176 | 63,397 | 45,144 | -28.8% | -75.4% |
| Alt-A | 81,693 | 72,127 | 55,375 | 32,053 | 22,396 | -30.1% | -72.6% |
| Subprime | 95,709 | 88,607 | 64,350 | 41,586 | 29,661 | -28.7% | -69.0% |
| Other | 39,841 | 34,757 | 28,413 | 17,367 | 16,802 | -3.3% | -57.8% |
| Total | 400,611 | 354,155 | 271,314 | 154,403 | 114,003 | -26.1% | -71.5% |

Figure 20. Number of New Trial-Period Plans



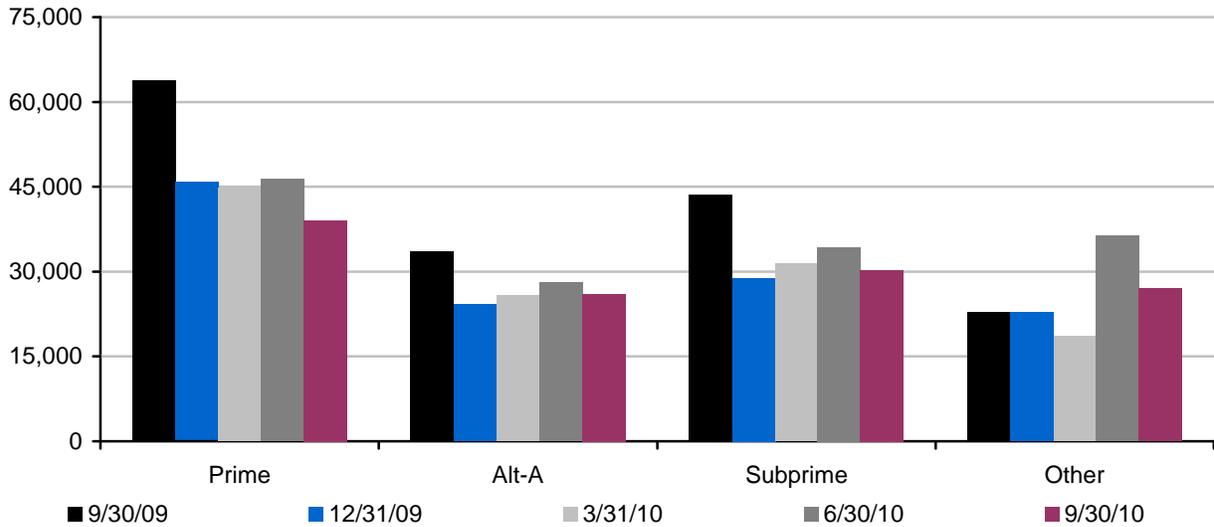
Appendix C—New Payment Plans

New payment plans decreased by 15.6 percent to 122,465 during the third quarter of 2010. Decreases were reported across all risk categories as servicers emphasized other home retention actions instead of shorter-term payment plans. Table 45 includes numbers that have been corrected from the second quarter report, which incorrectly included both payment plans and trial-period plans.

| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
|----------|---------|----------|---------|---------|---------|------------|------------|
| Prime | 63,682 | 45,892 | 44,778 | 46,360 | 39,073 | -15.7% | -38.6% |
| Alt-A | 33,564 | 24,264 | 25,703 | 28,129 | 26,035 | -7.4% | -22.4% |
| Subprime | 43,567 | 28,849 | 31,445 | 34,342 | 30,285 | -11.8% | -30.5% |
| Other | 22,738 | 22,717 | 18,513 | 36,326 | 27,072 | -25.5% | 19.1% |
| Total | 163,551 | 121,772 | 120,439 | 145,157 | 122,465 | -15.6% | -25.1% |

*Servicer resubmission of second quarter 2010 data to conform to reporting standard resulted in a 52,623 increase in new payment plans reported for the quarter.

Figure 21. Number of New Payment Plans



Appendix D—Breakdown of Individual and Combination Modification Actions

Servicers generally use a combination of actions to achieve payment sustainability when modifying a mortgage. Servicers changed more than one loan term in more than 90 percent of all modifications implemented during the third quarter of 2010.

| Table 46. Changes in Terms Made for Modifications Made Through the Third Quarter of 2010 | | | | | | | |
|---|---------|----------|---------|---------|---------|---------------|---------------|
| (Percentage of Modifications in Each Category) | | | | | | | |
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
| Combination* | 81.2% | 86.9% | 86.8% | 92.7% | 90.2% | -2.7% | 11.0% |
| Capitalization | 8.5% | 8.6% | 9.6% | 4.4% | 3.5% | -20.4% | -58.7% |
| Rate Reduction | 7.3% | 2.1% | 1.9% | 1.2% | 1.2% | -7.1% | -84.2% |
| Rate Freeze | 0.3% | 0.4% | 0.8% | 0.4% | 0.2% | -59.5% | -43.7% |
| Term Extension | 0.8% | 0.7% | 0.4% | 0.6% | 2.1% | 284.1% | 184.2% |
| Principal Reduction | 0.0% | 0.0% | 0.0% | 0.0% | 0.6% | 0.0% | 27,812.2% |
| Principal Deferral | 0.0% | 0.0% | 0.1% | 0.2% | 0.2% | 40.7% | 808.5% |
| Not Reported** | 1.9% | 1.2% | 0.4% | 0.6% | 2.0% | 253.0% | 8.4% |
| (Number of Changes in Each Category) | | | | | | | |
| Combination* | 106,607 | 108,365 | 199,475 | 247,718 | 210,822 | -14.9% | 97.8% |
| Capitalization | 11,166 | 10,695 | 22,094 | 11,797 | 8,219 | -30.3% | -26.4% |
| Rate Reduction | 9,640 | 2,632 | 4,344 | 3,341 | 2,715 | -18.7% | -71.8% |
| Rate Freeze | 366 | 543 | 1,829 | 1,036 | 367 | -64.6% | 0.3% |
| Term Extension | 986 | 901 | 902 | 1,486 | 4,993 | 236.0% | 406.4% |
| Principal Reduction | 3 | 0 | 10 | 0 | 1,492 | 0.0% | 49,633.3% |
| Principal Deferral | 32 | 50 | 304 | 421 | 518 | 23.0% | 1518.8% |
| Not Reported** | 2,447 | 1,512 | 915 | 1,531 | 4,727 | 208.8% | 93.2% |
| All Modifications | 131,247 | 124,698 | 229,873 | 267,330 | 233,853 | -12.5% | 78.2% |

*Combination modifications result in a change to two or more loan terms. All other modification types detailed in this table involve only the individual listed action.

**Processing constraints at some servicers prevented them from reporting specific modified term(s).

The following table reports the specific actions included in the combination modifications presented in the previous table. More than 93 percent of the 210,822 combination modifications implemented in the third quarter of 2010 included capitalization of missed fees and payments, more than 94 percent included interest rate reduction, and more than 60 percent included an extension of the loan maturity. Principal deferral was included in 10.9 percent of the combination modifications implemented during the third quarter of 2010, and principal was reduced in 4.3 percent of these modifications. Because combination modifications changed more than one term, the total of the individual actions exceeds 100 percent of total combination modifications.

| Table 47. Changes in Terms for Combination Modifications Made Through the Third Quarter of 2010 | | | | | | | |
|--|---------|----------|---------|---------|---------|---------------|---------------|
| (Percentage of Modifications in Each Category) | | | | | | | |
| | 9/30/09 | 12/31/09 | 3/31/10 | 6/30/10 | 9/30/10 | 1Q %Change | 1Y %Change |
| Capitalization | 73.5% | 85.7% | 94.3% | 96.5% | 93.2% | -3.5% | 26.7% |
| Rate Reduction | 90.8% | 95.1% | 96.5% | 92.4% | 94.4% | 2.1% | 3.9% |
| Rate Freeze | 3.0% | 1.5% | 0.9% | 4.2% | 1.9% | -53.7% | -34.2% |
| Term Extension | 57.4% | 51.4% | 52.2% | 55.1% | 61.3% | 11.2% | 6.9% |
| Principal Reduction | 16.0% | 7.8% | 2.2% | 2.4% | 4.3% | 82.1% | -73.1% |
| Principal Deferral | 3.8% | 7.0% | 11.5% | 11.2% | 10.9% | -2.0% | 191.2% |
| Total Number of Changes in Each Category | | | | | | | |
| Capitalization | 78,387 | 92,909 | 188,059 | 239,162 | 196,405 | -17.9% | 150.6% |
| Rate Reduction | 96,803 | 103,073 | 192,410 | 228,888 | 198,973 | -13.1% | 105.5% |
| Rate Freeze | 3,146 | 1,630 | 1,872 | 10,406 | 4,096 | -60.6% | 30.2% |
| Term Extension | 61,170 | 55,746 | 104,095 | 136,594 | 129,257 | -5.4% | 111.3% |
| Principal Reduction | 17,087 | 8,435 | 4,454 | 5,866 | 9,089 | 54.9% | -46.8% |
| Principal Deferral | 4,008 | 7,626 | 22,985 | 27,685 | 23,083 | -16.6% | 475.9% |

Appendix E—Mortgage Modification Data by State

The following tables present certain mortgage modification data by state, the District of Columbia, and U.S. territories (included in the category labeled “other”). Developed over several quarters, this data fulfills reporting requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203).

Table 48 presents the number and percentage of HAMP modifications and other modifications in each state during the third quarter of 2010. Tables 49 and 50 present the number and percentage of each type of action included in modifications made during the quarter in each state. Tables 51 and 52 present the number and percentage of each type of action included in combination modifications made during the quarter in each state. Tables 53 and 54 present the number and percentage of modifications made during the quarter in each state, by the amount of change in the borrowers monthly principal and interest payment. Tables 55 and 56 present the number and percentage of modifications made in the first quarter of 2010 that were 60 or more days delinquent or in process of foreclosure at the end of the third quarter (re-defaults.)

Table 48: Number and Percentage of Mortgage Modifications
Modifications Implemented in the Third Quarter of 2010

| States | HAMP Modifications | | Other Modifications | | Total Modifications | |
|----------------|--------------------|------------------|---------------------|------------------|---------------------|------------|
| | Total | % of State Total | Total | % of State Total | Total | % of Total |
| Total | 58,790 | 25.1% | 175,063 | 74.9% | 233,853 | 100.0% |
| Alabama | 292 | 12.4% | 2,070 | 87.6% | 2,362 | 1.0% |
| Alaska | 17 | 10.4% | 146 | 89.6% | 163 | 0.1% |
| Arizona | 2,577 | 30.0% | 6,020 | 70.0% | 8,597 | 3.7% |
| Arkansas | 108 | 14.3% | 645 | 85.7% | 753 | 0.3% |
| California | 17,480 | 34.7% | 32,927 | 65.3% | 50,407 | 21.6% |
| Colorado | 695 | 20.2% | 2,744 | 79.8% | 3,439 | 1.5% |
| Connecticut | 618 | 25.4% | 1,816 | 74.6% | 2,434 | 1.0% |
| Delaware | 159 | 19.5% | 656 | 80.5% | 815 | 0.3% |
| Florida | 6,411 | 27.0% | 17,355 | 73.0% | 23,766 | 10.2% |
| Georgia | 1,919 | 16.7% | 9,585 | 83.3% | 11,504 | 4.9% |
| Hawaii | 208 | 27.8% | 541 | 72.2% | 749 | 0.3% |
| Idaho | 218 | 22.8% | 737 | 77.2% | 955 | 0.4% |
| Illinois | 3,354 | 28.6% | 8,355 | 71.4% | 11,709 | 5.0% |
| Indiana | 438 | 13.3% | 2,854 | 86.7% | 3,292 | 1.4% |
| Iowa | 124 | 12.1% | 899 | 87.9% | 1,023 | 0.4% |
| Kansas | 131 | 14.6% | 768 | 85.4% | 899 | 0.4% |
| Kentucky | 188 | 13.9% | 1,160 | 86.1% | 1,348 | 0.6% |
| Louisiana | 220 | 11.8% | 1,639 | 88.2% | 1,859 | 0.8% |
| Maine | 111 | 20.2% | 438 | 79.8% | 549 | 0.2% |
| Maryland | 1,754 | 25.7% | 5,071 | 74.3% | 6,825 | 2.9% |
| Massachusetts | 1,253 | 30.1% | 2,903 | 69.9% | 4,156 | 1.8% |
| Michigan | 1,430 | 20.1% | 5,687 | 79.9% | 7,117 | 3.0% |
| Minnesota | 1,141 | 27.2% | 3,050 | 72.8% | 4,191 | 1.8% |
| Mississippi | 182 | 16.4% | 927 | 83.6% | 1,109 | 0.5% |
| Missouri | 617 | 19.4% | 2,566 | 80.6% | 3,183 | 1.4% |
| Montana | 58 | 17.9% | 266 | 82.1% | 324 | 0.1% |
| Nebraska | 69 | 11.6% | 524 | 88.4% | 593 | 0.3% |
| Nevada | 1,464 | 31.2% | 3,226 | 68.8% | 4,690 | 2.0% |
| New Hampshire | 232 | 24.6% | 711 | 75.4% | 943 | 0.4% |
| New Jersey | 1,914 | 26.0% | 5,453 | 74.0% | 7,367 | 3.2% |
| New Mexico | 136 | 16.2% | 702 | 83.8% | 838 | 0.4% |
| New York | 2,984 | 32.4% | 6,225 | 67.6% | 9,209 | 3.9% |
| North Carolina | 1,012 | 15.1% | 5,668 | 84.9% | 6,680 | 2.9% |
| North Dakota | 10 | 12.3% | 71 | 87.7% | 81 | 0.0% |
| Ohio | 1,109 | 17.2% | 5,342 | 82.8% | 6,451 | 2.8% |
| Oklahoma | 124 | 11.7% | 939 | 88.3% | 1,063 | 0.5% |
| Oregon | 590 | 23.4% | 1,927 | 76.6% | 2,517 | 1.1% |
| Pennsylvania | 1,166 | 20.9% | 4,426 | 79.1% | 5,592 | 2.4% |
| Rhode Island | 240 | 33.0% | 487 | 67.0% | 727 | 0.3% |
| South Carolina | 497 | 16.3% | 2,548 | 83.7% | 3,045 | 1.3% |
| South Dakota | 24 | 17.3% | 115 | 82.7% | 139 | 0.1% |
| Tennessee | 478 | 15.1% | 2,689 | 84.9% | 3,167 | 1.4% |
| Texas | 1,367 | 11.7% | 10,290 | 88.3% | 11,657 | 5.0% |
| Utah | 505 | 23.7% | 1,624 | 76.3% | 2,129 | 0.9% |
| Vermont | 23 | 10.4% | 198 | 89.6% | 221 | 0.1% |
| Virginia | 1,325 | 24.0% | 4,185 | 76.0% | 5,510 | 2.4% |
| Washington | 1,096 | 25.2% | 3,250 | 74.8% | 4,346 | 1.9% |
| Washington, DC | 117 | 28.7% | 290 | 71.3% | 407 | 0.2% |
| West Virginia | 79 | 17.8% | 365 | 82.2% | 444 | 0.2% |
| Wisconsin | 474 | 21.2% | 1,758 | 78.8% | 2,232 | 1.0% |
| Wyoming | 27 | 15.9% | 143 | 84.1% | 170 | 0.1% |
| Other | 25 | 23.4% | 82 | 76.6% | 107 | 0.0% |

| Table 49: Number of Mortgage Modification Actions | | | | | | | | |
|--|----------------|--------------------------|----------------|---------------------|--------------------|-------------|--------------|---------------------|
| Modifications Implemented in the Third Quarter of 2010 | | | | | | | | |
| States | Capitalization | Rate Reduction or Freeze | Term Extension | Principal Reduction | Principal Deferral | Combination | Not Reported | Total Modifications |
| Total | 8,219 | 3,082 | 4,993 | 1,492 | 518 | 210,822 | 4,727 | 233,853 |
| Alabama | 111 | 32 | 93 | 0 | 1 | 2,120 | 5 | 2,362 |
| Alaska | 12 | 1 | 0 | 0 | 0 | 149 | 1 | 163 |
| Arizona | 265 | 116 | 137 | 58 | 12 | 7,822 | 187 | 8,597 |
| Arkansas | 33 | 2 | 0 | 0 | 0 | 712 | 6 | 753 |
| California | 1,013 | 880 | 2,269 | 771 | 239 | 43,387 | 1,848 | 50,407 |
| Colorado | 140 | 50 | 55 | 11 | 9 | 3,127 | 47 | 3,439 |
| Connecticut | 128 | 18 | 31 | 1 | 5 | 2,222 | 29 | 2,434 |
| Delaware | 37 | 5 | 11 | 0 | 5 | 752 | 5 | 815 |
| Florida | 709 | 339 | 547 | 326 | 36 | 20,961 | 848 | 23,766 |
| Georgia | 398 | 91 | 129 | 8 | 15 | 10,745 | 118 | 11,504 |
| Hawaii | 20 | 8 | 10 | 1 | 1 | 705 | 4 | 749 |
| Idaho | 41 | 15 | 17 | 2 | 2 | 869 | 9 | 955 |
| Illinois | 353 | 133 | 111 | 30 | 8 | 10,931 | 143 | 11,709 |
| Indiana | 181 | 30 | 33 | 0 | 1 | 3,017 | 30 | 3,292 |
| Iowa | 68 | 11 | 7 | 0 | 0 | 928 | 9 | 1,023 |
| Kansas | 54 | 7 | 9 | 0 | 2 | 820 | 7 | 899 |
| Kentucky | 63 | 15 | 28 | 0 | 0 | 1,225 | 17 | 1,348 |
| Louisiana | 97 | 17 | 25 | 0 | 0 | 1,712 | 8 | 1,859 |
| Maine | 29 | 6 | 9 | 0 | 2 | 498 | 5 | 549 |
| Maryland | 267 | 82 | 69 | 19 | 31 | 6,268 | 89 | 6,825 |
| Massachusetts | 174 | 43 | 56 | 3 | 3 | 3,821 | 56 | 4,156 |
| Michigan | 319 | 91 | 142 | 89 | 1 | 6,218 | 257 | 7,117 |
| Minnesota | 195 | 57 | 79 | 10 | 7 | 3,780 | 63 | 4,191 |
| Mississippi | 52 | 9 | 11 | 0 | 1 | 1,030 | 6 | 1,109 |
| Missouri | 160 | 40 | 23 | 3 | 1 | 2,921 | 35 | 3,183 |
| Montana | 13 | 7 | 2 | 0 | 0 | 299 | 3 | 324 |
| Nebraska | 29 | 7 | 9 | 0 | 0 | 543 | 5 | 593 |
| Nevada | 134 | 52 | 56 | 87 | 13 | 4,178 | 170 | 4,690 |
| New Hampshire | 57 | 9 | 14 | 3 | - | 852 | 8 | 943 |
| New Jersey | 248 | 57 | 69 | 6 | 17 | 6,903 | 67 | 7,367 |
| New Mexico | 38 | 10 | 10 | 0 | 0 | 773 | 7 | 838 |
| New York | 296 | 113 | 109 | 5 | 26 | 8,519 | 141 | 9,209 |
| North Carolina | 329 | 95 | 152 | 1 | 6 | 6,049 | 48 | 6,680 |
| North Dakota | 6 | 1 | 3 | 0 | 0 | 71 | - | 81 |
| Ohio | 251 | 101 | 88 | 11 | 4 | 5,936 | 60 | 6,451 |
| Oklahoma | 50 | 10 | 5 | 0 | 1 | 988 | 9 | 1,063 |
| Oregon | 88 | 35 | 17 | 13 | 14 | 2,323 | 27 | 2,517 |
| Pennsylvania | 317 | 78 | 50 | 4 | 9 | 5,100 | 34 | 5,592 |
| Rhode Island | 37 | 7 | 5 | 3 | 0 | 668 | 7 | 727 |
| South Carolina | 148 | 39 | 62 | 1 | 1 | 2,754 | 40 | 3,045 |
| South Dakota | 6 | 2 | 3 | 0 | 0 | 128 | - | 139 |
| Tennessee | 135 | 42 | 62 | 0 | 1 | 2,904 | 23 | 3,167 |
| Texas | 510 | 80 | 64 | 1 | 4 | 10,956 | 42 | 11,657 |
| Utah | 70 | 24 | 18 | 1 | 1 | 1,995 | 20 | 2,129 |
| Vermont | 13 | 10 | 10 | 0 | 0 | 185 | 3 | 221 |
| Virginia | 213 | 95 | 124 | 8 | 24 | 4,975 | 71 | 5,510 |
| Washington | 149 | 65 | 100 | 10 | 13 | 3,938 | 71 | 4,346 |
| Washington, DC | 27 | 3 | 14 | 2 | 0 | 353 | 8 | 407 |
| West Virginia | 21 | 6 | 11 | 0 | 0 | 402 | 4 | 444 |
| Wisconsin | 103 | 32 | 30 | 4 | 2 | 2,037 | 24 | 2,232 |
| Wyoming | 11 | 4 | 5 | 0 | 0 | 147 | 3 | 170 |
| Other | 1 | 0 | 0 | 0 | 0 | 106 | 0 | 107 |

Table 50: Percentage of Mortgage Modification Actions
 Modifications Implemented in the Third Quarter of 2010

| States | Capitalization | Rate Reduction or Freeze | Term Extension | Principal Reduction | Principal Deferral | Combination | Not Reported | Total Modifications |
|----------------|----------------|--------------------------|----------------|---------------------|--------------------|-------------|--------------|---------------------|
| Total | 3.5% | 1.3% | 2.1% | 0.6% | 0.2% | 90.2% | 2.0% | 233,853 |
| Alabama | 4.7% | 1.4% | 3.9% | 0.0% | 0.0% | 89.8% | 0.2% | 2,362 |
| Alaska | 7.4% | 0.6% | 0.0% | 0.0% | 0.0% | 91.4% | 0.6% | 163 |
| Arizona | 3.1% | 1.3% | 1.6% | 0.7% | 0.1% | 91.0% | 2.2% | 8,597 |
| Arkansas | 4.4% | 0.3% | 0.0% | 0.0% | 0.0% | 94.6% | 0.8% | 753 |
| California | 2.0% | 1.7% | 4.5% | 1.5% | 0.5% | 86.1% | 3.7% | 50,407 |
| Colorado | 4.1% | 1.5% | 1.6% | 0.3% | 0.3% | 90.9% | 1.4% | 3,439 |
| Connecticut | 5.3% | 0.7% | 1.3% | 0.0% | 0.2% | 91.3% | 1.2% | 2,434 |
| Delaware | 4.5% | 0.6% | 1.3% | 0.0% | 0.6% | 92.3% | 0.6% | 815 |
| Florida | 3.0% | 1.4% | 2.3% | 1.4% | 0.2% | 88.2% | 3.6% | 23,766 |
| Georgia | 3.5% | 0.8% | 1.1% | 0.1% | 0.1% | 93.4% | 1.0% | 11,504 |
| Hawaii | 2.7% | 1.1% | 1.3% | 0.1% | 0.1% | 94.1% | 0.5% | 749 |
| Idaho | 4.3% | 1.6% | 1.8% | 0.2% | 0.2% | 91.0% | 0.9% | 955 |
| Illinois | 3.0% | 1.1% | 0.9% | 0.3% | 0.1% | 93.4% | 1.2% | 11,709 |
| Indiana | 5.5% | 0.9% | 1.0% | 0.0% | 0.0% | 91.6% | 0.9% | 3,292 |
| Iowa | 6.6% | 1.1% | 0.7% | 0.0% | 0.0% | 90.7% | 0.9% | 1,023 |
| Kansas | 6.0% | 0.8% | 1.0% | 0.0% | 0.2% | 91.2% | 0.8% | 899 |
| Kentucky | 4.7% | 1.1% | 2.1% | 0.0% | 0.0% | 90.9% | 1.3% | 1,348 |
| Louisiana | 5.2% | 0.9% | 1.3% | 0.0% | 0.0% | 92.1% | 0.4% | 1,859 |
| Maine | 5.3% | 1.1% | 1.6% | 0.0% | 0.4% | 90.7% | 0.9% | 549 |
| Maryland | 3.9% | 1.2% | 1.0% | 0.3% | 0.5% | 91.8% | 1.3% | 6,825 |
| Massachusetts | 4.2% | 1.0% | 1.3% | 0.1% | 0.1% | 91.9% | 1.3% | 4,156 |
| Michigan | 4.5% | 1.3% | 2.0% | 1.3% | 0.0% | 87.4% | 3.6% | 7,117 |
| Minnesota | 4.7% | 1.4% | 1.9% | 0.2% | 0.2% | 90.2% | 1.5% | 4,191 |
| Mississippi | 4.7% | 0.8% | 1.0% | 0.0% | 0.1% | 92.9% | 0.5% | 1,109 |
| Missouri | 5.0% | 1.3% | 0.7% | 0.1% | 0.0% | 91.8% | 1.1% | 3,183 |
| Montana | 4.0% | 2.2% | 0.6% | 0.0% | 0.0% | 92.3% | 0.9% | 324 |
| Nebraska | 4.9% | 1.2% | 1.5% | 0.0% | 0.0% | 91.6% | 0.8% | 593 |
| Nevada | 2.9% | 1.1% | 1.2% | 1.9% | 0.3% | 89.1% | 3.6% | 4,690 |
| New Hampshire | 6.0% | 1.0% | 1.5% | 0.3% | 0.0% | 90.3% | 0.8% | 943 |
| New Jersey | 3.4% | 0.8% | 0.9% | 0.1% | 0.2% | 93.7% | 0.9% | 7,367 |
| New Mexico | 4.5% | 1.2% | 1.2% | 0.0% | 0.0% | 92.2% | 0.8% | 838 |
| New York | 3.2% | 1.2% | 1.2% | 0.1% | 0.3% | 92.5% | 1.5% | 9,209 |
| North Carolina | 4.9% | 1.4% | 2.3% | 0.0% | 0.1% | 90.6% | 0.7% | 6,680 |
| North Dakota | 7.4% | 1.2% | 3.7% | 0.0% | 0.0% | 87.7% | 0.0% | 81 |
| Ohio | 3.9% | 1.6% | 1.4% | 0.2% | 0.1% | 92.0% | 0.9% | 6,451 |
| Oklahoma | 4.7% | 0.9% | 0.5% | 0.0% | 0.1% | 92.9% | 0.8% | 1,063 |
| Oregon | 3.5% | 1.4% | 0.7% | 0.5% | 0.6% | 92.3% | 1.1% | 2,517 |
| Pennsylvania | 5.7% | 1.4% | 0.9% | 0.1% | 0.2% | 91.2% | 0.6% | 5,592 |
| Rhode Island | 5.1% | 1.0% | 0.7% | 0.4% | 0.0% | 91.9% | 1.0% | 727 |
| South Carolina | 4.9% | 1.3% | 2.0% | 0.0% | 0.0% | 90.4% | 1.3% | 3,045 |
| South Dakota | 4.3% | 1.4% | 2.2% | 0.0% | 0.0% | 92.1% | 0.0% | 139 |
| Tennessee | 4.3% | 1.3% | 2.0% | 0.0% | 0.0% | 91.7% | 0.7% | 3,167 |
| Texas | 4.4% | 0.7% | 0.5% | 0.0% | 0.0% | 94.0% | 0.4% | 11,657 |
| Utah | 3.3% | 1.1% | 0.8% | 0.0% | 0.0% | 93.7% | 0.9% | 2,129 |
| Vermont | 5.9% | 4.5% | 4.5% | 0.0% | 0.0% | 83.7% | 1.4% | 221 |
| Virginia | 3.9% | 1.7% | 2.3% | 0.1% | 0.4% | 90.3% | 1.3% | 5,510 |
| Washington | 3.4% | 1.5% | 2.3% | 0.2% | 0.3% | 90.6% | 1.6% | 4,346 |
| Washington, DC | 6.6% | 0.7% | 3.4% | 0.5% | 0.0% | 86.7% | 2.0% | 407 |
| West Virginia | 4.7% | 1.4% | 2.5% | 0.0% | 0.0% | 90.5% | 0.9% | 444 |
| Wisconsin | 4.6% | 1.4% | 1.3% | 0.2% | 0.1% | 91.3% | 1.1% | 2,232 |
| Wyoming | 6.5% | 2.4% | 2.9% | 0.0% | 0.0% | 86.5% | 1.8% | 170 |
| Other | 0.9% | 0.0% | 0.0% | 0.0% | 0.0% | 99.1% | 0.0% | 107 |

Table 51: Number of Modification Actions in Combination Actions
 Modifications Implemented in the Third Quarter of 2010

| States | Capitalization | Interest Rate Reduction or Freeze | Term Extension | Principal Reduction | Principal Deferral | Total Combination Modifications |
|----------------|----------------|-----------------------------------|----------------|---------------------|--------------------|---------------------------------|
| Total | 196,405 | 202,749 | 129,257 | 9,089 | 23,083 | 210,822 |
| Alabama | 1,867 | 2,063 | 1,356 | 0 | 71 | 2,120 |
| Alaska | 149 | 142 | 104 | 0 | 2 | 149 |
| Arizona | 7,432 | 7,483 | 4,653 | 446 | 1,059 | 7,822 |
| Arkansas | 709 | 687 | 437 | 0 | 15 | 712 |
| California | 38,186 | 41,335 | 25,756 | 6,202 | 8,303 | 43,387 |
| Colorado | 2,997 | 3,018 | 1,904 | 28 | 177 | 3,127 |
| Connecticut | 2,143 | 2,159 | 1,300 | 28 | 212 | 2,222 |
| Delaware | 694 | 727 | 460 | 5 | 32 | 752 |
| Florida | 19,416 | 20,158 | 12,874 | 1,063 | 3,100 | 20,961 |
| Georgia | 10,327 | 10,430 | 6,812 | 26 | 735 | 10,745 |
| Hawaii | 653 | 684 | 360 | 3 | 71 | 705 |
| Idaho | 812 | 826 | 498 | 10 | 58 | 869 |
| Illinois | 10,487 | 10,563 | 6,854 | 195 | 1,549 | 10,931 |
| Indiana | 2,890 | 2,905 | 1,953 | 2 | 95 | 3,017 |
| Iowa | 845 | 876 | 586 | 0 | 38 | 928 |
| Kansas | 773 | 786 | 509 | 1 | 30 | 820 |
| Kentucky | 1,096 | 1,183 | 766 | 0 | 39 | 1,225 |
| Louisiana | 1,633 | 1,650 | 1,062 | 0 | 43 | 1,712 |
| Maine | 450 | 481 | 292 | - | 28 | 498 |
| Maryland | 6,001 | 6,013 | 3,515 | 92 | 594 | 6,268 |
| Massachusetts | 3,680 | 3,685 | 2,159 | 54 | 407 | 3,821 |
| Michigan | 5,905 | 5,963 | 3,819 | 72 | 560 | 6,218 |
| Minnesota | 3,596 | 3,574 | 2,385 | 38 | 363 | 3,780 |
| Mississippi | 963 | 1,004 | 655 | 2 | 35 | 1,030 |
| Missouri | 2,797 | 2,823 | 1,735 | 8 | 182 | 2,921 |
| Montana | 277 | 284 | 194 | 0 | 14 | 299 |
| Nebraska | 509 | 516 | 371 | 0 | 15 | 543 |
| Nevada | 4,039 | 3,997 | 2,463 | 201 | 593 | 4,178 |
| New Hampshire | 787 | 821 | 487 | 7 | 67 | 852 |
| New Jersey | 6,635 | 6,678 | 4,273 | 106 | 716 | 6,903 |
| New Mexico | 717 | 749 | 461 | 3 | 34 | 773 |
| New York | 8,139 | 8,276 | 4,946 | 67 | 1,101 | 8,519 |
| North Carolina | 5,519 | 5,859 | 4,025 | 7 | 235 | 6,049 |
| North Dakota | 59 | 68 | 49 | 0 | 3 | 71 |
| Ohio | 5,568 | 5,722 | 3,794 | 11 | 281 | 5,936 |
| Oklahoma | 957 | 957 | 630 | 1 | 27 | 988 |
| Oregon | 2,181 | 2,235 | 1,400 | 51 | 199 | 2,323 |
| Pennsylvania | 4,825 | 4,901 | 3,168 | 15 | 261 | 5,100 |
| Rhode Island | 640 | 642 | 392 | 13 | 84 | 668 |
| South Carolina | 2,551 | 2,665 | 1,667 | 6 | 155 | 2,754 |
| South Dakota | 114 | 120 | 86 | 1 | 7 | 128 |
| Tennessee | 2,655 | 2,824 | 1,871 | 0 | 113 | 2,904 |
| Texas | 10,600 | 10,659 | 7,604 | 19 | 281 | 10,956 |
| Utah | 1,900 | 1,930 | 1,201 | 32 | 133 | 1,995 |
| Vermont | 120 | 175 | 135 | 0 | 7 | 185 |
| Virginia | 4,566 | 4,750 | 3,049 | 146 | 413 | 4,975 |
| Washington | 3,699 | 3,786 | 2,362 | 107 | 308 | 3,938 |
| Washington, DC | 338 | 339 | 167 | 9 | 35 | 353 |
| West Virginia | 338 | 386 | 239 | 1 | 19 | 402 |
| Wisconsin | 1,935 | 1,946 | 1,285 | 11 | 166 | 2,037 |
| Wyoming | 131 | 140 | 97 | 0 | 7 | 147 |
| Other | 105 | 106 | 37 | 0 | 11 | 106 |

Table 52: Percentage of Modification Actions in Combination Actions

Modifications Implemented in the Third Quarter of 2010

| States | Capitalization | Interest Rate Reduction or Freeze | Term Extension | Principal Reduction | Principal Deferral | Total Combination Modifications |
|----------------|----------------|-----------------------------------|----------------|---------------------|--------------------|---------------------------------|
| Total | 93.2% | 96.2% | 61.3% | 4.3% | 10.9% | 210,822 |
| Alabama | 88.1% | 97.3% | 64.0% | 0.0% | 3.3% | 2,120 |
| Alaska | 100.0% | 95.3% | 69.8% | 0.0% | 1.3% | 149 |
| Arizona | 95.0% | 95.7% | 59.5% | 5.7% | 13.5% | 7,822 |
| Arkansas | 99.6% | 96.5% | 61.4% | 0.0% | 2.1% | 712 |
| California | 88.0% | 95.3% | 59.4% | 14.3% | 19.1% | 43,387 |
| Colorado | 95.8% | 96.5% | 60.9% | 0.9% | 5.7% | 3,127 |
| Connecticut | 96.4% | 97.2% | 58.5% | 1.3% | 9.5% | 2,222 |
| Delaware | 92.3% | 96.7% | 61.2% | 0.7% | 4.3% | 752 |
| Florida | 92.6% | 96.2% | 61.4% | 5.1% | 14.8% | 20,961 |
| Georgia | 96.1% | 97.1% | 63.4% | 0.2% | 6.8% | 10,745 |
| Hawaii | 92.6% | 97.0% | 51.1% | 0.4% | 10.1% | 705 |
| Idaho | 93.4% | 95.1% | 57.3% | 1.2% | 6.7% | 869 |
| Illinois | 95.9% | 96.6% | 62.7% | 1.8% | 14.2% | 10,931 |
| Indiana | 95.8% | 96.3% | 64.7% | 0.1% | 3.1% | 3,017 |
| Iowa | 91.1% | 94.4% | 63.1% | 0.0% | 4.1% | 928 |
| Kansas | 94.3% | 95.9% | 62.1% | 0.1% | 3.7% | 820 |
| Kentucky | 89.5% | 96.6% | 62.5% | 0.0% | 3.2% | 1,225 |
| Louisiana | 95.4% | 96.4% | 62.0% | 0.0% | 2.5% | 1,712 |
| Maine | 90.4% | 96.6% | 58.6% | 0.0% | 5.6% | 498 |
| Maryland | 95.7% | 95.9% | 56.1% | 1.5% | 9.5% | 6,268 |
| Massachusetts | 96.3% | 96.4% | 56.5% | 1.4% | 10.7% | 3,821 |
| Michigan | 95.0% | 95.9% | 61.4% | 1.2% | 9.0% | 6,218 |
| Minnesota | 95.1% | 94.6% | 63.1% | 1.0% | 9.6% | 3,780 |
| Mississippi | 93.5% | 97.5% | 63.6% | 0.2% | 3.4% | 1,030 |
| Missouri | 95.8% | 96.6% | 59.4% | 0.3% | 6.2% | 2,921 |
| Montana | 92.6% | 95.0% | 64.9% | 0.0% | 4.7% | 299 |
| Nebraska | 93.7% | 95.0% | 68.3% | 0.0% | 2.8% | 543 |
| Nevada | 96.7% | 95.7% | 59.0% | 4.8% | 14.2% | 4,178 |
| New Hampshire | 92.4% | 96.4% | 57.2% | 0.8% | 7.9% | 852 |
| New Jersey | 96.1% | 96.7% | 61.9% | 1.5% | 10.4% | 6,903 |
| New Mexico | 92.8% | 96.9% | 59.6% | 0.4% | 4.4% | 773 |
| New York | 95.5% | 97.1% | 58.1% | 0.8% | 12.9% | 8,519 |
| North Carolina | 91.2% | 96.9% | 66.5% | 0.1% | 3.9% | 6,049 |
| North Dakota | 83.1% | 95.8% | 69.0% | 0.0% | 4.2% | 71 |
| Ohio | 93.8% | 96.4% | 63.9% | 0.2% | 4.7% | 5,936 |
| Oklahoma | 96.9% | 96.9% | 63.8% | 0.1% | 2.7% | 988 |
| Oregon | 93.9% | 96.2% | 60.3% | 2.2% | 8.6% | 2,323 |
| Pennsylvania | 94.6% | 96.1% | 62.1% | 0.3% | 5.1% | 5,100 |
| Rhode Island | 95.8% | 96.1% | 58.7% | 1.9% | 12.6% | 668 |
| South Carolina | 92.6% | 96.8% | 60.5% | 0.2% | 5.6% | 2,754 |
| South Dakota | 89.1% | 93.8% | 67.2% | 0.8% | 5.5% | 128 |
| Tennessee | 91.4% | 97.2% | 64.4% | 0.0% | 3.9% | 2,904 |
| Texas | 96.8% | 97.3% | 69.4% | 0.2% | 2.6% | 10,956 |
| Utah | 95.2% | 96.7% | 60.2% | 1.6% | 6.7% | 1,995 |
| Vermont | 64.9% | 94.6% | 73.0% | 0.0% | 3.8% | 185 |
| Virginia | 91.8% | 95.5% | 61.3% | 2.9% | 8.3% | 4,975 |
| Washington | 93.9% | 96.1% | 60.0% | 2.7% | 7.8% | 3,938 |
| Washington, DC | 95.8% | 96.0% | 47.3% | 2.5% | 9.9% | 353 |
| West Virginia | 84.1% | 96.0% | 59.5% | 0.2% | 4.7% | 402 |
| Wisconsin | 95.0% | 95.5% | 63.1% | 0.5% | 8.1% | 2,037 |
| Wyoming | 89.1% | 95.2% | 66.0% | 0.0% | 4.8% | 147 |
| Other | 99.1% | 100.0% | 34.9% | 0.0% | 10.4% | 106 |

| Table 53: Changes in Monthly Principal and Interest Payments by State (Number) | | | | | | | |
|---|--------------------------|-----------------------------------|----------------------------|-----------|-----------|--------------|---------------------|
| Number of Modifications Implemented in the Third Quarter of 2010 | | | | | | | |
| States | Decreased by 20% or More | Decreased by 10% to Less Than 20% | Decreased by Less Than 10% | Unchanged | increased | Not Reported | Total Modifications |
| Total - All States | 125,301 | 41,743 | 37,097 | 8,532 | 18,761 | 2,419 | 233,853 |
| Alabama | 1,085 | 537 | 407 | 95 | 223 | 15 | 2,362 |
| Alaska | 59 | 49 | 37 | 1 | 17 | - | 163 |
| Arizona | 4,997 | 1,369 | 1,288 | 288 | 578 | 77 | 8,597 |
| Arkansas | 324 | 196 | 140 | 7 | 80 | 6 | 753 |
| California | 27,999 | 5,949 | 8,275 | 4,072 | 3,471 | 641 | 50,407 |
| Colorado | 1,505 | 802 | 705 | 80 | 323 | 24 | 3,439 |
| Connecticut | 1,373 | 420 | 363 | 48 | 207 | 23 | 2,434 |
| Delaware | 376 | 204 | 148 | 22 | 58 | 7 | 815 |
| Florida | 14,119 | 3,281 | 3,519 | 982 | 1,652 | 213 | 23,766 |
| Georgia | 5,764 | 2,730 | 1,844 | 143 | 893 | 130 | 11,504 |
| Hawaii | 471 | 130 | 85 | 9 | 41 | 13 | 749 |
| Idaho | 473 | 200 | 165 | 24 | 83 | 10 | 955 |
| Illinois | 7,109 | 1,898 | 1,526 | 190 | 889 | 97 | 11,709 |
| Indiana | 1,353 | 823 | 650 | 55 | 386 | 25 | 3,292 |
| Iowa | 429 | 236 | 197 | 19 | 132 | 10 | 1,023 |
| Kansas | 381 | 201 | 182 | 25 | 105 | 5 | 899 |
| Kentucky | 552 | 340 | 286 | 25 | 130 | 15 | 1,348 |
| Louisiana | 811 | 418 | 328 | 34 | 255 | 13 | 1,859 |
| Maine | 284 | 112 | 78 | 13 | 56 | 6 | 549 |
| Maryland | 3,633 | 1,223 | 1,143 | 137 | 594 | 95 | 6,825 |
| Massachusetts | 2,450 | 710 | 559 | 79 | 319 | 39 | 4,156 |
| Michigan | 3,750 | 1,264 | 1,221 | 229 | 585 | 68 | 7,117 |
| Minnesota | 2,311 | 729 | 659 | 130 | 337 | 25 | 4,191 |
| Mississippi | 511 | 266 | 198 | 18 | 110 | 6 | 1,109 |
| Missouri | 1,635 | 697 | 481 | 53 | 294 | 23 | 3,183 |
| Montana | 161 | 82 | 46 | 5 | 27 | 3 | 324 |
| Nebraska | 282 | 147 | 78 | 10 | 68 | 8 | 593 |
| Nevada | 2,783 | 738 | 702 | 165 | 255 | 47 | 4,690 |
| New Hampshire | 555 | 162 | 119 | 16 | 85 | 6 | 943 |
| New Jersey | 4,149 | 1,272 | 1,109 | 145 | 603 | 89 | 7,367 |
| New Mexico | 428 | 206 | 115 | 7 | 75 | 7 | 838 |
| New York | 5,951 | 1,387 | 1,011 | 182 | 536 | 142 | 9,209 |
| North Carolina | 3,170 | 1,598 | 1,088 | 142 | 633 | 49 | 6,680 |
| North Dakota | 43 | 20 | 7 | 3 | 8 | - | 81 |
| Ohio | 2,986 | 1,447 | 1,201 | 120 | 647 | 50 | 6,451 |
| Oklahoma | 425 | 284 | 197 | 14 | 134 | 9 | 1,063 |
| Oregon | 1,407 | 467 | 346 | 93 | 184 | 20 | 2,517 |
| Pennsylvania | 2,806 | 1,175 | 891 | 88 | 566 | 66 | 5,592 |
| Rhode Island | 429 | 111 | 98 | 15 | 69 | 5 | 727 |
| South Carolina | 1,493 | 660 | 471 | 46 | 310 | 65 | 3,045 |
| South Dakota | 71 | 31 | 24 | 1 | 12 | - | 139 |
| Tennessee | 1,480 | 810 | 533 | 69 | 253 | 22 | 3,167 |
| Texas | 5,026 | 3,288 | 1,992 | 107 | 1,167 | 77 | 11,657 |
| Utah | 1,062 | 499 | 354 | 40 | 166 | 8 | 2,129 |
| Vermont | 107 | 39 | 33 | 11 | 26 | 5 | 221 |
| Virginia | 2,755 | 1,104 | 987 | 176 | 438 | 50 | 5,510 |
| Washington | 2,230 | 815 | 686 | 211 | 334 | 70 | 4,346 |
| Washington DC | 213 | 66 | 63 | 13 | 43 | 9 | 407 |
| West Virginia | 228 | 77 | 80 | 9 | 46 | 4 | 444 |
| Wisconsin | 1,158 | 417 | 344 | 52 | 242 | 19 | 2,232 |
| Wyoming | 77 | 36 | 26 | 13 | 15 | 3 | 170 |
| Other | 72 | 21 | 12 | 1 | 1 | - | 107 |

| Table 54: Changes in Monthly Principal and Interest Payments (Percentage) | | | | | | | |
|--|--------------------------|-----------------------------------|----------------------------|-----------|-----------|--------------|---------------------|
| Percentage of Modifications Implemented During the Third Quarter of 2010 | | | | | | | |
| States | Decreased by 20% or More | Decreased by 10% to Less Than 20% | Decreased by Less Than 10% | Unchanged | Increased | Not Reported | Total Modifications |
| Total | 53.6% | 17.9% | 15.9% | 3.6% | 8.0% | 1.0% | 233,853 |
| Alabama | 45.9% | 22.7% | 17.2% | 4.0% | 9.4% | 0.6% | 2,362 |
| Alaska | 36.2% | 30.1% | 22.7% | 0.6% | 10.4% | 0.0% | 163 |
| Arizona | 58.1% | 15.9% | 15.0% | 3.4% | 6.7% | 0.9% | 8,597 |
| Arkansas | 43.0% | 26.0% | 18.6% | 0.9% | 10.6% | 0.8% | 753 |
| California | 55.5% | 11.8% | 16.4% | 8.1% | 6.9% | 1.3% | 50,407 |
| Colorado | 43.8% | 23.3% | 20.5% | 2.3% | 9.4% | 0.7% | 3,439 |
| Connecticut | 56.4% | 17.3% | 14.9% | 2.0% | 8.5% | 0.9% | 2,434 |
| Delaware | 46.1% | 25.0% | 18.2% | 2.7% | 7.1% | 0.9% | 815 |
| Florida | 59.4% | 13.8% | 14.8% | 4.1% | 7.0% | 0.9% | 23,766 |
| Georgia | 50.1% | 23.7% | 16.0% | 1.2% | 7.8% | 1.1% | 11,504 |
| Hawaii | 62.9% | 17.4% | 11.3% | 1.2% | 5.5% | 1.7% | 749 |
| Idaho | 49.5% | 20.9% | 17.3% | 2.5% | 8.7% | 1.0% | 955 |
| Illinois | 60.7% | 16.2% | 13.0% | 1.6% | 7.6% | 0.8% | 11,709 |
| Indiana | 41.1% | 25.0% | 19.7% | 1.7% | 11.7% | 0.8% | 3,292 |
| Iowa | 41.9% | 23.1% | 19.3% | 1.9% | 12.9% | 1.0% | 1,023 |
| Kansas | 42.4% | 22.4% | 20.2% | 2.8% | 11.7% | 0.6% | 899 |
| Kentucky | 40.9% | 25.2% | 21.2% | 1.9% | 9.6% | 1.1% | 1,348 |
| Louisiana | 43.6% | 22.5% | 17.6% | 1.8% | 13.7% | 0.7% | 1,859 |
| Maine | 51.7% | 20.4% | 14.2% | 2.4% | 10.2% | 1.1% | 549 |
| Maryland | 53.2% | 17.9% | 16.7% | 2.0% | 8.7% | 1.4% | 6,825 |
| Massachusetts | 59.0% | 17.1% | 13.5% | 1.9% | 7.7% | 0.9% | 4,156 |
| Michigan | 52.7% | 17.8% | 17.2% | 3.2% | 8.2% | 1.0% | 7,117 |
| Minnesota | 55.1% | 17.4% | 15.7% | 3.1% | 8.0% | 0.6% | 4,191 |
| Mississippi | 46.1% | 24.0% | 17.9% | 1.6% | 9.9% | 0.5% | 1,109 |
| Missouri | 51.4% | 21.9% | 15.1% | 1.7% | 9.2% | 0.7% | 3,183 |
| Montana | 49.7% | 25.3% | 14.2% | 1.5% | 8.3% | 0.9% | 324 |
| Nebraska | 47.6% | 24.8% | 13.2% | 1.7% | 11.5% | 1.3% | 593 |
| Nevada | 59.3% | 15.7% | 15.0% | 3.5% | 5.4% | 1.0% | 4,690 |
| New Hampshire | 58.9% | 17.2% | 12.6% | 1.7% | 9.0% | 0.6% | 943 |
| New Jersey | 56.3% | 17.3% | 15.1% | 2.0% | 8.2% | 1.2% | 7,367 |
| New Mexico | 51.1% | 24.6% | 13.7% | 0.8% | 8.9% | 0.8% | 838 |
| New York | 64.6% | 15.1% | 11.0% | 2.0% | 5.8% | 1.5% | 9,209 |
| North Carolina | 47.5% | 23.9% | 16.3% | 2.1% | 9.5% | 0.7% | 6,680 |
| North Dakota | 53.1% | 24.7% | 8.6% | 3.7% | 9.9% | 0.0% | 81 |
| Ohio | 46.3% | 22.4% | 18.6% | 1.9% | 10.0% | 0.8% | 6,451 |
| Oklahoma | 40.0% | 26.7% | 18.5% | 1.3% | 12.6% | 0.8% | 1,063 |
| Oregon | 55.9% | 18.6% | 13.7% | 3.7% | 7.3% | 0.8% | 2,517 |
| Pennsylvania | 50.2% | 21.0% | 15.9% | 1.6% | 10.1% | 1.2% | 5,592 |
| Rhode Island | 59.0% | 15.3% | 13.5% | 2.1% | 9.5% | 0.7% | 727 |
| South Carolina | 49.0% | 21.7% | 15.5% | 1.5% | 10.2% | 2.1% | 3,045 |
| South Dakota | 51.1% | 22.3% | 17.3% | 0.7% | 8.6% | 0.0% | 139 |
| Tennessee | 46.7% | 25.6% | 16.8% | 2.2% | 8.0% | 0.7% | 3,167 |
| Texas | 43.1% | 28.2% | 17.1% | 0.9% | 10.0% | 0.7% | 11,657 |
| Utah | 49.9% | 23.4% | 16.6% | 1.9% | 7.8% | 0.4% | 2,129 |
| Vermont | 48.4% | 17.6% | 14.9% | 5.0% | 11.8% | 2.3% | 221 |
| Virginia | 50.0% | 20.0% | 17.9% | 3.2% | 7.9% | 0.9% | 5,510 |
| Washington | 51.3% | 18.8% | 15.8% | 4.9% | 7.7% | 1.6% | 4,346 |
| Washington, DC | 52.3% | 16.2% | 15.5% | 3.2% | 10.6% | 2.2% | 407 |
| West Virginia | 51.4% | 17.3% | 18.0% | 2.0% | 10.4% | 0.9% | 444 |
| Wisconsin | 51.9% | 18.7% | 15.4% | 2.3% | 10.8% | 0.9% | 2,232 |
| Wyoming | 45.3% | 21.2% | 15.3% | 7.6% | 8.8% | 1.8% | 170 |
| Other | 67.3% | 19.6% | 11.2% | 0.9% | 0.9% | 0.0% | 107 |

| Table 55: Number of Re-Defaults for Loans Modified in the First Quarter of 2010 | | | | | | | |
|--|--------------------------|-----------------------------------|----------------------------|-----------|-----------|--------------|---------------------|
| (60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments) | | | | | | | |
| States | Decreased by 20% or More | Decreased by 10% to Less Than 20% | Decreased by Less Than 10% | Unchanged | Increased | Not Reported | Total Modifications |
| Total | 14,419 | 8,497 | 9,570 | 2,074 | 8,390 | 209 | 43,159 |
| Alabama | 139 | 129 | 188 | 42 | 135 | 1 | 634 |
| Alaska | 5 | 11 | 14 | 4 | 11 | 0 | 45 |
| Arizona | 733 | 298 | 392 | 82 | 243 | 3 | 1,751 |
| Arkansas | 61 | 43 | 49 | 16 | 57 | 5 | 231 |
| California | 2,465 | 916 | 1,014 | 280 | 1,111 | 38 | 5,824 |
| Colorado | 172 | 128 | 207 | 40 | 170 | 3 | 720 |
| Connecticut | 169 | 93 | 103 | 26 | 92 | 3 | 486 |
| Delaware | 55 | 38 | 49 | 7 | 23 | 1 | 173 |
| Florida | 1,667 | 705 | 679 | 216 | 671 | 27 | 3,965 |
| Georgia | 642 | 575 | 657 | 114 | 423 | 15 | 2,426 |
| Hawaii | 37 | 9 | 20 | 1 | 28 | 0 | 95 |
| Idaho | 63 | 44 | 58 | 6 | 54 | 1 | 226 |
| Illinois | 771 | 356 | 453 | 85 | 347 | 6 | 2,018 |
| Indiana | 200 | 219 | 213 | 40 | 168 | 2 | 842 |
| Iowa | 61 | 46 | 57 | 15 | 54 | 0 | 233 |
| Kansas | 53 | 52 | 61 | 10 | 70 | 1 | 247 |
| Kentucky | 98 | 87 | 81 | 22 | 85 | 0 | 373 |
| Louisiana | 117 | 87 | 84 | 31 | 104 | 2 | 425 |
| Maine | 52 | 31 | 20 | 8 | 25 | 0 | 136 |
| Maryland | 472 | 272 | 297 | 63 | 210 | 14 | 1,328 |
| Massachusetts | 304 | 125 | 133 | 35 | 145 | 3 | 745 |
| Michigan | 504 | 352 | 326 | 61 | 293 | 3 | 1,539 |
| Minnesota | 273 | 167 | 183 | 26 | 151 | 5 | 805 |
| Mississippi | 84 | 52 | 89 | 15 | 74 | 1 | 315 |
| Missouri | 255 | 162 | 173 | 32 | 175 | 2 | 799 |
| Montana | 19 | 14 | 25 | 3 | 16 | 0 | 77 |
| Nebraska | 48 | 33 | 34 | 2 | 34 | 0 | 151 |
| Nevada | 382 | 137 | 144 | 24 | 148 | 4 | 839 |
| New Hampshire | 55 | 26 | 30 | 9 | 47 | 0 | 167 |
| New Jersey | 488 | 253 | 260 | 70 | 236 | 4 | 1,311 |
| New Mexico | 65 | 39 | 46 | 13 | 39 | 1 | 203 |
| New York | 495 | 270 | 251 | 83 | 196 | 6 | 1,301 |
| North Carolina | 405 | 371 | 424 | 68 | 306 | 10 | 1,584 |
| North Dakota | 4 | 2 | 6 | 0 | 10 | 0 | 22 |
| Ohio | 328 | 282 | 328 | 68 | 292 | 3 | 1,301 |
| Oklahoma | 64 | 61 | 91 | 17 | 98 | 3 | 334 |
| Oregon | 153 | 77 | 101 | 22 | 84 | 2 | 439 |
| Pennsylvania | 409 | 247 | 257 | 49 | 284 | 2 | 1,248 |
| Rhode Island | 64 | 24 | 31 | 11 | 24 | 1 | 155 |
| South Carolina | 154 | 116 | 149 | 46 | 157 | 7 | 629 |
| South Dakota | 8 | 6 | 11 | 0 | 16 | 0 | 41 |
| Tennessee | 203 | 176 | 213 | 36 | 130 | 5 | 763 |
| Texas | 653 | 779 | 902 | 115 | 750 | 6 | 3,205 |
| Utah | 118 | 71 | 125 | 18 | 69 | 1 | 402 |
| Vermont | 17 | 4 | 7 | 2 | 5 | 0 | 35 |
| Virginia | 330 | 200 | 193 | 52 | 195 | 12 | 982 |
| Washington | 269 | 162 | 178 | 50 | 165 | 2 | 826 |
| Washington, DC | 18 | 17 | 12 | 3 | 22 | 0 | 72 |
| West Virginia | 28 | 18 | 21 | 6 | 22 | 0 | 95 |
| Wisconsin | 181 | 108 | 123 | 27 | 113 | 4 | 556 |
| Wyoming | 5 | 4 | 7 | 3 | 11 | 0 | 30 |
| Other | 4 | 3 | 1 | 0 | 2 | 0 | 10 |

Table 56: Re-Default Rates for Loans Modified in the First Quarter of 2010 (Percentage)
 (60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments)

| States | Decreased by 20% or More | Decreased by 10% to Less Than 20% | Decreased by Less Than 10% | Unchanged | Increased | Not Reported | Total Modifications |
|----------------|--------------------------|-----------------------------------|----------------------------|-----------|-----------|--------------|---------------------|
| Total | 11.7% | 21.2% | 28.4% | 33.4% | 37.7% | 25.7% | 19.1% |
| Alabama | 15.1% | 24.5% | 36.1% | 37.5% | 41.8% | 33.3% | 26.4% |
| Alaska | 8.3% | 24.4% | 30.4% | 80.0% | 39.3% | 0.0% | 24.5% |
| Arizona | 11.9% | 20.1% | 31.5% | 36.1% | 38.8% | 11.1% | 17.9% |
| Arkansas | 18.0% | 22.9% | 30.1% | 53.3% | 41.9% | 71.4% | 26.8% |
| California | 8.6% | 16.0% | 21.1% | 24.7% | 31.7% | 26.0% | 13.2% |
| Colorado | 10.8% | 17.8% | 29.6% | 31.3% | 37.5% | 33.3% | 20.0% |
| Connecticut | 11.5% | 20.3% | 27.6% | 34.2% | 37.1% | 60.0% | 18.4% |
| Delaware | 14.6% | 25.3% | 32.2% | 25.0% | 31.1% | 50.0% | 22.1% |
| Florida | 12.1% | 22.0% | 27.0% | 38.8% | 38.2% | 34.2% | 18.1% |
| Georgia | 13.6% | 25.1% | 34.1% | 40.7% | 43.7% | 31.9% | 23.7% |
| Hawaii | 9.2% | 11.7% | 30.3% | 12.5% | 45.9% | 0.0% | 15.4% |
| Idaho | 11.9% | 23.4% | 31.2% | 20.7% | 47.4% | 50.0% | 21.5% |
| Illinois | 11.8% | 21.1% | 31.8% | 34.3% | 39.0% | 19.4% | 18.7% |
| Indiana | 15.3% | 24.8% | 28.9% | 37.0% | 36.1% | 22.2% | 24.0% |
| Iowa | 14.4% | 21.0% | 30.2% | 41.7% | 32.1% | 0.0% | 22.4% |
| Kansas | 12.4% | 23.1% | 29.9% | 27.8% | 37.6% | 16.7% | 22.8% |
| Kentucky | 17.7% | 24.1% | 31.0% | 33.8% | 38.8% | 0.0% | 25.5% |
| Louisiana | 17.5% | 25.5% | 26.3% | 41.9% | 41.6% | 66.7% | 25.7% |
| Maine | 15.6% | 24.4% | 23.0% | 47.1% | 37.3% | 0.0% | 21.6% |
| Maryland | 12.6% | 21.0% | 27.7% | 37.5% | 39.2% | 41.2% | 19.4% |
| Massachusetts | 11.8% | 18.5% | 24.5% | 28.9% | 36.5% | 16.7% | 17.2% |
| Michigan | 13.0% | 22.8% | 28.0% | 31.3% | 38.4% | 20.0% | 20.4% |
| Minnesota | 11.5% | 21.7% | 27.4% | 23.0% | 33.6% | 38.5% | 18.4% |
| Mississippi | 17.4% | 22.1% | 35.2% | 30.6% | 46.0% | 100.0% | 26.6% |
| Missouri | 15.5% | 21.3% | 28.0% | 24.4% | 37.6% | 20.0% | 22.0% |
| Montana | 12.8% | 19.4% | 41.0% | 30.0% | 29.1% | 0.0% | 22.1% |
| Nebraska | 18.9% | 23.4% | 28.6% | 11.1% | 42.0% | 0.0% | 24.6% |
| Nevada | 11.6% | 21.2% | 27.9% | 25.0% | 41.5% | 16.7% | 17.1% |
| New Hampshire | 11.8% | 16.8% | 24.2% | 32.1% | 47.0% | 0.0% | 19.1% |
| New Jersey | 11.6% | 21.5% | 28.4% | 43.2% | 37.8% | 12.9% | 18.4% |
| New Mexico | 15.0% | 21.8% | 31.9% | 56.5% | 36.8% | 25.0% | 22.9% |
| New York | 10.0% | 20.8% | 27.4% | 37.7% | 36.0% | 18.2% | 16.4% |
| North Carolina | 13.6% | 25.1% | 32.3% | 33.3% | 40.9% | 14.1% | 23.3% |
| North Dakota | 11.4% | 9.5% | 31.6% | 0.0% | 28.6% | 0.0% | 19.1% |
| Ohio | 12.3% | 21.4% | 27.7% | 36.0% | 36.9% | 14.3% | 21.1% |
| Oklahoma | 16.4% | 21.2% | 34.7% | 40.5% | 42.4% | 37.5% | 27.4% |
| Oregon | 11.7% | 17.9% | 27.9% | 37.3% | 36.1% | 28.6% | 18.3% |
| Pennsylvania | 14.6% | 21.8% | 27.0% | 28.5% | 38.9% | 14.3% | 21.5% |
| Rhode Island | 11.9% | 19.0% | 28.4% | 36.7% | 38.7% | 20.0% | 17.8% |
| South Carolina | 11.3% | 20.5% | 28.0% | 50.5% | 42.3% | 38.9% | 21.4% |
| South Dakota | 10.8% | 17.6% | 28.2% | 0.0% | 53.3% | 0.0% | 22.8% |
| Tennessee | 14.3% | 24.7% | 32.4% | 30.5% | 35.9% | 33.3% | 23.2% |
| Texas | 16.9% | 24.3% | 33.3% | 41.1% | 41.7% | 20.7% | 27.0% |
| Utah | 12.4% | 20.2% | 33.2% | 35.3% | 32.7% | 50.0% | 20.7% |
| Vermont | 13.3% | 11.1% | 30.4% | 25.0% | 16.7% | 0.0% | 15.6% |
| Virginia | 11.1% | 18.5% | 21.5% | 30.4% | 36.6% | 36.4% | 17.2% |
| Washington | 12.4% | 21.3% | 28.8% | 39.1% | 38.6% | 18.2% | 20.0% |
| Washington, DC | 11.5% | 21.3% | 23.1% | 42.9% | 41.5% | 0.0% | 20.6% |
| West Virginia | 12.3% | 17.6% | 26.9% | 26.1% | 32.4% | 0.0% | 19.0% |
| Wisconsin | 14.7% | 24.7% | 28.9% | 27.3% | 34.9% | 44.4% | 22.0% |
| Wyoming | 10.0% | 11.8% | 22.6% | 75.0% | 45.8% | 0.0% | 21.0% |
| Other | 22.2% | 20.0% | 16.7% | 0.0% | 66.7% | 0.0% | 23.8% |

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