

OCC Mortgage Metrics Report

Disclosure of National Bank and Federal Savings
Association Mortgage Loan Data

Third Quarter 2014

Contents

Executive Summary 4

About Mortgage Metrics..... 8

Definitions and Method 8

PART I: Mortgage Performance 11

 Overall Mortgage Portfolio 11

 Overall Mortgage Performance..... 12

 Performance of Mortgages Held by Reporting Banks and Thrift..... 13

 Performance of Government-Guaranteed Mortgages..... 14

 Performance of GSE Mortgages..... 15

 Seriously Delinquent Mortgages, by Risk Category 16

 Mortgages 30 to 59 Days Delinquent, by Risk Category 17

PART II: Home Retention Actions 18

A. Loan Modifications, Trial-Period Plans, and Payment Plans 18

 New Home Retention Actions 18

 HAMP Modifications and Trial-Period Plans, by Investor and Risk Category 19

 New Home Retention Actions Relative to Newly Initiated Foreclosures 20

 Types of Modification Actions 21

 Types of HAMP Modification Actions..... 22

 Types of Modification Actions, by Risk Category 23

 Types of Modification Actions, by Investor and Product Type 24

 Types of HAMP Modification Actions, by Investor and Product Type 25

 Changes in Monthly Payments Resulting From Modification..... 26

 Changes in Monthly Payments Resulting From Modifications, by Quarter 27

 Changes in Monthly Payments Resulting From HAMP Modifications, by Quarter..... 28

 Average Change in Monthly Payments Resulting From Modifications, by Quarter.... 29

B. Modified Loan Performance..... 30

 Re-Default Rates of Modified Loans: 60 or More Days Delinquent..... 30

 Re-Default Rates of Modified Loans: 30 or More Days Delinquent..... 31

 Re-Default Rates of Modified Loans: 90 or More Days Delinquent..... 32

Re-Default Rate, by Investor (60 or More Days Delinquent).....	33
Performance of HAMP Modifications Compared With Other Modifications	35
C. Modified Loan Performance, by Change in Monthly Payments.....	36
Re-Default Rates of Loans by Change in Payment	36
60+ Delinquency at Six Months After Modification by Change in Monthly Payment ..	39
Status of Mortgages Modified in 2008–2Q 2014.....	40
Part III: Home Forfeiture Actions—Foreclosures, Short Sales, and Deed-in-Lieu- of-Foreclosure Actions	41
Completed Foreclosures and Other Home Forfeiture Actions	41
Newly Initiated Foreclosures.....	42
Foreclosures in Process	43
Completed Foreclosures.....	44
Completed Short Sales and Deeds in Lieu of Foreclosure	45
New Home Retention Actions Relative to Forfeiture Actions, by Risk Category	46
Appendixes	47
Appendix A—New Loan Modifications.....	47
Appendix B—New Trial-Period Plans	48
Appendix C—New Payment Plans	49
Appendix D—Breakdown of Individual and Combination Modification Actions.....	50
Appendix E—Mortgage Modification Data by State	52
Index of Tables	62
Index of Figures.....	65

Executive Summary

This *OCC Mortgage Metrics Report* for the third quarter of 2014 provides performance data on first-lien residential mortgages serviced by seven national banks and one federal savings association (servicers). The mortgages in this portfolio comprise 46 percent of all first-lien residential mortgages outstanding in the United States—23.6 million loans totaling \$4.0 trillion in unpaid principal. This report presents performance information through September 30, 2014.

Performance continued to improve and foreclosure activity declined during the quarter for the portfolio of loans included within this report, which is consistent with observed industry trends overall. Improved economic conditions and aggressive foreclosure prevention assistance contributed to the improved performance and decreased foreclosure activity within the portfolio overall.

The percentage of mortgages in the portfolio that were current and performing at the end of the third quarter of 2014 increased to 93.0 percent from 92.9 percent at the end of the previous quarter and 91.4 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due increased by 1.9 percent from the previous quarter to 2.4 percent of the portfolio at the end of the third quarter of 2014. The percentage of mortgages that were seriously delinquent—60 or more days past due or held by bankrupt borrowers whose payments were 30 or more days past due—decreased by 0.9 percent from the previous quarter but remained 3.1 percent for the third consecutive quarter.

At the end of the third quarter of 2014, the number of mortgages in the process of foreclosure fell to 353,906, a decrease of 41.5 percent from a year earlier. Servicers initiated 82,668 new foreclosures during the quarter—a decrease of 36.7 percent from a year earlier. The number of completed foreclosures decreased to 45,245, a decrease of 45.4 percent from a year earlier.

Servicers implemented 205,689 modifications, trial-period plans, and shorter-term payment plans compared with 58,214 completed foreclosures, short sales, and deed-in-lieu-of-foreclosure actions. The number of home retention actions implemented by servicers decreased by 34.3 percent from a year earlier. More than 90 percent of modifications in the third quarter of 2014 reduced monthly principal and interest payments; 55.1 percent of modifications reduced payments by 20 percent or more. Modifications reduced payments by \$257 per month on average, while modifications made under the Home Affordable Modification Program (HAMP) reduced monthly payments by an average of \$284.

Mortgage Performance

- The overall percentage of mortgages in this report that were current and performing increased to 93.0 percent at the end of the third quarter of 2014 (see table 7).
- The percentage of mortgages that were seriously delinquent at the end of the quarter was 3.1 percent, a decrease of 14.5 percent from a year earlier (see table 7).
- The percentage of government-guaranteed mortgages that were current increased to 88.0 percent from 86.2 percent a year earlier (see table 9). Government-guaranteed mortgages compose 24.8 percent of the total serviced portfolio. The percentage of government-guaranteed mortgages that were seriously delinquent decreased 12.7 percent from a year earlier to 5.5 percent of the government-guaranteed mortgages in the portfolio (see table 9).

- Mortgages serviced for Fannie Mae and Freddie Mac (government-sponsored enterprises, or GSE) made up 58.3 percent of the mortgages in this report. The percentage of these mortgages that were current and performing was 96.7 percent at the end of the third quarter of 2014 (see table 10).

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

- Servicers implemented 205,689 home retention actions—modifications, trial-period plans, and payment plans—during the third quarter of 2014 (see table 1).
- New home retention actions included 53,457 modifications, 61,972 trial-period plans, and 90,260 payment plans (see table 1). HAMP modifications decreased 31.7 percent from the previous quarter to 27,070. Other modifications decreased to 26,387—a decrease of 12.1 percent from the previous quarter and 65.3 percent from a year earlier. HAMP trial-period plans decreased 10.1 percent from the previous quarter and 51.7 percent from the previous year to 18,839.

	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Other Modifications	76,134	50,551	32,757	30,024	26,387	-12.1%	-65.3%
HAMP Modifications	23,159	21,915	32,680	39,616	27,070	-31.7%	16.9%
Other Trial-Period Plans	62,163	50,748	48,238	40,192	43,133	7.3%	-30.6%
HAMP Trial-Period Plans	38,998	31,568	23,760	20,965	18,839	-10.1%	-51.7%
Payment Plans	112,568	88,093	100,315	77,346	90,260	16.7%	-19.8%
Total	313,022	242,875	237,750	208,143	205,689	-1.2%	-34.3%

- Servicers reduced interest rates in 66.5 percent of all modifications made during the third quarter of 2014. Servicers used term extensions in 82.0 percent of modifications, principal deferrals in 15.9 percent, and principal reductions in 6.8 percent (see table 17). Among HAMP modifications, servicers reduced interest rates in 81.3 percent of those modifications, deferred principal in 19.7 percent, and reduced principal in 8.4 percent (see table 18).
- Servicers have reduced monthly principal and interest payments in 90.4 percent of modifications made in the quarter (see table 22). Servicers reduced monthly payments by an average of 22.7 percent for all borrowers who qualified for modifications. HAMP modifications reduced payments by an average of 26.4 percent (see table 24).

Modified Loan Performance

- Servicers implemented 3,595,553 modifications from January 1, 2008, through June 30, 2014. Of these modifications, almost 57 percent were active at the end of the third quarter of 2014 and more than 43 percent had exited the portfolio through payment in full, involuntary liquidation—foreclosure, short sale, or deed in lieu of foreclosure—or transfer to a non-reporting servicer (see table 2).
- Of the 2,047,719 modifications that were active at the end of the third quarter of 2014, 68.6 percent were current and performing at the end of the quarter, 25.7 percent were delinquent, and 5.7 percent were in the process of foreclosure.

- Of the 43 percent of modifications that had exited the portfolio prior to the end of the third quarter of 2014, 8.4 percent were liquidated involuntarily—through foreclosure, short sale, or deed in lieu. Another 4.0 percent were paid in full and 30.6 percent were transferred.

Table 2. Status of Mortgages Modified in 2008–2Q 2014

Year	Completed Modifications		As Percentage of Modifications Active as of 9/30/14				As Percentage of All Modifications Completed		
	Total	Active at 9/30/14	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Involuntary Liquidations*	Paid Off	No Longer in the Portfolio
2008	443,294	135,336	59.2%	10.5%	21.5%	8.7%	17.7%	5.4%	46.4%
2009	593,884	255,832	62.4%	9.7%	20.0%	7.9%	14.2%	5.6%	37.1%
2010	955,422	493,822	67.9%	9.0%	16.8%	6.2%	9.9%	4.6%	33.9%
2011	569,553	344,971	69.6%	8.7%	15.7%	5.9%	5.6%	3.8%	30.0%
2012	479,820	349,594	72.2%	8.6%	14.4%	4.7%	2.2%	2.8%	22.2%
2013	418,503	338,042	70.7%	9.3%	15.5%	4.5%	0.8%	1.6%	16.9%
2014	135,077	130,122	75.6%	11.1%	12.4%	0.9%	0.1%	0.5%	3.1%
Total	3,595,553	2,047,719	68.6%	9.3%	16.4%	5.7%	8.4%	4.0%	30.6%
HAMP Modification Performance Compared With Other Modifications									
Other**	1,959,159	1,237,815	65.9%	9.7%	18.3%	6.2%	7.4%	4.1%	25.3%
HAMP	855,254	545,340	79.1%	7.7%	10.0%	3.2%	3.7%	2.4%	30.2%
Modifications That Reduced Payments by 10 Percent or More									
	2,328,215	1,416,079	73.0%	8.7%	13.7%	4.5%	5.8%	3.1%	30.3%
Modifications That Reduced Payments by Less Than 10 Percent									
	1,267,338	631,640	58.8%	10.5%	22.6%	8.2%	13.2%	5.6%	31.3%

*Completed foreclosures, short sales, and deeds in lieu of foreclosure.

**Modifications used to compare with HAMP modifications include only modifications implemented from the third quarter of 2009 through the second quarter of 2014.

- HAMP modifications implemented since the third quarter of 2009 have performed better than other modifications (see table 2). HAMP modifications perform better because of the emphasis on reduced monthly payments, affordability relative to income, income verification, and successful completion of a trial period. While HAMP modifications generally reduce the borrowers' monthly payments more and perform better over time than other modifications, more restrictive criteria limit the number of borrowers who may qualify.
- Modifications that reduced borrowers' monthly payments by 10 percent or more performed significantly better than modifications that reduced monthly payments by less than 10 percent. Of the 1,416,079 modifications that reduced payments by 10 percent or more and were active at the end of the third quarter of 2014, 73.0 percent were current, compared with 58.8 percent of modifications that reduced payments by less than 10 percent (see table 2).
- Modifications of mortgages owned by the servicers and those serviced for the GSEs performed better than modifications of government-guaranteed mortgages or of mortgages that were serviced for private investors. Of the modifications implemented from January 1, 2008, 19.4 percent of modifications on mortgages held in the servicers' own portfolios, 23.0 percent of Fannie Mae mortgages, and 21.7 percent of Freddie Mac mortgages were 60 or more days delinquent after 12 months. Conversely, 41.7 percent of government-

guaranteed mortgages and 37.5 percent of private investor-held loans were 60 or more days delinquent after 12 months. This variance reflects differences in the loans and borrowers, the modification programs, and the servicers' flexibility to modify loans they own (see table 3).

Table 3. Re-Default Rates for Portfolio Loans and Loans Serviced for Others
(60 or More Days Delinquent)*

Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	16.2%	23.0%	26.1%	26.9%	26.2%
Freddie Mac	15.3%	21.7%	25.0%	26.1%	25.9%
Government-Guaranteed	28.5%	41.7%	47.2%	49.9%	51.4%
Private	28.5%	37.5%	42.1%	43.9%	45.1%
Portfolio Loans	12.6%	19.4%	22.8%	24.5%	25.5%
Overall	21.5%	30.1%	34.1%	35.8%	36.7%

*Data include all modifications made since January 1, 2008 that have aged the indicated number of months.

Foreclosures and Other Home Forfeiture Actions

- Newly initiated foreclosures decreased 36.7 percent from a year earlier. The number of foreclosures in process decreased 41.5 percent from a year earlier (see table 4). Factors contributing to the decline include improved economic conditions, foreclosure prevention assistance, and transfer of loans outside the reporting institutions.

Table 4. New Foreclosures and Foreclosures in Process

	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Newly Initiated Foreclosures	130,592	124,468	90,852	79,782	82,668	3.6%	-36.7%
Foreclosures in Process	604,763	523,528	432,832	391,593	353,906	-9.6%	-41.5%

- Home forfeiture actions totaled 58,214 at the end of the quarter, a decrease of 49.9 percent from a year earlier. Completed foreclosures decreased 45.4 percent from a year earlier. Short sales decreased 62.6 percent from a year earlier. Short sales composed 20.1 percent of home forfeiture actions completed in the third quarter of 2014 (see table 5).

Table 5. Completed Foreclosures and Other Home Forfeiture Actions

	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Completed Foreclosures	82,841	60,765	56,185	48,684	45,245	-7.1%	-45.4%
New Short Sales	31,261	21,149	13,613	14,290	11,685	-18.2%	-62.6%
New Deed-in-Lieu-of-Foreclosure Actions	2,112	2,117	1,880	1,816	1,284	-29.3%	-39.2%
Total	116,214	84,031	71,678	64,790	58,214	-10.1%	-49.9%

About Mortgage Metrics

The *OCC Mortgage Metrics Report* presents data on first-lien residential mortgages serviced by seven national banks and one federal savings association with large mortgage-servicing portfolios.¹ The data represent 46 percent of all first-lien residential mortgages outstanding in the country and focus on credit performance, loss mitigation efforts, and foreclosures. More than 90 percent of the mortgages in the portfolio were serviced for investors other than the reporting institutions. At the end of the third quarter of 2014, the reporting institutions serviced 23.6 million first-lien mortgage loans, nearly \$4.0 trillion in unpaid principal (see table 6).

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 may 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 report and its data support the supervision of national bank and federal savings association mortgage-servicing 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 assess 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 Office of the Comptroller of the Currency (OCC) 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 quality assurance processes conducted by the banks and savings association, comprehensive data validation tests performed by a third-party data aggregator, and comparisons with the institutions' quarterly call reports. Data sets of this size and scope inevitably incur some degree of imperfection. The OCC requires servicers to adjust previous data submissions when errors and omissions are detected. In some cases, data presented in this report reflect resubmissions from institutions that restate and correct earlier information.

The report also includes mortgage modification data by state and territories in appendix E. These data fulfill reporting requirements in the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (Public Law 111-203).

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:

¹ The seven national banks are Bank of America, JPMorgan Chase, Citibank, HSBC, PNC, U.S. Bank, and Wells Fargo. The federal savings association is OneWest Bank.

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

Approximately 8 percent of mortgages in the portfolio lack credit scores at origination and are classified as “other.” This group includes a mix of prime, Alt-A, and subprime mortgages. The lack of credit scores often 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 a less adverse impact than foreclosures on borrowers’ credit records.
- **Foreclosures in process**—Mortgages for which servicers have begun formal foreclosure proceedings but have not yet completed the foreclosure process. 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 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, to a lesser extent, certain other departments. These loans may be held in pools backing Government National Mortgage Association (Ginnie Mae) securities, owned by or securitized through different third-party investors, or held in the portfolios of reporting institutions.
- **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 quarter. 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 in order to return mortgages to a current and performing status.
- **Payment-option, adjustable rate mortgages (ARM)**—Mortgages that allow borrowers to choose a monthly payment that may initially reduce principal, pay interest only, or result in

negative amortization, when some amount of unpaid interest is added to the unpaid principal of the loan and results in an increased balance.

- **Principal deferral modifications**—Modifications that remove a portion of the unpaid 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 unpaid principal owed on a mortgage.
- **Re-default rates**—Percentage of modified loans that subsequently become delinquent or enter the foreclosure process. As measures of delinquency, this report presents re-default rates using 30, 60, and 90 or more days delinquent and in process of foreclosure. It focuses on the 60-day-delinquent measure. All re-default data presented in this report are based on modified loans in effect for the specified amount of time after the modification. All loans that have been repaid in full, been refinanced, been sold, or 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.
- **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 a less adverse impact than foreclosures 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 permanent 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 has not been made by the due date of the following scheduled payment. 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 place unless the result is less than 0.1 percent, which is rounded to two decimal places. The report uses whole numbers when approximating. Values in tables may not total 100 percent because of rounding.

In tables throughout this report, the quarters are indicated by the last day of the quarter (e.g., 9/30/14), quarter-to-quarter changes are shown under the "1Q %Change" column, and year-to-year changes are shown under the "1Y %Change" column.

In tables throughout this report, percentages shown under "1Q %Change" and "1Y %Change" are calculated using actual data, not the rounded values reported for each quarter. Calculating period-to-period changes from the rounded values reported in the tables may yield materially different values than those values indicated in the table.

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

PART I: Mortgage Performance

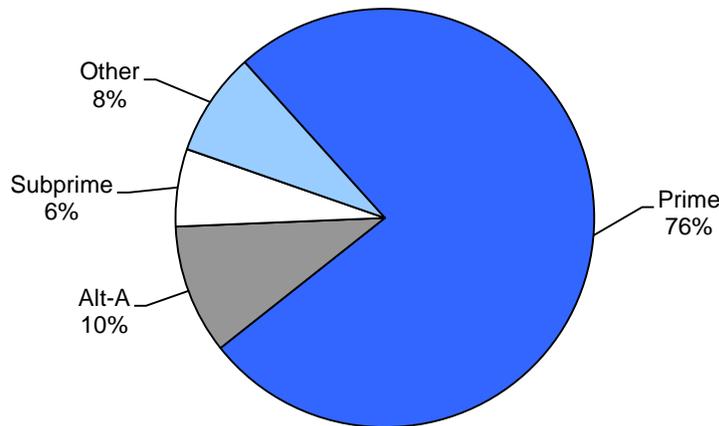
Part I describes the performance of the overall mortgage portfolio, mortgages owned and held by the reporting banks and savings association, government-guaranteed mortgages, mortgages serviced for the GSEs, and mortgages within each risk category.

Overall Mortgage Portfolio

At the end of the third quarter of 2014, the portfolio of mortgages in this report included 23.6 million loans with \$4.0 trillion in unpaid principal. The number of mortgages in the portfolio decreased 2.4 percent from the previous quarter and 8.1 percent from a year earlier. The unpaid principal of those loans decreased 2.1 percent from the previous quarter and 8.7 percent from a year earlier. Prime loans were 76 percent of the portfolio at the end of the quarter. Subprime loans were 6 percent of the portfolio, while Alt-A loans were 10 percent. The percentage of prime loans has increased because of higher defaults of lower quality loans, increased origination of prime loans, and some loans being sold to non-reporting servicers.

Table 6. Overall Mortgage Portfolio					
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14
Total Servicing (Millions)	\$4,357,767	\$4,205,140	\$4,129,719	\$4,065,827	\$3,980,714
Total Servicing (Number of Loans)	25,643,169	24,902,063	24,503,971	24,140,381	23,562,663
Composition (Percentage of All Mortgages in the Portfolio)					
Prime	74%	75%	75%	75%	76%
Alt-A	10%	10%	10%	10%	10%
Subprime	6%	6%	6%	6%	6%
Other	9%	9%	9%	9%	8%
Composition (Number of Loans in Each Risk Category of the Portfolio)					
Prime	18,973,544	18,598,018	18,387,920	18,111,865	17,808,138
Alt-A	2,631,270	2,529,860	2,482,088	2,461,616	2,403,716
Subprime	1,630,463	1,522,461	1,463,816	1,458,962	1,397,565
Other	2,407,892	2,251,724	2,170,147	2,107,938	1,953,244

Figure 1. Portfolio Composition
Percentage of All Mortgage Loans in the Portfolio

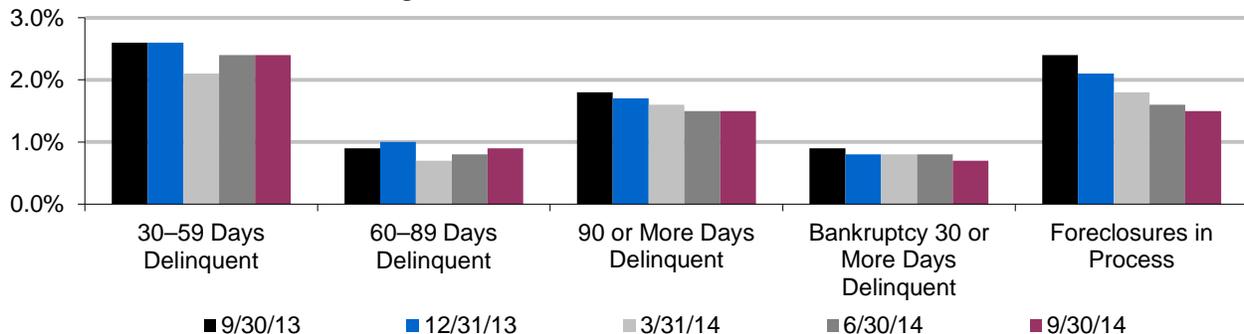


Overall Mortgage Performance

The overall performance of mortgages in this report improved slightly from the previous quarter, and from a year earlier. The percentage of mortgages that were current and performing at the end of the quarter was 93.0 percent, compared with 92.9 percent in the previous quarter and 91.4 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due was 2.4 percent, an increase of 1.9 percent from the previous quarter but a decrease of 8.0 percent from a year earlier. The percentage of mortgages that were seriously delinquent was 3.1 percent, a decrease of 0.9 percent from the previous quarter and 14.5 percent from a year earlier. The percentage of mortgages in the foreclosure process at the end of the quarter was 1.5 percent, a decrease of 7.4 percent from the previous quarter and 36.3 percent from a year earlier.

Table 7. Overall Portfolio Performance							
(Percentage of Mortgages in the Portfolio)							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Current and Performing	91.4%	91.8%	93.1%	92.9%	93.0%	0.1%	1.7%
30–59 Days Delinquent	2.6%	2.6%	2.1%	2.4%	2.4%	1.9%	-8.0%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	0.9%	1.0%	0.7%	0.8%	0.9%	6.6%	-8.2%
90 or More Days Delinquent	1.8%	1.7%	1.6%	1.5%	1.5%	-1.9%	-15.4%
Bankruptcy 30 or More Days Delinquent	0.9%	0.8%	0.8%	0.8%	0.7%	-6.4%	-19.4%
Subtotal for Seriously Delinquent	3.6%	3.5%	3.1%	3.1%	3.1%	-0.9%	-14.5%
Foreclosures in Process	2.4%	2.1%	1.8%	1.6%	1.5%	-7.4%	-36.3%
(Number of Mortgages in the Portfolio)							
Current and Performing	23,435,693	22,859,232	22,805,058	22,422,027	21,909,384	-2.3%	-6.5%
30–59 Days Delinquent	673,117	648,294	504,718	572,121	569,113	-0.5%	-15.5%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	239,904	237,412	180,269	194,609	202,415	4.0%	-15.6%
90 or More Days Delinquent	456,887	425,347	391,013	371,312	355,372	-4.3%	-22.2%
Bankruptcy 30 or More Days Delinquent	232,805	208,250	190,081	188,719	172,473	-8.6%	-25.9%
Subtotal for Seriously Delinquent	929,596	871,009	761,363	754,640	730,260	-3.2%	-21.4%
Foreclosures in Process	604,763	523,528	432,832	391,593	353,906	-9.6%	-41.5%
Total	25,643,169	24,902,063	24,503,971	24,140,381	23,562,663	-2.4%	-8.1%

Figure 2. Overall Portfolio Performance



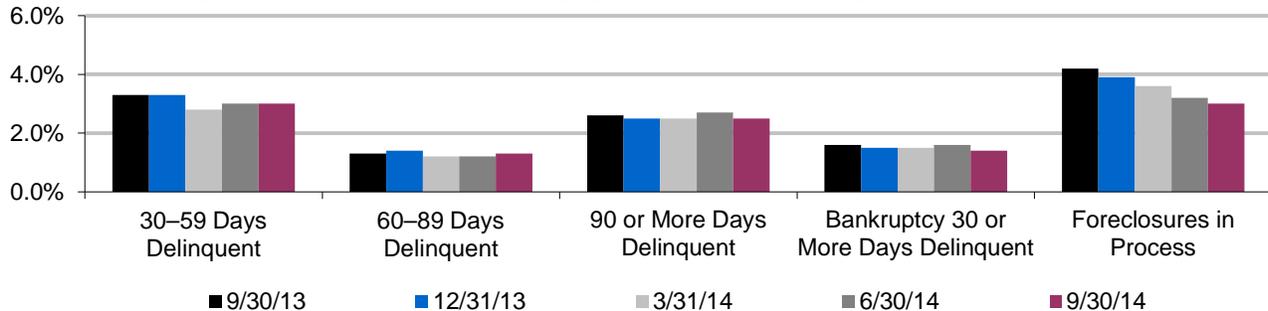
Performance of Mortgages Held by Reporting Banks and Thrift

The eight reporting institutions owned 9.6 percent of the mortgages in this report at the end of the third quarter of 2014, an increase of 8.9 percent from a year earlier. The percentage of these mortgages that were current at the end of the quarter was 88.9 percent, up from 87.1 percent a year earlier. The percentage of these mortgages that were 30 to 59 days delinquent was 3.0 percent, a decrease of 7.9 percent from a year earlier. The percentage of these mortgages that were seriously delinquent was 5.2 percent, a decrease of 5.4 percent from a year earlier. The percentage of these mortgages in the process of foreclosure was 3.0 percent, a decrease of 29.2 percent from a year earlier. Since 2009, mortgages owned by the servicers have performed worse than mortgages serviced for GSEs because of concentrations in nontraditional loans, weaker markets, and delinquent loans repurchased from investors.

Table 8. Performance of Mortgages Held by Reporting Banks and Thrift (Percentage)*							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Current and Performing	87.1%	87.4%	88.5%	88.3%	88.9%	0.7%	2.0%
30–59 Days Delinquent	3.3%	3.3%	2.8%	3.0%	3.0%	-1.1%	-7.9%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	1.3%	1.4%	1.2%	1.2%	1.3%	3.5%	-4.1%
90 or More Days Delinquent	2.6%	2.5%	2.5%	2.7%	2.5%	-8.6%	-5.2%
Bankruptcy 30 or More Days Delinquent	1.6%	1.5%	1.5%	1.6%	1.4%	-9.8%	-6.9%
Subtotal for Seriously Delinquent	5.5%	5.4%	5.1%	5.5%	5.2%	-6.2%	-5.4%
Foreclosures in Process	4.2%	3.9%	3.6%	3.2%	3.0%	-6.6%	-29.2%
Performance of Mortgages Held by Reporting Banks and Thrift (Number)							
Current and Performing	1,997,134	1,943,856	1,949,937	2,029,337	2,016,513	-0.6%	1.0%
30–59 Days Delinquent	74,648	72,595	62,004	69,656	67,998	-2.4%	-8.9%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	30,782	31,121	25,801	28,568	29,200	2.2%	-5.1%
90 or More Days Delinquent	59,376	55,269	54,412	61,717	55,684	-9.8%	-6.2%
Bankruptcy 30 or More Days Delinquent	35,591	33,736	32,635	36,809	32,789	-10.9%	-7.9%
Subtotal for Seriously Delinquent	125,749	120,126	112,848	127,094	117,673	-7.4%	-6.4%
Foreclosures in Process	95,643	87,120	79,569	72,678	66,997	-7.8%	-30.0%
Total	2,293,174	2,223,697	2,204,358	2,298,765	2,269,181	-1.3%	-1.0%

*The data in this table exclude government-guaranteed mortgages owned and held by the reporting institutions.

Figure 3. Performance of Mortgages Held by Reporting Banks and Thrift

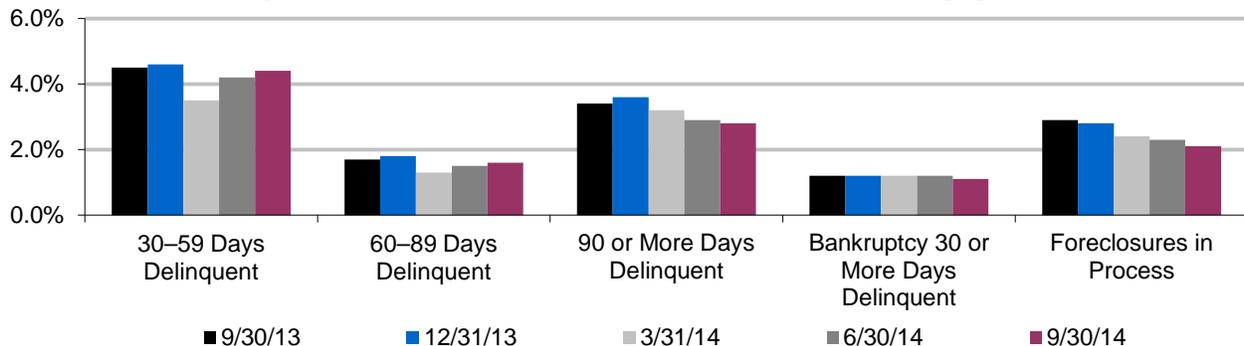


Performance of Government-Guaranteed Mortgages

Government-guaranteed mortgages were 24.8 percent of the loans in this report at the end of the third quarter of 2014, a slight increase from 24.4 percent a year earlier. The percentage of these mortgages that were current and performing at the end of the quarter was 88.0 percent, an increase from 86.2 percent a year earlier. The percentage of loans that were 30 to 59 days delinquent was 4.4 percent at the end of the quarter, an increase of 4.0 percent from the previous quarter but a decrease of 3.3 percent from a year earlier. The percentage of these loans that were seriously delinquent was 5.5 percent, a decrease of 12.7 percent from a year earlier. The percentage of these loans in the process of foreclosure was 2.1 percent, a decrease of 27.2 percent from a year earlier.

Table 9. Performance of Government-Guaranteed Mortgages (Percentage)							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Current and Performing	86.2%	86.1%	88.4%	87.9%	88.0%	0.06%	2.0%
30–59 Days Delinquent	4.5%	4.6%	3.5%	4.2%	4.4%	4.0%	-3.3%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	1.7%	1.8%	1.3%	1.5%	1.6%	9.3%	-2.9%
90 or More Days Delinquent	3.4%	3.6%	3.2%	2.9%	2.8%	-2.7%	-17.9%
Bankruptcy 30 or More Days Delinquent	1.2%	1.2%	1.2%	1.2%	1.1%	-6.9%	-11.8%
Subtotal for Seriously Delinquent	6.3%	6.5%	5.7%	5.5%	5.5%	-0.4%	-12.7%
Foreclosures in Process	2.9%	2.8%	2.4%	2.3%	2.1%	-8.6%	-27.2%
Performance of Government-Guaranteed Mortgages (Number)							
Current and Performing	5,398,697	5,274,464	5,371,735	5,294,069	5,145,567	-2.8%	-4.7%
30–59 Days Delinquent	284,697	282,698	213,169	254,733	257,312	1.0%	-9.6%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	105,993	109,272	79,494	90,615	96,185	6.1%	-9.3%
90 or More Days Delinquent	213,035	217,842	193,907	172,855	163,350	-5.5%	-23.3%
Bankruptcy 30 or More Days Delinquent	77,129	74,144	71,104	70,341	63,584	-9.6%	-17.6%
Subtotal for Seriously Delinquent	396,157	401,258	344,505	333,811	323,119	-3.2%	-18.4%
Foreclosures in Process	181,965	170,180	148,859	139,437	123,759	-11.2%	-32.0%
Total	6,261,516	6,128,600	6,078,268	6,022,050	5,849,757	-2.9%	-6.6%

Figure 4. Performance of Government-Guaranteed Mortgages

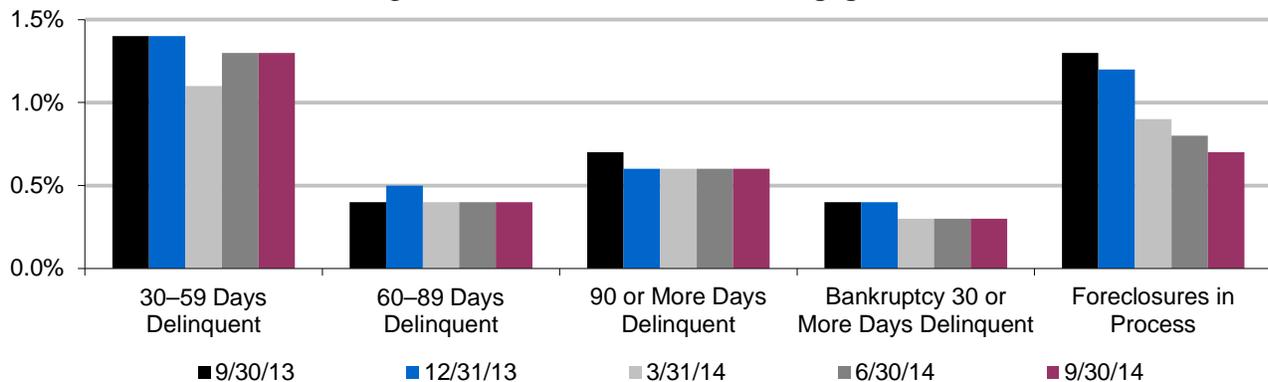


Performance of GSE Mortgages

GSE mortgages made up 58.3 percent of the mortgages in this report, an increase from 57.8 percent a year earlier. GSE mortgages perform better than the overall portfolio because the GSE portfolio contains more prime loans. The percentage of GSE mortgages that were current at the end of the quarter was 96.7 percent, up from 95.7 percent a year earlier. The percentage of GSE mortgages that were 30 to 59 days delinquent was 1.3 percent, an increase of 1.1 percent from the previous quarter but a decrease of 10.8 percent from a year earlier. The percentage of GSE mortgages that were seriously delinquent was 1.3 percent at the end of the quarter, a decrease of 16.0 percent from a year earlier. The percentage of these mortgages in the foreclosure process was 0.7 percent, a decrease of 45.8 percent from a year earlier.

Table 10. Performance of GSE Mortgages (Percentage)							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Current and Performing	95.7%	95.9%	96.7%	96.6%	96.7%	0.1%	1.0%
30–59 Days Delinquent	1.4%	1.4%	1.1%	1.3%	1.3%	1.1%	-10.8%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	0.4%	0.5%	0.4%	0.4%	0.4%	4.3%	-14.5%
90 or More Days Delinquent	0.7%	0.6%	0.6%	0.6%	0.6%	-0.02%	-9.9%
Bankruptcy 30 or More Days Delinquent	0.4%	0.4%	0.3%	0.3%	0.3%	-8.2%	-27.4%
Subtotal for Seriously Delinquent	1.5%	1.5%	1.3%	1.3%	1.3%	-0.9%	-16.0%
Foreclosures in Process	1.3%	1.2%	0.9%	0.8%	0.7%	-12.5%	-45.8%
Performance of GSE Mortgages (Number)							
Current and Performing	14,202,109	14,068,620	13,943,433	13,602,966	13,293,748	-2.3%	-6.4%
30–59 Days Delinquent	212,335	211,814	164,306	177,951	175,563	-1.3%	-17.3%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	65,255	67,106	51,148	50,775	51,697	1.8%	-20.8%
90 or More Days Delinquent	101,216	93,692	90,828	86,565	84,492	-2.4%	-16.5%
Bankruptcy 30 or More Days Delinquent	63,155	57,990	49,057	47,395	42,462	-10.4%	-32.8%
Subtotal for Seriously Delinquent	229,626	218,788	191,033	184,735	178,651	-3.3%	-22.2%
Foreclosures in Process	189,610	170,779	126,306	111,400	95,207	-14.5%	-49.8%
Total	14,833,680	14,670,001	14,425,078	14,077,052	13,743,169	-2.4%	-7.4%

Figure 5. Performance of GSE Mortgages

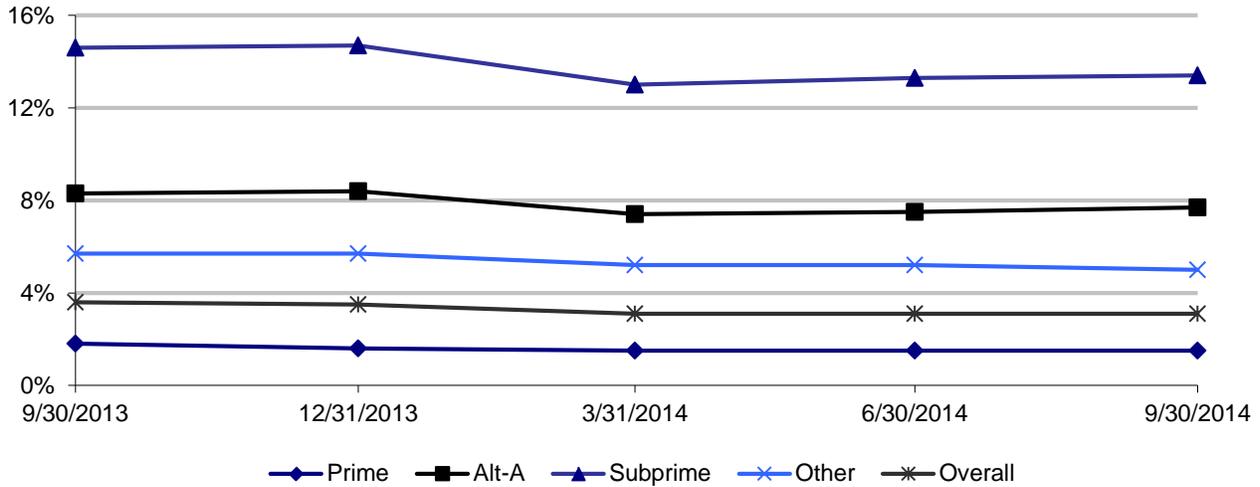


Seriously Delinquent Mortgages, by Risk Category

The portfolio contained 199,336 fewer seriously delinquent loans at the end of the third quarter of 2014 than a year earlier—a 21.4 percent decrease. Seriously delinquent loans were 3.1 percent of the portfolio at the end of the quarter, a decrease of 14.5 percent from a year earlier.

Table 11. Seriously Delinquent Mortgages, by Risk Category							
(Percentage of Mortgages in Each Category)							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Prime	1.8%	1.6%	1.5%	1.5%	1.5%	-0.7%	-17.4%
Alt-A	8.3%	8.4%	7.4%	7.5%	7.7%	2.5%	-7.7%
Subprime	14.6%	14.7%	13.0%	13.3%	13.4%	1.2%	-8.2%
Other	5.7%	5.7%	5.2%	5.2%	5.0%	-4.2%	-11.8%
Overall	3.6%	3.5%	3.1%	3.1%	3.1%	-0.9%	-14.5%
(Number of Mortgages in Each Category)							
Prime	335,590	305,796	273,518	266,463	260,154	-2.4%	-22.5%
Alt-A	218,764	212,203	183,670	184,430	184,553	0.07%	-15.6%
Subprime	238,446	224,412	190,956	193,571	187,724	-3.0%	-21.3%
Other	136,796	128,598	113,219	110,176	97,829	-11.2%	-28.5%
Total	929,596	871,009	761,363	754,640	730,260	-3.2%	-21.4%

Figure 6. Seriously Delinquent Mortgages, by Risk Category
Percentage of Mortgages in Each Category

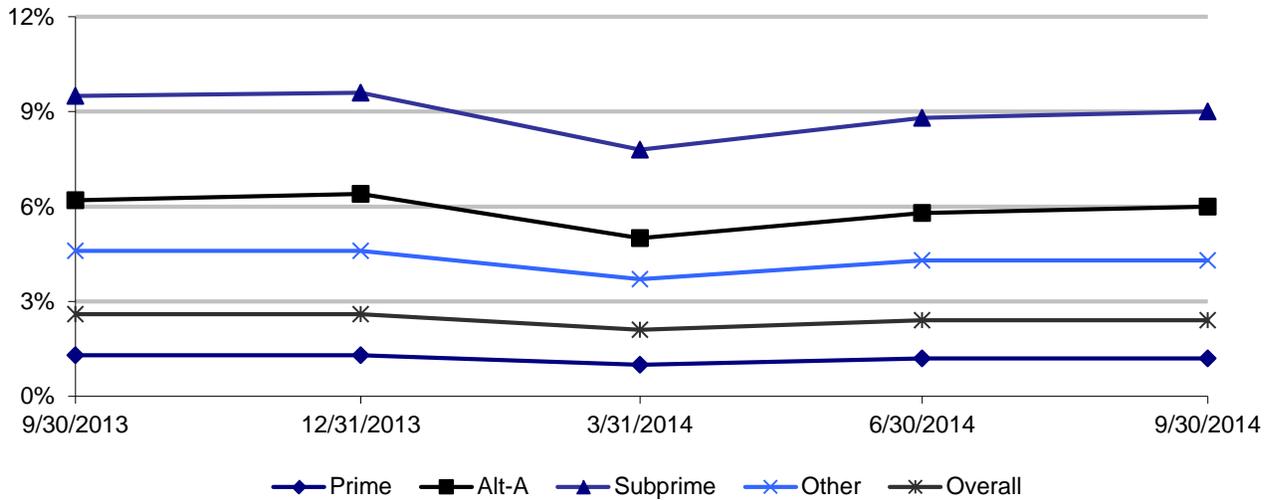


Mortgages 30 to 59 Days Delinquent, by Risk Category

The percentage of loans that were 30 to 59 days delinquent was 2.4 percent of the portfolio at the end of the third quarter of 2014, an increase of 1.9 percent from the previous quarter but a decrease of 8.0 percent from a year earlier. The percentage of early stage delinquencies increased across all risk categories from the previous quarter and decreased from the previous year across all risk categories.

Table 12. Mortgages 30 to 59 Days Delinquent, by Risk Category							
(Percentage of Mortgages in Each Category)							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Prime	1.3%	1.3%	1.0%	1.2%	1.2%	3.6%	-6.4%
Alt-A	6.2%	6.4%	5.0%	5.8%	6.0%	4.0%	-3.1%
Subprime	9.5%	9.6%	7.8%	8.8%	9.0%	2.1%	-5.6%
Other	4.6%	4.6%	3.7%	4.3%	4.3%	0.4%	-5.9%
Overall	2.6%	2.6%	2.1%	2.4%	2.4%	1.9%	-8.0%
(Number of Mortgages in Each Category)							
Prime	244,277	236,900	186,187	210,865	214,699	1.8%	-12.1%
Alt-A	164,185	161,013	123,503	142,992	145,273	1.6%	-11.5%
Subprime	154,832	146,067	114,042	128,145	125,308	-2.2%	-19.1%
Other	109,823	104,314	80,986	90,119	83,833	-7.0%	-23.7%
Total	673,117	648,294	504,718	572,121	569,113	-0.5%	-15.5%

Figure 7. Mortgages 30 to 59 Days Delinquent, by Risk Category
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 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 can help the borrower become current on the loan, attain payment sustainability, and retain the home.

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

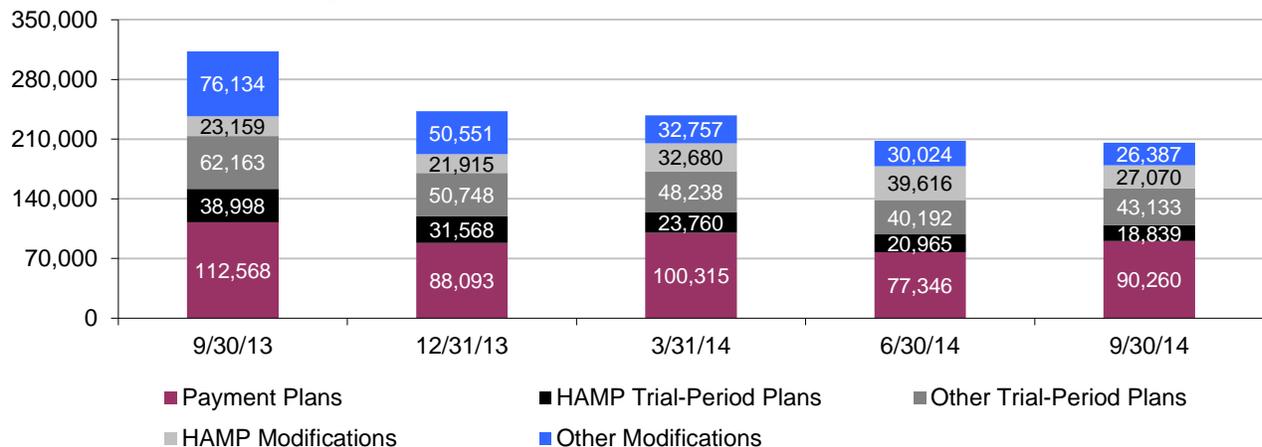
New Home Retention Actions

Servicers implemented 205,689 home retention actions—loan modifications, trial-period plans, and payment plans—during the third quarter of 2014. The number of home retention actions decreased 34.3 percent from a year earlier. Servicers implemented 53,457 modifications, a decrease of 46.2 percent from a year earlier. New HAMP modifications decreased 31.7 percent to 27,070 during the quarter. Other modifications decreased 12.1 percent from the previous quarter to 26,387. Servicers implemented 61,972 new trial-period plans, an increase of 1.3 percent from the previous quarter but a 38.7 percent decrease from a year earlier. New payment plans increased by 16.7 percent from the previous quarter to 90,260. During the past five quarters, servicers initiated 1.2 million home retention actions—360,293 modifications, 378,604 trial-period plans, and 468,582 payment plans.

Table 13. Number of New Home Retention Actions

	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Other Modifications	76,134	50,551	32,757	30,024	26,387	-12.1%	-65.3%
HAMP Modifications	23,159	21,915	32,680	39,616	27,070	-31.7%	16.9%
Other Trial-Period Plans	62,163	50,748	48,238	40,192	43,133	7.3%	-30.6%
HAMP Trial-Period Plans	38,998	31,568	23,760	20,965	18,839	-10.1%	-51.7%
Payment Plans	112,568	88,093	100,315	77,346	90,260	16.7%	-19.8%
Total	313,022	242,875	237,750	208,143	205,689	-1.2%	-34.3%

Figure 8. Number of New Home Retention Actions



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

Servicers implemented 27,070 HAMP modifications during the quarter. GSE mortgages received 11.1 percent of HAMP modifications completed during the quarter, government-guaranteed loans received 66.7 percent, loans held in portfolio received 11.8 percent, and loans serviced for private investors received 10.3 percent. Prime mortgages represented 76 percent of the total portfolio and received 32.4 percent of all HAMP modifications. Subprime loans represented 6 percent of the total portfolio and received 26.1 percent of HAMP modifications during the quarter.

Table 14. HAMP Modifications, by Investor and Risk Category
(Modifications Implemented in the Third Quarter of 2014)

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	903	821	4,639	1,291	1,130	8,784
Alt-A	244	256	5,991	713	599	7,803
Subprime	179	146	4,773	1,060	915	7,073
Other	339	124	2,663	130	154	3,410
Total	1,665	1,347	18,066	3,194	2,798	27,070

Servicers implemented 18,839 HAMP trial-period plans during the quarter. GSE mortgages received 10.6 percent of HAMP trial-period plans initiated during the quarter, government-guaranteed loans received 65.8 percent, loans held in portfolio received 11.7 percent, and loans serviced for private investors received 11.9 percent. Prime mortgages received 31.3 percent of the HAMP trial-period plans implemented during the quarter, Alt-A loans received 28.8 percent, and subprime and other mortgages collectively received 39.9 percent.

Table 15. HAMP Trial-Period Plans, by Investor and Risk Category
(Trial-Period Plans Implemented in the Third Quarter of 2014)

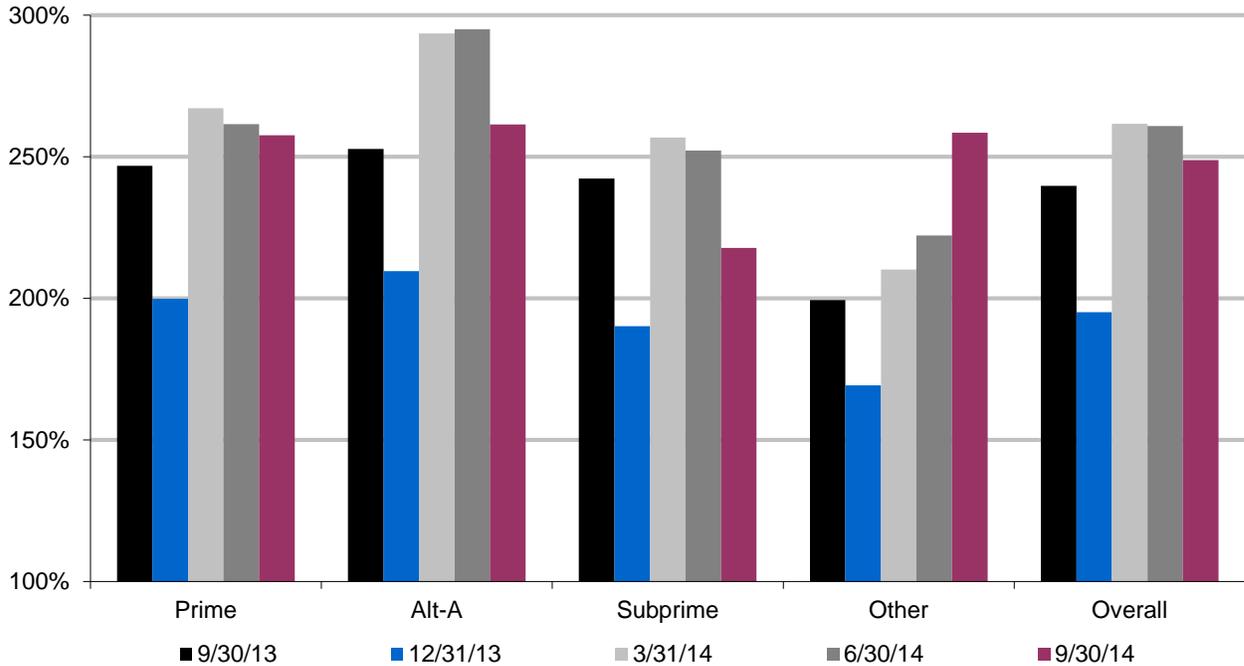
	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	542	499	3,152	848	861	5,902
Alt-A	171	191	4,038	516	511	5,427
Subprime	127	90	3,009	686	744	4,656
Other	279	90	2,203	154	128	2,854
Total	1,119	870	12,402	2,204	2,244	18,839

New Home Retention Actions Relative to Newly Initiated Foreclosures

Servicers continued to implement more home retention actions than new foreclosures during the quarter. The ratio of new home retention actions to newly initiated foreclosures decreased 4.6 percent from the previous quarter but increased 3.8 percent from a year earlier. The number of new home retention actions fell 1.2 percent from the previous quarter while the number of newly initiated foreclosures increased 3.6 percent during the quarter.

Table 16. Percentage of New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Prime	246.8%	199.8%	267.2%	261.5%	257.6%	-1.5%	4.4%
Alt-A	252.8%	209.6%	293.6%	295.0%	261.4%	-11.4%	3.4%
Subprime	242.3%	190.2%	256.8%	252.2%	217.8%	-13.6%	-10.1%
Other	199.4%	169.3%	210.2%	222.2%	258.5%	16.3%	29.7%
Overall	239.7%	195.1%	261.7%	260.9%	248.8%	-4.6%	3.8%
Number of New Home Retention Actions	313,022	242,875	237,750	208,143	205,689	-1.2%	-34.3%
Number of Newly Initiated Foreclosures	130,592	124,468	90,852	79,782	82,668	3.6%	-36.7%

Figure 9. New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category



Types of Modification Actions

The types of modification actions or combinations of actions have different effects on the borrowers' mortgages and their monthly principal and interest payments. Different actions may have different effects on the long-term sustainability of mortgages. Servicers often use a combination of actions when modifying mortgages, with 90.7 percent of modifications implemented during the third quarter of 2014 changing more than one of the original loan terms. Capitalization, interest-rate reduction, and term extension remained the primary actions used in modifying mortgages.

Servicers capitalized missed fees and payments in 71.1 percent of modifications implemented during the quarter, reduced interest rates in 66.5 percent, and extended loan maturity in 82.0 percent. Servicers reduced some portion of the unpaid principal in 6.8 percent of modifications completed during the quarter, an increase of 36.7 percent from the previous quarter but a decrease of 49.7 percent from a year earlier. Servicers deferred repayment of some portion of the unpaid principal in 15.9 percent of modifications made during the quarter, up 37.8 percent from the previous quarter but down 37.3 percent from a year earlier. Because most modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total modifications. Appendix D presents additional detail on combination modifications.

Table 17. Changes in Loan Terms for Modifications Through the Third Quarter of 2014							
(Percentage of Total Modifications in Each Category)							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Capitalization	83.5%	87.7%	74.3%	59.0%	71.1%	20.6%	-14.8%
Rate Reduction	78.9%	76.7%	73.3%	71.9%	66.5%	-7.5%	-15.7%
Rate Freeze	5.5%	7.0%	6.5%	7.1%	7.5%	5.9%	38.2%
Term Extension	69.3%	75.9%	78.0%	84.0%	82.0%	-2.4%	18.4%
Principal Reduction	13.6%	10.5%	8.1%	5.0%	6.8%	36.7%	-49.7%
Principal Deferral	25.3%	30.6%	25.1%	11.5%	15.9%	37.8%	-37.3%
Not Reported*	2.2%	0.7%	0.7%	0.7%	0.5%	-28.0%	-77.4%
(Number of Changes in Each Category)							
Capitalization	82,894	63,545	48,625	41,065	38,029	-7.4%	-54.1%
Rate Reduction	78,309	55,554	47,939	50,047	35,529	-29.0%	-54.6%
Rate Freeze	5,413	5,072	4,279	4,952	4,027	-18.7%	-25.6%
Term Extension	68,820	55,026	51,030	58,515	43,854	-25.1%	-36.3%
Principal Reduction	13,502	7,634	5,322	3,488	3,659	4.9%	-72.9%
Principal Deferral	25,150	22,195	16,450	8,031	8,492	5.7%	-66.2%
Not Reported	2,191	508	433	483	267	-44.7%	-87.8%

*Processing constraints at some servicers have prevented them from reporting specific modified term(s). For example, servicers should report principal reduction actions in the month that the modification is first effective, but review indicates some have been reporting conditional reductions after the effective date of the modification. Data regarding principal reduction are expected to be revised upward as servicers correct reporting.

Types of HAMP Modification Actions

Consistent with modification actions overall and the prescribed order of actions required by the program, HAMP modifications most often included capitalization of missed payments and fees, interest-rate reductions, and term extensions. FHA-HAMP modifications generally did not capitalize delinquent amounts. Servicers used capitalization in 47.6 percent of modifications, down from 90.3 percent a year ago. Servicers used term extension in 88.0 percent of modifications, up from 60.1 percent a year ago. Servicers used principal deferral in 19.7 percent of HAMP modifications during the third quarter of 2014, down from 35.0 percent a year earlier. Servicers used principal reduction in 8.4 percent of HAMP modifications implemented during the quarter—an increase of 64.1 percent from the previous quarter but a decrease of 61.3 percent from a year earlier, when 21.8 percent of HAMP modifications included principal reduction.

Table 18. Changes in Loan Terms for HAMP Modifications Through the Third Quarter of 2014							
(Percentage of Total Modifications in Each Category)							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Capitalization	90.3%	71.5%	53.5%	34.6%	47.6%	37.7%	-47.3%
Rate Reduction	88.9%	90.6%	86.5%	81.0%	81.3%	0.4%	-8.5%
Rate Freeze	3.1%	2.3%	4.0%	6.4%	6.2%	-3.7%	95.4%
Term Extension	60.1%	72.5%	86.1%	91.0%	88.0%	-3.3%	46.5%
Principal Reduction	21.8%	15.2%	6.5%	5.1%	8.4%	64.1%	-61.3%
Principal Deferral	35.0%	26.5%	29.5%	11.8%	19.7%	67.1%	-43.6%
Not Reported*	1.2%	0.3%	0.2%	0.1%	0.3%	131.5%	-73.2%
(Number of Changes in Each Category)							
Capitalization	20,912	15,672	17,476	13,702	12,893	-5.9%	-38.3%
Rate Reduction	20,589	19,856	28,259	32,107	22,017	-31.4%	6.9%
Rate Freeze	729	499	1,310	2,531	1,665	-34.2%	128.4%
Term Extension	13,913	15,895	28,148	36,052	23,829	-33.9%	71.3%
Principal Reduction	5,046	3,342	2,131	2,036	2,283	12.1%	-54.8%
Principal Deferral	8,103	5,803	9,655	4,676	5,339	14.2%	-34.1%
Not Reported	278	68	76	55	87	58.2%	-68.7%

*See note to table 17.

Types of Modification Actions, by Risk Category

Servicers use a combination of actions when modifying mortgages. Modifications across all risk categories predominantly featured term extension, interest-rate reduction, and capitalization of past-due interest and fees. Because most modifications changed more than one term, the sum of individual features changed exceeded the total number of modified loans in each risk category. Servicers used most actions relatively consistently across all risk categories.

Table 19. Changes in Loan Terms for Modifications, by Risk Category, During the Third Quarter of 2014					
(Percentage of Total Modifications in Each Category)					
	Prime	Alt-A	Subprime	Other	Overall
Capitalization	79.1%	62.7%	69.1%	66.6%	71.1%
Rate Reduction	63.4%	66.9%	70.0%	68.7%	66.5%
Rate Freeze	6.5%	8.1%	7.5%	9.7%	7.5%
Term Extension	81.5%	82.7%	77.8%	90.9%	82.0%
Principal Reduction	6.4%	6.6%	10.4%	1.9%	6.8%
Principal Deferral	16.2%	14.8%	15.0%	18.9%	15.9%
Not Reported*	0.5%	0.5%	0.5%	0.5%	0.5%
(Number of Changes in Each Category)					
Total Mortgages Modified	21,130	13,664	12,376	6,287	53,457
Capitalization	16,722	8,572	8,550	4,185	38,029
Rate Reduction	13,402	9,145	8,665	4,317	35,529
Rate Freeze	1,381	1,110	925	611	4,027
Term Extension	17,215	11,300	9,624	5,715	43,854
Principal Reduction	1,353	895	1,292	119	3,659
Principal Deferral	3,415	2,027	1,860	1,190	8,492
Not Reported	108	64	66	29	267

*See note to table 17.

Types of Modification Actions, by Investor and Product Type

Modifications of mortgages serviced for the GSEs accounted for 34.3 percent of all modifications made during the third quarter of 2014. Government-guaranteed loans received 38.8 percent of all modifications, mortgages serviced for private investors received 13.0 percent, and mortgages held in the servicers’ own portfolios received 13.9 percent of all third-quarter modifications. Term extension, interest-rate reduction, and capitalization of missed payments and fees, remained the primary types of modification actions. Servicers used principal reduction most frequently in modifying loans held in portfolio or serviced for private investors because Fannie Mae and Freddie Mac do not allow principal reduction. Because modifications often change more than one loan term, the sum of the actions exceeded the number of modified loans for each investor.

Table 20. Type of Modification Action, by Investor and Product Type, During the Third Quarter of 2014						
(Percentage of Total Modifications in Each Category)						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	98.8%	96.8%	31.9%	93.9%	93.3%	71.1%
Rate Reduction	48.8%	53.8%	77.4%	71.0%	69.4%	66.5%
Rate Freeze	9.4%	5.6%	7.3%	5.0%	10.4%	7.5%
Term Extension	93.5%	95.2%	97.5%	28.4%	59.0%	82.0%
Principal Reduction*	0.1%	0.0%	0.4%	21.4%	27.8%	6.8%
Principal Deferral	14.3%	14.9%	12.1%	21.2%	24.5%	15.9%
Not Reported**	0.1%	0.01%	0.6%	1.2%	0.7%	0.5%
(Number of Changes in Each Category)						
Total Mortgages Modified	9,676	8,647	20,733	6,966	7,435	53,457
Capitalization	9,564	8,372	6,615	6,538	6,940	38,029
Rate Reduction	4,720	4,652	16,054	4,944	5,159	35,529
Rate Freeze	913	482	1,507	349	776	4,027
Term Extension	9,044	8,233	20,207	1,980	4,390	43,854
Principal Reduction	11	0	87	1,493	2,068	3,659
Principal Deferral	1,385	1,286	2,518	1,478	1,825	8,492
Not Reported	10	1	124	83	49	267

*A small number of loans are reported incorrectly each month as principal reduction actions on Fannie Mae and Freddie Mac mortgages. Servicers generally correct the coding of these loans in subsequent months.

**See note to table 17.

Types of HAMP Modification Actions, by Investor and Product Type

Of the 27,070 HAMP modifications implemented in the third quarter of 2014, 11.1 percent were on GSE mortgages, 66.7 percent were on government-guaranteed loans, 10.3 percent were on mortgages serviced for private investors, and 11.8 percent were on mortgages held in servicers’ portfolios. Consistent with total modification actions, the prevailing actions among HAMP modifications were capitalization of past-due interest and fees, interest-rate reduction, and term extension. Principal reduction and deferral were concentrated in loans held in portfolio and serviced for private investors. Almost 36 percent of the HAMP modifications completed during the third quarter of 2014 on loans held in the banks’ own portfolios included a principal reduction.

Table 21. Type of HAMP Modification Action, by Investor and Product Type, During the Third Quarter of 2014						
(Percentage of Total Modifications in Each Category)						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	98.7%	97.8%	22.9%	96.3%	97.2%	47.6%
Rate Reduction	94.0%	98.8%	77.2%	86.1%	86.5%	81.3%
Rate Freeze	1.3%	1.0%	7.6%	2.8%	5.4%	6.2%
Term Extension	77.4%	73.9%	99.1%	40.6%	78.5%	88.0%
Principal Reduction*	0.1%	0.0%	0.4%	37.8%	35.8%	8.4%
Principal Deferral	22.5%	22.8%	13.9%	39.1%	33.0%	19.7%
Not Reported**	0.0%	0.0%	0.5%	0.04%	0.1%	0.3%
(Number of Changes in Each Category)						
Total Mortgages Modified	1,665	1,347	18,066	2,798	3,194	27,070
Capitalization	1,644	1,318	4,132	2,694	3,105	12,893
Rate Reduction	1,565	1,331	13,948	2,409	2,764	22,017
Rate Freeze	21	14	1,379	79	172	1,665
Term Extension	1,288	996	17,902	1,136	2,507	23,829
Principal Reduction	2	0	79	1,059	1,143	2,283
Principal Deferral	375	307	2,509	1,093	1,055	5,339
Not Reported	0	0	82	1	4	87

*See note to table 20.

**See note to table 17.

Changes in 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 defer or forgive principal. The reduced payments can make mortgages more affordable to borrowers and more sustainable over time. The lower payments, however, also result in less monthly cash flow and interest income to mortgage investors.

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 payments caused by the additional capitalized principal. Modifications may also result in increased monthly payments when interest rates or principal payments on ARMs and payment-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 resolve temporary problems with cash flow or otherwise have reasonable prospects of making higher payments to repay the debt over time. This strategy carries additional risk, however, especially during periods of prolonged economic stress, 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 mortgage contracts by simply leaving 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.

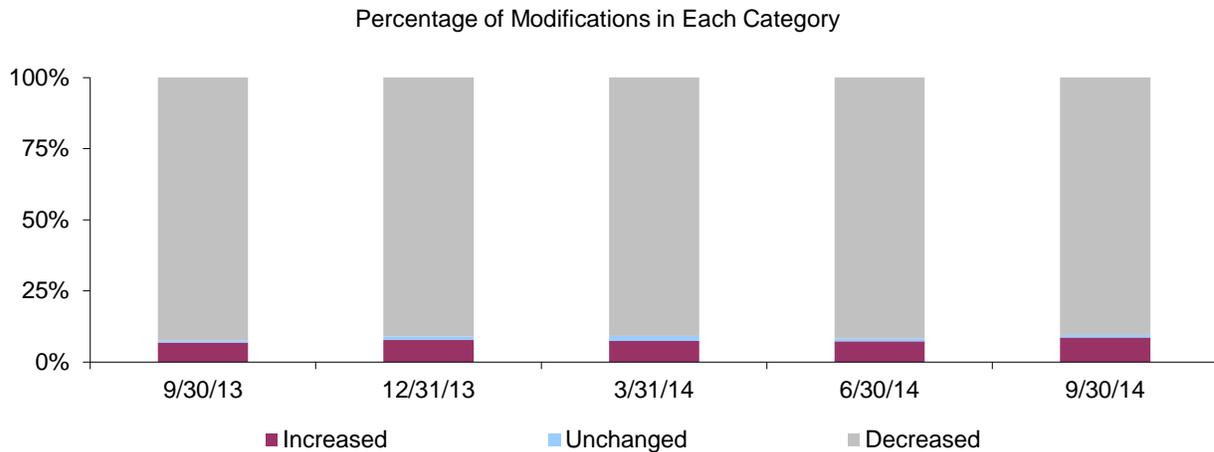
Changes in Monthly Payments Resulting From Modifications, by Quarter

More than 90 percent of modifications made in the third quarter of 2014 reduced monthly principal and interest payments, and 55.1 percent of the modifications reduced payments by 20 percent or more.

Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications							
(Percentage of Modifications in Each Category)*							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Decreased by 20% or More	62.5%	64.6%	58.6%	56.1%	55.1%	-1.7%	-11.8%
Decreased by 10% to Less Than 20%	18.8%	16.9%	20.5%	22.8%	22.6%	-0.8%	20.4%
Decreased by Less Than 10%	11.1%	9.5%	11.8%	12.7%	12.6%	-0.6%	14.0%
Subtotal for Decreased	92.4%	91.0%	90.8%	91.6%	90.4%	-1.3%	-2.2%
Unchanged	0.8%	1.3%	1.8%	1.0%	0.9%	-8.4%	18.2%
Increased	6.8%	7.7%	7.4%	7.3%	8.6%	18.0%	27.5%
Subtotal for Unchanged and Increased	7.6%	9.0%	9.2%	8.4%	9.6%	14.7%	26.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
(Number of Modifications in Each Category)							
Decreased by 20% or More	61,308	46,511	38,026	38,965	29,394	-24.6%	-52.1%
Decreased by 10% to Less Than 20%	18,443	12,154	13,266	15,855	12,075	-23.8%	-34.5%
Decreased by Less Than 10%	10,876	6,872	7,623	8,838	6,742	-23.7%	-38.0%
Subtotal for Decreased	90,627	65,537	58,915	63,658	48,211	-24.3%	-46.8%
Unchanged	784	933	1,145	717	504	-29.7%	-35.7%
Increased	6,643	5,550	4,796	5,085	4,605	-9.4%	-30.7%
Subtotal for Unchanged and Increased	7,427	6,483	5,941	5,802	5,109	-11.9%	-31.2%
Total	98,054	72,020	64,856	69,460	53,320	-23.2%	-45.6%

*No payment change information was reported on 1,239 modifications in the third quarter of 2013, 446 in the fourth quarter, 581 in the first quarter of 2014, 180 in the second quarter, and 137 in the third quarter of 2014.

Figure 10. Changes in Monthly Principal and Interest Payments



Changes in Monthly Payments Resulting From HAMP Modifications, by Quarter

Almost 99 percent of HAMP modifications completed during the third quarter of 2014 reduced borrower monthly payments, with 63.0 percent reducing payments by 20 percent or more. In addition to achieving lower payments, HAMP attempts to increase payment sustainability by targeting monthly payments at 31 percent of borrowers’ income. Performance data on all modifications show that, for modifications that reduced payments, re-default rates are lowest among loans that receive at least a 10 percent reduction in their monthly payments, and that the greater the decrease in payment, the lower the rate of re-default.

Table 23. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications							
(Percentage of HAMP Modifications in Each Category)*							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Decreased by 20% or More	76.8%	73.7%	66.0%	61.9%	63.0%	1.9%	-17.9%
Decreased by 10% to Less Than 20%	13.4%	17.0%	22.8%	24.9%	24.0%	-3.5%	79.4%
Decreased by Less Than 10%	7.9%	7.4%	10.1%	12.4%	11.8%	-4.8%	49.8%
Subtotal for Decreased	98.1%	98.2%	98.9%	99.2%	98.9%	-0.3%	0.8%
Unchanged	0.1%	0.1%	0.2%	0.5%	0.6%	27.2%	298.7%
Increased	1.8%	1.7%	0.9%	0.4%	0.5%	50.5%	-70.1%
Subtotal for Unchanged and Increased	1.9%	1.8%	1.1%	0.8%	1.1%	37.3%	-42.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%
(Number of HAMP Modifications in Each Category)							
Decreased by 20% or More	17,705	16,112	21,530	24,499	17,050	-30.4%	-3.7%
Decreased by 10% to Less Than 20%	3,088	3,723	7,429	9,855	6,500	-34.0%	110.5%
Decreased by Less Than 10%	1,817	1,627	3,292	4,905	3,192	-34.9%	75.7%
Subtotal for Decreased	22,610	21,462	32,251	39,259	26,742	-31.9%	18.3%
Unchanged	34	26	60	183	159	-13.1%	367.6%
Increased	411	367	297	140	144	2.9%	-65.0%
Subtotal for Unchanged and Increased	445	393	357	323	303	-6.2%	-31.9%
Total	23,055	21,855	32,608	39,582	27,045	-31.7%	17.3%

*No payment change information was reported on 104 modifications in the third quarter of 2013, 60 in the fourth quarter, 72 in the first quarter of 2014, 34 in the second quarter, and 25 in the third quarter of 2014.

Average Change in Monthly Payments Resulting From Modifications, by Quarter

Modifications made during the third quarter of 2014 reduced monthly principal and interest payments by \$257, or 22.7 percent, on average. Other modifications reduced payments by \$229, or 18.8 percent, on average. HAMP modifications made during the quarter reduced payments by \$284, or 26.4 percent, on average.

Table 24. Average Change in Monthly Payments Resulting From Modifications, by Quarter*							
All Modifications							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Decreased by 20% or More	(535)	(498)	(449)	(395)	(412)	4.1%	-23.1%
Decreased by 10% to Less Than 20%	(176)	(172)	(160)	(150)	(154)	3.0%	-12.7%
Decreased by Less Than 10%	(67)	(68)	(63)	(55)	(56)	1.6%	-16.4%
Unchanged	-	-	-	-	-	-	-
Increased	159	161	148	145	141	-2.4%	-11.3%
Overall (in dollars)	(365)	(344)	(292)	(252)	(257)	1.7%	-29.6%
Percentage Change	-26.6%	-26.6%	-23.8%	-22.5%	-22.7%		
Other Modifications							
Decreased by 20% or More	(492)	(479)	(475)	(436)	(445)	2.1%	-9.5%
Decreased by 10% to Less Than 20%	(170)	(169)	(178)	(169)	(168)	-1.1%	-1.6%
Decreased by Less Than 10%	(65)	(66)	(63)	(58)	(59)	1.7%	-10.4%
Unchanged	-	-	-	-	-	-	-
Increased	158	161	149	136	141	3.4%	-11.1%
Overall (in dollars)	(316)	(309)	(263)	(230)	(229)	-0.6%	-27.5%
Percentage Change	-24.2%	-24.3%	-20.1%	-18.8%	-18.8%		
HAMP Modifications							
Decreased by 20% or More	(642)	(533)	(429)	(371)	(387)	4.3%	-39.7%
Decreased by 10% to Less Than 20%	(207)	(178)	(146)	(137)	(142)	3.6%	-31.1%
Decreased by Less Than 10%	(78)	(74)	(62)	(54)	(54)	0.2%	-30.7%
Unchanged	-	-	-	-	-	-	-
Increased	171	152	140	440	153	-65.2%	-10.7%
Overall (in dollars)	(524)	(427)	(322)	(269)	(284)	5.5%	-45.8%
Percentage Change	-34.6%	-31.7%	-27.5%	-25.3%	-26.4%		

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

B. Modified Loan Performance

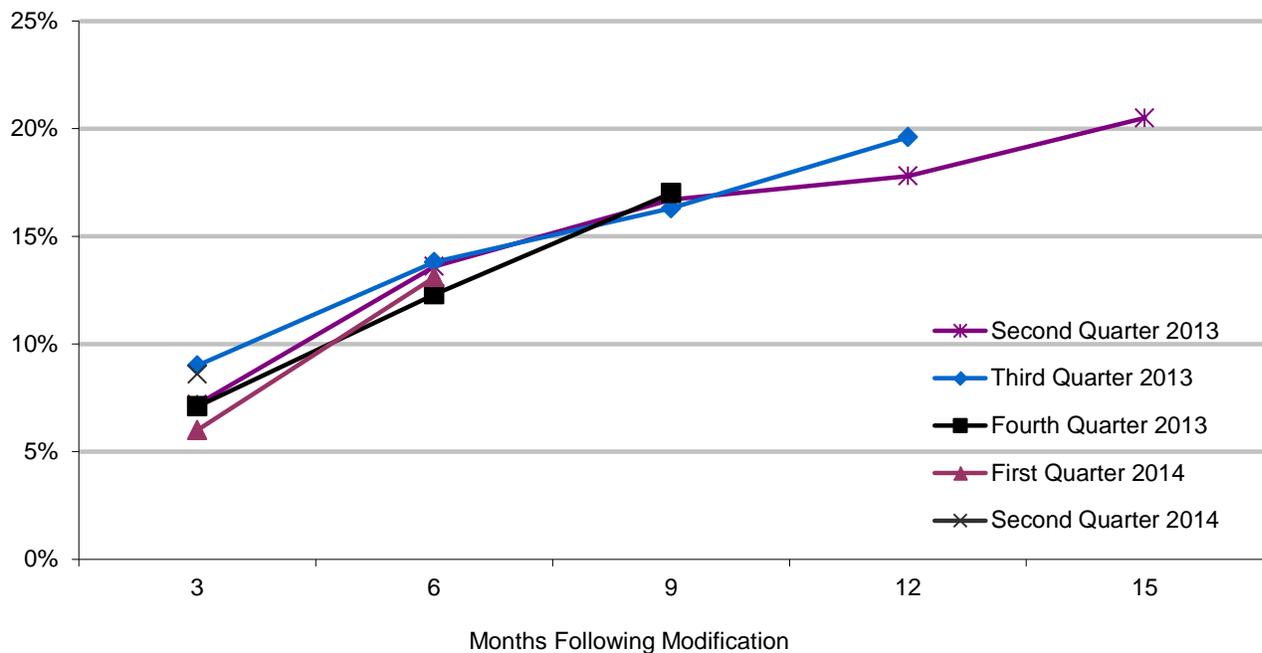
Re-Default Rates of Modified Loans: 60 or More Days Delinquent

Modification performance may vary because of many factors, including the types of modification actions, the average amount of change in the borrower’s monthly payment, the characteristics and geography of the modified loans, and the addition or deletion of modification programs among the reporting institutions. Despite differences in many of these factors, mortgages modified in each of the last five quarters have performed similarly over time. Among modifications completed in each of the last five quarters, between 6.0 percent and 9.0 percent of the modified loans were 60 or more days delinquent three months after modification, while 17.8 percent to 19.6 percent were 60 or more days delinquent 12 months after modification.

Table 25. 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	15 Months After Modification
Second Quarter 2013	7.2%	13.6%	16.7%	17.8%	20.5%
Third Quarter 2013	9.0%	13.8%	16.3%	19.6%	-
Fourth Quarter 2013	7.1%	12.3%	17.0%	-	-
First Quarter 2014	6.0%	13.1%	-	-	-
Second Quarter 2014	8.6%	-	-	-	-

*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, sold, or 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 11. Modified Loans 60 or More Days Delinquent



*Data for the second quarter of 2014 is a single point (8.6 percent).

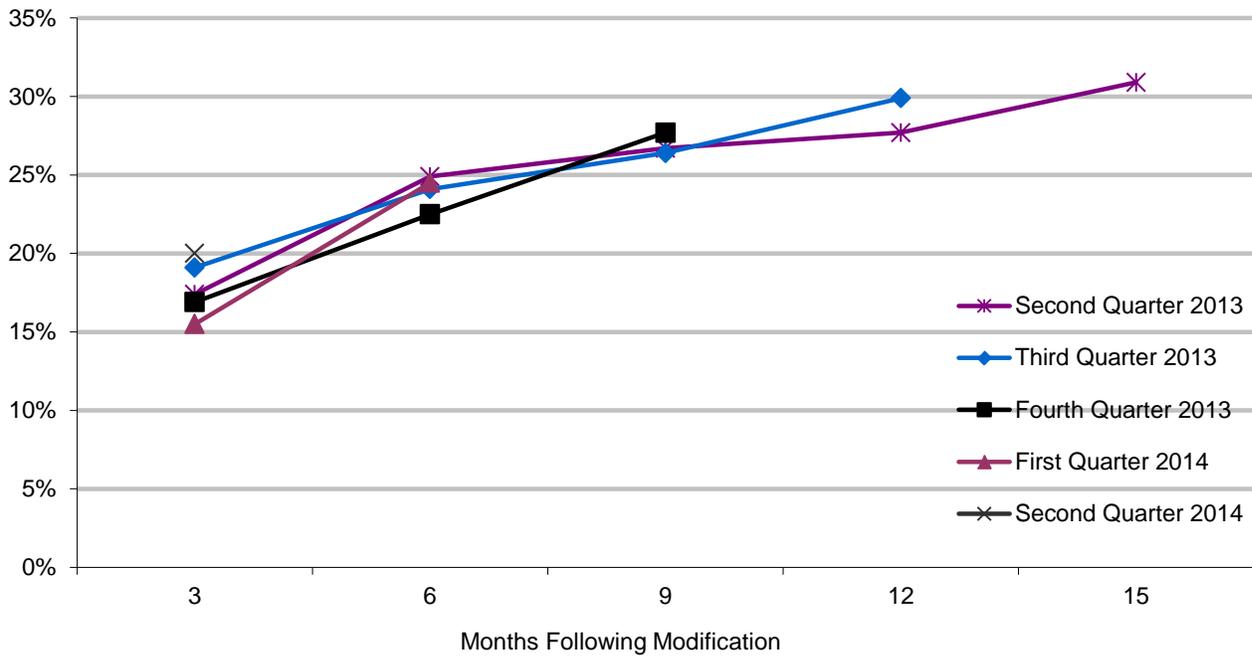
Re-Default Rates of Modified Loans: 30 or More Days Delinquent

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. For modifications completed in each of the last five quarters, 15.5 percent to 20.0 percent were 30 or more days delinquent three months after modification, while 27.7 percent to 29.9 percent were 30 or more days delinquent after one year.

Table 26. 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	15 Months After Modification
Second Quarter 2013	17.4%	24.9%	26.7%	27.7%	30.9%
Third Quarter 2013	19.1%	24.1%	26.4%	29.9%	-
Fourth Quarter 2013	16.9%	22.5%	27.7%	-	-
First Quarter 2014	15.5%	24.5%	-	-	-
Second Quarter 2014	20.0%	-	-	-	-

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

Figure 12. Modified Loans 30 or More Days Delinquent



*Data for the second quarter of 2014 is a single point (20.0 percent).

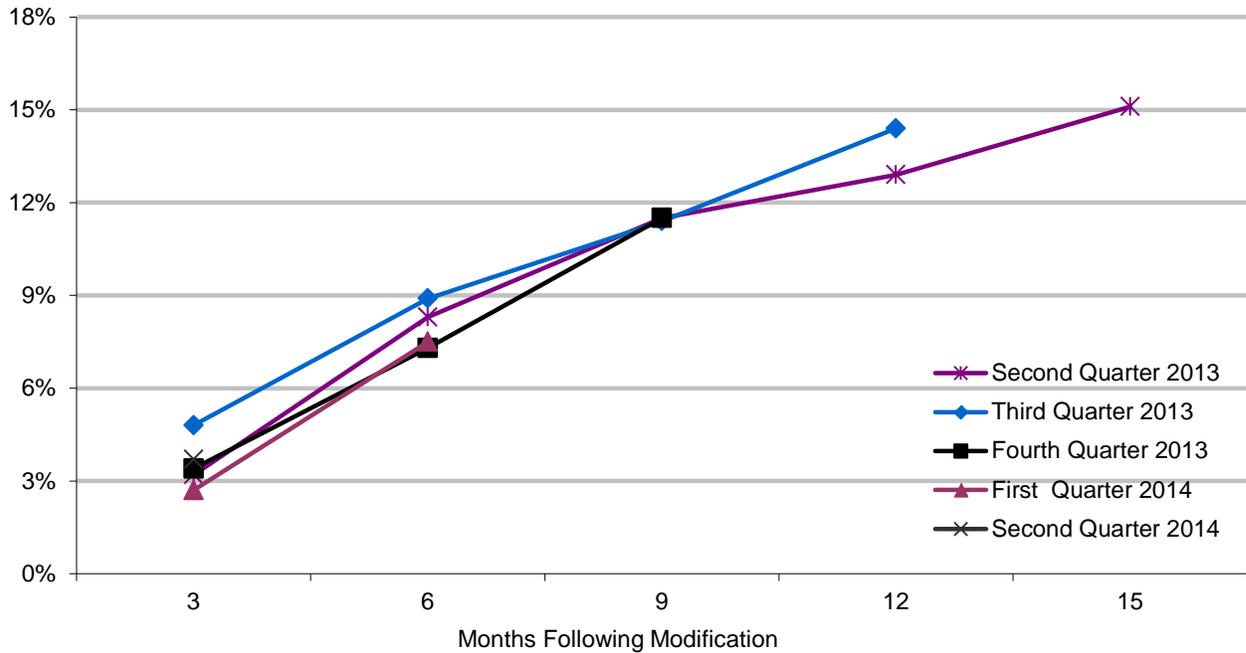
Re-Default Rates of Modified Loans: 90 or More Days Delinquent

Among modifications completed during the last five quarters, 12.9 percent to 14.4 percent were 90 or more days delinquent 12 months after modification.

Table 27. Modified Loans 90 or More Days Delinquent					
Modification Date*	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification	15 Months After Modification
Second Quarter 2013	3.2%	8.3%	11.5%	12.9%	15.1%
Third Quarter 2013	4.8%	8.9%	11.4%	14.4%	-
Fourth Quarter 2013	3.4%	7.3%	11.5%	-	-
First Quarter 2014	2.7%	7.5%	-	-	-
Second Quarter 2014	3.7%	-	-	-	-

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

Figure 13. Modified Loans 90 or More Days Delinquent



*Data for the second quarter of 2014 is a single point (3.7 percent).

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

Between 2008 and 2013, modifications on mortgages held in the servicers’ own portfolios performed better than modifications on mortgages serviced for other investors. Performance on mortgages serviced for other investors varies by investor and the year that a loan was modified. The differences in re-default rates reflect differences in loan risk characteristics and modification programs. For all investors, re-default rates generally have decreased over time as more recent modifications have focused more on reducing monthly payments and increasing borrowers’ ability to sustain the reduced payments over time, and as the housing market and broader economy improved.

Table 28. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2008					
(60 or More Days Delinquent)					
Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	45.2%	59.7%	63.9%	62.1%	54.4%
Freddie Mac	45.0%	59.2%	64.4%	64.6%	59.5%
Government-Guaranteed	53.6%	67.8%	70.8%	70.3%	67.8%
Private	49.1%	61.2%	66.7%	68.0%	68.2%
Portfolio Loans	25.2%	36.1%	41.0%	41.7%	40.1%
Overall	44.8%	57.2%	62.1%	62.7%	61.4%

Table 29. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2009					
(60 or More Days Delinquent)					
Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	31.3%	41.1%	42.5%	42.4%	39.1%
Freddie Mac	37.3%	44.8%	46.0%	44.9%	40.1%
Government-Guaranteed	42.1%	55.6%	56.4%	56.3%	58.6%
Private	40.8%	52.5%	56.8%	57.8%	54.4%
Portfolio Loans	15.4%	24.9%	29.6%	30.6%	30.2%
Overall	32.2%	43.2%	46.4%	46.9%	45.1%

Table 30. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2010					
(60 or More Days Delinquent)					
Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	14.2%	20.6%	23.9%	24.3%	23.2%
Freddie Mac	12.1%	17.8%	20.7%	21.9%	20.8%
Government-Guaranteed	27.4%	40.7%	46.6%	48.8%	49.1%
Private	19.8%	28.3%	33.2%	33.7%	29.0%
Portfolio Loans	11.7%	18.0%	20.9%	21.9%	21.0%
Overall	17.3%	25.4%	29.5%	30.6%	29.2%

Table 31. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2011					
(60 or More Days Delinquent)*					
Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	11.2%	16.7%	18.9%	20.4%	17.7%
Freddie Mac	10.8%	16.8%	20.1%	19.3%	17.2%
Government-Guaranteed	28.0%	42.3%	47.9%	48.1%	43.8%
Private	15.5%	22.1%	24.5%	21.5%	17.1%
Portfolio Loans	9.3%	15.1%	18.1%	18.1%	16.2%
Overall	15.4%	23.2%	26.6%	26.4%	23.8%

Table 32. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2012					
(60 or More Days Delinquent)*					
Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	11.5%	16.9%	19.9%	19.3%	-
Freddie Mac	8.8%	12.9%	14.6%	14.5%	-
Government-Guaranteed	21.3%	33.3%	36.6%	36.9%	-
Private	13.0%	16.8%	14.3%	12.5%	-
Portfolio Loans	7.2%	11.1%	12.6%	13.3%	-
Overall	12.7%	18.8%	20.4%	19.8%	-

Table 33. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2013					
(60 or More Days Delinquent)*					
Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	12.1%	16.3%	17.5%	-	-
Freddie Mac	9.5%	13.6%	14.8%	-	-
Government-Guaranteed	18.1%	26.7%	31.7%	-	-
Private	11.3%	13.0%	12.9%	-	-
Portfolio Loans	8.6%	12.4%	11.4%	-	-
Overall	12.7%	18.0%	19.6%	-	-

Table 34. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2014					
(60 or More Days Delinquent)*					
Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	13.3%				
Freddie Mac	10.4%				
Government-Guaranteed	14.8%				
Private	11.7%				
Portfolio Loans	12.6%				
Overall	13.1%				

*Data in tables 31-34 include modifications that were originated that year and aged the indicated number of months.

Performance of HAMP Modifications Compared With Other Modifications

HAMP modifications have performed better than other modifications implemented during the same periods. 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. HAMP modifications also may have performed better than other modifications over time because other modifications include programs with flexible eligibility criteria designed to reach borrowers who do not qualify for HAMP modifications.

Table 35. 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	12 Months After Modification	15 Months After Modification
HAMP Third Quarter 2012	31,745	4.3%	7.7%	9.4%	11.0%	12.3%
Other Third Quarter 2012	104,764	8.0%	14.6%	17.9%	21.2%	23.7%
HAMP Fourth Quarter 2012	29,314	3.8%	6.2%	8.7%	10.3%	11.4%
Other Fourth Quarter 2012	114,181	8.3%	12.8%	17.5%	20.6%	21.2%
HAMP First Quarter 2013	28,030	3.2%	6.4%	8.9%	10.3%	10.7%
Other First Quarter 2013	110,519	6.5%	13.0%	17.7%	18.6%	19.6%
HAMP Second Quarter 2013	22,613	3.4%	6.9%	8.9%	9.7%	11.5%
Other Second Quarter 2013	85,582	8.3%	15.4%	18.8%	20.1%	23.0%
HAMP Third Quarter 2013	23,159	3.9%	7.0%	8.9%	11.5%	-
Other Third Quarter 2013	76,134	10.6%	15.9%	18.7%	22.3%	-
HAMP Fourth Quarter 2013	21,915	3.7%	7.9%	11.5%	-	-
Other Fourth Quarter 2013	50,551	8.7%	14.2%	19.5%	-	-
HAMP First Quarter 2014	32,680	4.4%	11.2%	-	-	-
Other First Quarter 2014	32,757	7.5%	15.0%	-	-	-
HAMP Second Quarter 2014	39,616	7.8%	-	-	-	-
Other Second Quarter 2014	30,024	9.6%	-	-	-	-

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

C. Modified Loan Performance, by Change in Monthly Payments

Modifications that reduce borrowers’ monthly payments by at least 10 percent consistently re-default at lower rates than modifications that reduce payments by less than 10 percent—the larger the reduction in monthly payment, the lower the subsequent re-default rate. Lower re-default rates also may result from monthly payments set relative to the borrower’s ability to repay, as well as verification of income and completion of a successful trial period.

For servicers and investors, determining the best type of modification often requires weighing the reduction in cash flow from reducing monthly principal and interest payments and 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

Tables 36 through 42 present re-default rates, measured as 60 or more days delinquent, for modifications made since January 1, 2008. Modification performance has improved over time, as modifications focused on reducing monthly payments and setting payments relative to the borrower’s income and ability to pay, and as economic conditions improved.

Among modifications that received payment decreases, data show that re-default rates decrease as reductions in payments increase more than 10 percent. Between 2010 and 2012, modification actions that resulted in no change to the borrower’s monthly payment have performed better than some modifications that reduced payments. Modifications that do not change monthly payment generally freeze the interest rate on an ARM so that the rate and payment do not increase. These actions often are offered to borrowers who are current on their payments.

Table 36. Re-Default Rates of Loans Modified in 2008 by Change in Payment					
(60 or More Days Delinquent)					
	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Decreased by 20% or More	26.1%	39.6%	47.0%	49.1%	50.6%
Decreased by 10% to Less Than 20%	32.7%	47.5%	54.3%	55.6%	54.9%
Decreased by Less Than 10%	40.3%	55.2%	60.6%	61.0%	59.0%
Unchanged	53.7%	62.2%	66.3%	67.2%	65.8%
Increased	53.6%	67.3%	71.3%	71.1%	68.3%
Total	44.5%	57.0%	62.0%	62.7%	61.4%

Table 37. Re-Default Rates of Loans Modified in 2009 by Change in Payment					
(60 or More Days Delinquent)					
	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Decreased by 20% or More	19.2%	28.5%	32.8%	34.3%	33.6%
Decreased by 10% to Less Than 20%	29.2%	41.6%	45.0%	45.7%	45.4%
Decreased by Less Than 10%	33.8%	46.7%	49.3%	49.6%	49.9%
Unchanged	48.6%	57.3%	60.8%	61.4%	57.3%
Increased	46.5%	60.0%	62.5%	62.1%	58.6%
Total	32.2%	43.2%	46.5%	47.0%	45.1%

Table 38. Re-Default Rates of Loans Modified in 2010 by Change in Payment
(60 or More Days Delinquent)

	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Decreased by 20% or More	11.4%	17.4%	21.1%	22.3%	21.5%
Decreased by 10% to Less Than 20%	19.8%	30.3%	35.6%	37.3%	37.0%
Decreased by Less Than 10%	26.1%	37.4%	42.7%	43.9%	42.8%
Unchanged	18.8%	23.0%	24.8%	24.1%	20.6%
Increased	32.8%	44.1%	48.1%	48.8%	45.0%
Total	17.3%	25.4%	29.5%	30.6%	29.2%

Table 39. Re-Default Rates of Loans Modified in 2011 by Change in Payment
(60 or More Days Delinquent)*

	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Decreased by 20% or More	9.5%	14.8%	17.5%	17.4%	15.8%
Decreased by 10% to Less Than 20%	16.7%	26.6%	31.2%	31.7%	29.4%
Decreased by Less Than 10%	22.7%	34.3%	38.9%	38.3%	33.4%
Unchanged	13.5%	17.3%	18.5%	17.7%	14.3%
Increased	32.8%	44.9%	49.7%	49.0%	44.9%
Total	15.4%	23.2%	26.6%	26.4%	23.8%

Table 40. Re-Default Rates of Loans Modified in 2012 by Change in Payment
(60 or More Days Delinquent)*

	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Decreased by 20% or More	8.8%	13.2%	14.3%	14.2%	-
Decreased by 10% to Less Than 20%	12.5%	19.5%	22.0%	21.4%	-
Decreased by Less Than 10%	22.1%	33.3%	36.3%	35.2%	-
Unchanged	9.9%	11.3%	12.6%	10.7%	-
Increased	29.0%	38.8%	39.4%	38.8%	-
Total	12.7%	18.8%	20.4%	19.8%	-

Table 41. Re-Default Rates of Loans Modified in 2013 by Change in Payment
(60 or More Days Delinquent)*

	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Decreased by 20% or More	9.1%	12.9%	14.6%	-	-
Decreased by 10% to Less Than 20%	14.5%	20.6%	21.6%	-	-
Decreased by Less Than 10%	21.3%	30.0%	31.7%	-	-
Unchanged	20.5%	23.1%	24.2%	-	-
Increased	23.7%	31.4%	30.9%	-	-
Total	12.7%	17.9%	19.5%	-	-

Table 42. Re-Default Rates of Loans Modified in 2014 by Change in Payment					
(60 or More Days Delinquent)*					
	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Decreased by 20% or More	9.6%				
Decreased by 10% to Less Than 20%	14.8%				
Decreased by Less Than 10%	18.3%				
Unchanged	27.2%				
Increased	24.3%				
Total	13.1%				

*Data in tables 39-42 include modifications that were originated that year and aged the indicated number of months.

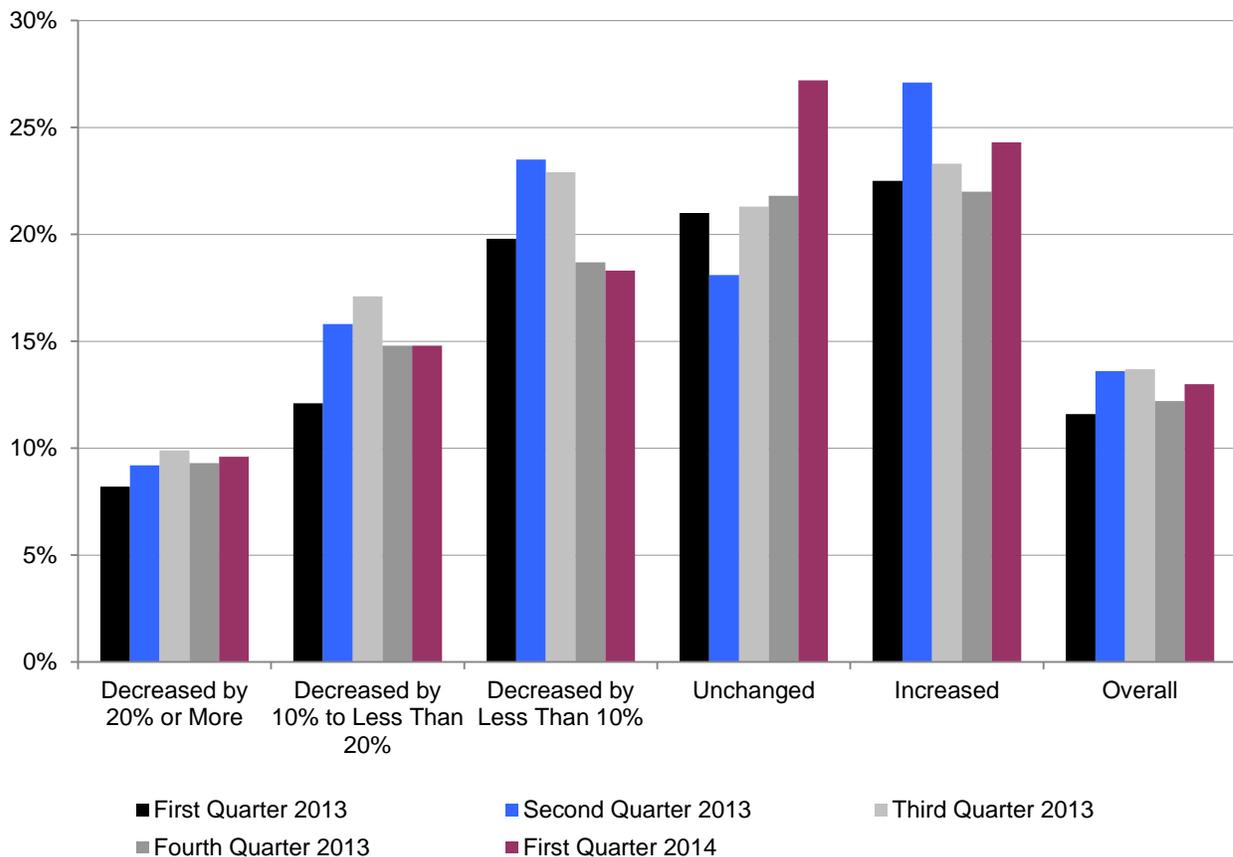
60+ Delinquency at Six Months After Modification by Change in Monthly Payment

Modifications that reduced monthly principal and interest payments by at least 10 percent consistently performed better than modifications that reduced payments by less than 10 percent. Modifications with the greatest decrease in monthly payments consistently had the lowest re-default rates. Some modifications that resulted in no change to the borrowers’ monthly payments have performed better than modifications that reduced payments, because these modifications likely were offered to borrowers with ARMs who had not defaulted on their payments.

Table 43. 60+ Delinquency at Six Months After Modification by Change in Monthly Payment

	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Overall
First Quarter 2013	8.2%	12.1%	19.8%	21.0%	22.5%	11.6%
Second Quarter 2013	9.2%	15.8%	23.5%	18.1%	27.1%	13.6%
Third Quarter 2013	9.9%	17.1%	22.9%	21.3%	23.3%	13.7%
Fourth Quarter 2013	9.3%	14.8%	18.7%	21.8%	22.0%	12.2%
First Quarter 2014	9.6%	14.8%	18.3%	27.2%	24.3%	13.0%
Total for the quarters above	9.1%	14.5%	20.9%	22.1%	23.8%	12.8%

Figure 14. 60+ Delinquency at Six Months After Modification by Change in Monthly Payment



Status of Mortgages Modified in 2008–2Q 2014

Servicers implemented 3,595,553 modifications from January 1, 2008, through June 30, 2014. Of these modifications, 57 percent were active at the end of the third quarter of 2014 and 43 percent had exited the servicing portfolios of the reporting institutions, through payment in full, involuntary liquidation—completed foreclosure, short sale, or deed in lieu—or transfer to a non-reporting servicer. Of the 2,047,719 modifications that were active at the end of the third quarter of 2014, 68.6 percent were current and performing at quarter end, 25.7 percent were delinquent, and 5.7 percent were in the process of foreclosure. Among the 43 percent of modifications that had exited the portfolio prior to the end of the third quarter of 2014, 8.4 percent were liquidated involuntarily, through foreclosure, short sale, or deed in lieu. Another 4.0 percent were paid in full, and 30.6 percent were transferred. HAMP modifications implemented since the third quarter of 2009 have performed better than other modifications.

Modifications that reduced borrowers’ monthly payments by 10 percent or more performed significantly better than modifications that reduced payments by less than 10 percent. Of the 1,416,079 modifications that reduced payments by 10 percent or more and were active at the end of the third quarter of 2014, 73.0 percent were current, compared with 58.8 percent of modifications that reduced payments by less than 10 percent.

Table 44. Status of Mortgages Modified in 2008–2Q 2014

Year	Completed Modifications		As Percentage of Modifications Active as of 9/30/14				As Percentage of All Modifications Completed		
	Total	Active at 9/30/14	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Involuntary Liquidations*	Paid Off	No Longer in the Portfolio
2008	443,294	135,336	59.2%	10.5%	21.5%	8.7%	17.7%	5.4%	46.4%
2009	593,884	255,832	62.4%	9.7%	20.0%	7.9%	14.2%	5.6%	37.1%
2010	955,422	493,822	67.9%	9.0%	16.8%	6.2%	9.9%	4.6%	33.9%
2011	569,553	344,971	69.6%	8.7%	15.7%	5.9%	5.6%	3.8%	30.0%
2012	479,820	349,594	72.2%	8.6%	14.4%	4.7%	2.2%	2.8%	22.2%
2013	418,503	338,042	70.7%	9.3%	15.5%	4.5%	0.8%	1.6%	16.9%
2014	135,077	130,122	75.6%	11.1%	12.4%	0.9%	0.1%	0.5%	3.1%
Total	3,595,553	2,047,719	68.6%	9.3%	16.4%	5.7%	8.4%	4.0%	30.6%
HAMP Modification Performance Compared With Other Modifications									
Other**	1,959,159	1,237,815	65.9%	9.7%	18.3%	6.2%	7.4%	4.1%	25.3%
HAMP	855,254	545,340	79.1%	7.7%	10.0%	3.2%	3.7%	2.4%	30.2%
Modifications That Reduced Payments by 10 Percent or More									
	2,328,215	1,416,079	73.0%	8.7%	13.7%	4.5%	5.8%	3.1%	30.3%
Modifications That Reduced Payments by Less Than 10 Percent									
	1,267,338	631,640	58.8%	10.5%	22.6%	8.2%	13.2%	5.6%	31.3%

*Completed foreclosures, short sales, and deeds in lieu of foreclosure.

**Modifications used to compare with HAMP modifications only include modifications implemented from the third quarter of 2009 through the second quarter of 2014.

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—completed foreclosure sales, short sales, and deed-in-lieu-of-foreclosure actions—totaled 58,214 during the third quarter of 2014, a decrease of 49.9 percent from a year earlier. The number of completed foreclosures decreased to 45,245—down 45.4 percent from a year earlier. Short sales decreased 62.6 percent from a year earlier. Short sales were 20.1 percent of total home forfeiture actions during the third quarter of 2014, down from 26.9 percent a year earlier. Deed-in-lieu-of-foreclosure actions remained a small portion of home forfeiture actions during the quarter.

Table 45. Completed Foreclosures and Other Home Forfeiture Actions

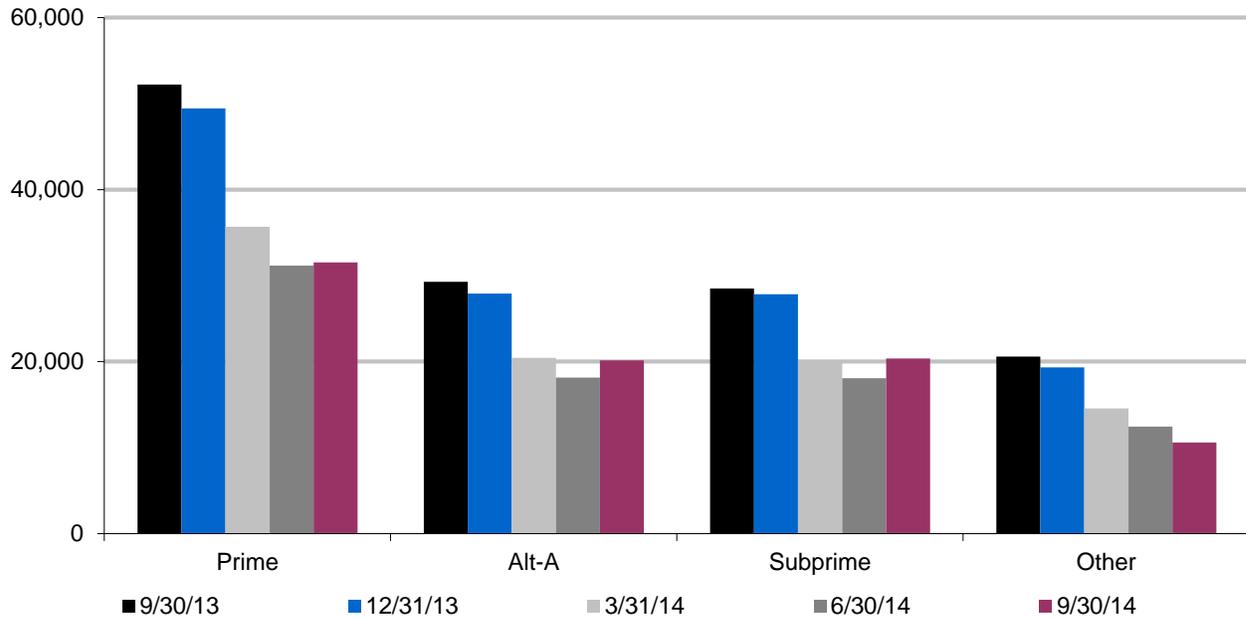
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Completed Foreclosures	82,841	60,765	56,185	48,684	45,245	-7.1%	-45.4%
New Short Sales	31,261	21,149	13,613	14,290	11,685	-18.2%	-62.6%
New Deed-in-Lieu-of-Foreclosure Actions	2,112	2,117	1,880	1,816	1,284	-29.3%	-39.2%
Total	116,214	84,031	71,678	64,790	58,214	-10.1%	-49.9%

Newly Initiated Foreclosures

Servicers initiate foreclosure actions at defined stages of loan delinquency. Foreclosure actions progress to sale of the property only if servicers and borrowers cannot arrange a permanent loss mitigation action, modification, home sale, or alternate workout solution. Newly initiated foreclosures increased to 82,668 in the third quarter of 2014, an increase of 3.6 percent from the previous quarter but a decrease of 36.7 percent from a year earlier.

	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Prime	52,211	49,420	35,678	31,147	31,547	1.3%	-39.6%
Alt-A	29,287	27,910	20,435	18,133	20,158	11.2%	-31.2%
Subprime	28,491	27,820	20,181	18,067	20,379	12.8%	-28.5%
Other	20,603	19,318	14,558	12,435	10,584	-14.9%	-48.6%
Total	130,592	124,468	90,852	79,782	82,668	3.6%	-36.7%

Figure 15. Number of Newly Initiated Foreclosures

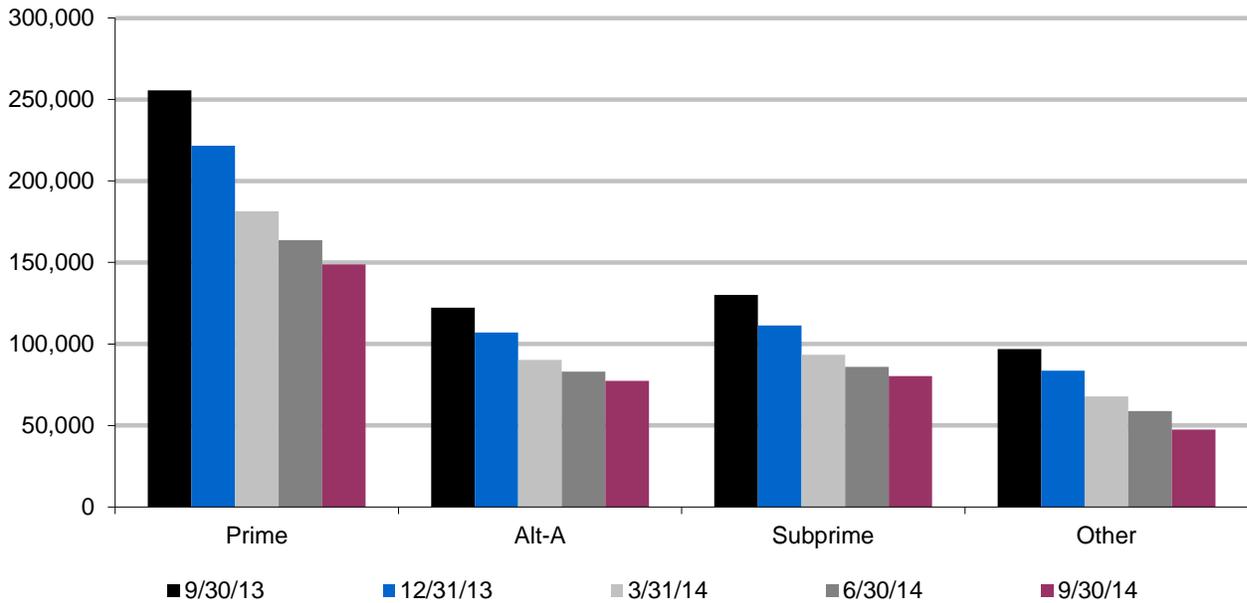


Foreclosures in Process

The number of mortgages in the process of foreclosure decreased to 353,906 at the end of the third quarter of 2014, down 9.6 percent from the previous quarter and 41.5 percent from a year earlier. The percentage of mortgages in the portfolio that were in some stage of the foreclosure process at the end of the third quarter of 2014 was 1.5 percent, a decrease of 7.4 percent from the previous quarter and 36.3 percent from a year earlier.

Table 47. Foreclosures in Process							
Percentage of Foreclosures in Process Relative to Mortgages in That Risk Category							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Prime	1.3%	1.2%	1.0%	0.9%	0.8%	-7.5%	-38.0%
Alt-A	4.6%	4.2%	3.6%	3.4%	3.2%	-4.5%	-30.6%
Subprime	8.0%	7.3%	6.4%	5.9%	5.7%	-2.7%	-28.0%
Other	4.0%	3.7%	3.1%	2.8%	2.4%	-13.0%	-39.7%
Total	2.4%	2.1%	1.8%	1.6%	1.5%	-7.4%	-36.3%
Number of Foreclosures in Process							
Prime	255,583	221,675	181,465	163,735	148,846	-9.1%	-41.8%
Alt-A	122,232	107,033	90,308	83,031	77,451	-6.7%	-36.6%
Subprime	130,037	111,260	93,286	86,047	80,204	-6.8%	-38.3%
Other	96,911	83,560	67,773	58,780	47,405	-19.4%	-51.1%
Total	604,763	523,528	432,832	391,593	353,906	-9.6%	-41.5%

Figure 16. Number of Foreclosures in Process

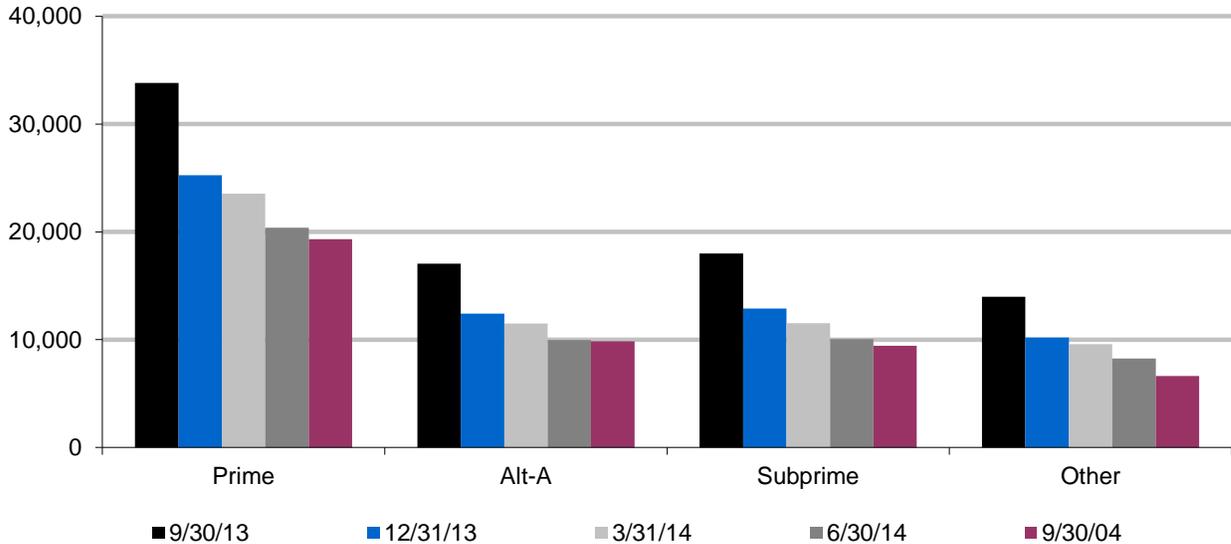


Completed Foreclosures

The number of completed foreclosures was 45,245 during the third quarter of 2014—a decrease of 45.4 percent from a year earlier. The percentage of mortgages that completed the foreclosure process during the third quarter of 2014 was 0.2 percent of all mortgages serviced, a decrease of 40.6 percent from a year earlier.

Table 48. Completed Foreclosures							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Prime	0.2%	0.1%	0.1%	0.1%	0.1%	-3.6%	-39.1%
Alt-A	0.6%	0.5%	0.5%	0.4%	0.4%	1.4%	-36.8%
Subprime	1.1%	0.8%	0.8%	0.7%	0.7%	-2.3%	-38.9%
Other	0.6%	0.5%	0.4%	0.4%	0.3%	-13.5%	-41.5%
Total	0.3%	0.2%	0.2%	0.2%	0.2%	-4.8%	-40.6%
Number of Completed Foreclosures							
Prime	33,817	25,253	23,547	20,388	19,331	-5.2%	-42.8%
Alt-A	17,062	12,410	11,502	9,959	9,857	-1.0%	-42.2%
Subprime	17,992	12,902	11,539	10,069	9,428	-6.4%	-47.6%
Other	13,970	10,200	9,597	8,268	6,629	-19.8%	-52.5%
Total	82,841	60,765	56,185	48,684	45,245	-7.1%	-45.4%

Figure 17. Number of Completed Foreclosures



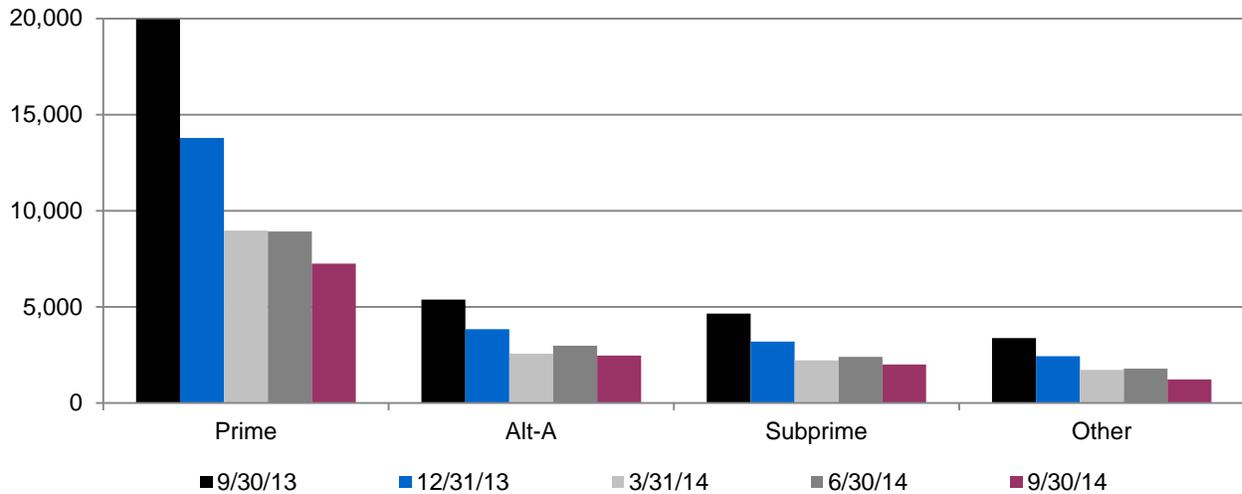
Completed Short Sales and Deeds in Lieu of Foreclosure

The number of completed short sales and deeds in lieu of foreclosure decreased to 12,969 during the quarter—down 61.1 percent from a year earlier. Short sales and deeds in lieu of foreclosure as a percentage of all mortgages serviced at the end of the third quarter of 2014 were 0.06 percent, down 57.7 percent from a year earlier.

Table 49. Completed Short Sales and Deeds in Lieu of Foreclosure							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Prime	0.1%	0.07%	0.05%	0.05%	0.04%	-17.3%	-61.3%
Alt-A	0.2%	0.2%	0.1%	0.1%	0.1%	-15.2%	-49.6%
Subprime	0.3%	0.2%	0.2%	0.2%	0.1%	-12.4%	-49.5%
Other	0.1%	0.1%	0.08%	0.09%	0.06%	-26.4%	-55.3%
Total	0.1%	0.09%	0.06%	0.07%	0.06%	-17.5%	-57.7%*
Number of Completed Short Sales and Deeds in Lieu of Foreclosure							
Prime	19,959	13,781	8,980	8,920	7,254	-18.7%	-63.7%
Alt-A	5,382	3,844	2,564	2,990	2,476	-17.2%	-54.0%
Subprime	4,658	3,203	2,218	2,403	2,016	-16.1%	-56.7%
Other	3,374	2,438	1,731	1,793	1,223	-31.8%	-63.8%
Overall	33,373	23,266	15,493	16,106	12,969	-19.5%	-61.1%

*Calculated using unrounded figures.

Figure 18. Number of Completed Short Sales and Deeds in Lieu of Foreclosure

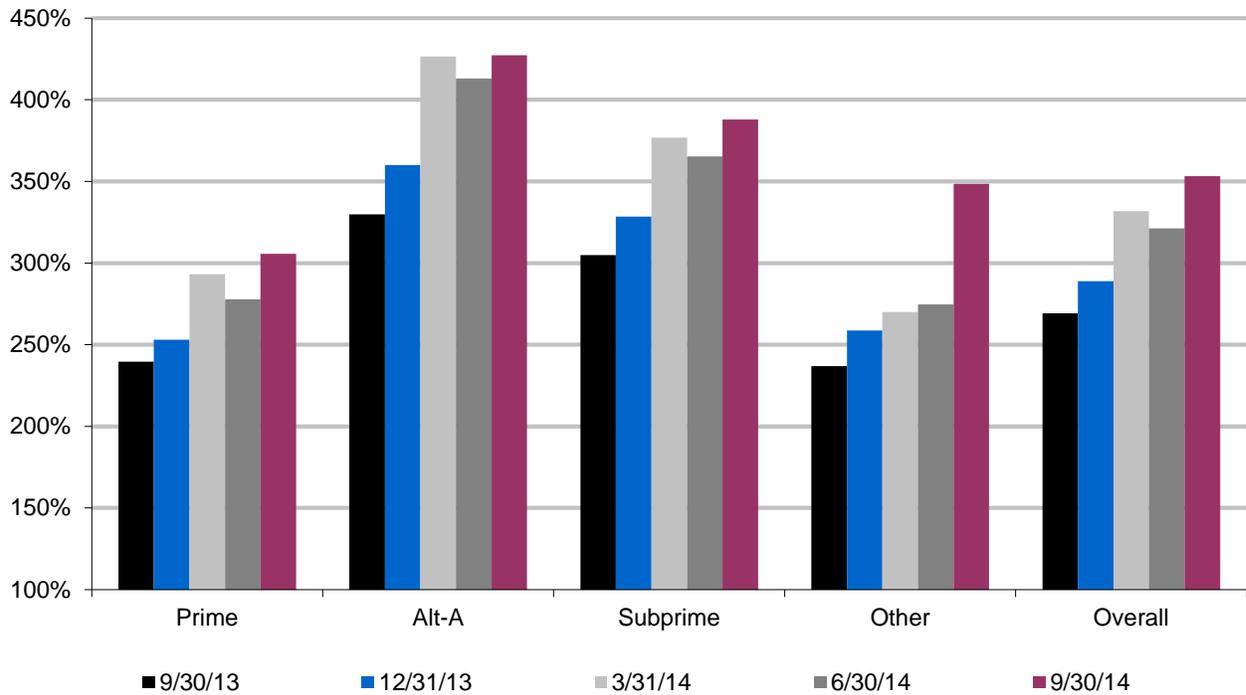


New Home Retention Actions Relative to Forfeiture Actions, by Risk Category

New home retention actions continued to exceed completed home forfeitures as servicers initiated more than three times as many home retention actions as home forfeiture actions during the quarter. The percentage of new home retention actions relative to home forfeitures continued to be highest for Alt-A and subprime loans and lowest for prime and other loans.

Table 50. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Prime	239.6%	253.0%	293.1%	277.9%	305.6%	10.0%	27.5%
Alt-A	329.9%	360.0%	426.5%	413.1%	427.2%	3.4%	29.5%
Subprime	304.8%	328.5%	376.7%	365.3%	387.9%	6.2%	27.2%
Other	236.8%	258.7%	270.1%	274.6%	348.5%	26.9%	47.1%
Overall	269.3%	289.0%	331.7%	321.3%	353.3%	10.0%	31.2%

Figure 19. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category



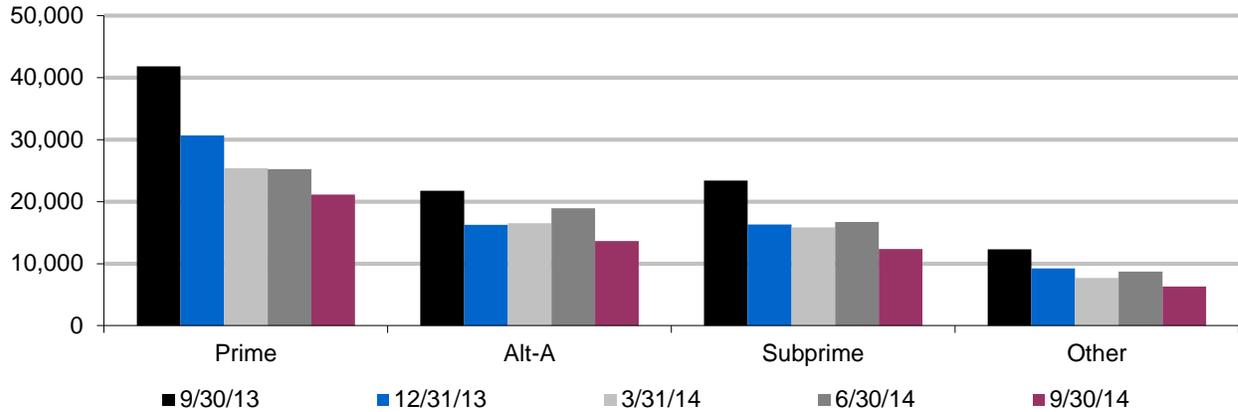
Appendixes

Appendix A—New Loan Modifications

There were 53,457 loan modifications completed during the third quarter of 2014—a decrease of 46.2 percent from a year earlier. Modifications decreased from both the previous quarter and the prior year in all credit classes.

Table 51. Number of New Loan Modifications							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Prime	41,831	30,690	25,396	25,263	21,130	-16.4%	-49.5%
Alt-A	21,758	16,244	16,492	18,950	13,664	-27.9%	-37.2%
Subprime	23,398	16,295	15,855	16,724	12,376	-26.0%	-47.1%
Other	12,306	9,237	7,694	8,703	6,287	-27.8%	-48.9%
Total	99,293	72,466	65,437	69,640	53,457	-23.2%	-46.2%

Figure 20. Number of New Loan Modifications

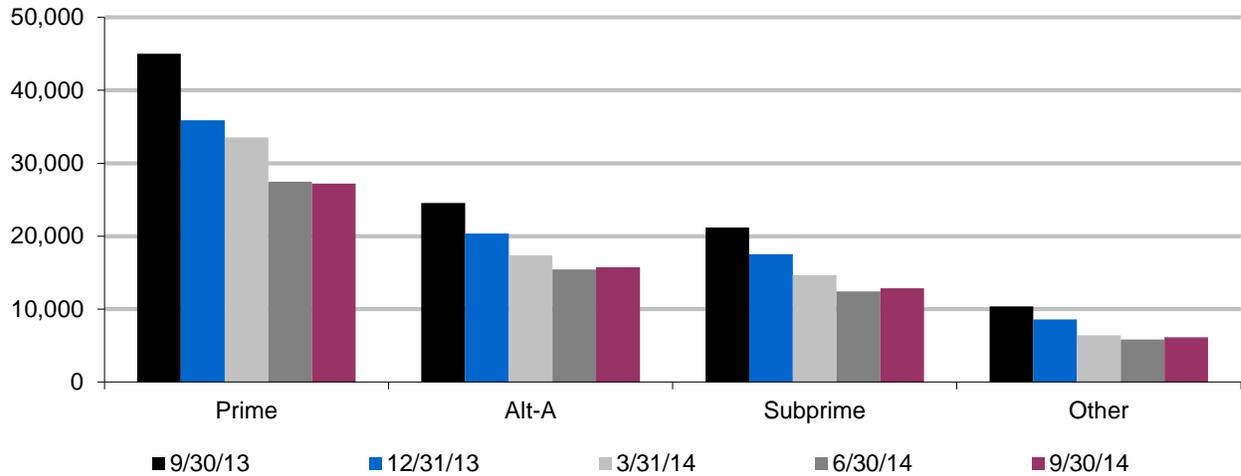


Appendix B—New Trial-Period Plans

Servicers initiated 61,972 trial-period plans during the third quarter of 2014, an increase of 1.3 percent from the previous quarter but a decrease of 38.7 percent from a year earlier.

	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Prime	44,993	35,874	33,550	27,452	27,222	-0.8%	-39.5%
Alt-A	24,568	20,360	17,369	15,430	15,744	2.0%	-35.9%
Subprime	21,201	17,510	14,665	12,433	12,849	3.3%	-39.4%
Other	10,399	8,572	6,414	5,842	6,157	5.4%	-40.8%
Total	101,161	82,316	71,998	61,157	61,972	1.3%	-38.7%

Figure 21. Number of New Trial-Period Plans

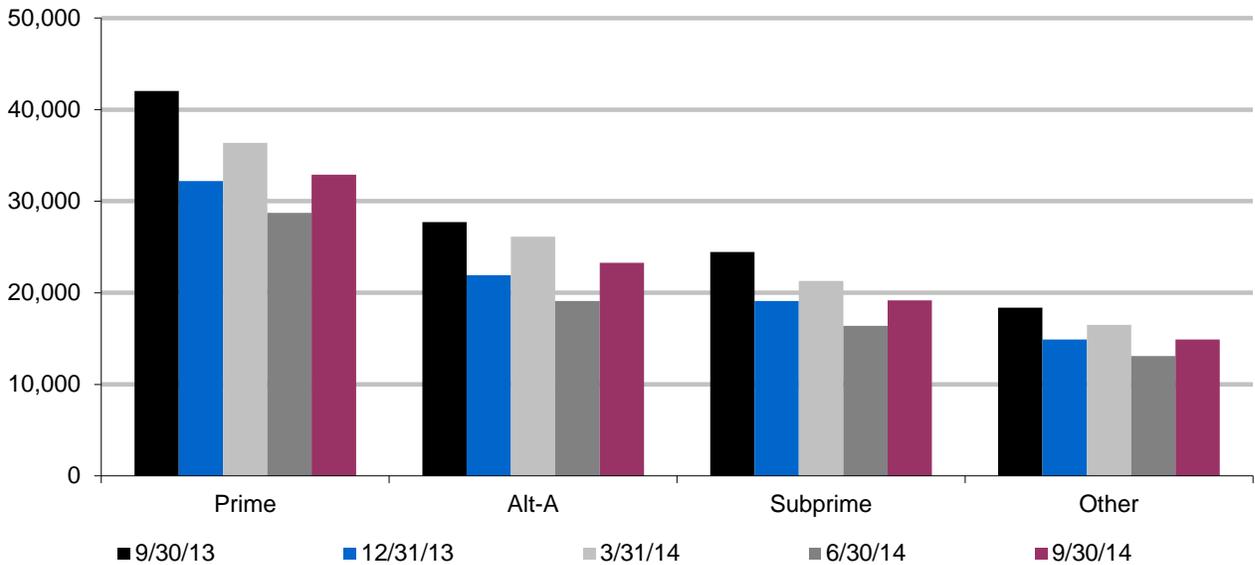


Appendix C—New Payment Plans

New payment plans increased by 16.7 percent during the third quarter of 2014 from the previous quarter to 90,260, but decreased 19.8 percent from a year earlier.

	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Prime	42,039	32,195	36,392	28,735	32,903	14.5%	-21.7%
Alt-A	27,712	21,908	26,135	19,117	23,279	21.8%	-16.0%
Subprime	24,448	19,100	21,300	16,407	19,161	16.8%	-21.6%
Other	18,369	14,890	16,488	13,087	14,917	14.0%	-18.8%
Total	112,568	88,093	100,315	77,346	90,260	16.7%	-19.8%

Figure 22. Number of New Payment Plans



Appendix D—Breakdown of Individual and Combination Modification Actions

Servicers generally use a combination of actions to reduce monthly payments and achieve payment sustainability when modifying a mortgage. Servicers changed more than one loan term in 90.7 percent of all modifications completed during the third quarter of 2014.

Table 54. Changes in Terms for Modifications Made Through the Third Quarter of 2014							
(Percentage of Modifications in Each Category)							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Combination*	92.3%	95.5%	92.8%	89.2%	90.7%	1.6%	-1.8%
Capitalization	2.1%	2.4%	2.9%	2.8%	3.4%	19.6%	59.2%
Rate Reduction	2.5%	0.7%	0.3%	0.7%	0.4%	-39.2%	-82.1%
Rate Freeze	0.01%	0.01%	0.09%	0.1%	0.01%	-93.7%	54.8%
Term Extension	0.6%	0.5%	3.1%	6.3%	4.9%	-21.9%	660.3%
Principal Reduction	0.01%	0.01%	0.02%	0.0%	0.01%	225.7%	54.8%
Principal Deferral	0.2%	0.2%	0.2%	0.09%	0.08%	-10.4%	-65.9%
Not Reported**	2.2%	0.7%	0.7%	0.7%	0.5%	-28.0%	-77.4%
(Number of Changes in Each Category)							
Combination	91,641	69,183	60,725	62,118	48,464	-22.0%	-47.1%
Capitalization	2,093	1,761	1,920	1,954	1,794	-8.2%	-14.3%
Rate Reduction	2,471	505	184	510	238	-53.3%	-90.4%
Rate Freeze	6	5	6	103	5	-95.1%	-16.7%
Term Extension	645	361	2,034	4,406	2,640	-40.1%	309.3%
Principal Reduction	6	9	13	2	5	150.0%	-16.7%
Principal Deferral	240	134	122	64	44	-31.3%	-81.7%
Not Reported	2,191	508	433	483	267	-44.7%	-87.8%
All Modifications	99,293	72,466	65,437	69,640	53,457	-23.2%	-46.2%

*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.

**See note to table 17.

Changes in Terms for Combination Modification Actions

Of the 48,464 modifications completed during the third quarter of 2014 that changed more than one term of the mortgage contract, 74.8 percent included capitalization of missed fees and payments, 72.8 percent included interest-rate reduction, and 85.0 percent included an extension of the loan maturity. Principal deferral was included in 17.4 percent of the combination modifications implemented during the quarter, and principal reduction was included in 7.5 percent. Because combination modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total combination modifications.

Table 55. Changes in Terms for Combination Modifications Through the Third Quarter of 2014							
(Percentage of Modifications in Each Category)							
	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	1Q %Change	1Y %Change
Capitalization	88.2%	89.3%	76.9%	63.0%	74.8%	18.7%	-15.2%
Rate Reduction	82.8%	79.6%	78.6%	79.7%	72.8%	-8.7%	-12.0%
Rate Freeze	5.9%	7.3%	7.0%	7.8%	8.3%	6.3%	40.7%
Term Extension	74.4%	79.0%	80.7%	87.1%	85.0%	-2.4%	14.3%
Principal Reduction*	14.7%	11.0%	8.7%	5.6%	7.5%	34.4%	-48.8%
Principal Deferral	27.2%	31.9%	26.9%	12.8%	17.4%	35.9%	-35.9%
(Number of Changes in Each Category)							
Capitalization	80,801	61,784	46,705	39,111	36,235	-7.4%	-55.2%
Rate Reduction	75,838	55,049	47,755	49,537	35,291	-28.8%	-53.5%
Rate Freeze	5,407	5,067	4,273	4,849	4,022	-17.1%	-25.6%
Term Extension	68,175	54,665	48,996	54,109	41,214	-23.8%	-39.5%
Principal Reduction	13,496	7,625	5,309	3,486	3,654	4.8%	-72.9%
Principal Deferral	24,910	22,061	16,328	7,967	8,448	6.0%	-66.1%

*See note to table 17.

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 (the latter are included in the category labeled “Other”). These data fulfill reporting requirements in the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (Public Law 111-203).

Table 56 presents the number and percentage of HAMP modifications and other modifications in each state during the third quarter of 2014. Tables 57 and 58 present the number and percentage of each type of action included in modifications made during the quarter in each state, the District of Columbia, and U.S. territories. Tables 59 and 60 present the number and percentage of each type of action included in combination modifications made during the quarter in each state, the District of Columbia, and U.S. territories. Tables 61 and 62 present the number and percentage of modifications made during the quarter in each state, the District of Columbia, and U.S. territories by the amount of change in the borrowers’ monthly principal and interest payments. Tables 63 and 64 present the number and percentage of re-defaulting mortgages, defined as modifications made in the first quarter of 2014 that were 60 or more days delinquent or in the process of foreclosure at the end of the third quarter of 2014.

**Table 56. Number and Percentage of Mortgage Modifications
Implemented in the Third Quarter of 2014**

States	HAMP Modifications		Other Modifications		Total Modifications	
	Total	% of State Total	Total	% of State Total	Total	% of Total
Total - All States	27,070	50.6%	26,387	49.4%	53,457	100.0%
Alabama	427	55.5%	343	44.5%	770	1.4%
Alaska	27	54.0%	23	46.0%	50	0.1%
Arizona	360	46.9%	407	53.1%	767	1.4%
Arkansas	227	57.6%	167	42.4%	394	0.7%
California	2,172	41.8%	3,030	58.2%	5,202	9.7%
Colorado	368	53.7%	317	46.3%	685	1.3%
Connecticut	479	52.3%	436	47.7%	915	1.7%
Delaware	144	50.7%	140	49.3%	284	0.5%
District of Columbia	58	51.3%	55	48.7%	113	0.2%
Florida	2,355	48.8%	2,473	51.2%	4,828	9.0%
Georgia	1,449	56.4%	1,120	43.6%	2,569	4.8%
Hawaii	42	32.1%	89	67.9%	131	0.2%
Idaho	91	44.4%	114	55.6%	205	0.4%
Illinois	1,328	48.9%	1,389	51.1%	2,717	5.1%
Indiana	795	61.7%	493	38.3%	1,288	2.4%
Iowa	192	51.6%	180	48.4%	372	0.7%
Kansas	193	55.9%	152	44.1%	345	0.6%
Kentucky	238	49.9%	239	50.1%	477	0.9%
Louisiana	348	52.6%	314	47.4%	662	1.2%
Maine	75	38.5%	120	61.5%	195	0.4%
Maryland	1,143	53.8%	980	46.2%	2,123	4.0%
Massachusetts	423	42.8%	566	57.2%	989	1.9%
Michigan	624	49.8%	629	50.2%	1,253	2.3%
Minnesota	425	48.7%	448	51.3%	873	1.6%
Mississippi	153	49.5%	156	50.5%	309	0.6%
Missouri	519	55.3%	420	44.7%	939	1.8%
Montana	37	39.8%	56	60.2%	93	0.2%
Nebraska	104	54.5%	87	45.5%	191	0.4%
Nevada	272	46.3%	315	53.7%	587	1.1%
New Hampshire	80	37.9%	131	62.1%	211	0.4%
New Jersey	1,216	47.9%	1,323	52.1%	2,539	4.7%
New Mexico	166	50.9%	160	49.1%	326	0.6%
New York	1,749	48.5%	1,854	51.5%	3,603	6.7%
North Carolina	887	48.1%	957	51.9%	1,844	3.4%
North Dakota	10	52.6%	9	47.4%	19	0.0%
Ohio	1,081	57.8%	788	42.2%	1,869	3.5%
Oklahoma	256	58.2%	184	41.8%	440	0.8%
Oregon	216	43.5%	281	56.5%	497	0.9%
Pennsylvania	1,181	48.9%	1,234	51.1%	2,415	4.5%
Rhode Island	117	45.2%	142	54.8%	259	0.5%
South Carolina	412	48.6%	435	51.4%	847	1.6%
South Dakota	20	47.6%	22	52.4%	42	0.1%
Tennessee	524	55.3%	424	44.7%	948	1.8%
Texas	2,357	66.1%	1,209	33.9%	3,566	6.7%
Utah	214	51.2%	204	48.8%	418	0.8%
Vermont	24	40.7%	35	59.3%	59	0.1%
Virginia	655	51.5%	617	48.5%	1,272	2.4%
Washington	425	41.8%	591	58.2%	1,016	1.9%
West Virginia	54	33.8%	106	66.3%	160	0.3%
Wisconsin	303	46.5%	348	53.5%	651	1.2%
Wyoming	17	51.5%	16	48.5%	33	0.1%
Other	38	39.2%	59	60.8%	97	0.2%

Table 57. Number of Mortgage Modification Actions								
Implemented in the Third Quarter of 2014								
States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reductions	Principal Deferral	Combination	Not Reported	Total Modifications
Total - All States	1,794	243	2,640	5	44	48,464	267	53,457
Alabama	18	3	34	0	1	712	2	770
Alaska	2	0	3	0	0	45	0	50
Arizona	30	6	30	0	0	697	4	767
Arkansas	18	1	12	0	0	362	1	394
California	297	43	274	1	14	4,528	45	5,202
Colorado	25	3	61	0	1	594	1	685
Connecticut	32	1	51	0	1	820	10	915
Delaware	4	2	15	0	1	260	2	284
District of Columbia	10	0	6	0	0	97	0	113
Florida	135	31	108	1	0	4,538	15	4,828
Georgia	87	9	147	0	2	2,298	26	2,569
Hawaii	9	3	4	0	0	114	1	131
Idaho	9	1	10	0	0	185	0	205
Illinois	51	8	140	0	4	2,501	13	2,717
Indiana	31	3	61	0	0	1,190	3	1,288
Iowa	14	2	16	0	0	337	3	372
Kansas	7	3	13	0	0	322	0	345
Kentucky	22	2	20	0	0	431	2	477
Louisiana	26	1	31	0	0	601	3	662
Maine	8	0	7	0	0	178	2	195
Maryland	90	13	155	1	4	1,849	11	2,123
Massachusetts	44	0	38	0	1	902	4	989
Michigan	42	8	43	1	1	1,152	6	1,253
Minnesota	28	4	52	0	1	786	2	873
Mississippi	14	7	13	0	0	272	3	309
Missouri	37	2	40	0	0	857	3	939
Montana	1	1	5	0	0	85	1	93
Nebraska	2	0	5	0	0	184	0	191
Nevada	13	4	29	0	1	537	3	587
New Hampshire	11	1	5	0	0	193	1	211
New Jersey	51	8	151	0	0	2,322	7	2,539
New Mexico	9	2	14	0	0	300	1	326
New York	69	6	186	0	5	3,315	22	3,603
North Carolina	77	7	81	0	1	1,667	11	1,844
North Dakota	0	0	-	0	0	19	0	19
Ohio	37	5	49	0	0	1,770	8	1,869
Oklahoma	12	4	18	0	0	404	2	440
Oregon	16	1	31	0	0	447	2	497
Pennsylvania	81	4	117	0	1	2,206	6	2,415
Rhode Island	10	1	13	0	0	230	5	259
South Carolina	34	2	32	0	0	772	7	847
South Dakota	2	0	4	0	0	35	1	42
Tennessee	31	3	46	1	0	866	1	948
Texas	136	13	260	0	1	3,145	11	3,566
Utah	14	2	32	0	0	368	2	418
Vermont	2	2	1	0	0	54	0	59
Virginia	46	6	82	0	2	1,131	5	1,272
Washington	30	12	64	0	1	903	6	1,016
West Virginia	5	1	5	-	0	147	2	160
Wisconsin	13	2	24	0	1	610	1	651
Wyoming	0	0	1	0	0	32	0	33
Other	2	0	1	0	0	94	0	97

**Table 58. Percentage of Mortgage Modification Actions
Implemented in the Third Quarter of 2014**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Combination	Not Reported	Total Modifications
Total - All States	3.4%	0.5%	4.9%	0.0%	0.1%	90.7%	0.5%	53,457
Alabama	2.3%	0.4%	4.4%	0.0%	0.1%	92.5%	0.3%	770
Alaska	4.0%	0.0%	6.0%	0.0%	0.0%	90.0%	0.0%	50
Arizona	3.9%	0.8%	3.9%	0.0%	0.0%	90.9%	0.5%	767
Arkansas	4.6%	0.3%	3.0%	0.0%	0.0%	91.9%	0.3%	394
California	5.7%	0.8%	5.3%	0.0%	0.3%	87.0%	0.9%	5,202
Colorado	3.6%	0.4%	8.9%	0.0%	0.1%	86.7%	0.1%	685
Connecticut	3.5%	0.1%	5.6%	0.0%	0.1%	89.6%	1.1%	915
Delaware	1.4%	0.7%	5.3%	0.0%	0.4%	91.5%	0.7%	284
District of Columbia	8.8%	0.0%	5.3%	0.0%	0.0%	85.8%	0.0%	113
Florida	2.8%	0.6%	2.2%	0.0%	0.0%	94.0%	0.3%	4,828
Georgia	3.4%	0.4%	5.7%	0.0%	0.1%	89.5%	1.0%	2,569
Hawaii	6.9%	2.3%	3.1%	0.0%	0.0%	87.0%	0.8%	131
Idaho	4.4%	0.5%	4.9%	0.0%	0.0%	90.2%	0.0%	205
Illinois	1.9%	0.3%	5.2%	0.0%	0.1%	92.1%	0.5%	2,717
Indiana	2.4%	0.2%	4.7%	0.0%	0.0%	92.4%	0.2%	1,288
Iowa	3.8%	0.5%	4.3%	0.0%	0.0%	90.6%	0.8%	372
Kansas	2.0%	0.9%	3.8%	0.0%	0.0%	93.3%	0.0%	345
Kentucky	4.6%	0.4%	4.2%	0.0%	0.0%	90.4%	0.4%	477
Louisiana	3.9%	0.2%	4.7%	0.0%	0.0%	90.8%	0.5%	662
Maine	4.1%	0.0%	3.6%	0.0%	0.0%	91.3%	1.0%	195
Maryland	4.2%	0.6%	7.3%	0.0%	0.2%	87.1%	0.5%	2,123
Massachusetts	4.4%	0.0%	3.8%	0.0%	0.1%	91.2%	0.4%	989
Michigan	3.4%	0.6%	3.4%	0.1%	0.1%	91.9%	0.5%	1,253
Minnesota	3.2%	0.5%	6.0%	0.0%	0.1%	90.0%	0.2%	873
Mississippi	4.5%	2.3%	4.2%	0.0%	0.0%	88.0%	1.0%	309
Missouri	3.9%	0.2%	4.3%	0.0%	0.0%	91.3%	0.3%	939
Montana	1.1%	1.1%	5.4%	0.0%	0.0%	91.4%	1.1%	93
Nebraska	1.0%	0.0%	2.6%	0.0%	0.0%	96.3%	0.0%	191
Nevada	2.2%	0.7%	4.9%	0.0%	0.2%	91.5%	0.5%	587
New Hampshire	5.2%	0.5%	2.4%	0.0%	0.0%	91.5%	0.5%	211
New Jersey	2.0%	0.3%	5.9%	0.0%	0.0%	91.5%	0.3%	2,539
New Mexico	2.8%	0.6%	4.3%	0.0%	0.0%	92.0%	0.3%	326
New York	1.9%	0.2%	5.2%	0.0%	0.1%	92.0%	0.6%	3,603
North Carolina	4.2%	0.4%	4.4%	0.0%	0.1%	90.4%	0.6%	1,844
North Dakota	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	19
Ohio	2.0%	0.3%	2.6%	0.0%	0.0%	94.7%	0.4%	1,869
Oklahoma	2.7%	0.9%	4.1%	0.0%	0.0%	91.8%	0.5%	440
Oregon	3.2%	0.2%	6.2%	0.0%	0.0%	89.9%	0.4%	497
Pennsylvania	3.4%	0.2%	4.8%	0.0%	0.0%	91.3%	0.2%	2,415
Rhode Island	3.9%	0.4%	5.0%	0.0%	0.0%	88.8%	1.9%	259
South Carolina	4.0%	0.2%	3.8%	0.0%	0.0%	91.1%	0.8%	847
South Dakota	4.8%	0.0%	9.5%	0.0%	0.0%	83.3%	2.4%	42
Tennessee	3.3%	0.3%	4.9%	0.1%	0.0%	91.4%	0.1%	948
Texas	3.8%	0.4%	7.3%	0.0%	0.0%	88.2%	0.3%	3,566
Utah	3.3%	0.5%	7.7%	0.0%	0.0%	88.0%	0.5%	418
Vermont	3.4%	3.4%	1.7%	0.0%	0.0%	91.5%	0.0%	59
Virginia	3.6%	0.5%	6.4%	0.0%	0.2%	88.9%	0.4%	1,272
Washington	3.0%	1.2%	6.3%	0.0%	0.1%	88.9%	0.6%	1,016
West Virginia	3.1%	0.6%	3.1%	0.0%	0.0%	91.9%	1.3%	160
Wisconsin	2.0%	0.3%	3.7%	0.0%	0.2%	93.7%	0.2%	651
Wyoming	0.0%	0.0%	3.0%	0.0%	0.0%	97.0%	0.0%	33
Other	2.1%	0.0%	1.0%	0.0%	0.0%	96.9%	0.0%	97

**Table 59. Number of Modification Actions in Combination Actions
Implemented in the Third Quarter of 2014**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	36,235	39,124	41,214	3,654	8,448	48,464
Alabama	492	627	633	18	112	712
Alaska	28	38	41	0	0	45
Arizona	521	570	559	69	137	697
Arkansas	225	319	310	13	36	362
California	3,911	3,503	3,235	665	917	4,528
Colorado	423	466	519	16	64	594
Connecticut	612	655	686	100	163	820
Delaware	202	203	221	19	37	260
District of Columbia	64	78	85	3	19	97
Florida	3,671	3,698	3,721	625	1,072	4,538
Georgia	1,608	1,959	1,983	166	434	2,298
Hawaii	105	84	80	4	18	114
Idaho	135	147	157	6	23	185
Illinois	1,929	1,992	2,187	239	597	2,501
Indiana	737	1,009	1,073	50	146	1,190
Iowa	225	265	303	8	37	337
Kansas	210	258	288	13	41	322
Kentucky	313	338	379	11	53	431
Louisiana	416	510	488	20	74	601
Maine	148	127	144	10	23	178
Maryland	1,357	1,485	1,548	188	399	1,849
Massachusetts	744	673	776	65	135	902
Michigan	874	957	974	79	221	1,152
Minnesota	560	590	714	22	103	786
Mississippi	184	234	232	12	33	272
Missouri	569	726	755	49	137	857
Montana	65	57	77	0	5	85
Nebraska	116	161	168	6	21	184
Nevada	408	430	440	57	131	537
New Hampshire	161	154	160	12	28	193
New Jersey	1,838	1,784	2,047	234	472	2,322
New Mexico	213	252	255	13	30	300
New York	2,693	2,512	2,880	249	666	3,315
North Carolina	1,253	1,321	1,478	57	216	1,667
North Dakota	13	17	15	1	1	19
Ohio	1,155	1,542	1,583	94	266	1,770
Oklahoma	252	344	353	8	44	404
Oregon	364	330	384	12	52	447
Pennsylvania	1,691	1,716	1,943	116	376	2,206
Rhode Island	182	168	174	32	39	230
South Carolina	562	646	681	30	145	772
South Dakota	24	26	33	0	2	35
Tennessee	590	747	741	40	110	866
Texas	1,805	2,778	2,865	47	347	3,145
Utah	248	284	321	6	33	368
Vermont	45	41	45	4	8	54
Virginia	842	900	945	69	146	1,131
Washington	724	692	769	41	125	903
West Virginia	122	114	127	5	19	147
Wisconsin	493	484	533	47	128	610
Wyoming	22	28	25	2	4	32
Other	91	85	81	2	3	94

**Table 60. Percentage of Modification Actions in Combination Actions
Implemented in the Third Quarter of 2014**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	74.8%	80.7%	85.0%	7.5%	17.4%	48,464
Alabama	69.1%	88.1%	88.9%	2.5%	15.7%	712
Alaska	62.2%	84.4%	91.1%	0.0%	0.0%	45
Arizona	74.7%	81.8%	80.2%	9.9%	19.7%	697
Arkansas	62.2%	88.1%	85.6%	3.6%	9.9%	362
California	86.4%	77.4%	71.4%	14.7%	20.3%	4,528
Colorado	71.2%	78.5%	87.4%	2.7%	10.8%	594
Connecticut	74.6%	79.9%	83.7%	12.2%	19.9%	820
Delaware	77.7%	78.1%	85.0%	7.3%	14.2%	260
District of Columbia	66.0%	80.4%	87.6%	3.1%	19.6%	97
Florida	80.9%	81.5%	82.0%	13.8%	23.6%	4,538
Georgia	70.0%	85.2%	86.3%	7.2%	18.9%	2,298
Hawaii	92.1%	73.7%	70.2%	3.5%	15.8%	114
Idaho	73.0%	79.5%	84.9%	3.2%	12.4%	185
Illinois	77.1%	79.6%	87.4%	9.6%	23.9%	2,501
Indiana	61.9%	84.8%	90.2%	4.2%	12.3%	1,190
Iowa	66.8%	78.6%	89.9%	2.4%	11.0%	337
Kansas	65.2%	80.1%	89.4%	4.0%	12.7%	322
Kentucky	72.6%	78.4%	87.9%	2.6%	12.3%	431
Louisiana	69.2%	84.9%	81.2%	3.3%	12.3%	601
Maine	83.1%	71.3%	80.9%	5.6%	12.9%	178
Maryland	73.4%	80.3%	83.7%	10.2%	21.6%	1,849
Massachusetts	82.5%	74.6%	86.0%	7.2%	15.0%	902
Michigan	75.9%	83.1%	84.5%	6.9%	19.2%	1,152
Minnesota	71.2%	75.1%	90.8%	2.8%	13.1%	786
Mississippi	67.6%	86.0%	85.3%	4.4%	12.1%	272
Missouri	66.4%	84.7%	88.1%	5.7%	16.0%	857
Montana	76.5%	67.1%	90.6%	0.0%	5.9%	85
Nebraska	63.0%	87.5%	91.3%	3.3%	11.4%	184
Nevada	76.0%	80.1%	81.9%	10.6%	24.4%	537
New Hampshire	83.4%	79.8%	82.9%	6.2%	14.5%	193
New Jersey	79.2%	76.8%	88.2%	10.1%	20.3%	2,322
New Mexico	71.0%	84.0%	85.0%	4.3%	10.0%	300
New York	81.2%	75.8%	86.9%	7.5%	20.1%	3,315
North Carolina	75.2%	79.2%	88.7%	3.4%	13.0%	1,667
North Dakota	68.4%	89.5%	78.9%	5.3%	5.3%	19
Ohio	65.3%	87.1%	89.4%	5.3%	15.0%	1,770
Oklahoma	62.4%	85.1%	87.4%	2.0%	10.9%	404
Oregon	81.4%	73.8%	85.9%	2.7%	11.6%	447
Pennsylvania	76.7%	77.8%	88.1%	5.3%	17.0%	2,206
Rhode Island	79.1%	73.0%	75.7%	13.9%	17.0%	230
South Carolina	72.8%	83.7%	88.2%	3.9%	18.8%	772
South Dakota	68.6%	74.3%	94.3%	0.0%	5.7%	35
Tennessee	68.1%	86.3%	85.6%	4.6%	12.7%	866
Texas	57.4%	88.3%	91.1%	1.5%	11.0%	3,145
Utah	67.4%	77.2%	87.2%	1.6%	9.0%	368
Vermont	83.3%	75.9%	83.3%	7.4%	14.8%	54
Virginia	74.4%	79.6%	83.6%	6.1%	12.9%	1,131
Washington	80.2%	76.6%	85.2%	4.5%	13.8%	903
West Virginia	83.0%	77.6%	86.4%	3.4%	12.9%	147
Wisconsin	80.8%	79.3%	87.4%	7.7%	21.0%	610
Wyoming	68.8%	87.5%	78.1%	6.3%	12.5%	32
Other	96.8%	90.4%	86.2%	2.1%	3.2%	94

Table 61. Changes in Monthly Principal and Interest Payments by State (Number)
 Modifications Implemented in the Third Quarter of 2014

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	29,394	12,075	6,742	504	4,605	137	53,457
Alabama	418	171	106	5	67	3	770
Alaska	17	17	12	0	4	0	50
Arizona	425	167	109	10	55	1	767
Arkansas	182	98	66	1	46	1	394
California	2,865	1,143	599	78	489	28	5,202
Colorado	337	169	116	3	56	4	685
Connecticut	512	201	110	16	71	5	915
Delaware	152	62	41	5	23	1	284
District of Columbia	54	25	19	2	13	0	113
Florida	2,891	879	541	49	460	8	4,828
Georgia	1,465	594	267	34	193	16	2,569
Hawaii	60	30	17	1	22	1	131
Idaho	104	54	25	2	20	0	205
Illinois	1,607	534	351	17	201	7	2,717
Indiana	648	318	229	9	83	1	1,288
Iowa	187	83	68	5	29	0	372
Kansas	179	81	57	2	26	0	345
Kentucky	231	123	55	7	61	0	477
Louisiana	336	142	99	1	84	0	662
Maine	93	43	25	1	32	1	195
Maryland	1,088	528	280	18	203	6	2,123
Massachusetts	515	241	127	6	99	1	989
Michigan	743	256	149	9	94	2	1,253
Minnesota	475	213	111	4	69	1	873
Mississippi	153	73	46	1	36	0	309
Missouri	491	213	147	7	81	0	939
Montana	44	28	15	1	5	0	93
Nebraska	102	39	35	0	15	0	191
Nevada	367	110	60	7	42	1	587
New Hampshire	117	52	25	2	14	1	211
New Jersey	1,497	574	246	17	195	10	2,539
New Mexico	173	80	45	0	28	0	326
New York	2,078	797	382	43	288	15	3,603
North Carolina	984	434	234	13	173	6	1,844
North Dakota	10	4	3	0	2	0	19
Ohio	1,033	422	274	24	115	1	1,869
Oklahoma	225	101	70	1	43	0	440
Oregon	290	109	53	2	41	2	497
Pennsylvania	1,291	595	300	12	214	3	2,415
Rhode Island	147	59	32	2	16	3	259
South Carolina	443	198	107	10	89	0	847
South Dakota	20	12	6	0	4	0	42
Tennessee	539	223	108	8	69	1	948
Texas	1,897	872	477	22	297	1	3,566
Utah	184	134	60	2	36	2	418
Vermont	27	16	5	1	10	0	59
Virginia	637	335	163	21	115	1	1,272
Washington	494	251	147	12	109	3	1,016
West Virginia	92	31	18	4	15	0	160
Wisconsin	385	121	90	7	48	0	651
Wyoming	19	7	5	0	2	0	33
Other	71	13	10	0	3	0	97

Table 62. Changes in Monthly Principal and Interest Payments (Percentage)							
Modifications Implemented in the Third Quarter of 2014							
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	55.0%	22.6%	12.6%	0.9%	8.6%	0.3%	53,457
Alabama	54.3%	22.2%	13.8%	0.6%	8.7%	0.4%	770
Alaska	34.0%	34.0%	24.0%	0.0%	8.0%	0.0%	50
Arizona	55.4%	21.8%	14.2%	1.3%	7.2%	0.1%	767
Arkansas	46.2%	24.9%	16.8%	0.3%	11.7%	0.3%	394
California	55.1%	22.0%	11.5%	1.5%	9.4%	0.5%	5,202
Colorado	49.2%	24.7%	16.9%	0.4%	8.2%	0.6%	685
Connecticut	56.0%	22.0%	12.0%	1.7%	7.8%	0.5%	915
Delaware	53.5%	21.8%	14.4%	1.8%	8.1%	0.4%	284
District of Columbia	47.8%	22.1%	16.8%	1.8%	11.5%	0.0%	113
Florida	59.9%	18.2%	11.2%	1.0%	9.5%	0.2%	4,828
Georgia	57.0%	23.1%	10.4%	1.3%	7.5%	0.6%	2,569
Hawaii	45.8%	22.9%	13.0%	0.8%	16.8%	0.8%	131
Idaho	50.7%	26.3%	12.2%	1.0%	9.8%	0.0%	205
Illinois	59.1%	19.7%	12.9%	0.6%	7.4%	0.3%	2,717
Indiana	50.3%	24.7%	17.8%	0.7%	6.4%	0.1%	1,288
Iowa	50.3%	22.3%	18.3%	1.3%	7.8%	0.0%	372
Kansas	51.9%	23.5%	16.5%	0.6%	7.5%	0.0%	345
Kentucky	48.4%	25.8%	11.5%	1.5%	12.8%	0.0%	477
Louisiana	50.8%	21.5%	15.0%	0.2%	12.7%	0.0%	662
Maine	47.7%	22.1%	12.8%	0.5%	16.4%	0.5%	195
Maryland	51.2%	24.9%	13.2%	0.8%	9.6%	0.3%	2,123
Massachusetts	52.1%	24.4%	12.8%	0.6%	10.0%	0.1%	989
Michigan	59.3%	20.4%	11.9%	0.7%	7.5%	0.2%	1,253
Minnesota	54.4%	24.4%	12.7%	0.5%	7.9%	0.1%	873
Mississippi	49.5%	23.6%	14.9%	0.3%	11.7%	0.0%	309
Missouri	52.3%	22.7%	15.7%	0.7%	8.6%	0.0%	939
Montana	47.3%	30.1%	16.1%	1.1%	5.4%	0.0%	93
Nebraska	53.4%	20.4%	18.3%	0.0%	7.9%	0.0%	191
Nevada	62.5%	18.7%	10.2%	1.2%	7.2%	0.2%	587
New Hampshire	55.5%	24.6%	11.8%	0.9%	6.6%	0.5%	211
New Jersey	59.0%	22.6%	9.7%	0.7%	7.7%	0.4%	2,539
New Mexico	53.1%	24.5%	13.8%	0.0%	8.6%	0.0%	326
New York	57.7%	22.1%	10.6%	1.2%	8.0%	0.4%	3,603
North Carolina	53.4%	23.5%	12.7%	0.7%	9.4%	0.3%	1,844
North Dakota	52.6%	21.1%	15.8%	0.0%	10.5%	0.0%	19
Ohio	55.3%	22.6%	14.7%	1.3%	6.2%	0.1%	1,869
Oklahoma	51.1%	23.0%	15.9%	0.2%	9.8%	0.0%	440
Oregon	58.4%	21.9%	10.7%	0.4%	8.2%	0.4%	497
Pennsylvania	53.5%	24.6%	12.4%	0.5%	8.9%	0.1%	2,415
Rhode Island	56.8%	22.8%	12.4%	0.8%	6.2%	1.2%	259
South Carolina	52.3%	23.4%	12.6%	1.2%	10.5%	0.0%	847
South Dakota	47.6%	28.6%	14.3%	0.0%	9.5%	0.0%	42
Tennessee	56.9%	23.5%	11.4%	0.8%	7.3%	0.1%	948
Texas	53.2%	24.5%	13.4%	0.6%	8.3%	0.0%	3,566
Utah	44.0%	32.1%	14.4%	0.5%	8.6%	0.5%	418
Vermont	45.8%	27.1%	8.5%	1.7%	16.9%	0.0%	59
Virginia	50.1%	26.3%	12.8%	1.7%	9.0%	0.1%	1,272
Washington	48.6%	24.7%	14.5%	1.2%	10.7%	0.3%	1,016
West Virginia	57.5%	19.4%	11.3%	2.5%	9.4%	0.0%	160
Wisconsin	59.1%	18.6%	13.8%	1.1%	7.4%	0.0%	651
Wyoming	57.6%	21.2%	15.2%	0.0%	6.1%	0.0%	33
Other	73.2%	13.4%	10.3%	0.0%	3.1%	0.0%	97

Table 63. Number of Re-Defaults for Loans Modified in the First Quarter of 2014 (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 - All States	3,502	1,881	1,330	294	1,089	82	8,178
Alabama	46	33	20	3	20	5	127
Alaska	2	1	0	0	1	0	4
Arizona	53	31	22	7	9	0	122
Arkansas	25	11	16	4	10	0	66
California	252	126	103	13	102	7	603
Colorado	35	22	14	1	16	0	88
Connecticut	72	28	11	6	19	0	136
Delaware	20	13	11	2	7	0	53
District of Columbia	8	2	2	1	6	1	20
Florida	304	110	68	22	80	6	590
Georgia	190	113	61	23	60	2	449
Hawaii	2	1	1	0	2	0	6
Idaho	16	8	3	1	5	0	33
Illinois	204	88	67	9	43	1	412
Indiana	91	58	39	11	17	2	218
Iowa	20	11	9	1	10	0	51
Kansas	21	16	9	4	10	0	60
Kentucky	28	17	12	2	10	1	70
Louisiana	40	23	22	8	17	1	111
Maine	12	5	7	1	3	1	29
Maryland	140	71	57	8	40	2	318
Massachusetts	71	37	30	1	21	3	163
Michigan	93	33	24	10	25	0	185
Minnesota	74	39	22	5	17	0	157
Mississippi	19	13	12	2	14	0	60
Missouri	88	53	30	2	19	1	193
Montana	4	0	4	1	2	0	11
Nebraska	13	11	9	1	9	1	44
Nevada	38	18	18	3	9	1	87
New Hampshire	16	8	5	1	6	0	36
New Jersey	158	89	61	12	38	5	363
New Mexico	11	8	9	2	5	0	35
New York	211	99	65	11	57	25	468
North Carolina	128	86	60	17	44	2	337
North Dakota	0	1	1	0	0	0	2
Ohio	141	69	54	17	38	0	319
Oklahoma	29	23	13	4	11	0	80
Oregon	16	9	14	1	11	0	51
Pennsylvania	145	82	59	9	54	3	352
Rhode Island	16	8	7	1	2	0	34
South Carolina	47	37	36	5	24	2	151
South Dakota	2	1	1	0	2	0	6
Tennessee	73	41	26	9	25	3	177
Texas	300	175	115	34	71	4	699
Utah	24	21	14	1	8	0	68
Vermont	3	3	1	0	3	1	11
Virginia	85	57	40	7	43	2	234
Washington	56	43	30	2	27	0	158
West Virginia	4	1	2	1	3	0	11
Wisconsin	51	25	11	6	14	0	107
Wyoming	2	0	3	0	0	0	5
Other	3	3	0	2	0	0	8

Table 64. Re-Default Rates for Loans Modified in the First Quarter of 2014 (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 - All States	9.6%	14.8%	18.3%	27.2%	24.3%	16.2%	13.1%
Alabama	11.1%	18.3%	21.5%	25.0%	34.5%	21.7%	16.3%
Alaska	8.0%	9.1%	0.0%	0.0%	14.3%	0.0%	8.2%
Arizona	8.9%	13.5%	15.5%	35.0%	15.3%	0.0%	11.6%
Arkansas	11.4%	16.2%	28.1%	50.0%	31.3%	0.0%	17.1%
California	6.0%	9.3%	12.4%	15.5%	17.7%	16.7%	8.5%
Colorado	8.4%	11.0%	13.3%	9.1%	27.1%	0.0%	11.0%
Connecticut	11.7%	14.0%	12.5%	42.9%	22.9%	0.0%	13.5%
Delaware	13.4%	15.9%	24.4%	25.0%	28.0%	0.0%	17.2%
District of Columbia	15.1%	11.8%	20.0%	100.0%	35.3%	100.0%	20.2%
Florida	7.5%	11.0%	11.4%	24.2%	17.5%	15.0%	9.5%
Georgia	10.4%	19.1%	18.5%	33.3%	34.1%	8.3%	14.9%
Hawaii	2.6%	2.7%	7.7%	0.0%	22.2%	0.0%	4.2%
Idaho	14.2%	14.8%	13.0%	25.0%	33.3%	0.0%	15.5%
Illinois	9.5%	14.2%	20.1%	18.8%	24.6%	8.3%	12.3%
Indiana	12.7%	17.7%	24.2%	27.5%	21.3%	15.4%	16.3%
Iowa	11.6%	11.5%	16.7%	11.1%	35.7%	0.0%	14.1%
Kansas	10.9%	17.4%	23.7%	44.4%	34.5%	0.0%	16.4%
Kentucky	10.9%	14.2%	15.4%	16.7%	28.6%	20.0%	13.8%
Louisiana	11.9%	18.4%	22.9%	50.0%	27.9%	5.3%	17.0%
Maine	9.8%	14.3%	25.0%	33.3%	15.0%	50.0%	13.7%
Maryland	11.2%	14.4%	18.0%	22.2%	23.4%	12.5%	13.9%
Massachusetts	10.6%	16.6%	21.7%	10.0%	23.9%	50.0%	14.4%
Michigan	10.9%	13.3%	17.8%	28.6%	31.6%	0.0%	13.6%
Minnesota	11.3%	16.0%	16.5%	27.8%	27.4%	0.0%	14.1%
Mississippi	11.5%	17.8%	30.8%	28.6%	38.9%	0.0%	18.7%
Missouri	13.8%	21.4%	19.9%	16.7%	25.7%	14.3%	17.1%
Montana	11.1%	0.0%	44.4%	50.0%	18.2%	0.0%	13.4%
Nebraska	11.2%	21.2%	22.5%	16.7%	36.0%	25.0%	18.1%
Nevada	7.3%	10.8%	18.2%	21.4%	17.3%	50.0%	10.2%
New Hampshire	13.3%	16.7%	15.2%	100.0%	30.0%	0.0%	16.1%
New Jersey	8.9%	14.9%	20.9%	30.8%	20.1%	21.7%	12.5%
New Mexico	6.0%	11.6%	19.6%	33.3%	17.9%	0.0%	10.5%
New York	8.2%	13.9%	16.6%	25.6%	21.5%	23.4%	11.5%
North Carolina	11.6%	17.2%	21.7%	37.8%	28.8%	8.0%	16.0%
North Dakota	0.0%	33.3%	33.3%	0.0%	0.0%	0.0%	13.3%
Ohio	11.3%	15.2%	22.5%	33.3%	30.2%	0.0%	15.0%
Oklahoma	13.4%	26.4%	24.1%	44.4%	27.5%	0.0%	19.6%
Oregon	4.9%	7.1%	16.7%	20.0%	23.9%	0.0%	8.6%
Pennsylvania	10.2%	15.9%	20.9%	18.4%	28.0%	14.3%	14.2%
Rhode Island	9.0%	15.1%	25.9%	33.3%	14.3%	0.0%	12.4%
South Carolina	10.3%	18.3%	31.6%	21.7%	31.2%	33.3%	17.2%
South Dakota	9.1%	14.3%	14.3%	0.0%	28.6%	0.0%	13.6%
Tennessee	11.9%	16.7%	22.4%	28.1%	30.5%	42.9%	16.1%
Texas	13.3%	19.8%	20.9%	37.4%	25.7%	22.2%	17.2%
Utah	9.0%	17.4%	20.0%	11.1%	28.6%	0.0%	13.7%
Vermont	6.4%	23.1%	16.7%	0.0%	30.0%	50.0%	13.8%
Virginia	10.8%	16.7%	21.7%	30.4%	32.3%	18.2%	15.8%
Washington	8.2%	14.8%	18.6%	12.5%	22.3%	0.0%	12.4%
West Virginia	4.4%	3.7%	9.5%	16.7%	23.1%	0.0%	6.8%
Wisconsin	11.5%	15.1%	12.0%	33.3%	26.9%	0.0%	13.8%
Wyoming	9.5%	0.0%	37.5%	0.0%	0.0%	0.0%	11.6%
Other	3.1%	17.6%	0.0%	50.0%	0.0%	0.0%	6.1%

Index of Tables

Table 1. Number of New Home Retention Actions..... 5

Table 2. Status of Mortgages Modified in 2008–2Q 2014 6

Table 3. Re-Default Rates for Portfolio Loans and Loans Serviced for Others 7

Table 4. New Foreclosures and Foreclosures in Process 7

Table 5. Completed Foreclosures and Other Home Forfeiture Actions 7

Table 6. Overall Mortgage Portfolio..... 11

Table 7. Overall Portfolio Performance..... 12

Table 8. Performance of Mortgages Held by Reporting Banks and Thrift (Percentage) 13

Table 9. Performance of Government-Guaranteed Mortgages (Percentage)..... 14

Table 10. Performance of GSE Mortgages (Percentage)..... 15

Table 11. Seriously Delinquent Mortgages, by Risk Category 16

Table 12. Mortgages 30 to 59 Days Delinquent, by Risk Category 17

Table 13. Number of New Home Retention Actions..... 18

Table 14. HAMP Modifications, by Investor and Risk Category..... 19

Table 15. HAMP Trial-Period Plans, by Investor and Risk Category..... 19

Table 16. Percentage of New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category 20

Table 17. Changes in Loan Terms for Modifications Through the Third Quarter of 2014..... 21

Table 18. Changes in Loan Terms for HAMP Modifications Through the Third Quarter of 2014..... 22

Table 19. Changes in Loan Terms for Modifications, by Risk Category, During the Third Quarter of 2014..... 23

Table 20. Type of Modification Action, by Investor and Product Type, During the Third Quarter of 2014..... 24

Table 21. Type of HAMP Modification Action, by Investor and Product Type, During the Third Quarter of 2014..... 25

Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications 27

Table 23. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications 28

Table 24. Average Change in Monthly Payments Resulting From Modifications, by Quarter 29

<i>Table 25.</i> Modified Loans 60 or More Days Delinquent.....	30
<i>Table 26.</i> Modified Loans 30 or More Days Delinquent.....	31
<i>Table 27.</i> Modified Loans 90 or More Days Delinquent.....	32
<i>Table 28.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2008.....	33
<i>Table 29.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2009.....	33
<i>Table 30.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2010.....	33
<i>Table 31.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2011.....	34
<i>Table 32.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2012.....	34
<i>Table 33.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2013.....	34
<i>Table 34.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2014.....	34
<i>Table 35.</i> Performance of HAMP Modifications Compared With Other Modifications	35
<i>Table 36.</i> Re-Default Rates of Loans Modified in 2008 by Change in Payment	36
<i>Table 37.</i> Re-Default Rates of Loans Modified in 2009 by Change in Payment	36
<i>Table 38.</i> Re-Default Rates of Loans Modified in 2010 by Change in Payment	37
<i>Table 39.</i> Re-Default Rates of Loans Modified in 2011 by Change in Payment	37
<i>Table 40.</i> Re-Default Rates of Loans Modified in 2012 by Change in Payment	37
<i>Table 41.</i> Re-Default Rates of Loans Modified in 2013 by Change in Payment	37
<i>Table 42.</i> Re-Default Rates of Loans Modified in 2014 by Change in Payment	37
<i>Table 43.</i> 60+ Delinquency at Six Months After Modification by Change in Monthly Payment.....	39
<i>Table 44.</i> Status of Mortgages Modified in 2008–2Q 2014	40
<i>Table 45.</i> Completed Foreclosures and Other Home Forfeiture Actions	41
<i>Table 46.</i> Number of Newly Initiated Foreclosures.....	42
<i>Table 47.</i> Foreclosures in Process.....	43
<i>Table 48.</i> Completed Foreclosures	44
<i>Table 49.</i> Completed Short Sales and Deeds in Lieu of Foreclosure	45

Table 50. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category..... 46

Table 51. Number of New Loan Modifications..... 47

Table 52. Number of New Trial-Period Plans 48

Table 53. Number of New Payment Plans..... 49

Table 54. Changes in Terms for Modifications Made Through the Third Quarter of 2014..... 50

Table 55. Changes in Terms for Combination Modifications Through the Third Quarter of 2014..... 51

Table 56. Number and Percentage of Mortgage Modifications..... 53

Table 57. Number of Mortgage Modification Actions 54

Table 58. Percentage of Mortgage Modification Actions..... 55

Table 59. Number of Modification Actions in Combination Actions 56

Table 60. Percentage of Modification Actions in Combination Actions..... 57

Table 61. Changes in Monthly Principal and Interest Payments by State (Number) 58

Table 62. Changes in Monthly Principal and Interest Payments (Percentage)..... 59

Table 63. Number of Re-Defaults for Loans Modified in the First Quarter of 2014 60

Table 64. Re-Default Rates for Loans Modified in the First Quarter of 2014 (Percentage) 61

Index of Figures

Figure 1. Portfolio Composition..... 11

Figure 2. Overall Portfolio Performance 12

Figure 3. Performance of Mortgages Held by Reporting Banks and Thrift..... 13

Figure 4. Performance of Government-Guaranteed Mortgages 14

Figure 5. Performance of GSE Mortgages 15

Figure 6. Seriously Delinquent Mortgages, by Risk Category..... 16

Figure 7. Mortgages 30 to 59 Days Delinquent, by Risk Category 17

Figure 8. Number of New Home Retention Actions 18

Figure 9. New Home Retention Actions Relative to Newly Initiated Foreclosures,
by Risk Category..... 20

Figure 10. Changes in Monthly Principal and Interest Payments 27

Figure 11. Modified Loans 60 or More Days Delinquent 30

Figure 12. Modified Loans 30 or More Days Delinquent 31

Figure 13. Modified Loans 90 or More Days Delinquent 32

Figure 14. 60+ Delinquency at Six Months After Modification by Change
in Monthly Payment..... 39

Figure 15. Number of Newly Initiated Foreclosures 42

Figure 16. Number of Foreclosures in Process 43

Figure 17. Number of Completed Foreclosures 44

Figure 18. Number of Completed Short Sales and Deeds in Lieu of Foreclosure 45

Figure 19. Percentage of New Home Retention Actions Relative to Forfeiture Actions,
by Risk Category..... 46

Figure 20. Number of New Loan Modifications 47

Figure 21. Number of New Trial-Period Plans 48

Figure 22. Number of New Payment Plans 49