

# Making Home Affordable Program

Servicer Performance Report Through June 2010

## Report Highlights

### **More Than 50,000 New Permanent Modifications in June**

- Total number of permanent modifications increases nearly 15%, with growth in permanent modifications averaging more than 50,000 per month over the last six months.
- Homeowners in permanent modifications are experiencing a median payment reduction of 36%, more than \$500 per month.
- Homeowners in permanent modifications are guaranteed lower payments for five years, then fixed terms at today's low rates for the life of the loan.

### **Servicers Continue to Work Through Aged Trial Population**

- Cancellations continue to rise as servicers comply with Treasury guidance to make decisions on aged trials. Of the newly canceled trials this month, more than 60% had been in trial six months or longer.
- Servicers are still completing their reviews of nearly 166,000 active trials lasting six months or more.
- Approximately 45% of homeowners in canceled trials entered an alternative modification, based on survey data from the eight largest HAMP participants. Fewer than 2% of homeowners in canceled trials went to foreclosure sale.
- The most common causes of cancellations include incomplete documentation, missed trial payments, or mortgage payments already less than 31% of the homeowner's income.

### **New This Month: Performance of Permanent Modifications**

- For permanent modifications at six months, fewer than 6% are 60+ days delinquent.
- For permanent modifications, the default rate – loans 90+ days delinquent – is fewer than 2% at the time they are six months old.
- Fewer than 3% of homeowners in permanent modifications at nine months have defaulted on their HAMP modification.
- For homeowners in permanent modifications at nine months, fewer than 8% are 60 days past due.

### **New This Month: Servicer Engagement**

- Servicers have shared timetables for participating in the Home Affordable Foreclosure Alternatives Program and the HAMP Second Lien Modification Program (2MP).
- Call center metrics and time to resolve escalated cases are reported for the eight largest participating servicers.

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## HAMP Activity: All Servicers

		Total
<b>HAMP Eligibility</b>	Eligible Delinquent Loans <sup>1</sup>	3,125,198
	Eligible Delinquent Borrowers <sup>2</sup>	1,623,584
<b>Trial Modifications</b>	Trial Plan Offers Extended <sup>3</sup>	1,528,563
	All Trials Started	1,282,912
	Trials Reported Since May 2010 Report <sup>4</sup>	38,728
	Trial Modifications Canceled	520,814
	Active Trials	364,077
<b>Permanent Modifications</b>	All Permanent Modifications Started	398,021
	Permanent Modifications Begun Since May 2010 Report	51,205
	Permanent Modifications Canceled <sup>5</sup>	8,823
	Active Permanent Modifications	389,198

<sup>1</sup> Estimated eligible 60+ day delinquent loans as reported by servicers as of May 31, 2010, include conventional loans:

- in foreclosure and bankruptcy.
- with a current unpaid principal balance less than \$729,750 on a one-unit property, \$934,200 on a two-unit property, \$1,129,250 on a three-unit property and \$1,403,400 on a four-unit property.
- on a property that was owner-occupied at origination.
- originated on or before January 1, 2009.

Estimated eligible 60+ day delinquent loans exclude:

- FHA and VA loans.
- loans that are current or less than 60 days delinquent, which may be eligible for HAMP if a borrower is in imminent default.

For servicers enrolling after April 1, 2010 that did not participate in the 60+ day delinquency survey, the delinquency count is from the servicer registration form.

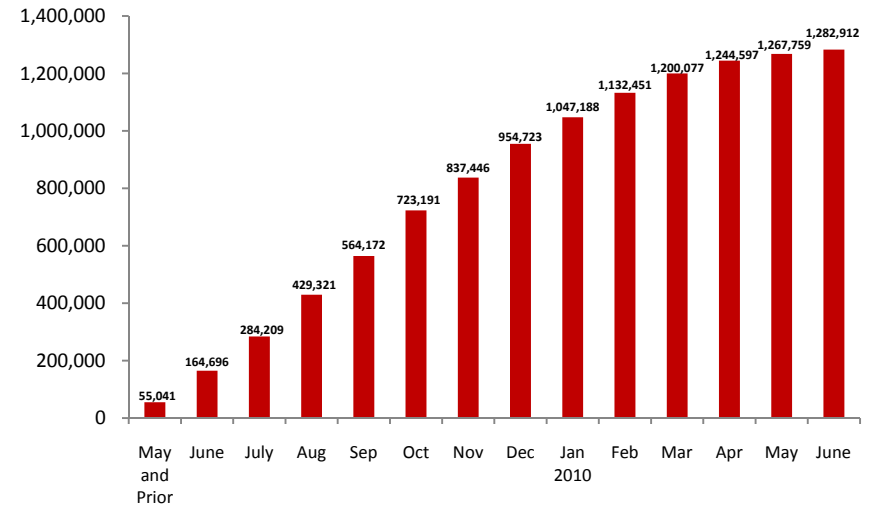
<sup>2</sup> The estimated eligible 60+ day delinquent borrowers are those in HAMP-eligible loans, minus estimated exclusions of loans on vacant properties, loans with borrower debt-to-income ratio below 31%, loans that fail the NPV test, properties no longer owner-occupied, manufactured housing loans with title/chattel issues that exclude them from HAMP, and loans where the investor pooling and service agreements preclude modification. Exclusions for DTI and NPV results are estimated using market analytics.

<sup>3</sup> As reported in the weekly servicer survey through July 1, 2010.

<sup>4</sup> Servicers may enter new trial modifications anytime before the loan converts to a permanent modification.

<sup>5</sup> Includes 195 loans paid off.

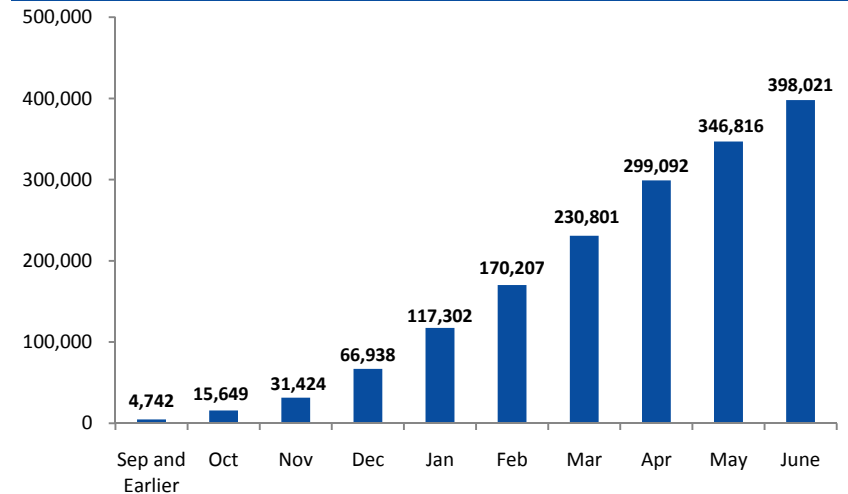
## HAMP Trials Started (Cumulative)



Source: HAMP system of record.

Note: Servicers may enter new trial modifications anytime before the loan converts to a permanent modification.

## Permanent Modifications Started (Cumulative)



Source: HAMP system of record.

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## Modification Characteristics

- Lower monthly mortgage payments for homeowners in active trial and permanent modifications yield a cumulative reduction of nearly \$3.2 billion.
- The median savings for borrowers in permanent modifications is \$510.19 per month, or 36% of the median before-modification payment.
- 76.8% of homeowners in permanent modifications were 60 days delinquent or more at trial entry; the remainder were up to 59 days late or in imminent default.

## Permanent Modifications by Modification Step

Interest Rate Reduction	100%
Term Extension	56.3%
Principal Forbearance	29.1%

## Performance of Permanent Modifications

Modification Became Permanent in:	Delinquency: Months After Conversion to Permanent								
	3			6			9		
	#	60+ Days*	90+ Days*	#	60+ Days*	90+ Days*	#	60+ Days*	90+ Days*
Q3 2009	3,643	10.5%	4.4%	4,152	7.8%	2.3%	4,151	7.7%	2.4%
Q4 2009	44,615	5.4%	1.5%	46,510	5.8%	1.6%	--	--	--
Q1 2010	126,527	4.1%	1.3%	--	--	--	--	--	--
ALL	174,785	4.5%	1.4%	50,662	5.9%	1.7%	4,151	7.7%	2.4%

\* The 60+ day delinquent population includes the 90+ day delinquent population. This table highlights the number of permanent modifications that were delinquent at the end of 3 months, 6 months and 9 months. Does not include permanent modifications that have been paid off. A HAMP permanent modification is canceled for nonpayment if it is more than 90 days delinquent.

## Select Median Characteristics of Permanent Modifications

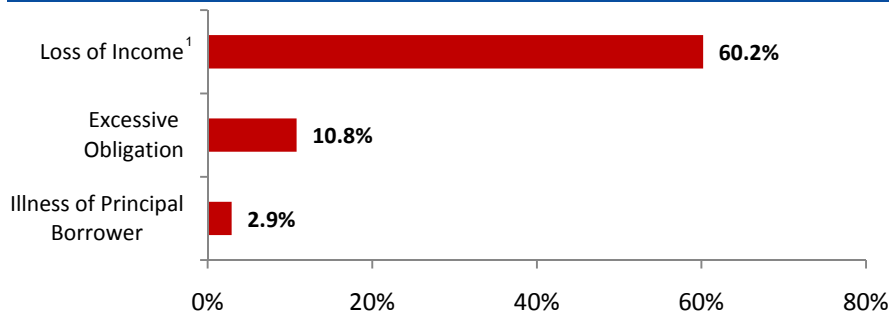
Loan Characteristic	Before Modification	After Modification	Median Decrease
Front-End Debt-to-Income Ratio <sup>1</sup>	44.8%	31.0%	-13.8 pct pts
Back-End Debt-to-Income Ratio <sup>2</sup>	79.9%	63.7%	-14.4 pct pts
Median Monthly Payment <sup>3</sup>	\$1,422.16	\$837.92	-\$510.19

<sup>1</sup> Ratio of housing expenses (principal and interest on the first mortgage, taxes, insurance and homeowners association and/or condo fees) to monthly gross income.

<sup>2</sup> Ratio of total monthly debt payments (including principal and interest on the first mortgage, taxes, insurance, homeowners association and/or condo fees, plus payments on installment debts, junior liens, alimony, car lease payments and investment property payments) to monthly gross income. Borrowers who have a back-end debt-to-income ratio of greater than 55% are required to seek housing counseling under program guidelines.

<sup>3</sup> Principal and interest payment on the first mortgage.

## Predominant Hardship Reasons for Permanent Modifications



<sup>1</sup> Includes borrowers who are employed but have faced a reduction in hours and/or wages as well as those who have lost their jobs.

Note: Does not include 17.5% of permanent modifications reported as Other.

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## HAMP Modification Activity by Servicer

Servicer	Estimated Eligible 60+ Day Delinquent Borrowers <sup>1</sup>	Trial Plan Offers Extended <sup>2</sup>	All HAMP Trials Started <sup>3</sup>	Active Trial Modifications <sup>3</sup>	Permanent Modifications <sup>3</sup>
American Home Mortgage Servicing Inc	51,745	24,274	19,906	9,494	9,504
Aurora Loan Services, LLC	39,253	47,640	44,099	7,263	12,562
Bank of America, NA <sup>4</sup>	469,905	405,861	311,801	121,369	72,232
Carrington Mortgage Services LLC	5,180	3,611	2,933	710	2,019
CitiMortgage, Inc.	143,074	155,955	146,857	27,965	40,813
GMAC Mortgage, Inc.	20,459	57,244	46,917	6,083	27,505
Green Tree Servicing LLC	6,912	7,290	6,144	2,133	2,347
HomeEq Servicing	16,089	6,669	5,479	1,450	3,793
J.P. Morgan Chase Bank, NA <sup>5</sup>	233,180	256,775	202,831	63,259	54,722
Litton Loan Servicing LP	52,675	36,902	34,564	4,640	8,116
Nationstar Mortgage LLC	20,018	25,667	22,007	5,495	8,265
Ocwen Financial Corp. Inc.	35,099	25,615	26,511	6,333	16,004
OneWest Bank	50,402	60,068	43,605	18,949	14,700
PNC Mortgage <sup>6</sup>	20,824	21,964	17,890	3,960	2,502
Saxon Mortgage Services, Inc.	27,204	44,909	35,231	4,752	10,535
Select Portfolio Servicing	19,899	61,379	37,745	4,984	14,807
US Bank NA	16,302	13,581	10,482	2,523	5,732
Wachovia Mortgage, FSB <sup>7</sup>	30,957	14,888	11,320	7,599	3,594
Wells Fargo Bank, NA <sup>8</sup>	179,421	243,504	175,564	30,949	44,628
Other SPA servicers <sup>9</sup>	15,043	14,767	12,727	4,145	6,207
Other GSE Servicers <sup>10</sup>	169,943	NA	68,299	30,022	28,611
<b>Total</b>	<b>1,623,584</b>	<b>1,528,563</b>	<b>1,282,912</b>	<b>364,077</b>	<b>389,198</b>

<sup>1</sup> Estimated eligible 60+ day delinquent borrowers as reported by servicers as of May 31, 2010, include those in conventional loans:

- in foreclosure and bankruptcy.
- with a current unpaid principal balance less than \$729,750 on a one-unit property, \$934,200 on a two-unit property, \$1,129,250 on a three-unit property and \$1,403,400 on a four-unit property.
- on a property that was owner-occupied at origination.
- originated prior to January 1, 2009.

Estimated eligible 60+ day delinquent borrowers excludes:

- Those in FHA and VA loans.
- Those in loans that are current or less than 60 days delinquent, which may be eligible for HAMP if a borrower is in imminent default.
- Those borrowers with debt-to-income ratios less than 31% or a negative NPV test.
- Owners of vacant properties or properties otherwise excluded (see footnotes of page 7 for further explanation).

Exclusions for DTI and NPV are estimated using market analytics.

For servicers enrolling after April 1, 2010 that did not participate in the

60+ day delinquency survey, the delinquency count is from the servicer registration form.

<sup>2</sup> As reported in the weekly servicer survey through July 1, 2010.

<sup>3</sup> Active trial and permanent modifications as reported into the HAMP system of record by servicers. Subject to adjustment based on servicer reconciliation of historic loan files.

<sup>4</sup> Bank of America, NA includes Bank of America, NA, BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>5</sup> J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.

<sup>6</sup> Formerly National City Bank.

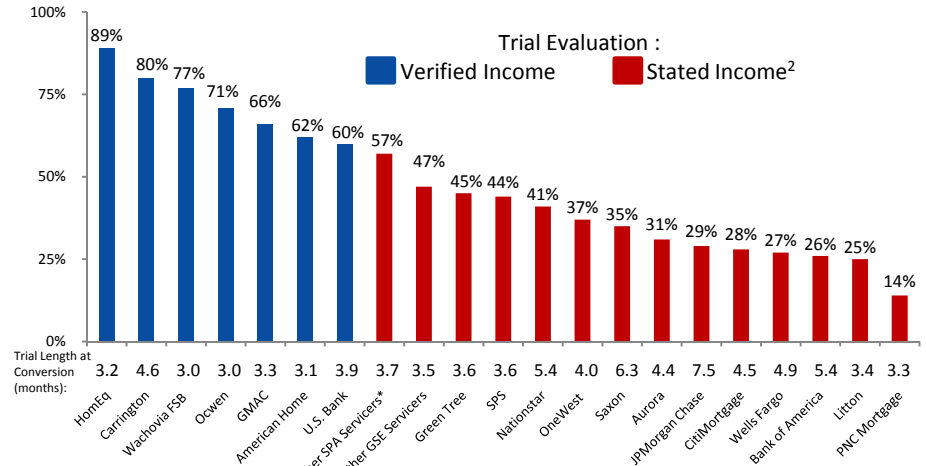
<sup>7</sup> Wachovia Mortgage, FSB consists of Pick-a-Payment loans.

<sup>8</sup> Wells Fargo Bank, NA includes a portion of the loans previously included in Wachovia Mortgage, FSB.

<sup>9</sup> Other SPA servicers are entities with less than 5,000 estimated eligible 60+ day delinquent borrowers that have signed participation agreements with Treasury and Fannie Mae. A full list of participating servicers is in the Appendix.

<sup>10</sup> Includes servicers of loans owned or guaranteed by Fannie Mae and Freddie Mac.

## Conversion Rate<sup>1</sup>

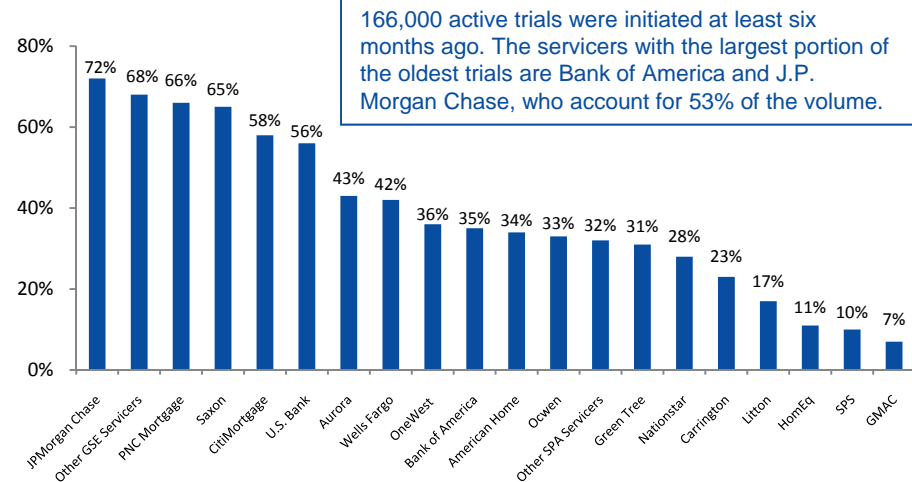


<sup>1</sup> As measured against trials eligible to convert – those three months in trial, or four months if the borrower was in imminent default.

<sup>2</sup> Per program guidelines, all servicers must be using verified income before starting trial modifications by June 1. These servicers initiated trials prior to the June 1 required deadline using stated income information.

\*Other SPA and Other GSE servicers represent a mix of verified and stated income trial starts. Permanent modifications transferred among servicers are credited to the originating servicer.

## Aged Trials<sup>1</sup> as Share of Active Trials



166,000 active trials were initiated at least six months ago. The servicers with the largest portion of the oldest trials are Bank of America and J.P. Morgan Chase, who account for 53% of the volume.

<sup>1</sup> Active trials initiated at least six months ago. Note: Excludes Wachovia Mortgage, FSB at 0%.

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## Disposition Path Homeowners in Canceled HAMP Trial Modifications Through May 2010 (8 Largest Servicers)<sup>1</sup>

Homeowners Whose HAMP Trial Modification Was Canceled in the Process of:

Servicer	Action Pending <sup>2</sup>	Bankruptcy	Borrower Current	Alternative Modification	Payment Plan <sup>3</sup>	Loan Payoff	Short Sale/ Deed in Lieu	Foreclosure Starts	Foreclosure Completions	Total (As of May 2010)
American Home Mortgage Servicing Inc.	60	9	26	16	8	1	0	6	3	129
Bank of America, NA <sup>4</sup>	69,653	2,154	3,009	20,564	761	392	1,248	2,440	192	100,413
CitiMortgage Inc.	16,863	6,232	7,471	30,145	1,063	232	1,017	5,286	509	68,818
GMAC Mortgage Inc.	1,053	202	877	4,310	226	239	223	651	275	8,056
JP Morgan Chase Bank NA <sup>5</sup>	12,462	205	712	31,973	58	246	903	10,927	1,119	58,605
Litton Loan Servicing LP	2,726	334	1,286	8,259	363	61	591	1,814	218	15,652
OneWest Bank	1,816	174	173	2,785	40	8	360	883	350	6,589
Wells Fargo Bank NA <sup>6</sup>	6,229	435	6,592	56,821	544	1,699	3,903	8,610	1,774	86,607
<b>TOTAL (These 8 Servicers)</b>	<b>110,862</b> <b>32.1%</b>	<b>9,745</b> <b>2.8%</b>	<b>20,146</b> <b>5.8%</b>	<b>154,873</b> <b>44.9%</b>	<b>3,063</b> <b>0.9%</b>	<b>2,878</b> <b>0.8%</b>	<b>8,245</b> <b>2.4%</b>	<b>30,617</b> <b>8.9%</b>	<b>4,440</b> <b>1.3%</b>	<b>344,869</b> <b>100%</b>

The most common causes of trial cancellations are:

- Missing documentation
- Trial plan default
- Ineligible borrower: debt-to-income ratio is already below 31%

Note: Data is as reported by servicers for actions completed through May 31, 2010.

<sup>1</sup> As defined by cap amount.

<sup>2</sup> Trial loans that have been canceled, but no further action has yet been taken.

<sup>3</sup> An arrangement with the borrower and servicer that does not involve a formal loan modification.

<sup>4</sup> Bank of America, NA includes Bank of America, NA, BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>5</sup> J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.

<sup>6</sup> Wells Fargo Bank, NA includes a portion of the loans previously included in Wachovia Mortgage, FSB. Excludes Wachovia Mortgage FSB Pick-a-Payment Loans.

Note: Excludes cancellations pending data corrections.

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## Disposition Path Homeowners Not Accepted for HAMP Trial Modifications Through May 2010 (8 Largest Servicers) <sup>1</sup>

Homeowners Not Accepted for a HAMP Trial Modification in the Process of:

Servicer	Action Pending <sup>2</sup>	Bankruptcy	Borrower Current	Alternative Modification	Payment Plan <sup>3</sup>	Loan Payoff	Short Sale/Deed in Lieu	Foreclosure Starts	Foreclosure Completions	Total (As of May 2010)
American Home Mortgage Servicing Inc.	1,209	529	2,096	12,851	395	313	1,116	2,463	18	20,990
Bank of America, NA <sup>4</sup>	29,070	2,264	1,922	8,729	690	265	8,768	13,588	1,097	66,393
CitiMortgage Inc.	33,881	8,282	8,912	24,316	4,165	13,470	1,382	11,414	4,068	109,890
GMAC Mortgage Inc.	13,076	2,721	15,664	25,653	3,411	3,221	2,536	8,043	3,223	77,548
JP Morgan Chase Bank NA <sup>5</sup>	16,467	537	43,401	32,504	110	400	908	4,765	446	99,538
Litton Loan Servicing LP	7,806	3,009	6,856	8,432	1,273	174	2,651	6,894	1,274	38,369
OneWest Bank	7,530	1,331	4,562	3,844	509	102	2,284	3,338	3,839	27,339
Wells Fargo Bank NA <sup>6</sup>	12,657	1,021	18,951	41,334	1,676	2,630	3,236	12,119	4,886	98,510
<b>TOTAL (These 8 Servicers)</b>	<b>121,696</b> <b>22.6%</b>	<b>19,694</b> <b>3.7%</b>	<b>102,364</b> <b>19.0%</b>	<b>157,663</b> <b>29.3%</b>	<b>12,229</b> <b>2.3%</b>	<b>20,575</b> <b>3.8%</b>	<b>22,881</b> <b>4.2%</b>	<b>62,624</b> <b>11.6%</b>	<b>18,851</b> <b>3.5%</b>	<b>538,577</b> <b>100%</b>

The most common causes of trials not accepted are:

- Ineligible borrower: debt-to-income ratio is already below 31%
- Missing documentation
- Imminent default not evidenced by borrower

Note: Data is as reported by servicers for actions completed through May 31, 2010.

<sup>1</sup> As defined by cap amount.

<sup>2</sup> Homeowners who were not approved for a HAMP trial modification, but no further action has yet been taken.

<sup>3</sup> An arrangement with the borrower and servicer that does not involve a formal loan modification.

<sup>4</sup> Bank of America, NA includes Bank of America, NA, BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>5</sup> J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.

<sup>6</sup> Wells Fargo Bank, NA includes a portion of the loans previously included in Wachovia Mortgage, FSB. Excludes Wachovia Mortgage FSB Pick-a-Payment Loans.

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## Selected Outreach Measures

Events Hosted Nationally by Treasury and Partners (cumulative)	40
Homeowners Attending Treasury-Sponsored Events (cumulative)	41,103
Servicer Solicitation of Borrowers (cumulative) <sup>1</sup>	5,032,530
Page views on <a href="http://MakingHomeAffordable.gov">MakingHomeAffordable.gov</a> (June 2010)	4,602,051
Page views on <a href="http://MakingHomeAffordable.gov">MakingHomeAffordable.gov</a> (cumulative)	89,967,960
Percentage to Goal of 3-4 Million Modification Offers by 2012 <sup>2</sup>	38-51%

<sup>1</sup> Source: survey data provided by servicers. Servicers are encouraged by HAMP to solicit information from borrowers 60+ days delinquent, regardless of eligibility for a HAMP modification.

<sup>2</sup> In 2009, Treasury set a goal of offering help to 3-4 million borrowers through the end of 2012.

## Call Center Volume

	Cumulative	June
Total Number of Calls Taken at 1-888-995-HOPE (since program inception)	1,273,021	107,784
Borrowers Receiving Free Housing Assistance Through the Homeowner's HOPE™ Hotline	636,815	45,580

## Implementation of Program Updates (8 Largest Servicers)<sup>1</sup>

Servicer	Began Verified Income Trials <sup>2</sup>	Home Affordable Foreclosure Alternatives (HAFA) <sup>3</sup>		Second Lien Modification Program (2MP) <sup>5</sup>	
		Operational Ready <sup>4</sup>	Offers Initiated To Homeowners	Operational Ready	Offers Initiated To Homeowners
American Home Mortgage Servicing, Inc.	At Signup (7/09)	4/10	5/10	Not Participating	N/A
Bank of America, NA <sup>6</sup>	4/10	4/10	4/10	4/10	4/10
CitiMortgage Inc.	3/10	6/10	6/10	10/10	10/10
GMAC Mortgage Inc.	4/10 <sup>7</sup>	4/10	6/10	Not Participating	N/A
JP Morgan Chase Bank NA <sup>8</sup>	4/10	4/10	5/10	5/10	5/10
Litton Loan Servicing LP	4/10	4/10	4/10	Not Participating	N/A
OneWest Bank	4/10	5/10	5/10	Not Participating	N/A
Wells Fargo Bank NA <sup>9</sup>	3/10	4/10	4/10	7/10	7/10

<sup>1</sup> As defined by cap amount.

<sup>2</sup> Per Supplemental Directive 10-01, all servicers were required to start trials using verified income documentation at trial start by June 1, 2010.

<sup>3</sup> Servicers had the option to use verified income at any time.

<sup>4</sup> HAFA guidelines enable short-sale and deed-in-lieu transactions for borrowers at risk of foreclosure.

<sup>5</sup> Operationally ready means that servicers have implemented the program as outlined in Supplemental Directive 09-09. Dates after May 31, 2010 are estimated.

<sup>6</sup> Treasury's Second Lien Modification Program was revised in March 2010. Servicers participating in HAMP are not required to sign up for Revised 2MP.

<sup>7</sup> Bank of America, NA includes Bank of America, NA, BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>8</sup> Prior to April 2010, GMAC operated a program where most documents were provided at trial start, but some supporting documents could be produced during the trial period.

<sup>9</sup> J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.

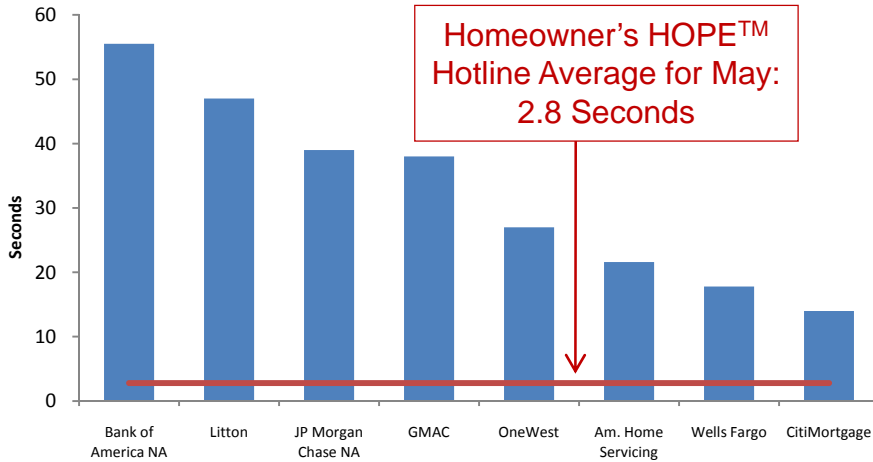
<sup>10</sup> Wells Fargo Bank, NA includes a portion of the loans previously included in Wachovia Mortgage, FSB. Excludes Wachovia Mortgage FSB Pick-a-Payment Loans. Wachovia Mortgage FSB began verified income trials at signup in July 2009.

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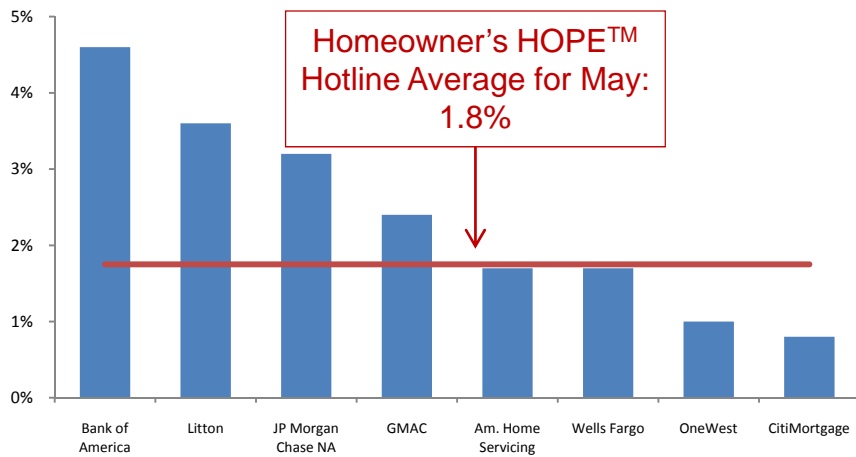
## Homeowner Experience (8 Largest Servicers)\*

### Average Speed to Answer Homeowner Calls (May)



Source: Survey data through May 31, 2010, from servicers on call volume to loss mitigation lines.

### Call Abandon Rate (May)

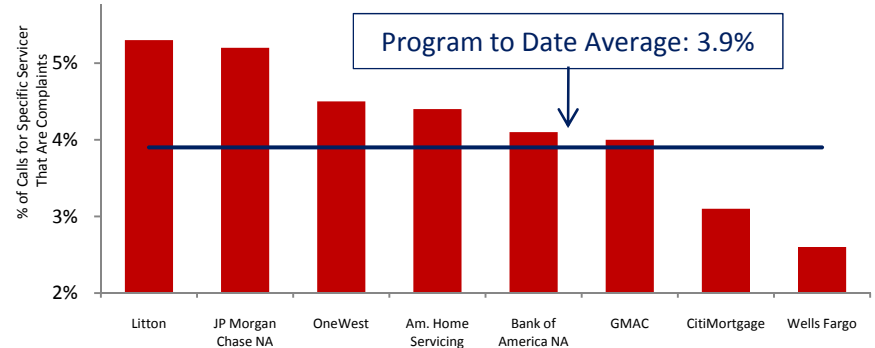


Source: Survey data through May 31, 2010, from servicers on call volume to loss mitigation lines.

\*As defined by cap amount.

### Servicer Complaint Rate to Homeowner's HOPE™ Hotline (Program to Date, Through June)

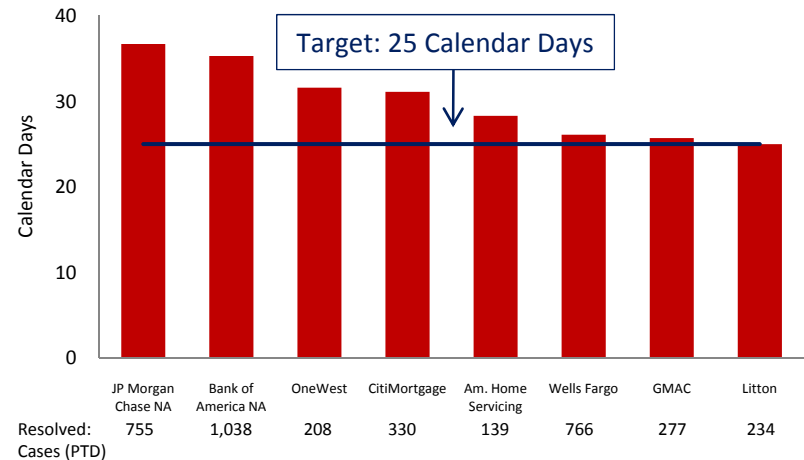
Program to date, there have been 598,486 calls to the Homeowner's HOPE™ Hotline regarding a specific servicer, of which 3.9% included complaints. Below shows specific complaint rates, adjusted for volume:



Source: Homeowner's HOPE™ Hotline.

Note: Complaint rate is the share of a specific servicer's call volume that are complaints (i.e., for all calls about Litton, 5.3% included complaints.)

### Servicer Time to Resolve Third-Party Escalations (Program to Date, Through June)



Source: HAMP Solutions Center. Target of 25 calendar days includes an estimated 5 days processing by HAMP Solutions Center.

# Making Home Affordable Program

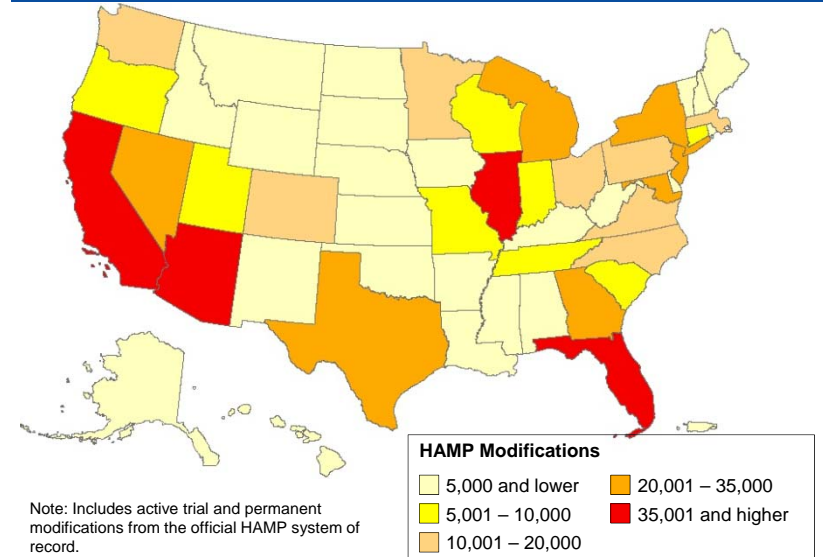
Servicer Performance Report Through June 2010

## HAMP Activity by State

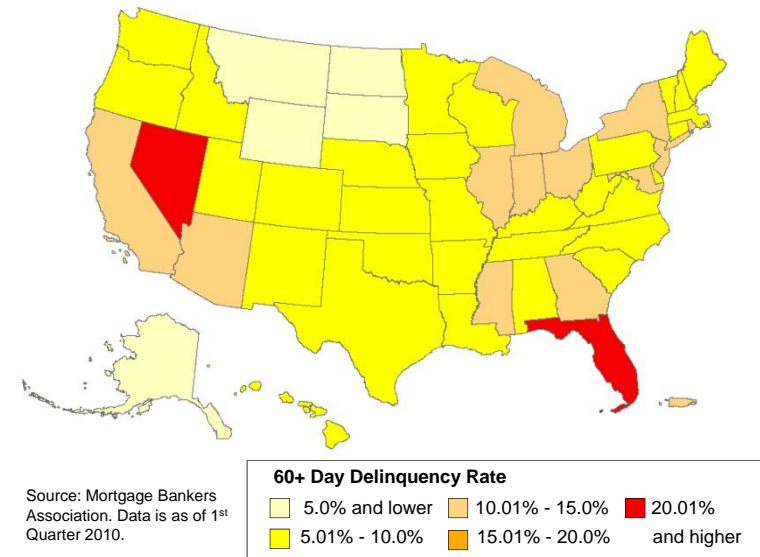
State	Active Trials	Permanent Modifications	Total	% of Total	State	Active Trials	Permanent Modifications	Total	% of Total
AK	161	170	331	0.0%	MT	504	418	922	0.1%
AL	2,319	2,380	4,699	0.6%	NC	7,231	7,574	14,805	2.0%
AR	946	993	1,939	0.3%	ND	87	71	158	0.0%
AZ	16,816	20,652	37,468	5.0%	NE	467	548	1,015	0.1%
CA	82,341	85,814	168,155	22.3%	NH	1,555	1,874	3,429	0.5%
CO	4,870	5,656	10,526	1.4%	NJ	11,739	12,727	24,466	3.2%
CT	4,489	5,147	9,636	1.3%	NM	1,302	1,252	2,554	0.3%
DC	705	634	1,339	0.2%	NV	9,664	10,498	20,162	2.7%
DE	1,107	1,286	2,393	0.3%	NY	17,472	15,882	33,354	4.4%
FL	45,725	47,029	92,754	12.3%	OH	7,702	8,769	16,471	2.2%
GA	14,175	14,471	28,646	3.8%	OK	1,044	943	1,987	0.3%
HI	1,349	1,454	2,803	0.4%	OR	4,017	4,389	8,406	1.1%
IA	1,015	1,028	2,043	0.3%	PA	7,746	8,180	15,926	2.1%
ID	1,378	1,505	2,883	0.4%	RI	1,611	2,060	3,671	0.5%
IL	18,841	20,725	39,566	5.3%	SC	3,544	3,868	7,412	1.0%
IN	3,470	3,987	7,457	1.0%	SD	173	143	316	0.0%
KS	957	982	1,939	0.3%	TN	3,878	4,227	8,105	1.1%
KY	1,433	1,546	2,979	0.4%	TX	12,025	9,752	21,777	2.9%
LA	2,079	1,983	4,062	0.5%	UT	3,186	3,612	6,798	0.9%
MA	8,128	9,857	17,985	2.4%	VA	9,191	9,938	19,129	2.5%
MD	11,702	13,210	24,912	3.3%	VT	263	327	590	0.1%
ME	919	1,134	2,053	0.3%	WA	7,110	7,721	14,831	2.0%
MI	11,362	13,547	24,909	3.3%	WI	3,421	3,977	7,398	1.0%
MN	5,650	7,783	13,433	1.8%	WV	536	632	1,168	0.2%
MO	4,046	4,411	8,457	1.1%	WY	204	191	395	0.1%
MS	1,277	1,498	2,775	0.4%	Other*	1,145	743	1,888	0.3%

\* Includes Guam, Puerto Rico and the U.S. Virgin Islands.

## Modification Activity by State



## Mortgage Delinquency Rates by State



# Making Home Affordable Program

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## 15 Metropolitan Areas With Highest HAMP Activity

Metropolitan Statistical Area	Active Trials	Permanent Modifications	Total HAMP Activity	% of All HAMP Activity
Los Angeles-Long Beach-Santa Ana, CA	24,783	24,063	48,846	6.5%
New York-Northern New Jersey-Long Island, NY-NJ-PA	22,974	22,365	45,339	6.0%
Chicago-Naperville-Joliet, IL-IN-WI	18,150	20,004	38,154	5.1%
Riverside-San Bernardino-Ontario, CA	17,417	20,722	38,139	5.1%
Miami-Fort Lauderdale-Pompano Beach, FL	18,241	17,380	35,621	4.7%
Phoenix-Mesa-Scottsdale, AZ	13,850	17,116	30,966	4.1%
Washington-Arlington-Alexandria, DC-VA-MD-WV	12,628	13,917	26,545	3.5%
Atlanta-Sandy Springs-Marietta, GA	11,448	11,771	23,219	3.1%
Las Vegas-Paradise, NV	8,027	8,608	16,635	2.2%
Detroit-Warren-Livonia, MI	7,170	8,169	15,339	2.0%
Orlando-Kissimmee, FL	7,282	7,848	15,130	2.0%
Boston-Cambridge-Quincy, MA-NH	5,701	7,019	12,720	1.7%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	5,904	6,522	12,426	1.6%
Sacramento-Arden-Arcade-Roseville, CA	5,624	6,638	12,262	1.6%
San Francisco-Oakland-Fremont, CA	6,471	5,590	12,061	1.6%

A complete list of HAMP activity for all MSAs is available at <http://www.financialstability.gov/docs/MSA%20HAMP%20Data%20June%20202010.pdf>

## Modifications by Investor Type (Large Servicers)

Servicer	GSE	Private	Portfolio	Total
Bank of America, NA <sup>1</sup>	127,908	56,313	9,380	193,601
JP Morgan Chase NA <sup>2</sup>	54,462	46,290	17,229	117,981
Wells Fargo Bank, NA <sup>3</sup>	53,599	16,361	5,617	75,577
CitiMortgage, Inc.	46,991	4,473	17,314	68,778
OneWest Bank	16,979	14,249	2,421	33,649
GMAC Mortgage, Inc.	20,272	7,729	5,587	33,588
Ocwen Financial Corporation, Inc.	5,679	16,286	372	22,337
Aurora Loan Services, LLC	11,397	8,185	243	19,825
Select Portfolio Servicing	450	16,790	2,551	19,791
American Home Mortgage Servicing Inc	1,127	17,871	--	18,998
Saxon Mortgage Services Inc.	1,200	13,173	914	15,287
Nationstar Mortgage LLC	9,628	4,127	5	13,760
Litton Loan Servicing LP	1,151	11,605	--	12,756
Wachovia Mortgage, FSB <sup>4</sup>	142	145	10,906	11,193
US Bank NA	5,361	21	2,873	8,255
PNC Mortgage <sup>5</sup>	5,680	192	590	6,462
HomeEq Servicing	2	5,025	216	5,243
Green Tree Servicing LLC	4,207	264	9	4,480
Carrington Mortgage Services LLC	--	2,729	--	2,729
Remainder of HAMP Servicers	60,743	3,470	4,772	68,985
<b>Total</b>	<b>426,978</b>	<b>245,298</b>	<b>80,999</b>	<b>753,275</b>

<sup>1</sup> Bank of America, NA includes Bank of America, NA, BAC Home Loans Servicing LP, Home Loans Services and Wilshire Credit Corporation.

<sup>2</sup> J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.

<sup>3</sup> Wells Fargo Bank, NA includes a portion of the loans previously included in Wachovia Mortgage, FSB.

<sup>4</sup> Wachovia Mortgage, FSB consists of Wachovia Mortgage FSB Pick-a-Payment loans.

<sup>5</sup> Formerly National City Bank.

Note: Figures reflect active trials and permanent modifications.

# Making Home Affordable Program

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## Appendix A: Non-GSE Participants in HAMP

Allstate Mortgage Loans & Investments, Inc.	Greater Nevada Mortgage Services	PNC Bank, National Association
American Eagle Federal Credit Union	Green Tree Servicing LLC	Purdue Employees Federal Credit Union
American Home Mortgage Servicing, Inc	Hartford Savings Bank	QLending, Inc.
AMS Servicing, LLC	Hillsdale County National Bank	Quantum Servicing Corporation
Aurora Financial Group, Inc.	HomEq Servicing	Residential Credit Solutions
Aurora Loan Services, LLC	HomeStar Bank & Financial Services	RG Mortgage Corporation
Bank of America, N.A. <sup>1</sup>	Horicon Bank	Roebing Bank
Bank United	Horizon Bank, NA	RoundPoint Mortgage Servicing Corporation
Bay Federal Credit Union	Iberiabank	Saxon Mortgage Services, Inc.
Bay Gulf Credit Union	IBM Southeast Employees' Federal Credit Union	Schools Financial Credit Union
Bayview Loan Servicing, LLC	IC Federal Credit Union	SEFCU
Carrington Mortgage Services, LLC	Idaho Housing and Finance Association	Select Portfolio Servicing
CCO Mortgage	iServe Residential Lending LLC	Servis One Inc., dba BSI Financial Services, Inc.
Central Florida Educators Federal Credit Union	iServe Servicing Inc.	ShoreBank
Central Jersey Federal Credit Union	J.P.Morgan Chase Bank, NA <sup>2</sup>	Silver State Schools Credit Union
Chase Home Finance, LLC	Lake City Bank	Sound Community Bank
CitiMortgage, Inc.	Lake National Bank	Specialized Loan Servicing, LLC
Citizens 1st National Bank	Litton Loan Servicing	Spirit of Alaska Federal Credit Union
Citizens First Wholesale Mortgage Company	Los Alamos National Bank	Stanford Federal Credit Union
Community Bank & Trust Company	Marix Servicing, LLC	Sterling Savings Bank
CUC Mortgage Corporation	Metropolitan National Bank	Technology Credit Union
DuPage Credit Union	Midwest Bank & Trust Co.	Tempe Schools Credit Union
Eaton National Bank & Trust Co	Mission Federal Credit Union	The Golden 1 Credit Union
Farmers State Bank	MorEquity, Inc.	U.S. Bank National Association
Fidelity Homestead Savings Bank	Mortgage Center, LLC	United Bank of Georgia
First Bank	Mortgage Clearing Corporation	United Bank Mortgage Corporation
First Keystone Bank	National City Bank	Urban Trust Bank
First National Bank of Grant Park	Nationstar Mortgage LLC	Vantium Capital, Inc.
Franklin Credit Management Corporation	Navy Federal Credit Union	Verity Credit Union
Fresno County Federal Credit Union	Oakland Municipal Credit Union	Vist Financial Corp.
Glass City Federal Credit Union	Ocwen Financial Corporation, Inc.	Wells Fargo Bank, NA <sup>3</sup>
GMAC Mortgage, Inc.	OneWest Bank	Wealthbridge Mortgage Corp.
Golden Plains Credit Union	ORNL Federal Credit Union	Wescom Central Credit Union
Grafton Suburban Credit Union	Park View Federal Savings Bank	Yadkin Valley Bank
Great Lakes Credit Union	PennyMac Loan Services, LLC	

<sup>1</sup> Bank of America, NA includes Bank of America, NA, BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>2</sup> J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.

<sup>3</sup> Wells Fargo Bank, NA includes Wachovia Mortgage FSB and Wachovia Bank NA.

# Making Home Affordable Program

Servicer Performance Report Through June 2010

## Appendix B: Description of Compliance Activities

*Note: Servicer-specific compliance data will be reported quarterly.*

### Description of Compliance Activities

Freddie Mac, serving as Compliance Agent for Treasury's Home Affordable Modification Program (HAMP), has created a separate division known as Making Home Affordable - Compliance (MHA-C). Using a risk-based approach, MHA-C conducts a number of different types of compliance activities to assess servicer compliance with HAMP guidelines, as described below.

On Site Reviews: Readiness & Governance – A review performed by MHA-C to assess the servicer's preparedness for complying with new/future HAMP requirements, or to research a trend or potential implementation risk. Reviews are performed as needed, determined by frequency of new program additions.

NPV – A review conducted by MHA-C to determine the servicer's adherence to the HAMP NPV guidelines. For those servicers that have elected to recode the NPV model into their own systems (recoders), the testing process is designed to ensure the servicer's NPV model is accurately calculating NPV and that the model usage is consistent with directives. At a minimum, recoders are subject to quarterly off-site testing and semi-annual for on-site reviews. For servicers using the Treasury NPV Web Portal, reviews of data submissions are performed on a monthly basis.

On Site Reviews: Implementation – A review conducted by MHA-C covering the servicer's overall execution of the HAMP program. Areas covered include, among other things, solicitation, eligibility, underwriting, document management, payment processing, reporting, and governance. Reviews are performed at a minimum for larger servicers on a semi-annual schedule and for smaller servicers on an annual schedule.

Loan File Review – A review performed by MHA-C of a servicer's non-performing loan portfolio primarily to assess completeness of relevant documentation and appropriate loan modification decisioning. This includes reviews of

loans which have successfully converted to a permanent modification to ensure they meet the HAMP guidelines, as well as loans that have not been offered HAMP modifications to ensure that the exclusion was appropriate ("Second Look"). Larger servicers are on an alternating permanent modifications and Second Look monthly loan file review cycle. These Loan File reviews consist of a statistical sample (typically 100-150 loan files per larger servicer). Smaller servicers are also statistically sampled on a quarterly or semi-annual cycle.

Incentive Payments – A review performed by MHA-C to determine the accuracy and validity of borrower and investor incentive payments, and to assess whether borrower payments are appropriately allocated to borrowers' loan principal in accordance with HAMP guidelines. They are performed at a minimum annually on the top 21 servicers.

### Areas of Compliance Focus

Based on the results of MHA-C's reviews to date and anticipated risks to the program, HAMP compliance efforts will remain focused on the following general areas:

Borrower Solicitation – Servicers are required to solicit eligible borrowers without delay and not conduct foreclosure proceedings until such borrowers are appropriately considered for HAMP. It is critical that servicers not take actions that would lead to borrowers becoming displaced from their home without being given proper consideration for a loan modification or other foreclosure alternative. Servicers should ensure that their operating protocols identify all populations of eligible borrowers. Servicers should ensure that their operating procedures meet or exceed the minimum requirements of Supplemental Directive 10-02 related to borrower solicitation and contact.

Underwriting Documentation – Servicers must retain a complete and consistent set of documentation for all loans considered for HAMP, including evidence supporting borrower income. In addition, appropriate documentation must support all decisions (e.g., denials, permanent

modifications, etc.) made by the servicer. Servicers' quality assurance departments are required, and expected, to play an active role in the ongoing evaluation of the servicers' underwriting process and related documentation.

NPV model usage – Servicers are required to utilize net present value (NPV) models that produce valid and accurate results. In order to eliminate adverse borrower outcomes from negative NPV results, servicers must hold required inputs constant between NPV tests. Servicers should regularly test their recoded NPV models against the Treasury NPV Portal to identify any anomalous or inaccurate results.

Document processing and control – Servicers must have policies and procedures that clearly describe document acquisition, tracking, and retention practices. Any potential for misplaced or lost documents should immediately be addressed so that timely decisions can be made for borrowers eligible for assistance under HAMP. In addition, servicers should ensure that proper training and education is provided for all parties involved in the document management life cycle, including those with responsibility for the servicers' document management technology.

IR2 Data Maintenance – Servicers are required to report timely and accurate information to the Program Administrator's IR2 data base. This information serves not only to measure HAMP's progress, but also as the authoritative source for incentive payments due to borrowers, servicers, and investors. Servicers should be conducting ongoing reviews of their reported data and be prepared to explain circumstances where data is either inconsistent or missing.

Governance – Servicers should ensure that a sound governance process exists for HAMP. An appropriate governance model begins with senior executive accountability and extends to formal policies and procedures for HAMP-related activities, including the development of comprehensive fraud prevention, fair lending, and quality assurance programs.