

# Making Home Affordable Program

Servicer Performance Report Through September 2010

## Report Highlights

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

- Early data indicate that HAMP permanent modifications are performing well over time.
- At nine months, nearly 90% of homeowners remain in a permanent modification, with 11% defaulted. Fewer than 16% of permanent modifications are 60+ days delinquent.
- At six months, fewer than 10% of permanent modifications are 60+ days delinquent, and fewer than 6% have defaulted from the program after missing three consecutive payments.

### **Nearly 500,000 Permanent Modifications Granted to Homeowners**

- Nearly 28,000 permanent modifications reported in September.
- Homeowners in active permanent modifications realize a median monthly payment reduction of 36%, or more than \$500 per month.
- For homeowners in permanent modifications, their median first-lien housing expense falls from 45% of their monthly income to 31%.
- Homeowners who do not complete the trial modification phase of HAMP are likely to find an alternative solution such as a proprietary modification or a short sale. Fewer than 16% have gone to foreclosure.

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## HAMP Activity: All Servicers

		Total
<b>HAMP Eligibility</b> (As of Aug.31, 2010)	Eligible Delinquent Loans <sup>1</sup>	2,959,510
	Eligible Delinquent Borrowers <sup>2</sup>	1,304,572
<b>Trial Modifications</b>	Trial Plan Offers Extended (Cumulative) <sup>3</sup>	1,604,036
	All Trials Started	1,369,414
	Trials Reported Since August 2010 Report <sup>4</sup>	35,297
	Trial Modifications Canceled (Cumulative)	699,924
	Active Trials	173,592
<b>Permanent Modifications</b>	All Permanent Modifications Started	495,898
	Permanent Modifications Begun Since August 2010 Report	27,840
	Permanent Modifications Canceled (Cumulative) <sup>5</sup>	29,190
	Active Permanent Modifications	466,708

<sup>1</sup> Estimated eligible 60+ day delinquent loans as reported by servicers as of Aug. 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 July 1, 2010 that did not participate in the 60+ day delinquency survey, the delinquency count is from the servicer registration form.

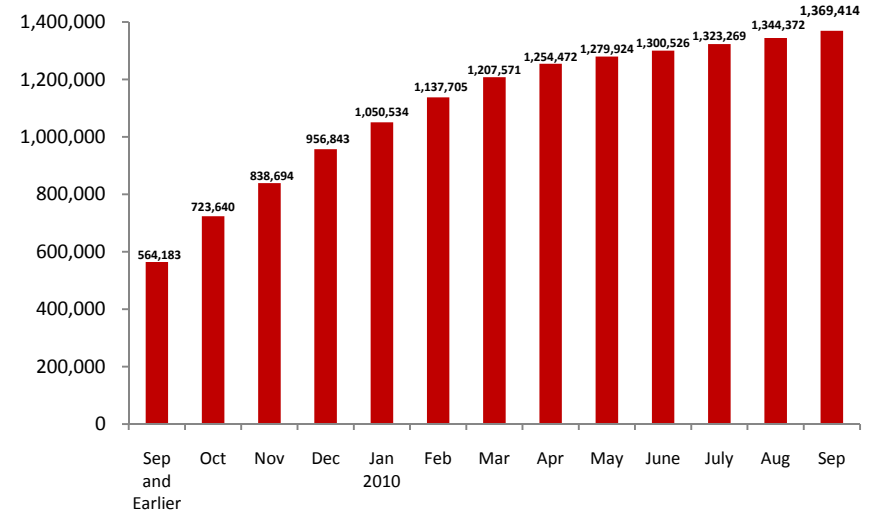
<sup>2</sup> The estimated eligible 60+ day delinquent borrowers are those in HAMP-eligible loans, minus estimated exclusions of loans on vacant properties, loans with borrower debt-to-income ratio below 31%, loans that fail the NPV test, properties no longer owner-occupied, manufactured housing loans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

<sup>3</sup> As reported in the weekly servicer survey of large SPA servicers through September 30, 2010.

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

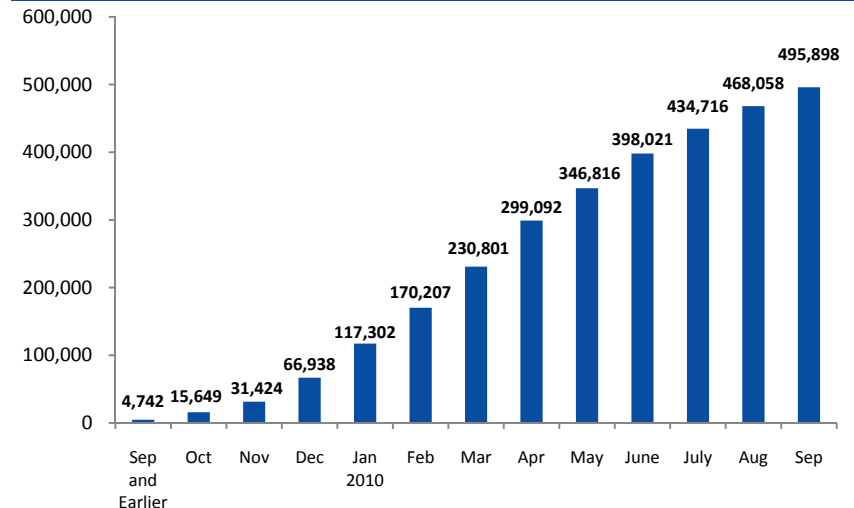
<sup>5</sup> A permanent modification is canceled when the borrower has missed three or more consecutive monthly payments. Includes 428 loans paid off.

## HAMP Trials Started (Cumulative)



Source: HAMP system of record. Servicers may enter new trial modifications into the HAMP system of record anytime before the loan converts to a permanent modification. For example, 35,297 trials have entered the HAMP system of record since the prior report; of those, 25,042 were trials with a first payment recorded in September.

## Permanent Modifications Started (Cumulative)



Source: HAMP system of record.

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## Modification Characteristics

- Aggregate reductions in monthly mortgage payments for borrowers in active trial and permanent modifications total more than \$3.4 billion.
- The median savings for borrowers in active permanent modifications is \$520.68, or 36% of the median payment before modification.

## Active Permanent Modifications by Modification Step

Interest Rate Reduction	100%
Term Extension	57.1%
Principal Forbearance	29.8%

## Select Median Characteristics of Active Permanent Modifications

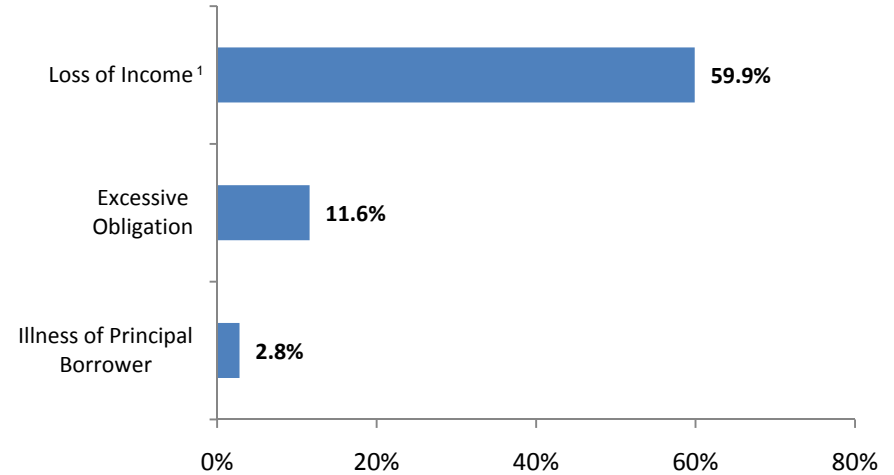
Loan Characteristic	Before Modification	After Modification	Median Decrease
Front-End Debt-to-Income Ratio <sup>1</sup>	45.0%	31.0%	-14.0 pct pts
Back-End Debt-to-Income Ratio <sup>2</sup>	79.7%	63.3%	-14.5 pct pts
Median Monthly Housing Payment <sup>3</sup>	\$1,432.55	\$838.59	-\$520.68

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

<sup>2</sup> Ratio of total monthly debt payments (including mortgage principal and interest, 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.

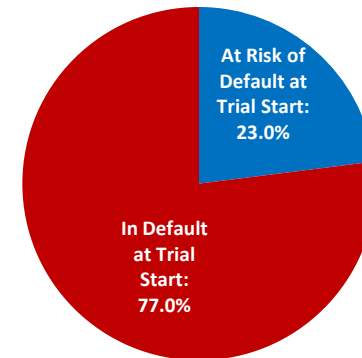
## Predominant Hardship Reasons for Active Permanent Modifications



<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.

## Loan Status Upon Entering Trial



Note: For all trial modifications started.

"At Risk of Default" includes borrowers up to 59 days delinquent at trial entry as well as those in imminent default. "In Default" refers to borrowers 60 or more days late at trial entry.

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## Performance of Permanent Modifications (As of August 31, 2010)

This table shows the performance of permanent HAMP modifications at 3, 6, 9, and 12 months of age and includes modifications that have aged at least 3, 6, 9, or 12 months, as applicable. For example:

*Of loans that became permanent in the 1<sup>st</sup> quarter of 2010, 9.8% were 60+ days delinquent at six months' seasoning.*

Modification Became Permanent in:	Delinquency: Months After Conversion to Permanent											
	3			6			9			12		
	#	60+ Days	90+ Days	#	60+ Days	90+ Days	#	60+ Days	90+ Days	#	60+ Days	90+ Days
Q3 2009	3,589	9.8%	3.5%	4,470	14.9%	9.8%	4,730	19.6%	14.9%	4,722	25.4%	20.6%
Q4 2009	44,473	5.3%	1.4%	48,347	9.6%	5.7%	51,227	15.3%	10.6%	--	--	--
Q1 2010	125,937	3.8%	1.0%	152,802	9.8%	5.4%	--	--	--	--	--	--
Q2 2010	150,731	5.0%	1.4%	--	--	--	--	--	--	--	--	--
ALL	324,730	4.6%	1.3%	205,619	9.8%	5.5%	55,957	15.6%	11.0%	4,722	25.4%	20.6%

Note: For permanent loans aged at least 3 months as of August 31, as reported by servicers through September 17.

- The table stratifies the data by the quarter in which the permanent modification became effective and provides two separate performance metrics:
  - 60+ days delinquent:** All loans that have missed two or more consecutive monthly payments, including 90+ days delinquent loans.
  - 90+ days delinquent:** All loans that have missed three or more consecutive monthly payments.
- The table reflects the fact that loan payment status is not reported by servicers after program disqualification (90+ days delinquent). Therefore, 90+ days delinquent loans are included in each of the 60+ days delinquent and 90+ days delinquent metrics for all future reporting periods, even though some loans may have cured or paid off following program disqualification.
- This table reflects a total of 16,697 disqualified loans that have aged 3, 6, 9 or 12 months through the August activity period as reported by servicers through September 17.
- Servicers are required to report monthly payment information on HAMP modifications in the form of an Official Monthly Report (OMR). If a servicer does not report an OMR for a loan in a given month, the performance of that loan is not included in the table for that month. This table reflects improved servicer OMR reporting as the modification ages, causing the total loan count for each quarter in months 6 and 9 to be higher than the count in month 3. Reported loan counts may shift from prior reports due to servicer data corrections.
- Once a loan is paid off, it is no longer reflected in future periods.
- This table will be published quarterly.

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## HAMP Modification Activity by Servicer

Servicer	As of Aug. 31, 2010	Cumulative		As of Sept. 30, 2010	
	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>	Active Permanent Modifications <sup>3</sup>
American Home Mortgage Servicing Inc	46,985	30,267	25,250	9,442	13,289
Aurora Loan Services, LLC	26,374	52,106	37,810	1,335	12,541
Bank of America, NA <sup>4</sup>	375,168	411,740	328,454	62,360	78,905
CitiMortgage, Inc.	110,480	162,925	150,568	10,400	49,538
GMAC Mortgage, LLC	13,610	61,976	51,494	4,922	31,932
HomEq Servicing <sup>5</sup>	13,965	7,483	6,730	1,420	4,949
J.P. Morgan Chase Bank, NA <sup>6</sup>	193,874	268,544	214,526	18,168	62,368
Litton Loan Servicing LP	43,362	38,027	35,423	1,561	8,744
Nationstar Mortgage LLC	17,347	27,745	23,953	2,035	10,953
Ocwen Financial Corp. Inc.	29,377	28,467	30,165	4,986	18,646
OneWest Bank	37,131	62,556	46,414	6,965	20,380
PNC Mortgage <sup>7</sup>	14,209	22,850	18,365	822	4,074
Saxon Mortgage Services, Inc.	22,561	46,092	35,723	2,580	11,746
Select Portfolio Servicing	14,507	64,136	38,903	2,308	16,014
US Bank NA	9,719	14,919	12,819	2,272	7,638
Wachovia Mortgage, FSB <sup>8</sup>	25,165	18,772	16,591	5,699	10,550
Wells Fargo Bank, NA <sup>9</sup>	136,768	257,903	182,748	11,027	50,815
Other SPA servicers <sup>10</sup>	22,716	27,528	26,751	5,283	14,745
Other GSE Servicers <sup>11</sup>	151,254	NA	86,727	20,007	38,881
<b>Total</b>	<b>1,304,572</b>	<b>1,604,036</b>	<b>1,369,414</b>	<b>173,592</b>	<b>466,708</b>

<sup>1</sup> Estimated eligible 60+ day delinquent borrowers as reported by servicers as of August 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.
- Exclusions for DTI and NPV are estimated using market analytics.

For servicers enrolling after July 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 of large SPA servicers through September 30, 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> HomEq's reporting for eligible borrowers and trial plan offers extended is unchanged from last month.

<sup>6</sup> J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.

<sup>7</sup> Formerly National City Bank.

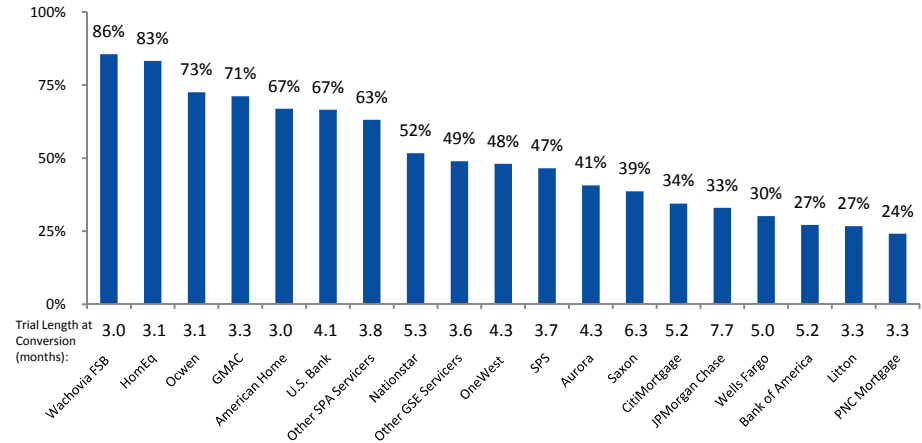
<sup>8</sup> Wachovia Mortgage, FSB consists of Pick-a-Payment loans.

<sup>9</sup> Wells Fargo Bank, NA includes a portion of the loans previously included in Wachovia Mortgage, FSB.

<sup>10</sup> Other SPA servicers are entities with less than 5,000 estimated eligible 60+ day delinquent borrowers as of August 31, 2010, that have signed participation agreements with Treasury and Fannie Mae. A full list of participating servicers is in Appendix A.

<sup>11</sup> Includes servicers of loans owned or guaranteed by Fannie Mae and Freddie Mac. Includes GSE loans transferred from SPA servicers.

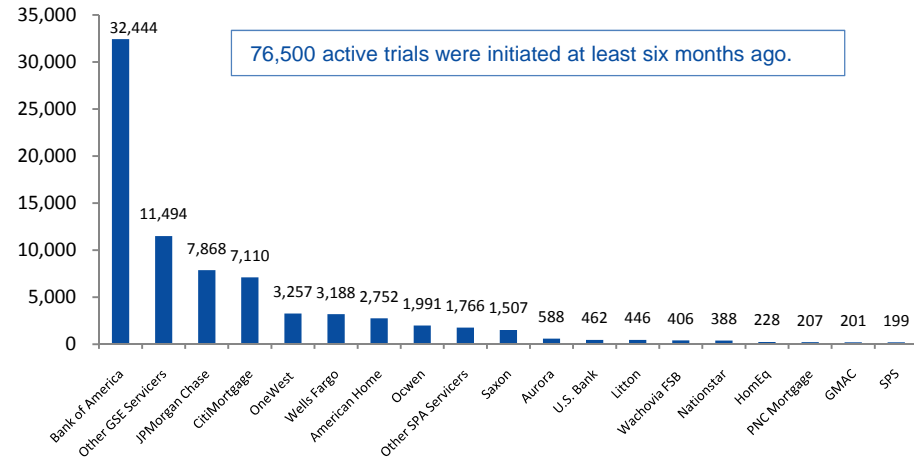
## Conversion Rate<sup>1</sup>



Note: Per program guidelines, effective June 1, 2010 all trials must be started using verified income. Prior to June 1, some servicers initiated trials using stated income information.

<sup>1</sup> As measured against trials eligible to convert – those three months in trial, or four months if the borrower was at risk of default. Permanent modifications transferred among servicers are credited to the originating servicer.

## Aged Trials<sup>1</sup>



<sup>1</sup> As of September 30, 2010. Active trials initiated at least six months ago.

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

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

Servicer	Action Pending <sup>2</sup>	Action Not Allowed – Bankruptcy in Process	Borrower Current	Alternative Modification	Payment Plan <sup>3</sup>	Loan Payoff	Short Sale/ Deed in Lieu	Foreclosure Starts	Foreclosure Completions	Total (As of August 2010)
American Home Mortgage Servicing Inc.	147	17	104	710	5	39	48	79	5	1,154
Bank of America, NA <sup>4</sup>	58,424	4,102	7,400	41,397	11,274	1,595	20,656	12,499	1,663	159,010
CitiMortgage Inc.	20,395	3,630	8,440	35,306	785	980	1,968	11,678	1,341	84,523
GMAC Mortgage, LLC	1,674	335	1,067	6,311	175	239	480	1,406	622	12,309
JP Morgan Chase Bank NA <sup>5</sup>	15,869	876	2,159	64,724	157	2,459	3,489	18,536	4,547	112,816
Litton Loan Servicing LP	3,417	484	1,962	13,738	343	104	939	2,536	565	24,088
OneWest Bank	3,376	439	330	6,762	99	14	768	1,613	1,231	14,632
Wells Fargo Bank NA <sup>6</sup>	8,312	621	10,495	63,056	1084	2,933	4,911	19,094	5,657	116,163
<b>TOTAL (These 8 Servicers)</b>	<b>111,614 21.3%</b>	<b>10,504 2.0%</b>	<b>31,957 6.1%</b>	<b>232,004 44.2%</b>	<b>13,922 2.7%</b>	<b>8,363 1.6%</b>	<b>33,259 6.3%</b>	<b>67,441 12.9%</b>	<b>15,631 3.0%</b>	<b>524,695 100%</b>

The most common causes of trial cancellations are:

- Insufficient documentation
- Trial plan payment default
- Ineligible borrower: first-lien housing expense is already below 31% of household income

Note: Data is as reported by servicers for actions completed through August 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 and loans otherwise removed from servicing portfolios.

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

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

Servicer	Action Pending <sup>2</sup>	Action Not Allowed – Bankruptcy in Process	Borrower Current	Alternative Modification	Payment Plan <sup>3</sup>	Loan Payoff	Short Sale/Deed in Lieu	Foreclosure Starts	Foreclosure Completions	Total (As of August 2010)
American Home Mortgage Servicing Inc.	3,170	473	4,737	31,568	413	353	1,446	4,310	189	46,659
Bank of America, NA <sup>4</sup>	17,616	2,926	3,681	12,864	3,062	1,214	17,542	28,064	6,656	93,625
CitiMortgage Inc.	21,053	6,375	33,075	31,747	6,580	6,671	2,266	7,637	2,727	118,131
GMAC Mortgage, LLC	23,630	4,052	24,306	33,675	2,850	1,077	3,524	15,831	5,588	114,533
JP Morgan Chase Bank NA <sup>5</sup>	25,661	2,060	67,508	62,900	352	9,269	4,052	12,616	3,266	187,684
Litton Loan Servicing LP	7,783	3,122	7,550	10,989	1,057	356	3,568	9,053	2,789	46,267
OneWest Bank	7,170	1,501	5,283	4,387	370	166	2,649	3,747	4,778	30,051
Wells Fargo Bank NA <sup>6</sup>	9,569	1,006	18,130	34,288	983	2,931	3,565	11,064	5,353	86,889
<b>TOTAL (These 8 Servicers)</b>	<b>115,652 16.0%</b>	<b>21,515 3.0%</b>	<b>164,270 22.7%</b>	<b>222,418 30.7%</b>	<b>15,667 2.2%</b>	<b>22,037 3.0%</b>	<b>38,612 5.3%</b>	<b>92,322 12.8%</b>	<b>31,346 4.3%</b>	<b>723,839 100%</b>

The most common causes of trials not accepted are:

- Ineligible borrower: first-lien housing expense is already below 31% of household income
- Insufficient documentation
- Imminent default not evidenced by borrower

Note: Data is as reported by servicers for actions completed through August 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.

Note: Excludes cancellations pending data corrections and loans otherwise removed from servicing portfolios.

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## Selected Homeowner Outreach Measures

Homeowner Outreach Events Hosted Nationally by Treasury and Partners (cumulative)	46
Homeowners Attending Treasury-Sponsored Events (cumulative)	46,061
Servicer Solicitation of Borrowers (cumulative) <sup>1</sup>	6,065,521
Page views on <a href="http://MakingHomeAffordable.gov">MakingHomeAffordable.gov</a> (September 2010)	2,987,892
Page views on <a href="http://MakingHomeAffordable.gov">MakingHomeAffordable.gov</a> (cumulative)	99,074,301
Percentage to Goal of 3-4 Million Modification Offers by 2012 <sup>2</sup>	40-53%

<sup>1</sup> Source: survey data provided by SPA 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	September
Total Number of Calls Taken at 1-888-995-HOPE (since program inception)	1,617,498	121,861
Borrowers Receiving Free Housing Counseling Through the Homeowner's HOPE™ Hotline	782,180	56,751

Source: Homeowner's HOPE™ Hotline.

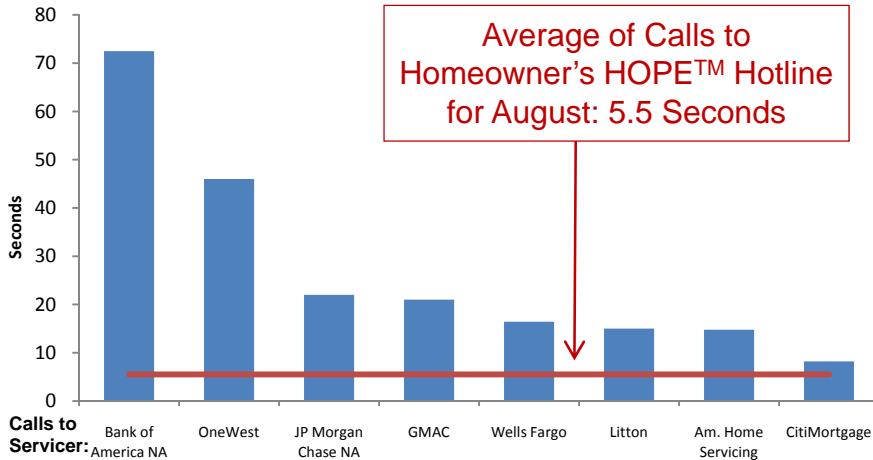


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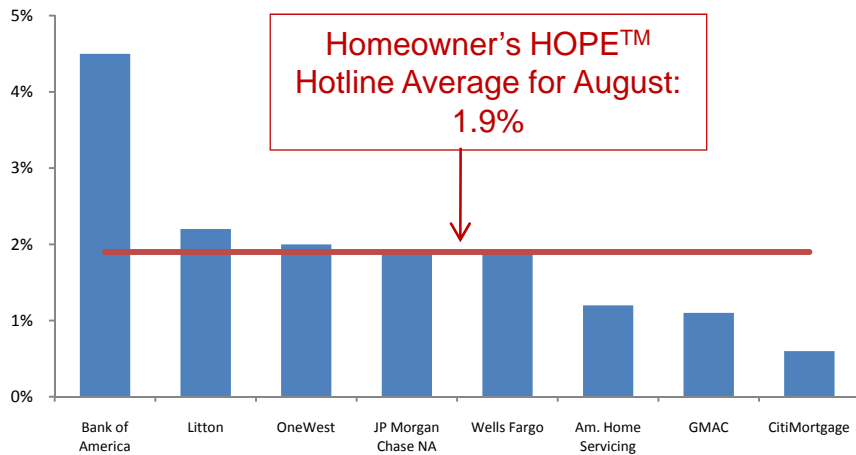
## Homeowner Experience (8 Largest Servicers)\*

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



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

### Call Abandon Rate (August)

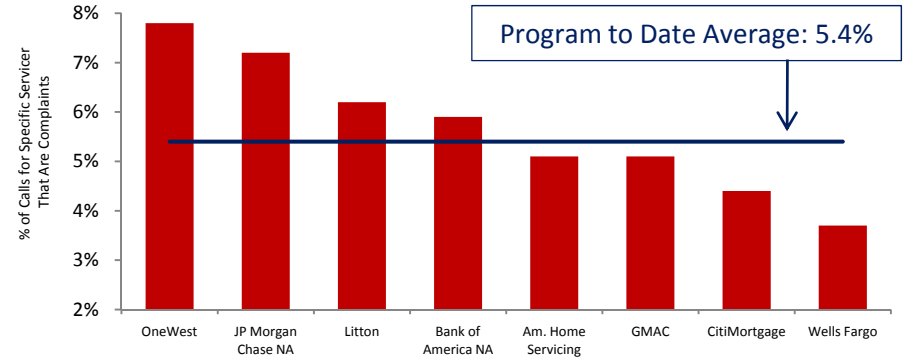


Source: Survey data through August 31, 2010, from servicers on call volume to loss mitigation lines.

\*As defined by cap amount.

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

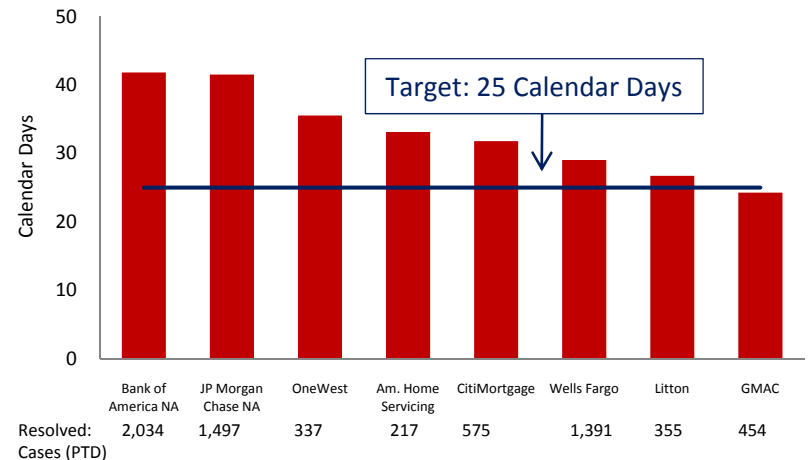
Program to date, there have been 771,861 calls to the Homeowner's HOPE™ Hotline regarding a specific SPA servicer, of which 5.4% included complaints. Below shows specific complaint rates.



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 OneWest, 7.8% included complaints.)

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



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

# Making Home Affordable Program

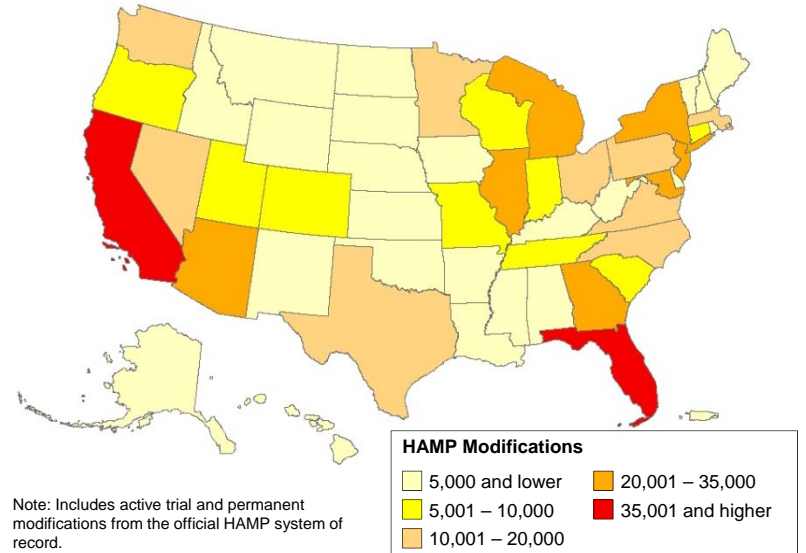
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## HAMP Activity by State

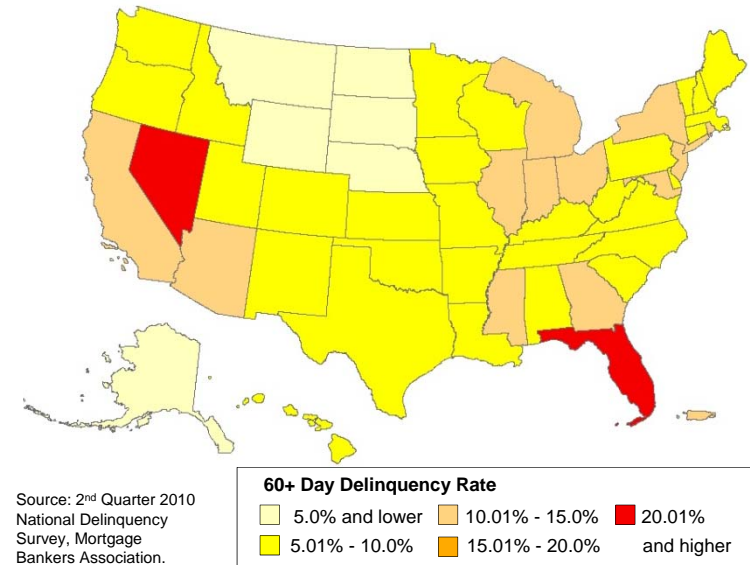
State	Active Trials	Permanent Modifications	Total	% of Total	State	Active Trials	Permanent Modifications	Total	% of Total
AK	79	187	266	0.0%	MT	232	496	728	0.1%
AL	1,110	2,746	3,856	0.6%	NC	3,056	8,865	11,921	1.9%
AR	361	1,121	1,482	0.2%	ND	31	85	116	0.0%
AZ	7,906	23,951	31,857	5.0%	NE	216	635	851	0.1%
CA	40,301	107,590	147,891	23.1%	NH	777	2,203	2,980	0.5%
CO	2,216	6,660	8,876	1.4%	NJ	5,732	15,100	20,832	3.3%
CT	2,150	6,006	8,156	1.3%	NM	626	1,461	2,087	0.3%
DC	270	786	1,056	0.2%	NV	4,880	12,345	17,225	2.7%
DE	562	1,469	2,031	0.3%	NY	8,408	20,035	28,443	4.4%
FL	21,009	55,814	76,823	12.0%	OH	3,969	10,535	14,504	2.3%
GA	6,258	16,951	23,209	3.6%	OK	488	1,080	1,568	0.2%
HI	713	1,743	2,456	0.4%	OR	1,829	5,144	6,973	1.1%
IA	394	1,193	1,587	0.2%	PA	3,746	9,751	13,497	2.1%
ID	710	1,762	2,472	0.4%	RI	832	2,414	3,246	0.5%
IL	8,962	25,114	34,076	5.3%	SC	1,538	4,587	6,125	1.0%
IN	1,663	4,668	6,331	1.0%	SD	73	175	248	0.0%
KS	431	1,114	1,545	0.2%	TN	1,811	4,864	6,675	1.0%
KY	662	1,804	2,466	0.4%	TX	5,341	11,668	17,009	2.7%
LA	990	2,353	3,343	0.5%	UT	1,609	4,352	5,961	0.9%
MA	4,136	11,815	15,951	2.5%	VA	4,257	11,641	15,898	2.5%
MD	5,490	15,509	20,999	3.3%	VT	127	376	503	0.1%
ME	507	1,280	1,787	0.3%	WA	3,390	9,054	12,444	1.9%
MI	5,603	15,809	21,412	3.3%	WI	1,715	4,656	6,371	1.0%
MN	2,678	8,955	11,633	1.8%	WV	247	724	971	0.2%
MO	1,820	5,120	6,940	1.1%	WY	94	234	328	0.1%
MS	623	1,784	2,407	0.4%	Other*	964	924	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	11,658	30,703	42,361	6.6%
New York-Northern New Jersey-Long Island, NY-NJ-PA	11,090	27,627	38,717	6.0%
Riverside-San Bernardino-Ontario, CA	8,542	25,012	33,554	5.2%
Chicago-Joliet-Naperville, IL-IN-WI	8,636	24,244	32,880	5.1%
Miami-Fort Lauderdale-Pompano Beach, FL	8,433	21,291	29,724	4.6%
Phoenix-Mesa-Glendale, AZ	6,470	19,852	26,322	4.1%
Washington-Arlington-Alexandria, DC-VA-MD-WV	5,849	16,507	22,356	3.5%
Atlanta-Sandy Springs-Marietta, GA	5,033	13,755	18,788	2.9%
Las Vegas-Paradise, NV	4,083	10,109	14,192	2.2%
Detroit-Warren-Livonia, MI	3,452	9,581	13,033	2.0%
Orlando-Kissimmee-Sanford, FL	3,353	9,179	12,532	2.0%
Boston-Cambridge-Quincy, MA-NH	2,926	8,433	11,359	1.8%
San Francisco-Oakland-Fremont, CA	3,317	7,711	11,028	1.7%
Sacramento-Arden-Arcade-Roseville, CA	2,732	7,982	10,714	1.7%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2,869	7,626	10,495	1.6%

A complete list of HAMP activity for all MSAs is available at <http://www.financialstability.gov/docs/MSA%20Data%20Sept%202010.pdf>

## Modifications by Investor Type (Large Servicers)

Servicer	GSE	Private	Portfolio	Total
Bank of America, NA <sup>1</sup>	88,811	45,571	6,883	141,265
JP Morgan Chase NA <sup>2</sup>	36,633	31,007	12,896	80,536
Wells Fargo Bank, NA <sup>3</sup>	43,490	11,340	7,012	61,842
CitiMortgage, Inc.	40,447	3,861	15,630	59,938
GMAC Mortgage, LLC	21,567	6,246	9,041	36,854
OneWest Bank	13,567	11,798	1,980	27,345
Ocwen Financial Corporation, Inc.	6,401	16,916	315	23,632
American Home Mortgage Servicing Inc	1,188	21,543	0	22,731
Select Portfolio Servicing	467	16,010	1,845	18,322
Wachovia Mortgage, FSB <sup>4</sup>	164	55	16,030	16,249
Saxon Mortgage Services Inc.	1,385	12,055	886	14,326
Aurora Loan Services, LLC	7,179	6,491	206	13,876
Nationstar Mortgage LLC	8,697	4,286	5	12,988
Litton Loan Servicing LP	1,045	9,260	0	10,305
US Bank NA	6,576	14	3,320	9,910
HomEq Servicing	2	6,073	294	6,369
PNC Mortgage <sup>5</sup>	4,284	203	409	4,896
Remainder of HAMP Servicers	66,268	6,390	6,258	78,916
<b>Total</b>	<b>348,171</b>	<b>209,119</b>	<b>83,010</b>	<b>640,300</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.

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## Appendix A: Non-GSE Participants in HAMP

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

<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

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## Appendix B1: Description of Compliance Activities

*Note: Areas of compliance emphasis and servicer-specific compliance data will be updated 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 for those servicers that have signed a servicer participation agreement with Treasury and for those loans for which Treasury pays incentives (non-GSE loans), as described below.

### **On Site Reviews: Readiness & Governance** –

Reviews 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 Reviews** – Reviews 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** – 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 Payment Reviews** – Reviews 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.

*(See next page for Areas of Compliance Emphasis)*

# Making Home Affordable Program

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## Appendix B2: Areas of Compliance Emphasis

In the coming months, following will be areas of emphasis for MHA-C, to ensure ongoing compliance.

### **Program Changes: HAFA, 2MP, Unemployment and Principal Reduction**

Servicers are required to be prepared prior to the implementation of new programs. At the outset of new programs, servicers should focus on making necessary changes to processes, policies, procedures, and controls in order to implement the new requirements effectively. To the extent that systematic controls are not fully implemented, it is important that servicers design and fully communicate to staff any alternative processes (manual or otherwise) that will help ensure eligible borrowers are considered and provided the opportunity to participate in the programs, where appropriate.

With several recently implemented or new programs including HAFA, 2MP, Unemployment, and Principal Reduction, MHA-C will emphasize in the coming quarter both policy design and overall program execution. Specific attention will be given to transitional alternative processes required in advance of full systems integrations of new programs.

### **NPV Model Management and 4.0 Model Preparation**

Proper and consistent use of the Net Present Value model is essential in assuring that potentially eligible borrowers are appropriately evaluated for the HAMP program. Servicers who do not utilize the Treasury NPV Portal model (Recoders) are required to have their recorded model tested and certified by MHA-C before use, establish and maintain documentation of their internal controls and governance processes and periodically test their model and controls to help

ensure that the recoded model produces results consistent with the Portal model.

As of October 1, Servicers will be required to begin using a new version (4.0) through the Portal or in their recoded model. Conversion to 4.0 is expected to add additional control challenges and servicers are expected to review and appropriately enhance their current NPV procedures and controls. As with any NPV model change, Recoders are required to obtain certification from MHA-C prior to utilizing a recoded 4.0 model.

In the coming quarter, MHA-C will remain focused on servicers' NPV Model management practices. Additionally, and in consideration of the conversion to NPV version 4.0, MHA-C will evaluate conversion preparation and contingency planning. Recoding servicers with complex systems may face unusual challenges in returning to Portal use in the event that their recoded version 4.0 NPV model cannot be certified by the required timeframe. Accordingly, MHA-C will expect servicers to prepare to implement contingency plans, including; detailed contingency plans for return to Portal use and revalidation through the Treasury Portal, where necessary.

### **IR2 Data Integrity**

Servicers are required to timely report accurate information to the Program Administrator's IR2 database. The information reported is used for both public reporting and in deriving the incentive payments. Because of the importance of this data, Servicers must maintain controls which assure that information in the database is accurate and consistent with source documentation utilized to process the modification.

In the recent quarter, MHA-C has continued to focus on Servicer governance processes and associated controls over the accuracy and integrity of IR2 data. This focus will continue. Specifically, MHA-C will evaluate controls over data mapping and governance processes designed to assure consistency of data between loan files, servicer systems of record, and the IR2 database.

### **Governance**

Strong governance practices (policies, procedures, training, and internal assessments) are essential to maintaining the integrity of the HAMP program. Such governance helps assure eligible borrowers are considered for the program, ineligible borrowers are excluded, and that accurate information is reported to the Program Administrator.

In coming quarters, MHA-C will focus on governance policies, procedures, and practices, and in particular quality assurance activities. The objective of these assessments will be to ensure that the governance processes include an evaluation of potential areas of HAMP risk (e.g. appropriate exclusion as well as appropriate inclusion of borrowers), adequate testing programs, sufficient documentation of testing results, and appropriate action plans to address identified areas for remediation.