

# Making Home Affordable

Program Performance Report Through February 2014

## Report Highlights

### Nearly 2 Million Homeowner Assistance Actions Taken through Making Home Affordable

- More than 1.3 million homeowners have received a permanent modification through the Home Affordable Modification Program (HAMP). Homeowners have reduced their first lien mortgage payments by a median of approximately \$543 each month – almost 40% of their median before-modification payment – saving a total estimated \$26.1 billion to date in monthly mortgage payments.
- Homeowners currently in HAMP permanent modifications with some form of principal reduction have been granted an estimated \$13.5 billion in principal reduction. Of all non-Government Sponsored Enterprise (GSE) loans eligible for principal reduction entering HAMP in February, 62% included a principal reduction feature.
- Nearly 273,000 homeowners have exited their homes through a short sale or deed-in-lieu of foreclosure with assistance from the Home Affordable Foreclosure Alternatives Program (HAFA).

### This Month's Feature: The Second Lien Modification Program (2MP)

- Nearly 130,000 second lien modifications have been started through the Second Lien Modification Program (2MP).
- Homeowners in 2MP with an active permanent modification save a median of \$152 per month on their second mortgage, resulting in a median total first and second lien monthly payment reduction of \$784, or 42% of their median before-modification payment. Homeowners who receive a full extinguishment of their second lien receive a median total first and second lien monthly payment reduction of \$1,047, or 53% of their before-modification payment.

Note: For information and quarterly updates about the Hardest Hit Fund, please visit the website for the [Hardest Hit Fund](#) or the [TARP Monthly Report to Congress](#).

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# Making Home Affordable: Summary Results

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## Making Home Affordable Program Activity

The Making Home Affordable Program was launched in March 2009 with the Home Affordable Modification Program (HAMP), which provides assistance to struggling homeowners by lowering monthly first lien mortgage payments to an affordable level. Additional programs were subsequently rolled out to expand the program's reach.

**In total, the MHA program has completed nearly 2 million first and second lien permanent modifications, HAFA transactions, and UP forbearance plans.**

	Program-to-Date	Reported Since Prior Period
MHA First Lien Permanent Modifications Started*	1,555,377	19,324
2MP Modifications Started	129,674	3,127
HAFA Transactions Completed	272,933	6,386
UP Forbearance Plans Started (through January 2014)	38,652	207
<b>Cumulative Activity<sup>1</sup></b>	<b>1,996,636</b>	<b>29,044</b>

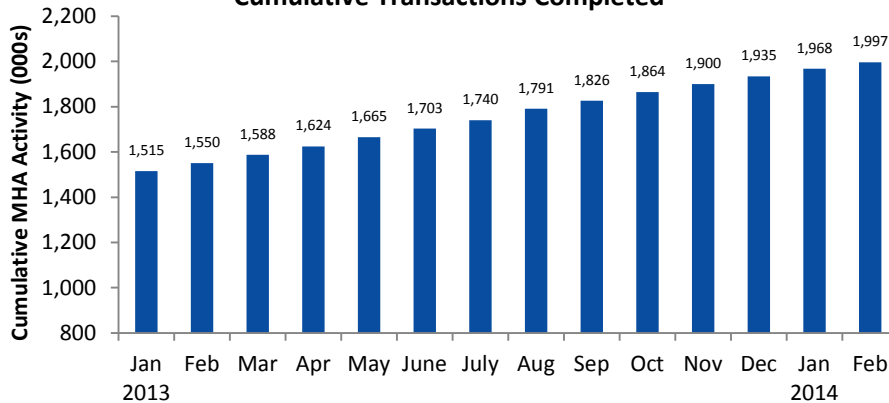
\*Program-to-Date Total Includes :

- 1,339,742 GSE and Non-GSE HAMP permanent modifications
- 29,097 FHA- and RD-HAMP modifications
- 186,538 GSE Standard Modifications since October 2011 under the GSEs' Servicer Alignment Initiative

Program	Purpose
MHA First Lien Modifications	The Home Affordable Modification Program (HAMP) provides eligible borrowers the opportunity to lower their first lien mortgage payment to affordable and sustainable levels through a uniform loan modification process. Effective June 2012, HAMP's eligibility requirements were expanded to include a "Tier 2" evaluation for non-GSE loans that is modeled after the GSE Standard Modification and includes properties that are currently occupied by a tenant as well as vacant properties the borrower intends to rent. FHA-HAMP and RD-HAMP provide first lien modifications for distressed borrowers in loans guaranteed through the Federal Housing Administration and Rural Housing Service.
Second Lien Modification Program (2MP)	Provides modifications and extinguishments on second liens when there has been an eligible first lien modification on the same property.
Home Affordable Foreclosure Alternatives (HAFA)	Provides transition alternatives to foreclosure in the form of a short sale or deed-in-lieu of foreclosure. Effective November 2012, the GSEs jointly streamlined their short sale and deed-in-lieu of foreclosure programs. The GSE Standard HAFA program is closely aligned with Treasury's MHA HAFA program. A short sale requires a third-party purchaser and cooperation of junior lienholders and mortgage insurers to complete the transaction.
Unemployment Program (UP)	Provides temporary forbearance of mortgage principal to enable unemployed borrowers to look for a new job without fear of foreclosure.

## MHA Program Activity

### Cumulative Transactions Completed



Source: HAMP system of record for HAMP, 2MP, HAFA, FHA-HAMP, and RD-HAMP. UP participation is reported via servicer survey. GSE Standard Modification and GSE Standard HAFA data provided by Fannie Mae and Freddie Mac.

See Appendix for Terms and Methodology, Program Notes, End Notes and additional information on servicer participants in Making Home Affordable programs.

# Making Home Affordable: Summary Results

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## HAMP (First Lien) Modifications

HAMP Activity Through February 2014		Total
<b>Trial Modifications</b>	All Trials Started	2,173,922
	Tier 1	2,110,019
	Tier 2	63,903
	Trials Reported Since Last Report <sup>2</sup>	10,184
	Active Trials	50,798
	Trial Modifications Cancelled since Verified Income Requirement*	80,334
<b>Permanent Modifications</b>	All Permanent Modifications Started	1,339,742
	Tier 1	1,295,670
	Tier 2	44,072
	Permanent Modifications Reported Since Last Report	12,455
	Permanent Modifications Disqualified (Cumulative)**	375,071
	Active Permanent Modifications	939,008

\* When Treasury first launched HAMP in the spring of 2009, servicers were not required to verify a borrower's income prior to commencing a trial modification. This was the policy because of the severity of the crisis, the number of homeowners already in default, and the fact that servicers had not yet built the systems to fully implement the program. However, this resulted in many trials being cancelled once income was verified. Treasury required all servicers to verify a borrower's income as of June 2010, which substantially lowered trial cancellations. Prior to that date, 703,048 trials were cancelled, for a cumulative of 783,382.

\*\* Does not include 25,663 loans paid off.

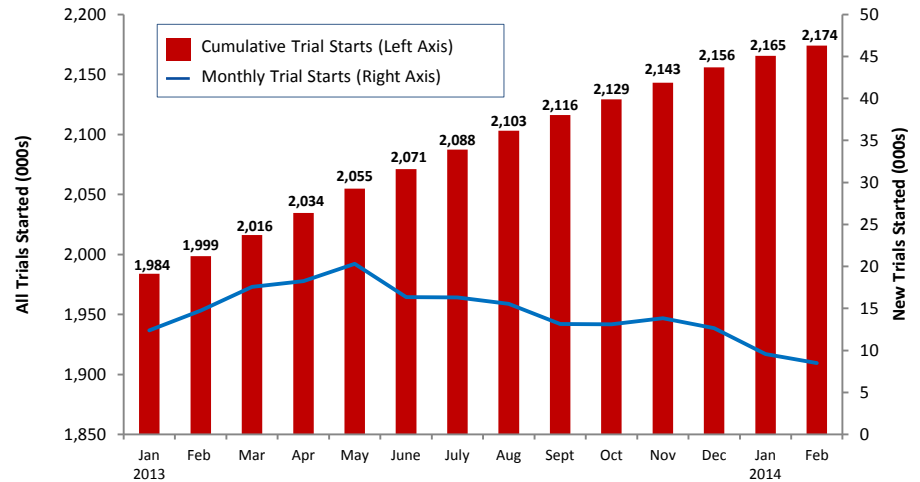
## Estimated Eligible Loans and Borrowers

Under the original HAMP program, launched in March 2009, now referred to as "Tier 1," eligible loans include conventional loans more than 60 days delinquent (unless the borrower is in imminent default), that originated on or before January 1, 2009 with a current unpaid principal balance below the maximum conforming loan limit and were owner-occupied at origination.

Homeowners who have HAMP-eligible loans may qualify for Tier 1 if they meet additional criteria including, but not limited to requiring: a debt-to-income ratio greater than 31%, occupancy, employment, and pooling and servicing agreement eligibility. Based on current estimates, of the 3 million homeowners who are currently 60+ days delinquent, an estimated 500,000 homeowners are potentially eligible for HAMP Tier 1.

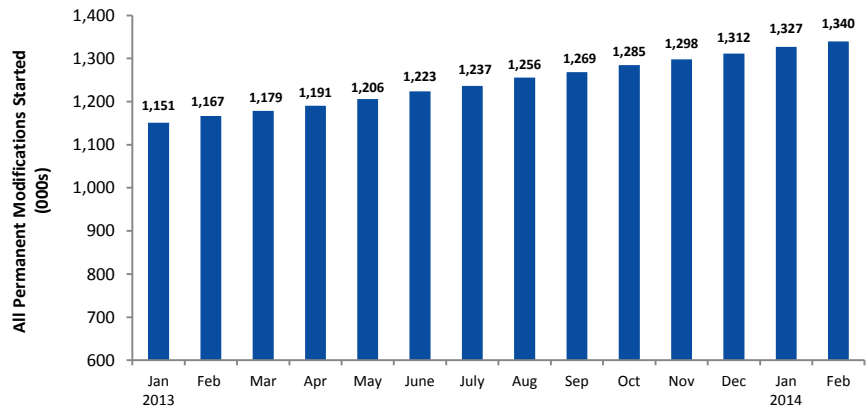
On January 27, 2012, Treasury announced an expansion of the eligibility for HAMP to reduce additional foreclosures and help stabilize neighborhoods. The eligibility was expanded for non-GSE loans to (1) allow for more flexible debt-to-income criteria and (2) include properties that are currently occupied by a tenant, as well as vacant properties which the borrower intends to rent. This expanded HAMP criteria, referred to as HAMP "Tier 2," became effective on June 1, 2012 (although not all servicers began offering Tier 2 modifications on that date).

## HAMP Trials Started



Servicers may enter new trial modifications into the HAMP system of record at any time. For example, 10,184 trials have entered the HAMP system of record since the prior report; 8,523 were trials with a first payment recorded this month.

## HAMP Permanent Modifications Started (Cumulative)



# Making Home Affordable: Summary Results

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## HAMP Principal Reduction Activity

Servicers of non-GSE loans are required to evaluate the benefit of principal reduction under the HAMP Principal Reduction Alternative (PRA) for mortgages with a loan-to-value (LTV) ratio greater than 115% when evaluating a homeowner for a HAMP first lien modification. While servicers are required to evaluate homeowners for principal reduction, they are not required to reduce principal as part of the modification. The MHA Program allows servicers to provide principal reduction on HAMP modifications in two ways:

- Under HAMP PRA, principal is reduced to lower the LTV, the investor is eligible to receive an incentive on the amount of principal reduced, and the reduction vests over a 3-year period.
- Servicers can also offer principal reduction to homeowners on a HAMP modification outside the requirements of HAMP PRA. If they do, the investor receives no incentive payment for the principal reduction and the principal reduction can be recognized immediately.

Of all non-GSE loans eligible for principal reduction that started a trial in February 2014, 62% included a principal reduction feature, including 55% through the HAMP PRA program.

	HAMP Modifications with Earned Principal Reduction Under PRA <sup>3</sup>	HAMP Modifications with Upfront Principal Reduction Outside of PRA	Total HAMP Modifications with Principal Reduction
All Trial Modifications Started	168,137	50,612	218,749
Trials Reported Since Last Report	2,903	391	3,294
Active Trial Modifications	12,469	2,102	14,571
All Permanent Modifications Started	142,915	44,819	187,734
Permanent Modifications Reported Since Last Report	3,042	715	3,757
Active Permanent Modifications	117,826	37,577	155,403
Median Principal Amount Reduced for Active Permanent Modifications <sup>4</sup>	\$72,377	\$56,591	\$67,479
Median Principal Amount Reduced for Active Permanent Modifications (%) <sup>5</sup>	32.5%	18.0%	30.5%
Total Outstanding Principal Balance Reduced on Active Permanent Modifications <sup>4</sup>	\$10,949,198,057	\$2,590,443,292	\$13,539,641,348

## Treasury FHA-HAMP Modification Activity

The Treasury FHA-HAMP Program provides assistance to eligible homeowners with FHA-insured mortgages.

All Treasury FHA-HAMP Trial Modifications Started	48,766
All Treasury FHA-HAMP Permanent Modifications Started	28,945

## Unemployment Program (UP) Activity

The Treasury MHA Unemployment Program (UP) provides a temporary forbearance to homeowners who are unemployed. Under Treasury guidelines, unemployed homeowners must be considered for a minimum of 12 months' forbearance.

All UP Forbearance Plans Started	38,652
UP Forbearance Plans With Some Payment Required	32,894
UP Forbearance Plans With No Payment Required	5,758

# Making Home Affordable: Summary Results

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## Home Affordable Foreclosure Alternatives (HAFA) Activity

The Home Affordable Foreclosure Alternatives Program (HAFA) offers incentives and a streamlined process for homeowners looking to exit their homes through a short sale or deed-in-lieu of foreclosure. HAFA has established important homeowner protections and an industry standard for streamlined transactions. Effective November 2012, the GSEs revised their short sale and deed-in-lieu programs. The GSE Standard HAFA program is closely aligned with Treasury's MHA HAFA program. In HAFA transactions, homeowners:

- Follow a streamlined process for short sales and deed-in-lieu transactions that requires no verification of income (unless as required by investors) and allows for pre-approved short sale terms;
- Receive a waiver of deficiency once the transaction is completed that releases them from remaining mortgage debt;
- Receive at least \$3,000 in relocation assistance at closing.

	Non-GSE Activity	GSE Activity	Total
Short Sale	146,429	104,129	250,558
Deed-in-Lieu	4,919	17,456	22,375
<b>Total Transactions Completed</b>	<b>151,348</b>	<b>121,585</b>	<b>272,933</b>

## Second Lien Modification Program (2MP) Activity

The Second Lien Modification Program (2MP) provides assistance to homeowners in a first lien permanent modification who have an eligible second lien with a participating HAMP servicer. This assistance can result in a modification of the second lien and even full or partial extinguishment of the second lien. Second lien modifications follow a series of steps and may include capitalization, interest rate reduction, term extension and principal forbearance or forgiveness. Effective September 2013, Treasury expanded 2MP program eligibility to include second liens with a qualifying first lien modified under the GSEs' Standard Modification program.

2MP modifications and partial extinguishments require that the qualifying first lien modification be permanent and active and that the second lien have an unpaid balance of \$5,000 or more and a monthly payment of at least \$100.

All Second Lien Modifications Started (Cumulative)*	129,674
Second Lien Modifications Involving Full Lien Extinguishments	33,672
Second Lien Modifications Disqualified**	10,203
Active Second Lien Modifications***	81,953
Active Second Lien Modifications Involving Partial Lien Extinguishments	10,262

\* Includes 2,617 loans that have a qualifying first lien GSE Standard Modification.

\*\*Does not include 3,846 loans paid off.

\*\*\* Includes 7,715 loans in active non-payment status whereby the 1MP has disqualified from HAMP. As a result, the servicer is no longer required to report payment activity on the 2MP modification.

## Second Lien Extinguishment Details

Median Amount of Full Extinguishment	\$60,275
Median Amount of Partial Extinguishment for Active Second Lien Modifications	\$9,875

# Making Home Affordable: Program Results

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## Featured Program Results: The Second Lien Modification Program (2MP)

### Estimated Eligible 2<sup>nd</sup> Liens

- Based on survey data as reported by servicers through February 2014, approximately 38,000 second liens may be eligible to receive a 2MP modification, many of them are in the evaluation process by the servicers, awaiting homeowner response to the 2MP offer, or awaiting conversion of the first lien HAMP trial to permanent modification.

- Important factors affecting the size of the population of second liens eligible for 2MP modifications include:

- Servicer participation in 2MP is voluntary; current 2MP servicers represent approximately 61% of the homeowners with active, permanent HAMP first lien modifications.

- Under 2MP, participating servicers are notified when a match is found between one of their second liens and a qualifying first lien modification. Survey data indicates that program to date, 379,780 qualifying first lien modifications have been matched with a second lien. Of these matched second liens, approximately 56% are found to be ineligible for a 2MP modification. The most common reasons for ineligibility are:

- Cancellation or failure of a trial or permanent first lien HAMP modification,
- Extinguishment of the second lien prior to evaluation for 2MP,
- Failure of a 2MP trial modification, and
- Some homeowners with eligible second liens decline to participate in 2MP.

2MP Participating Servicer Name	2MP Modifications Started	Current Estimated Eligible 2 <sup>nd</sup> Liens
Bank of America, N.A.	34,752	10,205
CitiMortgage, Inc.	15,582	4,442
JPMorgan Chase Bank, N.A.	37,178	3,721
Nationstar Mortgage, LLC	3,835	12,082
Wells Fargo Bank, N.A.	20,080	4,871
Other Servicers	18,247	3,143
<b>Total</b>	<b>129,674</b>	<b>38,464</b>

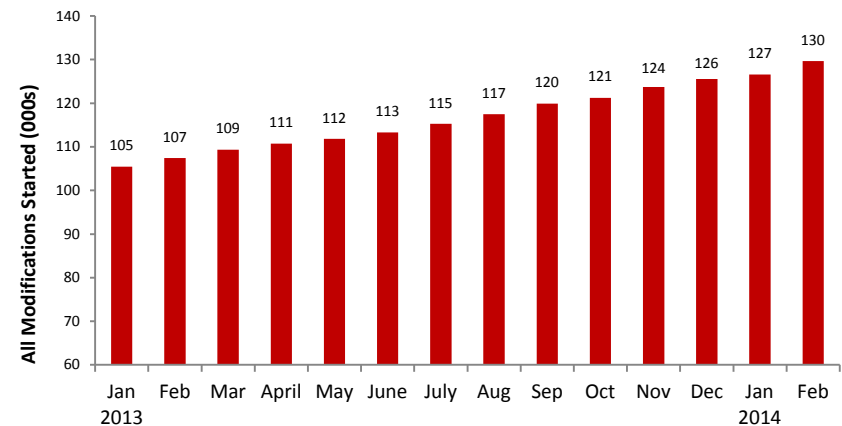
### Modification Characteristics

HAMP borrowers with an active 2MP modification, including those with a partial extinguishment of their second lien, save a median \$784, or 42% of their combined total first and second lien monthly mortgage payment.

Those who received a full extinguishment of their second lien have reduced their total monthly mortgage payment by a median amount of \$1,047, or 53%.

Median Monthly Payment Reduction for Active 2MP Modifications	\$152
Total Outstanding Principal Balance Extinguished through partial or full extinguishment	\$2.6 Billion
Top three States by Activity, Percent of Total 2MP Modifications Started:	
• California	35%
• Florida	9%
• New York	7%

■ Cumulative 2MP Modifications Started



Note: Only five of the seven largest SPA servicers participate in 2MP. See Appendix for servicer participants in 2MP and other programs.

# Making Home Affordable: Program Results

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## HAMP Homeowner Benefits and First Lien Modification Characteristics

Aggregate payment savings to homeowners who received HAMP first lien permanent modifications are estimated to total **approximately \$26.1 billion**, program to date, compared with unmodified mortgage obligations. The median monthly savings for homeowners in active permanent first lien modifications is \$543, or **39% of the median monthly payment** before modification.

### Modification Steps of Active Permanent Modifications

HAMP modifications follow a series of waterfall steps. The modification steps include interest rate adjustment, term extension and principal forbearance.

- Under Tier 1, servicers apply the modification steps in sequence until the homeowner's post-modification front-end debt-to-income (DTI) ratio is 31%. The impact of each modification step can vary to achieve the target of 31%.
- Under Tier 2, servicers apply consistent modification terms resulting in the homeowner's post-modification DTI falling within an allowable target range.<sup>6</sup>

Active permanent modifications reflect the following **modification steps**:

Modification Step	Tier 1	Tier 2
Interest Rate Reduction	96.1%	75.9%
Term Extension	63.7%	70.0%
Principal Forbearance	34.1%	30.5%

### Select Median Characteristics of Active Permanent Modifications

Loan Characteristic	Before Modification	After Modification	Median Decrease
<b>Front-End Debt-to-Income Ratio</b>			
Tier 1	45.6%	31.0%	-15.2 pct pts
Tier 2	29.2%	22.6%	-6.8 pct pts
<b>Back-End Debt-to-Income Ratio</b>			
Tier 1	69.2%	50.7%	-15.4 pct pts
Tier 2	45.7%	37.7%	-6.8 pct pts
<b>Median Monthly Housing Payment</b>			
Tier 1	\$1,410.82	\$790.98	(\$554.89)
Tier 2	\$1,110.46	\$730.67	(\$344.76)

## Homeowner Characteristics

- The primary hardship reason for the majority of homeowners in active permanent modifications is loss of income (curtailment of income or unemployment).
- The median gross monthly income of homeowners in the program is \$3,868.
- The median credit score of homeowners in the program is 576.

- Of all HAMP trial modifications started, **80% of homeowners were at least 60 days delinquent at trial start**. The rest were up to 59 days delinquent or current and in imminent default.

- Tier 2 provides another modification opportunity for struggling homeowners who did not qualify for Tier 1 or received a Tier 1 trial or permanent modification but lost good standing. Of the Tier 2 trial modifications started:
  - 25% were previously in a Tier 1 trial or permanent modification.
  - 15% were previously evaluated for Tier 1 and did not meet eligibility requirements.

- Of the Tier 2 trial modifications started, **6% were for non owner-occupied properties**.

# Making Home Affordable: Program Results

Program Performance Report Through February 2014

## HAMP Activity by State

State	Active Trials	Active Permanent Modifications	Median \$ Payment Reduction <sup>7</sup>	Median % Payment Reduction <sup>7</sup>	State	Active Trials	Active Permanent Modifications	Median \$ Payment Reduction <sup>7</sup>	Median % Payment Reduction <sup>7</sup>
AK	18	425	\$508.05	33%	MT	38	1,074	\$437.83	36%
AL	431	5,201	\$288.58	34%	NC	1,205	16,745	\$333.42	36%
AR	163	1,988	\$280.98	35%	ND	9	142	\$286.21	32%
AZ	816	34,127	\$483.18	41%	NE	104	1,233	\$281.63	35%
CA	8,072	242,807	\$767.26	40%	NH	231	4,055	\$503.97	37%
CO	565	13,055	\$442.21	36%	NJ	2,313	30,322	\$695.66	41%
CT	892	12,325	\$585.07	40%	NM	176	3,205	\$391.65	37%
DC	92	1,606	\$600.79	35%	NV	798	19,783	\$569.62	42%
DE	182	2,769	\$449.68	35%	NY	3,948	48,787	\$865.18	42%
FL	6,530	116,218	\$507.21	43%	OH	1,562	19,525	\$311.02	38%
GA	1,775	32,980	\$396.17	40%	OK	208	2,232	\$273.05	36%
HI	191	3,679	\$864.49	36%	OR	415	10,534	\$498.33	38%
IA	191	2,133	\$274.89	36%	PA	1,854	19,930	\$383.35	36%
ID	125	3,434	\$412.42	37%	RI	273	4,448	\$581.54	42%
IL	2,559	48,254	\$556.00	44%	SC	639	8,522	\$329.00	35%
IN	736	8,782	\$283.25	35%	SD	19	308	\$287.68	31%
KS	175	2,176	\$316.82	36%	TN	849	9,400	\$313.97	37%
KY	310	3,464	\$288.14	36%	TX	2,120	26,257	\$306.35	36%
LA	450	5,315	\$310.66	36%	UT	276	7,958	\$477.41	36%
MA	1,534	22,023	\$643.05	39%	VA	1,084	22,004	\$543.20	35%
MD	1,906	29,722	\$628.78	38%	VT	64	839	\$414.33	37%
ME	205	2,572	\$426.53	38%	WA	1,038	20,120	\$552.21	37%
MI	1,212	26,738	\$378.81	40%	WI	635	8,611	\$374.89	38%
MN	570	13,998	\$464.04	38%	WV	82	1,230	\$341.56	33%
MO	714	9,053	\$323.34	37%	WY	21	426	\$400.67	32%
MS	266	3,224	\$276.60	36%	PR	157	3,236	\$301.93	39%

## 15 Metropolitan Areas With Highest HAMP Activity

Metropolitan Statistical Area	Active Trials	Active Permanent Mods	Median \$ Payment Reduction <sup>7</sup>	Median % Payment Reduction <sup>7</sup>
Los Angeles-Long Beach-Santa Ana, CA	2,819	78,878	\$863.80	41%
New York-Northern New Jersey-Long Island, NY-NJ-PA	4,712	64,110	\$886.11	43%
Miami-Fort Lauderdale-Pompano Beach, FL	2,978	51,985	\$576.83	45%
Chicago-Joliet-Naperville, IL-IN-WI	2,450	46,906	\$565.67	44%
Riverside-San Bernardino-Ontario, CA	1,368	45,626	\$686.00	41%
Washington-Arlington-Alexandria, DC-VA-MD-WV	1,500	31,133	\$695.17	38%
Atlanta-Sandy Springs-Marietta, GA	1,315	26,546	\$412.91	40%
Phoenix-Mesa-Glendale, AZ	521	26,985	\$502.50	41%
San Francisco-Oakland-Fremont, CA	690	21,854	\$924.02	40%
San Diego-Carlsbad-San Marcos, CA	570	17,723	\$807.53	38%
Orlando-Kissimmee-Sanford, FL	838	16,560	\$492.10	42%
Boston-Cambridge-Quincy, MA-NH	999	15,878	\$680.73	39%
Las Vegas-Paradise, NV	657	16,086	\$571.22	42%
Detroit-Warren-Livonia, MI	649	15,968	\$424.61	42%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1,247	15,135	\$446.82	36%

Note: A complete list of HAMP activity for all metropolitan areas is available at <http://www.treasury.gov/initiatives/financial-stability/reports/Pages/HAMP-Report.aspx>

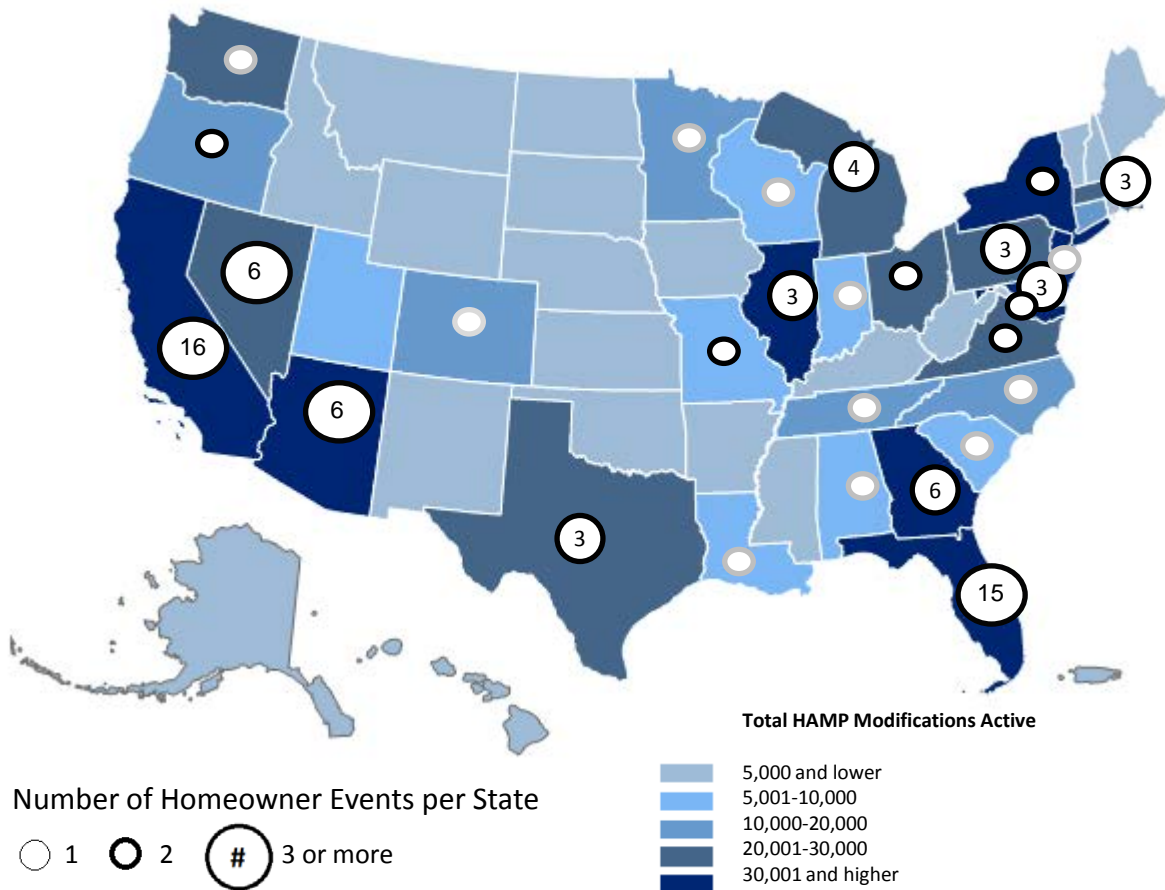


# Making Home Affordable: Program Results

Program Performance Report Through February 2014

## Reaching Out to Homeowners

**91** Treasury-sponsored Outreach Events, through February 2014, covering **57** cities, giving more than **76,000** homeowners the opportunity to meet face-to-face with their mortgage company and HUD-approved housing counselors. In addition, Treasury has partnered with the Ad Council on three different public service advertising campaigns featured in both English and Spanish, encouraging struggling homeowners nationwide to reach out for help with their mortgages.



**OVER  
2.3  
MILLION**

Homeowners referred to free housing counseling from a HUD-approved housing expert.

**OVER  
10.6  
MILLION**

Solicitations of homeowners by participating mortgage servicers.

**OVER  
4.2  
MILLION**

Calls taken at the Homeowner's HOPE Hotline.

**OVER  
184  
MILLION**

Page views on MakingHomeAffordable.gov.

# Making Home Affordable: Servicer Results

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## Making Home Affordable Programs by Servicer

Servicer	HAMP First Lien Modifications		Principal Reduction Alternative (PRA) <sup>9</sup>		Second Lien Modification (2MP)	Home Affordable Foreclosure Alternatives (HAFA) <sup>10</sup>
	Trials Started <sup>8</sup>	Permanent Modifications Started <sup>8</sup>	Trials Started	Permanent Modifications Started	Second Lien Modifications Started	Non-GSE Transactions Completed
Bank of America, N.A.	234,850	106,649	8,127	6,946	34,752	45,258
CitiMortgage, Inc.	129,616	64,178	4,163	3,471	15,582	1,175
JPMorgan Chase Bank, N.A.	318,716	191,623	28,328	25,742	37,178	35,712
Nationstar Mortgage LLC	191,400	128,040	6,959	6,580	3,835	5,150
Ocwen Loan Servicing, LLC	378,224	271,804	71,326	58,013	N/A	14,589
Select Portfolio Servicing, Inc.	108,783	66,082	8,274	6,730	N/A	8,055
Wells Fargo Bank, N.A.	313,240	190,204	30,526	26,647	20,080	26,945
Other Servicers	499,093	321,162	10,434	8,786	18,247	14,464
<b>Total</b>	<b>2,173,922</b>	<b>1,339,742</b>	<b>168,137</b>	<b>142,915</b>	<b>129,674</b>	<b>151,348</b>

N/A - Servicer does not participate in the program.

See Appendix for Terms and Methodology, Program Notes, End Notes and additional information on servicer participants in Making Home Affordable programs.

# Making Home Affordable: Servicer Results

Program Performance Report Through February 2014

## HAMP Modification Activity by Servicer and Investor Type

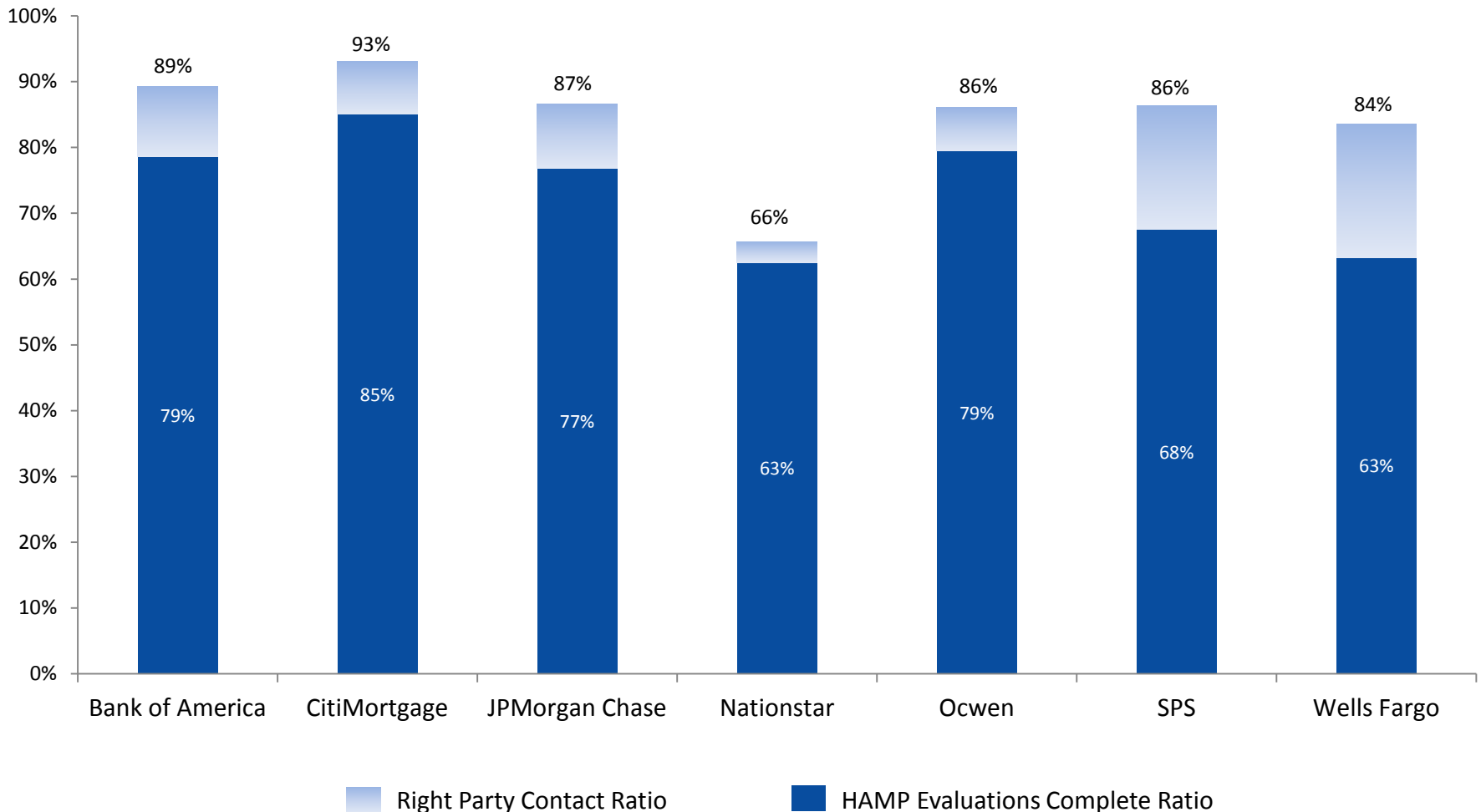
Servicer	All HAMP Trials Started <sup>8</sup>	HAMP Permanent Modifications Started <sup>8</sup>	Active Trial Modifications <sup>11</sup>	Active Permanent Modifications	Total Active Modifications			
					GSE	Private	Portfolio	Total
Bank of America, N.A.	234,850	106,649	3,105	71,251	23,776	35,413	15,167	74,356
CitiMortgage, Inc.	129,616	64,178	2,071	46,622	28,675	6,218	13,800	48,693
JPMorgan Chase Bank, N.A.	318,716	191,623	2,951	143,033	65,643	49,877	30,464	145,984
Nationstar Mortgage LLC	191,400	128,040	6,571	93,107	57,265	39,977	2,436	99,678
Ocwen Loan Servicing, LLC	378,224	271,804	14,506	185,549	38,862	146,161	15,032	200,055
Select Portfolio Servicing, Inc.	108,783	66,082	4,883	38,694	447	38,912	4,218	43,577
Wells Fargo Bank, N.A.	313,240	190,204	6,597	140,764	55,766	29,959	61,636	147,361
Other Servicers	499,093	321,162	10,114	219,988	172,331	24,407	33,364	230,102
<b>Total</b>	<b>2,173,922</b>	<b>1,339,742</b>	<b>50,798</b>	<b>939,008</b>	<b>442,765</b>	<b>370,924</b>	<b>176,117</b>	<b>989,806</b>

# Making Home Affordable: Servicer Results

Program Performance Report Through February 2014

## Servicer Outreach to HAMP Eligible 60+ Day Delinquent Homeowners: Cumulative Servicer Results, February 2013 – January 2014

Per program guidance, servicers are directed to establish Right Party Contact (RPC) with homeowners of delinquent HAMP eligible loans and then evaluate the homeowners' eligibility for HAMP. There is a range of performance results across top program servicers with respect to making RPC and completing the evaluations.



Source: Survey of largest participating servicers as of January 31, 2014.

# Making Home Affordable: Servicer Results

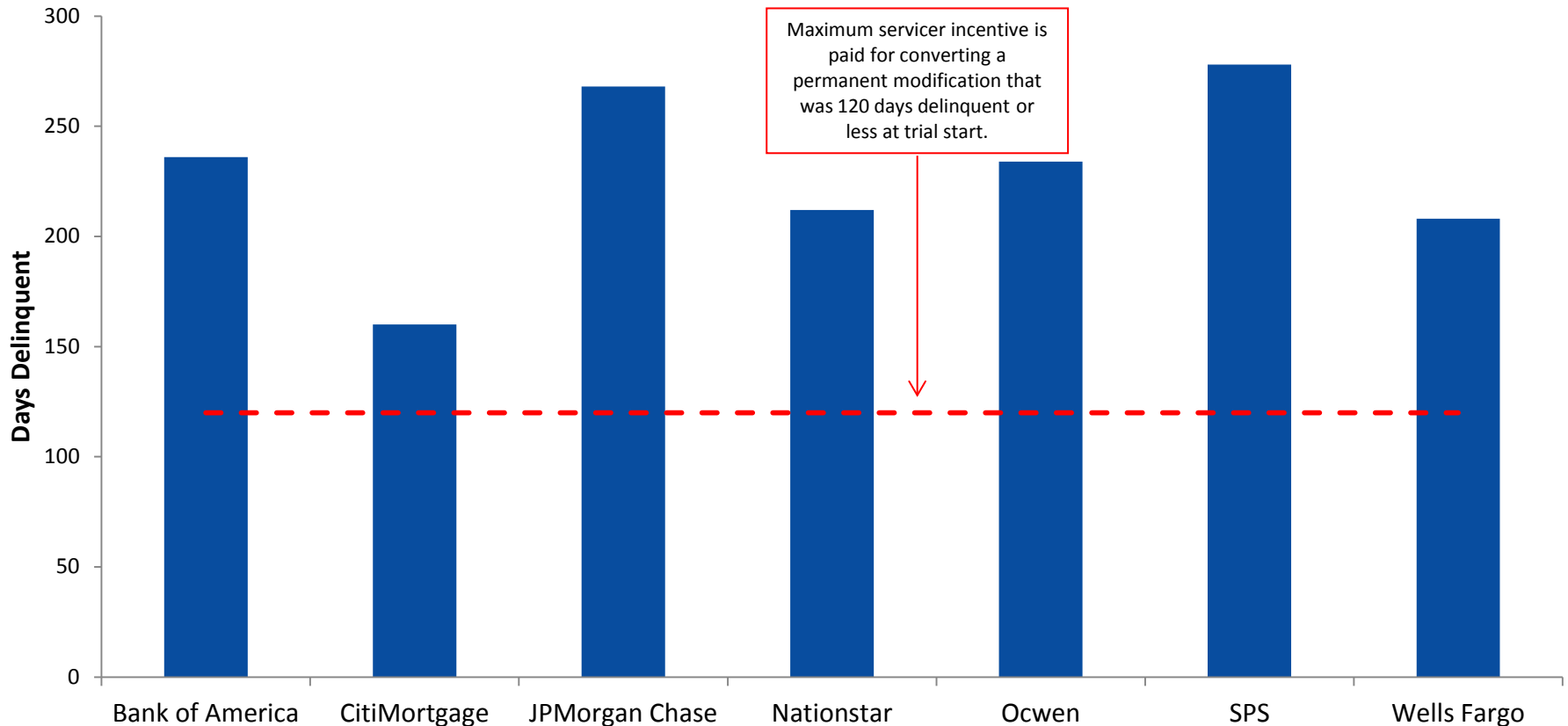
Program Performance Report Through February 2014

## HAMP Average Homeowner Delinquency at Trial Start

Servicers are instructed to follow a series of steps in order to evaluate homeowners for HAMP, including:

- Identifying and soliciting homeowners in the early stages of delinquency;
- Making reasonable efforts to establish right party contact with the homeowners;
- Gathering required documentation once contact is established in order to evaluate the homeowner for a HAMP trial; and,
- Communicating decisions to the homeowner.

Effective October 1, 2011, a new servicer compensation structure exists to encourage servicers to work with struggling homeowners in the early stages of delinquency, with the highest incentives paid for permanent modifications completed when the homeowner is 120 days delinquent or less at the trial start.



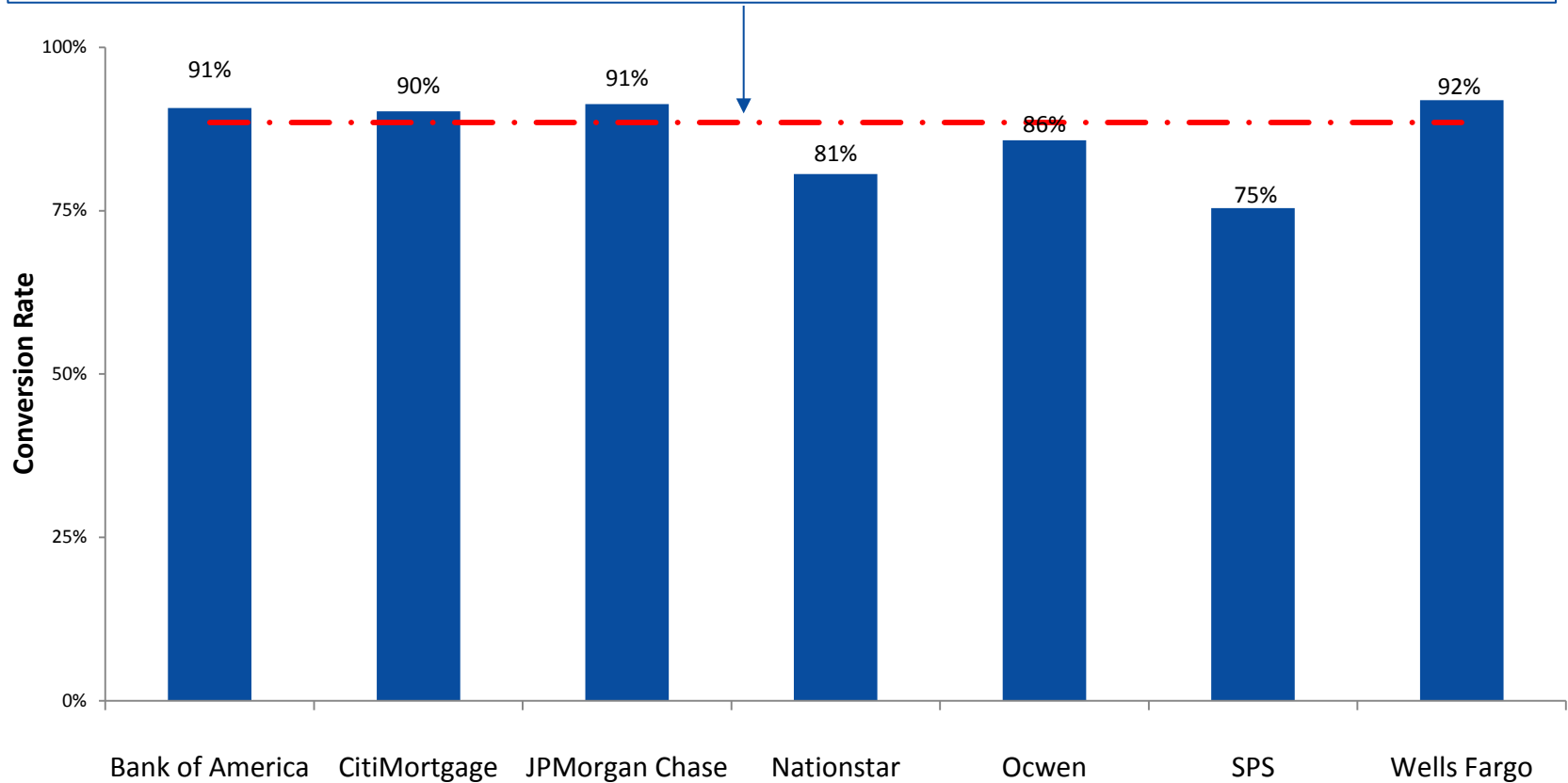
# Making Home Affordable: Servicer Results

Program Performance Report Through February 2014

## HAMP Conversion Rate

Per program guidelines, effective June 1, 2010, all trials must be started using verified income documentation. Servicers have converted most eligible trials to permanent modifications. Prior to June 1, 2010, some servicers initiated trials using stated income information. Of trials started prior to June 1, 2010, 44% have converted to permanent modifications.

Of eligible trials started on or after June 1, 2010, **89% have converted to permanent modifications\*** as of February 2014.



For trials started on or after June 1, 2010 the average length of a trial is 3.5 months.

\* With another 3% pending processing or decision.

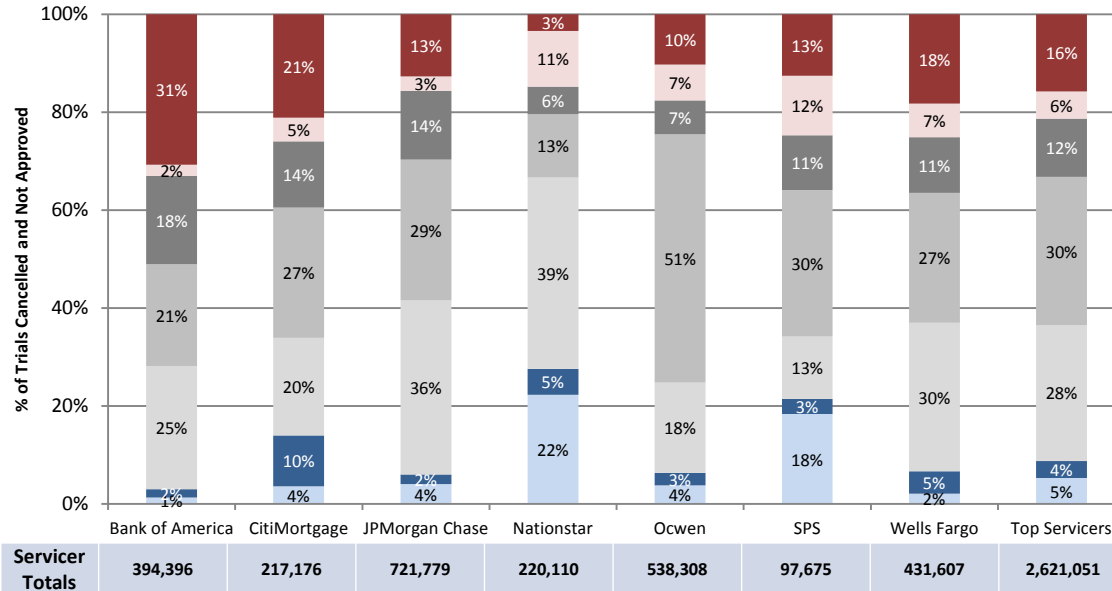
# Making Home Affordable: Servicer Results

Program Performance Report Through February 2014

## Disposition Path of Homeowners Not in HAMP Survey Data For Actions Completed Through January 2014<sup>12</sup> (Largest Servicers)

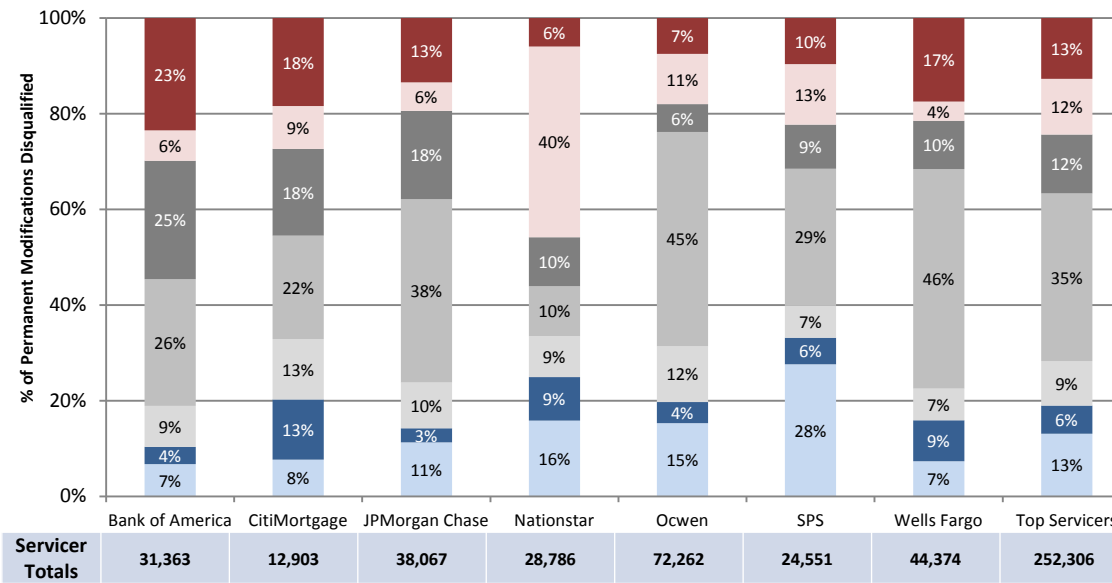
### Status of Homeowners Not Accepted for a HAMP Trial or Those Whose HAMP Trial was Cancelled

- HAMP guidance requires that servicers evaluate homeowners with eligible loans for HAMP, before considering other foreclosure alternatives.
- For those homeowners that did not qualify for HAMP or did not successfully complete the trial period, 58% received an alternative modification or resolved their delinquency.



### Status of Homeowners with Disqualified HAMP Permanent Modification

- HAMP guidance requires that a servicer work with a delinquent homeowner in a permanent modification to cure the delinquency.
- In the event the homeowner cannot bring a delinquent HAMP modification current without additional assistance, the servicer is prevented from commencing foreclosure proceedings until the borrower is evaluated for any other loss mitigation action.
- The majority of homeowners who disqualify from a HAMP permanent modification receive an alternative to foreclosure or resolve their delinquency. Approximately one quarter have been referred to foreclosure.



# Making Home Affordable

Program Performance Report Through February 2014

## Appendix A1: Terms and Methodology

### **HAMP Terms and Methodology:**

#### Action Pending:

Includes homeowners who were not approved for a HAMP trial modification, trial loans that have been cancelled or permanent modifications that have been disqualified, but further action has yet to be taken at this time.

#### Average Delinquency at Trial Start:

For all permanent modifications started, the average number of days delinquent as of the trial plan start date. Delinquency is calculated as the number of days between the homeowner's last paid installment before the trial plan and the first payment due date of the trial plan.

#### Back-End Debt-to-Income Ratio:

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. Homeowners who have a back-end debt-to-income ratio of greater than 55% are required to seek housing counseling under program guidelines.

#### Conversion Rate:

Ratio of permanent modifications to trials eligible to convert, defined as those three months in trial, or four months if the borrower was at risk of imminent default at trial modification start. Permanent modifications transferred among servicers are credited to the originating servicer. Trial modifications transferred are

reflected in the current servicer's population.

#### Disqualification:

A permanent modification disqualifies from HAMP when the borrower has missed the equivalent of three full monthly payments. Once disqualified, the borrower is no longer eligible to receive HAMP incentives. However, the terms of the permanent modification remain the same, and the servicer will continue to work with the borrower to cure the delinquency or identify other loss mitigation options.

#### Eligible Loans:

Homeowners with HAMP eligible loans, which include conventional loans that were originated on or before January 1, 2009; excludes loans with current unpaid principal balances greater than current conforming loan limits-current unpaid principal balance must be no greater than: \$729,750 for a single-unit property, 2 units: \$934,200, 3 Units: \$1,129,250, 4 Units: \$1,403,400; FHA and VA loans; loans where investor pooling and servicing agreements preclude modification; and manufactured housing loans with title/chattel issues that exclude them from HAMP.

#### Evaluation Complete:

HAMP evaluations complete ratio reflects the share of homeowners who have been evaluated for HAMP as a percent of HAMP eligible loans, excluding homeowners where RPC or HAMP evaluation is no longer needed. Evaluated homeowners include those offered a trial plan, those that are denied or did not accept a trial plan and homeowners that failed to submit a complete HAMP evaluation package by program-specified timelines.

#### Front-End Debt-to-Income Ratio:

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

#### Median Monthly Housing Payment:

Principal and interest payment. Before modification payment is homeowner's current payment at time of evaluation.

#### Payment Plan:

An arrangement with the borrower and servicer that does not involve a formal loan modification.

#### RPC:

Right Party Contact (RPC) is achieved when a servicer has successfully communicated directly with the homeowner obligated under the mortgage about resolution of their delinquency in accordance with program guidelines. The RPC ratio reflects the share of homeowners with which the servicer has established RPC as a percent of HAMP eligible loans, excluding homeowners where RPC or HAMP evaluation is no longer needed.

#### Total Active:

Reflects active HAMP trials and permanent modifications.



# Making Home Affordable

Program Performance Report Through February 2014

## Appendix A2: General Program Notes

### General MHA Program Notes:

- MHA Program Effective Dates:  
HAMP First Lien: April 6, 2009  
PRA: October 1, 2010  
2MP: August 13, 2009  
HAFA: April 5, 2010
- 1MP, PRA, Treasury FHA-HAMP, RD-HAMP, 2MP, and HAFA Program Metrics: Data includes activity reported into the HAMP system of record through the end of cycle for the current reporting month, though the effective date may occur in the following month.

### MHA First Lien Program Notes:

- MHA First Lien Permanent Modifications Started includes: HAMP Tier 1, HAMP Tier 2, GSE Standard Modifications and both Treasury FHA- and RD-HAMP. HAMP Tier 1 includes both GSE and Non-GSE modifications. The GSEs do not participate in HAMP Tier 2, however the GSE Standard Modification is similar to HAMP Tier 2. FHA-HAMP and RD-HAMP are similar to HAMP Tier 1.
- GSE Standard Modification data is provided by Fannie Mae and Freddie Mac as of February 2014. The GSEs undertake other foreclosure prevention activities beyond their participation in MHA which is not reflected in this report. Per the Federal Housing Finance Agency's Foreclosure Prevention Report for the Fourth Quarter of 2013, since 4Q 2008, the GSEs have completed nearly 1.6 million permanent modifications, which includes their activity under

MHA. Please visit [www.FHFA.gov](http://www.FHFA.gov) for the complete FHFA report.

### Treasury FHA-HAMP Program Notes:

- The FHA undertakes other foreclosure prevention activities beyond their participation in MHA which is not reflected in this report. As reported in the March 2014 edition of the Obama Administration's Housing Scorecard, FHA has offered more than 2.2 million loss mitigation and early delinquency interventions through February 2014 since April 2009, which includes their activity under MHA.

### 2MP Program Notes:

- Number of modifications started is net of cancellations, which are primarily due to servicer data corrections.
- 2MP loans previously reported under top servicers that were transferred to or acquired by non-participating 2MP servicers are reflected in "Other Servicers."
- Borrowers with an active 1MP permanent modification who have also received a 2MP modification realize a higher monthly payment reduction on their first lien compared to the overall population of 1MP borrowers as the median first lien unpaid principal balance is higher.

### HAFA Program Notes:

- Unless otherwise noted, HAFA Transactions Completed includes GSE activity under the MHA program in addition to the GSE Standard HAFA

program implemented in November 2012. GSE Standard HAFA data provided by Fannie Mae and Freddie Mac as of February 2014. It does not include other GSE short sale and deed-in-lieu activity outside the HAFA program. Per the Federal Housing Finance Agency's Foreclosure Prevention Report for the Fourth Quarter of 2013, since 4Q 2008 the GSEs have completed more than 550,000 short sales and deed-in-lieu of foreclosure actions, which includes their activity under MHA. Please visit [www.FHFA.gov](http://www.FHFA.gov) for the complete FHFA report.

- The debt relief represents the obligation relieved by the short sale or deed-in-lieu transaction and is calculated as the unpaid principal balance and allowable transactions costs less the property sales price. The allowable transaction costs may include release of any subordinate lien, borrower relocation assistance, sales commission, and closing costs for taxes, title, and attorney fees.

### PRA Program Notes:

- Eligible loans include those receiving evaluation under HAMP PRA guidelines plus loans that did not require an evaluation but received principal reduction on their modification.

### UP Program Notes:

- Data is as reported by servicers via survey for UP participation through January 31, 2014.

# Making Home Affordable

Program Performance Report Through February 2014

## Appendix A3: End Notes

### SUMMARY AND PROGRAM RESULTS:

1. This does not include trial modifications that have cancelled or not yet converted to permanent modifications, or HAFA transactions started but not yet completed.
2. Servicers may enter new trial modifications into the HAMP system of record at any time.
3. Includes some modifications with additional principal reduction outside of HAMP PRA.
4. Under HAMP PRA, principal reduction vests over a 3-year period. The amounts noted reflect the entire amount that may be forgiven.
5. Principal amount reduced as a percentage of before-modification UPB, excluding capitalization.
6. Subject to investor restrictions. Effective February 1, 2013, Supplemental Directive 12-09 expanded the acceptable DTI range for Tier 2 to 10-55%.
7. For active permanent modifications. Median % reflects percent of the median monthly payment before modification.

### SERVICER RESULTS:

8. As reported into the HAMP system of record by servicers. Excludes Treasury FHA-HAMP modifications. Totals reflect impact of servicing transfers. Servicers may enter new trial modifications into the HAMP system of record at any time.
9. While both GSE and non-GSE loans are eligible for HAMP, at the present time due to GSE policy, servicers can only offer PRA on non-GSE modifications under HAMP. Servicer volume can

vary based on the investor composition of the servicer's portfolio and respective policy with regards to PRA.

10. Includes Non-GSE activity under the MHA program only. Servicer GSE program data not available.
11. These figures may include trial modifications that have been converted to permanent modifications, but not reported as such in the HAMP system of record. Additionally, servicers may process cancellations of permanent modifications for reasons, including but not limited to, data corrections, loan repurchase agreements, etc. This process requires reverting the impacted permanent modifications to trials in the HAMP system of record with re-boarding of some of these permanent modifications in subsequent reporting periods. Prior to being re-boarded as permanent modifications, these modifications are reported as Active Trials.
12. Data is as reported by servicers for actions completed through January 31, 2014 and reflects the status of homeowners as of that date; a homeowner's status may change over time. Survey data is not subject to the same data quality checks as data uploaded into the HAMP system of record. Excludes cancellations and disqualifications pending data corrections and loans otherwise removed from servicing portfolios.

# Making Home Affordable

Program Performance Report Through February 2014

## Appendix A4: Non-GSE Participants in HAMP

Servicers participating in the HAMP First Lien Modification Program may also offer additional support for homeowners, including Home Affordable Foreclosure Alternatives (HAFA), a forbearance for unemployed borrowers through the Unemployment Program (UP), and Principal Reduction Alternative (PRA).

Effective October 3, 2010, the ability to make new financial commitments under the Troubled Asset Relief Program (TARP) terminated, and consequently no new Servicer Participation Agreements may be executed. In addition, effective June 25, 2010, no new housing programs may be created under TARP.

Allstate Mortgage Loans & Investments, Inc.	Hartford Savings Bank	PNC Mortgage <sup>4</sup>
AMS Servicing, LLC	Hillsdale County National Bank	Purdue Employees Federal Credit Union
Bank of America, N.A. <sup>1</sup>	Horicon Bank	QLending, Inc.
Bank United	IC Federal Credit Union	Residential Credit Solutions
Bayview Loan Servicing, LLC	Idaho Housing and Finance Association	RG Mortgage Corporation
Carrington Mortgage Services, LLC	iServe Residential Lending LLC	RoundPoint Mortgage Servicing Corporation
CCO Mortgage	iServe Servicing, Inc.	Schools Financial Credit Union
Central Florida Educators Federal Credit Union	JPMorgan Chase Bank, N.A. <sup>2</sup>	Select Portfolio Servicing, Inc.
CitiMortgage, Inc.	Lake City Bank	Servis One Inc., dba BSI Financial Services, Inc.
Citizens 1st National Bank	Liberty Bank and Trust Co.	Specialized Loan Servicing, LLC
Community Bank & Trust Company	Los Alamos National Bank	Sterling Savings Bank
CUC Mortgage Corporation	Magna Bank	Technology Credit Union
DuPage Credit Union	Marix Servicing, LLC	The Golden 1 Credit Union
Fay Servicing, LLC	Midland Mortgage Company	U.S. Bank National Association
Fidelity Homestead Savings Bank	Midwest Community Bank	United Bank
First Bank	Mission Federal Credit Union	United Bank Mortgage Corporation
First Financial Bank, N.A.	Mortgage Center, LLC	Vantium Capital, Inc.
Franklin Credit Management Corporation	Nationstar Mortgage LLC	Vist Financial Corp.
Glass City Federal Credit Union	Navy Federal Credit Union	Wells Fargo Bank, N.A. <sup>5</sup>
Great Lakes Credit Union	Ocwen Loan Servicing, LLC <sup>3</sup>	Yadkin Valley Bank
Greater Nevada Mortgage Services	OneWest Bank	
Green Tree Servicing LLC	ORNL Federal Credit Union	
	Pathfinder Bank	
	PennyMac Loan Services, LLC	
	PNC Bank, National Association	

<sup>1</sup> Bank of America, N.A. includes all loans previously reported under BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>2</sup> JPMorgan Chase Bank, N.A. includes all loans previously reported under EMC Mortgage Corporation.

<sup>3</sup> Ocwen Loan Servicing, LLC includes loans previously reported under Litton Loan Servicing LP, Homeward Residential, Inc., GMAC Mortgage, LLC and also reflects recent acquisitions from OneWest

Bank.

<sup>4</sup> Formerly National City Bank.

<sup>5</sup> Wells Fargo Bank, N.A. includes all loans previously reported under Wachovia Mortgage, FSB.

# Making Home Affordable

Program Performance Report Through February 2014

## Appendix A5: Participants in Additional Making Home Affordable Programs

### Second Lien Modification Program (2MP)

Bank of America, N.A.<sup>1</sup>  
Bayview Loan Servicing, LLC  
CitiMortgage, Inc.  
Green Tree Servicing LLC  
iServe Residential Lending, LLC  
iServe Servicing, Inc.  
JPMorgan Chase Bank, N.A.<sup>2</sup>  
Nationstar Mortgage LLC  
OneWest Bank  
PennyMac Loan Services, LLC  
PNC Bank, National Association  
PNC Mortgage<sup>3</sup>  
Residential Credit Solutions  
Servis One Inc., dba BSI Financial Services, Inc.  
Wells Fargo Bank, N.A.<sup>4</sup>

### FHA First Lien Program (Treasury FHA-HAMP)

Amarillo National Bank  
American Financial Resources Inc.  
Aurora Financial Group, Inc.  
Banco Popular de Puerto Rico  
Bank of America, N.A.<sup>1</sup>  
Capital International Financial, Inc.  
CitiMortgage, Inc.  
CU Mortgage Services, Inc.  
First Federal Bank of Florida  
First Mortgage Corporation  
Gateway Mortgage Group, LLC  
Green Tree Servicing, LLC  
Guaranty Bank

iServe Residential Lending, LLC  
iServe Servicing, Inc.  
James B. Nutter & Company  
JPMorgan Chase Bank, N.A.<sup>2</sup>  
M&T Bank  
Marix Servicing, LLC  
Marsh Associates, Inc.  
Midland Mortgage Company  
Nationstar Mortgage LLC  
Ocwen Loan Servicing, LLC<sup>5</sup>  
PennyMac Loan Services, LLC  
PNC Mortgage<sup>3</sup>  
Residential Credit Solutions  
Schmidt Mortgage Company  
Select Portfolio Servicing, Inc.  
Servis One Inc., dba BSI Financial Services, Inc.  
Stockman Bank of Montana  
Wells Fargo Bank, N.A.<sup>4</sup>  
Weststar Mortgage, Inc.

### Rural Housing Service Modification Program (RD-HAMP)

Banco Popular de Puerto Rico  
Bank of America, N.A.<sup>1</sup>  
Horicon Bank  
JPMorgan Chase Bank, N.A.<sup>2</sup>  
Magna Bank  
Marix Servicing, LLC  
Midland Mortgage Company  
Nationstar Mortgage LLC  
Wells Fargo Bank, N.A.<sup>4</sup>

<sup>1</sup> Bank of America, N.A. includes all loans previously reported under BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>2</sup> JPMorgan Chase Bank, N.A. includes all loans previously reported under EMC Mortgage Corporation.

<sup>3</sup> Formerly National City Bank.

<sup>4</sup> Wells Fargo Bank, N.A. includes all loans previously reported under Wachovia Mortgage FSB.

<sup>5</sup> Ocwen Loan Servicing, LLC includes loans previously reported under Litton Loan Servicing LP and GMAC Mortgage, LLC and also reflects recent acquisitions from OneWest Bank.