

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Administration Releases December Loan Modification Report, Update on Conversion Drive

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***More Than 850,000 Homeowners Now with Median Payment Reductions Exceeding \$500; More Than 110,000 Permanent Modifications Approved to Date***

***Aggressive Administration Campaign Significantly Accelerates Conversion Rate; December Push Doubles Number of Permanent Modifications Over Life of Program***

**WASHINGTON** - The U.S. Department of the Treasury and the Department of Housing and Urban Development (HUD) today released an update on the Administration's aggressive nationwide campaign to help borrowers in the trial phase of their modified mortgages convert to permanent modifications under the Home Affordable Modification Program<sup>SM</sup> (HAMP<sup>SM</sup>). The new December data demonstrates that there has been a significant acceleration in the rate at which borrowers are being approved for permanent modifications. As of December, more than 110,000 permanent modifications have been approved, including 66,000 that borrowers have accepted and 46,000 awaiting only the borrower's signature. Under HAMP, more than 850,000 homeowners have had a median payment reduction exceeding \$500.


"Treasury is committed to working with servicers and borrowers to sustain this improved pace," said Chief of Treasury's Homeownership Preservation Office (HPO) Phyllis Caldwell.

HUD Senior Advisor for Mortgage Finance William Apgar echoed this commitment: "HUD will continue to work with our Administration partners and utilize our broad network of housing counseling agencies to increase the number of borrowers receiving sustainable and affordable modifications under HAMP."

The Administration has taken a number of steps to assist servicers in ramping up to give eligible homeowners the opportunity to participate in HAMP. Over the past month, Administration representatives were on-site in servicer offices to ensure that servicers increased efforts to deliver decisions to borrowers in trial modifications who have submitted all of their documents and to obtain any missing documents from borrowers. The Administration also implemented a temporary review period to ensure that all borrowers are being fairly evaluated for the program. The temporary review period extends until January 31, 2010.

HAMP was designed to offer through 2012 up to 3-4 million homeowners reduced monthly mortgage payments that are affordable and sustainable over the long-term. Currently, several million homeowners are estimated to be eligible for the program and more than 1 million have already received modification offers. At this pace, the program is on track to meet the goals that President Obama laid out in announcing the *Homeowner Affordability and Stability Plan*. This *Plan* included several housing initiatives beyond mortgage modifications, including broad support for Fannie Mae and Freddie Mac to keep interest rates low and facilitate mortgage affordability across the market, increased flexibilities for Fannie Mae and Freddie Mac in refinancing mortgages to provide homeowners with lower monthly payments, tax credits to support development of affordable housing, and support to state and local housing finance agencies. In just the first year, the Administration has launched all of these critical initiatives.

As part of an ongoing commitment to continuously provide greater transparency in all of the Administration's financial stability efforts, the December report includes several new measurements including a breakdown of permanent modification characteristics. These characteristics include predominant hardship reasons and monthly payment savings.

The December HAMP report can be found here: <http://financialstability.gov/docs/report.pdf> 

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