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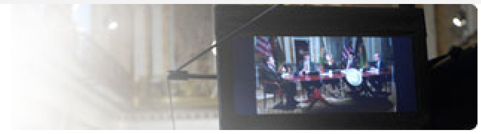

Obama Administration Releases July Housing Scorecard

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Report Includes Spotlight on Recovery in the Riverside, CA Housing Market

WASHINGTON - The U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of the Treasury today released the July edition of the Obama Administration's Housing Scorecard – a comprehensive report on the nation’s housing market. The latest housing data offer continued mixed signals as home prices improved slightly but showed continued strain from foreclosures and distressed homes. Also, as more homeowners secure mortgage relief, fewer borrowers entered the foreclosure pipeline in June. The full report is available online at www.hud.gov/scorecard.

“This month’s housing data paint a mixed picture of conditions in the market – despite growing evidence of progress in the broader economy,” said HUD Assistant Secretary Raphael Bostic. “We’re continuing to see a slight improvement in home prices and a decline in mortgage defaults as our foreclosure prevention programs reach more borrowers upstream in the process. But we have much more work to do to help the market recover and to reach the many households there and across the nation who still face trouble.”

“Tens of thousands of additional homeowners are getting real relief from the Administration’s programs every month,” said Treasury Assistant Secretary for Financial Stability Tim Massad. “These programs are setting standards across the industry that are yielding more sustainable assistance for homeowners in the face of the worst housing crisis in a generation.”

The July Housing Scorecard features key data on the health of the housing market and the impact of the Administration’s foreclosure prevention programs, including:

- **Fewer homeowners fell behind on their mortgages during the month of June**. In June, 4.4 percent of prime mortgages were at least 30 days late – a significant decline from the peak of 5.9 percent seen in 2010. Moreover, seriously delinquent prime mortgages – those at least 90 days late or in foreclosure – remained approximately 22 percent below a high of 1.9 million recorded last year. As new delinquencies decrease across the nation, the number of new homeowners seeking assistance through the Administration’s programs may also decrease.
- **The Administration’s recovery efforts have helped millions of families deal with the worst economic crisis since the Great Depression**. Nearly 5 million modification arrangements were started between April 2009 and the end of May 2011.This includes more than 1.6 million HAMP trial modification starts, more than 938,000 FHA loss mitigation and early delinquency interventions, and nearly 2.4 million HOPE Now proprietary modifications, reflecting the reach of standards developed in the Administration's programs. While some homeowners may have received help from more than one program, the total number of agreements offered continues to more than double the number of foreclosure completions for the same period (2.1 million). In June, nearly 32,000 additional homeowners received a permanent modification through the Administration's Home Affordable Modification Program (HAMP); more than 760,000 homeowners across the country have received a HAMP permanent modification to date with a median payment reduction of 37 percent.
- **Even as new delinquencies continue to fall, eligible homeowners entering HAMP have a high likelihood of earning a permanent modification and realizing long-term success.** The rate of modifications moving from trial to permanent is up to 74 percent, and the average time to convert from a trial to permanent modification is down to 3.5 months. Homeowners in HAMP modifications continue to perform well over time, with re-default rates lower than those on industry modifications. At one year, more than 84 percent of homeowners remain in their HAMP permanent modification. View the June HAMP Servicer Performance Report.

Also featured is the bi-monthly Housing Scorecard Regional Spotlight reporting on market strength in Riverside, CA and surrounding communities. The Riverside metropolitan statistical area (MSA) was among the nation’s hardest hit areas following the housing market downturn and a region where the Administration’s broad approach to stabilizing the housing market has been very active.

“Our Regional Spotlight shows that after years of rapidly rising home prices fueled in part by widely available – but ultimately unsustainable – adjustable rate mortgages, Riverside neighborhoods suffered a steep drop in property values and many severely underwater mortgages,” added Bostic. “However, we also show how the Administration’s approach to stabilizing the housing market has been a source of real help to local families – helping more than 131,000 homeowners to avoid foreclosure.”

The Housing Scorecard Regional Spotlight features data on the health of the Riverside housing market and impact of efforts to help homeowners at the local level including:

- **The Administration’s mortgage assistance programs have helped tens of thousands of Riverside families avoid foreclosure.** Through May 2011, approximately 131,000 mortgage assistance interventions have been offered to homeowners in the Riverside metropolitan area, including more than 75,500 interventions offered through HAMP and FHA loss mitigation and early delinquency intervention programs. An estimated 56,000 additional proprietary modifications have been offered through Hope Now Alliance servicers. While some homeowners may have received help from more than one program, the number of times assistance has been offered in the Riverside MSA is two-thirds higher than the number of foreclosures completed during this period (80,000).
- **Riverside homeowners are starting to see relief after struggling with some of the highest levels of mortgage delinquency and foreclosure in the nation.** The share of area mortgages 90 or more days delinquent dropped from 17 percent to 12 percent over the past year – an improvement over the national decline of 1 percent over the same period. Completed foreclosures also declined from 9,400 in the first quarter of 2010 to 7,600 in the first quarter of 2011, although lender process reviews continue to affect foreclosure completions locally and nationally. However, many homeowners and loans remain at risk as nearly half of all mortgages in the Riverside area (47 percent) are in negative equity – more than twice the national rate (23 percent).
- **The Administration’s Hardest Hit Fund and Neighborhood Stabilization Programs have fueled local foreclosure prevention efforts and market stability.** California has received nearly $2 billion through the Hardest Hit Fund to implement local solutions to borrower mortgage defaults and address the range of factors that contribute to a family's financial problems. Moreover, approximately $191 million has been awarded to sixteen jurisdictions through the Neighborhood Stabilization Program to help purchase or redevelop residential properties and address the effects of abandoned and foreclosed housing. Both programs have helped provide stability to the Riverside housing market.