

U.S. DEPARTMENT OF THE TREASURY

Press Center



Obama Administration Releases August Housing Scorecard Featuring Making Home Affordable Servicer Assessments

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Administration finds Bank of America and J.P. Morgan Chase Remain in Need of Substantial Improvement in Second Quarter of 2011; Both Subject to Continued Withholding of Financial Incentives

WASHINGTON - The U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of the Treasury today released the August edition of the Obama Administration's Housing Scorecard. Included in this month's report are detailed assessments for the 10 largest mortgage servicers participating in the Making Home Affordable Program with results from the second quarter of 2011. In addition to providing greater transparency about servicer performance in the program, the servicer assessments – first introduced in June and published quarterly – are intended to set a new industry benchmark for disclosure around servicer efforts to assist struggling homeowners, while prompting them to correct identified deficiencies.

"While tens of thousands of additional homeowners benefit from the Administration's programs each month, we need to keep the pressure on servicers to effectively assist those homeowners who are still struggling and eligible for assistance," said Treasury Assistant Secretary for Financial Stability Tim Massad. "These assessments provide an unprecedented level of information about servicer performance and are designed to help more eligible homeowners walk away from this process with better results."

"The Obama Administration is dedicated to helping homeowners who were negatively affected by the housing crisis and this month's scorecard shows signs of these programs working," said HUD Assistant Secretary Raphael Bostic. "Data shows improvements in home prices, which have increased three months in a row, and a reduction in foreclosure starts and completions, which have been trending downward since fall 2010. Although the data suggests improvement, we are still continuing to work with homeowners, lenders, servicers, and others so that this positive trend continues."

As the Administration continues to take steps to prompt servicers to provide more effective assistance to struggling homeowners through its foreclosure prevention programs, the continued fragility of the housing market demonstrates the need for the Administration's recovery efforts in hard hit communities:

- **Administration efforts have helped improve servicer performance in assisting struggling homeowners.** While more progress needs to be made, servicers have been focusing attention on areas of need identified through regular compliance and program reviews, with results published in the Administration's quarterly Servicer Assessments. Since inception of the voluntary Making Home Affordable Program, Treasury has required participating servicers to take specific actions to improve their servicing processes to more effectively assist struggling homeowners. As a result, there are more options for assistance available to struggling homeowners today than have ever been available before.
- **The Administration's efforts have helped millions of families deal with the worst economic crisis since the Great Depression.** More than 5 million mortgage aid arrangements were started between April 2009 and the end of July 2011. While some homeowners may have received help from more than one program, the total number of aid offers is more than double the number of foreclosure completions for the same period (2.2 million). In July, more than 28,000 additional homeowners received a permanent modification through the Administration's Home Affordable Modification Program (HAMP); more than 790,000 homeowners across the country have now received a HAMP permanent modification with a median payment reduction of 37 percent. To date, homeowners in permanent modifications have realized aggregate savings in monthly mortgage payments of nearly \$7.8 billion. [View the July HAMP Servicer Performance Report.](#)
- **Housing market remains fragile as data through July paint a mixed picture of recovery.** Home prices as reported by S&P/Case-Shiller and FHFA were up for the third consecutive month in July after several previous months of decline. Foreclosure starts and completions continued a downward trend, as mortgage aid programs are helping homeowners, although some of the decline remains due to lender processing issues delaying some foreclosure actions. The fragility of the market is underscored by the fact mortgage delinquencies rose slightly in July.

The Servicer Assessments summarize performance for the 10 largest Making Home Affordable participating servicers from reviews largely conducted throughout the second quarter of 2011 on three categories of program implementation: identifying and contacting homeowners; homeowner evaluation and assistance; and program reporting, management and governance. Although some improvements have been made, based on the reviews for this quarter, Bank of America, NA and J.P. Morgan Chase Bank, NA remain in need of substantial improvement. Both servicers were subject to withholding of financial incentives under the program based on results from the first quarter and will continue to have their incentives withheld until their performance improves.

While Ocwen Loan Servicing, LLC and Wells Fargo Bank, NA were both found to be in need of substantial improvement in the first quarter of 2011, compliance activities conducted to follow up on their progress and assess other areas of program implementation found that both mortgage servicers have corrected identified deficiencies from the first quarter. Both servicers were found to be in need of moderate improvement in the second quarter.

Details on the review process and more information on the Administration's Servicer Assessments, which will be issued on a quarterly basis, can be found at [link](#).

