

U.S. DEPARTMENT OF THE TREASURY

Press Center



Obama Administration Releases September Housing Scorecard

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Report Includes Spotlight on Recovery in the Cleveland, OH Housing Market

WASHINGTON - The U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of the Treasury today released the September 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 for the fourth consecutive month but showed continued strain from foreclosures and distressed sales. Also, mortgage defaults and foreclosure completions continued a downward trend as more homeowners were able to secure mortgage relief. The full report is available online at www.hud.gov/scorecard.

"We're encouraged by the continued decline in mortgage defaults and recent trend in home prices, but we have much more work to do to help the market recover and to reach the many households across the nation who still face trouble," said HUD Assistant Secretary Raphael Bostic. "More than 11.5 million homeowners have refinanced their mortgages since April 2009, putting a total of \$20 billion a year in real savings in the hands of American families. As the President announced in his recent speech to Congress, to help responsible homeowners, we must make it easier for more people refinance at interest rates that are now near 4%. That alone can put more than \$2,000 a year in a family's pocket, and give a lift to our still-struggling economy."

"Every month, tens of thousands of additional homeowners benefit directly from the Administration's programs to help prevent avoidable foreclosures," said Treasury Assistant Secretary for Financial Stability Tim Massad. "These programs have now set standards for the industry that have led to millions more homeowners receiving assistance at no expense to taxpayers. We recognize that there are homeowners who are still struggling but eligible for assistance and remain committed to reaching those homeowners."

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

- **Housing data available through August underscore market fragility and paint a mixed picture of recovery.** Though August home prices as reported by S&P/Case-Shiller and FHFA improved for the fourth consecutive month after several previous months of decline, the latest housing data is a mixed bag with home prices showing continued strain from foreclosures and distressed sales. Foreclosure 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 Administration's recovery efforts continue to help millions of families deal with the worst economic crisis since the Great Depression.** More than 5.1 million modification arrangements were started between April 2009 and the end of August 2011 – including nearly 1.7 million HAMP trial modification starts, more than 1,020,000 FHA loss mitigation and early delinquency interventions, and more than 2.4 million proprietary modifications under HOPE Now. Many of these modifications are a direct result of the standards and processes the Administration's programs have established. 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 (2.3 million). In August, more than 26,000 additional homeowners received a permanent modification through the Administration's Home Affordable Modification Program (HAMP); more than 816,000 homeowners across the country have received a HAMP permanent modification to date, saving a median of \$525 per month - more than one-third of their median before-modification payment.
- **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.** Seventy-six percent of eligible homeowners entering a HAMP trial modification since June 1, 2010 received a permanent modification, with an average trial period of 3.5 months. Homeowners in HAMP permanent modifications have saved over \$8.3 billion to date. [View the August HAMP Servicer Performance Report.](#)

Also featured is the bi-monthly Housing Scorecard Regional Spotlight reporting on market strength in Cleveland, Ohio and surrounding communities. The Cleveland 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 Cleveland was, in many ways, an early warning of the crisis that rippled across the nation. Years of job and workforce losses made the economy in Cleveland and the surrounding areas especially vulnerable. That fragility was compounded by the region's high share of distressed mortgages and steep decline in property values," 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 32,000 homeowners to avoid foreclosure."

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

- **The foreclosure crisis developed much earlier in the five-county Cleveland metropolitan area and across the Midwest than in other areas of the nation.** As early as 2003, the share of distressed mortgages in Cleveland was above the national average and rising – the rise in distressed mortgage shares did not begin until 2007 in most other regions. By the start of the national mortgage crisis in 2007, Cleveland had already experienced several years of above average unemployment and population declines – and high cost or subprime loans were defaulting at eight times the rate of other mortgages. For all of these reasons, the housing market in Cleveland remains fragile – with low property values, deeply-discounted foreclosed properties affecting neighborhood values, and many severely underwater mortgages.
- **The Administration's mortgage assistance programs have helped tens of thousands of Cleveland families avoid foreclosure.** Through August 2011, approximately 32,000 mortgage assistance interventions have been offered to homeowners in the Cleveland metropolitan area – nearly twice the number of foreclosures during that period (16,200). Nearly 17,700 interventions were offered through the Home Affordable Modification Program (HAMP) and the Federal Housing Administration (FHA) loss mitigation and early delinquency intervention programs. An estimated additional 14,600 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 is nearly double the number of foreclosures completed during this period (16,200) in the Cleveland MSA.
- **The Administration's Hardest Hit Fund and Neighborhood Stabilization Programs have fueled local foreclosure prevention efforts and market stability.** Ohio has received a \$570 million allocation from the Administration's Hardest Hit Fund to help families dealing with a permanent or temporary loss of income avoid foreclosure.

Furthermore, more than \$90 million has been awarded to eight local jurisdictions through the Neighborhood Stabilization Program to help purchase or redevelop residential properties and address the effects of abandoned and foreclosed housing. Both programs continue to help provide stability to the Cleveland housing market.