

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Obama Administration Releases August Housing Scorecard

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*Housing Indicators Show Sustained Progress in Home Prices and Relief to Underwater Borrowers; Homeowners in the Making Home Affordable Program Continue to Benefit from Deep and Sustainable Assistance as Quarterly Servicer Assessments Show Mortgage Servicers Continue to Demonstrate Significant Improvement in Program Implementation*

**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 – a comprehensive report on the nation's housing market. Data continues to show signs that the housing market is strengthening – as home price improvements in the first half of this year have helped lift 1.3 million families above water – although officials caution that the overall recovery remains fragile. The full Housing Scorecard is available online at [www.hud.gov/scorecard](http://www.hud.gov/scorecard).

"The Obama Administration's efforts to speed housing recovery are showing clear signs of traction as the scorecard indicators highlight market momentum not seen since before the housing crisis," said HUD Acting Assistant Secretary Erika Poethig. "With median sales prices the highest they've been since the earliest months of the Administration, underwater borrowers down by 11 percent since the end of last year and more than half a million refinances through our enhanced Home Affordable Refinance Program so far this year, it is clear that we're making progress. But with so many households still struggling to make ends meet, we have important work ahead. That is why we are asking the Congress to approve the President's refinancing proposal so that more homeowners can receive assistance."

Also featured this month in the Administration's **Making Home Affordable Program Report** are detailed assessments for the largest mortgage servicers participating in the program with results from the second quarter of 2012. The Servicer Assessments – first introduced in June 2011 and published quarterly – have set a new standard for disclosure around servicer efforts to assist struggling homeowners.

"The Making Home Affordable Program has established critical standards that have changed the way the mortgage industry does business, leading to relief for millions of struggling homeowners," said Treasury Assistant Secretary for Financial Stability Tim Massad. "By shining a spotlight on individual servicer performance in key areas, and requiring improvements through our compliance process, the nation's largest mortgage servicers are fixing their processes while being held publicly accountable."

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

- **The Administration's foreclosure programs are providing relief for millions of homeowners as we continue to recover from an unprecedented housing crisis.** More than 1.2 million homeowner assistance actions have taken place through the Making Home Affordable Program, while the Federal Housing Administration (FHA) has offered more than 1.4 million loss mitigation and early delinquency interventions. The Administration's programs continue to encourage improved standards and processes in the industry, with HOPE Now lenders offering families and individuals more than three million proprietary mortgage modifications through July.
- **Homeowners entering HAMP continue to benefit from deep and sustainable assistance.** As of July, more than one million homeowners have received a permanent HAMP modification, saving approximately \$538 on their mortgage payments each month, and an estimated \$14.4 billion to date. In July, 77 percent of homeowners with eligible non-GSE mortgages benefitted from principal reduction with their HAMP modification. Eighty-seven percent of homeowners entering the program in the last two years have received a permanent modification. [View the Making Home Affordable Program Report with data through July 2012.](#)

Since inception of the Making Home Affordable Program, Treasury has required participating servicers to take specific actions to improve their processes through ongoing program reviews. The latest Servicer Assessments summarize performance on metrics in three categories of program implementation: identifying and contacting homeowners; homeowner evaluation and assistance; and program reporting, management and governance. Results for the second quarter of 2012 show that servicers are focusing attention on areas identified in previous program reviews and, as a result, are demonstrating significant improvement in program implementation:

- Mortgage servicers show **continued improvement in calculating homeowner income**, which is used to determine a homeowner's eligibility and modified payment amount under the program. In the second quarter, the average income calculation error rate for the top servicers fell below two percent and two servicers had zero percent error rates.
- **Servicers are more effectively evaluating homeowners under program eligibility criteria** as seen in the "second look disagree" category, which reflects the rate at which Treasury's program reviews disagree with the servicers' decision to find a homeowner ineligible for assistance. In the second quarter, the average second look disagree percentage for the top servicers remained below one percent with two servicers having a zero percent disagree rate for the quarter.

For the second quarter of 2012, two servicers were found to need only minor improvement on the areas reviewed for program performance, while seven servicers were found to need moderate improvement. Although servicer performance in a particular compliance category can fluctuate from quarter to quarter, in general, servicers continue to show overall improvement. All servicers, however, will need to continue to demonstrate progress in areas identified in follow-up program reviews.

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