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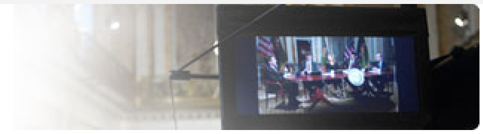

Obama Administration Releases November Housing Scorecard

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Housing Indicators Show Sustained Progress in Home Prices and Significant Relief to Underwater Borrowers

Quarterly Servicer Assessments Show Mortgage Servicers Demonstrate Continued Improvement in Implementation of the "Making Home Affordable Program"

WASHINGTON - The U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of the Treasury today released the **November edition** of the Obama Administration's Housing Scorecard – a comprehensive report on the nation's housing market. Data continue to show signs that the housing market is strengthening – as home values continue to rise and home sales remained strong in October. The full Housing Scorecard is available online at **www.hud.gov/scorecard.**

"The Obama Administration's efforts to speed housing recovery are showing continued progress as the scorecard indicators highlight market momentum not seen since before the housing crisis - six consecutive months of rising home prices have bolstered homeowners equity, which is now $1.5 trillion higher than in April 2009," said HUD Acting Assistant Secretary for Policy Development and Research Erika Poethig. "But with so many households still struggling to make ends meet, we have important work ahead. That is why we are asking Congress to approve the President's refinancing proposal so that more homeowners can receive assistance."

Included in this month's **Making Home Affordable Program Report** are detailed assessments from the third quarter of 2012 for the largest mortgage servicers participating in the program. 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 Administration remains focused on continuing to improve standards for the mortgage industry to help families avoid foreclosure," said Treasury Assistant Secretary for Financial Stability Tim Massad. "We continue to push the industry to provide better service to homeowners while expanding the range of solutions available to families facing mortgage concerns."

Since the 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 quarterly 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 third quarter of 2012 show that servicers are focusing attention on areas identified in previous program reviews and, as a result, are demonstrating continued improvement in program implementation:

- **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 third quarter, the average second look disagree percentage for the top servicers remained below one percent.
- **Mortgage servicers continue to accurately calculate homeowner income,** which is used to determine a homeowner's eligibility and modified payment amount under the program. In the third quarter, the average income calculation error rate for the top servicers was below three percent, and two servicers had zero percent error rates.

For the third 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 continued overall improvement in program implementation. All servicers, however, will need to continue to demonstrate progress in any areas identified in follow-up program reviews.

The November 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 1.3 million homeowner assistance actions have taken place through the Making Home Affordable Program, while the Federal Housing Administration (FHA) has offered more than 1.5 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 3.2 million proprietary mortgage modifications through September.
- **HAMP continues to offer homeowners affordable and sustainable assistance to avoid foreclosure**. As of October, more than 1.1 million homeowners have received a permanent modification through the Home Affordable Modification Program (HAMP), saving approximately $542 on their mortgage payments each month, and an estimated $16.2 billion to date. In October, 74 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 October 2012.

Also featured this month in the Administration's Housing Scorecard Regional Spotlight on market strength is Reno, Nevada. The challenges faced in the Reno-Sparks housing market have been more severe than in most areas in the nation.

"The continuing signs of stability that the national data show for the broader housing market are starting to show progress in Reno," said Poethig. "The Administration is working hard to help all homeowners who have been hit hard during the crisis and, as this Regional Spotlight shows, our efforts have helped nearly 10,000 Reno households avoid foreclosure. A modest local economic recovery is underway, but we have much more to do to reach the many households who still face trouble and to help the Reno market recover more broadly."

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

- **Economic conditions in Reno are slowly improving, but the local housing market remains fragile – with high concentrations of distressed mortgages.** Reno homeowners continue to struggle with high rates of mortgage delinquency and foreclosure as the area placed 49th out of 366 metropolitan areas ranked for mortgages 90 or more days delinquent or in the foreclosure process.
- **The Administration's Hardest Hit Fund and Neighborhood Stabilization Programs have fueled local foreclosure prevention efforts and market stability, while more than 9,700 Reno households have received mortgage modifications, many directly through Administration programs.** Treasury provided $194 million to the state of Nevada to provide assistance to struggling homeowners through the Hardest Hit Fund. The number of homeowners benefitting from the program has continued to increase due to strong demand, and the state expects to commit all of their funds on behalf of families in the near term – well before the program end date of 2017. Moreover, approximately $29.9 million has been awarded to Reno through HUD's Neighborhood Stabilization Program to help purchase or redevelop residential properties and address the effects of abandoned and foreclosed housing. Both programs have helped provide increased stability to the Reno housing market.
- **In addition, more than 10,000 Nevada homeowners are currently benefiting from over $900 million in refinancing, short sales and completed or trial loan modifications, including principal reduction on first and second lien mortgages provided under the landmark National Mortgage Servicing Settlement.** Nationwide, the settlement has provided more than $26.1 billion in consumer relief benefits to over 300,000 families. That is in addition to the $2.5 billion in payments to participating states and $1.5 billion in direct payments to borrowers who were foreclosed upon between 2008 and 2011.

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