

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Obama Administration Releases February Housing Scorecard

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### *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 **February edition** of the Obama Administration's Housing Scorecard – a comprehensive report on the nation's housing market. Data continue to show important progress across many key indicators—as home prices ended the year with strong gains and purchases of new homes and sales of existing homes were also strong—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 continued progress as the February scorecard indicators highlight ongoing improvements throughout the housing market,” said HUD Deputy Assistant Secretary for Economic Affairs Kurt Usowski. “House prices are steadily rising above the mid-crisis lows in markets throughout the country, while inventories of new and existing homes are further tightening, and even estimates of the 'shadow inventory' are down. That said, we still remain considerably below long-term normal levels of home sales and production.”

Included in this month's **Making Home Affordable Program Report** are detailed assessments from the fourth quarter of 2012 for the largest mortgage servicers participating in the program. These 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 continues to improve outcomes for homeowners seeking mortgage relief by setting new standards for customer service and holding mortgage companies publicly accountable,” said Treasury Assistant Secretary for Financial Stability Tim Massad. “As a result, struggling families today have stronger consumer protections and more sustainable options to avoid foreclosure.”

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 quarterly Servicer Assessments summarize performance in three categories of program implementation: identifying and contacting homeowners; homeowner evaluation and assistance; and program reporting, management and governance. Results for the fourth 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 fourth quarter, the average second look disagree rate for the top servicers was below two 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 fourth quarter, the average income calculation error rate for the top servicers went down from the previous quarter, and three servicers had a zero percent error rate.

For the fourth 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 subsequent program reviews.

The February 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 mitigation programs are providing relief for millions of homeowners as we continue to recover from an unprecedented housing crisis.** More than 1.5 million homeowner assistance actions have taken place through the Making Home Affordable Program, while the Federal Housing Administration (FHA) has offered more than 1.6 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 3.4 million proprietary mortgage modifications through December.

- **HAMP continues to offer homeowners affordable and sustainable relief to avoid foreclosure.** As of January, more than 1.1 million homeowners have received a permanent modification through the Home Affordable Modification Program (HAMP), saving approximately \$546 on their mortgage payments each month, and an estimated \$17.9 billion to date. In January, 69 percent of homeowners with eligible non-GSE mortgages benefitted from principal reduction with their HAMP modification. Homeowners currently in permanent HAMP modifications have been granted an estimated \$9.2 billion in total principal reduction. [View the Making Home Affordable Program Report with data through January 2013.](#)

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