

U.S. DEPARTMENT OF THE TREASURY

Press Center



Obama Administration Releases December Housing Scorecard

1/10/2014

Key Indicators Continue to Show Important Progress in the Housing Market

WASHINGTON- The U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of the Treasury today released the **December edition** of the Obama Administration's Housing Scorecard – a comprehensive report on the nation's housing market. The latest data show progress among many key indicators. Home values continue to rise, contributing to both an increase in homeowners' equity and a decline in underwater borrowers. While there is much good news in this scorecard, officials caution that the overall recovery remains fragile. The full Housing Scorecard is available online at www.hud.gov/scorecard.

"December's Housing Scorecard shows that we are continuing to make progress helping struggling homeowners get back on their feet," said Associate Deputy Assistant Secretary for Economic Affairs Edward J. Szymanoski. "Since the beginning of 2012, the number of homeowners underwater has declined by 5.7 million and homeowners' equity has risen by 55 percent to \$9.7 trillion. There remains more work to do to address the 6.4 million homeowners who remain underwater; nevertheless, these are encouraging signs that the housing market recovery is providing millions of American homeowners with more economic security."

"While the housing market continues to make progress, Treasury remains committed to helping homeowners who are still struggling to make their mortgage payments," said Treasury Acting Assistant Secretary Tim Bowler. "December's Making Home Affordable (MHA) report shows that nearly 1.3 million homeowners have received a permanent modification through the Home Affordable Modification Program (HAMP) and the program has saved homeowners an estimated \$24.2 billion to date in mortgage payments."

Through Treasury's Second Lien Modification Program:

- More than 123,000 second lien modifications have been completed through the Second Lien Modification Program (2MP).
- Homeowners in 2MP with an active permanent modification save a median of \$153 per month on their second mortgage, resulting in a median total first and second lien monthly payment reduction of \$784, or 41 percent of their median before-modification payment.
- Homeowners who receive a full extinguishment of their second lien receive a median total first and second lien monthly payment reduction of \$1,047, or 53 percent of their before-modification payment.
- Effective September 2013, Treasury expanded the 2MP program to include qualifying first liens that have been modified under the GSE Standard Modification requirements. When a borrower's first lien is modified under the GSE Standard Modification requirements and the first lien satisfies the HAMP eligibility criteria, the 2MP servicer must offer to modify or extinguish the borrower's second lien under 2MP.

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

- **Home Values Continue to Rise.** As of October 2013, the Federal Housing Finance Agency (FHFA) purchase-only index rose 8.2 percent from last year and ticked up 0.5 percent (seasonally adjusted) from September, showing that home values are now on par with prices in early 2005. The S&P/Case-Shiller 20-City Home Price Index for October posted returns of 13.6 percent over the past 12 months and was up 0.2 percent (not seasonally adjusted) over September, indicating that home values are at the same level as in mid-2004.
- **The Administration's foreclosure mitigation programs continue to provide relief for millions of homeowners as the recovery from the housing crisis continues.** Over 1.8 million homeowner assistance actions have taken place through the Making Home Affordable Program, including more than 1.2 million permanent modifications through the Home Affordable Modification Program (HAMP), while the Federal Housing Administration (FHA) has offered more than 2.1 million loss mitigation and early delinquency interventions through November. The Administration's programs continue to encourage improved standards and processes in the industry, with HOPE Now lenders offering families and individuals more than 3.9 million proprietary modifications through October.

###

