

U.S. DEPARTMENT OF THE TREASURY

Press Center



Obama Administration Releases February Housing Scorecard

3/7/2014

Housing Market Continues To Show Signs of Improvement

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. The latest data show progress among key indicators. This scorecard notes that purchases of new homes rose, foreclosure completions continued their downward trend, and house prices were stable. While there are positive trends in the housing market, officials caution that the economy is still healing from the Great Recession. The full Housing Scorecard is available online at www.hud.gov/scorecard.

"February's Housing Scorecard continues to show that the Obama Administration's efforts to stabilize the housing market and provide relief to struggling homeowners are having a positive effect," said HUD Deputy Assistant Secretary for Economic Affairs Kurt Usowski. "For example, at the national level, the Federal Reserve Board announced yesterday that homeowners' equity jumped over \$400 billion in the fourth quarter of 2013, reaching over \$10 trillion for the first time since 2007. At the local level, HUD's Neighborhood Stabilization Program, which helps communities address foreclosed and abandoned homes, has now completed or rehabilitated 32,000 units and provided direct assistance to 10,800 homeowners. However, this encouraging news does not detract from the need to build on this progress as too many homeowners remain underwater and mortgage delinquency rates remain elevated."

"The standards set by the Making Home Affordable (MHA) program and our quarterly servicer assessments have positively impacted the mortgage servicing industry," said Treasury Acting Assistant Secretary Tim Bowler. "While the housing market as a whole has made significant progress, servicers still have room for improvement and Treasury will continue to press the industry to improve servicer performance. January's MHA report shows that homeowners currently in the Home Affordable Mortgage Program (HAMP) have saved a total estimated \$25.5 billion to date in monthly mortgage payments."

Since the beginning 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 management and reporting.

For the fourth quarter of 2013, one servicer was found to need minor improvement, the rest were found to need moderate improvement. On average, servicer performance has improved since the inception of the Servicer Assessment reports.

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:

- **Homeowners' Equity Continues to Rise.** According to the Federal Reserve, homeowners' equity is up nearly \$412 billion, or 4.3 percent, in the fourth quarter of 2013, reaching \$10.026 trillion—the highest level since the fourth quarter of 2007. Homeowners' equity has risen sharply since the beginning of 2012, with equity up 60 percent, or more than \$3.7 trillion, during this period.
- **New Home Purchases Increased.** After declining for the last two months, purchases of new homes rose 9.6 percent to a seasonally adjusted annual rate (SAAR) of 468,000 (SAAR) in January--the highest unit-pace since mid-2008 and 2.2 percent above sales in January 2013. (Source: HUD and Census Bureau).
- **The Neighborhood Stabilization Program (NSP) continues to help communities across all 50 states address foreclosed and abandoned homes.** During the fourth quarter of 2013, grantees report cumulative completions of newly constructed or

rehabilitated housing units under NSP topping 32,000 units, while direct assistance to homeowners reached the 10,800 mark, signaling strong progress toward achieving projected activity under the NSP1, NSP2, and NSP3 programs.

- **HARP has helped 3 million underwater homeowners.** As of November 2013, FHFA reports the HARP program reached a significant milestone by helping more than 3 million underwater homeowners refinance their homes. Refinance volume has continued to decrease, however, as mortgage rates rise.
- **The Administration's foreclosure mitigation programs continue to provide relief for millions of homeowners.** Over 1.9 million homeowner assistance actions have taken place through the Making Home Affordable Program, including more than 1.3 million permanent modifications through the Home Affordable Modification Program (HAMP), while the Federal Housing Administration (FHA) has offered nearly 2.2 million loss mitigation and early delinquency interventions through January. The Administration's programs continue to encourage improved standards and processes in the industry, with HOPE Now lenders offering families and individuals nearly 4.0 million proprietary modifications through December (data are reported with a two month lag). In all, more than 8.1 million mortgage modification and other forms of mortgage assistance arrangements were completed between April 2009 and the end of January 2014.
- **HAMP Continues Helping Homeowners.** Homeowners currently in HAMP permanent modifications with some form of principal reduction have been granted an estimated \$13.3 billion in principal reduction. Of all non-Government Sponsored Enterprise (GSE) loans eligible for principal reduction entering HAMP in January, 64 percent included a principal reduction feature.

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