

# OCC Mortgage Metrics Report

Disclosure of National Bank Mortgage Loan Data

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First Quarter 2023

Office of the Comptroller of the Currency  
Washington, D.C.

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## About Mortgage Metrics

The Office of the Comptroller of the Currency (OCC) collects data on first-lien residential mortgage loans serviced by seven national banks with large mortgage-servicing portfolios.<sup>1</sup> The *OCC Mortgage Metrics Report* is published quarterly to promote broader understanding of mortgage portfolio performance and modification activity in the federal banking system, support supervision of regulated institutions, and fulfill section 104 of the Helping Families Save Their Homes Act of 2009 (codified at 12 USC 1715z-25), as amended by section 1493(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

- This report presents performance data for the first quarter of 2023 for loans that the reporting banks own or service for others as a fee-based business.
- The data in this report reflect a portion of first-lien residential mortgages in the country. The characteristics of the loans included here may differ from the overall population. The loans included are not a statistically representative, random sample.
- This report covers the performance of first-lien home mortgages in the portfolios of reporting banks. It excludes junior liens, home equity lines of credit (HELOC), and home equity conversion mortgages (reverse mortgages).
- For loans in forbearance covered by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, reporting banks are following guidance from the Department of Housing and Urban Development, Federal Housing Finance Agency, and the respective government agencies and government-sponsored enterprises (GSEs) for the calculation and reporting of delinquency and credit bureau reporting.

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<sup>1</sup> The seven national banks are Bank of America, Citibank, HSBC, JPMorgan Chase, PNC, U.S. Bank, and Wells Fargo.

## Executive Summary

### Overall Mortgage Portfolio and Performance

- As of March 31, 2023, the reporting banks serviced approximately 12 million first-lien residential mortgage loans with \$2.7 trillion in unpaid principal balances (see figures 1 and 2). This \$2.7 trillion was 22 percent of all residential mortgage debt outstanding in the United States.<sup>2</sup>
- Overall mortgage performance this quarter improved from the first quarter of 2022. The percentage of mortgages that were current and performing at the end of the first quarter of 2023 was 97.6 percent compared with 96.9 percent at the end of the first quarter of 2022 (see figure 6). The CARES Act, signed into law on March 27, 2020, and extended on February 18, 2022, allows for loan forbearance that can extend up to 360 days and is reflected in the mortgage performance data.
- Servicers initiated 11,459 new foreclosures in the first quarter of 2023, an increase from the prior quarter, but a lower volume than a year earlier (see figure 7). Home forfeiture actions during the first quarter of 2023—completed foreclosure sales, short sales, and deed-in-lieu-of-foreclosure actions—increased 10 percent from a year earlier to 2,661 (see figure 8). Events associated with the COVID-19 pandemic, including foreclosure moratoriums that began March 18, 2020, and were extended to July 31, 2021, have significantly affected these metrics.

### Number and Type of Modifications Completed and Impact on Payment Amount

Servicers completed 10,375 modifications during the first quarter of 2023, a 9.1 percent decrease from the previous quarter's 11,419 modifications.

- Of these 10,375 modifications, 8,580 or 82.7 percent, were “combination modifications”—modifications that included multiple actions affecting the affordability and sustainability of the loan, such as an interest rate reduction and a term extension. Of the remaining 1,795 loan modifications, 1,726 received a single action and 69 were not assigned a modification type (see table 1).
- Among the 8,580 combination modifications completed during the quarter, 7,280, or 84.8 percent, included a term extension; 7,031, or 81.9 percent, included capitalization of delinquent interest and fees; 3,286, or 38.3 percent, included an interest rate reduction or freeze; 2,545, or 29.7 percent, included principal deferral; and 19, or 0.2 percent, included principal reduction (see table 2).
- Of the 10,375 modifications completed during the quarter, 5,842, or 56.3 percent, reduced the loan's pre-modification monthly payment (see table 3).

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<sup>2</sup> Residential mortgage debt is determined using the quarterly Federal Reserve Statistical Release, “Z.1: Financial Accounts of the United States,” table L.218, “One-to-Four-Family Residential Mortgages,” household sector liabilities. Data as of March 31, 2023.

## Modified Loan Performance

By March 31, 2023, all loans modified during the third quarter of 2022 would have aged at least six months. Of the 16,160 modifications completed during the third quarter of 2022, servicers reported that 2,009 or 12.4 percent, were 60 or more days past due or in the process of foreclosure at the end of the month that the modification became six months old (see table 4).

Figure 1 shows the outstanding principal balance of reported loans and the change in the amount of unpaid balances from the first quarter of 2021 through the first quarter of 2023.

**Figure 1: Total Serviced Mortgage Portfolio—Outstanding Principal in Billions of Dollars**

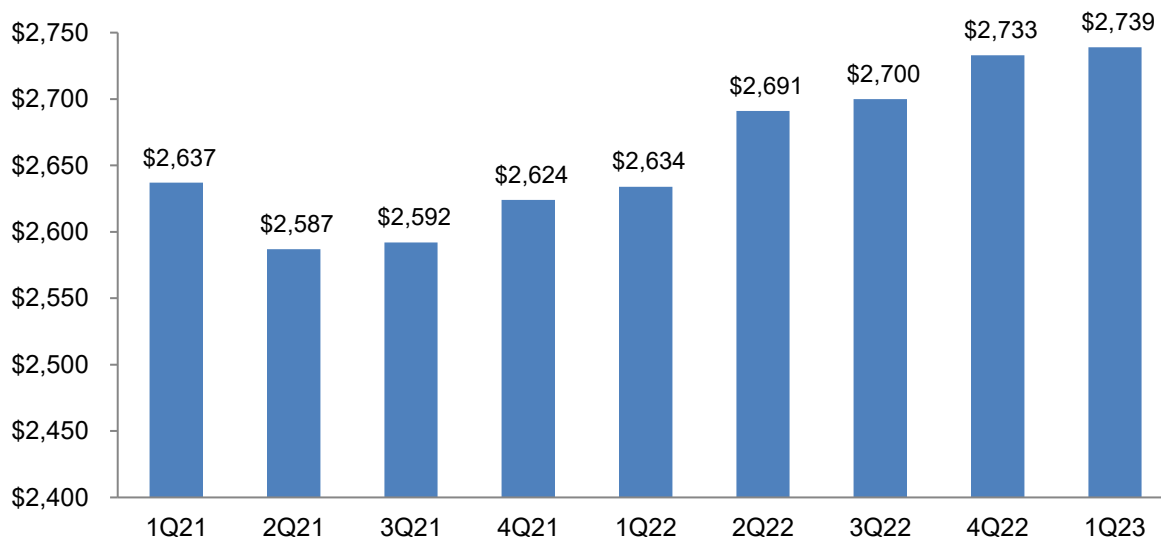


Figure 2 shows the number of first-lien residential mortgages serviced and the change in the number of loans serviced from the first quarter of 2021 through the first quarter of 2023.

**Figure 2: Total Serviced Mortgage Portfolio—Number of Loans in Thousands**

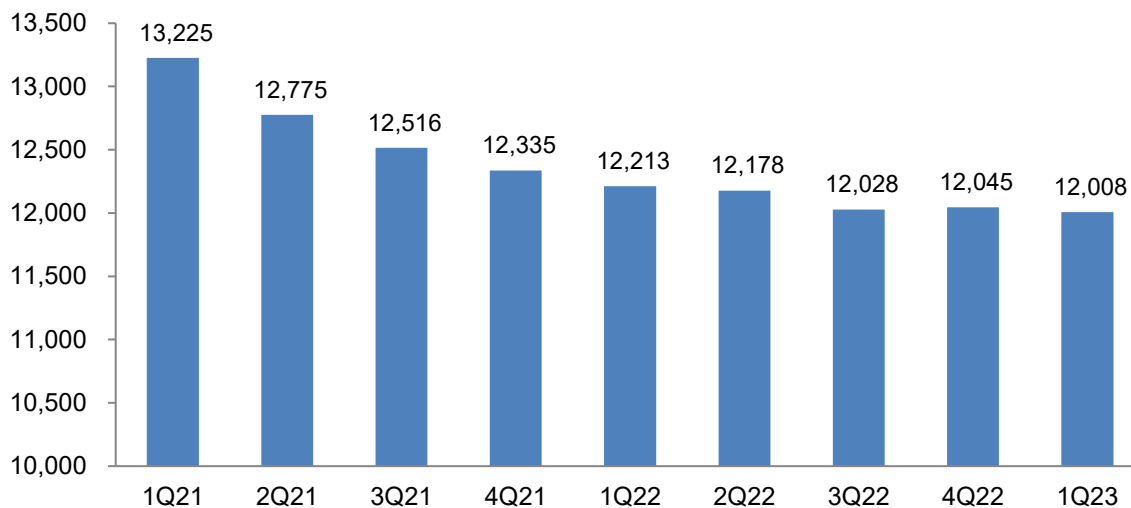


Figure 3 shows the number of loans in each risk category and the change in each category from the first quarter of 2021 through the first quarter of 2023.

**Figure 3: Composition—Loans in Thousands by Borrower Risk Category**

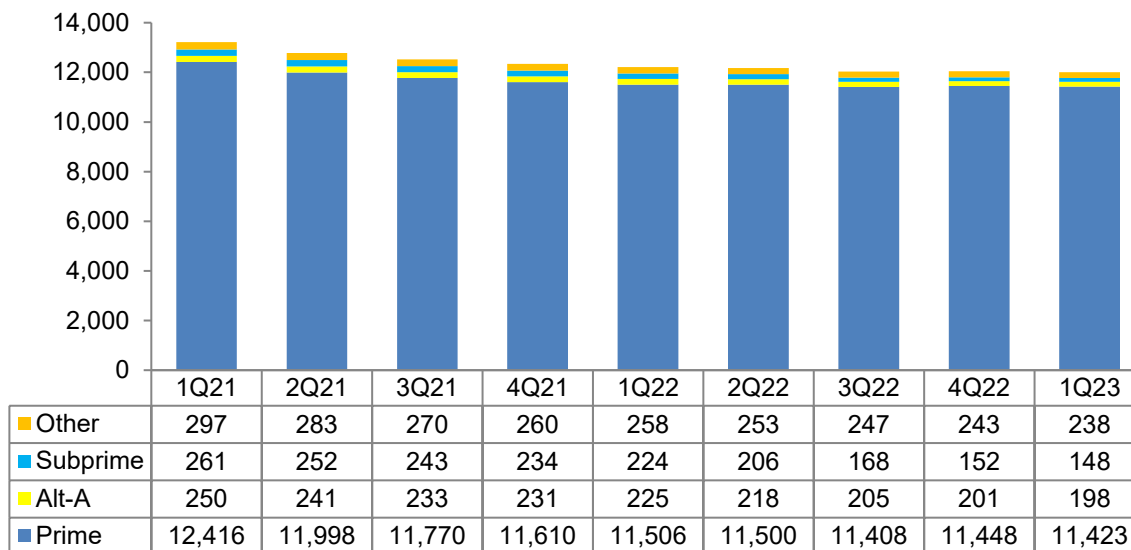


Figure 4 reports the percentage of loans in each risk category and shows that the composition of loans has remained relatively stable since the first quarter of 2021.

**Figure 4: Composition—Percentage of Mortgages by Borrower Risk Category**

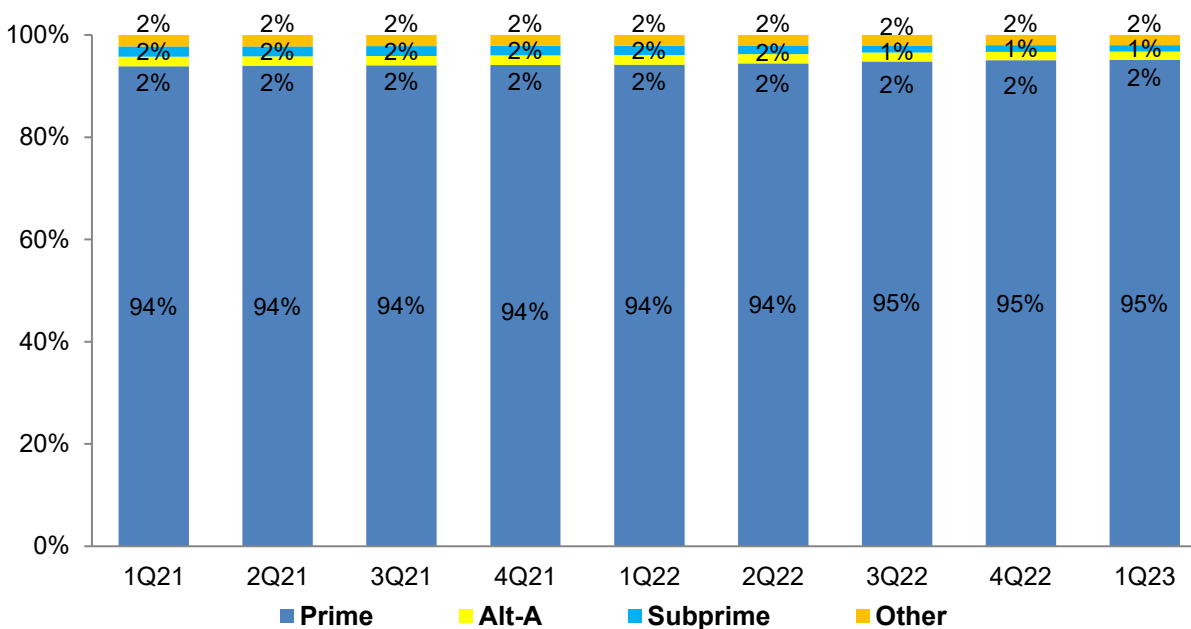


Figure 5 shows the number of loans in each category of delinquency from the first quarter of 2021 through the first quarter of 2023. The number of foreclosures in process has remained stable quarter over quarter since the first quarter of 2022. The number of seriously delinquent loans has trended down since the first quarter of 2021.<sup>3</sup>

**Figure 5: Number of Loans in Delinquency and Foreclosures in Process—Loans in Thousands**

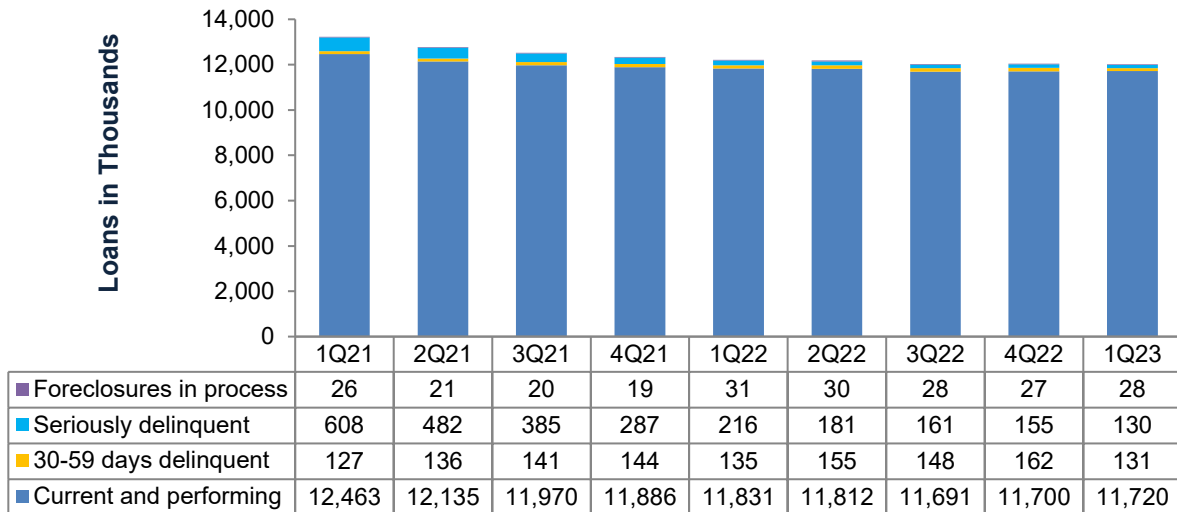
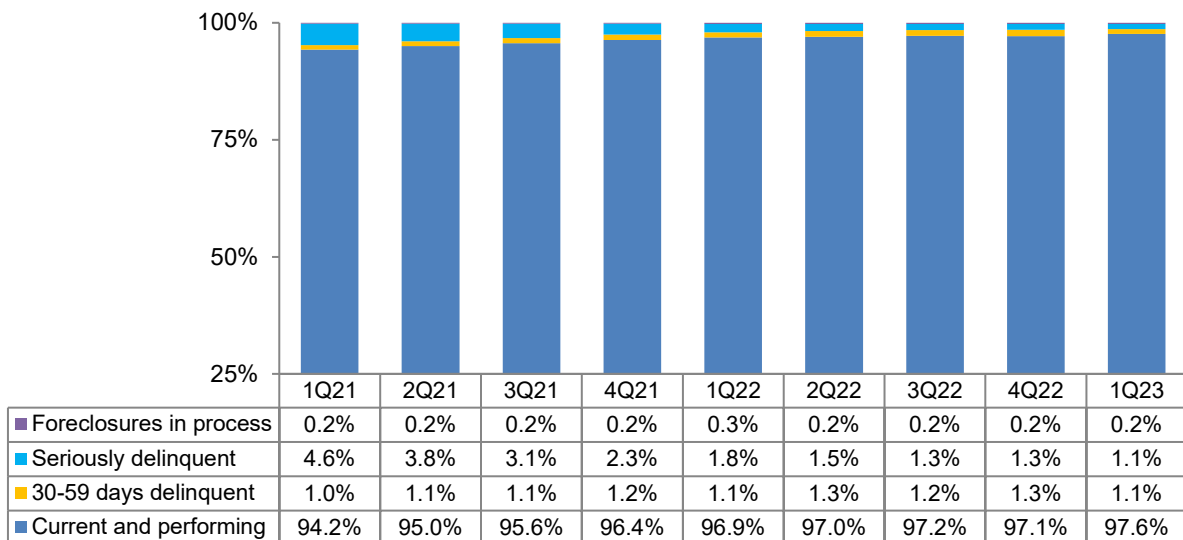


Figure 6 shows the percent of mortgages in each category of delinquency from the first quarter of 2021 through the first quarter of 2023. The percent of seriously delinquent loans has trended down since the first quarter of 2021.

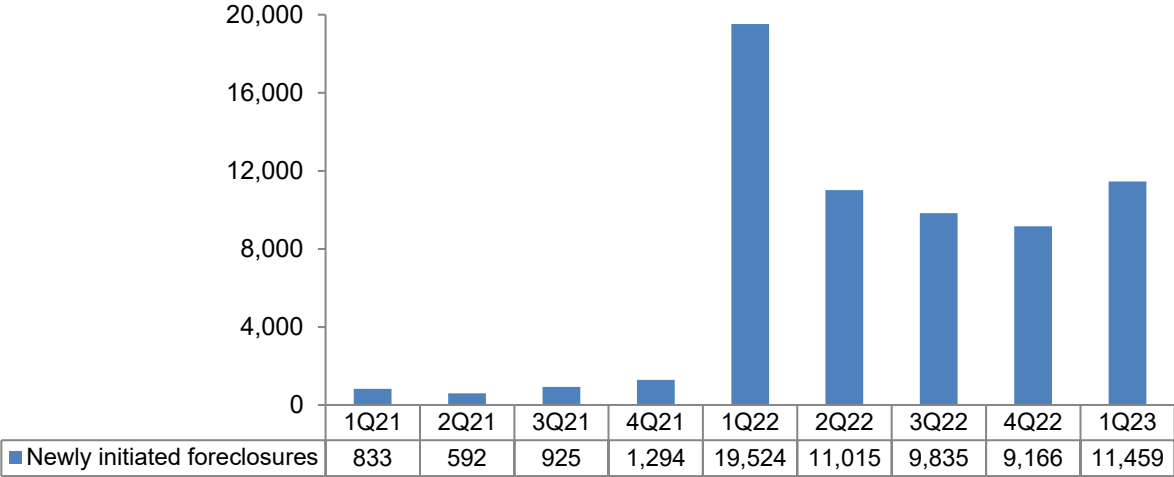
**Figure 6: Percentage of Loans Current and Performing and in Delinquency**



<sup>3</sup> Delinquencies are reported based on the contractual due date and may not match what is being reported in credit bureau data. Also, delinquencies are affected by the different relief programs offered by the banks.

Figure 7 shows the number of new foreclosure actions initiated from the first quarter of 2021 through the first quarter of 2023. New foreclosure actions increased in the first quarter of 2023 to 11,459 compared to the fourth quarter of 2022; however, new foreclosure actions have decreased from the first quarter of 2022.<sup>4</sup>

**Figure 7: Newly Initiated Foreclosures**

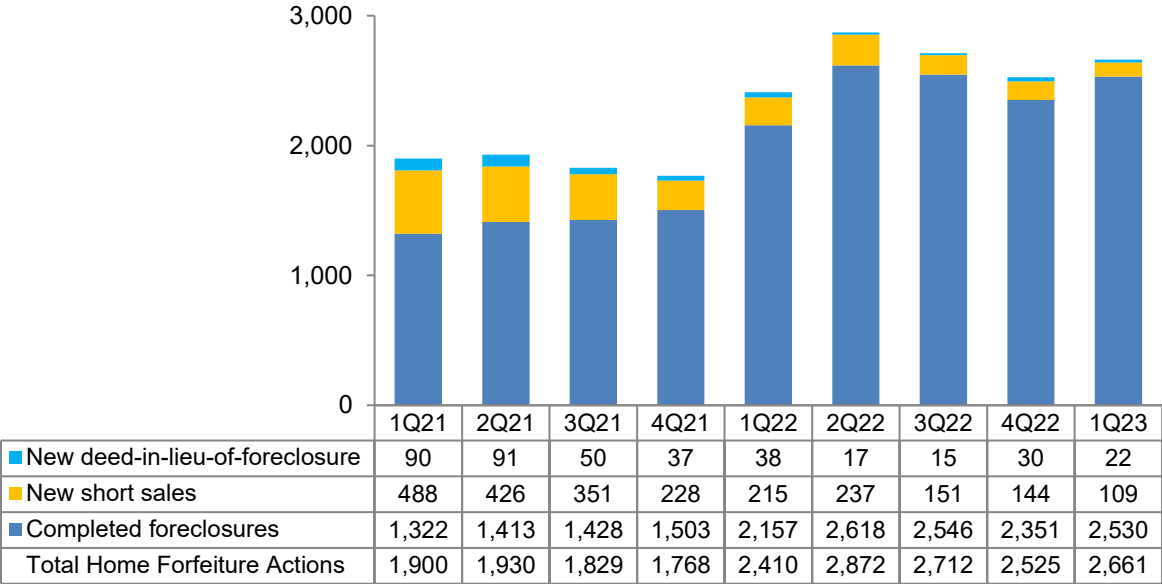


<sup>4</sup> Events associated with the COVID-19 pandemic, including foreclosure moratoriums, have significantly affected these metrics.



Figure 8 shows the number of foreclosure and other home forfeiture actions completed from the first quarter of 2021 through the first quarter of 2023. Completed foreclosures and other forfeiture actions increased to 2,661 in the first quarter of 2023 from 2,410 in the first quarter of 2022, an increase of 10.4 percent.<sup>5</sup>

**Figure 8: Completed Foreclosures and Other Home Forfeiture Actions**



<sup>5</sup> Events associated with the COVID-19 pandemic, including foreclosure moratoriums, have significantly affected these metrics.

**Table 1: Number of Mortgage Modification Actions**  
Completed in the First Quarter of 2023

States	Capitalization	Rate reduction or freeze	Term extension	Principal reduction	Principal deferral	Combination	Not reported	Total modifications
<b>Total - All States</b>	69	32	1,083	0	542	8,580	69	10,375
Alabama	1	0	20	0	4	114	1	140
Alaska	0	0	8	0	0	21	0	29
Arizona	0	0	22	0	5	212	1	240
Arkansas	0	2	18	0	5	75	1	101
California	5	0	37	0	82	528	3	655
Colorado	0	0	12	0	9	119	1	141
Connecticut	1	0	9	0	4	110	1	125
Delaware	0	0	7	0	3	43	0	53
District of Columbia	0	0	0	0	3	21	0	24
Florida	6	3	51	0	55	617	5	737
Georgia	4	1	82	0	19	310	2	418
Hawaii	0	0	3	0	3	15	0	21
Idaho	0	0	1	0	0	12	0	13
Illinois	4	1	38	0	29	638	7	717
Indiana	4	0	29	0	5	189	3	230
Iowa	0	1	9	0	7	92	0	109
Kansas	0	1	10	0	2	61	0	74
Kentucky	1	1	16	0	2	121	0	141
Louisiana	0	3	21	0	7	170	0	201
Maine	0	0	2	0	2	21	0	25
Maryland	2	2	45	0	19	298	2	368
Massachusetts	0	0	11	0	8	110	1	130
Michigan	4	1	16	0	13	173	1	208
Minnesota	0	0	20	0	8	298	0	326
Mississippi	0	3	11	0	6	71	0	91
Missouri	1	2	21	0	8	172	3	207
Montana	0	0	3	0	1	30	0	34
Nebraska	0	0	2	0	0	69	0	71
Nevada	1	0	7	0	2	85	0	95
New Hampshire	0	0	5	0	1	19	0	25
New Jersey	2	0	24	0	19	299	1	345
New Mexico	0	0	7	0	3	40	0	50
New York	3	2	60	0	27	531	3	626
North Carolina	5	2	59	0	19	236	5	326
North Dakota	0	0	0	0	0	12	0	12
Ohio	2	1	25	0	10	378	6	422
Oklahoma	2	1	13	0	6	110	0	132
Oregon	1	0	1	0	5	77	0	84
Pennsylvania	2	0	50	0	15	320	5	392
Rhode Island	0	0	1	0	1	27	2	31
South Carolina	0	0	27	0	7	167	1	202
South Dakota	0	1	1	0	0	7	0	9
Tennessee	3	0	33	0	15	165	4	220
Texas	12	2	150	0	64	882	6	1,116
Utah	1	0	5	0	2	47	1	56
Vermont	0	1	3	0	0	18	0	22
Virginia	1	1	53	0	24	195	1	275
Washington	0	0	15	0	8	100	0	123
West Virginia	0	0	9	0	0	19	0	28
Wisconsin	1	0	7	0	4	121	2	135
Wyoming	0	0	4	0	0	14	0	18
Other	0	0	0	0	1	1	0	2

**Table 2: Number of Modification Actions in Combination Actions**  
Completed in the First Quarter of 2023

States	Capitalization	Rate reduction or freeze	Term extension	Principal reduction	Principal deferral	Total combination modifications
<b>Total - All States</b>	7,031	3,286	7,280	19	2,545	8,580
Alabama	96	31	108	0	24	114
Alaska	20	2	21	0	3	21
Arizona	138	135	143	0	89	212
Arkansas	61	37	62	0	19	75
California	431	205	452	0	175	528
Colorado	97	43	99	1	35	119
Connecticut	94	43	98	0	40	110
Delaware	32	18	37	0	11	43
District of Columbia	16	12	17	0	12	21
Florida	469	276	485	2	221	617
Georgia	286	65	291	1	58	310
Hawaii	11	8	12	0	4	15
Idaho	8	8	8	0	5	12
Illinois	495	291	513	3	231	638
Indiana	171	49	177	0	28	189
Iowa	70	42	73	0	25	92
Kansas	49	21	51	0	18	61
Kentucky	88	65	95	0	39	121
Louisiana	157	46	159	2	41	170
Maine	19	4	18	0	5	21
Maryland	224	138	235	0	105	298
Massachusetts	82	46	85	0	46	110
Michigan	149	63	155	0	43	173
Minnesota	203	166	201	0	128	298
Mississippi	64	19	67	0	12	71
Missouri	128	77	129	3	56	172
Montana	26	10	26	0	7	30
Nebraska	50	37	50	0	25	69
Nevada	60	43	62	0	38	85
New Hampshire	15	5	16	0	5	19
New Jersey	269	95	277	0	88	299
New Mexico	37	12	39	0	9	40
New York	467	138	491	4	149	531
North Carolina	211	76	215	0	54	236
North Dakota	9	4	9	0	5	12
Ohio	280	182	295	0	120	378
Oklahoma	96	36	96	0	31	110
Oregon	59	38	60	0	25	77
Pennsylvania	288	98	298	1	76	320
Rhode Island	21	6	24	0	10	27
South Carolina	142	66	146	0	40	167
South Dakota	6	3	6	0	1	7
Tennessee	126	71	126	0	62	165
Texas	797	247	822	1	183	882
Utah	36	14	36	0	13	47
Vermont	12	15	12	0	7	18
Virginia	164	72	173	0	51	195
Washington	82	36	83	1	28	100
West Virginia	17	7	17	0	4	19
Wisconsin	89	57	96	0	40	121
Wyoming	13	7	13	0	1	14
Other	1	1	1	0	0	1

**Table 3: Changes in Monthly Principal and Interest Payments by State**  
Modifications Completed in the First Quarter of 2023

States	Decreased by 20% or more	Decreased by 10% to less than 20%	Decreased by less than 10%	Unchanged	Increased	Not reported	Total modifications
<b>Total - All States</b>	2,574	1,586	1,682	2,171	2,332	30	10,375
Alabama	45	26	20	13	35	1	140
Alaska	6	3	11	1	8	0	29
Arizona	39	32	61	78	30	0	240
Arkansas	17	14	18	26	26	0	101
California	171	140	100	185	58	1	655
Colorado	40	20	30	32	19	0	141
Connecticut	38	14	18	18	37	0	125
Delaware	20	6	8	13	6	0	53
District of Columbia	8	2	4	7	3	0	24
Florida	153	94	127	204	157	2	737
Georgia	93	65	80	52	127	1	418
Hawaii	5	5	1	7	3	0	21
Idaho	3	4	1	4	1	0	13
Illinois	162	96	95	178	182	4	717
Indiana	53	34	43	22	77	1	230
Iowa	29	13	17	29	21	0	109
Kansas	20	6	14	17	17	0	74
Kentucky	30	25	22	38	25	1	141
Louisiana	68	31	21	24	56	1	201
Maine	7	2	4	6	6	0	25
Maryland	71	46	56	102	91	2	368
Massachusetts	28	19	20	38	24	1	130
Michigan	55	29	37	41	46	0	208
Minnesota	63	51	54	107	51	0	326
Mississippi	30	9	14	14	24	0	91
Missouri	48	29	32	50	48	0	207
Montana	11	7	5	6	5	0	34
Nebraska	16	7	9	21	18	0	71
Nevada	19	16	21	26	13	0	95
New Hampshire	5	5	2	6	7	0	25
New Jersey	97	69	42	49	88	0	345
New Mexico	19	8	8	7	8	0	50
New York	179	119	112	85	130	1	626
North Carolina	90	47	56	57	73	3	326
North Dakota	1	3	0	4	4	0	12
Ohio	81	65	65	101	109	1	422
Oklahoma	31	19	24	23	35	0	132
Oregon	17	17	16	23	11	0	84
Pennsylvania	116	72	46	45	112	1	392
Rhode Island	5	4	3	8	10	1	31
South Carolina	63	32	34	33	38	2	202
South Dakota	2	1	2	2	2	0	9
Tennessee	53	31	30	66	39	1	220
Texas	286	140	200	156	330	4	1,116
Utah	9	14	8	13	11	1	56
Vermont	6	3	3	7	3	0	22
Virginia	74	47	44	62	48	0	275
Washington	35	23	21	27	17	0	123
West Virginia	13	1	7	4	3	0	28
Wisconsin	36	17	16	31	35	0	135
Wyoming	7	4	0	2	5	0	18
Other	1	0	0	1	0	0	2

**Table 4. Number of Re-Defaults for Loans Modified Six Months Previously**  
 Modified Loans 60 or More Days Delinquent Six Months After Modification

States	Decreased by 20% or more	Decreased by 10% to less than 20%	Decreased by less than 10%	Unchanged	Increased	Not reported	Total re-defaults
<b>Total - All States</b>	623	307	244	476	210	149	2,009
Alabama	9	3	5	2	3	5	27
Alaska	1	0	0	0	1	0	2
Arizona	20	8	6	22	2	1	59
Arkansas	9	3	2	3	2	0	19
California	36	21	11	36	6	1	111
Colorado	6	5	3	5	1	1	21
Connecticut	6	1	7	4	3	5	26
Delaware	4	2	1	3	1	0	11
District of Columbia	2	2	1	0	0	1	6
Florida	46	26	23	46	20	8	169
Georgia	24	11	10	11	14	5	75
Hawaii	3	0	0	1	0	0	4
Idaho	3	2	0	1	0	0	6
Illinois	41	27	16	48	14	8	154
Indiana	13	6	13	11	3	6	52
Iowa	5	2	2	4	3	3	19
Kansas	7	2	1	2	1	1	14
Kentucky	19	5	1	6	4	3	38
Louisiana	14	5	10	8	2	8	47
Maine	2	0	0	2	1	1	6
Maryland	21	12	10	24	5	5	77
Massachusetts	6	10	1	7	3	1	28
Michigan	13	9	5	11	7	6	51
Minnesota	22	13	8	23	3	2	71
Mississippi	3	1	1	4	3	0	12
Missouri	15	7	5	9	7	1	44
Montana	3	1	2	0	0	0	6
Nebraska	9	1	4	10	1	0	25
Nevada	9	8	4	9	1	1	32
New Hampshire	0	2	2	0	1	0	5
New Jersey	14	11	8	9	12	3	57
New Mexico	1	4	2	5	2	1	15
New York	32	14	8	23	10	11	98
North Carolina	23	6	6	15	5	6	61
North Dakota	1	0	0	1	0	0	2
Ohio	30	13	10	30	12	5	100
Oklahoma	11	4	2	4	1	5	27
Oregon	7	1	1	3	0	2	14
Pennsylvania	19	10	8	8	8	9	62
Rhode Island	0	2	1	3	1	0	7
South Carolina	9	5	4	4	3	2	27
South Dakota	0	0	0	1	1	0	2
Tennessee	5	4	6	2	5	3	25
Texas	72	27	21	32	31	19	202
Utah	2	1	0	3	0	2	8
Vermont	1	0	0	2	0	0	3
Virginia	14	5	4	6	7	2	38
Washington	5	3	3	6	0	4	21
West Virginia	3	0	2	0	0	0	5
Wisconsin	2	2	4	6	0	0	14
Wyoming	1	0	0	1	0	2	4
Other	0	0	0	0	0	0	0

## Appendix A: Definitions and Method

The *OCC Mortgage Metrics Report* relies on reporting elements and conventions standard in the residential mortgage industry.

**Alt-A:** Mortgages to prime-quality borrowers that do not satisfy the criteria for conforming or jumbo loan programs. For example, these loans may lack high loan-to-value mortgage insurance, have minimal documentation, or be secured by collateral other than the borrower's primary residence. Alt-A mortgages are based on the borrower's credit conditions at origination.

**Capitalization:** Actions that increase the unpaid principal balance of the loan by the amount of any delinquent payments and fees.

**Combination modifications:** Modifications that include more than one type of modification action. Most modifications generally require changes to more than one term of a loan to bring a loan current and reduce monthly payments to an amount that is affordable and sustainable.

**Foreclosures in process:** Mortgages for which servicers have begun formal foreclosure proceedings but have not yet completed the foreclosure process. The foreclosure process varies by state. Many foreclosures in process never result in the loss of borrowers' homes because servicers simultaneously pursue other loss mitigation actions, and borrowers may return their mortgages to current and performing status.

**Interest rate reductions and freezes:** Actions that reduce or freeze the contractual interest rate of the loan that was in effect prior to the modification action.

**Loan modifications:** Actions that contractually change the terms of mortgages with respect to interest rates, maturity, principal, or other terms of the loan.

**Other:** Mortgages in the portfolio that could not be classified by the bank as Prime, Alt-A, or Subprime. Other mortgages are based on the borrower's credit conditions at origination.

**Prime:** Mortgages to borrowers underwritten as part of a conforming or jumbo loan program. Typically, these borrowers are eligible for standard loan programs and pricing. For example, borrowers typically have mortgage insurance when the loan-to-value exceeds 80 percent of the collateral property value. Prime mortgages are based on the borrower's credit conditions at origination.

**Principal deferral modifications:** Modifications that remove a portion of the unpaid principal from the amount used to calculate monthly principal and interest payments for a set period. The deferred amount becomes due at the end of the loan term.

**Principal reduction modifications:** Modifications that permanently reduce the unpaid principal owed on a mortgage.

**Re-default:** For purposes of this report, a loan is defined as in re-default if it was 60 or more days past due as of the end of the month at which the modification was six months old. For example, a loan that was modified as of November 1, 2019, would be defined as in re-default if it was 60 or more days past due or 30 or more days past due and in the process of foreclosure as of its May 31, 2020, reporting date.

**Seriously delinquent loans:** Mortgages that are 60 or more days past due and all mortgages held by bankrupt borrowers whose payments are 30 or more days past due.

**Subprime:** Mortgages to borrowers that display a range of credit risk characteristics that may include a weak credit history, reduced repayment capacity, or incomplete credit history. A weak credit history may include prior delinquencies, judgments, bankruptcies, or foreclosures on the credit report at the time of underwriting. Subprime mortgages are based on the borrower's credit conditions at origination.

**Term extensions:** Actions that extend the final maturity date of the loan that was in effect prior to the modification action.

### **OCC Mortgage Metrics Report Method**

Loan delinquencies are reported using the Mortgage Bankers Association convention that a loan is past due when a scheduled payment has not been made by the due date of the following scheduled payment. The statistics are based on the number of loans, unless stated otherwise.

Percentages are rounded to one decimal place unless the result is less than 0.1 percent, which is rounded to two decimal places. The report uses whole numbers when approximating. Values in tables may not total 100 percent because of rounding.

Results are not seasonally adjusted.