

# OCC Mortgage Metrics Report

Disclosure of National Bank Mortgage Loan Data

---

Second Quarter 2023

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

September 2023

# Contents

- About Mortgage Metrics .....1**
- Executive Summary .....2**
  - Figure 1: Total Serviced Mortgage Portfolio—Outstanding Principal in Billions of Dollars...3
  - Figure 2: Total Serviced Mortgage Portfolio—Number of Loans in Thousands .....3
  - Figure 3: Composition—Loans in Thousands by Borrower Risk Category.....4
  - Figure 4: Composition—Percentage of Mortgages by Borrower Risk Category .....4
  - Figure 5: Number of Loans in Delinquency and Foreclosures in Process—Loans in Thousands .....5
  - Figure 6: Percentage of Loans Current and Performing and in Delinquency .....5
  - Figure 7: Newly Initiated Foreclosures.....6
  - Figure 8: Completed Foreclosures and Other Home Forfeiture Actions .....6
- Table 1: Number of Mortgage Modification Actions .....7**
- Table 2: Number of Modification Actions in Combination Actions .....8**
- Table 3: Changes in Monthly Principal and Interest Payments by State.....9**
- Table 4. Number of Re-Defaults for Loans Modified Six Months Previously .....10**
- Appendix A: Definitions and Method ..... 11**

## 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 second 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 with forbearance activity 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 (GSE) for the calculation and reporting of delinquency and credit bureau reporting.

---

<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 June 30, 2023, the reporting banks serviced approximately 12 million first-lien residential mortgage loans with \$2.8 trillion in unpaid principal balances (see figures 1 and 2). This \$2.8 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 second quarter of 2022. The percentage of mortgages that were current and performing at the end of the second quarter of 2023 was 97.3 percent compared with 97.0 percent at the end of the second 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 7,480 new foreclosures in the second quarter of 2023, a decrease from the prior quarter and from a year earlier (see figure 7). Home forfeiture actions during the second quarter of 2023—completed foreclosure sales, short sales, and deed-in-lieu-of-foreclosure actions—decreased 15.3 percent from a year earlier to 2,434 (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 8,623 modifications during the second quarter of 2023, a 16.9 percent decrease from the previous quarter's 10,375 modifications.

- Of these 8,623 modifications, 7,279 or 84.4 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 1,344 loan modifications, 1,308 received a single action and 36 were not assigned a modification type (see table 1).
- Among the 7,279 combination modifications completed during the quarter, 6,257, or 86 percent, included a term extension; 6,068, or 83.4 percent, included capitalization of delinquent interest and fees; 2,645, or 36.3 percent, included an interest rate reduction or freeze; 2,251, or 30.9 percent, included principal deferral; and 4, or 0.1 percent, included principal reduction (see table 2).
- Of the 8,623 modifications completed during the quarter, 4,372, or 50.7 percent, reduced the loan's pre-modification monthly payment (see table 3).

---

<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 June 30, 2023.

## Modified Loan Performance

By June 30, 2023, all loans modified during the fourth quarter of 2022 would have aged at least six months. Of the 11,419 modifications completed during the fourth quarter of 2022, servicers reported that 1,518 or 13.3 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 second quarter of 2021 through the second quarter of 2023.

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

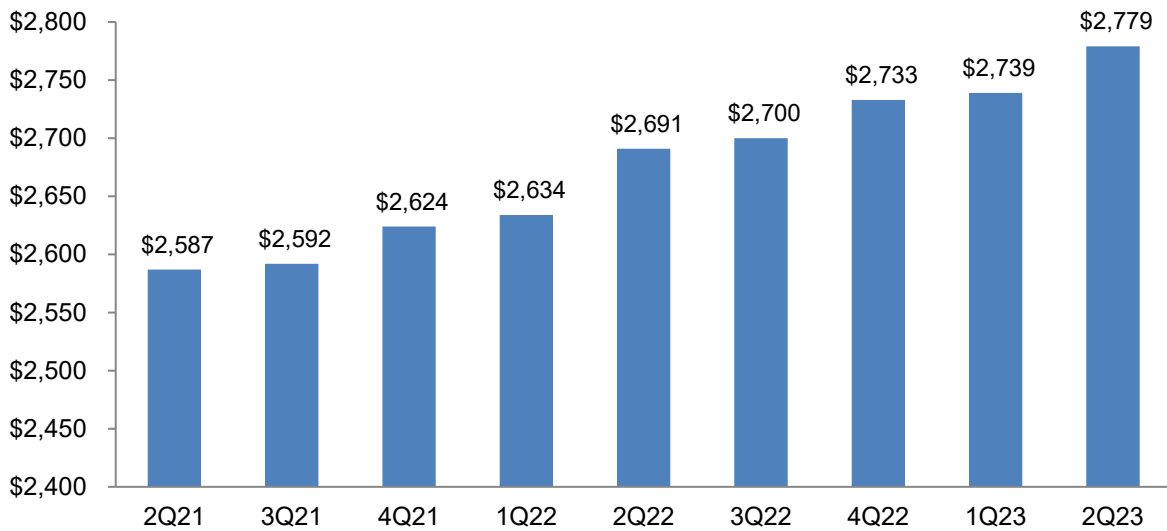


Figure 2 shows the number of first-lien residential mortgages serviced and the change in the number of loans serviced from the second quarter of 2021 through the second quarter of 2023.

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

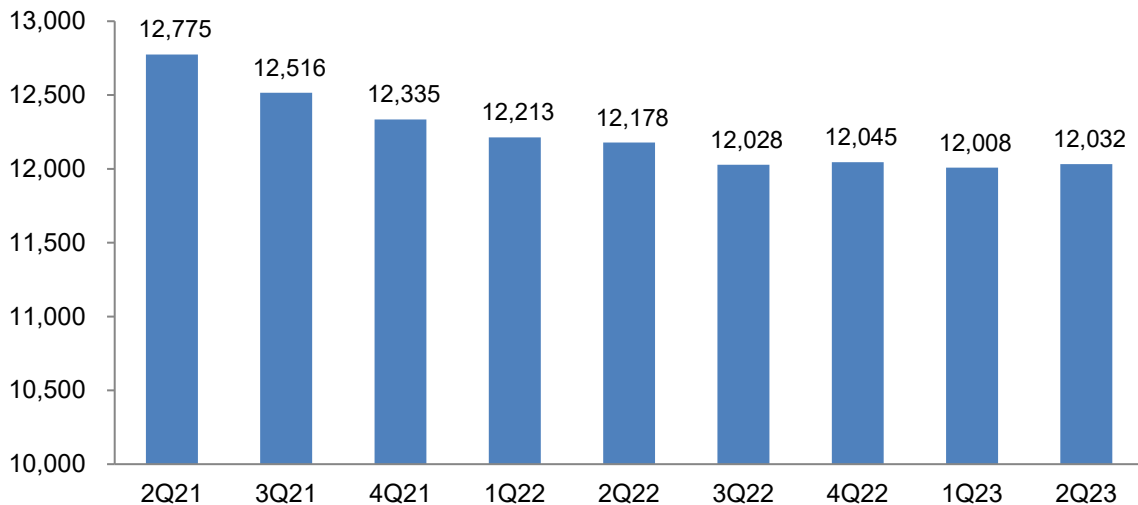


Figure 3 shows the number of loans in each risk category and the change in each category from the second quarter of 2021 through the second quarter of 2023.

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

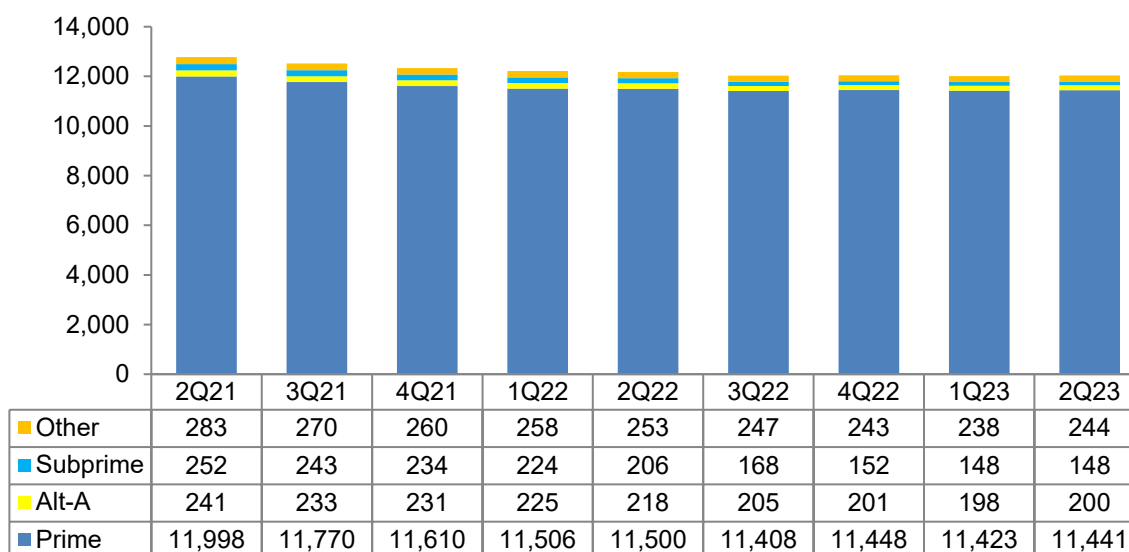


Figure 4 reports the percentage of loans in each risk category and shows that the composition of loans has remained relatively stable since the second quarter of 2021.

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

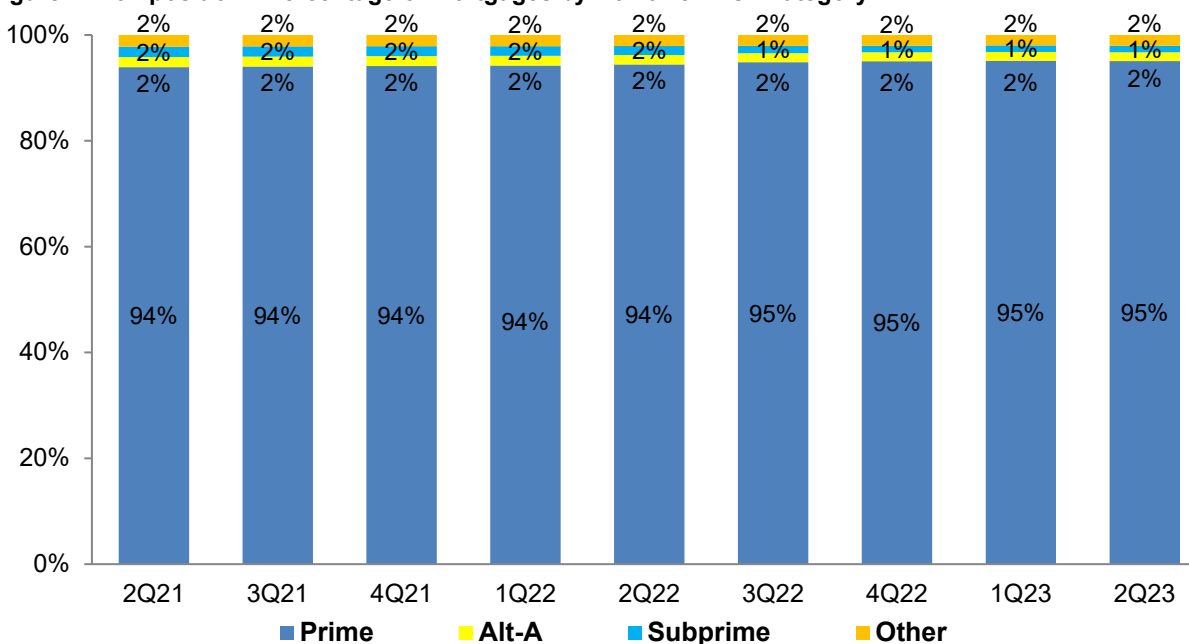


Figure 5 shows the number of loans in each category of delinquency from the second quarter of 2021 through the second quarter of 2023. The number of foreclosures in process has decreased since the second quarter of 2022. The number of seriously delinquent loans has trended down since the second quarter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

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

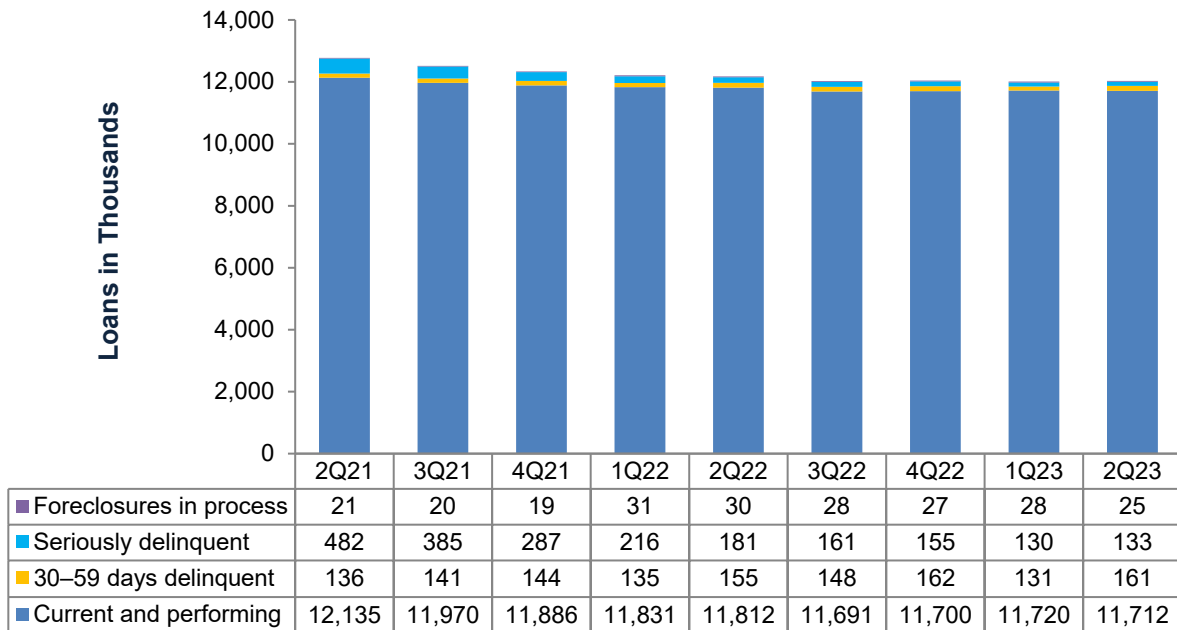


Figure 6 shows the percent of mortgages in each category of delinquency from the second quarter of 2021 through the second quarter of 2023. The percent of seriously delinquent loans has trended down since the second quarter of 2021.

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

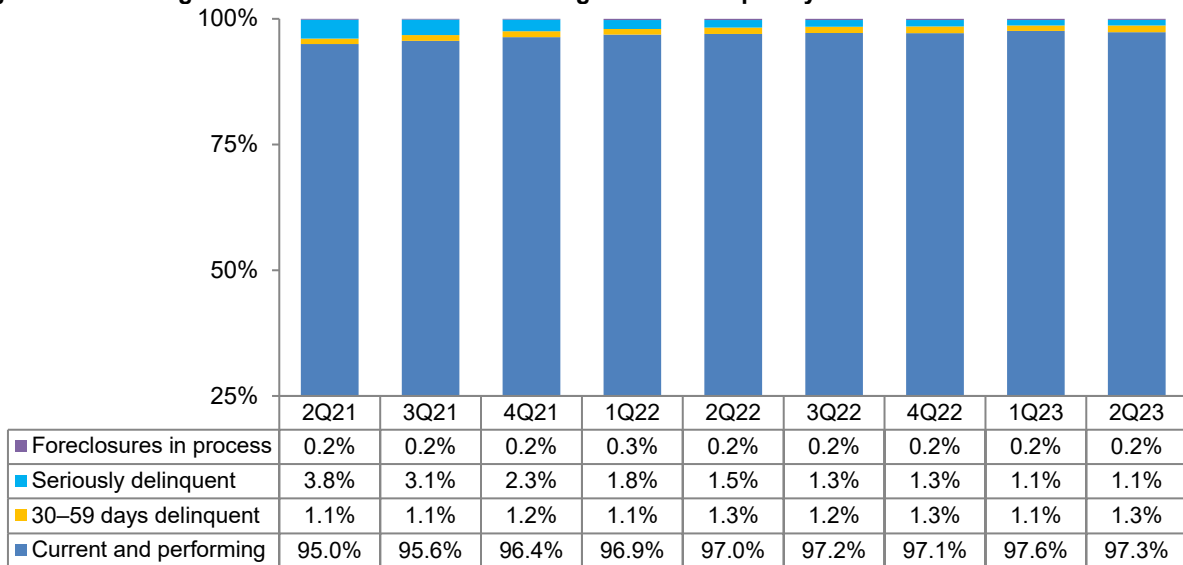


Figure 7 shows the number of new foreclosure actions initiated from the second quarter of 2021 through the second quarter of 2023. New foreclosure actions decreased in the second quarter of 2023 to 7,480 compared with 11,015 in second quarter of 2022.<sup>4</sup>

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

**Figure 7: Newly Initiated Foreclosures**

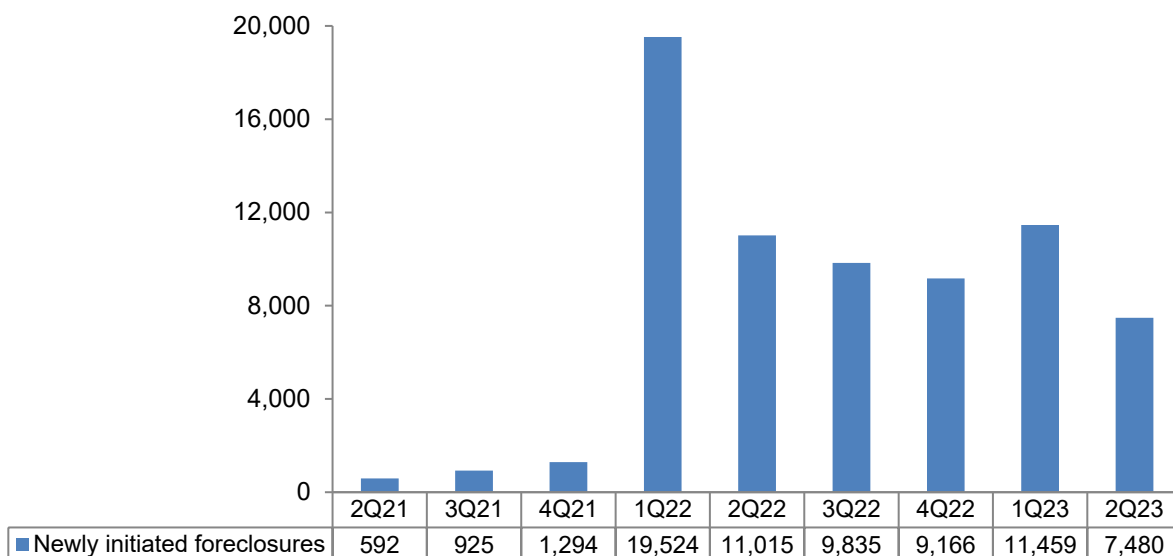
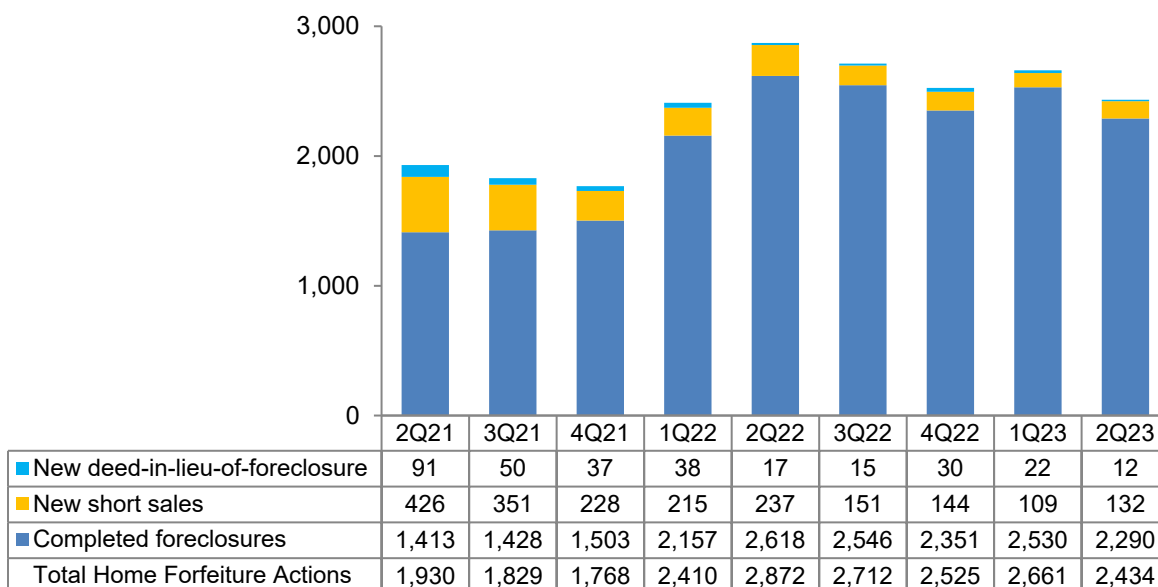


Figure 8 shows the number of foreclosure and other home forfeiture actions completed from the second quarter of 2021 through the second quarter of 2023. Completed foreclosures and other forfeiture actions decreased to 2,434 in the second quarter of 2023 from 2,872 in the second quarter of 2022, a decrease of 15.3 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 Second 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>	74	28	701	0	505	7,279	36	8,623
Alabama	1	1	19	0	1	76	0	98
Alaska	0	0	5	0	0	11	0	16
Arizona	1	0	11	0	13	182	1	208
Arkansas	1	1	16	0	3	66	0	87
California	5	0	18	0	85	464	4	576
Colorado	1	0	8	0	6	83	0	98
Connecticut	2	2	8	0	10	90	2	114
Delaware	0	0	5	0	4	37	0	46
District of Columbia	0	0	1	0	4	23	0	28
Florida	5	1	44	0	39	615	1	705
Georgia	2	0	36	0	17	236	2	293
Hawaii	1	0	0	0	3	14	0	18
Idaho	0	0	0	0	0	19	0	19
Illinois	8	1	37	0	22	616	3	687
Indiana	1	1	16	0	3	199	3	223
Iowa	1	1	5	0	1	67	0	75
Kansas	0	0	6	0	0	76	0	82
Kentucky	0	0	13	0	3	65	1	82
Louisiana	2	2	14	0	10	122	1	151
Maine	0	0	4	0	2	16	0	22
Maryland	3	0	32	0	20	277	0	332
Massachusetts	1	2	2	0	13	99	1	118
Michigan	1	0	11	0	12	115	1	140
Minnesota	0	0	12	0	3	258	0	273
Mississippi	1	0	8	0	7	45	0	61
Missouri	2	0	10	0	6	141	0	159
Montana	0	0	4	0	1	16	0	21
Nebraska	0	0	4	0	0	66	0	70
Nevada	2	0	5	0	3	100	2	112
New Hampshire	0	0	4	0	3	23	0	30
New Jersey	3	1	21	0	23	240	1	289
New Mexico	1	1	3	0	4	49	0	58
New York	4	1	17	0	38	415	3	478
North Carolina	1	0	29	0	12	183	3	228
North Dakota	0	0	0	0	1	16	0	17
Ohio	1	2	21	0	10	358	2	394
Oklahoma	0	1	5	0	4	122	0	132
Oregon	1	1	6	0	6	49	0	63
Pennsylvania	3	3	29	0	15	296	2	348
Rhode Island	1	0	2	0	3	16	0	22
South Carolina	1	1	12	0	5	91	0	110
South Dakota	0	0	1	0	0	10	0	11
Tennessee	3	0	21	0	6	105	0	135
Texas	9	4	110	0	50	722	2	897
Utah	1	0	3	0	1	44	0	49
Vermont	0	0	2	0	0	14	0	16
Virginia	3	1	37	0	11	151	0	203
Washington	0	0	11	0	13	70	0	94
West Virginia	0	0	5	0	2	19	0	26
Wisconsin	1	0	6	0	6	81	1	95
Wyoming	0	0	2	0	1	10	0	13
Other	0	0	0	0	0	1	0	1

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

States	Capitalization	Rate reduction or freeze	Term extension	Principal reduction	Principal deferral	Total combination modifications
<b>Total - All States</b>	6,068	2,645	6,257	4	2,251	7,279
Alabama	67	22	69	0	14	76
Alaska	11	2	11	0	2	11
Arizona	135	102	137	0	63	182
Arkansas	58	18	60	0	10	66
California	377	164	394	2	180	464
Colorado	56	38	60	0	34	83
Connecticut	78	29	76	0	27	90
Delaware	32	13	34	0	8	37
District of Columbia	21	11	21	0	13	23
Florida	489	269	508	0	209	615
Georgia	210	60	221	0	55	236
Hawaii	10	9	11	0	5	14
Idaho	15	8	15	0	6	19
Illinois	492	255	515	0	209	616
Indiana	184	45	187	0	34	199
Iowa	55	30	54	0	21	67
Kansas	59	37	60	0	29	76
Kentucky	51	25	54	0	16	65
Louisiana	106	28	112	0	35	122
Maine	14	3	15	0	6	16
Maryland	221	103	227	0	95	277
Massachusetts	65	47	76	0	50	99
Michigan	106	37	106	0	24	115
Minnesota	179	156	180	0	121	258
Mississippi	43	11	43	0	9	45
Missouri	106	62	108	0	49	141
Montana	13	11	14	0	5	16
Nebraska	51	41	51	0	21	66
Nevada	78	48	77	0	31	100
New Hampshire	18	10	19	0	9	23
New Jersey	213	60	220	0	76	240
New Mexico	42	18	42	1	11	49
New York	380	103	387	1	145	415
North Carolina	158	51	164	0	44	183
North Dakota	11	6	11	0	7	16
Ohio	297	143	302	0	88	358
Oklahoma	105	43	105	0	31	122
Oregon	40	27	41	0	20	49
Pennsylvania	257	92	269	0	94	296
Rhode Island	12	9	11	0	7	16
South Carolina	75	34	81	0	26	91
South Dakota	7	4	8	0	2	10
Tennessee	90	40	91	0	21	105
Texas	662	170	679	0	155	722
Utah	33	21	33	0	17	44
Vermont	10	10	10	0	5	14
Virginia	128	53	137	0	51	151
Washington	55	25	58	0	27	70
West Virginia	17	6	17	0	5	19
Wisconsin	68	32	68	0	25	81
Wyoming	7	4	7	0	4	10
Other	1	0	1	0	0	1

**Table 3: Changes in Monthly Principal and Interest Payments by State**  
Modifications Completed in the Second 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>	1,833	1,288	1,251	1,837	2,383	31	8,623
Alabama	33	12	10	14	29	0	98
Alaska	3	3	5	1	4	0	16
Arizona	34	35	39	62	38	0	208
Arkansas	21	15	8	17	26	0	87
California	135	111	76	170	84	0	576
Colorado	19	21	11	30	17	0	98
Connecticut	19	18	18	27	31	1	114
Delaware	9	3	8	13	13	0	46
District of Columbia	7	6	3	7	5	0	28
Florida	130	98	114	176	186	1	705
Georgia	70	37	49	45	91	1	293
Hawaii	5	3	2	6	2	0	18
Idaho	5	4	4	4	2	0	19
Illinois	106	90	92	148	248	3	687
Indiana	42	19	31	18	113	0	223
Iowa	16	7	12	16	23	1	75
Kansas	15	14	14	19	19	1	82
Kentucky	10	15	17	17	23	0	82
Louisiana	33	23	17	31	45	2	151
Maine	6	0	6	6	4	0	22
Maryland	52	43	47	77	112	1	332
Massachusetts	18	16	14	46	24	0	118
Michigan	46	20	22	21	31	0	140
Minnesota	34	53	47	83	56	0	273
Mississippi	18	7	6	13	17	0	61
Missouri	31	23	15	45	44	1	159
Montana	6	1	6	5	3	0	21
Nebraska	9	15	11	17	18	0	70
Nevada	20	22	21	27	21	1	112
New Hampshire	4	5	2	8	11	0	30
New Jersey	67	47	43	61	70	1	289
New Mexico	14	9	5	13	17	0	58
New York	120	85	65	74	126	8	478
North Carolina	53	30	34	45	65	1	228
North Dakota	3	2	0	6	6	0	17
Ohio	73	48	46	78	147	2	394
Oklahoma	17	21	14	24	56	0	132
Oregon	16	13	8	19	7	0	63
Pennsylvania	103	59	47	57	82	0	348
Rhode Island	4	5	1	6	6	0	22
South Carolina	31	17	22	20	19	1	110
South Dakota	3	2	2	2	2	0	11
Tennessee	35	20	18	24	37	1	135
Texas	210	115	140	121	307	4	897
Utah	12	10	5	12	10	0	49
Vermont	3	3	3	6	1	0	16
Virginia	62	31	33	37	40	0	203
Washington	27	11	14	32	10	0	94
West Virginia	9	3	4	5	5	0	26
Wisconsin	14	17	17	21	26	0	95
Wyoming	0	1	3	5	4	0	13
Other	1	0	0	0	0	0	1

**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>	353	182	204	339	420	20	1,518
Alabama	4	1	3	2	5	2	17
Alaska	1	0	1	0	1	0	3
Arizona	7	4	4	14	0	1	30
Arkansas	3	2	0	3	6	0	14
California	19	8	8	19	14	0	68
Colorado	5	1	4	6	5	0	21
Connecticut	4	2	2	4	8	0	20
Delaware	3	1	2	0	4	0	10
District of Columbia	1	1	0	2	0	0	4
Florida	17	16	20	34	28	1	116
Georgia	9	7	9	7	17	2	51
Hawaii	1	0	0	0	1	0	2
Idaho	0	0	0	0	1	0	1
Illinois	17	8	17	34	35	1	112
Indiana	14	1	2	7	15	1	40
Iowa	2	1	1	6	4	0	14
Kansas	0	0	3	0	4	0	7
Kentucky	12	0	4	5	5	1	27
Louisiana	8	7	7	5	9	1	37
Maine	0	1	2	2	0	0	5
Maryland	11	8	8	10	15	0	52
Massachusetts	4	5	3	11	3	0	26
Michigan	8	7	5	4	7	0	31
Minnesota	4	5	5	25	12	0	51
Mississippi	1	2	1	4	6	0	14
Missouri	4	3	1	13	10	0	31
Montana	0	1	0	0	0	0	1
Nebraska	2	1	3	2	5	0	13
Nevada	4	1	3	5	4	0	17
New Hampshire	3	0	0	1	1	0	5
New Jersey	10	8	9	9	12	0	48
New Mexico	6	0	1	1	3	0	11
New York	16	11	10	9	15	2	63
North Carolina	11	5	2	6	22	0	46
North Dakota	0	0	0	1	1	0	2
Ohio	8	12	8	16	23	2	69
Oklahoma	6	2	3	2	5	0	18
Oregon	5	1	2	2	1	2	13
Pennsylvania	22	4	8	9	17	1	61
Rhode Island	0	2	1	1	1	0	5
South Carolina	8	0	1	6	10	0	25
South Dakota	2	0	0	0	2	0	4
Tennessee	8	4	6	5	9	1	33
Texas	49	21	21	19	63	2	175
Utah	3	4	3	4	1	0	15
Vermont	1	0	0	1	1	0	3
Virginia	17	9	8	8	3	0	45
Washington	7	2	3	4	2	0	18
West Virginia	2	1	0	3	1	0	7
Wisconsin	4	2	0	7	3	0	16
Wyoming	0	0	0	1	0	0	1
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 before 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 before 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.