



Comptroller of the Currency
Administrator of National Banks

US Department of the Treasury

OCC Mortgage Metrics Report

Disclosure of National Bank and Federal Savings
Association Mortgage Loan Data

Third Quarter 2012

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

December 2012

Contents

Executive Summary 4

About Mortgage Metrics..... 9

Definitions and Method 9

PART I: Mortgage Performance 12

 Overall Mortgage Portfolio 12

 Overall Mortgage Performance..... 13

 Performance of Mortgages Held by Reporting Banks and Thrift..... 14

 Performance of Government-Guaranteed Mortgages..... 16

 Performance of GSE Mortgages..... 18

 Seriously Delinquent Mortgages, by Risk Category 19

 Mortgages 30 to 59 Days Delinquent, by Risk Category 20

PART II: Home Retention Actions 21

A. Loan Modifications, Trial-Period Plans, and Payment Plans 22

 New Home Retention Actions 22

 HAMP Modifications and Trial-Period Plans, by Investor and Risk Category 23

 New Home Retention Actions Relative to Newly Initiated Foreclosures 24

 Types of Modification Actions 25

 Types of HAMP Modification Actions..... 26

 Types of Modification Actions, by Risk Category 27

 Types of Modification Actions, by Investor and Product Type 28

 Types of HAMP Modification Actions, by Investor and Product Type 29

 Changes in Monthly Payments Resulting From Modification..... 30

 Changes in Monthly Payments Resulting From Modifications, by Quarter 31

 Changes in Monthly Payments Resulting From HAMP Modifications, by Quarter..... 32

 Average Change in Monthly Payments Resulting From Modifications, by Quarter.... 33

B. Modified Loan Performance..... 34

 Re-Default Rates of Modified Loans: 60 or More Days Delinquent..... 34

 Re-Default Rates of Modified Loans: 30 or More Days Delinquent..... 35

 Re-Default Rates of Modified Loans: 90 or More Days Delinquent..... 36

Re-Default Rate, by Investor (60 or More Days Delinquent).....	37
Performance of HAMP Modifications Compared With Other Modifications	39
C. Modified Loan Performance, by Change in Monthly Payments.....	40
Re-Default Rates of Loans by Change in Payment	41
60+ Delinquency at Six Months After Modification by Change in Monthly Payment ..	43
Status of Mortgages Modified in 2008–2012	44
Part III: Home Forfeiture Actions—Foreclosures, Short Sales, and Deed-in-Lieu-of-Foreclosure Actions	45
Completed Foreclosures and Other Home Forfeiture Actions	45
Newly Initiated Foreclosures.....	46
Foreclosures in Process	47
Completed Foreclosures.....	48
Completed Short Sales and Deeds in Lieu of Foreclosure	49
New Home Retention Actions Relative to Forfeiture Actions, by Risk Category	50
Appendixes	51
Appendix A—New Loan Modifications.....	51
Appendix B—New Trial-Period Plans	52
Appendix C—New Payment Plans	53
Appendix D—Breakdown of Individual and Combination Modification Actions.....	54
Appendix E—Mortgage Modification Data by State	56
Index of Tables	66
Index of Figures.....	69

Executive Summary

This *OCC Mortgage Metrics Report* for the third quarter of 2012 provides performance data on first-lien residential mortgages serviced by selected national and federal savings banks. The mortgages in this portfolio comprise 58 percent of all mortgages outstanding in the United States—29.8 million loans totaling \$5.1 trillion in principal balances. This report provides information on their performance through September 30, 2012.

Overall, the percentage of mortgages in this portfolio that were current and performing declined by less than one tenth of one percent during the quarter, but have improved 0.7 percent from the same period a year ago. The percentage of mortgages that were current and performing at the end of the quarter was 88.6 percent, compared with 88.7 percent the previous quarter and 88.0 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due was 3.1 percent, up 10.4 percent from the previous quarter and 3.6 percent from a year ago. The percentage of mortgages that were seriously delinquent—60 or more days past due or held by bankrupt borrowers whose payments were 30 or more days past due—remained at 4.4 percent, down 10.8 percent from a year earlier. Strengthening economic conditions, servicing transfers, and the ongoing effects of home retention efforts and home forfeiture actions contributed to the improvement in seriously delinquent mortgages compared with last year.

Foreclosure activity remains elevated as the large number of seriously delinquent mortgages and foreclosures in process work through foreclosure prevention and loss mitigation processes. Servicers initiated 252,604 new foreclosures during the third quarter of 2012, 95,124 fewer than the same period a year ago for a decrease of 16.5 percent from the previous quarter and 27.4 percent from a year earlier. The number of mortgages in the foreclosure process declined by 167,730 loans from a year ago to 1,158,289—a decrease of 6.4 percent from the previous quarter and 12.6 percent from a year earlier. The number of completed foreclosures rose to 114,742, a 12.8 percent increase from the previous quarter and a 1.3 percent increase from a year earlier.

Servicers continued to emphasize alternatives to foreclosure during the quarter. Servicers implemented 382,899 home retention actions—including modifications, trial-period plans, and shorter term payment plans—compared with 180,389 new home forfeiture actions during the quarter. The number of home retention actions implemented by servicers decreased by 8.9 percent from the previous quarter and 16.6 percent from a year earlier.

Mortgage Performance

- The overall percentage of mortgages in this report that were current and performing decreased slightly to 88.6 percent at the end of the third quarter of 2012 (see table 7).
- The percentage of mortgages that were 30 to 59 days delinquent at the end of the third quarter increased by 10.4 percent from the previous quarter and 3.6 percent from a year earlier (see table 7).
- The percentage of mortgages that were seriously delinquent at the end of the quarter was 4.4 percent, the lowest level in three years. The percentage of mortgages that were seriously

delinquent decreased 1.7 percent from the previous quarter and 10.8 percent from a year earlier (see table 7).¹

- The quality of government-guaranteed mortgages declined during the quarter. The percentage of these mortgages that were current and performing decreased to 84.3 percent from 84.9 percent in the previous quarter. The percentage of these mortgages that were current and performing a year earlier was 85.2 percent (see table 9). Government-guaranteed mortgages compose 23 percent of the total serviced portfolio.
- Mortgages serviced for Fannie Mae and Freddie Mac (government-sponsored enterprises or GSE) made up 58 percent of the mortgages in this report. The percentage of these mortgages that were current and performing was 93.6 percent (see table 10). The percentage of GSE mortgages that were current and performing declined slightly from the previous quarter but improved from a year earlier.

Home Retention Actions: Loan Modifications, Trial-Period Plans, and Payment Plans

- Servicers implemented 382,899 home retention actions—modifications, trial-period plans, and payment plans—during the third quarter of 2012 (see table 1). Home retention actions were more than double the number of completed foreclosures, short sales, and deed-in-lieu-of-foreclosure actions in the quarter (see table 5).
- New home retention actions included 136,316 modifications, 131,403 trial-period plans, and 115,180 payment plans during the quarter. Home Affordable Modification Program (HAMP) modifications increased 10.0 percent from the previous quarter to 31,540 but decreased 41.5 percent from a year earlier. Other modifications increased to 104,776—an increase of 54.2 percent from the previous quarter and 25.3 percent from a year earlier. HAMP trial-period plans decreased by 13.7 percent from the previous quarter and 25.1 percent from the previous year. Other trial-period plans decreased 38.7 percent from the previous quarter and 14.2 percent from a year earlier.

Table 1. Number of New Home Retention Actions

	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Other Modifications	83,596	73,875	64,709	67,962	104,776	54.2%	25.3%
HAMP Modifications	53,941	42,275	37,448	28,660	31,540	10.0%	-41.5%
Other Trial-Period Plans	127,545	182,856	102,486	178,528	109,435	-38.7%	-14.2%
HAMP Trial-Period Plans	29,338	27,323	26,530	25,444	21,968	-13.7%	-25.1%
Payment Plans	164,568	133,881	121,815	119,850	115,180	-3.9%	-30.0%
Total	458,988	460,210	352,988	420,444	382,899	-8.9%	-16.6%

- Servicers reduced interest rates in 77.2 percent of all modifications made during the third quarter of 2012. Term extensions were used in 64.8 percent of modifications, principal deferrals in 19.1 percent, and principal reductions in 17.1 percent (see table 17). Among HAMP modifications, servicers reduced interest rates in 85.6 percent of those modifications, deferred principal in 30.5 percent, and reduced principal in 24.7 percent (see table 18).

¹ The percentage of mortgages that were seriously delinquent appears unchanged at 4.4 percent because of rounding.

- Servicers reduced monthly principal and interest payments in 89.6 percent of modifications made in the quarter (see table 22). Servicers reduced monthly payments by an average of 23.8 percent for all borrowers who qualified for modifications, with an average decrease of \$345. HAMP modifications reduced payments by an average of \$565, or 35.3 percent, and other modifications reduced monthly payments by \$279, or 20.3 percent (see table 24).

Modified Loan Performance

- Servicers modified 2,741,912 mortgages from the beginning of 2008 through the end of the second quarter of 2012. At the end of the third quarter of 2012, 46.7 percent of these modifications were current or paid off. Another 7.6 percent were 30 to 59 days delinquent, and 14.4 percent were seriously delinquent. Another 9.6 percent were in the process of foreclosure, and 6.9 percent had completed the foreclosure process (see table 2).

Table 2. Status of Mortgages Modified in 2008–2Q 2012								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	445,354	22.1%	5.4%	13.7%	12.5%	15.0%	3.6%	27.7%
2009	594,350	34.2%	6.9%	15.9%	11.9%	10.2%	2.6%	18.3%
2010	939,364	47.5%	7.9%	14.3%	9.5%	5.5%	1.4%	13.9%
2011	564,065	59.0%	8.9%	15.2%	7.7%	1.7%	0.7%	6.7%
2012	198,779	75.8%	9.5%	10.0%	2.2%	0.1%	0.2%	2.1%
Total	2,741,912	44.9%	7.6%	14.4%	9.6%	6.9%	1.8%	14.8%
HAMP Modification Performance Compared With Other Modifications**								
Other Modifications	1,327,113	48.9%	8.9%	16.8%	9.5%	5.3%	1.4%	9.1%
HAMP Modifications	631,859	61.1%	7.0%	9.3%	6.0%	2.5%	0.7%	13.4%
Modifications That Reduced Payments by 10 Percent or More								
Modifications That Reduced Payments by 10% or More	1,662,289	52.8%	7.8%	12.4%	7.7%	4.5%	1.2%	13.7%
Modifications That Reduced Payments by Less Than 10 Percent								
Modifications That Reduced Payments by Less Than 10%	1,079,623	32.8%	7.4%	17.5%	12.6%	10.6%	2.7%	16.4%

*Processing constraints prevented some servicers from reporting the reason for removal from the portfolio.

**Modifications used to compare with HAMP modifications include only modifications implemented from the third quarter of 2009 through the second quarter of 2012.

- HAMP modifications have performed better than other modifications. Of the 631,859 HAMP modifications implemented since the third quarter of 2009, 61.1 percent remained current, compared with 48.9 percent of other modifications (see table 2). HAMP modifications perform better largely because of the emphasis on reduced monthly payments, affordability relative to borrower income, required income verification, and successfully completing a required trial period.

- Modifications that reduced monthly payments by 10 percent or more performed better than those that reduced payments by less than 10 percent. At the end of the third quarter of 2012, 52.8 percent of modifications that reduced payments by 10 percent or more were current and performing, compared with 32.8 percent of those that reduced payments by less than 10 percent (see table 2).
- Modifications on mortgages held in the servicers' own portfolios and those serviced for the GSEs performed better than modifications on mortgages serviced for others. Of the modifications implemented from January 1, 2008, through September 30, 2011 that were in effect at least one year, 22.4 percent of modifications on mortgages held in the servicers' own portfolios, 25.4 percent of Fannie Mae mortgages, and 25.1 percent of Freddie Mac mortgages were 60 or more days delinquent after 12 months. Conversely, 47.5 percent of government-guaranteed mortgages and 43.2 percent of private investor-held loans were 60 or more days delinquent after 12 months. This variance may reflect differences in the characteristics of the loans and modification programs as well as the servicers' additional flexibility when modifying mortgages they owned (see table 3).

Table 3. Re-Default Rates for Portfolio Loans and Loans Serviced for Others (60 or More Days Delinquent)*				
Investor Loan Type	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Fannie Mae	11.0%	17.5%	22.2%	25.4%
Freddie Mac	11.8%	17.8%	22.0%	25.1%
Government-Guaranteed	16.6%	33.5%	42.9%	47.5%
Private	22.4%	32.1%	38.7%	43.2%
Portfolio Loans	7.5%	14.5%	19.3%	22.4%
Overall	15.0%	24.4%	30.5%	34.4%

*Data include all modifications made since January 1, 2008, that have aged the indicated number of months.

Foreclosures and Other Home Forfeiture Actions

- Newly initiated foreclosures decreased 16.5 percent from the previous quarter and 27.4 percent from a year earlier. The number of foreclosures in process decreased 6.4 percent from the previous quarter and 12.6 percent from a year earlier (see table 4). The decline in new foreclosures and foreclosures in process reflects a strengthening economy, a declining number of serious delinquencies, and an emphasis on alternatives to foreclosure.

Table 4. New Foreclosures and Foreclosures in Process							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Newly Initiated Foreclosures	347,728	292,173	286,951	302,636	252,604	-16.5%	-27.4%
Foreclosures in Process	1,326,019	1,262,294	1,269,921	1,237,025	1,158,289	-6.4%	-12.6%

- Home forfeiture actions totaled 180,309 at the end of the quarter, an increase of 7.7 percent from the previous quarter and 4.0 percent from a year earlier. Completed foreclosures increased by 12.8 percent from the previous quarter and 1.3 percent from a year earlier. Short sales increased by 0.7 percent from the previous quarter and 11.1 percent from a year earlier. Short sales compose more than one-third of home forfeiture actions (see table 5).

Table 5. Completed Foreclosures and Other Home Forfeiture Actions							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Completed Foreclosures	113,294	116,159	122,979	101,735	114,742	12.8%	1.3%
New Short Sales	57,479	63,257	59,996	63,403	63,860	0.7%	11.1%
New Deed-in-Lieu-of-Foreclosure Actions	2,623	2,939	2,806	2,336	1,707	-26.9%	-34.9%
Total	173,396	182,355	185,781	167,474	180,309	7.7%	4.0%

About Mortgage Metrics

The *OCC Mortgage Metrics Report* presents data on first-lien residential mortgages serviced by eight national banks and a federal savings association with the largest mortgage-servicing portfolios.² The data represent 58 percent of all first-lien residential mortgages outstanding in the country and focus on credit performance, loss mitigation efforts, and foreclosures. Almost 92 percent of the mortgages in the portfolio were serviced for investors other than the reporting institutions. At the end of September 2012, the reporting institutions serviced 29.8 million first-lien mortgage loans, totaling \$5.1 trillion in unpaid balances (see table 6).

The loans reflected in this report represent a large percentage of the overall mortgage industry, but they do not represent a statistically random sample of all mortgage loans. The characteristics of these loans may differ from the overall population of mortgages. This report does not attempt to quantify or adjust for known seasonal effects that occur within the mortgage industry.

In addition to providing information to the public, the report and its data support the supervision of national bank and federal savings association mortgage-servicing practices. Examiners use the data to help assess emerging trends, identify anomalies, compare servicers with peers, evaluate asset quality and necessary loan-loss reserves, and assess loss mitigation actions.

The report promotes the use of standardized terms and elements, which allow better comparisons across the industry and over time. The report uses standardized definitions for prime, Alt-A, and subprime mortgages based on commonly used credit score ranges.

The OCC and the participating institutions devote significant resources to ensuring that the information is reliable and accurate. Steps to ensure the validity of the data include quality assurance processes conducted by the banks and savings association, comprehensive data validation tests performed by a third-party data aggregator, and comparisons with the institutions' quarterly call and thrift financial reports. Data sets of this size and scope inevitably incur some degree of missing or inconsistent data and other imperfections. The OCC requires servicers to adjust previous data submissions when errors and omissions are detected. In some cases, data presented in this report reflect resubmissions from institutions that restate and correct earlier information.

The report also includes mortgage modification data by state and territories in appendix E. These data fulfill reporting requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Public Law 111-203).

Definitions and Method

The report uses standard definitions for three categories of mortgage creditworthiness based on the following ranges of borrowers' credit scores at the time of origination:

² The eight national banks are Bank of America, JPMorgan Chase, Citibank, HSBC, MetLife, PNC, U.S. Bank, and Wells Fargo. The federal savings association is OneWest Bank.

- **Prime**—660 and above.
- **Alt-A**—620 to 659.
- **Subprime**—below 620.

Approximately 10 percent of mortgages in the portfolio were not accompanied by credit scores and are classified as “other.” This group includes a mix of prime, Alt-A, and subprime mortgages. In large part, the lack of credit scores results from acquisitions of portfolios from third parties for which borrower credit scores at origination were not available.

Additional definitions include:

- **Completed foreclosures**—Ownership of properties transferred to servicers or investors. The ultimate result is the loss of borrowers’ homes because of nonpayment.
- **Deed-in-lieu-of-foreclosure actions**—Actions in which borrowers transfer ownership of the properties (deeds) to servicers in full satisfaction of the outstanding mortgage debt to lessen the adverse impact of the debt on borrowers’ credit records. Deed-in-lieu-of-foreclosure actions typically have a less adverse impact than foreclosures on borrowers’ credit records.
- **Foreclosures in process**—Number of mortgages for which servicers have begun formal foreclosure proceedings but have not yet completed the foreclosure process. The foreclosure process varies by state and can take 15 months or more to complete. 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.
- **Government-guaranteed mortgages**—All mortgages with an explicit guaranty from the U.S. government, including the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), and, to a lesser extent, certain other departments. These loans may be held in pools backing Government National Mortgage Association (Ginnie Mae) securities, owned by or securitized through different third-party investors, or held in the portfolios of reporting institutions.
- **Home retention actions**—Loan modifications, trial-period plans, and payment plans that allow borrowers to retain ownership and occupancy of their homes while attempting to return the loans to a current and performing status.
- **Loan modifications**—Actions that contractually change the terms of mortgages with respect to interest rates, maturity, principal, or other terms of the loan.
- **Newly initiated foreclosures**—Mortgages for which the servicers initiate formal foreclosure proceedings during the quarter. Many newly initiated foreclosures do not result in the loss of borrowers’ homes because servicers simultaneously pursue other loss mitigation actions, and borrowers may act to return their mortgages to current and performing status.
- **Payment plans**—Short-to-medium-term changes in scheduled terms and payments in order to return mortgages to a current and performing status.
- **Payment-option, adjustable rate mortgages (ARM)**—Mortgages that allow borrowers to choose a monthly payment that may initially reduce principal, pay interest only, or result in

negative amortization, when some amount of unpaid interest is added to the principal balance of the loan and results in an increased balance.

- **Principal deferral modifications**—Modifications that remove a portion of the 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 forgive a portion of the principal amount owed on a mortgage.
- **Re-default rates**—Percentage of modified loans that subsequently become delinquent or enter the foreclosure process. As measures of delinquency, this report presents re-default rates using 30, 60, and 90 or more days delinquent and in process of foreclosure. It focuses on the 60-day-delinquent measure. All re-default data presented in this report are based on modified loans in effect for the specified amount of time after the modification. All loans that have been repaid in full, been refinanced, been sold, or completed the foreclosure process are removed from the calculation. Data include only modifications that have had time to age the indicated number of months following the modification.
- **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.
- **Short sales**—Sales of the mortgaged properties at prices that net less than the total amount due on the mortgages. Servicers and borrowers negotiate repayment programs, forbearance, or forgiveness for any remaining deficiency on the debt. Short sales typically have a less adverse impact than foreclosures on borrowers' credit records.
- **Trial-period plans**—Home retention actions that allow borrowers to demonstrate capability and willingness to pay their modified mortgages for a set period of time. The action becomes permanent following the successful completion of the trial period.

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 and calculated ratios are based on the number of loans rather than on the dollar amount outstanding.

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.

In tables throughout this report, the quarters are indicated by the last day of the quarter (e.g., 9/30/12), quarter-to-quarter changes are shown under the column "1Q %Change" column, and year-to-year changes are shown under the column "1Y %Change" column.

In tables throughout this report, percentages shown under "1Q %Change" and "1Y %Change" are calculated using actual data, not the rounded values reported for each quarter. Calculating period-to-period changes from the rounded values reported in the tables may yield materially different values than those values indicated in the table.

Mortgage Metrics Report data may not agree with other published data because of timing delays in updating servicer-processing systems.

PART I: Mortgage Performance

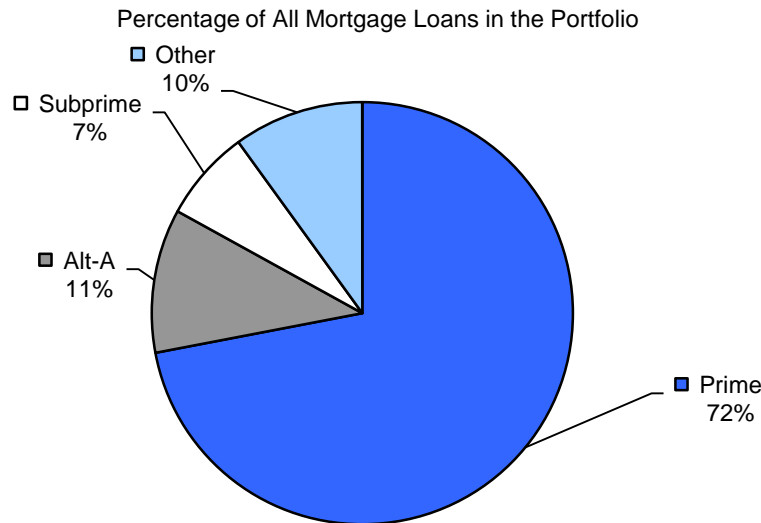
Part I describes the performance of the overall mortgage portfolio, mortgages owned and held by the reporting banks and savings association, government-guaranteed mortgages, mortgages serviced for the GSEs, and mortgages within each risk category.

Overall Mortgage Portfolio

At the end of the third quarter of 2012, the overall mortgage portfolio included 29.8 million loans with \$5.1 trillion in unpaid principal balances. The composition of serviced mortgages was stable from previous quarters. Prime loans were 72 percent of the servicing portfolio at quarter end. Subprime loans were 7 percent, and Alt-A loans were 11 percent of the portfolio. Other loans were 10 percent of the portfolio at the end of the quarter.

Table 6. Overall Mortgage Portfolio					
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12
Total Servicing (Millions)	\$5,598,366	\$5,415,566	\$5,332,795	\$5,222,349	\$5,083,746
Total Servicing (Number of Loans)	32,434,997	31,381,140	31,026,381	30,494,357	29,818,751
Composition (Percentage of All Mortgages in the Portfolio)					
Prime	70%	71%	71%	72%	72%
Alt-A	11%	11%	11%	11%	11%
Subprime	7%	7%	7%	7%	7%
Other	12%	11%	11%	10%	10%
Composition (Number of Loans in Each Risk Category of the Portfolio)					
Prime	22,765,207	22,311,549	22,142,982	21,878,183	21,510,869
Alt-A	3,499,907	3,388,098	3,359,124	3,306,092	3,228,111
Subprime	2,426,056	2,307,692	2,260,455	2,182,847	2,083,906
Other	3,743,827	3,373,801	3,263,820	3,127,235	2,995,865

Figure 1. Portfolio Composition

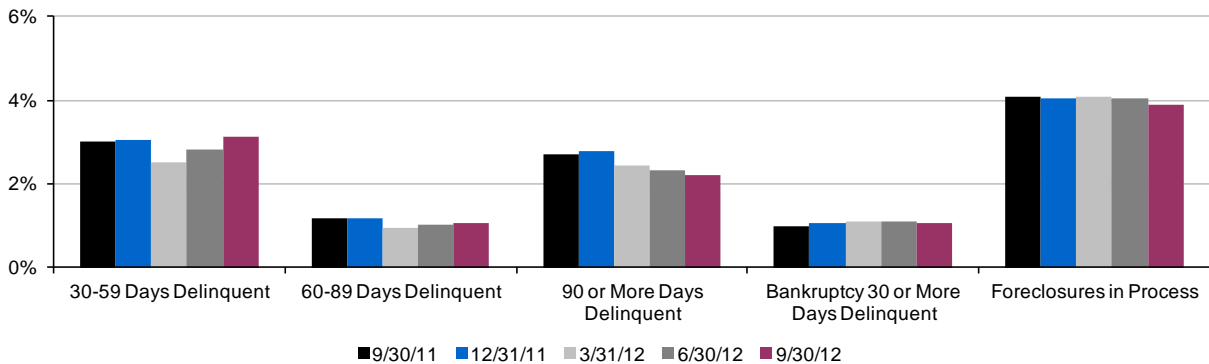


Overall Mortgage Performance

The overall performance of mortgages included in this report deteriorated slightly from last quarter but improved from a year earlier. The percentage of mortgages that were current and performing at the end of the quarter was 88.6 percent, compared with 88.7 percent in the previous quarter and 88.0 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due was 3.1 percent, an increase of 10.4 percent from the previous quarter and 3.6 percent from a year earlier. The percentage of mortgages in the foreclosure process at the end of the quarter was 3.9 percent of the portfolio, a decrease of 4.2 percent from the previous quarter and 5.0 percent from the previous year.

Table 7. Overall Portfolio Performance							
(Percentage of Mortgages in the Portfolio)							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Current and Performing	88.0%	88.0%	88.9%	88.7%	88.6%	-0.05%	0.7%
30–59 Days Delinquent	3.0%	3.0%	2.5%	2.8%	3.1%	10.4%	3.6%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	1.2%	1.2%	0.9%	1.0%	1.1%	5.8%	-10.0%
90 or More Days Delinquent	2.7%	2.8%	2.5%	2.3%	2.2%	-4.4%	-17.9%
Bankruptcy 30 or More Days Delinquent	1.0%	1.0%	1.1%	1.1%	1.1%	-2.7%	7.3%
Subtotal for Seriously Delinquent	4.9%	5.0%	4.5%	4.4%	4.4%	-1.7%	-10.8%
Foreclosures in Process	4.1%	4.0%	4.1%	4.1%	3.9%	-4.2%	-5.0%
(Number of Mortgages in the Portfolio)							
Current and Performing	28,550,780	27,600,497	27,589,940	27,046,778	26,434,199	-2.3%	-7.4%
30–59 Days Delinquent	972,727	952,719	779,022	858,330	926,296	7.9%	-4.8%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	384,666	371,164	291,663	307,759	318,254	3.4%	-17.3%
90 or More Days Delinquent	876,961	867,508	760,736	708,741	662,207	-6.6%	-24.5%
Bankruptcy 30 or More Days Delinquent	323,844	326,958	335,099	335,724	319,506	-4.8%	-1.3%
Subtotal for Seriously Delinquent	1,585,471	1,565,630	1,387,498	1,352,224	1,299,967	-3.9%	-18.0%
Foreclosures in Process	1,326,019	1,262,294	1,269,921	1,237,025	1,158,289	-6.4%	-12.6%
Total	32,434,997	31,381,140	31,026,381	30,494,357	29,818,751	-2.2%	-8.1%

Figure 2. Overall Portfolio Performance



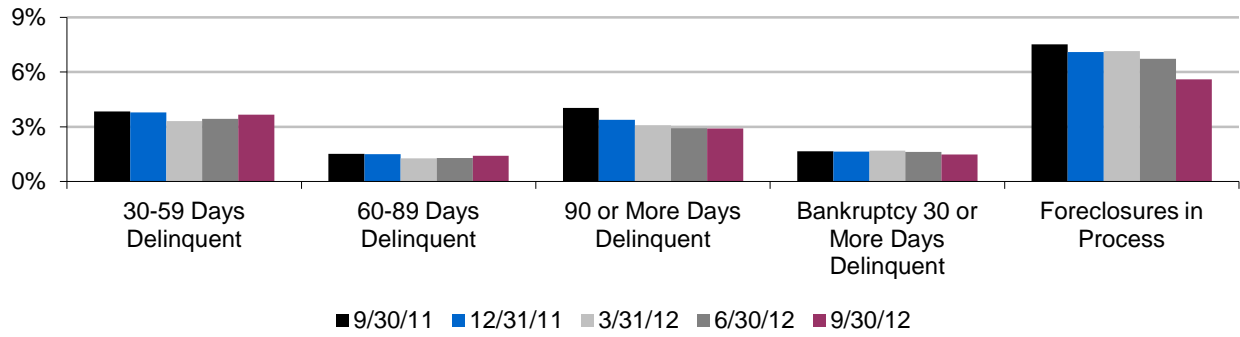
Performance of Mortgages Held by Reporting Banks and Thrift

The nine reporting institutions held 8.0 percent of the 29.8 million mortgages included in this report in their own portfolios at the end of the quarter. This does not include government-guaranteed mortgages held by these institutions. The remaining mortgages were serviced for other entities. The performance of mortgages held by the reporting institutions improved from the previous quarter and a year earlier. The percentage of these mortgages that were current at the end of the quarter was 84.9 percent, an increase from 84.0 percent the previous quarter and 81.4 percent a year earlier. The percentage of these mortgages that were 30 to 59 days delinquent at the end of the quarter was 3.7 percent, a 6.6 percent increase from the previous quarter but a 4.5 percent decrease from a year earlier. The percentage of these mortgages that were seriously delinquent at quarter end was 5.8 percent, a decrease of 1.0 percent from the previous quarter and 19.5 percent from a year earlier. The percentage of these mortgages in the process of foreclosure was 5.6 percent, a decrease of 16.6 percent from the previous quarter and 25.4 percent from a year earlier. Since the first quarter of 2009, mortgages held in the servicers' portfolios have performed worse than mortgages serviced for GSEs and government-guaranteed mortgages because of concentrations in nontraditional loans and weaker geographic markets and, more recently, delinquent loans repurchased from investors.

Table 8. Performance of Mortgages Held by Reporting Banks and Thrift (Percentage)*							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Current and Performing	81.4%	82.6%	83.5%	84.0%	84.9%	1.1%	4.3%
30–59 Days Delinquent	3.8%	3.8%	3.3%	3.4%	3.7%	6.6%	-4.5%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	1.5%	1.5%	1.3%	1.3%	1.4%	8.7%	-7.6%
90 or More Days Delinquent	4.0%	3.4%	3.1%	2.9%	2.9%	-0.8%	-27.9%
Bankruptcy 30 or More Days Delinquent	1.7%	1.6%	1.7%	1.6%	1.5%	-8.8%	-10.2%
Subtotal for Seriously Delinquent	7.2%	6.5%	6.0%	5.9%	5.8%	-1.0%	-19.5%
Foreclosures in Process	7.5%	7.1%	7.1%	6.7%	5.6%	-16.6%	-25.4%
Performance of Mortgages Held by Reporting Banks and Thrift (Number)							
Current and Performing	1,909,516	1,971,555	1,938,500	2,008,711	2,032,227	1.2%	6.4%
30–59 Days Delinquent	90,050	90,346	76,967	82,270	87,753	6.7%	-2.6%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	35,675	35,636	29,561	30,957	33,654	8.7%	-5.7%
90 or More Days Delinquent	94,524	80,609	71,355	70,144	69,591	-0.8%	-26.4%
Bankruptcy 30 or More Days Delinquent	38,799	39,148	39,150	38,968	35,560	-8.7%	-8.3%
Subtotal for Seriously Delinquent	168,998	155,393	140,066	140,069	138,805	-0.9%	-17.9%
Foreclosures in Process	175,969	169,064	165,679	160,595	134,051	-16.5%	-23.8%
Total	2,344,533	2,386,358	2,321,212	2,391,645	2,392,836	0.0%	2.1%

*The data in this table exclude government-guaranteed mortgages owned and held by the reporting institutions.

Figure 3. Performance of Mortgages Held by Reporting Banks and Thrift

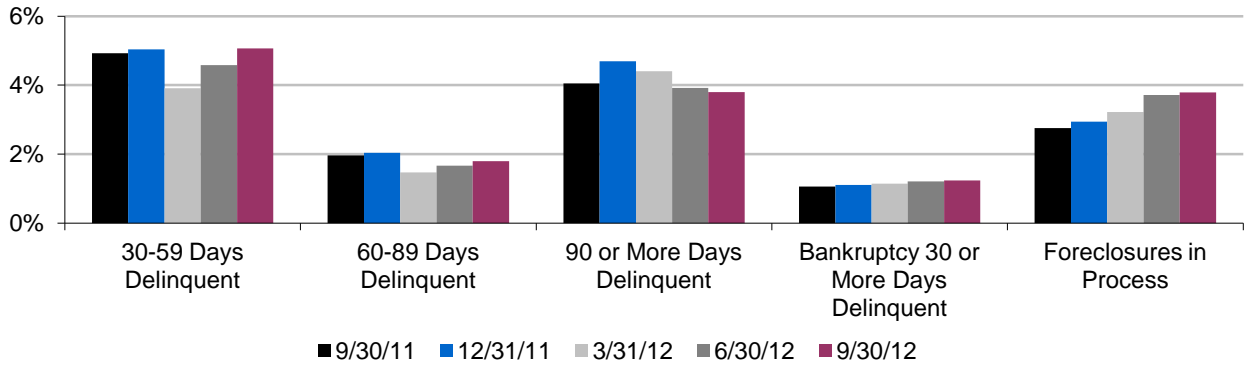


Performance of Government-Guaranteed Mortgages

Government-guaranteed mortgages were 23.5 percent of the mortgages in this report at the end of the quarter, compared with 21.4 percent a year earlier. The percentage of government-guaranteed mortgages that were current and performing at the end of the quarter was 84.3 percent, down from 84.9 percent at the end of the previous quarter and 85.2 percent a year earlier. The percentage of loans that was 30 to 59 days delinquent was 5.1 percent at the end of the quarter, an increase of 10.7 percent from the previous quarter and 4.1 percent from a year earlier. The percentage of these loans that were seriously delinquent was 6.8 percent at the end of the quarter, a 0.6 percent increase from the previous quarter but a 3.4 percent decrease from a year earlier. The percentage of government-guaranteed loans in the process of foreclosure at the end of the quarter was 3.8 percent, an increase of 1.9 percent from the previous quarter and 37.5 percent from a year earlier. More than 79 percent of these loans were FHA loans, 15 percent were VA loans, and 6 percent were other government-guaranteed mortgages. Almost 86 percent of the government-guaranteed mortgages were in pools of loans backing Ginnie Mae securities.

Table 9. Performance of Government-Guaranteed Mortgages (Percentage)							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Current and Performing	85.2%	84.2%	85.9%	84.9%	84.3%	-0.7%	-1.1%
30–59 Days Delinquent	4.9%	5.0%	3.9%	4.6%	5.1%	10.7%	4.1%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	2.0%	2.0%	1.5%	1.7%	1.8%	8.0%	-8.6%
90 or More Days Delinquent	4.1%	4.7%	4.4%	3.9%	3.8%	-3.1%	-6.3%
Bankruptcy 30 or More Days Delinquent	1.1%	1.1%	1.1%	1.2%	1.2%	2.5%	17.1%
Subtotal for Seriously Delinquent	7.1%	7.8%	7.0%	6.8%	6.8%	0.6%	-3.4%
Foreclosures in Process	2.8%	2.9%	3.2%	3.7%	3.8%	1.9%	37.5%
Performance of Government-Guaranteed Mortgages (Number)							
Current and Performing	5,914,032	5,766,800	5,940,585	5,938,802	5,907,788	-0.5%	-0.1%
30–59 Days Delinquent	342,104	345,295	270,710	320,119	354,898	10.9%	3.7%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	136,485	139,849	101,989	116,506	126,005	8.2%	-7.7%
90 or More Days Delinquent	281,264	321,608	304,492	274,075	266,172	-2.9%	-5.4%
Bankruptcy 30 or More Days Delinquent	73,375	75,869	79,266	84,502	86,793	2.7%	18.3%
Subtotal for Seriously Delinquent	491,124	537,326	485,747	475,083	478,970	0.8%	-2.5%
Foreclosures in Process	191,055	201,460	222,648	259,880	265,324	2.1%	38.9%
Total	6,938,315	6,850,881	6,919,690	6,993,884	7,006,980	0.2%	1.0%

Figure 4. Performance of Government-Guaranteed Mortgages

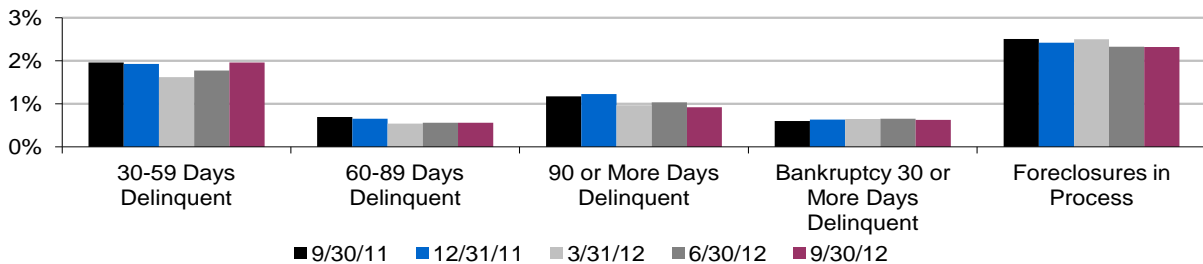


Performance of GSE Mortgages

GSE mortgages made up 58.0 percent of the mortgages in this report. GSE mortgages perform better than the overall portfolio because they contain more prime loans. The percentage of GSE mortgages that were current at the end of the third quarter of 2012 was 93.6 percent. The percentage of GSE mortgages that were 30 to 59 days delinquent at the end of the quarter was 2.0 percent, a 10.7 percent increase from the previous quarter but a slight decrease from a year earlier. The percentage of GSE mortgages that were seriously delinquent was 2.1 percent, a decrease of 6.2 percent from the previous quarter and 14.5 percent from a year earlier. The percentage of these loans in the foreclosure process was 2.3 percent, a decrease of 0.5 percent from the previous quarter and 7.5 percent from a year earlier. Of the GSE mortgages, 59 percent were serviced for Fannie Mae and 41 percent for Freddie Mac.

Table 10. Performance of GSE Mortgages (Percentage)							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Current and Performing	93.1%	93.1%	93.7%	93.7%	93.6%	-0.04%*	0.6%
30–59 Days Delinquent	2.0%	1.9%	1.6%	1.8%	2.0%	10.7%	-0.07%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	0.7%	0.7%	0.5%	0.6%	0.6%	0.3%	-18.6%
90 or More Days Delinquent	1.2%	1.2%	1.0%	1.0%	0.9%	-11.2%	-22.0%
Bankruptcy 30 or More Days Delinquent	0.6%	0.6%	0.6%	0.7%	0.6%	-3.9%	5.1%
Subtotal for Seriously Delinquent	2.5%	2.5%	2.2%	2.2%	2.1%	-6.2%	-14.5%
Foreclosures in Process	2.5%	2.4%	2.5%	2.3%	2.3%	-0.5%	-7.5%
Performance of GSE Mortgages (Number)							
Current and Performing	18,011,623	17,265,388	17,153,725	16,672,691	16,201,644	-2.8%	-10.0%
30–59 Days Delinquent	379,596	357,477	296,501	315,274	339,212	7.6%	-10.6%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	133,734	121,162	98,584	99,844	97,349	-2.5%	-27.2%
90 or More Days Delinquent	227,724	227,880	177,483	183,985	158,756	-13.7%	-30.3%
Bankruptcy 30 or More Days Delinquent	115,759	116,843	118,413	116,482	108,841	-6.6%	-6.0%
Subtotal for Seriously Delinquent	477,217	465,885	394,480	400,311	364,946	-8.8%	-23.5%
Foreclosures in Process	484,867	449,138	458,137	414,623	401,150	-3.2%	-17.3%
Total	19,353,303	18,537,888	18,302,843	17,802,899	17,306,952	-2.8%	-10.6%

Figure 5. Performance of GSE Mortgages

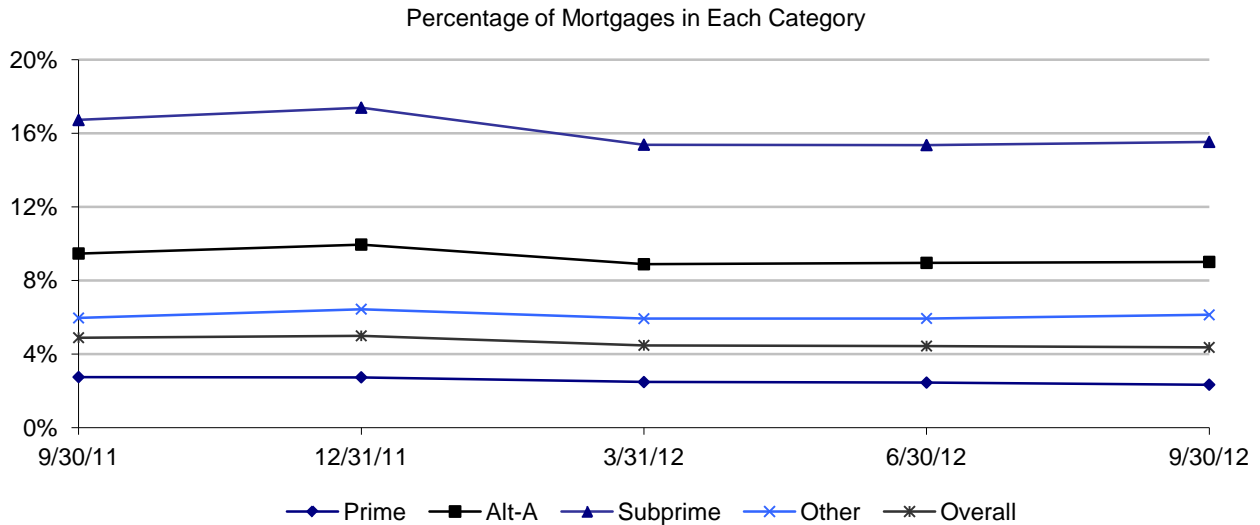


Seriously Delinquent Mortgages, by Risk Category

The portfolio contained 285,504 fewer seriously delinquent loans at the end of the third quarter of 2012 compared with a year earlier—an 18.0 percent decrease. Seriously delinquent loans were 4.4 percent of the portfolio at the end of the quarter, a decrease of 1.7 percent from the previous quarter and 10.8 percent from a year earlier. The percentage of seriously delinquent loans is at its lowest level in three years. The number of seriously delinquent loans has decreased from both the previous quarter and one year ago across all risk categories.

Table 11. Seriously Delinquent Mortgages, by Risk Category							
(Percentage of Mortgages in Each Category)							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Prime	2.7%	2.7%	2.5%	2.4%	2.3%	-4.6%	-15.1%
Alt-A	9.5%	9.9%	8.9%	9.0%	9.0%	0.6%	-4.8%
Subprime	16.7%	17.4%	15.4%	15.4%	15.5%	1.1%	-7.1%
Other	6.0%	6.4%	5.9%	5.9%	6.1%	3.3%	2.8%
Overall	4.9%	5.0%	4.5%	4.4%	4.4%	-1.7%	-10.8%
(Number of Mortgages in Each Category)							
Prime	625,560	610,063	548,312	535,413	502,019	-6.2%	-19.7%
Alt-A	331,200	337,061	298,284	296,029	290,702	-1.8%	-12.2%
Subprime	405,624	401,293	347,641	335,217	323,643	-3.5%	-20.2%
Other	223,087	217,213	193,261	185,565	183,603	-1.1%	-17.7%
Total	1,585,471	1,565,630	1,387,498	1,352,224	1,299,967	-3.9%	-18.0%

Figure 6. Seriously Delinquent Mortgages, by Risk Category

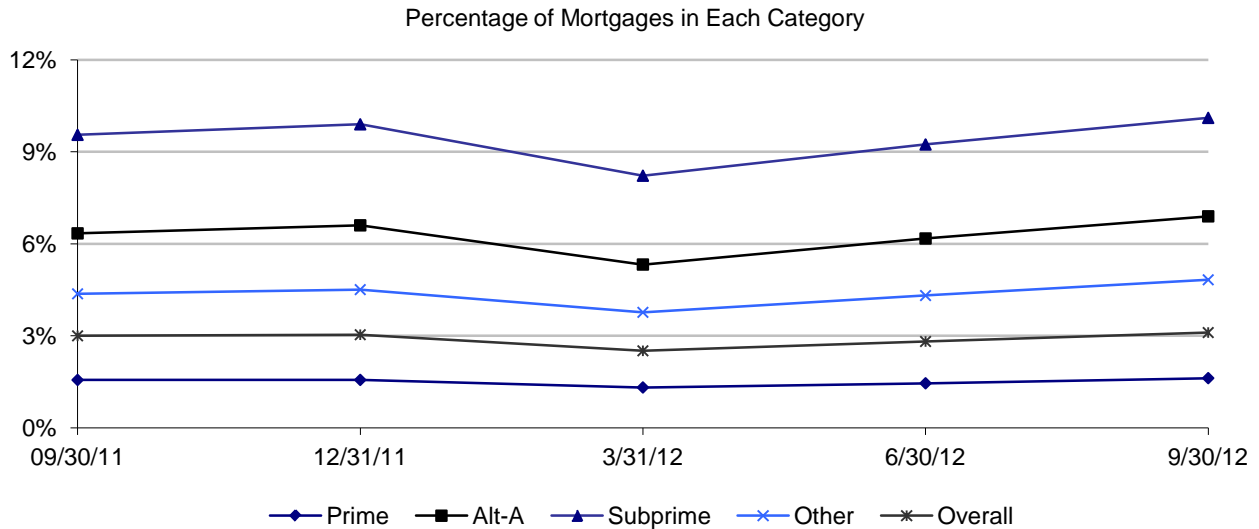


Mortgages 30 to 59 Days Delinquent, by Risk Category

The percentage of loans that were 30 to 59 days delinquent was 3.1 percent of the portfolio at the end of the quarter, an increase of 10.4 percent from the previous quarter and 3.6 percent from a year earlier.

Table 12. Mortgages 30 to 59 Days Delinquent, by Risk Category							
<i>(Percentage of Mortgages in Each Category)</i>							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Prime	1.6%	1.6%	1.3%	1.5%	1.6%	11.6%	3.8%
Alt-A	6.3%	6.6%	5.3%	6.2%	6.9%	11.7%	8.8%
Subprime	9.6%	9.9%	8.2%	9.2%	10.1%	9.4%	5.8%
Other	4.4%	4.5%	3.8%	4.3%	4.8%	11.9%	10.5%
Overall	3.0%	3.0%	2.5%	2.8%	3.1%	10.4%	3.6%
<i>(Number of Mortgages in Each Category)</i>							
Prime	355,421	348,561	291,413	317,666	348,451	9.7%	-2.0%
Alt-A	221,933	223,717	178,864	204,105	222,620	9.1%	0.3%
Subprime	231,789	228,396	185,842	201,675	210,622	4.4%	-9.1%
Other	163,584	152,045	122,903	134,884	144,603	7.2%	-11.6%
Total	972,727	952,719	779,022	858,330	926,296	7.9%	-4.8%

Figure 7. Mortgages 30 to 59 Days Delinquent, by Risk Category



PART II: Home Retention Actions

Home retention actions include loan modifications, in which servicers modify one or more mortgage contract terms; trial-period plans, in which the loans will be converted to modifications upon successful completion of the trial periods; and payment plans, in which no terms are contractually modified but borrowers are given time to catch up on missed payments. All of these actions can help the borrower become current on the loan, attain payment sustainability, and retain the home.

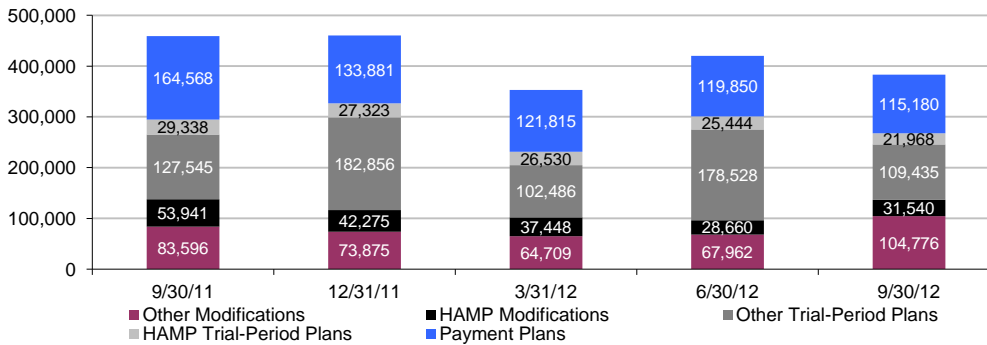
A. Loan Modifications, Trial-Period Plans, and Payment Plans

New Home Retention Actions

Servicers implemented 382,899 home retention actions—loan modifications, trial-period plans, and payment plans—during the third quarter of 2012. The number of home retention actions decreased 8.9 percent from the previous quarter and 16.6 from a year earlier. Servicers implemented 136,316 modifications, 39,694 more than in the prior quarter. New HAMP modifications increased 10.0 percent to 31,540 during the quarter, and other modifications increased 54.2 percent to 104,776. Servicers implemented 131,403 new trial-period plans, a decrease of 35.6 percent from the previous quarter and 16.2 percent from a year earlier. New payment plans decreased by 3.9 percent to 115,180. During the past five quarters, servicers initiated 2.1 million home retention actions—588,782 modifications, 831,453 trial-period plans, and 655,294 payment plans.

Table 13. Number of New Home Retention Actions							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Other Modifications	83,596	73,875	64,709	67,962	104,776	54.2%	25.3%
HAMP Modifications	53,941	42,275	37,448	28,660	31,540	10.0%	-41.5%
Other Trial-Period Plans	127,545	182,856	102,486	178,528	109,435	-38.7%	-14.2%
HAMP Trial-Period Plans	29,338	27,323	26,530	25,444	21,968	-13.7%	-25.1%
Payment Plans	164,568	133,881	121,815	119,850	115,180	-3.9%	-30.0%
Total	458,988	460,210	352,988	420,444	382,899	-8.9%	-16.6%

Figure 8. Number of New Home Retention Actions



HAMP Modifications and Trial-Period Plans, by Investor and Risk Category

Of the 31,540 HAMP modifications implemented during the third quarter of 2012, 43.4 percent went to mortgages serviced for the GSEs, 32.6 percent to mortgages serviced for private investors, 4.2 percent to government-guaranteed mortgages, and 19.7 percent to loans held in portfolio. Prime mortgages, which represented 72.1 percent of the total portfolio, received 51.9 percent of all HAMP modifications, while subprime loans, which represented 7.0 percent of the total portfolio, received 19.1 percent of HAMP modifications during the quarter.

Table 14. HAMP Modifications, by Investor and Risk Category
(Modifications Implemented in the Third Quarter of 2012)

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	4,053	4,236	464	3,010	4,592	16,355
Alt-A	1,226	1,161	376	1,432	1,960	6,155
Subprime	621	633	293	1,555	2,933	6,035
Other	1,175	585	201	222	812	2,995
Total	7,075	6,615	1,334	6,219	10,297	31,540

Servicers implemented 21,968 HAMP trial-period plans during the quarter, a decrease of 13.7 percent from the 25,444 HAMP trial-period plans initiated in the previous quarter. GSE mortgages received 40.9 percent of HAMP trial-period plans initiated during the quarter, while 33.5 percent went to mortgages serviced for private investors. Prime mortgages received 50.5 percent of the HAMP trial-period plans implemented during the quarter, while Alt-A and subprime mortgages collectively received 40.1 percent.

Table 15. HAMP Trial-Period Plans, by Investor and Risk Category
(Trial-Period Plans Implemented in the Third Quarter of 2012)

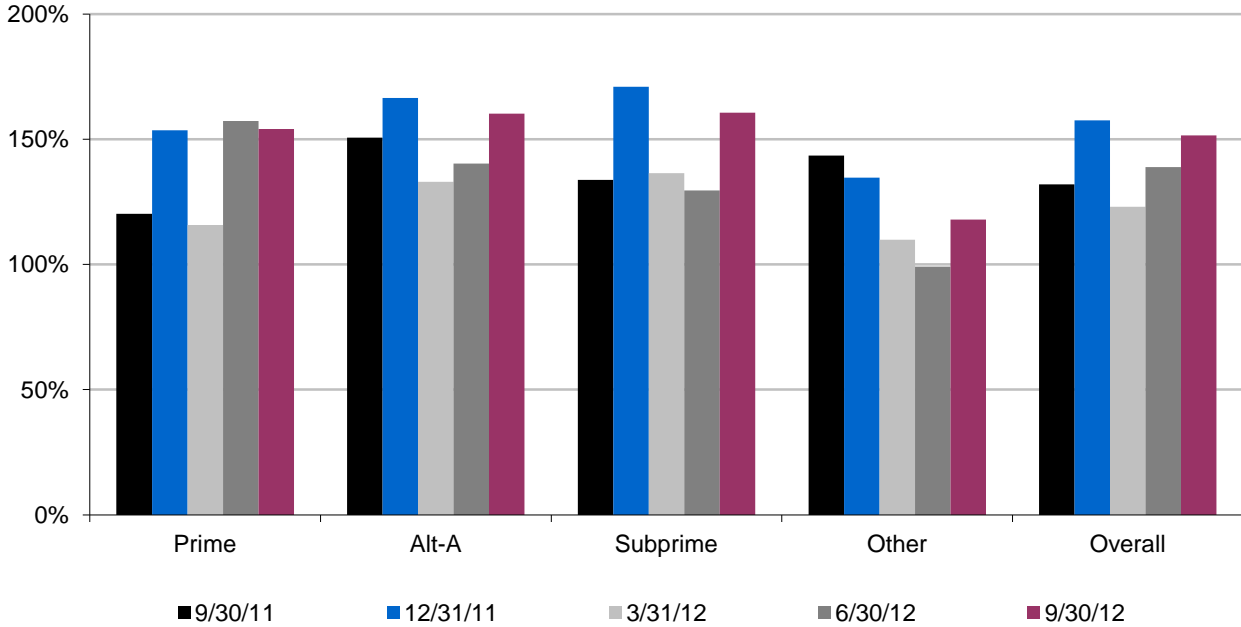
	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	2,607	2,835	668	1,831	3,145	11,086
Alt-A	727	753	643	768	1,406	4,297
Subprime	459	393	453	814	2,383	4,502
Other	831	373	308	142	429	2,083
Total	4,624	4,354	2,072	3,555	7,363	21,968

New Home Retention Actions Relative to Newly Initiated Foreclosures

Servicers continued to implement more home retention actions than foreclosures. New home retention actions and new foreclosure actions both decreased from the previous quarter, with new home retention actions decreasing less than newly initiated foreclosures.

	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Prime	120.2%	153.6%	115.8%	157.3%	154.1%	-2.1%	28.2%
Alt-A	150.7%	166.5%	133.0%	140.3%	160.2%	14.2%	6.3%
Subprime	133.8%	171.0%	136.5%	129.6%	160.6%	24.0%	20.1%
Other	143.5%	134.7%	109.8%	99.1%	118.0%	19.0%	-17.8%
Overall	132.0%	157.5%	123.0%	138.9%	151.6%	9.1%	14.8%
Number of New Home Retention Actions	458,988	460,210	352,988	420,444	382,899	-8.9%	-16.6%
Number of Newly Initiated Foreclosures	347,728	292,173	286,951	302,636	252,604	-16.5%	-27.4%

Figure 9. New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category



Types of Modification Actions

The types of modification actions or combinations of actions have different effects on the borrowers’ mortgages and their monthly principal and interest payments. Different actions may, over time, have different effects on the long-term sustainability of mortgages. Servicers often use a combination of actions when modifying mortgages, with 94 percent of modifications implemented during the third quarter of 2012 changing more than one of the original loan terms. Capitalization, interest-rate reduction, and term extension remain the primary actions taken with loan modifications, but the use of principal reduction in modifications has increased over the last five quarters.

Servicers capitalized missed fees and payments in 90.4 percent of modifications completed during the quarter, reduced interest rates in 77.2 percent, and extended loan maturity in 64.8 percent. Servicers deferred repayment of some portion of the principal balance in 19.1 percent of modifications made during the quarter, down 3.4 percent from the previous quarter and 6.7 percent from a year earlier. The percentage of modifications that included principal reduction increased to 17.1 percent in the third quarter of 2012, more than doubling from 8.1 percent a year ago. Because most modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total modifications. Appendix D presents additional detail on combination modifications.

Table 17. Changes in Loan Terms for Modifications Made During the Third Quarter of 2012							
(Percentage of Total Modifications in Each Category)							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Capitalization	88.5%	93.3%	91.6%	79.8%	90.4%	13.3%	2.2%
Rate Reduction	77.5%	78.2%	80.6%	78.8%	77.2%	-1.9%	-0.4%
Rate Freeze	4.6%	6.4%	6.2%	6.3%	6.9%	11.0%	50.8%
Term Extension	57.8%	55.5%	73.7%	61.8%	64.8%	4.8%	12.1%
Principal Reduction	8.1%	8.5%	10.2%	15.5%	17.1%	10.7%	110.6%
Principal Deferral	20.5%	24.5%	24.6%	19.8%	19.1%	-3.4%	-6.7%
Not Reported*	1.0%	1.5%	1.2%	0.7%	0.4%	-50.5%	-61.7%
(Number of Changes in Each Category)							
Capitalization	121,662	108,365	93,573	77,115	123,275	59.9%	1.3%
Rate Reduction	106,650	90,776	82,382	76,093	105,279	38.4%	-1.3%
Rate Freeze	6,328	7,419	6,345	6,039	9,459	56.6%	49.5%
Term Extension	79,535	64,491	75,256	59,755	88,350	47.9%	11.1%
Principal Reduction	11,178	9,866	10,404	14,944	23,335	56.1%	108.8%
Principal Deferral	28,133	28,496	25,154	19,085	26,021	36.3%	-7.5%
Not Reported*	1,327	1,750	1,190	722	504	-30.2%	-62.0%

*Processing constraints at some servicers prevented them from reporting specific modified term(s).

Types of HAMP Modification Actions

HAMP modifications follow a prescribed series of actions to attain a targeted monthly mortgage payment. Consistent with modification actions overall and the prescribed order of actions required by HAMP, these modifications most often included capitalization of missed payments and fees, interest-rate reductions, and term extensions. Servicers used principal deferral, another prescribed action in HAMP, in 30.5 percent of HAMP modifications during the third quarter of 2012, up slightly from 30.4 percent in the previous quarter and down from 34.9 percent a year ago. Principal reduction was used in 24.7 percent of HAMP modifications implemented during the quarter—up from 21.4 percent in the previous quarter and 11.1 percent a year earlier.

Table 18. Changes in Loan Terms for HAMP Modifications During the Third Quarter of 2012 (Percentage of Total Modifications in Each Category)							
	9/30/11	12/31/11	3/31/2012	6/30/2012	9/30/2012	1Q %Change	1Y %Change
Capitalization	93.7%	97.3%	97.0%	98.4%	98.2%	-0.3%	4.8%
Rate Reduction	86.8%	88.5%	90.0%	87.5%	85.6%	-2.2%	-1.4%
Rate Freeze	2.2%	3.3%	4.0%	3.1%	3.2%	5.4%	46.8%
Term Extension	48.4%	49.9%	73.0%	58.3%	55.0%	-5.7%	13.6%
Principal Reduction	11.1%	15.6%	21.0%	21.4%	24.7%	15.7%	123.3%
Principal Deferral	34.9%	38.5%	32.9%	30.4%	30.5%	0.3%	-12.6%
Not Reported*	0.2%	0.1%	0.1%	0.1%	0.1%	-40.6%	-71.8%
(Number of Changes in Each Category)							
Capitalization	50,522	41,143	36,323	28,210	30,960	9.7%	-38.7%
Rate Reduction	46,813	37,418	33,690	25,080	26,995	7.6%	-42.3%
Rate Freeze	1,186	1,388	1,496	878	1,018	15.9%	-14.2%
Term Extension	26,123	21,084	27,329	16,719	17,347	3.8%	-33.6%
Principal Reduction	5,978	6,596	7,856	6,132	7,805	27.3%	30.6%
Principal Deferral	18,827	16,295	12,304	8,722	9,625	10.4%	-48.9%
Not Reported*	103	37	25	26	17	-34.6%	-83.5%

*Processing constraints at some servicers prevented them from reporting specific modified term(s).

Types of Modification Actions, by Risk Category

Servicers use a combination of actions when modifying mortgages, and no single action can be identified as the primary component of a successful modification. Modifications across all risk categories predominantly featured interest-rate reduction and term extension in addition to the capitalization of past-due interest and fees. Because most modifications changed more than one term, the sum of individual features changed exceeded the total number of modified loans in each risk category. While most actions were used relatively consistently across all risk categories, principal deferral was used most extensively in prime loans, and principal reduction was used at a higher rate among subprime loans.

Table 19. Changes in Loan Terms for Modifications, by Risk Category, During Third Quarter 2012					
(Percentage of Total Modifications in Each Category)					
	Prime	Alt-A	Subprime	Other	Overall
Capitalization	87.5%	92.3%	92.4%	94.1%	90.4%
Rate Reduction	75.7%	78.2%	77.2%	82.0%	77.2%
Rate Freeze	7.0%	6.2%	7.9%	6.2%	6.9%
Term Extension	61.5%	67.6%	63.2%	77.1%	64.8%
Principal Reduction	17.4%	16.8%	20.8%	7.3%	17.1%
Principal Deferral	24.1%	16.7%	13.6%	16.0%	19.1%
Not Reported*	0.4%	0.3%	0.2%	0.7%	0.4%
(Number of Changes in Each Category)					
Total Mortgages Modified	58,987	30,040	33,755	13,534	136,316
Capitalization	51,613	27,735	31,186	12,741	123,275
Rate Reduction	44,646	23,478	26,053	11,102	105,279
Rate Freeze	4,106	1,861	2,656	836	9,459
Term Extension	36,273	20,316	21,323	10,438	88,350
Principal Reduction	10,292	5,042	7,015	986	23,335
Principal Deferral	14,236	5,029	4,588	2,168	26,021
Not Reported*	243	94	72	95	504

*Processing constraints at some servicers prevented them from reporting specific modified term(s).

Types of Modification Actions, by Investor and Product Type

Modifications of mortgages serviced for the GSEs accounted for 30.6 percent of all modifications made during the third quarter of 2012. Government-guaranteed loans received 24.5 percent of all modifications, mortgages serviced for private investors received 20.8 percent, and mortgages held in the servicers’ own portfolios received 24.2 percent of all second-quarter modifications. Interest-rate reduction and capitalization of missed payments and fees remained the primary types of modification actions for all investors, as well as term extension for all except private investors. Principal reduction was used almost exclusively in modifications of loans held in portfolio or serviced for private investors because Fannie Mae and Freddie Mac do not allow modifications with principal reduction. Because modifications often change more than one loan term, the sum of the actions exceeded the number of modified loans for each investor.

Table 20. Type of Modification Action, by Investor and Product Type, During Third Quarter 2012						
(Percentage of Total Modifications in Each Category)						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	97.5%	98.3%	96.6%	83.3%	80.9%	90.4%
Rate Reduction	71.1%	79.9%	97.6%	61.1%	73.7%	77.2%
Rate Freeze	6.6%	2.7%	0.4%	7.6%	15.5%	6.9%
Term Extension	84.7%	90.2%	98.2%	14.6%	46.2%	64.8%
Principal Reduction	0.0%	0.0%	0.3%	38.0%	37.8%	17.1%
Principal Deferral	31.0%	44.5%	0.2%	28.2%	8.4%	19.1%
Not Reported*	0.6%	0.3%	0.0%	0.8%	0.2%	0.4%
(Number of Changes in Each Category)						
Total Mortgages Modified	24,528	17,127	33,332	28,287	33,042	136,316
Capitalization	23,905	16,839	32,215	23,569	26,747	123,275
Rate Reduction	17,435	13,677	32,527	17,285	24,355	105,279
Rate Freeze	1,628	457	123	2,146	5,105	9,459
Term Extension	20,785	15,457	32,729	4,128	15,251	88,350
Principal Reduction**	9	3	89	10,746	12,488	23,335
Principal Deferral	7,592	7,630	52	7,963	2,784	26,021
Not Reported	159	50	12	226	57	504

*Processing constraints at some servicers prevented them from reporting specific modified term(s).

** The principal reduction actions reflected in this table represent coding errors to be corrected in subsequent reporting periods.

Types of HAMP Modification Actions, by Investor and Product Type

Of the 31,540 HAMP modifications implemented in the third quarter of 2012, 43.4 percent were on GSE mortgages, 32.6 percent were on mortgages serviced for private investors, 19.7 percent were on mortgages held in servicers’ portfolios, and 4.2 percent were on government-guaranteed loans. Consistent with total modification actions, the prevailing actions among HAMP modifications were capitalization of past-due interest and fees, interest-rate reduction, and term extension. Principal deferral was used in a significant number of HAMP modifications for all investors other than government-guaranteed loans, and principal reduction was concentrated in loans held in portfolio and serviced for private investors.

Table 21. Type of HAMP Modification Action, by Investor and Product Type, During Third Quarter 2012						
(Percentage of Total Modifications in Each Category)						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	99.5%	99.7%	70.5%	99.5%	98.7%	98.2%
Rate Reduction	90.1%	94.6%	92.7%	79.4%	79.6%	85.6%
Rate Freeze	0.3%	0.0%	1.1%	7.0%	4.1%	3.2%
Term Extension	72.9%	78.2%	98.1%	10.8%	73.9%	55.0%
Principal Reduction	0.1%	0.0%	0.6%	35.8%	66.0%	24.7%
Principal Deferral	29.0%	32.9%	1.9%	39.7%	20.7%	30.5%
Not Reported*	0.1%	0.0%	0.1%	0.0%	0.1%	0.1%
(Number of Changes in Each Category)						
Total Mortgages Modified	7,075	6,615	1,334	10,297	6,219	31,540
Capitalization	7,041	6,593	940	10,246	6,140	30,960
Rate Reduction	6,374	6,256	1,237	8,178	4,950	26,995
Rate Freeze	22	1	15	724	256	1,018
Term Extension	5,155	5,172	1,309	1,113	4,598	17,347
Principal Reduction**	6	0	8	3,689	4,102	7,805
Principal Deferral	2,051	2,179	26	4,083	1,286	9,625
Not Reported	7	1	1	3	5	17

*Processing constraints at some servicers prevented them from reporting specific modified term(s).

**The six principal reduction actions reported for Fannie Mae in this table represent coding errors to be corrected in subsequent reporting periods.

Changes in Monthly Payments Resulting From Modification

The previous sections of this report describe the types of modification actions across risk categories, investors, and product types. This section describes the effect of those changes on borrowers' monthly principal and interest payments.

Modifications that decrease payments occur when servicers elect to lower interest rates, extend the amortization period, or defer or forgive principal. The reduced payments can make mortgages more affordable to borrowers and more sustainable over time. However, the lower payments also result in less monthly cash flow and interest income to mortgage investors.

Mortgage modifications may increase monthly payments when borrowers and servicers agree to add past-due interest, advances for taxes or insurance and other fees to the loan balances and re-amortize the new balances over the remaining life of the mortgages. The interest rate or maturity of the loans may be changed on these modifications but not enough to offset the increase in payments caused by the additional capitalized principal. Modifications may also result in increased monthly payments when interest rates or principal payments on ARMs and payment-option ARMs are reset higher but by less than the amount indicated in the original mortgage contracts.

Modifications that increase payments may be appropriate when borrowers resolve temporary problems with cash flow, or otherwise have reasonable prospects of making higher payments to repay the debt over time. However, during periods of prolonged economic stress, this strategy carries additional risk, underscoring the importance of verifying borrowers' income and debt-payment ability so that borrowers and servicers have confidence that the modifications will be sustainable.

Servicers also modify some mortgage contracts by simply leaving principal and interest payments unchanged. This occurs, for example, when servicers "freeze" current interest rates and payments instead of allowing them to increase to levels required by the original mortgage contracts.

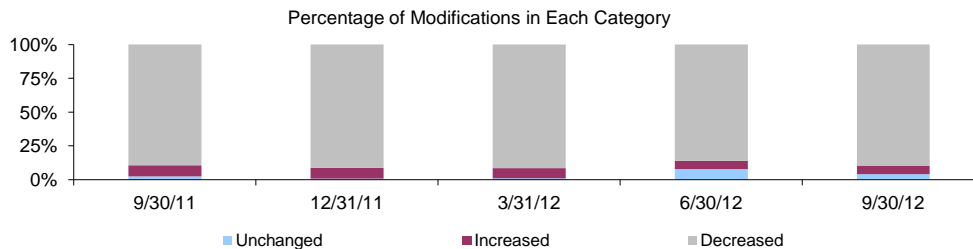
Changes in Monthly Payments Resulting From Modifications, by Quarter

Almost 90 percent of modifications made in the quarter reduced monthly principal and interest payments, and more than 54 percent of the modifications reduced payments by 20 percent or more. More than 20 percent of modifications during the quarter reduced payments between 10 percent and 20 percent, and another 15 percent reduced payments by less than 10 percent.

Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications							
(Percentage of Modifications in Each Category)*							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Decreased by 20% or More	53.6%	59.5%	62.7%	52.1%	54.4%	4.4%	1.5%
Decreased by 10% to Less Than 20%	18.3%	16.7%	15.9%	21.2%	20.2%	-4.7%	10.4%
Decreased by Less Than 10%	17.5%	15.0%	12.9%	13.0%	15.0%	15.8%	-14.2%
Subtotal for Decreased	89.4%	91.2%	91.5%	86.2%	89.6%	3.9%	0.2%
Unchanged	2.4%	0.8%	1.0%	7.7%	4.1%	-45.8%	70.2%
Increased	8.2%	7.9%	7.4%	6.1%	6.3%	2.7%	-23.4%
Subtotal for Unchanged and Increased	10.6%	8.8%	8.5%	13.8%	10.4%	-24.3%	-2.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
(Number of Modifications in Each Category)							
Decreased by 20% or More	73,352	68,415	63,716	50,088	73,858	47.5%	0.7%
Decreased by 10% to Less Than 20%	25,054	19,256	16,218	20,379	27,439	34.6%	9.5%
Decreased by Less Than 10%	23,971	17,221	13,134	12,476	20,397	63.5%	-14.9%
Subtotal for Decreased	122,377	104,892	93,068	82,943	121,694	46.7%	-0.6%
Unchanged	3,335	972	1,059	7,362	5,633	-23.5%	68.9%
Increased	11,202	9,138	7,558	5,868	8,508	45.0%	-24.0%
Subtotal for Unchanged and Increased	14,537	10,110	8,617	13,230	14,141	6.9%	-2.7%
Total	136,914	115,002	101,685	96,173	135,835	41.2%	-0.8%

* No payment change information was reported on 623 modifications in the third quarter of 2011, 1,148 in the fourth quarter of 2011, 472 in the first quarter of 2012, 449 in the second quarter of 2012 and 481 in the third quarter of 2012.

Figure 10. Changes in Monthly Principal and Interest Payments



Changes in Monthly Payments Resulting From HAMP Modifications, by Quarter

More than 97 percent of HAMP modifications completed during the third quarter of 2012 reduced borrower monthly payments, with 76.2 percent reducing payments by 20 percent or more. In addition to achieving lower payments, HAMP attempts to increase payment sustainability by targeting monthly payments at 31 percent of borrowers' income. Performance data on all modifications shows that reduced monthly payments result in lower re-default rates over time, and that the greater the decrease in payment, the lower the rate of re-default.

Table 23. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications							
(Percentage of HAMP Modifications in Each Category)*/**							
	9/30/11	12/31/11	3/31/12	6/30/2012	9/30/12	1Q %Change	1Y %Change
Decreased by 20% or More	75.8%	77.5%	76.1%	76.3%	76.2%	-0.06%	0.5%
Decreased by 10% to Less Than 20%	13.6%	12.5%	12.4%	13.1%	12.6%	-3.4%	-7.0%
Decreased by Less Than 10%	9.2%	8.6%	9.0%	8.7%	8.6%	-1.2%	-6.8%
Subtotal for Decreased	98.6%	98.6%	97.5%	98.0%	97.4%	-0.6%	-1.2%
Unchanged	0.2%	0.1%	0.4%	0.2%	0.2%	-7.8%	6.5%
Increased	1.2%	1.3%	2.2%	1.8%	2.4%	34.5%	96.0%
Subtotal for Unchanged and Increased	1.4%	1.4%	2.5%	2.0%	2.6%	29.9%	84.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%
(Number of HAMP Modifications in Each Category)							
Decreased by 20% or More	40,756	32,719	28,412	21,776	23,992	10.2%	-41.1%
Decreased by 10% to Less Than 20%	7,299	5,266	4,642	3,731	3,974	6.5%	-45.6%
Decreased by Less Than 10%	4,957	3,632	3,343	2,483	2,704	8.9%	-45.5%
Subtotal for Decreased	53,012	41,617	36,397	27,990	30,670	9.6%	-42.1%
Unchanged	101	63	131	62	63	1.6%	-37.6%
Increased	650	545	811	503	746	48.3%	14.8%
Subtotal for Unchanged and Increased	751	608	942	565	809	43.2%	7.7%
Total	53,763	42,225	37,339	28,555	31,479	10.2%	-41.4%

*No payment change information was reported on 178 modifications in the third quarter of 2011, 50 in the fourth quarter of 2011, 109 in the first quarter of 2012, 105 in the second quarter of 2012, and 61 in the third quarter of 2012.

**Some HAMP modifications, like other modifications, may increase the borrowers' monthly principal and interest payments when loans with a previous interest-only or partial payment are modified to amortize the loans over their remaining terms, or when adjustable rate mortgages are reset to higher rates and payments but at lower rates than otherwise contractually required. While the principal and interest portion of the payment might increase, the total payment will reflect a housing expense ratio of 31 percent as specified by HAMP.

Average Change in Monthly Payments Resulting From Modifications, by Quarter

Modifications made during the third quarter of 2012 reduced monthly principal and interest payments by \$345, or 23.8 percent on average. HAMP modifications made during the quarter reduced payments by 35.3 percent on average, or \$565. Other modifications reduced payments by \$279, or 20.3 percent on average.

Table 24. Average Change in Monthly Payments Resulting From Modifications, by Quarter*							
All Modifications							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Decreased by 20% or More	(646)	(671)	(655)	(618)	(566)	-8.5%	-12.4%
Decreased by 10% to Less Than 20%	(192)	(192)	(191)	(199)	(179)	-10.1%	-6.8%
Decreased by Less Than 10%	(64)	(66)	(63)	(70)	(65)	-6.9%	0.7%
Unchanged	0	0	0	0	0		
Increased**	128	145	162	154	131	-15.4%	2.1%
Overall (in dollars)	(382)	(430)	(437)	(364)	(345)	-5.1%	-9.6%
Percentage Change	-24.4%	-26.5%	-27.4%	-23.5%	-23.8%		
Other Modifications							
Decreased by 20% or More	(576)	(623)	(590)	(544)	(499)	-8.3%	-13.4%
Decreased by 10% to Less Than 20%	(181)	(182)	(181)	(196)	(173)	-11.3%	-4.1%
Decreased by Less Than 10%	(61)	(63)	(59)	(68)	(63)	-7.5%	3.1%
Unchanged	0	0	0	0	0		
Increased**	126	143	158	150	125	-16.9%	-1.2%
Overall (in dollars)	(262)	(335)	(349)	(274)	(279)	1.8%	6.3%
Percentage Change	-17.5%	-21.1%	-22.7%	-18.5%	-20.3%		
HAMP Modifications							
Decreased by 20% or More	(702)	(725)	(737)	(715)	(704)	-1.5%	0.4%
Decreased by 10% to Less Than 20%	(219)	(219)	(216)	(215)	(212)	-1.3%	-3.3%
Decreased by Less Than 10%	(77)	(79)	(76)	(76)	(77)	1.5%	0.1%
Unchanged	0	0	0	0	0		
Increased**	158	174	197	203	194	-4.3%	40.5%
Overall (in dollars)	(567)	(593)	(590)	(576)	(565)	-1.8%	-0.2%
Percentage Change	-35.1%	-36.0%	-35.4%	-35.3%	-35.3%		

*Parentheses indicate that, on average, borrowers' monthly payments decreased by the amount enclosed within the parentheses.

**Some modifications may increase the borrowers' monthly principal and interest payments when past-due interest, advances for taxes or insurance and other fees are added to loan balances. The monthly payments may also increase when loans with a previous interest-only or partial payment are modified to amortize the loans over their remaining terms.

B. Modified Loan Performance

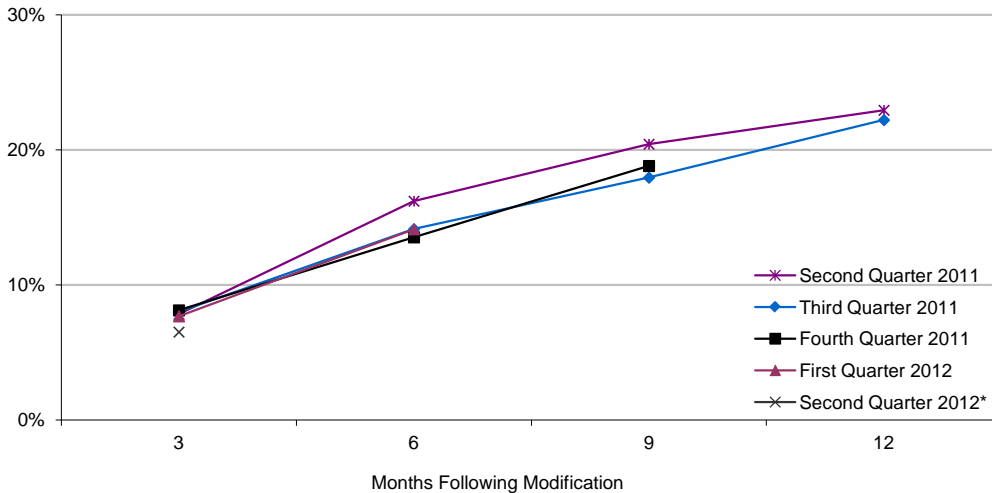
Re-Default Rates of Modified Loans: 60 or More Days Delinquent

Modification performance may vary because of many factors, including the types of modification actions, the average amount of change in the borrower’s monthly payment, the characteristics and geographic location of the modified loans, and the addition or deletion of modification programs among the reporting institutions. Despite differences in many of these factors, mortgages modified in each of the last five quarters have performed similarly over time. Among modifications completed in each of the last five quarters, between 6.5 percent and 8.1 percent of the modified loans were 60 or more days delinquent three months after modification, 13.5 percent to 16.2 percent were 60 or more days delinquent six months after modification, and 22.2 percent to 22.9 percent were 60 or more days delinquent 12 months after modification.

Table 25. Modified Loans 60 or More Days Delinquent				
Modification Date*	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Second Quarter 2011	7.8%	16.2%	20.4%	22.9%
Third Quarter 2011	8.0%	14.1%	18.0%	22.2%
Fourth Quarter 2011	8.1%	13.5%	18.8%	--
First Quarter 2012	7.7%	14.1%	--	--
Second Quarter 2012	6.5%	--	--	--

*All re-default data are based on modified loans that remain in effect at the specified amount of time after the modification. All loans that have been repaid in full, been refinanced, been sold, or completed the foreclosure process are removed from the calculation. Data include only modifications that have had time to age the indicated number of months.

Figure 11. Modified Loans 60 or More Days Delinquent



*The second quarter 2012 data is a single point (6.5 percent).

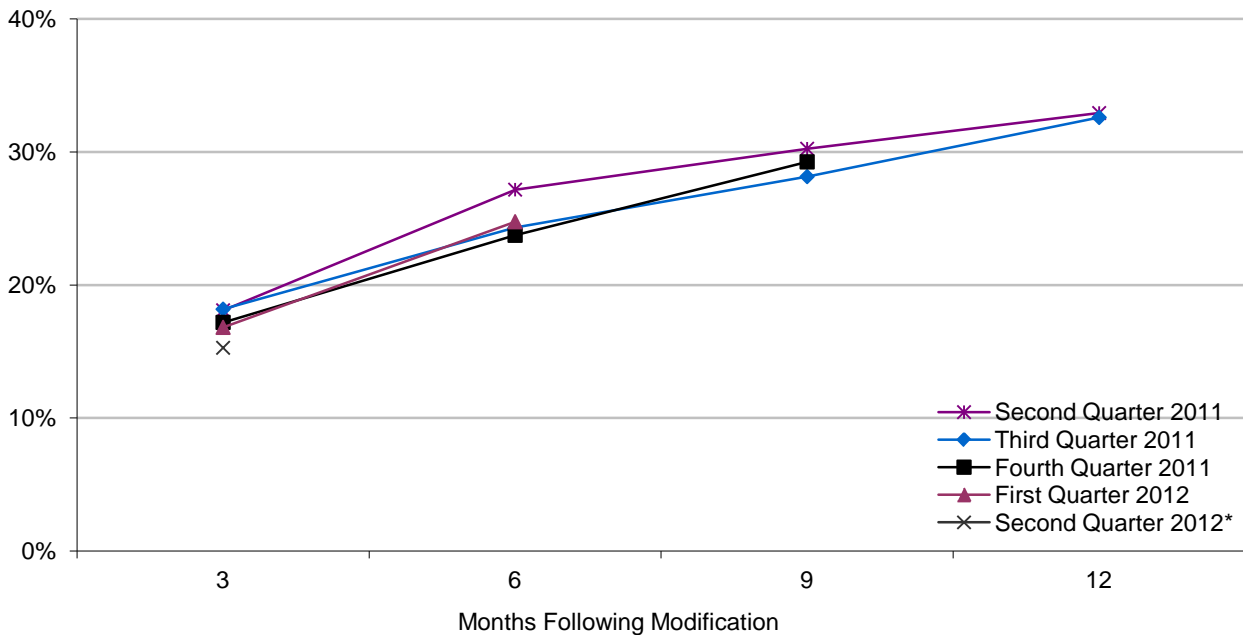
Re-Default Rates of Modified Loans: 30 or More Days Delinquent

Re-default rates measured at 30 or more days delinquent provide an early indicator of mortgages that may need additional attention to prevent more serious delinquency or foreclosure. For modifications completed in each of the last five quarters, 15.3 percent to 18.2 percent were 30 or more days delinquent three months after modification. Among modifications outstanding at least one year, about 33 percent were 30 or more days delinquent.

Table 26. Modified Loans 30 or More Days Delinquent				
Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Second Quarter 2011	18.1%	27.2%	30.2%	32.9%
Third Quarter 2011	18.2%	24.3%	28.1%	32.6%
Fourth Quarter 2011	17.2%	23.7%	29.3%	--
First Quarter 2012	16.8%	24.8%	--	--
Second Quarter 2012	15.3%	--	--	--

*Data include only modifications that have had time to age the indicated number of months.

Figure 12. Modified Loans 30 or More Days Delinquent



*The first quarter 2012 data is a single point (15.3 percent).

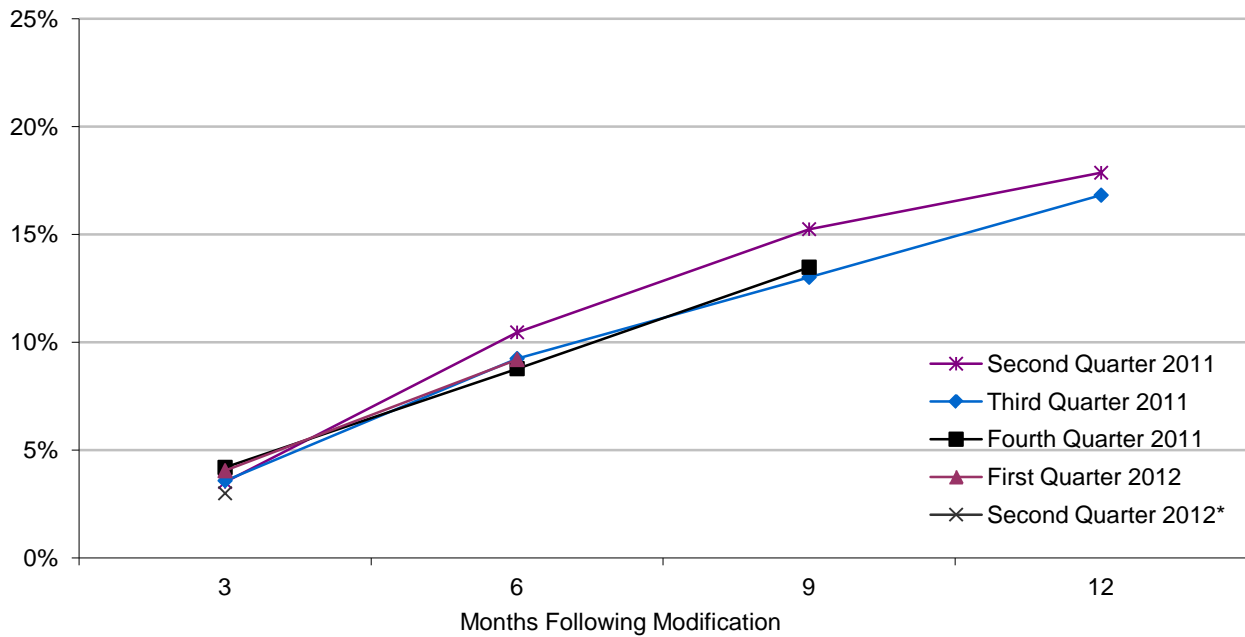
Re-Default Rates of Modified Loans: 90 or More Days Delinquent

Among modifications completed during the last five quarters, 16.8 percent to 17.9 percent were 90 or more days delinquent 12 months after modification.

Table 27. Modified Loans 90 or More Days Delinquent*				
Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Second Quarter 2011	3.5%	10.5%	15.2%	17.9%
Third Quarter 2011	3.6%	9.2%	13.0%	16.8%
Fourth Quarter 2011	4.2%	8.8%	13.5%	--
First Quarter 2012	4.0%	9.2%	--	--
Second Quarter 2012	3.0%	--	--	--

*Data include only modifications that have had time to age the indicated number of months.

Figure 13. Modified Loans 90 or More Days Delinquent



*The first quarter 2012 data is a single point (3.0 percent).

Re-Default Rate, by Investor (60 or More Days Delinquent)

Modifications on mortgages held in the servicers’ own portfolios or serviced for the GSEs—Fannie Mae and Freddie Mac—performed better than modifications on mortgages serviced for other investors. These lower re-default rates for portfolio and GSE mortgages may reflect differences in loan risk characteristics and modification programs, and additional flexibility to modify terms of portfolio mortgages for greater sustainability. Re-default rates for government-guaranteed mortgages and loans serviced for private investors were highest over time, reflecting the higher risk characteristics associated with those mortgages. For all investors, re-default rates have decreased over time as more recent modifications have focused more on reducing monthly payments and increasing borrowers’ ability to sustain the reduced payments over time.

Table 28. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2008
(60 or More Days Delinquent)

Investor Loan Type	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Fannie Mae	30.5%	45.0%	54.2%	59.5%
Freddie Mac	34.0%	44.9%	53.1%	59.2%
Government-Guaranteed	32.5%	53.5%	63.6%	67.8%
Private	37.5%	48.9%	56.0%	61.0%
Portfolio Loans	15.0%	25.3%	31.7%	36.2%
Overall	32.1%	44.7%	52.2%	57.1%

Table 29. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2009
(60 or More Days Delinquent)

Investor Loan Type	3 Months After Modification	6 Months after Modification	9 Months after Modification	12 Months After Modification
Fannie Mae	18.0%	31.4%	37.9%	41.2%
Freddie Mac	29.2%	37.1%	42.0%	44.5%
Government-Guaranteed	23.5%	42.2%	51.7%	55.5%
Private	28.2%	40.8%	48.8%	52.5%
Portfolio Loans	7.2%	15.3%	21.0%	24.6%
Overall	20.1%	32.3%	39.5%	43.1%

Table 30. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2010
(60 or More Days Delinquent)

Investor Loan Type	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Fannie Mae	9.7%	14.4%	18.2%	20.7%
Freddie Mac	7.4%	12.3%	15.6%	17.9%
Government-Guaranteed	12.4%	27.3%	36.0%	40.6%
Private	12.2%	19.9%	25.0%	28.3%
Portfolio Loans	6.6%	11.8%	15.7%	18.0%
Overall	10.0%	17.4%	22.4%	25.4%

Table 31. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2011				
(60 or More Days Delinquent)				
Investor Loan Type	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Fannie Mae	7.2%	11.2%	14.6%	16.5%
Freddie Mac	6.0%	10.9%	14.4%	16.9%
Government-Guaranteed	11.9%	28.0%	37.3%	42.5%
Private	9.7%	15.6%	19.6%	22.7%
Portfolio Loans	5.0%	9.2%	12.5%	14.3%
Overall	8.3%	15.4%	20.2%	23.5%

Table 32. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2012				
(60 or More Days Delinquent)*				
Investor Loan Type	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Fannie Mae	7.1%	12.1%	--	--
Freddie Mac	5.0%	9.7%	--	--
Government-Guaranteed	10.0%	23.5%	--	--
Private	8.6%	14.6%	--	--
Portfolio Loans	4.3%	11.4%	--	--
Overall	7.1%	14.1%	--	--

*Data include all modifications implemented during 2012 that have aged the indicated number of months.

Performance of HAMP Modifications Compared With Other Modifications

HAMP modifications have performed better than other modifications implemented during the same periods. These lower post-modification delinquency rates reflect HAMP’s emphasis on the affordability of monthly payments relative to the borrower’s income, verification of income, and completion of a successful trial-payment period. While these criteria result in better performance of HAMP modifications over time, the greater flexibility in making other types of modifications results in more of those modifications for borrowers who do not qualify for HAMP modifications.

Table 33. Performance of HAMP Modifications Compared With Other Modifications					
(60 or More Days Delinquent)*					
	Number of Modifications	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
HAMP Third Quarter 2010	58,856	7.5%	11.5%	13.5%	16.5%
Other Third Quarter 2010	174,858	9.7%	17.1%	21.1%	25.4%
HAMP Fourth Quarter 2010	56,340	9.0%	11.2%	14.7%	17.7%
Other Fourth Quarter 2010	152,514	8.3%	15.5%	22.7%	28.0%
HAMP First Quarter 2011	53,250	5.8%	9.9%	13.4%	14.9%
Other First Quarter 2011	106,660	10.7%	20.7%	27.6%	30.3%
HAMP Second Quarter 2011	70,071	5.4%	9.5%	12.1%	13.8%
Other Second Quarter 2011	80,397	10.0%	22.1%	27.7%	30.9%
HAMP Third Quarter 2011	53,941	5.5%	9.1%	11.5%	14.4%
Other Third Quarter 2011	83,596	9.6%	17.4%	22.1%	27.2%
HAMP Fourth Quarter 2011	42,275	4.6%	7.6%	10.7%	--
HAMP Fourth Quarter 2011	73,875	10.1%	17.0%	23.5%	--
HAMP First Quarter 2012	37,448	4.9%	8.3%	--	--
Other First Quarter 2012	64,709	9.3%	17.5%	--	--
HAMP Second Quarter 2012	28,660	4.4%	--	--	--
Other Second Quarter 2012	67,962	7.4%	--	--	--

*Data include all modifications that have had time to age the indicated number of months.

C. Modified Loan Performance, by Change in Monthly Payments

Modifications that reduce borrowers' monthly payments consistently show re-default rates lower than other modifications—the larger the reduction in monthly payment, the lower the subsequent re-default rates. Lower re-default rates may also result from setting monthly payments relative to the borrower's income and ability to repay, as well as verification of income and completion of a successful trial period.

For servicers and investors, determining the optimal type of modification often requires weighing the reduction in cash flow from loan terms that reduce monthly principal and interest payments, along with the possible costs of delaying foreclosure, against the potential for longer-term sustainability of the payments and ultimate repayment of the mortgage.

Re-Default Rates of Loans by Change in Payment

Tables 34 through 38 present re-default rates, measured as 60 or more days delinquent, for modifications made since January 1, 2008. Data show that re-default rates decrease as reductions in monthly principal and interest payments increase. Modification performance has continued to improve over time as more recent modifications, those made in 2010 and 2011, focused more on substantively reducing monthly payments and setting payments relative to the borrower’s income and ability to pay.

Modifications that resulted in no change to the borrower’s monthly payment have performed better than many modifications that reduced payments. These modifications generally freeze the interest rate on an ARM so that the rate and payment do not increase, and they tended to be offered to borrowers who were not in default on their payments.

Table 34. Re-Default Rates of Loans Modified in 2008 by Change in Payment				
(60 or More Days Delinquent)				
	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Decreased by 20% or More	15.8%	25.9%	33.2%	39.4%
Decreased by 10% to Less Than 20%	20.8%	32.9%	41.3%	47.9%
Decreased by Less Than 10%	23.8%	40.1%	49.5%	55.1%
Unchanged	47.8%	54.4%	59.6%	63.0%
Increased	34.6%	53.1%	61.9%	66.9%
Total	32.1%	44.5%	52.0%	57.0%

Table 35. Re-Default Rates of Loans Modified in 2009 by Change in Payment				
(60 or More Days Delinquent)				
	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Decreased by 20% or More	11.4%	19.3%	25.3%	28.7%
Decreased by 10% to Less Than 20%	15.9%	29.2%	37.3%	41.7%
Decreased by Less Than 10%	17.8%	33.9%	42.6%	46.7%
Unchanged	41.8%	49.6%	54.6%	57.0%
Increased	26.7%	46.6%	56.0%	59.8%
Total	20.0%	32.2%	39.5%	43.1%

Table 36. Re-Default Rates of Loans Modified in 2010 by Change in Payment				
(60 or More Days Delinquent)				
	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months after Modification
Decreased by 20% or More	7.3%	11.5%	15.0%	17.5%
Decreased by 10% to Less Than 20%	10.0%	19.8%	26.3%	30.2%
Decreased by Less Than 10%	13.5%	26.2%	33.5%	37.5%
Unchanged	17.6%	20.9%	23.8%	25.2%
Increased	18.2%	32.9%	40.4%	44.2%
Total	10.0%	17.4%	22.4%	25.4%

Table 37. Re-Default Rates of Loans Modified in 2011 by Change in Payment				
(60 or More Days Delinquent)				
	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months after Modification
Decreased by 20% or More	5.6%	9.6%	12.7%	14.9%
Decreased by 10% to Less Than 20%	8.2%	16.9%	22.9%	27.0%
Decreased by Less Than 10%	11.0%	22.7%	30.0%	33.8%
Unchanged	10.0%	13.6%	15.8%	16.4%
Increased	18.6%	33.0%	41.0%	45.8%
Total	8.3%	15.4%	20.2%	23.5%

Table 38. Re-Default Rates of Loans Modified in 2012 by Change in Payment				
(60 or More Days Delinquent)*				
	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months after Modification
Decreased by 20% or More	5.3%	9.9%	--	--
Decreased by 10% to Less Than 20%	6.3%	14.7%	--	--
Decreased by Less Than 10%	10.5%	23.0%	--	--
Unchanged	6.8%	26.1%	--	--
Increased	18.5%	31.2%	--	--
Total	7.1%	14.1%	--	--

*Data include all modifications implemented during 2012 that have aged the indicated number of months.

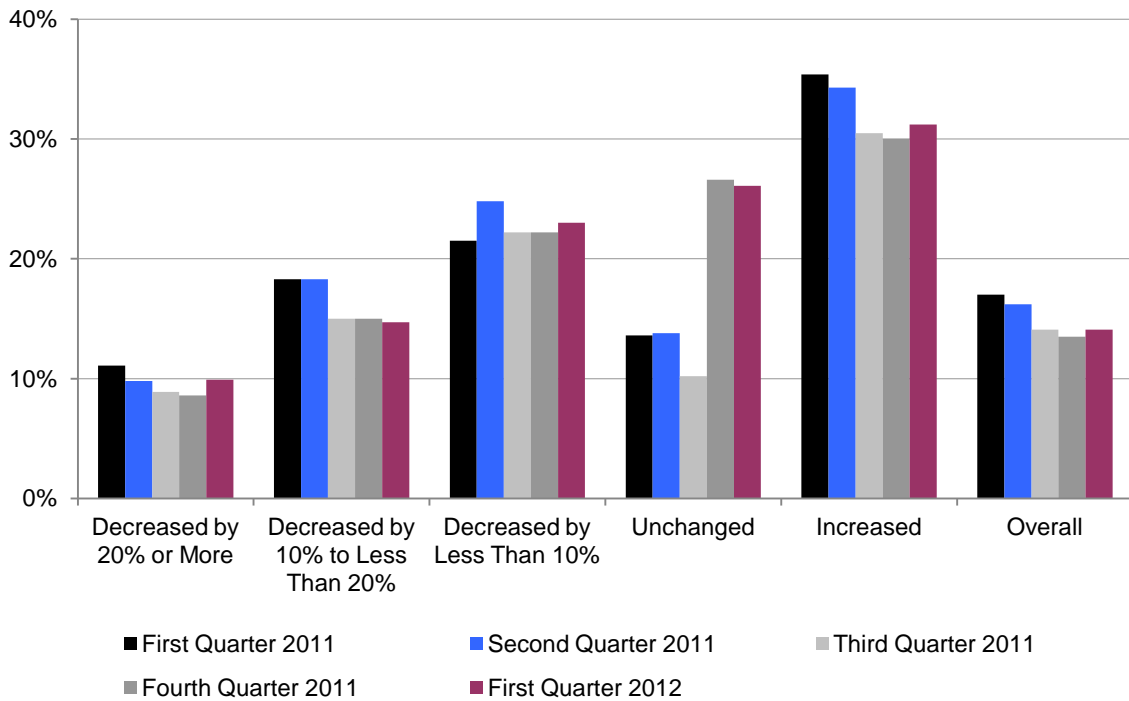
60+ Delinquency at Six Months After Modification by Change in Monthly Payment

Modifications that significantly reduced monthly principal and interest payments consistently performed better than other modifications. Modifications with the greatest decrease in monthly payments consistently had the lowest re-default rates. Modifications that result in no change to the borrowers’ monthly payments generally have performed better than many modifications that reduced payments because these modifications tend to be offered to borrowers with adjustable rate mortgages who have not defaulted on their payments.

Table 39. 60+ Delinquency at Six Months After Modification by Change in Monthly Payment

	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Overall
First Quarter 2011	11.1%	18.3%	21.5%	13.6%	35.4%	17.0%
Second Quarter 2011	9.8%	18.3%	24.8%	13.8%	34.3%	16.2%
Third Quarter 2011	8.9%	15.0%	22.2%	10.2%	30.5%	14.1%
Fourth Quarter 2011	8.6%	15.0%	22.2%	26.6%	30.0%	13.5%
First Quarter 2012	9.9%	14.7%	23.0%	26.1%	31.2%	14.1%
Overall	9.6%	16.6%	22.7%	14.6%	32.7%	15.2%

Figure 14. 60+ Delinquency at Six Months After Modification by Change in Monthly Payment



Status of Mortgages Modified in 2008–2012

Servicers implemented 2,741,912 modifications from January 1, 2008 through June 30, 2012. Of these modifications, 44.9 percent were current and performing at the end of the third quarter of 2012 with another 1.8 percent paid off. Approximately 22 percent of these modifications were delinquent, while 16.5 percent were in the process of foreclosure or had completed the foreclosure process. HAMP modifications implemented since the third quarter of 2009 have performed better than other modifications. Modifications that reduced borrowers’ monthly payments by 10 percent or more performed significantly better than other modifications. Of the 1,662,289 modifications that reduced payments by 10 percent or more, 52.8 percent were current and performing at the end of the third quarter of 2012, compared with 32.8 percent of modifications that reduced payments less than 10 percent. Modifications of mortgages held in the servicers’ portfolios and those serviced for GSEs performed better than modifications of mortgages serviced for other investors (see tables 28 through 32).

Table 40. Status of Mortgages Modified in 2008–2012

	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	445,354	22.1%	5.4%	13.7%	12.5%	15.0%	3.6%	27.7%
2009	594,350	34.2%	6.9%	15.9%	11.9%	10.2%	2.6%	18.3%
2010	939,364	47.5%	7.9%	14.3%	9.5%	5.5%	1.4%	13.9%
2011	564,065	59.0%	8.9%	15.2%	7.7%	1.7%	0.7%	6.7%
2012	198,779	75.8%	9.5%	10.0%	2.2%	0.1%	0.2%	2.1%
Total	2,741,912	44.9%	7.6%	14.4%	9.6%	6.9%	1.8%	14.8%
HAMP Modification Performance Compared With Other Modifications**								
Other Modifications	1,327,113	48.9%	8.9%	16.8%	9.5%	5.3%	1.4%	9.1%
HAMP Modifications	631,859	61.1%	7.0%	9.3%	6.0%	2.5%	0.7%	13.4%
Modifications That Reduced Payments by 10 Percent or More								
Modifications That Reduced Payments by 10% or More	1,662,289	52.8%	7.8%	12.4%	7.7%	4.5%	1.2%	13.7%
Modifications That Reduced Payments by Less Than 10 Percent								
Modifications That Reduced Payments by Less Than 10%	1,079,623	32.8%	7.4%	17.5%	12.6%	10.6%	2.7%	16.4%

*Processing constraints prevented some servicers from reporting the reason for removal from the portfolio.

**Modifications used to compare with HAMP modifications only include modifications implemented from the third quarter of 2009 through the second quarter of 2012.

Part III: Home Forfeiture Actions—Foreclosures, Short Sales, and Deed-in-Lieu-of-Foreclosure Actions

Completed Foreclosures and Other Home Forfeiture Actions

Home forfeiture actions—foreclosure sales, short sales, and deed-in-lieu-of-foreclosure actions—totaled 180,309 during the third quarter of 2012, an increase of 7.7 percent from the previous quarter and 4.0 percent from a year earlier. The number of completed foreclosures increased to 114,742—up 12.8 percent from the previous quarter and 1.3 percent from a year earlier. Short sales increased 0.7 percent from the previous quarter and 11.1 percent from a year earlier. Short sales were 35.4 percent of total home forfeiture actions. Deed-in-lieu-of-foreclosure actions remained a small portion of home forfeiture actions during the quarter.

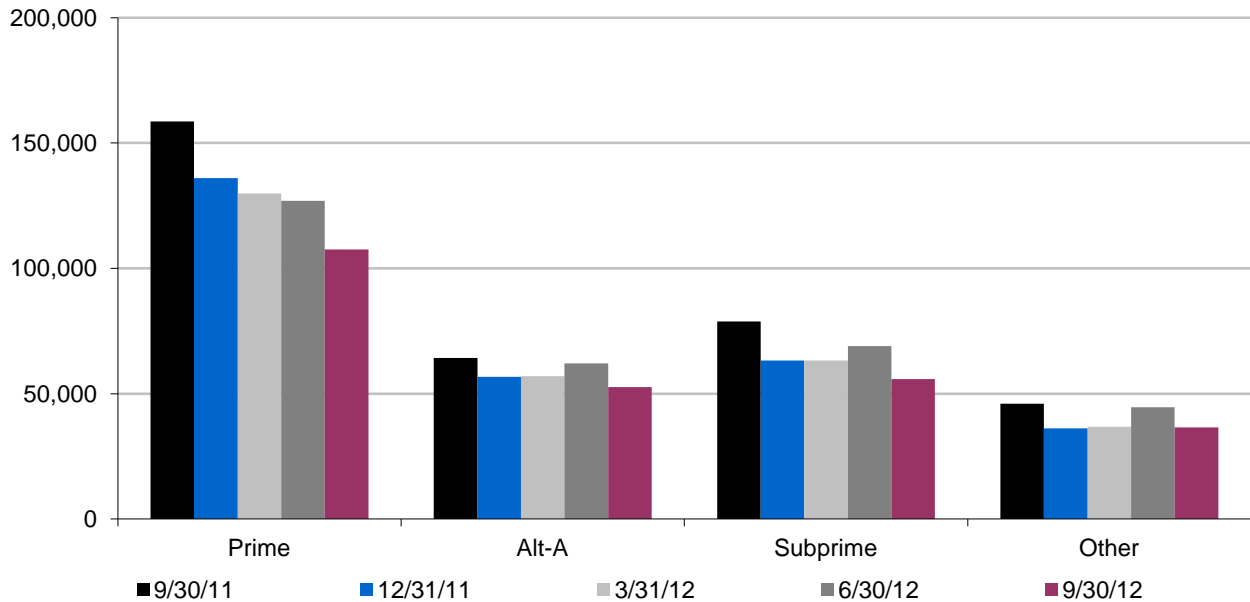
Table 41. Completed Foreclosures and Other Home Forfeiture Actions							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Completed Foreclosures	113,294	116,159	122,979	101,735	114,742	12.8%	1.3%
New Short Sales	57,479	63,257	59,996	63,403	63,860	0.7%	11.1%
New Deed-in-Lieu-of-Foreclosure Actions	2,623	2,939	2,806	2,336	1,707	-26.9%	-34.9%
Total	173,396	182,355	185,781	167,474	180,309	7.7%	4.0%

Newly Initiated Foreclosures

Servicers initiate foreclosure actions at defined stages of loan delinquency. Foreclosure actions will progress to sale of the property only if servicers and borrowers cannot arrange a permanent loss mitigation action, modification, or alternate workout solution or home sale. Newly initiated foreclosures decreased to 252,604 in the third quarter of 2012, a decrease of 16.5 percent from the previous quarter and 27.4 percent from a year ago. Newly initiated foreclosures decreased from the previous quarter and the previous year among all risk classes.

	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Prime	158,633	136,026	129,823	126,966	107,507	-15.3%	-32.2%
Alt-A	64,216	56,736	56,996	62,054	52,650	-15.2%	-18.0%
Subprime	78,852	63,225	63,286	68,968	55,845	-19.0%	-29.2%
Other	46,027	36,186	36,846	44,648	36,602	-18.0%	-20.5%
Total	347,728	292,173	286,951	302,636	252,604	-16.5%	-27.4%

Figure 15. Number of Newly Initiated Foreclosures

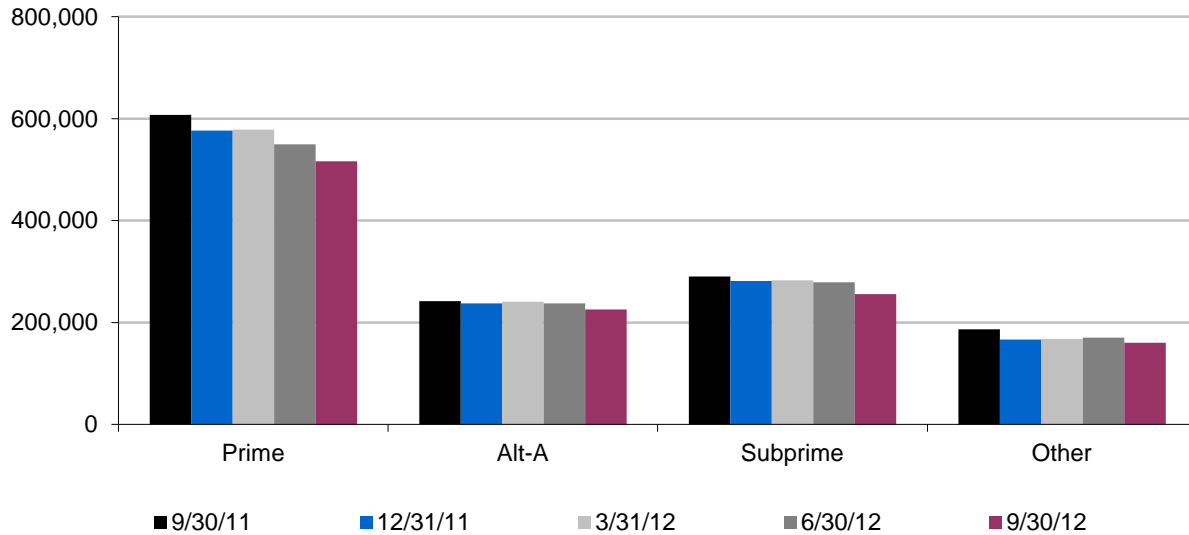


Foreclosures in Process

The number of mortgages in process of foreclosure decreased to 1,158,289 at the end of the quarter, down 6.4 percent from the previous quarter and 12.6 percent from a year earlier. The percentage of mortgages in the portfolio that were in some stage of the foreclosure process at the end of the third quarter of 2012 was 3.9 percent, a decrease of 4.2 percent from the previous quarter and 5.0 percent from a year ago.

Table 43. Foreclosures in Process							
Percentage of Foreclosures in Process Relative to Mortgages in That Risk Category							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Prime	2.7%	2.6%	2.6%	2.5%	2.4%	-4.5%	-10.0%
Alt-A	6.9%	7.0%	7.2%	7.2%	7.0%	-2.8%	1.0%
Subprime	12.0%	12.2%	12.5%	12.8%	12.3%	-4.0%	2.7%
Other	5.0%	4.9%	5.1%	5.5%	5.4%	-1.7%	7.5%
Total	4.1%	4.0%	4.1%	4.1%	3.9%	-4.2%	-5.0%
Number of Foreclosures in Process							
Prime	607,309	576,761	578,547	549,862	516,346	-6.1%	-15.0%
Alt-A	242,150	237,558	240,876	237,671	225,615	-5.1%	-6.8%
Subprime	289,968	281,440	282,879	279,023	255,846	-8.3%	-11.8%
Other	186,592	166,535	167,619	170,469	160,482	-5.9%	-14.0%
Total	1,326,019	1,262,294	1,269,921	1,237,025	1,158,289	-6.4%	-12.6%

Figure 16. Number of Foreclosures in Process

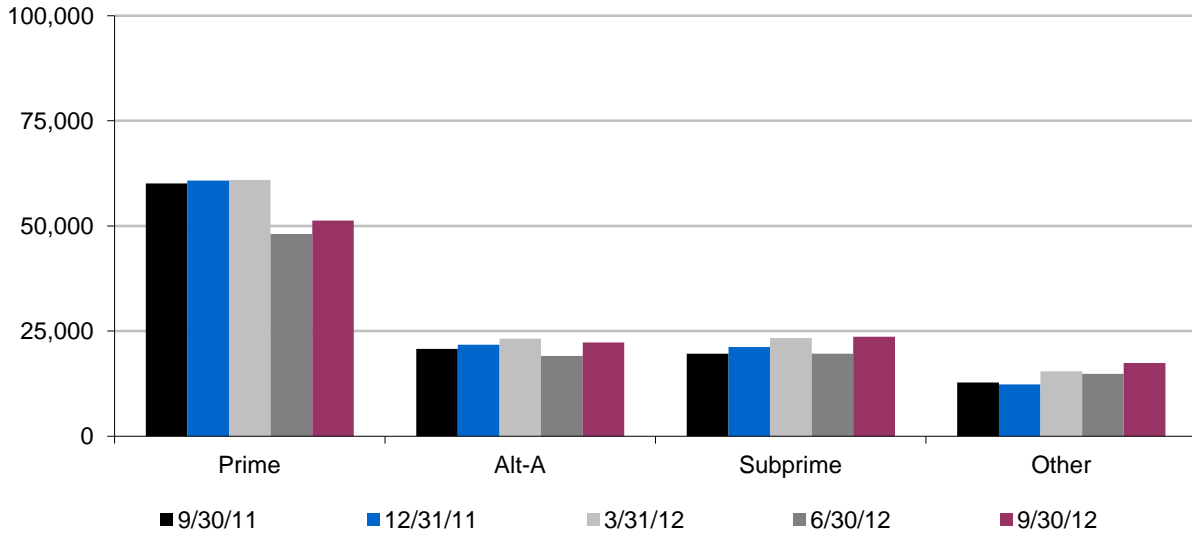


Completed Foreclosures

The number of completed foreclosures increased to 114,742 during the quarter—up 12.8 percent from the previous quarter and 1.3 percent from a year earlier. The percentage of mortgages that completed the foreclosure process during the third quarter of 2012 was 0.4 percent of all mortgages serviced, an increase of 15.3 percent from the previous quarter and 10.2 percent from a year earlier. The quarter-to-quarter increases in completed foreclosure actions occurred among all risk classes.

Table 44. Completed Foreclosures							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Prime	0.3%	0.3%	0.3%	0.2%	0.2%	8.5%	-9.7%
Alt-A	0.6%	0.6%	0.7%	0.6%	0.7%	19.7%	16.4%
Subprime	0.8%	0.9%	1.0%	0.9%	1.1%	26.1%	40.7%
Other	0.3%	0.4%	0.5%	0.5%	0.6%	22.4%	70.5%
Total	0.3%	0.4%	0.4%	0.3%	0.4%	15.3%	10.2%
Number of Completed Foreclosures							
Prime	60,109	60,777	60,984	48,079	51,285	6.7%	-14.7%
Alt-A	20,800	21,788	23,196	19,110	22,328	16.8%	7.3%
Subprime	19,605	21,230	23,373	19,673	23,692	20.4%	20.8%
Other	12,780	12,364	15,426	14,873	17,437	17.2%	36.4%
Total	113,294	116,159	122,979	101,735	114,742	12.8%	1.3%

Figure 17. Number of Completed Foreclosures

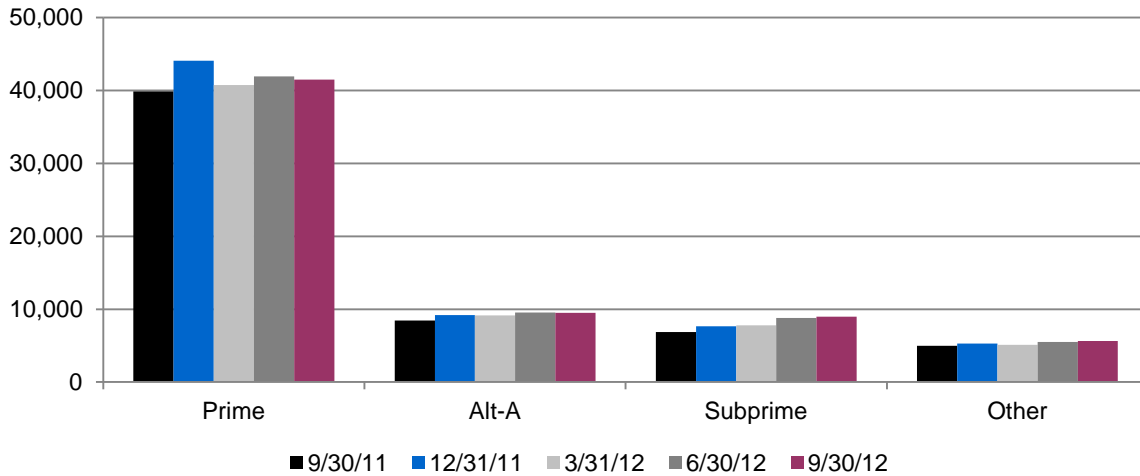


Completed Short Sales and Deeds in Lieu of Foreclosure

The number of completed short sales and deeds in lieu of foreclosure decreased to 65,567 during the quarter—down 0.3 percent from the previous quarter but up 9.1 percent from a year ago. Short sales and deeds in lieu of foreclosure as a percentage of all mortgages serviced at the end of the third quarter were 0.2 percent, up 2.0 percent from the previous quarter and 18.7 percent from a year ago.

Table 45. Completed Short Sales and Deeds in Lieu of Foreclosure							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Prime	0.2%	0.2%	0.2%	0.2%	0.2%	0.7%	10.1%
Alt-A	0.2%	0.3%	0.3%	0.3%	0.3%	2.2%	22.2%
Subprime	0.3%	0.3%	0.3%	0.4%	0.4%	6.6%	52.3%
Other	0.1%	0.2%	0.2%	0.2%	0.2%	6.7%	41.4%
Total	0.2%	0.2%	0.2%	0.2%	0.2%	2.0%	18.7%
Number of Completed Foreclosures							
Prime	39,847	44,073	40,729	41,902	41,473	-1.0%	4.1%
Alt-A	8,440	9,191	9,160	9,535	9,515	-0.2%	12.7%
Subprime	6,854	7,638	7,783	8,808	8,964	1.8%	30.8%
Other	4,961	5,294	5,130	5,494	5,615	2.2%	13.2%
Overall	60,102	66,196	62,802	65,739	65,567	-0.3%	9.1%

Figure 18. Number of Completed Short Sales and Deeds in Lieu of Foreclosures

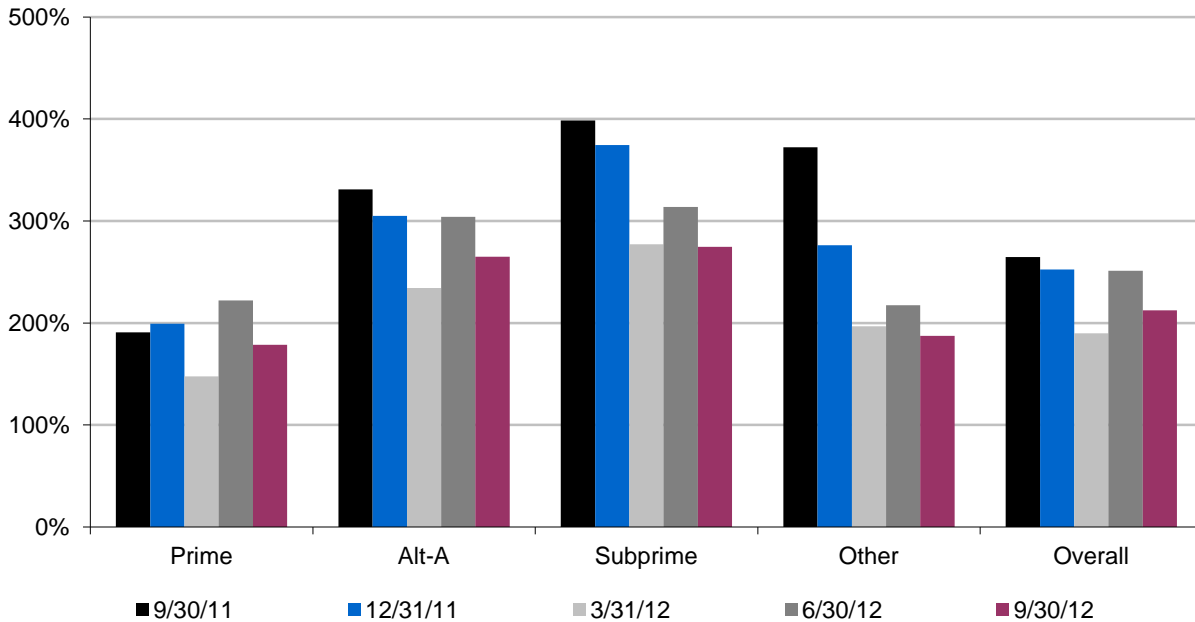


New Home Retention Actions Relative to Forfeiture Actions, by Risk Category

New home retention actions continued to significantly exceed completed home forfeitures as servicers initiated more than twice as many home retention actions as home forfeiture actions during the quarter. Home retention actions relative to home forfeitures decreased during the third quarter of 2012, across all risk categories. The percentage of new home retention actions relative to home forfeitures continued to be highest for subprime loans and lowest for prime and other loans during the third quarter of 2012.

Table 46. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Prime	190.8%	199.2%	147.8%	222.0%	178.6%	-19.6%	-6.4%
Alt-A	330.9%	304.9%	234.3%	304.0%	264.9%	-12.8%	-19.9%
Subprime	398.6%	374.5%	277.3%	313.8%	274.7%	-12.4%	-31.1%
Other	372.4%	276.1%	196.9%	217.3%	187.3%	-13.8%	-49.7%
Overall	264.7%	252.4%	190.0%	251.1%	212.4%	-15.4%	-19.8%

Figure 19. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category



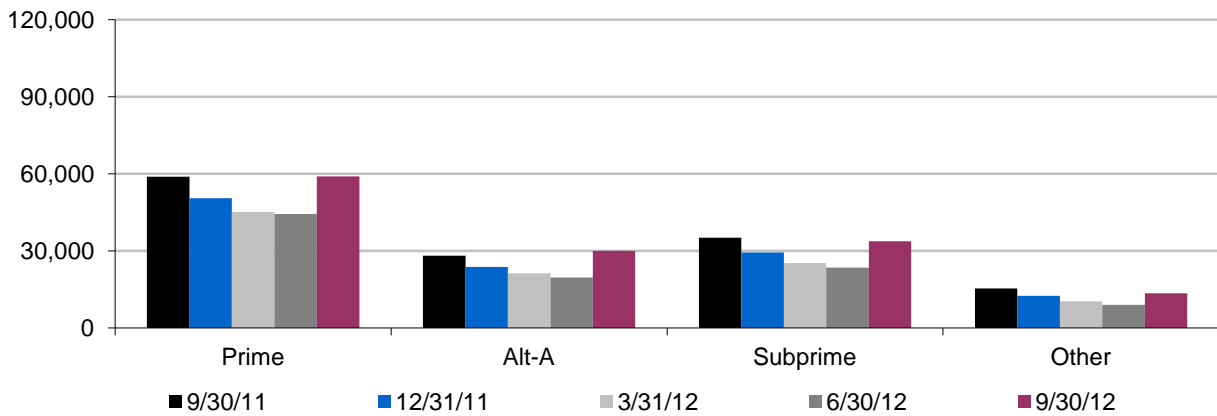
Appendixes

Appendix A—New Loan Modifications

There were 136,316 loan modifications completed during the third quarter of 2012—a 41.1 percent increase from the previous quarter and a 0.9 percent decrease from a year earlier. New modifications increased across all risk categories during the quarter, reversing eight consecutive quarters of declines.

Table 47. Number of New Loan Modifications							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Prime	58,856	50,478	45,170	44,390	58,987	32.9%	0.2%
Alt-A	28,169	23,804	21,267	19,669	30,040	52.7%	6.6%
Subprime	35,177	29,367	25,284	23,554	33,755	43.3%	-4.0%
Other	15,335	12,501	10,436	9,009	13,534	50.2%	-11.7%
Total	137,537	116,150	102,157	96,622	136,316	41.1%	-0.9%

Figure 20. Number of New Loan Modifications

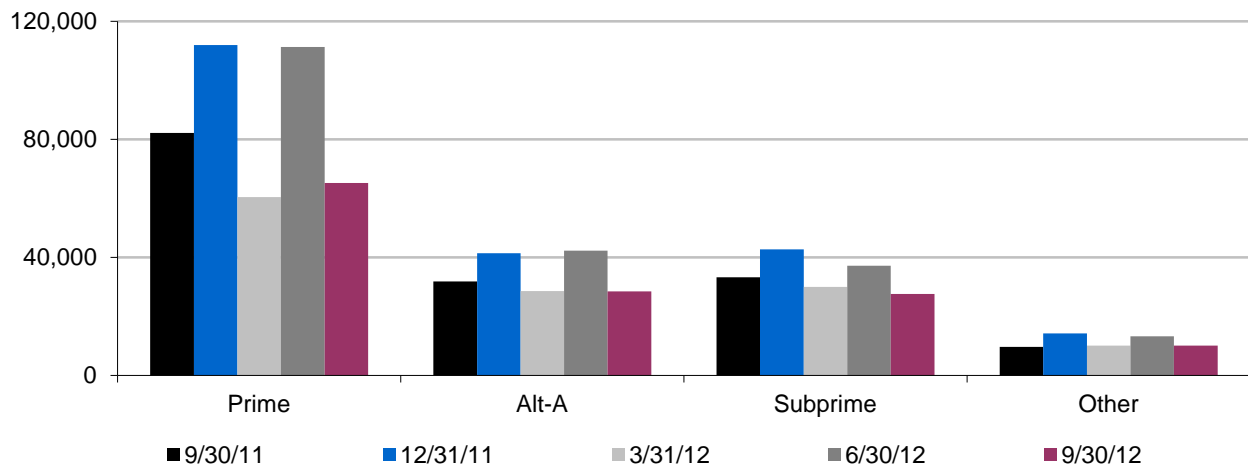


Appendix B—New Trial-Period Plans

Servicers initiated 131,403 trial-period plans during the third quarter of 2012, a decrease of 35.6 percent from the previous quarter and 16.2 percent from a year earlier. The volatility in the number of new trial-period plans over the last five quarters was affected by changes in program terms by some servicers that converted a significant number of borrowers in existing payment plans to trial-period plans. These conversions changed the timing of movement between repayment and trial-period plans or shifted the initiation of trial-period plans between reporting periods.

	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Prime	82,191	111,968	60,432	111,366	65,256	-41.4%	-20.6%
Alt-A	31,838	41,357	28,596	42,209	28,486	-32.5%	-10.5%
Subprime	33,233	42,708	29,937	37,184	27,602	-25.8%	-16.9%
Other	9,621	14,146	10,051	13,213	10,059	-23.9%	4.6%
Total	156,883	210,179	129,016	203,972	131,403	-35.6%	-16.2%

Figure 21. Number of New Trial-Period Plans



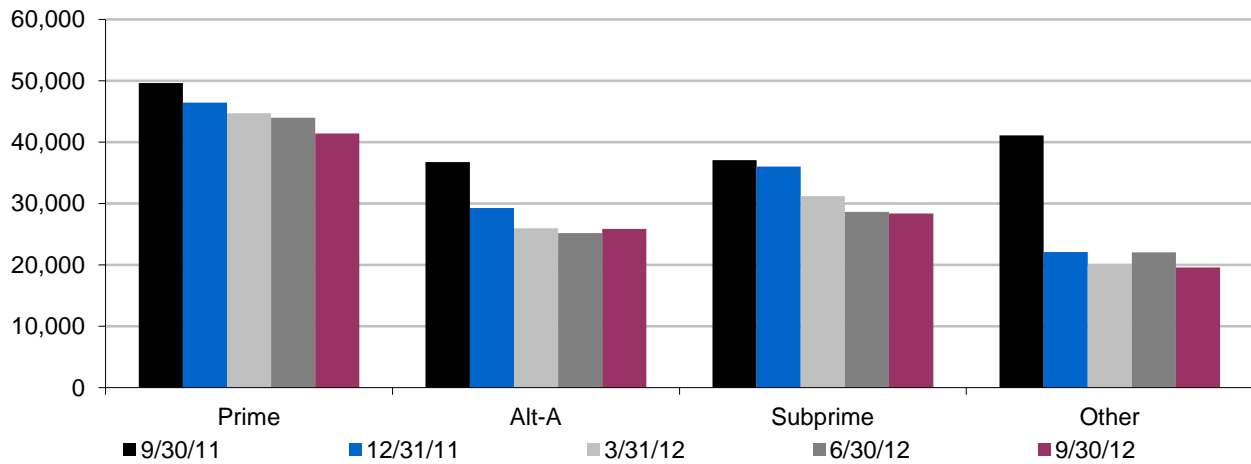
Appendix C—New Payment Plans

New payment plans decreased by 3.9 percent to 115,180 during the third quarter of 2012.

Table 49. Number of New Payment Plans							
	9/30/11*	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Prime	49,648	46,462	44,697	43,992	41,401	-5.9%	-16.6%
Alt-A	36,758	29,280	25,953	25,190	25,838	2.6%	-29.7%
Subprime	37,058	36,036	31,177	28,624	28,349	-1.0%	-23.5%
Other	41,104	22,103	19,988	22,044	19,592	-11.1%	-52.3%
Total	164,568	133,881	121,815	119,850	115,180	-3.9%	-30.0%

*New payment plans completed in the third quarter of 2011 included a one-time increase due to a process change at some servicers that expanded the definition of payment plans to include short-term informal plans.

Figure 22. Number of New Payment Plans



Appendix D—Breakdown of Individual and Combination Modification Actions

Servicers generally use a combination of actions to reduce monthly payments and achieve payment sustainability when modifying a mortgage. Servicers changed more than one loan term in 93.9 percent of all modifications completed during the third quarter of 2012.

Table 50. Changes in Terms for Modifications Made Through the Third Quarter of 2012							
(Percentage of Modifications in Each Category)							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Combination*	94.4%	94.5%	95.3%	86.2%	93.9%	8.9%	-0.5%
Capitalization	2.5%	2.8%	1.9%	1.5%	1.6%	9.4%	-36.2%
Rate Reduction	1.2%	0.7%	0.8%	6.4%	2.7%	-58.3%	117.1%
Rate Freeze	0.4%	0.0%	0.2%	0.0%	0.0%	-37.0%	-98.6%
Term Extension	0.4%	0.4%	0.6%	0.5%	0.3%	-49.4%	-22.3%
Principal Reduction	0.0%	0.0%	0.0%	4.6%	1.1%	-76.1%	3648.3%
Principal Deferral	0.0%	0.1%	0.1%	0.1%	0.1%	-25.6%	40.6%
Not Reported**	1.0%	1.5%	1.2%	0.7%	0.4%	-50.5%	-61.7%
(Number of Changes in Each Category)							
Combination*	129,894	109,723	97,349	83,304	128,039	53.7%	-1.4%
Capitalization	3,487	3,284	1,902	1,428	2,204	54.3%	-36.8%
Rate Reduction	1,682	803	813	6,146	3,619	-41.1%	115.2%
Rate Freeze	564	24	244	9	8	-11.1%	-98.6%
Term Extension	482	500	587	520	371	-28.7%	-23.0%
Principal Reduction	40	3	1	4,412	1,486	-66.3%	3615.0%
Principal Deferral	61	63	71	81	85	4.9%	39.3%
Not Reported**	1,327	1,750	1,190	722	504	-30.2%	-62.0%
All Modifications	137,537	116,150	102,157	96,622	136,316	41.1%	-0.9%

*Combination modifications result in a change to two or more loan terms. All other modification types detailed in this table involve only the individual listed action.

**Processing constraints at some servicers prevented them from reporting specific modified term(s).

Changes in Terms for Combination Modification Actions

Of the 128,039 modifications during the third quarter of 2012 that changed more than one term of the mortgage contract, 94.6 percent included capitalization of missed fees and payments, 79.4 percent included interest rate reduction, and 68.7 percent included an extension of the loan maturity. Principal deferral was included in 20.3 percent of the combination modifications implemented during the quarter, and principal reduction was included in 17.1 percent. Because combination modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total combination modifications.

Table 51. Changes in Terms for Combination Modifications Through the Third Quarter of 2012							
(Percentage of Modifications in Each Category)							
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	1Q %Change	1Y %Change
Capitalization	91.0%	95.8%	94.2%	90.9%	94.6%	4.1%	3.9%
Rate Reduction	80.8%	82.0%	83.8%	84.0%	79.4%	-5.4%	-1.7%
Rate Freeze	4.4%	6.7%	6.3%	7.2%	7.4%	2.0%	66.3%
Term Extension*	60.9%	58.3%	76.7%	71.1%	68.7%	-3.4%	12.9%
Principal Reduction	8.6%	9.0%	10.7%	12.6%	17.1%	35.0%	99.0%
Principal Deferral	21.6%	25.9%	25.8%	22.8%	20.3%	-11.2%	-6.3%
(Total Number of Changes in Each Category)							
Capitalization	118,175	105,081	91,671	75,687	121,071	60.0%	2.5%
Rate Reduction	104,968	89,973	81,569	69,947	101,660	45.3%	-3.2%
Rate Freeze	5,764	7,395	6,101	6,030	9,451	56.7%	64.0%
Term Extension*	79,053	63,991	74,669	59,235	87,979	48.5%	11.3%
Principal Reduction	11,138	9,863	10,403	10,532	21,849	107.5%	96.2%
Principal Deferral	28,072	28,433	25,083	19,004	25,936	36.5%	-7.6%

*Increase in the first quarter of 2012 results from process changes at some servicers that improved the reporting of this data element.

Appendix E—Mortgage Modification Data by State

The following tables present certain mortgage modification data by state, the District of Columbia, and U.S. territories (the latter are included in the category labeled “Other”). These data fulfill reporting requirements in the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (Public Law 111-203).

Table 52 presents the number and percentage of HAMP modifications and other modifications in each state during the third quarter of 2012. Tables 53 and 54 present the number and percentage of each type of action included in modifications made during the quarter in each state, the District of Columbia, and U.S. territories. Tables 55 and 56 present the number and percentage of each type of action included in combination modifications made during the quarter in each state, the District of Columbia, and U.S. territories. Tables 57 and 58 present the number and percentage of modifications made during the quarter in each state, the District of Columbia, and U.S. territories by the amount of change in the borrowers’ monthly principal and interest payments. Tables 59 and 60 present the number and percentage of modifications made in the first quarter of 2012 that were 60 or more days delinquent or in process of foreclosure at the end of the third quarter of 2012.

**Table 52. Number and Percentage of Mortgage Modifications
Implemented in the Third Quarter of 2012**

States	HAMP Modifications		Other Modifications		Total Modifications	
	Total	% of State Total	Total	% of State Total	Total	% of Total
Total - All States	31,540	23.1%	104,776	76.9%	136,316	100.0%
Alabama	155	11.6%	1,186	88.4%	1,341	1.0%
Alaska	12	13.6%	76	86.4%	88	0.1%
Arizona	701	21.7%	2,535	78.3%	3,236	2.4%
Arkansas	65	12.3%	463	87.7%	528	0.4%
California	8,841	35.0%	16,392	65.0%	25,233	18.5%
Colorado	445	22.4%	1,540	77.6%	1,985	1.5%
Connecticut	489	26.8%	1,335	73.2%	1,824	1.3%
Delaware	94	17.1%	457	82.9%	551	0.4%
District of Columbia	59	22.7%	201	77.3%	260	0.2%
Florida	3,664	26.8%	10,004	73.2%	13,668	10.0%
Georgia	1,249	18.6%	5,459	81.4%	6,708	4.9%
Hawaii	106	31.6%	229	68.4%	335	0.2%
Idaho	102	16.6%	513	83.4%	615	0.5%
Illinois	1,705	22.8%	5,765	77.2%	7,470	5.5%
Indiana	232	10.2%	2,043	89.8%	2,275	1.7%
Iowa	76	11.4%	588	88.6%	664	0.5%
Kansas	86	12.6%	594	87.4%	680	0.5%
Kentucky	108	11.4%	843	88.6%	951	0.7%
Louisiana	188	16.4%	961	83.6%	1,149	0.8%
Maine	82	20.7%	315	79.3%	397	0.3%
Maryland	1,012	23.6%	3,271	76.4%	4,283	3.1%
Massachusetts	733	28.5%	1,842	71.5%	2,575	1.9%
Michigan	587	14.4%	3,493	85.6%	4,080	3.0%
Minnesota	422	21.3%	1,555	78.7%	1,977	1.5%
Mississippi	77	11.0%	622	89.0%	699	0.5%
Missouri	317	14.5%	1,866	85.5%	2,183	1.6%
Montana	38	20.7%	146	79.3%	184	0.1%
Nebraska	47	13.6%	299	86.4%	346	0.3%
Nevada	525	26.6%	1,449	73.4%	1,974	1.4%
New Hampshire	120	23.5%	390	76.5%	510	0.4%
New Jersey	1,238	25.9%	3,534	74.1%	4,772	3.5%
New Mexico	105	17.7%	488	82.3%	593	0.4%
New York	1,990	32.4%	4,151	67.6%	6,141	4.5%
North Carolina	606	14.9%	3,454	85.1%	4,060	3.0%
North Dakota	2	7.4%	25	92.6%	27	0.0%
Ohio	587	13.2%	3,850	86.8%	4,437	3.3%
Oklahoma	78	10.0%	704	90.0%	782	0.6%
Oregon	377	26.4%	1,050	73.6%	1,427	1.0%
Pennsylvania	675	17.9%	3,106	82.1%	3,781	2.8%
Rhode Island	123	24.5%	379	75.5%	502	0.4%
South Carolina	276	14.9%	1,571	85.1%	1,847	1.4%
South Dakota	17	16.0%	89	84.0%	106	0.1%
Tennessee	283	13.9%	1,753	86.1%	2,036	1.5%
Texas	904	11.8%	6,745	88.2%	7,649	5.6%
Utah	171	15.1%	964	84.9%	1,135	0.8%
Vermont	19	14.6%	111	85.4%	130	0.1%
Virginia	694	22.1%	2,440	77.9%	3,134	2.3%
Washington	713	25.1%	2,128	74.9%	2,841	2.1%
West Virginia	33	11.2%	261	88.8%	294	0.2%
Wisconsin	288	17.3%	1,373	82.7%	1,661	1.2%
Wyoming	12	14.0%	74	86.0%	86	0.1%
Other	12	11.3%	94	88.7%	106	0.1%

Table 53. Number of Mortgage Modification Actions
Implemented in the Third Quarter of 2012

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reductions	Principal Deferral	Combination	Not Reported	Total Modifications
Total - All States	2,204	3,627	371	1,486	85	128,039	504	136,316
Alabama	26	14	17	3	0	1,280	1	1,341
Alaska	0	0	0	0	0	88	0	88
Arizona	54	109	6	47	1	3,006	13	3,236
Arkansas	14	16	0	2	0	494	2	528
California	362	740	44	665	46	23,270	106	25,233
Colorado	44	25	4	16	1	1,891	4	1,985
Connecticut	26	67	2	12	0	1,707	10	1,824
Delaware	9	17	3	4	0	517	1	551
District of Columbia	12	19	1	3	0	220	5	260
Florida	139	392	19	189	1	12,878	50	13,668
Georgia	99	181	22	53	3	6,309	41	6,708
Hawaii	5	5	1	1	0	317	6	335
Idaho	7	14	1	6	0	586	1	615
Illinois	53	173	21	44	1	7,152	26	7,470
Indiana	38	16	6	5	0	2,209	1	2,275
Iowa	13	7	3	0	1	640	0	664
Kansas	19	14	1	4	0	642	0	680
Kentucky	16	12	5	2	0	915	1	951
Louisiana	22	7	0	5	0	1,110	5	1,149
Maine	12	8	0	4	0	372	1	397
Maryland	57	161	19	41	8	3,973	24	4,283
Massachusetts	49	99	1	31	2	2,381	12	2,575
Michigan	67	133	19	31	2	3,818	10	4,080
Minnesota	29	20	6	10	1	1,903	8	1,977
Mississippi	11	7	6	2	0	672	1	699
Missouri	56	56	5	11	1	2,052	2	2,183
Montana	1	0	0	1	0	182	0	184
Nebraska	6	2	1	0	0	337	0	346
Nevada	28	50	3	34	1	1,851	7	1,974
New Hampshire	9	8	2	2	0	488	1	510
New Jersey	49	134	5	21	4	4,527	32	4,772
New Mexico	21	28	9	8	0	526	1	593
New York	99	165	8	25	1	5,788	55	6,141
North Carolina	109	141	22	23	2	3,754	9	4,060
North Dakota	1	1	1	0	0	24	0	27
Ohio	77	63	10	14	1	4,261	11	4,437
Oklahoma	15	11	4	0	0	750	2	782
Oregon	11	69	2	5	0	1,338	2	1,427
Pennsylvania	81	49	13	7	1	3,618	12	3,781
Rhode Island	2	34	0	5	0	461	0	502
South Carolina	47	86	13	5	1	1,694	1	1,847
South Dakota	4	3	0	0	0	99	0	106
Tennessee	47	42	7	13	0	1,921	6	2,036
Texas	222	163	18	55	2	7,183	6	7,649
Utah	14	10	2	7	1	1,099	2	1,135
Vermont	1	3	7	0	0	116	3	130
Virginia	60	143	19	38	1	2,865	8	3,134
Washington	34	84	4	25	2	2,687	5	2,841
West Virginia	5	8	3	2	0	273	3	294
Wisconsin	20	15	1	5	0	1,613	7	1,661
Wyoming	2	3	1	0	0	80	0	86
Other	0	0	4	0	0	102	0	106

**Table 54. Percentage of Mortgage Modification Actions
Implemented in the Third Quarter of 2012**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Combination	Not Reported	Total Modifications
Total - All States	1.6%	2.7%	0.3%	1.1%	0.1%	93.9%	0.4%	136,316
Alabama	1.9%	1.0%	1.3%	0.2%	0.0%	95.5%	0.1%	1,341
Alaska	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	88
Arizona	1.7%	3.4%	0.2%	1.5%	0.0%	92.9%	0.4%	3,236
Arkansas	2.7%	3.0%	0.0%	0.4%	0.0%	93.6%	0.4%	528
California	1.4%	2.9%	0.2%	2.6%	0.2%	92.2%	0.4%	25,233
Colorado	2.2%	1.3%	0.2%	0.8%	0.1%	95.3%	0.2%	1,985
Connecticut	1.4%	3.7%	0.1%	0.7%	0.0%	93.6%	0.5%	1,824
Delaware	1.6%	3.1%	0.5%	0.7%	0.0%	93.8%	0.2%	551
District of Columbia	4.6%	7.3%	0.4%	1.2%	0.0%	84.6%	1.9%	260
Florida	1.0%	2.9%	0.1%	1.4%	0.0%	94.2%	0.4%	13,668
Georgia	1.5%	2.7%	0.3%	0.8%	0.0%	94.1%	0.6%	6,708
Hawaii	1.5%	1.5%	0.3%	0.3%	0.0%	94.6%	1.8%	335
Idaho	1.1%	2.3%	0.2%	1.0%	0.0%	95.3%	0.2%	615
Illinois	0.7%	2.3%	0.3%	0.6%	0.0%	95.7%	0.3%	7,470
Indiana	1.7%	0.7%	0.3%	0.2%	0.0%	97.1%	0.0%	2,275
Iowa	2.0%	1.1%	0.5%	0.0%	0.2%	96.4%	0.0%	664
Kansas	2.8%	2.1%	0.1%	0.6%	0.0%	94.4%	0.0%	680
Kentucky	1.7%	1.3%	0.5%	0.2%	0.0%	96.2%	0.1%	951
Louisiana	1.9%	0.6%	0.0%	0.4%	0.0%	96.6%	0.4%	1,149
Maine	3.0%	2.0%	0.0%	1.0%	0.0%	93.7%	0.3%	397
Maryland	1.3%	3.8%	0.4%	1.0%	0.2%	92.8%	0.6%	4,283
Massachusetts	1.9%	3.8%	0.0%	1.2%	0.1%	92.5%	0.5%	2,575
Michigan	1.6%	3.3%	0.5%	0.8%	0.0%	93.6%	0.2%	4,080
Minnesota	1.5%	1.0%	0.3%	0.5%	0.1%	96.3%	0.4%	1,977
Mississippi	1.6%	1.0%	0.9%	0.3%	0.0%	96.1%	0.1%	699
Missouri	2.6%	2.6%	0.2%	0.5%	0.0%	94.0%	0.1%	2,183
Montana	0.5%	0.0%	0.0%	0.5%	0.0%	98.9%	0.0%	184
Nebraska	1.7%	0.6%	0.3%	0.0%	0.0%	97.4%	0.0%	346
Nevada	1.4%	2.5%	0.2%	1.7%	0.1%	93.8%	0.4%	1,974
New Hampshire	1.8%	1.6%	0.4%	0.4%	0.0%	95.7%	0.2%	510
New Jersey	1.0%	2.8%	0.1%	0.4%	0.1%	94.9%	0.7%	4,772
New Mexico	3.5%	4.7%	1.5%	1.3%	0.0%	88.7%	0.2%	593
New York	1.6%	2.7%	0.1%	0.4%	0.0%	94.3%	0.9%	6,141
North Carolina	2.7%	3.5%	0.5%	0.6%	0.0%	92.5%	0.2%	4,060
North Dakota	3.7%	3.7%	3.7%	0.0%	0.0%	88.9%	0.0%	27
Ohio	1.7%	1.4%	0.2%	0.3%	0.0%	96.0%	0.2%	4,437
Oklahoma	1.9%	1.4%	0.5%	0.0%	0.0%	95.9%	0.3%	782
Oregon	0.8%	4.8%	0.1%	0.4%	0.0%	93.8%	0.1%	1,427
Pennsylvania	2.1%	1.3%	0.3%	0.2%	0.0%	95.7%	0.3%	3,781
Rhode Island	0.4%	6.8%	0.0%	1.0%	0.0%	91.8%	0.0%	502
South Carolina	2.5%	4.7%	0.7%	0.3%	0.1%	91.7%	0.1%	1,847
South Dakota	3.8%	2.8%	0.0%	0.0%	0.0%	93.4%	0.0%	106
Tennessee	2.3%	2.1%	0.3%	0.6%	0.0%	94.4%	0.3%	2,036
Texas	2.9%	2.1%	0.2%	0.7%	0.0%	93.9%	0.1%	7,649
Utah	1.2%	0.9%	0.2%	0.6%	0.1%	96.8%	0.2%	1,135
Vermont	0.8%	2.3%	5.4%	0.0%	0.0%	89.2%	2.3%	130
Virginia	1.9%	4.6%	0.6%	1.2%	0.0%	91.4%	0.3%	3,134
Washington	1.2%	3.0%	0.1%	0.9%	0.1%	94.6%	0.2%	2,841
West Virginia	1.7%	2.7%	1.0%	0.7%	0.0%	92.9%	1.0%	294
Wisconsin	1.2%	0.9%	0.1%	0.3%	0.0%	97.1%	0.4%	1,661
Wyoming	2.3%	3.5%	1.2%	0.0%	0.0%	93.0%	0.0%	86
Other	0.0%	0.0%	3.8%	0.0%	0.0%	96.2%	0.0%	106

**Table 55. Number of Modification Actions in Combination Actions
Implemented in the Third Quarter of 2012**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	121,071	111,072	87,979	21,849	25,936	128,039
Alabama	1,192	1,199	989	58	90	1,280
Alaska	87	83	80	3	9	88
Arizona	2,807	2,521	2,039	500	819	3,006
Arkansas	484	457	381	19	36	494
California	21,546	19,018	11,995	8,325	6,857	23,270
Colorado	1,834	1,692	1,377	185	223	1,891
Connecticut	1,656	1,460	1,191	285	352	1,707
Delaware	493	453	409	46	48	517
District of Columbia	214	188	143	29	46	220
Florida	12,157	10,655	8,491	3,195	4,065	12,878
Georgia	5,961	5,661	4,789	598	1,101	6,309
Hawaii	295	255	162	46	91	317
Idaho	555	523	417	38	92	586
Illinois	6,779	6,140	5,191	1,154	1,868	7,152
Indiana	2,133	2,038	1,732	144	138	2,209
Iowa	604	571	536	30	52	640
Kansas	612	585	497	43	42	642
Kentucky	861	858	710	42	52	915
Louisiana	1,060	1,024	849	71	102	1,110
Maine	356	330	266	33	53	372
Maryland	3,789	3,376	2,770	680	856	3,973
Massachusetts	2,276	1,962	1,622	416	528	2,381
Michigan	3,590	3,459	2,578	429	617	3,818
Minnesota	1,815	1,701	1,366	210	356	1,903
Mississippi	639	609	506	52	72	672
Missouri	1,973	1,858	1,444	155	198	2,052
Montana	170	159	142	7	22	182
Nebraska	323	321	267	17	18	337
Nevada	1,744	1,412	1,177	432	556	1,851
New Hampshire	456	424	349	63	90	488
New Jersey	4,371	3,868	3,374	723	1,029	4,527
New Mexico	501	461	396	31	56	526
New York	5,553	4,988	3,917	1,025	1,355	5,788
North Carolina	3,469	3,373	3,006	232	378	3,754
North Dakota	22	19	22	1	2	24
Ohio	4,087	3,945	3,080	282	504	4,261
Oklahoma	730	706	586	27	37	750
Oregon	1,275	1,148	974	137	300	1,338
Pennsylvania	3,493	3,198	2,765	290	415	3,618
Rhode Island	440	353	281	117	119	461
South Carolina	1,551	1,511	1,318	112	204	1,694
South Dakota	95	93	86	2	5	99
Tennessee	1,819	1,760	1,401	160	161	1,921
Texas	6,913	6,800	5,986	365	433	7,183
Utah	1,058	999	814	92	120	1,099
Vermont	102	105	93	7	6	116
Virginia	2,703	2,559	1,968	353	439	2,865
Washington	2,538	2,329	1,909	391	635	2,687
West Virginia	237	250	197	27	31	273
Wisconsin	1,540	1,445	1,199	156	251	1,613
Wyoming	70	75	59	3	4	80
Other	43	95	83	11	3	102

**Table 56. Percentage of Modification Actions in Combination Actions
Implemented in the Third Quarter of 2012**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	94.6%	86.7%	68.7%	17.1%	20.3%	128,039
Alabama	93.1%	93.7%	77.3%	4.5%	7.0%	1,280
Alaska	98.9%	94.3%	90.9%	3.4%	10.2%	88
Arizona	93.4%	83.9%	67.8%	16.6%	27.2%	3,006
Arkansas	98.0%	92.5%	77.1%	3.8%	7.3%	494
California	92.6%	81.7%	51.5%	35.8%	29.5%	23,270
Colorado	97.0%	89.5%	72.8%	9.8%	11.8%	1,891
Connecticut	97.0%	85.5%	69.8%	16.7%	20.6%	1,707
Delaware	95.4%	87.6%	79.1%	8.9%	9.3%	517
District of Columbia	97.3%	85.5%	65.0%	13.2%	20.9%	220
Florida	94.4%	82.7%	65.9%	24.8%	31.6%	12,878
Georgia	94.5%	89.7%	75.9%	9.5%	17.5%	6,309
Hawaii	93.1%	80.4%	51.1%	14.5%	28.7%	317
Idaho	94.7%	89.2%	71.2%	6.5%	15.7%	586
Illinois	94.8%	85.9%	72.6%	16.1%	26.1%	7,152
Indiana	96.6%	92.3%	78.4%	6.5%	6.2%	2,209
Iowa	94.4%	89.2%	83.8%	4.7%	8.1%	640
Kansas	95.3%	91.1%	77.4%	6.7%	6.5%	642
Kentucky	94.1%	93.8%	77.6%	4.6%	5.7%	915
Louisiana	95.5%	92.3%	76.5%	6.4%	9.2%	1,110
Maine	95.7%	88.7%	71.5%	8.9%	14.2%	372
Maryland	95.4%	85.0%	69.7%	17.1%	21.5%	3,973
Massachusetts	95.6%	82.4%	68.1%	17.5%	22.2%	2,381
Michigan	94.0%	90.6%	67.5%	11.2%	16.2%	3,818
Minnesota	95.4%	89.4%	71.8%	11.0%	18.7%	1,903
Mississippi	95.1%	90.6%	75.3%	7.7%	10.7%	672
Missouri	96.2%	90.5%	70.4%	7.6%	9.6%	2,052
Montana	93.4%	87.4%	78.0%	3.8%	12.1%	182
Nebraska	95.8%	95.3%	79.2%	5.0%	5.3%	337
Nevada	94.2%	76.3%	63.6%	23.3%	30.0%	1,851
New Hampshire	93.4%	86.9%	71.5%	12.9%	18.4%	488
New Jersey	96.6%	85.4%	74.5%	16.0%	22.7%	4,527
New Mexico	95.2%	87.6%	75.3%	5.9%	10.6%	526
New York	95.9%	86.2%	67.7%	17.7%	23.4%	5,788
North Carolina	92.4%	89.9%	80.1%	6.2%	10.1%	3,754
North Dakota	91.7%	79.2%	91.7%	4.2%	8.3%	24
Ohio	95.9%	92.6%	72.3%	6.6%	11.8%	4,261
Oklahoma	97.3%	94.1%	78.1%	3.6%	4.9%	750
Oregon	95.3%	85.8%	72.8%	10.2%	22.4%	1,338
Pennsylvania	96.5%	88.4%	76.4%	8.0%	11.5%	3,618
Rhode Island	95.4%	76.6%	61.0%	25.4%	25.8%	461
South Carolina	91.6%	89.2%	77.8%	6.6%	12.0%	1,694
South Dakota	96.0%	93.9%	86.9%	2.0%	5.1%	99
Tennessee	94.7%	91.6%	72.9%	8.3%	8.4%	1,921
Texas	96.2%	94.7%	83.3%	5.1%	6.0%	7,183
Utah	96.3%	90.9%	74.1%	8.4%	10.9%	1,099
Vermont	87.9%	90.5%	80.2%	6.0%	5.2%	116
Virginia	94.3%	89.3%	68.7%	12.3%	15.3%	2,865
Washington	94.5%	86.7%	71.0%	14.6%	23.6%	2,687
West Virginia	86.8%	91.6%	72.2%	9.9%	11.4%	273
Wisconsin	95.5%	89.6%	74.3%	9.7%	15.6%	1,613
Wyoming	87.5%	93.8%	73.8%	3.8%	5.0%	80
Other	42.2%	93.1%	81.4%	10.8%	2.9%	102

Table 57. Changes in Monthly Principal and Interest Payments by State (Number)
 Modifications Implemented in the Third Quarter of 2012

States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total - All States	73,858	27,439	20,397	5,633	8,508	481	136,316
Alabama	668	285	263	15	109	1	1,341
Alaska	34	24	26	0	4	0	88
Arizona	1,772	673	491	142	150	8	3,236
Arkansas	220	145	104	11	46	2	528
California	14,808	3,880	2,768	2,491	1,178	108	25,233
Colorado	921	484	377	32	167	4	1,985
Connecticut	1,014	395	252	59	96	8	1,824
Delaware	247	157	111	4	31	1	551
District of Columbia	127	45	43	12	29	4	260
Florida	8,820	2,275	1,323	606	594	50	13,668
Georgia	3,556	1,431	1,162	125	399	35	6,708
Hawaii	199	62	42	10	18	4	335
Idaho	336	137	98	13	31	0	615
Illinois	4,398	1,370	947	301	431	23	7,470
Indiana	1,072	560	451	27	165	0	2,275
Iowa	290	162	136	6	70	0	664
Kansas	312	154	144	12	58	0	680
Kentucky	411	254	190	11	85	0	951
Louisiana	504	244	250	7	140	4	1,149
Maine	210	90	63	7	27	0	397
Maryland	2,148	952	749	157	254	23	4,283
Massachusetts	1,430	484	377	128	144	12	2,575
Michigan	2,202	996	521	149	203	9	4,080
Minnesota	1,050	458	291	51	119	8	1,977
Mississippi	317	173	131	9	69	0	699
Missouri	1,149	508	329	41	154	2	2,183
Montana	81	40	44	4	14	1	184
Nebraska	161	69	70	4	42	0	346
Nevada	1,272	335	216	78	64	9	1,974
New Hampshire	265	104	80	17	43	1	510
New Jersey	2,588	938	744	169	306	27	4,772
New Mexico	286	123	114	16	48	6	593
New York	3,613	1,100	793	224	359	52	6,141
North Carolina	1,868	898	848	89	349	8	4,060
North Dakota	10	6	8	0	3	0	27
Ohio	2,225	1,124	678	52	352	6	4,437
Oklahoma	360	165	165	5	85	2	782
Oregon	798	311	214	36	62	6	1,427
Pennsylvania	1,897	861	644	49	323	7	3,781
Rhode Island	294	98	53	42	15	0	502
South Carolina	858	407	373	48	159	2	1,847
South Dakota	40	27	28	0	11	0	106
Tennessee	986	513	360	31	144	2	2,036
Texas	3,291	1,725	1,715	93	814	11	7,649
Utah	521	303	233	17	57	4	1,135
Vermont	57	25	25	2	12	9	130
Virginia	1,489	719	594	118	207	7	3,134
Washington	1,544	655	399	89	145	9	2,841
West Virginia	149	70	58	6	9	2	294
Wisconsin	880	388	266	17	106	4	1,661
Wyoming	30	27	23	1	5	0	86
Other	80	10	13	0	3	0	106

Table 58. Changes in Monthly Principal and Interest Payments (Percentage)
 Modifications Implemented During the Third Quarter of 2012

States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total - All States	54.2%	20.1%	15.0%	4.1%	6.2%	0.4%	136,316
Alabama	49.8%	21.3%	19.6%	1.1%	8.1%	0.1%	1,341
Alaska	38.6%	27.3%	29.5%	0.0%	4.5%	0.0%	88
Arizona	54.8%	20.8%	15.2%	4.4%	4.6%	0.2%	3,236
Arkansas	41.7%	27.5%	19.7%	2.1%	8.7%	0.4%	528
California	58.7%	15.4%	11.0%	9.9%	4.7%	0.4%	25,233
Colorado	46.4%	24.4%	19.0%	1.6%	8.4%	0.2%	1,985
Connecticut	55.6%	21.7%	13.8%	3.2%	5.3%	0.4%	1,824
Delaware	44.8%	28.5%	20.1%	0.7%	5.6%	0.2%	551
District of Columbia	48.8%	17.3%	16.5%	4.6%	11.2%	1.5%	260
Florida	64.5%	16.6%	9.7%	4.4%	4.3%	0.4%	13,668
Georgia	53.0%	21.3%	17.3%	1.9%	5.9%	0.5%	6,708
Hawaii	59.4%	18.5%	12.5%	3.0%	5.4%	1.2%	335
Idaho	54.6%	22.3%	15.9%	2.1%	5.0%	0.0%	615
Illinois	58.9%	18.3%	12.7%	4.0%	5.8%	0.3%	7,470
Indiana	47.1%	24.6%	19.8%	1.2%	7.3%	0.0%	2,275
Iowa	43.7%	24.4%	20.5%	0.9%	10.5%	0.0%	664
Kansas	45.9%	22.6%	21.2%	1.8%	8.5%	0.0%	680
Kentucky	43.2%	26.7%	20.0%	1.2%	8.9%	0.0%	951
Louisiana	43.9%	21.2%	21.8%	0.6%	12.2%	0.3%	1,149
Maine	52.9%	22.7%	15.9%	1.8%	6.8%	0.0%	397
Maryland	50.2%	22.2%	17.5%	3.7%	5.9%	0.5%	4,283
Massachusetts	55.5%	18.8%	14.6%	5.0%	5.6%	0.5%	2,575
Michigan	54.0%	24.4%	12.8%	3.7%	5.0%	0.2%	4,080
Minnesota	53.1%	23.2%	14.7%	2.6%	6.0%	0.4%	1,977
Mississippi	45.4%	24.7%	18.7%	1.3%	9.9%	0.0%	699
Missouri	52.6%	23.3%	15.1%	1.9%	7.1%	0.1%	2,183
Montana	44.0%	21.7%	23.9%	2.2%	7.6%	0.5%	184
Nebraska	46.5%	19.9%	20.2%	1.2%	12.1%	0.0%	346
Nevada	64.4%	17.0%	10.9%	4.0%	3.2%	0.5%	1,974
New Hampshire	52.0%	20.4%	15.7%	3.3%	8.4%	0.2%	510
New Jersey	54.2%	19.7%	15.6%	3.5%	6.4%	0.6%	4,772
New Mexico	48.2%	20.7%	19.2%	2.7%	8.1%	1.0%	593
New York	58.8%	17.9%	12.9%	3.6%	5.8%	0.8%	6,141
North Carolina	46.0%	22.1%	20.9%	2.2%	8.6%	0.2%	4,060
North Dakota	37.0%	22.2%	29.6%	0.0%	11.1%	0.0%	27
Ohio	50.1%	25.3%	15.3%	1.2%	7.9%	0.1%	4,437
Oklahoma	46.0%	21.1%	21.1%	0.6%	10.9%	0.3%	782
Oregon	55.9%	21.8%	15.0%	2.5%	4.3%	0.4%	1,427
Pennsylvania	50.2%	22.8%	17.0%	1.3%	8.5%	0.2%	3,781
Rhode Island	58.6%	19.5%	10.6%	8.4%	3.0%	0.0%	502
South Carolina	46.5%	22.0%	20.2%	2.6%	8.6%	0.1%	1,847
South Dakota	37.7%	25.5%	26.4%	0.0%	10.4%	0.0%	106
Tennessee	48.4%	25.2%	17.7%	1.5%	7.1%	0.1%	2,036
Texas	43.0%	22.6%	22.4%	1.2%	10.6%	0.1%	7,649
Utah	45.9%	26.7%	20.5%	1.5%	5.0%	0.4%	1,135
Vermont	43.8%	19.2%	19.2%	1.5%	9.2%	6.9%	130
Virginia	47.5%	22.9%	19.0%	3.8%	6.6%	0.2%	3,134
Washington	54.3%	23.1%	14.0%	3.1%	5.1%	0.3%	2,841
West Virginia	50.7%	23.8%	19.7%	2.0%	3.1%	0.7%	294
Wisconsin	53.0%	23.4%	16.0%	1.0%	6.4%	0.2%	1,661
Wyoming	34.9%	31.4%	26.7%	1.2%	5.8%	0.0%	86
Other	75.5%	9.4%	12.3%	0.0%	2.8%	0.0%	106

Table 59. Number of Re-Defaults for Loans Modified in the First Quarter of 2012 (60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments)							
States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total - All States	6,030	2,332	2,955	253	2,251	83	13,904
Alabama	63	47	57	12	41	0	220
Alaska	3	1	2	0	2	0	8
Arizona	128	43	51	4	41	0	267
Arkansas	23	16	19	0	13	0	71
California	955	269	287	58	301	7	1,877
Colorado	56	35	31	6	25	1	154
Connecticut	105	38	40	1	30	1	215
Delaware	23	13	16	1	12	0	65
District of Columbia	18	7	10	1	4	0	40
Florida	681	161	196	29	158	12	1,237
Georgia	260	120	217	8	125	2	732
Hawaii	15	4	5	1	1	0	26
Idaho	25	5	10	1	8	0	49
Illinois	391	109	149	11	96	4	760
Indiana	100	48	77	6	48	3	282
Iowa	42	15	13	0	11	1	82
Kansas	27	10	14	0	12	1	64
Kentucky	38	22	30	3	25	0	118
Louisiana	48	38	39	2	42	1	170
Maine	18	13	18	0	7	0	56
Maryland	194	90	121	3	87	4	499
Massachusetts	154	55	52	4	37	1	303
Michigan	157	61	84	11	50	2	365
Minnesota	77	33	43	1	40	0	194
Mississippi	31	19	18	3	17	0	88
Missouri	64	64	53	1	43	3	228
Montana	6	4	2	0	4	0	16
Nebraska	17	2	7	1	6	1	34
Nevada	98	32	31	11	22	2	196
New Hampshire	24	10	9	0	10	0	53
New Jersey	289	94	96	10	75	3	567
New Mexico	27	16	13	2	9	1	68
New York	380	122	99	7	73	4	685
North Carolina	173	104	134	8	112	3	534
North Dakota	1	0	2	0	0	0	3
Ohio	148	66	93	5	67	8	387
Oklahoma	24	19	27	2	19	2	93
Oregon	53	28	20	0	19	1	121
Pennsylvania	243	99	99	3	78	1	523
Rhode Island	34	10	14	2	8	0	68
South Carolina	75	38	70	4	40	2	229
South Dakota	2	1	1	1	3	0	8
Tennessee	91	46	66	3	45	0	251
Texas	275	138	272	12	229	2	928
Utah	36	27	29	3	16	2	113
Vermont	5	4	3	2	1	1	16
Virginia	108	54	82	6	59	2	311
Washington	132	44	79	4	33	2	294
West Virginia	9	5	11	0	14	0	39
Wisconsin	76	32	41	0	31	3	183
Wyoming	3	1	3	0	2	0	9
Other	5	0	0	0	0	0	5

Table 60. Re-Default Rates for Loans Modified in the First Quarter of 2012 (Percentage) (60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments)							
States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total - All States	9.9%	14.7%	23.0%	26.1%	31.2%	20.6%	14.1%
Alabama	13.5%	22.0%	30.5%	30.0%	45.6%	0.0%	22.0%
Alaska	9.1%	9.1%	16.7%	0.0%	40.0%	0.0%	13.1%
Arizona	8.7%	11.9%	19.4%	16.0%	29.1%	0.0%	11.7%
Arkansas	16.8%	17.4%	32.2%	0.0%	36.1%	0.0%	21.5%
California	6.7%	10.4%	14.6%	27.5%	21.9%	14.6%	9.1%
Colorado	7.6%	13.6%	14.9%	54.5%	30.1%	50.0%	11.8%
Connecticut	11.8%	17.1%	27.8%	16.7%	31.3%	25.0%	15.8%
Delaware	11.9%	16.7%	28.6%	14.3%	37.5%	0.0%	17.7%
District of Columbia	13.8%	17.5%	31.3%	50.0%	19.0%	0.0%	17.8%
Florida	8.9%	12.2%	20.1%	35.4%	27.1%	24.0%	11.6%
Georgia	10.2%	16.6%	29.2%	15.1%	37.0%	15.4%	16.6%
Hawaii	7.0%	7.8%	16.1%	50.0%	9.1%	0.0%	8.4%
Idaho	13.3%	6.3%	16.7%	20.0%	33.3%	0.0%	13.7%
Illinois	11.5%	14.6%	27.3%	39.3%	34.3%	26.7%	15.1%
Indiana	15.4%	16.4%	27.6%	35.3%	39.7%	15.0%	20.4%
Iowa	19.0%	18.8%	17.3%	0.0%	34.4%	100.0%	20.0%
Kansas	14.3%	13.7%	21.2%	0.0%	37.5%	25.0%	17.4%
Kentucky	14.1%	17.7%	20.1%	30.0%	40.3%	0.0%	19.2%
Louisiana	12.4%	19.1%	25.0%	22.2%	38.5%	25.0%	19.7%
Maine	10.7%	24.5%	37.5%	0.0%	28.0%	0.0%	18.9%
Maryland	10.1%	17.1%	26.3%	18.8%	34.4%	57.1%	15.6%
Massachusetts	12.0%	16.7%	22.7%	50.0%	35.9%	33.3%	15.5%
Michigan	10.4%	14.8%	25.8%	24.4%	31.8%	16.7%	14.8%
Minnesota	10.5%	14.8%	23.5%	20.0%	37.7%	0.0%	15.3%
Mississippi	17.5%	16.1%	21.4%	21.4%	42.5%	0.0%	20.2%
Missouri	11.1%	22.5%	26.1%	10.0%	33.9%	27.3%	18.8%
Montana	9.7%	13.8%	14.3%	0.0%	30.8%	0.0%	13.3%
Nebraska	17.3%	5.4%	17.5%	50.0%	26.1%	14.3%	16.4%
Nevada	8.8%	16.3%	21.7%	44.0%	26.2%	33.3%	12.5%
New Hampshire	13.3%	14.9%	19.6%	0.0%	35.7%	0.0%	16.4%
New Jersey	11.5%	16.0%	24.2%	38.5%	33.5%	50.0%	15.1%
New Mexico	13.3%	23.5%	20.0%	50.0%	25.0%	50.0%	18.0%
New York	9.5%	14.5%	17.6%	22.6%	25.2%	30.8%	12.0%
North Carolina	12.4%	20.8%	25.3%	15.4%	38.0%	23.1%	19.2%
North Dakota	8.3%	0.0%	20.0%	0.0%	0.0%	0.0%	9.7%
Ohio	12.0%	14.5%	23.6%	13.9%	28.2%	22.9%	16.2%
Oklahoma	13.0%	15.7%	30.0%	40.0%	32.8%	22.2%	19.9%
Oregon	8.7%	15.8%	16.1%	0.0%	32.2%	25.0%	12.4%
Pennsylvania	16.1%	20.1%	26.2%	12.5%	35.3%	11.1%	19.8%
Rhode Island	14.3%	19.2%	26.9%	50.0%	29.6%	0.0%	18.2%
South Carolina	11.6%	14.2%	31.8%	25.0%	34.2%	66.7%	18.1%
South Dakota	10.0%	7.1%	9.1%	100.0%	42.9%	0.0%	15.1%
Tennessee	14.1%	17.5%	27.2%	12.5%	35.4%	0.0%	19.2%
Texas	12.8%	14.7%	28.1%	35.3%	38.0%	14.3%	19.7%
Utah	8.7%	15.6%	25.4%	42.9%	29.1%	100.0%	14.8%
Vermont	9.8%	19.0%	15.0%	50.0%	14.3%	50.0%	15.2%
Virginia	8.8%	13.2%	22.2%	27.3%	33.9%	20.0%	14.0%
Washington	9.7%	11.7%	28.2%	25.0%	27.5%	25.0%	13.6%
West Virginia	10.7%	14.7%	32.4%	0.0%	53.8%	0.0%	21.4%
Wisconsin	13.3%	15.1%	21.2%	0.0%	34.4%	42.9%	16.9%
Wyoming	12.5%	8.3%	33.3%	0.0%	50.0%	0.0%	17.3%
Other	15.6%	0.0%	0.0%	0.0%	0.0%	0.0%	10.4%

Index of Tables

Table 1. Number of New Home Retention Actions..... 5

Table 2. Status of Mortgages Modified in 2008–2Q 2012 6

Table 3. Re-Default Rates for Portfolio Loans and Loans Serviced for Others 7

Table 4. New Foreclosures and Foreclosures in Process 7

Table 5. Completed Foreclosures and Other Home Forfeiture Actions 8

Table 6. Overall Mortgage Portfolio..... 12

Table 7. Overall Portfolio Performance..... 13

Table 8. Performance of Mortgages Held by Reporting Banks and Thrift (Percentage)* 14

Table 9. Performance of Government-Guaranteed Mortgages (Percentage)..... 16

Table 10. Performance of GSE Mortgages (Percentage)..... 18

Table 11. Seriously Delinquent Mortgages, by Risk Category 19

Table 12. Mortgages 30 to 59 Days Delinquent, by Risk Category 20

Table 13. Number of New Home Retention Actions..... 22

Table 14. HAMP Modifications, by Investor and Risk Category..... 23

Table 15. HAMP Trial-Period Plans, by Investor and Risk Category..... 23

Table 16. Percentage of New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category..... 24

Table 17. Changes in Loan Terms for Modifications Made During the Third Quarter of 2012 25

Table 18. Changes in Loan Terms for HAMP Modifications During the Third Quarter of 2012 26

Table 19. Changes in Loan Terms for Modifications, by Risk Category, During Third Quarter 2012 27

Table 20. Type of Modification Action, by Investor and Product Type, During Third Quarter 2012 28

Table 21. Type of HAMP Modification Action, by Investor and Product Type, During Third Quarter 2012 29

Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications 31

Table 23. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications 32

Table 24. Average Change in Monthly Payments Resulting From Modifications, by Quarter* 33

<i>Table 25.</i> Modified Loans 60 or More Days Delinquent.....	34
<i>Table 26.</i> Modified Loans 30 or More Days Delinquent.....	35
<i>Table 27.</i> Modified Loans 90 or More Days Delinquent*.....	36
<i>Table 28.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2008.....	37
<i>Table 29.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2009.....	37
<i>Table 30.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2010.....	37
<i>Table 31.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2011.....	38
<i>Table 32.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2012.....	38
<i>Table 33.</i> Performance of HAMP Modifications Compared With Other Modifications	39
<i>Table 34.</i> Re-Default Rates of Loans Modified in 2008 by Change in Payment	41
<i>Table 35.</i> Re-Default Rates of Loans Modified in 2009 by Change in Payment	41
<i>Table 36.</i> Re-Default Rates of Loans Modified in 2010 by Change in Payment	41
<i>Table 37.</i> Re-Default Rates of Loans Modified in 2011 by Change in Payment	42
<i>Table 38.</i> Re-Default Rates of Loans Modified in 2012 by Change in Payment	42
<i>Table 39.</i> 60+ Delinquency at Six Months After Modification by Change in Monthly Payment.....	43
<i>Table 40.</i> Status of Mortgages Modified in 2008–2012	44
<i>Table 41.</i> Completed Foreclosures and Other Home Forfeiture Actions	45
<i>Table 42.</i> Number of Newly Initiated Foreclosures.....	46
<i>Table 43.</i> Foreclosures in Process.....	47
<i>Table 44.</i> Completed Foreclosures	48
<i>Table 45.</i> Completed Short Sales and Deeds in Lieu of Foreclosure	49
<i>Table 46.</i> Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category.....	50
<i>Table 47.</i> Number of New Loan Modifications.....	51
<i>Table 48.</i> Number of New Trial-Period Plans	52
<i>Table 49.</i> Number of New Payment Plans.....	53
<i>Table 50.</i> Changes in Terms for Modifications Made Through the Third Quarter of 2012	54

Table 51. Changes in Terms for Combination Modifications Through the Third Quarter of 2012 55

Table 52. Number and Percentage of Mortgage Modifications..... 57

Table 53. Number of Mortgage Modification Actions 58

Table 54. Percentage of Mortgage Modification Actions..... 59

Table 55. Number of Modification Actions in Combination Actions 60

Table 56. Percentage of Modification Actions in Combination Actions..... 61

Table 57. Changes in Monthly Principal and Interest Payments by State (Number) 62

Table 58. Changes in Monthly Principal and Interest Payments (Percentage)..... 63

Table 59. Number of Re-Defaults for Loans Modified in the First Quarter of 2012 64

Table 60. Re-Default Rates for Loans Modified in the First Quarter of 2012 (Percentage) 65

Index of Figures

Figure 1. Portfolio Composition..... 12

Figure 2. Overall Portfolio Performance 13

Figure 3. Performance of Mortgages Held by Reporting Banks and Thrift..... 15

Figure 4. Performance of Government-Guaranteed Mortgages 17

Figure 5. Performance of GSE Mortgages 18

Figure 6. Seriously Delinquent Mortgages, by Risk Category..... 19

Figure 7. Mortgages 30 to 59 Days Delinquent, by Risk Category 20

Figure 8. Number of New Home Retention Actions..... 22

Figure 9. New Home Retention Actions Relative to Newly Initiated Foreclosures,
by Risk Category..... 24

Figure 10. Changes in Monthly Principal and Interest Payments 31

Figure 11. Modified Loans 60 or More Days Delinquent 34

Figure 12. Modified Loans 30 or More Days Delinquent..... 35

Figure 13. Modified Loans 90 or More Days Delinquent..... 36

Figure 14. 60+ Delinquency at Six Months After Modification by Change
in Monthly Payment..... 43

Figure 15. Number of Newly Initiated Foreclosures..... 46

Figure 16. Number of Foreclosures in Process 47

Figure 17. Number of Completed Foreclosures 48

Figure 18. Number of Completed Short Sales and Deeds in Lieu of Foreclosures..... 49

Figure 19. Percentage of New Home Retention Actions Relative to Forfeiture Actions,
by Risk Category..... 50

Figure 20. Number of New Loan Modifications 51

Figure 21. Number of New Trial-Period Plans 52

Figure 22. Number of New Payment Plans..... 53