

# OCC Mortgage Metrics Report

Disclosure of National Bank Mortgage Loan Data

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First Quarter 2020

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

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## About Mortgage Metrics

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

- This report presents performance data for the first quarter of 2020 for loans that the reporting banks own or service for others as a fee-based business.
- The data in this report reflect a portion of first-lien residential mortgages in the country. The characteristics of the loans included here may differ from the overall population. The loans included are not a statistically representative, random sample.
- This report covers the performance of first-lien home mortgages in the portfolios of reporting banks. It excludes junior liens, home equity lines of credit (HELOC), and home equity conversion mortgages (reverse mortgages).
- Before the third quarter of 2019, certain banks reported completed and post-foreclosure and other real estate owned (OREO) accounts in data used in figures 1 through 4. These accounts should not have been included in those figures. These discrepancies were not material.

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

## Executive Summary

### Overall Mortgage Portfolio and Performance

- As of March 31, 2020, the reporting banks serviced approximately 15.4 million first-lien residential mortgage loans with \$3.0 trillion in unpaid principal balances (see figures 1 and 2). This \$3.0 trillion was 28.7 percent of all residential mortgage debt outstanding in the United States.<sup>2</sup>
- The overall performance of mortgages this quarter is stable from a year ago. The percentage of mortgages that were current and performing at the end of the first quarter of 2020 was 96.5 percent compared with 96.2 percent the previous year (see figure 6).
- Servicers initiate foreclosure actions at defined stages of loan delinquency. Foreclosure actions progress to sale of the property only when servicers and borrowers cannot arrange a permanent loss mitigation action, modification, home sale, or alternate workout solution. Servicers initiated 19,815 new foreclosures in the first quarter of 2020, a decrease of 10.9 percent from the previous quarter and 28.2 percent from a year earlier (see figure 7). Home forfeiture actions during the quarter—completed foreclosure sales, short sales, and deed-in-lieu-of-foreclosure actions—decreased 38.9 percent from a year earlier to 8,238 (see figure 8).

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

Servicers completed 14,241 modifications during the first quarter of 2020, an 8.3 percent increase from the previous quarter's 13,147 modifications.

- Of these 14,241 modifications, 13,702, or 96.2 percent, were “combination modifications”—modifications that included multiple actions affecting affordability and sustainability of the loan, such as an interest rate reduction and a term extension. Of the remaining 539 loan modifications, 500 received a single action and 39 modifications were not assigned a modification type (see table 1).
- Among the 13,702 combination modifications completed during the quarter, 94.0 percent included capitalization of delinquent interest and fees, 68.8 percent included an interest rate reduction or freeze, 94.0 percent included a term extension, 0.6 percent included principal reduction, and 11.9 percent included principal deferral (see table 2).
- Of the 14,241 modifications completed during the quarter, 12,209, or 85.7 percent, reduced the loan's pre-modification monthly payment (see table 3).

### Modified Loan Performance

The third quarter of 2019 is the first quarter for which all loans modified during that quarter could have aged at least six months by March 31, 2020. Of the 13,950 modifications that were

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<sup>2</sup> Residential mortgage debt is determined using the quarterly Federal Reserve Statistical Release, “Z.1: Financial Accounts of the United States,” table L.218, “One-to-Four Family Residential Mortgages,” household sector liabilities. Data as of March 31, 2020.

completed during the third quarter of 2019, servicers reported that 2,401, or 17.2 percent, were 60 or more days past due or in the process of foreclosure at the end of the month that they became six months old (see table 4).

Figure 1 reports the outstanding principal balance of reported loans and shows the declining amount of unpaid balance from the first quarter of 2018 through the first quarter of 2020.

**Figure 1: Total Serviced Mortgage Portfolio—Outstanding Principal in \$ Billions**

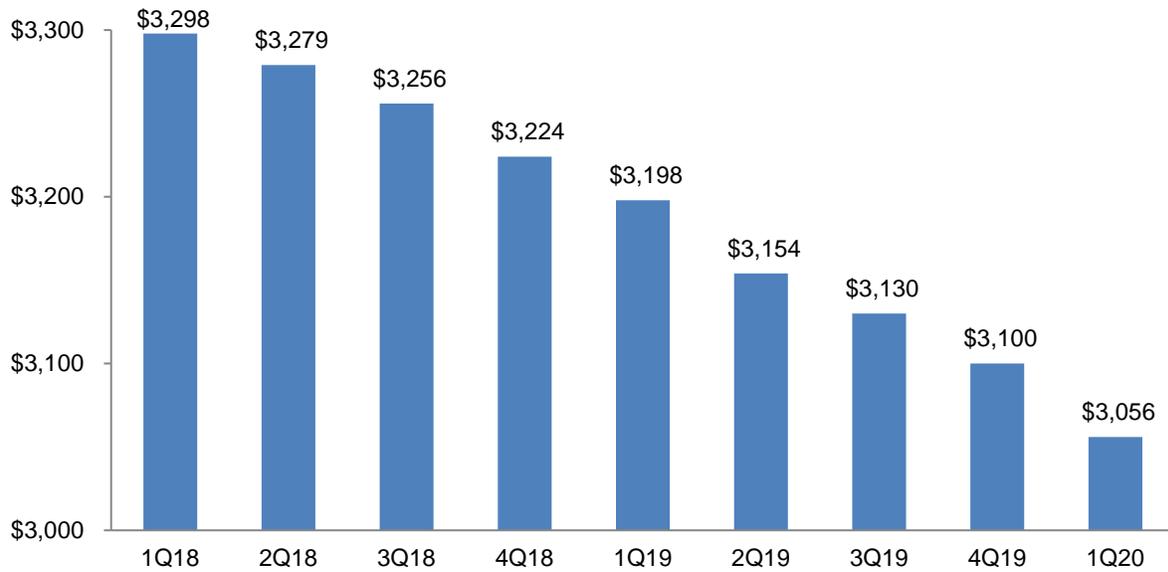


Figure 2 reports the number of first-lien residential mortgages serviced by the seven reporting banks and illustrates the decline in their servicing portfolios from the first quarter of 2018 through the first quarter of 2020.

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

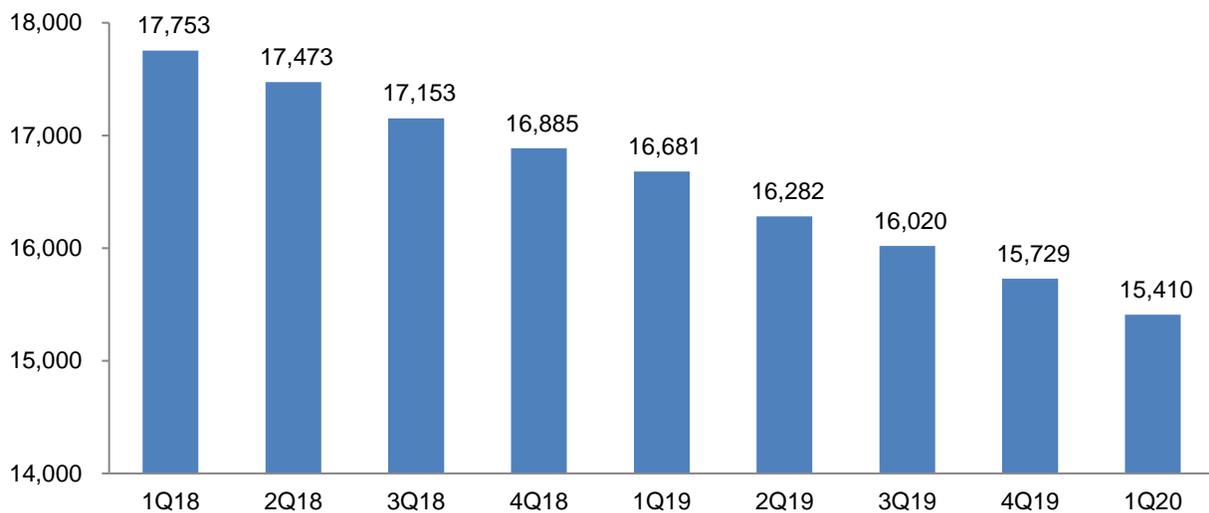


Figure 3 shows the number of loans in each risk category from the first quarter of 2018 through the first quarter of 2020.

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

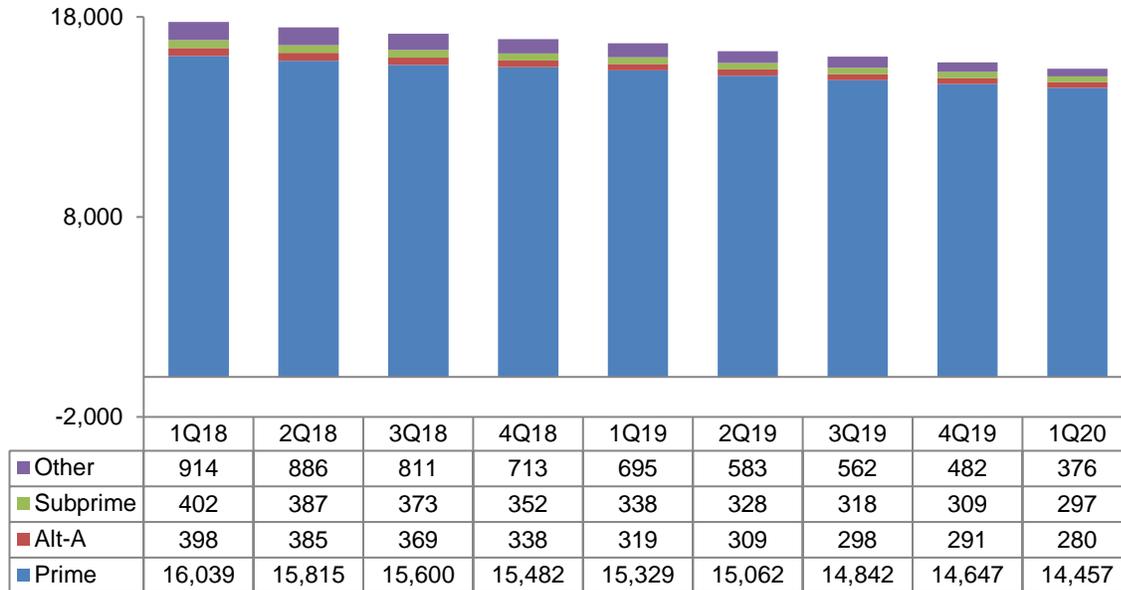


Figure 4 reports the percentage of loans in each risk category and shows that composition has remained relatively stable since the first quarter of 2018.

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

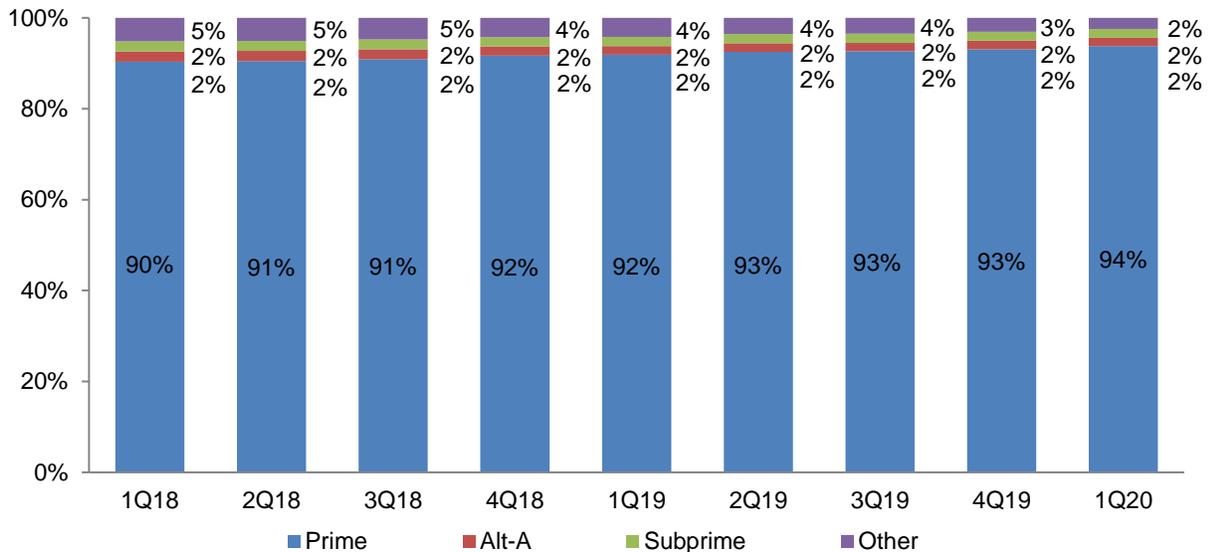


Figure 5 provides the quarterly number of loans in each category of delinquency from the first quarter of 2018 through the first quarter of 2020.

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

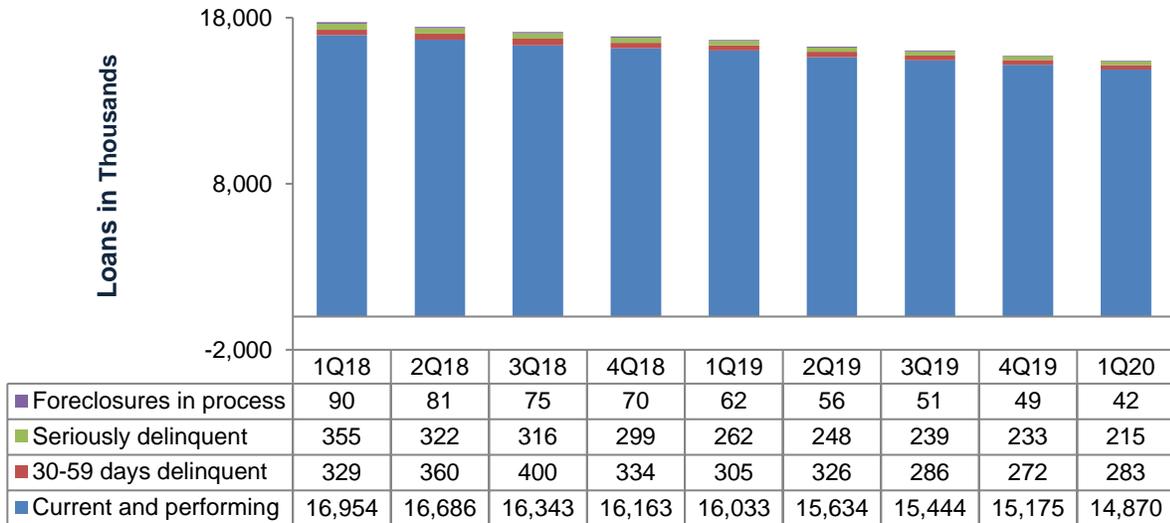


Figure 6 provides the quarterly percentage of mortgages in each category of delinquency from the first quarter of 2018 through the first quarter of 2020. Data show that the concentration of seriously delinquent loans and foreclosures in process remains relatively low.

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

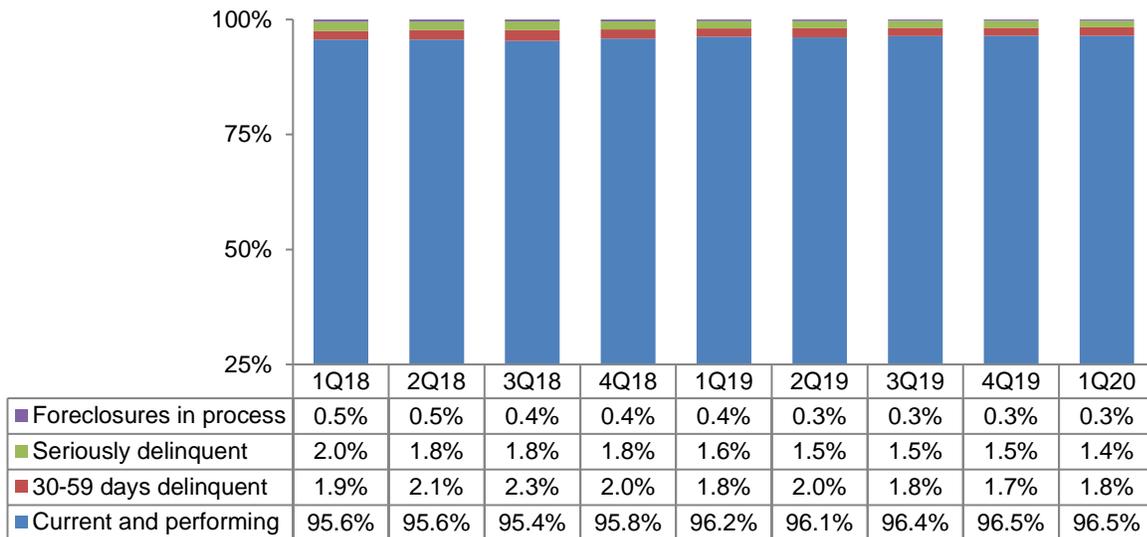


Figure 7 reports the number of new foreclosure actions initiated quarterly from the first quarter of 2018 through the first quarter of 2020. New foreclosure actions decreased to 19,815 or by 28.2 percent, compared with 27,610 in the first quarter of 2019.

**Figure 7: Newly Initiated Foreclosures—Loans in Thousands**

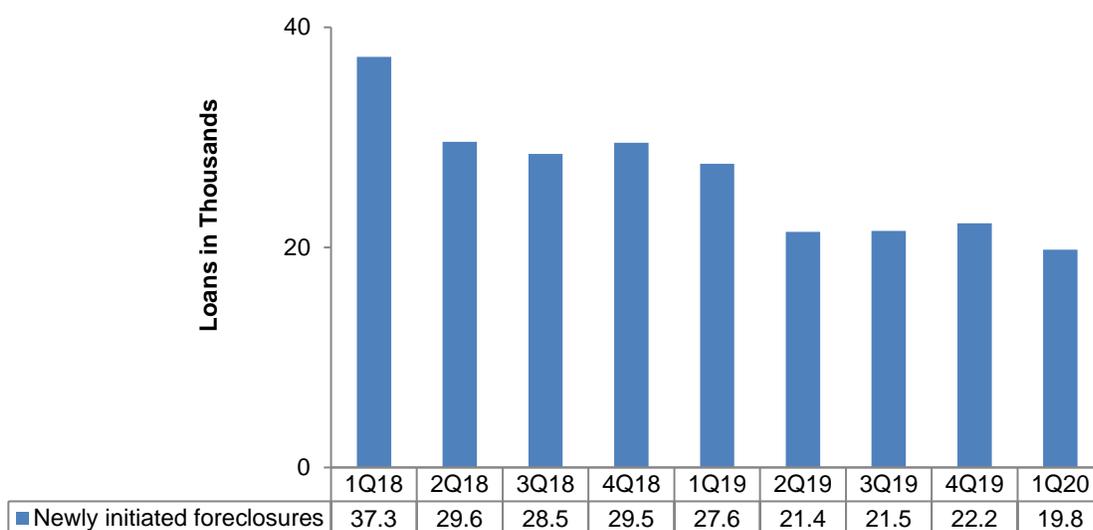
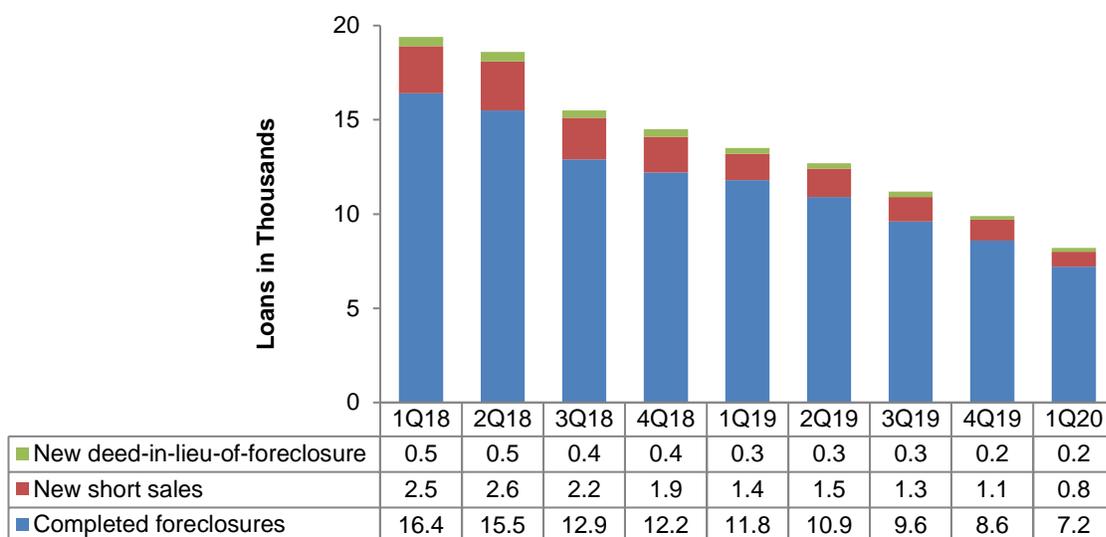


Figure 8 shows the number of foreclosure and other home forfeiture actions completed quarterly from the first quarter of 2018 through the first quarter of 2020. Completed foreclosures and other forfeiture actions decreased 38.9 percent to 8,238 compared with 13,486 in the first quarter of 2019.

**Figure 8: Completed Foreclosures and Other Home Forfeiture Actions—Loans in Thousands**



**Table 1: Number of Mortgage Modification Actions  
Implemented in the First Quarter of 2020**

States	Capitalization	Rate reduction or freeze	Term extension	Principal reductions	Principal deferral	Combination	Not reported	Total modifications
Total—all states	110	113	251	0	26	13,702	39	14,241
Alabama	1	1	7	0	0	184	0	193
Alaska	0	0	1	0	0	26	0	27
Arizona	3	3	2	0	0	370	1	379
Arkansas	2	0	8	0	0	145	0	155
California	11	11	11	0	4	768	2	807
Colorado	0	1	3	0	0	139	1	144
Connecticut	1	2	5	0	1	217	5	231
Delaware	1	0	1	0	0	87	0	89
District of Columbia	0	0	1	0	1	31	0	33
Florida	6	10	13	0	2	1,019	4	1,054
Georgia	6	10	16	0	0	599	7	638
Hawaii	0	0	0	0	1	24	0	25
Idaho	0	0	0	0	0	25	1	26
Illinois	4	11	12	0	1	861	2	891
Indiana	1	2	5	0	0	412	0	420
Iowa	1	0	1	0	0	111	0	113
Kansas	0	0	0	0	0	114	0	114
Kentucky	1	1	3	0	0	127	1	133
Louisiana	3	1	7	0	0	216	0	227
Maine	1	0	0	0	0	41	0	42
Maryland	5	7	13	0	6	585	0	616
Massachusetts	2	3	4	0	0	190	1	200
Michigan	2	3	1	0	1	272	1	280
Minnesota	2	1	6	0	0	344	1	354
Mississippi	0	1	2	0	0	105	0	108
Missouri	0	3	4	0	0	250	0	257
Montana	0	0	0	0	0	33	0	33
Nebraska	1	1	1	0	0	81	0	84
Nevada	1	0	0	0	0	134	0	135
New Hampshire	0	0	1	0	1	50	0	52
New Jersey	0	1	17	0	2	526	0	546
New Mexico	0	1	0	0	0	71	0	72
New York	5	5	20	0	3	628	2	663
North Carolina	15	4	12	0	0	514	3	548
North Dakota	0	0	0	0	0	10	0	10
Ohio	6	3	9	0	1	638	0	657
Oklahoma	0	3	3	0	0	210	1	217
Oregon	0	3	2	0	0	92	0	97
Pennsylvania	6	3	15	0	0	581	1	606
Rhode Island	0	1	2	0	0	48	0	51
South Carolina	3	1	0	0	0	251	0	255
South Dakota	0	0	0	0	0	23	0	23
Tennessee	2	2	3	0	0	265	1	273
Texas	12	9	23	0	0	1,431	2	1,477
Utah	2	1	0	0	1	87	0	91
Vermont	0	0	1	0	0	12	0	13
Virginia	3	2	8	0	1	372	1	387
Washington	1	1	3	0	0	159	0	164
West Virginia	0	1	0	0	0	31	0	32
Wisconsin	0	0	4	0	0	173	1	178
Wyoming	0	0	0	0	0	16	0	16
Other	0	0	1	0	0	4	0	5

**Table 2: Number of Modification Actions in Combination Actions  
Implemented in the First Quarter of 2020**

States	Capitalization	Rate reduction or freeze	Term extension	Principal reduction	Principal deferral	Total combination modifications
Total—all states	12,881	9,433	12,878	87	1,628	13,702
Alabama	172	113	169	1	24	184
Alaska	25	13	25	0	1	26
Arizona	351	285	356	1	29	370
Arkansas	137	93	139	0	13	145
California	725	470	671	6	117	768
Colorado	127	89	134	0	6	139
Connecticut	203	140	206	1	40	217
Delaware	85	62	84	0	15	87
District of Columbia	29	21	29	0	1	31
Florida	974	757	960	10	164	1,019
Georgia	559	414	566	0	53	599
Hawaii	24	12	23	1	3	24
Idaho	25	13	21	0	3	25
Illinois	808	607	823	9	111	861
Indiana	399	329	390	0	26	412
Iowa	102	78	109	0	7	111
Kansas	109	74	110	0	7	114
Kentucky	119	84	121	0	11	127
Louisiana	205	156	207	0	17	216
Maine	39	25	40	1	5	41
Maryland	546	383	540	2	85	585
Massachusetts	176	115	177	1	27	190
Michigan	258	190	250	2	20	272
Minnesota	323	217	330	1	25	344
Mississippi	99	73	99	0	13	105
Missouri	230	172	232	3	28	250
Montana	31	24	31	0	4	33
Nebraska	79	55	74	0	12	81
Nevada	130	109	128	0	11	134
New Hampshire	48	25	47	0	8	50
New Jersey	487	338	482	8	116	526
New Mexico	69	46	66	0	5	71
New York	580	407	580	10	113	628
North Carolina	482	359	491	2	54	514
North Dakota	9	5	10	0	0	10
Ohio	608	495	621	6	48	638
Oklahoma	201	155	193	3	25	210
Oregon	83	59	87	0	10	92
Pennsylvania	539	374	553	5	81	581
Rhode Island	45	27	46	0	5	48
South Carolina	239	164	233	1	37	251
South Dakota	23	11	21	0	3	23
Tennessee	248	191	247	3	32	265
Texas	1,344	1,062	1,372	1	113	1,431
Utah	84	53	84	0	7	87
Vermont	12	10	11	1	2	12
Virginia	345	240	345	1	40	372
Washington	147	96	144	2	16	159
West Virginia	28	18	24	0	5	31
Wisconsin	152	116	158	5	27	173
Wyoming	16	7	16	0	0	16
Other	3	2	3	0	3	4

**Table 3: Changes in Monthly Principal and Interest Payments by State**  
Modifications Implemented in the First Quarter of 2020

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	5,600	3,331	3,278	350	1,611	71	14,241
Alabama	81	51	37	9	15	0	193
Alaska	9	9	4	0	5	0	27
Arizona	155	109	87	5	22	1	379
Arkansas	66	29	32	3	23	2	155
California	331	238	143	27	63	5	807
Colorado	54	42	39	3	6	0	144
Connecticut	101	49	46	4	29	2	231
Delaware	24	15	32	1	16	1	89
District of Columbia	13	9	5	0	5	1	33
Florida	431	225	254	25	112	7	1,054
Georgia	240	160	155	10	68	5	638
Hawaii	7	12	4	0	2	0	25
Idaho	10	3	8	1	3	1	26
Illinois	359	182	199	18	130	3	891
Indiana	128	116	125	6	44	1	420
Iowa	41	22	35	5	7	3	113
Kansas	46	22	31	4	11	0	114
Kentucky	43	29	43	5	10	3	133
Louisiana	95	50	50	2	29	1	227
Maine	13	10	13	0	4	2	42
Maryland	249	141	151	10	64	1	616
Massachusetts	81	57	42	5	14	1	200
Michigan	121	62	62	6	28	1	280
Minnesota	127	85	80	10	52	0	354
Mississippi	47	29	21	4	7	0	108
Missouri	101	49	62	15	30	0	257
Montana	16	8	4	2	3	0	33
Nebraska	34	13	20	5	11	1	84
Nevada	47	36	40	2	10	0	135
New Hampshire	19	17	16	0	0	0	52
New Jersey	237	111	115	14	67	2	546
New Mexico	26	13	18	1	14	0	72
New York	247	146	127	14	124	5	663
North Carolina	207	130	132	14	62	3	548
North Dakota	5	2	1	1	1	0	10
Ohio	248	137	156	11	104	1	657
Oklahoma	90	44	43	8	31	1	217
Oregon	46	28	15	4	4	0	97
Pennsylvania	258	135	128	11	70	4	606
Rhode Island	17	8	22	1	3	0	51
South Carolina	88	65	62	9	29	2	255
South Dakota	5	8	6	1	3	0	23
Tennessee	111	66	66	6	22	2	273
Texas	581	328	351	29	185	3	1,477
Utah	30	24	25	2	9	1	91
Vermont	5	4	3	0	1	0	13
Virginia	152	114	80	9	29	3	387
Washington	63	39	39	10	13	0	164
West Virginia	14	11	1	3	3	0	32
Wisconsin	75	35	38	15	14	1	178
Wyoming	5	3	8	0	0	0	16
Other	1	1	2	0	0	1	5

Table 4: Number of Re-Defaults for Loans Modified Six Months Previously							
Modified Loans 60 or More Days Delinquent After Six Months by Changes in 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 re-defaults
Total—all states	539	450	421	44	942	5	2,401
Alabama	12	8	14	1	18	0	53
Alaska	0	1	0	1	3	0	5
Arizona	14	10	10	2	15	0	51
Arkansas	11	5	7	0	16	0	39
California	34	23	22	2	31	0	112
Colorado	3	2	2	0	9	0	16
Connecticut	13	8	10	0	11	0	42
Delaware	5	1	0	1	8	0	15
District of Columbia	0	3	1	0	0	0	4
Florida	30	34	29	3	58	0	154
Georgia	19	18	20	2	61	0	120
Hawaii	0	1	0	0	2	0	3
Idaho	0	1	2	0	3	0	6
Illinois	24	21	19	4	48	0	116
Indiana	7	22	8	1	36	0	74
Iowa	3	13	5	0	13	0	34
Kansas	5	6	4	1	11	0	27
Kentucky	7	6	6	0	11	0	30
Louisiana	7	13	17	1	31	0	69
Maine	2	2	0	0	5	0	9
Maryland	24	14	14	1	51	1	105
Massachusetts	10	3	1	0	11	0	25
Michigan	11	8	9	0	18	0	46
Minnesota	7	12	7	0	14	0	40
Mississippi	3	9	10	1	5	0	28
Missouri	13	6	6	1	16	0	42
Montana	1	0	0	0	2	0	3
Nebraska	3	3	1	0	5	0	12
Nevada	2	3	2	0	6	0	13
New Hampshire	3	1	2	0	2	0	8
New Jersey	35	20	17	0	35	0	107
New Mexico	3	1	2	0	3	0	9
New York	28	17	19	3	39	4	110
North Carolina	30	16	20	5	48	0	119
North Dakota	0	0	0	0	0	0	0
Ohio	29	19	12	1	45	0	106
Oklahoma	7	7	12	0	17	0	43
Oregon	2	1	3	2	2	0	10
Pennsylvania	26	20	16	2	40	0	104
Rhode Island	1	3	0	0	2	0	6
South Carolina	8	14	13	0	30	0	65
South Dakota	2	0	0	1	1	0	4
Tennessee	7	10	6	1	16	0	40
Texas	60	39	42	4	104	0	249
Utah	1	3	4	1	3	0	12
Vermont	0	0	0	0	0	0	0
Virginia	22	11	16	2	20	0	71
Washington	3	7	5	0	6	0	21
West Virginia	0	1	0	0	3	0	4
Wisconsin	1	4	5	0	8	0	18
Wyoming	1	0	1	0	0	0	2
Other	0	0	0	0	0	0	0

## Appendix A: Definitions and Method

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results are not seasonally adjusted.