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Comptroller of the Currency  
Administrator of National Banks

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US Department of the Treasury

## OCC Mortgage Metrics Report

Disclosure of National Bank and Federal Savings  
Association Mortgage Loan Data

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Second Quarter 2011

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

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## ***Executive Summary***

This *OCC Mortgage Metrics Report* for the second quarter of 2011 provides performance data on first-lien residential mortgages serviced by selected national banks and a federal savings association (or thrift). The mortgages in this portfolio comprise 63 percent of all mortgages outstanding in the United States—32.7 million loans totaling nearly \$5.7 trillion in principal balances. This report provides information on their performance through June 30, 2011.

The overall quality of the portfolio of serviced mortgages declined slightly during the second quarter of 2011 following three consecutive quarters of improvement, but quality remained improved from a year ago. The percentage of mortgages that were current and performing decreased to 88.0 percent of the total portfolio at the end of the second quarter of 2011, compared with 88.6 percent the previous quarter of 2011 and 87.3 percent a year ago. The decline in quality is mainly attributable to the increase in early delinquencies—mortgages that were 30 to 59 days delinquent—which increased 0.4 percentage points from the previous quarter to 3.0 percent. The increase in early-stage delinquencies reflects seasonal effects as well as a sluggish economy and elevated unemployment. The percentage of mortgages that were seriously delinquent, 60 or more days delinquent or delinquent mortgages to bankrupt borrowers, increased to 4.9 percent from 4.8 percent in the first quarter of 2011 after decreasing each of the previous five quarters. The number of foreclosures in process increased by less than 1.0 percent from the previous quarter and remained stable at 4.0 percent of the serviced portfolio.

Servicers continued to emphasize alternatives to foreclosure during the second quarter, initiating more than two and a half times as many new home retention actions—loan modifications, trial-period plans, and payment plans—as completed foreclosures, short sales, and deed-in-lieu-of-foreclosure transactions. The large inventory of seriously delinquent mortgages and foreclosures in process continued to work its way through the collections and loss mitigation process—either through home retention actions such as modifications, or through foreclosures and short sales when home retention alternatives were not possible. The 121,202 completed foreclosures during the second quarter increased 1.2 percent from the previous quarter. The 287,145 of newly initiated foreclosures decreased for the third consecutive quarter, reflecting the decline in serious delinquencies through the first quarter of 2011 (see tables 4 and 5).

## ***Mortgage Performance***

- The percentage of mortgages that were current and performing decreased to 88.0 percent (see table 7).
- Mortgages that were 30 to 59 days delinquent increased to 3.0 percent, up from 2.6 percent in the prior quarter but down from 3.1 percent reported in second quarter 2010 (see table 7).
- The percentage of government-guaranteed mortgages that were current decreased to 85.7 percent (see table 9), consistent with the overall decline in mortgage performance.
- The performance of mortgages serviced for Fannie Mae and Freddie Mac (government-sponsored enterprises or GSE) also declined during the second quarter. These mortgages continued to perform better than the overall portfolio because of their higher concentration of prime mortgages. Of the GSE mortgages, 93.1 percent were current at the end of the second quarter of 2011 (see table 10).

- Seriously delinquent mortgages increased to 4.9 percent of the serviced portfolio compared with 4.8 percent in the previous quarter, a 2.4 percent increase from the previous quarter but a 19.9 percent decrease from a year ago. Within risk categories, prime loans recorded a slight decrease in seriously delinquent loans during the second quarter, while serious delinquencies increased for all other risk categories (see table 11).

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

- Servicers implemented 456,397 new home retention actions—modifications, trial-period plans, and payment plans—during the second quarter of 2011 (see table 1). This was more than two and a half times the 180,151 completed foreclosures, short sales, and deed-in-lieu-of-foreclosure actions during the quarter (see table 39). The number of new home retention actions in the second quarter of 2011 decreased 18.1 percent from the previous quarter and 19.5 percent from a year ago.
- Home retention activity comprised 150,583 new modifications, 163,137 new trial-period plans, and 142,677 new payment plans during the second quarter of 2011. Home Affordable Modification Program (HAMP) modifications increased 31.6 percent from the previous quarter to 70,071, as servicers processed the increased volume of HAMP trial-period plans recorded in each of the two prior quarters. During the past five quarters, servicers initiated 2.5 million home retention actions—1.0 million modifications, more than 808,000 trial-period plans, and almost 697,000 payment plans (see table 1).

	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Other Modifications	158,892	174,344	152,369	106,507	80,512	-24.4%	-49.3%
HAMP Modifications	108,155	58,342	56,340	53,250	70,071	31.6%	-35.2%
Other Trial-Period Plans	90,567	71,719	81,034	181,099	118,928	-34.3%	33.3%
HAMP Trial-Period Plans	65,116	44,666	53,058	57,656	44,209	-23.3%	-32.1%
Payment Plans	144,212	119,044	131,983	158,820	142,677	-10.2%	-1.1%
Total	566,942	468,115	474,784	557,332	456,397	-18.1%	-19.5%

- Servicers capitalized missed payments and fees in 90.6 percent of all modifications made during the second quarter of 2011 and reduced interest rates in 79.5 percent of modifications. Term extensions were used in 61.0 percent of modifications, principal deferrals in 18.6 percent, and principal reductions in 5.7 percent (see table 17). Servicers reduced interest rates in 84.3 percent of HAMP modifications, deferred principal in 33.0 percent, and reduced principal in 5.5 percent of the HAMP modifications during the quarter (see table 18).
- Modification actions reduced borrower monthly principal and interest payments in 89.4 percent of modifications made during the second quarter of 2011, with 53.8 percent of the modifications reducing payments by 20 percent or more (see table 22). On average, modifications during the second quarter reduced borrowers' monthly payments by \$393, or 25.1 percent. HAMP modifications reduced payments by an average of \$577, or 35.9 percent (see table 24). Other modifications often resulted in less reduction of the borrower's monthly payment than HAMP modifications. However, the terms of other modifications tended to be more flexible, enabling more borrowers to qualify for modifications of their mortgages.

**Modified Loan Performance**

- More recent modifications that emphasized reduced payments, sustainability, and affordability have outperformed modifications implemented in earlier periods.
- Servicers modified 2,083,464 loans from the beginning of 2008 through the end of the first quarter of 2011. At the end of the second quarter of 2011, 51.3 percent of these modifications remained current or were paid off. Another 9.2 percent were 30 to 59 days delinquent, and 18.2 percent were seriously delinquent. More than 10 percent were in the process of foreclosure, and 5.3 percent had completed the foreclosure process. Of the 938,180 modifications implemented during 2010, 62.4 percent were current or paid off (see table 2).
- HAMP modifications continued to perform better than other modifications implemented during the same periods (see tables 2 and 32). Of the 398,950 HAMP modifications implemented since the fourth quarter of 2009, 70.7 percent remained current or were paid off, compared to 57.6 percent of other modifications implemented during the same period. The better performance of HAMP modifications reflects HAMP’s significantly reduced monthly payments, its emphasis on the affordability of monthly payments relative to borrower income, required income verification, and successful completion of a trial-period.
- Modifications that reduced payments by 10 percent or more performed better than modifications that reduced payments by less than 10 percent, or that did not change or increase payments. At the end of the second quarter of 2011, 59.9 percent of modifications that reduced payments by 10 percent or more were current, compared with 37.0 percent of those that reduced payments by less (see table 2).

<b>Table 2. Status of Mortgages Modified in 2008–2011</b>								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	421,322	25.4%	6.9%	22.3%	16.8%	13.9%	3.0%	11.7%
2009	564,205	41.1%	8.8%	22.4%	13.4%	6.5%	1.5%	6.3%
2010	938,180	62.0%	10.4%	15.2%	6.9%	1.5%	0.4%	3.7%
2011**	159,757	77.7%	10.0%	10.0%	1.9%	0.2%	0.1%	0.2%
Total	2,083,464	50.1%	9.2%	18.2%	10.3%	5.3%	1.2%	5.7%
<b>HAMP Modification Performance Compared With Other Modifications***</b>								
Other Modifications	951,106	57.6%	10.8%	17.5%	8.0%	2.3%	0.6%	3.1%
HAMP Modifications	398,950	70.5%	8.5%	10.6%	4.8%	1.0%	0.2%	4.3%
<b>Modifications That Reduced Payments by 10 Percent or More</b>								
Modifications That Reduced Payments by 10% or More	1,193,892	59.9%	9.2%	14.3%	7.4%	2.8%	0.7%	5.7%
<b>Modifications That Reduced Payments by Less Than 10 Percent</b>								
Modifications That Reduced Payments by Less Than 10%	889,572	37.0%	9.3%	23.4%	14.1%	8.5%	1.8%	5.9%

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

\*\*Includes modifications implemented during 2011 in effect at least three months.

\*\*\*Modifications used to compare with HAMP modifications only include modifications implemented from the third quarter of 2009 through the first quarter of 2011.

- Modifications on mortgages held in the servicers’ own portfolios performed better than modifications on mortgages serviced for others. Of the modifications implemented from January 1, 2008 through June 30, 2010 that have been in effect at least one year, 26.7 percent of modifications on mortgages held in the servicers’ own portfolios were 60 or more days delinquent after 12 months compared to approximately 31 percent for GSE mortgages, 50.4 percent for private investor held loans, and 52.9 percent for government-guaranteed mortgages. This variance may have resulted from differences in modification programs, and servicers’ additional flexibility when modifying mortgages they owned compared with mortgages serviced for others (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	12.3%	19.6%	26.2%	31.8%
Freddie Mac	12.4%	20.0%	25.7%	30.8%
Government-Guaranteed	17.9%	35.9%	47.1%	52.9%
Private	25.2%	36.7%	44.6%	50.4%
Portfolio Loans	8.1%	16.1%	21.8%	26.7%
Overall	16.7%	27.4%	35.2%	41.0%

\*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 in the second quarter of 2011 decreased 8.0 percent from the previous quarter and 1.7 percent from a year ago. This decrease in new foreclosure actions can be attributed to the decline in seriously delinquent mortgages through the first quarter of 2011 and continued emphasis on home retention loss mitigation actions. Foreclosures in process increased from the previous quarter by 0.9 percent and 12.3 percent from a year ago as the large inventory of troubled mortgages continued to work through loss mitigation and foreclosure processes. More than 1.3 million mortgages were in the process of foreclosure at the end of the second quarter of 2011 (see table 4).

**Table 4. New Foreclosures and Foreclosures in Process**

	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Newly Initiated Foreclosures	292,024	382,781	352,314	312,226	287,145	-8.0%	-1.7%
Foreclosures in Process	1,174,931	1,233,675	1,312,418	1,308,718	1,319,902	0.9%	12.3%

- Home forfeiture actions totaled 180,151 at the end of the second quarter of 2011—an increase of 5.0 percent from the previous quarter but a decrease of 22.4 percent from a year ago. Completed foreclosures increased by 1.2 percent during the quarter following a 26 percent increase in the prior quarter. New short sales increased by 12.6 percent during the second quarter, while new deed-in-lieu-of-foreclosure actions increased by nearly 50 percent, though they remained a small component of home forfeiture actions. The increase in completed foreclosures and other home forfeiture actions can be attributed to the large volume of foreclosures in process and serious delinquencies working through the system (see table 5).

<b>Table 5. Completed Foreclosures and Other Home Forfeiture Actions</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Completed Foreclosures	174,939	190,684	95,067	119,733	121,202	1.2%	-30.7%
New Short Sales	55,443	56,040	49,052	50,107	56,403	12.6%	1.7%
New Deed-in-Lieu-of-Foreclosure Actions	1,753	1,722	2,085	1,700	2,546	49.8%	45.2%
Total	232,135	248,446	146,204	171,540	180,151	5.0%	-22.4%



## **About Mortgage Metrics**

The *OCC Mortgage Metrics Report* presents data on first-lien residential mortgages serviced by national banks and a federal savings association focusing on credit performance, loss mitigation efforts, and foreclosures. The OCC collects these data from the eight national banks and one federal savings association with the largest mortgage-servicing portfolios among national banks and federal savings associations.<sup>1</sup> The data represent 63 percent of all first-lien residential mortgages outstanding in the country. Almost 93 percent of the mortgages in the portfolio were serviced for investors other than the reporting institution. At the end of June 2011, the reporting institutions serviced 32.7 million first-lien mortgage loans, totaling nearly \$5.7 trillion in outstanding 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 data support the supervision of national bank and thrift 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 comparisons with the institutions' quarterly call and thrift financial reports, with internal quality reviews conducted by the banks and savings association and with data supplied by participating banks and savings association and aggregated by an external vendor to support this report. Data sets of this size and scope inevitably suffer from a degree of inconsistency, missing data, and other imperfections. This report notes cases in which data anomalies may have affected the results. 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 in appendix E. Developed over several quarters, these data fulfill reporting requirements in the Dodd–Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203).

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<sup>1</sup> 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.

## **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:

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

Approximately 12 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 process resulting in the loss of borrowers' homes. 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 act to 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 month. 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 alternative measures of delinquency, this report presents re-default rates using 30, 60, and 90 or more days delinquent and in process of foreclosure but focuses most often on the 60-day-delinquent measure. All re-default data presented in this report 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, refinanced, sold, or have 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 a permanent loan modification 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 is unpaid for 30 days or more. 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 sum to 100 percent because of rounding.

In tables throughout this report, the quarters are indicated by the last day of the quarter (e.g., 6/30/10), 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**

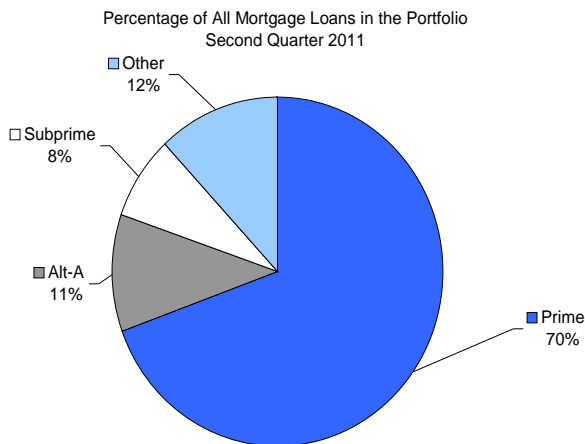
Part I describes the performance of the overall mortgage portfolio, mortgages owned and held by the reporting banks and savings association, government-guaranteed mortgages, mortgages serviced for the GSEs, and mortgages within each risk category.

**Overall Mortgage Portfolio**

At the end of the second quarter of 2011, the servicing portfolio included 32.7 million loans totaling \$5.7 trillion in unpaid principal balances (see table 6). The composition of the portfolio was stable with 70 percent prime, 11 percent Alt-A, 8 percent subprime, and 12 percent other loans (see figure 1).

<b>Table 6. Overall Mortgage Portfolio</b>					
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11
Total Servicing (Millions)	\$5,908,838	\$5,811,102	\$5,718,812	\$5,674,107	\$5,669,078
Total Servicing (Number of Loans)	33,752,774	33,325,846	32,850,411	32,693,525	32,745,430
<b>Composition (Percentage of All Mortgages in the Portfolio)</b>					
Prime	69%	69%	69%	70%	70%
Alt-A	11%	11%	11%	11%	11%
Subprime	8%	8%	8%	7%	8%
Other	13%	13%	12%	12%	12%
<b>Composition (Number of Loans in Each Risk Category of the Portfolio)</b>					
Prime	23,155,666	23,003,078	22,815,089	22,785,810	22,882,432
Alt-A	3,615,419	3,590,905	3,533,254	3,504,917	3,522,397
Subprime	2,618,458	2,550,617	2,471,127	2,418,030	2,476,643
Other	4,363,231	4,181,246	4,030,941	3,984,768	3,863,958

**Figure 1. Portfolio Composition**

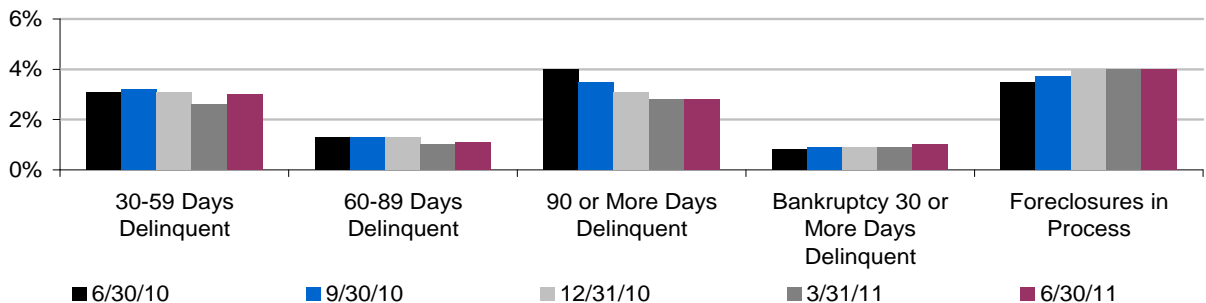


### Overall Mortgage Performance

Current and performing mortgages decreased to 88.0 percent from 88.6 percent the previous quarter but improved from 87.3 percent a year ago (see table 7). The percentage of mortgages that were 30 to 59 days delinquent increased to 3.0 percent—up from 2.6 percent the previous quarter but down from 3.1 percent a year ago. The increase in early stage delinquencies reflects seasonal effects as well as a sluggish economy and elevated unemployment. The percentage of seriously delinquent mortgages (loans 60 or more days delinquent or in bankruptcy and 30 or more days past due) increased following five quarters of improvement to 4.9 percent—up from 4.8 percent the previous quarter but down from 6.1 percent a year ago. The number of foreclosures in process increased by 0.9 percent during the quarter, but the percentage of foreclosures in process remained 4.0 percent of the overall portfolio for the third quarter in a row.

<b>Table 7. Overall Portfolio Performance</b>							
(Percentage of Mortgages in the Portfolio)							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Current and Performing	87.3%	87.4%	87.6%	88.6%	88.0%	-0.6%	0.8%
30–59 Days Delinquent	3.1%	3.2%	3.1%	2.6%	3.0%	16.6%	-0.9%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	1.3%	1.3%	1.3%	1.0%	1.1%	9.1%	-11.4%
90 or More Days Delinquent	4.0%	3.5%	3.1%	2.8%	2.8%	-1.3%	-30.5%
Bankruptcy 30 or More Days Delinquent	0.8%	0.9%	0.9%	0.9%	1.0%	6.0%	18.6%
<b>Subtotal for Seriously Delinquent</b>	<b>6.1%</b>	<b>5.7%</b>	<b>5.3%</b>	<b>4.8%</b>	<b>4.9%</b>	<b>2.4%</b>	<b>-19.9%</b>
Foreclosures in Process	3.5%	3.7%	4.0%	4.0%	4.0%	0.7%	15.8%
<b>(Number of Mortgages in the Portfolio)</b>							
Current and Performing	29,482,861	29,142,865	28,776,911	28,972,149	28,829,812	-0.5%	-2.2%
30–59 Days Delinquent	1,036,715	1,059,625	1,020,699	853,428	996,735	16.8%	-3.9%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	432,377	443,892	428,089	340,252	371,691	9.2%	-14.0%
90 or More Days Delinquent	1,350,359	1,156,339	1,020,988	920,357	910,165	-1.1%	-32.6%
Bankruptcy 30 or More Days Delinquent	275,531	289,450	291,306	298,621	317,125	6.2%	15.1%
<b>Subtotal for Seriously Delinquent</b>	<b>2,058,267</b>	<b>1,889,681</b>	<b>1,740,383</b>	<b>1,559,230</b>	<b>1,598,981</b>	<b>2.5%</b>	<b>-22.3%</b>
Foreclosures in Process	1,174,931	1,233,675	1,312,418	1,308,718	1,319,902	0.9%	12.3%

Figure 2. Overall Portfolio Performance



**Performance of Mortgages Held by Reporting Banks and Thrift**

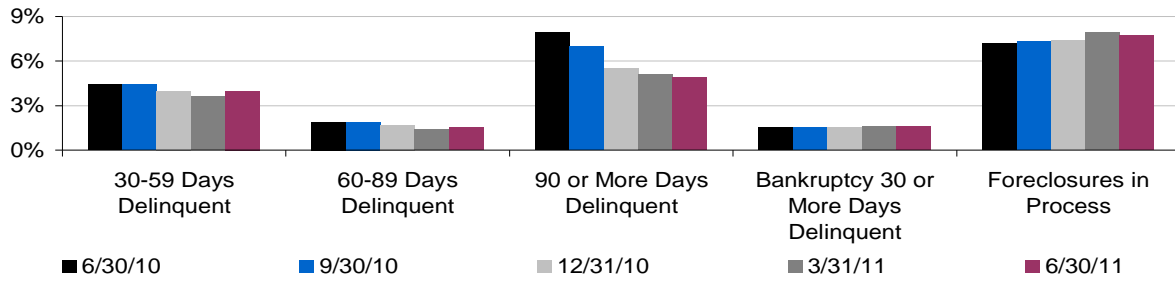
Similar to the overall portfolio of mortgages, the performance of mortgages held by reporting banks and thrift declined in the second quarter of 2011 (see table 8). The percentage of these mortgages that were current at the end of the quarter was 80.3 percent—down from 80.4 percent the previous quarter but up from 77.2 percent a year ago. The percentage of these mortgages that were 30 to 59 days delinquent increased to 4.0 percent—up from 3.6 percent the previous quarter but down from 4.4 percent a year ago. The percentage of these mortgages that were seriously delinquent was 8.0 percent—almost stable from the previous quarter and down from 11.2 percent a year ago. The reporting banks and thrift hold 7.1 percent of the mortgages in this report.<sup>2</sup> Because more of these loans tend to be nonconforming loans with increased risk characteristics and geographic concentration in weaker real estate markets, these mortgages perform worse than mortgages serviced for others.

<b>Table 8. Performance of Mortgages Held by Reporting Banks and Thrift (Percentage)*</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Current and Performing	77.2%	77.9%	79.9%	80.4%	80.3%	-0.1%	4.0%
30–59 Days Delinquent	4.4%	4.4%	4.0%	3.6%	4.0%	8.6%	-9.2%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	1.9%	1.9%	1.7%	1.4%	1.5%	7.5%	-20.2%
90 or More Days Delinquent	7.9%	7.0%	5.5%	5.1%	4.9%	-3.6%	-38.0%
Bankruptcy 30 or More Days Delinquent	1.5%	1.5%	1.5%	1.6%	1.6%	3.5%	11.6%
<b>Subtotal for Seriously Delinquent</b>	<b>11.2%</b>	<b>10.4%</b>	<b>8.7%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>-0.3%</b>	<b>-28.6%</b>
Foreclosures in Process	7.2%	7.3%	7.4%	7.9%	7.7%	-2.2%	7.5%
<b>Performance of Mortgages Held by Reporting Banks and Thrift (Number)</b>							
Current and Performing	1,889,804	1,940,418	1,984,871	1,899,830	1,870,686	-1.5%	-1.0%
30–59 Days Delinquent	106,734	109,863	99,163	86,162	92,254	7.1%	-13.6%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	46,464	46,735	41,437	33,286	35,294	6.0%	-24.0%
90 or More Days Delinquent	193,000	173,504	137,620	119,884	113,916	-5.0%	-41.0%
Bankruptcy 30 or More Days Delinquent	35,507	38,328	36,228	36,970	37,723	2.0%	6.2%
<b>Subtotal for Seriously Delinquent</b>	<b>274,971</b>	<b>258,567</b>	<b>215,285</b>	<b>190,140</b>	<b>186,933</b>	<b>-1.7%</b>	<b>-32.0%</b>
Foreclosures in Process	176,459	182,292	184,046	187,204	180,587	-3.5%	2.3%

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

<sup>2</sup> The OCC and OTS Mortgage Metrics Report for the first quarter of 2011 incorrectly identified the percentage of the portfolio held by national banks and thrift as 14.5 percent.

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



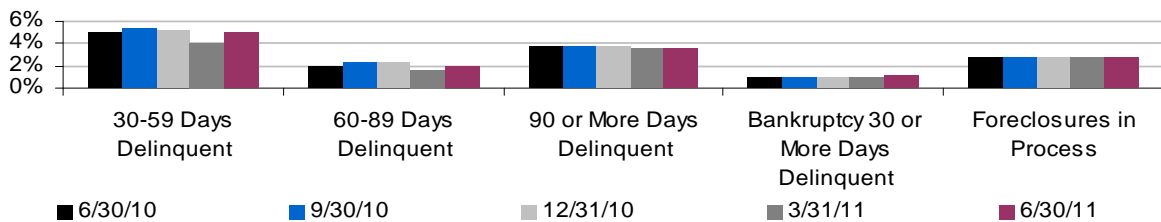


**Performance of Government-Guaranteed Mortgages**

The percentage of current government-guaranteed mortgages decreased to 85.7 percent—down from 87.0 percent the previous quarter but improved from 85.3 percent a year ago (see table 9). The percentage of these mortgages that were 30 to 59 days delinquent increased to 5.0 percent, up from 4.1 percent the previous quarter but down from 5.1 percent a year ago. Serious delinquencies increased to 6.6 percent—up from 6.1 percent the previous quarter but down from 6.8 percent a year ago. The number of foreclosures in process at the end of the second quarter was up 1.9 percent from the prior quarter and up 11.2 percent from a year ago. As a percentage of all government-guaranteed loans, foreclosures in process have remained relatively stable over the prior five quarters. Government-guaranteed mortgages represent almost 21 percent of the portfolio compared with 18 percent a year ago. About 80 percent of these loans were FHA loans, 15 percent were VA loans, and 5 percent were other government-guaranteed mortgages. More than 85 percent of these mortgages were in pools of loans backing Ginnie Mae securities.

<b>Table 9. Performance of Government-Guaranteed Mortgages (Percentage)</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Current and Performing	85.3%	85.1%	85.0%	87.0%	85.7%	-1.5%	0.5%
30–59 Days Delinquent	5.1%	5.3%	5.2%	4.1%	5.0%	20.7%	-3.0%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	2.0%	2.2%	2.2%	1.6%	1.9%	15.2%	-6.0%
90 or More Days Delinquent	3.8%	3.7%	3.8%	3.5%	3.6%	4.9%	-4.9%
Bankruptcy 30 or More Days Delinquent	1.0%	1.0%	1.0%	1.0%	1.1%	3.0%	2.3%
<b>Subtotal for Seriously Delinquent</b>	<b>6.8%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>6.1%</b>	<b>6.6%</b>	<b>7.3%</b>	<b>-4.1%</b>
Foreclosures in Process	2.7%	2.7%	2.8%	2.8%	2.7%	-1.1%	0.3%
<b>Performance of Government-Guaranteed Mortgages (Number)</b>							
Current and Performing	5,228,020	5,344,688	5,483,548	5,743,866	5,826,732	1.4%	11.5%
30–59 Days Delinquent	314,436	330,323	332,322	272,272	338,346	24.3%	7.6%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	121,170	135,607	139,545	106,493	126,264	18.6%	4.2%
90 or More Days Delinquent	234,900	235,060	248,171	229,401	247,804	8.0%	5.5%
Bankruptcy 30 or More Days Delinquent	63,283	65,756	66,779	67,748	71,810	6.0%	13.5%
<b>Subtotal for Seriously Delinquent</b>	<b>419,353</b>	<b>436,423</b>	<b>454,495</b>	<b>403,642</b>	<b>445,878</b>	<b>10.5%</b>	<b>6.3%</b>
Foreclosures in Process	166,708	167,062	178,177	182,041	185,423	1.9%	11.2%

**Figure 4. Performance of Government-Guaranteed Mortgages**

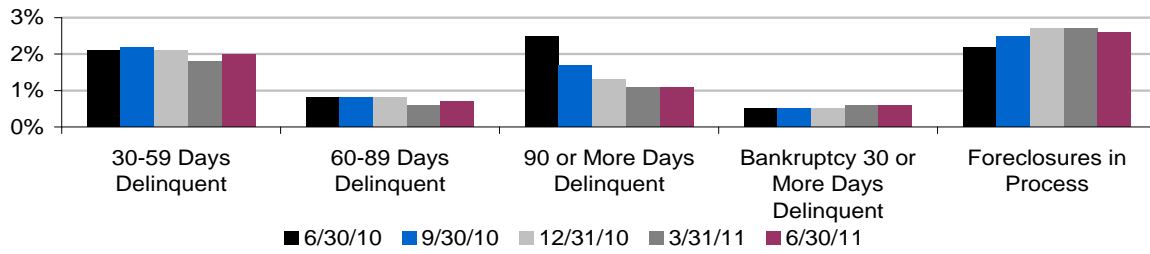


**Performance of GSE Mortgages**

GSE mortgages perform better than the overall portfolio because they have a greater percentage of prime loans. The percentage of GSE mortgages that were current and performing GSE was 93.1 percent at the end of the second quarter, down from 93.2 percent at the end of the previous quarter and up from 92.0 percent a year ago (see table 10). In comparison, 88.0 percent of the overall portfolio of mortgages, 80.3 percent of the mortgages held by reporting banks and thrift, and 85.7 percent of the government-guaranteed mortgages were current and performing. The percentage of GSE mortgages that were 30 to 59 days delinquent increased to 2.0 percent—up from 1.8 percent the previous quarter but down from 2.1 percent a year ago. The percentage of GSE mortgages that were seriously delinquent was stable compared to the previous quarter at 2.3 percent, but down from 3.8 percent a year ago. Foreclosures in process decreased to 2.6 percent—down from 2.7 percent the previous quarter but up from 2.2 percent a year ago. GSE mortgages made up about 60 percent of the overall portfolio. Of the GSE mortgages, about 58 percent were serviced for Fannie Mae and 42 percent were serviced for Freddie Mac.

<b>Table 10. Performance of GSE Mortgages (Percentage)</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Current and Performing	92.0%	92.3%	92.6%	93.2%	93.1%	-0.2%	1.2%
30–59 Days Delinquent	2.1%	2.2%	2.1%	1.8%	2.0%	14.2%	-4.1%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	0.8%	0.8%	0.8%	0.6%	0.7%	4.4%	-19.4%
90 or More Days Delinquent	2.5%	1.7%	1.3%	1.1%	1.1%	-4.1%	-55.9%
Bankruptcy 30 or More Days Delinquent	0.5%	0.5%	0.5%	0.6%	0.6%	6.1%	26.2%
<b>Subtotal for Seriously Delinquent</b>	<b>3.8%</b>	<b>3.1%</b>	<b>2.6%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>0.6%</b>	<b>-37.8%</b>
Foreclosures in Process	2.2%	2.5%	2.7%	2.7%	2.6%	-3.4%	19.7%
<b>Performance of GSE Mortgages (Number)</b>							
Current and Performing	19,279,960	18,877,065	18,451,984	18,538,136	18,351,802	-1.0%	-4.8%
30–59 Days Delinquent	439,866	444,431	418,299	350,152	396,676	13.3%	-9.8%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	173,998	171,065	156,655	127,382	131,893	3.5%	-24.2%
90 or More Days Delinquent	518,237	356,227	251,808	225,932	214,901	-4.9%	-58.5%
Bankruptcy 30 or More Days Delinquent	97,157	104,146	106,307	109,606	115,307	5.2%	18.7%
<b>Subtotal for Seriously Delinquent</b>	<b>789,392</b>	<b>631,438</b>	<b>514,770</b>	<b>462,920</b>	<b>462,101</b>	<b>-0.2%</b>	<b>-41.5%</b>
Foreclosures in Process	451,012	507,214	541,698	529,993	507,913	-4.2%	12.6%

**Figure 5. Performance of GSE Mortgages**

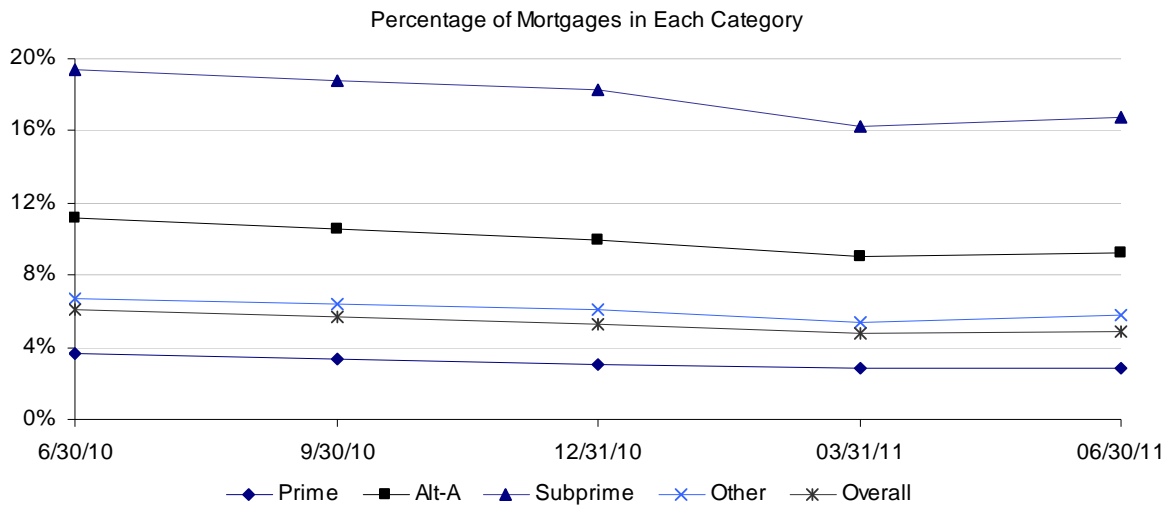


**Seriously Delinquent Mortgages, by Risk Category**

At the end of the second quarter of 2011, the portfolio contained 459,286 fewer seriously delinquent loans compared with a year ago—a 22.3 percent decrease in the number of seriously delinquent mortgages (see table 11). After declining for five consecutive quarters, the percentage of seriously delinquent loans increased slightly during the second quarter to 4.9 percent. Within risk categories, prime loans recorded a slight decrease in seriously delinquent loans during the second quarter, while serious delinquencies increased for all other risk categories.

<b>Table 11. Seriously Delinquent Mortgages, by Risk Category</b>							
<b>(Percentage of Mortgages in Each Category)</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Prime	3.7%	3.3%	3.0%	2.8%	2.8%	-0.6%	-24.7%
Alt-A	11.2%	10.6%	10.0%	9.0%	9.2%	2.4%	-17.8%
Subprime	19.4%	18.8%	18.3%	16.2%	16.8%	3.8%	-13.2%
Other	6.7%	6.4%	6.1%	5.4%	5.8%	6.3%	-13.7%
Overall	6.1%	5.7%	5.3%	4.8%	4.9%	2.4%	-19.9%
<b>(Number of Mortgages in Each Category)</b>							
Prime	853,798	762,423	685,949	635,755	634,907	-0.1%	-25.6%
Alt-A	406,470	378,855	354,386	316,178	325,331	2.9%	-20.0%
Subprime	507,027	478,948	452,231	391,506	416,316	6.3%	-17.9%
Other	290,972	269,455	247,817	215,791	222,427	3.1%	-23.6%
Total	2,058,267	1,889,681	1,740,383	1,559,230	1,598,981	2.5%	-22.3%

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

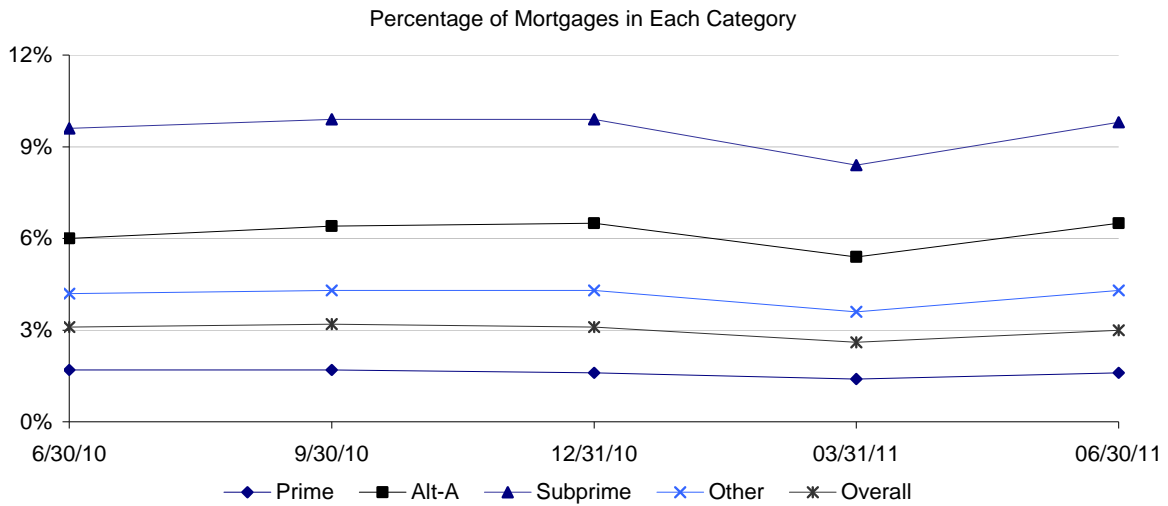


**Mortgages 30 to 59 Days Delinquent, by Risk Category**

At the end of the second quarter of 2011, the servicing portfolio contained 39,980 fewer loans that were 30 to 59 days delinquent than a year ago—a 3.9 percent decrease (see table 12). Overall, 3.0 percent of the total portfolio was 30 to 59 days delinquent at the end of the quarter—up from 2.6 percent in the prior quarter but down from 3.1 percent a year ago.

<b>Table 12. Mortgages 30 to 59 Days Delinquent, by Risk Category</b>							
<i>(Percentage of Mortgages in Each Category)</i>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Prime	1.7%	1.7%	1.6%	1.4%	1.6%	13.6%	-4.7%
Alt-A	6.0%	6.4%	6.5%	5.4%	6.5%	20.7%	6.9%
Subprime	9.6%	9.9%	9.9%	8.4%	9.8%	16.3%	2.0%
Other	4.2%	4.3%	4.3%	3.6%	4.3%	17.1%	1.9%
Overall	3.1%	3.2%	3.1%	2.6%	3.0%	16.6%	-0.9%
<i>(Number of Mortgages in Each Category)</i>							
Prime	385,462	395,731	374,106	318,000	362,883	14.1%	-5.9%
Alt-A	218,506	230,729	227,958	187,599	227,605	21.3%	4.2%
Subprime	250,294	251,603	243,743	202,833	241,580	19.1%	-3.5%
Other	182,453	181,562	174,892	144,996	164,667	13.6%	-9.7%
Total	1,036,715	1,059,625	1,020,699	853,428	996,735	16.8%	-3.9%

**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 underwriting and 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.

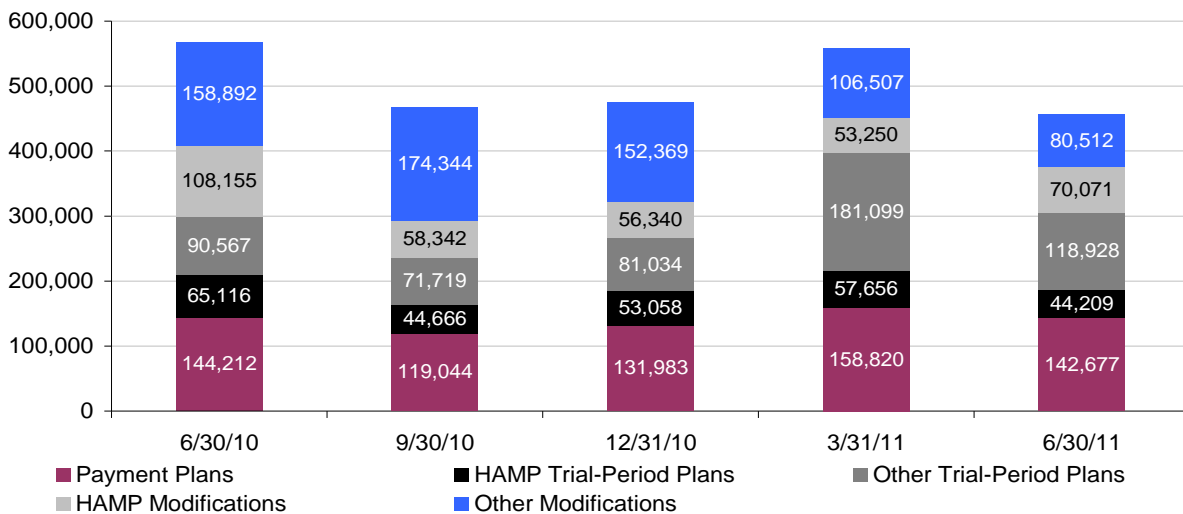
**A. Loan Modifications, Trial-Period Plans, and Payment Plans**

***New Home Retention Actions***

Servicers implemented 456,397 new home retention actions—loan modifications, trial-period plans, and payment plans—during the second quarter of 2011 (see table 13). The number of home retention actions decreased 18.1 percent from the previous quarter and 19.5 percent from a year ago. New HAMP modifications increased to 70,071 during the quarter as servicers processed the increased number of HAMP trial-period plans implemented in each of the two prior quarters. However, the increase in HAMP modifications was offset by the 24.4 percent decline in other modifications during the second quarter. Servicers implemented 150,583 modifications during the quarter—down 5.7 percent from the previous quarter. Servicers implemented 163,137 new trial-period plans—a 31.7 percent decrease from the previous quarter. Payment plans also decreased by 10.2 percent during the second quarter to 142,677. During the past five quarters, servicers initiated more than 2.5 million home retention actions—1.0 million modifications, more than 808,000 trial-period plans, and almost 697,000 payment plans.

<b>Table 13. Number of New Home Retention Actions</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Other Modifications	158,892	174,344	152,369	106,507	80,512	-24.4%	-49.3%
HAMP Modifications	108,155	58,342	56,340	53,250	70,071	31.6%	-35.2%
Other Trial-Period Plans	90,567	71,719	81,034	181,099	118,928	-34.3%	31.3%
HAMP Trial-Period Plans	65,116	44,666	53,058	57,656	44,209	-23.3%	-32.1%
Payment Plans	144,212	119,044	131,983	158,820	142,677	-10.2%	-1.1%
<b>Total</b>	<b>566,942</b>	<b>468,115</b>	<b>474,784</b>	<b>557,332</b>	<b>456,397</b>	<b>-18.1%</b>	<b>-19.5%</b>

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



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

Servicers implemented 70,071 HAMP modifications during the second quarter of 2011—up 31.6 percent from the previous quarter as servicers processed the increased HAMP trial-period plans implemented in each of the two prior quarters (see table 13). More than half of HAMP modifications made during the quarter went to mortgages serviced for the GSEs. Prime mortgages, which represent 70 percent of the total portfolio, received 54.8 percent of all HAMP modifications, while subprime loans at 8.0 percent of all serviced loans received 17.7 percent of these modification actions.

**Table 14. HAMP Modifications, by Investor and Risk Category**  
(Modifications Implemented in the Second Quarter of 2011)

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	12,705	10,206	142	6,527	8,851	38,431
Alt-A	3,807	3,046	168	3,072	3,923	14,016
Subprime	1,896	1,435	152	3,601	5,289	12,373
Other	2,005	1,060	85	618	1,483	5,251
Total	20,413	15,747	547	13,818	19,546	70,071

Servicers implemented 44,209 new HAMP trial-period plans (see table 15) during the quarter, a decrease of 23.3 percent from the 57,656 HAMP trial plans initiated in the previous quarter. Prime mortgages, the risk category with the largest number of past-due loans, received 53.1 percent of the HAMP trial-period plans implemented during the quarter. Alt-A and subprime mortgages received 37.1 percent of the HAMP trial plans implemented during the quarter. GSE mortgages received more than 47 percent of HAMP trial-period plans initiated during the second quarter.

**Table 15. HAMP Trial-Period Plans, by Investor and Risk Category**  
(Trial-Period Plans Implemented in the Second Quarter of 2011)

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	7,618	5,430	186	4,280	5,983	23,497
Alt-A	2,285	1,623	221	1,774	2,542	8,445
Subprime	1,302	777	209	1,965	3,701	7,954
Other	1,443	586	164	585	1,535	4,313
Total	12,648	8,416	780	8,604	13,761	44,209

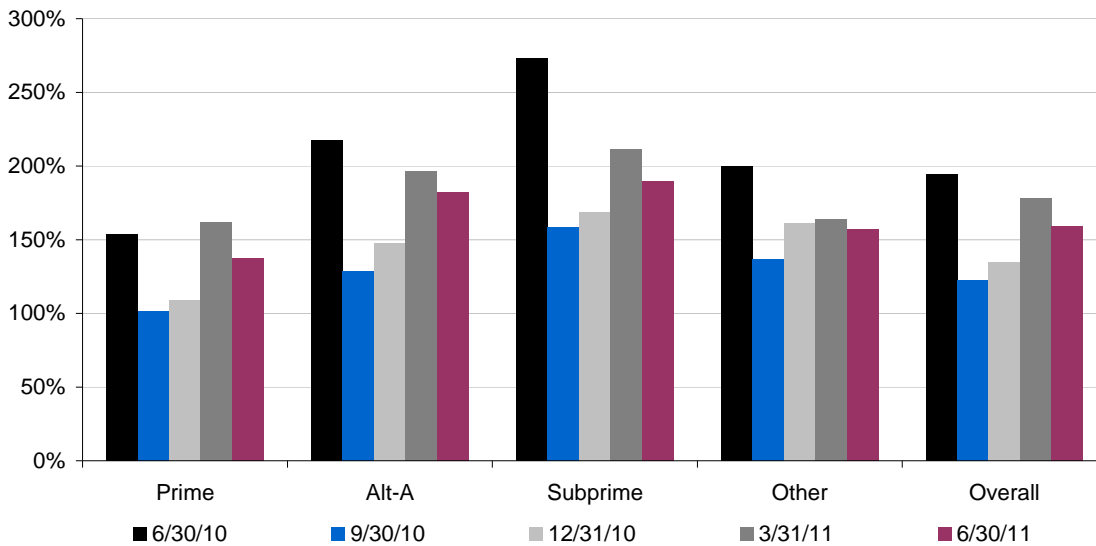


**New Home Retention Actions Relative to Newly Initiated Foreclosures**

Newly initiated home retention actions decreased relative to newly initiated foreclosure actions during the second quarter as home retention actions declined 18.1 percent while newly initiated foreclosure actions declined 8.0 percent (see table 16). Servicers continued to implement significantly more new home retention actions than new foreclosures overall.

<b>Table 16. Percentage of New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Prime	153.7%	101.4%	109.3%	161.8%	137.4%	-15.1%	-10.6%
Alt-A	217.8%	128.5%	147.8%	196.3%	182.5%	-7.0%	-16.2%
Subprime	273.2%	158.3%	169.0%	211.3%	189.6%	-10.3%	-30.6%
Other	199.5%	136.7%	161.4%	163.9%	156.9%	-4.2%	-21.3%
Overall	194.1%	122.3%	134.8%	178.5%	158.9%	-11.0%	-18.1%
Number of New Home Retention Actions	566,942	468,115	474,784	557,332	456,397	-18.1%	-19.5%
Number of Newly Initiated Foreclosures	292,024	382,781	352,314	312,226	287,145	-8.0%	-1.7%

**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 second quarter of 2011 changing more than one of the original loan terms (see table 47 in appendix D).

Servicers capitalized missed fees and payments in 90.6 percent of modifications made during the second quarter, reduced interest rates in 79.5 percent of the modified mortgages, and extended the loan maturity in 61.0 percent (see table 17). Servicers deferred repayment of some portion of the principal balance in 18.6 percent of modifications made during the quarter. During the quarter principal reduction increased to 5.7 percent of all modifications. Because most modifications changed more than one term, the sum of the individual actions exceeds 100 percent of total modifications. Appendix D presents additional detail on combination modifications.

<b>Table 17. Changes in Loan Terms for Modifications Made Through the Second Quarter of 2011</b>							
<b>(Percentage of Total Modifications in Each Category)</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Capitalization	93.9%	87.5%	91.6%	86.9%	90.6%	4.2%	-3.6%
Rate Reduction	86.9%	86.4%	84.2%	82.6%	79.5%	-3.8%	-8.6%
Rate Freeze	4.3%	1.9%	2.4%	2.0%	2.1%	8.4%	-50.3%
Term Extension	51.7%	57.7%	56.1%	58.1%	61.0%	5.1%	18.1%
Principal Reduction	2.2%	5.7%	2.7%	2.8%	5.7%	107.2%	161.4%
Principal Deferral	10.5%	10.1%	9.0%	11.2%	18.6%	65.4%	76.6%
Not Reported*	0.5%	0.7%	1.1%	2.9%	1.8%	-39.3%	243.0%
<b>(Number of Changes in Each Category)</b>							
Capitalization	250,807	203,714	191,132	138,850	136,398	-1.8%	-45.6%
Rate Reduction	232,133	201,046	175,679	131,963	119,645	-9.3%	-48.5%
Rate Freeze	11,442	4,465	5,026	3,142	3,209	2.1%	-72.0%
Term Extension	137,988	134,265	117,058	92,776	91,880	-1.0%	-33.4%
Principal Reduction	5,866	13,340	5,696	4,426	8,645	95.3%	47.4%
Principal Deferral	28,100	23,432	18,836	17,958	27,989	55.9%	-0.4%
Not Reported*	1,387	1,633	2,367	4,693	2,683	-42.8%	93.4%

\*Processing constraints at some servicers prevented them from aggregating and 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, most HAMP modifications included capitalization of missed payments and fees, interest-rate reductions, and term extensions. Servicers used principal deferral, another prescribed action in the HAMP hierarchy, in 33.0 percent of HAMP modifications during the second quarter of 2011 compared with 23.6 percent in the previous quarter. Principal reduction was used in 5.5 percent of all HAMP modifications implemented during the quarter, almost stable from the previous quarter (see table 18).

<b>Table 18. Changes in Loan Terms for HAMP Modifications Made Permanent Through the Second Quarter of 2011</b>							
<b>(Percentage of Total Modifications in Each Category)</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Capitalization	98.8%	95.6%	96.5%	96.5%	97.8%	1.4%	-1.0%
Rate Reduction	93.5%	96.2%	87.9%	94.4%	84.3%	-10.7%	-9.9%
Rate Freeze	1.1%	0.1%	0.2%	0.3%	0.2%	-24.0%	-81.0%
Term Extension	49.2%	55.9%	48.7%	53.4%	53.7%	0.7%	9.3%
Principal Reduction	3.1%	10.3%	7.4%	5.5%	5.5%	0.8%	78.0%
Principal Deferral	20.5%	24.4%	22.5%	23.6%	33.0%	39.7%	60.5%
Not Reported*	0.1%	0.3%	0.2%	0.2%	0.1%	-56.5%	40.5%
<b>(Number of Changes in Each Category)</b>							
Capitalization	106,859	55,762	54,345	51,371	68,521	33.4%	-35.9%
Rate Reduction	101,134	56,121	49,527	50,278	59,060	17.5%	-41.6%
Rate Freeze	1,148	83	121	141	141	0.0%	-87.7%
Term Extension	53,176	32,596	27,448	28,413	37,642	32.5%	-29.2%
Principal Reduction	3,342	6,009	4,197	2,906	3,853	32.6%	15.3%
Principal Deferral	22,214	14,244	12,700	12,565	23,097	83.8%	4.0%
Not Reported*	78	151	122	124	71	-42.7%	-9.0%

\*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 exceeds the total number of modified loans in each risk category. The mix of capitalization, rate reduction, rate freeze, and term extension in modified mortgages did not differ significantly among prime, Alt-A, and subprime mortgages. Principal deferral was used most extensively in prime loans, and principal reduction was used more in Alt-A and subprime loans (see table 19).

<b>Table 19. Changes in Loan Terms for Modifications, by Risk Category, in Second Quarter 2011</b>					
<b>(Percentage of Total Modifications in Each Category)</b>					
	Prime	Alt-A	Subprime	Other	Overall
Capitalization	89.5%	91.7%	91.5%	90.1%	90.6%
Rate Reduction	77.2%	79.4%	81.9%	82.5%	79.5%
Rate Freeze	1.7%	2.1%	2.5%	3.2%	2.1%
Term Extension	60.0%	62.5%	61.5%	61.0%	61.0%
Principal Reduction	4.6%	6.4%	8.2%	3.0%	5.7%
Principal Deferral	25.1%	16.5%	12.8%	11.0%	18.6%
Not Reported*	2.4%	1.5%	0.7%	2.7%	1.8%
<b>(Number of Changes in Each Category)</b>					
Total Mortgages Modified	63,640	31,276	39,573	16,094	150,583
Capitalization	56,989	28,686	36,227	14,496	136,398
Rate Reduction	49,103	24,847	32,419	13,276	119,645
Rate Freeze	1,052	666	972	519	3,209
Term Extension	38,161	19,558	24,346	9,815	91,880
Principal Reduction	2,923	1,988	3,254	480	8,645
Principal Deferral	15,996	5,149	5,077	1,767	27,989
Not Reported*	1,504	474	274	431	2,683

\*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 34.1 percent of all modifications made during the quarter. Government-guaranteed loans received 22.9 percent of all modifications, mortgages serviced for private investors received 26.4 percent, and mortgages held in servicer portfolios received 16.6 percent of all second quarter modifications (calculated from data presented in table 20). Interest-rate reduction, term extension, and the capitalization of missed payments and fees remained the primary types of modification for all investors. Principal reduction was predominantly used for loans held in portfolio. Because modifications often change more than one loan term, the sum of the actions exceeds the number of modified loans for each investor.

<b>Table 20. Type of Modification Action, by Investor and Product Type, in Second Quarter 2011</b>						
<b>(Percentage of Total Modifications in Each Category)</b>						
	<b>Fannie Mae</b>	<b>Freddie Mac</b>	<b>Government-Guaranteed</b>	<b>Private Investor</b>	<b>Portfolio</b>	<b>Overall</b>
Capitalization	98.0%	98.7%	93.2%	88.3%	74.5%	90.6%
Rate Reduction	78.2%	73.2%	91.4%	73.9%	79.3%	79.5%
Rate Freeze	0.4%	4.4%	0.6%	2.5%	3.4%	2.1%
Term Extension	68.2%	73.7%	84.5%	29.2%	59.2%	61.0%
Principal Reduction	0.0%	0.0%	0.0%	10.6%	17.6%	5.7%
Principal Deferral	25.6%	18.4%	0.0%	24.0%	28.0%	18.6%
Not Reported*	0.6%	0.2%	0.1%	1.1%	7.9%	1.8%
<b>(Number of Changes in Each Category)</b>						
Total Mortgages Modified	27,080	24,239	34,444	39,767	25,053	150,583
Capitalization	26,548	23,929	32,115	35,132	18,674	136,398
Rate Reduction	21,173	17,731	31,497	29,369	19,875	119,645
Rate Freeze	115	1,072	200	980	842	3,209
Term Extension	18,457	17,865	29,103	11,616	14,839	91,880
Principal Reduction**	5	2	1	4,227	4,410	8,645
Principal Deferral	6,939	4,457	17	9,563	7,013	27,989
Not Reported	176	44	41	451	1,971	2,683

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

\*\*Fannie Mae and Freddie Mac do not offer modifications that include principal reduction. 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 70,071 HAMP modifications implemented in the second quarter, 51.6 percent were on GSE mortgages, 27.9 percent were on mortgages serviced for private investors, and 19.7 percent were on mortgages held in servicers' portfolios (calculated from data presented in table 21).

Consistent with overall modification actions, interest-rate reduction in addition to capitalization of past-due interest and fees and often term extension were the prevailing actions among HAMP modifications. Principal deferral was used in a significant number of HAMP modifications for all investors other than government-guaranteed loans. Among HAMP modifications, principal reduction was centered in loans held in portfolio.

<b>Table 21. Type of HAMP Modification Action, by Investor and Product Type, in Second Quarter 2011</b>						
<b>(Percentage of Total Modifications in Each Category)</b>						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	99.0%	98.6%	93.2%	98.7%	94.0%	97.8%
Rate Reduction	78.2%	88.0%	90.9%	82.0%	92.1%	84.3%
Rate Freeze	0.0%	0.0%	0.4%	0.5%	0.3%	0.2%
Term Extension	65.9%	68.4%	98.2%	15.3%	71.6%	53.7%
Principal Reduction	0.0%	0.0%	0.0%	0.6%	27.0%	5.5%
Principal Deferral	28.4%	26.8%	0.2%	35.8%	44.0%	33.0%
Not Reported	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%
<b>(Number of Changes in Each Category)</b>						
Total Mortgages Modified	20,413	15,747	547	19,546	13,818	70,071
Capitalization	20,211	15,519	510	19,294	12,987	68,521
Rate Reduction	15,956	13,855	497	16,028	12,724	59,060
Rate Freeze	2	4	2	96	37	141
Term Extension	13,452	10,773	537	2,982	9,898	37,642
Principal Reduction*	3	1	0	120	3,729	3,853
Principal Deferral	5,799	4,225	1	6,989	6,083	23,097
Not Reported**	24	19	0	9	19	71

\*Fannie Mae and Freddie Mac do not offer modifications that include principal reduction. The principal reduction actions reflected in this table represent coding errors to be corrected in subsequent reporting periods.

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

***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 payment caused by the additional capitalized principal. Modifications may also result in increased monthly payments when interest rates or principal payments on adjustable rate mortgages and 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 experience temporary cash flow or liquidity problems or have reasonable prospects to make the 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.

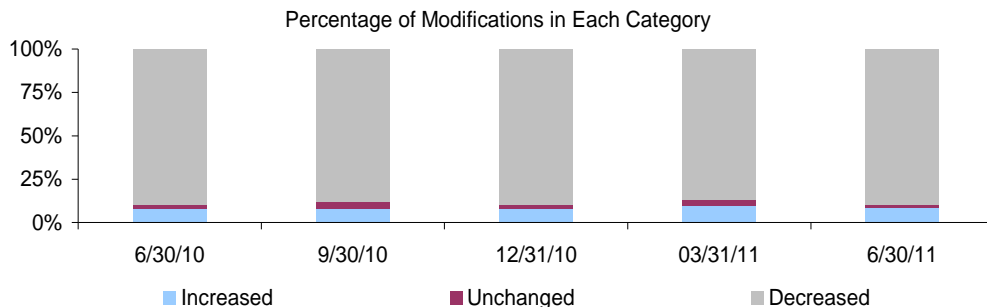
### Changes in Monthly Payments Resulting From Modifications, by Quarter

More than 89 percent of modifications made in the second quarter reduced monthly principal and interest payments (see table 22). Almost 54 percent of the modifications reduced payments by 20 percent or more. Modifications that resulted in higher payments decreased to 8.7 percent of modifications made during the second quarter and 1.9 percent of modifications left monthly payments unchanged.

<b>Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications</b>							
<i>(Percentage of Modifications in Each Category)*</i>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Decreased by 20% or More	55.9%	54.0%	56.3%	47.3%	53.8%	13.7%	-3.8%
Decreased by 10% to Less Than 20%	17.8%	18.0%	19.7%	18.4%	17.2%	-6.7%	-3.0%
Decreased by Less Than 10%	16.3%	16.0%	13.9%	20.8%	18.4%	-11.3%	13.1%
<b>Subtotal for Decreased</b>	<b>90.0%</b>	<b>88.1%</b>	<b>89.9%</b>	<b>86.5%</b>	<b>89.4%</b>	<b>3.4%</b>	<b>-0.6%</b>
Unchanged	1.9%	3.7%	2.3%	4.0%	1.9%	-51.8%	2.1%
Increased	8.2%	8.2%	7.8%	9.5%	8.7%	-9.1%	5.9%
<b>Subtotal for Unchanged and Increased</b>	<b>10.0%</b>	<b>11.9%</b>	<b>10.1%</b>	<b>13.5%</b>	<b>10.6%</b>	<b>-21.6%</b>	<b>5.2%</b>
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
<i>(Number of Modifications in Each Category)</i>							
Decreased by 20% or More	148,686	125,035	117,072	75,116	80,582	7.3%	-45.8%
Decreased by 10% to Less Than 20%	47,249	41,702	40,974	29,310	25,801	-12.0%	-45.4%
Decreased by Less Than 10%	43,409	37,104	28,883	33,025	27,642	-16.3%	-36.3%
<b>Subtotal for Decreased</b>	<b>239,344</b>	<b>203,841</b>	<b>186,929</b>	<b>137,451</b>	<b>134,025</b>	<b>-2.5%</b>	<b>-44.0%</b>
Unchanged	4,972	8,582	4,817	6,289	2,860	-54.5%	-42.5%
Increased	21,756	18,920	16,265	15,127	12,971	-14.3%	-40.4%
<b>Subtotal for Unchanged and Increased</b>	<b>26,728</b>	<b>27,502</b>	<b>21,082</b>	<b>21,416</b>	<b>15,831</b>	<b>-26.1%</b>	<b>-40.8%</b>
Total	266,072	231,343	208,011	158,867	149,856	-5.7%	-43.7%

\*No payment change information was reported on 975 modifications in the second quarter of 2010, 1,343 in the third quarter of 2010, 698 in the fourth quarter of 2010, 890 in the first quarter of 2011, and 727 in the second quarter of 2011.

**Figure 10. Changes in Monthly Principal and Interest Payments**





**Changes in Monthly Payments Resulting From HAMP Modifications, by Quarter**

Almost 99 percent of HAMP modifications made during the second quarter reduced borrower monthly payments, with 77.1 percent reducing payments by 20 percent or more (see table 23). In addition to achieving lower payments, HAMP attempts to increase payment sustainability by targeting monthly housing payments at 31 percent of borrowers' income. Performance data on all modifications showed 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.

<b>Table 23. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications</b>							
<b>(Percentage of HAMP Modifications)*</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Decreased by 20% or More	78.4%	75.9%	77.3%	75.9%	77.1%	1.5%	-1.7%
Decreased by 10% to Less Than 20%	12.5%	13.3%	12.0%	13.4%	13.1%	-2.2%	5.1%
Decreased by Less Than 10%	7.9%	8.8%	7.5%	8.7%	8.6%	-0.7%	9.1%
<b>Subtotal for Decreased</b>	<b>98.8%</b>	<b>98.1%</b>	<b>96.8%</b>	<b>98.0%</b>	<b>98.8%</b>	<b>0.8%</b>	<b>0.0%</b>
Unchanged	0.7%	0.3%	1.1%	1.0%	0.2%	-81.5%	-73.1%
Increased	0.5%	1.6%	2.1%	1.0%	1.0%	0.3%	99.9%
<b>Subtotal for Unchanged and Increased</b>	<b>1.2%</b>	<b>1.9%</b>	<b>3.2%</b>	<b>2.0%</b>	<b>1.2%</b>	<b>-41.1%</b>	<b>-1.2%</b>
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
<b>(Number of HAMP Modifications)</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Decreased by 20% or More	84,661	44,134	43,338	40,321	53,941	33.8%	-36.3%
Decreased by 10% to Less Than 20%	13,476	7,761	6,735	7,124	9,178	28.8%	-31.9%
Decreased by Less Than 10%	8,520	5,123	4,187	4,604	6,024	30.8%	-29.3%
<b>Subtotal for Decreased</b>	<b>106,657</b>	<b>57,018</b>	<b>54,260</b>	<b>52,049</b>	<b>69,143</b>	<b>32.8%</b>	<b>-35.2%</b>
Unchanged	741	169	606	530	129	-75.7%	-82.6%
Increased**	527	952	1,200	517	683	32.1%	29.6%
<b>Subtotal for Unchanged and Increased</b>	<b>1,268</b>	<b>1,121</b>	<b>1,806</b>	<b>1,047</b>	<b>812</b>	<b>-22.4%</b>	<b>-36.0%</b>
Total	107,925	58,139	56,066	53,096	69,955	31.8%	-35.2%

\*No payment change information was reported on 230 HAMP modifications in the second quarter of 2010, 203 in the third quarter of 2010, 274 in the fourth quarter of 2010, 154 in the first quarter of 2011, and 116 in the second quarter of 2011.

\*\*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 loan over its remaining term, 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 second quarter of 2011 reduced monthly principal and interest payments by an average of \$393, an increase of \$59, or 17.7 percent from the prior quarter (see table 24). HAMP modifications made during the quarter reduced payments by an average of \$577, up from \$562 in the prior quarter. Other modifications reduced borrower monthly payments by an average of \$231 during the second quarter compared to \$219 in the prior quarter.

<b>Table 24. Average Change in Monthly Payments Resulting From Modifications, by Quarter*</b>							
<b>All Modifications</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Decreased by 20% or More	(679)	(627)	(610)	(634)	(667)	5.1%	-1.8%
Decreased by 10% to Less Than 20%	(187)	(188)	(186)	(184)	(187)	2.0%	0.3%
Decreased by Less Than 10%	(68)	(59)	(69)	(55)	(60)	10.0%	-11.3%
Unchanged	0	0	0	0	0		
Increased**	121	132	134	122	106	-13.3%	-12.9%
Overall	(414)	(371)	(379)	(334)	(393)	17.7%	-5.1%
Percentage Change	-26.5%	-24.6%	-25.5%	-21.6%	-25.1%		
<b>Other Modifications</b>							
Decreased by 20% or More	(610)	(575)	(543)	(566)	(590)	4.3%	-3.2%
Decreased by 10% to Less Than 20%	(174)	(181)	(178)	(171)	(170)	-1.0%	-2.5%
Decreased by Less Than 10%	(64)	(55)	(67)	(50)	(55)	9.6%	-14.2%
Unchanged	0	0	0	0	0		
Increased**	120	131	128	120	103	-14.7%	-14.4%
Overall	(282)	(301)	(302)	(219)	(231)	5.6%	-18.0%
Percentage Change	-18.7%	-20.9%	-21.6%	-15.1%	-15.6%		
<b>HAMP Modifications</b>							
Decreased by 20% or More	(732)	(722)	(725)	(693)	(704)	1.6%	-3.7%
Decreased by 10% to Less Than 20%	(219)	(216)	(223)	(222)	(219)	-1.2%	0.3%
Decreased by Less Than 10%	(83)	(82)	(82)	(83)	(79)	-4.8%	-5.4%
Unchanged	0	0	0	0	0		
Increased**	172	149	213	164	158	-3.5%	
Overall	(607)	(582)	(588)	(562)	(577)	2.7%	-4.9%
Percentage Change	-37.8%	-35.6%	-35.9%	-34.6%	-35.9%		

\*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**

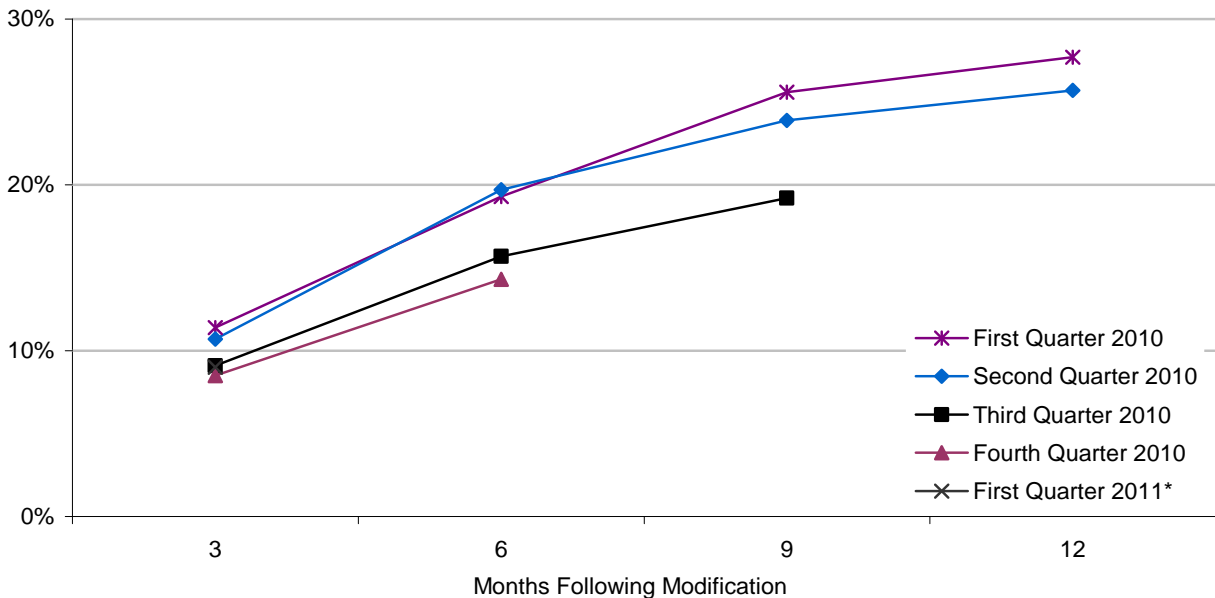
**Re-Default Rates of Modified Loans: 60 or More Days Delinquent**

More recent modifications have generally performed better than earlier modifications, reflecting the ongoing emphasis on lower monthly payments and payment sustainability (see table 25). After three months, modifications implemented during the first quarter of 2011 re-defaulted at a slightly higher rate than modifications implemented during the prior quarter as a lesser percentage of first quarter 2011 modifications lowered monthly payments than did fourth quarter 2010 modifications.

<b>Table 25. Modified Loans 60 or More Days Delinquent</b>				
Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
First Quarter 2010	11.4%	19.3%	25.6%	27.7%
Second Quarter 2010	10.7%	19.7%	23.9%	25.7%
Third Quarter 2010	9.1%	15.7%	19.2%	--
Fourth Quarter 2010	8.5%	14.3%	--	--
First Quarter 2011	9.0%	--	--	--

\*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, refinanced, sold, or have 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 first quarter 2011 data is a single point (9.0 percent), and is obscured by the beginning of the trend line for the third quarter of 2010.

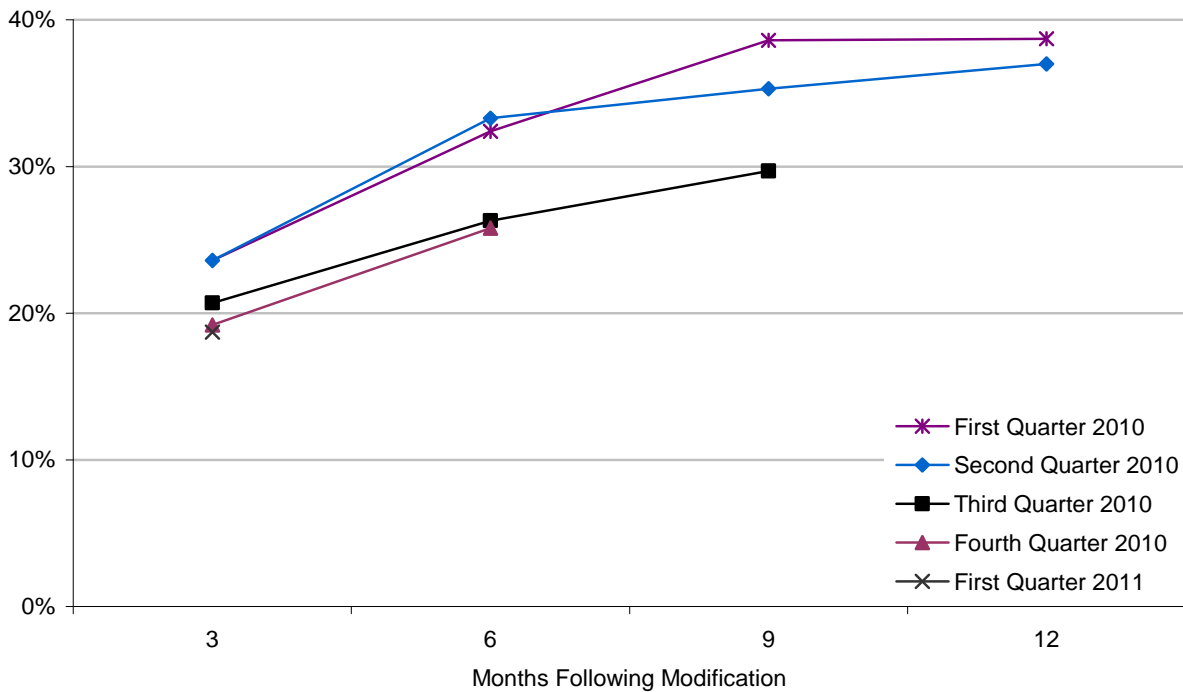
**Re-Default Rates of Modified Loans: 30 or More Days Delinquent**

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. More recent modifications generally showed lower re-default rates than previous modifications as a result of the increased emphasis on lower monthly payments and payment sustainability. When measured at 30 or more days delinquent after three months, modifications implemented during the first quarter of 2011 re-defaulted at a lower rate than modifications implemented during previous quarters (see table 26).

<b>Table 26. Modified Loans 30 or More Days Delinquent</b>				
Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
First Quarter 2010	23.6%	32.4%	38.6%	38.7%
Second Quarter 2010	23.6%	33.3%	35.3%	37.0%
Third Quarter 2010	20.7%	26.3%	29.7%	--
Fourth Quarter 2010	19.2%	25.8%	--	--
First Quarter 2011	18.7%	--	--	--

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

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



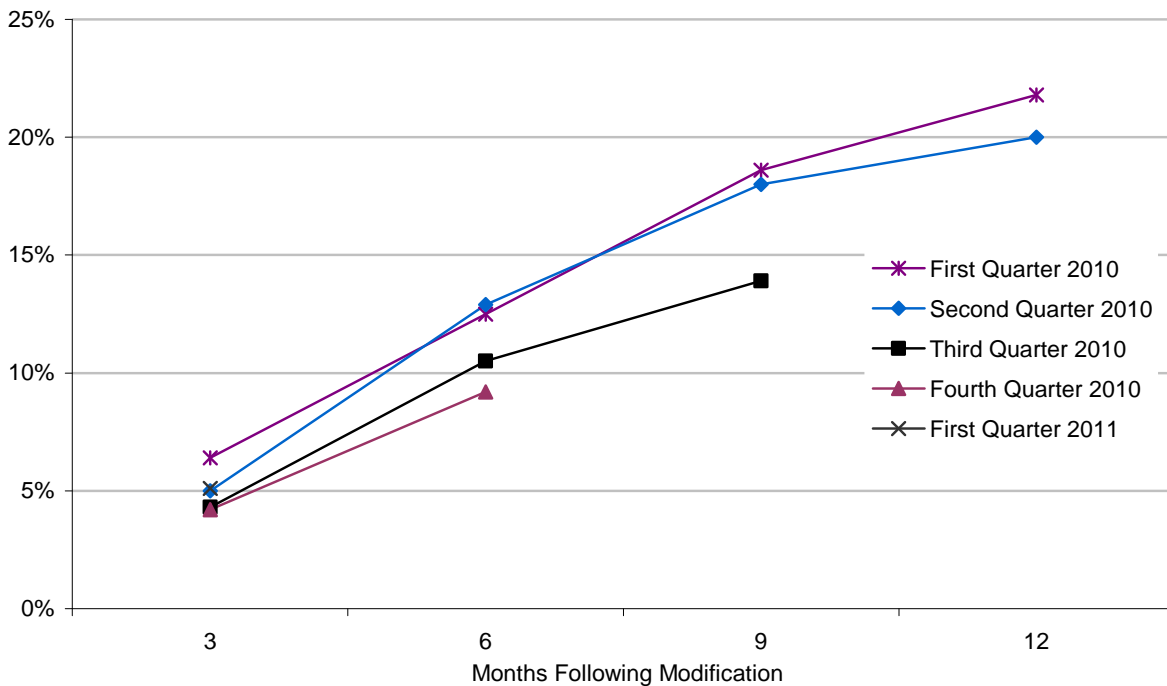
**Re-Default Rates of Modified Loans: 90 or More Days Delinquent**

The percentage of modified mortgages that were 90 or more days delinquent after modification was naturally lower than shorter-term delinquency measures. As with other measures of modification sustainability, more recent modifications tended to outperform previous vintages of loan modifications. Modifications implemented during the first quarter of 2011 re-defaulted at a slightly higher rate than modifications implemented during the prior quarter when measured as 90 or more days delinquent after three months (see table 27).

<b>Table 27. Modified Loans 90 or More Days Delinquent*</b>				
Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
First Quarter 2010	6.4%	12.5%	18.6%	21.8%
Second Quarter 2010	5.0%	12.9%	18.0%	20.0%
Third Quarter 2010	4.3%	10.5%	13.9%	--
Fourth Quarter 2010	4.2%	9.2%	--	--
First Quarter 2011	5.1%	--	--	--

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

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



**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 others. These lower re-default rates for portfolio and GSE mortgages may have reflected differences in modification programs and, for portfolio mortgages, additional flexibility to modify terms for greater sustainability. Re-default rates for government-guaranteed mortgages and loans serviced for private investors were highest over time, reflecting the higher risk associated with those mortgages. Consistent with trends shown elsewhere, recent vintages of modifications generally performed better than earlier modifications, reflecting the recent emphasis on modifications that significantly reduce borrower monthly payments.

**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	30.3%	44.9%	54.1%	59.5%
Freddie Mac	22.7%	40.0%	51.2%	57.5%
Government-Guaranteed	32.5%	53.6%	63.7%	67.8%
Private	36.8%	49.0%	55.9%	61.0%
Portfolio Loans	16.3%	27.9%	35.0%	40.1%
Overall	31.7%	45.3%	53.1%	58.1%

**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	17.3%	30.8%	37.3%	40.7%
Freddie Mac	28.3%	36.5%	41.5%	44.0%
Government-Guaranteed	23.4%	42.2%	51.7%	55.5%
Private	28.1%	41.2%	49.4%	53.2%
Portfolio Loans	6.7%	14.9%	20.6%	24.3%
Overall	19.7%	32.0%	39.3%	43.0%

**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%	18.8%	22.0%
Freddie Mac	7.4%	12.3%	15.4%	17.6%
Government-Guaranteed	12.4%	27.3%	37.2%	41.7%
Private	12.2%	19.9%	25.9%	29.7%
Portfolio Loans	6.6%	11.8%	16.2%	20.7%
Overall	10.0%	17.4%	22.9%	26.6%

\*Data include all modifications implemented during 2010 that have aged the indicated number of months.

<b>Table 31. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2011</b>				
<b>(60 or More Days Delinquent)*</b>				
<b>Investor Loan Type</b>	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>
Fannie Mae	9.3%	--	--	--
Freddie Mac	5.7%	--	--	--
Government-Guaranteed	10.0%	--	--	--
Private	13.6%	--	--	--
Portfolio Loans	4.5%	--	--	--
Overall	9.0%	--	--	--

\*Data include all modifications implemented during 2011 that have aged the indicated number of months.

**Performance of HAMP Modifications Compared With Other Modifications**

HAMP modifications have generally 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 (see table 32).

<b>Table 32. Performance of HAMP Modifications Compared With Other Modifications</b>					
<b>(60 or More Days Delinquent)*</b>					
	<b>Number of Modifications</b>	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>
HAMP First Quarter 2010	100,226	10.9%	13.0%	17.4%	19.4%
Other First Quarter 2010	129,512	11.7%	24.2%	31.9%	34.2%
HAMP Second Quarter 2010	108,155	8.3%	13.3%	15.9%	17.3%
Other Second Quarter 2010	158,892	12.3%	24.0%	29.2%	31.4%
HAMP Third Quarter 2010	58,342	7.5%	11.5%	13.5%	--
Other Third Quarter 2010	174,344	9.7%	17.1%	21.1%	--
HAMP Fourth Quarter 2010	56,340	9.0%	11.2%	--	--
Other Fourth Quarter 2010	152,369	8.3%	15.5%	--	--
HAMP First Quarter 2011	53,250	5.8%	--	--	--
Other First Quarter 2011	106,507	10.7%	--	--	--

\*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 borrower monthly payments consistently show lower re-default rates than other modifications, and the larger the reduction in monthly payment, the lower the subsequent re-default rate. Lower recent re-default rates may also result from the increased emphasis of HAMP and other modification programs on lowering 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**

The following tables present re-default rates, measured as 60 or more days delinquent, for modifications made since January 1, 2008. Data show re-default rates decreased as reduction in monthly principal and interest payments increased. Re-default rates were lower for modifications made in 2009 than for modifications made during 2008. Re-default rates for modifications made in 2010 were lower than those made in the prior two years. Continuing this trend, modifications with greater payment reductions implemented during the first quarter of 2011 performed better than other modifications, and 2011 modifications performed better after three months than modifications from earlier periods, reflecting the continued servicer emphasis on implementing modifications with lower monthly payments.

<b>Table 33. Re-Default Rates of Loans Modified in 2008 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</b>				
	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>
Decreased by 20% or More	15.8%	26.0%	33.3%	39.5%
Decreased by 10% to Less Than 20%	20.9%	33.1%	41.5%	48.2%
Decreased by Less Than 10%	24.0%	40.7%	50.2%	55.9%
Unchanged	47.4%	56.8%	62.5%	65.9%
Increased	35.4%	54.7%	63.8%	69.0%
Total	31.6%	45.2%	53.0%	58.1%

<b>Table 34. Re-Default Rates of Loans Modified in 2009 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</b>				
	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>
Decreased by 20% or More	9.5%	17.9%	24.0%	27.4%
Decreased by 10% to Less Than 20%	14.9%	28.5%	36.7%	41.1%
Decreased by Less Than 10%	17.3%	33.6%	42.4%	46.5%
Unchanged	42.4%	50.2%	55.3%	57.5%
Increased	26.4%	46.4%	55.9%	59.7%
Total	19.4%	31.9%	39.3%	42.9%

<b>Table 35. Re-Default Rates of Loans Modified in 2010 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</b>				
	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months after Modification</b>
Decreased by 20% or More	7.3%	11.5%	15.3%	17.9%
Decreased by 10% to Less Than 20%	10.0%	19.8%	26.9%	30.6%
Decreased by Less Than 10%	13.5%	26.2%	33.8%	39.7%
Unchanged	17.6%	20.9%	24.0%	34.8%
Increased	18.3%	32.9%	41.9%	46.8%
Total	10.0%	17.4%	22.9%	26.6%

\*Data include all modifications implemented during 2010 that have aged the indicated number of months.

<b>Table 36. Re-Default Rates of Loans Modified in 2011 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</b>				
	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months after Modification</b>
Decreased by 20% or More	6.6%	--	--	--
Decreased by 10% to Less Than 20%	8.3%	--	--	--
Decreased by Less Than 10%	9.7%	--	--	--
Unchanged	9.7%	--	--	--
Increased	20.2%	--	--	--
Total	9.0%	--	--	--

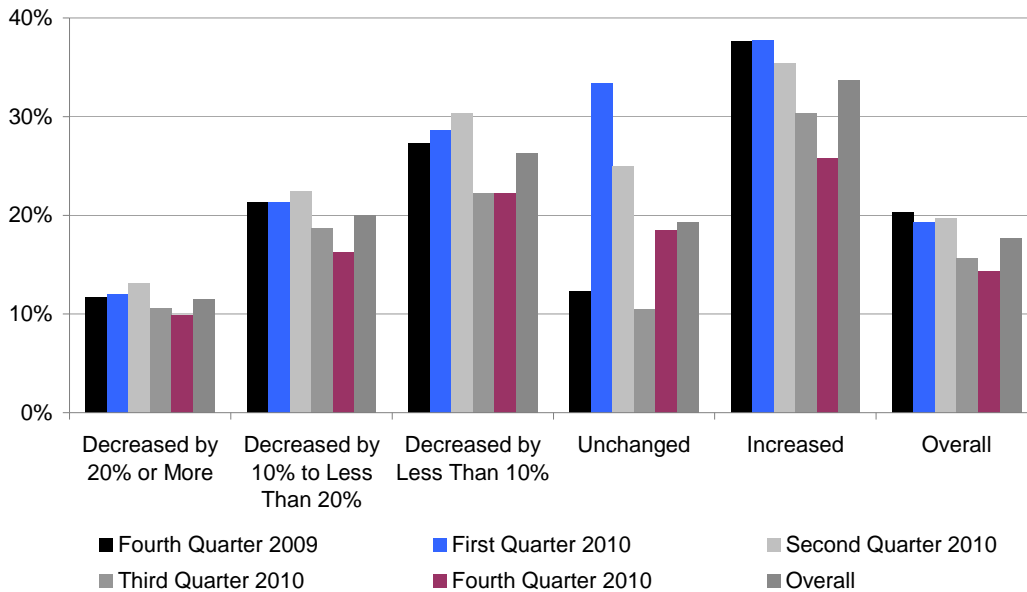
\*Data include all modifications implemented during 2011 that have aged the indicated number of months.

**60+ Delinquency at 6 Months After Modification by Change in Monthly Payment**

Modifications that significantly reduce monthly principal and interest payments consistently performed better than other modifications. Modifications with the greatest decrease in monthly payment consistently had the lowest re-default rates (see table 37).

	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Overall
Fourth Quarter 2009	11.7%	21.3%	27.3%	12.3%	37.7%	20.3%
First Quarter 2010	12.0%	21.3%	28.6%	33.4%	37.8%	19.3%
Second Quarter 2010	13.1%	22.5%	30.3%	25.0%	35.4%	19.7%
Third Quarter 2010	10.6%	18.7%	22.2%	10.5%	30.3%	15.7%
Fourth Quarter 2010	9.9%	16.3%	22.2%	18.5%	25.8%	14.3%
Overall	11.5%	20.0%	26.3%	19.3%	33.7%	17.7%

**Figure 14. 60+ Delinquency at 6 Months After Modification by Change in Monthly Payment**



**Status of Mortgages Modified in 2008–2011 Through the First Quarter of 2011**

Servicers implemented 2,083,464 modifications from January 1, 2008 through March 31, 2011. Of these modifications, 50.1 percent were current and performing at the end of the second quarter of 2011 with another 1.2 percent paid off. More than 27 percent of these modifications were delinquent, while 15.6 percent were in 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 1,193,892 modifications that reduced payments by 10 percent or more, 59.9 percent were current and performing at the end of the second quarter, compared with 37.0 percent of modifications that reduced payments less than 10 percent (see table 38). Modifications of mortgages held in the servicers’ portfolios and those serviced for GSEs performed better than modifications of mortgages serviced for other investors. At the end of the second quarter of 2011, 60.6 percent of modifications of loans held in servicer portfolios and 59.4 percent of modifications of GSE mortgages were current and performing—compared with 40.5 percent of modifications on mortgages held by other investors.

<b>Table 38. Status of Mortgages Modified in 2008–2011</b>								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	421,322	25.4%	6.9%	22.3%	16.8%	13.9%	3.0%	11.7%
2009	564,205	41.1%	8.8%	22.4%	13.4%	6.5%	1.5%	6.3%
2010	938,180	62.0%	10.4%	15.2%	6.9%	1.5%	0.4%	3.7%
First Quarter 2011**	159,757	77.7%	10.0%	10.0%	1.9%	0.2%	0.1%	0.2%
Total	2,083,464	50.1%	9.2%	18.2%	10.3%	5.3%	1.2%	5.7%
<b>HAMP Modification Performance Compared with Other Modifications***</b>								
Other Modifications	951,106	57.6%	10.8%	17.5%	8.0%	2.3%	0.6%	3.1%
HAMP Modifications	398,950	70.5%	8.5%	10.6%	4.8%	1.0%	0.2%	4.3%
<b>Modifications That Reduced Payments by 10 Percent or More</b>								
Modifications that Reduced Payments by 10% or More	1,193,892	59.9%	9.2%	14.3%	7.4%	2.8%	0.7%	5.7%
<b>Modifications That Reduced Payments by Less Than 10 Percent</b>								
Modifications that Reduced Payments by Less than 10%	889,572	37.0%	9.3%	23.4%	14.1%	8.5%	1.8%	5.9%
<b>Status of Modifications by Major Investor Categories</b>								
Portfolio	407,996	60.6%	7.3%	12.6%	7.7%	3.3%	1.7%	6.9%
GSE	624,485	59.4%	8.9%	11.2%	8.4%	4.1%	1.0%	7.0%
Other	1,050,983	40.5%	10.2%	24.5%	12.4%	6.7%	1.1%	4.5%

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

\*\*Includes modifications implemented during 2011 in effect at least three months.

\*\*\*Modifications used to compare with HAMP modifications only include modifications implemented from the third quarter of 2009 through the first quarter of 2011.

**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 180,151 during the second quarter of 2011, an increase of 5.0 percent from the previous quarter but a 22.4 percent decrease from a year ago (see table 39). Completed foreclosures increased for the second consecutive quarter to 121,202—up 1.2 percent from the previous quarter and over 27 percent from the fourth quarter 2010 following the lifting of foreclosure moratoria. Short sales increased 12.6 percent during the second quarter and made up more than 31 percent of all home forfeiture actions. Deed-in-lieu-of-foreclosure actions, while increased, remained a small portion of total home forfeiture actions.

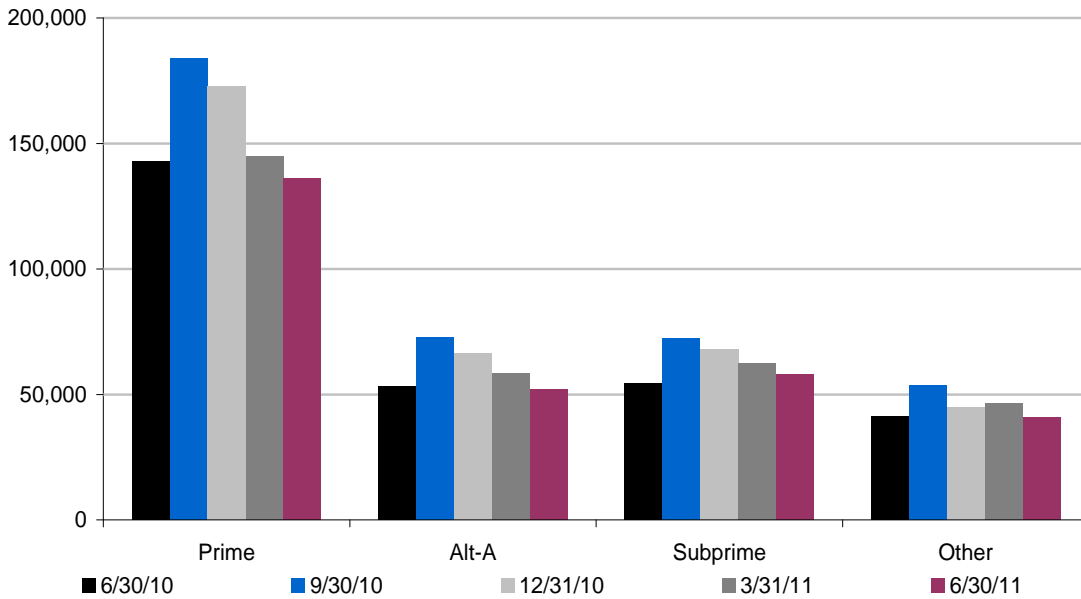
<b>Table 39. Completed Foreclosures and Other Home Forfeiture Actions</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Completed Foreclosures	174,939	190,684	95,067	119,733	121,202	1.2%	-30.7%
New Short Sales	55,443	56,040	49,052	50,107	56,403	12.6%	1.7%
New Deed-in-Lieu-of-Foreclosure Actions	1,753	1,722	2,085	1,700	2,546	49.8%	45.2%
Total	232,135	248,446	146,204	171,540	180,151	5.0%	-22.4%

### Newly Initiated Foreclosures

Servicers initiate foreclosure actions at defined stages of loan delinquency. However, final foreclosure sales only proceed if servicers and borrowers cannot arrange a permanent loss mitigation action, modification, or alternate workout solution. Newly initiated foreclosures decreased by 8.0 percent to 287,145 during the second quarter of 2011, continuing the trend recorded in the fourth quarter of 2010 and first quarter of 2011 (see table 40). This decrease can be attributed to the continued decline in serious delinquencies through the first quarter of 2011.

<b>Table 40. Number of Newly Initiated Foreclosures</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Prime	143,021	183,714	172,713	144,737	136,109	-6.0%	-4.8%
Alt-A	53,187	72,874	66,465	58,472	52,063	-11.0%	-2.1%
Subprime	54,577	72,445	68,117	62,459	58,227	-6.8%	6.7%
Other	41,239	53,748	45,019	46,558	40,746	-12.5%	-1.2%
Total	292,024	382,781	352,314	312,226	287,145	-8.0%	-1.7%

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

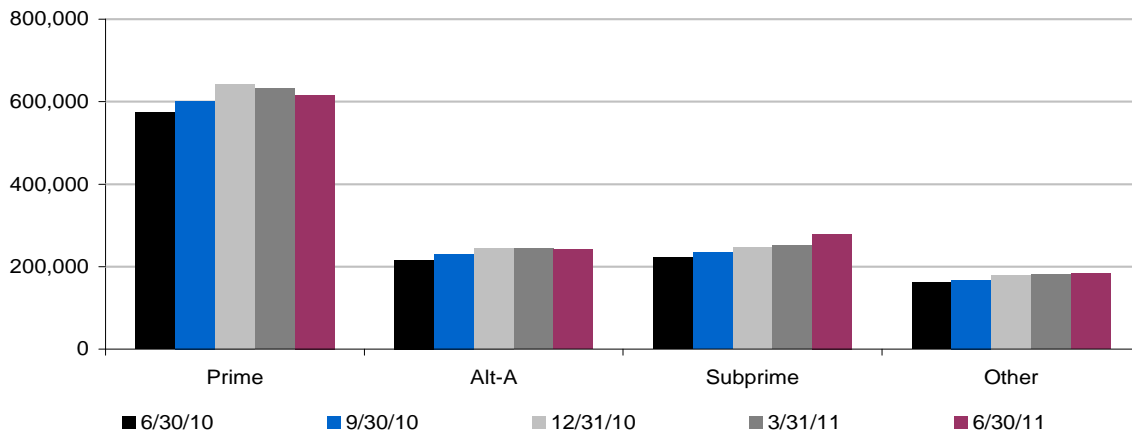


### Foreclosures in Process

The number of mortgages in process of foreclosure increased 0.9 percent from the previous quarter to 1,319,902 as the number of new foreclosure actions exceeded the number of foreclosure sales during the quarter. While the number of foreclosures in process increased during the second quarter, foreclosures in process as a percentage of total serviced mortgages remained almost stable for the third consecutive quarter at 4.0 percent (see table 41).

<b>Table 41. Foreclosures in Process</b>							
Percentage of Foreclosures in Process Relative to Mortgages in That Risk Category							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Prime	2.5%	2.6%	2.8%	2.8%	2.7%	-3.0%	8.6%
Alt-A	6.0%	6.4%	6.9%	7.0%	6.8%	-2.0%	14.4%
Subprime	8.5%	9.2%	10.0%	10.4%	11.3%	8.7%	32.9%
Other	3.7%	4.0%	4.4%	4.5%	4.7%	4.7%	27.7%
Total	3.5%	3.7%	4.0%	4.0%	4.0%	0.7%	15.8%
Number of Foreclosures in Process							
Prime	574,282	601,335	642,763	632,551	616,191	-2.6%	7.3%
Alt-A	216,216	230,571	244,885	244,581	240,996	-1.5%	11.5%
Subprime	222,505	234,182	247,046	251,200	279,632	11.3%	25.7%
Other	161,928	167,587	177,724	180,386	183,083	1.5%	13.1%
Total	1,174,931	1,233,675	1,312,418	1,308,718	1,319,902	0.9%	12.3%

Figure 16. Number of Foreclosures in Process



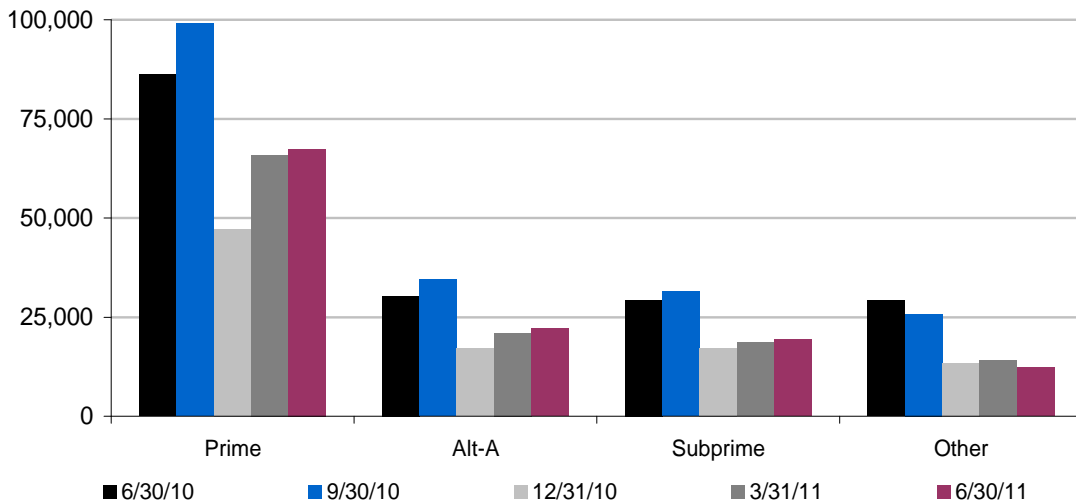


### Completed Foreclosures

The number of completed foreclosures increased to 121,202 during the second quarter of 2011—up 1.2 percent from the previous quarter but down 30.7 percent from the same period a year ago (see table 42). The continued increase in completed foreclosures during the second quarter can be attributed to the ongoing processing of the large volume of serious delinquencies and foreclosures in process and the lifting of moratoria implemented by the largest mortgage servicers during the fourth quarter of 2010.

<b>Table 42. Completed Foreclosures</b>							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Prime	0.4%	0.4%	0.2%	0.3%	0.3%	1.9%	-20.8%
Alt-A	0.8%	1.0%	0.5%	0.6%	0.6%	4.4%	-25.4%
Subprime	1.1%	1.2%	0.7%	0.8%	0.8%	1.4%	-30.1%
Other	0.7%	0.6%	0.3%	0.4%	0.3%	-10.3%	-52.3%
Total	0.5%	0.6%	0.3%	0.4%	0.4%	1.1%	-28.6%
Number of Completed Foreclosures							
Prime	86,141	98,982	47,222	65,886	67,446	2.4%	-21.7%
Alt-A	30,361	34,479	17,158	21,030	22,064	4.9%	-27.3%
Subprime	29,271	31,393	17,199	18,644	19,364	3.9%	-33.8%
Other	29,166	25,830	13,488	14,173	12,328	-13.0%	-57.7%
Total	174,939	190,684	95,067	119,733	121,202	1.2%	-30.7%

**Figure 17. Number of Completed Foreclosures**

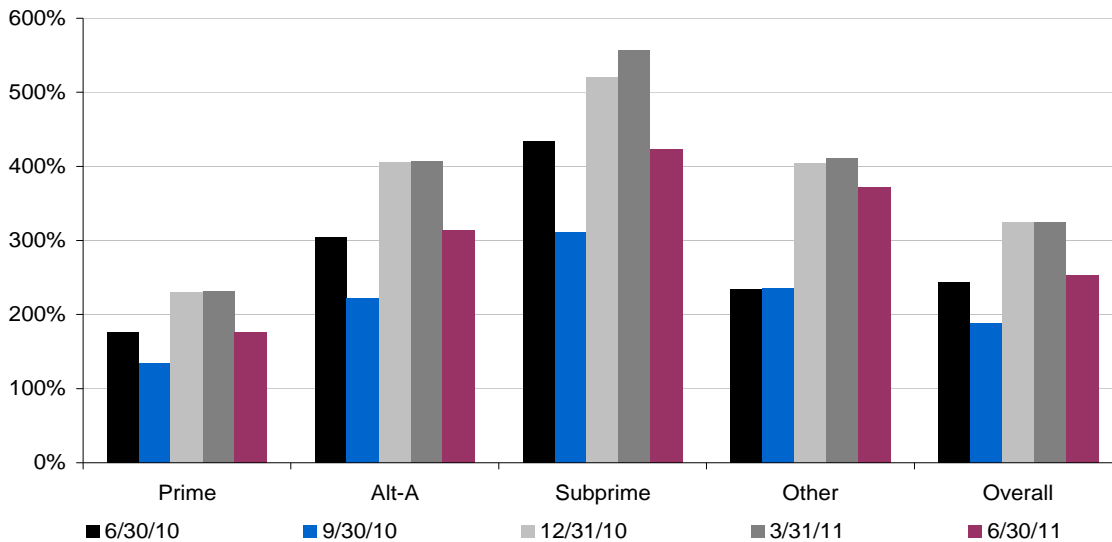


**New Home Retention Actions Relative to Forfeiture Actions, by Risk Category**

Home retention actions relative to home forfeitures declined during the second quarter of 2011, reflecting the decreases in new home retention actions as well as the increase in completed foreclosures and other foreclosure actions. New home retention actions continued to significantly exceed home forfeitures as servicers initiated more than two and a half times as many home retention actions as home forfeiture actions during the quarter (see table 43).

	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Prime	176.6%	134.8%	230.6%	231.9%	175.5%	-24.3%	-0.6%
Alt-A	303.7%	221.7%	405.7%	406.4%	313.8%	-22.8%	3.3%
Subprime	434.2%	311.2%	519.9%	556.8%	423.5%	-23.9%	-2.5%
Other	233.8%	235.8%	403.8%	411.2%	371.4%	-9.7%	58.9%
Overall	244.2%	188.4%	324.7%	324.9%	253.3%	-22.0%	3.7%

**Figure 18. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category**



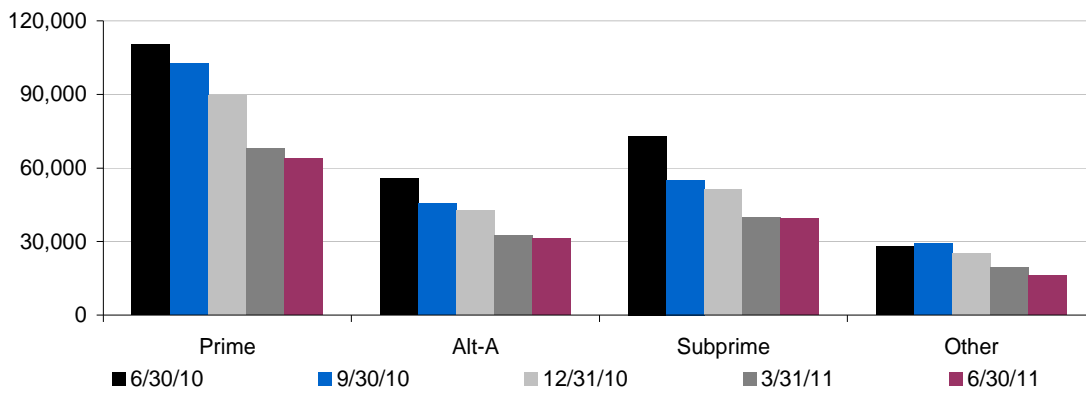
**Appendixes**

**Appendix A—New Loan Modifications**

New loan modifications decreased to 150,583 during the second quarter of 2011—down 5.7 percent from the previous quarter and 43.6 percent from a year ago (see table 44). New modifications decreased across all risk categories during the quarter.

<b>Table 44. Number of New Loan Modifications</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Prime	110,261	102,829	89,493	68,109	63,640	-6.6%	-42.3%
Alt-A	55,669	45,547	42,654	32,352	31,276	-3.3%	-43.8%
Subprime	73,019	55,123	51,305	39,920	39,573	-0.9%	-45.8%
Other	28,098	29,187	25,257	19,376	16,094	-16.9%	-42.7%
Total	267,047	232,686	208,709	159,757	150,583	-5.7%	-43.6%

**Figure 19. Number of New Loan Modifications**

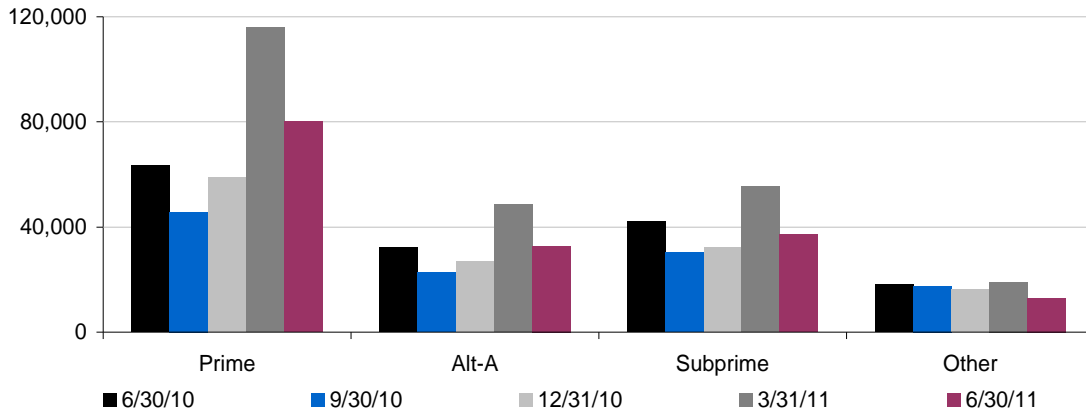


**Appendix B—New Trial-Period Plans**

Servicers initiated 163,137 trial-period plans during the second quarter of 2011, a 31.7 percent decrease from the previous quarter (see table 45). New trial-period plans decreased across all risk categories during the quarter.

	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Prime	63,360	45,748	58,764	115,747	80,039	-30.9%	26.3%
Alt-A	32,232	22,831	26,835	48,530	32,785	-32.4%	1.7%
Subprime	41,988	30,215	32,097	55,455	37,282	-32.8%	-11.2%
Other	18,103	17,591	16,396	19,023	13,031	-31.5%	-28.0%
Total	155,683	116,385	134,092	238,755	163,137	-31.7%	4.8%

**Figure 20. Number of New Trial-Period Plans**

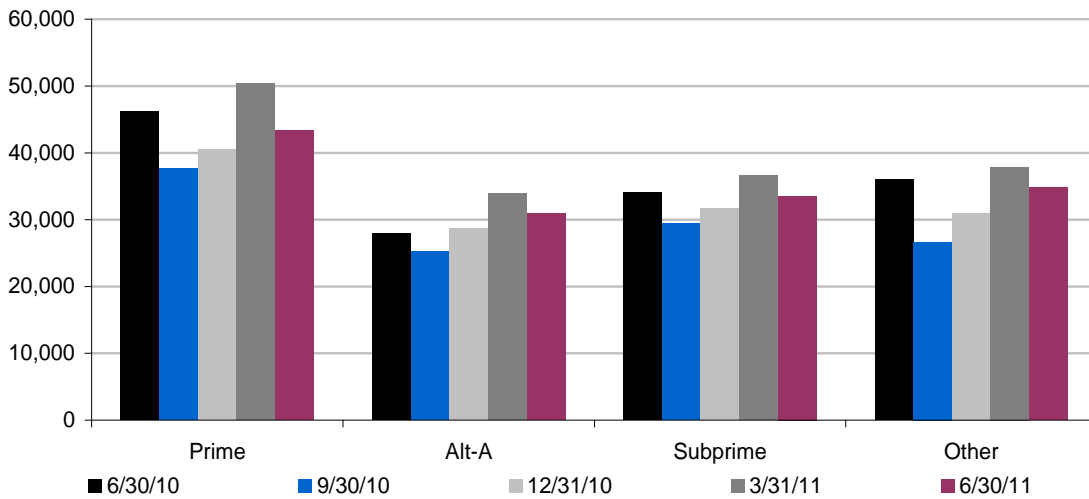


**Appendix C—New Payment Plans**

New payment plans decreased by 10.2 percent to 142,677 during the second quarter of 2011 (see table 46). New payment plans decreased across all risk categories during the quarter.

	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Prime	46,132	37,695	40,552	50,400	43,356	-14.0%	-6.0%
Alt-A	27,931	25,301	28,744	33,881	30,957	-8.6%	10.8%
Subprime	34,098	29,351	31,682	36,632	33,544	-8.4%	-1.6%
Other	36,051	26,697	31,005	37,907	34,820	-8.1%	-3.4%
Total	144,212	119,044	131,983	158,820	142,677	-10.2%	-1.1%

**Figure 21. Number of New Payment Plans**



**Appendix D—Breakdown of Individual and Combination Modification Actions**

Servicers generally use a combination of actions to achieve payment sustainability when modifying a mortgage. Servicers changed more than one loan term in 94 percent of all modifications implemented during the second quarter of 2011 (see table 47).

<b>Table 47. Changes in Terms for Modifications Made Through the Second Quarter of 2011</b>							
<b>(Percentage of Modifications in Each Category)</b>							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Combination*	92.7%	90.3%	92.1%	88.2%	94.0%	6.6%	1.4%
Capitalization	4.4%	3.4%	3.9%	3.6%	1.6%	-56.6%	-64.7%
Rate Reduction	1.3%	1.2%	1.8%	1.7%	1.5%	-14.1%	16.0%
Rate Freeze	0.4%	0.2%	0.2%	0.4%	0.3%	-37.0%	-32.9%
Term Extension	0.6%	2.1%	0.5%	2.9%	0.8%	-71.1%	52.5%
Principal Reduction	0.0%	1.8%	0.1%	0.0%	0.0%	76.8%	--
Principal Deferral	0.2%	0.2%	0.3%	0.2%	0.1%	-60.3%	-42.7%
Not Reported**	0.5%	0.7%	1.1%	2.9%	1.8%	-39.3%	243.0%
<b>(Number of Changes in Each Category)</b>							
Combination*	247,602	210,152	192,141	140,923	141,557	0.4%	-42.8%
Capitalization	11,761	7,987	8,210	5,716	2,339	-59.1%	-80.1%
Rate Reduction	3,354	2,754	3,679	2,709	2,193	-19.0%	-34.6%
Rate Freeze	1,036	367	496	660	392	-40.6%	-62.2%
Term Extension	1,486	4,993	1,000	4,690	1,278	-72.8%	-14.0%
Principal Reduction	0	4,245	194	3	5	66.7%	--
Principal Deferral	421	555	622	363	136	-62.5%	-67.7%
Not Reported**	1,387	1,633	2,367	4,693	2,683	-42.8%	93.4%
All Modifications	267,047	232,686	208,709	159,757	150,583	-5.7%	-43.6%

\*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).

Table 47 on the previous page (appendix D) reports that there were 150,583 modifications implemented in the second quarter of 2011. Of these modifications, 141,557 had more than one change to the original terms of the loan. Table 48 details the specific actions included in the combination modifications presented in Table 47. Of the 141,557 combination modifications implemented during the second quarter of 2011 (see table 47), almost 95 percent included capitalization of missed fees and payments, 83.0 percent included interest rate reduction, and 64.0 percent included an extension of the loan maturity. Principal deferral was included in 19.7 percent of the combination modifications implemented during the quarter, and principal reduction was part of 6.1 percent of second-quarter modifications. Because combination modifications changed more than one term, the sum of the individual actions exceeds 100 percent of total combination modifications.

<b>Table 48. Changes in Terms for Combination Modifications Through the Second Quarter of 2011</b>							
(Percentage of Modifications in Each Category)							
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	1Q %Change	1Y %Change
Capitalization	96.5%	93.1%	95.2%	94.5%	94.7%	0.7%	-43.9%
Rate Reduction	92.4%	94.4%	89.5%	91.7%	83.0%	-9.1%	-48.7%
Rate Freeze	4.2%	2.0%	2.4%	1.8%	2.0%	13.5%	-72.9%
Term Extension	55.1%	61.5%	60.4%	62.5%	64.0%	2.9%	-33.6%
Principal Reduction	2.4%	4.3%	2.9%	3.1%	6.1%	95.3%	47.3%
Principal Deferral	11.2%	10.9%	9.5%	12.5%	19.7%	58.3%	0.6%
(Total Number of Changes in Each Category)							
Capitalization	239,046	195,727	182,922	133,134	134,059	0.2%	-1.9%
Rate Reduction	228,779	198,292	172,000	129,254	117,452	-9.5%	-10.2%
Rate Freeze	10,406	4,098	4,530	2,482	2,817	13.0%	-52.6%
Term Extension	136,502	129,272	116,058	88,086	90,602	2.4%	16.1%
Principal Reduction	5,866	9,095	5,502	4,423	8,640	94.5%	157.6%
Principal Deferral	27,679	22,877	18,214	17,595	27,853	57.6%	76.0%

**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 (included in the category labeled “other”). Developed over several quarters, this data fulfills reporting requirements in the Dodd–Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203).

Table 49 presents the number and percentage of HAMP modifications and other modifications in each state during the second quarter of 2011. Tables 50 and 51 present the number and percentage of each type of action included in modifications made during the quarter in each state. Tables 52 and 53 present the number and percentage of each type of action included in combination modifications made during the quarter in each state. Tables 54 and 55 present the number and percentage of modifications made during the quarter in each state by the amount of change in the borrowers’ monthly principal and interest payments. Tables 56 and 57 present the number and percentage of modifications made in the fourth quarter of 2010 that were 60 or more days delinquent or in process of foreclosure at the end of the second quarter of 2011.



**Table 49. Number and Percentage of Mortgage Modifications Implemented in the Second Quarter of 2011**

States	HAMP Modifications		Other Modifications		Total Modifications	
	Total	% of State Total	Total	% of State Total	Total	% of Total
Total	70,071	46.5%	80,512	53.5%	150,583	100.0%
Alabama	366	25.4%	1,077	74.6%	1,443	1.0%
Alaska	24	27.9%	62	72.1%	86	0.1%
Arizona	2,450	52.0%	2,266	48.0%	4,716	3.1%
Arkansas	157	29.2%	381	70.8%	538	0.4%
California	19,939	61.0%	12,763	39.0%	32,702	21.7%
Colorado	843	39.4%	1,298	60.6%	2,141	1.4%
Connecticut	813	46.8%	923	53.2%	1,736	1.2%
Delaware	207	36.1%	366	63.9%	573	0.4%
District of Columbia	134	47.5%	148	52.5%	282	0.2%
Florida	7,872	53.3%	6,903	46.7%	14,775	9.8%
Georgia	2,456	33.1%	4,960	66.9%	7,416	4.9%
Hawaii	274	55.8%	217	44.2%	491	0.3%
Idaho	248	42.4%	337	57.6%	585	0.4%
Illinois	3,678	50.0%	3,675	50.0%	7,353	4.9%
Indiana	553	25.5%	1,614	74.5%	2,167	1.4%
Iowa	171	27.5%	450	72.5%	621	0.4%
Kansas	199	33.4%	396	66.6%	595	0.4%
Kentucky	283	29.3%	683	70.7%	966	0.6%
Louisiana	411	30.4%	939	69.6%	1,350	0.9%
Maine	192	48.7%	202	51.3%	394	0.3%
Maryland	2,090	47.1%	2,351	52.9%	4,441	2.9%
Massachusetts	1,618	58.6%	1,145	41.4%	2,763	1.8%
Michigan	1,714	40.0%	2,572	60.0%	4,286	2.8%
Minnesota	1,017	46.8%	1,156	53.2%	2,173	1.4%
Mississippi	196	26.0%	557	74.0%	753	0.5%
Missouri	670	33.9%	1,304	66.1%	1,974	1.3%
Montana	100	42.9%	133	57.1%	233	0.2%
Nebraska	88	24.9%	266	75.1%	354	0.2%
Nevada	1,675	54.8%	1,382	45.2%	3,057	2.0%
New Hampshire	287	54.3%	242	45.7%	529	0.4%
New Jersey	2,532	49.9%	2,543	50.1%	5,075	3.4%
New Mexico	248	38.6%	394	61.4%	642	0.4%
New York	3,449	52.3%	3,142	47.7%	6,591	4.4%
North Carolina	1,231	30.4%	2,822	69.6%	4,053	2.7%
North Dakota	13	31.0%	29	69.0%	42	0.0%
Ohio	1,221	31.0%	2,720	69.0%	3,941	2.6%
Oklahoma	177	23.3%	582	76.7%	759	0.5%
Oregon	815	52.4%	740	47.6%	1,555	1.0%
Pennsylvania	1,427	38.3%	2,302	61.7%	3,729	2.5%
Rhode Island	338	55.4%	272	44.6%	610	0.4%
South Carolina	628	34.2%	1,206	65.8%	1,834	1.2%
South Dakota	30	28.3%	76	71.7%	106	0.1%
Tennessee	657	32.1%	1,392	67.9%	2,049	1.4%
Texas	2,084	25.9%	5,964	74.1%	8,048	5.3%
Utah	594	42.2%	815	57.8%	1,409	0.9%
Vermont	57	43.5%	74	56.5%	131	0.1%
Virginia	1,469	43.8%	1,885	56.2%	3,354	2.2%
Washington	1,547	50.9%	1,490	49.1%	3,037	2.0%
West Virginia	75	23.5%	244	76.5%	319	0.2%
Wisconsin	697	43.9%	889	56.1%	1,586	1.1%
Wyoming	29	28.4%	73	71.6%	102	0.1%
Other	28	23.7%	90	76.3%	118	0.1%

**Table 50. Number of Mortgage Modification Actions  
Implemented in the Second Quarter of 2011**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reductions	Principal Deferral	Combination	Not Reported	Total Modifications
Total	2,339	2,585	1,278	5	136	141,557	2,683	150,583
Alabama	35	14	46	0	1	1,337	10	1,443
Alaska	1	1	0	0	0	84	-	86
Arizona	63	87	21	0	3	4,480	62	4,716
Arkansas	11	2	3	0	0	518	4	538
California	305	654	252	3	47	30,608	833	32,702
Colorado	37	59	19	0	1	1,949	76	2,141
Connecticut	49	29	11	0	1	1,588	58	1,736
Delaware	15	12	12	0	1	523	10	573
District of Columbia	1	3	0	0	2	265	11	282
Florida	183	260	107	1	6	13,923	295	14,775
Georgia	134	138	67	0	3	7,004	70	7,416
Hawaii	7	8	0	0	1	473	2	491
Idaho	11	10	6	0	0	544	14	585
Illinois	111	83	54	0	3	6,938	164	7,353
Indiana	41	44	9	0	2	2,042	29	2,167
Iowa	14	9	10	0	0	584	4	621
Kansas	17	6	2	0	0	566	4	595
Kentucky	17	28	10	0	0	893	18	966
Louisiana	29	12	12	0	0	1,286	11	1,350
Maine	10	6	2	0	0	375	1	394
Maryland	71	68	14	0	6	4,227	55	4,441
Massachusetts	38	43	16	0	1	2,605	60	2,763
Michigan	100	101	29	0	3	3,993	60	4,286
Minnesota	34	25	11	0	2	2,069	32	2,173
Mississippi	24	11	16	0	0	696	6	753
Missouri	29	35	22	0	2	1,869	17	1,974
Montana	2	3	4	0	0	222	2	233
Nebraska	10	3	8	0	0	330	3	354
Nevada	35	49	8	0	1	2,900	64	3,057
New Hampshire	6	7	5	0	0	501	10	529
New Jersey	78	65	32	1	6	4,794	99	5,075
New Mexico	10	12	6	0	0	610	4	642
New York	132	93	53	0	13	6,151	149	6,591
North Carolina	88	71	71	0	1	3,769	53	4,053
North Dakota	2	-	-	0	0	39	1	42
Ohio	92	71	34	0	0	3,702	42	3,941
Oklahoma	19	8	8	0	0	716	8	759
Oregon	16	28	15	0	3	1,453	40	1,555
Pennsylvania	80	49	48	0	1	3,508	43	3,729
Rhode Island	6	2	2	0	0	591	9	610
South Carolina	46	25	28	0	1	1,719	15	1,834
South Dakota	6	3	1	0	0	95	1	106
Tennessee	37	43	41	0	1	1,917	10	2,049
Texas	145	110	48	0	6	7,666	73	8,048
Utah	15	21	12	0	1	1,341	19	1,409
Vermont	2	1	6	0	0	122	-	131
Virginia	60	58	33	0	10	3,155	38	3,354
Washington	32	74	31	0	7	2,818	75	3,037
West Virginia	12	5	5	0	0	296	1	319
Wisconsin	21	29	27	0	0	1,494	15	1,586
Wyoming	0	6	1	0	0	94	1	102
Other	0	1	0	0	0	115	2	118

**Table 51. Percentage of Mortgage Modification Actions  
Implemented in the Second Quarter of 2011**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Combination	Not Reported	Total Modifications
Total	1.6%	1.7%	0.8%	0.0%	0.1%	94.0%	1.8%	150,583
Alabama	2.4%	1.0%	3.2%	0.0%	0.1%	92.7%	0.7%	1,443
Alaska	1.2%	1.2%	0.0%	0.0%	0.0%	97.7%	0.0%	86
Arizona	1.3%	1.8%	0.4%	0.0%	0.1%	95.0%	1.3%	4,716
Arkansas	2.0%	0.4%	0.6%	0.0%	0.0%	96.3%	0.7%	538
California	0.9%	2.0%	0.8%	0.0%	0.1%	93.6%	2.5%	32,702
Colorado	1.7%	2.8%	0.9%	0.0%	0.0%	91.0%	3.5%	2,141
Connecticut	2.8%	1.7%	0.6%	0.0%	0.1%	91.5%	3.3%	1,736
Delaware	2.6%	2.1%	2.1%	0.0%	0.2%	91.3%	1.7%	573
District of Columbia	0.4%	1.1%	0.0%	0.0%	0.7%	94.0%	3.9%	282
Florida	1.2%	1.8%	0.7%	0.0%	0.0%	94.2%	2.0%	14,775
Georgia	1.8%	1.9%	0.9%	0.0%	0.0%	94.4%	0.9%	7,416
Hawaii	1.4%	1.6%	0.0%	0.0%	0.2%	96.3%	0.4%	491
Idaho	1.9%	1.7%	1.0%	0.0%	0.0%	93.0%	2.4%	585
Illinois	1.5%	1.1%	0.7%	0.0%	0.0%	94.4%	2.2%	7,353
Indiana	1.9%	2.0%	0.4%	0.0%	0.1%	94.2%	1.3%	2,167
Iowa	2.3%	1.4%	1.6%	0.0%	0.0%	94.0%	0.6%	621
Kansas	2.9%	1.0%	0.3%	0.0%	0.0%	95.1%	0.7%	595
Kentucky	1.8%	2.9%	1.0%	0.0%	0.0%	92.4%	1.9%	966
Louisiana	2.1%	0.9%	0.9%	0.0%	0.0%	95.3%	0.8%	1,350
Maine	2.5%	1.5%	0.5%	0.0%	0.0%	95.2%	0.3%	394
Maryland	1.6%	1.5%	0.3%	0.0%	0.1%	95.2%	1.2%	4,441
Massachusetts	1.4%	1.6%	0.6%	0.0%	0.0%	94.3%	2.2%	2,763
Michigan	2.3%	2.4%	0.7%	0.0%	0.1%	93.2%	1.4%	4,286
Minnesota	1.6%	1.2%	0.5%	0.0%	0.1%	95.2%	1.5%	2,173
Mississippi	3.2%	1.5%	2.1%	0.0%	0.0%	92.4%	0.8%	753
Missouri	1.5%	1.8%	1.1%	0.0%	0.1%	94.7%	0.9%	1,974
Montana	0.9%	1.3%	1.7%	0.0%	0.0%	95.3%	0.9%	233
Nebraska	2.8%	0.8%	2.3%	0.0%	0.0%	93.2%	0.8%	354
Nevada	1.1%	1.6%	0.3%	0.0%	0.0%	94.9%	2.1%	3,057
New Hampshire	1.1%	1.3%	0.9%	0.0%	0.0%	94.7%	1.9%	529
New Jersey	1.5%	1.3%	0.6%	0.0%	0.1%	94.5%	2.0%	5,075
New Mexico	1.6%	1.9%	0.9%	0.0%	0.0%	95.0%	0.6%	642
New York	2.0%	1.4%	0.8%	0.0%	0.2%	93.3%	2.3%	6,591
North Carolina	2.2%	1.8%	1.8%	0.0%	0.0%	93.0%	1.3%	4,053
North Dakota	4.8%	0.0%	0.0%	0.0%	0.0%	92.9%	2.4%	42
Ohio	2.3%	1.8%	0.9%	0.0%	0.0%	93.9%	1.1%	3,941
Oklahoma	2.5%	1.1%	1.1%	0.0%	0.0%	94.3%	1.1%	759
Oregon	1.0%	1.8%	1.0%	0.0%	0.2%	93.4%	2.6%	1,555
Pennsylvania	2.1%	1.3%	1.3%	0.0%	0.0%	94.1%	1.2%	3,729
Rhode Island	1.0%	0.3%	0.3%	0.0%	0.0%	96.9%	1.5%	610
South Carolina	2.5%	1.4%	1.5%	0.0%	0.1%	93.7%	0.8%	1,834
South Dakota	5.7%	2.8%	0.9%	0.0%	0.0%	89.6%	0.9%	106
Tennessee	1.8%	2.1%	2.0%	0.0%	0.0%	93.6%	0.5%	2,049
Texas	1.8%	1.4%	0.6%	0.0%	0.1%	95.3%	0.9%	8,048
Utah	1.1%	1.5%	0.9%	0.0%	0.1%	95.2%	1.3%	1,409
Vermont	1.5%	0.8%	4.6%	0.0%	0.0%	93.1%	0.0%	131
Virginia	1.8%	1.7%	1.0%	0.0%	0.3%	94.1%	1.1%	3,354
Washington	1.1%	2.4%	1.0%	0.0%	0.2%	92.8%	2.5%	3,037
West Virginia	3.8%	1.6%	1.6%	0.0%	0.0%	92.8%	0.3%	319
Wisconsin	1.3%	1.8%	1.7%	0.0%	0.0%	94.2%	0.9%	1,586
Wyoming	0.0%	5.9%	1.0%	0.0%	0.0%	92.2%	1.0%	102
Other	0.0%	0.8%	0.0%	0.0%	0.0%	97.5%	1.7%	118

<b>Table 52. Number of Modification Actions in Combination Actions</b>						
Implemented in the Second Quarter of 2011						
States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total	134,059	120,091	90,602	8,640	27,853	141,557
Alabama	1,222	1,194	895	19	86	1,337
Alaska	83	75	57	-	4	84
Arizona	4,295	3,714	2,805	354	950	4,480
Arkansas	511	469	328	6	29	518
California	28,685	24,745	17,677	4,181	10,132	30,608
Colorado	1,864	1,713	1,295	42	224	1,949
Connecticut	1,518	1,372	976	54	268	1,588
Delaware	480	463	359	11	51	523
District of Columbia	253	223	173	9	56	265
Florida	13,228	11,335	8,776	1,414	3,750	13,923
Georgia	6,634	6,145	4,684	151	845	7,004
Hawaii	451	389	287	18	88	473
Idaho	514	454	388	23	75	544
Illinois	6,657	5,849	4,661	325	1,550	6,938
Indiana	1,946	1,842	1,415	36	127	2,042
Iowa	552	496	420	4	34	584
Kansas	536	505	398	1	40	566
Kentucky	807	800	611	7	66	893
Louisiana	1,235	1,138	866	14	95	1,286
Maine	357	322	234	8	50	375
Maryland	4,017	3,571	2,572	151	729	4,227
Massachusetts	2,507	2,155	1,581	138	522	2,605
Michigan	3,815	3,355	2,488	201	647	3,993
Minnesota	1,989	1,747	1,405	66	345	2,069
Mississippi	634	624	463	17	45	696
Missouri	1,785	1,675	1,251	45	184	1,869
Montana	210	186	155	1	28	222
Nebraska	308	303	249	5	23	330
Nevada	2,791	2,303	1,745	258	770	2,900
New Hampshire	469	431	294	14	87	501
New Jersey	4,571	4,083	3,340	160	984	4,794
New Mexico	572	525	418	9	65	610
New York	5,907	5,291	3,893	159	1,259	6,151
North Carolina	3,480	3,344	2,641	34	293	3,769
North Dakota	34	34	25	-	1	39
Ohio	3,470	3,317	2,487	73	361	3,702
Oklahoma	695	657	496	3	46	716
Oregon	1,386	1,245	956	53	285	1,453
Pennsylvania	3,319	3,056	2,360	70	406	3,508
Rhode Island	570	486	382	21	124	591
South Carolina	1,569	1,535	1,161	19	167	1,719
South Dakota	89	82	72	1	1	95
Tennessee	1,797	1,683	1,226	43	156	1,917
Texas	7,405	7,024	5,522	64	445	7,666
Utah	1,279	1,161	897	53	158	1,341
Vermont	97	105	80	1	11	122
Virginia	2,910	2,724	2,024	129	457	3,155
Washington	2,685	2,421	1,808	119	485	2,818
West Virginia	263	261	193	12	21	296
Wisconsin	1,405	1,276	1,012	44	213	1,494
Wyoming	88	82	66	0	4	94
Other	115	106	35	0	11	115

**Table 53. Percentage of Modification Actions in Combination Actions  
Implemented in the Second Quarter of 2011**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total	94.7%	84.8%	64.0%	6.1%	19.7%	141,557
Alabama	91.4%	89.3%	66.9%	1.4%	6.4%	1,337
Alaska	98.8%	89.3%	67.9%	0.0%	4.8%	84
Arizona	95.9%	82.9%	62.6%	7.9%	21.2%	4,480
Arkansas	98.6%	90.5%	63.3%	1.2%	5.6%	518
California	93.7%	80.8%	57.8%	13.7%	33.1%	30,608
Colorado	95.6%	87.9%	66.4%	2.2%	11.5%	1,949
Connecticut	95.6%	86.4%	61.5%	3.4%	16.9%	1,588
Delaware	91.8%	88.5%	68.6%	2.1%	9.8%	523
District of Columbia	95.5%	84.2%	65.3%	3.4%	21.1%	265
Florida	95.0%	81.4%	63.0%	10.2%	26.9%	13,923
Georgia	94.7%	87.7%	66.9%	2.2%	12.1%	7,004
Hawaii	95.3%	82.2%	60.7%	3.8%	18.6%	473
Idaho	94.5%	83.5%	71.3%	4.2%	13.8%	544
Illinois	95.9%	84.3%	67.2%	4.7%	22.3%	6,938
Indiana	95.3%	90.2%	69.3%	1.8%	6.2%	2,042
Iowa	94.5%	84.9%	71.9%	0.7%	5.8%	584
Kansas	94.7%	89.2%	70.3%	0.2%	7.1%	566
Kentucky	90.4%	89.6%	68.4%	0.8%	7.4%	893
Louisiana	96.0%	88.5%	67.3%	1.1%	7.4%	1,286
Maine	95.2%	85.9%	62.4%	2.1%	13.3%	375
Maryland	95.0%	84.5%	60.8%	3.6%	17.2%	4,227
Massachusetts	96.2%	82.7%	60.7%	5.3%	20.0%	2,605
Michigan	95.5%	84.0%	62.3%	5.0%	16.2%	3,993
Minnesota	96.1%	84.4%	67.9%	3.2%	16.7%	2,069
Mississippi	91.1%	89.7%	66.5%	2.4%	6.5%	696
Missouri	95.5%	89.6%	66.9%	2.4%	9.8%	1,869
Montana	94.6%	83.8%	69.8%	0.5%	12.6%	222
Nebraska	93.3%	91.8%	75.5%	1.5%	7.0%	330
Nevada	96.2%	79.4%	60.2%	8.9%	26.6%	2,900
New Hampshire	93.6%	86.0%	58.7%	2.8%	17.4%	501
New Jersey	95.3%	85.2%	69.7%	3.3%	20.5%	4,794
New Mexico	93.8%	86.1%	68.5%	1.5%	10.7%	610
New York	96.0%	86.0%	63.3%	2.6%	20.5%	6,151
North Carolina	92.3%	88.7%	70.1%	0.9%	7.8%	3,769
North Dakota	87.2%	87.2%	64.1%	0.0%	2.6%	39
Ohio	93.7%	89.6%	67.2%	2.0%	9.8%	3,702
Oklahoma	97.1%	91.8%	69.3%	0.4%	6.4%	716
Oregon	95.4%	85.7%	65.8%	3.6%	19.6%	1,453
Pennsylvania	94.6%	87.1%	67.3%	2.0%	11.6%	3,508
Rhode Island	96.4%	82.2%	64.6%	3.6%	21.0%	591
South Carolina	91.3%	89.3%	67.5%	1.1%	9.7%	1,719
South Dakota	93.7%	86.3%	75.8%	1.1%	1.1%	95
Tennessee	93.7%	87.8%	64.0%	2.2%	8.1%	1,917
Texas	96.6%	91.6%	72.0%	0.8%	5.8%	7,666
Utah	95.4%	86.6%	66.9%	4.0%	11.8%	1,341
Vermont	79.5%	86.1%	65.6%	0.8%	9.0%	122
Virginia	92.2%	86.3%	64.2%	4.1%	14.5%	3,155
Washington	95.3%	85.9%	64.2%	4.2%	17.2%	2,818
West Virginia	88.9%	88.2%	65.2%	4.1%	7.1%	296
Wisconsin	94.0%	85.4%	67.7%	2.9%	14.3%	1,494
Wyoming	93.6%	87.2%	70.2%	0.0%	4.3%	94
Other	100.0%	92.2%	30.4%	0.0%	9.6%	115

**Table 54. Changes in Monthly Principal and Interest Payments by State (Number)**  
 Modifications Implemented in the Second Quarter of 2011

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	80,582	25,801	27,642	2,860	12,971	727	150,583
Alabama	513	338	367	51	166	8	1,443
Alaska	21	23	32	-	9	1	86
Arizona	2,707	793	786	69	331	30	4,716
Arkansas	206	129	122	11	68	2	538
California	21,421	4,234	4,261	794	1,845	147	32,702
Colorado	902	456	497	63	207	16	2,141
Connecticut	899	296	335	41	156	9	1,736
Delaware	234	112	146	23	58	0	573
District of Columbia	153	41	59	11	16	2	282
Florida	9,209	2,089	2,086	266	1,048	77	14,775
Georgia	3,327	1,566	1,598	93	792	40	7,416
Hawaii	311	85	64	3	26	2	491
Idaho	279	106	127	14	56	3	585
Illinois	4,184	1,077	1,270	140	643	39	7,353
Indiana	794	542	537	40	242	12	2,167
Iowa	228	136	147	14	94	2	621
Kansas	230	132	145	8	75	5	595
Kentucky	359	199	261	29	113	5	966
Louisiana	539	289	325	20	173	4	1,350
Maine	188	79	79	6	40	2	394
Maryland	2,221	796	910	53	428	33	4,441
Massachusetts	1,638	447	446	47	174	11	2,763
Michigan	2,148	798	833	93	395	19	4,286
Minnesota	1,200	389	372	23	178	11	2,173
Mississippi	285	162	192	19	90	5	753
Missouri	873	467	434	35	159	6	1,974
Montana	107	39	61	5	21	-	233
Nebraska	148	90	74	9	30	3	354
Nevada	1,990	389	445	38	178	17	3,057
New Hampshire	298	99	87	7	35	3	529
New Jersey	2,843	755	850	65	543	19	5,075
New Mexico	286	146	142	5	62	1	642
New York	3,965	1,000	1,016	115	463	32	6,591
North Carolina	1,579	844	1,036	97	485	12	4,053
North Dakota	12	13	13	-	4	-	42
Ohio	1,589	864	901	66	502	19	3,941
Oklahoma	252	209	181	8	102	7	759
Oregon	882	263	273	31	99	7	1,555
Pennsylvania	1,728	712	804	59	401	25	3,729
Rhode Island	372	92	86	4	55	1	610
South Carolina	789	334	454	30	225	2	1,834
South Dakota	44	17	26	-	18	1	106
Tennessee	838	420	509	42	225	15	2,049
Texas	2,917	1,914	2,097	116	980	24	8,048
Utah	650	244	325	22	163	5	1,409
Vermont	72	20	25	3	11	0	131
Virginia	1,609	642	701	58	323	21	3,354
Washington	1,538	523	654	72	235	15	3,037
West Virginia	137	55	84	4	38	1	319
Wisconsin	779	279	313	35	176	4	1,586
Wyoming	42	23	23	2	12	0	102
Other	47	34	31	1	3	2	118

**Table 55. Changes in Monthly Principal and Interest Payments (Percentage)**  
 Modifications Implemented During the Second Quarter of 2011

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	53.5%	17.1%	18.4%	1.9%	8.6%	0.5%	150,583
Alabama	35.6%	23.4%	25.4%	3.5%	11.5%	0.6%	1,443
Alaska	24.4%	26.7%	37.2%	0.0%	10.5%	1.2%	86
Arizona	57.4%	16.8%	16.7%	1.5%	7.0%	0.6%	4,716
Arkansas	38.3%	24.0%	22.7%	2.0%	12.6%	0.4%	538
California	65.5%	12.9%	13.0%	2.4%	5.6%	0.4%	32,702
Colorado	42.1%	21.3%	23.2%	2.9%	9.7%	0.7%	2,141
Connecticut	51.8%	17.1%	19.3%	2.4%	9.0%	0.5%	1,736
Delaware	40.8%	19.5%	25.5%	4.0%	10.1%	0.0%	573
District of Columbia	54.3%	14.5%	20.9%	3.9%	5.7%	0.7%	282
Florida	62.3%	14.1%	14.1%	1.8%	7.1%	0.5%	14,775
Georgia	44.9%	21.1%	21.5%	1.3%	10.7%	0.5%	7,416
Hawaii	63.3%	17.3%	13.0%	0.6%	5.3%	0.4%	491
Idaho	47.7%	18.1%	21.7%	2.4%	9.6%	0.5%	585
Illinois	56.9%	14.6%	17.3%	1.9%	8.7%	0.5%	7,353
Indiana	36.6%	25.0%	24.8%	1.8%	11.2%	0.6%	2,167
Iowa	36.7%	21.9%	23.7%	2.3%	15.1%	0.3%	621
Kansas	38.7%	22.2%	24.4%	1.3%	12.6%	0.8%	595
Kentucky	37.2%	20.6%	27.0%	3.0%	11.7%	0.5%	966
Louisiana	39.9%	21.4%	24.1%	1.5%	12.8%	0.3%	1,350
Maine	47.7%	20.1%	20.1%	1.5%	10.2%	0.5%	394
Maryland	50.0%	17.9%	20.5%	1.2%	9.6%	0.7%	4,441
Massachusetts	59.3%	16.2%	16.1%	1.7%	6.3%	0.4%	2,763
Michigan	50.1%	18.6%	19.4%	2.2%	9.2%	0.4%	4,286
Minnesota	55.2%	17.9%	17.1%	1.1%	8.2%	0.5%	2,173
Mississippi	37.8%	21.5%	25.5%	2.5%	12.0%	0.7%	753
Missouri	44.2%	23.7%	22.0%	1.8%	8.1%	0.3%	1,974
Montana	45.9%	16.7%	26.2%	2.1%	9.0%	0.0%	233
Nebraska	41.8%	25.4%	20.9%	2.5%	8.5%	0.8%	354
Nevada	65.1%	12.7%	14.6%	1.2%	5.8%	0.6%	3,057
New Hampshire	56.3%	18.7%	16.4%	1.3%	6.6%	0.6%	529
New Jersey	56.0%	14.9%	16.7%	1.3%	10.7%	0.4%	5,075
New Mexico	44.5%	22.7%	22.1%	0.8%	9.7%	0.2%	642
New York	60.2%	15.2%	15.4%	1.7%	7.0%	0.5%	6,591
North Carolina	39.0%	20.8%	25.6%	2.4%	12.0%	0.3%	4,053
North Dakota	28.6%	31.0%	31.0%	0.0%	9.5%	0.0%	42
Ohio	40.3%	21.9%	22.9%	1.7%	12.7%	0.5%	3,941
Oklahoma	33.2%	27.5%	23.8%	1.1%	13.4%	0.9%	759
Oregon	56.7%	16.9%	17.6%	2.0%	6.4%	0.5%	1,555
Pennsylvania	46.3%	19.1%	21.6%	1.6%	10.8%	0.7%	3,729
Rhode Island	61.0%	15.1%	14.1%	0.7%	9.0%	0.2%	610
South Carolina	43.0%	18.2%	24.8%	1.6%	12.3%	0.1%	1,834
South Dakota	41.5%	16.0%	24.5%	0.0%	17.0%	0.9%	106
Tennessee	40.9%	20.5%	24.8%	2.0%	11.0%	0.7%	2,049
Texas	36.2%	23.8%	26.1%	1.4%	12.2%	0.3%	8,048
Utah	46.1%	17.3%	23.1%	1.6%	11.6%	0.4%	1,409
Vermont	55.0%	15.3%	19.1%	2.3%	8.4%	0.0%	131
Virginia	48.0%	19.1%	20.9%	1.7%	9.6%	0.6%	3,354
Washington	50.6%	17.2%	21.5%	2.4%	7.7%	0.5%	3,037
West Virginia	42.9%	17.2%	26.3%	1.3%	11.9%	0.3%	319
Wisconsin	49.1%	17.6%	19.7%	2.2%	11.1%	0.3%	1,586
Wyoming	41.2%	22.5%	22.5%	2.0%	11.8%	0.0%	102
Other	39.8%	28.8%	26.3%	0.8%	2.5%	1.7%	118



<b>Table 56. Number of Re-Defaults for Loans Modified in the Fourth Quarter of 2010</b>							
<b>(60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments)</b>							
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	11,353	6,567	6,332	826	4,091	84	29,253
Alabama	116	105	113	16	47	4	401
Alaska	7	5	10	0	3	0	25
Arizona	439	211	176	30	101	4	961
Arkansas	41	34	33	2	16	0	126
California	1,855	734	672	153	619	13	4,046
Colorado	133	92	112	10	55	2	404
Connecticut	149	65	73	4	54	1	346
Delaware	39	36	30	4	18	0	127
District of Columbia	22	11	15	4	9	0	61
Florida	1,273	489	442	69	319	11	2,603
Georgia	564	471	457	60	214	4	1,770
Hawaii	39	15	16	2	8	0	80
Idaho	32	32	28	8	12	1	113
Illinois	587	307	319	25	232	4	1,474
Indiana	149	153	141	12	78	2	535
Iowa	49	35	39	3	21	1	148
Kansas	47	37	42	1	17	0	144
Kentucky	84	70	67	9	38	1	269
Louisiana	102	74	74	6	62	0	318
Maine	33	26	9	3	13	0	84
Maryland	360	190	215	14	130	5	914
Massachusetts	253	106	94	14	72	3	542
Michigan	371	221	226	24	126	2	970
Minnesota	181	89	85	13	82	0	450
Mississippi	54	50	49	8	36	0	197
Missouri	191	120	126	14	73	3	527
Montana	17	14	5	2	6	0	44
Nebraska	19	15	20	1	8	0	63
Nevada	297	122	94	17	67	1	598
New Hampshire	53	23	20	5	16	0	117
New Jersey	372	221	223	29	162	1	1,008
New Mexico	52	33	30	5	17	0	137
New York	442	218	184	34	125	6	1,009
North Carolina	312	283	310	42	163	2	1,112
North Dakota	2	0	3	1	4	0	10
Ohio	305	233	205	24	146	5	918
Oklahoma	53	48	58	3	32	0	194
Oregon	130	65	59	3	38	0	295
Pennsylvania	330	194	182	20	145	1	872
Rhode Island	51	26	17	3	14	0	111
South Carolina	138	108	101	22	81	0	450
South Dakota	10	4	4	1	3	0	22
Tennessee	181	142	128	8	61	0	520
Texas	671	587	540	38	308	1	2,145
Utah	105	72	66	6	28	1	278
Vermont	14	8	5	0	3	0	30
Virginia	222	152	174	21	77	2	648
Washington	229	125	144	21	77	1	597
West Virginia	24	11	24	2	9	0	70
Wisconsin	142	78	69	10	44	2	345
Wyoming	8	6	4	0	2	0	20
Other	4	1	0	0	0	0	5



**Table 57. Re-Default Rates for Loans Modified in the Fourth Quarter of 2010 (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	9.9%	16.3%	22.2%	18.5%	25.8%	16.8%	14.3%
Alabama	13.0%	18.1%	30.5%	18.4%	24.5%	33.3%	18.8%
Alaska	9.2%	12.8%	27.8%	0.0%	20.0%	0.0%	15.0%
Arizona	10.1%	16.2%	21.4%	23.1%	25.6%	20.0%	13.7%
Arkansas	13.4%	17.6%	31.4%	12.5%	25.0%	0.0%	18.4%
California	7.4%	12.8%	15.2%	16.3%	24.1%	14.0%	10.4%
Colorado	9.1%	12.9%	21.3%	17.9%	23.3%	28.6%	13.5%
Connecticut	11.4%	15.3%	22.7%	10.0%	24.7%	25.0%	14.9%
Delaware	10.4%	18.8%	20.8%	36.4%	26.1%	0.0%	16.0%
District of Columbia	10.6%	11.6%	26.3%	28.6%	17.6%	0.0%	14.4%
Florida	10.6%	16.2%	21.0%	17.7%	25.4%	24.4%	13.8%
Georgia	10.6%	18.0%	27.3%	26.8%	28.3%	11.1%	16.6%
Hawaii	8.0%	13.8%	19.3%	12.5%	23.5%	0.0%	10.9%
Idaho	7.6%	18.4%	19.7%	22.9%	24.0%	25.0%	13.6%
Illinois	9.6%	16.9%	24.6%	16.7%	27.7%	21.1%	14.4%
Indiana	11.4%	17.8%	25.7%	16.7%	23.4%	28.6%	17.1%
Iowa	12.5%	16.1%	22.4%	16.7%	18.8%	16.7%	16.1%
Kansas	12.1%	16.9%	28.0%	7.1%	21.3%	0.0%	16.9%
Kentucky	15.0%	21.7%	27.5%	15.8%	26.4%	20.0%	20.2%
Louisiana	12.8%	17.4%	23.6%	17.1%	26.7%	0.0%	17.6%
Maine	11.7%	22.2%	15.3%	60.0%	24.5%	0.0%	16.2%
Maryland	11.0%	15.3%	21.6%	13.3%	27.9%	27.8%	15.0%
Massachusetts	10.7%	16.8%	18.9%	17.9%	23.8%	37.5%	14.0%
Michigan	10.2%	17.0%	23.5%	15.1%	22.3%	10.5%	14.6%
Minnesota	10.1%	14.3%	17.9%	15.1%	25.5%	0.0%	13.6%
Mississippi	10.8%	18.4%	28.2%	23.5%	35.0%	0.0%	18.1%
Missouri	13.2%	17.5%	25.4%	22.6%	28.4%	27.3%	17.8%
Montana	10.1%	22.6%	11.4%	20.0%	20.0%	0.0%	13.9%
Nebraska	8.3%	14.7%	23.3%	5.6%	19.0%	0.0%	13.2%
Nevada	9.8%	16.6%	20.9%	21.5%	28.0%	14.3%	13.1%
New Hampshire	11.1%	17.8%	18.2%	33.3%	27.6%	0.0%	14.8%
New Jersey	9.6%	18.1%	23.6%	25.4%	29.4%	7.1%	15.0%
New Mexico	11.9%	17.4%	20.7%	33.3%	26.2%	0.0%	16.0%
New York	8.4%	15.8%	19.6%	17.4%	22.8%	20.0%	12.1%
North Carolina	11.1%	19.4%	28.0%	22.0%	30.5%	18.2%	18.2%
North Dakota	6.5%	0.0%	17.6%	16.7%	33.3%	0.0%	12.5%
Ohio	11.4%	16.5%	20.9%	19.5%	25.4%	21.7%	15.9%
Oklahoma	12.8%	17.0%	30.1%	14.3%	33.7%	0.0%	19.3%
Oregon	10.1%	15.6%	21.2%	6.5%	23.5%	0.0%	13.4%
Pennsylvania	12.6%	16.2%	21.6%	17.9%	25.1%	8.3%	16.3%
Rhode Island	11.3%	20.0%	20.7%	25.0%	28.6%	0.0%	15.3%
South Carolina	11.5%	18.7%	23.8%	23.4%	29.9%	0.0%	17.5%
South Dakota	15.9%	13.3%	14.3%	16.7%	30.0%	0.0%	16.1%
Tennessee	13.0%	18.4%	26.4%	13.3%	29.9%	0.0%	17.9%
Texas	12.5%	17.7%	29.3%	24.5%	29.3%	4.8%	18.3%
Utah	10.3%	15.3%	18.2%	14.6%	21.5%	25.0%	13.7%
Vermont	12.5%	28.6%	17.2%	0.0%	20.0%	0.0%	15.3%
Virginia	8.7%	13.8%	19.8%	17.1%	21.8%	25.0%	12.9%
Washington	10.5%	15.4%	23.9%	21.4%	25.2%	12.5%	14.9%
West Virginia	12.2%	12.9%	31.2%	16.7%	25.0%	0.0%	17.2%
Wisconsin	12.5%	15.3%	20.8%	15.9%	20.3%	33.3%	15.2%
Wyoming	11.6%	13.3%	14.3%	0.0%	15.4%	0.0%	12.7%
Other	6.6%	4.0%	0.0%	0.0%	0.0%	0.0%	5.5%

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