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OCC Mortgage Metrics Report

Disclosure of National Bank and Federal Savings
Association Mortgage Loan Data

Second Quarter 2012

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Contents

Executive Summary	4
About Mortgage Metrics.....	9
Definitions and Method	9
PART I: Mortgage Performance	12
Overall Mortgage Portfolio	12
Overall Mortgage Performance.....	13
Performance of Mortgages Held by Reporting Banks and Thrift.....	15
Performance of Government-Guaranteed Mortgages.....	17
Performance of GSE Mortgages.....	19
Seriously Delinquent Mortgages, by Risk Category	21
Mortgages 30 to 59 Days Delinquent, by Risk Category	22
PART II: Home Retention Actions.....	23
A. Loan Modifications, Trial-Period Plans, and Payment Plans.....	24
New Home Retention Actions	24
HAMP Modifications and Trial-Period Plans, by Investor and Risk Category	25
New Home Retention Actions Relative to Newly Initiated Foreclosures	26
Types of Modification Actions	27
Types of HAMP Modification Actions.....	28
Types of Modification Actions, by Risk Category	29
Types of Modification Actions, by Investor and Product Type	30
Types of HAMP Modification Actions, by Investor and Product Type	31
Changes in Monthly Payments Resulting From Modification.....	32
Changes in Monthly Payments Resulting From Modifications, by Quarter	33
Changes in Monthly Payments Resulting From HAMP Modifications, by Quarter.....	34
Average Change in Monthly Payments Resulting From Modifications, by Quarter....	35
B. Modified Loan Performance.....	36
Re-Default Rates of Modified Loans: 60 or More Days Delinquent.....	36
Re-Default Rates of Modified Loans: 30 or More Days Delinquent.....	37
Re-Default Rates of Modified Loans: 90 or More Days Delinquent.....	38

Re-Default Rate, by Investor (60 or More Days Delinquent).....	39
Performance of HAMP Modifications Compared With Other Modifications	41
C. Modified Loan Performance, by Change in Monthly Payments.....	42
Re-Default Rates of Loans by Change in Payment	43
60+ Delinquency at Six Months After Modification by Change in Monthly Payment..	45
Status of Mortgages Modified in 2008–2012	46
Part III: Home Forfeiture Actions—Foreclosures, Short Sales, and Deed-in-Lieu- of-Foreclosure Actions	47
Completed Foreclosures and Other Home Forfeiture Actions	47
Newly Initiated Foreclosures.....	48
Foreclosures in Process	49
Completed Foreclosures.....	50
New Home Retention Actions Relative to Forfeiture Actions, by Risk Category	51
Appendixes	52
Appendix A—New Loan Modifications.....	52
Appendix B—New Trial-Period Plans	53
Appendix C—New Payment Plans	54
Appendix D—Breakdown of Individual and Combination Modification Actions.....	55
Appendix E—Mortgage Modification Data by State	57
Index of Tables	67
Index of Figures.....	70

Executive Summary

This *OCC Mortgage Metrics Report* for the second quarter of 2012 provides performance data on first-lien residential mortgages serviced by selected national and federal savings banks. The mortgages in this portfolio comprise 60 percent of all mortgages outstanding in the United States—30.5 million loans totaling \$5.2 trillion in principal balances. This report provides information on their performance through June 30, 2012.

The overall quality of the portfolio of serviced mortgages included in this report improved from the same period a year ago but showed seasonal decline from the previous quarter. The percentage of mortgages that were current and performing at the end of the quarter was 88.7 percent, compared with 88.9 percent the previous quarter and 88.1 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due was 2.8 percent, up 12.1 percent from the previous quarter but down 7.5 percent from a year ago. The percentage of mortgages that were seriously delinquent—60 or more days past due or held by bankrupt borrowers whose payments were 30 or more days past due—was 4.4 percent, down 0.8 percent from the previous quarter and 9.2 percent from a year earlier. Several factors contribute to the year-over-year improvement, including strengthening economic conditions, servicing transfers, and the ongoing effects of both home retention loan modification programs and home forfeiture actions.

While foreclosure activity remains high, the number of foreclosures in process decreased 6.2 percent from a year earlier, falling to 1,237,025 at the end of the second quarter of 2012. This decline reflects the effects of successful home retention actions as well as home forfeitures. The number of newly initiated foreclosures increased to 302,636 during the second quarter of 2012, up 5.4 percent from the same period a year ago. The number of completed foreclosures decreased 16.1 percent from a year ago to 101,735. While the number of newly initiated foreclosures has increased, the decline in completed foreclosures is attributable to servicers holding loans in the foreclosure process for longer periods of time in an effort to accomplish alternate loss mitigation or home forfeiture actions.

Servicers continued to emphasize alternatives to foreclosure during the quarter. Servicers implemented 416,036 new home retention actions during the quarter, while starting 302,636 new foreclosures. The number of home retention actions implemented by servicers increased 17.9 percent from the previous quarter but decreased 8.8 percent from a year earlier.

Mortgage Performance

- The overall percentage of mortgages in this report that were current and performing decreased to 88.7 percent at the end of the second quarter of 2012 (see table 7).
- The percentage of mortgages that were 30 to 59 days delinquent at the end of the second quarter increased by 12.1 percent from the previous quarter but decreased by 7.5 percent from a year earlier (see table 7).
- The percentage of mortgages that were seriously delinquent at the end of the quarter was 4.4 percent—down 0.8 percent from the previous quarter and 9.2 percent from a year earlier (see table 7).

- The quality of serviced government-guaranteed mortgages declined during the quarter. The percentage of these mortgages that were current and performing decreased to 84.9 percent from 85.9 percent in the previous quarter. The percentage of these mortgages that were current and performing a year earlier was 85.7 percent (see table 9).
- Mortgages serviced for Fannie Mae and Freddie Mac (government-sponsored enterprises or GSE) made up the majority—59 percent—of the mortgages in this report. The percentage of these mortgages that were current and performing has remained relatively constant over the last year. The percentage of these mortgages that were current and performing remained the same as the previous quarter at 93.7 percent (see table 10).

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

- Servicers implemented 416,036 home retention actions—modifications, trial-period plans, and payment plans—during the second quarter of 2012 (see table 1). This was nearly two and a half times the number of completed foreclosures, short sales, and deed-in-lieu-of-foreclosure actions in the quarter (see table 5). The number of new home retention actions increased by 17.9 percent from the previous quarter and decreased 8.8 percent from a year earlier.
- New home retention actions included 92,214 modifications, 203,972 trial-period plans, and 119,850 payment plans during the quarter. Home Affordable Modification Program (HAMP) modifications decreased 24.3 percent from the previous quarter to 28,279 and 59.6 percent from a year earlier. Other modifications decreased by 1.3 percent to 63,935 during the quarter and decreased by 20.5 percent from a year earlier. HAMP trial-period plans decreased by 4.1 percent from the previous quarter and 42.4 percent from the previous year. Other trial-period plans increased by 74.2 percent from the previous quarter and 50.1 percent from a year earlier.¹ During the past five quarters, servicers initiated more than 2.1 million home retention actions (see table 1) and more than 2.6 million modifications since 2008 (see table 2).

Table 1. Number of New Home Retention Actions							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Other Modifications	80,397	83,596	73,875	64,782	63,935	-1.3%	-20.5%
HAMP Modifications	70,071	53,941	42,275	37,375	28,279	-24.3%	-59.6%
Other Trial-Period Plans	118,928	127,545	182,856	102,486	178,528	74.2%	50.1%
HAMP Trial-Period Plans	44,148	29,338	27,323	26,530	25,444	-4.1%	-42.4%
Payment Plans	142,678	164,568	133,881	121,815	119,850	-1.6%	-16.0%
Total	456,222	458,988	460,210	352,988	416,036	17.9%	-8.8%

¹ The number of trial-period plans has been volatile over the last three quarters due to program changes that converted a significant number of borrowers between payment and trial-period plans and shifted the initiation of trial-period plans between reporting periods.

- Servicers reduced interest rates in 82.5 percent of all modifications made during the second quarter of 2012. Term extensions were used in 64.8 percent of modifications, principal deferrals in 20.7 percent, and principal reductions in 11.4 percent (see table 17). Among HAMP modifications, servicers reduced interest rates in 87.5 percent of those modifications, deferred principal in 30.4 percent, and reduced principal in 21.1 percent (see table 18).
- Servicers reduced monthly principal and interest payments in 90.4 percent of modifications made in the quarter (see table 22). Servicers reduced monthly payments by an average of 24.6 percent for all borrowers who qualified for modifications, with an average decrease of \$381. HAMP modifications reduced payments by an average of \$576, or 35.3 percent, and other modifications reduced monthly payments by \$295, or 19.9 percent (see table 24).

Modified Loan Performance

- Servicers modified 2,645,290 mortgages from the beginning of 2008 through the end of the first quarter of 2012. At the end of the second quarter of 2012, 48.6 percent of these modifications were current or paid off. Another 7.6 percent were 30 to 59 days delinquent, and 14.9 percent were seriously delinquent. Another 10.5 percent were in the process of foreclosure, and 6.5 percent had completed the foreclosure process. More recent modifications that emphasized reduced payments, affordability and sustainability have outperformed modifications implemented in earlier periods (see table 2).

Table 2. Status of Mortgages Modified in 2008–1Q 2012								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	445,354	24.0%	5.4%	15.0%	15.2%	14.8%	3.5%	22.1%
2009	594,350	36.3%	7.0%	16.9%	13.5%	9.5%	2.3%	14.5%
2010	939,364	50.4%	7.9%	14.7%	9.8%	4.6%	1.1%	11.5%
2011	564,065	64.9%	9.1%	14.4%	6.6%	1.1%	0.5%	3.5%
2012	102,157	79.1%	9.1%	8.8%	1.3%	0.1%	0.1%	1.6%
Total	2,645,290	47.0%	7.6%	14.9%	10.5%	6.5%	1.6%	11.9%
HAMP Modification Performance Compared With Other Modifications**								
Other Modifications	1,259,224	50.7%	8.9%	17.2%	9.8%	4.7%	1.2%	7.5%
HAMP Modifications	603,126	64.8%	6.9%	9.1%	6.1%	2.2%	0.6%	10.3%
Modifications That Reduced Payments by 10 Percent or More								
Modifications That Reduced Payments by 10% or More	1,591,822	55.4%	7.6%	12.5%	8.1%	4.1%	1.0%	11.3%
Modifications That Reduced Payments by Less Than 10 Percent								
Modifications That Reduced Payments by Less Than 10%	1,053,468	34.3%	7.4%	18.7%	14.2%	10.1%	2.4%	12.8%

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

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

- HAMP modifications have performed better than other modifications. Of the 603,126 HAMP modifications implemented since the third quarter of 2009, 64.8 percent remained current, compared with 50.7 percent of other modifications implemented during the same period (see table 2). HAMP modifications perform better largely because of the emphasis on reduced monthly payments, affordability relative to borrower income, required income verification, and successfully completing a required trial period.
- Modifications that reduced borrower monthly payments by 10 percent or more performed better than those that reduced payments by less than 10 percent—the greater the payment decrease, the better the subsequent performance. At the end of the second quarter of 2012, 55.4 percent of modifications that reduced payments by 10 percent or more were current and performing, compared with 34.3 percent of those that reduced payments by less (see table 2).
- Modifications on mortgages held in the servicers’ own portfolios and those serviced for the GSEs performed better than modifications on mortgages serviced for others. Of the modifications implemented from January 1, 2008, through June 30, 2011 that were in effect at least one year, 22.9 percent of modifications on mortgages held in the servicers’ own portfolios, 26.1 percent of Fannie Mae mortgages, and 25.6 percent of Freddie Mac mortgages were 60 or more days delinquent after 12 months. Conversely, 47.9 percent of government-guaranteed mortgages and 44.4 percent of private investor-held loans were 60 or more days delinquent after 12 months. This variance may reflect differences in the characteristics of the loans and the modification programs as well as the servicers’ additional flexibility when modifying mortgages they owned (see table 3).

Table 3. Re-Default Rates for Portfolio Loans and Loans Serviced for Others (60 or More Days Delinquent)*				
Investor Loan Type	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Fannie Mae	11.2%	17.8%	22.7%	26.1%
Freddie Mac	12.1%	18.1%	22.5%	25.6%
Government-Guaranteed	16.8%	33.8%	43.3%	47.9%
Private	22.8%	32.8%	39.6%	44.4%
Portfolio Loans	7.8%	14.6%	19.4%	22.9%
Overall	15.3%	24.8%	31.1%	35.2%

*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 increased 5.5 percent from the previous quarter and 5.4 percent from a year earlier. The number of foreclosures in process decreased 2.6 percent from the previous quarter and 6.2 percent from a year earlier (see table 4), reflecting both the continued emphasis on loss mitigation actions as well as home forfeitures.

Table 4. New Foreclosures and Foreclosures in Process							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Newly Initiated Foreclosures	287,173	347,728	292,173	286,951	302,636	5.5%	5.4%
Foreclosures in Process	1,319,281	1,326,019	1,262,294	1,269,921	1,237,025	-2.6%	-6.2%

- Home forfeiture actions totaled 167,474 at the end of the quarter, a decrease of 9.9 percent from the previous quarter and 7.1 percent from a year earlier. Completed foreclosures decreased by 17.3 percent from the previous quarter and 16.1 percent from a year earlier. Short sales increased by 5.7 percent from the previous quarter and 12.4 percent from a year earlier. Short sales comprise more than one-third of home forfeiture actions (see table 5).

	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Completed Foreclosures	121,237	113,294	116,159	122,979	101,735	-17.3%	-16.1%
New Short Sales	56,407	57,479	63,257	59,996	63,403	5.7%	12.4%
New Deed-in-Lieu-of-Foreclosure Actions	2,558	2,623	2,939	2,806	2,336	-16.7%	-8.7%
Total	180,202	173,396	182,355	185,781	167,474	-9.9%	-7.1%

About Mortgage Metrics

The *OCC Mortgage Metrics Report* presents data on first-lien residential mortgages serviced by eight national banks and a federal savings association with the largest mortgage-servicing portfolios.² The data represent 60 percent of all first-lien residential mortgages outstanding in the country and focuses on credit performance, loss mitigation efforts, and foreclosures. More than 92 percent of the mortgages in the portfolio were serviced for investors other than the reporting institutions. At the end of June 2012, the reporting institutions serviced 30.5 million first-lien mortgage loans, totaling \$5.2 trillion in unpaid balances (see table 6).

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

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

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

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

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

Definitions and Method

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

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

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

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

Additional definitions include:

- **Completed foreclosures**—Ownership of properties transferred to servicers or investors. The ultimate result is the loss of borrowers’ homes because of nonpayment.
- **Deed-in-lieu-of-foreclosure actions**—Actions in which borrowers transfer ownership of the properties (deeds) to servicers in full satisfaction of the outstanding mortgage debt to lessen the adverse impact of the debt on borrowers’ credit records. Deed-in-lieu-of-foreclosure actions typically have a less adverse impact than foreclosures on borrowers’ credit records.
- **Foreclosures in process**—Number of mortgages for which servicers have begun formal foreclosure proceedings but have not yet completed the foreclosure process. The foreclosure process varies by state and can take 15 months or more to complete. Many foreclosures in process never result in the loss of borrowers’ homes because servicers simultaneously pursue other loss mitigation actions, and borrowers may return their mortgages to current and performing status.
- **Government-guaranteed mortgages**—All mortgages with an explicit guaranty from the U.S. government, including the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), and, to a lesser extent, certain other departments. These loans may be held in pools backing Government National Mortgage Association (Ginnie Mae) securities, owned by or securitized through different third-party investors, or held in the portfolios of reporting institutions.
- **Home retention actions**—Loan modifications, trial-period plans, and payment plans that allow borrowers to retain ownership and occupancy of their homes while attempting to return the loans to a current and performing status.
- **Loan modifications**—Actions that contractually change the terms of mortgages with respect to interest rates, maturity, principal, or other terms of the loan.
- **Newly initiated foreclosures**—Mortgages for which the servicers initiate formal foreclosure proceedings during the quarter. Many newly initiated foreclosures do not result in the loss of borrowers’ homes because servicers simultaneously pursue other loss mitigation actions, and borrowers may act to return their mortgages to current and performing status.
- **Payment plans**—Short-to-medium-term changes in scheduled terms and payments in order to return mortgages to a current and performing status.
- **Payment-option, adjustable rate mortgages (ARM)**—Mortgages that allow borrowers to choose a monthly payment that may initially reduce principal, pay interest only, or result in

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

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

Loan delinquencies are reported using the Mortgage Bankers Association convention that a loan is past due when a scheduled payment has not been made by the due date of the following scheduled payment. The statistics and calculated ratios are based on the number of loans rather than on the dollar amount outstanding.

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

In tables throughout this report, the quarters are indicated by the last day of the quarter (e.g., 6/30/12), quarter-to-quarter changes are shown under the column "1Q %Change" column, and year-to-year changes are shown under the column "1Y %Change" column.

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

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

PART I: Mortgage Performance

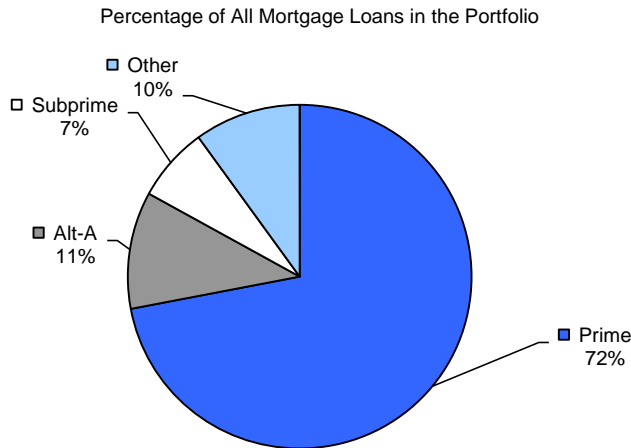
Part I describes the performance of the overall mortgage portfolio, mortgages owned and held by the reporting banks and savings association, government-guaranteed mortgages, mortgages serviced for the GSEs, and mortgages within each risk category.

Overall Mortgage Portfolio

At the end of the second quarter of 2012, the servicing portfolio included 30.5 million loans with \$5.2 trillion in unpaid principal balances (see table 6). Prime loans were 72 percent of the servicing portfolio at quarter end. Subprime loans were 7 percent, and Alt-A loans were 11 percent of the portfolio at the end of the quarter. Other loans were 10 percent of the portfolio at the end of the quarter.

Table 6. Overall Mortgage Portfolio					
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12
Total Servicing (Millions)	\$5,682,951	\$5,598,366	\$5,415,566	\$5,332,795	\$5,222,349
Total Servicing (Number of Loans)	32,769,738	32,434,997	31,381,140	31,026,381	30,494,357
Composition (Percentage of All Mortgages in the Portfolio)					
Prime	70%	70%	71%	71%	72%
Alt-A	11%	11%	11%	11%	11%
Subprime	8%	7%	7%	7%	7%
Other	12%	12%	11%	11%	10%
Composition (Number of Loans in Each Risk Category of the Portfolio)					
Prime	22,904,910	22,765,207	22,311,549	22,142,982	21,878,183
Alt-A	3,522,896	3,499,907	3,388,098	3,359,124	3,306,092
Subprime	2,476,801	2,426,056	2,307,692	2,260,455	2,182,847
Other	3,865,131	3,743,827	3,373,801	3,263,820	3,127,235

Figure 1. Portfolio Composition

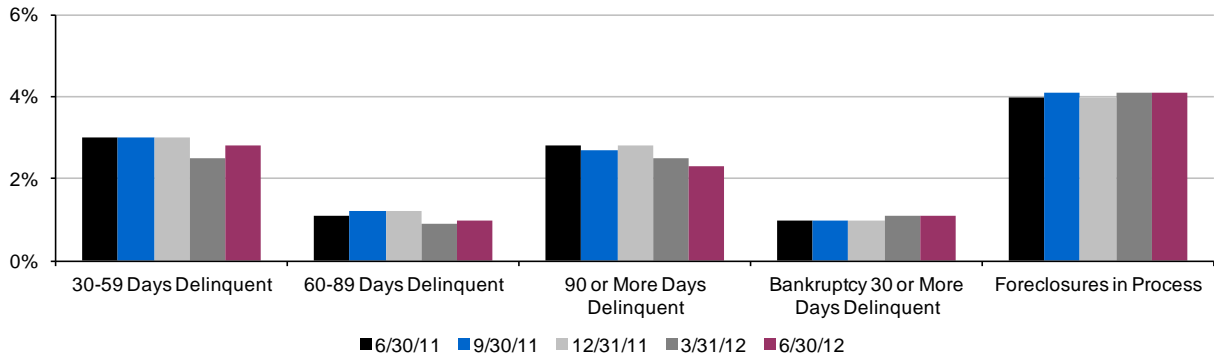


Overall Mortgage Performance

The overall performance of the portfolio of mortgages serviced by the reporting banks and federal savings association deteriorated slightly from last quarter but improved from a year earlier. The percentage of mortgages that were current and performing at the end of the quarter was 88.7 percent, compared with 88.9 percent in the previous quarter and 88.1 percent a year earlier (see table 7). The percentage of mortgages that were 30 to 59 days past due was 2.8 percent, showing a seasonal increase of 12.1 percent from the previous quarter but decreasing 7.5 percent from a year earlier. Seriously delinquent loans fell to 4.4 percent of the portfolio, their lowest level in three years. The percentage of mortgages that were in the foreclosure process at the end of the quarter decreased by 0.9 percent to 4.1 percent of the portfolio, but up 0.8 percent from a year earlier. The number of mortgages in the process of foreclosure decreased 2.6 percent from the previous quarter and 6.2 percent from a year earlier. The performance reflected in this report may not be generalized to the overall population of mortgages in the United States.

Table 7. Overall Portfolio Performance							
(Percentage of Mortgages in the Portfolio)							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Current and Performing	88.1%	88.0%	88.0%	88.9%	88.7%	-0.3%	0.7%
30–59 Days Delinquent	3.0%	3.0%	3.0%	2.5%	2.8%	12.1%	-7.5%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	1.1%	1.2%	1.2%	0.9%	1.0%	7.4%	-11.0%
90 or More Days Delinquent	2.8%	2.7%	2.8%	2.5%	2.3%	-5.2%	-16.4%
Bankruptcy 30 or More Days Delinquent	1.0%	1.0%	1.0%	1.1%	1.1%	1.9%	13.8%
Subtotal for Seriously Delinquent	4.9%	4.9%	5.0%	4.5%	4.4%	-0.8%	-9.2%
Foreclosures in Process	4.0%	4.1%	4.0%	4.1%	4.1%	-0.9%	0.8%
(Number of Mortgages in the Portfolio)							
Current and Performing	28,853,846	28,550,780	27,600,497	27,589,940	27,046,778	-2.0%	-6.3%
30–59 Days Delinquent	996,868	972,727	952,719	779,022	858,330	10.2%	-13.9%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	371,754	384,666	371,164	291,663	307,759	5.5%	-17.2%
90 or More Days Delinquent	910,842	876,961	867,508	760,736	708,741	-6.8%	-22.2%
Bankruptcy 30 or More Days Delinquent	317,147	323,844	326,958	335,099	335,724	0.2%	5.9%
Subtotal for Seriously Delinquent	1,599,743	1,585,471	1,565,630	1,387,498	1,352,224	-2.5%	-15.5%
Foreclosures in Process	1,319,281	1,326,019	1,262,294	1,269,921	1,237,025	-2.6%	-6.2%
Total	32,769,738	32,434,997	31,381,140	31,026,381	30,494,357	-1.7%	-6.9%

Figure 2. Overall Portfolio Performance



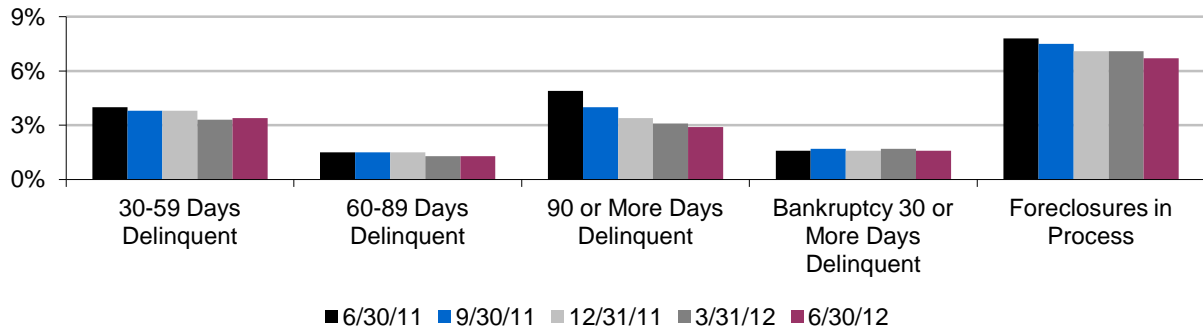
Performance of Mortgages Held by Reporting Banks and Thrift

The nine reporting institutions held 7.8 percent of the 30.5 million mortgages included in this report. This does not include government-guaranteed mortgages that may be held in bank and reporting servicer-owned portfolios. The remaining mortgages were serviced for others. The performance of mortgages held by the reporting institutions improved from the previous quarter and a year earlier (see table 8). The percentage of these mortgages that were current at the end of the quarter was 84.0 percent, an increase from 83.5 percent the previous quarter and 80.3 percent a year earlier. The percentage of these mortgages that were 30 to 59 days delinquent at the end of the quarter was 3.4 percent, a 3.7 percent increase from the previous quarter but a 13.1 percent decrease from a year earlier. The percentage of these mortgages that were seriously delinquent at quarter end was 5.9 percent, a 2.9 percent decrease from the previous quarter and 26.7 percent decrease from a year earlier. The percentage of these mortgages in the process of foreclosure was 6.7 percent, a 5.9 percent decrease from the previous quarter and 13.4 percent decrease from a year earlier. Since the first quarter of 2009, mortgages held in the servicers’ portfolios have performed worse than mortgages serviced for GSEs and government-guaranteed mortgages, because of concentrations of loans in alternative product structures and weaker geographic markets and, more recently, delinquent loans repurchased from investors.

Table 8. Performance of Mortgages Held by Reporting Banks and Thrift (Percentage)*							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Current and Performing	80.3%	81.4%	82.6%	83.5%	84.0%	0.6%	4.6%
30–59 Days Delinquent	4.0%	3.8%	3.8%	3.3%	3.4%	3.7%	-13.1%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	1.5%	1.5%	1.5%	1.3%	1.3%	1.6%	-14.6%
90 or More Days Delinquent	4.9%	4.0%	3.4%	3.1%	2.9%	-4.6%	-39.6%
Bankruptcy 30 or More Days Delinquent	1.6%	1.7%	1.6%	1.7%	1.6%	-3.4%	0.7%
Subtotal for Seriously Delinquent	8.0%	7.2%	6.5%	6.0%	5.9%	-2.9%	-26.7%
Foreclosures in Process	7.8%	7.5%	7.1%	7.1%	6.7%	-5.9%	-13.4%
Performance of Mortgages Held by Reporting Banks and Thrift (Number)							
Current and Performing	1,870,675	1,909,516	1,971,555	1,938,500	2,008,711	3.6%	7.4%
30–59 Days Delinquent	92,252	90,050	90,346	76,967	82,270	6.9%	-10.8%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	35,294	35,675	35,636	29,561	30,957	4.7%	-12.3%
90 or More Days Delinquent	113,134	94,524	80,609	71,355	70,144	-1.7%	-38.0%
Bankruptcy 30 or More Days Delinquent	37,712	38,799	39,148	39,150	38,968	-0.5%	3.3%
Subtotal for Seriously Delinquent	186,140	168,998	155,393	140,066	140,069	0.0%	-24.8%
Foreclosures in Process	180,549	175,969	169,064	165,679	160,595	-3.1%	-11.1%
Total	2,329,616	2,344,533	2,386,358	2,321,212	2,391,645	3.0%	2.7%

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

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

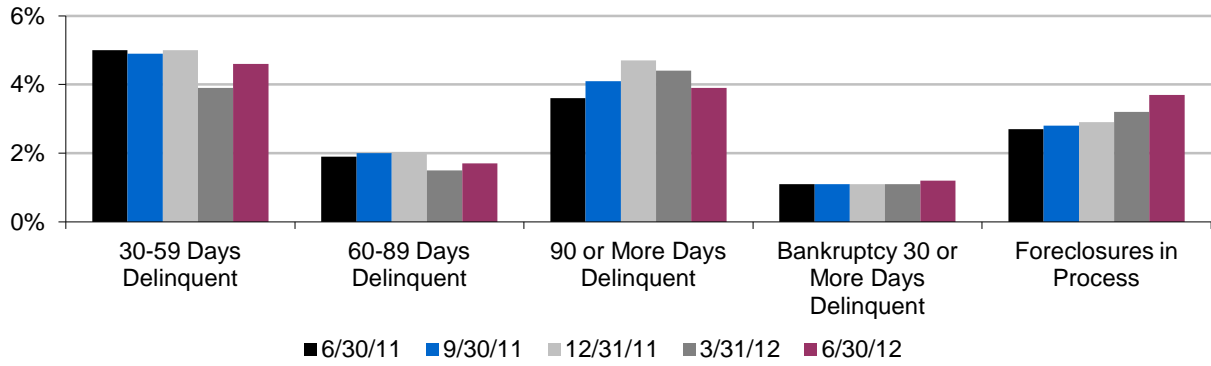


Performance of Government-Guaranteed Mortgages

Government-guaranteed mortgages were 22.9 percent of the mortgages in this report at the end of the quarter, compared with 20.7 percent a year earlier. The percentage of government-guaranteed mortgages that were current and performing decreased from the previous quarter and the previous year (see table 9). The percentage of these loans that were current and performing at the end of the quarter was 84.9 percent, down from 85.9 percent at the end of the previous quarter and 85.7 percent a year earlier. The percentage of these loans that were 30 to 59 days delinquent was 4.6 percent at the end of the quarter, a 17.0 percent increase from the previous quarter but an 8.1 percent decrease from a year earlier. The percentage of these loans that were seriously delinquent was 6.8 percent at the end of the quarter, a 3.2 percent decrease from the previous quarter but a 3.5 percent increase from a year earlier. The percentage of these loans in the process of foreclosure at the end of the quarter was 3.7 percent, an increase of 15.5 percent from the previous quarter and 36.2 percent from a year earlier. More than 79 percent of these loans were FHA loans, 15 percent were VA loans, and 6 percent were other government-guaranteed mortgages. Almost 86 percent of the government-guaranteed mortgages were in pools of loans backing Ginnie Mae securities.

Table 9. Performance of Government-Guaranteed Mortgages (Percentage)							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Current and Performing	85.7%	85.2%	84.2%	85.9%	84.9%	-1.1%	-1.0%
30–59 Days Delinquent	5.0%	4.9%	5.0%	3.9%	4.6%	17.0%	-8.1%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	1.9%	2.0%	2.0%	1.5%	1.7%	13.0%	-10.3%
90 or More Days Delinquent	3.6%	4.1%	4.7%	4.4%	3.9%	-10.9%	7.5%
Bankruptcy 30 or More Days Delinquent	1.1%	1.1%	1.1%	1.1%	1.2%	5.5%	14.4%
Subtotal for Seriously Delinquent	6.6%	7.1%	7.8%	7.0%	6.8%	-3.2%	3.5%
Foreclosures in Process	2.7%	2.8%	2.9%	3.2%	3.7%	15.5%	36.2%
Performance of Government-Guaranteed Mortgages (Number)							
Current and Performing	5,826,732	5,914,032	5,766,800	5,940,585	5,938,802	0.0%	1.9%
30–59 Days Delinquent	338,346	342,104	345,295	270,710	320,119	18.3%	-5.4%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	126,264	136,485	139,849	101,989	116,506	14.2%	-7.7%
90 or More Days Delinquent	247,804	281,264	321,608	304,492	274,075	-10.0%	10.6%
Bankruptcy 30 or More Days Delinquent	71,810	73,375	75,869	79,266	84,502	6.6%	17.7%
Subtotal for Seriously Delinquent	445,878	491,124	537,326	485,747	475,083	-2.2%	6.5%
Foreclosures in Process	185,423	191,055	201,460	222,648	259,880	16.7%	40.2%
Total	6,796,379	6,938,315	6,850,881	6,919,690	6,993,884	1.1%	2.9%

Figure 4. Performance of Government-Guaranteed Mortgages

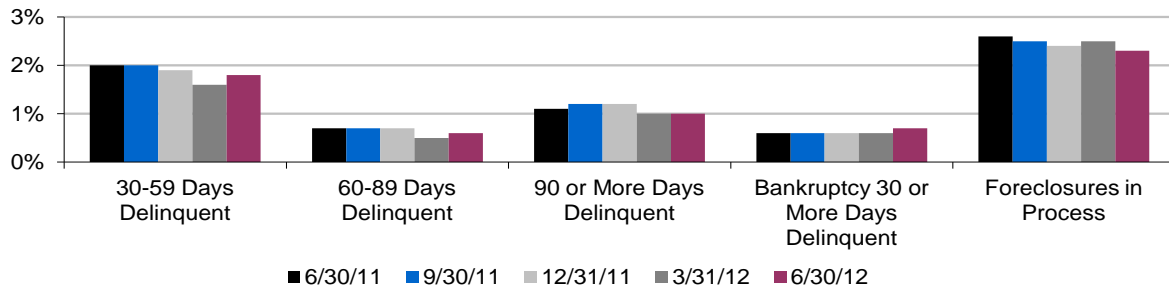


Performance of GSE Mortgages

GSE mortgages made up 58.4 percent of the mortgages in this report, down from 60.2 percent a year earlier. The portfolio of GSE mortgages performs better than the overall portfolio because it contains more prime loans. The percentage of GSE mortgages that were current and performing at the end of the second quarter of 2012 was 93.7 percent, unchanged from the previous quarter but up from 93.1 percent a year earlier (see table 10). The percentage of GSE mortgages that were 30 to 59 days delinquent at the end of the quarter was 1.8 percent, an increase of 9.3 percent from the previous quarter but a 12.0 percent decrease from a year earlier. The percentage of GSE mortgages that were seriously delinquent was 2.2 percent, a 4.3 percent increase from the previous quarter but a 4.1 percent decrease from a year earlier. The percentage of these loans in the process of foreclosure was 2.3 percent, a decrease of 7.0 percent from the previous quarter and 9.6 percent from a year earlier. Of the GSE mortgages, 59 percent were serviced for Fannie Mae and 41 percent for Freddie Mac.

Table 10. Performance of GSE Mortgages (Percentage)							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Current and Performing	93.1%	93.1%	93.1%	93.7%	93.7%	-0.1%	0.6%
30–59 Days Delinquent	2.0%	2.0%	1.9%	1.6%	1.8%	9.3%	-12.0%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	0.7%	0.7%	0.7%	0.5%	0.6%	4.1%	-16.2%
90 or More Days Delinquent	1.1%	1.2%	1.2%	1.0%	1.0%	6.6%	-5.2%
Bankruptcy 30 or More Days Delinquent	0.6%	0.6%	0.6%	0.6%	0.7%	1.1%	11.9%
Subtotal for Seriously Delinquent	2.3%	2.5%	2.5%	2.2%	2.2%	4.3%	-4.1%
Foreclosures in Process	2.6%	2.5%	2.4%	2.5%	2.3%	-7.0%	-9.6%
Performance of GSE Mortgages (Number)							
Current and Performing	18,351,805	18,011,623	17,265,388	17,153,725	16,672,691	-2.8%	-9.1%
30–59 Days Delinquent	396,676	379,596	357,477	296,501	315,274	6.3%	-20.5%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	131,893	133,734	121,162	98,584	99,844	1.3%	-24.3%
90 or More Days Delinquent	214,952	227,724	227,880	177,483	183,985	3.7%	-14.4%
Bankruptcy 30 or More Days Delinquent	115,311	115,759	116,843	118,413	116,482	-1.6%	1.0%
Subtotal for Seriously Delinquent	462,156	477,217	465,885	394,480	400,311	1.5%	-13.4%
Foreclosures in Process	507,925	484,867	449,138	458,137	414,623	-9.5%	-18.4%
Total	19,718,562	19,353,303	18,537,888	18,302,843	17,802,899	-2.7%	-9.7%

Figure 5. Performance of GSE Mortgages

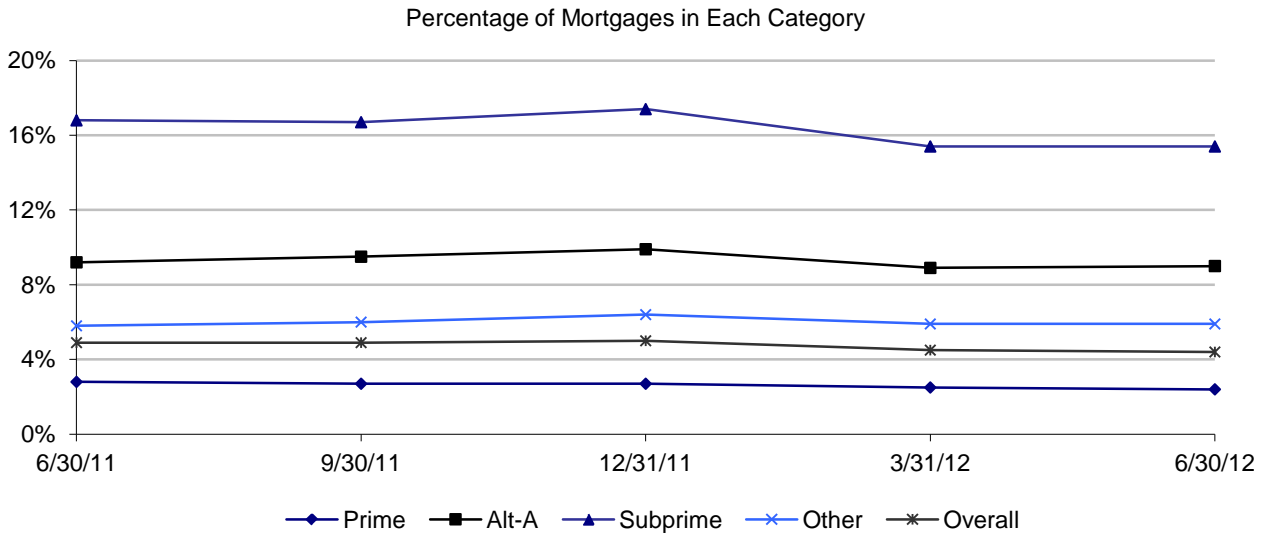


Seriously Delinquent Mortgages, by Risk Category

The portfolio contained 247,519 fewer seriously delinquent loans at the end of the second quarter of 2012 compared with a year earlier—a 15.5 percent decrease (see table 11). Seriously delinquent loans were 4.4 percent of the portfolio at the end of the quarter, a decrease of 0.8 percent from the previous quarter and 9.2 percent from a year earlier. The percentage of seriously delinquent loans is at its lowest level in three years. The number of seriously delinquent loans decreased from both the previous quarter and year across all risk categories.

Table 11. Seriously Delinquent Mortgages, by Risk Category							
(Percentage of Mortgages in Each Category)							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Prime	2.8%	2.7%	2.7%	2.5%	2.4%	-1.2%	-11.7%
Alt-A	9.2%	9.5%	9.9%	8.9%	9.0%	0.8%	-3.1%
Subprime	16.8%	16.7%	17.4%	15.4%	15.4%	-0.1%	-8.7%
Other	5.8%	6.0%	6.4%	5.9%	5.9%	0.2%	3.1%
Overall	4.9%	4.9%	5.0%	4.5%	4.4%	-0.8%	-9.2%
(Number of Mortgages in Each Category)							
Prime	635,065	625,560	610,063	548,312	535,413	-2.4%	-15.7%
Alt-A	325,472	331,200	337,061	298,284	296,029	-0.8%	-9.0%
Subprime	416,745	405,624	401,293	347,641	335,217	-3.6%	-19.6%
Other	222,461	223,087	217,213	193,261	185,565	-4.0%	-16.6%
Total	1,599,743	1,585,471	1,565,630	1,387,498	1,352,224	-2.5%	-15.5%

Figure 6. Seriously Delinquent Mortgages, by Risk Category



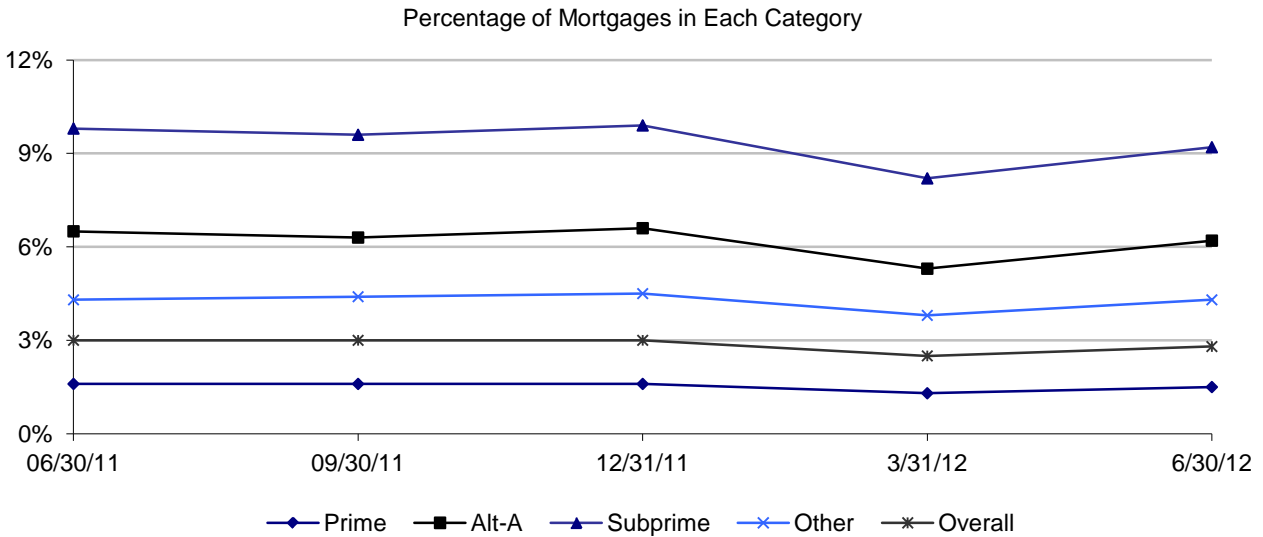
Mortgages 30 to 59 Days Delinquent, by Risk Category

The percentage of loans that were 30 to 59 days delinquent was 2.8 percent of the portfolio at the end of the quarter, an increase of 12.1 percent from the previous quarter but a decrease of 7.5 percent from a year earlier.

Table 12. Mortgages 30 to 59 Days Delinquent, by Risk Category							
<i>(Percentage of Mortgages in Each Category)</i>							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Prime	1.6%	1.6%	1.6%	1.3%	1.5%	10.3%	-8.4%
Alt-A	6.5%	6.3%	6.6%	5.3%	6.2%	15.9%	-4.5%
Subprime	9.8%	9.6%	9.9%	8.2%	9.2%	12.4%	-5.3%
Other	4.3%	4.4%	4.5%	3.8%	4.3%	14.5%	1.2%
Overall	3.0%	3.0%	3.0%	2.5%	2.8%	12.1%	-7.5%
<i>(Number of Mortgages in Each Category)</i>							
Prime	362,954	355,421	348,561	291,413	317,666	9.0%	-12.5%
Alt-A	227,623	221,933	223,717	178,864	204,105	14.1%	-10.3%
Subprime	241,593	231,789	228,396	185,842	201,675	8.5%	-16.5%
Other	164,698	163,584	152,045	122,903	134,884	9.7%	-18.1%
Total	996,868	972,727	952,719	779,022	858,330	10.2%	-13.9%

* Change reflects actual change rather than rounded amount.

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



PART II: Home Retention Actions

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

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

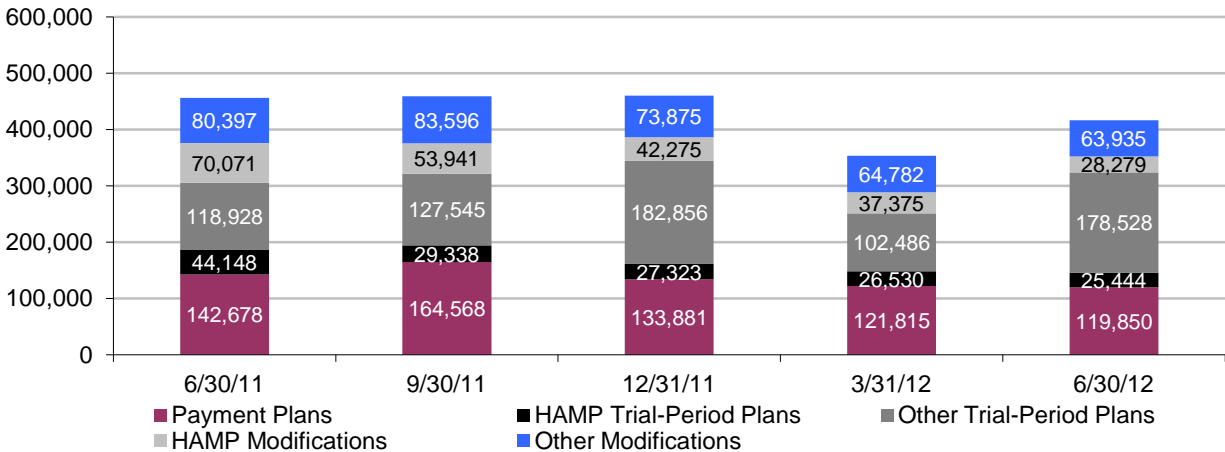
New Home Retention Actions

Servicers implemented 416,036 new home retention actions—loan modifications, trial-period plans, and payment plans—during the second quarter of 2012 (see table 13). The number of home retention actions increased 17.9 percent from the previous quarter but decreased 8.8 percent from a year earlier. Servicers implemented 92,214 modifications during the quarter. The number of modifications decreased 9.7 percent from the previous quarter and 38.7 percent from a year earlier. New HAMP modifications decreased 24.3 percent to 28,279 during the quarter, and other modifications decreased 1.3 percent to 63,935. Servicers implemented 203,972 new trial-period plans. The number of trial-period plans increased 58.1 percent from the previous quarter and 25.1 percent from a year earlier.³ New payment plans decreased by 1.6 percent during the second quarter to 119,850. During the past five quarters, servicers initiated more than 2.1 million home retention actions—598,526 modifications, 863,126 trial-period plans, and 682,792 payment plans.

Table 13. Number of New Home Retention Actions

	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Other Modifications	80,397	83,596	73,875	64,782	63,935	-1.3%	-20.5%
HAMP Modifications	70,071	53,941	42,275	37,375	28,279	-24.3%	-59.6%
Other Trial-Period Plans	118,928	127,545	182,856	102,486	178,528	74.2%	50.1%
HAMP Trial-Period Plans	44,148	29,338	27,323	26,530	25,444	-4.1%	-42.4%
Payment Plans	142,678	164,568	133,881	121,815	119,850	-1.6%	-16.0%
Total	456,222	458,988	460,210	352,988	416,036	17.9%	-8.8%

Figure 8. Number of New Home Retention Actions



³ The number of trial-period plans has been volatile over the last three quarters due to program changes that converted a significant number of borrowers between payment and trial-period plans.

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

Servicers implemented 28,279 HAMP modifications during the second quarter of 2012—down 24.3 percent from the previous quarter (see table 13). Of HAMP modifications completed during the quarter, 47.9 percent went to mortgages serviced for the GSEs. Prime mortgages, which represented 71.7 percent of the total portfolio, received 53.3 percent of all HAMP modifications, while subprime loans, which represented 7.2 percent of the total portfolio, received 18.8 percent of HAMP modifications during the quarter.

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

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	3,901	4,372	163	2,712	3,929	15,077
Alt-A	1,047	1,162	200	1,184	1,629	5,222
Subprime	675	605	168	1,379	2,483	5,310
Other	1,160	637	100	204	569	2,670
Total	6,783	6,776	631	5,479	8,610	28,279

Servicers implemented 25,444 new HAMP trial-period plans during the quarter, a decrease of 4.1 percent from the 26,530 HAMP trial-period plans initiated in the previous quarter (see table 13). GSE mortgages received 46.8 percent of HAMP trial-period plans initiated during the quarter. Prime mortgages received 51.7 percent of the HAMP trial-period plans implemented during the quarter, while Alt-A and subprime mortgages collectively received 38.9 percent.

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

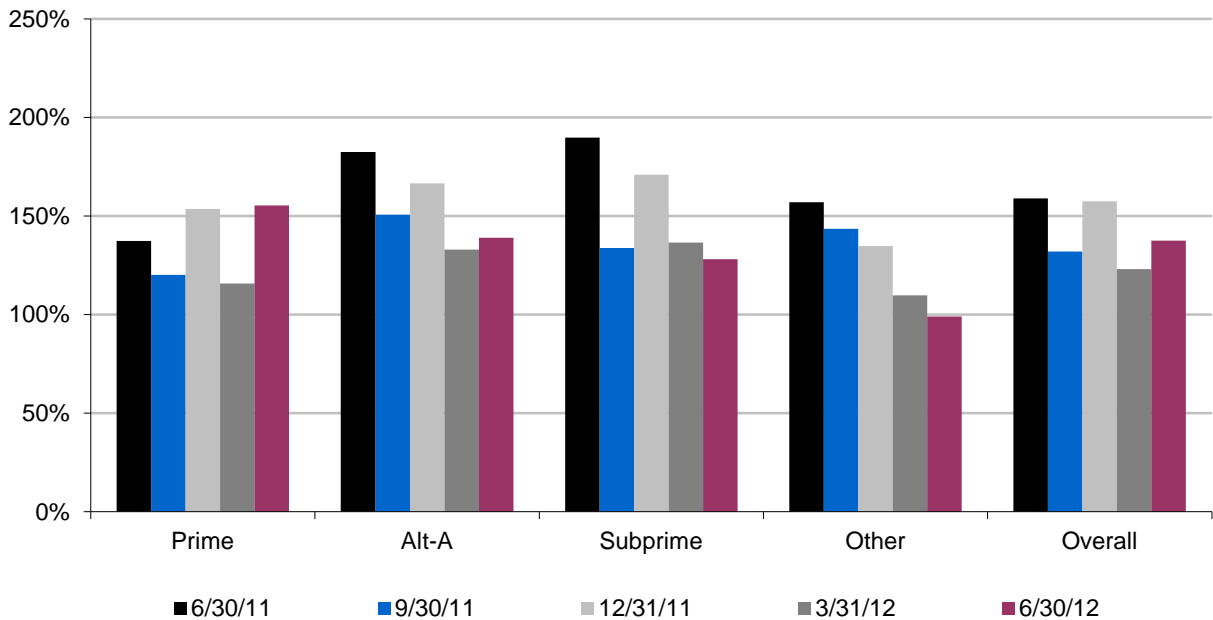
	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	3,559	3,613	570	2,272	3,145	13,159
Alt-A	961	980	532	1,027	1,306	4,806
Subprime	593	535	435	1,135	2,381	5,079
Other	1,186	480	245	154	335	2,400
Total	6,299	5,608	1,782	4,588	7,167	25,444

New Home Retention Actions Relative to Newly Initiated Foreclosures

Servicers continued to implement more new home retention actions than new foreclosures. The ratio of newly initiated home retention actions to newly initiated foreclosure actions increased from the previous quarter but decreased from a year earlier. New home retention actions and new foreclosure actions both increased from the previous quarter. While both increased, the increase in new home retention actions was larger than the increase in newly initiated foreclosures (see table 16).

Table 16. Percentage of New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Prime	137.3%	120.2%	153.6%	115.8%	155.3%	34.1%	13.1%
Alt-A	182.4%	150.7%	166.5%	133.0%	139.0%	4.5%	-23.8%
Subprime	189.7%	133.8%	171.0%	136.5%	128.1%	-6.2%	-32.5%
Other	156.9%	143.5%	134.7%	109.8%	99.1%	-9.8%	-36.8%
Overall	158.9%	132.0%	157.5%	123.0%	137.5%	11.8%	-13.5%
Number of New Home Retention Actions	456,222	458,988	460,210	352,988	416,036	17.9%	-8.8%
Number of Newly Initiated Foreclosures	287,173	347,728	292,173	286,951	302,636	5.5%	5.4%

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



Types of Modification Actions

The types of modification actions or combinations of actions have different effects on the borrowers' mortgages and their monthly principal and interest payments. Different actions may, over time, have different effects on the long-term sustainability of mortgages. Servicers often use a combination of actions when modifying mortgages, with 90.3 percent of modifications implemented during the second quarter of 2012 changing more than one of the original loan terms (see table 49 in appendix D). Capitalization, interest rate reduction, and term extension remain the primary actions taken with loan modifications, but the use of principal deferral or reduction in modifications has increased over the last five quarters.

Servicers capitalized missed fees and payments in 83.6 percent of modifications completed during the quarter, reduced interest rates in 82.5 percent, and extended loan maturity in 64.8 percent (see table 17). Servicers deferred repayment of some portion of the principal balance in 20.7 percent of modifications made during the quarter, down from 24.6 percent the previous quarter, but up from 18.6 percent a year earlier. The percentage of modifications that included principal reduction increased to 11.4 percent in the second quarter of 2012, up from 6.3 percent a year earlier. Because most modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total modifications. Appendix D presents additional detail on combination modifications.

Table 17. Changes in Loan Terms for Modifications Made During the Second Quarter of 2012							
(Percentage of Total Modifications in Each Category)							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Capitalization	90.8%	88.5%	93.3%	91.6%	83.6%	-8.7%	-7.9%
Rate Reduction	79.5%	77.5%	78.2%	80.6%	82.5%	2.3%	3.8%
Rate Freeze	2.1%	4.6%	6.4%	6.2%	6.5%	5.4%	207.1%
Term Extension**	61.1%	57.8%	55.5%	73.7%	64.8%	-12.0%	6.0%
Principal Reduction	6.3%	8.1%	8.5%	10.2%	11.4%	12.2%	82.0%
Principal Deferral	18.6%	20.5%	24.5%	24.6%	20.7%	-15.9%	11.3%
Not Reported*	1.7%	1.0%	1.5%	1.2%	0.8%	-32.8%	-54.2%
(Number of Changes in Each Category)							
Capitalization	136,610	121,662	108,365	93,573	77,115	-17.6%	-43.6%
Rate Reduction	119,568	106,650	90,776	82,382	76,093	-7.6%	-36.4%
Rate Freeze	3,209	6,328	7,419	6,345	6,039	-4.8%	88.2%
Term Extension**	91,945	79,535	64,491	75,256	59,755	-20.6%	-35.0%
Principal Reduction	9,445	11,178	9,866	10,404	10,536	1.3%	11.6%
Principal Deferral	27,989	28,133	28,496	25,154	19,085	-24.1%	-31.8%
Not Reported*	2,574	1,327	1,750	1,190	722	-39.3%	-72.0%

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

Types of HAMP Modification Actions

HAMP modifications follow a prescribed series of actions to attain a targeted monthly mortgage payment. Consistent with modification actions overall and the prescribed order of actions required by HAMP, HAMP modifications most often included capitalization of missed payments and fees, interest-rate reductions, and term extensions. Servicers used principal deferral, another prescribed action in HAMP, in 30.4 percent of HAMP modifications during the second quarter of 2012, down from 32.9 percent in the previous quarter. Principal reduction was used in 21.1 percent of HAMP modifications implemented during the quarter—up from 20.9 percent in the previous quarter and 6.6 percent a year earlier (see table 18).

Table 18. Changes in Loan Terms for HAMP Modifications During the Second Quarter of 2012							
<i>(Percentage of Total Modifications in Each Category)</i>							
	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	1Q %Change	1Y %Change
Capitalization	97.8%	93.7%	97.3%	97.0%	98.4%	1.5%	0.6%
Rate Reduction	84.3%	86.8%	88.5%	90.0%	87.5%	-2.8%	3.8%
Rate Freeze	0.2%	2.2%	3.3%	4.0%	3.0%	-25.5%	1372.6%
Term Extension**	53.7%	48.4%	49.9%	72.9%	58.1%	-20.3%	8.2%
Principal Reduction	6.6%	11.1%	15.6%	20.9%	21.1%	1.0%	217.9%
Principal Deferral	33.0%	34.9%	38.5%	32.9%	30.4%	-7.4%	-7.7%
Not Reported*	0.1%	0.2%	0.1%	0.1%	0.1%	37.5%	-2.4%
<i>(Number of Changes in Each Category)</i>							
Capitalization	68,521	50,522	41,143	36,250	27,829	-23.2%	-59.4%
Rate Reduction	59,060	46,813	37,418	33,626	24,742	-26.4%	-58.1%
Rate Freeze	141	1,186	1,388	1,487	838	-43.6%	494.3%
Term Extension**	37,642	26,123	21,084	27,263	16,438	-39.7%	-56.3%
Principal Reduction	4,653	5,978	6,596	7,811	5,969	-23.6%	28.3%
Principal Deferral	23,097	18,827	16,295	12,281	8,606	-29.9%	-62.7%
Not Reported*	66	103	37	25	26	4.0%	-60.6%

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

Types of Modification Actions, by Risk Category

Servicers use a combination of actions when modifying mortgages, and no single action can be identified as the primary component of a successful modification. Modifications across all risk categories predominantly featured interest-rate reduction and term extension in addition to the capitalization of past-due interest and fees. Because most modifications changed more than one term, the sum of individual features changed exceeded the total number of modified loans in each risk category. While most actions were used relatively consistently across all risk categories, principal deferral was used most extensively in prime loans, and principal reduction was used at a higher rate in Alt-A and subprime loans (see table 19).

Table 19. Changes in Loan Terms for Modifications, by Risk Category, in Second Quarter 2012					
(Percentage of Total Modifications in Each Category)					
	Prime	Alt-A	Subprime	Other	Overall
Capitalization	77.7%	86.9%	87.7%	93.9%	83.6%
Rate Reduction	84.7%	81.7%	79.0%	82.9%	82.5%
Rate Freeze	4.6%	6.9%	10.0%	6.2%	6.5%
Term Extension	64.0%	65.5%	61.5%	75.1%	64.8%
Principal Reduction	10.0%	12.9%	15.5%	4.5%	11.4%
Principal Deferral	25.0%	18.3%	16.3%	16.6%	20.7%
Not Reported*	0.9%	0.6%	0.4%	1.6%	0.8%
(Number of Changes in Each Category)					
Total Mortgages Modified	41,798	18,858	22,556	9,002	92,214
Capitalization	32,479	16,394	19,788	8,454	77,115
Rate Reduction	35,414	15,400	17,814	7,465	76,093
Rate Freeze	1,909	1,307	2,263	560	6,039
Term Extension	26,765	12,353	13,878	6,759	59,755
Principal Reduction	4,197	2,426	3,505	408	10,536
Principal Deferral	10,459	3,449	3,683	1,494	19,085
Not Reported*	380	113	86	143	722

*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 32.9 percent of all modifications made during the second quarter of 2012. Government-guaranteed loans received 18.1 percent of all modifications, mortgages serviced for private investors received 23.9 percent, and mortgages held in the servicers’ own portfolios received 25.1 percent of all second-quarter modifications (see table 20). Interest-rate reduction and capitalization of missed payments and fees remained the primary types of modification actions for all investors, as well as term extension for all except private investors. Principal reduction was used almost exclusively in modifications of loans held in portfolio or serviced for private investors. Because modifications often change more than one loan term, the sum of the actions exceeded the number of modified loans for each investor.

Table 20. Type of Modification Action, by Investor and Product Type, in Second Quarter 2012						
(Percentage of Total Modifications in Each Category)						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	97.3%	98.9%	96.4%	86.1%	53.3%	83.6%
Rate Reduction	76.8%	92.2%	96.3%	74.6%	80.4%	82.5%
Rate Freeze	6.5%	0.6%	0.4%	8.9%	11.5%	6.5%
Term Extension	82.8%	84.1%	97.4%	29.1%	51.0%	64.8%
Principal Reduction	0.0%	0.0%	0.5%	17.6%	28.4%	11.4%
Principal Deferral	30.3%	35.9%	0.3%	30.6%	10.8%	20.7%
Not Reported*	0.6%	0.4%	0.1%	1.3%	1.2%	0.8%
(Number of Changes in Each Category)						
Total Mortgages Modified	19,616	10,754	16,695	22,041	23,108	92,214
Capitalization	19,089	10,641	16,100	18,969	12,316	77,115
Rate Reduction	15,069	9,910	16,077	16,448	18,589	76,093
Rate Freeze	1,272	66	75	1,958	2,668	6,039
Term Extension	16,248	9,047	16,269	6,411	11,780	59,755
Principal Reduction**	9	1	85	3874	6567	10,536
Principal Deferral	5940	3862	49	6738	2496	19,085
Not Reported	116	42	14	284	266	722

*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 28,279 HAMP modifications implemented in the second quarter of 2012, 47.9 percent were on GSE mortgages, 30.4 percent were on mortgages serviced for private investors, 19.4 percent were on mortgages held in servicers’ portfolios, and 2.2 percent were on government-guaranteed loans (see table 21). Consistent with total modification actions, the prevailing actions among HAMP modifications were capitalization of past-due interest and fees, interest-rate reduction, and term extension. Principal deferral was used in a significant number of HAMP modifications for all investors other than government-guaranteed loans. HAMP modifications with principal reduction were concentrated in loans held in portfolio and serviced for private investors.

Table 21. Type of HAMP Modification Action, by Investor and Product Type, in Second Quarter 2012						
(Percentage of Total Modifications in Each Category)						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	99.5%	99.7%	71.5%	99.6%	96.6%	98.4%
Rate Reduction	91.1%	97.1%	92.2%	81.0%	80.8%	87.5%
Rate Freeze	0.3%	0.0%	0.6%	7.1%	3.6%	3.0%
Term Extension	71.9%	77.5%	97.8%	19.7%	73.0%	58.1%
Principal Reduction	0.1%	0.0%	0.5%	32.5%	57.7%	21.1%
Principal Deferral	27.7%	30.2%	1.3%	38.9%	24.3%	30.4%
Not Reported*	0.0%	0.0%	0.0%	0.0%	0.4%	0.1%
(Number of Changes in Each Category)						
Total Mortgages Modified	6,783	6,776	631	8,610	5,479	28,279
Capitalization	6,752	6,753	451	8,578	5,295	27,829
Rate Reduction	6,179	6,580	582	6,973	4,428	24,742
Rate Freeze	21	3	4	615	195	838
Term Extension	4,879	5,250	617	1,692	4,000	16,438
Principal Reduction**	9	0	3	2795	3162	5,969
Principal Deferral	1876	2046	8	3345	1331	8,606
Not Reported	3	2	0	0	21	26

*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.

Changes in Monthly Payments Resulting From Modification

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

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

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

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

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

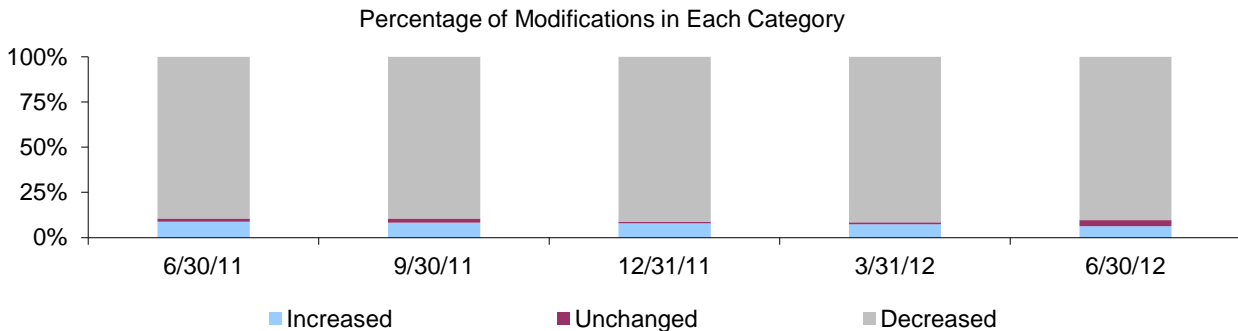
Changes in Monthly Payments Resulting From Modifications, by Quarter

More than 90 percent of modifications made in the quarter reduced monthly principal and interest payments (see table 22), and almost 55 percent of the modifications reduced payments by 20 percent or more. More than 22 percent reduced payments between 10 percent and 20 percent, and another 13.6 percent reduced payments by less than 10 percent.

Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications							
(Percentage of Modifications in Each Category)*							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Decreased by 20% or More	53.8%	53.6%	59.5%	62.7%	54.6%	-12.9%	1.4%
Decreased by 10% to Less Than 20%	17.1%	18.3%	16.7%	15.9%	22.2%	39.2%	29.6%
Decreased by Less Than 10%	18.4%	17.5%	15.0%	12.9%	13.6%	5.3%	-26.3%
Subtotal for Decreased	89.4%	89.4%	91.2%	91.5%	90.4%	-1.2%	1.1%
Unchanged	1.9%	2.4%	0.8%	1.0%	3.3%	216.1%	72.8%
Increased	8.7%	8.2%	7.9%	7.4%	6.3%	-14.9%	-27.3%
Subtotal for Unchanged and Increased	10.6%	10.6%	8.8%	8.5%	9.6%	13.4%	-9.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
(Number of Modifications in Each Category)							
Decreased by 20% or More	80,595	73,352	68,415	63,716	50,088	-21.4%	-37.9%
Decreased by 10% to Less Than 20%	25,670	25,054	19,256	16,218	20,379	25.7%	-20.6%
Decreased by Less Than 10%	27,619	23,971	17,221	13,134	12,476	-5.0%	-54.8%
Subtotal for Decreased	133,884	122,377	104,892	93,068	82,943	-10.9%	-38.0%
Unchanged	2,853	3,335	972	1,059	3,021	185.3%	5.9%
Increased	13,025	11,202	9,138	7,558	5,801	-23.2%	-55.5%
Subtotal for Unchanged and Increased	15,878	14,537	10,110	8,617	8,822	2.4%	-44.4%
Total	149,762	136,914	115,002	101,685	91,765	-9.8%	-38.7%

*No payment change information was reported on 706 modifications in the second quarter of 2011, 623 in the third quarter of 2011, 1,148 in the fourth quarter of 2011, 472 in the first quarter of 2012 and 449 in the second quarter of 2012.

Figure 10. Changes in Monthly Principal and Interest Payments



Changes in Monthly Payments Resulting From HAMP Modifications, by Quarter

Of HAMP modifications completed during the second quarter of 2012, 98.0 percent reduced borrower monthly payments, with 76.2 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.

Table 23. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications							
(Percentage of HAMP Modifications in Each Category)*/**							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Decreased by 20% or More	77.1%	75.8%	77.5%	76.1%	76.2%	0.2%	-1.1%
Decreased by 10% to Less Than 20%	13.1%	13.6%	12.5%	12.4%	13.1%	5.2%	-0.3%
Decreased by Less Than 10%	8.6%	9.2%	8.6%	9.0%	8.7%	-2.6%	1.2%
Subtotal for Decreased	98.8%	98.6%	98.6%	97.5%	98.0%	0.6%	-0.8%
Unchanged	0.2%	0.2%	0.1%	0.4%	0.2%	-37.4%	19.3%
Increased	1.0%	1.2%	1.3%	2.2%	1.7%	-19.6%	78.5%
Subtotal for Unchanged and Increased	1.2%	1.4%	1.4%	2.5%	2.0%	-22.1%	69.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
(Number of HAMP Modifications in Each Category)							
Decreased by 20% or More	53,941	40,756	32,719	28,354	21,479	-24.2%	-60.2%
Decreased by 10% to Less Than 20%	9,178	7,299	5,266	4,636	3,686	-20.5%	-59.8%
Decreased by Less Than 10%	6,024	4,957	3,632	3,337	2,456	-26.4%	-59.2%
Subtotal for Decreased	69,143	53,012	41,617	36,327	27,621	-24.0%	-60.1%
Unchanged	129	101	63	131	62	-52.7%	-51.9%
Increased	683	650	545	808	491	-39.2%	-28.1%
Subtotal for Unchanged and Increased	812	751	608	939	553	-41.1%	-31.9%
Total	69,955	53,763	42,225	37,266	28,174	-24.4%	-59.7%

*No payment change information was reported on 116 modifications in the second quarter of 2011, 178 in the third quarter of 2011, 50 in the fourth quarter of 2011, 109 in the first quarter of 2012 and 105 in the first quarter of 2012.

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

Average Change in Monthly Payments Resulting From Modifications, by Quarter

Modifications made during the second quarter of 2012 reduced monthly principal and interest payments by 24.6 percent on average, or \$381 (see table 24). HAMP modifications made during the quarter reduced payments by 35.3 percent on average, or \$576. Other modifications completed during the quarter reduced payments by \$295 on average, a 19.9 percent average reduction.

Table 24. Average Change in Monthly Payments Resulting From Modifications, by Quarter*							
All Modifications							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Decreased by 20% or More	(667)	(646)	(671)	(655)	(618)	-5.7%	-7.3%
Decreased by 10% to Less Than 20%	(187)	(192)	(192)	(191)	(199)	4.3%	6.3%
Decreased by Less Than 10%	(60)	(64)	(66)	(63)	(70)	10.5%	15.4%
Unchanged	0	0	0	0	0		
Increased**	106	128	145	162	155	-4.5%	45.9%
Overall (in dollars)	(393)	(382)	(430)	(437)	(381)	-12.8%	-3.0%
Percentage Change	-25.1%	-24.4%	-26.5%	-27.4%	-24.6%		
Other Modifications							
Decreased by 20% or More	(591)	(576)	(623)	(590)	(546)	-7.5%	-7.7%
Decreased by 10% to Less Than 20%	(170)	(181)	(182)	(181)	(196)	8.2%	15.3%
Decreased by Less Than 10%	(55)	(61)	(63)	(59)	(68)	15.9%	23.2%
Unchanged	0	0	0	0	0		
Increased**	103	126	143	158	151	-4.4%	46.3%
Overall (in dollars)	(232)	(262)	(335)	(349)	(295)	-15.4%	27.4%
Percentage Change	-15.6%	-17.5%	-21.1%	-22.7%	-19.9%		
HAMP Modifications							
Decreased by 20% or More	(704)	(702)	(725)	(736)	(714)	-3.0%	1.4%
Decreased by 10% to Less Than 20%	(219)	(219)	(219)	(216)	(215)	-0.6%	-1.9%
Decreased by Less Than 10%	(79)	(77)	(79)	(76)	(76)	0.9%	-3.0%
Unchanged	0	0	0	0	0		
Increased**	158	158	174	198	196	-0.9%	
Overall (in dollars)	(577)	(567)	(593)	(590)	(576)	-2.3%	-0.2%
Percentage Change	-35.9%	-35.1%	-36.0%	-35.4%	-35.3%		

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

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

B. Modified Loan Performance

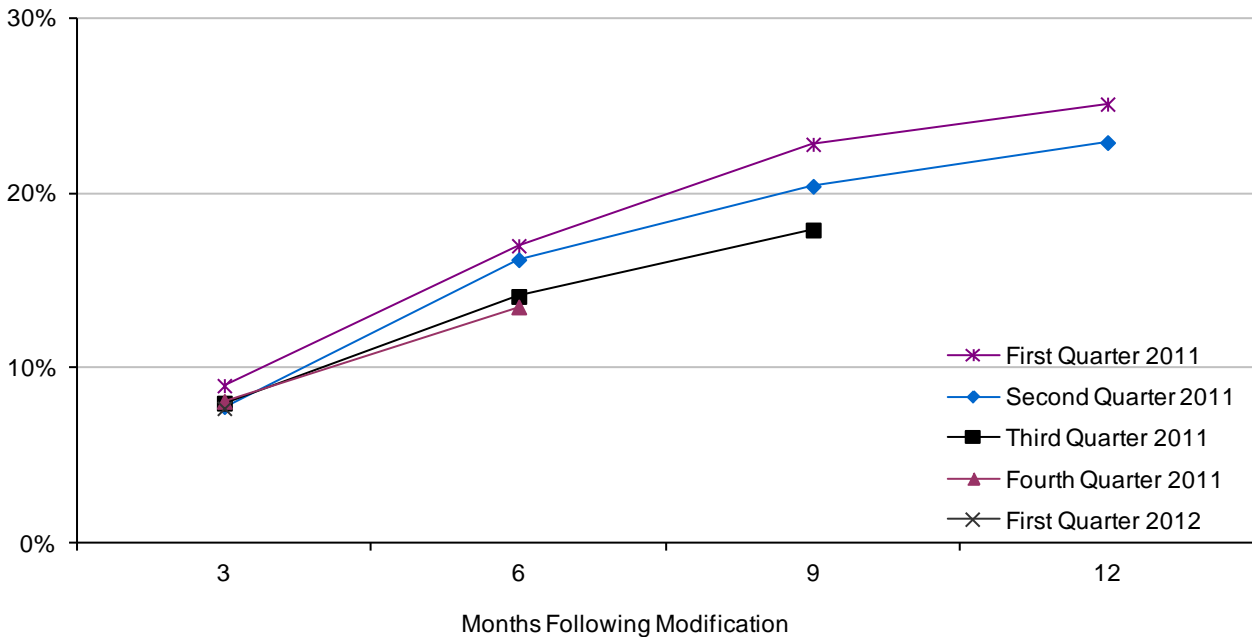
Re-Default Rates of Modified Loans: 60 or More Days Delinquent

Modification performance may vary because of many factors, including the types of modification actions, the average amount of change in the borrower’s monthly payment, the characteristics and geographic location of the modified loans, and the addition or deletion of modification programs among the reporting institutions. Despite differences in many of these factors, mortgages modified in each of the last five quarters have performed similarly over time with more recent modifications performing somewhat better than earlier modifications. Among modifications completed in each of the last five quarters, about 8 to 9 percent of loans were 60 or more days delinquent three months after modification, about 14 to 17 percent were 60 or more days delinquent six months after modification and about 23 to 25 percent were 60 or more days delinquent twelve months after modification (see table 25).

Table 25. Modified Loans 60 or More Days Delinquent				
Modification Date*	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
First Quarter 2011	9.0%	17.0%	22.8%	25.1%
Second Quarter 2011	7.8%	16.2%	20.4%	22.9%
Third Quarter 2011	8.0%	14.1%	17.9%	--
Fourth Quarter 2011	8.1%	13.5%	--	--
First Quarter 2012	7.7%	--	--	--

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

Figure 11. Modified Loans 60 or More Days Delinquent



*The first quarter 2012 data is a single point (7.7 percent), and is obscured by the beginning of the trend lines for the second, third and fourth quarters of 2011.

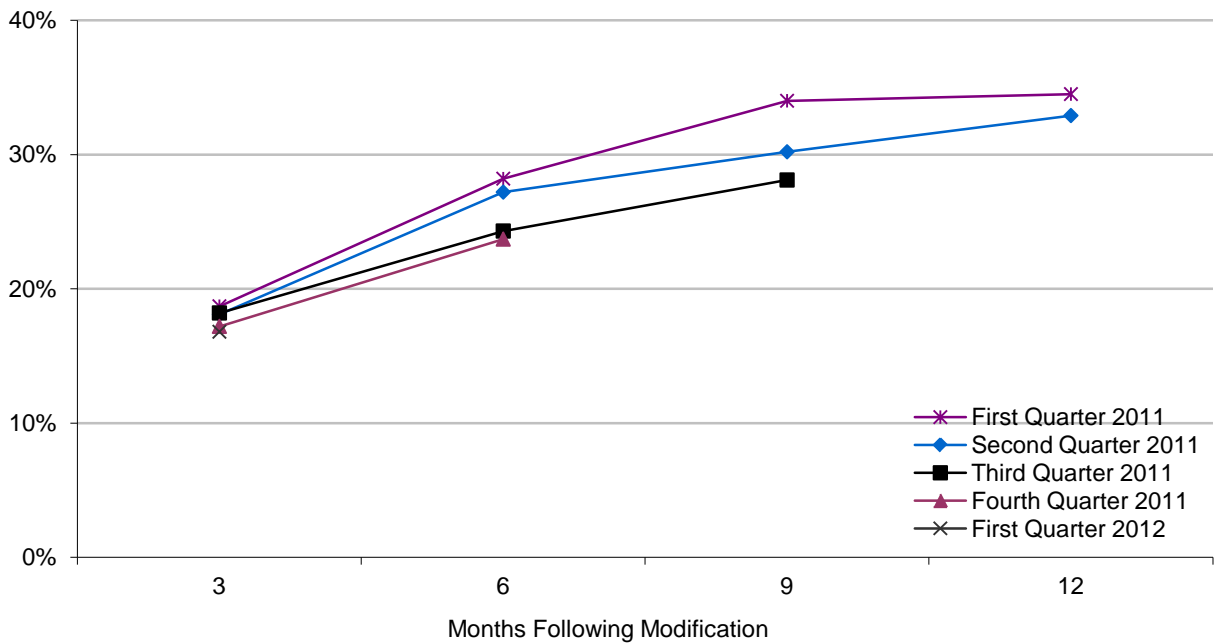
Re-Default Rates of Modified Loans: 30 or More Days Delinquent

Re-default rates measured at 30 or more days delinquent provide an early indicator of mortgages that may need additional attention to prevent more serious delinquency or foreclosure. For modifications completed in each of the last five quarters, about 17 to 19 percent were 30 or more days delinquent three months after modification. Among modifications outstanding at least one year, about 33 to 35 percent were 30 or more days delinquent twelve months after modification (see table 26).

Table 26. Modified Loans 30 or More Days Delinquent				
Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
First Quarter 2011	18.7%	28.2%	34.0%	34.5%
Second Quarter 2011	18.1%	27.2%	30.2%	32.9%
Third Quarter 2011	18.2%	24.3%	28.1%	--
Fourth Quarter 2011	17.2%	23.7%	--	--
First Quarter 2012	16.8%	--	--	--

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

Figure 12. Modified Loans 30 or More Days Delinquent



*The first quarter 2012 data is a single point (16.8 percent), and is obscured by the beginning of the trend line for the fourth quarter of 2011.

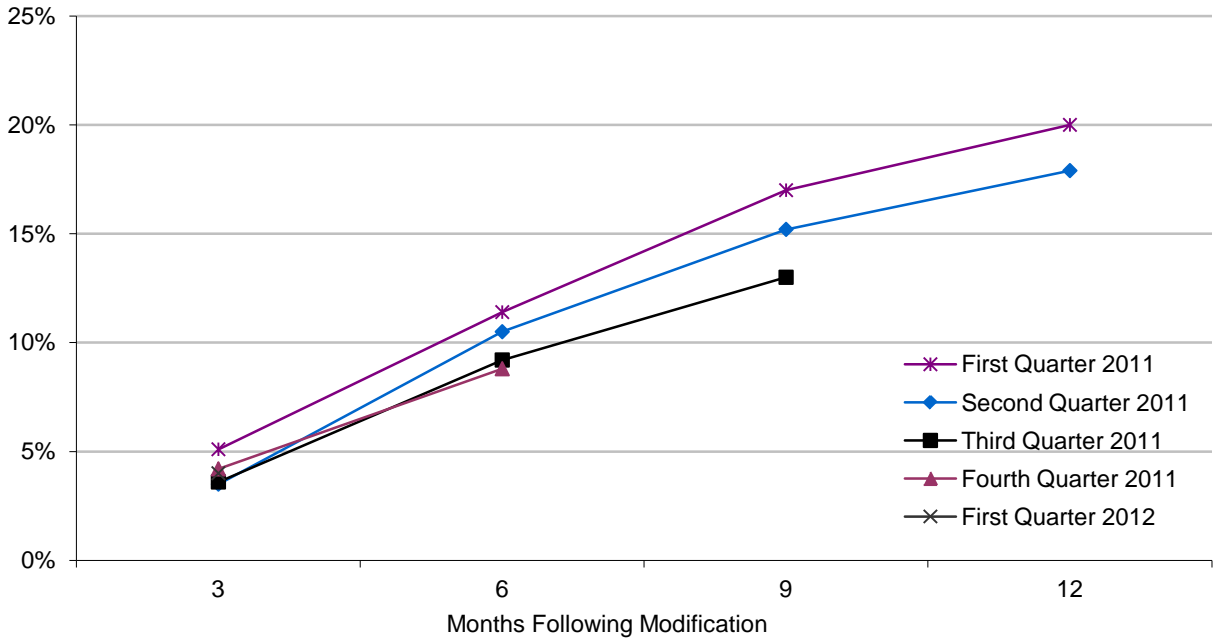
Re-Default Rates of Modified Loans: 90 or More Days Delinquent

Among modifications completed during the last five quarters, about 18 to 20 percent were 90 or more days delinquent twelve months after modification (see table 27).

Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
First Quarter 2011	5.1%	11.4%	17.0%	20.0%
Second Quarter 2011	3.5%	10.5%	15.2%	17.9%
Third Quarter 2011	3.6%	9.2%	13.0%	--
Fourth Quarter 2011	4.2%	8.8%	--	--
First Quarter 2012	4.0%	--	--	--

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

Figure 13. Modified Loans 90 or More Days Delinquent



*The first quarter 2012 data is a single point (4.0 percent), and is obscured by the beginning of the trend line for the fourth quarter of 2011.

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

Modifications on mortgages held in the servicers’ own portfolios or serviced for the GSEs—Fannie Mae and Freddie Mac—performed better than modifications on mortgages serviced for other investors. These lower re-default rates for portfolio and GSE mortgages may reflect differences in loan risk characteristics, 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 characteristics associated with those mortgages. For all investors, re-default rates have decreased over time as more recent modifications have focused more on reducing monthly payments and increasing borrowers’ ability to sustain the reduced payments over time.

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

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

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

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

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

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

Table 31. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2011				
(60 or More Days Delinquent)				
Investor Loan Type	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Fannie Mae	7.2%	11.2%	14.4%	16.2%
Freddie Mac	6.0%	10.9%	14.5%	16.6%
Government-Guaranteed	11.9%	28.0%	37.7%	42.5%
Private	9.7%	15.6%	20.1%	23.6%
Portfolio Loans	5.0%	9.2%	12.0%	13.7%
Overall	8.3%	15.4%	20.5%	24.0%

Table 32. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2012				
(60 or More Days Delinquent)*				
Investor Loan Type	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Fannie Mae	6.9%	--	--	--
Freddie Mac	5.9%	--	--	--
Government-Guaranteed	9.9%	--	--	--
Private	9.0%	--	--	--
Portfolio Loans	6.0%	--	--	--
Overall	7.7%	--	--	--

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

Performance of HAMP Modifications Compared With Other Modifications

HAMP modifications have performed better than other modifications implemented during the same periods. These lower post-modification delinquency rates reflect HAMP’s emphasis on the affordability of monthly payments relative to the borrower’s income, verification of income, and completion of a successful trial-payment period (see table 33). While these criteria result in better performance of HAMP modifications over time, the greater flexibility in making other modifications results in a greater number of modifications for those borrowers who do not qualify for HAMP modifications.

Table 33. Performance of HAMP Modifications Compared With Other Modifications					
(60 or More Days Delinquent)*					
	Number of Modifications	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
HAMP Second Quarter 2010	108,155	8.3%	13.3%	15.9%	17.3%
Other Second Quarter 2010	158,899	12.3%	24.0%	29.2%	31.4%
HAMP Third Quarter 2010	58,856	7.5%	11.5%	13.5%	16.5%
Other Third Quarter 2010	174,858	9.7%	17.1%	21.1%	25.4%
HAMP Fourth Quarter 2010	56,340	9.0%	11.2%	14.7%	17.7%
Other Fourth Quarter 2010	152,514	8.3%	15.5%	22.7%	28.0%
HAMP First Quarter 2011	53,250	5.8%	9.9%	13.4%	14.9%
Other First Quarter 2011	106,660	10.7%	20.7%	27.6%	30.3%
HAMP Second Quarter 2011	70,071	5.4%	9.5%	12.1%	13.8%
Other Second Quarter 2011	80,397	10.0%	22.1%	27.7%	30.9%
HAMP Third Quarter 2011	53,941	5.5%	9.1%	11.5%	--
Other Third Quarter 2011	83,596	9.6%	17.4%	22.1%	--
HAMP Fourth Quarter 2011	42,275	4.6%	7.6%	--	--
Other Fourth Quarter 2011	73,875	10.1%	17.0%	--	--
HAMP First Quarter 2012	37,375	4.9%	--	--	--
Other First Quarter 2012	64,782	9.3%	--	--	--

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

C. Modified Loan Performance, by Change in Monthly Payments

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

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

Re-Default Rates of Loans by Change in Payment

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

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

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

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

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

Table 37. Re-Default Rates of Loans Modified in 2011 by Change in Payment				
(60 or More Days Delinquent)				
	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months after Modification
Decreased by 20% or More	5.6%	9.6%	12.9%	15.1%
Decreased by 10% to Less Than 20%	8.2%	16.9%	23.2%	27.9%
Decreased by Less Than 10%	11.0%	22.7%	29.8%	33.7%
Unchanged	10.0%	13.6%	14.7%	17.5%
Increased	18.6%	33.0%	41.5%	46.5%
Total	8.3%	15.4%	20.5%	24.0%

Table 38. Re-Default Rates of Loans Modified in 2012 by Change in Payment				
(60 or More Days Delinquent)*				
	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months after Modification
Decreased by 20% or More	5.5%	--	--	--
Decreased by 10% to Less Than 20%	7.7%	--	--	--
Decreased by Less Than 10%	10.9%	--	--	--
Unchanged	20.0%	--	--	--
Increased	18.3%	--	--	--
Total	7.7%	--	--	--

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

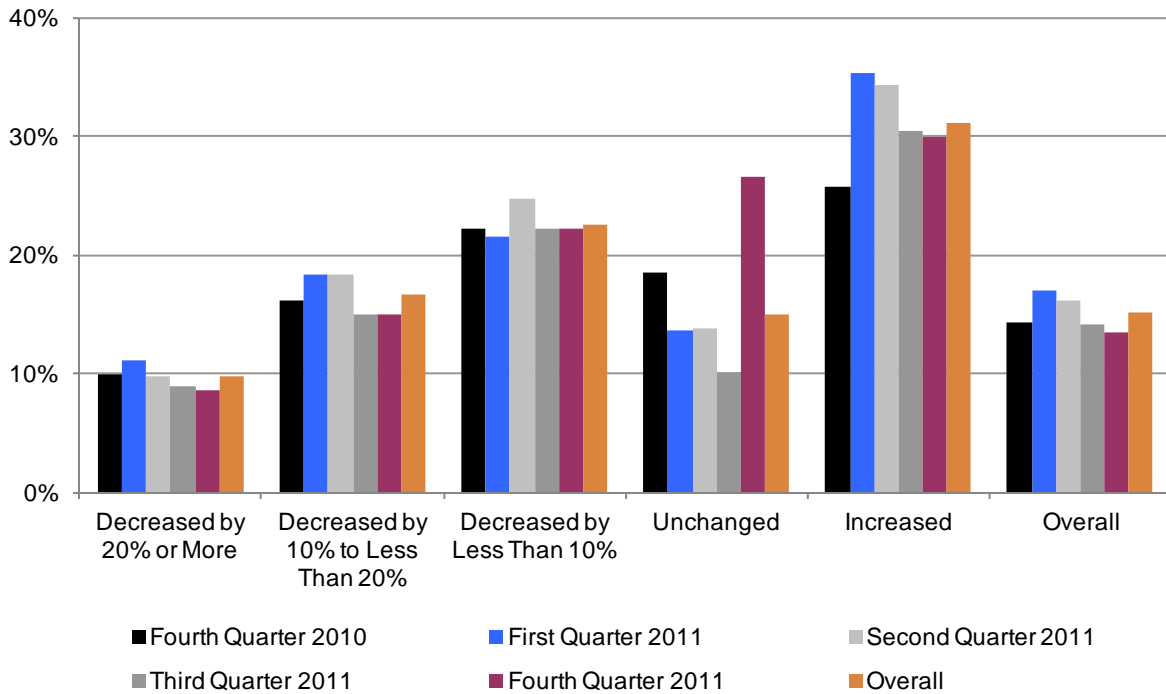
60+ Delinquency at Six Months After Modification by Change in Monthly Payment

Modifications that significantly reduced monthly principal and interest payments consistently performed better than other modifications. Modifications with the greatest decrease in monthly payments consistently had the lowest re-default rates (see table 39). Modifications that result in no change to the borrowers' monthly payments generally have performed better than many modifications that reduced payments because these modifications tend to be offered to borrowers with adjustable rate mortgages who had not defaulted on their payments.

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

	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Overall
Fourth Quarter 2010	9.9%	16.2%	22.2%	18.5%	25.7%	14.3%
First Quarter 2011	11.1%	18.3%	21.5%	13.6%	35.4%	17.0%
Second Quarter 2011	9.8%	18.3%	24.8%	13.8%	34.3%	16.2%
Third Quarter 2011	8.9%	15.0%	22.2%	10.2%	30.5%	14.1%
Fourth Quarter 2011	8.6%	15.0%	22.2%	26.6%	30.0%	13.5%
Overall	9.7%	16.7%	22.6%	15.0%	31.2%	15.1%

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



Status of Mortgages Modified in 2008–2012

Servicers implemented 2,645,290 modifications from January 1, 2008 through March 31, 2012. Of these modifications, 47.0 percent were current and performing at the end of the second quarter of 2012 with another 1.6 percent paid off. Almost 23 percent of these modifications were delinquent, while 17.0 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 1,591,822 modifications that reduced payments by 10 percent or more, 55.4 percent were current and performing at the end of the quarter, compared with 34.3 percent of modifications that reduced payments less than 10 percent (see table 40). Modifications of mortgages held in the servicers' portfolios and those serviced for GSEs performed better than modifications of mortgages serviced for other investors (see tables 28 through 32).

Table 40. Status of Mortgages Modified in 2008–2012

	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	445,354	24.0%	5.4%	15.0%	15.2%	14.8%	3.5%	22.1%
2009	594,350	36.3%	7.0%	16.9%	13.5%	9.5%	2.3%	14.5%
2010	939,364	50.4%	7.9%	14.7%	9.8%	4.6%	1.1%	11.5%
2011	564,065	64.9%	9.1%	14.4%	6.6%	1.1%	0.5%	3.5%
2012	102,157	79.1%	9.1%	8.8%	1.3%	0.1%	0.1%	1.6%
Total	2,645,290	47.0%	7.6%	14.9%	10.5%	6.5%	1.6%	11.9%
HAMP Modification Performance Compared With Other Modifications**								
Other Modifications	1,259,224	50.7%	8.9%	17.2%	9.8%	4.7%	1.2%	7.5%
HAMP Modifications	603,126	64.8%	6.9%	9.1%	6.1%	2.2%	0.6%	10.3%
Modifications That Reduced Payments by 10 Percent or More								
Modifications That Reduced Payments by 10% or More	1,591,822	55.4%	7.6%	12.5%	8.1%	4.1%	1.0%	11.3%
Modifications That Reduced Payments by Less Than 10 Percent								
Modifications That Reduced Payments by Less Than 10%	1,053,468	34.3%	7.4%	18.7%	14.2%	10.1%	2.4%	12.8%

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

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

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

Completed Foreclosures and Other Home Forfeiture Actions

Home forfeiture actions—foreclosure sales, short sales, and deed-in-lieu-of-foreclosure actions—totaled 167,474 during the second quarter of 2012, a decrease of 9.9 percent from the previous quarter and 7.1 percent from a year earlier (see table 41). The number of completed foreclosures decreased to 101,735—down 17.3 percent from the previous quarter and 16.1 percent from a year earlier. Short sales increased 5.7 percent from the previous quarter and 12.4 percent from a year earlier. Short sales were 37.9 percent of total home forfeiture actions, up from 32.3 percent during the previous quarter. Deed-in-lieu-of-foreclosure actions remained a small portion of total home forfeiture actions during the quarter.

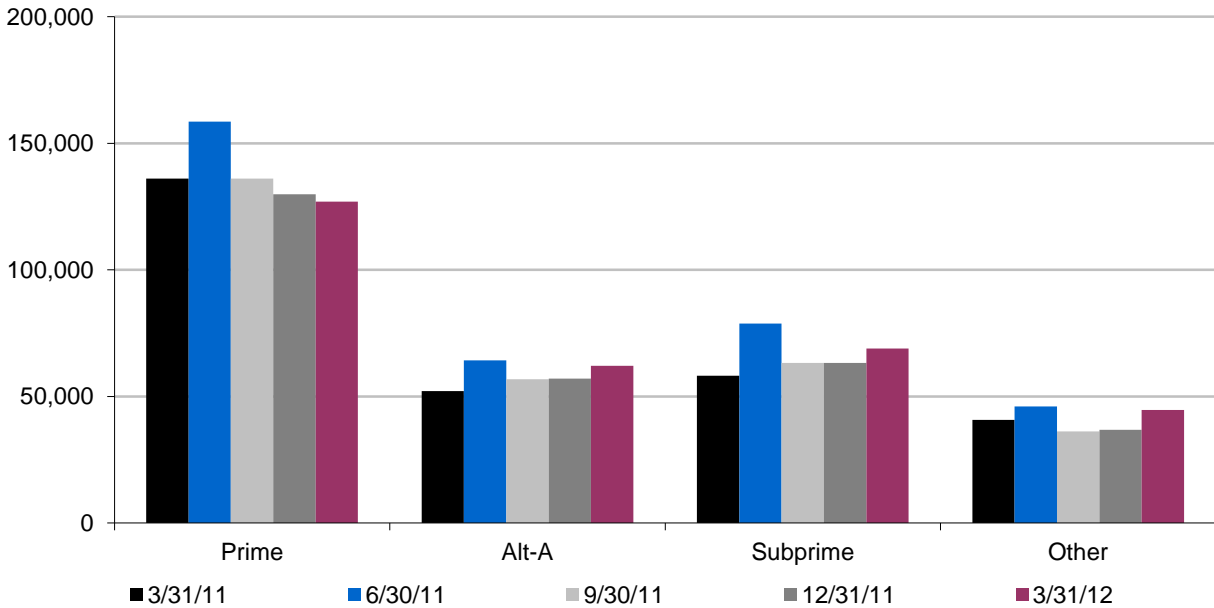
Table 41. Completed Foreclosures and Other Home Forfeiture Actions							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Completed Foreclosures	121,237	113,294	116,159	122,979	101,735	-17.3%	-16.1%
New Short Sales	56,407	57,479	63,257	59,996	63,403	5.7%	12.4%
New Deed-in-Lieu-of-Foreclosure Actions	2,558	2,623	2,939	2,806	2,336	-16.7%	-8.7%
Total	180,202	173,396	182,355	185,781	167,474	-9.9%	-7.1%

Newly Initiated Foreclosures

Servicers initiate foreclosure actions at defined stages of loan delinquency. Foreclosure actions will progress to sale of the property only if servicers and borrowers cannot arrange a permanent loss mitigation action, modification, or alternate workout solution or home sale. Newly initiated foreclosures increased to 302,636 from 286,951, a 5.5 percent increase from the previous quarter (see table 42). Newly initiated foreclosures of Alt-A, subprime, and other loans increased from the previous quarter. Prime loans experienced a decrease in newly initiated foreclosures from both the previous quarter and a year earlier.

Table 42. Number of Newly Initiated Foreclosures							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Prime	136,123	158,633	136,026	129,823	126,966	-2.2%	-6.7%
Alt-A	52,067	64,216	56,736	56,996	62,054	8.9%	19.2%
Subprime	58,232	78,852	63,225	63,286	68,968	9.0%	18.4%
Other	40,751	46,027	36,186	36,846	44,648	21.2%	9.6%
Total	287,173	347,728	292,173	286,951	302,636	5.5%	5.4%

Figure 15. Number of Newly Initiated Foreclosures

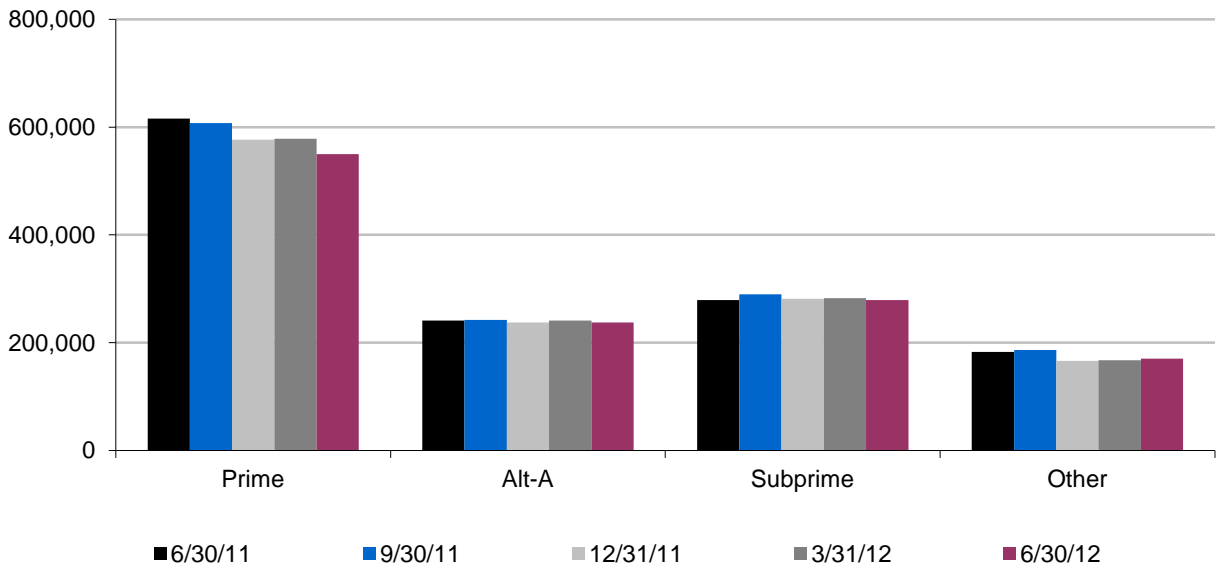


Foreclosures in Process

The number of mortgages in process of foreclosure decreased 2.6 percent from the previous quarter and 6.6 percent from a year earlier to 1,237,025. Foreclosures in process as a percentage of all mortgages serviced have remained stable over the past five quarters, varying from 4.0 to 4.1 percent (see table 43).

Table 43. Foreclosures in Process							
Percentage of Foreclosures in Process Relative to Mortgages in That Risk Category							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Prime	2.7%	2.7%	2.6%	2.6%	2.5%	-3.8%	-6.6%
Alt-A	6.8%	6.9%	7.0%	7.2%	7.2%	0.3%	5.1%
Subprime	11.3%	12.0%	12.2%	12.5%	12.8%	2.1%	13.4%
Other	4.7%	5.0%	4.9%	5.1%	5.5%	6.1%	15.1%
Total	4.0%	4.1%	4.0%	4.1%	4.1%	-0.9%	0.8%
Number of Foreclosures in Process							
Prime	616,122	607,309	576,761	578,547	549,862	-5.0%	-10.8%
Alt-A	240,873	242,150	237,558	240,876	237,671	-1.3%	-1.3%
Subprime	279,202	289,968	281,440	282,879	279,023	-1.4%	-0.1%
Other	183,084	186,592	166,535	167,619	170,469	1.7%	-6.9%
Total	1,319,281	1,326,019	1,262,294	1,269,921	1,237,025	-2.6%	-6.2%

Figure 16. Number of Foreclosures in Process

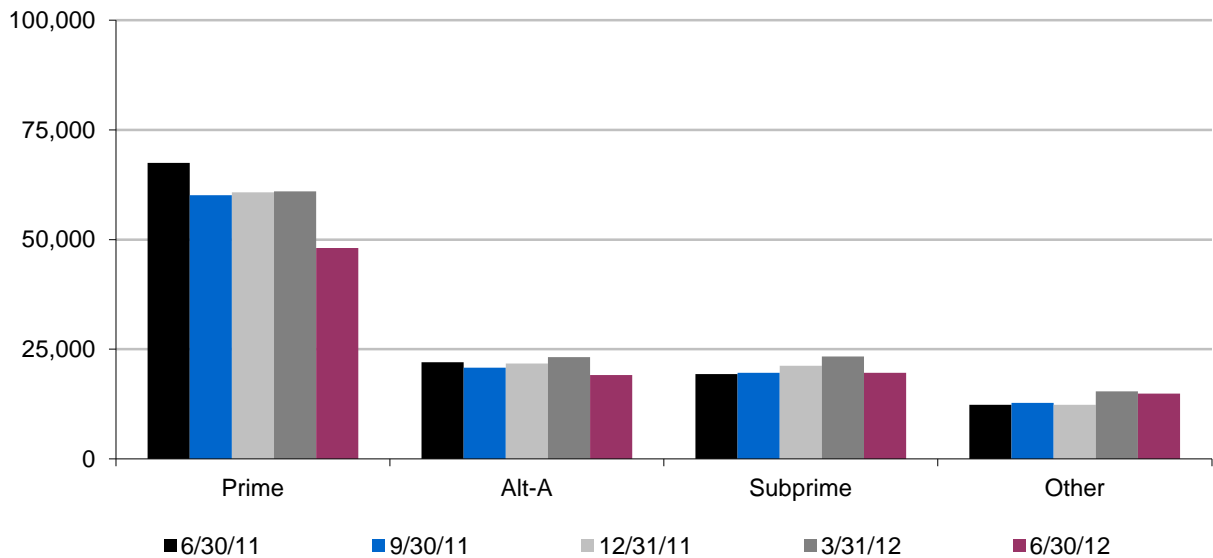


Completed Foreclosures

The number of completed foreclosures decreased to 101,735 during the quarter—down 17.3 percent from the previous quarter and 16.1 percent from a year earlier (see table 44). The quarter-to-quarter decrease in the number of completed foreclosure actions occurred among all risk classes.

Table 44. Completed Foreclosures							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Prime	0.3%	0.3%	0.3%	0.3%	0.2%	-20.2%	-25.4%
Alt-A	0.6%	0.6%	0.6%	0.7%	0.6%	-16.3%	-7.7%
Subprime	0.8%	0.8%	0.9%	1.0%	0.9%	-12.8%	15.3%
Other	0.3%	0.3%	0.4%	0.5%	0.5%	0.6%	49.1%
Total	0.4%	0.3%	0.4%	0.4%	0.3%	-15.8%	-9.8%
Number of Completed Foreclosures							
Prime	67,472	60,109	60,777	60,984	48,079	-21.2%	-28.7%
Alt-A	22,068	20,800	21,788	23,196	19,110	-17.6%	-13.4%
Subprime	19,368	19,605	21,230	23,373	19,673	-15.8%	1.6%
Other	12,329	12,780	12,364	15,426	14,873	-3.6%	20.6%
Total	121,237	113,294	116,159	122,979	101,735	-17.3%	-16.1%

Figure 17. Number of Completed Foreclosures

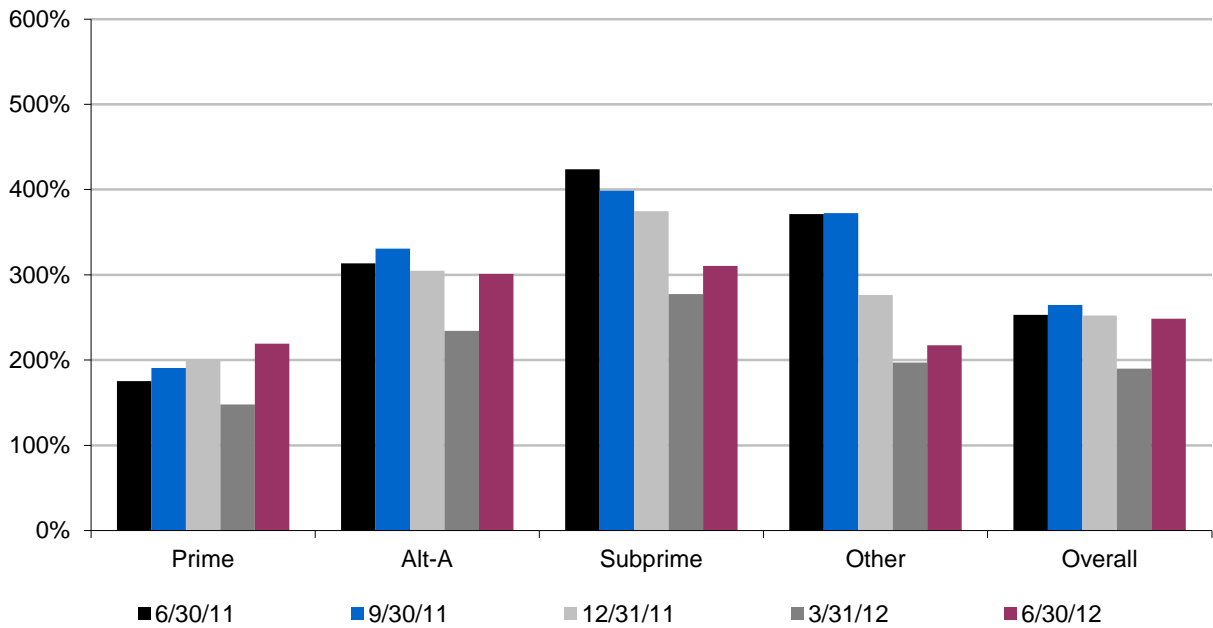


New Home Retention Actions Relative to Forfeiture Actions, by Risk Category

Home retention actions relative to home forfeitures increased during the second quarter of 2012, across all risk classes (see table 45). The percentage of new home retention actions relative to home forfeitures continued to be highest for subprime loans and lowest for prime and other loans during the second quarter of 2012. New home retention actions continued to significantly exceed home forfeitures as servicers initiated almost two and a half times as many home retention actions as home forfeiture actions during the quarter (see table 45).

Table 45. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Prime	175.2%	190.8%	199.2%	147.8%	219.1%	48.3%	25.0%
Alt-A	313.6%	330.9%	304.9%	234.3%	301.1%	28.5%	-4.0%
Subprime	423.7%	398.6%	374.5%	277.3%	310.3%	11.9%	-26.8%
Other	371.4%	372.4%	276.1%	196.9%	217.3%	10.4%	-41.5%
Overall	253.2%	264.7%	252.4%	190.0%	248.4%	30.7%	-1.9%

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



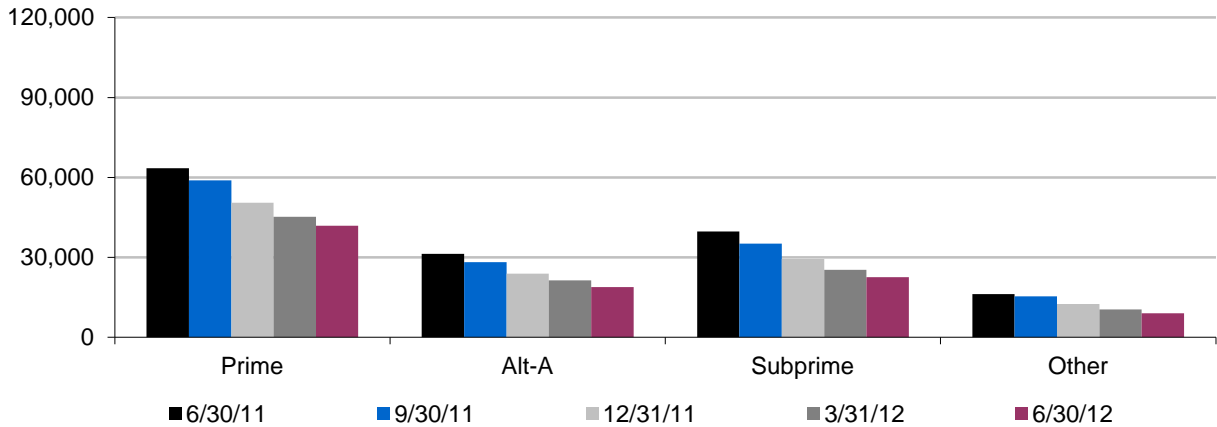
Appendixes

Appendix A—New Loan Modifications

There were 92,214 loan modifications implemented during the second quarter of 2012—a 9.7 percent decrease from the previous quarter and 38.7 percent decrease from a year earlier (see table 46). New modifications decreased across all risk categories during the quarter, the eighth consecutive quarterly decrease in each risk class.

Table 46. Number of New Loan Modifications							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Prime	63,466	58,856	50,478	45,170	41,798	-7.5%	-34.1%
Alt-A	31,231	28,169	23,804	21,267	18,858	-11.3%	-39.6%
Subprime	39,663	35,177	29,367	25,284	22,556	-10.8%	-43.1%
Other	16,108	15,335	12,501	10,436	9,002	-13.7%	-44.1%
Total	150,468	137,537	116,150	102,157	92,214	-9.7%	-38.7%

Figure 19. Number of New Loan Modifications

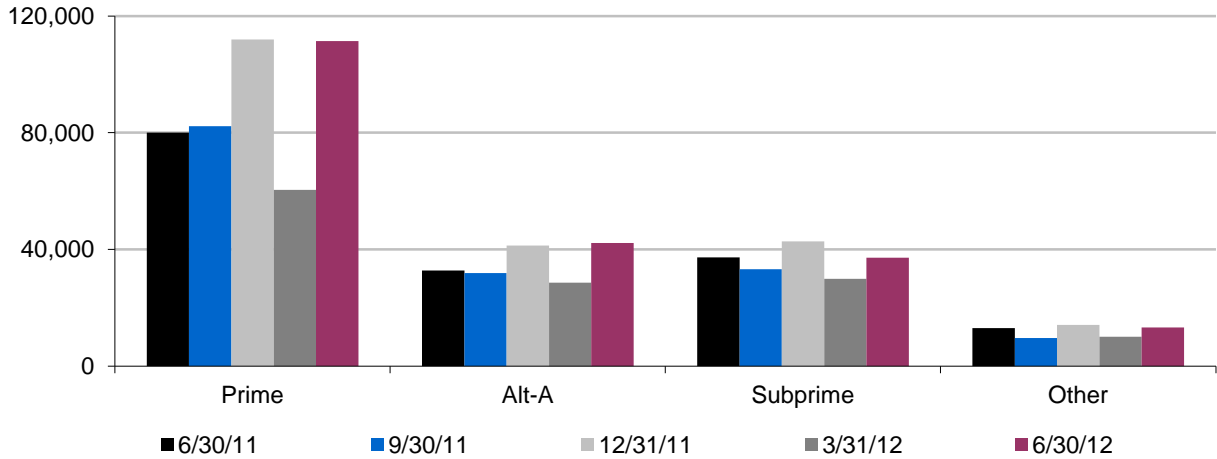


Appendix B—New Trial-Period Plans

Servicers initiated 203,972 trial-period plans during the second quarter of 2012, an increase of 58.1 percent from the previous quarter and 25.1 percent increase from a year earlier. The volatility in the number of new trial-period plans over the last three quarters was affected by changes in program terms that converted a significant number of borrowers in existing payment plans to trial-period plans, changed the timing of movement between repayment and trial-period plans, or shifted the initiation of trial-period plans between reporting periods (see table 47).

Table 47. Number of New Trial-Period Plans							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Prime	80,012	82,191	111,968	60,432	111,366	84.3%	39.2%
Alt-A	32,771	31,838	41,357	28,596	42,209	47.6%	28.8%
Subprime	37,275	33,233	42,708	29,937	37,184	24.2%	-0.2%
Other	13,018	9,621	14,146	10,051	13,213	31.5%	1.5%
Total	163,076	156,883	210,179	129,016	203,972	58.1%	25.1%

Figure 20. Number of New Trial-Period Plans



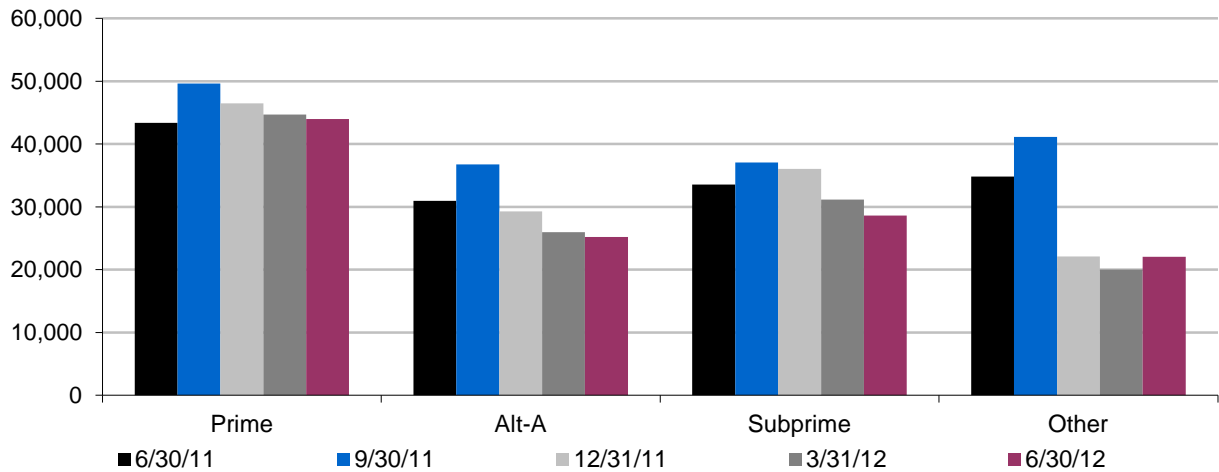
Appendix C—New Payment Plans

New payment plans decreased by 1.6 percent to 119,850 during the second quarter of 2012 (see table 48).

Table 48. Number of New Payment Plans							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Prime	43,356	49,648	46,462	44,697	43,992	-1.6%	1.5%
Alt-A	30,957	36,758	29,280	25,953	25,190	-2.9%	-18.6%
Subprime	33,544	37,058	36,036	31,177	28,624	-8.2%	-14.7%
Other	34,821	41,104	22,103	19,988	22,044	10.3%	-36.7%
Total	142,678	164,568	133,881	121,815	119,850	-1.6%	-16.0%

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

Figure 21. Number of New Payment Plans



Appendix D—Breakdown of Individual and Combination Modification Actions

Servicers generally use a combination of actions to reduce monthly payments and achieve payment sustainability when modifying a mortgage. Servicers changed more than one loan term in 90.3 percent of all modifications completed during the second quarter of 2012 (see table 49).

Table 49. Changes in Terms for Modifications Made Through the Second Quarter of 2012							
(Percentage of Modifications in Each Category)							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Combination*	94.2%	94.4%	94.5%	95.3%	90.3%	-5.2%	-4.1%
Capitalization	1.6%	2.5%	2.8%	1.9%	1.5%	-16.8%	-2.2%
Rate Reduction	1.3%	1.2%	0.7%	0.8%	6.7%	737.5%	408.8%
Rate Freeze	0.3%	0.4%	0.0%	0.2%	0.0%	-95.9%	-96.2%
Term Extension***	0.8%	0.4%	0.4%	0.6%	0.6%	-1.9%	-33.6%
Principal Reduction	0.0%	0.0%	0.0%	0.0%	0.0%	343.1%	-34.7%
Principal Deferral	0.1%	0.0%	0.1%	0.1%	0.1%	26.4%	0.1%
Not Reported**	1.7%	1.0%	1.5%	1.2%	0.8%	-32.8%	-54.2%
(Number of Changes in Each Category)							
Combination*	141,731	129,894	109,723	97,349	83,304	-14.4%	-41.2%
Capitalization	2,383	3,487	3,284	1,902	1,428	-24.9%	-40.1%
Rate Reduction	1,971	1,682	803	813	6,146	656.0%	211.8%
Rate Freeze	389	564	24	244	9	-96.3%	-97.7%
Term Extension***	1,278	482	500	587	520	-11.4%	-59.3%
Principal Reduction	10	40	3	1	4	300.0%	-60.0%
Principal Deferral	132	61	63	71	81	14.1%	-38.6%
Not Reported**	2,574	1,327	1,750	1,190	722	-39.3%	-72.0%
All Modifications	150,468	137,537	116,150	102,157	92,214	-9.7%	-38.7%

*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).

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

Changes in Terms for Combination Modification Actions

Of the 83,304 combination modifications implemented during the second quarter of 2012 (see table 49), 90.9 percent included capitalization of missed fees and payments, 84.0 percent included interest rate reduction, and 71.1 percent included an extension of the loan maturity. Principal deferral was included in 22.8 percent of the combination modifications implemented during the quarter and principal reduction was included in 12.6 percent. Because combination modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total combination modifications (see table 50).

Table 50. Changes in Terms for Combination Modifications Through the Second Quarter of 2012							
<i>(Percentage of Modifications in Each Category)</i>							
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	1Q %Change	1Y %Change
Capitalization	94.7%	91.0%	95.8%	94.2%	90.9%	-3.5%	-4.1%
Rate Reduction	83.0%	80.8%	82.0%	83.8%	84.0%	0.2%	1.2%
Rate Freeze	2.0%	4.4%	6.7%	6.3%	7.2%	15.5%	263.8%
Term Extension*	64.0%	60.9%	58.3%	76.7%	71.1%	-7.3%	11.2%
Principal Reduction	6.7%	8.6%	9.0%	10.7%	12.6%	18.3%	89.9%
Principal Deferral	19.7%	21.6%	25.9%	25.8%	22.8%	-11.5%	16.1%
<i>(Total Number of Changes in Each Category)</i>							
Capitalization	134,227	118,175	105,081	91,671	75,687	-17.4%	-43.6%
Rate Reduction	117,597	104,968	89,973	81,569	69,947	-14.2%	-40.5%
Rate Freeze	2,820	5,764	7,395	6,101	6,030	-1.2%	113.8%
Term Extension*	90,667	79,053	63,991	74,669	59,235	-20.7%	-34.7%
Principal Reduction	9,435	11,138	9,863	10,403	10,532	1.2%	11.6%
Principal Deferral	27,857	28,072	28,433	25,083	19,004	-24.2%	-31.8%

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

Appendix E—Mortgage Modification Data by State

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

Table 51 presents the number and percentage of HAMP modifications and other modifications in each state during the second quarter of 2012. Tables 52 and 53 present the number and percentage of each type of action included in modifications made during the quarter in each state, the District of Columbia, and U.S. territories. Tables 54 and 55 present the number and percentage of each type of action included in combination modifications made during the quarter in each state, the District of Columbia, and U.S. territories. Tables 56 and 57 present the number and percentage of modifications made during the quarter in each state, the District of Columbia, and U.S. territories by the amount of change in the borrowers’ monthly principal and interest payments. Tables 58 and 59 present the number and percentage of modifications made in the fourth quarter of 2011 that were 60 or more days delinquent or in process of foreclosure at the end of the second quarter of 2012.

**Table 51. Number and Percentage of Mortgage Modifications
Implemented in the Second Quarter of 2012**

States	HAMP Modifications		Other Modifications		Total Modifications	
	Total	% of State Total	Total	% of State Total	Total	% of Total
Total - All States	28,279	30.7%	63,935	69.3%	92,214	100.0%
Alabama	168	19.8%	682	80.2%	850	0.9%
Alaska	16	28.1%	41	71.9%	57	0.1%
Arizona	734	29.6%	1,746	70.4%	2,480	2.7%
Arkansas	50	17.3%	239	82.7%	289	0.3%
California	8,153	40.7%	11,882	59.3%	20,035	21.7%
Colorado	378	31.3%	830	68.7%	1,208	1.3%
Connecticut	410	32.2%	864	67.8%	1,274	1.4%
Delaware	96	27.4%	255	72.6%	351	0.4%
District of Columbia	58	33.7%	114	66.3%	172	0.2%
Florida	3,340	31.3%	7,321	68.7%	10,661	11.6%
Georgia	1,115	25.4%	3,272	74.6%	4,387	4.8%
Hawaii	78	33.8%	153	66.2%	231	0.3%
Idaho	90	26.9%	245	73.1%	335	0.4%
Illinois	1,465	31.2%	3,232	68.8%	4,697	5.1%
Indiana	207	15.8%	1,100	84.2%	1,307	1.4%
Iowa	66	19.2%	278	80.8%	344	0.4%
Kansas	80	23.6%	259	76.4%	339	0.4%
Kentucky	87	15.1%	490	84.9%	577	0.6%
Louisiana	143	18.5%	629	81.5%	772	0.8%
Maine	78	36.1%	138	63.9%	216	0.2%
Maryland	787	30.6%	1,786	69.4%	2,573	2.8%
Massachusetts	600	38.4%	963	61.6%	1,563	1.7%
Michigan	522	19.4%	2,167	80.6%	2,689	2.9%
Minnesota	430	29.0%	1,055	71.0%	1,485	1.6%
Mississippi	70	15.8%	373	84.2%	443	0.5%
Missouri	254	21.9%	905	78.1%	1,159	1.3%
Montana	22	19.8%	89	80.2%	111	0.1%
Nebraska	48	21.4%	176	78.6%	224	0.2%
Nevada	436	30.6%	988	69.4%	1,424	1.5%
New Hampshire	99	31.9%	211	68.1%	310	0.3%
New Jersey	1,060	34.9%	1,974	65.1%	3,034	3.3%
New Mexico	95	26.0%	271	74.0%	366	0.4%
New York	1,826	41.5%	2,579	58.5%	4,405	4.8%
North Carolina	582	21.9%	2,071	78.1%	2,653	2.9%
North Dakota	2	7.7%	24	92.3%	26	0.0%
Ohio	411	18.4%	1,827	81.6%	2,238	2.4%
Oklahoma	72	16.3%	371	83.7%	443	0.5%
Oregon	305	32.3%	640	67.7%	945	1.0%
Pennsylvania	552	24.8%	1,675	75.2%	2,227	2.4%
Rhode Island	110	31.9%	235	68.1%	345	0.4%
South Carolina	250	21.9%	891	78.1%	1,141	1.2%
South Dakota	15	30.0%	35	70.0%	50	0.1%
Tennessee	279	23.0%	933	77.0%	1,212	1.3%
Texas	838	18.5%	3,680	81.5%	4,518	4.9%
Utah	194	29.5%	464	70.5%	658	0.7%
Vermont	24	21.4%	88	78.6%	112	0.1%
Virginia	599	28.8%	1,481	71.2%	2,080	2.3%
Washington	665	33.5%	1,318	66.5%	1,983	2.2%
West Virginia	24	16.3%	123	83.7%	147	0.2%
Wisconsin	263	27.1%	709	72.9%	972	1.1%
Wyoming	12	22.6%	41	77.4%	53	0.1%
Other	21	48.8%	22	51.2%	43	0.0%

**Table 52. Number of Mortgage Modification Actions
Implemented in the Second Quarter of 2012**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reductions	Principal Deferral	Combination	Not Reported	Total Modifications
Total - All States	1,428	6,155	520	4	81	83,304	722	92,214
Alabama	15	21	27	0	1	780	6	850
Alaska	2	0	0	0	0	54	1	57
Arizona	24	291	2	0	6	2,139	18	2,480
Arkansas	5	9	0	0	0	274	1	289
California	259	1,483	22	3	44	18,030	194	20,035
Colorado	23	32	4	0	2	1,133	14	1,208
Connecticut	18	63	2	0	0	1,186	5	1,274
Delaware	2	24	5	0	1	319	0	351
District of Columbia	2	9	0	0	0	161	0	172
Florida	90	1,385	39	0	4	9,069	74	10,661
Georgia	83	245	41	0	4	3,967	47	4,387
Hawaii	7	5	1	0	0	213	5	231
Idaho	2	22	5	0	0	304	2	335
Illinois	38	316	14	0	1	4,306	22	4,697
Indiana	33	22	6	0	0	1,241	5	1,307
Iowa	3	6	3	0	0	329	3	344
Kansas	11	4	4	0	0	320	0	339
Kentucky	12	3	18	0	0	542	2	577
Louisiana	18	6	10	0	0	732	6	772
Maine	9	7	2	0	0	197	1	216
Maryland	49	129	11	0	3	2,355	26	2,573
Massachusetts	31	38	8	0	1	1,476	9	1,563
Michigan	51	475	25	0	0	2,122	16	2,689
Minnesota	13	120	10	0	3	1,330	9	1,485
Mississippi	10	13	11	0	0	407	2	443
Missouri	30	44	9	0	1	1,072	3	1,159
Montana	3	0	1	0	0	107	0	111
Nebraska	6	1	4	0	0	211	2	224
Nevada	15	168	4	0	1	1,222	14	1,424
New Hampshire	5	14	1	0	0	289	1	310
New Jersey	47	124	4	0	2	2,825	32	3,034
New Mexico	8	12	1	0	1	342	2	366
New York	45	164	13	0	2	4,142	39	4,405
North Carolina	57	84	50	0	0	2,446	16	2,653
North Dakota	0	1	4	0	0	20	1	26
Ohio	39	118	20	0	0	2,053	8	2,238
Oklahoma	12	6	5	0	0	416	4	443
Oregon	19	70	6	0	0	846	4	945
Pennsylvania	43	59	20	0	2	2,092	11	2,227
Rhode Island	7	25	0	0	0	310	3	345
South Carolina	21	54	12	0	0	1,044	10	1,141
South Dakota	0	1	0	0	0	49	0	50
Tennessee	26	60	20	0	0	1,100	6	1,212
Texas	137	98	25	0	0	4,232	26	4,518
Utah	12	23	2	0	0	615	6	658
Vermont	3	4	12	0	0	90	3	112
Virginia	49	92	15	0	1	1,892	31	2,080
Washington	18	156	9	1	0	1,774	25	1,983
West Virginia	4	5	3	0	0	131	4	147
Wisconsin	11	43	10	0	1	905	2	972
Wyoming	1	0	0	0	0	51	1	53
Other	0	1	0	0	0	42	0	43

**Table 53. Percentage of Mortgage Modification Actions
Implemented in the Second Quarter of 2012**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Combination	Not Reported	Total Modifications
Total - All States	1.5%	6.7%	0.6%	0.0%	0.1%	90.3%	0.8%	92,214
Alabama	1.8%	2.5%	3.2%	0.0%	0.1%	91.8%	0.7%	850
Alaska	3.5%	0.0%	0.0%	0.0%	0.0%	94.7%	1.8%	57
Arizona	1.0%	11.7%	0.1%	0.0%	0.2%	86.3%	0.7%	2,480
Arkansas	1.7%	3.1%	0.0%	0.0%	0.0%	94.8%	0.3%	289
California	1.3%	7.4%	0.1%	0.0%	0.2%	90.0%	1.0%	20,035
Colorado	1.9%	2.6%	0.3%	0.0%	0.2%	93.8%	1.2%	1,208
Connecticut	1.4%	4.9%	0.2%	0.0%	0.0%	93.1%	0.4%	1,274
Delaware	0.6%	6.8%	1.4%	0.0%	0.3%	90.9%	0.0%	351
District of Columbia	1.2%	5.2%	0.0%	0.0%	0.0%	93.6%	0.0%	172
Florida	0.8%	13.0%	0.4%	0.0%	0.0%	85.1%	0.7%	10,661
Georgia	1.9%	5.6%	0.9%	0.0%	0.1%	90.4%	1.1%	4,387
Hawaii	3.0%	2.2%	0.4%	0.0%	0.0%	92.2%	2.2%	231
Idaho	0.6%	6.6%	1.5%	0.0%	0.0%	90.7%	0.6%	335
Illinois	0.8%	6.7%	0.3%	0.0%	0.0%	91.7%	0.5%	4,697
Indiana	2.5%	1.7%	0.5%	0.0%	0.0%	95.0%	0.4%	1,307
Iowa	0.9%	1.7%	0.9%	0.0%	0.0%	95.6%	0.9%	344
Kansas	3.2%	1.2%	1.2%	0.0%	0.0%	94.4%	0.0%	339
Kentucky	2.1%	0.5%	3.1%	0.0%	0.0%	93.9%	0.3%	577
Louisiana	2.3%	0.8%	1.3%	0.0%	0.0%	94.8%	0.8%	772
Maine	4.2%	3.2%	0.9%	0.0%	0.0%	91.2%	0.5%	216
Maryland	1.9%	5.0%	0.4%	0.0%	0.1%	91.5%	1.0%	2,573
Massachusetts	2.0%	2.4%	0.5%	0.0%	0.1%	94.4%	0.6%	1,563
Michigan	1.9%	17.7%	0.9%	0.0%	0.0%	78.9%	0.6%	2,689
Minnesota	0.9%	8.1%	0.7%	0.0%	0.2%	89.6%	0.6%	1,485
Mississippi	2.3%	2.9%	2.5%	0.0%	0.0%	91.9%	0.5%	443
Missouri	2.6%	3.8%	0.8%	0.0%	0.1%	92.5%	0.3%	1,159
Montana	2.7%	0.0%	0.9%	0.0%	0.0%	96.4%	0.0%	111
Nebraska	2.7%	0.4%	1.8%	0.0%	0.0%	94.2%	0.9%	224
Nevada	1.1%	11.8%	0.3%	0.0%	0.1%	85.8%	1.0%	1,424
New Hampshire	1.6%	4.5%	0.3%	0.0%	0.0%	93.2%	0.3%	310
New Jersey	1.5%	4.1%	0.1%	0.0%	0.1%	93.1%	1.1%	3,034
New Mexico	2.2%	3.3%	0.3%	0.0%	0.3%	93.4%	0.5%	366
New York	1.0%	3.7%	0.3%	0.0%	0.0%	94.0%	0.9%	4,405
North Carolina	2.1%	3.2%	1.9%	0.0%	0.0%	92.2%	0.6%	2,653
North Dakota	0.0%	3.8%	15.4%	0.0%	0.0%	76.9%	3.8%	26
Ohio	1.7%	5.3%	0.9%	0.0%	0.0%	91.7%	0.4%	2,238
Oklahoma	2.7%	1.4%	1.1%	0.0%	0.0%	93.9%	0.9%	443
Oregon	2.0%	7.4%	0.6%	0.0%	0.0%	89.5%	0.4%	945
Pennsylvania	1.9%	2.6%	0.9%	0.0%	0.1%	93.9%	0.5%	2,227
Rhode Island	2.0%	7.2%	0.0%	0.0%	0.0%	89.9%	0.9%	345
South Carolina	1.8%	4.7%	1.1%	0.0%	0.0%	91.5%	0.9%	1,141
South Dakota	0.0%	2.0%	0.0%	0.0%	0.0%	98.0%	0.0%	50
Tennessee	2.1%	5.0%	1.7%	0.0%	0.0%	90.8%	0.5%	1,212
Texas	3.0%	2.2%	0.6%	0.0%	0.0%	93.7%	0.6%	4,518
Utah	1.8%	3.5%	0.3%	0.0%	0.0%	93.5%	0.9%	658
Vermont	2.7%	3.6%	10.7%	0.0%	0.0%	80.4%	2.7%	112
Virginia	2.4%	4.4%	0.7%	0.0%	0.0%	91.0%	1.5%	2,080
Washington	0.9%	7.9%	0.5%	0.1%	0.0%	89.5%	1.3%	1,983
West Virginia	2.7%	3.4%	2.0%	0.0%	0.0%	89.1%	2.7%	147
Wisconsin	1.1%	4.4%	1.0%	0.0%	0.1%	93.1%	0.2%	972
Wyoming	1.9%	0.0%	0.0%	0.0%	0.0%	96.2%	1.9%	53
Other	0.0%	2.3%	0.0%	0.0%	0.0%	97.7%	0.0%	43

**Table 54. Number of Modification Actions in Combination Actions
Implemented in the Second Quarter of 2012**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	75,687	75,926	59,235	10,532	19,004	83,304
Alabama	695	723	613	41	77	780
Alaska	54	50	36	1	8	54
Arizona	1,872	1,938	1,511	278	619	2,139
Arkansas	267	260	205	15	21	274
California	15,440	16,316	11,147	3,904	5,877	18,030
Colorado	1,074	1,059	808	67	172	1,133
Connecticut	1,134	1,088	818	139	253	1,186
Delaware	289	295	233	20	52	319
District of Columbia	155	135	103	18	45	161
Florida	8,086	8,145	6,242	1,844	2,648	9,069
Georgia	3,703	3,651	3,051	300	793	3,967
Hawaii	201	188	117	14	51	213
Idaho	271	282	215	21	59	304
Illinois	3,999	3,921	3,245	559	1,124	4,306
Indiana	1,169	1,152	974	69	106	1,241
Iowa	307	303	269	14	42	329
Kansas	306	293	250	16	30	320
Kentucky	494	493	429	27	30	542
Louisiana	708	671	547	27	80	732
Maine	185	172	137	12	37	197
Maryland	2,210	2,136	1,637	269	545	2,355
Massachusetts	1,430	1,307	1,028	198	391	1,476
Michigan	1,833	1,942	1,585	218	425	2,122
Minnesota	1,173	1,230	986	119	275	1,330
Mississippi	359	377	288	30	48	407
Missouri	991	1,010	801	77	112	1,072
Montana	100	97	81	4	14	107
Nebraska	195	203	163	9	16	211
Nevada	1,085	1,079	819	169	396	1,222
New Hampshire	259	255	207	35	59	289
New Jersey	2,689	2,527	2,093	337	743	2,825
New Mexico	305	309	272	21	45	342
New York	4,068	3,750	2,926	458	1,109	4,142
North Carolina	2,242	2,256	1,950	92	260	2,446
North Dakota	17	16	18	1	2	20
Ohio	1,911	1,849	1,591	128	300	2,053
Oklahoma	397	390	339	15	21	416
Oregon	759	776	604	79	193	846
Pennsylvania	1,954	1,910	1,631	130	260	2,092
Rhode Island	291	278	200	50	73	310
South Carolina	922	965	787	57	130	1,044
South Dakota	43	42	42	2	7	49
Tennessee	1,010	1,014	816	67	105	1,100
Texas	4,073	3,958	3,421	149	334	4,232
Utah	576	583	428	40	92	615
Vermont	71	83	67	4	7	90
Virginia	1,702	1,751	1,332	148	345	1,892
Washington	1,565	1,649	1,316	145	383	1,774
West Virginia	115	126	110	8	11	131
Wisconsin	848	838	683	79	174	905
Wyoming	43	46	40	1	2	51
Other	42	39	24	7	3	42

**Table 55. Percentage of Modification Actions in Combination Actions
Implemented in the Second Quarter of 2012**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	90.9%	91.1%	71.1%	12.6%	22.8%	83,304
Alabama	89.1%	92.7%	78.6%	5.3%	9.9%	780
Alaska	100.0%	92.6%	66.7%	1.9%	14.8%	54
Arizona	87.5%	90.6%	70.6%	13.0%	28.9%	2,139
Arkansas	97.4%	94.9%	74.8%	5.5%	7.7%	274
California	85.6%	90.5%	61.8%	21.7%	32.6%	18,030
Colorado	94.8%	93.5%	71.3%	5.9%	15.2%	1,133
Connecticut	95.6%	91.7%	69.0%	11.7%	21.3%	1,186
Delaware	90.6%	92.5%	73.0%	6.3%	16.3%	319
District of Columbia	96.3%	83.9%	64.0%	11.2%	28.0%	161
Florida	89.2%	89.8%	68.8%	20.3%	29.2%	9,069
Georgia	93.3%	92.0%	76.9%	7.6%	20.0%	3,967
Hawaii	94.4%	88.3%	54.9%	6.6%	23.9%	213
Idaho	89.1%	92.8%	70.7%	6.9%	19.4%	304
Illinois	92.9%	91.1%	75.4%	13.0%	26.1%	4,306
Indiana	94.2%	92.8%	78.5%	5.6%	8.5%	1,241
Iowa	93.3%	92.1%	81.8%	4.3%	12.8%	329
Kansas	95.6%	91.6%	78.1%	5.0%	9.4%	320
Kentucky	91.1%	91.0%	79.2%	5.0%	5.5%	542
Louisiana	96.7%	91.7%	74.7%	3.7%	10.9%	732
Maine	93.9%	87.3%	69.5%	6.1%	18.8%	197
Maryland	93.8%	90.7%	69.5%	11.4%	23.1%	2,355
Massachusetts	96.9%	88.6%	69.6%	13.4%	26.5%	1,476
Michigan	86.4%	91.5%	74.7%	10.3%	20.0%	2,122
Minnesota	88.2%	92.5%	74.1%	8.9%	20.7%	1,330
Mississippi	88.2%	92.6%	70.8%	7.4%	11.8%	407
Missouri	92.4%	94.2%	74.7%	7.2%	10.4%	1,072
Montana	93.5%	90.7%	75.7%	3.7%	13.1%	107
Nebraska	92.4%	96.2%	77.3%	4.3%	7.6%	211
Nevada	88.8%	88.3%	67.0%	13.8%	32.4%	1,222
New Hampshire	89.6%	88.2%	71.6%	12.1%	20.4%	289
New Jersey	95.2%	89.5%	74.1%	11.9%	26.3%	2,825
New Mexico	89.2%	90.4%	79.5%	6.1%	13.2%	342
New York	98.2%	90.5%	70.6%	11.1%	26.8%	4,142
North Carolina	91.7%	92.2%	79.7%	3.8%	10.6%	2,446
North Dakota	85.0%	80.0%	90.0%	5.0%	10.0%	20
Ohio	93.1%	90.1%	77.5%	6.2%	14.6%	2,053
Oklahoma	95.4%	93.8%	81.5%	3.6%	5.0%	416
Oregon	89.7%	91.7%	71.4%	9.3%	22.8%	846
Pennsylvania	93.4%	91.3%	78.0%	6.2%	12.4%	2,092
Rhode Island	93.9%	89.7%	64.5%	16.1%	23.5%	310
South Carolina	88.3%	92.4%	75.4%	5.5%	12.5%	1,044
South Dakota	87.8%	85.7%	85.7%	4.1%	14.3%	49
Tennessee	91.8%	92.2%	74.2%	6.1%	9.5%	1,100
Texas	96.2%	93.5%	80.8%	3.5%	7.9%	4,232
Utah	93.7%	94.8%	69.6%	6.5%	15.0%	615
Vermont	78.9%	92.2%	74.4%	4.4%	7.8%	90
Virginia	90.0%	92.5%	70.4%	7.8%	18.2%	1,892
Washington	88.2%	93.0%	74.2%	8.2%	21.6%	1,774
West Virginia	87.8%	96.2%	84.0%	6.1%	8.4%	131
Wisconsin	93.7%	92.6%	75.5%	8.7%	19.2%	905
Wyoming	84.3%	90.2%	78.4%	2.0%	3.9%	51
Other	100.0%	92.9%	57.1%	16.7%	7.1%	42

Table 56. Changes in Monthly Principal and Interest Payments by State (Number)
 Modifications Implemented in the Second Quarter of 2012

States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total - All States	50,088	20,379	12,476	3,021	5,801	449	92,214
Alabama	408	166	185	27	60	4	850
Alaska	27	11	13	1	5	0	57
Arizona	1,284	678	312	91	108	7	2,480
Arkansas	126	65	69	3	26	0	289
California	11,415	4,679	1,990	965	914	72	20,035
Colorado	627	247	206	29	89	10	1,208
Connecticut	733	268	147	42	81	3	1,274
Delaware	178	91	56	7	19	0	351
District of Columbia	93	33	28	3	15	0	172
Florida	6,104	2,481	1,007	582	441	46	10,661
Georgia	2,342	960	669	84	278	54	4,387
Hawaii	143	40	31	1	12	4	231
Idaho	171	77	56	10	20	1	335
Illinois	2,799	936	540	142	259	21	4,697
Indiana	633	299	229	21	121	4	1,307
Iowa	166	78	72	7	20	1	344
Kansas	154	76	65	6	36	2	339
Kentucky	246	135	109	13	70	4	577
Louisiana	342	177	149	12	90	2	772
Maine	122	40	28	6	19	1	216
Maryland	1,326	555	440	53	184	15	2,573
Massachusetts	969	287	174	44	83	6	1,563
Michigan	1,402	682	348	88	161	8	2,689
Minnesota	769	400	191	38	74	13	1,485
Mississippi	217	82	93	9	39	3	443
Missouri	565	246	215	31	97	5	1,159
Montana	47	23	28	1	12	0	111
Nebraska	111	45	36	4	27	1	224
Nevada	780	354	166	68	52	4	1,424
New Hampshire	186	61	35	9	18	1	310
New Jersey	1,790	552	393	79	191	29	3,034
New Mexico	186	77	64	5	33	1	366
New York	2,798	751	481	123	232	20	4,405
North Carolina	1,278	548	534	36	236	21	2,653
North Dakota	9	5	7	2	2	1	26
Ohio	1,129	499	362	51	192	5	2,238
Oklahoma	194	112	75	6	54	2	443
Oregon	519	222	124	14	62	4	945
Pennsylvania	1,161	455	366	30	199	16	2,227
Rhode Island	194	69	33	29	19	1	345
South Carolina	565	266	197	18	88	7	1,141
South Dakota	29	9	9	1	2	0	50
Tennessee	618	232	230	16	109	7	1,212
Texas	2,065	886	969	55	535	8	4,518
Utah	313	165	113	18	47	2	658
Vermont	57	16	16	12	7	4	112
Virginia	1,033	483	336	56	162	10	2,080
Washington	1,004	544	278	42	105	10	1,983
West Virginia	69	26	31	5	15	1	147
Wisconsin	541	171	152	26	74	8	972
Wyoming	24	12	12	0	5	0	53
Other	27	7	7	0	2	0	43

Table 57. Changes in Monthly Principal and Interest Payments (Percentage)							
Modifications Implemented During the Second Quarter of 2012							
States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total - All States	54.3%	22.1%	13.5%	3.3%	6.3%	0.5%	92,214
Alabama	48.0%	19.5%	21.8%	3.2%	7.1%	0.5%	850
Alaska	47.4%	19.3%	22.8%	1.8%	8.8%	0.0%	57
Arizona	51.8%	27.3%	12.6%	3.7%	4.4%	0.3%	2,480
Arkansas	43.6%	22.5%	23.9%	1.0%	9.0%	0.0%	289
California	57.0%	23.4%	9.9%	4.8%	4.6%	0.4%	20,035
Colorado	51.9%	20.4%	17.1%	2.4%	7.4%	0.8%	1,208
Connecticut	57.5%	21.0%	11.5%	3.3%	6.4%	0.2%	1,274
Delaware	50.7%	25.9%	16.0%	2.0%	5.4%	0.0%	351
District of Columbia	54.1%	19.2%	16.3%	1.7%	8.7%	0.0%	172
Florida	57.3%	23.3%	9.4%	5.5%	4.1%	0.4%	10,661
Georgia	53.4%	21.9%	15.2%	1.9%	6.3%	1.2%	4,387
Hawaii	61.9%	17.3%	13.4%	0.4%	5.2%	1.7%	231
Idaho	51.0%	23.0%	16.7%	3.0%	6.0%	0.3%	335
Illinois	59.6%	19.9%	11.5%	3.0%	5.5%	0.4%	4,697
Indiana	48.4%	22.9%	17.5%	1.6%	9.3%	0.3%	1,307
Iowa	48.3%	22.7%	20.9%	2.0%	5.8%	0.3%	344
Kansas	45.4%	22.4%	19.2%	1.8%	10.6%	0.6%	339
Kentucky	42.6%	23.4%	18.9%	2.3%	12.1%	0.7%	577
Louisiana	44.3%	22.9%	19.3%	1.6%	11.7%	0.3%	772
Maine	56.5%	18.5%	13.0%	2.8%	8.8%	0.5%	216
Maryland	51.5%	21.6%	17.1%	2.1%	7.2%	0.6%	2,573
Massachusetts	62.0%	18.4%	11.1%	2.8%	5.3%	0.4%	1,563
Michigan	52.1%	25.4%	12.9%	3.3%	6.0%	0.3%	2,689
Minnesota	51.8%	26.9%	12.9%	2.6%	5.0%	0.9%	1,485
Mississippi	49.0%	18.5%	21.0%	2.0%	8.8%	0.7%	443
Missouri	48.7%	21.2%	18.6%	2.7%	8.4%	0.4%	1,159
Montana	42.3%	20.7%	25.2%	0.9%	10.8%	0.0%	111
Nebraska	49.6%	20.1%	16.1%	1.8%	12.1%	0.4%	224
Nevada	54.8%	24.9%	11.7%	4.8%	3.7%	0.3%	1,424
New Hampshire	60.0%	19.7%	11.3%	2.9%	5.8%	0.3%	310
New Jersey	59.0%	18.2%	13.0%	2.6%	6.3%	1.0%	3,034
New Mexico	50.8%	21.0%	17.5%	1.4%	9.0%	0.3%	366
New York	63.5%	17.0%	10.9%	2.8%	5.3%	0.5%	4,405
North Carolina	48.2%	20.7%	20.1%	1.4%	8.9%	0.8%	2,653
North Dakota	34.6%	19.2%	26.9%	7.7%	7.7%	3.8%	26
Ohio	50.4%	22.3%	16.2%	2.3%	8.6%	0.2%	2,238
Oklahoma	43.8%	25.3%	16.9%	1.4%	12.2%	0.5%	443
Oregon	54.9%	23.5%	13.1%	1.5%	6.6%	0.4%	945
Pennsylvania	52.1%	20.4%	16.4%	1.3%	8.9%	0.7%	2,227
Rhode Island	56.2%	20.0%	9.6%	8.4%	5.5%	0.3%	345
South Carolina	49.5%	23.3%	17.3%	1.6%	7.7%	0.6%	1,141
South Dakota	58.0%	18.0%	18.0%	2.0%	4.0%	0.0%	50
Tennessee	51.0%	19.1%	19.0%	1.3%	9.0%	0.6%	1,212
Texas	45.7%	19.6%	21.4%	1.2%	11.8%	0.2%	4,518
Utah	47.6%	25.1%	17.2%	2.7%	7.1%	0.3%	658
Vermont	50.9%	14.3%	14.3%	10.7%	6.3%	3.6%	112
Virginia	49.7%	23.2%	16.2%	2.7%	7.8%	0.5%	2,080
Washington	50.6%	27.4%	14.0%	2.1%	5.3%	0.5%	1,983
West Virginia	46.9%	17.7%	21.1%	3.4%	10.2%	0.7%	147
Wisconsin	55.7%	17.6%	15.6%	2.7%	7.6%	0.8%	972
Wyoming	45.3%	22.6%	22.6%	0.0%	9.4%	0.0%	53
Other	62.8%	16.3%	16.3%	0.0%	4.7%	0.0%	43

Table 58. Number of Re-Defaults for Loans Modified in the Fourth Quarter of 2011 (60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments)							
States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total - All States	5,731	2,840	3,756	222	2,665	155	15,369
Alabama	58	44	41	6	36	0	185
Alaska	1	2	3	0	4	0	10
Arizona	153	68	91	4	58	1	375
Arkansas	21	18	18	2	13	2	74
California	1,092	339	358	52	333	21	2,195
Colorado	63	43	54	1	36	1	198
Connecticut	72	39	52	0	34	3	200
Delaware	20	12	30	0	15	0	77
District of Columbia	12	6	10	0	3	0	31
Florida	627	212	237	24	170	24	1,294
Georgia	242	175	234	11	143	10	815
Hawaii	21	3	6	0	5	0	35
Idaho	22	11	18	0	14	1	66
Illinois	302	131	193	6	145	6	783
Indiana	90	66	92	4	59	2	313
Iowa	22	26	19	1	22	1	91
Kansas	27	21	20	2	18	0	88
Kentucky	32	26	31	1	26	1	117
Louisiana	68	31	53	1	39	1	193
Maine	12	13	16	0	6	0	47
Maryland	178	86	144	7	77	3	495
Massachusetts	121	49	63	2	58	2	295
Michigan	159	68	106	7	102	8	450
Minnesota	91	40	42	0	41	2	216
Mississippi	28	23	27	4	23	1	106
Missouri	79	71	74	4	47	1	276
Montana	7	5	7	0	6	0	25
Nebraska	10	14	8	2	8	0	42
Nevada	144	37	50	3	29	2	265
New Hampshire	24	13	11	0	10	0	58
New Jersey	234	102	143	3	99	8	589
New Mexico	19	12	28	1	11	0	71
New York	285	146	143	9	106	8	697
North Carolina	154	104	176	8	105	5	552
North Dakota	0	2	0	0	1	0	3
Ohio	143	100	144	6	87	3	483
Oklahoma	29	25	36	2	28	1	121
Oregon	47	25	33	2	22	2	131
Pennsylvania	171	97	115	9	95	3	490
Rhode Island	18	9	12	0	7	2	48
South Carolina	75	50	58	3	38	4	228
South Dakota	3	7	4	0	1	1	16
Tennessee	79	36	110	3	68	0	296
Texas	291	199	353	13	231	11	1,098
Utah	30	36	40	3	18	0	127
Vermont	7	4	3	2	3	0	19
Virginia	122	72	93	9	61	3	360
Washington	141	71	92	0	46	4	354
West Virginia	16	8	8	0	13	1	46
Wisconsin	65	41	55	5	42	4	212
Wyoming	3	1	1	0	3	0	8
Other	1	1	1	0	0	2	5

Table 59. Re-Default Rates for Loans Modified in the Fourth Quarter of 2011 (Percentage)
(60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments)

States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total - All States	8.6%	15.0%	22.2%	26.6%	30.0%	14.3%	13.5%
Alabama	14.5%	20.2%	22.2%	20.7%	32.1%	0.0%	19.4%
Alaska	3.6%	15.4%	15.0%	0.0%	33.3%	0.0%	13.5%
Arizona	8.0%	14.8%	21.3%	30.8%	28.7%	5.3%	12.3%
Arkansas	16.4%	20.7%	23.7%	66.7%	30.2%	40.0%	21.6%
California	6.2%	10.8%	14.0%	40.3%	24.1%	12.6%	8.8%
Colorado	7.7%	14.4%	18.8%	12.5%	27.3%	5.6%	12.6%
Connecticut	8.4%	15.2%	24.4%	0.0%	29.6%	14.3%	13.6%
Delaware	10.8%	14.5%	35.7%	0.0%	38.5%	0.0%	19.5%
District of Columbia	9.9%	14.6%	33.3%	0.0%	17.6%	0.0%	14.7%
Florida	7.9%	13.4%	19.3%	36.9%	25.4%	16.3%	11.1%
Georgia	9.3%	19.0%	25.4%	18.0%	35.5%	26.3%	16.5%
Hawaii	10.8%	5.6%	14.0%	0.0%	25.0%	0.0%	11.1%
Idaho	9.6%	11.8%	22.0%	0.0%	27.5%	33.3%	14.3%
Illinois	8.2%	14.0%	24.3%	22.2%	33.6%	7.1%	13.2%
Indiana	12.7%	16.8%	25.4%	15.4%	31.9%	11.8%	18.5%
Iowa	11.5%	26.0%	21.3%	50.0%	33.8%	16.7%	20.0%
Kansas	12.2%	18.6%	20.8%	33.3%	40.9%	0.0%	18.1%
Kentucky	10.3%	15.9%	18.5%	7.7%	33.8%	25.0%	15.9%
Louisiana	15.0%	18.1%	22.5%	9.1%	28.9%	20.0%	19.1%
Maine	6.5%	23.6%	29.6%	0.0%	19.4%	0.0%	14.3%
Maryland	9.0%	14.3%	23.7%	28.0%	29.6%	9.4%	14.1%
Massachusetts	9.6%	13.3%	21.7%	28.6%	36.0%	8.7%	14.0%
Michigan	9.4%	13.0%	23.2%	25.9%	34.2%	17.4%	14.8%
Minnesota	10.4%	13.3%	17.0%	0.0%	26.1%	10.0%	13.4%
Mississippi	12.1%	26.1%	23.7%	33.3%	42.6%	50.0%	21.2%
Missouri	11.1%	22.8%	26.7%	26.7%	32.6%	10.0%	18.8%
Montana	8.1%	15.2%	21.9%	0.0%	31.6%	0.0%	14.4%
Nebraska	8.8%	23.3%	21.6%	100.0%	32.0%	0.0%	17.6%
Nevada	10.0%	12.9%	22.5%	30.0%	30.5%	18.2%	12.9%
New Hampshire	10.2%	16.7%	15.9%	0.0%	27.8%	0.0%	13.6%
New Jersey	10.2%	14.8%	24.5%	16.7%	33.3%	18.2%	15.0%
New Mexico	8.9%	12.8%	28.9%	12.5%	29.7%	0.0%	15.6%
New York	7.5%	16.1%	19.7%	29.0%	28.3%	9.6%	11.8%
North Carolina	11.2%	17.0%	29.1%	16.0%	31.8%	22.7%	18.4%
North Dakota	0.0%	22.2%	0.0%	0.0%	100.0%	0.0%	10.0%
Ohio	10.7%	16.3%	25.4%	20.7%	28.6%	10.3%	16.8%
Oklahoma	13.7%	18.8%	28.1%	40.0%	30.1%	16.7%	21.0%
Oregon	7.3%	12.1%	18.9%	40.0%	24.2%	18.2%	11.5%
Pennsylvania	11.7%	17.8%	24.2%	39.1%	32.4%	12.0%	17.3%
Rhode Island	7.0%	12.0%	23.1%	0.0%	30.4%	33.3%	11.6%
South Carolina	10.9%	16.9%	21.7%	17.6%	23.9%	22.2%	15.8%
South Dakota	15.8%	38.9%	28.6%	0.0%	25.0%	33.3%	27.1%
Tennessee	11.1%	12.5%	32.1%	14.3%	40.0%	0.0%	19.2%
Texas	11.8%	17.7%	29.2%	35.1%	34.9%	30.6%	19.8%
Utah	6.8%	17.7%	20.6%	33.3%	24.7%	0.0%	13.7%
Vermont	12.7%	17.4%	15.8%	28.6%	27.3%	0.0%	16.5%
Virginia	9.2%	15.0%	19.9%	40.9%	30.5%	18.8%	14.3%
Washington	9.8%	15.4%	24.2%	0.0%	26.9%	14.8%	14.3%
West Virginia	17.0%	16.3%	18.2%	0.0%	37.1%	50.0%	20.0%
Wisconsin	10.8%	15.2%	23.3%	25.0%	33.9%	13.8%	16.5%
Wyoming	11.1%	7.1%	7.7%	0.0%	23.1%	0.0%	11.9%
Other	2.4%	5.9%	4.5%	0.0%	0.0%	100.0%	6.0%

Index of Tables

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

Table 2. Status of Mortgages Modified in 2008–1Q 2012 6

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

Table 4. New Foreclosures and Foreclosures in Process 7

Table 5. Completed Foreclosures and Other Home Forfeiture Actions 8

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

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

Table 8. Performance of Mortgages Held by Reporting Banks and Thrift (Percentage)* 15

Table 9. Performance of Government-Guaranteed Mortgages (Percentage)..... 17

Table 10. Performance of GSE Mortgages (Percentage)..... 19

Table 11. Seriously Delinquent Mortgages, by Risk Category 21

Table 12. Mortgages 30 to 59 Days Delinquent, by Risk Category 22

Table 13. Number of New Home Retention Actions..... 24

Table 14. HAMP Modifications, by Investor and Risk Category..... 25

Table 15. HAMP Trial-Period Plans, by Investor and Risk Category..... 25

Table 16. Percentage of New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category..... 26

Table 17. Changes in Loan Terms for Modifications Made During the Second Quarter of 2012 27

Table 19. Changes in Loan Terms for Modifications, by Risk Category, in Second Quarter 2012 29

Table 20. Type of Modification Action, by Investor and Product Type, in Second Quarter 2012 30

Table 21. Type of HAMP Modification Action, by Investor and Product Type, in Second Quarter 2012 31

Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications 33

Table 23. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications 34

Table 24. Average Change in Monthly Payments Resulting From Modifications, by Quarter* 35

Table 25. Modified Loans 60 or More Days Delinquent..... 36

Table 26. Modified Loans 30 or More Days Delinquent..... 37

Table 27. Modified Loans 90 or More Days Delinquent*..... 38

<i>Table 28.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2008	39
<i>Table 29.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2009	39
<i>Table 30.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2010	39
<i>Table 31.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2011	40
<i>Table 32.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2012	40
<i>Table 33.</i> Performance of HAMP Modifications Compared With Other Modifications	41
<i>Table 34.</i> Re-Default Rates of Loans Modified in 2008 by Change in Payment	43
<i>Table 35.</i> Re-Default Rates of Loans Modified in 2009 by Change in Payment	43
<i>Table 36.</i> Re-Default Rates of Loans Modified in 2010 by Change in Payment	43
<i>Table 37.</i> Re-Default Rates of Loans Modified in 2011 by Change in Payment	44
<i>Table 38.</i> Re-Default Rates of Loans Modified in 2012 by Change in Payment	44
<i>Table 39.</i> 60+ Delinquency at Six Months After Modification by Change in Monthly Payment	45
<i>Table 40.</i> Status of Mortgages Modified in 2008–2012	46
<i>Table 41.</i> Completed Foreclosures and Other Home Forfeiture Actions	47
<i>Table 42.</i> Number of Newly Initiated Foreclosures.....	48
<i>Table 43.</i> Foreclosures in Process.....	49
<i>Table 44.</i> Completed Foreclosures	50
<i>Table 45.</i> Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category.....	51
<i>Table 46.</i> Number of New Loan Modifications.....	52
<i>Table 47.</i> Number of New Trial-Period Plans	53
<i>Table 48.</i> Number of New Payment Plans.....	54
<i>Table 49.</i> Changes in Terms for Modifications Made Through the Second Quarter of 2012	55
<i>Table 50.</i> Changes in Terms for Combination Modifications Through.....	56
the Second Quarter of 2012	56
<i>Table 51.</i> Number and Percentage of Mortgage Modifications.....	58
<i>Table 52.</i> Number of Mortgage Modification Actions	59
<i>Table 53.</i> Percentage of Mortgage Modification Actions.....	60

Table 54. Number of Modification Actions in Combination Actions 61

Table 55. Percentage of Modification Actions in Combination Actions..... 62

Table 56. Changes in Monthly Principal and Interest Payments by State (Number) 63

Table 57. Changes in Monthly Principal and Interest Payments (Percentage)..... 64

Table 58. Number of Re-Defaults for Loans Modified in the Fourth Quarter of 2011 65

Table 59. Re-Default Rates for Loans Modified in the Fourth Quarter of 2011 (Percentage) 66

Index of Figures

Figure 1. Portfolio Composition..... 12

Figure 2. Overall Portfolio Performance 14

Figure 3. Performance of Mortgages Held by Reporting Banks and Thrift..... 16

Figure 4. Performance of Government-Guaranteed Mortgages 18

Figure 5. Performance of GSE Mortgages 20

Figure 6. Seriously Delinquent Mortgages, by Risk Category..... 21

Figure 7. Mortgages 30 to 59 Days Delinquent, by Risk Category 22

Figure 8. Number of New Home Retention Actions..... 24

Figure 9. New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category..... 26

Figure 10. Changes in Monthly Principal and Interest Payments 33

Figure 11. Modified Loans 60 or More Days Delinquent 36

Figure 12. Modified Loans 30 or More Days Delinquent..... 37

Figure 13. Modified Loans 90 or More Days Delinquent..... 38

Figure 14. 60+ Delinquency at Six Months After Modification by Change in Monthly Payment 45

Figure 15. Number of Newly Initiated Foreclosures..... 48

Figure 16. Number of Foreclosures in Process 49

Figure 17. Number of Completed Foreclosures 50

Figure 18. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category..... 51

Figure 19. Number of New Loan Modifications..... 52

Figure 20. Number of New Trial-Period Plans 53

Figure 21. Number of New Payment Plans..... 54