



Comptroller of the Currency  
Administrator of National Banks

US Department of the Treasury



Office of Thrift Supervision  
US Department of the Treasury

# OCC and OTS Mortgage Metrics Report

Disclosure of National Bank and Federal Thrift Mortgage Loan Data

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Third Quarter 2010

Office of the Comptroller of the Currency  
Office of Thrift Supervision  
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## ***Executive Summary***

This *OCC and OTS Mortgage Metrics Report* for the third quarter of 2010 provides performance data on first-lien residential mortgages serviced by national banks and federally regulated thrifts. The mortgages in this portfolio comprise 64 percent of all mortgages outstanding in the United States—33.3 million loans totaling almost \$6 trillion in principal balances. The report provides information on their performance through September 30, 2010.

Mortgage delinquency levels remained elevated and foreclosures (new, in process, and completed) increased during the third quarter of 2010. New home retention actions (modifications, trial-period plans, and payment plans) decreased during the quarter. The overall credit quality of the portfolio of first-lien mortgages serviced by the largest national banks and thrifts remained steady during the third quarter of 2010 after showing some improvement during the previous two quarters.

Data included in this report covers mortgage-related activities of national banks and thrifts through the end of the third quarter of 2010, and do not reflect activities related to the foreclosure processing irregularities that surfaced late in the third quarter of 2010.

## ***Key Findings From This Report***

- The percentage of mortgages that were current and performing remained unchanged from the previous quarter at 87.4 percent of the total servicing portfolio, indicating no change in overall credit quality. However, foreclosures in process, up 6 percent since the prior quarter and 12 percent from one year ago, reached a new high of 3.6 percent of the total serviced portfolio.
- Seriously delinquent mortgages—mortgages that were 60 or more days delinquent or delinquent loans to bankrupt borrowers—declined across all risk categories to 5.8 percent of the serviced portfolio overall. Although elevated from historic norms, this third consecutive quarterly decline in serious delinquencies brought them to their lowest level in more than a year. The decrease in seriously delinquent mortgages is due to a combination of loan modifications and an increasing number of seriously delinquent mortgages progressing to foreclosure.
- At 3.2 percent of the portfolio, early stage delinquencies—mortgages that were 30 to 59 days delinquent—increased across all risk categories during the quarter but were down from a year ago. Early stage delinquencies have ranged between 2.8 percent and 3.4 percent of the portfolio since the fourth quarter of 2008 when they reached a two-year high of 3.5 percent. Regulators will continue to monitor increases in early stage delinquencies as an early indicator of portfolio performance trends.
- Servicers implemented 470,321 new home retention actions during the third quarter of 2010, almost twice the 244,840 home forfeiture actions—completed foreclosures, new short sales, and new deed-in-lieu-of-foreclosure actions. However, the number of home retention actions—modifications, trial-period plans, and payment plans—decreased during the quarter while the number of newly initiated foreclosures, foreclosures in process, and completed foreclosures increased. Completed foreclosures, which have risen for six consecutive quarters, are expected to continue rising as servicers and borrowers exhaust home retention options to assist borrowers with seriously delinquent mortgages.

- Home retention activity included 233,853 permanent modifications during the third quarter, a 12.5 percent decrease from the previous quarter. New trial-period plans also decreased during the quarter—down 26.2 percent from the previous quarter. Since the beginning of 2008, servicers have implemented nearly 1.75 million loan modifications.
- More than 88 percent of modifications implemented during the quarter decreased monthly principal and interest payments. More than 54 percent of those modifications reduced payments by 20 percent or more. On average, modifications during the second quarter reduced borrowers' monthly principal and interest payments by \$396. Home Affordable Modification Program (HAMP) modifications implemented during the quarter reduced payments by an average of \$585.
- More recent modifications that emphasized sustainability and affordability continued to outperform modifications implemented earlier.

### ***Mortgage Performance***

- The percentage of current and performing mortgages—87.4 percent of the total portfolio—remained unchanged from the previous quarter, but was slightly higher than the 87.2 percent reported a year ago (see table 9).
- The percentage of mortgages that was seriously delinquent—5.8 percent—was the lowest in more than five quarters, down 6.4 percent from the previous quarter and down 7.2 percent from a year ago (see table 12). New modifications as well as the number of seriously delinquent loans progressing to foreclosure contributed to the decline.
- Loans 30 to 59 days delinquent increased 4.3 percent from the previous quarter to 3.2 percent of the total portfolio (see table 13).
- Government-guaranteed mortgages performed worse than the overall portfolio. While decreasing slightly from the previous quarter, the percentage of current and performing government-guaranteed mortgages increased 2.6 percent from a year ago. Of those mortgages, 85.1 percent were current and performing at the end of the third quarter (see table 10). Increased origination of these loans continued in the third quarter, with government-guaranteed mortgages composing 19 percent of the total portfolio.
- Mortgages serviced for Fannie Mae and Freddie Mac (GSEs) performed better than the overall portfolio because of their higher concentration of prime mortgages. Of the GSE mortgages, 92.3 percent were current and performing at the end of the third quarter (see table 11). Loans serviced for the two GSEs made up 61 percent of the total portfolio.

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

- Servicers implemented 470,321 new home retention actions—loan modifications, trial-period plans, and payment plans—during the quarter. This represents a 17.0 percent decline from the previous quarter. HAMP modifications decreased by 45.7 percent during the quarter while other modifications increased by 10.1 percent. New HAMP trial plans decreased by 33.2 percent, and other trial-period plans decreased 21.0 percent from the previous quarters (see table 1). Servicers report that this decline resulted from requirements to obtain, verify, and analyze borrower income before beginning a trial period plan and the falling number of borrowers who are eligible for existing modification programs.

	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y % Change
Other Modifications	130,464	102,820	129,572	159,073	175,063	10.1%	34.2%
HAMP Modifications	783	21,878	100,301	108,257	58,790	-45.7%	7,408.3%
Other Trial-Period Plans	127,902	95,250	87,143	88,919	70,264	-21.0%	-45.1%
HAMP Trial-Period Plans	272,709	258,905	184,171	65,484	43,739	-33.2%	-84.0%
Payment Plans	163,551	121,722	120,439	145,157	122,465	-15.6%	-25.1%
Total	695,409	600,575	621,626	566,890	470,321	-17.0%	-32.4%

- Following the prescribed sequence of actions established by HAMP, which is also generally followed in other modification programs, servicers capitalized missed payments and fees in 87.5 percent of all modifications made during the third quarter and reduced interest rates in 86.2 percent of modifications. Term extensions were used in 57.4 percent of all modifications, principal deferrals in 10.1 percent, and principal reductions in 4.5 percent (see table 18). Principal deferral was used in 24.6 percent of HAMP modifications, while principal reduction was used in 10.2 percent of the HAMP modifications (see table 19).
- Overall, servicers reduced principal and interest payments in 88.2 percent of all loan modifications made during the quarter, and they reduced payments by 20 percent or more in 54.1 percent of those modifications (see table 23). As in previous quarters, nearly all HAMP modifications implemented during the third quarter reduced borrower principal and interest payments, and 76.0 percent reduced monthly payments by 20 percent or more (see table 24).
- Modifications made during the third quarter reduced monthly principal and interest payments by an average of \$396. HAMP modifications made during the quarter reduced payments by an average of \$585, compared with other modifications that reduced average monthly payments by \$332. The average savings in monthly payments resulting from loan modifications has increased 53.7 percent from a year ago (see table 25).

### ***Modified Loan Performance***

- Servicers modified 1,506,025 loans from the beginning of 2008 through the second quarter of 2010. At the end of the third quarter of 2010, 48.0 percent of these modifications remained current or were paid off. Another 10.2 percent were 30 to 59 days delinquent. Almost 24 percent of the modifications were seriously delinquent, 9.4 percent were in the process of foreclosure, and 4.2 percent had completed the foreclosure process (see table 2).
- Modifications that reduced payments by 10 percent or more performed better than modifications that reduced payments by less than 10 percent. At the end of the third quarter, 58.9 percent of modifications that reduced payments by 10 percent or more were current and performing, compared with the 33.4 percent of modifications that reduced payments by less than 10 percent (see table 2).

<b>Table 2. Status of Mortgages Modified in 2008–2010</b>								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	421,322	25.8%	7.5%	29.9%	14.5%	10.2%	2.5%	9.5%
2009	587,500	43.5%	10.0%	27.7%	10.9%	3.3%	0.9%	3.8%
2010**	497,203	68.7%	12.6%	14.4%	3.2%	0.2%	0.2%	0.8%
Total	1,506,025	46.9%	10.2%	23.9%	9.4%	4.2%	1.1%	4.4%
<b>Modifications That Reduced Payments by 10 Percent or More</b>								
Modifications That Reduced Payments by 10% or More	794,686	58.9%	10.4%	17.9%	6.4%	2.1%	0.6%	3.7%
<b>Modifications That Reduced Payments by Less Than 10 Percent</b>								
Modifications That Reduced Payments by Less Than 10%	711,339	33.4%	9.9%	30.6%	12.6%	6.6%	1.7%	5.2%

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

\*\*Includes only modifications implemented during the first two quarters of 2010 that have been in effect at least three months.

- More recent modifications have performed better than earlier modifications every quarter since the end of the first quarter of 2009, though the rate of improvement appears to be moderating. At 6 months after modification, 20.2 percent of the modifications made in the fourth quarter of 2009 were seriously delinquent compared with 33.5 percent of the modifications made during the second quarter of 2009 (see table 3). This trend of lower delinquency rates following modification corresponds with the increasing emphasis on repayment sustainability through reduction of the borrower’s monthly payment, verified borrower income, and payment affordability relative to income.

<b>Table 3. Modified Loans 60 or More Days Delinquent</b>				
Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification*
Second Quarter 2009	18.7%	33.5%	40.8%	43.1%
Third Quarter 2009	14.7%	27.7%	32.7%	36.7%
Fourth Quarter 2009	11.3%	20.2%	27.6%	--
First Quarter 2010	11.2%	19.1%	--	--
Second Quarter 2010	10.5%	--	--	--

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

- HAMP modifications performed better than other modifications implemented during the same periods at the end of the third quarter of 2010. At 6 months after modification, the re-default rate for HAMP modifications, measured as 60 or more days delinquent at 6 months after the modification, was about half that of other modifications for loans modified during the fourth quarter 2009 and first quarter 2010 (see table 32). These lower post-modification delinquency rates reflect HAMP’s emphasis on the affordability of monthly payments relative to borrower income, verification of income, and completion of a successful trial payment period.

- Modified mortgages held in the servicers’ portfolios performed better than modified mortgages serviced for others. This variance may result from differences in modification programs, servicers’ additional flexibility to modify mortgage terms, and the underlying quality of loans serviced for different investors. Modified government-guaranteed mortgages had the highest delinquency rates at 6, 9, and 12 months following modification, consistent with their higher overall delinquency rates (see table 4).

**Table 4. 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	15.2%	27.6%	42.5%	52.5%
Freddie Mac	16.2%	28.7%	44.2%	55.8%
Government-Guaranteed	21.6%	42.9%	55.9%	62.3%
Private	28.1%	42.1%	52.5%	58.2%
Portfolio Loans	9.2%	18.2%	24.8%	30.1%
Overall	20.0%	33.8%	44.7%	51.4%

\*Data include all modifications implemented since January 1, 2008 that have had time to age the indicated number of months.

**Modified Loan Performance, by Change in Monthly Payments**

- Modifications that decreased monthly payments consistently had lower re-default rates than modifications that left payments unchanged or increased payments. After 6 months, 14.6 percent of modifications implemented since the second quarter of 2009 that decreased monthly payments by 20 percent or more were seriously delinquent. In contrast, 28.1 percent of modifications that left payments unchanged and 42.6 percent of modifications that increased payments were seriously delinquent (see table 5). While lower payments reduce monthly cash flows to investors, the payments may result in longer-term sustainability.

**Table 5. 60+ Delinquency at 6 Months After Modification by Change to Monthly Payments**

	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Overall
Second Quarter 2009	20.9%	35.0%	39.9%	34.9%	52.9%	33.6%
Third Quarter 2009	18.1%	30.1%	31.9%	30.9%	39.9%	27.7%
Fourth Quarter 2009	11.4%	21.2%	27.1%	12.3%	37.6%	20.1%
First Quarter 2010	11.7%	21.2%	28.4%	33.4%	37.7%	19.1%
Overall	14.6%	26.3%	31.8%	28.1%	42.6%	24.4%

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

**Foreclosures and Other Home Forfeiture Actions**

- Newly initiated foreclosures increased 31.2 percent from the previous quarter and 3.7 percent from a year ago, reflecting the large number of seriously delinquent mortgages and loans in process of foreclosure progressing toward foreclosure sale. Foreclosures in process increased 4.5 percent from the previous quarter and 10.1 percent from a year ago. More than



1.2 million mortgages were in the process of foreclosure at the end of the third quarter of 2010 (See table 6).

	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Newly Initiated Foreclosures	369,209	312,520	369,944	291,758	382,751	31.2%	3.7%
Foreclosures in Process	1,091,620	1,079,386	1,170,874	1,149,461	1,201,622	4.5%	10.1%

- Completed foreclosures and other home forfeiture actions totaled 244,840 during the third quarter of 2010, an increase of 11.2 percent from the previous quarter and an increase of 62.6 percent from a year ago. While HAMP and proprietary foreclosure prevention programs are designed to help a significant number of distressed homeowners, these programs are not expected to help all delinquent borrowers. Servicers indicated that completed foreclosures and other home forfeiture actions are likely to increase as alternatives for seriously delinquent borrowers are exhausted and loans in process of foreclosure proceed to foreclosure sale (see table 7).

	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Completed Foreclosures	118,606	128,859	152,882	162,904	186,854	14.7%	57.5%
New Short Sales	30,766	37,584	41,031	55,441	56,257	1.5%	82.9%
New Deed-in-Lieu-of-Foreclosure Actions	1,233	1,054	1,202	1,753	1,729	-1.4%	40.2%
Total	150,605	167,497	195,115	220,098	244,840	11.2%	62.6%

### **Home Equity Loans**

The following paragraphs update information included in the previous report regarding the performance and risk of home equity loans. At the end of the third quarter of 2010, the unpaid balance of home equity loans held by national banks that were 30 or more days past due was \$22.1 billion, or 3.9 percent of these loans. Thrifts reported \$1.26 billion in unpaid balances of home equity loans that were 30 or more days past due, or 2.9 percent of these loans.

Because junior liens behind troubled first-lien mortgages are also likely at risk, the OCC directed large banks to consider inherent risk in junior-lien repayment capacity and collateral protection and to reserve appropriately even if the junior lien is current and performing. At the end of September 2010, the estimated size of the “at-risk” portfolio among national banks was less than \$30 billion, out of a potential total home equity loan portfolio of \$414 billion.

Examiners review loan-loss reserve and charge-off analysis at the largest banks each quarter and are confident that home equity reserves and charge-off practices are adequate. The largest national bank lenders increased loan-loss reserves related to their home equity portfolios from \$9.3 billion in the first quarter of 2008 to \$29.6 billion in the third quarter of 2010. Since January 2008, national banks have recognized \$53.4 billion in losses from home equity portfolios according to the federal financial call report, more than 11 times the losses recognized

over the previous five year period Thrifts recognized more than \$4.9 billion in home equity losses during that same period.

HAMP and its Second-Lien Modification Program (2MP) require junior-lien holders to offer modifications on the second if the borrower qualifies for a modification on the first mortgage. The major home equity lenders, which are included in this report, participate in both HAMP and 2MP.

Home equity loan information is not a regular feature of this report, which focuses on first-lien mortgages, and it is not expected to be included in future reports.

### ***About Mortgage Metrics***

The *OCC and OTS Mortgage Metrics Report* presents data on first-lien residential mortgages serviced by national banks and thrifts, focusing on credit performance, loss mitigation efforts, and foreclosures. The OCC and the OTS collect these data from the eight national banks and one thrift with the largest mortgage-servicing portfolios among national banks and thrifts.<sup>1</sup> The data represent 64 percent of all first-lien residential mortgages outstanding in the country. More than 91 percent of the mortgages in the portfolio were serviced for third parties because of loan sales and securitization. At the end of September 2010, the reporting institutions serviced 33.3 million first-lien mortgage loans, totaling more than \$5.8 trillion in outstanding balances.

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

In addition to providing information to the public, the data support the supervision of national bank and thrift mortgage 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 evaluate 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, the OTS, and the participating institutions devote significant resources to ensuring that the information is reliable and accurate. Steps to ensure the validity of the data include comparisons with institutions' quarterly call and thrift financial reports, with internal quality reviews conducted by the banks and thrifts, and with data supplied by participating banks and aggregated by an external vendor to support this report. Data sets of this size and scope inevitably suffer from a degree of inconsistency, missing data, and other imperfections. This report notes cases in which data anomalies may have affected the results. The OCC and the OTS

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<sup>1</sup> The eight banks are Bank of America, JPMorgan Chase, Citibank, HSBC, MetLife, PNC, U.S. Bank, and Wells Fargo. The thrift is OneWest Bank (formerly IndyMac). Merrill Lynch FSB was merged into Bank of America in November 2009. MetLife Bank replaced First Tennessee as a reporting institution in January 2010. Wachovia Bank was merged into Wells Fargo National Bank in March 2010.

require previous data submissions to be adjusted when errors and omissions are detected. In some cases, data presented in this report reflect resubmissions from institutions that restate and correct earlier information.

### ***New in This Report***

The OCC and OTS continuously improve this report by developing and reporting additional data and analysis that responds to the needs of financial supervisors and policy makers as well as public interest. In this report, the agency added mortgage modification data by state in Appendix E. Developed over several quarters, this data also fulfills reporting requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203).

Table 48 presents the number and percentage of HAMP modifications and other modifications in each state during the third quarter of 2010. Tables 49 and 50 present the number and percentage of each type of action included in modifications made during the quarter in each state. Tables 51 and 52 present the number and percentage of each type of action included in combination modifications made during the quarter in each state. Tables 53 and 54 present the number and percentage of modifications made during the quarter in each state by the amount of change in the borrowers monthly principal and interest payment. Tables 55 and 56 present the number and percentage of modifications made in the first quarter of 2010 that were 60 or more days delinquent or in process of foreclosure at the end of the third quarter (re-defaults.)

### ***Definitions and Method***

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

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

Approximately 13 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 less adverse impact than foreclosure on borrowers' credit records.
- **Foreclosures in process**—Number of mortgages for which servicers have begun formal foreclosure proceedings but have not yet completed the process resulting in the loss of

borrowers' homes. The foreclosure process varies by state and can take 15 months or more to complete. Many foreclosures in process never result in the loss of borrowers' homes because servicers simultaneously pursue other loss mitigation actions and borrowers may act to return their mortgages to current and performing status.

- **Government-guaranteed mortgages**—All mortgages with an explicit guaranty from the U.S. government, including the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), and certain other departments. These loans may be held in pools backing Government National Mortgage Association (Ginnie Mae) securities or owned by and/or securitized through different investors.
- **Home retention actions**—Loan modifications, trial-period plans, and payment plans that allow borrowers to retain ownership and occupancy of their homes while attempting to return the loans to a current and performing status.
- **Loan modifications**—Actions that contractually change the terms of mortgages with respect to interest rates, maturity, principal, or other terms of the loan.
- **Newly initiated foreclosures**—Mortgages for which the servicers initiate formal foreclosure proceedings during the month. Many newly initiated foreclosures do not result in the loss of borrowers' homes because servicers simultaneously pursue other loss mitigation actions and borrowers may act to return their mortgages to current and performing status.
- **Payment plans**—Short- to medium-term changes in scheduled terms and payments to return mortgages to a current and performing status.
- **Payment option adjustable rate mortgages (ARMs)**—Mortgages that allow borrowers to choose a monthly payment that may reduce principal, pay interest only, or result in negative amortization, in which some amount of unpaid interest is added to the principal balance of the loan and results in an increased amount owed.
- **Principal deferral modifications**—Modifications that remove a portion of the principal from the amount used to calculate monthly principal and interest payments for a set period. The deferred amount becomes due at the end of the loan term.
- **Principal reduction modifications**—Modifications that permanently forgive a portion of the principal amount owed on a mortgage.
- **Re-default rates**—Percentage of modified loans that subsequently become delinquent or enter the foreclosure process. As alternative measures of delinquency, this report presents re-default rates using 30, 60, and 90 or more days delinquent and in process of foreclosure but focuses most often on the 60-day-delinquent measure. All re-default data presented in this report are based on modified loans that remain in effect at the specified amount of time after the modification. All loans that have been repaid in full, refinanced, or sold, or have completed the foreclosure process are removed from the calculation.

Data include only modifications that have had time to age the indicated number of months following the modification.<sup>2</sup>

- **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 less adverse impact than foreclosure on borrowers' credit records.
- **Trial-period plans**—Home retention actions that allow borrowers to demonstrate capability and willingness to pay their modified mortgages for a set period of time. The action becomes a permanent loan modification following the successful completion of the trial period.

Loan delinquencies are reported using the Mortgage Bankers Association convention that a loan is past due when a scheduled payment is unpaid for 30 days or more. The statistics and calculated ratios are based on the number of loans rather than on the dollar amount outstanding.

Percentages are rounded to one decimal unless the result is less than 0.1 percent, which is rounded to two decimal places. The report uses whole numbers when approximating.

In tables throughout this report, the quarters are indicated by the last day of the quarter (e.g., 6/30/10), quarter-to-quarter changes are shown under the column "1Q %Change," and year-to-year changes are shown under the column "1Y %Change."

In tables throughout this report, percentages shown under "1Q %Change" and "1Y %Change" are calculated using unrounded values for each quarter. Calculating these percentages from the rounded values shown in the table may yield materially different values.

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

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<sup>2</sup> Some servicers have offered modification programs that do not reset or "re-age" delinquency status following modification. Loans in this category represent a small percentage of total loan modifications.

**PART I: Mortgage Performance**

Part I describes the performance of the overall mortgage portfolio, the performance of government-guaranteed mortgages, mortgages serviced for the government-sponsored enterprises (GSEs), and each loan risk category.

**Overall Mortgage Portfolio**

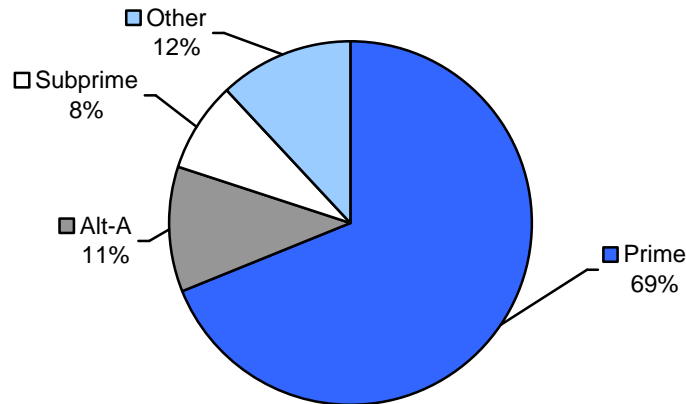
At the end of the third quarter of 2010, the size of the servicing portfolio declined slightly to 33.3 million loans totaling more than \$5.8 trillion in unpaid principal balances. The composition of the portfolio remained generally steady with 69 percent prime, 11 percent Alt-A, 8 percent subprime, and 12 percent other loans.

<b>Table 8. Overall Mortgage Portfolio</b>					
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10
Total Servicing (Millions)	\$5,998,986	\$5,952,423	\$5,947,548	\$5,907,917	\$5,811,107
Total Servicing (Number of Loans)	34,024,601	33,824,889	33,895,628	33,747,459	33,326,073
<b>Composition (Percentage of All Mortgages in the Portfolio)</b>					
Prime	68%	68%	68%	69%	69%
Alt-A	10%	11%	11%	11%	11%
Subprime	8%	8%	8%	8%	8%
Other	14%	13%	14%	13%	12%
<b>Composition (Number of Loans in Each Risk Category of the Portfolio)</b>					
Prime	23,064,371	23,136,115	23,034,396	23,152,805	23,003,175
Alt-A	3,524,305	3,560,656	3,567,635	3,615,409	3,590,974
Subprime	2,774,027	2,758,613	2,667,582	2,618,823	2,550,622
Other	4,661,898	4,369,505	4,626,015	4,360,422	4,181,302

\*Percentages may not total 100 percent because of rounding.

**Figure 1. Portfolio Composition**

Percentage of All Mortgage Loans in the Portfolio  
Third Quarter 2010



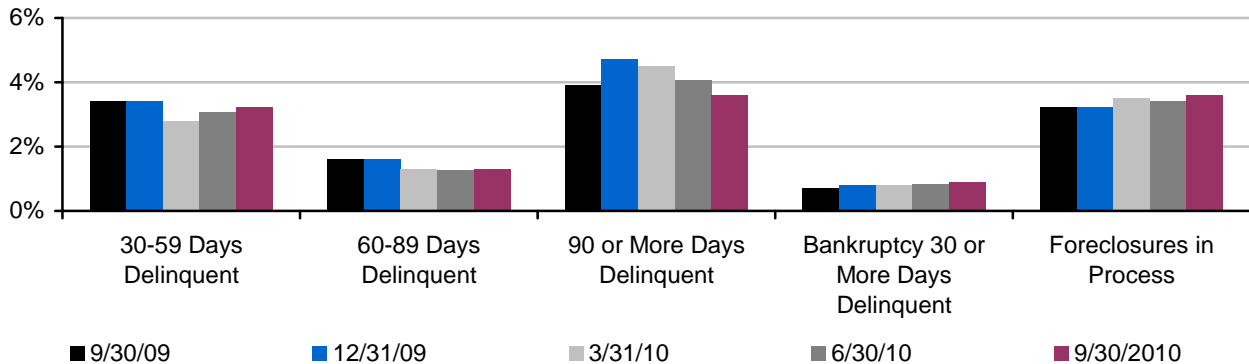
### Overall Mortgage Performance

The percentage of current and performing mortgages remained unchanged from the previous quarter at 87.4 percent. Early delinquencies, mortgages 30 to 59 days delinquent, were 3.2 percent of the portfolio—up from 3.1 percent at the end of the previous quarter but down from 3.4 percent a year ago. The percentage of seriously delinquent mortgages fell to 5.8 percent—down from 6.2 percent at the end of the previous quarter and down from 6.2 percent a year ago. Foreclosures in process increased to 3.6 percent of the total portfolio—up from 3.4 percent at the end of the previous quarter and 3.2 percent a year ago.

<b>Table 9. Overall Portfolio Performance</b>							
(Percentage of Mortgages in the Portfolio)							
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Current and Performing	87.2%	86.4%	87.3%	87.4%	87.4%	0.1%*	0.3%
30–59 Days Delinquent	3.4%	3.4%	2.8%	3.1%	3.2%	4.3%	-6.2%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	1.6%	1.6%	1.3%	1.3%	1.3%	4.7%	-14.3%
90 or More Days Delinquent	3.9%	4.7%	4.5%	4.1%	3.6%	-12.4%	-9.1%
Bankruptcy 30 or More Days Delinquent	0.7%	0.8%	0.8%	0.8%	0.9%	6.5%	18.4%
<b>Subtotal for Seriously Delinquent</b>	<b>6.2%</b>	<b>7.1%</b>	<b>6.5%</b>	<b>6.2%</b>	<b>5.8%</b>	<b>-6.4%</b>	<b>-7.2%</b>
Foreclosures in Process	3.2%	3.2%	3.5%	3.4%	3.6%	5.9%	12.4%
(Number of Mortgages in the Portfolio)							
Current and Performing	29,666,568	29,217,743	29,574,953	29,490,635	29,143,015	-1.2%	-1.8%
30–59 Days Delinquent	1,154,825	1,138,822	939,306	1,030,522	1,061,246	3.0%	-8.1%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	529,845	525,071	424,534	430,217	444,769	3.4%	-16.1%
90 or More Days Delinquent	1,332,228	1,604,014	1,525,662	1,371,346	1,185,957	-13.5%	-11.0%
Bankruptcy 30 or More Days Delinquent	249,515	259,853	260,299	275,278	289,464	5.2%	16.0%
<b>Subtotal for Seriously Delinquent</b>	<b>2,111,588</b>	<b>2,388,938</b>	<b>2,210,495</b>	<b>2,076,841</b>	<b>1,920,190</b>	<b>-7.5%</b>	<b>-9.1%</b>
Foreclosures in Process	1,091,620	1,079,386	1,170,874	1,149,461	1,201,622	4.5%	10.1%

\*Unrounded numbers yield a slight increase during the quarter.

**Figure 2. Overall Portfolio Performance**



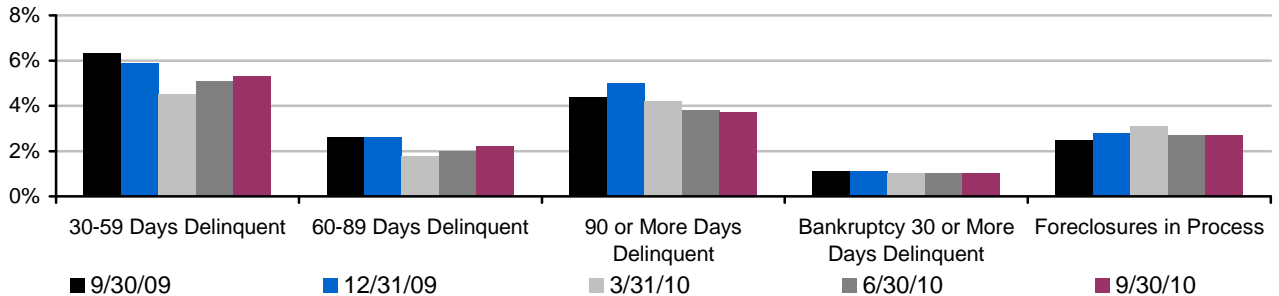
**Performance of Government-Guaranteed Mortgages**

The percentage of current government-guaranteed mortgages decreased during the quarter to 85.1. Serious delinquencies increased to 6.9 percent of government-guaranteed mortgages—up from 6.8 percent at the end of the previous quarter but down from 8.2 percent a year ago. The percentage of government-guaranteed mortgages that were 30 to 59 days delinquent increased to 5.3 percent—up from 5.1 percent from the previous quarter but down from 6.3 percent a year ago. Foreclosures in process remained steady from the previous quarter at 2.7 percent—but up from 2.5 percent a year ago. Government-guaranteed mortgages continue to increase as a portion of the overall servicing portfolio and represent 19 percent of the portfolio. About 79 percent of these loans were FHA loans, 16 percent were VA loans, and 5 percent were other government-guaranteed mortgages. More than 84 percent of these mortgages were in pools of loans backing Ginnie Mae securities.

<b>Table 10. Performance of Government-Guaranteed Mortgages (Percentage)*</b>							
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Current and Performing	83.0%	82.7%	85.4%	85.3%	85.1%	-0.2%	2.6%
30–59 Days Delinquent	6.3%	5.9%	4.5%	5.1%	5.3%	2.9%	-16.8%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	2.6%	2.6%	1.8%	2.0%	2.2%	9.5%	-18.1%
90 or More Days Delinquent	4.4%	5.0%	4.2%	3.8%	3.7%	-2.8%	-16.0%
Bankruptcy 30 or More Days Delinquent	1.1%	1.1%	1.0%	1.0%	1.0%	1.5%	-2.9%
<b>Subtotal for Seriously Delinquent</b>	<b>8.2%</b>	<b>8.6%</b>	<b>7.0%</b>	<b>6.8%</b>	<b>6.9%</b>	<b>1.4%</b>	<b>-14.9%</b>
Foreclosures in Process	2.5%	2.8%	3.1%	2.7%	2.7%	-1.7%	6.3%
<b>Performance of Government-Guaranteed Mortgages (Number)</b>							
Current and Performing	4,376,413	4,602,510	4,991,326	5,230,076	5,344,688	2.2%	22.1%
30–59 Days Delinquent	333,614	331,188	261,986	313,456	330,353	5.4%	-1.0%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	139,019	142,114	105,019	120,931	135,618	12.1%	-2.4%
90 or More Days Delinquent	233,914	277,617	247,105	235,057	234,106	-0.4%	0.1%
Bankruptcy 30 or More Days Delinquent	56,848	59,499	59,084	63,232	65,756	4.0%	15.7%
<b>Subtotal for Seriously Delinquent</b>	<b>429,781</b>	<b>479,230</b>	<b>411,208</b>	<b>419,220</b>	<b>435,480</b>	<b>3.9%</b>	<b>1.3%</b>
Foreclosures in Process	132,713	153,637	179,948	166,843	167,975	0.7%	26.6%

\*Percentages may not total 100 because of rounding.

**Figure 3. Performance of Government-Guaranteed Mortgages**



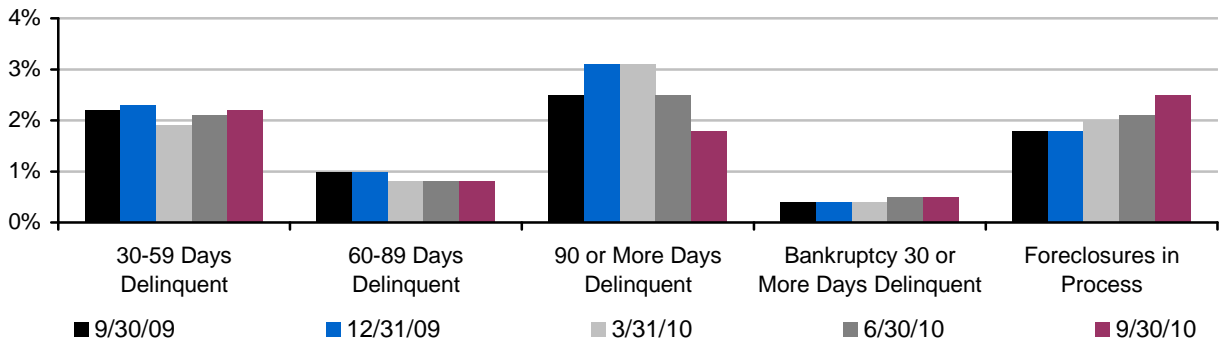


**Performance of GSE Mortgages**

GSE mortgages continued to perform better than the overall portfolio because they include more prime mortgages than mortgages serviced for other investors. Current and performing GSE loans increased to 92.3 percent, compared with 87.4 percent for the overall portfolio and 85.1 percent for government-guaranteed mortgages. The percentage of GSE mortgages that were 30 to 59 days delinquent increased to 2.2 percent—up from 2.1 percent at the end of the previous quarter but steady from a year ago. Seriously delinquent GSE mortgages declined to 3.1 percent—down from 3.8 percent at the end of the previous quarter and 3.9 percent from a year ago. Foreclosures in process, however, increased to 2.5 percent—up from 2.1 percent at the end of the previous quarter and 1.8 percent from a year ago. GSE mortgages made up 61 percent of the overall servicing portfolio. Of the GSE mortgages, about 58 percent were serviced for Fannie Mae, and 42 percent were serviced for Freddie Mac.

<b>Table 11. Performance of GSE Mortgages (Percent)</b>							
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Current and Performing	92.1%	91.3%	91.8%	92.0%	92.3%	0.3%	0.2%
30–59 Days Delinquent	2.2%	2.3%	1.9%	2.1%	2.2%	4.6%	-2.8%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	1.0%	1.0%	0.8%	0.8%	0.8%	1.6%	-14.5%
90 or More Days Delinquent	2.5%	3.1%	3.1%	2.5%	1.8%	-28.6%	-29.6%
Bankruptcy 30 or More Days Delinquent	0.4%	0.4%	0.4%	0.5%	0.5%	9.9%	29.9%
<b>Subtotal for Seriously Delinquent</b>	<b>3.9%</b>	<b>4.6%</b>	<b>4.3%</b>	<b>3.8%</b>	<b>3.1%</b>	<b>-17.2%</b>	<b>-19.8%</b>
Foreclosures in Process	1.8%	1.8%	2.0%	2.1%	2.5%	14.4%	34.9%
<b>Performance of GSE Mortgages (Number)</b>							
Current and Performing	19,775,288	19,361,573	19,471,020	19,282,071	18,877,065	-2.1%	-4.5%
30–59 Days Delinquent	480,320	490,139	404,565	435,687	444,871	2.1%	-7.4%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	210,156	212,754	179,974	172,604	171,249	-0.8%	-18.5%
90 or More Days Delinquent	538,299	667,075	648,649	517,496	360,798	-30.3%	-33.0%
Bankruptcy 30 or More Days Delinquent	84,192	89,985	91,482	97,024	104,146	7.3%	23.7%
<b>Subtotal for Seriously Delinquent</b>	<b>832,647</b>	<b>969,814</b>	<b>920,105</b>	<b>787,124</b>	<b>636,193</b>	<b>-19.2%</b>	<b>-23.6%</b>
Foreclosures in Process	390,664	391,042	420,049	449,458	502,019	11.7%	28.5%

**Figure 4. Performance of GSE Mortgages**

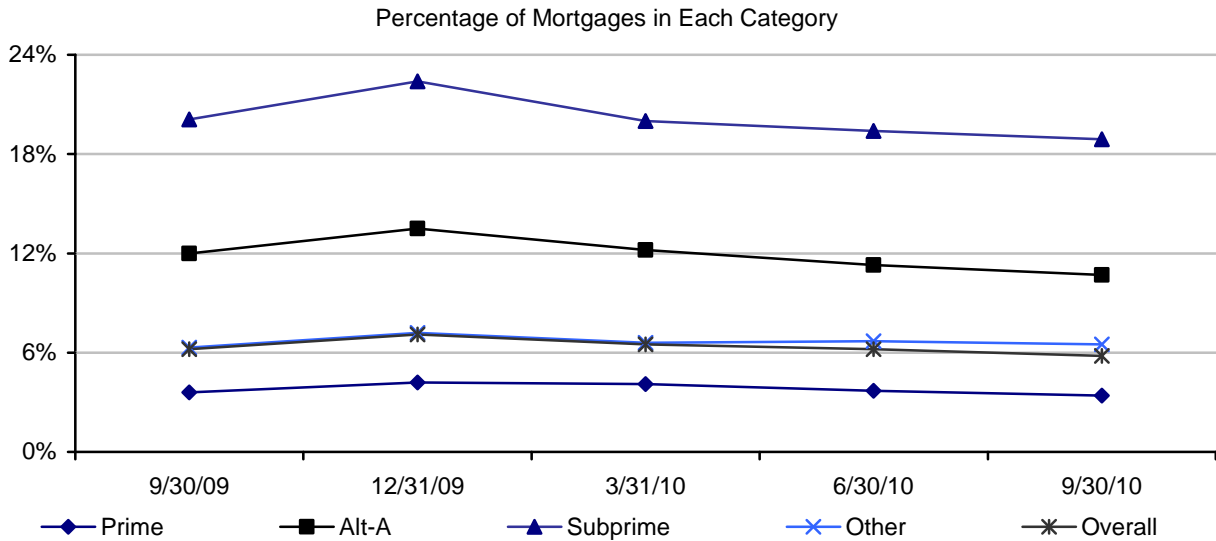


**Seriously Delinquent Mortgages, by Risk Category**

Serious delinquencies declined for the third consecutive quarter to 5.8 percent of the overall servicing portfolio—the lowest level since the end of June 2009. The number of seriously delinquent loans declined across all risk categories during the quarter. The percentage of prime mortgages that were seriously delinquent was 3.4 percent—down from 3.7 percent at the end of the previous quarter and 3.6 percent from a year ago. Subprime serious delinquencies at 18.9 percent declined from 19.4 percent at the end of the previous quarter and from 20.1 percent a year ago. Overall, about 191,000 fewer loans were seriously delinquent compared with a year ago.

<b>Table 12. Seriously Delinquent Mortgages</b>							
<b>(Percentage of Mortgages in Each Category)</b>							
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Prime	3.6%	4.2%	4.1%	3.7%	3.4%	-9.2%	-6.5%
Alt-A	12.0%	13.5%	12.2%	11.3%	10.7%	-5.6%	-10.7%
Subprime	20.1%	22.4%	20.0%	19.4%	18.9%	-2.5%	-6.2%
Other	6.3%	7.2%	6.6%	6.7%	6.5%	-2.9%	3.9%
Overall	6.2%	7.1%	6.5%	6.2%	5.8%	-6.4%	-7.2%
<b>(Number of Mortgages in Each Category)</b>							
Prime	838,083	976,183	935,167	866,422	781,237	-9.8%	-6.8%
Alt-A	422,277	479,506	436,663	409,826	384,300	-6.2%	-9.0%
Subprime	558,419	617,601	533,301	507,425	481,784	-5.1%	-13.7%
Other	292,809	315,648	305,364	293,168	272,869	-6.9%	-6.8%
Total	2,111,588	2,388,938	2,210,495	2,076,841	1,920,190	-7.5%	-9.1%

**Figure 5. Seriously Delinquent Mortgages**



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

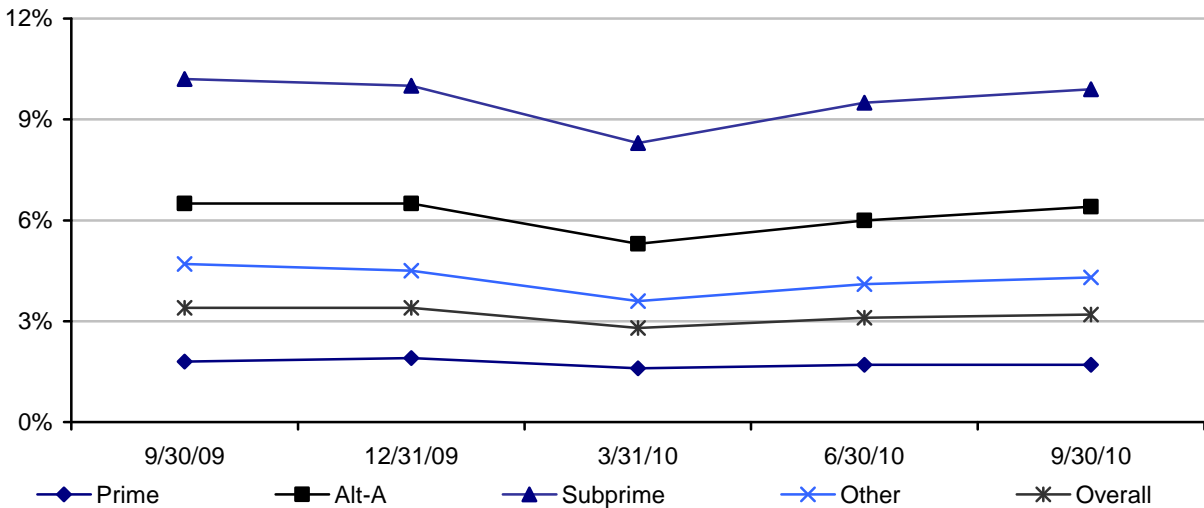
The proportion of early stage delinquencies—mortgages 30 to 59 days delinquent—increased across all risk categories during the third quarter but were down from a year ago. Overall, 3.2 percent of the total portfolio was 30 to 59 days delinquent at the end of the quarter—up from 3.1 percent at the end of the previous quarter but down from 3.4 percent a year ago.

<b>Table 13. Mortgages 30–59 Days Delinquent</b>							
(Percentage of Mortgages in Each Category)							
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Prime	1.8%	1.9%	1.6%	1.7%	1.7%	4.1%*	-5.4%
Alt-A	6.5%	6.5%	5.3%	6.0%	6.4%	6.9%	-1.4%
Subprime	10.2%	10.0%	8.3%	9.5%	9.9%	3.8%	-3.5%
Other	4.7%	4.5%	3.6%	4.1%	4.3%	5.0%	-8.1%
Overall	3.4%	3.4%	2.8%	3.1%	3.2%	4.3%	-6.2%
(Number of Mortgages in Each Category)							
Prime	420,000	432,188	360,385	382,963	396,214	3.5%	-5.7%
Alt-A	230,077	232,609	190,767	217,629	231,098	6.2%	0.4%
Subprime	284,251	275,235	221,157	249,387	252,136	1.1%	-11.3%
Other	220,497	198,790	166,997	180,543	181,798	0.7%	-17.6%
Total	1,154,825	1,138,822	939,306	1,030,522	1,061,246	3.0%	-8.1%

\*Unrounded numbers yield an increase during the quarter.

**Figure 6. Mortgages 30–59 Days Delinquent**

Percentage of Mortgages in Each Category



**PART II: Home Retention Actions**

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

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

**Newly Initiated Home Retention Actions**

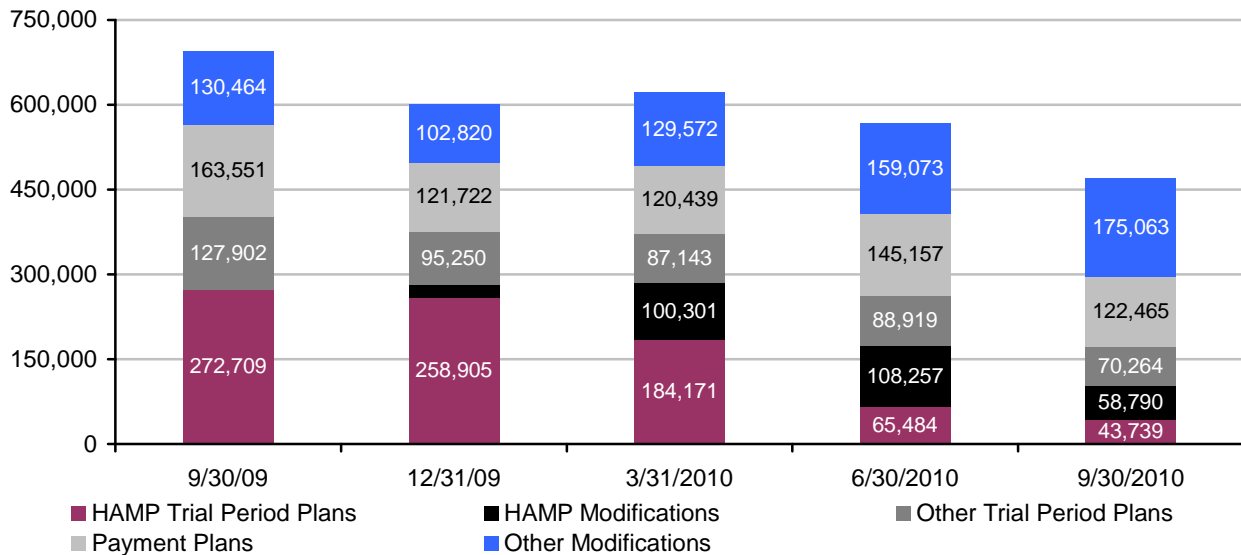
During the third quarter of 2010, servicers implemented 470,321 new home retention actions—loan modifications, trial-period plans, and payment plans. Servicers implemented 233,853 modifications during the quarter, a 12.5 percent decrease from the previous quarter. The decline is largely the result of a 45.7 percent drop in HAMP modifications from the previous quarter, which eclipsed the 10.1 percent increase in other modifications. Total home retention actions declined 17.0 percent from the prior quarter. During the past five quarters, servicers have initiated 2,954,821 home retention actions—987,001 modifications, 1,294,486 trial-period plans, and 673,334 payment plans.

**Table 14. Number of New Home Retention Actions**

	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y % Change
Other Modifications	130,464	102,820	129,572	159,073	175,063	10.1%	34.2%
HAMP Modifications	783	21,878	100,301	108,257	58,790	-45.7%	7408.3%
Other Trial-Period Plans	127,902	95,250	87,143	88,919	70,264	-21.0%	-45.1%
HAMP Trial-Period Plans	272,709	258,905	184,171	65,484	43,739	-33.2%	-84.0%
Payment Plans	163,551	121,722	120,439	145,157*	122,465	-15.6%	-25.1%
<b>Total</b>	<b>695,409</b>	<b>600,575</b>	<b>621,626</b>	<b>566,890</b>	<b>470,321</b>	<b>-17.0%</b>	<b>-32.4%</b>

\*Servicer resubmission of second quarter 2010 data to conform to reporting standard resulted in a 52,623 increase in new payment plans reported for the quarter.

**Figure 7. Number of New Home Retention Actions**



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

Servicers implemented 58,790 HAMP modifications during the third quarter of 2010, down 45.7 percent from the 108,257 implemented during the previous quarter. Approximately 50 percent of HAMP modifications made in the third quarter of 2010 went to mortgages serviced for Fannie Mae and Freddie Mac. Prime loans received about half of all HAMP modifications, while subprime loans received less than a quarter of these modification actions.

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	8,957	8,709	95	7,133	4,671	29,565
Alt-A	3,010	2,707	205	3,692	2,327	11,941
Subprime	2,002	1,406	690	4,461	3,255	11,814
Other	1,894	853	144	1,052	1,527	5,470
Total	15,863	13,675	1,134	16,338	11,780	58,790

Servicers implemented 43,739 new HAMP trial-period plans during the quarter, a decrease of 33.2 percent from the 65,484 trial plans initiated in the previous quarter. Prime mortgages, which represent 68 percent of the total portfolio and the risk category with the largest number of past-due loans, received more than half of the HAMP trial-period plans implemented during the quarter. Alt-A and subprime mortgages received less than a quarter of the HAMP trial plans implemented during the quarter. More than 43 percent of HAMP trial-period plans initiated during the second quarter were for Fannie Mae or Freddie Mac mortgages.

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	6,471	5,353	7	5,711	5,858	23,400
Alt-A	1,988	1,529	4	2,794	2,401	8,716
Subprime	1,182	713	2	3,320	2,846	8,063
Other	1,307	492	3	638	1,120	3,560
Total	10,948	8,087	16	12,463	12,225	43,739

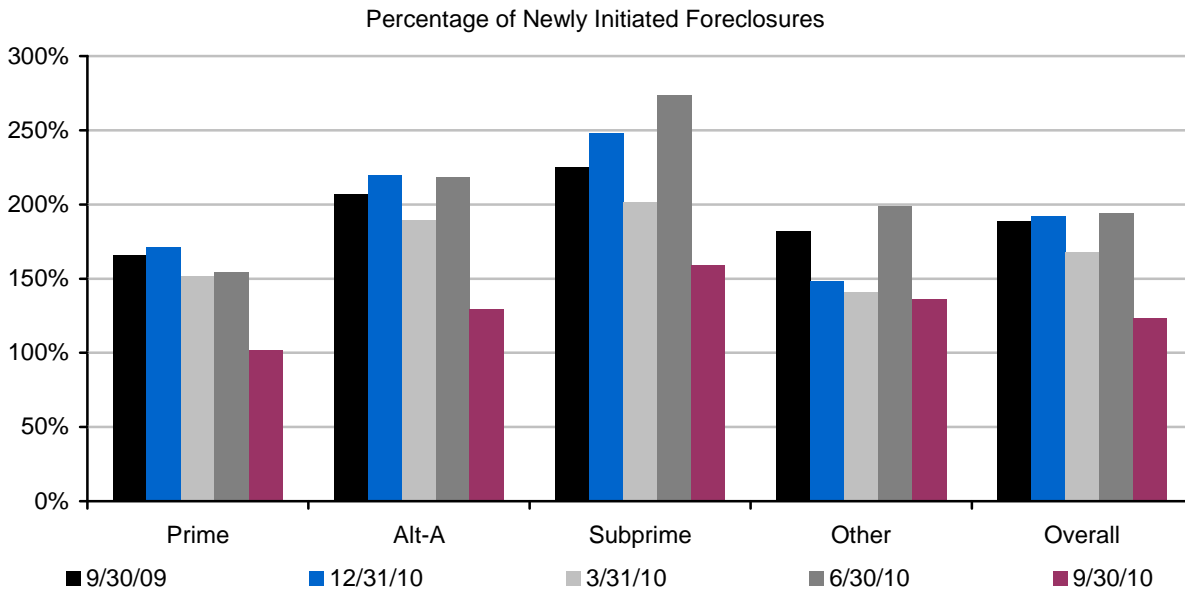
**Newly Initiated Home Retention Actions Relative to Newly Initiated Foreclosures**

Newly initiated home retention actions relative to newly initiated foreclosure actions declined during the third quarter largely because of both the 17.0 percent decline in home retention actions and the 31.2 percent increase in newly initiated foreclosure actions. Servicers continued to implement more new home retention actions than new foreclosures overall.

	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Prime	165.9%	171.0%	151.9%	154.0%	102.1%	-33.7%	-38.5%
Alt-A	207.1%	219.8%	189.5%	218.2%	129.4%	-40.7%	-37.5%
Subprime	224.8%	248.2%	201.7%	273.4%	159.2%	-41.8%	-29.2%
Other	181.8%	148.3%	140.6%	198.7%	136.3%	-31.4%	-25.0%
Overall	188.4%	192.2%	168.0%	194.3%	122.9%	-36.8%	-34.8%
Number of Newly Initiated Home Retention Actions	695,409	600,575	621,626	566,890*	470,321	-17.0%	-32.4%
Number of Newly Initiated Foreclosures	369,209	312,520	369,944	291,758	382,751	31.2%	3.7%

\*Servicer resubmission of second quarter 2010 data to conform to reporting standard resulted in a 52,623 increase in new payment plans reported for the quarter.

**Figure 8. Newly Initiated Home Retention Actions by Risk Category**



### Types of Modification Actions

The types of modification actions or combinations of actions have different effects on the borrowers' mortgage structures and monthly principal and interest payments. Different actions may, over time, have different effects on the long-term sustainability of mortgages. Servicers generally use a combination of actions when modifying mortgages, with more than 90 percent of modifications implemented during the third quarter changing more than one of the original loan terms. Servicers capitalized missed fees and payments in 87.5 percent of all modifications made during the third quarter of 2010, reduced interest rates in 86.2 percent of the modified mortgages, and extended the loan maturity in 57.4 percent of all modifications. Servicers deferred repayment of some portion of the principal balance in 10.1 percent of all modifications, while principal reduction was used in 4.5 percent of modifications made in the quarter. Because most modifications changed more than one term, the total of the individual actions exceeds 100 percent of total modifications. Appendix D presents additional detail on combination modifications.

<b>Table 18. Changes in Loan Terms for Modifications Made Through the Third Quarter of 2010</b>							
<b>(Percentage of Total Modifications in Each Category)</b>							
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Capitalization	68.2%	83.1%	91.4%	93.9%	87.5%	-6.8%	28.2%
Rate Reduction	81.1%	84.8%	85.6%	86.9%	86.2%	-0.7%	6.3%
Rate Freeze	2.7%	1.7%	1.6%	4.3%	1.9%	-55.4%	-28.7%
Term Extension	47.4%	45.4%	45.7%	51.7%	57.4%	11.1%	21.2%
Principal Reduction	13.0%	6.8%	1.9%	2.2%	4.5%	106.2%	-65.3%
Principal Deferral	3.1%	6.2%	10.1%	10.5%	10.1%	-4.0%	227.9%
Not Reported*	1.9%	1.2%	0.4%	0.6%	2.0%	253.0%	8.4%
<b>(Number of Changes in Each Category)</b>							
Capitalization	89,553	103,604	210,153	250,959	204,624	-18.5%	128.5%
Rate Reduction	106,443	105,705	196,754	232,229	201,688	-13.2%	89.5%
Rate Freeze	3,512	2,173	3,701	11,442	4,463	-61.0%	27.1%
Term Extension	62,156	56,647	104,997	138,080	134,250	-2.8%	116.0%
Principal Reduction	17,090	8,435	4,464	5,866	10,581	80.4%	-38.1%
Principal Deferral	4,040	7,676	23,289	28,106	23,601	-16.0%	484.2%
Not Reported*	2,447	1,512	915	1,531	4,727	208.8%	93.2%

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



### **Types of HAMP Modification Actions**

HAMP modifications follow a prescribed series of actions to attain a targeted monthly mortgage payment. Consistent with modification actions overall and the prescribed order of actions required by HAMP, capitalization of missed payments and fees, interest rate reductions, and term extensions were the prevailing actions on HAMP modifications. Principal deferral, another prescribed action in the HAMP hierarchy, was used in 24.6 percent of HAMP modifications during the third quarter of 2010 compared with 20.5 percent in the previous quarter, although the number of such modifications declined substantially. The use of principal reduction increased to 10.2 percent of all HAMP modifications implemented during the quarter, compared with 3.1 percent during the previous quarter.

	Total Number of Changes in Each Category				Percentage of Modifications in Each Category			
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/09 (of 21,878)	3/31/10 (of 100,301)	6/30/10 (of 108,257)	9/30/2010 (of 58,790)
Capitalization	21,538	97,688	106,961	56,210	98.4%	97.4%	98.8%	95.6%
Rate Reduction	21,321	94,167	101,211	56,402	97.5%	93.9%	93.5%	95.9%
Rate Freeze	35	150	1,148	83	0.2%	0.1%	1.1%	0.1%
Term Extension	11,070	46,415	53,253	32,744	50.6%	46.3%	49.2%	55.7%
Principal Reduction	22	162	3,342	6,011	0.1%	0.2%	3.1%	10.2%
Principal Deferral	5,984	19,340	22,218	14,454	27.4%	19.3%	20.5%	24.6%
Not Reported*	154	167	78	151	0.7%	0.2%	0.1%	0.3%

\*Processing constraints at some servicers prevented them from aggregating and 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 number of individual features changed exceeds the total number of modified loans in each risk category. The mix of capitalization, rate reduction, and term extension in modified mortgages did not differ significantly among prime, Alt-A, and subprime mortgages. Principal deferral was used more extensively in modifications of prime mortgages than other risk categories to attain sustainable monthly payments relative to the borrowers' income level in accordance with HAMP and other modification program guidelines.

<b>Table 20. Changes in Loan Terms for Modifications, by Risk Category in Third Quarter 2010</b>					
<b>(Percentage of Total Modifications in Each Category)</b>					
	Prime	Alt-A	Subprime	Other	Overall
Capitalization	82.7%	89.5%	90.4%	95.9%	87.5%
Rate Reduction	83.3%	86.6%	89.8%	89.4%	86.2%
Rate Freeze	1.3%	2.1%	2.1%	3.3%	1.9%
Term Extension	56.0%	56.2%	58.3%	62.7%	57.4%
Principal Reduction	6.3%	4.4%	3.2%	0.9%	4.5%
Principal Deferral	13.7%	8.8%	5.8%	7.6%	10.1%
Not Reported*	3.1%	1.8%	0.9%	0.8%	2.0%
<b>(Number of Changes in Each Category)</b>					
Total Mortgages Modified	103,331	45,827	55,328	29,367	233,853
Capitalization	85,458	40,996	50,004	28,166	204,624
Rate Reduction	86,047	39,686	49,697	26,258	201,688
Rate Freeze	1,330	983	1,184	966	4,463
Term Extension	57,820	25,735	32,274	18,421	134,250
Principal Reduction	6,522	2,013	1,774	272	10,581
Principal Deferral	14,124	4,048	3,185	2,244	23,601
Not Reported*	3,158	817	503	249	4,727

\*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—Fannie Mae and Freddie Mac—accounted for 44.2 percent of third quarter modifications. Mortgages serviced for private investors received 20.3 percent of all modifications, while government-guaranteed loans received 17.6 percent. Mortgages held in servicer portfolios received 17.9 percent of third quarter modifications. Table 21 shows the distribution of the types of modification actions by investor. Because modifications often change more than one term, the number exceeds the total number of modified loans for each investor.

Interest rate reduction, on loans that may also include the capitalization of missed payments and fees, remained the primary type of modification for all investors and product types, with term extension used in a majority of GSE, government-guaranteed, and portfolio modifications. Principal deferral, one of the actions prescribed by HAMP and other modification programs, was increasingly used in GSE, private investor, and portfolio modifications to attain sustainable monthly payments relative to the borrowers' income level. Principal reduction was used almost exclusively for loans held in portfolio.

<b>Table 21. Type of Modification Action, by Investor, in Third Quarter 2010</b>						
<b>(Percentage of Total Modifications in Each Category)</b>						
	<b>Fannie Mae</b>	<b>Freddie Mac</b>	<b>Government-Guaranteed</b>	<b>Private Investor</b>	<b>Portfolio</b>	<b>Overall</b>
Capitalization	98.3%	98.2%	99.6%	78.8%	58.8%	87.5%
Rate Reduction	91.1%	78.7%	97.1%	87.5%	70.8%	86.2%
Rate Freeze	2.2%	2.9%	0.4%	2.0%	2.0%	1.9%
Term Extension	51.0%	67.4%	81.0%	38.8%	59.6%	57.4%
Principal Reduction	0.0%	0.0%	0.0%	0.2%	25.1%	4.5%
Principal Deferral	11.7%	12.6%	0.1%	11.5%	13.8%	10.1%
Not Reported*	0.2%	0.3%	0.2%	1.2%	9.1%	2.0%
<b>(Number of Changes in Each Category)</b>						
Total Mortgages Modified	74,311	29,051	41,177	47,568	41,746	233,853
Capitalization	73,032	28,534	41,009	37,488	24,561	204,624
Rate Reduction	67,682	22,852	39,978	41,603	29,573	201,688
Rate Freeze	1,644	842	183	939	855	4,463
Term Extension	37,928	19,590	33,363	18,469	24,900	134,250
Principal Reduction	4	2	0	111	10,464	10,581
Principal Deferral	8,659	3,669	30	5,486	5,757	23,601
Not Reported*	185	91	80	554	3,817	4,727

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

### **Types of HAMP Modification Actions, by Investor and Product Type**

Of the 58,790 HAMP modifications implemented in the third quarter, 50.1 percent were on GSE— Fannie Mae and Freddie Mac mortgages, 27.8 percent were on mortgages held in servicers' portfolios, and 20.0 percent were on mortgages serviced for private investors. Consistent with overall modification actions, interest rate reduction on modifications that included capitalization of past-due interest and fees and often term extension were the prevailing actions among HAMP modifications. Principal deferral was used in a significant number of HAMP modifications for all investors other than government-guaranteed loans. Principal reduction was used almost exclusively for loans held in portfolio.

<b>Table 22. Type of HAMP Modification Action by Investor in Second Quarter 2010</b>						
<b>(Percentage of Total Modifications in Each Category)</b>						
	<b>Fannie Mae</b>	<b>Freddie Mac</b>	<b>Government-Guaranteed</b>	<b>Private Investor</b>	<b>Portfolio</b>	<b>Overall</b>
Capitalization	97.1%	97.1%	98.0%	99.4%	90.0%	95.6%
Rate Reduction	94.4%	94.8%	99.2%	96.0%	98.1%	95.9%
Rate Freeze	0.0%	0.2%	0.0%	0.2%	0.2%	0.1%
Term Extension	54.4%	57.6%	47.1%	32.4%	72.8%	55.7%
Principal Reduction	0.0%	0.0%	0.0%	0.4%	36.5%	10.2%
Principal Deferral	21.5%	20.8%	0.0%	31.4%	27.5%	24.6%
Not Reported*	0.4%	0.3%	0.3%	0.2%	0.2%	0.3%
<b>(Number of Changes in Each Category)</b>						
Total Mortgages Modified	15,863	13,675	1,134	11,780	16,338	58,790
Capitalization	15,408	13,284	1,111	11,707	14,700	56,210
Rate Reduction	14,976	12,961	1,125	11,310	16,030	56,402
Rate Freeze	6	27	0	25	25	83
Term Extension	8,632	7,881	534	3,811	11,886	32,744
Principal Reduction	1	1	0	52	5,957	6,011
Principal Deferral	3,417	2,851	0	3,700	4,486	14,454
Not Reported*	59	42	3	22	25	151

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

### ***Changes to 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 forgive or defer principal. The reduced payments can make mortgages more affordable and more sustainable over time. However, the lower payments also result in less monthly cash flow and interest income to the mortgage investor.

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

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

Servicers also modify some mortgages that leave 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.

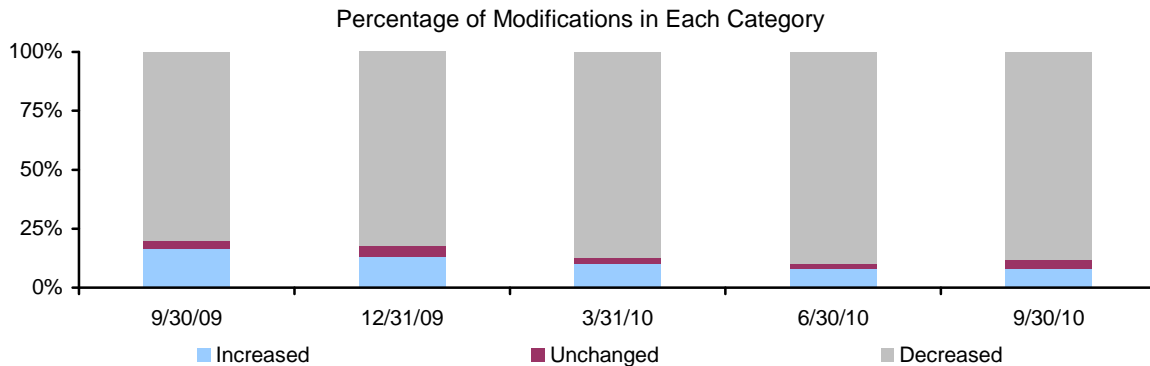
**Changes to Monthly Payments Resulting From Modifications, by Quarter**

More than 88 percent of all modifications in the third quarter lowered monthly principal and interest payments. More than 54 percent of the modifications reduced the payment by 20 percent or more. Another 18 percent reduced the payment by 10 percent to 20 percent. Modifications that resulted in a higher payment declined slightly to 8.1 percent of all third quarter modifications.

<b>Table 23. Changes in Monthly Principal and Interest Payments Resulting From Modifications</b>							
(Percentage of Modifications in Each Category)*							
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Decreased by 20% or More	37.2%	42.3%	54.6%	55.9%	54.1%	-3.1%	45.6%
Decreased by 10% to Less Than 20%	18.4%	19.1%	17.7%	17.8%	18.0%	1.6%	-1.9%
Decreased by Less Than 10%	24.5%	21.0%	14.9%	16.3%	16.0%	-1.7%	-34.6%
<b>Subtotal for Decreased</b>	<b>80.1%</b>	<b>82.4%</b>	<b>87.3%</b>	<b>90.0%</b>	<b>88.2%</b>	<b>-1.9%</b>	<b>10.1%</b>
Unchanged	3.6%	4.6%	2.9%	1.9%	3.7%	96.9%	3.1%
Increased	16.3%	13.0%	9.9%	8.2%	8.1%	-0.8%	-50.4%
<b>Subtotal for Unchanged and Increased</b>	<b>19.9%</b>	<b>17.6%</b>	<b>12.7%</b>	<b>10.0%</b>	<b>11.8%</b>	<b>17.4%</b>	<b>-40.8%</b>
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
(Number of Modifications in Each Category)							
Decreased by 20% or More	48,352	51,956	125,036	148,803	125,301	-15.8%	159.1%
Decreased by 10% to Less Than 20%	23,915	23,494	40,557	47,258	41,743	-11.7%	74.5%
Decreased by Less Than 10%	31,867	25,739	34,119	43,413	37,097	-14.5%	16.4%
<b>Subtotal for Decreased</b>	<b>104,134</b>	<b>101,189</b>	<b>199,712</b>	<b>239,474</b>	<b>204,141</b>	<b>-14.8%</b>	<b>96.0%</b>
Unchanged	4,651	5,591	6,589	4,984	8,532	71.2%	83.4%
Increased	21,254	15,975	22,585	21,760	18,761	-13.8%	-11.7%
<b>Subtotal for Unchanged and Increased</b>	<b>25,905</b>	<b>21,566</b>	<b>29,174</b>	<b>26,744</b>	<b>27,293</b>	<b>2.1%</b>	<b>5.4%</b>
Total	130,039	122,755	228,886	266,218	231,434	-13.1%	78.0%

\*Payment change information was not reported on 1,208 in the third quarter of 2009, 1,943 in the fourth quarter of 2009, 987 in the first quarter of 2010, 1,112 in the second quarter of 2010, and 2,419 in the third quarter of 2010.

**Figure 9. Changes in Monthly Principal and Interest Payments**



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

Consistent with the HAMP emphasis on promoting sustainable payments, nearly all HAMP modifications reduced monthly payments, with 76.0 percent reducing payments by more than 20 percent. 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 other modifications show 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 subsequent re-default.

<b>Table 24. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications</b>					
<b>(Percentage of HAMP Modifications)*</b>					
	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change
Decreased by 20% or More	81.6%	78.2%	78.4%	76.0%	-3.1%
Decreased by 10% to Less Than 20%	10.8%	12.6%	12.5%	13.3%	6.6%
Decreased by Less Than 10%	6.2%	7.6%	7.9%	8.8%	11.4%
<b>Subtotal for Decreased</b>	<b>98.6%</b>	<b>98.4%</b>	<b>98.8%</b>	<b>98.1%</b>	<b>-0.7%</b>
Unchanged	1.2%	1.5%	0.7%	0.3%	-59.2%
Increased	0.2%	0.1%	0.5%	1.6%	235.0%
<b>Subtotal for Unchanged and Increased</b>	<b>1.4%</b>	<b>1.6%</b>	<b>1.2%</b>	<b>1.9%</b>	<b>62.6%</b>
Total	100.0%	100.0%	100.0%	100.0%	
<b>(Number of HAMP Modifications)</b>					
	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change
Decreased by 20% or More	17,601	78,295	84,731	44,528	-47.4%
Decreased by 10% to Less Than 20%	2,338	12,620	13,487	7,803	-42.1%
Decreased by Less Than 10%	1,333	7,580	8,522	5,150	-39.6%
<b>Subtotal for Decreased</b>	<b>21,272</b>	<b>98,495</b>	<b>106,740</b>	<b>57,481</b>	<b>-46.1%</b>
Unchanged	264	1,489	746	165	-77.9%
Increased**	40	74	527	958	81.8%
<b>Subtotal for Unchanged and Increased</b>	<b>304</b>	<b>1,563</b>	<b>1,273</b>	<b>1,123</b>	<b>-11.8%</b>
Total	21,576	100,058	108,013	58,604	-45.7%

\*Payment change information was not reported on 302 HAMP modifications in the fourth quarter of 2009, 243 in the first quarter of 2010, 244 in the second quarter of 2010, and 186 in the third quarter of 2010.

\*\*A small number of HAMP modifications, like other modifications, may increase the borrowers' monthly principal and interest payment when loans with a previous interest-only or partial payment are modified to amortize the loan over its remaining term. 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 to Monthly Payments Resulting From Modifications, by Quarter

Modifications made during the third quarter reduced monthly principal and interest payments by an average of \$396. HAMP modifications made during the quarter reduced payments by an average of \$585, compared with other modifications that reduced average monthly payments by \$332 overall. The emphasis on repayment sustainability through reduced monthly payments has resulted in the average monthly savings increasing 53.7 percent from a year ago.

<b>Table 25. Average Change in Monthly Payments Resulting From Modifications</b>							
All Modifications							
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Decreased by 20% or More	(\$622)*	(\$624)	(\$663)	(\$695)	(\$673)	-3.3%	8.1%
Decreased by 10% to Less Than 20%	(\$198)	(\$185)	(\$189)	(\$187)	(\$188)	0.7%	-5.4%
Decreased by Less Than 10%	(\$56)	(\$62)	(\$67)	(\$68)	(\$59)	-13.0%	5.8%
Unchanged	--	--	--	--	--	--	--
Increased	\$146	\$154	\$163	\$132	\$139	5.3%	-4.8%
Overall	(\$258)	(\$293)	(\$389)	(\$422)	(\$396)	-6.2%	53.7%
Other Modifications							
Decreased by 20% or More	(\$620)	(\$569)	(\$581)	(\$647)	(\$643)	-0.6%	3.7%
Decreased by 10% to Less Than 20%	(\$198)	(\$181)	(\$174)	(\$174)	(\$181)	4.2%	-8.7%
Decreased by Less Than 10%	(\$56)	(\$61)	(\$62)	(\$64)	(\$55)	-13.7%	-0.8%
Unchanged	--	--	--	--	--	--	--
Increased*	\$146	\$154	\$164	\$131	\$138	5.7%	-5.2%
Overall	(\$255)	(\$221)	(\$233)	(\$296)	(\$332)	12.3%	30.0%
HAMP Modifications							
Decreased by 20% or More	(\$795)	(\$732)	(\$711)	(\$732)	(\$726)	-0.8%	-8.7%
Decreased by 10% to Less Than 20%	(\$216)	(\$221)	(\$223)	(\$219)	(\$217)	-0.8%	0.6%
Decreased by Less Than 10%	(\$73)	(\$81)	(\$85)	(\$83)	(\$82)	-1.2%	12.4%
Unchanged	--	--	--	--	--	--	--
Increased**	--	\$140	\$78	\$172	\$149	-13.5%	
Overall	(\$719)	(\$626)	(\$591)	(\$607)	(\$585)	-3.6%	-18.6%

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

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



**B. Modified Loan Performance**

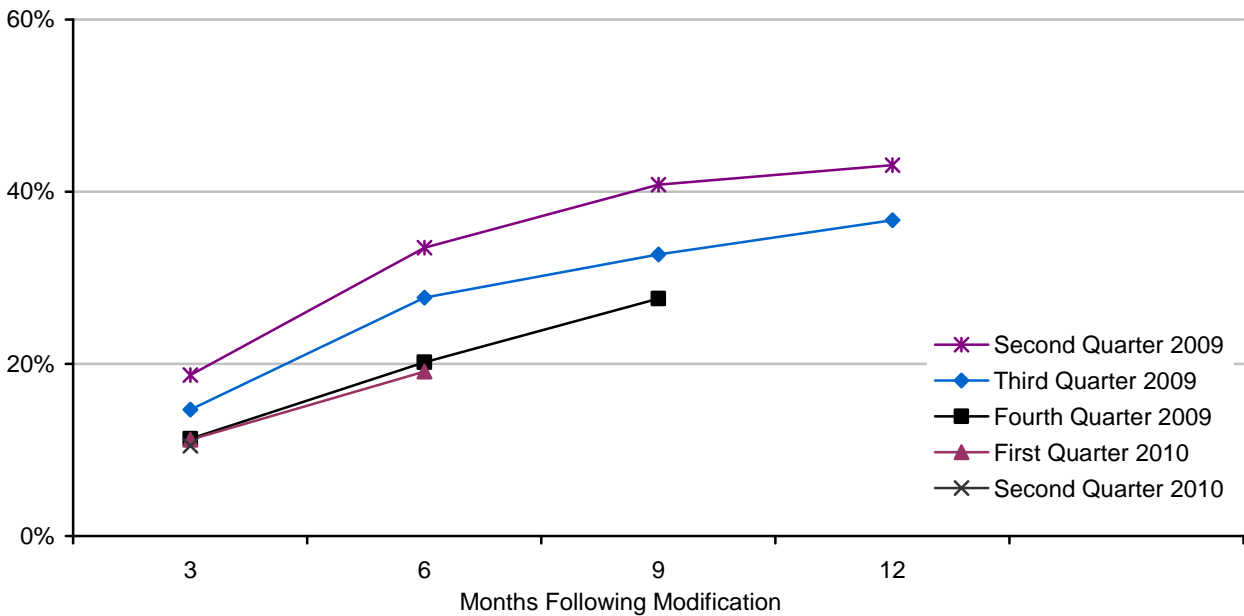
**Re-Default Rates of Modified Loans: 60 or More Days Delinquent**

More recent modifications continued to perform better than earlier modifications, continuing the improving trend noted in previous quarters. The better performance of more recent modifications corresponds with the ongoing emphasis on lowering monthly payments and improving payment sustainability.

Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Second Quarter 2009	18.7%	33.5%	40.8%	43.1%
Third Quarter 2009	14.7%	27.7%	32.7%	36.7%
Fourth Quarter 2009	11.3%	20.2%	27.6%	--
First Quarter 2010	11.2%	19.1%	--	--
Second Quarter 2010	10.5%	--	--	--

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

**Figure 10. Modified Loans 60 or More Days Delinquent**



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

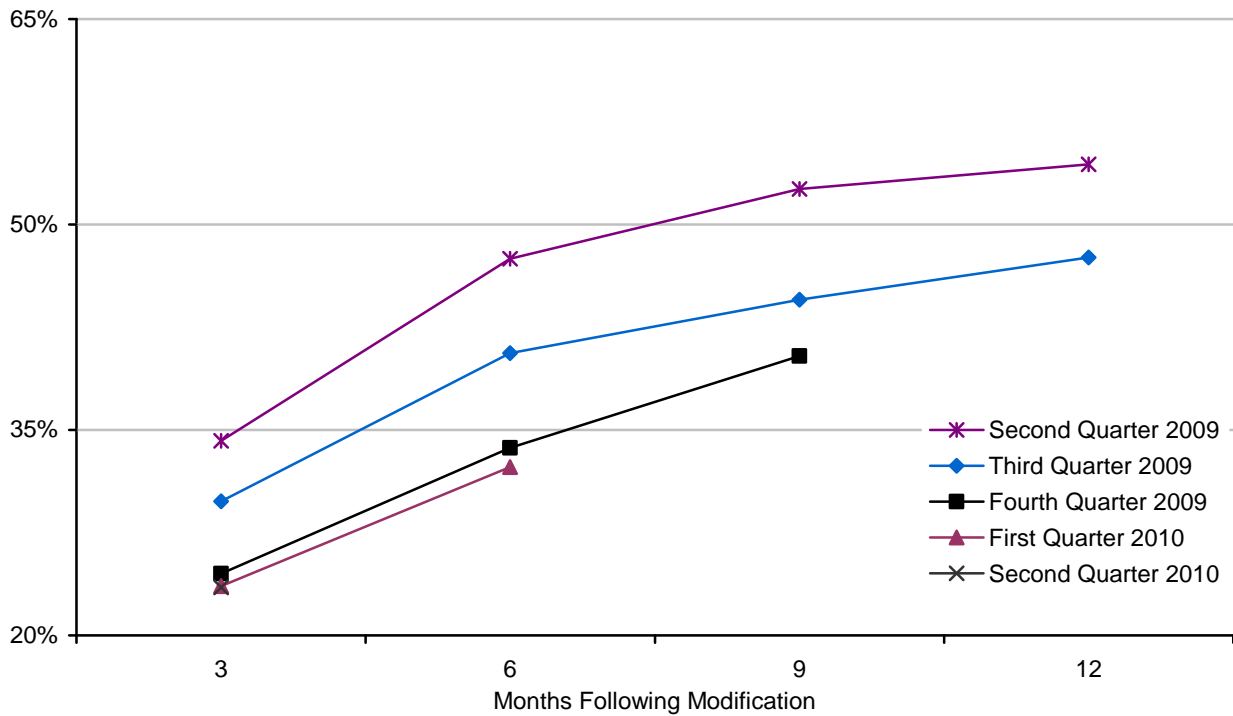
Re-default rates measured at 30 or more days delinquent provide an early indicator of mortgages that may need additional attention to prevent more serious delinquency or foreclosure.

Modifications made since the second quarter of 2009 consistently show lower 30-day re-default rates than previous modifications as a result of the increased emphasis on sustainability.

<b>Table 27. Modified Loans 30 or More Days Delinquent</b>				
Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Second Quarter 2009	34.2%	47.5%	52.6%	54.4%
Third Quarter 2009	29.8%	40.6%	44.5%	47.6%
Fourth Quarter 2009	24.5%	33.7%	40.4%	--
First Quarter 2010	23.6%	32.3%	--	--
Second Quarter 2010	23.5%	--	--	--

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

**Figure 11. Modified Loans 30 or More Days Delinquent**



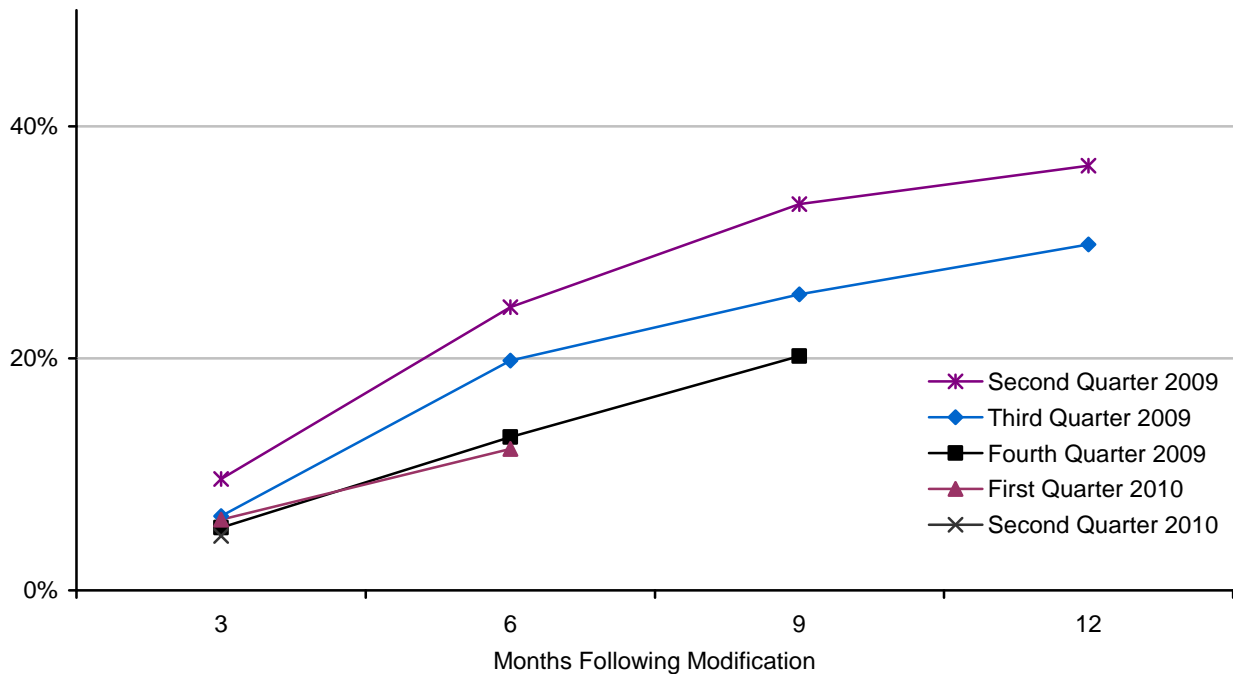
**Re-Default Rates of Modified Loans: 90 or More Days Delinquent**

The percentage of modified mortgages that were 90 or more days delinquent after modification was naturally lower than shorter-term delinquency measures. As with other measures of modification sustainability, more recent modifications have outperformed previous vintages of loan modifications.

Modification Date	3 Months After Modification	6 Months After Modification	9 Months after Modification	12 Months After Modification
Second Quarter 2009	9.6%	24.4%	33.3%	36.6%
Third Quarter 2009	6.4%	19.8%	25.5%	29.8%
Fourth Quarter 2009	5.4%	13.2%	20.2%	--
First Quarter 2010	6.1%	12.2%	--	--
Second Quarter 2010	4.7%	--	--	--

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

**Figure 12. Modified Loans 90 or More Days Delinquent**



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

Modifications on mortgages held in the servicers' own portfolios performed better than modifications on mortgages serviced for others. Re-default rates for government-guaranteed mortgages were highest over time, corresponding to the higher risk associated with those mortgages. The lower re-default rates for portfolio mortgages may reflect differences in modification programs and additional flexibility to modify terms for greater sustainability. Consistent with trends shown elsewhere, recent vintages of modifications performed better than earlier modifications. After 6 months, 19.1 percent of mortgages modified in 2010 were 60 or more days delinquent, compared with 32.1 percent of modifications made in 2009 and 45.4 percent of modifications made in 2008 (see tables 29, 30, and 31).

<b>Table 29. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2008</b>				
<b>(60 or More Days Delinquent)*</b>				
<b>Investor Loan Type</b>	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>
Fannie Mae	30.2%	44.9%	54.1%	59.5%
Freddie Mac	22.7%	40.0%	51.2%	57.5%
Government-Guaranteed	32.5%	53.6%	63.7%	67.8%
Private	36.8%	49.1%	56.1%	61.2%
Portfolio Loans	16.2%	27.9%	35.0%	40.0%
Overall	31.7%	45.4%	53.2%	58.2%

<b>Table 30. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2009</b>				
<b>(60 or More Days Delinquent)*</b>				
<b>Investor Loan Type</b>	<b>3 Months After Modification</b>	<b>6 Months after Modification</b>	<b>9 Months after Modification</b>	<b>12 Months After Modification</b>
Fannie Mae	17.9%	31.3%	37.7%	48.0%
Freddie Mac	28.3%	36.5%	41.5%	54.7%
Government-Guaranteed	23.4%	42.2%	51.7%	58.2%
Private	28.0%	40.7%	48.7%	54.8%
Portfolio Loans	7.1%	15.2%	20.9%	25.6%
Overall	19.9%	32.1%	39.4%	45.9%

<b>Table 31. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2010</b>				
<b>(60 or More Days Delinquent)*</b>				
<b>Investor Loan Type</b>	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>
Fannie Mae	11.2%	17.1%	--	--
Freddie Mac	7.7%	13.2%	--	--
Government-Guaranteed	13.2%	30.2%	--	--
Private	12.3%	20.5%	--	--
Portfolio Loans	7.3%	13.9%	--	--
Overall	10.8%	19.1%	--	--

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

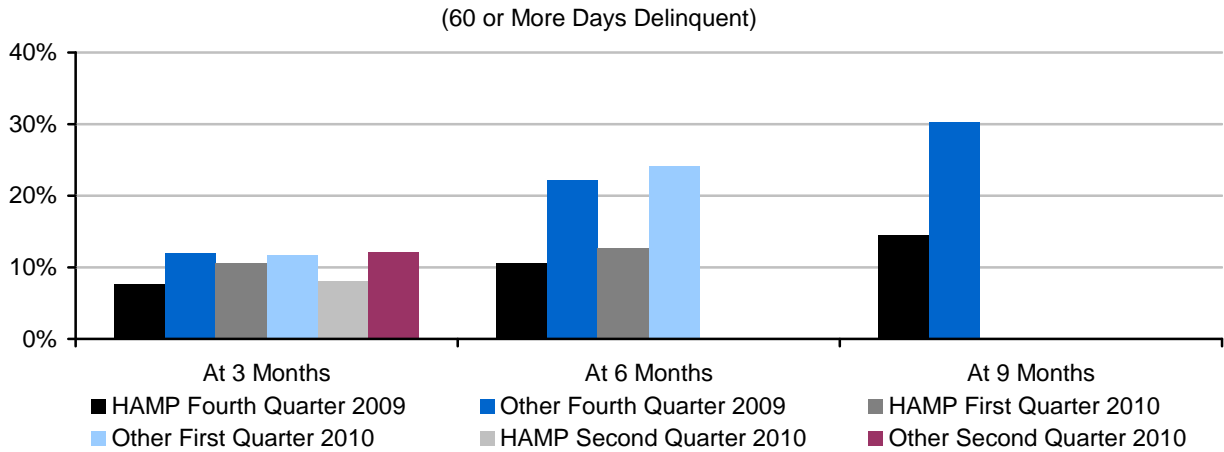
**Performance of HAMP Modifications Compared With Other Modifications**

HAMP modifications were performing better than other modifications implemented during the same periods at the end of the third quarter of 2010. 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.

<b>Table 32. Performance of HAMP Modifications Compared with Other Modifications*</b>				
<b>(60 or More Days Delinquent)</b>				
	<b>Number of Modifications</b>	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>
HAMP Fourth Quarter 2009	21,878	7.7%	10.6%	14.4%
Other Fourth Quarter 2009	102,820	12.0%	22.2%	30.3%
HAMP First Quarter 2010	100,301	10.6%	12.6%	--
Other First Quarter 2010	129,572	11.6%	24.1%	--
HAMP Second Quarter 2010	108,257	8.1%	--	--
Other Second Quarter 2010	159,073	12.1%	--	--

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

**Figure 13. Performance of HAMP Modifications Compared With Other Modifications**



### **C. Modified Loan Performance, by Change in Monthly Payments**

Many factors influence mortgage delinquencies, including employment status, amount of homeowner equity, total homeowner debt, life-changing events, and poor initial underwriting.

Similar factors drive re-default rates of modified mortgages. However, the data in this section consistently show that re-default rates have been lower for modifications that reduce monthly payments. The data also show that the larger the reduction in monthly payment, the lower the subsequent re-default rate. Lower recent re-default rates may also result from the increased emphasis of HAMP and other modification programs to lower monthly payments relative to the borrower's income and ability to repay, as well as verification of income and completion of a successful trial period.

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

### Re-Default Rates of Loans by Change in Payment

The following tables present the re-default rates, measured as 60 or more days delinquent, for modifications made since January 1, 2008. Data show re-default rates decreased as reduction in monthly principal and interest payments increased. Also, the re-default rates were lower among modifications made in 2009 and 2010 compared with 2008 modifications, likely reflecting servicer emphasis on repayment sustainability and the borrower's ability to repay the debt.

<b>Table 33. Re-Default Rates of Loans Modified in 2008 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</b>				
	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>
Decreased by 20% or More	15.8%	26.0%	33.4%	39.5%
Decreased by 10% to Less Than 20%	20.9%	33.1%	41.6%	48.2%
Decreased by Less Than 10%	24.0%	40.7%	50.3%	56.0%
Unchanged	47.4%	56.8%	62.5%	65.9%
Increased	35.4%	54.7%	63.8%	69.0%
Total	31.6%	45.2%	53.0%	58.1%

<b>Table 34. Re-Default Rates of Loans Modified in 2009 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</b>				
	<b>3 Months After Modification</b>	<b>6 Months after Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>
Decreased by 20% or More	11.1%	19.5%	25.4%	31.7%
Decreased by 10% to Less Than 20%	16.1%	29.8%	37.8%	44.1%
Decreased by Less Than 10%	17.9%	34.2%	42.9%	48.3%
Unchanged	46.7%	51.4%	56.6%	62.0%
Increased	26.6%	46.6%	56.0%	61.2%
Total	19.8%	32.1%	39.4%	45.9%

<b>Table 35. Re-Default Rates of Loans Modified in 2010 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</b>				
	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months after Modification</b>
Decreased by 20% or More	7.8%	11.7%	--	--
Decreased by 10% to Less Than 20%	10.7%	21.2%	--	--
Decreased by Less Than 10%	14.5%	28.4%	--	--
Unchanged	25.2%	33.4%	--	--
Increased	19.1%	37.7%	--	--
Total	10.8%	19.1%	--	--

\*Data include all modifications implemented during 2010 that have aged the indicated number of months. Data do not include modifications for which payment change was not reported.

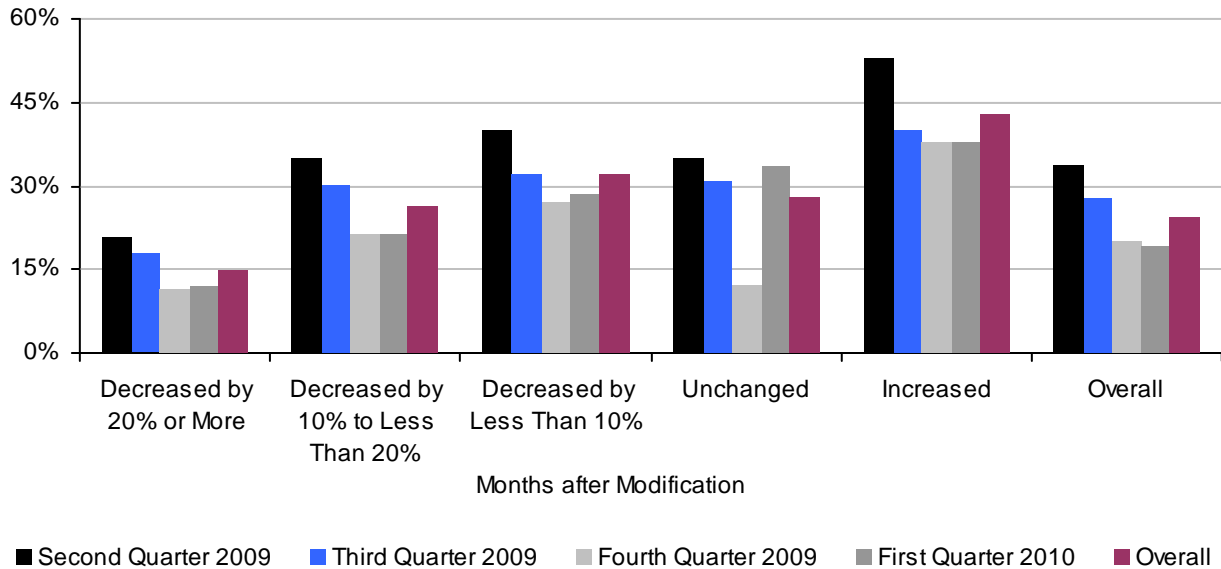
**60+ Delinquency at 6 Months After Modification by Change to Monthly Payments**

Modifications that significantly reduce monthly principal and interest payments consistently performed better than modifications that increase monthly payment unchanged. Modifications with the greatest decrease in monthly payment consistently had the lowest re-default rates. More recent modifications have also tended to perform better than earlier modifications as servicers have increasingly emphasized lower monthly payments and payment sustainability when modifying loan terms.

<b>Table 36. 60+ Delinquency at 6 Months After Modification by Change to Monthly Payments</b>						
	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Overall
Second Quarter 2009	20.9%	35.0%	39.9%	34.9%	52.9%	33.6%
Third Quarter 2009	18.1%	30.1%	31.9%	30.9%	39.9%	27.7%
Fourth Quarter 2009	11.4%	21.2%	27.1%	12.3%	37.6%	20.1%
First Quarter 2010	11.7%	21.2%	28.4%	33.4%	37.7%	19.1%
Overall	14.6%	26.3%	31.8%	28.1%	42.6%	24.4%

\*Data include all modifications that have had time to age the indicated number of months. Data do not include modifications for which payment change data was not reported.

**Figure 14. 60+ Delinquency at 6 Months After Modification by Change to Monthly Payments**





### Status of Mortgages Modified in 2008-2010

Servicers implemented 421,322 loan modifications in 2008, 587,500 in 2009, and 497,203 in the first two quarters of 2010, for a total of 1,506,025 loan modifications during this period. Of these modifications, 46.9 percent were current and performing on their modified terms at the end of the third quarter of 2010. Another 1.1 percent were paid off. Less than half were delinquent, in process of foreclosure or had completed the foreclosure process. Modifications that reduced borrowers' monthly payments by 10 percent or more performed significantly better than modifications that reduced payments less than 10 percent, increased the payments, or left the payments unchanged. Of the nearly 794,686 modifications that reduced payments by 10 percent or more, 58.9 percent were current and performing at the end of the second quarter, compared with 33.4 percent of modifications that reduced payments less than 10 percent.

Modifications on mortgages held in the servicers' own portfolio and those serviced for GSEs performed better than modifications of mortgages serviced for other investors. At the end of the third quarter 2010, 58.9 percent of modifications of loans held in servicer portfolios and 58.7 percent of modifications made to GSE mortgages were current and performing, compared with 36.8 percent of modifications on mortgages held by other investors.

<b>Table 37. Status of Modified Mortgages in 2008–2010</b>								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	421,322	25.8%	7.5%	29.9%	14.5%	10.2%	2.5%	9.5%
2009	587,500	43.5%	10.0%	27.7%	10.9%	3.3%	0.9%	3.8%
2010**	497,203	68.7%	12.6%	14.4%	3.2%	0.2%	0.2%	0.8%
Total	1,506,025	46.9%	10.2%	23.9%	9.4%	4.2%	1.1%	4.4%
<b>Modifications That Reduced Payments by 10 Percent or More</b>								
Modifications That Reduced Payments by 10% or More	794,686	58.9%	10.4%	17.9%	6.4%	2.1%	0.6%	3.7%
<b>Modifications That Reduced Payments by Less than 10 Percent</b>								
Modifications That Reduced Payments by Less than 10%	711,339	33.4%	9.9%	30.6%	12.6%	6.6%	1.7%	5.2%
<b>Status of Modifications by Major Investor Categories</b>								
Portfolio	309,359	58.9%	8.4%	15.6%	7.1%	2.2%	1.4%	6.4%
GSE	381,013	58.7%	10.8%	15.1%	8.8%	3.4%	0.9%	2.3%
Other***	815,653	36.8%	10.5%	31.2%	10.5%	5.3%	1.1%	4.6%

\*Processing constraints at some servicers prevented reporting on some loans they no longer serviced. These loans may have been refinanced or paid in full, transferred or sold to another entity, or removed from the servicing system through foreclosure, short sale, or a deed-in-lieu-of-foreclosure action.

\*\*Includes only modifications implemented during the first two quarters of 2010 that have been in effect at least three months.

\*\*\*Includes all government-guaranteed and private investor mortgages.

### **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 244,840 during the third quarter of 2010, an increase of 11.2 percent from the previous quarter and an increase of 62.6 percent from a year ago. Completed foreclosures increased to 186,854—14.7 percent from the previous quarter and 57.5 percent from a year ago. Short sales increased slightly during the quarter and remained less than 23 percent of home forfeiture actions overall. Deed-in-lieu-of-foreclosure actions remained a very small portion of home forfeiture actions. While home forfeiture actions increased in the third quarter, servicers implemented almost twice as many home retention actions—loan modifications, trial-period plans, and payment plans—as home forfeiture actions.

While HAMP and proprietary foreclosure prevention programs are designed to help a significant number of distressed homeowners, these programs are not expected to help all delinquent borrowers. In this regard, servicers indicated that completed foreclosures and other home forfeiture actions are likely to continue rising as alternatives for seriously delinquent borrowers are exhausted and loans in process of foreclosure proceed to foreclosure sale.

**Table 38. Completed Foreclosures and Other Home Forfeiture Actions**

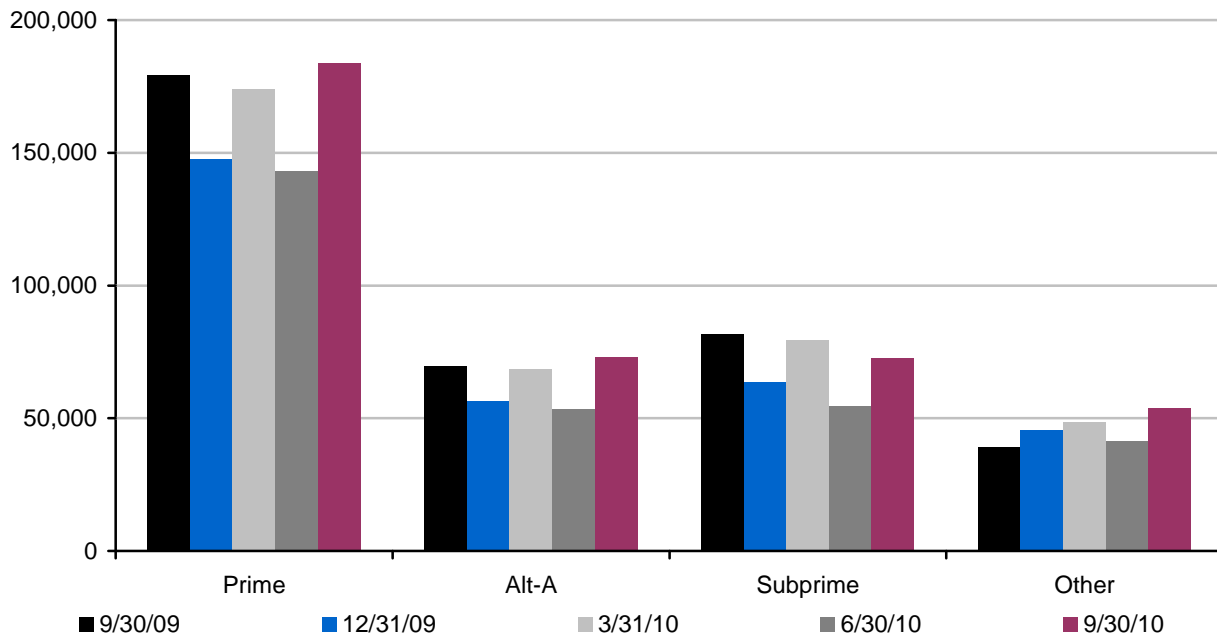
	9/30/09	12/31/09	03/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Completed Foreclosures	118,606	128,859	152,882	162,904	186,854	14.7%	57.5%
New Short Sales	30,766	37,584	41,031	55,441	56,257	1.5%	82.9%
New Deed-in-Lieu-of-Foreclosure Actions	1,233	1,054	1,202	1,753	1,729	-1.4%	40.2%
Total	150,605	167,497	195,115	220,098	244,840	11.2%	62.6%
Newly Initiated Home Retention Actions Relative to Completed Foreclosures and Other Home Forfeiture Actions	461.7%	358.6%	318.6%	257.6%	192.1%	-25.4%	-58.4%

**Newly Initiated Foreclosures**

Foreclosure actions are initiated when modifications or alternate workout solutions cannot be arranged. The number of newly initiated foreclosures increased by 31.2 percent, to 382,751, during the third quarter of 2010, the highest level in more than a year. Servicers indicated that new foreclosure actions are likely to continue rising as alternatives for seriously delinquent borrowers are exhausted.

	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Prime	179,087	147,419	173,764	142,920	183,741	28.6%	2.6%
Alt-A	69,566	56,399	68,451	53,140	72,859	37.1%	4.7%
Subprime	81,721	63,400	79,209	54,534	72,424	32.8%	-11.4%
Other	38,835	45,302	48,520	41,164	53,727	30.5%	38.3%
Total	369,209	312,520	369,944	291,758	382,751	31.2%	3.7%

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

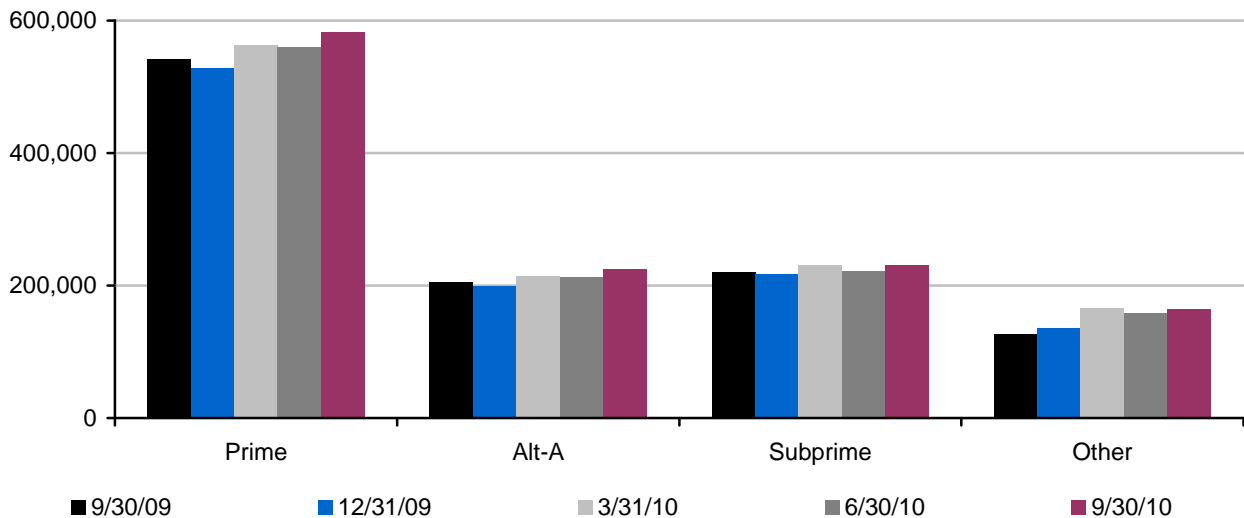


**Foreclosures in Process**

The number of loans in process of foreclosure increased by 4.5 percent from the previous quarter to 1,201,622, reflecting the increasing number of newly initiated foreclosures and the increase in time required to complete foreclosures. The ratio of foreclosures in process to total serviced mortgages was highest for subprime mortgages at 9.0 percent and lowest for prime mortgages at 2.5 percent. Many mortgages remain in process of foreclosure for longer periods than historical norms, as borrowers and servicers seek other resolutions. In addition, the amount of time required to process foreclosures has increased because of the volume of foreclosures in process.

<b>Table 40. Foreclosures in Process</b>							
Percentage of Foreclosures in Process Relative to Mortgages in That Risk Category							
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Prime	2.3%	2.3%	2.4%	2.4%	2.5%	4.8%	7.9%
Alt-A	5.8%	5.6%	6.0%	5.9%	6.3%	6.9%	7.4%
Subprime	7.9%	7.8%	8.6%	8.4%	9.0%	7.3%	14.0%
Other	2.7%	3.1%	3.6%	3.6%	3.9%	8.4%	45.8%
Total	3.2%	3.2%	3.5%	3.4%	3.6%	5.9%	12.4%
Number of Foreclosures in Process							
Prime	540,762	527,792	561,692	559,168	582,063	4.1%	7.6%
Alt-A	205,343	199,254	213,649	211,713	224,782	6.2%	9.5%
Subprime	220,106	216,519	230,503	220,825	230,813	4.5%	4.9%
Other	125,409	135,821	165,030	157,755	163,964	3.9%	30.7%
Total	1,091,620	1,079,386	1,170,874	1,149,461	1,201,622	4.5%	10.1%

**Figure 16. Number of Foreclosures in Process**

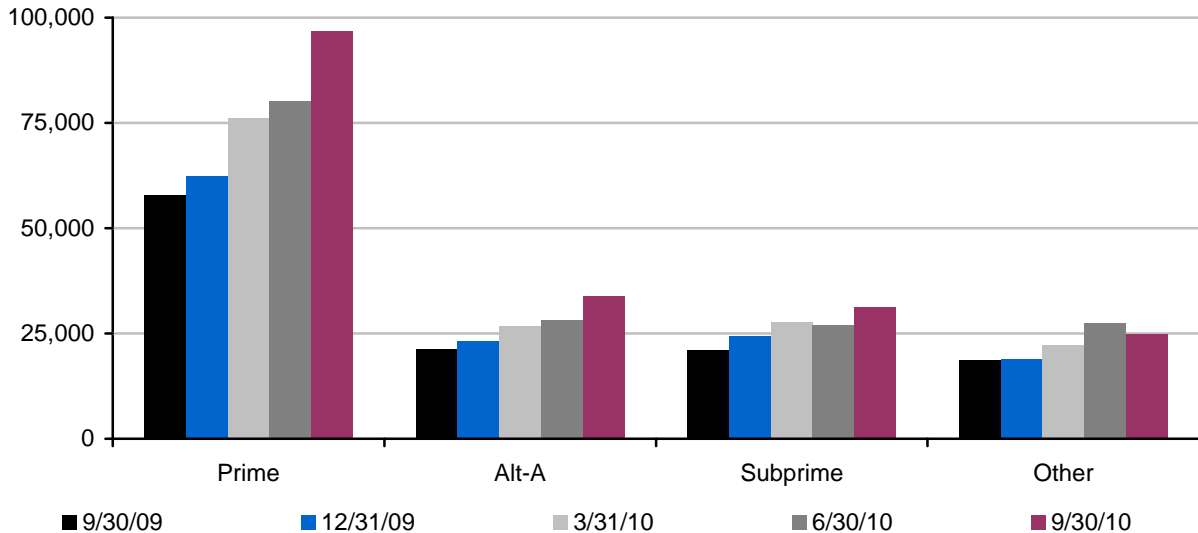


### Completed Foreclosures

Completed foreclosures increased to 186,854 during the third quarter of 2010, up 14.7 percent from the previous quarter and up 57.5 percent from a year ago. The increase in completed foreclosures resulted from the large number of foreclosures in process that continued to progress toward foreclosure sale. Foreclosures are completed when ownership of the properties transfers to the servicers or investors. Completed foreclosures are expected to continue rising as the large number of seriously delinquent mortgages and foreclosures in process work through the system.

<b>Table 41. Completed Foreclosures</b>							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Prime	0.3%	0.3%	0.3%	0.3%	0.4%	21.4%	68.2%
Alt-A	0.6%	0.7%	0.8%	0.8%	0.9%	21.2%	57.1%
Subprime	0.8%	0.9%	1.0%	1.0%	1.2%	18.9%	60.4%
Other	0.4%	0.4%	0.5%	0.6%	0.6%	-5.6%	50.0%
Total	0.3%	0.4%	0.5%	0.5%	0.6%	16.2%	60.8%
Number of Completed Foreclosures							
Prime	57,739	62,243	76,207	80,258	96,836	20.7%	67.7%
Alt-A	21,176	23,286	26,802	28,154	33,888	20.4%	60.0%
Subprime	21,162	24,425	27,704	26,951	31,208	15.8%	47.5%
Other	18,529	18,905	22,169	27,541	24,922	-9.5%	34.5%
Total	118,606	128,859	152,882	162,904	186,854	14.7%	57.5%

**Figure 17. Number of Completed Foreclosures**



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

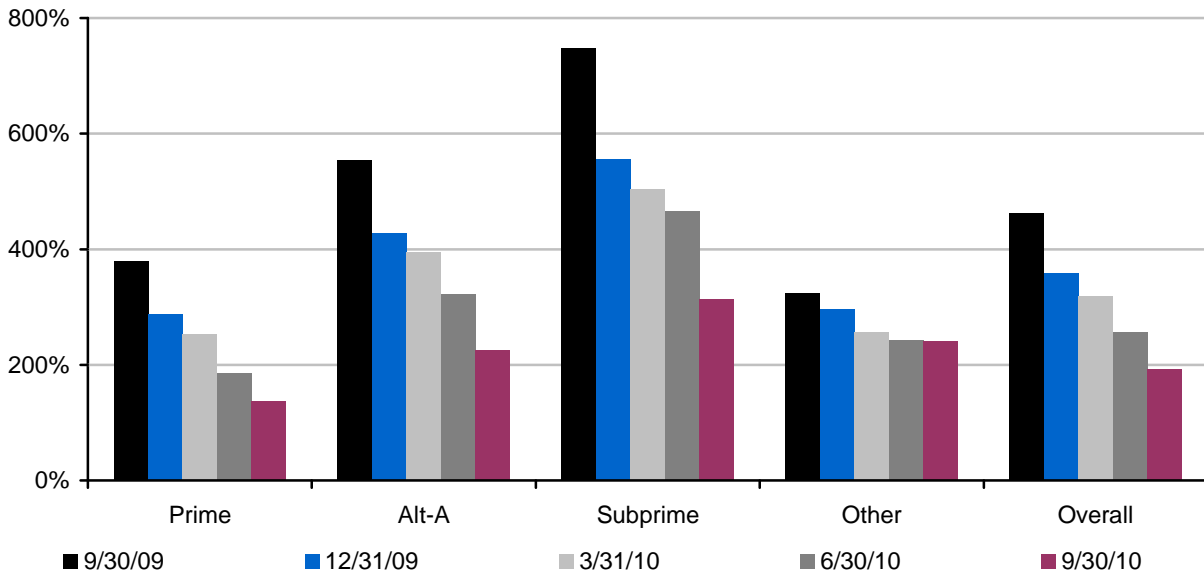
Home retention actions relative to home forfeitures declined across all risk categories during the third quarter as the number of home forfeitures increased and the number of home retention actions decreased. Notwithstanding this decline, servicers initiated almost twice as many home retention actions as home forfeiture actions during the third quarter.

**Table 42. Newly Initiated Home Retention Actions**  
(Percentage of Completed Foreclosures and Other Home Forfeiture Actions)

	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Prime	379.7%	287.9%	253.6%	185.6%	137.7%	-25.8%	-63.7%
Alt-A	554.4%	428.7%	395.6%	322.6%	226.1%	-29.9%	-59.2%
Subprime	748.0%	555.2%	504.0%	465.5%	314.4%	-32.5%	-58.0%
Other	323.4%	296.3%	256.7%	243.8%	241.7%	-0.9%	-25.3%
Overall	461.7%	358.6%	318.6%	257.6%	192.1%	-25.4%	-58.4%

**Figure 18. Newly Initiated Home Retention Actions**

(Percentage of Completed Foreclosures and Other Home Forfeiture Actions)



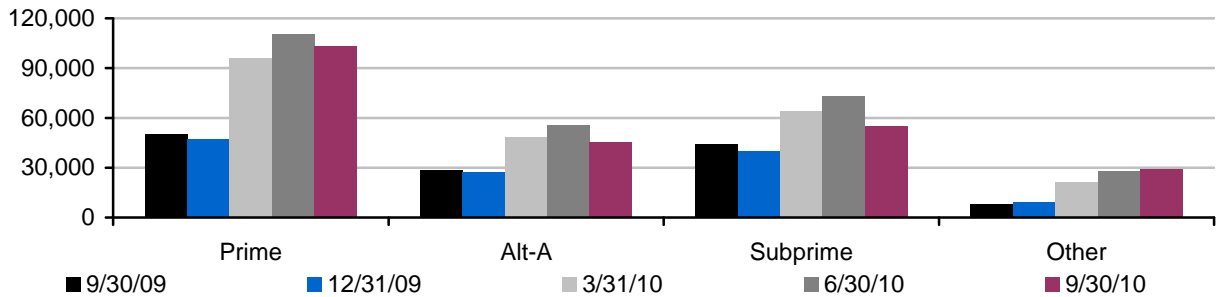
**Appendixes**

**Appendix A—New Loan Modifications**

New loan modifications decreased by 12.5 percent to 233,853 during the third quarter of 2010. New modifications decreased across all risk categories except “Other” during the quarter.

<b>Table 43. Number of New Loan Modifications</b>							
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Prime	50,002	47,530	96,010	110,326	103,331	-6.3%	106.7%
Alt-A	28,780	27,584	48,625	55,744	45,827	-17.8%	59.2%
Subprime	44,452	39,883	63,959	73,146	55,328	-24.4%	24.5%
Other	8,013	9,701	21,279	28,114	29,367	4.5%	266.5%
Total	131,247	124,698	229,873	267,330	233,853	-12.5%	78.2%

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



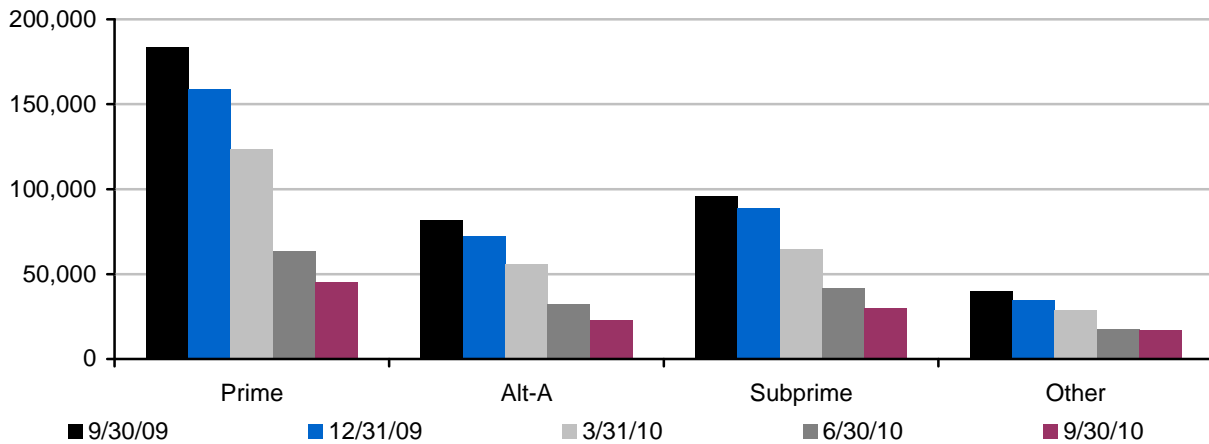
**Appendix B—New Trial-Period Plans**

Trial-period plans become permanent modifications following the successful completion of the trial period. Servicers initiated 114,003 trial-period plans during the third quarter of 2010, 5.0 percent less than in the previous quarter. Declines in new trial-period plans were recorded across all risk categories, a continuation of trends sustained over the past several quarters. Servicers reported that the decline in new trial plans resulted from fewer eligible borrowers and requirements to obtain and review borrower financial documentation before starting a new trial plan.

**Table 44. Number of New Trial Period Plans**

	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Prime	183,368	158,664	123,176	63,397	45,144	-28.8%	-75.4%
Alt-A	81,693	72,127	55,375	32,053	22,396	-30.1%	-72.6%
Subprime	95,709	88,607	64,350	41,586	29,661	-28.7%	-69.0%
Other	39,841	34,757	28,413	17,367	16,802	-3.3%	-57.8%
Total	400,611	354,155	271,314	154,403	114,003	-26.1%	-71.5%

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





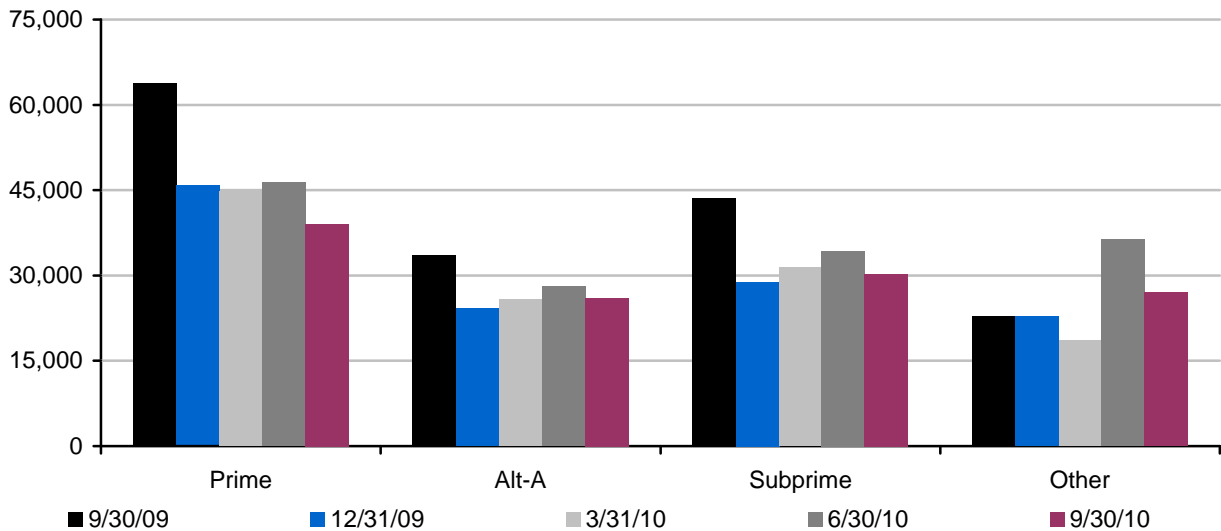
**Appendix C—New Payment Plans**

New payment plans decreased by 15.6 percent to 122,465 during the third quarter of 2010. Decreases were reported across all risk categories as servicers emphasized other home retention actions instead of shorter-term payment plans. Table 45 includes numbers that have been corrected from the second quarter report, which incorrectly included both payment plans and trial-period plans.

	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Prime	63,682	45,892	44,778	46,360	39,073	-15.7%	-38.6%
Alt-A	33,564	24,264	25,703	28,129	26,035	-7.4%	-22.4%
Subprime	43,567	28,849	31,445	34,342	30,285	-11.8%	-30.5%
Other	22,738	22,717	18,513	36,326	27,072	-25.5%	19.1%
Total	163,551	121,772	120,439	145,157	122,465	-15.6%	-25.1%

\*Servicer resubmission of second quarter 2010 data to conform to reporting standard resulted in a 52,623 increase in new payment plans reported for the quarter.

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



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

Servicers generally use a combination of actions to achieve payment sustainability when modifying a mortgage. Servicers changed more than one loan term in more than 90 percent of all modifications implemented during the third quarter of 2010.

<b>Table 46. Changes in Terms Made for Modifications Made Through the Third Quarter of 2010</b>							
<b>(Percentage of Modifications in Each Category)</b>							
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Combination*	81.2%	86.9%	86.8%	92.7%	90.2%	-2.7%	11.0%
Capitalization	8.5%	8.6%	9.6%	4.4%	3.5%	-20.4%	-58.7%
Rate Reduction	7.3%	2.1%	1.9%	1.2%	1.2%	-7.1%	-84.2%
Rate Freeze	0.3%	0.4%	0.8%	0.4%	0.2%	-59.5%	-43.7%
Term Extension	0.8%	0.7%	0.4%	0.6%	2.1%	284.1%	184.2%
Principal Reduction	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	27,812.2%
Principal Deferral	0.0%	0.0%	0.1%	0.2%	0.2%	40.7%	808.5%
Not Reported**	1.9%	1.2%	0.4%	0.6%	2.0%	253.0%	8.4%
<b>(Number of Changes in Each Category)</b>							
Combination*	106,607	108,365	199,475	247,718	210,822	-14.9%	97.8%
Capitalization	11,166	10,695	22,094	11,797	8,219	-30.3%	-26.4%
Rate Reduction	9,640	2,632	4,344	3,341	2,715	-18.7%	-71.8%
Rate Freeze	366	543	1,829	1,036	367	-64.6%	0.3%
Term Extension	986	901	902	1,486	4,993	236.0%	406.4%
Principal Reduction	3	0	10	0	1,492	0.0%	49,633.3%
Principal Deferral	32	50	304	421	518	23.0%	1518.8%
Not Reported**	2,447	1,512	915	1,531	4,727	208.8%	93.2%
All Modifications	131,247	124,698	229,873	267,330	233,853	-12.5%	78.2%

\*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).

The following table reports the specific actions included in the combination modifications presented in the previous table. More than 93 percent of the 210,822 combination modifications implemented in the third quarter of 2010 included capitalization of missed fees and payments, more than 94 percent included interest rate reduction, and more than 60 percent included an extension of the loan maturity. Principal deferral was included in 10.9 percent of the combination modifications implemented during the third quarter of 2010, and principal was reduced in 4.3 percent of these modifications. Because combination modifications changed more than one term, the total of the individual actions exceeds 100 percent of total combination modifications.

<b>Table 47. Changes in Terms for Combination Modifications Made Through the Third Quarter of 2010</b>							
<b>(Percentage of Modifications in Each Category)</b>							
	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	1Q %Change	1Y %Change
Capitalization	73.5%	85.7%	94.3%	96.5%	93.2%	-3.5%	26.7%
Rate Reduction	90.8%	95.1%	96.5%	92.4%	94.4%	2.1%	3.9%
Rate Freeze	3.0%	1.5%	0.9%	4.2%	1.9%	-53.7%	-34.2%
Term Extension	57.4%	51.4%	52.2%	55.1%	61.3%	11.2%	6.9%
Principal Reduction	16.0%	7.8%	2.2%	2.4%	4.3%	82.1%	-73.1%
Principal Deferral	3.8%	7.0%	11.5%	11.2%	10.9%	-2.0%	191.2%
<b>Total Number of Changes in Each Category</b>							
Capitalization	78,387	92,909	188,059	239,162	196,405	-17.9%	150.6%
Rate Reduction	96,803	103,073	192,410	228,888	198,973	-13.1%	105.5%
Rate Freeze	3,146	1,630	1,872	10,406	4,096	-60.6%	30.2%
Term Extension	61,170	55,746	104,095	136,594	129,257	-5.4%	111.3%
Principal Reduction	17,087	8,435	4,454	5,866	9,089	54.9%	-46.8%
Principal Deferral	4,008	7,626	22,985	27,685	23,083	-16.6%	475.9%

**Appendix E—Mortgage Modification Data by State**

The following tables present certain mortgage modification data by state, the District of Columbia, and U.S. territories (included in the category labeled “other”). Developed over several quarters, this data fulfills reporting requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203).

Table 48 presents the number and percentage of HAMP modifications and other modifications in each state during the third quarter of 2010. Tables 49 and 50 present the number and percentage of each type of action included in modifications made during the quarter in each state. Tables 51 and 52 present the number and percentage of each type of action included in combination modifications made during the quarter in each state. Tables 53 and 54 present the number and percentage of modifications made during the quarter in each state, by the amount of change in the borrowers monthly principal and interest payment. Tables 55 and 56 present the number and percentage of modifications made in the first quarter of 2010 that were 60 or more days delinquent or in process of foreclosure at the end of the third quarter (re-defaults.)

**Table 48: Number and Percentage of Mortgage Modifications**

Modifications Implemented in the Third Quarter of 2010

States	HAMP Modifications		Other Modifications		Total Modifications	
	Total	% of State Total	Total	% of State Total	Total	% of Total
Total	58,790	25.1%	175,063	74.9%	233,853	100.0%
Alabama	292	12.4%	2,070	87.6%	2,362	1.0%
Alaska	17	10.4%	146	89.6%	163	0.1%
Arizona	2,577	30.0%	6,020	70.0%	8,597	3.7%
Arkansas	108	14.3%	645	85.7%	753	0.3%
California	17,480	34.7%	32,927	65.3%	50,407	21.6%
Colorado	695	20.2%	2,744	79.8%	3,439	1.5%
Connecticut	618	25.4%	1,816	74.6%	2,434	1.0%
Delaware	159	19.5%	656	80.5%	815	0.3%
Florida	6,411	27.0%	17,355	73.0%	23,766	10.2%
Georgia	1,919	16.7%	9,585	83.3%	11,504	4.9%
Hawaii	208	27.8%	541	72.2%	749	0.3%
Idaho	218	22.8%	737	77.2%	955	0.4%
Illinois	3,354	28.6%	8,355	71.4%	11,709	5.0%
Indiana	438	13.3%	2,854	86.7%	3,292	1.4%
Iowa	124	12.1%	899	87.9%	1,023	0.4%
Kansas	131	14.6%	768	85.4%	899	0.4%
Kentucky	188	13.9%	1,160	86.1%	1,348	0.6%
Louisiana	220	11.8%	1,639	88.2%	1,859	0.8%
Maine	111	20.2%	438	79.8%	549	0.2%
Maryland	1,754	25.7%	5,071	74.3%	6,825	2.9%
Massachusetts	1,253	30.1%	2,903	69.9%	4,156	1.8%
Michigan	1,430	20.1%	5,687	79.9%	7,117	3.0%
Minnesota	1,141	27.2%	3,050	72.8%	4,191	1.8%
Mississippi	182	16.4%	927	83.6%	1,109	0.5%
Missouri	617	19.4%	2,566	80.6%	3,183	1.4%
Montana	58	17.9%	266	82.1%	324	0.1%
Nebraska	69	11.6%	524	88.4%	593	0.3%
Nevada	1,464	31.2%	3,226	68.8%	4,690	2.0%
New Hampshire	232	24.6%	711	75.4%	943	0.4%
New Jersey	1,914	26.0%	5,453	74.0%	7,367	3.2%
New Mexico	136	16.2%	702	83.8%	838	0.4%
New York	2,984	32.4%	6,225	67.6%	9,209	3.9%
North Carolina	1,012	15.1%	5,668	84.9%	6,680	2.9%
North Dakota	10	12.3%	71	87.7%	81	0.0%
Ohio	1,109	17.2%	5,342	82.8%	6,451	2.8%
Oklahoma	124	11.7%	939	88.3%	1,063	0.5%
Oregon	590	23.4%	1,927	76.6%	2,517	1.1%
Pennsylvania	1,166	20.9%	4,426	79.1%	5,592	2.4%
Rhode Island	240	33.0%	487	67.0%	727	0.3%
South Carolina	497	16.3%	2,548	83.7%	3,045	1.3%
South Dakota	24	17.3%	115	82.7%	139	0.1%
Tennessee	478	15.1%	2,689	84.9%	3,167	1.4%
Texas	1,367	11.7%	10,290	88.3%	11,657	5.0%
Utah	505	23.7%	1,624	76.3%	2,129	0.9%
Vermont	23	10.4%	198	89.6%	221	0.1%
Virginia	1,325	24.0%	4,185	76.0%	5,510	2.4%
Washington	1,096	25.2%	3,250	74.8%	4,346	1.9%
Washington, DC	117	28.7%	290	71.3%	407	0.2%
West Virginia	79	17.8%	365	82.2%	444	0.2%
Wisconsin	474	21.2%	1,758	78.8%	2,232	1.0%
Wyoming	27	15.9%	143	84.1%	170	0.1%
Other	25	23.4%	82	76.6%	107	0.0%

<b>Table 49: Number of Mortgage Modification Actions</b>								
Modifications Implemented in the Third Quarter of 2010								
States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Combination	Not Reported	Total Modifications
Total	8,219	3,082	4,993	1,492	518	210,822	4,727	233,853
Alabama	111	32	93	0	1	2,120	5	2,362
Alaska	12	1	0	0	0	149	1	163
Arizona	265	116	137	58	12	7,822	187	8,597
Arkansas	33	2	0	0	0	712	6	753
California	1,013	880	2,269	771	239	43,387	1,848	50,407
Colorado	140	50	55	11	9	3,127	47	3,439
Connecticut	128	18	31	1	5	2,222	29	2,434
Delaware	37	5	11	0	5	752	5	815
Florida	709	339	547	326	36	20,961	848	23,766
Georgia	398	91	129	8	15	10,745	118	11,504
Hawaii	20	8	10	1	1	705	4	749
Idaho	41	15	17	2	2	869	9	955
Illinois	353	133	111	30	8	10,931	143	11,709
Indiana	181	30	33	0	1	3,017	30	3,292
Iowa	68	11	7	0	0	928	9	1,023
Kansas	54	7	9	0	2	820	7	899
Kentucky	63	15	28	0	0	1,225	17	1,348
Louisiana	97	17	25	0	0	1,712	8	1,859
Maine	29	6	9	0	2	498	5	549
Maryland	267	82	69	19	31	6,268	89	6,825
Massachusetts	174	43	56	3	3	3,821	56	4,156
Michigan	319	91	142	89	1	6,218	257	7,117
Minnesota	195	57	79	10	7	3,780	63	4,191
Mississippi	52	9	11	0	1	1,030	6	1,109
Missouri	160	40	23	3	1	2,921	35	3,183
Montana	13	7	2	0	0	299	3	324
Nebraska	29	7	9	0	0	543	5	593
Nevada	134	52	56	87	13	4,178	170	4,690
New Hampshire	57	9	14	3	-	852	8	943
New Jersey	248	57	69	6	17	6,903	67	7,367
New Mexico	38	10	10	0	0	773	7	838
New York	296	113	109	5	26	8,519	141	9,209
North Carolina	329	95	152	1	6	6,049	48	6,680
North Dakota	6	1	3	0	0	71	-	81
Ohio	251	101	88	11	4	5,936	60	6,451
Oklahoma	50	10	5	0	1	988	9	1,063
Oregon	88	35	17	13	14	2,323	27	2,517
Pennsylvania	317	78	50	4	9	5,100	34	5,592
Rhode Island	37	7	5	3	0	668	7	727
South Carolina	148	39	62	1	1	2,754	40	3,045
South Dakota	6	2	3	0	0	128	-	139
Tennessee	135	42	62	0	1	2,904	23	3,167
Texas	510	80	64	1	4	10,956	42	11,657
Utah	70	24	18	1	1	1,995	20	2,129
Vermont	13	10	10	0	0	185	3	221
Virginia	213	95	124	8	24	4,975	71	5,510
Washington	149	65	100	10	13	3,938	71	4,346
Washington, DC	27	3	14	2	0	353	8	407
West Virginia	21	6	11	0	0	402	4	444
Wisconsin	103	32	30	4	2	2,037	24	2,232
Wyoming	11	4	5	0	0	147	3	170
Other	1	0	0	0	0	106	0	107

**Table 50: Percentage of Mortgage Modification Actions**  
 Modifications Implemented in the Third Quarter of 2010

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Combination	Not Reported	Total Modifications
Total	3.5%	1.3%	2.1%	0.6%	0.2%	90.2%	2.0%	233,853
Alabama	4.7%	1.4%	3.9%	0.0%	0.0%	89.8%	0.2%	2,362
Alaska	7.4%	0.6%	0.0%	0.0%	0.0%	91.4%	0.6%	163
Arizona	3.1%	1.3%	1.6%	0.7%	0.1%	91.0%	2.2%	8,597
Arkansas	4.4%	0.3%	0.0%	0.0%	0.0%	94.6%	0.8%	753
California	2.0%	1.7%	4.5%	1.5%	0.5%	86.1%	3.7%	50,407
Colorado	4.1%	1.5%	1.6%	0.3%	0.3%	90.9%	1.4%	3,439
Connecticut	5.3%	0.7%	1.3%	0.0%	0.2%	91.3%	1.2%	2,434
Delaware	4.5%	0.6%	1.3%	0.0%	0.6%	92.3%	0.6%	815
Florida	3.0%	1.4%	2.3%	1.4%	0.2%	88.2%	3.6%	23,766
Georgia	3.5%	0.8%	1.1%	0.1%	0.1%	93.4%	1.0%	11,504
Hawaii	2.7%	1.1%	1.3%	0.1%	0.1%	94.1%	0.5%	749
Idaho	4.3%	1.6%	1.8%	0.2%	0.2%	91.0%	0.9%	955
Illinois	3.0%	1.1%	0.9%	0.3%	0.1%	93.4%	1.2%	11,709
Indiana	5.5%	0.9%	1.0%	0.0%	0.0%	91.6%	0.9%	3,292
Iowa	6.6%	1.1%	0.7%	0.0%	0.0%	90.7%	0.9%	1,023
Kansas	6.0%	0.8%	1.0%	0.0%	0.2%	91.2%	0.8%	899
Kentucky	4.7%	1.1%	2.1%	0.0%	0.0%	90.9%	1.3%	1,348
Louisiana	5.2%	0.9%	1.3%	0.0%	0.0%	92.1%	0.4%	1,859
Maine	5.3%	1.1%	1.6%	0.0%	0.4%	90.7%	0.9%	549
Maryland	3.9%	1.2%	1.0%	0.3%	0.5%	91.8%	1.3%	6,825
Massachusetts	4.2%	1.0%	1.3%	0.1%	0.1%	91.9%	1.3%	4,156
Michigan	4.5%	1.3%	2.0%	1.3%	0.0%	87.4%	3.6%	7,117
Minnesota	4.7%	1.4%	1.9%	0.2%	0.2%	90.2%	1.5%	4,191
Mississippi	4.7%	0.8%	1.0%	0.0%	0.1%	92.9%	0.5%	1,109
Missouri	5.0%	1.3%	0.7%	0.1%	0.0%	91.8%	1.1%	3,183
Montana	4.0%	2.2%	0.6%	0.0%	0.0%	92.3%	0.9%	324
Nebraska	4.9%	1.2%	1.5%	0.0%	0.0%	91.6%	0.8%	593
Nevada	2.9%	1.1%	1.2%	1.9%	0.3%	89.1%	3.6%	4,690
New Hampshire	6.0%	1.0%	1.5%	0.3%	0.0%	90.3%	0.8%	943
New Jersey	3.4%	0.8%	0.9%	0.1%	0.2%	93.7%	0.9%	7,367
New Mexico	4.5%	1.2%	1.2%	0.0%	0.0%	92.2%	0.8%	838
New York	3.2%	1.2%	1.2%	0.1%	0.3%	92.5%	1.5%	9,209
North Carolina	4.9%	1.4%	2.3%	0.0%	0.1%	90.6%	0.7%	6,680
North Dakota	7.4%	1.2%	3.7%	0.0%	0.0%	87.7%	0.0%	81
Ohio	3.9%	1.6%	1.4%	0.2%	0.1%	92.0%	0.9%	6,451
Oklahoma	4.7%	0.9%	0.5%	0.0%	0.1%	92.9%	0.8%	1,063
Oregon	3.5%	1.4%	0.7%	0.5%	0.6%	92.3%	1.1%	2,517
Pennsylvania	5.7%	1.4%	0.9%	0.1%	0.2%	91.2%	0.6%	5,592
Rhode Island	5.1%	1.0%	0.7%	0.4%	0.0%	91.9%	1.0%	727
South Carolina	4.9%	1.3%	2.0%	0.0%	0.0%	90.4%	1.3%	3,045
South Dakota	4.3%	1.4%	2.2%	0.0%	0.0%	92.1%	0.0%	139
Tennessee	4.3%	1.3%	2.0%	0.0%	0.0%	91.7%	0.7%	3,167
Texas	4.4%	0.7%	0.5%	0.0%	0.0%	94.0%	0.4%	11,657
Utah	3.3%	1.1%	0.8%	0.0%	0.0%	93.7%	0.9%	2,129
Vermont	5.9%	4.5%	4.5%	0.0%	0.0%	83.7%	1.4%	221
Virginia	3.9%	1.7%	2.3%	0.1%	0.4%	90.3%	1.3%	5,510
Washington	3.4%	1.5%	2.3%	0.2%	0.3%	90.6%	1.6%	4,346
Washington, DC	6.6%	0.7%	3.4%	0.5%	0.0%	86.7%	2.0%	407
West Virginia	4.7%	1.4%	2.5%	0.0%	0.0%	90.5%	0.9%	444
Wisconsin	4.6%	1.4%	1.3%	0.2%	0.1%	91.3%	1.1%	2,232
Wyoming	6.5%	2.4%	2.9%	0.0%	0.0%	86.5%	1.8%	170
Other	0.9%	0.0%	0.0%	0.0%	0.0%	99.1%	0.0%	107

**Table 51: Number of Modification Actions in Combination Actions**  
 Modifications Implemented in the Third Quarter of 2010

States	Capitalization	Interest Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total	196,405	202,749	129,257	9,089	23,083	210,822
Alabama	1,867	2,063	1,356	0	71	2,120
Alaska	149	142	104	0	2	149
Arizona	7,432	7,483	4,653	446	1,059	7,822
Arkansas	709	687	437	0	15	712
California	38,186	41,335	25,756	6,202	8,303	43,387
Colorado	2,997	3,018	1,904	28	177	3,127
Connecticut	2,143	2,159	1,300	28	212	2,222
Delaware	694	727	460	5	32	752
Florida	19,416	20,158	12,874	1,063	3,100	20,961
Georgia	10,327	10,430	6,812	26	735	10,745
Hawaii	653	684	360	3	71	705
Idaho	812	826	498	10	58	869
Illinois	10,487	10,563	6,854	195	1,549	10,931
Indiana	2,890	2,905	1,953	2	95	3,017
Iowa	845	876	586	0	38	928
Kansas	773	786	509	1	30	820
Kentucky	1,096	1,183	766	0	39	1,225
Louisiana	1,633	1,650	1,062	0	43	1,712
Maine	450	481	292	-	28	498
Maryland	6,001	6,013	3,515	92	594	6,268
Massachusetts	3,680	3,685	2,159	54	407	3,821
Michigan	5,905	5,963	3,819	72	560	6,218
Minnesota	3,596	3,574	2,385	38	363	3,780
Mississippi	963	1,004	655	2	35	1,030
Missouri	2,797	2,823	1,735	8	182	2,921
Montana	277	284	194	0	14	299
Nebraska	509	516	371	0	15	543
Nevada	4,039	3,997	2,463	201	593	4,178
New Hampshire	787	821	487	7	67	852
New Jersey	6,635	6,678	4,273	106	716	6,903
New Mexico	717	749	461	3	34	773
New York	8,139	8,276	4,946	67	1,101	8,519
North Carolina	5,519	5,859	4,025	7	235	6,049
North Dakota	59	68	49	0	3	71
Ohio	5,568	5,722	3,794	11	281	5,936
Oklahoma	957	957	630	1	27	988
Oregon	2,181	2,235	1,400	51	199	2,323
Pennsylvania	4,825	4,901	3,168	15	261	5,100
Rhode Island	640	642	392	13	84	668
South Carolina	2,551	2,665	1,667	6	155	2,754
South Dakota	114	120	86	1	7	128
Tennessee	2,655	2,824	1,871	0	113	2,904
Texas	10,600	10,659	7,604	19	281	10,956
Utah	1,900	1,930	1,201	32	133	1,995
Vermont	120	175	135	0	7	185
Virginia	4,566	4,750	3,049	146	413	4,975
Washington	3,699	3,786	2,362	107	308	3,938
Washington, DC	338	339	167	9	35	353
West Virginia	338	386	239	1	19	402
Wisconsin	1,935	1,946	1,285	11	166	2,037
Wyoming	131	140	97	0	7	147
Other	105	106	37	0	11	106



**Table 52: Percentage of Modification Actions in Combination Actions**

Modifications Implemented in the Third Quarter of 2010

States	Capitalization	Interest Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total	93.2%	96.2%	61.3%	4.3%	10.9%	210,822
Alabama	88.1%	97.3%	64.0%	0.0%	3.3%	2,120
Alaska	100.0%	95.3%	69.8%	0.0%	1.3%	149
Arizona	95.0%	95.7%	59.5%	5.7%	13.5%	7,822
Arkansas	99.6%	96.5%	61.4%	0.0%	2.1%	712
California	88.0%	95.3%	59.4%	14.3%	19.1%	43,387
Colorado	95.8%	96.5%	60.9%	0.9%	5.7%	3,127
Connecticut	96.4%	97.2%	58.5%	1.3%	9.5%	2,222
Delaware	92.3%	96.7%	61.2%	0.7%	4.3%	752
Florida	92.6%	96.2%	61.4%	5.1%	14.8%	20,961
Georgia	96.1%	97.1%	63.4%	0.2%	6.8%	10,745
Hawaii	92.6%	97.0%	51.1%	0.4%	10.1%	705
Idaho	93.4%	95.1%	57.3%	1.2%	6.7%	869
Illinois	95.9%	96.6%	62.7%	1.8%	14.2%	10,931
Indiana	95.8%	96.3%	64.7%	0.1%	3.1%	3,017
Iowa	91.1%	94.4%	63.1%	0.0%	4.1%	928
Kansas	94.3%	95.9%	62.1%	0.1%	3.7%	820
Kentucky	89.5%	96.6%	62.5%	0.0%	3.2%	1,225
Louisiana	95.4%	96.4%	62.0%	0.0%	2.5%	1,712
Maine	90.4%	96.6%	58.6%	0.0%	5.6%	498
Maryland	95.7%	95.9%	56.1%	1.5%	9.5%	6,268
Massachusetts	96.3%	96.4%	56.5%	1.4%	10.7%	3,821
Michigan	95.0%	95.9%	61.4%	1.2%	9.0%	6,218
Minnesota	95.1%	94.6%	63.1%	1.0%	9.6%	3,780
Mississippi	93.5%	97.5%	63.6%	0.2%	3.4%	1,030
Missouri	95.8%	96.6%	59.4%	0.3%	6.2%	2,921
Montana	92.6%	95.0%	64.9%	0.0%	4.7%	299
Nebraska	93.7%	95.0%	68.3%	0.0%	2.8%	543
Nevada	96.7%	95.7%	59.0%	4.8%	14.2%	4,178
New Hampshire	92.4%	96.4%	57.2%	0.8%	7.9%	852
New Jersey	96.1%	96.7%	61.9%	1.5%	10.4%	6,903
New Mexico	92.8%	96.9%	59.6%	0.4%	4.4%	773
New York	95.5%	97.1%	58.1%	0.8%	12.9%	8,519
North Carolina	91.2%	96.9%	66.5%	0.1%	3.9%	6,049
North Dakota	83.1%	95.8%	69.0%	0.0%	4.2%	71
Ohio	93.8%	96.4%	63.9%	0.2%	4.7%	5,936
Oklahoma	96.9%	96.9%	63.8%	0.1%	2.7%	988
Oregon	93.9%	96.2%	60.3%	2.2%	8.6%	2,323
Pennsylvania	94.6%	96.1%	62.1%	0.3%	5.1%	5,100
Rhode Island	95.8%	96.1%	58.7%	1.9%	12.6%	668
South Carolina	92.6%	96.8%	60.5%	0.2%	5.6%	2,754
South Dakota	89.1%	93.8%	67.2%	0.8%	5.5%	128
Tennessee	91.4%	97.2%	64.4%	0.0%	3.9%	2,904
Texas	96.8%	97.3%	69.4%	0.2%	2.6%	10,956
Utah	95.2%	96.7%	60.2%	1.6%	6.7%	1,995
Vermont	64.9%	94.6%	73.0%	0.0%	3.8%	185
Virginia	91.8%	95.5%	61.3%	2.9%	8.3%	4,975
Washington	93.9%	96.1%	60.0%	2.7%	7.8%	3,938
Washington, DC	95.8%	96.0%	47.3%	2.5%	9.9%	353
West Virginia	84.1%	96.0%	59.5%	0.2%	4.7%	402
Wisconsin	95.0%	95.5%	63.1%	0.5%	8.1%	2,037
Wyoming	89.1%	95.2%	66.0%	0.0%	4.8%	147
Other	99.1%	100.0%	34.9%	0.0%	10.4%	106

**Table 53: Changes in Monthly Principal and Interest Payments (Number)**  
 Number of Modifications Implemented in the Third Quarter of 2010

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	250,530	41,743	37,097	8,532	18,761	2,419	233,853
Alabama	125,301	537	407	95	223	15	2,362
Alaska	1,085	49	37	1	17	0	163
Arizona	59	1,369	1,288	288	578	77	8,597
Arkansas	4,997	196	140	7	80	6	753
California	324	5,949	8,275	4,072	3,471	641	50,407
Colorado	27,999	802	705	80	323	24	3,439
Connecticut	1,505	420	363	48	207	23	2,434
Delaware	1,373	204	148	22	58	7	815
Florida	376	3,281	3,519	982	1,652	213	23,766
Georgia	14,119	2,730	1,844	143	893	130	11,504
Hawaii	5,764	130	85	9	41	13	749
Idaho	471	200	165	24	83	10	955
Illinois	473	1,898	1,526	190	889	97	11,709
Indiana	7,109	823	650	55	386	25	3,292
Iowa	1,353	236	197	19	132	10	1,023
Kansas	429	201	182	25	105	5	899
Kentucky	381	340	286	25	130	15	1,348
Louisiana	552	418	328	34	255	13	1,859
Maine	811	112	78	13	56	6	549
Maryland	284	1,223	1,143	137	594	95	6,825
Massachusetts	3,633	710	559	79	319	39	4,156
Michigan	2,450	1,264	1,221	229	585	68	7,117
Minnesota	3,750	729	659	130	337	25	4,191
Mississippi	2,311	266	198	18	110	6	1,109
Missouri	511	697	481	53	294	23	3,183
Montana	1,635	82	46	5	27	3	324
Nebraska	161	147	78	10	68	8	593
Nevada	282	738	702	165	255	47	4,690
New Hampshire	2,783	162	119	16	85	6	943
New Jersey	555	1,272	1,109	145	603	89	7,367
New Mexico	4,149	206	115	7	75	7	838
New York	428	1,387	1,011	182	536	142	9,209
North Carolina	5,951	1,598	1,088	142	633	49	6,680
North Dakota	3,170	20	7	3	8	0	81
Ohio	43	1,447	1,201	120	647	50	6,451
Oklahoma	2,986	284	197	14	134	9	1,063
Oregon	425	467	346	93	184	20	2,517
Pennsylvania	1,407	1,175	891	88	566	66	5,592
Rhode Island	2,806	111	98	15	69	5	727
South Carolina	429	660	471	46	310	65	3,045
South Dakota	1,493	31	24	1	12	0	139
Tennessee	71	810	533	69	253	22	3,167
Texas	1,480	3,288	1,992	107	1,167	77	11,657
Utah	5,026	499	354	40	166	8	2,129
Vermont	1,062	39	33	11	26	5	221
Virginia	107	1,104	987	176	438	50	5,510
Washington	2,755	815	686	211	334	70	4,346
Washington, DC	2,230	66	63	13	43	9	407
West Virginia	213	77	80	9	46	4	444
Wisconsin	228	417	344	52	242	19	2,232
Wyoming	1,158	36	26	13	15	3	170
Other	77	21	12	1	1	0	107

<b>Table 54: Changes in Monthly Principal and Interest Payments (Percentage)</b>							
Percentage of Modifications Implemented During the Third Quarter of 2010							
States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total	53.6%	17.9%	15.9%	3.6%	8.0%	1.0%	233,853
Alabama	45.9%	22.7%	17.2%	4.0%	9.4%	0.6%	2,362
Alaska	36.2%	30.1%	22.7%	0.6%	10.4%	0.0%	163
Arizona	58.1%	15.9%	15.0%	3.4%	6.7%	0.9%	8,597
Arkansas	43.0%	26.0%	18.6%	0.9%	10.6%	0.8%	753
California	55.5%	11.8%	16.4%	8.1%	6.9%	1.3%	50,407
Colorado	43.8%	23.3%	20.5%	2.3%	9.4%	0.7%	3,439
Connecticut	56.4%	17.3%	14.9%	2.0%	8.5%	0.9%	2,434
Delaware	46.1%	25.0%	18.2%	2.7%	7.1%	0.9%	815
Florida	59.4%	13.8%	14.8%	4.1%	7.0%	0.9%	23,766
Georgia	50.1%	23.7%	16.0%	1.2%	7.8%	1.1%	11,504
Hawaii	62.9%	17.4%	11.3%	1.2%	5.5%	1.7%	749
Idaho	49.5%	20.9%	17.3%	2.5%	8.7%	1.0%	955
Illinois	60.7%	16.2%	13.0%	1.6%	7.6%	0.8%	11,709
Indiana	41.1%	25.0%	19.7%	1.7%	11.7%	0.8%	3,292
Iowa	41.9%	23.1%	19.3%	1.9%	12.9%	1.0%	1,023
Kansas	42.4%	22.4%	20.2%	2.8%	11.7%	0.6%	899
Kentucky	40.9%	25.2%	21.2%	1.9%	9.6%	1.1%	1,348
Louisiana	43.6%	22.5%	17.6%	1.8%	13.7%	0.7%	1,859
Maine	51.7%	20.4%	14.2%	2.4%	10.2%	1.1%	549
Maryland	53.2%	17.9%	16.7%	2.0%	8.7%	1.4%	6,825
Massachusetts	59.0%	17.1%	13.5%	1.9%	7.7%	0.9%	4,156
Michigan	52.7%	17.8%	17.2%	3.2%	8.2%	1.0%	7,117
Minnesota	55.1%	17.4%	15.7%	3.1%	8.0%	0.6%	4,191
Mississippi	46.1%	24.0%	17.9%	1.6%	9.9%	0.5%	1,109
Missouri	51.4%	21.9%	15.1%	1.7%	9.2%	0.7%	3,183
Montana	49.7%	25.3%	14.2%	1.5%	8.3%	0.9%	324
Nebraska	47.6%	24.8%	13.2%	1.7%	11.5%	1.3%	593
Nevada	59.3%	15.7%	15.0%	3.5%	5.4%	1.0%	4,690
New Hampshire	58.9%	17.2%	12.6%	1.7%	9.0%	0.6%	943
New Jersey	56.3%	17.3%	15.1%	2.0%	8.2%	1.2%	7,367
New Mexico	51.1%	24.6%	13.7%	0.8%	8.9%	0.8%	838
New York	64.6%	15.1%	11.0%	2.0%	5.8%	1.5%	9,209
North Carolina	47.5%	23.9%	16.3%	2.1%	9.5%	0.7%	6,680
North Dakota	53.1%	24.7%	8.6%	3.7%	9.9%	0.0%	81
Ohio	46.3%	22.4%	18.6%	1.9%	10.0%	0.8%	6,451
Oklahoma	40.0%	26.7%	18.5%	1.3%	12.6%	0.8%	1,063
Oregon	55.9%	18.6%	13.7%	3.7%	7.3%	0.8%	2,517
Pennsylvania	50.2%	21.0%	15.9%	1.6%	10.1%	1.2%	5,592
Rhode Island	59.0%	15.3%	13.5%	2.1%	9.5%	0.7%	727
South Carolina	49.0%	21.7%	15.5%	1.5%	10.2%	2.1%	3,045
South Dakota	51.1%	22.3%	17.3%	0.7%	8.6%	0.0%	139
Tennessee	46.7%	25.6%	16.8%	2.2%	8.0%	0.7%	3,167
Texas	43.1%	28.2%	17.1%	0.9%	10.0%	0.7%	11,657
Utah	49.9%	23.4%	16.6%	1.9%	7.8%	0.4%	2,129
Vermont	48.4%	17.6%	14.9%	5.0%	11.8%	2.3%	221
Virginia	50.0%	20.0%	17.9%	3.2%	7.9%	0.9%	5,510
Washington	51.3%	18.8%	15.8%	4.9%	7.7%	1.6%	4,346
Washington, DC	52.3%	16.2%	15.5%	3.2%	10.6%	2.2%	407
West Virginia	51.4%	17.3%	18.0%	2.0%	10.4%	0.9%	444
Wisconsin	51.9%	18.7%	15.4%	2.3%	10.8%	0.9%	2,232
Wyoming	45.3%	21.2%	15.3%	7.6%	8.8%	1.8%	170
Other	67.3%	19.6%	11.2%	0.9%	0.9%	0.0%	107

<b>Table 55: Number of Re-Defaults for Loans Modified in the First Quarter of 2010</b>							
<b>(60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments)</b>							
States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total	14,419	8,497	9,570	2,074	8,390	209	43,159
Alabama	139	129	188	42	135	1	634
Alaska	5	11	14	4	11	0	45
Arizona	733	298	392	82	243	3	1,751
Arkansas	61	43	49	16	57	5	231
California	2,465	916	1,014	280	1,111	38	5,824
Colorado	172	128	207	40	170	3	720
Connecticut	169	93	103	26	92	3	486
Delaware	55	38	49	7	23	1	173
Florida	1,667	705	679	216	671	27	3,965
Georgia	642	575	657	114	423	15	2,426
Hawaii	37	9	20	1	28	0	95
Idaho	63	44	58	6	54	1	226
Illinois	771	356	453	85	347	6	2,018
Indiana	200	219	213	40	168	2	842
Iowa	61	46	57	15	54	0	233
Kansas	53	52	61	10	70	1	247
Kentucky	98	87	81	22	85	0	373
Louisiana	117	87	84	31	104	2	425
Maine	52	31	20	8	25	0	136
Maryland	472	272	297	63	210	14	1,328
Massachusetts	304	125	133	35	145	3	745
Michigan	504	352	326	61	293	3	1,539
Minnesota	273	167	183	26	151	5	805
Mississippi	84	52	89	15	74	1	315
Missouri	255	162	173	32	175	2	799
Montana	19	14	25	3	16	0	77
Nebraska	48	33	34	2	34	0	151
Nevada	382	137	144	24	148	4	839
New Hampshire	55	26	30	9	47	0	167
New Jersey	488	253	260	70	236	4	1,311
New Mexico	65	39	46	13	39	1	203
New York	495	270	251	83	196	6	1,301
North Carolina	405	371	424	68	306	10	1,584
North Dakota	4	2	6	0	10	0	22
Ohio	328	282	328	68	292	3	1,301
Oklahoma	64	61	91	17	98	3	334
Oregon	153	77	101	22	84	2	439
Pennsylvania	409	247	257	49	284	2	1,248
Rhode Island	64	24	31	11	24	1	155
South Carolina	154	116	149	46	157	7	629
South Dakota	8	6	11	0	16	0	41
Tennessee	203	176	213	36	130	5	763
Texas	653	779	902	115	750	6	3,205
Utah	118	71	125	18	69	1	402
Vermont	17	4	7	2	5	0	35
Virginia	330	200	193	52	195	12	982
Washington	269	162	178	50	165	2	826
Washington, DC	18	17	12	3	22	0	72
West Virginia	28	18	21	6	22	0	95
Wisconsin	181	108	123	27	113	4	556
Wyoming	5	4	7	3	11	0	30
Other	4	3	1	0	2	0	10

<b>Table 56: Re-Default Rates for Loans Modified in the First Quarter of 2010 (Percentage)</b> (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	11.7%	21.2%	28.4%	33.4%	37.7%	25.7%	19.1%
Alabama	15.1%	24.5%	36.1%	37.5%	41.8%	33.3%	26.4%
Alaska	8.3%	24.4%	30.4%	80.0%	39.3%	0.0%	24.5%
Arizona	11.9%	20.1%	31.5%	36.1%	38.8%	11.1%	17.9%
Arkansas	18.0%	22.9%	30.1%	53.3%	41.9%	71.4%	26.8%
California	8.6%	16.0%	21.1%	24.7%	31.7%	26.0%	13.2%
Colorado	10.8%	17.8%	29.6%	31.3%	37.5%	33.3%	20.0%
Connecticut	11.5%	20.3%	27.6%	34.2%	37.1%	60.0%	18.4%
Delaware	14.6%	25.3%	32.2%	25.0%	31.1%	50.0%	22.1%
Florida	12.1%	22.0%	27.0%	38.8%	38.2%	34.2%	18.1%
Georgia	13.6%	25.1%	34.1%	40.7%	43.7%	31.9%	23.7%
Hawaii	9.2%	11.7%	30.3%	12.5%	45.9%	0.0%	15.4%
Idaho	11.9%	23.4%	31.2%	20.7%	47.4%	50.0%	21.5%
Illinois	11.8%	21.1%	31.8%	34.3%	39.0%	19.4%	18.7%
Indiana	15.3%	24.8%	28.9%	37.0%	36.1%	22.2%	24.0%
Iowa	14.4%	21.0%	30.2%	41.7%	32.1%	0.0%	22.4%
Kansas	12.4%	23.1%	29.9%	27.8%	37.6%	16.7%	22.8%
Kentucky	17.7%	24.1%	31.0%	33.8%	38.8%	0.0%	25.5%
Louisiana	17.5%	25.5%	26.3%	41.9%	41.6%	66.7%	25.7%
Maine	15.6%	24.4%	23.0%	47.1%	37.3%	0.0%	21.6%
Maryland	12.6%	21.0%	27.7%	37.5%	39.2%	41.2%	19.4%
Massachusetts	11.8%	18.5%	24.5%	28.9%	36.5%	16.7%	17.2%
Michigan	13.0%	22.8%	28.0%	31.3%	38.4%	20.0%	20.4%
Minnesota	11.5%	21.7%	27.4%	23.0%	33.6%	38.5%	18.4%
Mississippi	17.4%	22.1%	35.2%	30.6%	46.0%	100.0%	26.6%
Missouri	15.5%	21.3%	28.0%	24.4%	37.6%	20.0%	22.0%
Montana	12.8%	19.4%	41.0%	30.0%	29.1%	0.0%	22.1%
Nebraska	18.9%	23.4%	28.6%	11.1%	42.0%	0.0%	24.6%
Nevada	11.6%	21.2%	27.9%	25.0%	41.5%	16.7%	17.1%
New Hampshire	11.8%	16.8%	24.2%	32.1%	47.0%	0.0%	19.1%
New Jersey	11.6%	21.5%	28.4%	43.2%	37.8%	12.9%	18.4%
New Mexico	15.0%	21.8%	31.9%	56.5%	36.8%	25.0%	22.9%
New York	10.0%	20.8%	27.4%	37.7%	36.0%	18.2%	16.4%
North Carolina	13.6%	25.1%	32.3%	33.3%	40.9%	14.1%	23.3%
North Dakota	11.4%	9.5%	31.6%	0.0%	28.6%	0.0%	19.1%
Ohio	12.3%	21.4%	27.7%	36.0%	36.9%	14.3%	21.1%
Oklahoma	16.4%	21.2%	34.7%	40.5%	42.4%	37.5%	27.4%
Oregon	11.7%	17.9%	27.9%	37.3%	36.1%	28.6%	18.3%
Pennsylvania	14.6%	21.8%	27.0%	28.5%	38.9%	14.3%	21.5%
Rhode Island	11.9%	19.0%	28.4%	36.7%	38.7%	20.0%	17.8%
South Carolina	11.3%	20.5%	28.0%	50.5%	42.3%	38.9%	21.4%
South Dakota	10.8%	17.6%	28.2%	0.0%	53.3%	0.0%	22.8%
Tennessee	14.3%	24.7%	32.4%	30.5%	35.9%	33.3%	23.2%
Texas	16.9%	24.3%	33.3%	41.1%	41.7%	20.7%	27.0%
Utah	12.4%	20.2%	33.2%	35.3%	32.7%	50.0%	20.7%
Vermont	13.3%	11.1%	30.4%	25.0%	16.7%	0.0%	15.6%
Virginia	11.1%	18.5%	21.5%	30.4%	36.6%	36.4%	17.2%
Washington	12.4%	21.3%	28.8%	39.1%	38.6%	18.2%	20.0%
Washington, DC	11.5%	21.3%	23.1%	42.9%	41.5%	0.0%	20.6%
West Virginia	12.3%	17.6%	26.9%	26.1%	32.4%	0.0%	19.0%
Wisconsin	14.7%	24.7%	28.9%	27.3%	34.9%	44.4%	22.0%
Wyoming	10.0%	11.8%	22.6%	75.0%	45.8%	0.0%	21.0%
Other	22.2%	20.0%	16.7%	0.0%	66.7%	0.0%	23.8%

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