Federal Housing Finance Agency
Mortgage Metrics Report

Disclosure and Analysis of
Fannie Mae and Freddie Mac
Mortgage Loan Data for
Full-Year 2007 and First Quarter 2008

TABLE OF CONTENTS

OVERVIEW

This Federal Housing Finance Agency's (FHFA's) *Mortgage Metrics Report* presents key performance data on first lien residential mortgages serviced on behalf of Fannie Mae and Freddie Mac (referred to in this report as "the Enterprises") for all of 2007 and the first quarter of 2008. The report focuses on the delinquencies, loss mitigation actions, and foreclosure data reported by more than 3,000 approved servicers.

This report was initiated in early 2008 under the auspices of the Office of Federal Housing Enterprise Oversight and addresses only data provided by Fannie Mae and Freddie Mac. On July 30, 2008, the Housing and Economic Recovery Act of 2008 was enacted, creating FHFA with the combined responsibilities of OFHEO, the Federal Housing Finance Board, and the HUD GSE mission team and additional authorities to ensure the stability of the nation's housing finance system by regulating Fannie Mae, Freddie Mac and the 12 federal home loan banks. However, this report does not include information on the 12 federal home loan banks.

As of March 31, 2008, a total of 30.4 million first lien residential mortgages with total outstanding balances of $4.4 trillion had been serviced for Fannie Mae and Freddie Mac. The combined Enterprise portfolios had a weighted average FICO[1] score of 722 at origination, a weighted average loan-to-value at origination of 72 percent, and a weighted average mark-to-market loan-to-value of 64 percent. Roughly 83 percent of the mortgages were classified as *prime*.

We based this report on 42 data elements each Enterprise provides monthly. We used some of the standard industry terms found in recent mortgage metrics reports published by the Office of the Comptroller of the Currency (OCC) and the Office of Thrift Supervision (OTS),[2] and the HOPE NOW Alliance.[3] However, in several instances, FHFA definitions vary slightly. We provide a table of comparisons of FHFA data against data found in the above referenced reports in the appendix to this report found on page 35.

[1] The standard measure of consumer credit risk, developed by the Fair Isaac Corporation.

[2] Joint report of Office of the Comptroller of the Currency and Office of Thrift Supervision, *OCC and OTS Mortgage Metrics Report: Disclosure of National Bank and Federal Thrift Mortgage Loan Data, January-June 2008*, Washington, DC, September 2008.

[3] HOPE NOW, *Mortgage Loss Mitigation Statistics Industry Extrapolations*, January – March 2008, http://www.hopenow.com/upload/data/files/July%202008%20Industry%20Extrapolations.pdf, last accessed September 17, 2008.

FHFA's definitions for standard terms used in this report as contrasted against previously cited reports from other agencies or organizations are as follows:

Prime versus Nonprime Mortgages. FHFA categorizes mortgages as either *prime* or *nonprime*. For mortgage metrics reporting, the OCC and OTS categorize loans as *prime*, *subprime*, *Alt-A product* and *other*. There are no standard industry definitions for subprime or Alt – A product, so FHFA uses the OCC/OTS definition of *prime* (mortgages with FICO scores of 660 or higher) and categorizes all other loans as *nonprime*.

Aggregate versus Loan-Level Data. FHFA uses only aggregate data submitted by the Enterprises and does not use loan-level data. FHFA examiners validate data submitted against internal management reports. The HOPE NOW Alliance uses aggregate data on 35.4 million loans submitted by 22 servicers. That data is then extrapolated to an estimated industry aggregate for each mortgage metric reported, so HOPE NOW metrics may not reflect the same results as actual loan-level data. OCC and OTS use loan-level data submitted by 14 bank and thrift servicers on 34.4 million loans. Loan data and related metrics vary across the populations (HOPE NOW, OCC/OTS) we reviewed. In addition, some servicers may be reporting mortgages to more than one entity; e.g. HOPE NOW and the Enterprises. Therefore, data reported is not mutually exclusive and there is overlap.

Delinquency Reporting. FHFA presents delinquency information at two levels – all loans at 60-plus-days delinquent and all loans at 90-plus-days delinquent. Both levels include mortgages for which a bankruptcy or foreclosure is in process. HOPE NOW defines delinquency as 60-plus-days past due. OCC/OTS define serious delinquency as 60-plus-days delinquent *plus* bankruptcy mortgages at 30-plus-days delinquent. This does not include mortgages in foreclosure. Unlike OCC/OTS, the Enterprises each define serious delinquency as mortgages which are 90-plus-days delinquent — including mortgages in foreclosure.

Loss Mitigation Actions. FHFA reports on all loss mitigation actions, not just payment plans and modifications, which gives a comprehensive view of the Enterprises' borrower assistance efforts. Each loss mitigation action type — forbearance plans, short sales, deeds in lieu, assumptions, and charge-offs in lieu of foreclosure — represents a different outcome that could impact the borrower's credit record and ability to keep his or her home as well as the servicer's ability to pursue the borrower for a deficiency judgment.

Loss Mitigation Performance. FHFA's loss mitigation performance ratio measures the extent of Enterprise efforts to assist borrowers at risk of losing their homes to foreclosure. This metric allows for a ready comparison of loss mitigation performance, regardless of changes to delinquency rates.

In addition to providing important information to the public, data gathering for the report supports FHFA's supervision of the Enterprises. It provides an additional tool to assess emerging trends, identify differences, compare the Enterprises to other industry participants, evaluate asset quality and loan-loss reserves, assess the scope of borrower assistance and loss mitigation actions, and identify opportunity for further actions. FHFA will continue to work closely with HOPE NOW and other financial regulators and industry participants to refine and standardize nonperforming loan definitions and metrics.

Although this report is comprehensive, it is inappropriate to draw conclusions about overall conditions in mortgage lending from Enterprise data. The Enterprises' credit portfolios do not represent the characteristics of all outstanding first lien residential mortgages and may differ from the overall mortgage population. HOPE NOW Alliance, OCC, and OTS metrics demonstrate that difference.

FHFA continues to work with the Enterprises to evaluate and refine data collected and over time may expand the universe of reported data as well as the analysis. FHFA will continue to publish quarterly reports with more detailed information. Monthly reports detailing loss mitigation activities will complement the quarterly reports. In future reports, data submissions may be adjusted because of timing differences. FHFA will identify any adjustments that represent a significant discrepancy and a material change.

KEY FINDINGS

Overall Mortgage Portfolio

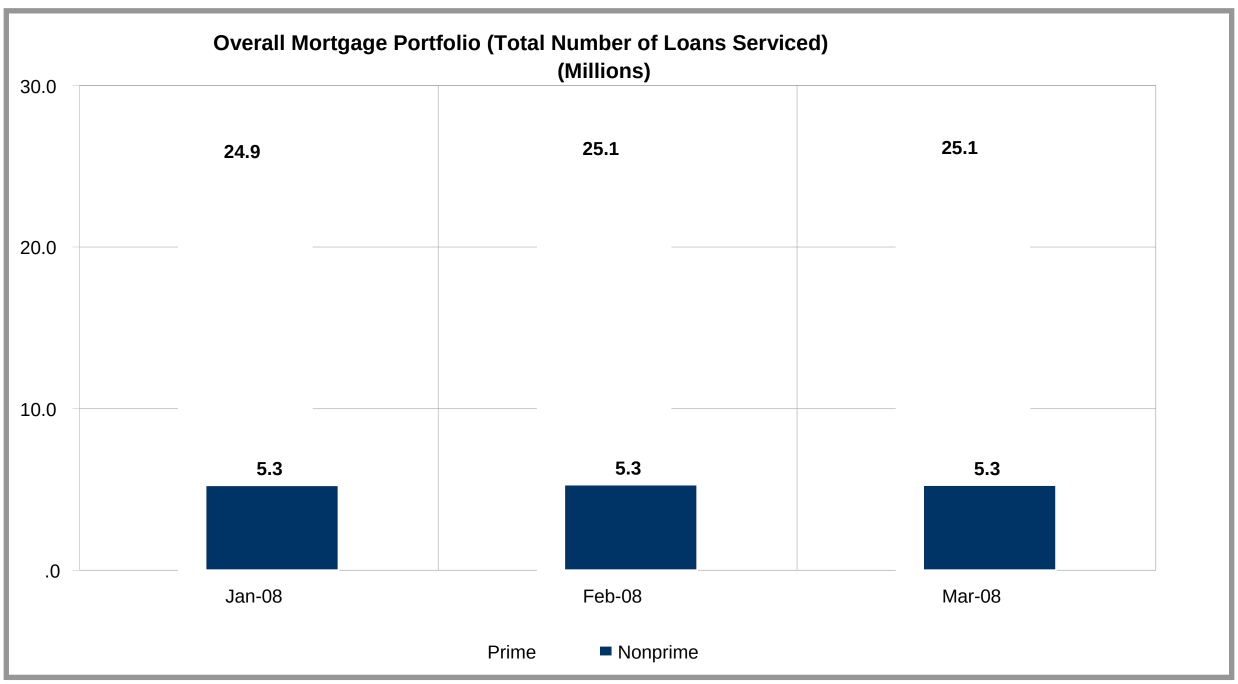
As of March 31, 2008, the Enterprises' combined first lien residential mortgages totaled 30.4 million loans with outstanding balances of $4.4 trillion. This was an increase of 1.6 percent over year-end 2007 (20.9 million mortgages).

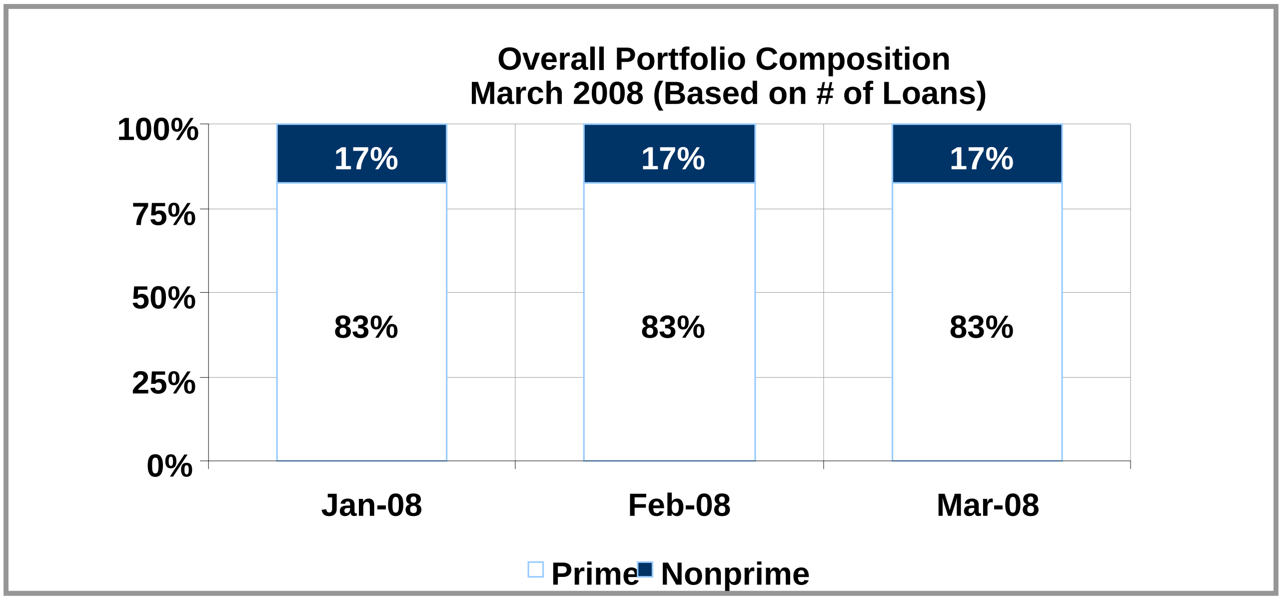
Of the 30.4 million total mortgages, 25.1 million (83 percent) were prime and 5.2 million (17 percent) were nonprime. Those percentages remained relatively unchanged over the reporting period.

A nonprime mortgage is a mortgage with either a FICO score less than 660 or with no FICO score at origination. Other industry participants may categorize these mortgages as Alt-A, subprime, or other.

Table 1. OVERALL MORTGAGE PORTFOLIO (# of loans)

	Jan-08	Feb-08	Mar-08
Prime	24,876,400	25,076,473	25,138,562
Nonprime	5,259,090	5,290,578	5,270,209
Total Servicing	30,135,490	30,367,051	30,408,771





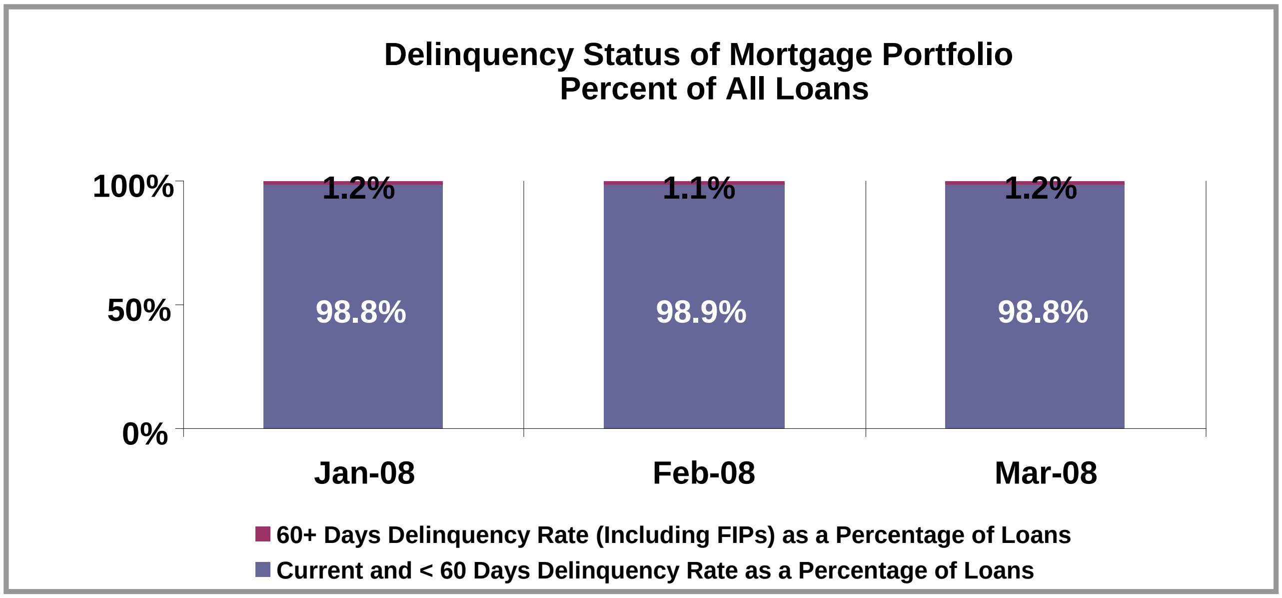
Delinquent Mortgages

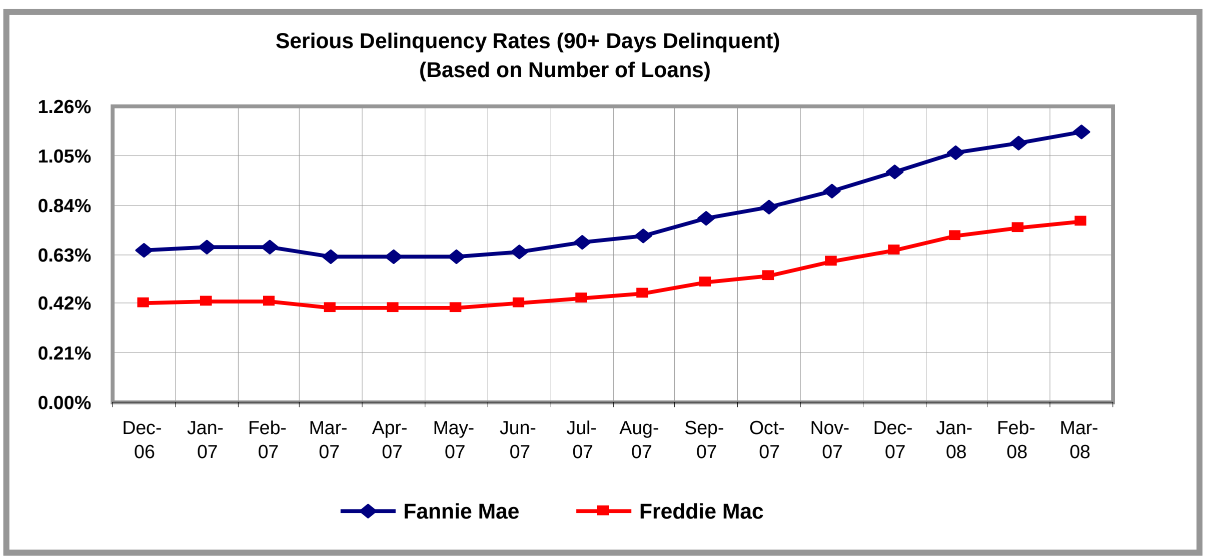
As of March 31, 2008, 30.1 million of the total loans serviced (98.83 percent) were current or less than 60 days delinquent. The proportion of 60-plus-days delinquent mortgages in the total portfolios was 1.17 percent. The proportion of 60-plus-days delinquent prime mortgages in the prime portfolio was at .63 percent. The proportion of 60-plus-days delinquent nonprime mortgages in the nonprime portfolio was 3.74 percent, or 6 times that of prime mortgages.

Delinquencies have been rising since year-end May 2007. The 60-plus-days delinquency rate increased from 1.12 percent as of December 31, 2007, to 1.17 percent as of March 31, 2008. The 90-plus-days delinquency rate (also called the *serious delinquency rate*) increased from 85 percent as of December 31, 2007, to 1.0 percent as of March 31, 2008.

Table 2. DELINQUENT MORTGAGE COMPOSITION (# of loans)

	1/31/08	2/29/08	3/31/08
Current and < 60 Days Delinquent	**29,777,542**	**30,018,098**	**30,052,921**
Prime	*24,722,857*	*24,921,331*	*24,976,478*
Nonprime	*5,054,685*	*5,096,767*	*5,076,443*
60+ Days Delinquent	**357,948**	**348,953**	**355,850**
Prime	*153,543*	*155,142*	*162,084*
Nonprime	*204,405*	*193,811*	*193,766*
90+ Days Delinquent	**276,327**	**302,593**	**302,593**





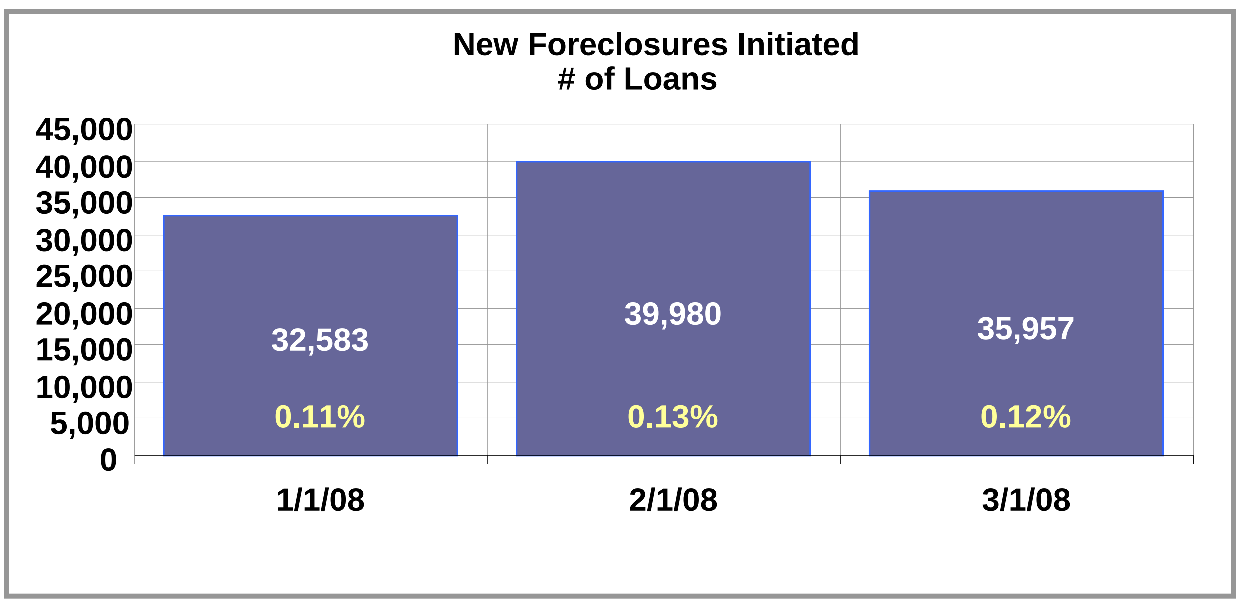
New Foreclosures Initiated

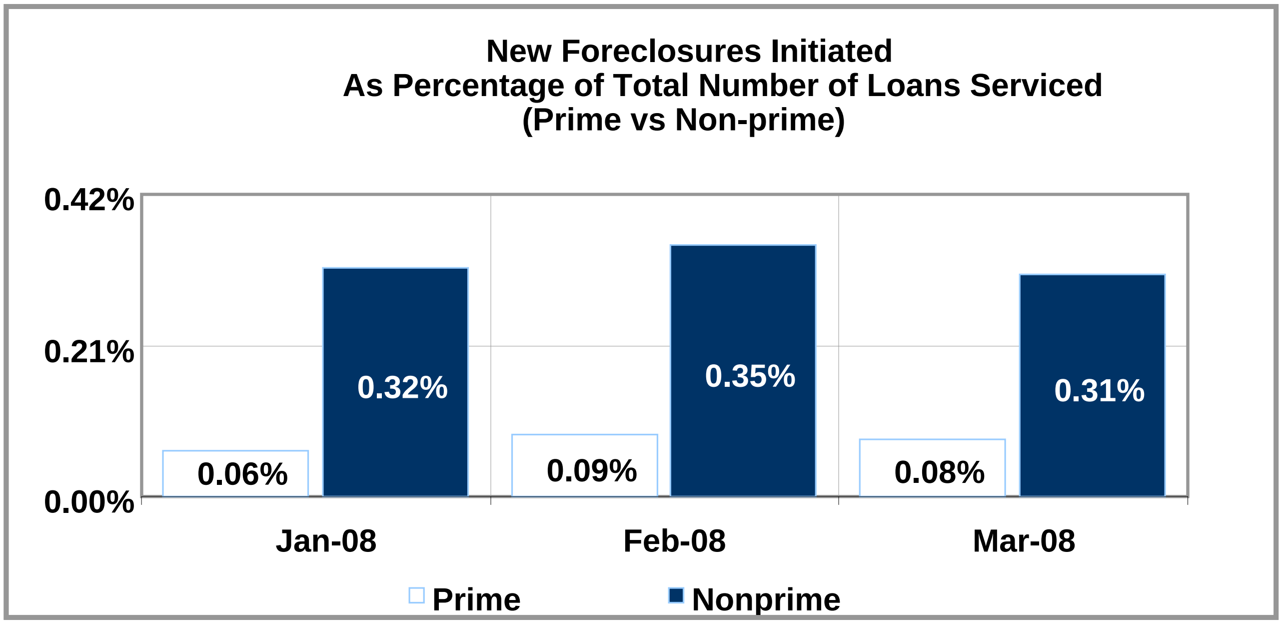
During 2007, new foreclosures initiated averaged 22,545 per month, with 10,428 classified as prime and 12,118 classified as nonprime. During the first quarter of 2008, new foreclosures initiated averaged 36,173 with 19,024 classified as prime and 17,150 classified as nonprime. New foreclosures initiated for all mortgages averaged 60 percent over the 2007 monthly average. New foreclosures initiated for prime mortgages averaged 82 percent over the 2007 monthly average, while new foreclosures initiated for nonprime mortgages averaged 42 percent over the 2007 monthly average.

Table 3. NEW FORECLOSURES INITIATED (# of loans)

	2007 Avg	Jan-08	Feb-08	Mar-08	1Q-2008	3-mo Avg
Prime	10,428	15,867	21,465	19,739	57,071	19,024
Nonprime	12,118	16,716	18,515	16,218	51,449	17,150
Total	**22,545**	**32,583**	**39,980**	**35,957**	**108,520**	**36,173**

As of March 31, 2008, .12 percent of mortgages in the Enterprises' mortgage portfolios had foreclosure initiated. The proportion of prime mortgages in the prime portfolio for which foreclosure was initiated was .08 percent. The proportion of nonprime mortgages in the nonprime portfolio for which foreclosure was initiated was .33 percent, roughly 4 times more than prime mortgages.



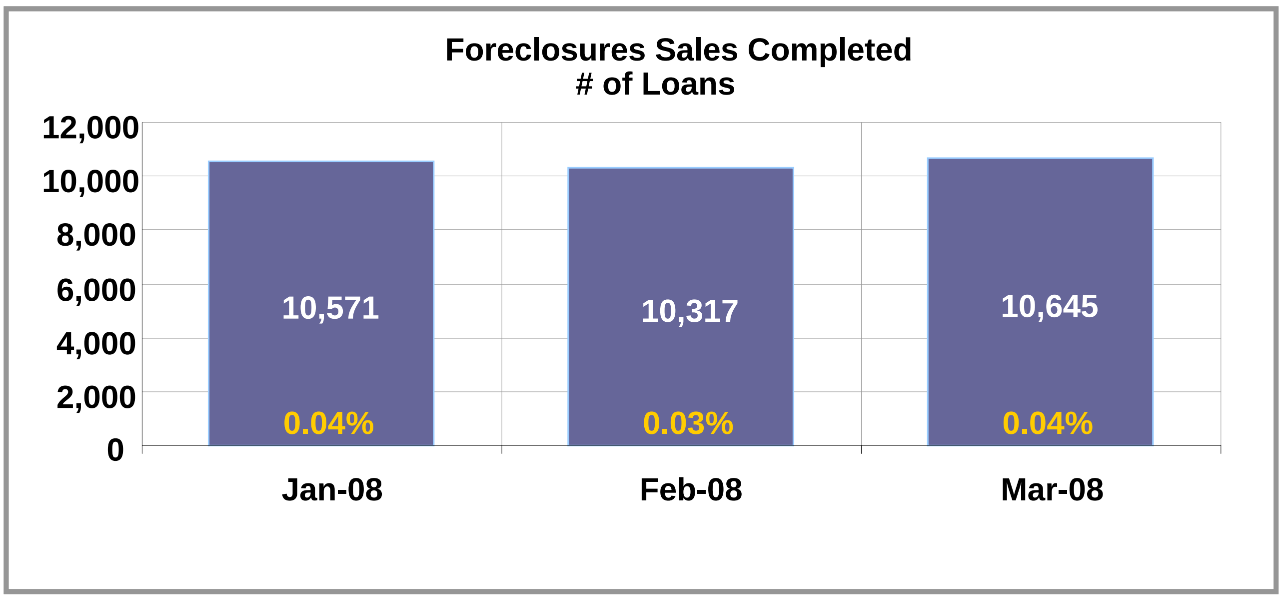

New Foreclosures Initiated
As Percentage of Total Number of Loans Serviced
(Prime vs Non-prime)
0.42%
0.21%
0.00%
0.06%
0.32%
0.09%
0.35%
0.08%
0.31%
Jan-08
Feb-08
Mar-08
Prime
Nonprime

Foreclosures Completed

During 2007, foreclosures completed averaged 6,408 per month with 3,174 classified as prime and 3,234 classified as nonprime. During the first quarter of 2008, foreclosures completed averaged 64 percent over the 2007 monthly average. The total average was 10,511, with 5,642 classified as prime and 4,869 classified as nonprime. Foreclosures completed for prime mortgage properties averaged 78 percent over the 2007 monthly average while foreclosures completed for nonprime mortgage properties averaged 51 percent over the 2007 monthly average.

Table 4. FORECLOSURE SALES COMPLETED (# of loans)

	2007 Avg	Jan-08	Feb-08	Mar-08	1Q-2008	3-mo Avg
Prime	3,174	5,686	5,530	5,709	16,925	5,642
Nonprime	3,234	4,885	4,787	4,936	14,608	4,869
Total	**6,408**	**10,571**	**10,317**	**10,645**	**31,533**	**10,511**



Foreclosure was completed for an average of about .03 percent of mortgages during the first three months of 2008. The foreclosure completion rate for nonprime mortgages was roughly 4 times that of prime mortgages. The proportion of prime mortgages in the prime portfolio for which foreclosure was completed was .02 percent, but the proportion of nonprime mortgages in the nonprime portfolio for which foreclosure was completed was .09 percent.

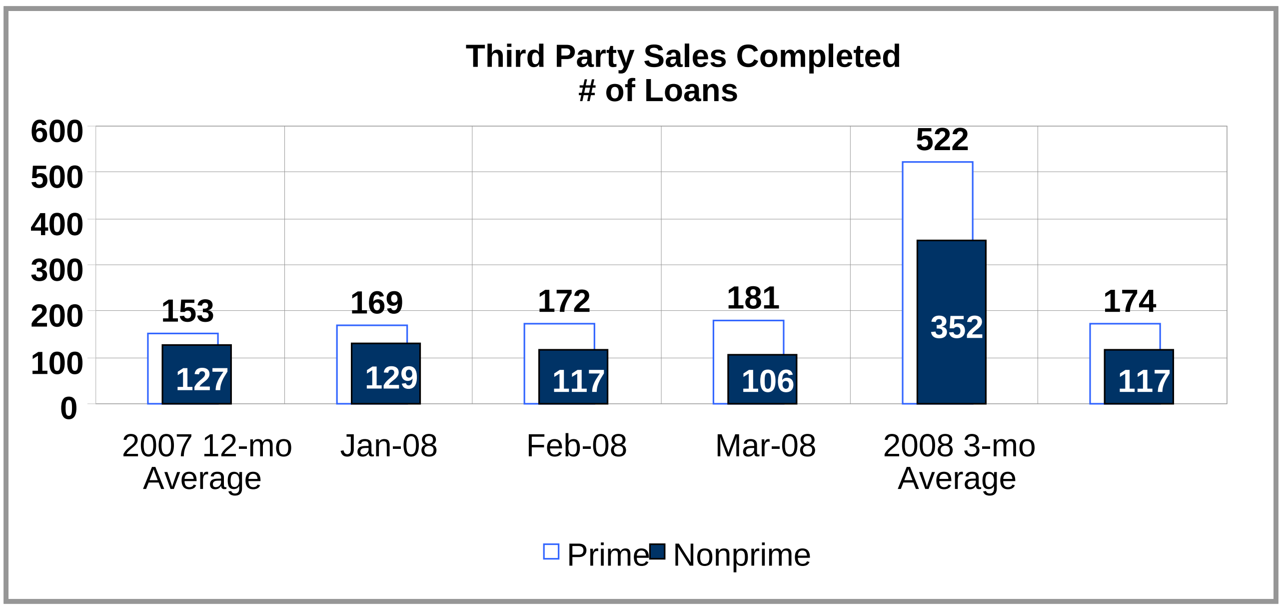
Third-Party Sales Completed

A third-party sale is the sale of the mortgaged property to a third party at the foreclosure auction. The borrower loses the property to foreclosure, but ownership of (deed to) the property transfers to a new owner and not to the mortgage servicer. The property is not added to the servicer's real estate owned (REO) inventory as a new acquisition.

Table 5. THIRD-PARTY SALES COMPLETED (# of loans)

	2007 Avg	Jan-08	Feb-08	Mar-08	1Q-2008	3-mo Avg
Prime	153	169	172	181	522	174
Nonprime	127	129	117	106	352	117
Third-Party Sales	**280**	**298**	**289**	**287**	**874**	**291**

During 2007, third-party sales averaged 280 per month with 153 classified as prime and 127 classified as nonprime mortgage properties. During the first quarter of 2008, all third-party sales increased by 4 percent over the 2007 monthly average, to an average of 291 with 174 classified as prime and 117 classified as nonprime mortgage properties. Third-party sales of prime mortgage properties increased by 14 percent over the 2007 monthly average, while third-party sales of nonprime mortgage properties decreased by 7 percent.

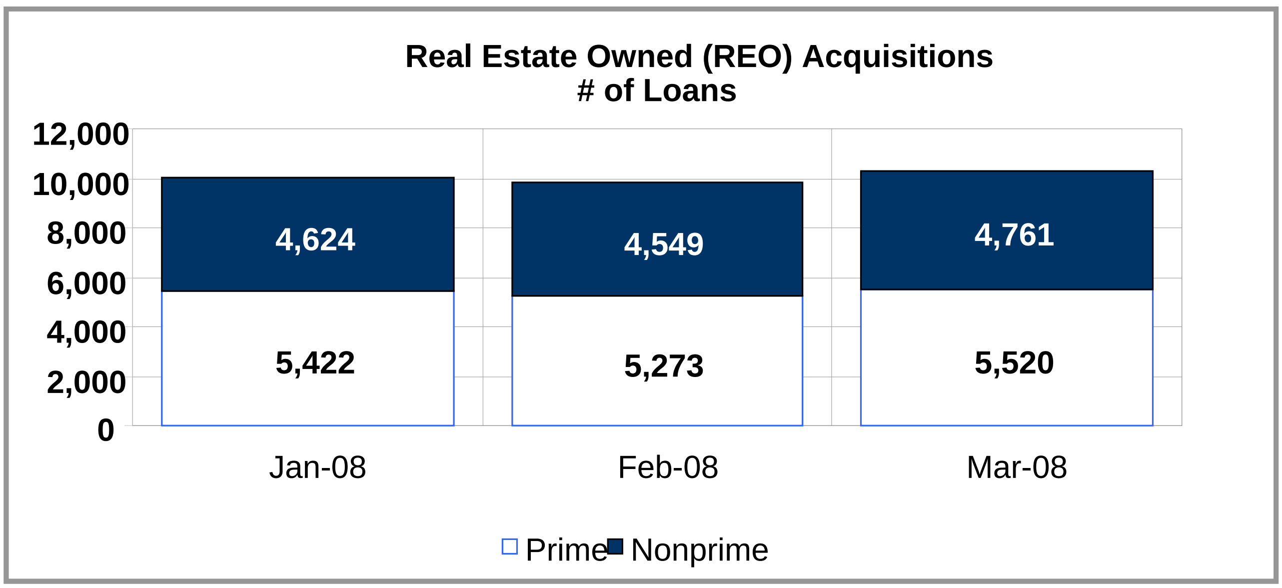


Real Estate Owned (REO) Acquisitions

During 2007, REO acquisitions averaged 6,014 per month with 2,981 classified as prime and 3,034 classified as nonprime mortgage properties. During the first quarter of 2008, REO acquisitions increased by 67 percent over the 2007 monthly average. REO acquisitions averaged 10,054 with 5,406 classified as prime and 4,648 classified as nonprime mortgage properties. REO acquisitions for prime mortgage properties increased by 81 percent over the 2007 monthly average, while REO acquisitions for nonprime mortgage properties increased by 54 percent.

Table 6. REO ACQUISITIONS (# of properties)

	2007 Avg	Jan-08	Feb-08	Mar-08	1Q-2008	3-mo Avg
Prime	2,981	5,424	5,273	5,520	16.217	5,406
Nonprime	3,034	4,629	4,555	4,761	13,945	4,648
REO Acquisitions	**6,014**	**10,053**	**9,828**	**10,281**	**30,162**	**10,054**



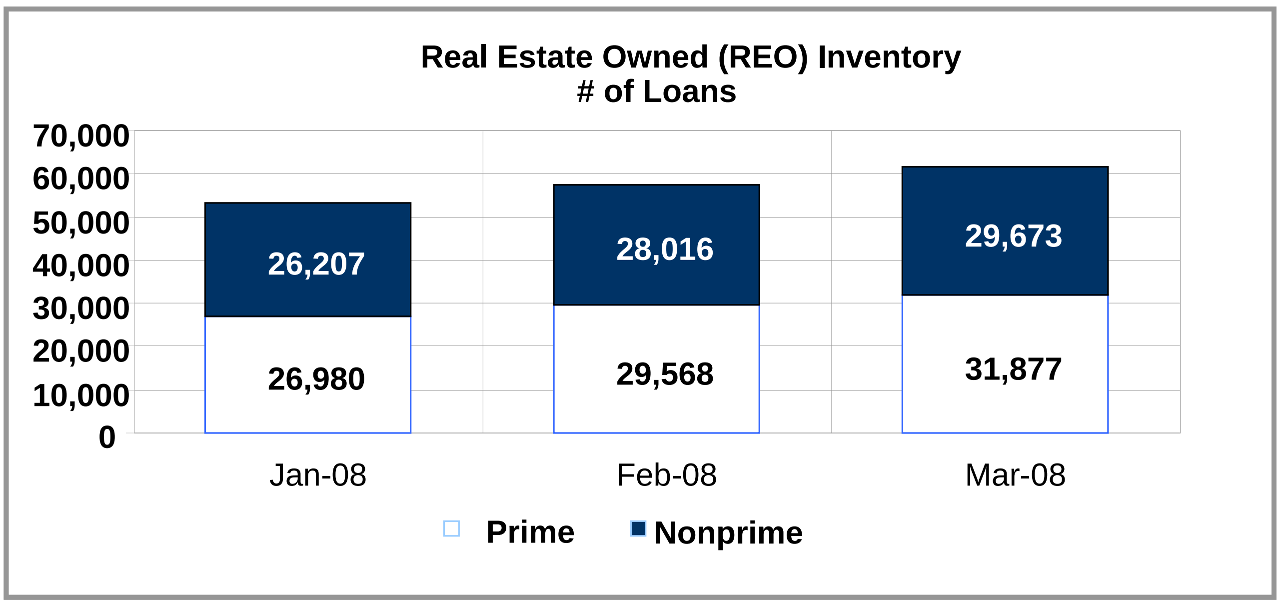
Real Estate Owned (REO) Inventory

The REO inventory rose from 48,118 at year end 2007 to 61,550 as of March 31, 2008 — an increase of 13,432 properties during the first quarter of 2008. The REO inventory of prime mortgage properties increased by 7,863 properties, or 23 percent, while nonprime mortgage properties increased by 5,569 or 16 percent.

As of March 31, 2008, prime mortgage properties represented 52 percent and nonprime mortgage properties represented 48 percent of the REO inventory.

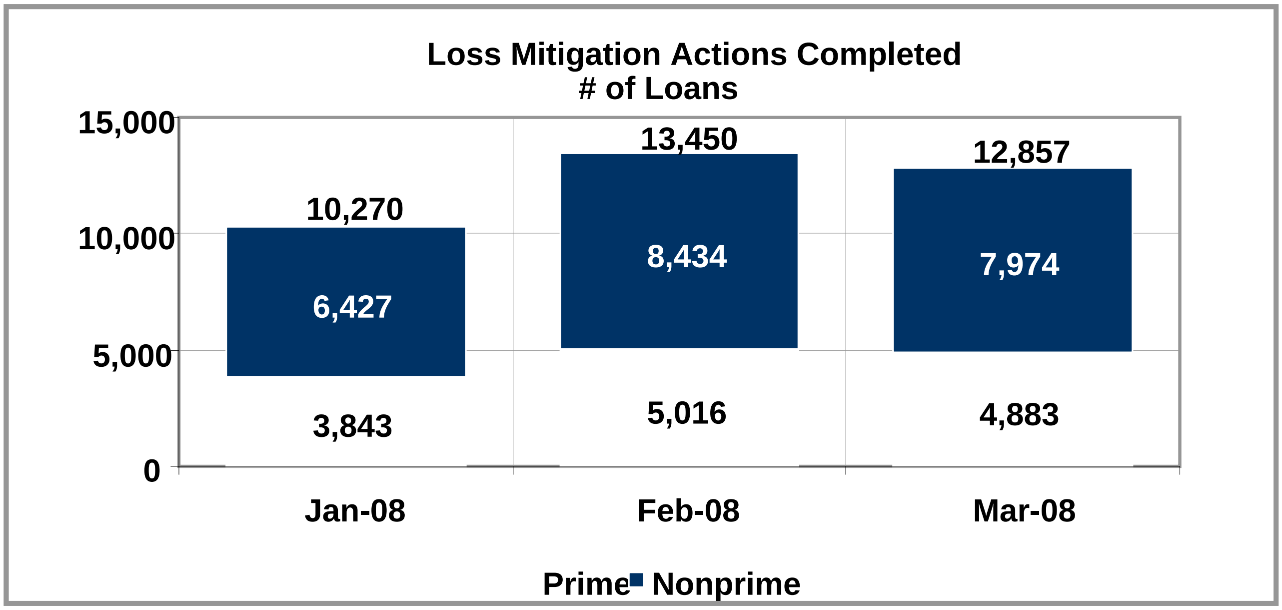
Table 7. REO INVENTORY AT MONTH END (# properties)

	12-31-07	1-31-08	2-29-08	3-31-08
Prime	24,014	26,980	29,568	31,877
Nonprime	24,104	26,207	28,016	29,673
REO Inventory at Month-End	**48,118**	**53,187**	**57,584**	**61,550**

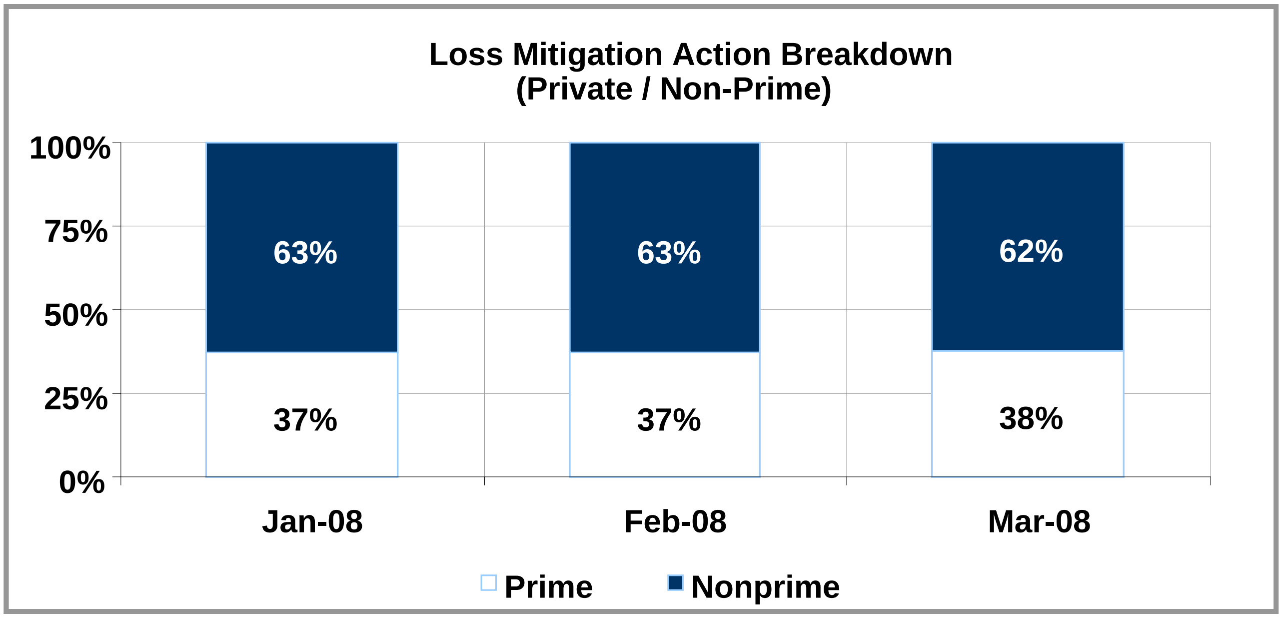


Loss Mitigation Actions

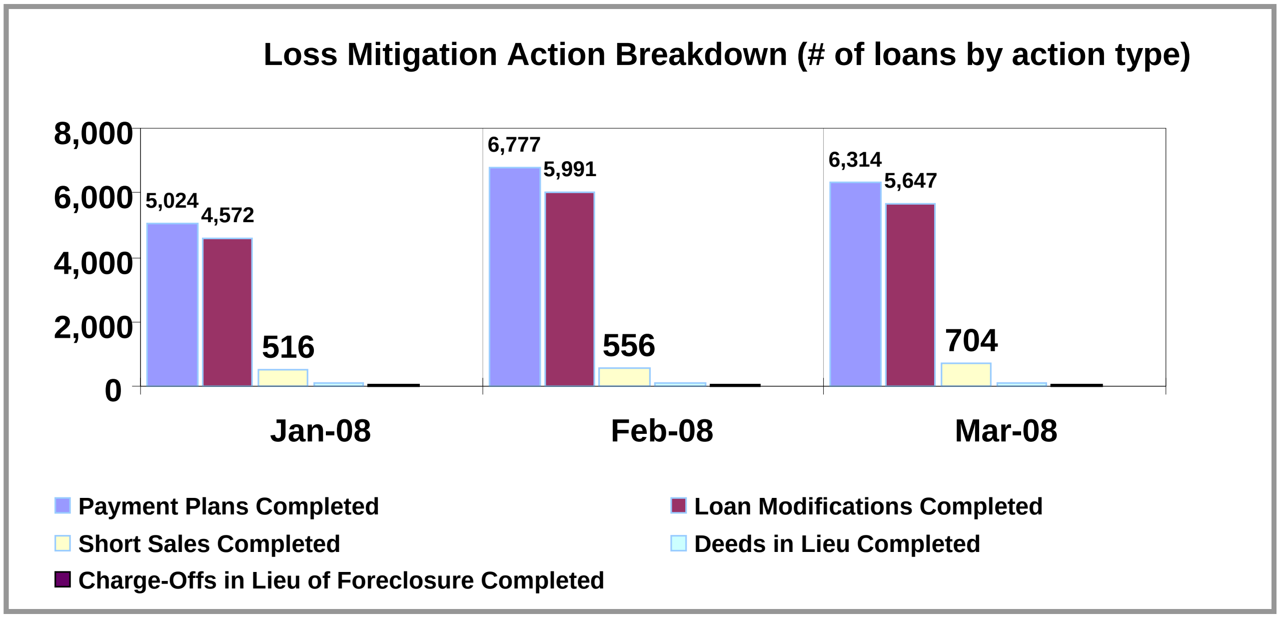
Loss mitigation actions include a number of options — forbearance plans, payment plans, loan modifications, short sales, deeds in lieu, charge-offs in lieu of foreclosure, and assumptions. Workout plans that lead to a resolution of the delinquency include all but forbearance plans. Resolution means the account is brought current (reinstated) or is removed from the portfolio before foreclosure action is completed.

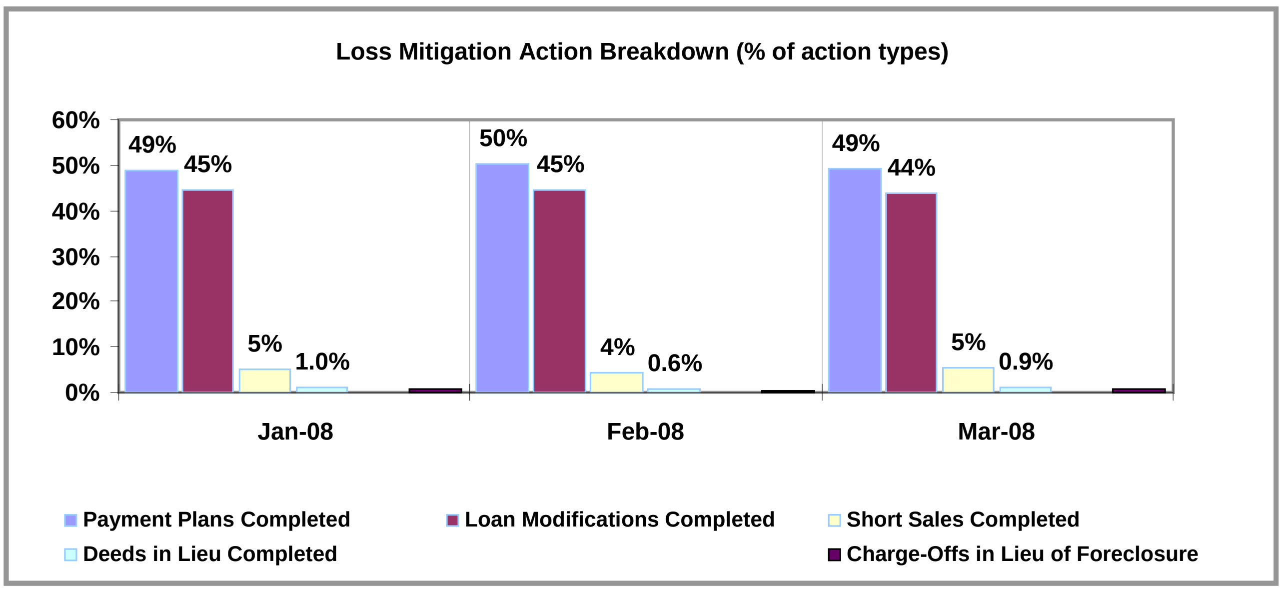


All workout options have increased from a 2007 monthly average of 7,923 to 12,193 for the first quarter of 2008, or 54 percent. The use of all workout options for prime borrowers has increased from a 2007 monthly average of 2,961 to 4,586, an increase of 1,626 or 55 percent. The use of all workout options for nonprime borrowers has increased from a 2007 monthly average of 4,963 to 7,606 for the first quarter of 2008, an increase of 2,644 or 53 percent. As a percent of all workout options completed, prime mortgages averaged 37.4 percent in 2007 and 37.6 percent in the first quarter of 2008. Nonprime mortgages averaged 62.6 percent in 2007 and 62.4 percent during the quarter.



Payment plans predominated over other workout options that lead to resolution of the delinquency; such plans represented 57.2 percent of 2007 loss mitigation actions and 49.5 percent of first quarter 2008 loss mitigation actions. Loan modifications represented 37.2 percent of 2007 loss mitigation actions, and 44.3 percent of loss mitigation actions in the first quarter of 2008, an increase of 20 percent over 2007. Short sales represented 4.2 percent of 2007 loss mitigation actions, and 4.9 percent of in the first quarter of 2008. Deeds in lieu represented .9 percent of 2007 loss mitigation actions, and .8 percent for the first quarter of 2008. Charge-offs in lieu of foreclosure represented .5 percent of 2007 loss mitigation actions, and .4 percent in the first quarter of 2008. The use of assumptions as a workout option was negligible.

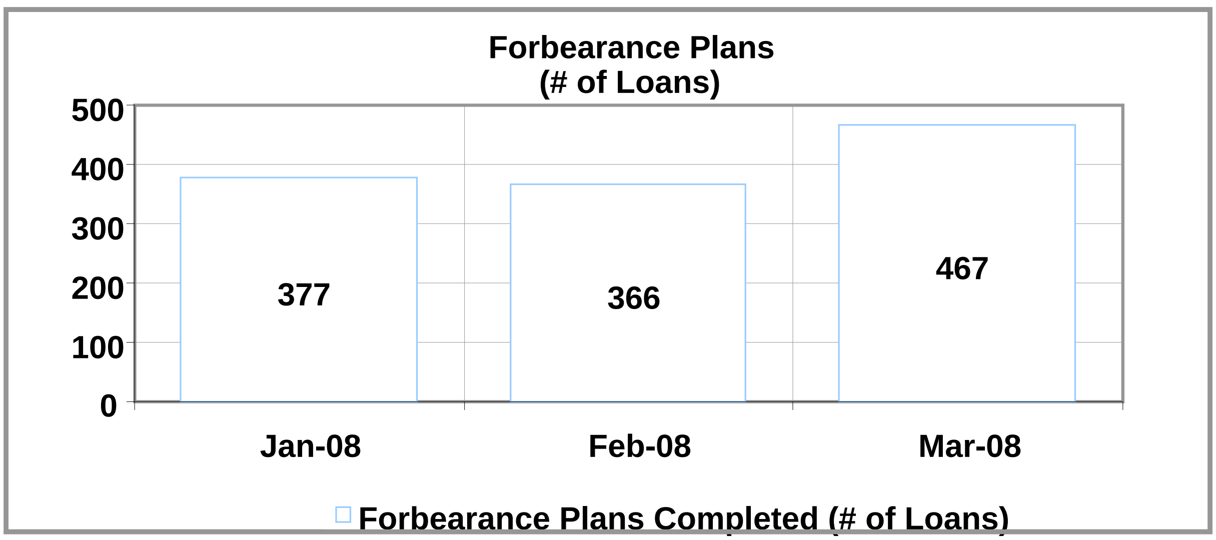

Loss Mitigation Action Breakdown (# of loans by action type)
8,000
6,000
4,000
2,000
0
5,024
4,572
516
6,777
5,991
556
6,314
5,647
704
Jan-08
Feb-08
Mar-08
Payment Plans Completed
Loan Modifications Completed
Short Sales Completed
Deeds in Lieu Completed
Charge-Offs in Lieu of Foreclosure Completed


Loss Mitigation Action Breakdown (% of action types)
60%
50%
40%
30%
20%
10%
0%
49%
45%
5%
1.0%
50%
45%
4%
0.6%
49%
44%
5%
0.9%
Jan-08
Feb-08
Mar-08
Payment Plans Completed
Loan Modifications Completed
Short Sales Completed
Deeds in Lieu Completed
Charge-Offs in Lieu of Foreclosure

Forbearance Plans

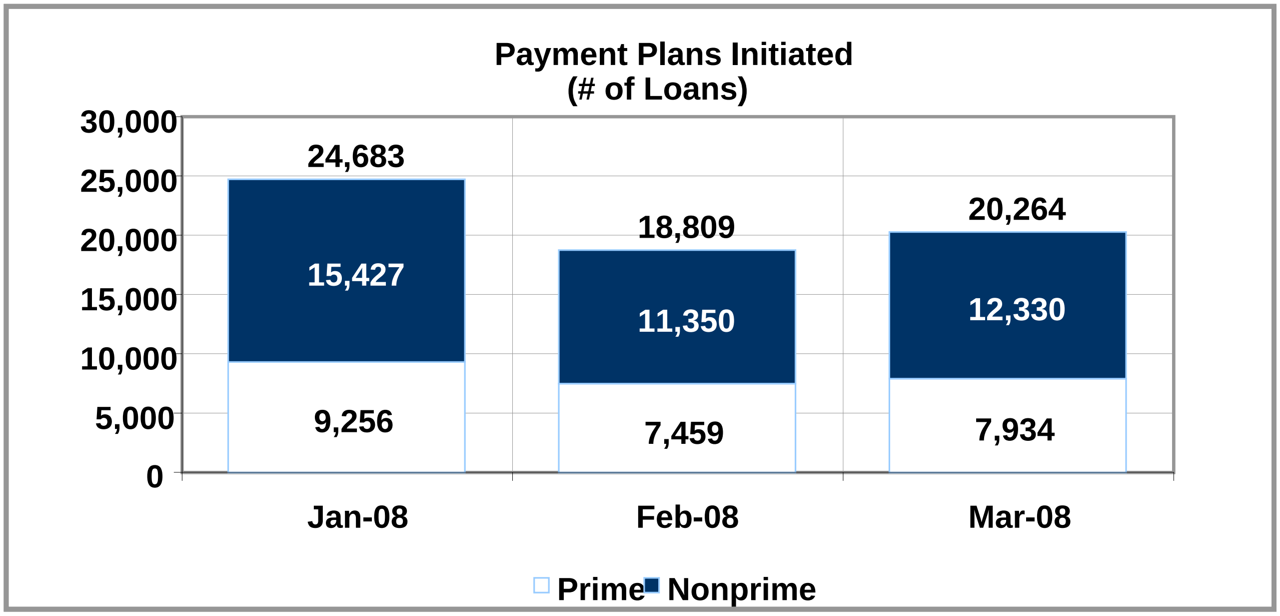
A forbearance plan allows a short-term change in the monthly payment amount. It gives the borrower the opportunity to address the current situation and allows him or her to pay less than the regular monthly payment. At the end of the forbearance, the borrower is required to bring the account current or to enter into another loss mitigation action, such as a payment plan or a loan modification. Forbearance is most frequently used to address unexpected, catastrophic events, such as Hurricane Katrina.

Completed forbearance plans declined from a 2007 monthly average of 433 to 403 during the first quarter of 2008, a decrease of 6.9 percent. Completed forbearance plans for prime borrowers decreased from a 2007 monthly average of 185 to 167 during the first quarter, a decrease of 9.6 percent. Completed forbearance plans for nonprime borrowers decreased from a 2007 monthly average of 248 to 236 during the first quarter of 2008, a 4.8 percent decrease. Prime mortgages averaged 42.8 percent of all completed forbearance plans in 2007 and 41.5 percent in the first quarter of 2008. Nonprime mortgages averaged 57.2 percent in 2007 and 58.5 percent in the first quarter of 2008.



Payment Plans — Initiated

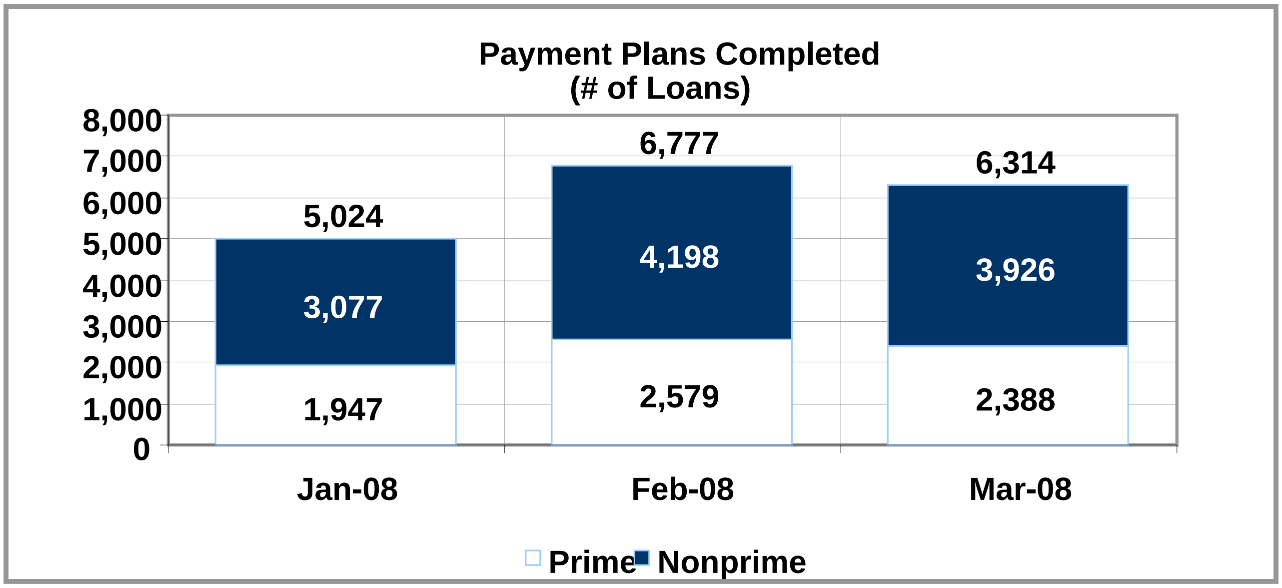
A payment plan (or repayment plan) allows a short-to-medium term increase in the borrower's monthly payment to bring the past due mortgage current. It requires the borrower to pay the regular monthly payment *plus* an additional amount.



Payment plans initiated increased from a 2007 monthly average of 17,585 to 21,252 in the first quarter of 2008, an increase of 3,667 (20.9 percent). Payment plans initiated for prime borrowers also increased from a 2007 monthly average of 6,297 to 8,216 during the first quarter of 2008, an increase of or 30.5 percent. Payment plans initiated for nonprime borrowers increased from a 2007 monthly average of 11,288 to 13,036 in the first quarter, a 15.5 percent increase. As a percent of all initiated payment plans, prime mortgages averaged 35.8 percent in 2007 and 38.7 percent in the first quarter of 2008. Nonprime mortgages averaged 64.2 percent in 2007 and 61.3 percent in the first quarter of 2008.

Payment Plans — Completed

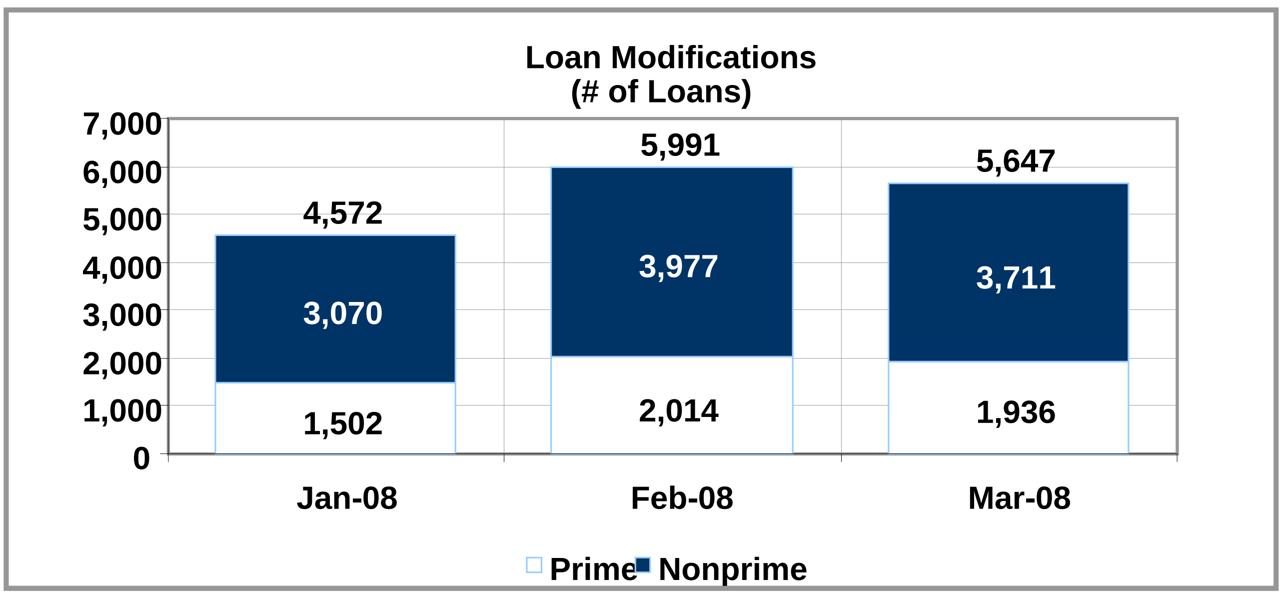
Completed payment plans increased from a 2007 monthly average of 4,531 to 6,038 (33.3 percent) for the first quarter of 2008. For prime mortgages, completed payment plans increased from a 2007 monthly average of 1,733 to 2,305 during the first quarter of 2008, an increase of 572, or 33.0 percent. Completed payment plans for nonprime mortgages increased from a 2007 monthly average of 2,798 to 3,734, an increase of 33.4 percent during the first quarter of 2008. As a percent of all completed payment plans, prime mortgages averaged 38.2 percent in 2007 and in the first quarter of 2008. Nonprime mortgages averaged 61.8 percent in 2007 and in the first quarter of 2008.



Loan Modifications

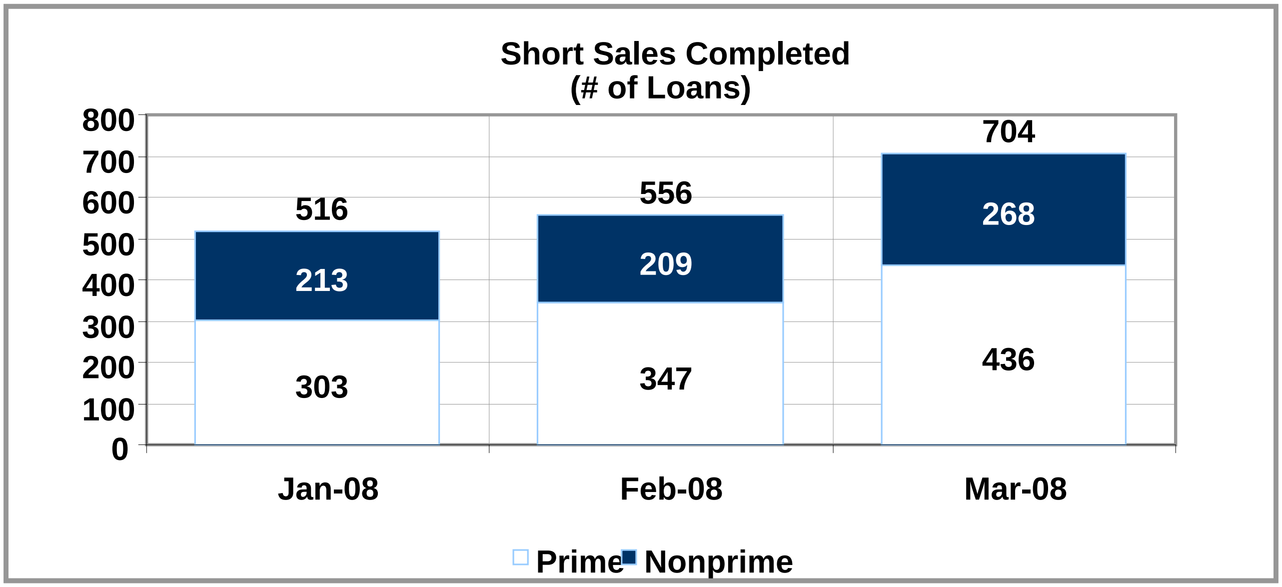
Loan modifications are changes to the original mortgage terms, which may include a change to the product (e.g., adjustable rate mortgage to a fixed-rate product), interest rate, term and maturity date, amortization term, or amortized balance.

Completed loan modifications increased from a 2007 monthly average of 2,946 to 5,403 during the first quarter of 2008, an increase of 2,457, or 83.4 percent. Completed loan modifications for prime mortgages increased from a 2007 monthly average of 988 to 1,817 in the first quarter of 2008, or 84 percent. Completed loan modifications for nonprime mortgages increased from a 2007 monthly average of 1,959 to 3,586 for the first quarter of 2008, or 83.1 percent. As a percent of all completed loan modifications, prime mortgages averaged 33.5 percent in 2007 and 33.6 percent in the first quarter of 2008. Nonprime mortgages averaged 66.5 percent in 2007 and 66.4 percent in the first quarter of 2008.



Short Sales

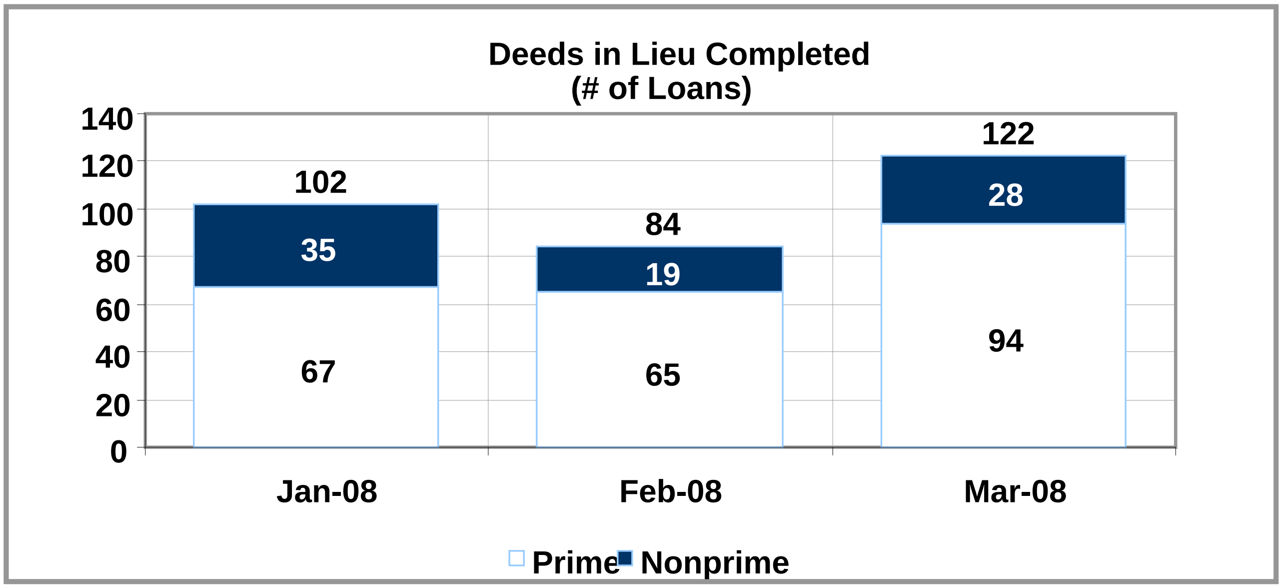
A short sale (also called a preforeclosure sale) is the sale of a mortgaged property at a price that nets less than the total amount due on the mortgage (e.g., the sum of the unpaid principal balance, accrued interest, advanced escrows, late fees, and delinquency charges.) The servicer and borrower negotiate payment of the difference between the net sales price and the total amount due on the mortgage.



Completed short sales increased 77.3 percent from a 2007 monthly average of 336 to 592 during the first quarter of 2008. Completed short sales for prime mortgages significantly increased from a 2007 monthly average of 177 to 362 (108 percent) in the first quarter of 2008. Completed short sales for nonprime mortgages increased 43 percent from a 2007 monthly average of 159 to 230 for the first quarter of 2008. As a percent of all completed short sales, prime mortgages averaged 52.7 percent in 2007 and 61.8 percent in the first quarter of 2008. Nonprime mortgages averaged 47.3 percent in 2007 and 38.2 percent in the first quarter of 2008.

Deeds in Lieu

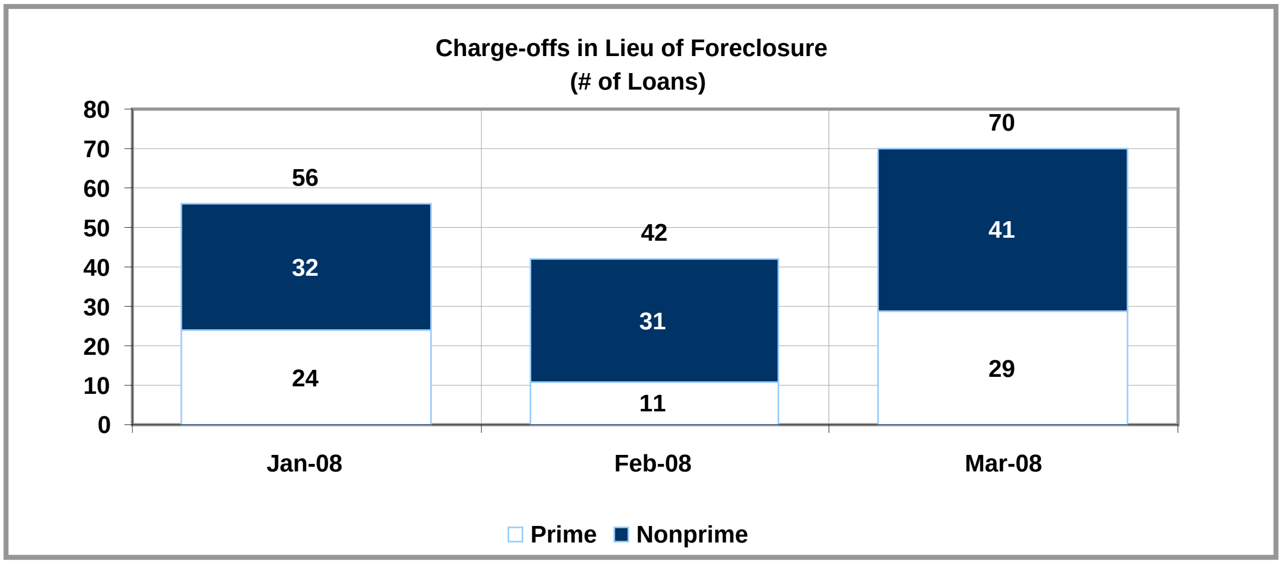
In a deed-in-lieu action, the borrower gives the deed (property ownership) to the servicer to fulfill the obligation to repay the debt. In exchange, the borrower avoids a deficiency judgment. Generally, the servicer's acceptance of a deed in lieu requires that the mortgaged property be free and clear of subordinate liens. Servicers are usually not able to accept deeds in lieu on properties with second mortgages or other liens. By accepting a deed in lieu, servicers avoid having to expend time, effort, and money to foreclose.



During 2007, completed deeds in lieu averaged 69, but during the first quarter of 2008, that number increased to 103, or 48.4 percent. Completed deeds in lieu for prime mortgages increased from a 2007 monthly average of 49 to 75 for the first quarter of 2008, or 54.8 percent. Completed deeds in lieu for nonprime mortgages increased from a 2007 monthly average of 21 to 27 during the first quarter of 2008, a 33.3 percent increase. As a percent of all completed deeds in lieu, prime mortgages averaged 70.4 percent in 2007 and 73.4 percent during the first quarter of 2008. Nonprime mortgages averaged 29.6 percent in 2007 and 26.6 percent in the first quarter of 2008.

Charge-Offs in Lieu of Foreclosure

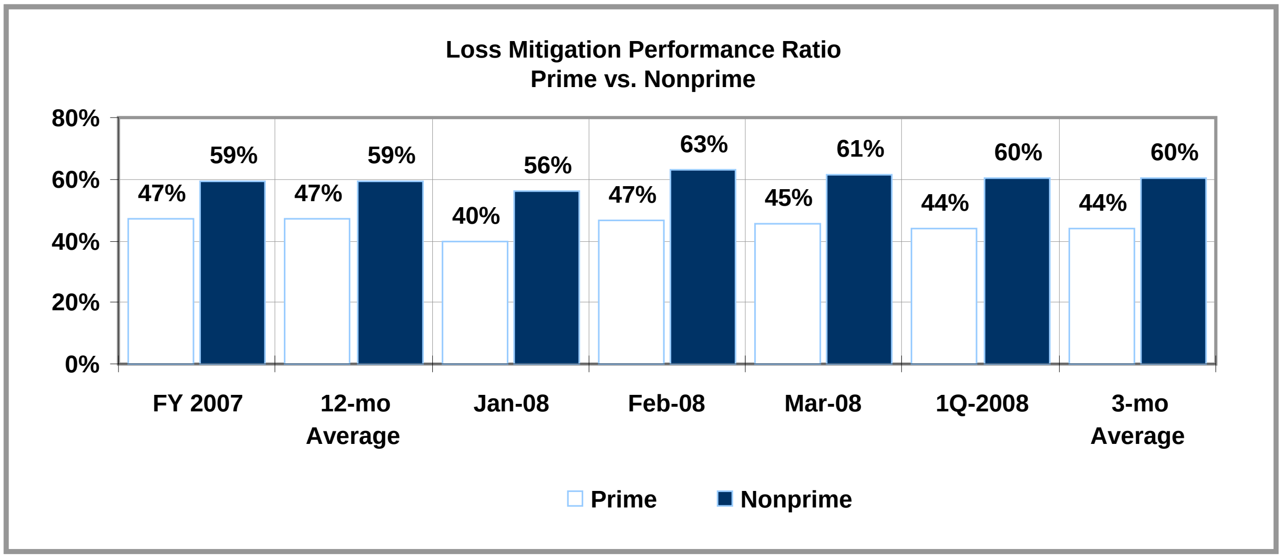
A charge-off in lieu of foreclosure occurs when a servicer charges off the mortgage debt rather than completing foreclosure and taking the property title. The borrower retains the property. The unpaid mortgage balance becomes a lien on the borrower's property, which must be satisfied when the borrower transfers ownership.



Completed charge-offs in lieu of foreclosure increased from a 2007 monthly average of 41 to 56 in the first quarter of 2008, an increase of 28.1 percent. Completed charge-offs in lieu of foreclosure for prime mortgages increased 41.9 percent from a 2007 monthly average of 14 to 21 during the 2008 first quarter 2008. Completed charge-offs in lieu of foreclosure for nonprime mortgages increased from a 2007 monthly average of 26 to 35 during the first quarter of 2008, which represents a 21.9 percent rise. As a percent of all completed charge-offs in lieu of foreclosure, prime mortgages averaged 35.3 percent in 2007 and 39.1 percent in the first quarter of 2008. Nonprime mortgages averaged 64.7 percent in 2007 and 60.9 percent during the first quarter of 2008.

Loss Mitigation Performance

FHFA calculates the loss mitigation performance ratio to measure specific loss mitigation actions as a percent of all mortgages for which foreclosure was likely. The loss mitigation actions we measured included completed payment plans, loan modifications, short sales, deeds in lieu, charge-offs in lieu of foreclosure, and assumptions. Mortgages identified as likely to be foreclosed include the sum of completed payment plans, loan modifications, short sales, deeds in lieu, charge-offs in lieu of foreclosure, and assumptions *plus* completed foreclosure sales *plus* completed third-party sales.

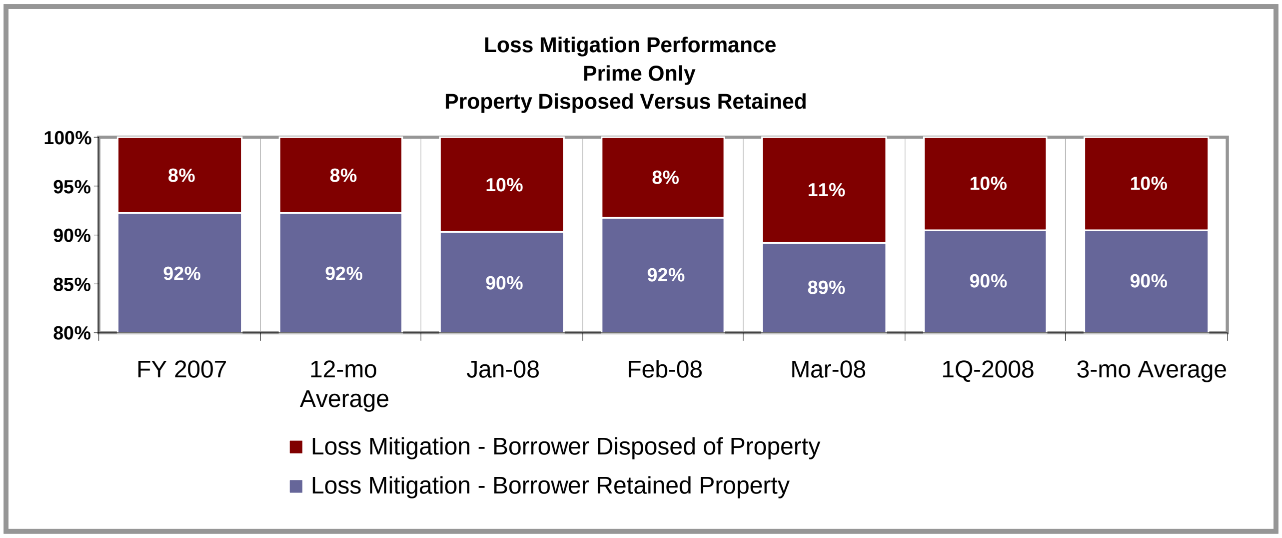


FHFA's loss mitigation overall performance ratio decreased slightly from 54.2 percent during 2007 to 53.0 percent in the first quarter of 2008. We discuss the performance ratio for prime and nonprime mortgages in the following sections (see pages 25-26).

Loss mitigation actions that allow the borrower to avoid foreclosure and retain the property – payment plans, loan modifications, and charge-offs – represented 94.9 percent of 2007 loss mitigation actions and 94.3 percent of such actions in the first quarter of 2008. Loss mitigation actions that allowed the borrower to avoid foreclosure and protect his or her credit rating while disposing of the property, such as short sales, deeds in lieu, and assumptions, represented 5.1 percent of 2007 loss mitigation actions and 5.7 percent of those in the first quarter of 2008.

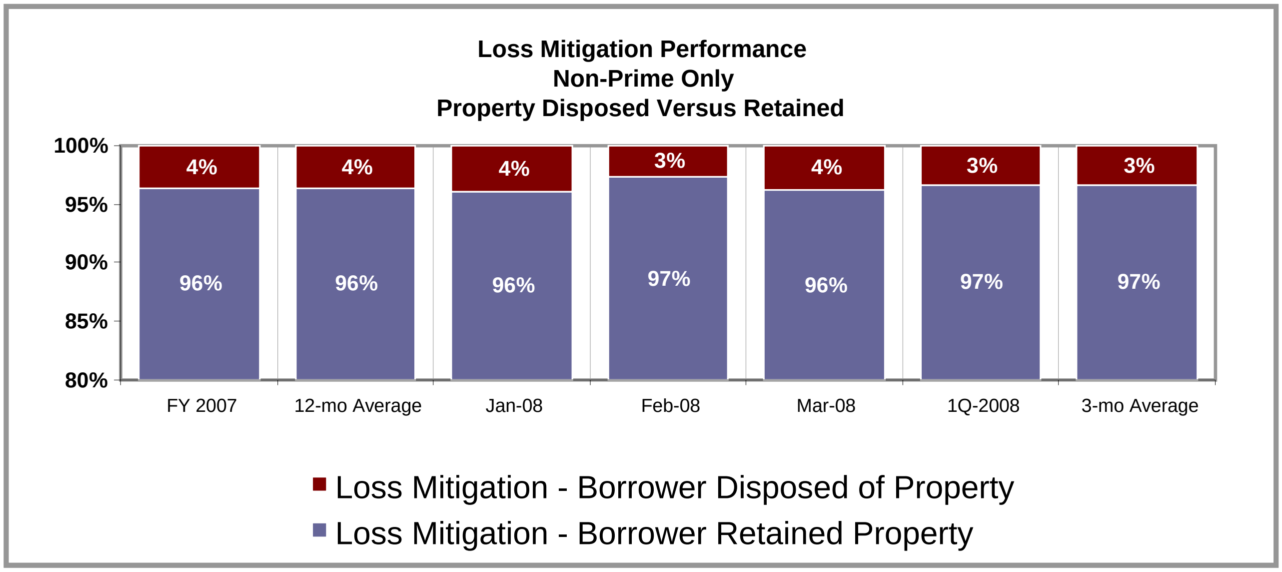
Loss Mitigation Performance — Prime Mortgages Only

The loss mitigation performance ratio for prime mortgages decreased from 47.1 percent in 2007 to 44.1 percent in the first quarter of 2008. Loss mitigation actions that allowed prime borrowers to avoid foreclosure and retain the property, such as payment plans, loan modifications, and charge-offs, represented 92.4 percent of 2007 loss mitigation actions and 90.3 percent of loss mitigation actions in the first quarter of 2008. Loss mitigation actions that allowed the prime borrower to avoid foreclosure and protect his or her credit rating while disposing of the property, such as short sales, deeds in lieu, and assumptions, represented 7.6 percent of 2007 loss mitigation activities and 9.7 percent of those in the first quarter of 2008.



Loss Mitigation Performance — Nonprime Mortgages Only

The loss mitigation performance ratio for nonprime mortgages increased from 59.6 percent in 2007 to 60.1 percent during the first quarter of 2008. Loss mitigation actions that allowed nonprime borrowers to avoid foreclosure and retain the property, including payment plans, loan modifications, and charge-offs, represented 96.4 percent of 2007 loss mitigation actions and 96.6 percent of loss mitigation actions during the first quarter of 2008. Loss mitigation actions that allowed the nonprime borrower to avoid foreclosure and protect his or her credit rating while disposing of the property, such as short sales, deeds in lieu, and assumptions, represented 3.6 percent of 2007 loss mitigation activities and 3.4 percent of those in the first quarter of 2008.



Appendix: Mortgage Metrics Comparison

Loan data and related metrics vary. In addition, some servicers report mortgages to more than one entity; e.g., HOPE NOW and the Enterprises, so the data reported is not mutually exclusive.

The table below compares FHFA metrics against those reported in the *OCC and OTS Mortgage Metrics Report: Disclosure of National Bank and Federal Thrift Mortgage Loan Data, January-June 2008* and HOPE NOW's *Mortgage Loss Mitigation Statistics Industry Extrapolations.* Additional explanatory information appears after the table.

COMPARISON TABLE

	3/31/08				Mar-08 YTD			
	HOPE NOW	GSEs	OCC	OTS	HOPE NOW	GSEs	OCC	OTS
OVERALL MORTGAGE PORTFOLIO								
Total Servicers Reporting	22	3000+	9	5	22	3000+	9	5
Total Servicing (# of Loans)	53,205,000	30,408,771	23,144,866	11,419,872	53,205,000	30,303,771	23,147,089	11,373,721
Average Loan Balance	NR	$144,946	$164,682	$200,697	NR	$145,448	$164,286	$200,389
Composition of Total Loans (% of Loans)								
Prime	87.7%	82.7%	62.5%	69.8%	87.7%	82.6%	62.4%	69.4%
Nonprime	12.3%	17.3%	37.5%	30.2%	12.3%	17.4%	37.6%	30.6%
DELINQUENT MORTGAGE COMPOSITION								
60+ Days Delinquent Including FIPs (# of Loans)	1,703,000	355,850	693,683	544,728	1,695,333	354,250	692,212	532,699
60+ Days Delinquency Including FIPs as a Percentage of Loans	3.2%	1.2%	3.0%	4.8%	3.2%	1.2%	3.0%	4.7%
90+ Days Delinquent Including FIPs (# of Loans)	NR	302,593	510,488	396,270	NR	293,838	499,560	381,077
90+ Days Delinquency Including FIPs as a Percentage of Loans	NR	1.0%	2.2%	3.5%	NR	1.0%	2.2%	3.4%
NEW FORECLOSURES INITIATED								
New Foreclosures Initiated (# of Loans)	180,000	35,957	45,696	46,249	529,000	108,520	155,504	124,648
New Foreclosures Initiated as a Percentage of Loans	0.3%	0.1%	0.2%	0.4%	0.3%	0.1%	0.2%	0.4%
New Foreclosures Initiated as a Percentage of 90+ Days Delinquent Loans Including FIPs	NR	11.9%	9.0%	11.7%	NR	12.3%	10.4%	10.9%
FORECLOSURES COMPLETED								
Foreclosures Completed	65,639	10,645	NR	NR	202,970	31,533	NR	NR
Foreclosures Completed as a Percentage of Foreclosures Initiated	36.47%	29.60%	NR	NR	38.37%	29.06%	NR	NR
PAYMENT PLANS INITIATED								
Payment Plans Initiated (# of Loans)	95,000	20,264	39,905	6,410	313,000	63,756	123,710	NR
Payment Plans Initiated (as a Percentage of 90+ Days Delinquent Loans Including FIPs)	NR	6.7%	7.8%	1.6%	NR	7.2%	8.3%	NR
LOAN MODIFICATIONS COMPLETED								
Loan Modifications Completed (# of Loans)	60,000	5,647	13,586	15,933	170,000	16,210	35,782	39,855
Loan Modifications Completed (as a Percentage of 60+ Days Delinquent Including FIPs)	NR	1.6%	2.0%	2.9%	3.3%	1.5%	1.7%	2.5%
Loan Modifications Completed (as a Percentage of 90+ Days Delinquent Loans Including FIPs)	NR	1.9%	2.7%	4.0%	NR	1.8%	2.4%	3.5%

NR=Not Reported GSEs=Enterprises

- The Enterprises' data comes from 3,000+ servicers; Home Now data comes from 22 servicers; OCC data comes from 9 servicers, and OTS data comes from 5 servicers. (HOPE NOW Alliance uses aggregate data. This is then extrapolated to an estimated industry aggregate for each mortgage metric reported, so HOPE NOW metrics may not reflect the same results as actual loan level data.)

- The total mortgage population for the Enterprises is 30.4 million mortgages, 53.2 million mortgages for HOPE NOW, 23.1 mortgages for the OCC, and 11.4 mortgages for the OTS.

- As of March 31, 2008, the average mortgage balance reported by the Enterprises was $144,946, $164,682 for OCC and $200,697 for OTS. HOPE NOW does not report mortgage balances.

- As of March 31, 2008, prime mortgages represent 82.7 percent of the Enterprises' portfolios. HOPE NOW's figures represent 87.7 percent prime mortgages; OCC's figures represent 62.5 percent prime mortgages; OTS figures represent 69.8 percent prime mortgages.

- As of March 31, 2008, 60-plus-day delinquent mortgages (including mortgages in the foreclosure process) totaled 355,850 of the Enterprises' portfolios, 1,703,000 for HOPE NOW, 693,683 for OCC and 544,728 for OTS. The Enterprises' 60-plus-day delinquency rate was 1.2 percent, 3.2 percent for HOPE NOW, 3 percent for OCC and 4.8 percent for OTS.

- As of March 31, 2008, 90-plus-day delinquent mortgages (including mortgages in the foreclosure process) totaled 302,593 for the Enterprises, 510,488 for OCC and 396,270 for OTS. The Enterprises' 90-plus-day delinquency rate was 1 percent, 2.2 percent for OCC and 3.5 percent for OTS. HOPE NOW does not report on 90-plus-day delinquent mortgages.

- New foreclosures initiated totaled 108,520 for the Enterprises, 529,000 for HOPE NOW, 155,504 for OCC and 124,648 for OTS. The Enterprises' new foreclosure initiation rate (a percent of all mortgages) was .1 percent, .3 percent for HOPE NOW, .2 percent for OCC and .4 percent for OTS.

- New foreclosures initiated as a percent of 90-plus-day delinquent loans was 12.3 percent for the Enterprises, 10.4 percent for OCC and 10.9 percent for OTS. HOPE NOW does not report on 90-plus-day delinquent mortgages.

- Payment plans initiated totaled 63,756 for the Enterprises, 313,000 for HOPE NOW, and 123,710 for OCC. OTS data on payment plans for all three months was unavailable.

- Payment plans initiated as a percent of 90-plus-day delinquent loans was 7.2 percent for the Enterprises and 8.3 percent for OCC. HOPE NOW does not report on 90-plus-day delinquent mortgages. OTS data on payment plans for all three months was unavailable.

- Loan modifications completed were 16,210 for the Enterprises, 170,000 for HOPE NOW, 35,782 for OCC and 39,855 for OTS.

- Loan modifications completed as a percent of 60-plus-day delinquent loans (including foreclosures in process) was 1.5 percent for the Enterprises, 3.3 for HOPE NOW, 1.7 percent for OCC and 2.5 percent for OTS.

- Loan modifications completed as a percent of 90-plus-day delinquent loans (including foreclosures in process) was 1.8 percent for the Enterprises, 2.4 percent for OCC and 3.5 percent for OTS. HOPE NOW does not report on 90-plus-day delinquent mortgages.

- Foreclosures completed totaled 31,533 for the Enterprises and 202,970 for HOPE NOW. Foreclosures completed as a percent of foreclosures initiated was 29.1 percent for the Enterprises and 38.4 percent for HOPE NOW. OCC and OTS do not report on foreclosures completed.

Errata:

This report was posted at www.ofheo.gov on September 24, 2008 at 8:30 p.m. EST. After posting, corrections were made to pages 23, 26, 27, and 28. In most cases, corrections were not of a material nature, however, on page 28, the corrections involved changes to some figures.