

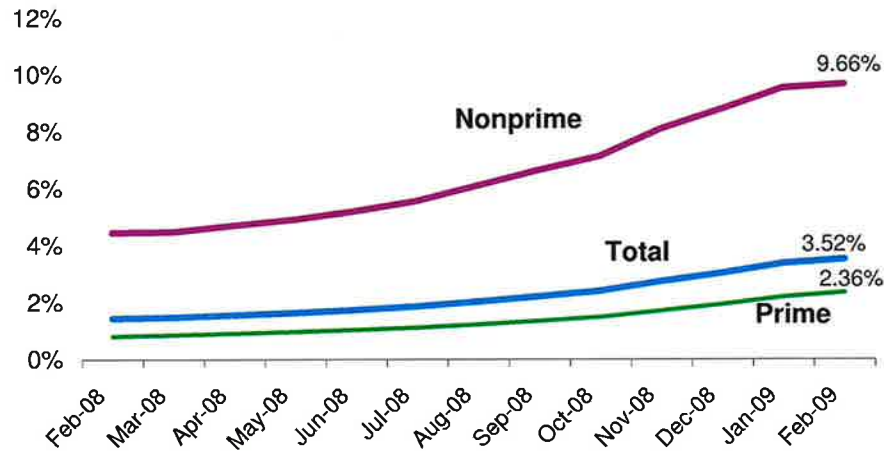


Federal Housing Finance Agency

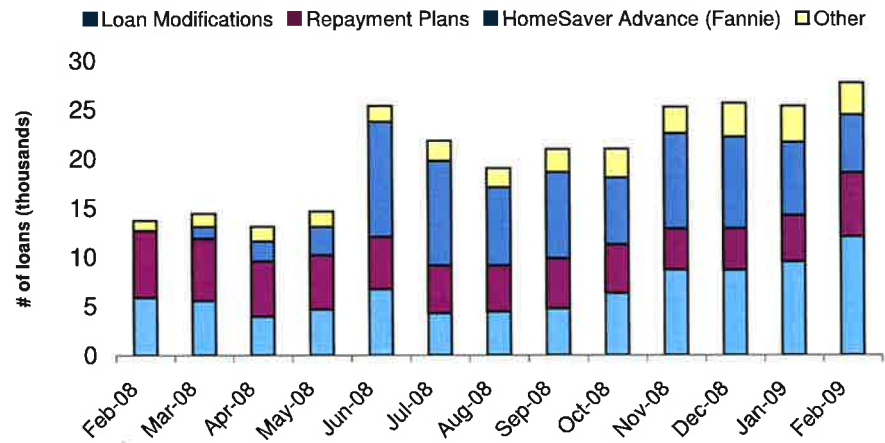
Foreclosure Prevention Report
February 2009

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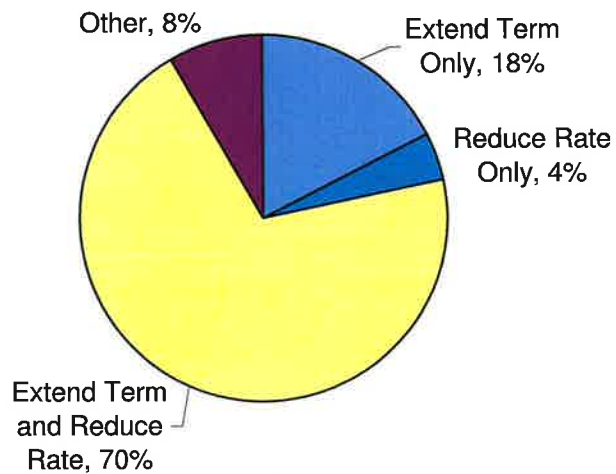
60 Days+ Delinquency Rates
Credit quality continues to deteriorate...



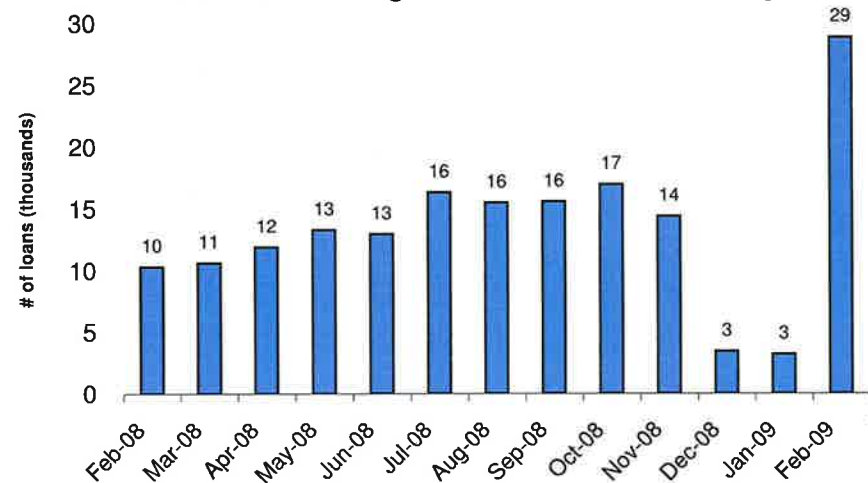
Foreclosure Prevention Actions Completed
...however, loan modifications and repayment plans are increasing.



Loan Modifications by Type - February 2009
The bulk of loan modifications involve both rate reductions and term extensions.



Foreclosure Sales Completed
...surged as the moratorium on foreclosures was lifted during the first half of February.



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1 - Mortgage Performance (at period end)

| | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | Jan-09 | Feb-09 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Number of Loans (thous) | 30,141 | 30,190 | 30,269 | 30,481 | 30,459 | 30,479 | 30,527 | 30,626 | 30,497 | 30,495 | 30,536 | 30,372 | 30,226 |
| Prime | 24,963 | 25,036 | 25,132 | 25,353 | 25,369 | 25,419 | 25,485 | 25,608 | 25,571 | 25,595 | 25,657 | 25,521 | 25,416 |
| Nonprime | 5,178 | 5,153 | 5,138 | 5,128 | 5,090 | 5,061 | 5,042 | 5,018 | 4,926 | 4,900 | 4,879 | 4,851 | 4,810 |
| 60 Days+ Delinquent (thous) | 434 | 445 | 470 | 497 | 529 | 566 | 621 | 678 | 731 | 835 | 926 | 1,024 | 1,065 |
| Prime | 203 | 214 | 229 | 245 | 264 | 284 | 313 | 345 | 380 | 439 | 497 | 562 | 600 |
| Nonprime | 231 | 231 | 241 | 252 | 265 | 281 | 308 | 333 | 351 | 396 | 429 | 462 | 465 |
| 60 Days+ Delinquent (%) | 1.44% | 1.47% | 1.55% | 1.63% | 1.74% | 1.86% | 2.03% | 2.22% | 2.40% | 2.74% | 3.03% | 3.37% | 3.52% |
| Prime | 0.81% | 0.86% | 0.91% | 0.97% | 1.04% | 1.12% | 1.23% | 1.35% | 1.49% | 1.71% | 1.94% | 2.20% | 2.36% |
| Nonprime | 4.45% | 4.48% | 4.70% | 4.91% | 5.21% | 5.56% | 6.10% | 6.64% | 7.13% | 8.09% | 8.79% | 9.53% | 9.66% |
| 90 Days+ Delinquent (%) | 0.95% | 0.99% | 1.05% | 1.12% | 1.18% | 1.27% | 1.38% | 1.52% | 1.67% | 1.88% | 2.14% | 2.45% | 2.63% |
| In Bankruptcy (%) | | | | | | | | | | | | 0.24% | 0.25% |
| Top Five Reasons for Default | | | | | | | | | | | | | |
| Curtailment of Income | | | | | | | | | | | | 34% | 35% |
| Excessive obligations | | | | | | | | | | | | 20% | 19% |
| Unemployment | | | | | | | | | | | | 8% | 8% |
| Illness of principal mortgagor or family member | | | | | | | | | | | | 6% | 6% |
| Marital Difficulties | | | | | | | | | | | | 4% | 3% |

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2 - Foreclosure Prevention Actions Completed (# of loans)

| | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | Full Year 2008 | Jan-09 | Feb-09 | YTD 2009 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|---------------|---------------|---------------|
| Repayment Plans | 6,777 | 6,314 | 5,595 | 5,504 | 5,294 | 4,897 | 4,720 | 5,093 | 4,927 | 4,147 | 4,235 | 62,560 | 4,702 | 6,506 | 11,208 |
| Forbearance Plans | 366 | 467 | 484 | 459 | 336 | 379 | 326 | 394 | 572 | 658 | 886 | 5,692 | 836 | 827 | 1,663 |
| Charge-offs in Lieu | 42 | 70 | 41 | 49 | 66 | 73 | 57 | 72 | 97 | 75 | 101 | 799 | 98 | 61 | 159 |
| HomeSaver Advance (<i>Fannie</i>) | 11 | 1,233 | 2,052 | 2,881 | 11,725 | 10,599 | 7,914 | 8,764 | 6,800 | 9,692 | 9,296 | 70,967 | 7,403 | 5,903 | 13,306 |
| Loan Modifications | 5,886 | 5,541 | 3,969 | 4,677 | 6,741 | 4,265 | 4,446 | 4,777 | 6,354 | 8,735 | 8,688 | 68,307 | 9,558 | 12,067 | 21,625 |
| Home Retention Actions | 13,082 | 13,625 | 12,141 | 13,570 | 24,162 | 20,213 | 17,463 | 19,100 | 18,750 | 23,307 | 23,206 | 208,325 | 22,597 | 25,364 | 47,961 |
| Short Sales | 556 | 704 | 850 | 1,056 | 1,156 | 1,492 | 1,465 | 1,717 | 2,103 | 1,828 | 2,261 | 15,704 | 2,608 | 2,228 | 4,836 |
| Deeds in Lieu | 84 | 122 | 107 | 62 | 67 | 118 | 138 | 171 | 156 | 150 | 234 | 1,511 | 188 | 161 | 349 |
| Foreclosure Alternatives - Home Forfeiture Actions | 640 | 826 | 957 | 1,118 | 1,223 | 1,610 | 1,603 | 1,888 | 2,259 | 1,978 | 2,495 | 17,215 | 2,796 | 2,389 | 5,185 |
| Total Foreclosure Prevention Actions | 13,722 | 14,451 | 13,098 | 14,688 | 25,385 | 21,823 | 19,066 | 20,988 | 21,009 | 25,285 | 25,701 | 225,540 | 25,393 | 27,753 | 53,146 |
| % of Total Foreclosure Prevention Actions | | | | | | | | | | | | | | | |
| Repayment Plans | 49% | 44% | 43% | 37% | 21% | 22% | 25% | 24% | 23% | 16% | 16% | 28% | 19% | 23% | 21% |
| Forbearance Plans | 3% | 3% | 4% | 3% | 1% | 2% | 2% | 2% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Charge-offs in Lieu | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| HomeSaver Advance (<i>Fannie</i>) | 0% | 9% | 16% | 20% | 46% | 49% | 42% | 42% | 32% | 38% | 36% | 31% | 29% | 21% | 25% |
| Loan Modifications | 43% | 38% | 30% | 32% | 27% | 20% | 23% | 23% | 30% | 35% | 34% | 30% | 38% | 43% | 41% |
| Home Retention Actions | 95% | 94% | 93% | 92% | 95% | 93% | 92% | 91% | 89% | 92% | 90% | 92% | 89% | 91% | 90% |
| Short Sales | 4% | 5% | 6% | 7% | 5% | 7% | 8% | 8% | 10% | 7% | 9% | 7% | 10% | 8% | 9% |
| Deeds in Lieu | 1% | 1% | 1% | 0% | 0% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% |
| Foreclosure Alternatives - Home Forfeiture Actions | 5% | 6% | 7% | 8% | 5% | 7% | 8% | 9% | 11% | 8% | 10% | 8% | 11% | 9% | 10% |

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3 - Home Retention Actions Completed by Risk Category

| | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | Full Year 2008 | Jan-09 | Feb-09 | YTD 2009 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|--------------|---------------|---------------|
| Home Retention Actions | 13,082 | 13,625 | 12,141 | 13,570 | 24,162 | 20,213 | 17,463 | 19,100 | 18,750 | 23,307 | 23,206 | 208,269 | 22,597 | 25,364 | 47,961 |
| Prime | 4,551 | 4,672 | 4,098 | 4,875 | 8,724 | 7,974 | 6,310 | 7,119 | 6,442 | 8,045 | 8,468 | 74,665 | 8,560 | 9,685 | 18,245 |
| Nonprime | 8,531 | 8,953 | 8,043 | 8,695 | 15,438 | 12,239 | 11,153 | 11,981 | 12,308 | 15,262 | 14,738 | 133,604 | 14,037 | 15,679 | 29,716 |
| Repayment Plans | 6,777 | 6,314 | 5,595 | 5,504 | 5,294 | 4,897 | 4,720 | 5,093 | 4,927 | 4,147 | 4,235 | 62,560 | 4,702 | 6,506 | 11,208 |
| Prime | 2,528 | 2,315 | 2,132 | 2,156 | 2,090 | 1,979 | 1,857 | 2,076 | 1,972 | 1,584 | 1,713 | 24,323 | 1,886 | 2,569 | 4,455 |
| Nonprime | 4,249 | 3,999 | 3,463 | 3,348 | 3,204 | 2,918 | 2,863 | 3,017 | 2,955 | 2,563 | 2,522 | 38,237 | 2,816 | 3,937 | 6,753 |
| Forbearance Plans | 366 | 467 | 484 | 459 | 336 | 379 | 326 | 394 | 572 | 658 | 886 | 5,692 | 836 | 827 | 1,663 |
| Prime | 148 | 184 | 202 | 198 | 138 | 171 | 130 | 152 | 207 | 311 | 408 | 2,399 | 386 | 401 | 787 |
| Nonprime | 218 | 283 | 282 | 261 | 198 | 208 | 196 | 242 | 365 | 347 | 478 | 3,293 | 450 | 426 | 876 |
| Charge-Offs in Lieu | 42 | 70 | 41 | 49 | 66 | 73 | 57 | 72 | 97 | 75 | 101 | 799 | 98 | 61 | 159 |
| Prime | 11 | 28 | 16 | 20 | 27 | 34 | 25 | 28 | 39 | 32 | 47 | 331 | 52 | 26 | 78 |
| Nonprime | 31 | 42 | 25 | 29 | 39 | 39 | 32 | 44 | 58 | 43 | 54 | 468 | 46 | 35 | 81 |
| HomeSaver Advance (Fannie) | 11 | 1,233 | 2,052 | 2,881 | 11,725 | 10,599 | 7,914 | 8,764 | 6,800 | 9,692 | 9,296 | 70,967 | 7,403 | 5,903 | 13,306 |
| Prime | 3 | 343 | 545 | 856 | 4,459 | 4,285 | 2,747 | 3,134 | 1,998 | 3,113 | 3,011 | 24,494 | 2,502 | 1,958 | 4,460 |
| Nonprime | 8 | 890 | 1,507 | 2,025 | 7,266 | 6,314 | 5,167 | 5,630 | 4,802 | 6,579 | 6,285 | 46,473 | 4,901 | 3,945 | 8,846 |
| Loan Modifications | 5,886 | 5,541 | 3,969 | 4,677 | 6,741 | 4,265 | 4,446 | 4,777 | 6,354 | 8,735 | 8,688 | 68,307 | 9,558 | 12,067 | 21,625 |
| Prime | 1,861 | 1,802 | 1,203 | 1,645 | 2,010 | 1,505 | 1,551 | 1,729 | 2,226 | 3,005 | 3,289 | 23,142 | 3,734 | 4,731 | 8,465 |
| Nonprime | 4,025 | 3,739 | 2,766 | 3,032 | 4,731 | 2,760 | 2,895 | 3,048 | 4,128 | 5,730 | 5,399 | 45,165 | 5,824 | 7,336 | 13,160 |

Type of Modifications (# of loans)

| | | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|-------|-------|--------|
| Extend Term Only | | | | | | | | | | | | | 1,732 | 2,120 | 3,852 |
| Reduce Rate Only | | | | | | | | | | | | | 531 | 493 | 1,024 |
| Extend Term and Reduce Rate | | | | | | | | | | | | | 6,366 | 8,440 | 14,806 |
| Extend Term, Reduce Rate, and Forbear Principal | | | | | | | | | | | | | - | - | - |
| Other | | | | | | | | | | | | | 929 | 1,014 | 1,943 |

Type of Modifications (%)

| | | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|-----|-----|-----|
| Extend Term Only | | | | | | | | | | | | | 18% | 18% | 18% |
| Reduce Rate Only | | | | | | | | | | | | | 6% | 4% | 5% |
| Extend Term and Reduce Rate | | | | | | | | | | | | | 67% | 70% | 68% |
| Extend Term, Reduce Rate, and Forbear Principal | | | | | | | | | | | | | 0% | 0% | 0% |
| Other | | | | | | | | | | | | | 10% | 8% | 9% |

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4 - Home Forfeiture Actions completed by Risk Category

| | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | Full Year 2008 | Jan-09 | Feb-09 | YTD 2009 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|---------------|---------------|----------------|
| Home Forfeiture Actions | 11,616 | 12,065 | 13,586 | 15,100 | 14,849 | 18,699 | 17,860 | 18,209 | 20,042 | 16,901 | 6,206 | 177,064 | 6,177 | 32,213 | 38,390 |
| Prime | 6,416 | 6,693 | 7,781 | 8,641 | 8,855 | 11,467 | 10,816 | 11,180 | 12,350 | 10,533 | 4,210 | 105,511 | 4,319 | 20,676 | 24,995 |
| Nonprime | 5,242 | 5,442 | 5,846 | 6,508 | 6,060 | 7,305 | 7,101 | 7,101 | 7,789 | 6,443 | 2,097 | 72,296 | 1,956 | 11,598 | 13,554 |
| Short Sales | 556 | 704 | 850 | 1,056 | 1,156 | 1,492 | 1,465 | 1,717 | 2,103 | 1,828 | 2,261 | 15,704 | 2,608 | 2,228 | 4,836 |
| Prime | 341 | 425 | 525 | 677 | 754 | 1,000 | 1,033 | 1,200 | 1,489 | 1,323 | 1,671 | 10,741 | 1,923 | 1,669 | 3,592 |
| Nonprime | 215 | 279 | 325 | 379 | 402 | 492 | 432 | 517 | 614 | 505 | 590 | 4,963 | 685 | 559 | 1,244 |
| Deeds in Lieu | 84 | 122 | 107 | 62 | 67 | 118 | 138 | 171 | 156 | 150 | 234 | 1,511 | 188 | 161 | 349 |
| Prime | 61 | 93 | 82 | 42 | 44 | 80 | 114 | 118 | 123 | 113 | 180 | 1,112 | 145 | 117 | 262 |
| Nonprime | 23 | 29 | 25 | 20 | 23 | 38 | 24 | 53 | 33 | 37 | 54 | 399 | 43 | 44 | 87 |
| Third Party Sales | 659 | 594 | 713 | 677 | 662 | 725 | 729 | 716 | 775 | 515 | 281 | 7,732 | 159 | 927 | 1,086 |
| Prime | 380 | 350 | 443 | 388 | 404 | 424 | 402 | 440 | 473 | 296 | 159 | 4,553 | 95 | 605 | 700 |
| Nonprime | 279 | 244 | 270 | 289 | 258 | 301 | 327 | 276 | 302 | 219 | 122 | 3,179 | 64 | 322 | 386 |
| Foreclosure Sales | 10,317 | 10,645 | 11,916 | 13,305 | 12,964 | 16,364 | 15,528 | 15,605 | 17,008 | 14,408 | 3,430 | 152,061 | 3,222 | 28,897 | 32,119 |
| Prime | 5,623 | 5,797 | 6,715 | 7,514 | 7,626 | 9,929 | 9,242 | 9,394 | 10,226 | 8,769 | 2,153 | 88,774 | 2,104 | 18,259 | 20,363 |
| Nonprime | 4,694 | 4,848 | 5,201 | 5,791 | 5,338 | 6,435 | 6,286 | 6,211 | 6,782 | 5,639 | 1,277 | 63,287 | 1,118 | 10,638 | 11,756 |
| Foreclosure Alternatives - Home Forfeiture Actions ¹ | 640 | 826 | 957 | 1,118 | 1,223 | 1,610 | 1,603 | 1,888 | 2,259 | 1,978 | 2,495 | 17,215 | 2,796 | 2,389 | 5,185 |
| Prime | 402 | 518 | 607 | 719 | 798 | 1,080 | 1,147 | 1,318 | 1,612 | 1,436 | 1,851 | 11,877 | 2,068 | 1,786 | 3,854 |
| Nonprime | 238 | 308 | 350 | 399 | 425 | 530 | 456 | 570 | 647 | 542 | 644 | 5,338 | 728 | 603 | 1,331 |
| Foreclosure Starts | 39,980 | 35,957 | 39,031 | 37,887 | 39,925 | 47,770 | 44,170 | 40,969 | 47,086 | 43,827 | 59,068 | 508,253 | 75,230 | 80,103 | 155,333 |
| Prime | 21,832 | 20,021 | 21,965 | 21,579 | 22,374 | 27,998 | 25,082 | 22,495 | 26,808 | 25,456 | 35,040 | 286,746 | 44,182 | 51,483 | 95,665 |
| Nonprime | 18,148 | 15,936 | 17,066 | 16,308 | 17,551 | 19,772 | 19,088 | 18,474 | 20,278 | 18,371 | 24,028 | 221,507 | 31,048 | 28,620 | 59,668 |

¹ Sum of short sales and deeds in lieu



Glossary

Section 1: Mortgage Performance

Number of Loans - Total conventional active book of business, excluding loans that were liquidated during the month.

Prime Borrowers - FICO score greater than or equal to than 660

Nonprime Borrowers - FICO score less than 660

60 Days+ Delinquent - Loans two or more payments delinquent, including loans in relief, in the process of foreclosure, or in the process of bankruptcy. Calculated as total loans minus loans current and performing, as well as those 30 to 59 days delinquent.

90 Days+ Delinquent - Loans three or more payments delinquent, including loans in relief, in the process of foreclosure, and in the process of bankruptcy.

In Bankruptcy - Loans in the process of bankruptcy; includes all delinquency status.

Delinquency Reason Codes - Includes only loans three months or more delinquent and also in relief, foreclosure, or bankruptcy.

Section 2: Completed Foreclosure Prevention Actions

Home Retention Actions - Repayment plans, forbearance plans, charge-offs in lieu of foreclosure, Home Saver Advances, and loan modifications. Home retention actions allow borrowers to retain ownership/occupancy of their homes while attempting to return loans to current and performing status.

Repayment Plans - Number of loans for which borrowers completed the terms of a formal repayment plan during the month.

Forbearance Plans - Number of loans for which terms have been completed (become current) under a forbearance plan that had previously authorized suspension of payments or had agreed to accept periodic payment of less than the borrower's scheduled monthly payment, periodic payments at different intervals, etc., to give the borrower and servicer additional time to determine and implement the most appropriate way to cure the delinquency.

Charge-Offs in Lieu of Foreclosure - A delinquent loan for which collection efforts or legal actions against the borrower are agreed to be not in the Enterprises' best interests (because of reduced property value, a low outstanding mortgage balance, or presence of certain environmental hazards).

Home Saver Advance (Fannie Mae) - An unsecured personal loan to a qualified borrower to cure his or her payment defaults under a mortgage loan the Enterprises own or guarantee. The borrower must be able to resume regular monthly payments on his or her mortgage.

Loan Modifications - Number of modified, renegotiated, or restructured loans, regardless of performance-to-date under the plan during the month. Terms of the contract between the borrower and the lender are altered with the aim of curing the delinquency (30 days or more past due).

Foreclosure Alternatives - Home Forfeiture Actions- Short sales and deeds in lieu of foreclosure. These actions require borrowers to give up their homes. Although homes are forfeited, foreclosure alternatives generally have less adverse impact on borrowers and their credit reports than foreclosure.

Short Sales - A payoff of less than the full amount of loan debt to avoid the expense of foreclosure proceedings.

Deed(s) in Lieu of Foreclosure - A loan for which the borrower voluntarily conveys the property to the lender to avoid a foreclosure proceeding.

Section 3: Loan Modification Types

Extend Term Only - Remaining term of the loan is longer after modification.

Reduce Rate Only - Loan's rate is lower after modification.

Extend Term and Reduce Rate - Loan's rate reduced and term extended.

Extend Term, Rate Reduction, and Forbear Principal - Modification includes term extension, rate reduction, and forbearance of principal.

Other - A modification that does not fit in any of the above categories. The majority of these loans are capitalized modifications.

Section 4: Third Party Sales and Foreclosures

Third Party Sales - A third party entity purchases the property at the foreclosure sale/auction above the initial bid set forth by Fannie Mae or Freddie Mac.

Foreclosure Starts - The total number of loans referred to an attorney to initiate the legal process of foreclosure during the month. These are loans measured as not being in foreclosure in the previous month but referred to foreclosure in the current month.

Foreclosure Sales - The number of loans that went to foreclosure (sheriff's) sale during the month.