



## Federal Housing Finance Agency

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[www.fufa.gov](http://www.fufa.gov)

September 8, 2010

The Honorable Christopher Dodd  
Chairman  
Committee on Banking, Housing,  
and Urban Affairs  
United States Senate  
Washington, DC 20510

Dear Chairman Dodd:

I am transmitting the Federal Housing Finance Agency's (FHFA) Federal Property Manager's report in accordance with Section 110 of the Emergency Economic Stabilization Act of 2008 (BESA), titled *Assistance to Homeowners*. Section 110 of BESA directs Federal Property Managers (FPM) to develop and implement plans to maximize assistance for homeowners and encourage servicers of underlying mortgages to take advantage of programs to minimize foreclosures. FHFA is a designated FPM in its role as conservator for Fannie Mae and Freddie Mac. Each FPM is also required to report to Congress the number and types of loan modifications and the number of foreclosures during the reporting period.

Reducing conservatorship losses by preventing avoidable foreclosures through loan modification and mortgage refinances remains a top priority at FHFA. We continue to update, elaborate and expand FHFA's plan to maximize assistance for homeowners and minimize preventable foreclosures consistent with the intent of EESA.

Sincerely,

A handwritten signature in blue ink that reads "Peter Brereton".

Peter Brereton  
Associate Director for Congressional Affairs

Attachments



## Federal Housing Finance Agency

1700 G Street, N.W., Washington, D.C. 20552-0003

Telephone: (202) 414-3800

Facsimile: (202) 414-3823

[www.thfa.gov](http://www.thfa.gov)

September 7, 2010

The Honorable Richard C. Shelby  
Ranking Minority Member  
Committee on Banking, Housing,  
and Urban Affairs  
United States Senate  
Washington, DC 20510

Dear Senator Shelby:

I am transmitting the Federal Housing Finance Agency's (FHFA) Federal Property Manager's report in accordance with Section 110 of the Emergency Economic Stabilization Act of 2008 (EESA), titled *Assistance to Homeowners*. Section 110 of EESA directs Federal Property Managers (FPM) to develop and implement plans to maximize assistance for homeowners and encourage servicers of underlying mortgages to take advantage of programs to minimize foreclosures. FHFA is a designated PPM in its role as conservator for Fannie Mae and Freddie Mac. Each PPM is also required to report to Congress the number and types of loan modifications and the number of foreclosures during the reporting period.

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[www.fhfa.gov](http://www.fhfa.gov)

September 8, 2010

The Honorable Barney Frank  
Chairman  
Committee on Financial Services  
United States House of Representatives  
Washington, DC 20515

Dear Chairman Frank:

I am transmitting the Federal Housing Finance Agency's (FHFA) Federal Property Manager's report in accordance with Section 110 of the Emergency Economic Stabilization Act of 2008 (EESA), titled *Assistance to Homeowners*. Section 110 of EESA directs Federal Property Managers (FPM) to develop and implement plans to maximize assistance for homeowners and encourage servicers of underlying mortgages to take advantage of programs to minimize foreclosures. FHFA is a designated FPM in its role as conservator for Fannie Mae and Freddie Mac. Each FPM is also required to report to Congress the number and types of loan modifications and the number of foreclosures during the reporting period.

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[www.fhfa.gov](http://www.fhfa.gov)

September 8, 2010

The Honorable Spencer Bachus  
Ranking Minority Member  
Committee on Financial Services  
United States House of Representatives  
Washington, DC 20515

Dear Congressman Bachus:

I am transmitting the Federal Housing Finance Agency's (FHFA) Federal Property Manager's report in accordance with Section 110 of the Emergency Economic Stabilization Act of 2008 (BESA), titled *Assistance to Homeowners*. Section 110 of BESA directs Federal Property Managers (FPM) to develop and implement plans to maximize assistance for homeowners and encourage servicers of underlying mortgages to take advantage of programs to minimize foreclosures. FHFA is a designated FPM in its role as conservator for Fannie Mae and Freddie Mac. Each FPM is also required to report to Congress the number and types of loan modifications and the number of foreclosures during the reporting period.

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Peter Brereton  
Associate Director for Congressional Affairs

Attachments



# Federal Housing Finance Agency

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## Foreclosure Prevention & Refinance Report Second Quarter 2010

### FHFA Federal Property Manager's Report

This report contains data on foreclosure prevention activity, refinance and MHA program activity of Fannie Mae and Freddie Mac (the Enterprises) through June 2010.

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## Second Quarter Highlights

### Making Home Affordable Program (The Enterprises):

- HAMP permanent modifications increased 65 percent during the second quarter to nearly 225,000. Approximately 202,000 borrowers were in a HAMP trial period at the end of the quarter, compared to nearly 448,100 at the end of the first quarter.
- The Enterprises' Cumulative HARP refinance volume increased 30 percent during the second quarter to nearly 380,000.

### The Enterprises' Completed Foreclosure Prevention Actions:

- Completed foreclosure prevention actions increased 14 percent in the second quarter to approximately 271,500, driven by loan modifications, forbearance plans, short sales and deeds-in-lieu.
- Loan modifications increased 24 percent to nearly 171,200 during the quarter with the majority of modifications completed through HAMP.
- More than half of completed loan modifications in the second quarter lowered borrowers' monthly payments by over 30 percent.
- Loans modified in the last two quarters are performing substantially better compared to loans modified in earlier periods. Less than 10 percent of loans modified in the last two quarters were 60-plus-days delinquent three months after modifications.
- The Enterprises completed nearly 46,400 and 20,600 repayment plans and forbearance plans respectively.
- Short sales and deeds-in-lieu increased 27 percent during the quarter to nearly 30,900.
- Since the first full quarter in conservatorship (4Q08), combined foreclosure prevention actions total 1,013,700.

### The Enterprises' Mortgage Performance:

- Loans that are only one month delinquent increased by 55,300 loans or 9.1 percent during the second quarter to approximately 664,300.
- Loans 60-plus-days delinquent declined for the second consecutive quarter. The 60-plus-days delinquent loans decreased by more than 122,100 loans, or 7.0 percent during the second quarter to approximately 1.6 million.

### The Enterprises' Foreclosures:

- Foreclosure starts increased 12 percent to nearly 275,100, while completed

### Foreclosure Prevention & Refinance Activities

	1Q10	2Q10
HAMP Trials - Cumulative	448,067	202,408
HAMP Permanent - Cumulative	136,019	224,570
HARP - Cumulative	291,585	379,728
<b>Completed Foreclosure Prevention Actions</b>		
Loan Modifications *	137,561	171,176
Repayment Plans	55,884	46,353
Forbearance Plans	17,991	20,585
Charge-offs In Lieu	705	756
HomeSaver Advance ( <i>Fannie</i> )	2,588	1,783
<b>Home Retention Actions</b>	<b>214,729</b>	<b>240,653</b>
Short Sales	23,379	29,375
Deeds-in-lieu	934	1,506
<b>Home Forfeiture Actions</b>	<b>24,313</b>	<b>30,881</b>
<b>TOTAL</b>	<b>239,042</b>	<b>271,534</b>

\* Includes HAMP permanent modifications

### Mortgage Performance (at period end)

(# of loans in thousands)	1Q10	2Q10
30-59 Days Delinquent	609	664
60-plus-days Delinquent	1,746	1,624
Serious Delinquent*	1,502	1,385
<b>(Percent of total loans serviced)</b>		
30-59 Days Delinquent	2.00%	2.19%
60-plus-days Delinquent	5.73%	5.36%
Serious Delinquent*	4.93%	4.58%

\* 90 days or more delinquent, or in the process of foreclosure.

# Making Home Affordable Program - Status Update

## Home Affordable Modification Program (HAMP)

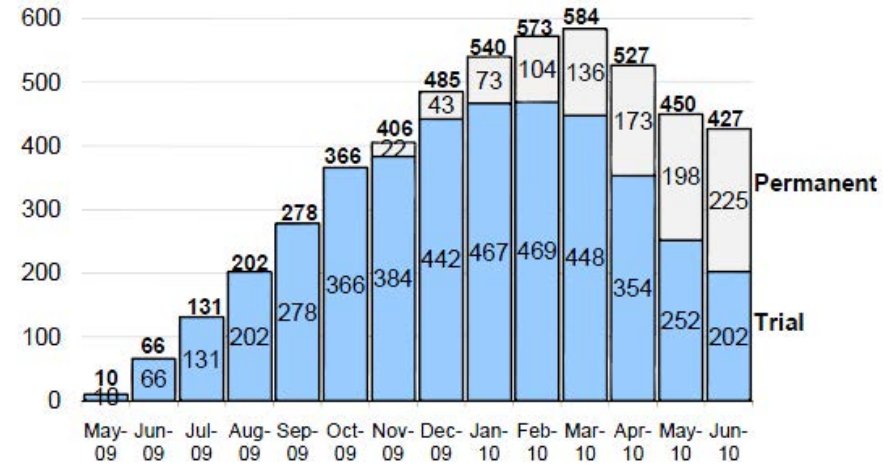
- Announced March 4, 2009.
- Allows a borrower's payment to be reduced to an affordable amount through an interest rate reduction (down to 2 percent), a term extension (up to 480 months), or principal forbearance. Incentives are being offered to borrowers, servicers, and investors for program participation and a successful payment history.
- Nearly 88,600 HAMP trials transitioned to permanent modifications during the second quarter, bringing the total number of active HAMP permanent modifications to nearly 225,000.
- Approximately 202,000 borrowers were in a HAMP trial period at the end of the quarter, down from nearly 448,100 at the end of the first quarter. The decline was due to conversions to permanent modifications, the new requirement to verify documentation at the beginning of the process, and cancellations as a result of missed payments and inadequate documentation.

## Home Affordable Refinance Program (HARP)

- Announced March 4, 2009.
- Allows existing Enterprise borrowers who are current on their mortgage payments to refinance and reduce their monthly mortgage payments at loan-to-value ratios up to 125 percent without new mortgage insurance.
- The HARP percentage of total monthly refinance volume was unchanged in June at 14 percent. HARP refinances in June totaled approximately 29,000 and 380,000 for the life of the program.

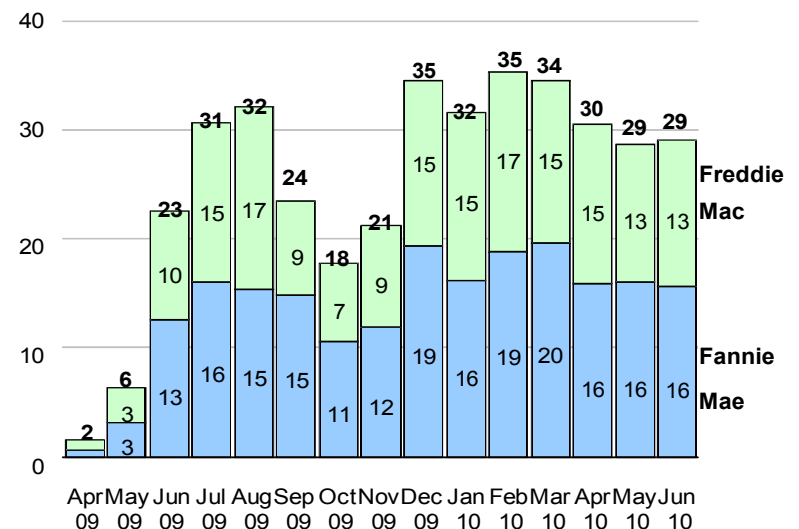
\* HAMP trial modifications are based on the first trial payment posted date. HAMP permanent modifications are based on the effective date of modification.

**HAMP Active Trial and Permanent - Cumulative\***  
(Number of loans in thousands)



Source: Weekly Servicer Survey through September 2009. IR2 (Making Home Affordable system of records) starting in October 2009.

**HARP Refinance, Monthly Volume**  
(Number of loans in thousands)

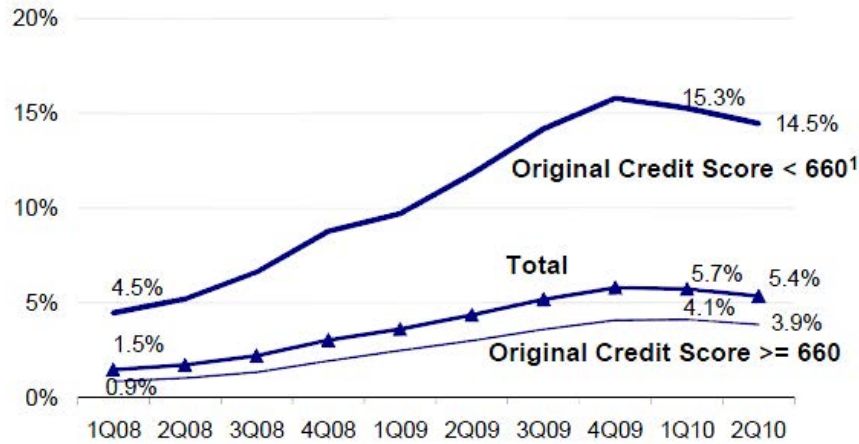


Percent of Total: 0% 1% 4% 7% 9% 9% 9% 10% 12% 13% 14% 15% 14% 14% 14%

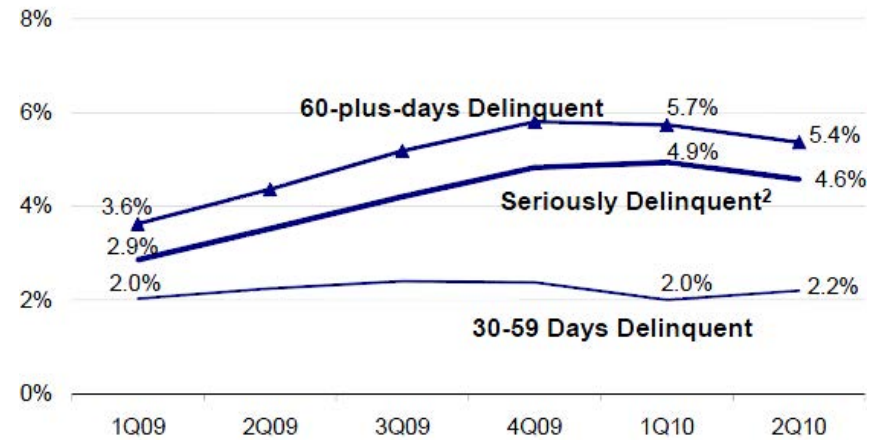


# Mortgage Performance

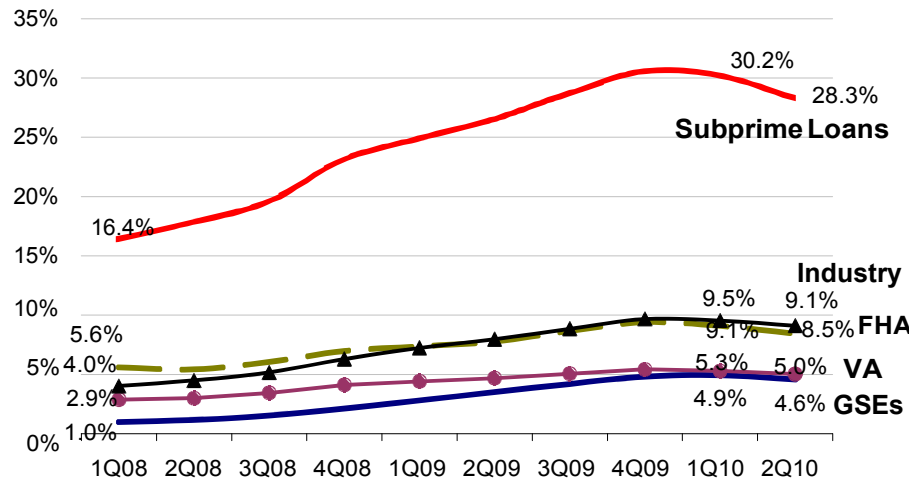
**Enterprises' 60-plus-days Delinquency Rates by Original Credit Score**



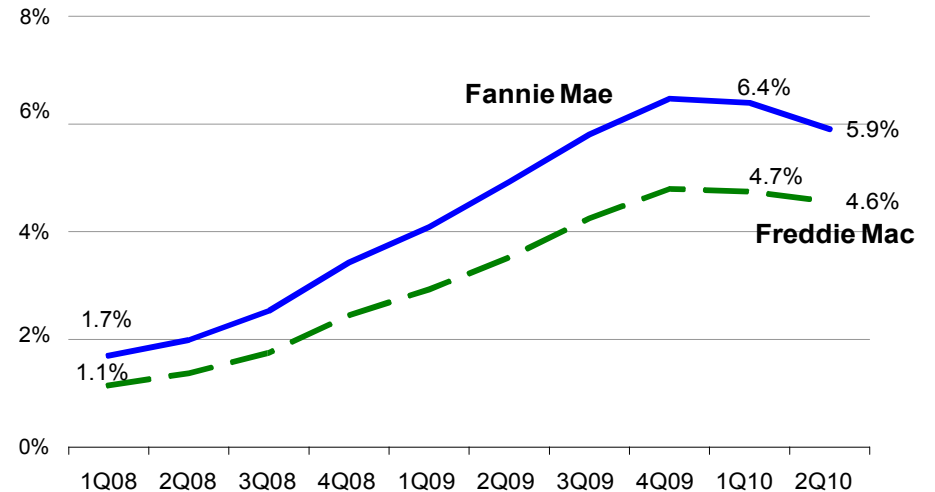
**Enterprises' Mortgage Delinquency Rates**



**Serious Delinquency Rates<sup>2</sup> Enterprises versus Mortgage Industry**



**60-plus-days Delinquency Rates**



Source: Fannie Mae and Freddie Mac; National Delinquency Survey from MBA - Second Quarter 2010

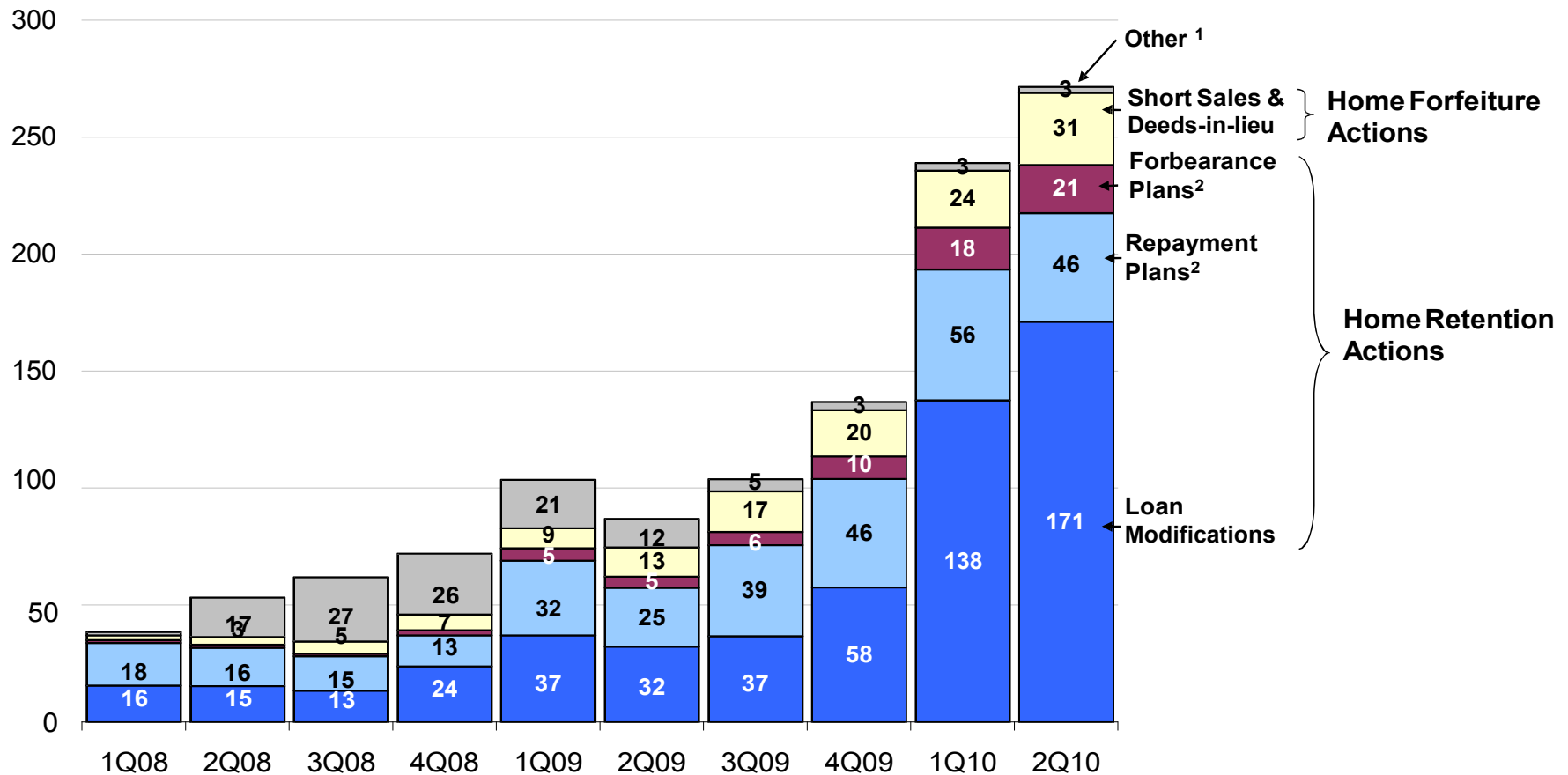
<sup>1</sup> Includes loans with missing original credit score.

<sup>2</sup> 90 days or more delinquent, or in the process of foreclosure.

## Foreclosure Prevention Activity: All Actions Completed

The Enterprises' completed foreclosure prevention activity increased in the second quarter driven by increases in loan modifications, forbearance plans, short sales and deeds-in-lieu. Loan modifications accounted for about two-thirds of foreclosure prevention actions completed during the quarter. Since the fourth quarter of 2008, the first full quarter in which the Enterprises were in conservatorship, completed foreclosure prevention actions total 1,013,700.

Number of loans in thousands



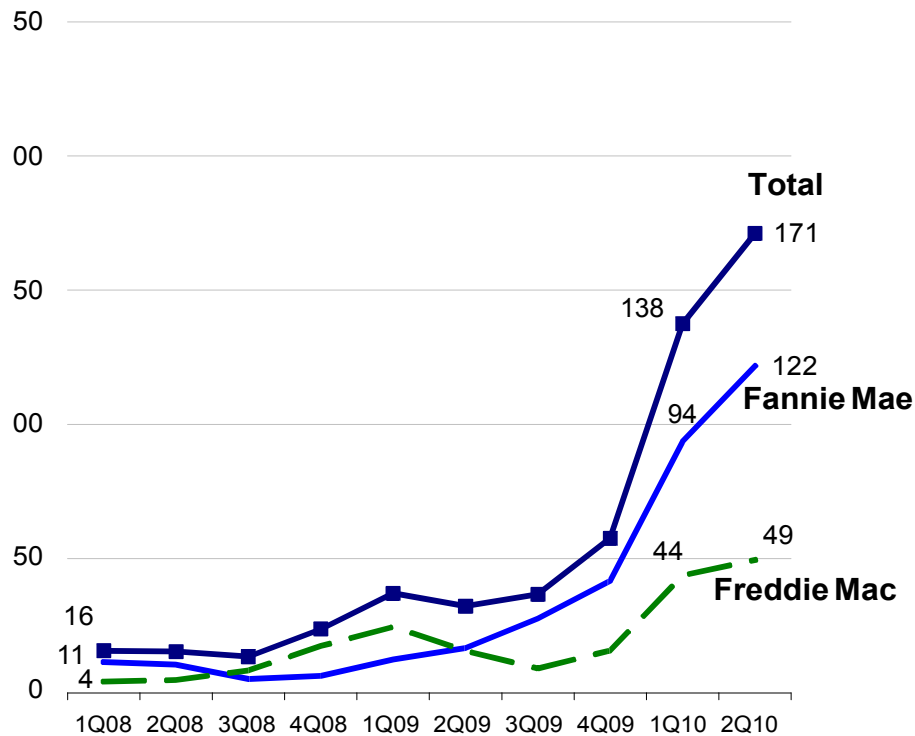
<sup>1</sup> Consists of HomeSaver Advance (Fannie Mae) and Charge-offs in lieu.

<sup>2</sup> Include loans that were 30+ days delinquent at initiation of the plan. In addition, the completed forbearance plans data has been revised to exclude HAMP.

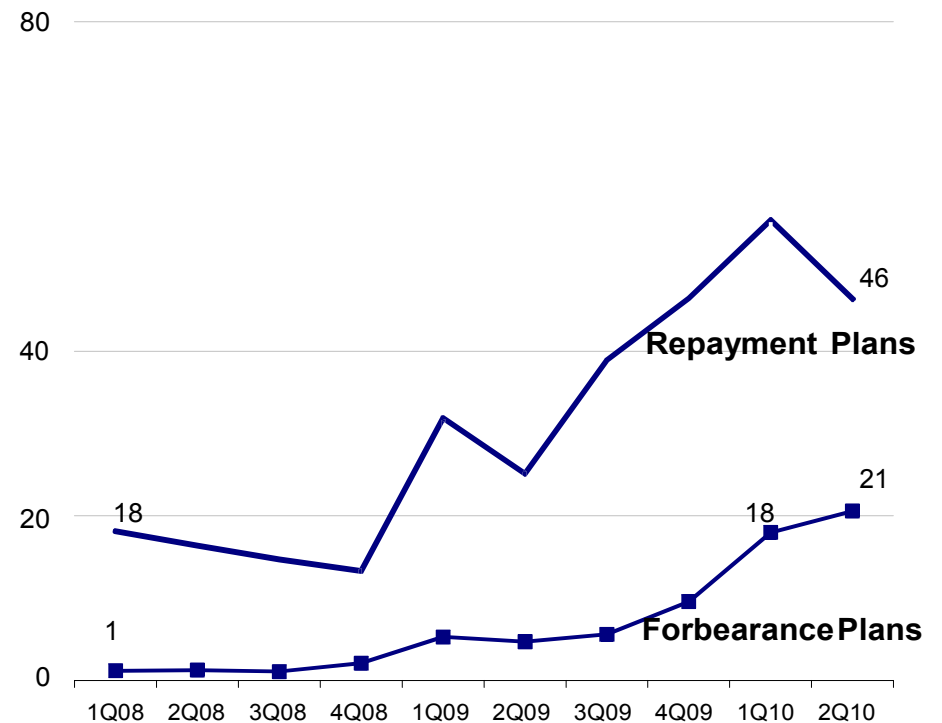
## Foreclosure Prevention Activity: Home Retention Actions

The Enterprises' completed loan modifications increased 24 percent to nearly 171,200 during the second quarter with the majority of modifications completed through HAMP. In addition, the Enterprises completed nearly 46,400 and 20,600 repayment plans and forbearance plans respectively.

**Loan Modifications Completed**  
(Number of loans in thousands)

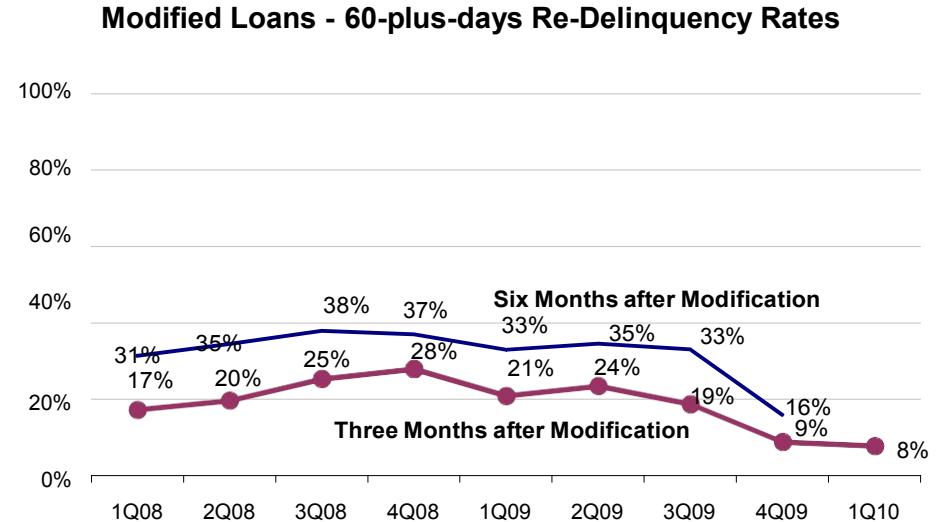
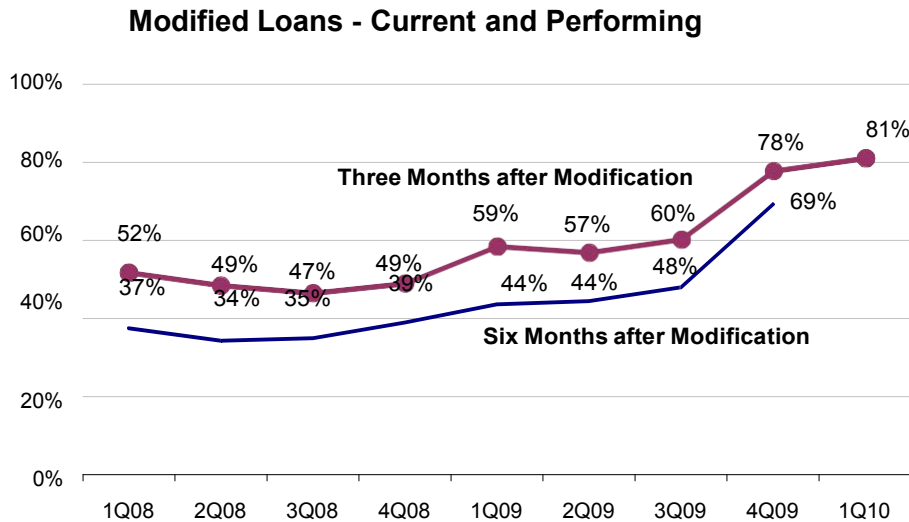
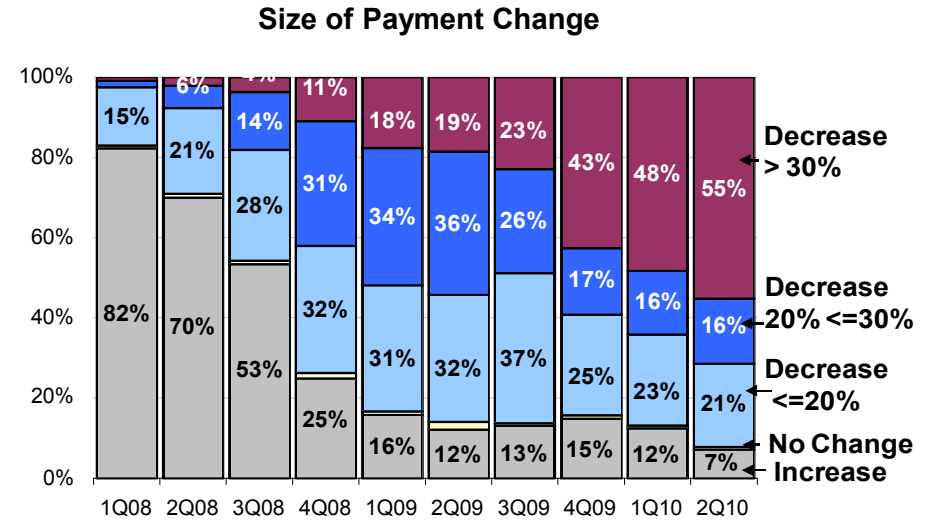
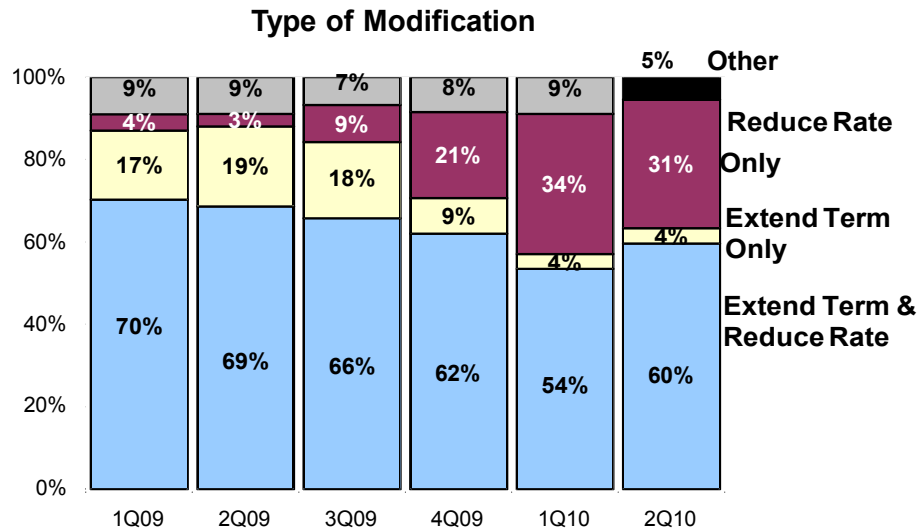


**Repayment and Forbearance Plans Completed**  
(Number of loans in thousands)

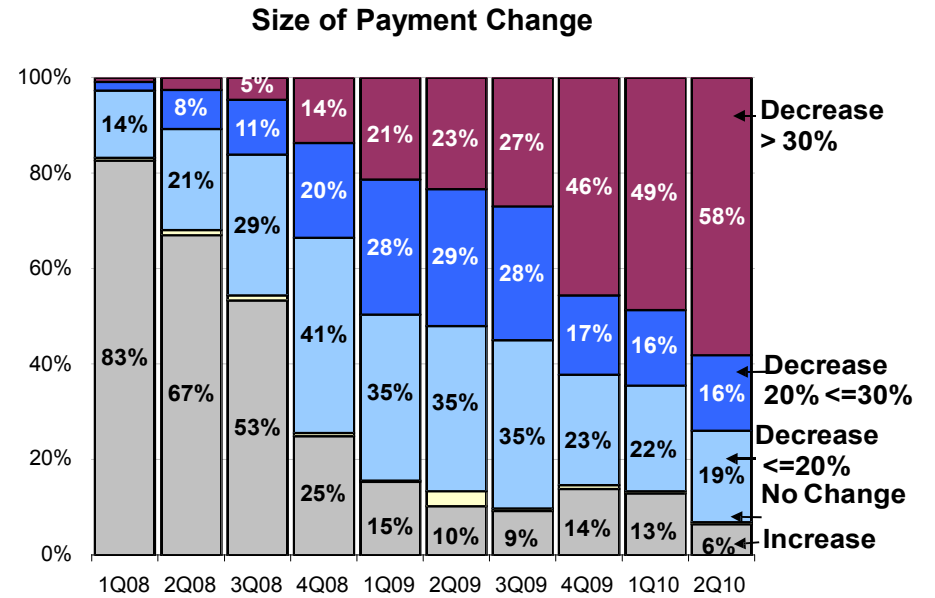
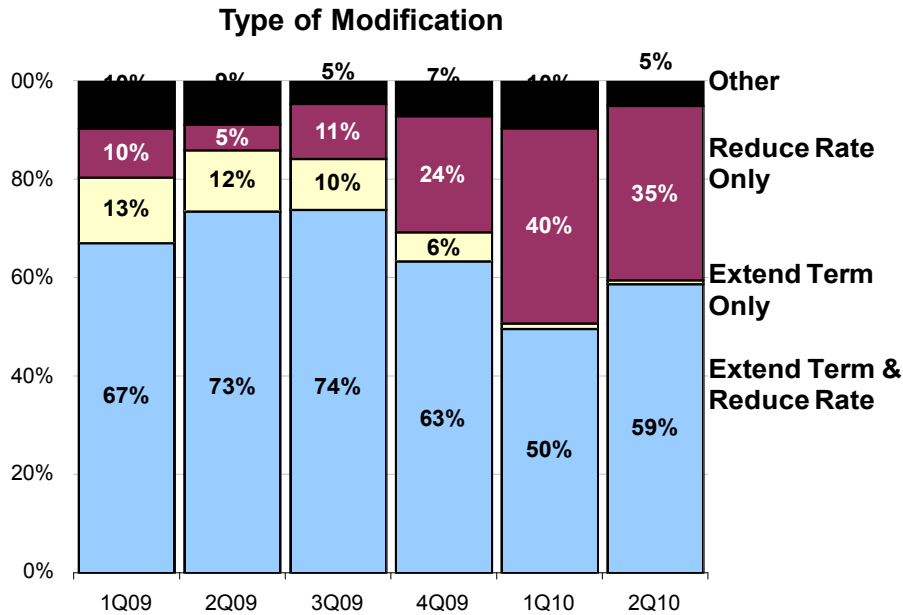


# Enterprises' Loan Modifications

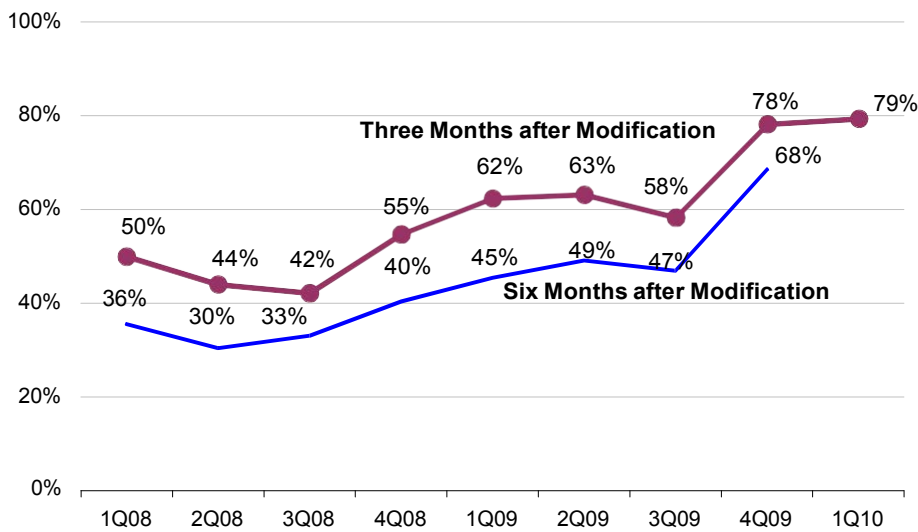
Loans modified in the last two quarters are performing substantially better three months after modification, compared to loans modified in earlier periods. The performance of modified loans is driven by the extent of payment reduction in the borrowers' monthly payments. More than a half of the borrowers that received loan modification in the second quarter of 2010 had their monthly payments lowered by over 30 percent.



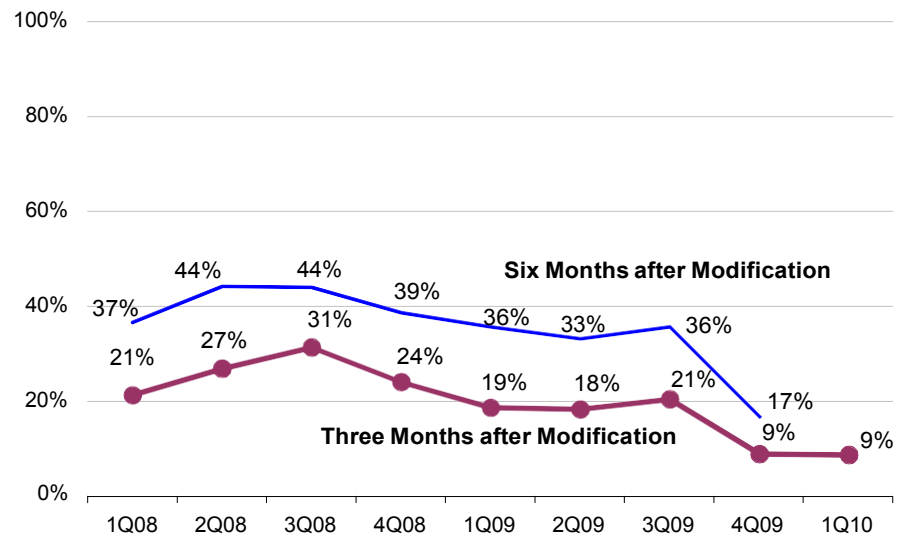
# Fannie Mae's Loan Modifications\*



### Modified Loans - Current and Performing



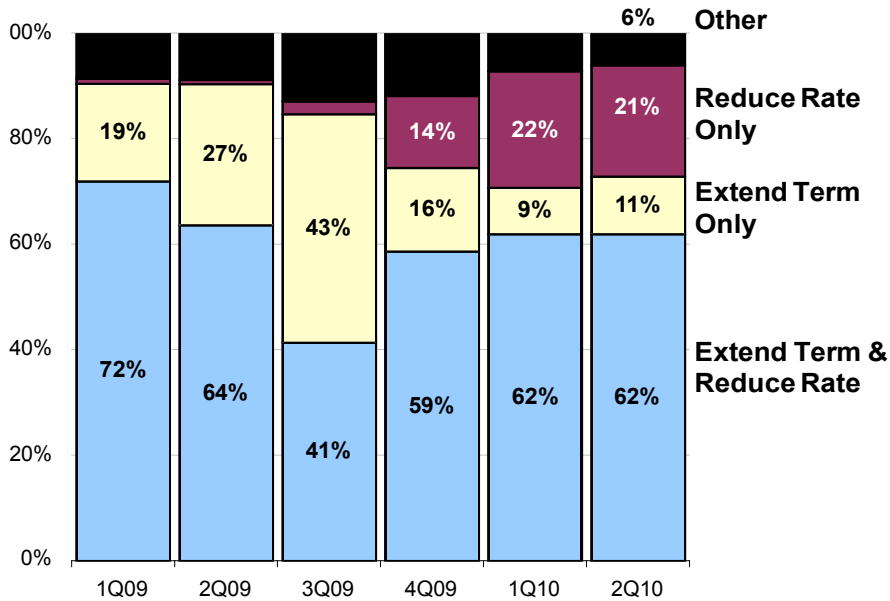
### Modified Loans - 60-plus-days Re-Delinquency Rates



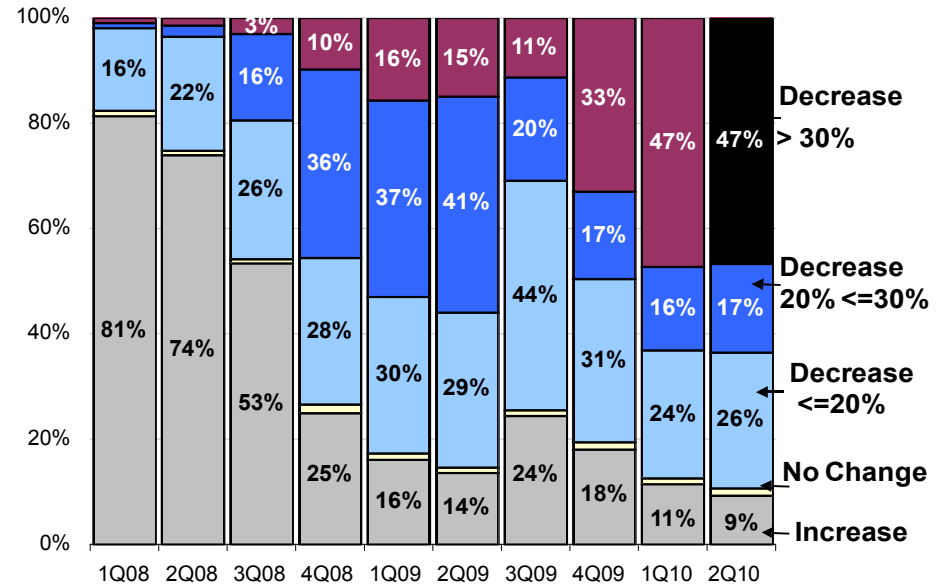
\* Modified loans data may not tie to Fannie Mae's financial statements due to timing differences in reporting systems

# Freddie Mac's Loan Modifications\*

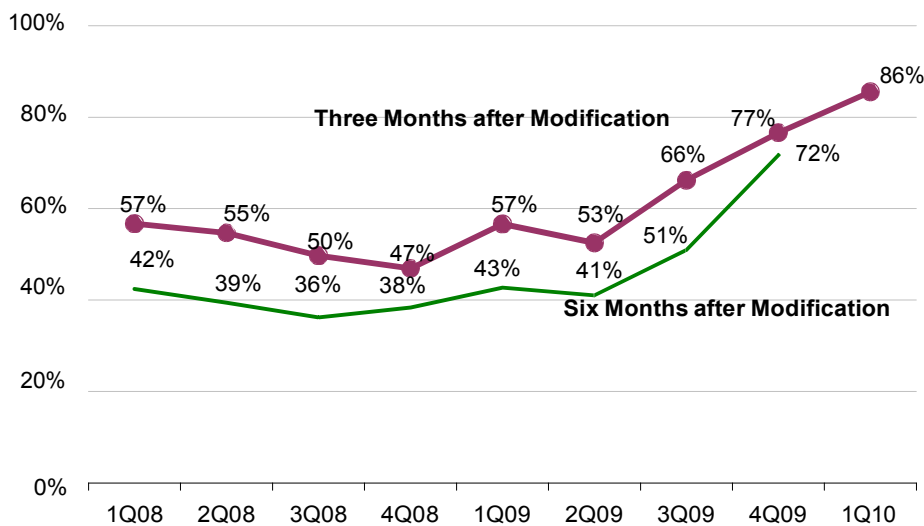
Type of Modification



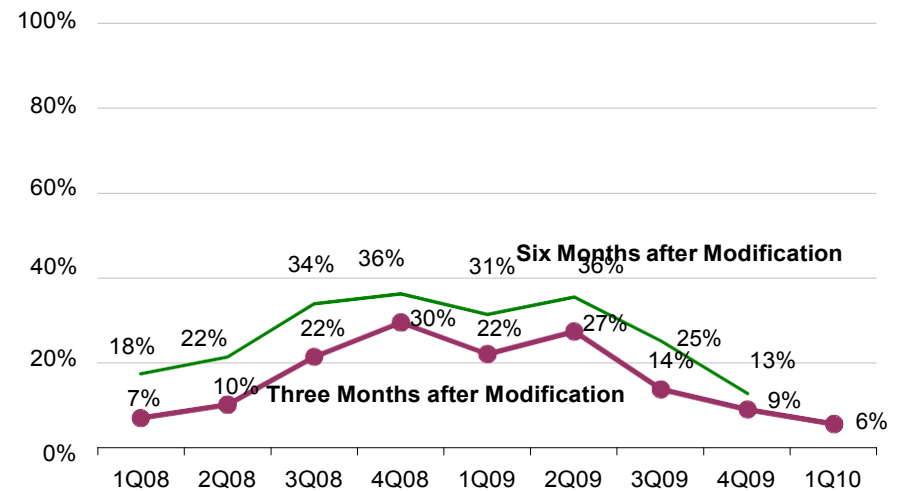
Size of Payment Change



Modification Loans - Current and Performing



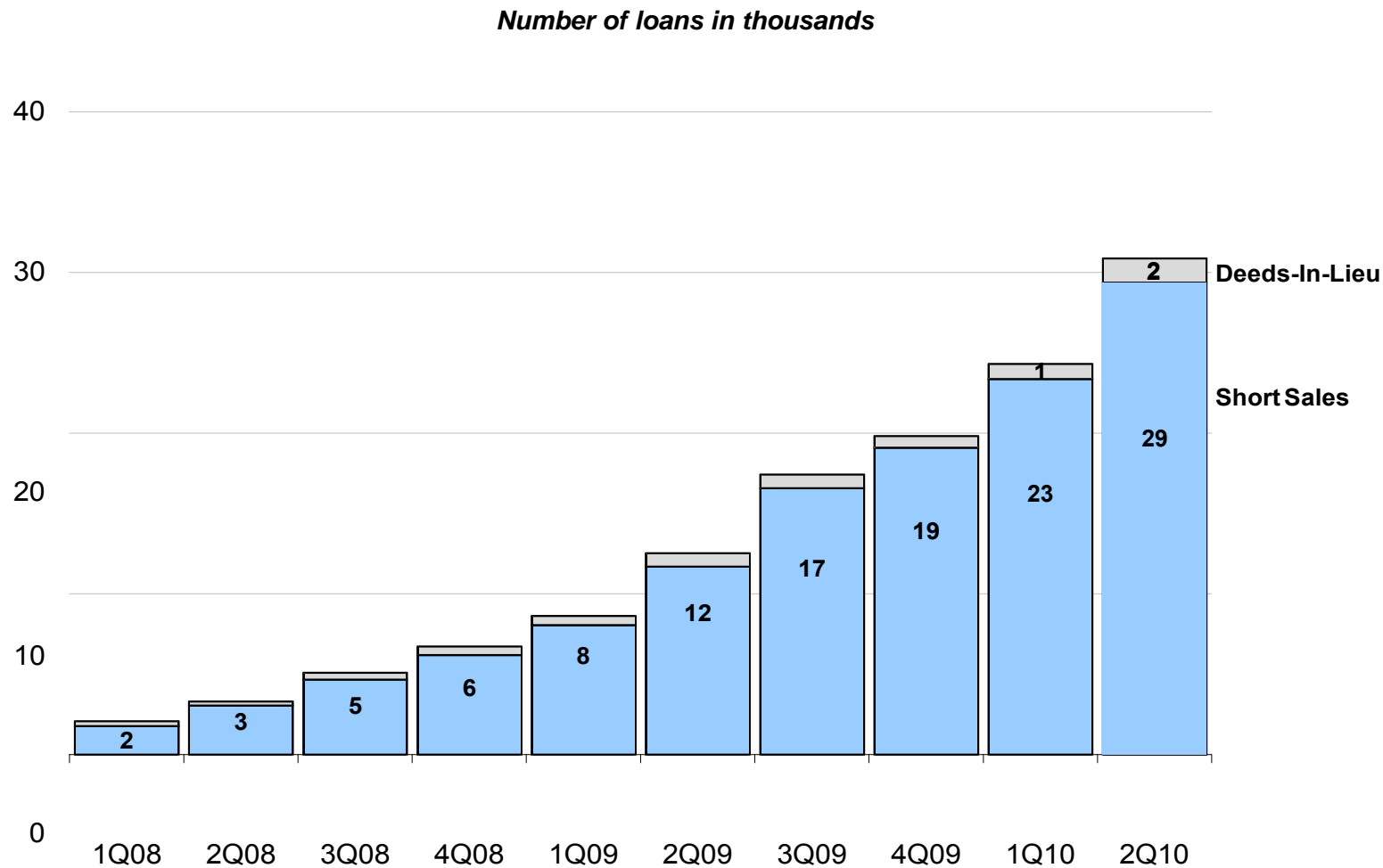
Modification Loans - 60-plus-days Re-Delinquency Rates



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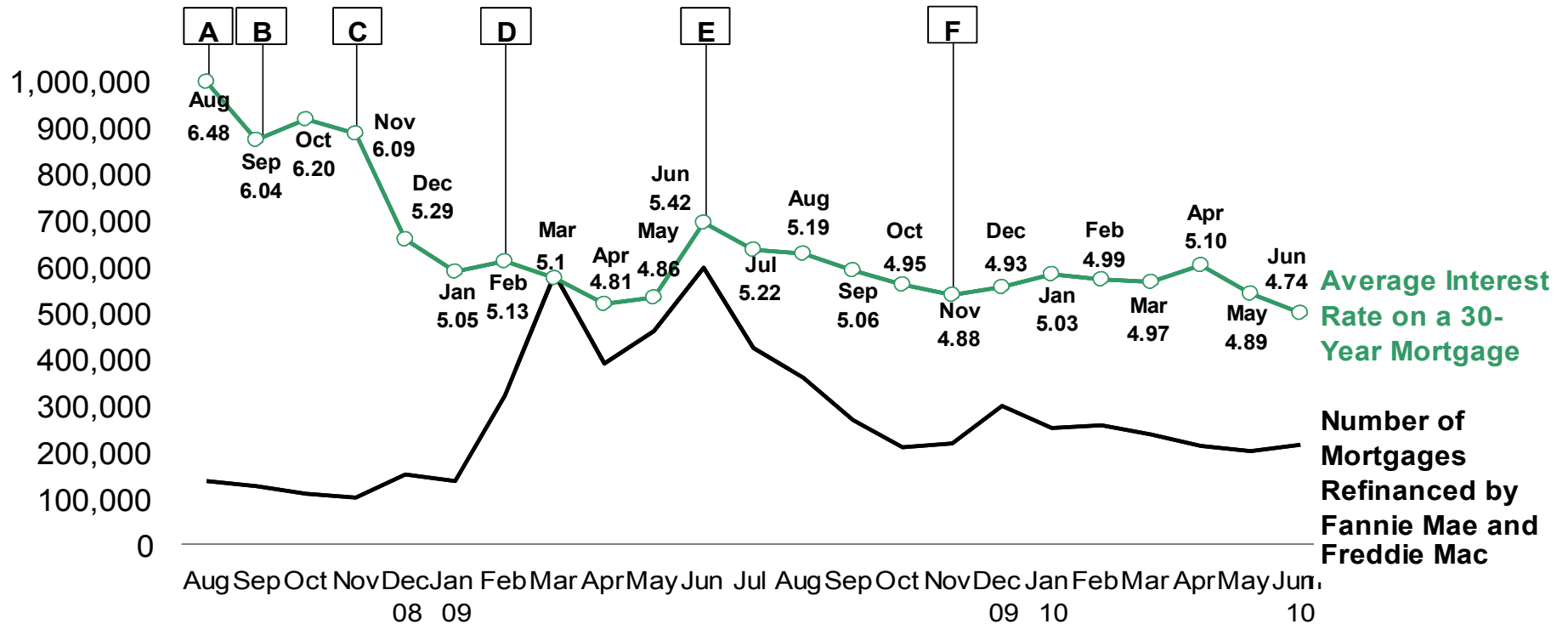
## Foreclosure Prevention Activity: Home Forfeiture Actions

Short sales and deeds-in-lieu of foreclosure increased 27 percent during the second quarter as the Enterprises continue to utilize these foreclosure alternatives to reduce foreclosure-related costs and to minimize the impact of foreclosures on borrowers, communities and neighborhoods.



## Refinance Activity

Refinance volume rose slightly in June as the rate for a 30-year mortgage fell through May. Refinance volume is strongly influenced by mortgage rates, subject to a lag driven by the time to complete the refinance process.



- A - Highest rate in 2008 for a 30-year mortgage
- B - GSEs placed into conservatorship on 09/06/08
- C - Fed announces MBS purchase program on 11/25/08
- D - Obama Administration's Making Homes Affordable announcement 02/20/09

- E - Treasury rates sharply rose and reached a 2009 high on a better than expected unemployment report in June.
- F - Treasury rates fell sharply after Dubai sought to delay sovereign debt payments.



## Refinance Activity

Fannie Mae and Freddie Mac refinanced nearly 380,000 loans under the HARP program through June 2010.

	June 2010	Year to Date	Inception to Date <sup>1</sup>
<b>Total Refinances</b>			
Fannie Mae	115,964	773,630	2,661,115
Freddie Mac	<u>98,170</u>	<u>591,935</u>	<u>1,915,698</u>
Total	214,134	1,365,565	4,576,813
<b>HARP LTV &gt;80% -105%</b>			
Fannie Mae	14,786	97,314	200,461
Freddie Mac	<u>12,337</u>	<u>81,913</u>	<u>167,023</u>
Total	27,123	179,227	367,484
<b>HARP LTV &gt;105% -125%</b>			
Fannie Mae	779	4,585	5,555
Freddie Mac	<u>1,122</u>	<u>5,736</u>	<u>6,689</u>
Total	1,901	10,321	12,244
<b>All Other Streamlined Refis</b>			
Fannie Mae	24,930	165,967	390,885
Freddie Mac	<u>14,715</u>	<u>110,621</u>	<u>193,776</u>
Total	39,645	276,588	584,661

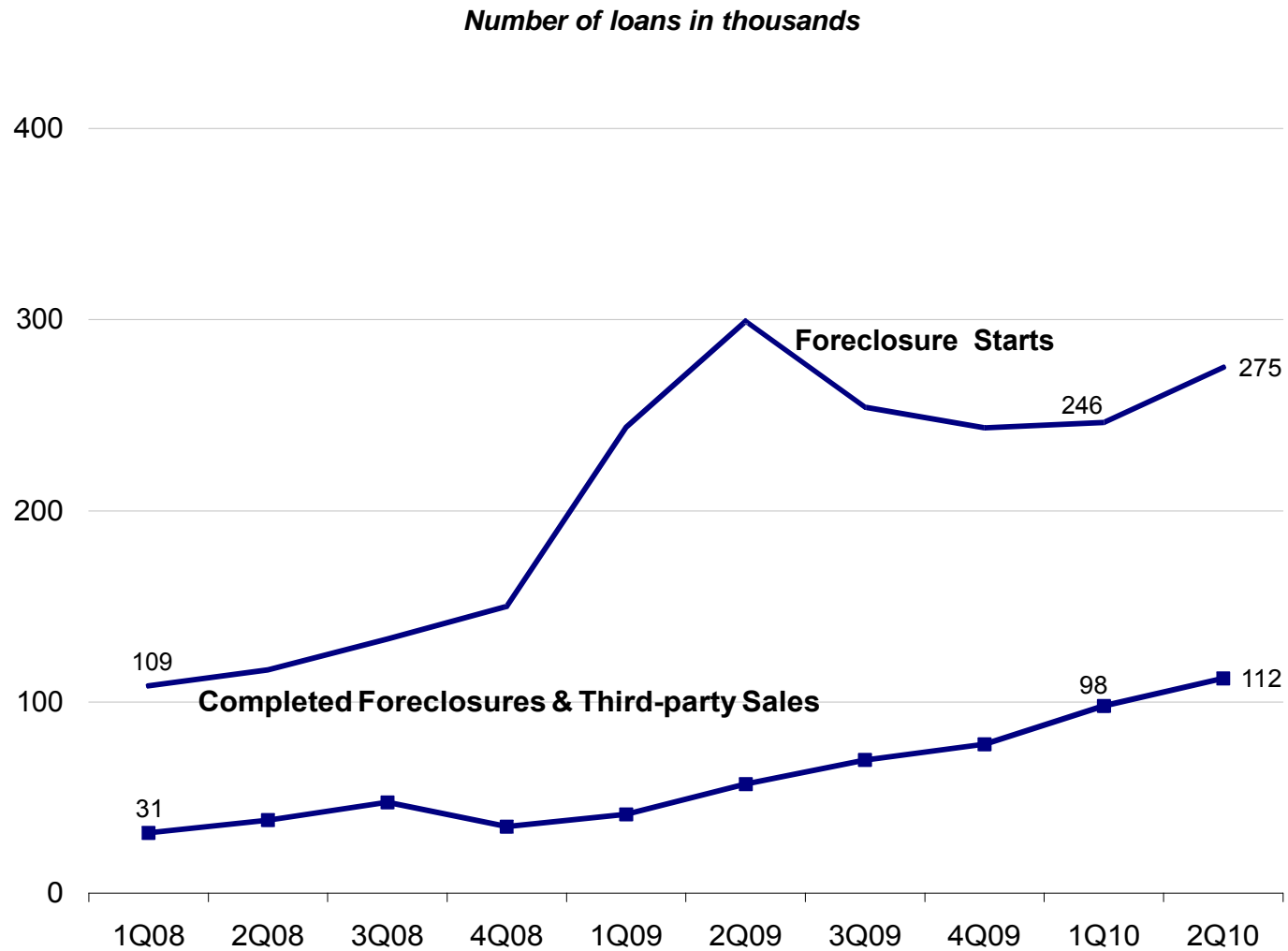
**HARP Refinance Loans** are defined as Fannie Mae to Fannie Mae and Freddie Mac to Freddie Mac first lien refinance loans with limited and no cash out that are owner occupied with LTV's over 80 to 125.

**All Other Streamlined Refis** are streamlined refinances that do not qualify as HARP refinances. Fannie Mae implements streamlined refinances through the Refi Plus product for manual underwriting and DU Refi Plus product for loans underwritten through Desktop Underwriter. The product is available for refinances of existing Fannie Mae loans only. Freddie Mac implements streamlined refinances through the Relief Refinance Mortgage product. Loans may be originated by any Freddie Mac approved servicer.

<sup>1</sup>Inception to Date - Since April 1, 2009

# Foreclosures

The Enterprises' foreclosure starts, and completed foreclosure and third-party sales increased during the second quarter.



## Appendix: Data Tables

## 1(i) Enterprises Combined - Mortgage Performance (at period end)

(# of loans in thousands)	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10
<b>Total Loans Serviced</b>	30,190	30,459	30,626	30,536	30,353	30,411	30,629	30,509	30,454	30,265
Original Credit Score >= 660	25,036	25,369	25,608	25,657	25,578	25,722	26,044	26,022	26,052	25,963
Original Credit Score < 660	5,153	5,090	5,018	4,879	4,775	4,689	4,586	4,487	4,401	4,302
<b>Total Delinquent Loans</b>					1,715	2,009	2,321	2,494	2,355	2,288
Original Credit Score >= 660					952	1,126	1,341	1,468	1,419	1,372
Original Credit Score < 660					763	882	980	1,026	936	916
<b>30 - 59 Days Delinquent</b>					615	682	734	725	609	664
Original Credit Score >= 660					316	353	404	406	345	370
Original Credit Score < 660					299	329	330	318	264	294
<b>60 - 89 Days Delinquent</b>					254	269	310	310	259	255
Original Credit Score >= 660					137	140	171	176	154	145
Original Credit Score < 660					117	129	139	135	105	110
<b>60-plus-days Delinquent</b>	445	529	678	926	1,100	1,327	1,587	1,769	1,746	1,624
Original Credit Score >= 660	214	264	345	497	636	774	937	1,061	1,074	1,001
Original Credit Score < 660	231	265	333	429	464	553	650	708	672	622

## Percent of Total Loans Serviced

<b>Total Delinquent Loans</b>					5.65%	6.61%	7.58%	8.17%	7.73%	7.56%
Original Credit Score >= 660					3.72%	4.38%	5.15%	5.64%	5.45%	5.28%
Original Credit Score < 660					15.98%	18.82%	21.37%	22.87%	21.26%	21.30%
<b>30 - 59 Days Delinquent</b>					2.03%	2.24%	2.40%	2.38%	2.00%	2.19%
Original Credit Score >= 660					1.24%	1.37%	1.55%	1.56%	1.32%	1.43%
Original Credit Score < 660					6.27%	7.02%	7.20%	7.09%	6.00%	6.84%
<b>60 - 89 Days Delinquent</b>					0.84%	0.88%	1.01%	1.02%	0.85%	0.84%
Original Credit Score >= 660					0.54%	0.55%	0.66%	0.68%	0.59%	0.56%
Original Credit Score < 660					2.46%	2.75%	3.04%	3.00%	2.39%	2.55%
<b>60-plus-days Delinquent</b>	1.47%	1.74%	2.22%	3.03%	3.62%	4.36%	5.18%	5.80%	5.73%	5.36%
Original Credit Score >= 660	0.86%	1.04%	1.35%	1.94%	2.48%	3.01%	3.60%	4.08%	4.12%	3.86%
Original Credit Score < 660	4.48%	5.21%	6.64%	8.79%	9.71%	11.80%	14.17%	15.78%	15.26%	14.46%
<b>Serious Delinquency Rate</b>	0.99%	1.18%	1.52%	2.14%	2.85%	3.52%	4.20%	4.82%	4.93%	4.58%
<b>In Bankruptcy</b>					0.29%	0.33%	0.36%	0.37%	0.39%	0.42%

## Appendix: Data Tables

## 1(ii) Fannie Mae - Mortgage Performance (at period end)

(# of loans in thousands)	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10
<b>Total Loans Serviced</b>	17,793	18,041	18,167	18,220	18,131	18,221	18,360	18,284	18,234	18,109
Original Credit Score >= 660	14,601	14,884	15,055	15,164	15,144	15,274	15,480	15,469	15,475	15,419
Original Credit Score < 660	3,192	3,157	3,112	3,056	2,987	2,947	2,879	2,816	2,759	2,691
<b>Total Delinquent Loans</b>					1,139	1,335	1,518	1,636	1,549	1,493
Original Credit Score >= 660					632	747	870	957	930	892
Original Credit Score < 660					507	588	648	679	620	602
<b>30 - 59 Days Delinquent</b>					397	438	452	453	384	424
Original Credit Score >= 660					203	225	242	250	214	233
Original Credit Score < 660					195	213	210	203	170	191
<b>60 - 89 Days Delinquent</b>					170	177	197	196	166	164
Original Credit Score >= 660					91	92	107	110	98	93
Original Credit Score < 660					79	85	90	86	68	71
<b>60-plus-days Delinquent</b>	303	359	460	625	742	897	1,066	1,183	1,166	1,070
Original Credit Score >= 660	146	180	236	336	429	522	628	707	715	659
Original Credit Score < 660	156	179	224	289	313	375	439	476	450	411

## Percent of Total Loans Serviced

<b>Total Delinquent Loans</b>					6.28%	7.33%	8.27%	8.95%	8.50%	8.25%
Original Credit Score >= 660					4.17%	4.89%	5.62%	6.19%	6.01%	5.78%
Original Credit Score < 660					16.98%	19.96%	22.51%	24.12%	22.47%	22.36%
<b>30 - 59 Days Delinquent</b>					2.19%	2.40%	2.46%	2.48%	2.10%	2.34%
Original Credit Score >= 660					1.34%	1.47%	1.57%	1.61%	1.38%	1.51%
Original Credit Score < 660					6.51%	7.24%	7.28%	7.22%	6.15%	7.09%
<b>60 - 89 Days Delinquent</b>					0.94%	0.97%	1.07%	1.07%	0.91%	0.91%
Original Credit Score >= 660					0.60%	0.60%	0.69%	0.71%	0.63%	0.60%
Original Credit Score < 660					2.66%	2.90%	3.11%	3.06%	2.47%	2.66%
<b>60-plus-days Delinquent</b>	1.70%	1.99%	2.53%	3.43%	4.09%	4.92%	5.81%	6.47%	6.39%	5.91%
Original Credit Score >= 660	1.00%	1.21%	1.57%	2.22%	2.83%	3.42%	4.05%	4.57%	4.62%	4.27%
Original Credit Score < 660	4.90%	5.66%	7.20%	9.44%	10.47%	12.72%	15.23%	16.90%	16.32%	15.27%
<b>Serious Delinquency Rate</b>	1.15%	1.36%	1.72%	2.42%	3.15%	3.94%	4.72%	5.38%	5.47%	4.99%
<b>In Bankruptcy</b>					0.33%	0.38%	0.40%	0.41%	0.42%	0.46%

## Appendix: Data Tables

## 1(iii) Freddie Mac - Mortgage Performance (at period end)

(# of loans in thousands)	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10
<b>Total Loans Serviced</b>	12,397	12,418	12,458	12,316	12,222	12,191	12,269	12,225	12,220	12,156
Original Credit Score >= 660	10,436	10,484	10,553	10,494	10,434	10,448	10,563	10,553	10,577	10,544
Original Credit Score < 660	1,961	1,933	1,906	1,822	1,788	1,742	1,706	1,672	1,642	1,612
<b>Total Delinquent Loans</b>					576	674	803	858	805	795
Original Credit Score >= 660					320	379	471	511	489	480
Original Credit Score < 660					256	294	332	347	316	315
<b>30 - 59 Days Delinquent</b>					218	244	282	272	225	241
Original Credit Score >= 660					113	128	161	157	131	138
Original Credit Score < 660					105	116	120	115	94	103
<b>60 - 89 Days Delinquent</b>					84	92	114	114	93	90
Original Credit Score >= 660					46	49	64	66	56	52
Original Credit Score < 660					38	43	50	48	37	38
<b>60-plus-days Delinquent</b>	142	170	219	301	358	430	521	586	580	554
Original Credit Score >= 660	68	84	110	161	207	251	310	354	358	343
Original Credit Score < 660	74	87	109	140	151	178	211	232	222	211
<b>Percent of Total Loans Serviced</b>										
<b>Total Delinquent Loans</b>					4.71%	5.53%	6.54%	7.02%	6.59%	6.54%
Original Credit Score >= 660					3.07%	3.63%	4.46%	4.84%	4.63%	4.55%
Original Credit Score < 660					14.31%	16.90%	19.44%	20.77%	19.24%	19.52%
<b>30 - 59 Days Delinquent</b>					1.78%	2.00%	2.30%	2.22%	1.84%	1.98%
Original Credit Score >= 660					1.09%	1.23%	1.53%	1.48%	1.24%	1.30%
Original Credit Score < 660					5.86%	6.65%	7.06%	6.87%	5.75%	6.40%
<b>60 - 89 Days Delinquent</b>					0.69%	0.76%	0.93%	0.93%	0.76%	0.74%
Original Credit Score >= 660					0.44%	0.47%	0.61%	0.62%	0.53%	0.49%
Original Credit Score < 660					2.14%	2.48%	2.91%	2.89%	2.27%	2.38%
<b>60-plus-days Delinquent</b>	1.15%	1.37%	1.75%	2.44%	2.93%	3.52%	4.24%	4.80%	4.75%	4.56%
Original Credit Score >= 660	0.65%	0.80%	1.04%	1.53%	1.98%	2.40%	2.93%	3.35%	3.39%	3.25%
Original Credit Score < 660	3.79%	4.48%	5.71%	7.69%	8.46%	10.24%	12.38%	13.90%	13.49%	13.12%
<b>Serious Delinquency Rate</b>	0.77%	0.93%	1.22%	1.72%	2.41%	2.89%	3.43%	3.98%	4.13%	3.96%
<b>In Bankruptcy</b>					0.22%	0.26%	0.30%	0.33%	0.33%	0.36%

## Appendix: Data Tables

2 Enterprises Combined - Foreclosure Prevention Actions (# of loans)<sup>1</sup>

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	YTD 2010
<b>Starts<sup>2</sup></b>											
HAMP Active Trial & Permanent - Cumulative						66,200	278,139	485,418	584,086	426,978	426,978
Repayment Plans	63,756	66,443	85,771	84,876	100,917	140,641	182,720	170,109	159,073	121,253	280,326
Forbearance Plans					49,369	121,496	291,825	335,090	221,592	110,771	332,363
<b>Completed</b>											
Repayment Plans <sup>3</sup>	18,148	16,393	14,710	13,309	31,901	25,114	38,939	46,406	55,884	46,353	102,237
Forbearance Plans <sup>3</sup>	1,198	1,279	1,099	2,116	5,304	4,727	5,607	9,589	17,991	20,585	38,576
Charge-offs in Lieu	168	156	202	273	288	496	810	653	705	756	1,461
HomeSaver Advance ( <i>Fannie</i> )	1,244	16,658	27,277	25,788	20,431	11,662	4,347	2,759	2,588	1,783	4,371
Loan Modifications	15,655	15,387	13,488	23,777	37,069	32,287	36,722	57,569	137,561	171,176	308,737
Home Retention Actions	<b>36,413</b>	<b>49,873</b>	<b>56,776</b>	<b>65,263</b>	<b>94,993</b>	<b>74,286</b>	<b>86,425</b>	<b>116,976</b>	<b>214,729</b>	<b>240,653</b>	<b>455,382</b>
Short Sales	1,776	3,062	4,674	6,192	8,054	11,705	16,586	19,102	23,379	29,375	52,754
Deeds-in-lieu	308	236	427	540	578	835	843	715	934	1,506	2,440
Nonforeclosure - Home Forfeiture Actions	<b>2,084</b>	<b>3,298</b>	<b>5,101</b>	<b>6,732</b>	<b>8,632</b>	<b>12,540</b>	<b>17,429</b>	<b>19,817</b>	<b>24,313</b>	<b>30,881</b>	<b>55,194</b>
<b>Total Foreclosure Prevention Actions</b>	<b>38,497</b>	<b>53,171</b>	<b>61,877</b>	<b>71,995</b>	<b>103,625</b>	<b>86,826</b>	<b>103,854</b>	<b>136,793</b>	<b>239,042</b>	<b>271,534</b>	<b>510,576</b>

## Percent of Total Foreclosure Prevention Actions

Repayment Plans	47%	31%	24%	18%	31%	29%	37%	34%	23%	17%	20%
Forbearance Plans	3%	2%	2%	3%	5%	5%	5%	7%	8%	8%	8%
Charge-offs in Lieu	0%	0%	0%	0%	0%	1%	1%	0%	0%	0%	0%
HomeSaver Advance ( <i>Fannie</i> )	3%	31%	44%	36%	20%	13%	4%	2%	1%	1%	1%
Loan Modifications	41%	29%	22%	33%	36%	37%	35%	42%	58%	63%	60%
Home Retention Actions	<b>95%</b>	<b>94%</b>	<b>92%</b>	<b>91%</b>	<b>92%</b>	<b>86%</b>	<b>83%</b>	<b>86%</b>	<b>90%</b>	<b>89%</b>	<b>89%</b>
Short Sales	5%	6%	8%	9%	8%	13%	16%	14%	10%	11%	10%
Deeds-in-lieu	1%	0%	1%	1%	1%	1%	1%	1%	0%	1%	0%
Nonforeclosure - Home Forfeiture Actions	<b>5%</b>	<b>6%</b>	<b>8%</b>	<b>9%</b>	<b>8%</b>	<b>14%</b>	<b>17%</b>	<b>14%</b>	<b>10%</b>	<b>11%</b>	<b>11%</b>

<sup>1</sup> The number of foreclosure prevention actions reported in this table may not tie to the Enterprises' financial statements due to timing differences in reporting systems.<sup>2</sup> Forbearance plans initiated include HAMP trials initiated by servicers under the MHA program. In addition, starting in August, forbearance plans initiated include Fannie Mae's HomeSaver forbearance plans. HAMP trial modifications are based on the first trial payment posted date. HAMP permanent modifications are based on the effective date of modification. As of June 30, 2010, Fannie Mae had completed nearly 137,700 HAMP permanent modifications and Freddie Mac had completed nearly 86,900 HAMP permanent modifications.<sup>3</sup> Include loans that were 30+ days delinquent at initiation of the plan. In addition, the completed forbearance plans data has been revised to exclude HAMP.

**Appendix: Data Tables****3(i) Enterprises Combined - Loan Modifications**

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	YTD 2010
<b>Loan Modifications (# of loans)</b>	15,655	15,387	13,488	23,777	37,069	32,287	36,722	57,569	137,561	171,176	308,737
<b>Principal and Interest Change (%)</b>											
Increase	82%	70%	53%	25%	16%	12%	13%	15%	12%	7%	9%
No Change	1%	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%
Decrease <=20%	15%	21%	28%	32%	31%	32%	37%	25%	23%	21%	22%
Decrease 20% <=30%	2%	6%	14%	31%	34%	36%	26%	17%	16%	16%	16%
Decrease > 30%	1%	2%	4%	11%	18%	19%	23%	43%	48%	55%	53%
<b>Type of Modifications (%)</b>											
Extend Term Only					17%	19%	18%	9%	4%	4%	4%
Reduce Rate Only					4%	3%	9%	21%	34%	31%	33%
Extend Term and Reduce Rate*					70%	69%	66%	62%	54%	60%	57%
Other					9%	9%	7%	8%	9%	5%	7%
<b>60+ Days Re-Delinquency (%)</b>											
3 Months after Modification	17%	20%	25%	28%	21%	24%	19%	9%	8%		
6 Months after Modification	31%	35%	38%	37%	33%	35%	33%	16%			
9 Months after Modification	39%	41%	42%	42%	40%	39%	36%				

\* Includes extend term, reduce rate and forbear principal.

## Appendix: Data Tables

## 3(ii) Fannie Mae - Loan Modifications

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	YTD 2010
<b>Loan Modifications (# of loans)</b>	11,409	10,560	5,173	6,314	12,446	16,684	27,686	41,753	93,756	121,693	215,449
<b>Principal and Interest Change (%)</b>											
Increase	83%	67%	53%	25%	15%	10%	9%	14%	13%	6%	9%
No Change	1%	1%	1%	1%	0%	3%	1%	1%	0%	0%	0%
Decrease <=20%	14%	21%	29%	41%	35%	35%	35%	23%	22%	19%	20%
Decrease 20% <=30%	2%	8%	11%	20%	28%	29%	28%	17%	16%	16%	16%
Decrease > 30%	1%	3%	5%	14%	21%	23%	27%	46%	49%	58%	55%
<b>Type of Modifications (%)</b>											
Extend Term Only					13%	12%	10%	6%	1%	1%	1%
Reduce Rate Only					10%	5%	11%	24%	40%	35%	37%
Extend Term and Reduce Rate*					67%	73%	74%	63%	50%	59%	55%
Other					10%	9%	5%	7%	10%	5%	7%
<b>60+ Days Re-Delinquency (%)</b>											
3 Months after Modification	21%	27%	31%	24%	19%	18%	21%	9%	9%		
6 Months after Modification	37%	44%	44%	39%	36%	33%	36%	17%			
9 Months after Modification	47%	51%	52%	50%	47%	41%	39%				

\* Includes extend term, reduce rate and forbear principal.



## Appendix: Data Tables

## 3(iii) Freddie Mac - Loan Modifications

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	YTD 2010
<b>Loan Modifications (# of loans)</b>	4,246	4,827	8,315	17,463	24,623	15,603	9,036	15,816	43,805	49,483	93,288
<b>Principal and Interest Change (%)</b>											
Increase	81%	74%	53%	25%	16%	14%	24%	18%	11%	9%	10%
No Change	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%
Decrease <=20%	16%	22%	26%	28%	30%	29%	44%	31%	24%	26%	25%
Decrease 20% <=30%	1%	2%	16%	36%	37%	41%	20%	17%	16%	17%	16%
Decrease > 30%	1%	1%	3%	10%	16%	15%	11%	33%	47%	47%	47%
<b>Type of Modifications (%)</b>											
Extend Term Only					19%	27%	43%	16%	9%	11%	10%
Reduce Rate Only					1%	1%	2%	14%	22%	21%	22%
Extend Term and Reduce Rate*					72%	64%	41%	59%	62%	62%	62%
Other					9%	9%	13%	12%	7%	6%	7%
<b>60+ Days Re-Delinquency (%)</b>											
3 Months after Modification	7%	10%	22%	30%	22%	27%	14%	9%	6%		
6 Months after Modification	18%	22%	34%	36%	31%	36%	25%	13%			
9 Months after Modification	21%	27%	36%	39%	36%	38%	28%				

\* Includes extend term, reduce rate and forbear principal.

## Appendix: Data Tables

## 4 Enterprises Combined - Home Forfeiture Actions (# of loans)

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	YTD 2010
Short Sales	1,776	3,062	4,674	6,192	8,054	11,705	16,586	19,102	23,379	29,375	52,754
Deeds-in-lieu	308	236	427	540	578	835	843	715	934	1,506	2,440
<b>Nonforeclosure - Home Forfeiture Actions*</b>	<b>2,084</b>	<b>3,298</b>	<b>5,101</b>	<b>6,732</b>	<b>8,632</b>	<b>12,540</b>	<b>17,429</b>	<b>19,817</b>	<b>24,313</b>	<b>30,881</b>	<b>55,194</b>
Third-party Sales	1,939	2,052	2,170	1,571	1,467	2,789	4,263	4,908	5,171	7,856	13,027
Foreclosure Sales	29,548	36,093	45,277	33,233	39,733	54,236	65,375	72,989	92,760	104,497	197,257
<b>Third-party &amp; Foreclosure Sales</b>	<b>31,487</b>	<b>38,145</b>	<b>47,447</b>	<b>34,804</b>	<b>41,200</b>	<b>57,025</b>	<b>69,638</b>	<b>77,897</b>	<b>97,931</b>	<b>112,353</b>	<b>210,284</b>
Foreclosure Starts	108,520	116,843	132,909	149,981	243,824	299,208	254,168	243,485	246,273	275,095	521,368
<b>Top Five Reasons for Delinquency</b>											
Curtailment of Income					35%	40%	40%	41%	47%	48%	
Excessive obligations					19%	18%	16%	13%	13%	14%	
Unemployment					8%	9%	8%	8%	8%	8%	
Illness of principal mortgagor or family member					6%	6%	5%	5%	5%	5%	
Marital Difficulties					3%	3%	3%	3%	3%	3%	

\* Short sales and deeds in lieu of foreclosure completed.

## Appendix: Data Tables

## 5 Fannie Mae and Freddie Mac - Refinance Volume (# of loans)

	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
<b>Total Refinances</b>													
Fannie Mae	356,927	264,802	193,814	167,958	121,997	124,644	170,612	141,202	146,909	128,917	121,997	118,641	115,964
Freddie Mac	236,818	158,182	164,875	98,048	86,796	92,498	126,134	107,589	107,436	106,861	89,650	82,229	98,170
Total	593,745	422,984	358,689	266,006	208,793	217,142	296,746	248,791	254,345	235,778	211,647	200,870	214,134
<b>HARP LTV &gt;80% -105%</b>													
Fannie Mae		16,032	15,295	14,781	10,425	11,623	18,771	15,519	18,068	18,746	15,136	15,059	14,786
Freddie Mac	10,026	14,577	16,846	8,684	7,136	9,087	14,576	14,751	15,668	14,040	13,396	11,721	12,337
Total	22,557	30,609	32,141	23,465	17,561	20,710	33,347	30,270	33,736	32,786	28,532	26,780	27,123
<b>HARP LTV &gt;105% -125%</b>													
Fannie Mae		1		36	129	283	521	626	685	794	809	892	779
Freddie Mac					106	257	590	716	868	924	1,117	989	1,122
Total		1		36	235	540	1,111	1,342	1,553	1,718	1,926	1,881	1,901
<b>All Other Streamlined Refis</b>													
Fannie Mae	41,757	38,627	27,857	23,420	16,539	19,342	30,900	26,659	32,091	29,125	26,153	27,009	24,930
Freddie Mac	9,343	9,543	11,927	7,563	7,965	12,214	19,616	21,254	22,331	17,055	18,989	16,277	14,715
Total	51,100	48,170	39,784	30,983	24,504	31,556	50,516	47,913	54,422	46,180	45,142	43,286	39,645

## Notes:

**HARP Refinance Loans** are defined as Fannie Mae to Fannie Mae and Freddie Mac to Freddie Mac first lien refinance loans with limited and no cash out that are owner occupied with LTV's over 80 to 125.

**All Other Streamlined Refis** are streamlined refinances that do not qualify as HARP >80% - 125% refinances. Fannie Mae implements streamlined refinances through the Refi Plus product for manual underwriting and DU Refi Plus product for loans underwritten through Desktop Underwriter. The product is available for refinances of existing Fannie Mae loans only. Freddie Mac implements streamlined refinances through the Relief Refinance Mortgage product. Loans may be originated by any Freddie Mac approved servicer.

FHFA produces monthly and quarterly versions of the Foreclosure Prevention and Refinance Report. In addition to the data provided in the monthly reports, the quarterly reports includes the following information: MHA program updates; benchmarking of the Enterprises' delinquency rates; the type and depth of loan modifications; and the performance of modified loans.

## Glossary

Data and definitions in this report have been revised relative to prior versions of the report. FHFA continues to work with the Enterprises to improve the comparability of reported data.

### Section 1: Mortgage Performance

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

**Current and Performing** - Loans that are making timely payments and are 0 months delinquent as of the reporting month.

**Total Delinquent Loans** - Loans that are at least one payment past due, i.e., total servicing *minus* current and performing.

**30-59 Days Delinquent** - Includes loans that are only one payment delinquent.

**60-89 Days Delinquent** - Includes loans that are only two payments delinquent.

**60-plus-days Delinquent** - Loans that are two or more payments delinquent, including loans in relief, in the process of foreclosure, or in the process of bankruptcy, i.e., total servicing *minus* current and performing, and 30 to 59 days delinquent loans. Our calculation may exclude loans in bankruptcy process that are less than 60 days delinquent.

**Serious Delinquency** - All loans in the process of foreclosure *plus* loans that are three or more payments delinquent (including loans in the process of bankruptcy).

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

### 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** - An agreement between the servicer and a borrower that gives the borrower a defined period of time to reinstate the mortgage by paying normal regular payments plus an additional agreed upon amount in repayment of the delinquency.

**Forbearance Plans** - An agreement between the servicer and the borrower (or estate) to reduce or suspend monthly payments for a defined period of time after which borrower resumes regular monthly payments and pays additional money toward the delinquency to bring the account current or works with the servicer to identify a permanent solution, such as loan modification or short sale, to address 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). The 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.

**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).

**Nonforeclosure-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 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.

**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 Modifications

**Increase** - Principal and interest after modification is higher than before the modification.

**No Increase** - Original principal and interest is unchanged after the modifications.

**Decrease <=20%** - Original principal and interest is decreased by 20 percent or less after modification.

**Decrease >20%** - Original principal and interest is decreased by more than 20 percent after modification.

**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.