



# Federal Housing Finance Agency

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

Telephone: (202) 414-3800

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

June 6, 2011

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 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 Enterprise losses by preventing avoidable foreclosures through loan modification and mortgage refinances remains a top priority at FHFA. We continue to explore ways to maximize assistance for homeowners and minimize preventable foreclosures consistent with the intent of EESA.

Sincerely,

Peter Brereton  
Associate Director for Congressional Affairs

Attachments



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June 6, 2011

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

Dear Chairman Johnson:

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June 6, 2011

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

Dear Chairman 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 (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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June 6, 2011

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

Dear Ranking Member 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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Peter Brereton  
Associate Director for Congressional Affairs

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# Federal Housing Finance Agency

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## Foreclosure Prevention & Refinance Report First Quarter 2011

### 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 March 2011.

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## First Quarter 2011 Highlights

### The Enterprises' Completed Foreclosure Prevention Actions:

- The Enterprises have completed more than 1.6 million foreclosure prevention actions since the first full quarter in conservatorship (4Q08). More than half of these actions were loan modifications.
- Completed foreclosure prevention actions declined for the third consecutive quarter, driven primarily by decreases in loan modifications and repayment plans.
- Loans modified in 2010 continued to perform substantially better compared to loans modified in earlier periods for two primary reasons: 1) Loan modifications in 2010 resulted in deeper payment reductions for a greater proportion of borrowers than in earlier periods and, 2) the majority of completed loan modifications in 2010 required successful completion of a trial period prior to permanent modification.

### The Enterprises' Mortgage Performance:

- Mortgage performance continues to improve as early stage and serious delinquency rates declined during the first quarter of 2011.
- The Enterprises' delinquency rates remain below industry levels.

### The Enterprises' Foreclosures:

- In the first quarter, foreclosure starts declined while completed third-party and foreclosure sales increased.

Foreclosure Prevention & Refinance Activities		
	4Q10	1Q11
HAMP Active Trials	77,396	63,987
HAMP Permanent - Cumulative	284,114	320,462
HARP - Cumulative	621,809	752,013
<b>Completed Foreclosure Prevention Actions</b>		
Loan Modifications *	119,778	86,201
Repayment Plans	49,753	44,827
Forbearance Plans	10,585	12,601
Charge-offs In Lieu	665	348
HomeSaver Advance ( <i>Fannie</i> )	26	-
<b>Home Retention Actions</b>	<b>180,807</b>	<b>143,977</b>
Short Sales	25,734	25,705
Deeds-in-lieu	1,875	1,849
<b>Home Forfeiture Actions</b>	<b>27,609</b>	<b>27,554</b>
<b>TOTAL</b>	<b>208,416</b>	<b>171,531</b>

\* Includes HAMP permanent modifications

Mortgage Performance (at period end)		
	4Q10	1Q11
<i>(# of loans in thousands)</i>		
30-59 Days Delinquent	659	553
60-plus-days Delinquent	1,488	1,382
Serious Delinquent*	1,256	1,197
Foreclosure Starts	310	260
Third-party & Foreclosure Sales	77	88
<i>(Percent of total loans serviced)</i>		
30-59 Days Delinquent	2.22%	1.86%
60-plus-days Delinquent	5.01%	4.64%
Serious Delinquent*	4.23%	4.02%

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

# Making Home Affordable Program - Status Update

## Home Affordable Modification Program (HAMP)

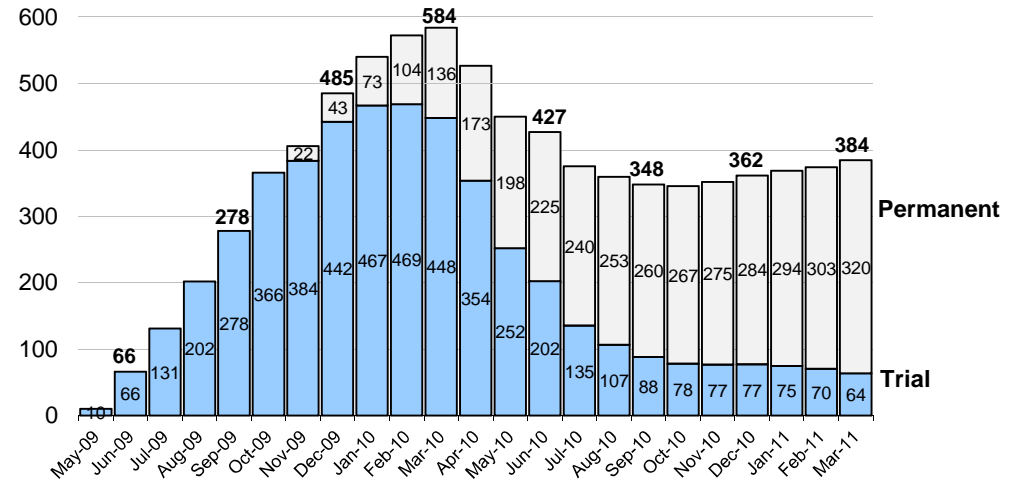
- Announced March 4, 2009.
- Allows a borrower's payment to be reduced to an affordable amount through an interest rate reduction (down to 2 percent), a term extension (up to 480 months), or principal forbearance. Incentives are being offered to borrowers, servicers, and investors for program participation and a successful payment history.
- More than 36,300 HAMP trials transitioned to permanent modifications during the first quarter, bringing the total number of active HAMP permanent modifications to nearly 320,500, an increase of 13 percent from the fourth quarter.
- Nearly 64,000 borrowers were in a HAMP trial period at the end of the quarter, down from 77,400 at the end of the fourth quarter. The decline was due to conversions to permanent modifications, and declining intake into trial modifications due to the pre-trial income documentation requirements.

## 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 Enterprises' cumulative HARP refinancings increased 21 percent during the first quarter to approximately 752,000 loans.
- Monthly HARP volume decreased from December to March as interest rates rose. The HARP percentage of total refinance volume rose as the benefits of the program partially offset the effect of higher rates.

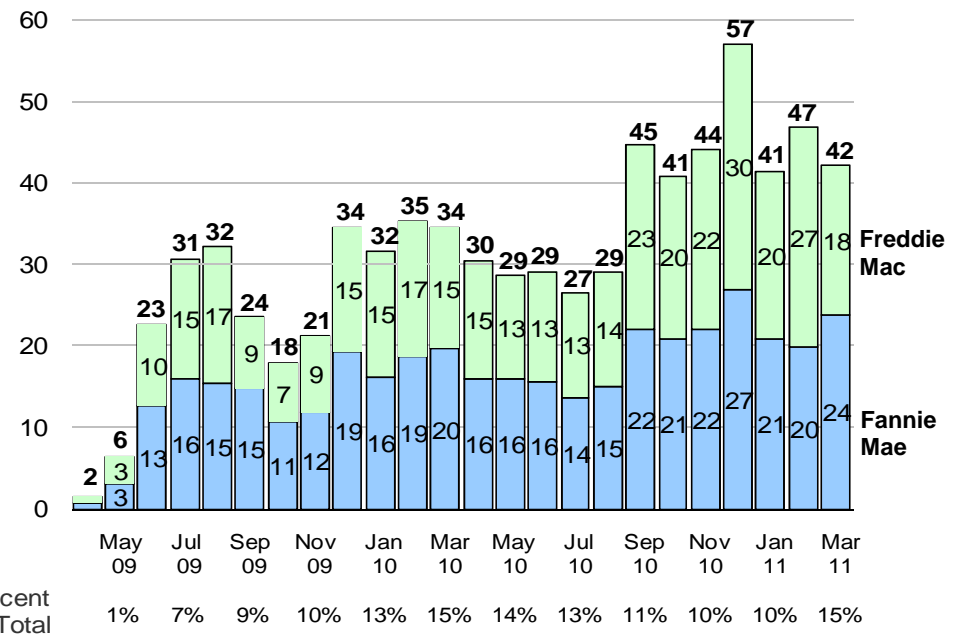
\* HAMP trial modifications are based on the first trial payment posted date. HAMP permanent modifications are based on the effective date of modification.

**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.

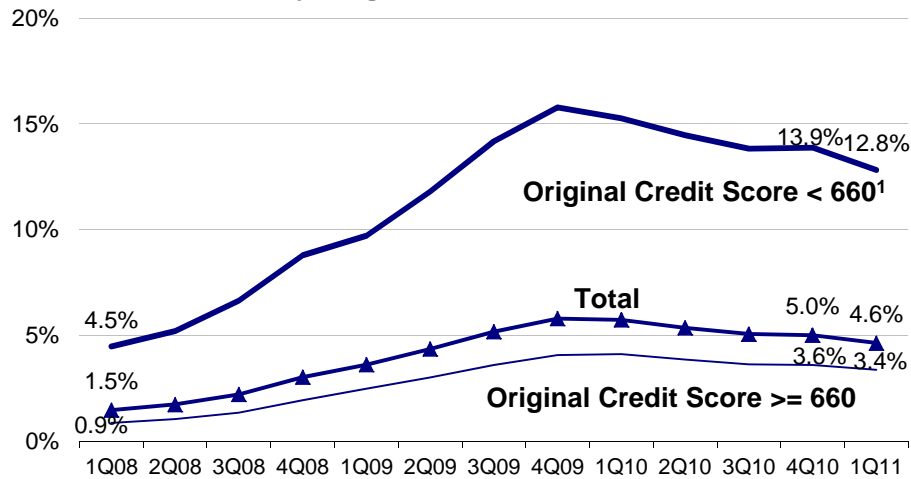
**HARP Refinance, Monthly Volume**  
(Number of loans in thousands)



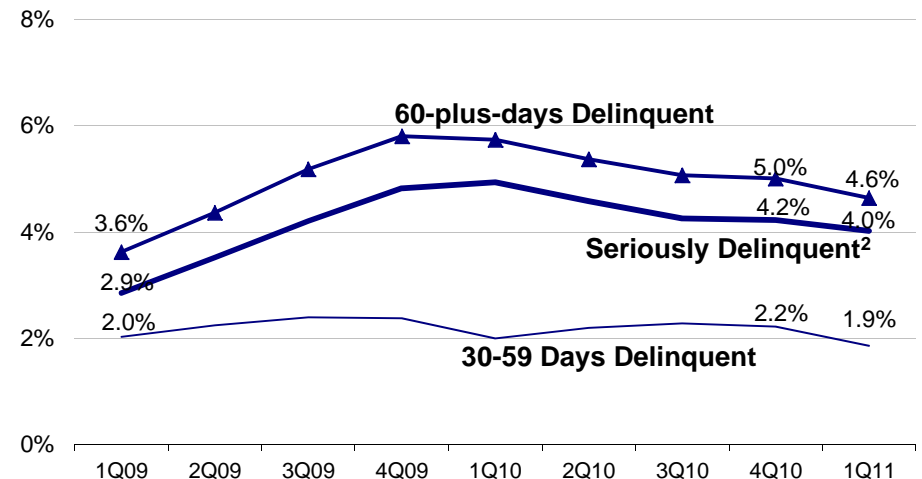


# Mortgage Performance

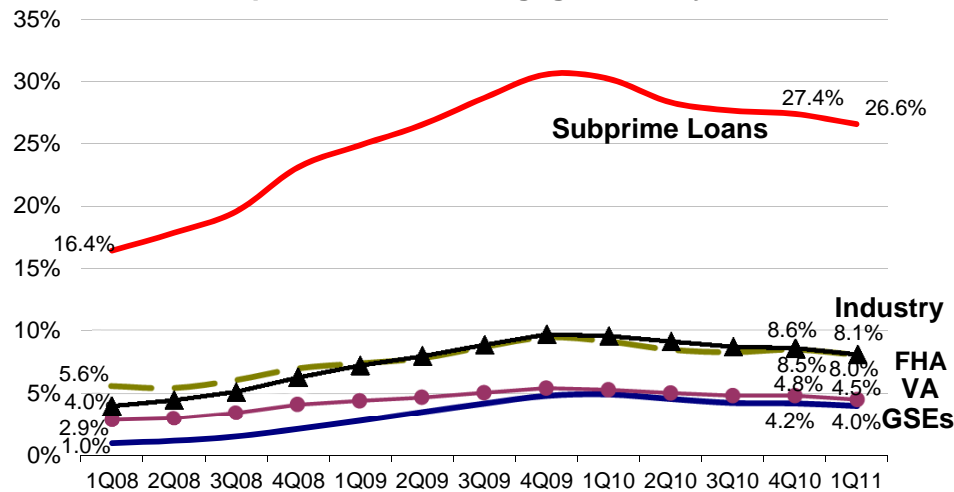
**Enterprises' 60-plus-days Delinquency Rates by Original Credit Score**



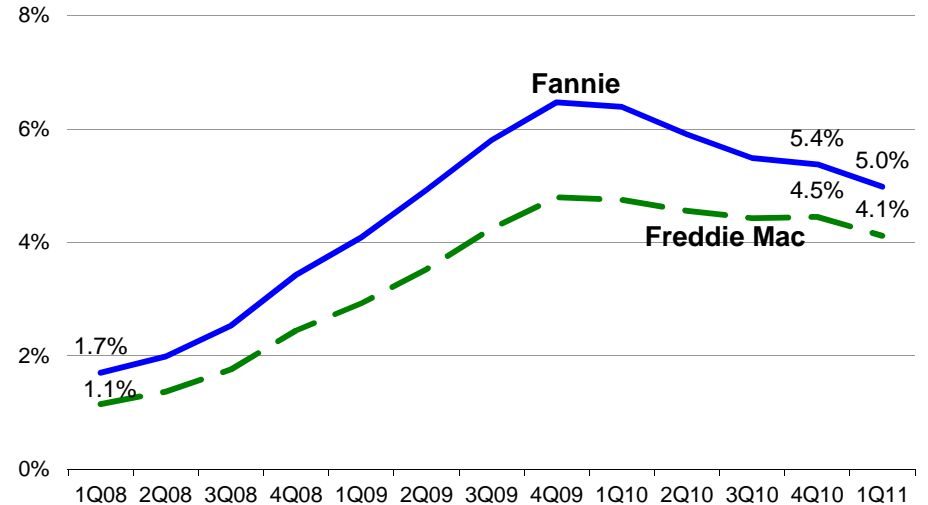
**Enterprises' Mortgage Delinquency Rates**



**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 - Fourth 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

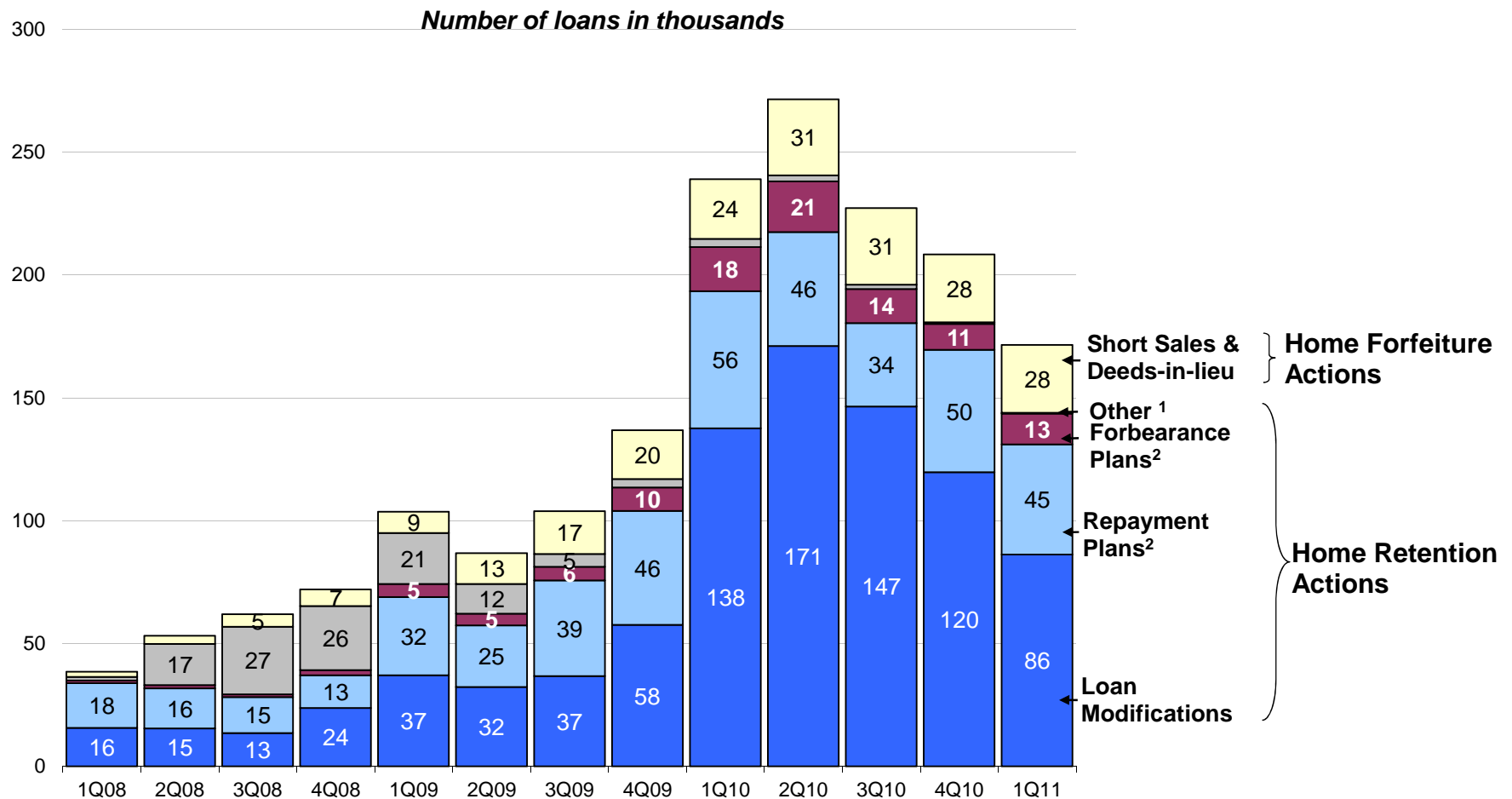
Since the fourth quarter of 2008, the first full quarter in which the Enterprises were in conservatorship, completed foreclosure prevention actions total 1,620,929. The majority of the actions were loan modifications, which involved restructuring of the original terms of a loan with the aim of curing the delinquency.

<i>(Completed Actions)</i>	Full Year 2008	Full Year 2009	Full Year 2010	YTD Mar-11	Conservatorship to Date <sup>1</sup>
<b>Home Retention Actions</b>					
Repayment Plans	62,560	142,360	185,954	44,827	386,450
Forbearance Plans	5,692	25,227	63,024	12,601	102,968
Charge-offs in Lieu	799	2,247	3,118	348	5,986
HomeSaver Advance ( <i>Fannie</i> )	70,967	39,199	5,191	-	70,178
Loan Modifications	<u>68,307</u>	<u>163,647</u>	<u>575,022</u>	<u>86,201</u>	<u>848,647</u>
<b>Total</b>	<b>208,325</b>	<b>372,680</b>	<b>832,309</b>	<b>143,977</b>	<b>1,414,229</b>
<b>Nonforeclosure - Home Forfeiture Actions</b>					
Short Sales	15,704	55,447	107,953	25,705	195,297
Deeds-in-lieu	<u>1,511</u>	<u>2,971</u>	<u>6,043</u>	<u>1,849</u>	<u>11,403</u>
<b>Total</b>	<b><u>17,215</u></b>	<b><u>58,418</u></b>	<b><u>113,996</u></b>	<b><u>27,554</u></b>	<b><u>206,700</u></b>
<b>Total Foreclosure Prevention Actions</b>	<b><u>225,540</u></b>	<b><u>431,098</u></b>	<b><u>946,305</u></b>	<b><u>171,531</u></b>	<b><u>1,620,929</u></b>

<sup>1</sup> Since the first full quarter in conservatorship (4Q08).

## Foreclosure Prevention Activity: All Actions Completed

The Enterprises' completed foreclosure prevention activity decreased for the third consecutive quarter in the first quarter of 2011, driven primarily by decreases in loan modifications and repayment plans. Loan modifications accounted for about half of all 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 more than 1.6 million with the majority of these actions being loan modifications.



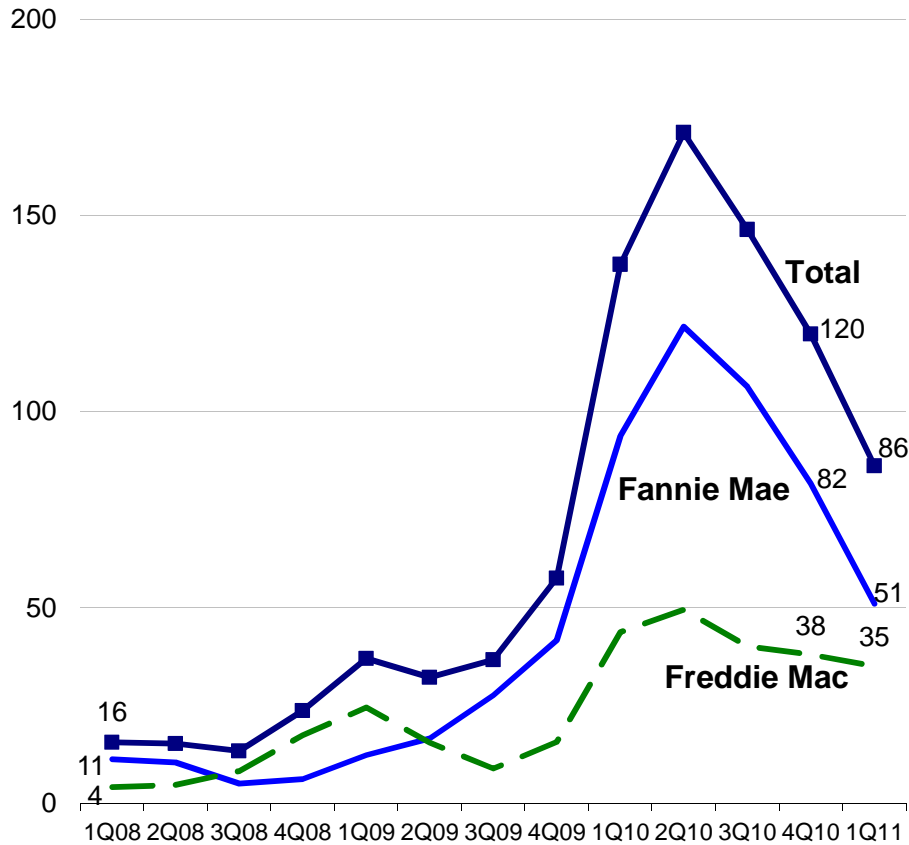
<sup>1</sup> Consists of homesaver advance (Fannie Mae) and charge-offs in lieu.

<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.

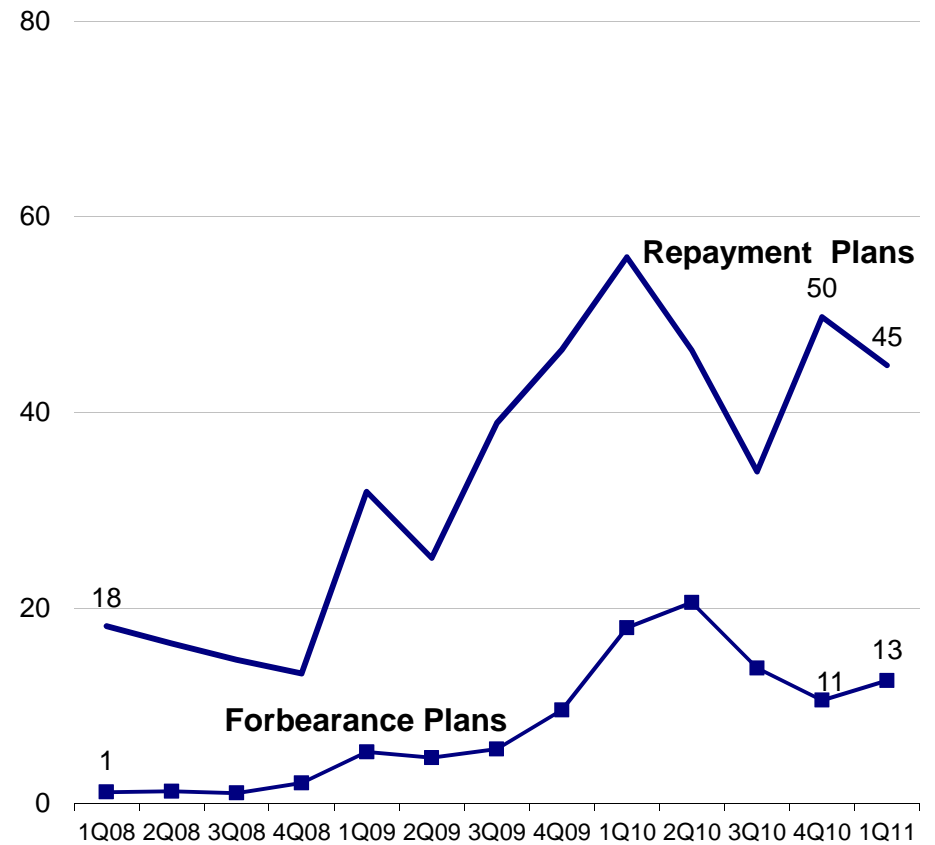
## Foreclosure Prevention Activity: Home Retention Actions

The Enterprises' completed loan modifications decreased 28 percent to approximately 86,200 during the first quarter with the majority of modifications completed through HAMP program. In addition, the Enterprises completed more than 44,800 repayment plans and approximately 12,600 forbearance plans during the quarter.

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



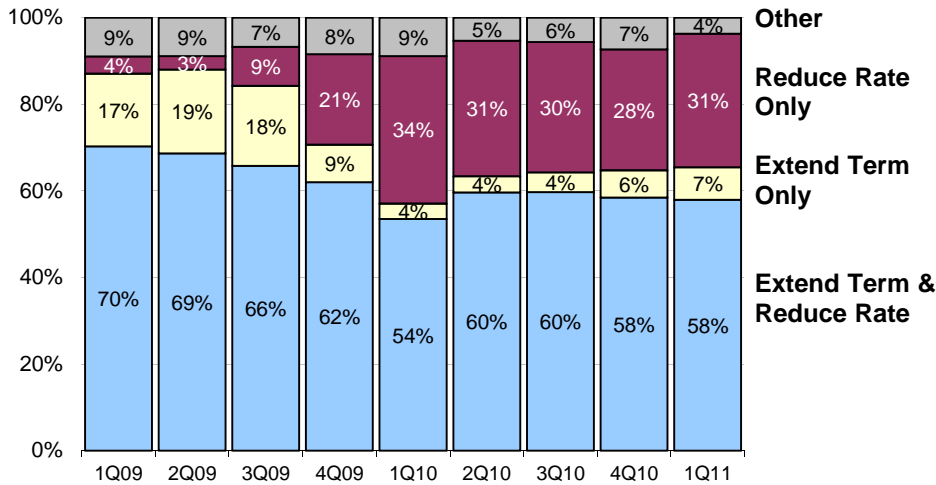
**Repayment and Forbearance Plans Completed**  
(Number of loans in thousands)



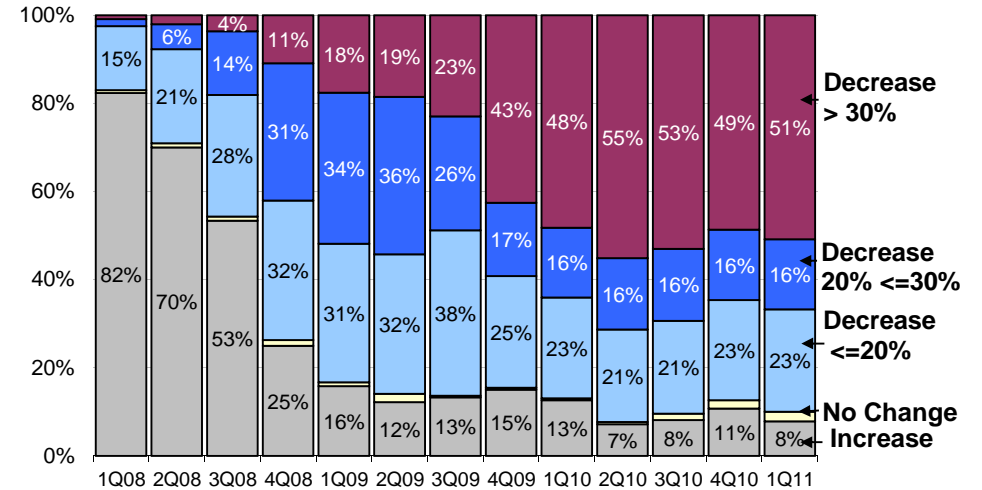
# Enterprises' Loan Modifications

Loans modified in 2010 are performing substantially better after modification than loans modified in earlier periods. Compared to loans modified before 2010, more of these borrowers successfully completed trial modification periods prior to permanent modification, and more of these borrowers received substantially reduced mortgage payments.

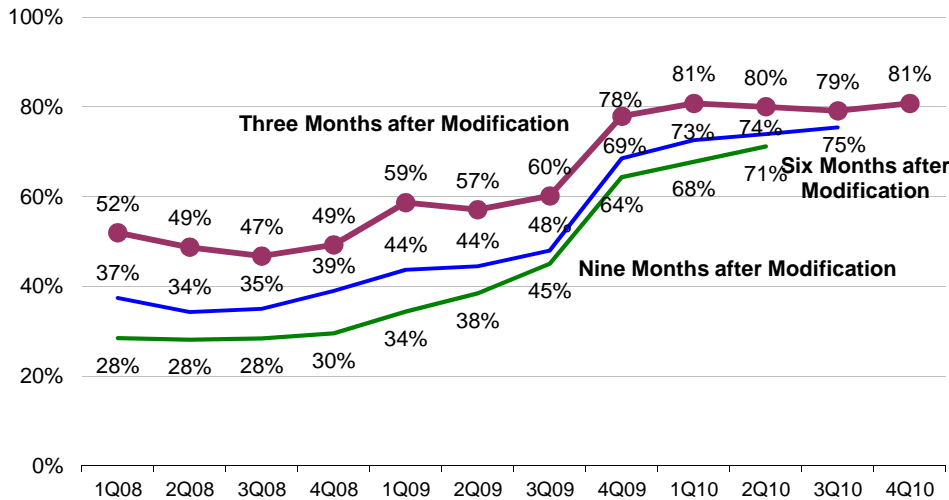
**Type of Modification**



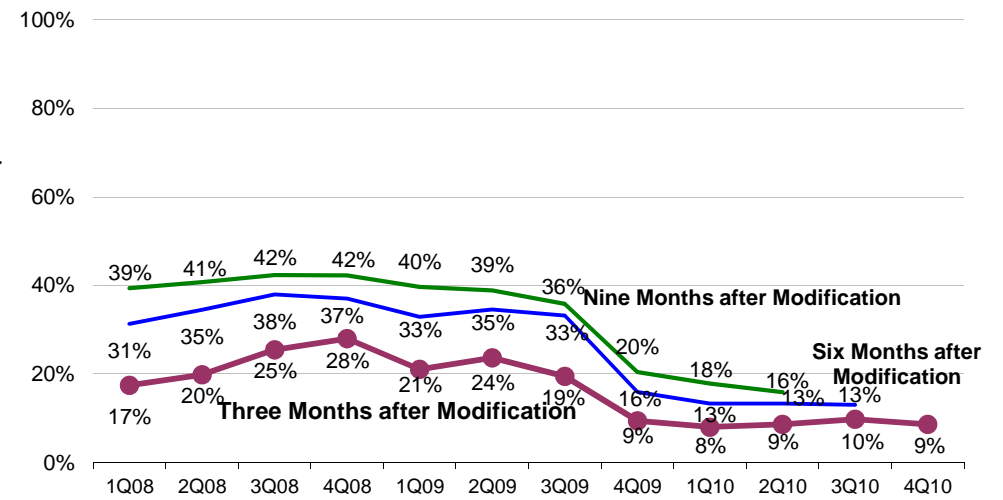
**Size of Payment Change**



**Modified Loans - Current and Performing**

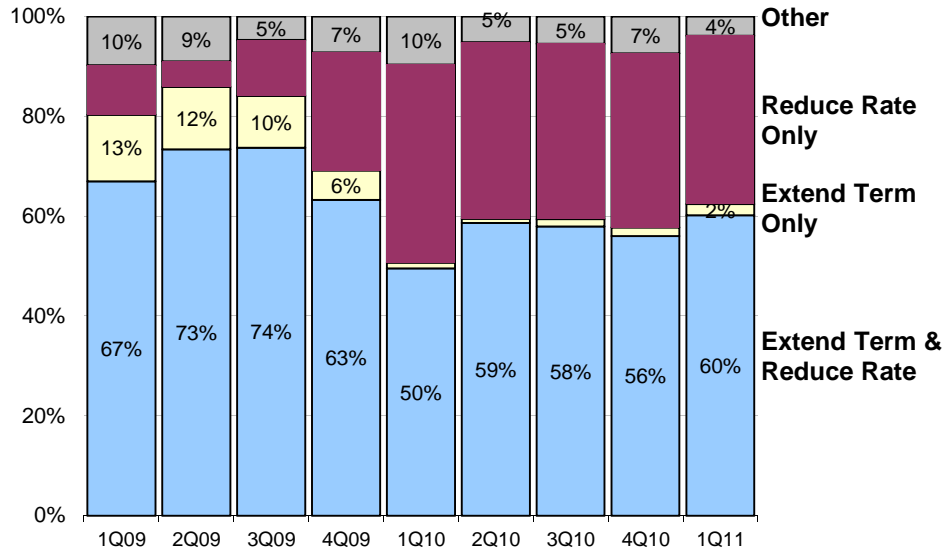


**Modified Loans - 60-plus-days Re-Delinquency Rates**

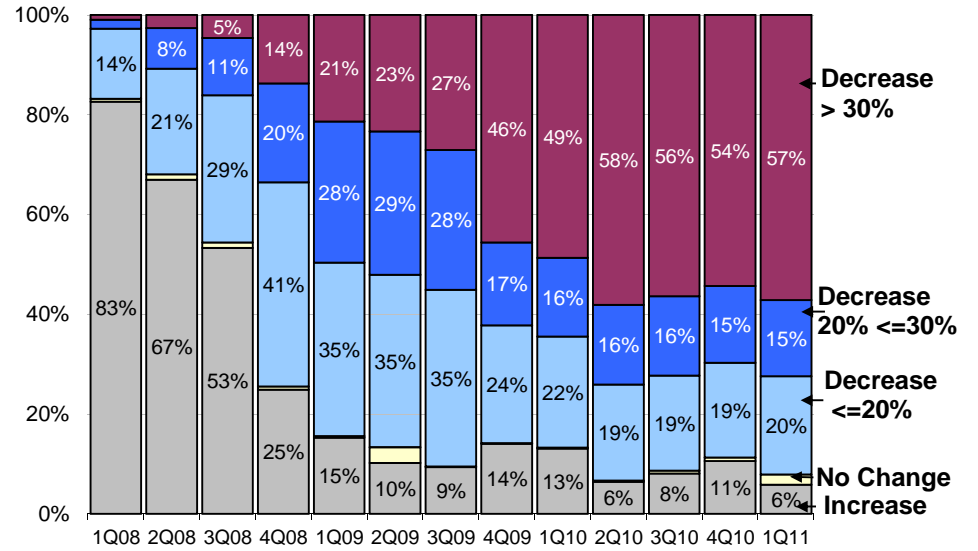


# Fannie Mae's Loan Modifications\*

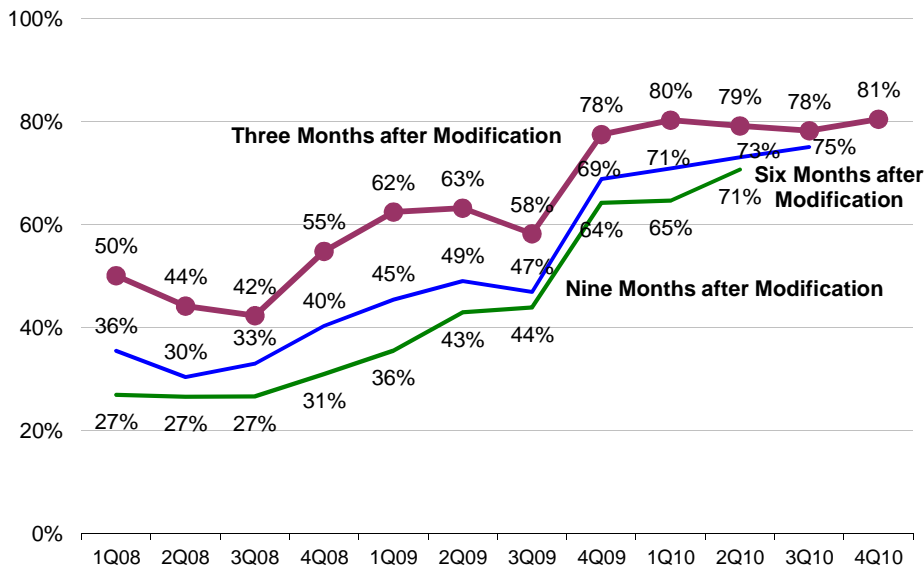
**Type of Modification**



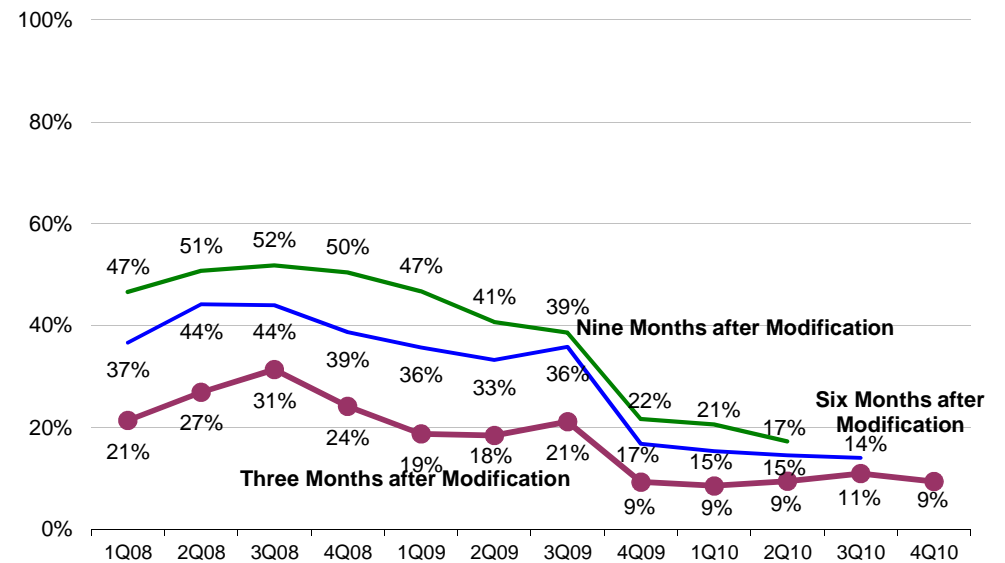
**Size of Payment Change**



**Modified Loans - Current and Performing**



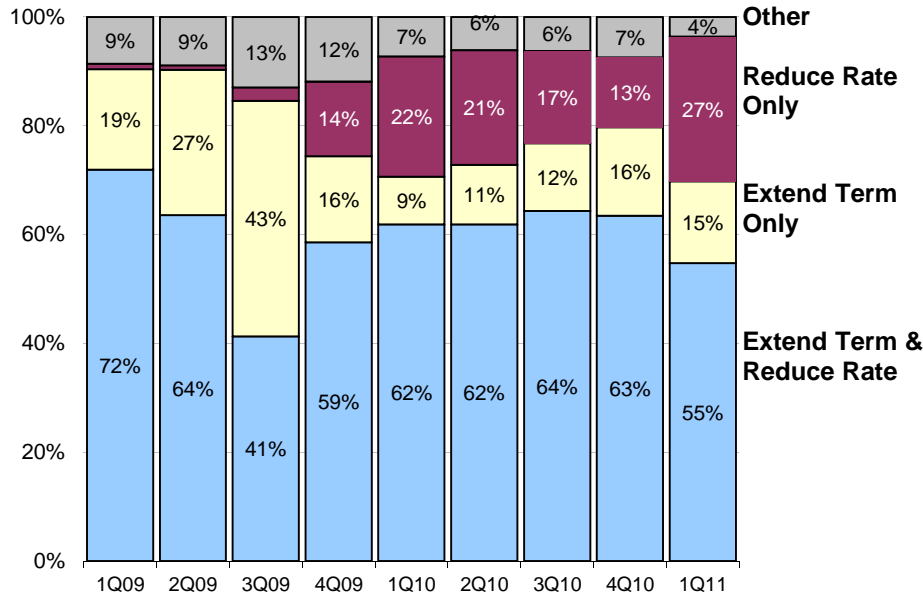
**Modified Loans - 60-plus-days Re-Delinquency Rates**



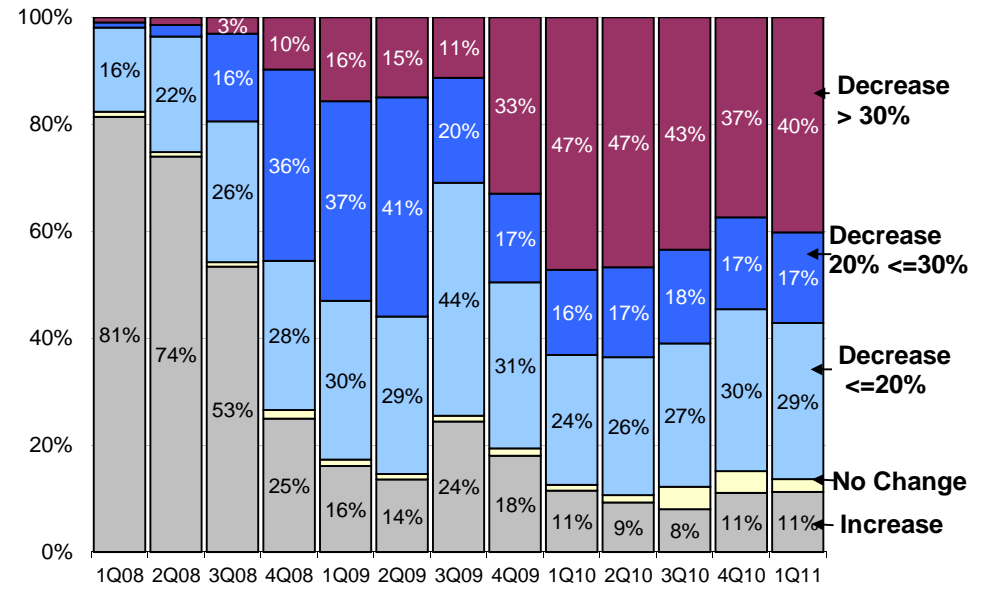
\* Modified loans data may not tie to Fannie Mae's financial statements due to timing differences in reporting systems.

# Freddie Mac's Loan Modifications\*

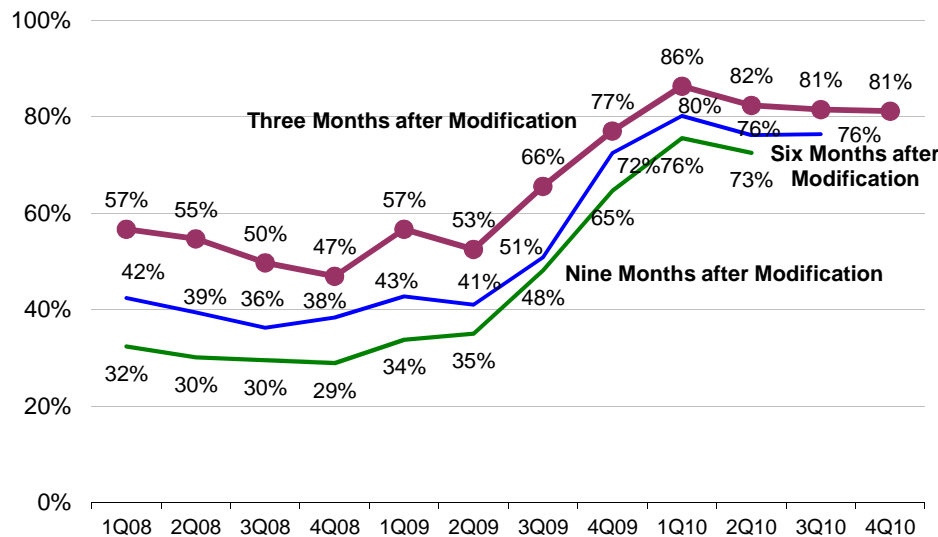
**Type of Modification**



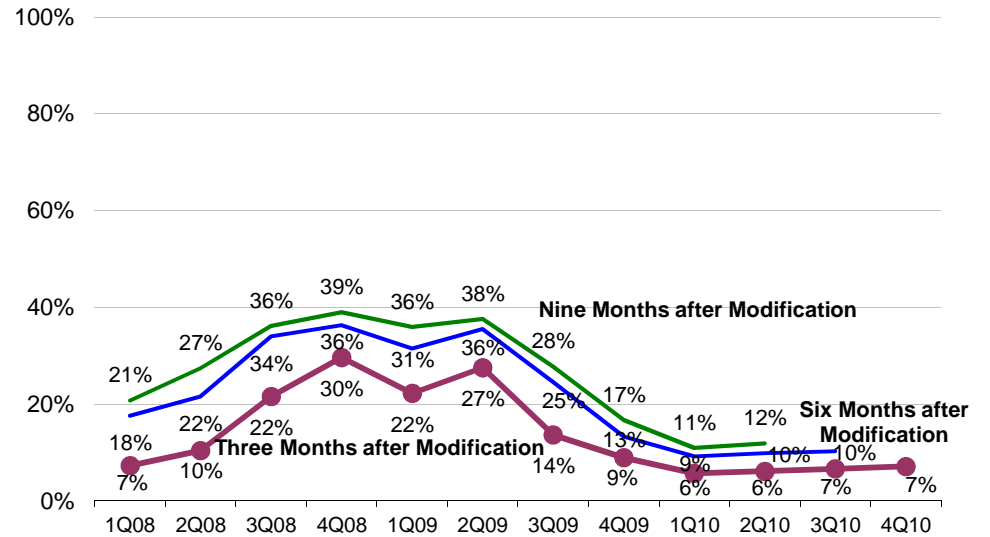
**Size of Payment Change**



**Modified Loans - Current and Performing**



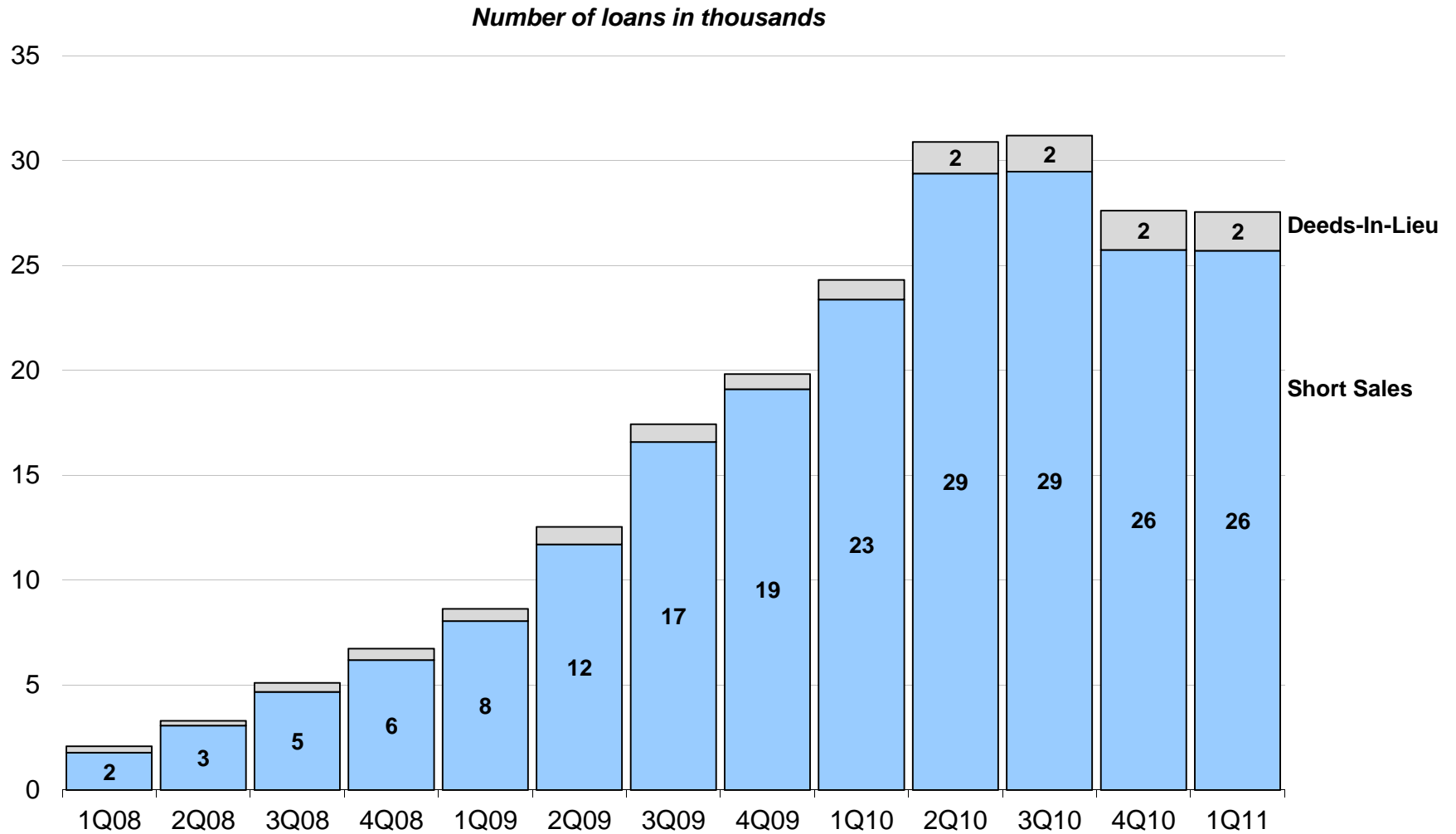
**Modified Loans - 60-plus-days Re-Delinquency Rates**



\* Modified loans data may not tie to Freddie Mac's financial statements due to timing differences in reporting systems.

## Foreclosure Prevention Activity: Home Forfeiture Actions

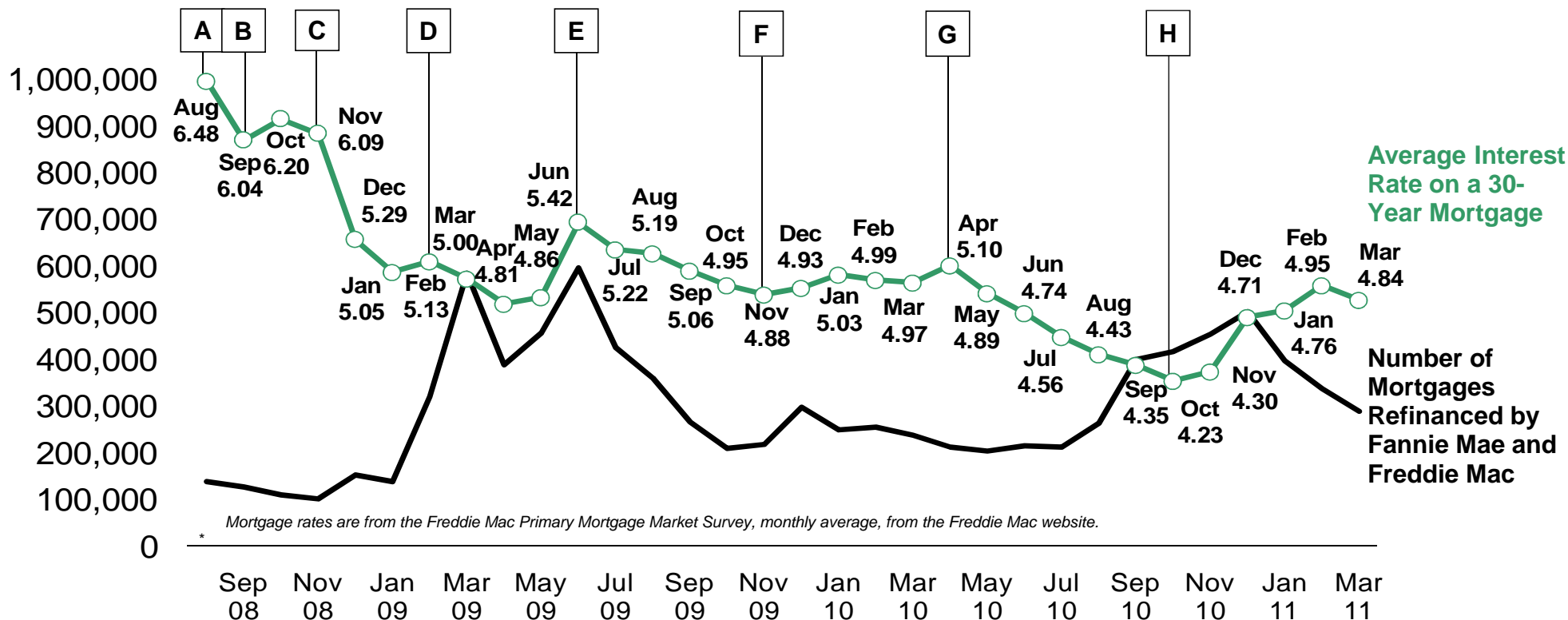
Short sales and deeds-in-lieu remained steady at nearly 27,600 during the first quarter. Both Enterprises continue to use short sales and deeds-in-lieu of foreclosure to reduce the severity of losses resulting from a borrower’s default while minimizing the impact of foreclosures on borrowers, communities, and neighborhoods.





# Refinance Activity

Refinance volume fell through March as mortgage rates rose by over half of a percent from historic low levels observed in October and November.



- 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 Home 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.
- G - Treasury rates rose on optimism of a recovering U.S. economy and a temporary lull in news of a developing debt crisis in Europe.
- H - 30-year mortgage rates reached 4.17% in early November, marking the lowest level observed since Freddie Mac began tracking rates in 1971.

## Refinance Activity

Fannie Mae and Freddie Mac refinanced over 752,000 loans through the HARP program through March 2011.

	March 2011	Year to Date	Inception to Date <sup>1</sup>
<b>Total Refinances</b>			
Fannie Mae	190,580	626,438	4,642,636
Freddie Mac	<u>95,687</u>	<u>390,008</u>	<u>3,184,557</u>
Total	286,267	1,016,446	7,827,193
<b>HARP LTV &gt;80% -105%</b>			
Fannie Mae	21,441	58,336	371,762
Freddie Mac	<u>14,059</u>	<u>54,974</u>	<u>332,734</u>
Total	35,500	113,310	704,496
<b>HARP LTV &gt;105% -125%</b>			
Fannie Mae	2,399	6,147	19,150
Freddie Mac	<u>4,212</u>	<u>10,747</u>	<u>28,367</u>
Total	6,611	16,894	47,517
<b>All Other Streamlined Refis</b>			
Fannie Mae	54,410	140,405	804,919
Freddie Mac	<u>22,054</u>	<u>87,026</u>	<u>494,032</u>
Total	76,464	227,431	1,298,951

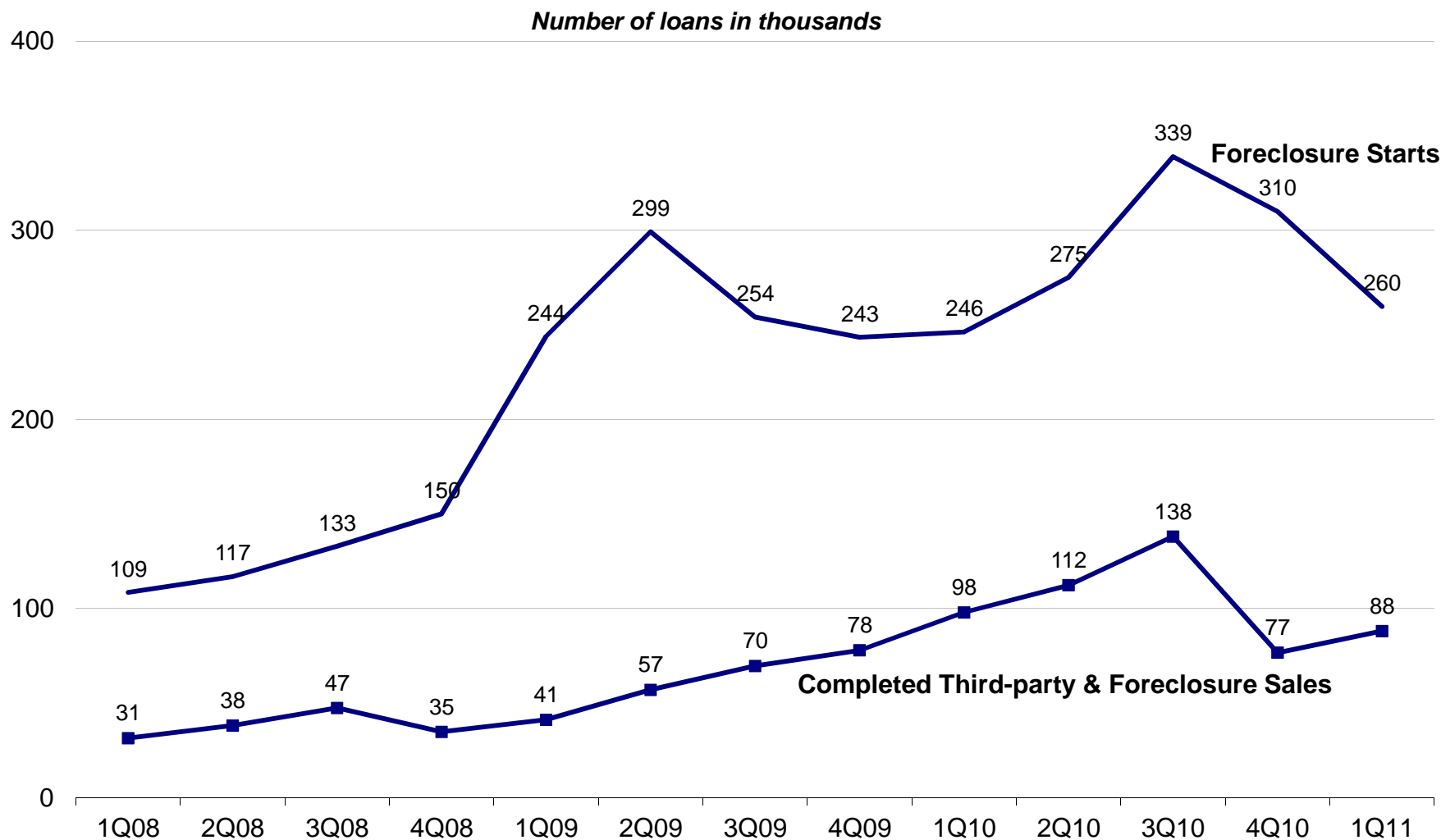
**HARP Refinance Loans** are defined as Fannie Mae to Fannie Mae and Freddie Mac to Freddie Mac first lien refinance loans with limited and no cash out that are owner occupied with LTV's over 80 to 125.

**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 declined for the second consecutive quarter, while completed third-party and foreclosure sales increased during the first 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	3Q10	4Q10	1Q11
<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	29,896	29,717	29,787
Original Credit Score >= 660	25,036	25,369	25,608	25,657	25,578	25,722	26,044	26,022	26,052	25,963	25,711	25,641	25,802
Original Credit Score < 660	5,153	5,090	5,018	4,879	4,775	4,689	4,586	4,487	4,401	4,302	4,185	4,076	3,985
<b>Total Delinquent Loans</b>					1,715	2,009	2,321	2,494	2,355	2,288	2,196	2,148	1,936
Original Credit Score >= 660					952	1,126	1,341	1,468	1,419	1,372	1,313	1,284	1,178
Original Credit Score < 660					763	882	980	1,026	936	916	882	863	758
<b>30 - 59 Days Delinquent</b>					615	682	734	725	609	664	682	659	553
Original Credit Score >= 660					316	353	404	406	345	370	378	362	307
Original Credit Score < 660					299	329	330	318	264	294	303	298	246
<b>60 - 89 Days Delinquent</b>					254	269	310	310	259	255	258	247	201
Original Credit Score >= 660					137	140	171	176	154	145	144	136	116
Original Credit Score < 660					117	129	139	135	105	110	114	111	85
<b>60-plus-days Delinquent</b>	445	529	678	926	1,100	1,327	1,587	1,769	1,746	1,624	1,514	1,488	1,382
Original Credit Score >= 660	214	264	345	497	636	774	937	1,061	1,074	1,001	935	923	871
Original Credit Score < 660	231	265	333	429	464	553	650	708	672	622	579	565	511
<b>Percent of Total Loans Serviced</b>													
<b>Total Delinquent Loans</b>					5.65%	6.61%	7.58%	8.17%	7.73%	7.56%	7.34%	7.23%	6.50%
Original Credit Score >= 660					3.72%	4.38%	5.15%	5.64%	5.45%	5.28%	5.11%	5.01%	4.57%
Original Credit Score < 660					15.98%	18.82%	21.37%	22.87%	21.26%	21.30%	21.09%	21.18%	19.01%
<b>30 - 59 Days Delinquent</b>					2.03%	2.24%	2.40%	2.38%	2.00%	2.19%	2.28%	2.22%	1.86%
Original Credit Score >= 660					1.24%	1.37%	1.55%	1.56%	1.32%	1.43%	1.47%	1.41%	1.19%
Original Credit Score < 660					6.27%	7.02%	7.20%	7.09%	6.00%	6.84%	7.25%	7.31%	6.18%
<b>60 - 89 Days Delinquent</b>					0.84%	0.88%	1.01%	1.02%	0.85%	0.84%	0.86%	0.83%	0.67%
Original Credit Score >= 660					0.54%	0.55%	0.66%	0.68%	0.59%	0.56%	0.56%	0.53%	0.45%
Original Credit Score < 660					2.46%	2.75%	3.04%	3.00%	2.39%	2.55%	2.73%	2.72%	2.13%
<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%	5.06%	5.01%	4.64%
Original Credit Score >= 660	0.86%	1.04%	1.35%	1.94%	2.48%	3.01%	3.60%	4.08%	4.12%	3.86%	3.64%	3.60%	3.38%
Original Credit Score < 660	4.48%	5.21%	6.64%	8.79%	9.71%	11.80%	14.17%	15.78%	15.26%	14.46%	13.83%	13.87%	12.82%
<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%	4.26%	4.23%	4.02%
<b>In Bankruptcy</b>					0.29%	0.33%	0.36%	0.37%	0.39%	0.42%	0.47%	0.50%	0.51%

## 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	3Q10	4Q10	1Q11
<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	17,946	17,933	18,022
Original Credit Score >= 660	14,601	14,884	15,055	15,164	15,144	15,274	15,480	15,469	15,475	15,419	15,331	15,383	15,529
Original Credit Score < 660	3,192	3,157	3,112	3,056	2,987	2,947	2,879	2,816	2,759	2,691	2,615	2,550	2,493
<b>Total Delinquent Loans</b>					1,139	1,335	1,518	1,636	1,549	1,493	1,419	1,382	1,249
Original Credit Score >= 660					632	747	870	957	930	892	844	822	756
Original Credit Score < 660					507	588	648	679	620	602	575	560	492
<b>30 - 59 Days Delinquent</b>					397	438	452	453	384	424	434	419	351
Original Credit Score >= 660					203	225	242	250	214	233	237	225	191
Original Credit Score < 660					195	213	210	203	170	191	197	194	160
<b>60 - 89 Days Delinquent</b>					170	177	197	196	166	164	165	158	127
Original Credit Score >= 660					91	92	107	110	98	93	91	86	72
Original Credit Score < 660					79	85	90	86	68	71	74	72	54
<b>60-plus-days Delinquent</b>	303	359	460	625	742	897	1,066	1,183	1,166	1,070	985	964	898
Original Credit Score >= 660	146	180	236	336	429	522	628	707	715	659	607	597	565
Original Credit Score < 660	156	179	224	289	313	375	439	476	450	411	377	367	333
<b>Percent of Total Loans Serviced</b>													
<b>Total Delinquent Loans</b>					6.28%	7.33%	8.27%	8.95%	8.50%	8.25%	7.91%	7.71%	6.93%
Original Credit Score >= 660					4.17%	4.89%	5.62%	6.19%	6.01%	5.78%	5.51%	5.34%	4.87%
Original Credit Score < 660					16.98%	19.96%	22.51%	24.12%	22.47%	22.36%	21.97%	21.97%	19.76%
<b>30 - 59 Days Delinquent</b>					2.19%	2.40%	2.46%	2.48%	2.10%	2.34%	2.42%	2.34%	1.95%
Original Credit Score >= 660					1.34%	1.47%	1.57%	1.61%	1.38%	1.51%	1.54%	1.46%	1.23%
Original Credit Score < 660					6.51%	7.24%	7.28%	7.22%	6.15%	7.09%	7.54%	7.59%	6.41%
<b>60 - 89 Days Delinquent</b>					0.94%	0.97%	1.07%	1.07%	0.91%	0.91%	0.92%	0.88%	0.70%
Original Credit Score >= 660					0.60%	0.60%	0.69%	0.71%	0.63%	0.60%	0.60%	0.56%	0.47%
Original Credit Score < 660					2.66%	2.90%	3.11%	3.06%	2.47%	2.66%	2.82%	2.82%	2.18%
<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%	5.49%	5.37%	4.98%
Original Credit Score >= 660	1.00%	1.21%	1.57%	2.22%	2.83%	3.42%	4.05%	4.57%	4.62%	4.27%	3.96%	3.88%	3.64%
Original Credit Score < 660	4.90%	5.66%	7.20%	9.44%	10.47%	12.72%	15.23%	16.90%	16.32%	15.27%	14.43%	14.38%	13.35%
<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%	4.56%	4.48%	4.27%
<b>In Bankruptcy</b>					0.33%	0.38%	0.40%	0.41%	0.42%	0.46%	0.51%	0.54%	0.54%

## 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	3Q10	4Q10	1Q11
<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	11,950	11,784	11,765
Original Credit Score >= 660	10,436	10,484	10,553	10,494	10,434	10,448	10,563	10,553	10,577	10,544	10,381	10,258	10,273
Original Credit Score < 660	1,961	1,933	1,906	1,822	1,788	1,742	1,706	1,672	1,642	1,612	1,569	1,526	1,493
<b>Total Delinquent Loans</b>					576	674	803	858	805	795	777	765	687
Original Credit Score >= 660					320	379	471	511	489	480	469	462	422
Original Credit Score < 660					256	294	332	347	316	315	308	303	265
<b>30 - 59 Days Delinquent</b>					218	244	282	272	225	241	248	240	202
Original Credit Score >= 660					113	128	161	157	131	138	142	136	115
Original Credit Score < 660					105	116	120	115	94	103	106	104	87
<b>60 - 89 Days Delinquent</b>					84	92	114	114	93	90	93	90	74
Original Credit Score >= 660					46	49	64	66	56	52	53	51	43
Original Credit Score < 660					38	43	50	48	37	38	40	39	31
<b>60-plus-days Delinquent</b>	142	170	219	301	358	430	521	586	580	554	529	525	485
Original Credit Score >= 660	68	84	110	161	207	251	310	354	358	343	327	326	306
Original Credit Score < 660	74	87	109	140	151	178	211	232	222	211	201	199	178

## Percent of Total Loans Serviced

<b>Total Delinquent Loans</b>					4.71%	5.53%	6.54%	7.02%	6.59%	6.54%	6.50%	6.49%	5.84%
Original Credit Score >= 660					3.07%	3.63%	4.46%	4.84%	4.63%	4.55%	4.52%	4.51%	4.11%
Original Credit Score < 660					14.31%	16.90%	19.44%	20.77%	19.24%	19.52%	19.61%	19.85%	17.75%
<b>30 - 59 Days Delinquent</b>					1.78%	2.00%	2.30%	2.22%	1.84%	1.98%	2.08%	2.04%	1.72%
Original Credit Score >= 660					1.09%	1.23%	1.53%	1.48%	1.24%	1.30%	1.37%	1.33%	1.12%
Original Credit Score < 660					5.86%	6.65%	7.06%	6.87%	5.75%	6.40%	6.78%	6.83%	5.80%
<b>60 - 89 Days Delinquent</b>					0.69%	0.76%	0.93%	0.93%	0.76%	0.74%	0.78%	0.76%	0.63%
Original Credit Score >= 660					0.44%	0.47%	0.61%	0.62%	0.53%	0.49%	0.51%	0.49%	0.42%
Original Credit Score < 660					2.14%	2.48%	2.91%	2.89%	2.27%	2.38%	2.58%	2.56%	2.05%
<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%	4.43%	4.45%	4.12%
Original Credit Score >= 660	0.65%	0.80%	1.04%	1.53%	1.98%	2.40%	2.93%	3.35%	3.39%	3.25%	3.15%	3.18%	2.98%
Original Credit Score < 660	3.79%	4.48%	5.71%	7.69%	8.46%	10.24%	12.38%	13.90%	13.49%	13.12%	12.83%	13.02%	11.95%
<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%	3.80%	3.84%	3.63%
<b>In Bankruptcy</b>					0.22%	0.26%	0.30%	0.33%	0.33%	0.36%	0.41%	0.44%	0.45%



## Appendix: Data Tables

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

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11
<b>Starts<sup>2</sup></b>													
HAMP Active Trial & Perm. - Cum.						66,200	278,139	485,418	584,086	426,978	348,171	361,510	384,449
Repayment Plans	63,756	66,443	85,771	84,876	100,917	140,641	182,720	170,109	159,073	121,253	159,238	152,371	89,354
Forbearance Plans					49,369	121,496	291,825	335,090	221,592	110,771	77,344	92,627	127,982
<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	33,964	49,753	44,827
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	13,863	10,585	12,601
Charge-offs in Lieu	168	156	202	273	288	496	810	653	705	756	992	665	348
HomeSaver Advance (Fannie)	1,244	16,658	27,277	25,788	20,431	11,662	4,347	2,759	2,588	1,783	794	26	-
Loan Modifications	15,655	15,387	13,488	23,777	37,069	32,287	36,722	57,569	137,561	171,176	146,507	119,778	86,201
Home Retention Actions	36,413	49,873	56,776	65,263	94,993	74,286	86,425	116,976	214,729	240,653	196,120	180,807	143,977
Short Sales	1,776	3,062	4,674	6,192	8,054	11,705	16,586	19,102	23,379	29,375	29,465	25,734	25,705
Deeds-in-lieu	308	236	427	540	578	835	843	715	934	1,506	1,728	1,875	1,849
Nonforeclosure - Home Forfeiture Actions	2,084	3,298	5,101	6,732	8,632	12,540	17,429	19,817	24,313	30,881	31,193	27,609	27,554
<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>227,313</b>	<b>208,416</b>	<b>171,531</b>
<b>Percent of Total Foreclosure Prevention Actions</b>													
Repayment Plans	47%	31%	24%	18%	31%	29%	37%	34%	23%	17%	15%	24%	26%
Forbearance Plans	3%	2%	2%	3%	5%	5%	5%	7%	8%	8%	6%	5%	7%
Charge-offs in Lieu	0%	0%	0%	0%	0%	1%	1%	0%	0%	0%	0%	0%	0%
HomeSaver Advance (Fannie)	3%	31%	44%	36%	20%	13%	4%	2%	1%	1%	0%	0%	0%
Loan Modifications	41%	29%	22%	33%	36%	37%	35%	42%	58%	63%	64%	57%	50%
Home Retention Actions	95%	94%	92%	91%	92%	86%	83%	86%	90%	89%	86%	87%	84%
Short Sales	5%	6%	8%	9%	8%	13%	16%	14%	10%	11%	13%	12%	15%
Deeds-in-lieu	1%	0%	1%	1%	1%	1%	1%	1%	0%	1%	1%	1%	1%
Nonforeclosure - Home Forfeiture Actions	5%	6%	8%	9%	8%	14%	17%	14%	10%	11%	14%	13%	16%

<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 March 31, 2011, Fannie Mae had completed approximately 197,200 HAMP permanent modifications and Freddie Mac had completed nearly 123,300 HAMP permanent modifications.<sup>3</sup> Includes loans that were 30+ days delinquent at initiation of the plan. In addition, the completed forbearance plans data have been revised to exclude HAMP.

## Appendix: Data Tables

## 3(i) Enterprises Combined - Loan Modifications

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11
<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	146,507	119,778	86,201
<b>Principal and Interest Change (%)</b>													
Increase	82%	70%	53%	25%	16%	12%	13%	15%	13%	7%	8%	11%	8%
No Change	1%	1%	1%	1%	1%	2%	0%	0%	0%	1%	1%	2%	2%
Decrease <=20%	15%	21%	28%	32%	31%	32%	38%	25%	23%	21%	21%	23%	23%
Decrease 20% <=30%	2%	6%	14%	31%	34%	36%	26%	17%	16%	16%	16%	16%	16%
Decrease > 30%	1%	2%	4%	11%	18%	19%	23%	43%	48%	55%	53%	49%	51%
<b>Type of Modifications (%)</b>													
Extend Term Only					17%	19%	18%	9%	4%	4%	4%	6%	7%
Reduce Rate Only					4%	3%	9%	21%	34%	31%	30%	28%	31%
Extend Term and Reduce Rate*					70%	69%	66%	62%	54%	60%	60%	58%	58%
Other					9%	9%	7%	8%	9%	5%	6%	7%	4%
<b>60+ Days Re-Delinquency (%)</b>													
3 Months after Modification	17%	20%	25%	28%	21%	24%	19%	9%	8%	9%	10%	9%	
6 Months after Modification	31%	35%	38%	37%	33%	35%	33%	16%	13%	13%	13%		
9 Months after Modification	39%	41%	42%	42%	40%	39%	36%	20%	18%	16%			

\* 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	3Q10	4Q10	1Q11
<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	106,365	81,692	51,043
<b>Principal and Interest Change (%)</b>													
Increase	83%	67%	53%	25%	15%	10%	9%	14%	13%	6%	8%	11%	6%
No Change	1%	1%	1%	1%	0%	3%	0%	0%	0%	0%	1%	1%	2%
Decrease <=20%	14%	21%	29%	41%	35%	35%	35%	24%	22%	19%	19%	19%	20%
Decrease 20% <=30%	2%	8%	11%	20%	28%	29%	28%	17%	16%	16%	16%	15%	15%
Decrease > 30%	1%	3%	5%	14%	21%	23%	27%	46%	49%	58%	56%	54%	57%
<b>Type of Modifications (%)</b>													
Extend Term Only					13%	12%	10%	6%	1%	1%	1%	2%	2%
Reduce Rate Only					10%	5%	11%	24%	40%	35%	35%	35%	34%
Extend Term and Reduce Rate*					67%	73%	74%	63%	50%	59%	58%	56%	60%
Other					10%	9%	5%	7%	10%	5%	5%	7%	4%
<b>60+ Days Re-Delinquency (%)</b>													
3 Months after Modification	21%	27%	31%	24%	19%	18%	21%	9%	9%	9%	11%	9%	
6 Months after Modification	37%	44%	44%	39%	36%	33%	36%	17%	15%	15%	14%		
9 Months after Modification	47%	51%	52%	50%	47%	41%	39%	22%	21%	17%			

\* 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	3Q10	4Q10	1Q11
<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	40,142	38,086	35,158
<b>Principal and Interest Change (%)</b>													
Increase	81%	74%	53%	25%	16%	14%	24%	18%	11%	9%	8%	11%	11%
No Change	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	4%	4%	2%
Decrease <=20%	16%	22%	26%	28%	30%	29%	44%	31%	24%	26%	27%	30%	29%
Decrease 20% <=30%	1%	2%	16%	36%	37%	41%	20%	17%	16%	17%	18%	17%	17%
Decrease > 30%	1%	1%	3%	10%	16%	15%	11%	33%	47%	47%	43%	37%	40%
<b>Type of Modifications (%)</b>													
Extend Term Only					19%	27%	43%	16%	9%	11%	12%	16%	15%
Reduce Rate Only					1%	1%	2%	14%	22%	21%	17%	13%	27%
Extend Term and Reduce Rate*					72%	64%	41%	59%	62%	62%	64%	63%	55%
Other					9%	9%	13%	12%	7%	6%	6%	7%	4%
<b>60+ Days Re-Delinquency (%)</b>													
3 Months after Modification	7%	10%	22%	30%	22%	27%	14%	9%	6%	6%	7%	7%	
6 Months after Modification	18%	22%	34%	36%	31%	36%	25%	13%	9%	10%	10%		
9 Months after Modification	21%	27%	36%	39%	36%	38%	28%	17%	11%	12%			

\* 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	3Q10	4Q10	1Q11
Short Sales	1,776	3,062	4,674	6,192	8,054	11,705	16,586	19,102	23,379	29,375	29,465	25,734	25,705
Deeds-in-lieu	308	236	427	540	578	835	843	715	934	1,506	1,728	1,875	1,849
Nonforeclosure - Home Forfeiture Actions*	2,084	3,298	5,101	6,732	8,632	12,540	17,429	19,817	24,313	30,881	31,193	27,609	27,554
Third-party Sales	1,939	2,052	2,170	1,571	1,467	2,789	4,263	4,908	5,171	7,856	11,999	7,886	8,982
Foreclosure Sales	29,548	36,093	45,277	33,233	39,733	54,236	65,375	72,989	92,760	104,497	126,058	68,759	79,123
Third-party & Foreclosure Sales	31,487	38,145	47,447	34,804	41,200	57,025	69,638	77,897	97,931	112,353	138,057	76,645	88,105
Foreclosure Starts	108,520	116,843	132,909	149,981	243,824	299,208	254,168	243,485	246,273	275,095	338,957	309,976	259,643
Top Five Reasons for Delinquency													
Curtailed of Income					35%	40%	40%	41%	47%	48%	48%	46%	44%
Excessive obligations					19%	18%	16%	13%	13%	14%	14%	14%	14%
Unemployment					8%	9%	8%	8%	8%	8%	8%	8%	8%
Illness of principal mortgagor or family member					6%	6%	5%	5%	5%	5%	5%	5%	5%
Marital Difficulties					3%	3%	3%	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)

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11
Short Sales	1,776	3,062	4,674	6,192	8,054	11,705	16,586	19,102	23,379	29,375	29,465	25,734	25,705
Deeds-in-lieu	308	236	427	540	578	835	843	715	934	1,506	1,728	1,875	1,849
Nonforeclosure - Home Forfeiture Actions*	2,084	3,298	5,101	6,732	8,632	12,540	17,429	19,817	24,313	30,881	31,193	27,609	27,554
Third-party Sales	1,939	2,052	2,170	1,571	1,467	2,789	4,263	4,908	5,171	7,856	11,999	7,886	8,982
Foreclosure Sales	29,548	36,093	45,277	33,233	39,733	54,236	65,375	72,989	92,760	104,497	126,058	68,759	79,123
Third-party & Foreclosure Sales	31,487	38,145	47,447	34,804	41,200	57,025	69,638	77,897	97,931	112,353	138,057	76,645	88,105
Foreclosure Starts	108,520	116,843	132,909	149,981	243,824	299,208	254,168	243,485	246,273	275,095	338,957	309,976	259,643

## Top Five Reasons for Delinquency

Curtailment of Income	35%	40%	40%	41%	47%	48%	48%	46%	44%
Excessive obligations	19%	18%	16%	13%	13%	14%	14%	14%	14%
Unemployment	8%	9%	8%	8%	8%	8%	8%	8%	8%
Illness of principal mortgagor or family member	6%	6%	5%	5%	5%	5%	5%	5%	5%
Marital Difficulties	3%	3%	3%	3%	3%	3%	3%	3%	3%

## 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 LTVs between 80% and 125%.

**All Other Streamlined Refis** are streamlined refinances that do not qualify as HARP (LTVs between 80% and 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 & Refinance Report. In addition to the data provided in the monthly reports, the quarterly reports include 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.

**HomeSaver 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.