



FEDERAL HOUSING FINANCE AGENCY  
Office of the Director

August 17, 2009

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

Dear Chairman Frank:

I am transmitting our ninth report in accordance with Section 110 of the Emergency Economic Stabilization Act of 2008 (EESA), titled Assistance to Homeowners. Section 110 of the Emergency Economic Stabilization Act of 2008 (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. The Federal Housing Finance Agency (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.

Preventing avoidable foreclosures through loan modifications is a top priority of FHFA. We will continue to update, elaborate and expand FHFA's plan to maximize assistance for homeowners and minimize preventable foreclosures consistent with the intent of EESA.

This month, we are expanding our standard report to include data on the Enterprises' mortgage refinance activity. Under the President's making Home Affordable Program, FHFA has been working with the Enterprises to enhance consumers' ability to refinance their mortgage to today's low rate, even if declines in property values may otherwise preclude such households from refinancing. This program is fully consistent with the goals of Section 110. By lowering monthly mortgage payments through refinancing, homeowners are less likely to become delinquent on their mortgage and ultimately face foreclosure. We intend to include refinance data in our future monthly reports.

Respectfully,

A handwritten signature in blue ink that reads 'James B. Lockhart III'.

James B. Lockhart III  
Director, Federal Housing Finance Agency  
Chairman, FHF Oversight Board

Attachment



FEDERAL HOUSING FINANCE AGENCY  
Office of the Director

August 17, 2009

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

Dear Representative Bachus:

I am transmitting our ninth report in accordance with Section 110 of the Emergency Economic Stabilization Act of 2008 (EESA), titled Assistance to Homeowners. Section 110 of the Emergency Economic Stabilization Act of 2008 (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. The Federal Housing Finance Agency (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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FEDERAL HOUSING FINANCE AGENCY  
Office of the Director

August 17, 2009

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

Dear Chairman Dodd:

I am transmitting our ninth report in accordance with Section 110 of the Emergency Economic Stabilization Act of 2008 (EESA), titled Assistance to Homeowners. Section 110 of the Emergency Economic Stabilization Act of 2008 (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. The Federal Housing Finance Agency (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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Director, Federal Housing Finance Agency  
Chairman, FHF Oversight Board

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FEDERAL HOUSING FINANCE AGENCY  
Office of the Director

August 17, 2009

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

Dear Senator Shelby:

I am transmitting our ninth report in accordance with Section 110 of the Emergency Economic Stabilization Act of 2008 (EESA), titled Assistance to Homeowners. Section 110 of the Emergency Economic Stabilization Act of 2008 (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. The Federal Housing Finance Agency (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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Director, Federal Housing Finance Agency  
Chairman, FHF Oversight Board

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## **Federal Housing Finance Agency**

# **Federal Property Managers Report No.9**

**August 14, 2009**

## **New Activities**

On August 13, 2009, the Federal Housing Finance Agency (FHFA) released the first monthly report on the Enterprises' refinance volumes and the Administration's Making Home Affordable Refinance Program. The report shows that Fannie Mae and Freddie Mac have refinanced more than 2.9 million mortgage loans through the first seven months of this year. Since the inception of the Making Home Affordable Refinance Program (HARP) in April, Fannie Mae and Freddie Mac refinanced almost 1.9 million mortgage loans through July.

This report also shows that more than 190,000 homeowners that are current in their mortgage payments have been assisted through the GSE streamlined refinance process. Borrowers refinancing their loans are benefiting from an average rate reduction of 1.3 percentage points through the GSE streamlined refinance process. Importantly, over 60,000 borrowers with mortgage loans that exceed 80 percent of the house value up to 105 percent have been refinanced. We are now seeing results from the HARP and the Home Affordable Modification Program (HAMP), but much more work needs to be done. FHFA commends the Fannie Mae and Freddie Mac teams for helping drive this effort.

Under HARP, borrowers whose loan-to-value (LTV) ratio is between 80 and 105 percent are able to refinance without added mortgage insurance requirements. Due to the current limited availability of private mortgage insurance, this had been a key barrier for many homeowners.

Through July, Fannie Mae has refinanced 1.7 million loans. Of that total, approximately 138,000 loans were refinanced under the company's DU Refi Plus and Refi Plus flexibilities that were put in place to support the HARP. Approximately 32,000 of the loans refinanced through July had LTVs between 80 and 105 percent.

Freddie Mac refinanced 1.2 million loans through July. Of that total, approximately 53,000 loans were refinanced under the company's Relief Refinance program that was put in place to support HARP. Freddie Mac has refinanced approximately 29,000 loans with LTVs between 80 and 105 percent.

FHFA recently announced the expansion of HARP to allow borrowers with LTVs up to 125 percent to participate. Fannie Mae will begin accepting deliveries of refinanced loans with LTVs between 105 and 125 percent as of September 1. Freddie Mac will begin accepting deliveries of these loans on October 1.

On August 4, 2009 the Administration released its first monthly *Servicer Performance Report* detailing the progress to date of the Making Home Affordable (MHA) loan modification program. The purpose of the report is to document the number of struggling homeowners already helped under the program, provide information on servicer performance and expand transparency around the initiative.

## **Federal Housing Finance Agency Foreclosure Prevention and Refinance Reports**

In accordance with the reporting requirements of Section 110(b)(5), the attached monthly *Foreclosure Prevention Report*, reports on loan modifications and foreclosure activities of the Enterprises through May 31, 2009. FHFA also publishes a quarterly report with more detailed

analysis of the Enterprises' loan modification and loss mitigation activities. The most recent quarterly report is posted at [www.fhfa.gov](http://www.fhfa.gov).

The FHFA *Foreclosure Prevention Report* summarizes data provided by Fannie Mae and Freddie Mac and give a comprehensive view of their efforts to assist borrowers through forbearance, payment plans, loan modification, and other alternatives to foreclosure such as short sales and deeds-in-lieu. The report covers 30 million mortgages and focuses on the delinquencies, loss mitigation actions, and foreclosure data reported by more than 3,000 approved servicers.

Beginning this month, FHFA is including in its monthly Federal Property Manager's Report a report on the Enterprises mortgage refinance activities. FHFA's first monthly *Refinance Report* dated August 2009, reports on Fannie Mae and Freddie Mac refinance volumes from January 1, 2009 through July 31, 2009. The most recent FHFA *Refinance Report* is posted at [www.fhfa.gov](http://www.fhfa.gov).

#### FHFA Monthly Foreclosure Prevention Report – May, 2009

The report includes loan modification data under FHFA's Streamlined Modification Program, which was initiated in November 2008 but ended in April 2009. This report does not include data on refinancings or modifications from the Administration's Making Home Affordable Program announced in March 2009 because no modifications under that program had been finalized as of May 31. The report shows that as of May 31, 2009, of the Enterprises' 30 million residential mortgages:

- Completed loan modifications fell in May for the second consecutive month to approximately 10,400 as the Enterprises continued to focus on implementing the Home Affordable Modification Program (HAMP). Modifications under the HAMP require a three-month trial period for the borrower to demonstrate the ability and willingness to make modified payments. Modifications under HAMP are counted as completed after the three-month trial period is completed.
- Loan modifications accounted for 47 percent of all completed foreclosure prevention actions in May. The majority of loans modified in May involved both rate reductions and term extensions.
- Completed short sales increased 3 percent in May 2009 to nearly 3,700, more than three times the volume one year earlier.
- Delinquencies continued to increase as approximately 80,100 more loans became 60 days or more delinquent in May. Loans 60-plus-days delinquent increased approximately 7 percent in May to 1.3 million.
- Curtailment of income continues to be the largest reason for delinquency, growing from 34 percent in January to 40 percent in May.

- Foreclosure starts in May increased 5 percent compared with April to nearly 90,600 from processing of non-owner occupied properties and properties determined to be ineligible for HAMP.
- Foreclosure and third-party sales increased to 19,300 in May up from 14,200 in April driven by sales of non-occupied properties, and owner-occupied properties already determined to be ineligible for HAMP.



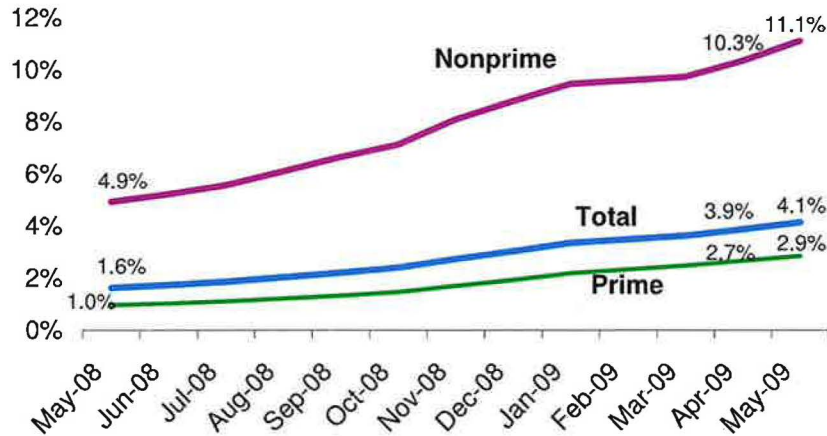


## Federal Housing Finance Agency

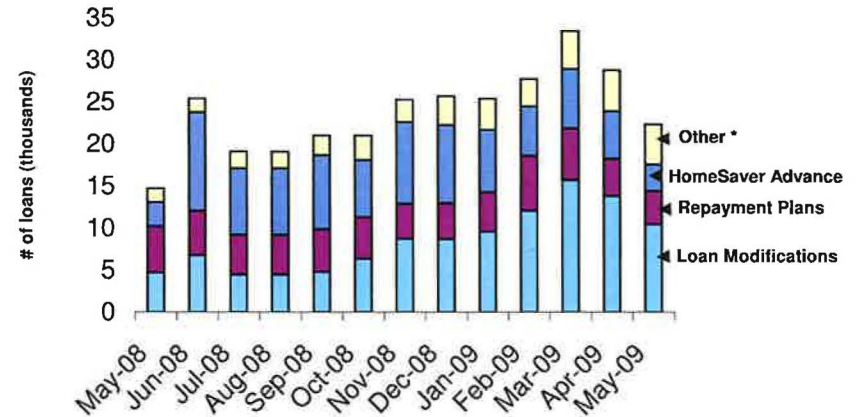
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Foreclosure Prevention Report  
May 2009

**60-plus-days Delinquency Rates**  
Delinquency rates continue to rise.

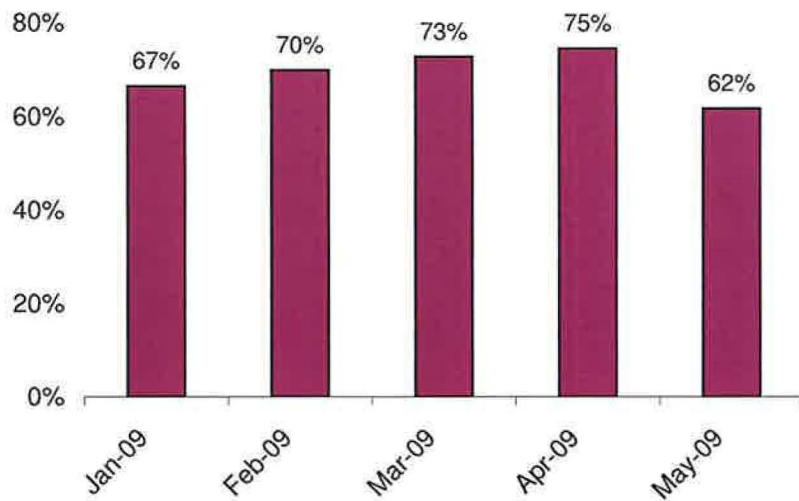


**Foreclosure Prevention Actions Completed**  
Completed loan modifications and repayment plans fell in May as servicers continue to focus on HAMP.

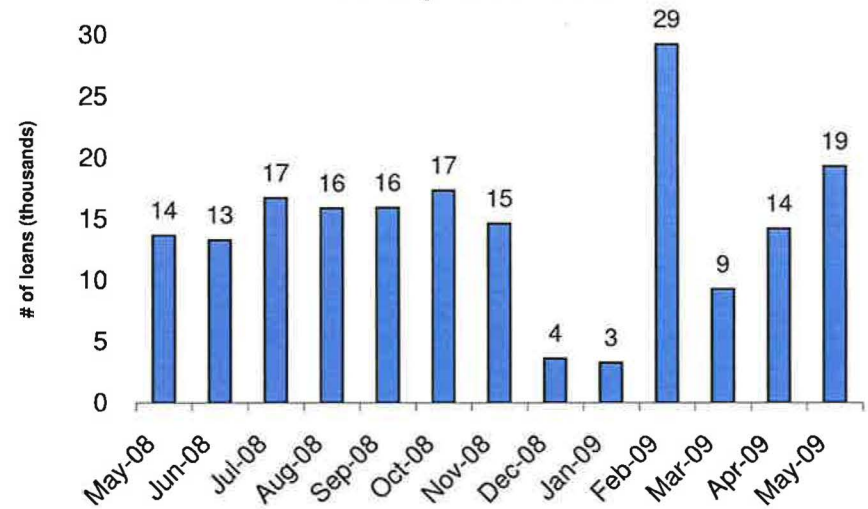


\* Consists of forbearance plans, charge-offs in lieu, short sales and deeds-in-lieu

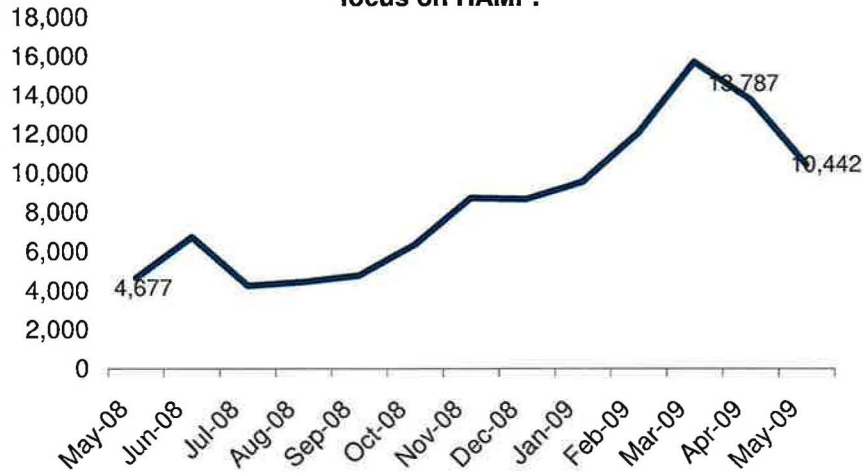
**Reduce Rate and Extend Term**  
The proportion of loan modifications with both rate reductions and term extensions fell in May.



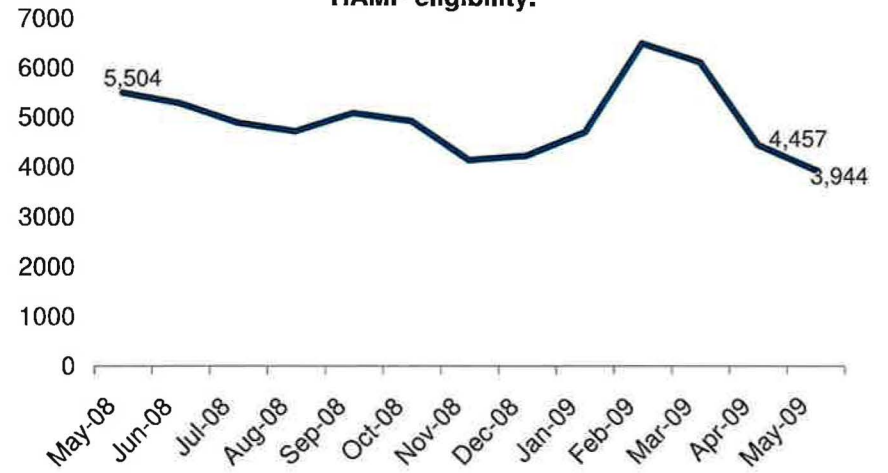
**Foreclosure & Third-party Sales Completed**  
Foreclosure sales increased in May from sales of non-owner occupied properties and properties determined to be ineligible for HAMP.



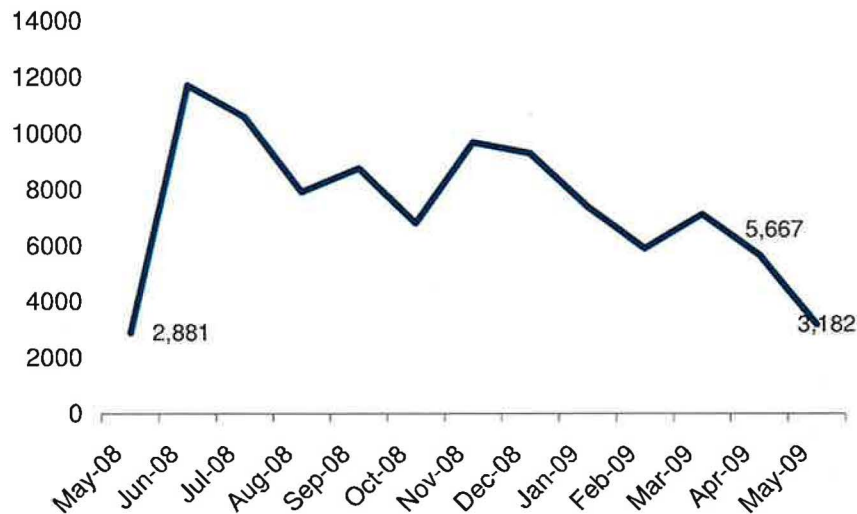
**Loan Modifications Completed**  
Completed loan modifications fell for second consecutive month in May as servicers continue to focus on HAMP.



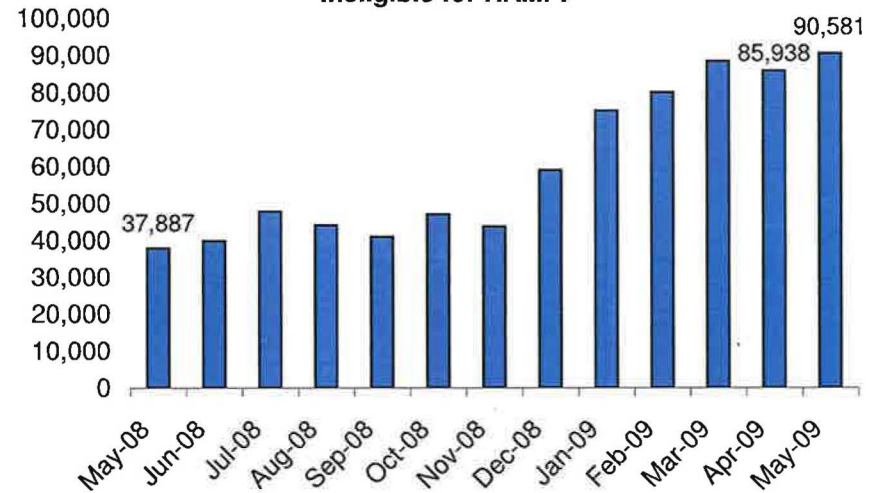
**Repayment Plans Completed**  
Completed repayment plans fell for third consecutive month in May as some borrowers were evaluated for HAMP eligibility.



**HomeSaver Advance Completed (Fannie)**  
Completed HSA funding declined in May as Fannie Mae continues to deemphasize the program.



**Foreclosure Starts**  
Foreclosure starts increased in May from non-owner occupied properties and properties determined to be ineligible for HAMP.



**1 - Mortgage Performance (at period end)**

<i>(# of loans in thousands)</i>	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
<b>Total Loans Serviced</b>	30,481	30,459	30,479	30,527	30,626	30,497	30,495	30,536	30,372	30,226	30,353	30,263	30,234
Prime	25,353	25,369	25,419	25,485	25,608	25,571	25,595	25,657	25,521	25,416	25,578	25,527	25,538
Nonprime	5,128	5,090	5,061	5,042	5,018	4,926	4,900	4,879	4,851	4,810	4,775	4,735	4,696
<b>Total Delinquent Loans</b>									1,724	1,765	1,715	1,817	1,952
Prime									913	967	952	1,012	1,092
Nonprime									810	797	763	805	860
<b>30 - 59 Days Delinquent</b>									708	708	615	646	701
Prime									356	372	316	330	362
Nonprime									352	336	299	316	339
<b>60 - 89 Days Delinquent</b>									275	265	254	258	268
Prime									139	139	137	136	140
Nonprime									137	126	117	121	128
<b>60-plus-days Delinquent</b>	497	529	566	621	678	731	835	926	1,015	1,056	1,100	1,171	1,251
Prime	245	264	284	313	345	380	439	497	557	595	636	682	730
Nonprime	252	265	281	308	333	351	396	429	458	461	464	489	521
<b>Percent of Total Loans Serviced</b>													
<b>Total Delinquent Loans</b>									5.68%	5.84%	5.65%	6.00%	6.46%
Prime									3.58%	3.81%	3.72%	3.96%	4.28%
Nonprime									16.70%	16.58%	15.98%	17.00%	18.31%
<b>30 - 59 Days Delinquent</b>									2.33%	2.34%	2.03%	2.13%	2.32%
Prime									1.40%	1.46%	1.24%	1.29%	1.42%
Nonprime									7.26%	6.99%	6.27%	6.67%	7.21%
<b>60 - 89 Days Delinquent</b>									0.91%	0.88%	0.84%	0.85%	0.89%
Prime									0.54%	0.55%	0.54%	0.53%	0.55%
Nonprime									2.82%	2.62%	2.46%	2.57%	2.73%
<b>60-plus-days Delinquent</b>	1.63%	1.74%	1.86%	2.03%	2.22%	2.40%	2.74%	3.03%	3.34%	3.49%	3.62%	3.87%	4.14%
Prime	0.97%	1.04%	1.12%	1.23%	1.35%	1.49%	1.71%	1.94%	2.18%	2.34%	2.48%	2.67%	2.86%
Nonprime	4.91%	5.21%	5.56%	6.10%	6.64%	7.13%	8.09%	8.79%	9.44%	9.58%	9.71%	10.33%	11.10%
<b>Serious Delinquency Rate</b>	1.12%	1.18%	1.27%	1.38%	1.52%	1.67%	1.88%	2.14%	2.45%	2.63%	2.80%	3.03%	3.25%
<b>In Bankruptcy</b>									0.26%	0.27%	0.29%	0.30%	0.31%



## 2 - Foreclosure Prevention Actions (# of loans)

	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	YTD 2009
<b>Starts</b>														
Repayment Plans	19,945	24,661	26,082	29,506	30,183	29,482	26,288	29,106	37,036	31,258	32,623	42,718	37,415	181,050
Forbearance Plans									11,210	17,545	20,614	32,953	30,120	112,442
<b>Completed</b>														
Repayment Plans	5,504	5,294	4,897	4,720	5,093	4,927	4,147	4,235	4,702	6,506	6,128	4,457	3,944	25,737
Forbearance Plans	459	336	379	326	394	572	658	886	836	827	913	727	701	4,004
Charge-offs in Lieu	49	66	73	57	72	97	75	101	98	61	129	211	155	654
HomeSaver Advance ( <i>Fannie</i> )	2,881	11,725	10,599	7,914	8,764	6,800	9,692	9,296	7,403	5,903	7,125	5,667	3,182	29,280
Loan Modifications	4,677	6,741	4,265	4,446	4,777	6,354	8,735	8,688	9,558	12,067	15,703	13,787	10,442	61,557
<b>Home Retention Actions</b>	<b>13,570</b>	<b>24,162</b>	<b>20,213</b>	<b>17,463</b>	<b>19,100</b>	<b>18,750</b>	<b>23,307</b>	<b>23,206</b>	<b>22,597</b>	<b>25,364</b>	<b>29,998</b>	<b>24,849</b>	<b>18,424</b>	<b>121,232</b>
Short Sales	1,056	1,156	1,492	1,465	1,717	2,103	1,828	2,261	2,608	2,228	3,218	3,578	3,684	15,316
Deeds in Lieu	62	67	118	138	171	156	150	234	188	161	229	385	219	1,182
<b>Nonforeclosure - Home Forfeiture Actions</b>	<b>1,118</b>	<b>1,223</b>	<b>1,610</b>	<b>1,603</b>	<b>1,888</b>	<b>2,259</b>	<b>1,978</b>	<b>2,495</b>	<b>2,796</b>	<b>2,389</b>	<b>3,447</b>	<b>3,963</b>	<b>3,903</b>	<b>16,498</b>
<b>Total Foreclosure Prevention Actions</b>	<b>14,688</b>	<b>25,385</b>	<b>21,823</b>	<b>19,066</b>	<b>20,988</b>	<b>21,009</b>	<b>25,285</b>	<b>25,701</b>	<b>25,393</b>	<b>27,753</b>	<b>33,445</b>	<b>28,812</b>	<b>22,327</b>	<b>137,730</b>
<b>Percent of Total Foreclosure Prevention Actions</b>														
Repayment Plans	37%	21%	22%	25%	24%	23%	16%	16%	19%	23%	18%	15%	18%	19%
Forbearance Plans	3%	1%	2%	2%	2%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Charge-offs in Lieu	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	0%
HomeSaver Advance ( <i>Fannie</i> )	20%	46%	49%	42%	42%	32%	38%	36%	29%	21%	21%	20%	14%	21%
Loan Modifications	32%	27%	20%	23%	23%	30%	35%	34%	38%	43%	47%	48%	47%	45%
<b>Home Retention Actions</b>	<b>92%</b>	<b>95%</b>	<b>93%</b>	<b>92%</b>	<b>91%</b>	<b>89%</b>	<b>92%</b>	<b>90%</b>	<b>89%</b>	<b>91%</b>	<b>90%</b>	<b>86%</b>	<b>83%</b>	<b>88%</b>
Short Sales	7%	5%	7%	8%	8%	10%	7%	9%	10%	8%	10%	12%	17%	11%
Deeds in Lieu	0%	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
<b>Nonforeclosure - Home Forfeiture Actions</b>	<b>8%</b>	<b>5%</b>	<b>7%</b>	<b>8%</b>	<b>9%</b>	<b>11%</b>	<b>8%</b>	<b>10%</b>	<b>11%</b>	<b>9%</b>	<b>10%</b>	<b>14%</b>	<b>17%</b>	<b>12%</b>

## 3 - Loan Modifications

	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	YTD 2009
<b>Type of Modifications (# of loans)</b>														
Extend Term Only									1,732	2,120	2,413	2,326	2,220	10,811
Reduce Rate Only									531	493	450	409	263	2,146
Extend Term and Reduce Rate									6,366	8,440	11,430	10,280	6,444	42,960
Other									929	1,014	1,410	772	1,498	5,623
<b>Type of Modifications (%)</b>														
Extend Term Only									18%	18%	15%	17%	21%	18%
Reduce Rate Only									6%	4%	3%	3%	3%	3%
Extend Term and Reduce Rate									67%	70%	73%	75%	62%	70%
Other									10%	8%	9%	6%	14%	9%

\* Total number of modified loans reported in this table may not tie to the number of modified loans shown in section 2 of the appendix due to timing differences in reporting systems.

## 4 - Home Forfeiture Actions by Risk Category (# of loans)

	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	YTD 2009
Short Sales	1,056	1,156	1,492	1,465	1,717	2,103	1,828	2,261	2,608	2,228	3,218	3,578	3,684	15,316
Deeds in Lieu	62	67	118	138	171	156	150	234	188	161	229	385	219	1,182
<b>Nonforeclosure Home Forfeiture Actions *</b>	<b>1,118</b>	<b>1,223</b>	<b>1,610</b>	<b>1,603</b>	<b>1,888</b>	<b>2,259</b>	<b>1,978</b>	<b>2,495</b>	<b>2,796</b>	<b>2,389</b>	<b>3,447</b>	<b>3,963</b>	<b>3,903</b>	<b>16,498</b>
Third-party Sales	677	662	725	729	716	775	515	281	251	1,032	488	859	1,148	3,778
Prime	388	404	424	402	440	473	296	159	157	674	307	575	767	2,480
Nonprime	289	258	301	327	276	302	219	122	94	358	181	284	381	1,298
Foreclosure Sales	12,977	12,622	16,000	15,156	15,219	16,556	14,130	3,335	2,997	28,221	8,791	13,382	18,168	71,559
Prime	7,309	7,399	9,717	9,029	9,141	9,937	8,582	2,090	1,955	17,801	5,598	8,437	11,876	45,667
Nonprime	5,668	5,223	6,283	6,127	6,078	6,619	5,548	1,245	1,042	10,420	3,193	4,945	6,292	25,892
<b>Third-party &amp; Foreclosure Sales</b>	<b>13,654</b>	<b>13,284</b>	<b>16,725</b>	<b>15,885</b>	<b>15,935</b>	<b>17,331</b>	<b>14,645</b>	<b>3,616</b>	<b>3,248</b>	<b>29,253</b>	<b>9,279</b>	<b>14,241</b>	<b>19,316</b>	<b>75,337</b>
Prime	7,697	7,803	10,141	9,431	9,581	10,410	8,878	2,249	2,112	18,475	5,905	9,012	12,643	48,147
Nonprime	5,957	5,481	6,584	6,454	6,354	6,921	5,767	1,367	1,136	10,778	3,374	5,229	6,673	27,190
Foreclosure Starts	37,887	39,925	47,770	44,170	40,969	47,086	43,827	59,068	75,230	80,103	88,491	85,938	90,581	420,343
Prime	21,579	22,374	27,998	25,082	22,495	26,808	25,456	35,040	44,182	51,483	55,946	55,673	58,878	266,162
Nonprime	16,308	17,551	19,772	19,088	18,474	20,278	18,371	24,028	31,048	28,620	32,545	30,265	31,703	154,181

## Top Five Reasons for Delinquency

Curtailment of Income	34%	35%	36%	38%	40%
Excessive obligations	20%	19%	19%	18%	18%
Unemployment	8%	8%	8%	9%	9%
Illness of principal mortgagor or family member	6%	6%	6%	6%	6%
Marital Difficulties	4%	3%	3%	3%	3%

\* Short sales and deeds in lieu of foreclosure completed

## Glossary

### Section 1: Mortgage Performance

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

**FICO Score** - A standard measure of consumer credit risk developed by the Fair Isaac Corporation.

**Prime Loan** - A mortgage with a FICO score at origination greater than or equal to 660.

**Nonprime Loan** - A mortgage with either a FICO score at origination of less than 660 or with no FICO score at origination.

**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.

**90-plus-days Delinquent (Serious Delinquent)** - Loans three or more payments delinquent, including loans in relief, or in the process of foreclosure and 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. At the end of the forbearance, the borrower is required to bring the account current or to enter into another loss mitigation action, such as a payment plan or a loan modification.

**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.





## Federal Housing Finance Agency

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Refinance Report  
August 2009

# Fannie Mae and Freddie Mac Refinance Volumes

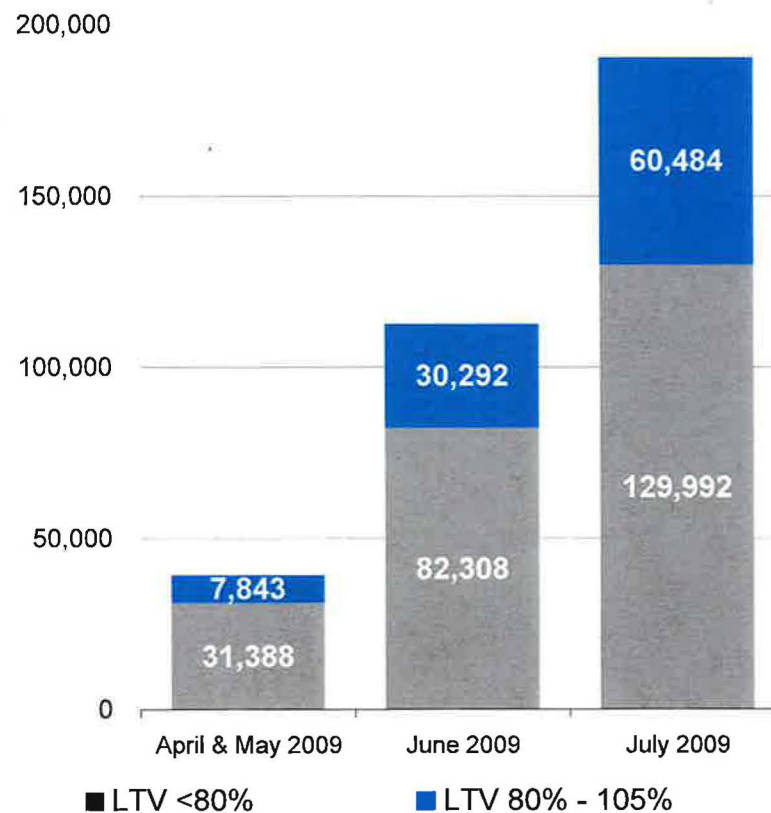
## January 1, 2009 through July 31, 2009



### Fannie Mae and Freddie Mac Refinance Volumes

	July 2009	Inception to Date <sup>2</sup>	Year to Date
<b>Total Refinances</b>	422,499	1,863,211	2,903,114
<b>Streamlined GSE Loans<sup>1</sup></b>			
LTV < 80%	47,684	129,992	129,992
LTV 80% - 105%	30,192	60,484	60,484

### Fannie Mae and Freddie Mac Streamlined Refinance Volumes Cumulative



<sup>1</sup>Streamlined GSE loans: Home Affordable Refinance Program

**Fannie Mae:** Fannie Mae implements Home Affordable 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:** Freddie Mac implements Home Affordable Refinances through the Relief Refinance Mortgage product. Loans may be originated by any Freddie Mac approved servicer.

The HARP was extended to loans with LTV ratios up to 125 in late July 2009. Loans in the 105-125 LTV range are not yet reflected in this report.

<sup>2</sup>Inception to Date - Since April 1, 2009

# Fannie Mae and Freddie Mac Refinance Volumes

January 1, 2009 through July 31, 2009



	July 2009	Inception to Date <sup>2</sup>	Year to Date
<b>Total Refinances</b>			
Fannie Mae	264,317	1,107,799	1,711,494
Freddie Mac	158,182	755,412	1,191,620
<b>Streamlined GSE Loans<sup>1</sup></b>			
<b>LTV &lt; 80%</b>			
Fannie Mae	38,144	106,155	106,155
Freddie Mac	9,540	23,837	23,837
<b>LTV 80% -105%</b>			
Fannie Mae	15,617	31,723	31,723
Freddie Mac	14,575	28,761	28,761

<sup>1</sup>Streamlined GSE loans: Home Affordable Refinance Program

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