

CITY OF OAKLAND

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OFFICE OF THE CITY CLERK
OAKLAND

AGENDA REPORT

TO: **2010 FEB 25 AM 9:44**
Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: March 9, 2010

RE: **A Follow-up Report on Loan Modification Activity Including 1) Options for Modifying the Linked Banking Services Ordinance to Include Foreclosure Statistics, 2) Alternative Options to Receive Statistics about Loan Modifications and Foreclosures, and 3) Information from Counseling Agencies and Banks Regarding Permanent Loan Modification Activities**

SUMMARY

This is a follow-up to a report presented to the Community and Economic Development Committee on January 12, 2010, regarding mortgage loan modification activity by major banks. Staff is not recommending changes to the Linked Banking Services Ordinance at this time as it does not appear to be possible to obtain the data necessary to assess local loan modification activity. Moreover, the City is unlikely to select new banking institutions for two to four years.

FISCAL IMPACT

This is an informational report that recommends possible activities that do not have a financial impact.

BACKGROUND

Staff presented an informational report analyzing the loan modification activity (to help avoid foreclosures) of major banks including Chase Manhattan, Wells Fargo and Bank of America, including percentages of loans modified in Oakland and nationwide, to the Community and Economic Development Committee on January 12, 2010. The Committee received and filed the report and directed staff to return with a separate report addressing 1) options on adding stronger language to future reports and surveys pursuant to the linked banking services ordinance, with requirements for the banks to provide more in-depth foreclosure informational statistics, 2) what other alternative options are available to receive statistical information about loan modifications and foreclosures; and 3) outreach to our foreclosure counseling agencies and banks for the long-term results of successful permanent loan modifications.

Item: _____
CED Committee
March 9, 2010

KEY ISSUES AND IMPACTS

Subprime lending practices during the last few years have led to an increase in the number of homeowners who have lost, or are in danger of losing their homes to foreclosure. Although many of those lending practices no longer occur, adjustable-rate mortgages continue to adjust upward and increase monthly payments to amounts that exceed homebuyers' ability to make the required payments. Rising unemployment has compounded the situation.

Renters who occupy foreclosed homes face eviction in violation of the City's Just Cause Ordinance. A large number of foreclosures have and will continue to result in vacant properties that may cause blight and other undesirable neighborhood conditions.

In response to the housing crisis, both lenders and the Federal government have announced several plans to help borrowers in danger of foreclosure to refinance or modify their mortgages, yet many foreclosures continue to occur. Staff looked at other possible options to obtain information on the status and progress of these programs and other options that may be available to receive useful information.

Staff considered changes to the Linked Banking Ordinance that may provide useful information on the status of foreclosures and loan modifications.

PROGRAM DESCRIPTION

Staff considered the Linked Banking Ordinance, City Treasury Request for Proposals for Banking Services, the US Treasury monthly Servicer Performance Reports, and local housing counseling agencies as options to receive information on foreclosures and loan modifications.

Current Linked Banking Ordinance

Council amended the Linked Banking Ordinance, No. 12066 C.M.S., on July 14, 1998. The Ordinance established a process for assessing each bank's performance in providing community credit and for determining bank eligibility to act as a banking service provider for the City. The City establishes an estimate of citywide community credit demand. Individual banks' fair share community lending goals ("Fair Share Goals") are calculated by multiplying this total community credit demand figure by the percent of Oakland deposits held by each bank. Banks must submit the required information and meet their Fair Share Goals in order to be considered for "Eligible Depository" status under the Ordinance. Only banks meeting the Fair Share Goals and considered Eligible Depositories may be eligible to provide City banking services.

The specific function of the 2008 Community Credit Needs Study was to estimate the aggregate community credit demand for the given year. The reports do not address foreclosure activity.

Item: _____
CED Committee
March 9, 2010

The City of Oakland uses the aggregate community credit demand figure for the following purposes:

- To determine fair share lending goals for individual banks with deposits in the City;
- To evaluate the lending performance of individual banks, rewarding banks that meet their fair share goal with eligibility status to provide financial services to the City;
- To track both community credit demand levels and lender performance in meeting community credit demand over time; and
- To provide key decision-makers (such as the Oakland City Council and Community Reinvestment Commission, members of Congress, and banking regulatory agencies) with credit demand information for consideration in the development of public policy.

Several reporting forms are requested that give banks an opportunity to meet their fair share goal in several categories, such as residential loans, commercial loans, small business loans and refinances. Many banks do not respond to the survey for various reasons, such as

1. They do not make housing-related loans
2. They do not have record keeping systems in place to provide the data
3. They have no interest in providing banking services to the City
4. They feel that the likelihood of obtaining sufficient City business does not justify the time it takes to respond.

Of 31 banks and savings institutions with deposits in Oakland during July 1, 2007 and June 30, 2008, eight responded to the survey in 2009; seven met their 2008 Fair Share Goal.

Feasibility of Obtaining Loan Modification Data through Possible Changes to the Linked Banking Ordinance

The next linked banking survey will occur later this year. Staff can include criteria for performance in modifying loans of households in foreclosure as part of the next survey. Staff can ask the banks to report on foreclosure activity that include the number of residential mortgages in Oakland, the percentage of mortgages that went into default, and the number of borrowers that obtained modifications. Based on previous experience, it will be difficult to get local foreclosure data; it has not been provided so far and some who have tried to obtain this information respond that it is a closely guarded secret. Responses received from earlier staff requests were that the information is proprietary, highly confidential, and the information cannot be disclosed. Industry representatives such as the California Reinvestment Coalition and the Federal Reserve Bank Research Manager have also been unable to obtain local data.

Staff would have to rely on the banks to self-report, as there is no individual source of data and the current detailed government reports only provide national statistics. The next step would be to determine points, ranking and criteria for eligibility.

Item: _____
CED Committee
March 9, 2010

Banks Proposing to Provide Banking Services for the City

It is likely that the City Treasury Requests for Proposals (RFP) would have more impact on banks to provide foreclosure data than the Linked Banking Survey. More weight could be given to banks for loan modification activity when responding to the City's RFP to provide banking services, but the request does not happen on a frequent basis.

The Treasury Division solicited RFPs from banking institutions to serve as primary provider of depository services and custodial banking services for the City and the Redevelopment Agency the summer of 2009. They required the banks to provide information on programs they have in place to assist in mitigating the risk of homeowner foreclosures, if their institutions have provided assistance to homeowners, and the number of homeowners assisted. Four banks responded to the RFP including Bank of America and Wells Fargo; Chase did not.

The City Council adopted two resolutions June 16, 2009 authorizing three-year contracts with Wells Fargo with two one-year options to renew. It is possible that the City will not solicit banks again for four more years (before 2014).

The Making Home Affordable Program

The U.S. Treasury Department released the outlines of President Obama's plan to help millions of homeowners refinance or modify their mortgages on March 4, 2009. The program will help millions of homeowners refinance or modify their mortgage payments to a level that is affordable now as well as in the future.

The Making Home Affordable Program planned to help homeowners who were unable to refinance their mortgage because the value of their homes plunged and they owed more than 80 percent of their home's value. The program will allow homeowners to refinance up to 125% of the value of their home with reduced interest rates as low as 2 percent for five years.

The second part of the plan was to help up to three to four million borrowers modify their loans. Some of these borrowers could no longer afford their monthly payments and were close to defaulting, while others were on the brink of foreclosure.

To receive loan modifications through the *Home Affordable Modification Program* (HAMP), borrowers must:

- Own a 1- to 4-unit home that is their primary residence .
- Have a mortgage payment (including taxes, insurance, and homeowner's association dues) more than 31 percent of their gross (pre-tax) monthly income.
- Owe less than or equal to \$729,750 on the first mortgage for a one-unit property.

The Home Affordable Modification Program requires borrowers to enter into a Trial Period Plan before receiving a permanent Home Affordable Modification. Borrowers must complete and submit additional documents to show they can make their payments on time to make the change permanent.

The program provides a monthly Performance Report by servicer on loan modification activity, known as the HAMP report. This report provides detailed information by servicer on a national level and cumulative number of modifications by states, but does not provide local data. The report now includes a list of the 15 Metropolitan Areas with Highest HAMP Activity, but the Bay Area is not included.

The Performance report through December 2009 showed that Bank of America, Chase and Wells Fargo all increased the number of trial modifications by 4 - 5% since the October 2009 report that was provided to this committee January 12th. National data by bank and cumulative California data is listed below and the complete Performance report through December 2009 is included as *Attachment D*.

Servicer	National Statistics						
	Estimated Eligible 60+ Day Delinquency ¹	Trial Plan Offers Extended	All HAMP Trials Started	Active Trial Modifications	Permanent Modifications	Permanent Modifications Pending	Trial Modifications as Share of Estimated Eligible 60+ Day Delinquencies
B of A	1,046,008	292,305	206,775	200,287	3,183	9,178	19%
Chase	424,965	210,553	156,359	146,828	7,139	5,518	36%
Wells Fargo	350,169	172,541	126,413	110,284	8,424	10,088	34%
National Total	1,736,633	527,557	489,547	364,634	18,746	24,784	25%

The HAMP report provides the following numbers for modification activity by State for California. No data was provided on the number of eligible loans. California had the highest number of modifications; Florida had the next highest number of modifications with 105,108.

Active Trials	158,935
Permanent Modifications	<u>13,353</u>
Total Modifications	172,288

Information from Local Counseling Agencies

Seven non-profit counseling agencies are located in Oakland; six are currently HUD-approved. Some of these agencies participate more actively with the City than others. These agencies provide data to HUD using a standard format. Staff requested information from the following agencies:

- ACORN Housing (Oakland office closed at the end of September 2009; national office provided information for California)

Item: _____
 CED Committee
 March 9, 2010

- Consumer Credit Counseling Agency dba Money Management Inc. – (requested via Dublin Office)
- Lao Family Community Development, Inc. (not currently funded by HUD)
- The Neighborhood Assistance Corporation of America (NACA)
- NID-Housing Counseling Agency
- Operation HOPE
- Unity Council

ACORN Housing, NID and the Unity Council provided information. Those charts are attached as *Attachments A-C*.

- ACORN Housing provided data for October 2008-2009 for California.
- NID provided Oakland data for October – December 2009.
- The City contracts with the Unity Council to provide foreclosure workshops and education. In addition to statistics for the last quarter of 2009 (October – December), the Unity Council provided Oakland statistics for calendar year 2008, calendar year 2009 and expected outcomes for calendar year 2010. Those charts are attached. The Unity Council also provided statistics for HUD's fiscal year (October – September) 2008, 2009 and Quarter 1 FY 2009 and 2010.

SUSTAINABLE OPPORTUNITIES

Pursuant to City Council Resolution No. 74678 C.M.S., adopted December 1, 1998, staff encourages property owners to operate sustainable projects.

Economic: Maintaining homeownership helps avoid and reduce neighborhood blight that can impede economic development efforts.

Environmental: Nothing in this report creates direct environmental benefits. Vacant homes increase the possibility of deteriorating properties, vandalism, debris and other negative elements.

Social Equity: This report provides information to citizens in danger of losing their homes so they can continue to occupy their residences. Maintenance of homeownership, especially for low and moderate income households, is a key social equity goal of the City Council.

DISABILITY AND SENIOR CITIZEN ACCESS

This report does not provide specific benefits or programs for disabled or senior citizens.

Item: _____
CED Committee
March 9, 2010

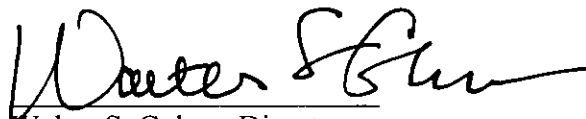
RECOMMENDATIONS AND RATIONALE

1. Staff recommends that future linked banking surveys request that banks provide information on loan modification activity. Banks will likely provide information that is readily available, and some will be unable to comply.
2. If the housing crisis continues, future Requests for Proposals to provide City banking services could also evaluate banks' responses to foreclosures and loan modifications.
3. As future foreclosure information is available, staff can request counseling agencies that work closely with the City to provide local data. NACA and Operation HOPE are subject to national reporting criteria and may not respond.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council accept this report and expand reporting requirements for the next linked banking survey to include foreclosure and loan modification activity and consider additional options in the future.

Respectfully submitted,

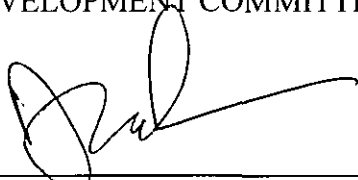


Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed by:
Jeffrey Levin, Acting Deputy Director
Housing and Community Development

Prepared by:
Jackie Campbell, Manager
Homeownership Programs

APPROVED AND FORWARDED TO
THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE



Office of the City Administrator

Item: _____
CED Committee
March 9, 2010

Attachment A

ACORN Housing Statistics

**2008-2009 HUD Fiscal Year
California Cases**

1)	Brought mortgage current	81
2)	Mortgage refinanced	21
3)	Mortgage modified	2,489
4)	Received second mortgage	2
5)	Initiated forbearance agreement/repayment plan	312
6)	Executed a deed-in-lieu	4
7)	Sold property/chose alternative housing solution	37
8)	Pre-foreclosure sale	108
9)	Mortgage foreclosed	380
10)	Counseled and referred to another social service	1,991
11)	Obtained partial claim loan from FHA lender	3
12)	Bankruptcy	54
13)	Entered debt management plan	151
14)	Counseled and referred for legal assistance	931
15)	Currently receiving foreclosure prevention/budget counseling	4,090
16)	Withdrew from counseling	1,025
17)	Other	309
	Sub-total:	11,988

Total CA: 11,988

Total Oakland cases: 662

CA active clients by status as of 2/3/2010:

(1) Application filed	38
(2) Missing documents to start counseling	32
(3) Missing documents to start workout proposal	22
(4) Meeting scheduled with counselor	23
(5) Appointment being rescheduled	25
(6) Preparing proposal to submit to lender or servicer	10
(7) Servicer proposal under AHC review	17
(8) Proposal submitted to lender or servicer for approval	3,140
(9) Proposal rejected by servicer or lender (disputing)	27
(10) Servicer proposal being revised	12
(11) Proposal resubmitted to servicer	19
(12) Proposal approved but not finalized (temp)	701
(13) Proposal submitted to lender or servicer to stop sale	24

Total active cases:	4,090
% of cases under servicer review	78%
% of cases with temporary modifications	17%

Attachment B

NID Housing Counseling Statistics

NID-Housing Counseling Agency
October -- December 2009

Brought Mortgage Current 3
Mortgage Refinanced 0
Mortgage Modified 492
Received Second Mortgage 0
Initiated forbearance agreement/repayment plan 2
Executed a deed-in-lieu 0
Mortgage foreclosed 2
Counseled and referred to another social service agency 2
Obtained partial claim from FHA lender 0
Bankruptcy 5
Entered debt management program 0
Counseled and referred for legal assistance 25
Currently receiving foreclosure prevention/budget counseling 84
Withdrew from counseling 4
Other 0

Attachment C

Unity Council Statistics

	CY = January 1 - December 31					
	CY 2008		CY 2009		CY 2010	
Mortgage Delinquency/Default Counseling - Outcomes	Number of clients	Percentage of Total	Number of clients	Percentage of Total	Expected Outcomes # of clients	Expected Outcomes % of total
Bankruptcy	7	2.94%	6	1.25%	7	0.60%
Brought Mortgage Current	2	0.84%	0	0.00%	1	0.09%
Counseled and referred for legal assistance	5	2.10%	30	6.25%	425	39.22%
Counseled and referred to another social service or emergency assistance agency	1	0.42%	3	0.63%	2	0.18%
Currently Receiving Foreclosure Prevention/Budget Counseling	98	41.18%	208	43.33%	350	32.30%
Entered debt management plan	2	0.84%	0	0.00%	1	0.09%
Executed a Deed-in-Lieu	0	0.00%	3	0.63%	2	0.14%
Initiated Forbearance Agreement/Repayment Plan	46	19.33%	162	33.75%	104	9.60%
Mortgage Foreclosed	16	6.72%	7	1.46%	12	1.06%
Mortgage Modified	29	12.18%	41	8.54%	155	14.31%
Mortgage Refinanced	0	0.00%	1	0.21%	1	0.05%
Obtained partial claim loan from FHA lender	0	0.00%	0	0.00%	0	0.00%
Other	1	0.42%	2	0.42%	2	0.14%
Pre-foreclosure sale	3	1.26%	3	0.63%	3	0.28%
Received Second Mortgage	0	0.00%	0	0.00%	0	0.00%
Sold property/chose alternative housing solution	1	0.42%	2	0.42%	2	0.14%
Withdrew from counseling	27	11.34%	12	2.50%	20	1.80%
TOTAL Individual Counseling Results	238	100.00%	480	100.00%	1084	100.00%
Result Missing/Unknown - People who attended Foreclosure prevention workshops but did not continue with individual counseling (not included in % above; not a HUD category)	270	113.45%	370	77.08%	320	29.53%
GRAND TOTAL ALL Foreclosure clients including workshop attendees who did not continue on with individual counseling	508		850		1403.5	

	FY = October 1 - September 30							
	FY2008 Q1-Q4		FY2009 Q1-Q4		FY09-Q1		FY10-Q1	
	Number of clients	Percentage of Total	Number of clients	Percentage of Total	Number of clients	Percentage of Total	Number of clients	Percentage of Total
Mortgage Delinquency/Default Counseling - Outcomes								
Bankruptcy	3	1.84%	8	1.53%	4	2.74%	3	2.75%
Brought Mortgage Current	1	0.61%	0	0.00%	1	0.68%	0	0.00%
Counseled and referred for legal assistance	4	2.45%	30	5.74%	3	2.05%	6	5.50%
Counseled and referred to another social service or emergency assistance agency	2	1.23%	4	0.76%	1	0.68%	0	0.00%
Currently Receiving Foreclosure Prevention/Budget Counseling	62	38.04%	233	44.55%	62	42.47%	43	39.45%
Entered debt management plan	2	1.23%	0	0.00%	0	0.00%	0	0.00%
Executed a Deed-in-Lieu	0	0.00%	3	0.57%	0	0.00%	0	0.00%
Initiated Forbearance Agreement/Repayment Plan	39	23.93%	146	27.92%	33	22.60%	51	46.79%
Mortgage Foreclosed	10	6.13%	14	2.68%	7	4.79%	0	0.00%
Mortgage Modified	19	11.66%	48	9.18%	15	10.27%	5	4.59%
Mortgage Refinanced	0	0.00%	1	0.19%	0	0.00%	0	0.00%
Obtained partial claim loan from FHA lender	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other	3	1.84%	2	0.38%	0	0.00%	0	0.00%
Pre-foreclosure sale	2	1.23%	4	0.76%	3	2.05%	1	0.92%
Received Second Mortgage	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Sold property/chose alternative housing solution	0	0.00%	3	0.57%	1	0.68%	0	0.00%
Withdrew from counseling	16	9.82%	27	5.16%	16	10.96%	0	0.00%
TOTAL Individual Counseling Results	163	100.00%	523	100.00%	146	100.00%	109	100.00%
Result Missing/Unknown - People who attended Foreclosure prevention workshops but did not continue with individual counseling (not included in % above; not a HUD category)	207	126.99%	380	72.66%	117	80.14%	89	81.65%
GRAND TOTAL ALL Foreclosure clients including workshop attendees who did not continue on with individual counseling	370		903		263		198	

Attachment D

**Making Home Affordable Program
Servicer Performance Report Through December 2009**

Making Home Affordable Program

Servicer Performance Report Through December 2009

Overview of Administration Housing Stability Initiatives

Initiatives to Support Access to Affordable Mortgage Credit and Housing

Lower Mortgage Rates and Access to Credit:

- Continued financial support to maintain affordable mortgage rates through the Government Sponsored Enterprises (GSEs)
- Interest rates down a full percentage point over the past year. Every 1% reduction in interest rate saves a borrower a median of \$1500 annually in mortgage payments.
- Access to sustainable mortgages through the Federal Housing Administration (FHA).

State and Local Housing Initiatives:

- Access for Housing Finance Agencies to provide mortgages to first-time homebuyers, refinance opportunities for at-risk borrowers, and affordable rental housing.

Tax Credits for Housing:

- Homebuyer credit to help homebuyers buy new homes.
- Low-Income Housing Tax Credit (LIHTC) programs to support affordable rental housing.

Initiatives to Prevent Avoidable Foreclosures and Stabilize Neighborhoods

Making Home Affordable – Modifications:

- Goal of offering 3-4 million homeowners lower mortgage payments through a modification through 2012.
- Over 900,000 homeowners have started trial modifications and over 1 million offers for trial modifications have been extended to borrowers.
- Homeowners in permanent modifications are saving a median of over \$500 per month on mortgage payments. In aggregate, homeowners have saved over \$1.5 billion through modifications.

Making Home Affordable – Refinancing:

- Refinancing flexibility and low mortgage rates, which have allowed over 3.8 million borrowers to refinance, saving an estimated \$150 per month on average and more than \$6.8 billion in total over the first year.

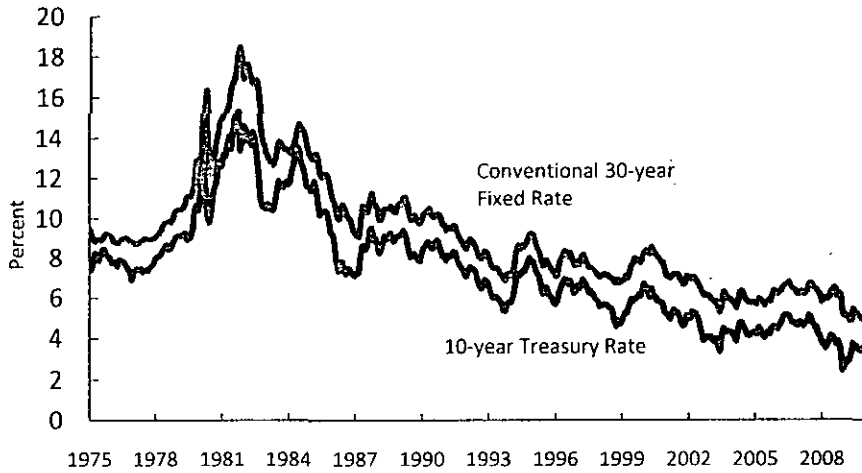
Neighborhood Stabilization and Community Development Programs:

- Support for the hardest hit communities to help stabilize neighborhoods.

Making Home Affordable Program

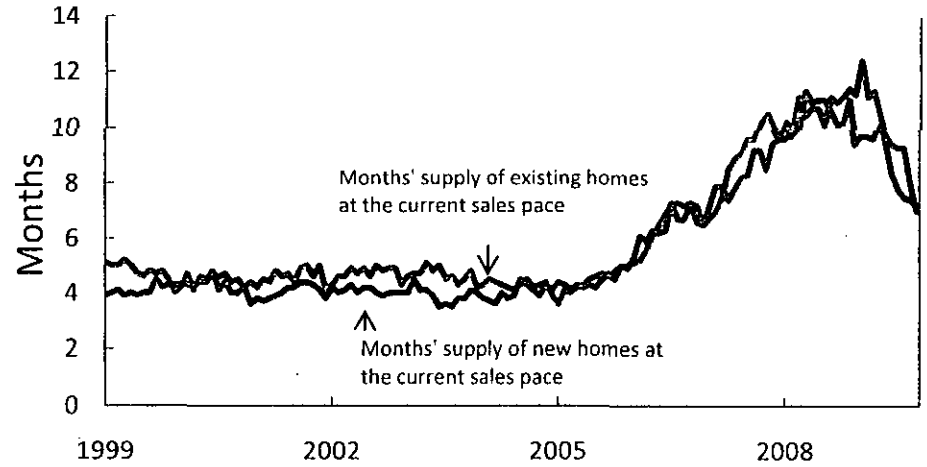
Servicer Performance Report Through December 2009

Mortgage Rates



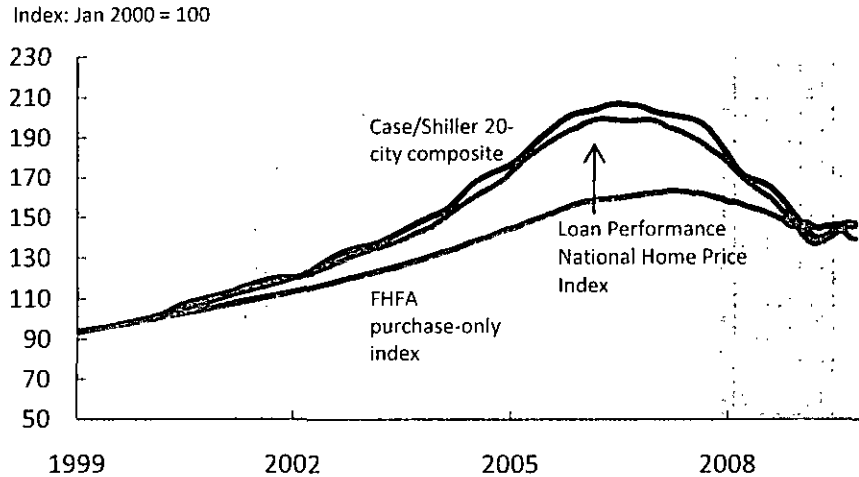
Source: Federal Reserve.

Housing Inventory



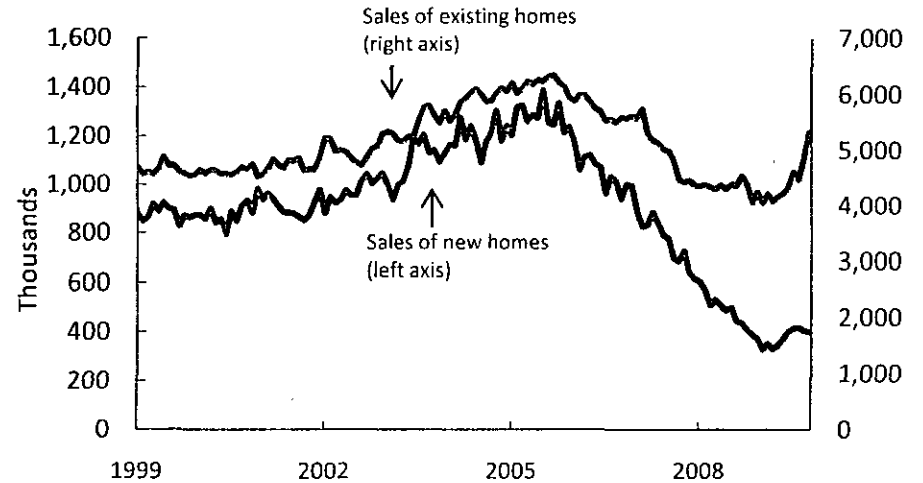
Source: National Association of Realtors.

Home Prices



Sources: S&P/Case-Shiller Home Price Index; LP/Haver Analytics; FHFA.

New and Existing Home Sales



Source: National Association of Realtors, Census Bureau.

Note: Shaded areas indicate recessions.

Making Home Affordable Program

Servicer Performance Report Through December 2009

Home Affordable Modification Program (HAMP) Snapshot through December 2009

Number of Trial Period Plan Offers Extended to Borrowers (Cumulative) ¹	1,164,507
All HAMP Trials Started Since Program Inception ²	902,620
All Active Modifications (Trial and Permanent)	853,696
Active Trial Modifications ²	787,231
Permanent Modifications ³	66,465
Permanent Modifications Pending Borrower Acceptance ⁴	46,056
Total Permanent Modifications Approved by Servicers ⁵	112,521

¹ Source: Survey data provided by servicers.

² As reported by the HAMP system of record.

³ Active permanent modifications as reported by servicers into the HAMP system of record.

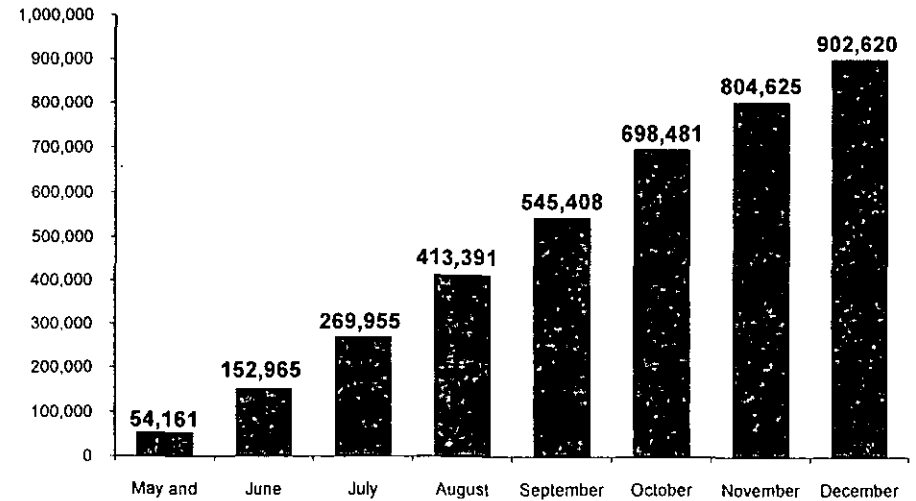
⁴ As reported by servicers in Treasury's Conversion Campaign. Pending permanent modifications are those pending final signature of the borrower plus completed modifications not yet in the HAMP system of record. While pending, modifications are reflected in the count of active trials.

⁵ Permanent modifications in the HAMP system of record and pending modifications as reported by servicers in Treasury's Conversion Campaign. Pending permanent modifications are those pending final signature of the borrower plus completed modifications not yet in the HAMP system of record. While pending, modifications are reflected in the count of active trials.

HAMP Program Highlights

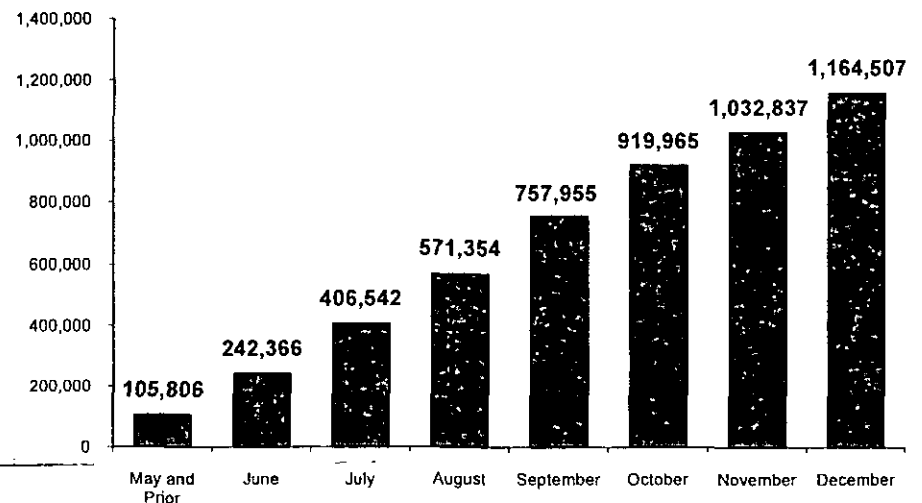
- Approximately 89% of eligible mortgage debt outstanding is covered by HAMP participating servicers.
- During the 4th quarter, the number of servicers who have signed servicer participation agreements to modify loans under HAMP rose from 63 to 102. In addition, approximately 2,300 lenders service loans owned or guaranteed by Fannie Mae or Freddie Mac. These servicers are automatically eligible to participate in HAMP.
- In the 4th quarter, the volume of active trial and permanent modifications rose by more than 75% from the 3rd quarter.
- The December Conversion Campaign resulted in an increase in the number of permanent modifications of more than 100%. In addition, more than 46,000 offers for permanent modifications have been sent to borrowers and will be reported to the HAMP system of record once they have been signed and returned to the servicer.

HAMP Trials Started (Cumulative, by Month)



Source: All trial modifications started by month first payment posted; based on numbers reported by servicers to the HAMP system of record.

HAMP Trial Plans Offered to Borrowers (Cumulative, by Month)



Source: Survey data provided by servicers. September data includes October 1. October data is 10/2 through 10/29. November data is through Nov. 26.

Additional information on HAMP can be found on MakingHomeAffordable.gov or by calling the Homeowner's HOPE Hotline at 1-888-995-HOPE (4673).

Making Home Affordable Program

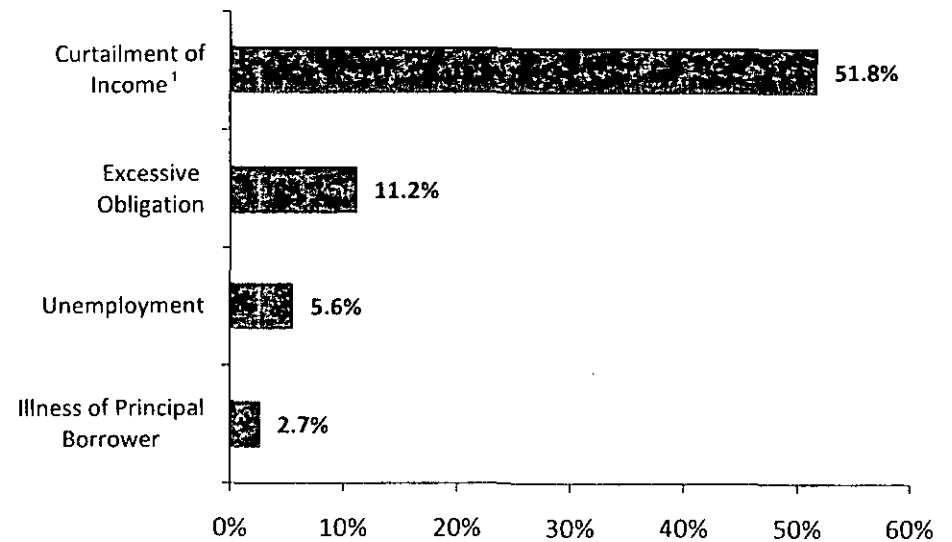
Servicer Performance Report Through December 2009

- Borrowers in active trial and permanent modifications have saved more than \$1.5 billion through HAMP modifications.
- Loss of income is the primary borrower hardship.

Permanent Modifications by Waterfall Step:

Interest Rate Reduction	100%
Term Extension	43.2%
Principal Forbearance	26.6%

Predominant Hardship Reasons for Permanent Modifications



¹ Curtailment of income refers to borrowers who are employed but have faced a reduction in hours and/or wages. Note: Does not include 19.3% of permanent modifications reported as Other.

Select Median Characteristics of Permanent Modifications

Loan Characteristic	Before Modification	After Modification	Decrease
Front-End Debt-to-Income Ratio ¹	45.0%	31.0%	-14.1 pct pts
Back-End Debt-to-Income Ratio ²	72.2%	55.1%	-14.7 pct pts
Median Monthly Payment ³	\$1,418.93	\$829.96	-\$516.14

¹ Ratio of housing expenses (principal, interest, taxes, insurance and homeowners association and/or condo fees) to monthly gross income. Decrease cited is median decrease.

² Ratio of total monthly debt payments (including mortgage principal and interest, taxes, insurance, homeowners association and/or condo fees, plus payments on installment debts, junior liens, alimony, car lease payments and investment property payments) to monthly gross income. Decrease cited is median decrease.

³ Decrease cited is median decrease.

Making Home Affordable Program

Servicer Performance Report Through December 2009

HAMP Modification Activity by Servicer



Servicer	Estimated Eligible 60+ Day Delinquency	Trial Plan Offers Extended	All HAMP Trials Started	Active Trial Modifications	Permanent Modifications	Permanent Modifications Pending	Active Trials Permitted as Share of Eligible 60+ Day Delinquencies
American Home Mortgage Servicing Inc	124,262	14,243	10,918	10,658	232		9%
Aurora Loan Services, LLC ⁴	78,225	41,259	36,618	21,912	4,682	2,737	34%
Bank of America, NA ⁵	1,046,008	292,305	206,775	200,287	3,183	9,178	19%
Bank United	5,422	959	685	683	2		13%
Bayview Loan Servicing, LLC	10,183	4,170	3,653	3,398	106		34%
Carrington Mortgage Services LLC	18,937	2,598	1,507	899	608		8%
CCO Mortgage	5,304	1,474	1,132	1,127	5		21%
CitiMortgage, Inc. ⁶	241,981	139,812	119,097	107,999	4,999	6,968	47%
Franklin Credit Management Corporation	9,557	32	0	0	0		0%
GMAC Mortgage, Inc.	69,281	42,411	32,159	20,672	9,872	2,733	44%
Green Tree Servicing LLC	10,927	4,838	3,455	3,268	87		31%
HomeEq Servicing	41,817	2,630	1,753	1,662	0		4%
J.P. Morgan Chase Bank, NA ⁷	424,965	210,553	156,359	146,828	7,139	5,518	36%
Litton Loan Servicing LP	111,260	25,641	21,113	17,377	959		16%
Nationstar Mortgage LLC	49,026	21,902	14,588	12,176	1,277		27%
Ocwen Financial Corporation, Inc.	64,797	17,557	12,884	7,427	5,332	2,256	20%
OneWest Bank	112,846	41,950	24,284	23,012	1,226		21%
PNC Mortgage ⁸	41,136	19,413	13,237	12,153	61		30%
Saxon Mortgage Services, Inc.	72,709	39,843	36,406	30,914	2,497	5,853	46%
Select Portfolio Servicing	63,690	46,918	29,280	17,399	4,675		35%
US Bank NA	28,524	10,103	7,404	6,984	418		26%
Wachovia Mortgage, FSB ⁹	82,990	9,199	2,437	2,046	344	725	3%
Wells Fargo Bank, NA	350,169	172,541	126,413	110,284	8,424	10,088	34%
Other SPA servicers ¹⁰	20,463	2,156	1,414	928	457		7%
Other GSE Servicers ¹¹	272,365	NA	39,049	27,138	9,880		14%
Total	3,356,844	1,164,507	902,620	787,231	66,465	46,056	25%

¹ Estimated eligible 60+ day delinquent mortgages as reported by servicers as of November 30, 2009 include conventional loans:

- in foreclosure and bankruptcy.
- with a current unpaid principal balance less than \$729,750 on a one-unit property, \$934,200 on a two-unit property, \$1,129,250 on a three-unit property and \$1,403,400 on a four-unit property.
- on a property that was owner-occupied at origination.
- originated prior to January 1, 2009.

Estimated eligible 60+ day delinquent loans excludes:

- FHA and VA loans.
- loans that are current or less than 60 days delinquent, which may be eligible for HAMP if a borrower is in imminent default.

Servicers enrolling after December 1 did not participate in the 60+ day delinquency survey; their delinquency count is from the servicer registration form.

² Active trial and permanent modifications as reported into the HAMP system of record by servicers.

³ As reported by servicers targeted in Treasury's Conversion Campaign. Includes permanent modifications pending final signature of the borrower plus completed modifications not yet reported into the HAMP system of record. While pending, modifications are reflected in the count of active trials.

⁴ Aurora Loan Services, LLC includes Aurora Financial Group.

⁵ Bank of America, NA includes Bank of America, NA, BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

⁶ CitiMortgage, Inc. includes CitiMortgage, Inc. Master Servicing Division.

⁷ J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.

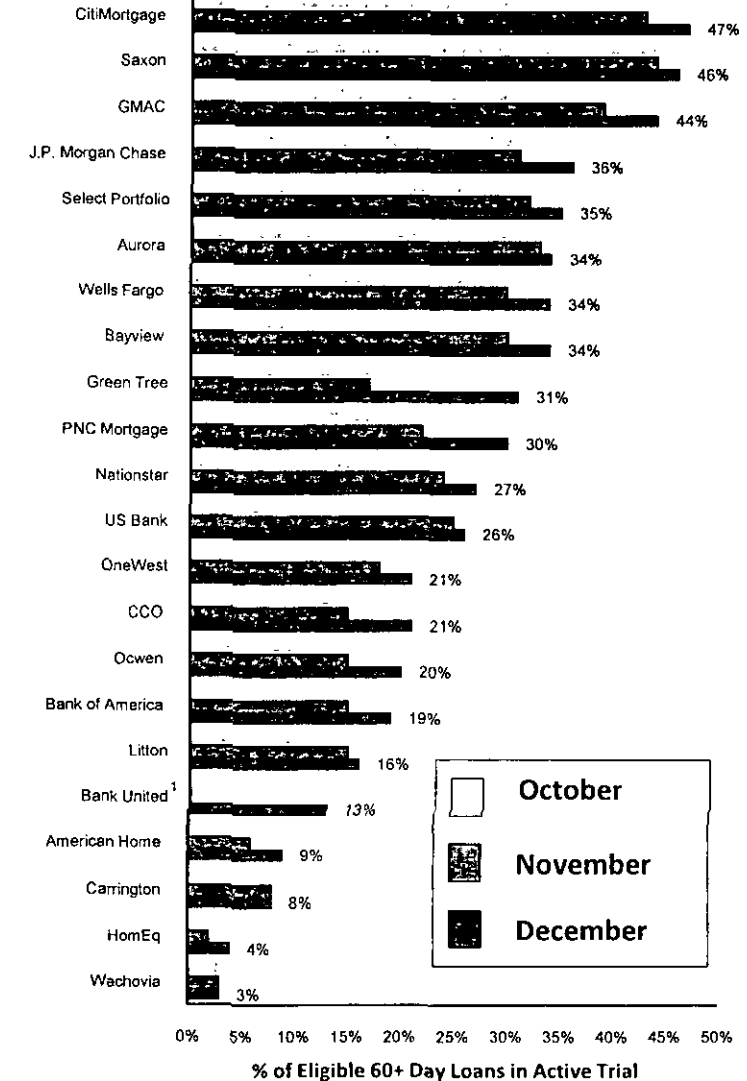
⁸ Formerly National City Bank.

⁹ Wachovia Mortgage FSB includes Wachovia Bank NA.

¹⁰ Other SPA servicers are entities with less than 5,000 estimated eligible 60+ day delinquencies that have signed participation agreements with Treasury and Fannie Mae. A list of those servicers is available online at http://www.makinghomeaffordable.gov/contact_servicer.html

¹¹ Includes servicers of loans owned or guaranteed by Fannie Mae and Freddie Mac.

Active Modifications as a Share of Estimated Eligible 60+ Day Delinquencies



¹ Bank United began participation on October 23, 2009.

Note: Includes active trial and permanent modifications. Servicer combinations are the same as the table at left.

October trials as a share of 60+ day delinquencies on September 30, 2009.

November trials as a share of 60+ day delinquencies on October 31, 2009.

December trials as a share of 60+ day delinquencies on November 30, 2009.

Making Home Affordable Program

Servicer Performance Report Through December 2009

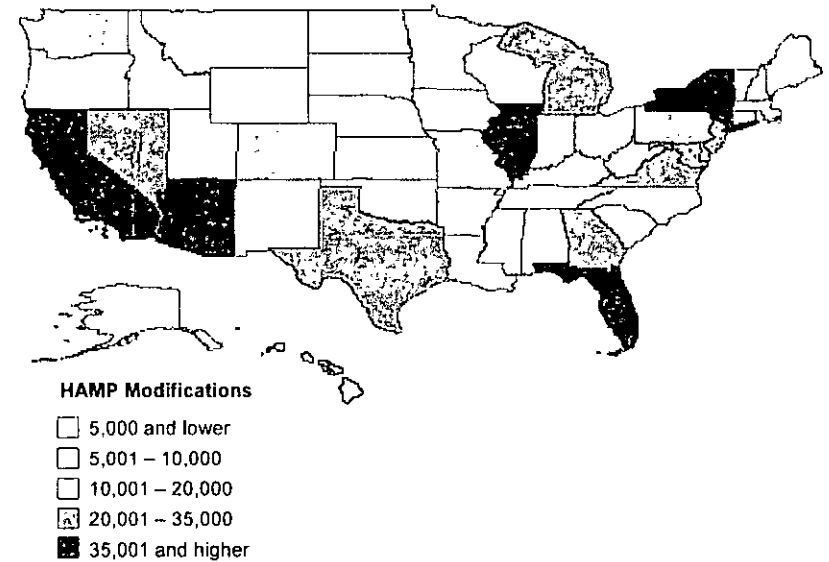
HAMP Activity by State

State	Active Trials	Permanent Modifications	Total	State	Active Trials	Permanent Modifications	Total
AK	459	34	493	MT	1,052	88	1,140
AL	5,521	435	5,956	NE	1,291	116	1,407
AR	2,182	228	2,410	NC	16,401	1,535	17,936
AZ	38,989	4,137	43,126	ND	190	15	205
CA	158,935	13,353	172,288	NH	3,498	351	3,849
CO	11,170	1,072	12,242	NJ	26,490	2,027	28,517
CT	10,063	802	10,865	NM	2,806	239	3,045
DC	1,428	105	1,533	NV	20,597	1,942	22,539
DE	2,560	250	2,810	NY	36,308	1,974	38,282
FL	96,703	8,405	105,108	OH	17,489	1,477	18,966
GA	31,147	2,627	33,774	OK	2,530	178	2,708
HI	2,714	240	2,954	OR	8,888	875	9,763
IA	2,554	174	2,728	PA	18,459	1,388	19,847
ID	3,167	308	3,475	RI	3,694	338	4,032
IL	41,793	3,149	44,942	SC	8,636	699	9,335
IN	8,821	718	9,539	SD	376	30	406
KS	2,428	172	2,600	TN	8,997	752	9,749
KY	3,479	258	3,737	TX	27,092	1,485	28,577
LA	4,990	289	5,279	UT	6,599	637	7,236
MA	17,817	1,619	19,436	VA	19,791	1,898	21,689
MD	25,847	2,270	28,117	VT	571	53	624
ME	2,120	190	2,310	WA	15,455	1,515	16,970
MI	26,777	2,326	29,103	WI	7,873	767	8,640
MN	14,813	1,527	16,340	WV	1,372	120	1,492
MO	9,980	668	10,648	WY	423	43	466
MS	3,210	307	3,517	Other*	611	222	833

* Includes Guam, Puerto Rico and the U.S. Virgin Islands.

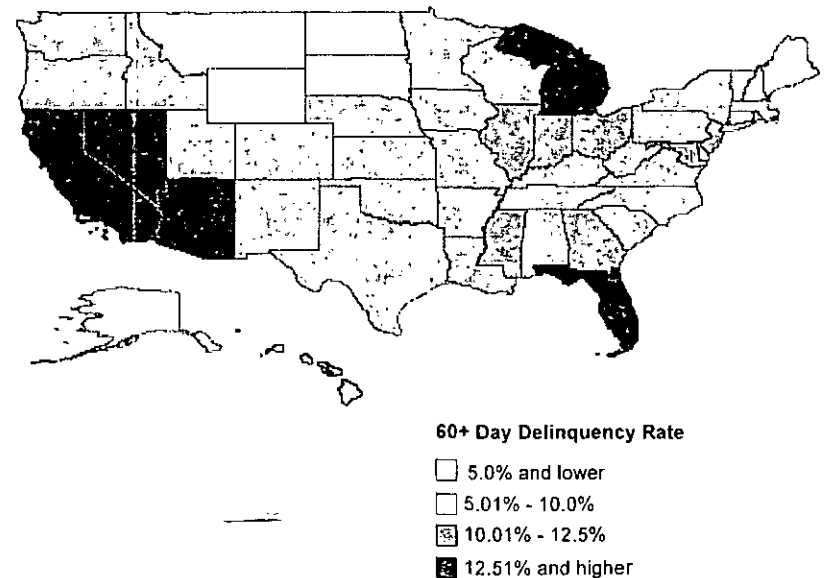
Note: Figures include active trial and permanent modifications. They do not include 113 loans that did not have identifiable state data.

HAMP Activity by State



Note: Includes active trial and permanent modifications from the official HAMP system of record.

Mortgage Delinquency Rates by State



Making Home Affordable Program

Servicer Performance Report Through December 2009

15 Metropolitan Areas With Highest HAMP Activity

Metropolitan Statistical Area	Active Trials	Permanent Modifications	Total HAMP Activity	% of All HAMP Activity
New York-Northern New Jersey-Long Island, NY-NJ-PA	48,692	3,056	51,748	6.1%
Los Angeles-Long Beach-Santa Ana, CA	45,945	3,469	49,414	5.8%
Chicago-Naperville-Joliet, IL-IN-WI	40,291	3,036	43,327	5.1%
Miami-Fort Lauderdale-Pompano Beach, FL	37,261	2,987	40,248	4.7%
Riverside-San Bernardino-Ontario, CA	36,671	3,383	40,054	4.7%
Phoenix-Mesa-Scottsdale, AZ	32,075	3,453	35,528	4.2%
Washington-Arlington-Alexandria, DC-VA-MD-WV	27,201	2,446	29,647	3.5%
Atlanta-Sandy Springs-Marietta, GA	25,107	2,165	27,272	3.2%
Las Vegas-Paradise, NV	17,187	1,531	18,718	2.2%
Detroit-Warren-Livonia, MI	16,687	1,336	18,023	2.1%
Orlando-Kissimmee, FL	15,516	1,400	16,916	2.0%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	13,994	1,125	15,119	1.8%
Boston-Cambridge-Quincy, MA-NH	12,596	1,184	13,780	1.6%
Minneapolis-St. Paul-Bloomington, MN-WI	12,136	1,237	13,373	1.6%
Tampa-St. Petersburg-Clearwater, FL	12,044	1,159	13,203	1.5%

Note: Figures include active trial and permanent modifications.

A complete list of HAMP activity for all MSAs is available at <http://www.financialstability.gov/docs/press/MSA%20Data%20December.pdf>

HAMP Modifications by Investor Type (20 Largest Servicers)

Servicer	GSE	Private	Portfolio	Total
Bank of America, NA ¹	128,699	65,404	9,367	203,470
JP Morgan Chase NA ²	68,140	63,956	21,871	153,967
Wells Fargo Bank, NA	90,757	22,910	5,041	118,708
CitiMortgage, Inc.	74,098	7,252	31,648	112,998
Saxon Mortgage Services Inc.	1,206	31,882	323	33,411
GMAC Mortgage, Inc.	17,089	13,455	0	30,544
Aurora Loan Services, LLC	15,647	10,639	308	26,594
OneWest Bank	14,937	8,012	1,289	24,238
Select Portfolio Servicing	522	19,118	2,434	22,074
Litton Loan Servicing LP ³	2,228	15,443	665	18,336
Nationstar Mortgage LLC	8,845	4,485	123	13,453
Ocwen Financial Corporation, Inc.	2,508	10,231	20	12,759
PNC Mortgage ⁴	10,868	7	1,339	12,214
American Home Mortgage Servicing Inc	723	10,167	0	10,890
US Bank NA	6,041	7	1,354	7,402
Bayview Loan Servicing, LLC	0	3,461	43	3,504
Green Tree Servicing LLC	3,156	190	9	3,355
Wachovia Mortgage, FSB ⁵	1,500	97	793	2,390
HomeEq	0	1,662	0	1,662
Carrington Mortgage Services LLC	0	1,507	0	1,507
Remainder of HAMP Servicers	38,454	14	1,752	40,220
Total	485,418	289,899	78,379	853,696

¹ Bank of America, NA includes Bank of America, NA, BAC Home Loans Servicing LP, Home Loans Services and Wilshire Credit Corporation.

² J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.

³ Loans previously reported as portfolio have been restated as private per supplemental guidance from Treasury.

⁴ Formerly National City Bank.

⁵ Wachovia Mortgage FSB includes Wachovia Bank NA.

Note: Figures reflect active trials and permanent modifications.