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# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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For Immediate Release  
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### **FHFA Reports Fannie Mae and Freddie Mac Foreclosure Prevention Efforts for April**

Washington, DC – Federal Housing Finance Agency Director James B. Lockhart today released FHFA's latest *Foreclosure Prevention Report* detailing actions taken by Fannie Mae and Freddie Mac to prevent unnecessary foreclosures and keep people in their homes. 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. The report shows that as of April 30, 2009, of the Enterprises' 30 million residential mortgages:

- Completed loan modifications fell 12 percent in April to approximately 13,800 from March as the Enterprises ended their Streamlined Modification Program (SMP) and began 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 48 percent of all completed foreclosure prevention actions in April compared to 47 percent in March. Seventy-five percent of loans modified in April involved both rate reductions and term extensions, up from 73 percent in March.
- Completed short sales and deeds in lieu increased 15 percent in April 2009 to nearly 4,000, more than three times the volume one year earlier.
- Delinquencies continued to increase as approximately 71,700 more loans became 60 days or more delinquent in April. Loans 60-plus-days delinquent increased approximately 7 percent in April to 1.2 million.
- Foreclosure starts in April declined 3 percent compared with March to nearly 85,900. Foreclosure starts were lower in April as servicers began to temporarily suspend foreclosure actions on delinquent borrowers who pursued a modification under HAMP, while borrowers' eligibility was being determined. If a borrower is determined to be ineligible for HAMP, the servicer is required to consider other alternatives to prevent foreclosure such as short sales and deeds in lieu.

- Foreclosure and third-party sales increased to 14,200 in April up from 9,300 in March driven by sales of non-occupied properties, and owner-occupied properties already determined to be ineligible for HAMP.

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*The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$6.3 trillion in funding for the U.S. mortgage markets and financial institutions.*

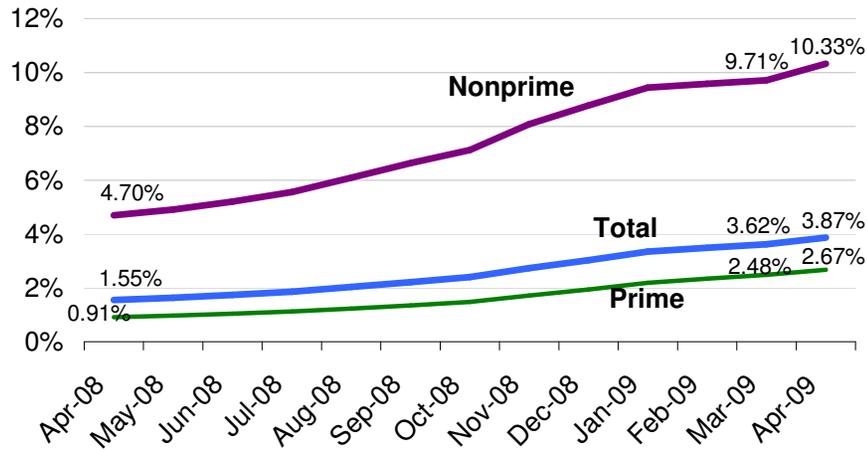


## Federal Housing Finance Agency

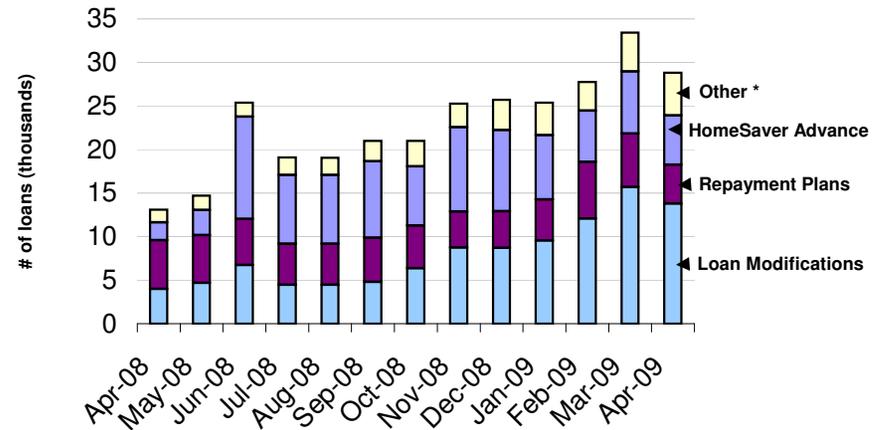
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Foreclosure Prevention Report  
April 2009

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

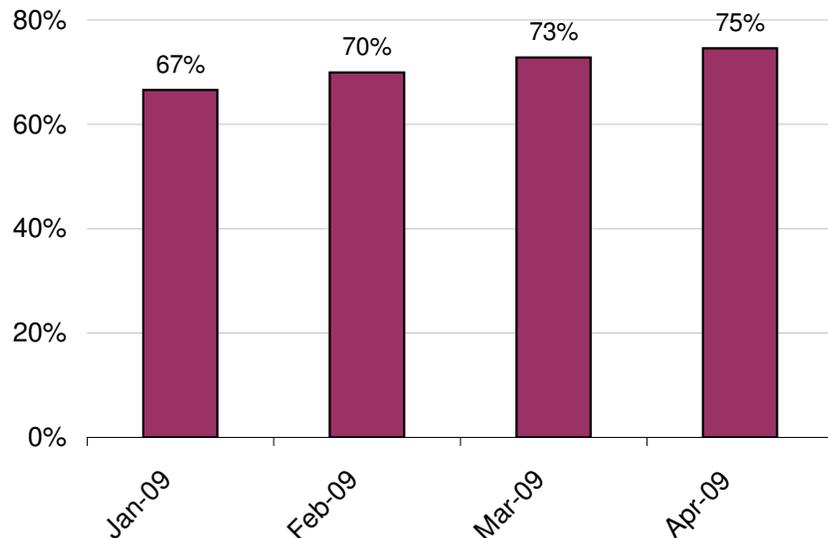


**Foreclosure Prevention Actions Completed**  
Completed loan modifications and repayment plans fell in April as servicers focused on implementing the HAMP.

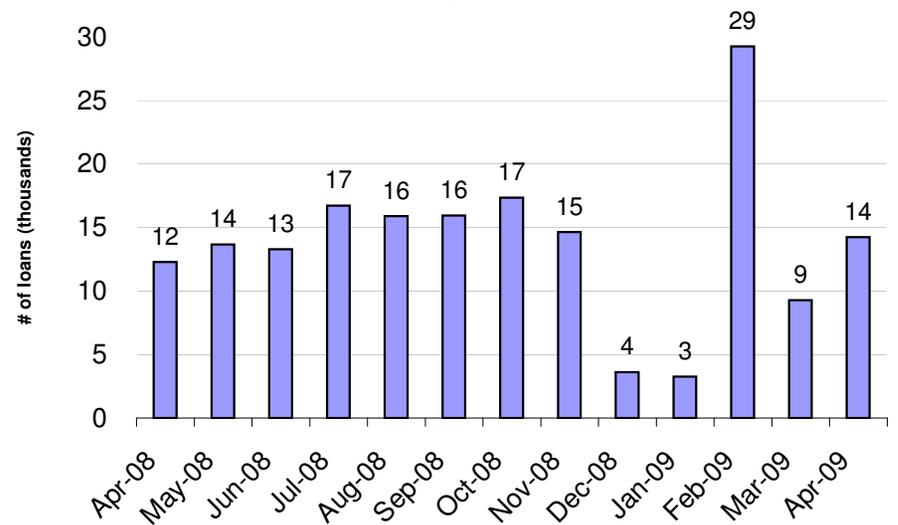


\* Consists of forbearance plans, charge-offs in lieu, short sales and deeds-in-lieu

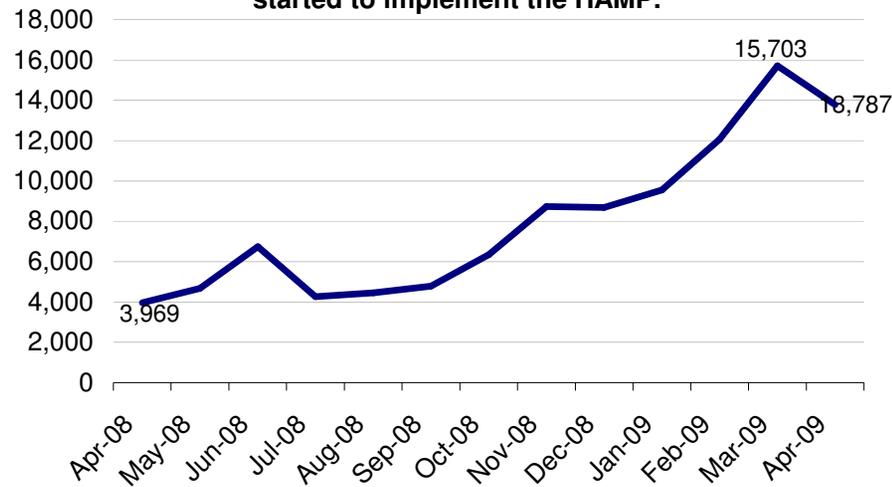
**Reduce Rate and Extend Term**  
The proportion of loan modifications with both rate reductions and term extensions continues to increase.



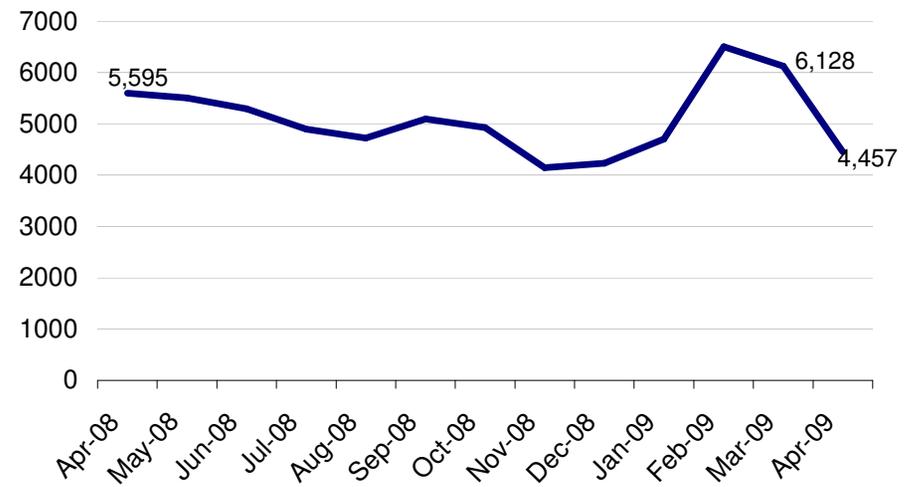
**Foreclosure & Third-party Sales Completed**  
Foreclosure sales increased in April from sales of non-owner occupied properties and properties determined to be ineligible for HAMP.



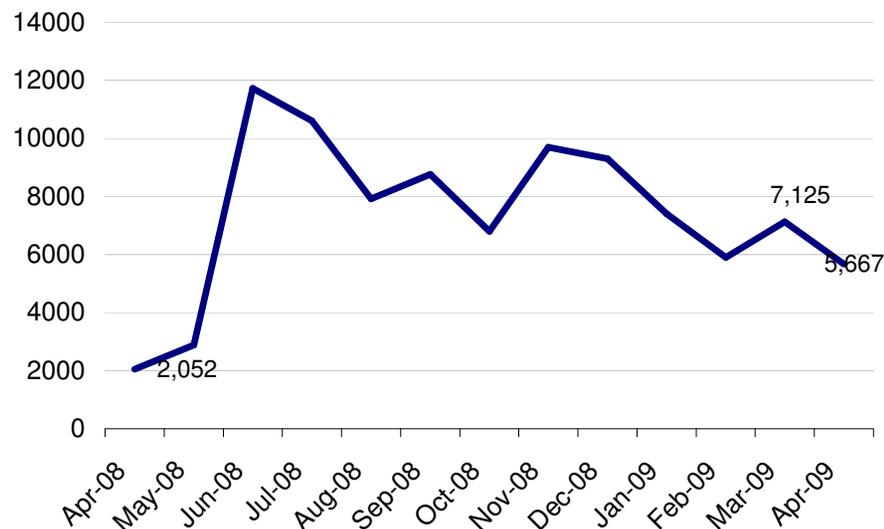
**Loan Modifications Completed**  
Completed loan modifications fell in April as the Streamlined Modification Program ended and servicers started to implement the HAMP.



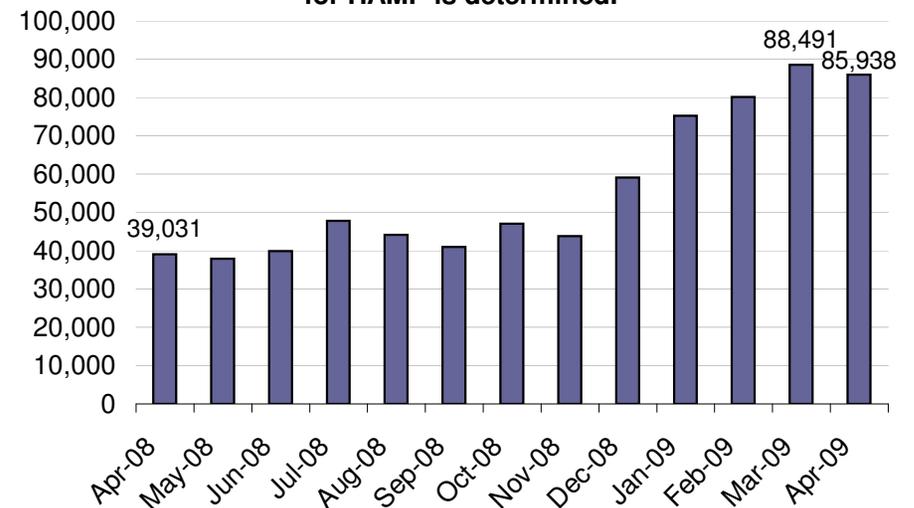
**Repayment Plans Completed**  
Completed repayment plans fell in April as some borrowers were evaluated for HAMP eligibility.



**HomeSaver Advance Completed (Fannie)**  
Completed HSA funding fell in April as Fannie Mae deemphasized the program to focus on HAMP.



**Foreclosure Starts**  
Foreclosure starts declined in April because servicers suspended new foreclosures until borrowers' eligibility for HAMP is determined.



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

(# of loans in thousands)	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
<b>Total Loans Serviced</b>	30,269	30,481	30,459	30,479	30,527	30,626	30,497	30,495	30,536	30,372	30,226	30,353	30,263
Prime	25,132	25,353	25,369	25,419	25,485	25,608	25,571	25,595	25,657	25,521	25,416	25,578	25,527
Nonprime	5,138	5,128	5,090	5,061	5,042	5,018	4,926	4,900	4,879	4,851	4,810	4,775	4,735
<b>Total Delinquent Loans</b>										1,724	1,765	1,715	1,817
Prime										913	967	952	1,012
Nonprime										810	797	763	805
<b>30 - 59 Days Delinquent</b>										708	708	615	646
Prime										356	372	316	330
Nonprime										352	336	299	316
<b>60 - 89 Days Delinquent</b>										275	265	254	258
Prime										139	139	137	136
Nonprime										137	126	117	121
<b>60-plus-days Delinquent</b>	470	497	529	566	621	678	731	835	926	1,015	1,056	1,100	1,171
Prime	229	245	264	284	313	345	380	439	497	557	595	636	682
Nonprime	241	252	265	281	308	333	351	396	429	458	461	464	489
<b>Percent of Total Loans Serviced</b>													
<b>Total Delinquent Loans</b>										<b>5.68%</b>	<b>5.84%</b>	<b>5.65%</b>	<b>6.00%</b>
Prime										3.58%	3.81%	3.72%	3.96%
Nonprime										16.70%	16.58%	15.98%	17.00%
<b>30 - 59 Days Delinquent</b>										<b>2.33%</b>	<b>2.34%</b>	<b>2.03%</b>	<b>2.13%</b>
Prime										1.40%	1.46%	1.24%	1.29%
Nonprime										7.26%	6.99%	6.27%	6.67%
<b>60 - 89 Days Delinquent</b>										<b>0.91%</b>	<b>0.88%</b>	<b>0.84%</b>	<b>0.85%</b>
Prime										0.54%	0.55%	0.54%	0.53%
Nonprime										2.82%	2.62%	2.46%	2.57%
<b>60-plus-days Delinquent</b>	<b>1.55%</b>	<b>1.63%</b>	<b>1.74%</b>	<b>1.86%</b>	<b>2.03%</b>	<b>2.22%</b>	<b>2.40%</b>	<b>2.74%</b>	<b>3.03%</b>	<b>3.34%</b>	<b>3.49%</b>	<b>3.62%</b>	<b>3.87%</b>
Prime	0.91%	0.97%	1.04%	1.12%	1.23%	1.35%	1.49%	1.71%	1.94%	2.18%	2.34%	2.48%	2.67%
Nonprime	4.70%	4.91%	5.21%	5.56%	6.10%	6.64%	7.13%	8.09%	8.79%	9.44%	9.58%	9.71%	10.33%
<b>Serious Delinquency Rate</b>	1.05%	1.12%	1.18%	1.27%	1.38%	1.52%	1.67%	1.88%	2.14%	2.45%	2.63%	2.80%	3.03%
<b>In Bankruptcy</b>										0.26%	0.27%	0.29%	0.30%

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

	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	YTD 2009
<b>Starts</b>														
Repayment Plans	21,837	19,945	24,661	26,082	29,506	30,183	29,482	26,288	29,106	37,036	31,258	32,623	42,718	143,635
Forbearance Plans										11,210	17,545	20,614	32,953	82,322
<b>Completed</b>														
Repayment Plans	5,595	5,504	5,294	4,897	4,720	5,093	4,927	4,147	4,235	4,702	6,506	6,128	4,457	21,793
Forbearance Plans	484	459	336	379	326	394	572	658	886	836	827	913	727	3,303
Charge-offs in Lieu	41	49	66	73	57	72	97	75	101	98	61	129	211	499
HomeSaver Advance ( <i>Fannie</i> )	2,052	2,881	11,725	10,599	7,914	8,764	6,800	9,692	9,296	7,403	5,903	7,125	5,667	26,098
Loan Modifications	3,969	4,677	6,741	4,265	4,446	4,777	6,354	8,735	8,688	9,558	12,067	15,703	13,787	51,115
<b>Home Retention Actions</b>	<b>12,141</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>102,808</b>
Short Sales	850	1,056	1,156	1,492	1,465	1,717	2,103	1,828	2,261	2,608	2,228	3,218	3,578	11,632
Deeds in Lieu	107	62	67	118	138	171	156	150	234	188	161	229	385	963
<b>Nonforeclosure - Home Forfeiture Actions</b>	<b>957</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>12,595</b>
<b>Total Foreclosure Prevention Actions</b>	<b>13,098</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>115,403</b>
<b>Percent of Total Foreclosure Prevention Actions</b>														
Repayment Plans	43%	37%	21%	22%	25%	24%	23%	16%	16%	19%	23%	18%	15%	19%
Forbearance Plans	4%	3%	1%	2%	2%	2%	3%	3%	3%	3%	3%	3%	3%	3%
Charge-offs in Lieu	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%
HomeSaver Advance ( <i>Fannie</i> )	16%	20%	46%	49%	42%	42%	32%	38%	36%	29%	21%	21%	20%	23%
Loan Modifications	30%	32%	27%	20%	23%	23%	30%	35%	34%	38%	43%	47%	48%	44%
<b>Home Retention Actions</b>	<b>93%</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>89%</b>
Short Sales	6%	7%	5%	7%	8%	8%	10%	7%	9%	10%	8%	10%	12%	10%
Deeds in Lieu	1%	0%	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
<b>Nonforeclosure - Home Forfeiture Actions</b>	<b>7%</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>11%</b>

**3 - Loan Modifications**

	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	YTD 2009
<b>Type of Modifications (# of loans)</b>														
Extend Term Only										1,732	2,120	2,413	2,326	8,591
Reduce Rate Only										531	493	450	409	1,883
Extend Term and Reduce Rate										6,366	8,440	11,430	10,280	36,516
Other										929	1,014	1,410	772	4,125
<b>Type of Modifications (%)</b>														
Extend Term Only										18%	18%	15%	17%	17%
Reduce Rate Only										6%	4%	3%	3%	4%
Extend Term and Reduce Rate										67%	70%	73%	75%	71%
Other										10%	8%	9%	6%	8%

\* 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)

	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	YTD 2009
Short Sales	850	1,056	1,156	1,492	1,465	1,717	2,103	1,828	2,261	2,608	2,228	3,218	3,578	11,632
Deeds in Lieu	107	62	67	118	138	171	156	150	234	188	161	229	385	963
<b>Nonforeclosure Home Forfeiture Actions *</b>	<b>957</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>12,595</b>
Third-party Sales	713	677	662	725	729	716	775	515	281	251	1,032	488	859	2,630
Prime	443	388	404	424	402	440	473	296	159	157	674	307	575	1,713
Nonprime	270	289	258	301	327	276	302	219	122	94	358	181	284	917
Foreclosure Sales	<b>11,562</b>	<b>12,977</b>	<b>12,622</b>	<b>16,000</b>	<b>15,156</b>	<b>15,219</b>	<b>16,556</b>	<b>14,130</b>	<b>3,335</b>	<b>2,997</b>	<b>28,221</b>	<b>8,791</b>	<b>13,382</b>	<b>53,391</b>
Prime	6,498	7,309	7,399	9,717	9,029	9,141	9,937	8,582	2,090	1,955	17,801	5,598	8,437	33,791
Nonprime	5,064	5,668	5,223	6,283	6,127	6,078	6,619	5,548	1,245	1,042	10,420	3,193	4,945	19,600
<b>Third-party &amp; Foreclosure Sales</b>	<b>12,275</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>56,021</b>
Prime	6,941	7,697	7,803	10,141	9,431	9,581	10,410	8,878	2,249	2,112	18,475	5,905	9,012	35,504
Nonprime	5,334	5,957	5,481	6,584	6,454	6,354	6,921	5,767	1,367	1,136	10,778	3,374	5,229	20,517
Foreclosure Starts	<b>39,031</b>	<b>37,887</b>	<b>39,925</b>	<b>47,770</b>	<b>44,170</b>	<b>40,969</b>	<b>47,086</b>	<b>43,827</b>	<b>59,068</b>	<b>75,230</b>	<b>80,103</b>	<b>88,491</b>	<b>85,938</b>	<b>329,762</b>
Prime	21,965	21,579	22,374	27,998	25,082	22,495	26,808	25,456	35,040	44,182	51,483	55,946	55,673	207,284
Nonprime	17,066	16,308	17,551	19,772	19,088	18,474	20,278	18,371	24,028	31,048	28,620	32,545	30,265	122,478

## Top Five Reasons for Delinquency

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

\* Short sales and deeds in lieu of foreclosure completed

## 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.

**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.