
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

For Immediate Release
September 1, 2011

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Fannie Mae and Freddie Mac Foreclosure Prevention Actions Down in Second Quarter; HARP Refinancings Continue Increase

Washington, DC – Fannie Mae and Freddie Mac (the Enterprises) have completed nearly 1.8 million foreclosure prevention actions since the beginning of conservatorship in the fourth quarter of 2008. More than half of these actions resulted in loan modifications.

According to the Federal Housing Finance Agency's (FHFA's) second quarter 2011 *Foreclosure Prevention & Refinance Report*, loan modifications declined for the fourth consecutive quarter but again resulted in deeper payment reductions for more people. In this report, FHFA has added information about the Enterprises' real estate owned (REO) activity and inventory.

Additional findings include:

- Total completed foreclosure prevention actions declined for the fourth consecutive quarter, driven by decreases in completed loan modifications and forbearance plans.
- The Enterprises' completed loan modifications decreased to approximately 81,200 in the second quarter from 86,200 in the first quarter.
- The cumulative total of refinancings through the Home Affordable Refinance Program (HARP) increased 11 percent to approximately 838,400 through June.
- Loans modified since the start of the Home Affordable Modification Program (HAMP) continued to perform substantially better than loans modified in earlier periods for two reasons: 1) Loan modifications resulted in deeper payment reductions for a greater proportion of borrowers than in earlier periods; and 2) The majority of these borrowers were required to successfully complete a trial period prior to permanent modification.
- The Enterprises' REO properties declined for the third consecutive quarter as property dispositions continue to outpace acquisitions in the second quarter.
- Foreclosure starts declined while completed third-party and foreclosure sales increased in the second quarter.

[Link to second quarter 2011 *Foreclosure Prevention & Refinance Report*](#)

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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 \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.