
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

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FANNIE MAE AND FREDDIE MAC LOAN MODIFICATIONS UP BY MORE THAN 50 PERCENT IN FIRST QUARTER MONTHLY PAYMENTS REDUCED FOR HOMEOWNERS

Washington, DC – Fannie Mae and Freddie Mac modified nearly 37,000 loans during the first quarter of 2009. It is an increase of 57 percent over the fourth quarter of 2008 and more than double the number of modifications in the first quarter of last year. The data were released by James B. Lockhart, Director of the Federal Housing Finance Agency, as part of the *Foreclosure Prevention Report* for the first quarter of 2009.

The FHFA report details the actions Fannie Mae and Freddie Mac have taken to prevent foreclosures and keep people in their homes. The report reflects loan modification volumes under the Streamlined Modification Program initiated in November 2008 but does not include volumes from the Home Affordable Modification program (HAMP) announced in March 2009 which was still in development in March.

“The use of serious loan modifications by Fannie Mae and Freddie Mac has risen dramatically,” said Director Lockhart. “As a result, more homeowners are seeing payments significantly reduced and fewer people will lose their homes.”

The report shows that as of March 31, 2009, of the Enterprises’ 30 million residential mortgages:

- Modifications represented 43 percent of all completed foreclosure prevention actions in the first quarter of 2009, up from 33 percent in the prior quarter.
- Modifications with more than 20 percent reduction in monthly payments rose from 2 percent in the first quarter of last year to 52 percent in the first quarter of this year
- Completed actions to prevent foreclosure- including modifications, forbearance, repayment plans and other measures-- rose substantially in the first quarter. Approximately 87,000 of these actions were completed in the

quarter, an increase of 20 percent over the prior quarter and more than double the volume of the first quarter 2008.

- Home retention actions – actions that result in a borrower keeping his or her home – accounted for 90 percent of these actions completed during the first quarter consistent with the proportions of foreclosure prevention actions completed over the past year.
- Fannie Mae and Freddie Mac own or guarantee 56 percent of all mortgages outstanding but only 22 percent of all seriously delinquent loans.
- Although the Enterprises' mortgage delinquencies continued to increase during the first quarter of 2009, the rate of delinquency is consistently lower than the industry average. As of March 31, 2009, the percentage of Enterprises' mortgage loans that were at least two payments past due (60 plus days delinquent) was 3.6 percent, compared with 6.1 percent for VA loans, 10.2 percent for FHA loans and 9.2 percent for the industry average.

“We encourage servicers to work aggressively to continue to identify borrowers who are willing and able to make affordable mortgage payments,” said Lockhart. “These efforts at modifying mortgages and refinancing homeowners into safer mortgages are important elements of the stabilization of the housing market and the U.S. economy. ”

Link to [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 \$6.3 trillion in funding for the U.S. mortgage markets and financial institutions.