



**FORECLOSURE PREVENTION & REFINANCE REPORT**

**FEDERAL PROPERTY MANAGER'S REPORT**

**OCTOBER 2019**



## October 2019 Highlights -- Foreclosure Prevention

### The Enterprises' Foreclosure Prevention Actions:

- The Enterprises completed 9,082 foreclosure prevention actions in October, bringing the total to 4,390,118 since the start of the conservatorships in September 2008. Over half of these actions have been permanent loan modifications.
- There were 5,801 permanent loan modifications in October, bringing the total to 2,379,758 since the conservatorships began in September 2008.
- Twenty-six percent of modifications in October were modifications with principal forbearance. Modifications with extend-term only accounted for 67 percent of all loan modifications during the month.
- There were 508 short sales and deeds-in-lieu of foreclosure completed in October, up 17 percent compared with September.

### The Enterprises' Mortgage Performance:

- The serious delinquency rate remained unchanged at 0.65 percent at the end of October from September.

### The Enterprises' Foreclosures:

- Third-party and foreclosure sales increased 5 percent from 3,021 in September to 3,174 in October.
- Foreclosure starts decreased from 10,975 in September to 9,678 in October.

## October 2019 Highlights -- Refinance Activities

- Total refinance volume increased in October 2019 as mortgage rates fell in previous months to lows last observed in 2015. Mortgage rates increased in October: the average interest rate on a 30-year fixed rate mortgage rose to 3.69 percent from 3.61 percent in September.
- In October 2019, the percentage of cashout refinances decreased to 38 percent as mortgage rates fell in previous months, creating more opportunities for non cashout borrowers to refinance at lower rates and lower their monthly payments.
- In October 2019, 2 refinances were completed through the High LTV Refinance Option, bringing total refinances through the High LTV Refinance Option from the inception of the program to 4.

### Foreclosure Prevention Activities

	Sep-19	Oct-19
<i>(Number of loans)</i>		
Loan Modifications*	5,266	5,801
Repayment Plans	1,677	2,042
Forbearance Plans	589	656
Charge-offs-in-lieu	126	75
<b>Home Retention Actions</b>	<b>7,658</b>	<b>8,574</b>
Short Sales	315	372
Deeds-in-lieu	119	136
<b>Home Forfeiture Actions</b>	<b>434</b>	<b>508</b>
<b>TOTAL</b>	<b>8,092</b>	<b>9,082</b>

\* Includes HAMP permanent modifications.

Source: FHFA (Fannie Mae and Freddie Mac)

### Mortgage Performance (at period end)

	Sep-19	Oct-19
<i>(Number of loans)</i>		
30-59 Days Delinquent	338,921	317,376
60-plus-days Delinquent	269,323	264,693
Foreclosure Starts	10,975	9,678
Third-party & Foreclosure Sales	3,021	3,174
<i>(Percent of total loans serviced)</i>		
30-59 Days Delinquent	1.21%	1.14%
60-plus-days Delinquent	0.96%	0.95%
Seriously Delinquent*	0.65%	0.65%

\* 90 days or more delinquent, or in the process of foreclosure.

Source: FHFA (Fannie Mae and Freddie Mac)

### Refinance Activities

	Sep-19	Oct-19
<i>(Number of loans)</i>		
Total Refinance	204,341	237,252
Total High LTV Refinance Option	-	2

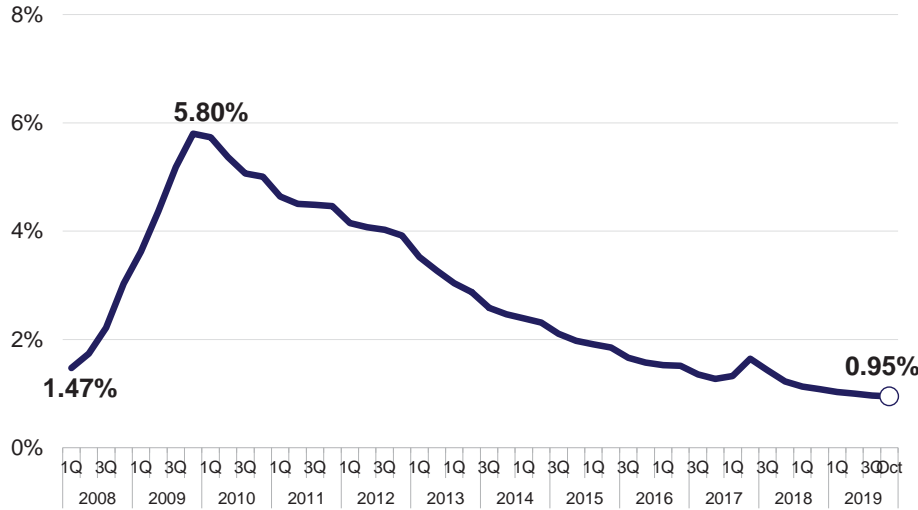
Source: FHFA (Fannie Mae and Freddie Mac)

This is the monthly version of the Foreclosure Prevention and Refinance Report. FHFA produces monthly and quarterly versions of the Foreclosure Prevention and Refinance Report. In addition to the data provided in the monthly reports, the quarterly reports include the following information: benchmarking of the Enterprises' delinquency rates, types and depth of loan modifications, performance of modified loans, and state level data.



## Enterprises' 60-plus-days Delinquency Rates

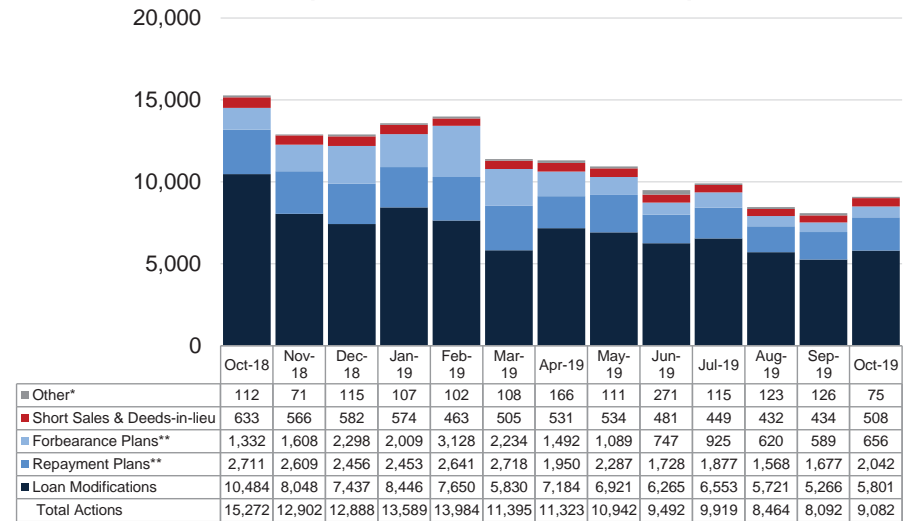
60-plus-days delinquency rate decreased slightly in October.



Source: FHFA (Fannie Mae and Freddie Mac)

## Foreclosure Prevention Actions Completed

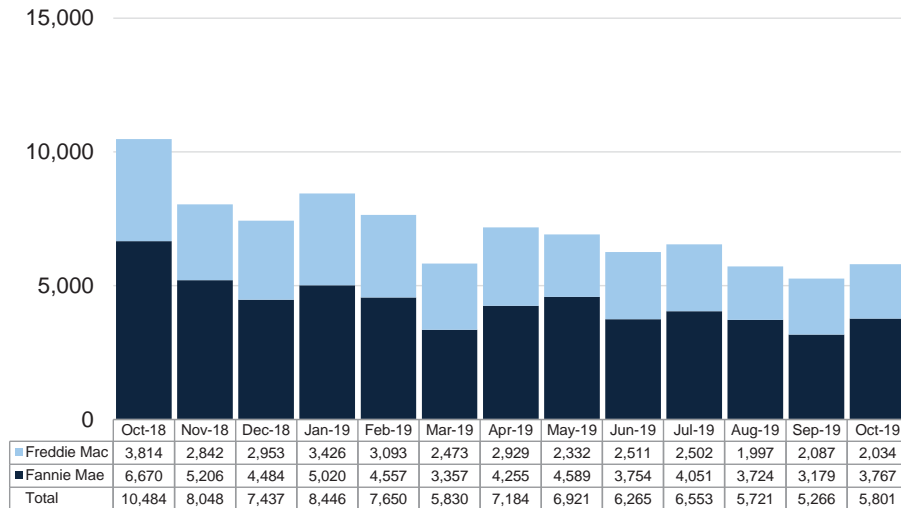
Foreclosure prevention actions increased 12 percent in October.



Source: FHFA (Fannie Mae and Freddie Mac)

## Completed Loan Modifications

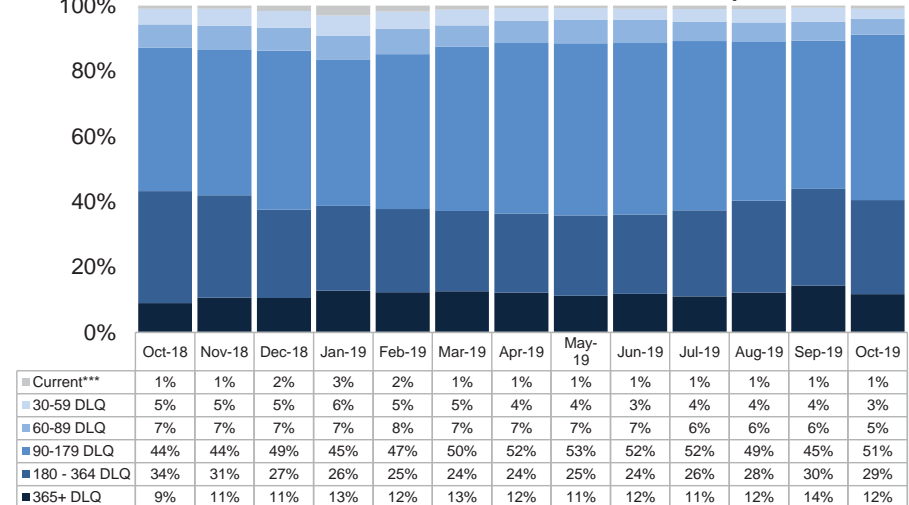
Loan modifications increased 10 percent in October.



Source: FHFA (Fannie Mae and Freddie Mac)

## Loan Modifications by Delinquency Status

Approximately 91 percent of borrowers who received modification in October were three or more months delinquent.



Source: FHFA (Fannie Mae and Freddie Mac)

\*Consists of HomeSaver Advance (Fannie Mae) and Charge-offs-in-lieu.  
 \*\*Include loans that were 30+ days delinquent at initiation of the plan.  
 \*\*\*Includes loans with missing delinquency status.



## Completed Foreclosure Prevention Actions

Since the first full quarter in conservatorship (4Q08), combined completed foreclosure prevention actions total 4,390,118. More than half of these actions are permanent loan modifications.

	2016	2017	2018	YTD Oct-19	Conservatorship to Date <sup>1</sup>
<b>Home Retention Actions</b>					
Repayment Plans	32,357	30,506	32,016	20,941	957,800
Forbearance Plans	7,228	29,897	37,658	13,489	267,975
Charge-offs-in-lieu	1,047	1,400	1,414	1,304	17,645
HomeSaver Advance ( <i>Fannie</i> )	-	-	-	-	70,178
Loan Modifications <sup>2</sup>	<u>123,495</u>	<u>128,625</u>	<u>163,175</u>	<u>65,637</u>	<u>2,379,758</u>
<b>Total</b>	<b>164,127</b>	<b>190,428</b>	<b>234,263</b>	<b>101,371</b>	<b>3,693,356</b>
<b>Nonforeclosure - Home Forfeiture Actions</b>					
Short Sales	17,760	11,684	6,408	3,512	600,446
Deeds-in-lieu	<u>8,024</u>	<u>4,786</u>	<u>2,907</u>	<u>1,399</u>	<u>96,316</u>
<b>Total</b>	<b>25,784</b>	<b>16,470</b>	<b>9,315</b>	<b>4,911</b>	<b>696,762</b>
<b>Total Foreclosure Prevention Actions</b>	<b>189,911</b>	<b>206,898</b>	<b>243,578</b>	<b>106,282</b>	<b>4,390,118</b>

<sup>1</sup> Since the first full quarter in conservatorship (4Q08).

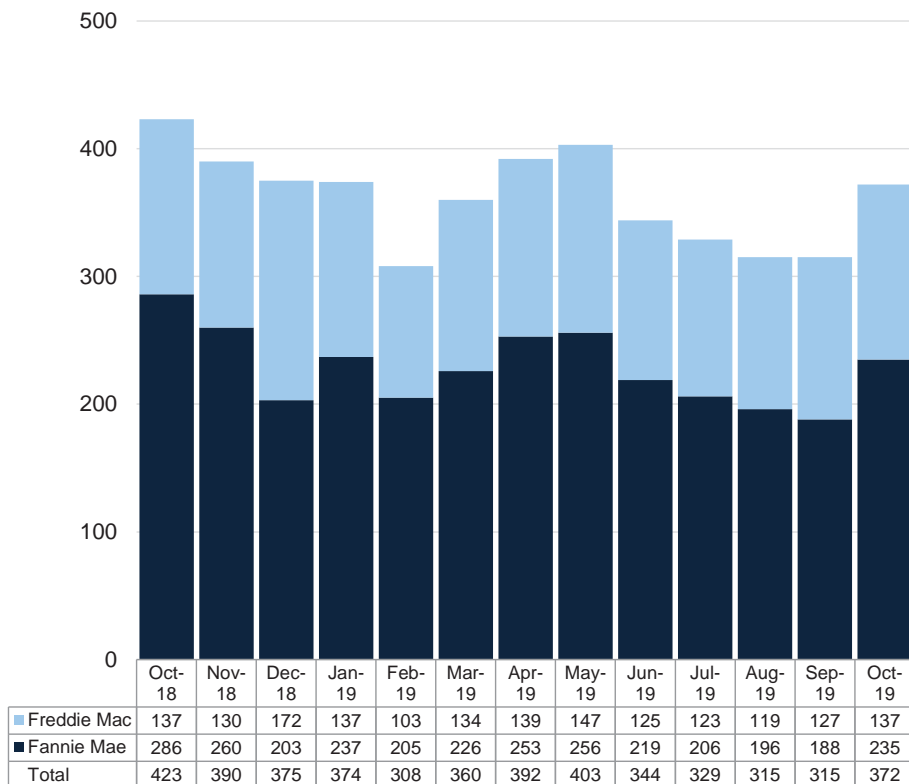
<sup>2</sup> Includes HAMP permanent modifications.

Source: FHFA (Fannie Mae and Freddie Mac)



**Short Sales**

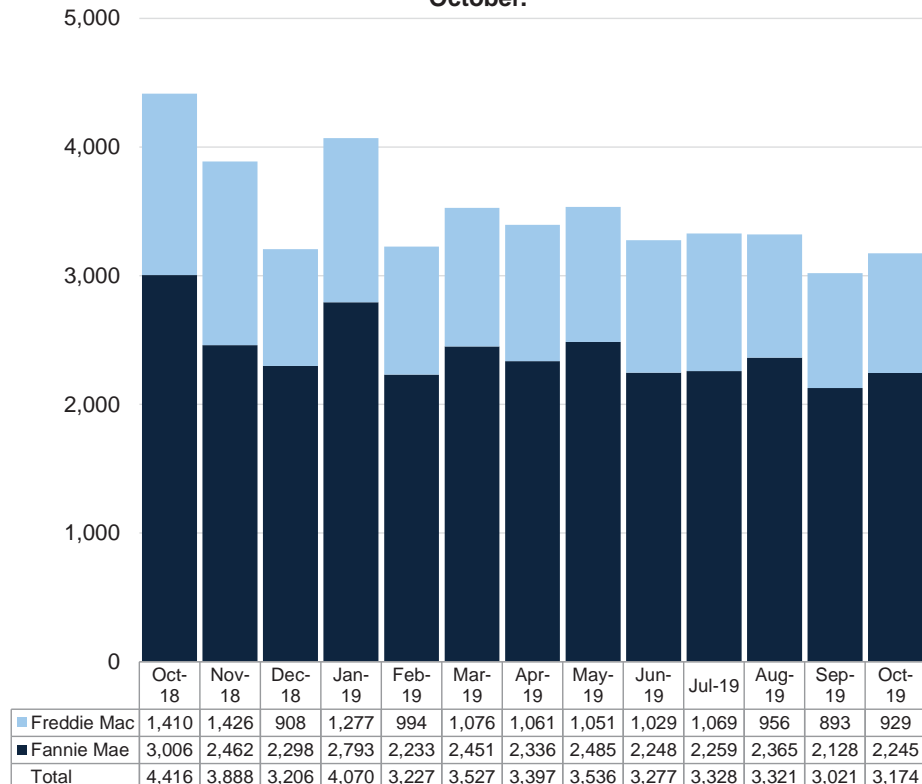
Completed short sales increased 18 percent in October.



Source: FHFA (Fannie Mae and Freddie Mac)

**Foreclosure Sales and Third-party Sales**

Foreclosure and third-party sales increased 5 percent in October.



Source: FHFA (Fannie Mae and Freddie Mac)



1(i) Enterprises Combined - Mortgage Performance (at period end)

(# of loans in thousands)	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
<b>Total Loans Serviced</b>	27,829	27,860	27,861	27,901	27,910	27,902	27,877	27,879	27,888	27,893	27,946	27,966	27,918
Original Credit Score >= 660	25,450	25,497	25,512	25,557	25,571	25,576	25,566	25,586	25,613	25,630	25,707	25,740	25,718
Original Credit Score < 660	2,378	2,363	2,348	2,344	2,339	2,325	2,311	2,293	2,274	2,262	2,239	2,226	2,200
<b>Total Delinquent Loans</b>	648	651	667	636	675	636	603	609	675	611	593	608	582
Original Credit Score >= 660	394	400	411	389	423	395	374	385	429	383	372	385	368
Original Credit Score < 660	254	252	256	246	252	241	230	224	246	228	221	223	215
<b>30 - 59 Days Delinquent</b>	343	353	364	338	377	349	327	338	396	342	327	339	317
Original Credit Score >= 660	212	221	230	210	243	221	206	220	258	219	209	220	205
Original Credit Score < 660	131	133	135	128	135	129	121	118	138	123	118	119	113
<b>60 - 89 Days Delinquent</b>	97	97	101	98	98	92	88	87	95	92	89	91	89
Original Credit Score >= 660	56	56	58	57	58	55	51	52	57	55	53	55	54
Original Credit Score < 660	41	41	42	41	40	38	36	35	38	37	36	36	35
<b>60-plus-days Delinquent</b>	305	298	302	298	298	287	277	271	279	269	266	269	265
Original Credit Score >= 660		179	181	179	180	174	168	165	171	164	163	165	163
Original Credit Score < 660	123	119	121	119	118	113	109	106	108	104	103	104	102

Percent of Total Loans Serviced

<b>Total Delinquent Loans</b>	2.33%	2.34%	2.39%	2.28%	2.42%	2.28%	2.16%	2.19%	2.42%	2.19%	2.12%	2.17%	2.08%
Original Credit Score >= 660	1.55%	1.57%	1.61%	1.52%	1.65%	1.54%	1.46%	1.50%	1.68%	1.49%	1.45%	1.50%	1.43%
Original Credit Score < 660	10.68%	10.65%	10.88%	10.51%	10.79%	10.38%	9.94%	9.78%	10.82%	10.07%	9.86%	10.02%	9.75%
<b>30 - 59 Days Delinquent</b>	1.23%	1.27%	1.31%	1.21%	1.35%	1.25%	1.17%	1.21%	1.42%	1.23%	1.17%	1.21%	1.14%
Original Credit Score >= 660	0.83%	0.87%	0.90%	0.82%	0.95%	0.86%	0.81%	0.86%	1.01%	0.85%	0.81%	0.85%	0.80%
Original Credit Score < 660	5.52%	5.61%	5.74%	5.45%	5.75%	5.53%	5.22%	5.14%	6.05%	5.45%	5.26%	5.35%	5.12%
<b>60 - 89 Days Delinquent</b>	0.35%	0.35%	0.36%	0.35%	0.35%	0.33%	0.31%	0.31%	0.34%	0.33%	0.32%	0.33%	0.32%
Original Credit Score >= 660	0.22%	0.22%	0.23%	0.22%	0.23%	0.21%	0.20%	0.20%	0.22%	0.21%	0.21%	0.21%	0.21%
Original Credit Score < 660	1.73%	1.71%	1.81%	1.74%	1.72%	1.62%	1.57%	1.55%	1.66%	1.63%	1.61%	1.63%	1.60%
<b>60-plus-days Delinquent</b>	1.10%	1.07%	1.08%	1.07%	1.07%	1.03%	0.99%	0.97%	1.00%	0.96%	0.95%	0.96%	0.95%
Original Credit Score >= 660	0.00%	0.70%	0.71%	0.70%	0.70%	0.68%	0.66%	0.65%	0.67%	0.64%	0.63%	0.64%	0.63%
Original Credit Score < 660	5.16%	5.03%	5.15%	5.06%	5.04%	4.85%	4.72%	4.64%	4.77%	4.62%	4.60%	4.68%	4.64%
<b>Serious Delinquency Rate</b>	0.76%	0.74%	0.73%	0.74%	0.73%	0.71%	0.69%	0.67%	0.67%	0.65%	0.65%	0.65%	0.65%
<b>In Bankruptcy</b>	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.13%	0.13%	0.13%	0.13%



## 1(ii) Fannie Mae - Mortgage Performance (at period end)

(# of loans in thousands)	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
<b>Total Loans Serviced</b>	17,102	17,108	17,094	17,116	17,108	17,078	17,038	17,038	17,021	17,023	17,042	17,048	16,998
Original Credit Score >= 660	15,586	15,597	15,595	15,620	15,615	15,592	15,562	15,569	15,570	15,579	15,616	15,629	15,600
Original Credit Score < 660	1,517	1,511	1,499	1,496	1,492	1,486	1,475	1,468	1,452	1,443	1,427	1,420	1,398
<b>Total Delinquent Loans</b>	420	422	433	410	435	414	394	382	429	387	380	392	374
Original Credit Score >= 660	253	256	264	248	269	254	241	234	266	238	234	244	233
Original Credit Score < 660	167	166	169	162	166	160	153	149	163	149	145	148	142
<b>30 - 59 Days Delinquent</b>	220	229	236	216	241	226	212	206	249	212	208	217	202
Original Credit Score >= 660	135	141	147	132	154	141	133	128	158	133	131	138	128
Original Credit Score < 660	86	88	89	83	87	85	80	78	91	79	77	79	74
<b>60 - 89 Days Delinquent</b>	63	63	65	64	63	60	57	56	60	59	57	59	58
Original Credit Score >= 660	36	36	37	37	36	35	33	33	35	35	34	35	34
Original Credit Score < 660	27	27	28	27	26	25	24	24	25	25	24	24	23
<b>60-plus-days Delinquent</b>	200	193	197	194	194	187	181	176	180	175	172	175	172
Original Credit Score >= 660	118	115	117	116	116	112	108	105	108	105	103	106	104
Original Credit Score < 660	82	78	80	79	78	75	73	71	72	70	68	70	68

## Percent of Total Loans Serviced

<b>Total Delinquent Loans</b>	2.46%	2.47%	2.53%	2.40%	2.54%	2.42%	2.31%	2.24%	2.52%	2.27%	2.23%	2.30%	2.20%
Original Credit Score >= 660	1.62%	1.64%	1.69%	1.59%	1.73%	1.63%	1.55%	1.50%	1.71%	1.53%	1.50%	1.56%	1.49%
Original Credit Score < 660	11.03%	11.01%	11.29%	10.85%	11.09%	10.76%	10.35%	10.12%	11.24%	10.31%	10.20%	10.44%	10.13%
<b>30 - 59 Days Delinquent</b>	1.29%	1.34%	1.38%	1.26%	1.41%	1.32%	1.25%	1.21%	1.46%	1.25%	1.22%	1.27%	1.19%
Original Credit Score >= 660	0.86%	0.90%	0.94%	0.85%	0.99%	0.91%	0.85%	0.82%	1.01%	0.85%	0.84%	0.89%	0.82%
Original Credit Score < 660	5.66%	5.82%	5.94%	5.58%	5.86%	5.71%	5.42%	5.29%	6.27%	5.48%	5.40%	5.55%	5.28%
<b>60 - 89 Days Delinquent</b>	0.37%	0.37%	0.38%	0.37%	0.37%	0.35%	0.34%	0.33%	0.35%	0.35%	0.34%	0.35%	0.34%
Original Credit Score >= 660	0.23%	0.23%	0.24%	0.23%	0.23%	0.23%	0.21%	0.21%	0.23%	0.22%	0.21%	0.22%	0.22%
Original Credit Score < 660	1.80%	1.79%	1.87%	1.81%	1.77%	1.69%	1.64%	1.62%	1.73%	1.71%	1.67%	1.71%	1.67%
<b>60-plus-days Delinquent</b>	1.17%	1.13%	1.15%	1.14%	1.13%	1.10%	1.06%	1.04%	1.06%	1.03%	1.01%	1.03%	1.01%
Original Credit Score >= 660	0.76%	0.74%	0.75%	0.74%	0.74%	0.72%	0.70%	0.68%	0.70%	0.67%	0.66%	0.68%	0.67%
Original Credit Score < 660	5.38%	5.19%	5.35%	5.27%	5.23%	5.06%	4.94%	4.83%	4.97%	4.83%	4.79%	4.90%	4.84%
<b>Serious Delinquency Rate</b>	0.79%	0.76%	0.76%	0.76%	0.76%	0.74%	0.72%	0.70%	0.70%	0.67%	0.67%	0.68%	0.67%
<b>In Bankruptcy</b>	0.16%	0.14%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.13%



1(iii) Freddie Mac - Mortgage Performance (at period end)

(# of loans in thousands)	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
<b>Total Loans Serviced</b>	10,726	10,752	10,767	10,785	10,803	10,824	10,840	10,841	10,867	10,870	10,904	10,918	10,920
Original Credit Score >= 660	9,865	9,900	9,917	9,937	9,956	9,985	10,004	10,016	10,044	10,051	10,092	10,112	10,118
Original Credit Score < 660	861	852	849	848	847	839	836	825	823	819	812	806	802
<b>Total Delinquent Loans</b>	228	229	233	226	240	223	210	227	246	224	213	216	208
Original Credit Score >= 660	142	144	147	141	153	141	133	151	163	145	138	141	135
Original Credit Score < 660	87	85	86	84	87	81	77	76	83	79	75	75	73
<b>30 - 59 Days Delinquent</b>	123	124	128	122	136	123	114	132	147	130	119	122	115
Original Credit Score >= 660	77	80	83	78	89	80	73	92	100	86	79	82	76
Original Credit Score < 660	45	45	46	44	47	44	41	40	47	44	41	40	39
<b>60 - 89 Days Delinquent</b>	34	34	35	34	35	32	30	31	35	32	32	32	31
Original Credit Score >= 660	20	20	21	21	21	19	18	19	22	20	20	20	20
Original Credit Score < 660	14	14	14	14	14	13	12	12	13	12	12	12	12
<b>60-plus-days Delinquent</b>	106	105	105	104	104	99	96	95	99	94	94	94	93
Original Credit Score >= 660	64	64	64	64	65	62	59	60	63	59	59	59	59
Original Credit Score < 660	41	40	41	40	40	38	36	35	36	35	35	35	34

Percent of Total Loans Serviced

<b>Total Delinquent Loans</b>	2.13%	2.13%	2.17%	2.09%	2.23%	2.06%	1.94%	2.09%	2.26%	2.06%	1.95%	1.98%	1.90%
Original Credit Score >= 660	1.44%	1.45%	1.48%	1.42%	1.54%	1.41%	1.33%	1.51%	1.62%	1.44%	1.37%	1.39%	1.33%
Original Credit Score < 660	10.04%	10.00%	10.17%	9.92%	10.27%	9.70%	9.22%	9.17%	10.07%	9.63%	9.27%	9.29%	9.10%
<b>30 - 59 Days Delinquent</b>	1.14%	1.16%	1.19%	1.13%	1.26%	1.14%	1.05%	1.22%	1.35%	1.19%	1.10%	1.12%	1.05%
Original Credit Score >= 660	0.78%	0.80%	0.83%	0.78%	0.89%	0.80%	0.73%	0.91%	1.00%	0.85%	0.78%	0.81%	0.75%
Original Credit Score < 660	5.27%	5.25%	5.38%	5.22%	5.56%	5.22%	4.87%	4.87%	5.67%	5.38%	5.01%	5.00%	4.82%
<b>60 - 89 Days Delinquent</b>	0.32%	0.31%	0.33%	0.32%	0.32%	0.30%	0.28%	0.28%	0.32%	0.30%	0.29%	0.29%	0.29%
Original Credit Score >= 660	0.20%	0.20%	0.21%	0.21%	0.21%	0.20%	0.18%	0.19%	0.22%	0.20%	0.20%	0.20%	0.19%
Original Credit Score < 660	1.63%	1.59%	1.68%	1.62%	1.63%	1.50%	1.45%	1.42%	1.55%	1.48%	1.50%	1.50%	1.48%
<b>60-plus-days Delinquent</b>	0.98%	0.97%	0.98%	0.96%	0.97%	0.92%	0.88%	0.88%	0.91%	0.86%	0.86%	0.86%	0.85%
Original Credit Score >= 660	0.65%	0.65%	0.65%	0.64%	0.65%	0.62%	0.59%	0.59%	0.62%	0.59%	0.59%	0.59%	0.58%
Original Credit Score < 660	4.77%	4.75%	4.79%	4.70%	4.71%	4.49%	4.34%	4.30%	4.40%	4.24%	4.26%	4.29%	4.28%
<b>Serious Delinquency Rate</b>	0.71%	0.70%	0.69%	0.70%	0.69%	0.67%	0.65%	0.63%	0.63%	0.61%	0.61%	0.61%	0.61%
<b>In Bankruptcy</b>	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.12%	0.12%	0.12%	0.12%





2 Enterprises Combined - Foreclosure Prevention Actions (# of loans)<sup>1</sup>

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	YTD 2019
<b>Starts</b>														
Repayment Plans <sup>2</sup>	5,261	5,602	5,098	5,276	4,052	3,706	5,044	4,344	4,110	4,870	4,890	4,755	4,714	45,761
Forbearance Plans <sup>2</sup>	5,719	4,799	4,012	7,015	3,655	2,197	2,848	1,861	2,380	2,768	2,273	2,209	2,621	29,827
<b>Completed</b>														
Repayment Plans <sup>2</sup>	2,711	2,609	2,456	2,453	2,641	2,718	1,950	2,287	1,728	1,877	1,568	1,677	2,042	20,941
Forbearance Plans <sup>2</sup>	1,332	1,608	2,298	2,009	3,128	2,234	1,492	1,089	747	925	620	589	656	13,489
Charge-offs-in-lieu	112	71	115	107	102	108	166	111	271	115	123	126	75	1,304
HomeSaver Advance (Fannie)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Modifications	10,484	8,048	7,437	8,446	7,650	5,830	7,184	6,921	6,265	6,553	5,721	5,266	5,801	65,637
<b>Home Retention Actions</b>	<b>14,639</b>	<b>12,336</b>	<b>12,306</b>	<b>13,015</b>	<b>13,521</b>	<b>10,890</b>	<b>10,792</b>	<b>10,408</b>	<b>9,011</b>	<b>9,470</b>	<b>8,032</b>	<b>7,658</b>	<b>8,574</b>	<b>101,371</b>
Short Sales	423	390	375	374	308	360	392	403	344	329	315	315	372	3,512
Deeds-in-lieu	210	176	207	200	155	145	139	131	137	120	117	119	136	1,399
<b>Nonforeclosure - Home Forfeiture Actions</b>	<b>633</b>	<b>566</b>	<b>582</b>	<b>574</b>	<b>463</b>	<b>505</b>	<b>531</b>	<b>534</b>	<b>481</b>	<b>449</b>	<b>432</b>	<b>434</b>	<b>508</b>	<b>4,911</b>
<b>Total Foreclosure Prevention Actions</b>	<b>15,272</b>	<b>12,902</b>	<b>12,888</b>	<b>13,589</b>	<b>13,984</b>	<b>11,395</b>	<b>11,323</b>	<b>10,942</b>	<b>9,492</b>	<b>9,919</b>	<b>8,464</b>	<b>8,092</b>	<b>9,082</b>	<b>106,282</b>

Percent of Total Foreclosure Prevention Actions

Repayment Plans	18%	20%	19%	18%	19%	24%	17%	21%	18%	19%	19%	21%	22%	20%
Forbearance Plans	9%	12%	18%	15%	22%	20%	13%	10%	8%	9%	7%	7%	7%	13%
Charge-offs-in-lieu	1%	1%	1%	1%	1%	1%	1%	1%	3%	1%	1%	2%	1%	1%
HomeSaver Advance (Fannie)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Loan Modifications	69%	62%	58%	62%	55%	51%	63%	63%	66%	66%	68%	65%	64%	62%
<b>Home Retention Actions</b>	<b>96%</b>	<b>96%</b>	<b>95%</b>	<b>96%</b>	<b>97%</b>	<b>96%</b>	<b>95%</b>	<b>95%</b>	<b>95%</b>	<b>95%</b>	<b>95%</b>	<b>95%</b>	<b>94%</b>	<b>95%</b>
Short Sales	3%	3%	3%	3%	2%	3%	3%	4%	4%	3%	4%	4%	4%	3%
Deeds-in-lieu	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
<b>Nonforeclosure - Home Forfeiture Actions</b>	<b>4%</b>	<b>4%</b>	<b>5%</b>	<b>4%</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>6%</b>	<b>5%</b>

<sup>1</sup> The number of foreclosure prevention actions reported in this table may not tie to the Enterprises' financial statements due to timing differences in reporting systems.

<sup>2</sup> Includes loans that were 30+ days delinquent at initiation of the plan.



3(i) Enterprises Combined - Loan Modifications

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	YTD 2019
<b>Loan Modifications (# of loans)</b>	10,484	8,048	7,437	8,446	7,650	5,830	7,184	6,921	6,265	6,553	5,721	5,266	5,801	65,637
<b>Delinquency Status at Modification (% of loan mods)</b>														
Current <sup>1</sup>	1%	1%	2%	3%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%
30 - 59 days delinquent	5%	5%	5%	6%	5%	5%	4%	4%	3%	4%	4%	4%	3%	4%
60 - 89 days delinquent	7%	7%	7%	7%	8%	7%	7%	7%	7%	6%	6%	6%	5%	7%
90 - 179 days delinquent	44%	44%	49%	45%	47%	50%	52%	53%	52%	52%	49%	45%	51%	49%
180 - 364 days delinquent	34%	31%	27%	26%	25%	24%	24%	25%	24%	26%	28%	30%	29%	26%
365+ days delinquent	9%	11%	11%	13%	12%	13%	12%	11%	12%	11%	12%	14%	12%	12%
<b>MTMLTV at Modification (% of loan mods)</b>														
MTMLTV <= 80% <sup>2</sup>	78%	79%	80%	78%	79%	81%	80%	81%	81%	82%	80%	81%	81%	80%
80% < MTMLTV <= 100%	16%	16%	16%	16%	16%	16%	15%	15%	15%	15%	16%	16%	16%	16%
MTMLTV > 100%	5%	5%	4%	6%	5%	3%	4%	4%	4%	4%	4%	4%	3%	4%
<b>Year of Origination (% of loan mods)</b>														
2004 & Prior	18%	18%	17%	16%	17%	15%	16%	17%	16%	16%	15%	15%	16%	16%
2005-2008	36%	35%	32%	34%	36%	27%	33%	33%	32%	31%	30%	29%	30%	32%
2009 & later	46%	46%	51%	49%	48%	58%	52%	50%	52%	52%	56%	56%	54%	52%
<b>Modification History (% of loan mods)</b>														
First time modification	64%	63%	70%	66%	64%	68%	67%	65%	66%	68%	68%	69%	67%	67%
Second time modification	25%	25%	21%	23%	24%	22%	22%	24%	23%	22%	22%	21%	23%	23%
Three plus time modification	11%	12%	10%	11%	12%	9%	10%	11%	11%	11%	10%	10%	10%	11%
<b>Property type (% of loan mods)</b>														
Primary residency	93%	94%	94%	94%	94%	95%	95%	94%	94%	94%	94%	94%	95%	94%
Second home	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Investment	4%	4%	4%	4%	4%	3%	4%	4%	4%	4%	4%	4%	3%	4%
<b>Types of Modification (% of loan mods)</b>														
Extend Term Only	64%	65%	67%	62%	66%	70%	67%	68%	68%	67%	65%	65%	67%	66%
Reduce Rate Only	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Reduce Rate and Extend Term	6%	6%	5%	6%	5%	4%	5%	5%	6%	6%	6%	7%	7%	6%
Reduce Rate, Extend Term and Forbear Principal <sup>3</sup>	28%	29%	27%	31%	29%	26%	27%	27%	26%	26%	29%	29%	26%	28%
Other	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

<sup>1</sup> Includes loans with missing delinquency status.

<sup>2</sup> Includes loans with missing MTMLTV data.

<sup>3</sup> May include principal forgiveness and deferred payment modifications.



3(ii) Fannie Mae - Loan Modifications

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	YTD 2019
<b>Loan Modifications (# of loans)</b>	6,670	5,206	4,484	5,020	4,557	3,357	4,255	4,589	3,754	4,051	3,724	3,179	3,767	40,253
<b>Delinquency Status at Modification (% of loan mods)</b>														
Current <sup>1</sup>	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
30 - 59 days delinquent	2%	3%	2%	3%	3%	3%	3%	2%	2%	2%	2%	2%	2%	2%
60 - 89 days delinquent	7%	7%	7%	6%	7%	7%	7%	8%	7%	6%	6%	5%	5%	7%
90 - 179 days delinquent	46%	48%	52%	52%	52%	54%	56%	55%	56%	55%	51%	51%	56%	54%
180 - 364 days delinquent	35%	32%	28%	26%	24%	24%	23%	23%	23%	26%	28%	28%	26%	25%
365+ days delinquent	8%	10%	10%	13%	13%	11%	11%	11%	12%	10%	12%	13%	10%	12%
<b>MTMLTV at Modification (% of loan mods)</b>														
MTMLTV <= 80% <sup>2</sup>	77%	78%	78%	76%	77%	81%	79%	81%	80%	82%	80%	81%	81%	80%
80% < MTMLTV <= 100%	18%	17%	17%	18%	18%	17%	16%	15%	16%	15%	16%	15%	16%	16%
MTMLTV > 100%	5%	5%	5%	6%	5%	2%	4%	4%	4%	4%	4%	3%	3%	4%
<b>Year of Origination (% of loan mods)</b>														
2004 & Prior	17%	18%	16%	15%	17%	14%	15%	17%	15%	16%	15%	14%	16%	16%
2005-2008	36%	34%	33%	34%	35%	25%	33%	33%	32%	32%	31%	29%	30%	32%
2009 & later	47%	48%	50%	51%	47%	61%	52%	50%	53%	52%	54%	57%	53%	53%
<b>Modification History (% of loan mods)</b>														
First time modification	64%	63%	70%	66%	63%	69%	67%	66%	66%	66%	67%	69%	65%	66%
Second time modification	25%	26%	20%	23%	25%	22%	22%	23%	22%	22%	23%	21%	24%	23%
Three plus time modification	11%	11%	10%	11%	12%	8%	11%	10%	12%	11%	10%	10%	10%	11%
<b>Property type (% of loan mods)</b>														
Primary residency	93%	93%	93%	94%	94%	95%	94%	94%	94%	94%	94%	94%	95%	94%
Second home	3%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	1%	2%
Investment	5%	4%	5%	4%	4%	3%	4%	4%	4%	4%	5%	4%	4%	4%
<b>Types of Modification (% of loan mods)</b>														
Extend Term Only	69%	70%	73%	70%	70%	75%	70%	71%	70%	71%	69%	68%	69%	70%
Reduce Rate Only	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Reduce Rate and Extend Term	4%	4%	4%	5%	5%	2%	4%	4%	4%	5%	6%	6%	7%	5%
Reduce Rate, Extend Term and Forbear Principal <sup>3</sup>	25%	24%	22%	24%	25%	22%	26%	24%	25%	24%	26%	25%	24%	24%
Other	1%	1%	0%	0%	0%	1%	1%	0%	0%	0%	0%	0%	0%	0%

<sup>1</sup> Includes loans with missing delinquency status.

<sup>2</sup> Includes loans with missing MTMLTV data.

<sup>3</sup> May include principal forgiveness.



3(iii) Freddie Mac - Loan Modifications

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	YTD 2019
<b>Loan Modifications (# of loans)</b>	3,814	2,842	2,953	3,426	3,093	2,473	2,929	2,332	2,511	2,502	1,997	2,087	2,034	25,384
<b>Delinquency Status at Modification (% of loan mods)</b>														
Current	2%	2%	3%	6%	3%	2%	1%	1%	1%	2%	1%	1%	1%	2%
30 - 59 days delinquent	9%	10%	10%	12%	9%	7%	5%	6%	6%	7%	8%	8%	6%	8%
60 - 89 days delinquent	7%	8%	7%	9%	8%	7%	7%	6%	7%	6%	6%	7%	5%	7%
90 - 179 days delinquent	39%	38%	43%	33%	40%	45%	47%	48%	48%	46%	44%	36%	41%	43%
180 - 364 days delinquent	33%	31%	26%	26%	27%	25%	27%	27%	27%	27%	27%	31%	33%	28%
365+ days delinquent	10%	12%	11%	13%	12%	14%	13%	12%	12%	12%	13%	17%	14%	13%
<b>MTMLTV at Modification (% of loan mods)</b>														
MTMLTV <= 80%	81%	80%	83%	81%	82%	81%	81%	82%	82%	81%	80%	80%	81%	81%
80% < MTMLTV <= 100%	14%	14%	13%	14%	13%	15%	14%	14%	14%	15%	16%	16%	15%	15%
MTMLTV > 100%	5%	5%	4%	5%	5%	4%	5%	4%	4%	4%	4%	5%	4%	4%
<b>Year of Origination (% of loan mods)</b>														
2004 & Prior	20%	19%	18%	18%	15%	18%	16%	17%	16%	17%	16%	15%	15%	16%
2005-2008	36%	36%	31%	35%	36%	30%	32%	33%	33%	31%	27%	30%	29%	32%
2009 & later	44%	44%	51%	48%	49%	52%	52%	50%	51%	53%	58%	55%	56%	52%
<b>Modification History (% of loan mods)</b>														
First time modification	64%	62%	69%	65%	65%	67%	68%	63%	65%	70%	70%	68%	70%	67%
Second time modification	25%	25%	22%	24%	24%	23%	22%	26%	25%	20%	21%	21%	21%	23%
Three plus time modification	11%	14%	9%	11%	11%	10%	10%	11%	10%	10%	10%	10%	9%	10%
<b>Property type (% of loan mods)</b>														
Primary residency	94%	95%	95%	94%	94%	95%	95%	95%	95%	93%	95%	94%	95%	95%
Second home	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Investment	4%	3%	3%	4%	4%	3%	3%	3%	3%	5%	3%	4%	3%	4%
<b>Types of Modification (% of loan mods)</b>														
Extend Term Only	57%	54%	59%	51%	59%	62%	63%	62%	64%	59%	59%	59%	63%	60%
Reduce Rate Only	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%
Reduce Rate and Extend Term	9%	9%	7%	7%	6%	7%	7%	7%	8%	9%	7%	7%	8%	7%
Reduce Rate, Extend Term and Forbear Principal <sup>1</sup>	34%	37%	34%	42%	34%	31%	30%	32%	29%	31%	34%	34%	29%	33%
Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

<sup>1</sup> May include principal forgiveness and deferred payment modifications.



4 Enterprises Combined - Home Forfeiture Actions (# of loans)

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	YTD 2019
Short Sales	423	390	375	374	308	360	392	403	344	329	315	315	372	3,512
Deeds-in-lieu	210	176	207	200	155	145	139	131	137	120	117	119	136	1,399
Nonforeclosure - Home Forfeiture Actions <sup>1</sup>	633	566	582	574	463	505	531	534	481	449	432	434	508	4,911
Third-party Sales	1,595	1,282	1,210	1,348	1,176	1,174	1,193	1,237	1,162	1,111	1,157	952	948	11,458
Foreclosure Sales	2,821	2,606	1,996	2,722	2,051	2,353	2,204	2,299	2,115	2,217	2,164	2,069	2,226	22,420
Third-party & Foreclosure Sales	4,416	3,888	3,206	4,070	3,227	3,527	3,397	3,536	3,277	3,328	3,321	3,021	3,174	33,878
Foreclosure Starts	12,752	10,810	12,440	12,121	10,116	11,238	10,320	9,995	9,165	10,054	8,941	10,975	9,678	102,603

Top Five Reasons for Delinquency

Curtailment of Income	23%	23%	24%	24%	24%	24%	25%	26%	27%	27%	26%	26%	26%
Excessive obligations	22%	23%	22%	23%	22%	21%	21%	22%	22%	21%	22%	23%	22%
Unemployment	7%	6%	6%	6%	6%	5%	6%	6%	6%	6%	6%	7%	6%
Illness of principal mortgagor or family member	7%	7%	7%	7%	7%	7%	7%	7%	8%	8%	8%	8%	8%
Marital Difficulties	3%	3%	3%	3%	3%	2%	3%	3%	3%	3%	3%	3%	3%

<sup>1</sup> Short sales and deeds-in-lieu of foreclosure completed.



## Overview of the Enterprises' High LTV Refinance Options to Replace HARP

As a replacement for HARP, Fannie Mae and Freddie Mac have created options for refinancing mortgages with a high loan-to-value (LTV) ratio:

- The Fannie Mae option is called the high loan-to-value refinance option.
- The Freddie Mac option is called the Enhanced Relief Refinance Mortgage Program.

Deliveries were eligible beginning January 1, 2019.

FHFA will report on the Enterprises' high LTV refinance volumes under these options as they develop. Currently four loans have been transacted under these options, per the table below.

### Total Loan Volume, High LTV Refinance Option

	Oct-19	Sep-19	Aug-19	Jul-19
Fannie Mae	2	0	1	1
Freddie Mac	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	2	0	1	1
<b>LTV &gt;75% -105%</b>				
Fannie Mae	2	0	1	1
Freddie Mac	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	2	0	1	1
<b>LTV &gt;105% -125%</b>				
Fannie Mae	0	0	0	0
Freddie Mac	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0
<b>LTV &gt;125%</b>				
Fannie Mae	0	0	0	0
Freddie Mac	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0

## Eligibility Criteria for the Enterprises' High LTV Refinance Options

Below are the basic eligibility criteria:

- Loans must be owned or guaranteed by Fannie Mae or Freddie Mac.
- Loans must have been originated on or after October 1, 2017 and paid for at least 15 months.
- LTV ratios must be greater than the following percentages:

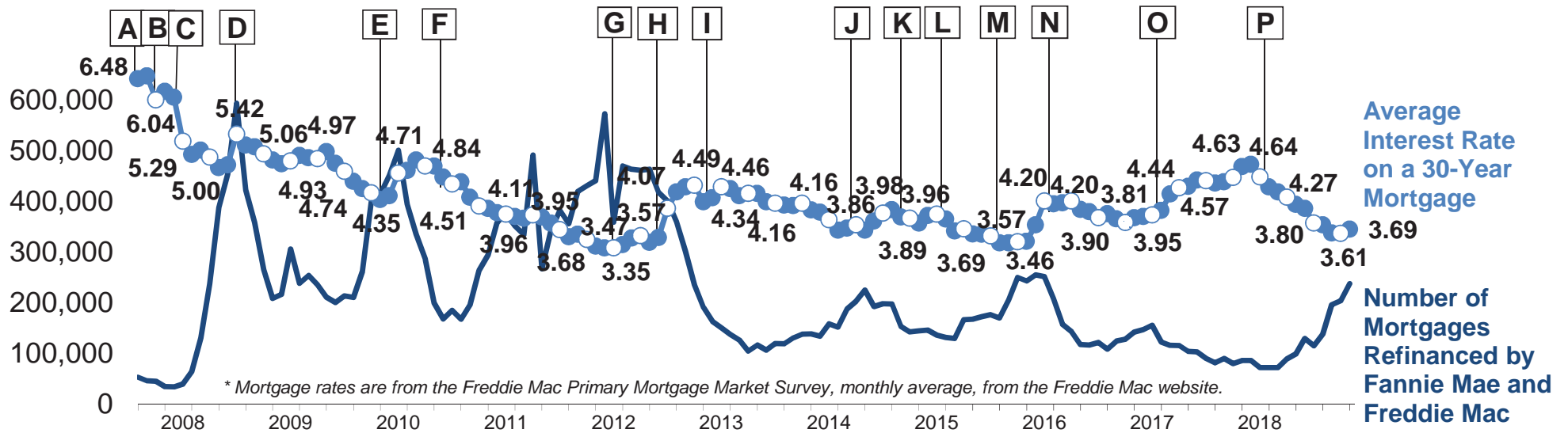
Occupancy	Number of Units	Fannie Mae	Freddie Mac
Principal Residence	1	97	97
	2	85	85
	3-4	75	80
Second Home	1	90	90
Investment Property	1	75	85
	2-4	75	75

- Borrowers must benefit in at least one of the following ways:
  - Reduced monthly principal and interest payment
  - Lower interest rate
  - Shorter amortization term
  - Moving from an adjustable-rate mortgage to a fixed-rate mortgage
- Borrowers must be current on their mortgage payments at the time of the refinance.
- Payment history - borrower is allowed one late payment in the past 12 months, as long as it did not occur in the 6 months prior to the refinance.



Total refinance volume increased in October 2019 as mortgage rates fell in previous months to lows last observed in 2015. Mortgage rates increased in October: the average interest rate on a 30-year fixed rate mortgage rose to 3.69 percent from 3.61 percent in September.

### Mortgage Rates vs Refinance Volume



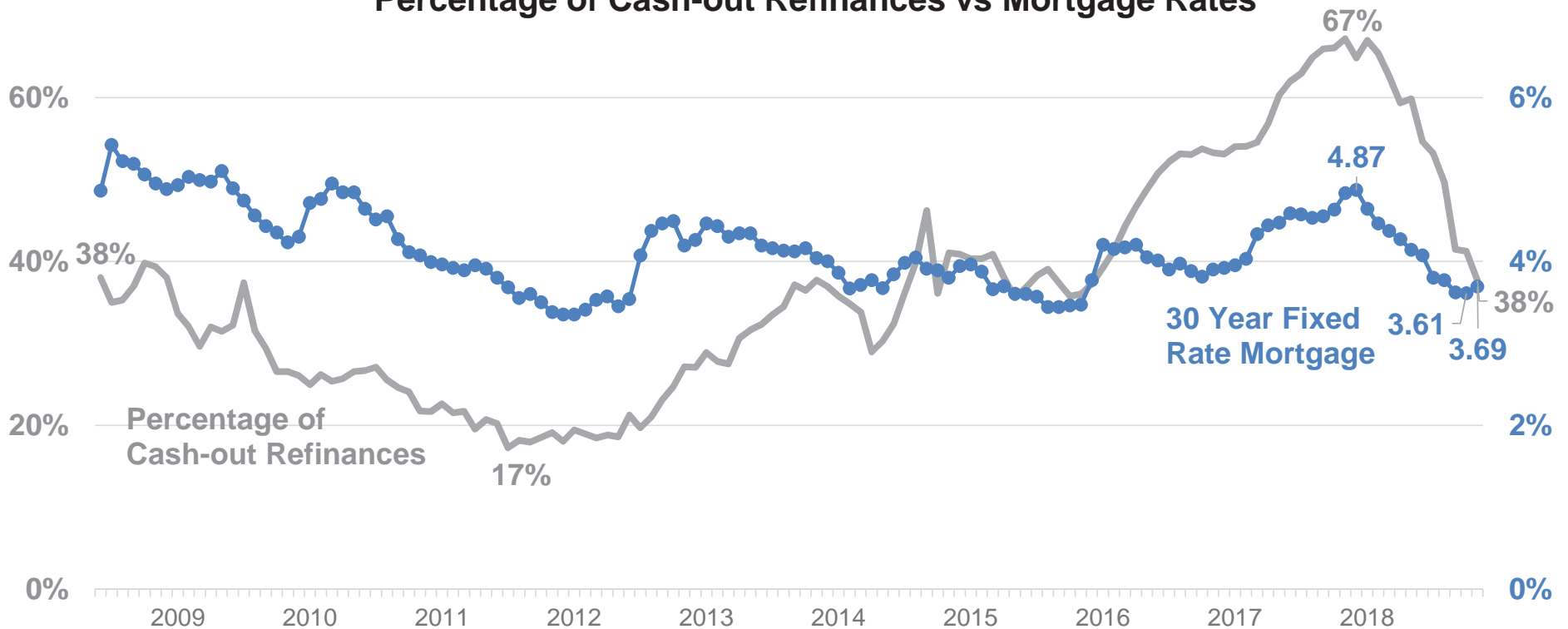
Source: FHFA (Fannie Mae and Freddie Mac)

- A - Highest rate in 2008 for a 30-year mortgage.
- B - GSEs placed into conservatorship on 09/06/08.
- C - Fed announces MBS purchase program on 11/25/08.
- D - Treasury rates sharply rose and reached a 2009 high on a better than expected June unemployment report.
- E - 30-year mortgage rates reached 4.17 percent in early November, marking the lowest level observed since Freddie Mac began tracking rates in 1971.
- F - Treasury rates fell amid ongoing concerns of a growing debt crisis in Europe.
- G - 30-year mortgage rates reached new historic lows in November 2012.
- H - Mortgage rates rose after Federal Reserve Chairman Bernanke stated in late May that the central bank was considering slowing its \$85 billion per month bond buying program known as quantitative easing.
- I - Highest rate for a 30-year mortgage since July 2011.
- J - 30-year mortgage rates reached a monthly average of 3.67 percent in January, the lowest level seen since mid 2013.
- K - 30-year mortgage rates reached a monthly average of 4.05 percent in 6/2015, the highest level observed since 9/2014, amid expectations of a rate hike by the Federal Reserve.
- L - The Federal Reserve raised the target federal funds rate from 0.25% to 0.5% on 12/16/15 in response to a strengthening economy.
- M- Treasury rates fell, amid a global flight to the safety of government debt, in response to the U.K. Brexit vote to leave the European Union.
- N - Mortgage rates rose in November and December 2016 amid expectations of a rate hike by the Federal Reserve. The Federal Reserve raised the target federal funds rate to 0.75% on 12/14/16 in response to a strengthening economy.
- O - Mortgage rates fell from the beginning to the end of 2017 as the target Federal Funds rate was raised to 1% on March 16th, 1.25% on June 15, and 1.5% on December 14, with the Federal Reserve following a steady path to normalize its benchmark rate.
- P - Mortgage rates rose from the beginning to the end of 2018, as the target Federal Funds rate was incrementally raised quarterly to 1.75%, 2%, 2.25% and 2.5%, with the Federal Reserve projecting a continued steady growth of the US economy in 2018.



The percentage of cash-out refinances decreased to 38 percent in October as mortgage rates fell in previous months, creating more opportunities for non cash-out borrowers to refinance at lower rates and lower their monthly payments. The percentage of cash-out refinances peaked at 67 percent in October 2018 as mortgage rates increased to levels that were last observed in 2011.

**Percentage of Cash-out Refinances vs Mortgage Rates**



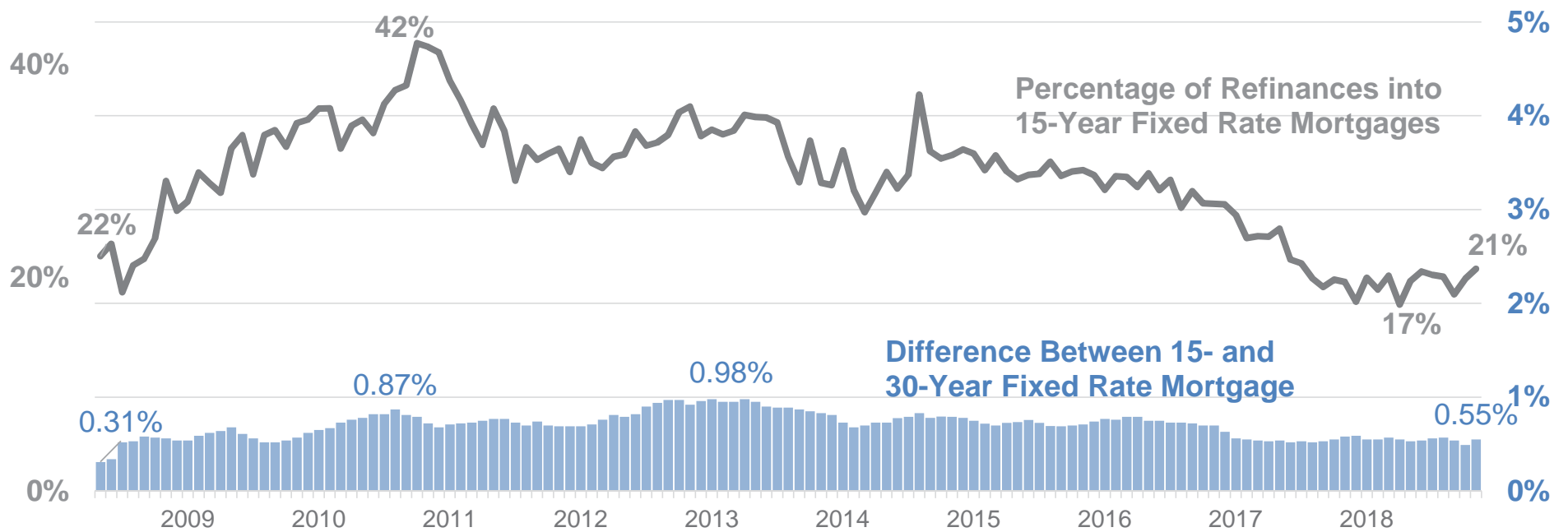
Source: FHFA (Fannie Mae and Freddie Mac). Mortgage rates are from the Freddie Mac Primary Mortgage Market Survey, monthly average, from the Freddie Mac website.





The percentage of borrowers refinancing into shorter term 15-year fixed rate mortgages rose to 21 percent in October from 20 percent in September, remaining below the levels observed in the past when the difference between these two rates was bigger.

**Percentage of Refinances into 15-Year Mortgages vs  
The Difference Between 15- and 30-Year Fixed Rate Mortgages**



Source: FHFA (Fannie Mae and Freddie Mac). Mortgage rates are from the Freddie Mac Primary Mortgage Market Survey, monthly average, from the Freddie Mac website.



## Appendix: Data Tables

### Fannie Mae and Freddie Mac - Monthly Refinance Volume (# of loans)

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
<b>Total Refinances</b>										
Fannie Mae	43,780	40,020	43,043	53,833	77,070	66,267	84,789	118,482	122,170	140,307
Freddie Mac	28,758	32,524	46,587	45,907	52,963	49,296	54,029	77,813	82,171	96,945
Total	72,538	72,544	89,630	99,740	130,033	115,563	138,818	196,295	204,341	237,252
<b>Total High LTV Refinance Option</b>										
Fannie Mae	-	-	-	-	-	-	1	1	-	2
Freddie Mac	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	1	1	-	2
<b>High LTV Refinance Option, LTV &gt;75% -105%</b>										
Fannie Mae	-	-	-	-	-	-	1	1	-	2
Freddie Mac	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	1	1	-	2
<b>High LTV Refinance Option, LTV &gt;105% -125%</b>										
Fannie Mae	-	-	-	-	-	-	-	-	-	-
Freddie Mac	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
<b>High LTV Refinance Option, LTV &gt;125%</b>										
Fannie Mae	-	-	-	-	-	-	-	-	-	-
Freddie Mac	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

#### Notes:

**High LTV Refinance Option:** As a replacement for HARP, Fannie Mae and Freddie Mac have created options for refinancing mortgages with a high loan-to-value (LTV) ratio:

- The Fannie Mae option is called the high loan-to-value refinance option.
- The Freddie Mac option is called the Enhanced Relief Refinance Mortgage Program.

Deliveries were eligible beginning January 1, 2019.

FHFA will report on the Enterprises' high LTV refinance volumes under these options as they develop.



## Glossary

### Section 1: Mortgage Performance

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

**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.

**Serious Delinquency** - All loans in the process of foreclosure *plus* loans that are three or more payments delinquent (including loans in the process of 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 after which borrower resumes regular monthly payments and pays additional money toward the delinquency to bring the account current or works with the servicer to identify a permanent solution, such as loan modification or short sale, to address the delinquency.

**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.

**HomeSaver 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. The program ended in 2010.

**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.

**Reduce Rate and Extend Term** - Loan's rate reduced and term extended.

**Reduce Rate, Extend Term, 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.

