Office of the Comptroller of the Currency

OCC Mortgage Metrics Report

Disclosure of National Bank Mortgage Loan Data

First Quarter 2022

Office of the Comptroller of the Currency
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Contents

About Mortgage Metrics

The Office of the Comptroller of the Currency (OCC) collects data on first-lien residential mortgage loans serviced by seven national banks with large mortgage-servicing portfolios.[1] The *OCC Mortgage Metrics Report* is published quarterly to promote broader understanding of mortgage portfolio performance and modification activity in the federal banking system, support supervision of regulated institutions, and fulfill section 104 of the Helping Families Save Their Homes Act of 2009 (codified at 12 USC 1715z-25), as amended by section 1493(a) of the Dodd–Frank Wall Street Reform and Consumer Protection Act.

- This report presents performance data for the first quarter of 2022 for loans that the reporting banks own or service for others as a fee-based business.
- The data in this report reflect a portion of first-lien residential mortgages in the country. The characteristics of the loans included here may differ from the overall population. The loans included are not a statistically representative, random sample.
- This report covers the performance of first-lien home mortgages in the portfolios of reporting banks. It excludes junior liens, home equity lines of credit (HELOC), and home equity conversion mortgages (reverse mortgages).
- For loans in forbearance covered by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, reporting banks are following guidance from the Department of Housing and Urban Development, Federal Housing Finance Administration, and the respective government agencies and government-sponsored entities (GSE) for the calculation and reporting of delinquency and credit bureau reporting. Banks implemented the CARES Act foreclosure moratoriums for all covered loans.

[1] The seven national banks are Bank of America, Citibank, HSBC, JPMorgan Chase, PNC, U.S. Bank, and Wells Fargo.

Executive Summary

Overall Mortgage Portfolio and Performance

- As of March 31, 2022, the reporting banks serviced approximately 12.2 million first-lien residential mortgage loans with $2.6 trillion in unpaid principal balances (see figures 1 and 2). This $2.6 trillion was 22 percent of all residential mortgage debt outstanding in the United States.[2]
- Overall mortgage performance this quarter improved from the first quarter of 2021. The percentage of mortgages that were current and performing at the end of the first quarter of 2022 was 96.9 percent compared with 94.2 percent at the end of the first quarter of 2021 (see figure 6). The CARES Act, signed into law on March 27, 2020, and extended on February 18, 2022, allows for loan forbearance that can extend up to 360 days and is reflected in the mortgage performance data.
- Servicers initiated 19,524 new foreclosures in the first quarter of 2022, an increase from the prior quarter and a year earlier. The new foreclosure volume in the first quarter of 2022 is comparable to pre-COVID-19 pandemic foreclosure volumes (see figure 7). Home forfeiture actions during the first quarter of 2022—completed foreclosure sales, short sales, and deed-in-lieu-of-foreclosure actions—increased 26.8 percent from a year earlier to 2,410 (see figure 8). Events associated with the COVID-19 pandemic, including foreclosure moratoriums that began March 18, 2020, and were extended to July 31, 2021, have significantly affected these metrics.

Number and Type of Modifications Completed and Impact on Payment Amount

Servicers completed 42,427 modifications during the first quarter of 2022, a 10.7 percent decrease from the previous quarter's 47,488 modifications.

- Of these 42,427 modifications, 41,318 or 97.4 percent, were "combination modifications"—modifications that included multiple actions affecting the affordability and sustainability of the loan, such as an interest rate reduction and a term extension. Of the remaining 1,109 loan modifications, 856 received a single action and 253 were not assigned a modification type (see table 1).
- Among the 41,318 combination modifications completed during the quarter, 34,355, or 83.1 percent, included capitalization of delinquent interest and fees; 36,604, or 88.6 percent, included an interest rate reduction or freeze; 34,782, or 84.2 percent, included a term extension; 9,212, or 22.3 percent, included principal deferral; and 48, or 0.1 percent, included principal reduction (see table 2).
- Of the 42,427 modifications completed during the quarter, 34,278, or 80.8 percent, reduced the loan's pre-modification monthly payment (see table 3).

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[2] Residential mortgage debt is determined using the quarterly Federal Reserve Statistical Release, "Z.1: Financial Accounts of the United States," table L.218, "One-to-Four-Family Residential Mortgages," household sector liabilities. Data as of March 31, 2022.

Modified Loan Performance

By March 31, 2022, all loans modified during the third quarter of 2021 would have aged at least six months. Of the 33,721 modifications completed during the third quarter of 2021, servicers reported that 2,915, or 8.6 percent, were 60 or more days past due or in the process of foreclosure at the end of the month that the modification became six months old (see table 4).

Figure 1 shows the outstanding principal balance of reported loans and the change in the amount of unpaid balances from the first quarter of 2020 through the first quarter of 2022.

Figure 1: Total Serviced Mortgage Portfolio—Outstanding Principal in Billions of Dollars

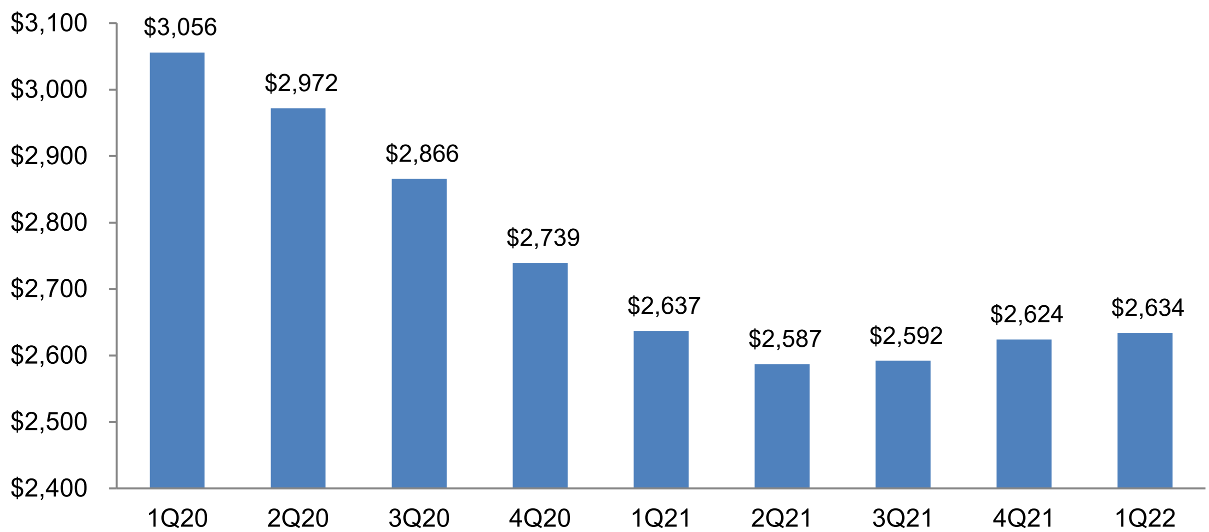


Figure 2 shows the number of first-lien residential mortgages serviced and the decline in loans from the first quarter of 2020 through the first quarter of 2022.

Figure 2: Total Serviced Mortgage Portfolio—Number of Loans in Thousands

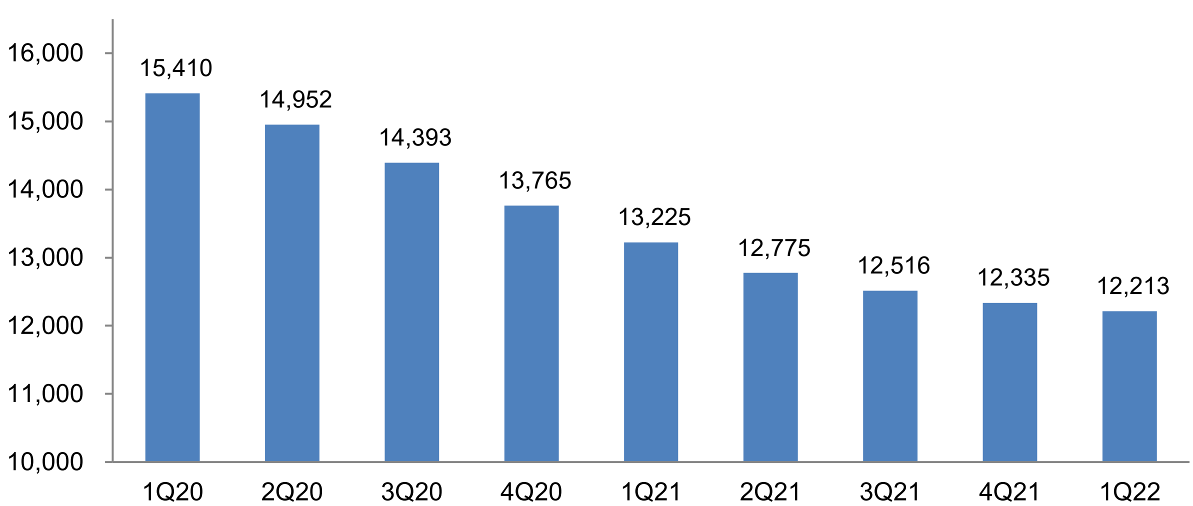
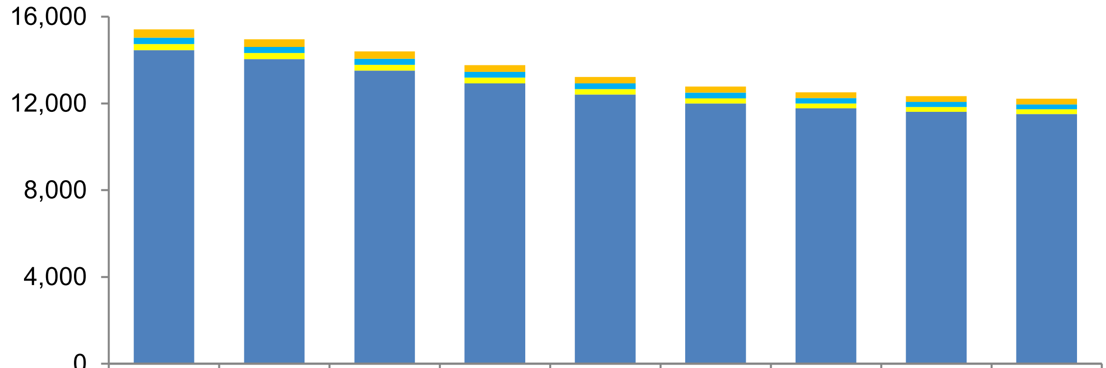


Figure 3 shows the number of loans in each risk category and the decline in each category from the first quarter of 2020 through the first quarter of 2022.

Figure 3: Composition—Loans in Thousands by Borrower Risk Category



	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Other	376	349	329	312	297	283	270	260	258
Subprime	297	284	277	268	261	252	243	234	224
Alt-A	280	273	266	258	250	241	233	231	225
Prime	14,457	14,046	13,521	12,927	12,416	11,998	11,770	11,610	11,506

Figure 4 reports the percentage of loans in each risk category and shows that the composition of loans has remained relatively stable since the first quarter of 2020.

Figure 4: Composition—Percentage of Mortgages by Borrower Risk Category

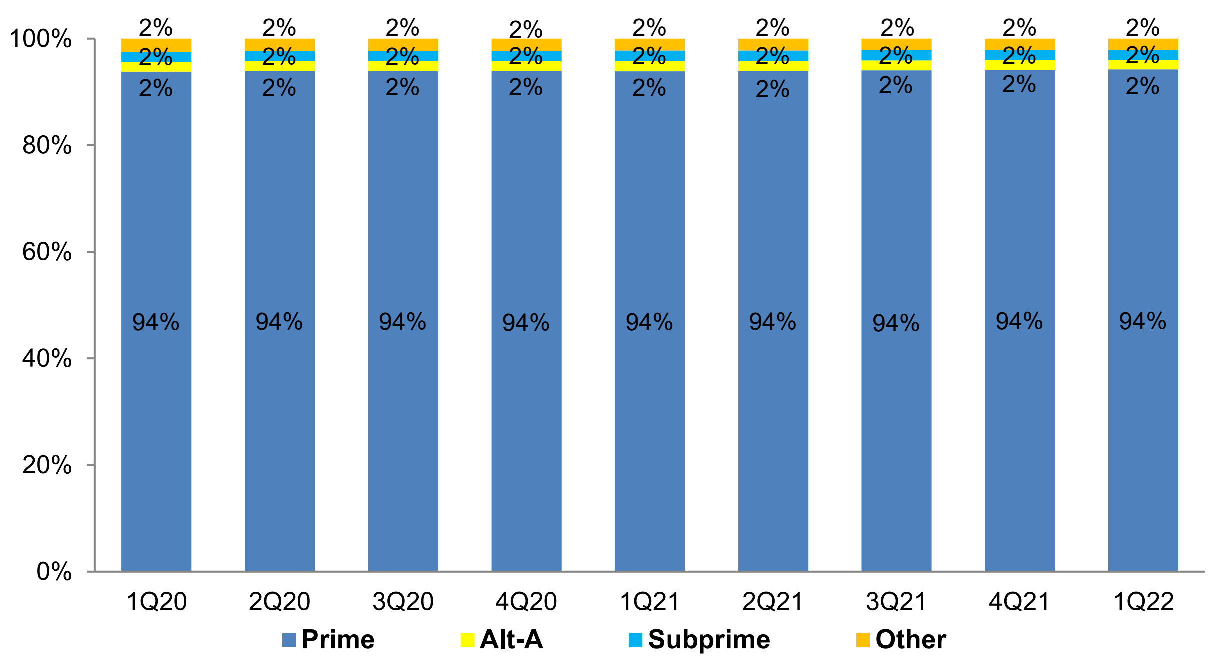
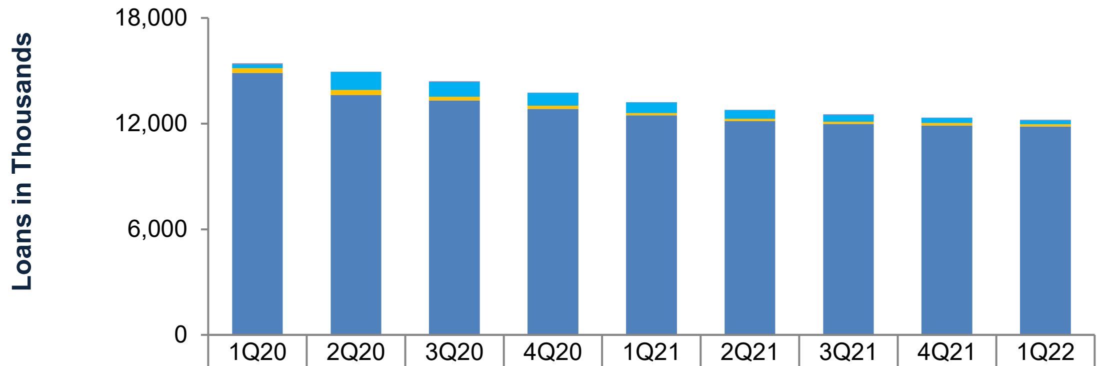


Figure 5 shows the number of loans in each category of delinquency from the first quarter of 2020 through the first quarter of 2022. The number of foreclosures in process has increased from the previous quarter. The number of seriously delinquent loans sharply increased in the second quarter of 2020, but has since been trending down.[3]

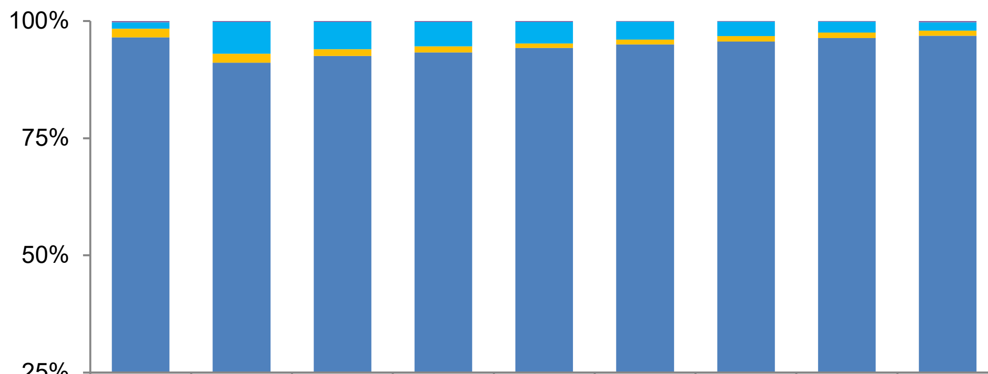
Figure 5: Number of Loans in Delinquency and Foreclosures in Process—Loans in Thousands



	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Foreclosures in process	42	30	27	27	26	21	20	19	31
Seriously delinquent	215	1,011	841	714	608	482	385	287	216
30–59 days delinquent	283	290	209	183	127	136	141	144	135
Current and performing	14,870	13,622	13,316	12,841	12,463	12,135	11,970	11,886	11,831

Figure 6 shows the percent of mortgages in each category of delinquency from the first quarter of 2020 through the first quarter of 2022. Data show that the percent of foreclosures in process remains relatively low as foreclosure moratoriums remained in place through July 30, 2021. The percent of seriously delinquent loans has trended down since peaking in the second quarter of 2020.

Figure 6: Percentage of Loans Current and Performing and in Delinquency

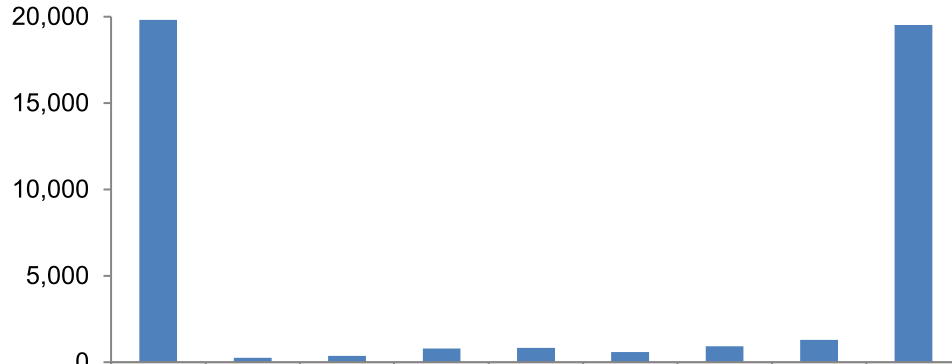


	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Foreclosures in process	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%
Seriously delinquent	1.4%	6.8%	5.8%	5.2%	4.6%	3.8%	3.1%	2.3%	1.8%
30–59 days delinquent	1.8%	1.9%	1.5%	1.3%	1.0%	1.1%	1.1%	1.2%	1.1%
Current and performing	96.5%	91.1%	92.5%	93.3%	94.2%	95.0%	95.6%	96.4%	96.9%

[3] Delinquencies are reported based on the contractual due date and may not match what is being reported in credit bureau data. Also, delinquencies are affected by the different relief programs offered by the banks.

Figure 7 shows the number of new foreclosure actions initiated from the first quarter of 2020 through the first quarter of 2022. New foreclosure actions increased to 19,524 and the current volume is comparable to the pre-COVID-19 pandemic foreclosure volume.[4]

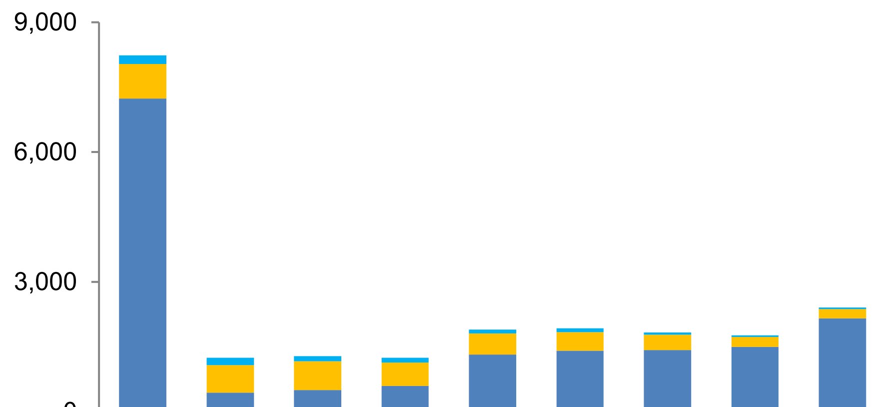
Figure 7: Newly Initiated Foreclosures



	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Newly initiated foreclosures	19,815	249	369	789	833	592	925	1,294	19,524

Figure 8 shows the number of foreclosure and other home forfeiture actions completed from the first quarter of 2020 through the first quarter of 2022. Completed foreclosures and other forfeiture actions increased to 2,410 in the first quarter of 2022 from 1,900 in the first quarter of 2021, an increase of 26.8 percent.[5]

Figure 8: Completed Foreclosures and Other Home Forfeiture Actions



	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
New deed-in-lieu-of-foreclosure	204	167	114	114	90	91	50	37	38
New short sales	795	637	670	535	488	426	351	228	215
Completed foreclosures	7,239	444	498	599	1,322	1,413	1,428	1,503	2,157
Total Home Forfeiture Actions	8,238	1,248	1,282	1,248	1,900	1,930	1,829	1,768	2,410

[4] Events associated with the COVID-19 pandemic, including foreclosure moratoriums, have significantly affected these metrics.

[5] Events associated with the COVID-19 pandemic, including foreclosure moratoriums, have significantly affected these metrics.

Table 1: Number of Mortgage Modification Actions Completed in the First Quarter of 2022

States	Capitalization	Rate reduction or freeze	Term extension	Principal reductions	Principal deferral	Combination	Not reported	Total modifications
Total - All States	139	112	540	0	65	41,318	253	42,427
Alabama	1	3	12	0	0	518	9	543
Alaska	0	1	9	0	0	103	0	113
Arizona	5	2	8	0	1	1,062	0	1,078
Arkansas	2	4	2	0	0	359	2	369
California	32	17	39	0	10	3,918	14	4,030
Colorado	1	1	9	0	0	511	7	529
Connecticut	1	0	9	0	1	607	1	619
Delaware	0	0	3	0	0	202	1	206
District of Columbia	0	1	2	0	0	134	1	138
Florida	13	9	25	0	6	3,207	23	3,283
Georgia	8	5	26	0	4	1,700	14	1,757
Hawaii	0	1	5	0	0	140	1	147
Idaho	1	0	2	0	1	93	1	98
Illinois	4	2	16	0	8	2,596	18	2,644
Indiana	1	4	8	0	0	761	13	787
Iowa	0	0	4	0	0	247	2	253
Kansas	0	0	8	0	2	283	2	295
Kentucky	0	1	6	0	0	379	5	391
Louisiana	3	2	9	0	0	669	12	695
Maine	0	1	1	0	0	77	0	79
Maryland	7	3	29	0	3	1,563	4	1,609
Massachusetts	1	1	5	0	4	501	3	515
Michigan	3	1	1	0	0	594	4	603
Minnesota	1	3	14	0	0	1,206	4	1,228
Mississippi	2	1	5	0	1	224	3	236
Missouri	3	2	6	0	2	694	4	711
Montana	0	0	4	0	0	85	0	89
Nebraska	0	1	2	0	0	294	1	298
Nevada	5	0	10	0	0	814	1	830
New Hampshire	1	0	1	0	0	106	0	108
New Jersey	6	3	12	0	4	1,758	6	1,789
New Mexico	0	1	4	0	0	214	3	222
New York	1	6	24	0	5	2,387	11	2,434
North Carolina	6	2	37	0	1	1,129	7	1,182
North Dakota	0	0	1	0	0	59	0	60
Ohio	2	0	15	0	1	1,396	7	1,421
Oklahoma	1	1	2	0	0	553	5	562
Oregon	1	1	2	0	2	418	1	425
Pennsylvania	5	3	23	0	2	1,241	9	1,283
Rhode Island	0	0	1	0	0	80	0	81
South Carolina	5	1	14	0	1	527	5	553
South Dakota	0	0	2	0	0	45	0	47
Tennessee	1	2	16	0	0	589	5	613
Texas	11	20	57	0	4	4,629	23	4,744
Utah	0	0	3	0	0	217	3	223
Vermont	0	0	2	0	0	57	0	59
Virginia	1	2	32	0	1	1,157	7	1,200
Washington	2	3	8	0	0	637	4	654
West Virginia	1	0	1	0	0	71	0	73
Wisconsin	1	0	3	0	1	442	7	454
Wyoming	0	1	1	0	0	63	0	65
Other	0	0	0	0	0	2	0	2

Table 2: Number of Modification Actions in Combination Actions Completed in the First Quarter of 2022

States	Capitalization	Rate reduction or freeze	Term extension	Principal reduction	Principal deferral	Total combination modifications
Total - All States	34,355	36,604	34,782	48	9,212	41,318
Alabama	426	466	462	1	95	518
Alaska	76	97	99	0	6	103
Arizona	856	956	865	1	241	1,062
Arkansas	271	335	299	0	62	359
California	3,513	3,237	3,138	4	1,272	3,918
Colorado	426	450	425	1	105	511
Connecticut	534	515	519	1	141	607
Delaware	181	182	180	0	36	202
District of Columbia	118	113	109	0	36	134
Florida	2,707	2,866	2,617	6	814	3,207
Georgia	1,437	1,487	1,517	0	270	1,700
Hawaii	122	112	108	0	48	140
Idaho	75	79	74	0	22	93
Illinois	2,067	2,334	2,066	6	712	2,596
Indiana	634	702	666	1	114	761
Iowa	190	231	200	0	62	247
Kansas	218	258	232	0	58	283
Kentucky	270	341	292	0	94	379
Louisiana	544	596	560	0	145	669
Maine	57	64	63	1	19	77
Maryland	1,328	1,392	1,347	1	314	1,563
Massachusetts	408	447	392	1	147	501
Michigan	512	518	520	0	103	594
Minnesota	911	1,102	929	0	319	1,206
Mississippi	183	196	200	2	44	224
Missouri	536	631	546	0	175	694
Montana	61	74	70	0	20	85
Nebraska	207	280	220	0	80	294
Nevada	695	743	690	1	153	814
New Hampshire	92	84	85	1	26	106
New Jersey	1,585	1,509	1,527	3	440	1,758
New Mexico	181	192	189	0	39	214
New York	2,134	2,060	2,114	6	544	2,387
North Carolina	902	985	990	1	194	1,129
North Dakota	38	54	44	0	19	59
Ohio	1,103	1,313	1,149	0	286	1,396
Oklahoma	467	514	482	0	83	553
Oregon	340	368	332	0	109	418
Pennsylvania	1,065	1,087	1,101	3	228	1,241
Rhode Island	70	62	62	0	27	80
South Carolina	425	470	462	0	94	527
South Dakota	37	39	38	0	9	45
Tennessee	443	523	479	0	134	589
Texas	3,825	4,227	4,191	2	610	4,629
Utah	183	194	181	0	49	217
Vermont	43	50	43	0	17	57
Virginia	914	1,017	985	1	246	1,157
Washington	535	531	496	1	174	637
West Virginia	58	57	57	0	18	71
Wisconsin	306	411	322	3	140	442
Wyoming	44	51	46	0	19	63
Other	2	2	2	0	0	2

Table 3: Changes in Monthly Principal and Interest Payments by State
Modifications Completed in the First Quarter of 2022

States	Decreased by 20% or more	Decreased by 10% to less than 20%	Decreased by less than 10%	Unchanged	Increased	Not reported	Total modifications
Total - All States	24,582	5,583	4,113	6,205	1,441	503	42,427
Alabama	303	79	80	51	19	11	543
Alaska	68	15	23	4	3	0	113
Arizona	675	108	82	197	14	2	1,078
Arkansas	203	52	41	62	9	2	369
California	2,477	525	241	684	89	14	4,030
Colorado	324	65	41	84	10	5	529
Connecticut	329	99	70	76	32	13	619
Delaware	125	28	23	23	7	0	206
District of Columbia	87	14	9	25	1	2	138
Florida	1,929	376	306	533	108	31	3,283
Georgia	997	234	231	186	88	21	1,757
Hawaii	86	13	11	34	2	1	147
Idaho	57	8	8	20	2	3	98
Illinois	1,376	397	199	525	83	64	2,644
Indiana	475	120	64	84	20	24	787
Iowa	141	28	24	50	9	1	253
Kansas	165	36	25	51	11	7	295
Kentucky	200	53	32	87	9	10	391
Louisiana	385	90	82	101	20	17	695
Maine	43	13	9	13	1	0	79
Maryland	938	222	172	207	53	17	1,609
Massachusetts	281	70	47	99	13	5	515
Michigan	383	86	40	65	18	11	603
Minnesota	684	171	76	271	21	5	1,228
Mississippi	125	46	27	24	9	5	236
Missouri	380	100	68	144	12	7	711
Montana	44	13	15	14	3	0	89
Nebraska	144	45	31	72	4	2	298
Nevada	536	101	62	120	10	1	830
New Hampshire	59	13	11	20	4	1	108
New Jersey	1,069	231	142	231	98	18	1,789
New Mexico	142	22	26	23	5	4	222
New York	1,523	314	220	270	92	15	2,434
North Carolina	644	157	178	139	46	18	1,182
North Dakota	25	14	3	16	2	0	60
Ohio	816	158	143	239	37	28	1,421
Oklahoma	349	74	53	69	13	4	562
Oregon	237	54	36	90	3	5	425
Pennsylvania	769	153	130	120	75	36	1,283
Rhode Island	30	15	9	21	6	0	81
South Carolina	311	83	65	63	24	7	553
South Dakota	23	3	12	9	0	0	47
Tennessee	330	88	58	114	17	6	613
Texas	2,836	615	599	384	275	35	4,744
Utah	129	35	15	37	3	4	223
Vermont	32	5	5	15	1	1	59
Virginia	634	189	170	160	29	18	1,200
Washington	373	78	48	136	11	8	654
West Virginia	37	9	10	16	0	1	73
Wisconsin	217	61	33	110	20	13	454
Wyoming	36	4	8	17	0	0	65
Other	1	1	0	0	0	0	2

Table 4. Number of Re-Defaults for Loans Modified Six Months Previously
Modified Loans 60 or More Days Delinquent Six Months After Modification

States	Decreased by 20% or more	Decreased by 10% to less than 20%	Decreased by less than 10%	Unchanged	Increased	Not reported	Total re-defaults
Total - All States	322	480	925	975	182	31	2,915
Alabama	5	8	9	12	1	0	35
Alaska	0	4	3	1	0	0	8
Arizona	16	25	31	37	3	0	112
Arkansas	4	6	22	16	4	0	52
California	17	18	30	77	5	0	147
Colorado	3	5	6	4	1	0	19
Connecticut	5	5	5	21	5	4	45
Delaware	2	2	12	5	0	0	21
District of Columbia	1	2	2	5	1	0	11
Florida	31	40	63	77	13	2	226
Georgia	14	18	32	23	8	2	97
Hawaii	0	0	1	3	0	0	4
Idaho	0	1	2	4	1	0	8
Illinois	25	33	77	82	19	3	239
Indiana	4	22	38	16	6	1	87
Iowa	1	5	7	10	1	1	25
Kansas	3	3	13	3	1	0	23
Kentucky	4	1	10	20	0	1	36
Louisiana	7	7	24	17	4	1	60
Maine	0	0	1	4	0	0	5
Maryland	8	22	37	30	7	1	105
Massachusetts	5	6	10	12	3	0	36
Michigan	3	2	17	15	4	1	42
Minnesota	6	13	30	47	14	0	110
Mississippi	4	8	8	5	1	0	26
Missouri	3	8	26	24	3	1	65
Montana	0	1	3	3	1	0	8
Nebraska	2	3	8	20	0	0	33
Nevada	7	6	13	21	2	0	49
New Hampshire	0	0	1	3	0	0	4
New Jersey	11	6	24	33	7	3	84
New Mexico	1	3	5	2	0	0	11
New York	21	22	28	47	15	3	136
North Carolina	8	18	22	19	3	0	70
North Dakota	0	1	1	1	0	0	3
Ohio	20	26	61	49	8	1	165
Oklahoma	3	19	22	12	3	0	59
Oregon	2	0	3	7	0	0	12
Pennsylvania	11	15	28	27	5	1	87
Rhode Island	0	0	3	3	1	1	8
South Carolina	5	7	12	17	8	2	51
South Dakota	0	0	2	3	0	0	5
Tennessee	7	8	10	14	1	0	40
Texas	41	49	128	60	17	1	296
Utah	2	4	1	4	0	0	11
Vermont	0	0	3	3	0	0	6
Virginia	5	12	17	24	2	1	61
Washington	1	5	5	14	1	0	26
West Virginia	1	1	0	0	0	0	2
Wisconsin	2	9	8	14	3	0	36
Wyoming	1	1	1	5	0	0	8
Other	0	0	0	0	0	0	0

Appendix A: Definitions and Method

The *OCC Mortgage Metrics Report* relies on reporting elements and conventions standard in the residential mortgage industry.

Alt-A: Mortgages to prime-quality borrowers that do not satisfy the criteria for conforming or jumbo loan programs. For example, these loans may lack high loan-to-value mortgage insurance, have minimal documentation, or be secured by collateral other than the borrower's primary residence. Alt-A mortgages are based on the borrower's credit conditions at origination.

Capitalization: Actions that increase the unpaid principal balance of the loan by the amount of any delinquent payments and fees.

Combination modifications: Modifications that include more than one type of modification action. Most modifications generally require changes to more than one term of a loan to bring a loan current and reduce monthly payments to an amount that is affordable and sustainable.

Foreclosures in process: Mortgages for which servicers have begun formal foreclosure proceedings but have not yet completed the foreclosure process. The foreclosure process varies by state. Many foreclosures in process never result in the loss of borrowers' homes because servicers simultaneously pursue other loss mitigation actions, and borrowers may return their mortgages to current and performing status.

Interest rate reductions and freezes: Actions that reduce or freeze the contractual interest rate of the loan that was in effect prior to the modification action.

Loan modifications: Actions that contractually change the terms of mortgages with respect to interest rates, maturity, principal, or other terms of the loan.

Other: Mortgages in the portfolio that could not be classified by the bank as Prime, Alt-A, or Subprime. Other mortgages are based on the borrower's credit conditions at origination.

Prime: Mortgages to borrowers underwritten as part of a conforming or jumbo loan program. Typically, these borrowers are eligible for standard loan programs and pricing. For example, borrowers typically have mortgage insurance when the loan-to-value exceeds 80 percent of the collateral property value. Prime mortgages are based on the borrower's credit conditions at origination.

Principal deferral modifications: Modifications that remove a portion of the unpaid principal from the amount used to calculate monthly principal and interest payments for a set period. The deferred amount becomes due at the end of the loan term.

Principal reduction modifications: Modifications that permanently reduce the unpaid principal owed on a mortgage.

Re-default: For purposes of this report, a loan is defined as in re-default if it was 60 or more days past due as of the end of the month at which the modification was six months old. For example, a loan that was modified as of November 1, 2019, would be defined as in re-default if it was 60 or more days past due or 30 or more days past due and in the process of foreclosure as of its May 31, 2020, reporting date.

Seriously delinquent loans: Mortgages that are 60 or more days past due and all mortgages held by bankrupt borrowers whose payments are 30 or more days past due.

Subprime: Mortgages to borrowers that display a range of credit risk characteristics that may include a weak credit history, reduced repayment capacity, or incomplete credit history. A weak credit history may include prior delinquencies, judgments, bankruptcies, or foreclosures on the credit report at the time of underwriting. Subprime mortgages are based on the borrower's credit conditions at origination.

Term extensions: Actions that extend the final maturity date of the loan that was in effect prior to the modification action.

OCC Mortgage Metrics Report Method

Loan delinquencies are reported using the Mortgage Bankers Association convention that a loan is past due when a scheduled payment has not been made by the due date of the following scheduled payment. The statistics are based on the number of loans, unless stated otherwise.

Percentages are rounded to one decimal place unless the result is less than 0.1 percent, which is rounded to two decimal places. The report uses whole numbers when approximating. Values in tables may not total 100 percent because of rounding.

Results are not seasonally adjusted.