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Comptroller of the Currency  
Administrator of National Banks

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US Department of the Treasury

## OCC Mortgage Metrics Report

Disclosure of National Bank and Federal Savings  
Association Mortgage Loan Data

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Fourth Quarter 2011

Office of the Comptroller of the Currency  
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## ***Executive Summary***

This *OCC Mortgage Metrics Report* for the fourth quarter of 2011 provides performance data on first-lien residential mortgages serviced by selected national and federal savings banks. The mortgages in this portfolio comprise 60 percent of all mortgages outstanding in the United States—31.4 million loans totaling \$5.4 trillion in principal balances. This report provides information on their performance through December 31, 2011.

The overall quality of the portfolio of serviced mortgages remained almost unchanged from the previous quarter, with the percentage of current and performing loans decreasing by 0.1 percentage point from the previous quarter to 87.9 percent of the overall portfolio at the end of the fourth quarter. However, the quality of the total serviced portfolio has improved slightly over the past year with the percentage of current and performing loans increased by 0.4 percent from the same period a year earlier (see table 7). Seriously delinquent mortgages, loans past due 60 days or more and bankruptcies 30 or more days past due, increased slightly during the fourth quarter, but were also down from the same period one year ago. The inventory of mortgages that were in the process of foreclosure at the end of the fourth quarter of 2011 decreased by 4.1 percent from the previous quarter and 3.1 percent from a year earlier.

The number of newly initiated foreclosures decreased by 16.0 percent from the previous quarter and 17.9 percent a year earlier. The decrease in new foreclosures reflects the continued emphasis on home retention actions, a decrease in the number of seriously delinquent loans over the past few quarters, and the effects of foreclosure settlements. The number of completed foreclosures increased by 2.5 percent from the previous quarter and 22.1 percent a year earlier. Servicers continued to emphasize alternatives to foreclosure during the fourth quarter, initiating more than two-and-a-half times as many new home retention actions—loan modifications, trial-period plans, and payment plans—as completed foreclosures, short sales, and deed-in-lieu-of-foreclosure transactions.

## ***Mortgage Performance***

- The percentage of mortgages that were current and performing decreased slightly to 87.9 percent at the end of the fourth quarter of 2011 (see table 7).
- The number of mortgages that were 30 to 59 days delinquent decreased by 2.1 percent from the previous quarter but remained stable at 3.0 percent of the overall portfolio. The number early-stage delinquencies decreased by 6.7 percent from a year earlier (see table 7).
- The percentage of mortgages in the overall portfolio that were seriously delinquent at the end of the fourth quarter of 2011 was 5.0 percent—up from 4.9 percent in the previous quarter but improved from 5.3 percent in the same period a year earlier (see table 11).
- The quality of serviced government-guaranteed mortgages declined during the quarter with those that were current and performing decreasing to 84.2 from 85.2 percent in the prior quarter (see table 9).
- Mortgages serviced for Fannie Mae and Freddie Mac (government-sponsored enterprises or GSEs) made up the majority—59 percent—of mortgages in the reporting servicers' portfolios. The overall percentage of these mortgages that were current and performing did not change from the previous quarter at 93.1 percent (see table 10).

**Home Retention Actions: Loan Modifications, Trial-Period Plans, and Payment Plans**

- Servicers implemented 460,213 new home retention actions—modifications, trial-period plans, and payment plans—during the fourth quarter of 2011 (see table 1). This was more than two-and-a-half times the 182,256 completed foreclosures, short sales, and deed-in-lieu-of-foreclosure actions during the quarter (see table 5). The number of new home retention actions in the fourth quarter increased by 0.3 percent from the previous quarter, but decreased 3.1 percent from a year earlier.
- New home retention actions comprised 116,153 modifications, 210,179 trial-period plans, and 133,881 payment plans during the fourth quarter of 2011. Home Affordable Modification Program (HAMP) modifications decreased 21.6 percent from the previous quarter to 42,275. Other modifications decreased by 11.6 percent to 73,878. However, servicers implemented 210,179 new trial-period plans—a 34.0-percent increase from the previous quarter—as certain servicers converted payment plan programs to trial-period plans. During the past five quarters, servicers initiated more than 2.4 million home retention actions—772,425 modifications, 902,860 trial-period plans and 731,927 payment plans (see table 1).

	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Other Modifications	152,375	106,512	80,185	83,598	73,878	-11.6%	-51.5%
HAMP Modifications	56,340	53,250	70,071	53,941	42,275	-21.6%	-25.0%
Other Trial-Period Plans	81,034	181,099	118,928	127,463	182,856	43.5%	125.7%
HAMP Trial-Period Plans	53,022	57,649	44,148	29,338	27,323	-6.9%	-48.5%
Payment Plans	131,988	158,821	142,678	164,559	133,881	-18.6%	1.4%
Total	474,759	557,331	456,010	458,899	460,213	0.3%	-3.1%

- Servicers reduced interest rates in 78.2 percent of all modifications made during the fourth quarter of 2011. Term extensions were used in 55.5 percent of modifications, principal deferrals in 24.5 percent, and principal reductions in 8.5 percent (see table 17). Among HAMP modifications, servicers reduced interest rates in 88.5 percent, deferred principal in 38.5 percent, and reduced principal in 15.6 percent of those modifications (see table 18).
- Servicers reduced monthly principal and interest payments by 26.5 percent for borrowers who qualified for modifications, with an average decrease of \$430. HAMP modifications reduced payments by an average of \$593, or 36.0 percent, and other modifications reduced monthly payments by \$335, or 21.1 percent (see table 24). Over 91 percent of all modifications made during the fourth quarter reduced monthly payments (see table 22).

**Modified Loan Performance**

- Servicers modified 2,395,565 mortgages from the beginning of 2008 through the end of the third quarter of 2011. At the end of the fourth quarter of 2011, 48.3 percent of these modifications remained current or were paid off. Another 8.5 percent were 30 to 59 days delinquent, and 17.4 percent were seriously delinquent. Almost 11 percent were in the process of foreclosure, and 6.1 percent had completed the foreclosure process. More recent modifications that emphasized reduced payments, affordability and sustainability have outperformed modifications implemented in earlier periods (see table 2).

- HAMP modifications continued to perform better than other modifications. Of the 523,476 HAMP modifications implemented since the third quarter of 2009, 66.1 percent remained current, compared with 50.9 percent of other modifications implemented during the same time period (see table 2). The better performance of HAMP modifications reflects HAMP’s significantly reduced monthly payments, its emphasis on affordability relative to borrower income, required income verification, and successfully completing a required trial-period.
- Modifications that reduced payments by 10 percent or more performed better than those that reduced payments by less than 10 percent—the greater the payment decrease, the better the subsequent performance. At the end of the fourth quarter of 2011, 55.4 percent of modifications that reduced payments by 10 percent or more were current and performing, compared with 34.5 percent of those that reduced payments by less (see table 2).

<b>Table 2. Status of Mortgages Modified in 2008–2011</b>								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	421,322	23.8%	6.4%	18.4%	16.4%	15.8%	3.3%	15.9%
2009	587,460	37.1%	8.0%	19.7%	14.1%	8.5%	1.9%	10.7%
2010	939,226	52.4%	9.0%	16.9%	9.1%	3.0%	0.7%	9.1%
2011**	447,557	69.9%	10.2%	14.5%	3.5%	0.4%	0.2%	1.3%
Total	2,395,565	46.9%	8.5%	17.4%	10.6%	6.1%	1.4%	9.2%
<b>HAMP Modification Performance Compared With Other Modifications***</b>								
Other Modifications	1,119,221	50.9%	9.9%	19.4%	9.1%	3.5%	0.9%	6.4%
HAMP Modifications	523,476	66.1%	7.8%	10.8%	5.6%	1.5%	0.3%	7.8%
<b>Modifications That Reduced Payments by 10 Percent or More</b>								
Modifications That Reduced Payments by 10% or More	1,419,625	55.4%	8.5%	14.3%	8.1%	3.5%	0.8%	9.3%
<b>Modifications That Reduced Payments by Less Than 10 Percent</b>								
Modifications That Reduced Payments by Less Than 10%	975,940	34.5%	8.5%	21.8%	14.1%	9.8%	2.1%	9.1%

\*Processing constraints prevented some servicers from reporting the reason for removal from the portfolio.

\*\*Includes modifications implemented during 2011 in effect at least three months.

\*\*\*Modifications used to compare with HAMP modifications only include modifications implemented from the third quarter of 2009 through the third quarter of 2011.

- Modifications on mortgages held in the servicers’ own portfolios or serviced for the GSEs performed better than modifications on mortgages serviced for others. Of the modifications implemented from January 1, 2008 through December 31, 2010 that were in effect at least one year, 24.6 percent of modifications on mortgages held in the servicers’ own portfolios were 60 or more days delinquent after 12 months, 27.5 percent of Fannie Mae mortgages were 60 or more days delinquent, and 26.8 percent of Freddie Mac mortgages were 60 or more days delinquent after 12 months. Conversely, 49.2 percent of government-guaranteed

mortgages and 46.7 percent of private investor-held loans were 60 or more days delinquent after 12 months. This variance may have resulted from differences in modification programs, and servicers' additional flexibility when modifying mortgages they owned compared with mortgages serviced for others (see table 3).

Investor Loan Type	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Fannie Mae	11.7%	18.8%	24.1%	27.5%
Freddie Mac	11.3%	18.1%	23.2%	26.8%
Government-Guaranteed	17.2%	34.6%	44.2%	49.2%
Private	23.5%	34.5%	42.0%	46.7%
Portfolio Loans	7.9%	15.2%	20.6%	24.6%
Overall	15.7%	26.0%	32.7%	37.0%

\*Data include all modifications made since January 1, 2008, that have aged the indicated number of months.

**Foreclosures and Other Home Forfeiture Actions**

- Newly initiated foreclosures decreased 16.0 percent from the previous quarter and 17.9 percent from a year earlier. The number of foreclosures in process decreased 4.1 percent from the previous quarter and 3.1 percent from a year earlier (see table 4). These reductions are attributable to servicers' ongoing emphasis on modifications and other loss mitigation programs, a declining number of seriously delinquent mortgages over the last year, and the effects of foreclosure settlements.

	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Newly Initiated Foreclosures	355,945	312,235	287,162	347,726	292,173	-16.0%	-17.9%
Foreclosures in Process	1,312,462	1,308,757	1,319,987	1,327,077	1,272,287	-4.1%	-3.1%

- Home forfeiture actions totaled 182,256 at the end of the quarter—an increase of 5.2 percent from the previous quarter and 24.6 percent from a year earlier. Completed foreclosures increased 2.5 percent from the previous quarter and 22.1 percent from a year earlier. New short sales increased by 10.1 percent from the previous quarter and 28.9 percent from a year earlier, and comprise more than one-third of home forfeiture actions. New deed-in-lieu-of-foreclosure actions increased by 12.2 percent from the previous quarter and 41.0 percent from a year earlier, but remained a small component of home forfeiture actions (see table 5).

	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Completed Foreclosures	95,070	119,739	121,209	113,202	116,060	2.5%	22.1%
New Short Sales	49,061	50,108	56,406	57,479	63,257	10.1%	28.9%
New Deed-in-Lieu-of-Foreclosure Actions	2,085	1,700	2,547	2,620	2,939	12.2%	41.0%
Total	146,216	171,547	180,162	173,301	182,256	5.2%	24.6%

## **About Mortgage Metrics**

The *OCC Mortgage Metrics Report* presents data on first-lien residential mortgages serviced by nine national and federal savings banks with the largest mortgage-servicing portfolios.<sup>1</sup> The data represent 60 percent of all first-lien residential mortgages outstanding in the country and focuses on credit performance, loss mitigation efforts, and foreclosures. More than 92 percent of the mortgages in the portfolio were serviced for investors other than the reporting institutions. At the end of December 2011, the reporting institutions serviced 31.4 million first-lien mortgage loans, totaling more than \$5.4 trillion in unpaid balances (see table 6).

Although the loans reflected in this report represent a large percentage of the overall mortgage industry, they do not represent a statistically random sample of all mortgage loans. The characteristics of these loans may differ from the overall population of mortgages. This report does not attempt to quantify or adjust for known seasonal effects that occur within the mortgage industry.

In addition to providing information to the public, the report and its data support the supervision of national bank and thrift mortgage-servicing practices. Examiners use the data to help assess emerging trends, identify anomalies, compare servicers with peers, evaluate asset quality and necessary loan-loss reserves, and assess loss mitigation actions.

The report promotes the use of standardized terms and elements, which allow better comparisons across the industry and over time. The report uses standardized definitions for prime, Alt-A, and subprime mortgages based on commonly used credit score ranges.

The OCC and the participating institutions devote significant resources to ensuring that the information is reliable and accurate. Steps to ensure the validity of the data include quality assurance processes conducted by the banks and savings association, comprehensive data validation tests performed by a third-party data aggregator, and comparisons with the institutions' quarterly call and thrift financial reports. Data sets of this size and scope inevitably incur some degree of missing or inconsistent data and other imperfections. Data sets of this size and scope inevitably suffer from a degree of inconsistency, missing data, and other imperfections. This report notes cases in which data anomalies may have affected the results. The OCC requires servicers to adjust previous data submissions when errors and omissions are detected. In some cases, data presented in this report reflect resubmissions from institutions that restate and correct earlier information.

The report also includes mortgage modification data by state and territories in appendix E. These data fulfill reporting requirements in the Dodd–Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203).

## **Definitions and Method**

The report uses standard definitions for three categories of mortgage creditworthiness based on the following ranges of borrowers' credit scores at the time of origination:

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<sup>1</sup> The eight national banks are Bank of America, JPMorgan Chase, Citibank, HSBC, MetLife, PNC, U.S. Bank, and Wells Fargo. The federal savings association is OneWest Bank.



- **Prime**—660 and above.
- **Alt-A**—620 to 659.
- **Subprime**—below 620.

Approximately 11 percent of mortgages in the portfolio were not accompanied by credit scores and are classified as “other.” This group includes a mix of prime, Alt-A, and subprime mortgages. In large part, the lack of credit scores results from acquisitions of portfolios from third parties for which borrower credit scores at origination were not available.

Additional definitions include:

- **Completed foreclosures**—Ownership of properties transferred to servicers or investors. The ultimate result is the loss of borrowers’ homes because of nonpayment.
- **Deed-in-lieu-of-foreclosure actions**—Actions in which borrowers transfer ownership of the properties (deeds) to servicers in full satisfaction of the outstanding mortgage debt to lessen the adverse impact of the debt on borrowers’ credit records. Deed-in-lieu-of-foreclosure actions typically have a less adverse impact than foreclosures on borrowers’ credit records.
- **Foreclosures in process**—Number of mortgages for which servicers have begun formal foreclosure proceedings but have not yet completed the process resulting in the loss of borrowers’ homes. The foreclosure process varies by state and can take 15 months or more to complete. 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.
- **Government-guaranteed mortgages**—All mortgages with an explicit guaranty from the U.S. government, including the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), and, to a lesser extent, certain other departments. These loans may be held in pools backing Government National Mortgage Association (Ginnie Mae) securities, owned by or securitized through different third-party investors, or held in the portfolios of reporting institutions.
- **Home retention actions**—Loan modifications, trial-period plans, and payment plans that allow borrowers to retain ownership and occupancy of their homes while attempting to return the loans to a current and performing status.
- **Loan modifications**—Actions that contractually change the terms of mortgages with respect to interest rates, maturity, principal, or other terms of the loan.
- **Newly initiated foreclosures**—Mortgages for which the servicers initiate formal foreclosure proceedings during the quarter. Many newly initiated foreclosures do not result in the loss of borrowers’ homes because servicers simultaneously pursue other loss mitigation actions, and borrowers may act to return their mortgages to current and performing status.
- **Payment plans**—Short-to-medium-term changes in scheduled terms and payments in order to return mortgages to a current and performing status.

- **Payment-option, adjustable rate mortgages (ARM)**—Mortgages that allow borrowers to choose a monthly payment that may initially reduce principal, pay interest only, or result in negative amortization, when some amount of unpaid interest is added to the principal balance of the loan and results in an increased balance.
- **Principal deferral modifications**—Modifications that remove a portion of the 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 forgive a portion of the principal amount owed on a mortgage.
- **Re-default rates**—Percentage of modified loans that subsequently become delinquent or enter the foreclosure process. As measures of delinquency, this report presents re-default rates using 30, 60, and 90 or more days delinquent and in process of foreclosure. It focuses on the 60-day-delinquent measure. All re-default data presented in this report are based on modified loans in effect for the specified amount of time after the modification. All loans that have been repaid in full, been refinanced, been sold, or completed the foreclosure process are removed from the calculation. Data include only modifications that have had time to age the indicated number of months following the modification.
- **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.
- **Short sales**—Sales of the mortgaged properties at prices that net less than the total amount due on the mortgages. Servicers and borrowers negotiate repayment programs, forbearance, or forgiveness for any remaining deficiency on the debt. Short sales typically have a less adverse impact than foreclosures on borrowers' credit records.
- **Trial-period plans**—Home retention actions that allow borrowers to demonstrate capability and willingness to pay their modified mortgages for a set period of time. The action becomes permanent following the successful completion of the trial-period.

Loan delinquencies are reported using the Mortgage Bankers Association convention that a loan is past due when a scheduled payment is unpaid for 30 days or more. The statistics and calculated ratios are based on the number of loans rather than on the dollar amount outstanding.

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.

In tables throughout this report, the quarters are indicated by the last day of the quarter (e.g., 12/31/11), quarter-to-quarter changes are shown under the column "1Q %Change" column, and year-to-year changes are shown under the column "1Y %Change" column.

In tables throughout this report, percentages shown under "1Q %Change" and "1Y %Change" are calculated using actual data, not the rounded values reported for each quarter. Calculating period-to-period changes from the rounded values reported in the tables may yield materially different values than those values indicated in the table.

*Mortgage Metrics Report* data may not agree with other published data because of timing delays in updating servicer-processing systems.

**PART I: Mortgage Performance**

Part I describes the performance of the overall mortgage portfolio, mortgages owned and held by the reporting banks and savings association, government-guaranteed mortgages, mortgages serviced for the GSEs, and mortgages within each risk category.

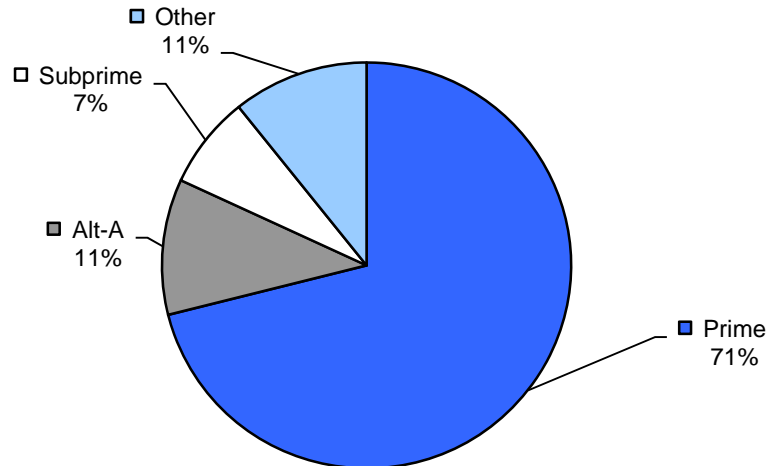
**Overall Mortgage Portfolio**

At the end of the fourth quarter of 2011, the servicing portfolio included 31.4 million loans with \$5.4 trillion in unpaid balances (see table 6). Prime loans were 71 percent of the portfolio at quarter end, increased from 69 percent a year ago. Subprime and other loans were 18 percent of the portfolio at quarter end, decreased from 20 percent a year ago. Alt-A loans were 11 percent of the portfolio at quarter end, unchanged from a year ago.

<b>Table 6. Overall Mortgage Portfolio</b>					
	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11
Total Servicing (Millions)	\$5,729,421	\$5,686,103	\$5,682,951	\$5,598,366	\$5,417,541
Total Servicing (Number of Loans)	32,867,917	32,713,033	32,769,737	32,434,997	31,390,168
<b>Composition (Percentage of All Mortgages in the Portfolio)</b>					
Prime	69%	70%	70%	70%	71%
Alt-A	11%	11%	11%	11%	11%
Subprime	8%	7%	8%	7%	7%
Other	12%	12%	12%	12%	11%
<b>Composition (Number of Loans in Each Risk Category of the Portfolio)</b>					
Prime	22,831,966	22,804,671	22,904,910	22,765,207	22,315,211
Alt-A	3,533,524	3,505,201	3,522,896	3,499,907	3,389,693
Subprime	2,471,207	2,418,112	2,476,801	2,426,056	2,309,916
Other	4,031,220	3,985,049	3,865,130	3,743,827	3,375,348

**Figure 1. Portfolio Composition**

Percentage of All Mortgage Loans in the Portfolio

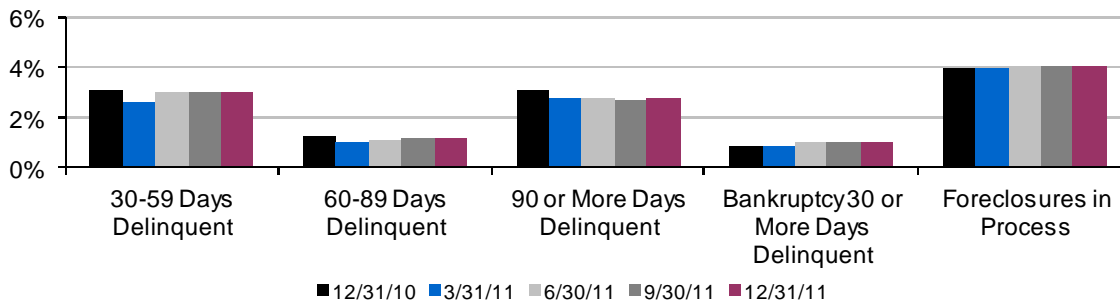


### Overall Mortgage Performance

The overall performance of the portfolio of mortgages serviced by reporting banks and thrift remained almost unchanged from the previous quarter. The percentage of mortgages that were current and performing decreased slightly from the previous quarter to 87.9 percent but improved from 87.6 percent a year earlier (see table 7). The percentage of mortgages that were 30 to 59 days delinquent was unchanged from the previous quarter at 3.0 percent and down from 3.1 percent a year earlier. The percentage of mortgages that were seriously delinquent (loans 60 or more days delinquent or in bankruptcy and 30 or more days past due) increased to 5.0 percent from 4.9 percent the previous quarter, but decreased from 5.3 percent a year earlier. The percentage of foreclosures in process was unchanged from the previous quarter at 4.1 percent but increased from 4.0 percent a year earlier.

<b>Table 7. Overall Portfolio Performance</b>							
(Percentage of Mortgages in the Portfolio)							
	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	1Q %Change	1Y %Change
Current and Performing	87.6%	88.6%	88.1%	88.0%	87.9%	-0.1%	0.4%
30–59 Days Delinquent	3.1%	2.6%	3.0%	3.0%	3.0%	1.2%	-2.3%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	1.3%	1.0%	1.1%	1.2%	1.2%	-0.3%	-9.2%
90 or More Days Delinquent	3.1%	2.8%	2.8%	2.7%	2.8%	2.2%	-11.1%
Bankruptcy 30 or More Days Delinquent	0.9%	0.9%	1.0%	1.0%	1.0%	4.3%	17.5%
<b>Subtotal for Seriously Delinquent</b>	<b>5.3%</b>	<b>4.8%</b>	<b>4.9%</b>	<b>4.9%</b>	<b>5.0%</b>	<b>2.0%</b>	<b>-5.9%</b>
Foreclosures in Process	4.0%	4.0%	4.0%	4.1%	4.1%	-0.9%	1.5%
(Number of Mortgages in the Portfolio)							
Current and Performing	28,794,279	28,991,538	28,853,845	28,550,780	27,600,497	-3.3%	-4.1%
30–59 Days Delinquent	1,020,763	853,484	996,859	972,715	952,706	-2.1%	-6.7%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	428,103	340,258	371,716	384,638	371,127	-3.5%	-13.3%
90 or More Days Delinquent	1,020,997	920,363	910,183	875,943	866,593	-1.1%	-15.1%
Bankruptcy 30 or More Days Delinquent	291,313	298,633	317,147	323,844	326,958	1.0%	12.2%
<b>Subtotal for Seriously Delinquent</b>	<b>1,740,413</b>	<b>1,559,254</b>	<b>1,599,046</b>	<b>1,584,425</b>	<b>1,564,678</b>	<b>-1.2%</b>	<b>-10.1%</b>
Foreclosures in Process	1,312,462	1,308,757	1,319,987	1,327,077	1,272,287	-4.1%	-3.1%
<b>Total</b>	<b>32,867,917</b>	<b>32,713,033</b>	<b>32,769,737</b>	<b>32,434,997</b>	<b>31,390,168</b>	<b>-3.2%</b>	<b>-4.5%</b>

Figure 2. Overall Portfolio Performance



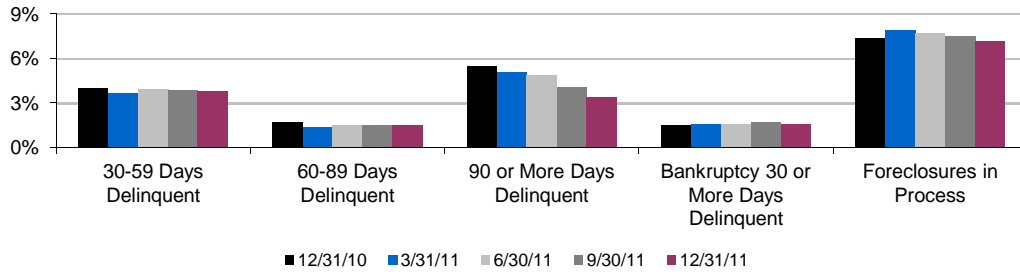
**Performance of Mortgages Held by Reporting Banks and Thrift**

Reporting institutions held 7.6 percent of the loans in this report. The performance of mortgages held by the reporting banks improved in the fourth quarter of 2011 (see table 8). The percentage of these mortgages that were current at the end of the quarter increased to 82.6 percent from 81.4 percent the previous quarter and 79.9 percent a year earlier. The percentage of these mortgages that were 30 to 59 days delinquent was unchanged from the previous quarter at 3.8 percent and decreased from 4.0 percent a year earlier. The percentage of these mortgages that were seriously delinquent decreased 10.1 percent during the quarter and 24.9 percent from a year earlier to 6.5 percent at the end of the fourth quarter. The percentage of these mortgages in the process of foreclosure decreased to 7.2 percent from 7.5 percent the previous quarter and 7.4 percent a year earlier. Mortgages held by the reporting institutions performed worse than mortgages serviced for the GSEs but better than government guaranteed mortgages because more of these loans tended to be nonconforming with increased risk characteristics and geographic concentration in weaker real estate markets.

<b>Table 8. Performance of Mortgages Held by Reporting Banks and Thrift (Percentage)*</b>							
	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	1Q %Change	1Y %Change
Current and Performing	79.9%	80.4%	80.3%	81.4%	82.6%	1.4%	3.3%
30–59 Days Delinquent	4.0%	3.6%	4.0%	3.8%	3.8%	-1.5%	-5.3%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	1.7%	1.4%	1.5%	1.5%	1.5%	-1.9%	-10.6%
90 or More Days Delinquent	5.5%	5.1%	4.9%	4.1%	3.4%	-16.9%	-39.1%
Bankruptcy 30 or More Days Delinquent	1.5%	1.6%	1.6%	1.7%	1.6%	-0.9%	12.4%
<b>Subtotal for Seriously Delinquent</b>	<b>8.7%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>7.2%</b>	<b>6.5%</b>	<b>-10.1%</b>	<b>-24.9%</b>
Foreclosures in Process	7.4%	7.9%	7.7%	7.5%	7.2%	-4.6%	-3.4%
<b>Performance of Mortgages Held by Reporting Banks and Thrift (Number)</b>							
Current and Performing	1,984,871	1,899,830	1,870,686	1,909,527	1,971,555	3.2%	-0.7%
30–59 Days Delinquent	99,163	86,162	92,254	90,052	90,346	0.3%	-8.9%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	41,437	33,286	35,294	35,675	35,636	-0.1%	-14.0%
90 or More Days Delinquent	137,620	119,884	113,916	95,249	80,609	-15.4%	-41.4%
Bankruptcy 30 or More Days Delinquent	36,228	36,970	37,723	38,808	39,148	0.9%	8.1%
<b>Subtotal for Seriously Delinquent</b>	<b>215,285</b>	<b>190,140</b>	<b>186,933</b>	<b>169,732</b>	<b>155,393</b>	<b>-8.4%</b>	<b>-27.8%</b>
Foreclosures in Process	184,046	187,204	180,587	175,994	170,932	-2.9%	-7.1%
<b>Total</b>	<b>2,483,365</b>	<b>2,363,336</b>	<b>2,330,460</b>	<b>2,345,305</b>	<b>2,388,226</b>	<b>1.8%</b>	<b>-3.8%</b>

\*The data in this table exclude government-guaranteed mortgages owned and held by the reporting institutions.

**Figure 3. Performance of Mortgages Held by Reporting Banks and Thrift**

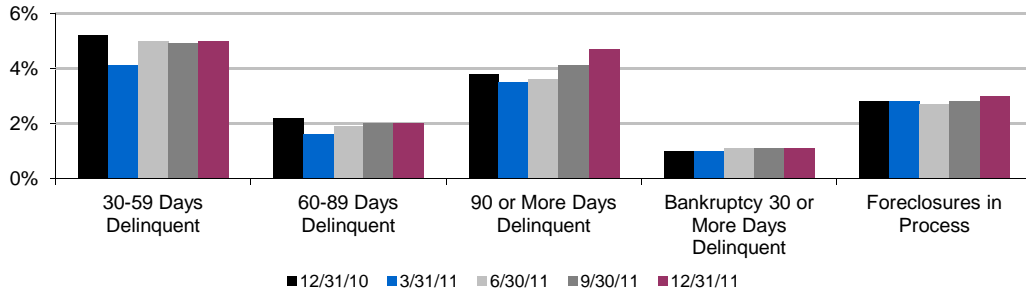


## Performance of Government-Guaranteed Mortgages

Government-guaranteed mortgages increased to 22 percent of the portfolio at the end of the quarter from 20 percent a year earlier. The performance of government-guaranteed mortgages declined in the fourth quarter (see table 9). The percentage of these loans that were current and performing decreased to 84.2 percent from 85.2 percent at the end of the previous quarter and 85.0 percent a year earlier. The percentage of these loans that were 30 to 59 days delinquent increased to 5.0 percent from 4.9 percent the previous quarter, but decreased from 5.2 percent a year earlier. The percentage of these loans that were seriously delinquent increased 10.8 percent during the quarter and 11.3 percent from a year earlier to 7.8 percent at quarter end. The percentage of these loans in the process of foreclosure increased to 3.0 percent from 2.8 percent the previous quarter and 2.8 percent a year earlier. More than 79 percent of these loans were FHA loans, 15 percent were VA loans, and almost 6 percent were other government-guaranteed mortgages. Almost 86 percent were in pools of loans backing Ginnie Mae securities.

<b>Table 9. Performance of Government-Guaranteed Mortgages (Percentage)</b>							
	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	1Q %Change	1Y %Change
Current and Performing	85.0%	87.0%	85.7%	85.2%	84.2%	-1.3%	-1.0%
30–59 Days Delinquent	5.2%	4.1%	5.0%	4.9%	5.0%	2.2%	-2.2%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	2.2%	1.6%	1.9%	2.0%	2.0%	3.8%	-5.7%
90 or More Days Delinquent	3.8%	3.5%	3.6%	4.1%	4.7%	15.8%	22.0%
Bankruptcy 30 or More Days Delinquent	1.0%	1.0%	1.1%	1.1%	1.1%	4.7%	6.9%
<b>Subtotal for Seriously Delinquent</b>	<b>7.0%</b>	<b>6.1%</b>	<b>6.6%</b>	<b>7.1%</b>	<b>7.8%</b>	<b>10.8%</b>	<b>11.3%</b>
Foreclosures in Process	2.8%	2.8%	2.7%	2.8%	3.0%	7.5%	7.1%
<b>Performance of Government-Guaranteed Mortgages (Number)</b>							
Current and Performing	5,483,548	5,743,866	5,826,732	5,914,032	5,766,800	-2.5%	5.2%
30–59 Days Delinquent	332,322	272,272	338,346	342,104	345,295	0.9%	3.9%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	139,545	106,493	126,264	136,485	139,849	2.5%	0.2%
90 or More Days Delinquent	248,171	229,401	247,804	281,264	321,608	14.3%	29.6%
Bankruptcy 30 or More Days Delinquent	66,779	67,748	71,810	73,375	75,869	3.4%	13.6%
<b>Subtotal for Seriously Delinquent</b>	<b>454,495</b>	<b>403,642</b>	<b>445,878</b>	<b>491,124</b>	<b>537,326</b>	<b>9.4%</b>	<b>18.2%</b>
Foreclosures in Process	178,177	182,041	185,423	191,055	202,818	6.2%	13.8%
<b>Total</b>	<b>6,448,542</b>	<b>6,601,821</b>	<b>6,796,379</b>	<b>6,938,315</b>	<b>6,852,239</b>	<b>-1.2%</b>	<b>6.3%</b>

**Figure 4. Performance of Government-Guaranteed Mortgages**



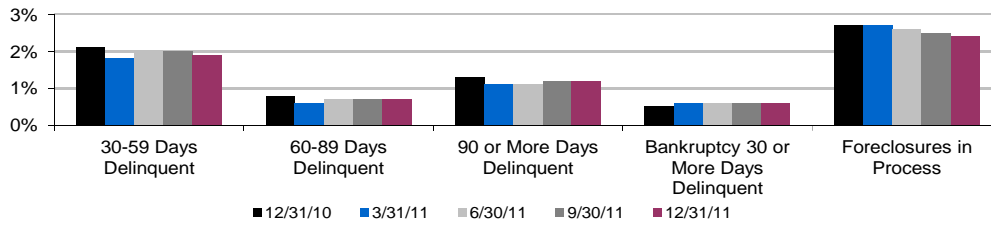


**Performance of GSE Mortgages**

GSE mortgages made up 59 percent of the overall portfolio, down from 61 percent a year earlier. GSE mortgages perform better than the overall portfolio because they contain more prime loans. The percentage of GSE mortgages that were current and performing was 93.1 percent at the end of the quarter, unchanged from the previous quarter and up from 92.6 percent a year earlier (see table 10). The percentage of GSE mortgages that were 30 to 59 days delinquent was 1.9 percent, down from 2.0 percent the previous quarter and 2.1 percent a year earlier. The percentage of GSE mortgages that were seriously delinquent was 2.5 percent, unchanged from the previous quarter but down from 2.6 percent a year earlier. The percentage of these loans in the process of foreclosure decreased to 2.4 percent at the end of the quarter from 2.5 percent the previous quarter and 2.7 percent in the fourth quarter of 2010. Of the GSE mortgages, 58 percent were serviced for Fannie Mae and 42 percent for Freddie Mac.

<b>Table 10. Performance of GSE Mortgages (Percentage)</b>							
	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	1Q %Change	1Y %Change
Current and Performing	92.6%	93.2%	93.1%	93.1%	93.1%	0.1%	0.6%
30–59 Days Delinquent	2.1%	1.8%	2.0%	2.0%	1.9%	-1.7%	-8.2%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	0.8%	0.6%	0.7%	0.7%	0.7%	-5.4%	-16.9%
90 or More Days Delinquent	1.3%	1.1%	1.1%	1.2%	1.2%	4.5%	-2.7%
Bankruptcy 30 or More Days Delinquent	0.5%	0.6%	0.6%	0.6%	0.6%	5.4%	18.1%
<b>Subtotal for Seriously Delinquent</b>	<b>2.6%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>1.9%</b>	<b>-2.7%</b>
Foreclosures in Process	2.7%	2.7%	2.6%	2.5%	2.4%	-2.7%	-10.3%
<b>Performance of GSE Mortgages (Number)</b>							
Current and Performing	18,451,984	18,538,136	18,351,802	18,011,620	17,265,388	-4.1%	-6.4%
30–59 Days Delinquent	418,299	350,152	396,676	379,596	357,477	-5.8%	-14.5%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	156,655	127,382	131,893	133,734	121,162	-9.4%	-22.7%
90 or More Days Delinquent	251,808	225,932	214,901	227,676	227,880	0.1%	-9.5%
Bankruptcy 30 or More Days Delinquent	106,307	109,606	115,307	115,758	116,843	0.9%	9.9%
<b>Subtotal for Seriously Delinquent</b>	<b>514,770</b>	<b>462,920</b>	<b>462,101</b>	<b>477,168</b>	<b>465,885</b>	<b>-2.4%</b>	<b>-9.5%</b>
Foreclosures in Process	541,698	529,993	507,913	484,861	451,970	-6.8%	-16.6%
<b>Total</b>	<b>19,926,751</b>	<b>19,881,201</b>	<b>19,718,492</b>	<b>19,353,245</b>	<b>18,540,720</b>	<b>-4.2%</b>	<b>-7.0%</b>

**Figure 5. Performance of GSE Mortgages**

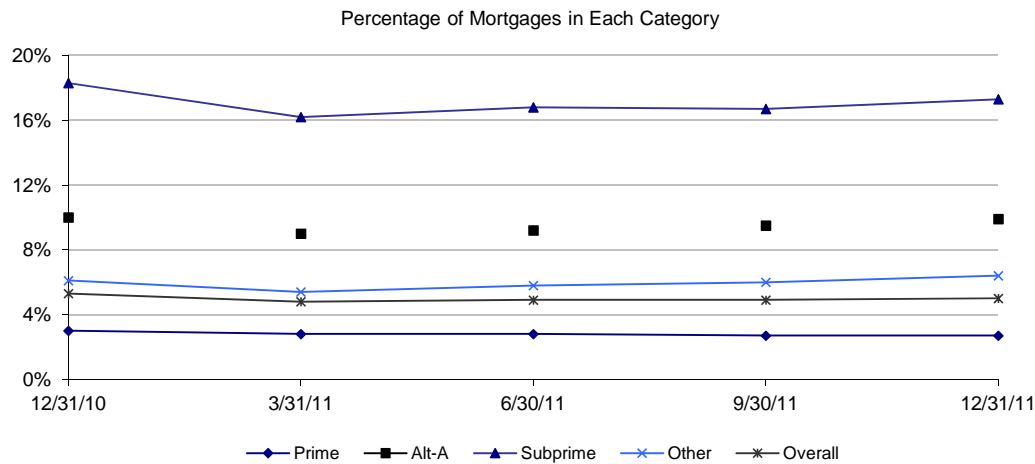


### Seriously Delinquent Mortgages, by Risk Category

The portfolio contained 175,735 fewer seriously delinquent loans at the end of the fourth quarter of 2011 compared with a year earlier—a 10.1 percent decrease in the number of seriously delinquent mortgages (see table 11). Seriously delinquent loans were 5.0 percent of the portfolio at the end of the quarter, an increase from 4.9 percent the previous quarter but decreased from 5.3 percent a year earlier. Among risk classes, the percentage of prime loans that were seriously delinquent at quarter end was unchanged from the previous quarter at 2.7 percent but down from 3.0 percent from the previous year. The percentages of Alt-A and subprime loans that were seriously delinquent at the end of the quarter increased to 9.9 percent and 17.3 percent, respectively, from 9.5 percent and 16.7 percent in the previous quarter. The percentages of Alt-A and subprime loans that were seriously delinquent also declined from a year earlier.

Table 11. Seriously Delinquent Mortgages, by Risk Category							
(Percentage of Mortgages in Each Category)							
	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	1Q %Change	1Y %Change
Prime	3.0%	2.8%	2.8%	2.7%	2.7%	-0.5%	-9.0%
Alt-A	10.0%	9.0%	9.2%	9.5%	9.9%	5.1%	-0.9%
Subprime	18.3%	16.2%	16.8%	16.7%	17.3%	3.9%	-5.2%
Other	6.1%	5.4%	5.8%	6.0%	6.4%	8.0%	4.7%
Overall	5.3%	4.8%	4.9%	4.9%	5.0%	2.0%	-5.9%
(Number of Mortgages in Each Category)							
Prime	685,967	635,769	634,950	625,338	609,862	-2.5%	-11.1%
Alt-A	354,392	316,184	325,337	330,978	336,857	1.8%	-4.9%
Subprime	452,231	391,507	416,316	405,043	400,760	-1.1%	-11.4%
Other	247,823	215,794	222,443	223,066	217,199	-2.6%	-12.4%
Total	1,740,413	1,559,254	1,599,046	1,584,425	1,564,678	-1.2%	-10.1%

Figure 6. Seriously Delinquent Mortgages, by Risk Category



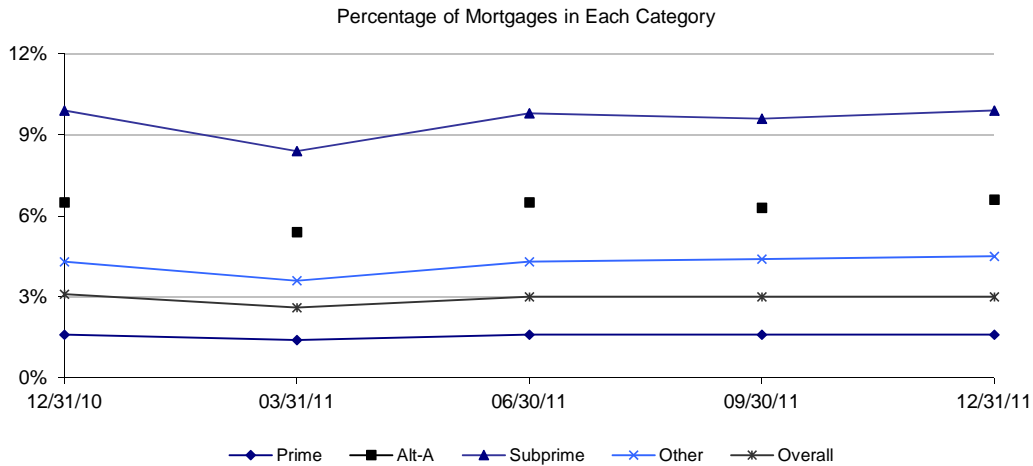
**Mortgages 30 to 59 Days Delinquent, by Risk Category**

The servicing portfolio contained 68,057 fewer loans that were 30 to 59 days delinquent at the end of the fourth quarter of 2011 than a year earlier—a 6.7 percent decrease (see table 12). The percentage of prime loans that were 30 to 59 days delinquent was unchanged from the previous quarter and the previous year at 1.6 percent. The percentage of loans that were 30 to 59 days delinquent increased from the previous quarter and the previous year for all risk categories other than prime loans. Overall, 3.0 percent of the total portfolio was 30 to 59 days delinquent at the end of the quarter—unchanged from the previous quarter but down from 3.1 percent a year earlier.

<b>Table 12. Mortgages 30 to 59 Days Delinquent, by Risk Category</b>							
<i>(Percentage of Mortgages in Each Category)</i>							
	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	1Q %Change	1Y %Change
Prime	1.6%	1.4%	1.6%	1.6%	1.6%	0.0%	-4.7%*
Alt-A	6.5%	5.4%	6.5%	6.3%	6.6%	4.1%	2.3%
Subprime	9.9%	8.4%	9.8%	9.6%	9.9%	3.5%	0.2%
Other	4.3%	3.6%	4.3%	4.4%	4.5%	3.1%	3.8%
Overall	3.1%	2.6%	3.0%	3.0%	3.0%	1.2%	-2.3%
<i>(Number of Mortgages in Each Category)</i>							
Prime	374,158	318,045	362,953	355,420	348,561	-1.9%	-6.8%
Alt-A	227,966	187,606	227,621	221,929	223,711	0.8%	-1.9%
Subprime	243,744	202,835	241,588	231,782	228,391	-1.5%	-6.3%
Other	174,895	144,998	164,697	163,584	152,043	-7.1%	-13.1%
Total	1,020,763	853,484	996,859	972,715	952,706	-2.1%	-6.7%

\* Change reflects actual change rather than rounded amount.

**Figure 7. Mortgages 30 to 59 Days Delinquent, by Risk Category**



**PART II: Home Retention Actions**

Home retention actions include loan modifications, in which servicers modify one or more mortgage contract terms; trial-period plans, in which the loans will be converted to modifications upon successful completion of the trial-periods; and payment plans, in which no terms are contractually modified, but borrowers are given time to catch up on missed payments. All of these actions can help the borrower become current on the loan, attain payment sustainability, and retain the home.

**A. Loan Modifications, Trial-Period Plans, and Payment Plans**

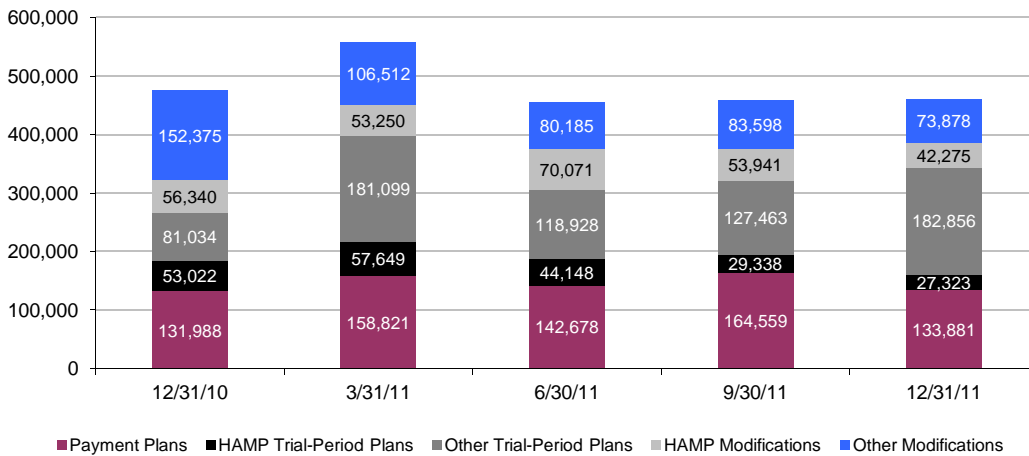
***New Home Retention Actions***

Servicers implemented 460,213 new home retention actions—loan modifications, trial-period plans, and payment plans—during the fourth quarter of 2011 (see table 13). The number of home retention actions increased slightly from the previous quarter, but decreased by 3.1 percent from a year earlier. Servicers implemented 116,153 modifications during the quarter—down 15.5 percent from the previous quarter. New HAMP modifications decreased 21.6 percent to 42,275 during the quarter, and other modification decreased 11.6 percent to 73,878. Servicers implemented 210,179 new trial-period plans—a 34.0 percent increase from the previous quarter—as certain servicers converted payment plan programs to trial period plans. New payment plans correspondingly decreased by 18.6 percent during the fourth quarter to 133,881. During the past five quarters, servicers initiated more than 2.4 million home retention actions—772,425 modifications, 902,860 trial-period plans, and 731,927 payment plans.

**Table 13. Number of New Home Retention Actions**

	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	1Q %Change	1Y %Change
Other Modifications	152,375	106,512	80,185	83,598	73,878	-11.6%	-51.5%
HAMP Modifications	56,340	53,250	70,071	53,941	42,275	-21.6%	-25.0%
Other Trial-Period Plans	81,034	181,099	118,928	127,463	182,856	43.5%	125.7%
HAMP Trial-Period Plans	53,022	57,649	44,148	29,338	27,323	-6.9%	-48.5%
Payment Plans	131,988	158,821	142,678	164,559	133,881	-18.6%	1.4%
<b>Total</b>	<b>474,759</b>	<b>557,331</b>	<b>456,010</b>	<b>458,899</b>	<b>460,213</b>	<b>0.3%</b>	<b>-3.1%</b>

**Figure 8. Number of New Home Retention Actions**



**HAMP Modifications and Trial-Period Plans, by Investor and Risk Category**

Servicers implemented 42,275 HAMP modifications during the fourth quarter of 2011—down 21.6 percent from the previous quarter (see table 13). Almost 47 percent of HAMP modifications made during the quarter went to mortgages serviced for GSEs. Prime mortgages represented 71 percent of the total portfolio and received 53.1 percent of all HAMP modifications, while subprime loans represented 7 percent of the total portfolio and received 19.4 percent of HAMP modifications during the quarter.

**Table 14. HAMP Modifications, by Investor and Risk Category**  
(Modifications Implemented in the Fourth Quarter of 2011)

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	6,297	5,808	141	3,926	6,286	22,458
Alt-A	1,816	1,570	163	1,838	2,668	8,055
Subprime	1,075	770	153	2,064	4,122	8,184
Other	1,619	792	89	365	713	3,578
Total	10,807	8,940	546	8,193	13,789	42,275

Servicers implemented 27,323 new HAMP trial-period plans during the quarter, a decrease of 6.9 percent from the 29,338 HAMP trial plans initiated in the previous quarter (see table 13). Prime mortgages received 51.6 percent of the HAMP trial-period plans implemented during the quarter. Alt-A and subprime mortgages received 38.8 percent. GSE mortgages received 45.5 percent of HAMP trial-period plans initiated during the quarter.

**Table 15. HAMP Trial-Period Plans, by Investor and Risk Category**  
(Trial-Period Plans Implemented in the Fourth Quarter of 2011)

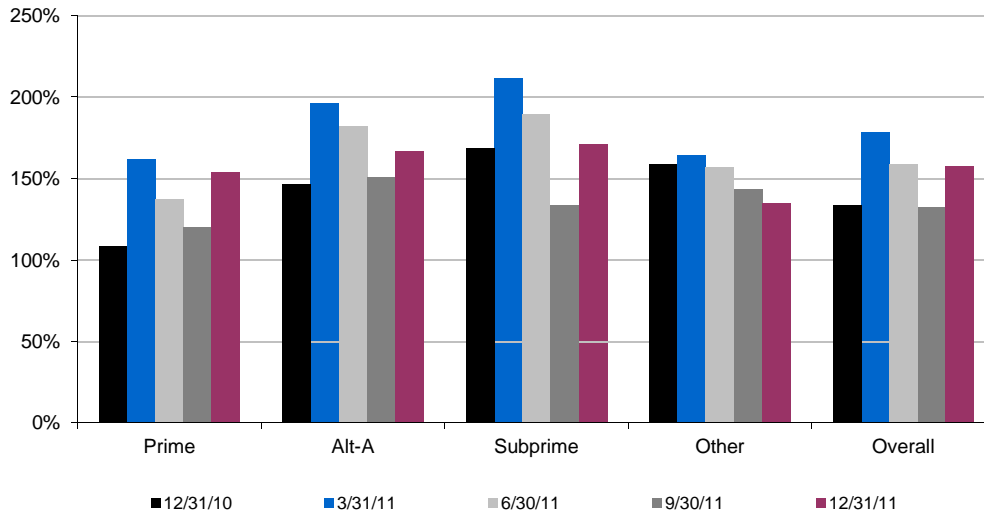
	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	3,687	3,875	138	1,863	4,549	14,112
Alt-A	1,023	1,071	149	843	1,921	5,007
Subprime	674	472	118	982	3,360	5,606
Other	1,069	549	81	174	725	2,598
Total	6,453	5,967	486	3,862	10,555	27,323

**New Home Retention Actions Relative to Newly Initiated Foreclosures**

The ratio of newly initiated home retention actions to newly initiated foreclosure actions increased during the fourth quarter. This increase resulted from new home retention actions increasing 0.3 percent during the quarter and newly initiated foreclosure actions decreasing 16.0 percent (see table 16). Servicers continued to implement significantly more new home retention actions than new foreclosures overall.

<b>Table 16. Percentage of New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category</b>							
	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	1Q %Change	1Y %Change
Prime	108.2%	161.8%	137.2%	120.2%	153.6%	27.8%	42.0%
Alt-A	146.3%	196.3%	182.3%	150.7%	166.5%	10.5%	13.8%
Subprime	168.2%	211.3%	189.6%	133.7%	171.0%	27.9%	1.7%
Other	158.5%	163.9%	156.9%	143.5%	134.7%	-6.1%	-15.0%
Overall	133.4%	178.5%	158.8%	132.0%	157.5%	19.4%	18.1%
Number of New Home Retention Actions	474,759	557,331	456,010	458,899	460,213	0.3%	-3.1%
Number of Newly Initiated Foreclosures	355,945	312,235	287,162	347,726	292,173	-16.0%	-17.9%

**Figure 9. New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category**





### Types of Modification Actions

The types of modification actions or combinations of actions have different effects on the borrowers' mortgages and their monthly principal and interest payments. Different actions may, over time, have different effects on the long-term sustainability of mortgages. Servicers often use a combination of actions when modifying mortgages, with almost 95 percent of modifications implemented during the fourth quarter of 2011 changing more than one of the original loan terms (see table 47 in appendix D).

Servicers capitalized missed fees and payments in 93.3 percent of modifications made during the fourth quarter, reduced interest rates in 78.2 percent of the modified mortgages, and extended the loan maturity in 55.5 percent (see table 17). Servicers deferred repayment of some portion of the principal balance in 24.5 percent of modifications made during the quarter. The percentage of modifications that included principal reduction increased to 8.5 percent in the fourth quarter of 2011 from 8.1 percent in the previous quarter and 2.7 percent in the fourth quarter of 2010. Because most modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total modifications. Appendix D presents additional detail on combination modifications.

**Table 17. Changes in Loan Terms for Modifications Made During the Fourth Quarter of 2011**

(Percentage of Total Modifications in Each Category)

	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Capitalization	91.6%	86.9%	90.8%	88.5%	93.3%	5.5%	1.9%
Rate Reduction	84.2%	82.6%	79.5%	77.5%	78.2%	0.8%	-7.1%
Rate Freeze	2.4%	2.0%	2.1%	4.6%	6.4%	38.8%	165.2%
Term Extension	56.1%	58.1%	61.1%	57.8%	55.5%	-4.0%	-1.0%
Principal Reduction	2.7%	3.0%	6.3%	8.1%	8.5%	4.5%	211.3%
Principal Deferral	9.0%	11.2%	18.6%	20.5%	24.5%	19.9%	171.8%
Not Reported*	1.1%	2.9%	1.7%	1.0%	1.5%	56.2%	32.5%
(Number of Changes in Each Category)							
Capitalization	191,132	138,850	136,398	121,662	108,365	-10.9%	-43.3%
Rate Reduction	175,679	131,963	119,422	106,651	90,779	-14.9%	-48.3%
Rate Freeze	5,026	3,142	3,209	6,328	7,419	17.2%	47.6%
Term Extension	117,058	92,776	91,880	79,536	64,494	-18.9%	-44.9%
Principal Reduction	5,696	4,826	9,401	11,183	9,867	-11.8%	73.2%
Principal Deferral	18,836	17,958	27,989	28,133	28,496	1.3%	51.3%
Not Reported*	2,373	4,692	2,574	1,327	1,750	31.9%	-26.3%

\*Processing constraints at some servicers prevented them from reporting specific modified term(s).

**Types of HAMP Modification Actions**

HAMP modifications follow a prescribed series of actions to attain a targeted monthly mortgage payment. Consistent with modification actions overall and the prescribed order of actions required by HAMP, HAMP modifications most often included capitalization of missed payments and fees, interest-rate reductions, and term extensions. Servicers used principal deferral, another prescribed action in the HAMP hierarchy, in 38.5 percent of HAMP modifications during the fourth quarter of 2011, compared with 34.9 percent in the previous quarter. Principal reduction was used in 15.6 percent of HAMP modifications implemented during the quarter—up from 11.1 percent in the previous quarter and more than twice during the rate in fourth quarter 2010 (see table 18).

<b>Table 18. Changes in Loan Terms for HAMP Modifications During the Fourth Quarter of 2011</b>							
<b>(Percentage of Total Modifications in Each Category)</b>							
	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Capitalization	96.5%	96.5%	97.8%	93.7%	97.3%	3.9%	0.9%
Rate Reduction	87.9%	94.4%	84.3%	86.8%	88.5%	2.0%	0.7%
Rate Freeze	0.2%	0.3%	0.2%	2.2%	3.3%	49.3%	1428.8%
Term Extension	48.7%	53.4%	53.7%	48.4%	49.9%	3.0%	2.4%
Principal Reduction	7.4%	6.2%	6.6%	11.1%	15.6%	40.8%	109.4%
Principal Deferral	22.5%	23.6%	33.0%	34.9%	38.5%	10.4%	71.0%
Not Reported*	0.2%	0.2%	0.1%	0.2%	0.1%	-54.2%	-59.6%
<b>(Number of Changes in Each Category)</b>							
Capitalization	54,345	51,371	68,521	50,522	41,143	-18.6%	-24.3%
Rate Reduction	49,527	50,278	59,060	46,813	37,418	-20.1%	-24.4%
Rate Freeze	121	141	141	1,186	1,388	17.0%	1047.1%
Term Extension	27,448	28,413	37,642	26,123	21,084	-19.3%	-23.2%
Principal Reduction	4,197	3,305	4,609	5,978	6,596	10.3%	57.2%
Principal Deferral	12,700	12,565	23,097	18,827	16,295	-13.4%	28.3%
Not Reported*	122	118	66	103	37	-64.1%	-69.7%

\*Processing constraints at some servicers prevented them from reporting specific modified term(s).

### **Types of Modification Actions, by Risk Category**

Servicers use a combination of actions when modifying mortgages, and no single action can be identified as the primary component of a successful modification. Modifications across all risk categories predominantly featured interest-rate reduction and term extension in addition to the capitalization of past-due interest and fees. Because most modifications changed more than one term, the sum of individual features changed exceeded the total number of modified loans in each risk category. Principal deferral was used most extensively in prime loans, and principal reduction was used more in Alt-A and subprime loans (see table 19).

<b>Table 19. Changes in Loan Terms for Modifications, by Risk Category, in Fourth Quarter 2011</b>					
<b>(Percentage of Total Modifications in Each Category)</b>					
	Prime	Alt-A	Subprime	Other	Overall
Capitalization	93.4%	93.3%	92.2%	95.3%	93.3%
Rate Reduction	77.9%	77.1%	77.8%	81.9%	78.2%
Rate Freeze	3.9%	6.3%	9.1%	10.2%	6.4%
Term Extension	58.4%	56.2%	45.9%	65.1%	55.5%
Principal Reduction	7.0%	9.0%	12.8%	3.3%	8.5%
Principal Deferral	29.8%	22.3%	21.9%	14.0%	24.5%
Not Reported*	1.7%	1.4%	0.9%	2.2%	1.5%
<b>(Number of Changes in Each Category)</b>					
Total Mortgages Modified	50,480	23,805	29,367	12,501	116,153
Capitalization	47,169	22,204	27,080	11,912	108,365
Rate Reduction	39,324	18,359	22,862	10,234	90,779
Rate Freeze	1,978	1,501	2,661	1,279	7,419
Term Extension	29,505	13,368	13,487	8,134	64,494
Principal Reduction	3,549	2,153	3,754	411	9,867
Principal Deferral	15,022	5,297	6,424	1,753	28,496
Not Reported*	876	338	263	273	1,750

\*Processing constraints at some servicers prevented them from reporting specific modified term(s).

### **Types of Modification Actions, by Investor and Product Type**

Modifications of mortgages serviced for the GSEs accounted for 40.7 percent of all modifications made during the quarter. Government-guaranteed loans received 15.1 percent of all modifications, mortgages serviced for private investors received 30.2 percent, and mortgages held in servicer portfolios received 13.9 percent of all third-quarter modifications (see table 20). Interest-rate reduction and capitalization of missed payments and fees remained the primary types of modification actions for all investors, as well as term extension for all except private investors. Principal reduction was used exclusively in modifications of loans held in portfolio or serviced for private investors. Because modifications often change more than one loan term, the sum of the actions exceeded the number of modified loans for each investor.

<b>Table 20. Type of Modification Action, by Investor and Product Type, in Fourth Quarter 2011</b>						
<b>(Percentage of Total Modifications in Each Category)</b>						
	<b>Fannie Mae</b>	<b>Freddie Mac</b>	<b>Government-Guaranteed</b>	<b>Private Investor</b>	<b>Portfolio</b>	<b>Overall</b>
Capitalization	97.5%	99.4%	95.7%	88.5%	87.2%	93.3%
Rate Reduction	68.8%	75.3%	95.3%	76.7%	84.4%	78.2%
Rate Freeze	4.7%	9.6%	7.3%	7.6%	3.4%	6.4%
Term Extension	75.8%	68.5%	78.9%	14.4%	66.6%	55.5%
Principal Reduction	0.0%	0.0%	0.0%	16.4%	25.2%	8.5%
Principal Deferral	25.6%	20.3%	1.2%	30.2%	39.2%	24.5%
Not Reported*	1.6%	0.2%	0.2%	2.4%	2.0%	1.5%
<b>(Number of Changes in Each Category)</b>						
Total Mortgages Modified	33,080	14,231	17,543	35,128	16,171	116,153
Capitalization	32,250	14,140	16,792	31,085	14,098	108,365
Rate Reduction	22,763	10,709	16,722	26,938	13,647	90,779
Rate Freeze	1,557	1,364	1,275	2,672	551	7,419
Term Extension	25,087	9,751	13,841	5,050	10,765	64,494
Principal Reduction**	10	2	5	5,776	4,074	9,867
Principal Deferral	8,469	2,886	215	10,592	6,334	28,496
Not Reported	533	26	41	829	321	1,750

\*Processing constraints at some servicers prevented them from reporting specific modified term(s).

\*\*Fannie Mae and Freddie Mac do not offer modifications that include principal reduction. The principal reduction actions reflected in this table represent coding errors to be corrected in subsequent reporting periods.

**Types of HAMP Modification Actions, by Investor and Product Type**

Of the 42,275 HAMP modifications implemented in the fourth quarter, 46.7 percent were on GSE mortgages, 32.6 percent were on mortgages serviced for private investors, and 19.4 percent were on mortgages held in servicers’ portfolios (see table 21). Consistent with total modification actions, the prevailing actions among HAMP modifications were capitalization of past-due interest and fees, interest-rate reduction, and term extension. Principal deferral was used in a significant number of HAMP modifications for all investors other than government-guaranteed loans. HAMP modifications with principal reduction were made on loans held in portfolio and serviced for private investors.

<b>Table 21. Type of HAMP Modification Action, by Investor and Product Type, in Fourth Quarter 2011</b>						
<b>(Percentage of Total Modifications in Each Category)</b>						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	99.4%	99.4%	54.8%	99.6%	91.2%	97.3%
Rate Reduction	89.7%	94.6%	87.2%	84.4%	87.2%	88.5%
Rate Freeze	0.2%	0.3%	19.6%	7.3%	2.8%	3.3%
Term Extension	65.9%	67.8%	89.7%	9.5%	74.5%	49.9%
Principal Reduction	0.1%	0.0%	0.0%	22.5%	42.5%	15.6%
Principal Deferral	22.0%	28.0%	8.8%	48.8%	56.6%	38.5%
Not Reported	0.2%	0.1%	0.2%	0.0%	0.0%	0.1%
<b>(Number of Changes in Each Category)</b>						
Total Mortgages Modified	10,807	8,940	546	13,789	8,193	42,275
Capitalization	10,740	8,889	299	13,740	7,475	41,143
Rate Reduction	9,699	8,457	476	11,643	7,143	37,418
Rate Freeze	26	24	107	1,001	230	1,388
Term Extension	7,124	6,061	490	1,307	6,102	21,084
Principal Reduction*	9	2	0	3,099	3,486	6,596
Principal Deferral	2,374	2,504	48	6,730	4,639	16,295
Not Reported**	19	8	1	5	4	37

\*Fannie Mae and Freddie Mac do not offer modifications that include principal reduction. The principal reduction actions reflected in this table represent coding errors to be corrected in subsequent reporting periods.

\*\*Processing constraints at some servicers prevented them from reporting specific modified term(s).

***Changes in Monthly Payments Resulting From Modification***

The previous sections of this report describe the types of modification actions across risk categories, investors, and product types. This section describes the effect of those changes on borrowers' monthly principal and interest payments.

Modifications that decrease payments occur when servicers elect to lower interest rates, extend the amortization period, or defer or forgive principal. The reduced payments can make mortgages more affordable to borrowers and more sustainable over time. However, the lower payments also result in less monthly cash flow and interest income to mortgage investors.

Mortgage modifications may increase monthly payments when borrowers and servicers agree to add past-due interest, advances for taxes or insurance and other fees to the loan balances and re-amortize the new balances over the remaining life of the mortgages. The interest rate or maturity of the loans may be changed on these modifications but not enough to offset the increase in payments caused by the additional capitalized principal. Modifications may also result in increased monthly payments when interest rates or principal payments on adjustable rate mortgages and payment-option ARMs are reset higher but by less than the amount indicated in the original mortgage contracts.

Modifications that increase payments may be appropriate when borrowers resolve temporary problems with cash flow, or otherwise have reasonable prospects of making higher payments to repay the debt over time. However, during periods of prolonged economic stress, this strategy carries additional risk, underscoring the importance of verifying borrowers' income and debt-payment ability so that borrowers and servicers have confidence that the modifications will be sustainable.

Servicers also modify some mortgage contracts by simply leaving principal and interest payments unchanged. This occurs, for example, when servicers "freeze" current interest rates and payments instead of allowing them to increase to levels required by the original mortgage contracts.

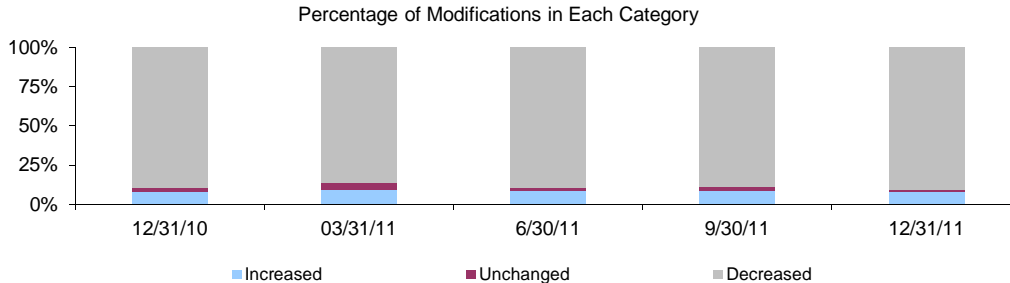
**Changes in Monthly Payments Resulting From Modifications, by Quarter**

More than 91 percent of modifications made in the fourth quarter reduced monthly principal and interest payments (see table 22). Almost 60 percent of the modifications reduced payments by 20 percent or more. Almost 17 percent reduced payments between 10 percent and 20 percent, and another 15.0 percent reduced payments by less than 10 percent.

<b>Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications</b>							
<b>(Percentage of Modifications in Each Category)*</b>							
	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Decreased by 20% or More	56.3%	47.3%	53.8%	53.6%	59.5%	11.0%	5.7%
Decreased by 10% to Less Than 20%	19.7%	18.4%	17.1%	18.3%	16.7%	-8.5%	-15.0%
Decreased by Less Than 10%	13.9%	20.8%	18.5%	17.5%	15.0%	-14.5%	7.8%
<b>Subtotal for Decreased</b>	<b>89.9%</b>	<b>86.5%</b>	<b>89.4%</b>	<b>89.4%</b>	<b>91.2%</b>	<b>2.0%</b>	<b>1.5%</b>
Unchanged	2.3%	4.0%	1.9%	2.4%	0.8%	-65.3%	-63.5%
Increased	7.8%	9.5%	8.7%	8.2%	7.9%	-2.9%	1.6%
<b>Subtotal for Unchanged and Increased</b>	<b>10.1%</b>	<b>13.5%</b>	<b>10.6%</b>	<b>10.6%</b>	<b>8.8%</b>	<b>-17.2%</b>	<b>-13.3%</b>
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
<b>(Number of Modifications in Each Category)</b>							
Decreased by 20% or More	117,072	75,116	80,493	73,353	68,418	-6.7%	-41.6%
Decreased by 10% to Less Than 20%	40,974	29,310	25,642	25,055	19,256	-23.1%	-53.0%
Decreased by Less Than 10%	28,883	33,025	27,595	23,971	17,221	-28.2%	-40.4%
<b>Subtotal for Decreased</b>	<b>186,929</b>	<b>137,451</b>	<b>133,730</b>	<b>122,379</b>	<b>104,895</b>	<b>-14.3%</b>	<b>-43.9%</b>
Unchanged	4,817	6,289	2,852	3,335	972	-70.9%	-79.8%
Increased	16,265	15,127	12,968	11,202	9,138	-18.4%	-43.8%
<b>Subtotal for Unchanged and Increased</b>	<b>21,082</b>	<b>21,416</b>	<b>15,820</b>	<b>14,537</b>	<b>10,110</b>	<b>-30.5%</b>	<b>-52.0%</b>
Total	208,011	158,867	149,550	136,916	115,005	-16.0%	-44.7%

\*No payment change information was reported on 704 modifications in the fourth quarter of 2010, 895 in the first quarter of 2011, 706 in the second quarter of 2011, 623 in the third quarter of 2011 and 1,148 in the fourth quarter of 2011.

**Figure 10. Changes in Monthly Principal and Interest Payments**



### Changes in Monthly Payments Resulting From HAMP Modifications, by Quarter

Nearly 99 percent of HAMP modifications made during the fourth quarter reduced borrower monthly payments, with 77.5 percent reducing payments by 20 percent or more (see table 23). In addition to achieving lower payments, HAMP attempts to increase payment sustainability by targeting monthly housing payments at 31 percent of borrowers' income. Performance data on all modifications showed that reduced monthly payments result in lower re-default rates over time and that the greater the decrease in payment, the lower the rate of re-default.

<b>Table 23. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications</b>							
<b>(Percentage of HAMP Modifications in Each Category)*/**</b>							
	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Decreased by 20% or More	77.3%	75.9%	77.1%	75.8%	77.5%	2.2%	0.2%
Decreased by 10% to Less Than 20%	12.0%	13.4%	13.1%	13.6%	12.5%	-8.1%	3.8%
Decreased by Less Than 10%	7.5%	8.7%	8.6%	9.2%	8.6%	-6.7%	15.2%
<b>Subtotal for Decreased</b>	<b>96.8%</b>	<b>98.0%</b>	<b>98.8%</b>	<b>98.6%</b>	<b>98.6%</b>	<b>0.0%</b>	<b>1.8%</b>
Unchanged	1.1%	1.0%	0.2%	0.2%	0.1%	-20.6%	-86.2%
Increased	2.1%	1.0%	1.0%	1.2%	1.3%	6.8%	-39.7%
<b>Subtotal for Unchanged and Increased</b>	<b>3.2%</b>	<b>2.0%</b>	<b>1.2%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>3.1%</b>	<b>-55.3%</b>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%
<b>(Number of HAMP Modifications in Each Category)</b>							
Decreased by 20% or More	43,338	40,321	53,941	40,756	32,719	-19.7%	-24.5%
Decreased by 10% to Less Than 20%	6,735	7,124	9,178	7,299	5,266	-27.9%	-21.8%
Decreased by Less Than 10%	4,187	4,604	6,024	4,957	3,632	-26.7%	-13.3%
<b>Subtotal for Decreased</b>	<b>54,260</b>	<b>52,049</b>	<b>69,143</b>	<b>53,012</b>	<b>41,617</b>	<b>-21.5%</b>	<b>-23.3%</b>
Unchanged	606	530	129	101	63	-37.6%	-89.6%
Increased	1,200	517	683	650	545	-16.2%	-54.6%
<b>Subtotal for Unchanged and Increased</b>	<b>1,806</b>	<b>1,047</b>	<b>812</b>	<b>751</b>	<b>608</b>	<b>-19.0%</b>	<b>-66.3%</b>
Total	56,066	53,096	69,955	53,763	42,225	-21.5%	-24.7%

\*No payment change information was reported on 274 modifications in the fourth quarter of 2010, 154 in the first quarter of 2011, 116 in the second quarter of 2011, 178 in the third quarter of 2011 and 50 in the fourth quarter of 2011.

\*\*Some HAMP modifications, like other modifications, may increase the borrowers' monthly principal and interest payments when loans with a previous interest-only or partial payment are modified to amortize the loans over their remaining terms, or when adjustable rate mortgages are reset to higher rates and payments but at lower rates than otherwise contractually required. While the principal and interest portion of the payment might increase, the total payment will reflect a housing expense ratio of 31 percent as specified by HAMP.



**Average Change in Monthly Payments Resulting From Modifications, by Quarter**

Modifications made during the fourth quarter of 2011 reduced monthly principal and interest payments by 26.5 percent on average, or \$430 (see table 24). HAMP modifications made during the quarter reduced payments by 36.0 percent on average, or \$593. Other modifications reduced borrower monthly payments by 21.1 percent on average, or \$335 during the fourth quarter.

<b>Table 24. Average Change in Monthly Payments Resulting From Modifications, by Quarter*</b>							
<b>All Modifications</b>							
	12/31/10	3/31/11	6/30/11	9/30/11	12/30/11	1Q %Change	1Y %Change
Decreased by 20% or More	(610)	(634)	(667)	(646)	(671)	4.0%	10.0%
Decreased by 10% to Less Than 20%	(186)	(184)	(187)	(192)	(192)	0.2%	3.6%
Decreased by Less Than 10%	(69)	(55)	(60)	(64)	(66)	3.0%	-3.7%
Unchanged	0	0	0	0	0	0.0%	0.0%
Increased**	134	122	106	128	145	13.6%	8.1%
Overall	(379)	(334)	(393)	(382)	(430)	12.6%	13.4%
Percentage Change	-25.5%	-21.6%	-25.1%	-24.4%	-26.5%		
<b>Other Modifications</b>							
Decreased by 20% or More	(543)	(566)	(592)	(576)	(623)	8.0%	14.6%
Decreased by 10% to Less Than 20%	(178)	(171)	(170)	(181)	(182)	0.8%	2.3%
Decreased by Less Than 10%	(67)	(50)	(55)	(61)	(63)	3.4%	-5.4%
Unchanged	0	0	0	0	0	0.0%	0.0%
Increased**	128	120	103	126	143	13.8%	12.0%
Overall	(302)	(219)	(231)	(262)	(335)	27.7%	11.0%
Percentage Change	-21.6%	-15.1%	-15.6%	-17.5%	-21.1%		
<b>HAMP Modifications</b>							
Decreased by 20% or More	(725)	(693)	(704)	(702)	(725)	3.3%	0.0%
Decreased by 10% to Less Than 20%	(223)	(222)	(219)	(219)	(219)	-0.1%	-1.7%
Decreased by Less Than 10%	(82)	(83)	(79)	(77)	(79)	1.5%	-3.9%
Unchanged	0	0	0	0	0	0.0%	0.0%
Increased**	213	164	158	158	174	10.2%	-18.6%
Overall	(588)	(562)	(577)	(567)	(593)	4.7%	0.9%
Percentage Change	-35.9%	-34.6%	-35.9%	-35.1%	-36.0%		

\*Parentheses indicate that, on average, borrowers' monthly payments decreased by the amount enclosed within the parentheses.

\*\*Some modifications may increase the borrowers' monthly principal and interest payments when past-due interest, advances for taxes or insurance and other fees are added to loan balances. The monthly payments may also increase when loans with a previous interest-only or partial payment are modified to amortize the loans over their remaining terms.

**B. Modified Loan Performance**

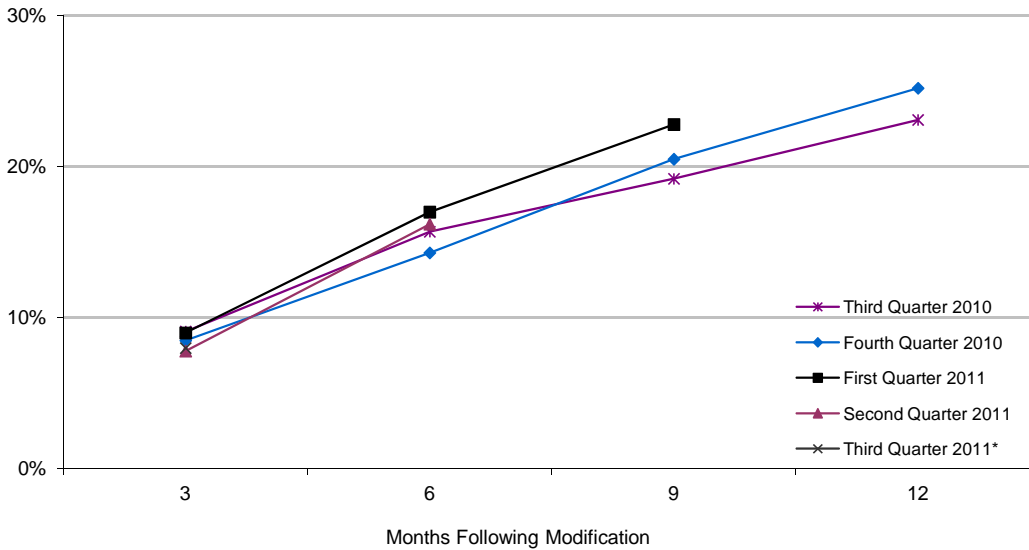
**Re-Default Rates of Modified Loans: 60 or More Days Delinquent**

Performance of modified loans is stabilizing, with 8 percent to 10 percent 60 or more days delinquent three months after modification, approximately 15 percent delinquent after 6 months, and about 25 percent delinquent after one year (see table 25). Modification performance varies in any given period due to many factors, including the types of modifications and modification actions, the average amount of change in the borrower’s monthly payment, the characteristics and geographic location of the modified loans, and the addition or deletion of modification programs among the reporting institutions.

<b>Table 25. Modified Loans 60 or More Days Delinquent</b>				
Modification Date*	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Third Quarter 2010	9.1%	15.7%	19.2%	23.1%
Fourth Quarter 2010	8.5%	14.3%	20.5%	25.2%
First Quarter 2011	9.0%	17.0%	22.8%	--
Second Quarter 2011	7.8%	16.2%	--	--
Third Quarter 2011	8.0%	--	--	--

\*All re-default data are based on modified loans that remain in effect at the specified amount of time after the modification. All loans that have been repaid in full, been refinanced, been sold, or completed the foreclosure process are removed from the calculation. Data include only modifications that have had time to age the indicated number of months.

**Figure 11. Modified Loans 60 or More Days Delinquent**



\*The third quarter 2011 data is a single point (8.0 percent), and is obscured by the beginning of the trend line for the second quarter of 2011.

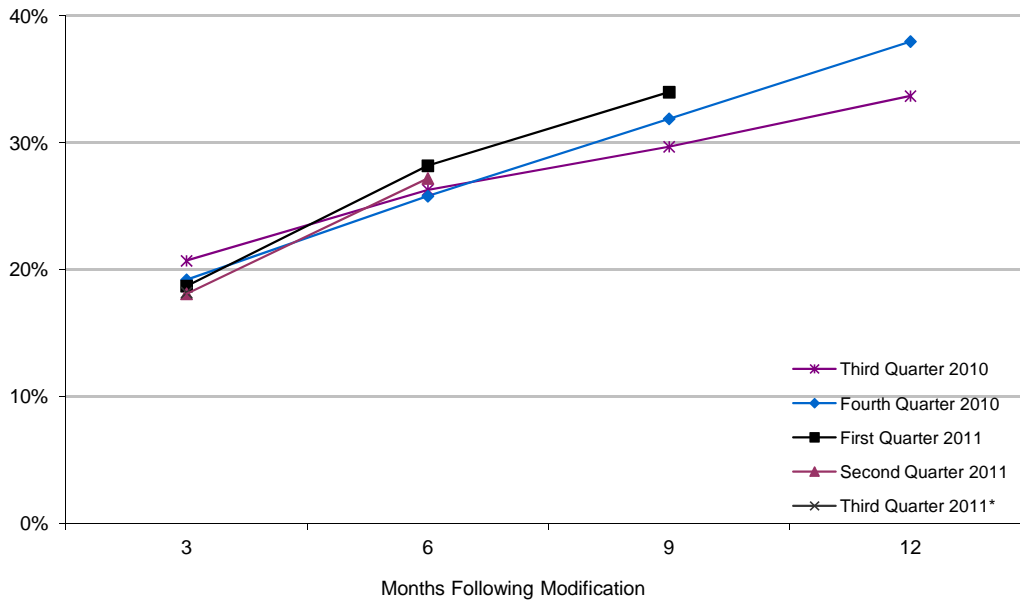
**Re-Default Rates of Modified Loans: 30 or More Days Delinquent**

Re-default rates measured at 30 or more days delinquent provide an early indicator of mortgages that may need additional attention to prevent more serious delinquency or foreclosure. After one year, more than a third of modifications are 30 or more days delinquent (see table 26).

Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Third Quarter 2010	20.7%	26.3%	29.7%	33.7%
Fourth Quarter 2010	19.2%	25.8%	31.9%	38.0%
First Quarter 2011	18.7%	28.2%	34.0%	--
Second Quarter 2011	18.1%	27.2%	--	--
Third Quarter 2011	18.2%	--	--	--

\*Data include only modifications that have had time to age the indicated number of months.

**Figure 12. Modified Loans 30 or More Days Delinquent**



\*The third quarter 2011 data is a single point (18.2 percent), and is obscured by the beginning of the trend line for the second quarter of 2011.

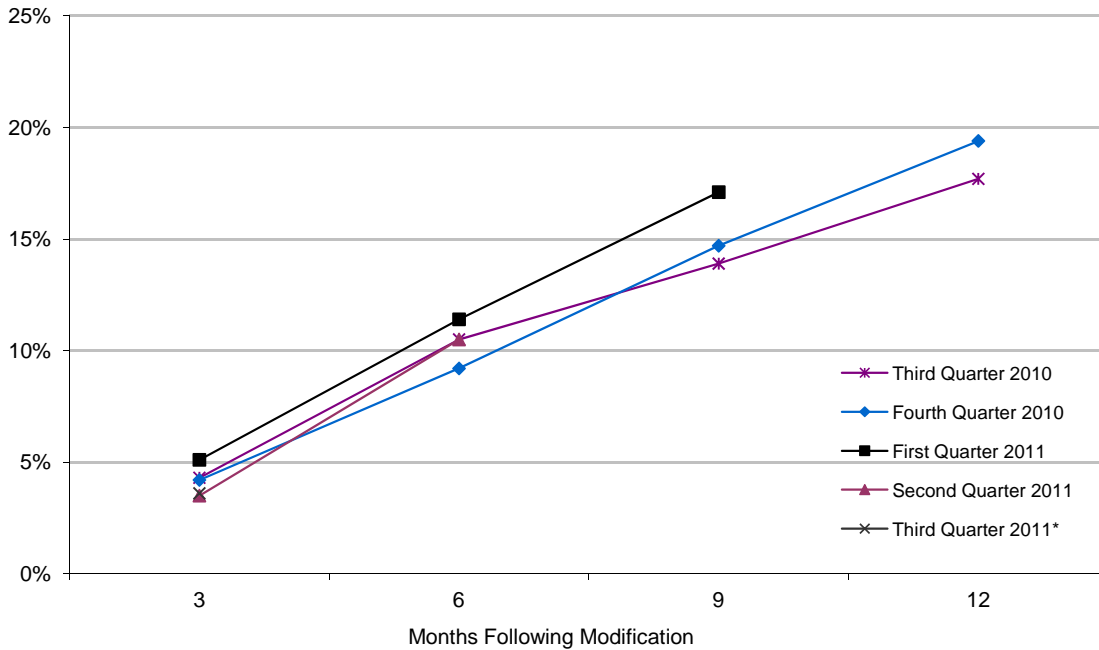
**Re-Default Rates of Modified Loans: 90 or More Days Delinquent**

The percentage of modified mortgages that were 90 or more days delinquent after modification was naturally lower than shorter-term delinquency measures. After one year, nearly 20 percent of all modifications are 90 or more days delinquent (see table 27).

Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Third Quarter 2010	4.3%	10.5%	13.9%	17.7%
Fourth Quarter 2010	4.2%	9.2%	14.7%	19.4%
First Quarter 2011	5.1%	11.4%	17.1%	--
Second Quarter 2011	3.5%	10.5%	--	--
Third Quarter 2011	3.6%	--	--	--

\*Data include only modifications that have had time to age the indicated number of months.

**Figure 13. Modified Loans 90 or More Days Delinquent**



\*The third quarter 2011 data is a single point (3.6 percent), and is obscured by the beginning of the trend line for the second quarter of 2011.

**Re-Default Rate, by Investor (60 or More Days Delinquent)**

Modifications on mortgages held in the servicers' own portfolios or serviced for the GSEs—Fannie Mae and Freddie Mac—performed better than modifications on mortgages serviced for others. These lower re-default rates for portfolio and GSE mortgages may reflect differences in modification programs, loan risk characteristics, and, for portfolio mortgages, additional flexibility to modify terms for greater sustainability. Re-default rates for government-guaranteed mortgages and loans serviced for private investors were highest over time, reflecting the higher risk associated with those mortgages.

**Table 28. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2008**  
(60 or More Days Delinquent)

Investor Loan Type	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Fannie Mae	30.2%	44.9%	54.1%	59.5%
Freddie Mac	22.7%	40.0%	51.2%	57.5%
Government-Guaranteed	32.5%	53.6%	63.7%	67.8%
Private	36.8%	49.1%	56.1%	61.2%
Portfolio Loans	16.2%	27.9%	35.0%	40.0%
Overall	31.7%	45.4%	53.2%	58.2%

**Table 29. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2009**  
(60 or More Days Delinquent)

Investor Loan Type	3 Months After Modification	6 Months after Modification	9 Months after Modification	12 Months After Modification
Fannie Mae	17.9%	31.3%	37.8%	41.1%
Freddie Mac	28.2%	36.5%	41.5%	43.9%
Government-Guaranteed	23.4%	42.2%	51.7%	55.5%
Private	28.0%	40.8%	48.8%	52.5%
Portfolio Loans	7.1%	15.3%	21.0%	24.6%
Overall	19.9%	32.2%	39.4%	43.0%

**Table 30. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2010**  
(60 or More Days Delinquent)\*

Investor Loan Type	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Fannie Mae	9.7%	14.4%	18.2%	20.7%
Freddie Mac	7.4%	12.3%	15.6%	17.9%
Government-Guaranteed	12.4%	27.3%	36.0%	40.7%
Private	12.2%	19.9%	25.0%	28.3%
Portfolio Loans	6.6%	11.8%	15.7%	18.0%
Overall	10.0%	17.4%	22.4%	25.4%

<b>Table 31. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2011</b>				
<b>(60 or More Days Delinquent)*</b>				
<b>Investor Loan Type</b>	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>
Fannie Mae	7.3%	11.8%	17.6%	--
Freddie Mac	6.0%	11.1%	15.2%	--
Government-Guaranteed	11.8%	28.8%	37.8%	--
Private	10.0%	17.6%	24.9%	--
Portfolio Loans	4.7%	8.6%	11.9%	--
Overall	8.3%	16.6%	22.8%	--

\*Data include all modifications implemented during 2011 that have aged the indicated number of months.

### **Performance of HAMP Modifications Compared With Other Modifications**

HAMP modifications have performed better than other modifications implemented during the same periods. These lower post-modification delinquency rates reflect HAMP's emphasis on the affordability of monthly payments relative to the borrower's income, verification of income, and completion of a successful trial payment period (see table 32). While these criteria result in better performance of HAMP modifications over time, the greater flexibility in making other modifications results in a greater number of modifications.

<b>Table 32. Performance of HAMP Modifications Compared With Other Modifications</b>					
<b>(60 or More Days Delinquent)*</b>					
	<b>Number of Modifications</b>	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>
HAMP Second Quarter 2010	108,155	8.3%	13.3%	15.9%	17.3%
Other Second Quarter 2010	158,896	12.3%	24.0%	29.2%	31.4%
HAMP Third Quarter 2010	58,856	7.5%	11.5%	13.5%	16.5%
Other Third Quarter 2010	174,862	9.7%	17.1%	21.1%	25.4%
HAMP Fourth Quarter 2010	56,340	9.0%	11.2%	14.7%	17.7%
Other Fourth Quarter 2010	152,375	8.3%	15.5%	22.7%	28.1%
HAMP First Quarter 2011	53,250	5.8%	9.9%	13.4%	--
Other First Quarter 2011	106,512	10.7%	20.7%	27.7%	--
HAMP Second Quarter 2011	70,071	5.4%	9.5%	--	--
Other Second Quarter 2011	80,185	10.0%	22.1%	--	--
HAMP Third Quarter 2011	53,941	5.5%	--	--	--
Other Third Quarter 2011	83,598	9.6%	--	--	--

\*Data include all modifications that have had time to age the indicated number of months.

**C. Modified Loan Performance, by Change in Monthly Payments**

Modifications that reduce borrowers' monthly payments consistently show re-default rates lower than other modifications, and the larger the reduction in monthly payment, the lower the subsequent re-default rates. Lower re-default rates may also result from lowering monthly payments relative to the borrower's income and ability to repay, as well as verification of income and completion of a successful trial-period.

For servicers and investors, determining the optimal type of modification often requires weighing the reduction in cash flow from loan terms that reduce monthly principal and interest payments, along with the possible costs of delaying foreclosure, against the potential for longer-term sustainability of the payments and ultimate repayment of the mortgage.



### Re-Default Rates of Loans by Change in Payment

The following tables present re-default rates, measured as 60 or more days delinquent, for modifications made since January 1, 2008. Data show re-default rates decreased as reductions in monthly principal and interest payments increased. Re-default rates were lower for modifications made in 2009 than for modifications made in 2008 and lower for modifications made in 2010 than those made in the previous two years. Continuing this trend, modifications implemented during 2011 with greater payment reductions performed better than other modifications, except that modifications completed with no payment change performed better than all modifications other than those with the largest payment reductions. Modifications with no change in payment generally freeze the interest rate on an adjustable rate mortgage so that the rate and payment do not increase. These modifications tend to be offered to borrowers with adjustable rate mortgages who are current on their payments.

<b>Table 33. Re-Default Rates of Loans Modified in 2008 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</b>				
	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>
Decreased by 20% or More	15.8%	26.0%	33.4%	39.5%
Decreased by 10% to Less Than 20%	20.9%	33.1%	41.6%	48.2%
Decreased by Less Than 10%	24.0%	40.7%	50.3%	56.0%
Unchanged	47.4%	56.8%	62.5%	65.9%
Increased	35.4%	54.7%	63.8%	69.0%
Total	31.6%	45.2%	53.0%	58.1%

<b>Table 34. Re-Default Rates of Loans Modified in 2009 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</b>				
	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>
Decreased by 20% or More	11.0%	19.1%	25.1%	28.4%
Decreased by 10% to Less Than 20%	15.8%	29.2%	37.3%	41.7%
Decreased by Less Than 10%	17.7%	33.9%	42.6%	46.7%
Unchanged	42.3%	50.1%	55.1%	57.4%
Increased	26.4%	46.4%	55.9%	59.7%
Total	19.8%	32.2%	39.4%	43.0%

<b>Table 35. Re-Default Rates of Loans Modified in 2010 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</b>				
	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months after Modification</b>
Decreased by 20% or More	7.3%	11.5%	15.0%	17.5%
Decreased by 10% to Less Than 20%	10.0%	19.8%	26.3%	30.2%
Decreased by Less Than 10%	13.5%	26.2%	33.5%	37.5%
Unchanged	17.5%	20.9%	23.8%	25.2%
Increased	18.3%	32.9%	40.4%	44.2%
Total	10.0%	17.4%	22.4%	25.4%

<b>Table 36. Re-Default Rates of Loans Modified in 2011 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</b>				
	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months after Modification</b>
Decreased by 20% or More	5.7%	10.4%	15.0%	--
Decreased by 10% to Less Than 20%	8.1%	18.3%	26.0%	--
Decreased by Less Than 10%	10.8%	23.0%	29.4%	--
Unchanged	8.9%	13.8%	16.0%	--
Increased	18.3%	34.9%	44.1%	--
Total	8.3%	16.6%	22.8%	--

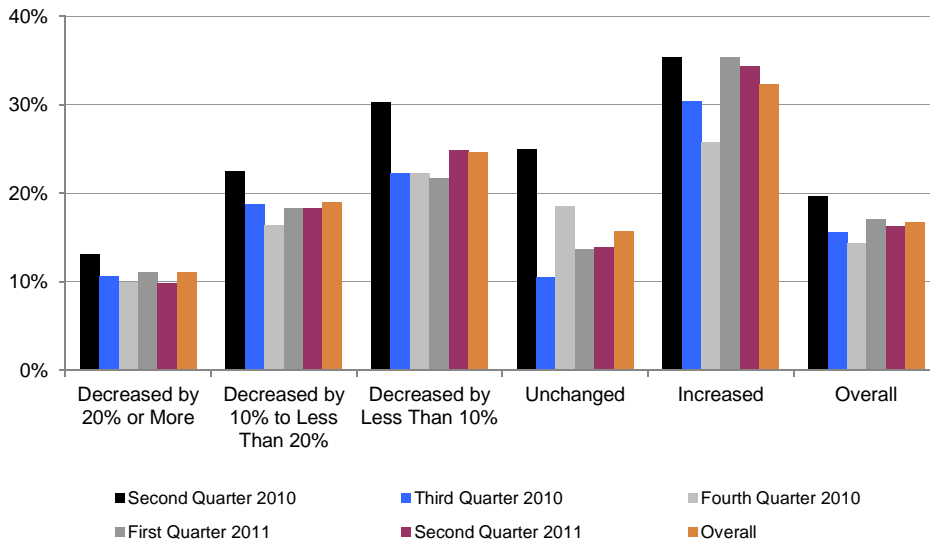
\*Data include all modifications implemented during 2011 that have aged the indicated number of months.

**60+ Delinquency at Six Months After Modification by Change in Monthly Payment**

Modifications that significantly reduced monthly principal and interest payments consistently performed better than other modifications. Modifications with the greatest decrease in monthly payments consistently had the lowest re-default rates (see table 37). Modifications that result in no change to the borrowers' monthly payments generally have performed better than all but the modifications with the greatest reduction in payment due to the specific characteristics of these modifications. Modifications with no change in payment generally freeze the interest rate on an adjustable rate mortgage so that the rate and payment do not increase. These modifications tend to be offered to borrowers with adjustable rate mortgages who are current on their payments.

<b>Table 37. 60+ Delinquency at Six Months After Modification by Change in Monthly Payment</b>						
	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Overall
Second Quarter 2010	13.1%	22.5%	30.3%	25.0%	35.4%	19.7%
Third Quarter 2010	10.6%	18.7%	22.2%	10.5%	30.4%	15.6%
Fourth Quarter 2010	9.9%	16.3%	22.2%	18.5%	25.8%	14.3%
First Quarter 2011	11.1%	18.3%	21.6%	13.6%	35.4%	17.0%
Second Quarter 2011	9.8%	18.3%	24.8%	13.9%	34.3%	16.2%
Overall	11.1%	19.0%	24.6%	15.7%	32.3%	16.7%

**Figure 14. 60+ Delinquency at Six Months After Modification by Change in Monthly Payment**



**Status of Mortgages Modified in 2008–2011 Through the Third Quarter of 2011**

Servicers implemented 2,395,565 modifications from January 1, 2008 through September 30, 2011. Of these modifications, 46.9 percent were current and performing at the end of the fourth quarter of 2011 with another 1.4 percent paid off. Almost 26 percent of these modifications were delinquent, while 16.7 percent were in process of foreclosure or had completed the foreclosure process. HAMP modifications implemented since the third quarter of 2009 have performed better than other modifications. Modifications that reduced borrowers’ monthly payments by 10 percent or more performed significantly better than other modifications. Of the 1,419,625 modifications that reduced payments by 10 percent or more, 55.4 percent were current and performing at the end of the fourth quarter, compared with 34.5 percent of modifications that reduced payments less than 10 percent (see table 38). Modifications of mortgages held in the servicers’ portfolios and those serviced for GSEs performed better than modifications of mortgages serviced for other investors (see tables 28 through 31).

**Table 38. Status of Mortgages Modified in 2008–2011**

	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	421,322	23.8%	6.4%	18.4%	16.4%	15.8%	3.3%	15.9%
2009	587,460	37.1%	8.0%	19.7%	14.1%	8.5%	1.9%	10.7%
2010	939,226	52.4%	9.0%	16.9%	9.1%	3.0%	0.7%	9.1%
2011**	447,557	69.9%	10.2%	14.5%	3.5%	0.4%	0.2%	1.3%
Total	2,395,565	46.9%	8.5%	17.4%	10.6%	6.1%	1.4%	9.2%
<b>HAMP Modification Performance Compared With Other Modifications***</b>								
Other Modifications	1,119,221	50.9%	9.9%	19.4%	9.1%	3.5%	0.9%	6.4%
HAMP Modifications	523,476	66.1%	7.8%	10.8%	5.6%	1.5%	0.3%	7.8%
<b>Modifications That Reduced Payments by 10 Percent or More</b>								
Modifications That Reduced Payments by 10% or More	1,419,625	55.4%	8.5%	14.3%	8.1%	3.5%	0.8%	9.3%
<b>Modifications That Reduced Payments by Less Than 10 Percent</b>								
Modifications That Reduced Payments by Less Than 10%	975,940	34.5%	8.5%	21.8%	14.1%	9.8%	2.1%	9.1%

\*Processing constraints prevented some servicers from reporting the reason for removal from the portfolio.

\*\*Includes modifications implemented during 2011 in effect at least three months.

\*\*\*Modifications used to compare with HAMP modifications only include modifications implemented from the third quarter of 2009 through the third quarter of 2011.

**Part III: Home Forfeiture Actions—Foreclosures, Short Sales, and Deed-in-Lieu-of-Foreclosure Actions**

**Completed Foreclosures and Other Home Forfeiture Actions**

Home forfeiture actions—foreclosure sales, short sales, and deed-in-lieu-of-foreclosure actions—totaled 182,256 during the fourth quarter of 2011, an increase of 5.2 percent from the previous quarter and 24.6 percent from a year earlier (see table 39). Completed foreclosures increased to 116,060—up 2.5 percent from the previous quarter and 22.1 percent from the same quarter the previous year, a period of foreclosure moratoria. Short sales increased 10.1 percent during the fourth quarter and now make up more than 33 percent of all home forfeiture actions. Deed-in-lieu-of-foreclosure actions, while increased by 41 percent from the previous year, remained a small portion of total home forfeiture actions.

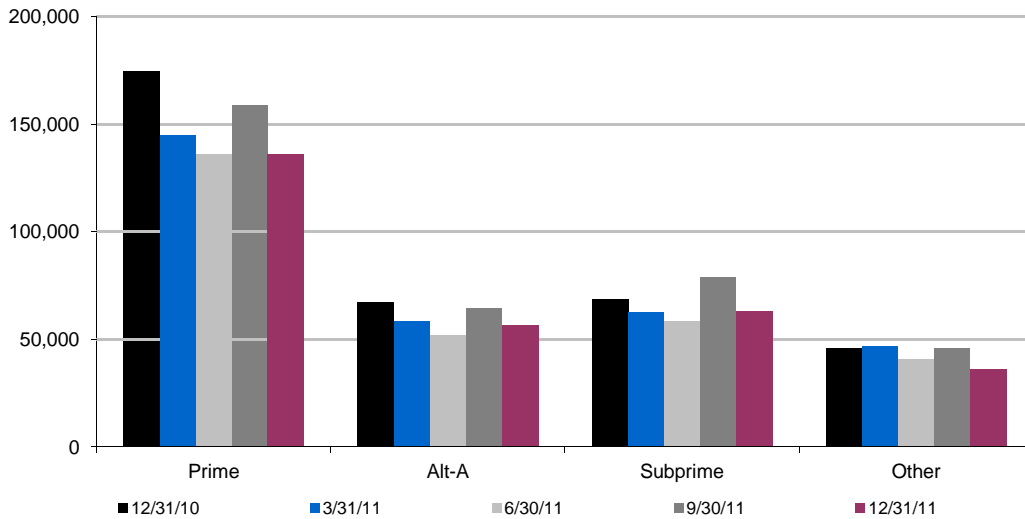
<b>Table 39. Completed Foreclosures and Other Home Forfeiture Actions</b>							
	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Completed Foreclosures	95,070	119,739	121,209	113,202	116,060	2.5%	22.1%
New Short Sales	49,061	50,108	56,406	57,479	63,257	10.1%	28.9%
New Deed-in-Lieu-of-Foreclosure Actions	2,085	1,700	2,547	2,620	2,939	12.2%	41.0%
Total	146,216	171,547	180,162	173,301	182,256	5.2%	24.6%

### Newly Initiated Foreclosures

Servicers initiate foreclosure actions at defined stages of loan delinquency. However, final foreclosure sales only proceed if servicers and borrowers cannot arrange a permanent loss mitigation action, modification, or alternate workout solution or home sale. Newly initiated foreclosures decreased by 16.0 percent from the previous quarter, to 292,173 from 347,726, and decreased 17.9 percent from a year earlier (see table 40).

	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	1Q %Change	1Y %Change
Prime	174,534	144,742	136,119	158,632	136,026	-14.3%	-22.1%
Alt-A	67,149	58,474	52,064	64,215	56,736	-11.6%	-15.5%
Subprime	68,415	62,459	58,229	78,852	63,225	-19.8%	-7.6%
Other	45,847	46,560	40,750	46,027	36,186	-21.4%	-21.1%
Total	355,945	312,235	287,162	347,726	292,173	-16.0%	-17.9%

**Figure 15. Number of Newly Initiated Foreclosures**

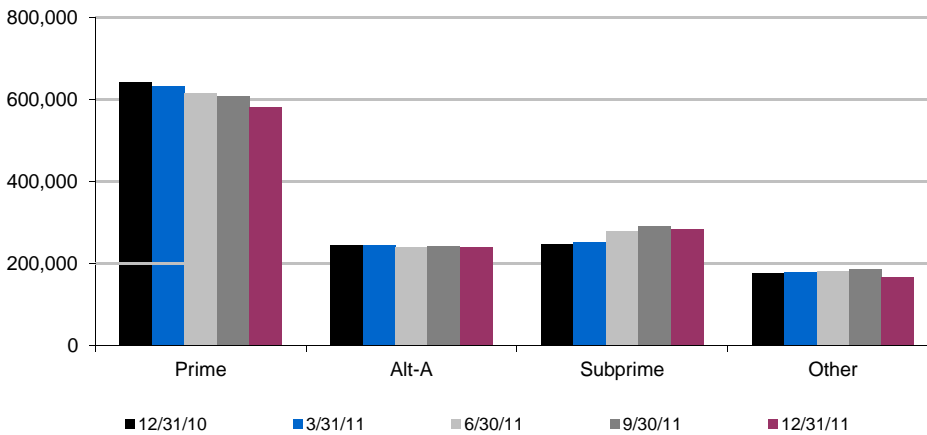


### Foreclosures in Process

The number of mortgages in process of foreclosure decreased 4.1 percent from the previous quarter to 1,272,287. While the number of foreclosures in process decreased during the fourth quarter of 2011, foreclosures in process as a percentage of total serviced mortgages remained relatively stable for the fourth consecutive quarter at 4.1 percent (see table 41).

<b>Table 41. Foreclosures in Process</b>							
Percentage of Foreclosures in Process Relative to Mortgages in That Risk Category							
	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Prime	2.8%	2.8%	2.7%	2.7%	2.6%	-2.5%	-7.6%
Alt-A	6.9%	7.0%	6.8%	6.9%	7.1%	2.0%	1.9%
Subprime	10.0%	10.4%	11.3%	12.0%	12.3%	2.7%	23.1%
Other	4.4%	4.5%	4.7%	5.0%	5.0%	-0.1%	13.0%
Total	4.0%	4.0%	4.0%	4.1%	4.1%	-0.9%	1.5%
Number of Foreclosures in Process							
Prime	642,791	632,578	616,238	607,532	580,624	-4.4%	-9.7%
Alt-A	244,896	244,588	241,010	242,376	239,363	-1.2%	-2.3%
Subprime	247,047	251,201	279,636	290,556	284,202	-2.2%	15.0%
Other	177,728	180,390	183,103	186,613	168,098	-9.9%	-5.4%
Total	1,312,462	1,308,757	1,319,987	1,327,077	1,272,287	-4.1%	-3.1%

**Figure 16. Number of Foreclosures in Process**

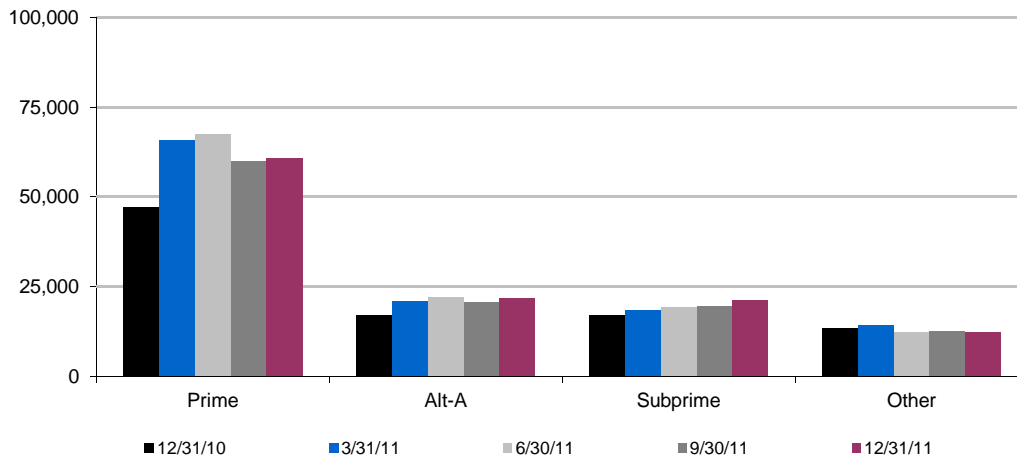


### Completed Foreclosures

The number of completed foreclosures increased to 116,060 during the fourth quarter of 2011—up 2.5 percent from the previous quarter and 22.1 percent from a year earlier (see table 42).

<b>Table 42. Completed Foreclosures</b>							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Prime	0.2%	0.3%	0.3%	0.3%	0.3%	3.2%	31.6%
Alt-A	0.5%	0.6%	0.6%	0.6%	0.6%	8.1%	32.3%
Subprime	0.7%	0.8%	0.8%	0.8%	0.9%	13.5%	31.7%
Other	0.3%	0.4%	0.3%	0.3%	0.4%	7.2%	9.4%
Total	0.3%	0.4%	0.4%	0.3%	0.4%	5.9%	27.8%
Number of Completed Foreclosures							
Prime	47,224	65,889	67,451	60,033	60,745	1.2%	28.6%
Alt-A	17,158	21,033	22,066	20,793	21,779	4.7%	26.9%
Subprime	17,200	18,644	19,364	19,598	21,181	8.1%	23.1%
Other	13,488	14,173	12,328	12,778	12,355	-3.3%	-8.4%
Total	95,070	119,739	121,209	113,202	116,060	2.5%	22.1%

**Figure 17. Number of Completed Foreclosures**



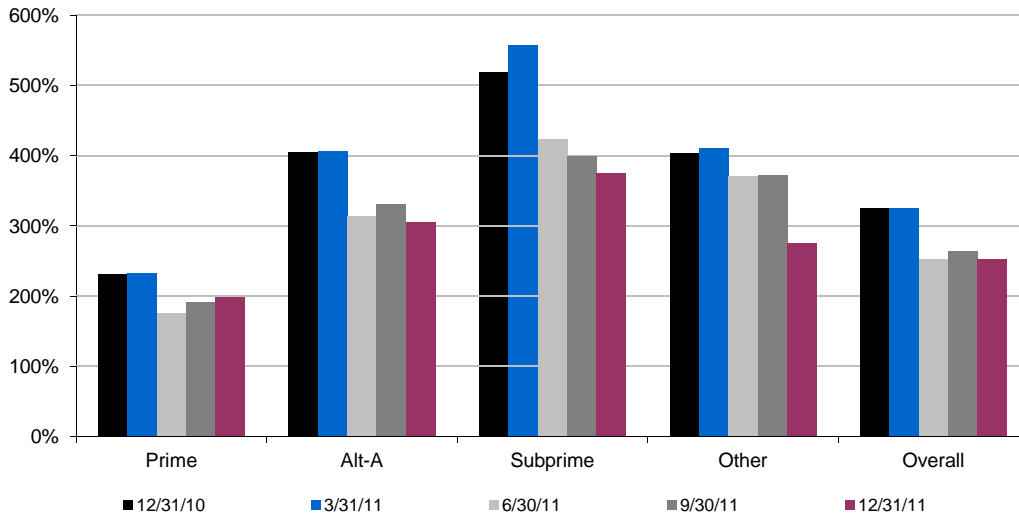


**New Home Retention Actions Relative to Forfeiture Actions, by Risk Category**

Home retention actions relative to home forfeitures decreased during the fourth quarter of 2011, reflecting a 0.3 percent increase in new home retention actions more than offset by a 5.2 percent increase in completed foreclosures and other home forfeiture actions (see tables 1 and 5). The percentage of new home retention actions relative to home forfeitures continued to be highest for subprime loans and lowest for prime loans during fourth quarter 2011. New home retention actions continued to significantly exceed home forfeitures as servicers initiated 2.5 times as many home retention actions as home forfeiture actions during the quarter (see table 43).

<b>Table 43. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category</b>							
	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Prime	230.6%	231.8%	175.2%	190.9%	199.3%	4.4%	-13.6%
Alt-A	405.6%	406.3%	313.4%	331.0%	304.9%	-7.9%	-24.8%
Subprime	519.8%	556.8%	423.5%	398.7%	375.1%	-5.9%	-27.8%
Other	403.8%	411.2%	371.4%	372.4%	276.2%	-25.8%	-31.6%
Overall	324.7%	324.9%	253.1%	264.8%	252.5%	-4.6%	-22.2%

**Figure 18. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category**



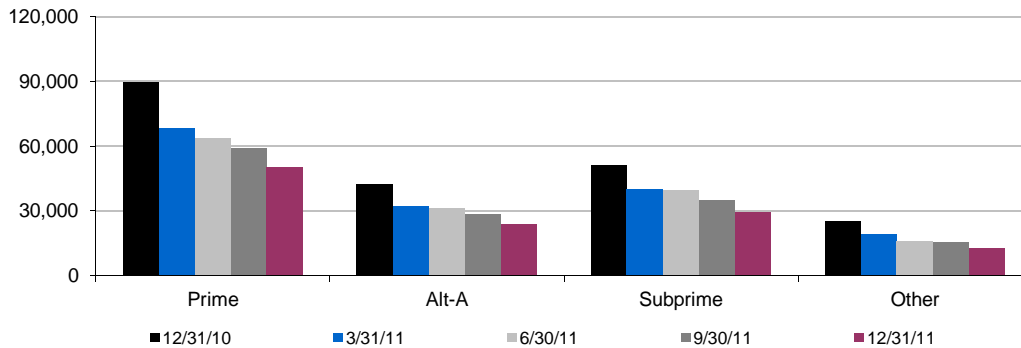
**Appendixes**

**Appendix A—New Loan Modifications**

New loan modifications decreased for the fourth consecutive quarter to 116,153 during the fourth quarter of 2011—down 15.5 percent from the previous quarter and 44.3 percent from a year earlier (see table 44). New modifications decreased across all risk categories during the quarter.

<b>Table 44. Number of New Loan Modifications</b>							
	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	1Q %Change	1Y %Change
Prime	89,499	68,114	63,399	58,858	50,480	-14.2%	-43.6%
Alt-A	42,654	32,352	31,190	28,169	23,805	-15.5%	-44.2%
Subprime	51,305	39,920	39,569	35,177	29,367	-16.5%	-42.8%
Other	25,257	19,376	16,098	15,335	12,501	-18.5%	-50.5%
Total	208,715	159,762	150,256	137,539	116,153	-15.5%	-44.3%

**Figure 19. Number of New Loan Modifications**

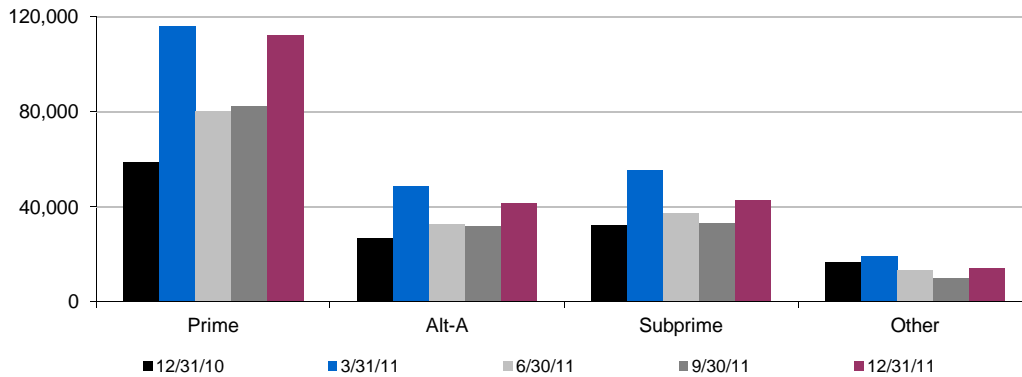


**Appendix B—New Trial-Period Plans**

Servicers initiated 210,179 trial-period plans during the fourth quarter of 2011, a 34.0 percent increase from the previous quarter and 56.8 percent from a year earlier as certain servicers converted payment plan programs to trial period plans (see table 45). New trial-period plans increased across all risk categories during the quarter.

	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Prime	58,751	115,742	80,012	82,135	111,968	36.3%	90.6%
Alt-A	26,823	48,528	32,771	31,825	41,357	30.0%	54.2%
Subprime	32,095	55,455	37,275	33,223	42,708	28.5%	33.1%
Other	16,387	19,023	13,018	9,618	14,146	47.1%	-13.7%
Total	134,056	238,748	163,076	156,801	210,179	34.0%	56.8%

**Figure 20. Number of New Trial-Period Plans**



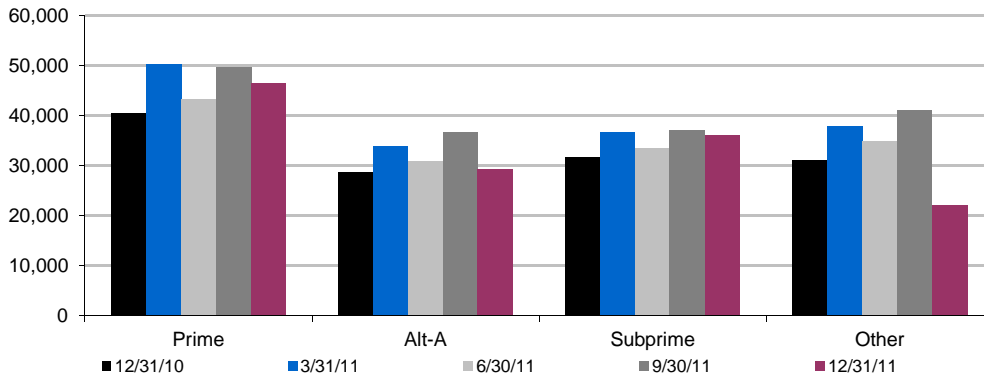
**Appendix C—New Payment Plans**

New payment plans decreased by 18.6 percent to 133,881 during the fourth quarter of 2011, corresponding to the increase in new trial payment plans caused by conversion of certain programs (see table 46). New payment plans decreased across all risk categories during the quarter.

**Table 46. Number of New Payment Plans**

	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Prime	40,555	50,401	43,356	49,639	46,462	-6.4%	14.6%
Alt-A	28,745	33,881	30,957	36,758	29,280	-20.3%	1.9%
Subprime	31,682	36,632	33,544	37,058	36,036	-2.8%	13.7%
Other	31,006	37,907	34,821	41,104	22,103	-46.2%	-28.7%
Total	131,988	158,821	142,678	164,559	133,881	-18.6%	1.4%

**Figure 21. Number of New Payment Plans**



**Appendix D—Breakdown of Individual and Combination Modification Actions**

Servicers generally use a combination of actions to achieve payment sustainability when modifying a mortgage. Servicers changed more than one loan term in 94.5 percent of all modifications implemented during the fourth quarter of 2011 (see table 47).

<b>Table 47. Changes in Terms for Modifications Made Through the Fourth Quarter of 2011</b>							
<b>(Percentage of Modifications in Each Category)</b>							
	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Combination*	92.1%	88.2%	94.2%	94.4%	94.5%	0.0%	2.6%
Capitalization	3.9%	3.6%	1.6%	2.5%	2.8%	11.5%	-28.1%
Rate Reduction	1.8%	1.7%	1.3%	1.2%	0.7%	-43.5%	-60.8%
Rate Freeze	0.2%	0.4%	0.3%	0.4%	0.0%	-95.0%	-91.3%
Term Extension	0.5%	2.9%	0.9%	0.4%	0.4%	22.8%	-10.2%
Principal Reduction	0.1%	0.0%	0.0%	0.0%	0.0%	-91.1%	-97.2%
Principal Deferral	0.3%	0.2%	0.1%	0.0%	0.1%	22.3%	-81.8%
Not Reported**	1.1%	2.9%	1.7%	1.0%	1.5%	56.2%	32.5%
<b>(Number of Changes in Each Category)</b>							
Combination*	192,141	140,938	141,565	129,896	109,726	-15.5%	-42.9%
Capitalization	8,210	5,706	2,338	3,487	3,284	-5.8%	-60.0%
Rate Reduction	3,679	2,709	1,970	1,682	803	-52.3%	-78.2%
Rate Freeze	496	657	389	564	24	-95.7%	-95.2%
Term Extension	1,000	4,690	1,278	482	500	3.7%	-50.0%
Principal Reduction	194	9	10	40	3	-92.5%	-98.5%
Principal Deferral	622	361	132	61	63	3.3%	-89.9%
Not Reported**	2,373	4,692	2,574	1,327	1,750	31.9%	-26.3%
All Modifications	208,715	159,762	150,256	137,539	116,153	-15.5%	-44.3%

\*Combination modifications result in a change to two or more loan terms. All other modification types detailed in this table involve only the individual listed action.

\*\*Processing constraints at some servicers prevented them from reporting specific modified term(s).

### Changes in Terms for Combination Modification Actions

Of the 116,153 modifications implemented in the fourth quarter of 2011, 109,726 (94.5 percent) were combination modifications that changed more than one of original terms of the loan (see tables 20 and 47). Table 48 details the specific actions included in these combination modifications. Of the 109,726 combination modifications implemented during the fourth quarter of 2011, 95.8 percent included capitalization of missed fees and payments, 82.0 percent included interest rate reduction, and 58.3 percent included an extension of the loan maturity. Principal deferral was included in 25.9 percent of the combination modifications implemented during the quarter and principal reduction was part of 9.0 percent of fourth-quarter combination modifications. Because combination modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total combination modifications.

<b>Table 48. Changes in Terms for Combination Modifications Through the Fourth Quarter of 2011</b>							
<b>(Percentage of Modifications in Each Category)</b>							
	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	1Q %Change	1Y %Change
Capitalization	95.2%	94.5%	94.7%	91.0%	95.8%	5.3%	0.6%
Rate Reduction	89.5%	91.7%	83.0%	80.8%	82.0%	1.5%	-8.4%
Rate Freeze	2.4%	1.8%	2.0%	4.4%	6.7%	51.9%	185.9%
Term Extension	60.4%	62.5%	64.0%	60.9%	58.3%	-4.2%	-3.4%
Principal Reduction	2.9%	3.4%	6.6%	8.6%	9.0%	4.8%	213.9%
Principal Deferral	9.5%	12.5%	19.7%	21.6%	25.9%	19.9%	173.4%
<b>(Total Number of Changes in Each Category)</b>							
Capitalization	182,922	133,144	134,060	118,175	105,081	-11.1%	-42.6%
Rate Reduction	172,000	129,254	117,452	104,969	89,976	-14.3%	-47.7%
Rate Freeze	4,530	2,485	2,820	5,764	7,395	28.3%	63.2%
Term Extension	116,058	88,086	90,602	79,054	63,994	-19.1%	-44.9%
Principal Reduction	5,502	4,817	9,391	11,143	9,864	-11.5%	79.3%
Principal Deferral	18,214	17,597	27,857	28,072	28,433	1.3%	56.1%

**Appendix E—Mortgage Modification Data by State**

The following tables present certain mortgage modification data by state, the District of Columbia, and U.S. territories (the latter are included in the category labeled “Other”). This data fulfills reporting requirements in the Dodd–Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203).

Table 49 presents the number and percentage of HAMP modifications and other modifications in each state during the fourth quarter of 2011. Tables 50 and 51 present the number and percentage of each type of action included in modifications made during the quarter in each state, the District of Columbia, and U.S. territories. Tables 52 and 53 present the number and percentage of each type of action included in combination modifications made during the quarter in each state, the District of Columbia, and U.S. territories. Tables 54 and 55 present the number and percentage of modifications made during the quarter in each state, the District of Columbia, and U.S. territories by the amount of change in the borrowers’ monthly principal and interest payments. Tables 56 and 57 present the number and percentage of modifications made in the second quarter of 2011 that were 60 or more days delinquent or in process of foreclosure at the end of the fourth quarter of 2011.

**Table 49. Number and Percentage of Mortgage Modifications  
Implemented in the Fourth Quarter of 2011**

States	HAMP Modifications		Other Modifications		Total Modifications	
	Total	% of State Total	Total	% of State Total	Total	% of Total
Total	42,275	36.4%	73,878	63.6%	116,153	100.0%
Alabama	199	20.5%	771	79.5%	970	0.8%
Alaska	22	29.7%	52	70.3%	74	0.1%
Arizona	1,252	40.0%	1,880	60.0%	3,132	2.7%
Arkansas	72	20.5%	279	79.5%	351	0.3%
California	12,594	49.3%	12,951	50.7%	25,545	22.0%
Colorado	534	33.3%	1,071	66.7%	1,605	1.4%
Connecticut	555	36.7%	957	63.3%	1,512	1.3%
Delaware	134	32.9%	273	67.1%	407	0.4%
District of Columbia	78	36.4%	136	63.6%	214	0.2%
Florida	4,880	40.9%	7,042	59.1%	11,922	10.3%
Georgia	1,454	28.8%	3,593	71.2%	5,047	4.3%
Hawaii	126	38.4%	202	61.6%	328	0.3%
Idaho	141	29.6%	335	70.4%	476	0.4%
Illinois	2,257	37.2%	3,808	62.8%	6,065	5.2%
Indiana	304	17.7%	1,410	82.3%	1,714	1.5%
Iowa	83	17.8%	383	82.2%	466	0.4%
Kansas	110	22.0%	391	78.0%	501	0.4%
Kentucky	142	18.8%	614	81.2%	756	0.7%
Louisiana	253	24.5%	779	75.5%	1,032	0.9%
Maine	114	34.1%	220	65.9%	334	0.3%
Maryland	1,306	36.4%	2,284	63.6%	3,590	3.1%
Massachusetts	861	39.7%	1,307	60.3%	2,168	1.9%
Michigan	931	29.7%	2,202	70.3%	3,133	2.7%
Minnesota	584	35.2%	1,075	64.8%	1,659	1.4%
Mississippi	103	20.1%	410	79.9%	513	0.4%
Missouri	402	26.5%	1,113	73.5%	1,515	1.3%
Montana	54	30.0%	126	70.0%	180	0.2%
Nebraska	57	23.6%	185	76.4%	242	0.2%
Nevada	918	43.4%	1,195	56.6%	2,113	1.8%
New Hampshire	161	36.8%	277	63.2%	438	0.4%
New Jersey	1,544	38.5%	2,466	61.5%	4,010	3.5%
New Mexico	117	25.3%	345	74.7%	462	0.4%
New York	2,563	42.5%	3,464	57.5%	6,027	5.2%
North Carolina	692	22.7%	2,350	77.3%	3,042	2.6%
North Dakota	7	23.3%	23	76.7%	30	0.0%
Ohio	615	21.0%	2,314	79.0%	2,929	2.5%
Oklahoma	114	19.2%	481	80.8%	595	0.5%
Oregon	438	37.7%	724	62.3%	1,162	1.0%
Pennsylvania	793	27.5%	2,088	72.5%	2,881	2.5%
Rhode Island	176	41.6%	247	58.4%	423	0.4%
South Carolina	342	23.3%	1,128	76.7%	1,470	1.3%
South Dakota	13	21.0%	49	79.0%	62	0.1%
Tennessee	373	23.9%	1,188	76.1%	1,561	1.3%
Texas	1,199	21.3%	4,426	78.7%	5,625	4.8%
Utah	327	34.3%	627	65.7%	954	0.8%
Vermont	42	36.2%	74	63.8%	116	0.1%
Virginia	799	31.2%	1,758	68.8%	2,557	2.2%
Washington	1,027	40.3%	1,520	59.7%	2,547	2.2%
West Virginia	30	12.9%	203	87.1%	233	0.2%
Wisconsin	347	26.4%	967	73.6%	1,314	1.1%
Wyoming	12	17.6%	56	82.4%	68	0.1%
Other	24	28.9%	59	71.1%	83	0.1%



<b>Table 50. Number of Mortgage Modification Actions Implemented in the Fourth Quarter of 2011</b>								
States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reductions	Principal Deferral	Combination	Not Reported	Total Modifications
Total	3,284	827	500	3	63	109,726	1,750	116,153
Alabama	42	5	33	0	0	882	8	970
Alaska	8	0	0	0	0	66	0	74
Arizona	96	19	3	0	3	2,985	26	3,132
Arkansas	12	2	0	0	0	334	3	351
California	543	186	25	0	23	24,262	506	25,545
Colorado	48	17	3	0	2	1,519	16	1,605
Connecticut	43	11	1	0	0	1,436	21	1,512
Delaware	7	0	3	0	0	393	4	407
District of Columbia	8	3	0	0	0	198	5	214
Florida	257	80	45	1	6	11,295	238	11,922
Georgia	160	44	44	0	0	4,738	61	5,047
Hawaii	8	4	2	0	0	307	7	328
Idaho	25	6	3	0	0	437	5	476
Illinois	139	31	18	0	0	5,780	97	6,065
Indiana	70	8	7	0	1	1,611	17	1,714
Iowa	28	3	5	0	0	428	2	466
Kansas	13	6	8	0	0	468	6	501
Kentucky	28	12	9	0	0	705	2	756
Louisiana	28	7	3	0	1	987	6	1,032
Maine	15	3	1	0	0	312	3	334
Maryland	96	26	7	0	7	3,391	63	3,590
Massachusetts	74	21	9	0	0	2,012	52	2,168
Michigan	132	32	13	0	1	2,920	35	3,133
Minnesota	73	8	2	1	0	1,559	16	1,659
Mississippi	17	4	11	0	0	479	2	513
Missouri	57	10	11	0	4	1,418	15	1,515
Montana	2	2	2	0	0	173	1	180
Nebraska	8	0	2	0	0	230	2	242
Nevada	52	7	3	0	0	2,023	28	2,113
New Hampshire	15	1	0	0	0	420	2	438
New Jersey	77	25	11	0	4	3,813	80	4,010
New Mexico	20	5	7	0	0	423	7	462
New York	112	25	9	0	8	5,716	157	6,027
North Carolina	115	36	44	0	0	2,830	17	3,042
North Dakota	0	0	0	0	0	30	0	30
Ohio	99	15	19	0	0	2,761	35	2,929
Oklahoma	27	3	1	0	0	560	4	595
Oregon	39	10	2	0	1	1,097	13	1,162
Pennsylvania	97	9	17	0	0	2,732	26	2,881
Rhode Island	11	3	1	0	0	398	10	423
South Carolina	36	22	17	0	2	1,379	14	1,470
South Dakota	0	0	0	0	0	61	1	62
Tennessee	59	10	17	0	0	1,468	7	1,561
Texas	271	38	14	0	0	5,253	49	5,625
Utah	22	2	4	0	0	917	9	954
Vermont	4	0	8	0	0	102	2	116
Virginia	83	31	26	1	0	2,389	27	2,557
Washington	58	21	4	0	0	2,440	24	2,547
West Virginia	12	2	4	0	0	213	2	233
Wisconsin	37	11	21	0	0	1,229	16	1,314
Wyoming	1	1	1	0	0	65	0	68
Other	0	0	0	0	0	82	1	83

**Table 51. Percentage of Mortgage Modification Actions  
Implemented in the Fourth Quarter of 2011**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Combination	Not Reported	Total Modifications
Total	2.8%	0.7%	0.4%	0.0%	0.1%	94.5%	1.5%	116,153
Alabama	4.3%	0.5%	3.4%	0.0%	0.0%	90.9%	0.8%	970
Alaska	10.8%	0.0%	0.0%	0.0%	0.0%	89.2%	0.0%	74
Arizona	3.1%	0.6%	0.1%	0.0%	0.1%	95.3%	0.8%	3,132
Arkansas	3.4%	0.6%	0.0%	0.0%	0.0%	95.2%	0.9%	351
California	2.1%	0.7%	0.1%	0.0%	0.1%	95.0%	2.0%	25,545
Colorado	3.0%	1.1%	0.2%	0.0%	0.1%	94.6%	1.0%	1,605
Connecticut	2.8%	0.7%	0.1%	0.0%	0.0%	95.0%	1.4%	1,512
Delaware	1.7%	0.0%	0.7%	0.0%	0.0%	96.6%	1.0%	407
District of Columbia	3.7%	1.4%	0.0%	0.0%	0.0%	92.5%	2.3%	214
Florida	2.2%	0.7%	0.4%	0.0%	0.1%	94.7%	2.0%	11,922
Georgia	3.2%	0.9%	0.9%	0.0%	0.0%	93.9%	1.2%	5,047
Hawaii	2.4%	1.2%	0.6%	0.0%	0.0%	93.6%	2.1%	328
Idaho	5.3%	1.3%	0.6%	0.0%	0.0%	91.8%	1.1%	476
Illinois	2.3%	0.5%	0.3%	0.0%	0.0%	95.3%	1.6%	6,065
Indiana	4.1%	0.5%	0.4%	0.0%	0.1%	94.0%	1.0%	1,714
Iowa	6.0%	0.6%	1.1%	0.0%	0.0%	91.8%	0.4%	466
Kansas	2.6%	1.2%	1.6%	0.0%	0.0%	93.4%	1.2%	501
Kentucky	3.7%	1.6%	1.2%	0.0%	0.0%	93.3%	0.3%	756
Louisiana	2.7%	0.7%	0.3%	0.0%	0.1%	95.6%	0.6%	1,032
Maine	4.5%	0.9%	0.3%	0.0%	0.0%	93.4%	0.9%	334
Maryland	2.7%	0.7%	0.2%	0.0%	0.2%	94.5%	1.8%	3,590
Massachusetts	3.4%	1.0%	0.4%	0.0%	0.0%	92.8%	2.4%	2,168
Michigan	4.2%	1.0%	0.4%	0.0%	0.0%	93.2%	1.1%	3,133
Minnesota	4.4%	0.5%	0.1%	0.1%	0.0%	94.0%	1.0%	1,659
Mississippi	3.3%	0.8%	2.1%	0.0%	0.0%	93.4%	0.4%	513
Missouri	3.8%	0.7%	0.7%	0.0%	0.3%	93.6%	1.0%	1,515
Montana	1.1%	1.1%	1.1%	0.0%	0.0%	96.1%	0.6%	180
Nebraska	3.3%	0.0%	0.8%	0.0%	0.0%	95.0%	0.8%	242
Nevada	2.5%	0.3%	0.1%	0.0%	0.0%	95.7%	1.3%	2,113
New Hampshire	3.4%	0.2%	0.0%	0.0%	0.0%	95.9%	0.5%	438
New Jersey	1.9%	0.6%	0.3%	0.0%	0.1%	95.1%	2.0%	4,010
New Mexico	4.3%	1.1%	1.5%	0.0%	0.0%	91.6%	1.5%	462
New York	1.9%	0.4%	0.1%	0.0%	0.1%	94.8%	2.6%	6,027
North Carolina	3.8%	1.2%	1.4%	0.0%	0.0%	93.0%	0.6%	3,042
North Dakota	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	30
Ohio	3.4%	0.5%	0.6%	0.0%	0.0%	94.3%	1.2%	2,929
Oklahoma	4.5%	0.5%	0.2%	0.0%	0.0%	94.1%	0.7%	595
Oregon	3.4%	0.9%	0.2%	0.0%	0.1%	94.4%	1.1%	1,162
Pennsylvania	3.4%	0.3%	0.6%	0.0%	0.0%	94.8%	0.9%	2,881
Rhode Island	2.6%	0.7%	0.2%	0.0%	0.0%	94.1%	2.4%	423
South Carolina	2.4%	1.5%	1.2%	0.0%	0.1%	93.8%	1.0%	1,470
South Dakota	0.0%	0.0%	0.0%	0.0%	0.0%	98.4%	1.6%	62
Tennessee	3.8%	0.6%	1.1%	0.0%	0.0%	94.0%	0.4%	1,561
Texas	4.8%	0.7%	0.2%	0.0%	0.0%	93.4%	0.9%	5,625
Utah	2.3%	0.2%	0.4%	0.0%	0.0%	96.1%	0.9%	954
Vermont	3.4%	0.0%	6.9%	0.0%	0.0%	87.9%	1.7%	116
Virginia	3.2%	1.2%	1.0%	0.0%	0.0%	93.4%	1.1%	2,557
Washington	2.3%	0.8%	0.2%	0.0%	0.0%	95.8%	0.9%	2,547
West Virginia	5.2%	0.9%	1.7%	0.0%	0.0%	91.4%	0.9%	233
Wisconsin	2.8%	0.8%	1.6%	0.0%	0.0%	93.5%	1.2%	1,314
Wyoming	1.5%	1.5%	1.5%	0.0%	0.0%	95.6%	0.0%	68
Other	0.0%	0.0%	0.0%	0.0%	0.0%	98.8%	1.2%	83

**Table 52. Number of Modification Actions in Combination Actions  
Implemented in the Fourth Quarter of 2011**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total	105,081	96,076	63,994	9,864	28,433	109,726
Alabama	771	821	533	30	70	882
Alaska	66	58	39	1	3	66
Arizona	2,899	2,488	1,695	328	948	2,985
Arkansas	331	311	165	5	14	334
California	23,431	21,212	11,993	3,937	9,906	24,262
Colorado	1,468	1,365	856	79	260	1,519
Connecticut	1,390	1,257	817	97	285	1,436
Delaware	377	345	257	17	59	393
District of Columbia	195	173	109	13	49	198
Florida	10,916	9,511	6,834	1,553	4,217	11,295
Georgia	4,464	4,247	2,856	283	915	4,738
Hawaii	295	253	173	9	68	307
Idaho	410	355	284	26	84	437
Illinois	5,558	4,960	3,723	522	1,707	5,780
Indiana	1,521	1,476	1,030	62	144	1,611
Iowa	398	367	295	16	27	428
Kansas	434	428	320	8	29	468
Kentucky	621	622	490	13	55	705
Louisiana	943	910	595	27	94	987
Maine	301	268	193	9	52	312
Maryland	3,297	2,877	1,860	280	870	3,391
Massachusetts	1,960	1,702	1,194	119	441	2,012
Michigan	2,799	2,518	1,752	223	657	2,920
Minnesota	1,506	1,335	972	103	352	1,559
Mississippi	421	433	272	26	46	479
Missouri	1,348	1,295	864	72	210	1,418
Montana	155	152	112	2	25	173
Nebraska	213	210	153	9	20	230
Nevada	1,982	1,591	1,148	241	756	2,023
New Hampshire	403	363	240	26	82	420
New Jersey	3,717	3,294	2,393	284	965	3,813
New Mexico	398	379	279	13	47	423
New York	5,596	5,137	3,456	318	1,351	5,716
North Carolina	2,558	2,548	1,867	59	278	2,830
North Dakota	27	29	21	0	0	30
Ohio	2,568	2,509	1,859	108	347	2,761
Oklahoma	540	528	320	12	41	560
Oregon	1,053	943	656	74	259	1,097
Pennsylvania	2,592	2,403	1,761	109	401	2,732
Rhode Island	386	328	234	40	115	398
South Carolina	1,259	1,222	867	49	183	1,379
South Dakota	57	53	41	1	5	61
Tennessee	1,374	1,327	858	72	157	1,468
Texas	5,083	4,943	3,149	148	431	5,253
Utah	868	812	546	52	146	917
Vermont	89	90	65	3	13	102
Virginia	2,217	2,131	1,349	149	470	2,389
Washington	2,365	2,125	1,439	176	561	2,440
West Virginia	188	185	137	5	18	213
Wisconsin	1,133	1,048	814	54	189	1,229
Wyoming	58	59	37	0	3	65
Other	82	80	22	2	8	82

**Table 53. Percentage of Modification Actions in Combination Actions  
Implemented in the Fourth Quarter of 2011**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total	95.8%	87.6%	58.3%	9.0%	25.9%	109,726
Alabama	87.4%	93.1%	60.4%	3.4%	7.9%	882
Alaska	100.0%	87.9%	59.1%	1.5%	4.5%	66
Arizona	97.1%	83.4%	56.8%	11.0%	31.8%	2,985
Arkansas	99.1%	93.1%	49.4%	1.5%	4.2%	334
California	96.6%	87.4%	49.4%	16.2%	40.8%	24,262
Colorado	96.6%	89.9%	56.4%	5.2%	17.1%	1,519
Connecticut	96.8%	87.5%	56.9%	6.8%	19.8%	1,436
Delaware	95.9%	87.8%	65.4%	4.3%	15.0%	393
District of Columbia	98.5%	87.4%	55.1%	6.6%	24.7%	198
Florida	96.6%	84.2%	60.5%	13.7%	37.3%	11,295
Georgia	94.2%	89.6%	60.3%	6.0%	19.3%	4,738
Hawaii	96.1%	82.4%	56.4%	2.9%	22.1%	307
Idaho	93.8%	81.2%	65.0%	5.9%	19.2%	437
Illinois	96.2%	85.8%	64.4%	9.0%	29.5%	5,780
Indiana	94.4%	91.6%	63.9%	3.8%	8.9%	1,611
Iowa	93.0%	85.7%	68.9%	3.7%	6.3%	428
Kansas	92.7%	91.5%	68.4%	1.7%	6.2%	468
Kentucky	88.1%	88.2%	69.5%	1.8%	7.8%	705
Louisiana	95.5%	92.2%	60.3%	2.7%	9.5%	987
Maine	96.5%	85.9%	61.9%	2.9%	16.7%	312
Maryland	97.2%	84.8%	54.9%	8.3%	25.7%	3,391
Massachusetts	97.4%	84.6%	59.3%	5.9%	21.9%	2,012
Michigan	95.9%	86.2%	60.0%	7.6%	22.5%	2,920
Minnesota	96.6%	85.6%	62.3%	6.6%	22.6%	1,559
Mississippi	87.9%	90.4%	56.8%	5.4%	9.6%	479
Missouri	95.1%	91.3%	60.9%	5.1%	14.8%	1,418
Montana	89.6%	87.9%	64.7%	1.2%	14.5%	173
Nebraska	92.6%	91.3%	66.5%	3.9%	8.7%	230
Nevada	98.0%	78.6%	56.7%	11.9%	37.4%	2,023
New Hampshire	96.0%	86.4%	57.1%	6.2%	19.5%	420
New Jersey	97.5%	86.4%	62.8%	7.4%	25.3%	3,813
New Mexico	94.1%	89.6%	66.0%	3.1%	11.1%	423
New York	97.9%	89.9%	60.5%	5.6%	23.6%	5,716
North Carolina	90.4%	90.0%	66.0%	2.1%	9.8%	2,830
North Dakota	90.0%	96.7%	70.0%	0.0%	0.0%	30
Ohio	93.0%	90.9%	67.3%	3.9%	12.6%	2,761
Oklahoma	96.4%	94.3%	57.1%	2.1%	7.3%	560
Oregon	96.0%	86.0%	59.8%	6.7%	23.6%	1,097
Pennsylvania	94.9%	88.0%	64.5%	4.0%	14.7%	2,732
Rhode Island	97.0%	82.4%	58.8%	10.1%	28.9%	398
South Carolina	91.3%	88.6%	62.9%	3.6%	13.3%	1,379
South Dakota	93.4%	86.9%	67.2%	1.6%	8.2%	61
Tennessee	93.6%	90.4%	58.4%	4.9%	10.7%	1,468
Texas	96.8%	94.1%	59.9%	2.8%	8.2%	5,253
Utah	94.7%	88.5%	59.5%	5.7%	15.9%	917
Vermont	87.3%	88.2%	63.7%	2.9%	12.7%	102
Virginia	92.8%	89.2%	56.5%	6.2%	19.7%	2,389
Washington	96.9%	87.1%	59.0%	7.2%	23.0%	2,440
West Virginia	88.3%	86.9%	64.3%	2.3%	8.5%	213
Wisconsin	92.2%	85.3%	66.2%	4.4%	15.4%	1,229
Wyoming	89.2%	90.8%	56.9%	0.0%	4.6%	65
Other	100.0%	97.6%	26.8%	2.4%	9.8%	82

**Table 54. Changes in Monthly Principal and Interest Payments by State (Number)**  
 Modifications Implemented in the Fourth Quarter of 2011

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	68,418	19,256	17,221	972	9,138	1,148	116,153
Alabama	403	222	186	31	118	10	970
Alaska	28	13	20	1	12	0	74
Arizona	1,976	473	442	17	205	19	3,132
Arkansas	131	90	76	4	45	5	351
California	17,966	3,186	2,608	176	1,432	177	25,545
Colorado	842	305	292	9	139	18	1,605
Connecticut	880	261	223	7	117	24	1,512
Delaware	192	87	85	3	39	1	407
District of Columbia	123	41	30	1	17	2	214
Florida	8,135	1,615	1,251	78	688	155	11,922
Georgia	2,653	934	932	62	410	56	5,047
Hawaii	203	56	44	2	22	1	328
Idaho	238	94	84	4	53	3	476
Illinois	3,759	943	803	30	444	86	6,065
Indiana	718	396	365	29	189	17	1,714
Iowa	198	101	90	2	69	6	466
Kansas	228	114	99	7	49	4	501
Kentucky	317	168	173	15	79	4	756
Louisiana	463	173	238	11	142	5	1,032
Maine	187	55	54	3	32	3	334
Maryland	2,027	613	619	31	265	35	3,590
Massachusetts	1,294	377	295	13	166	23	2,168
Michigan	1,737	542	467	32	308	47	3,133
Minnesota	914	307	251	7	159	21	1,659
Mississippi	238	88	116	13	56	2	513
Missouri	734	322	284	16	149	10	1,515
Montana	90	33	34	2	19	2	180
Nebraska	115	60	38	3	25	1	242
Nevada	1,473	295	224	13	97	11	2,113
New Hampshire	242	81	71	2	36	6	438
New Jersey	2,343	697	597	21	305	47	4,010
New Mexico	216	96	99	8	38	5	462
New York	3,859	924	741	32	384	87	6,027
North Carolina	1,407	619	610	51	333	22	3,042
North Dakota	18	9	2	0	1	0	30
Ohio	1,354	623	578	30	313	31	2,929
Oklahoma	219	136	130	5	99	6	595
Oregon	664	208	178	7	94	11	1,162
Pennsylvania	1,496	545	482	29	304	25	2,881
Rhode Island	261	75	54	1	25	7	423
South Carolina	703	298	270	18	162	19	1,470
South Dakota	19	20	15	1	4	3	62
Tennessee	720	290	348	22	172	9	1,561
Texas	2,510	1,132	1,222	48	676	37	5,625
Utah	456	207	199	12	74	6	954
Vermont	55	23	19	7	11	1	116
Virginia	1,349	488	476	23	205	16	2,557
Washington	1,471	469	390	7	181	29	2,547
West Virginia	97	49	44	6	35	2	233
Wisconsin	628	272	238	20	127	29	1,314
Wyoming	28	14	13	0	13	0	68
Other	41	17	22	0	1	2	83

**Table 55. Changes in Monthly Principal and Interest Payments (Percentage)**  
 Modifications Implemented During the Fourth Quarter of 2011

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	58.9%	16.6%	14.8%	0.8%	7.9%	1.0%	116,153
Alabama	41.5%	22.9%	19.2%	3.2%	12.2%	1.0%	970
Alaska	37.8%	17.6%	27.0%	1.4%	16.2%	0.0%	74
Arizona	63.1%	15.1%	14.1%	0.5%	6.5%	0.6%	3,132
Arkansas	37.3%	25.6%	21.7%	1.1%	12.8%	1.4%	351
California	70.3%	12.5%	10.2%	0.7%	5.6%	0.7%	25,545
Colorado	52.5%	19.0%	18.2%	0.6%	8.7%	1.1%	1,605
Connecticut	58.2%	17.3%	14.7%	0.5%	7.7%	1.6%	1,512
Delaware	47.2%	21.4%	20.9%	0.7%	9.6%	0.2%	407
District of Columbia	57.5%	19.2%	14.0%	0.5%	7.9%	0.9%	214
Florida	68.2%	13.5%	10.5%	0.7%	5.8%	1.3%	11,922
Georgia	52.6%	18.5%	18.5%	1.2%	8.1%	1.1%	5,047
Hawaii	61.9%	17.1%	13.4%	0.6%	6.7%	0.3%	328
Idaho	50.0%	19.7%	17.6%	0.8%	11.1%	0.6%	476
Illinois	62.0%	15.5%	13.2%	0.5%	7.3%	1.4%	6,065
Indiana	41.9%	23.1%	21.3%	1.7%	11.0%	1.0%	1,714
Iowa	42.5%	21.7%	19.3%	0.4%	14.8%	1.3%	466
Kansas	45.5%	22.8%	19.8%	1.4%	9.8%	0.8%	501
Kentucky	41.9%	22.2%	22.9%	2.0%	10.4%	0.5%	756
Louisiana	44.9%	16.8%	23.1%	1.1%	13.8%	0.5%	1,032
Maine	56.0%	16.5%	16.2%	0.9%	9.6%	0.9%	334
Maryland	56.5%	17.1%	17.2%	0.9%	7.4%	1.0%	3,590
Massachusetts	59.7%	17.4%	13.6%	0.6%	7.7%	1.1%	2,168
Michigan	55.4%	17.3%	14.9%	1.0%	9.8%	1.5%	3,133
Minnesota	55.1%	18.5%	15.1%	0.4%	9.6%	1.3%	1,659
Mississippi	46.4%	17.2%	22.6%	2.5%	10.9%	0.4%	513
Missouri	48.4%	21.3%	18.7%	1.1%	9.8%	0.7%	1,515
Montana	50.0%	18.3%	18.9%	1.1%	10.6%	1.1%	180
Nebraska	47.5%	24.8%	15.7%	1.2%	10.3%	0.4%	242
Nevada	69.7%	14.0%	10.6%	0.6%	4.6%	0.5%	2,113
New Hampshire	55.3%	18.5%	16.2%	0.5%	8.2%	1.4%	438
New Jersey	58.4%	17.4%	14.9%	0.5%	7.6%	1.2%	4,010
New Mexico	46.8%	20.8%	21.4%	1.7%	8.2%	1.1%	462
New York	64.0%	15.3%	12.3%	0.5%	6.4%	1.4%	6,027
North Carolina	46.3%	20.3%	20.1%	1.7%	10.9%	0.7%	3,042
North Dakota	60.0%	30.0%	6.7%	0.0%	3.3%	0.0%	30
Ohio	46.2%	21.3%	19.7%	1.0%	10.7%	1.1%	2,929
Oklahoma	36.8%	22.9%	21.8%	0.8%	16.6%	1.0%	595
Oregon	57.1%	17.9%	15.3%	0.6%	8.1%	0.9%	1,162
Pennsylvania	51.9%	18.9%	16.7%	1.0%	10.6%	0.9%	2,881
Rhode Island	61.7%	17.7%	12.8%	0.2%	5.9%	1.7%	423
South Carolina	47.8%	20.3%	18.4%	1.2%	11.0%	1.3%	1,470
South Dakota	30.6%	32.3%	24.2%	1.6%	6.5%	4.8%	62
Tennessee	46.1%	18.6%	22.3%	1.4%	11.0%	0.6%	1,561
Texas	44.6%	20.1%	21.7%	0.9%	12.0%	0.7%	5,625
Utah	47.8%	21.7%	20.9%	1.3%	7.8%	0.6%	954
Vermont	47.4%	19.8%	16.4%	6.0%	9.5%	0.9%	116
Virginia	52.8%	19.1%	18.6%	0.9%	8.0%	0.6%	2,557
Washington	57.8%	18.4%	15.3%	0.3%	7.1%	1.1%	2,547
West Virginia	41.6%	21.0%	18.9%	2.6%	15.0%	0.9%	233
Wisconsin	47.8%	20.7%	18.1%	1.5%	9.7%	2.2%	1,314
Wyoming	41.2%	20.6%	19.1%	0.0%	19.1%	0.0%	68
Other	49.4%	20.5%	26.5%	0.0%	1.2%	2.4%	83

<b>Table 56. Number of Re-Defaults for Loans Modified in the Second Quarter of 2011</b> (60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments)							
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	7,800	4,675	6,789	390	4,413	113	24,180
Alabama	73	78	102	16	64	2	335
Alaska	1	5	3	0	5	0	14
Arizona	248	135	209	11	110	3	716
Arkansas	22	28	49	2	28	2	131
California	1,394	540	610	71	440	16	3,071
Colorado	65	69	106	6	59	1	306
Connecticut	80	45	78	4	47	1	255
Delaware	40	24	44	3	23	0	134
District of Columbia	16	3	16	1	7	1	44
Florida	860	368	474	34	321	14	2,071
Georgia	369	316	474	18	342	9	1,528
Hawaii	27	17	9	0	5	0	58
Idaho	37	21	30	0	13	0	101
Illinois	437	218	346	17	232	6	1,256
Indiana	98	121	140	10	84	6	459
Iowa	28	24	39	3	30	0	124
Kansas	30	30	32	1	24	2	119
Kentucky	47	44	71	2	52	2	218
Louisiana	86	58	95	4	60	0	303
Maine	29	11	20	4	10	0	74
Maryland	224	140	234	7	155	3	763
Massachusetts	149	86	110	2	53	1	401
Michigan	220	160	239	8	126	2	755
Minnesota	111	58	88	3	68	3	331
Mississippi	49	43	70	6	40	0	208
Missouri	103	102	133	6	56	1	401
Montana	10	5	17	1	2	0	35
Nebraska	23	22	23	2	11	3	84
Nevada	188	67	99	5	62	1	422
New Hampshire	25	14	17	0	11	1	68
New Jersey	319	150	198	11	191	4	873
New Mexico	29	23	33	0	20	1	106
New York	359	175	219	19	151	7	930
North Carolina	212	160	292	22	195	2	883
North Dakota	0	3	0	0	1	0	4
Ohio	198	150	238	11	165	4	766
Oklahoma	45	50	51	2	39	1	188
Oregon	73	45	61	2	29	2	212
Pennsylvania	237	156	214	11	145	3	766
Rhode Island	42	15	27	0	21	0	105
South Carolina	102	77	132	7	84	0	402
South Dakota	7	7	6	0	5	0	25
Tennessee	110	94	152	7	90	2	455
Texas	474	407	686	25	416	3	2,011
Utah	53	39	89	1	48	0	230
Vermont	6	7	5	0	3	0	21
Virginia	157	99	171	15	117	2	561
Washington	162	92	126	5	79	2	466
West Virginia	16	6	23	0	11	0	56
Wisconsin	104	56	80	4	58	0	302
Wyoming	5	3	6	1	5	0	20
Other	1	9	3	0	0	0	13

**Table 57. Re-Default Rates for Loans Modified in the Second Quarter of 2011 (Percentage)**  
 (60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments)

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	9.8%	18.3%	24.8%	13.9%	34.3%	17.5%	16.2%
Alabama	14.3%	23.2%	27.9%	32.0%	38.6%	25.0%	23.4%
Alaska	4.8%	21.7%	10.0%	0.0%	55.6%	0.0%	16.7%
Arizona	9.2%	17.2%	26.7%	16.4%	33.5%	11.5%	15.3%
Arkansas	10.7%	21.7%	40.5%	20.0%	42.4%	100.0%	24.6%
California	6.5%	12.8%	14.5%	9.1%	24.1%	11.7%	9.5%
Colorado	7.3%	15.5%	21.6%	9.7%	28.9%	9.1%	14.5%
Connecticut	8.9%	15.7%	23.6%	9.8%	30.1%	14.3%	14.9%
Delaware	17.2%	21.4%	30.6%	13.6%	39.7%	0.0%	23.6%
District of Columbia	10.5%	7.3%	27.1%	9.1%	43.8%	50.0%	15.7%
Florida	9.4%	17.9%	23.0%	12.9%	30.8%	19.2%	14.1%
Georgia	11.2%	20.4%	29.8%	20.7%	43.5%	24.3%	20.8%
Hawaii	8.9%	20.5%	14.8%	0.0%	19.2%	0.0%	12.1%
Idaho	13.3%	19.8%	23.8%	0.0%	23.2%	0.0%	17.3%
Illinois	10.5%	20.5%	27.5%	12.6%	36.4%	17.6%	17.2%
Indiana	12.5%	23.0%	26.3%	25.0%	34.9%	66.7%	21.5%
Iowa	12.6%	18.0%	26.5%	21.4%	32.6%	0.0%	20.3%
Kansas	13.1%	22.7%	22.1%	12.5%	32.0%	40.0%	20.0%
Kentucky	13.4%	22.3%	27.3%	7.1%	46.0%	66.7%	22.9%
Louisiana	16.0%	20.1%	29.3%	20.0%	34.7%	0.0%	22.6%
Maine	15.5%	14.1%	25.6%	66.7%	25.0%	0.0%	19.0%
Maryland	10.1%	17.8%	25.7%	13.2%	36.4%	9.1%	17.2%
Massachusetts	9.1%	19.6%	24.9%	4.3%	31.4%	9.1%	14.7%
Michigan	10.3%	20.5%	28.9%	8.7%	32.4%	14.3%	17.8%
Minnesota	9.4%	15.3%	24.2%	14.3%	38.4%	27.3%	15.5%
Mississippi	17.4%	26.7%	36.6%	31.6%	45.5%	0.0%	28.0%
Missouri	12.0%	22.2%	31.0%	17.1%	37.3%	16.7%	20.7%
Montana	9.4%	13.2%	29.8%	25.0%	9.5%	0.0%	15.5%
Nebraska	16.1%	24.7%	31.1%	22.2%	37.9%	100.0%	24.2%
Nevada	9.5%	17.4%	22.3%	15.6%	35.0%	6.7%	13.9%
New Hampshire	8.4%	14.4%	19.8%	0.0%	32.4%	33.3%	13.0%
New Jersey	11.3%	20.0%	23.4%	17.7%	35.6%	26.7%	17.3%
New Mexico	10.2%	15.9%	23.2%	0.0%	32.3%	100.0%	16.6%
New York	9.1%	17.8%	21.7%	17.1%	32.9%	25.9%	14.2%
North Carolina	13.6%	19.2%	28.4%	23.4%	40.5%	20.0%	22.0%
North Dakota	0.0%	23.1%	0.0%	0.0%	25.0%	0.0%	9.8%
Ohio	12.7%	17.7%	26.6%	17.2%	33.1%	30.8%	19.7%
Oklahoma	18.4%	24.3%	28.5%	25.0%	39.0%	14.3%	25.2%
Oregon	8.3%	17.3%	22.7%	6.5%	29.3%	28.6%	13.8%
Pennsylvania	13.9%	22.3%	26.8%	19.0%	36.3%	14.3%	20.8%
Rhode Island	11.4%	16.5%	31.8%	0.0%	38.9%	0.0%	17.4%
South Carolina	13.0%	23.4%	29.1%	23.3%	37.5%	0.0%	22.1%
South Dakota	16.3%	41.2%	23.1%	0.0%	27.8%	0.0%	23.8%
Tennessee	13.3%	23.0%	29.9%	17.1%	40.2%	14.3%	22.5%
Texas	16.4%	21.4%	33.0%	21.7%	42.8%	15.0%	25.2%
Utah	8.3%	16.1%	27.5%	4.5%	29.6%	0.0%	16.5%
Vermont	8.3%	35.0%	20.0%	0.0%	33.3%	0.0%	16.3%
Virginia	9.8%	15.6%	24.6%	26.3%	36.6%	10.0%	16.9%
Washington	10.6%	17.9%	19.5%	7.0%	33.6%	14.3%	15.5%
West Virginia	11.8%	11.3%	27.7%	0.0%	28.9%	0.0%	17.8%
Wisconsin	13.6%	20.7%	26.2%	11.8%	33.0%	0.0%	19.4%
Wyoming	12.2%	13.0%	30.0%	50.0%	41.7%	0.0%	20.4%
Other	2.1%	26.5%	9.7%	0.0%	0.0%	0.0%	11.0%



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