

# OCC Mortgage Metrics Report

Disclosure of National Bank and Federal Savings  
Association Mortgage Loan Data

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Fourth Quarter 2012

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## ***Executive Summary***

This *OCC Mortgage Metrics Report* for the fourth quarter of 2012 provides performance data on first-lien residential mortgages serviced by selected national and federal savings banks. The mortgages in this portfolio comprise 57 percent of all mortgages outstanding in the United States—29.0 million loans totaling \$4.9 trillion in principal balances. This report provides information on their performance through December 31, 2012.

At the end of 2012, 89.4 percent of mortgages serviced by the reporting servicers were current and performing, compared with 88.6 percent at the end of the third quarter of 2012 and 88.0 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due was 2.9 percent, down 8.2 percent from the previous quarter and 6.1 percent from a year ago. The percentage of mortgages that were seriously delinquent—60 or more days past due or held by bankrupt borrowers whose payments were 30 or more days past due—remained at 4.4 percent, for the third consecutive quarter. The percentage of mortgages that were seriously delinquent is down 11.6 percent from a year earlier. Strengthening economic conditions, servicing transfers, and the ongoing effects of home retention efforts and home forfeiture actions contributed to the improvement in seriously delinquent mortgages compared with last year.

The number of loans in the process of foreclosure at the end of 2012 fell below one million for the first time since the end of June 2009. The number of loans in the process of foreclosure fell by 190,822 mortgages to 967,467—a 16.5 percent decrease from the previous quarter. The decline in loans in process of foreclosure is attributable to the declining number of significantly delinquent mortgages and reduction in the number of newly initiated foreclosures.

In the fourth quarter of 2012, servicers initiated 156,773 new foreclosures—the lowest number of new foreclosures since the OCC began reporting mortgage performance in the first quarter of 2008. A variety of factors contributed to the significant decline in newly initiated foreclosures, including improved economic conditions, and aggressive foreclosure prevention assistance during 2012, disaster relief efforts that included suspending foreclosures in areas affected by Superstorm Sandy, and transfer of loans to servicers outside the federal banking system. The number of completed foreclosures fell to 105,875, a 7.7 percent decrease from the previous quarter.

Servicers implemented 367,169 home retention actions—including modifications, trial-period plans, and shorter term payment plans—compared with 169,064 home forfeiture actions during the quarter—completed foreclosures, short sales, and deed-in-lieu-of-foreclosure actions. The number of home retention actions implemented by servicers decreased by 4.1 percent from the previous quarter and 20.2 percent from a year earlier. More than 93 percent of modifications in the fourth quarter reduced monthly principal and interest payments; 58.9 percent of modifications reduced payments by 20 percent or more. Modifications reduced payments by \$389 per month on average, while modifications made under the Home Affordable Modification Program (HAMP) reduced monthly payments by an average of \$558.

## ***Mortgage Performance***

- The overall percentage of mortgages in this report that were current and performing increased to 89.4 percent at the end of the fourth quarter of 2012 (see table 7).

- The percentage of mortgages that were 30 to 59 days delinquent at the end of the fourth quarter decreased by 8.2 percent from the previous quarter and 6.1 percent from a year earlier (see table 7).
- The percentage of mortgages that were seriously delinquent at the end of the quarter was 4.4 percent for the third consecutive quarter. The percentage of mortgages that were seriously delinquent decreased 11.6 percent from a year earlier (see table 7).
- Mortgages serviced for Fannie Mae and Freddie Mac (government-sponsored enterprises or GSE) made up 57.9 percent of the mortgages in this report. The percentage of these mortgages that were current and performing was 94 percent (see table 10). The percentage of GSE mortgages that were current and performing improved from the previous quarter and from a year earlier.
- The percentage of government-guaranteed mortgages that were current and performing increased to 84.7 percent compared with 84.2 percent a year earlier (see table 9). Government-guaranteed mortgages compose 23.7 percent of the total serviced portfolio. However, the percentage of government-guaranteed mortgages that were seriously delinquent increased during the fourth quarter to 7.1 percent (see table 9).

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

- Servicers implemented 367,169 home retention actions—modifications, trial-period plans, and payment plans—during the fourth quarter of 2012 (see table 1). Home retention actions were more than twice the number of completed foreclosures, short sales, and deed-in-lieu-of-foreclosure actions in the quarter (see table 5).
- New home retention actions included 143,408 modifications, 121,268 trial-period plans, and 102,493 payment plans. HAMP modifications decreased 8.4 percent from the previous quarter to 29,084 and are down 31.2 percent from the same period a year earlier. Other modifications increased to 114,324—an increase of 9.3 percent from the previous quarter and 54.8 percent from a year earlier. HAMP trial-period plans increased by 13.0 percent from the previous quarter to 24,831, but are down 9.1 percent from the previous year. Other trial-period plans decreased 11.9 percent from the previous quarter and 47.3 percent from a year earlier.

<b>Table 1. Number of New Home Retention Actions</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Other Modifications	73,875	64,701	67,950	104,576	114,324	9.3%	54.8%
HAMP Modifications	42,275	37,456	28,672	31,740	29,084	-8.4%	-31.2%
Other Trial-Period Plans	182,856	102,486	178,528	109,435	96,437	-11.9%	-47.3%
HAMP Trial-Period Plans	27,323	26,530	25,444	21,968	24,831	13.0%	-9.1%
Payment Plans	133,881	121,815	119,850	115,180	102,493	-11.0%	-23.4%
Total	460,210	352,988	420,444	382,899	367,169	-4.1%	-20.2%

- Servicers reduced interest rates in 73.2 percent of all modifications made during the fourth quarter of 2012. Term extensions were used in 58.8 percent of modifications, and principal deferrals in 20.5 percent. Modifications with principal reductions increased to 20.0 percent (see table 17). Among HAMP modifications, servicers reduced interest rates in 81.0 percent

of those modifications, deferred principal in 29.2 percent, and reduced principal in 24.9 percent (see table 18).

- Servicers have reduced monthly principal and interest payments in 93.4 percent of modifications made in the quarter (see table 22). Servicers reduced monthly payments by an average of 25.9 percent for all borrowers who qualified for modifications. HAMP modifications reduced payments by an average of 35.4 percent (see table 24).

**Modified Loan Performance**

- Servicers modified 2,878,228 mortgages from the beginning of 2008 through the end of the third quarter of 2012. At the end of the fourth quarter of 2012, 47.7 percent of these modifications were current or paid off. Another 7.1 percent were 30 to 59 days delinquent, and 14.2 percent were seriously delinquent. Another 7.7 percent were in the process of foreclosure, and 7.3 percent had completed the foreclosure process (see table 2).

<b>Table 2. Status of Mortgages Modified in 2008–3Q 2012</b>								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	445,354	22.6%	4.9%	12.8%	9.5%	15.7%	3.8%	30.7%
2009	594,350	34.3%	6.2%	15.2%	9.5%	11.0%	2.9%	20.9%
2010	939,364	46.9%	7.2%	14.2%	8.1%	6.4%	1.7%	15.5%
2011	564,065	57.0%	8.1%	15.8%	7.0%	2.4%	1.0%	8.7%
2012	335,095	74.3%	9.3%	11.6%	2.1%	0.2%	0.3%	2.2%
Total	2,878,228	45.7%	7.1%	14.2%	7.7%	7.3%	2.0%	16.1%
<b>HAMP Modification Performance Compared With Other Modifications**</b>								
Other Modifications	1,431,669	49.7%	8.3%	16.7%	7.8%	5.8%	1.7%	9.9%
HAMP Modifications	663,619	60.8%	6.4%	9.4%	4.9%	2.8%	0.9%	14.8%
<b>Modifications That Reduced Payments by 10 Percent or More</b>								
	1,763,586	53.4%	7.1%	12.3%	6.2%	4.8%	1.4%	14.7%
<b>Modifications That Reduced Payments by Less Than 10 Percent</b>								
	1,114,642	33.5%	6.9%	17.1%	10.0%	11.2%	3.0%	18.3%

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

\*\*Modifications used to compare with HAMP modifications include only modifications implemented from the third quarter of 2009 through the third quarter of 2012.

- HAMP modifications have performed better than other modifications. Of the 663,619 HAMP modifications implemented since the third quarter of 2009, 61.7 percent were current or paid off at the end of 2012, compared with 51.4 percent of other modifications (see table 2). HAMP modifications perform better because of the emphasis on reduced monthly payments, affordability relative to borrower income, required income verification, and successful completion of a required trial period. While HAMP modifications generally result in a larger reduction in the borrower’s monthly payment and perform better over time, more restrictive qualification criteria restrict the number of borrowers who may qualify for a HAMP modification.

- Modifications that reduced monthly payments by 10 percent or more performed better than those that reduced payments by less than 10 percent. At the end of the fourth quarter of 2012, 54.8 percent of modifications that reduced payments by 10 percent or more were current or paid off, compared with 36.5 percent of those that reduced payments by less than 10 percent (see table 2).
- Modifications on mortgages owned by the servicers and those serviced for the GSEs performed better than other modifications. Of the modifications implemented from January 1, 2008, through December 31, 2011, that were in effect at least one year, 22.3 percent of modifications on mortgages held in the servicers' own portfolios, 24.9 percent of Fannie Mae mortgages, and 24.7 percent of Freddie Mac mortgages were 60 or more days delinquent after 12 months. Conversely, 47.3 percent of government-guaranteed mortgages and 42.2 percent of private investor-held loans were 60 or more days delinquent after 12 months. This variance reflects differences in the loans and modification programs as well as the servicers' flexibility when modifying mortgages they owned (see table 3).

<b>Table 3. Re-Default Rates for Portfolio Loans and Loans Serviced for Others</b> (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	10.9%	17.3%	21.8%	24.9%
Freddie Mac	11.4%	17.4%	21.7%	24.7%
Government-Guaranteed	16.2%	33.1%	42.6%	47.3%
Private	22.0%	31.7%	38.0%	42.2%
Portfolio Loans	7.3%	14.1%	19.2%	22.3%
Overall	14.6%	24.0%	30.1%	33.9%

\*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 37.9 percent from the previous quarter and 46.3 percent from a year earlier. The number of foreclosures in process decreased 16.5 percent from the previous quarter and 23.4 percent from a year earlier (see table 4). Factors contributing to the decline include improved economic conditions, and foreclosure prevention assistance during 2012, disaster relief efforts that suspended foreclosures in areas affected by Superstorm Sandy, and transfer of loans outside the federal banking system.

<b>Table 4. New Foreclosures and Foreclosures in Process</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Newly Initiated Foreclosures	292,173	286,951	302,636	252,604	156,773	-37.9%	-46.3%
Foreclosures in Process	1,262,294	1,269,921	1,237,025	1,158,289	967,467	-16.5%	-23.4%

- Home forfeiture actions totaled 169,064 at the end of the quarter, a decrease of 6.2 percent from the previous quarter and 7.3 percent from a year earlier. Completed foreclosures decreased by 7.7 percent from the previous quarter and 8.9 percent from a year earlier. Short sales decreased by 3.3 percent from the previous quarter and 2.4 percent from a year earlier. Short sales composed 36.5 percent of home forfeiture actions (see table 5).

<b>Table 5. Completed Foreclosures and Other Home Forfeiture Actions</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Completed Foreclosures	116,159	122,979	101,735	114,742	105,875	-7.7%	-8.9%
New Short Sales	63,257	59,996	63,403	63,860	61,761	-3.3%	-2.4%
New Deed-in-Lieu-of-Foreclosure Actions	2,939	2,806	2,336	1,707	1,428	-16.3%	-51.4%
Total	182,355	185,781	167,474	180,309	169,064	-6.2%	-7.3%



## **About Mortgage Metrics**

The *OCC Mortgage Metrics Report* presents data on first-lien residential mortgages serviced by eight national banks and a federal savings association with the largest mortgage-servicing portfolios.<sup>1</sup> The data represent 57 percent of all first-lien residential mortgages outstanding in the country and focus on credit performance, loss mitigation efforts, and foreclosures. Almost 92 percent of the mortgages in the portfolio were serviced for investors other than the reporting institutions. At the end of December 2012, the reporting institutions serviced 29.0 million first-lien mortgage loans, totaling \$4.9 trillion in unpaid balances (see table 6).

The loans reflected in this report represent a large percentage of the overall mortgage industry, but 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 federal savings association 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 reports. Data sets of this size and scope inevitably incur some degree of missing or inconsistent data and other imperfections. 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 of 2010 (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 10 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 foreclosure process. 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 has not been made by the due date of the following scheduled payment. 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., 12/31/12), 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**

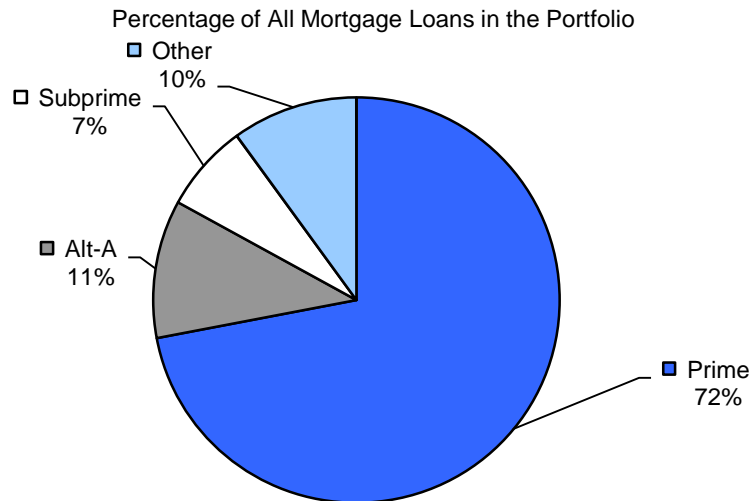
Part I describes the performance of the overall mortgage portfolio, mortgages owned and held by the reporting banks and savings association, government-guaranteed mortgages, mortgages serviced for the GSEs, and mortgages within each risk category.

**Overall Mortgage Portfolio**

At the end of the fourth quarter of 2012, the overall mortgage portfolio included 29.0 million loans with \$4.9 trillion in unpaid principal balances. The number of mortgages serviced by the reporting servicers has decreased by 7.7 percent from a year ago. The unpaid balance of those loans has decreased by 9.3 percent. The composition of serviced mortgages was stable from previous quarters. Prime loans were 72 percent of the servicing portfolio at the end of the quarter. Subprime loans were 7 percent, and Alt-A loans were 11 percent of the portfolio. Other loans were 10 percent of the portfolio at the end of the quarter.

<b>Table 6. Overall Mortgage Portfolio</b>					
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12
Total Servicing (Millions)	\$5,415,566	\$5,332,795	\$5,222,349	\$5,083,746	\$4,910,150
Total Servicing (Number of Loans)	31,381,140	31,026,381	30,494,357	29,818,751	28,979,134
<b>Composition (Percentage of All Mortgages in the Portfolio)</b>					
Prime	71%	71%	72%	72%	72%
Alt-A	11%	11%	11%	11%	11%
Subprime	7%	7%	7%	7%	7%
Other	11%	11%	10%	10%	10%
<b>Composition (Number of Loans in Each Risk Category of the Portfolio)</b>					
Prime	22,311,549	22,142,982	21,878,183	21,510,869	20,990,451
Alt-A	3,388,098	3,359,124	3,306,092	3,228,111	3,114,517
Subprime	2,307,692	2,260,455	2,182,847	2,083,906	1,991,912
Other	3,373,801	3,263,820	3,127,235	2,995,865	2,882,254

**Figure 1. Portfolio Composition**

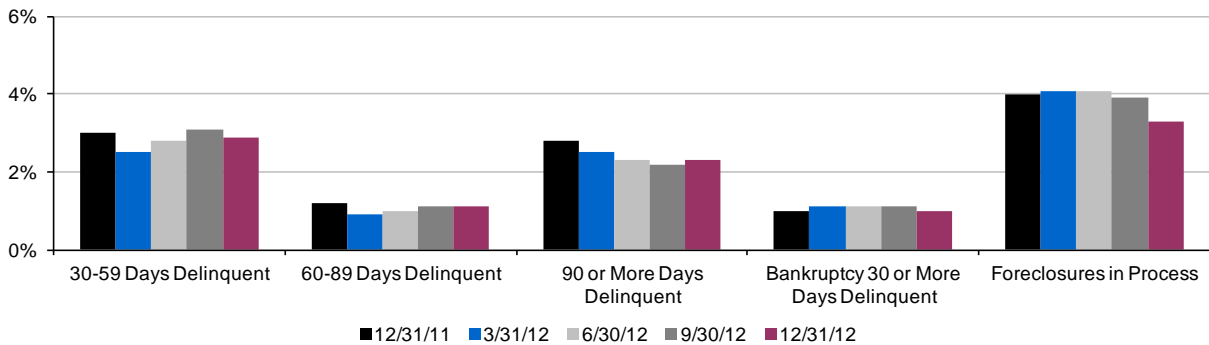


### Overall Mortgage Performance

The overall performance of mortgages included in this report improved from last quarter and from a year earlier. The percentage of mortgages that were current and performing at the end of the quarter was 89.4 percent, compared with 88.6 percent in the previous quarter and 88.0 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due was 2.9 percent, a decrease of 8.2 percent from the previous quarter and 6.1 percent from a year earlier. The percentage of mortgages that were seriously delinquent at quarter end was 4.4 percent, a decrease of 11.6 percent from a year earlier. The percentage of mortgages in the foreclosure process at the end of the quarter was 3.3 percent of the portfolio, a decrease of 14.1 percent from the previous quarter and 17.0 percent from the previous year.

<b>Table 7. Overall Portfolio Performance</b>							
(Percentage of Mortgages in the Portfolio)							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Current and Performing	88.0%	88.9%	88.7%	88.6%	89.4%	0.8%	1.6%
30–59 Days Delinquent	3.0%	2.5%	2.8%	3.1%	2.9%	-8.2%	-6.1%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	1.2%	0.9%	1.0%	1.1%	1.1%	0.2%	-9.6%
90 or More Days Delinquent	2.8%	2.5%	2.3%	2.2%	2.3%	3.2%	-17.1%
Bankruptcy 30 or More Days Delinquent	1.0%	1.1%	1.1%	1.1%	1.0%	-2.2%	0.6%
<b>Subtotal for Seriously Delinquent</b>	<b>5.0%</b>	<b>4.5%</b>	<b>4.4%</b>	<b>4.4%</b>	<b>4.4%</b>	<b>1.1%</b>	<b>-11.6%</b>
Foreclosures in Process	4.0%	4.1%	4.1%	3.9%	3.3%	-14.1%	-17.0%
(Number of Mortgages in the Portfolio)							
Current and Performing	27,600,497	27,589,940	27,046,778	26,434,199	25,907,686	-2.0%	-6.1%
30–59 Days Delinquent	952,719	779,022	858,330	926,296	826,415	-10.8%	-13.3%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	371,164	291,663	307,759	318,254	309,776	-2.7%	-16.5%
90 or More Days Delinquent	867,508	760,736	708,741	662,207	664,007	0.3%	-23.5%
Bankruptcy 30 or More Days Delinquent	326,958	335,099	335,724	319,506	303,783	-4.9%	-7.1%
<b>Subtotal for Seriously Delinquent</b>	<b>1,565,630</b>	<b>1,387,498</b>	<b>1,352,224</b>	<b>1,299,967</b>	<b>1,277,566</b>	<b>-1.7%</b>	<b>-18.4%</b>
Foreclosures in Process	1,262,294	1,269,921	1,237,025	1,158,289	967,467	-16.5%	-23.4%
<b>Total</b>	<b>31,381,140</b>	<b>31,026,381</b>	<b>30,494,357</b>	<b>29,818,751</b>	<b>28,979,134</b>	<b>-2.8%</b>	<b>-7.7%</b>

Figure 2. Overall Portfolio Performance



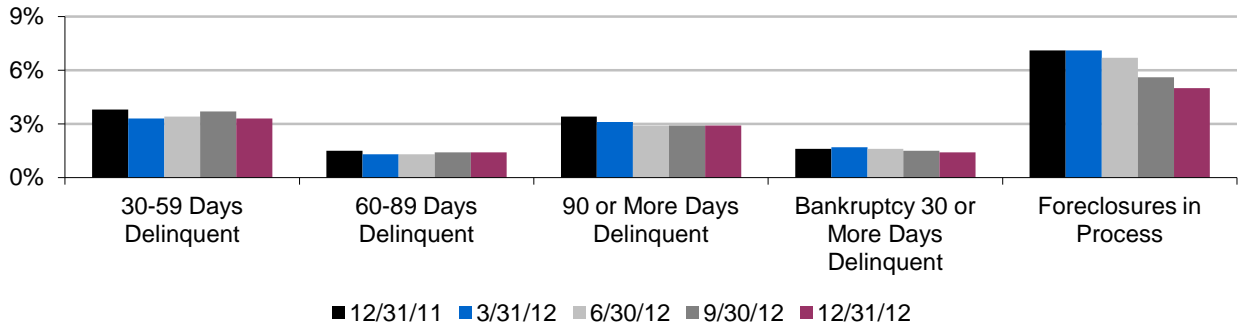
### Performance of Mortgages Held by Reporting Banks and Thrift

The nine reporting institutions held 8.3 percent of the 29.0 million mortgages included in this report in their own portfolios at the end of the quarter. This does not include government-guaranteed mortgages held by these institutions. The remaining mortgages were serviced for other entities. The percentage of these mortgages that were current at the end of the quarter was 85.9 percent, an increase from 82.6 percent a year earlier. The percentage of these mortgages that were 30 to 59 days delinquent at the end of the quarter was 3.3 percent, a decrease of 9.3 percent from the previous quarter and 12.1 percent from a year earlier. The percentage of these mortgages that were seriously delinquent at quarter end was 5.7 percent, a decrease of 1.3 percent from the previous quarter and 12.1 percent from a year earlier. The percentage of these mortgages in the process of foreclosure was 5.0 percent, a decrease of 10.7 percent from the previous quarter and 29.4 percent from a year earlier. Since the first quarter of 2009, mortgages held in the servicers' portfolios have performed worse than mortgages serviced for GSEs because of concentrations in nontraditional loans and weaker geographic markets and, more recently, delinquent loans repurchased from investors.

<b>Table 8. Performance of Mortgages Held by Reporting Banks and Thrift (Percentage)*</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Current and Performing	82.6%	83.5%	84.0%	84.9%	85.9%	1.2%	4.0%
30–59 Days Delinquent	3.8%	3.3%	3.4%	3.7%	3.3%	-9.3%	-12.1%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	1.5%	1.3%	1.3%	1.4%	1.4%	-2.4%	-8.1%
90 or More Days Delinquent	3.4%	3.1%	2.9%	2.9%	2.9%	-0.1%	-14.0%
Bankruptcy 30 or More Days Delinquent	1.6%	1.7%	1.6%	1.5%	1.4%	-2.7%	-11.9%
<b>Subtotal for Seriously Delinquent</b>	<b>6.5%</b>	<b>6.0%</b>	<b>5.9%</b>	<b>5.8%</b>	<b>5.7%</b>	<b>-1.3%</b>	<b>-12.1%</b>
Foreclosures in Process	7.1%	7.1%	6.7%	5.6%	5.0%	-10.7%	-29.4%
<b>Performance of Mortgages Held by Reporting Banks and Thrift (Number)</b>							
Current and Performing	1,971,555	1,938,500	2,008,711	2,032,227	2,071,640	1.9%	5.1%
30–59 Days Delinquent	90,346	76,967	82,270	87,753	80,196	-8.6%	-11.2%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	35,636	29,561	30,957	33,654	33,072	-1.7%	-7.2%
90 or More Days Delinquent	80,609	71,355	70,144	69,591	70,030	0.6%	-13.1%
Bankruptcy 30 or More Days Delinquent	39,148	39,150	38,968	35,560	34,854	-2.0%	-11.0%
<b>Subtotal for Seriously Delinquent</b>	<b>155,393</b>	<b>140,066</b>	<b>140,069</b>	<b>138,805</b>	<b>137,956</b>	<b>-0.6%</b>	<b>-11.2%</b>
Foreclosures in Process	169,064	165,679	160,595	134,051	120,600	-10.0%	-28.7%
Total	2,386,358	2,321,212	2,391,645	2,392,836	2,410,392	0.7%	1.0%

\*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**



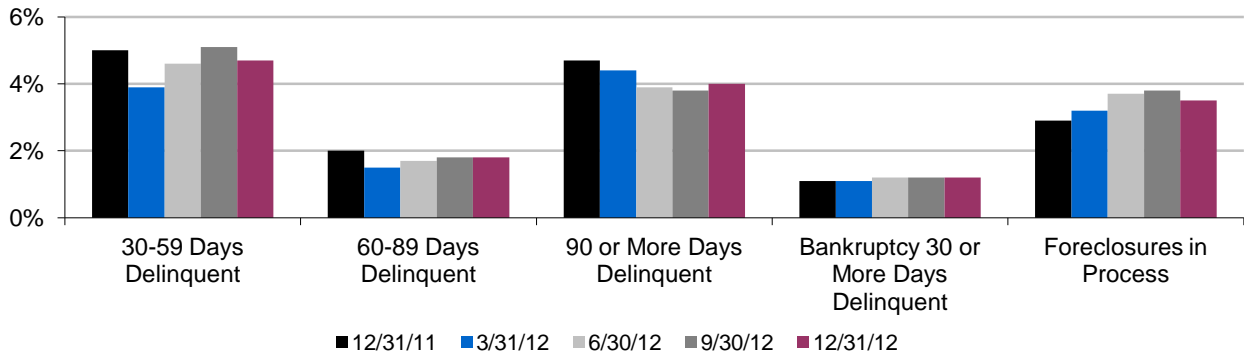
**Performance of Government-Guaranteed Mortgages**

Government-guaranteed mortgages were 23.7 percent of the mortgages in this report at the end of 2012, compared with 21.8 percent a year earlier. The percentage of government-guaranteed mortgages that were current and performing at the end of 2012 was 84.7 percent, up from 84.3 percent at the end of the previous quarter and 84.2 percent a year earlier. The percentage of loans that were 30 to 59 days delinquent was 4.7 percent at the end of the quarter, a decrease of 6.8 percent from the previous quarter and 6.3 percent from a year earlier. The percentage of these loans that were seriously delinquent was 7.1 percent at the end of the quarter, a 3.8 percent increase from the previous quarter but a 9.6 percent decrease from a year earlier. The percentage of government-guaranteed loans in the process of foreclosure at the end of the quarter was 3.5 percent, a decrease of 7.6 percent from the previous quarter but an increase of 18.9 percent from a year earlier. More than 78 percent of these loans were FHA loans, 15 percent were VA loans, and 6 percent were other government-guaranteed mortgages. Almost 86 percent of the government-guaranteed mortgages were in pools of loans backing Ginnie Mae securities.

<b>Table 9. Performance of Government-Guaranteed Mortgages (Percentage)</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Current and Performing	84.2%	85.9%	84.9%	84.3%	84.7%	0.4%	0.6%
30–59 Days Delinquent	5.0%	3.9%	4.6%	5.1%	4.7%	-6.8%	-6.3%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	2.0%	1.5%	1.7%	1.8%	1.8%	0.6%	-11.4%
90 or More Days Delinquent	4.7%	4.4%	3.9%	3.8%	4.0%	6.4%	-13.9%
Bankruptcy 30 or More Days Delinquent	1.1%	1.1%	1.2%	1.2%	1.2%	0.4%	12.3%
<b>Subtotal for Seriously Delinquent</b>	<b>7.8%</b>	<b>7.0%</b>	<b>6.8%</b>	<b>6.8%</b>	<b>7.1%</b>	<b>3.8%</b>	<b>-9.6%</b>
Foreclosures in Process	2.9%	3.2%	3.7%	3.8%	3.5%	-7.6%	18.9%
<b>Performance of Government-Guaranteed Mortgages (Number)</b>							
Current and Performing	5,766,800	5,940,585	5,938,802	5,907,788	5,820,605	-1.5%	0.9%
30–59 Days Delinquent	345,295	270,710	320,119	354,898	324,524	-8.6%	-6.0%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	139,849	101,989	116,506	126,005	124,342	-1.3%	-11.1%
90 or More Days Delinquent	321,608	304,492	274,075	266,172	277,684	4.3%	-13.7%
Bankruptcy 30 or More Days Delinquent	75,869	79,266	84,502	86,793	85,500	-1.5%	12.7%
<b>Subtotal for Seriously Delinquent</b>	<b>537,326</b>	<b>485,747</b>	<b>475,083</b>	<b>478,970</b>	<b>487,526</b>	<b>1.8%</b>	<b>-9.3%</b>
Foreclosures in Process	201,460	222,648	259,880	265,324	240,345	-9.4%	19.3%
<b>Total</b>	<b>6,850,881</b>	<b>6,919,690</b>	<b>6,993,884</b>	<b>7,006,980</b>	<b>6,873,000</b>	<b>-1.9%</b>	<b>0.3%</b>



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

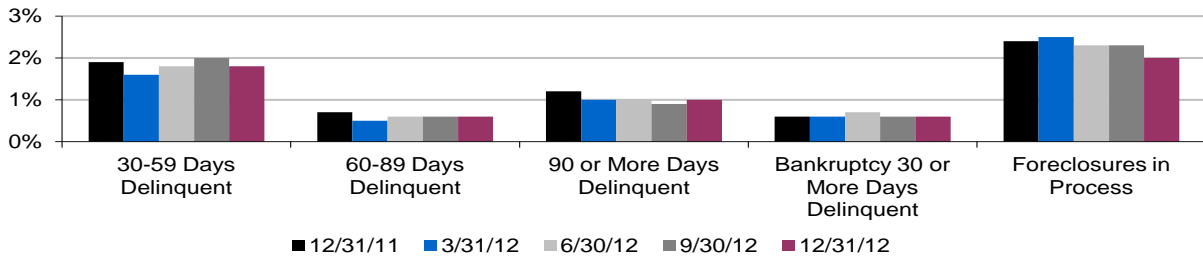


**Performance of GSE Mortgages**

GSE mortgages made up 57.9 percent of the mortgages in this report, down from 59.1 percent a year ago. GSE mortgages perform better than the overall portfolio because they contain more prime loans. The percentage of GSE mortgages that were current at the end of 2012 was 94.0 percent. The percentage of GSE mortgages that were 30 to 59 days delinquent was 1.8 percent, a decrease of 10.3 percent from the previous quarter and 8.8 percent from a year earlier. The percentage of GSE mortgages that were seriously delinquent was 2.2 percent, an increase of 3.8 percent from the previous quarter but a decrease of 12.9 percent from a year earlier. The percentage of these loans in the foreclosure process was 2.0 percent, a decrease of 12.6 percent from the previous quarter and 16.4 percent from a year earlier. Of the GSE mortgages, 59 percent were serviced for Fannie Mae and 41 percent for Freddie Mac.

<b>Table 10. Performance of GSE Mortgages (Percentage)</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Current and Performing	93.1%	93.7%	93.7%	93.6%	94.0%	0.4%	1.0%
30–59 Days Delinquent	1.9%	1.6%	1.8%	2.0%	1.8%	-10.3%	-8.8%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	0.7%	0.5%	0.6%	0.6%	0.6%	3.1%	-11.3%
90 or More Days Delinquent	1.2%	1.0%	1.0%	0.9%	1.0%	10.4%	-17.6%
Bankruptcy 30 or More Days Delinquent	0.6%	0.6%	0.7%	0.6%	0.6%	-5.1%	-5.4%
<b>Subtotal for Seriously Delinquent</b>	<b>2.5%</b>	<b>2.2%</b>	<b>2.2%</b>	<b>2.1%</b>	<b>2.2%</b>	<b>3.8%</b>	<b>-12.9%</b>
Foreclosures in Process	2.4%	2.5%	2.3%	2.3%	2.0%	-12.6%	-16.4%
<b>Performance of GSE Mortgages (Number)</b>							
Current and Performing	17,265,388	17,153,725	16,672,691	16,201,644	15,780,823	-2.6%	-8.6%
30–59 Days Delinquent	357,477	296,501	315,274	339,212	295,214	-13.0%	-17.4%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	121,162	98,584	99,844	97,349	97,293	-0.1%	-19.7%
90 or More Days Delinquent	227,880	177,483	183,985	158,756	169,939	7.0%	-25.4%
Bankruptcy 30 or More Days Delinquent	116,843	118,413	116,482	108,841	100,114	-8.0%	-14.3%
<b>Subtotal for Seriously Delinquent</b>	<b>465,885</b>	<b>394,480</b>	<b>400,311</b>	<b>364,946</b>	<b>367,346</b>	<b>0.7%</b>	<b>-21.2%</b>
Foreclosures in Process	449,138	458,137	414,623	401,150	339,817	-15.3%	-24.3%
<b>Total</b>	<b>18,537,888</b>	<b>18,302,843</b>	<b>17,802,899</b>	<b>17,306,952</b>	<b>16,783,200</b>	<b>-3.0%</b>	<b>-9.5%</b>

**Figure 5. Performance of GSE Mortgages**

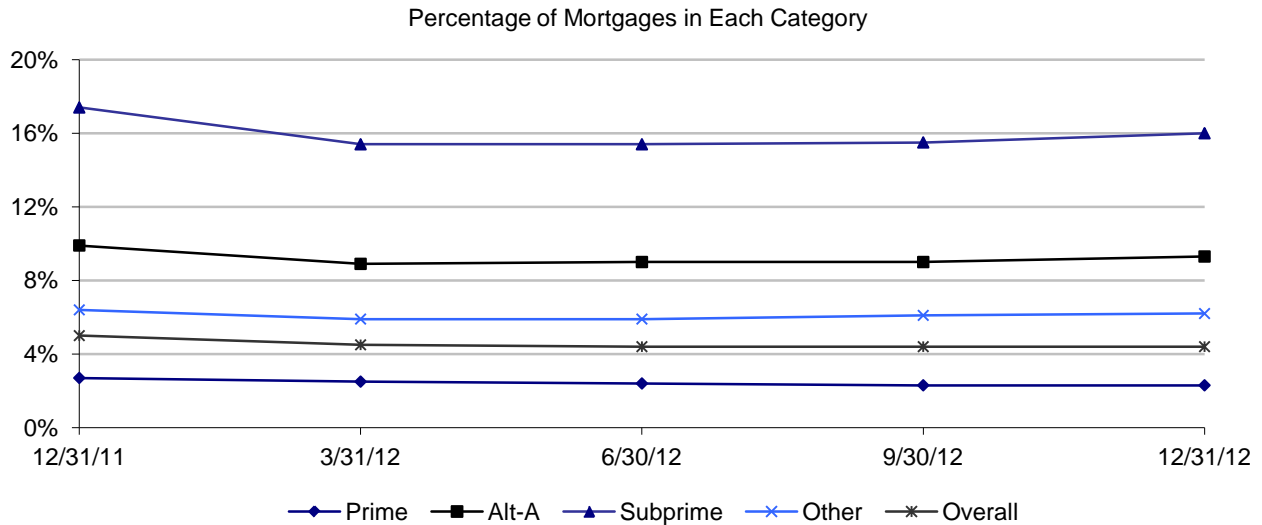


### Seriously Delinquent Mortgages, by Risk Category

The portfolio contained 288,064 fewer seriously delinquent loans at the end of 2012 compared with a year earlier—an 18.4 percent decrease. Seriously delinquent loans were 4.4 percent of the portfolio at the end of the quarter, a decrease of 11.6 percent from a year earlier. The percentage of seriously delinquent loans is at its lowest level in four years. The number of seriously delinquent loans has decreased from both the previous quarter and one year ago across all risk categories.

Table 11. Seriously Delinquent Mortgages, by Risk Category							
(Percentage of Mortgages in Each Category)							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Prime	2.7%	2.5%	2.4%	2.3%	2.3%	0.1%	-14.6%
Alt-A	9.9%	8.9%	9.0%	9.0%	9.3%	3.5%	-6.3%
Subprime	17.4%	15.4%	15.4%	15.5%	16.0%	3.1%	-8.0%
Other	6.4%	5.9%	5.9%	6.1%	6.2%	0.8%	-4.0%
Overall	5.0%	4.5%	4.4%	4.4%	4.4%	1.1%	-11.6%
(Number of Mortgages in Each Category)							
Prime	610,063	548,312	535,413	502,019	490,427	-2.3%	-19.6%
Alt-A	337,061	298,284	296,029	290,702	290,262	-0.2%	-13.9%
Subprime	401,293	347,641	335,217	323,643	318,823	-1.5%	-20.6%
Other	217,213	193,261	185,565	183,603	178,054	-3.0%	-18.0%
Total	1,565,630	1,387,498	1,352,224	1,299,967	1,277,566	-1.7%	-18.4%

Figure 6. Seriously Delinquent Mortgages, by Risk Category



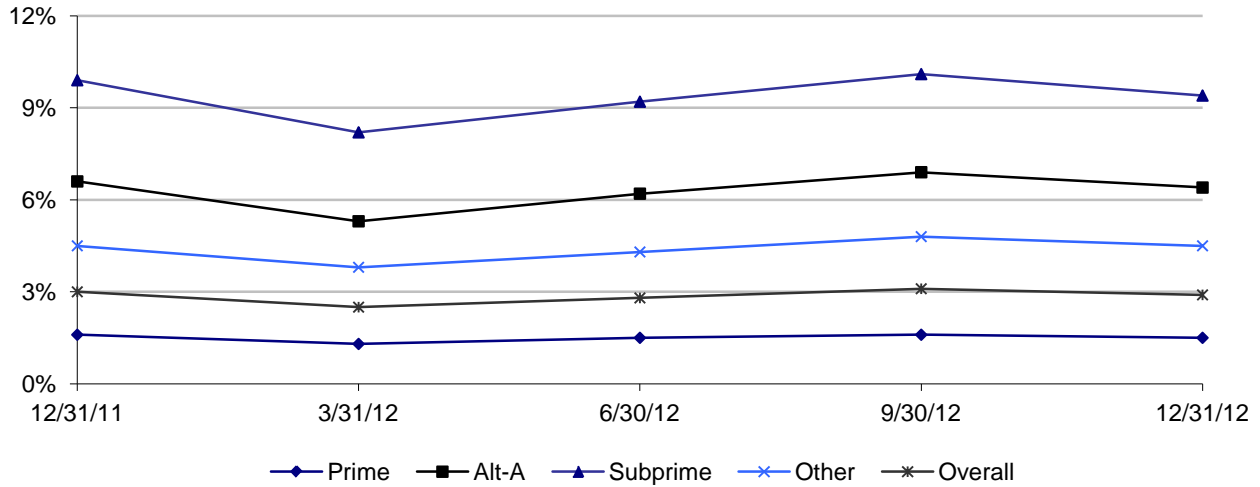
**Mortgages 30 to 59 Days Delinquent, by Risk Category**

The percentage of loans that were 30 to 59 days delinquent was 2.9 percent of the portfolio at the end of 2012, a decrease of 8.2 percent from the previous quarter and 6.1 percent from a year earlier.

<b>Table 12. Mortgages 30 to 59 Days Delinquent, by Risk Category</b>							
<b>(Percentage of Mortgages in Each Category)</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Prime	1.6%	1.3%	1.5%	1.6%	1.5%	-8.9%	-5.5%
Alt-A	6.6%	5.3%	6.2%	6.9%	6.4%	-7.2%	-3.1%
Subprime	9.9%	8.2%	9.2%	10.1%	9.4%	-6.6%	-4.6%
Other	4.5%	3.8%	4.3%	4.8%	4.5%	-7.1%	-0.5%
Overall	3.0%	2.5%	2.8%	3.1%	2.9%	-8.2%	-6.1%
<b>(Number of Mortgages in Each Category)</b>							
Prime	348,561	291,413	317,666	348,451	309,818	-11.1%	-11.1%
Alt-A	223,717	178,864	204,105	222,620	199,294	-10.5%	-10.9%
Subprime	228,396	185,842	201,675	210,622	188,071	-10.7%	-17.7%
Other	152,045	122,903	134,884	144,603	129,232	-10.6%	-15.0%
Total	952,719	779,022	858,330	926,296	826,415	-10.8%	-13.3%

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

Percentage of Mortgages in Each 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.

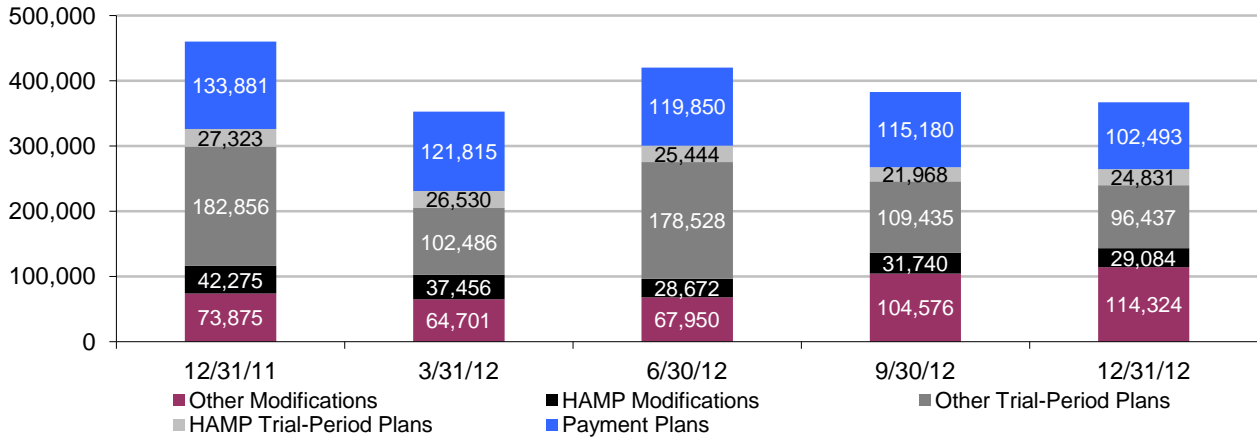
**A. Loan Modifications, Trial-Period Plans, and Payment Plans**

***New Home Retention Actions***

Servicers implemented 367,169 home retention actions—loan modifications, trial-period plans, and payment plans—during the fourth quarter of 2012. The number of home retention actions decreased 4.1 percent from the previous quarter and 20.2 percent from a year earlier. Servicers implemented 143,408 modifications, an increase of 5.2 percent from the previous quarter and 23.5 percent from a year earlier. New HAMP modifications decreased 8.4 percent to 29,084 during the quarter, but other modifications increased 9.3 percent to 114,324. Servicers implemented 121,268 new trial-period plans, a decrease of 7.7 percent from the previous quarter and 42.3 percent from a year earlier. New payment plans decreased by 11.0 percent to 102,493. During the past five quarters, servicers initiated 2.0 million home retention actions—594,653 modifications, 795,838 trial-period plans, and 593,219 payment plans.

<b>Table 13. Number of New Home Retention Actions</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Other Modifications	73,875	64,701	67,950	104,576	114,324	9.3%	54.8%
HAMP Modifications	42,275	37,456	28,672	31,740	29,084	-8.4%	-31.2%
Other Trial-Period Plans	182,856	102,486	178,528	109,435	96,437	-11.9%	-47.3%
HAMP Trial-Period Plans	27,323	26,530	25,444	21,968	24,831	13.0%	-9.1%
Payment Plans	133,881	121,815	119,850	115,180	102,493	-11.0%	-23.4%
<b>Total</b>	<b>460,210</b>	<b>352,988</b>	<b>420,444</b>	<b>382,899</b>	<b>367,169</b>	<b>-4.1%</b>	<b>-20.2%</b>

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



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

Of the 29,084 HAMP modifications implemented during the fourth quarter of 2012, 41.4 percent went to mortgages serviced for the GSEs, 31.6 percent to mortgages serviced for private investors, 6.9 percent to government-guaranteed mortgages, and 20.1 percent to loans held in portfolio. Prime mortgages represented 72.4 percent of the total portfolio and received 52.3 percent of all HAMP modifications. Subprime loans represented 6.9 percent of the total portfolio and received 19.1 percent of HAMP modifications during the quarter.

**Table 14. HAMP Modifications, by Investor and Risk Category**  
(Modifications Implemented in the Fourth Quarter of 2012)

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	3,555	3,801	657	2,935	4,257	15,205
Alt-A	988	1,080	670	1,244	1,651	5,633
Subprime	604	504	439	1,434	2,578	5,559
Other	1,000	496	254	237	700	2,687
Total	6,147	5,881	2,020	5,850	9,186	29,084

Servicers implemented 24,831 HAMP trial-period plans during the quarter, an increase of 13.0 percent from the 21,968 HAMP trial-period plans initiated in the previous quarter. GSE mortgages received 42.7 percent of HAMP trial-period plans initiated during the quarter, while 34.3 percent went to mortgages serviced for private investors. Prime mortgages received 53.3 percent of the HAMP trial-period plans implemented during the quarter, while Alt-A and subprime mortgages collectively received 38.0 percent.

**Table 15. HAMP Trial-Period Plans, by Investor and Risk Category**  
(Trial-Period Plans Implemented in the Fourth Quarter of 2012)

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	3,461	3,222	640	1,878	4,022	13,223
Alt-A	957	838	652	749	1,565	4,761
Subprime	572	421	433	889	2,366	4,681
Other	753	379	357	118	559	2,166
Total	5,743	4,860	2,082	3,634	8,512	24,831

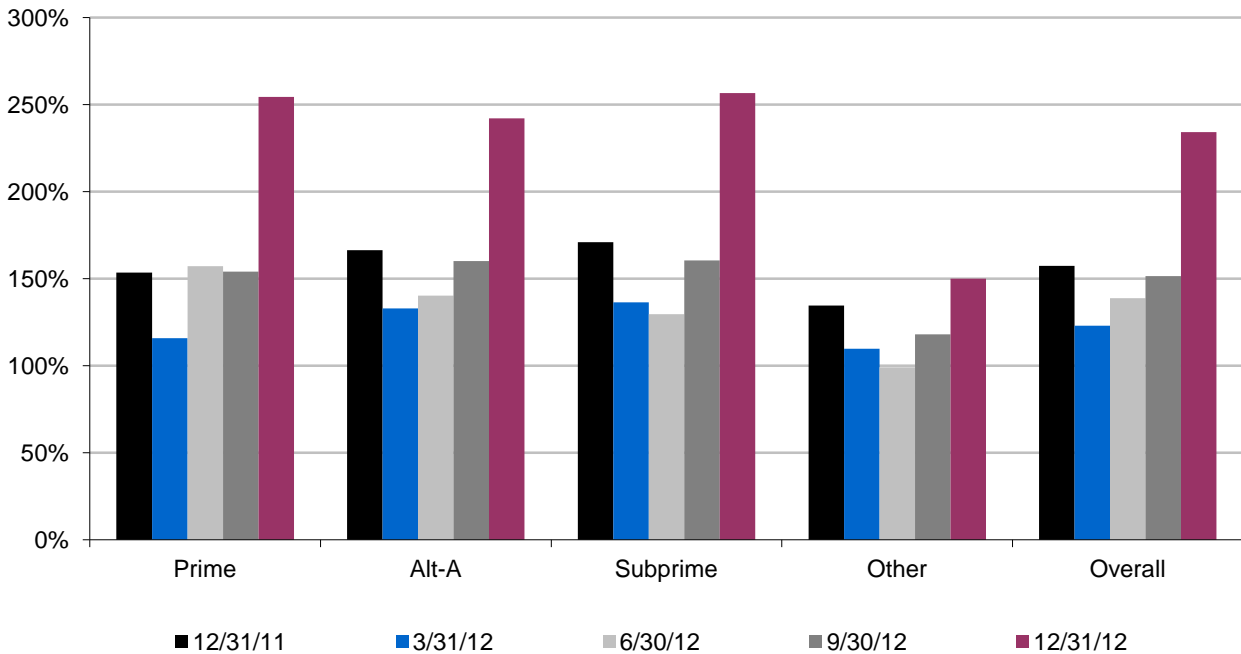
**New Home Retention Actions Relative to Newly Initiated Foreclosures**

Servicers continued to implement more home retention actions than foreclosures. While the number of both new home retention actions and new foreclosure actions decreased from the previous quarter, the ratio of home retention actions to foreclosures increased. The number of new foreclosures decreased 37.9 percent from the previous quarter, compared to a decrease of 4.1 percent in new home retention actions.

**Table 16. Percentage of New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category**

	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Prime	153.6%	115.8%	157.3%	154.1%	254.5%	65.2%	65.7%
Alt-A	166.5%	133.0%	140.3%	160.2%	242.2%	51.1%	45.5%
Subprime	171.0%	136.5%	129.6%	160.6%	256.6%	59.8%	50.1%
Other	134.7%	109.8%	99.1%	118.0%	150.0%	27.2%	11.4%
Overall	157.5%	123.0%	138.9%	151.6%	234.2%	54.5%	48.7%
Number of New Home Retention Actions	460,210	352,988	420,444	382,899	367,169	-4.1%	-20.2%
Number of Newly Initiated Foreclosures	292,173	286,951	302,636	252,604	156,773	-37.9%	-46.3%

**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 89.8 percent of modifications implemented during the fourth quarter of 2012 changing more than one of the original loan terms. Capitalization, interest-rate reduction, and term extension remain the primary actions taken with loan modifications. However, the use of principal reduction in modifications has increased 191.0 percent from a year earlier and occurred in 20.0 percent of all modifications implemented in the fourth quarter of 2012.

Servicers capitalized missed fees and payments in 84.4 percent of modifications implemented during the quarter, reduced interest rates in 73.2 percent, and extended loan maturity in 58.8 percent. Servicers deferred repayment of some portion of the principal balance in 20.5 percent of modifications made during the quarter, up 7.6 percent from the previous quarter but down 16.3 percent from a year earlier. 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 Through the Fourth Quarter of 2012**  
(Percentage of Total Modifications in Each Category)

	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Capitalization	93.3%	91.6%	79.8%	90.4%	84.4%	-6.7%	-9.6%
Rate Reduction	78.2%	80.6%	78.8%	77.2%	73.2%	-5.2%	-6.3%
Rate Freeze	6.4%	6.2%	6.3%	6.9%	3.8%	-44.8%	-40.0%
Term Extension	55.5%	73.7%	61.8%	64.8%	58.8%	-9.3%	5.9%
Principal Reduction	8.5%	10.2%	15.5%	17.2%	20.0%	16.5%	135.7%
Principal Deferral	24.5%	24.6%	19.8%	19.1%	20.5%	7.6%	-16.3%
Not Reported*	1.5%	1.2%	0.7%	0.4%	1.2%	217.8%	-22.0%
(Number of Changes in Each Category)							
Capitalization	108,365	93,573	77,115	123,275	121,015	-1.8%	11.7%
Rate Reduction	90,776	82,382	76,093	105,279	105,022	-0.2%	15.7%
Rate Freeze	7,419	6,345	6,039	9,459	5,494	-41.9%	-25.9%
Term Extension	64,491	75,256	59,755	88,350	84,306	-4.6%	30.7%
Principal Reduction	9,866	10,404	14,944	23,437	28,713	22.5%	191.0%
Principal Deferral	28,496	25,154	19,085	26,021	29,446	13.2%	3.3%
Not Reported*	1,750	1,190	722	504	1,685	234.3%	-3.7%

\*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, these modifications most often included capitalization of missed payments and fees, interest-rate reductions, and term extensions. Servicers used principal deferral, another prescribed action in HAMP, in 29.2 percent of HAMP modifications during the fourth quarter of 2012, down from 30.6 percent the previous quarter and 38.5 a year earlier. Principal reduction was used in 24.9 percent of HAMP modifications implemented during the quarter—down from 25.1 percent in the previous quarter but up from 15.6 percent a year earlier.

<b>Table 18. Changes in Loan Terms for HAMP Modifications Through the Fourth Quarter of 2012</b> (Percentage of Total Modifications in Each Category)							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Capitalization	97.3%	97.0%	98.4%	98.2%	91.9%	-6.4%	-5.6%
Rate Reduction	88.5%	90.0%	87.5%	85.6%	81.0%	-5.4%	-8.4%
Rate Freeze	3.3%	4.0%	3.1%	3.3%	3.9%	19.5%	18.4%
Term Extension	49.9%	73.0%	58.3%	55.0%	52.7%	-4.2%	5.7%
Principal Reduction	15.6%	21.0%	21.4%	25.1%	24.9%	-0.8%	59.7%
Principal Deferral	38.5%	32.9%	30.4%	30.6%	29.2%	-4.3%	-24.1%
Not Reported*	0.1%	0.1%	0.1%	0.1%	1.8%	3334.5%	2001.8%
<b>(Number of Changes in Each Category)</b>							
Capitalization	41,143	36,331	28,222	31,160	26,720	-14.2%	-35.1%
Rate Reduction	37,418	33,698	25,089	27,179	23,571	-13.3%	-37.0%
Rate Freeze	1,388	1,496	881	1,033	1,131	9.5%	-18.5%
Term Extension	21,084	27,337	16,723	17,457	15,332	-12.2%	-27.3%
Principal Reduction	6,596	7,857	6,139	7,975	7,248	-9.1%	9.9%
Principal Deferral	16,295	12,309	8,723	9,705	8,507	-12.3%	-47.8%
Not Reported*	37	25	26	17	535	3047.1%	1345.9%

\*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. While most actions were used relatively consistently across all risk categories, principal deferral was used most extensively in prime loans, and principal reduction was used at a higher rate among subprime loans.

<b>Table 19. Changes in Loan Terms for Modifications, by Risk Category, During the Fourth Quarter of 2012</b>					
<b>(Percentage of Total Modifications in Each Category)</b>					
	Prime	Alt-A	Subprime	Other	Overall
Capitalization	80.5%	86.1%	88.5%	87.6%	84.4%
Rate Reduction	72.9%	73.9%	71.1%	78.3%	73.2%
Rate Freeze	2.6%	3.0%	6.6%	4.0%	3.8%
Term Extension	54.8%	64.6%	57.9%	66.4%	58.8%
Principal Reduction	18.9%	19.6%	25.9%	11.8%	20.0%
Principal Deferral	24.6%	18.8%	16.5%	16.2%	20.5%
Not Reported*	1.5%	1.0%	0.7%	1.2%	1.2%
<b>(Number of Changes in Each Category)</b>					
Total Mortgages Modified	63,196	30,684	35,039	14,489	143,408
Capitalization	50,895	26,421	31,000	12,699	121,015
Rate Reduction	46,096	22,675	24,904	11,347	105,022
Rate Freeze	1,659	927	2,329	579	5,494
Term Extension	34,600	19,813	20,273	9,620	84,306
Principal Reduction	11,937	6,007	9,061	1,708	28,713
Principal Deferral	15,547	5,781	5,774	2,344	29,446
Not Reported*	950	322	238	175	1,685

\*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 28.2 percent of all modifications made during the fourth quarter of 2012. Government-guaranteed loans received 25.1 percent of all modifications, mortgages serviced for private investors received 25.6 percent, and mortgages held in the servicers' own portfolios received 21.1 percent of all fourth-quarter modifications. Interest-rate reduction, capitalization of missed payments and fees, and term extension remained the primary types of modification actions. Principal reduction was used almost exclusively in modifying loans held in portfolio or serviced for private investors because Fannie Mae and Freddie Mac do not allow principal reduction. 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, During the Fourth Quarter of 2012</b>						
(Percentage of Total Modifications in Each Category)						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	90.9%	96.3%	80.2%	89.5%	71.9%	84.4%
Rate Reduction	67.0%	80.2%	97.0%	48.9%	76.5%	73.2%
Rate Freeze	4.2%	2.7%	0.3%	7.3%	4.2%	3.8%
Term Extension	80.9%	87.0%	95.5%	11.7%	39.7%	58.8%
Principal Reduction	0.1%	0.0%	0.1%	48.9%	35.5%	20.0%
Principal Deferral	31.1%	43.3%	0.1%	32.3%	10.5%	20.5%
Not Reported*	2.2%	1.0%	0.1%	1.6%	1.1%	1.2%
(Number of Changes in Each Category)						
Total Mortgages Modified	25,814	14,667	36,013	36,704	30,210	143,408
Capitalization	23,462	14,121	28,884	32,833	21,715	121,015
Rate Reduction	17,287	11,760	34,922	17,937	23,116	105,022
Rate Freeze	1,074	389	101	2,671	1,259	5,494
Term Extension	20,877	12,759	34,378	4,298	11,994	84,306
Principal Reduction**	14	2	33	17,937	10,727	28,713
Principal Deferral	8,034	6,352	39	11,856	3,165	29,446
Not Reported	568	144	42	596	335	1,685

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

\*\* The principal reduction actions for Fannie Mae and Freddie Mac mortgages 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 29,084 HAMP modifications implemented in the fourth quarter of 2012, 41.4 percent were on GSE mortgages, 31.6 percent were on mortgages serviced for private investors, 20.1 percent were on mortgages held in servicers’ portfolios, and 6.9 percent were on government-guaranteed loans. 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, and principal reduction was concentrated in loans held in portfolio and serviced for private investors.

<b>Table 21. Type of HAMP Modification Action, by Investor and Product Type, During the Fourth Quarter of 2012</b>						
<b>(Percentage of Total Modifications in Each Category)</b>						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	89.3%	94.0%	71.1%	94.7%	95.1%	91.9%
Rate Reduction	81.0%	89.9%	91.9%	75.8%	76.6%	81.0%
Rate Freeze	0.2%	0.0%	1.3%	9.0%	4.6%	3.9%
Term Extension	67.8%	70.9%	98.8%	13.9%	63.7%	52.7%
Principal Reduction	0.1%	0.0%	0.6%	36.5%	66.3%	24.9%
Principal Deferral	30.3%	31.7%	0.9%	39.3%	19.7%	29.2%
Not Reported*	2.4%	1.8%	0.1%	2.5%	0.9%	1.8%
<b>(Number of Changes in Each Category)</b>						
Total Mortgages Modified	6,147	5,881	2,020	9,186	5,850	29,084
Capitalization	5,490	5,529	1,437	8,701	5,563	26,720
Rate Reduction	4,980	5,288	1,856	6,967	4,480	23,571
Rate Freeze	12	0	26	826	267	1,131
Term Extension	4,167	4,167	1,996	1,277	3,725	15,332
Principal Reduction**	8	0	12	3,349	3,879	7,248
Principal Deferral	1,860	1,865	18	3,610	1,154	8,507
Not Reported	146	103	2	229	55	535

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

\*\*The principal reduction actions reported for Fannie Mae mortgages in this table represent coding errors to be corrected in subsequent reporting periods.

***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 ARMs 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.

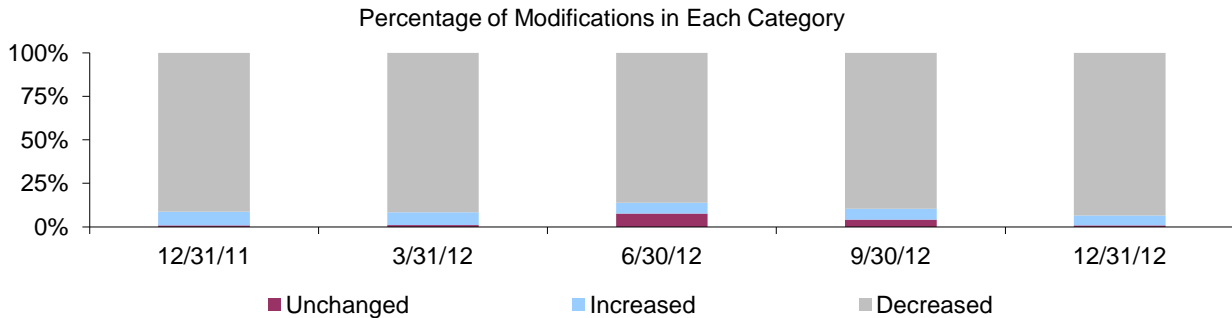
**Changes in Monthly Payments Resulting From Modifications, by Quarter**

More than 93 percent of modifications made in the quarter reduced monthly principal and interest payments, and almost 59 percent of the modifications reduced payments by 20 percent or more.

<b>Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications</b>							
<b>(Percentage of Modifications in Each Category)*</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Decreased by 20% or More	59.5%	62.7%	52.1%	54.4%	58.9%	8.4%	-0.9%
Decreased by 10% to Less Than 20%	16.7%	15.9%	21.2%	20.2%	21.1%	4.3%	25.8%
Decreased by Less Than 10%	15.0%	12.9%	13.0%	15.0%	13.4%	-10.5%	-10.3%
<b>Subtotal for Decreased</b>	<b>91.2%</b>	<b>91.5%</b>	<b>86.2%</b>	<b>89.6%</b>	<b>93.4%</b>	<b>4.3%</b>	<b>2.4%</b>
Unchanged	0.8%	1.0%	7.7%	4.1%	0.9%	-78.4%	5.8%
Increased	7.9%	7.4%	6.1%	6.3%	5.7%	-9.5%	-28.7%
<b>Subtotal for Unchanged and Increased</b>	<b>8.8%</b>	<b>8.5%</b>	<b>13.8%</b>	<b>10.4%</b>	<b>6.6%</b>	<b>-37.0%</b>	<b>-25.3%</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	68,415	63,716	50,088	73,858	84,062	13.8%	22.9%
Decreased by 10% to Less Than 20%	19,256	16,218	20,379	27,439	30,044	9.5%	56.0%
Decreased by Less Than 10%	17,221	13,134	12,476	20,397	19,169	-6.0%	11.3%
<b>Subtotal for Decreased</b>	<b>104,892</b>	<b>93,068</b>	<b>82,943</b>	<b>121,694</b>	<b>133,275</b>	<b>9.5%</b>	<b>27.1%</b>
Unchanged	972	1,059	7,362	5,633	1,276	-77.3%	31.3%
Increased	9,138	7,558	5,868	8,508	8,085	-5.0%	-11.5%
<b>Subtotal for Unchanged and Increased</b>	<b>10,110</b>	<b>8,617</b>	<b>13,230</b>	<b>14,141</b>	<b>9,361</b>	<b>-33.8%</b>	<b>-7.4%</b>
Total	115,002	101,685	96,173	135,835	142,636	5.0%	24.0%

\* No payment change information was reported on 1,148 modifications in the fourth quarter of 2011, 472 in the first quarter of 2012, 449 in the second quarter of 2012, 481 in the third quarter of 2012, and 772 in the fourth quarter of 2012.

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



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

More than 98 percent of HAMP modifications completed during the fourth quarter of 2012 reduced borrower monthly payments, with 76.8 percent reducing payments by 20 percent or more. In addition to achieving lower payments, HAMP attempts to increase payment sustainability by targeting monthly payments at 31 percent of borrowers' income. Performance data on all modifications show 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>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Decreased by 20% or More	77.5%	76.1%	76.3%	76.3%	76.8%	0.7%	-0.9%
Decreased by 10% to Less Than 20%	12.5%	12.4%	13.1%	12.6%	13.0%	3.3%	4.4%
Decreased by Less Than 10%	8.6%	9.0%	8.7%	8.6%	8.5%	-1.4%	-1.7%
<b>Subtotal for Decreased</b>	<b>98.6%</b>	<b>97.5%</b>	<b>98.0%</b>	<b>97.4%</b>	<b>98.3%</b>	<b>0.8%</b>	<b>-0.3%</b>
Unchanged	0.1%	0.4%	0.2%	0.2%	0.3%	33.6%	78.1%
Increased	1.3%	2.2%	1.8%	2.4%	1.5%	-37.8%	13.9%
<b>Subtotal for Unchanged and Increased</b>	<b>1.4%</b>	<b>2.5%</b>	<b>2.0%</b>	<b>2.6%</b>	<b>1.7%</b>	<b>-32.3%</b>	<b>20.6%</b>
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
<b>(Number of HAMP Modifications in Each Category)</b>							
Decreased by 20% or More	32,719	28,420	21,783	24,156	22,248	-7.9%	-32.0%
Decreased by 10% to Less Than 20%	5,266	4,642	3,732	3,995	3,773	-5.6%	-28.4%
Decreased by Less Than 10%	3,632	3,343	2,486	2,716	2,449	-9.8%	-32.6%
<b>Subtotal for Decreased</b>	<b>41,617</b>	<b>36,405</b>	<b>28,001</b>	<b>30,867</b>	<b>28,470</b>	<b>-7.8%</b>	<b>-31.6%</b>
Unchanged	63	131	62	63	77	22.2%	22.2%
Increased	545	811	504	749	426	-43.1%	-21.8%
<b>Subtotal for Unchanged and Increased</b>	<b>608</b>	<b>942</b>	<b>566</b>	<b>812</b>	<b>503</b>	<b>-38.1%</b>	<b>-17.3%</b>
Total	42,225	37,347	28,567	31,679	28,973	-8.5%	-31.4%

\*No payment change information was reported on 50 modifications in the fourth quarter of 2011, 109 in the first quarter of 2012, 105 in the second quarter of 2012, 61 in the third quarter of 2012, and 111 in the fourth quarter of 2012.

\*\*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 2012 reduced monthly principal and interest payments by \$389, or 25.9 percent on average. HAMP modifications made during the quarter reduced payments by \$558, or 35.4 percent on average. Other modifications reduced payments by \$346, or 23.4 percent on average.

<b>Table 24. Average Change in Monthly Payments Resulting From Modifications, by Quarter*</b>							
All Modifications							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Decreased by 20% or More	(671)	(655)	(618)	(566)	(594)	5.0%	-11.5%
Decreased by 10% to Less Than 20%	(192)	(191)	(199)	(179)	(189)	5.3%	-2.0%
Decreased by Less Than 10%	(66)	(63)	(70)	(65)	(68)	5.0%	2.6%
Unchanged	0	0	0	0	0		
Increased**	145	162	154	131	169	29.5%	16.5%
Overall (in dollars)	(430)	(437)	(364)	(345)	(389)	12.7%	-9.5%
Percentage Change	-26.5%	-27.4%	-23.5%	-23.8%	-25.9%		
Other Modifications							
Decreased by 20% or More	(623)	(590)	(544)	(498)	(561)	12.6%	-9.9%
Decreased by 10% to Less Than 20%	(182)	(181)	(196)	(173)	(186)	7.1%	1.9%
Decreased by Less Than 10%	(63)	(59)	(68)	(63)	(67)	6.0%	5.7%
Unchanged	0	0	0	0	0		
Increased**	143	158	150	125	168	34.8%	17.1%
Overall (in dollars)	(335)	(349)	(274)	(278)	(346)	24.5%	3.3%
Percentage Change	-21.1%	-22.7%	-18.5%	-20.3%	-23.4%		
HAMP Modifications							
Decreased by 20% or More	(725)	(737)	(714)	(705)	(686)	-2.6%	-5.3%
Decreased by 10% to Less Than 20%	(219)	(216)	(215)	(212)	(208)	-1.9%	-5.0%
Decreased by Less Than 10%	(79)	(76)	(76)	(77)	(78)	0.4%	-1.0%
Unchanged	0	0	0	0	0		
Increased**	174	197	203	194	192	-1.2%	
Overall (in dollars)	(593)	(590)	(576)	(566)	(558)	-1.5%	-6.0%
Percentage Change	-36.0%	-35.4%	-35.3%	-35.3%	-35.4%		

\*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**

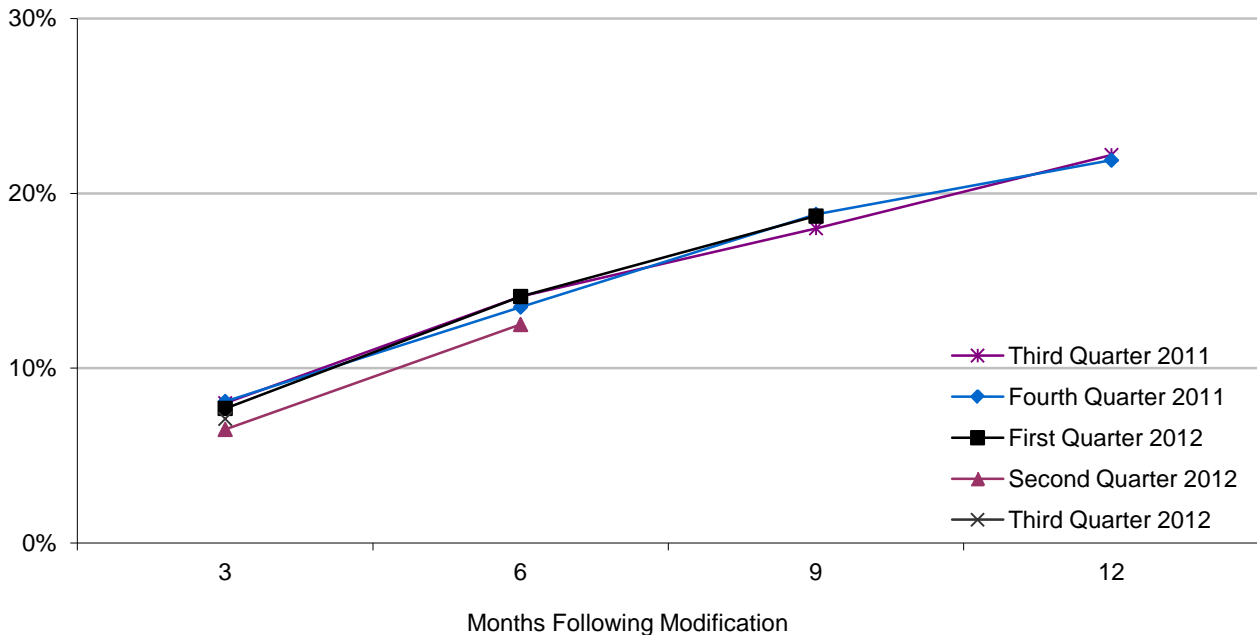
**Re-Default Rates of Modified Loans: 60 or More Days Delinquent**

Modification performance may vary because of many factors, including the types of 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. Despite differences in many of these factors, mortgages modified in each of the last five quarters have performed similarly over time. Among modifications completed in each of the last five quarters, between 6.5 percent and 8.1 percent of the modified loans were 60 or more days delinquent three months after modification, 12.5 percent to 14.1 percent were 60 or more days delinquent six months after modification, and 21.9 percent to 22.2 percent were 60 or more days delinquent 12 months after modification.

<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 2011	8.0%	14.1%	18.0%	22.2%
Fourth Quarter 2011	8.1%	13.5%	18.8%	21.9%
First Quarter 2012	7.7%	14.1%	18.7%	--
Second Quarter 2012	6.5%	12.5%	--	--
Third Quarter 2012	7.1%	--	--	--

\*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 2012 data is a single point (7.1 percent).

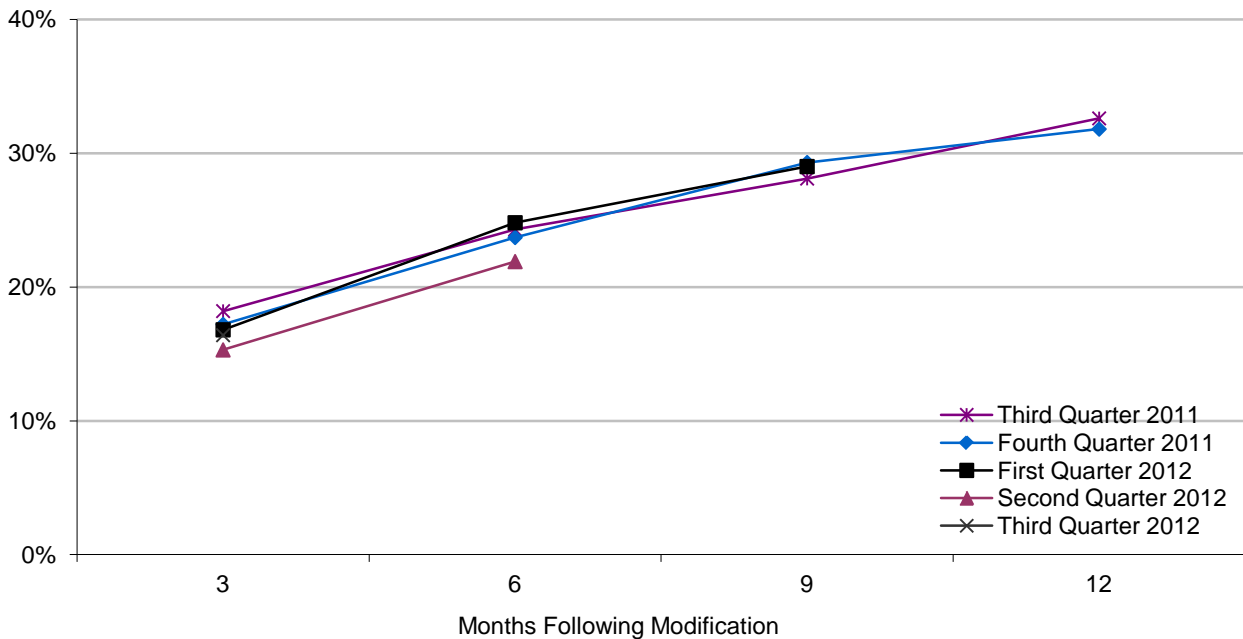
**Re-Default Rates of Modified Loans: 30 or More Days Delinquent**

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. For modifications completed in each of the last five quarters, 15.3 percent to 18.2 percent were 30 or more days delinquent three months after modification. Among modifications outstanding at least one year, about 32 to 33 percent were 30 or more days delinquent.

<b>Table 26. Modified Loans 30 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 2011	18.2%	24.3%	28.1%	32.6%
Fourth Quarter 2011	17.2%	23.7%	29.3%	31.8%
First Quarter 2012	16.8%	24.8%	29.0%	--
Second Quarter 2012	15.3%	21.9%	--	--
Third Quarter 2012	16.4%	--	--	--

\*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 of 2012 data is a single point (16.4 percent).

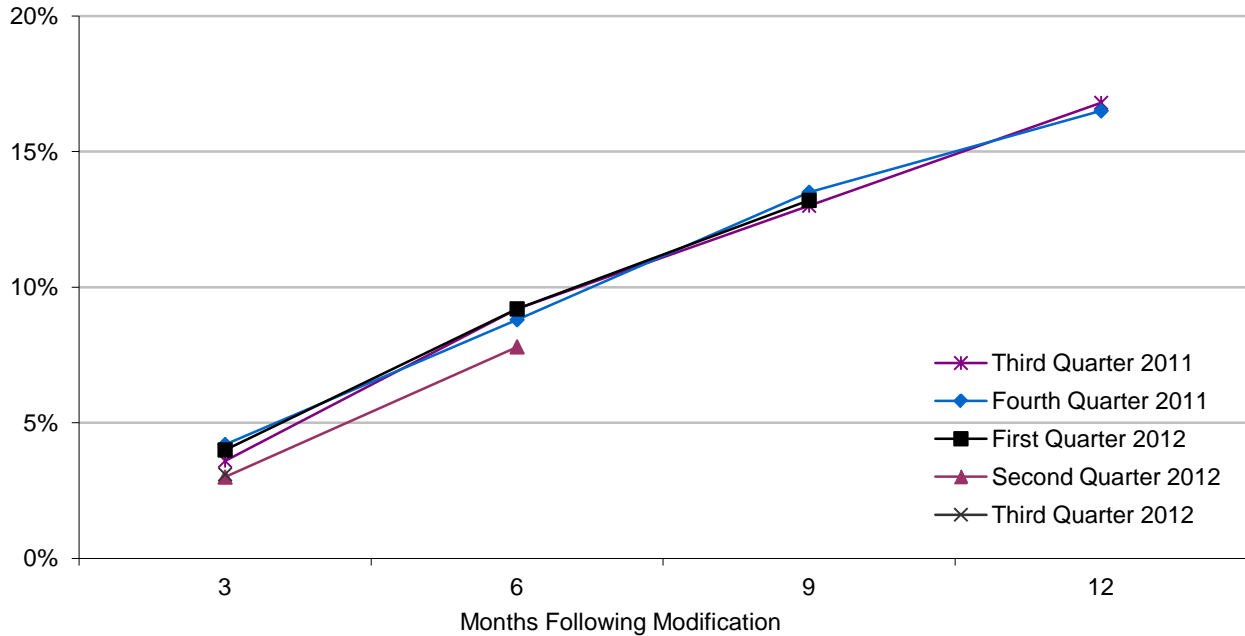
**Re-Default Rates of Modified Loans: 90 or More Days Delinquent**

Among modifications completed during the last five quarters, less than 17 percent were 90 or more days delinquent 12 months after modification.

Modification Date*	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Third Quarter 2011	3.6%	9.2%	13.0%	16.8%
Fourth Quarter 2011	4.2%	8.8%	13.5%	16.5%
First Quarter 2012	4.0%	9.2%	13.2%	--
Second Quarter 2012	3.0%	7.8%	--	--
Third Quarter 2012	3.1%	--	--	--

\*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 of 2012 data is a single point (3.1 percent).

**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 other investors. These lower re-default rates for portfolio and GSE mortgages may reflect differences in loan risk characteristics and modification programs, and additional flexibility to modify terms of portfolio mortgages for greater sustainability. Re-default rates for government-guaranteed mortgages and loans serviced for private investors were highest over time, reflecting the higher risk characteristics associated with those mortgages. For all investors, re-default rates have decreased over time as more recent modifications have focused more on reducing monthly payments and increasing borrowers’ ability to sustain the reduced payments over time.

**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	30.5%	45.0%	54.2%	59.5%
Freddie Mac	34.0%	44.9%	53.1%	59.2%
Government-Guaranteed	32.5%	53.5%	63.6%	67.8%
Private	37.5%	48.9%	56.0%	61.0%
Portfolio Loans	15.0%	25.3%	31.7%	36.2%
Overall	32.1%	44.7%	52.2%	57.1%

**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	18.0%	31.4%	37.9%	41.2%
Freddie Mac	29.2%	37.1%	42.0%	44.5%
Government-Guaranteed	23.5%	42.2%	51.7%	55.5%
Private	28.2%	40.8%	48.8%	52.5%
Portfolio Loans	7.2%	15.3%	21.0%	24.6%
Overall	20.1%	32.3%	39.5%	43.1%

**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%	40.6%
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	7.2%	11.2%	14.6%	16.8%
Freddie Mac	6.0%	10.9%	14.4%	16.9%
Government-Guaranteed	11.9%	28.0%	37.3%	42.2%
Private	9.7%	15.6%	19.6%	22.1%
Portfolio Loans	5.0%	9.2%	12.5%	14.9%
Overall	8.3%	15.4%	20.2%	23.2%

<b>Table 32. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2012</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	7.0%	12.1%	15.7%	--
Freddie Mac	4.8%	8.9%	13.3%	--
Government-Guaranteed	10.5%	23.5%	33.0%	--
Private	8.5%	14.2%	18.0%	--
Portfolio Loans	4.1%	8.4%	16.2%	--
Overall	7.1%	13.3%	18.7%	--

\*Data include all modifications implemented during 2012 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. While these criteria result in better performance of HAMP modifications over time, the greater flexibility in making other types of modifications results in more of those modifications for borrowers who do not qualify for HAMP modifications.

<b>Table 33. 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 Fourth Quarter 2010	56,340	9.0%	11.2%	14.7%	17.7%
Other Fourth Quarter 2010	152,514	8.3%	15.5%	22.7%	28.0%
HAMP First Quarter 2011	53,250	5.8%	9.9%	13.4%	14.9%
Other First Quarter 2011	106,660	10.7%	20.7%	27.6%	30.3%
HAMP Second Quarter 2011	70,071	5.4%	9.5%	12.1%	13.8%
Other Second Quarter 2011	80,397	10.0%	22.1%	27.7%	30.9%
HAMP Third Quarter 2011	53,941	5.5%	9.1%	11.5%	14.4%
Other Third Quarter 2011	83,596	9.6%	17.4%	22.1%	27.2%
HAMP Fourth Quarter 2011	42,275	4.6%	7.6%	10.7%	13.0%
HAMP Fourth Quarter 2011	73,875	10.1%	17.0%	23.5%	27.0%
HAMP First Quarter 2012	37,456	4.9%	8.3%	11.2%	--
Other First Quarter 2012	64,701	9.3%	17.5%	23.1%	--
HAMP Second Quarter 2012	28,672	4.4%	7.9%	--	--
Other Second Quarter 2012	67,950	7.4%	14.4%	--	--
HAMP Third Quarter 2012	31,740	4.3%	--	--	--
Other Third Quarter 2012	104,576	8.0%	--	--	--

\*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—the larger the reduction in monthly payment, the lower the subsequent re-default rates. Lower re-default rates may also result from setting 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**

Tables 34 through 38 present re-default rates, measured as 60 or more days delinquent, for modifications made since January 1, 2008. Data show that re-default rates decrease as reductions in monthly principal and interest payments increase. Modification performance has continued to improve over time as more recent modifications, those made since 2010, focused more on substantively reducing monthly payments and setting payments relative to the borrower’s income and ability to pay.

Modifications that resulted in no change to the borrower’s monthly payment have performed better than many modifications that reduced payments. These modifications generally freeze the interest rate on an ARM so that the rate and payment do not increase, and they tended to be offered to borrowers who were not in default on their payments.

<b>Table 34. 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%	25.9%	33.2%	39.4%
Decreased by 10% to Less Than 20%	20.8%	32.9%	41.3%	47.9%
Decreased by Less Than 10%	23.8%	40.1%	49.5%	55.1%
Unchanged	47.8%	54.4%	59.6%	63.0%
Increased	34.6%	53.1%	61.9%	66.9%
Total	32.1%	44.5%	52.0%	57.0%

<b>Table 35. 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	11.4%	19.3%	25.3%	28.7%
Decreased by 10% to Less Than 20%	15.9%	29.2%	37.3%	41.7%
Decreased by Less Than 10%	17.8%	33.9%	42.6%	46.7%
Unchanged	41.8%	49.6%	54.6%	57.0%
Increased	26.7%	46.6%	56.0%	59.8%
Total	20.0%	32.2%	39.5%	43.1%

<b>Table 36. 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	17.6%	20.9%	23.8%	25.2%
Increased	18.2%	32.9%	40.4%	44.2%
Total	10.0%	17.4%	22.4%	25.4%

<b>Table 37. 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	5.6%	9.6%	12.7%	14.8%
Decreased by 10% to Less Than 20%	8.2%	16.9%	22.9%	26.7%
Decreased by Less Than 10%	11.0%	22.7%	30.0%	34.2%
Unchanged	10.0%	13.6%	15.8%	17.4%
Increased	18.6%	33.0%	41.0%	45.2%
Total	8.3%	15.4%	20.2%	23.2%

<b>Table 38. Re-Default Rates of Loans Modified in 2012 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	5.1%	9.5%	13.1%	--
Decreased by 10% to Less Than 20%	6.5%	12.8%	20.3%	--
Decreased by Less Than 10%	11.1%	22.6%	31.5%	--
Unchanged	5.9%	9.8%	28.0%	--
Increased	18.4%	31.1%	39.0%	--
Total	7.1%	13.3%	18.7%	--

\*Data include all modifications implemented during 2012 that have aged the indicated number of months.

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

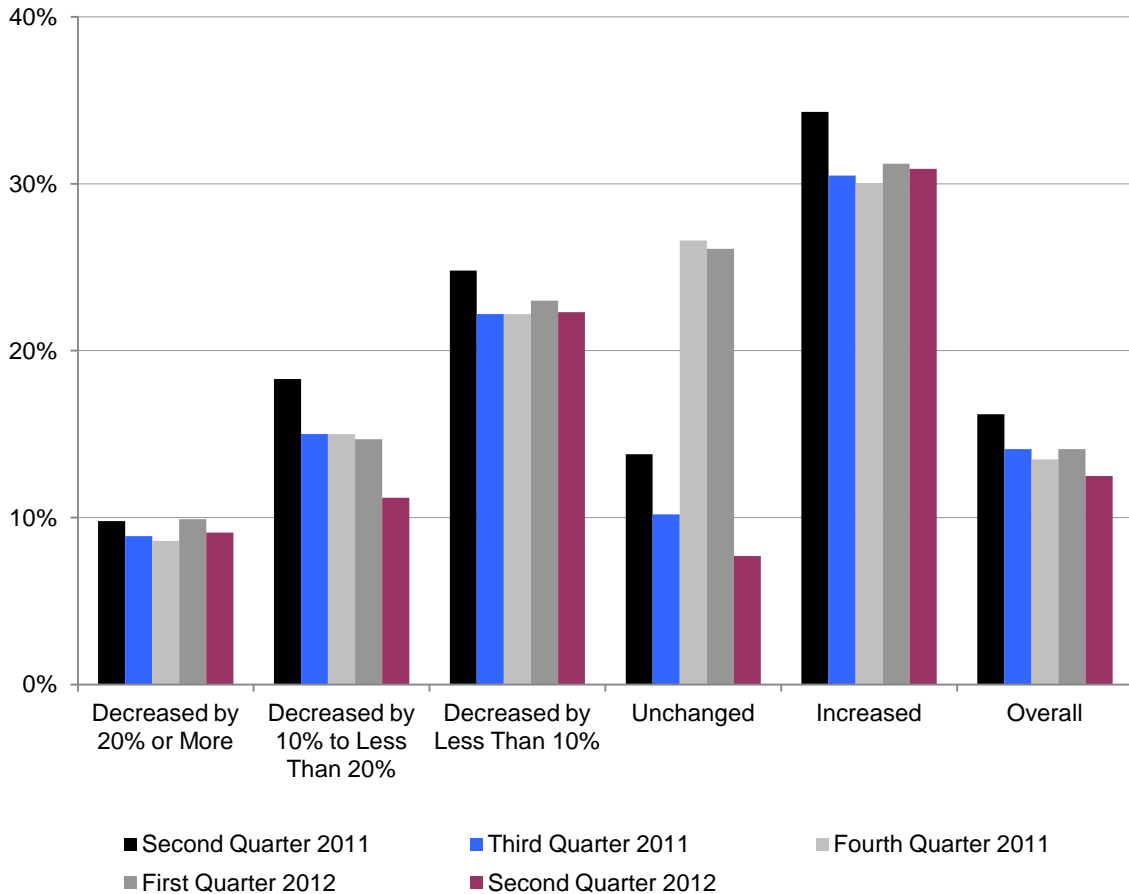
Modifications that significantly reduced monthly principal and interest payments consistently performed better than other modifications. Modifications with the greatest decrease in monthly payments consistently had the lowest re-default rates. Modifications that resulted in no change to the borrowers' monthly payments generally have performed better than many modifications that reduced payments because these modifications tend to be offered to borrowers with adjustable rate mortgages who have not defaulted on their payments.

**Table 39. 60+ Delinquency at Six Months After Modification by Change in Monthly Payment**

	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Overall
Second Quarter 2011	9.8%	18.3%	24.8%	13.8%	34.3%	16.2%
Third Quarter 2011	8.9%	15.0%	22.2%	10.2%	30.5%	14.1%
Fourth Quarter 2011	8.6%	15.0%	22.2%	26.6%	30.0%	13.5%
First Quarter 2012	9.9%	14.7%	23.0%	26.1%	31.2%	14.1%
Second Quarter 2012	9.1%	11.2%	22.3%	7.7%	30.9%	12.5%
Total*	9.2%	15.1%	23.1%	11.6%	31.7%	14.3%

\*For quarters listed.

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



**Status of Mortgages Modified in 2008–2012**

Servicers implemented 2,878,228 modifications from January 1, 2008, through September 30, 2012. Of these modifications, 45.7 percent were current and performing at the end of the fourth quarter of 2012 with another 2.0 percent paid off. More than 21 percent of these modifications were delinquent, while 15.0 percent were in the 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 1,763,586 modifications that reduced payments by 10 percent or more, 54.8 percent were current or paid off at the end of the fourth quarter of 2012, compared with 36.5 percent of modifications that reduced payments by less than 10 percent.

<b>Table 40. Status of Mortgages Modified in 2008–2012</b>								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	445,354	22.6%	4.9%	12.8%	9.5%	15.7%	3.8%	30.7%
2009	594,350	34.3%	6.2%	15.2%	9.5%	11.0%	2.9%	20.9%
2010	939,364	46.9%	7.2%	14.2%	8.1%	6.4%	1.7%	15.5%
2011	564,065	57.0%	8.1%	15.8%	7.0%	2.4%	1.0%	8.7%
2012	335,095	74.3%	9.3%	11.6%	2.1%	0.2%	0.3%	2.2%
Total	2,878,228	45.7%	7.1%	14.2%	7.7%	7.3%	2.0%	16.1%
<b>HAMP Modification Performance Compared With Other Modifications**</b>								
Other Modifications	1,431,669	49.7%	8.3%	16.7%	7.8%	5.8%	1.7%	9.9%
HAMP Modifications	663,619	60.8%	6.4%	9.4%	4.9%	2.8%	0.9%	14.8%
<b>Modifications That Reduced Payments by 10 Percent or More</b>								
	1,763,586	53.4%	7.1%	12.3%	6.2%	4.8%	1.4%	14.7%
<b>Modifications That Reduced Payments by Less Than 10 Percent</b>								
	1,114,642	33.5%	6.9%	17.1%	10.0%	11.2%	3.0%	18.3%

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

\*\*Modifications used to compare with HAMP modifications only include modifications implemented from the third quarter of 2009 through the third quarter of 2012.

**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 169,064 during the fourth quarter of 2012, a decrease of 6.2 percent from the previous quarter and 7.3 percent from a year earlier. The number of completed foreclosures decreased to 105,875—down 7.7 percent from the previous quarter and 8.9 percent from a year earlier. Short sales decreased 3.3 percent from the previous quarter and 2.4 percent from a year earlier. Short sales were 36.5 percent of total home forfeiture actions, up from 35.4 percent the prior quarter. Deed-in-lieu-of-foreclosure actions remained a small portion of home forfeiture actions during the quarter.

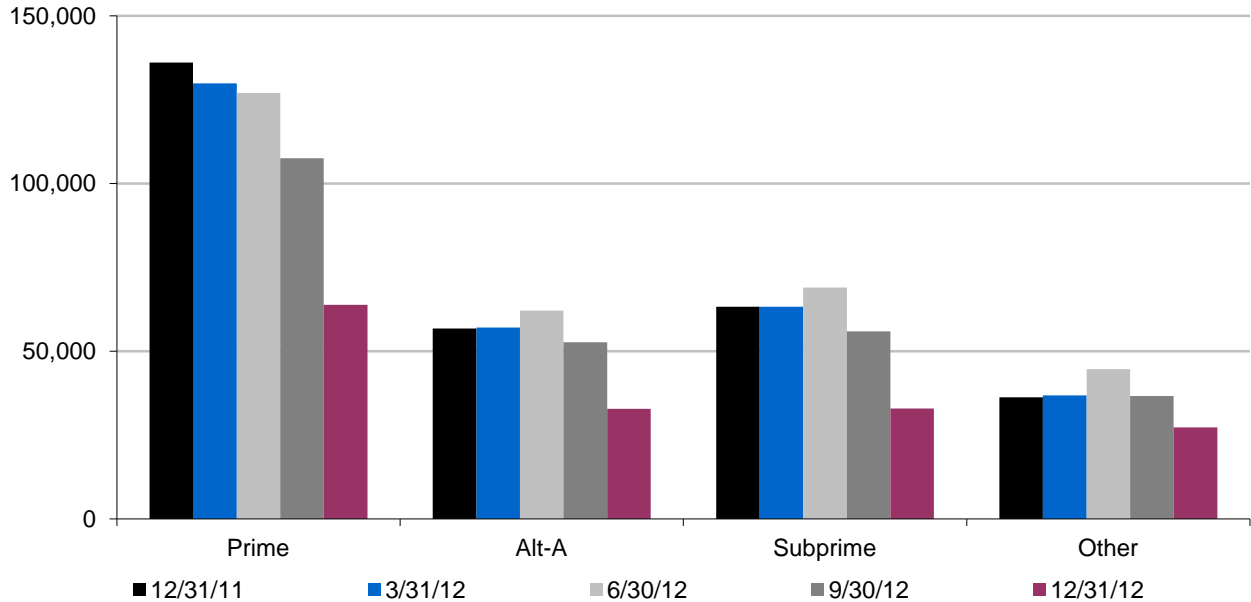
<b>Table 41. Completed Foreclosures and Other Home Forfeiture Actions</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Completed Foreclosures	116,159	122,979	101,735	114,742	105,875	-7.7%	-8.9%
New Short Sales	63,257	59,996	63,403	63,860	61,761	-3.3%	-2.4%
New Deed-in-Lieu-of-Foreclosure Actions	2,939	2,806	2,336	1,707	1,428	-16.3%	-51.4%
Total	182,355	185,781	167,474	180,309	169,064	-6.2%	-7.3%

### Newly Initiated Foreclosures

Servicers initiate foreclosure actions at defined stages of loan delinquency. Foreclosure actions will progress to sale of the property only if servicers and borrowers cannot arrange a permanent loss mitigation action, modification, or alternate workout solution or home sale. Newly initiated foreclosures decreased to 156,773 in the fourth quarter of 2012, a decrease of 37.9 percent from the previous quarter and 46.3 percent from a year ago. Newly initiated foreclosures decreased from the previous quarter and the previous year among all risk classes.

	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Prime	136,026	129,823	126,966	107,507	63,834	-40.6%	-53.1%
Alt-A	56,736	56,996	62,054	52,650	32,812	-37.7%	-42.2%
Subprime	63,225	63,286	68,968	55,845	32,886	-41.1%	-48.0%
Other	36,186	36,846	44,648	36,602	27,241	-25.6%	-24.7%
<b>Total</b>	<b>292,173</b>	<b>286,951</b>	<b>302,636</b>	<b>252,604</b>	<b>156,773</b>	<b>-37.9%</b>	<b>-46.3%</b>

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

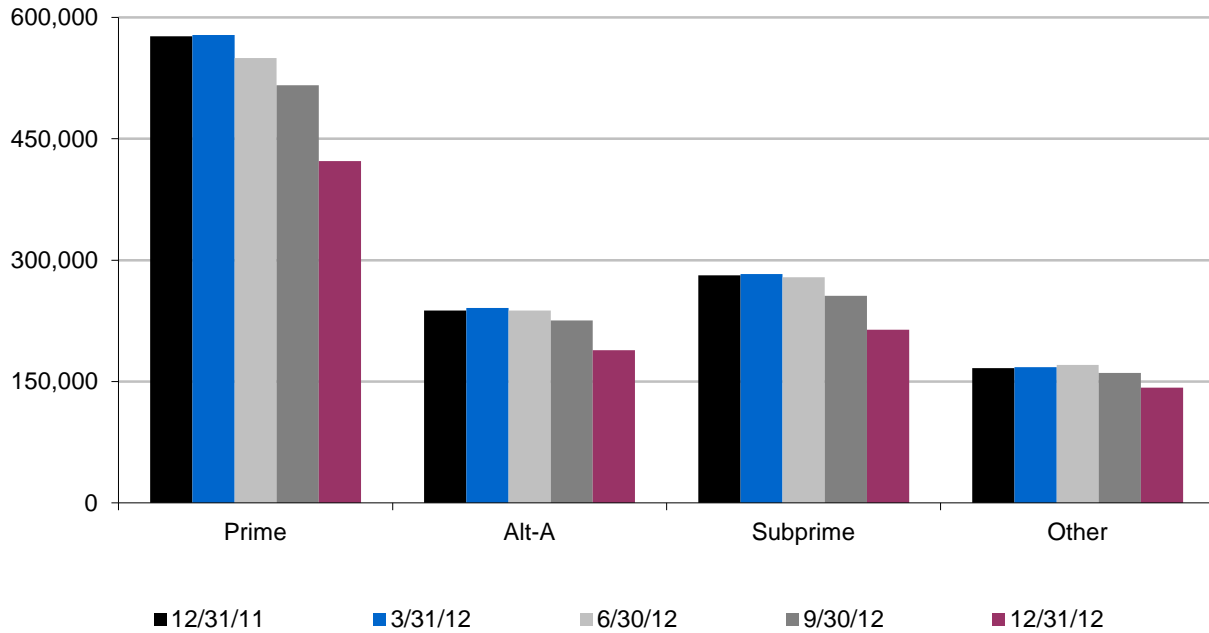


**Foreclosures in Process**

The number of mortgages in the process of foreclosure decreased to 967,467 at the end of the quarter, down 16.5 percent from the previous quarter and 23.4 percent from a year earlier. The percentage of mortgages in the portfolio that were in some stage of the foreclosure process at the end of the fourth quarter of 2012 was 3.3 percent, a decrease of 14.1 percent from the previous quarter and 17.0 percent from a year ago.

<b>Table 43. Foreclosures in Process</b>							
Percentage of Foreclosures in Process Relative to Mortgages in That Risk Category							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Prime	2.6%	2.6%	2.5%	2.4%	2.0%	-16.2%	-22.1%
Alt-A	7.0%	7.2%	7.2%	7.0%	6.1%	-13.4%	-13.6%
Subprime	12.2%	12.5%	12.8%	12.3%	10.7%	-12.6%	-12.0%
Other	4.9%	5.1%	5.5%	5.4%	4.9%	-7.7%	0.2%
Total	4.0%	4.1%	4.1%	3.9%	3.3%	-14.1%	-17.0%
Number of Foreclosures in Process							
Prime	576,761	578,547	549,862	516,346	422,472	-18.2%	-26.8%
Alt-A	237,558	240,876	237,671	225,615	188,577	-16.4%	-20.6%
Subprime	281,440	282,879	279,023	255,846	213,843	-16.4%	-24.0%
Other	166,535	167,619	170,469	160,482	142,575	-11.2%	-14.4%
Total	1,262,294	1,269,921	1,237,025	1,158,289	967,467	-16.5%	-23.4%

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

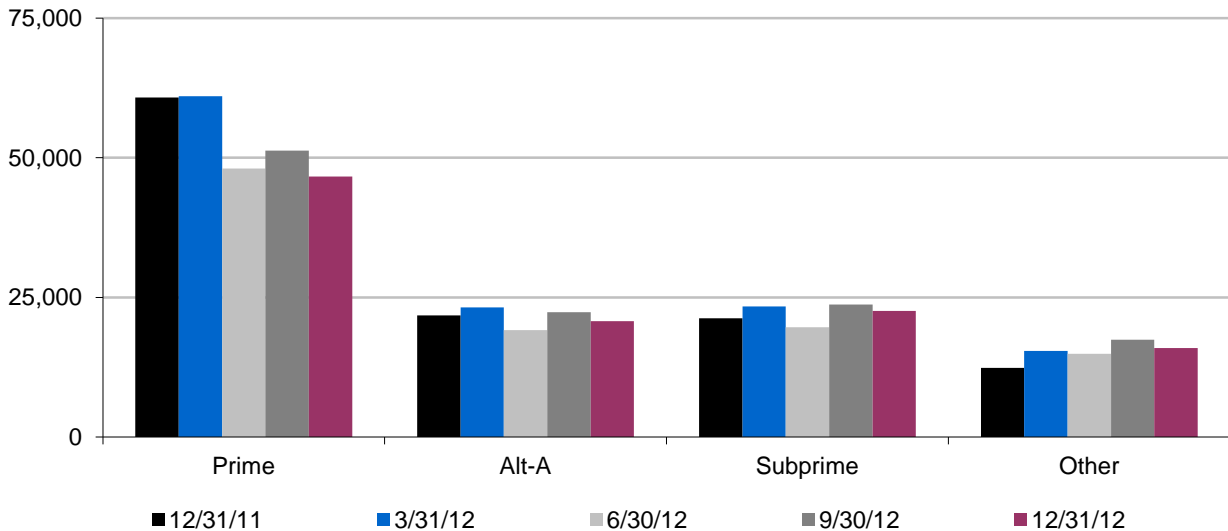


### Completed Foreclosures

The number of completed foreclosures decreased to 105,875 during the quarter—down 7.7 percent from the previous quarter and 8.9 percent from a year earlier. The percentage of mortgages that completed the foreclosure process during the fourth quarter of 2012 was 0.4 percent of all mortgages serviced, a decrease of 5.1 percent from the previous quarter and 1.3 percent from a year earlier. The quarter-to-quarter decreases in completed foreclosure actions occurred among all risk classes.

<b>Table 44. Completed Foreclosures</b>							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Prime	0.3%	0.3%	0.2%	0.2%	0.2%	-6.8%	-18.4%
Alt-A	0.6%	0.7%	0.6%	0.7%	0.7%	-3.6%	3.7%
Subprime	0.9%	1.0%	0.9%	1.1%	1.1%	-0.4%	23.1%
Other	0.4%	0.5%	0.5%	0.6%	0.6%	-5.2%	50.5%
Total	0.4%	0.4%	0.3%	0.4%	0.4%	-5.1%	-1.3%
Number of Completed Foreclosures							
Prime	60,777	60,984	48,079	51,285	46,647	-9.0%	-23.2%
Alt-A	21,788	23,196	19,110	22,328	20,764	-7.0%	-4.7%
Subprime	21,230	23,373	19,673	23,692	22,562	-4.8%	6.3%
Other	12,364	15,426	14,873	17,437	15,902	-8.8%	28.6%
Total	116,159	122,979	101,735	114,742	105,875	-7.7%	-8.9%

**Figure 17. Number of Completed Foreclosures**



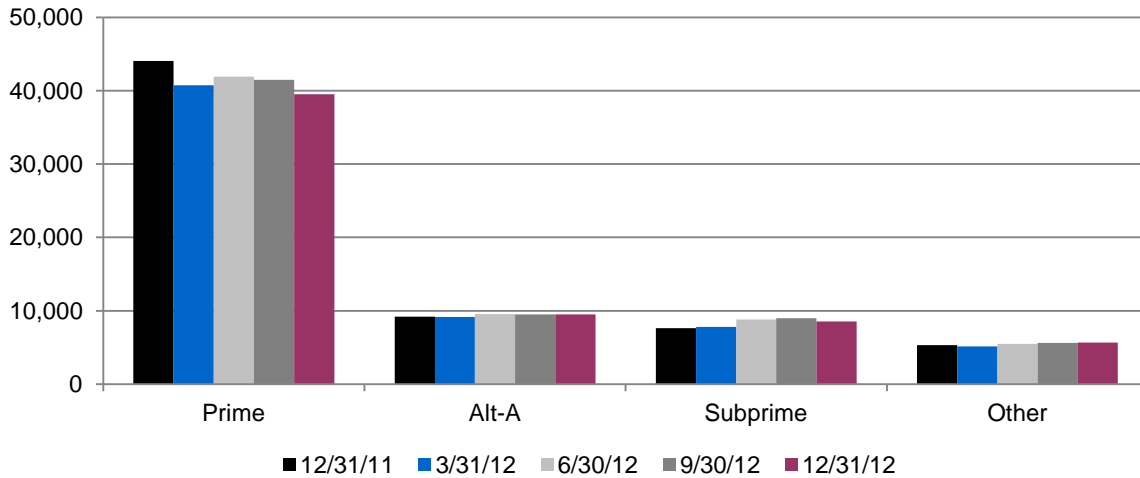


**Completed Short Sales and Deeds in Lieu of Foreclosure**

The number of completed short sales and deeds in lieu of foreclosure decreased to 63,189 during the quarter—down 3.6 percent from the previous quarter and 4.5 percent from a year earlier. Short sales and deeds in lieu of foreclosure as a percentage of all mortgages serviced at the end of the fourth quarter were 0.2 percent, down 0.8 percent from the previous quarter and up 3.4 percent from a year earlier.

<b>Table 45. Completed Short Sales and Deeds in Lieu of Foreclosure</b>							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Prime	0.2%	0.2%	0.2%	0.2%	0.2%	-2.4%	-4.7%
Alt-A	0.37%	0.3%	0.3%	0.3%	0.3%	3.6%	12.6%
Subprime	0.3%	0.3%	0.4%	0.4%	0.4%	-0.6%	29.2%
Other	0.2%	0.2%	0.2%	0.2%	0.2%	4.8%	25.1%
Total	0.2%	0.2%	0.2%	0.2%	0.2%	-0.8%	3.4%
Number of Completed Foreclosures							
Prime	44,073	40,729	41,902	41,473	39,498	-4.8%	-10.4%
Alt-A	9,191	9,160	9,535	9,515	9,513	0.0%	3.5%
Subprime	7,638	7,783	8,808	8,964	8,519	-5.0%	11.5%
Other	5,294	5,130	5,494	5,615	5,659	0.8%	6.9%
Overall	66,196	62,802	65,739	65,567	63,189	-3.6%	-4.5%

**Figure 18. Number of Completed Short Sales and Deeds in Lieu of Foreclosure**

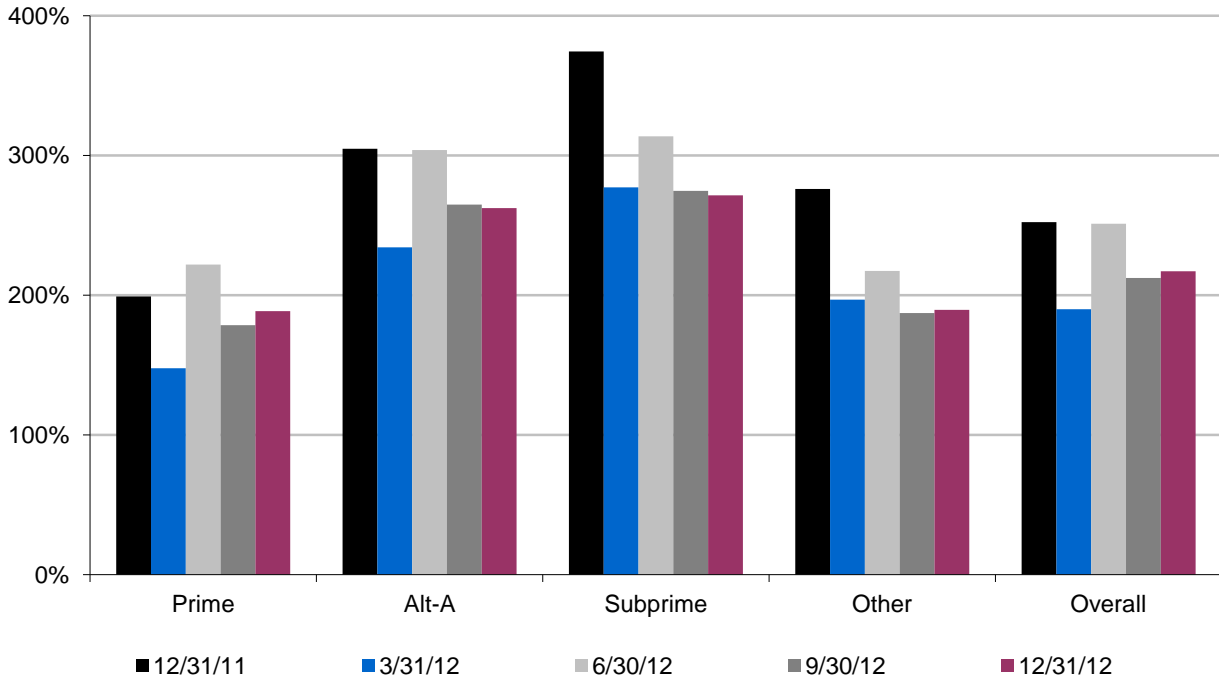


**New Home Retention Actions Relative to Forfeiture Actions, by Risk Category**

New home retention actions continued to significantly exceed completed home forfeitures as servicers initiated more than twice as many home retention actions as home forfeiture actions during the quarter. The percentage of new home retention actions relative to home forfeitures continued to be highest for subprime loans and lowest for prime and other loans during the fourth quarter of 2012.

<b>Table 46. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Prime	199.2%	147.8%	222.0%	178.6%	188.6%	5.6%	-5.4%
Alt-A	304.9%	234.3%	304.0%	264.9%	262.4%	-0.9%	-13.9%
Subprime	374.5%	277.3%	313.8%	274.7%	271.5%	-1.1%	-27.5%
Other	276.1%	196.9%	217.3%	187.3%	189.6%	1.2%	-31.3%
Overall	252.4%	190.0%	251.1%	212.4%	217.2%	2.3%	-13.9%

**Figure 19. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category**



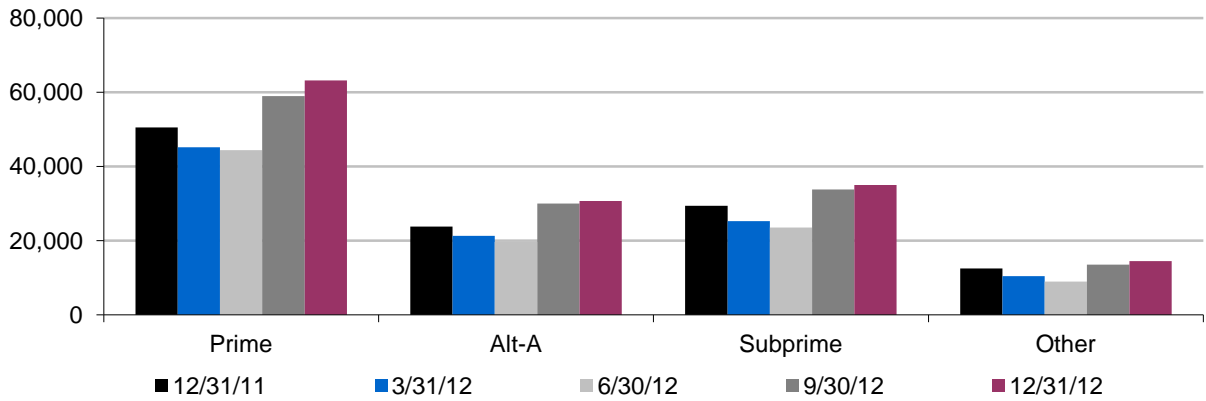
**Appendixes**

**Appendix A—New Loan Modifications**

There were 143,408 loan modifications completed during the fourth quarter of 2012—a 5.2 percent increase from the previous quarter and 23.5 percent increase from a year earlier. New modifications increased across all risk categories during the quarter.

<b>Table 47. Number of New Loan Modifications</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Prime	50,478	45,170	44,390	58,987	63,196	7.1%	25.2%
Alt-A	23,804	21,267	19,669	30,040	30,684	2.1%	28.9%
Subprime	29,367	25,284	23,554	33,755	35,039	3.8%	19.3%
Other	12,501	10,436	9,009	13,534	14,489	7.1%	15.9%
Total	116,150	102,157	96,622	136,316	143,408	5.2%	23.5%

**Figure 20. Number of New Loan Modifications**

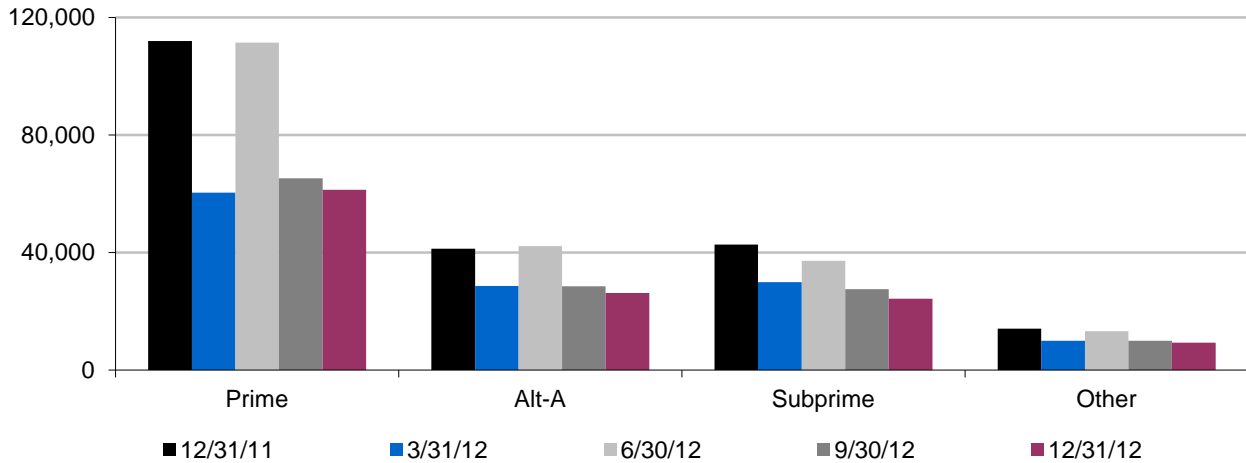


**Appendix B—New Trial-Period Plans**

Servicers initiated 121,268 trial-period plans during the fourth quarter of 2012, a decrease of 7.7 percent from the previous quarter and 42.3 percent from a year earlier. The volatility in the number of new trial-period plans over the last five quarters was affected by changes in program terms by some servicers that converted a significant number of borrowers in existing payment plans to trial-period plans. These conversions changed the timing of movement between repayment and trial-period plans or shifted the initiation of trial-period plans between reporting periods.

<b>Table 48. Number of New Trial-Period Plans</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Prime	111,968	60,432	111,366	65,256	61,307	-6.1%	-45.2%
Alt-A	41,357	28,596	42,209	28,486	26,276	-7.8%	-36.5%
Subprime	42,708	29,937	37,184	27,602	24,312	-11.9%	-43.1%
Other	14,146	10,051	13,213	10,059	9,373	-6.8%	-33.7%
Total	210,179	129,016	203,972	131,403	121,268	-7.7%	-42.3%

**Figure 21. Number of New Trial-Period Plans**

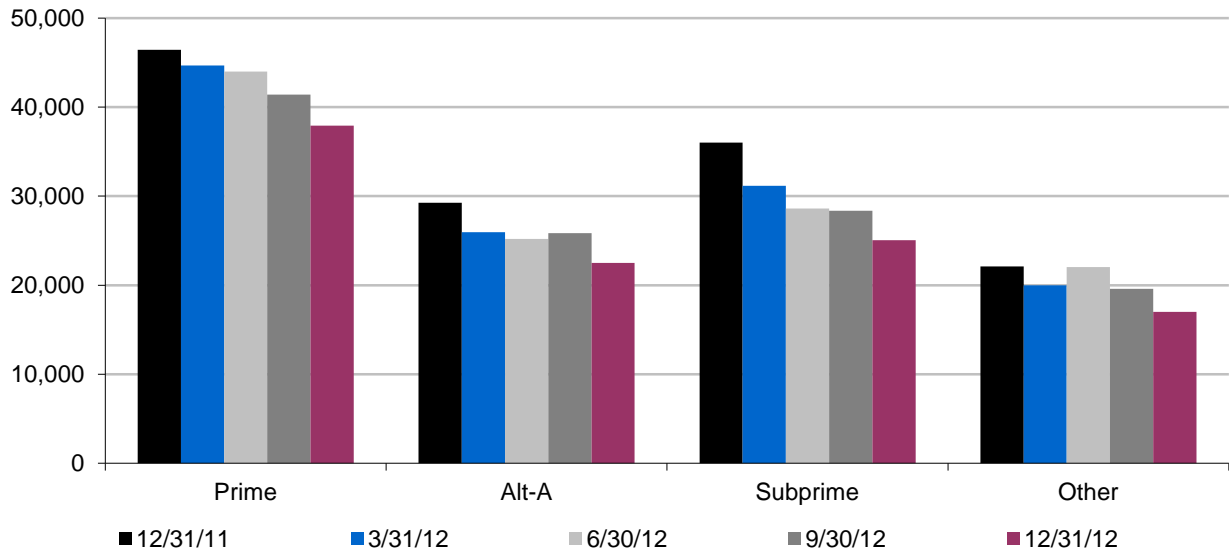


**Appendix C—New Payment Plans**

New payment plans decreased by 11.0 percent to 102,493 during the fourth quarter of 2012.

<b>Table 49. Number of New Payment Plans</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Prime	46,462	44,697	43,992	41,401	37,938	-8.4%	-18.3%
Alt-A	29,280	25,953	25,190	25,838	22,495	-12.9%	-23.2%
Subprime	36,036	31,177	28,624	28,349	25,048	-11.6%	-30.5%
Other	22,103	19,988	22,044	19,592	17,012	-13.2%	-23.0%
Total	133,881	121,815	119,850	115,180	102,493	-11.0%	-23.4%

**Figure 22. Number of New Payment Plans**



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

Servicers generally use a combination of actions to reduce monthly payments and achieve payment sustainability when modifying a mortgage. Servicers changed more than one loan term in 89.8 percent of all modifications completed during the fourth quarter of 2012.

<b>Table 50. Changes in Terms for Modifications Made Through the Fourth Quarter of 2012</b>							
<b>(Percentage of Modifications in Each Category)</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Combination*	94.5%	95.3%	86.2%	93.9%	89.8%	-4.4%	-4.9%
Capitalization	2.8%	1.9%	1.5%	1.6%	1.4%	-14.1%	-51.5%
Rate Reduction	0.7%	0.8%	6.4%	2.7%	6.5%	144.1%	837.3%
Rate Freeze	0.0%	0.2%	0.0%	0.0%	0.0%	-16.8%	-76.4%
Term Extension	0.4%	0.6%	0.5%	0.3%	0.9%	219.2%	101.8%
Principal Reduction	0.0%	0.0%	4.6%	1.1%	0.1%	-87.2%	5299.5%
Principal Deferral	0.1%	0.1%	0.1%	0.1%	0.1%	105.8%	136.6%
Not Reported**	1.5%	1.2%	0.7%	0.4%	1.2%	217.8%	-22.0%
<b>(Number of Changes in Each Category)</b>							
Combination*	109,723	97,349	83,304	128,067	128,826	0.6%	17.4%
Capitalization	3,284	1,902	1,428	2,176	1,967	-9.6%	-40.1%
Rate Reduction	803	813	6,146	3,619	9,293	156.8%	1057.3%
Rate Freeze	24	244	9	8	7	-12.5%	-70.8%
Term Extension	500	587	520	371	1,246	235.8%	149.2%
Principal Reduction	3	1	4,412	1,486	200	-86.5%	6566.7%
Principal Deferral	63	71	81	85	184	116.5%	192.1%
Not Reported**	1,750	1,190	722	504	1,685	234.3%	-3.7%
All Modifications	116,150	102,157	96,622	136,316	143,408	5.2%	23.5%

\*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 128,826 modifications completed during the fourth quarter of 2012 that changed more than one term of the mortgage contract, 92.4 percent included capitalization of missed fees and payments, 74.3 percent included interest rate reduction, and 64.5 percent included an extension of the loan maturity. Principal deferral was included in 22.7 percent of the combination modifications implemented during the quarter, and principal reduction was included in 22.1 percent. Because combination modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total combination modifications.

<b>Table 51. Changes in Terms for Combination Modifications Through the Fourth Quarter of 2012</b>							
<b>(Percentage of Modifications in Each Category)</b>							
	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	1Q %Change	1Y %Change
Capitalization	95.8%	94.2%	90.9%	94.6%	92.4%	-2.3%	-3.5%
Rate Reduction	82.0%	83.8%	84.0%	79.4%	74.3%	-6.4%	-9.4%
Rate Freeze	6.7%	6.3%	7.2%	7.4%	4.3%	-42.3%	-36.8%
Term Extension*	58.3%	76.7%	71.1%	68.7%	64.5%	-6.1%	10.6%
Principal Reduction	9.0%	10.7%	12.6%	17.1%	22.1%	29.1%	146.2%
Principal Deferral	25.9%	25.8%	22.8%	20.3%	22.7%	12.2%	-12.3%
<b>(Total Number of Changes in Each Category)</b>							
Capitalization	105,081	91,671	75,687	121,099	119,048	-1.7%	13.3%
Rate Reduction	89,973	81,569	69,947	101,660	95,729	-5.8%	6.4%
Rate Freeze	7,395	6,101	6,030	9,451	5,487	-41.9%	-25.8%
Term Extension*	63,991	74,669	59,235	87,979	83,060	-5.6%	29.8%
Principal Reduction	9,863	10,403	10,532	21,951	28,513	29.9%	189.1%
Principal Deferral	28,433	25,083	19,004	25,936	29,262	12.8%	2.9%

\*Increase in the first quarter of 2012 results from process changes at some servicers that improved the reporting of this data element.

**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”). These data fulfill reporting requirements in the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (Public Law 111-203).

Table 52 presents the number and percentage of HAMP modifications and other modifications in each state during the fourth quarter of 2012. Tables 53 and 54 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 55 and 56 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 57 and 58 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 59 and 60 present the number and percentage of modifications made in the second quarter of 2012 that were 60 or more days delinquent or in the process of foreclosure at the end of the fourth quarter of 2012.



**Table 52. Number and Percentage of Mortgage Modifications  
Implemented in the Fourth Quarter of 2012**

States	HAMP Modifications		Other Modifications		Total Modifications	
	Total	% of State Total	Total	% of State Total	Total	% of Total
Total - All States	29,084	20.3%	114,324	79.7%	143,408	100.0%
Alabama	144	9.6%	1,354	90.4%	1,498	1.0%
Alaska	19	23.2%	63	76.8%	82	0.1%
Arizona	645	19.6%	2,642	80.4%	3,287	2.3%
Arkansas	51	10.9%	416	89.1%	467	0.3%
California	7,765	28.5%	19,519	71.5%	27,284	19.0%
Colorado	408	20.1%	1,619	79.9%	2,027	1.4%
Connecticut	445	21.8%	1,592	78.2%	2,037	1.4%
Delaware	112	20.0%	449	80.0%	561	0.4%
District of Columbia	71	25.4%	209	74.6%	280	0.2%
Florida	3,288	22.0%	11,674	78.0%	14,962	10.4%
Georgia	1,160	16.4%	5,910	83.6%	7,070	4.9%
Hawaii	86	23.1%	286	76.9%	372	0.3%
Idaho	89	15.6%	483	84.4%	572	0.4%
Illinois	1,576	21.3%	5,817	78.7%	7,393	5.2%
Indiana	229	10.8%	1,884	89.2%	2,113	1.5%
Iowa	80	12.6%	557	87.4%	637	0.4%
Kansas	77	12.4%	544	87.6%	621	0.4%
Kentucky	120	13.1%	795	86.9%	915	0.6%
Louisiana	160	12.5%	1,117	87.5%	1,277	0.9%
Maine	91	21.8%	327	78.2%	418	0.3%
Maryland	946	17.7%	4,408	82.3%	5,354	3.7%
Massachusetts	672	22.7%	2,287	77.3%	2,959	2.1%
Michigan	550	14.9%	3,153	85.1%	3,703	2.6%
Minnesota	448	21.8%	1,603	78.2%	2,051	1.4%
Mississippi	78	11.4%	609	88.6%	687	0.5%
Missouri	317	14.6%	1,855	85.4%	2,172	1.5%
Montana	39	19.2%	164	80.8%	203	0.1%
Nebraska	52	17.6%	244	82.4%	296	0.2%
Nevada	474	20.1%	1,879	79.9%	2,353	1.6%
New Hampshire	124	23.5%	403	76.5%	527	0.4%
New Jersey	1,139	22.3%	3,979	77.7%	5,118	3.6%
New Mexico	97	14.1%	590	85.9%	687	0.5%
New York	1,787	27.1%	4,812	72.9%	6,599	4.6%
North Carolina	598	14.5%	3,536	85.5%	4,134	2.9%
North Dakota	3	8.6%	32	91.4%	35	0.0%
Ohio	522	13.1%	3,454	86.9%	3,976	2.8%
Oklahoma	76	10.8%	626	89.2%	702	0.5%
Oregon	373	23.3%	1,227	76.7%	1,600	1.1%
Pennsylvania	710	17.8%	3,274	82.2%	3,984	2.8%
Rhode Island	125	21.9%	447	78.1%	572	0.4%
South Carolina	262	13.5%	1,683	86.5%	1,945	1.4%
South Dakota	16	17.6%	75	82.4%	91	0.1%
Tennessee	270	13.0%	1,808	87.0%	2,078	1.4%
Texas	858	11.9%	6,336	88.1%	7,194	5.0%
Utah	177	14.7%	1,027	85.3%	1,204	0.8%
Vermont	21	15.7%	113	84.3%	134	0.1%
Virginia	686	18.6%	3,011	81.4%	3,697	2.6%
Washington	695	20.6%	2,683	79.4%	3,378	2.4%
West Virginia	37	12.8%	252	87.2%	289	0.2%
Wisconsin	290	18.1%	1,313	81.9%	1,603	1.1%
Wyoming	5	7.4%	63	92.6%	68	0.0%
Other	21	14.8%	121	85.2%	142	0.1%

**Table 53. Number of Mortgage Modification Actions  
Implemented in the Fourth Quarter of 2012**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reductions	Principal Deferral	Combination	Not Reported	Total Modifications
Total - All States	1,967	9,300	1,246	200	184	128,826	1,685	143,408
Alabama	25	33	23	0	0	1,413	4	1,498
Alaska	1	2	0	0	0	77	2	82
Arizona	32	280	21	6	8	2,910	30	3,287
Arkansas	6	25	3	1	0	429	3	467
California	356	2,184	219	115	66	23,946	398	27,284
Colorado	31	81	17	2	1	1,873	22	2,027
Connecticut	33	109	10	2	2	1,854	27	2,037
Delaware	6	26	9	0	0	519	1	561
District of Columbia	4	34	3	0	0	230	9	280
Florida	128	1,020	88	15	22	13,541	148	14,962
Georgia	75	502	87	4	4	6,336	62	7,070
Hawaii	9	16	3	0	0	335	9	372
Idaho	10	25	1	0	0	533	3	572
Illinois	70	312	60	4	7	6,878	62	7,393
Indiana	42	30	17	1	1	2,015	7	2,113
Iowa	24	21	4	0	0	578	10	637
Kansas	14	46	2	0	0	558	1	621
Kentucky	16	27	16	0	1	849	6	915
Louisiana	20	24	16	0	0	1,211	6	1,277
Maine	8	19	6	0	1	374	10	418
Maryland	67	549	60	4	10	4,591	73	5,354
Massachusetts	42	310	21	1	5	2,535	45	2,959
Michigan	55	292	15	2	2	3,310	27	3,703
Minnesota	23	133	14	1	3	1,827	50	2,051
Mississippi	14	14	9	0	0	644	6	687
Missouri	39	126	15	6	0	1,966	20	2,172
Montana	3	5	1	0	1	192	1	203
Nebraska	6	7	0	0	0	281	2	296
Nevada	12	156	17	12	5	2,128	23	2,353
New Hampshire	9	41	5	1	0	460	11	527
New Jersey	40	240	47	1	8	4,686	96	5,118
New Mexico	8	61	8	1	1	600	8	687
New York	72	305	41	5	15	6,018	143	6,599
North Carolina	90	310	55	1	2	3,626	50	4,134
North Dakota	1	1	0	0	0	33	0	35
Ohio	64	128	40	1	0	3,720	23	3,976
Oklahoma	16	20	10	0	0	652	4	702
Oregon	17	154	17	2	3	1,389	18	1,600
Pennsylvania	75	128	41	0	4	3,695	41	3,984
Rhode Island	11	65	4	1	0	482	9	572
South Carolina	35	196	28	0	1	1,664	21	1,945
South Dakota	2	1	0	0	0	87	1	91
Tennessee	47	96	30	0	1	1,881	23	2,078
Texas	170	313	51	5	1	6,602	52	7,194
Utah	17	28	8	1	0	1,142	8	1,204
Vermont	1	4	3	0	0	123	3	134
Virginia	60	467	47	2	4	3,067	50	3,697
Washington	30	270	33	2	4	2,996	43	3,378
West Virginia	7	16	4	0	1	261	0	289
Wisconsin	20	42	12	1	0	1,516	12	1,603
Wyoming	4	0	2	0	0	62	0	68
Other	0	6	3	0	0	131	2	142

**Table 54. Percentage of Mortgage Modification Actions  
Implemented in the Fourth Quarter of 2012**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Combination	Not Reported	Total Modifications
Total - All States	1.4%	6.5%	0.9%	0.1%	0.1%	89.8%	1.2%	143,408
Alabama	1.7%	2.2%	1.5%	0.0%	0.0%	94.3%	0.3%	1,498
Alaska	1.2%	2.4%	0.0%	0.0%	0.0%	93.9%	2.4%	82
Arizona	1.0%	8.5%	0.6%	0.2%	0.2%	88.5%	0.9%	3,287
Arkansas	1.3%	5.4%	0.6%	0.2%	0.0%	91.9%	0.6%	467
California	1.3%	8.0%	0.8%	0.4%	0.2%	87.8%	1.5%	27,284
Colorado	1.5%	4.0%	0.8%	0.1%	0.0%	92.4%	1.1%	2,027
Connecticut	1.6%	5.4%	0.5%	0.1%	0.1%	91.0%	1.3%	2,037
Delaware	1.1%	4.6%	1.6%	0.0%	0.0%	92.5%	0.2%	561
District of Columbia	1.4%	12.1%	1.1%	0.0%	0.0%	82.1%	3.2%	280
Florida	0.9%	6.8%	0.6%	0.1%	0.1%	90.5%	1.0%	14,962
Georgia	1.1%	7.1%	1.2%	0.1%	0.1%	89.6%	0.9%	7,070
Hawaii	2.4%	4.3%	0.8%	0.0%	0.0%	90.1%	2.4%	372
Idaho	1.7%	4.4%	0.2%	0.0%	0.0%	93.2%	0.5%	572
Illinois	0.9%	4.2%	0.8%	0.1%	0.1%	93.0%	0.8%	7,393
Indiana	2.0%	1.4%	0.8%	0.0%	0.0%	95.4%	0.3%	2,113
Iowa	3.8%	3.3%	0.6%	0.0%	0.0%	90.7%	1.6%	637
Kansas	2.3%	7.4%	0.3%	0.0%	0.0%	89.9%	0.2%	621
Kentucky	1.7%	3.0%	1.7%	0.0%	0.1%	92.8%	0.7%	915
Louisiana	1.6%	1.9%	1.3%	0.0%	0.0%	94.8%	0.5%	1,277
Maine	1.9%	4.5%	1.4%	0.0%	0.2%	89.5%	2.4%	418
Maryland	1.3%	10.3%	1.1%	0.1%	0.2%	85.7%	1.4%	5,354
Massachusetts	1.4%	10.5%	0.7%	0.0%	0.2%	85.7%	1.5%	2,959
Michigan	1.5%	7.9%	0.4%	0.1%	0.1%	89.4%	0.7%	3,703
Minnesota	1.1%	6.5%	0.7%	0.0%	0.1%	89.1%	2.4%	2,051
Mississippi	2.0%	2.0%	1.3%	0.0%	0.0%	93.7%	0.9%	687
Missouri	1.8%	5.8%	0.7%	0.3%	0.0%	90.5%	0.9%	2,172
Montana	1.5%	2.5%	0.5%	0.0%	0.5%	94.6%	0.5%	203
Nebraska	2.0%	2.4%	0.0%	0.0%	0.0%	94.9%	0.7%	296
Nevada	0.5%	6.6%	0.7%	0.5%	0.2%	90.4%	1.0%	2,353
New Hampshire	1.7%	7.8%	0.9%	0.2%	0.0%	87.3%	2.1%	527
New Jersey	0.8%	4.7%	0.9%	0.0%	0.2%	91.6%	1.9%	5,118
New Mexico	1.2%	8.9%	1.2%	0.1%	0.1%	87.3%	1.2%	687
New York	1.1%	4.6%	0.6%	0.1%	0.2%	91.2%	2.2%	6,599
North Carolina	2.2%	7.5%	1.3%	0.0%	0.0%	87.7%	1.2%	4,134
North Dakota	2.9%	2.9%	0.0%	0.0%	0.0%	94.3%	0.0%	35
Ohio	1.6%	3.2%	1.0%	0.0%	0.0%	93.6%	0.6%	3,976
Oklahoma	2.3%	2.8%	1.4%	0.0%	0.0%	92.9%	0.6%	702
Oregon	1.1%	9.6%	1.1%	0.1%	0.2%	86.8%	1.1%	1,600
Pennsylvania	1.9%	3.2%	1.0%	0.0%	0.1%	92.7%	1.0%	3,984
Rhode Island	1.9%	11.4%	0.7%	0.2%	0.0%	84.3%	1.6%	572
South Carolina	1.8%	10.1%	1.4%	0.0%	0.1%	85.6%	1.1%	1,945
South Dakota	2.2%	1.1%	0.0%	0.0%	0.0%	95.6%	1.1%	91
Tennessee	2.3%	4.6%	1.4%	0.0%	0.0%	90.5%	1.1%	2,078
Texas	2.4%	4.4%	0.7%	0.1%	0.0%	91.8%	0.7%	7,194
Utah	1.4%	2.3%	0.7%	0.1%	0.0%	94.9%	0.7%	1,204
Vermont	0.7%	3.0%	2.2%	0.0%	0.0%	91.8%	2.2%	134
Virginia	1.6%	12.6%	1.3%	0.1%	0.1%	83.0%	1.4%	3,697
Washington	0.9%	8.0%	1.0%	0.1%	0.1%	88.7%	1.3%	3,378
West Virginia	2.4%	5.5%	1.4%	0.0%	0.3%	90.3%	0.0%	289
Wisconsin	1.2%	2.6%	0.7%	0.1%	0.0%	94.6%	0.7%	1,603
Wyoming	5.9%	0.0%	2.9%	0.0%	0.0%	91.2%	0.0%	68
Other	0.0%	4.2%	2.1%	0.0%	0.0%	92.3%	1.4%	142

**Table 55. Number of Modification Actions in Combination Actions  
Implemented in the Fourth Quarter of 2012**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	119,048	101,177	83,060	28,513	29,262	128,826
Alabama	1,211	1,279	1,117	107	97	1,413
Alaska	75	66	61	5	12	77
Arizona	2,671	2,166	1,764	742	732	2,910
Arkansas	393	387	336	20	36	429
California	22,862	16,261	10,880	9,597	7,931	23,946
Colorado	1,726	1,588	1,335	237	262	1,873
Connecticut	1,745	1,445	1,195	415	412	1,854
Delaware	447	452	385	58	68	519
District of Columbia	216	182	150	29	60	230
Florida	12,764	9,803	7,992	4,346	4,329	13,541
Georgia	5,573	5,355	4,518	968	1,109	6,336
Hawaii	312	238	198	65	114	335
Idaho	495	441	390	57	88	533
Illinois	6,475	5,385	4,643	1,458	1,941	6,878
Indiana	1,853	1,763	1,583	166	193	2,015
Iowa	524	508	474	28	46	578
Kansas	505	490	433	46	36	558
Kentucky	763	737	663	60	69	849
Louisiana	1,106	1,069	921	102	110	1,211
Maine	348	307	262	46	55	374
Maryland	4,205	3,545	2,895	1,034	1,130	4,591
Massachusetts	2,411	1,833	1,604	604	661	2,535
Michigan	3,067	2,749	2,154	565	604	3,310
Minnesota	1,732	1,539	1,250	247	395	1,827
Mississippi	555	583	460	67	69	644
Missouri	1,721	1,688	1,425	254	227	1,966
Montana	173	169	147	16	23	192
Nebraska	250	258	230	8	19	281
Nevada	2,020	1,361	1,156	736	619	2,128
New Hampshire	431	357	293	98	98	460
New Jersey	4,367	3,675	3,323	895	1,292	4,686
New Mexico	542	486	445	81	77	600
New York	5,685	4,761	3,855	1,289	1,783	6,018
North Carolina	3,142	3,067	2,848	379	431	3,626
North Dakota	29	28	28	2	2	33
Ohio	3,388	3,291	2,799	372	475	3,720
Oklahoma	586	589	525	34	51	652
Oregon	1,285	1,134	971	198	365	1,389
Pennsylvania	3,403	3,027	2,732	461	511	3,695
Rhode Island	459	291	255	183	134	482
South Carolina	1,463	1,425	1,282	177	225	1,664
South Dakota	79	74	73	6	7	87
Tennessee	1,632	1,646	1,335	242	160	1,881
Texas	5,969	5,958	5,141	641	533	6,602
Utah	1,052	994	862	91	135	1,142
Vermont	107	103	96	11	17	123
Virginia	2,715	2,579	2,068	500	494	3,067
Washington	2,798	2,356	2,019	544	751	2,996
West Virginia	219	236	200	19	22	261
Wisconsin	1,391	1,277	1,120	190	240	1,516
Wyoming	53	56	58	1	6	62
Other	55	120	111	16	6	131

**Table 56. Percentage of Modification Actions in Combination Actions  
Implemented in the Fourth Quarter of 2012**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	92.4%	78.5%	64.5%	22.1%	22.7%	128,826
Alabama	85.7%	90.5%	79.1%	7.6%	6.9%	1,413
Alaska	97.4%	85.7%	79.2%	6.5%	15.6%	77
Arizona	91.8%	74.4%	60.6%	25.5%	25.2%	2,910
Arkansas	91.6%	90.2%	78.3%	4.7%	8.4%	429
California	95.5%	67.9%	45.4%	40.1%	33.1%	23,946
Colorado	92.2%	84.8%	71.3%	12.7%	14.0%	1,873
Connecticut	94.1%	77.9%	64.5%	22.4%	22.2%	1,854
Delaware	86.1%	87.1%	74.2%	11.2%	13.1%	519
District of Columbia	93.9%	79.1%	65.2%	12.6%	26.1%	230
Florida	94.3%	72.4%	59.0%	32.1%	32.0%	13,541
Georgia	88.0%	84.5%	71.3%	15.3%	17.5%	6,336
Hawaii	93.1%	71.0%	59.1%	19.4%	34.0%	335
Idaho	92.9%	82.7%	73.2%	10.7%	16.5%	533
Illinois	94.1%	78.3%	67.5%	21.2%	28.2%	6,878
Indiana	92.0%	87.5%	78.6%	8.2%	9.6%	2,015
Iowa	90.7%	87.9%	82.0%	4.8%	8.0%	578
Kansas	90.5%	87.8%	77.6%	8.2%	6.5%	558
Kentucky	89.9%	86.8%	78.1%	7.1%	8.1%	849
Louisiana	91.3%	88.3%	76.1%	8.4%	9.1%	1,211
Maine	93.0%	82.1%	70.1%	12.3%	14.7%	374
Maryland	91.6%	77.2%	63.1%	22.5%	24.6%	4,591
Massachusetts	95.1%	72.3%	63.3%	23.8%	26.1%	2,535
Michigan	92.7%	83.1%	65.1%	17.1%	18.2%	3,310
Minnesota	94.8%	84.2%	68.4%	13.5%	21.6%	1,827
Mississippi	86.2%	90.5%	71.4%	10.4%	10.7%	644
Missouri	87.5%	85.9%	72.5%	12.9%	11.5%	1,966
Montana	90.1%	88.0%	76.6%	8.3%	12.0%	192
Nebraska	89.0%	91.8%	81.9%	2.8%	6.8%	281
Nevada	94.9%	64.0%	54.3%	34.6%	29.1%	2,128
New Hampshire	93.7%	77.6%	63.7%	21.3%	21.3%	460
New Jersey	93.2%	78.4%	70.9%	19.1%	27.6%	4,686
New Mexico	90.3%	81.0%	74.2%	13.5%	12.8%	600
New York	94.5%	79.1%	64.1%	21.4%	29.6%	6,018
North Carolina	86.7%	84.6%	78.5%	10.5%	11.9%	3,626
North Dakota	87.9%	84.8%	84.8%	6.1%	6.1%	33
Ohio	91.1%	88.5%	75.2%	10.0%	12.8%	3,720
Oklahoma	89.9%	90.3%	80.5%	5.2%	7.8%	652
Oregon	92.5%	81.6%	69.9%	14.3%	26.3%	1,389
Pennsylvania	92.1%	81.9%	73.9%	12.5%	13.8%	3,695
Rhode Island	95.2%	60.4%	52.9%	38.0%	27.8%	482
South Carolina	87.9%	85.6%	77.0%	10.6%	13.5%	1,664
South Dakota	90.8%	85.1%	83.9%	6.9%	8.0%	87
Tennessee	86.8%	87.5%	71.0%	12.9%	8.5%	1,881
Texas	90.4%	90.2%	77.9%	9.7%	8.1%	6,602
Utah	92.1%	87.0%	75.5%	8.0%	11.8%	1,142
Vermont	87.0%	83.7%	78.0%	8.9%	13.8%	123
Virginia	88.5%	84.1%	67.4%	16.3%	16.1%	3,067
Washington	93.4%	78.6%	67.4%	18.2%	25.1%	2,996
West Virginia	83.9%	90.4%	76.6%	7.3%	8.4%	261
Wisconsin	91.8%	84.2%	73.9%	12.5%	15.8%	1,516
Wyoming	85.5%	90.3%	93.5%	1.6%	9.7%	62
Other	42.0%	91.6%	84.7%	12.2%	4.6%	131

**Table 57. Changes in Monthly Principal and Interest Payments by State (Number)**  
 Modifications Implemented in the Fourth Quarter of 2012

States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total - All States	84,062	30,044	19,169	1,276	8,085	772	143,408
Alabama	732	386	267	25	84	4	1,498
Alaska	37	25	16	1	2	1	82
Arizona	1,932	747	414	33	151	10	3,287
Arkansas	227	137	79	3	19	2	467
California	17,619	4,666	2,941	289	1,616	153	27,284
Colorado	1,043	497	342	8	131	6	2,027
Connecticut	1,185	464	259	10	108	11	2,037
Delaware	293	137	89	1	40	1	561
District of Columbia	156	69	37	2	12	4	280
Florida	10,164	2,440	1,458	136	696	68	14,962
Georgia	3,949	1,604	1,068	78	321	50	7,070
Hawaii	216	82	51	0	16	7	372
Idaho	318	143	74	6	31	0	572
Illinois	4,675	1,342	908	57	380	31	7,393
Indiana	1,039	516	375	23	152	8	2,113
Iowa	299	142	128	6	58	4	637
Kansas	289	164	110	6	52	0	621
Kentucky	433	224	168	10	76	4	915
Louisiana	575	326	257	12	103	4	1,277
Maine	244	91	49	8	24	2	418
Maryland	2,938	1,228	838	39	266	45	5,354
Massachusetts	1,797	649	358	15	121	19	2,959
Michigan	2,152	872	449	26	196	8	3,703
Minnesota	1,125	475	284	12	118	37	2,051
Mississippi	344	168	119	11	43	2	687
Missouri	1,182	561	297	14	115	3	2,172
Montana	94	49	38	1	21	0	203
Nebraska	156	73	45	2	19	1	296
Nevada	1,595	407	250	15	80	6	2,353
New Hampshire	320	115	59	3	26	4	527
New Jersey	3,109	1,025	655	32	248	49	5,118
New Mexico	379	173	90	7	33	5	687
New York	4,298	1,099	804	41	286	71	6,599
North Carolina	2,045	1,063	706	55	248	17	4,134
North Dakota	16	4	7	1	6	1	35
Ohio	2,149	934	583	31	259	20	3,976
Oklahoma	340	158	125	10	67	2	702
Oregon	934	390	183	11	80	2	1,600
Pennsylvania	2,159	903	590	37	278	17	3,984
Rhode Island	375	115	60	1	18	3	572
South Carolina	1,001	492	313	20	111	8	1,945
South Dakota	43	18	22	2	5	1	91
Tennessee	1,038	508	348	30	149	5	2,078
Texas	3,472	1,774	1,303	60	567	18	7,194
Utah	578	313	232	9	67	5	1,204
Vermont	76	31	19	3	4	1	134
Virginia	1,817	993	551	39	270	27	3,697
Washington	1,909	774	470	13	195	17	3,378
West Virginia	148	79	37	10	15	0	289
Wisconsin	908	366	219	11	92	7	1,603
Wyoming	26	19	14	1	8	0	68
Other	114	14	11	0	2	1	142

**Table 58. Changes in Monthly Principal and Interest Payments (Percentage)**  
 Modifications Implemented During the Fourth Quarter of 2012

States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total - All States	58.6%	21.0%	13.4%	0.9%	5.6%	0.5%	143,408
Alabama	48.9%	25.8%	17.8%	1.7%	5.6%	0.3%	1,498
Alaska	45.1%	30.5%	19.5%	1.2%	2.4%	1.2%	82
Arizona	58.8%	22.7%	12.6%	1.0%	4.6%	0.3%	3,287
Arkansas	48.6%	29.3%	16.9%	0.6%	4.1%	0.4%	467
California	64.6%	17.1%	10.8%	1.1%	5.9%	0.6%	27,284
Colorado	51.5%	24.5%	16.9%	0.4%	6.5%	0.3%	2,027
Connecticut	58.2%	22.8%	12.7%	0.5%	5.3%	0.5%	2,037
Delaware	52.2%	24.4%	15.9%	0.2%	7.1%	0.2%	561
District of Columbia	55.7%	24.6%	13.2%	0.7%	4.3%	1.4%	280
Florida	67.9%	16.3%	9.7%	0.9%	4.7%	0.5%	14,962
Georgia	55.9%	22.7%	15.1%	1.1%	4.5%	0.7%	7,070
Hawaii	58.1%	22.0%	13.7%	0.0%	4.3%	1.9%	372
Idaho	55.6%	25.0%	12.9%	1.0%	5.4%	0.0%	572
Illinois	63.2%	18.2%	12.3%	0.8%	5.1%	0.4%	7,393
Indiana	49.2%	24.4%	17.7%	1.1%	7.2%	0.4%	2,113
Iowa	46.9%	22.3%	20.1%	0.9%	9.1%	0.6%	637
Kansas	46.5%	26.4%	17.7%	1.0%	8.4%	0.0%	621
Kentucky	47.3%	24.5%	18.4%	1.1%	8.3%	0.4%	915
Louisiana	45.0%	25.5%	20.1%	0.9%	8.1%	0.3%	1,277
Maine	58.4%	21.8%	11.7%	1.9%	5.7%	0.5%	418
Maryland	54.9%	22.9%	15.7%	0.7%	5.0%	0.8%	5,354
Massachusetts	60.7%	21.9%	12.1%	0.5%	4.1%	0.6%	2,959
Michigan	58.1%	23.5%	12.1%	0.7%	5.3%	0.2%	3,703
Minnesota	54.9%	23.2%	13.8%	0.6%	5.8%	1.8%	2,051
Mississippi	50.1%	24.5%	17.3%	1.6%	6.3%	0.3%	687
Missouri	54.4%	25.8%	13.7%	0.6%	5.3%	0.1%	2,172
Montana	46.3%	24.1%	18.7%	0.5%	10.3%	0.0%	203
Nebraska	52.7%	24.7%	15.2%	0.7%	6.4%	0.3%	296
Nevada	67.8%	17.3%	10.6%	0.6%	3.4%	0.3%	2,353
New Hampshire	60.7%	21.8%	11.2%	0.6%	4.9%	0.8%	527
New Jersey	60.7%	20.0%	12.8%	0.6%	4.8%	1.0%	5,118
New Mexico	55.2%	25.2%	13.1%	1.0%	4.8%	0.7%	687
New York	65.1%	16.7%	12.2%	0.6%	4.3%	1.1%	6,599
North Carolina	49.5%	25.7%	17.1%	1.3%	6.0%	0.4%	4,134
North Dakota	45.7%	11.4%	20.0%	2.9%	17.1%	2.9%	35
Ohio	54.0%	23.5%	14.7%	0.8%	6.5%	0.5%	3,976
Oklahoma	48.4%	22.5%	17.8%	1.4%	9.5%	0.3%	702
Oregon	58.4%	24.4%	11.4%	0.7%	5.0%	0.1%	1,600
Pennsylvania	54.2%	22.7%	14.8%	0.9%	7.0%	0.4%	3,984
Rhode Island	65.6%	20.1%	10.5%	0.2%	3.1%	0.5%	572
South Carolina	51.5%	25.3%	16.1%	1.0%	5.7%	0.4%	1,945
South Dakota	47.3%	19.8%	24.2%	2.2%	5.5%	1.1%	91
Tennessee	50.0%	24.4%	16.7%	1.4%	7.2%	0.2%	2,078
Texas	48.3%	24.7%	18.1%	0.8%	7.9%	0.3%	7,194
Utah	48.0%	26.0%	19.3%	0.7%	5.6%	0.4%	1,204
Vermont	56.7%	23.1%	14.2%	2.2%	3.0%	0.7%	134
Virginia	49.1%	26.9%	14.9%	1.1%	7.3%	0.7%	3,697
Washington	56.5%	22.9%	13.9%	0.4%	5.8%	0.5%	3,378
West Virginia	51.2%	27.3%	12.8%	3.5%	5.2%	0.0%	289
Wisconsin	56.6%	22.8%	13.7%	0.7%	5.7%	0.4%	1,603
Wyoming	38.2%	27.9%	20.6%	1.5%	11.8%	0.0%	68
Other	80.3%	9.9%	7.7%	0.0%	1.4%	0.7%	142



**Table 59. Number of Re-Defaults for Loans Modified in the Second Quarter of 2012**  
(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 - All States	4,401	2,245	2,713	558	1,739	57	11,713
Alabama	51	42	63	9	31	0	196
Alaska	5	3	3	1	1	0	13
Arizona	80	42	52	11	26	1	212
Arkansas	19	12	18	1	12	0	62
California	616	254	230	108	158	12	1,378
Colorado	47	31	38	3	18	0	137
Connecticut	82	36	43	10	29	1	201
Delaware	18	10	12	0	5	0	45
District of Columbia	11	7	2	1	3	0	24
Florida	478	171	184	68	115	5	1,021
Georgia	250	151	196	23	111	7	738
Hawaii	9	5	6	2	2	1	25
Idaho	9	7	9	2	9	0	36
Illinois	270	115	113	30	91	5	624
Indiana	76	60	71	5	48	1	261
Iowa	19	14	15	2	4	0	54
Kansas	23	16	10	1	19	0	69
Kentucky	27	30	24	4	23	0	108
Louisiana	46	39	32	4	29	0	150
Maine	16	7	5	1	5	0	34
Maryland	129	81	100	12	67	2	391
Massachusetts	77	55	34	8	22	0	196
Michigan	107	57	72	25	47	0	308
Minnesota	68	25	29	5	26	1	154
Mississippi	33	11	33	2	13	1	93
Missouri	68	40	54	10	27	1	200
Montana	3	2	7	1	5	0	18
Nebraska	11	12	9	0	9	0	41
Nevada	72	26	33	20	12	1	164
New Hampshire	15	8	6	0	8	0	37
New Jersey	193	76	107	33	61	3	473
New Mexico	20	12	19	0	11	0	62
New York	267	109	101	27	75	2	581
North Carolina	160	84	161	18	78	3	504
North Dakota	1	0	0	0	0	1	2
Ohio	129	80	89	14	65	1	378
Oklahoma	21	22	20	1	16	1	81
Oregon	44	26	15	4	15	0	104
Pennsylvania	155	79	85	13	68	2	402
Rhode Island	19	8	9	7	4	0	47
South Carolina	75	35	52	8	25	0	195
South Dakota	6	1	1	1	0	0	9
Tennessee	71	37	62	6	40	1	217
Texas	230	142	282	28	183	3	868
Utah	29	18	23	2	8	0	80
Vermont	5	4	3	0	3	0	15
Virginia	95	62	86	10	52	0	305
Washington	75	46	51	6	26	0	204
West Virginia	8	5	7	1	3	0	24
Wisconsin	60	28	36	8	29	1	162
Wyoming	1	2	1	0	1	0	5
Other	2	0	0	2	1	0	5



**Table 60. Re-Default Rates for Loans Modified in the Second Quarter of 2012 (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 - All States	9.1%	11.2%	22.3%	7.7%	30.9%	15.4%	12.5%
Alabama	13.1%	26.1%	35.0%	20.0%	54.4%	0.0%	23.4%
Alaska	20.8%	27.3%	23.1%	50.0%	20.0%	0.0%	23.6%
Arizona	6.4%	6.4%	17.1%	4.4%	24.1%	16.7%	8.2%
Arkansas	15.4%	18.5%	26.5%	12.5%	48.0%	0.0%	21.5%
California	5.6%	5.5%	11.9%	4.7%	17.2%	17.6%	6.6%
Colorado	7.7%	12.9%	19.0%	5.1%	20.9%	0.0%	11.4%
Connecticut	11.7%	13.5%	29.3%	9.3%	37.2%	33.3%	15.4%
Delaware	10.5%	11.2%	21.4%	0.0%	27.8%	0.0%	12.9%
District of Columbia	12.2%	22.6%	7.4%	16.7%	21.4%	0.0%	14.3%
Florida	8.1%	7.0%	18.7%	6.8%	26.7%	12.2%	9.5%
Georgia	11.0%	16.1%	29.8%	8.9%	41.3%	25.9%	16.7%
Hawaii	6.6%	13.5%	19.4%	40.0%	18.2%	25.0%	11.2%
Idaho	5.6%	9.3%	17.3%	7.1%	45.0%	0.0%	10.7%
Illinois	9.9%	12.5%	21.5%	6.7%	35.7%	25.0%	12.8%
Indiana	12.3%	20.5%	31.6%	7.8%	40.7%	25.0%	19.8%
Iowa	11.7%	18.2%	21.1%	15.4%	22.2%	0.0%	15.8%
Kansas	15.5%	21.1%	16.4%	6.7%	52.8%	0.0%	20.5%
Kentucky	11.3%	23.3%	22.4%	13.3%	34.3%	0.0%	18.7%
Louisiana	13.7%	22.5%	22.4%	13.8%	32.6%	0.0%	19.5%
Maine	13.8%	18.4%	17.9%	7.7%	31.3%	0.0%	16.1%
Maryland	10.1%	14.9%	23.0%	6.4%	38.1%	18.2%	14.9%
Massachusetts	8.4%	19.2%	19.9%	8.6%	27.2%	0.0%	12.6%
Michigan	7.9%	8.5%	21.0%	10.8%	29.9%	0.0%	11.1%
Minnesota	9.1%	6.4%	15.7%	5.0%	36.1%	10.0%	10.2%
Mississippi	15.8%	13.8%	36.3%	9.5%	36.1%	33.3%	21.1%
Missouri	12.5%	17.0%	26.1%	9.9%	29.7%	25.0%	16.9%
Montana	6.7%	9.1%	25.9%	33.3%	45.5%	0.0%	16.7%
Nebraska	10.1%	27.9%	25.0%	0.0%	34.6%	0.0%	18.2%
Nevada	9.5%	7.6%	20.8%	11.6%	24.0%	33.3%	11.0%
New Hampshire	8.4%	13.3%	17.6%	0.0%	44.4%	0.0%	11.6%
New Jersey	11.2%	14.0%	27.8%	17.5%	33.3%	15.8%	15.5%
New Mexico	11.1%	16.2%	29.7%	0.0%	35.5%	0.0%	17.3%
New York	10.0%	15.0%	21.6%	9.1%	33.9%	15.4%	13.2%
North Carolina	12.9%	15.7%	30.7%	15.9%	34.4%	15.0%	19.0%
North Dakota	12.5%	0.0%	0.0%	0.0%	0.0%	100.0%	8.3%
Ohio	11.8%	16.3%	25.2%	8.7%	34.4%	20.0%	16.5%
Oklahoma	11.2%	20.0%	27.4%	5.9%	30.8%	50.0%	18.4%
Oregon	8.8%	11.9%	12.2%	9.8%	26.3%	0.0%	11.0%
Pennsylvania	13.7%	17.9%	23.7%	11.3%	34.5%	15.4%	17.8%
Rhode Island	10.2%	12.1%	28.1%	16.3%	26.7%	0.0%	13.7%
South Carolina	13.4%	13.5%	27.7%	13.8%	29.1%	0.0%	16.9%
South Dakota	22.2%	11.1%	11.1%	100.0%	0.0%	0.0%	18.8%
Tennessee	11.9%	16.2%	27.3%	10.3%	39.2%	14.3%	17.8%
Texas	11.6%	16.3%	29.9%	25.0%	36.5%	37.5%	19.6%
Utah	9.6%	11.1%	20.7%	3.9%	17.8%	0.0%	11.9%
Vermont	9.3%	26.7%	20.0%	0.0%	42.9%	0.0%	14.3%
Virginia	9.5%	13.0%	26.1%	7.2%	33.8%	0.0%	14.4%
Washington	7.7%	8.6%	18.8%	5.7%	25.0%	0.0%	10.2%
West Virginia	11.9%	19.2%	22.6%	10.0%	21.4%	0.0%	16.1%
Wisconsin	11.5%	16.7%	24.5%	9.5%	39.2%	16.7%	16.2%
Wyoming	4.2%	16.7%	8.3%	0.0%	20.0%	0.0%	9.1%
Other	7.4%	0.0%	0.0%	14.3%	50.0%	0.0%	8.8%

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