

OCC Mortgage Metrics Report

Disclosure of National Bank Mortgage Loan Data

Third Quarter 2023

Office of the Comptroller of the Currency
Washington, D.C.

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Contents

- About Mortgage Metrics1**
- Executive Summary2**
 - Figure 1: Total Serviced Mortgage Portfolio—Outstanding Principal in Billions of Dollars...3
 - Figure 2: Total Serviced Mortgage Portfolio—Number of Loans in Thousands3
 - Figure 3: Composition—Loans in Thousands by Borrower Risk Category.....4
 - Figure 4: Composition—Percentage of Mortgages by Borrower Risk Category4
 - Figure 5: Number of Loans in Delinquency and Foreclosures in Process—Loans in Thousands5
 - Figure 6: Percentage of Loans Current and Performing and in Delinquency5
 - Figure 7: Newly Initiated Foreclosures.....6
 - Figure 8: Completed Foreclosures and Other Home Forfeiture Actions6
- Table 1: Number of Mortgage Modification Actions7**
- Table 2: Number of Modification Actions in Combination Actions8**
- Table 3: Changes in Monthly Principal and Interest Payments by State.....9**
- Table 4. Number of Re-Defaults for Loans Modified Six Months Previously10**
- Appendix A: Definitions and Method 11**

About Mortgage Metrics

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

- This report presents performance data for the third quarter of 2023 for loans that the reporting banks own or service for others as a fee-based business.
- The data in this report reflect a portion of first-lien residential mortgages in the country. The characteristics of the loans included here may differ from the overall population. The loans included are not a statistically representative, random sample.
- This report covers the performance of first-lien home mortgages in the portfolios of reporting banks. It excludes junior liens, home equity lines of credit (HELOC), and home equity conversion mortgages (reverse mortgages).
- For loans with forbearance activity covered by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, reporting banks are following guidance from the Department of Housing and Urban Development, Federal Housing Finance Agency, and the respective government agencies and government-sponsored enterprises (GSE) for the calculation and reporting of delinquency and credit bureau reporting.

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

Executive Summary

Overall Mortgage Portfolio and Performance

- As of September 30, 2023, the reporting banks serviced approximately 11.8 million first-lien residential mortgage loans with \$2.7 trillion in unpaid principal balances (see figures 1 and 2). This \$2.7 trillion was 22 percent of all residential mortgage debt outstanding in the United States.²
- Overall mortgage performance this quarter improved from the third quarter of 2022. The percentage of mortgages that were current and performing at the end of the third quarter of 2023 was 97.3 percent compared with 97.2 percent at the end of the third quarter of 2022 (see figure 6). The CARES Act, signed into law on March 27, 2020, and extended on February 18, 2022, allows for loan forbearance that can extend up to 360 days and is reflected in the mortgage performance data.
- Servicers initiated 8,965 new foreclosures in the third quarter of 2023, an increase from the prior quarter; however, a decrease from a year earlier (see figure 7). Home forfeiture actions during the third quarter of 2023—completed foreclosure sales, short sales, and deed-in-lieu-of-foreclosure actions—decreased 17.3 percent from a year earlier to 2,244 (see figure 8). Events associated with the COVID-19 pandemic, including foreclosure moratoriums that began March 18, 2020, and were extended to July 31, 2021, have significantly affected these metrics.

Number and Type of Modifications Completed and Impact on Payment Amount

Servicers completed 7,436 modifications during the third quarter of 2023, a 13.8 percent decrease from the previous quarter's 8,623 modifications.

- Of these 7,436 modifications, 6,367 or 85.6 percent, were “combination modifications”—modifications that included multiple actions affecting the affordability and sustainability of the loan, such as an interest rate reduction and a term extension. Of the remaining 1,069 loan modifications, 1,045 received a single action and 24 were not assigned a modification type (see table 1).
- Among the 6,367 combination modifications completed during the quarter, 5,549, or 87.1 percent, included a term extension; 5,422, or 85.1 percent, included capitalization of delinquent interest and fees; 2,059, or 32.3 percent, included an interest rate reduction or freeze; 1,805, or 28.3 percent, included principal deferral; and 10, or 0.1 percent, included principal reduction (see table 2).
- Of the 7,436 modifications completed during the quarter, 3,426, or 46.1 percent, reduced the loan's pre-modification monthly payment (see table 3).

² Residential mortgage debt is determined using the quarterly Federal Reserve Statistical Release, “Z.1: Financial Accounts of the United States,” table L.218, “One-to-Four-Family Residential Mortgages,” household sector liabilities. Data as of September 30, 2023.

Modified Loan Performance

By June 30, 2023, all loans modified during the first quarter of 2023 would have aged at least six months. Of the 10,375 modifications completed during the first quarter of 2023, servicers reported that 1,606 or 15.5 percent, were 60 or more days past due or in the process of foreclosure at the end of the month that the modification became six months old (see table 4).

Figure 1 shows the outstanding principal balance of reported loans and the change in the amount of unpaid balances from the third quarter of 2021 through the third quarter of 2023.

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

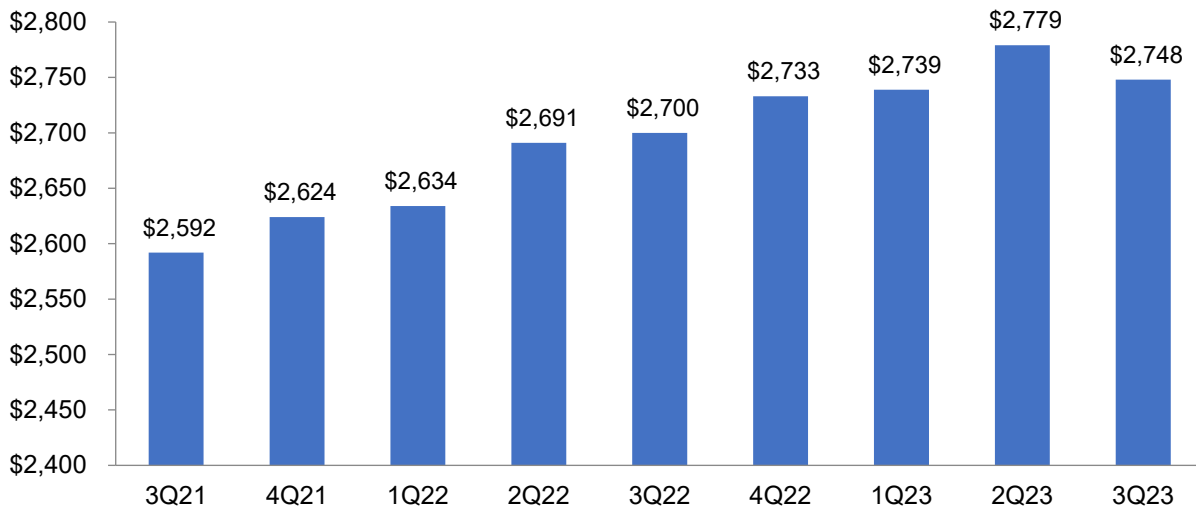


Figure 2 shows the number of first-lien residential mortgages serviced and the change in the number of loans serviced from the third quarter of 2021 through the third quarter of 2023.

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

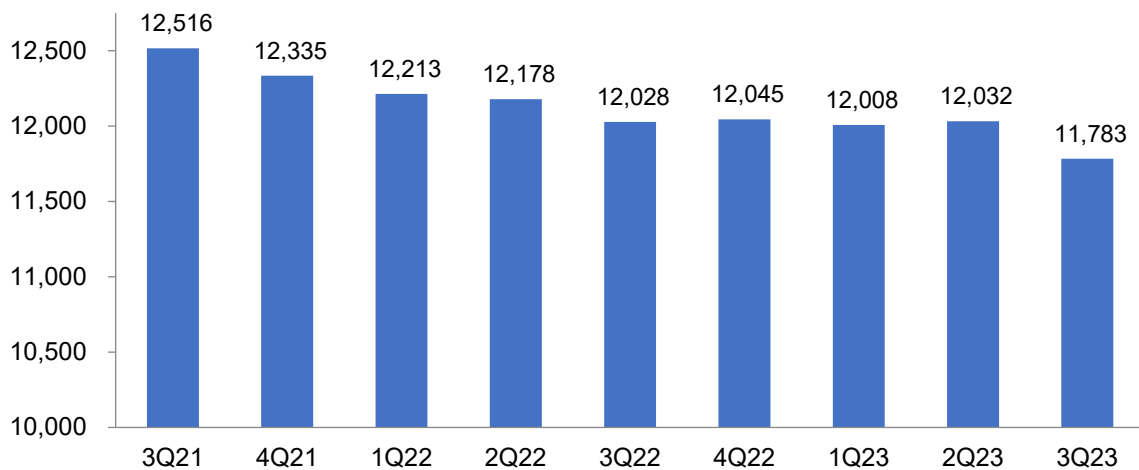


Figure 3 shows the number of loans in each risk category and the change in each category from the third quarter of 2021 through the third quarter of 2023.

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

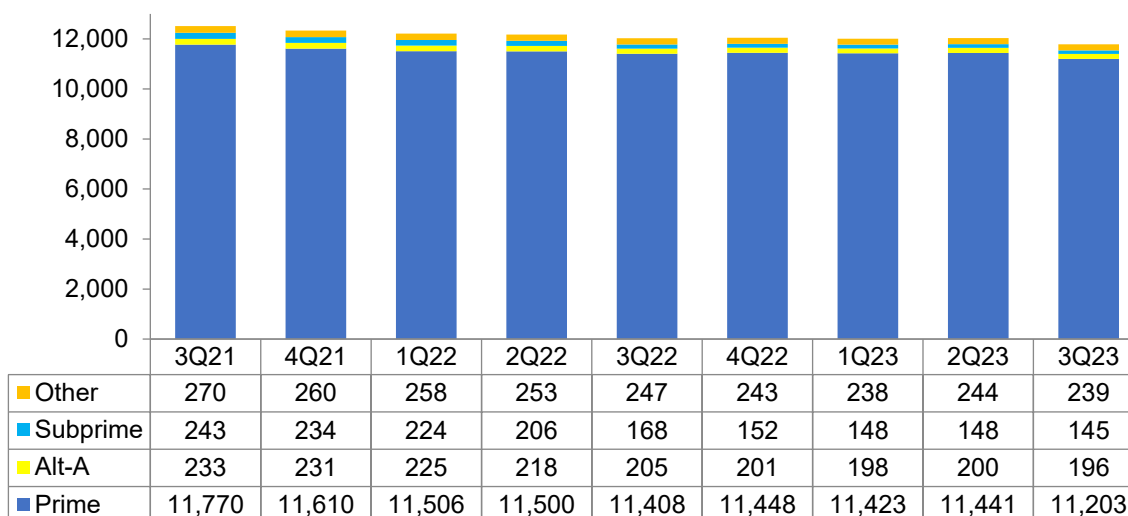


Figure 4 reports the percentage of loans in each risk category and shows that the composition of loans has remained stable since the third quarter of 2021.

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

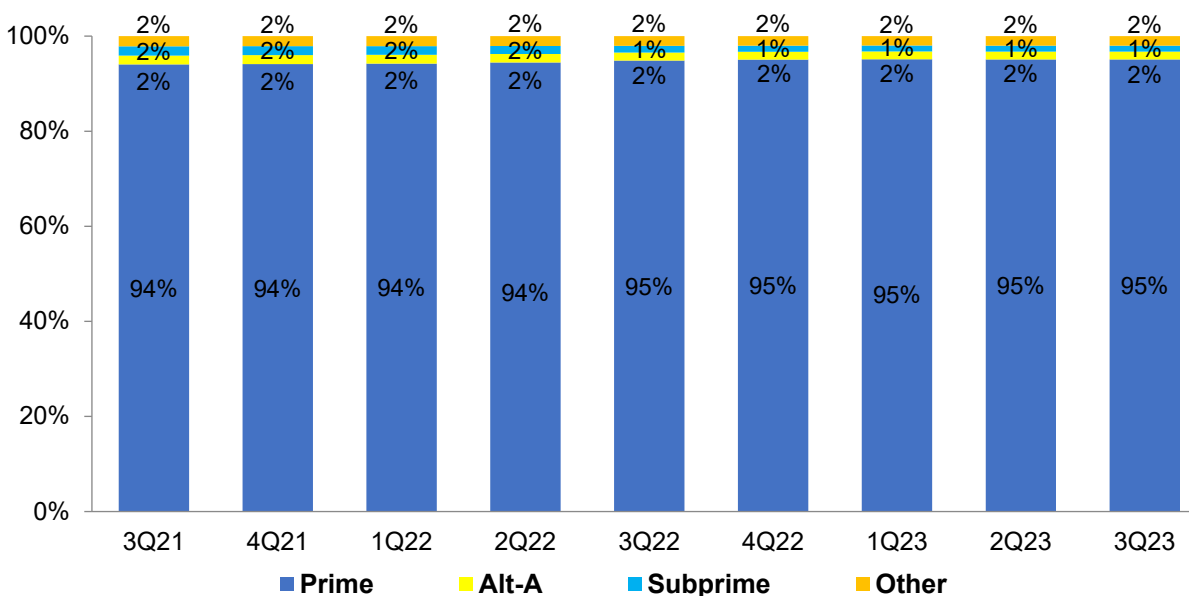


Figure 5 shows the number of loans in each category of delinquency from the third quarter of 2021 through the third quarter of 2023. The number of foreclosures in process decreased from the third quarter of 2022. The number of seriously delinquent loans has trended down since the third quarter of 2021.³

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

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

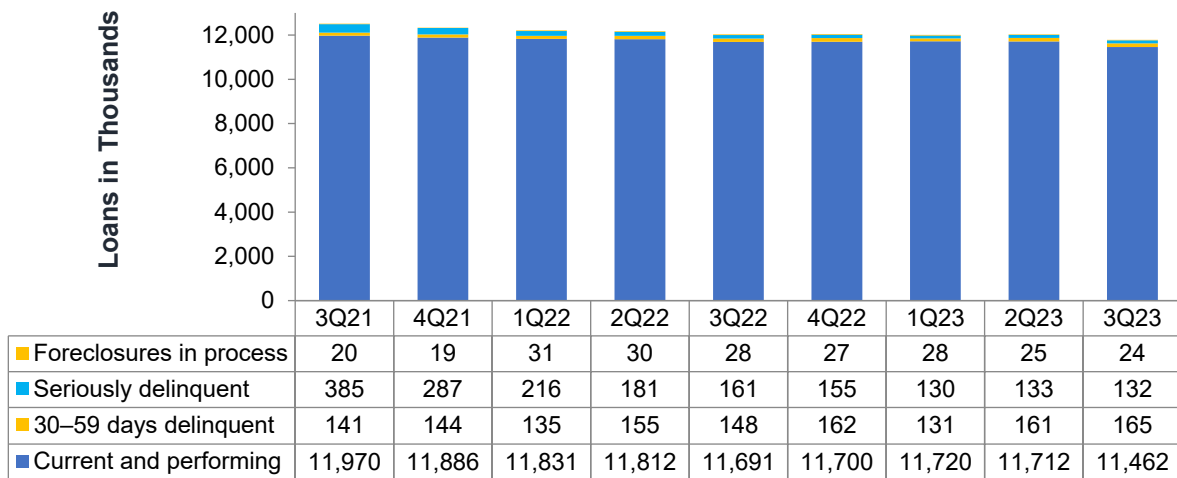


Figure 6 shows the percent of mortgages in each category of delinquency from the third quarter of 2021 through the third quarter of 2023. The percent of seriously delinquent loans has trended down since the third quarter of 2021. The percent of 30–59 day delinquent loans has trended up since the first quarter of 2023.

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

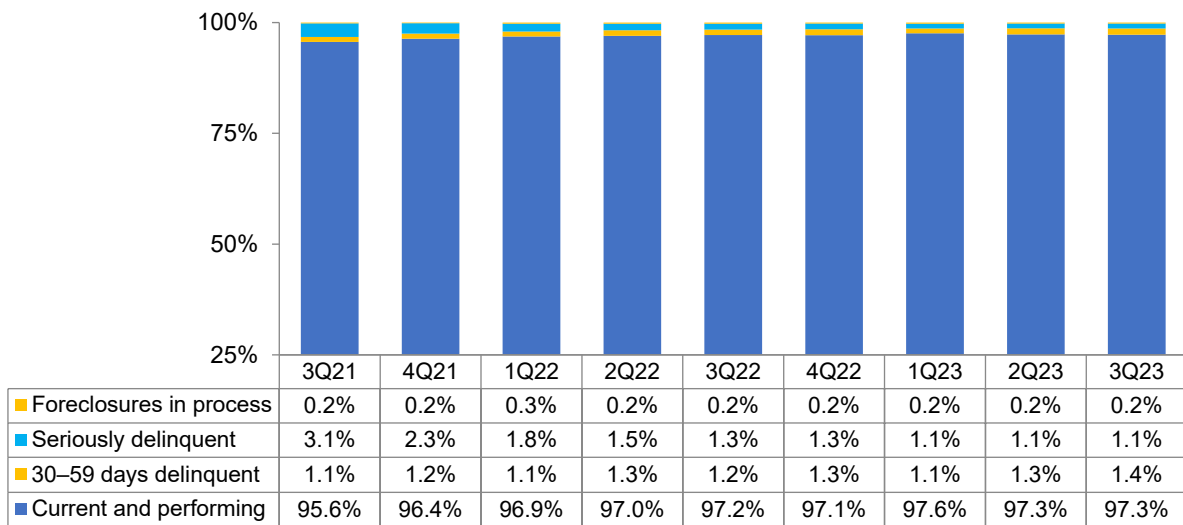


Figure 7 shows the number of new foreclosure actions initiated from the third quarter of 2021 through the third quarter of 2023. New foreclosure actions decreased in the third quarter of 2023 to 8,965 compared with 9,835 in third quarter of 2022.⁴

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

Figure 7: Newly Initiated Foreclosures

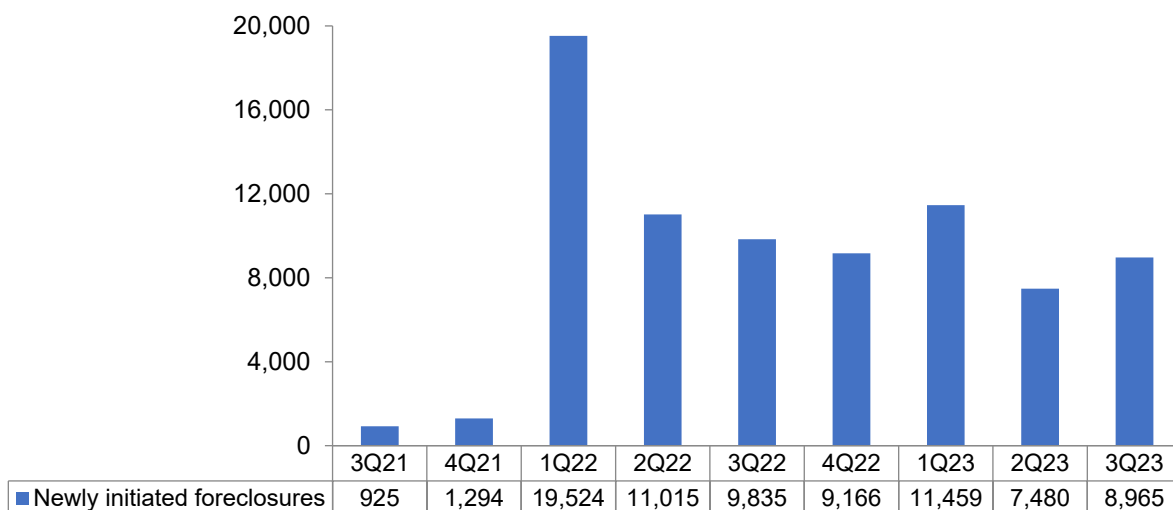
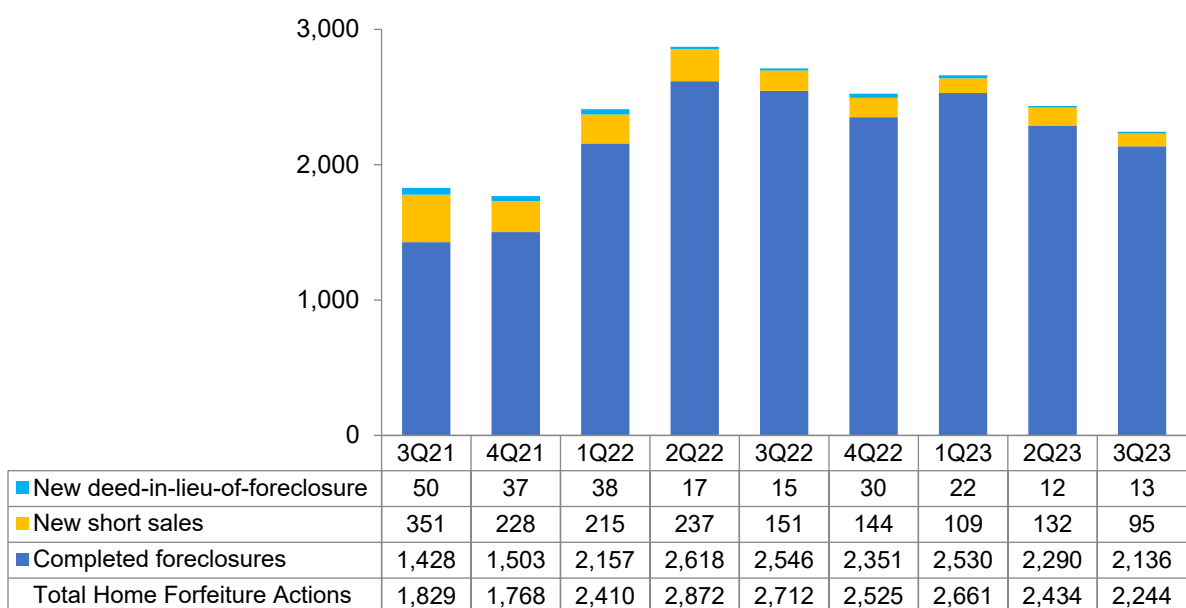


Figure 8 shows the number of foreclosure and other home forfeiture actions completed from the third quarter of 2021 through the third quarter of 2023. Completed foreclosures and other forfeiture actions decreased to 2,244 in the third quarter of 2023 from 2,712 in the third quarter of 2022, a decrease of 17.3 percent.⁵

Figure 8: Completed Foreclosures and Other Home Forfeiture Actions



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

Table 1: Number of Mortgage Modification Actions
Completed in the Third Quarter of 2023

States	Capitalization	Rate reduction or freeze	Term extension	Principal reduction	Principal deferral	Combination	Not reported	Total modifications
Total - All States	77	12	494	0	462	6,367	24	7,436
Alabama	1	0	11	0	2	76	0	90
Alaska	0	0	5	0	0	13	0	18
Arizona	1	0	15	0	7	130	0	153
Arkansas	3	0	4	0	5	72	0	84
California	3	0	17	0	105	359	1	485
Colorado	2	0	4	0	5	80	0	91
Connecticut	2	0	10	0	11	76	0	99
Delaware	2	0	5	0	6	30	0	43
District of Columbia	0	0	0	0	3	13	0	16
Florida	7	1	39	0	28	621	1	697
Georgia	6	0	28	0	16	231	2	283
Hawaii	0	0	4	0	5	8	0	17
Idaho	0	0	0	0	0	12	0	12
Illinois	3	3	11	0	16	519	1	553
Indiana	2	1	8	0	4	165	1	181
Iowa	1	0	5	0	2	59	0	67
Kansas	1	0	5	0	4	52	0	62
Kentucky	0	0	4	0	3	54	1	62
Louisiana	0	0	9	0	4	106	0	119
Maine	0	0	1	0	4	12	0	17
Maryland	8	0	21	0	20	245	0	294
Massachusetts	2	0	7	0	9	81	1	100
Michigan	1	0	8	0	6	106	1	122
Minnesota	0	0	12	0	3	193	0	208
Mississippi	0	0	4	0	3	54	0	61
Missouri	1	1	9	0	5	135	0	151
Montana	0	0	1	0	1	13	0	15
Nebraska	0	0	3	0	1	70	0	74
Nevada	1	0	5	0	9	75	1	91
New Hampshire	1	0	3	0	1	19	0	24
New Jersey	4	1	10	0	22	228	1	266
New Mexico	0	0	2	0	1	32	1	36
New York	5	1	21	0	23	343	2	395
North Carolina	1	0	31	0	12	146	0	190
North Dakota	0	0	0	0	0	7	0	7
Ohio	2	1	9	0	3	335	2	352
Oklahoma	0	0	5	0	2	121	1	129
Oregon	0	0	3	0	8	53	0	64
Pennsylvania	3	1	24	0	11	254	1	294
Rhode Island	0	0	2	0	0	15	0	17
South Carolina	4	0	12	0	6	84	1	107
South Dakota	0	0	2	0	0	12	0	14
Tennessee	1	0	9	0	13	83	1	107
Texas	6	2	69	0	46	640	2	765
Utah	0	0	1	0	3	35	1	40
Vermont	0	0	3	0	1	8	0	12
Virginia	1	0	18	0	9	126	0	154
Washington	2	0	8	0	9	73	0	92
West Virginia	0	0	2	0	0	9	0	11
Wisconsin	0	0	4	0	5	71	1	81
Wyoming	0	0	1	0	0	10	0	11
Other	0	0	0	0	0	3	0	3

Table 2: Number of Modification Actions in Combination Actions
Completed in the Third Quarter of 2023

States	Capitalization	Rate reduction or freeze	Term extension	Principal reduction	Principal deferral	Total combination modifications
Total - All States	5,422	2,059	5,549	10	1,805	6,367
Alabama	65	16	70	0	21	76
Alaska	12	2	12	0	2	13
Arizona	105	60	110	1	34	130
Arkansas	62	25	62	0	16	72
California	271	160	282	0	168	359
Colorado	68	31	71	0	23	80
Connecticut	60	20	66	0	22	76
Delaware	26	6	27	0	9	30
District of Columbia	11	5	12	0	5	13
Florida	528	193	536	1	177	621
Georgia	204	68	209	0	49	231
Hawaii	7	4	6	0	3	8
Idaho	9	5	9	0	5	12
Illinois	436	181	442	0	152	519
Indiana	153	45	151	0	24	165
Iowa	45	25	47	0	15	59
Kansas	45	20	42	1	12	52
Kentucky	39	27	39	0	21	54
Louisiana	95	31	98	0	24	106
Maine	11	3	10	0	4	12
Maryland	200	88	213	0	76	245
Massachusetts	60	32	60	1	34	81
Michigan	94	31	98	1	21	106
Minnesota	139	93	141	0	80	193
Mississippi	48	18	50	1	12	54
Missouri	106	52	104	0	38	135
Montana	10	4	10	0	3	13
Nebraska	57	33	56	0	16	70
Nevada	58	35	57	0	23	75
New Hampshire	15	6	16	0	5	19
New Jersey	199	46	212	3	89	228
New Mexico	27	9	28	0	10	32
New York	321	71	326	0	103	343
North Carolina	131	48	135	0	31	146
North Dakota	5	4	5	0	3	7
Ohio	296	104	300	1	60	335
Oklahoma	110	27	113	0	20	121
Oregon	39	28	40	0	22	53
Pennsylvania	235	60	244	0	71	254
Rhode Island	13	3	14	0	4	15
South Carolina	76	30	75	0	25	84
South Dakota	10	6	10	0	3	12
Tennessee	67	30	69	0	28	83
Texas	582	147	592	0	132	640
Utah	23	19	27	0	16	35
Vermont	6	5	6	0	3	8
Virginia	112	30	115	0	37	126
Washington	60	30	61	0	19	73
West Virginia	9	2	8	0	2	9
Wisconsin	51	35	52	0	27	71
Wyoming	8	5	8	0	5	10
Other	3	1	3	0	1	3

Table 3: Changes in Monthly Principal and Interest Payments by State
Modifications Completed in the Third Quarter of 2023

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	1,494	1,050	882	1,497	2,430	83	7,436
Alabama	25	14	12	11	26	2	90
Alaska	5	2	7	0	4	0	18
Arizona	26	30	31	30	35	1	153
Arkansas	10	14	4	20	36	0	84
California	100	78	48	196	61	2	485
Colorado	19	18	20	18	15	1	91
Connecticut	21	14	7	28	29	0	99
Delaware	9	3	3	11	17	0	43
District of Columbia	6	1	2	4	3	0	16
Florida	112	100	93	131	257	4	697
Georgia	53	45	31	52	98	4	283
Hawaii	1	5	4	7	0	0	17
Idaho	2	5	2	3	0	0	12
Illinois	84	66	52	112	234	5	553
Indiana	35	22	21	19	82	2	181
Iowa	10	9	7	16	23	2	67
Kansas	7	11	10	11	21	2	62
Kentucky	10	12	7	19	14	0	62
Louisiana	32	7	16	13	47	4	119
Maine	5	0	3	5	4	0	17
Maryland	42	36	35	63	114	4	294
Massachusetts	22	11	12	32	23	0	100
Michigan	33	25	9	21	34	0	122
Minnesota	43	21	15	61	67	1	208
Mississippi	16	11	3	9	21	1	61
Missouri	32	19	11	38	51	0	151
Montana	2	1	3	4	5	0	15
Nebraska	12	3	10	15	34	0	74
Nevada	5	16	19	28	23	0	91
New Hampshire	4	2	6	4	8	0	24
New Jersey	61	32	33	52	84	4	266
New Mexico	10	1	5	6	14	0	36
New York	77	68	51	45	144	10	395
North Carolina	44	29	22	32	58	5	190
North Dakota	4	0	0	2	1	0	7
Ohio	68	43	27	45	165	4	352
Oklahoma	31	13	15	14	55	1	129
Oregon	16	8	10	23	7	0	64
Pennsylvania	83	45	33	43	87	3	294
Rhode Island	5	4	2	1	5	0	17
South Carolina	33	12	14	17	27	4	107
South Dakota	2	2	2	3	5	0	14
Tennessee	26	14	14	29	20	4	107
Texas	160	99	98	112	290	6	765
Utah	7	12	2	12	7	0	40
Vermont	2	3	1	4	2	0	12
Virginia	40	27	24	27	33	3	154
Washington	21	22	8	20	21	0	92
West Virginia	2	2	1	1	2	3	11
Wisconsin	18	10	11	26	15	1	81
Wyoming	1	3	4	2	1	0	11
Other	0	0	2	0	1	0	3

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

States	Decreased by 20% or more	Decreased by 10% to less than 20%	Decreased by less than 10%	Unchanged	Increased	Not reported	Total re-defaults
Total - All States	249	173	205	353	611	15	1,606
Alabama	8	1	1	2	4	1	17
Alaska	0	0	0	0	2	0	2
Arizona	9	2	7	11	12	0	41
Arkansas	1	3	3	4	6	0	17
California	15	9	11	29	8	0	72
Colorado	4	1	3	6	5	0	19
Connecticut	1	3	4	3	9	0	20
Delaware	1	0	1	2	4	0	8
District of Columbia	1	0	0	1	0	0	2
Florida	12	13	17	29	37	0	108
Georgia	15	6	9	9	39	0	78
Hawaii	0	0	0	0	0	0	0
Idaho	0	1	0	1	0	0	2
Illinois	17	7	16	31	48	2	121
Indiana	6	3	11	4	25	1	50
Iowa	3	2	2	5	8	0	20
Kansas	2	0	2	1	6	0	11
Kentucky	5	4	1	7	8	0	25
Louisiana	7	3	7	5	15	0	37
Maine	0	0	0	1	0	0	1
Maryland	9	6	7	19	33	1	75
Massachusetts	3	1	1	6	4	1	16
Michigan	7	2	8	7	11	0	35
Minnesota	5	8	7	22	11	0	53
Mississippi	4	0	3	0	8	0	15
Missouri	10	3	2	11	9	0	35
Montana	0	3	0	0	0	0	3
Nebraska	0	0	1	4	4	0	9
Nevada	4	1	5	6	3	0	19
New Hampshire	1	0	0	0	3	0	4
New Jersey	8	11	5	6	24	0	54
New Mexico	1	0	1	0	0	0	2
New York	13	16	14	11	33	2	89
North Carolina	12	4	2	6	17	2	43
North Dakota	0	0	0	1	2	0	3
Ohio	5	12	12	25	26	0	80
Oklahoma	4	2	1	4	4	0	15
Oregon	1	5	2	4	2	0	14
Pennsylvania	9	8	5	8	33	0	63
Rhode Island	1	1	0	0	3	0	5
South Carolina	6	6	3	7	13	1	36
South Dakota	0	0	1	0	2	0	3
Tennessee	4	4	2	9	9	1	29
Texas	22	11	18	26	100	3	180
Utah	1	0	0	2	2	0	5
Vermont	0	1	1	3	0	0	5
Virginia	3	7	6	6	12	0	34
Washington	4	2	2	2	1	0	11
West Virginia	1	0	1	0	1	0	3
Wisconsin	1	1	0	5	4	0	11
Wyoming	2	0	0	2	1	0	5
Other	1	0	0	0	0	0	1

Appendix A: Definitions and Method

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OCC Mortgage Metrics Report Method

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

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

Results are not seasonally adjusted.