

OCC Mortgage Metrics Report

Disclosure of National Bank and Federal Savings
Association Mortgage Loan Data

Third Quarter 2013

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Executive Summary

This *OCC Mortgage Metrics Report* for the third quarter of 2013 provides performance data on first-lien residential mortgages serviced by selected national banks and one federal savings association. The mortgages in this portfolio comprise 50 percent of all first-lien residential mortgages outstanding in the United States—25.6 million loans totaling \$4.4 trillion in unpaid principal. This report provides information on their performance through September 30, 2013.

The performance of mortgages in this portfolio of loans improved for the fourth consecutive quarter. At the end of the third quarter of 2013, 91.4 percent of mortgages serviced by the reporting servicers were current and performing, compared with 90.6 percent at the end of the previous quarter and 88.6 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due was 2.6 percent, down 8.4 percent from the previous quarter and 15.5 percent from a year earlier. The percentage of mortgages included in this report that were seriously delinquent—60 or more days past due or held by bankrupt borrowers whose payments were 30 or more days past due—decreased to 3.6 percent of the mortgages in this portfolio compared with 3.8 percent at the end of the previous quarter and 4.4 percent a year earlier. The percentage of mortgages that were seriously delinquent has decreased 16.8 percent from a year earlier.

The number of loans in the process of foreclosure at the end of the third quarter of 2013 decreased by 47.8 percent from a year earlier to 604,763. The decline in mortgages in process of foreclosure is attributable to the declining number of significantly delinquent mortgages and the significant reduction in newly initiated foreclosures compared with a year earlier.

In the third quarter of 2013, servicers initiated 130,592 new foreclosures—a decrease of 13.3 percent from the previous quarter and 48.3 percent from a year earlier. Factors contributing to the decline include improved economic conditions and foreclosure prevention assistance, and the transfer of loans to servicers outside the federal banking system. The number of completed foreclosures increased to 82,841, an increase of 3.6 percent from the previous quarter but a decrease of 27.8 percent from a year earlier.

Servicers implemented 311,660 home retention actions—including modifications, trial-period plans, and shorter-term payment plans—compared with 116,214 home forfeiture actions during the quarter, which comprise completed foreclosures, short sales, and deed-in-lieu-of-foreclosure actions. The number of home retention actions implemented by servicers decreased by 0.9 percent from the previous quarter and 18.6 percent from a year earlier. More than 92 percent of modifications in the third quarter of 2013 reduced monthly principal and interest payments; 62.5 percent of modifications reduced payments by 20 percent or more. Modifications reduced payments by \$365 per month on average, while modifications made under the Home Affordable Modification Program (HAMP) reduced monthly payments by an average of \$509.

Mortgage Performance

- The percentage of government-guaranteed mortgages that were current and performing increased to 86.2 percent compared with 84.3 percent a year earlier (see table 9). Government-guaranteed mortgages compose 24.4 percent of the total serviced portfolio. The percentage of government-guaranteed mortgages that were seriously delinquent decreased 7.4 percent from a year earlier to 6.3 percent of the government-guaranteed mortgages in the portfolio (see table 9).

- Mortgages serviced for Fannie Mae and Freddie Mac (government-sponsored enterprises or GSE) made up 57.8 percent of the mortgages in this report. The percentage of these mortgages that were current and performing was 95.7 percent, an increase of 0.6 percent from the previous quarter and 2.3 percent from a year earlier (see table 10).

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

- Servicers implemented 311,660 home retention actions—modifications, trial-period plans, and payment plans—during the third quarter of 2013 (see table 1). The number of home retention actions was 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 99,293 modifications, 99,640 trial-period plans, and 112,727 payment plans (see table 1). HAMP modifications increased 7.1 percent from the previous quarter to 19,175 but are down 39.5 percent from a year earlier. Other modifications decreased to 80,118—a decrease of 11.3 percent from the previous quarter and 23.6 percent from a year earlier. HAMP trial-period plans increased 23.8 percent from the previous quarter to 37,464, up 70.5 percent from the previous year.

Table 1. Number of New Home Retention Actions							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Other Modifications	104,821	114,235	110,821	90,289	80,118	-11.3%	-23.6%
HAMP Modifications	31,688	29,260	27,728	17,906	19,175	7.1%	-39.5%
Other Trial-Period Plans	109,435	96,437	85,536	68,487	62,176	-9.2%	-43.2%
HAMP Trial-Period Plans	21,968	24,831	17,376	30,262	37,464	23.8%	70.5%
Payment Plans	115,180	102,493	107,275	107,655	112,727	4.7%	-2.1%
Total	383,092	367,256	348,736	314,599	311,660	-0.9%	-18.6%

- Servicers reduced interest rates in 78.9 percent of all modifications made during the third quarter of 2013. Servicers used term extensions in 69.3 percent of modifications, principal deferrals in 25.3 percent, and principal reductions in 13.6 percent (see table 17). Among HAMP modifications, servicers reduced interest rates in 88.1 percent of those modifications, deferred principal in 36.2 percent, and reduced principal in 21.6 percent (see table 18).
- Servicers have reduced monthly principal and interest payments in 92.4 percent of modifications made in the quarter (see table 22). Servicers reduced monthly payments by an average of 26.6 percent for all borrowers who qualified for modifications. HAMP modifications reduced payments by an average of 33.8 percent (see table 24).

Modified Loan Performance

- Servicers modified 3,288,717 mortgages from the beginning of 2008 through the end of the second quarter of 2013. At the end of the third quarter of 2013, 45.5 percent of these modifications were current or paid off. Another 6.3 percent were 30 to 59 days delinquent,

and 11.1 percent were seriously delinquent. Another 5.1 percent were in the process of foreclosure, and 7.8 percent had completed the foreclosure process (see table 2).

Table 2. Status of Mortgages Modified in 2008–2Q 2013								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	443,294	21.1%	4.3%	9.2%	5.4%	16.7%	4.5%	38.9%
2009	593,884	31.2%	5.3%	11.5%	6.2%	12.7%	4.1%	28.9%
2010	955,422	40.0%	5.9%	11.0%	5.5%	8.2%	3.1%	26.2%
2011	569,553	47.4%	6.6%	12.3%	5.5%	4.0%	2.4%	21.7%
2012	479,820	61.5%	8.0%	12.3%	3.9%	0.9%	1.2%	12.2%
2013	246,744	70.4%	8.9%	9.4%	1.2%	0.1%	0.5%	9.5%
Total	3,288,717	42.6%	6.3%	11.1%	5.1%	7.8%	2.9%	24.3%
HAMP Modification Performance Compared With Other Modifications**								
Other Modifications	1,774,830	46.2%	7.3%	13.3%	5.5%	6.3%	2.8%	18.6%
HAMP Modifications	732,747	53.8%	5.4%	7.2%	3.3%	3.4%	1.7%	25.3%
Modifications That Reduced Payments by 10 Percent or More								
	2,083,687	48.7%	6.3%	9.6%	4.1%	5.2%	2.1%	23.9%
Modifications That Reduced Payments by Less Than 10 Percent								
	1,205,030	31.9%	6.2%	13.8%	6.7%	12.1%	4.2%	25.0%

*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 second quarter of 2013.

- HAMP modifications have performed better than other modifications. Of the 732,747 HAMP modifications implemented since the third quarter of 2009, 55.5 percent were current or paid off at the end of the third quarter of 2013, compared with 49.0 percent of other modifications (see table 2). HAMP modifications perform better because of the emphasis on reduced monthly payments, affordability relative to income, income verification, and successful completion of a trial period. While HAMP modifications generally reduce the borrowers' monthly payments more and perform better over time, more stringent criteria restrict the number of borrowers who may qualify for a HAMP modification.
- At the end of the third quarter of 2013, 50.8 percent of modifications that reduced payments by 10 percent or more were current or paid off, compared with 36.1 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, 20.8 percent of modifications on mortgages held in the servicers' own portfolios, 23.8 percent of Fannie Mae mortgages, and 23.1 percent of Freddie Mac mortgages were 60 or more days delinquent after 12 months. Conversely, 45.5 percent of government-guaranteed mortgages and 39.9 percent of private investor-held loans were 60 or more days delinquent after 12 months. This variance reflects differences in the loans, the modification programs, and the servicers' flexibility to modify loans they own (see table 3).

Table 3. Re-Default Rates for Portfolio Loans and Loans Serviced for Others
(60 or More Days Delinquent)*

Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	16.5%	23.8%	27.2%	28.2%	28.7%
Freddie Mac	16.1%	23.1%	27.1%	28.5%	29.3%
Government-Guaranteed	30.5%	45.5%	51.0%	52.4%	55.7%
Private	29.6%	39.9%	45.2%	47.7%	51.3%
Portfolio Loans	12.8%	20.8%	25.7%	26.6%	28.7%
Overall	22.3%	32.0%	36.9%	38.5%	41.0%

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

Foreclosures and Other Home Forfeiture Actions

- Newly initiated foreclosures decreased 13.3 percent from the previous quarter and 48.3 percent from a year earlier. The number of foreclosures in process decreased 18.8 percent from the previous quarter and 47.8 percent from a year earlier (see table 4). Factors contributing to the decline include improved economic conditions, foreclosure prevention assistance, and transfer of loans outside the federal banking system.

Table 4. New Foreclosures and Foreclosures in Process

	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Newly Initiated Foreclosures	252,604	156,773	178,360	150,592	130,592	-13.3%	-48.3%
Foreclosures in Process	1,158,289	967,467	907,228	744,369	604,763	-18.8%	-47.8%

- Home forfeiture actions totaled 116,214 at the end of the quarter, a decrease of 4.5 percent from the previous quarter and 35.5 percent from a year earlier. Completed foreclosures increased 3.6 percent from the previous quarter but decreased 27.8 percent from a year earlier. Short sales decreased 20.3 percent from the previous quarter and 51.0 percent from a year earlier. Short sales composed 26.9 percent of home forfeiture actions (see table 5).

Table 5. Completed Foreclosures and Other Home Forfeiture Actions

	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Completed Foreclosures	114,743	105,875	84,977	79,960	82,841	3.6%	-27.8%
New Short Sales	63,860	61,761	43,143	39,207	31,261	-20.3%	-51.0%
New Deed-in-Lieu-of-Foreclosure Actions	1,707	1,428	3,596	2,579	2,112	-18.1%	23.7%
Total	180,310	169,064	131,716	121,746	116,214	-4.5%	-35.5%

About Mortgage Metrics

The *OCC Mortgage Metrics Report* presents data on first-lien residential mortgages serviced by seven national banks and a federal savings association with the largest mortgage-servicing portfolios.¹ The data represent 50 percent of all first-lien residential mortgage outstanding in the country and focus on credit performance, loss mitigation efforts, and foreclosures. More than 91 percent of the mortgages in the portfolio were serviced for investors other than the reporting institutions. At the end of the third quarter of 2013, the reporting institutions serviced 25.6 million first-lien mortgage loans, totaling \$4.4 trillion in unpaid principal (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 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:

¹ The seven national banks are Bank of America, JPMorgan Chase, Citibank, HSBC, PNC, U.S. Bank, and Wells Fargo. The federal savings association is OneWest Bank. JPMorgan Chase has purchased a material portion of MetLife Bank's residential mortgage servicing portfolio. Effective with the first quarter of 2013, MetLife stopped reporting data for the *OCC Mortgage Metrics Report* as an independent entity.

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

Approximately 9 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. The lack of credit scores often 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 unpaid principal of the loan and results in an increased balance.

- **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 forgive a portion of the unpaid principal 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., 9/30/13), quarter-to-quarter changes are shown under the "1Q %Change" column, and year-to-year changes are shown under the "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

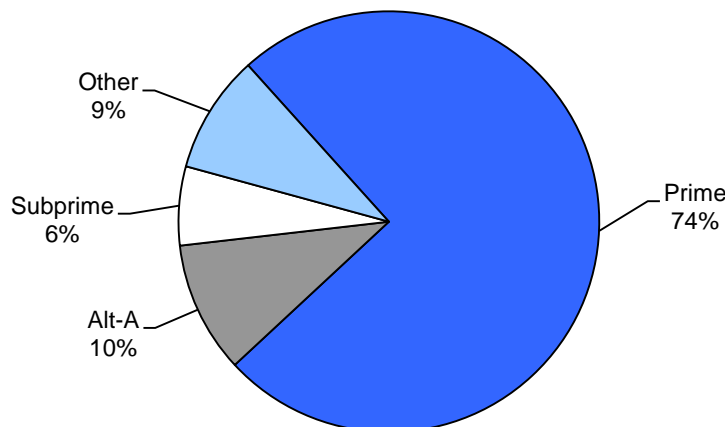
Part I describes the performance of the overall mortgage portfolio, mortgages owned and held by the reporting banks and savings association, government-guaranteed mortgages, mortgages serviced for the GSEs, and mortgages within each risk category.

Overall Mortgage Portfolio

At the end of the third quarter of 2013, the portfolio of mortgages in this report included 25.6 million loans with \$4.4 trillion in unpaid principal. The number of mortgages in the portfolio decreased 14.0 percent from a year earlier. The unpaid principal of those loans decreased 14.3 percent from a year earlier. Prime loans were 74 percent of the servicing portfolio at the end of the quarter. Subprime loans were 6 percent of the servicing portfolio at the end of the quarter, while Alt-A loans were 10 percent. The percentage of prime loans has increased because of higher defaults of lower quality loans, increased origination of prime loans, and some loans being sold to nonreporting servicers.

Table 6. Overall Mortgage Portfolio					
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13
Total Servicing (Millions)	\$5,083,746	\$4,910,150	\$4,740,528	\$4,507,984	\$4,357,767
Total Servicing (Number of Loans)	29,818,751	28,979,134	27,941,336	26,528,415	25,643,169
Composition (Percentage of All Mortgages in the Portfolio)					
Prime	72%	72%	73%	73%	74%
Alt-A	11%	11%	11%	10%	10%
Subprime	7%	7%	7%	7%	6%
Other	10%	10%	10%	10%	9%
Composition (Number of Loans in Each Risk Category of the Portfolio)					
Prime	21,510,869	20,990,451	20,284,238	19,451,032	18,973,545
Alt-A	3,228,111	3,114,517	2,993,971	2,781,584	2,631,270
Subprime	2,083,906	1,991,912	1,908,482	1,749,154	1,630,462
Other	2,995,865	2,882,254	2,754,645	2,546,645	2,407,892

Figure 1. Portfolio Composition
Percentage of All Mortgage Loans in the Portfolio

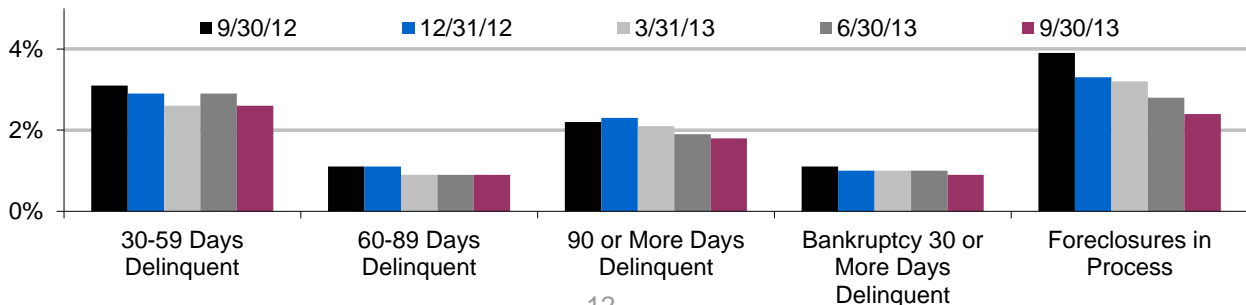


Overall Mortgage Performance

The overall performance of mortgages included in this report has improved over the last year. The percentage of mortgages that were current and performing at the end of the quarter was 91.4 percent, compared with 90.6 percent in the previous quarter and 88.6 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due was 2.6 percent, a decrease of 8.4 percent from the previous quarter and 15.5 percent from a year earlier. The percentage of mortgages that were seriously delinquent at the end of the quarter was 3.6 percent, a decrease of 3.8 percent from the previous quarter and 16.8 percent from a year earlier. The percentage of mortgages in the foreclosure process at the end of the quarter was 2.4 percent, a decrease of 16.0 percent from the previous quarter and 39.3 percent from a year earlier. The number of mortgages in the foreclosure process at the end of the quarter was down 18.8 percent from the previous quarter and 47.8 percent from a year earlier.

Table 7. Overall Portfolio Performance							
(Percentage of Mortgages in the Portfolio)							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Current and Performing	88.6%	89.4%	90.2%	90.6%	91.4%	0.9%	3.1%
30–59 Days Delinquent	3.1%	2.9%	2.6%	2.9%	2.6%	-8.4%	-15.5%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	1.1%	1.1%	0.9%	0.9%	0.9%	1.8%	-12.3%
90 or More Days Delinquent	2.2%	2.3%	2.1%	1.9%	1.8%	-5.3%	-19.8%
Bankruptcy 30 or More Days Delinquent	1.1%	1.0%	1.0%	1.0%	0.9%	-6.1%	-15.3%
Subtotal for Seriously Delinquent	4.4%	4.4%	4.0%	3.8%	3.6%	-3.8%	-16.8%
Foreclosures in Process	3.9%	3.3%	3.2%	2.8%	2.4%	-16.0%	-39.3%
(Number of Mortgages in the Portfolio)							
Current and Performing	26,434,199	25,907,686	25,198,157	24,024,452	23,435,693	-2.5%	-11.3%
30–59 Days Delinquent	926,296	826,415	717,532	760,078	673,117	-11.4%	-27.3%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	318,254	309,776	248,454	243,832	239,904	-1.6%	-24.6%
90 or More Days Delinquent	662,207	664,007	591,879	499,148	456,887	-8.5%	-31.0%
Bankruptcy 30 or More Days Delinquent	319,506	303,783	278,086	256,536	232,805	-9.3%	-27.1%
Subtotal for Seriously Delinquent	1,299,967	1,277,566	1,118,419	999,516	929,596	-7.0%	-28.5%
Foreclosures in Process	1,158,289	967,467	907,228	744,369	604,763	-18.8%	-47.8%
Total	29,818,751	28,979,134	27,941,336	26,528,415	25,643,169	-3.3%	-14.0%

Figure 2. Overall Portfolio Performance



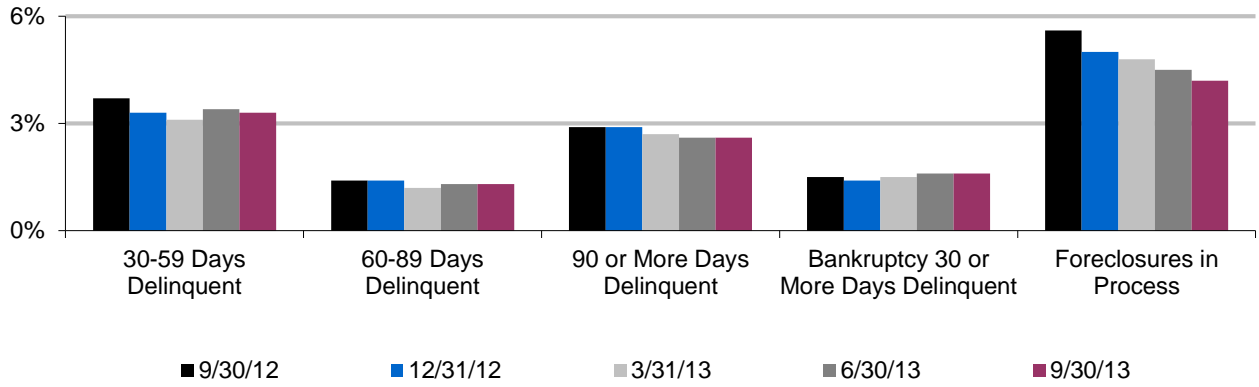
Performance of Mortgages Held by Reporting Banks and Thrift

The eight reporting institutions owned 8.9 percent of the mortgages in this report at the end of the quarter, up from 8.3 percent a year earlier, excluding government-guaranteed mortgages held by these institutions. The percentage of these mortgages that were current at the end of the quarter was 87.1 percent. The percentage of these mortgages that were 30 to 59 days delinquent was 3.3 percent, a decrease of 3.6 from the previous quarter and 11.2 percent from a year earlier. The percentage of these mortgages that were seriously delinquent was 5.5 percent, an increase of 0.1 percent from the previous quarter but a decrease of 5.5 percent from a year earlier. The percentage of these mortgages in the process of foreclosure was 4.2 percent, a decrease of 25.6 percent from a year earlier. Since 2009, mortgages owned by the servicers have performed worse than mortgages serviced for GSEs because of concentrations in nontraditional loans, weaker markets and, more recently, delinquent loans repurchased from investors.

Table 8. Performance of Mortgages Held by Reporting Banks and Thrift (Percentage)*							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Current and Performing	84.9%	85.9%	86.6%	86.6%	87.1%	0.5%	2.5%
30–59 Days Delinquent	3.7%	3.3%	3.1%	3.4%	3.3%	-3.6%	-11.2%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	1.4%	1.4%	1.2%	1.3%	1.3%	3.7%	-4.6%
90 or More Days Delinquent	2.9%	2.9%	2.7%	2.6%	2.6%	-1.6%	-11.0%
Bankruptcy 30 or More Days Delinquent	1.5%	1.4%	1.5%	1.6%	1.6%	-0.2%	4.4%
Subtotal for Seriously Delinquent	5.8%	5.7%	5.5%	5.5%	5.5%	0.1%	-5.5%
Foreclosures in Process	5.6%	5.0%	4.8%	4.5%	4.2%	-7.8%	-25.6%
Performance of Mortgages Held by Reporting Banks and Thrift (Number)							
Current and Performing	2,032,227	2,071,640	2,133,762	2,059,325	1,997,134	-3.0%	-1.7%
30–59 Days Delinquent	87,753	80,196	77,577	80,314	74,648	-7.1%	-14.9%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	33,654	33,072	30,218	30,784	30,782	0.0%	-8.5%
90 or More Days Delinquent	69,591	70,030	67,270	62,544	59,376	-5.1%	-14.7%
Bankruptcy 30 or More Days Delinquent	35,560	34,854	37,976	36,970	35,591	-3.7%	0.1%
Subtotal for Seriously Delinquent	138,805	137,956	135,464	130,298	125,749	-3.5%	-9.4%
Foreclosures in Process	134,051	120,600	118,292	107,493	95,643	-11.0%	-28.7%
Total	2,392,836	2,410,392	2,465,095	2,377,430	2,293,174	-3.5%	-4.2%

*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

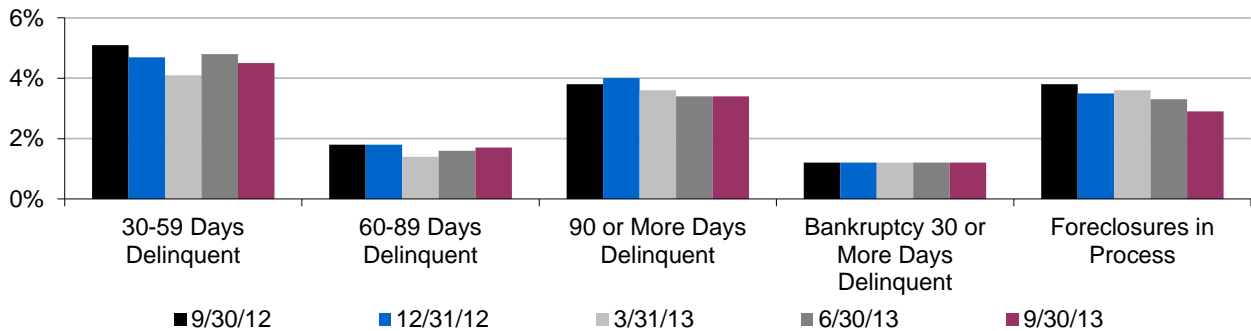


Performance of Government-Guaranteed Mortgages

Government-guaranteed mortgages were 24.4 percent of the loans in this report at the end of the third quarter of 2013. The percentage of these mortgages that were current at the end of the quarter was 86.2 percent, up from 84.3 percent a year earlier. The percentage of loans that were 30 to 59 days delinquent was 4.5 percent at the end of the quarter, a decrease of 10.2 percent from a year earlier. The percentage of these loans that were seriously delinquent was 6.3 percent at the end of the quarter, a decrease of 7.4 percent from a year earlier. The percentage of these loans in the process of foreclosure was 2.9 percent, a decrease of 23.3 percent from a year earlier. Almost 76 percent of these loans were FHA loans, 16 percent were VA loans, and 8 percent were other government-guaranteed mortgages. More than 86 percent of the government-guaranteed mortgages were in pools of loans backing Ginnie Mae securities.

Table 9. Performance of Government-Guaranteed Mortgages (Percentage)							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Current and Performing	84.3%	84.7%	86.2%	85.7%	86.2%	0.7%	2.3%
30–59 Days Delinquent	5.1%	4.7%	4.1%	4.8%	4.5%	-5.2%	-10.2%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	1.8%	1.8%	1.4%	1.6%	1.7%	7.8%	-5.9%
90 or More Days Delinquent	3.8%	4.0%	3.6%	3.4%	3.4%	-0.1%	-10.4%
Bankruptcy 30 or More Days Delinquent	1.2%	1.2%	1.2%	1.2%	1.2%	-1.3%	-0.6%
Subtotal for Seriously Delinquent	6.8%	7.1%	6.2%	6.2%	6.3%	1.6%	-7.4%
Foreclosures in Process	3.8%	3.5%	3.6%	3.3%	2.9%	-12.3%	-23.3%
Performance of Government-Guaranteed Mortgages (Number)							
Current and Performing	5,907,788	5,820,605	5,897,284	5,592,058	5,398,696	-3.5%	-8.6%
30–59 Days Delinquent	354,898	324,524	277,426	313,250	284,697	-9.1%	-19.8%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	126,005	124,342	95,947	102,475	105,993	3.4%	-15.9%
90 or More Days Delinquent	266,172	277,684	246,953	222,428	213,035	-4.2%	-20.0%
Bankruptcy 30 or More Days Delinquent	86,793	85,500	80,962	81,430	77,129	-5.3%	-11.1%
Subtotal for Seriously Delinquent	478,970	487,526	423,862	406,333	396,157	-2.5%	-17.3%
Foreclosures in Process	265,324	240,345	243,132	216,324	181,965	-15.9%	-31.4%
Total	7,006,980	6,873,000	6,841,704	6,527,965	6,261,515	-4.1%	-10.6%

Figure 4. Performance of Government-Guaranteed Mortgages

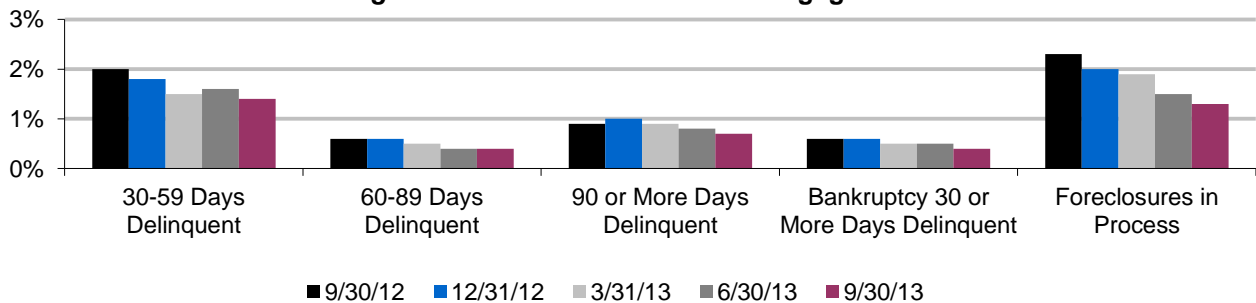


Performance of GSE Mortgages

GSE mortgages made up 57.8 percent of the mortgages in this report. 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 the quarter was 95.7 percent, up from 93.6 percent a year earlier. The percentage of GSE mortgages that were 30 to 59 days delinquent was 1.4 percent, a decrease of 27.0 percent from a year earlier. The percentage of GSE mortgages that were seriously delinquent was 1.5 percent at the end of the quarter, a decrease of 26.6 percent from a year earlier. The percentage of these loans in the foreclosure process was 1.3 percent, a decrease of 44.9 percent from a year earlier. Of the GSE mortgages, 57 percent were serviced for Fannie Mae and 43 percent for Freddie Mac.

Table 10. Performance of GSE Mortgages (Percentage)							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Current and Performing	93.6%	94.0%	94.6%	95.1%	95.7%	0.6%	2.3%
30–59 Days Delinquent	2.0%	1.8%	1.5%	1.6%	1.4%	-12.8%	-27.0%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	0.6%	0.6%	0.5%	0.4%	0.4%	-1.7%	-21.8%
90 or More Days Delinquent	0.9%	1.0%	0.9%	0.8%	0.7%	-9.2%	-25.6%
Bankruptcy 30 or More Days Delinquent	0.6%	0.6%	0.5%	0.5%	0.4%	-9.1%	-32.3%
Subtotal for Seriously Delinquent	2.1%	2.2%	1.9%	1.7%	1.5%	-7.2%	-26.6%
Foreclosures in Process	2.3%	2.0%	1.9%	1.5%	1.3%	-17.2%	-44.9%
Performance of GSE Mortgages (Number)							
Current and Performing	16,201,644	15,780,823	14,970,222	14,415,761	14,202,110	-1.5%	-12.3%
30–59 Days Delinquent	339,212	295,214	244,073	248,747	212,335	-14.6%	-37.4%
The Following Three Categories Are Classified as Seriously Delinquent							
60–89 Days Delinquent	97,349	97,293	74,386	67,829	65,255	-3.8%	-33.0%
90 or More Days Delinquent	158,756	169,939	145,282	113,809	101,216	-11.1%	-36.2%
Bankruptcy 30 or More Days Delinquent	108,841	100,114	83,583	70,996	63,155	-11.0%	-42.0%
Subtotal for Seriously Delinquent	364,946	367,346	303,251	252,634	229,626	-9.1%	-37.1%
Foreclosures in Process	401,150	339,817	302,270	233,967	189,610	-19.0%	-52.7%
Total	17,306,952	16,783,200	15,819,816	15,151,109	14,833,681	-2.1%	-14.3%

Figure 5. Performance of GSE Mortgages

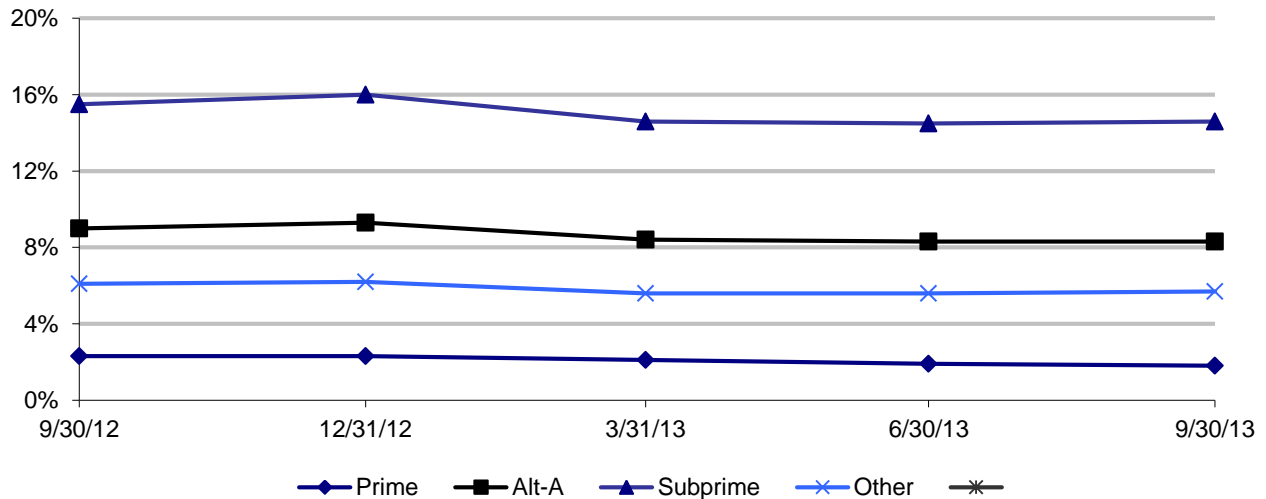


Seriously Delinquent Mortgages, by Risk Category

The portfolio contained 370,371 fewer seriously delinquent loans at the end of the third quarter of 2013 compared with a year earlier—a 28.5 percent decrease. Seriously delinquent loans were 3.6 percent of the portfolio at the end of the quarter, a decrease of 16.8 percent from a year earlier, and the lowest level in five years. The number of seriously delinquent loans has decreased from both the previous quarter and the previous year across all risk categories.

Table 11. Seriously Delinquent Mortgages, by Risk Category							
(Percentage of Mortgages in Each Category)							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Prime	2.3%	2.3%	2.1%	1.9%	1.8%	-7.6%	-24.2%
Alt-A	9.0%	9.3%	8.4%	8.3%	8.3%	0.0%	-7.7%
Subprime	15.5%	16.0%	14.6%	14.5%	14.6%	0.7%	-5.8%
Other	6.1%	6.2%	5.6%	5.6%	5.7%	2.1%	-7.3%
Overall	4.4%	4.4%	4.0%	3.8%	3.6%	-3.8%	-16.8%
(Number of Mortgages in Each Category)							
Prime	502,019	490,427	431,353	372,519	335,590	-9.9%	-33.2%
Alt-A	290,702	290,262	252,990	231,168	218,764	-5.4%	-24.7%
Subprime	323,643	318,823	278,647	254,085	238,446	-6.2%	-26.3%
Other	183,603	178,054	155,429	141,744	136,796	-3.5%	-25.5%
Total	1,299,967	1,277,566	1,118,419	999,516	929,596	-7.0%	-28.5%

Figure 6. Seriously Delinquent Mortgages, by Risk Category
Percentage of Mortgages in Each Category

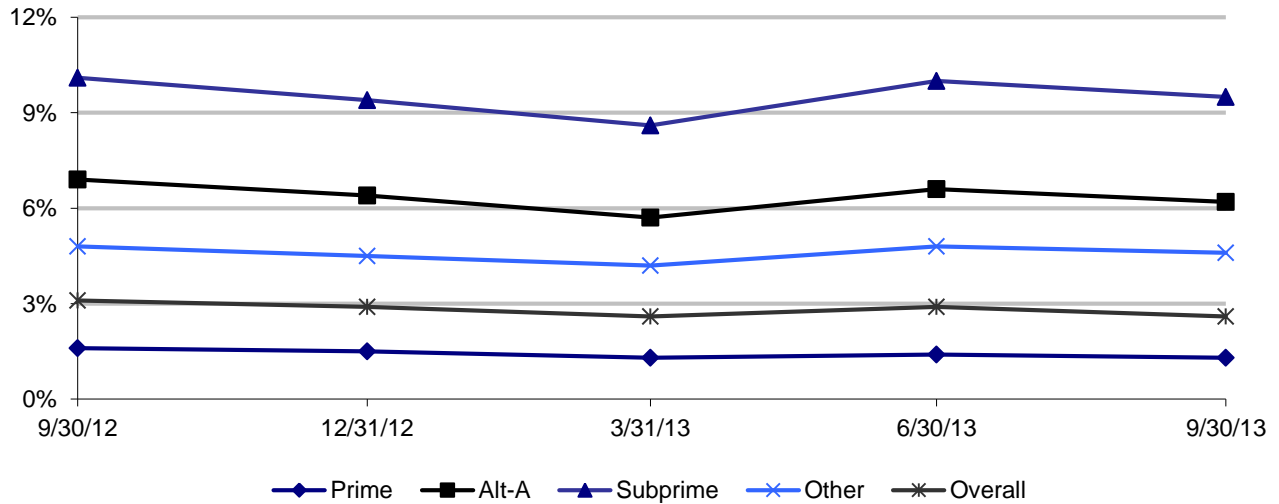


Mortgages 30 to 59 Days Delinquent, by Risk Category

The percentage of loans that were 30 to 59 days delinquent was 2.6 percent of the portfolio at the end of the third quarter of 2013, a decrease of 15.5 percent from a year earlier and the lowest third-quarter level since the report began in 2008.

Table 12. Mortgages 30 to 59 Days Delinquent, by Risk Category (Percentage of Mortgages in Each Category)							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Prime	1.6%	1.5%	1.3%	1.4%	1.3%	-10.3%	-20.5%
Alt-A	6.9%	6.4%	5.7%	6.6%	6.2%	-6.1%	-9.5%
Subprime	10.1%	9.4%	8.6%	10.0%	9.5%	-4.9%	-6.0%
Other	4.8%	4.5%	4.2%	4.8%	4.6%	-4.3%	-5.5%
Overall	3.1%	2.9%	2.6%	2.9%	2.6%	-8.4%	-15.5%
(Number of Mortgages in Each Category)							
Prime	348,451	309,818	267,211	279,111	244,277	-12.5%	-29.9%
Alt-A	222,620	199,294	170,084	184,916	164,185	-11.2%	-26.2%
Subprime	210,622	188,071	164,998	174,660	154,832	-11.4%	-26.5%
Other	144,603	129,232	115,239	121,391	109,823	-9.5%	-24.1%
Total	926,296	826,415	717,532	760,078	673,117	-11.4%	-27.3%

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

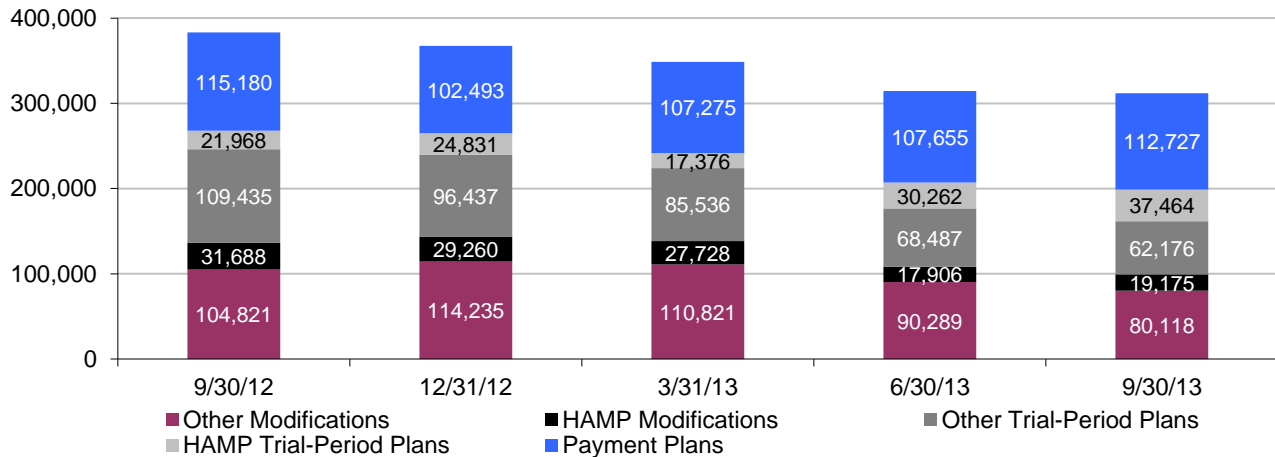
New Home Retention Actions

Servicers implemented 311,660 home retention actions—loan modifications, trial-period plans, and payment plans—during the third quarter of 2013. The number of home retention actions decreased 18.6 percent from a year earlier. Servicers implemented 99,293 modifications, a decrease of 27.3 percent from a year earlier. New HAMP modifications increased 7.1 percent to 19,175 during the quarter and other modifications decreased 11.3 percent to 80,118. Servicers implemented 99,640 new trial-period plans, an increase of 0.9 percent from the previous quarter but a decrease of 24.2 percent from a year earlier. New payment plans increased by 4.7 percent from the previous quarter, to 112,727. During the past five quarters, servicers initiated 1.7 million home retention actions—626,041 modifications, 553,972 trial-period plans, and 545,330 payment plans.

Table 13. Number of New Home Retention Actions

	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Other Modifications	104,821	114,235	110,821	90,289	80,118	-11.3%	-23.6%
HAMP Modifications	31,688	29,260	27,728	17,906	19,175	7.1%	-39.5%
Other Trial-Period Plans	109,435	96,437	85,536	68,487	62,176	-9.2%	-43.2%
HAMP Trial-Period Plans	21,968	24,831	17,376	30,262	37,464	23.8%	70.5%
Payment Plans	115,180	102,493	107,275	107,655	112,727	4.7%	-2.1%
Total	383,092	367,256	348,736	314,599	311,660	-0.9%	-18.6%

Figure 8. Number of New Home Retention Actions



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

Of the 19,175 HAMP modifications implemented during the third quarter of 2013, 30.3 percent went to mortgages serviced for the GSEs, 31.7 percent to mortgages serviced for private investors, 10.3 percent to government-guaranteed mortgages, and 27.7 percent to loans held in the reporting servicers' portfolios. Prime mortgages represented about 74 percent of the total portfolio and received 49.1 percent of all HAMP modifications. Subprime loans represented about 6 percent of the total portfolio and received 21.0 percent of HAMP modifications during the quarter.

Table 14. HAMP Modifications, by Investor and Risk Category
(Modifications Implemented in the Third Quarter of 2013)

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	1,659	1,959	507	2,440	2,846	9,411
Alt-A	486	548	552	1,173	1,262	4,021
Subprime	249	276	583	1,533	1,383	4,024
Other	433	202	336	164	584	1,719
Total	2,827	2,985	1,978	5,310	6,075	19,175

Servicers implemented 37,464 HAMP trial-period plans during the quarter, an increase of 70.5 percent from a year earlier. GSE mortgages received 11.0 percent of HAMP trial-period plans initiated during the quarter, government-guaranteed loans received 70.1 percent, loans held in portfolio received 6.6 percent and loans serviced for private investors received 12.3 percent. Prime mortgages received 31.2 percent of the HAMP trial-period plans implemented during the quarter, Alt-A loans received 28.6 percent, and subprime and other mortgages collectively received 40.2 percent.

Table 15. HAMP Trial-Period Plans, by Investor and Risk Category
(Trial-Period Plans Implemented in the Third Quarter of 2013)

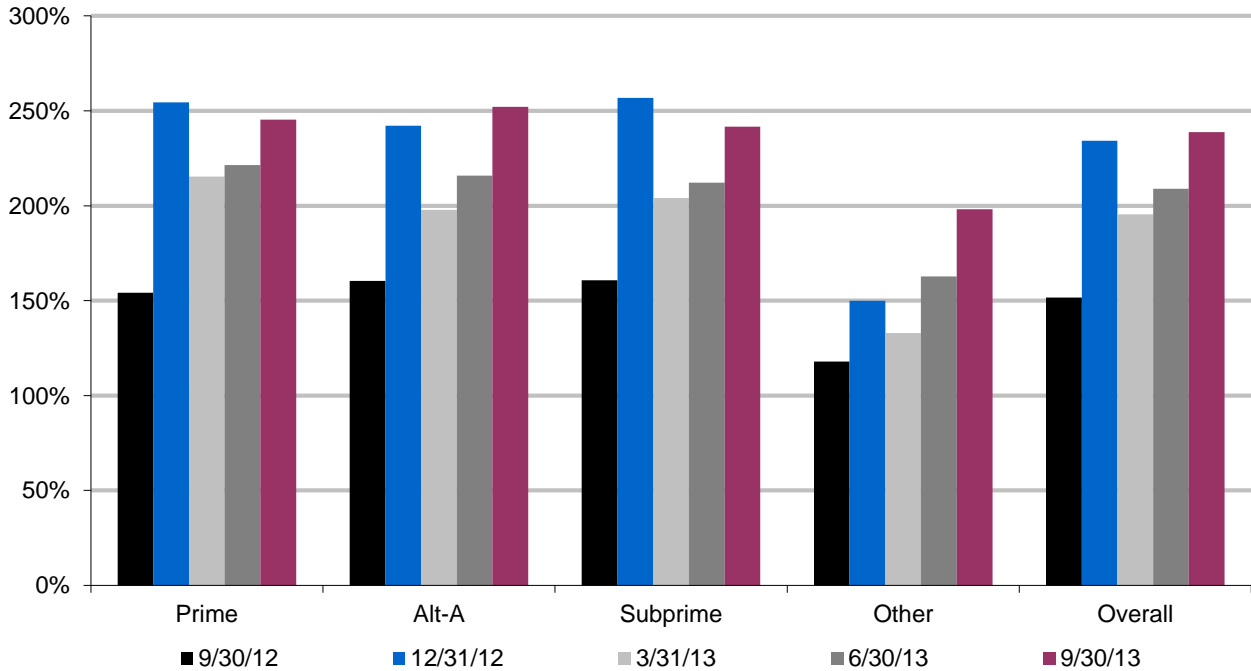
	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	1,124	1,332	6,159	1,052	2,024	11,691
Alt-A	311	341	8,522	594	957	10,725
Subprime	205	191	7,045	732	1,323	9,496
Other	417	209	4,552	79	295	5,552
Total	2,057	2,073	26,278	2,457	4,599	37,464

New Home Retention Actions Relative to Newly Initiated Foreclosures

Servicers continued to implement more home retention actions than new foreclosures. The ratio of new home retention actions to new foreclosures increased 57.4 percent from a year earlier. The number of new home retention actions and new foreclosures both decreased from the previous quarter and a year earlier, with the decrease in new foreclosures relatively larger than the decrease in new home retention actions.

Table 16. Percentage of New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Prime	154.1%	254.5%	215.4%	221.4%	245.4%	10.9%	59.2%
Alt-A	160.4%	242.2%	197.9%	215.9%	252.1%	16.8%	57.2%
Subprime	160.7%	256.8%	204.1%	212.1%	241.7%	14.0%	50.4%
Other	118.0%	150.0%	132.9%	162.8%	198.2%	-125.5%	33.2%
Overall	151.7%	234.3%	195.5%	208.9%	238.7%	14.2%	57.4%
Number of New Home Retention Actions	383,092	367,256	348,736	314,599	311,660	-0.9%	-18.6%
Number of Newly Initiated Foreclosures	252,604	156,773	178,360	150,592	130,592	-13.3%	-48.3%

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 have different effects on the long-term sustainability of mortgages. Servicers often use a combination of actions when modifying mortgages, with 92.3 percent of modifications implemented during the third quarter of 2013 changing more than one of the original loan terms. Capitalization, interest-rate reduction, and term extension remain the primary actions used in modifying mortgages.

Servicers capitalized missed fees and payments in 83.6 percent of modifications implemented during the quarter, reduced interest rates in 78.9 percent, and extended loan maturity in 69.3 percent. Servicers reduced some portion of the unpaid principal in 13.6 percent of modifications completed during the quarter, an increase of 11.9 percent from the previous quarter but a 20.8 percent decrease from a year earlier. Servicers deferred repayment of some portion of the unpaid principal in 25.3 percent of modifications made during the quarter, up 33.3 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 Third Quarter of 2013							
(Percentage of Total Modifications in Each Category)							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Capitalization	88.2%	84.6%	79.3%	81.7%	83.6%	2.3%	-5.3%
Rate Reduction	77.1%	73.3%	80.1%	81.0%	78.9%	-2.6%	2.3%
Rate Freeze	7.1%	3.9%	3.7%	5.2%	5.5%	5.0%	-22.9%
Term Extension	64.9%	58.9%	60.3%	67.7%	69.3%	2.4%	6.7%
Principal Reduction	17.2%	20.0%	15.2%	12.2%	13.6%	11.9%	-20.8%
Principal Deferral	19.0%	20.5%	18.2%	20.5%	25.3%	23.5%	33.3%
Not Reported*	0.4%	1.1%	0.6%	1.4%	2.2%	57.0%	487.8%
(Number of Changes in Each Category)							
Capitalization	120,456	121,454	109,882	88,418	82,998	-6.1%	-31.1%
Rate Reduction	105,256	105,115	110,910	87,639	78,309	-10.6%	-25.6%
Rate Freeze	9,655	5,644	5,121	5,619	5,413	-3.7%	-43.9%
Term Extension	88,657	84,518	83,594	73,254	68,820	-6.1%	-22.4%
Principal Reduction	23,451	28,765	21,033	13,150	13,502	2.7%	-42.4%
Principal Deferral	25,945	29,445	25,272	22,195	25,150	13.3%	-3.1%
Not Reported*	504	1,599	900	1,496	2,155	44.1%	327.6%

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

Types of HAMP Modification Actions

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 36.2 percent of HAMP modifications during the third quarter of 2013, up from 30.6 percent a year earlier. Servicers used principal reduction in 21.6 percent of HAMP modifications implemented during the quarter—an increase of 16.7 percent from the previous quarter but a decrease of 14.2 percent from a year earlier, when 25.2 percent of HAMP modifications included principal reduction.

Table 18. Changes in Loan Terms for HAMP Modifications Through the Third Quarter of 2013 (Percentage of Total Modifications in Each Category)							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Capitalization	98.2%	92.0%	95.0%	85.7%	88.3%	3.1%	-10.0%
Rate Reduction	85.6%	81.3%	84.9%	87.9%	88.1%	0.3%	2.9%
Rate Freeze	3.3%	4.0%	3.4%	1.4%	2.5%	75.0%	-23.5%
Term Extension	55.2%	53.0%	53.9%	60.5%	61.9%	2.3%	12.1%
Principal Reduction	25.2%	25.1%	22.0%	18.5%	21.6%	16.7%	-14.2%
Principal Deferral	30.6%	29.2%	31.9%	37.6%	36.2%	-3.8%	18.1%
Not Reported*	0.1%	1.7%	0.2%	0.5%	1.4%	216.6%	2602.4%
(Number of Changes in Each Category)							
Capitalization	31,107	26,927	26,345	15,342	16,941	10.4%	-45.5%
Rate Reduction	27,128	23,790	23,542	15,733	16,894	7.4%	-37.7%
Rate Freeze	1,033	1,171	931	255	478	87.5%	-53.7%
Term Extension	17,487	15,500	14,949	10,826	11,864	9.6%	-32.2%
Principal Reduction	7,971	7,342	6,098	3,312	4,139	25.0%	-48.1%
Principal Deferral	9,700	8,551	8,839	6,729	6,933	3.0%	-28.5%
Not Reported*	17	508	50	82	278	239.0%	1535.3%

*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, servicers used principal deferral most frequently for prime loans and principal reduction most frequently for subprime loans.

Table 19. Changes in Loan Terms for Modifications, by Risk Category, During the Third Quarter of 2013					
(Percentage of Total Modifications in Each Category)					
	Prime	Alt-A	Subprime	Other	Overall
Capitalization	85.9%	81.5%	84.4%	77.8%	83.6%
Rate Reduction	78.4%	79.7%	78.5%	79.6%	78.9%
Rate Freeze	5.4%	4.3%	5.7%	7.4%	5.5%
Term Extension	68.4%	73.5%	67.6%	68.0%	69.3%
Principal Reduction	13.7%	13.9%	17.8%	5.0%	13.6%
Principal Deferral	29.0%	23.9%	21.1%	23.4%	25.3%
Not Reported*	2.6%	1.8%	1.8%	2.1%	2.2%
(Number of Changes in Each Category)					
Total Mortgages Modified	41,831	21,758	23,398	12,306	99,293
Capitalization	35,945	17,735	19,747	9,571	82,998
Rate Reduction	32,800	17,344	18,364	9,801	78,309
Rate Freeze	2,241	929	1,336	907	5,413
Term Extension	28,629	16,003	15,821	8,367	68,820
Principal Reduction	5,713	3,015	4,161	613	13,502
Principal Deferral	12,114	5,205	4,947	2,884	25,150
Not Reported*	1,073	398	426	258	2,155

*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 33.8 percent of all modifications made during the third quarter of 2013. Government-guaranteed loans received 28.9 percent of all modifications, mortgages serviced for private investors received 21.3 percent, and mortgages held in the servicers’ own portfolios received 15.9 percent of all third-quarter modifications. Capitalization of missed payments and fees, interest-rate reduction, and term extension remained the primary types of modification actions. Servicers used principal reduction most frequently 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.

Table 20. Type of Modification Action, by Investor and Product Type, During the Third Quarter of 2013						
(Percentage of Total Modifications in Each Category)						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	90.1%	97.1%	60.9%	95.2%	89.5%	83.6%
Rate Reduction	62.4%	78.2%	94.7%	75.6%	76.0%	78.9%
Rate Freeze	10.4%	4.2%	0.6%	4.6%	10.1%	5.5%
Term Extension	81.6%	90.3%	91.1%	21.5%	60.3%	69.3%
Principal Reduction	0.0%	0.2%	3.9%	25.4%	44.1%	13.6%
Principal Deferral	24.0%	33.8%	15.3%	34.2%	26.1%	25.3%
Not Reported*	6.4%	1.4%	0.8%	0.9%	1.7%	2.2%
(Number of Changes in Each Category)						
Total Mortgages Modified	20,148	13,444	28,710	21,160	15,831	99,293
Capitalization	18,162	13,048	17,474	20,138	14,176	82,998
Rate Reduction	12,576	10,507	27,202	15,990	12,034	78,309
Rate Freeze	2,087	564	184	974	1,604	5,413
Term Extension	16,435	12,139	26,154	4,548	9,544	68,820
Principal Reduction**	10	28	1,122	5,365	6,977	13,502
Principal Deferral	4,832	4,541	4,400	7,247	4,130	25,150
Not Reported	1,280	187	222	194	272	2,155

*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.

Types of HAMP Modification Actions, by Investor and Product Type

Of the 19,175 HAMP modifications implemented in the third quarter of 2013, 31.7 percent were on mortgages serviced for private investors, 30.3 percent were on GSE mortgages, 27.7 percent were on mortgages held in servicers’ portfolios, and 10.3 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. Servicers used principal deferral in a significant number of HAMP modifications for all investors other than government-guaranteed loans. Principal reduction was concentrated in loans held in portfolio and serviced for private investors. More than 63 percent of the HAMP modifications completed during the third quarter of 2013 on loans held in the banks’ own portfolios included a principal reduction.

Table 21. Type of HAMP Modification Action, by Investor and Product Type, During the Third Quarter of 2013						
(Percentage of Total Modifications in Each Category)						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	93.4%	95.9%	12.9%	99.2%	97.1%	88.3%
Rate Reduction	90.8%	96.5%	97.4%	84.4%	82.7%	88.1%
Rate Freeze	0.6%	1.6%	0.8%	2.7%	4.4%	2.5%
Term Extension	65.0%	67.1%	97.0%	33.4%	76.8%	61.9%
Principal Reduction	0.1%	0.0%	0.1%	12.9%	63.1%	21.6%
Principal Deferral	31.1%	28.7%	0.7%	56.2%	33.3%	36.2%
Not Reported*	5.9%	3.2%	0.4%	0.0%	0.1%	1.4%
(Number of Changes in Each Category)						
Total Mortgages Modified	2,827	2,985	1,978	6,075	5,310	19,175
Capitalization	2,640	2,862	255	6,028	5,156	16,941
Rate Reduction	2,568	2,880	1,927	5,130	4,389	16,894
Rate Freeze	18	49	16	163	232	478
Term Extension	1,838	2,002	1,918	2,027	4,079	11,864
Principal Reduction**	3	1	2	783	3,350	4,139
Principal Deferral	878	857	14	3,416	1,768	6,933
Not Reported	168	95	8	3	4	278

*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. The lower payments, however, 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. This strategy carries additional risk, however, especially during periods of prolonged economic stress, 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.

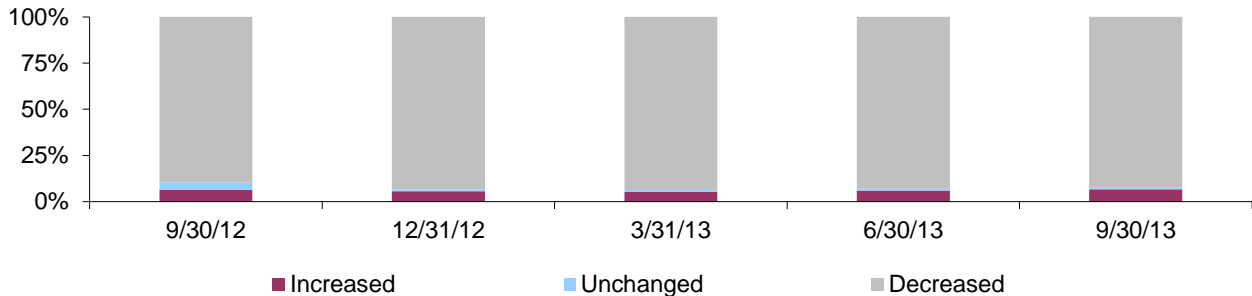
Changes in Monthly Payments Resulting From Modifications, by Quarter

More than 92 percent of modifications made in the quarter reduced monthly principal and interest payments, and 62.5 percent of the modifications reduced payments by 20 percent or more.

Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications							
(Percentage of Modifications in Each Category)*							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Decreased by 20% or More	54.3%	58.9%	56.4%	59.2%	62.5%	5.7%	15.2%
Decreased by 10% to Less Than 20%	20.2%	21.0%	24.1%	21.4%	18.8%	-12.2%	-6.7%
Decreased by Less Than 10%	15.0%	13.4%	13.2%	12.4%	11.1%	-10.6%	-26.0%
Subtotal for Decreased	89.5%	93.4%	93.7%	93.0%	92.4%	-0.6%	3.3%
Unchanged	4.3%	1.0%	0.9%	1.0%	0.8%	-23.6%	-81.3%
Increased	6.3%	5.7%	5.4%	6.0%	6.8%	13.6%	8.0%
Subtotal for Unchanged and Increased	10.5%	6.6%	6.3%	7.0%	7.6%	8.0%	-28.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
(Number of Modifications in Each Category)							
Decreased by 20% or More	73,854	84,103	77,674	63,515	61,307	-3.5%	-17.0%
Decreased by 10% to Less Than 20%	27,434	30,056	33,143	23,005	18,443	-19.8%	-32.8%
Decreased by Less Than 10%	20,397	19,169	18,187	13,323	10,876	-18.4%	-46.7%
Subtotal for Decreased	121,685	133,328	129,004	99,843	90,626	-9.2%	-25.5%
Unchanged	5,812	1,404	1,229	1,124	784	-30.2%	-86.5%
Increased	8,531	8,080	7,389	6,405	6,644	3.7%	-22.1%
Subtotal for Unchanged and Increased	14,343	9,484	8,618	7,529	7,428	-1.3%	-48.2%
Total	136,028	142,812	137,622	107,372	98,054	-8.7%	-27.9%

* No payment change information was reported on 481 modifications in the third quarter of 2012, 683 in the fourth quarter of 2012, 927 in the first quarter of 2013, 823 in the second quarter of 2013, and 1,239 in the third quarter of 2013.

Figure 10. Changes in Monthly Principal and Interest Payments
Percentage of Modifications in Each Category



Changes in Monthly Payments Resulting From HAMP Modifications, by Quarter

Almost 98 percent of HAMP modifications completed during the third quarter of 2013 reduced borrower monthly payments, with 74.7 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 re-default rates are lowest among loans that receive at least a 10 percent reduction in their monthly payments, and that the greater the decrease in payment, the lower the rate of re-default.

Table 23. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications							
(Percentage of HAMP Modifications in Each Category)*/**							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Decreased by 20% or More	76.3%	76.8%	76.2%	75.5%	74.7%	-1.0%	-2.0%
Decreased by 10% to Less Than 20%	12.6%	13.0%	13.2%	13.5%	14.6%	8.3%	16.4%
Decreased by Less Than 10%	8.6%	8.4%	8.6%	8.0%	8.4%	5.4%	-1.5%
Subtotal for Decreased	97.4%	98.3%	98.0%	97.0%	97.8%	0.8%	0.4%
Unchanged	0.2%	0.3%	0.5%	1.1%	0.2%	-84.8%	-13.1%
Increased	2.4%	1.5%	1.5%	1.8%	2.0%	10.5%	-15.2%
Subtotal for Unchanged and Increased	2.6%	1.7%	2.0%	3.0%	2.2%	-26.2%	-15.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
(Number of HAMP Modifications in Each Category)							
Decreased by 20% or More	24,123	22,410	21,063	13,462	14,252	5.9%	-40.9%
Decreased by 10% to Less Than 20%	3,980	3,797	3,654	2,410	2,793	15.9%	-29.8%
Decreased by Less Than 10%	2,712	2,463	2,369	1,428	1,610	12.7%	-40.6%
Subtotal for Decreased	30,815	28,670	27,086	17,300	18,655	7.8%	-39.5%
Unchanged	63	77	138	203	33	-83.7%	-47.6%
Increased	749	432	425	324	383	18.2%	-48.9%
Subtotal for Unchanged and Increased	812	509	563	527	416	-21.1%	-48.8%
Total	31,627	29,179	27,649	17,827	19,071	7.0%	-39.7%

*No payment change information was reported on 61 modifications in the third quarter of 2012, 81 in the fourth quarter of 2012, 79 in the first quarter of 2013, 79 in the second quarter of 2013, and 104 in the third quarter of 2013.

**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 ARMs 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 third quarter of 2013 reduced monthly principal and interest payments by \$365, or 26.6 percent, on average. HAMP modifications made during the quarter reduced payments by \$509, or 33.8 percent, on average. Other modifications reduced payments by \$330, or 24.9 percent, on average.

Table 24. Average Change in Monthly Payments Resulting From Modifications, by Quarter*							
All Modifications							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Decreased by 20% or More	(566)	(594)	(560)	(545)	(535)	-1.8%	-5.4%
Decreased by 10% to Less Than 20%	(179)	(189)	(186)	(172)	(176)	2.3%	-1.5%
Decreased by Less Than 10%	(65)	(68)	(71)	(68)	(67)	-0.7%	4.1%
Unchanged	0	0	0	0	0		
Increased**	131	169	166	159	159	-0.1%	21.4%
Overall (in dollars)	(345)	(389)	(361)	(358)	(365)	1.8%	5.7%
Percentage Change	-23.8%	-25.8%	-25.2%	-25.9%	-26.6%		
Other Modifications							
Decreased by 20% or More	(498)	(560)	(517)	(519)	(505)	-2.6%	1.4%
Decreased by 10% to Less Than 20%	(173)	(186)	(183)	(168)	(171)	1.7%	-1.6%
Decreased by Less Than 10%	(63)	(67)	(70)	(66)	(65)	-1.6%	3.7%
Unchanged	0	0	0	0	0		
Increased**	125	168	165	158	159	0.6%	27.0%
Overall (in dollars)	(278)	(345)	(315)	(327)	(330)	1.0%	18.8%
Percentage Change	-20.3%	-23.4%	-22.7%	-24.2%	-24.9%		
HAMP Modifications							
Decreased by 20% or More	(705)	(687)	(676)	(642)	(635)	-1.1%	-9.9%
Decreased by 10% to Less Than 20%	(212)	(208)	(212)	(213)	(209)	-1.9%	-1.8%
Decreased by Less Than 10%	(77)	(78)	(77)	(82)	(80)	-1.6%	3.7%
Unchanged	0	0	0	0	0		
Increased**	194	191	191	182	163	-10.5%	
Overall (in dollars)	(567)	(558)	(547)	(517)	(509)	-1.6%	-10.2%
Percentage Change	-35.3%	-35.4%	-34.9%	-34.1%	-33.8%		

*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

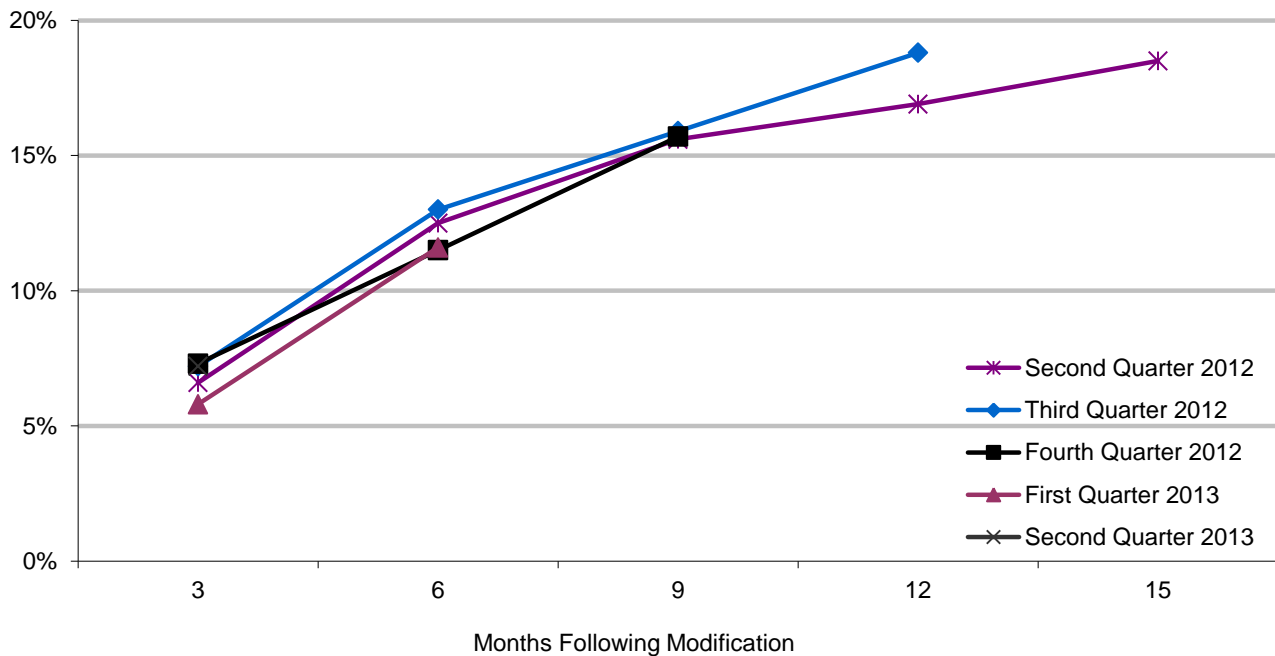
Re-Default Rates of Modified Loans: 60 or More Days Delinquent

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 5.8 percent and 7.3 percent of the modified loans were 60 or more days delinquent three months after modification, 11.5 percent to 13.0 percent were 60 or more days delinquent six months after modification, and 16.9 percent to 18.8 percent were 60 or more days delinquent 12 months after modification. Loans modified since the second quarter of 2012 have re-defaulted at lower rates than modifications completed in earlier quarters.

Table 25. Modified Loans 60 or More Days Delinquent					
Modification Date*	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification	15 Months After Modification
Second Quarter 2012	6.6%	12.5%	15.6%	16.9%	18.5%
Third Quarter 2012	7.2%	13.0%	15.9%	18.8%	-
Fourth Quarter 2012	7.3%	11.5%	15.7%	-	-
First Quarter 2013	5.8%	11.6%	-	-	-
Second Quarter 2013	7.2%	-	-	-	-

*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



*Data for the second quarter of 2013 is a single point (7.2 percent).

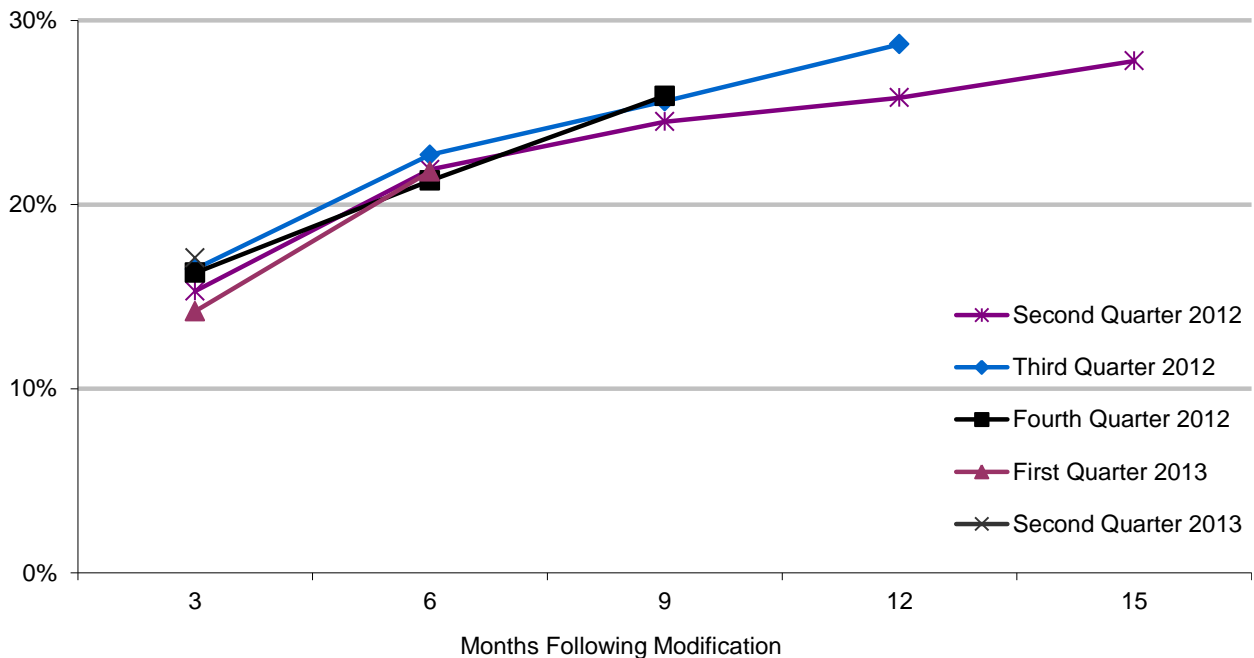
Re-Default Rates of Modified Loans: 30 or More Days Delinquent

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, 14.2 percent to 17.1 percent were 30 or more days delinquent three months after modification. Among modifications outstanding at least one year, 25.8 percent to 28.7 percent were 30 or more days delinquent.

Table 26. Modified Loans 30 or More Days Delinquent					
Modification Date*	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification	15 Months After Modification
Second Quarter 2012	15.3%	21.9%	24.5%	25.8%	27.8%
Third Quarter 2012	16.5%	22.7%	25.6%	28.7%	-
Fourth Quarter 2012	16.3%	21.3%	25.9%	-	-
First Quarter 2013	14.2%	21.8%	-	-	-
Second Quarter 2013	17.1%	-	-	-	-

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

Figure 12. Modified Loans 30 or More Days Delinquent



*Data for the second quarter of 2013 is a single point (17.1 percent).

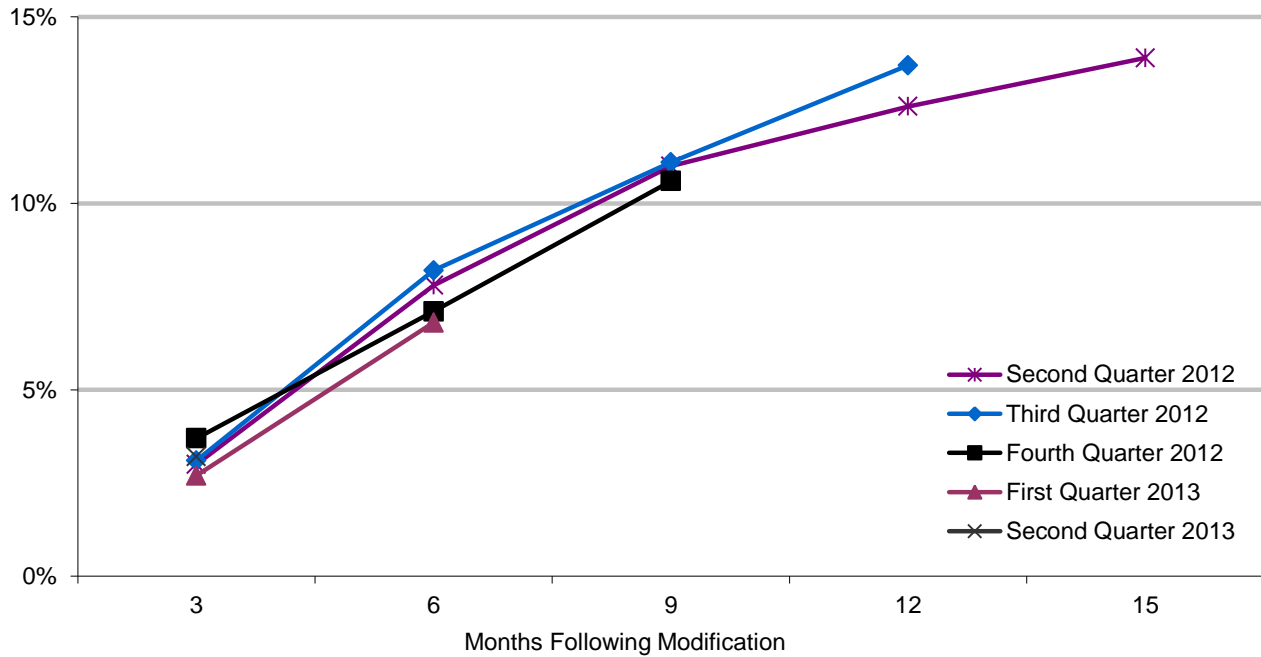
Re-Default Rates of Modified Loans: 90 or More Days Delinquent

Among modifications completed during the last five quarters, less than 14 percent were 90 or more days delinquent 12 months after modification.

Table 27. Modified Loans 90 or More Days Delinquent*					
Modification Date*	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification	15 Months After Modification
Second Quarter 2012	3.0%	7.8%	11.0%	12.6%	13.9%
Third Quarter 2012	3.1%	8.2%	11.1%	13.7%	-
Fourth Quarter 2012	3.7%	7.1%	10.6%	-	-
First Quarter 2013	2.7%	6.8%	-	-	-
Second Quarter 2013	3.2%	-	-	-	-

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

Figure 13. Modified Loans 90 or More Days Delinquent



*Data for the second quarter of 2013 is a single point (3.2 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	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	45.2%	59.7%	63.9%	62.1%	54.4%
Freddie Mac	45.0%	59.2%	64.4%	64.6%	59.5%
Government-Guaranteed	53.6%	67.8%	70.8%	70.3%	67.7%
Private	49.1%	61.2%	66.7%	68.0%	68.2%
Portfolio Loans	25.2%	36.2%	41.0%	41.7%	40.1%
Overall	44.8%	57.2%	62.1%	62.7%	61.4%

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

Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	31.3%	41.1%	42.5%	42.4%	39.1%
Freddie Mac	37.3%	44.8%	46.0%	44.9%	40.1%
Government-Guaranteed	42.1%	55.6%	56.4%	56.3%	58.6%
Private	40.8%	52.5%	56.8%	57.8%	54.4%
Portfolio Loans	15.4%	24.9%	29.6%	30.6%	30.2%
Overall	32.2%	43.2%	46.4%	46.9%	45.1%

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

Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	14.2%	20.6%	23.9%	24.3%	23.3%
Freddie Mac	12.1%	17.8%	20.7%	21.9%	20.5%
Government-Guaranteed	27.4%	40.7%	46.6%	48.8%	50.6%
Private	19.8%	28.3%	33.2%	33.7%	30.0%
Portfolio Loans	11.7%	18.0%	20.9%	22.0%	21.2%
Overall	17.3%	25.4%	29.5%	30.6%	29.3%

Table 31. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2011					
(60 or More Days Delinquent)*					
Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	11.2%	16.7%	18.9%	20.2%	-
Freddie Mac	10.9%	16.8%	20.1%	20.1%	-
Government-Guaranteed	28.0%	42.3%	47.9%	48.7%	-
Private	15.5%	22.1%	24.5%	23.1%	-
Portfolio Loans	9.3%	15.1%	18.1%	17.6%	-
Overall	15.4%	23.2%	26.6%	27.1%	-

Table 32. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2012					
(60 or More Days Delinquent)*					
Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	11.5%	17.0%	21.4%	-	-
Freddie Mac	8.8%	12.9%	13.9%	-	-
Government-Guaranteed	21.3%	34.1%	40.1%	-	-
Private	13.0%	17.7%	17.4%	-	-
Portfolio Loans	7.2%	11.4%	20.6%	-	-
Overall	12.7%	18.9%	22.4%	-	-

Table 33. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2013					
(60 or More Days Delinquent)*					
Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	10.8%	-	-	-	-
Freddie Mac	8.0%	-	-	-	-
Government-Guaranteed	17.5%	-	-	-	-
Private	11.4%	-	-	-	-
Portfolio Loans	6.0%	-	-	-	-
Overall	11.6%	-	-	-	-

*Data in tables 30-33 include modifications that were originated that year and 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.

Table 34. Performance of HAMP Modifications Compared With Other Modifications						
(60 or More Days Delinquent)*						
	Number of Modifications	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification	15 Months After Modification
HAMP Third Quarter 2011	57,300	5.3%	8.9%	11.3%	14.3%	15.9%
Other Third Quarter 2011	87,832	9.7%	17.4%	22.2%	27.3%	27.3%
HAMP Fourth Quarter 2011	44,399	4.7%	7.5%	10.7%	13.0%	14.1%
HAMP Fourth Quarter 2011	72,569	10.3%	17.3%	24.0%	27.7%	27.7%
HAMP First Quarter 2012	37,236	4.9%	8.4%	11.3%	13.0%	13.3%
Other First Quarter 2012	65,865	9.4%	17.5%	23.1%	25.5%	25.5%
HAMP Second Quarter 2012	28,614	4.4%	7.9%	10.1%	11.0%	11.9%
Other Second Quarter 2012	68,101	7.5%	14.5%	17.9%	19.4%	19.4%
HAMP Third Quarter 2012	31,688	4.3%	7.7%	9.4%	10.9%	-
Other Third Quarter 2012	104,821	8.0%	14.6%	17.9%	21.2%	-
HAMP Fourth Quarter 2012	29,260	3.8%	6.2%	8.6%	-	-
Other Fourth Quarter 2012	114,235	8.3%	12.8%	17.5%	-	-
HAMP First Quarter 2013	27,728	3.2%	6.5%	-	-	-
Other First Quarter 2013	110,821	6.5%	12.9%	-	-	-
HAMP Second Quarter 2013	17,906	3.6%	-	-	-	-
Other Second Quarter 2013	90,289	7.9%	-	-	-	-

*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 by at least 10 percent 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 also may result from monthly payments set relative to the borrower’s 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 35 through 40 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 payments increase more than 10 percent. Modification performance has improved over time as modification actions focused on substantively reducing monthly payments and setting payments relative to the borrower’s income and ability to pay.

For modifications completed in 2010, 2011, and 2012 actions that resulted in no change to the borrower’s monthly payment have performed better than many modifications that reduced payments. Modifications that do not change monthly payment generally freeze the interest rate on an ARM so that rate and payment do not increase. These actions often are offered to borrowers who are current on their payments.

Table 35. Re-Default Rates of Loans Modified in 2008 by Change in Payment
(60 or More Days Delinquent)

	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Decreased by 20% or More	26.1%	39.6%	47.0%	49.1%	50.6%
Decreased by 10% to Less Than 20%	32.7%	47.5%	54.3%	55.6%	54.9%
Decreased by Less Than 10%	40.3%	55.2%	60.6%	61.0%	59.0%
Unchanged	53.7%	62.2%	66.3%	67.2%	65.8%
Increased	53.6%	67.3%	71.3%	71.1%	68.3%
Total	44.5%	57.0%	62.0%	62.7%	61.4%

Table 36. Re-Default Rates of Loans Modified in 2009 by Change in Payment
(60 or More Days Delinquent)

	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Decreased by 20% or More	19.2%	28.5%	32.8%	34.3%	33.6%
Decreased by 10% to Less Than 20%	29.2%	41.6%	45.0%	45.7%	45.4%
Decreased by Less Than 10%	33.8%	46.7%	49.3%	49.6%	49.9%
Unchanged	48.6%	57.3%	60.8%	61.4%	57.3%
Increased	46.5%	60.0%	62.5%	62.1%	58.6%
Total	32.2%	43.2%	46.5%	47.0%	45.1%

Table 37. Re-Default Rates of Loans Modified in 2010 by Change in Payment (60 or More Days Delinquent)*					
	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Decreased by 20% or More	11.4%	17.4%	21.1%	22.3%	21.6%
Decreased by 10% to Less Than 20%	19.8%	30.3%	35.6%	37.3%	37.3%
Decreased by Less Than 10%	26.1%	37.4%	42.7%	43.9%	42.9%
Unchanged	18.8%	23.0%	24.8%	24.1%	19.7%
Increased	32.8%	44.1%	48.1%	48.8%	46.1%
Total	17.3%	25.4%	29.5%	30.6%	29.3%

Table 38. Re-Default Rates of Loans Modified in 2011 by Change in Payment (60 or More Days Delinquent)*					
	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Decreased by 20% or More	9.5%	14.8%	17.5%	17.9%	-
Decreased by 10% to Less Than 20%	16.7%	26.6%	31.2%	32.3%	-
Decreased by Less Than 10%	22.7%	34.3%	38.9%	38.3%	-
Unchanged	13.5%	17.3%	18.5%	16.6%	-
Increased	32.8%	44.9%	49.6%	50.5%	-
Total	15.4%	23.2%	26.6%	27.1%	-

Table 39. Re-Default Rates of Loans Modified in 2012 by Change in Payment (60 or More Days Delinquent)*					
	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months after Modification	36 Months After Modification
Decreased by 20% or More	8.8%	13.4%	15.8%	-	-
Decreased by 10% to Less Than 20%	12.5%	19.1%	26.1%	-	-
Decreased by Less Than 10%	22.1%	33.3%	37.1%	-	-
Unchanged	9.9%	10.2%	33.5%	-	-
Increased	29.0%	40.5%	41.7%	-	-
Total	12.7%	18.9%	22.4%	-	-

Table 40. Re-Default Rates of Loans Modified in 2013 by Change in Payment (60 or More Days Delinquent)*					
	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months after Modification	36 Months After Modification
Decreased by 20% or More	8.2%	-	-	-	-
Decreased by 10% to Less Than 20%	12.1%	-	-	-	-
Decreased by Less Than 10%	19.8%	-	-	-	-
Unchanged	21.0%	-	-	-	-
Increased	22.5%	-	-	-	-
Total	11.6%	-	-	-	-

*Data in tables 37-40 include modifications that were originated that year and aged the indicated number of months.

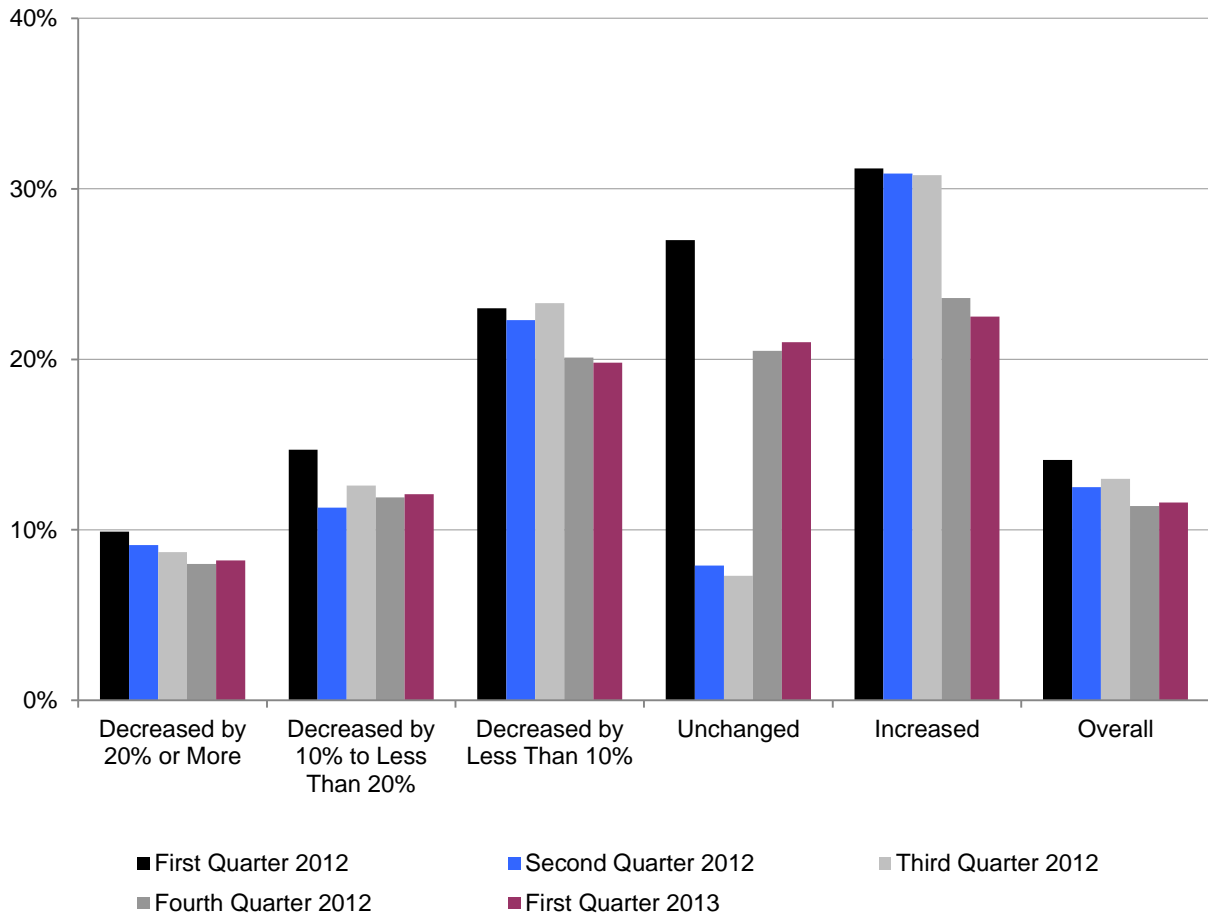
60+ Delinquency at Six Months After Modification by Change in Monthly Payment

Modifications that reduced monthly principal and interest payments by at least 10 percent 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 ARMs who have not defaulted on their payments.

Table 41. 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
First Quarter 2012	9.9%	14.7%	23.0%	27.0%	31.2%	14.1%
Second Quarter 2012	9.1%	11.3%	22.3%	7.9%	30.9%	12.5%
Third Quarter 2012	8.7%	12.6%	23.3%	7.3%	30.8%	13.0%
Fourth Quarter 2012	8.0%	11.9%	20.1%	20.5%	23.6%	11.4%
First Quarter 2013	8.2%	12.1%	19.8%	21.0%	22.5%	11.6%
Total	8.7%	12.4%	21.6%	10.6%	27.7%	12.4%

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



Status of Mortgages Modified in 2008–2Q 2013

Servicers implemented 3,288,717 modifications from January 1, 2008, through June 30, 2013. Of these modifications, 42.6 percent were current and performing at the end of the third quarter of 2013 with another 2.9 percent paid off. More than 17 percent of these modifications were delinquent, while 12.9 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 2,083,687 modifications that reduced payments by 10 percent or more, 50.8 percent were current or paid off at the end of the third quarter of 2013, compared with 36.1 percent of modifications that reduced payments by less than 10 percent.

Table 42. Status of Mortgages Modified in 2008–2Q 2013								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	443,294	21.1%	4.3%	9.2%	5.4%	16.7%	4.5%	38.9%
2009	593,884	31.2%	5.3%	11.5%	6.2%	12.7%	4.1%	28.9%
2010	955,422	40.0%	5.9%	11.0%	5.5%	8.2%	3.1%	26.2%
2011	569,553	47.4%	6.6%	12.3%	5.5%	4.0%	2.4%	21.7%
2012	479,820	61.5%	8.0%	12.3%	3.9%	0.9%	1.2%	12.2%
2013	246,744	70.4%	8.9%	9.4%	1.2%	0.1%	0.5%	9.5%
Total	3,288,717	42.6%	6.3%	11.1%	5.1%	7.8%	2.9%	24.3%
HAMP Modification Performance Compared With Other Modifications**								
Other Modifications	1,774,830	46.2%	7.3%	13.3%	5.5%	6.3%	2.8%	18.6%
HAMP Modifications	732,747	53.8%	5.4%	7.2%	3.3%	3.4%	1.7%	25.3%
Modifications That Reduced Payments by 10 Percent or More								
	2,083,687	48.7%	6.3%	9.6%	4.1%	5.2%	2.1%	23.9%
Modifications That Reduced Payments by Less Than 10 Percent								
	1,205,030	31.9%	6.2%	13.8%	6.7%	12.1%	4.2%	25.0%

*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 second quarter of 2013.

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 116,214 during the third quarter of 2013, a decrease of 35.5 percent from a year earlier. The number of completed foreclosures increased to 82,841—up 3.6 percent from the previous quarter but down 27.8 percent from a year earlier. Short sales decreased 20.3 percent from the previous quarter and 51.0 percent from a year earlier. Short sales were 26.9 percent of total home forfeiture actions, down from 35.4 percent a year earlier. Deed-in-lieu-of-foreclosure actions remained a small portion of home forfeiture actions during the quarter.

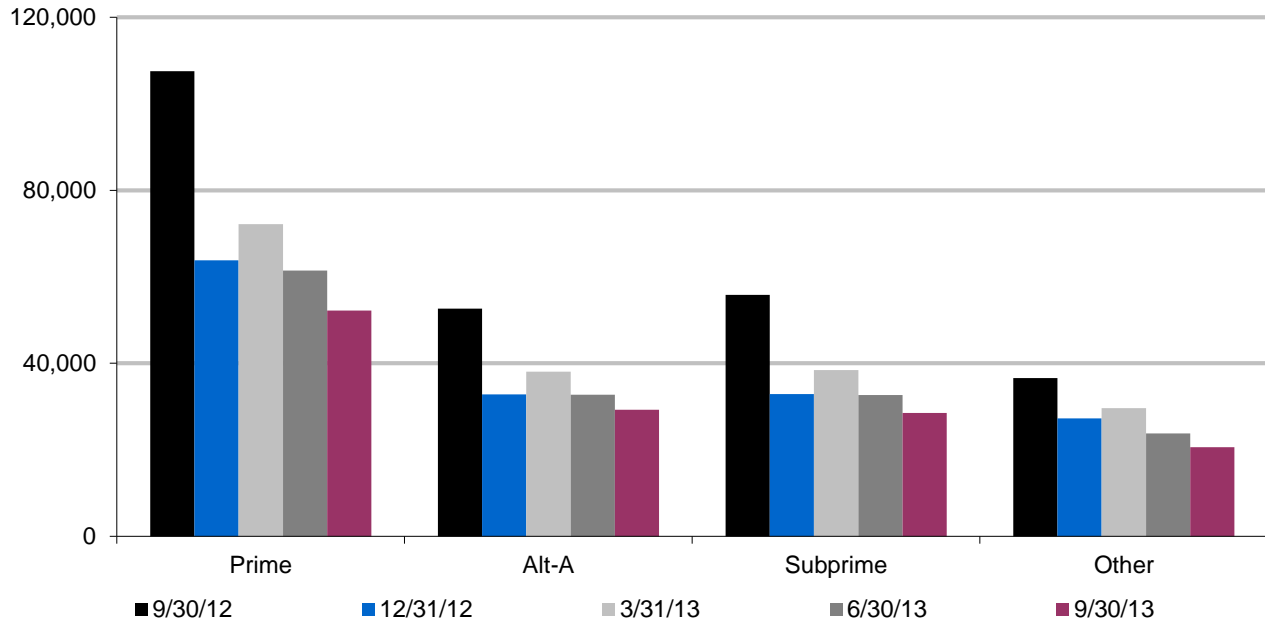
Table 43. Completed Foreclosures and Other Home Forfeiture Actions							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Completed Foreclosures	114,743	105,875	84,977	79,960	82,841	3.6%	-27.8%
New Short Sales	63,860	61,761	43,143	39,207	31,261	-20.3%	-51.0%
New Deed-in-Lieu-of-Foreclosure Actions	1,707	1,428	3,596	2,579	2,112	-18.1%	23.7%
Total	180,310	169,064	131,716	121,746	116,214	-4.5%	-35.5%

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 130,592 in the third quarter of 2013, a decrease of 48.3 percent from a year earlier. Newly initiated foreclosures decreased significantly from the previous quarter and a year earlier among all risk classes.

	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Prime	107,507	63,834	72,198	61,405	52,211	-15.0%	-51.4%
Alt-A	52,650	32,812	38,052	32,749	29,287	-10.6%	-44.4%
Subprime	55,845	32,886	38,464	32,667	28,491	-12.8%	-49.0%
Other	36,602	27,241	29,646	23,771	20,603	-13.3%	-43.7%
Total	252,604	156,773	178,360	150,592	130,592	-13.3%	-48.3%

Figure 15. Number of Newly Initiated Foreclosures

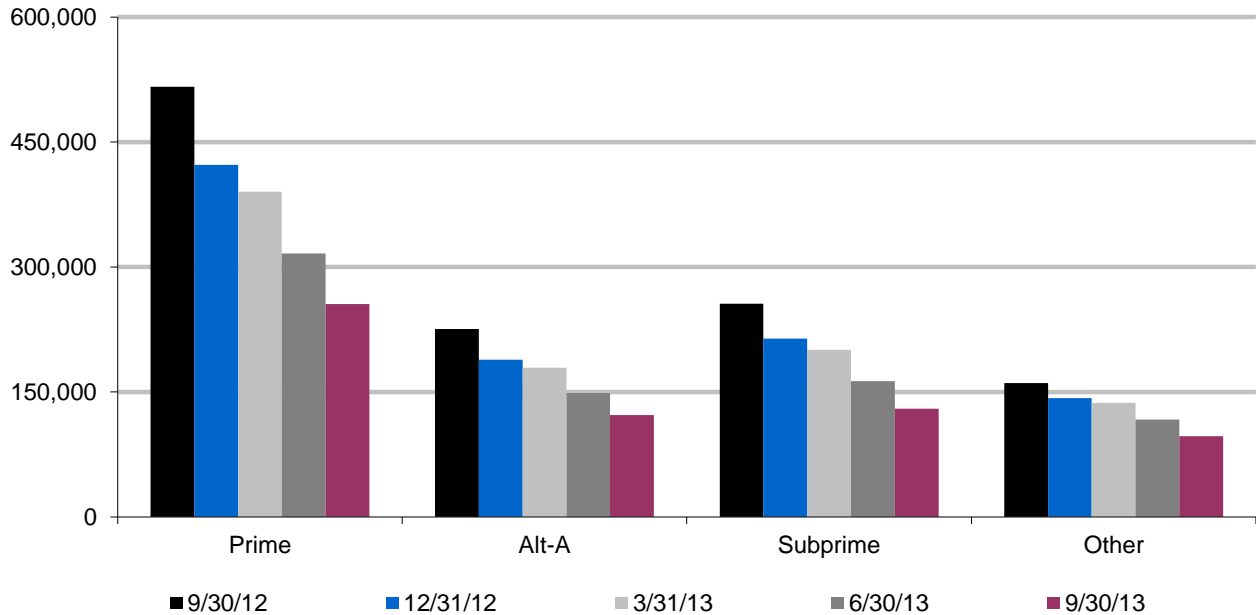


Foreclosures in Process

The number of mortgages in the process of foreclosure decreased to 604,763 at the end of the quarter, down 18.8 percent from the previous quarter and 47.8 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 third quarter of 2013 was 2.4 percent, a decrease of 16.0 percent from the previous quarter and 39.3 percent from a year earlier.

Table 45. Foreclosures in Process							
Percentage of Foreclosures in Process Relative to Mortgages in That Risk Category							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Prime	2.4%	2.0%	1.9%	1.6%	1.3%	-17.1%	-43.9%
Alt-A	7.0%	6.1%	6.0%	5.3%	4.6%	-13.1%	-33.5%
Subprime	12.3%	10.7%	10.5%	9.3%	8.0%	-14.3%	-35.0%
Other	5.4%	4.9%	5.0%	4.6%	4.0%	-12.2%	-24.9%
Total	3.9%	3.3%	3.2%	2.8%	2.4%	-16.0%	-39.3%
Number of Foreclosures in Process							
Prime	516,346	422,472	390,415	316,235	255,583	-19.2%	-50.5%
Alt-A	225,615	188,577	179,261	148,632	122,232	-17.8%	-45.8%
Subprime	255,846	213,843	200,731	162,774	130,037	-20.1%	-49.2%
Other	160,482	142,575	136,821	116,728	96,911	-17.0%	-39.6%
Total	1,158,289	967,467	907,228	744,369	604,763	-18.8%	-47.8%

Figure 16. Number of Foreclosures in Process

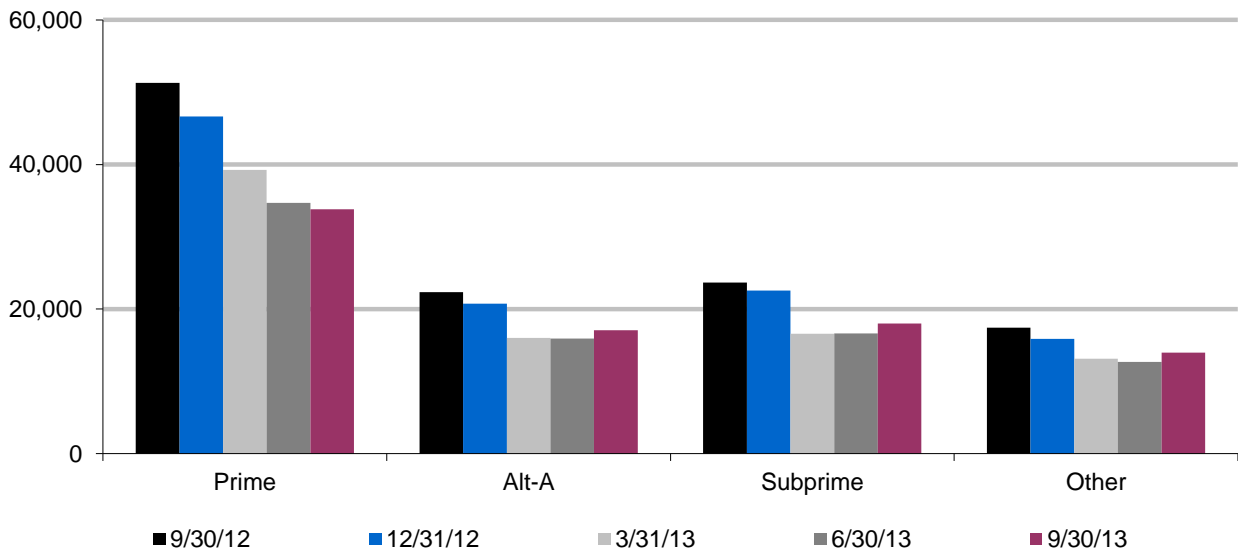


Completed Foreclosures

The number of completed foreclosures was 82,841 during the quarter—an increase of 3.6 percent from the previous quarter but a decrease of 27.8 percent from a year earlier. The percentage of mortgages that completed the foreclosure process during the third quarter of 2013 was 0.3 percent of all mortgages serviced, an increase of 7.2 percent from the previous quarter but a decrease of 16.0 percent from a year earlier. The quarter-to-quarter increases in completed foreclosure actions occurred in the Alt-A, subprime and other risk classes, with prime loans showing quarter-to-quarter decreases in both the number and rate of completed foreclosures.

Table 46. Completed Foreclosures							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Prime	0.2%	0.2%	0.2%	0.2%	0.2%	-0.1%	-25.2%
Alt-A	0.7%	0.7%	0.5%	0.6%	0.6%	13.1%	-6.3%
Subprime	1.1%	1.1%	0.9%	1.0%	1.1%	15.9%	-2.9%
Other	0.6%	0.6%	0.5%	0.5%	0.6%	16.5%	-0.3%
Total	0.4%	0.4%	0.3%	0.3%	0.3%	7.2%	-16.0%
Number of Completed Foreclosures							
Prime	51,285	46,647	39,255	34,686	33,817	-2.5%	-34.1%
Alt-A	22,328	20,764	16,005	15,943	17,062	7.0%	-23.6%
Subprime	23,692	22,562	16,588	16,654	17,992	8.0%	-24.1%
Other	17,438	15,902	13,129	12,677	13,970	10.2%	-19.9%
Total	114,743	105,875	84,977	79,960	82,841	3.6%	-27.8%

Figure 17. Number of Completed Foreclosures

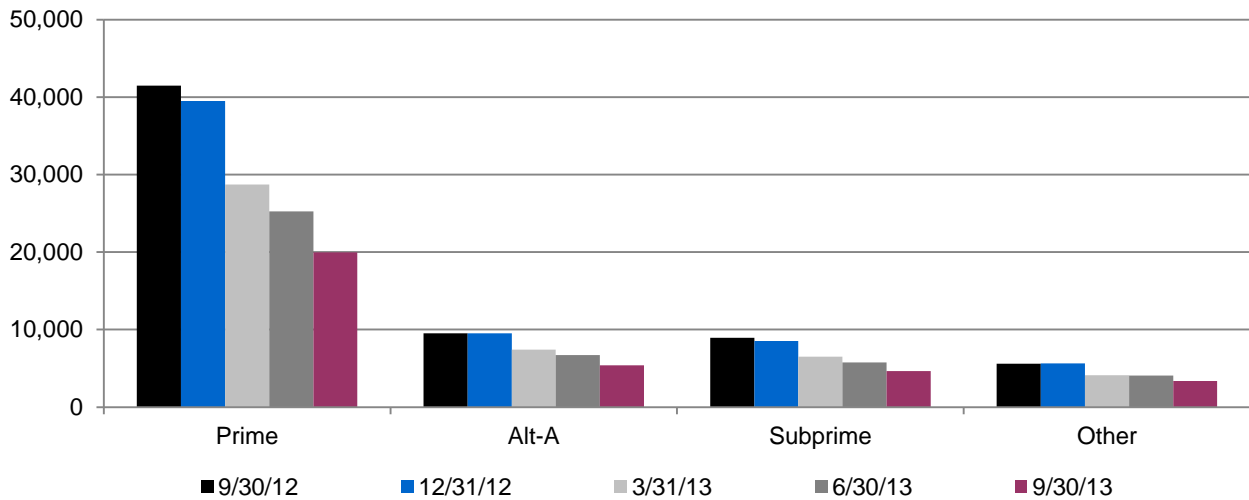


Completed Short Sales and Deeds in Lieu of Foreclosure

The number of completed short sales and deeds in lieu of foreclosure decreased to 33,373 during the quarter—down 20.1 percent from the previous quarter and 49.1 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 third quarter were 0.1 percent, down 17.4 percent from the previous quarter and 40.8 percent from a year earlier.

Table 47. Completed Short Sales and Deeds in Lieu of Foreclosure							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Prime	0.2%	0.2%	0.1%	0.1%	0.1%	-18.9%	-45.4%
Alt-A	0.3%	0.3%	0.2%	0.2%	0.2%	-15.1%	-30.6%
Subprime	0.4%	0.4%	0.3%	0.3%	0.3%	-13.3%	-33.6%
Other	0.2%	0.2%	0.1%	0.2%	0.1%	-12.7%	-25.2%
Total	0.2%	0.2%	0.2%	0.2%	0.1%	-17.4%	-40.8%
Number of Completed Foreclosures							
Prime	41,473	39,498	28,731	25,236	19,959	-20.9%	-51.9%
Alt-A	9,515	9,513	7,418	6,699	5,382	-19.7%	-43.4%
Subprime	8,964	8,519	6,494	5,762	4,658	-19.2%	-48.0%
Other	5,615	5,659	4,096	4,089	3,374	-17.5%	-39.9%
Overall	65,567	63,189	46,739	41,786	33,373	-20.1%	-49.1%

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

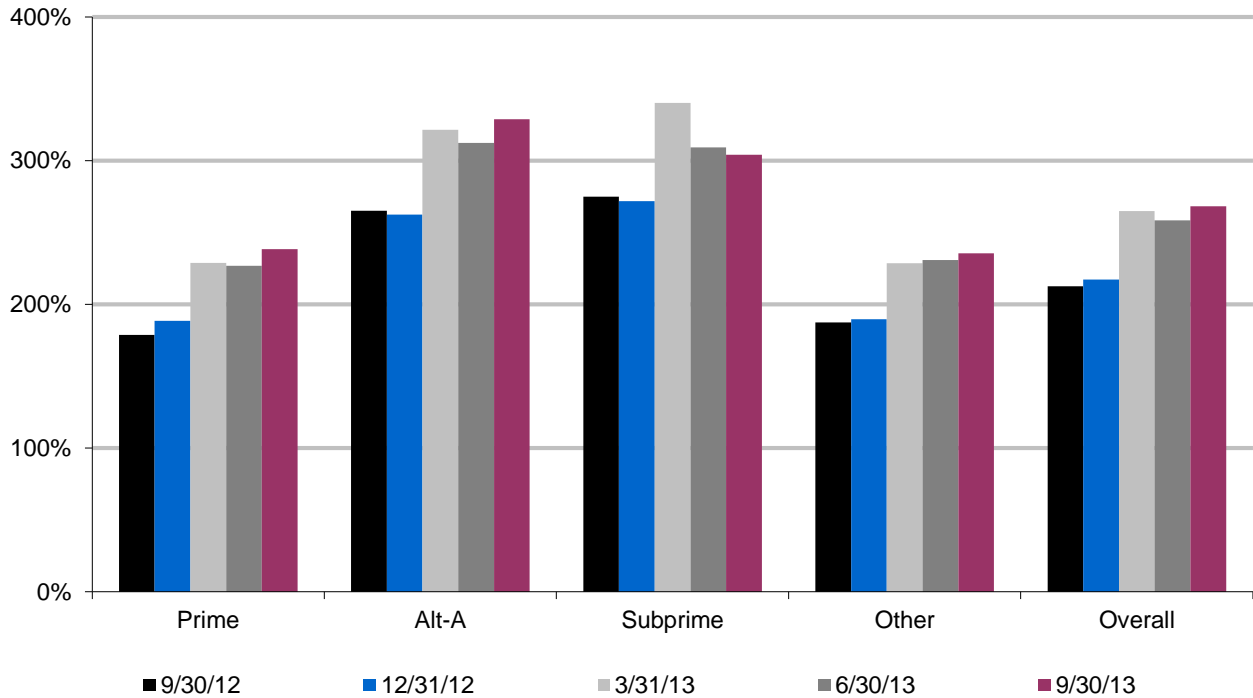


New Home Retention Actions Relative to Forfeiture Actions, by Risk Category

New home retention actions continued to 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 Alt-A and subprime loans and lowest for prime and other loans during the third quarter of 2013.

Table 48. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Prime	178.6%	188.6%	228.8%	226.8%	238.3%	5.0%	33.4%
Alt-A	265.2%	262.5%	321.5%	312.3%	328.9%	5.3%	24.1%
Subprime	274.9%	271.7%	340.1%	309.1%	304.0%	-1.6%	10.6%
Other	187.3%	189.6%	228.7%	230.8%	235.4%	2.0%	25.7%
Overall	212.5%	217.2%	264.8%	258.4%	268.2%	3.8%	26.2%

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



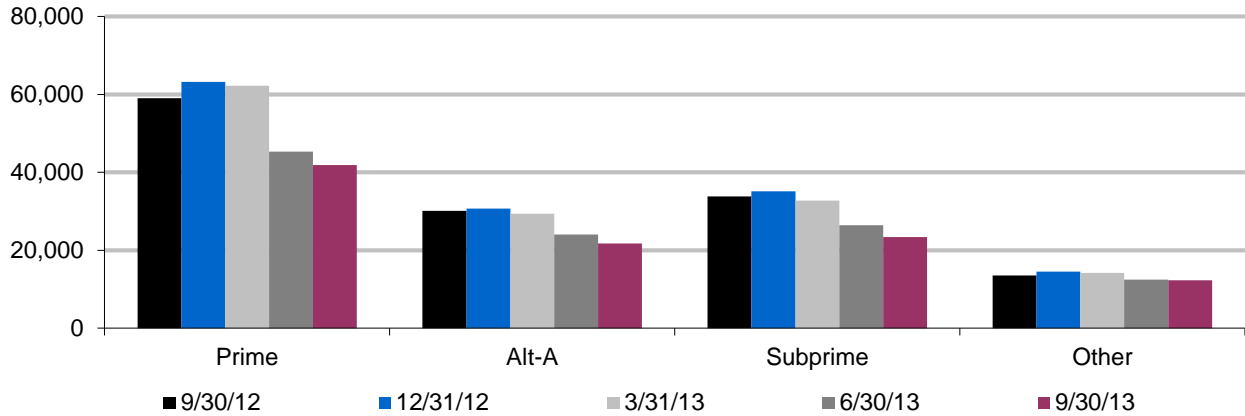
Appendixes

Appendix A—New Loan Modifications

There were 99,293 loan modifications completed during the third quarter of 2013—a decrease of 8.2 percent from the previous quarter and 27.3 percent from a year earlier. New modifications decreased across all risk categories.

Table 49. Number of New Loan Modifications							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Prime	59,049	63,211	62,195	45,277	41,831	-7.6%	-29.2%
Alt-A	30,110	30,708	29,415	24,070	21,758	-9.6%	-27.7%
Subprime	33,813	35,091	32,730	26,393	23,398	-11.3%	-30.8%
Other	13,537	14,485	14,209	12,455	12,306	-1.2%	-9.1%
Total	136,509	143,495	138,549	108,195	99,293	-8.2%	-27.3%

Figure 20. Number of New Loan Modifications

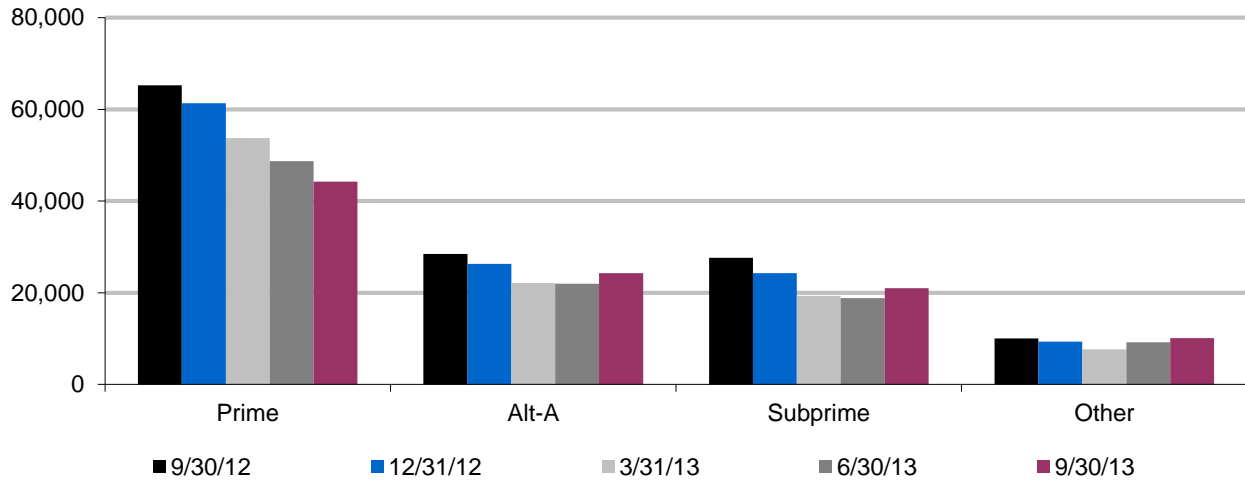


Appendix B—New Trial-Period Plans

Servicers initiated 99,640 trial-period plans during the third quarter of 2013, an increase of 0.9 percent from the previous quarter but a decrease of 24.2 percent from a year earlier.

	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Prime	65,256	61,307	53,745	48,712	44,221	-9.2%	-32.2%
Alt-A	28,486	26,276	22,137	22,000	24,307	10.5%	-14.7%
Subprime	27,602	24,312	19,334	18,816	20,984	11.5%	-24.0%
Other	10,059	9,373	7,696	9,221	10,128	9.8%	0.7%
Total	131,403	121,268	102,912	98,749	99,640	0.9%	-24.2%

Figure 21. Number of New Trial-Period Plans

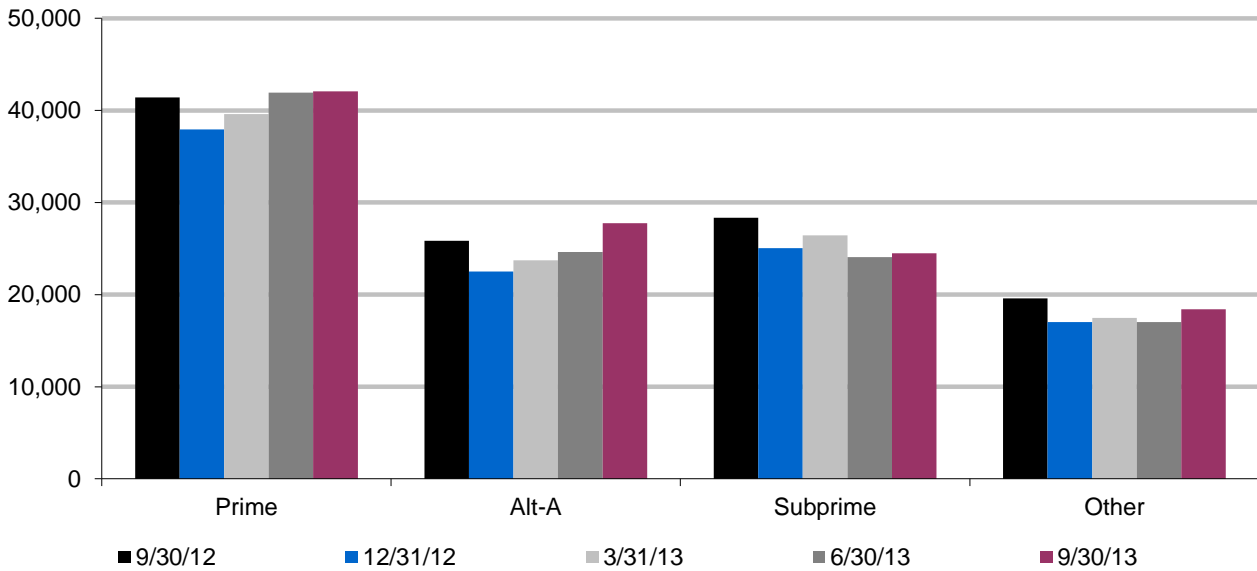


Appendix C—New Payment Plans

New payment plans increased by 4.7 percent from the previous quarter to 112,727 during the third quarter of 2013.

Table 51. Number of New Payment Plans							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Prime	41,401	37,938	39,598	41,937	42,086	0.4%	1.7%
Alt-A	25,838	22,495	23,745	24,630	27,763	12.7%	7.5%
Subprime	28,349	25,048	26,444	24,069	24,482	1.7%	-13.6%
Other	19,592	17,012	17,488	17,019	18,396	8.1%	-6.1%
Total	115,180	102,493	107,275	107,655	112,727	4.7%	-2.1%

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 92.3 percent of all modifications completed during the third quarter of 2013.

Table 52. Changes in Terms for Modifications Made Through the Third Quarter of 2013							
(Percentage of Modifications in Each Category)							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Combination*	93.9%	89.9%	85.8%	89.7%	92.3%	2.9%	-1.7%
Capitalization	1.6%	1.4%	1.7%	1.8%	2.1%	16.2%	33.9%
Rate Reduction	2.6%	6.5%	11.1%	5.6%	2.5%	-56.0%	-5.2%
Rate Freeze	0.1%	0.1%	0.0%	0.0%	0.0%	226.9%	-92.1%
Term Extension	0.3%	0.9%	0.6%	1.2%	0.6%	-46.8%	139.7%
Principal Reduction	1.1%	0.1%	0.1%	0.1%	0.0%	-92.6%	-99.4%
Principal Deferral	0.1%	0.1%	0.1%	0.1%	0.2%	80.6%	283.3%
Not Reported**	0.4%	1.1%	0.6%	1.4%	2.2%	57.0%	487.8%
(Number of Changes in Each Category)							
Combination*	128,207	128,974	118,853	97,053	91,658	-5.6%	-28.5%
Capitalization	2,186	1,944	2,354	1,997	2,129	6.6%	-2.6%
Rate Reduction	3,570	9,271	15,349	6,104	2,462	-59.7%	-31.0%
Rate Freeze	104	83	12	2	6	200.0%	-94.2%
Term Extension	367	1,240	868	1,312	640	-51.2%	74.4%
Principal Reduction	1,486	200	103	88	6	-93.2%	-99.6%
Principal Deferral	85	184	110	143	237	65.7%	178.8%
Not Reported***	504	1,599	900	1,496	2,155	44.1%	327.6%
All Modifications	136,509	143,495	138,549	108,195	99,293	-8.2%	-27.3%

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

**Comparison to previous year's value is not meaningful.

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

Changes in Terms for Combination Modification Actions

Of the 91,658 modifications completed during the third quarter of 2013 that changed more than one term of the mortgage contract, 88.2 percent included capitalization of missed fees and payments, 82.8 percent included interest-rate reduction, and 74.4 percent included an extension of the loan maturity. Principal deferral was included in 27.2 percent of the combination modifications implemented during the quarter, and principal reduction was included in 14.7 percent. Because combination modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total combination modifications.

Table 53. Changes in Terms for Combination Modifications Through the Third Quarter of 2013							
(Percentage of Modifications in Each Category)							
	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	1Q %Change	1Y %Change
Capitalization	92.2%	92.7%	90.5%	89.0%	88.2%	-0.9%	-4.4%
Rate Reduction	79.3%	74.3%	80.4%	84.0%	82.8%	-1.5%	4.3%
Rate Freeze	7.4%	4.3%	4.3%	5.8%	5.9%	1.9%	-20.8%
Term Extension	68.9%	64.6%	69.6%	74.1%	74.4%	0.3%	8.0%
Principal Reduction	17.1%	22.1%	17.6%	13.5%	14.7%	9.4%	-14.1%
Principal Deferral	20.2%	22.7%	21.2%	22.7%	27.2%	19.6%	34.8%
(Total Number of Changes in Each Category)							
Capitalization	118,270	119,510	107,528	86,421	80,869	-6.4%	-31.6%
Rate Reduction	101,686	95,844	95,561	81,535	75,847	-7.0%	-25.4%
Rate Freeze	9,551	5,561	5,109	5,617	5,407	-3.7%	-43.4%
Term Extension	88,290	83,278	82,726	71,942	68,180	-5.2%	-22.8%
Principal Reduction	21,965	28,565	20,930	13,062	13,496	3.3%	-38.6%
Principal Deferral	25,860	29,261	25,162	22,052	24,913	13.0%	-3.7%

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 54 presents the number and percentage of HAMP modifications and other modifications in each state during the third quarter of 2013. Tables 55 and 56 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 57 and 58 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 59 and 60 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 61 and 62 present the number and percentage of modifications made in the first quarter of 2013 that were 60 or more days delinquent or in the process of foreclosure at the end of the third quarter of 2013 by the amount of changes in the borrowers’ monthly principal and interest payments.

**Table 54. Number and Percentage of Mortgage Modifications
Implemented in the Third Quarter of 2013**

States	HAMP Modifications		Other Modifications		Total Modifications	
	Total	% of State Total	Total	% of State Total	Total	% of Total
Total - All States	19,175	19.3%	80,118	80.7%	99,293	100.0%
Alabama	121	11.4%	942	88.6%	1,063	1.1%
Alaska	7	15.2%	39	84.8%	46	0.0%
Arizona	324	17.6%	1,513	82.4%	1,837	1.9%
Arkansas	46	9.4%	445	90.6%	491	0.5%
California	4,947	29.8%	11,634	70.2%	16,581	16.7%
Colorado	208	16.1%	1,080	83.9%	1,288	1.3%
Connecticut	294	19.9%	1,184	80.1%	1,478	1.5%
Delaware	66	12.5%	464	87.5%	530	0.5%
District of Columbia	41	19.1%	174	80.9%	215	0.2%
Florida	2,245	21.9%	7,999	78.1%	10,244	10.3%
Georgia	629	12.8%	4,290	87.2%	4,919	5.0%
Hawaii	44	19.2%	185	80.8%	229	0.2%
Idaho	53	13.8%	331	86.2%	384	0.4%
Illinois	1,058	19.3%	4,416	80.7%	5,474	5.5%
Indiana	211	12.9%	1,427	87.1%	1,638	1.6%
Iowa	56	12.4%	394	87.6%	450	0.5%
Kansas	65	14.4%	387	85.6%	452	0.5%
Kentucky	82	11.9%	605	88.1%	687	0.7%
Louisiana	106	10.1%	943	89.9%	1,049	1.1%
Maine	47	15.0%	267	85.0%	314	0.3%
Maryland	683	19.1%	2,895	80.9%	3,578	3.6%
Massachusetts	392	20.8%	1,492	79.2%	1,884	1.9%
Michigan	333	14.8%	1,918	85.2%	2,251	2.3%
Minnesota	250	20.0%	1,003	80.0%	1,253	1.3%
Mississippi	69	12.1%	500	87.9%	569	0.6%
Missouri	208	15.5%	1,133	84.5%	1,341	1.4%
Montana	16	11.3%	126	88.7%	142	0.1%
Nebraska	33	15.5%	180	84.5%	213	0.2%
Nevada	358	24.1%	1,125	75.9%	1,483	1.5%
New Hampshire	73	19.0%	311	81.0%	384	0.4%
New Jersey	836	18.8%	3,622	81.2%	4,458	4.5%
New Mexico	72	14.6%	420	85.4%	492	0.5%
New York	1,324	21.6%	4,804	78.4%	6,128	6.2%
North Carolina	462	14.2%	2,783	85.8%	3,245	3.3%
North Dakota	2	10.0%	18	90.0%	20	0.0%
Ohio	458	16.2%	2,373	83.8%	2,831	2.9%
Oklahoma	53	9.3%	518	90.7%	571	0.6%
Oregon	190	18.0%	863	82.0%	1,053	1.1%
Pennsylvania	511	16.1%	2,672	83.9%	3,183	3.2%
Rhode Island	80	22.2%	281	77.8%	361	0.4%
South Carolina	185	13.2%	1,220	86.8%	1,405	1.4%
South Dakota	6	10.9%	49	89.1%	55	0.1%
Tennessee	183	13.0%	1,220	87.0%	1,403	1.4%
Texas	516	11.1%	4,117	88.9%	4,633	4.7%
Utah	110	15.9%	582	84.1%	692	0.7%
Vermont	21	19.1%	89	80.9%	110	0.1%
Virginia	404	17.1%	1,962	82.9%	2,366	2.4%
Washington	433	18.6%	1,899	81.4%	2,332	2.3%
West Virginia	26	13.4%	168	86.6%	194	0.2%
Wisconsin	179	16.5%	905	83.5%	1,084	1.1%
Wyoming	7	13.5%	45	86.5%	52	0.1%
Other	52	32.9%	106	67.1%	158	0.2%

Table 55. Number of Mortgage Modification Actions								
Implemented in the Third Quarter of 2013								
States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reductions	Principal Deferral	Combination	Not Reported	Total Modifications
Total - All States	2,129	2,468	640	6	237	91,658	2,155	99,293
Alabama	28	33	4	0	0	990	8	1,063
Alaska	0	2	0	0	0	42	2	46
Arizona	43	74	17	0	4	1,680	19	1,837
Arkansas	18	7	2	0	0	464	0	491
California	373	366	115	2	47	15,436	242	16,581
Colorado	26	27	7	0	0	1,211	17	1,288
Connecticut	32	39	7	0	1	1,363	36	1,478
Delaware	11	5	3	0	0	505	6	530
District of Columbia	9	7	1	0	0	187	11	215
Florida	183	261	27	2	30	9,528	213	10,244
Georgia	124	254	38	0	11	4,444	48	4,919
Hawaii	4	4	1	0	0	214	6	229
Idaho	4	9	1	0	0	370	0	384
Illinois	66	102	45	0	13	5,182	66	5,474
Indiana	25	38	9	0	0	1,546	20	1,638
Iowa	14	10	0	0	1	415	10	450
Kansas	14	9	4	0	0	422	3	452
Kentucky	20	31	2	0	0	631	3	687
Louisiana	28	22	5	0	1	988	5	1,049
Maine	9	7	0	0	5	290	3	314
Maryland	97	90	42	0	23	3,230	96	3,578
Massachusetts	55	34	15	0	10	1,711	59	1,884
Michigan	39	71	12	1	2	2,089	37	2,251
Minnesota	30	20	3	0	4	1,183	13	1,253
Mississippi	9	6	1	0	0	549	4	569
Missouri	31	56	9	0	1	1,224	20	1,341
Montana	7	2	1	0	0	128	4	142
Nebraska	3	1	0	0	0	205	4	213
Nevada	19	30	9	0	6	1,406	13	1,483
New Hampshire	15	3	3	0	0	354	9	384
New Jersey	76	83	45	0	15	4,136	103	4,458
New Mexico	7	16	0	0	0	469	0	492
New York	94	116	24	0	24	5,111	759	6,128
North Carolina	86	100	28	0	2	2,993	36	3,245
North Dakota	2	1	0	0	0	17	0	20
Ohio	49	72	7	0	0	2,674	29	2,831
Oklahoma	19	14	1	0	0	536	1	571
Oregon	22	23	11	0	1	989	7	1,053
Pennsylvania	61	40	18	0	21	2,974	69	3,183
Rhode Island	7	10	3	0	1	327	13	361
South Carolina	38	58	6	0	0	1,296	7	1,405
South Dakota	2	1	0	0	0	52	0	55
Tennessee	47	53	15	0	0	1,276	12	1,403
Texas	128	90	25	1	6	4,349	34	4,633
Utah	11	16	13	0	0	644	8	692
Vermont	0	0	1	0	0	107	2	110
Virginia	80	75	30	0	4	2,113	64	2,366
Washington	34	61	20	0	3	2,187	27	2,332
West Virginia	7	4	0	0	1	178	4	194
Wisconsin	19	12	7	0	0	1,044	2	1,084
Wyoming	1	2	0	0	0	49	0	52
Other	3	1	3	0	0	150	1	158

**Table 56. Percentage of Mortgage Modification Actions
Implemented in the Third Quarter of 2013**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Combination	Not Reported	Total Modifications
Total - All States	2.1%	2.5%	0.6%	0.0%	0.2%	92.3%	2.2%	99,293
Alabama	2.6%	3.1%	0.4%	0.0%	0.0%	93.1%	0.8%	1,063
Alaska	0.0%	4.3%	0.0%	0.0%	0.0%	91.3%	4.3%	46
Arizona	2.3%	4.0%	0.9%	0.0%	0.2%	91.5%	1.0%	1,837
Arkansas	3.7%	1.4%	0.4%	0.0%	0.0%	94.5%	0.0%	491
California	2.2%	2.2%	0.7%	0.0%	0.3%	93.1%	1.5%	16,581
Colorado	2.0%	2.1%	0.5%	0.0%	0.0%	94.0%	1.3%	1,288
Connecticut	2.2%	2.6%	0.5%	0.0%	0.1%	92.2%	2.4%	1,478
Delaware	2.1%	0.9%	0.6%	0.0%	0.0%	95.3%	1.1%	530
District of Columbia	4.2%	3.3%	0.5%	0.0%	0.0%	87.0%	5.1%	215
Florida	1.8%	2.5%	0.3%	0.0%	0.3%	93.0%	2.1%	10,244
Georgia	2.5%	5.2%	0.8%	0.0%	0.2%	90.3%	1.0%	4,919
Hawaii	1.7%	1.7%	0.4%	0.0%	0.0%	93.4%	2.6%	229
Idaho	1.0%	2.3%	0.3%	0.0%	0.0%	96.4%	0.0%	384
Illinois	1.2%	1.9%	0.8%	0.0%	0.2%	94.7%	1.2%	5,474
Indiana	1.5%	2.3%	0.5%	0.0%	0.0%	94.4%	1.2%	1,638
Iowa	3.1%	2.2%	0.0%	0.0%	0.2%	92.2%	2.2%	450
Kansas	3.1%	2.0%	0.9%	0.0%	0.0%	93.4%	0.7%	452
Kentucky	2.9%	4.5%	0.3%	0.0%	0.0%	91.8%	0.4%	687
Louisiana	2.7%	2.1%	0.5%	0.0%	0.1%	94.2%	0.5%	1,049
Maine	2.9%	2.2%	0.0%	0.0%	1.6%	92.4%	1.0%	314
Maryland	2.7%	2.5%	1.2%	0.0%	0.6%	90.3%	2.7%	3,578
Massachusetts	2.9%	1.8%	0.8%	0.0%	0.5%	90.8%	3.1%	1,884
Michigan	1.7%	3.2%	0.5%	0.0%	0.1%	92.8%	1.6%	2,251
Minnesota	2.4%	1.6%	0.2%	0.0%	0.3%	94.4%	1.0%	1,253
Mississippi	1.6%	1.1%	0.2%	0.0%	0.0%	96.5%	0.7%	569
Missouri	2.3%	4.2%	0.7%	0.0%	0.1%	91.3%	1.5%	1,341
Montana	4.9%	1.4%	0.7%	0.0%	0.0%	90.1%	2.8%	142
Nebraska	1.4%	0.5%	0.0%	0.0%	0.0%	96.2%	1.9%	213
Nevada	1.3%	2.0%	0.6%	0.0%	0.4%	94.8%	0.9%	1,483
New Hampshire	3.9%	0.8%	0.8%	0.0%	0.0%	92.2%	2.3%	384
New Jersey	1.7%	1.9%	1.0%	0.0%	0.3%	92.8%	2.3%	4,458
New Mexico	1.4%	3.3%	0.0%	0.0%	0.0%	95.3%	0.0%	492
New York	1.5%	1.9%	0.4%	0.0%	0.4%	83.4%	12.4%	6,128
North Carolina	2.7%	3.1%	0.9%	0.0%	0.1%	92.2%	1.1%	3,245
North Dakota	10.0%	5.0%	0.0%	0.0%	0.0%	85.0%	0.0%	20
Ohio	1.7%	2.5%	0.2%	0.0%	0.0%	94.5%	1.0%	2,831
Oklahoma	3.3%	2.5%	0.2%	0.0%	0.0%	93.9%	0.2%	571
Oregon	2.1%	2.2%	1.0%	0.0%	0.1%	93.9%	0.7%	1,053
Pennsylvania	1.9%	1.3%	0.6%	0.0%	0.7%	93.4%	2.2%	3,183
Rhode Island	1.9%	2.8%	0.8%	0.0%	0.3%	90.6%	3.6%	361
South Carolina	2.7%	4.1%	0.4%	0.0%	0.0%	92.2%	0.5%	1,405
South Dakota	3.6%	1.8%	0.0%	0.0%	0.0%	94.5%	0.0%	55
Tennessee	3.3%	3.8%	1.1%	0.0%	0.0%	90.9%	0.9%	1,403
Texas	2.8%	1.9%	0.5%	0.0%	0.1%	93.9%	0.7%	4,633
Utah	1.6%	2.3%	1.9%	0.0%	0.0%	93.1%	1.2%	692
Vermont	0.0%	0.0%	0.9%	0.0%	0.0%	97.3%	1.8%	110
Virginia	3.4%	3.2%	1.3%	0.0%	0.2%	89.3%	2.7%	2,366
Washington	1.5%	2.6%	0.9%	0.0%	0.1%	93.8%	1.2%	2,332
West Virginia	3.6%	2.1%	0.0%	0.0%	0.5%	91.8%	2.1%	194
Wisconsin	1.8%	1.1%	0.6%	0.0%	0.0%	96.3%	0.2%	1,084
Wyoming	1.9%	3.8%	0.0%	0.0%	0.0%	94.2%	0.0%	52
Other	1.9%	0.6%	1.9%	0.0%	0.0%	94.9%	0.6%	158

**Table 57. Number of Modification Actions in Combination Actions
Implemented in the Third Quarter of 2013**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	80,869	80,430	68,180	13,496	24,913	91,658
Alabama	853	883	788	66	134	990
Alaska	40	37	36	2	3	42
Arizona	1,442	1,464	1,203	276	527	1,680
Arkansas	386	430	377	27	79	464
California	14,285	13,321	9,061	4,253	5,426	15,436
Colorado	1,033	1,094	921	82	193	1,211
Connecticut	1,233	1,180	1,017	195	391	1,363
Delaware	410	452	421	43	96	505
District of Columbia	168	160	131	23	34	187
Florida	8,744	8,218	6,852	1,965	3,579	9,528
Georgia	3,678	3,985	3,424	518	1,168	4,444
Hawaii	205	189	141	32	62	214
Idaho	325	315	296	33	66	370
Illinois	4,531	4,537	4,096	747	1,840	5,182
Indiana	1,286	1,391	1,293	122	286	1,546
Iowa	370	345	359	14	47	415
Kansas	355	366	342	35	60	422
Kentucky	550	565	521	33	82	631
Louisiana	851	888	797	58	114	988
Maine	257	248	218	23	58	290
Maryland	2,789	2,793	2,408	467	926	3,230
Massachusetts	1,541	1,426	1,316	231	470	1,711
Michigan	1,807	1,867	1,561	274	591	2,089
Minnesota	1,070	1,030	920	116	302	1,183
Mississippi	461	503	405	50	85	549
Missouri	1,030	1,102	961	135	254	1,224
Montana	112	105	102	4	26	128
Nebraska	171	176	186	11	28	205
Nevada	1,216	1,154	958	311	558	1,406
New Hampshire	322	308	254	44	79	354
New Jersey	3,714	3,555	3,311	560	1,159	4,136
New Mexico	391	421	386	38	84	469
New York	4,709	4,472	3,862	609	1,476	5,111
North Carolina	2,564	2,662	2,440	223	549	2,993
North Dakota	15	15	14	1	2	17
Ohio	2,279	2,406	2,192	213	558	2,674
Oklahoma	456	480	453	31	59	536
Oregon	890	855	787	92	249	989
Pennsylvania	2,596	2,597	2,440	258	540	2,974
Rhode Island	280	278	221	71	92	327
South Carolina	1,135	1,158	1,032	104	231	1,296
South Dakota	47	38	47	1	3	52
Tennessee	1,051	1,174	965	133	199	1,276
Texas	3,577	4,036	3,649	299	800	4,349
Utah	533	585	507	63	94	644
Vermont	97	97	88	5	9	107
Virginia	1,795	1,886	1,569	238	450	2,113
Washington	1,944	1,934	1,697	240	553	2,187
West Virginia	153	153	137	18	20	178
Wisconsin	929	908	858	101	208	1,044
Wyoming	47	44	35	2	5	49
Other	146	144	125	6	9	150

**Table 58. Percentage of Modification Actions in Combination Actions
Implemented in the Third Quarter of 2013**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	88.2%	87.8%	74.4%	14.7%	27.2%	91,658
Alabama	86.2%	89.2%	79.6%	6.7%	13.5%	990
Alaska	95.2%	88.1%	85.7%	4.8%	7.1%	42
Arizona	85.8%	87.1%	71.6%	16.4%	31.4%	1,680
Arkansas	83.2%	92.7%	81.3%	5.8%	17.0%	464
California	92.5%	86.3%	58.7%	27.6%	35.2%	15,436
Colorado	85.3%	90.3%	76.1%	6.8%	15.9%	1,211
Connecticut	90.5%	86.6%	74.6%	14.3%	28.7%	1,363
Delaware	81.2%	89.5%	83.4%	8.5%	19.0%	505
District of Columbia	89.8%	85.6%	70.1%	12.3%	18.2%	187
Florida	91.8%	86.3%	71.9%	20.6%	37.6%	9,528
Georgia	82.8%	89.7%	77.0%	11.7%	26.3%	4,444
Hawaii	95.8%	88.3%	65.9%	15.0%	29.0%	214
Idaho	87.8%	85.1%	80.0%	8.9%	17.8%	370
Illinois	87.4%	87.6%	79.0%	14.4%	35.5%	5,182
Indiana	83.2%	90.0%	83.6%	7.9%	18.5%	1,546
Iowa	89.2%	83.1%	86.5%	3.4%	11.3%	415
Kansas	84.1%	86.7%	81.0%	8.3%	14.2%	422
Kentucky	87.2%	89.5%	82.6%	5.2%	13.0%	631
Louisiana	86.1%	89.9%	80.7%	5.9%	11.5%	988
Maine	88.6%	85.5%	75.2%	7.9%	20.0%	290
Maryland	86.3%	86.5%	74.6%	14.5%	28.7%	3,230
Massachusetts	90.1%	83.3%	76.9%	13.5%	27.5%	1,711
Michigan	86.5%	89.4%	74.7%	13.1%	28.3%	2,089
Minnesota	90.4%	87.1%	77.8%	9.8%	25.5%	1,183
Mississippi	84.0%	91.6%	73.8%	9.1%	15.5%	549
Missouri	84.2%	90.0%	78.5%	11.0%	20.8%	1,224
Montana	87.5%	82.0%	79.7%	3.1%	20.3%	128
Nebraska	83.4%	85.9%	90.7%	5.4%	13.7%	205
Nevada	86.5%	82.1%	68.1%	22.1%	39.7%	1,406
New Hampshire	91.0%	87.0%	71.8%	12.4%	22.3%	354
New Jersey	89.8%	86.0%	80.1%	13.5%	28.0%	4,136
New Mexico	83.4%	89.8%	82.3%	8.1%	17.9%	469
New York	92.1%	87.5%	75.6%	11.9%	28.9%	5,111
North Carolina	85.7%	88.9%	81.5%	7.5%	18.3%	2,993
North Dakota	88.2%	88.2%	82.4%	5.9%	11.8%	17
Ohio	85.2%	90.0%	82.0%	8.0%	20.9%	2,674
Oklahoma	85.1%	89.6%	84.5%	5.8%	11.0%	536
Oregon	90.0%	86.5%	79.6%	9.3%	25.2%	989
Pennsylvania	87.3%	87.3%	82.0%	8.7%	18.2%	2,974
Rhode Island	85.6%	85.0%	67.6%	21.7%	28.1%	327
South Carolina	87.6%	89.4%	79.6%	8.0%	17.8%	1,296
South Dakota	90.4%	73.1%	90.4%	1.9%	5.8%	52
Tennessee	82.4%	92.0%	75.6%	10.4%	15.6%	1,276
Texas	82.2%	92.8%	83.9%	6.9%	18.4%	4,349
Utah	82.8%	90.8%	78.7%	9.8%	14.6%	644
Vermont	90.7%	90.7%	82.2%	4.7%	8.4%	107
Virginia	85.0%	89.3%	74.3%	11.3%	21.3%	2,113
Washington	88.9%	88.4%	77.6%	11.0%	25.3%	2,187
West Virginia	86.0%	86.0%	77.0%	10.1%	11.2%	178
Wisconsin	89.0%	87.0%	82.2%	9.7%	19.9%	1,044
Wyoming	95.9%	89.8%	71.4%	4.1%	10.2%	49
Other	97.3%	96.0%	83.3%	4.0%	6.0%	150

Table 59. Changes in Monthly Principal and Interest Payments by State (Number)
 Modifications Implemented in the Third Quarter of 2013

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	61,307	18,443	10,876	784	6,644	1,239	99,293
Alabama	597	234	137	13	77	5	1,063
Alaska	24	8	9	0	5	0	46
Arizona	1,108	379	196	17	123	14	1,837
Arkansas	244	126	54	4	55	8	491
California	10,848	2,599	1,569	133	1,260	172	16,581
Colorado	665	328	198	11	77	9	1,288
Connecticut	955	245	153	7	93	25	1,478
Delaware	304	113	72	5	34	2	530
District of Columbia	99	62	36	1	17	0	215
Florida	6,932	1,544	899	69	625	175	10,244
Georgia	3,005	993	537	60	287	37	4,919
Hawaii	147	31	27	1	17	6	229
Idaho	224	84	44	2	29	1	384
Illinois	3,724	848	503	24	322	53	5,474
Indiana	953	341	196	8	108	32	1,638
Iowa	250	84	67	5	40	4	450
Kansas	241	96	63	3	38	11	452
Kentucky	363	161	100	8	50	5	687
Louisiana	522	240	155	11	101	20	1,049
Maine	174	69	46	2	22	1	314
Maryland	2,017	735	489	27	262	48	3,578
Massachusetts	1,169	360	202	15	102	36	1,884
Michigan	1,501	402	178	14	119	37	2,251
Minnesota	747	245	128	9	79	45	1,253
Mississippi	322	113	65	12	51	6	569
Missouri	794	292	155	10	73	17	1,341
Montana	67	34	23	4	14	0	142
Nebraska	118	44	24	0	15	12	213
Nevada	1,005	248	132	13	67	18	1,483
New Hampshire	245	67	40	3	24	5	384
New Jersey	2,825	802	505	34	241	51	4,458
New Mexico	310	91	59	3	26	3	492
New York	3,922	1,128	610	34	295	139	6,128
North Carolina	1,801	715	426	27	257	19	3,245
North Dakota	10	6	2	0	2	0	20
Ohio	1,713	526	325	20	182	65	2,831
Oklahoma	297	131	84	1	46	12	571
Oregon	668	207	112	5	54	7	1,053
Pennsylvania	1,934	588	386	24	228	23	3,183
Rhode Island	235	68	35	6	15	2	361
South Carolina	754	297	208	12	124	10	1,405
South Dakota	24	16	7	2	6	0	55
Tennessee	822	293	178	15	85	10	1,403
Texas	2,650	969	573	49	369	23	4,633
Utah	371	171	106	3	33	8	692
Vermont	64	21	14	0	10	1	110
Virginia	1,303	502	296	30	202	33	2,366
Washington	1,375	484	263	13	182	15	2,332
West Virginia	107	34	27	5	19	2	194
Wisconsin	620	239	136	6	72	11	1,084
Wyoming	29	10	8	0	5	0	52
Other	109	20	19	4	5	1	158

Table 60. Changes in Monthly Principal and Interest Payments (Percentage)
 Modifications Implemented During the Third Quarter of 2013

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	61.7%	18.6%	11.0%	0.8%	6.7%	1.2%	99,293
Alabama	56.2%	22.0%	12.9%	1.2%	7.2%	0.5%	1,063
Alaska	52.2%	17.4%	19.6%	0.0%	10.9%	0.0%	46
Arizona	60.3%	20.6%	10.7%	0.9%	6.7%	0.8%	1,837
Arkansas	49.7%	25.7%	11.0%	0.8%	11.2%	1.6%	491
California	65.4%	15.7%	9.5%	0.8%	7.6%	1.0%	16,581
Colorado	51.6%	25.5%	15.4%	0.9%	6.0%	0.7%	1,288
Connecticut	64.6%	16.6%	10.4%	0.5%	6.3%	1.7%	1,478
Delaware	57.4%	21.3%	13.6%	0.9%	6.4%	0.4%	530
District of Columbia	46.0%	28.8%	16.7%	0.5%	7.9%	0.0%	215
Florida	67.7%	15.1%	8.8%	0.7%	6.1%	1.7%	10,244
Georgia	61.1%	20.2%	10.9%	1.2%	5.8%	0.8%	4,919
Hawaii	64.2%	13.5%	11.8%	0.4%	7.4%	2.6%	229
Idaho	58.3%	21.9%	11.5%	0.5%	7.6%	0.3%	384
Illinois	68.0%	15.5%	9.2%	0.4%	5.9%	1.0%	5,474
Indiana	58.2%	20.8%	12.0%	0.5%	6.6%	2.0%	1,638
Iowa	55.6%	18.7%	14.9%	1.1%	8.9%	0.9%	450
Kansas	53.3%	21.2%	13.9%	0.7%	8.4%	2.4%	452
Kentucky	52.8%	23.4%	14.6%	1.2%	7.3%	0.7%	687
Louisiana	49.8%	22.9%	14.8%	1.0%	9.6%	1.9%	1,049
Maine	55.4%	22.0%	14.6%	0.6%	7.0%	0.3%	314
Maryland	56.4%	20.5%	13.7%	0.8%	7.3%	1.3%	3,578
Massachusetts	62.0%	19.1%	10.7%	0.8%	5.4%	1.9%	1,884
Michigan	66.7%	17.9%	7.9%	0.6%	5.3%	1.6%	2,251
Minnesota	59.6%	19.6%	10.2%	0.7%	6.3%	3.6%	1,253
Mississippi	56.6%	19.9%	11.4%	2.1%	9.0%	1.1%	569
Missouri	59.2%	21.8%	11.6%	0.7%	5.4%	1.3%	1,341
Montana	47.2%	23.9%	16.2%	2.8%	9.9%	0.0%	142
Nebraska	55.4%	20.7%	11.3%	0.0%	7.0%	5.6%	213
Nevada	67.8%	16.7%	8.9%	0.9%	4.5%	1.2%	1,483
New Hampshire	63.8%	17.4%	10.4%	0.8%	6.3%	1.3%	384
New Jersey	63.4%	18.0%	11.3%	0.8%	5.4%	1.1%	4,458
New Mexico	63.0%	18.5%	12.0%	0.6%	5.3%	0.6%	492
New York	64.0%	18.4%	10.0%	0.6%	4.8%	2.3%	6,128
North Carolina	55.5%	22.0%	13.1%	0.8%	7.9%	0.6%	3,245
North Dakota	50.0%	30.0%	10.0%	0.0%	10.0%	0.0%	20
Ohio	60.5%	18.6%	11.5%	0.7%	6.4%	2.3%	2,831
Oklahoma	52.0%	22.9%	14.7%	0.2%	8.1%	2.1%	571
Oregon	63.4%	19.7%	10.6%	0.5%	5.1%	0.7%	1,053
Pennsylvania	60.8%	18.5%	12.1%	0.8%	7.2%	0.7%	3,183
Rhode Island	65.1%	18.8%	9.7%	1.7%	4.2%	0.6%	361
South Carolina	53.7%	21.1%	14.8%	0.9%	8.8%	0.7%	1,405
South Dakota	43.6%	29.1%	12.7%	3.6%	10.9%	0.0%	55
Tennessee	58.6%	20.9%	12.7%	1.1%	6.1%	0.7%	1,403
Texas	57.2%	20.9%	12.4%	1.1%	8.0%	0.5%	4,633
Utah	53.6%	24.7%	15.3%	0.4%	4.8%	1.2%	692
Vermont	58.2%	19.1%	12.7%	0.0%	9.1%	0.9%	110
Virginia	55.1%	21.2%	12.5%	1.3%	8.5%	1.4%	2,366
Washington	59.0%	20.8%	11.3%	0.6%	7.8%	0.6%	2,332
West Virginia	55.2%	17.5%	13.9%	2.6%	9.8%	1.0%	194
Wisconsin	57.2%	22.0%	12.5%	0.6%	6.6%	1.0%	1,084
Wyoming	55.8%	19.2%	15.4%	0.0%	9.6%	0.0%	52
Other	69.0%	12.7%	12.0%	2.5%	3.2%	0.6%	158

Table 61. Number of Re-Defaults for Loans Modified in the First Quarter of 2013 (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	5,769	3,756	3,387	208	1,536	117	14,773
Alabama	89	76	57	5	19	0	246
Alaska	1	2	1	0	2	0	6
Arizona	116	67	54	5	18	1	261
Arkansas	32	22	17	0	7	1	79
California	639	306	260	32	152	14	1,403
Colorado	48	51	44	8	22	0	173
Connecticut	102	49	38	1	21	5	216
Delaware	26	21	22	1	14	1	85
District of Columbia	16	4	6	0	4	1	31
Florida	562	205	176	21	106	12	1,082
Georgia	279	231	233	14	67	3	827
Hawaii	17	5	2	0	3	0	27
Idaho	18	13	9	0	5	0	45
Illinois	337	170	186	10	86	3	792
Indiana	123	96	87	4	42	3	355
Iowa	43	31	24	2	11	0	111
Kansas	25	21	18	0	11	0	75
Kentucky	44	37	36	2	11	1	131
Louisiana	90	58	39	3	30	0	220
Maine	17	14	11	0	4	1	47
Maryland	200	169	156	5	64	6	600
Massachusetts	121	70	80	6	35	6	318
Michigan	144	88	88	1	29	3	353
Minnesota	84	52	47	4	22	0	209
Mississippi	46	29	25	3	15	1	119
Missouri	111	84	54	4	25	1	279
Montana	10	6	5	1	4	0	26
Nebraska	19	10	8	1	4	1	43
Nevada	69	44	30	7	10	3	163
New Hampshire	18	14	10	0	4	1	47
New Jersey	278	152	124	4	55	10	623
New Mexico	25	37	14	1	11	0	88
New York	308	162	141	13	77	6	707
North Carolina	189	195	172	6	72	5	639
North Dakota	2	1	3	0	1	0	7
Ohio	185	140	133	8	50	1	517
Oklahoma	48	27	46	2	14	0	137
Oregon	48	40	29	0	12	0	129
Pennsylvania	239	146	118	7	60	6	576
Rhode Island	31	12	9	0	9	1	62
South Carolina	76	59	62	1	28	1	227
South Dakota	6	5	2	0	2	0	15
Tennessee	120	105	74	5	33	4	341
Texas	415	351	363	13	162	5	1,309
Utah	28	31	31	0	16	2	108
Vermont	4	3	3	1	1	0	12
Virginia	121	108	101	2	31	4	367
Washington	107	74	71	2	21	3	278
West Virginia	18	11	14	2	7	0	52
Wisconsin	69	47	49	1	25	1	192
Wyoming	3	2	4	0	2	0	11
Other	3	3	1	0	0	0	7

Table 62. Re-Default Rates for Loans Modified in the First Quarter of 2013 (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	8.2%	12.1%	19.8%	21.0%	22.5%	17.6%	11.6%
Alabama	14.3%	20.3%	30.6%	31.3%	33.3%	0.0%	19.5%
Alaska	2.9%	8.3%	5.3%	0.0%	25.0%	0.0%	7.1%
Arizona	7.7%	9.0%	13.8%	14.7%	13.1%	10.0%	9.2%
Arkansas	13.1%	16.2%	28.3%	0.0%	25.0%	50.0%	16.8%
California	4.8%	6.4%	9.3%	13.3%	10.9%	9.0%	6.2%
Colorado	5.6%	10.0%	16.3%	40.0%	21.4%	0.0%	9.8%
Connecticut	10.2%	11.6%	18.3%	20.0%	22.1%	55.6%	12.4%
Delaware	9.6%	15.2%	33.8%	20.0%	46.7%	33.3%	16.6%
District of Columbia	12.8%	4.0%	9.5%	0.0%	22.2%	33.3%	10.0%
Florida	6.6%	8.6%	13.1%	19.1%	17.3%	21.4%	8.3%
Georgia	8.0%	12.0%	25.5%	24.6%	26.0%	14.3%	12.4%
Hawaii	8.5%	10.2%	6.3%	0.0%	30.0%	0.0%	9.1%
Idaho	7.7%	9.0%	10.5%	0.0%	23.8%	0.0%	9.1%
Illinois	8.4%	12.3%	22.7%	24.4%	30.6%	8.8%	12.0%
Indiana	12.7%	20.6%	26.9%	30.8%	33.9%	37.5%	18.6%
Iowa	14.7%	18.2%	26.4%	33.3%	29.7%	0.0%	18.6%
Kansas	9.5%	10.5%	18.9%	0.0%	31.4%	0.0%	12.5%
Kentucky	10.9%	16.7%	27.9%	20.0%	24.4%	50.0%	16.2%
Louisiana	14.4%	20.1%	22.8%	33.3%	35.7%	0.0%	18.7%
Maine	9.2%	18.7%	22.9%	0.0%	23.5%	50.0%	14.2%
Maryland	8.7%	13.3%	22.9%	18.5%	25.1%	14.0%	13.1%
Massachusetts	8.6%	9.9%	23.5%	46.2%	28.9%	27.3%	12.2%
Michigan	8.5%	11.0%	21.6%	7.7%	19.1%	27.3%	11.4%
Minnesota	9.7%	11.8%	18.3%	40.0%	27.2%	0.0%	12.6%
Mississippi	12.8%	17.4%	27.8%	25.0%	26.3%	100.0%	17.4%
Missouri	11.2%	13.7%	20.6%	44.4%	24.8%	20.0%	14.1%
Montana	12.8%	16.2%	17.9%	100.0%	30.8%	0.0%	16.6%
Nebraska	12.1%	12.8%	17.0%	50.0%	26.7%	50.0%	14.3%
Nevada	5.7%	12.3%	14.9%	25.9%	13.0%	30.0%	8.7%
New Hampshire	7.3%	11.7%	15.4%	0.0%	16.7%	33.3%	10.2%
New Jersey	10.0%	14.8%	21.6%	12.5%	26.4%	30.3%	13.4%
New Mexico	8.0%	16.6%	17.9%	25.0%	26.8%	0.0%	13.3%
New York	8.0%	13.5%	20.0%	36.1%	27.0%	20.0%	11.6%
North Carolina	9.7%	15.2%	28.3%	18.8%	28.0%	27.8%	15.4%
North Dakota	25.0%	25.0%	50.0%	0.0%	33.3%	0.0%	31.8%
Ohio	10.6%	17.3%	25.6%	34.8%	24.6%	9.1%	15.6%
Oklahoma	13.8%	13.1%	34.1%	28.6%	22.2%	0.0%	18.0%
Oregon	6.6%	10.1%	14.4%	0.0%	24.0%	0.0%	9.4%
Pennsylvania	12.3%	16.5%	23.1%	33.3%	26.2%	30.0%	15.9%
Rhode Island	10.5%	7.5%	13.0%	0.0%	37.5%	20.0%	11.2%
South Carolina	8.9%	10.6%	23.6%	6.7%	26.7%	12.5%	12.6%
South Dakota	20.0%	19.2%	14.3%	0.0%	100.0%	0.0%	20.3%
Tennessee	12.1%	19.9%	27.0%	27.8%	38.8%	36.4%	17.9%
Texas	11.2%	16.4%	29.6%	32.5%	37.2%	29.4%	17.3%
Utah	6.4%	11.7%	21.1%	0.0%	34.0%	10.5%	11.7%
Vermont	5.6%	10.0%	17.6%	100.0%	14.3%	0.0%	9.5%
Virginia	7.4%	10.8%	17.4%	10.0%	14.9%	21.1%	10.6%
Washington	6.7%	8.7%	17.5%	8.0%	12.1%	12.5%	9.1%
West Virginia	14.2%	20.0%	29.8%	50.0%	36.8%	0.0%	20.6%
Wisconsin	9.6%	15.3%	23.3%	25.0%	27.2%	20.0%	14.4%
Wyoming	10.0%	8.0%	23.5%	0.0%	66.7%	0.0%	14.7%
Other	3.0%	27.3%	12.5%	0.0%	0.0%	0.0%	5.6%

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