

# OCC Mortgage Metrics Report

Disclosure of National Bank and Federal Savings  
Association Mortgage Loan Data

---

Second Quarter 2013

**Contents**

Executive Summary ..... 4

About Mortgage Metrics..... 8

Definitions and Method ..... 8

**PART I: Mortgage Performance ..... 11**

    Overall Mortgage Portfolio ..... 11

    Overall Mortgage Performance..... 12

    Performance of Mortgages Held by Reporting Banks and Thrift..... 13

    Performance of Government-Guaranteed Mortgages..... 14

    Performance of GSE Mortgages..... 16

    Seriously Delinquent Mortgages, by Risk Category ..... 17

    Mortgages 30 to 59 Days Delinquent, by Risk Category ..... 18

**PART II: Home Retention Actions ..... 19**

**A. Loan Modifications, Trial-Period Plans, and Payment Plans ..... 19**

    New Home Retention Actions ..... 19

    HAMP Modifications and Trial-Period Plans, by Investor and Risk Category ..... 20

    New Home Retention Actions Relative to Newly Initiated Foreclosures ..... 21

    Types of Modification Actions ..... 22

    Types of HAMP Modification Actions..... 23

    Types of Modification Actions, by Risk Category ..... 24

    Types of Modification Actions, by Investor and Product Type ..... 25

    Types of HAMP Modification Actions, by Investor and Product Type ..... 26

    Changes in Monthly Payments Resulting From Modification..... 27

    Changes in Monthly Payments Resulting From Modifications, by Quarter ..... 28

    Changes in Monthly Payments Resulting From HAMP Modifications, by Quarter..... 29

    Average Change in Monthly Payments Resulting From Modifications, by Quarter.... 30

**B. Modified Loan Performance..... 31**

    Re-Default Rates of Modified Loans: 60 or More Days Delinquent..... 31

    Re-Default Rates of Modified Loans: 30 or More Days Delinquent..... 32

    Re-Default Rates of Modified Loans: 90 or More Days Delinquent..... 33

Re-Default Rate, by Investor (60 or More Days Delinquent).....	34
Performance of HAMP Modifications Compared With Other Modifications .....	36
<b>C. Modified Loan Performance, by Change in Monthly Payments.....</b>	<b>37</b>
Re-Default Rates of Loans by Change in Payment .....	37
60+ Delinquency at Six Months After Modification by Change in Monthly Payment ..	39
Status of Mortgages Modified in 2008–1Q 2013.....	40
<b>Part III: Home Forfeiture Actions—Foreclosures, Short Sales, and Deed-in-Lieu-of-Foreclosure Actions .....</b>	<b>41</b>
Completed Foreclosures and Other Home Forfeiture Actions .....	41
Newly Initiated Foreclosures.....	42
Foreclosures in Process .....	43
Completed Foreclosures.....	44
Completed Short Sales and Deeds in Lieu of Foreclosure .....	45
New Home Retention Actions Relative to Forfeiture Actions, by Risk Category .....	46
<b>Appendixes .....</b>	<b>47</b>
Appendix A—New Loan Modifications.....	47
Appendix B—New Trial-Period Plans .....	48
Appendix C—New Payment Plans .....	49
Appendix D—Breakdown of Individual and Combination Modification Actions.....	50
Appendix E—Mortgage Modification Data by State .....	52
<b>Index of Tables .....</b>	<b>62</b>
<b>Index of Figures.....</b>	<b>65</b>

## ***Executive Summary***

This *OCC Mortgage Metrics Report* for the second 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 52 percent of all mortgages outstanding in the United States—26.5 million loans totaling \$4.5 trillion in principal balances. This report provides information on their performance through June 30, 2013. The number of loans included in this report has decreased 13.0 percent from a year ago and 23.3 percent from the end of the second quarter of 2008. The principal balances have also decreased 13.7 percent from a year ago and 26.2 percent from the end of the second quarter of 2008. Factors contributing to the decline in the portfolio include sales to servicers outside the federal banking system as well as the reduction of mortgage debt overall.

Strengthening economic conditions, servicing transfers, home retention efforts, and home forfeiture actions contributed to improving performance of home mortgages in the second quarter of 2013. At the end of the second quarter of 2013, 90.6 percent of mortgages serviced by the reporting servicers were current and performing, compared with 90.2 percent at the end of the previous quarter and 88.7 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due was 2.9 percent, up 11.6 percent from the previous quarter and up 1.8 percent from a year ago. The percentage of mortgages 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 3.8 percent compared with 4.0 percent at the end of the previous quarter and 4.4 percent a year ago.

Foreclosure activity fell to its lowest level since the inception of the *OCC Mortgage Metrics Report* in the first quarter of 2008. The number of loans in the process of foreclosure at the end of the second quarter of 2013 decreased by 39.8 percent from a year ago to 744,369. The decline in loans in process of foreclosure is attributable to the declining number of significantly delinquent mortgages and reduction in newly initiated foreclosures from a year ago.

After falling materially at the end of 2012, the number of newly initiated foreclosures also fell to the lowest levels since early 2008. During the second quarter of 2013, servicers initiated 150,592 new foreclosures—a 50.8 percent decrease from a year ago. Many factors contribute to the decline in foreclosure activity, including improved economic conditions and aggressive foreclosure prevention assistance, regulatory actions, and the transfer of loans to servicers outside the federal banking system. The number of completed foreclosures fell to 79,960, a 22.2 percent decrease from a year ago.

Servicers implemented 314,672 home retention actions—including modifications, trial-period plans, and shorter-term payment plans—compared with 121,746 home forfeiture actions during the quarter—including completed foreclosures, short sales, and deed-in-lieu-of-foreclosure actions. The number of home retention actions implemented by servicers decreased by 9.8 percent from the previous quarter and 25.2 percent from a year earlier. Ninety-three percent of modifications in the second quarter of 2013 reduced monthly principal and interest payments; 59.1 percent of modifications reduced payments by 20 percent or more. Modifications reduced payments by \$358 per month on average, while modifications made under the Home Affordable Modification Program (HAMP) reduced monthly payments by an average of \$517.

## ***Mortgage Performance***

- The overall percentage of mortgages in this report that were current and performing increased to 90.6 percent at the end of the second quarter of 2013 (see table 7).
- The percentage of mortgages that were seriously delinquent at the end of the quarter was 3.8 percent. The percentage of mortgages that were seriously delinquent decreased 15.0 percent from a year earlier (see table 7).
- The percentage of government-guaranteed mortgages that were current and performing decreased to 85.7 percent from 86.2 percent the previous quarter, but increased from 84.9 percent a year earlier (see table 9). Government-guaranteed mortgages compose 24.6 percent of the total serviced portfolio. The percentage of government-guaranteed mortgages that were seriously delinquent increased 0.5 percent from the previous quarter, but remained 6.2 percent of the government-guaranteed loans in this report (see table 9).
- Mortgages serviced for Fannie Mae and Freddie Mac (government-sponsored enterprises or GSE) made up 57.1 percent of the mortgages in this report. The percentage of these mortgages that were current and performing was 95.1 percent (see table 10), an increase from the previous quarter and from a year earlier.

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

- Servicers implemented 314,672 home retention actions—modifications, trial-period plans, and payment plans—during the second quarter of 2013 (see table 1).
- New home retention actions included 108,268 modifications, 98,749 trial-period plans, and 107,655 payment plans (see table 1). HAMP modifications decreased 35.3 percent from the previous quarter to 17,927 and are down 37.3 percent from a year earlier. Other modifications decreased to 90,341—a decrease of 18.5 percent from the previous quarter but a 32.7 percent increase from a year earlier. HAMP trial-period plans increased by 74.2 percent from the previous quarter to 30,262, and 18.9 percent from the previous year.

<b>Table 1. Number of New Home Retention Actions</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Other Modifications	68,101	104,821	114,235	110,821	90,341	-18.5%	32.7%
HAMP Modifications	28,614	31,688	29,260	27,728	17,927	-35.3%	-37.3%
Other Trial-Period Plans	178,528	109,435	96,437	85,536	68,487	-19.9%	-61.6%
HAMP Trial-Period Plans	25,444	21,968	24,831	17,376	30,262	74.2%	18.9%
Payment Plans	119,850	115,180	102,493	107,275	107,655	0.4%	-10.2%
Total	420,537	383,092	367,256	348,736	314,672	-9.8%	-25.2%

- Servicers modified more than one contract term in 89.7 percent of modifications implemented during the second quarter of 2013. Capitalization, interest rate reduction, and term extension remain the primary actions used in modifying mortgages. Principal reduction was used in 12.1 percent and principal deferral was used in 20.5 percent of all modifications implemented in the second quarter of 2013 (see table 17). Servicers used principal deferral, another prescribed action in HAMP, in 37.5 percent of HAMP modifications during the second quarter of 2013, up from 31.9 percent the previous quarter and 30.4 percent a year earlier. Principal reduction was used in 18.5 percent of HAMP modifications implemented during the quarter—down from 22.0 percent in the previous quarter and 21.4 percent a year earlier (see table 18).

- Servicers have reduced monthly principal and interest payments in 93.0 percent of modifications made in the quarter (see table 22). Servicers reduced monthly payments by an average of 25.9 percent for all borrowers who qualified for modifications. HAMP modifications reduced payments by an average of 34.1 percent (see table 24).

**Modified Loan Performance**

- Servicers modified 3,180,522 mortgages from the beginning of 2008 through the end of the first quarter of 2013. At the end of the second quarter of 2013, 46.6 percent of these modifications were current or paid off. Another 6.8 percent were 30 to 59 days delinquent, and 11.5 percent were seriously delinquent. Another 6.1 percent were in the process of foreclosure, and 7.5 percent had completed the foreclosure process (see table 2).

<b>Table 2. Status of Mortgages Modified in 2008–1Q 2013</b>								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	443,294	22.3%	4.9%	10.0%	6.8%	16.4%	4.2%	35.4%
2009	593,884	32.3%	6.0%	12.3%	7.4%	12.1%	3.7%	26.2%
2010	955,422	42.0%	6.7%	11.5%	6.7%	7.5%	2.7%	22.9%
2011	569,553	49.6%	7.2%	12.9%	6.5%	3.4%	1.9%	18.4%
2012	479,820	66.0%	8.9%	11.5%	3.7%	0.5%	0.8%	8.7%
2013	138,549	78.3%	8.6%	7.0%	0.5%	0.0%	0.3%	5.2%
Total	3,180,522	44.0%	6.8%	11.5%	6.1%	7.5%	2.6%	21.5%
<b>HAMP Modification Performance Compared With Other Modifications**</b>								
Other Modifications	1,684,541	47.4%	7.9%	13.4%	6.5%	6.0%	2.4%	16.4%
HAMP Modifications	714,841	56.9%	6.0%	7.6%	4.0%	3.3%	1.4%	20.9%
<b>Modifications That Reduced Payments by 10 Percent or More</b>								
	1,997,167	46.1%	6.4%	9.6%	4.9%	5.0%	1.8%	20.7%
<b>Modifications That Reduced Payments by Less Than 10 Percent</b>								
	1,183,355	31.4%	6.6%	13.9%	8.1%	11.7%	3.8%	22.3%

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

\*\*Modifications used to compare with HAMP modifications include only modifications implemented from the third quarter of 2009 through the first quarter of 2013.

- HAMP modifications have performed better than other modifications. Of the 714,841 HAMP modifications implemented since the third quarter of 2009, 58.3 percent were current or paid off at the end of the second quarter of 2013, compared with 49.8 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 payment more and perform better over time, more restrictive criteria limit the number of borrowers who qualify for HAMP modifications.
- At the end of the second quarter of 2013, 47.9 percent of modifications that reduced payments by 10 percent or more were current or paid off, compared with 35.2 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 since January 1, 2008, 21.5 percent of modifications on mortgages held in the servicers' own portfolios, 24.1 percent of Fannie Mae mortgages, and 23.8 percent of Freddie Mac mortgages were 60 or more days delinquent after 12 months, compared with 46.4 percent of government-guaranteed mortgages and 40.7 percent of loans held by private investors. This variance reflects differences in the loans, modification programs, and the servicers' flexibility when modifying mortgages they own (see table 3).

<b>Table 3. Re-Default Rates for Portfolio Loans and Loans Serviced for Others</b> (60 or More Days Delinquent)*					
Investor Loan Type	6 Months After Modification	12 Months After Modification	18 Months After Modification	24 Months After Modification	36 Months After Modification
Fannie Mae	16.7%	24.1%	27.5%	28.7%	32.0%
Freddie Mac	16.4%	23.8%	27.6%	29.1%	32.4%
Government-Guaranteed	31.4%	46.4%	51.4%	52.7%	57.6%
Private	30.1%	40.7%	46.2%	49.1%	54.6%
Portfolio Loans	13.2%	21.5%	25.9%	27.2%	31.1%
Overall	22.8%	32.7%	37.4%	39.4%	44.3%

\*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 15.6 percent from the previous quarter and 50.8 percent from a year earlier. The number of foreclosures in process decreased 18.0 percent from the previous quarter and 39.8 percent from a year earlier (see table 4).

<b>Table 4. New Foreclosures and Foreclosures in Process</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Newly Initiated Foreclosures	305,897	252,604	156,773	178,360	150,592	-15.6%	-50.8%
Foreclosures in Process	1,237,025	1,158,289	967,467	907,228	744,369	-18.0%	-39.8%

- Home forfeiture actions totaled 121,746 at the end of the quarter, a decrease of 7.6 percent from the previous quarter and 27.8 percent from a year earlier. Completed foreclosures decreased by 5.9 percent from the previous quarter and 22.2 percent from a year earlier. Short sales decreased by 9.1 percent from the previous quarter and 38.2 percent from a year earlier. Short sales composed 32.2 percent of home forfeiture actions (see table 5).

<b>Table 5. Completed Foreclosures and Other Home Forfeiture Actions</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Completed Foreclosures	102,776	114,743	105,875	84,977	79,960	-5.9%	-22.2%
New Short Sales	63,403	63,860	61,761	43,143	39,207	-9.1%	-38.2%
New Deed-in-Lieu-of-Foreclosure Actions	2,336	1,707	1,428	3,596	2,579	-28.3%	10.4%
Total	168,515	180,310	169,064	131,716	121,746	-7.6%	-27.8%

## **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.<sup>1</sup> The data represent 52 percent of all first-lien residential mortgages 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 second quarter of 2013, the reporting institutions serviced 26.5 million first-lien mortgage loans, totaling \$4.5 trillion in unpaid balances (see table 6).

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

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

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

The OCC and the participating institutions devote significant resources to ensuring that the information is reliable and accurate. Steps to ensure the validity of the data include quality assurance processes conducted by the banks and savings association, comprehensive data validation tests performed by a third-party data aggregator, and comparisons with the institutions' quarterly call reports. Data sets of this size and scope inevitably incur some degree of 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:

---

<sup>1</sup> 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 purchased a material portion of MetLife Bank's residential mortgage servicing portfolio. Effective with the first quarter of 2013, MetLife ceased 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 10 percent of mortgages in the portfolio were not accompanied by credit scores and are classified as “other.” This group includes a mix of prime, Alt-A, and subprime mortgages. In large part, the lack of credit scores results from acquisitions of portfolios from third parties for which borrower credit scores at origination were not available.

Additional definitions include:

- **Completed foreclosures**—Ownership of properties transferred to servicers or investors. The ultimate result is the loss of borrowers’ homes because of nonpayment.
- **Deed-in-lieu-of-foreclosure actions**—Actions in which borrowers transfer ownership of the properties (deeds) to servicers in full satisfaction of the outstanding mortgage debt to lessen the adverse impact of the debt on borrowers’ credit records. Deed-in-lieu-of-foreclosure actions typically have a less adverse impact than foreclosures on borrowers’ credit records.
- **Foreclosures in process**—Number of mortgages for which servicers have begun formal foreclosure proceedings but have not yet completed the foreclosure process. The foreclosure process varies by state and can take 15 months or more to complete. Many foreclosures in process never result in the loss of borrowers’ homes because servicers simultaneously pursue other loss mitigation actions, and borrowers may return their mortgages to current and performing status.
- **Government-guaranteed mortgages**—All mortgages with an explicit guaranty from the U.S. government, including the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), and, to a lesser extent, certain other departments. These loans may be held in pools backing Government National Mortgage Association (Ginnie Mae) securities, owned by or securitized through different third-party investors, or held in the portfolios of reporting institutions.
- **Home retention actions**—Loan modifications, trial-period plans, and payment plans that allow borrowers to retain ownership and occupancy of their homes while attempting to return the loans to a current and performing status.
- **Loan modifications**—Actions that contractually change the terms of mortgages with respect to interest rates, maturity, principal, or other terms of the loan.
- **Newly initiated foreclosures**—Mortgages for which the servicers initiate formal foreclosure proceedings during the quarter. Many newly initiated foreclosures do not result in the loss of borrowers’ homes because servicers simultaneously pursue other loss mitigation actions, and borrowers may act to return their mortgages to current and performing status.
- **Payment plans**—Short-to-medium-term changes in scheduled terms and payments in order to return mortgages to a current and performing status.
- **Payment-option, adjustable rate mortgages (ARM)**—Mortgages that allow borrowers to choose a monthly payment that may initially reduce principal, pay interest only, or result in

negative amortization, when some amount of unpaid interest is added to the principal balance of the loan and results in an increased balance.

- **Principal deferral modifications**—Modifications that remove a portion of the principal from the amount used to calculate monthly principal and interest payments for a set period. The deferred amount becomes due at the end of the loan term.
- **Principal reduction modifications**—Modifications that permanently forgive a portion of the principal amount owed on a mortgage.
- **Re-default rates**—Percentage of modified loans that subsequently become delinquent or enter the foreclosure process. As measures of delinquency, this report presents re-default rates using 30, 60, and 90 or more days delinquent and in process of foreclosure. It focuses on the 60-day-delinquent measure. All re-default data presented in this report are based on modified loans in effect for the specified amount of time after the modification. All loans that have been repaid in full, been refinanced, been sold, or completed the foreclosure process are removed from the calculation. Data include only modifications that have had time to age the indicated number of months following the modification.
- **Seriously delinquent loans**—Mortgages that are 60 or more days past due, and all mortgages held by bankrupt borrowers whose payments are 30 or more days past due.
- **Short sales**—Sales of the mortgaged properties at prices that net less than the total amount due on the mortgages. Servicers and borrowers negotiate repayment programs, forbearance, or forgiveness for any remaining deficiency on the debt. Short sales typically have a less adverse impact than foreclosures on borrowers' credit records.
- **Trial-period plans**—Home retention actions that allow borrowers to demonstrate capability and willingness to pay their modified mortgages for a set period. 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., 6/30/13), 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.

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

**PART I: Mortgage Performance**

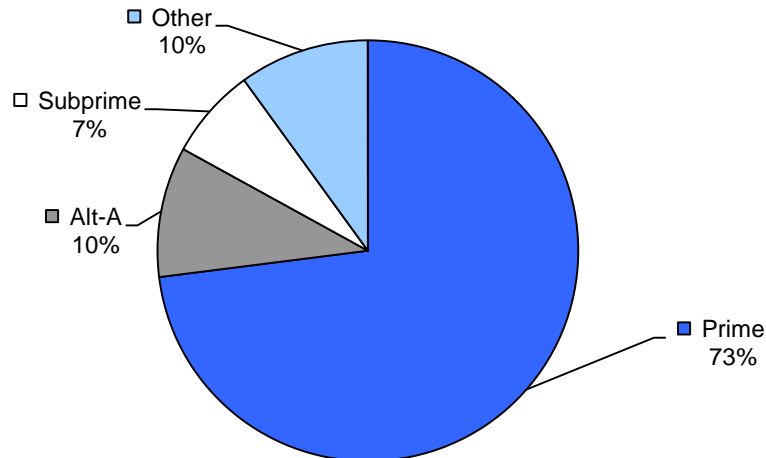
Part I describes the performance of the overall mortgage portfolio, mortgages owned and held by the reporting banks and savings association, government-guaranteed mortgages, mortgages serviced for the GSEs, and mortgages within each risk category.

**Overall Mortgage Portfolio**

At the end of the second quarter of 2013, the portfolio of mortgages in this report included 26.5 million loans with \$4.5 trillion in unpaid principal balances. The number of mortgages in the portfolio decreased by 5.1 percent from the previous quarter and 13.0 percent from a year ago. The unpaid balance of those loans decreased 4.9 percent from the previous quarter and 13.7 percent from a year ago. Prime loans were 73 percent of the overall portfolio at the end of the quarter, unchanged from the previous quarter and up from 72 percent the previous year. Subprime loans were 7 percent, unchanged from the previous quarter and year. Alt-A loans were 10 percent of the portfolio, down from 11 percent in the previous quarter and previous year.

<b>Table 6. Overall Mortgage Portfolio</b>					
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13
Total Servicing (Millions)	\$5,222,349	\$5,083,746	\$4,910,150	\$4,740,528	\$4,507,984
Total Servicing (Number of Loans)	30,494,357	29,818,751	28,979,134	27,941,336	26,528,415
<b>Composition (Percentage of All Mortgages in the Portfolio)</b>					
Prime	72%	72%	72%	73%	73%
Alt-A	11%	11%	11%	11%	10%
Subprime	7%	7%	7%	7%	7%
Other	10%	10%	10%	10%	10%
<b>Composition (Number of Loans in Each Risk Category of the Portfolio)</b>					
Prime	21,878,183	21,510,869	20,990,451	20,284,238	19,451,032
Alt-A	3,306,092	3,228,111	3,114,517	2,993,971	2,781,584
Subprime	2,182,847	2,083,906	1,991,912	1,908,482	1,749,154
Other	3,127,235	2,995,865	2,882,254	2,754,645	2,546,645

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

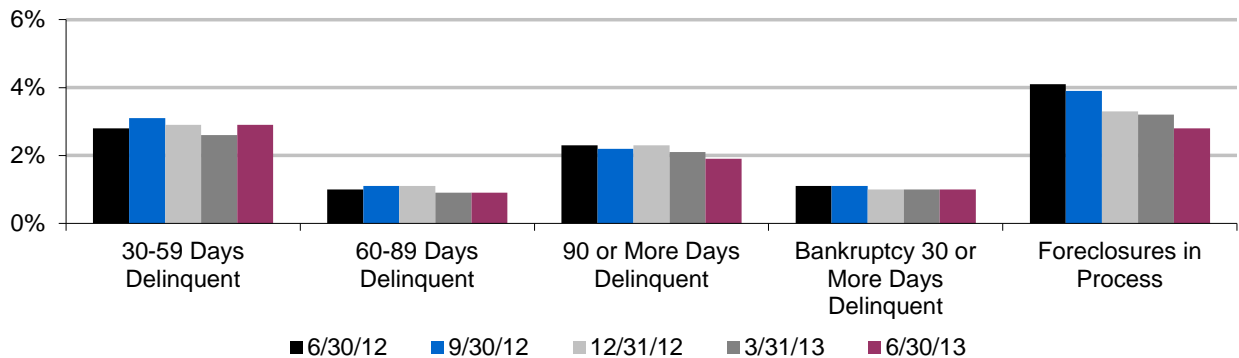


### Overall Mortgage Performance

The overall performance of mortgages included in this report improved from last quarter and from a year earlier. The percentage of mortgages that were current and performing at the end of the quarter was 90.6 percent, compared with 90.2 percent the previous quarter and 88.7 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due was 2.9 percent, an increase of 11.6 percent from the previous quarter and 1.8 percent from a year ago. The percentage of mortgages that were seriously delinquent at the end of the quarter was 3.8 percent, a decrease of 5.9 percent from the previous quarter and 15.0 percent from a year earlier. The percentage of mortgages in the foreclosure process at the end of the quarter was 2.8 percent, a decrease of 13.6 percent from the previous quarter and 30.8 percent from the previous year.

<b>Table 7. Overall Portfolio Performance</b>							
(Percentage of Mortgages in the Portfolio)							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Current and Performing	88.7%	88.6%	89.4%	90.2%	90.6%	0.4%	2.1%
30–59 Days Delinquent	2.8%	3.1%	2.9%	2.6%	2.9%	11.6%	1.8%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	1.0%	1.1%	1.1%	0.9%	0.9%	3.4%	-8.9%
90 or More Days Delinquent	2.3%	2.2%	2.3%	2.1%	1.9%	-11.2%	-19.0%
Bankruptcy 30 or More Days Delinquent	1.1%	1.1%	1.0%	1.0%	1.0%	-2.8%	-12.2%
<b>Subtotal for Seriously Delinquent</b>	<b>4.4%</b>	<b>4.4%</b>	<b>4.4%</b>	<b>4.0%</b>	<b>3.8%</b>	<b>-5.9%</b>	<b>-15.0%</b>
Foreclosures in Process	4.1%	3.9%	3.3%	3.2%	2.8%	-13.6%	-30.8%
(Number of Mortgages in the Portfolio)							
Current and Performing	27,046,778	26,434,199	25,907,686	25,198,157	24,024,452	-4.7%	-11.2%
30–59 Days Delinquent	858,330	926,296	826,415	717,532	760,078	5.9%	-11.4%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	307,759	318,254	309,776	248,454	243,832	-1.9%	-20.8%
90 or More Days Delinquent	708,741	662,207	664,007	591,879	499,148	-15.7%	-29.6%
Bankruptcy 30 or More Days Delinquent	335,724	319,506	303,783	278,086	256,536	-7.7%	-23.6%
<b>Subtotal for Seriously Delinquent</b>	<b>1,352,224</b>	<b>1,299,967</b>	<b>1,277,566</b>	<b>1,118,419</b>	<b>999,516</b>	<b>-10.6%</b>	<b>-26.1%</b>
Foreclosures in Process	1,237,025	1,158,289	967,467	907,228	744,369	-18.0%	-39.8%
<b>Total</b>	<b>30,494,357</b>	<b>29,818,751</b>	<b>28,979,134</b>	<b>27,941,336</b>	<b>26,528,415</b>	<b>-5.1%</b>	<b>-13.0%</b>

Figure 2. Overall Portfolio Performance



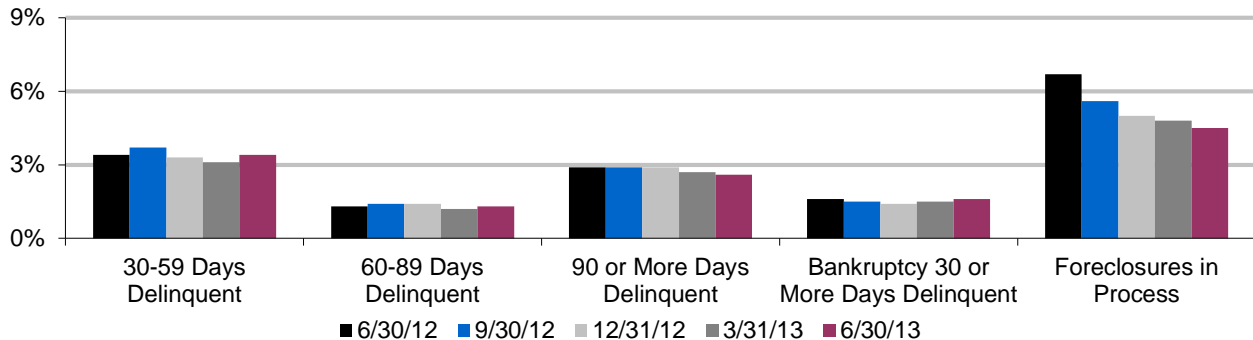
**Performance of Mortgages Held by Reporting Banks and Thrift**

The reporting institutions owned 9.0 percent of the mortgages in this report at the end of the quarter, excluding government-guaranteed mortgages held by these institutions. The percentage of these mortgages that were current at the end of the quarter was 86.6 percent, unchanged from the previous quarter and up from 84.0 percent a year earlier. The percentage of these mortgages that were seriously delinquent was 5.5 percent, a 6.4 percent decrease from a year earlier. The percentage of these mortgages in the process of foreclosure was 4.5 percent, a 32.7 percent decrease 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 and weaker markets and, more recently, delinquent loans repurchased from investors.

<b>Table 8. Performance of Mortgages Held by Reporting Banks and Thrift (Percentage)*</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Current and Performing	84.0%	84.9%	85.9%	86.6%	86.6%	0.07%	3.1%
30–59 Days Delinquent	3.4%	3.7%	3.3%	3.1%	3.4%	7.3%	-1.8%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	1.3%	1.4%	1.4%	1.2%	1.3%	5.6%	0.04%
90 or More Days Delinquent	2.9%	2.9%	2.9%	2.7%	2.6%	-3.6%	-10.3%
Bankruptcy 30 or More Days Delinquent	1.6%	1.5%	1.4%	1.5%	1.6%	0.9%	-4.6%
<b>Subtotal for Seriously Delinquent</b>	<b>5.9%</b>	<b>5.8%</b>	<b>5.7%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>-0.3%</b>	<b>-6.4%</b>
Foreclosures in Process	6.7%	5.6%	5.0%	4.8%	4.5%	-5.8%	-32.7%
<b>Performance of Mortgages Held by Reporting Banks and Thrift (Number)</b>							
Current and Performing	2,008,711	2,032,227	2,071,640	2,133,762	2,059,325	-3.5%	2.5%
30–59 Days Delinquent	82,270	87,753	80,196	77,577	80,314	3.5%	-2.4%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	30,957	33,654	33,072	30,218	30,784	1.9%	-0.6%
90 or More Days Delinquent	70,144	69,591	70,030	67,270	62,544	-7.0%	-10.8%
Bankruptcy 30 or More Days Delinquent	38,968	35,560	34,854	37,976	36,970	-2.6%	-5.1%
<b>Subtotal for Seriously Delinquent</b>	<b>140,069</b>	<b>138,805</b>	<b>137,956</b>	<b>135,464</b>	<b>130,298</b>	<b>-3.8%</b>	<b>-7.0%</b>
Foreclosures in Process	160,595	134,051	120,600	118,292	107,493	-9.1%	-33.1%
<b>Total</b>	<b>2,391,645</b>	<b>2,392,836</b>	<b>2,410,392</b>	<b>2,465,095</b>	<b>2,377,430</b>	<b>-3.6%</b>	<b>-0.6%</b>

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

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

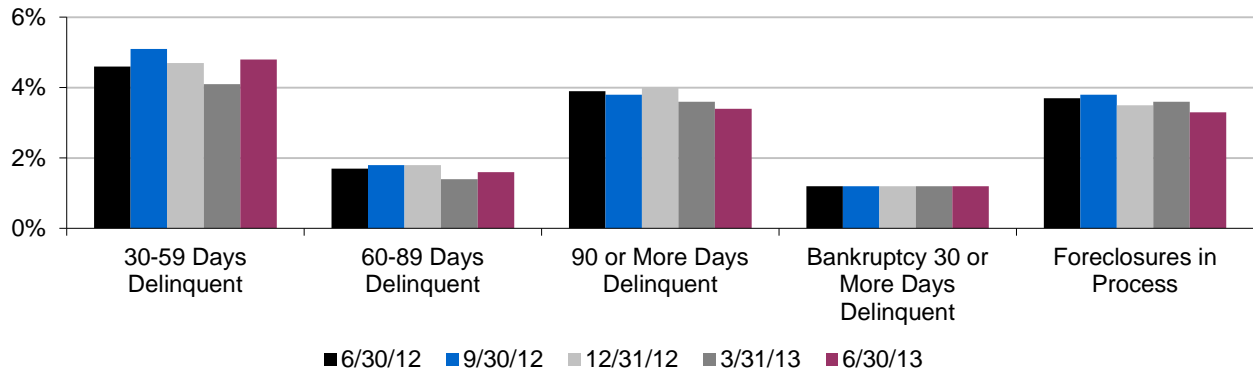


**Performance of Government-Guaranteed Mortgages**

Government-guaranteed mortgages were 24.6 percent of the mortgages in this report at the end of the second quarter of 2013, compared with 24.5 percent the previous quarter and 22.9 percent a year earlier. The percentage of government-guaranteed mortgages that were current at the end of the quarter was 85.7 percent, down from 86.2 percent the previous quarter but up from 84.9 percent a year earlier. The percentage of loans that were 30 to 59 days delinquent was 4.8 percent at the end of the quarter, an increase of 18.3 percent from the previous quarter and 4.8 percent from a year earlier. The percentage of these loans that were seriously delinquent was 6.2 percent, a 0.5 percent increase from the previous quarter but an 8.4 percent decrease from a year earlier. The percentage of these loans in the process of foreclosure was 3.3 percent, a decrease of 6.7 percent from the previous quarter and 10.8 percent from a year earlier. Almost 78 percent of these loans were FHA loans, 15 percent were VA loans, and 7 percent were other government-guaranteed mortgages. More than 86 percent of the government-guaranteed mortgages were in pools of loans backing Ginnie Mae securities.

<b>Table 9. Performance of Government-Guaranteed Mortgages (Percentage)</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Current and Performing	84.9%	84.3%	84.7%	86.2%	85.7%	-0.6%	0.9%
30–59 Days Delinquent	4.6%	5.1%	4.7%	4.1%	4.8%	18.3%	4.8%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	1.7%	1.8%	1.8%	1.4%	1.6%	11.9%	-5.8%
90 or More Days Delinquent	3.9%	3.8%	4.0%	3.6%	3.4%	-5.6%	-13.1%
Bankruptcy 30 or More Days Delinquent	1.2%	1.2%	1.2%	1.2%	1.2%	5.4%	3.2%
<b>Subtotal for Seriously Delinquent</b>	<b>6.8%</b>	<b>6.8%</b>	<b>7.1%</b>	<b>6.2%</b>	<b>6.2%</b>	<b>0.5%</b>	<b>-8.4%</b>
Foreclosures in Process	3.7%	3.8%	3.5%	3.6%	3.3%	-6.7%	-10.8%
<b>Performance of Government-Guaranteed Mortgages (Number)</b>							
Current and Performing	5,938,802	5,907,788	5,820,605	5,897,284	5,592,058	-5.2%	-5.8%
30–59 Days Delinquent	320,119	354,898	324,524	277,426	313,250	12.9%	-2.1%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	116,506	126,005	124,342	95,947	102,475	6.8%	-12.0%
90 or More Days Delinquent	274,075	266,172	277,684	246,953	222,428	-9.9%	-18.8%
Bankruptcy 30 or More Days Delinquent	84,502	86,793	85,500	80,962	81,430	0.6%	-3.6%
<b>Subtotal for Seriously Delinquent</b>	<b>475,083</b>	<b>478,970</b>	<b>487,526</b>	<b>423,862</b>	<b>406,333</b>	<b>-4.1%</b>	<b>-14.5%</b>
Foreclosures in Process	259,880	265,324	240,345	243,132	216,324	-11.0%	-16.8%
Total	6,993,884	7,006,980	6,873,000	6,841,704	6,527,965	-4.6%	-6.7%

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

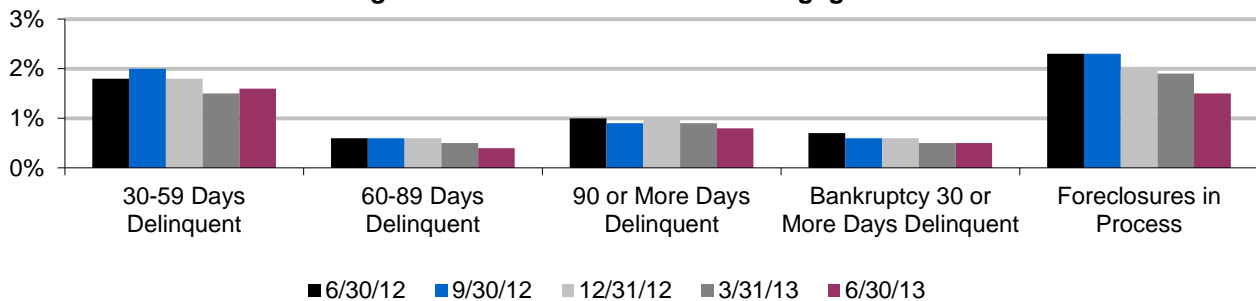


**Performance of GSE Mortgages**

GSE mortgages made up 57.1 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 95.1 percent, increased from 94.6 percent in the previous quarter and 93.7 percent the previous year. The percentage of GSE mortgages that were 30 to 59 days delinquent was 1.6 percent, an increase of 6.4 percent from the previous quarter but a 7.3 percent decrease from a year earlier. The percentage of GSE mortgages that were seriously delinquent was 1.7 percent, a decrease of 13.0 percent from the previous quarter and 25.8 percent from a year earlier. The percentage of these loans in the foreclosure process was 1.5 percent, a decrease of 19.2 percent from the previous quarter and 33.7 percent from a year earlier. Of the GSE mortgages, 57 percent were serviced for Fannie Mae and 43 percent for Freddie Mac.

<b>Table 10. Performance of GSE Mortgages (Percentage)</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Current and Performing	93.7%	93.6%	94.0%	94.6%	95.1%	0.5%	1.6%
30–59 Days Delinquent	1.8%	2.0%	1.8%	1.5%	1.6%	6.4%	-7.3%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	0.6%	0.6%	0.6%	0.5%	0.4%	-4.8%	-20.2%
90 or More Days Delinquent	1.0%	0.9%	1.0%	0.9%	0.8%	-18.2%	-27.3%
Bankruptcy 30 or More Days Delinquent	0.7%	0.6%	0.6%	0.5%	0.5%	-11.3%	-28.4%
<b>Subtotal for Seriously Delinquent</b>	<b>2.2%</b>	<b>2.1%</b>	<b>2.2%</b>	<b>1.9%</b>	<b>1.7%</b>	<b>-13.0%</b>	<b>-25.8%</b>
Foreclosures in Process	2.3%	2.3%	2.0%	1.9%	1.5%	-19.2%	-33.7%
<b>Performance of GSE Mortgages (Number)</b>							
Current and Performing	16,672,691	16,201,644	15,780,823	14,970,222	14,415,761	-3.7%	-13.5%
30–59 Days Delinquent	315,274	339,212	295,214	244,073	248,747	1.9%	-21.1%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	99,844	97,349	97,293	74,386	67,829	-8.8%	-32.1%
90 or More Days Delinquent	183,985	158,756	169,939	145,282	113,809	-21.7%	-38.1%
Bankruptcy 30 or More Days Delinquent	116,482	108,841	100,114	83,583	70,996	-15.1%	-39.0%
<b>Subtotal for Seriously Delinquent</b>	<b>400,311</b>	<b>364,946</b>	<b>367,346</b>	<b>303,251</b>	<b>252,634</b>	<b>-16.7%</b>	<b>-36.9%</b>
Foreclosures in Process	414,623	401,150	339,817	302,270	233,967	-22.6%	-43.6%
<b>Total</b>	<b>17,802,899</b>	<b>17,306,952</b>	<b>16,783,200</b>	<b>15,819,816</b>	<b>15,151,109</b>	<b>-4.2%</b>	<b>-14.9%</b>

**Figure 5. Performance of GSE Mortgages**



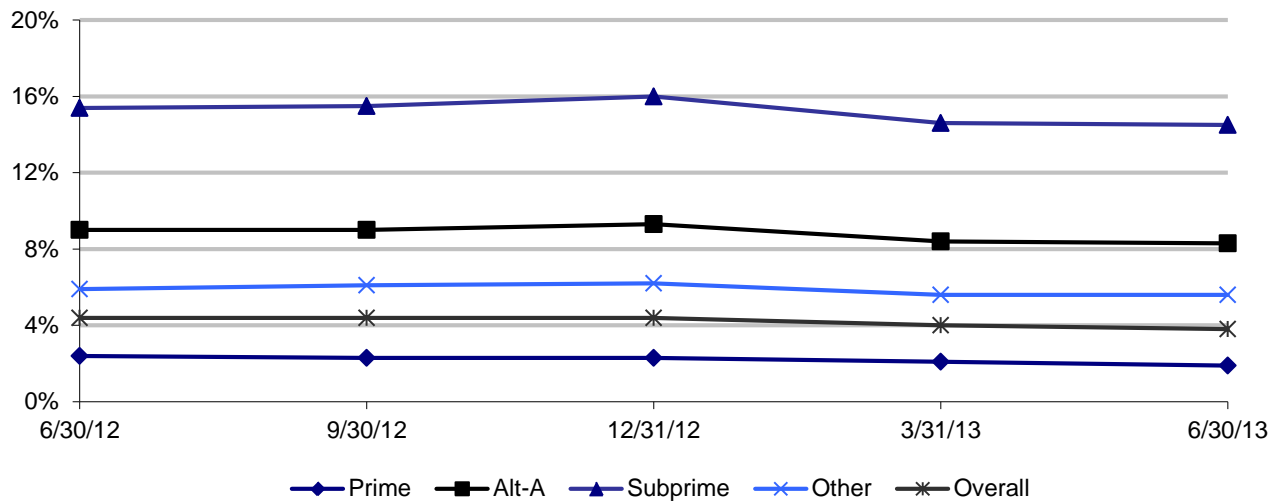


### Seriously Delinquent Mortgages, by Risk Category

The portfolio contained 352,708 fewer seriously delinquent loans at the end of the second quarter of 2013 compared with a year earlier—a 26.1 percent decrease. Seriously delinquent loans were 3.8 percent of the portfolio at the end of the quarter, a decrease of 5.9 percent from the previous quarter and 15.0 percent from a year earlier, and the lowest level since the first quarter of 2008. 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)							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Prime	2.4%	2.3%	2.3%	2.1%	1.9%	-9.9%	-21.7%
Alt-A	9.0%	9.0%	9.3%	8.4%	8.3%	-1.6%	-7.2%
Subprime	15.4%	15.5%	16.0%	14.6%	14.5%	-0.5%	-5.4%
Other	5.9%	6.1%	6.2%	5.6%	5.6%	-1.4%	-6.2%
Overall	4.4%	4.4%	4.4%	4.0%	3.8%	-5.9%	-15.0%
(Number of Mortgages in Each Category)							
Prime	535,413	502,019	490,427	431,353	372,519	-13.6%	-30.4%
Alt-A	296,029	290,702	290,262	252,990	231,168	-8.6%	-21.9%
Subprime	335,217	323,643	318,823	278,647	254,085	-8.8%	-24.2%
Other	185,565	183,603	178,054	155,429	141,744	-8.8%	-23.6%
Total	1,352,224	1,299,967	1,277,566	1,118,419	999,516	-10.6%	-26.1%

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

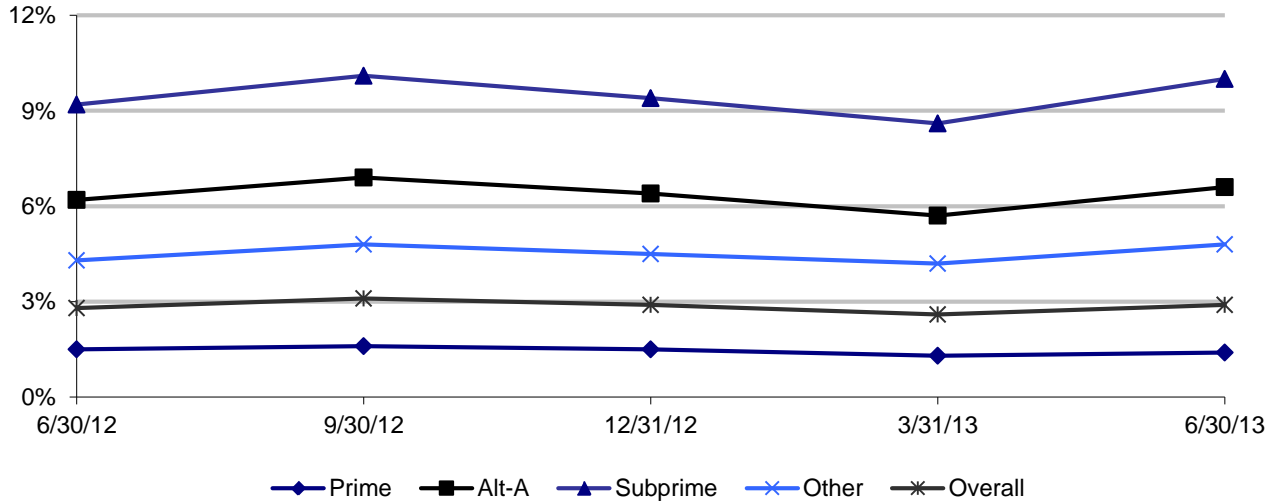


**Mortgages 30 to 59 Days Delinquent, by Risk Category**

The percentage of loans that were 30 to 59 days delinquent was 2.9 percent of the portfolio at the end of the second quarter of 2013, an increase of 11.6 percent from the previous quarter and 1.8 percent from a year earlier.

<b>Table 12. Mortgages 30 to 59 Days Delinquent, by Risk Category</b> (Percentage of Mortgages in Each Category)							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Prime	1.5%	1.6%	1.5%	1.3%	1.4%	8.9%	-1.2%
Alt-A	6.2%	6.9%	6.4%	5.7%	6.6%	17.0%	7.7%
Subprime	9.2%	10.1%	9.4%	8.6%	10.0%	15.5%	8.1%
Other	4.3%	4.8%	4.5%	4.2%	4.8%	13.9%	10.5%
Overall	2.8%	3.1%	2.9%	2.6%	2.9%	11.6%	1.8%
<b>(Number of Mortgages in Each Category)</b>							
Prime	317,666	348,451	309,818	267,211	279,111	4.5%	-12.1%
Alt-A	204,105	222,620	199,294	170,084	184,916	8.7%	-9.4%
Subprime	201,675	210,622	188,071	164,998	174,660	5.9%	-13.4%
Other	134,884	144,603	129,232	115,239	121,391	5.3%	-10.0%
Total	858,330	926,296	826,415	717,532	760,078	5.9%	-11.4%

**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**

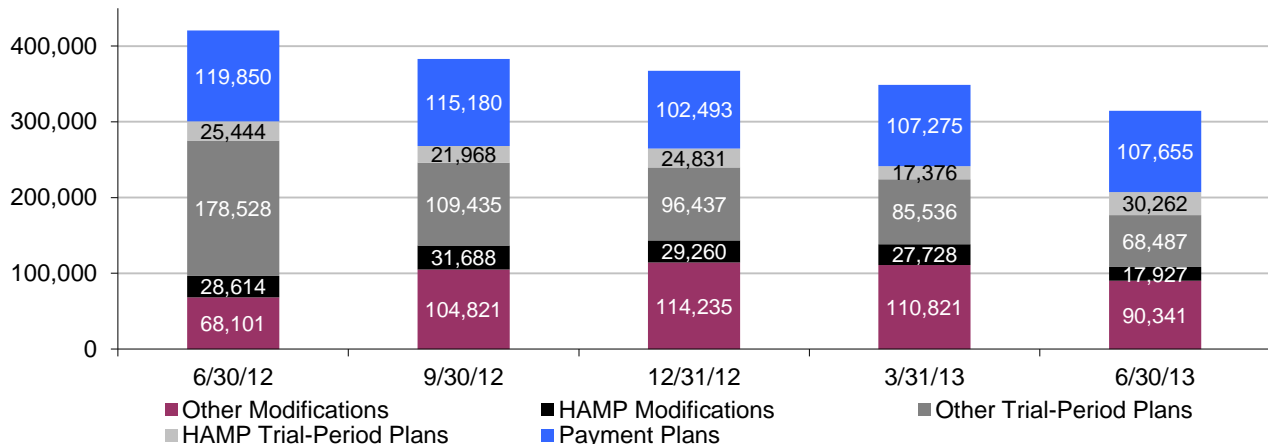
***New Home Retention Actions***

Servicers implemented 314,672 home retention actions—loan modifications, trial-period plans, and payment plans—during the second quarter of 2013. The number of home retention actions decreased 9.8 percent from the previous quarter and 25.2 percent from a year earlier. Servicers implemented 108,268 modifications, a decrease of 21.9 percent from the previous quarter but an increase of 11.9 percent from a year earlier. New HAMP modifications decreased 35.3 percent from the previous quarter, to 17,927 and other modifications decreased 18.5 percent to 90,341. Servicers implemented 98,749 new trial-period plans, a decrease of 4.0 percent from the previous quarter and 51.6 percent from a year earlier. New payment plans increased by 0.4 percent to 107,655. During the past five quarters, servicers initiated 1.8 million home retention actions—623,536 modifications, 658,304 trial-period plans, and 552,453 payment plans.

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

	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Other Modifications	68,101	104,821	114,235	110,821	90,341	-18.5%	32.7%
HAMP Modifications	28,614	31,688	29,260	27,728	17,927	-35.3%	-37.3%
Other Trial-Period Plans	178,528	109,435	96,437	85,536	68,487	-19.9%	-61.6%
HAMP Trial-Period Plans	25,444	21,968	24,831	17,376	30,262	74.2%	18.9%
Payment Plans	119,850	115,180	102,493	107,275	107,655	0.4%	-10.2%
<b>Total</b>	<b>420,537</b>	<b>383,092</b>	<b>367,256</b>	<b>348,736</b>	<b>314,672</b>	<b>-9.8%</b>	<b>-25.2%</b>

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



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

Of the 17,927 HAMP modifications implemented during the second quarter of 2013, 31.8 percent went to mortgages serviced for the GSEs, 34.4 percent to mortgages serviced for private investors, 9.5 percent to government-guaranteed mortgages, and 24.2 percent to loans held in the reporting servicers' portfolios. Prime mortgages represented about 73 percent of the total portfolio and received 50.1 percent of all HAMP modifications. Subprime loans represented about 7 percent of the total portfolio and received 20.1 percent of HAMP modifications during the quarter.

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	1,826	1,705	590	2,040	2,817	8,978
Alt-A	520	514	526	992	1,300	3,852
Subprime	302	252	393	1,170	1,481	3,598
Other	410	167	203	144	575	1,499
Total	3,058	2,638	1,712	4,346	6,173	17,927

Servicers implemented 30,262 HAMP trial-period plans during the quarter, an increase of 74.2 percent from the 17,376 HAMP trial-period plans initiated in the previous quarter. GSE mortgages received 19.5 percent of HAMP trial-period plans initiated during the quarter, down from 37.9 percent the previous quarter. Government-guaranteed mortgages received 48.5 percent of HAMP trial-period plans initiated in the previous quarter, up from 11.7 percent the previous quarter. Prime mortgages received 37.8 percent of the HAMP trial-period plans implemented during the quarter, while Alt-A and subprime mortgages collectively received 47.6 percent.

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	1,602	1,945	3,405	1,182	3,316	11,450
Alt-A	445	549	4,603	590	1,300	7,487
Subprime	259	263	3,738	778	1,893	6,931
Other	551	275	2,933	92	543	4,394
Total	2,857	3,032	14,679	2,642	7,052	30,262

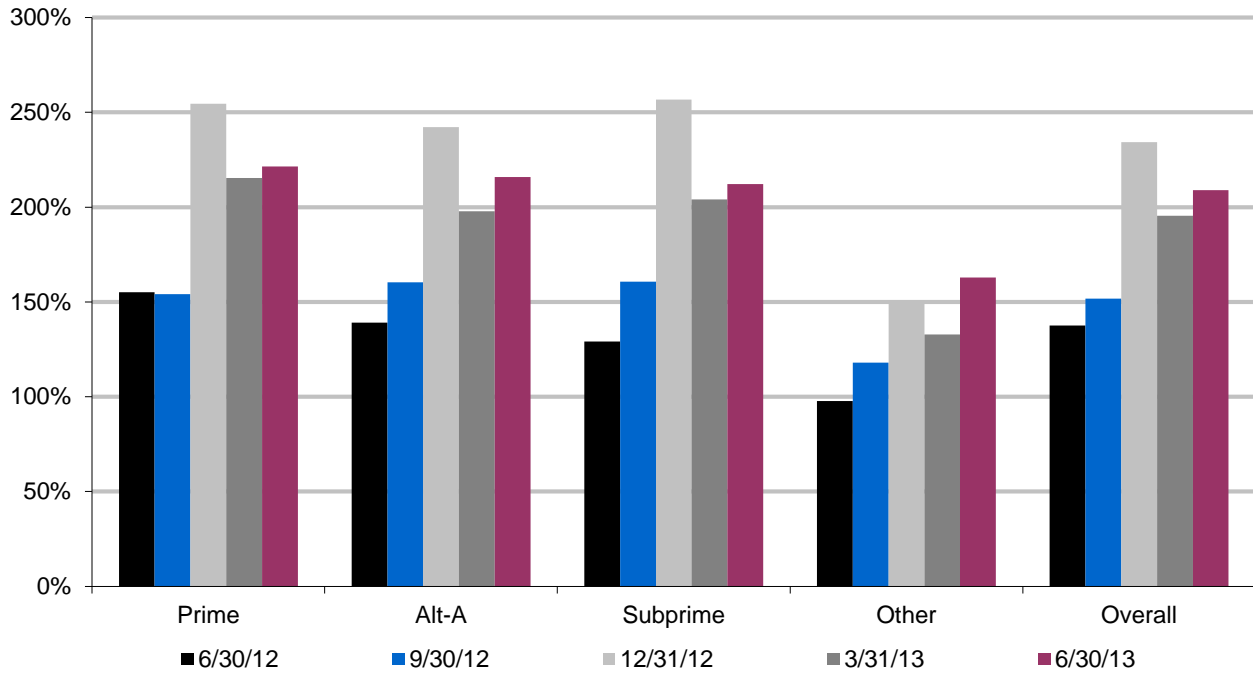
\*There were 14,679 government-guaranteed HAMP trial plans started during the quarter, up materially from the 2,041 trial plans started during the previous quarter. In November 2012, eligibility for FHA-HAMP was expanded, with changes to be implemented no later than February 2013. Servicers were asked to re-evaluate borrowers who previously were ineligible for the program. It is not clear how much of the additional volume came from a one-time addition of these newly eligible borrowers, and how much reflects new, routinely recurring activity.

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

Servicers continued to implement more home retention actions than new foreclosures. The number of new home retention actions decreased from the previous quarter, at a lower rate relative to the decrease in new foreclosure actions, which resulted in an increase in the ratio of home retention actions to foreclosures. The number of new foreclosures decreased 15.6 percent from the previous quarter, compared with a decrease of 9.8 percent in new home retention actions.

<b>Table 16. Percentage of New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Prime	155.2%	154.1%	254.5%	215.4%	221.4%	2.8%	42.7%
Alt-A	139.1%	160.4%	242.2%	197.9%	215.9%	9.1%	55.2%
Subprime	129.2%	160.7%	256.8%	204.1%	212.1%	3.9%	64.2%
Other	97.7%	118.0%	150.0%	132.9%	162.9%	-24.8%	31.1%
Overall	137.5%	151.7%	234.3%	195.5%	209.0%	6.9%	52.0%
Number of New Home Retention Actions	420,537	383,092	367,256	348,736	314,672	-9.8%	-25.2%
Number of Newly Initiated Foreclosures	305,897	252,604	156,773	178,360	150,592	-15.6%	-50.8%

**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 89.7 percent of modifications implemented during the second 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. Principal reduction was used in 12.1 percent and principal deferral was used in 20.5 percent of all modifications implemented in the second quarter of 2013.

Servicers capitalized missed fees and payments in 81.7 percent of modifications implemented during the quarter, reduced interest rates in 81.0 percent, and extended loan maturity in 67.7 percent. Servicers reduced some portion of the principal balance in 12.1 percent of modifications made during the quarter, down 20.0 percent from the previous quarter and 21.4 percent from a year earlier. Servicers deferred repayment of some portion of the principal balance in 20.5 percent of modifications made during the quarter, up 12.4 percent from the previous quarter and 3.9 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.

<b>Table 17. Changes in Loan Terms for Modifications Through the Second Quarter of 2013</b>							
<b>(Percentage of Total Modifications in Each Category)</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Capitalization	78.3%	88.2%	84.6%	79.3%	81.7%	3.0%	4.4%
Rate Reduction	78.7%	77.1%	73.3%	80.1%	81.0%	1.1%	2.8%
Rate Freeze	6.3%	7.1%	3.9%	3.7%	5.2%	40.5%	-17.1%
Term Extension	62.1%	64.9%	58.9%	60.3%	67.7%	12.2%	9.0%
Principal Reduction	15.4%	17.2%	20.0%	15.2%	12.1%	-20.0%	-21.4%
Principal Deferral	19.7%	19.0%	20.5%	18.2%	20.5%	12.4%	3.9%
Not Reported*	0.7%	0.4%	1.1%	0.6%	1.4%	117.4%	89.2%
<b>(Number of Changes in Each Category)</b>							
Capitalization	75,685	120,456	121,454	109,882	88,444	-19.5%	16.9%
Rate Reduction	76,154	105,256	105,115	110,910	87,664	-21.0%	15.1%
Rate Freeze	6,063	9,655	5,644	5,121	5,624	9.8%	-7.2%
Term Extension	60,056	88,657	84,518	83,594	73,295	-12.3%	22.0%
Principal Reduction	14,940	23,451	28,765	21,033	13,150	-37.5%	-12.0%
Principal Deferral	19,082	25,945	29,445	25,272	22,194	-12.2%	16.3%
Not Reported*	722	504	1,599	900	1,529	69.9%	111.8%

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

**Types of HAMP Modification Actions**

HAMP modifications follow a prescribed series of actions to attain a targeted monthly mortgage payment. Consistent with modification actions overall and the prescribed order of actions required by HAMP, these modifications most often included capitalization of missed payments and fees, interest-rate reductions, and term extensions. Servicers used principal deferral, another prescribed action in HAMP, in 37.5 percent of HAMP modifications during the second quarter of 2013, up from 31.9 percent the previous quarter and 30.4 percent a year earlier. Servicers used principal reduction in 18.5 percent of HAMP modifications implemented during the quarter—down from 22.0 percent in the previous quarter and from 21.4 percent a year earlier.

<b>Table 18. Changes in Loan Terms for HAMP Modifications Through the Second Quarter of 2013</b>							
<b>(Percentage of Total Modifications in Each Category)</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Capitalization	98.4%	98.2%	92.0%	95.0%	85.6%	-9.9%	-13.0%
Rate Reduction	87.5%	85.6%	81.3%	84.9%	87.8%	3.4%	0.3%
Rate Freeze	3.1%	3.3%	4.0%	3.4%	1.4%	-57.6%	-53.5%
Term Extension	58.5%	55.2%	53.0%	53.9%	60.5%	12.1%	3.4%
Principal Reduction	21.4%	25.2%	25.1%	22.0%	18.5%	-16.0%	-13.8%
Principal Deferral	30.4%	30.6%	29.2%	31.9%	37.5%	17.7%	23.3%
Not Reported*	0.09%	0.05%	1.7%	0.2%	0.5%	181.5%	458.6%
<b>(Number of Changes in Each Category)</b>							
Capitalization	28,164	31,107	26,927	26,345	15,343	-41.8%	-45.5%
Rate Reduction	25,037	27,128	23,790	23,542	15,734	-33.2%	-37.2%
Rate Freeze	875	1,033	1,171	931	255	-72.6%	-70.9%
Term Extension	16,739	17,487	15,500	14,949	10,839	-27.5%	-35.2%
Principal Reduction	6,132	7,971	7,342	6,098	3,312	-45.7%	-46.0%
Principal Deferral	8,710	9,700	8,551	8,839	6,728	-23.9%	-22.8%
Not Reported*	26	17	508	50	91	82.0%	250.0%

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

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

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

<b>Table 19. Changes in Loan Terms for Modifications, by Risk Category, During the Second Quarter of 2013</b>					
<b>(Percentage of Total Modifications in Each Category)</b>					
	Prime	Alt-A	Subprime	Other	Overall
Capitalization	78.1%	81.3%	85.6%	87.4%	81.7%
Rate Reduction	81.9%	82.4%	78.7%	79.5%	81.0%
Rate Freeze	4.2%	3.6%	6.5%	9.1%	5.2%
Term Extension	64.7%	72.4%	65.6%	74.0%	67.7%
Principal Reduction	11.8%	11.8%	16.8%	4.2%	12.1%
Principal Deferral	25.6%	18.3%	16.6%	14.6%	20.5%
Not Reported*	1.4%	1.4%	1.3%	1.5%	1.4%
<b>(Number of Changes in Each Category)</b>					
Total Mortgages Modified	45,305	24,090	26,401	12,472	108,268
Capitalization	35,378	19,574	22,592	10,900	88,444
Rate Reduction	37,125	19,839	20,786	9,914	87,664
Rate Freeze	1,908	878	1,707	1,131	5,624
Term Extension	29,300	17,450	17,317	9,228	73,295
Principal Reduction	5,360	2,836	4,429	525	13,150
Principal Deferral	11,591	4,414	4,374	1,815	22,194
Not Reported*	649	343	348	189	1,529

\*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 31.6 percent of all modifications made during the second quarter of 2013. Government-guaranteed loans received 29.9 percent of all modifications, mortgages serviced for private investors received 22.1 percent, and mortgages held in the servicers’ own portfolios received 16.5 percent of all first-quarter modifications. Interest rate reduction, capitalization of missed payments and fees, and term extension remained the primary types of modification actions. Servicers used principal reduction almost exclusively in modifying loans held in portfolio or serviced for private investors because Fannie Mae and Freddie Mac do not allow principal reduction. Because modifications often change more than one loan term, the sum of the actions exceeded the number of modified loans for each investor.

<b>Table 20. Type of Modification Action, by Investor and Product Type, During the Second Quarter of 2013</b>						
<b>(Percentage of Total Modifications in Each Category)</b>						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	87.6%	96.2%	75.6%	86.1%	69.9%	81.7%
Rate Reduction	66.2%	85.4%	96.1%	73.2%	79.4%	81.0%
Rate Freeze	11.8%	3.4%	0.3%	6.1%	5.7%	5.2%
Term Extension	82.9%	90.2%	95.6%	19.8%	47.2%	67.7%
Principal Reduction	0.0%	0.0%	0.2%	27.5%	36.5%	12.1%
Principal Deferral	24.8%	41.0%	0.2%	36.8%	16.6%	20.5%
Not Reported*	2.9%	0.3%	0.3%	1.8%	1.8%	1.4%
<b>(Number of Changes in Each Category)</b>						
Total Mortgages Modified	22,368	11,838	32,356	23,881	17,825	108,268
Capitalization	19,603	11,387	24,447	20,556	12,451	88,444
Rate Reduction	14,817	10,109	31,102	17,475	14,161	87,664
Rate Freeze	2,647	405	97	1,459	1,016	5,624
Term Extension	18,546	10,674	30,926	4,740	8,409	73,295
Principal Reduction**	3	4	73	6,562	6,508	13,150
Principal Deferral	5,551	4,850	49	8,781	2,963	22,194
Not Reported	638	33	102	440	316	1,529

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

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

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

Of the 17,927 HAMP modifications implemented in the second quarter of 2013, 31.8 percent were on GSE mortgages, 34.4 percent were on mortgages serviced for private investors, 24.2 percent were on mortgages held in servicers’ portfolios, and 9.5 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 64 percent of the HAMP modifications completed during the second quarter of 2013 on loans held in the banks’ own portfolios included a principal reduction.

<b>Table 21. Type of HAMP Modification Action, by Investor and Product Type, During the Second Quarter of 2013</b>						
<b>(Percentage of Total Modifications in Each Category)</b>						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	91.0%	96.2%	12.0%	95.8%	89.9%	85.6%
Rate Reduction	96.3%	99.2%	97.9%	83.4%	77.0%	87.8%
Rate Freeze	0.4%	0.6%	0.6%	2.0%	2.1%	1.4%
Term Extension	67.9%	70.1%	98.9%	33.9%	72.0%	60.5%
Principal Reduction	0.07%	0.08%	0.1%	8.3%	64.3%	18.5%
Principal Deferral	31.2%	29.8%	1.2%	61.7%	26.7%	37.5%
Not Reported*	0.3%	0.08%	0.2%	0.2%	1.5%	0.5%
<b>(Number of Changes in Each Category)</b>						
Total Mortgages Modified	3,058	2,638	1,712	6,173	4,346	17,927
Capitalization	2,782	2,537	206	5,912	3,906	15,343
Rate Reduction	2,944	2,617	1,676	5,151	3,346	15,734
Rate Freeze	13	17	10	122	93	255
Term Extension	2,075	1,850	1,693	2,092	3,129	10,839
Principal Reduction**	2	2	2	512	2,794	3,312
Principal Deferral	953	785	20	3,810	1,160	6,728
Not Reported	9	2	4	10	66	91

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

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

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

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

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

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

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

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

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

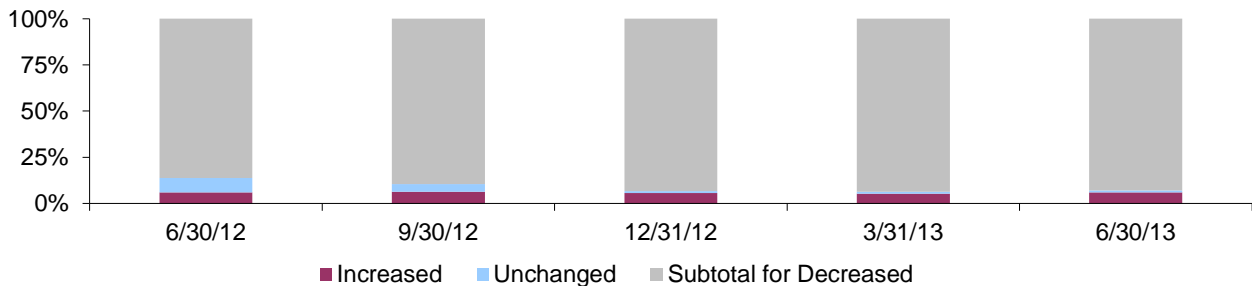
Ninety-three percent of modifications made in the quarter reduced monthly principal and interest payments, and 59.1 percent of the modifications reduced payments by 20 percent or more.

<b>Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications</b>							
<b>(Percentage of Modifications in Each Category)*</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Decreased by 20% or More	52.1%	54.3%	58.9%	56.4%	59.1%	4.8%	13.6%
Decreased by 10% to Less Than 20%	21.2%	20.2%	21.0%	24.1%	21.4%	-11.0%	1.2%
Decreased by Less Than 10%	13.0%	15.0%	13.4%	13.2%	12.4%	-6.1%	-4.2%
<b>Subtotal for Decreased</b>	<b>86.2%</b>	<b>89.5%</b>	<b>93.4%</b>	<b>93.7%</b>	<b>93.0%</b>	<b>-0.8%</b>	<b>7.8%</b>
Unchanged	7.7%	4.3%	1.0%	0.9%	1.0%	17.2%	-86.4%
Increased	6.1%	6.3%	5.7%	5.4%	6.0%	11.1%	-2.3%
<b>Subtotal for Unchanged and Increased</b>	<b>13.8%</b>	<b>10.5%</b>	<b>6.6%</b>	<b>6.3%</b>	<b>7.0%</b>	<b>12.0%</b>	<b>-49.1%</b>
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
<b>(Number of Modifications in Each Category)</b>							
Decreased by 20% or More	50,137	73,854	84,103	77,674	63,525	-18.2%	26.7%
Decreased by 10% to Less Than 20%	20,388	27,434	30,056	33,143	23,014	-30.6%	12.9%
Decreased by Less Than 10%	12,476	20,397	19,169	18,187	13,329	-26.7%	6.8%
<b>Subtotal for Decreased</b>	<b>83,001</b>	<b>121,685</b>	<b>133,328</b>	<b>129,004</b>	<b>99,868</b>	<b>-22.6%</b>	<b>20.3%</b>
Unchanged	7,388	5,812	1,404	1,229	1,124	-8.5%	-84.8%
Increased	5,876	8,531	8,080	7,389	6,406	-13.3%	9.0%
<b>Subtotal for Unchanged and Increased</b>	<b>13,264</b>	<b>14,343</b>	<b>9,484</b>	<b>8,618</b>	<b>7,530</b>	<b>-12.6%</b>	<b>-43.2%</b>
Total	96,265	136,028	142,812	137,622	107,398	-22.0%	11.6%

\*No payment change information was reported on 450 modifications in the second quarter of 2012, 481 in the third quarter of 2012, 683 in the fourth quarter of 2012, 927 in the first quarter of 2013, and 870 in the second 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**

Ninety-seven percent of HAMP modifications completed during the second quarter of 2013 reduced borrower monthly payments, with 75.5 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.

<b>Table 23. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications</b>							
<b>(Percentage of HAMP Modifications in Each Category)**</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Decreased by 20% or More	76.3%	76.3%	76.8%	76.2%	75.5%	-0.9%	-1.0%
Decreased by 10% to Less Than 20%	13.1%	12.6%	13.0%	13.2%	13.5%	2.2%	3.5%
Decreased by Less Than 10%	8.7%	8.6%	8.4%	8.6%	8.0%	-6.6%	-8.0%
<b>Subtotal for Decreased</b>	<b>98.0%</b>	<b>97.4%</b>	<b>98.3%</b>	<b>98.0%</b>	<b>97.0%</b>	<b>-0.9%</b>	<b>-1.0%</b>
Unchanged	0.2%	0.2%	0.3%	0.5%	1.1%	128.1%	432.1%
Increased	1.8%	2.4%	1.5%	1.5%	1.8%	18.2%	3.2%
<b>Subtotal for Unchanged and Increased</b>	<b>2.0%</b>	<b>2.6%</b>	<b>1.7%</b>	<b>2.0%</b>	<b>3.0%</b>	<b>45.2%</b>	<b>49.7%</b>
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
<b>(Number of HAMP Modifications in Each Category)</b>							
Decreased by 20% or More	21,743	24,123	22,410	21,063	13,465	-36.1%	-38.1%
Decreased by 10% to Less Than 20%	3,722	3,980	3,797	3,654	2,409	-34.1%	-35.3%
Decreased by Less Than 10%	2,480	2,712	2,463	2,369	1,427	-39.8%	-42.5%
<b>Subtotal for Decreased</b>	<b>27,945</b>	<b>30,815</b>	<b>28,670</b>	<b>27,086</b>	<b>17,301</b>	<b>-36.1%</b>	<b>-38.1%</b>
Unchanged	61	63	77	138	203	47.1%	232.8%
Increased	502	749	432	425	324	-23.8%	-35.5%
<b>Subtotal for Unchanged and Increased</b>	<b>563</b>	<b>812</b>	<b>509</b>	<b>563</b>	<b>527</b>	<b>-6.4%</b>	<b>-6.4%</b>
Total	28,508	31,627	29,179	27,649	17,828	-35.5%	-37.5%

\*No payment change information was reported on 106 modifications in the second quarter of 2012, 61 in the third quarter of 2012, 81 in the fourth quarter of 2012, 79 in the first quarter of 2013, and 99 in the second 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 second quarter of 2013 reduced monthly principal and interest payments by \$358, or 25.9 percent, on average. HAMP modifications made during the quarter reduced payments by \$517, or 34.1 percent, on average. Other modifications reduced payments by \$327, or 24.2 percent, on average.

<b>Table 24. Average Change in Monthly Payments Resulting From Modifications, by Quarter*</b>							
All Modifications							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Decreased by 20% or More	(618)	(566)	(594)	(560)	(545)	-2.7%	-11.9%
Decreased by 10% to Less Than 20%	(199)	(179)	(189)	(186)	(172)	-7.4%	-13.5%
Decreased by Less Than 10%	(70)	(65)	(68)	(71)	(68)	-4.5%	-2.6%
Unchanged	0	0	0	0	0		
Increased**	155	131	169	166	159	-4.2%	2.9%
Overall (in Dollars)	(364)	(345)	(389)	(361)	(358)	-0.8%	-1.6%
Percentage Change	-23.5%	-23.8%	-25.8%	-25.2%	-25.9%		
Other Modifications							
Decreased by 20% or More	(545)	(498)	(560)	(517)	(519)	0.4%	-4.8%
Decreased by 10% to Less Than 20%	(196)	(173)	(186)	(183)	(168)	-8.3%	-14.3%
Decreased by Less Than 10%	(68)	(63)	(67)	(70)	(66)	-5.7%	-2.6%
Unchanged	0	0	0	0	0		
Increased**	150	125	168	165	158	-4.1%	5.2%
Overall (in Dollars)	(275)	(278)	(345)	(315)	(327)	3.8%	18.9%
Percentage Change	-18.5%	-20.3%	-23.4%	-22.7%	-24.2%		
HAMP Modifications							
Decreased by 20% or More	(715)	(705)	(687)	(676)	(642)	-5.0%	-10.1%
Decreased by 10% to Less Than 20%	(215)	(212)	(208)	(212)	(213)	0.2%	-1.1%
Decreased by Less Than 10%	(76)	(77)	(78)	(77)	(82)	6.6%	6.9%
Unchanged	0	0	0	0	0		
Increased**	203	194	191	191	182	-4.6%	
Overall (in Dollars)	(576)	(567)	(558)	(547)	(517)	-5.4%	-10.2%
Percentage Change	-35.3%	-35.3%	-35.4%	-34.9%	-34.1%		

\*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**

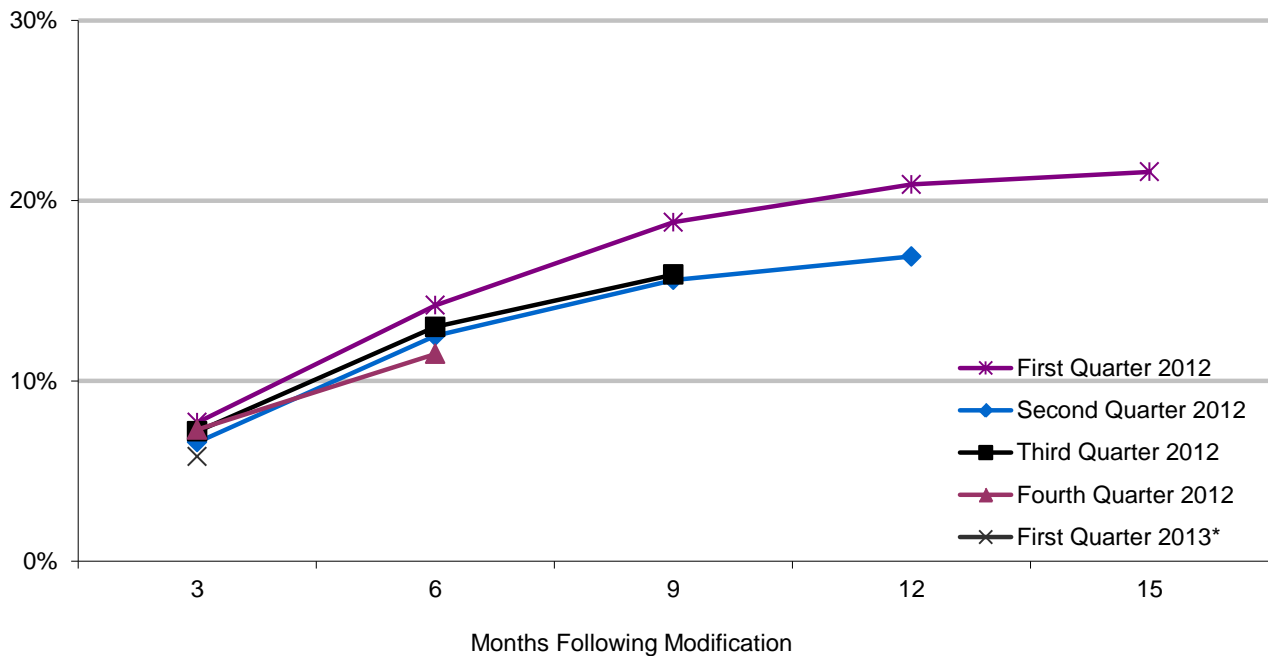
**Re-Default Rates of Modified Loans: 60 or More Days Delinquent**

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 7.7 percent were 60 or more days delinquent three months after modification, 11.5 percent to 14.2 percent were 60 or more days delinquent six months after modification, and 16.9 percent to 20.9 percent were 60 or more days delinquent 12 months after modification. Loans modified in the most recent four quarters appear to be re-defaulting at materially lower rates than modifications completed in earlier quarters.

<b>Table 25. Modified Loans 60 or More Days Delinquent</b>					
<b>Modification Date*</b>	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>	<b>15 Months After Modification</b>
First Quarter 2012	7.7%	14.2%	18.8%	20.9%	21.6%
Second Quarter 2012	6.6%	12.5%	15.6%	16.9%	-
Third Quarter 2012	7.2%	13.0%	15.9%	-	-
Fourth Quarter 2012	7.3%	11.5%	-	-	-
First Quarter 2013	5.8%	-	-	-	-

\*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 first quarter of 2013 are represented by a single point (5.8 percent).

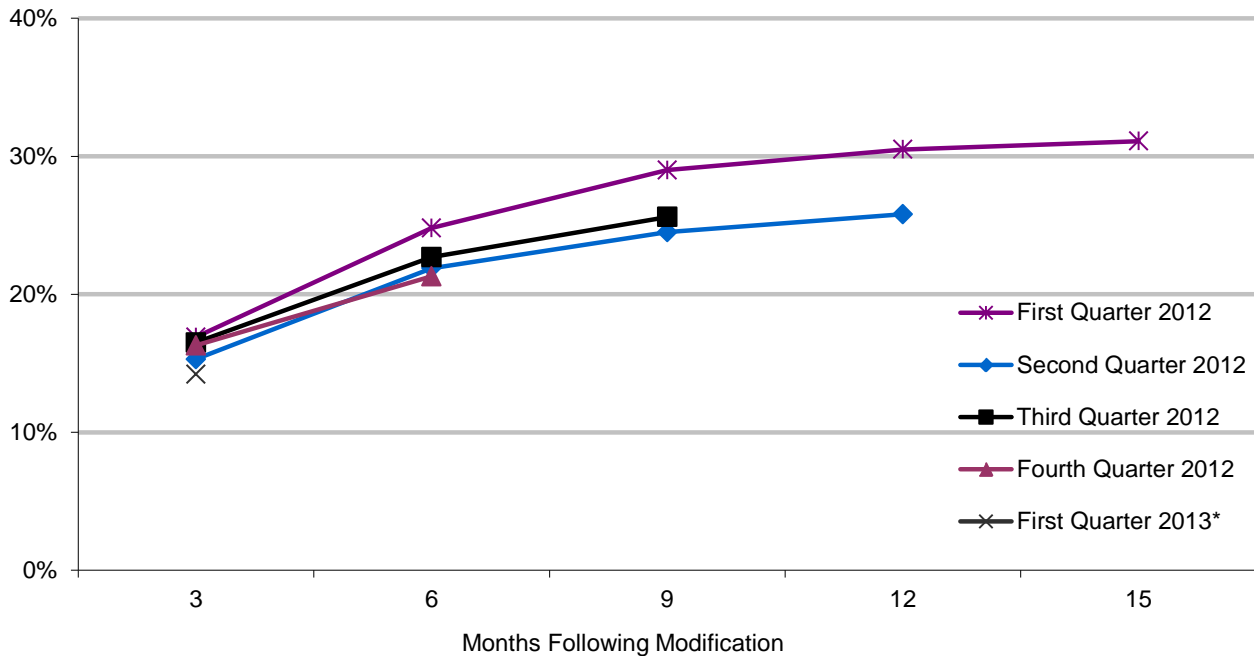
**Re-Default Rates of Modified Loans: 30 or More Days Delinquent**

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 16.9 percent were 30 or more days delinquent three months after modification. Among modifications outstanding at least one year, 25.8 percent to 30.5 percent were 30 or more days delinquent.

<b>Table 26. Modified Loans 30 or More Days Delinquent</b>					
Modification Date*	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification	15 Months After Modification
First Quarter 2012	16.9%	24.8%	29.0%	30.5%	31.1%
Second Quarter 2012	15.3%	21.9%	24.5%	25.8%	-
Third Quarter 2012	16.5%	22.7%	25.6%	-	-
Fourth Quarter 2012	16.3%	21.3%	-	-	-
First Quarter 2013	14.2%	-	-	-	-

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

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



\* Data for the first quarter of 2013 are represented by a single point (14.2 percent).



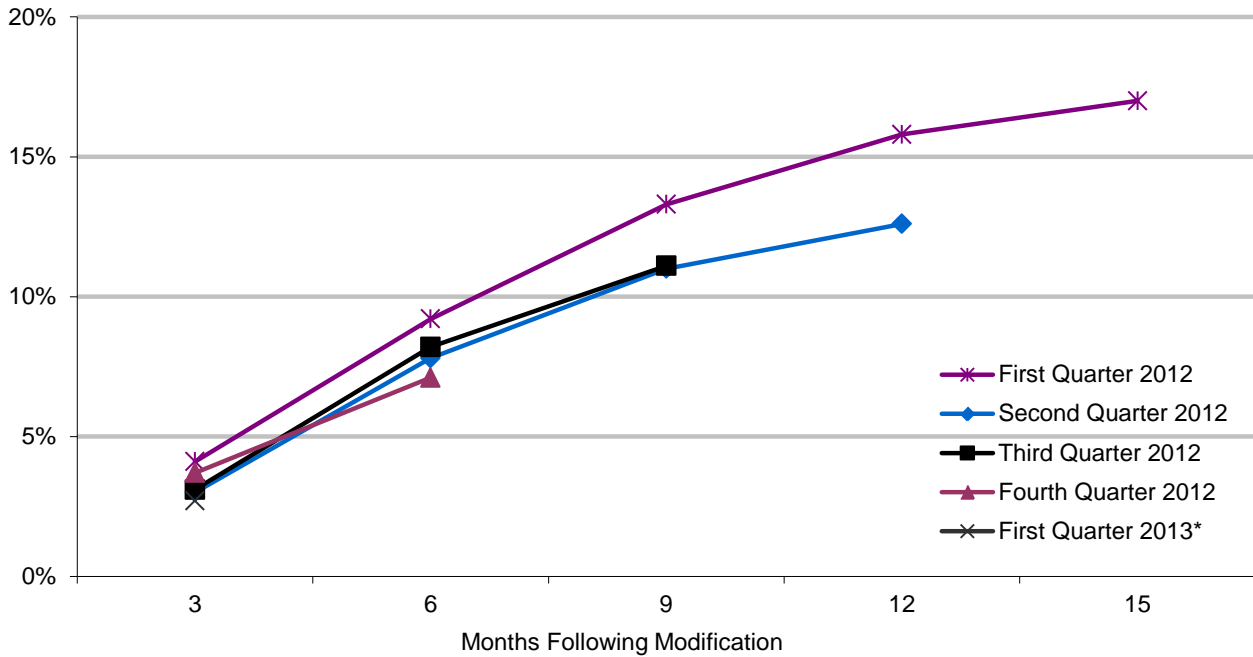
**Re-Default Rates of Modified Loans: 90 or More Days Delinquent**

Among modifications completed during the last five quarters, less than 16 percent were 90 or more days delinquent 12 months after modification.

<b>Table 27. Modified Loans 90 or More Days Delinquent*</b>					
Modification Date*	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification	15 Months After Modification
First Quarter 2012	4.1%	9.2%	13.3%	15.8%	17.0%
Second Quarter 2012	3.0%	7.8%	11.0%	12.6%	-
Third Quarter 2012	3.1%	8.2%	11.1%	-	-
Fourth Quarter 2012	3.7%	7.1%	-	-	-
First Quarter 2013	2.7%	-	-	-	-

\*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 first quarter of 2013 are represented by a single point (2.7 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 as economic conditions have improved and 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%	24.6%
Freddie Mac	12.1%	17.8%	20.7%	21.9%	20.8%
Government-Guaranteed	27.4%	40.7%	46.6%	48.8%	51.4%
Private	19.8%	28.3%	33.2%	33.7%	31.8%
Portfolio Loans	11.7%	18.0%	20.9%	22.0%	24.3%
Overall	17.3%	25.4%	29.5%	30.6%	30.7%

\*Data include all modifications implemented during 2010 that have aged the indicated number of months.

<b>Table 31. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2011</b>					
<b>(60 or More Days Delinquent)</b>					
<b>Investor Loan Type</b>	<b>6 Months After Modification</b>	<b>12 Months After Modification</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification*</b>	<b>36 Months After Modification</b>
Fannie Mae	11.2%	16.7%	18.9%	19.3%	-
Freddie Mac	10.9%	16.8%	20.1%	20.8%	-
Government-Guaranteed	28.0%	42.3%	47.9%	49.1%	-
Private	15.5%	22.1%	24.5%	25.2%	-
Portfolio Loans	9.3%	15.1%	18.1%	17.2%	-
Overall	15.4%	23.2%	26.6%	28.2%	-

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

<b>Table 32. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2012</b>					
<b>(60 or More Days Delinquent)</b>					
<b>Investor Loan Type</b>	<b>6 Months After Modification</b>	<b>12 Months After Modification*</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification</b>	<b>36 Months After Modification</b>
Fannie Mae	11.5%	16.9%	-	-	-
Freddie Mac	8.8%	13.5%	-	-	-
Government-Guaranteed	21.3%	34.4%	-	-	-
Private	13.0%	18.8%	-	-	-
Portfolio Loans	7.2%	12.6%	-	-	-
Overall	12.7%	18.9%	-	-	-

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

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

HAMP modifications have performed better than other modifications implemented during the same periods. These lower post-modification delinquency rates reflect HAMP’s emphasis on the affordability of monthly payments relative to the borrower’s income, verification of income, and completion of a successful trial-payment period. While these criteria result in better performance of HAMP modifications over time, the greater flexibility in making other types of modifications results in more of those modifications for borrowers who do not qualify for HAMP modifications.

<b>Table 33. Performance of HAMP Modifications Compared With Other Modifications</b>						
<b>(60 or More Days Delinquent)*</b>						
	<b>Number of Modifications</b>	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>	<b>15 Months After Modification</b>
HAMP Second Quarter 2011	68,228	5.2%	9.6%	12.3%	13.9%	16.3%
Other Second Quarter 2011	81,627	10.0%	22.0%	27.6%	30.9%	30.9%
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%
Other 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%	-
Other Second Quarter 2012	68,101	7.5%	14.5%	17.9%	19.4%	-
HAMP Third Quarter 2012	31,688	4.3%	7.7%	9.4%	-	-
Other Third Quarter 2012	104,821	8.0%	14.6%	17.9%	-	-
HAMP Fourth Quarter 2012	29,260	3.8%	6.2%	-	-	-
Other Fourth Quarter 2012	114,235	8.3%	12.8%	-	-	-
HAMP First Quarter 2013	27,728	3.2%	-	-	-	-
Other First Quarter 2013	110,821	6.5%	-	-	-	-

\*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 may also result from setting monthly payments relative to the borrower’s income and ability to repay, as well as verification of income and completion of a successful trial period.

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

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

Tables 34 through 38 present re-default rates, measured as 60 or more days delinquent, for modifications made since January 1, 2008. Data show that re-default rates decrease as reductions in payments increase more than 10 percent. Modification performance has continued to improve over time, as modifications since 2010 have focused more on substantively reducing monthly payments and setting payments relative to the borrower’s income and ability to pay. Modifications that resulted in no change to the borrower’s monthly payment have performed better than many modifications that reduced payments. These modifications generally freeze the interest rate on an ARM so that the rate and payment do not increase, and they tended to be offered to borrowers who were not in default on their payments.

<b>Table 34. Re-Default Rates of Loans Modified in 2008 by Change in Payment</b>					
<b>(60 or More Days Delinquent)</b>					
	<b>6 Months After Modification</b>	<b>12 Months After Modification</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification</b>	<b>36 Months After Modification</b>
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%

<b>Table 35. Re-Default Rates of Loans Modified in 2009 by Change in Payment</b>					
<b>(60 or More Days Delinquent)</b>					
	<b>6 Months After Modification</b>	<b>12 Months After Modification</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification</b>	<b>36 Months After Modification</b>
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%

<b>Table 36. Re-Default Rates of Loans Modified in 2010 by Change in Payment</b>					
<b>(60 or More Days Delinquent)</b>					
	<b>6 Months After Modification</b>	<b>12 Months After Modification</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification</b>	<b>36 Months After Modification*</b>
Decreased by 20% or More	11.4%	17.4%	21.1%	22.3%	22.5%
Decreased by 10% to Less Than 20%	19.8%	30.3%	35.6%	37.3%	37.8%
Decreased by Less Than 10%	26.1%	37.4%	42.7%	43.9%	46.6%
Unchanged	18.8%	23.0%	24.8%	24.1%	29.0%
Increased	32.8%	44.1%	48.1%	48.8%	47.0%
Total	17.3%	25.4%	29.5%	30.6%	30.7%

\*Data include all modifications implemented during 2010 that have aged the indicated number of months.

<b>Table 37. Re-Default Rates of Loans Modified in 2011 by Change in Payment</b>					
<b>(60 or More Days Delinquent)</b>					
	<b>6 Months After Modification</b>	<b>12 Months After Modification</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification*</b>	<b>36 Months After Modification</b>
Decreased by 20% or More	9.5%	14.8%	17.5%	18.6%	-
Decreased by 10% to Less Than 20%	16.7%	26.6%	31.2%	33.7%	-
Decreased by Less Than 10%	22.7%	34.3%	38.9%	38.7%	-
Unchanged	13.5%	17.3%	18.5%	17.9%	-
Increased	32.8%	44.9%	49.6%	51.8%	-
Total	15.4%	23.2%	26.6%	28.3%	-

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

<b>Table 38. Re-Default Rates of Loans Modified in 2012 by Change in Payment</b>					
<b>(60 or More Days Delinquent)</b>					
	<b>6 Months After Modification</b>	<b>12 Months After Modification*</b>	<b>18 Months After Modification</b>	<b>24 Months after Modification</b>	<b>36 Months After Modification</b>
Decreased by 20% or More	8.8%	13.9%	-	-	-
Decreased by 10% to Less Than 20%	12.5%	19.1%	-	-	-
Decreased by Less Than 10%	22.1%	32.2%	-	-	-
Unchanged	9.9%	11.7%	-	-	-
Increased	29.0%	40.6%	-	-	-
Total	12.7%	18.9%	-	-	-

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

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

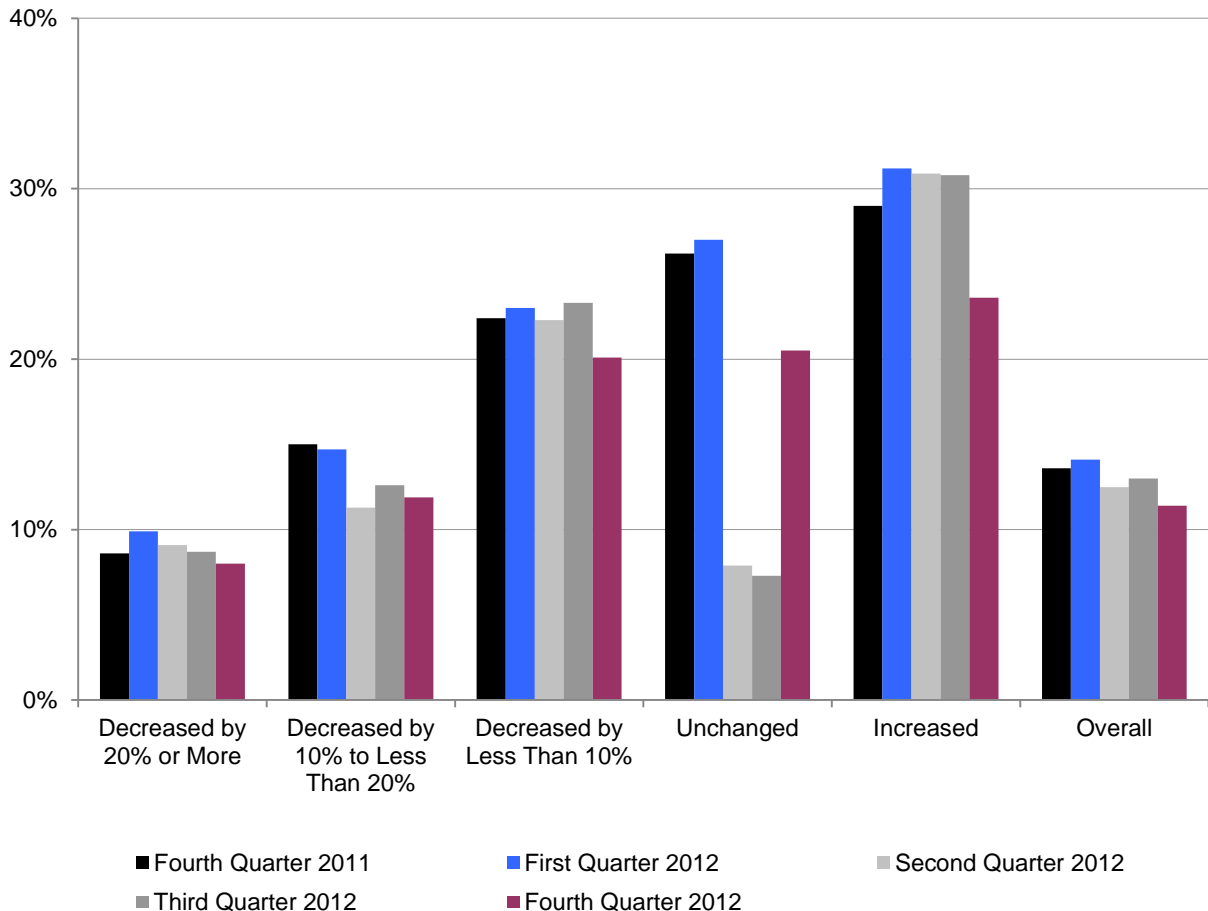
Modifications that reduced monthly principal and interest payments by at least 10 percent consistently performed better than other modifications. Modifications with the greatest decrease in monthly payments consistently had the lowest re-default rates. Modifications that resulted in no change to the 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 39. 60+ Delinquency at Six Months After Modification by Change in Monthly Payment**

	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Overall
Fourth Quarter 2011	8.6%	15.0%	22.4%	26.2%	29.0%	13.6%
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%
Total*	8.8%	12.9%	22.2%	10.9%	29.0%	12.8%

\*For quarters listed.

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



**Status of Mortgages Modified in 2008–1Q 2013**

Servicers implemented 3,180,522 modifications from January 1, 2008, through March 31, 2013. Of these modifications, 44.0 percent were current and performing at the end of the second quarter of 2013 with another 2.6 percent paid off. More than 18 percent of these modifications were delinquent, while 13.6 percent were in the process of foreclosure or had completed the foreclosure process. HAMP modifications implemented since the third quarter of 2009 have performed better than other modifications. Modifications that reduced borrowers’ monthly payments by 10 percent or more performed significantly better than other modifications. Of the 1,997,167 modifications that reduced payments by 10 percent or more, 47.9 percent were current or paid off at the end of the second quarter of 2013, compared with 35.2 percent of modifications that reduced payments by less than 10 percent.

<b>Table 40. Status of Mortgages Modified in 2008–1Q 2013</b>								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	443,294	22.3%	4.9%	10.0%	6.8%	16.4%	4.2%	35.4%
2009	593,884	32.3%	6.0%	12.3%	7.4%	12.1%	3.7%	26.2%
2010	955,422	42.0%	6.7%	11.5%	6.7%	7.5%	2.7%	22.9%
2011	569,553	49.6%	7.2%	12.9%	6.5%	3.4%	1.9%	18.4%
2012	479,820	66.0%	8.9%	11.5%	3.7%	0.5%	0.8%	8.7%
2013	138,549	78.3%	8.6%	7.0%	0.5%	0.0%	0.3%	5.2%
Total	3,180,522	44.0%	6.8%	11.5%	6.1%	7.5%	2.6%	21.5%
<b>HAMP Modification Performance Compared With Other Modifications**</b>								
Other Modifications	1,684,541	47.4%	7.9%	13.4%	6.5%	6.0%	2.4%	16.4%
HAMP Modifications	714,841	56.9%	6.0%	7.6%	4.0%	3.3%	1.4%	20.9%
<b>Modifications That Reduced Payments by 10 Percent or More</b>								
	1,997,167	46.1%	6.4%	9.6%	4.9%	5.0%	1.8%	20.7%
<b>Modifications That Reduced Payments by Less Than 10 Percent</b>								
	1,183,355	31.4%	6.6%	13.9%	8.1%	11.7%	3.8%	22.3%

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

\*\*Modifications used to compare with HAMP modifications only include modifications implemented from the third quarter of 2009 through the first 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 121,746 during the second quarter of 2013, a decrease of 7.6 percent from the previous quarter and 27.8 percent from a year earlier. The number of completed foreclosures decreased to 79,960—down 5.9 percent from the previous quarter and 22.2 percent from a year earlier. Short sales decreased 9.1 percent from the previous quarter and 38.2 percent from a year earlier. Short sales were 32.2 percent of total home forfeiture actions, down from 32.8 percent the previous quarter and 37.6 percent the previous year. Deed-in-lieu-of-foreclosure actions remained a small portion of home forfeiture actions during the quarter.

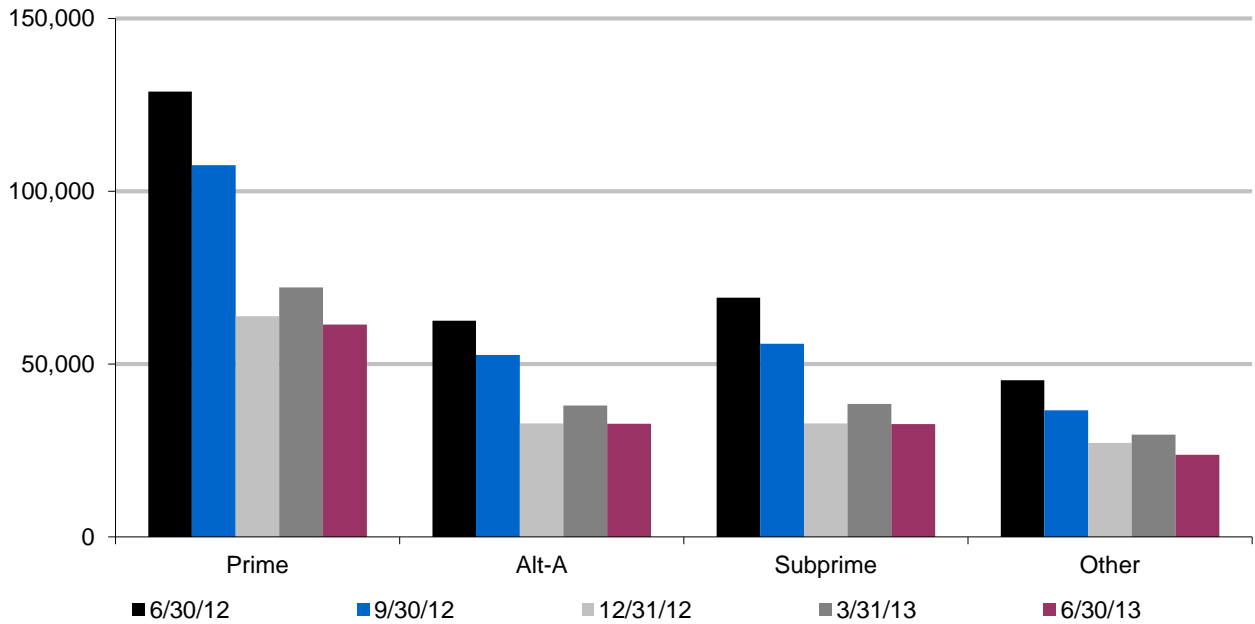
<b>Table 41. Completed Foreclosures and Other Home Forfeiture Actions</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Completed Foreclosures	102,776	114,743	105,875	84,977	79,960	-5.9%	-22.2%
New Short Sales	63,403	63,860	61,761	43,143	39,207	-9.1%	-38.2%
New Deed-in-Lieu-of-Foreclosure Actions	2,336	1,707	1,428	3,596	2,579	-28.3%	10.4%
Total	168,515	180,310	169,064	131,716	121,746	-7.6%	-27.8%

**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. The number of newly initiated foreclosures was 150,592 in the second quarter of 2013, a decrease of 15.6 percent from the previous quarter and 50.8 percent from a year ago.

	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Prime	128,785	107,507	63,834	72,198	61,405	-14.9%	-52.3%
Alt-A	62,590	52,650	32,812	38,052	32,749	-13.9%	-47.7%
Subprime	69,177	55,845	32,886	38,464	32,667	-15.1%	-52.8%
Other	45,345	36,602	27,241	29,646	23,771	-19.8%	-47.6%
Total	305,897	252,604	156,773	178,360	150,592	-15.6%	-50.8%

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

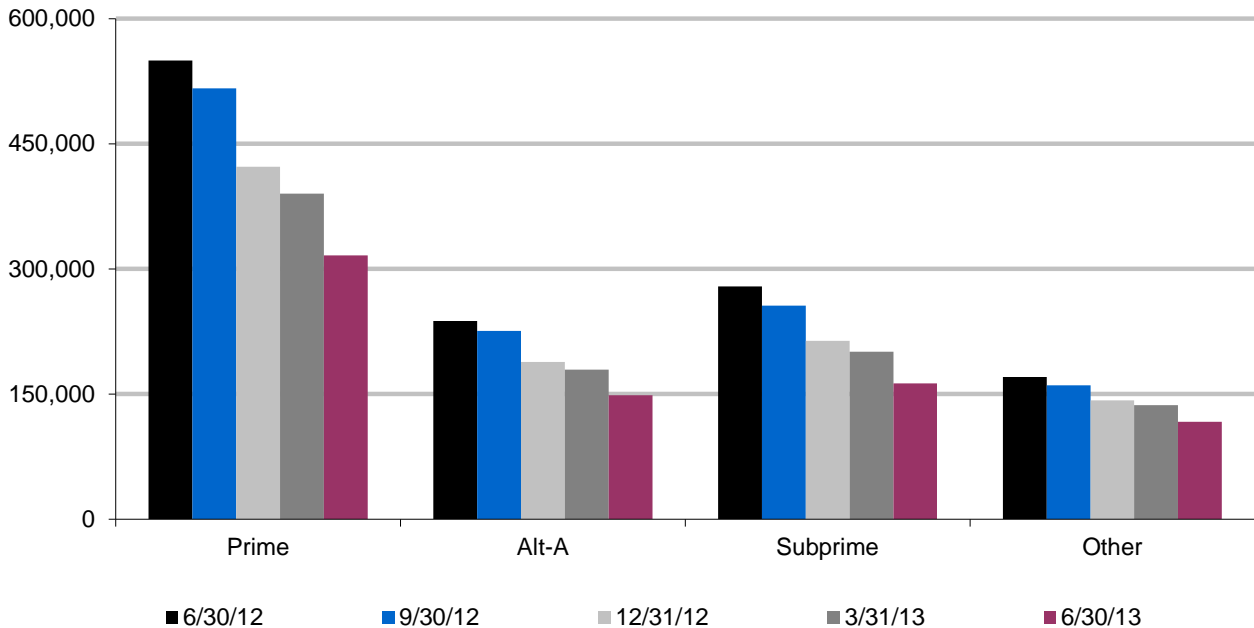


**Foreclosures in Process**

The number of mortgages in the process of foreclosure decreased to 744,369 at the end of the quarter, 162,859 fewer than the previous quarter and 492,656 less than a year earlier. The percentage of mortgages in the portfolio that were in some stage of the foreclosure process at the end of the second quarter of 2013 was 2.8 percent, a decrease of 13.6 percent from the previous quarter and 30.8 percent from a year ago. The number of mortgages in the portfolio that were in some stage of the foreclosure process at the end of the second quarter of 2013 was down 18.0 percent from the previous quarter and 39.8 percent from a year ago.

<b>Table 43. Foreclosures in Process</b>							
Percentage of Foreclosures in Process Relative to Mortgages in That Risk Category							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Prime	2.5%	2.4%	2.0%	1.9%	1.6%	-15.5%	-35.3%
Alt-A	7.2%	7.0%	6.1%	6.0%	5.3%	-10.8%	-25.7%
Subprime	12.8%	12.3%	10.7%	10.5%	9.3%	-11.5%	-27.2%
Other	5.5%	5.4%	4.9%	5.0%	4.6%	-7.7%	-15.9%
Total	4.1%	3.9%	3.3%	3.2%	2.8%	-13.6%	-30.8%
Number of Foreclosures in Process							
Prime	549,862	516,346	422,472	390,415	316,235	-19.0%	-42.5%
Alt-A	237,671	225,615	188,577	179,261	148,632	-17.1%	-37.5%
Subprime	279,023	255,846	213,843	200,731	162,774	-18.9%	-41.7%
Other	170,469	160,482	142,575	136,821	116,728	-14.7%	-31.5%
Total	1,237,025	1,158,289	967,467	907,228	744,369	-18.0%	-39.8%

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

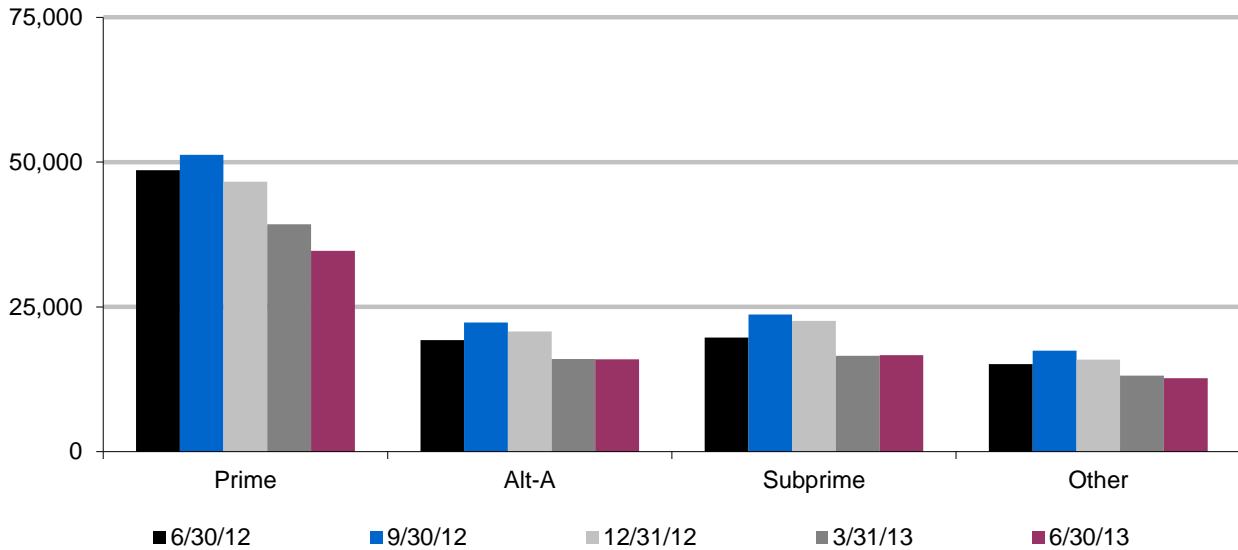


### Completed Foreclosures

The number of completed foreclosures decreased to 79,960 during the quarter—down 5.9 percent from the previous quarter and 22.2 percent from a year earlier. The percentage of mortgages that completed the foreclosure process during the second quarter of 2013 was 0.3 percent of all mortgages serviced, a decrease of 0.9 percent from the previous quarter and 10.6 percent from a year earlier.

<b>Table 44. Completed Foreclosures</b>							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Prime	0.2%	0.2%	0.2%	0.2%	0.2%	-7.9%	-19.8%
Alt-A	0.6%	0.7%	0.7%	0.5%	0.6%	7.2%	-1.7%
Subprime	0.9%	1.1%	1.1%	0.9%	1.0%	9.5%	5.4%
Other	0.5%	0.6%	0.6%	0.5%	0.5%	4.4%	2.9%
Total	0.3%	0.4%	0.4%	0.3%	0.3%	-0.9%	-10.6%
Number of Completed Foreclosures							
Prime	48,634	51,285	46,647	39,255	34,686	-11.6%	-28.7%
Alt-A	19,285	22,328	20,764	16,005	15,943	-0.4%	-17.3%
Subprime	19,726	23,692	22,562	16,588	16,654	0.4%	-15.6%
Other	15,131	17,438	15,902	13,129	12,677	-3.4%	-16.2%
Total	102,776	114,743	105,875	84,977	79,960	-5.9%	-22.2%

**Figure 17. Number of Completed Foreclosures**

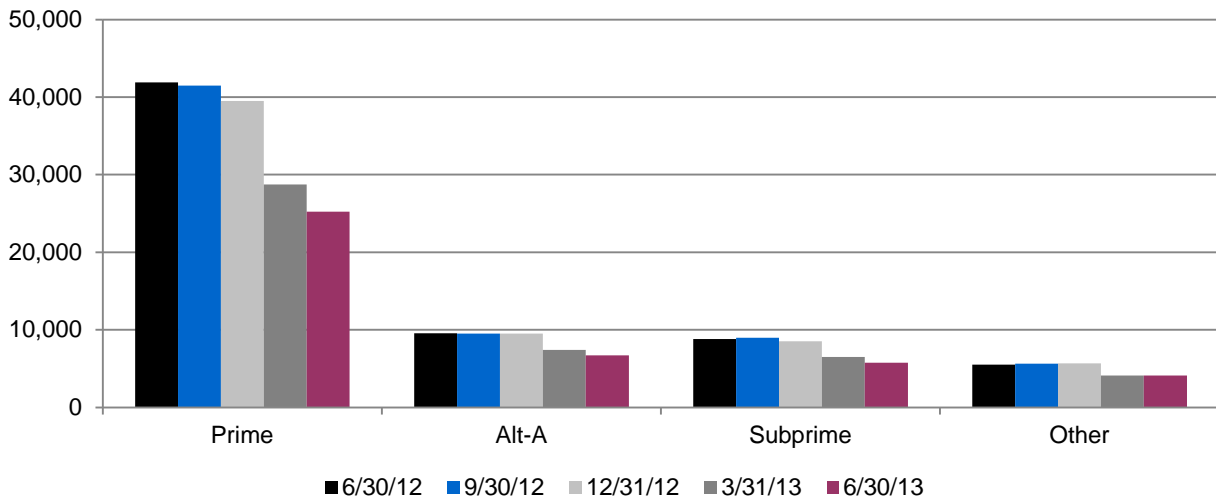


**Completed Short Sales and Deeds in Lieu of Foreclosure**

The number of completed short sales and deeds in lieu of foreclosure decreased to 41,786 during the quarter—down 10.6 percent from the previous quarter and 36.4 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 second quarter were 0.2 percent, down 5.8 percent from the previous quarter and 26.9 percent from a year earlier.

<b>Table 45. Completed Short Sales and Deeds in Lieu of Foreclosure</b>							
Percentage of Completed Short Sales and Deeds in Lieu of Foreclosure Relative to Mortgages in That Risk Category							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Prime	0.2%	0.2%	0.2%	0.1%	0.1%	-8.4%	-32.3%
Alt-A	0.3%	0.3%	0.3%	0.2%	0.2%	-2.8%	-16.5%
Subprime	0.4%	0.4%	0.4%	0.3%	0.3%	-3.2%	-18.4%
Other	0.2%	0.2%	0.2%	0.1%	0.2%	8.0%	-8.6%
Total	0.2%	0.2%	0.2%	0.2%	0.2%	-5.8%	-26.9%
Number of Short Sales and Deeds in Lieu of Foreclosure							
Prime	41,902	41,473	39,498	28,731	25,236	-12.2%	-39.8%
Alt-A	9,535	9,515	9,513	7,418	6,699	-9.7%	-29.7%
Subprime	8,808	8,964	8,519	6,494	5,762	-11.3%	-34.6%
Other	5,494	5,615	5,659	4,096	4,089	-0.2%	-25.6%
Overall	65,739	65,567	63,189	46,739	41,786	-10.6%	-36.4%

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

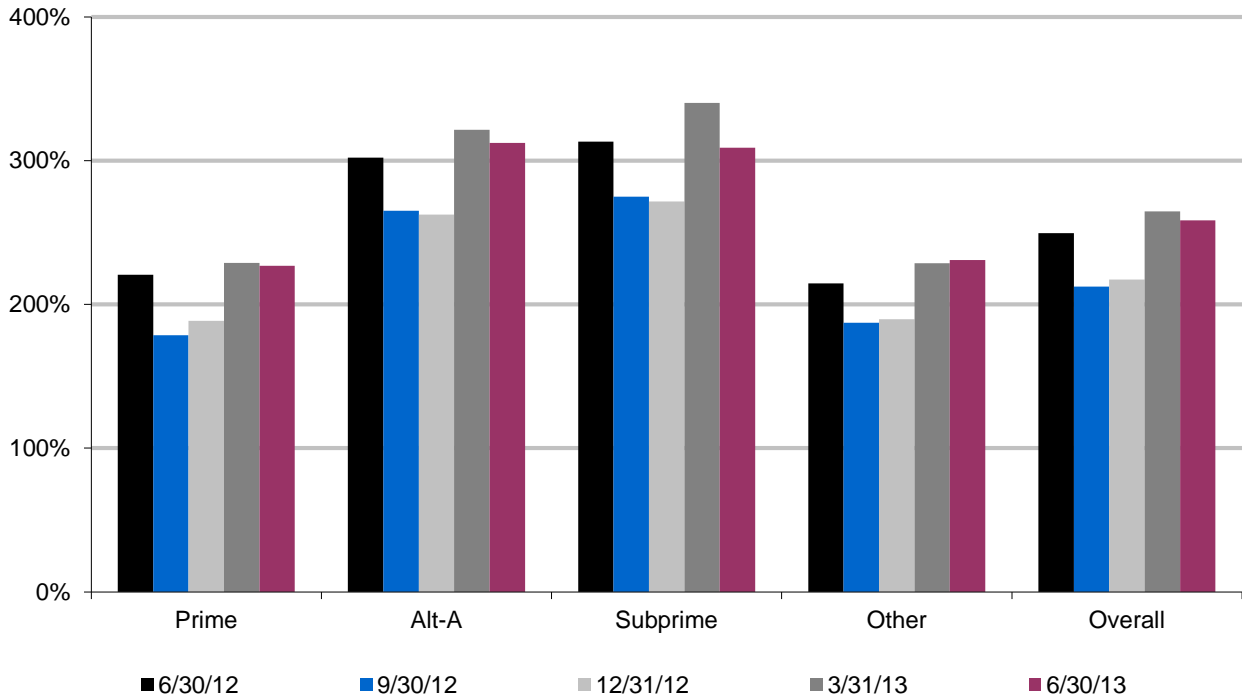


**New Home Retention Actions Relative to Forfeiture Actions, by Risk Category**

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 second quarter of 2013.

<b>Table 46. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Prime	220.7%	178.6%	188.6%	228.8%	226.9%	-0.8%	2.8%
Alt-A	302.1%	265.2%	262.5%	321.5%	312.3%	-2.8%	3.4%
Subprime	313.2%	274.9%	271.7%	340.1%	309.1%	-9.1%	-1.3%
Other	214.7%	187.3%	189.6%	228.7%	230.9%	1.0%	7.5%
Overall	249.6%	212.5%	217.2%	264.8%	258.5%	-2.4%	3.6%

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



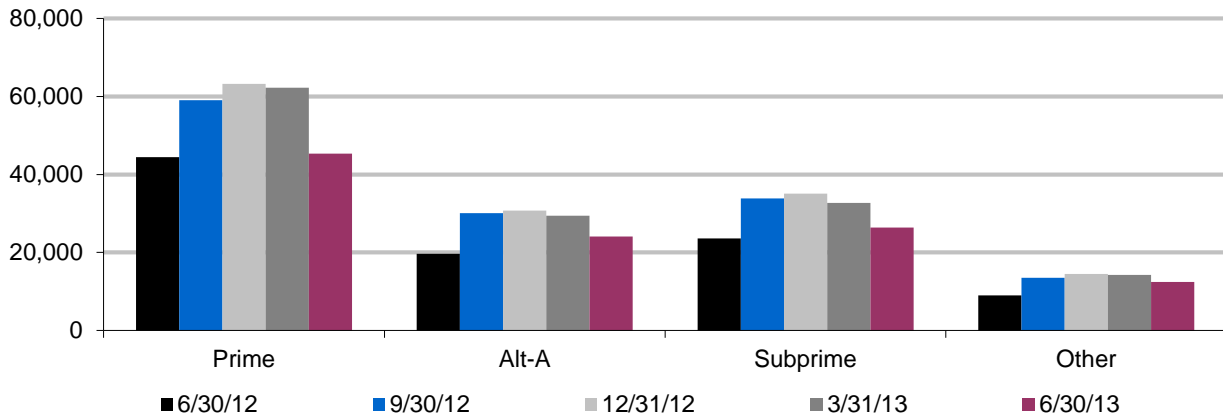
**Appendixes**

**Appendix A—New Loan Modifications**

There were 108,268 new loan modifications completed during the second quarter of 2013—a 21.9 percent decrease from the previous quarter and an 11.9 percent increase from a year earlier. New modifications decreased across all risk categories during the quarter.

<b>Table 47. Number of New Loan Modifications</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Prime	44,452	59,049	63,211	62,195	45,305	-27.2%	1.9%
Alt-A	19,678	30,110	30,708	29,415	24,090	-18.1%	22.4%
Subprime	23,560	33,813	35,091	32,730	26,401	-19.3%	12.1%
Other	9,025	13,537	14,485	14,209	12,472	-12.2%	38.2%
Total	96,715	136,509	143,495	138,549	108,268	-21.9%	11.9%

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

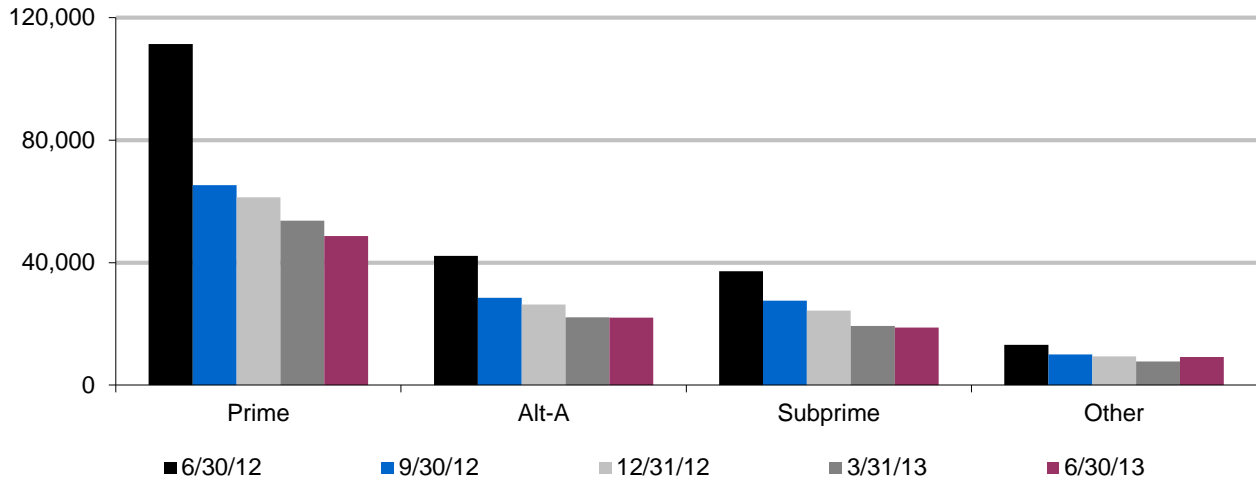


**Appendix B—New Trial-Period Plans**

Servicers initiated 98,749 trial-period plans during the second quarter of 2013, a decrease of 4.0 percent from the previous quarter and 51.6 percent from a year earlier.

<b>Table 48. Number of New Trial-Period Plans</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Prime	111,366	65,256	61,307	53,745	48,712	-9.4%	-56.3%
Alt-A	42,209	28,486	26,276	22,137	22,000	-0.6%	-47.9%
Subprime	37,184	27,602	24,312	19,334	18,816	-2.7%	-49.4%
Other	13,213	10,059	9,373	7,696	9,221	19.8%	-30.2%
Total	203,972	131,403	121,268	102,912	98,749	-4.0%	-51.6%

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



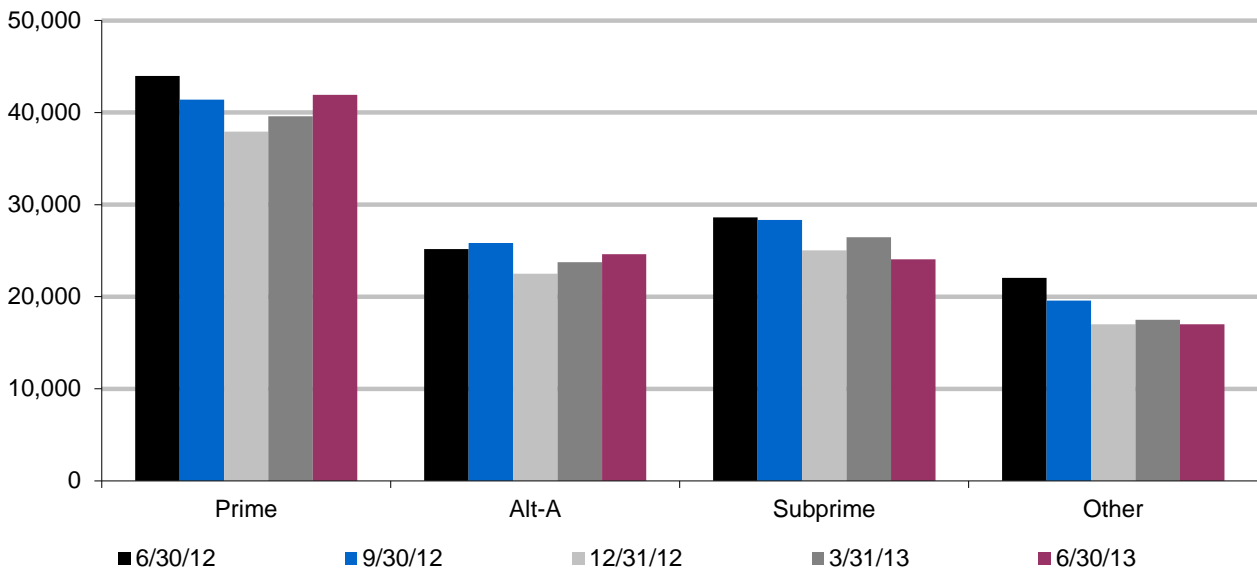


**Appendix C—New Payment Plans**

New payment plans increased by 0.4 percent to 107,655 during the second quarter of 2013.

<b>Table 49. Number of New Payment Plans</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Prime	43,992	41,401	37,938	39,598	41,937	5.9%	-4.7%
Alt-A	25,190	25,838	22,495	23,745	24,630	3.7%	-2.2%
Subprime	28,624	28,349	25,048	26,444	24,069	-9.0%	-15.9%
Other	22,044	19,592	17,012	17,488	17,019	-2.7%	-22.8%
Total	119,850	115,180	102,493	107,275	107,655	0.4%	-10.2%

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



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

Servicers generally use a combination of actions to reduce monthly payments and achieve payment sustainability when modifying a mortgage. Servicers changed more than one loan term in 89.7 percent of all modifications completed during the second quarter of 2013.

<b>Table 50. Changes in Terms for Modifications Made Through the Second Quarter of 2013</b>							
<b>(Percentage of Modifications in Each Category)</b>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Combination*	86.4%	93.9%	89.9%	85.8%	89.7%	4.5%	3.8%
Capitalization	1.5%	1.6%	1.4%	1.7%	1.8%	8.6%	25.0%
Rate Reduction	6.2%	2.6%	6.5%	11.1%	5.6%	-49.1%	-9.4%
Rate Freeze	0.01%	0.1%	0.1%	0.01%	0.00%	-78.7%	-86.3%
Term Extension	0.5%	0.3%	0.9%	0.6%	1.2%	95.5%	127.8%
Principal Reduction	4.6%	1.1%	0.1%	0.1%	0.1%	9.3%	-98.2%
Principal Deferral	0.1%	0.1%	0.1%	0.1%	0.1%	66.4%	57.7%
Not Reported**	0.7%	0.4%	1.1%	0.6%	1.4%	117.4%	89.2%
<b>(Number of Changes in Each Category)</b>							
Combination*	83,523	128,207	128,974	118,853	97,079	-18.3%	16.2%
Capitalization	1,427	2,186	1,944	2,354	1,997	-15.2%	39.9%
Rate Reduction	6,017	3,570	9,271	15,349	6,104	-60.2%	1.4%
Rate Freeze	13	104	83	12	2	-83.3%	-84.6%
Term Extension	520	367	1,240	868	1,326	52.8%	155.0%
Principal Reduction	4,412	1,486	200	103	88	-14.6%	-98.0%
Principal Deferral	81	85	184	110	143	30.0%	76.5%
Not Reported**	722	504	1,599	900	1,529	69.9%	111.8%
All Modifications	96,715	136,509	143,495	138,549	108,268	-21.9%	11.9%

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

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

**Changes in Terms for Combination Modification Actions**

Of the 97,079 modifications completed during the second quarter of 2013 that changed more than one term of the mortgage contract, 89.0 percent included capitalization of missed fees and payments, 84.0 percent included interest rate reduction, and 74.1 percent included an extension of the loan maturity. Principal deferral was included in 22.7 percent of the combination modifications implemented during the quarter, and principal reduction was included in 13.5 percent. Because combination modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total combination modifications.

<b>Table 51. Changes in Terms for Combination Modifications Through the Second Quarter of 2013</b>							
<i>(Percentage of Modifications in Each Category)</i>							
	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	1Q %Change	1Y %Change
Capitalization	88.9%	92.2%	92.7%	90.5%	89.0%	-1.6%	0.2%
Rate Reduction	84.0%	79.3%	74.3%	80.4%	84.0%	4.5%	0.0%
Rate Freeze	7.2%	7.4%	4.3%	4.3%	5.8%	34.7%	-20.1%
Term Extension	71.3%	68.9%	64.6%	69.6%	74.1%	6.5%	4.0%
Principal Reduction	12.6%	17.1%	22.1%	17.6%	13.5%	-23.6%	6.7%
Principal Deferral	22.7%	20.2%	22.7%	21.2%	22.7%	7.3%	-0.2%
<i>(Total Number of Changes in Each Category)</i>							
Capitalization	74,258	118,270	119,510	107,528	86,447	-19.6%	16.4%
Rate Reduction	70,137	101,686	95,844	95,561	81,560	-14.7%	16.3%
Rate Freeze	6,050	9,551	5,561	5,109	5,622	10.0%	-7.1%
Term Extension	59,536	88,290	83,278	82,726	71,969	-13.0%	20.9%
Principal Reduction	10,528	21,965	28,565	20,930	13,062	-37.6%	24.1%
Principal Deferral	19,001	25,860	29,261	25,162	22,051	-12.4%	16.1%

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

The following tables present certain mortgage modification data by state, the District of Columbia, and U.S. territories (the latter are included in the category labeled “Other”). These data fulfill reporting requirements in the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (Public Law 111-203).

Table 52 presents the number and percentage of HAMP modifications and other modifications in each state during the second quarter of 2013. Tables 53 and 54 present the number and percentage of each type of action included in modifications made during the quarter in each state, the District of Columbia, and U.S. territories. Tables 55 and 56 present the number and percentage of each type of action included in combination modifications made during the quarter in each state, the District of Columbia, and U.S. territories. Tables 57 and 58 present the number and percentage of modifications made during the quarter in each state, the District of Columbia, and U.S. territories by the amount of change in the borrowers’ monthly principal and interest payments. Tables 59 and 60 present the number and percentage of modifications made in the fourth quarter of 2012 that were 60 or more days delinquent or in the process of foreclosure at the end of the second quarter of 2013.

<b>Table 52. Number and Percentage of Mortgage Modifications Implemented in the Second Quarter of 2013</b>						
States	HAMP Modifications		Other Modifications		Total Modifications	
	Total	% of State Total	Total	% of State Total	Total	% of Total
Total - All States	17,927	16.6%	90,341	83.4%	108,268	100.0%
Alabama	99	8.2%	1,109	91.8%	1,208	1.1%
Alaska	8	14.8%	46	85.2%	54	0.0%
Arizona	316	15.6%	1,704	84.4%	2,020	1.9%
Arkansas	45	9.1%	448	90.9%	493	0.5%
California	4,878	27.1%	13,133	72.9%	18,011	16.6%
Colorado	183	13.1%	1,217	86.9%	1,400	1.3%
Connecticut	282	17.8%	1,299	82.2%	1,581	1.5%
Delaware	59	12.7%	406	87.3%	465	0.4%
District of Columbia	35	15.4%	192	84.6%	227	0.2%
Florida	2,066	18.1%	9,372	81.9%	11,438	10.6%
Georgia	660	11.8%	4,941	88.2%	5,601	5.2%
Hawaii	63	22.9%	212	77.1%	275	0.3%
Idaho	53	13.1%	352	86.9%	405	0.4%
Illinois	882	14.9%	5,027	85.1%	5,909	5.5%
Indiana	165	9.3%	1,618	90.7%	1,783	1.6%
Iowa	51	9.9%	462	90.1%	513	0.5%
Kansas	69	12.5%	485	87.5%	554	0.5%
Kentucky	59	7.7%	711	92.3%	770	0.7%
Louisiana	111	10.1%	992	89.9%	1,103	1.0%
Maine	43	13.2%	283	86.8%	326	0.3%
Maryland	640	17.3%	3,066	82.7%	3,706	3.4%
Massachusetts	398	18.5%	1,754	81.5%	2,152	2.0%
Michigan	274	11.1%	2,205	88.9%	2,479	2.3%
Minnesota	254	18.6%	1,111	81.4%	1,365	1.3%
Mississippi	58	9.7%	537	90.3%	595	0.5%
Missouri	190	12.5%	1,327	87.5%	1,517	1.4%
Montana	22	15.5%	120	84.5%	142	0.1%
Nebraska	28	10.4%	240	89.6%	268	0.2%
Nevada	304	19.4%	1,259	80.6%	1,563	1.4%
New Hampshire	57	15.4%	314	84.6%	371	0.3%
New Jersey	792	18.4%	3,505	81.6%	4,297	4.0%
New Mexico	57	10.8%	470	89.2%	527	0.5%
New York	1,234	20.4%	4,819	79.6%	6,053	5.6%
North Carolina	392	11.7%	2,951	88.3%	3,343	3.1%
North Dakota	1	3.7%	26	96.3%	27	0.0%
Ohio	333	10.5%	2,840	89.5%	3,173	2.9%
Oklahoma	58	8.5%	622	91.5%	680	0.6%
Oregon	214	18.6%	937	81.4%	1,151	1.1%
Pennsylvania	431	13.1%	2,848	86.9%	3,279	3.0%
Rhode Island	80	20.4%	313	79.6%	393	0.4%
South Carolina	157	10.0%	1,410	90.0%	1,567	1.4%
South Dakota	6	9.1%	60	90.9%	66	0.1%
Tennessee	187	11.8%	1,404	88.2%	1,591	1.5%
Texas	542	9.1%	5,382	90.9%	5,924	5.5%
Utah	102	11.8%	761	88.2%	863	0.8%
Vermont	12	11.1%	96	88.9%	108	0.1%
Virginia	374	13.9%	2,319	86.1%	2,693	2.5%
Washington	384	15.1%	2,161	84.9%	2,545	2.4%
West Virginia	21	9.0%	213	91.0%	234	0.2%
Wisconsin	173	13.8%	1,084	86.2%	1,257	1.2%
Wyoming	4	7.4%	50	92.6%	54	0.0%
Other	21	14.1%	128	85.9%	149	0.1%

<b>Table 53. Number of Mortgage Modification Actions Implemented in the Second Quarter of 2013</b>								
States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reductions	Principal Deferral	Combination	Not Reported	Total Modifications
Total - All States	1,997	6,106	1,326	88	143	97,079	1,529	108,268
Alabama	18	30	19	2	0	1,125	14	1,208
Alaska	4	0	1	0	0	47	2	54
Arizona	46	127	28	0	5	1,781	33	2,020
Arkansas	12	19	3	1	0	451	7	493
California	322	1,291	231	24	51	15,774	318	18,011
Colorado	27	60	28	0	1	1,266	18	1,400
Connecticut	31	92	20	0	0	1,422	16	1,581
Delaware	6	20	11	0	0	423	5	465
District of Columbia	6	27	4	0	0	181	9	227
Florida	165	662	102	16	11	10,333	149	11,438
Georgia	97	385	66	6	6	4,968	73	5,601
Hawaii	5	22	4	0	0	241	3	275
Idaho	17	22	7	0	1	353	5	405
Illinois	61	236	52	4	9	5,489	58	5,909
Indiana	46	30	14	0	1	1,679	13	1,783
Iowa	15	10	5	0	0	479	4	513
Kansas	10	50	8	0	0	478	8	554
Kentucky	13	18	10	0	1	722	6	770
Louisiana	26	25	16	0	0	1,025	11	1,103
Maine	12	12	7	1	0	284	10	326
Maryland	69	242	66	5	9	3,257	58	3,706
Massachusetts	41	158	19	1	4	1,884	45	2,152
Michigan	49	163	14	4	2	2,209	38	2,479
Minnesota	38	57	11	1	2	1,234	22	1,365
Mississippi	9	15	4	0	0	562	5	595
Missouri	40	105	16	0	1	1,338	17	1,517
Montana	5	3	1	0	0	133	0	142
Nebraska	6	5	3	0	0	250	4	268
Nevada	26	110	18	2	5	1,381	21	1,563
New Hampshire	7	18	5	0	0	335	6	371
New Jersey	46	181	77	3	6	3,925	59	4,297
New Mexico	14	49	3	0	0	456	5	527
New York	70	231	63	2	6	5,526	155	6,053
North Carolina	70	231	39	2	3	2,961	37	3,343
North Dakota	2	0	0	0	0	25	0	27
Ohio	60	90	35	4	0	2,955	29	3,173
Oklahoma	15	38	5	0	0	617	5	680
Oregon	19	97	16	0	3	1,006	10	1,151
Pennsylvania	89	95	53	1	7	2,980	54	3,279
Rhode Island	5	39	5	1	0	337	6	393
South Carolina	28	142	25	0	1	1,353	18	1,567
South Dakota	5	0	1	0	0	59	1	66
Tennessee	46	68	24	2	0	1,433	18	1,591
Texas	145	327	38	2	3	5,349	60	5,924
Utah	10	30	26	1	1	787	8	863
Vermont	2	3	5	0	0	95	3	108
Virginia	52	211	54	0	4	2,338	34	2,693
Washington	42	198	28	1	0	2,250	26	2,545
West Virginia	12	8	6	1	0	200	7	234
Wisconsin	32	39	22	1	0	1,151	12	1,257
Wyoming	3	6	4	0	0	41	0	54
Other	1	9	4	0	0	131	4	149

**Table 54. Percentage of Mortgage Modification Actions  
Implemented in the Second Quarter of 2013**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Combination	Not Reported	Total Modifications
Total - All States	1.8%	5.6%	1.2%	0.1%	0.1%	89.7%	1.4%	108,268
Alabama	1.5%	2.5%	1.6%	0.2%	0.0%	93.1%	1.2%	1,208
Alaska	7.4%	0.0%	1.9%	0.0%	0.0%	87.0%	3.7%	54
Arizona	2.3%	6.3%	1.4%	0.0%	0.2%	88.2%	1.6%	2,020
Arkansas	2.4%	3.9%	0.6%	0.2%	0.0%	91.5%	1.4%	493
California	1.8%	7.2%	1.3%	0.1%	0.3%	87.6%	1.8%	18,011
Colorado	1.9%	4.3%	2.0%	0.0%	0.1%	90.4%	1.3%	1,400
Connecticut	2.0%	5.8%	1.3%	0.0%	0.0%	89.9%	1.0%	1,581
Delaware	1.3%	4.3%	2.4%	0.0%	0.0%	91.0%	1.1%	465
District of Columbia	2.6%	11.9%	1.8%	0.0%	0.0%	79.7%	4.0%	227
Florida	1.4%	5.8%	0.9%	0.1%	0.1%	90.3%	1.3%	11,438
Georgia	1.7%	6.9%	1.2%	0.1%	0.1%	88.7%	1.3%	5,601
Hawaii	1.8%	8.0%	1.5%	0.0%	0.0%	87.6%	1.1%	275
Idaho	4.2%	5.4%	1.7%	0.0%	0.2%	87.2%	1.2%	405
Illinois	1.0%	4.0%	0.9%	0.1%	0.2%	92.9%	1.0%	5,909
Indiana	2.6%	1.7%	0.8%	0.0%	0.1%	94.2%	0.7%	1,783
Iowa	2.9%	1.9%	1.0%	0.0%	0.0%	93.4%	0.8%	513
Kansas	1.8%	9.0%	1.4%	0.0%	0.0%	86.3%	1.4%	554
Kentucky	1.7%	2.3%	1.3%	0.0%	0.1%	93.8%	0.8%	770
Louisiana	2.4%	2.3%	1.5%	0.0%	0.0%	92.9%	1.0%	1,103
Maine	3.7%	3.7%	2.1%	0.3%	0.0%	87.1%	3.1%	326
Maryland	1.9%	6.5%	1.8%	0.1%	0.2%	87.9%	1.6%	3,706
Massachusetts	1.9%	7.3%	0.9%	0.0%	0.2%	87.5%	2.1%	2,152
Michigan	2.0%	6.6%	0.6%	0.2%	0.1%	89.1%	1.5%	2,479
Minnesota	2.8%	4.2%	0.8%	0.1%	0.1%	90.4%	1.6%	1,365
Mississippi	1.5%	2.5%	0.7%	0.0%	0.0%	94.5%	0.8%	595
Missouri	2.6%	6.9%	1.1%	0.0%	0.1%	88.2%	1.1%	1,517
Montana	3.5%	2.1%	0.7%	0.0%	0.0%	93.7%	0.0%	142
Nebraska	2.2%	1.9%	1.1%	0.0%	0.0%	93.3%	1.5%	268
Nevada	1.7%	7.0%	1.2%	0.1%	0.3%	88.4%	1.3%	1,563
New Hampshire	1.9%	4.9%	1.3%	0.0%	0.0%	90.3%	1.6%	371
New Jersey	1.1%	4.2%	1.8%	0.1%	0.1%	91.3%	1.4%	4,297
New Mexico	2.7%	9.3%	0.6%	0.0%	0.0%	86.5%	0.9%	527
New York	1.2%	3.8%	1.0%	0.0%	0.1%	91.3%	2.6%	6,053
North Carolina	2.1%	6.9%	1.2%	0.1%	0.1%	88.6%	1.1%	3,343
North Dakota	7.4%	0.0%	0.0%	0.0%	0.0%	92.6%	0.0%	27
Ohio	1.9%	2.8%	1.1%	0.1%	0.0%	93.1%	0.9%	3,173
Oklahoma	2.2%	5.6%	0.7%	0.0%	0.0%	90.7%	0.7%	680
Oregon	1.7%	8.4%	1.4%	0.0%	0.3%	87.4%	0.9%	1,151
Pennsylvania	2.7%	2.9%	1.6%	0.0%	0.2%	90.9%	1.6%	3,279
Rhode Island	1.3%	9.9%	1.3%	0.3%	0.0%	85.8%	1.5%	393
South Carolina	1.8%	9.1%	1.6%	0.0%	0.1%	86.3%	1.1%	1,567
South Dakota	7.6%	0.0%	1.5%	0.0%	0.0%	89.4%	1.5%	66
Tennessee	2.9%	4.3%	1.5%	0.1%	0.0%	90.1%	1.1%	1,591
Texas	2.4%	5.5%	0.6%	0.0%	0.1%	90.3%	1.0%	5,924
Utah	1.2%	3.5%	3.0%	0.1%	0.1%	91.2%	0.9%	863
Vermont	1.9%	2.8%	4.6%	0.0%	0.0%	88.0%	2.8%	108
Virginia	1.9%	7.8%	2.0%	0.0%	0.1%	86.8%	1.3%	2,693
Washington	1.7%	7.8%	1.1%	0.0%	0.0%	88.4%	1.0%	2,545
West Virginia	5.1%	3.4%	2.6%	0.4%	0.0%	85.5%	3.0%	234
Wisconsin	2.5%	3.1%	1.8%	0.1%	0.0%	91.6%	1.0%	1,257
Wyoming	5.6%	11.1%	7.4%	0.0%	0.0%	75.9%	0.0%	54
Other	0.7%	6.0%	2.7%	0.0%	0.0%	87.9%	2.7%	149

**Table 55. Number of Modification Actions in Combination Actions  
Implemented in the Second Quarter of 2013**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	86,447	86,980	71,969	13,062	22,051	97,079
Alabama	946	1,050	934	49	79	1,125
Alaska	43	41	40	1	4	47
Arizona	1,537	1,563	1,278	246	473	1,781
Arkansas	414	425	352	19	29	451
California	14,120	13,746	9,081	4,322	5,716	15,774
Colorado	1,119	1,159	983	80	158	1,266
Connecticut	1,281	1,249	1,083	173	356	1,422
Delaware	352	373	357	25	66	423
District of Columbia	160	156	140	19	44	181
Florida	9,496	9,027	7,269	2,036	3,530	10,333
Georgia	4,294	4,514	3,837	473	934	4,968
Hawaii	223	215	155	27	65	241
Idaho	318	323	280	25	61	353
Illinois	4,968	4,845	4,256	762	1,746	5,489
Indiana	1,529	1,529	1,387	104	149	1,679
Iowa	421	405	403	18	35	479
Kansas	426	436	400	26	40	478
Kentucky	629	658	608	30	55	722
Louisiana	912	951	833	41	88	1,025
Maine	244	263	222	17	40	284
Maryland	2,858	2,893	2,407	401	718	3,257
Massachusetts	1,688	1,656	1,418	244	429	1,884
Michigan	1,975	2,003	1,658	236	492	2,209
Minnesota	1,125	1,092	928	144	281	1,234
Mississippi	485	519	433	48	62	562
Missouri	1,178	1,214	1,035	142	174	1,338
Montana	118	120	93	9	22	133
Nebraska	232	226	215	17	16	250
Nevada	1,224	1,132	884	293	484	1,381
New Hampshire	301	295	256	30	55	335
New Jersey	3,527	3,528	3,150	464	1,013	3,925
New Mexico	393	410	375	30	40	456
New York	5,019	4,969	4,232	595	1,338	5,526
North Carolina	2,575	2,675	2,431	208	309	2,961
North Dakota	19	19	22	1	2	25
Ohio	2,652	2,710	2,434	205	408	2,955
Oklahoma	565	569	515	26	33	617
Oregon	908	915	773	103	235	1,006
Pennsylvania	2,637	2,678	2,422	200	394	2,980
Rhode Island	302	305	235	58	102	337
South Carolina	1,196	1,237	1,075	94	157	1,353
South Dakota	54	51	50	2	2	59
Tennessee	1,222	1,313	1,093	112	137	1,433
Texas	4,707	5,120	4,481	246	304	5,349
Utah	669	736	636	66	92	787
Vermont	82	86	75	2	13	95
Virginia	1,985	2,145	1,820	226	324	2,338
Washington	2,017	2,065	1,711	263	528	2,250
West Virginia	179	179	146	12	20	200
Wisconsin	1,014	1,033	919	82	189	1,151
Wyoming	34	35	36	1	2	41
Other	75	124	113	9	8	131



**Table 56. Percentage of Modification Actions in Combination Actions  
Implemented in the Second Quarter of 2013**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	89.0%	89.6%	74.1%	13.5%	22.7%	97,079
Alabama	84.1%	93.3%	83.0%	4.4%	7.0%	1,125
Alaska	91.5%	87.2%	85.1%	2.1%	8.5%	47
Arizona	86.3%	87.8%	71.8%	13.8%	26.6%	1,781
Arkansas	91.8%	94.2%	78.0%	4.2%	6.4%	451
California	89.5%	87.1%	57.6%	27.4%	36.2%	15,774
Colorado	88.4%	91.5%	77.6%	6.3%	12.5%	1,266
Connecticut	90.1%	87.8%	76.2%	12.2%	25.0%	1,422
Delaware	83.2%	88.2%	84.4%	5.9%	15.6%	423
District of Columbia	88.4%	86.2%	77.3%	10.5%	24.3%	181
Florida	91.9%	87.4%	70.3%	19.7%	34.2%	10,333
Georgia	86.4%	90.9%	77.2%	9.5%	18.8%	4,968
Hawaii	92.5%	89.2%	64.3%	11.2%	27.0%	241
Idaho	90.1%	91.5%	79.3%	7.1%	17.3%	353
Illinois	90.5%	88.3%	77.5%	13.9%	31.8%	5,489
Indiana	91.1%	91.1%	82.6%	6.2%	8.9%	1,679
Iowa	87.9%	84.6%	84.1%	3.8%	7.3%	479
Kansas	89.1%	91.2%	83.7%	5.4%	8.4%	478
Kentucky	87.1%	91.1%	84.2%	4.2%	7.6%	722
Louisiana	89.0%	92.8%	81.3%	4.0%	8.6%	1,025
Maine	85.9%	92.6%	78.2%	6.0%	14.1%	284
Maryland	87.7%	88.8%	73.9%	12.3%	22.0%	3,257
Massachusetts	89.6%	87.9%	75.3%	13.0%	22.8%	1,884
Michigan	89.4%	90.7%	75.1%	10.7%	22.3%	2,209
Minnesota	91.2%	88.5%	75.2%	11.7%	22.8%	1,234
Mississippi	86.3%	92.3%	77.0%	8.5%	11.0%	562
Missouri	88.0%	90.7%	77.4%	10.6%	13.0%	1,338
Montana	88.7%	90.2%	69.9%	6.8%	16.5%	133
Nebraska	92.8%	90.4%	86.0%	6.8%	6.4%	250
Nevada	88.6%	82.0%	64.0%	21.2%	35.0%	1,381
New Hampshire	89.9%	88.1%	76.4%	9.0%	16.4%	335
New Jersey	89.9%	89.9%	80.3%	11.8%	25.8%	3,925
New Mexico	86.2%	89.9%	82.2%	6.6%	8.8%	456
New York	90.8%	89.9%	76.6%	10.8%	24.2%	5,526
North Carolina	87.0%	90.3%	82.1%	7.0%	10.4%	2,961
North Dakota	76.0%	76.0%	88.0%	4.0%	8.0%	25
Ohio	89.7%	91.7%	82.4%	6.9%	13.8%	2,955
Oklahoma	91.6%	92.2%	83.5%	4.2%	5.3%	617
Oregon	90.3%	91.0%	76.8%	10.2%	23.4%	1,006
Pennsylvania	88.5%	89.9%	81.3%	6.7%	13.2%	2,980
Rhode Island	89.6%	90.5%	69.7%	17.2%	30.3%	337
South Carolina	88.4%	91.4%	79.5%	6.9%	11.6%	1,353
South Dakota	91.5%	86.4%	84.7%	3.4%	3.4%	59
Tennessee	85.3%	91.6%	76.3%	7.8%	9.6%	1,433
Texas	88.0%	95.7%	83.8%	4.6%	5.7%	5,349
Utah	85.0%	93.5%	80.8%	8.4%	11.7%	787
Vermont	86.3%	90.5%	78.9%	2.1%	13.7%	95
Virginia	84.9%	91.7%	77.8%	9.7%	13.9%	2,338
Washington	89.6%	91.8%	76.0%	11.7%	23.5%	2,250
West Virginia	89.5%	89.5%	73.0%	6.0%	10.0%	200
Wisconsin	88.1%	89.7%	79.8%	7.1%	16.4%	1,151
Wyoming	82.9%	85.4%	87.8%	2.4%	4.9%	41
Other	57.3%	94.7%	86.3%	6.9%	6.1%	131

**Table 57. Changes in Monthly Principal and Interest Payments by State (Number)**  
 Modifications Implemented in the Second 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	63,525	23,014	13,329	1,124	6,406	870	108,268
Alabama	641	306	177	14	65	5	1,208
Alaska	22	12	14	1	3	2	54
Arizona	1,160	482	235	28	99	16	2,020
Arkansas	226	144	84	2	34	3	493
California	11,506	3,039	1,856	263	1,178	169	18,011
Colorado	702	368	216	11	93	10	1,400
Connecticut	961	321	180	12	97	10	1,581
Delaware	243	125	66	6	23	2	465
District of Columbia	108	59	40	4	14	2	227
Florida	7,537	1,914	1,146	121	620	100	11,438
Georgia	3,142	1,346	729	54	285	45	5,601
Hawaii	167	56	35	2	15	0	275
Idaho	221	101	50	5	26	2	405
Illinois	3,868	1,067	615	49	277	33	5,909
Indiana	915	404	299	9	150	6	1,783
Iowa	247	141	79	3	39	4	513
Kansas	295	143	75	8	28	5	554
Kentucky	392	197	116	9	53	3	770
Louisiana	562	249	179	12	92	9	1,103
Maine	157	90	46	2	27	4	326
Maryland	2,006	909	531	35	199	26	3,706
Massachusetts	1,302	443	248	22	104	33	2,152
Michigan	1,501	558	259	17	129	15	2,479
Minnesota	806	271	173	12	98	5	1,365
Mississippi	333	123	92	8	37	2	595
Missouri	846	367	179	12	106	7	1,517
Montana	73	33	27	4	5	0	142
Nebraska	150	60	35	5	15	3	268
Nevada	1,025	282	141	21	70	24	1,563
New Hampshire	222	78	41	3	25	2	371
New Jersey	2,673	861	480	44	195	44	4,297
New Mexico	270	143	77	7	26	4	527
New York	3,808	1,157	673	35	276	104	6,053
North Carolina	1,701	865	497	44	217	19	3,343
North Dakota	12	6	4	0	5	0	27
Ohio	1,758	704	449	28	211	23	3,173
Oklahoma	327	196	110	2	44	1	680
Oregon	679	260	140	9	59	4	1,151
Pennsylvania	1,870	670	411	40	252	36	3,279
Rhode Island	246	83	47	0	14	3	393
South Carolina	825	375	236	12	113	6	1,567
South Dakota	25	22	9	1	9	0	66
Tennessee	857	375	241	18	93	7	1,591
Texas	2,862	1,738	875	41	385	23	5,924
Utah	436	225	152	7	38	5	863
Vermont	58	24	15	1	7	3	108
Virginia	1,365	712	387	36	177	16	2,693
Washington	1,472	536	335	24	163	15	2,545
West Virginia	116	50	36	7	22	3	234
Wisconsin	699	289	169	12	82	6	1,257
Wyoming	22	15	10	1	6	0	54
Other	108	20	13	1	6	1	149

<b>Table 58. Changes in Monthly Principal and Interest Payments (Percentage)</b>							
<b>Modifications Implemented During the Second Quarter of 2013</b>							
<b>States</b>	<b>Decreased by 20% or More</b>	<b>Decreased by 10% to Less Than 20%</b>	<b>Decreased by Less Than 10%</b>	<b>Unchanged</b>	<b>Increased</b>	<b>Not Reported</b>	<b>Total Modifications</b>
Total - All States	58.7%	21.3%	12.3%	1.0%	5.9%	0.8%	108,268
Alabama	53.1%	25.3%	14.7%	1.2%	5.4%	0.4%	1,208
Alaska	40.7%	22.2%	25.9%	1.9%	5.6%	3.7%	54
Arizona	57.4%	23.9%	11.6%	1.4%	4.9%	0.8%	2,020
Arkansas	45.8%	29.2%	17.0%	0.4%	6.9%	0.6%	493
California	63.9%	16.9%	10.3%	1.5%	6.5%	0.9%	18,011
Colorado	50.1%	26.3%	15.4%	0.8%	6.6%	0.7%	1,400
Connecticut	60.8%	20.3%	11.4%	0.8%	6.1%	0.6%	1,581
Delaware	52.3%	26.9%	14.2%	1.3%	4.9%	0.4%	465
District of Columbia	47.6%	26.0%	17.6%	1.8%	6.2%	0.9%	227
Florida	65.9%	16.7%	10.0%	1.1%	5.4%	0.9%	11,438
Georgia	56.1%	24.0%	13.0%	1.0%	5.1%	0.8%	5,601
Hawaii	60.7%	20.4%	12.7%	0.7%	5.5%	0.0%	275
Idaho	54.6%	24.9%	12.3%	1.2%	6.4%	0.5%	405
Illinois	65.5%	18.1%	10.4%	0.8%	4.7%	0.6%	5,909
Indiana	51.3%	22.7%	16.8%	0.5%	8.4%	0.3%	1,783
Iowa	48.1%	27.5%	15.4%	0.6%	7.6%	0.8%	513
Kansas	53.2%	25.8%	13.5%	1.4%	5.1%	0.9%	554
Kentucky	50.9%	25.6%	15.1%	1.2%	6.9%	0.4%	770
Louisiana	51.0%	22.6%	16.2%	1.1%	8.3%	0.8%	1,103
Maine	48.2%	27.6%	14.1%	0.6%	8.3%	1.2%	326
Maryland	54.1%	24.5%	14.3%	0.9%	5.4%	0.7%	3,706
Massachusetts	60.5%	20.6%	11.5%	1.0%	4.8%	1.5%	2,152
Michigan	60.5%	22.5%	10.4%	0.7%	5.2%	0.6%	2,479
Minnesota	59.0%	19.9%	12.7%	0.9%	7.2%	0.4%	1,365
Mississippi	56.0%	20.7%	15.5%	1.3%	6.2%	0.3%	595
Missouri	55.8%	24.2%	11.8%	0.8%	7.0%	0.5%	1,517
Montana	51.4%	23.2%	19.0%	2.8%	3.5%	0.0%	142
Nebraska	56.0%	22.4%	13.1%	1.9%	5.6%	1.1%	268
Nevada	65.6%	18.0%	9.0%	1.3%	4.5%	1.5%	1,563
New Hampshire	59.8%	21.0%	11.1%	0.8%	6.7%	0.5%	371
New Jersey	62.2%	20.0%	11.2%	1.0%	4.5%	1.0%	4,297
New Mexico	51.2%	27.1%	14.6%	1.3%	4.9%	0.8%	527
New York	62.9%	19.1%	11.1%	0.6%	4.6%	1.7%	6,053
North Carolina	50.9%	25.9%	14.9%	1.3%	6.5%	0.6%	3,343
North Dakota	44.4%	22.2%	14.8%	0.0%	18.5%	0.0%	27
Ohio	55.4%	22.2%	14.2%	0.9%	6.6%	0.7%	3,173
Oklahoma	48.1%	28.8%	16.2%	0.3%	6.5%	0.1%	680
Oregon	59.0%	22.6%	12.2%	0.8%	5.1%	0.3%	1,151
Pennsylvania	57.0%	20.4%	12.5%	1.2%	7.7%	1.1%	3,279
Rhode Island	62.6%	21.1%	12.0%	0.0%	3.6%	0.8%	393
South Carolina	52.6%	23.9%	15.1%	0.8%	7.2%	0.4%	1,567
South Dakota	37.9%	33.3%	13.6%	1.5%	13.6%	0.0%	66
Tennessee	53.9%	23.6%	15.1%	1.1%	5.8%	0.4%	1,591
Texas	48.3%	29.3%	14.8%	0.7%	6.5%	0.4%	5,924
Utah	50.5%	26.1%	17.6%	0.8%	4.4%	0.6%	863
Vermont	53.7%	22.2%	13.9%	0.9%	6.5%	2.8%	108
Virginia	50.7%	26.4%	14.4%	1.3%	6.6%	0.6%	2,693
Washington	57.8%	21.1%	13.2%	0.9%	6.4%	0.6%	2,545
West Virginia	49.6%	21.4%	15.4%	3.0%	9.4%	1.3%	234
Wisconsin	55.6%	23.0%	13.4%	1.0%	6.5%	0.5%	1,257
Wyoming	40.7%	27.8%	18.5%	1.9%	11.1%	0.0%	54
Other	72.5%	13.4%	8.7%	0.7%	4.0%	0.7%	149

<b>Table 59. Number of Re-Defaults for Loans Modified in the Fourth Quarter of 2012</b> (60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments)							
States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total - All States	6,486	3,486	3,752	244	1,861	104	15,933
Alabama	88	71	56	10	28	0	253
Alaska	1	4	5	0	0	0	10
Arizona	129	63	67	3	19	1	282
Arkansas	31	18	19	2	10	1	81
California	894	319	343	35	213	16	1,820
Colorado	88	56	60	0	21	1	226
Connecticut	121	55	52	2	32	3	265
Delaware	24	24	26	0	12	0	86
District of Columbia	12	5	7	0	5	0	29
Florida	626	217	228	10	137	12	1,230
Georgia	354	232	242	28	95	5	956
Hawaii	12	6	5	0	1	2	26
Idaho	17	17	17	0	4	0	55
Illinois	382	170	188	12	104	6	862
Indiana	113	97	91	4	48	4	357
Iowa	30	14	19	0	14	0	77
Kansas	26	18	26	3	15	0	88
Kentucky	40	35	37	3	25	0	140
Louisiana	67	49	65	1	28	0	210
Maine	21	9	15	1	7	0	53
Maryland	277	165	176	8	80	4	710
Massachusetts	164	65	60	4	28	3	324
Michigan	160	97	70	3	42	0	372
Minnesota	87	45	53	1	24	1	211
Mississippi	52	27	34	6	9	1	129
Missouri	97	75	79	4	33	1	289
Montana	3	6	8	0	7	0	24
Nebraska	10	15	5	1	8	0	39
Nevada	99	32	44	4	19	0	198
New Hampshire	32	14	14	0	4	1	65
New Jersey	302	134	139	9	73	8	665
New Mexico	28	14	15	3	3	0	63
New York	349	138	168	10	68	8	741
North Carolina	200	150	164	14	81	4	613
North Dakota	3	2	1	0	1	0	7
Ohio	189	128	134	7	81	1	540
Oklahoma	45	26	25	2	27	1	126
Oregon	63	27	27	2	17	0	136
Pennsylvania	217	141	138	10	66	3	575
Rhode Island	24	8	15	0	8	2	57
South Carolina	89	50	82	6	35	0	262
South Dakota	7	3	5	0	1	0	16
Tennessee	107	75	89	5	47	1	324
Texas	377	283	346	12	170	2	1,190
Utah	36	44	43	1	12	1	137
Vermont	8	6	1	0	2	0	17
Virginia	136	95	113	13	44	6	407
Washington	125	86	74	1	35	1	322
West Virginia	14	6	10	0	1	0	31
Wisconsin	102	44	47	4	16	4	217
Wyoming	1	5	3	0	1	0	10
Other	7	1	2	0	0	0	10

**Table 60. Re-Default Rates for Loans Modified in the Fourth Quarter of 2012 (Percentage)**  
 (60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments)

States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total - All States	8.0%	11.9%	20.1%	20.5%	23.6%	16.8%	11.5%
Alabama	12.4%	18.9%	21.5%	45.5%	34.1%	0.0%	17.4%
Alaska	2.7%	16.7%	31.3%	0.0%	0.0%	0.0%	12.3%
Arizona	6.9%	8.7%	16.6%	10.7%	12.9%	11.1%	8.9%
Arkansas	14.0%	13.2%	25.0%	66.7%	52.6%	50.0%	17.7%
California	5.2%	7.0%	12.0%	11.9%	13.5%	11.3%	6.8%
Colorado	8.7%	11.7%	17.9%	0.0%	16.9%	25.0%	11.6%
Connecticut	10.4%	12.2%	20.5%	20.0%	29.9%	30.0%	13.3%
Delaware	8.3%	17.8%	30.2%	0.0%	30.0%	0.0%	15.6%
District of Columbia	7.9%	7.5%	19.4%	0.0%	41.7%	0.0%	10.6%
Florida	6.4%	9.2%	16.2%	7.6%	20.4%	22.2%	8.5%
Georgia	9.2%	14.8%	23.1%	42.4%	30.4%	21.7%	13.9%
Hawaii	5.7%	7.8%	10.2%	0.0%	6.3%	33.3%	7.3%
Idaho	5.7%	12.2%	23.0%	0.0%	13.3%	0.0%	10.1%
Illinois	8.5%	13.0%	21.3%	21.4%	27.8%	24.0%	12.1%
Indiana	11.3%	19.6%	25.0%	23.5%	33.6%	66.7%	17.6%
Iowa	10.5%	10.4%	15.4%	0.0%	25.0%	0.0%	12.6%
Kansas	9.3%	11.5%	24.5%	60.0%	31.3%	0.0%	14.8%
Kentucky	9.8%	16.3%	23.1%	30.0%	33.8%	0.0%	16.1%
Louisiana	12.2%	15.5%	25.9%	9.1%	27.7%	0.0%	17.1%
Maine	9.2%	10.7%	31.3%	14.3%	30.4%	0.0%	13.5%
Maryland	9.8%	13.6%	21.6%	22.2%	30.7%	10.3%	13.6%
Massachusetts	9.5%	10.4%	17.7%	22.2%	24.3%	15.8%	11.4%
Michigan	7.7%	11.4%	16.1%	14.3%	22.1%	0.0%	10.4%
Minnesota	7.9%	9.8%	19.2%	6.3%	21.2%	16.7%	10.7%
Mississippi	15.3%	16.6%	29.6%	60.0%	20.9%	50.0%	19.2%
Missouri	8.6%	13.8%	27.3%	28.6%	30.0%	50.0%	13.9%
Montana	3.3%	12.8%	21.1%	0.0%	35.0%	0.0%	12.2%
Nebraska	6.9%	21.7%	11.9%	100.0%	42.1%	0.0%	14.1%
Nevada	6.5%	8.1%	18.1%	28.6%	24.4%	0.0%	8.7%
New Hampshire	10.4%	12.4%	24.1%	0.0%	15.4%	33.3%	12.7%
New Jersey	10.1%	13.5%	21.7%	26.5%	30.0%	20.5%	13.4%
New Mexico	7.5%	8.3%	16.9%	50.0%	9.4%	0.0%	9.4%
New York	8.3%	13.0%	21.7%	27.0%	24.0%	12.7%	11.5%
North Carolina	10.1%	14.4%	24.0%	29.2%	33.2%	26.7%	15.3%
North Dakota	18.8%	50.0%	14.3%	0.0%	16.7%	0.0%	20.0%
Ohio	9.1%	14.0%	23.8%	23.3%	32.5%	8.3%	14.1%
Oklahoma	13.7%	17.0%	20.3%	22.2%	42.2%	50.0%	18.5%
Oregon	7.0%	7.3%	15.0%	22.2%	21.5%	0.0%	8.8%
Pennsylvania	10.4%	16.3%	24.3%	31.3%	24.3%	21.4%	15.0%
Rhode Island	6.6%	7.1%	25.0%	0.0%	44.4%	66.7%	10.2%
South Carolina	9.2%	10.5%	27.2%	33.3%	32.7%	0.0%	14.0%
South Dakota	17.5%	16.7%	23.8%	0.0%	20.0%	0.0%	18.4%
Tennessee	10.6%	15.1%	26.1%	20.8%	33.1%	33.3%	16.0%
Texas	11.0%	16.3%	26.9%	26.1%	30.7%	11.1%	16.8%
Utah	6.5%	14.5%	19.2%	16.7%	17.9%	33.3%	11.8%
Vermont	12.1%	20.7%	6.7%	0.0%	50.0%	0.0%	14.5%
Virginia	7.7%	9.8%	21.0%	40.6%	16.4%	23.1%	11.3%
Washington	6.8%	11.5%	16.0%	5.6%	18.2%	6.7%	9.8%
West Virginia	10.1%	7.8%	27.8%	0.0%	7.7%	0.0%	11.3%
Wisconsin	11.8%	12.7%	22.0%	44.4%	18.6%	80.0%	14.2%
Wyoming	4.0%	27.8%	23.1%	0.0%	12.5%	0.0%	15.4%
Other	6.2%	7.1%	18.2%	0.0%	0.0%	0.0%	7.1%

**Index of Tables**

*Table 1.* Number of New Home Retention Actions..... 5

*Table 2.* Status of Mortgages Modified in 2008–1Q 2013 ..... 6

*Table 3.* Re-Default Rates for Portfolio Loans and Loans Serviced for Others ..... 7

*Table 4.* New Foreclosures and Foreclosures in Process ..... 7

*Table 5.* Completed Foreclosures and Other Home Forfeiture Actions ..... 7

*Table 6.* Overall Mortgage Portfolio..... 11

*Table 7.* Overall Portfolio Performance..... 12

*Table 8.* Performance of Mortgages Held by Reporting Banks and Thrift (Percentage) ..... 13

*Table 9.* Performance of Government-Guaranteed Mortgages (Percentage)..... 14

*Table 10.* Performance of GSE Mortgages (Percentage)..... 16

*Table 11.* Seriously Delinquent Mortgages, by Risk Category ..... 17

*Table 12.* Mortgages 30 to 59 Days Delinquent, by Risk Category ..... 18

*Table 13.* Number of New Home Retention Actions..... 19

*Table 14.* HAMP Modifications, by Investor and Risk Category..... 20

*Table 15.* HAMP Trial-Period Plans, by Investor and Risk Category..... 20

*Table 16.* Percentage of New Home Retention Actions Relative to Newly Initiated Foreclosures, by Risk Category ..... 21

*Table 17.* Changes in Loan Terms for Modifications Through the Second Quarter of 2013 ..... 22

*Table 18.* Changes in Loan Terms for HAMP Modifications Through the Second Quarter of 2013..... 23

*Table 19.* Changes in Loan Terms for Modifications, by Risk Category, During the Second Quarter of 2013 ..... 24

*Table 20.* Type of Modification Action, by Investor and Product Type, During the Second Quarter of 2013 ..... 25

*Table 21.* Type of HAMP Modification Action, by Investor and Product Type, During the Second Quarter of 2013 ..... 26

*Table 22.* Changes in Monthly Principal and Interest Payments Resulting From Modifications ..... 28

*Table 23.* Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications..... 29

*Table 24.* Average Change in Monthly Payments Resulting From Modifications, by Quarter .. 30

*Table 25.* Modified Loans 60 or More Days Delinquent..... 31

<i>Table 26.</i> Modified Loans 30 or More Days Delinquent.....	32
<i>Table 27.</i> Modified Loans 90 or More Days Delinquent.....	33
<i>Table 28.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2008 .....	34
<i>Table 29.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2009 .....	34
<i>Table 30.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2010 .....	34
<i>Table 31.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2011 .....	35
<i>Table 32.</i> Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2012 .....	35
<i>Table 33.</i> Performance of HAMP Modifications Compared With Other Modifications .....	36
<i>Table 34.</i> Re-Default Rates of Loans Modified in 2008 by Change in Payment .....	37
<i>Table 35.</i> Re-Default Rates of Loans Modified in 2009 by Change in Payment .....	37
<i>Table 36.</i> Re-Default Rates of Loans Modified in 2010 by Change in Payment .....	38
<i>Table 37.</i> Re-Default Rates of Loans Modified in 2011 by Change in Payment .....	38
<i>Table 38.</i> Re-Default Rates of Loans Modified in 2012 by Change in Payment .....	38
<i>Table 39.</i> 60+ Delinquency at Six Months After Modification by Change in Monthly Payment .....	39
<i>Table 40.</i> Status of Mortgages Modified in 2008–1Q 2013 .....	40
<i>Table 41.</i> Completed Foreclosures and Other Home Forfeiture Actions .....	41
<i>Table 42.</i> Number of Newly Initiated Foreclosures.....	42
<i>Table 43.</i> Foreclosures in Process.....	43
<i>Table 44.</i> Completed Foreclosures .....	44
<i>Table 45.</i> Completed Short Sales and Deeds in Lieu of Foreclosure .....	45
<i>Table 46.</i> Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category.....	46
<i>Table 47.</i> Number of New Loan Modifications.....	47
<i>Table 48.</i> Number of New Trial-Period Plans .....	48
<i>Table 49.</i> Number of New Payment Plans.....	49
<i>Table 50.</i> Changes in Terms for Modifications Made Through the Second Quarter of 2013 .....	50

<i>Table 51.</i> Changes in Terms for Combination Modifications Through the Second Quarter of 2013.....	51
<i>Table 52.</i> Number and Percentage of Mortgage Modifications.....	53
<i>Table 53.</i> Number of Mortgage Modification Actions .....	54
<i>Table 54.</i> Percentage of Mortgage Modification Actions.....	55
<i>Table 55.</i> Number of Modification Actions in Combination Actions .....	56
<i>Table 56.</i> Percentage of Modification Actions in Combination Actions.....	57
<i>Table 57.</i> Changes in Monthly Principal and Interest Payments by State (Number) .....	58
<i>Table 58.</i> Changes in Monthly Principal and Interest Payments (Percentage).....	59
<i>Table 59.</i> Number of Re-Defaults for Loans Modified in the Fourth Quarter of 2012 .....	60
<i>Table 60.</i> Re-Default Rates for Loans Modified in the Fourth Quarter of 2012 (Percentage) ....	61



**Index of Figures**

*Figure 1.* Portfolio Composition..... 11

*Figure 2.* Overall Portfolio Performance ..... 12

*Figure 3.* Performance of Mortgages Held by Reporting Banks and Thrift..... 13

*Figure 4.* Performance of Government-Guaranteed Mortgages ..... 15

*Figure 5.* Performance of GSE Mortgages ..... 16

*Figure 6.* Seriously Delinquent Mortgages, by Risk Category..... 17

*Figure 7.* Mortgages 30 to 59 Days Delinquent, by Risk Category ..... 18

*Figure 8.* Number of New Home Retention Actions..... 19

*Figure 9.* New Home Retention Actions Relative to Newly Initiated Foreclosures,  
by Risk Category..... 21

*Figure 10.* Changes in Monthly Principal and Interest Payments ..... 28

*Figure 11.* Modified Loans 60 or More Days Delinquent ..... 31

*Figure 12.* Modified Loans 30 or More Days Delinquent..... 32

*Figure 13.* Modified Loans 90 or More Days Delinquent..... 33

*Figure 14.* 60+ Delinquency at Six Months After Modification by Change in  
Monthly Payment..... 39

*Figure 15.* Number of Newly Initiated Foreclosures..... 42

*Figure 16.* Number of Foreclosures in Process ..... 43

*Figure 17.* Number of Completed Foreclosures ..... 44

*Figure 18.* Number of Completed Short Sales and Deeds in Lieu of Foreclosure ..... 45

*Figure 19.* Percentage of New Home Retention Actions Relative to Forfeiture Actions,  
by Risk Category..... 46

*Figure 20.* Number of New Loan Modifications ..... 47

*Figure 21.* Number of New Trial-Period Plans ..... 48

*Figure 22.* Number of New Payment Plans..... 49