

# OCC Mortgage Metrics Report

Disclosure of National Bank Mortgage Loan Data

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Second Quarter 2022

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

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## About Mortgage Metrics

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

- This report presents performance data for the second quarter of 2022 for loans that the reporting banks own or service for others as a fee-based business.
- The data in this report reflect a portion of first-lien residential mortgages in the country. The characteristics of the loans included here may differ from the overall population. The loans included are not a statistically representative, random sample.
- This report covers the performance of first-lien home mortgages in the portfolios of reporting banks. It excludes junior liens, home equity lines of credit (HELOC), and home equity conversion mortgages (reverse mortgages).
- For loans in forbearance covered by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, reporting banks are following guidance from the Department of Housing and Urban Development, Federal Housing Finance Administration, and the respective government agencies and government-sponsored entities (GSE) for the calculation and reporting of delinquency and credit bureau reporting.

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

## Executive Summary

### Overall Mortgage Portfolio and Performance

- As of June 30, 2022, the reporting banks serviced approximately 12.2 million first-lien residential mortgage loans with \$2.7 trillion in unpaid principal balances (see figures 1 and 2). This \$2.7 trillion was 22 percent of all residential mortgage debt outstanding in the United States.<sup>2</sup>
- Overall mortgage performance this quarter improved from the second quarter of 2021. The percentage of mortgages that were current and performing at the end of the second quarter of 2022 was 97 percent compared with 95 percent at the end of the second quarter of 2021 (see figure 6). The CARES Act, signed into law on March 27, 2020, and extended on February 18, 2022, allows for loan forbearance that can extend up to 360 days and is reflected in the mortgage performance data.
- Servicers initiated 11,015 new foreclosures in the second quarter of 2022, a decrease from the prior quarter, but a higher volume than a year earlier (see figure 7). The new foreclosure volume in the second quarter of 2022 is lower than pre-COVID-19 pandemic foreclosure volumes. Home forfeiture actions during the second quarter of 2022—completed foreclosure sales, short sales, and deed-in-lieu-of-foreclosure actions—increased 48.8 percent from a year earlier to 2,872 (see figure 8). Events associated with the COVID-19 pandemic, including foreclosure moratoriums that began March 18, 2020, and were extended to July 31, 2021, have significantly affected these metrics.

### Number and Type of Modifications Completed and Impact on Payment Amount

Servicers completed 28,109 modifications during the second quarter of 2022, a 33.7 percent decrease from the previous quarter's 42,427 modifications.

- Of these 28,109 modifications, 26,883 or 95.6 percent, were “combination modifications”—modifications that included multiple actions affecting the affordability and sustainability of the loan, such as an interest rate reduction and a term extension. Of the remaining 1,226 loan modifications, 850 received a single action and 376 were not assigned a modification type (see table 1).
- Among the 26,883 combination modifications completed during the quarter, 23,492, or 87.4 percent, included capitalization of delinquent interest and fees; 21,926, or 81.6 percent, included an interest rate reduction or freeze; 22,499, or 83.7 percent, included a term extension; 7,144, or 26.6 percent, included principal deferral; and 39, or 0.1 percent, included principal reduction (see table 2).
- Of the 28,109 modifications completed during the quarter, 21,979, or 78.2 percent, reduced the loan's pre-modification monthly payment (see table 3).

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<sup>2</sup> Residential mortgage debt is determined using the quarterly Federal Reserve Statistical Release, “Z.1: Financial Accounts of the United States,” table L.218, “One-to-Four-Family Residential Mortgages,” household sector liabilities. Data as of June 30, 2022.

## Modified Loan Performance

By June 30, 2022, all loans modified during the fourth quarter of 2021 would have aged at least six months. Of the 47,448 modifications completed during the fourth quarter of 2021, servicers reported that 3,731, or 7.9 percent, were 60 or more days past due or in the process of foreclosure at the end of the month that the modification became six months old (see table 4).

Figure 1 shows the outstanding principal balance of reported loans and the change in the amount of unpaid balances from the second quarter of 2020 through the second quarter of 2022.

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

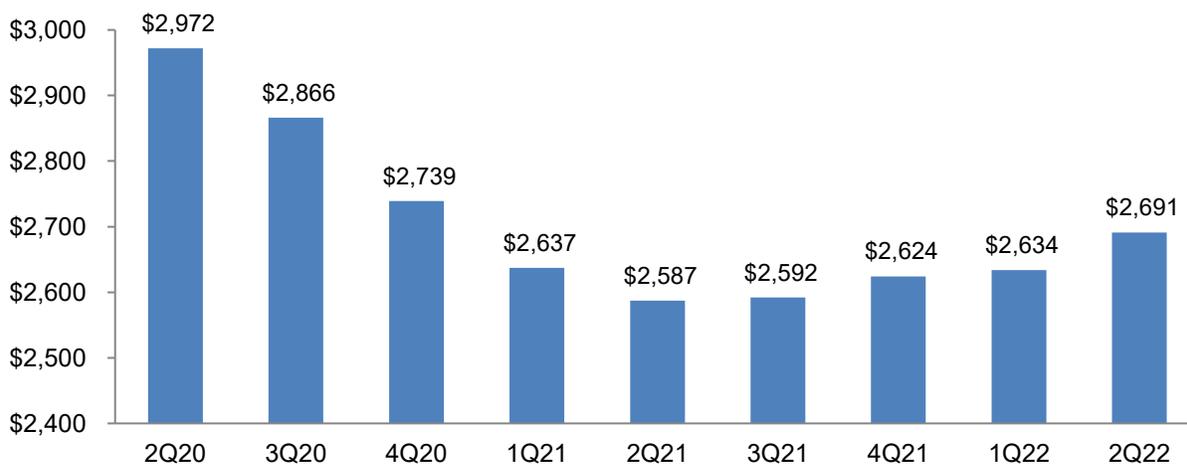
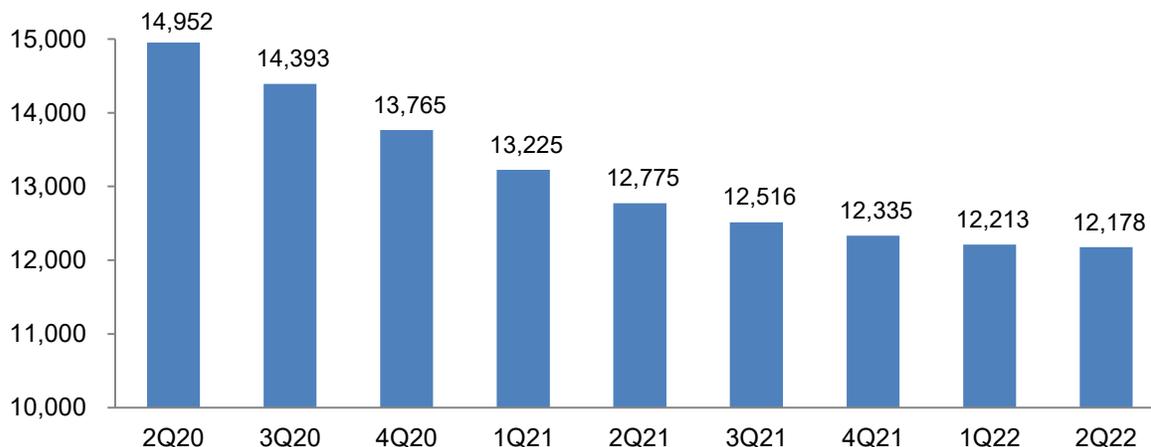


Figure 2 shows the number of first-lien residential mortgages serviced and the decline in loans from the second quarter of 2020 through the second quarter of 2022.

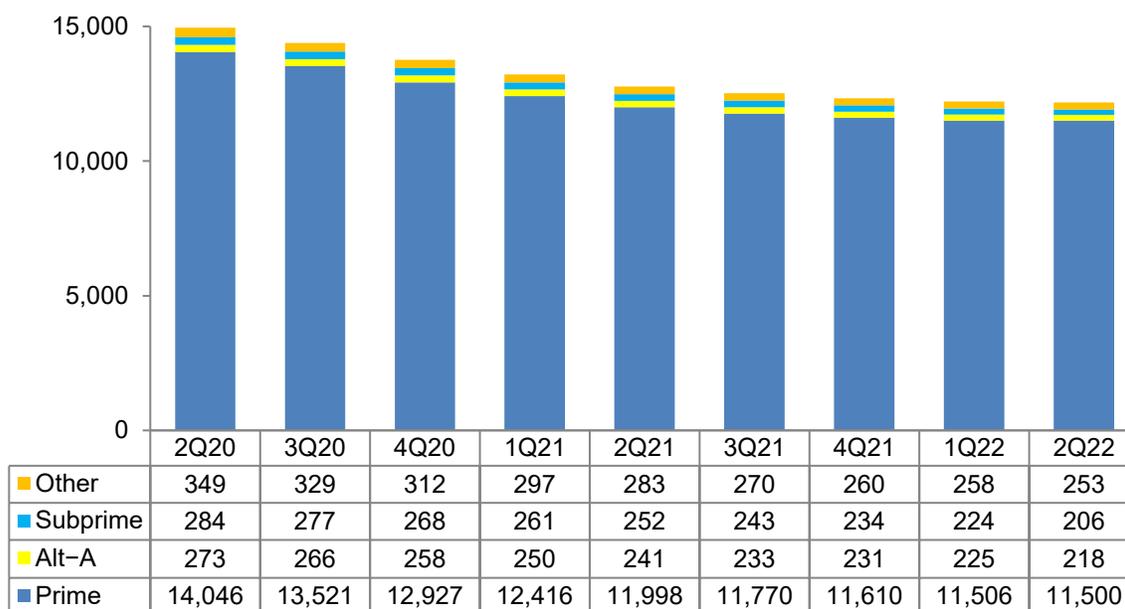
**Figure 2: Total Serviced Mortgage Portfolio—Number of Loans in Thousands**



Note: Number of loans in Figures 2, 3, and 5 does not match because of rounding.

Figure 3 shows the number of loans in each risk category and the decline in each category from the second quarter of 2020 through the second quarter of 2022.

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



Note: Number of loans in Figures 2, 3, and 5 does not match because of rounding.

Figure 4 reports the percentage of loans in each risk category and shows that the composition of loans has remained relatively stable since the second quarter of 2020.

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

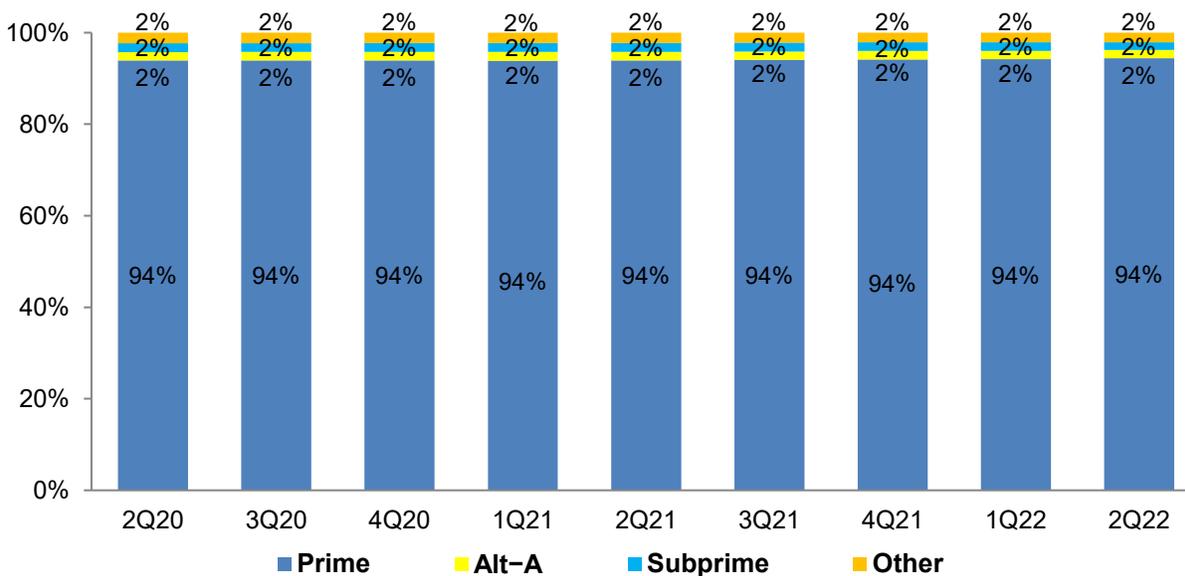
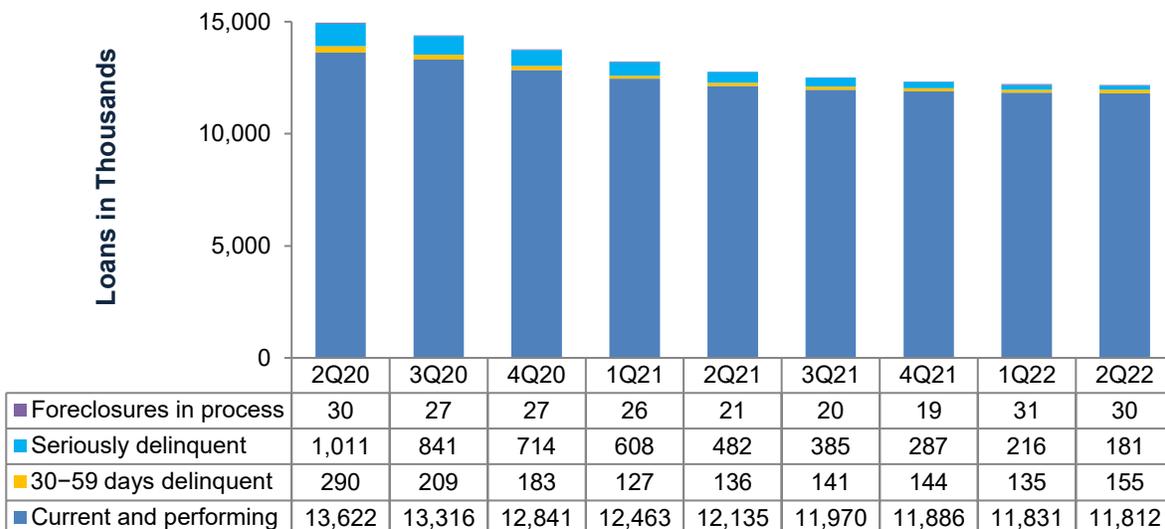


Figure 5 shows the number of loans in each category of delinquency from the second quarter of 2020 through the second quarter of 2022. The number of foreclosures in process has remained

stable from the previous quarter. The number of seriously delinquent loans peaked in the second quarter of 2020, but has since been trending down.<sup>3</sup>

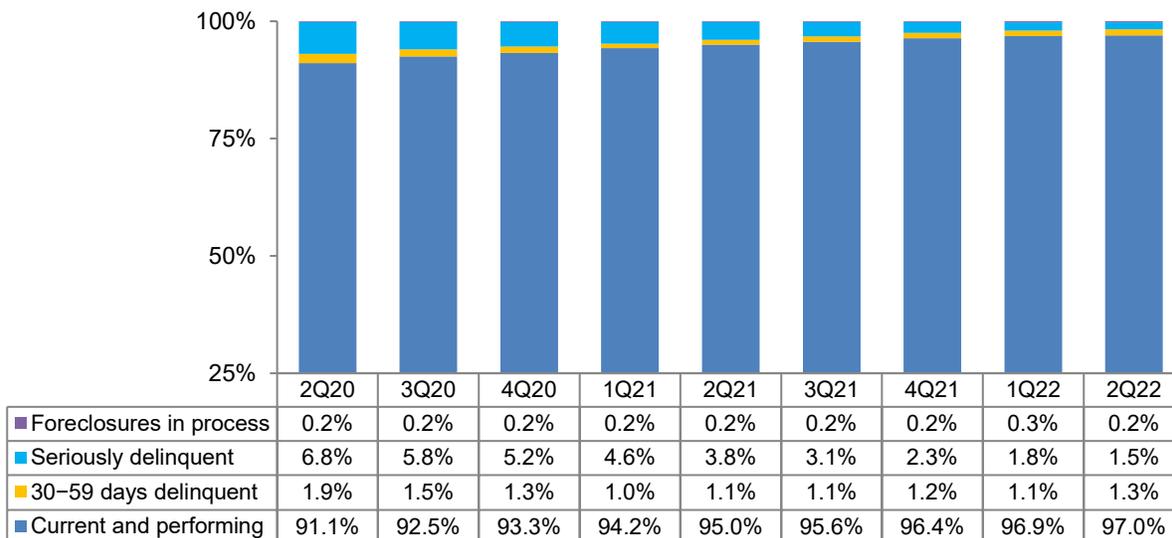
**Figure 5: Number of Loans in Delinquency and Foreclosures in Process—Loans in Thousands**



Note: Number of loans in Figure 2, 3, and 5 does not match because of rounding.

Figure 6 shows the percent of mortgages in each category of delinquency from the second quarter of 2020 through the second quarter of 2022. The percent of seriously delinquent loans has trended down since peaking in the second quarter of 2020.

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



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

Figure 7 shows the number of new foreclosure actions initiated from the second quarter of 2020 through the second quarter of 2022. New foreclosure actions decreased to 11,015 and the current volume is lower than the pre-COVID-19 pandemic foreclosure volume.<sup>4</sup>

**Figure 7: Newly Initiated Foreclosures**

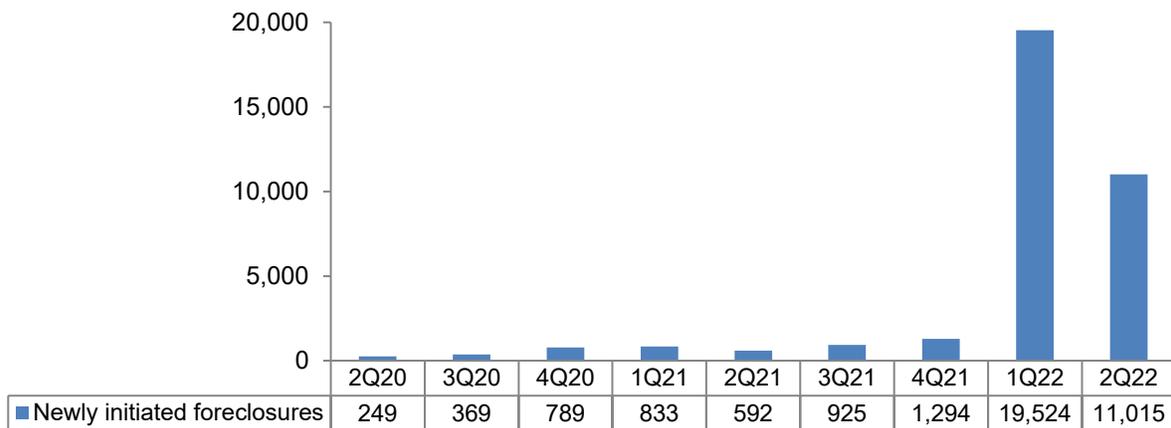
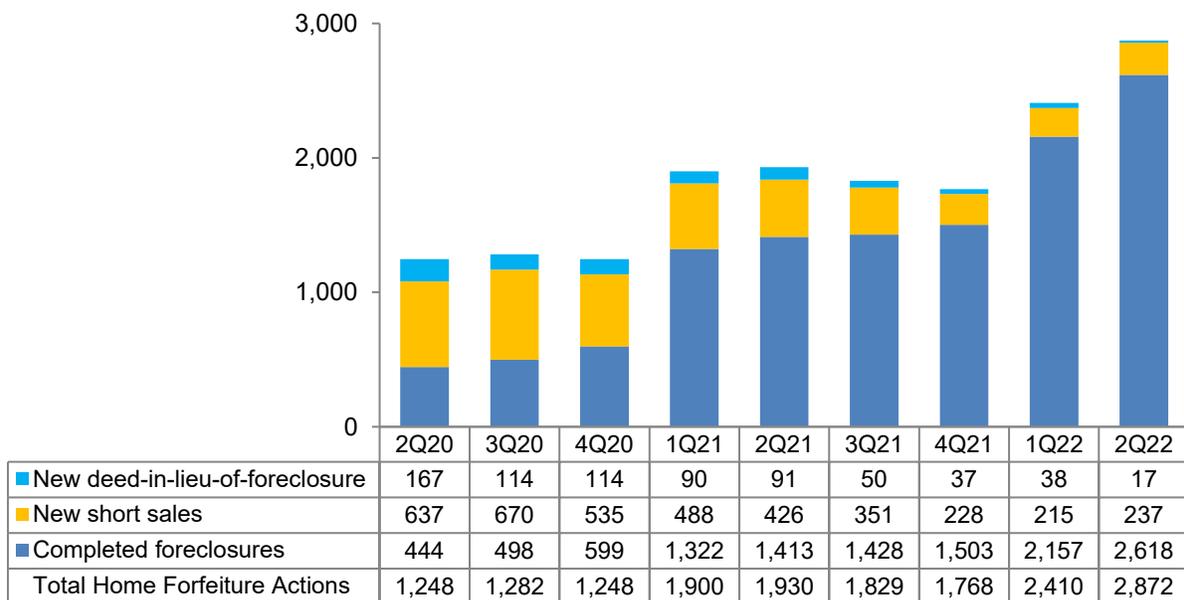


Figure 8 shows the number of foreclosure and other home forfeiture actions completed from the second quarter of 2020 through the second quarter of 2022. Completed foreclosures and other forfeiture actions increased to 2,872 in the second quarter of 2022 from 1,930 in the second quarter of 2021, an increase of 48.8 percent.<sup>5</sup>

**Figure 8: Completed Foreclosures and Other Home Forfeiture Actions**



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

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

**Table 1: Number of Mortgage Modification Actions**  
Completed in the Second Quarter of 2022

States	Capitalization	Rate reduction or freeze	Term extension	Principal reductions	Principal deferral	Combination	Not reported	Total modifications
Total - All States	149	138	524	0	39	26,883	376	28,109
Alabama	4	6	7	0	4	338	7	366
Alaska	0	0	5	0	0	67	1	73
Arizona	1	1	3	0	0	708	6	719
Arkansas	1	1	3	0	0	234	14	253
California	26	13	17	0	8	2,654	17	2,735
Colorado	4	1	2	0	1	378	3	389
Connecticut	2	2	3	0	1	412	7	427
Delaware	0	0	3	0	0	146	1	150
District of Columbia	1	1	1	0	1	112	2	118
Florida	8	15	20	0	1	2,084	27	2,155
Georgia	11	2	33	0	3	976	20	1,045
Hawaii	1	1	2	0	0	127	1	132
Idaho	0	0	0	0	0	70	0	70
Illinois	7	9	31	0	3	1,680	18	1,748
Indiana	1	3	12	0	0	472	9	497
Iowa	0	1	6	0	0	203	3	213
Kansas	1	2	4	0	0	174	0	181
Kentucky	0	2	8	0	0	262	10	282
Louisiana	6	3	17	0	1	497	17	541
Maine	1	0	2	0	0	45	3	51
Maryland	5	6	21	0	0	880	12	924
Massachusetts	4	1	5	0	0	343	7	360
Michigan	4	4	6	0	0	403	11	428
Minnesota	1	2	7	0	0	755	4	769
Mississippi	2	2	5	0	1	170	5	185
Missouri	1	6	8	0	0	465	4	484
Montana	0	0	1	0	0	57	1	59
Nebraska	0	0	3	0	0	206	1	210
Nevada	2	1	4	0	1	412	1	421
New Hampshire	0	0	1	0	0	67	1	69
New Jersey	4	2	24	0	3	1,067	11	1,111
New Mexico	1	1	1	0	0	145	3	151
New York	4	10	28	0	3	1,778	18	1,841
North Carolina	2	3	17	0	0	722	20	764
North Dakota	0	0	1	0	0	34	0	35
Ohio	2	4	16	0	0	905	14	941
Oklahoma	1	1	4	0	0	327	8	341
Oregon	1	2	3	0	0	314	0	320
Pennsylvania	7	1	39	0	3	924	8	982
Rhode Island	0	1	1	0	1	57	1	61
South Carolina	4	1	12	0	0	356	10	383
South Dakota	0	1	1	0	0	26	0	28
Tennessee	4	6	8	0	1	342	10	371
Texas	16	12	91	0	3	2,734	37	2,893
Utah	0	0	3	0	0	166	5	174
Vermont	0	0	1	0	0	26	0	27
Virginia	4	3	18	0	0	771	10	806
Washington	2	2	7	0	0	421	2	434
West Virginia	0	0	5	0	0	53	1	59
Wisconsin	2	2	4	0	0	276	3	287
Wyoming	1	1	0	0	0	36	2	40
Other	0	0	0	0	0	6	0	6

**Table 2: Number of Modification Actions in Combination Actions**  
Completed in the Second Quarter of 2022

States	Capitalization	Rate reduction or freeze	Term extension	Principal reduction	Principal deferral	Total combination modifications
Total - All States	23,492	21,926	22,499	39	7,144	26,883
Alabama	287	283	293	0	82	338
Alaska	57	57	62	0	8	67
Arizona	594	603	570	0	169	708
Arkansas	196	194	200	0	41	234
California	2,451	2,104	2,161	7	951	2,654
Colorado	325	324	315	0	94	378
Connecticut	370	325	348	0	134	412
Delaware	134	115	131	0	37	146
District of Columbia	104	93	95	0	26	112
Florida	1,843	1,742	1,723	2	590	2,084
Georgia	863	803	860	0	199	976
Hawaii	115	104	105	0	32	127
Idaho	62	59	53	0	25	70
Illinois	1,392	1,371	1,325	8	534	1,680
Indiana	419	370	407	0	93	472
Iowa	155	176	154	0	58	203
Kansas	140	151	145	0	38	174
Kentucky	196	223	186	0	92	262
Louisiana	435	426	417	2	109	497
Maine	40	33	31	0	19	45
Maryland	752	673	720	2	274	880
Massachusetts	295	270	262	0	124	343
Michigan	352	325	342	2	93	403
Minnesota	597	641	588	0	213	755
Mississippi	150	134	155	0	32	170
Missouri	371	366	352	0	145	465
Montana	52	44	47	0	10	57
Nebraska	158	185	164	0	50	206
Nevada	358	344	330	1	105	412
New Hampshire	62	43	55	0	17	67
New Jersey	991	845	918	4	326	1,067
New Mexico	130	119	126	0	34	145
New York	1,643	1,457	1,590	3	464	1,778
North Carolina	633	554	612	2	163	722
North Dakota	28	32	28	0	12	34
Ohio	738	762	727	0	220	905
Oklahoma	279	268	280	0	57	327
Oregon	265	270	254	0	81	314
Pennsylvania	834	745	821	1	226	924
Rhode Island	49	40	47	0	14	57
South Carolina	322	274	301	2	95	356
South Dakota	25	25	25	0	3	26
Tennessee	271	284	278	0	85	342
Texas	2,441	2,216	2,452	2	477	2,734
Utah	144	138	140	0	45	166
Vermont	22	23	21	0	6	26
Virginia	672	633	660	1	208	771
Washington	381	347	344	0	106	421
West Virginia	48	44	51	0	12	53
Wisconsin	216	236	200	0	98	276
Wyoming	29	27	22	0	16	36
Other	6	6	6	0	2	6

**Table 3: Changes in Monthly Principal and Interest Payments by State**  
Modifications Completed in the Second Quarter of 2022

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	15,766	3,905	2,308	4,099	1,421	610	28,109
Alabama	206	49	34	44	23	10	366
Alaska	46	10	9	3	4	1	73
Arizona	410	101	54	133	15	6	719
Arkansas	134	33	20	36	15	15	253
California	1,735	377	135	411	66	11	2,735
Colorado	229	64	20	59	13	4	389
Connecticut	231	56	34	62	30	14	427
Delaware	83	22	15	20	8	2	150
District of Columbia	80	12	7	15	3	1	118
Florida	1,221	277	183	341	95	38	2,155
Georgia	591	138	104	111	72	29	1,045
Hawaii	81	14	10	24	2	1	132
Idaho	40	12	3	15	0	0	70
Illinois	845	269	150	343	94	47	1,748
Indiana	247	78	64	62	20	26	497
Iowa	100	23	26	49	12	3	213
Kansas	100	26	14	28	9	4	181
Kentucky	115	38	28	72	14	15	282
Louisiana	299	72	67	62	21	20	541
Maine	20	5	7	13	3	3	51
Maryland	486	129	96	143	45	25	924
Massachusetts	178	55	17	81	22	7	360
Michigan	240	65	32	50	22	19	428
Minnesota	396	126	60	166	18	3	769
Mississippi	108	18	22	20	10	7	185
Missouri	228	74	42	115	18	7	484
Montana	30	10	5	9	4	1	59
Nebraska	108	37	15	44	5	1	210
Nevada	257	53	22	78	10	1	421
New Hampshire	33	6	9	13	8	0	69
New Jersey	619	172	85	117	89	29	1,111
New Mexico	92	13	19	20	3	4	151
New York	1,194	244	120	169	89	25	1,841
North Carolina	434	91	65	97	52	25	764
North Dakota	21	5	2	6	1	0	35
Ohio	462	148	69	173	53	36	941
Oklahoma	194	44	30	46	18	9	341
Oregon	190	50	18	56	5	1	320
Pennsylvania	546	149	83	97	71	36	982
Rhode Island	32	8	2	10	4	5	61
South Carolina	204	49	41	54	22	13	383
South Dakota	16	5	5	2	0	0	28
Tennessee	203	49	28	65	15	11	371
Texas	1,642	382	296	266	254	53	2,893
Utah	99	27	9	26	8	5	174
Vermont	16	2	2	7	0	0	27
Virginia	463	108	77	104	32	22	806
Washington	258	62	24	73	12	5	434
West Virginia	34	12	9	3	0	1	59
Wisconsin	146	33	18	72	11	7	287
Wyoming	20	2	1	14	1	2	40
Other	4	1	1	0	0	0	6

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

States	Decreased by 20% or more	Decreased by 10% to less than 20%	Decreased by less than 10%	Unchanged	Increased	Not reported	Total re-defaults
Total - All States	975	685	932	836	265	38	3,731
Alabama	16	12	15	8	3	1	55
Alaska	1	2	3	3	0	0	9
Arizona	15	21	28	36	0	0	100
Arkansas	18	7	9	7	1	0	42
California	33	30	40	105	13	0	221
Colorado	6	9	13	13	1	0	42
Connecticut	12	6	13	13	7	1	52
Delaware	10	6	8	2	0	0	26
District of Columbia	1	2	1	4	1	0	9
Florida	54	39	58	79	11	2	243
Georgia	45	31	47	28	15	2	168
Hawaii	1	2	1	9	0	0	13
Idaho	1	3	2	2	2	0	10
Illinois	53	48	80	69	22	3	275
Indiana	36	31	35	13	2	4	121
Iowa	7	4	7	10	3	1	32
Kansas	6	5	15	3	2	0	31
Kentucky	5	4	11	6	7	0	33
Louisiana	19	10	16	16	3	0	64
Maine	0	2	2	1	1	0	6
Maryland	33	39	37	24	11	3	147
Massachusetts	6	6	14	11	2	1	40
Michigan	25	3	14	12	4	0	58
Minnesota	24	18	33	32	2	0	109
Mississippi	10	10	7	6	2	0	35
Missouri	17	8	16	18	5	0	64
Montana	3	1	0	3	0	0	7
Nebraska	14	5	9	7	4	0	39
Nevada	13	12	10	16	1	0	52
New Hampshire	1	1	0	2	0	0	4
New Jersey	25	21	33	32	17	3	131
New Mexico	10	3	6	4	0	1	24
New York	50	33	46	45	32	2	208
North Carolina	27	21	36	24	5	1	114
North Dakota	2	0	0	0	0	0	2
Ohio	46	42	38	31	9	1	167
Oklahoma	32	18	19	2	3	0	74
Oregon	2	4	4	8	0	1	19
Pennsylvania	51	22	29	25	9	6	142
Rhode Island	2	1	2	4	2	0	11
South Carolina	13	15	14	9	3	0	54
South Dakota	2	0	1	1	1	0	5
Tennessee	20	9	7	5	5	0	46
Texas	158	86	106	41	43	2	436
Utah	4	5	7	3	1	0	20
Vermont	0	0	1	2	0	0	3
Virginia	29	14	15	14	4	2	78
Washington	3	2	12	9	3	0	29
West Virginia	2	3	2	3	0	0	10
Wisconsin	8	8	7	15	3	1	42
Wyoming	4	1	3	1	0	0	9
Other	0	0	0	0	0	0	0

## Appendix A: Definitions and Method

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **OCC Mortgage Metrics Report Method**

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

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

Results are not seasonally adjusted.