

The Mortgage Industry's Efforts to Avoid Foreclosure

Industry Wide

(Hope Now Data through August 31, 2009)

- Since July 2007, the industry has implemented **more than 5.2 million workout plans** to help delinquent borrowers avoid foreclosure.
- **More than 2 million of those workouts have been loan modifications**, where the lender has reduced a delinquent borrower's interest rate, lengthened the loan term, capitalized the delinquent amount or reduced the principal and sometimes a combination thereof.
- Since the beginning of 2009, industry participants have **completed more than 2.1 million workouts**, more than 40 percent of which were loan modifications.
- The industry has **worked out more than 2.6 million subprime loans** since July 2007. The level of subprime workouts has recently begun to fall as the foreclosure problem is moving from subprime loans to prime loans.
- **40,000 borrowers have received workouts just through almost 50 local outreach events** where lenders and counselors work directly with their borrowers to help avoid foreclosure.
- Servicers still report that **in nearly half the cases** where they reach out to a delinquent borrower either via phone, mail or even in person, **the borrower fails to respond.**

Home Affordable Modification Program (HAMP)

(MHA data through September 30, 2009)

- As of October 7, 2009, **63 servicers**, who hold approximately 85 percent of the loans eligible to be modified under HAMP, **are participating** in the program.
- Since the program began in May, HAMP participants have offered **757,955 trial modifications** to delinquent borrowers.
- HAMP participants have initiated **487,081 trial modifications** and are on track to exceed the administration's goal of 500,000 trial modifications by November 1, 2009.