



Comptroller of the Currency  
Administrator of National Banks

US Department of the Treasury



Office of Thrift Supervision  
US Department of the Treasury

# OCC and OTS Mortgage Metrics Report

Disclosure of National Bank and Federal Thrift Mortgage Loan Data

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Fourth Quarter 2010

Office of the Comptroller of the Currency  
Office of Thrift Supervision  
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## ***Executive Summary***

This *OCC and OTS Mortgage Metrics Report* for the fourth quarter of 2010 provides performance data on first-lien residential mortgages serviced by selected national banks and federally regulated thrifts. The mortgages in this portfolio comprise 63 percent of all mortgages outstanding in the United States—32.9 million loans totaling \$5.7 trillion in principal balances. The report provides information on their performance through December 31, 2010.

While mortgage delinquency levels remained elevated, the overall quality of the portfolio of mortgages included in this report improved from the previous quarter. The percentage of mortgages that were seriously delinquent declined for the fourth consecutive quarter to the lowest level since the second quarter of 2009.

Moratoria on foreclosure actions during the fourth quarter among the largest mortgage servicers resulted in fewer completed foreclosures and fewer newly initiated foreclosures. Completed foreclosures decreased by nearly 50 percent, and newly initiated foreclosures decreased by almost 8 percent. Foreclosures in process continued to increase during the fourth quarter to 1,290,253 as newly initiated foreclosures exceeded completed foreclosures and loans removed from the foreclosure process. New and completed foreclosures are likely to increase in upcoming quarters as moratoria are lifted and the large inventory of seriously delinquent loans and loans in process of foreclosure work through the system.

## ***Mortgage Performance***

- While delinquencies remained elevated overall, the percentage of mortgages that were current and performing increased to 87.6 percent (see table 8), the highest level since the end of the second quarter of 2009.
- At 3.1 percent of the portfolio, early stage delinquencies—mortgages that were 30 to 59 days delinquent—decreased 7.7 percent from a year ago (see table 8).
- Seriously delinquent mortgages—mortgages that were 60 or more days delinquent or delinquent loans to bankrupt borrowers—declined across all risk categories to 5.4 percent of the serviced portfolio, a 24.0 percent decline from a year ago (see table 11). This fourth consecutive quarterly decline in seriously delinquent mortgages results from a combination of fewer early stage delinquencies and existing serious delinquencies being resolved by home retention actions and foreclosures.
- Foreclosures in process, up 7.4 percent from the previous quarter and 10.1 percent from one year ago, reached a new high of 3.9 percent of the total servicing portfolio (see table 8).
- Government-guaranteed mortgages performed worse than the overall portfolio, with 85.0 percent of government-guaranteed mortgages current and performing at the end of the fourth quarter of 2010 (see table 9). While decreasing slightly from the previous quarter, the percentage of current and performing government-guaranteed mortgages increased 2.7 percent from a year ago. Increased origination of these loans continued in the fourth quarter, with government-guaranteed mortgages composing 20 percent of the total portfolio.
- Mortgages serviced for Fannie Mae and Freddie Mac (GSEs) performed better than the overall portfolio because of their higher concentration of prime mortgages. Of the GSE mortgages, 92.6 percent were current and performing at the end of the fourth quarter (see table 10). Loans serviced for the two GSEs made up 61 percent of the total portfolio.

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

- Servicers implemented 473,415 new home retention actions—modifications, trial-period plans, and payment plans—during the fourth quarter of 2010 (see table 1). This was more than three times the 146,132 home forfeiture actions—completed foreclosures, new short sales, and new deed-in-lieu-of-foreclosure actions (see table 37). The number of home retention actions increased slightly during the quarter but decreased by 21.3 percent from a year ago.
- Home retention activity included 208,696 modifications during the fourth quarter of 2010, a 10.8 percent decrease from the previous quarter. New trial-period plans increased to 132,331—a 16.0 percent increase from the previous quarter. During the past five quarters, servicers have initiated 2.7 million home retention actions—1.1 million modifications, 1.0 million trial-period plans, and more than 640,000 payment plans (see table 13).

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

	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Other Modifications	102,824	129,599	159,065	175,062	152,318	-13.0%	48.1%
HAMP Modifications	21,890	100,367	108,257	58,789	56,378	-4.1%	157.6%
Other Trial-Period Plans	95,249	87,143	88,919	70,264	79,668	13.4%	-16.4%
HAMP Trial-Period Plans	258,899	184,170	65,484	43,798	52,663	20.2%	-79.7%
Payment Plans	122,480	120,434	145,153	120,586	132,388	9.8%	8.1%
Total	601,342	621,713	566,878	468,499	473,415	1.0%	-21.3%

- Servicers capitalized missed payments and fees in 91.6 percent of all modifications made during the fourth quarter and reduced interest rates in 84.1 percent of modifications. Term extensions were used in 56.1 percent of all modifications, principal deferrals in 9.0 percent, and principal reductions in 2.7 percent (see table 17). Principal deferral was used in 22.6 percent of Home Affordable Modification Program (HAMP) modifications, while principal reduction was used in 7.4 percent of the HAMP modifications (see table 18).
- Nearly 90 percent of modifications implemented during the quarter decreased monthly principal and interest payments. More than 56 percent of those modifications reduced payments by 20 percent or more (see table 22). On average, modifications during the fourth quarter reduced borrowers’ monthly principal and interest payments by \$414. HAMP modifications reduced payments by an average of \$587 (see table 24).

**Modified Loan Performance**

- More recent modifications that emphasized sustainability and affordability continued to outperform modifications implemented in earlier periods.
- Servicers modified 1,739,975 loans from the beginning of 2008 through the third quarter of 2010. At the end of the fourth quarter of 2010, 48.0 percent of these modifications remained current or were paid off. Another 9.6 percent were 30 to 59 days delinquent. Almost 22 percent of the modifications were seriously delinquent, 10.1 percent were in the process of foreclosure, and 4.4 percent had completed the foreclosure process (see table 2).

- Modifications that reduced payments by 10 percent or more performed better than those that reduced payments by less than 10 percent. At the end of the fourth quarter of 2010, 57.3 percent of modifications that reduced payments by 10 percent or more were current and performing, compared with 34.0 percent of modifications that reduced payments by less than 10 percent (see table 2).

<b>Table 2. Status of Mortgages Modified in 2008–2010</b>								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	421,322	24.5%	7.2%	27.8%	15.7%	11.4%	2.7%	10.7%
2009	587,514	40.8%	9.4%	26.4%	12.7%	4.2%	1.1%	5.5%
2010**	731,139	64.7%	11.2%	14.5%	4.7%	0.5%	0.2%	4.1%
Total	1,739,975	46.9%	9.6%	21.7%	10.1%	4.4%	1.1%	6.2%
<b>Modifications That Reduced Payments by 10 Percent or More</b>								
Modifications That Reduced Payments by 10% or More	962,464	57.3%	9.8%	16.6%	7.1%	2.2%	0.6%	6.5%
<b>Modifications That Reduced Payments by Less Than 10 Percent</b>								
Modifications That Reduced Payments by Less Than 10%	777,511	34.0%	9.5%	28.2%	13.8%	7.0%	1.7%	5.8%

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

\*\*Includes modifications implemented during the first three quarters of 2010 in effect at least three months.

- HAMP modifications performed better than other modifications implemented during the same periods. At 6 months after modification, the HAMP re-default rate, measured as 60 or more days delinquent, was about half that of other modifications (see table 31). These lower delinquency rates reflect HAMP’s emphasis on the affordability of monthly payments relative to borrower income, income verification, and completion of a trial payment period.
- Modified mortgages held in the servicers’ portfolios performed better than modified mortgages serviced for others. This variance may result from differences in modification programs, servicers’ flexibility to modify mortgages they hold in their portfolios, and the underlying quality of loans serviced for different investors. Modified government-guaranteed mortgages had the highest delinquency rates at 6, 9, and 12 months following modification, consistent with their higher overall delinquency rates (see table 3).

<b>Table 3. Re-Default Rates for Portfolio Loans and Loans Serviced for Others (60 or More Days Delinquent)*</b>				
Investor Loan Type	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Fannie Mae	13.7%	23.9%	34.2%	46.5%
Freddie Mac	14.3%	23.8%	34.3%	47.7%
Government-Guaranteed	20.4%	40.5%	52.7%	59.8%
Private	26.9%	39.7%	49.3%	56.8%
Portfolio Loans	8.7%	17.7%	24.2%	28.6%
Overall	18.5%	31.2%	40.9%	48.8%

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

**Modified Loan Performance, by Change in Monthly Payments**

- Modifications that decreased monthly payments had significantly lower re-default rates than modifications that increased payments. After 6 months, 13.0 percent of modifications made since the third quarter of 2009 that decreased monthly payments by 20 percent or more were seriously delinquent. In contrast, 37.6 percent of modifications that increased payments were seriously delinquent (see table 4).

	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Overall
Third Quarter 2009	18.1%	30.1%	31.9%	30.9%	39.9%	27.7%
Fourth Quarter 2009	11.5%	21.2%	27.1%	12.3%	37.6%	20.1%
First Quarter 2010	11.7%	21.2%	28.4%	33.4%	37.7%	19.1%
Second Quarter 2010	13.0%	22.5%	30.2%	25.3%	35.3%	19.6%
Overall	13.0%	23.2%	29.6%	25.6%	37.6%	20.9%

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

**Foreclosures and Other Home Forfeiture Actions**

- Newly initiated foreclosures decreased 7.9 percent from the previous quarter but increased 12.7 percent from a year ago. Foreclosures in process increased 7.4 percent from the previous quarter and 19.6 percent from a year ago. Nearly 1.3 million mortgages were in the process of foreclosure at the end of the fourth quarter of 2010 (see table 5).

	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Newly Initiated Foreclosures	312,520	369,944	291,757	382,537	352,318	-7.9%	12.7%
Foreclosures in Process	1,078,703	1,169,913	1,148,343	1,201,622	1,290,253	7.4%	19.6%

- Home forfeiture actions totaled 146,132 at the end of the fourth quarter of 2010, a decrease of 40.3 percent from the previous quarter and a decrease of 14.7 percent from a year ago. The fourth quarter decrease in completed foreclosures can be attributed at least in part to moratoria among the largest servicers. Completed foreclosures will likely increase in the following quarters as the inventory of foreclosures in process and serious delinquencies work through the system (see table 6).

	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Completed Foreclosures	132,625	157,733	168,256	186,854	95,067	-49.1%	-28.3%
New Short Sales	37,584	41,031	55,441	56,257	48,980	-12.9%	30.3%
New Deed-in-Lieu-of-Foreclosure Actions	1,054	1,202	1,753	1,729	2,085	20.6%	97.8%
Total	171,263	199,966	225,450	244,840	146,132	-40.3%	-14.7%

## **About Mortgage Metrics**

The *OCC and OTS Mortgage Metrics Report* presents data on first-lien residential mortgages serviced by national banks and thrifts, focusing on credit performance, loss mitigation efforts, and foreclosures. The OCC and the OTS collect these data from the eight national banks and one thrift with the largest mortgage-servicing portfolios among national banks and thrifts.<sup>1</sup> The data represent 63 percent of all first-lien residential mortgages outstanding in the country. More than 90 percent of the mortgages in the portfolio were serviced for third parties because of loan sales and securitization. At the end of December 2010, the reporting institutions serviced 32.9 million first-lien mortgage loans, totaling more than \$5.7 trillion in outstanding balances.

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 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 data support the supervision of national bank and thrift mortgage 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, the OTS, 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 comparisons with institutions' quarterly call and thrift financial reports, with internal quality reviews conducted by the banks and thrifts, and with data supplied by participating banks and aggregated by an external vendor to support this report. Data sets of this size and scope inevitably suffer from a degree of inconsistency, missing data, and other imperfections. This report notes cases in which data anomalies may have affected the results. The OCC and the OTS require 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 in Appendix E. Developed over several quarters, these data fulfill reporting requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203).

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<sup>1</sup> The eight banks are Bank of America, JPMorgan Chase, Citibank, HSBC, MetLife, PNC, U.S. Bank, and Wells Fargo. The thrift is OneWest Bank (formerly IndyMac). Merrill Lynch FSB was merged into Bank of America in November 2009. MetLife Bank replaced First Tennessee as a reporting institution in January 2010. Wachovia Bank was merged into Wells Fargo National Bank in March 2010.



## **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:

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

Approximately 13 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 less adverse impact than foreclosure on borrowers' credit records.
- **Foreclosures in process**—Number of mortgages for which servicers have begun formal foreclosure proceedings but have not yet completed the process resulting in the loss of borrowers' homes. 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 act to 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 certain other departments. These loans may be held in pools backing Government National Mortgage Association (Ginnie Mae) securities or owned by and/or securitized through different investors.
- **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 month. 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 to return mortgages to a current and performing status.
- **Payment option adjustable rate mortgages (ARMs)**—Mortgages that allow borrowers to choose a monthly payment that may reduce principal, pay interest only, or result in negative amortization, in which some amount of unpaid interest is added to the principal balance of the loan and results in an increased amount owed.
- **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 alternative measures of delinquency, this report presents re-default rates using 30, 60, and 90 or more days delinquent and in process of foreclosure but focuses most often on the 60-day-delinquent measure. All re-default data presented in this report 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, refinanced, or sold, or have 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.<sup>2</sup>
- **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 foreclosure on borrowers' credit records.
- **Trial-period plans**—Home retention actions that allow borrowers to demonstrate capability and willingness to pay their modified mortgages for a set period of time. The action becomes a permanent loan modification 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 is unpaid for 30 days or more. 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 sum to 100 percent due to rounding.

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<sup>2</sup> Some servicers have offered modification programs that do not reset or “re-age” delinquency status following modification. Loans in this category represent a small percentage of total loan modifications.

In tables throughout this report, the quarters are indicated by the last day of the quarter (e.g., 6/30/10), quarter-to-quarter changes are shown under the column “1Q %Change” column, and year-to-year changes are shown under the column “1Y %Change” column.

In tables throughout this report, percentages shown under “1Q %Change” and “1Y %Change” are calculated using unrounded values for each quarter. Calculating these percentages from the rounded values shown in the table may yield materially different values.

*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, the performance of government-guaranteed mortgages, mortgages serviced for the government-sponsored enterprises (GSEs), and each loan risk category.

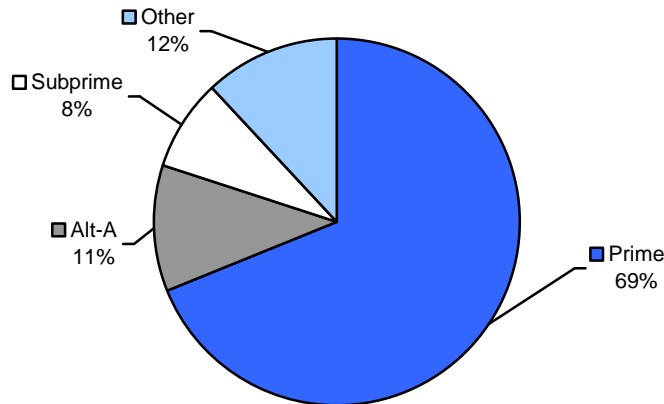
**Overall Mortgage Portfolio**

At the end of the fourth quarter of 2010, the size of the servicing portfolio declined slightly to 32.9 million loans totaling more than \$5.7 trillion in unpaid principal balances. The composition of the portfolio remained steady with 69 percent prime, 11 percent Alt-A, 8 percent subprime, and 12 percent other loans.

<b>Table 7. Overall Mortgage Portfolio</b>					
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10
Total Servicing (Millions)	\$5,952,284	\$5,947,354	\$5,907,688	\$5,811,107	\$5,718,816
Total Servicing (Number of Loans)	33,823,779	33,894,097	33,745,672	33,326,073	32,850,591
<b>Composition (Percentage of All Mortgages in the Portfolio)</b>					
Prime	68%	68%	69%	69%	69%
Alt-A	11%	11%	11%	11%	11%
Subprime	8%	8%	8%	8%	8%
Other	13%	14%	13%	13%	12%
<b>Composition (Number of Loans in Each Risk Category of the Portfolio)</b>					
Prime	23,135,718	23,033,860	23,152,093	23,003,175	22,815,182
Alt-A	3,560,404	3,567,244	3,615,027	3,590,974	3,533,322
Subprime	2,758,159	2,666,987	2,618,145	2,550,622	2,471,132
Other	4,369,498	4,626,006	4,360,407	4,181,302	4,030,955

**Figure 1. Portfolio Composition**

Percentage of All Mortgage Loans in the Portfolio  
Fourth Quarter 2010

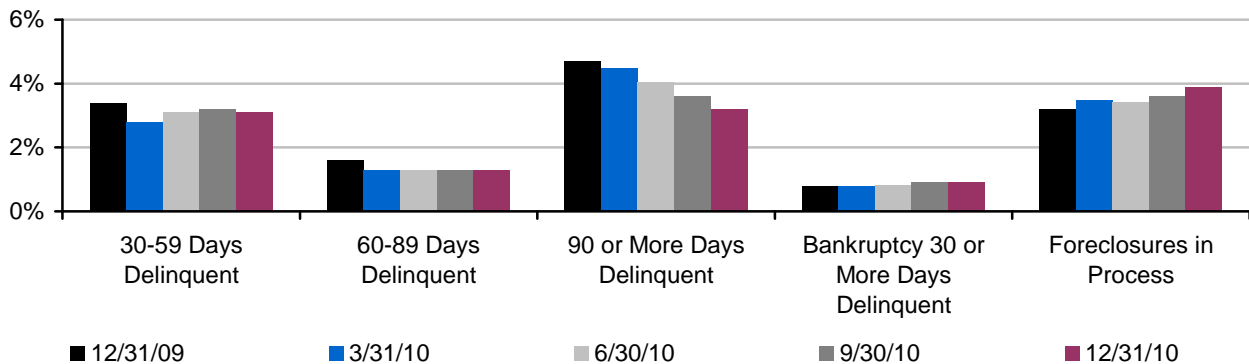


### Overall Mortgage Performance

Current and performing mortgages increased to 87.6 percent of the portfolio—up from 87.4 percent at the end of the previous quarter and 86.4 percent a year ago. The percentage of mortgages 30 to 59 days delinquent decreased to 3.1 percent—down from 3.2 percent at the end of the previous quarter and 3.4 percent a year ago. The percentage of seriously delinquent mortgages, loans 60 or more days delinquent or loans in bankruptcy more than 30 days past due, declined for the fourth consecutive quarter to 5.4 percent—down from 5.8 percent at the end of the previous quarter and 7.1 percent a year ago. Foreclosures in process increased to 3.9 percent—up from 3.6 percent at the end of the previous quarter and 3.2 percent a year ago.

<b>Table 8. Overall Portfolio Performance</b>							
<b>(Percentage of Mortgages in the Portfolio)</b>							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Current and Performing	86.4%	87.3%	87.4%	87.4%	87.6%	0.2%	1.4%
30–59 Days Delinquent	3.4%	2.8%	3.1%	3.2%	3.1%	-2.4%	-7.7%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	1.6%	1.3%	1.3%	1.3%	1.3%	-2.4%	-16.1%
90 or More Days Delinquent	4.7%	4.5%	4.1%	3.6%	3.2%	-10.7%	-33.0%
Bankruptcy 30 or More Days Delinquent	0.8%	0.8%	0.8%	0.9%	0.9%	2.1%	15.4%
<b>Subtotal for Seriously Delinquent</b>	<b>7.1%</b>	<b>6.5%</b>	<b>6.2%</b>	<b>5.8%</b>	<b>5.4%</b>	<b>-6.9%</b>	<b>-24.0%</b>
Foreclosures in Process	3.2%	3.5%	3.4%	3.6%	3.9%	8.9%	23.2%
<b>(Number of Mortgages in the Portfolio)</b>							
Current and Performing	29,217,742	29,574,952	29,490,632	29,143,015	28,777,047	-1.3%	-1.5%
30–59 Days Delinquent	1,138,822	939,306	1,030,522	1,061,246	1,020,597	-3.8%	-10.4%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	525,071	424,534	430,217	444,769	427,919	-3.8%	-16.1%
90 or More Days Delinquent	1,603,596	1,525,102	1,370,704	1,185,957	1,043,467	-12.0%	-11.0%
Bankruptcy 30 or More Days Delinquent	259,845	260,290	275,254	289,464	291,308	0.6%	16.0%
<b>Subtotal for Seriously Delinquent</b>	<b>2,388,512</b>	<b>2,209,926</b>	<b>2,076,175</b>	<b>1,920,190</b>	<b>1,762,694</b>	<b>-8.2%</b>	<b>-9.1%</b>
Foreclosures in Process	1,078,703	1,169,913	1,148,343	1,201,622	1,290,253	7.4%	10.1%

Figure 2. Overall Portfolio Performance

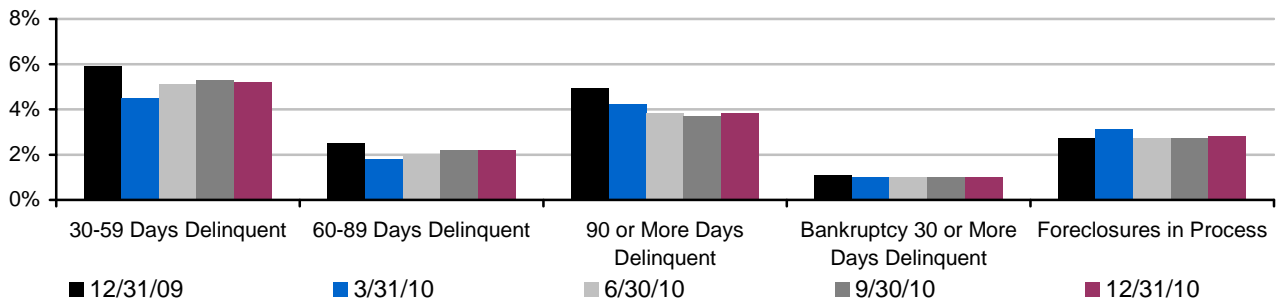


**Performance of Government-Guaranteed Mortgages**

The percentage of current government-guaranteed mortgages decreased to 85.0 percent—down slightly from the previous quarter but up from 82.8 percent a year ago. Serious delinquencies increased from the previous quarter to 7.0 percent of all government-guaranteed mortgages but decreased from 8.5 percent a year ago. The percentage of government-guaranteed mortgages that were 30 to 59 days delinquent decreased to 5.2 percent—down from 5.3 percent the previous quarter and 5.9 percent a year ago. Foreclosures in process increased from the previous quarter to 2.8 percent. Government-guaranteed mortgages represent approximately 20 percent of the portfolio compared with 17 percent a year ago. About 80 percent of these loans were FHA loans, 15 percent were VA loans, and 5 percent were other government-guaranteed mortgages. More than 85 percent of these mortgages were in pools of loans backing Ginnie Mae securities.

<b>Table 9. Performance of Government-Guaranteed Mortgages (Percentage)*</b>							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Current and Performing	82.8%	85.4%	85.3%	85.1%	85.0%	-0.1%	2.7%
30–59 Days Delinquent	5.9%	4.5%	5.1%	5.3%	5.2%	-2.1%	-12.9%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	2.5%	1.8%	2.0%	2.2%	2.2%	0.2%	-14.6%
90 or More Days Delinquent	4.9%	4.2%	3.8%	3.7%	3.8%	2.7%	-22.4%
Bankruptcy 30 or More Days Delinquent	1.1%	1.0%	1.0%	1.0%	1.0%	-1.1%	-2.1%
<b>Subtotal for Seriously Delinquent</b>	<b>8.5%</b>	<b>7.0%</b>	<b>6.8%</b>	<b>6.9%</b>	<b>7.0%</b>	<b>1.3%</b>	<b>-17.6%</b>
Foreclosures in Process	2.7%	3.1%	2.7%	2.7%	2.8%	4.0%	1.9%
<b>Performance of Government-Guaranteed Mortgages (Number)</b>							
Current and Performing	4,663,793	4,991,325	5,230,074	5,344,688	5,483,548	2.6%	17.6%
30–59 Days Delinquent	333,283	261,986	313,456	330,353	332,306	0.6%	-0.3%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	142,628	105,019	120,931	135,618	139,520	2.9%	-2.2%
90 or More Days Delinquent	277,894	246,592	234,420	234,106	246,982	5.5%	-11.1%
Bankruptcy 30 or More Days Delinquent	59,590	59,077	63,218	65,756	66,779	1.6%	12.1%
<b>Subtotal for Seriously Delinquent</b>	<b>480,112</b>	<b>410,688</b>	<b>418,569</b>	<b>435,480</b>	<b>453,281</b>	<b>4.1%</b>	<b>-5.6%</b>
Foreclosures in Process	153,736	179,548	166,401	167,975	179,407	6.8%	16.7%

**Figure 3. Performance of Government-Guaranteed Mortgages**

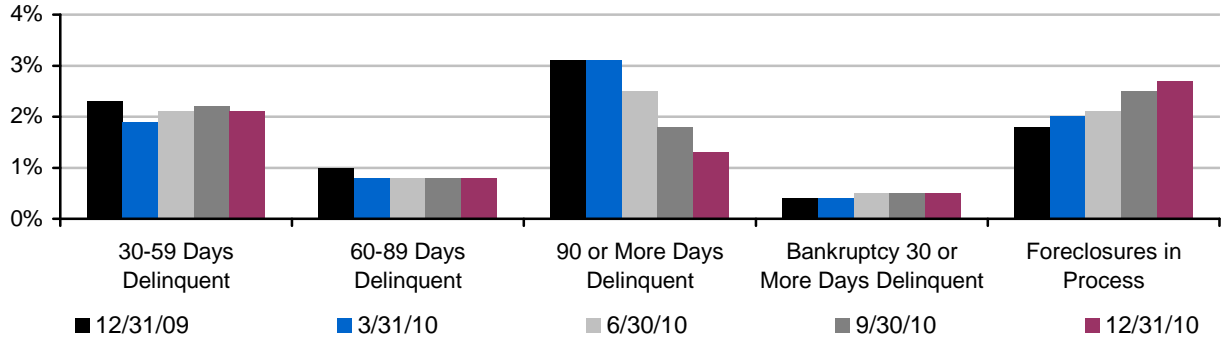


**Performance of GSE Mortgages**

GSE mortgages perform better than the overall portfolio because of a greater percentage of prime loans. Current and performing GSE mortgages increased to 92.6 percent, compared with 87.6 percent for the overall portfolio and 85.0 percent for government-guaranteed mortgages. GSE mortgages that were 30 to 59 days delinquent decreased to 2.1 percent—down from 2.2 percent in the previous quarter and 2.3 percent a year ago. Seriously delinquent GSE mortgages declined to 2.6 percent—down from 3.1 percent in the previous quarter and 4.5 percent from a year ago. Foreclosures in process increased to 2.7 percent—up from 2.5 percent at the end of the previous quarter and 1.8 percent from a year ago. GSE mortgages made up approximately 61 percent of the overall servicing portfolio. Of the GSE mortgages, about 58 percent were serviced for Fannie Mae, and 42 percent were serviced for Freddie Mac.

<b>Table 10. Performance of GSE Mortgages (Percent)</b>							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Current and Performing	91.3%	91.8%	92.0%	92.3%	92.6%	0.4%	1.4%
30–59 Days Delinquent	2.3%	1.9%	2.1%	2.2%	2.1%	-3.5%	-9.3%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	1.0%	0.8%	0.8%	0.8%	0.8%	-6.1%	-21.3%
90 or More Days Delinquent	3.1%	3.1%	2.5%	1.8%	1.3%	-27.1%	-58.9%
Bankruptcy 30 or More Days Delinquent	0.4%	0.4%	0.5%	0.5%	0.5%	4.8%	25.8%
<b>Subtotal for Seriously Delinquent</b>	<b>4.5%</b>	<b>4.3%</b>	<b>3.8%</b>	<b>3.1%</b>	<b>2.6%</b>	<b>-16.2%</b>	<b>-42.7%</b>
Foreclosures in Process	1.8%	2.0%	2.1%	2.5%	2.7%	9.9%	46.6%
<b>Performance of GSE Mortgages (Number)</b>							
Current and Performing	19,618,695	19,471,020	19,282,070	18,877,065	18,451,984	-2.3%	-5.9%
30–59 Days Delinquent	497,317	404,565	435,687	444,871	418,253	-6.0%	-15.9%
<b>The Following Three Categories Are Classified as Seriously Delinquent:</b>							
60–89 Days Delinquent	214,654	179,974	172,604	171,249	156,585	-8.6%	-27.1%
90 or More Days Delinquent	671,776	648,625	517,496	360,798	256,275	-29.0%	-61.9%
Bankruptcy 30 or More Days Delinquent	91,109	91,480	97,015	104,146	106,307	2.1%	16.7%
<b>Subtotal for Seriously Delinquent</b>	<b>977,539</b>	<b>920,079</b>	<b>787,115</b>	<b>636,193</b>	<b>519,167</b>	<b>-18.4%</b>	<b>-46.9%</b>
Foreclosures in Process	395,201	419,527	448,845	502,019	537,347	7.0%	36.0%

**Figure 4. Performance of GSE Mortgages**



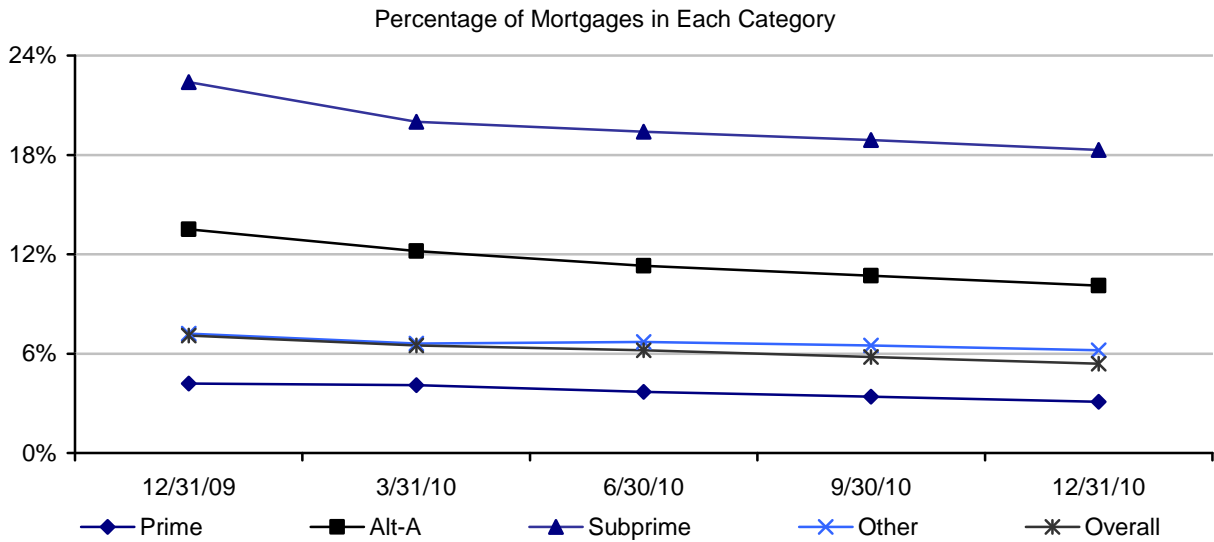


**Seriously Delinquent Mortgages, by Risk Category**

At the end of the fourth quarter of 2010, the portfolio contained 625,818 fewer seriously delinquent loans compared with a year ago—a 26.2 percent decrease in the number of seriously delinquent mortgages. Serious delinquencies declined for the fourth consecutive quarter to 5.4 percent of the servicing portfolio—the lowest level since the end of June 2009. The number of seriously delinquent loans declined across all risk categories during the quarter. The percentage of prime mortgages that were seriously delinquent decreased to 3.1 percent—down from 3.4 percent at the end of the previous quarter and 4.2 percent a year ago. Subprime serious delinquencies decreased to 18.3 percent—down from 18.9 percent at the end of the previous quarter and 22.4 percent a year ago.

<b>Table 11. Seriously Delinquent Mortgages</b>							
<b>(Percentage of Mortgages in Each Category)</b>							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Prime	4.2%	4.1%	3.7%	3.4%	3.1%	-9.6%	-27.2%
Alt-A	13.5%	12.2%	11.3%	10.7%	10.1%	-5.3%	-24.7%
Subprime	22.4%	20.0%	19.4%	18.9%	18.3%	-3.0%	-18.1%
Other	7.2%	6.6%	6.7%	6.5%	6.2%	-4.7%	-13.9%
Overall	7.1%	6.5%	6.2%	5.8%	5.4%	-6.9%	-24.0%
<b>(Number of Mortgages in Each Category)</b>							
Prime	976,094	935,043	866,278	781,237	700,762	-10.3%	-28.2%
Alt-A	479,404	436,505	409,663	384,300	358,267	-6.8%	-25.3%
Subprime	617,367	533,018	507,074	481,784	452,989	-6.0%	-26.6%
Other	315,647	305,360	293,160	272,869	250,676	-8.1%	-20.6%
Total	2,388,512	2,209,926	2,076,175	1,920,190	1,762,694	-8.2%	-26.2%

**Figure 5. Seriously Delinquent Mortgages**



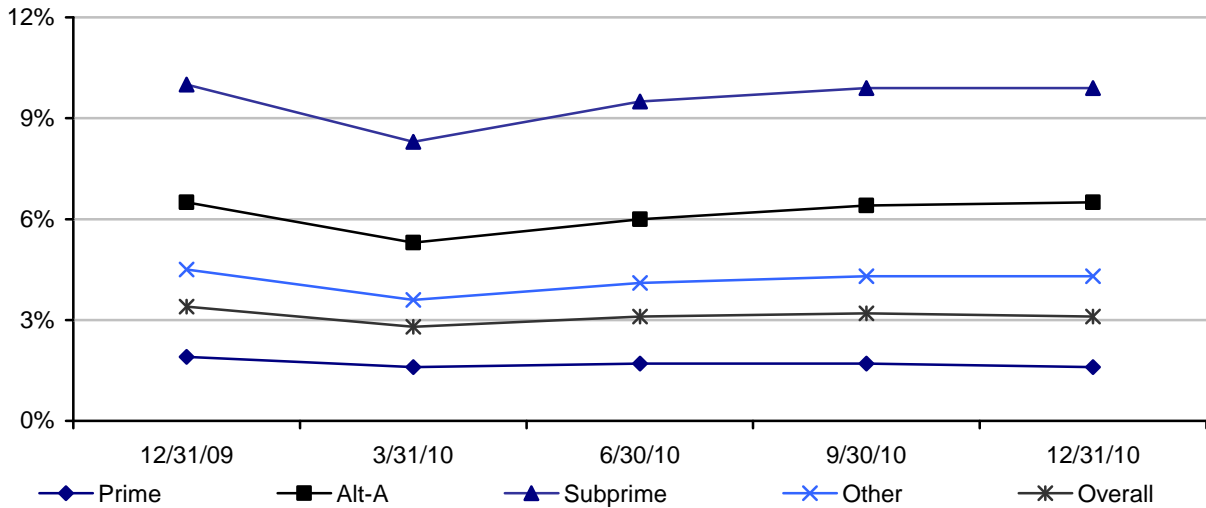
**Mortgages 30–59 Days Delinquent, by Risk Category**

At the end of the fourth quarter of 2010, the overall portfolio contained 118,225 fewer loans that were 30 to 59 days delinquent compared with a year ago—a 10.4 percent decrease in the number of mortgages that were 30 to 59 days delinquent. Overall, 3.1 percent of the total portfolio was 30 to 59 days delinquent at the end of the quarter—down from 3.2 percent at the end of the previous quarter and 3.4 percent a year ago.

<b>Table 12. Mortgages 30–59 Days Delinquent</b>							
<b>(Percentage of Mortgages in Each Category)</b>							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Prime	1.9%	1.6%	1.7%	1.7%	1.6%	-4.8%	-12.2%
Alt-A	6.5%	5.3%	6.0%	6.4%	6.5%	0.2%	-1.3%
Subprime	10.0%	8.3%	9.5%	9.9%	9.9%	-0.3%	-1.2%
Other	4.5%	3.6%	4.1%	4.3%	4.3%	-0.2%	-4.6%
Overall	3.4%	2.8%	3.1%	3.2%	3.1%	-2.4%	-7.7%
<b>(Number of Mortgages in Each Category)</b>							
Prime	432,188	360,385	382,963	396,214	374,093	-5.6%	-13.4%
Alt-A	232,609	190,767	217,629	231,098	227,936	-1.4%	-2.0%
Subprime	275,235	221,157	249,387	252,136	243,652	-3.4%	-11.5%
Other	198,790	166,997	180,543	181,798	174,916	-3.8%	-12.0%
Total	1,138,822	939,306	1,030,522	1,061,246	1,020,597	-3.8%	-10.4%

**Figure 6. Mortgages 30–59 Days Delinquent**

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 underwriting and 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 assist the borrower to become current on the loan, attain payment sustainability, and retain the home.

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

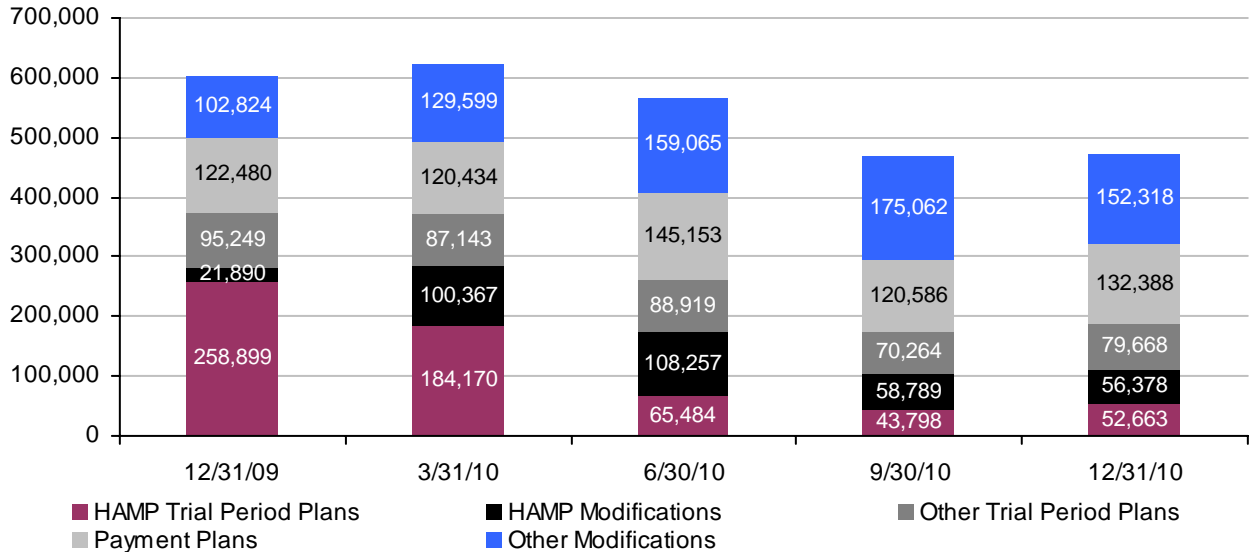
***Newly Initiated Home Retention Actions***

Servicers implemented 473,415 new home retention actions—loan modifications, trial-period plans, and payment plans—during the fourth quarter of 2010. Servicers implemented 208,696 modifications during the quarter—10.8 percent fewer than the previous quarter. However, other trial-period plans and HAMP trial-period plans both increased in the fourth quarter, with servicers implementing 132,331 new trial-period plans—a 16.0 percent increase from the previous quarter. Payment plans also increased by 9.8 percent during the fourth quarter to 132,388. During the past five quarters, servicers have initiated 2.7 million home retention actions—1.1 million modifications, 1.0 million trial-period plans, and more than 640,000 payment plans.

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

	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Other Modifications	102,824	129,599	159,065	175,062	152,318	-13.0%	48.1%
HAMP Modifications	21,890	100,367	108,257	58,789	56,378	-4.1%	157.6%
Other Trial-Period Plans	95,249	87,143	88,919	70,264	79,668	13.4%	-16.4%
HAMP Trial-Period Plans	258,899	184,170	65,484	43,798	52,663	20.2%	-79.7%
Payment Plans	122,480	120,434	145,153	120,586	132,388	9.8%	8.1%
Total	601,342	621,713	566,878	468,499	473,415	1.0%	-21.3%

**Figure 7. Number of New Home Retention Actions**



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

Servicers implemented 56,378 HAMP modifications during the fourth quarter of 2010—down 4.1 percent from the 58,790 implemented during the previous quarter. Nearly half of HAMP modifications made in the fourth quarter of 2010 went to mortgages serviced for Fannie Mae and Freddie Mac. Prime loans received more than half of all HAMP modifications, while subprime loans received less than a quarter of these modification actions.

**Table 14. HAMP Modifications, by Investor and Risk Category**  
(Modifications Implemented in the Fourth Quarter of 2010)

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	10,198	7,235	13	5,905	5,586	28,937
Alt-A	3,103	2,184	15	3,098	2,782	11,182
Subprime	1,804	1,154	21	4,025	4,827	11,831
Other	1,299	555	21	743	1,810	4,428
Total	16,404	11,128	70	13,771	15,005	56,378

Servicers implemented 52,663 new HAMP trial-period plans during the quarter, an increase of 20.4 percent from the 43,739 trial plans initiated in the previous quarter. Prime mortgages, which represent 69 percent of the total portfolio and the risk category with the largest number of past-due loans, received more than half of the HAMP trial-period plans implemented during the quarter. Alt-A and subprime mortgages received 37 percent of the HAMP trial plans implemented during the quarter. Fannie Mae or Freddie Mac mortgages received more than 52 percent of HAMP trial-period plans initiated during the fourth quarter.

**Table 15. HAMP Trial-Period Plans, by Investor and Risk Category**  
(Trial Plans Implemented in the Fourth Quarter of 2010)

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	9,255	7,590	1	4,606	6,528	27,980
Alt-A	2,847	2,365	1	2,240	2,909	10,362
Subprime	1,687	1,153	2	2,653	3,724	9,219
Other	2,086	849	0	708	1,459	5,102
Total	15,875	11,957	4	10,207	14,620	52,663

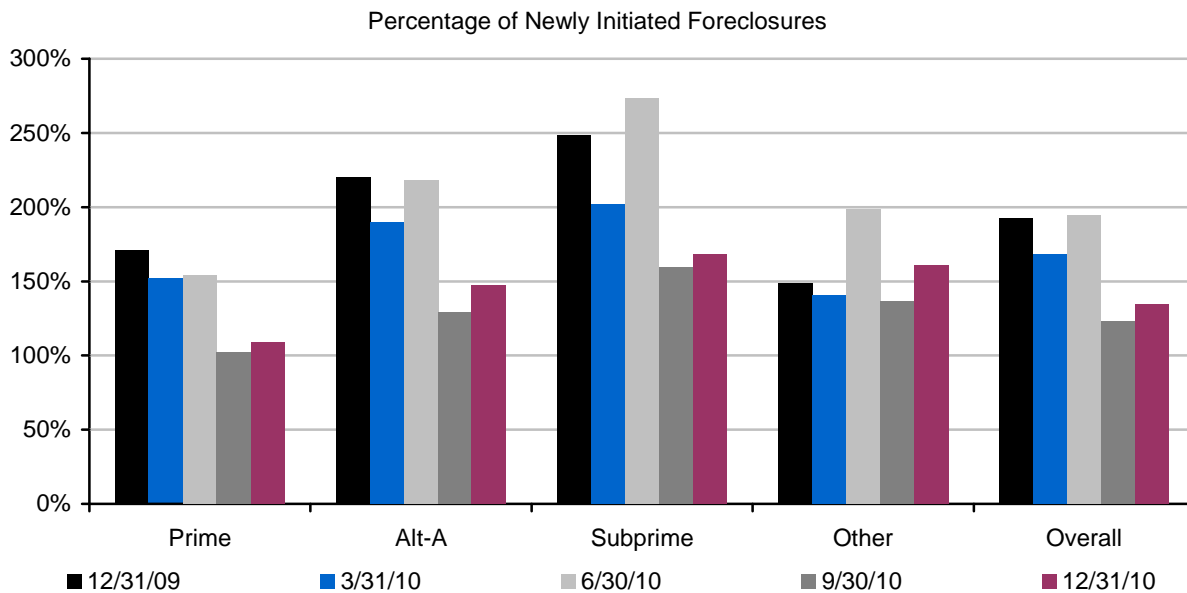
**Newly Initiated Home Retention Actions Relative to Newly Initiated Foreclosures**

Newly initiated home retention actions relative to newly initiated foreclosure actions increased during the fourth quarter primarily because of the 7.9 percent decrease in newly initiated foreclosure actions. Servicers continued to implement more new home retention actions than new foreclosures overall.

**Table 16. Percentage of Newly Initiated Home Retention Actions by Risk Category**

	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Prime	171.2%	151.9%	154.0%	101.7%	109.1%	7.3%	-36.3%
Alt-A	220.1%	189.5%	218.1%	128.9%	147.3%	14.3%	-33.1%
Subprime	248.5%	201.7%	273.4%	158.5%	168.5%	6.3%	-32.2%
Other	148.4%	140.6%	198.7%	136.3%	160.4%	17.7%	8.1%
Overall	192.4%	168.1%	194.3%	122.5%	134.4%	9.7%	-30.2%
Number of Newly Initiated Home Retention Actions	601,342	621,713	566,878*	468,499	473,415	1.0%	-21.3%
Number of Newly Initiated Foreclosures	312,520	369,944	291,757	382,537	352,318	-7.9%	12.7%

**Figure 8. Newly Initiated Home Retention Actions by Risk Category**



### Types of Modification Actions

The types of modification actions or combinations of actions have different effects on the borrowers' mortgage and their monthly principal and interest payments. Different actions may, over time, have different effects on the long-term sustainability of mortgages. Servicers often use a combination of actions when modifying mortgages, with 92 percent of modifications implemented during the fourth quarter changing more than one of the original loan terms. Servicers capitalized missed fees and payments in 91.6 percent of modifications made during the fourth quarter of 2010, reduced interest rates in 84.1 percent of the modified mortgages, and extended the loan maturity in 56.1 percent. Servicers deferred repayment of some portion of the principal balance in 9.0 percent of modifications made during the quarter and used principal reduction in 2.7 percent of modifications. Because most modifications changed more than one term, the sum of the individual actions exceeds 100 percent of total modifications. Appendix D presents additional detail on combination modifications.

<b>Table 17. Changes in Loan Terms for Modifications Made Through the Fourth Quarter of 2010</b>							
<b>(Percentage of Total Modifications in Each Category)</b>							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Capitalization	83.1%	91.4%	93.9%	87.5%	91.6%	4.6%	10.2%
Rate Reduction	84.8%	85.6%	86.9%	86.2%	84.1%	-2.5%	-0.8%
Rate Freeze	1.7%	1.6%	4.3%	1.9%	2.4%	26.1%	38.2%
Term Extension	45.4%	45.7%	51.7%	57.4%	56.1%	-2.3%	23.4%
Principal Reduction	6.8%	1.9%	2.2%	5.7%	2.7%	-52.6%	-60.0%
Principal Deferral	6.2%	10.1%	10.5%	10.1%	9.0%	-10.6%	46.5%
Not Reported*	1.2%	0.4%	0.6%	0.8%	1.2%	39.9%	-3.0%
<b>(Number of Changes in Each Category)</b>							
Capitalization	103,620	210,245	250,951	204,622	191,102	-6.6%	84.4%
Rate Reduction	105,721	196,846	232,223	201,692	175,576	-12.9%	66.1%
Rate Freeze	2,173	3,701	11,442	4,465	5,026	12.6%	131.3%
Term Extension	56,651	105,033	138,080	134,249	117,008	-12.8%	106.5%
Principal Reduction	8,435	4,464	5,866	13,339	5,648	-57.7%	-33.0%
Principal Deferral	7,678	23,314	28,106	23,601	18,822	-20.2%	145.1%
Not Reported*	1,512	915	1,531	1,966	2,455	24.9%	62.4%

\*Processing constraints at some servicers prevented them from aggregating and 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, most HAMP modifications included capitalization of missed payments and fees, interest rate reductions, and term extensions. Servicers used principal deferral, another prescribed action in the HAMP hierarchy, in 22.6 percent of HAMP modifications during the fourth quarter of 2010 compared with 24.6 percent in the previous quarter. The use of principal reduction decreased to 7.4 percent of all HAMP modifications implemented during the quarter, compared with 10.2 percent during the previous quarter.

**Table 18. Changes in Loan Terms for HAMP Modifications Made Permanent Through the Fourth Quarter of 2010**

	Number of Changes in Each Category				Percentage of Modifications in Each Category			
	3/31/10	6/30/10	9/30/10	12/31/10	3/31/10 (of 100,367)	6/30/10 (of 108,257)	9/30/10 (of 58,789)	12/31/10 (of 56,378)
Capitalization	97,753	106,961	56,209	54,383	97.4%	98.8%	95.6%	96.5%
Rate Reduction	94,233	101,211	56,401	49,552	93.9%	93.5%	95.9%	87.9%
Rate Freeze	150	1,148	83	121	0.1%	1.1%	0.1%	0.2%
Term Extension	46,446	53,253	32,744	27,474	46.3%	49.2%	55.7%	48.7%
Principal Reduction	162	3,342	6,008	4,197	0.2%	3.1%	10.2%	7.4%
Principal Deferral	19,363	22,218	14,454	12,716	19.3%	20.5%	24.6%	22.6%
Not Reported*	167	78	151	122	0.2%	0.1%	0.3%	0.2%

\*Processing constraints at some servicers prevented them from aggregating and 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 exceeds the total number of modified loans in each risk category. The mix of capitalization, rate reduction, and term extension in modified mortgages did not differ significantly among prime, Alt-A, and subprime mortgages. Principal deferral was used more extensively in modifications of prime mortgages than other risk categories.

<b>Table 19. Changes in Loan Terms for Modifications, by Risk Category, in Fourth Quarter 2010</b>					
<b>(Percentage of Total Modifications in Each Category)</b>					
	Prime	Alt-A	Subprime	Other	Overall
Capitalization	90.2%	92.5%	90.8%	96.5%	91.6%
Rate Reduction	80.5%	84.6%	89.1%	86.1%	84.1%
Rate Freeze	1.9%	2.3%	1.9%	5.4%	2.4%
Term Extension	54.3%	55.6%	57.7%	59.9%	56.1%
Principal Reduction	3.1%	3.1%	2.6%	0.9%	2.7%
Principal Deferral	12.4%	7.7%	5.6%	6.3%	9.0%
Not Reported*	1.3%	1.1%	1.2%	0.9%	1.2%
<b>(Number of Changes in Each Category)</b>					
Total Mortgages Modified	89,488	42,653	51,297	25,258	208,696
Capitalization	80,680	39,442	46,599	24,381	191,102
Rate Reduction	72,080	36,069	45,692	21,735	175,576
Rate Freeze	1,694	990	970	1,372	5,026
Term Extension	48,570	23,697	29,600	15,141	117,008
Principal Reduction	2,765	1,323	1,339	221	5,648
Principal Deferral	11,079	3,281	2,864	1,598	18,822
Not Reported*	1,174	453	602	226	2,455

\*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 45.3 percent of modifications made during the fourth quarter. Mortgages serviced for private investors received 20.4 percent of all modifications, while government-guaranteed loans received 21.1 percent. Mortgages held in servicer portfolios received 13.2 percent of fourth quarter modifications. Table 20 shows the distribution of the types of modification actions by investor. Because modifications often change more than one loan term, the sum of the actions exceeds the number of modified loans for each investor.

Interest rate reduction and term extension on loans that may also include the capitalization of missed payments and fees remained the primary types of modification for all investors. Principal reduction was predominantly used for loans held in portfolio.

<b>Table 20. Type of Modification Action, by Investor, in Fourth Quarter 2010</b>						
(Percentage of Total Modifications in Each Category)						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	98.6%	98.6%	99.4%	79.2%	73.9%	91.6%
Rate Reduction	78.6%	70.4%	98.2%	86.2%	85.1%	84.1%
Rate Freeze	3.5%	5.4%	0.2%	1.4%	2.2%	2.4%
Term Extension	49.2%	71.6%	81.0%	36.6%	49.1%	56.1%
Principal Reduction	0.0%	0.0%	0.0%	1.8%	17.8%	2.7%
Principal Deferral	7.9%	11.6%	0.4%	13.5%	16.3%	9.0%
Not Reported*	0.3%	0.2%	0.1%	1.5%	5.6%	1.2%
(Number of Changes in Each Category)						
Total Mortgages Modified	68,881	25,702	43,992	42,672	27,449	208,696
Capitalization	67,945	25,353	43,713	33,810	20,281	191,102
Rate Reduction	54,115	18,105	43,190	36,794	23,372	175,576
Rate Freeze	2,388	1,377	73	588	600	5,026
Term Extension	33,894	18,390	35,631	15,606	13,487	117,008
Principal Reduction	5	3	0	748	4,892	5,648
Principal Deferral	5,425	2,969	167	5,778	4,483	18,822
Not Reported*	194	39	37	660	1,525	2,455

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

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

Of the 56,378 HAMP modifications implemented in the fourth quarter, 48.8 percent were on GSE mortgages, 24.4 percent were on mortgages held in servicers' portfolios, and 26.6 percent were on mortgages serviced for private investors. Consistent with overall modification actions, interest-rate reduction on modifications that included capitalization of past-due interest and fees and often term extension were the prevailing actions among HAMP modifications. Principal deferral was used in a significant number of HAMP modifications for all investors other than government-guaranteed loans. Principal reduction was primarily used for loans held in portfolio.

<b>Table 21. Type of HAMP Modification Action, by Investor, in Fourth Quarter 2010</b>						
(Percentage of Total Modifications in Each Category)						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	98.1%	98.0%	90.0%	98.1%	91.6%	96.5%
Rate Reduction	80.3%	89.2%	92.9%	87.5%	96.3%	87.9%
Rate Freeze	0.1%	0.1%	0.0%	0.5%	0.2%	0.2%
Term Extension	59.5%	61.1%	67.1%	14.6%	62.9%	48.7%
Principal Reduction	0.0%	0.0%	0.0%	1.7%	28.6%	7.4%
Principal Deferral	18.7%	23.6%	5.7%	23.7%	25.1%	22.6%
Not Reported*	0.4%	0.1%	0.0%	0.1%	0.3%	0.2%
(Number of Changes in Each Category)						
Total Mortgages Modified	16,404	11,128	70	15,005	13,771	56,378
Capitalization	16,090	10,902	63	14,713	12,615	54,383
Rate Reduction	13,171	9,924	65	13,124	13,268	49,552
Rate Freeze	20	7	0	70	24	121
Term Extension	9,768	6,800	47	2,198	8,661	27,474
Principal Reduction	0	1	0	259	3,937	4,197
Principal Deferral	3,073	2,625	4	3,557	3,457	12,716
Not Reported*	64	13	0	10	35	122

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

### ***Changes to 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 the borrower and more sustainable over time. However, the lower payments also result in less monthly cash flow and interest income to the mortgage investor.

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 payment caused by the additional capitalized principal. Modifications may also result in increased monthly payments when interest rates or principal payments on adjustable rate mortgages and 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 experience temporary cash flow or liquidity problems or have reasonable prospects to make the 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 mortgages that leave 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.

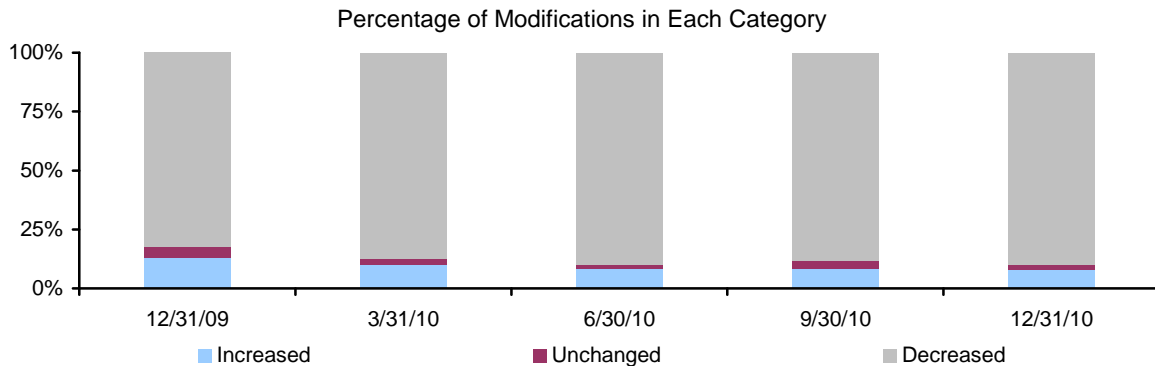
**Changes to Monthly Payments Resulting From Modifications, by Quarter**

Nearly 90 percent of modifications made in the fourth quarter reduced monthly principal and interest payments. More than 56 percent of the modifications reduced the payment by 20 percent or more. Modifications that resulted in a higher payment declined to 7.8 percent of modifications made during the fourth quarter, and 2.4 percent left monthly payments unchanged.

<b>Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications</b>							
<b>(Percentage of Modifications in Each Category)*</b>							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Decreased by 20% or More	42.3%	54.6%	55.9%	54.1%	56.3%	4.0%	33.0%
Decreased by 10% to Less Than 20%	19.1%	17.7%	17.8%	18.0%	19.7%	9.4%	2.8%
Decreased by Less Than 10%	21.0%	14.9%	16.3%	16.0%	13.9%	-13.2%	-33.9%
<b>Subtotal for Decreased</b>	<b>82.4%</b>	<b>87.3%</b>	<b>90.0%</b>	<b>88.1%</b>	<b>89.8%</b>	<b>2.0%</b>	<b>9.0%</b>
Unchanged	4.6%	2.9%	1.9%	3.7%	2.4%	-36.7%	-48.2%
Increased	13.0%	9.9%	8.2%	8.2%	7.8%	-4.6%	-40.0%
<b>Subtotal for Unchanged and Increased</b>	<b>17.6%</b>	<b>12.7%</b>	<b>10.0%</b>	<b>11.9%</b>	<b>10.2%</b>	<b>-14.7%</b>	<b>-42.1%</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	51,966	125,097	148,803	125,869	117,151	-6.9%	125.4%
Decreased by 10% to Less Than 20%	23,497	40,576	47,257	41,816	40,946	-2.1%	74.3%
Decreased by Less Than 10%	25,742	34,131	43,410	37,170	28,858	-22.4%	12.1%
<b>Subtotal for Decreased</b>	<b>101,205</b>	<b>199,804</b>	<b>239,470</b>	<b>204,855</b>	<b>186,955</b>	<b>-8.7%</b>	<b>84.7%</b>
Unchanged	5,591	6,589	4,984	8,667	4,908	-43.4%	-12.2%
Increased	15,975	22,586	21,756	19,050	16,255	-14.7%	1.8%
<b>Subtotal for Unchanged and Increased</b>	<b>21,566</b>	<b>29,175</b>	<b>26,740</b>	<b>27,717</b>	<b>21,163</b>	<b>-23.6%</b>	<b>-1.9%</b>
Total	122,771	228,979	266,210	232,572	208,118	-10.5%	69.5%

\* Payment change was not reported on 1,943 modifications in the fourth quarter of 2009, 987 in the first quarter of 2010, 1,112 in the second quarter of 2010, 1,279 in the third quarter of 2010, and 520 in the fourth quarter 2010.

**Figure 9. Changes in Monthly Principal and Interest Payments**



### Changes to Monthly Payments Resulting From HAMP Modifications, by Quarter

More than 96 percent of HAMP modifications made during the fourth quarter reduced borrower monthly payments, with more than 77 percent reducing payments by more than 20 percent. In addition to achieving lower payments, HAMP attempts to increase payment sustainability by targeting monthly housing payments at 31 percent of borrowers' income. Performance data on all modifications show that reduced monthly payments result in lower re-default rates over time, and that the greater the decrease in payment, the lower the rate of subsequent re-default.

**Table 23. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications**  
(Percentage of HAMP Modifications)\*

	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Decreased by 20% or More	81.6%	78.3%	78.4%	76.0%	77.2%	1.4%	-5.3%
Decreased by 10% to Less Than 20%	10.8%	12.6%	12.5%	13.3%	12.0%	-10.1%	10.7%
Decreased by Less Than 10%	6.2%	7.6%	7.9%	8.8%	7.5%	-15.5%	20.6%
<b>Subtotal for Decreased</b>	<b>98.6%</b>	<b>98.4%</b>	<b>98.8%</b>	<b>98.1%</b>	<b>96.7%</b>	<b>-1.6%</b>	<b>-1.9%</b>
Unchanged	1.2%	1.5%	0.7%	0.3%	1.2%	327.0%	-3.4%
Increased	0.2%	0.1%	0.5%	1.6%	2.1%	40.7%	1,052.9%
<b>Subtotal for Unchanged and Increased</b>	<b>1.4%</b>	<b>1.6%</b>	<b>1.2%</b>	<b>1.9%</b>	<b>3.3%</b>	<b>84.4%</b>	<b>135.6%</b>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	--	--
(Number of HAMP Modifications)							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Decreased by 20% or More	17,610	78,349	84,731	44,530	43,352	-2.8%	146.2%
Decreased by 10% to Less Than 20%	2,339	12,626	13,487	7,803	6,730	-13.8%	187.7%
Decreased by Less Than 10%	1,335	7,586	8,522	5,152	4,185	-19.0%	213.5%
<b>Subtotal for Decreased</b>	<b>21,284</b>	<b>98,561</b>	<b>106,740</b>	<b>57,485</b>	<b>54,267</b>	<b>-5.7%</b>	<b>155.0%</b>
Unchanged	264	1,489	746	171	663	309.4%	151.1%
Increased**	40	74	527	951	1,199	34.9%	2,897.5%
<b>Subtotal for Unchanged and Increased</b>	<b>304</b>	<b>1,563</b>	<b>1,273</b>	<b>1,122</b>	<b>1,862</b>	<b>76.7%</b>	<b>512.5%</b>
Total	21,588	100,124	108,013	58,607	56,129	-4.1%	160.0%

\*Payment change information was not reported on 302 HAMP modifications in the fourth quarter of 2009, 243 in the first quarter of 2010, 244 in the second quarter of 2010, 182 in the third quarter of 2010, and 191 in the fourth quarter of 2010.

\*\*Some HAMP modifications, like other modifications, may increase the borrowers' monthly principal and interest payment when loans with a previous interest-only or partial payment are modified to amortize the loan over its remaining term, or when adjustable rate mortgages are reset to a higher rate and payment, but at a lower rate 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 to Monthly Payments Resulting From Modifications, by Quarter**

Modifications made during the fourth quarter reduced monthly principal and interest payments by an average of \$414. HAMP modifications made during the quarter reduced payments by an average of \$587, compared with other modifications that reduced average monthly payments by \$351. The emphasis on repayment sustainability through reduced monthly payments has resulted in the average monthly savings for the borrower increasing 4.7 percent from the previous quarter and 41.7 percent from a year ago.

<b>Table 24. Average Change in Monthly Payments Resulting From Modifications*</b>							
All Modifications							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Decreased by 20% or More	(\$624)	(\$663)	(\$695)	(\$673)	(\$673)	0.1%	7.9%
Decreased by 10% to Less Than 20%	(\$185)	(\$189)	(\$187)	(\$188)	(\$186)	-1.2%	0.2%
Decreased by Less Than 10%	(\$62)	(\$67)	(\$68)	(\$59)	(\$69)	16.2%	11.0%
Unchanged	--	--	--	--	--		
Increased**	\$154	\$163	\$132	\$140	\$135	-3.7%	-12.4%
Overall	(\$293)	(\$389)	(\$422)	(\$396)	(\$414)	4.7%	41.7%
Percentage Change	(19.1%)	(24.8%)	(26.3%)	(24.4%)	(25.5%)		
Other Modifications							
Decreased by 20% or More	(\$569)	(\$581)	(\$647)	(\$644)	(\$644)	0.1%	13.2%
Decreased by 10% to Less Than 20%	(\$181)	(\$174)	(\$174)	(\$181)	(\$178)	-1.7%	-1.6%
Decreased by Less Than 10%	(\$61)	(\$62)	(\$64)	(\$55)	(\$67)	20.0%	9.3%
Unchanged	--	--	--	--	--		
Increased**	\$154	\$164	\$131	\$139	\$128	-8.0%	-16.6%
Overall	(\$221)	(\$233)	(\$296)	(\$332)	(\$351)	5.7%	58.4%
Percentage Change	(14.7%)	(15.1%)	(18.5%)	(20.7%)	(21.6%)		
HAMP Modifications							
Decreased by 20% or More	(\$732)	(\$711)	(\$732)	(\$726)	(\$723)	-0.4%	-1.2%
Decreased by 10% to Less Than 20%	(\$221)	(\$223)	(\$219)	(\$217)	(\$223)	2.9%	0.8%
Decreased by Less Than 10%	(\$81)	(\$85)	(\$83)	(\$82)	(\$82)	-0.7%	1.1%
Unchanged	--	--	--	--	--		
Increased**	\$140	\$78	\$172	\$149	\$216	44.6%	
Overall	(\$626)	(\$591)	(\$607)	(\$585)	(\$587)	0.2%	-6.3%
Percentage Change	(39.4%)	(37.2%)	(37.8%)	(35.6%)	(35.9%)		

\*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 payment when past-due interest, advances for taxes or insurance and other fees are added to the loan balance or when loans with a previous interest-only or partial payment are modified to amortize the loan over its remaining term.

**B. Modified Loan Performance**

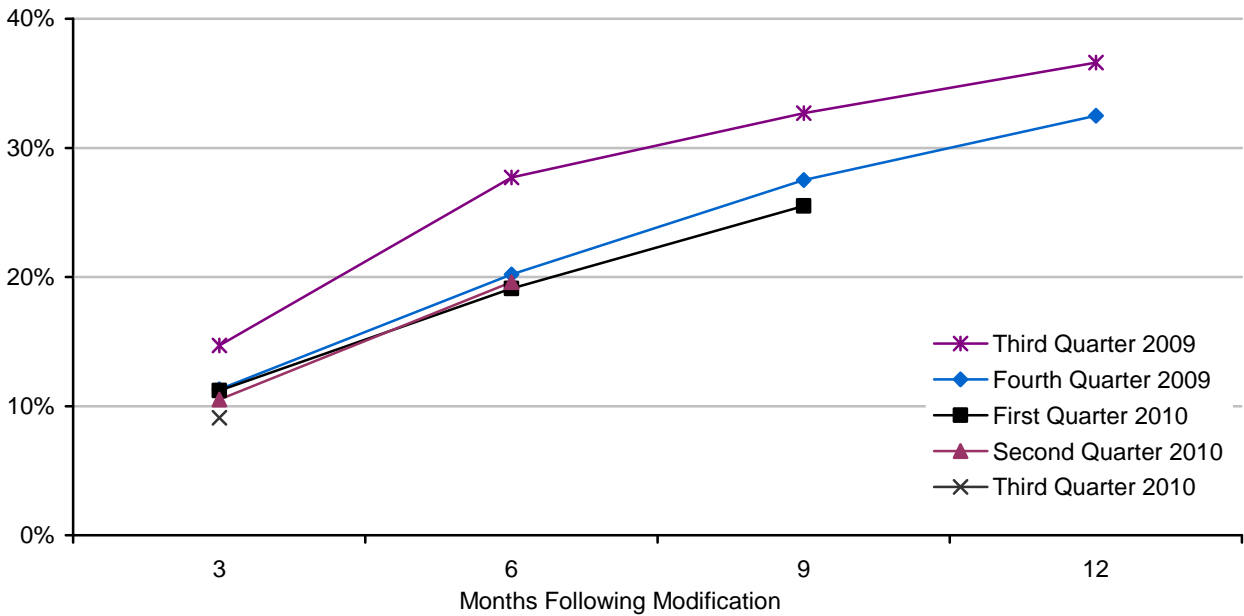
**Re-Default Rates of Modified Loans: 60 or More Days Delinquent**

Modifications since the second quarter of 2009 have performed better than earlier modifications, corresponding with the increased emphasis on lower monthly payments that accelerated at that time.

Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Third Quarter 2009	14.7%	27.7%	32.7%	36.6%
Fourth Quarter 2009	11.3%	20.2%	27.5%	32.5%
First Quarter 2010	11.2%	19.1%	25.5%	--
Second Quarter 2010	10.5%	19.6%	--	--
Third Quarter 2010	9.1%	--	--	--

\*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, refinanced, or sold, or have 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 10. Modified Loans 60 or More Days Delinquent**





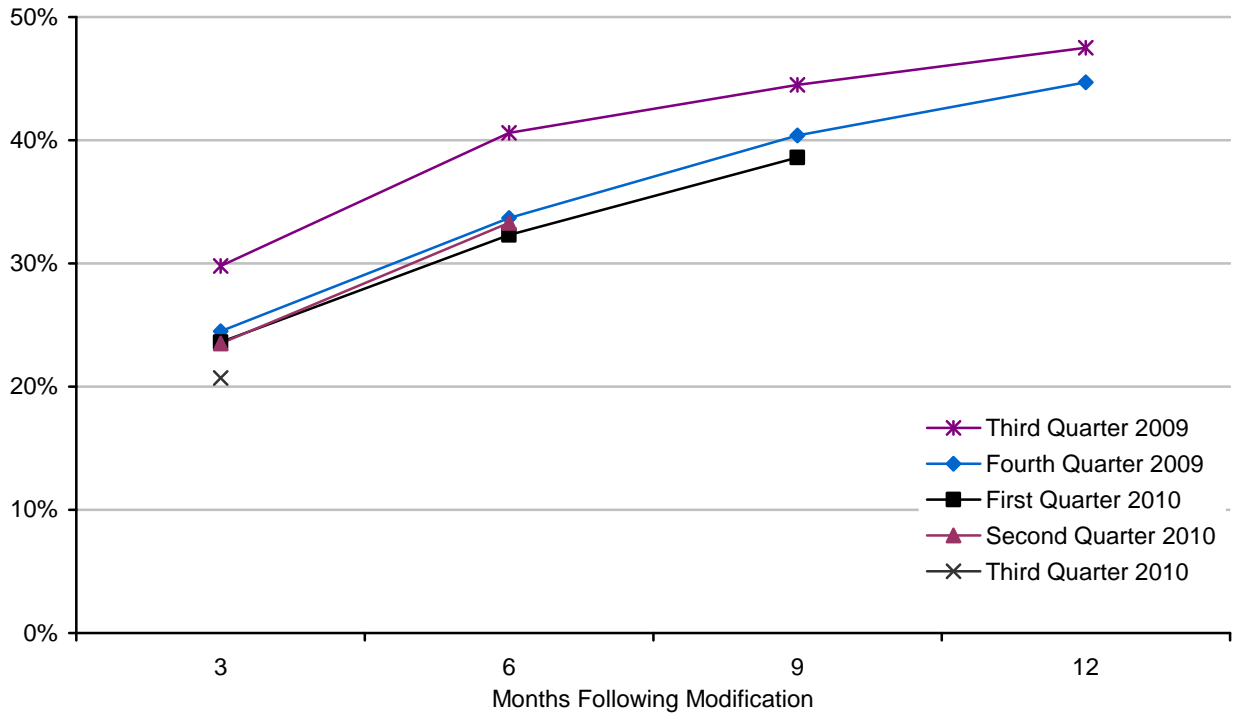
**Re-Default Rates of Modified Loans: 30 or More Days Delinquent**

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. Similar to re-default rates measured at 60 or more days delinquent, modifications made since the second quarter of 2009 show lower re-default rates than previous modifications as a result of the increased emphasis on lower monthly payments and payment sustainability.

Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Third Quarter 2009	29.8%	40.6%	44.5%	47.5%
Fourth Quarter 2009	24.5%	33.7%	40.4%	44.7%
First Quarter 2010	23.6%	32.3%	38.6%	--
Second Quarter 2010	23.5%	33.3%	--	--
Third Quarter 2010	20.7%	--	--	--

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

**Figure 11. Modified Loans 30 or More Days Delinquent**



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

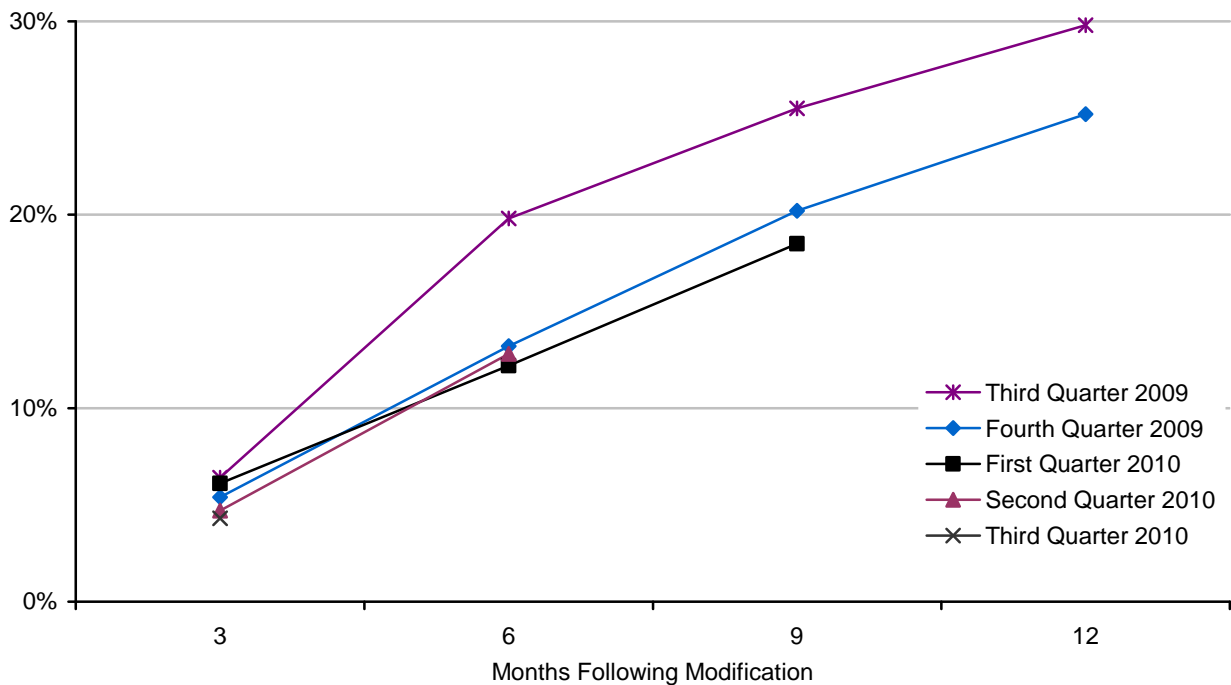
The percentage of modified mortgages that were 90 or more days delinquent after modification was naturally lower than shorter-term delinquency measures. As with other measures of modification sustainability, modifications made after the second quarter of 2009 have outperformed previous vintages of loan modifications.

**Table 27. Modified Loans 90 or More Days Delinquent\***

Modification Date	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification
Third Quarter 2009	6.4%	19.8%	25.5%	29.8%
Fourth Quarter 2009	5.4%	13.2%	20.2%	25.2%
First Quarter 2010	6.1%	12.2%	18.5%	--
Second Quarter 2010	4.7%	12.8%	--	--
Third Quarter 2010	4.3%	--	--	--

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

**Figure 12. Modified Loans 90 or More Days Delinquent**



**Re-Default Rate, by Investor (60 or More Days Delinquent)**

Modifications on mortgages held in the servicers' own portfolios performed better than modifications on mortgages serviced for others. The lower re-default rates for portfolio mortgages may reflect differences in modification programs and additional flexibility to modify terms for greater sustainability. Re-default rates for government-guaranteed mortgages were highest over time, corresponding to the higher risk associated with those mortgages. Consistent with trends shown elsewhere, recent vintages of modifications performed better than earlier modifications. After 6 months, 19.4 percent of mortgages modified in 2010 were 60 or more days delinquent, compared with 32.1 percent of modifications made in 2009 and 45.4 percent of modifications made in 2008.

<b>Table 28. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2008</b>				
<b>(60 or More Days Delinquent)*</b>				
<b>Investor Loan Type</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>
Fannie Mae	30.2%	44.9%	54.1%	59.5%
Freddie Mac	22.7%	40.0%	51.2%	57.5%
Government-Guaranteed	32.5%	53.6%	63.7%	67.8%
Private	36.8%	49.1%	56.1%	61.2%
Portfolio Loans	16.2%	27.9%	35.0%	40.0%
Overall	31.7%	45.4%	53.2%	58.2%

<b>Table 29. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2009</b>				
<b>(60 or More Days Delinquent)*</b>				
<b>Investor Loan Type</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>
Fannie Mae	17.9%	31.3%	37.7%	41.1%
Freddie Mac	28.3%	36.5%	41.5%	43.9%
Government-Guaranteed	23.4%	42.2%	51.7%	55.5%
Private	28.0%	40.7%	48.7%	52.5%
Portfolio Loans	7.1%	15.2%	20.9%	24.4%
Overall	19.9%	32.1%	39.4%	42.9%

<b>Table 30. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2010</b>				
<b>(60 or More Days Delinquent)*</b>				
<b>Investor Loan Type</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>
Fannie Mae	10.2%	16.3%	22.7%	--
Freddie Mac	7.4%	12.9%	16.8%	--
Government-Guaranteed	13.2%	31.0%	40.5%	--
Private	12.1%	21.5%	27.2%	--
Portfolio Loans	6.5%	14.0%	20.0%	--
Overall	10.3%	19.4%	25.5%	--

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

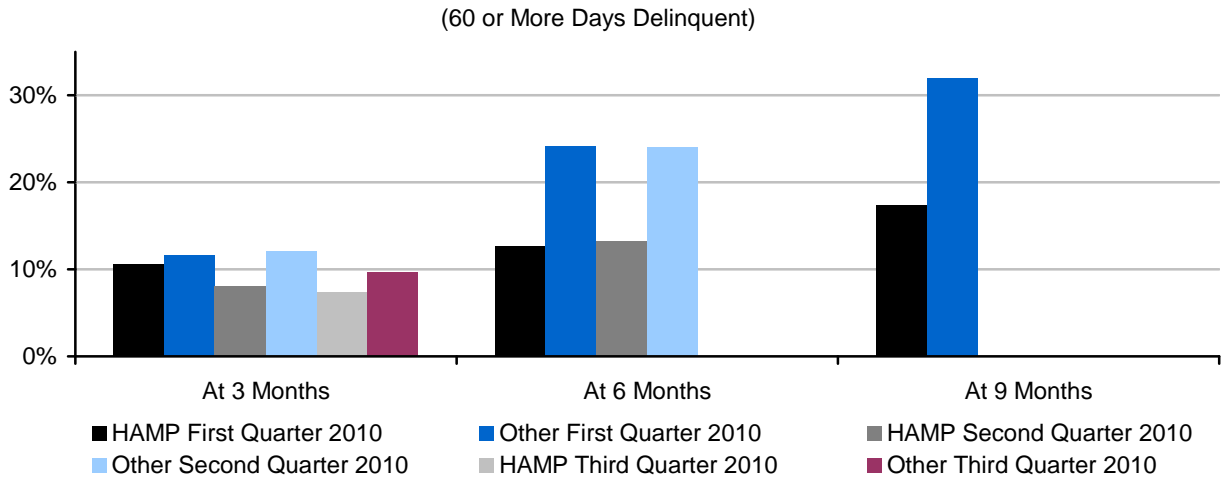
**Performance of HAMP Modifications Compared With Other Modifications**

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.

<b>Table 31. 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>
HAMP First Quarter 2010	100,367	10.6%	12.6%	17.4%
Other First Quarter 2010	129,599	11.6%	24.1%	31.9%
HAMP Second Quarter 2010	108,257	8.0%	13.2%	--
Other Second Quarter 2010	159,065	12.1%	24.0%	--
HAMP Third Quarter 2010	58,789	7.4%	--	--
Other Third Quarter 2010	175,062	9.7%	--	--

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

**Figure 13. Performance of HAMP Modifications Compared With Other Modifications**



### **C. Modified Loan Performance, by Change in Monthly Payments**

Many factors influence mortgage delinquencies, including employment status, amount of homeowner equity, total homeowner debt, life-changing events, and initial underwriting.

Similar factors drive re-default rates of modified mortgages. However, the data in this section consistently show that re-default rates have been lower for modifications that reduce monthly payments. The data also show that the larger the reduction in monthly payment, the lower the subsequent re-default rate. Lower recent re-default rates may also result from the increased emphasis of HAMP and other modification programs to lower 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**

The following tables present re-default rates, measured as 60 or more days delinquent, for modifications made since January 1, 2008. Data show re-default rates decreased as reduction in monthly principal and interest payments increased. The re-default rates were lower for modifications made in 2009 compared with 2008, and for modifications implemented in 2010 compared with 2009, reflecting the emphasis on lowering monthly payments, repayment sustainability, and the borrower’s ability to repay the debt.

<b>Table 32. Re-Default Rates of Loans Modified in 2008 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</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>
Decreased by 20% or More	15.8%	26.0%	33.4%	39.5%
Decreased by 10% to Less Than 20%	20.9%	33.1%	41.6%	48.2%
Decreased by Less Than 10%	24.0%	40.7%	50.3%	56.0%
Unchanged	47.4%	56.8%	62.5%	65.9%
Increased	35.4%	54.7%	63.8%	69.0%
Total	31.6%	45.2%	53.0%	58.1%

<b>Table 33. Re-Default Rates of Loans Modified in 2009 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</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>
Decreased by 20% or More	11.1%	19.5%	25.4%	28.8%
Decreased by 10% to Less Than 20%	16.1%	29.8%	37.8%	42.2%
Decreased by Less Than 10%	17.9%	34.2%	42.9%	47.0%
Unchanged	46.7%	51.4%	56.6%	58.6%
Increased	26.6%	46.6%	56.0%	59.9%
Total	19.8%	32.1%	39.4%	43.0%

<b>Table 34. Re-Default Rates of Loans Modified in 2010 by Change in Payment</b>				
<b>(60 or More Days Delinquent)*</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>
Decreased by 20% or More	7.4%	12.4%	16.5%	--
Decreased by 10% to Less Than 20%	10.4%	21.9%	29.5%	--
Decreased by Less Than 10%	13.7%	29.4%	37.4%	--
Unchanged	17.9%	29.9%	39.2%	--
Increased	18.9%	36.5%	46.8%	--
Total	10.2%	19.4%	25.5%	--

\*Data include all modifications implemented during 2010 that have aged the indicated number of months. Data do not include modifications for which payment change was not reported.

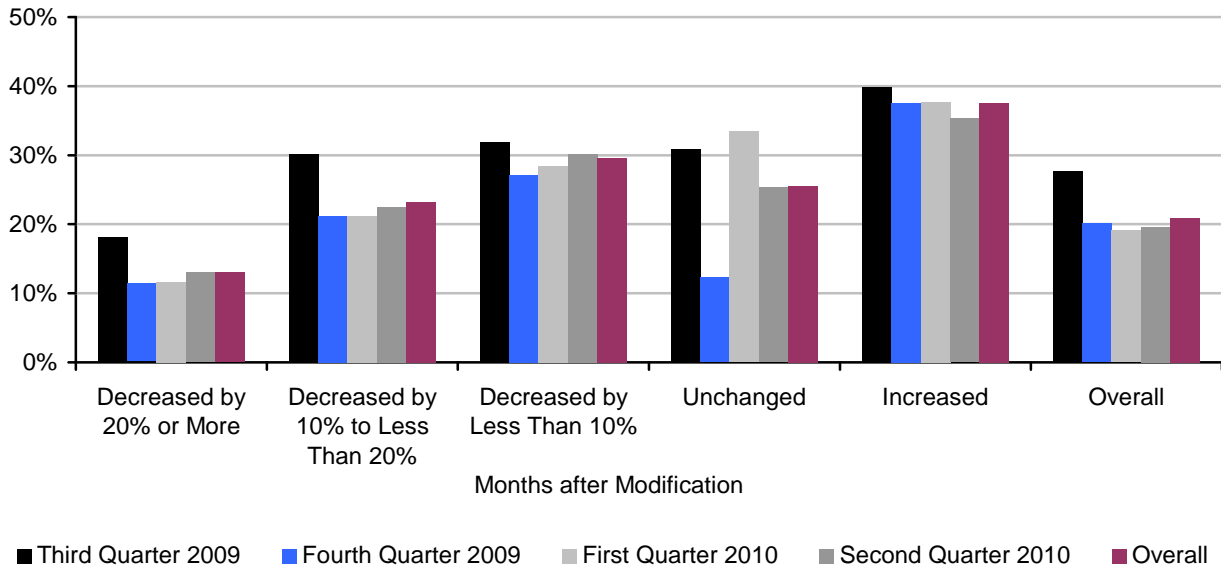
**60+ Delinquency at 6 Months After Modification by Change to Monthly Payments**

Modifications that significantly reduce monthly principal and interest payments consistently performed better than modifications that increase monthly payments. Modifications with the greatest decrease in monthly payment consistently had the lowest re-default rates.

	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Overall
Third Quarter 2009	18.1%	30.1%	31.9%	30.9%	39.9%	27.7%
Fourth Quarter 2009	11.5%	21.2%	27.1%	12.3%	37.6%	20.1%
First Quarter 2010	11.7%	21.2%	28.4%	33.4%	37.7%	19.1%
Second Quarter 2010	13.0%	22.5%	30.2%	25.3%	35.3%	19.6%
Total	13.0%	23.2%	29.6%	25.6%	37.6%	20.9%

\*Data include all modifications that have had time to age the indicated number of months. Data do not include modifications for which payment change data were not reported.

**Figure 14. 60+ Delinquency at 6 Months After Modification by Change to Monthly Payments**



**Status of Mortgages Modified in 2008–2010**

Servicers implemented a total of 1,739,975 loan modifications from January 2008 through the third quarter of 2010. Of these modifications, 46.9 percent were current and performing on their modified terms at the end of the fourth quarter of 2010. Another 1.1 percent were paid off, while 45.8 percent were delinquent, were in process of foreclosure or had completed the foreclosure process. Modifications that reduced borrowers’ monthly payments by 10 percent or more performed significantly better than modifications that reduced payments less than 10 percent, increased the payments, or left the payments unchanged. Of the 962,464 modifications that reduced payments by 10 percent or more, 57.3 percent were current and performing at the end of the fourth quarter, compared with 34.0 percent of modifications that reduced payments less than 10 percent.

Modifications on mortgages held in the servicers’ own portfolio and those serviced for GSEs performed better than modifications of mortgages serviced for other investors. At the end of the fourth quarter of 2010, 59.0 percent of modifications of loans held in servicer portfolios and 56.6 percent of modifications made to GSE mortgages were current and performing, compared with 37.0 percent of modifications on mortgages held by other investors.

<b>Table 36. Status of Mortgages Modified in 2008–2010</b>								
	Total	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Completed Foreclosures	Paid Off	No Longer in the Portfolio*
2008	421,322	24.5%	7.2%	27.8%	15.7%	11.4%	2.7%	10.7%
2009	587,514	40.8%	9.4%	26.4%	12.7%	4.2%	1.1%	5.5%
2010**	731,139	64.7%	11.2%	14.5%	4.7%	0.5%	0.2%	4.1%
Total	1,739,975	46.9%	9.6%	21.7%	10.1%	4.4%	1.1%	6.2%
<b>Modifications That Reduced Payments by 10 Percent or More</b>								
Modifications That Reduced Payments by 10% or More	962,464	57.3%	9.8%	16.6%	7.1%	2.2%	0.6%	6.5%
<b>Modifications That Reduced Payments by Less Than 10 Percent</b>								
Modifications That Reduced Payments by Less than 10%	777,511	34.0%	9.5%	28.2%	13.8%	7.0%	1.7%	5.8%
<b>Status of Modifications by Major Investor Categories</b>								
Portfolio	351,143	59.0%	8.0%	14.9%	7.6%	2.4%	1.5%	6.5%
GSE	484,434	56.6%	9.5%	12.2%	9.2%	3.3%	0.8%	8.4%
Other***	904,398	37.0%	10.3%	29.5%	11.5%	5.7%	1.1%	4.9%

\*Processing constraints at some servicers prevented reporting on some loans they no longer serviced. These loans may have been refinanced or paid in full, transferred or sold to another entity, or removed from the servicing system through foreclosure, short sale, or a deed-in-lieu-of-foreclosure action.

\*\*Includes only modifications implemented during the first three quarters of 2010 that have been in effect at least three months.

\*\*\*Includes all government-guaranteed and private investor mortgages.



### **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 146,132 during the fourth quarter of 2010, a decrease of 40.3 percent from the previous quarter and 14.7 percent from a year ago. Completed foreclosures decreased to 95,067—down 49.1 percent from the previous quarter and 28.3 percent from a year ago. Short sales also decreased during the quarter but made up one-third of all home forfeiture actions. Deed-in-lieu-of-foreclosure actions remained a very small portion of home forfeiture actions. Servicers implemented more than three times as many home retention actions—loan modifications, trial-period plans, and payment plans—as home forfeiture actions during the fourth quarter of 2010. A moratorium on foreclosure processing by several of the largest servicers during the fourth quarter of 2010 contributed to the decrease in completed foreclosures. Completed foreclosure volume is expected to increase in the first quarter of 2011 as moratoria are lifted and the increased volume of pending foreclosures is processed.

While HAMP and proprietary foreclosure prevention programs are designed to help a significant number of distressed homeowners, these programs are not expected to help all delinquent borrowers. In this regard, servicers indicated that completed foreclosures and other home forfeiture actions are likely to continue rising as alternatives for seriously delinquent borrowers are exhausted, loans in process of foreclosure proceed to foreclosure sale, and servicers and borrowers work through the reduced, but still elevated, volume of seriously delinquent loans.

	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Completed Foreclosures	132,625	157,733	168,256	186,854	95,067	-49.1%	-28.3%
New Short Sales	37,584	41,031	55,441	56,257	48,980	-12.9%	30.3%
New Deed-in-Lieu-of-Foreclosure Actions	1,054	1,202	1,753	1,729	2,085	20.6%	97.8%
Total	171,263	199,966	225,450	244,840	146,132	-40.3%	-14.7%
Newly Initiated Home Retention Actions Relative to Completed Foreclosures and Other Home Forfeiture Actions	351.1%	310.9%	251.4%	191.3%	324.0%	69.3%	-7.7%

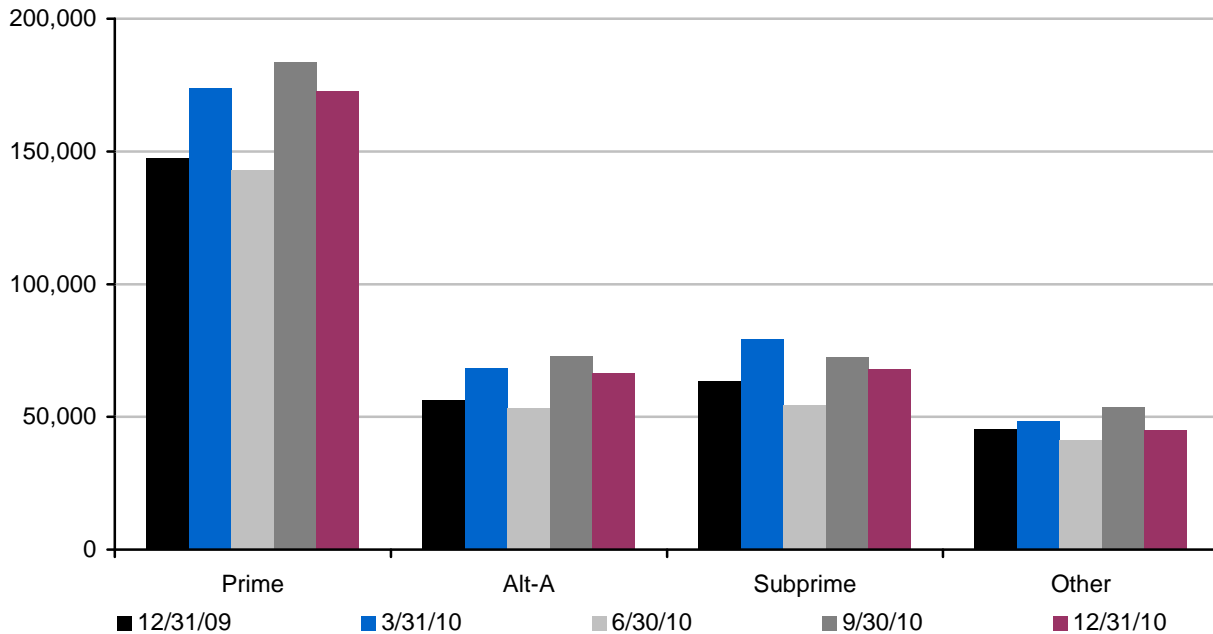
**Newly Initiated Foreclosures**

Servicers initiate foreclosure actions at defined stages of loan delinquency. In some cases, servicers may initiate foreclosure actions at the same time as they pursue loss mitigation actions, modifications, or alternate workout solutions. However, final foreclosure sales only proceed if servicers and borrowers cannot arrange a permanent loss mitigation action, modification, or alternate workout solution. Although newly initiated foreclosures decreased by 7.9 percent to 352,318 during the fourth quarter of 2010, they were up 12.7 percent from a year ago. This decrease can be attributed at least in part to the moratoria on foreclosure processing announced by several large servicers but also to the decline in serious delinquencies as well as the increase in trial-period plans during the quarter. Servicers indicated that new foreclosure actions will likely rise as moratoria are lifted and alternatives for seriously delinquent borrowers are exhausted.

**Table 38. Number of Newly Initiated Foreclosures**

	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Prime	147,419	173,764	142,920	183,629	172,715	-5.9%	17.2%
Alt-A	56,399	68,451	53,140	72,811	66,467	-8.7%	17.9%
Subprime	63,400	79,209	54,533	72,386	68,117	-5.9%	7.4%
Other	45,302	48,520	41,164	53,711	45,019	-16.2%	-0.6%
Total	312,520	369,944	291,757	382,537	352,318	-7.9%	12.7%

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

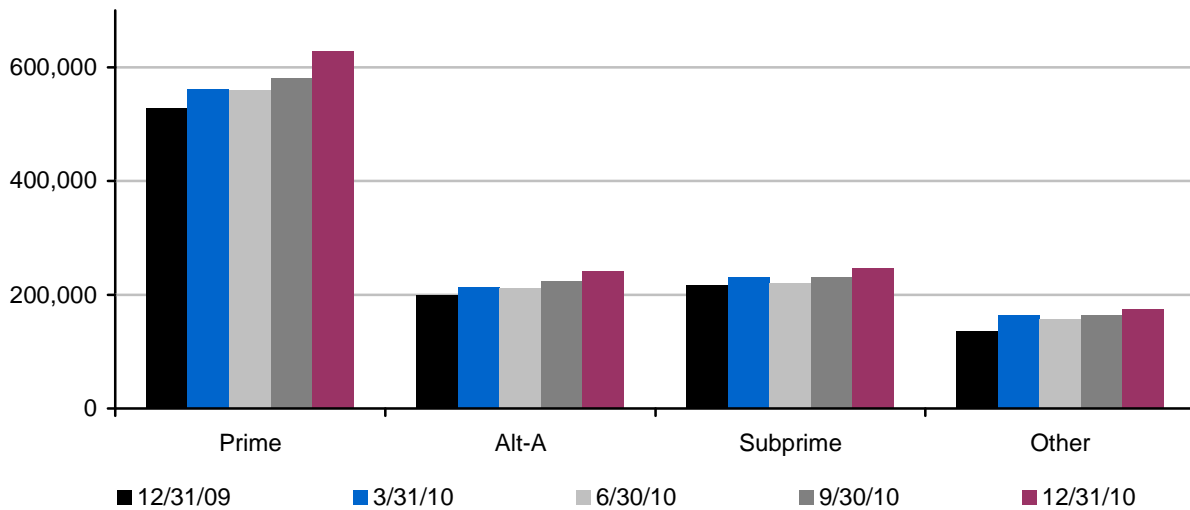


### Foreclosures in Process

The number of loans in process of foreclosure increased by 7.4 percent from the previous quarter to 1,290,253 as the decline in completed foreclosures outpaced the decline in newly initiated foreclosures. The ratio of foreclosures in process to total serviced mortgages was highest for subprime mortgages at 10.0 percent and lowest for prime mortgages at 2.8 percent. Many mortgages remain in process of foreclosure for longer periods than historical norms because of processing moratoria as well as borrowers and servicers seeking other resolutions. In addition, the amount of time required to process foreclosures has increased because of the volume of foreclosures in process.

<b>Table 39. Foreclosures in Process</b>							
Percentage of Foreclosures in Process Relative to Mortgages in That Risk Category							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Prime	2.3%	2.4%	2.4%	2.5%	2.8%	8.8%	20.7%
Alt-A	5.6%	6.0%	5.9%	6.3%	6.8%	9.0%	22.0%
Subprime	7.8%	8.6%	8.4%	9.0%	10.0%	10.2%	27.1%
Other	3.1%	3.6%	3.6%	3.9%	4.3%	10.6%	39.6%
Total	3.2%	3.5%	3.4%	3.6%	3.9%	8.9%	23.2%
Number of Foreclosures in Process							
Prime	527,484	561,280	558,601	582,063	627,978	7.9%	19.1%
Alt-A	199,104	213,416	211,495	224,782	241,049	7.2%	21.1%
Subprime	216,300	230,192	220,499	230,813	246,379	6.7%	13.9%
Other	135,815	165,025	157,748	163,964	174,847	6.6%	28.7%
Total	1,078,703	1,169,913	1,148,343	1,201,622	1,290,253	7.4%	19.6%

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

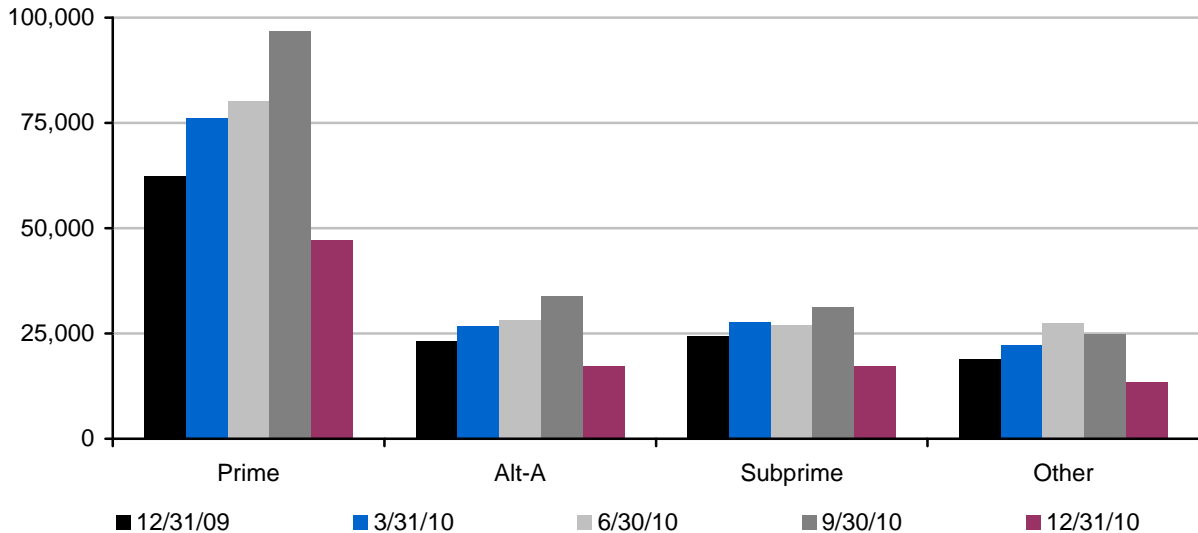


### Completed Foreclosures

The number of completed foreclosures decreased to 95,067 during the fourth quarter of 2010—down 49.1 percent from the previous quarter and down 28.3 percent from a year ago. The decrease in completed foreclosures is largely the result of processing moratoria implemented by the largest mortgage servicers. Completed foreclosures are expected to rise as moratoria are lifted and the large number of seriously delinquent mortgages and foreclosures in process works through the system.

<b>Table 40. Completed Foreclosures</b>							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Prime	0.3%	0.3%	0.4%	0.4%	0.2%	-50.8%	-24.7%
Alt-A	0.7%	0.8%	0.8%	0.9%	0.5%	-48.5%	-28.3%
Subprime	0.9%	1.1%	1.1%	1.2%	0.7%	-43.1%	-26.1%
Other	0.4%	0.5%	0.6%	0.6%	0.3%	-43.9%	-22.8%
Total	0.4%	0.5%	0.5%	0.6%	0.3%	-48.4%	-26.2%
Number of Completed Foreclosures							
Prime	63,586	78,025	82,311	96,836	47,222	-51.2%	-25.7%
Alt-A	24,107	27,983	29,347	33,888	17,158	-49.4%	-28.8%
Subprime	25,992	29,521	29,001	31,208	17,199	-44.9%	-33.8%
Other	18,940	22,204	27,597	24,922	13,488	-45.9%	-28.8%
Total	132,625	157,733	168,256	186,854	95,067	-49.1%	-28.3%

**Figure 17. Number of Completed Foreclosures**

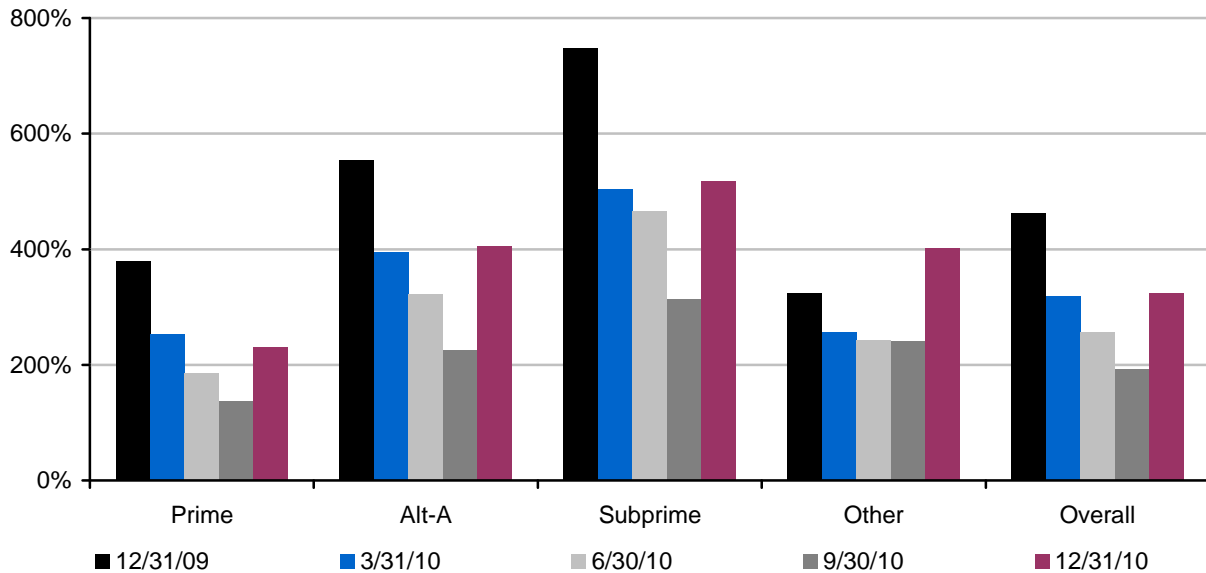


**Home Retention Actions Relative to Forfeiture Actions, by Risk Category**

Home retention actions relative to home forfeitures increased across all risk categories during the fourth quarter primarily because of the decrease in the number of home forfeitures. Servicers initiated almost three times as many home retention actions as home forfeiture actions during the fourth quarter.

<b>Table 41. Newly Initiated Home Retention Actions Relative to Forfeiture Actions</b> (Percentage of Completed Foreclosures and Other Home Forfeiture Actions)							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Prime	283.9%	249.3%	182.4%	137.1%	230.4%	68.0%	-18.8%
Alt-A	417.4%	382.0%	312.2%	225.1%	404.6%	79.8%	-3.1%
Subprime	526.8%	476.8%	437.5%	312.8%	518.7%	65.8%	-1.5%
Other	296.0%	256.4%	243.4%	241.6%	401.4%	66.2%	35.6%
Overall	351.1%	310.9%	251.4%	191.3%	324.0%	69.3%	-7.7%

**Figure 18. Newly Initiated Home Retention Actions Relative to Forfeiture Actions**  
(Percentage of Completed Foreclosures and Other Home Forfeiture Actions)



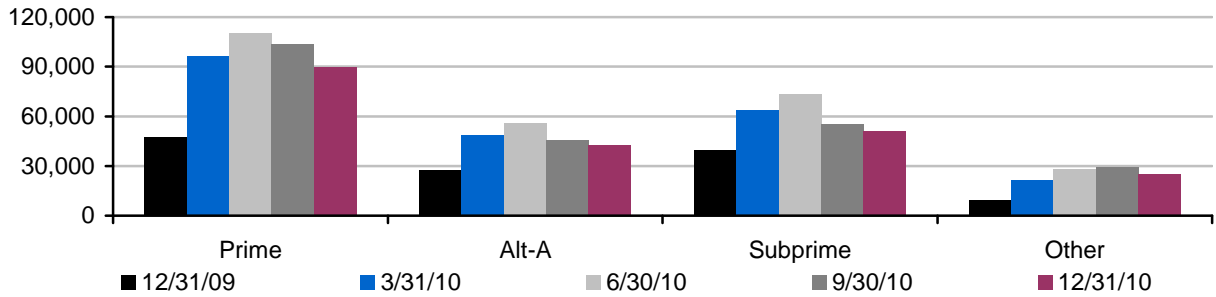
**Appendixes**

**Appendix A—New Loan Modifications**

New loan modifications decreased by 10.8 percent to 208,696 during the fourth quarter of 2010. New modifications decreased across all risk categories during the quarter but have increased by 67.3 percent from a year ago overall.

	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Prime	47,541	96,047	110,326	103,330	89,488	-13.4%	88.2%
Alt-A	27,587	48,654	55,742	45,827	42,653	-6.9%	54.6%
Subprime	39,885	63,985	73,140	55,327	51,297	-7.3%	28.6%
Other	9,701	21,280	28,114	29,367	25,258	-14.0%	160.4%
Total	124,714	229,966	267,322	233,851	208,696	-10.8%	67.3%

**Figure 19. Number of New Loan Modifications**

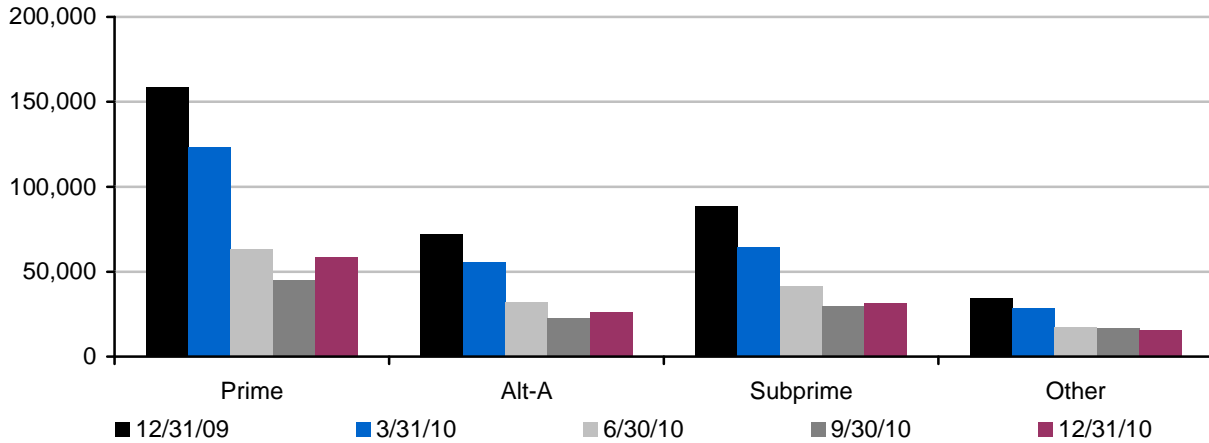


**Appendix B—New Trial-Period Plans**

Trial-period plans become permanent modifications following the successful completion of the trial period. Servicers initiated 132,331 trial-period plans during the fourth quarter of 2010, 16 percent more than in the previous quarter. Increases in new trial-period plans were recorded across all risk categories except other, reversing a four-quarter downward trend.

<b>Table 43. Number of New Trial Period Plans</b>							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Prime	158,663	123,176	63,397	45,179	58,364	29.2%	-63.2%
Alt-A	72,126	55,375	32,053	22,405	26,468	18.1%	-63.3%
Subprime	88,602	64,350	41,586	29,669	31,696	6.8%	-64.2%
Other	34,757	28,412	17,367	16,809	15,803	-6.0%	-54.5%
Total	354,148	271,313	154,403	114,062	132,331	16.0%	-62.6%

**Figure 20. Number of New Trial-Period Plans**

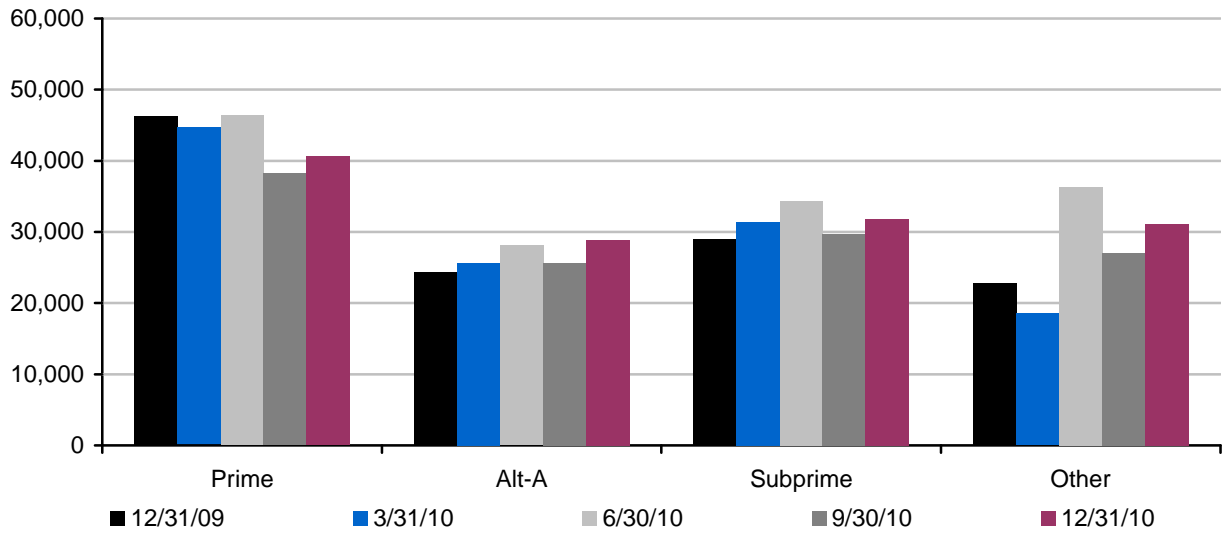


**Appendix C—New Payment Plans**

New payment plans increased by 9.8 percent to 132,388 during the fourth quarter of 2010. New payment plans increased across all risk categories.

<b>Table 44. Number of New Payment Plans*</b>							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Prime	46,222	44,778	46,357	38,248	40,636	6.2%	-12.1%
Alt-A	24,443	25,702	28,129	25,589	28,814	12.6%	17.9%
Subprime	29,058	31,441	34,341	29,712	31,797	7.0%	9.4%
Other	22,757	18,513	36,326	27,037	31,141	15.2%	36.8%
Total	122,480	120,434	145,153	120,586	132,388	9.8%	8.1%

**Figure 21. Number of New Payment Plans**





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

Servicers generally use a combination of actions to achieve payment sustainability when modifying a mortgage. Servicers changed more than one loan term in 92 percent of all modifications implemented during the fourth quarter of 2010.

<b>Table 45. Changes in Terms Made for Modifications Made Through the Fourth Quarter of 2010</b>							
<b>(Percentage of Modifications in Each Category)</b>							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Combination*	86.9%	86.8%	92.7%	90.2%	92.0%	2.1%	5.9%
Capitalization	8.6%	9.6%	4.4%	3.5%	3.9%	12.0%	-54.1%
Rate Reduction	2.1%	1.9%	1.2%	1.2%	1.7%	49.2%	-17.9%
Rate Freeze	0.4%	0.8%	0.4%	0.2%	0.2%	51.4%	-45.4%
Term Extension	0.7%	0.4%	0.6%	2.1%	0.5%	-77.6%	-33.7%
Principal Reduction	0.0%	0.0%	0.0%	1.8%	0.1%	-94.9%	--
Principal Deferral	0.0%	0.1%	0.2%	0.2%	0.3%	34.6%	643.4%
Not Reported**	1.2%	0.4%	0.6%	0.8%	1.2%	39.9%	-3.0%
<b>(Number of Changes in Each Category)</b>							
Combination*	108,381	199,567	247,712	210,828	192,103	-8.9%	77.2%
Capitalization	10,695	22,094	11,795	8,219	8,212	-0.1%	-23.2%
Rate Reduction	2,632	4,345	3,341	2,715	3,614	33.1%	37.3%
Rate Freeze	543	1,829	1,036	367	496	35.1%	-8.7%
Term Extension	901	902	1,486	4,993	1,000	-80.0%	11.0%
Principal Reduction	0	10	0	4,245	194	-95.4%	--
Principal Deferral	50	304	421	518	622	20.1%	1,144.0%
Not Reported**	1,512	915	1,531	1,966	2,455	24.9%	62.4%
All Modifications	124,714	229,966	267,322	233,851	208,696	-10.8%	67.3%

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

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

The following table details the specific actions included in the combination modifications presented in the previous table. More than 95 percent of the 192,103 combination modifications implemented in the fourth quarter of 2010 included capitalization of missed fees and payments, nearly 90 percent included interest rate reduction, and more than 60 percent included an extension of the loan maturity. Principal deferral was included in 9.5 percent of the combination modifications implemented during the fourth quarter of 2010, and principal was reduced in 2.8 percent of modifications made during the quarter. Because combination modifications changed more than one term, the sum of the individual actions exceeds 100 percent of total combination modifications.

<b>Table 46. Changes in Terms for Combination Modifications Made Through the Fourth Quarter of 2010</b>							
<b>(Percentage of Modifications in Each Category)</b>							
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	1Q %Change	1Y %Change
Capitalization	85.7%	94.3%	96.5%	93.2%	95.2%	2.2%	11.0%
Rate Reduction	95.1%	96.5%	92.4%	94.4%	89.5%	-5.2%	-5.9%
Rate Freeze	1.5%	0.9%	4.2%	1.9%	2.4%	21.3%	56.8%
Term Extension	51.4%	52.2%	55.1%	61.3%	60.4%	-1.5%	17.4%
Principal Reduction	7.8%	2.2%	2.4%	4.3%	2.8%	-34.2%	-63.5%
Principal Deferral	7.0%	11.5%	11.2%	10.9%	9.5%	-13.5%	34.6%
<b>Total Number of Changes in Each Category</b>							
Capitalization	92,925	188,151	239,156	196,403	182,890	-6.9%	96.8%
Rate Reduction	103,089	192,501	228,882	198,977	171,962	-13.6%	66.8%
Rate Freeze	1,630	1,872	10,406	4,098	4,530	10.5%	177.9%
Term Extension	55,750	104,131	136,594	129,256	116,008	-10.2%	108.1%
Principal Reduction	8,435	4,454	5,866	9,094	5,454	-40.0%	-35.3%
Principal Deferral	7,628	23,010	27,685	23,083	18,200	-21.2%	138.6%

**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 (included in the category labeled “other”). Developed over several quarters, this data fulfills reporting requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203).

Table 47 presents the number and percentage of HAMP modifications and other modifications in each state during the fourth quarter of 2010. Tables 48 and 49 present the number and percentage of each type of action included in modifications made during the quarter in each state. Tables 50 and 51 present the number and percentage of each type of action included in combination modifications made during the quarter in each state. Tables 52 and 53 present the number and percentage of modifications made during the quarter in each state by the amount of change in the borrowers monthly principal and interest payment. Tables 54 and 55 present the number and percentage of modifications made in the second quarter of 2010 that were 60 or more days delinquent or in process of foreclosure at the end of the fourth quarter.

<b>Table 47. Number and Percentage of Mortgage Modifications</b>						
Modifications Implemented in the Fourth Quarter of 2010						
States	HAMP Modifications		Other Modifications		Total Modifications	
	Total	% of State Total	Total	% of State Total	Total	% of Total
Total	<b>56,378</b>	<b>27.0%</b>	<b>152,318</b>	<b>73.0%</b>	<b>208,696</b>	<b>100.0%</b>
Alabama	255	11.8%	1,912	88.2%	2,167	1.0%
Alaska	19	11.4%	148	88.6%	167	0.1%
Arizona	2,340	32.4%	4,891	67.6%	7,231	3.5%
Arkansas	102	14.6%	595	85.4%	697	0.3%
California	16,531	41.4%	23,379	58.6%	39,910	19.1%
Colorado	677	22.3%	2,354	77.7%	3,031	1.5%
Connecticut	673	28.2%	1,713	71.8%	2,386	1.1%
Delaware	177	22.0%	628	78.0%	805	0.4%
Florida	5,997	31.0%	13,356	69.0%	19,353	9.3%
Georgia	1,821	16.7%	9,109	83.3%	10,930	5.2%
Hawaii	233	31.0%	518	69.0%	751	0.4%
Idaho	203	24.0%	643	76.0%	846	0.4%
Illinois	3,020	28.9%	7,417	71.1%	10,437	5.0%
Indiana	429	13.5%	2,756	86.5%	3,185	1.5%
Iowa	132	14.0%	811	86.0%	943	0.5%
Kansas	134	15.3%	740	84.7%	874	0.4%
Kentucky	193	14.1%	1,174	85.9%	1,367	0.7%
Louisiana	279	15.3%	1,548	84.7%	1,827	0.9%
Maine	143	26.9%	389	73.1%	532	0.3%
Maryland	1,638	26.2%	4,615	73.8%	6,253	3.0%
Massachusetts	1,290	32.4%	2,693	67.6%	3,983	1.9%
Michigan	1,608	23.6%	5,199	76.4%	6,807	3.3%
Minnesota	882	26.1%	2,492	73.9%	3,374	1.6%
Mississippi	171	15.4%	942	84.6%	1,113	0.5%
Missouri	592	19.6%	2,431	80.4%	3,023	1.4%
Montana	59	18.2%	265	81.8%	324	0.2%
Nebraska	67	13.8%	417	86.2%	484	0.2%
Nevada	1,618	34.8%	3,030	65.2%	4,648	2.2%
New Hampshire	244	30.2%	564	69.8%	808	0.4%
New Jersey	1,932	28.3%	4,895	71.7%	6,827	3.3%
New Mexico	174	19.8%	704	80.2%	878	0.4%
New York	2,756	32.4%	5,742	67.6%	8,498	4.1%
North Carolina	929	14.9%	5,310	85.1%	6,239	3.0%
North Dakota	4	5.0%	76	95.0%	80	0.0%
Ohio	1,039	17.7%	4,838	82.3%	5,877	2.8%
Oklahoma	119	11.6%	907	88.4%	1,026	0.5%
Oregon	595	26.6%	1,639	73.4%	2,234	1.1%
Pennsylvania	1,095	20.1%	4,351	79.9%	5,446	2.6%
Rhode Island	258	34.5%	490	65.5%	748	0.4%
South Carolina	429	16.3%	2,208	83.7%	2,637	1.3%
South Dakota	23	15.9%	122	84.1%	145	0.1%
Tennessee	482	16.3%	2,480	83.7%	2,962	1.4%
Texas	1,495	12.5%	10,438	87.5%	11,933	5.7%
Utah	452	21.8%	1,624	78.2%	2,076	1.0%
Vermont	48	24.4%	149	75.6%	197	0.1%
Virginia	1,193	23.2%	3,954	76.8%	5,147	2.5%
Washington	1,062	26.1%	3,003	73.9%	4,065	1.9%
Washington, DC	91	20.4%	356	79.6%	447	0.2%
West Virginia	61	14.7%	354	85.3%	415	0.2%
Wisconsin	571	24.7%	1,741	75.3%	2,312	1.1%
Wyoming	21	13.2%	138	86.8%	159	0.1%
Other	22	23.9%	70	76.1%	92	0.0%

<b>Table 48. Number of Mortgage Modification Actions</b>								
Modifications Implemented in the Fourth Quarter of 2010								
States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Combination	Not Reported	Total Modifications
<b>Total</b>	<b>8,212</b>	<b>4,110</b>	<b>1,000</b>	<b>194</b>	<b>622</b>	<b>192,103</b>	<b>2,455</b>	<b>208,696</b>
Alabama	88	30	61	0	1	1,975	12	2,167
Alaska	9	1	0	0	0	157	0	167
Arizona	236	218	12	6	13	6,666	80	7,231
Arkansas	30	2	0	0	0	661	4	697
California	1,171	1,234	121	110	276	36,404	594	39,910
Colorado	114	46	7	2	6	2,831	25	3,031
Connecticut	122	26	2	0	4	2,196	36	2,386
Delaware	34	12	2	0	1	753	3	805
Florida	705	586	96	39	26	17,702	199	19,353
Georgia	422	113	72	0	22	10,122	179	10,930
Hawaii	20	9	5	0	3	701	13	751
Idaho	36	32	7	0	4	758	9	846
Illinois	404	116	19	0	16	9,810	72	10,437
Indiana	152	27	18	0	1	2,957	30	3,185
Iowa	62	8	7	0	0	854	12	943
Kansas	40	6	6	0	1	810	11	874
Kentucky	67	18	15	0	0	1,247	20	1,367
Louisiana	81	18	23	0	2	1,698	5	1,827
Maine	27	5	1	0	1	492	6	532
Maryland	260	118	11	1	35	5,723	105	6,253
Massachusetts	200	23	8	0	9	3,694	49	3,983
Michigan	286	208	49	12	7	6,186	59	6,807
Minnesota	186	51	8	2	9	3,093	25	3,374
Mississippi	50	12	14	0	2	1,024	11	1,113
Missouri	136	44	15	0	3	2,786	39	3,023
Montana	20	6	5	0	1	291	1	324
Nebraska	24	6	5	0	0	449	0	484
Nevada	165	157	7	14	15	4,250	40	4,648
New Hampshire	39	8	5	1	1	747	7	808
New Jersey	257	71	6	0	25	6,409	59	6,827
New Mexico	40	8	5	0	2	800	23	878
New York	441	130	19	1	31	7,752	124	8,498
North Carolina	289	82	88	0	8	5,683	89	6,239
North Dakota	9	1	1	0	0	68	1	80
Ohio	239	82	34	0	9	5,454	59	5,877
Oklahoma	57	7	2	0	1	948	11	1,026
Oregon	77	34	4	0	6	2,092	21	2,234
Pennsylvania	293	68	37	0	11	4,986	51	5,446
Rhode Island	35	2	0	0	0	691	20	748
South Carolina	140	46	29	0	4	2,377	41	2,637
South Dakota	7	5	4	0	1	127	1	145
Tennessee	103	42	24	0	1	2,768	24	2,962
Texas	457	115	31	0	8	11,213	109	11,933
Utah	63	35	7	0	8	1,947	16	2,076
Vermont	12	3	7	0	2	171	2	197
Virginia	204	112	48	2	26	4,680	75	5,147
Washington	145	60	22	3	17	3,769	49	4,065
Washington, DC	34	21	2	1	3	373	13	447
West Virginia	21	2	8	0	0	380	4	415
Wisconsin	99	40	18	0	0	2,140	15	2,312
Wyoming	3	2	3	0	0	150	1	159
Other	1	2	0	0	0	88	1	92

**Table 49. Percentage of Mortgage Modification Actions**  
 Modifications Implemented in the Fourth Quarter of 2010

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Combination	Not Reported	Total Modifications
<b>Total</b>	<b>3.9%</b>	<b>2.0%</b>	<b>0.5%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>92.0%</b>	<b>1.2%</b>	<b>208,696</b>
Alabama	4.1%	1.4%	2.8%	0.0%	0.0%	91.1%	0.6%	2,167
Alaska	5.4%	0.6%	0.0%	0.0%	0.0%	94.0%	0.0%	167
Arizona	3.3%	3.0%	0.2%	0.1%	0.2%	92.2%	1.1%	7,231
Arkansas	4.3%	0.3%	0.0%	0.0%	0.0%	94.8%	0.6%	697
California	2.9%	3.1%	0.3%	0.3%	0.7%	91.2%	1.5%	39,910
Colorado	3.8%	1.5%	0.2%	0.1%	0.2%	93.4%	0.8%	3,031
Connecticut	5.1%	1.1%	0.1%	0.0%	0.2%	92.0%	1.5%	2,386
Delaware	4.2%	1.5%	0.2%	0.0%	0.1%	93.5%	0.4%	805
Florida	3.6%	3.0%	0.5%	0.2%	0.1%	91.5%	1.0%	19,353
Georgia	3.9%	1.0%	0.7%	0.0%	0.2%	92.6%	1.6%	10,930
Hawaii	2.7%	1.2%	0.7%	0.0%	0.4%	93.3%	1.7%	751
Idaho	4.3%	3.8%	0.8%	0.0%	0.5%	89.6%	1.1%	846
Illinois	3.9%	1.1%	0.2%	0.0%	0.2%	94.0%	0.7%	10,437
Indiana	4.8%	0.8%	0.6%	0.0%	0.0%	92.8%	0.9%	3,185
Iowa	6.6%	0.8%	0.7%	0.0%	0.0%	90.6%	1.3%	943
Kansas	4.6%	0.7%	0.7%	0.0%	0.1%	92.7%	1.3%	874
Kentucky	4.9%	1.3%	1.1%	0.0%	0.0%	91.2%	1.5%	1,367
Louisiana	4.4%	1.0%	1.3%	0.0%	0.1%	92.9%	0.3%	1,827
Maine	5.1%	0.9%	0.2%	0.0%	0.2%	92.5%	1.1%	532
Maryland	4.2%	1.9%	0.2%	0.0%	0.6%	91.5%	1.7%	6,253
Massachusetts	5.0%	0.6%	0.2%	0.0%	0.2%	92.7%	1.2%	3,983
Michigan	4.2%	3.1%	0.7%	0.2%	0.1%	90.9%	0.9%	6,807
Minnesota	5.5%	1.5%	0.2%	0.1%	0.3%	91.7%	0.7%	3,374
Mississippi	4.5%	1.1%	1.3%	0.0%	0.2%	92.0%	1.0%	1,113
Missouri	4.5%	1.5%	0.5%	0.0%	0.1%	92.2%	1.3%	3,023
Montana	6.2%	1.9%	1.5%	0.0%	0.3%	89.8%	0.3%	324
Nebraska	5.0%	1.2%	1.0%	0.0%	0.0%	92.8%	0.0%	484
Nevada	3.5%	3.4%	0.2%	0.3%	0.3%	91.4%	0.9%	4,648
New Hampshire	4.8%	1.0%	0.6%	0.1%	0.1%	92.5%	0.9%	808
New Jersey	3.8%	1.0%	0.1%	0.0%	0.4%	93.9%	0.9%	6,827
New Mexico	4.6%	0.9%	0.6%	0.0%	0.2%	91.1%	2.6%	878
New York	5.2%	1.5%	0.2%	0.0%	0.4%	91.2%	1.5%	8,498
North Carolina	4.6%	1.3%	1.4%	0.0%	0.1%	91.1%	1.4%	6,239
North Dakota	11.3%	1.3%	1.3%	0.0%	0.0%	85.0%	1.3%	80
Ohio	4.1%	1.4%	0.6%	0.0%	0.2%	92.8%	1.0%	5,877
Oklahoma	5.6%	0.7%	0.2%	0.0%	0.1%	92.4%	1.1%	1,026
Oregon	3.4%	1.5%	0.2%	0.0%	0.3%	93.6%	0.9%	2,234
Pennsylvania	5.4%	1.2%	0.7%	0.0%	0.2%	91.6%	0.9%	5,446
Rhode Island	4.7%	0.3%	0.0%	0.0%	0.0%	92.4%	2.7%	748
South Carolina	5.3%	1.7%	1.1%	0.0%	0.2%	90.1%	1.6%	2,637
South Dakota	4.8%	3.4%	2.8%	0.0%	0.7%	87.6%	0.7%	145
Tennessee	3.5%	1.4%	0.8%	0.0%	0.0%	93.5%	0.8%	2,962
Texas	3.8%	1.0%	0.3%	0.0%	0.1%	94.0%	0.9%	11,933
Utah	3.0%	1.7%	0.3%	0.0%	0.4%	93.8%	0.8%	2,076
Vermont	6.1%	1.5%	3.6%	0.0%	1.0%	86.8%	1.0%	197
Virginia	4.0%	2.2%	0.9%	0.0%	0.5%	90.9%	1.5%	5,147
Washington	3.6%	1.5%	0.5%	0.1%	0.4%	92.7%	1.2%	4,065
Washington, DC	7.6%	4.7%	0.4%	0.2%	0.7%	83.4%	2.9%	447
West Virginia	5.1%	0.5%	1.9%	0.0%	0.0%	91.6%	1.0%	415
Wisconsin	4.3%	1.7%	0.8%	0.0%	0.0%	92.6%	0.6%	2,312
Wyoming	1.9%	1.3%	1.9%	0.0%	0.0%	94.3%	0.6%	159
Other	1.1%	2.2%	0.0%	0.0%	0.0%	95.7%	1.1%	92

<b>Table 50. Number of Modification Actions in Combination Actions</b>						
Modifications Implemented in the Fourth Quarter of 2010						
States	Capitalization	Interest Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total	<b>182,890</b>	<b>176,254</b>	<b>116,008</b>	<b>5,454</b>	<b>18,200</b>	<b>192,103</b>
Alabama	1,784	1,904	1,216	3	45	1,975
Alaska	155	149	108	0	3	157
Arizona	6,479	5,977	3,943	222	707	6,666
Arkansas	651	638	379	0	19	661
California	34,064	32,477	20,427	3,476	6,658	36,404
Colorado	2,727	2,648	1,669	18	158	2,831
Connecticut	2,139	2,017	1,200	20	202	2,196
Delaware	709	690	475	5	29	753
Florida	16,928	15,945	10,776	746	2,276	17,702
Georgia	9,733	9,565	6,331	29	518	10,122
Hawaii	660	629	414	2	63	701
Idaho	706	687	474	5	51	758
Illinois	9,492	8,831	6,163	123	1,093	9,810
Indiana	2,850	2,812	1,878	6	80	2,957
Iowa	803	801	543	2	30	854
Kansas	762	756	530	3	29	810
Kentucky	1,132	1,192	787	2	31	1,247
Louisiana	1,629	1,615	1,016	2	46	1,698
Maine	458	459	299	0	38	492
Maryland	5,567	5,238	3,218	66	476	5,723
Massachusetts	3,587	3,372	1,964	64	392	3,694
Michigan	5,960	5,698	3,679	60	456	6,186
Minnesota	2,979	2,794	1,981	25	247	3,093
Mississippi	914	977	643	0	22	1,024
Missouri	2,671	2,625	1,615	10	144	2,786
Montana	268	269	194	0	12	291
Nebraska	416	427	309	2	11	449
Nevada	4,147	3,688	2,492	127	518	4,250
New Hampshire	711	673	401	4	55	747
New Jersey	6,228	5,802	3,968	98	600	6,409
New Mexico	736	747	498	2	35	800
New York	7,430	7,067	4,489	49	882	7,752
North Carolina	5,223	5,380	3,685	9	201	5,683
North Dakota	53	63	42	1	4	68
Ohio	5,139	5,157	3,450	21	241	5,454
Oklahoma	911	899	612	1	25	948
Oregon	2,022	1,885	1,267	17	164	2,092
Pennsylvania	4,751	4,661	3,089	19	234	4,986
Rhode Island	683	621	390	6	80	691
South Carolina	2,151	2,248	1,487	11	112	2,377
South Dakota	116	125	83	1	5	127
Tennessee	2,564	2,649	1,742	2	94	2,768
Texas	10,882	10,757	7,803	16	233	11,213
Utah	1,889	1,784	1,197	24	98	1,947
Vermont	131	163	113	0	11	171
Virginia	4,361	4,330	2,841	96	310	4,680
Washington	3,622	3,464	2,247	45	264	3,769
Washington, DC	367	351	185	5	24	373
West Virginia	337	357	248	0	10	380
Wisconsin	1,987	1,966	1,333	8	152	2,140
Wyoming	138	137	93	1	5	150
Other	88	88	22	0	7	88

**Table 51. Percentage of Modification Actions in Combination Actions**  
 Modifications Implemented in the Fourth Quarter of 2010

States	Capitalization	Interest Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total	<b>95.2%</b>	<b>91.7%</b>	<b>60.4%</b>	<b>2.8%</b>	<b>9.5%</b>	<b>192,103</b>
Alabama	90.3%	96.4%	61.6%	0.2%	2.3%	1,975
Alaska	98.7%	94.9%	68.8%	0.0%	1.9%	157
Arizona	97.2%	89.7%	59.2%	3.3%	10.6%	6,666
Arkansas	98.5%	96.5%	57.3%	0.0%	2.9%	661
California	93.6%	89.2%	56.1%	9.5%	18.3%	36,404
Colorado	96.3%	93.5%	59.0%	0.6%	5.6%	2,831
Connecticut	97.4%	91.8%	54.6%	0.9%	9.2%	2,196
Delaware	94.2%	91.6%	63.1%	0.7%	3.9%	753
Florida	95.6%	90.1%	60.9%	4.2%	12.9%	17,702
Georgia	96.2%	94.5%	62.5%	0.3%	5.1%	10,122
Hawaii	94.2%	89.7%	59.1%	0.3%	9.0%	701
Idaho	93.1%	90.6%	62.5%	0.7%	6.7%	758
Illinois	96.8%	90.0%	62.8%	1.3%	11.1%	9,810
Indiana	96.4%	95.1%	63.5%	0.2%	2.7%	2,957
Iowa	94.0%	93.8%	63.6%	0.2%	3.5%	854
Kansas	94.1%	93.3%	65.4%	0.4%	3.6%	810
Kentucky	90.8%	95.6%	63.1%	0.2%	2.5%	1,247
Louisiana	95.9%	95.1%	59.8%	0.1%	2.7%	1,698
Maine	93.1%	93.3%	60.8%	0.0%	7.7%	492
Maryland	97.3%	91.5%	56.2%	1.2%	8.3%	5,723
Massachusetts	97.1%	91.3%	53.2%	1.7%	10.6%	3,694
Michigan	96.3%	92.1%	59.5%	1.0%	7.4%	6,186
Minnesota	96.3%	90.3%	64.0%	0.8%	8.0%	3,093
Mississippi	89.3%	95.4%	62.8%	0.0%	2.1%	1,024
Missouri	95.9%	94.2%	58.0%	0.4%	5.2%	2,786
Montana	92.1%	92.4%	66.7%	0.0%	4.1%	291
Nebraska	92.7%	95.1%	68.8%	0.4%	2.4%	449
Nevada	97.6%	86.8%	58.6%	3.0%	12.2%	4,250
New Hampshire	95.2%	90.1%	53.7%	0.5%	7.4%	747
New Jersey	97.2%	90.5%	61.9%	1.5%	9.4%	6,409
New Mexico	92.0%	93.4%	62.3%	0.3%	4.4%	800
New York	95.8%	91.2%	57.9%	0.6%	11.4%	7,752
North Carolina	91.9%	94.7%	64.8%	0.2%	3.5%	5,683
North Dakota	77.9%	92.6%	61.8%	1.5%	5.9%	68
Ohio	94.2%	94.6%	63.3%	0.4%	4.4%	5,454
Oklahoma	96.1%	94.8%	64.6%	0.1%	2.6%	948
Oregon	96.7%	90.1%	60.6%	0.8%	7.8%	2,092
Pennsylvania	95.3%	93.5%	62.0%	0.4%	4.7%	4,986
Rhode Island	98.8%	89.9%	56.4%	0.9%	11.6%	691
South Carolina	90.5%	94.6%	62.6%	0.5%	4.7%	2,377
South Dakota	91.3%	98.4%	65.4%	0.8%	3.9%	127
Tennessee	92.6%	95.7%	62.9%	0.1%	3.4%	2,768
Texas	97.0%	95.9%	69.6%	0.1%	2.1%	11,213
Utah	97.0%	91.6%	61.5%	1.2%	5.0%	1,947
Vermont	76.6%	95.3%	66.1%	0.0%	6.4%	171
Virginia	93.2%	92.5%	60.7%	2.1%	6.6%	4,680
Washington	96.1%	91.9%	59.6%	1.2%	7.0%	3,769
Washington, DC	98.4%	94.1%	49.6%	1.3%	6.4%	373
West Virginia	88.7%	93.9%	65.3%	0.0%	2.6%	380
Wisconsin	92.9%	91.9%	62.3%	0.4%	7.1%	2,140
Wyoming	92.0%	91.3%	62.0%	0.7%	3.3%	150
Other	100.0%	100.0%	25.0%	0.0%	8.0%	88



**Table 52. Changes in Monthly Principal and Interest Payments by State (Number)**  
 Number of Modifications Implemented in the Fourth Quarter of 2010

States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
<b>Total</b>	<b>117,151</b>	<b>40,946</b>	<b>28,858</b>	<b>4,908</b>	<b>16,255</b>	<b>578</b>	<b>208,696</b>
Alabama	908	590	373	92	193	11	2,167
Alaska	76	39	36	1	15	0	167
Arizona	4,500	1,327	836	139	409	20	7,231
Arkansas	317	193	106	16	64	1	697
California	25,856	5,822	4,489	1,022	2,653	68	39,910
Colorado	1,477	717	532	62	237	6	3,031
Connecticut	1,346	436	325	45	227	7	2,386
Delaware	379	193	146	14	72	1	805
Florida	12,397	3,054	2,135	431	1,285	51	19,353
Georgia	5,486	2,658	1,700	255	791	40	10,930
Hawaii	501	111	85	16	36	2	751
Idaho	436	174	143	38	52	3	846
Illinois	6,241	1,839	1,305	178	852	22	10,437
Indiana	1,332	867	555	82	337	12	3,185
Iowa	406	220	176	20	112	9	943
Kansas	399	222	152	17	81	3	874
Kentucky	578	326	249	59	145	10	1,367
Louisiana	808	427	314	39	236	3	1,827
Maine	293	119	59	7	53	1	532
Maryland	3,374	1,260	1,005	112	482	20	6,253
Massachusetts	2,426	639	506	88	309	15	3,983
Michigan	3,734	1,320	972	176	583	22	6,807
Minnesota	1,841	629	483	87	326	8	3,374
Mississippi	511	279	178	39	105	1	1,113
Missouri	1,479	694	504	70	260	16	3,023
Montana	175	63	44	11	31	0	324
Nebraska	233	103	86	19	42	1	484
Nevada	3,108	745	457	90	241	7	4,648
New Hampshire	487	132	111	16	59	3	808
New Jersey	3,943	1,232	950	132	561	9	6,827
New Mexico	450	193	149	15	68	3	878
New York	5,322	1,393	946	211	553	73	8,498
North Carolina	2,872	1,477	1,117	209	549	15	6,239
North Dakota	31	14	17	6	12	0	80
Ohio	2,715	1,427	990	138	584	23	5,877
Oklahoma	421	283	197	27	95	3	1,026
Oregon	1,318	420	281	48	165	2	2,234
Pennsylvania	2,655	1,211	850	125	584	21	5,446
Rhode Island	464	133	85	16	49	1	748
South Carolina	1,236	589	426	103	278	5	2,637
South Dakota	68	30	30	7	10	0	145
Tennessee	1,405	786	488	64	214	5	2,962
Texas	5,449	3,343	1,857	173	1,093	18	11,933
Utah	1,045	483	367	45	131	5	2,076
Vermont	111	28	29	12	15	2	197
Virginia	2,618	1,122	893	134	369	11	5,147
Washington	2,204	820	614	105	313	9	4,065
Washington DC	224	95	59	15	54	0	447
West Virginia	200	86	77	13	38	1	415
Wisconsin	1,165	513	341	66	218	9	2,312
Wyoming	69	45	29	3	13	0	159
Other	62	25	4	0	1	0	92

<b>Table 53. Changes in Monthly Principal and Interest Payments (Percentage)</b>							
Percentage of Modifications Implemented During the Fourth Quarter of 2010							
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	<b>56.1%</b>	<b>19.6%</b>	<b>13.8%</b>	<b>2.4%</b>	<b>7.8%</b>	<b>0.3%</b>	<b>208,696</b>
Alabama	41.9%	27.2%	17.2%	4.2%	8.9%	0.5%	2,167
Alaska	45.5%	23.4%	21.6%	0.6%	9.0%	0.0%	167
Arizona	62.2%	18.4%	11.6%	1.9%	5.7%	0.3%	7,231
Arkansas	45.5%	27.7%	15.2%	2.3%	9.2%	0.1%	697
California	64.8%	14.6%	11.2%	2.6%	6.6%	0.2%	39,910
Colorado	48.7%	23.7%	17.6%	2.0%	7.8%	0.2%	3,031
Connecticut	56.4%	18.3%	13.6%	1.9%	9.5%	0.3%	2,386
Delaware	47.1%	24.0%	18.1%	1.7%	8.9%	0.1%	805
Florida	64.1%	15.8%	11.0%	2.2%	6.6%	0.3%	19,353
Georgia	50.2%	24.3%	15.6%	2.3%	7.2%	0.4%	10,930
Hawaii	66.7%	14.8%	11.3%	2.1%	4.8%	0.3%	751
Idaho	51.5%	20.6%	16.9%	4.5%	6.1%	0.4%	846
Illinois	59.8%	17.6%	12.5%	1.7%	8.2%	0.2%	10,437
Indiana	41.8%	27.2%	17.4%	2.6%	10.6%	0.4%	3,185
Iowa	43.1%	23.3%	18.7%	2.1%	11.9%	1.0%	943
Kansas	45.7%	25.4%	17.4%	1.9%	9.3%	0.3%	874
Kentucky	42.3%	23.8%	18.2%	4.3%	10.6%	0.7%	1,367
Louisiana	44.2%	23.4%	17.2%	2.1%	12.9%	0.2%	1,827
Maine	55.1%	22.4%	11.1%	1.3%	10.0%	0.2%	532
Maryland	54.0%	20.2%	16.1%	1.8%	7.7%	0.3%	6,253
Massachusetts	60.9%	16.0%	12.7%	2.2%	7.8%	0.4%	3,983
Michigan	54.9%	19.4%	14.3%	2.6%	8.6%	0.3%	6,807
Minnesota	54.6%	18.6%	14.3%	2.6%	9.7%	0.2%	3,374
Mississippi	45.9%	25.1%	16.0%	3.5%	9.4%	0.1%	1,113
Missouri	48.9%	23.0%	16.7%	2.3%	8.6%	0.5%	3,023
Montana	54.0%	19.4%	13.6%	3.4%	9.6%	0.0%	324
Nebraska	48.1%	21.3%	17.8%	3.9%	8.7%	0.2%	484
Nevada	66.9%	16.0%	9.8%	1.9%	5.2%	0.2%	4,648
New Hampshire	60.3%	16.3%	13.7%	2.0%	7.3%	0.4%	808
New Jersey	57.8%	18.0%	13.9%	1.9%	8.2%	0.1%	6,827
New Mexico	51.3%	22.0%	17.0%	1.7%	7.7%	0.3%	878
New York	62.6%	16.4%	11.1%	2.5%	6.5%	0.9%	8,498
North Carolina	46.0%	23.7%	17.9%	3.3%	8.8%	0.2%	6,239
North Dakota	38.8%	17.5%	21.3%	7.5%	15.0%	0.0%	80
Ohio	46.2%	24.3%	16.8%	2.3%	9.9%	0.4%	5,877
Oklahoma	41.0%	27.6%	19.2%	2.6%	9.3%	0.3%	1,026
Oregon	59.0%	18.8%	12.6%	2.1%	7.4%	0.1%	2,234
Pennsylvania	48.8%	22.2%	15.6%	2.3%	10.7%	0.4%	5,446
Rhode Island	62.0%	17.8%	11.4%	2.1%	6.6%	0.1%	748
South Carolina	46.9%	22.3%	16.2%	3.9%	10.5%	0.2%	2,637
South Dakota	46.9%	20.7%	20.7%	4.8%	6.9%	0.0%	145
Tennessee	47.4%	26.5%	16.5%	2.2%	7.2%	0.2%	2,962
Texas	45.7%	28.0%	15.6%	1.4%	9.2%	0.2%	11,933
Utah	50.3%	23.3%	17.7%	2.2%	6.3%	0.2%	2,076
Vermont	56.3%	14.2%	14.7%	6.1%	7.6%	1.0%	197
Virginia	50.9%	21.8%	17.3%	2.6%	7.2%	0.2%	5,147
Washington	54.2%	20.2%	15.1%	2.6%	7.7%	0.2%	4,065
Washington, DC	50.1%	21.3%	13.2%	3.4%	12.1%	0.0%	447
West Virginia	48.2%	20.7%	18.6%	3.1%	9.2%	0.2%	415
Wisconsin	50.4%	22.2%	14.7%	2.9%	9.4%	0.4%	2,312
Wyoming	43.4%	28.3%	18.2%	1.9%	8.2%	0.0%	159
Other	67.4%	27.2%	4.3%	0.0%	1.1%	0.0%	92

<b>Table 54. Number of Re-Defaults for Loans Modified in the Second Quarter of 2010</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
<b>Total</b>	<b>18,476</b>	<b>10,357</b>	<b>12,878</b>	<b>1,197</b>	<b>7,517</b>	<b>128</b>	<b>50,553</b>
Alabama	163	144	238	17	114	4	680
Alaska	8	7	10	0	7	0	32
Arizona	834	373	441	42	216	4	1,910
Arkansas	55	56	85	3	54	0	253
California	3,262	1,168	1,358	229	934	23	6,974
Colorado	181	146	233	10	105	1	676
Connecticut	236	115	140	13	93	2	599
Delaware	63	44	63	6	42	1	219
Florida	2,309	879	948	126	597	12	4,871
Georgia	830	683	888	45	437	7	2,890
Hawaii	67	29	30	3	14	0	143
Idaho	69	45	67	2	25	0	208
Illinois	1,032	459	531	50	354	4	2,430
Indiana	253	223	285	19	174	1	955
Iowa	76	68	76	7	57	0	284
Kansas	70	72	79	6	40	0	267
Kentucky	96	84	111	14	69	1	375
Louisiana	141	138	118	13	98	1	509
Maine	44	20	33	1	21	0	119
Maryland	588	304	436	35	215	5	1,583
Massachusetts	361	134	173	17	102	4	791
Michigan	556	392	407	40	248	0	1,643
Minnesota	316	171	201	14	108	2	812
Mississippi	114	74	120	9	43	0	360
Missouri	258	187	236	18	168	2	869
Montana	18	21	17	1	8	0	65
Nebraska	56	37	45	2	28	0	168
Nevada	460	155	186	16	100	1	918
New Hampshire	73	37	34	7	28	0	179
New Jersey	658	328	421	39	278	4	1,728
New Mexico	56	49	54	5	35	2	201
New York	718	331	360	44	200	7	1,660
North Carolina	510	380	535	40	319	5	1,789
North Dakota	6	7	3	0	3	0	19
Ohio	452	371	433	28	291	2	1,577
Oklahoma	87	97	118	6	76	1	385
Oregon	210	89	121	17	68	1	506
Pennsylvania	491	306	357	35	242	3	1,434
Rhode Island	70	31	47	5	23	3	179
South Carolina	210	163	252	24	151	1	801
South Dakota	8	6	25	0	8	0	47
Tennessee	284	225	281	22	135	2	949
Texas	911	967	1,303	77	664	11	3,933
Utah	178	91	148	13	80	2	512
Vermont	15	11	14	1	5	0	46
Virginia	367	279	274	27	179	3	1,129
Washington	333	190	288	23	132	4	970
Washington, DC	34	17	31	3	12	0	97
West Virginia	35	22	37	4	17	0	115
Wisconsin	239	124	171	19	94	2	649
Wyoming	11	3	12	0	5	0	31
Other	4	5	4	0	1	0	14

**Table 55. Re-Default Rates for Loans Modified in the Second Quarter of 2010 (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	<b>13.0%</b>	<b>22.5%</b>	<b>30.2%</b>	<b>25.3%</b>	<b>35.3%</b>	<b>16.9%</b>	<b>19.6%</b>
Alabama	17.2%	25.8%	37.9%	23.6%	41.5%	36.4%	27.3%
Alaska	10.7%	17.9%	19.2%	0.0%	35.0%	0.0%	17.1%
Arizona	13.6%	23.5%	30.7%	27.1%	35.3%	13.3%	19.2%
Arkansas	15.6%	25.3%	36.0%	30.0%	45.4%	0.0%	26.9%
California	9.2%	16.9%	20.9%	19.2%	27.5%	14.3%	13.1%
Colorado	10.6%	18.2%	24.9%	11.1%	27.7%	14.3%	17.2%
Connecticut	13.7%	22.1%	27.6%	28.9%	33.9%	20.0%	19.5%
Delaware	16.9%	26.0%	31.2%	15.8%	47.7%	33.3%	25.1%
Florida	14.6%	23.0%	29.4%	27.3%	33.1%	12.9%	19.3%
Georgia	15.4%	26.1%	37.5%	31.3%	43.4%	18.9%	25.0%
Hawaii	12.0%	20.9%	25.4%	18.8%	22.2%	0.0%	15.9%
Idaho	13.3%	23.0%	32.2%	10.5%	35.2%	0.0%	20.5%
Illinois	13.0%	22.8%	30.7%	29.8%	37.3%	16.7%	19.0%
Indiana	17.8%	23.0%	33.5%	26.8%	36.9%	12.5%	25.2%
Iowa	16.3%	26.6%	30.2%	41.2%	37.3%	0.0%	24.8%
Kansas	16.2%	26.1%	32.6%	22.2%	31.7%	0.0%	24.2%
Kentucky	16.8%	22.5%	33.5%	41.2%	36.5%	25.0%	25.0%
Louisiana	18.8%	30.4%	29.9%	33.3%	40.5%	33.3%	27.0%
Maine	13.8%	17.4%	28.9%	11.1%	34.4%	0.0%	19.3%
Maryland	14.3%	23.6%	31.0%	25.0%	36.8%	16.1%	20.9%
Massachusetts	12.3%	18.1%	27.2%	29.8%	31.3%	26.7%	16.8%
Michigan	13.2%	23.4%	30.1%	24.2%	36.8%	0.0%	20.3%
Minnesota	12.6%	20.5%	25.9%	18.4%	29.3%	18.2%	17.7%
Mississippi	22.2%	27.1%	37.4%	31.0%	36.1%	0.0%	28.7%
Missouri	15.2%	23.8%	32.9%	21.7%	39.8%	40.0%	23.4%
Montana	9.5%	25.9%	24.6%	25.0%	24.2%	0.0%	17.3%
Nebraska	19.8%	24.2%	29.2%	16.7%	50.9%	0.0%	25.5%
Nevada	13.4%	21.1%	30.5%	22.5%	33.0%	14.3%	17.8%
New Hampshire	12.9%	21.9%	24.8%	31.8%	36.8%	0.0%	18.4%
New Jersey	13.5%	24.1%	31.9%	38.6%	39.0%	16.7%	20.6%
New Mexico	12.6%	23.3%	27.8%	26.3%	34.3%	50.0%	20.6%
New York	10.8%	21.3%	28.9%	27.8%	35.5%	11.1%	16.2%
North Carolina	16.6%	23.9%	35.3%	24.7%	43.9%	18.5%	25.2%
North Dakota	16.2%	29.2%	17.6%	0.0%	23.1%	0.0%	20.0%
Ohio	14.9%	24.2%	31.9%	19.7%	35.6%	18.2%	22.9%
Oklahoma	18.2%	28.0%	33.2%	35.3%	45.5%	33.3%	28.2%
Oregon	13.6%	19.2%	26.1%	32.7%	33.8%	20.0%	18.5%
Pennsylvania	16.4%	23.0%	31.1%	29.4%	34.6%	14.3%	22.7%
Rhode Island	12.2%	19.3%	34.3%	33.3%	36.5%	60.0%	18.7%
South Carolina	14.3%	24.4%	39.1%	44.4%	39.6%	7.7%	24.8%
South Dakota	10.3%	20.0%	45.5%	0.0%	47.1%	0.0%	26.0%
Tennessee	17.9%	25.4%	34.1%	32.8%	39.1%	11.8%	25.4%
Texas	18.1%	24.7%	36.5%	37.2%	40.6%	42.3%	27.4%
Utah	15.2%	21.8%	30.5%	33.3%	34.5%	28.6%	21.8%
Vermont	13.8%	33.3%	40.0%	20.0%	35.7%	0.0%	23.4%
Virginia	11.7%	23.2%	24.2%	24.8%	34.6%	20.0%	18.5%
Washington	12.8%	22.6%	32.4%	22.5%	32.4%	23.5%	20.0%
Washington, DC	13.4%	23.0%	35.6%	15.0%	31.6%	0.0%	20.4%
West Virginia	15.0%	17.1%	34.6%	26.7%	29.3%	0.0%	21.1%
Wisconsin	17.7%	26.1%	35.1%	35.2%	30.8%	50.0%	24.2%
Wyoming	15.5%	5.8%	28.6%	0.0%	27.8%	0.0%	16.1%
Other	8.9%	15.2%	40.0%	0.0%	50.0%	0.0%	15.6%

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