

OCC Mortgage Metrics Report

Disclosure of National Bank and Federal Savings
Association Mortgage Loan Data

Second Quarter 2014

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Executive Summary

This *OCC Mortgage Metrics Report* for the second quarter of 2014 provides performance data on first-lien residential mortgages serviced by selected national banks and one federal savings association. The mortgages in this portfolio comprise 47 percent of all first-lien residential mortgages outstanding in the United States—24.1 million loans totaling \$4.1 trillion in unpaid principal. This report presents information on their performance through June 30, 2014.

The performance of mortgages in this portfolio declined slightly from the previous quarter, consistent with observed seasonal trends, but improved from a year earlier. At the end of the second quarter of 2014, 92.9 percent of mortgages serviced by the reporting servicers were current and performing, compared with 93.1 percent at the end of the previous quarter and 90.6 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due increased 15.0 percent from the previous quarter to 2.4 percent of the portfolio, but decreased 17.3 percent from a year earlier. The percentage of mortgages included in this report that were seriously delinquent—60 or more days past due or held by bankrupt borrowers whose payments were 30 or more days past due—increased 0.6 percent from the previous quarter, but decreased 17.0 percent from a year earlier.

Foreclosure activity in this portfolio of mortgages continued to decline. At the end of the second quarter of 2014, the number of mortgages in the process of foreclosure fell to 391,591, a decrease of 47.4 percent from a year earlier. The percentage of mortgages that were in the process of foreclosure at the end of the second quarter of 2014 was 1.6 percent. During the quarter, servicers initiated 79,781 new foreclosures—a decrease of 47.0 percent from a year earlier. Improved economic conditions, aggressive foreclosure prevention assistance, and the transfer of loans to servicers outside the reporting banks and thrift contributed to the decline in foreclosure activity. The number of completed foreclosures decreased to 48,684, a decrease of 13.4 percent from the previous quarter and 39.1 percent from a year earlier.

Servicers implemented 208,150 home retention actions during the quarter—including modifications, trial-period plans, and shorter-term payment plans—compared with 64,790 home forfeiture actions during the quarter, which include completed foreclosures, short sales, and deed-in-lieu-of-foreclosure actions. The number of home retention actions implemented by servicers decreased by 12.5 percent from the previous quarter and 34.1 percent from a year earlier. More than 91 percent of modifications in the second quarter of 2014 reduced monthly principal and interest payments; 56.1 percent of modifications reduced payments by 20 percent or more. Modifications reduced payments by \$252 per month on average, while modifications made under the Home Affordable Modification Program (HAMP) reduced monthly payments by an average of \$269.

Mortgage Performance

- The overall percentage of mortgages in this report that were current and performing decreased to 92.9 percent at the end of the second quarter of 2014 (see table 7).
- The percentage of mortgages that were seriously delinquent at the end of the quarter was 3.1 percent, a decrease of 17 percent from a year earlier (see table 7).
- The percentage of government-guaranteed mortgages that were current and performing increased to 87.9 percent from 85.7 percent a year earlier (see table 9). Government-guaranteed mortgages compose 24.9 percent of the total serviced portfolio. The percentage

of government-guaranteed mortgages that were seriously delinquent decreased 10.9 percent from a year earlier to 5.5 percent of the government-guaranteed mortgages in the portfolio (see table 9).

- Mortgages serviced for Fannie Mae and Freddie Mac (government-sponsored enterprises, or GSE) made up 58.3 percent of the mortgages in this report. The percentage of these mortgages that were current and performing was 96.6 percent at the end of the second quarter of 2014 (see table 10).

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

- Servicers implemented 208,150 home retention actions—modifications, trial-period plans, and payment plans—during the second quarter of 2014 (see table 1). The number of home retention actions was more than three times the number of completed foreclosures, short sales, and deed-in-lieu-of-foreclosure actions in the quarter (see table 5).
- New home retention actions included 69,641 modifications, 61,157 trial-period plans, and 77,352 payment plans (see table 1). HAMP modifications increased 21.2 percent from the previous quarter to 39,616. Other modifications decreased to 30,025—a decrease of 8.3 percent from the previous quarter and 64.9 percent from a year earlier. HAMP trial-period plans decreased 11.8 percent from the previous quarter to 20,965 and 34.5 percent from the previous year.

| Table 1. Number of New Home Retention Actions | | | | | | | |
|--|---------|---------|----------|---------|---------|---------------|---------------|
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Other Modifications | 85,582 | 76,134 | 50,551 | 32,757 | 30,025 | -8.3% | -64.9% |
| HAMP Modifications | 22,613 | 23,159 | 21,915 | 32,680 | 39,616 | 21.2% | 75.2% |
| Other Trial-Period Plans | 68,465 | 62,163 | 50,748 | 48,238 | 40,192 | -16.7% | -41.3% |
| HAMP Trial-Period Plans | 32,019 | 38,998 | 31,568 | 23,760 | 20,965 | -11.8% | -34.5% |
| Payment Plans | 107,403 | 112,568 | 88,093 | 100,315 | 77,352 | -22.9% | -28.0% |
| Total | 316,082 | 313,022 | 242,875 | 237,750 | 208,150 | -12.5% | -34.1% |

- Servicers reduced interest rates in 71.9 percent of all modifications made during the second quarter of 2014. Servicers used term extensions in 84.0 percent of modifications, principal deferrals in 11.5 percent, and principal reductions in 5.0 percent (see table 17). Among HAMP modifications, servicers reduced interest rates in 81.0 percent of those modifications, deferred principal in 11.8 percent, and reduced principal in 5.1 percent (see table 18).
- Servicers have reduced monthly principal and interest payments in 91.6 percent of modifications made in the quarter (see table 22). Servicers reduced monthly payments by an average of 22.5 percent for all borrowers who qualified for modifications. HAMP modifications reduced payments by an average of 25.3 percent (see table 24).

Modified Loan Performance

- Servicers implemented 3,525,913 modifications from January 1, 2008, through March 31, 2014. Of these modifications, more than 59 percent were active at the end of the second quarter of 2014 and almost 41 percent had exited the portfolios of the reporting institutions, through payment in full, involuntary liquidation—foreclosure, short sale, or deed in lieu of foreclosure—or transfer to a nonreporting servicer (see table 2).

- Of the 2,084,292 modifications that were active at the end of the second quarter of 2014, 69.3 percent were current and performing at the end of the quarter, 25.0 percent were delinquent, and 5.8 percent were in the process of foreclosure.
- Of the 41 percent of modifications that had exited the portfolio prior to the end of the second quarter of 2014, 8.3 percent were liquidated involuntarily—through foreclosure, short sale, or deed in lieu. Another 3.6 percent were paid in full and 29.0 percent were transferred.

Table 2. Status of Mortgages Modified in 2008–1Q 2014

| Year | Completed Modifications | | As Percentage of Modifications Active as of 6/30/14 | | | | As Percentage of All Modifications Completed | | |
|--|-------------------------|-------------------|---|-----------------------|----------------------|-------------------------|--|-------------|----------------------------|
| | Total | Active at 6/30/14 | Current | 30–59 Days Delinquent | Seriously Delinquent | Foreclosures in Process | Involuntary Liquidations* | Paid Off | No Longer in the Portfolio |
| 2008 | 443,294 | 141,853 | 59.2% | 10.4% | 21.3% | 9.0% | 17.5% | 5.1% | 45.4% |
| 2009 | 593,884 | 268,249 | 62.9% | 9.5% | 19.7% | 8.0% | 13.9% | 5.2% | 35.8% |
| 2010 | 955,422 | 522,659 | 68.5% | 8.9% | 16.3% | 6.3% | 9.5% | 4.1% | 31.6% |
| 2011 | 569,553 | 363,128 | 69.7% | 8.6% | 15.6% | 6.1% | 5.3% | 3.4% | 27.6% |
| 2012 | 479,820 | 366,973 | 72.8% | 8.4% | 14.0% | 4.7% | 1.9% | 2.3% | 19.4% |
| 2013 | 418,503 | 358,016 | 72.9% | 9.5% | 14.0% | 3.6% | 0.5% | 1.1% | 12.8% |
| 2014 | 65,437 | 63,414 | 81.9% | 9.5% | 8.3% | 0.3% | 0.04% | 0.3% | 2.8% |
| Total | 3,525,913 | 2,084,292 | 69.3% | 9.1% | 15.9% | 5.8% | 8.3% | 3.6% | 29.0% |
| HAMP Modification Performance Compared With Other Modifications | | | | | | | | | |
| Other** | 1,929,135 | 1,281,221 | 66.8% | 9.6% | 17.6% | 6.1% | 7.1% | 3.7% | 22.8% |
| HAMP | 815,638 | 525,994 | 80.2% | 7.2% | 9.2% | 3.4% | 3.7% | 2.2% | 29.6% |
| Modifications That Reduced Payments by 10 Percent or More | | | | | | | | | |
| | 2,273,395 | 1,432,303 | 73.8% | 8.5% | 13.1% | 4.6% | 5.7% | 2.8% | 28.5% |
| Modifications That Reduced Payments by Less Than 10 Percent | | | | | | | | | |
| | 1,252,518 | 651,989 | 59.3% | 10.2% | 22.1% | 8.4% | 13.0% | 5.2% | 29.7% |

*Completed foreclosures, short sales and deeds in lieu of foreclosure.

**Modifications used to compare with HAMP modifications include only modifications implemented from the third quarter of 2009 through the first quarter of 2014.

- HAMP modifications implemented since the third quarter of 2009 have performed better than other modifications (see table 2). HAMP modifications perform better because of the emphasis on reduced monthly payments, affordability relative to income, income verification, and successful completion of a trial period. While HAMP modifications generally reduce the borrowers’ monthly payments more and perform better over time than other modifications, more restrictive criteria limit the number of borrowers who may qualify for a HAMP modification.
- Modifications that reduced borrowers’ monthly payments by 10 percent or more performed significantly better than modifications that reduced monthly payments by less than 10 percent. Of the 1,432,303 modifications that reduced payments by 10 percent or more and were active at the end of the second quarter of 2014, 73.8 percent were current, compared with 59.3 percent of modifications that reduced payments by less than 10 percent (see table 2).

- Modifications of mortgages owned by the servicers and those serviced for the GSEs performed better than modifications of government-guaranteed mortgages or of mortgages that were serviced for private investors. Of the modifications implemented from January 1, 2008, 19.5 percent of modifications on mortgages held in the servicers' own portfolios, 23.2 percent of Fannie Mae mortgages, and 21.9 percent of Freddie Mac mortgages were 60 or more days delinquent after 12 months. Conversely, 42.3 percent of government-guaranteed mortgages and 37.9 percent of private investor-held loans were 60 or more days delinquent after 12 months. This variance reflects differences in the loans and borrowers, the modification programs, and the servicers' flexibility to modify loans they own (see table 3).

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

| Investor Loan Type | 6 Months After Modification | 12 Months After Modification | 18 Months After Modification | 24 Months After Modification | 36 Months After Modification |
|-----------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Fannie Mae | 16.2% | 23.2% | 26.4% | 27.2% | 26.8% |
| Freddie Mac | 15.5% | 21.9% | 25.4% | 26.8% | 26.7% |
| Government-Guaranteed | 29.0% | 42.3% | 48.4% | 51.0% | 52.0% |
| Private | 28.7% | 37.9% | 42.8% | 44.8% | 46.6% |
| Portfolio Loans | 12.7% | 19.5% | 23.4% | 25.4% | 26.1% |
| Overall | 21.6% | 30.4% | 34.8% | 36.6% | 37.7% |

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

Foreclosures and Other Home Forfeiture Actions

- Newly initiated foreclosures decreased 47.0 percent from a year earlier. The number of foreclosures in process decreased 47.4 percent from a year earlier (see table 4). Factors contributing to the decline include improved economic conditions, foreclosure prevention assistance, and transfer of loans outside the reporting institutions.

Table 4. New Foreclosures and Foreclosures in Process

| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
|------------------------------|---------|---------|----------|---------|---------|------------|------------|
| Newly Initiated Foreclosures | 150,592 | 130,592 | 124,468 | 90,852 | 79,781 | -12.2% | -47.0% |
| Foreclosures in Process | 744,369 | 604,763 | 523,528 | 432,832 | 391,591 | -9.5% | -47.4% |

- Home forfeiture actions totaled 64,790 at the end of the quarter, a decrease of 46.8 percent from a year earlier. Completed foreclosures decreased 13.4 percent from the previous quarter and 39.1 percent from a year earlier. Short sales decreased 63.6 percent from a year earlier. Short sales composed 22.1 percent of home forfeiture actions completed in the second quarter of 2014 (see table 5).

Table 5. Completed Foreclosures and Other Home Forfeiture Actions

| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
|---|---------|---------|----------|---------|---------|------------|------------|
| Completed Foreclosures | 79,960 | 82,841 | 60,765 | 56,185 | 48,684 | -13.4% | -39.1% |
| New Short Sales | 39,207 | 31,261 | 21,149 | 13,613 | 14,290 | 5.0% | -63.6% |
| New Deed-in-Lieu-of-Foreclosure Actions | 2,579 | 2,112 | 2,117 | 1,880 | 1,816 | -3.4% | -29.6% |
| Total | 121,746 | 116,214 | 84,031 | 71,678 | 64,790 | -9.6% | -46.8% |

About Mortgage Metrics

The *OCC Mortgage Metrics Report* presents data on first-lien residential mortgages serviced by seven national banks and a federal savings association with the largest mortgage-servicing portfolios.¹ The data represent 47 percent of all first-lien residential mortgages outstanding in the country and focus on credit performance, loss mitigation efforts, and foreclosures. Ninety percent of the mortgages in the portfolio were serviced for investors other than the reporting institutions. At the end of the second quarter of 2014, the reporting institutions serviced 24.1 million first-lien mortgage loans, totaling \$4.1 trillion in unpaid principal (see table 6).

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

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

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

The Office of the Comptroller of the Currency (OCC) and the participating institutions devote significant resources to ensuring that the information is reliable and accurate. Steps to ensure the validity of the data include quality assurance processes conducted by the banks and savings association, comprehensive data validation tests performed by a third-party data aggregator, and comparisons with the institutions' quarterly call reports. Data sets of this size and scope inevitably incur some degree of imperfections. The OCC requires servicers to adjust previous data submissions when errors and omissions are detected. In some cases, data presented in this report reflect resubmissions from institutions that restate and correct earlier information.

The report also includes mortgage modification data by state and territories in appendix E. These data fulfill reporting requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Public Law 111-203).

Definitions and Method

The report uses standard definitions for three categories of mortgage creditworthiness based on the following ranges of borrowers' credit scores at the time of origination:

¹ The seven national banks are Bank of America, JPMorgan Chase, Citibank, HSBC, PNC, U.S. Bank, and Wells Fargo. The federal savings association is OneWest Bank.

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

Approximately 9 percent of mortgages in the portfolio lack credit scores at origination and are classified as “other.” This group includes a mix of prime, Alt-A, and subprime mortgages. The lack of credit scores often results from acquisitions of portfolios from third parties for which borrower credit scores at origination were not available.

Additional definitions include:

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

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

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

Loan delinquencies are reported using the Mortgage Bankers Association convention that a loan is past due when a scheduled payment has not been made by the due date of the following scheduled payment. The statistics and calculated ratios are based on the number of loans rather than on the dollar amount outstanding.

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

In tables throughout this report, the quarters are indicated by the last day of the quarter (e.g., 6/30/14), quarter-to-quarter changes are shown under the "1Q %Change" column, and year-to-year changes are shown under the "1Y %Change" column.

In tables throughout this report, percentages shown under "1Q %Change" and "1Y %Change" are calculated using actual data, not the rounded values reported for each quarter. Calculating period-to-period changes from the rounded values reported in the tables may yield materially different values than those values indicated in the table.

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

PART 1: Mortgage Performance

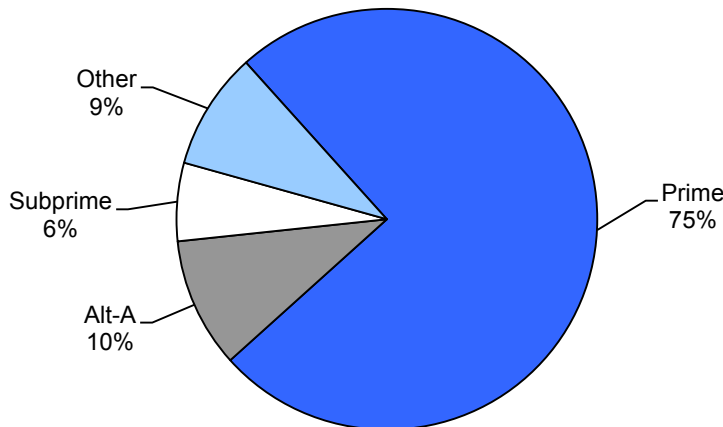
Part I describes the performance of the overall mortgage portfolio, mortgages owned and held by the reporting banks and savings association, government-guaranteed mortgages, mortgages serviced for the GSEs, and mortgages within each risk category.

Overall Mortgage Portfolio

At the end of the second quarter of 2014, the portfolio of mortgages in this report included 24.1 million loans with \$4.1 trillion in unpaid principal. The number of mortgages in the portfolio decreased 1.5 percent from the previous quarter and 9.0 percent from a year earlier. The unpaid principal of those loans decreased 1.5 percent from the previous quarter and 9.8 percent from a year earlier. Prime loans were 75 percent of the portfolio at the end of the quarter. Subprime loans were 6 percent of the portfolio, while Alt-A loans were 10 percent. The percentage of prime loans has increased because of higher defaults of lower quality loans, increased origination of prime loans, and some loans being sold to nonreporting servicers.

| Table 6. Overall Mortgage Portfolio | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 |
| Total Servicing (Millions) | \$4,507,984 | \$4,357,767 | \$4,205,140 | \$4,129,719 | \$4,066,124 |
| Total Servicing (Number of Loans) | 26,528,415 | 25,643,169 | 24,902,063 | 24,503,971 | 24,141,022 |
| Composition (Percentage of All Mortgages in the Portfolio) | | | | | |
| Prime | 73% | 74% | 75% | 75% | 75% |
| Alt-A | 10% | 10% | 10% | 10% | 10% |
| Subprime | 7% | 6% | 6% | 6% | 6% |
| Other | 10% | 9% | 9% | 9% | 9% |
| Composition (Number of Loans in Each Risk Category of the Portfolio) | | | | | |
| Prime | 19,451,032 | 18,973,544 | 18,598,018 | 18,387,920 | 18,112,511 |
| Alt-A | 2,781,584 | 2,631,270 | 2,529,860 | 2,482,088 | 2,461,622 |
| Subprime | 1,749,154 | 1,630,463 | 1,522,461 | 1,463,816 | 1,458,959 |
| Other | 2,546,645 | 2,407,892 | 2,251,724 | 2,170,147 | 2,107,930 |

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

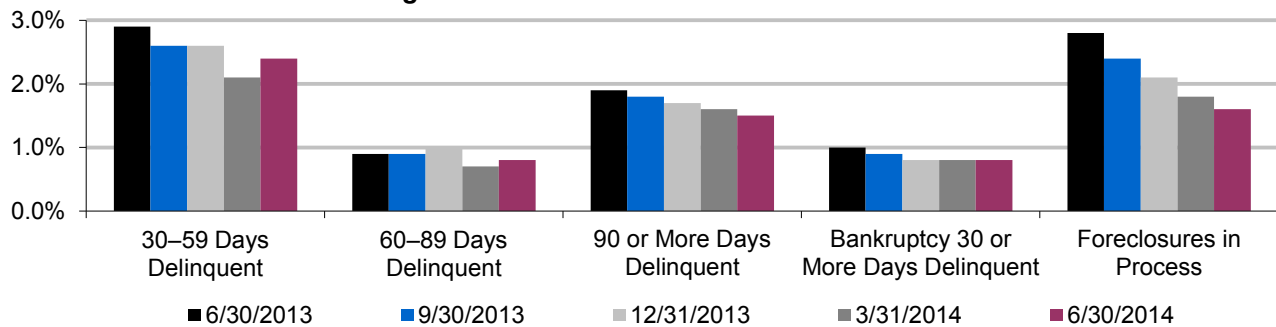


Overall Mortgage Performance

The overall performance of mortgages included in this report declined slightly from the previous quarter, consistent with seasonal patterns, but improved from a year earlier. The percentage of mortgages that were current and performing at the end of the quarter was 92.9 percent, compared with 93.1 percent in the previous quarter and 90.6 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due was 2.4 percent, an increase of 15.0 percent from the previous quarter but a decrease of 17.3 percent from a year earlier. The percentage of mortgages that were seriously delinquent was 3.1 percent, an increase of 0.6 percent from the previous quarter but a decrease of 17.0 percent from a year earlier. The percentage of mortgages in the foreclosure process at the end of the quarter was 1.6 percent, a decrease of 8.2 percent from the previous quarter and 42.2 percent from a year earlier.

| Table 7. Overall Portfolio Performance | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|--------------|---------------|
| (Percentage of Mortgages in the Portfolio) | | | | | | | |
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Current and Performing | 90.6% | 91.4% | 91.8% | 93.1% | 92.9% | -0.2% | 2.6% |
| 30–59 Days Delinquent | 2.9% | 2.6% | 2.6% | 2.1% | 2.4% | 15.0% | -17.3% |
| The Following Three Categories Are Classified as Seriously Delinquent | | | | | | | |
| 60–89 Days Delinquent | 0.9% | 0.9% | 1.0% | 0.7% | 0.8% | 9.6% | -12.3% |
| 90 or More Days Delinquent | 1.9% | 1.8% | 1.7% | 1.6% | 1.5% | -3.6% | -18.3% |
| Bankruptcy 30 or More Days Delinquent | 1.0% | 0.9% | 0.8% | 0.8% | 0.8% | 0.8% | -19.2% |
| Subtotal for Seriously Delinquent | 3.8% | 3.6% | 3.5% | 3.1% | 3.1% | 0.6% | -17.0% |
| Foreclosures in Process | 2.8% | 2.4% | 2.1% | 1.8% | 1.6% | -8.2% | -42.2% |
| (Number of Mortgages in the Portfolio) | | | | | | | |
| Current and Performing | 24,024,452 | 23,435,693 | 22,859,232 | 22,805,058 | 22,422,821 | -1.7% | -6.7% |
| 30–59 Days Delinquent | 760,078 | 673,117 | 648,294 | 504,718 | 572,011 | 13.3% | -24.7% |
| The Following Three Categories Are Classified as Seriously Delinquent | | | | | | | |
| 60–89 Days Delinquent | 243,832 | 239,904 | 237,412 | 180,269 | 194,587 | 7.9% | -20.2% |
| 90 or More Days Delinquent | 499,148 | 456,887 | 425,347 | 391,013 | 371,297 | -5.0% | -25.6% |
| Bankruptcy 30 or More Days Delinquent | 256,536 | 232,805 | 208,250 | 190,081 | 188,715 | -0.7% | -26.4% |
| Subtotal for Seriously Delinquent | 999,516 | 929,596 | 871,009 | 761,363 | 754,599 | -0.9% | -24.5% |
| Foreclosures in Process | 744,369 | 604,763 | 523,528 | 432,832 | 391,591 | -9.5% | -47.4% |
| Total | 26,528,415 | 25,643,169 | 24,902,063 | 24,503,971 | 24,141,022 | -1.5% | -9.0% |

Figure 2. Overall Portfolio Performance



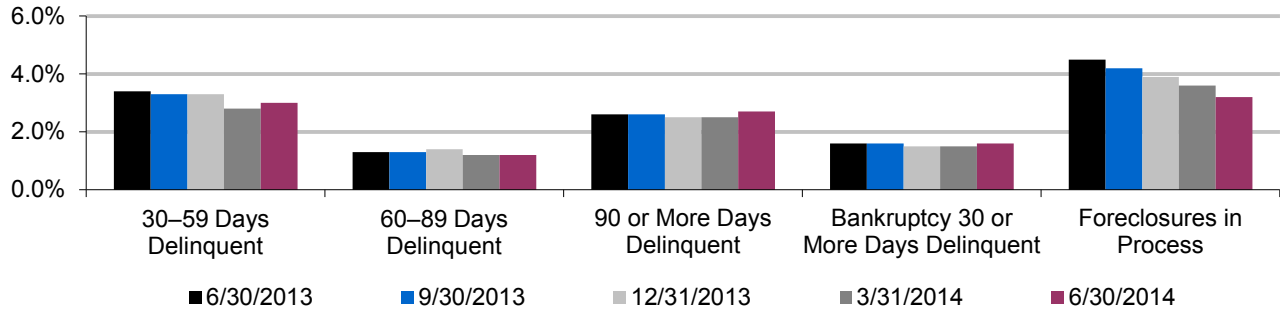
Performance of Mortgages Held by Reporting Banks and Thrift

The eight reporting institutions owned 9.5 percent of the mortgages in this report at the end of the second quarter of 2014, an increase in share from 9.0 percent a year earlier. The percentage of these mortgages that were current at the end of the quarter was 88.3 percent, up from 86.6 percent a year earlier. The percentage of these mortgages that were 30 to 59 days delinquent was 3.0 percent, a decrease of 10.3 percent from a year earlier. The percentage of these mortgages that were seriously delinquent was 5.5 percent, a 0.9 percent increase from a year earlier. The percentage of these mortgages in the process of foreclosure was 3.2 percent, a decrease of 12.4 percent from the previous quarter and 30.1 percent from a year earlier. Since 2009, mortgages owned by the servicers have performed more poorly than mortgages serviced for GSEs because of concentrations in nontraditional loans, weaker markets, and delinquent loans repurchased from investors.

| Table 8. Performance of Mortgages Held by Reporting Banks and Thrift (Percentage)* | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|---------------|---------------|
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Current and Performing | 86.6% | 87.1% | 87.4% | 88.5% | 88.3% | -0.2% | 1.9% |
| 30–59 Days Delinquent | 3.4% | 3.3% | 3.3% | 2.8% | 3.0% | 7.7% | -10.3% |
| The Following Three Categories Are Classified as Seriously Delinquent | | | | | | | |
| 60–89 Days Delinquent | 1.3% | 1.3% | 1.4% | 1.2% | 1.2% | 6.2% | -4.0% |
| 90 or More Days Delinquent | 2.6% | 2.6% | 2.5% | 2.5% | 2.7% | 8.8% | 2.1% |
| Bankruptcy 30 or More Days Delinquent | 1.6% | 1.6% | 1.5% | 1.5% | 1.6% | 8.2% | 3.0% |
| Subtotal for Seriously Delinquent | 5.5% | 5.5% | 5.4% | 5.1% | 5.5% | 8.0% | 0.9% |
| Foreclosures in Process | 4.5% | 4.2% | 3.9% | 3.6% | 3.2% | -12.4% | -30.1% |
| Performance of Mortgages Held by Reporting Banks and Thrift (Number) | | | | | | | |
| Current and Performing | 2,059,325 | 1,997,134 | 1,943,856 | 1,949,937 | 2,029,337 | 4.1% | -1.5% |
| 30–59 Days Delinquent | 80,314 | 74,648 | 72,595 | 62,004 | 69,656 | 12.3% | -13.3% |
| The Following Three Categories Are Classified as Seriously Delinquent | | | | | | | |
| 60–89 Days Delinquent | 30,784 | 30,782 | 31,121 | 25,801 | 28,568 | 10.7% | -7.2% |
| 90 or More Days Delinquent | 62,544 | 59,376 | 55,269 | 54,412 | 61,717 | 13.4% | -1.3% |
| Bankruptcy 30 or More Days Delinquent | 36,970 | 35,591 | 33,736 | 32,635 | 36,809 | 12.8% | -0.4% |
| Subtotal for Seriously Delinquent | 130,298 | 125,749 | 120,126 | 112,848 | 127,094 | 12.6% | -2.5% |
| Foreclosures in Process | 107,493 | 95,643 | 87,120 | 79,569 | 72,678 | -8.7% | -32.4% |
| Total | 2,377,430 | 2,293,174 | 2,223,697 | 2,204,358 | 2,298,765 | 4.3% | -3.3% |

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

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

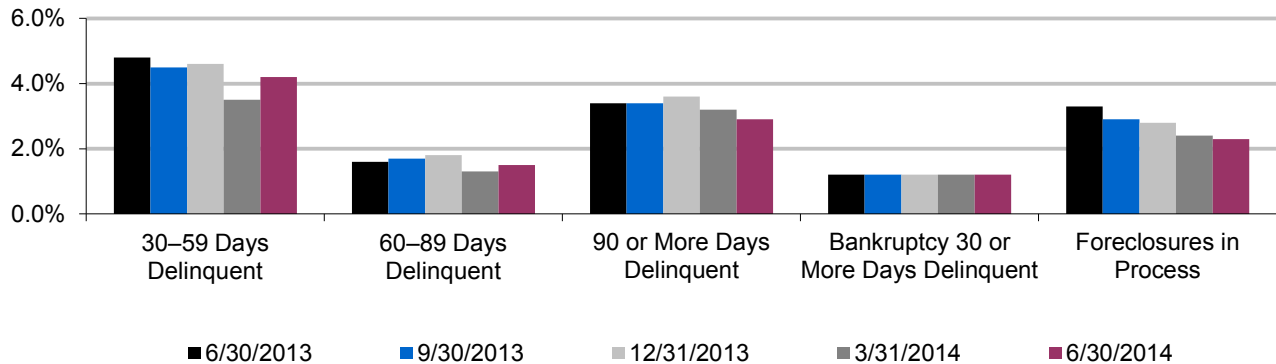


Performance of Government-Guaranteed Mortgages

Government-guaranteed mortgages were 24.9 percent of the loans in this report at the end of the second quarter of 2014, an increase in share from 24.6 percent a year earlier. The percentage of these mortgages that were current at the end of the quarter was 87.9 percent, an increase from 85.7 percent a year earlier. The percentage of loans that were 30 to 59 days delinquent was 4.2 percent at the end of the quarter, a decrease of 11.8 percent from a year earlier. The percentage of these loans that were seriously delinquent was 5.5 percent, a decrease of 10.9 percent from a year earlier. The percentage of these loans in the process of foreclosure was 2.3 percent, a decrease of 30.1 percent from a year earlier.

| Table 9. Performance of Government-Guaranteed Mortgages (Percentage) | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|--------------|---------------|
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Current and Performing | 85.7% | 86.2% | 86.1% | 88.4% | 87.9% | -0.5% | 2.6% |
| 30–59 Days Delinquent | 4.8% | 4.5% | 4.6% | 3.5% | 4.2% | 20.6% | -11.8% |
| The Following Three Categories Are Classified as Seriously Delinquent | | | | | | | |
| 60–89 Days Delinquent | 1.6% | 1.7% | 1.8% | 1.3% | 1.5% | 15.1% | -4.1% |
| 90 or More Days Delinquent | 3.4% | 3.4% | 3.6% | 3.2% | 2.9% | -10.0% | -15.8% |
| Bankruptcy 30 or More Days Delinquent | 1.2% | 1.2% | 1.2% | 1.2% | 1.2% | -0.1% | -6.4% |
| Subtotal for Seriously Delinquent | 6.2% | 6.3% | 6.5% | 5.7% | 5.5% | -2.2% | -10.9% |
| Foreclosures in Process | 3.3% | 2.9% | 2.8% | 2.4% | 2.3% | -5.5% | -30.1% |
| Performance of Government-Guaranteed Mortgages (Number) | | | | | | | |
| Current and Performing | 5,592,058 | 5,398,697 | 5,274,464 | 5,371,735 | 5,294,069 | -1.4% | -5.3% |
| 30–59 Days Delinquent | 313,250 | 284,697 | 282,698 | 213,169 | 254,733 | 19.5% | -18.7% |
| The Following Three Categories Are Classified as Seriously Delinquent | | | | | | | |
| 60–89 Days Delinquent | 102,475 | 105,993 | 109,272 | 79,494 | 90,615 | 14.0% | -11.6% |
| 90 or More Days Delinquent | 222,428 | 213,035 | 217,842 | 193,907 | 172,855 | -10.9% | -22.3% |
| Bankruptcy 30 or More Days Delinquent | 81,430 | 77,129 | 74,144 | 71,104 | 70,341 | -1.1% | -13.6% |
| Subtotal for Seriously Delinquent | 406,333 | 396,157 | 401,258 | 344,505 | 333,811 | -3.1% | -17.8% |
| Foreclosures in Process | 216,324 | 181,965 | 170,180 | 148,859 | 139,437 | -6.3% | -35.5% |
| Total | 6,527,965 | 6,261,516 | 6,128,600 | 6,078,268 | 6,022,050 | -0.9% | -7.7% |

Figure 4. Performance of Government-Guaranteed Mortgages

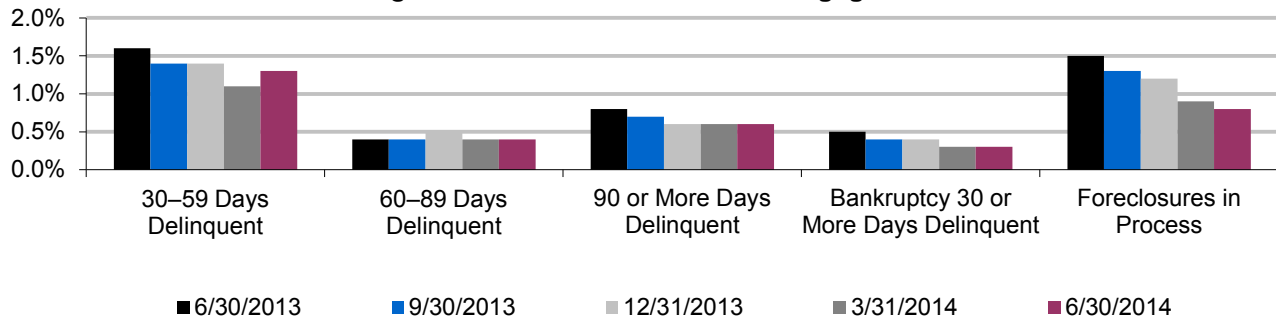


Performance of GSE Mortgages

GSE mortgages made up 58.3 percent of the mortgages in this report, an increase in share from 57.1 percent a year earlier. GSE mortgages perform better than the overall portfolio because they contain more prime loans. The percentage of GSE mortgages that were current at the end of the quarter was 96.6 percent, up from 95.1 percent a year earlier. The percentage of GSE mortgages that were 30 to 59 days delinquent was 1.3 percent, a decrease of 23.0 percent from a year earlier. The percentage of GSE mortgages that were seriously delinquent was 1.3 percent at the end of the quarter, a decrease of 21.3 percent from a year earlier. The percentage of these loans in the foreclosure process was 0.8 percent, a decrease of 48.8 percent from a year earlier. Fifty-six percent of the GSE mortgages were serviced for Fannie Mae and 44 percent for Freddie Mac.

| Table 10. Performance of GSE Mortgages (Percentage) | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|--------------|---------------|
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Current and Performing | 95.1% | 95.7% | 95.9% | 96.7% | 96.6% | -0.03% | 1.6% |
| 30–59 Days Delinquent | 1.6% | 1.4% | 1.4% | 1.1% | 1.3% | 11.0% | -23.0% |
| The Following Three Categories Are Classified as Seriously Delinquent | | | | | | | |
| 60–89 Days Delinquent | 0.4% | 0.4% | 0.5% | 0.4% | 0.4% | 1.7% | -19.4% |
| 90 or More Days Delinquent | 0.8% | 0.7% | 0.6% | 0.6% | 0.6% | -2.3% | -18.1% |
| Bankruptcy 30 or More Days Delinquent | 0.5% | 0.4% | 0.4% | 0.3% | 0.3% | -1.0% | -28.1% |
| Subtotal for Seriously Delinquent | 1.7% | 1.5% | 1.5% | 1.3% | 1.3% | -0.9% | -21.3% |
| Foreclosures in Process | 1.5% | 1.3% | 1.2% | 0.9% | 0.8% | -9.6% | -48.8% |
| Performance of GSE Mortgages (Number) | | | | | | | |
| Current and Performing | 14,415,761 | 14,202,109 | 14,068,620 | 13,943,433 | 13,602,966 | -2.4% | -5.6% |
| 30–59 Days Delinquent | 248,747 | 212,335 | 211,814 | 164,306 | 177,951 | 8.3% | -28.5% |
| The Following Three Categories Are Classified as Seriously Delinquent | | | | | | | |
| 60–89 Days Delinquent | 67,829 | 65,255 | 67,106 | 51,148 | 50,775 | -0.7% | -25.1% |
| 90 or More Days Delinquent | 113,809 | 101,216 | 93,692 | 90,828 | 86,565 | -4.7% | -23.9% |
| Bankruptcy 30 or More Days Delinquent | 70,996 | 63,155 | 57,990 | 49,057 | 47,395 | -3.4% | -33.2% |
| Subtotal for Seriously Delinquent | 252,634 | 229,626 | 218,788 | 191,033 | 184,735 | -3.3% | -26.9% |
| Foreclosures in Process | 233,967 | 189,610 | 170,779 | 126,306 | 111,400 | -11.8% | -52.4% |
| Total | 15,151,109 | 14,833,680 | 14,670,001 | 14,425,078 | 14,077,052 | -2.4% | -7.1% |

Figure 5. Performance of GSE Mortgages

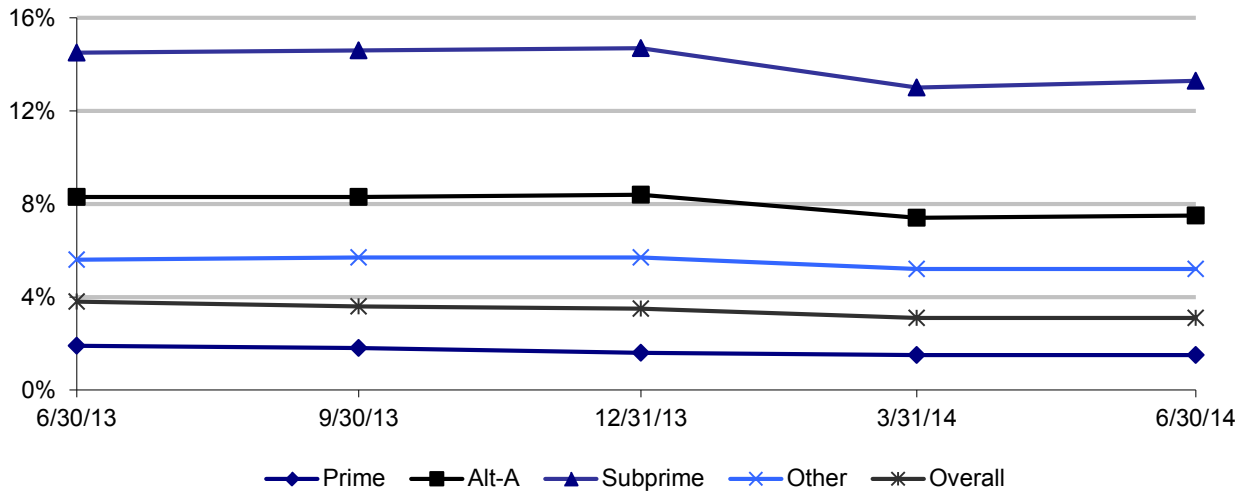


Seriously Delinquent Mortgages, by Risk Category

The portfolio contained 244,917 fewer seriously delinquent loans at the end of the second quarter of 2014 than a year earlier—a 24.5 percent decrease. Seriously delinquent loans were 3.1 percent of the portfolio at the end of the quarter, a decrease of 17.0 percent from a year earlier.

| Table 11. Seriously Delinquent Mortgages, by Risk Category | | | | | | | |
|---|---------|---------|----------|---------|---------|------------|------------|
| (Percentage of Mortgages in Each Category) | | | | | | | |
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Prime | 1.9% | 1.8% | 1.6% | 1.5% | 1.5% | -1.1% | -23.2% |
| Alt-A | 8.3% | 8.3% | 8.4% | 7.4% | 7.5% | 1.2% | -9.9% |
| Subprime | 14.5% | 14.6% | 14.7% | 13.0% | 13.3% | 1.7% | -8.7% |
| Other | 5.6% | 5.7% | 5.7% | 5.2% | 5.2% | 0.2% | -6.1% |
| Overall | 3.8% | 3.6% | 3.5% | 3.1% | 3.1% | 0.6% | -17.0% |
| (Number of Mortgages in Each Category) | | | | | | | |
| Prime | 372,519 | 335,590 | 305,796 | 273,518 | 266,433 | -2.6% | -28.5% |
| Alt-A | 231,168 | 218,764 | 212,203 | 183,670 | 184,424 | 0.4% | -20.2% |
| Subprime | 254,085 | 238,446 | 224,412 | 190,956 | 193,569 | 1.4% | -23.8% |
| Other | 141,744 | 136,796 | 128,598 | 113,219 | 110,173 | -2.7% | -22.3% |
| Total | 999,516 | 929,596 | 871,009 | 761,363 | 754,599 | -0.9% | -24.5% |

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

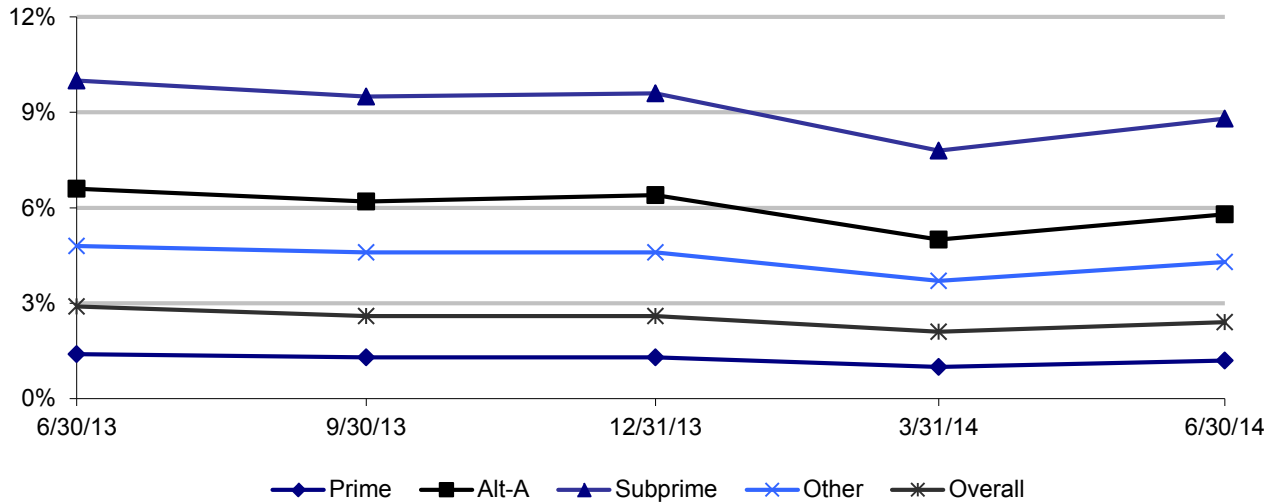


Mortgages 30 to 59 Days Delinquent, by Risk Category

The percentage of loans that were 30 to 59 days delinquent was 2.4 percent of the portfolio at the end of the second quarter of 2014, an increase of 15.0 percent from the previous quarter but a decrease of 17.3 percent from a year earlier. The number of early stage delinquencies increased across all risk categories from the previous quarter and decreased from the previous year across all risk categories, consistent with observed seasonal trends.

| Table 12. Mortgages 30 to 59 Days Delinquent, by Risk Category | | | | | | | |
|---|---------|---------|----------|---------|---------|------------|------------|
| (Percentage of Mortgages in Each Category) | | | | | | | |
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Prime | 1.4% | 1.3% | 1.3% | 1.0% | 1.2% | 14.9% | -18.9% |
| Alt-A | 6.6% | 6.2% | 6.4% | 5.0% | 5.8% | 16.7% | -12.6% |
| Subprime | 10.0% | 9.5% | 9.6% | 7.8% | 8.8% | 12.7% | -12.0% |
| Other | 4.8% | 4.6% | 4.6% | 3.7% | 4.3% | 14.5% | -10.3% |
| Overall | 2.9% | 2.6% | 2.6% | 2.1% | 2.4% | 15.0% | -17.3% |
| (Number of Mortgages in Each Category) | | | | | | | |
| Prime | 279,111 | 244,277 | 236,900 | 186,187 | 210,774 | 13.2% | -24.5% |
| Alt-A | 184,916 | 164,185 | 161,013 | 123,503 | 142,987 | 15.8% | -22.7% |
| Subprime | 174,660 | 154,832 | 146,067 | 114,042 | 128,141 | 12.4% | -26.6% |
| Other | 121,391 | 109,823 | 104,314 | 80,986 | 90,109 | 11.3% | -25.8% |
| Total | 760,078 | 673,117 | 648,294 | 504,718 | 572,011 | 13.3% | -24.7% |

Figure 7. Mortgages 30 to 59 Days Delinquent, by Risk Category
Percentage of Mortgages in Each Category



PART II: Home Retention Actions

Home retention actions include loan modifications, in which servicers modify one or more mortgage contract terms; trial-period plans, in which the loans will be converted to modifications upon successful completion of the trial periods; and payment plans, in which no terms are contractually modified but borrowers are given time to catch up on missed payments. All of these actions can help the borrower become current on the loan, attain payment sustainability, and retain the home.

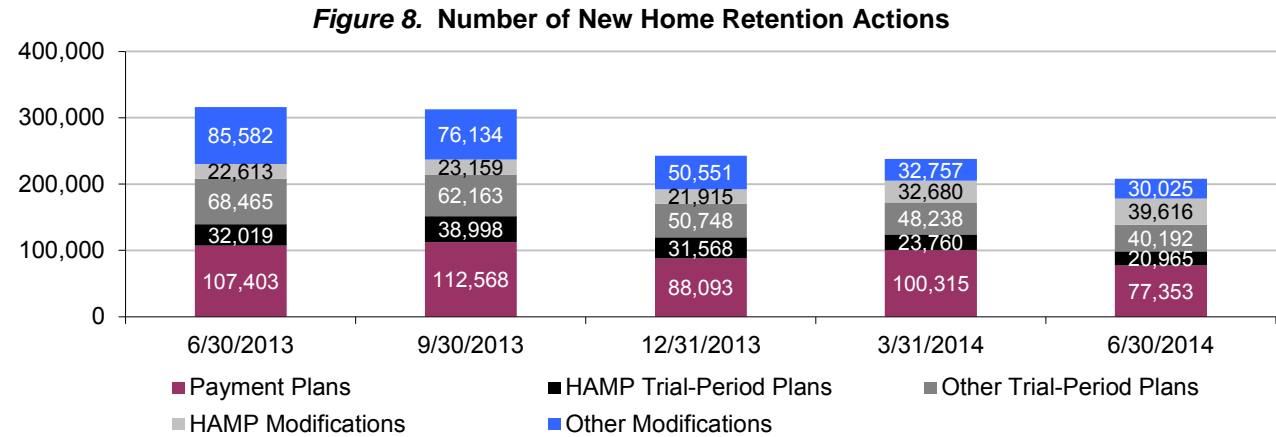
A. Loan Modifications, Trial-Period Plans, and Payment Plans

New Home Retention Actions

Servicers implemented 208,150 home retention actions—loan modifications, trial-period plans, and payment plans—during the second quarter of 2014. The number of home retention actions decreased 12.5 percent from the previous quarter and 34.1 percent from a year earlier. Servicers implemented 69,641 modifications, an increase of 6.4 percent from the previous quarter but a decrease of 35.6 percent from a year earlier. New HAMP modifications increased 21.2 percent to 39,616 during the quarter, as program changes to FHA-HAMP materially increased the number of actions completed under the program. Other modifications decreased 8.3 percent from the previous quarter, to 30,025. Servicers implemented 61,157 new trial-period plans, a decrease of 15.1 percent from the previous quarter and 39.1 percent from a year earlier. New payment plans decreased by 22.9 percent from the previous quarter to 77,352. During the past five quarters, servicers initiated 1.3 million home retention actions—415,032 modifications, 417,116 trial-period plans, and 485,731 payment plans.

Table 13. Number of New Home Retention Actions

| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
|--------------------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
| Other Modifications | 85,582 | 76,134 | 50,551 | 32,757 | 30,025 | -8.3% | -64.9% |
| HAMP Modifications | 22,613 | 23,159 | 21,915 | 32,680 | 39,616 | 21.2% | 75.2% |
| Other Trial-Period Plans | 68,465 | 62,163 | 50,748 | 48,238 | 40,192 | -16.7% | -41.3% |
| HAMP Trial-Period Plans | 32,019 | 38,998 | 31,568 | 23,760 | 20,965 | -11.8% | -34.5% |
| Payment Plans | 107,403 | 112,568 | 88,093 | 100,315 | 77,352 | -22.9% | -28.0% |
| Total | 316,082 | 313,022 | 242,875 | 237,750 | 208,150 | -12.5% | -34.1% |



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

Servicers implemented 39,616 HAMP modifications during the quarter, an increase of 75.2 percent from a year earlier. GSE mortgages received 8.6 percent of HAMP modifications completed during the quarter, government-guaranteed loans received 74.5 percent, loans held in portfolio received 9.5 percent, and loans serviced for private investors received 7.4 percent. Prime mortgages represented 75 percent of the total portfolio and received 30.2 percent of all HAMP modifications. Subprime loans represented 6 percent of the total portfolio and received 26.2 percent of HAMP modifications during the quarter.

| Table 14. HAMP Modifications, by Investor and Risk Category | | | | | | |
|--|------------|-------------|-----------------------|-----------|---------|--------|
| (Modifications Implemented in the Second Quarter of 2014) | | | | | | |
| | Fannie Mae | Freddie Mac | Government-Guaranteed | Portfolio | Private | Total |
| Prime | 860 | 1,048 | 7,400 | 1,482 | 1,176 | 11,966 |
| Alt-A | 275 | 352 | 10,030 | 861 | 656 | 12,174 |
| Subprime | 197 | 172 | 7,806 | 1,264 | 931 | 10,370 |
| Other | 357 | 144 | 4,272 | 145 | 188 | 5,106 |
| Total | 1,689 | 1,716 | 29,508 | 3,752 | 2,951 | 39,616 |

Servicers implemented 20,965 HAMP trial-period plans during the quarter, a decrease of 34.5 percent from a year earlier. GSE mortgages received 11.7 percent of HAMP trial-period plans initiated during the quarter, government-guaranteed loans received 65.7 percent, loans held in portfolio received 10.1 percent, and loans serviced for private investors received 12.5 percent. Prime mortgages received 33.0 percent of the HAMP trial-period plans implemented during the quarter, Alt-A loans received 29.0 percent, and subprime and other mortgages collectively received 37.9 percent.

| Table 15. HAMP Trial-Period Plans, by Investor and Risk Category | | | | | | |
|---|------------|-------------|-----------------------|-----------|---------|--------|
| (Trial-Period Plans Implemented in the Second Quarter of 2014) | | | | | | |
| | Fannie Mae | Freddie Mac | Government-Guaranteed | Portfolio | Private | Total |
| Prime | 694 | 712 | 3,625 | 838 | 1,051 | 6,920 |
| Alt-A | 180 | 223 | 4,661 | 468 | 558 | 6,090 |
| Subprime | 132 | 122 | 3,280 | 663 | 843 | 5,040 |
| Other | 285 | 105 | 2,213 | 152 | 160 | 2,915 |
| Total | 1,291 | 1,162 | 13,779 | 2,121 | 2,612 | 20,965 |

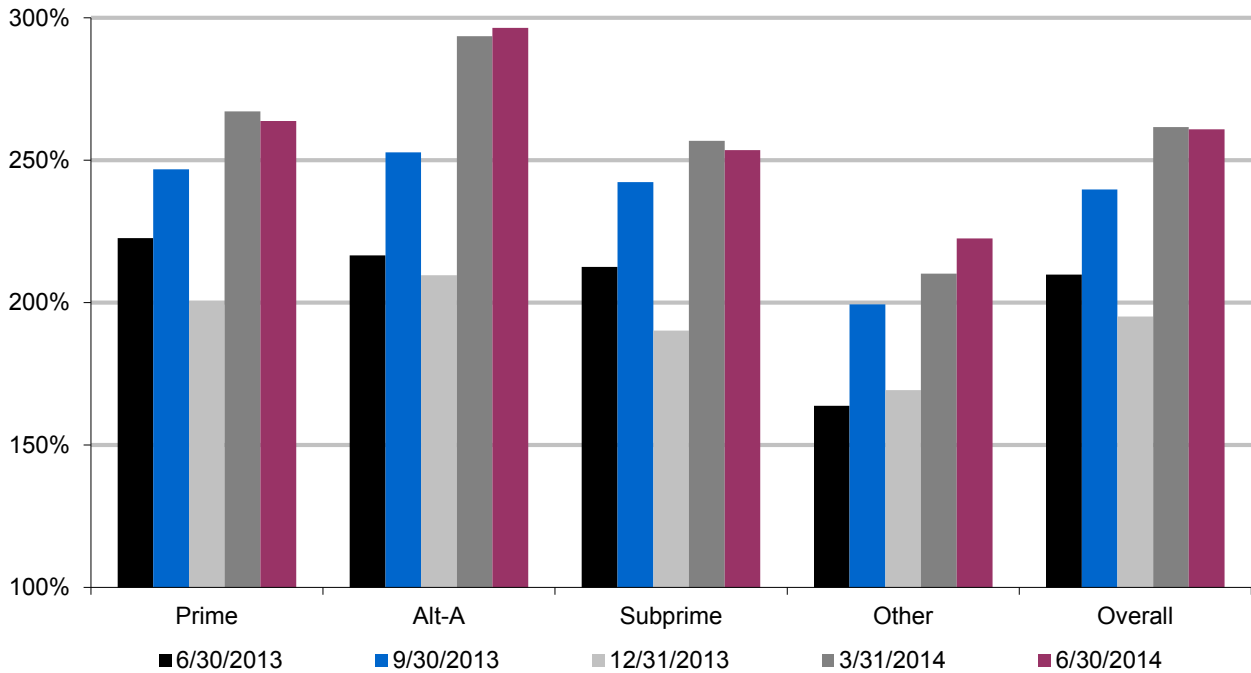
New Home Retention Actions Relative to Newly Initiated Foreclosures

Servicers continued to implement more home retention actions than new foreclosures during the quarter. The ratio of new home retention actions to newly initiated foreclosures increased 24.3 percent from a year earlier. Although the number of new home retention actions and new foreclosures both decreased from the previous quarter and a year earlier, new retention actions fell less than new foreclosures from a year earlier.

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

| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
|--|---------|---------|----------|---------|---------|------------|------------|
| Prime | 222.7% | 246.8% | 199.8% | 267.2% | 261.5% | -2.1% | 17.4% |
| Alt-A | 216.6% | 252.8% | 209.6% | 293.6% | 295.0% | 0.5% | 36.2% |
| Subprime | 212.5% | 242.3% | 190.2% | 256.8% | 252.2% | -1.8% | 18.7% |
| Other | 163.8% | 199.4% | 169.3% | 210.2% | 222.2% | 5.7% | 35.6% |
| Overall | 209.9% | 239.7% | 195.1% | 261.7% | 260.9% | -0.3% | 24.3% |
| Number of New Home Retention Actions | 316,082 | 313,022 | 242,875 | 237,750 | 208,150 | -12.5% | -34.1% |
| Number of Newly Initiated Foreclosures | 150,592 | 130,592 | 124,468 | 90,852 | 79,781 | -12.2% | -47.0% |

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



Types of Modification Actions

The types of modification actions or combinations of actions have different effects on the borrowers' mortgages and their monthly principal and interest payments. Different actions may have different effects on the long-term sustainability of mortgages. Servicers often use a combination of actions when modifying mortgages, with 89.2 percent of modifications implemented during the second quarter of 2014 changing more than one of the original loan terms. Capitalization, interest-rate reduction, and term extension remained the primary actions used in modifying mortgages.

Servicers capitalized missed fees and payments in 59.0 percent of modifications implemented during the quarter, reduced interest rates in 71.9 percent, and extended loan maturity in 84.0 percent. Servicers reduced some portion of the unpaid principal in 5.0 percent of modifications completed during the quarter, a decrease of 38.4 percent from the previous quarter and 58.8 percent from a year earlier. Servicers deferred repayment of some portion of the unpaid principal in 11.5 percent of modifications made during the quarter, down 43.8 percent from a year earlier. Because most modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total modifications. Appendix D presents additional detail on combination modifications.

| Table 17. Changes in Loan Terms for Modifications Through the Second Quarter of 2014 | | | | | | | |
|---|---------|---------|----------|---------|---------|---------------|---------------|
| (Percentage of Total Modifications in Each Category) | | | | | | | |
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Capitalization | 81.6% | 83.5% | 87.7% | 74.3% | 59.0% | -20.6% | -27.7% |
| Rate Reduction | 81.0% | 78.9% | 76.7% | 73.3% | 71.9% | -1.9% | -11.3% |
| Rate Freeze | 5.2% | 5.5% | 7.0% | 6.5% | 7.1% | 8.7% | 36.9% |
| Term Extension | 67.7% | 69.3% | 75.9% | 78.0% | 84.0% | 7.7% | 24.1% |
| Principal Reduction | 12.2% | 13.6% | 10.5% | 8.1% | 5.0% | -38.4% | -58.8% |
| Principal Deferral | 20.5% | 25.3% | 30.6% | 25.1% | 11.5% | -54.1% | -43.8% |
| Not Reported* | 1.5% | 2.2% | 0.7% | 0.7% | 0.7% | 5.0% | -52.1% |
| (Number of Changes in Each Category) | | | | | | | |
| Capitalization | 88,240 | 82,894 | 63,545 | 48,625 | 41,065 | -15.5% | -53.5% |
| Rate Reduction | 87,639 | 78,309 | 55,554 | 47,939 | 50,047 | 4.4% | -42.9% |
| Rate Freeze | 5,619 | 5,413 | 5,072 | 4,279 | 4,952 | 15.7% | -11.9% |
| Term Extension | 73,254 | 68,820 | 55,026 | 51,030 | 58,515 | 14.7% | -20.1% |
| Principal Reduction | 13,150 | 13,502 | 7,634 | 5,322 | 3,488 | -34.5% | -73.5% |
| Principal Deferral | 22,195 | 25,150 | 22,195 | 16,450 | 8,031 | -51.2% | -63.8% |
| Not Reported | 1,571 | 2,191 | 508 | 433 | 484 | 11.8% | -69.2% |

*Processing constraints at some servicers have prevented them from reporting specific modified term(s). For example, servicers should report principal reduction actions in the month that the modification is first effective, but review indicates some have been reporting conditional reductions after the effective date of the modification. Data regarding principal reduction is expected to be revised upward as servicers correct reporting.

Types of HAMP Modification Actions

Consistent with modification actions overall and the prescribed order of actions required by the program, HAMP modifications most often included capitalization of missed payments and fees, interest-rate reductions, and term extensions. FHA-HAMP modifications generally did not capitalize delinquent amounts. Servicers used capitalization in 34.6 percent of modifications, down from 88.6 percent a year ago. Servicers used term extension in 91.0 percent of modifications, up from 57.6 percent a year ago. Servicers used principal deferral in 11.8 percent of HAMP modifications during the second quarter of 2014, down from 36.2 percent a year earlier. Servicers used principal reduction in 5.1 percent of HAMP modifications implemented during the quarter—a decrease of 21.2 percent from the previous quarter and 74.3 percent from a year earlier, when 20.0 percent of HAMP modifications included principal reduction.

| Table 18. Changes in Loan Terms for HAMP Modifications Through the Second Quarter of 2014 | | | | | | | |
|--|---------|---------|----------|---------|---------|------------|------------|
| (Percentage of Total Modifications in Each Category) | | | | | | | |
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Capitalization | 88.6% | 90.3% | 71.5% | 53.5% | 34.6% | -35.3% | -60.9% |
| Rate Reduction | 88.8% | 88.9% | 90.6% | 86.5% | 81.0% | -6.3% | -8.7% |
| Rate Freeze | 2.6% | 3.1% | 2.3% | 4.0% | 6.4% | 59.4% | 148.2% |
| Term Extension | 57.6% | 60.1% | 72.5% | 86.1% | 91.0% | 5.7% | 57.9% |
| Principal Reduction | 20.0% | 21.8% | 15.2% | 6.5% | 5.1% | -21.2% | -74.3% |
| Principal Deferral | 36.2% | 35.0% | 26.5% | 29.5% | 11.8% | -60.0% | -67.4% |
| Not Reported* | 0.4% | 1.2% | 0.3% | 0.2% | 0.1% | -40.3% | -62.2% |
| (Number of Changes in Each Category) | | | | | | | |
| Capitalization | 20,027 | 20,912 | 15,672 | 17,476 | 13,702 | -21.6% | -31.6% |
| Rate Reduction | 20,072 | 20,589 | 19,856 | 28,259 | 32,107 | 13.6% | 60.0% |
| Rate Freeze | 582 | 729 | 499 | 1,310 | 2,531 | 93.2% | 334.9% |
| Term Extension | 13,032 | 13,913 | 15,895 | 28,148 | 36,052 | 28.1% | 176.6% |
| Principal Reduction | 4,527 | 5,046 | 3,342 | 2,131 | 2,036 | -4.5% | -55.0% |
| Principal Deferral | 8,176 | 8,103 | 5,803 | 9,655 | 4,676 | -51.6% | -42.8% |
| Not Reported | 83 | 278 | 68 | 76 | 55 | -27.6% | -33.7% |

*See note to table 17.

Types of Modification Actions, by Risk Category

Servicers use a combination of actions when modifying mortgages. Modifications across all risk categories predominantly featured term extension, interest-rate reduction, and capitalization of past-due interest and fees. Because most modifications changed more than one term, the sum of individual features changed exceeded the total number of modified loans in each risk category. Servicers used most actions relatively consistently across all risk categories.

| Table 19. Changes in Loan Terms for Modifications, by Risk Category, During the Second Quarter of 2014 | | | | | |
|---|--------|--------|----------|-------|---------|
| (Percentage of Total Modifications in Each Category) | | | | | |
| | Prime | Alt-A | Subprime | Other | Overall |
| Capitalization | 69.1% | 49.7% | 56.2% | 55.1% | 59.0% |
| Rate Reduction | 69.5% | 71.7% | 75.2% | 72.8% | 71.9% |
| Rate Freeze | 6.7% | 7.7% | 6.4% | 8.4% | 7.1% |
| Term Extension | 82.9% | 85.4% | 81.4% | 89.4% | 84.0% |
| Principal Reduction | 5.4% | 4.5% | 7.1% | 1.2% | 5.0% |
| Principal Deferral | 13.6% | 9.8% | 10.6% | 11.1% | 11.5% |
| Not Reported* | 0.7% | 0.6% | 0.7% | 0.9% | 0.7% |
| (Number of Changes in Each Category) | | | | | |
| Total Mortgages Modified | 25,263 | 18,950 | 16,724 | 8,704 | 69,641 |
| Capitalization | 17,449 | 9,422 | 9,396 | 4,798 | 41,065 |
| Rate Reduction | 17,560 | 13,581 | 12,572 | 6,334 | 50,047 |
| Rate Freeze | 1,688 | 1,461 | 1,070 | 733 | 4,952 |
| Term Extension | 20,931 | 16,190 | 13,612 | 7,782 | 58,515 |
| Principal Reduction | 1,357 | 844 | 1,183 | 104 | 3,488 |
| Principal Deferral | 3,435 | 1,854 | 1,773 | 969 | 8,031 |
| Not Reported | 182 | 118 | 109 | 75 | 484 |

*See note to table 17.

Types of Modification Actions, by Investor and Product Type

Modifications of mortgages serviced for the GSEs accounted for 27.4 percent of all modifications made during the second quarter of 2014. Government-guaranteed loans received 49.2 percent of all modifications, mortgages serviced for private investors received 11.0 percent, and mortgages held in the servicers' own portfolios received 12.4 percent of all second-quarter modifications. Term extension, interest-rate reduction, and capitalization of missed payments and fees, remained the primary types of modification actions. Servicers used principal reduction most frequently in modifying loans held in portfolio or serviced for private investors because Fannie Mae and Freddie Mac do not allow principal reduction. Because modifications often change more than one loan term, the sum of the actions exceeded the number of modified loans for each investor.

| Table 20. Type of Modification Action, by Investor and Product Type, During the Second Quarter of 2014 | | | | | | |
|---|------------|-------------|-----------------------|------------------|-----------|---------|
| (Percentage of Total Modifications in Each Category) | | | | | | |
| | Fannie Mae | Freddie Mac | Government-Guaranteed | Private Investor | Portfolio | Overall |
| Capitalization | 97.3% | 96.6% | 21.8% | 91.0% | 94.1% | 59.0% |
| Rate Reduction | 52.1% | 70.0% | 78.0% | 73.3% | 72.1% | 71.9% |
| Rate Freeze | 10.2% | 5.7% | 6.8% | 4.1% | 8.5% | 7.1% |
| Term Extension | 93.0% | 94.0% | 96.6% | 31.9% | 59.2% | 84.0% |
| Principal Reduction* | 0.09% | 0.03% | 0.1% | 16.2% | 25.5% | 5.0% |
| Principal Deferral | 13.5% | 18.5% | 3.9% | 23.1% | 22.1% | 11.5% |
| Not Reported** | 0.6% | 0.2% | 0.8% | 1.2% | 0.3% | 0.7% |
| (Number of Changes in Each Category) | | | | | | |
| Total Mortgages Modified | 10,395 | 8,706 | 34,285 | 7,640 | 8,615 | 69,641 |
| Capitalization | 10,110 | 8,407 | 7,489 | 6,955 | 8,104 | 41,065 |
| Rate Reduction | 5,413 | 6,090 | 26,738 | 5,598 | 6,208 | 50,047 |
| Rate Freeze | 1,061 | 496 | 2,347 | 314 | 734 | 4,952 |
| Term Extension | 9,665 | 8,185 | 33,129 | 2,435 | 5,101 | 58,515 |
| Principal Reduction | 9 | 3 | 39 | 1,241 | 2,196 | 3,488 |
| Principal Deferral | 1,402 | 1,609 | 1,351 | 1,768 | 1,901 | 8,031 |
| Not Reported | 60 | 15 | 289 | 95 | 25 | 484 |

*A small number of loans are reported incorrectly each month as principal reduction actions on Fannie Mae and Freddie Mac mortgages. Servicers generally correct the coding of these loans in subsequent months.

**See note to table 17.

Types of HAMP Modification Actions, by Investor and Product Type

Of the 39,616 HAMP modifications implemented in the second quarter of 2014, 8.6 percent were on GSE mortgages, 74.5 percent were on government-guaranteed loans, 7.4 percent were on mortgages serviced for private investors, and 9.5 percent were on mortgages held in servicers’ portfolios. Consistent with total modification actions, the prevailing actions among HAMP modifications were capitalization of past-due interest and fees, interest-rate reduction, and term extension. Principal reduction and deferral were concentrated in loans held in portfolio and serviced for private investors. More than 32 percent of the HAMP modifications completed during the second quarter of 2014 on loans held in the banks’ own portfolios included a principal reduction.

| Table 21. Type of HAMP Modification Action, by Investor and Product Type, During the Second Quarter of 2014 | | | | | | |
|--|------------|-------------|-----------------------|------------------|-----------|---------|
| (Percentage of Total Modifications in Each Category) | | | | | | |
| | Fannie Mae | Freddie Mac | Government-Guaranteed | Private Investor | Portfolio | Overall |
| Capitalization | 98.0% | 96.9% | 13.4% | 93.3% | 98.1% | 34.6% |
| Rate Reduction | 96.4% | 99.1% | 77.8% | 85.0% | 88.0% | 81.0% |
| Rate Freeze | 1.2% | 0.9% | 7.6% | 3.4% | 4.3% | 6.4% |
| Term Extension | 75.3% | 73.0% | 99.1% | 42.3% | 80.5% | 91.0% |
| Principal Reduction* | 0.0% | 0.06% | 0.1% | 26.7% | 32.4% | 5.1% |
| Principal Deferral | 18.2% | 19.3% | 4.6% | 49.4% | 32.8% | 11.8% |
| Not Reported** | 0.5% | 0.2% | 0.1% | 0.1% | 0.0% | 0.1% |
| (Number of Changes in Each Category) | | | | | | |
| Total Mortgages Modified | 1,689 | 1,716 | 29,508 | 2,951 | 3,752 | 39,616 |
| Capitalization | 1,655 | 1,663 | 3,948 | 2,754 | 3,682 | 13,702 |
| Rate Reduction | 1,628 | 1,701 | 22,967 | 2,509 | 3,302 | 32,107 |
| Rate Freeze | 20 | 16 | 2,232 | 101 | 162 | 2,531 |
| Term Extension | 1,272 | 1,253 | 29,256 | 1,249 | 3,022 | 36,052 |
| Principal Reduction | 0 | 1 | 33 | 788 | 1,214 | 2,036 |
| Principal Deferral | 307 | 332 | 1,348 | 1,458 | 1,231 | 4,676 |
| Not Reported | 8 | 4 | 40 | 3 | 0 | 55 |

*See note to table 20.

**See note to table 17.

Changes in Monthly Payments Resulting From Modification

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

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

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

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

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

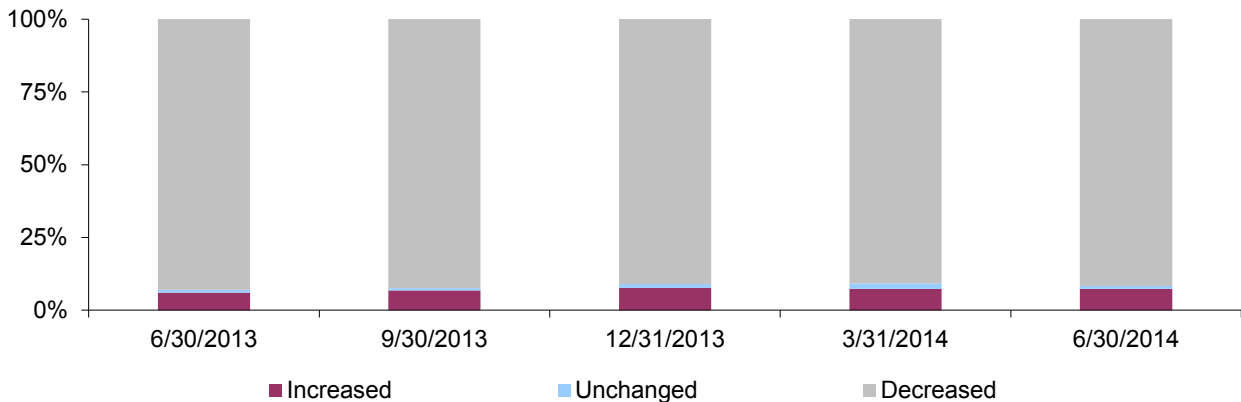
Changes in Monthly Payments Resulting From Modifications, by Quarter

Almost 92 percent of modifications made in the second quarter of 2014 reduced monthly principal and interest payments, and 56.1 percent of the modifications reduced payments by 20 percent or more.

| Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|-------------|---------------|
| (Percentage of Modifications in Each Category)* | | | | | | | |
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Decreased by 20% or More | 59.2% | 62.5% | 64.6% | 58.6% | 56.1% | -4.3% | -5.2% |
| Decreased by 10% to Less Than 20% | 21.4% | 18.8% | 16.9% | 20.5% | 22.8% | 11.6% | 6.5% |
| Decreased by Less Than 10% | 12.4% | 11.1% | 9.5% | 11.8% | 12.7% | 8.3% | 2.5% |
| Subtotal for Decreased | 93.0% | 92.4% | 91.0% | 90.8% | 91.6% | 0.9% | -1.4% |
| Unchanged | 1.0% | 0.8% | 1.3% | 1.8% | 1.0% | -41.5% | -1.4% |
| Increased | 6.0% | 6.8% | 7.7% | 7.4% | 7.3% | -1.0% | 22.7% |
| Subtotal for Unchanged and Increased | 7.0% | 7.6% | 9.0% | 9.2% | 8.4% | -8.8% | 19.1% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | | |
| (Number of Modifications in Each Category) | | | | | | | |
| Decreased by 20% or More | 63,515 | 61,308 | 46,511 | 38,026 | 38,965 | 2.5% | -38.7% |
| Decreased by 10% to Less Than 20% | 23,005 | 18,443 | 12,154 | 13,266 | 15,855 | 19.5% | -31.1% |
| Decreased by Less Than 10% | 13,323 | 10,876 | 6,872 | 7,623 | 8,838 | 15.9% | -33.7% |
| Subtotal for Decreased | 99,843 | 90,627 | 65,537 | 58,915 | 63,658 | 8.1% | -36.2% |
| Unchanged | 1,124 | 784 | 933 | 1,145 | 717 | -37.4% | -36.2% |
| Increased | 6,405 | 6,643 | 5,550 | 4,796 | 5,085 | 6.0% | -20.6% |
| Subtotal for Unchanged and Increased | 7,529 | 7,427 | 6,483 | 5,941 | 5,802 | -2.3% | -22.9% |
| Total | 107,372 | 98,054 | 72,020 | 64,856 | 69,460 | 7.1% | -35.3% |

*No payment change information was reported on 823 modifications in the second quarter of 2013, 1,239 in the third quarter, 446 in the fourth quarter, 581 in the first quarter of 2014, and 181 in the second quarter of 2014.

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



Changes in Monthly Payments Resulting From HAMP Modifications, by Quarter

More than 99 percent of HAMP modifications completed during the second quarter of 2014 reduced borrower monthly payments, with 61.9 percent reducing payments by 20 percent or more. In addition to achieving lower payments, HAMP attempts to increase payment sustainability by targeting monthly payments at 31 percent of borrowers' income. Performance data on all modifications show that re-default rates are lowest among loans that receive at least a 10 percent reduction in their monthly payments, and that the greater the decrease in payment, the lower the rate of re-default.

| Table 23. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|--------------|--------------|
| (Percentage of HAMP Modifications in Each Category)* | | | | | | | |
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Decreased by 20% or More | 77.8% | 76.8% | 73.7% | 66.0% | 61.9% | -6.3% | -20.4% |
| Decreased by 10% to Less Than 20% | 12.3% | 13.4% | 17.0% | 22.8% | 24.9% | 9.3% | 102.7% |
| Decreased by Less Than 10% | 7.4% | 7.9% | 7.4% | 10.1% | 12.4% | 22.7% | 67.1% |
| Subtotal for Decreased | 97.5% | 98.1% | 98.2% | 98.9% | 99.2% | 0.3% | 1.7% |
| Unchanged | 0.9% | 0.1% | 0.1% | 0.2% | 0.5% | 151.3% | -49.2% |
| Increased | 1.6% | 1.8% | 1.7% | 0.9% | 0.4% | -61.2% | -78.0% |
| Subtotal for Unchanged and Increased | 2.5% | 1.9% | 1.8% | 1.1% | 0.8% | -25.5% | -67.6% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | | |
| (Number of HAMP Modifications in Each Category) | | | | | | | |
| Decreased by 20% or More | 17,527 | 17,705 | 16,112 | 21,530 | 24,499 | 13.8% | 39.8% |
| Decreased by 10% to Less Than 20% | 2,768 | 3,088 | 3,723 | 7,429 | 9,855 | 32.7% | 256.0% |
| Decreased by Less Than 10% | 1,671 | 1,817 | 1,627 | 3,292 | 4,905 | 49.0% | 193.5% |
| Subtotal for Decreased | 21,966 | 22,610 | 21,462 | 32,251 | 39,259 | 21.7% | 78.7% |
| Unchanged | 205 | 34 | 26 | 60 | 183 | 205.0% | -10.7% |
| Increased | 363 | 411 | 367 | 297 | 140 | -52.9% | -61.4% |
| Subtotal for Unchanged and Increased | 568 | 445 | 393 | 357 | 323 | -9.5% | -43.1% |
| Total | 22,534 | 23,055 | 21,855 | 32,608 | 39,582 | 21.4% | 75.7% |

*No payment change information was reported on 79 modifications in the second quarter of 2013, 104 in the third quarter, 60 in the fourth quarter, 72 in the first quarter of 2014, and 34 in the second quarter of 2014.

Average Change in Monthly Payments Resulting From Modifications, by Quarter

Modifications made during the second quarter of 2014 reduced monthly principal and interest payments by \$252, or 22.5 percent, on average. HAMP modifications made during the quarter reduced payments by \$269, or 25.3 percent, on average. Other modifications reduced payments by \$230, or 18.8 percent, on average.

| Table 24. Average Change in Monthly Payments Resulting From Modifications, by Quarter* | | | | | | | |
|---|---------|---------|----------|---------|---------|---------------|---------------|
| All Modifications | | | | | | | |
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Decreased by 20% or More | (545) | (535) | (498) | (449) | (395) | -11.9% | -27.5% |
| Decreased by 10% to Less Than 20% | (172) | (176) | (172) | (160) | (150) | -6.5% | -13.3% |
| Decreased by Less Than 10% | (68) | (67) | (68) | (63) | (55) | -11.9% | -18.3% |
| Unchanged | -- | -- | -- | -- | -- | -- | -- |
| Increased | 159 | 159 | 161 | 148 | 145 | -2.4% | -9.2% |
| Overall (in dollars) | (358) | (365) | (344) | (292) | (252) | -13.7% | -29.5% |
| Percentage Change | -25.9% | -26.6% | -26.6% | -23.8% | -22.5% | | |
| Other Modifications | | | | | | | |
| Decreased by 20% or More | (503) | (492) | (479) | (475) | (436) | -8.1% | -13.4% |
| Decreased by 10% to Less Than 20% | (167) | (170) | (169) | (178) | (169) | -4.9% | 1.3% |
| Decreased by Less Than 10% | (66) | (65) | (66) | (63) | (58) | -9.3% | -13.2% |
| Unchanged | -- | -- | -- | -- | -- | -- | -- |
| Increased | 158 | 158 | 161 | 149 | 136 | -8.4% | -13.7% |
| Overall (in dollars) | (311) | (316) | (309) | (263) | (230) | -12.4% | -25.9% |
| Percentage Change | -23.4% | -24.2% | -24.3% | -20.1% | -18.8% | | |
| HAMP Modifications | | | | | | | |
| Decreased by 20% or More | (654) | (642) | (533) | (429) | (371) | -13.4% | -43.2% |
| Decreased by 10% to Less Than 20% | (211) | (207) | (178) | (146) | (137) | -5.7% | -34.9% |
| Decreased by Less Than 10% | (79) | (78) | (74) | (62) | (54) | -13.8% | -32.0% |
| Unchanged | -- | -- | -- | -- | -- | -- | -- |
| Increased | 183 | 171 | 152 | 140 | 440 | 213.7% | 140.4% |
| Overall (in dollars) | (538) | (524) | (427) | (322) | (269) | -16.3% | -49.9% |
| Percentage Change | -35.1% | -34.6% | -31.7% | -27.5% | -25.3% | | |

*Parentheses indicate that, on average, borrowers' monthly payments decreased by the amount enclosed within the parentheses.

B. Modified Loan Performance

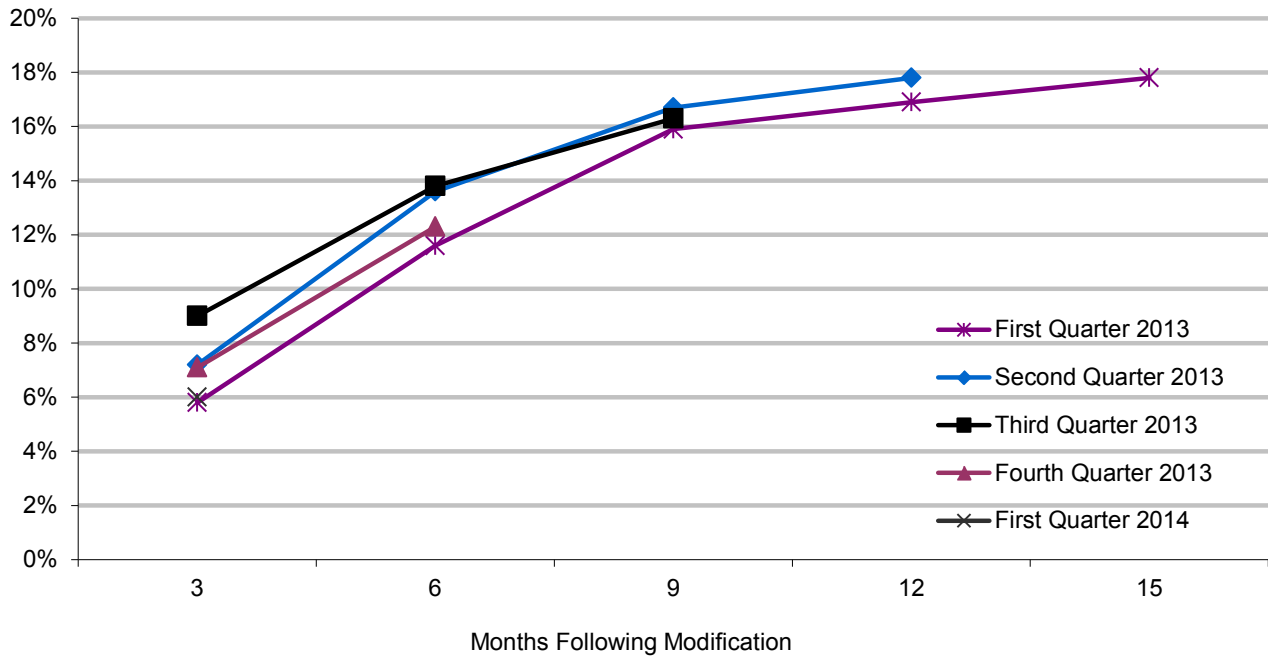
Re-Default Rates of Modified Loans: 60 or More Days Delinquent

Modification performance may vary because of many factors, including the types of modification actions, the average amount of change in the borrower’s monthly payment, the characteristics and geographic location of the modified loans, and the addition or deletion of modification programs among the reporting institutions. Despite differences in many of these factors, mortgages modified in each of the last five quarters have performed similarly over time. Among modifications completed in each of the last five quarters, between 5.8 percent and 9.0 percent of the modified loans were 60 or more days delinquent three months after modification, while 16.9 percent to 17.8 percent were 60 or more days delinquent 12 months after modification.

| Table 25. Modified Loans 60 or More Days Delinquent | | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|
| Modification Date* | 3 Months After Modification | 6 Months After Modification | 9 Months After Modification | 12 Months After Modification | 15 Months After Modification |
| First Quarter 2013 | 5.8% | 11.6% | 15.9% | 16.9% | 17.8% |
| Second Quarter 2013 | 7.2% | 13.6% | 16.7% | 17.8% | - |
| Third Quarter 2013 | 9.0% | 13.8% | 16.3% | - | - |
| Fourth Quarter 2013 | 7.1% | 12.3% | - | - | - |
| First Quarter 2014 | 6.0% | - | - | - | - |

*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, sold, or completed the foreclosure process are removed from the calculation. Data include only modifications that have had time to age the indicated number of months.

Figure 11. Modified Loans 60 or More Days Delinquent



*Data for the first quarter of 2014 is a single point (6.0 percent).

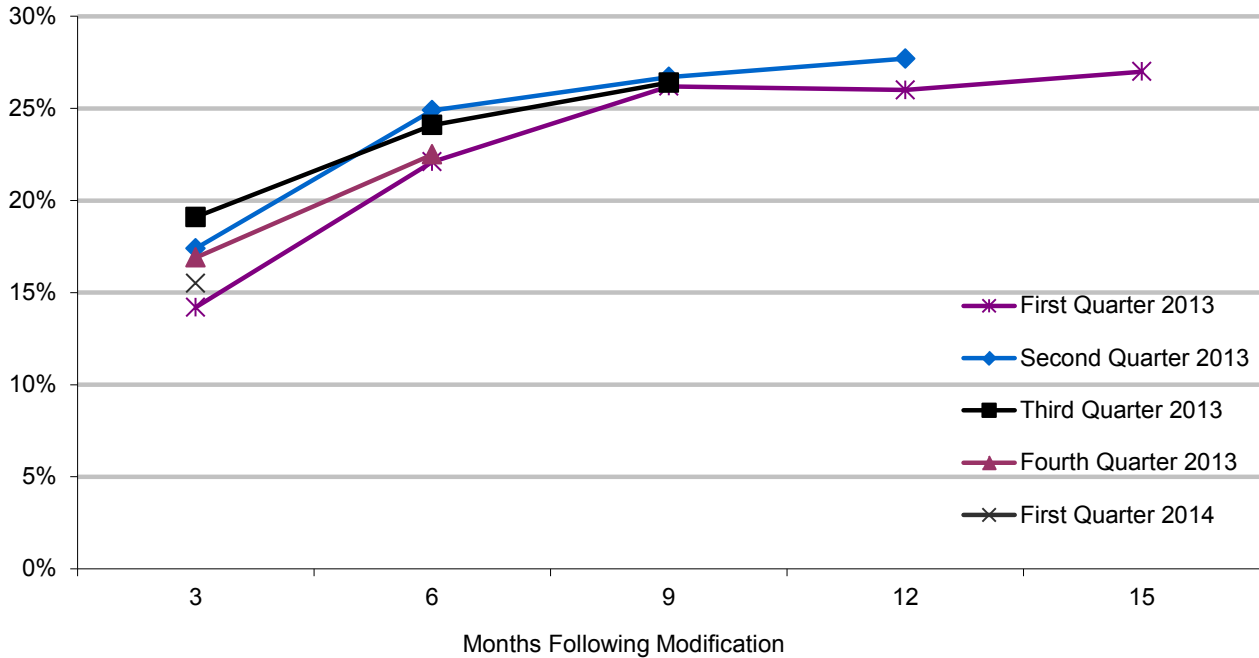
Re-Default Rates of Modified Loans: 30 or More Days Delinquent

Re-default rates measured at 30 or more days delinquent provide an early indicator of mortgages that may need additional attention to prevent more serious delinquency or foreclosure. For modifications completed in each of the last five quarters, 14.2 percent to 19.1 percent were 30 or more days delinquent three months after modification, while 26.0 percent to 27.7 percent were 30 or more days delinquent after one year.

| Table 26. Modified Loans 30 or More Days Delinquent | | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|
| Modification Date* | 3 Months After Modification | 6 Months After Modification | 9 Months After Modification | 12 Months After Modification | 15 Months After Modification |
| First Quarter 2013 | 14.2% | 22.1% | 26.2% | 26.0% | 27.0% |
| Second Quarter 2013 | 17.4% | 24.9% | 26.7% | 27.7% | - |
| Third Quarter 2013 | 19.1% | 24.1% | 26.4% | - | - |
| Fourth Quarter 2013 | 16.9% | 22.5% | - | - | - |
| First Quarter 2014 | 15.5% | - | - | - | - |

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

Figure 12. Modified Loans 30 or More Days Delinquent



*Data for the first quarter of 2014 is a single point (15.5 percent).

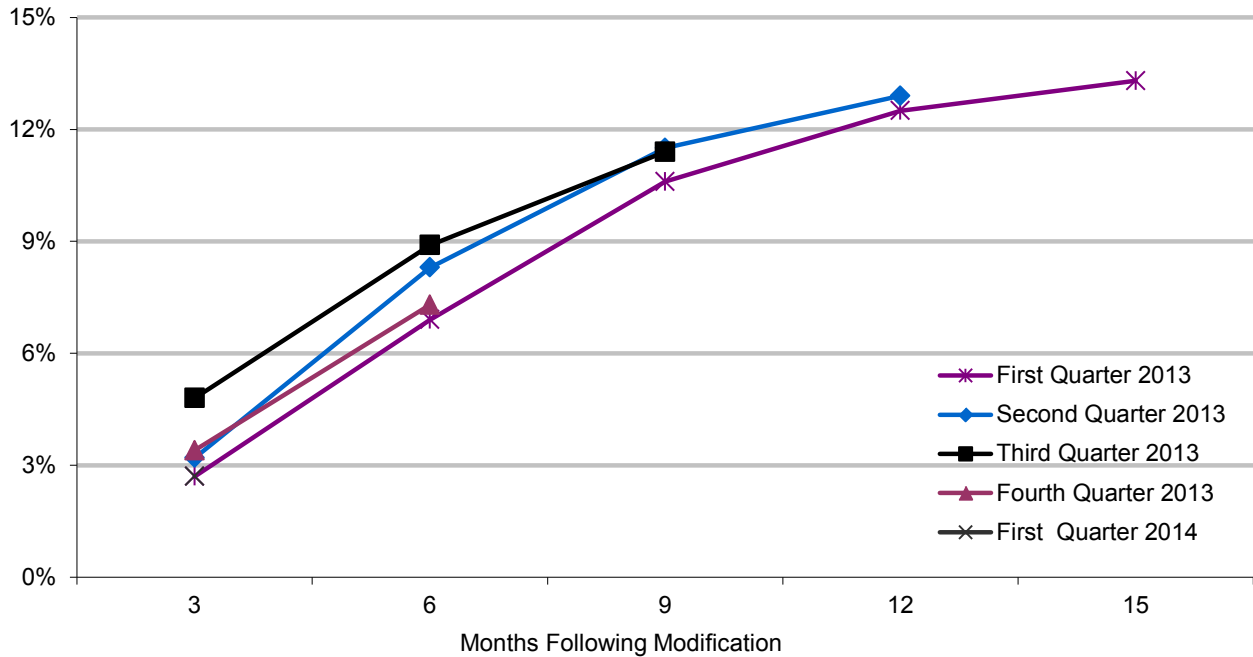
Re-Default Rates of Modified Loans: 90 or More Days Delinquent

Among modifications completed during the last five quarters, 12.5 percent to 12.9 percent were 90 or more days delinquent 12 months after modification.

| Table 27. Modified Loans 90 or More Days Delinquent | | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|
| Modification Date* | 3 Months After Modification | 6 Months After Modification | 9 Months After Modification | 12 Months After Modification | 15 Months After Modification |
| First Quarter 2013 | 2.7% | 6.9% | 10.6% | 12.5% | 13.3% |
| Second Quarter 2013 | 3.2% | 8.3% | 11.5% | 12.9% | - |
| Third Quarter 2013 | 4.8% | 8.9% | 11.4% | - | - |
| Fourth Quarter 2013 | 3.4% | 7.3% | - | - | - |
| First Quarter 2014 | 2.7% | - | - | - | - |

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

Figure 13. Modified Loans 90 or More Days Delinquent



*Data for the first quarter of 2014 is a single point (2.7 percent).

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

Modifications on mortgages held in the servicers' own portfolios have performed better than modifications on mortgages serviced for other investors. Performance on mortgages serviced for other investors varies by investor and the year that a loan was modified. These re-default rates reflect differences in loan risk characteristics and modification programs. For all investors, re-default rates generally have decreased over time as more recent modifications have focused more on reducing monthly payments and increasing borrowers' ability to sustain the reduced payments over time, and as the housing market and broader economy improved.

Table 28. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2008
(60 or More Days Delinquent)

| Investor Loan Type | 6 Months After Modification | 12 Months After Modification | 18 Months After Modification | 24 Months After Modification | 36 Months After Modification |
|-----------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Fannie Mae | 45.2% | 59.7% | 63.9% | 62.1% | 54.4% |
| Freddie Mac | 45.0% | 59.2% | 64.4% | 64.6% | 59.5% |
| Government-Guaranteed | 53.6% | 67.8% | 70.8% | 70.3% | 67.8% |
| Private | 49.1% | 61.2% | 66.7% | 68.0% | 68.2% |
| Portfolio Loans | 25.2% | 36.1% | 41.0% | 41.7% | 40.1% |
| Overall | 44.8% | 57.2% | 62.1% | 62.7% | 61.4% |

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

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

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

| Investor Loan Type | 6 Months After Modification | 12 Months After Modification | 18 Months After Modification | 24 Months After Modification | 36 Months After Modification |
|-----------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Fannie Mae | 14.2% | 20.6% | 23.9% | 24.3% | 23.2% |
| Freddie Mac | 12.1% | 17.8% | 20.7% | 21.9% | 20.8% |
| Government-Guaranteed | 27.4% | 40.7% | 46.6% | 48.8% | 49.1% |
| Private | 19.8% | 28.3% | 33.2% | 33.7% | 29.0% |
| Portfolio Loans | 11.7% | 18.0% | 20.9% | 21.9% | 21.0% |
| Overall | 17.3% | 25.4% | 29.5% | 30.6% | 29.2% |

| Table 31. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2011 | | | | | |
|--|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (60 or More Days Delinquent)* | | | | | |
| Investor Loan Type | 6 Months After Modification | 12 Months After Modification | 18 Months After Modification | 24 Months After Modification | 36 Months After Modification |
| Fannie Mae | 11.2% | 16.7% | 18.9% | 20.4% | 17.9% |
| Freddie Mac | 10.8% | 16.8% | 20.1% | 19.3% | 18.0% |
| Government-Guaranteed | 28.0% | 42.3% | 47.9% | 48.1% | 44.5% |
| Private | 15.5% | 22.1% | 24.5% | 21.5% | 19.1% |
| Portfolio Loans | 9.3% | 15.1% | 18.1% | 18.1% | 15.7% |
| Overall | 15.4% | 23.2% | 26.6% | 26.4% | 25.3% |

| Table 32. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2012 | | | | | |
|--|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (60 or More Days Delinquent)* | | | | | |
| Investor Loan Type | 6 Months After Modification | 12 Months After Modification | 18 Months After Modification | 24 Months After Modification | 36 Months After Modification |
| Fannie Mae | 11.5% | 16.9% | 19.9% | 19.7% | - |
| Freddie Mac | 8.8% | 12.9% | 14.6% | 13.7% | - |
| Government-Guaranteed | 21.3% | 33.3% | 36.6% | 37.4% | - |
| Private | 13.0% | 16.8% | 14.3% | 12.8% | - |
| Portfolio Loans | 7.2% | 11.1% | 12.6% | 14.5% | - |
| Overall | 12.7% | 18.8% | 20.4% | 19.6% | - |

| Table 33. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2013 | | | | | |
|--|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (60 or More Days Delinquent)* | | | | | |
| Investor Loan Type | 6 Months After Modification | 12 Months After Modification | 18 Months After Modification | 24 Months After Modification | 36 Months After Modification |
| Fannie Mae | 12.1% | 16.3% | - | - | - |
| Freddie Mac | 9.5% | 12.7% | - | - | - |
| Government-Guaranteed | 18.1% | 26.2% | - | - | - |
| Private | 11.3% | 12.7% | - | - | - |
| Portfolio Loans | 8.6% | 10.8% | - | - | - |
| Overall | 12.7% | 17.3% | - | - | - |

*Data in tables 31-33 include modifications that were originated that year and aged the indicated number of months.

Performance of HAMP Modifications Compared With Other Modifications

HAMP modifications have performed better than other modifications implemented during the same periods. These lower post-modification delinquency rates reflect HAMP's emphasis on the affordability of monthly payments relative to the borrower's income, verification of income, and completion of a successful trial-payment period. HAMP modifications also may have performed better than other modifications over time because other modifications include programs with flexible eligibility criteria designed to reach borrowers who do not qualify for HAMP modifications.

| Table 34. Performance of HAMP Modifications Compared With Other Modifications | | | | | | |
|--|--------------------------------|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| (60 or More Days Delinquent)* | | | | | | |
| | Number of Modifications | 3 Months After Modification | 6 Months After Modification | 9 Months After Modification | 12 Months After Modification | 15 Months After Modification |
| HAMP Second Quarter 2012 | 28,627 | 4.4% | 7.9% | 10.1% | 11.0% | 12.0% |
| Other Second Quarter 2012 | 68,088 | 7.5% | 14.5% | 17.9% | 19.4% | 21.3% |
| HAMP Third Quarter 2012 | 31,745 | 4.3% | 7.7% | 9.4% | 11.0% | 12.3% |
| Other Third Quarter 2012 | 104,764 | 8.0% | 14.6% | 17.9% | 21.2% | 23.7% |
| HAMP Fourth Quarter 2012 | 29,314 | 3.8% | 6.2% | 8.7% | 10.3% | 11.4% |
| Other Fourth Quarter 2012 | 114,181 | 8.3% | 12.8% | 17.5% | 20.6% | 21.2% |
| HAMP First Quarter 2013 | 28,030 | 3.2% | 6.4% | 8.9% | 10.3% | 10.7% |
| Other First Quarter 2013 | 110,519 | 6.5% | 13.0% | 17.7% | 18.6% | 19.6% |
| HAMP Second Quarter 2013 | 22,613 | 3.4% | 6.9% | 8.9% | 9.7% | - |
| Other Second Quarter 2013 | 85,582 | 8.3% | 15.4% | 18.8% | 20.1% | - |
| HAMP Third Quarter 2013 | 23,159 | 3.9% | 7.0% | 8.9% | - | - |
| Other Third Quarter 2013 | 76,134 | 10.6% | 15.9% | 18.7% | - | - |
| HAMP Fourth Quarter 2013 | 21,915 | 3.7% | 7.9% | - | - | - |
| Other Fourth Quarter 2013 | 50,551 | 8.7% | 14.2% | - | - | - |
| HAMP First Quarter 2014 | 32,680 | 4.4% | - | - | - | - |
| Other First Quarter 2014 | 32,757 | 7.5% | - | - | - | - |

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

C. Modified Loan Performance, by Change in Monthly Payments

Modifications that reduce borrowers’ monthly payments by at least 10 percent consistently re-default at lower rates than modifications that do not reduce payments by at least 10 percent—the larger the reduction in monthly payment, the lower the subsequent re-default rate. Lower re-default rates also may result from monthly payments set relative to the borrower’s ability to repay, as well as verification of income and completion of a successful trial period.

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

Re-Default Rates of Loans by Change in Payment

Tables 35 through 40 present re-default rates, measured as 60 or more days delinquent, for modifications made since January 1, 2008. Data show that re-default rates decrease as reductions in payments increase more than 10 percent. Modification performance has improved over time as modifications focused on reducing monthly payments and setting payments relative to the borrower’s income and ability to pay.

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

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

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

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

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

Table 37. Re-Default Rates of Loans Modified in 2010 by Change in Payment
(60 or More Days Delinquent)

| | 6 Months After Modification | 12 Months After Modification | 18 Months After Modification | 24 Months After Modification | 36 Months After Modification |
|-----------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Decreased by 20% or More | 11.4% | 17.4% | 21.1% | 22.3% | 21.5% |
| Decreased by 10% to Less Than 20% | 19.8% | 30.3% | 35.6% | 37.3% | 37.0% |
| Decreased by Less Than 10% | 26.1% | 37.4% | 42.7% | 43.9% | 42.8% |
| Unchanged | 18.8% | 23.0% | 24.8% | 24.1% | 20.6% |
| Increased | 32.8% | 44.1% | 48.1% | 48.8% | 45.0% |
| Total | 17.3% | 25.4% | 29.5% | 30.6% | 29.2% |

Table 38. Re-Default Rates of Loans Modified in 2011 by Change in Payment
(60 or More Days Delinquent)*

| | 6 Months After Modification | 12 Months After Modification | 18 Months After Modification | 24 Months After Modification | 36 Months After Modification |
|-----------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Decreased by 20% or More | 9.5% | 14.8% | 17.5% | 17.4% | 16.8% |
| Decreased by 10% to Less Than 20% | 16.7% | 26.6% | 31.2% | 31.7% | 31.4% |
| Decreased by Less Than 10% | 22.7% | 34.3% | 38.9% | 38.3% | 33.9% |
| Unchanged | 13.5% | 17.3% | 18.5% | 17.7% | 15.4% |
| Increased | 32.8% | 44.9% | 49.7% | 49.0% | 46.4% |
| Total | 15.4% | 23.2% | 26.6% | 26.4% | 25.3% |

Table 39. Re-Default Rates of Loans Modified in 2012 by Change in Payment
(60 or More Days Delinquent)*

| | 6 Months After Modification | 12 Months After Modification | 18 Months After Modification | 24 Months After Modification | 36 Months After Modification |
|-----------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Decreased by 20% or More | 8.8% | 13.2% | 14.3% | 14.4% | - |
| Decreased by 10% to Less Than 20% | 12.5% | 19.5% | 22.0% | 21.0% | - |
| Decreased by Less Than 10% | 22.1% | 33.3% | 36.3% | 33.9% | - |
| Unchanged | 9.9% | 11.3% | 12.6% | 12.7% | - |
| Increased | 29.0% | 38.8% | 39.4% | 37.7% | - |
| Total | 12.7% | 18.8% | 20.4% | 19.5% | - |

Table 40. Re-Default Rates of Loans Modified in 2013 by Change in Payment
(60 or More Days Delinquent)*

| | 6 Months After Modification | 12 Months After Modification | 18 Months After Modification | 24 Months After Modification | 36 Months After Modification |
|-----------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Decreased by 20% or More | 9.1% | 12.2% | - | - | - |
| Decreased by 10% to Less Than 20% | 14.5% | 19.5% | - | - | - |
| Decreased by Less Than 10% | 21.3% | 29.6% | - | - | - |
| Unchanged | 20.5% | 21.8% | - | - | - |
| Increased | 23.7% | 30.2% | - | - | - |
| Total | 12.7% | 17.3% | - | - | - |

*Data in tables 38-40 include modifications that were originated that year and aged the indicated number of months.

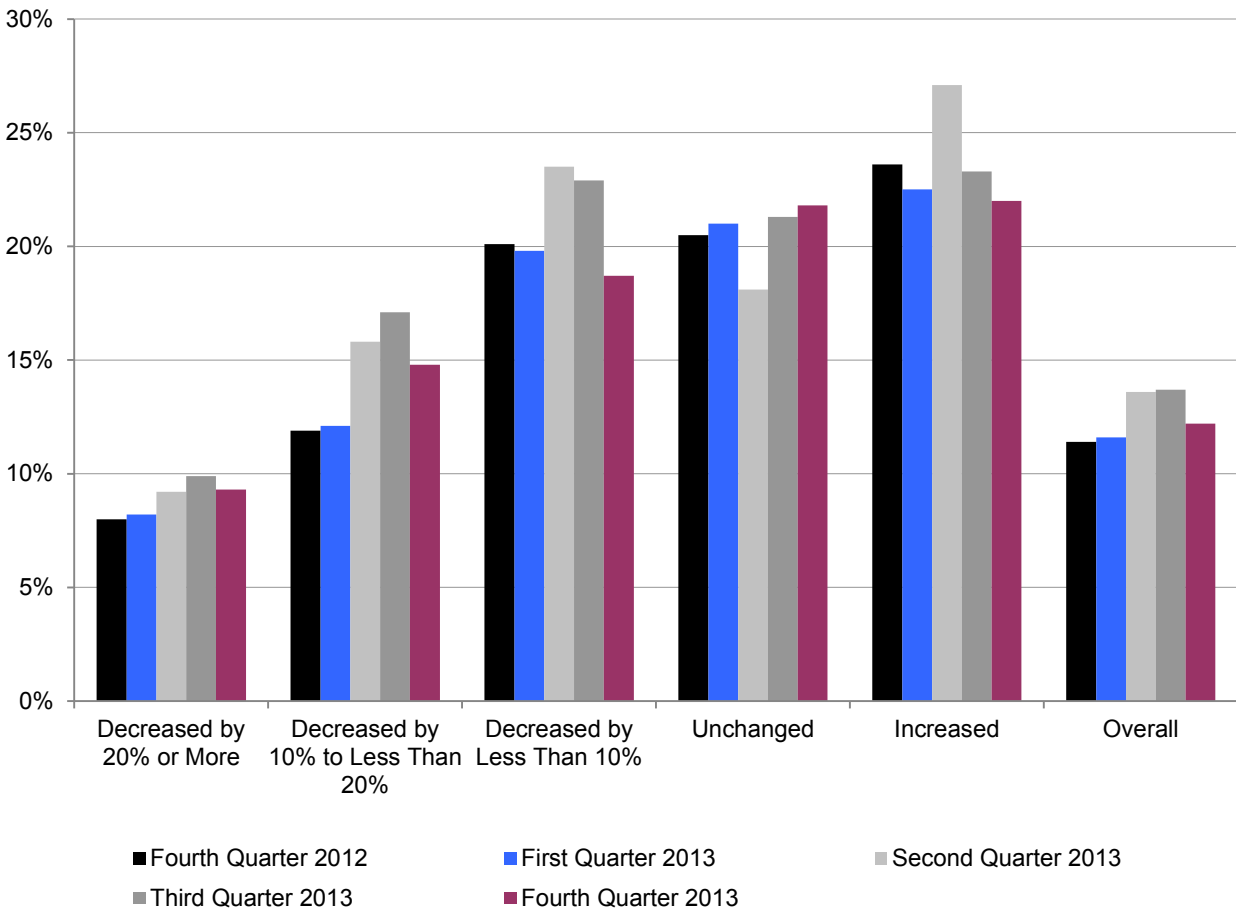
60+ Delinquency at Six Months After Modification by Change in Monthly Payment

Modifications that reduced monthly principal and interest payments by at least 10 percent consistently performed better than modifications that did not reduce payments by at least 10 percent. Modifications with the greatest decrease in monthly payments consistently had the lowest re-default rates. Some modifications that resulted in no change to the borrowers' monthly payments have performed better than modifications that reduced payments, because these modifications likely were offered to borrowers with ARMs who had not defaulted on their payments.

Table 41. 60+ Delinquency at Six Months After Modification by Change in Monthly Payment

| | Decreased by 20% or More | Decreased by 10% to Less Than 20% | Decreased by Less Than 10% | Unchanged | Increased | Overall |
|------------------------------|--------------------------|-----------------------------------|----------------------------|-----------|-----------|---------|
| Fourth Quarter 2012 | 8.0% | 11.9% | 20.1% | 20.5% | 23.6% | 11.4% |
| First Quarter 2013 | 8.2% | 12.1% | 19.8% | 21.0% | 22.5% | 11.6% |
| Second Quarter 2013 | 9.2% | 15.8% | 23.5% | 18.1% | 27.1% | 13.6% |
| Third Quarter 2013 | 9.9% | 17.1% | 22.9% | 21.3% | 23.3% | 13.7% |
| Fourth Quarter 2013 | 9.3% | 14.8% | 18.7% | 21.8% | 22.0% | 12.2% |
| Total for the quarters above | 8.8% | 13.8% | 20.9% | 20.5% | 23.7% | 12.4% |

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



Status of Mortgages Modified in 2008–1Q 2014

Servicers implemented 3,525,913 modifications from January 1, 2008, through March 31, 2014. Of these modifications, 59 percent were active at the end of the second quarter of 2014 and 41 percent had exited the servicing portfolios of the reporting institutions, through payment in full, involuntary liquidation—completed foreclosure, short sale or deed in lieu—or transfer to a nonreporting servicer. Of the 2,084,292 modifications that were active at the end of the second quarter of 2014, 69.3 percent were current and performing at quarter end, 25.0 percent were delinquent, and 5.8 percent were in the process of foreclosure. Among the 41 percent of modifications that had exited the portfolio prior to the end of the second quarter of 2014, 8.3 percent were liquidated involuntarily, through foreclosure, short sale, or deed in lieu. Another 3.6 percent were paid in full, and 29.0 percent were transferred. HAMP modifications implemented since the third quarter of 2009 have performed better than other modifications. Modifications that reduced borrowers’ monthly payments by 10 percent or more performed significantly better than modifications that did not reduce payments by 10 percent or more. Of the 1,432,303 modifications that reduced payments by 10 percent or more and were active at the end of the second quarter of 2014, 73.8 percent were current, compared with 59.3 percent of modifications that reduced payments by less than 10 percent.

| Table 42. Status of Mortgages Modified in 2008–1Q 2014 | | | | | | | | | |
|---|-------------------------|-------------------|---|-----------------------|----------------------|-------------------------|--|-------------|----------------------------|
| Year | Completed Modifications | | As Percentage of Modifications Active as of 6/30/14 | | | | As Percentage of All Modifications Completed | | |
| | Total | Active at 6/30/14 | Current | 30–59 Days Delinquent | Seriously Delinquent | Foreclosures in Process | Involuntary Liquidations* | Paid Off | No Longer in the Portfolio |
| 2008 | 443,294 | 141,853 | 59.2% | 10.4% | 21.3% | 9.0% | 17.5% | 5.1% | 45.4% |
| 2009 | 593,884 | 268,249 | 62.9% | 9.5% | 19.7% | 8.0% | 13.9% | 5.2% | 35.8% |
| 2010 | 955,422 | 522,659 | 68.5% | 8.9% | 16.3% | 6.3% | 9.5% | 4.1% | 31.6% |
| 2011 | 569,553 | 363,128 | 69.7% | 8.6% | 15.6% | 6.1% | 5.3% | 3.4% | 27.6% |
| 2012 | 479,820 | 366,973 | 72.8% | 8.4% | 14.0% | 4.7% | 1.9% | 2.3% | 19.4% |
| 2013 | 418,503 | 358,016 | 72.9% | 9.5% | 14.0% | 3.6% | 0.5% | 1.1% | 12.8% |
| 2014 | 65,437 | 63,414 | 81.9% | 9.5% | 8.3% | 0.3% | 0.04% | 0.3% | 2.8% |
| Total | 3,525,913 | 2,084,292 | 69.3% | 9.1% | 15.9% | 5.8% | 8.3% | 3.6% | 29.0% |
| HAMP Modification Performance Compared With Other Modifications | | | | | | | | | |
| Other** | 1,929,135 | 1,281,221 | 66.8% | 9.6% | 17.6% | 6.1% | 7.1% | 3.7% | 22.8% |
| HAMP | 815,638 | 525,994 | 80.2% | 7.2% | 9.2% | 3.4% | 3.7% | 2.2% | 29.6% |
| Modifications That Reduced Payments by 10 Percent or More | | | | | | | | | |
| | 2,273,395 | 1,432,303 | 73.8% | 8.5% | 13.1% | 4.6% | 5.7% | 2.8% | 28.5% |
| Modifications That Reduced Payments by Less Than 10 Percent | | | | | | | | | |
| | 1,252,518 | 651,989 | 59.3% | 10.2% | 22.1% | 8.4% | 13.0% | 5.2% | 29.7% |

*Completed foreclosures, short sales and deeds in lieu of foreclosure.

**Modifications used to compare with HAMP modifications only include modifications implemented from the third quarter of 2009 through the first quarter of 2014.

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—completed foreclosure sales, short sales, and deed-in-lieu-of-foreclosure actions—totaled 64,790 during the second quarter of 2014, a decrease of 46.8 percent from a year earlier. The number of completed foreclosures decreased to 48,684—down 13.4 percent from the previous quarter and 39.1 percent from a year earlier. Short sales increased 5.0 percent from the previous quarter and decreased 63.6 percent from a year earlier. Short sales were 22.1 percent of total home forfeiture actions during the second quarter of 2014, down from 32.2 percent a year earlier. Deed-in-lieu-of-foreclosure actions remained a small portion of home forfeiture actions during the quarter.

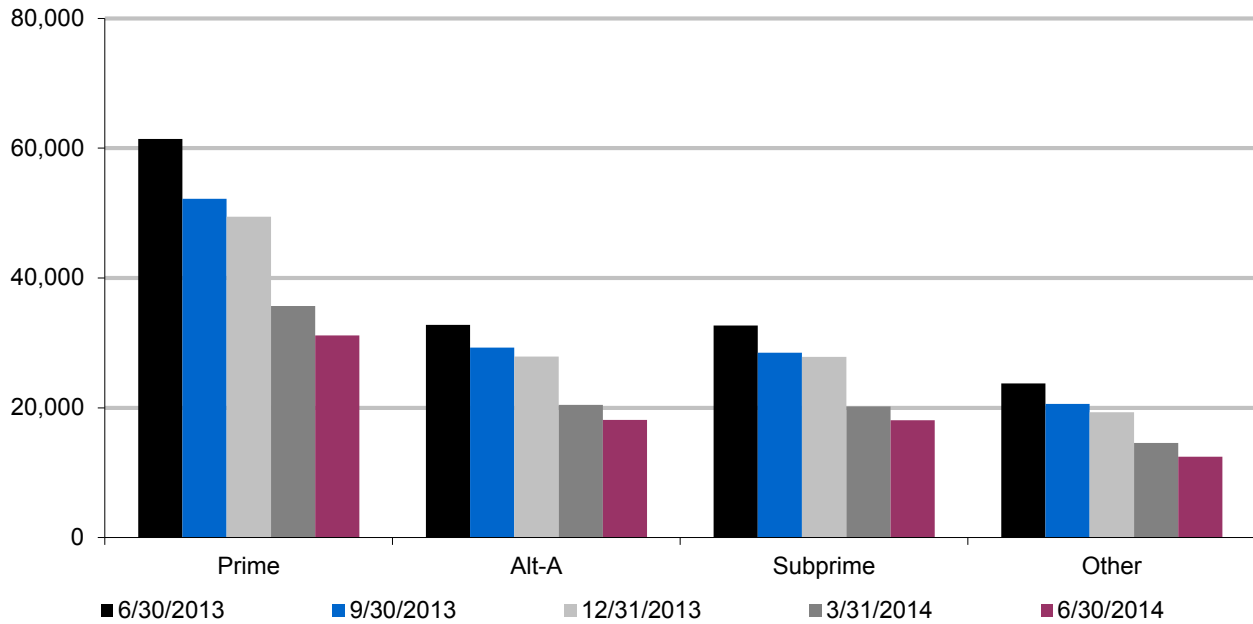
| Table 43. Completed Foreclosures and Other Home Forfeiture Actions | | | | | | | |
|---|---------|---------|----------|---------|---------|---------------|---------------|
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Completed Foreclosures | 79,960 | 82,841 | 60,765 | 56,185 | 48,684 | -13.4% | -39.1% |
| New Short Sales | 39,207 | 31,261 | 21,149 | 13,613 | 14,290 | 5.0% | -63.6% |
| New Deed-in-Lieu-of-Foreclosure Actions | 2,579 | 2,112 | 2,117 | 1,880 | 1,816 | -3.4% | -29.6% |
| Total | 121,746 | 116,214 | 84,031 | 71,678 | 64,790 | -9.6% | -46.8% |

Newly Initiated Foreclosures

Servicers initiate foreclosure actions at defined stages of loan delinquency. Foreclosure actions progress to sale of the property only if servicers and borrowers cannot arrange a permanent loss mitigation action, modification, home sale, or alternate workout solution. Newly initiated foreclosures decreased to 79,781 in the second quarter of 2014, a decrease of 12.2 percent from the previous quarter and 47.0 percent from a year earlier.

| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
|----------|---------|---------|----------|---------|---------|------------|------------|
| Prime | 61,405 | 52,211 | 49,420 | 35,678 | 31,147 | -12.7% | -49.3% |
| Alt-A | 32,749 | 29,287 | 27,910 | 20,435 | 18,133 | -11.3% | -44.6% |
| Subprime | 32,667 | 28,491 | 27,820 | 20,181 | 18,066 | -10.5% | -44.7% |
| Other | 23,771 | 20,603 | 19,318 | 14,558 | 12,435 | -14.6% | -47.7% |
| Total | 150,592 | 130,592 | 124,468 | 90,852 | 79,781 | -12.2% | -47.0% |

Figure 15. Number of Newly Initiated Foreclosures

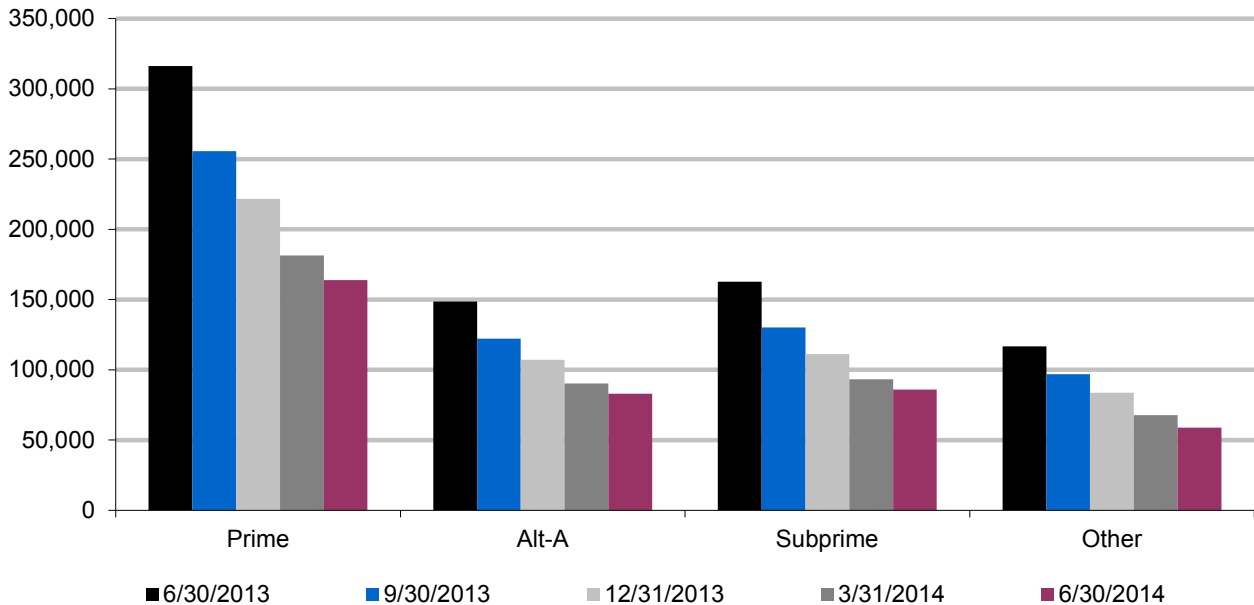


Foreclosures in Process

The number of mortgages in the process of foreclosure decreased to 391,591 at the end of the second quarter of 2014, down 9.5 percent from the previous quarter and 47.4 percent from a year earlier. The percentage of mortgages in the portfolio that were in some stage of the foreclosure process at the end of the second quarter of 2014 was 1.6 percent, a decrease of 8.2 percent from the previous quarter and 42.2 percent from a year earlier.

| Table 45. Foreclosures in Process | | | | | | | |
|---|---------|---------|----------|---------|---------|------------|------------|
| Percentage of Foreclosures in Process Relative to Mortgages in That Risk Category | | | | | | | |
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Prime | 1.6% | 1.3% | 1.2% | 1.0% | 0.9% | -8.4% | -44.4% |
| Alt-A | 5.3% | 4.6% | 4.2% | 3.6% | 3.4% | -7.3% | -36.9% |
| Subprime | 9.3% | 8.0% | 7.3% | 6.4% | 5.9% | -7.5% | -36.6% |
| Other | 4.6% | 4.0% | 3.7% | 3.1% | 2.8% | -10.7% | -39.2% |
| Total | 2.8% | 2.4% | 2.1% | 1.8% | 1.6% | -8.2% | -42.2% |
| Number of Foreclosures in Process | | | | | | | |
| Prime | 316,235 | 255,583 | 221,675 | 181,465 | 163,738 | -9.8% | -48.2% |
| Alt-A | 148,632 | 122,232 | 107,033 | 90,308 | 83,030 | -8.1% | -44.1% |
| Subprime | 162,774 | 130,037 | 111,260 | 93,286 | 86,044 | -7.8% | -47.1% |
| Other | 116,728 | 96,911 | 83,560 | 67,773 | 58,779 | -13.3% | -49.6% |
| Total | 744,369 | 604,763 | 523,528 | 432,832 | 391,591 | -9.5% | -47.4% |

Figure 16. Number of Foreclosures in Process

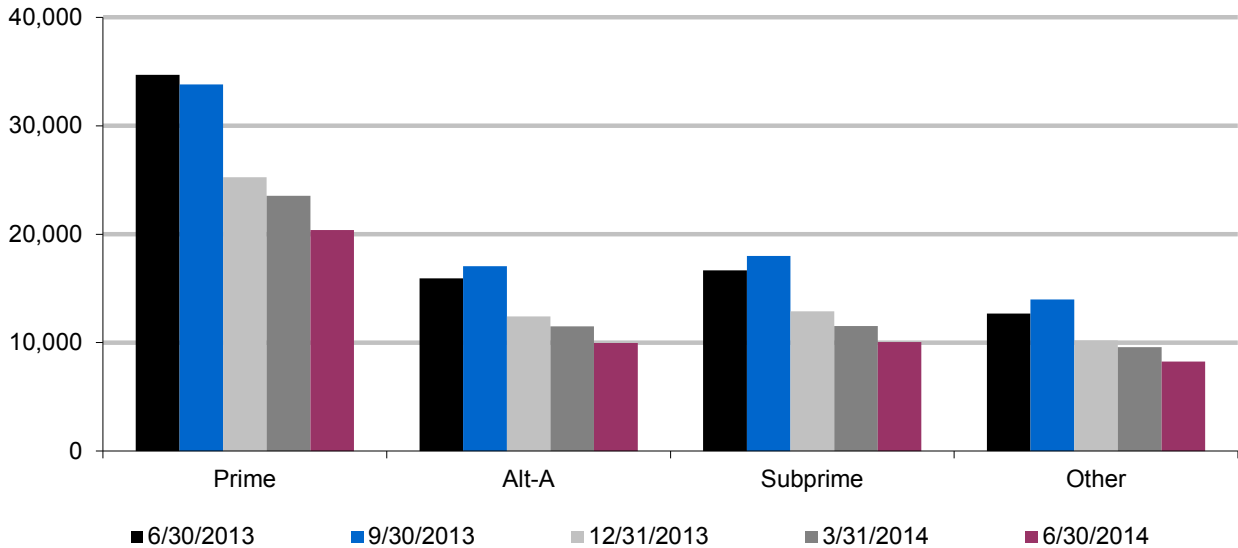


Completed Foreclosures

The number of completed foreclosures was 48,684 during the second quarter of 2014—a decrease of 13.4 percent from the previous quarter and 39.1 percent from a year earlier. The percentage of mortgages that completed the foreclosure process during the second quarter of 2014 was 0.2 percent of all mortgages serviced, a decrease of 12.0 percent from the previous quarter and 33.1 percent from a year earlier.

| Table 46. Completed Foreclosures | | | | | | | |
|--|---------|---------|----------|---------|---------|------------|------------|
| Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category | | | | | | | |
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Prime | 0.2% | 0.2% | 0.1% | 0.1% | 0.1% | -12.1% | -36.9% |
| Alt-A | 0.6% | 0.6% | 0.5% | 0.5% | 0.4% | -12.7% | -29.4% |
| Subprime | 1.0% | 1.1% | 0.8% | 0.8% | 0.7% | -12.4% | -27.5% |
| Other | 0.5% | 0.6% | 0.5% | 0.4% | 0.4% | -11.3% | -21.2% |
| Total | 0.3% | 0.3% | 0.2% | 0.2% | 0.2% | -12.0% | -33.1% |
| Number of Completed Foreclosures | | | | | | | |
| Prime | 34,686 | 33,817 | 25,253 | 23,547 | 20,388 | -13.4% | -41.2% |
| Alt-A | 15,943 | 17,062 | 12,410 | 11,502 | 9,959 | -13.4% | -37.5% |
| Subprime | 16,654 | 17,992 | 12,902 | 11,539 | 10,069 | -12.7% | -39.5% |
| Other | 12,677 | 13,970 | 10,200 | 9,597 | 8,268 | -13.8% | -34.8% |
| Total | 79,960 | 82,841 | 60,765 | 56,185 | 48,684 | -13.4% | -39.1% |

Figure 17. Number of Completed Foreclosures

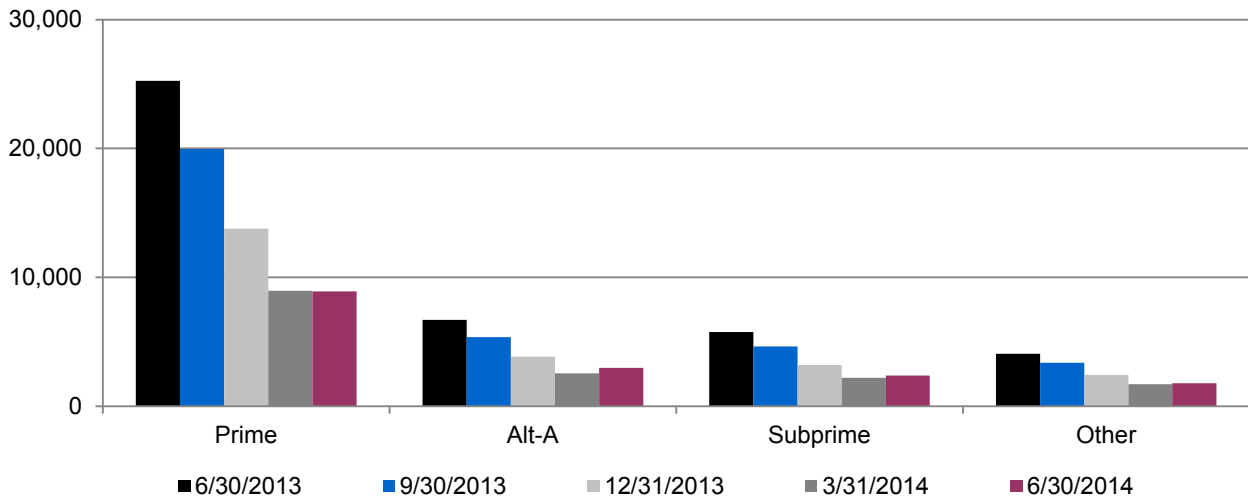


Completed Short Sales and Deeds in Lieu of Foreclosure

The number of completed short sales and deeds in lieu of foreclosure increased to 16,106 during the quarter—up 4.0 percent from the previous quarter but down 61.5 percent from a year earlier. Short sales and deeds in lieu of foreclosure as a percentage of all mortgages serviced at the end of the second quarter of 2014 were 0.07 percent, up 5.5 percent from the previous quarter and down 57.6 percent from a year earlier.

| Table 47. Completed Short Sales and Deeds in Lieu of Foreclosure | | | | | | | |
|--|---------|---------|----------|---------|---------|------------|------------|
| Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category | | | | | | | |
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Prime | 0.1% | 0.1% | 0.1% | 0.07% | 0.05% | 0.8% | -62.0% |
| Alt-A | 0.2% | 0.2% | 0.2% | 0.1% | 0.1% | 17.6% | -49.6% |
| Subprime | 0.3% | 0.3% | 0.2% | 0.2% | 0.2% | 8.7% | -50.0% |
| Other | 0.2% | 0.1% | 0.1% | 0.08% | 0.09% | 6.6% | -47.0% |
| Total | 0.2% | 0.1% | 0.09% | 0.06% | 0.07% | 5.5% | -57.6% |
| Number of Completed Short Sales and Deeds in Lieu of Foreclosure | | | | | | | |
| Prime | 25,236 | 19,959 | 13,781 | 8,980 | 8,920 | -0.7% | -64.7% |
| Alt-A | 6,699 | 5,382 | 3,844 | 2,564 | 2,990 | 16.6% | -55.4% |
| Subprime | 5,762 | 4,658 | 3,203 | 2,218 | 2,403 | 8.3% | -58.3% |
| Other | 4,089 | 3,374 | 2,438 | 1,731 | 1,793 | 3.6% | -56.2% |
| Overall | 41,786 | 33,373 | 23,266 | 15,493 | 16,106 | 4.0% | -61.5% |

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

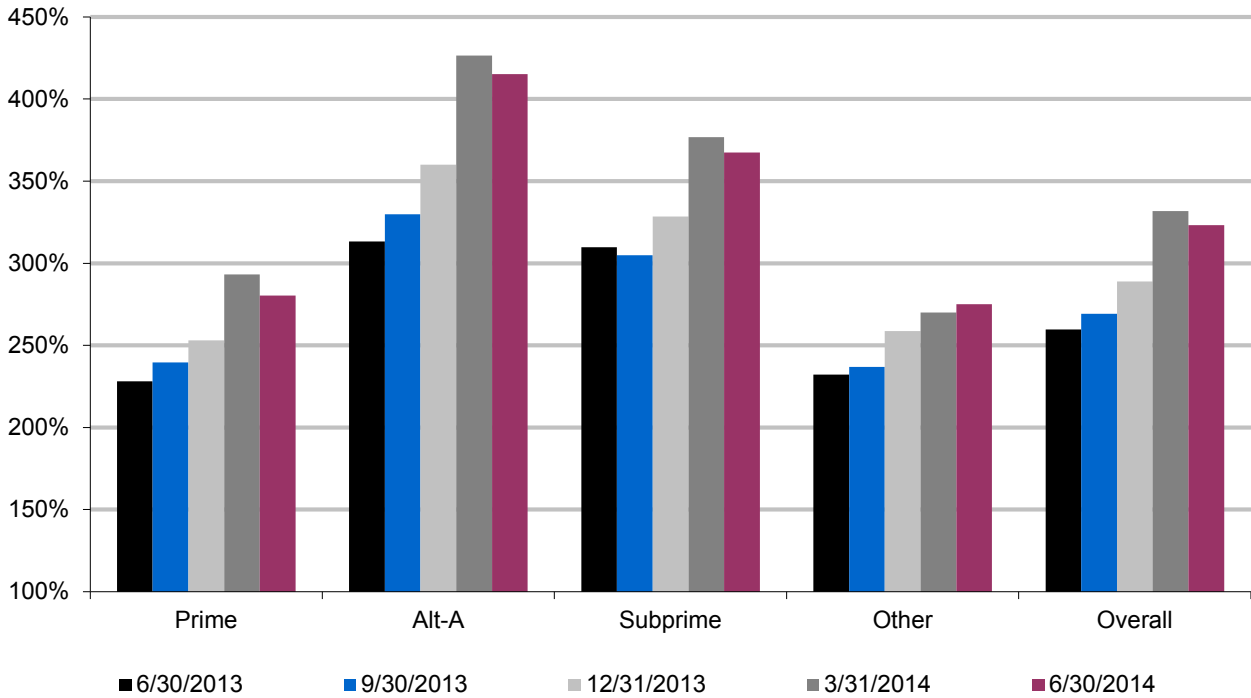


New Home Retention Actions Relative to Forfeiture Actions, by Risk Category

New home retention actions continued to exceed completed home forfeitures as servicers initiated more than three times as many home retention actions as home forfeiture actions during the quarter. The percentage of new home retention actions relative to home forfeitures continued to be highest for Alt-A and subprime loans and lowest for prime and other loans during the second quarter of 2014.

| Table 48. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category | | | | | | | |
|--|---------|---------|----------|---------|---------|------------|------------|
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Prime | 228.2% | 239.6% | 253.0% | 293.1% | 277.9% | -5.2% | 21.8% |
| Alt-A | 313.3% | 329.9% | 360.0% | 426.5% | 413.1% | -3.1% | 31.9% |
| Subprime | 309.7% | 304.8% | 328.5% | 376.7% | 365.3% | -3.0% | 17.9% |
| Other | 232.3% | 236.8% | 258.7% | 270.1% | 274.7% | 1.7% | 18.2% |
| Overall | 259.6% | 269.3% | 289.0% | 331.7% | 321.3% | -3.1% | 23.7% |

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



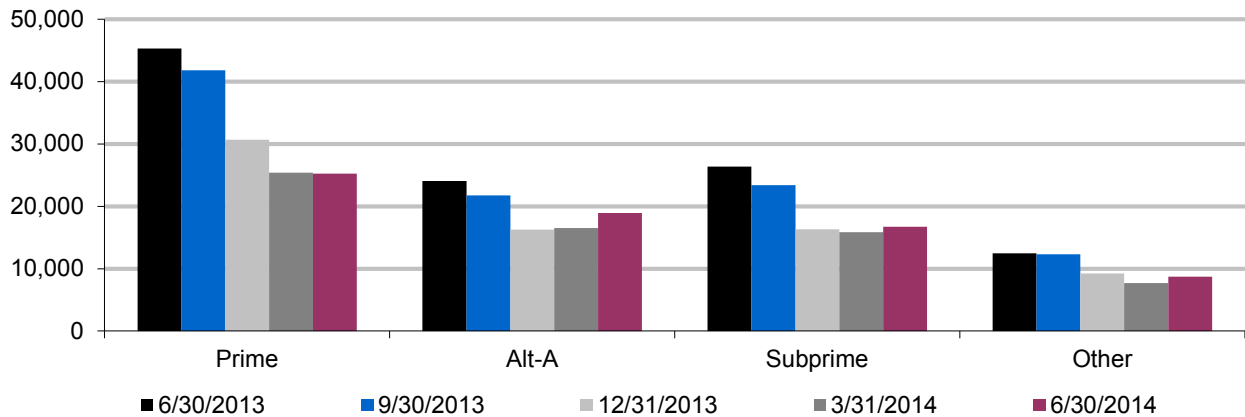
Appendixes

Appendix A—New Loan Modifications

There were 69,641 loan modifications completed during the second quarter of 2014—an increase of 6.4 percent from the previous quarter and a decrease of 35.6 percent from a year earlier. Modifications to prime loans decreased from the previous quarter. Modifications to all other classes of loans increased from the previous quarter.

| Table 49. Number of New Loan Modifications | | | | | | | |
|---|---------|---------|----------|---------|---------|------------|------------|
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Prime | 45,277 | 41,831 | 30,690 | 25,396 | 25,263 | -0.5% | -44.2% |
| Alt-A | 24,070 | 21,758 | 16,244 | 16,492 | 18,950 | 14.9% | -21.3% |
| Subprime | 26,393 | 23,398 | 16,295 | 15,855 | 16,724 | 5.5% | -36.6% |
| Other | 12,455 | 12,306 | 9,237 | 7,694 | 8,704 | 13.1% | -30.1% |
| Total | 108,195 | 99,293 | 72,466 | 65,437 | 69,641 | 6.4% | -35.6% |

Figure 20. Number of New Loan Modifications

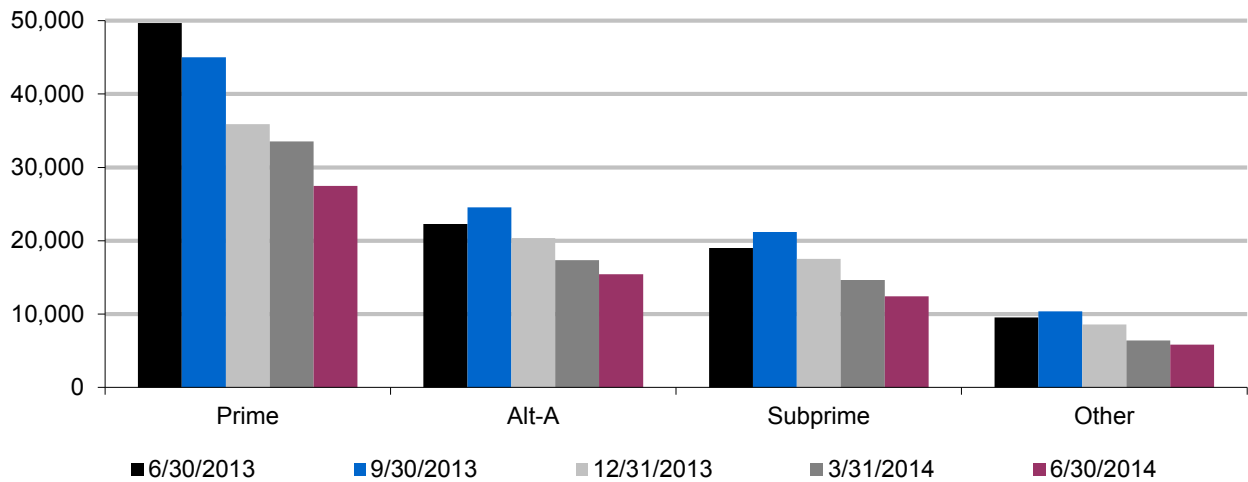


Appendix B—New Trial-Period Plans

Servicers initiated 61,157 trial-period plans during the second quarter of 2014, a decrease of 15.1 percent from the previous quarter and 39.1 percent from a year earlier.

| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
|----------|---------|---------|----------|---------|---------|------------|------------|
| Prime | 49,649 | 44,993 | 35,874 | 33,550 | 27,452 | -18.2% | -44.7% |
| Alt-A | 22,287 | 24,568 | 20,360 | 17,369 | 15,430 | -11.2% | -30.8% |
| Subprime | 19,017 | 21,201 | 17,510 | 14,665 | 12,433 | -15.2% | -34.6% |
| Other | 9,531 | 10,399 | 8,572 | 6,414 | 5,842 | -8.9% | -38.7% |
| Total | 100,484 | 101,161 | 82,316 | 71,998 | 61,157 | -15.1% | -39.1% |

Figure 21. Number of New Trial-Period Plans

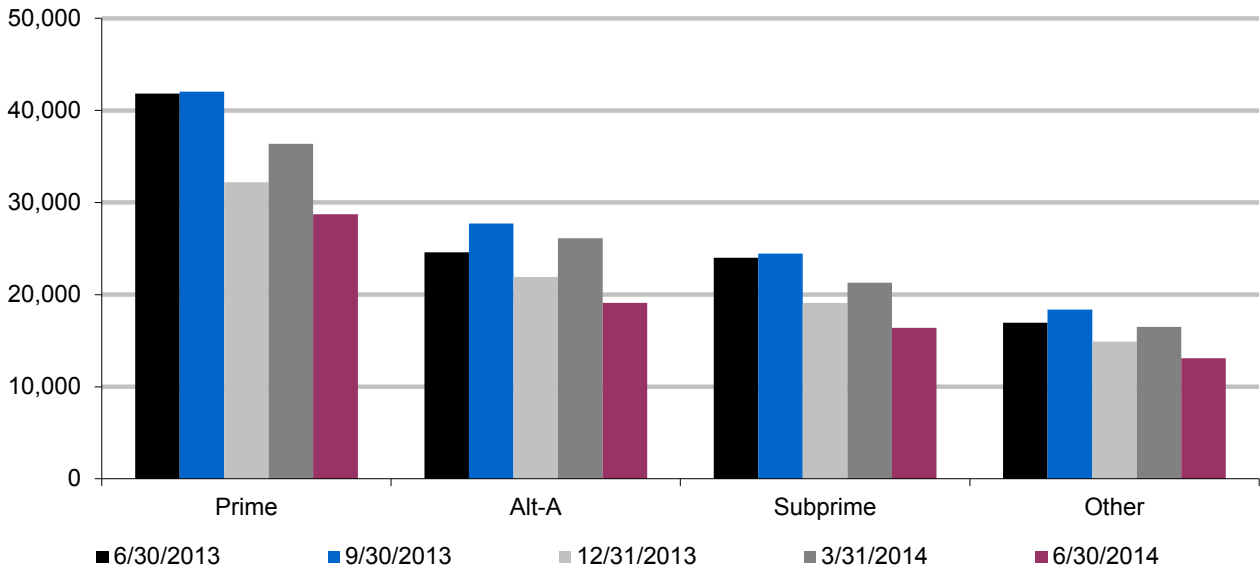


Appendix C—New Payment Plans

New payment plans decreased by 22.9 percent during the second quarter of 2014 to 77,352, a decrease of 28.0 percent from a year earlier.

| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
|----------|---------|---------|----------|---------|---------|------------|------------|
| Prime | 41,831 | 42,039 | 32,195 | 36,392 | 28,740 | -21.0% | -31.3% |
| Alt-A | 24,587 | 27,712 | 21,908 | 26,135 | 19,117 | -26.9% | -22.2% |
| Subprime | 24,023 | 24,448 | 19,100 | 21,300 | 16,407 | -23.0% | -31.7% |
| Other | 16,962 | 18,369 | 14,890 | 16,488 | 13,088 | -20.6% | -22.8% |
| Total | 107,403 | 112,568 | 88,093 | 100,315 | 77,352 | -22.9% | -28.0% |

Figure 22. Number of New Payment Plans



Appendix D—Breakdown of Individual and Combination Modification Actions

Servicers generally use a combination of actions to reduce monthly payments and achieve payment sustainability when modifying a mortgage. Servicers changed more than one loan term in 89.2 percent of all modifications completed during the second quarter of 2014.

| Table 52. Changes in Terms for Modifications Made Through the Second Quarter of 2014 | | | | | | | |
|---|---------|---------|----------|---------|---------|---------------|----------------------|
| (Percentage of Modifications in Each Category) | | | | | | | |
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change *** |
| Combination* | 89.7% | 92.3% | 95.5% | 92.8% | 89.2% | -3.9% | -0.5% |
| Capitalization | 1.8% | 2.1% | 2.4% | 2.9% | 2.8% | -4.4% | 57.9% |
| Rate Reduction | 5.6% | 2.5% | 0.7% | 0.3% | 0.7% | 160.4% | -87.0% |
| Rate Freeze | 0.0% | 0.01% | 0.01% | 0.01% | 0.1% | 1,513.0% | 5,234.1% |
| Term Extension | 1.2% | 0.6% | 0.5% | 3.1% | 6.3% | 103.5% | 419.0% |
| Principal Reduction | 0.08% | 0.01% | 0.01% | 0.02% | 0.0% | -85.5% | -96.5% |
| Principal Deferral | 0.1% | 0.2% | 0.2% | 0.2% | 0.09% | -50.7% | -35.9% |
| Not Reported** | 1.5% | 2.2% | 0.7% | 0.7% | 0.7% | 5.0% | -52.1% |
| (Number of Changes in Each Category) | | | | | | | |
| Combination | 97,024 | 91,641 | 69,183 | 60,725 | 62,118 | 2.3% | -36.0% |
| Capitalization | 1,922 | 2,093 | 1,761 | 1,920 | 1,954 | 1.8% | 1.7% |
| Rate Reduction | 6,113 | 2,471 | 505 | 184 | 510 | 177.2% | -91.7% |
| Rate Freeze | 3 | 6 | 5 | 6 | 103 | 1,616.7% | 3,333.3% |
| Term Extension | 1,319 | 645 | 361 | 2,034 | 4,406 | 116.6% | 234.0% |
| Principal Reduction | 88 | 6 | 9 | 13 | 2 | -84.6% | -97.7% |
| Principal Deferral | 155 | 240 | 134 | 122 | 64 | -47.5% | -58.7% |
| Not Reported | 1,571 | 2,191 | 508 | 433 | 484 | 11.8% | -69.2% |
| All Modifications | 108,195 | 99,293 | 72,466 | 65,437 | 69,641 | 6.4% | -35.6% |

*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.

**See note to table 17.

***Calculated using unrounded values.

Changes in Terms for Combination Modification Actions

Of the 62,118 modifications completed during the second quarter of 2014 that changed more than one term of the mortgage contract, 63.0 percent included capitalization of missed fees and payments, 79.7 percent included interest-rate reduction, and 87.1 percent included an extension of the loan maturity. Principal deferral was included in 12.8 percent of the combination modifications implemented during the quarter, and principal reduction was included in 5.6 percent. Because combination modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total combination modifications.

| Table 53. Changes in Terms for Combination Modifications Through the Second Quarter of 2014 | | | | | | | |
|--|---------|---------|----------|---------|---------|---------------|---------------|
| (Percentage of Modifications in Each Category) | | | | | | | |
| | 6/30/13 | 9/30/13 | 12/31/13 | 3/31/14 | 6/30/14 | 1Q %Change | 1Y %Change |
| Capitalization | 89.0% | 88.2% | 89.3% | 76.9% | 63.0% | -18.1% | -29.2% |
| Rate Reduction | 84.0% | 82.8% | 79.6% | 78.6% | 79.7% | 1.4% | -5.1% |
| Rate Freeze | 5.8% | 5.9% | 7.3% | 7.0% | 7.8% | 10.9% | 34.9% |
| Term Extension | 74.1% | 74.4% | 79.0% | 80.7% | 87.1% | 8.0% | 17.5% |
| Principal Reduction* | 13.5% | 14.7% | 11.0% | 8.7% | 5.6% | -35.8% | -58.3% |
| Principal Deferral | 22.7% | 27.2% | 31.9% | 26.9% | 12.8% | -52.3% | -43.5% |
| (Number of Changes in Each Category) | | | | | | | |
| Capitalization | 86,318 | 80,801 | 61,784 | 46,705 | 39,111 | -16.3% | -54.7% |
| Rate Reduction | 81,526 | 75,838 | 55,049 | 47,755 | 49,537 | 3.7% | -39.2% |
| Rate Freeze | 5,616 | 5,407 | 5,067 | 4,273 | 4,849 | 13.5% | -13.7% |
| Term Extension | 71,935 | 68,175 | 54,665 | 48,996 | 54,109 | 10.4% | -24.8% |
| Principal Reduction | 13,062 | 13,496 | 7,625 | 5,309 | 3,486 | -34.3% | -73.3% |
| Principal Deferral | 22,040 | 24,910 | 22,061 | 16,328 | 7,967 | -51.2% | -63.9% |

*See note to table 17.

Appendix E—Mortgage Modification Data by State

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

Table 54 presents the number and percentage of HAMP modifications and other modifications in each state during the second quarter of 2014. Tables 55 and 56 present the number and percentage of each type of action included in modifications made during the quarter in each state, the District of Columbia, and U.S. territories. Tables 57 and 58 present the number and percentage of each type of action included in combination modifications made during the quarter in each state, the District of Columbia, and U.S. territories. Tables 59 and 60 present the number and percentage of modifications made during the quarter in each state, the District of Columbia, and U.S. territories by the amount of change in the borrowers’ monthly principal and interest payments. Tables 61 and 62 present the number and percentage of modifications made in the fourth quarter of 2013 that were 60 or more days delinquent or in the process of foreclosure at the end of the second quarter of 2014.

**Table 54. Number and Percentage of Mortgage Modifications
Implemented in the Second Quarter of 2014**

| States | HAMP Modifications | | Other Modifications | | Total Modifications | |
|----------------------|--------------------|------------------|---------------------|------------------|---------------------|------------|
| | Total | % of State Total | Total | % of State Total | Total | % of Total |
| Total - All States | 39,616 | 56.9% | 30,025 | 43.1% | 69,641 | 100.0% |
| Alabama | 537 | 55.1% | 437 | 44.9% | 974 | 1.4% |
| Alaska | 27 | 54.0% | 23 | 46.0% | 50 | 0.07% |
| Arizona | 549 | 51.7% | 512 | 48.3% | 1,061 | 1.5% |
| Arkansas | 378 | 64.4% | 209 | 35.6% | 587 | 0.8% |
| California | 2,995 | 47.0% | 3,377 | 53.0% | 6,372 | 9.1% |
| Colorado | 573 | 60.1% | 381 | 39.9% | 954 | 1.4% |
| Connecticut | 676 | 57.8% | 493 | 42.2% | 1,169 | 1.7% |
| Delaware | 194 | 54.2% | 164 | 45.8% | 358 | 0.5% |
| District of Columbia | 41 | 37.3% | 69 | 62.7% | 110 | 0.2% |
| Florida | 3,393 | 53.8% | 2,914 | 46.2% | 6,307 | 9.1% |
| Georgia | 2,249 | 59.8% | 1,510 | 40.2% | 3,759 | 5.4% |
| Hawaii | 58 | 37.2% | 98 | 62.8% | 156 | 0.2% |
| Idaho | 123 | 53.0% | 109 | 47.0% | 232 | 0.3% |
| Illinois | 1,955 | 57.4% | 1,453 | 42.6% | 3,408 | 4.9% |
| Indiana | 1,268 | 70.1% | 540 | 29.9% | 1,808 | 2.6% |
| Iowa | 309 | 60.7% | 200 | 39.3% | 509 | 0.7% |
| Kansas | 302 | 62.9% | 178 | 37.1% | 480 | 0.7% |
| Kentucky | 422 | 62.2% | 256 | 37.8% | 678 | 1.0% |
| Louisiana | 613 | 59.6% | 416 | 40.4% | 1,029 | 1.5% |
| Maine | 91 | 40.6% | 133 | 59.4% | 224 | 0.3% |
| Maryland | 1,400 | 56.3% | 1,088 | 43.7% | 2,488 | 3.6% |
| Massachusetts | 588 | 48.9% | 615 | 51.1% | 1,203 | 1.7% |
| Michigan | 890 | 57.5% | 657 | 42.5% | 1,547 | 2.2% |
| Minnesota | 717 | 57.5% | 529 | 42.5% | 1,246 | 1.8% |
| Mississippi | 258 | 58.9% | 180 | 41.1% | 438 | 0.6% |
| Missouri | 971 | 66.2% | 495 | 33.8% | 1,466 | 2.1% |
| Montana | 55 | 52.9% | 49 | 47.1% | 104 | 0.1% |
| Nebraska | 218 | 63.9% | 123 | 36.1% | 341 | 0.5% |
| Nevada | 399 | 50.1% | 397 | 49.9% | 796 | 1.1% |
| New Hampshire | 101 | 43.5% | 131 | 56.5% | 232 | 0.3% |
| New Jersey | 1,701 | 55.2% | 1,383 | 44.8% | 3,084 | 4.4% |
| New Mexico | 251 | 60.0% | 167 | 40.0% | 418 | 0.6% |
| New York | 2,335 | 56.2% | 1,821 | 43.8% | 4,156 | 6.0% |
| North Carolina | 1,334 | 53.8% | 1,147 | 46.2% | 2,481 | 3.6% |
| North Dakota | 9 | 40.9% | 13 | 59.1% | 22 | 0.03% |
| Ohio | 1,843 | 65.5% | 970 | 34.5% | 2,813 | 4.0% |
| Oklahoma | 358 | 64.9% | 194 | 35.1% | 552 | 0.8% |
| Oregon | 303 | 49.8% | 306 | 50.2% | 609 | 0.9% |
| Pennsylvania | 1,618 | 56.0% | 1,270 | 44.0% | 2,888 | 4.1% |
| Rhode Island | 164 | 57.5% | 121 | 42.5% | 285 | 0.4% |
| South Carolina | 670 | 55.1% | 547 | 44.9% | 1,217 | 1.7% |
| South Dakota | 25 | 45.5% | 30 | 54.5% | 55 | 0.1% |
| Tennessee | 764 | 60.2% | 506 | 39.8% | 1,270 | 1.8% |
| Texas | 3,156 | 67.5% | 1,520 | 32.5% | 4,676 | 6.7% |
| Utah | 336 | 60.9% | 216 | 39.1% | 552 | 0.8% |
| Vermont | 37 | 44.0% | 47 | 56.0% | 84 | 0.1% |
| Virginia | 963 | 56.4% | 743 | 43.6% | 1,706 | 2.4% |
| Washington | 745 | 52.3% | 680 | 47.7% | 1,425 | 2.0% |
| West Virginia | 71 | 41.8% | 99 | 58.2% | 170 | 0.2% |
| Wisconsin | 531 | 55.7% | 422 | 44.3% | 953 | 1.4% |
| Wyoming | 23 | 50.0% | 23 | 50.0% | 46 | 0.07% |
| Other | 29 | 31.2% | 64 | 68.8% | 93 | 0.1% |

**Table 55. Number of Mortgage Modification Actions
Implemented in the Second Quarter of 2014**

| States | Capitalization | Rate Reduction or Freeze | Term Extension | Principal Reductions | Principal Deferral | Combination | Not Reported | Total Modifications |
|----------------------|----------------|--------------------------|----------------|----------------------|--------------------|-------------|--------------|---------------------|
| Total - All States | 1,954 | 613 | 4,406 | 2 | 64 | 62,118 | 484 | 69,641 |
| Alabama | 25 | 4 | 62 | 0 | 0 | 870 | 13 | 974 |
| Alaska | 1 | 0 | 10 | 0 | 0 | 39 | 0 | 50 |
| Arizona | 36 | 15 | 72 | 0 | 0 | 931 | 7 | 1,061 |
| Arkansas | 20 | 4 | 26 | 0 | 0 | 536 | 1 | 587 |
| California | 248 | 64 | 434 | 0 | 19 | 5,526 | 81 | 6,372 |
| Colorado | 21 | 14 | 89 | 0 | 1 | 825 | 4 | 954 |
| Connecticut | 34 | 5 | 66 | 0 | 0 | 1,058 | 6 | 1,169 |
| Delaware | 13 | 1 | 30 | 0 | 0 | 312 | 2 | 358 |
| District of Columbia | 6 | 1 | 6 | 0 | 1 | 96 | 0 | 110 |
| Florida | 178 | 89 | 192 | 0 | 6 | 5,801 | 41 | 6,307 |
| Georgia | 111 | 38 | 299 | 1 | 5 | 3,267 | 38 | 3,759 |
| Hawaii | 9 | 3 | 6 | 0 | 1 | 137 | 0 | 156 |
| Idaho | 6 | 1 | 15 | 0 | 0 | 208 | 2 | 232 |
| Illinois | 44 | 22 | 238 | 0 | 5 | 3,076 | 23 | 3,408 |
| Indiana | 37 | 29 | 76 | 0 | 0 | 1,654 | 12 | 1,808 |
| Iowa | 13 | 3 | 23 | 0 | 0 | 467 | 3 | 509 |
| Kansas | 10 | 3 | 25 | 0 | 0 | 441 | 1 | 480 |
| Kentucky | 18 | 8 | 24 | 0 | 0 | 621 | 7 | 678 |
| Louisiana | 31 | 8 | 52 | 0 | 0 | 934 | 4 | 1,029 |
| Maine | 10 | 2 | 9 | 0 | 0 | 201 | 2 | 224 |
| Maryland | 91 | 10 | 234 | 0 | 2 | 2,134 | 17 | 2,488 |
| Massachusetts | 43 | 6 | 92 | 0 | 0 | 1,053 | 9 | 1,203 |
| Michigan | 52 | 17 | 67 | 0 | 0 | 1,401 | 10 | 1,547 |
| Minnesota | 16 | 14 | 58 | 1 | 0 | 1,157 | 0 | 1,246 |
| Mississippi | 23 | 2 | 25 | 0 | 0 | 388 | 0 | 438 |
| Missouri | 33 | 16 | 55 | 0 | 0 | 1,357 | 5 | 1,466 |
| Montana | 4 | 1 | 6 | 0 | 0 | 93 | 0 | 104 |
| Nebraska | 3 | 3 | 20 | 0 | 0 | 313 | 2 | 341 |
| Nevada | 24 | 15 | 50 | 0 | 0 | 698 | 9 | 796 |
| New Hampshire | 8 | 2 | 19 | 0 | 0 | 201 | 2 | 232 |
| New Jersey | 56 | 13 | 244 | 0 | 9 | 2,750 | 12 | 3,084 |
| New Mexico | 10 | 7 | 24 | 0 | 0 | 376 | 1 | 418 |
| New York | 64 | 24 | 279 | 0 | 8 | 3,718 | 63 | 4,156 |
| North Carolina | 103 | 18 | 167 | 0 | 1 | 2,176 | 16 | 2,481 |
| North Dakota | 0 | 0 | 1 | 0 | 0 | 21 | 0 | 22 |
| Ohio | 43 | 41 | 113 | 0 | 0 | 2,604 | 12 | 2,813 |
| Oklahoma | 14 | 8 | 24 | 0 | 0 | 501 | 5 | 552 |
| Oregon | 22 | 2 | 42 | 0 | 0 | 541 | 2 | 609 |
| Pennsylvania | 98 | 14 | 183 | 0 | 2 | 2,575 | 16 | 2,888 |
| Rhode Island | 8 | 5 | 20 | 0 | 0 | 252 | 0 | 285 |
| South Carolina | 36 | 16 | 60 | 0 | 0 | 1,099 | 6 | 1,217 |
| South Dakota | 3 | 0 | 2 | 0 | 0 | 50 | 0 | 55 |
| Tennessee | 30 | 6 | 70 | 0 | 0 | 1,156 | 8 | 1,270 |
| Texas | 157 | 23 | 393 | 0 | 0 | 4,084 | 19 | 4,676 |
| Utah | 17 | 7 | 60 | 0 | 0 | 468 | 0 | 552 |
| Vermont | 1 | 1 | 6 | 0 | 1 | 75 | 0 | 84 |
| Virginia | 61 | 14 | 174 | 0 | 2 | 1,443 | 12 | 1,706 |
| Washington | 33 | 7 | 113 | 0 | 1 | 1,266 | 5 | 1,425 |
| West Virginia | 7 | 3 | 6 | 0 | 0 | 153 | 1 | 170 |
| Wisconsin | 21 | 4 | 42 | 0 | 0 | 881 | 5 | 953 |
| Wyoming | 1 | 0 | 3 | 0 | 0 | 42 | 0 | 46 |
| Other | 1 | 0 | 0 | 0 | 0 | 92 | 0 | 93 |

**Table 56. Percentage of Mortgage Modification Actions
Implemented in the Second Quarter of 2014**

| States | Capitalization | Rate Reduction or Freeze | Term Extension | Principal Reduction | Principal Deferral | Combination | Not Reported | Total Modifications |
|----------------------|----------------|--------------------------|----------------|---------------------|--------------------|-------------|--------------|---------------------|
| Total - All States | 2.8% | 0.9% | 6.3% | 0.0% | 0.09% | 89.2% | 0.7% | 69,641 |
| Alabama | 2.6% | 0.4% | 6.4% | 0.0% | 0.0% | 89.3% | 1.3% | 974 |
| Alaska | 2.0% | 0.0% | 20.0% | 0.0% | 0.0% | 78.0% | 0.0% | 50 |
| Arizona | 3.4% | 1.4% | 6.8% | 0.0% | 0.0% | 87.7% | 0.7% | 1,061 |
| Arkansas | 3.4% | 0.7% | 4.4% | 0.0% | 0.0% | 91.3% | 0.2% | 587 |
| California | 3.9% | 1.0% | 6.8% | 0.0% | 0.3% | 86.7% | 1.3% | 6,372 |
| Colorado | 2.2% | 1.5% | 9.3% | 0.0% | 0.1% | 86.5% | 0.4% | 954 |
| Connecticut | 2.9% | 0.4% | 5.6% | 0.0% | 0.0% | 90.5% | 0.5% | 1,169 |
| Delaware | 3.6% | 0.3% | 8.4% | 0.0% | 0.0% | 87.2% | 0.6% | 358 |
| District of Columbia | 5.5% | 0.9% | 5.5% | 0.0% | 0.9% | 87.3% | 0.0% | 110 |
| Florida | 2.8% | 1.4% | 3.0% | 0.0% | 0.1% | 92.0% | 0.7% | 6,307 |
| Georgia | 3.0% | 1.0% | 8.0% | 0.03% | 0.1% | 86.9% | 1.0% | 3,759 |
| Hawaii | 5.8% | 1.9% | 3.8% | 0.0% | 0.6% | 87.8% | 0.0% | 156 |
| Idaho | 2.6% | 0.4% | 6.5% | 0.0% | 0.0% | 89.7% | 0.9% | 232 |
| Illinois | 1.3% | 0.6% | 7.0% | 0.0% | 0.1% | 90.3% | 0.7% | 3,408 |
| Indiana | 2.0% | 1.6% | 4.2% | 0.0% | 0.0% | 91.5% | 0.7% | 1,808 |
| Iowa | 2.6% | 0.6% | 4.5% | 0.0% | 0.0% | 91.7% | 0.6% | 509 |
| Kansas | 2.1% | 0.6% | 5.2% | 0.0% | 0.0% | 91.9% | 0.2% | 480 |
| Kentucky | 2.7% | 1.2% | 3.5% | 0.0% | 0.0% | 91.6% | 1.0% | 678 |
| Louisiana | 3.0% | 0.8% | 5.1% | 0.0% | 0.0% | 90.8% | 0.4% | 1,029 |
| Maine | 4.5% | 0.9% | 4.0% | 0.0% | 0.0% | 89.7% | 0.9% | 224 |
| Maryland | 3.7% | 0.4% | 9.4% | 0.0% | 0.08% | 85.8% | 0.7% | 2,488 |
| Massachusetts | 3.6% | 0.5% | 7.6% | 0.0% | 0.0% | 87.5% | 0.7% | 1,203 |
| Michigan | 3.4% | 1.1% | 4.3% | 0.0% | 0.0% | 90.6% | 0.6% | 1,547 |
| Minnesota | 1.3% | 1.1% | 4.7% | 0.08% | 0.0% | 92.9% | 0.0% | 1,246 |
| Mississippi | 5.3% | 0.5% | 5.7% | 0.0% | 0.0% | 88.6% | 0.0% | 438 |
| Missouri | 2.3% | 1.1% | 3.8% | 0.0% | 0.0% | 92.6% | 0.3% | 1,466 |
| Montana | 3.8% | 1.0% | 5.8% | 0.0% | 0.0% | 89.4% | 0.0% | 104 |
| Nebraska | 0.9% | 0.9% | 5.9% | 0.0% | 0.0% | 91.8% | 0.6% | 341 |
| Nevada | 3.0% | 1.9% | 6.3% | 0.0% | 0.0% | 87.7% | 1.1% | 796 |
| New Hampshire | 3.4% | 0.9% | 8.2% | 0.0% | 0.0% | 86.6% | 0.9% | 232 |
| New Jersey | 1.8% | 0.4% | 7.9% | 0.0% | 0.3% | 89.2% | 0.4% | 3,084 |
| New Mexico | 2.4% | 1.7% | 5.7% | 0.0% | 0.0% | 90.0% | 0.2% | 418 |
| New York | 1.5% | 0.6% | 6.7% | 0.0% | 0.2% | 89.5% | 1.5% | 4,156 |
| North Carolina | 4.2% | 0.7% | 6.7% | 0.0% | 0.04% | 87.7% | 0.6% | 2,481 |
| North Dakota | 0.0% | 0.0% | 4.5% | 0.0% | 0.0% | 95.5% | 0.0% | 22 |
| Ohio | 1.5% | 1.5% | 4.0% | 0.0% | 0.0% | 92.6% | 0.4% | 2,813 |
| Oklahoma | 2.5% | 1.4% | 4.3% | 0.0% | 0.0% | 90.8% | 0.9% | 552 |
| Oregon | 3.6% | 0.3% | 6.9% | 0.0% | 0.0% | 88.8% | 0.3% | 609 |
| Pennsylvania | 3.4% | 0.5% | 6.3% | 0.0% | 0.07% | 89.2% | 0.6% | 2,888 |
| Rhode Island | 2.8% | 1.8% | 7.0% | 0.0% | 0.0% | 88.4% | 0.0% | 285 |
| South Carolina | 3.0% | 1.3% | 4.9% | 0.0% | 0.0% | 90.3% | 0.5% | 1,217 |
| South Dakota | 5.5% | 0.0% | 3.6% | 0.0% | 0.0% | 90.9% | 0.0% | 55 |
| Tennessee | 2.4% | 0.5% | 5.5% | 0.0% | 0.0% | 91.0% | 0.6% | 1,270 |
| Texas | 3.4% | 0.5% | 8.4% | 0.0% | 0.0% | 87.3% | 0.4% | 4,676 |
| Utah | 3.1% | 1.3% | 10.9% | 0.0% | 0.0% | 84.8% | 0.0% | 552 |
| Vermont | 1.2% | 1.2% | 7.1% | 0.0% | 1.2% | 89.3% | 0.0% | 84 |
| Virginia | 3.6% | 0.8% | 10.2% | 0.0% | 0.1% | 84.6% | 0.7% | 1,706 |
| Washington | 2.3% | 0.5% | 7.9% | 0.0% | 0.07% | 88.8% | 0.4% | 1,425 |
| West Virginia | 4.1% | 1.8% | 3.5% | 0.0% | 0.0% | 90.0% | 0.6% | 170 |
| Wisconsin | 2.2% | 0.4% | 4.4% | 0.0% | 0.0% | 92.4% | 0.5% | 953 |
| Wyoming | 2.2% | 0.0% | 6.5% | 0.0% | 0.0% | 91.3% | 0.0% | 46 |
| Other | 1.1% | 0.0% | 0.0% | 0.0% | 0.0% | 98.9% | 0.0% | 93 |

**Table 57. Number of Modification Actions in Combination Actions
Implemented in the Second Quarter of 2014**

| States | Capitalization | Rate Reduction or Freeze | Term Extension | Principal Reduction | Principal Deferral | Total Combination Modifications |
|----------------------|----------------|--------------------------|----------------|---------------------|--------------------|---------------------------------|
| Total - All States | 39,111 | 54,182 | 54,109 | 3,486 | 7,967 | 62,118 |
| Alabama | 533 | 778 | 776 | 24 | 79 | 870 |
| Alaska | 22 | 31 | 37 | 1 | 1 | 39 |
| Arizona | 615 | 812 | 790 | 51 | 163 | 931 |
| Arkansas | 248 | 491 | 477 | 4 | 26 | 536 |
| California | 4,193 | 4,552 | 4,145 | 752 | 1,004 | 5,526 |
| Colorado | 481 | 725 | 731 | 12 | 45 | 825 |
| Connecticut | 668 | 916 | 916 | 76 | 135 | 1,058 |
| Delaware | 206 | 272 | 286 | 15 | 37 | 312 |
| District of Columbia | 77 | 69 | 81 | 10 | 18 | 96 |
| Florida | 4,070 | 4,976 | 4,900 | 595 | 1,156 | 5,801 |
| Georgia | 1,840 | 2,932 | 2,882 | 141 | 386 | 3,267 |
| Hawaii | 125 | 117 | 98 | 4 | 14 | 137 |
| Idaho | 121 | 186 | 185 | 4 | 21 | 208 |
| Illinois | 2,001 | 2,662 | 2,725 | 238 | 544 | 3,076 |
| Indiana | 734 | 1,542 | 1,540 | 33 | 126 | 1,654 |
| Iowa | 248 | 411 | 423 | 6 | 30 | 467 |
| Kansas | 216 | 388 | 408 | 4 | 34 | 441 |
| Kentucky | 340 | 570 | 571 | 8 | 37 | 621 |
| Louisiana | 501 | 858 | 813 | 14 | 59 | 934 |
| Maine | 148 | 168 | 166 | 9 | 28 | 201 |
| Maryland | 1,386 | 1,811 | 1,818 | 162 | 344 | 2,134 |
| Massachusetts | 791 | 864 | 913 | 58 | 134 | 1,053 |
| Michigan | 879 | 1,289 | 1,204 | 62 | 200 | 1,401 |
| Minnesota | 675 | 1,030 | 1,044 | 23 | 135 | 1,157 |
| Mississippi | 211 | 362 | 337 | 9 | 28 | 388 |
| Missouri | 685 | 1,235 | 1,220 | 51 | 147 | 1,357 |
| Montana | 53 | 80 | 80 | 0 | 7 | 93 |
| Nebraska | 160 | 283 | 282 | 4 | 17 | 313 |
| Nevada | 464 | 578 | 578 | 66 | 152 | 698 |
| New Hampshire | 159 | 167 | 163 | 12 | 30 | 201 |
| New Jersey | 1,906 | 2,289 | 2,454 | 226 | 469 | 2,750 |
| New Mexico | 206 | 332 | 331 | 5 | 29 | 376 |
| New York | 2,624 | 3,134 | 3,269 | 227 | 589 | 3,718 |
| North Carolina | 1,406 | 1,904 | 1,899 | 68 | 154 | 2,176 |
| North Dakota | 17 | 12 | 18 | - | 1 | 21 |
| Ohio | 1,286 | 2,402 | 2,403 | 72 | 257 | 2,604 |
| Oklahoma | 236 | 470 | 458 | 5 | 21 | 501 |
| Oregon | 375 | 452 | 480 | 19 | 61 | 541 |
| Pennsylvania | 1,704 | 2,197 | 2,325 | 83 | 287 | 2,575 |
| Rhode Island | 160 | 218 | 221 | 15 | 50 | 252 |
| South Carolina | 673 | 961 | 968 | 44 | 113 | 1,099 |
| South Dakota | 33 | 41 | 44 | 0 | 3 | 50 |
| Tennessee | 680 | 1,039 | 1,007 | 42 | 94 | 1,156 |
| Texas | 2,087 | 3,744 | 3,769 | 64 | 205 | 4,084 |
| Utah | 245 | 409 | 421 | 16 | 32 | 468 |
| Vermont | 56 | 62 | 61 | 0 | 9 | 75 |
| Virginia | 903 | 1,257 | 1,241 | 68 | 141 | 1,443 |
| Washington | 841 | 1,080 | 1,108 | 42 | 151 | 1,266 |
| West Virginia | 102 | 137 | 138 | 4 | 15 | 153 |
| Wisconsin | 600 | 772 | 786 | 37 | 144 | 881 |
| Wyoming | 29 | 35 | 37 | 0 | 2 | 42 |
| Other | 92 | 80 | 82 | 1 | 3 | 92 |

**Table 58. Percentage of Modification Actions in Combination Actions
Implemented in the Second Quarter of 2014**

| States | Capitalization | Rate Reduction or Freeze | Term Extension | Principal Reduction | Principal Deferral | Total Combination Modifications |
|----------------------|----------------|--------------------------|----------------|---------------------|--------------------|---------------------------------|
| Total - All States | 63.0% | 87.2% | 87.1% | 5.6% | 12.8% | 62,118 |
| Alabama | 61.3% | 89.4% | 89.2% | 2.8% | 9.1% | 870 |
| Alaska | 56.4% | 79.5% | 94.9% | 2.6% | 2.6% | 39 |
| Arizona | 66.1% | 87.2% | 84.9% | 5.5% | 17.5% | 931 |
| Arkansas | 46.3% | 91.6% | 89.0% | 0.7% | 4.9% | 536 |
| California | 75.9% | 82.4% | 75.0% | 13.6% | 18.2% | 5,526 |
| Colorado | 58.3% | 87.9% | 88.6% | 1.5% | 5.5% | 825 |
| Connecticut | 63.1% | 86.6% | 86.6% | 7.2% | 12.8% | 1,058 |
| Delaware | 66.0% | 87.2% | 91.7% | 4.8% | 11.9% | 312 |
| District of Columbia | 80.2% | 71.9% | 84.4% | 10.4% | 18.8% | 96 |
| Florida | 70.2% | 85.8% | 84.5% | 10.3% | 19.9% | 5,801 |
| Georgia | 56.3% | 89.7% | 88.2% | 4.3% | 11.8% | 3,267 |
| Hawaii | 91.2% | 85.4% | 71.5% | 2.9% | 10.2% | 137 |
| Idaho | 58.2% | 89.4% | 88.9% | 1.9% | 10.1% | 208 |
| Illinois | 65.1% | 86.5% | 88.6% | 7.7% | 17.7% | 3,076 |
| Indiana | 44.4% | 93.2% | 93.1% | 2.0% | 7.6% | 1,654 |
| Iowa | 53.1% | 88.0% | 90.6% | 1.3% | 6.4% | 467 |
| Kansas | 49.0% | 88.0% | 92.5% | 0.9% | 7.7% | 441 |
| Kentucky | 54.8% | 91.8% | 91.9% | 1.3% | 6.0% | 621 |
| Louisiana | 53.6% | 91.9% | 87.0% | 1.5% | 6.3% | 934 |
| Maine | 73.6% | 83.6% | 82.6% | 4.5% | 13.9% | 201 |
| Maryland | 64.9% | 84.9% | 85.2% | 7.6% | 16.1% | 2,134 |
| Massachusetts | 75.1% | 82.1% | 86.7% | 5.5% | 12.7% | 1,053 |
| Michigan | 62.7% | 92.0% | 85.9% | 4.4% | 14.3% | 1,401 |
| Minnesota | 58.3% | 89.0% | 90.2% | 2.0% | 11.7% | 1,157 |
| Mississippi | 54.4% | 93.3% | 86.9% | 2.3% | 7.2% | 388 |
| Missouri | 50.5% | 91.0% | 89.9% | 3.8% | 10.8% | 1,357 |
| Montana | 57.0% | 86.0% | 86.0% | 0.0% | 7.5% | 93 |
| Nebraska | 51.1% | 90.4% | 90.1% | 1.3% | 5.4% | 313 |
| Nevada | 66.5% | 82.8% | 82.8% | 9.5% | 21.8% | 698 |
| New Hampshire | 79.1% | 83.1% | 81.1% | 6.0% | 14.9% | 201 |
| New Jersey | 69.3% | 83.2% | 89.2% | 8.2% | 17.1% | 2,750 |
| New Mexico | 54.8% | 88.3% | 88.0% | 1.3% | 7.7% | 376 |
| New York | 70.6% | 84.3% | 87.9% | 6.1% | 15.8% | 3,718 |
| North Carolina | 64.6% | 87.5% | 87.3% | 3.1% | 7.1% | 2,176 |
| North Dakota | 81.0% | 57.1% | 85.7% | 0.0% | 4.8% | 21 |
| Ohio | 49.4% | 92.2% | 92.3% | 2.8% | 9.9% | 2,604 |
| Oklahoma | 47.1% | 93.8% | 91.4% | 1.0% | 4.2% | 501 |
| Oregon | 69.3% | 83.5% | 88.7% | 3.5% | 11.3% | 541 |
| Pennsylvania | 66.2% | 85.3% | 90.3% | 3.2% | 11.1% | 2,575 |
| Rhode Island | 63.5% | 86.5% | 87.7% | 6.0% | 19.8% | 252 |
| South Carolina | 61.2% | 87.4% | 88.1% | 4.0% | 10.3% | 1,099 |
| South Dakota | 66.0% | 82.0% | 88.0% | 0.0% | 6.0% | 50 |
| Tennessee | 58.8% | 89.9% | 87.1% | 3.6% | 8.1% | 1,156 |
| Texas | 51.1% | 91.7% | 92.3% | 1.6% | 5.0% | 4,084 |
| Utah | 52.4% | 87.4% | 90.0% | 3.4% | 6.8% | 468 |
| Vermont | 74.7% | 82.7% | 81.3% | 0.0% | 12.0% | 75 |
| Virginia | 62.6% | 87.1% | 86.0% | 4.7% | 9.8% | 1,443 |
| Washington | 66.4% | 85.3% | 87.5% | 3.3% | 11.9% | 1,266 |
| West Virginia | 66.7% | 89.5% | 90.2% | 2.6% | 9.8% | 153 |
| Wisconsin | 68.1% | 87.6% | 89.2% | 4.2% | 16.3% | 881 |
| Wyoming | 69.0% | 83.3% | 88.1% | 0.0% | 4.8% | 42 |
| Other | 100.0% | 87.0% | 89.1% | 1.1% | 3.3% | 92 |

Table 59. Changes in Monthly Principal and Interest Payments by State (Number)
 Modifications Implemented in the Second Quarter of 2014

| States | Decreased by 20% or More | Decreased by 10% to Less Than 20% | Decreased by Less Than 10% | Unchanged | Increased | Not Reported | Total Modifications |
|----------------------|--------------------------|-----------------------------------|----------------------------|-----------|-----------|--------------|---------------------|
| Total - All States | 38,965 | 15,855 | 8,838 | 717 | 5,085 | 181 | 69,641 |
| Alabama | 514 | 240 | 123 | 23 | 72 | 2 | 974 |
| Alaska | 26 | 16 | 3 | 0 | 5 | 0 | 50 |
| Arizona | 556 | 260 | 145 | 14 | 83 | 3 | 1,061 |
| Arkansas | 287 | 131 | 114 | 6 | 49 | 0 | 587 |
| California | 3,654 | 1,357 | 729 | 100 | 501 | 31 | 6,372 |
| Colorado | 537 | 213 | 138 | 13 | 52 | 1 | 954 |
| Connecticut | 687 | 246 | 146 | 9 | 78 | 3 | 1,169 |
| Delaware | 189 | 89 | 53 | 3 | 24 | 0 | 358 |
| District of Columbia | 53 | 25 | 23 | 1 | 8 | 0 | 110 |
| Florida | 3,837 | 1,141 | 701 | 66 | 545 | 17 | 6,307 |
| Georgia | 2,182 | 863 | 421 | 45 | 230 | 18 | 3,759 |
| Hawaii | 75 | 27 | 28 | 2 | 24 | 0 | 156 |
| Idaho | 110 | 57 | 43 | 1 | 20 | 1 | 232 |
| Illinois | 2,046 | 735 | 411 | 29 | 179 | 8 | 3,408 |
| Indiana | 921 | 470 | 284 | 29 | 103 | 1 | 1,808 |
| Iowa | 240 | 146 | 77 | 7 | 39 | 0 | 509 |
| Kansas | 254 | 117 | 69 | 2 | 38 | 0 | 480 |
| Kentucky | 349 | 176 | 94 | 11 | 47 | 1 | 678 |
| Louisiana | 535 | 230 | 172 | 8 | 84 | 0 | 1,029 |
| Maine | 107 | 55 | 32 | 2 | 28 | 0 | 224 |
| Maryland | 1,320 | 618 | 314 | 26 | 205 | 5 | 2,488 |
| Massachusetts | 648 | 302 | 149 | 9 | 92 | 3 | 1,203 |
| Michigan | 904 | 318 | 207 | 19 | 99 | 0 | 1,547 |
| Minnesota | 658 | 315 | 197 | 12 | 63 | 1 | 1,246 |
| Mississippi | 235 | 96 | 63 | 2 | 42 | 0 | 438 |
| Missouri | 770 | 375 | 233 | 20 | 66 | 2 | 1,466 |
| Montana | 43 | 32 | 15 | 0 | 14 | 0 | 104 |
| Nebraska | 180 | 73 | 56 | 6 | 26 | 0 | 341 |
| Nevada | 477 | 179 | 78 | 5 | 54 | 3 | 796 |
| New Hampshire | 117 | 53 | 35 | 1 | 23 | 3 | 232 |
| New Jersey | 1,881 | 637 | 322 | 22 | 216 | 6 | 3,084 |
| New Mexico | 208 | 123 | 49 | 7 | 31 | 0 | 418 |
| New York | 2,481 | 883 | 429 | 41 | 282 | 40 | 4,156 |
| North Carolina | 1,287 | 584 | 340 | 23 | 240 | 7 | 2,481 |
| North Dakota | 6 | 7 | 7 | 0 | 2 | 0 | 22 |
| Ohio | 1,585 | 608 | 454 | 32 | 132 | 2 | 2,813 |
| Oklahoma | 267 | 152 | 83 | 10 | 40 | 0 | 552 |
| Oregon | 312 | 167 | 65 | 2 | 62 | 1 | 609 |
| Pennsylvania | 1,676 | 681 | 281 | 21 | 221 | 8 | 2,888 |
| Rhode Island | 175 | 61 | 33 | 1 | 14 | 1 | 285 |
| South Carolina | 624 | 289 | 182 | 16 | 104 | 2 | 1,217 |
| South Dakota | 24 | 17 | 5 | 1 | 8 | 0 | 55 |
| Tennessee | 732 | 288 | 155 | 9 | 85 | 1 | 1,270 |
| Texas | 2,571 | 1,109 | 612 | 27 | 354 | 3 | 4,676 |
| Utah | 248 | 156 | 102 | 2 | 44 | 0 | 552 |
| Vermont | 29 | 21 | 21 | 1 | 10 | 2 | 84 |
| Virginia | 903 | 428 | 214 | 15 | 142 | 4 | 1,706 |
| Washington | 723 | 401 | 183 | 3 | 114 | 1 | 1,425 |
| West Virginia | 92 | 33 | 30 | 1 | 14 | 0 | 170 |
| Wisconsin | 535 | 232 | 107 | 9 | 70 | 0 | 953 |
| Wyoming | 24 | 11 | 4 | 1 | 6 | 0 | 46 |
| Other | 71 | 12 | 7 | 2 | 1 | 0 | 93 |

| Table 60. Changes in Monthly Principal and Interest Payments (Percentage) | | | | | | | |
|--|--------------------------|-----------------------------------|----------------------------|-----------|-----------|--------------|---------------------|
| Modifications Implemented in the Second Quarter of 2014 | | | | | | | |
| States | Decreased by 20% or More | Decreased by 10% to Less Than 20% | Decreased by Less Than 10% | Unchanged | Increased | Not Reported | Total Modifications |
| Total - All States | 56.0% | 22.8% | 12.7% | 1.0% | 7.3% | 0.3% | 69,641 |
| Alabama | 52.8% | 24.6% | 12.6% | 2.4% | 7.4% | 0.2% | 974 |
| Alaska | 52.0% | 32.0% | 6.0% | 0.0% | 10.0% | 0.0% | 50 |
| Arizona | 52.4% | 24.5% | 13.7% | 1.3% | 7.8% | 0.3% | 1,061 |
| Arkansas | 48.9% | 22.3% | 19.4% | 1.0% | 8.3% | 0.0% | 587 |
| California | 57.3% | 21.3% | 11.4% | 1.6% | 7.9% | 0.5% | 6,372 |
| Colorado | 56.3% | 22.3% | 14.5% | 1.4% | 5.5% | 0.1% | 954 |
| Connecticut | 58.8% | 21.0% | 12.5% | 0.8% | 6.7% | 0.3% | 1,169 |
| Delaware | 52.8% | 24.9% | 14.8% | 0.8% | 6.7% | 0.0% | 358 |
| District of Columbia | 48.2% | 22.7% | 20.9% | 0.9% | 7.3% | 0.0% | 110 |
| Florida | 60.8% | 18.1% | 11.1% | 1.0% | 8.6% | 0.3% | 6,307 |
| Georgia | 58.0% | 23.0% | 11.2% | 1.2% | 6.1% | 0.5% | 3,759 |
| Hawaii | 48.1% | 17.3% | 17.9% | 1.3% | 15.4% | 0.0% | 156 |
| Idaho | 47.4% | 24.6% | 18.5% | 0.4% | 8.6% | 0.4% | 232 |
| Illinois | 60.0% | 21.6% | 12.1% | 0.9% | 5.3% | 0.2% | 3,408 |
| Indiana | 50.9% | 26.0% | 15.7% | 1.6% | 5.7% | 0.06% | 1,808 |
| Iowa | 47.2% | 28.7% | 15.1% | 1.4% | 7.7% | 0.0% | 509 |
| Kansas | 52.9% | 24.4% | 14.4% | 0.4% | 7.9% | 0.0% | 480 |
| Kentucky | 51.5% | 26.0% | 13.9% | 1.6% | 6.9% | 0.1% | 678 |
| Louisiana | 52.0% | 22.4% | 16.7% | 0.8% | 8.2% | 0.0% | 1,029 |
| Maine | 47.8% | 24.6% | 14.3% | 0.9% | 12.5% | 0.0% | 224 |
| Maryland | 53.1% | 24.8% | 12.6% | 1.0% | 8.2% | 0.2% | 2,488 |
| Massachusetts | 53.9% | 25.1% | 12.4% | 0.7% | 7.6% | 0.2% | 1,203 |
| Michigan | 58.4% | 20.6% | 13.4% | 1.2% | 6.4% | 0.0% | 1,547 |
| Minnesota | 52.8% | 25.3% | 15.8% | 1.0% | 5.1% | 0.1% | 1,246 |
| Mississippi | 53.7% | 21.9% | 14.4% | 0.5% | 9.6% | 0.0% | 438 |
| Missouri | 52.5% | 25.6% | 15.9% | 1.4% | 4.5% | 0.07% | 1,466 |
| Montana | 41.3% | 30.8% | 14.4% | 0.0% | 13.5% | 0.0% | 104 |
| Nebraska | 52.8% | 21.4% | 16.4% | 1.8% | 7.6% | 0.0% | 341 |
| Nevada | 59.9% | 22.5% | 9.8% | 0.6% | 6.8% | 0.4% | 796 |
| New Hampshire | 50.4% | 22.8% | 15.1% | 0.4% | 9.9% | 1.3% | 232 |
| New Jersey | 61.0% | 20.7% | 10.4% | 0.7% | 7.0% | 0.2% | 3,084 |
| New Mexico | 49.8% | 29.4% | 11.7% | 1.7% | 7.4% | 0.0% | 418 |
| New York | 59.7% | 21.2% | 10.3% | 1.0% | 6.8% | 1.0% | 4,156 |
| North Carolina | 51.9% | 23.5% | 13.7% | 0.9% | 9.7% | 0.3% | 2,481 |
| North Dakota | 27.3% | 31.8% | 31.8% | 0.0% | 9.1% | 0.0% | 22 |
| Ohio | 56.3% | 21.6% | 16.1% | 1.1% | 4.7% | 0.1% | 2,813 |
| Oklahoma | 48.4% | 27.5% | 15.0% | 1.8% | 7.2% | 0.0% | 552 |
| Oregon | 51.2% | 27.4% | 10.7% | 0.3% | 10.2% | 0.2% | 609 |
| Pennsylvania | 58.0% | 23.6% | 9.7% | 0.7% | 7.7% | 0.3% | 2,888 |
| Rhode Island | 61.4% | 21.4% | 11.6% | 0.4% | 4.9% | 0.4% | 285 |
| South Carolina | 51.3% | 23.7% | 15.0% | 1.3% | 8.5% | 0.2% | 1,217 |
| South Dakota | 43.6% | 30.9% | 9.1% | 1.8% | 14.5% | 0.0% | 55 |
| Tennessee | 57.6% | 22.7% | 12.2% | 0.7% | 6.7% | 0.08% | 1,270 |
| Texas | 55.0% | 23.7% | 13.1% | 0.6% | 7.6% | 0.06% | 4,676 |
| Utah | 44.9% | 28.3% | 18.5% | 0.4% | 8.0% | 0.0% | 552 |
| Vermont | 34.5% | 25.0% | 25.0% | 1.2% | 11.9% | 2.4% | 84 |
| Virginia | 52.9% | 25.1% | 12.5% | 0.9% | 8.3% | 0.2% | 1,706 |
| Washington | 50.7% | 28.1% | 12.8% | 0.2% | 8.0% | 0.07% | 1,425 |
| West Virginia | 54.1% | 19.4% | 17.6% | 0.6% | 8.2% | 0.0% | 170 |
| Wisconsin | 56.1% | 24.3% | 11.2% | 0.9% | 7.3% | 0.0% | 953 |
| Wyoming | 52.2% | 23.9% | 8.7% | 2.2% | 13.0% | 0.0% | 46 |
| Other | 76.3% | 12.9% | 7.5% | 2.2% | 1.1% | 0.0% | 93 |

| Table 61. Number of Re-Defaults for Loans Modified in the Fourth Quarter of 2013 (60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments) | | | | | | | |
|--|--------------------------|-----------------------------------|----------------------------|-----------|-----------|--------------|---------------------|
| States | Decreased by 20% or More | Decreased by 10% to Less Than 20% | Decreased by Less Than 10% | Unchanged | Increased | Not Reported | Total Modifications |
| Total - All States | 4,088 | 1,699 | 1,213 | 190 | 1,152 | 54 | 8,396 |
| Alabama | 61 | 35 | 17 | 2 | 22 | 0 | 137 |
| Alaska | 0 | 1 | 2 | 0 | 0 | 0 | 3 |
| Arizona | 61 | 33 | 9 | 5 | 14 | 1 | 123 |
| Arkansas | 23 | 15 | 8 | 0 | 9 | 0 | 55 |
| California | 342 | 112 | 103 | 16 | 93 | 3 | 669 |
| Colorado | 32 | 8 | 12 | 6 | 18 | 0 | 76 |
| Connecticut | 79 | 26 | 28 | 4 | 17 | 1 | 155 |
| Delaware | 31 | 19 | 11 | 0 | 6 | 0 | 67 |
| District of Columbia | 10 | 3 | 6 | 1 | 3 | 0 | 23 |
| Florida | 356 | 121 | 98 | 10 | 100 | 6 | 691 |
| Georgia | 204 | 81 | 59 | 21 | 54 | 1 | 420 |
| Hawaii | 8 | 2 | 2 | 0 | 5 | 0 | 17 |
| Idaho | 11 | 8 | 6 | 0 | 9 | 0 | 34 |
| Illinois | 225 | 69 | 55 | 10 | 51 | 1 | 411 |
| Indiana | 92 | 39 | 28 | 7 | 30 | 2 | 198 |
| Iowa | 18 | 14 | 8 | 3 | 6 | 0 | 49 |
| Kansas | 22 | 8 | 6 | 0 | 9 | 0 | 45 |
| Kentucky | 36 | 15 | 9 | 1 | 21 | 1 | 83 |
| Louisiana | 56 | 27 | 16 | 0 | 23 | 0 | 122 |
| Maine | 20 | 9 | 8 | 1 | 4 | 1 | 43 |
| Maryland | 177 | 62 | 49 | 13 | 51 | 1 | 353 |
| Massachusetts | 93 | 27 | 20 | 2 | 23 | 2 | 167 |
| Michigan | 99 | 39 | 29 | 2 | 20 | 3 | 192 |
| Minnesota | 65 | 17 | 18 | 2 | 10 | 1 | 113 |
| Mississippi | 23 | 15 | 14 | 0 | 9 | 1 | 62 |
| Missouri | 76 | 38 | 18 | 1 | 18 | 0 | 151 |
| Montana | 7 | 5 | 6 | 1 | 1 | 0 | 20 |
| Nebraska | 10 | 13 | 3 | 0 | 6 | 0 | 32 |
| Nevada | 55 | 10 | 15 | 3 | 8 | 1 | 92 |
| New Hampshire | 19 | 3 | 4 | 0 | 9 | 0 | 35 |
| New Jersey | 221 | 89 | 47 | 9 | 49 | 4 | 419 |
| New Mexico | 21 | 9 | 9 | 1 | 3 | 0 | 43 |
| New York | 223 | 110 | 66 | 7 | 60 | 10 | 476 |
| North Carolina | 151 | 81 | 73 | 10 | 60 | 0 | 375 |
| North Dakota | 3 | 1 | 1 | 1 | 0 | 0 | 6 |
| Ohio | 164 | 63 | 42 | 6 | 30 | 3 | 308 |
| Oklahoma | 29 | 11 | 11 | 1 | 12 | 0 | 64 |
| Oregon | 55 | 22 | 15 | 2 | 9 | 0 | 103 |
| Pennsylvania | 182 | 82 | 52 | 5 | 42 | 4 | 367 |
| Rhode Island | 17 | 10 | 7 | 1 | 2 | 0 | 37 |
| South Carolina | 81 | 37 | 20 | 3 | 21 | 0 | 162 |
| South Dakota | 4 | 5 | 3 | 0 | 2 | 0 | 14 |
| Tennessee | 75 | 27 | 20 | 5 | 25 | 0 | 152 |
| Texas | 263 | 135 | 85 | 13 | 84 | 6 | 586 |
| Utah | 23 | 13 | 6 | 3 | 5 | 0 | 50 |
| Vermont | 4 | 3 | 4 | 0 | 0 | 0 | 11 |
| Virginia | 98 | 42 | 48 | 7 | 49 | 0 | 244 |
| Washington | 86 | 46 | 16 | 2 | 27 | 1 | 178 |
| West Virginia | 12 | 4 | 2 | 1 | 9 | 0 | 28 |
| Wisconsin | 56 | 33 | 18 | 2 | 13 | 0 | 122 |
| Wyoming | 3 | 1 | 0 | 0 | 1 | 0 | 5 |
| Other | 6 | 1 | 1 | 0 | 0 | 0 | 8 |

Table 62. Re-Default Rates for Loans Modified in the Fourth Quarter of 2013 (Percentage)
(60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments)

| States | Decreased by 20% or More | Decreased by 10% to Less Than 20% | Decreased by Less Than 10% | Unchanged | Increased | Not Reported | Total Modifications |
|----------------------|--------------------------|-----------------------------------|----------------------------|-----------|-----------|--------------|---------------------|
| Total - All States | 9.3% | 14.8% | 18.7% | 21.8% | 22.0% | 17.5% | 12.3% |
| Alabama | 12.4% | 23.5% | 20.5% | 11.8% | 31.0% | 0.0% | 16.9% |
| Alaska | 0.0% | 10.0% | 33.3% | 0.0% | 0.0% | 0.0% | 7.1% |
| Arizona | 8.2% | 15.6% | 8.8% | 26.3% | 16.9% | 50.0% | 10.6% |
| Arkansas | 11.3% | 24.6% | 24.2% | 0.0% | 29.0% | 0.0% | 16.4% |
| California | 5.5% | 7.6% | 10.7% | 12.4% | 11.7% | 9.4% | 6.9% |
| Colorado | 6.8% | 4.7% | 14.0% | 31.6% | 28.1% | 0.0% | 9.4% |
| Connecticut | 10.9% | 15.4% | 24.8% | 40.0% | 24.3% | 16.7% | 14.2% |
| Delaware | 12.7% | 22.6% | 25.0% | 0.0% | 28.6% | 0.0% | 16.8% |
| District of Columbia | 14.1% | 12.0% | 25.0% | 50.0% | 17.6% | 0.0% | 16.4% |
| Florida | 6.9% | 11.7% | 14.6% | 17.2% | 16.5% | 15.4% | 9.1% |
| Georgia | 9.9% | 16.9% | 22.4% | 42.0% | 27.4% | 14.3% | 13.8% |
| Hawaii | 8.1% | 10.5% | 8.3% | 0.0% | 50.0% | 0.0% | 11.1% |
| Idaho | 6.2% | 15.4% | 20.7% | 0.0% | 36.0% | 0.0% | 11.8% |
| Illinois | 8.0% | 12.5% | 18.9% | 27.0% | 22.6% | 14.3% | 10.5% |
| Indiana | 12.3% | 17.5% | 20.4% | 41.2% | 33.0% | 33.3% | 16.2% |
| Iowa | 8.8% | 18.9% | 26.7% | 75.0% | 22.2% | 0.0% | 14.4% |
| Kansas | 14.6% | 16.7% | 22.2% | 0.0% | 29.0% | 0.0% | 17.5% |
| Kentucky | 12.5% | 16.0% | 15.8% | 8.3% | 36.8% | 100.0% | 16.3% |
| Louisiana | 14.8% | 21.8% | 21.3% | 0.0% | 27.7% | 0.0% | 18.2% |
| Maine | 14.3% | 29.0% | 24.2% | 50.0% | 20.0% | 100.0% | 18.9% |
| Maryland | 11.9% | 14.5% | 19.1% | 35.1% | 25.2% | 9.1% | 14.6% |
| Massachusetts | 11.0% | 10.8% | 15.4% | 22.2% | 25.8% | 28.6% | 12.5% |
| Michigan | 9.0% | 16.8% | 25.0% | 9.5% | 21.1% | 60.0% | 12.3% |
| Minnesota | 9.8% | 8.7% | 22.0% | 12.5% | 18.2% | 16.7% | 11.1% |
| Mississippi | 11.0% | 26.3% | 28.6% | 0.0% | 18.8% | 33.3% | 16.8% |
| Missouri | 11.7% | 19.5% | 24.3% | 11.1% | 28.1% | 0.0% | 15.2% |
| Montana | 12.7% | 25.0% | 50.0% | 20.0% | 10.0% | 0.0% | 19.6% |
| Nebraska | 10.4% | 28.3% | 15.8% | 0.0% | 31.6% | 0.0% | 17.7% |
| Nevada | 7.1% | 6.8% | 19.2% | 17.6% | 14.3% | 14.3% | 8.6% |
| New Hampshire | 11.3% | 7.3% | 19.0% | 0.0% | 39.1% | 0.0% | 13.6% |
| New Jersey | 10.1% | 16.5% | 16.0% | 34.6% | 23.3% | 21.1% | 12.8% |
| New Mexico | 8.9% | 13.6% | 29.0% | 14.3% | 16.7% | 0.0% | 12.0% |
| New York | 8.3% | 16.8% | 19.0% | 16.7% | 22.0% | 13.2% | 11.7% |
| North Carolina | 10.7% | 18.9% | 28.6% | 28.6% | 31.6% | 0.0% | 16.1% |
| North Dakota | 30.0% | 50.0% | 16.7% | 100.0% | 0.0% | 0.0% | 27.3% |
| Ohio | 12.0% | 17.8% | 24.0% | 18.2% | 22.9% | 50.0% | 14.9% |
| Oklahoma | 14.9% | 16.2% | 31.4% | 20.0% | 25.0% | 0.0% | 18.2% |
| Oregon | 12.0% | 13.8% | 25.9% | 25.0% | 17.0% | 0.0% | 13.9% |
| Pennsylvania | 11.9% | 18.6% | 23.4% | 17.9% | 23.3% | 23.5% | 15.2% |
| Rhode Island | 9.3% | 22.7% | 24.1% | 33.3% | 11.8% | 0.0% | 13.3% |
| South Carolina | 13.3% | 19.2% | 18.2% | 27.3% | 20.8% | 0.0% | 15.8% |
| South Dakota | 16.7% | 55.6% | 37.5% | 0.0% | 40.0% | 0.0% | 30.4% |
| Tennessee | 12.8% | 15.4% | 25.6% | 33.3% | 32.9% | 0.0% | 16.3% |
| Texas | 12.2% | 19.3% | 22.7% | 20.6% | 26.8% | 50.0% | 16.2% |
| Utah | 8.1% | 12.0% | 15.0% | 37.5% | 11.9% | 0.0% | 10.3% |
| Vermont | 6.6% | 17.6% | 23.5% | 0.0% | 0.0% | 0.0% | 10.8% |
| Virginia | 10.9% | 13.7% | 23.2% | 25.0% | 29.5% | 0.0% | 15.2% |
| Washington | 8.9% | 15.3% | 9.4% | 11.1% | 20.3% | 16.7% | 11.2% |
| West Virginia | 12.4% | 15.4% | 14.3% | 12.5% | 45.0% | 0.0% | 16.8% |
| Wisconsin | 10.3% | 21.2% | 24.3% | 18.2% | 25.0% | 0.0% | 14.6% |
| Wyoming | 12.0% | 7.1% | 0.0% | 0.0% | 25.0% | 0.0% | 10.9% |
| Other | 6.8% | 4.5% | 16.7% | 0.0% | 0.0% | 0.0% | 6.6% |

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