

# OCC Mortgage Metrics Report

Disclosure of National Bank Mortgage Loan Data

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Fourth Quarter 2014

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

This *OCC Mortgage Metrics Report* for the fourth quarter of 2014 provides performance data on first-lien residential mortgages serviced by eight national banks (servicers). The mortgages in this portfolio comprise 45 percent of all first-lien residential mortgages outstanding in the United States—23.1 million loans totaling \$3.9 trillion in unpaid principal. This report presents performance information through December 31, 2014.

Loans in the process of foreclosure declined among the mortgages included in this report during each of the previous four quarters. Improved economic conditions and aggressive foreclosure prevention assistance contributed to the decreased foreclosure inventory.

The percentage of mortgages in the portfolio that were current and performing at the end of the fourth quarter of 2014 increased to 93.2 percent from 93.0 percent at the end of the previous quarter and 91.8 percent a year earlier. The percentage of mortgages in the portfolio that were 30 to 59 days past due decreased 2.3 percent from the previous quarter to 2.4 percent of the portfolio at the end of the fourth quarter of 2014. The percentage of mortgages in the portfolio that were seriously delinquent—60 or more days past due or held by bankrupt borrowers whose payments were 30 or more days past due—decreased by 12.2 percent from the same period a year ago but remained 3.1 percent for the fourth consecutive quarter.

At the end of the fourth quarter of 2014, the number of mortgages in the process of foreclosure fell to 315,922, a decrease of 39.7 percent from a year earlier. Servicers initiated 75,395 new foreclosures during the quarter—a decrease of 39.4 percent from a year earlier. The number of completed foreclosures also decreased to 39,331, a decrease of 35.3 percent from a year earlier.

Servicers implemented 195,577 modifications, trial-period plans, and shorter-term payment plans compared with 49,749 completed foreclosures, short sales, and deed-in-lieu-of-foreclosure actions. The number of home retention actions implemented by servicers decreased by 19.5 percent from a year earlier. More than 88 percent of modifications in the fourth quarter of 2014 reduced monthly principal and interest payments; 52.2 percent of modifications reduced payments by 20 percent or more. Modifications reduced payments by \$243 per month on average, while modifications made under the Home Affordable Modification Program (HAMP) reduced monthly payments by an average of \$274.

## ***Mortgage Performance***

- The overall percentage of mortgages in this report that were current and performing increased to 93.2 percent at the end of the fourth 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 12.2 percent from a year earlier (see table 7).
- The percentage of government-guaranteed mortgages that were current remained unchanged from the previous quarter at 88.0 percent, up from 86.1 percent a year earlier (see table 9). Government-guaranteed mortgages composed 24.8 percent of the total serviced portfolio. The percentage of government-guaranteed mortgages that were seriously delinquent increased from the previous quarter from 5.5 percent to 5.7 percent of the portfolio, but improved 12.8 percent from a year earlier (see table 9).
- Mortgages serviced for Fannie Mae and Freddie Mac (government-sponsored enterprises, or GSE) made up 58.6 percent of the mortgages in this report. The percentage of these

mortgages that were current and performing was 96.9 percent at the end of the fourth quarter of 2014 (see table 10).

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

- Servicers implemented 195,577 home retention actions—modifications, trial-period plans, and payment plans—during the fourth quarter of 2014 (see table 1).
- New home retention actions included 47,919 modifications, 57,630 trial-period plans, and 90,028 payment plans (see table 1). HAMP modifications decreased 12.3 percent from the previous quarter to 23,728 but increased 8.3 percent from a year earlier. Other modifications decreased to 24,191—a decrease of 8.3 percent from the previous quarter and 52.1 percent from a year earlier. HAMP trial-period plans increased 9.1 percent from the previous quarter but decreased 34.9 percent from the previous year to 20,562.

	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Other Modifications	50,551	32,757	30,024	26,387	24,191	-8.3%	-52.1%
HAMP Modifications	21,915	32,680	39,616	27,070	23,728	-12.3%	8.3%
Other Trial-Period Plans	50,748	48,238	40,192	43,133	37,068	-14.1%	-27.0%
HAMP Trial-Period Plans	31,568	23,760	20,965	18,839	20,562	9.1%	-34.9%
Payment Plans	88,093	100,315	77,346	90,260	90,028	-0.3%	2.2%
Total	242,875	237,750	208,143	205,689	195,577	-4.9%	-19.5%

- Servicers reduced interest rates in 65.1 percent of all modifications made during the fourth quarter of 2014. Servicers used term extensions in 83.8 percent of modifications, principal deferrals in 10.4 percent, and principal reductions in 6.5 percent (see table 17). Among HAMP modifications, servicers reduced interest rates in 82.5 percent of those modifications, deferred principal in 9.9 percent, and reduced principal in 8.8 percent (see table 18).
- Servicers reduced monthly principal and interest payments in 88.3 percent of modifications made in the quarter (see table 22). Servicers reduced monthly payments by an average of 21.5 percent for all borrowers who qualified for modifications. HAMP modifications reduced payments by an average of 24.8 percent (see table 24).

**Modified Loan Performance**

- Servicers implemented 3,649,010 modifications from January 1, 2008, through September 30, 2014. Of these modifications, 55 percent were active at the end of the fourth quarter of 2014 and 45 percent had exited the portfolio through payment in full, involuntary liquidation—foreclosure, short sale, or deed in lieu of foreclosure—or transfer to a non-reporting servicer (see table 2).
- Of the 2,012,632 active modifications at the end of the fourth quarter of 2014, 68.8 percent were current and performing, 25.8 percent were delinquent, and 5.4 percent were in the process of foreclosure (see table 2).
- Of the 45 percent of modifications that had exited the portfolio prior to the end of the fourth quarter of 2014, 8.6 percent were liquidated involuntarily—through foreclosure, short sale, or deed in lieu. Another 4.3 percent were paid in full and 32.0 percent were transferred.

**Table 2. Status of Mortgages Modified in 2008–3Q 2014**

Year	Completed Modifications		As Percentage of Modifications Active as of 12/31/14				As Percentage of All Modifications Completed		
	Total	Active at 12/31/14	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Involuntary Liquidations*	Paid Off	No Longer in the Portfolio
2008	443,294	126,749	60.1%	10.4%	21.4%	8.2%	17.9%	5.6%	47.9%
2009	593,884	243,071	63.0%	9.6%	20.1%	7.3%	14.5%	6.0%	38.6%
2010	955,422	470,409	68.4%	8.9%	16.8%	5.9%	10.2%	5.0%	35.6%
2011	569,553	331,968	70.2%	8.6%	15.7%	5.6%	5.9%	4.2%	31.6%
2012	479,820	336,969	72.6%	8.4%	14.6%	4.5%	2.5%	3.2%	24.1%
2013	418,503	326,120	70.0%	9.2%	15.8%	5.0%	1.1%	2.0%	19.0%
2014	188,534	177,346	72.1%	11.2%	14.7%	2.1%	0.1%	0.6%	5.2%
Total	3,649,010	2,012,632	68.8%	9.2%	16.6%	5.4%	8.6%	4.3%	32.0%
<b>HAMP Modification Performance Compared With Other Modifications</b>									
Other**	1,985,546	1,209,488	66.0%	9.6%	18.5%	6.0%	7.7%	4.5%	26.9%
HAMP	882,324	553,891	78.5%	7.7%	10.6%	3.2%	3.7%	2.7%	30.8%
<b>Modifications That Reduced Payments by 10 Percent or More</b>									
	2,369,684	1,399,388	73.0%	8.7%	13.9%	4.4%	6.0%	3.4%	31.6%
<b>Modifications That Reduced Payments by Less Than 10 Percent</b>									
	1,279,326	613,244	59.2%	10.3%	22.8%	7.7%	13.4%	6.0%	32.6%

\*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 third 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.
- 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 1,399,388 active modifications that reduced payments by 10 percent or more, 73.0 percent were current, compared with 59.2 percent of active 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, 19.4 percent of modifications on mortgages held in the servicers' own portfolios, 22.9 percent of Fannie Mae mortgages, and 21.5 percent of Freddie Mac mortgages were 60 or more days delinquent after 12 months. Conversely, 41.3 percent of government-guaranteed mortgages and 37.3 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%	22.9%	26.0%	26.5%	25.7%
Freddie Mac	15.3%	21.5%	24.6%	25.5%	25.3%
Government-Guaranteed	28.0%	41.3%	46.3%	48.8%	50.9%
Private	28.4%	37.3%	41.5%	42.9%	43.8%
Portfolio Loans	12.7%	19.4%	22.6%	23.8%	25.3%
Overall	21.4%	29.9%	33.7%	35.0%	35.9%

\*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 39.4 percent from a year earlier. The number of foreclosures in process decreased 39.7 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**

	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Newly Initiated Foreclosures	124,468	90,852	79,782	82,668	75,395	-8.8%	-39.4%
Foreclosures in Process	523,528	432,832	391,593	353,906	315,922	-10.7%	-39.7%

- Home forfeiture actions totaled 49,749 at the end of the quarter, a decrease of 40.8 percent from a year earlier. Completed foreclosures decreased 35.3 percent from a year earlier. Short sales decreased 56.6 percent from a year earlier. Short sales comprised 18.5 percent of home forfeiture actions completed in the fourth quarter of 2014 (see table 5).

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

	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Completed Foreclosures	60,765	56,185	48,684	45,245	39,331	-13.1%	-35.3%
New Short Sales	21,149	13,613	14,290	11,685	9,179	-21.4%	-56.6%
New Deed-in-Lieu-of-Foreclosure Actions	2,117	1,880	1,816	1,284	1,239	-3.5%	-41.5%
Total	84,031	71,678	64,790	58,214	49,749	-14.5%	-40.8%

## **About Mortgage Metrics**

The *OCC Mortgage Metrics Report* presents data on first-lien residential mortgages serviced by eight national banks with large mortgage-servicing portfolios.<sup>1</sup> The data represent 45 percent of all first-lien residential mortgages outstanding in the country and focus on credit performance, loss mitigation efforts, and foreclosures. More than 90 percent of the mortgages in the portfolio were serviced for investors other than the reporting institutions. At the end of the fourth quarter of 2014, the reporting institutions serviced 23.1 million first-lien mortgage loans, more than \$3.9 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 in the mortgage industry.

In addition to providing information to the public, the report and its data support the Office of the Comptroller of the Currency's (OCC) supervision of mortgage-servicing practices among the institutions it regulates. 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 also promotes the use of standardized terms and elements, which allow better comparisons across the industry and over time. The report uses standardized definitions for prime, Alt-A, and subprime mortgages based on commonly used credit score ranges.

The OCC and the participating institutions devote significant resources to ensuring that the information is reliable and accurate. Steps to ensure the validity of the data include quality assurance processes conducted by the reporting banks, 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 imperfection. 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:

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



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

Approximately 8 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., 12/31/14), 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 I: Mortgage Performance**

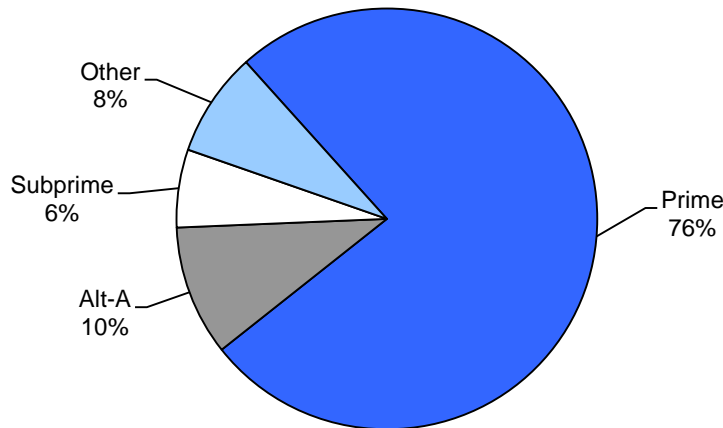
Part I describes the performance of the overall mortgage portfolio, mortgages owned and held by the reporting banks, government-guaranteed mortgages, mortgages serviced for the GSEs, and mortgages within each risk category.

**Overall Mortgage Portfolio**

At the end of the fourth quarter of 2014, the portfolio of mortgages in this report included 23.1 million loans with \$3.9 trillion in unpaid principal. The number of mortgages in the portfolio decreased 1.9 percent from the previous quarter and 7.1 percent from a year earlier. The unpaid principal of those loans also decreased 1.9 percent from the previous quarter and 7.1 percent from a year earlier. Prime loans were 76 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.

<b>Table 6. Overall Mortgage Portfolio</b>					
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14
Total Servicing (Millions)	\$4,205,140	\$4,129,719	\$4,065,827	\$3,980,714	\$3,906,357
Total Servicing (Number of Loans)	24,902,063	24,503,971	24,140,381	23,562,663	23,122,316
<b>Composition (Percentage of All Mortgages in the Portfolio)</b>					
Prime	75%	75%	75%	76%	76%
Alt-A	10%	10%	10%	10%	10%
Subprime	6%	6%	6%	6%	6%
Other	9%	9%	9%	8%	8%
<b>Composition (Number of Loans in Each Risk Category of the Portfolio)</b>					
Prime	18,598,018	18,387,920	18,111,865	17,808,138	17,550,925
Alt-A	2,529,860	2,482,088	2,461,616	2,403,716	2,338,130
Subprime	1,522,461	1,463,816	1,458,962	1,397,565	1,334,314
Other	2,251,724	2,170,147	2,107,938	1,953,244	1,898,947

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

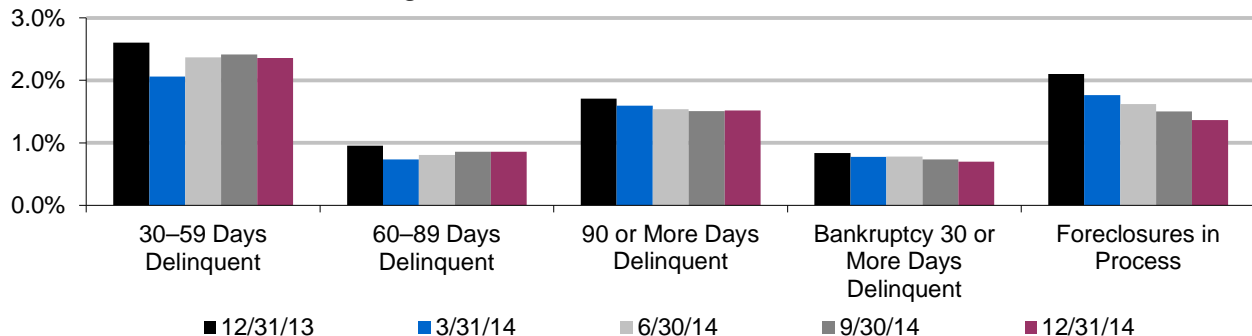


### Overall Mortgage Performance

The overall performance of mortgages in this report improved slightly from the previous quarter, and from a year earlier. The percentage of mortgages that were current and performing at the end of the quarter was 93.2 percent, compared with 93.0 percent in the previous quarter and 91.8 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due was 2.4 percent, a decrease of 2.3 percent from the previous quarter and 9.4 percent from a year earlier. The percentage of mortgages that were seriously delinquent was 3.1 percent, a decrease of 0.9 percent from the previous quarter and 12.2 percent from a year earlier. The percentage of mortgages in the foreclosure process at the end of the quarter was 1.4 percent, a decrease of 9.0 percent from the previous quarter and 35.0 percent from a year earlier.

<b>Table 7. Overall Portfolio Performance</b>							
(Percentage of Mortgages in the Portfolio)							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Current and Performing	91.8%	93.1%	92.9%	93.0%	93.2%	0.2%	1.5%
30–59 Days Delinquent	2.6%	2.1%	2.4%	2.4%	2.4%	-2.3%	-9.4%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	1.0%	0.7%	0.8%	0.9%	0.9%	-0.3%	-10.2%
90 or More Days Delinquent	1.7%	1.6%	1.5%	1.5%	1.5%	0.6%	-11.2%
Bankruptcy 30 or More Days Delinquent	0.8%	0.8%	0.8%	0.7%	0.7%	-4.7%	-16.6%
<b>Subtotal for Seriously Delinquent</b>	<b>3.5%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>-0.9%</b>	<b>-12.2%</b>
Foreclosures in Process	2.1%	1.8%	1.6%	1.5%	1.4%	-9.0%	-35.0%
(Number of Mortgages in the Portfolio)							
Current and Performing	22,859,232	22,805,058	22,422,027	21,909,384	21,550,879	-1.6%	-5.7%
30–59 Days Delinquent	648,294	504,718	572,121	569,113	545,472	-4.2%	-15.9%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	237,412	180,269	194,609	202,415	198,055	-2.2%	-16.6%
90 or More Days Delinquent	425,347	391,013	371,312	355,372	350,650	-1.3%	-17.6%
Bankruptcy 30 or More Days Delinquent	208,250	190,081	188,719	172,473	161,338	-6.5%	-22.5%
<b>Subtotal for Seriously Delinquent</b>	<b>871,009</b>	<b>761,363</b>	<b>754,640</b>	<b>730,260</b>	<b>710,043</b>	<b>-2.8%</b>	<b>-18.5%</b>
Foreclosures in Process	523,528	432,832	391,593	353,906	315,922	-10.7%	-39.7%
<b>Total</b>	<b>24,902,063</b>	<b>24,503,971</b>	<b>24,140,381</b>	<b>23,562,663</b>	<b>23,122,316</b>	<b>-1.9%</b>	<b>-7.1%</b>

Figure 2. Overall Portfolio Performance



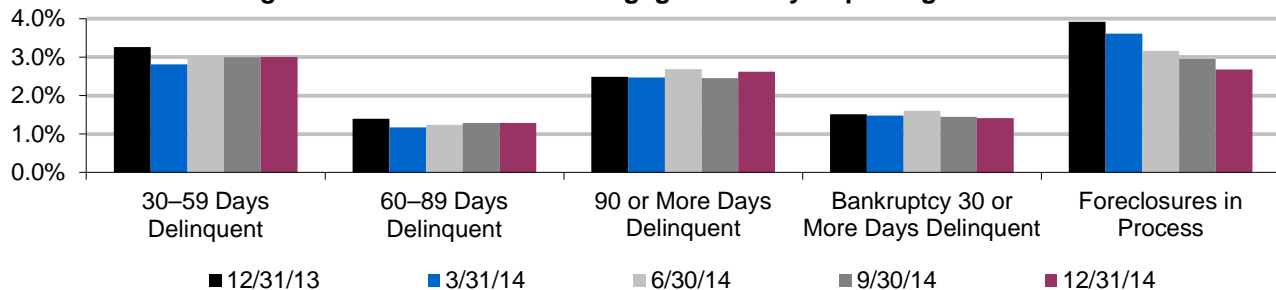
**Performance of Mortgages Held by Reporting Banks**

The eight reporting banks owned 9.6 percent of the mortgages in this report at the end of the fourth quarter of 2014, an increase from 8.9 percent a year earlier. The percentage of these mortgages that were current at the end of the quarter was 89.0 percent, up from 87.4 percent a year earlier. The percentage of these mortgages that were 30 to 59 days delinquent was 3.0 percent, an increase of 0.2 percent from the previous quarter, but a decrease of 8.0 percent from a year earlier. The percentage of these mortgages that were seriously delinquent was 5.3 percent, an increase of 2.8 percent from the previous quarter, but a decrease of 1.4 percent from a year earlier. The percentage of these mortgages in the process of foreclosure was 2.7 percent, a decrease of 31.6 percent from a year earlier. Since 2009, mortgages owned by the servicers have performed worse than mortgages serviced for GSEs because of concentrations in nontraditional loans, weaker markets, and delinquent loans repurchased from investors.

<b>Table 8. Performance of Mortgages Held by Reporting Banks (Percentage)*</b>							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Current and Performing	87.4%	88.5%	88.3%	88.9%	89.0%	0.1%	1.8%
30–59 Days Delinquent	3.3%	2.8%	3.0%	3.0%	3.0%	0.2%	-8.0%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	1.4%	1.2%	1.2%	1.3%	1.3%	0.4%	-7.7%
90 or More Days Delinquent	2.5%	2.5%	2.7%	2.5%	2.6%	6.9%	5.5%
Bankruptcy 30 or More Days Delinquent	1.5%	1.5%	1.6%	1.4%	1.4%	-2.2%	-6.8%
<b>Subtotal for Seriously Delinquent</b>	<b>5.4%</b>	<b>5.1%</b>	<b>5.5%</b>	<b>5.2%</b>	<b>5.3%</b>	<b>2.8%</b>	<b>-1.4%</b>
Foreclosures in Process	3.9%	3.6%	3.2%	3.0%	2.7%	-9.2%	-31.6%
<b>Performance of Mortgages Held by Reporting Banks (Number)</b>							
Current and Performing	1,943,856	1,949,937	2,029,337	2,016,513	1,970,781	-2.3%	1.4%
30–59 Days Delinquent	72,595	62,004	69,656	67,998	66,523	-2.2%	-8.4%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	31,121	25,801	28,568	29,200	28,608	-2.0%	-8.1%
90 or More Days Delinquent	55,269	54,412	61,717	55,684	58,093	4.3%	5.1%
Bankruptcy 30 or More Days Delinquent	33,736	32,635	36,809	32,789	31,306	-4.5%	-7.2%
<b>Subtotal for Seriously Delinquent</b>	<b>120,126</b>	<b>112,848</b>	<b>127,094</b>	<b>117,673</b>	<b>118,007</b>	<b>0.3%</b>	<b>-1.8%</b>
Foreclosures in Process	87,120	79,569	72,678	66,997	59,392	-11.4%	-31.8%
<b>Total</b>	<b>2,223,697</b>	<b>2,204,358</b>	<b>2,298,765</b>	<b>2,269,181</b>	<b>2,214,703</b>	<b>-2.4%</b>	<b>-0.4%</b>

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

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

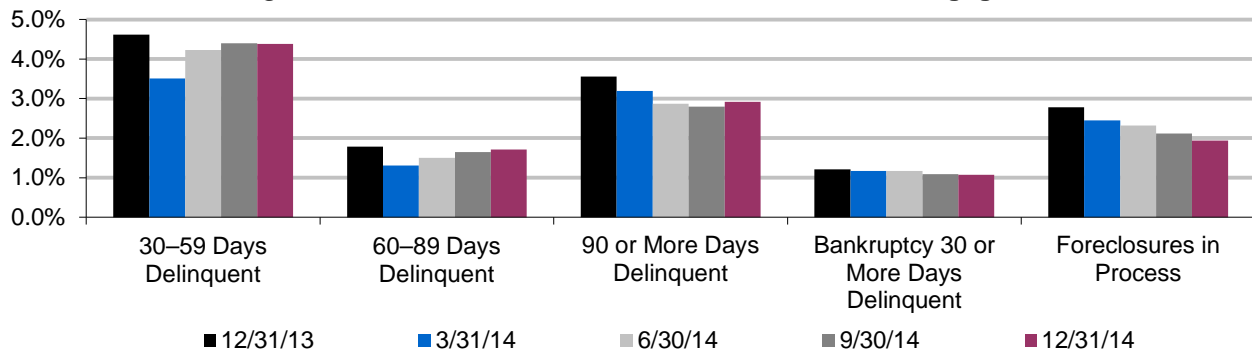


**Performance of Government-Guaranteed Mortgages**

Government-guaranteed mortgages were 24.8 percent of the loans in this report at the end of the fourth quarter of 2014, a slight increase from 24.4 percent a year earlier. The percentage of these mortgages that were current and performing at the end of the quarter was 88.0 percent, an increase from 86.1 percent a year earlier. The percentage of loans that were 30 to 59 days delinquent was 4.4 percent at the end of the quarter, a decrease of 0.3 percent from the previous quarter and 4.9 percent from a year earlier. The percentage of loans that were seriously delinquent was 5.7 percent, an increase of 3.4 percent from the previous quarter, but a decrease of 12.8 percent from a year earlier. The percentage of these loans in the process of foreclosure was 1.9 percent, a decrease of 30.1 percent from a year earlier.

<b>Table 9. Performance of Government-Guaranteed Mortgages (Percentage)</b>							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Current and Performing	86.1%	88.4%	87.9%	88.0%	88.0%	0.0%	2.2%
30–59 Days Delinquent	4.6%	3.5%	4.2%	4.4%	4.4%	-0.3%	-4.9%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	1.8%	1.3%	1.5%	1.6%	1.7%	4.3%	-3.9%
90 or More Days Delinquent	3.6%	3.2%	2.9%	2.8%	2.9%	4.6%	-17.9%
Bankruptcy 30 or More Days Delinquent	1.2%	1.2%	1.2%	1.1%	1.1%	-1.1%	-11.2%
<b>Subtotal for Seriously Delinquent</b>	<b>6.5%</b>	<b>5.7%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.7%</b>	<b>3.4%</b>	<b>-12.8%</b>
Foreclosures in Process	2.8%	2.4%	2.3%	2.1%	1.9%	-8.3%	-30.1%
<b>Performance of Government-Guaranteed Mortgages (Number)</b>							
Current and Performing	5,274,464	5,371,735	5,294,069	5,145,567	5,036,358	-2.1%	-4.5%
30–59 Days Delinquent	282,698	213,169	254,733	257,312	251,093	-2.4%	-11.2%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	109,272	79,494	90,615	96,185	98,149	2.0%	-10.2%
90 or More Days Delinquent	217,842	193,907	172,855	163,350	167,161	2.3%	-23.3%
Bankruptcy 30 or More Days Delinquent	74,144	71,104	70,341	63,584	61,540	-3.2%	-17.0%
<b>Subtotal for Seriously Delinquent</b>	<b>401,258</b>	<b>344,505</b>	<b>333,811</b>	<b>323,119</b>	<b>326,850</b>	<b>1.2%</b>	<b>-18.5%</b>
Foreclosures in Process	170,180	148,859	139,437	123,759	111,072	-10.3%	-34.7%
<b>Total</b>	<b>6,128,600</b>	<b>6,078,268</b>	<b>6,022,050</b>	<b>5,849,757</b>	<b>5,725,373</b>	<b>-2.1%</b>	<b>-6.6%</b>

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

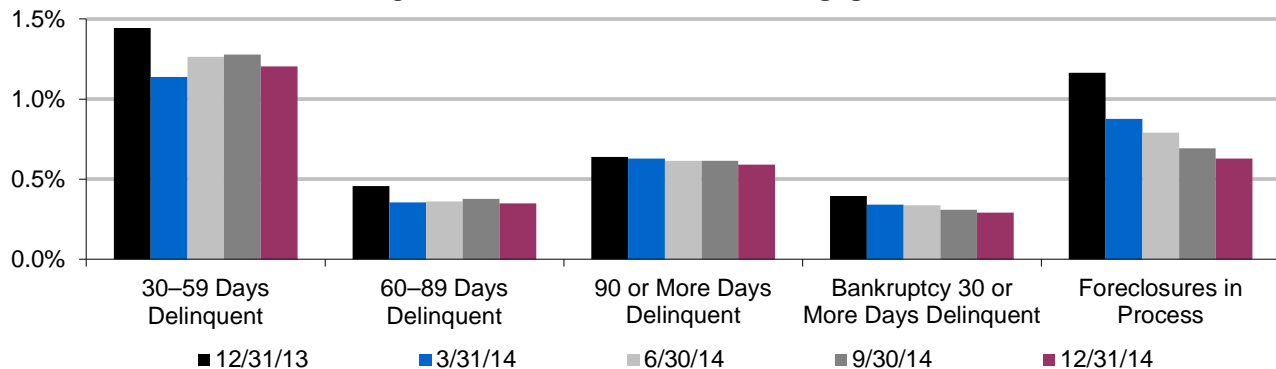


**Performance of GSE Mortgages**

GSE mortgages made up 58.6 percent of the mortgages in this report, an increase from 57.8 percent a year earlier. The portfolio of GSE mortgages performs better than the overall portfolio because it contains more prime loans. The percentage of GSE mortgages that were current at the end of the quarter was 96.9 percent, up from 95.9 percent a year earlier. The percentage of GSE mortgages that were 30 to 59 days delinquent was 1.2 percent, a decrease of 5.7 percent from the previous quarter and 16.6 percent from a year earlier. The percentage of GSE mortgages that were seriously delinquent was 1.2 percent, a decrease of 5.5 percent from the previous quarter and 17.6 percent from a year earlier. The percentage of these mortgages in the foreclosure process was 0.6 percent, a decrease of 46.0 percent from a year earlier.

<b>Table 10. Performance of GSE Mortgages (Percentage)</b>							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Current and Performing	95.9%	96.7%	96.6%	96.7%	96.9%	0.2%	1.1%
30–59 Days Delinquent	1.4%	1.1%	1.3%	1.3%	1.2%	-5.7%	-16.6%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	0.5%	0.4%	0.4%	0.4%	0.3%	-7.4%	-23.8%
90 or More Days Delinquent	0.6%	0.6%	0.6%	0.6%	0.6%	-4.1%	-7.7%
Bankruptcy 30 or More Days Delinquent	0.4%	0.3%	0.3%	0.3%	0.3%	-6.0%	-26.5%
<b>Subtotal for Seriously Delinquent</b>	<b>1.5%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.2%</b>	<b>-5.5%</b>	<b>-17.6%</b>
Foreclosures in Process	1.2%	0.9%	0.8%	0.7%	0.6%	-9.3%	-46.0%
<b>Performance of GSE Mortgages (Number)</b>							
Current and Performing	14,068,620	13,943,433	13,602,966	13,293,748	13,142,658	-1.1%	-6.6%
30–59 Days Delinquent	211,814	164,306	177,951	175,563	163,274	-7.0%	-22.9%
<b>The Following Three Categories Are Classified as Seriously Delinquent</b>							
60–89 Days Delinquent	67,106	51,148	50,775	51,697	47,242	-8.6%	-29.6%
90 or More Days Delinquent	93,692	90,828	86,565	84,492	79,954	-5.4%	-14.7%
Bankruptcy 30 or More Days Delinquent	57,990	49,057	47,395	42,462	39,372	-7.3%	-32.1%
<b>Subtotal for Seriously Delinquent</b>	<b>218,788</b>	<b>191,033</b>	<b>184,735</b>	<b>178,651</b>	<b>166,568</b>	<b>-6.8%</b>	<b>-23.9%</b>
Foreclosures in Process	170,779	126,306	111,400	95,207	85,162	-10.6%	-50.1%
<b>Total</b>	<b>14,670,001</b>	<b>14,425,078</b>	<b>14,077,052</b>	<b>13,743,169</b>	<b>13,557,662</b>	<b>-1.3%</b>	<b>-7.6%</b>

**Figure 5. Performance of GSE Mortgages**

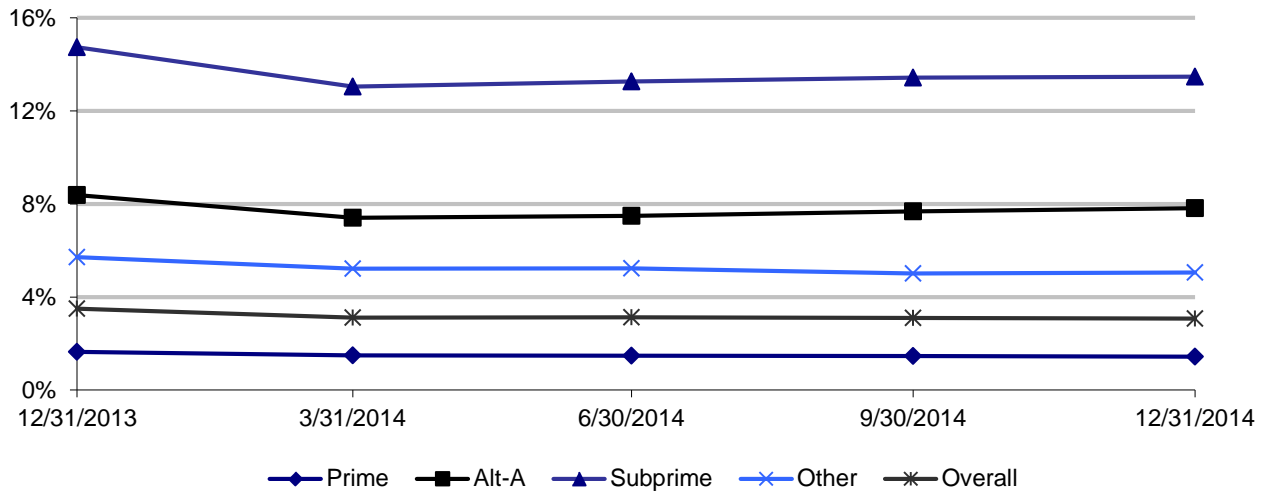


### Seriously Delinquent Mortgages, by Risk Category

The portfolio contained 160,966 fewer seriously delinquent loans at the end of the fourth quarter of 2014 than a year earlier—an 18.5 percent decrease. Seriously delinquent loans were 3.1 percent of the portfolio at the end of the quarter, a decrease of 12.2 percent from a year earlier.

Table 11. Seriously Delinquent Mortgages, by Risk Category (Percentage of Mortgages in Each Category)							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Prime	1.6%	1.5%	1.5%	1.5%	1.4%	-1.8%	-12.8%
Alt-A	8.4%	7.4%	7.5%	7.7%	7.8%	1.8%	-6.8%
Subprime	14.7%	13.0%	13.3%	13.4%	13.5%	0.3%	-8.6%
Other	5.7%	5.2%	5.2%	5.0%	5.0%	0.8%	-11.6%
Overall	3.5%	3.1%	3.1%	3.1%	3.1%	-0.9%	-12.2%
(Number of Mortgages in Each Category)							
Prime	305,796	273,518	266,463	260,154	251,765	-3.2%	-17.7%
Alt-A	212,203	183,670	184,430	184,553	182,705	-1.0%	-13.9%
Subprime	224,412	190,956	193,571	187,724	179,712	-4.3%	-19.9%
Other	128,598	113,219	110,176	97,829	95,861	-2.0%	-25.5%
<b>Total</b>	<b>871,009</b>	<b>761,363</b>	<b>754,640</b>	<b>730,260</b>	<b>710,043</b>	<b>-2.8%</b>	<b>-18.5%</b>

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



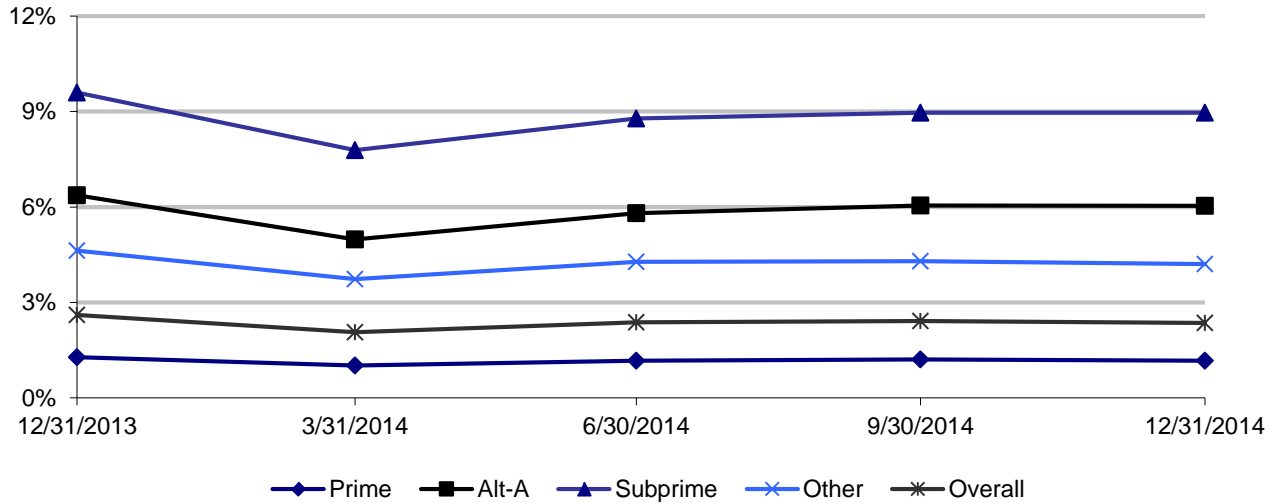


**Mortgages 30 to 59 Days Delinquent, by Risk Category**

The percentage of loans that were 30 to 59 days delinquent was 2.4 percent of the portfolio at the end of the fourth quarter of 2014, a decrease of 2.3 percent from the previous quarter and 9.4 percent from a year earlier. The percentage of early stage delinquencies decreased from the previous year across all risk categories.

<b>Table 12. Mortgages 30 to 59 Days Delinquent, by Risk Category</b>							
<b>(Percentage of Mortgages in Each Category)</b>							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Prime	1.3%	1.0%	1.2%	1.2%	1.2%	-3.2%	-8.4%
Alt-A	6.4%	5.0%	5.8%	6.0%	6.0%	-0.1%	-5.2%
Subprime	9.6%	7.8%	8.8%	9.0%	9.0%	0.01%	-6.5%
Other	4.6%	3.7%	4.3%	4.3%	4.2%	-1.9%	-9.1%
Overall	2.6%	2.1%	2.4%	2.4%	2.4%	-2.3%	-9.4%
<b>(Number of Mortgages in Each Category)</b>							
Prime	236,900	186,187	210,865	214,699	204,790	-4.6%	-13.6%
Alt-A	161,013	123,503	142,992	145,273	141,111	-2.9%	-12.4%
Subprime	146,067	114,042	128,145	125,308	119,644	-4.5%	-18.1%
Other	104,314	80,986	90,119	83,833	79,927	-4.7%	-23.4%
<b>Total</b>	<b>648,294</b>	<b>504,718</b>	<b>572,121</b>	<b>569,113</b>	<b>545,472</b>	<b>-4.2%</b>	<b>-15.9%</b>

**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.

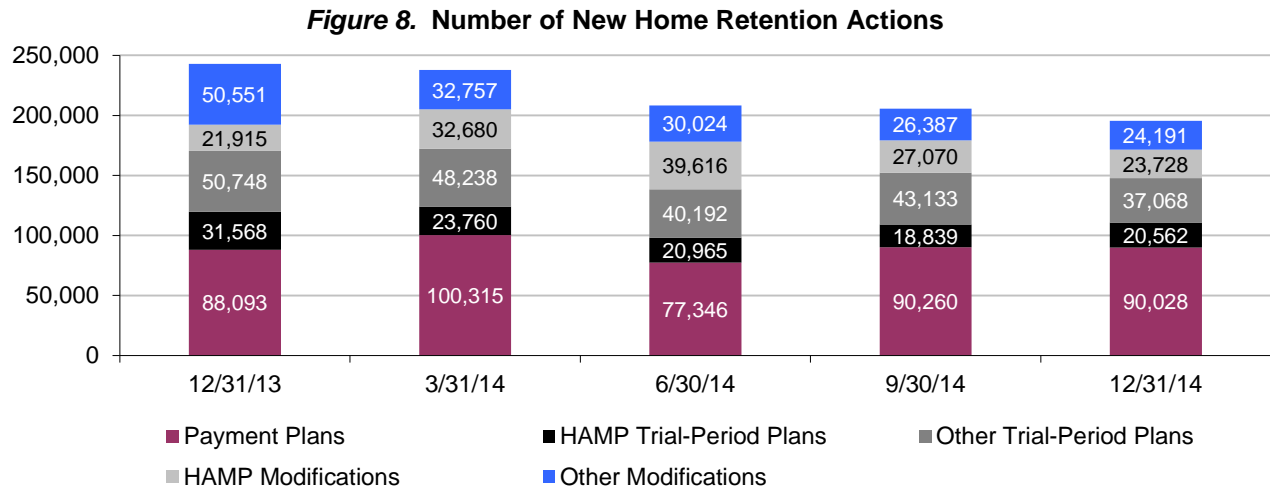
**A. Loan Modifications, Trial-Period Plans, and Payment Plans**

***New Home Retention Actions***

Servicers implemented 195,577 home retention actions—loan modifications, trial-period plans, and payment plans—during the fourth quarter of 2014. The number of home retention actions decreased 19.5 percent from a year earlier. There were 23,728 new HAMP modifications during the quarter, an increase of 8.3 percent from a year earlier. Other modifications decreased 52.1 percent from the previous year, to 24,191. Servicers implemented 57,630 new trial-period plans, a decrease of 7.0 percent from the previous quarter and 30.0 percent from a year earlier. New payment plans decreased by 0.3 percent from the previous quarter to 90,028. During the past five quarters, servicers initiated 1.1 million home retention actions—308,919 modifications, 335,073 trial-period plans, and 446,042 payment plans.

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

	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Other Modifications	50,551	32,757	30,024	26,387	24,191	-8.3%	-52.1%
HAMP Modifications	21,915	32,680	39,616	27,070	23,728	-12.3%	8.3%
Other Trial-Period Plans	50,748	48,238	40,192	43,133	37,068	-14.1%	-27.0%
HAMP Trial-Period Plans	31,568	23,760	20,965	18,839	20,562	9.1%	-34.9%
Payment Plans	88,093	100,315	77,346	90,260	90,028	-0.3%	2.2%
<b>Total</b>	<b>242,875</b>	<b>237,750</b>	<b>208,143</b>	<b>205,689</b>	<b>195,577</b>	<b>-4.9%</b>	<b>-19.5%</b>



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

Servicers implemented 23,728 HAMP modifications during the quarter. GSE mortgages received 10.4 percent of HAMP modifications completed during the quarter, government-guaranteed loans received 66.9 percent, loans held in portfolio received 12.6 percent, and loans serviced for private investors received 10.2 percent. Prime mortgages represented 76 percent of the total portfolio and received 31.1 percent of all HAMP modifications. Subprime loans represented 6 percent of the total portfolio and received 27.2 percent of HAMP modifications during the quarter.

**Table 14. HAMP Modifications, by Investor and Risk Category**  
(Modifications Implemented in the Fourth Quarter of 2014)

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	696	673	3,890	1,213	913	7,385
Alt-A	198	229	5,125	691	568	6,811
Subprime	145	114	4,421	973	801	6,454
Other	306	101	2,436	102	133	3,078
<b>Total</b>	<b>1,345</b>	<b>1,117</b>	<b>15,872</b>	<b>2,979</b>	<b>2,415</b>	<b>23,728</b>

Servicers implemented 20,562 HAMP trial-period plans during the quarter. GSE mortgages received 8.5 percent of HAMP trial-period plans initiated during the quarter, government-guaranteed loans received 71.9 percent, loans held in portfolio received 9.2 percent, and loans serviced for private investors received 10.4 percent. Prime mortgages received 32.6 percent of the HAMP trial-period plans implemented during the quarter, Alt-A loans received 29.8 percent, and subprime and other mortgages collectively received 37.6 percent.

**Table 15. HAMP Trial-Period Plans, by Investor and Risk Category**  
(Trial-Period Plans Implemented in the Fourth Quarter of 2014)

	Fannie Mae	Freddie Mac	Government-Guaranteed	Portfolio	Private	Total
Prime	507	479	4,153	696	865	6,700
Alt-A	129	130	4,959	448	460	6,126
Subprime	97	76	3,299	603	671	4,746
Other	235	85	2,380	143	147	2,990
<b>Total</b>	<b>968</b>	<b>770</b>	<b>14,791</b>	<b>1,890</b>	<b>2,143</b>	<b>20,562</b>

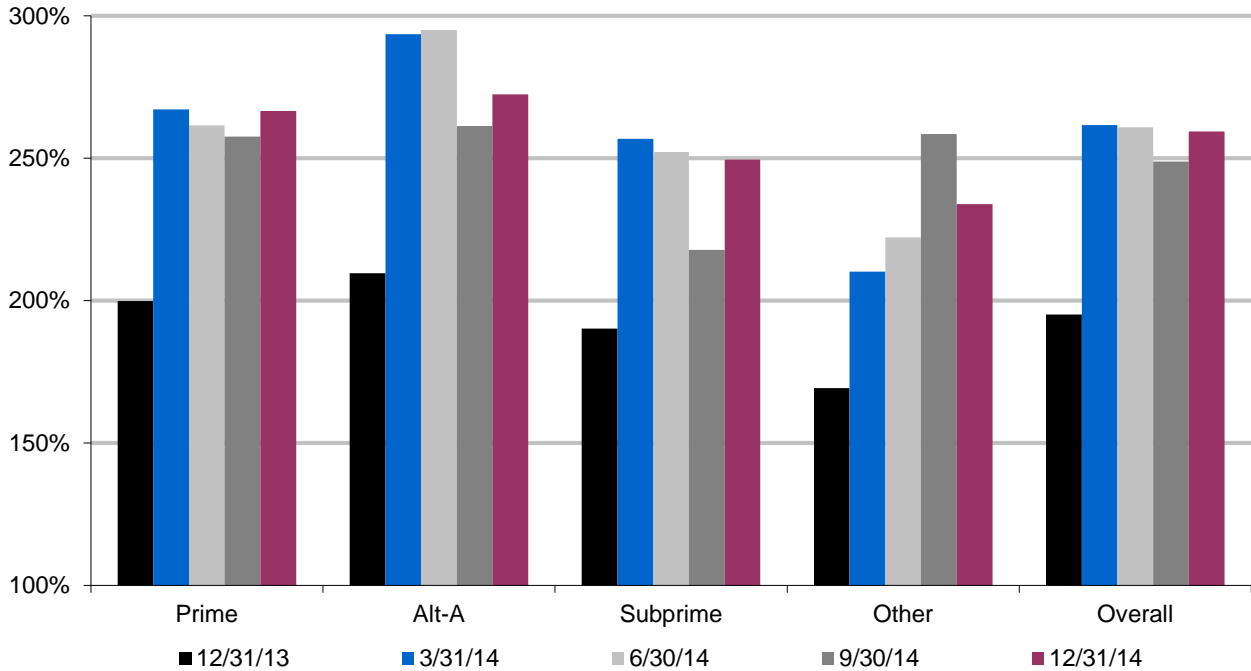
**New Home Retention Actions Relative to Newly Initiated Foreclosures**

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 4.3 percent from the previous quarter and 32.9 percent from a year earlier. The number of new home retention actions decreased 4.9 percent from the previous quarter while the number of newly initiated foreclosures decreased 8.8 percent.

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

	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Prime	199.8%	267.2%	261.5%	257.6%	266.6%	3.5%	33.4%
Alt-A	209.6%	293.6%	295.0%	261.4%	272.5%	4.3%	30.0%
Subprime	190.2%	256.8%	252.2%	217.8%	249.6%	14.6%	31.2%
Other	169.3%	210.2%	222.2%	258.5%	233.9%	-9.5%	38.2%
Overall	195.1%	261.7%	260.9%	248.8%	259.4%	4.3%	32.9%
Number of New Home Retention Actions	242,875	237,750	208,143	205,689	195,577	-4.9%	-19.5%
Number of Newly Initiated Foreclosures	124,468	90,852	79,782	82,668	75,395	-8.8%	-39.4%

**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 and affect the long-term sustainability of mortgages differently. Servicers often use a combination of actions when modifying mortgages, with 92.8 percent of modifications implemented during the fourth 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 84.1 percent of modifications implemented during the quarter, reduced interest rates in 65.1 percent, and extended loan maturity in 83.8 percent. Servicers reduced some portion of the unpaid principal in 6.5 percent of modifications completed during the quarter, a decrease of 4.6 percent from the previous quarter and 38.0 percent from a year earlier. Servicers deferred repayment of some portion of the unpaid principal in 10.4 percent of modifications made during the quarter, down 34.3 percent from the previous quarter and 65.7 percent from a year earlier. Because most modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total modifications. Appendix D presents additional detail on combination modifications.

<b>Table 17. Changes in Loan Terms for Modifications Through the Fourth Quarter of 2014</b>							
<b>(Percentage of Total Modifications in Each Category)</b>							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Capitalization	87.7%	74.3%	59.0%	71.1%	84.1%	18.3%	-4.1%
Rate Reduction	76.7%	73.3%	71.9%	66.5%	65.1%	-2.1%	-15.1%
Rate Freeze	7.0%	6.5%	7.1%	7.5%	8.4%	11.2%	19.7%
Term Extension	75.9%	78.0%	84.0%	82.0%	83.8%	2.2%	10.4%
Principal Reduction	10.5%	8.1%	5.0%	6.8%	6.5%	-4.6%	-38.0%
Principal Deferral	30.4%	24.8%	11.5%	15.9%	10.4%	-34.3%	-65.7%
Not Reported*	0.7%	0.7%	0.7%	0.5%	0.4%	-21.2%	-43.4%
<b>(Number of Changes in Each Category)</b>							
Capitalization	63,545	48,625	41,065	38,029	40,315	6.0%	-36.6%
Rate Reduction	55,554	47,939	50,047	35,529	31,181	-12.2%	-43.9%
Rate Freeze	5,072	4,279	4,952	4,027	4,014	-0.3%	-20.9%
Term Extension	55,026	51,030	58,515	43,854	40,180	-8.4%	-27.0%
Principal Reduction	7,634	5,322	3,488	3,659	3,129	-14.5%	-59.0%
Principal Deferral	22,048	16,259	7,990	8,484	4,996	-41.1%	-77.3%
Not Reported	508	433	483	269	190	-29.4%	-62.6%

\*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 are 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 71.3 percent of modifications, down from 71.5 percent a year ago. Servicers used term extension in 88.5 percent of modifications, up from 72.5 percent a year ago. Servicers used principal deferral in 9.9 percent of HAMP modifications during the fourth quarter of 2014, down from 26.5 percent a year earlier. Servicers used principal reduction in 8.8 percent of HAMP modifications implemented during the quarter—an increase of 4.4 percent from the previous quarter but a decrease of 42.2 percent from a year earlier, when 15.2 percent of HAMP modifications included principal reduction.

<b>Table 18. Changes in Loan Terms for HAMP Modifications Through the Fourth Quarter of 2014</b>							
<b>(Percentage of Total Modifications in Each Category)</b>							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Capitalization	71.5%	53.5%	34.6%	47.6%	71.3%	49.7%	-0.3%
Rate Reduction	90.6%	86.5%	81.0%	81.3%	82.5%	1.4%	-8.9%
Rate Freeze	2.3%	4.0%	6.4%	6.2%	5.9%	-3.9%	159.5%
Term Extension	72.5%	86.1%	91.0%	88.0%	88.5%	0.5%	22.0%
Principal Reduction	15.2%	6.5%	5.1%	8.4%	8.8%	4.4%	-42.2%
Principal Deferral	26.5%	29.5%	11.8%	19.7%	9.9%	-50.0%	-62.7%
Not Reported*	0.3%	0.2%	0.1%	0.3%	0.3%	-20.0%	-17.1%
<b>(Number of Changes in Each Category)</b>							
Capitalization	15,672	17,476	13,702	12,893	16,914	31.2%	7.9%
Rate Reduction	19,856	28,259	32,107	22,017	19,576	-11.1%	-1.4%
Rate Freeze	499	1,310	2,531	1,665	1,402	-15.8%	181.0%
Term Extension	15,895	28,148	36,052	23,829	20,992	-11.9%	32.1%
Principal Reduction	3,342	2,131	2,036	2,283	2,090	-8.5%	-37.5%
Principal Deferral	5,797	9,652	4,675	5,339	2,339	-56.2%	-59.7%
Not Reported	68	76	55	87	61	-29.9%	-10.3%

\*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.

<b>Table 19. Changes in Loan Terms for Modifications, by Risk Category, During the Fourth Quarter of 2014</b>					
<b>(Percentage of Total Modifications in Each Category)</b>					
	Prime	Alt-A	Subprime	Other	Overall
Capitalization	87.0%	79.6%	84.1%	84.5%	84.1%
Rate Reduction	60.4%	65.8%	70.8%	67.2%	65.1%
Rate Freeze	8.1%	8.7%	7.7%	9.9%	8.4%
Term Extension	83.9%	83.6%	79.9%	91.6%	83.8%
Principal Reduction	6.2%	6.6%	9.6%	1.6%	6.5%
Principal Deferral	12.3%	8.9%	9.6%	9.5%	10.4%
Not Reported*	0.5%	0.4%	0.3%	0.4%	0.4%
<b>(Number of Changes in Each Category)</b>					
Total Mortgages Modified	18,398	12,237	11,395	5,889	47,919
Capitalization	16,012	9,744	9,585	4,974	40,315
Rate Reduction	11,104	8,055	8,063	3,959	31,181
Rate Freeze	1,482	1,067	882	583	4,014
Term Extension	15,443	10,230	9,110	5,397	40,180
Principal Reduction	1,136	802	1,096	95	3,129
Principal Deferral	2,257	1,091	1,090	558	4,996
Not Reported	83	46	36	25	190

\*See note to table 17.

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

Modifications of mortgages serviced for the GSEs accounted for 35.2 percent of all modifications made during the fourth quarter of 2014. Government-guaranteed loans received 39.5 percent of all modifications, mortgages serviced for private investors received 11.8 percent, and mortgages held in the servicers' own portfolios received 13.5 percent of all fourth-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 their portfolios or serviced for private investors because Fannie Mae and Freddie Mac do not allow principal reduction. Because modifications often change more than one loan term, the sum of the actions exceeded the number of modified loans for each investor.

<b>Table 20. Type of Modification Action, by Investor and Product Type, During the Fourth Quarter of 2014</b>						
(Percentage of Total Modifications in Each Category)						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	98.7%	98.7%	64.0%	94.6%	95.7%	84.1%
Rate Reduction	43.9%	46.4%	79.2%	70.8%	70.8%	65.1%
Rate Freeze	11.6%	7.8%	6.6%	5.9%	11.9%	8.4%
Term Extension	94.3%	96.3%	97.1%	31.4%	61.3%	83.8%
Principal Reduction*	0.03%	0.01%	0.6%	22.0%	27.4%	6.5%
Principal Deferral	13.8%	13.4%	2.0%	15.3%	22.5%	10.4%
Not Reported**	0.08%	0.1%	0.5%	0.9%	0.3%	0.4%
(Number of Changes in Each Category)						
Total Mortgages Modified	8,767	8,104	18,912	5,653	6,483	47,919
Capitalization	8,656	7,996	12,110	5,348	6,205	40,315
Rate Reduction	3,850	3,761	14,974	4,005	4,591	31,181
Rate Freeze	1,019	629	1,257	335	774	4,014
Term Extension	8,265	7,801	18,369	1,773	3,972	40,180
Principal Reduction	3	1	106	1,241	1,778	3,129
Principal Deferral	1,212	1,088	372	865	1,459	4,996
Not Reported	7	8	103	53	19	190

\*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 23,728 HAMP modifications implemented in the fourth quarter of 2014, 10.4 percent were on GSE mortgages, 66.9 percent were on government-guaranteed loans, 10.2 percent were on mortgages serviced for private investors, and 12.6 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 was concentrated in loans held in portfolio and serviced for private investors. Of the HAMP modifications completed during the fourth quarter of 2014 on loans held in the banks’ own portfolios, 36.2 percent reduced the principal owed, and 38.3 percent of the HAMP modifications on loans serviced for private investors reduced principal. Other than for government-guaranteed loans, all other investors included principal deferral in their fourth-quarter 2014 modifications at a similar rate—between 22 and 28 percent.

<b>Table 21. Type of HAMP Modification Action, by Investor and Product Type, During the Fourth Quarter of 2014</b>						
<b>(Percentage of Total Modifications in Each Category)</b>						
	Fannie Mae	Freddie Mac	Government-Guaranteed	Private Investor	Portfolio	Overall
Capitalization	99.1%	98.0%	58.1%	97.9%	97.4%	71.3%
Rate Reduction	96.5%	98.8%	79.2%	85.8%	85.3%	82.5%
Rate Freeze	1.3%	1.0%	6.9%	3.9%	6.0%	5.9%
Term Extension	76.1%	76.5%	98.9%	41.6%	80.7%	88.5%
Principal Reduction*	0.07%	0.0%	0.5%	38.3%	36.2%	8.8%
Principal Deferral	26.7%	27.9%	2.2%	22.3%	26.1%	9.9%
Not Reported**	0.0%	0.2%	0.4%	0.0%	0.07%	0.3%
<b>(Number of Changes in Each Category)</b>						
Total Mortgages Modified	1,345	1,117	15,872	2,415	2,979	23,728
Capitalization	1,333	1,095	9,219	2,365	2,902	16,914
Rate Reduction	1,298	1,104	12,563	2,071	2,540	19,576
Rate Freeze	17	11	1,100	95	179	1,402
Term Extension	1,024	855	15,704	1,005	2,404	20,992
Principal Reduction	1	0	86	925	1,078	2,090
Principal Deferral	359	312	353	538	777	2,339
Not Reported	0	2	57	0	2	61

\*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.

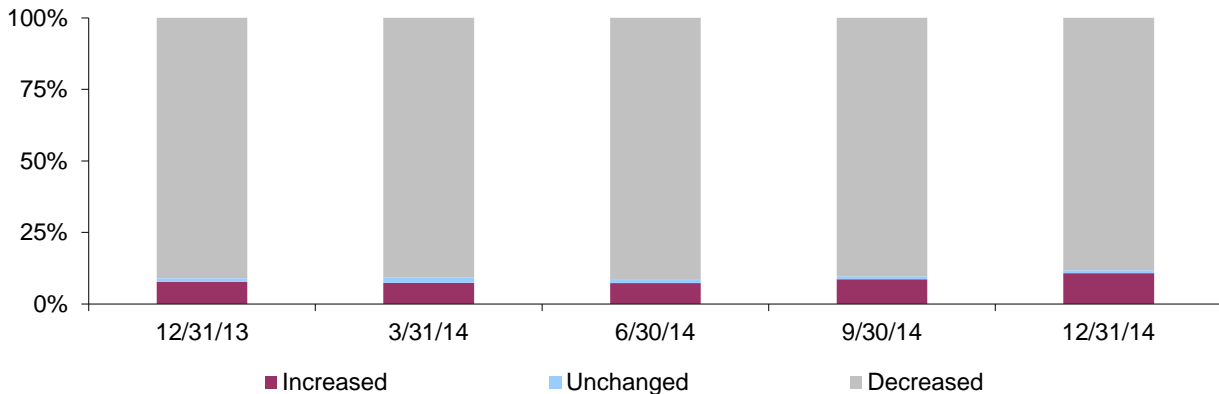
**Changes in Monthly Payments Resulting From Modifications, by Quarter**

More than 88 percent of modifications made in the fourth quarter of 2014 reduced monthly principal and interest payments, and 52.2 percent of the modifications reduced payments by 20 percent or more.

<b>Table 22. Changes in Monthly Principal and Interest Payments Resulting From Modifications</b>							
<b>(Percentage of Modifications in Each Category)*</b>							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Decreased by 20% or More	64.6%	58.6%	56.1%	55.1%	52.2%	-5.4%	-19.2%
Decreased by 10% to Less Than 20%	16.9%	20.5%	22.8%	22.6%	22.0%	-2.7%	30.5%
Decreased by Less Than 10%	9.5%	11.8%	12.7%	12.6%	14.1%	11.2%	47.4%
<b>Subtotal for Decreased</b>	<b>91.0%</b>	<b>90.8%</b>	<b>91.6%</b>	<b>90.4%</b>	<b>88.3%</b>	<b>-2.4%</b>	<b>-3.0%</b>
Unchanged	1.3%	1.8%	1.0%	0.9%	1.0%	6.3%	-22.4%
Increased	7.7%	7.4%	7.3%	8.6%	10.7%	24.3%	39.3%
Subtotal for Unchanged and Increased	9.0%	9.2%	8.4%	9.6%	11.7%	22.5%	30.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>(Number of Modifications in Each Category)</b>							
Decreased by 20% or More	46,511	38,026	38,965	29,394	24,926	-15.2%	-46.4%
Decreased by 10% to Less Than 20%	12,154	13,266	15,855	12,075	10,522	-12.9%	-13.4%
Decreased by Less Than 10%	6,872	7,623	8,838	6,742	6,719	-0.3%	-2.2%
<b>Subtotal for Decreased</b>	<b>65,537</b>	<b>58,915</b>	<b>63,658</b>	<b>48,211</b>	<b>42,167</b>	<b>-12.5%</b>	<b>-35.7%</b>
Unchanged	933	1,145	717	504	480	-4.8%	-48.6%
Increased	5,550	4,796	5,085	4,605	5,128	11.4%	-7.6%
Subtotal for Unchanged and Increased	6,483	5,941	5,802	5,109	5,608	9.8%	-13.5%
<b>Total</b>	<b>72,020</b>	<b>64,856</b>	<b>69,460</b>	<b>53,320</b>	<b>47,775</b>	<b>-10.4%</b>	<b>-33.7%</b>

\*No payment change information was reported on 446 modifications in the fourth quarter of 2013, 581 in the first quarter of 2014, 180 in the second quarter, 137 in the third quarter, and 144 in the fourth 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

Almost 96 percent of HAMP modifications completed during the fourth quarter of 2014 reduced borrower monthly payments, with 58.4 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, for modifications that reduced payments, re-default rates are lowest among loans that receive at least a 10 percent reduction in their monthly payments, and that the greater the decrease in payment, the lower the rate of re-default.

<b>Table 23. Changes in Monthly Principal and Interest Payments Resulting From HAMP Modifications</b>							
<b>(Percentage of HAMP Modifications in Each Category)*</b>							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Decreased by 20% or More	73.7%	66.0%	61.9%	63.0%	58.4%	-7.4%	-20.8%
Decreased by 10% to Less Than 20%	17.0%	22.8%	24.9%	24.0%	22.3%	-7.1%	31.1%
Decreased by Less Than 10%	7.4%	10.1%	12.4%	11.8%	14.8%	25.5%	99.0%
<b>Subtotal for Decreased</b>	<b>98.2%</b>	<b>98.9%</b>	<b>99.2%</b>	<b>98.9%</b>	<b>95.6%</b>	<b>-3.4%</b>	<b>-2.7%</b>
Unchanged	0.1%	0.2%	0.5%	0.6%	0.7%	25.6%	520.6%
Increased	1.7%	0.9%	0.4%	0.5%	3.7%	594.9%	120.3%
Subtotal for Unchanged and Increased	1.8%	1.1%	0.8%	1.1%	4.4%	296.1%	146.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>(Number of HAMP Modifications in Each Category)</b>							
Decreased by 20% or More	16,112	21,530	24,499	17,050	13,844	-18.8%	-14.1%
Decreased by 10% to Less Than 20%	3,723	7,429	9,855	6,500	5,295	-18.5%	42.2%
Decreased by Less Than 10%	1,627	3,292	4,905	3,192	3,512	10.0%	115.9%
<b>Subtotal for Decreased</b>	<b>21,462</b>	<b>32,251</b>	<b>39,259</b>	<b>26,742</b>	<b>22,651</b>	<b>-15.3%</b>	<b>5.5%</b>
Unchanged	26	60	183	159	175	10.1%	573.1%
Increased	367	297	140	144	877	509.0%	139.0%
Subtotal for Unchanged and Increased	393	357	323	303	1,052	247.2%	167.7%
<b>Total</b>	<b>21,855</b>	<b>32,608</b>	<b>39,582</b>	<b>27,045</b>	<b>23,703</b>	<b>-12.4%</b>	<b>8.5%</b>

\*No payment change information was reported on 60 modifications in the fourth quarter of 2013, 72 in the first quarter of 2014, 34 in the second quarter, 25 in the third quarter, and 25 in the fourth quarter of 2014.

**Average Change in Monthly Payments Resulting From Modifications, by Quarter**

Modifications made during the fourth quarter of 2014 reduced monthly principal and interest payments by \$243, or 21.5 percent, on average. Other modifications reduced payments by \$213, or 18.3 percent, on average. HAMP modifications made during the quarter reduced payments by \$274, or 24.8 percent, on average.

<b>Table 24. Average Change in Monthly Payments Resulting From Modifications, by Quarter*</b>							
All Modifications							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Decreased by 20% or More	(498)	(449)	(395)	(412)	(413)	0.3%	-17.0%
Decreased by 10% to Less Than 20%	(172)	(160)	(150)	(154)	(154)	-0.3%	-10.8%
Decreased by Less Than 10%	(68)	(63)	(55)	(56)	(54)	-3.5%	-19.7%
Unchanged	--	--	--	--	--	--	--
Increased	161	148	145	141	130	-7.8%	-19.1%
Overall (in dollars)	(344)	(292)	(252)	(257)	(243)	-5.4%	-29.5%
Percentage Change	-26.6%	-23.8%	-22.5%	-22.7%	-21.5%		
Other Modifications							
Decreased by 20% or More	(479)	(475)	(436)	(445)	(422)	-5.3%	-11.9%
Decreased by 10% to Less Than 20%	(169)	(178)	(169)	(168)	(165)	-1.4%	-2.6%
Decreased by Less Than 10%	(66)	(63)	(58)	(59)	(58)	-0.2%	-11.1%
Unchanged	--	--	--	--	--	--	--
Increased	161	149	136	141	143	1.4%	-11.6%
Overall (in dollars)	(309)	(263)	(230)	(229)	(213)	-7.1%	-31.1%
Percentage Change	-24.3%	-20.1%	-18.8%	-18.8%	-18.3%		
HAMP Modifications							
Decreased by 20% or More	(533)	(429)	(371)	(387)	(406)	4.7%	-24.0%
Decreased by 10% to Less Than 20%	(178)	(146)	(137)	(142)	(142)	-0.2%	-20.3%
Decreased by Less Than 10%	(74)	(62)	(54)	(54)	(51)	-6.0%	-31.7%
Unchanged	--	--	--	--	--	--	--
Increased	152	140	440	153	69	-54.9%	-54.6%
Overall (in dollars)	(427)	(322)	(269)	(284)	(274)	-3.7%	-35.9%
Percentage Change	-31.7%	-27.5%	-25.3%	-26.4%	-24.8%		

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

**B. Modified Loan Performance**

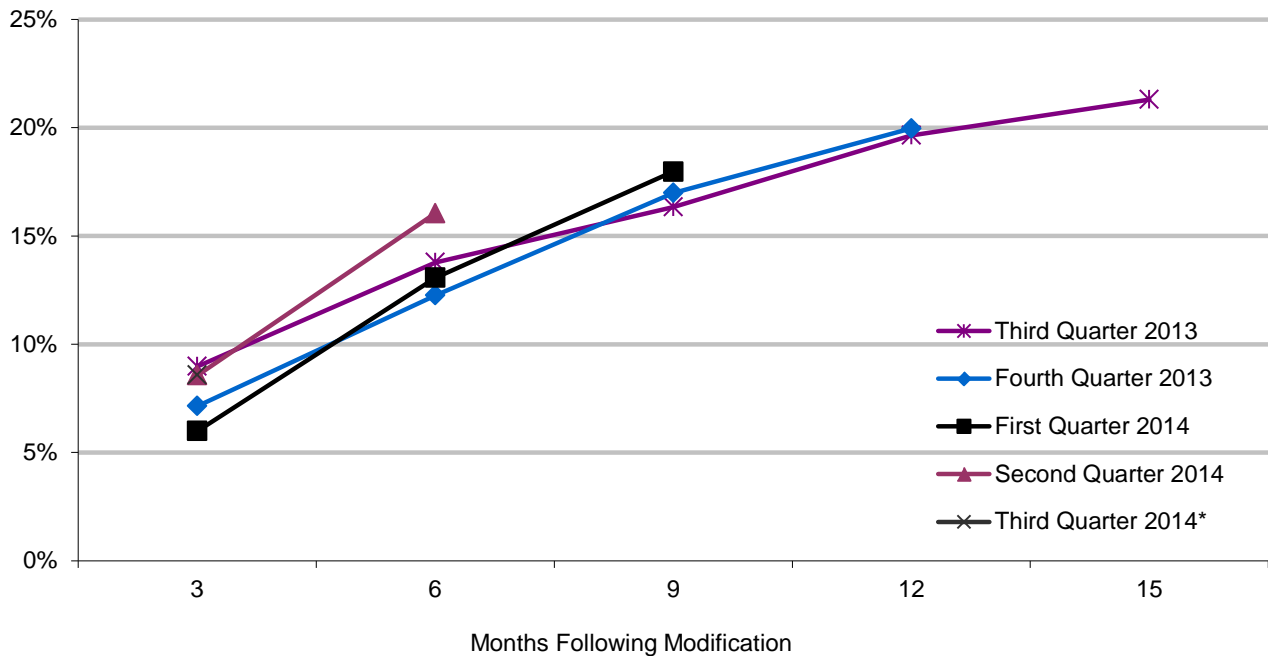
**Re-Default Rates of Modified Loans: 60 or More Days Delinquent**

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 geography 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. Among modifications completed in each of the last five quarters, between 6.0 percent and 9.0 percent of the modified loans were 60 or more days delinquent three months after modification, while 19.6 percent to 20.0 percent were 60 or more days delinquent 12 months after modification.

<b>Table 25. Modified Loans 60 or More Days Delinquent</b>					
Modification Date*	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification	15 Months After Modification
Third Quarter 2013	9.0%	13.8%	16.3%	19.6%	21.3%
Fourth Quarter 2013	7.1%	12.3%	17.0%	20.0%	-
First Quarter 2014	6.0%	13.1%	18.0%	-	-
Second Quarter 2014	8.6%	16.0%	-	-	-
Third Quarter 2014	8.6%	-	-	-	-

\*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 third quarter of 2014 is a single point (8.6 percent).

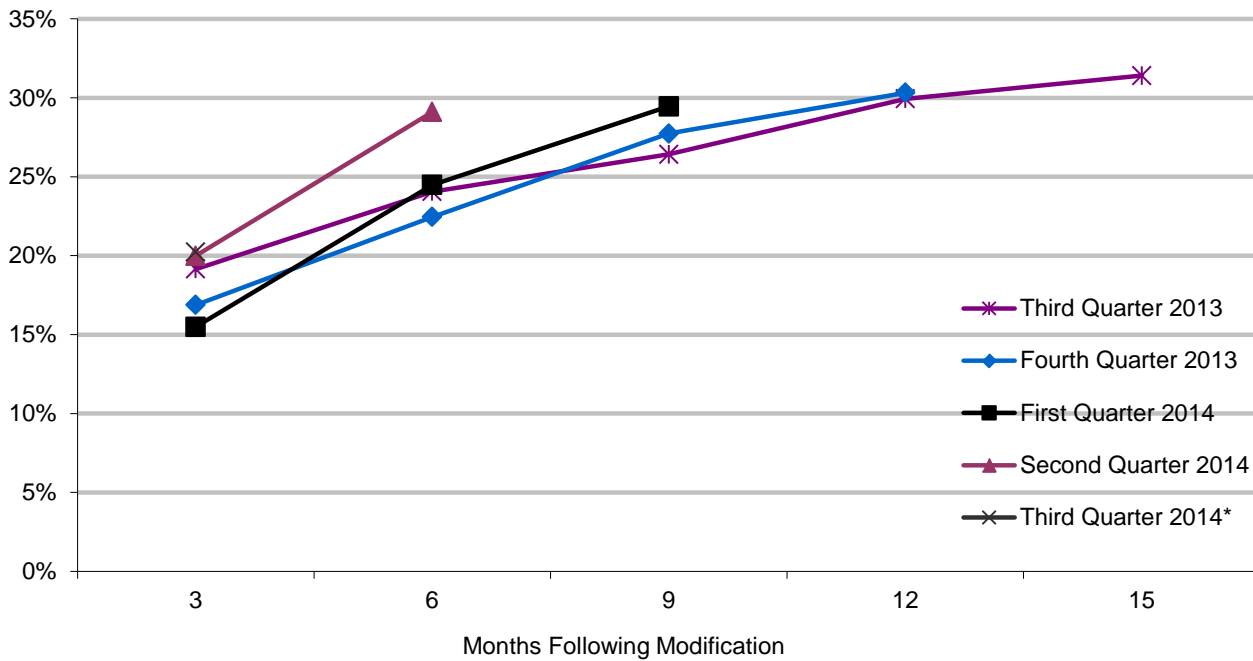
**Re-Default Rates of Modified Loans: 30 or More Days Delinquent**

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, 15.5 percent to 20.2 percent were 30 or more days delinquent three months after modification, while 29.9 percent to 30.3 percent were 30 or more days delinquent after one year.

<b>Table 26. Modified Loans 30 or More Days Delinquent</b>					
Modification Date*	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification	15 Months After Modification
Third Quarter 2013	19.1%	24.1%	26.4%	29.9%	31.4%
Fourth Quarter 2013	16.9%	22.5%	27.7%	30.3%	-
First Quarter 2014	15.5%	24.5%	29.5%	-	-
Second Quarter 2014	20.0%	29.1%	-	-	-
Third Quarter 2014	20.2%	-	-	-	-

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

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



\*Data for the third quarter of 2014 is a single point (20.2 percent).

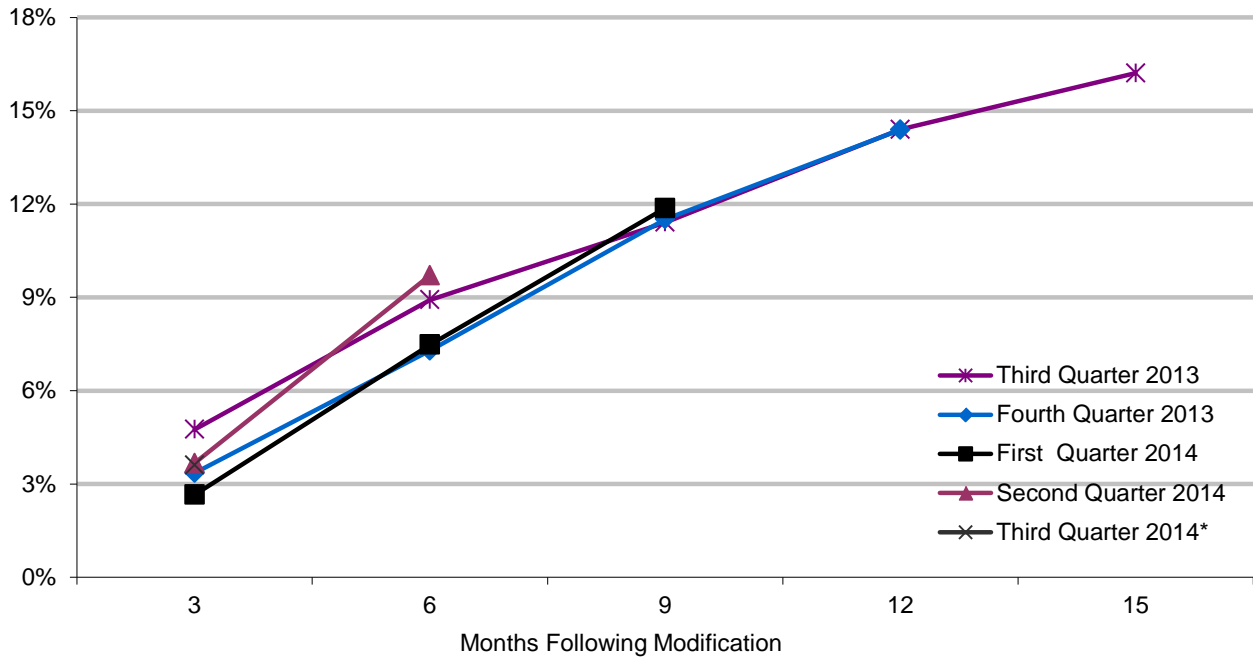
**Re-Default Rates of Modified Loans: 90 or More Days Delinquent**

Among modifications completed during the last five quarters, 14.4 percent were 90 or more days delinquent 12 months after modification.

<b>Table 27. Modified Loans 90 or More Days Delinquent</b>					
Modification Date*	3 Months After Modification	6 Months After Modification	9 Months After Modification	12 Months After Modification	15 Months After Modification
Third Quarter 2013	4.8%	8.9%	11.4%	14.4%	16.2%
Fourth Quarter 2013	3.4%	7.3%	11.5%	14.4%	-
First Quarter 2014	2.7%	7.5%	11.9%	-	-
Second Quarter 2014	3.7%	9.7%	-	-	-
Third Quarter 2014	3.6%	-	-	-	-

\*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 third quarter of 2014 is a single point (3.6 percent).



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

Performance on mortgages serviced varies by investor and the year that a loan was modified. The differences in re-default rates reflect differences in loan risk characteristics and modification programs. Between 2008 and 2013, for all investors, re-default rates generally have decreased 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. This pattern changed in 2014, as re-default rates increased for all investor types other than investors in government-guaranteed loans.

<b>Table 28. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2008</b>					
<b>(60 or More Days Delinquent)</b>					
<b>Investor Loan Type</b>	<b>6 Months After Modification</b>	<b>12 Months After Modification</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification</b>	<b>36 Months After Modification</b>
Fannie Mae	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%

<b>Table 29. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2009</b>					
<b>(60 or More Days Delinquent)</b>					
<b>Investor Loan Type</b>	<b>6 Months After Modification</b>	<b>12 Months After Modification</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification</b>	<b>36 Months After Modification</b>
Fannie Mae	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%

<b>Table 30. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2010</b>					
<b>(60 or More Days Delinquent)</b>					
<b>Investor Loan Type</b>	<b>6 Months After Modification</b>	<b>12 Months After Modification</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification</b>	<b>36 Months After Modification</b>
Fannie Mae	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%

<b>Table 31. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2011</b>					
<b>(60 or More Days Delinquent)*</b>					
<b>Investor Loan Type</b>	<b>6 Months After Modification</b>	<b>12 Months After Modification</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification</b>	<b>36 Months After Modification</b>
Fannie Mae	11.2%	16.7%	18.9%	20.4%	17.7%
Freddie Mac	10.8%	16.8%	20.1%	19.3%	16.5%
Government-Guaranteed	28.0%	42.3%	47.9%	48.1%	43.1%
Private	15.5%	22.1%	24.5%	21.5%	15.8%
Portfolio Loans	9.3%	15.1%	18.1%	18.1%	16.6%
Overall	15.4%	23.2%	26.6%	26.4%	23.0%

<b>Table 32. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2012</b>					
<b>(60 or More Days Delinquent)*</b>					
<b>Investor Loan Type</b>	<b>6 Months After Modification</b>	<b>12 Months After Modification</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification</b>	<b>36 Months After Modification</b>
Fannie Mae	11.5%	16.9%	19.9%	18.9%	-
Freddie Mac	8.8%	12.9%	14.6%	14.8%	-
Government-Guaranteed	21.3%	33.3%	36.6%	36.1%	-
Private	13.0%	16.8%	14.3%	12.1%	-
Portfolio Loans	7.2%	11.1%	12.6%	12.7%	-
Overall	12.7%	18.8%	20.4%	19.8%	-

<b>Table 33. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2013</b>					
<b>(60 or More Days Delinquent)*</b>					
<b>Investor Loan Type</b>	<b>6 Months After Modification</b>	<b>12 Months After Modification</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification</b>	<b>36 Months After Modification</b>
Fannie Mae	12.1%	16.9%	18.3%	-	-
Freddie Mac	9.5%	14.5%	15.4%	-	-
Government-Guaranteed	18.1%	26.7%	31.7%	-	-
Private	11.3%	13.6%	14.2%	-	-
Portfolio Loans	8.6%	13.3%	12.9%	-	-
Overall	12.7%	18.3%	20.5%	-	-

<b>Table 34. Re-Default Rates for Portfolio Loans and Loans Serviced for Others Modified in 2014</b>					
<b>(60 or More Days Delinquent)*</b>					
<b>Investor Loan Type</b>	<b>6 Months After Modification</b>	<b>12 Months After Modification</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification</b>	<b>36 Months After Modification</b>
Fannie Mae	14.6%	-	-	-	-
Freddie Mac	11.7%	-	-	-	-
Government-Guaranteed	16.6%	-	-	-	-
Private	11.9%	-	-	-	-
Portfolio Loans	13.8%	-	-	-	-
Overall	17.8%	-	-	-	-

\*Data in tables 31-34 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.

<b>Table 35. Performance of HAMP Modifications Compared With Other Modifications</b>						
<b>(60 or More Days Delinquent)*</b>						
	<b>Number of Modifications</b>	<b>3 Months After Modification</b>	<b>6 Months After Modification</b>	<b>9 Months After Modification</b>	<b>12 Months After Modification</b>	<b>15 Months After Modification</b>
HAMP 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%	11.5%
Other Second Quarter 2013	85,582	8.3%	15.4%	18.8%	20.1%	23.0%
HAMP Third Quarter 2013	23,159	3.9%	7.0%	8.9%	11.5%	12.8%
Other Third Quarter 2013	76,134	10.6%	15.9%	18.7%	22.3%	24.2%
HAMP Fourth Quarter 2013	21,915	3.7%	7.9%	11.5%	14.5%	-
Other Fourth Quarter 2013	50,551	8.7%	14.2%	19.5%	22.5%	-
HAMP First Quarter 2014	32,680	4.4%	11.2%	16.3%	-	-
Other First Quarter 2014	32,757	7.5%	15.0%	19.8%	-	-
HAMP Second Quarter 2014	39,616	7.8%	15.3%	-	-	-
Other Second Quarter 2014	30,024	9.6%	17.1%	-	-	-
HAMP Third Quarter 2014	27,070	7.0%	-	-	-	-
Other Third Quarter 2014	26,387	10.2%	-	-	-	-

\*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 reduce payments by less than 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, as well as 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 36 through 42 present re-default rates, measured as 60 or more days delinquent, for modifications made since January 1, 2008. Between 2008 and 2013, modification performance improved, as modifications focused on reducing monthly payments and setting payments relative to the borrower’s income and ability to pay, and as economic conditions improved. This trend of improved performance reversed for modifications completed during 2014, consistent with the higher concentration of more risky loans modified during 2014.

Among modifications that received payment decreases, data show that re-default rates decrease as reductions in payments increase more than 10 percent. Between 2010 and 2013, modification 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 the rate and payment do not increase. These actions often are offered to borrowers who are current on their payments.

<b>Table 36. Re-Default Rates of Loans Modified in 2008 by Change in Payment</b>					
<b>(60 or More Days Delinquent)</b>					
	<b>6 Months After Modification</b>	<b>12 Months After Modification</b>	<b>18 Months After Modification</b>	<b>24 Months After Modification</b>	<b>36 Months After Modification</b>
Decreased by 20% or More	26.1%	39.6%	47.0%	49.1%	50.6%
Decreased by 10% to Less Than 20%	32.7%	47.5%	54.3%	55.6%	54.9%
Decreased by Less Than 10%	40.3%	55.2%	60.6%	61.0%	59.0%
Unchanged	53.7%	62.2%	66.3%	67.2%	65.8%
Increased	53.6%	67.3%	71.3%	71.1%	68.3%
<b>Total</b>	<b>44.5%</b>	<b>57.0%</b>	<b>62.0%</b>	<b>62.7%</b>	<b>61.4%</b>

**Table 37. 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%
<b>Total</b>	<b>32.2%</b>	<b>43.2%</b>	<b>46.5%</b>	<b>47.0%</b>	<b>45.1%</b>

**Table 38. 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%
<b>Total</b>	<b>17.3%</b>	<b>25.4%</b>	<b>29.5%</b>	<b>30.6%</b>	<b>29.2%</b>

**Table 39. 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%	15.2%
Decreased by 10% to Less Than 20%	16.7%	26.6%	31.2%	31.7%	28.7%
Decreased by Less Than 10%	22.7%	34.3%	38.9%	38.3%	33.4%
Unchanged	13.5%	17.3%	18.5%	17.7%	15.1%
Increased	32.8%	44.9%	49.7%	49.0%	43.5%
<b>Total</b>	<b>15.4%</b>	<b>23.2%</b>	<b>26.6%</b>	<b>26.4%</b>	<b>23.0%</b>

**Table 40. 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%	14.1%	-
Decreased by 10% to Less Than 20%	12.5%	19.5%	22.0%	21.8%	-
Decreased by Less Than 10%	22.1%	33.3%	36.3%	35.2%	-
Unchanged	9.9%	11.3%	12.6%	11.7%	-
Increased	29.0%	38.8%	39.4%	36.9%	-
<b>Total</b>	<b>12.7%</b>	<b>18.8%</b>	<b>20.4%</b>	<b>19.8%</b>	<b>-</b>

<b>Table 41. Re-Default Rates of Loans Modified in 2013 by Change in Payment (60 or More Days Delinquent)*</b>					
	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%	13.4%	15.0%	-	-
Decreased by 10% to Less Than 20%	14.5%	21.1%	23.4%	-	-
Decreased by Less Than 10%	21.3%	29.8%	33.4%	-	-
Unchanged	20.5%	25.1%	24.3%	-	-
Increased	23.7%	32.1%	33.4%	-	-
<b>Total</b>	<b>12.7%</b>	<b>18.3%</b>	<b>20.5%</b>	-	-

<b>Table 42. Re-Default Rates of Loans Modified in 2014 by Change in Payment (60 or More Days Delinquent)*</b>					
	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	10.8%	-	-	-	-
Decreased by 10% to Less Than 20%	16.7%	-	-	-	-
Decreased by Less Than 10%	21.0%	-	-	-	-
Unchanged	25.7%	-	-	-	-
Increased	25.4%	-	-	-	-
<b>Total</b>	<b>17.8%</b>	-	-	-	-

\*Data in tables 39-42 include modifications that were originated that year and aged the indicated number of months.

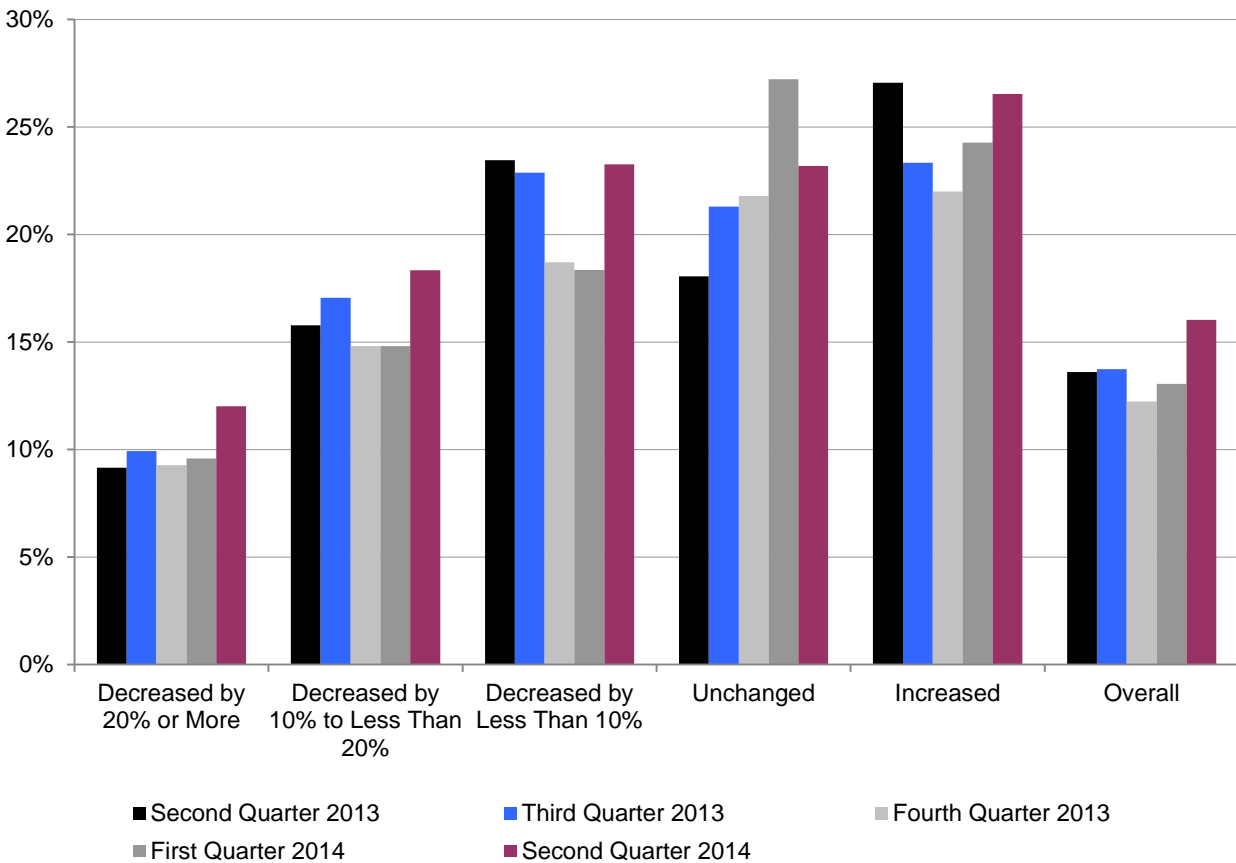
**60+ Delinquency at Six Months After Modification by Change in Monthly Payment**

Modifications that reduced monthly principal and interest payments by at least 10 percent consistently performed better than modifications that reduced payments by less than 10 percent. Modifications with the greatest decrease in monthly payments consistently had the lowest re-default rates. Historically, 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 43. 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
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%
First Quarter 2014	9.6%	14.8%	18.3%	27.2%	24.3%	13.0%
Second Quarter 2014	12.0%	18.3%	23.3%	23.2%	26.5%	16.0%
<b>Total for the quarters above</b>	9.9%	16.3%	21.8%	22.6%	24.6%	13.7%

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



**Status of Mortgages Modified in 2008–3Q 2014**

Servicers implemented 3,649,010 modifications from January 1, 2008, through September 30, 2014. Of these modifications, 55.1 percent were active at the end of the fourth quarter of 2014 and 44.9 percent had exited the servicing portfolios of the reporting institutions, through payment in full, involuntary liquidation, or transfer to a non-reporting servicer. Of the 2,012,632 active modifications at the end of the fourth quarter of 2014, 68.8 percent were current and performing at quarter end, 25.8 percent were delinquent, and 5.4 percent were in the process of foreclosure. Among the 44.9 percent of modifications that had exited the portfolio prior to the end of the fourth quarter of 2014, 8.6 percent were liquidated involuntarily, through foreclosure, short sale, or deed in lieu. Another 4.3 percent were paid in full, and 32.0 percent were transferred. HAMP modifications implemented since the fourth 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 reduced payments by less than 10 percent. Of the 1,399,388 active modifications that reduced payments by 10 percent or more at the end of the fourth quarter of 2014, 73.0 percent were current, compared with 59.2 percent of active modifications that reduced payments by less than 10 percent.

**Table 44. Status of Mortgages Modified in 2008–3Q 2014**

Year	Completed Modifications		As Percentage of Modifications Active as of 12/31/14				As Percentage of All Modifications Completed		
	Total	Active at 12/31/14	Current	30–59 Days Delinquent	Seriously Delinquent	Foreclosures in Process	Involuntary Liquidations*	Paid Off	No Longer in the Portfolio
2008	443,294	126,749	60.1%	10.4%	21.4%	8.2%	17.9%	5.6%	47.9%
2009	593,884	243,071	63.0%	9.6%	20.1%	7.3%	14.5%	6.0%	38.6%
2010	955,422	470,409	68.4%	8.9%	16.8%	5.9%	10.2%	5.0%	35.6%
2011	569,553	331,968	70.2%	8.6%	15.7%	5.6%	5.9%	4.2%	31.6%
2012	479,820	336,969	72.6%	8.4%	14.6%	4.5%	2.5%	3.2%	24.1%
2013	418,503	326,120	70.0%	9.2%	15.8%	5.0%	1.1%	2.0%	19.0%
2014	188,534	177,346	72.1%	11.2%	14.7%	2.1%	0.1%	0.6%	5.2%
<b>Total</b>	<b>3,649,010</b>	<b>2,012,632</b>	<b>68.8%</b>	<b>9.2%</b>	<b>16.6%</b>	<b>5.4%</b>	<b>8.6%</b>	<b>4.3%</b>	<b>32.0%</b>
<b>HAMP Modification Performance Compared With Other Modifications</b>									
Other**	1,985,546	1,209,488	66.0%	9.6%	18.5%	6.0%	7.7%	4.5%	26.9%
HAMP	882,324	553,891	78.5%	7.7%	10.6%	3.2%	3.7%	2.7%	30.8%
<b>Modifications That Reduced Payments by 10 Percent or More</b>									
	2,369,684	1,399,388	73.0%	8.7%	13.9%	4.4%	6.0%	3.4%	31.6%
<b>Modifications That Reduced Payments by Less Than 10 Percent</b>									
	1,279,326	613,244	59.2%	10.3%	22.8%	7.7%	13.4%	6.0%	32.6%

\*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 third 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 49,749 during the fourth quarter of 2014, a decrease of 40.8 percent from a year earlier. The number of completed foreclosures decreased to 39,331—down 35.3 percent from a year earlier. Short sales decreased 56.6 percent from a year earlier. Short sales were 18.5 percent of all home forfeiture actions during the fourth quarter of 2014, down from 25.2 percent a year earlier. Deed-in-lieu-of-foreclosure actions remained a small portion of home forfeiture actions during the quarter.

**Table 45. Completed Foreclosures and Other Home Forfeiture Actions**

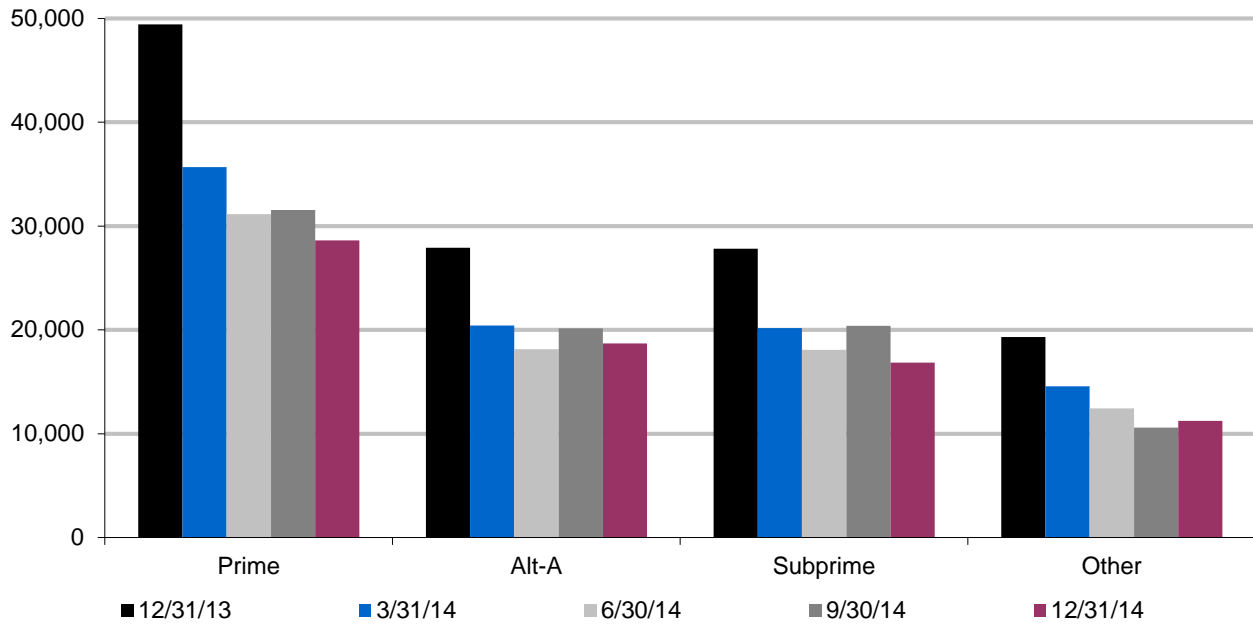
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Completed Foreclosures	60,765	56,185	48,684	45,245	39,331	-13.1%	-35.3%
New Short Sales	21,149	13,613	14,290	11,685	9,179	-21.4%	-56.6%
New Deed-in-Lieu-of-Foreclosure Actions	2,117	1,880	1,816	1,284	1,239	-3.5%	-41.5%
<b>Total</b>	<b>84,031</b>	<b>71,678</b>	<b>64,790</b>	<b>58,214</b>	<b>49,749</b>	<b>-14.5%</b>	<b>-40.8%</b>

### 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 75,395 in the fourth quarter of 2014, a decrease of 8.8 percent from the previous quarter and 39.4 percent from a year earlier.

	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Prime	49,420	35,678	31,147	31,547	28,609	-9.3%	-42.1%
Alt-A	27,910	20,435	18,133	20,158	18,701	-7.2%	-33.0%
Subprime	27,820	20,181	18,067	20,379	16,854	-17.3%	-39.4%
Other	19,318	14,558	12,435	10,584	11,231	6.1%	-41.9%
<b>Total</b>	<b>124,468</b>	<b>90,852</b>	<b>79,782</b>	<b>82,668</b>	<b>75,395</b>	<b>-8.8%</b>	<b>-39.4%</b>

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

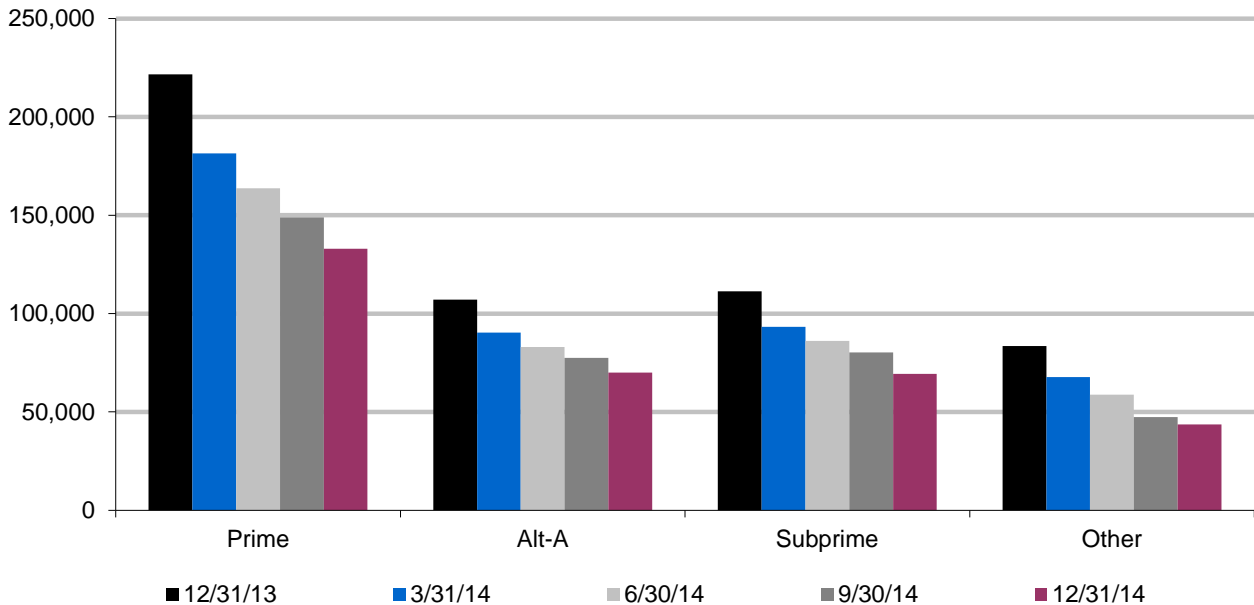


### Foreclosures in Process

The number of mortgages in the process of foreclosure decreased to 315,922 at the end of the fourth quarter of 2014, down 10.7 percent from the previous quarter and 39.7 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 fourth quarter of 2014 was 1.4 percent, a decrease of 9.0 percent from the previous quarter and 35.0 percent from a year earlier.

<b>Table 47. Foreclosures in Process</b>							
Percentage of Foreclosures in Process Relative to Mortgages in That Risk Category							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Prime	1.2%	1.0%	0.9%	0.8%	0.8%	-9.4%	-36.5%
Alt-A	4.2%	3.6%	3.4%	3.2%	3.0%	-7.0%	-29.2%
Subprime	7.3%	6.4%	5.9%	5.7%	5.2%	-9.4%	-28.9%
Other	3.7%	3.1%	2.8%	2.4%	2.3%	-5.4%	-38.1%
<b>Total</b>	<b>2.1%</b>	<b>1.8%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.4%</b>	<b>-9.0%</b>	<b>-35.0%</b>
Number of Foreclosures in Process							
Prime	221,675	181,465	163,735	148,846	132,900	-10.7%	-40.0%
Alt-A	107,033	90,308	83,031	77,451	70,059	-9.5%	-34.5%
Subprime	111,260	93,286	86,047	80,204	69,371	-13.5%	-37.6%
Other	83,560	67,773	58,780	47,405	43,592	-8.0%	-47.8%
<b>Total</b>	<b>523,528</b>	<b>432,832</b>	<b>391,593</b>	<b>353,906</b>	<b>315,922</b>	<b>-10.7%</b>	<b>-39.7%</b>

Figure 16. Number of Foreclosures in Process

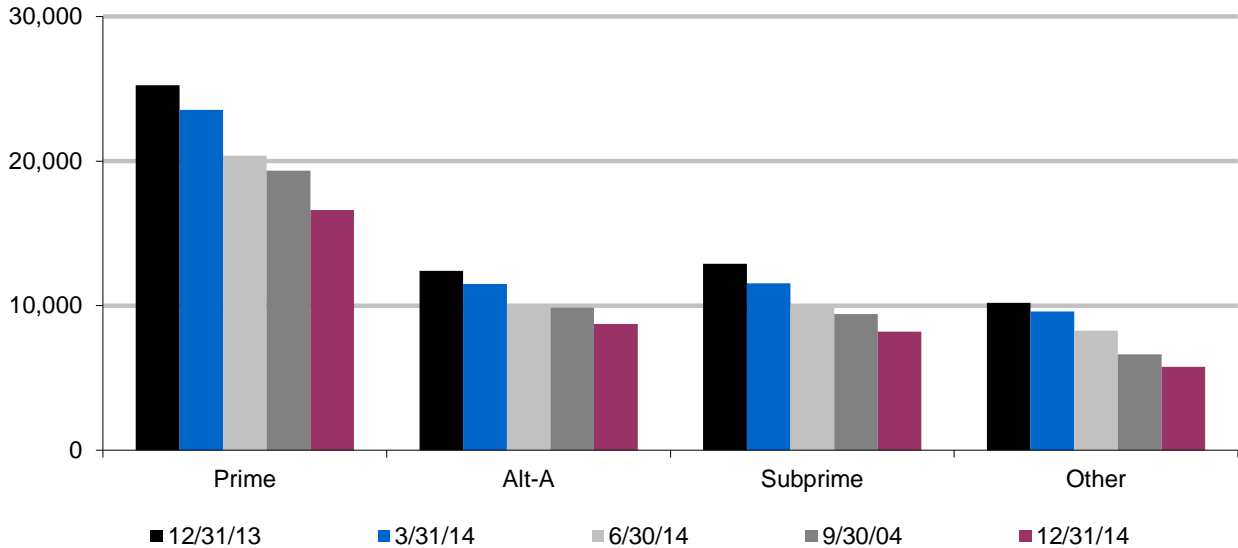


### Completed Foreclosures

The number of completed foreclosures was 39,331 during the fourth quarter of 2014—a decrease of 35.3 percent from a year earlier. The percentage of mortgages that completed the foreclosure process during the fourth quarter of 2014 was 0.2 percent of all mortgages serviced, a decrease of 30.3 percent from a year earlier.

<b>Table 48. Completed Foreclosures</b>							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Prime	0.1%	0.1%	0.1%	0.1%	0.09%	-12.8%	-30.3%
Alt-A	0.5%	0.5%	0.4%	0.4%	0.4%	-8.9%	-23.9%
Subprime	0.8%	0.8%	0.7%	0.7%	0.6%	-8.7%	-27.4%
Other	0.5%	0.4%	0.4%	0.3%	0.3%	-10.5%	-32.9%
<b>Total</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>-11.4%</b>	<b>-30.3%</b>
Number of Completed Foreclosures							
Prime	25,253	23,547	20,388	19,331	16,616	-14.0%	-34.2%
Alt-A	12,410	11,502	9,959	9,857	8,730	-11.4%	-29.7%
Subprime	12,902	11,539	10,069	9,428	8,214	-12.9%	-36.3%
Other	10,200	9,597	8,268	6,629	5,771	-12.9%	-43.4%
<b>Total</b>	<b>60,765</b>	<b>56,185</b>	<b>48,684</b>	<b>45,245</b>	<b>39,331</b>	<b>-13.1%</b>	<b>-35.3%</b>

Figure 17. Number of Completed Foreclosures

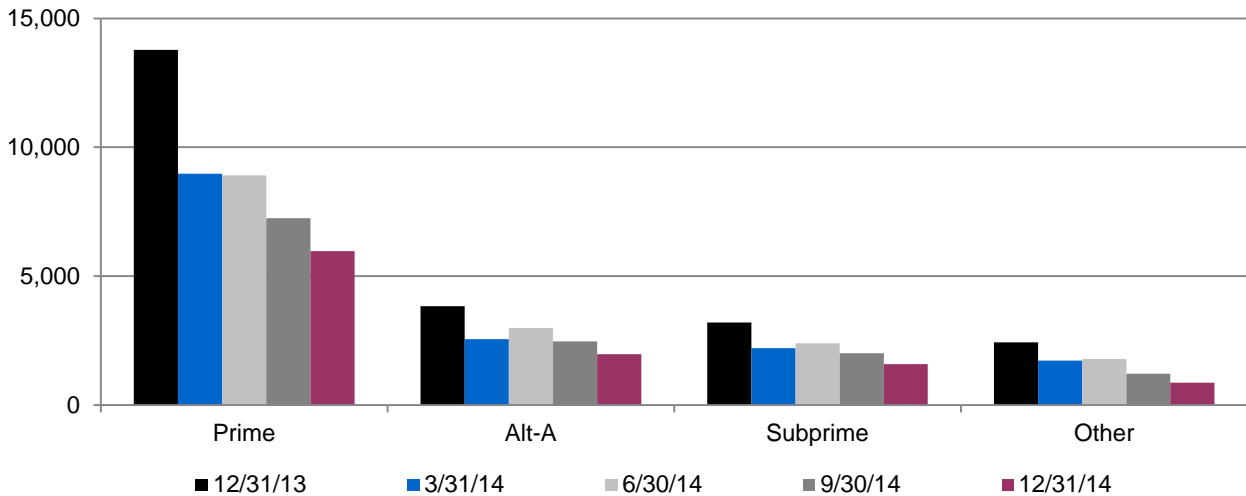


**Completed Short Sales and Deeds in Lieu of Foreclosure**

The number of completed short sales and deeds in lieu of foreclosure decreased to 10,418 during the quarter—down 55.2 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 fourth quarter of 2014 were 0.05 percent, down 51.8 percent from a year earlier.

<b>Table 49. Completed Short Sales and Deeds in Lieu of Foreclosure</b>							
Percentage of Completed Foreclosures Relative to Mortgages in That Risk Category							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Prime	0.07%	0.05%	0.05%	0.04%	0.03%	-16.5%	-54.1%
Alt-A	0.2%	0.1%	0.1%	0.1%	0.08%	-17.7%	-44.2%
Subprime	0.2%	0.2%	0.2%	0.1%	0.1%	-17.2%	-43.2%
Other	0.1%	0.08%	0.09%	0.06%	0.05%	-26.9%	-57.7%
<b>Total</b>	<b>0.09%</b>	<b>0.06%</b>	<b>0.07%</b>	<b>0.06%</b>	<b>0.05%</b>	<b>-18.1%</b>	<b>-51.8%</b>
Number of Completed Short Sales and Deeds in Lieu of Foreclosure							
Prime	13,781	8,980	8,920	7,254	5,972	-17.7%	-56.7%
Alt-A	3,844	2,564	2,990	2,476	1,983	-19.9%	-48.4%
Subprime	3,203	2,218	2,403	2,016	1,594	-20.9%	-50.2%
Other	2,438	1,731	1,793	1,223	869	-28.9%	-64.4%
Overall	23,266	15,493	16,106	12,969	10,418	-19.7%	-55.2%

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

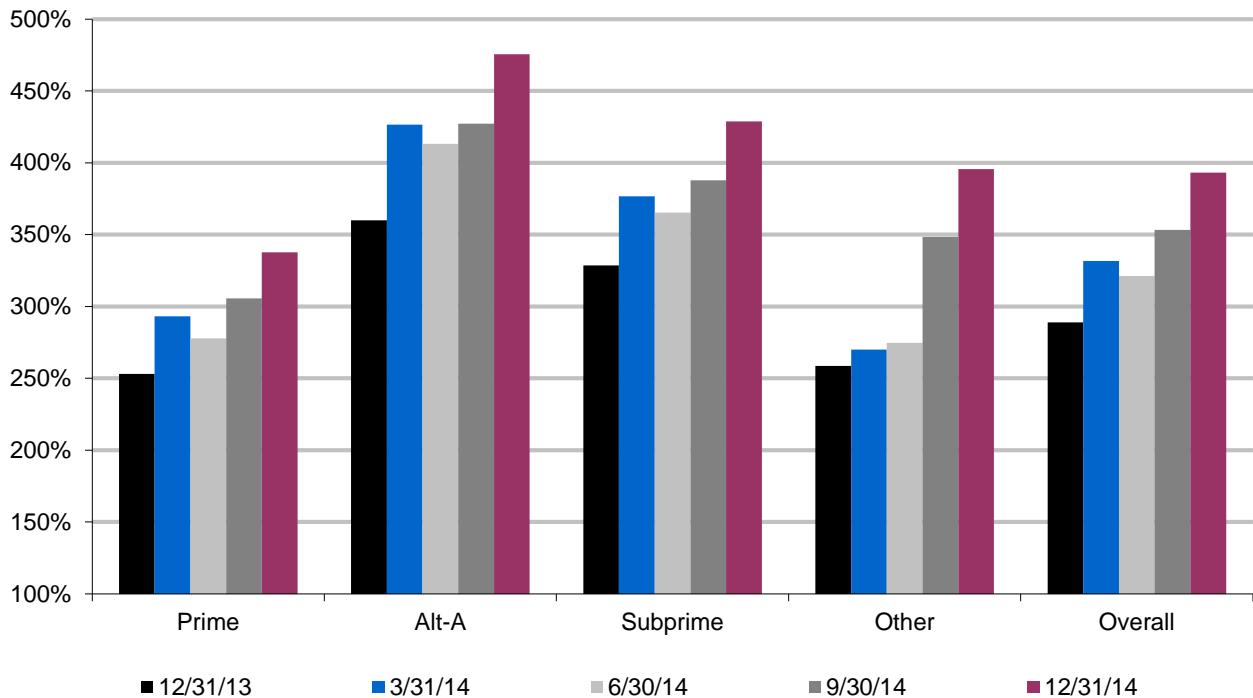


**New Home Retention Actions Relative to Forfeiture Actions, by Risk Category**

New home retention actions continued to exceed completed home forfeitures as servicers initiated almost four 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.

<b>Table 50. Percentage of New Home Retention Actions Relative to Forfeiture Actions, by Risk Category</b>							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Prime	253.0%	293.1%	277.9%	305.6%	337.7%	10.5%	33.5%
Alt-A	360.0%	426.5%	413.1%	427.2%	475.7%	11.3%	32.1%
Subprime	328.5%	376.7%	365.3%	387.9%	428.9%	10.6%	30.6%
Other	258.7%	270.1%	274.6%	348.5%	395.7%	13.6%	52.9%
Overall	289.0%	331.7%	321.3%	353.3%	393.1%	11.3%	36.0%

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



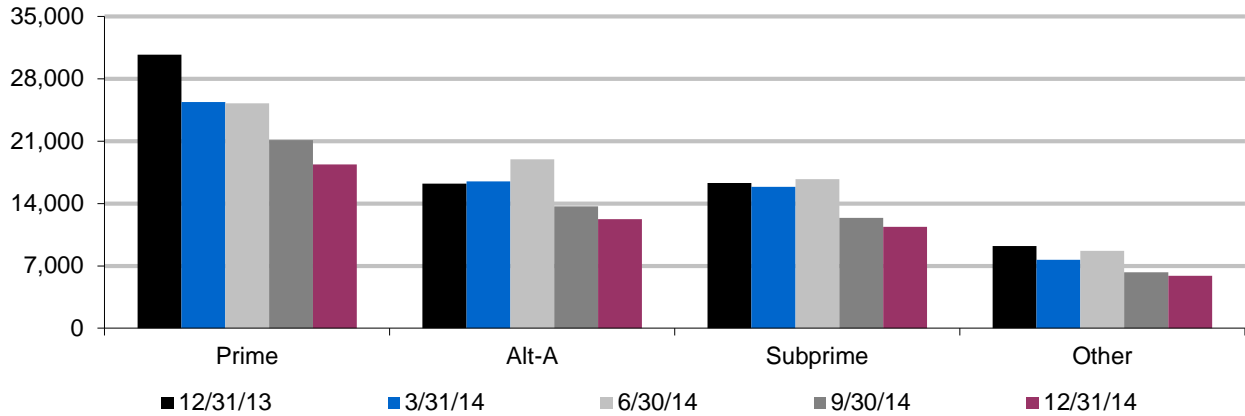
**Appendixes**

**Appendix A—New Loan Modifications**

There were 47,919 loan modifications completed during the fourth quarter of 2014—a decrease of 33.9 percent from a year earlier. Modifications decreased from both the previous quarter and the prior year in all credit classes.

	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Prime	30,690	25,396	25,263	21,130	18,398	-12.9%	-40.1%
Alt-A	16,244	16,492	18,950	13,664	12,237	-10.4%	-24.7%
Subprime	16,295	15,855	16,724	12,376	11,395	-7.9%	-30.1%
Other	9,237	7,694	8,703	6,287	5,889	-6.3%	-36.2%
<b>Total</b>	<b>72,466</b>	<b>65,437</b>	<b>69,640</b>	<b>53,457</b>	<b>47,919</b>	<b>-10.4%</b>	<b>-33.9%</b>

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

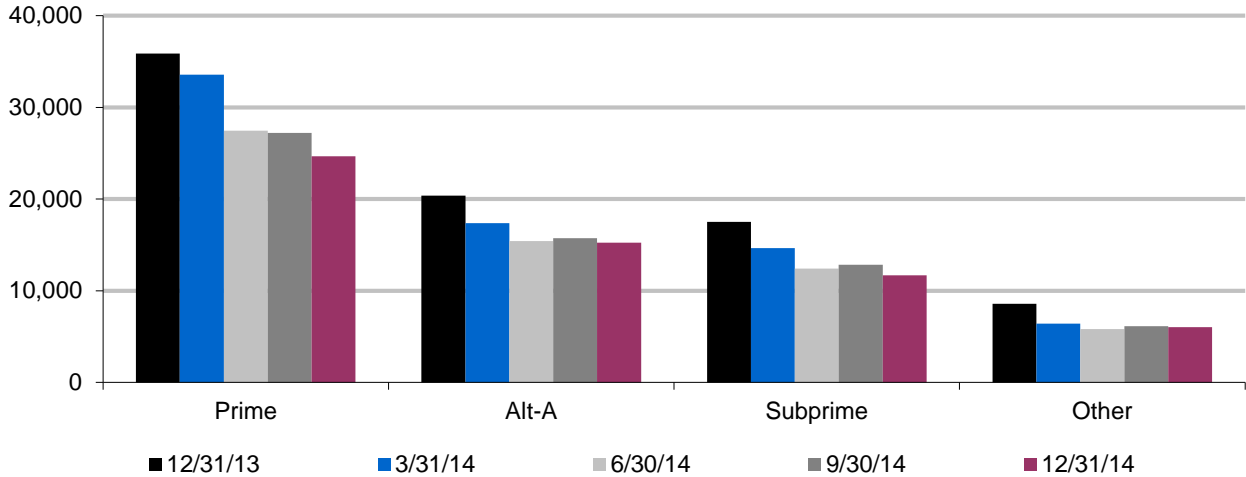


**Appendix B—New Trial-Period Plans**

Servicers initiated 57,630 trial-period plans during the fourth quarter of 2014, a decrease of 7.0 percent from the previous quarter and 30.0 percent from a year earlier.

	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Prime	35,874	33,550	27,452	27,222	24,669	-9.4%	-31.2%
Alt-A	20,360	17,369	15,430	15,744	15,230	-3.3%	-25.2%
Subprime	17,510	14,665	12,433	12,849	11,693	-9.0%	-33.2%
Other	8,572	6,414	5,842	6,157	6,038	-1.9%	-29.6%
<b>Total</b>	<b>82,316</b>	<b>71,998</b>	<b>61,157</b>	<b>61,972</b>	<b>57,630</b>	<b>-7.0%</b>	<b>-30.0%</b>

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



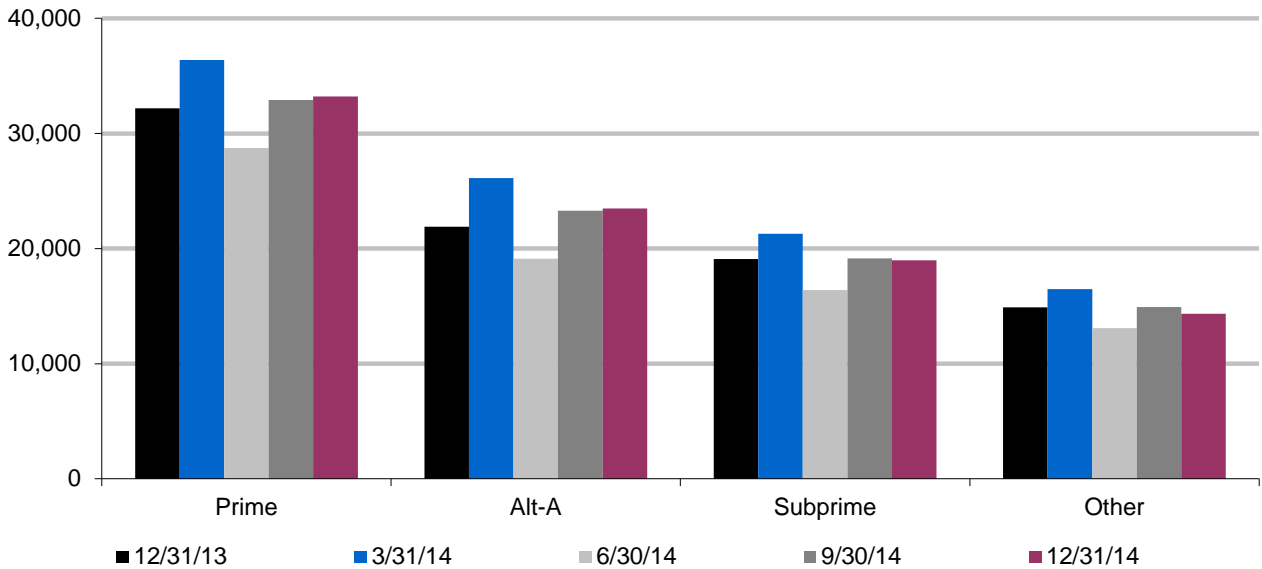


**Appendix C—New Payment Plans**

New payment plans decreased by 0.3 percent during the fourth quarter of 2014 from 90,260 the previous quarter, but increased 2.2 percent from a year earlier.

	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Prime	32,195	36,392	28,735	32,903	33,215	0.9%	3.2%
Alt-A	21,908	26,135	19,117	23,279	23,491	0.9%	7.2%
Subprime	19,100	21,300	16,407	19,161	18,975	-1.0%	-0.7%
Other	14,890	16,488	13,087	14,917	14,347	-3.8%	-3.6%
<b>Total</b>	<b>88,093</b>	<b>100,315</b>	<b>77,346</b>	<b>90,260</b>	<b>90,028</b>	<b>-0.3%</b>	<b>2.2%</b>

**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 92.8 percent of all modifications completed during the fourth quarter of 2014.

<b>Table 54. Changes in Terms for Modifications Made Through the Fourth Quarter of 2014</b>							
<b>(Percentage of Modifications in Each Category)</b>							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Combination*	95.4%	92.8%	89.2%	90.7%	92.8%	2.3%	-2.8%
Capitalization	2.5%	3.0%	2.8%	3.4%	2.8%	-15.3%	15.6%
Rate Reduction	0.7%	0.3%	0.7%	0.4%	0.3%	-41.4%	-62.6%
Rate Freeze	0.01%	0.01%	0.1%	0.01%	0.02%	123.1%	202.5%
Term Extension	0.5%	3.1%	6.3%	4.9%	3.6%	-26.2%	631.4%
Principal Reduction	0.02%	0.02%	0.0%	0.01%	0.01%	-10.8%	-53.5%
Principal Deferral	0.2%	0.2%	0.09%	0.08%	0.07%	-12.3%	-62.8%
Not Reported**	0.7%	0.7%	0.7%	0.5%	0.4%	-21.2%	-43.4%
<b>(Number of Changes in Each Category)</b>							
Combination	69,156	60,696	62,092	48,461	44,447	-8.3%	-35.7%
Capitalization	1,784	1,946	1,979	1,797	1,364	-24.1%	-23.5%
Rate Reduction	505	184	510	238	125	-47.5%	-75.2%
Rate Freeze	5	6	103	5	10	100.0%	100.0%
Term Extension	361	2,034	4,407	2,640	1,746	-33.9%	383.7%
Principal Reduction	13	16	2	5	4	-20.0%	-69.2%
Principal Deferral	134	122	64	42	33	-21.4%	-75.4%
Not Reported	508	433	483	269	190	-29.4%	-62.6%
All Modifications	72,466	65,437	69,640	53,457	47,919	-10.4%	-33.9%

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

\*\*See note to table 17.

### Changes in Terms for Combination Modification Actions

Of the 44,447 modifications completed during the fourth quarter of 2014 that changed more than one term of the mortgage contract, 87.6 percent included capitalization of missed fees and payments, 69.9 percent included interest-rate reduction, and 86.5 percent included an extension of the loan maturity. Principal deferral was included in 11.2 percent of the combination modifications implemented during the quarter, and principal reduction was included in 7.0 percent. Because combination modifications changed more than one term, the sum of the individual actions exceeded 100 percent of total combination modifications.

<b>Table 55. Changes in Terms for Combination Modifications Through the Fourth Quarter of 2014</b>							
<b>(Percentage of Modifications in Each Category)</b>							
	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	1Q %Change	1Y %Change
Capitalization	89.3%	76.9%	62.9%	74.8%	87.6%	17.2%	-1.9%
Rate Reduction	79.6%	78.7%	79.8%	72.8%	69.9%	-4.1%	-12.2%
Rate Freeze	7.3%	7.0%	7.8%	8.3%	9.0%	8.5%	23.0%
Term Extension	79.0%	80.7%	87.1%	85.0%	86.5%	1.7%	9.4%
Principal Reduction*	11.0%	8.7%	5.6%	7.5%	7.0%	-6.8%	-36.2%
Principal Deferral	31.7%	26.6%	12.8%	17.4%	11.2%	-35.9%	-64.8%
<b>(Number of Changes in Each Category)</b>							
Capitalization	61,761	46,679	39,086	36,232	38,951	7.5%	-36.9%
Rate Reduction	55,049	47,755	49,537	35,291	31,056	-12.0%	-43.6%
Rate Freeze	5,067	4,273	4,849	4,022	4,004	-0.4%	-21.0%
Term Extension	54,665	48,996	54,108	41,214	38,434	-6.7%	-29.7%
Principal Reduction	7,621	5,306	3,486	3,654	3,125	-14.5%	-59.0%
Principal Deferral	21,914	16,137	7,926	8,442	4,963	-41.2%	-77.4%

\*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 56 presents the number and percentage of HAMP modifications and other modifications in each state during the fourth quarter of 2014. Tables 57 and 58 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 59 and 60 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 61 and 62 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 63 and 64 present the number and percentage of re-defaulting mortgages, defined as modifications made in the second quarter of 2014 that were 60 or more days delinquent or in the process of foreclosure at the end of the fourth quarter of 2014.

**Table 56. Number and Percentage of Mortgage Modifications  
Implemented in the Fourth Quarter of 2014**

States	HAMP Modifications		Other Modifications		Total Modifications	
	Total	% of State Total	Total	% of State Total	Total	% of Total
Total - All States	23,728	49.5%	24,191	50.5%	47,919	100.0%
Alabama	309	47.0%	349	53.0%	658	1.4%
Alaska	15	40.5%	22	59.5%	37	0.08%
Arizona	326	45.0%	399	55.0%	725	1.5%
Arkansas	195	52.8%	174	47.2%	369	0.8%
California	1,891	44.2%	2,385	55.8%	4,276	8.9%
Colorado	288	48.0%	312	52.0%	600	1.3%
Connecticut	383	49.1%	397	50.9%	780	1.6%
Delaware	146	52.1%	134	47.9%	280	0.6%
District of Columbia	68	54.4%	57	45.6%	125	0.3%
Florida	2,066	48.9%	2,156	51.1%	4,222	8.8%
Georgia	1,306	55.0%	1,070	45.0%	2,376	5.0%
Hawaii	30	26.3%	84	73.7%	114	0.2%
Idaho	71	42.0%	98	58.0%	169	0.4%
Illinois	1,163	46.9%	1,317	53.1%	2,480	5.2%
Indiana	653	59.0%	453	41.0%	1,106	2.3%
Iowa	152	45.0%	186	55.0%	338	0.7%
Kansas	146	48.0%	158	52.0%	304	0.6%
Kentucky	217	48.4%	231	51.6%	448	0.9%
Louisiana	291	48.4%	310	51.6%	601	1.3%
Maine	62	40.0%	93	60.0%	155	0.3%
Maryland	937	51.7%	876	48.3%	1,813	3.8%
Massachusetts	365	40.0%	547	60.0%	912	1.9%
Michigan	545	47.1%	613	52.9%	1,158	2.4%
Minnesota	351	43.9%	449	56.1%	800	1.7%
Mississippi	153	54.8%	126	45.2%	279	0.6%
Missouri	495	53.9%	424	46.1%	919	1.9%
Montana	43	50.0%	43	50.0%	86	0.2%
Nebraska	112	51.6%	105	48.4%	217	0.5%
Nevada	231	48.0%	250	52.0%	481	1.0%
New Hampshire	60	33.5%	119	66.5%	179	0.4%
New Jersey	1,037	46.8%	1,179	53.2%	2,216	4.6%
New Mexico	129	50.6%	126	49.4%	255	0.5%
New York	1,702	51.3%	1,616	48.7%	3,318	6.9%
North Carolina	805	47.3%	898	52.7%	1,703	3.6%
North Dakota	4	26.7%	11	73.3%	15	0.0%
Ohio	969	56.0%	761	44.0%	1,730	3.6%
Oklahoma	226	55.9%	178	44.1%	404	0.8%
Oregon	193	39.2%	299	60.8%	492	1.0%
Pennsylvania	1,124	50.1%	1,119	49.9%	2,243	4.7%
Rhode Island	107	48.4%	114	51.6%	221	0.5%
South Carolina	353	44.2%	445	55.8%	798	1.7%
South Dakota	22	37.9%	36	62.1%	58	0.1%
Tennessee	438	49.5%	446	50.5%	884	1.8%
Texas	2,002	62.0%	1,228	38.0%	3,230	6.7%
Utah	157	50.3%	155	49.7%	312	0.7%
Vermont	8	15.1%	45	84.9%	53	0.1%
Virginia	604	48.2%	649	51.8%	1,253	2.6%
Washington	380	43.1%	501	56.9%	881	1.8%
West Virginia	59	39.1%	92	60.9%	151	0.3%
Wisconsin	293	50.6%	286	49.4%	579	1.2%
Wyoming	12	32.4%	25	67.6%	37	0.1%
Other	34	43.0%	45	57.0%	79	0.2%

**Table 57. Number of Mortgage Modification Actions  
Implemented in the Fourth Quarter of 2014**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reductions	Principal Deferral	Combination	Not Reported	Total Modifications
Total - All States	1,364	135	1,746	4	33	44,447	190	47,919
Alabama	32	1	20	0	0	603	2	658
Alaska	2	0	5	0	0	30	0	37
Arizona	25	5	36	0	0	656	3	725
Arkansas	8	1	6	0	0	353	1	369
California	208	17	173	3	6	3,841	28	4,276
Colorado	17	0	35	0	0	547	1	600
Connecticut	28	2	39	1	0	704	6	780
Delaware	11	0	10	0	0	259	0	280
District of Columbia	1	1	6	0	0	116	1	125
Florida	118	29	74	0	1	3,988	12	4,222
Georgia	67	7	98	0	2	2,187	15	2,376
Hawaii	6	1	2	0	0	104	1	114
Idaho	4	1	3	0	0	161	0	169
Illinois	52	2	87	0	1	2,331	7	2,480
Indiana	18	3	33	0	0	1,049	3	1,106
Iowa	12	0	13	0	0	313	0	338
Kansas	8	2	7	0	0	287	0	304
Kentucky	10	3	14	0	0	419	2	448
Louisiana	14	1	17	0	0	568	1	601
Maine	3	0	2	0	0	150	0	155
Maryland	60	8	133	0	2	1,602	8	1,813
Massachusetts	39	4	41	0	2	821	5	912
Michigan	28	0	23	0	0	1,100	7	1,158
Minnesota	12	2	22	0	1	763	0	800
Mississippi	10	1	10	0	0	257	1	279
Missouri	30	2	26	0	0	860	1	919
Montana	0	0	4	0	0	81	1	86
Nebraska	2	1	4	0	1	208	1	217
Nevada	18	5	24	0	3	426	5	481
New Hampshire	6	0	8	0	0	163	2	179
New Jersey	43	3	95	0	4	2,061	10	2,216
New Mexico	8	1	3	0	0	241	2	255
New York	43	4	92	0	2	3,162	15	3,318
North Carolina	54	2	56	0	0	1,586	5	1,703
North Dakota	1	0	1	0	0	13	0	15
Ohio	24	6	45	0	1	1,646	8	1,730
Oklahoma	7	0	3	0	0	393	1	404
Oregon	15	1	16	0	1	458	1	492
Pennsylvania	54	3	83	0	2	2,095	6	2,243
Rhode Island	8	2	15	0	0	194	2	221
South Carolina	27	1	21	0	1	744	4	798
South Dakota	1	0	3	0	0	53	1	58
Tennessee	24	4	34	0	0	820	2	884
Texas	121	6	156	0	0	2,941	6	3,230
Utah	10	0	17	0	0	284	1	312
Vermont	0	0	0	0	0	53	0	53
Virginia	46	1	67	0	1	1,133	5	1,253
Washington	15	0	37	0	0	825	4	881
West Virginia	4	0	5	0	1	140	1	151
Wisconsin	9	2	20	0	1	546	1	579
Wyoming	1	0	1	0	0	34	1	37
Other	0	0	1	0	0	78	0	79

**Table 58. Percentage of Mortgage Modification Actions  
Implemented in the Fourth 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%	0.3%	3.6%	0.0%	0.07%	92.8%	0.4%	47,919
Alabama	4.9%	0.2%	3.0%	0.0%	0.0%	91.6%	0.3%	658
Alaska	5.4%	0.0%	13.5%	0.0%	0.0%	81.1%	0.0%	37
Arizona	3.4%	0.7%	5.0%	0.0%	0.0%	90.5%	0.4%	725
Arkansas	2.2%	0.3%	1.6%	0.0%	0.0%	95.7%	0.3%	369
California	4.9%	0.4%	4.0%	0.07%	0.1%	89.8%	0.7%	4,276
Colorado	2.8%	0.0%	5.8%	0.0%	0.0%	91.2%	0.2%	600
Connecticut	3.6%	0.3%	5.0%	0.1%	0.0%	90.3%	0.8%	780
Delaware	3.9%	0.0%	3.6%	0.0%	0.0%	92.5%	0.0%	280
District of Columbia	0.8%	0.8%	4.8%	0.0%	0.0%	92.8%	0.8%	125
Florida	2.8%	0.7%	1.8%	0.0%	0.0%	94.5%	0.3%	4,222
Georgia	2.8%	0.3%	4.1%	0.0%	0.08%	92.0%	0.6%	2,376
Hawaii	5.3%	0.9%	1.8%	0.0%	0.0%	91.2%	0.9%	114
Idaho	2.4%	0.6%	1.8%	0.0%	0.0%	95.3%	0.0%	169
Illinois	2.1%	0.08%	3.5%	0.0%	0.0%	94.0%	0.3%	2,480
Indiana	1.6%	0.3%	3.0%	0.0%	0.0%	94.8%	0.3%	1,106
Iowa	3.6%	0.0%	3.8%	0.0%	0.0%	92.6%	0.0%	338
Kansas	2.6%	0.7%	2.3%	0.0%	0.0%	94.4%	0.0%	304
Kentucky	2.2%	0.7%	3.1%	0.0%	0.0%	93.5%	0.4%	448
Louisiana	2.3%	0.2%	2.8%	0.0%	0.0%	94.5%	0.2%	601
Maine	1.9%	0.0%	1.3%	0.0%	0.0%	96.8%	0.0%	155
Maryland	3.3%	0.4%	7.3%	0.0%	0.1%	88.4%	0.4%	1,813
Massachusetts	4.3%	0.4%	4.5%	0.0%	0.2%	90.0%	0.5%	912
Michigan	2.4%	0.0%	2.0%	0.0%	0.0%	95.0%	0.6%	1,158
Minnesota	1.5%	0.3%	2.8%	0.0%	0.1%	95.4%	0.0%	800
Mississippi	3.6%	0.4%	3.6%	0.0%	0.0%	92.1%	0.4%	279
Missouri	3.3%	0.2%	2.8%	0.0%	0.0%	93.6%	0.1%	919
Montana	0.0%	0.0%	4.7%	0.0%	0.0%	94.2%	1.2%	86
Nebraska	0.9%	0.5%	1.8%	0.0%	0.5%	95.9%	0.5%	217
Nevada	3.7%	1.0%	5.0%	0.0%	0.6%	88.6%	1.0%	481
New Hampshire	3.4%	0.0%	4.5%	0.0%	0.0%	91.1%	1.1%	179
New Jersey	1.9%	0.1%	4.3%	0.0%	0.2%	93.0%	0.5%	2,216
New Mexico	3.1%	0.4%	1.2%	0.0%	0.0%	94.5%	0.8%	255
New York	1.3%	0.1%	2.8%	0.0%	0.1%	95.3%	0.5%	3,318
North Carolina	3.2%	0.1%	3.3%	0.0%	0.0%	93.1%	0.3%	1,703
North Dakota	6.7%	0.0%	6.7%	0.0%	0.0%	86.7%	0.0%	15
Ohio	1.4%	0.3%	2.6%	0.0%	0.1%	95.1%	0.5%	1,730
Oklahoma	1.7%	0.0%	0.7%	0.0%	0.0%	97.3%	0.2%	404
Oregon	3.0%	0.2%	3.3%	0.0%	0.2%	93.1%	0.2%	492
Pennsylvania	2.4%	0.1%	3.7%	0.0%	0.1%	93.4%	0.3%	2,243
Rhode Island	3.6%	0.9%	6.8%	0.0%	0.0%	87.8%	0.9%	221
South Carolina	3.4%	0.1%	2.6%	0.0%	0.1%	93.2%	0.5%	798
South Dakota	1.7%	0.0%	5.2%	0.0%	0.0%	91.4%	1.7%	58
Tennessee	2.7%	0.5%	3.8%	0.0%	0.0%	92.8%	0.2%	884
Texas	3.7%	0.2%	4.8%	0.0%	0.0%	91.1%	0.2%	3,230
Utah	3.2%	0.0%	5.4%	0.0%	0.0%	91.0%	0.3%	312
Vermont	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	53
Virginia	3.7%	0.08%	5.3%	0.0%	0.08%	90.4%	0.4%	1,253
Washington	1.7%	0.0%	4.2%	0.0%	0.0%	93.6%	0.5%	881
West Virginia	2.6%	0.0%	3.3%	0.0%	0.7%	92.7%	0.7%	151
Wisconsin	1.6%	0.3%	3.5%	0.0%	0.2%	94.3%	0.2%	579
Wyoming	2.7%	0.0%	2.7%	0.0%	0.0%	91.9%	2.7%	37
Other	0.0%	0.0%	1.3%	0.0%	0.0%	98.7%	0.0%	79

**Table 59. Number of Modification Actions in Combination Actions  
Implemented in the Fourth Quarter of 2014**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	38,951	34,834	38,434	3,125	4,963	44,447
Alabama	542	466	522	18	49	603
Alaska	27	16	27	2	0	30
Arizona	585	522	529	57	74	656
Arkansas	306	298	304	9	15	353
California	3,480	2,917	2,914	596	694	3,841
Colorado	473	411	478	13	20	547
Connecticut	608	540	610	75	91	704
Delaware	238	204	229	19	19	259
District of Columbia	85	78	102	7	19	116
Florida	3,666	3,222	3,283	562	777	3,988
Georgia	1,847	1,804	1,912	133	241	2,187
Hawaii	99	69	81	4	6	104
Idaho	141	113	139	10	8	161
Illinois	2,078	1,839	2,065	228	390	2,331
Indiana	900	878	943	26	62	1,049
Iowa	278	214	280	6	17	313
Kansas	242	208	262	4	9	287
Kentucky	366	327	376	9	22	419
Louisiana	499	464	477	14	37	568
Maine	138	114	117	7	8	150
Maryland	1,357	1,240	1,382	120	191	1,602
Massachusetts	745	554	709	56	83	821
Michigan	970	872	958	76	128	1,100
Minnesota	694	575	682	30	54	763
Mississippi	218	211	209	9	17	257
Missouri	754	696	777	42	57	860
Montana	72	57	70	1	2	81
Nebraska	171	161	195	5	11	208
Nevada	370	340	359	39	72	426
New Hampshire	152	123	134	8	18	163
New Jersey	1,826	1,526	1,846	182	334	2,061
New Mexico	201	190	214	6	15	241
New York	2,804	2,428	2,852	213	452	3,162
North Carolina	1,370	1,246	1,377	58	105	1,586
North Dakota	13	4	13	0	1	13
Ohio	1,439	1,370	1,491	76	148	1,646
Oklahoma	322	320	362	3	8	393
Oregon	419	345	394	15	44	458
Pennsylvania	1,801	1,575	1,894	101	173	2,095
Rhode Island	172	153	151	22	21	194
South Carolina	649	577	636	25	59	744
South Dakota	50	35	47	0	3	53
Tennessee	673	674	712	28	41	820
Texas	2,406	2,472	2,667	54	98	2,941
Utah	241	213	252	6	7	284
Vermont	50	35	44	3	2	53
Virginia	967	875	966	56	102	1,133
Washington	727	630	710	45	84	825
West Virginia	121	100	116	2	5	140
Wisconsin	490	439	467	41	67	546
Wyoming	32	23	28	0	1	34
Other	77	71	70	4	2	78



**Table 60. Percentage of Modification Actions in Combination Actions  
Implemented in the Fourth Quarter of 2014**

States	Capitalization	Rate Reduction or Freeze	Term Extension	Principal Reduction	Principal Deferral	Total Combination Modifications
Total - All States	87.6%	78.4%	86.5%	7.0%	11.2%	44,447
Alabama	89.9%	77.3%	86.6%	3.0%	8.1%	603
Alaska	90.0%	53.3%	90.0%	6.7%	0.0%	30
Arizona	89.2%	79.6%	80.6%	8.7%	11.3%	656
Arkansas	86.7%	84.4%	86.1%	2.5%	4.2%	353
California	90.6%	75.9%	75.9%	15.5%	18.1%	3,841
Colorado	86.5%	75.1%	87.4%	2.4%	3.7%	547
Connecticut	86.4%	76.7%	86.6%	10.7%	12.9%	704
Delaware	91.9%	78.8%	88.4%	7.3%	7.3%	259
District of Columbia	73.3%	67.2%	87.9%	6.0%	16.4%	116
Florida	91.9%	80.8%	82.3%	14.1%	19.5%	3,988
Georgia	84.5%	82.5%	87.4%	6.1%	11.0%	2,187
Hawaii	95.2%	66.3%	77.9%	3.8%	5.8%	104
Idaho	87.6%	70.2%	86.3%	6.2%	5.0%	161
Illinois	89.1%	78.9%	88.6%	9.8%	16.7%	2,331
Indiana	85.8%	83.7%	89.9%	2.5%	5.9%	1,049
Iowa	88.8%	68.4%	89.5%	1.9%	5.4%	313
Kansas	84.3%	72.5%	91.3%	1.4%	3.1%	287
Kentucky	87.4%	78.0%	89.7%	2.1%	5.3%	419
Louisiana	87.9%	81.7%	84.0%	2.5%	6.5%	568
Maine	92.0%	76.0%	78.0%	4.7%	5.3%	150
Maryland	84.7%	77.4%	86.3%	7.5%	11.9%	1,602
Massachusetts	90.7%	67.5%	86.4%	6.8%	10.1%	821
Michigan	88.2%	79.3%	87.1%	6.9%	11.6%	1,100
Minnesota	91.0%	75.4%	89.4%	3.9%	7.1%	763
Mississippi	84.8%	82.1%	81.3%	3.5%	6.6%	257
Missouri	87.7%	80.9%	90.3%	4.9%	6.6%	860
Montana	88.9%	70.4%	86.4%	1.2%	2.5%	81
Nebraska	82.2%	77.4%	93.8%	2.4%	5.3%	208
Nevada	86.9%	79.8%	84.3%	9.2%	16.9%	426
New Hampshire	93.3%	75.5%	82.2%	4.9%	11.0%	163
New Jersey	88.6%	74.0%	89.6%	8.8%	16.2%	2,061
New Mexico	83.4%	78.8%	88.8%	2.5%	6.2%	241
New York	88.7%	76.8%	90.2%	6.7%	14.3%	3,162
North Carolina	86.4%	78.6%	86.8%	3.7%	6.6%	1,586
North Dakota	100.0%	30.8%	100.0%	0.0%	7.7%	13
Ohio	87.4%	83.2%	90.6%	4.6%	9.0%	1,646
Oklahoma	81.9%	81.4%	92.1%	0.8%	2.0%	393
Oregon	91.5%	75.3%	86.0%	3.3%	9.6%	458
Pennsylvania	86.0%	75.2%	90.4%	4.8%	8.3%	2,095
Rhode Island	88.7%	78.9%	77.8%	11.3%	10.8%	194
South Carolina	87.2%	77.6%	85.5%	3.4%	7.9%	744
South Dakota	94.3%	66.0%	88.7%	0.0%	5.7%	53
Tennessee	82.1%	82.2%	86.8%	3.4%	5.0%	820
Texas	81.8%	84.1%	90.7%	1.8%	3.3%	2,941
Utah	84.9%	75.0%	88.7%	2.1%	2.5%	284
Vermont	94.3%	66.0%	83.0%	5.7%	3.8%	53
Virginia	85.3%	77.2%	85.3%	4.9%	9.0%	1,133
Washington	88.1%	76.4%	86.1%	5.5%	10.2%	825
West Virginia	86.4%	71.4%	82.9%	1.4%	3.6%	140
Wisconsin	89.7%	80.4%	85.5%	7.5%	12.3%	546
Wyoming	94.1%	67.6%	82.4%	0.0%	2.9%	34
Other	98.7%	91.0%	89.7%	5.1%	2.6%	78

**Table 61. Changes in Monthly Principal and Interest Payments by State (Number)**  
 Modifications Implemented in the Fourth 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	24,926	10,522	6,719	480	5,128	144	47,919
Alabama	320	144	97	7	89	1	658
Alaska	18	8	8	0	3	0	37
Arizona	356	186	107	11	64	1	725
Arkansas	172	78	59	2	57	1	369
California	2,321	958	510	64	405	18	4,276
Colorado	278	158	102	3	57	2	600
Connecticut	412	180	90	11	81	6	780
Delaware	114	70	54	5	37	0	280
District of Columbia	67	30	16	2	10	0	125
Florida	2,372	721	517	37	554	21	4,222
Georgia	1,283	483	362	27	212	9	2,376
Hawaii	45	33	18	1	16	1	114
Idaho	84	38	29	3	15	0	169
Illinois	1,405	474	324	20	249	8	2,480
Indiana	519	279	188	11	109	0	1,106
Iowa	155	84	57	3	39	0	338
Kansas	154	81	42	3	24	0	304
Kentucky	199	116	74	8	51	0	448
Louisiana	278	150	89	4	80	0	601
Maine	70	30	21	5	29	0	155
Maryland	904	419	269	16	199	6	1,813
Massachusetts	442	239	115	16	93	7	912
Michigan	681	229	146	4	98	0	1,158
Minnesota	421	173	134	6	66	0	800
Mississippi	137	61	43	3	34	1	279
Missouri	463	235	119	2	98	2	919
Montana	30	31	12	1	12	0	86
Nebraska	99	60	33	5	20	0	217
Nevada	253	101	60	5	56	6	481
New Hampshire	104	33	26	2	12	2	179
New Jersey	1,191	482	287	19	227	10	2,216
New Mexico	125	62	44	4	20	0	255
New York	1,829	673	419	29	357	11	3,318
North Carolina	878	403	238	13	166	5	1,703
North Dakota	7	6	1	-	1	0	15
Ohio	896	368	271	18	172	5	1,730
Oklahoma	198	90	66	4	46	0	404
Oregon	237	122	61	6	66	0	492
Pennsylvania	1,150	499	316	18	258	2	2,243
Rhode Island	129	48	26	0	15	3	221
South Carolina	388	149	131	7	120	3	798
South Dakota	25	20	6	0	7	0	58
Tennessee	505	168	115	7	88	1	884
Texas	1,572	730	519	30	372	7	3,230
Utah	137	92	47	3	33	0	312
Vermont	25	11	8	3	6	0	53
Virginia	581	316	209	19	126	2	1,253
Washington	442	220	121	3	92	3	881
West Virginia	74	26	26	4	21	0	151
Wisconsin	301	137	75	5	61	0	579
Wyoming	18	6	7	1	5	0	37
Other	62	12	5	0	0	0	79

<b>Table 62. Changes in Monthly Principal and Interest Payments (Percentage)</b>							
Modifications Implemented in the Fourth 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	52.0%	22.0%	14.0%	1.0%	10.7%	0.3%	47,919
Alabama	48.6%	21.9%	14.7%	1.1%	13.5%	0.2%	658
Alaska	48.6%	21.6%	21.6%	0.0%	8.1%	0.0%	37
Arizona	49.1%	25.7%	14.8%	1.5%	8.8%	0.1%	725
Arkansas	46.6%	21.1%	16.0%	0.5%	15.4%	0.3%	369
California	54.3%	22.4%	11.9%	1.5%	9.5%	0.4%	4,276
Colorado	46.3%	26.3%	17.0%	0.5%	9.5%	0.3%	600
Connecticut	52.8%	23.1%	11.5%	1.4%	10.4%	0.8%	780
Delaware	40.7%	25.0%	19.3%	1.8%	13.2%	0.0%	280
District of Columbia	53.6%	24.0%	12.8%	1.6%	8.0%	0.0%	125
Florida	56.2%	17.1%	12.2%	0.9%	13.1%	0.5%	4,222
Georgia	54.0%	20.3%	15.2%	1.1%	8.9%	0.4%	2,376
Hawaii	39.5%	28.9%	15.8%	0.9%	14.0%	0.9%	114
Idaho	49.7%	22.5%	17.2%	1.8%	8.9%	0.0%	169
Illinois	56.7%	19.1%	13.1%	0.8%	10.0%	0.3%	2,480
Indiana	46.9%	25.2%	17.0%	1.0%	9.9%	0.0%	1,106
Iowa	45.9%	24.9%	16.9%	0.9%	11.5%	0.0%	338
Kansas	50.7%	26.6%	13.8%	1.0%	7.9%	0.0%	304
Kentucky	44.4%	25.9%	16.5%	1.8%	11.4%	0.0%	448
Louisiana	46.3%	25.0%	14.8%	0.7%	13.3%	0.0%	601
Maine	45.2%	19.4%	13.5%	3.2%	18.7%	0.0%	155
Maryland	49.9%	23.1%	14.8%	0.9%	11.0%	0.3%	1,813
Massachusetts	48.5%	26.2%	12.6%	1.8%	10.2%	0.8%	912
Michigan	58.8%	19.8%	12.6%	0.3%	8.5%	0.0%	1,158
Minnesota	52.6%	21.6%	16.8%	0.8%	8.3%	0.0%	800
Mississippi	49.1%	21.9%	15.4%	1.1%	12.2%	0.4%	279
Missouri	50.4%	25.6%	12.9%	0.2%	10.7%	0.2%	919
Montana	34.9%	36.0%	14.0%	1.2%	14.0%	0.0%	86
Nebraska	45.6%	27.6%	15.2%	2.3%	9.2%	0.0%	217
Nevada	52.6%	21.0%	12.5%	1.0%	11.6%	1.2%	481
New Hampshire	58.1%	18.4%	14.5%	1.1%	6.7%	1.1%	179
New Jersey	53.7%	21.8%	13.0%	0.9%	10.2%	0.5%	2,216
New Mexico	49.0%	24.3%	17.3%	1.6%	7.8%	0.0%	255
New York	55.1%	20.3%	12.6%	0.9%	10.8%	0.3%	3,318
North Carolina	51.6%	23.7%	14.0%	0.8%	9.7%	0.3%	1,703
North Dakota	46.7%	40.0%	6.7%	0.0%	6.7%	0.0%	15
Ohio	51.8%	21.3%	15.7%	1.0%	9.9%	0.3%	1,730
Oklahoma	49.0%	22.3%	16.3%	1.0%	11.4%	0.0%	404
Oregon	48.2%	24.8%	12.4%	1.2%	13.4%	0.0%	492
Pennsylvania	51.3%	22.2%	14.1%	0.8%	11.5%	0.1%	2,243
Rhode Island	58.4%	21.7%	11.8%	0.0%	6.8%	1.4%	221
South Carolina	48.6%	18.7%	16.4%	0.9%	15.0%	0.4%	798
South Dakota	43.1%	34.5%	10.3%	0.0%	12.1%	0.0%	58
Tennessee	57.1%	19.0%	13.0%	0.8%	10.0%	0.1%	884
Texas	48.7%	22.6%	16.1%	0.9%	11.5%	0.2%	3,230
Utah	43.9%	29.5%	15.1%	1.0%	10.6%	0.0%	312
Vermont	47.2%	20.8%	15.1%	5.7%	11.3%	0.0%	53
Virginia	46.4%	25.2%	16.7%	1.5%	10.1%	0.2%	1,253
Washington	50.2%	25.0%	13.7%	0.3%	10.4%	0.3%	881
West Virginia	49.0%	17.2%	17.2%	2.6%	13.9%	0.0%	151
Wisconsin	52.0%	23.7%	13.0%	0.9%	10.5%	0.0%	579
Wyoming	48.6%	16.2%	18.9%	2.7%	13.5%	0.0%	37
Other	78.5%	15.2%	6.3%	0.0%	0.0%	0.0%	79

<b>Table 63. Number of Re-Defaults for Loans Modified in the Second Quarter of 2014 (60 or More Days Delinquent After 6 Months by Changes in Fourth Principal and Interest Payments)</b>							
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	4,524	2,815	1,989	151	1,256	32	10,767
Alabama	77	44	32	3	29	1	186
Alaska	4	0	1	0	1	0	6
Arizona	76	46	30	2	20	1	175
Arkansas	48	33	39	0	15	0	135
California	279	161	87	18	82	4	631
Colorado	53	25	22	3	11	0	114
Connecticut	95	44	29	3	12	0	183
Delaware	24	18	15	2	6	0	65
District of Columbia	5	4	1	1	1	0	12
Florida	359	163	129	11	113	2	777
Georgia	243	174	114	12	63	1	607
Hawaii	3	3	9	0	4	0	19
Idaho	11	8	7	1	5	0	32
Illinois	202	126	91	4	33	3	459
Indiana	149	113	90	5	32	0	389
Iowa	31	28	22	2	14	0	97
Kansas	45	18	22	1	14	0	100
Kentucky	43	26	21	6	19	0	115
Louisiana	90	42	53	1	25	0	211
Maine	15	7	6	0	5	0	33
Maryland	157	110	54	3	52	0	376
Massachusetts	69	46	24	2	17	1	159
Michigan	102	59	41	4	23	0	229
Minnesota	84	53	44	4	20	0	205
Mississippi	36	20	19	1	6	0	82
Missouri	101	79	66	3	19	1	269
Montana	5	3	3	0	1	0	12
Nebraska	22	18	20	2	5	0	67
Nevada	49	18	17	0	10	0	94
New Hampshire	7	10	6	0	8	2	33
New Jersey	232	117	76	7	53	1	486
New Mexico	24	23	12	1	8	0	68
New York	254	148	95	7	59	8	571
North Carolina	175	100	77	7	64	2	425
North Dakota	2	4	2	-	1	0	9
Ohio	211	143	116	5	37	0	512
Oklahoma	42	32	23	3	12	0	112
Oregon	31	19	12	1	17	0	80
Pennsylvania	202	127	63	6	51	3	452
Rhode Island	26	11	10	0	3	0	50
South Carolina	104	56	44	3	33	1	241
South Dakota	1	4	2	0	1	0	8
Tennessee	107	74	24	2	24	0	231
Texas	346	251	157	7	95	1	857
Utah	23	27	21	0	15	0	86
Vermont	6	3	1	0	3	0	13
Virginia	103	61	47	4	51	0	266
Washington	60	49	53	0	29	0	191
West Virginia	13	6	10	0	6	0	35
Wisconsin	72	59	28	3	28	0	190
Wyoming	0	1	1	1	1	0	4
Other	6	1	1	0	0	0	8

<b>Table 64. Re-Default Rates for Loans Modified in the Second Quarter of 2014 (Percentage)</b> (60 or More Days Delinquent After 6 Months by Changes in Monthly Principal and Interest Payments)							
States	Decreased by 20% or More	Decreased by 10% to Less Than 20%	Decreased by Less Than 10%	Unchanged	Increased	Not Reported	Total Modifications
Total - All States	12.0%	18.3%	23.3%	23.2%	26.5%	23.7%	16.0%
Alabama	15.5%	18.8%	26.4%	15.8%	44.6%	50.0%	19.8%
Alaska	15.4%	0.0%	33.3%	0.0%	25.0%	0.0%	12.5%
Arizona	14.1%	18.5%	21.7%	18.2%	26.7%	33.3%	17.3%
Arkansas	17.1%	26.2%	35.1%	0.0%	32.6%	0.0%	23.8%
California	7.9%	12.4%	12.4%	19.4%	17.5%	16.7%	10.3%
Colorado	10.3%	12.4%	16.4%	25.0%	21.6%	0.0%	12.4%
Connecticut	14.4%	18.6%	20.9%	33.3%	17.1%	0.0%	16.4%
Delaware	13.2%	20.7%	30.6%	100.0%	27.3%	0.0%	19.0%
District of Columbia	10.0%	16.7%	4.5%	100.0%	14.3%	0.0%	11.5%
Florida	9.7%	14.8%	18.9%	20.4%	22.6%	20.0%	12.9%
Georgia	11.5%	20.8%	27.6%	31.6%	30.0%	20.0%	16.8%
Hawaii	4.2%	11.1%	32.1%	0.0%	20.0%	0.0%	12.8%
Idaho	10.3%	14.3%	16.7%	100.0%	27.8%	0.0%	14.2%
Illinois	10.2%	17.6%	23.0%	16.7%	19.6%	60.0%	14.0%
Indiana	16.6%	24.5%	32.4%	19.2%	31.4%	0.0%	22.0%
Iowa	13.5%	19.7%	30.6%	28.6%	40.0%	0.0%	20.0%
Kansas	18.2%	16.1%	33.3%	50.0%	37.8%	0.0%	21.6%
Kentucky	12.7%	15.2%	23.3%	54.5%	44.2%	0.0%	17.6%
Louisiana	17.4%	19.1%	32.1%	12.5%	31.6%	0.0%	21.3%
Maine	14.6%	13.5%	20.0%	0.0%	22.7%	0.0%	15.9%
Maryland	12.2%	18.3%	17.9%	12.0%	27.1%	0.0%	15.6%
Massachusetts	11.3%	16.4%	17.5%	22.2%	19.3%	33.3%	14.1%
Michigan	11.8%	19.5%	20.2%	22.2%	25.3%	0.0%	15.5%
Minnesota	13.4%	17.1%	22.8%	33.3%	32.3%	0.0%	17.0%
Mississippi	15.7%	21.1%	31.7%	50.0%	16.2%	0.0%	19.4%
Missouri	13.5%	21.6%	29.1%	15.8%	31.1%	50.0%	18.9%
Montana	12.2%	9.7%	20.0%	0.0%	8.3%	0.0%	12.1%
Nebraska	12.8%	25.7%	36.4%	33.3%	21.7%	0.0%	20.6%
Nevada	10.7%	10.5%	22.7%	0.0%	19.6%	0.0%	12.3%
New Hampshire	6.6%	19.2%	18.8%	0.0%	38.1%	66.7%	15.3%
New Jersey	12.8%	19.0%	24.4%	31.8%	26.0%	20.0%	16.4%
New Mexico	11.9%	19.2%	24.5%	14.3%	27.6%	0.0%	16.7%
New York	10.6%	17.5%	23.6%	17.5%	22.5%	24.2%	14.3%
North Carolina	14.1%	17.5%	23.1%	33.3%	28.6%	50.0%	17.7%
North Dakota	40.0%	57.1%	33.3%	0.0%	50.0%	0.0%	45.0%
Ohio	13.9%	24.1%	25.9%	17.9%	29.6%	0.0%	18.8%
Oklahoma	16.5%	21.9%	28.4%	33.3%	33.3%	0.0%	21.3%
Oregon	10.0%	11.7%	19.0%	50.0%	30.9%	0.0%	13.5%
Pennsylvania	12.4%	19.3%	23.4%	30.0%	24.9%	37.5%	16.2%
Rhode Island	15.3%	18.3%	31.3%	0.0%	23.1%	0.0%	18.1%
South Carolina	17.0%	19.8%	24.6%	20.0%	33.7%	100.0%	20.3%
South Dakota	4.3%	23.5%	40.0%	0.0%	14.3%	0.0%	15.1%
Tennessee	14.9%	26.8%	16.6%	28.6%	30.4%	0.0%	18.8%
Texas	13.8%	23.2%	26.2%	26.9%	28.9%	33.3%	18.8%
Utah	9.6%	17.8%	21.4%	0.0%	36.6%	0.0%	16.2%
Vermont	21.4%	14.3%	5.0%	0.0%	30.0%	0.0%	16.0%
Virginia	11.7%	14.6%	22.8%	28.6%	37.8%	0.0%	16.1%
Washington	8.5%	12.4%	30.3%	0.0%	26.4%	0.0%	13.7%
West Virginia	15.7%	18.8%	33.3%	0.0%	46.2%	0.0%	22.2%
Wisconsin	14.0%	26.5%	26.7%	37.5%	41.2%	0.0%	20.7%
Wyoming	0.0%	9.1%	25.0%	100.0%	20.0%	0.0%	9.1%
Other	9.0%	10.0%	14.3%	0.0%	0.0%	0.0%	9.2%

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