

OCC Mortgage Metrics Report

Disclosure of National Bank Mortgage Loan Data

Fourth Quarter 2023

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

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About Mortgage Metrics

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

- This report presents performance data for the fourth quarter of 2023 for loans that the reporting banks own or service for others as a fee-based business.
- The data in this report reflect a portion of first-lien residential mortgages in the country. The characteristics of the loans included here may differ from the overall population. The loans included are not a statistically representative, random sample.
- This report covers the performance of first-lien home mortgages in the portfolios of reporting banks. It excludes junior liens, home equity lines of credit (HELOC), and home equity conversion mortgages (reverse mortgages).
- For loans with forbearance activity covered by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, reporting banks are following guidance from the Department of Housing and Urban Development, Federal Housing Finance Agency, and the respective government agencies and government-sponsored enterprises (GSE) for the calculation and reporting of delinquency and credit bureau reporting.

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

Executive Summary

Overall Mortgage Portfolio and Performance

- As of December 31, 2023, the reporting banks serviced approximately 11.7 million first-lien residential mortgage loans with \$2.9 trillion in unpaid principal balances (see figures 1 and 2). This \$2.9 trillion was 22.2 percent of all residential mortgage debt outstanding in the United States.²
- Overall mortgage performance this quarter improved from the fourth quarter of 2022. The percentage of mortgages that were current and performing at the end of the fourth quarter of 2023 was 97.2 percent compared with 97.1 percent at the end of the fourth quarter of 2022 (see figure 6). The CARES Act, signed into law on March 27, 2020, and ended on May 11, 2023, allowed for loan forbearance that could extend up to November 30, 2023, and is reflected in the mortgage performance data.
- Servicers initiated 8,320 new foreclosures in the fourth quarter of 2023, a decrease from a year earlier (see figure 7). Home forfeiture actions during the fourth quarter of 2023—completed foreclosure sales, short sales, and deed-in-lieu-of-foreclosure actions—decreased 24.2 percent from a year earlier to 1,913 (see figure 8). Events associated with the COVID-19 pandemic, including foreclosure moratoriums that began March 18, 2020, and ended July 31, 2021, have significantly affected these metrics.

Number and Type of Modifications Completed and Impact on Payment Amount

Servicers completed 7,382 modifications during the fourth quarter of 2023, a 0.7 percent decrease from the previous quarter's 7,436 modifications.

- Of these 7,382 modifications, 6,416 or 86.9 percent, were “combination modifications”—modifications that included multiple actions affecting the affordability and sustainability of the loan, such as an interest rate reduction and a term extension. Of the remaining 966 loan modifications, 932 received a single action and 34 were not assigned a modification type (see table 1).
- Among the 6,416 combination modifications completed during the quarter, 5,470, or 85.2 percent, included a term extension; 5,372, or 83.7 percent, included capitalization of delinquent interest and fees; 2,186, or 34.1 percent, included an interest rate reduction or freeze; 1,919, or 29.9 percent, included principal deferral; and 7, or 0.1 percent, included principal reduction (see table 2).
- Of the 7,382 modifications completed during the quarter, 3,862, or 52.3 percent, reduced the loan's pre-modification monthly payment (see table 3).

² Residential mortgage debt is determined using the quarterly Federal Reserve Statistical Release, “Z.1: Financial Accounts of the United States,” table L.218, “One-to-Four-Family Residential Mortgages,” household sector liabilities. Data as of December 31, 2023.

Modified Loan Performance

By December 31, 2023, all loans modified during the second quarter of 2023 would have aged at least six months. Of the 8,623 modifications completed during the second quarter of 2023, servicers reported that 1,728, or 20 percent, were 60 or more days past due or in the process of foreclosure at the end of the month that the modification became six months old (see table 4).

Figure 1 shows the outstanding principal balance of reported loans and the change in outstanding principal balances from the fourth quarter of 2021 through the fourth quarter of 2023.

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

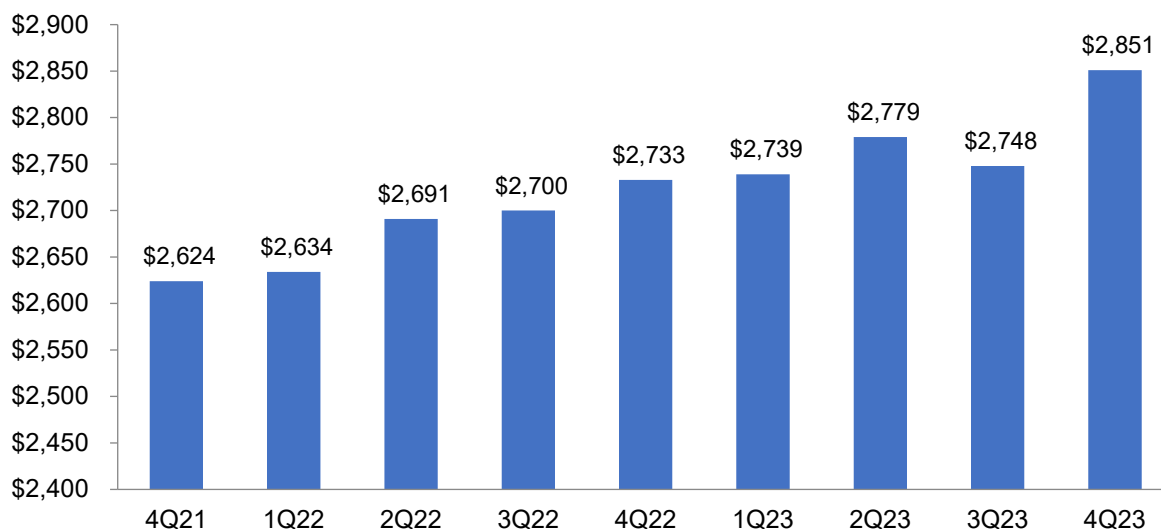


Figure 2 shows the number of first-lien residential mortgages serviced and the change in the number of loans serviced from the fourth quarter of 2021 through the fourth quarter of 2023.

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

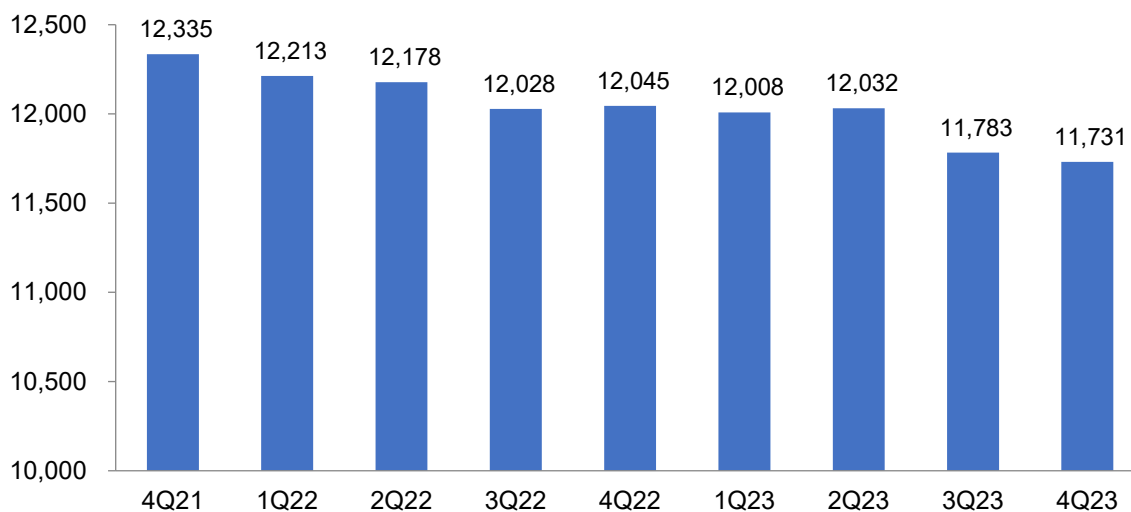


Figure 3 shows the number of loans in each risk category and the change in each category from the fourth quarter of 2021 through the fourth quarter of 2023.

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

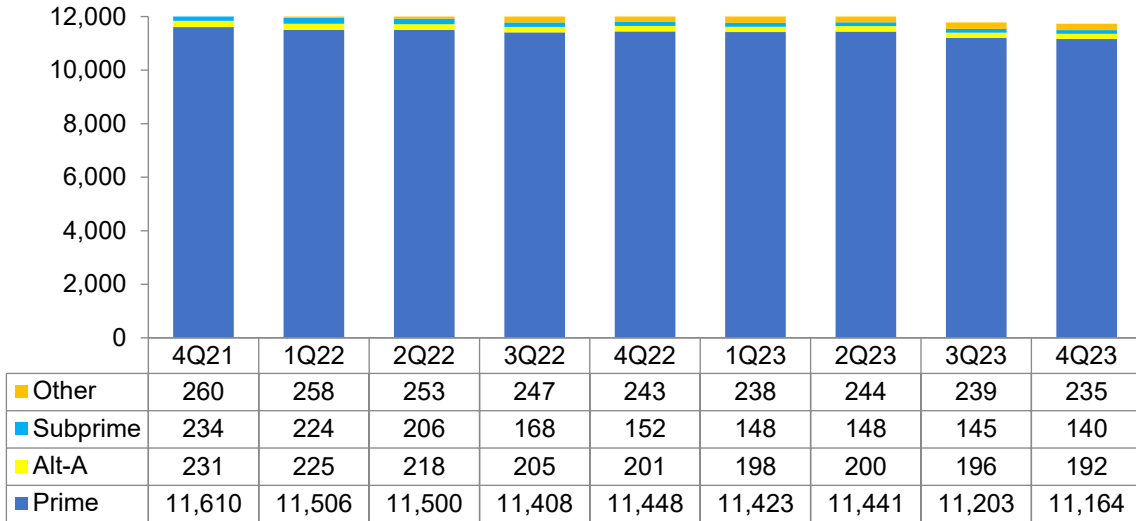


Figure 4 reports the percentage of loans in each risk category and shows that the composition of loans remained stable since the fourth quarter of 2021.

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

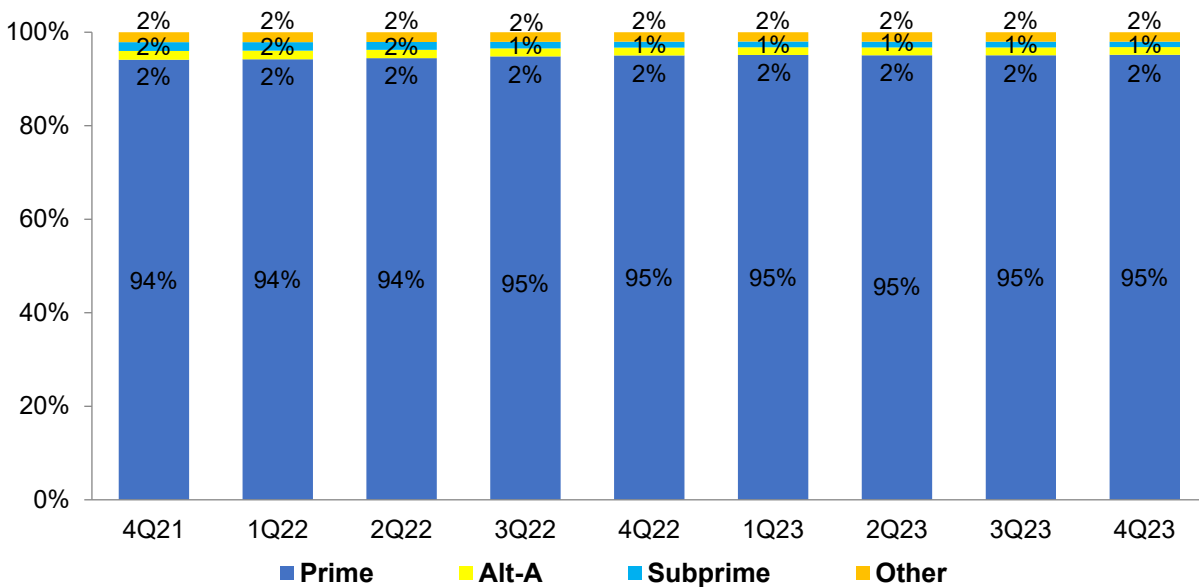


Figure 5 shows the number of loans in each category of delinquency from the fourth quarter of 2021 through the fourth quarter of 2023. The number of foreclosures in process decreased from the first quarter of 2023. The number of seriously delinquent loans increased from the prior

quarter; however, these have trended down since the fourth quarter of 2021.³ The number of 30–59 day delinquent loans has increased since the first quarter of 2023.

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

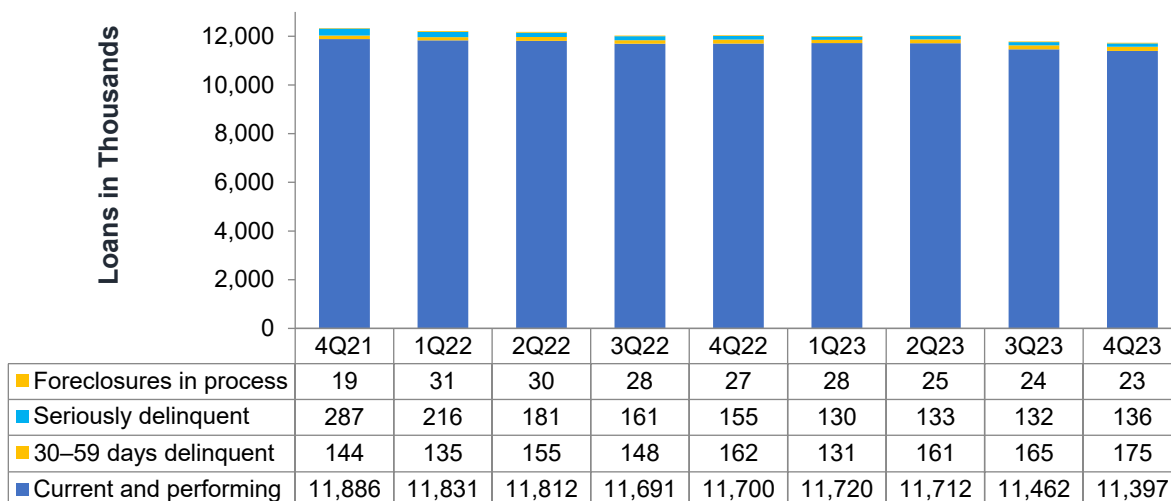
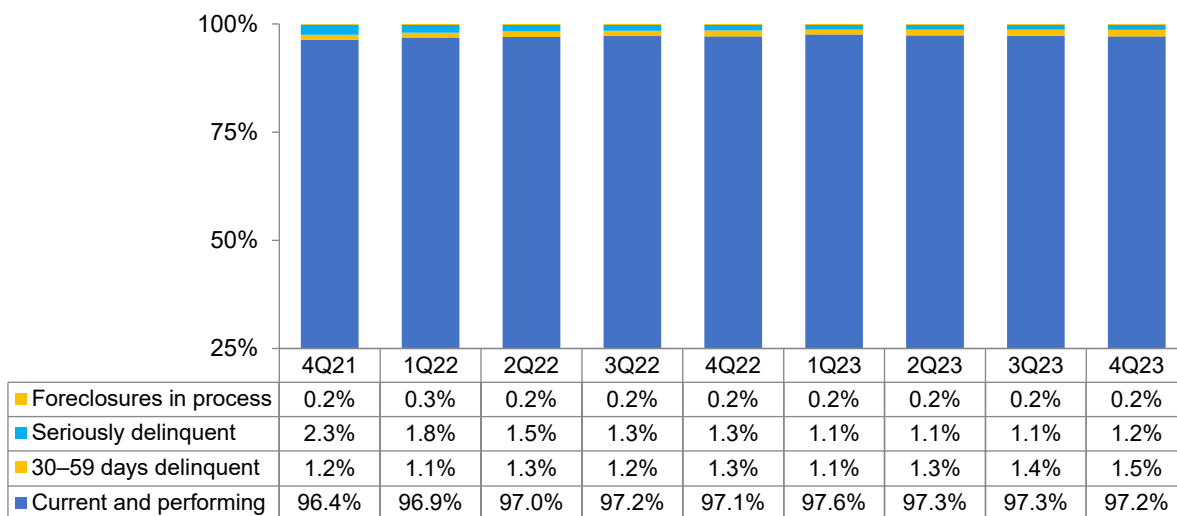


Figure 6 shows the percent of mortgages in each category of delinquency from the fourth quarter of 2021 through the fourth quarter of 2023. The percent of seriously delinquent loans increased from the prior quarter; however, these have trended down since the fourth quarter of 2021. The percent of 30–59 day delinquent loans has trended up since the first quarter of 2023.

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



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

Figure 7 shows the number of new foreclosure actions initiated from the fourth quarter of 2021 through the fourth quarter of 2023. New foreclosure actions decreased in the fourth quarter of 2023 to 8,320 compared with 9,166 in fourth quarter of 2022.⁴

Figure 7: Newly Initiated Foreclosures

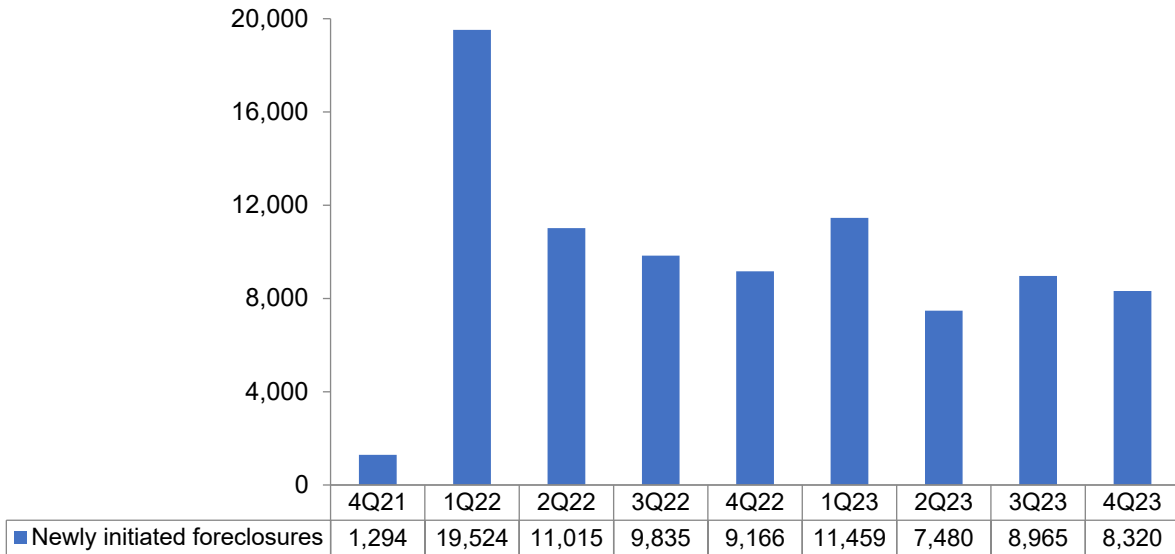


Figure 8 shows the number of foreclosure and other home forfeiture actions completed from the fourth quarter of 2021 through the fourth quarter of 2023. Completed foreclosures and other forfeiture actions decreased to 1,913 in the fourth quarter of 2023 from 2,525 in the fourth quarter of 2022, a decrease of 24.2 percent.⁵

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

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

Figure 8: Completed Foreclosures and Other Home Forfeiture Actions

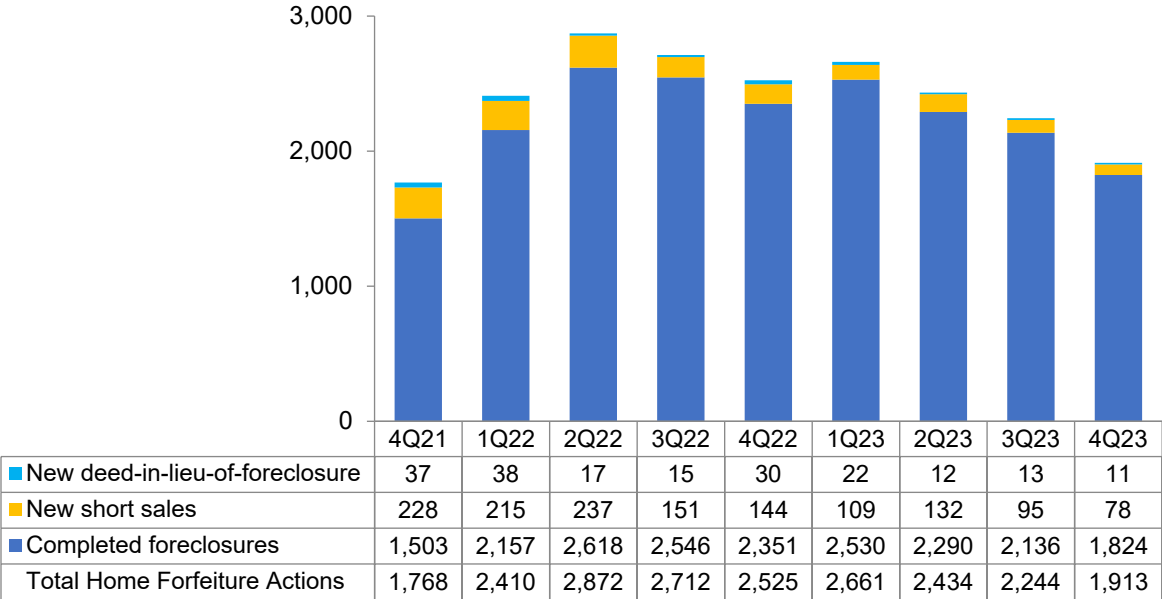


Table 1: Number of Mortgage Modification Actions
Completed in the Fourth Quarter of 2023

States	Capitalization	Rate reduction or freeze	Term extension	Principal reduction	Principal deferral	Combination	Not reported	Total modifications
Total - All States	91	9	661	0	171	6,416	34	7,382
Alabama	0	0	15	0	3	83	1	102
Alaska	0	0	4	0	0	10	0	14
Arizona	1	0	5	0	2	132	0	140
Arkansas	0	0	7	0	2	71	0	80
California	11	0	27	0	28	420	3	489
Colorado	1	0	5	0	2	76	1	85
Connecticut	3	0	11	0	4	69	0	87
Delaware	0	0	2	0	0	22	0	24
District of Columbia	0	0	0	0	1	14	0	15
Florida	7	0	38	0	13	565	1	624
Georgia	5	0	40	0	7	206	4	262
Hawaii	0	0	3	0	1	10	0	14
Idaho	0	0	1	0	0	19	0	20
Illinois	7	1	36	0	7	499	3	553
Indiana	3	1	15	0	1	151	1	172
Iowa	0	0	7	0	0	69	1	77
Kansas	1	0	7	0	1	48	0	57
Kentucky	1	1	6	0	0	72	0	80
Louisiana	0	0	20	0	3	141	1	165
Maine	0	0	1	0	0	13	0	14
Maryland	9	0	22	0	7	240	1	279
Massachusetts	1	1	5	0	3	82	1	93
Michigan	4	0	14	0	2	111	2	133
Minnesota	1	0	7	0	4	208	1	221
Mississippi	0	0	6	0	1	52	0	59
Missouri	0	0	10	0	0	131	1	142
Montana	0	0	2	0	0	9	0	11
Nebraska	2	0	1	0	0	75	0	78
Nevada	0	0	3	0	1	89	0	93
New Hampshire	0	0	0	0	0	17	1	18
New Jersey	2	0	17	0	11	236	0	266
New Mexico	0	0	3	0	2	25	0	30
New York	4	0	35	0	12	331	4	386
North Carolina	3	0	28	0	6	137	0	174
North Dakota	0	0	2	0	0	10	0	12
Ohio	4	2	22	0	5	309	0	342
Oklahoma	2	0	9	0	1	80	0	92
Oregon	1	0	2	0	4	60	0	67
Pennsylvania	3	0	40	0	5	299	1	348
Rhode Island	1	1	1	0	1	11	0	15
South Carolina	0	1	13	0	2	76	1	93
South Dakota	0	0	1	0	0	13	1	15
Tennessee	0	0	23	0	3	88	0	114
Texas	8	1	92	0	15	690	0	806
Utah	0	0	2	0	0	40	1	43
Vermont	0	0	0	0	1	15	0	16
Virginia	4	0	29	0	6	115	1	155
Washington	0	0	9	0	2	77	0	88
West Virginia	0	0	4	0	0	12	0	16
Wisconsin	1	0	6	0	2	75	2	86
Wyoming	1	0	3	0	0	10	0	14
Other	0	0	0	0	0	3	0	3

Table 2: Number of Modification Actions in Combination Actions
Completed in the Fourth Quarter of 2023

States	Capitalization	Rate reduction or freeze	Term extension	Principal reduction	Principal deferral	Total combination modifications
Total - All States	5,372	2,186	5,470	7	1,919	6,416
Alabama	72	17	79	0	24	83
Alaska	10	0	10	0	3	10
Arizona	99	72	98	0	46	132
Arkansas	61	24	60	0	15	71
California	338	180	345	0	163	420
Colorado	63	28	62	0	23	76
Connecticut	61	13	63	0	16	69
Delaware	20	5	20	0	7	22
District of Columbia	12	4	12	0	5	14
Florida	476	200	480	1	161	565
Georgia	184	41	187	0	44	206
Hawaii	9	5	10	0	4	10
Idaho	14	7	14	0	7	19
Illinois	396	205	401	1	167	499
Indiana	126	45	132	0	33	151
Iowa	55	33	55	0	24	69
Kansas	39	22	42	0	10	48
Kentucky	61	32	62	0	22	72
Louisiana	122	38	125	0	47	141
Maine	10	5	10	0	4	13
Maryland	194	94	196	1	77	240
Massachusetts	60	31	66	0	25	82
Michigan	99	35	99	0	28	111
Minnesota	151	111	151	0	81	208
Mississippi	45	13	48	0	13	52
Missouri	93	67	92	1	48	131
Montana	8	3	8	0	3	9
Nebraska	55	37	57	0	29	75
Nevada	65	46	67	0	36	89
New Hampshire	15	3	16	0	4	17
New Jersey	214	43	219	0	66	236
New Mexico	23	5	23	0	9	25
New York	311	64	310	2	97	331
North Carolina	119	41	122	0	45	137
North Dakota	6	5	7	0	5	10
Ohio	248	127	251	0	91	309
Oklahoma	63	34	64	0	22	80
Oregon	42	34	42	0	26	60
Pennsylvania	266	67	278	0	76	299
Rhode Island	10	6	10	1	4	11
South Carolina	68	17	68	0	16	76
South Dakota	8	9	8	0	5	13
Tennessee	76	32	75	0	26	88
Texas	632	133	648	0	128	690
Utah	33	16	34	0	13	40
Vermont	9	11	9	0	6	15
Virginia	98	37	100	0	42	115
Washington	58	33	59	0	35	77
West Virginia	11	4	11	0	2	12
Wisconsin	54	45	55	0	33	75
Wyoming	7	5	7	0	3	10
Other	3	2	3	0	0	3

Table 3: Changes in Monthly Principal and Interest Payments by State
Modifications Completed in the Fourth Quarter of 2023

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	1,627	1,307	928	1,277	2,185	58	7,382
Alabama	34	9	17	9	33	0	102
Alaska	4	6	3	0	1	0	14
Arizona	21	33	24	35	27	0	140
Arkansas	15	14	11	13	27	0	80
California	117	125	58	116	72	1	489
Colorado	20	18	16	14	17	0	85
Connecticut	14	17	11	13	32	0	87
Delaware	11	4	1	2	6	0	24
District of Columbia	4	4	1	3	3	0	15
Florida	100	125	76	111	207	5	624
Georgia	60	33	41	32	92	4	262
Hawaii	4	4	2	2	2	0	14
Idaho	7	4	1	6	2	0	20
Illinois	81	94	79	116	180	3	553
Indiana	32	21	20	26	73	0	172
Iowa	13	15	12	13	23	1	77
Kansas	9	7	8	11	21	1	57
Kentucky	20	13	8	12	27	0	80
Louisiana	49	27	23	19	45	2	165
Maine	3	1	2	3	4	1	14
Maryland	56	39	30	57	97	0	279
Massachusetts	24	12	12	23	19	3	93
Michigan	48	22	16	14	30	3	133
Minnesota	35	45	23	62	55	1	221
Mississippi	18	15	4	10	10	2	59
Missouri	31	23	14	39	33	2	142
Montana	4	3	3	1	0	0	11
Nebraska	12	18	5	20	23	0	78
Nevada	12	19	10	27	25	0	93
New Hampshire	6	5	2	3	2	0	18
New Jersey	65	42	31	38	87	3	266
New Mexico	9	4	3	5	9	0	30
New York	91	62	44	38	145	6	386
North Carolina	56	27	21	25	44	1	174
North Dakota	4	1	3	3	1	0	12
Ohio	67	43	45	68	116	3	342
Oklahoma	16	11	9	22	34	0	92
Oregon	18	14	7	22	6	0	67
Pennsylvania	93	77	42	36	94	6	348
Rhode Island	6	3	2	2	2	0	15
South Carolina	17	15	10	16	34	1	93
South Dakota	0	2	3	5	4	1	15
Tennessee	29	18	20	16	29	2	114
Texas	187	138	100	73	304	4	806
Utah	10	12	3	9	9	0	43
Vermont	4	2	1	7	2	0	16
Virginia	37	29	25	23	39	2	155
Washington	26	16	8	25	13	0	88
West Virginia	4	4	4	1	3	0	16
Wisconsin	19	8	12	28	19	0	86
Wyoming	4	2	2	3	3	0	14
Other	1	2	0	0	0	0	3

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

States	Decreased by 20% or more	Decreased by 10% to less than 20%	Decreased by less than 10%	Unchanged	Increased	Not reported	Total re-defaults
Total - All States	253	195	204	333	732	11	1,728
Alabama	5	1	0	3	12	0	21
Alaska	0	0	0	0	0	0	0
Arizona	2	6	7	11	8	0	34
Arkansas	3	2	0	2	8	0	15
California	16	14	18	28	27	0	103
Colorado	1	1	2	6	3	0	13
Connecticut	2	0	2	6	10	0	20
Delaware	1	0	2	2	7	0	12
District of Columbia	1	1	0	2	1	0	5
Florida	10	16	20	28	55	0	129
Georgia	10	9	5	7	28	1	60
Hawaii	1	0	0	1	1	0	3
Idaho	0	0	2	0	0	0	2
Illinois	15	17	19	28	77	3	159
Indiana	5	2	6	3	45	0	61
Iowa	5	2	1	1	5	0	14
Kansas	4	1	3	2	6	0	16
Kentucky	2	5	2	2	7	0	18
Louisiana	4	2	2	7	12	0	27
Maine	0	0	2	2	1	0	5
Maryland	6	10	5	10	37	1	69
Massachusetts	6	2	2	6	7	0	23
Michigan	5	6	6	2	10	0	29
Minnesota	6	5	5	15	19	0	50
Mississippi	4	0	1	4	3	0	12
Missouri	7	3	3	12	14	0	39
Montana	0	0	0	1	0	0	1
Nebraska	1	3	3	3	4	0	14
Nevada	2	2	1	2	5	0	12
New Hampshire	0	1	0	2	3	0	6
New Jersey	6	6	5	8	21	0	46
New Mexico	2	1	0	4	4	0	11
New York	18	11	10	14	40	4	97
North Carolina	7	4	5	7	18	0	41
North Dakota	0	1	0	2	3	0	6
Ohio	13	13	9	18	46	0	99
Oklahoma	2	5	1	4	19	0	31
Oregon	3	1	3	4	0	0	11
Pennsylvania	17	9	7	11	23	0	67
Rhode Island	0	1	1	0	1	0	3
South Carolina	7	3	5	6	4	0	25
South Dakota	1	0	0	0	1	0	2
Tennessee	3	1	3	6	8	1	22
Texas	29	20	24	19	95	1	188
Utah	1	2	1	4	2	0	10
Vermont	1	0	1	0	0	0	2
Virginia	9	3	5	9	15	0	41
Washington	5	1	1	10	4	0	21
West Virginia	2	0	0	1	4	0	7
Wisconsin	3	2	4	6	9	0	24
Wyoming	0	0	0	2	0	0	2
Other	0	0	0	0	0	0	0

Appendix A: Definitions and Method

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OCC Mortgage Metrics Report Method

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

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

Results are not seasonally adjusted.