

Press Releases

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OTS 09-008 - OCC and OTS Expand Data Collection on Mortgage Performance

Joint Release

Office of the Comptroller of the Currency
Office of Thrift Supervision

For Immediate Release
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Washington — The Office of the Comptroller of the Currency and the Office of Thrift Supervision are expanding the scope of the mortgage performance data gathered from national banks and thrifts to include additional information on the affordability and sustainability of loan modifications.

The additional data will show how loan modifications changed the total amount of borrowers' monthly principal and interest payments in 2008. The next edition of the agencies' joint Mortgage Metrics Report, scheduled for release next month, will review categories of loan modifications that:

- Increased borrowers' monthly principal and interest payments.
- Brought no change to payments.
- Reduced payments by 10 percent or less.
- Reduced payments by more than 10 percent.

Importantly, for loans modified in the first and second quarters of 2008, the report will show the percentage of modifications in each of the four categories that are 60 or more days past due at six months after modification. This will help gauge the effectiveness of the four categories of changes in monthly payments in making mortgages more sustainable and in keeping borrowers in their homes.

Future reports covering all of 2008 and subsequent periods will also show trends in the types of modifications undertaken by loan servicers.

"This is important information on banks' efforts to modify loans and will help inform lenders and policymakers as to what type of modifications work, with a particular focus on the effect of significant changes in monthly payments," said Comptroller of the Currency John C. Dugan. "We continue to actively urge national banks to implement effective loss mitigation actions, including affordable and sustainable loan modifications, to prevent avoidable foreclosures and to mitigate their losses. By bringing the same sort of standardized definitions and rigorous analysis to loan modification performance data that we have provided in our previous reports on mortgage metrics, lenders and policymakers can use this information to make loan modification programs more effective."

OTS Director John Reich described the expanded data collection effort as fulfilling a pledge.

"We have promised to continually improve this data collection-and-reporting program to ensure that the results are meaningful and useful in the ongoing effort to address the nation's foreclosure crisis," Reich said. "Today's announcement marks a meaningful milestone in that effort."

After conducting separate programs to collect and report loan-level data on mortgage performance, the OCC and the OTS launched a joint program in the summer of 2008. After gathering validated information on more than 35 million first-lien mortgages representing more than 60 percent of all mortgages in the country, the agencies issued a joint report in September 2008 that provided the first available data on the performance of loan modifications across a large portfolio of loans.

The initial joint report covered the second quarter of 2008. In December, the agencies released a second joint report covering the third quarter of 2008. Because the December report generated a high level of interest, the agencies decided to make public the work under way to expand the program by providing greater detail on the affordability and sustainability of loan modifications for the report coming in March and subsequent reports.

The number of data elements requested from mortgage servicers has grown by about 50 percent, from about 60 elements per loan in June to more than 90 elements per loan. The effort requires extensive work by mortgage servicers and regulators to review, validate, and present the data. In many cases, new data elements require changes to systems to capture and provide reliable information. The OCC and OTS data collection now calls for up to 2.38 billion individual pieces of information each month on the loans serviced by the largest national banks and thrifts. As this additional data is collected, processed, and validated, the agencies plan to continue expanding the quarterly public reports to include the new information.

The OCC-OTS Mortgage Metrics Data Dictionary (January 2009) is attached.

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Related Files

- **OTS 09-008A - Mortgage Metrics Data Dictionary** - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2009-08a.pdf>