FEDERAL HOUSING FINANCE AGENCY

NEWS RELEASE

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FHFA Releases November *Foreclosure Prevention Report*

Washington, DC – James B. Lockhart, Director of the Federal Housing Finance Agency today released the November monthly *Foreclosure Prevention Report*, which provides comprehensive monthly data on the loss mitigation efforts of Fannie Mae and Freddie Mac as well as information on delinquencies, foreclosures initiated and foreclosures completed.

"Loan modifications for October and November, which were the first two full months of the converservatorship, increased by 50 percent from the previous two months," said Lockhart. "These data reflect the increased commitment of the servicers and the GSEs to help borrowers in trouble modify their loans to keep them in their homes."

During November 2008, both Enterprises announced a suspension of foreclosure sales and evictions scheduled to occur from November 26 through January 9 on single-family properties. The moratorium was extended to Saturday, January 31. The extension allowed servicers additional time to work with borrowers in foreclosure. Specifically, they targeted eligible borrowers for the Streamlined Modification Program (SMP) announced November 11 and implemented December 15. Because only two business days of foreclosure activities in November were impacted by the suspension, it had little effect on the month's performance. However, it is expected the impact of the suspension will be greater for performance to be reported for December and January.

The report shows that as of November 30, 2008 of the Enterprises' 30.6 million residential mortgages:

- Loans 60+ days delinquent (including those in bankruptcy and foreclosure) as a percent of all loans increased from 1.46 percent as of March 31, 1.73 percent as of June 30, and 2.21 percent as of September 30 to 2.39 for October and 2.73 percent for November.

- Loans 90+ days delinquent (including those in bankruptcy and foreclosure) as a percent of all loans increased from 1.00 percent as of March 31, 1.19 percent as of June 30, 1.52 percent as of September 30 to 1.67 percent for October and 1.88 percent for November.

- Loans for which foreclosure was started as a percent of loans 60+ days delinquent declined from 8.29 for the first quarter, 7.81 percent for the second quarter, 7.20 percent for the third quarter to 6.44 percent for October 2008 and 5.25 percent for November 2008.

- Loans for which foreclosure was completed as a percent of loans 60+ days delinquent decreased from 2.41 percent for the first quarter, 2.55 percent for the second quarter, 2.56 percent for the quarter to 2.33 percent for October and 1.73 percent for November.

- Modifications completed increased from a monthly average of 2,883 for 2007, 5,218 for the first quarter, 5,129 for the second quarter and 4,497 for the third quarter to 5,600 for October and 8,291 for November. Compared with the monthly average of 4,948 for the first nine months of 2008, October modifications increased by 13.2 percent and November by 67.6 percent.

- The loss mitigation ratio for November was 61.7 percent – the highest since June 2008, which was reported at 64.8 percent. The year-to-date loss mitigation ratio is 55.2 percent. The loss mitigation ratio is calculated as the total mitigation activities (payment plans, delinquency advances, loan modifications, short sales, deeds in lieu, assumptions, and charge-offs) divided by the total of loss mitigation activities plus foreclosures completed and third-party sales. This ratio allows for comparison of loss mitigation performance over time – irrespective of delinquency rates.

Link to November 2008 report

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