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# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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### **FHFA September *Foreclosure Prevention Report* Released**

**Washington, DC** – James B. Lockhart, Director of the Federal Housing Finance Agency today released the September 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.

Since year-end 2007, while loans 60+ days delinquent have increased, loans for which foreclosure was started actually decreased. Loss mitigation actions have increased for all workout types. Short sale and deed-in-lieu volumes increased significantly in September 2008. In comparison to 2007, the Enterprises' loss mitigation performance ratio shows considerable sustained improvement with the year-to-date ratio at 54.6 percent versus 43.5 percent for 2007.

The report shows that as of September 30, 2008 of the Enterprises' 30.7 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 to 1.73 percent as of June 30 to 2.21 percent as of September 30.
- Loans for which foreclosure was started as a percent of loans 60+ days delinquent declined from 8.29 for the first quarter and 7.81 percent for the second quarter to 7.12 percent for the third quarter.
- Loans for which foreclosure was completed as a percent of loans 60+ days delinquent increased from 2.41 percent for the first quarter to 2.55 percent for the second quarter and stabilized at 2.55 percent for the third quarter.
- Modifications completed declined from 15,636 for the first quarter to 15,372 for the second quarter to 13,450 for the third quarter. However, loans reinstated through Fannie Mae's HomeSaver Advance (HSA) Program increased from 1,244 in the first quarter to 16,658 in the second quarter and 27,277 in the third quarter.
- The loss mitigation ratio is calculated at the total mitigation activities (payment plans, HomeSaver 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.

[Link to September 2008 report](#)

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*The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$6.2 trillion in funding for the U.S. mortgage markets and financial institutions.*