



GAO

Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

July 28, 2009

The Honorable Carolyn B. Maloney
Chair
Joint Economic Committee
House of Representatives

The Honorable Charles E. Schumer
Vice Chairman
Joint Economic Committee
United States Senate

Subject: Characteristics and Performance of Nonprime Mortgages

During the first part of this decade, the number of mortgage originations grew rapidly, particularly in the nonprime segment of the mortgage market, which includes subprime and Alt-A loans.¹ In dollar terms, nonprime loans accounted for an increasing share of the overall mortgage market, rising from 12 percent in 2000 to 34 percent in 2006. Over this period, the dollar volume of nonprime mortgages originated annually climbed from \$100 billion to \$600 billion in the subprime market and from \$25 billion to \$400 billion in the Alt-A market.² However, these market segments contracted sharply in the summer of 2007, partly in response to a dramatic increase in default and foreclosure rates for these mortgages. As we reported in 2007, a loosening of underwriting standards for subprime and Alt-A loans contributed to this increase.³ As of the first quarter of 2009, approximately 1 in 8 nonprime mortgages were in the foreclosure process. The negative repercussions from nonprime lending practices has prompted greater scrutiny of this market segment, a number of government efforts to modify troubled loans, and proposals to strengthen federal regulation of the mortgage industry.

To inform congressional oversight and decision making about efforts to address current problems in the mortgage market, you requested that we examine the evolution and condition of the nonprime market segment. Accordingly, this report

¹Although the categories are not rigidly defined, subprime loans feature higher interest rates and fees and are generally made to borrowers who have tarnished credit histories. Alt-A loans are generally for borrowers whose credit histories are close to prime, but the loans have one or more high-risk features such as limited documentation of income or assets.

²See Inside Mortgage Finance, *The 2009 Mortgage Market Statistical Annual* (Bethesda, Md., 2009), 4.

³See GAO, *Information on Recent Default and Foreclosure Trends for Home Mortgages and Associated Economic and Market Developments*, [GAO-08-78R](#) (Washington, D.C.: Oct. 16, 2007).

discusses (1) trends in the loan and borrower characteristics of nonprime mortgages originated from 2000 through 2007 and (2) the performance of these mortgages as of March 31, 2009. Additionally, this report provides supplemental information, including detailed statistics by annual loan cohort, state, and congressional district. We provide this additional information in enclosures I through VI.

As agreed with your offices, in two subsequent reports we will provide information on the extent of negative home equity in metropolitan areas, the influence of nonprime loan and borrower characteristics and economic conditions on the likelihood of default, and sources of data on nonprime loans. Also, the information provided in this report will be updated in these subsequent reports to reflect the most recent available data and additional analyses.

To conduct our work, we analyzed data from LoanPerformance's (LP) Asset-backed Securities database for nonprime loans originated from 2000 through 2007.⁴ The database contains loan-level data on nonagency securitized mortgages in subprime and Alt-A pools.⁵ About three-quarters of nonprime mortgages have been securitized in recent years, and the LP database covers the vast majority of them. For example, for the period 2001 through July 2007 the LP database contains information covering (in dollar terms) an estimated 87 percent of securitized subprime loans and 98 percent of securitized Alt-A loans. Research has found that nonprime mortgages that were not securitized (i.e., mortgages that lenders held in their portfolios) may have different characteristics and performance histories than those that were securitized. For purposes of our analysis, we defined a subprime loan as a loan in a subprime pool and an Alt-A loan as a loan in an Alt-A pool.⁶ We focused our analysis on first-lien purchase and refinance mortgages for 1-4 family residential units.

To determine trends in nonprime loan and borrower characteristics, we calculated the numbers and percentages of subprime and Alt-A mortgage originations. We then disaggregated them by loan purpose (e.g., purchase, refinance), loan type (e.g., adjustable-rate mortgages [ARM], fixed-rate mortgages), and other characteristics, including interest rates at origination, borrowers' credit scores, and loan features such as low or no documentation of borrower income or assets and prepayment penalties. To determine the performance of nonprime mortgages, we calculated the number and percentage of mortgages that were in different performance categories—for example, current (up to date on payments), delinquent (30-89 days behind), in default (90 or more days behind), in the foreclosure process, or had

⁴LP is a unit of First American CoreLogic, Incorporated.

⁵Nonagency mortgage-backed securities (MBS), also known as private-label MBS, are backed by nonconforming conventional mortgages securitized primarily by investment banks. Nonconforming mortgages are those that do not meet the purchase requirements of Fannie Mae or Freddie Mac because they are too large or do not meet their underwriting criteria.

⁶The LP database has a loan-level indicator for loan class (i.e., subprime or Alt-A), but it is not well populated. We therefore used the pool-level classification. According to mortgage researchers, some of the loans in subprime pools may not be subprime loans, and some of the loans in Alt-A pools may not be Alt-A loans.

completed the foreclosure process as of March 31, 2009.⁷ We also examined the performance of specific loan cohorts and loans for homes in different geographic areas, including Census divisions, states, and congressional districts.⁸ To estimate loan performance by congressional district, we linked ZIP code–level information in the LP database to congressional districts.⁹ Specifically, we (1) calculated for each ZIP code area the total number of loans and the number of loans either in default or in the foreclosure process (seriously delinquent), (2) used mapping software to determine the proportion of each ZIP code area that fell within a given congressional district, and (3) used information from the first two steps to estimate for each congressional district the total number of loans and the number and percentage of loans that were seriously delinquent. Our analysis assumed that the loans in each ZIP code area were evenly distributed across the area. For example, if 80 percent of a ZIP code area fell within a given congressional district, we assumed that 80 percent of the loans in that ZIP code area were in the congressional district.

We reviewed documentation on the process LP uses to collect and ensure the reliability and integrity of its data. We discussed this process and the interpretation of different data fields with LP representatives. In addition, we conducted reasonableness checks on data elements to identify any missing, erroneous, or outlying data. We concluded that the data we used were sufficiently reliable for our purposes. We conducted our work in Washington, D.C., from September 2008 through June 2009 in accordance with all sections of GAO’s Quality Assurance Framework that are relevant to our objectives. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the evidence obtained provides a reasonable basis for our findings based on our audit objectives.

Results in Brief

Nonprime mortgage originations grew rapidly from 2000 through 2005 before sharply contracting in mid-2007. Subprime mortgages accounted for approximately two-thirds of the increase in nonprime originations over that period—rising from 457,000 in 2000 to 2.3 million in 2005—before declining somewhat in 2006. Alt-A originations, although a smaller share of the nonprime market, increased at an even faster rate than subprime originations, increasing 18-fold from 2000 through 2005. From 2000 through 2007, an increasing proportion of subprime and Alt-A mortgages had loan and borrower characteristics that have been associated with a higher likelihood of default and foreclosure. These characteristics include adjustable

⁷Unless noted otherwise, we treat delinquent loans, loans in default, and loans in the foreclosure process as mutually exclusive categories. We considered a loan to have completed the foreclosure process if it was in real estate-owned status as of March 31, 2009, or was paid off after being 90 or more days delinquent, in the foreclosure process, or in real estate-owned status.

⁸A loan cohort is a group of loans originated in the same year.

⁹The LP data provide the state and ZIP code of the property associated with each loan.

interest rates, less than full documentation of borrower income and assets, and higher debt service-to-income (DTI) ratios.¹⁰

Approximately 1.6 million of the 14.4 million nonprime loans originated from 2000 through 2007 had completed the foreclosure process as of March 31, 2009. Of the 5.2 million loans that were still active (i.e., not foreclosed or prepaid), almost one-quarter were either in default or in the foreclosure process (seriously delinquent), indicating that hundreds of thousands of additional nonprime borrowers are at risk of losing their homes in the near future.¹¹ Within the subprime market segment, about 28 percent of active loans were seriously delinquent, and within the active Alt-A segment, the serious delinquency rate was about 17 percent. Within both segments, serious delinquency rates were even higher for certain loan products with adjustable interest rates. Most of the serious delinquencies involved mortgages originated from 2004 through 2007. The rates varied widely across states and Census divisions, with the highest rate occurring in Florida (38 percent) and the lowest rate occurring in Wyoming (9 percent).

Background

The mortgage market has four major segments that are defined, in part, by the credit quality of the borrowers and the types of mortgage institutions that serve them.

- *Prime*—Serves borrowers with strong credit histories and provides the most attractive interest rates and mortgage terms.
- *Nonprime*—Encompasses two categories of loans:
 - *Alt-A*—Generally serves borrowers whose credit histories are close to prime, but loans have one or more high-risk features such as limited documentation of income or assets or the option of making monthly payments that are lower than required for a fully amortizing loan.
 - *Subprime*—Generally serves borrowers with blemished credit and features higher interest rates and fees than the prime market.
- *Government-insured or government-guaranteed*—Primarily serves borrowers who may have difficulty qualifying for prime mortgages but features interest rates competitive with prime loans in return for payment of insurance premiums or guarantee fees. The Federal Housing Administration and Department of Veterans Affairs operate the two main federal programs that insure or guarantee mortgages.

Across all of these market segments, two types of loans are common: fixed-rate mortgages, which have interest rates that do not change over the life of the loan; and adjustable-rate mortgages (ARM), which have interest rates that can change periodically based on changes in a specified index. Additionally, loans are used for

¹⁰The DTI ratio is the borrower's total monthly debt service payments divided by monthly gross income.

¹¹In comparison, as of the first quarter of 2007, active nonprime loans originated from 2000 through 2005 had a serious delinquency rate of 7.4 percent.

two general purposes: to finance the purchase of a home or refinance an existing loan.

The following categories are commonly used to describe the performance status of mortgages:

- *Current*—The borrower is meeting scheduled payments.
- *Delinquent*—The borrower has missed one or more scheduled monthly payments.
- *Default*—The borrower is 90 or more days delinquent.¹² At this point, foreclosure proceedings against the borrower become a strong possibility.
- *Foreclosure*—A legal, and often lengthy, process with several possible outcomes, including that the borrower sells the property or the lender repossesses the home.
- *Prepaid*—The borrower has paid off the entire loan balance before it is due. Prepayment often occurs as a result of the borrower selling the home or refinancing into a new mortgage.

The nonprime market segment featured a number of nontraditional products and characteristics:¹³

- *Hybrid ARM*—Interest rate is fixed during an initial period then “resets” to an adjustable rate for the remaining term of the loan.
- *Payment-option ARM*—Borrower has multiple payment options each month, which may include minimum payments lower than what would be needed to cover any of the principal or all of the accrued interest. This feature is known as “negative amortization” because the outstanding loan balance may increase over time.
- *Interest-only*—Allows the borrower to pay just the interest on the loan for a specified period, usually the first 3 to 10 years, thereby deferring principal payments.
- *Low and no documentation loans*—Requires little or no verification of a borrower’s income or assets.
- *High loan-to-value (LTV) ratios*—Borrower makes a small down payment, causing the ratio of the loan amount to the home value to be relatively high.
- *Prepayment penalties*—Borrower incurs a fee if he or she pays off the loan balance before it is due.

The nation’s economy has been in recession since December 2007. The rising rate of unemployment and declining home prices has worsened the financial circumstances for many families and, with it, their ability to make their mortgage payments.

¹²There is no uniform definition of default across the lending industry. For purposes of this report, we use the definition provided.

¹³For more information about some of these products, see GAO, *Alternative Mortgage Products: Impacts on Defaults Remains Unclear, but Disclosure of Risks to Borrowers Could Be Improved*, [GAO-06-1021](#) (Washington, D.C.: Sept. 16, 2006). As we reported in 2007, of the top 25 originators of nonprime loans in 2006—which accounted for over 90 percent of the dollar volume of all such originations—21 were nonbank lenders, including 14 independent lenders and 7 nonbank subsidiaries of banks, thrifts, or holding companies. See [GAO-08-78R](#).

According to the Bureau of Labor Statistics, as of June 2009, the nationwide unemployment rate was 9.5 percent, the highest rate since 1983. Additionally, over the past 2 years, house prices have declined in many areas of the country. For example, according to the Federal Housing Finance Agency's (FHFA) house price index, from the first quarter of 2008 through the first quarter of 2009, home prices in California and Florida both fell 22 percent.¹⁴

Nonprime Mortgage Lending Increased from 2000 through 2006 and Included Many Loans with Features Associated with Poor Loan Performance

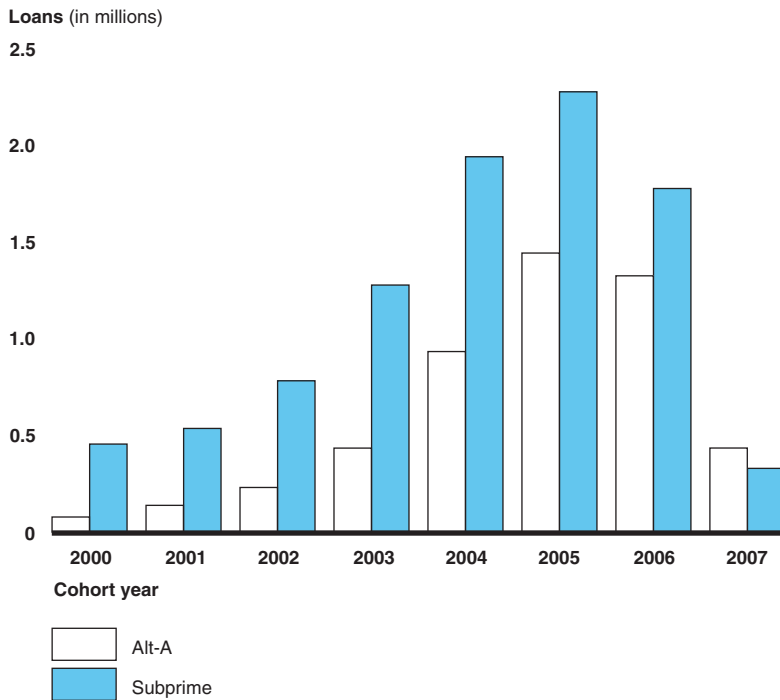
Nonprime Mortgage Originations Increased Rapidly from 2000 to 2005

As shown in figure 1, nonprime lending increased rapidly earlier in the decade before abruptly declining in 2007 as the nation entered a financial crisis. In the data we analyzed, about two-thirds of the nonprime mortgages originated from 2000 through 2007 were subprime loans.¹⁵ The number of subprime originations increased more than five-fold from 2000 through 2005—rising from approximately 457,000 to about 2.3 million—before declining somewhat in 2006 and falling off sharply in 2007. Despite this generally rising trend, subprime loans accounted for a declining share of the nonprime market over this period because the volume of Alt-A originations increased at an even faster rate. Specifically, Alt-A originations grew 18-fold from 2000 through 2005—rising from approximately 78,000 to about 1.4 million—before declining in 2006 and declining further in 2007. As a result, the Alt-A share of the nonprime market increased from about 15 percent in 2000 to 43 percent in 2006, and continued to increase to 57 percent in 2007.

¹⁴Percentage is from FHFA's purchase-only house price index.

¹⁵As previously noted, the data we used for our analysis do not cover the entire nonprime market but do cover the large majority of nonagency securitized mortgages within that market.

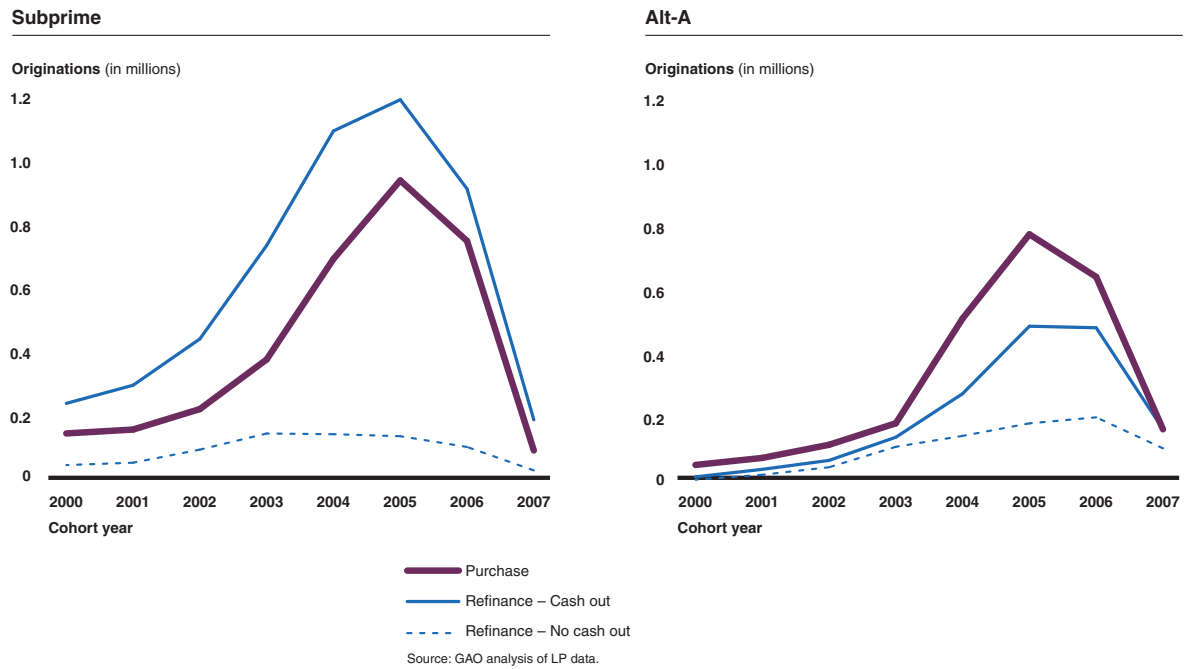
Figure 1: Number of Subprime and Alt-A Originations by Cohort Year, 2000-2007



Source: GAO analysis of LP data.

The majority of nonprime loans originated from 2000 through 2007 were used to refinance an existing loan rather than to purchase a home. The combination of rising home values and historically low interest rates provided homeowners with opportunities to reduce their mortgage payments and access the equity in their homes through refinancing. A substantial proportion of nonprime borrowers refinanced their mortgages at a higher amount than the loan balance to convert their home equity into money for personal use (known as “cash-out refinancing”). Of the subprime mortgages originated from 2000 through 2007, 55 percent were for cash-out refinancing, 9 percent were for no-cash-out refinancing, and 36 percent were for a home purchase. In 2003, for example, the number of subprime mortgages for cash-out refinancing totaled more than 740,000, the number of no-cash-out refinance loans was about 152,000, and the number of home purchase loans was just over 380,000 (see fig. 2). In contrast, about one-third of Alt-A loans originated from 2000 through 2007 were for cash-out refinancing, 16 percent were for no-cash-out refinancing, and 50 percent were for home purchases.

Figure 2: Number of Nonprime Purchase and Refinance Loans by Cohort Year, 2000-2007



Loan and Borrower Features Associated with a Higher Likelihood of Default and Foreclosure Became Common in 2000-2007

As we reported in 2007, more aggressive lending practices—that is, an easing of underwriting standards and wider use of certain loan features associated with poorer loan performance—contributed to recent increases in default and foreclosure rates.¹⁶ Many loans were originated with a number of these features, a practice known as risk layering. These practices reduced the likelihood that some borrowers would be able to meet their mortgage obligations, particularly in times of economic stress or declining house prices. Because nonprime loans were often considered more profitable than prime loans, mortgage market participants had incentives to originate and securitize these loans despite their higher risks. Additionally, research suggests that some borrowers did not understand the true costs and risks of these loans, while others were willing to take on these risks to tap accumulated home equity or to obtain larger homes.

Loan-to-Value Ratios

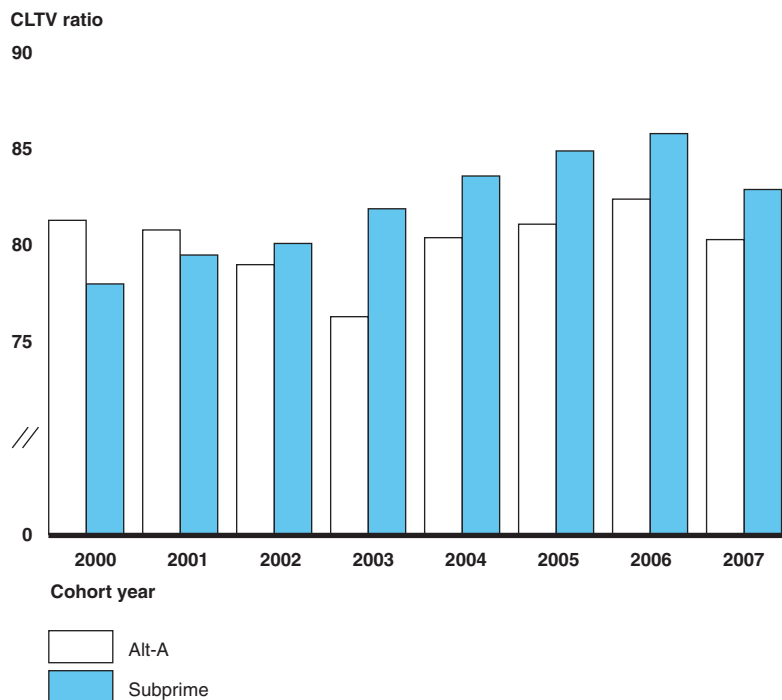
A substantial amount of research indicates that loan-to-value (LTV) ratio is one of the most important factors in assessing the default risk of the borrower.¹⁷ The higher the LTV ratio when a loan is originated, the less equity borrowers will have in their homes and the more likely they are to default on mortgage obligations, especially

¹⁶See GAO-08-78R.

¹⁷LTV ratio is the amount of the loan divided by the value of the home at origination.

during times of financial stress. In recent years many borrowers used second liens, or “piggyback loans,” to finance all or part of their down payment. Piggyback loans can result in higher combined loan-to-value (CLTV) ratios—that is, the LTV ratio taking both the first mortgage and piggyback loan into account.¹⁸ As shown in figure 3, the average CLTV ratio for subprime loans rose from 78.0 percent in 2000 to 85.8 percent in 2006, before dropping slightly to 82.9 percent in 2007. In 2000 and 2001, average CLTV ratios for Alt-A loans were higher than those for subprime loans, but in 2002 and thereafter the reverse was true. Average CLTV ratios for Alt-A loans trended downward from 2000 through 2003 (from 81.3 percent to 76.3 percent) but rose to 82.4 percent by 2006, before declining to 80.3 percent in 2007. Furthermore, the percentage of loans with a CLTV ratio of at least 100 percent increased over the time period we examined in both the subprime and Alt-A markets. In 2000, 2.4 percent of subprime loans had a CLTV ratio of at least 100 percent. By 2006, this percentage had increased to 29.3 percent before falling to 17.5 percent in 2007. Likewise, 8.6 percent of Alt-A loans had a CLTV ratio of at least 100 percent in 2000. This percentage reached 19.5 percent by 2006 before falling to 14.5 percent in 2007.

Figure 3: Average CLTV Ratios for Nonprime Loans by Cohort Year, 2000-2007



Source: GAO analysis of LP data.

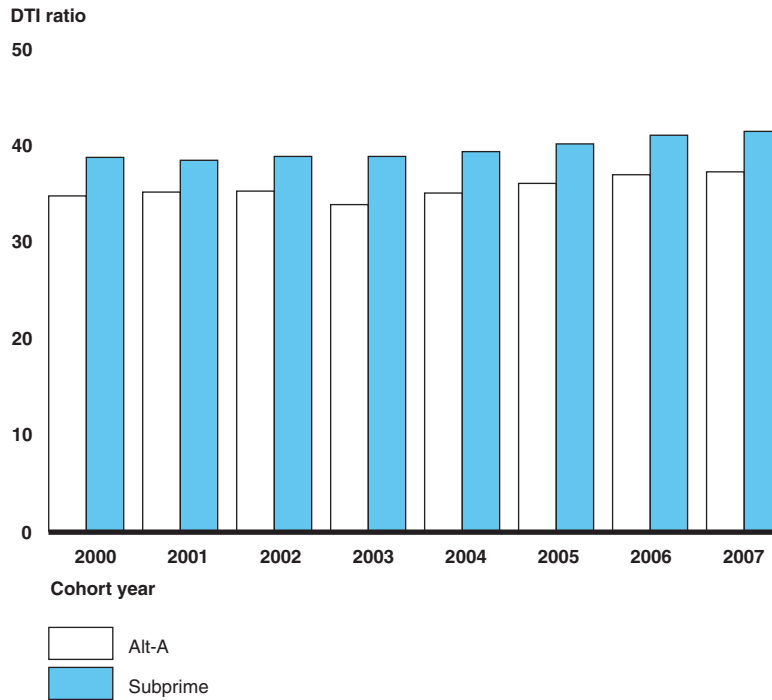
Note: The LP data do not capture all second liens. As a result, the average CLTV ratios presented are likely lower than the actual averages.

¹⁸The CLTV field in the LP data was frequently not populated, but the LTV field almost always was. In some cases, the CLTV field likely was blank because there was no piggyback loan associated with the mortgage, but in other cases there likely was a piggyback loan that was not captured in the data. We determined average CLTV ratios by using the CLTV field when it was populated and the LTV field when the CLTV field was blank. As a result, it is likely that the average CLTV ratios we present are somewhat lower than the actual averages.

Debt Service-to-Income Ratios

The debt service-to-income (DTI) ratio represents the percentage of a borrower's income that goes toward all recurring debt payments, including the mortgage payment. The higher the ratio, the greater the risk that the borrower will have cash flow problems and will miss mortgage payments. In the subprime market, average DTI ratios rose from 38.8 percent to 41.5 percent from 2000 through 2007. In the Alt-A market, average DTI ratios increased somewhat from 2000 through 2002, then decreased in 2003 before increasing to 37.3 percent in 2007 (see fig. 4). Additionally, the percentage of subprime and Alt-A loans with DTI ratios over 41 percent—the value used as a guideline in underwriting mortgages insured by the Federal Housing Administration—rose over the period we examined. Specifically, in the subprime market this percentage increased from 47.1 percent in 2000 to 59.3 percent in 2007. In the Alt-A market this percentage rose from 22.9 percent to 36.8 percent over the same time frame.¹⁹

Figure 4: Average DTI Ratio for Nonprime Loans by Cohort Year, 2000-2007



Source: GAO analysis of LP data.

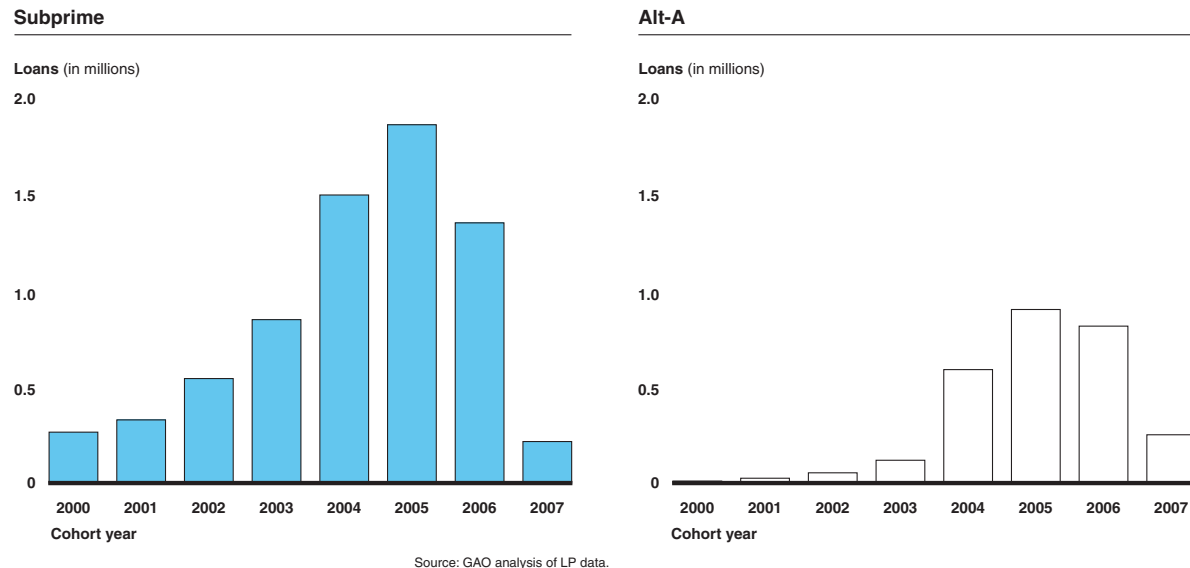
Note: The figures presented are for the 61 percent of nonprime loans for which the data contained DTI information.

¹⁹The figures presented are for the 61 percent of nonprime loans for which the data contained DTI information. Twenty-nine percent of the subprime loans and 56 percent of the Alt-A loans in the LP database did not contain DTI information.

Adjustable Interest Rates

Mortgages with adjustable interest rates are generally considered to carry a higher default risk than comparable fixed-rate mortgages, in part because monthly payments increase when interest rates rise. In 2000, the number of subprime ARMs originated was about 262,000.²⁰ This number grew seven-fold to about 1.8 million originations in 2005, which represented the peak of the market for subprime ARMs. Likewise, originations of Alt-A ARMs increased substantially, growing from about 10,000 loans in 2000 to more than 893,000 in 2005. The largest increase occurred from 2003 to 2004, when the number of Alt-A ARMs grew almost five-fold, rising from about 117,000 to approximately 584,000 (see fig. 5).

Figure 5: Number of Subprime and Alt-A Loans with Adjustable Interest Rates by Cohort Year, 2000-2007

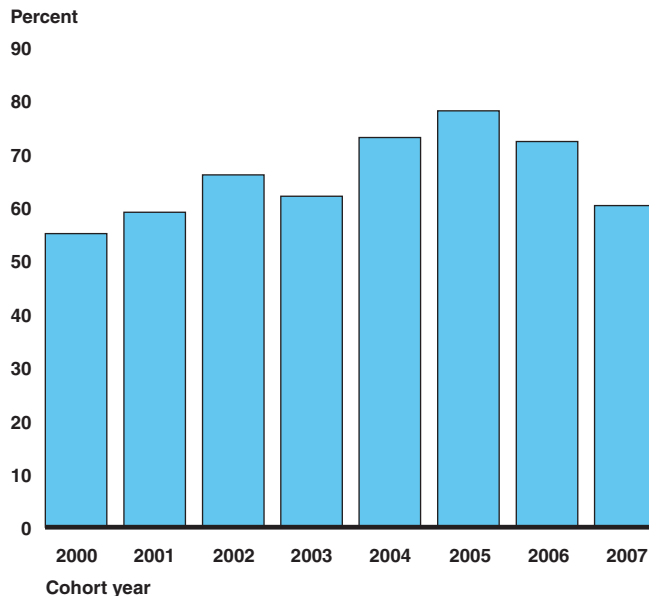


Some of these ARMs were “short-term hybrid” loans that can lead to payment shock—that is, large increases in monthly payments as a result of higher interest rates. In this type of mortgage, the interest rate is fixed and relatively low during an initial period and then “resets” to an adjustable rate for the remaining term of the loan. In the subprime market, 2/28 and 3/27 mortgages—that is, fixed rate for 2 or 3 years and adjustable rate for the next 28 or 27 years—were common types of short-term hybrids. As the number of subprime loans nearly doubled from 2003 through 2005, the share of short-term hybrids grew as well, reaching nearly 80 percent of all subprime originations in 2005, or more than 1.7 million mortgages (see fig. 6). Over the entire 2000 through 2007 period, 70 percent of subprime mortgage originations were short-term hybrids. In contrast, short-term hybrids were not a common product in the Alt-A market segment.

²⁰Our analysis of ARMs excluded balloon mortgages, which can have a fixed or adjustable interest rate. A balloon mortgage does not fully amortize over the term of the loan, leaving a balance due at maturity. The final payment is called a balloon payment because it is generally much larger than the other payments.

Although short-term hybrid ARMs have the potential to produce payment shock, research suggests that most of the defaults for these loans have occurred well before the interest rate reset.²¹ Nonetheless, interest rate resets may cause difficulties going forward, especially for borrowers whose loans were originated in more recent years. These borrowers may not be able to refinance to avoid payment shock because falling house prices and tightened underwriting standards may make it difficult for them to qualify for a new loan.

Figure 6: Short-Term Hybrid ARMs as a Share of Subprime Mortgages by Cohort Year, 2000-2007



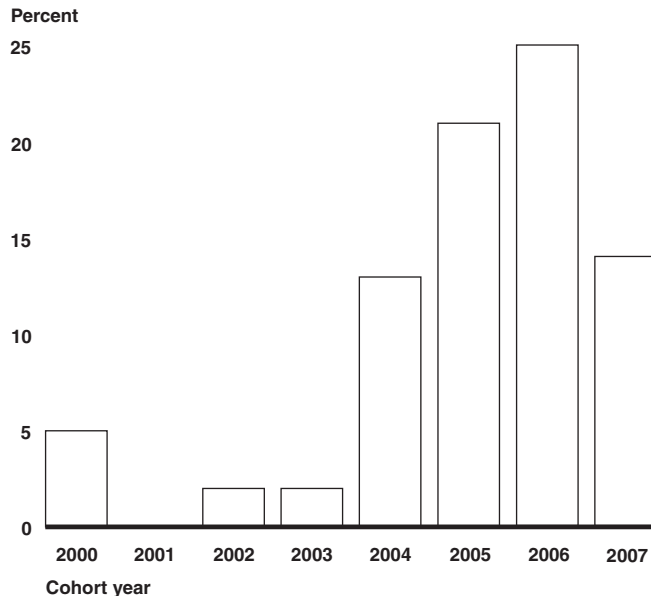
Source: GAO analysis of LP data.

Approximately 17 percent of Alt-A loans originated from 2000 through 2007 were another type of ARM known as payment-option ARMs. For an initial period of typically 5 years or when the loan balance reaches a specified cap, this product provides the borrower with multiple payment options each month, including minimum payments that are lower than what would be needed to cover any of the principal or all of the accrued interest. After the initial period, payments are “recast” to include an amount that will fully amortize the outstanding balance over the remaining loan term. Consequently, payment-option ARMs can result in payment shock, especially if the loan balance increased because the borrower was making only the minimum payment. As we reported in 2006, payment-option ARMs were once specialized products for financially sophisticated borrowers but ultimately became more widespread. According to federal banking regulators and a range of industry participants, as home prices increased rapidly in some areas of the country, lenders began marketing payment-option ARMs as affordability products and made

²¹See, for example, Shane Sherlund, “The Past, Present, and Future of Subprime Mortgages,” Finance and Economics Discussion Series 2008-63, Federal Reserve Board (November 2008). See also, Christopher Foote, Kristopher Gerardi, Lorenz Goette, and Paul Willen, “Subprime Facts: What (We Think) We Know about the Subprime Crisis and What We Don’t,” Working Papers No. 08-2, Federal Reserve Board (May 2008).

them available to less-creditworthy and lower-income borrowers.²² As shown in figure 7, the percentage of Alt-A loans that were payment-option ARMs was 5 percent or less from 2000 to 2003, before rising sharply in 2004. From 2004 to 2006, that percentage increased from 13 percent to 25 percent, before dropping to 14 percent in 2007.

Figure 7: Payment-Option ARMs as a Share of Alt-A Loans by Cohort Year, 2000-2007



Source: GAO analysis of LP data.

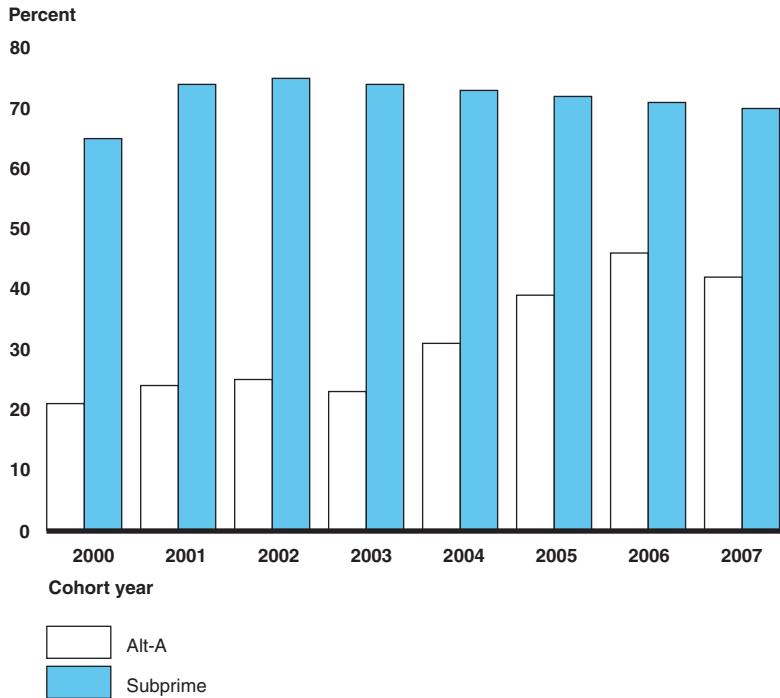
Prepayment Penalties

Prepayment penalties are another mortgage feature that some research has associated with a higher likelihood of default.²³ Prepayment penalties can be an obstacle to refinancing into a more affordable loan because borrowers must pay the penalty if they pay off the original loan before the prepayment period expires. Further, research indicates that many borrowers may not have realized that their mortgages include a prepayment penalty. For the entire 8-year period we examined, the percentage of subprime loans with prepayment penalties exceeded 60 percent each year. In contrast, only 21 percent of Alt-A mortgages had prepayment penalties in 2000, but this percentage increased to 46 percent by 2006 (see fig. 8).

²²See [GAO-06-1021](#).

²³See, for example, Roberto Quercia, Michael Stegman, and Walter Davis, “The Impact of Predatory Loan Terms on Subprime Foreclosures: The Special Case of Prepayment Penalties and Balloon Payments,” *Housing Policy Debate*, vol. 18, no. 2 (2007), 311-346. However, other research has found that prepayment penalties are not associated with higher default rates. See, for example, Sherlund, “The Past, Present, and Future of Subprime Mortgages.”

Figure 8: Percentage of Nonprime Loans with Prepayment Penalties by Cohort Year, 2000-2007



Source: GAO analysis of LP data.

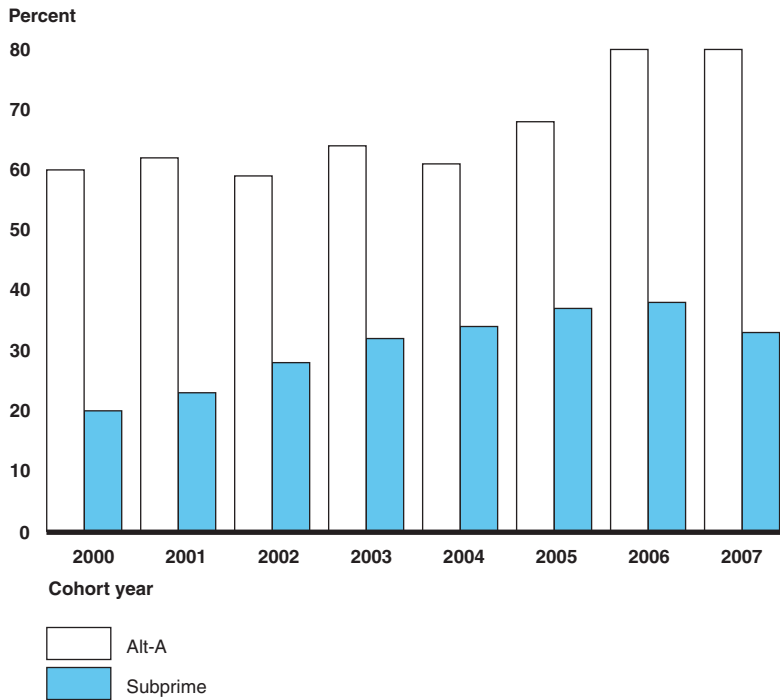
Low or No Documentation

Low or no documentation of income or assets allows borrowers to provide less detailed financial information than is traditionally required. This feature was originally intended for borrowers who may have difficulty documenting income, such as the self-employed, but eventually became more widespread.²⁴ Such loans can be problematic if borrowers or loan originators overstate income or assets to qualify borrowers for mortgages they cannot afford. From 2000 through 2007, the percentage of Alt-A mortgages that did not have full documentation of borrower income, assets, or both rose from 60 percent to 80 percent.²⁵ For subprime loans, the proportion of low and no documentation mortgages grew from 20 percent to 38 percent, then decreased to 33 percent over the same period (see fig. 9).

²⁴ Although typically associated with the Alt-A market, loans with low or no documentation of borrower income or assets were also offered in the subprime market, which serves borrowers with lower credit scores.

²⁵ According to the LP data, the overwhelming majority of nonprime mortgages with less than full documentation had low documentation rather than no documentation.

Figure 9: Percentage of Nonprime Loans with Low or No Documentation



Source: GAO analysis of LP data.

Enclosures I and II provide more detailed information about the characteristics of nonprime loans originated from 2000 through 2007.

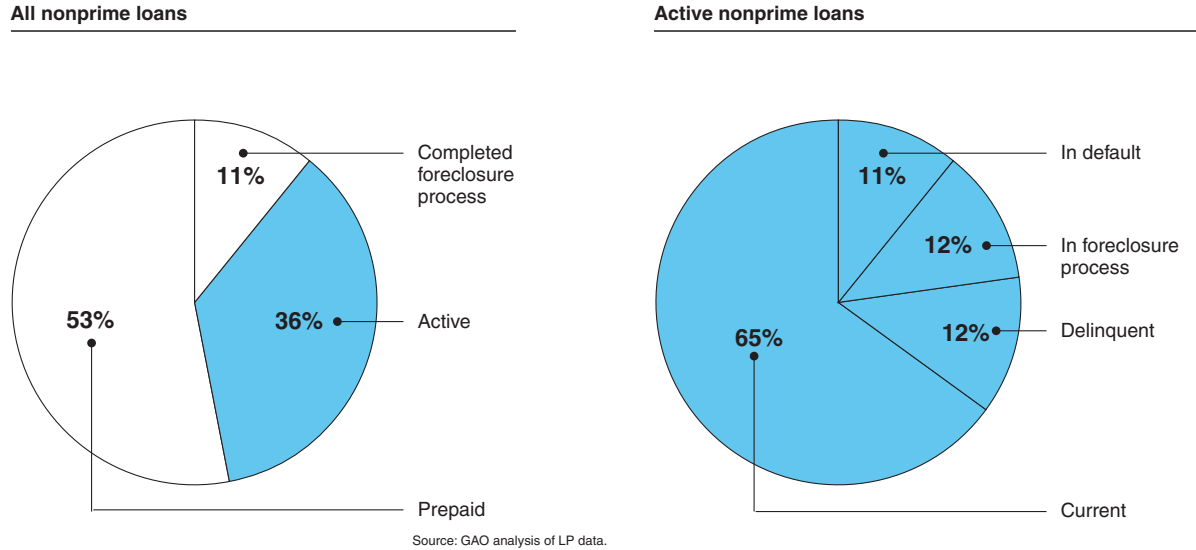
Serious Delinquency Rates Were Highest for Subprime Loans, Certain Adjustable-Rate Mortgages, and Recent Loan Cohorts and Varied Widely across States and Regions

As of March 31, 2009, approximately 1.6 million of the 14.4 million nonprime loans (11 percent) originated from 2000 through 2007 had completed the foreclosure process. Subprime mortgages accounted for about 80 percent of these loans and Alt-A mortgages accounted for the remaining 20 percent. Additionally, about 7.6 million of the 14.4 million loans (53 percent) originated had prepaid as of March 31, 2009 (see fig. 10). Because many of these prepaid loans were due to borrowers refinancing into new nonprime mortgages, the total number of originations over the period we examined far exceeds the number of individual borrowers. For the majority of the 5.2 million nonprime loans that were still active as of March 31, 2009, the borrowers were current on their payments. However, about 1.2 million, or 23 percent, of these active loans were seriously delinquent (either in default or in the foreclosure process), indicating that hundreds of thousands of additional nonprime borrowers are at risk of losing their homes in the near future.²⁶ Specifically, about 594,000 (11 percent) of active nonprime loans were in default and about 613,000 (12

²⁶In comparison, as of the first quarter of 2007, active nonprime loans originated from 2000 through 2005 had a serious delinquency rate of 7.4 percent.

percent) were in the foreclosure process, as shown in figure 10. Within the subprime market segment, about 775,000 loans (28 percent) were seriously delinquent. Among active Alt-A mortgages, approximately 433,000 (17 percent) were seriously delinquent.

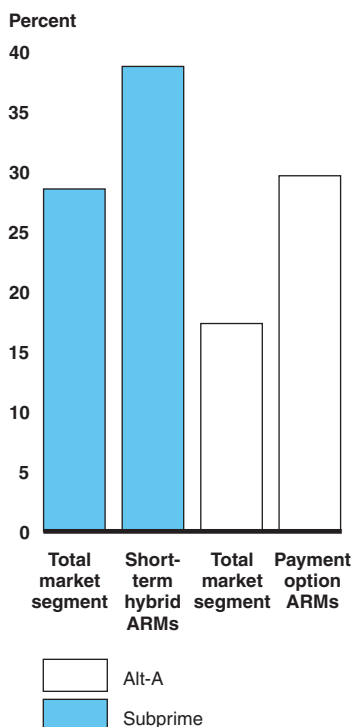
Figure 10: Percentage of All Nonprime Loans and All Active Nonprime Loans Originated from 2000 through 2007, by Performance Status as of March 31, 2009



Note: We considered a loan to be delinquent if the borrower was 30 to 89 days late on his or her mortgage payments. We considered a loan to be in default if the borrower was 90 or more days late.

Serious delinquency rates were higher for certain adjustable-rate products common in the subprime and Alt-A market segments than they were for the market segments as a whole. As previously discussed, short-term hybrid ARMs accounted for the majority of subprime mortgage originations in recent years (e.g., 72 percent in 2006). As of March 31, 2009, 38 percent (about 584,000) of active short-term hybrid ARMs were seriously delinquent, a rate 10 percentage points higher than that for the entire subprime market (see fig. 11). In the Alt-A market segment, payment-option ARMs became a prominent product, accounting for about 25 percent of Alt-A loans originated in 2006. As of March 31, 2009, approximately 30 percent (about 122,000) of active payment-option ARMs were seriously delinquent, a rate about 13 percentage points higher than for the Alt-A market segment as a whole.

Figure 11: Percentage of Short-Term Hybrid ARMs and Payment-Option ARMs That Were Seriously Delinquent as of March 31, 2009



Source: GAO analysis of LP data.

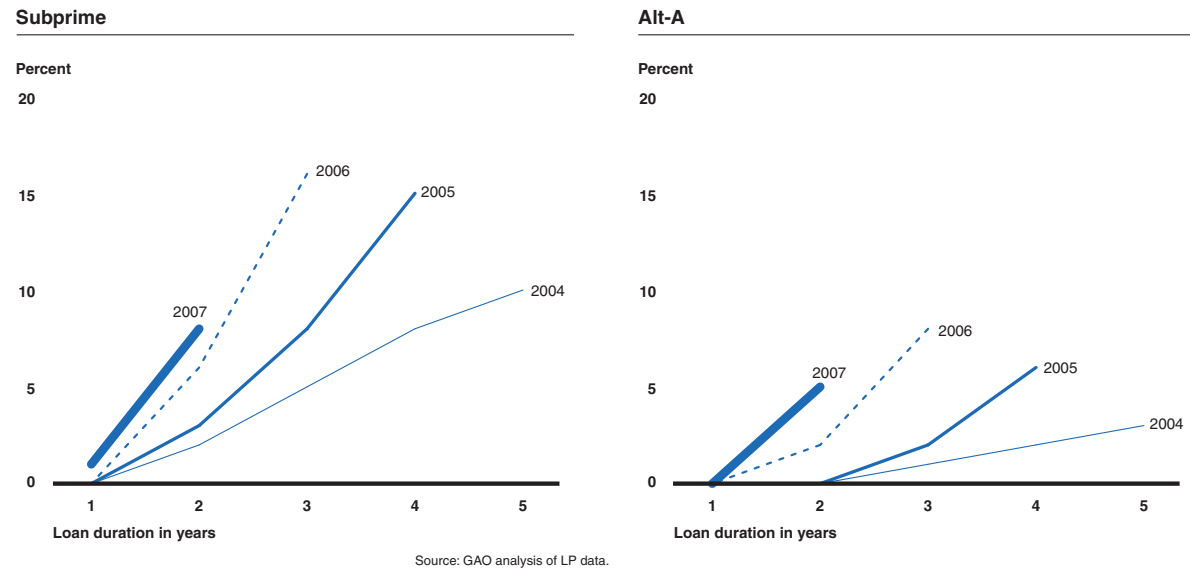
Performance of Nonprime Loans by Cohort

Mortgages originated from 2004 through 2007 accounted for the majority of troubled loans. Of the active subprime loans originated from 2000 through 2007, 92 percent of those that were seriously delinquent as of March 31, 2009, were from those four cohorts. Furthermore, loans from those cohorts made up 71 percent of the subprime mortgages that had completed the foreclosure process. This pattern was even more pronounced in the Alt-A market. Among active Alt-A loans, almost all (98 percent) of the loans that were seriously delinquent as of March 31, 2009, were from the 2004 through 2007 cohorts. Likewise, 93 percent of the loans that had completed the foreclosure process as of that date were from those cohorts.

Cumulative foreclosure rates show that the percentage of mortgages completing the foreclosure process increased for each successive loan cohort (see fig. 12). Within 2 years of loan origination, 2 percent of the subprime loans originated in 2004 had completed the foreclosure process, compared with 3 percent of the 2005 cohort, 6 percent of the 2006 cohort, and 8 percent of the 2007 cohort. Within 3 years of loan origination, 5 percent of the 2004 cohort had completed the foreclosure process, compared with 8 percent and 16 percent of the 2005 and 2006 cohorts, respectively. The trend was similar for Alt-A loans, although Alt-A loans foreclosed at a slower rate than subprime loans. For example, within 3 years of origination, 1 percent of Alt-A loans originated in 2004 had completed the foreclosure process, compared with

2 percent of the loans originated in 2005, and 8 percent of the loans originated in 2006.²⁷

Figure 12: Cumulative Percentage of Subprime and Alt-A Loans That Completed the Foreclosure Process by Cohort Year, 2004-2007



This trend is partly attributable to a stagnation or decline in home prices in much of the country beginning in 2005 and worsening in subsequent years. This situation made it more difficult for some borrowers to sell or refinance their homes to avoid default or foreclosure. In addition, borrowers who purchased homes (particularly for investment purposes) but now owed more than the properties were worth, had incentives to stop making mortgage payments in order to minimize their financial losses. The deterioration in credit quality for the successive cohorts may also reflect an increase in riskier loan and borrower characteristics, such as less than full documentation of borrower income and higher DTI ratios.

Enclosures III and IV provide more detailed information about the performance of nonprime loans by cohort year and product type.

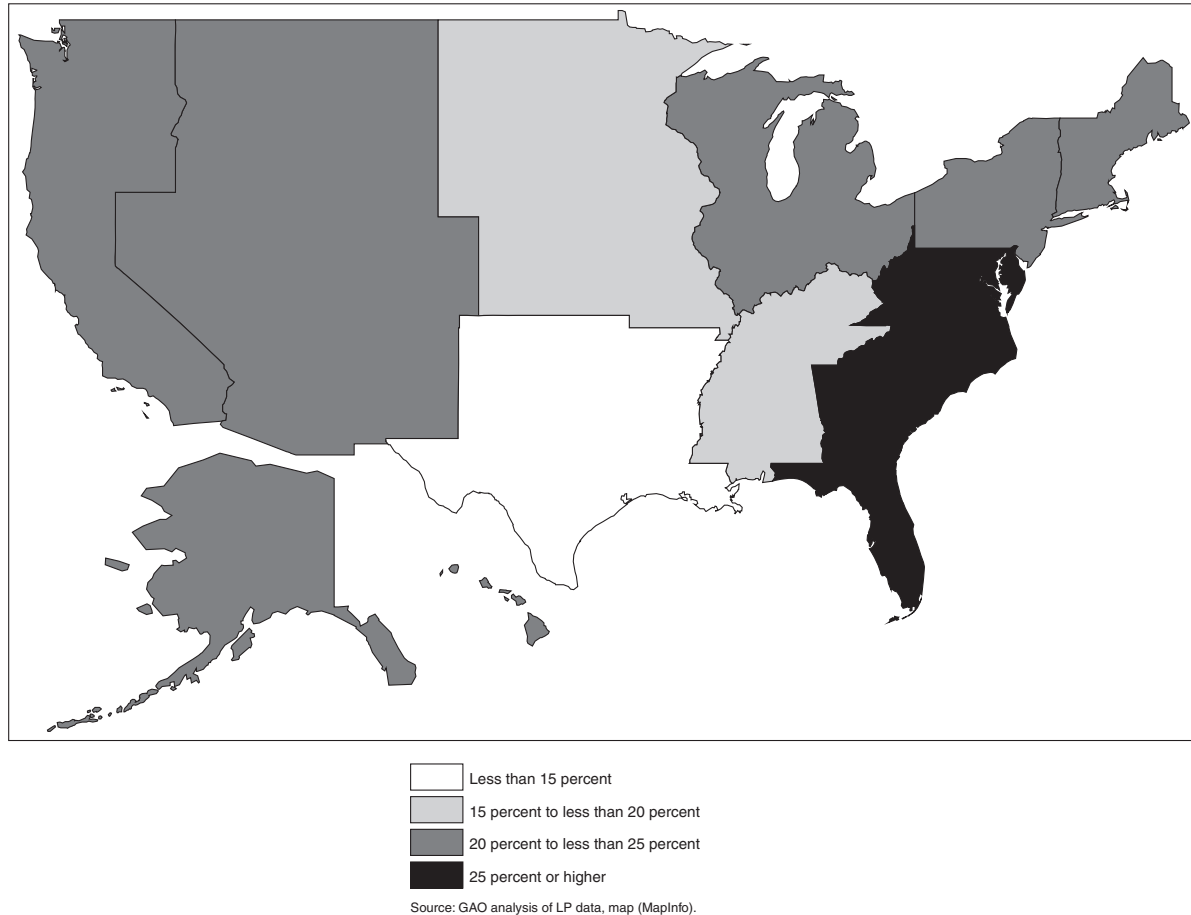
Performance of Nonprime Loans by Census Division, State, and Congressional District

The proportion of active nonprime mortgages that were seriously delinquent as of March 31, 2009, varied across Census divisions and states (see fig. 13). Among the nine Census divisions, the South Atlantic had the highest rate of seriously delinquent

²⁷Three-year foreclosure rates for the 2007 cohort will not be available until 2010. However, as of March 31, 2009, the subprime and Alt-A cumulative foreclosure rates for the 2007 cohort were 10 percent and 7 percent, respectively.

loans (28 percent) and the West South Central had the lowest rate (13 percent).²⁸ Only three regions—West South Central, West North Central, and East South Central—had serious delinquency rates of less than 20 percent.

Figure 13: Serious Delinquency Rates by Census Division as of March 31, 2009

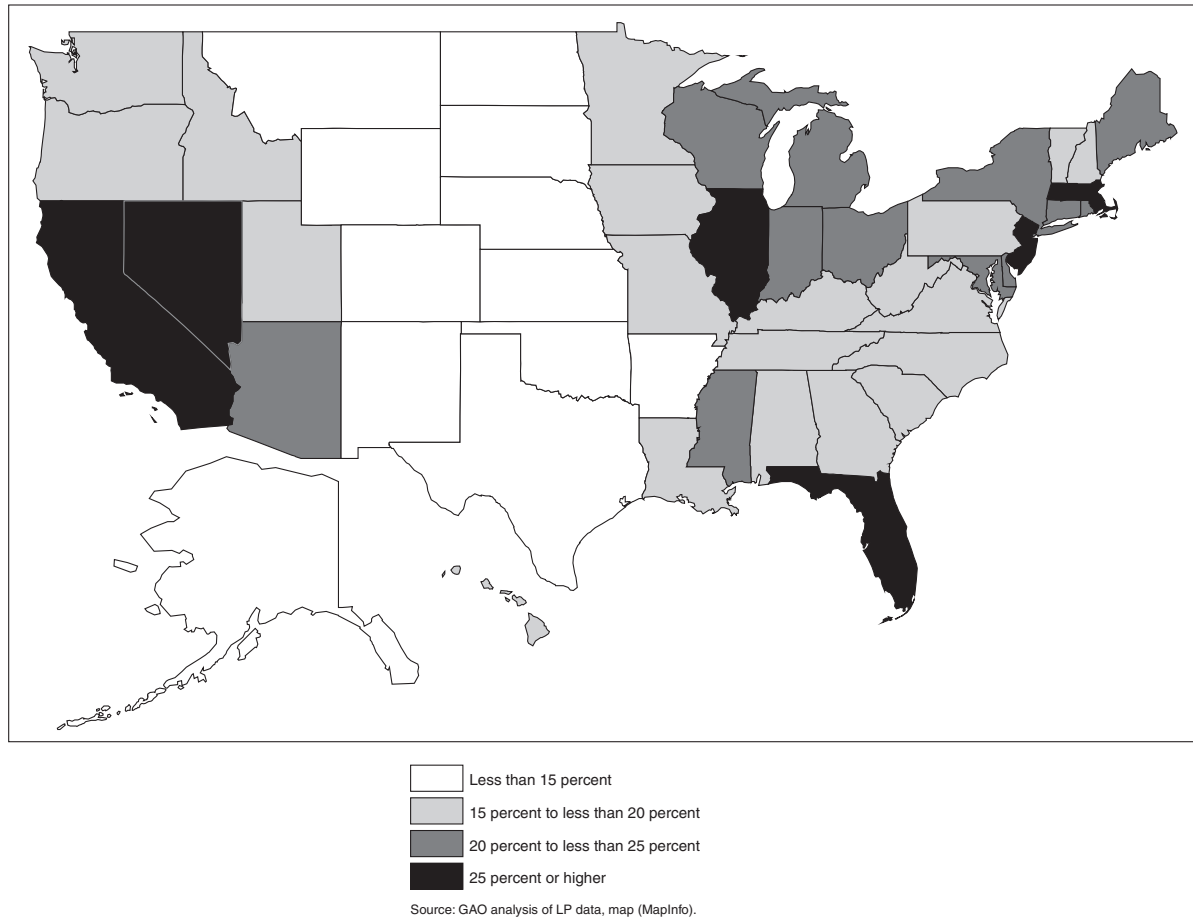


At the state level, six states—California, Florida, Illinois, Massachusetts, Nevada, and New Jersey—had the highest serious delinquency rates as of March 31, 2009 (see fig. 14). Each state had rates above 25 percent, and Florida’s rate of 38 percent was the highest in the country. Twelve states had serious delinquency rates between 20 and 25 percent, and 21 states and the District of Columbia had serious delinquency rates between 15 and 20 percent. The remaining 12 states had serious delinquency rates of less than 15 percent, including Wyoming’s rate of 9 percent, which was the lowest in the country.

²⁸The nine Census divisions include Pacific (Hawaii, Alaska, Washington, Oregon, and California); Mountain (Montana, Idaho, Wyoming, Nevada, Utah, Colorado, Arizona, and New Mexico); West North Central (North Dakota, South Dakota, Minnesota, Nebraska, Iowa, Kansas, and Missouri); West South Central (Oklahoma, Arkansas, Texas, and Louisiana); East North Central (Michigan, Wisconsin, Illinois, Indiana, and Ohio); East South Central (Kentucky, Tennessee, Mississippi, and Alabama); New England (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut); Mid Atlantic (New York, New Jersey, and Pennsylvania); and South Atlantic (Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida).

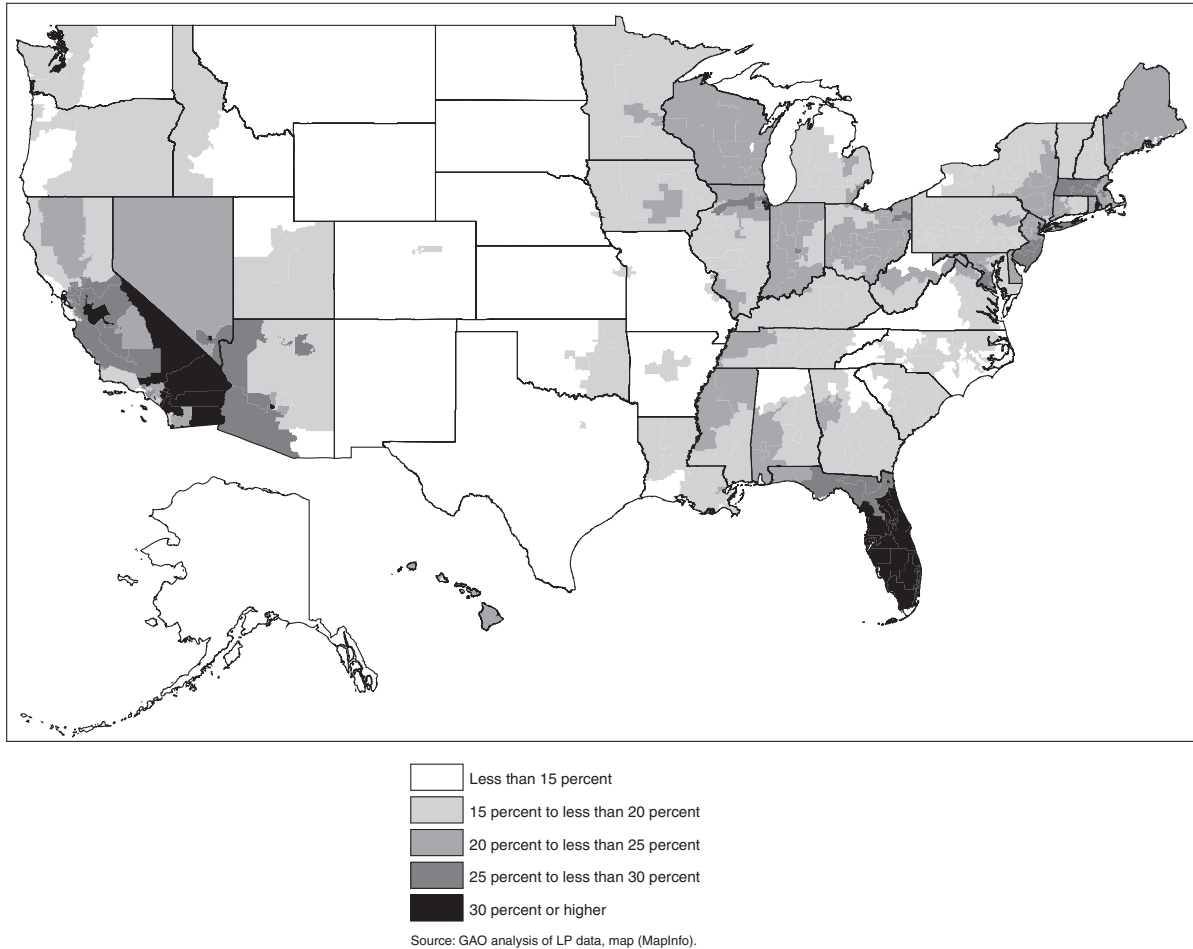
Of the 6 states with the highest serious delinquency rates, the “Sunbelt” states—California, Florida, and Nevada—have been more dramatically affected by the changes in the nonprime mortgage market than other regions of the country. These states experienced particularly large drop-offs in house price appreciation after a period of strong growth. In addition to high rates of seriously delinquent loans, these states accounted for a substantial proportion of active nonprime loans nationwide. More specifically, as of March 31, 2009, these three states combined represented 34 percent of all active nonprime loans and 45 percent of all seriously delinquent nonprime loans. In contrast, Illinois, Massachusetts, and New Jersey together accounted for about 7 percent of active nonprime loans and 9 percent of seriously delinquent nonprime loans as of March 31, 2009.

Figure 14: Serious Delinquency Rates by State as of March 31, 2009



Serious delinquency rates also varied by congressional district within each state, as shown in figure 15 below.²⁹ For more detailed data on the performance of nonprime loans by Census division, state, and congressional district, see enclosures V and VI.

Figure 15: Estimated Serious Delinquency Rates by Congressional District as of March 31, 2009



²⁹ According to data from the 2000 Census, the United States has 435 congressional districts. Each congressional district elects a member to the United States House of Representatives. California has the most districts with 53, and seven states (Alaska, Delaware, Montana, North Dakota, South Dakota, Vermont, and Wyoming) have just one district.

We are sending copies of this report to interested congressional parties and other interested parties. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>. If you or your staff have any questions about this report, please contact me at (202) 512-8678, or shearw@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in enclosure VII.



William B. Shear
Director, Financial Markets and Community Investment

Enclosures

Enclosure I

Characteristics of Nonprime Loans by Cohort Year, 2000-2007

This enclosure contains the results of our analysis of LoanPerformance (LP) data on loan and borrower characteristics for nonprime mortgages originated from 2000 through 2007. Tables 1 and 2 show the percentage and number, respectively, of nonprime mortgages that were subprime and Alt-A loans.³⁰ Tables 3 and 4 provide the percentage and number, respectively, of nonprime mortgages by loan purpose (purchase or refinance) and loan type (adjustable-rate mortgage [ARM] or fixed-rate mortgage). Table 5 shows the proportion of subprime loans that were short-term hybrid ARMs and the proportion of Alt-A loans that were payment-options ARMs. Tables 6 and 7 provide the percentage and number, respectively, of nonprime mortgages with selected loan and borrower characteristics, as well as mean values for a number of variables such as loan amount at origination and borrower FICO score at origination.

³⁰As previously discussed, we defined subprime loans as loans in subprime pools and Alt-A loans as loans in Alt-A pools.

Enclosure I

Table 1: Percentage of Nonprime Loans by Market Segment, 2000-2007

Market segment	2000	2001	2002	2003	2004	2005	2006	2007	Total
Subprime	85%	80%	77%	75%	68%	61%	57%	43%	65%
Alt-A	15%	20%	23%	25%	32%	39%	43%	57%	35%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: GAO analysis of LP data.

Table 2: Number of Nonprime Loans by Market Segment, 2000-2007

Market segment	2000	2001	2002	2003	2004	2005	2006	2007	Total
Subprime	456,631	537,734	784,963	1,281,732	1,947,427	2,284,420	1,782,677	330,514	9,406,098
Alt-A	78,183	138,645	231,404	435,703	936,667	1,447,782	1,329,629	436,078	5,034,091
Total	534,814	676,379	1,016,367	1,717,435	2,884,094	3,732,202	3,112,306	766,592	14,440,189

Source: GAO analysis of LP data.

Table 3: Percentage of Nonprime Loans by Purpose and Type, 2000-2007

		2000	2001	2002	2003	2004	2005	2006	2007	Total
Loan purpose										
Purchase		39%	36%	34%	33%	42%	46%	45%	34%	41%
	Subprime share of purchase	74%	68%	66%	68%	58%	55%	54%	37%	58%
	Alt-A share of purchase	26%	32%	34%	32%	42%	45%	46%	63%	42%
Refinance		61%	64%	66%	67%	58%	54%	55%	66%	59%
	Subprime share of refinance	93%	86%	83%	78%	75%	67%	60%	46%	70%
	Cash out	81%	81%	81%	82%	88%	89%	89%	84%	86%
	No cash out	18%	16%	18%	17%	12%	11%	11%	16%	14%
	Unknown	2%	3%	1%	1%	0%	0%	0%	0%	0%
	Alt-A share of refinance	7%	14%	17%	22%	25%	33%	40%	54%	30%
	Cash out	67%	63%	59%	56%	65%	73%	70%	61%	67%
	No cash out	31%	36%	41%	44%	34%	27%	29%	39%	33%
Unknown	2%	0%	0%	0%	1%	0%	0%	0%	0%	
Loan type										
ARM		51%	52%	58%	56%	72%	73%	69%	60%	66%
	Subprime share of ARM	96%	93%	91%	88%	72%	67%	62%	46%	71%
	Alt-A share of ARM	4%	7%	9%	12%	28%	33%	38%	54%	29%

Enclosure I

		2000	2001	2002	2003	2004	2005	2006	2007	Total
Fixed-rate mortgage		42%	43%	40%	43%	28%	26%	27%	35%	32%
	Subprime share of fixed rate	70%	62%	57%	58%	57%	43%	42%	33%	51%
	Alt-A share of fixed rate	30%	38%	43%	42%	43%	57%	58%	67%	49%
Other		8%	5%	2%	1%	0%	0%	4%	4%	2%
	Subprime share of other	96%	90%	83%	51%	36%	92%	77%	79%	80%
	Alt-A share of other	4%	10%	17%	49%	64%	8%	23%	21%	20%

Source: GAO analysis of LP data.

Note: Percentages for ARMs and fixed-rate mortgages do not include balloon mortgages, which account for most of the “other” category. Balloon mortgages can have fixed or adjustable interest rates.

Table 4: Number of Nonprime Loans by Purpose and Type, 2000-2007

		2000	2001	2002	2003	2004	2005	2006	2007	Total
Loan purpose										
Purchase		206,020	240,156	345,338	567,899	1,210,349	1,719,131	1,396,567	264,018	5,949,478
	Subprime share of purchase	152,312	164,460	228,531	383,789	698,278	943,877	754,552	98,913	3,424,712
	Alt-A share of purchase	53,708	75,696	116,807	184,110	512,071	775,254	642,015	165,105	2,524,766
Refinance		328,794	436,223	671,029	1,149,536	1,673,745	2,013,071	1,715,739	502,574	8,490,711
	Subprime share of refinance	304,319	373,274	556,432	897,943	1,249,149	1,340,543	1,028,125	231,601	5,981,386
	Cash out	246,366	303,143	448,038	740,493	1,098,668	1,196,493	917,552	194,871	5,145,624
	No cash out	53,348	60,752	101,679	152,131	149,906	143,723	109,995	36,705	808,239
	Unknown	4,605	9,379	6,715	5,319	575	327	578	25	27,523
	Alt-A share of refinance	24,475	62,949	114,597	251,593	424,596	672,528	687,614	270,973	2,509,325
	Cash out	16,484	39,958	67,923	140,426	276,758	487,753	482,900	165,237	1,677,439
	No cash out	7,611	22,969	46,524	110,523	144,656	183,841	202,696	105,728	824,548
	Unknown	380	22	150	644	3,182	934	2,018	8	7,338
Loan type										
ARM		272,048	349,910	590,558	958,430	2,066,473	2,737,410	2,146,756	462,172	9,583,757
	Subprime share of ARM	261,975	325,047	537,833	841,067	1,482,569	1,844,167	1,339,129	213,672	6,845,459

Enclosure I

		2000	2001	2002	2003	2004	2005	2006	2007	Total
	Alt-A share of ARM	10,073	24,863	52,725	117,363	583,904	893,243	807,627	248,500	2,738,298
Fixed-rate mortgage		222,649	291,084	403,665	738,662	807,994	977,629	851,171	271,284	4,564,138
	Subprime share of fixed rate	155,992	180,742	228,828	430,208	461,372	424,407	355,315	90,698	2,327,562
	Alt-A share of fixed rate	66,657	110,342	174,837	308,454	346,622	553,222	495,856	180,586	2,236,576
Other		40,117	35,385	22,144	20,343	9,627	17,163	114,379	33,136	292,294
	Subprime share of other	38,664	31,945	18,302	10,457	3,486	15,846	88,233	26,144	233,077
	Alt-A share of other	1,453	3,440	3,842	9,886	6,141	1,317	26,146	6,992	59,217

Source: GAO analysis of LP data.

Note: Numbers for ARMs and fixed-rate mortgages do not include balloon mortgages, which account for most of the “other” category. Balloon mortgages can have fixed or adjustable interest rates.

Table 5: Short-term Hybrid ARMs as a Percentage of Subprime Market and Payment-option ARMs as a Percentage of Alt-A Market, 2000-2007

	2000	2001	2002	2003	2004	2005	2006	2007	Total
Number of subprime short-term hybrid ARMs	248,964	316,119	516,804	798,136	1,429,475	1,787,984	1,290,983	198,240	6,586,705
Short-term hybrid ARMs as a percentage of subprime market	55%	59%	66%	62%	73%	78%	72%	60%	70%
Number of Alt-A payment-option ARMs	4,217	682	4,570	7,572	123,202	310,140	326,298	60,523	837,204
Payment-option ARMs as a percentage of Alt-A market	5%	0%	2%	2%	13%	21%	25%	14%	17%

Source: GAO analysis of LP data.

Enclosure I

Table 6: Percentage of Subprime and Alt-A Loans with Selected Loan and Borrower Characteristics and Mean Values for Key Variables, 2000-2007

	2000	2001	2002	2003	2004	2005	2006	2007	Total
Low or no documentation of borrower assets or income									
Subprime	20%	23%	28%	32%	34%	37%	38%	33%	33%
Alt-A	60%	62%	59%	64%	61%	68%	80%	80%	70%
Prepayment penalty									
Subprime	65%	74%	75%	74%	73%	72%	71%	70%	72%
Alt-A	21%	24%	25%	23%	31%	39%	46%	42%	37%
Negative amortization feature									
Subprime	0%	0%	0%	0%	0%	0%	0%	0%	0%
Alt-A	7%	3%	2%	2%	15%	25%	30%	31%	21%
Owner-occupant									
Subprime	91%	92%	92%	92%	92%	92%	92%	92%	92%
Alt-A	78%	85%	77%	69%	73%	74%	76%	76%	75%
Mean loan amount at origination									
Subprime	\$103,607	\$125,545	\$145,213	\$164,204	\$179,520	\$199,488	\$211,773	\$218,462	\$180,130
Alt-A	\$219,543	\$263,053	\$250,274	\$228,621	\$259,784	\$290,963	\$324,220	\$378,106	\$292,350
Mean unpaid balance as of March 31, 2009									
Subprime	\$68,745	\$80,927	\$95,081	\$126,088	\$146,205	\$183,110	\$204,672	\$217,694	\$183,026
Subprime number	62,050	59,788	79,755	180,689	362,823	740,157	986,353	246,744	2,718,359
Alt-A	\$129,663	\$186,629	\$186,854	\$180,395	\$225,842	\$279,133	\$322,093	\$379,044	\$295,237
Alt A number	9,982	16,720	37,621	144,142	313,548	747,545	882,924	354,027	2,506,509
Mean borrower FICO score at origination									
Subprime	592	600	608	618	618	621	618	614	616
Alt-A	700	701	705	711	708	711	706	712	709
Mean combined loan-to-value ratio at origination									
Subprime	78.0	79.5	80.1	81.9	83.6	84.9	85.8	82.9	83.3
Alt-A	81.3	80.8	79.0	76.3	80.4	81.1	82.4	80.3	80.7
Mean debt service-to-income ratio at origination									
Subprime	38.8	38.5	38.9	38.9	39.4	40.2	41.1	41.5	39.9
Alt-A	34.8	35.2	35.3	33.9	35.1	36.1	37.0	37.3	36.1

Source: GAO analysis of LP data.

Note: The LP data do not capture all second liens. As a result, the average combined loan-to-value ratios presented are likely lower than the actual averages. Also, 29 percent of the subprime loans and 56 percent of the Alt-A loans in the LP database did not contain information on the debt service-to-income ratio.

Enclosure I

Table 7: Number of Subprime and Alt-A Loans with Selected Loan and Borrower Characteristics and Mean Values for Key Variables, 2000-2007

	2000	2001	2002	2003	2004	2005	2006	2007	Total
Low or no documentation of borrower assets or income									
Subprime	91,351	122,431	220,782	405,280	652,803	836,791	672,090	109,920	3,111,448
Alt-A	46,836	85,732	136,499	276,760	571,862	991,704	1,061,630	348,937	3,519,960
Prepayment penalty									
Subprime	298,079	399,587	587,047	944,735	1,416,438	1,655,200	1,266,061	231,417	6,798,564
Alt-A	16,041	32,955	57,956	102,275	293,737	565,703	612,818	182,073	1,863,558
Negative amortization feature									
Subprime	168	92	124	94	140	588	269	22	1,497
Alt-A	5,761	4,402	5,276	10,131	136,390	355,230	397,196	136,954	1,051,340
Owner-occupant									
Subprime	415,913	492,220	721,559	1,177,982	1,785,929	2,094,208	1,635,348	303,421	8,626,580
Alt-A	60,715	117,252	178,180	299,683	686,744	1,074,917	1,014,307	331,494	3,763,292

Source: GAO analysis of LP data.

Enclosure II

Distribution of Initial Interest Rates for Nonprime Loans by Cohort Year, 2000-2007

This enclosure contains the results of our analysis of LoanPerformance (LP) data on the distribution of initial interest rates at loan origination for nonprime mortgages originated from 2000 through 2007. Tables 8 and 9 provide information in percentages and total numbers, respectively.

Enclosure II

Table 8: Percentage of Nonprime Loans in Different Initial Interest Rate Ranges by Cohort Year, 2000-2007

	Interest rate range	2000	2001	2002	2003	2004	2005	2006	2007	Totals
Subprime fixed rate		34%	34%	29%	34%	24%	19%	20%	27%	25%
	0.1% – 5.0%	0%	1%	0%	2%	2%	1%	0%	0%	1%
	5.1% - 6.0%	0%	1%	3%	16%	24%	20%	4%	4%	13%
	6.1% - 7.0%	1%	9%	20%	34%	35%	34%	22%	18%	26%
	7.1% - 8.0%	5%	18%	30%	27%	23%	26%	30%	25%	25%
	8.1% - 9.0%	14%	21%	23%	13%	10%	12%	24%	23%	16%
	9.1% - 10.0%	21%	21%	13%	5%	3%	4%	13%	17%	9%
	Greater than 10%	59%	29%	11%	2%	1%	2%	7%	13%	10%
Subprime short-term hybrid ARM		55%	59%	66%	62%	73%	78%	72%	60%	70%
	0.1% – 5.0%	3%	1%	2%	1%	3%	1%	0%	1%	1%
	5.1% - 6.0%	0%	0%	2%	12%	21%	16%	2%	3%	11%
	6.1% - 7.0%	0%	3%	13%	30%	34%	34%	16%	15%	25%
	7.1% - 8.0%	2%	14%	27%	31%	26%	28%	33%	28%	27%
	8.1% - 9.0%	12%	26%	29%	17%	11%	14%	28%	28%	19%
	9.1% - 10.0%	29%	28%	17%	6%	3%	5%	14%	17%	10%
	Greater than 10%	54%	29%	10%	3%	1%	2%	6%	8%	7%
Subprime other ARM		3%	2%	3%	3%	3%	2%	3%	5%	3%
	0.1% – 5.0%	4%	5%	11%	18%	15%	7%	1%	1%	9%
	5.1% - 6.0%	2%	6%	9%	17%	32%	33%	10%	10%	20%
	6.1% - 7.0%	4%	11%	14%	27%	31%	34%	30%	20%	27%
	7.1% - 8.0%	8%	15%	22%	22%	16%	17%	30%	22%	20%
	8.1% - 9.0%	13%	21%	23%	11%	5%	6%	17%	20%	12%
	9.1% - 10.0%	23%	19%	13%	3%	1%	2%	8%	14%	7%
	Greater than 10%	45%	23%	8%	1%	0%	1%	4%	13%	6%
Subprime other		8%	6%	2%	1%	0%	1%	5%	8%	2%
	0.1% – 5.0%	0%	0%	0%	1%	10%	1%	0%	0%	0%
	5.1% - 6.0%	0%	0%	2%	10%	30%	19%	4%	4%	4%
	6.1% - 7.0%	0%	2%	10%	28%	33%	41%	30%	20%	19%
	7.1% - 8.0%	1%	10%	27%	33%	16%	26%	36%	29%	24%
	8.1% - 9.0%	7%	21%	28%	17%	6%	9%	20%	24%	18%
	9.1% - 10.0%	21%	26%	19%	8%	3%	3%	7%	14%	13%
	Greater than 10%	70%	40%	14%	3%	1%	1%	3%	8%	20%
Alt-A fixed rate		85%	80%	76%	71%	37%	38%	37%	41%	44%
	0.1% – 5.0%	0%	0%	0%	11%	5%	1%	0%	0%	3%
	5.1% - 6.0%	0%	2%	15%	53%	57%	61%	12%	26%	37%
	6.1% - 7.0%	0%	22%	40%	27%	31%	29%	57%	53%	37%
	7.1% - 8.0%	10%	42%	30%	8%	6%	7%	23%	15%	15%
	8.1% - 9.0%	47%	25%	11%	2%	1%	1%	6%	4%	6%
	9.1% - 10.0%	35%	7%	3%	0%	0%	0%	1%	2%	2%
	Greater than 10%	8%	2%	1%	0%	0%	0%	0%	1%	0%

Enclosure II

	Interest rate range	2000	2001	2002	2003	2004	2005	2006	2007	Totals
Alt-A payment-option ARM		5%	0%	2%	2%	13%	21%	25%	14%	17%
	0.1% – 5.0%	100%	100%	100%	97%	99%	100%	94%	91%	97%
	5.1% - 6.0%	0%	0%	0%	2%	0%	0%	0%	0%	0%
	6.1% - 7.0%	0%	0%	0%	1%	1%	0%	2%	0%	1%
	7.1% - 8.0%	0%	0%	0%	0%	0%	0%	4%	5%	2%
	8.1% - 9.0%	0%	0%	0%	0%	0%	0%	1%	4%	1%
	9.1% - 10.0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Greater than 10%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Alt-A other ARM		7%	17%	21%	25%	49%	40%	36%	43%	38%
	0.1% – 5.0%	28%	19%	22%	44%	44%	19%	12%	26%	26%
	5.1% - 6.0%	2%	13%	34%	36%	41%	47%	18%	17%	34%
	6.1% - 7.0%	5%	34%	27%	14%	12%	25%	45%	34%	28%
	7.1% - 8.0%	13%	22%	13%	5%	2%	7%	20%	17%	10%
	8.1% - 9.0%	33%	9%	4%	1%	0%	1%	3%	5%	2%
	9.1% - 10.0%	13%	3%	1%	0%	0%	0%	0%	1%	0%
	Greater than 10%	6%	1%	0%	0%	0%	0%	0%	1%	0%
Alt-A other		2%	2%	2%	2%	1%	0%	2%	2%	1%
	0.1% – 5.0%	0%	0%	1%	37%	64%	13%	33%	18%	30%
	5.1% - 6.0%	0%	0%	1%	32%	25%	16%	4%	11%	11%
	6.1% - 7.0%	0%	2%	15%	17%	8%	38%	31%	41%	24%
	7.1% - 8.0%	1%	30%	43%	11%	2%	23%	23%	22%	20%
	8.1% - 9.0%	21%	42%	29%	2%	1%	7%	8%	6%	10%
	9.1% - 10.0%	53%	18%	9%	0%	0%	2%	2%	2%	4%
	Greater than 10%	25%	8%	2%	0%	1%	1%	0%	0%	1%

Source: GAO analysis of LP data.

Enclosure II

Table 9: Number of Nonprime Loans in Different Initial Interest Rate Ranges by Cohort Year, 2000-2007

	Interest rate range	2000	2001	2002	2003	2004	2005	2006	2007	Total
Subprime fixed rate		155,992	180,742	228,828	430,208	461,372	424,407	355,315	90,698	2,327,562
	0.1% – 5.0%	100	1,908	910	8,216	8,087	3,734	1,326	58	24,339
	5.1% - 6.0%	213	1,484	7,980	69,875	112,784	84,258	14,951	3,456	295,001
	6.1% - 7.0%	1,229	16,956	45,172	146,914	163,308	145,963	76,904	15,967	612,413
	7.1% - 8.0%	7,813	32,520	67,808	117,937	108,385	110,702	107,444	22,492	575,101
	8.1% - 9.0%	21,407	37,394	52,410	55,851	47,449	52,721	83,535	21,165	371,932
	9.1% - 10.0%	32,768	38,007	29,877	21,511	15,423	19,069	45,188	15,598	217,441
	Greater than 10%	92,462	52,473	24,671	9,904	5,936	7,960	25,967	11,962	231,335
Subprime short-term hybrid ARM		248,964	316,119	516,804	798,136	1,429,475	1,787,984	1,290,983	198,240	6,586,705
	0.1% – 5.0%	6,655	1,966	8,915	9,382	43,131	21,154	525	2,370	94,098
	5.1% - 6.0%	813	400	11,702	94,297	296,382	283,511	26,126	5,536	718,767
	6.1% - 7.0%	911	10,225	68,333	240,971	491,613	612,667	209,368	29,640	1,663,728
	7.1% - 8.0%	4,973	43,088	139,553	244,252	371,576	501,701	427,209	56,040	1,788,392
	8.1% - 9.0%	30,236	81,772	148,706	138,028	162,516	254,383	366,393	54,950	1,236,984
	9.1% - 10.0%	71,264	88,211	87,993	50,074	47,272	86,912	186,433	33,723	651,882
	Greater than 10%	134,112	90,457	51,602	21,132	16,985	27,656	74,929	15,981	432,854
Subprime other ARM		13,011	8,928	21,029	42,931	53,094	56,183	48,146	15,432	258,754
	0.1% – 5.0%	468	444	2,237	7,623	7,726	3,791	464	148	22,901
	5.1% - 6.0%	309	506	1,890	7,485	16,952	18,635	4,662	1,526	51,965
	6.1% - 7.0%	540	941	3,014	11,667	16,235	19,146	14,338	3,048	68,929
	7.1% - 8.0%	1,058	1,381	4,606	9,386	8,472	9,422	14,328	3,393	52,046
	8.1% - 9.0%	1,751	1,876	4,901	4,712	2,743	3,430	8,388	3,132	30,933
	9.1% - 10.0%	2,982	1,713	2,791	1,490	758	1,279	3,978	2,235	17,226
	Greater than 10%	5,903	2,067	1,590	568	208	480	1,988	1,950	14,754
Subprime other		38,664	31,945	18,302	10,457	3,486	15,846	88,233	26,144	233,077
	0.1% – 5.0%	40	16	30	113	356	130	28	12	725
	5.1% - 6.0%	13	119	277	1,056	1,033	2,975	3,748	1,023	10,244
	6.1% - 7.0%	74	746	1,870	2,910	1,150	6,568	26,615	5,293	45,226
	7.1% - 8.0%	485	3,299	5,031	3,441	571	4,111	31,923	7,592	56,453
	8.1% - 9.0%	2,751	6,606	5,197	1,816	223	1,504	17,300	6,338	41,735
	9.1% - 10.0%	8,112	8,299	3,406	808	107	432	6,229	3,679	31,072
	Greater than 10%	27,189	12,860	2,491	313	46	126	2,390	2,207	47,622
Alt-A fixed rate		66,657	110,342	174,837	308,454	346,622	553,222	495,856	180,586	2,236,576
	0.1% – 5.0%	105	111	708	32,749	17,411	8,239	637	648	60,608
	5.1% - 6.0%	62	1,863	26,000	162,263	197,470	338,058	61,088	46,551	833,355
	6.1% - 7.0%	328	24,335	69,550	81,877	107,620	160,787	283,500	94,851	822,848
	7.1% - 8.0%	6,706	46,239	52,651	25,634	19,674	38,611	113,852	26,795	330,162
	8.1% - 9.0%	31,279	27,830	19,523	5,359	3,771	6,792	29,767	7,862	132,183
	9.1% - 10.0%	23,128	8,086	5,438	523	528	664	5,647	2,949	46,963
	Greater than 10%	5,049	1,878	967	49	148	71	1,365	930	10,457

Enclosure II

	Interest rate range	2000	2001	2002	2003	2004	2005	2006	2007	Total
Payment-option ARM		4,217	682	4,570	7,572	123,202	310,140	326,298	60,523	837,204
	0.1% – 5.0%	4,207	679	4,549	7,368	121,817	309,147	305,422	55,039	808,228
	5.1% - 6.0%	7	3	8	157	614	658	662	21	2,130
	6.1% - 7.0%	2	-	13	46	769	283	5,005	209	6,327
	7.1% - 8.0%	1	-	-	-	2	43	12,266	2,911	15,223
	8.1% - 9.0%	-	-	-	-	-	9	2,891	2,283	5,183
	9.1% - 10.0%	-	-	-	-	-	-	52	60	112
	Greater than 10%	-	-	-	1	-	-	-	-	1
Alt-A other ARM		5,856	24,181	48,155	109,791	460,702	583,103	481,329	187,977	1,901,094
	0.1% – 5.0%	1,648	4,541	10,374	48,411	202,178	113,296	60,083	48,640	489,171
	5.1% - 6.0%	131	3,076	16,246	39,905	190,345	276,396	88,778	32,369	647,246
	6.1% - 7.0%	274	8,297	13,095	15,617	56,519	148,557	218,100	63,486	523,945
	7.1% - 8.0%	778	5,231	6,032	5,042	9,966	39,470	96,715	31,227	194,461
	8.1% - 9.0%	1,913	2,102	1,876	714	1,458	4,828	15,390	8,672	36,953
	9.1% - 10.0%	745	675	443	93	194	484	1,933	2,553	7,120
	Greater than 10%	367	259	89	9	42	72	330	1,030	2,198
Alt-A other		1,453	3,440	3,842	9,886	6,141	1,317	26,146	6,992	59,217
	0.1% – 5.0%	1	-	20	3,648	3,920	176	8,732	1,277	17,774
	5.1% - 6.0%	3	11	30	3,132	1,507	207	1,053	763	6,706
	6.1% - 7.0%	-	54	575	1,720	480	506	7,978	2,862	14,175
	7.1% - 8.0%	9	1,028	1,670	1,107	134	298	5,896	1,508	11,650
	8.1% - 9.0%	310	1,450	1,110	239	42	97	1,987	454	5,689
	9.1% - 10.0%	766	634	354	37	22	23	434	123	2,393
	Greater than 10%	364	263	83	3	36	10	66	5	830

Source: GAO analysis of LP data.

Enclosure III

Status of Nonprime Loans Originated from 2000 through 2007 by Cohort Year and Product Type as of March 31, 2009

This enclosure contains the results of our analysis of LoanPerformance (LP) data on the status of nonprime mortgages originated from 2000 through 2007, as of March 31, 2009. Tables 10 and 11 provide information in percentages and total numbers, respectively.

Enclosure III

Table 10: Percentage of Nonprime Loans in Different Status Categories by Cohort Year as of March 31, 2009

Subprime															
ARM (excluding short-term hybrids)								Fixed rate							
Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total	Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total
2000	73%	9%	2%	1%	1%	14%	100%	2000	64%	13%	4%	2%	1%	16%	100%
2001	79%	6%	2%	1%	1%	11%	100%	2001	69%	13%	3%	1%	1%	13%	100%
2002	80%	7%	2%	1%	1%	9%	100%	2002	72%	15%	3%	1%	1%	9%	100%
2003	81%	9%	1%	1%	1%	7%	100%	2003	65%	24%	3%	1%	1%	6%	100%
2004	72%	16%	2%	2%	2%	7%	100%	2004	52%	34%	5%	3%	2%	6%	100%
2005	46%	30%	5%	4%	5%	10%	100%	2005	34%	43%	8%	5%	3%	7%	100%
2006	23%	36%	9%	9%	10%	14%	100%	2006	21%	47%	11%	8%	6%	7%	100%
2007	15%	41%	11%	16%	10%	8%	100%	2007	13%	52%	13%	11%	6%	5%	100%
Total	56%	22%	4%	4%	4%	10%	100%	Total	49%	32%	6%	4%	2%	8%	100%

Short-term hybrid ARM								Other							
Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total	Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total
2000	72%	5%	2%	1%	1%	19%	100%	2000	60%	11%	3%	2%	1%	23%	100%
2001	76%	4%	1%	1%	1%	17%	100%	2001	67%	10%	2%	1%	1%	18%	100%
2002	81%	3%	1%	1%	1%	13%	100%	2002	69%	14%	2%	1%	1%	13%	100%
2003	84%	3%	1%	1%	1%	10%	100%	2003	64%	21%	3%	1%	1%	9%	100%
2004	78%	5%	2%	2%	1%	12%	100%	2004	53%	35%	3%	2%	2%	5%	100%
2005	57%	11%	4%	5%	5%	18%	100%	2005	32%	37%	8%	6%	6%	11%	100%
2006	29%	20%	8%	10%	11%	21%	100%	2006	18%	38%	11%	9%	10%	14%	100%
2007	17%	32%	12%	14%	13%	13%	100%	2007	11%	43%	15%	10%	13%	9%	100%
Total	61%	10%	4%	4%	4%	16%	100%	Total	38%	28%	7%	6%	6%	15%	100%

Enclosure III

Ait-A															
ARM (excluding payment-option ARMs)								Fixed rate							
Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total	Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total
2000	87%	9%	1%	1%	0%	3%	100%	2000	82%	11%	1%	1%	1%	5%	100%
2001	87%	8%	1%	0%	0%	3%	100%	2001	83%	11%	1%	0%	0%	4%	100%
2002	83%	13%	1%	0%	0%	2%	100%	2002	79%	16%	1%	0%	0%	4%	100%
2003	81%	14%	1%	1%	0%	2%	100%	2003	58%	38%	1%	1%	0%	2%	100%
2004	72%	20%	2%	1%	1%	4%	100%	2004	47%	46%	2%	1%	1%	2%	100%
2005	45%	33%	4%	3%	5%	9%	100%	2005	31%	56%	4%	2%	3%	4%	100%
2006	24%	39%	6%	7%	10%	14%	100%	2006	23%	54%	6%	4%	6%	7%	100%
2007	12%	52%	8%	8%	12%	9%	100%	2007	12%	66%	6%	5%	6%	4%	100%
Total	47%	31%	4%	4%	6%	8%	100%	Total	42%	46%	3%	2%	3%	4%	100%

Payment-option ARM								Other							
Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total	Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total
2000	86%	13%	0%	0%	0%	1%	100%	2000	80%	9%	2%	0%	0%	9%	100%
2001	94%	4%	0%	0%	0%	1%	100%	2001	80%	8%	1%	1%	0%	9%	100%
2002	92%	7%	0%	0%	0%	0%	100%	2002	82%	8%	1%	1%	0%	7%	100%
2003	84%	12%	1%	1%	1%	1%	100%	2003	74%	21%	1%	1%	1%	3%	100%
2004	77%	16%	2%	2%	2%	2%	100%	2004	66%	28%	1%	1%	1%	2%	100%
2005	54%	25%	4%	6%	6%	6%	100%	2005	37%	33%	4%	5%	7%	15%	100%
2006	25%	37%	7%	10%	11%	9%	100%	2006	19%	39%	8%	9%	13%	12%	100%
2007	12%	51%	9%	10%	12%	6%	100%	2007	9%	53%	9%	8%	14%	8%	100%
Total	44%	30%	5%	7%	7%	7%	100%	Total	41%	32%	5%	5%	8%	9%	100%

Source: GAO analysis of LP data.

Enclosure III

Table 11: Number of Nonprime Loans in Different Status Categories by Cohort Year as of March 31, 2009

		Subprime														
		ARM (excluding short-term hybrids)								Fixed rate						
Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total		Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total
2000	9,463	1,159	302	155	98	1,832	13,009		2000	99,773	20,887	5,538	2,874	1,803	24,925	155,800
2001	7,038	570	161	104	53	1,000	8,926		2001	124,281	22,822	5,145	2,653	1,583	24,192	180,676
2002	16,916	1,513	365	185	169	1,876	21,024		2002	164,268	34,282	5,883	2,957	1,686	19,700	228,776
2003	34,742	3,804	635	444	326	2,907	42,858		2003	279,722	102,619	13,075	6,225	3,890	24,547	430,078
2004	38,020	8,310	1,322	999	855	3,534	53,040		2004	238,370	156,218	21,557	11,772	7,253	26,056	461,226
2005	26,024	16,809	2,737	2,168	2,710	5,664	56,112		2005	146,167	183,160	32,612	21,115	13,410	27,759	424,223
2006	11,033	17,144	4,106	4,203	4,700	6,941	48,127		2006	74,715	167,737	37,397	29,725	19,683	25,859	355,116
2007	2,271	6,324	1,672	2,415	1,529	1,218	15,429		2007	12,240	46,831	11,953	9,532	5,822	4,313	90,691
Total	145,507	55,633	11,300	10,673	10,440	24,972	258,525		Total	1,139,536	734,556	133,160	86,853	55,130	177,351	2,326,586

		Short-term hybrid ARM								Other						
Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total		Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total
2000	179,375	13,140	4,161	3,226	2,260	46,742	248,904		2000	23,196	4,179	1,099	635	534	9,013	38,656
2001	239,938	12,973	4,150	3,014	1,912	54,099	316,086		2001	21,426	3,270	699	406	273	5,860	31,934
2002	419,956	15,664	6,050	4,554	3,088	67,357	516,669		2002	12,646	2,478	436	265	180	2,297	18,302
2003	668,013	25,843	8,843	7,285	4,908	82,976	797,868		2003	6,741	2,161	34	152	132	920	10,453
2004	1,110,764	75,796	27,470	29,199	20,601	164,379	1,428,209		2004	1,849	1,219	115	72	65	164	3,484
2005	1,010,676	202,322	77,351	86,690	90,136	319,050	1,786,225		2005	5,111	5,803	1,341	915	878	1,793	15,841
2006	377,417	263,574	103,539	130,521	144,233	270,324	1,289,608		2006	15,870	33,714	9,461	7,883	8,733	12,520	88,181
2007	33,351	63,065	23,731	26,765	26,079	25,234	198,225		2007	2,756	11,257	3,901	2,575	3,293	2,353	26,135
Total	4,039,490	672,377	255,295	291,254	293,217	1,030,161	6,581,794		Total	89,595	64,081	17,399	12,903	14,088	34,920	232,986

Enclosure III

Alt-A															
ARM (excluding payment-option ARMs)								Fixed rate							
Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total	Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total
2000	5,095	514	50	30	7	158	5,854	2000	54,812	7,020	866	370	404	3,133	66,605
2001	21,066	1,969	157	102	72	715	24,081	2001	91,319	11,936	1,113	545	439	4,804	110,156
2002	40,161	6,125	379	209	143	1,102	48,119	2002	137,930	27,099	1,534	809	583	6,874	174,829
2003	89,229	15,740	976	624	544	2,578	109,691	2003	179,367	115,671	3,862	1,849	1,424	6,188	308,361
2004	329,623	91,257	7,058	5,763	6,770	19,659	460,130	2004	163,933	159,743	7,372	4,050	3,619	7,868	346,585
2005	264,475	193,809	20,398	20,215	29,018	54,241	582,156	2005	171,696	310,079	19,862	13,005	16,517	21,945	553,104
2006	113,795	188,761	28,715	34,963	49,421	65,254	480,909	2006	112,250	267,654	28,667	22,274	31,705	33,196	495,746
2007	22,329	97,102	14,299	15,396	21,622	17,218	187,966	2007	22,540	118,565	11,407	9,162	11,148	7,762	180,584
Total	885,773	595,277	72,032	77,302	107,597	160,925	1,898,906	Total	933,847	1,017,767	74,683	52,064	65,839	91,770	2,235,970

Payment-option ARM								Other							
Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total	Cohort year	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Total
2000	3,636	539	6	9	2	25	4,217	2000	1,164	127	24	7	7	124	1,453
2001	642	30	2	-	1	7	682	2001	2,761	267	51	22	14	325	3,440
2002	4,203	322	7	6	11	20	4,569	2002	3,159	310	40	28	16	288	3,841
2003	6,326	940	107	51	63	77	7,564	2003	7,307	2,036	119	66	70	273	9,871
2004	94,676	19,175	2,270	2,343	2,203	2,522	123,189	2004	4,078	1,735	89	40	61	138	6,141
2005	166,421	76,092	11,581	19,182	17,145	19,680	310,101	2005	482	437	47	63	95	193	1,317
2006	82,726	121,819	22,703	32,503	35,696	30,761	326,208	2006	4,938	10,180	2,007	2,406	3,450	3,153	26,134
2007	7,199	31,080	5,173	6,115	7,131	3,805	60,503	2007	612	3,674	662	547	944	553	6,992
Total	365,829	249,997	41,849	60,209	62,252	56,897	837,033	Total	24,501	18,766	3,039	3,179	4,657	5,047	59,189

Source: GAO analysis of LP data.

Enclosure IV

Status of Nonprime Loans Originated from 2004 through 2007 by Year and Quarter as of March 31, 2009

This enclosure contains the results of our analysis of LoanPerformance (LP) data on the annual and quarterly status of nonprime mortgages originated from 2004 through 2007, as of March 31, 2009. Tables 12 and 13 provide information in percentages and total numbers, respectively.

Enclosure IV

Table 12: Percentage of Nonprime Loans Originated in 2004 through 2007 in Different Status Categories as of March 31, 2009

Status date	2007 Cohort													
	Subprime							Alt-A						
	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total
December 31, 2007	5%	71%	15%	4%	4%	1%	100%	5%	87%	5%	1%	2%	0%	100%
December 31, 2008	13%	41%	16%	11%	10%	8%	100%	11%	63%	8%	6%	7%	5%	100%
March 31, 2009	15%	39%	13%	13%	11%	10%	100%	12%	58%	7%	7%	9%	7%	100%

Status date	2006 Cohort													
	Subprime							Alt-A						
	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total
December 31, 2006	7%	78%	11%	2%	2%	0%	100%	6%	90%	3%	0%	0%	0%	100%
December 31, 2007	18%	50%	13%	6%	7%	6%	100%	17%	70%	6%	2%	3%	2%	100%
December 31, 2008	25%	28%	11%	9%	10%	16%	100%	22%	48%	7%	6%	8%	8%	100%
March 31, 2009	26%	27%	9%	10%	10%	18%	100%	23%	45%	6%	7%	9%	10%	100%

Status date	2005 Cohort													
	Subprime							Alt-A						
	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total
December 31, 2005	7%	83%	8%	1%	1%	0%	100%	6%	92%	2%	0%	0%	0%	100%
December 31, 2006	28%	54%	9%	3%	3%	3%	100%	23%	72%	3%	0%	1%	0%	100%
December 31, 2007	46%	28%	8%	4%	5%	8%	100%	36%	55%	4%	1%	2%	2%	100%
December 31, 2008	51%	19%	6%	5%	5%	15%	100%	40%	43%	4%	3%	4%	6%	100%
March 31, 2009	51%	18%	5%	5%	5%	16%	100%	41%	40%	4%	4%	4%	7%	100%

Status date	2004 Cohort													
	Subprime							Alt-A						
	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total
December 31, 2004	6%	86%	6%	1%	1%	0%	100%	5%	93%	2%	0%	0%	0%	100%
December 31, 2005	34%	52%	7%	2%	2%	2%	100%	28%	69%	2%	0%	0%	0%	100%
December 31, 2006	60%	26%	5%	2%	2%	5%	100%	47%	50%	2%	0%	0%	1%	100%
December 31, 2007	69%	16%	4%	2%	2%	8%	100%	58%	37%	2%	1%	1%	2%	100%
December 31, 2008	71%	12%	3%	2%	1%	10%	100%	62%	30%	2%	1%	1%	3%	100%
March 31, 2009	71%	12%	3%	2%	1%	10%	100%	63%	29%	2%	1%	1%	3%	100%

Source: GAO analysis of LP data.

Enclosure IV

Table 13: Number of Nonprime Loans Originated in 2004 through 2007 in Different Status Categories as of March 31, 2009

2007 Cohort														
Status date	Subprime							Alt-A						
	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total
December 31, 2007	16,702	231,732	48,916	14,677	13,944	2,575	328,546	20,613	376,372	21,186	6,506	8,089	1,199	433,965
December 31, 2008	44,058	135,117	51,296	37,274	32,844	27,904	328,493	46,301	273,614	35,286	25,035	32,185	22,524	434,945
March 31, 2009	47,707	126,116	40,744	41,125	36,439	33,755	325,886	50,918	250,421	31,541	31,220	40,845	30,000	434,945

2006 Cohort														
Status date	Subprime							Alt-A						
	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total
December 31, 2006	91,519	1,048,577	152,186	27,941	24,897	5,257	1,350,377	58,318	946,169	35,999	3,879	4,536	1,047	1,049,948
December 31, 2007	308,751	882,179	234,132	109,507	132,283	97,330	1,764,182	222,661	920,896	78,839	30,737	42,176	26,384	1,321,693
December 31, 2008	445,971	499,686	198,891	165,708	167,881	285,050	1,763,187	293,261	640,299	97,729	80,107	99,861	110,817	1,322,074
March 31, 2009	455,898	479,918	153,826	171,915	176,813	318,993	1,757,363	304,578	588,414	82,092	92,146	120,272	134,572	1,322,074

2005 Cohort														
Status date	Subprime							Alt-A						
	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total
December 31, 2005	122,108	1,438,997	140,861	22,176	14,074	2,925	1,741,141	69,322	1,073,961	25,836	2,592	862	177	1,172,750
December 31, 2006	627,811	1,211,085	210,943	63,501	70,422	59,164	2,242,926	332,557	1,035,786	40,776	7,152	10,284	7,125	1,433,680
December 31, 2007	1,051,097	642,590	180,328	99,140	112,350	176,696	2,262,201	513,319	795,283	51,354	20,839	27,134	32,349	1,440,278
December 31, 2008	1,150,054	417,954	138,513	108,056	104,624	332,524	2,251,725	580,129	611,351	59,875	44,682	52,883	84,045	1,432,965
March 31, 2009	1,149,483	402,072	112,319	110,044	105,757	353,621	2,233,296	595,903	580,417	51,888	52,465	62,775	97,339	1,440,787

2004 Cohort														
Status date	Subprime							Alt-A						
	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total	Prepaid (cumulative)	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process (cumulative)	Total
December 31, 2004	93,670	1,294,270	97,242	11,653	8,467	1,282	1,506,584	37,168	667,091	12,295	968	548	133	718,203
December 31, 2005	661,304	1,002,601	142,532	46,017	36,363	32,192	1,921,009	260,603	631,707	19,096	4,375	2,663	2,756	921,200
December 31, 2006	1,145,083	503,451	100,791	41,055	40,637	91,913	1,922,930	432,908	459,055	16,964	3,830	4,430	8,832	926,019
December 31, 2007	1,329,305	306,046	69,058	40,023	36,250	149,350	1,930,032	540,157	344,041	16,853	5,921	6,110	16,885	929,967
December 31, 2008	1,369,206	240,074	59,395	41,400	27,986	189,629	1,927,690	576,517	281,903	18,657	10,129	10,637	28,001	925,844
March 31, 2009	1,362,146	236,097	49,766	41,807	28,399	193,652	1,911,867	586,386	271,699	16,775	12,195	12,643	30,444	930,142

Source: GAO analysis of LP data.

Enclosure V

Status of Nonprime Loans Originated from 2000 through 2007 by Census Division and State as of March 31, 2009

This enclosure contains the results of our analysis of LoanPerformance (LP) data on the status of nonprime mortgages by Census division and state. The analysis covers mortgages originated from 2000 through 2007, as of March 31, 2009. Tables 14 and 15 provide information in percentages and total numbers, respectively.

Enclosure V

Table 14: Percentage of 2000-2007 Nonprime Loans in Different Status Categories by Census Division and State as of March 31, 2009

State	Market segment	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Unknown	Total
Connecticut	Subprime	61.50%	16.45%	4.53%	3.70%	3.98%	9.12%	0.72%	123,057
	Alt-A	46.10%	40.00%	4.01%	2.52%	3.69%	3.28%	0.41%	44,759
Maine	Subprime	62.21%	16.28%	4.41%	2.99%	4.81%	8.24%	1.06%	36,312
	Alt-A	46.73%	38.84%	3.96%	1.99%	4.71%	3.27%	0.50%	9,706
Massachusetts	Subprime	65.55%	11.76%	3.62%	4.75%	2.97%	10.06%	1.29%	201,130
	Alt-A	50.71%	33.78%	3.56%	3.25%	3.33%	4.53%	0.85%	85,185
New Hampshire	Subprime	60.91%	16.61%	4.80%	4.07%	2.07%	10.88%	0.65%	41,435
	Alt-A	46.67%	39.03%	3.99%	2.45%	1.76%	5.52%	0.57%	15,602
Rhode Island	Subprime	69.07%	10.53%	3.12%	2.71%	2.40%	11.04%	1.14%	52,816
	Alt-A	50.18%	32.24%	3.97%	2.87%	3.23%	6.87%	0.65%	15,764
Vermont	Subprime	63.92%	17.70%	4.18%	3.08%	3.97%	6.13%	1.02%	9,758
	Alt-A	47.93%	41.47%	3.04%	1.94%	3.01%	1.74%	0.87%	3,914
New England	Subprime	64.17%	13.77%	3.98%	4.01%	3.26%	9.77%	1.04%	464,508
	Alt-A	48.84%	36.15%	3.76%	2.86%	3.34%	4.38%	0.67%	174,930
New Jersey	Subprime	67.69%	11.54%	3.58%	3.69%	5.42%	6.62%	1.46%	264,731
	Alt-A	50.66%	33.04%	3.83%	2.91%	6.00%	2.90%	0.66%	143,788
New York	Subprime	57.61%	18.78%	4.85%	5.01%	5.37%	7.51%	0.86%	384,925
	Alt-A	40.82%	42.65%	4.43%	4.47%	4.60%	2.65%	0.37%	166,080
Pennsylvania	Subprime	50.80%	24.58%	6.13%	5.21%	3.48%	9.16%	0.62%	262,683
	Alt-A	42.14%	46.18%	3.71%	2.37%	2.47%	2.73%	0.41%	81,623
Mid Atlantic	Subprime	58.58%	18.35%	4.85%	4.69%	4.84%	7.73%	0.97%	912,339
	Alt-A	44.71%	39.86%	4.06%	3.46%	4.67%	2.76%	0.48%	391,491
Illinois	Subprime	61.49%	13.01%	3.90%	3.50%	4.45%	12.38%	1.27%	450,147
	Alt-A	50.23%	32.75%	3.52%	2.75%	4.81%	5.13%	0.81%	147,636
Indiana	Subprime	41.53%	21.08%	5.35%	4.44%	4.38%	22.67%	0.55%	176,216
	Alt-A	36.49%	43.34%	3.58%	2.70%	4.15%	9.37%	0.37%	38,381
Michigan	Subprime	47.07%	14.74%	4.97%	4.74%	1.94%	25.78%	0.76%	373,310
	Alt-A	35.94%	40.41%	4.42%	3.29%	2.37%	13.12%	0.44%	94,707
Ohio	Subprime	43.56%	19.89%	5.05%	4.51%	4.80%	21.47%	0.72%	319,389
	Alt-A	34.31%	46.41%	3.76%	2.75%	4.27%	8.17%	0.34%	73,621
Wisconsin	Subprime	62.05%	13.26%	3.69%	3.31%	3.93%	12.78%	0.98%	131,066
	Alt-A	45.79%	39.72%	3.14%	2.30%	3.49%	4.91%	0.66%	29,608
East North Central	Subprime	51.45%	15.97%	4.58%	4.14%	3.82%	19.12%	0.91%	1,450,128
	Alt-A	41.94%	38.85%	3.76%	2.84%	3.94%	8.09%	0.57%	383,953
Iowa	Subprime	55.11%	17.72%	4.34%	2.89%	3.47%	15.85%	0.62%	52,627
	Alt-A	41.13%	46.93%	2.73%	1.48%	2.44%	4.80%	0.48%	10,536
Kansas	Subprime	53.72%	19.40%	4.70%	3.32%	2.30%	15.85%	0.71%	49,747
	Alt-A	41.53%	47.95%	2.60%	1.45%	1.48%	4.68%	0.31%	16,854
Minnesota	Subprime	59.31%	12.19%	3.48%	2.88%	2.52%	18.70%	0.91%	162,906
	Alt-A	36.96%	40.80%	3.84%	2.93%	3.53%	11.54%	0.39%	67,357
Missouri	Subprime	53.19%	16.22%	4.95%	4.10%	1.47%	19.29%	0.78%	180,305
	Alt-A	43.24%	41.86%	3.16%	2.11%	1.28%	7.88%	0.47%	48,859
Nebraska	Subprime	49.52%	22.70%	5.05%	3.71%	2.41%	16.23%	0.39%	29,602
	Alt-A	38.41%	49.61%	3.05%	1.52%	1.80%	5.30%	0.31%	6,987
North Dakota	Subprime	57.13%	22.87%	4.82%	2.91%	2.37%	9.34%	0.56%	4,465
	Alt-A	41.33%	49.89%	2.33%	1.08%	2.00%	3.14%	0.22%	1,846
South Dakota	Subprime	55.28%	20.23%	4.48%	2.72%	2.91%	13.88%	0.51%	7,321
	Alt-A	41.94%	46.94%	2.32%	1.90%	1.90%	4.80%	0.21%	2,418
West North Central	Subprime	55.35%	15.87%	4.36%	3.43%	2.21%	18.01%	0.77%	486,973
	Alt-A	39.92%	42.93%	3.34%	2.31%	2.40%	8.69%	0.41%	154,857
Delaware	Subprime	58.48%	18.91%	5.49%	4.62%	4.68%	7.09%	0.73%	24,645
	Alt-A	44.89%	42.40%	3.46%	2.30%	3.60%	2.82%	0.54%	11,764
District of Columbia	Subprime	68.90%	11.44%	3.66%	3.95%	2.62%	7.90%	1.54%	17,372
	Alt-A	49.31%	38.25%	3.27%	2.64%	2.17%	3.68%	0.69%	15,469
Florida	Subprime	54.97%	14.76%	4.35%	4.69%	10.21%	10.25%	0.76%	935,244
	Alt-A	35.88%	35.23%	4.39%	5.07%	13.72%	5.20%	0.51%	528,708
Georgia	Subprime	47.11%	17.53%	6.09%	6.14%	2.55%	19.82%	0.76%	267,382
	Alt-A	36.67%	43.60%	4.55%	3.25%	2.37%	9.16%	0.41%	157,997
Maryland	Subprime	68.36%	12.26%	3.98%	4.18%	3.11%	6.66%	1.46%	255,118
	Alt-A	47.50%	36.28%	4.15%	4.42%	3.45%	3.56%	0.64%	135,923
North Carolina	Subprime	51.34%	20.14%	6.43%	5.00%	1.96%	14.32%	0.79%	179,453
	Alt-A	43.12%	44.15%	3.69%	2.41%	1.51%	4.68%	0.45%	86,627
South Carolina	Subprime	48.76%	20.80%	6.04%	3.95%	3.64%	16.10%	0.71%	94,146
	Alt-A	43.77%	41.75%	3.52%	2.06%	3.14%	5.15%	0.60%	48,943
Virginia	Subprime	63.49%	14.77%	4.25%	4.05%	1.90%	10.52%	1.03%	213,215
	Alt-A	42.53%	37.82%	3.62%	3.47%	2.75%	9.10%	0.70%	162,599
West Virginia	Subprime	50.41%	22.79%	6.79%	4.80%	2.73%	11.64%	0.83%	16,904
	Alt-A	37.60%	43.45%	4.92%	3.40%	3.26%	6.83%	0.54%	4,819
South Atlantic	Subprime	56.04%	15.67%	4.82%	4.74%	6.16%	11.69%	0.89%	2,003,479
	Alt-A	39.46%	37.96%	4.17%	4.12%	7.74%	6.02%	0.54%	1,152,849

Enclosure V

State	Market segment	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Unknown	Total
Alabama	Subprime	47.86%	21.96%	6.74%	6.32%	1.79%	14.80%	0.54%	84,284
	Alt-A	41.08%	44.79%	3.70%	2.37%	1.63%	5.98%	0.45%	27,202
Kentucky	Subprime	47.30%	21.56%	5.42%	3.74%	3.94%	17.46%	0.58%	71,589
	Alt-A	38.94%	46.58%	3.27%	1.98%	3.07%	5.84%	0.33%	18,430
Mississippi	Subprime	40.70%	24.15%	7.69%	7.61%	2.45%	16.64%	0.75%	53,230
	Alt-A	38.86%	44.97%	4.45%	2.84%	1.96%	6.20%	0.72%	9,470
Tennessee	Subprime	44.30%	22.26%	6.56%	6.96%	1.75%	17.60%	0.57%	168,271
	Alt-A	38.97%	47.05%	3.68%	2.42%	1.37%	6.14%	0.38%	46,066
East South Central	Subprime	45.16%	22.33%	6.54%	6.30%	2.27%	16.81%	0.59%	377,374
	Alt-A	39.52%	46.16%	3.68%	2.36%	1.80%	6.05%	0.42%	101,168
Arkansas	Subprime	43.77%	27.28%	6.62%	5.39%	2.16%	14.26%	0.51%	37,687
	Alt-A	35.78%	50.64%	3.39%	2.17%	1.77%	5.93%	0.32%	11,345
Louisiana	Subprime	49.75%	24.62%	6.27%	5.22%	3.28%	10.21%	0.65%	89,817
	Alt-A	44.17%	44.17%	3.25%	2.27%	2.22%	3.47%	0.44%	19,390
Oklahoma	Subprime	42.64%	26.73%	5.93%	3.77%	3.52%	16.93%	0.49%	66,160
	Alt-A	34.51%	53.97%	2.91%	1.34%	2.26%	4.75%	0.25%	18,235
Texas	Subprime	39.30%	31.57%	7.11%	4.94%	2.09%	14.54%	0.45%	570,001
	Alt-A	34.34%	52.39%	3.27%	1.98%	1.32%	6.44%	0.25%	185,969
West South Central	Subprime	41.04%	30.12%	6.88%	4.89%	2.36%	14.23%	0.48%	763,665
	Alt-A	35.23%	51.75%	3.25%	1.97%	1.49%	6.04%	0.27%	234,939
Arizona	Subprime	59.83%	12.70%	3.93%	4.59%	3.98%	14.08%	0.88%	300,678
	Alt-A	45.06%	33.62%	3.86%	3.56%	4.31%	8.83%	0.77%	233,624
Colorado	Subprime	53.47%	15.91%	3.67%	2.95%	2.22%	21.03%	0.74%	188,769
	Alt-A	43.87%	42.07%	2.66%	1.75%	2.10%	7.10%	0.45%	138,558
Idaho	Subprime	59.83%	17.02%	4.49%	3.72%	3.16%	11.19%	0.60%	38,247
	Alt-A	45.77%	40.86%	3.30%	2.40%	3.32%	3.88%	0.47%	31,997
Montana	Subprime	62.31%	17.50%	4.12%	3.44%	2.40%	9.63%	0.60%	12,973
	Alt-A	50.51%	41.08%	2.54%	1.60%	1.67%	2.27%	0.32%	8,848
Nevada	Subprime	56.73%	12.06%	3.70%	5.07%	4.64%	16.92%	0.88%	152,588
	Alt-A	36.40%	33.88%	4.87%	5.92%	6.29%	12.07%	0.57%	152,154
New Mexico	Subprime	61.98%	17.44%	4.25%	2.69%	2.64%	10.01%	0.99%	40,494
	Alt-A	48.11%	41.64%	2.72%	1.59%	2.88%	2.58%	0.48%	22,328
Utah	Subprime	64.23%	14.06%	3.77%	2.91%	2.17%	12.12%	0.74%	80,323
	Alt-A	52.74%	35.04%	2.71%	1.80%	2.69%	4.44%	0.58%	56,996
Wyoming	Subprime	63.58%	20.34%	4.22%	2.41%	1.24%	7.83%	0.38%	9,748
	Alt-A	51.91%	42.33%	1.93%	1.02%	0.69%	1.95%	0.18%	4,519
Mountain	Subprime	58.42%	14.05%	3.86%	3.96%	3.36%	15.53%	0.82%	823,820
	Alt-A	43.71%	36.41%	3.64%	3.40%	4.00%	8.24%	0.60%	649,024
Alaska	Subprime	61.76%	19.19%	4.55%	3.21%	2.12%	8.70%	0.47%	9,435
	Alt-A	45.05%	45.15%	3.07%	1.52%	1.34%	3.50%	0.36%	3,942
California	Subprime	65.94%	10.36%	2.68%	3.55%	3.39%	12.90%	1.17%	1,745,539
	Alt-A	46.87%	32.39%	3.82%	5.04%	4.61%	6.80%	0.47%	1,530,897
Hawaii	Subprime	64.27%	19.51%	3.60%	3.40%	4.09%	4.42%	0.71%	42,054
	Alt-A	46.51%	42.40%	3.13%	2.64%	3.45%	1.51%	0.35%	28,469
Oregon	Subprime	62.13%	17.14%	4.03%	3.31%	3.12%	9.69%	0.58%	106,926
	Alt-A	47.44%	41.27%	3.02%	2.09%	2.67%	3.11%	0.41%	78,525
Washington	Subprime	63.91%	15.86%	3.85%	3.70%	2.54%	9.46%	0.68%	204,705
	Alt-A	48.73%	40.74%	3.05%	2.37%	2.20%	2.50%	0.43%	144,262
Pacific	Subprime	65.50%	11.46%	2.89%	3.55%	3.30%	12.22%	1.08%	2,108,659
	Alt-A	47.03%	33.64%	3.71%	4.65%	4.30%	6.20%	0.46%	1,786,095
United States	Subprime	56.62%	16.25%	4.44%	4.28%	3.97%	13.55%	0.89%	9,390,945
	Alt-A	43.44%	37.34%	3.80%	3.83%	4.78%	6.30%	0.50%	5,029,306
	Total Nonprime	52.02%	23.61%	4.22%	4.12%	4.25%	11.02%	0.76%	14,420,251

Source: GAO analysis of LP data.

Note: For some loans, the data were insufficient to classify into a status category. These “unknown” loans are included in the total column. This table does not include data for Guam, Puerto Rico, and the Virgin Islands.

Enclosure V

Table 15: Number of 2000-2007 Nonprime Loans in Different Status Categories by Census Division and State as of March 31, 2009

State	Market segment	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Unknown	Total
Connecticut	Subprime	75,685	20,245	5,576	4,550	4,900	11,221	880	123,057
	Alt-A	20,633	17,904	1,794	1,127	1,652	1,466	183	44,759
Maine	Subprime	22,590	5,911	1,601	1,086	1,745	2,993	386	36,312
	Alt-A	4,536	3,770	384	193	457	317	49	9,706
Massachusetts	Subprime	131,848	23,656	7,278	9,552	5,980	20,229	2,587	201,130
	Alt-A	43,195	28,772	3,029	2,768	2,838	3,860	723	85,185
New Hampshire	Subprime	25,238	6,884	1,989	1,688	856	4,509	271	41,435
	Alt-A	7,281	6,090	623	383	275	861	89	15,602
Rhode Island	Subprime	36,480	5,561	1,647	1,431	1,265	5,830	602	52,816
	Alt-A	7,910	5,082	626	452	509	1,083	102	15,764
Vermont	Subprime	6,237	1,727	408	301	387	598	100	9,758
	Alt-A	1,876	1,623	119	76	118	68	34	3,914
New England	Subprime	298,078	63,984	18,499	18,608	15,133	45,380	4,826	464,508
	Alt-A	85,431	63,241	6,575	4,999	5,849	7,655	1,180	174,930
New Jersey	Subprime	179,200	30,541	9,482	9,763	14,353	17,536	3,856	264,731
	Alt-A	72,842	47,514	5,507	4,183	8,624	4,176	942	143,788
New York	Subprime	221,768	72,301	18,665	19,303	20,665	28,897	3,326	384,925
	Alt-A	67,797	70,833	7,355	7,431	7,642	4,405	617	166,080
Pennsylvania	Subprime	133,454	64,577	16,110	13,691	9,138	24,073	1,640	262,683
	Alt-A	34,392	37,691	3,025	1,934	2,015	2,232	334	81,623
Mid Atlantic	Subprime	534,422	167,419	44,257	42,757	44,156	70,506	8,822	912,339
	Alt-A	175,031	156,038	15,887	13,548	18,281	10,813	1,893	391,491
Illinois	Subprime	276,788	58,563	17,549	15,769	20,022	55,737	5,719	450,147
	Alt-A	74,160	48,349	5,196	4,062	7,098	7,569	1,202	147,636
Indiana	Subprime	73,177	37,150	9,429	7,826	7,712	39,947	975	176,216
	Alt-A	14,006	16,634	1,375	1,035	1,591	3,597	143	38,381
Michigan	Subprime	175,708	55,012	18,547	17,712	7,242	96,238	2,851	373,310
	Alt-A	34,038	38,267	4,189	3,120	2,249	12,430	414	94,707
Ohio	Subprime	139,124	63,540	16,125	14,407	15,325	68,568	2,300	319,389
	Alt-A	25,262	34,166	2,765	2,024	3,141	6,016	247	73,621
Wisconsin	Subprime	81,332	17,382	4,834	4,338	5,153	16,745	1,282	131,066
	Alt-A	13,557	11,759	929	681	1,034	1,454	194	29,608
East North Central	Subprime	746,129	231,647	66,484	60,052	55,454	277,235	13,127	1,450,128
	Alt-A	161,023	149,175	14,454	10,922	15,113	31,066	2,200	383,953
Iowa	Subprime	29,004	9,324	2,284	1,519	1,827	8,343	326	52,627
	Alt-A	4,333	4,945	288	156	257	506	51	10,536
Kansas	Subprime	26,725	9,650	2,336	1,652	1,145	7,884	355	49,747
	Alt-A	6,999	8,081	438	244	250	789	53	16,854
Minnesota	Subprime	96,626	19,862	5,661	4,698	4,109	30,463	1,487	162,906
	Alt-A	24,897	27,482	2,585	1,972	2,380	7,775	266	67,357
Missouri	Subprime	95,912	29,242	8,920	7,384	2,659	34,775	1,413	180,305
	Alt-A	21,128	20,454	1,543	1,033	624	3,848	229	48,859
Nebraska	Subprime	14,658	6,720	1,494	1,098	714	4,803	115	29,602
	Alt-A	2,684	3,466	213	106	126	370	22	6,987
North Dakota	Subprime	2,551	1,021	215	130	106	417	25	4,465
	Alt-A	763	921	43	20	37	58	4	1,846
South Dakota	Subprime	4,047	1,481	328	199	213	1,016	37	7,321
	Alt-A	1,014	1,135	56	46	46	116	5	2,418
West North Central	Subprime	269,523	77,300	21,238	16,680	10,773	87,701	3,758	486,973
	Alt-A	61,818	66,484	5,166	3,577	3,720	13,462	630	154,857
Delaware	Subprime	14,413	4,660	1,352	1,138	1,154	1,748	180	24,645
	Alt-A	5,281	4,988	407	270	423	332	63	11,764
District of Columbia	Subprime	11,970	1,987	635	686	455	1,372	267	17,372
	Alt-A	7,627	5,917	506	408	336	569	106	15,469
Florida	Subprime	514,128	138,079	40,673	43,849	95,513	95,878	7,124	935,244
	Alt-A	189,699	186,239	23,222	26,792	72,561	27,514	2,681	528,708
Georgia	Subprime	125,957	46,883	16,289	16,412	6,809	52,996	2,036	267,382
	Alt-A	57,942	68,880	7,191	5,140	3,737	14,465	642	157,997
Maryland	Subprime	174,396	31,268	10,147	10,667	7,936	16,983	3,721	255,118
	Alt-A	64,565	49,311	5,646	6,004	4,683	4,839	875	135,923
North Carolina	Subprime	92,134	36,149	11,542	8,980	3,522	25,702	1,424	179,453
	Alt-A	37,350	38,247	3,198	2,089	1,307	4,050	386	86,627
South Carolina	Subprime	45,907	19,582	5,691	3,718	3,427	15,157	664	94,146
	Alt-A	21,422	20,433	1,725	1,007	1,538	2,523	295	48,943
Virginia	Subprime	135,376	31,496	9,051	8,629	4,047	22,421	2,195	213,215

Enclosure V

State	Market segment	Prepaid	Current	Delinquent	In default	In foreclosure process	Completed foreclosure process	Unknown	Total
	Alt-A	69,161	61,489	5,893	5,650	4,478	14,797	1,131	162,599
West Virginia	Subprime	8,522	3,853	1,148	811	461	1,968	141	16,904
	Alt-A	1,812	2,094	237	164	157	329	26	4,819
South Atlantic	Subprime	1,122,803	313,957	96,528	94,890	123,324	234,225	17,752	2,003,479
	Alt-A	454,859	437,598	48,025	47,524	89,220	69,418	6,205	1,152,849
Alabama	Subprime	40,340	18,506	5,677	5,329	1,507	12,471	454	84,284
	Alt-A	11,175	12,184	1,006	644	443	1,628	122	27,202
Kentucky	Subprime	33,862	15,436	3,881	2,679	2,818	12,500	413	71,589
	Alt-A	7,177	8,585	602	364	565	1,076	61	18,430
Mississippi	Subprime	21,667	12,857	4,096	4,049	1,306	8,858	397	53,230
	Alt-A	3,680	4,259	421	269	186	587	68	9,470
Tennessee	Subprime	74,550	37,465	11,037	11,705	2,940	29,610	964	168,271
	Alt-A	17,951	21,673	1,695	1,114	630	2,830	173	46,066
East South Central	Subprime	170,419	84,264	24,691	23,762	8,571	63,439	2,228	377,374
	Alt-A	39,983	46,701	3,724	2,391	1,824	6,121	424	101,168
Arkansas	Subprime	16,495	10,282	2,495	2,033	814	5,374	194	37,687
	Alt-A	4,059	5,745	385	246	201	673	36	11,345
Louisiana	Subprime	44,686	22,109	5,629	4,684	2,950	9,174	585	89,817
	Alt-A	8,565	8,565	631	441	430	672	86	19,390
Oklahoma	Subprime	28,210	17,684	3,923	2,491	2,327	11,202	323	66,160
	Alt-A	6,292	9,842	531	245	413	867	45	18,235
Texas	Subprime	223,983	179,930	40,519	28,153	11,940	82,898	2,578	570,001
	Alt-A	63,863	97,432	6,088	3,688	2,452	11,981	465	185,969
West South Central	Subprime	313,374	230,005	52,566	37,361	18,031	108,648	3,680	763,665*
	Alt-A	82,779	121,584	7,635	4,620	3,496	14,193	632	234,939
Arizona	Subprime	179,889	38,185	11,813	13,807	11,982	42,347	2,655	300,678
	Alt-A	105,273	78,546	9,007	8,306	10,066	20,628	1,798	233,624
Colorado	Subprime	100,940	30,026	6,932	5,578	4,189	39,700	1,404	188,769
	Alt-A	60,787	58,288	3,684	2,422	2,906	9,843	628	138,558
Idaho	Subprime	22,883	6,509	1,718	1,421	1,207	4,281	228	38,247
	Alt-A	14,644	13,075	1,055	769	1,062	1,243	149	31,997
Montana	Subprime	8,084	2,270	535	446	311	1,249	78	12,973
	Alt-A	4,469	3,635	225	142	148	201	28	8,848
Nevada	Subprime	86,561	18,400	5,647	7,736	7,079	25,825	1,340	152,588*
	Alt-A	55,379	51,552	7,407	9,009	9,578	18,363	866	152,154
New Mexico	Subprime	25,098	7,062	1,722	1,090	1,068	4,052	402	40,494
	Alt-A	10,741	9,298	608	355	643	576	107	22,328
Utah	Subprime	51,593	11,290	3,030	2,335	1,743	9,739	593	80,323
	Alt-A	30,058	19,973	1,543	1,027	1,534	2,528	333	56,996
Wyoming	Subprime	6,198	1,983	411	235	121	763	37	9,748
	Alt-A	2,346	1,913	87	46	31	88	8	4,519
Mountain	Subprime	481,246	115,725	31,808	32,648	27,700	127,956	6,737	823,820
	Alt-A	283,697	236,280	23,616	22,076	25,968	53,470	3,917	649,024
Alaska	Subprime	5,827	1,811	429	303	200	821	44	9,435
	Alt-A	1,776	1,780	121	60	53	138	14	3,942
California	Subprime	1,151,089	180,836	46,811	62,001	59,237	225,176	20,389	1,745,539
	Alt-A	717,507	495,851	58,497	77,151	70,519	104,149	7,223	1,530,897
Hawaii	Subprime	27,028	8,203	1,516	1,429	1,721	1,858	299	42,054
	Alt-A	13,242	12,071	892	752	982	431	99	28,469
Oregon	Subprime	66,431	18,324	4,313	3,540	3,333	10,364	621	106,926
	Alt-A	37,249	32,408	2,369	1,641	2,093	2,446	319	78,525
Washington	Subprime	130,836	32,457	7,872	7,581	5,196	19,372	1,391	204,705
	Alt-A	70,293	58,778	4,393	3,412	3,169	3,603	614	144,262
Pacific	Subprime	1,381,211	241,631	60,941	74,854	69,687	257,591	22,744	2,108,659
	Alt-A	840,067	600,888	66,272	83,016	76,816	110,767	8,269	1,786,095
United States	Subprime	5,317,205	1,525,932	417,012	401,612	372,829	1,272,681	83,674	9,390,945
	Alt-A	2,184,688	1,877,989	191,354	192,673	240,287	316,965	25,350	5,029,306
	Total Nonprime	7,501,893	3,403,921	608,366	594,285	613,116	1,589,646	109,024	14,420,251

Source: GAO analysis of LP data.

Note: For some loans, the data were insufficient to classify into a status category. These “unknown” loans are included in the total column. This table does not include data for Guam, Puerto Rico, and the Virgin Islands.

Enclosure VI

Status of Nonprime Loans Originated from 2000 through 2007 by Congressional District as of March 31, 2009

This enclosure contains the results of our analysis of Loan Performance (LP) data on the status of nonprime mortgages by congressional district. The analysis covers mortgages originated from 2000 through 2007, as of March 31, 2009. All figures reported are estimated.

Enclosure VI

Table 16: Estimated Percentage of 2000-2007 Active Nonprime Loans Seriously Delinquent by Congressional District as of March 31, 2009

State	Congressional district	Estimated number of active loans	Estimated number of seriously delinquent loans	Estimated percentage of seriously delinquent loans
Alabama	01	8,367	1,734	20.72%
	02	4,524	740	16.35%
	03	5,628	953	16.94%
	04	3,964	553	13.96%
	05	5,574	752	13.49%
	06	9,457	1,595	16.86%
	07	7,691	1,582	20.56%
Alaska	00	4,670	596	12.76%
Arizona	01	12,891	2,474	19.19%
	02	32,646	8,472	25.95%
	03	23,809	5,430	22.81%
	04	22,956	7,916	34.48%
	05	19,344	3,523	18.21%
	06	31,421	7,638	24.31%
	07	24,909	6,669	26.77%
	08	13,671	2,032	14.86%
Arkansas	01	4,120	610	14.80%
	02	7,471	1,134	15.18%
	03	6,273	916	14.60%
	04	4,055	576	14.21%
California	01	16,356	2,862	17.50%
	02	17,818	3,931	22.06%
	03	27,505	7,581	27.56%
	04	24,450	4,872	19.93%
	05	20,660	6,171	29.87%
	06	19,568	2,844	14.53%
	07	23,011	6,714	29.18%
	08	9,323	943	10.11%
	09	14,626	3,325	22.73%
	10	26,103	6,659	25.51%
	11	31,137	8,889	28.55%
	12	14,667	2,153	14.68%
	13	16,658	4,230	25.39%
	14	13,966	1,711	12.25%
	15	11,997	2,075	17.30%
	16	18,700	4,850	25.94%
	17	15,290	4,091	26.75%
	18	18,044	6,602	36.59%
	19	22,336	6,443	28.84%
	20	12,913	3,402	26.34%
	21	21,783	5,251	24.11%
	22	29,435	8,355	28.38%
	23	12,095	2,524	20.87%
	24	25,447	5,033	19.78%
	25	36,255	12,686	34.99%
	26	21,200	4,782	22.56%
	27	19,602	5,607	28.60%
	28	15,676	4,274	27.26%
	29	13,626	2,369	17.39%
	30	15,796	2,242	14.20%
	31	9,282	2,237	24.10%
	32	13,972	3,624	25.94%
	33	13,452	3,193	23.74%
	34	10,804	3,012	27.88%
	35	17,473	4,860	27.81%
	36	13,844	1,842	13.30%
	37	18,406	5,346	29.04%
	38	17,539	5,144	29.33%
	39	16,028	4,536	28.30%
	40	15,680	3,841	24.49%

Enclosure VI

State	Congressional district	Estimated number of active loans	Estimated number of seriously delinquent loans	Estimated percentage of seriously delinquent loans
	41	35,210	11,458	32.54%
	42	22,547	4,957	21.99%
	43	25,205	9,484	37.63%
	44	32,885	10,704	32.55%
	45	38,044	12,526	32.93%
	46	18,151	3,200	17.63%
	47	12,117	4,093	33.77%
	48	20,978	3,738	17.82%
	49	30,461	9,358	30.72%
	50	20,962	3,579	17.07%
	51	24,279	7,412	30.53%
	52	19,513	3,918	20.08%
	53	15,425	2,838	18.40%
Colorado	01	16,233	2,359	14.53%
	02	16,549	1,859	11.23%
	03	12,852	1,419	11.04%
	04	14,775	1,909	12.92%
	05	15,318	2,003	13.08%
	06	21,362	2,860	13.39%
	07	16,790	2,665	15.87%
Connecticut	01	10,304	2,022	19.62%
	02	9,488	1,885	19.87%
	03	12,358	2,842	22.99%
	04	13,751	2,859	20.79%
	05	11,250	2,513	22.34%
Delaware	00	14,349	2,976	20.74%
District of Columbia	98	10,935	1,887	17.25%
Florida	01	13,098	3,090	23.59%
	02	12,460	3,169	25.43%
	03	21,417	7,332	34.24%
	04	17,258	4,406	25.53%
	05	23,869	8,064	33.78%
	06	16,795	4,945	29.44%
	07	24,034	7,874	32.76%
	08	29,026	11,119	38.31%
	09	23,329	7,702	33.02%
	10	19,003	5,878	30.93%
	11	22,936	8,523	37.16%
	12	23,967	8,476	35.37%
	13	22,404	8,552	38.17%
	14	36,735	17,596	47.90%
	15	30,652	12,338	40.25%
	16	24,874	10,471	42.10%
	17	28,296	11,748	41.52%
	18	26,230	11,279	43.00%
	19	28,875	12,142	42.05%
	20	31,603	12,476	39.48%
	21	25,895	10,602	40.94%
	22	28,409	11,063	38.94%
	23	31,435	13,738	43.70%
	24	26,958	9,396	34.86%
	25	34,801	15,924	45.76%
Georgia	01	6,076	944	15.54%
	02	4,061	692	17.03%
	03	17,662	3,561	20.16%
	04	18,611	4,008	21.54%
	05	15,359	3,013	19.62%
	06	14,440	2,003	13.87%
	07	21,907	4,102	18.73%
	08	9,016	1,770	19.64%
	09	11,905	1,993	16.74%
	10	7,396	1,097	14.83%
	11	15,467	2,778	17.96%
	12	6,597	1,117	16.94%

Enclosure VI

State	Congressional district	Estimated number of active loans	Estimated number of seriously delinquent loans	Estimated percentage of seriously delinquent loans
	13	22,406	4,939	22.04%
Hawaii	01	9,483	1,283	13.53%
	02	17,315	3,485	20.12%
Idaho	01	17,686	3,277	18.53%
	02	9,073	1,170	12.90%
Illinois	01	13,612	4,150	30.49%
	02	21,197	6,484	30.59%
	03	11,283	3,421	30.32%
	04	9,039	2,830	31.31%
	05	8,970	2,625	29.26%
	06	9,539	2,453	25.72%
	07	12,361	3,632	29.38%
	08	11,944	2,844	23.81%
	09	7,119	1,875	26.33%
	10	7,989	1,803	22.56%
	11	8,939	2,188	24.48%
	12	5,723	1,279	22.35%
	13	11,309	2,777	24.56%
	14	12,691	3,643	28.71%
	15	3,749	632	16.87%
	16	8,727	1,958	22.44%
	17	3,817	699	18.30%
	18	4,095	744	18.17%
	19	3,815	734	19.25%
Indiana	01	12,258	3,027	24.69%
	02	9,193	1,998	21.74%
	03	8,244	1,744	21.16%
	04	8,696	1,752	20.15%
	05	10,409	2,082	20.01%
	06	8,361	1,667	19.93%
	07	12,689	3,177	25.04%
	08	6,283	1,305	20.76%
	09	6,335	1,353	21.36%
Iowa	01	3,718	651	17.50%
	02	3,360	624	18.57%
	03	6,014	1,223	20.34%
	04	3,608	608	16.84%
	05	3,873	648	16.74%
Kansas	01	3,048	369	12.10%
	02	5,577	819	14.69%
	03	8,862	1,357	15.32%
	04	6,284	741	11.80%
Kentucky	01	3,373	552	16.35%
	02	5,704	1,008	17.68%
	03	9,120	1,943	21.31%
	04	6,907	1,299	18.81%
	05	2,789	431	15.46%
	06	6,982	1,185	16.98%
Louisiana	01	7,513	1,400	18.63%
	02	7,596	1,676	22.07%
	03	5,707	1,047	18.35%
	04	5,860	1,106	18.88%
	05	4,130	782	18.94%
	06	10,026	1,840	18.35%
	07	4,573	641	14.02%
Maine	01	8,314	1,918	23.07%
	02	6,665	1,528	22.93%
Maryland	01	12,430	2,349	18.90%
	02	12,252	2,568	20.96%
	03	14,397	2,736	19.00%
	04	22,254	6,462	29.04%
	05	24,167	6,566	27.17%
	06	12,321	2,645	21.47%
	07	13,249	2,771	20.91%

Enclosure VI

State	Congressional district	Estimated number of active loans	Estimated number of seriously delinquent loans	Estimated percentage of seriously delinquent loans
	08	13,580	2,984	21.97%
Massachusetts	01	6,878	1,749	25.44%
	02	9,489	2,577	27.15%
	03	8,504	2,269	26.68%
	04	7,506	1,740	23.18%
	05	8,748	2,248	25.70%
	06	7,650	1,887	24.67%
	07	7,190	1,758	24.46%
	08	6,456	1,491	23.09%
	09	10,443	2,832	27.12%
	10	10,370	2,427	23.40%
Michigan	01	5,296	751	14.18%
	02	6,836	1,194	17.46%
	03	7,862	1,441	18.32%
	04	6,363	1,089	17.11%
	05	8,810	1,905	21.62%
	06	7,818	1,217	15.56%
	07	8,675	1,693	19.52%
	08	10,022	1,743	17.39%
	09	10,264	1,949	18.99%
	10	8,998	1,633	18.15%
	11	10,934	2,171	19.86%
	12	13,307	2,792	20.98%
	13	13,412	3,619	26.98%
	14	16,734	4,749	28.38%
	15	10,579	2,293	21.68%
Minnesota	01	4,569	706	15.45%
	02	11,674	2,121	18.17%
	03	10,514	2,036	19.36%
	04	8,264	1,747	21.15%
	05	9,615	2,003	20.83%
	06	11,823	2,391	20.22%
	07	4,434	698	15.74%
	08	7,766	1,439	18.53%
Mississippi	01	8,106	1,783	21.99%
	02	7,266	1,768	24.33%
	03	5,213	993	19.04%
	04	6,485	1,168	18.01%
Missouri	01	14,888	3,191	21.43%
	02	6,904	979	14.18%
	03	8,552	1,381	16.15%
	04	5,133	732	14.26%
	05	13,148	2,285	17.38%
	06	7,865	1,092	13.89%
	07	6,791	946	13.93%
	08	3,539	440	12.44%
	09	4,899	639	13.05%
Montana	00	7,701	1,046	13.58%
Nebraska	01	4,342	646	14.89%
	02	6,699	1,032	15.40%
	03	2,861	353	12.34%
Nevada	01	38,333	12,115	31.60%
	02	23,034	5,213	22.63%
	03	54,884	16,040	29.23%
New Hampshire	01	9,890	1,641	16.59%
	02	8,627	1,479	17.14%
New Jersey	01	10,062	2,803	27.86%
	02	12,509	3,397	27.15%
	03	11,487	3,021	26.30%
	04	11,284	2,911	25.79%
	05	9,355	2,108	22.53%
	06	8,952	2,586	28.89%
	07	7,940	1,955	24.62%
	08	10,106	3,381	33.45%

Enclosure VI

State	Congressional district	Estimated number of active loans	Estimated number of seriously delinquent loans	Estimated percentage of seriously delinquent loans
	09	8,965	2,460	27.44%
	10	11,301	4,766	42.17%
	11	7,763	1,700	21.90%
	12	9,340	2,184	23.38%
	13	9,978	3,443	34.51%
New Mexico	01	9,376	1,402	14.95%
	02	5,125	687	13.40%
	03	7,338	1,066	14.52%
New York	01	18,727	5,201	27.77%
	02	16,540	5,482	33.14%
	03	12,470	3,110	24.94%
	04	14,778	4,511	30.52%
	05	7,139	1,268	17.76%
	06	15,363	5,313	34.58%
	07	6,888	1,758	25.52%
	08	3,453	421	12.18%
	09	7,808	1,809	23.16%
	10	9,920	3,490	35.18%
	11	5,371	1,477	27.51%
	12	4,838	1,375	28.42%
	13	9,060	1,951	21.54%
	14	3,219	234	7.28%
	15	985	180	18.25%
	16	1,950	618	31.68%
	17	8,573	2,154	25.13%
	18	8,835	1,539	17.42%
	19	12,330	2,643	21.44%
	20	8,407	1,838	21.86%
	21	6,651	1,453	21.85%
	22	7,582	1,848	24.38%
	23	3,547	622	17.54%
	24	4,539	736	16.21%
	25	4,950	832	16.81%
	26	4,680	709	15.14%
	27	4,642	690	14.86%
	28	5,926	1,013	17.09%
	29	4,256	660	15.50%
North Carolina	01	4,239	717	16.91%
	02	7,425	1,248	16.80%
	03	7,881	1,065	13.51%
	04	8,815	1,138	12.91%
	05	5,634	830	14.73%
	06	7,976	1,245	15.61%
	07	7,973	1,119	14.03%
	08	7,607	1,197	15.74%
	09	14,259	2,139	15.00%
	10	6,922	1,117	16.14%
	11	6,196	816	13.17%
	12	11,330	1,901	16.77%
	13	8,447	1,315	15.57%
North Dakota	00	2,481	290	11.69%
Ohio	01	9,532	2,085	21.87%
	02	6,999	1,312	18.74%
	03	8,958	2,218	24.76%
	04	6,735	1,409	20.92%
	05	5,328	1,055	19.81%
	06	5,041	1,119	22.20%
	07	8,565	1,884	21.99%
	08	7,822	1,685	21.55%
	09	9,034	2,088	23.11%
	10	9,930	2,324	23.40%
	11	13,342	4,109	30.79%
	12	10,983	2,386	21.72%
	13	9,804	2,384	24.32%

Enclosure VI

State	Congressional district	Estimated number of active loans	Estimated number of seriously delinquent loans	Estimated percentage of seriously delinquent loans
	14	8,263	1,693	20.49%
	15	8,502	1,854	21.80%
	16	7,789	1,661	21.33%
	17	8,974	2,418	26.94%
	18	5,500	1,109	20.16%
Oklahoma	01	9,529	1,472	15.45%
	02	5,062	774	15.29%
	03	5,446	727	13.35%
	04	7,708	1,001	12.99%
	05	9,651	1,496	15.51%
Oregon	01	13,437	1,991	14.81%
	02	14,031	2,496	17.79%
	03	16,537	2,574	15.57%
	04	11,041	1,540	13.95%
	05	12,880	1,995	15.49%
Pennsylvania	01	12,226	2,255	18.44%
	02	11,155	2,038	18.27%
	03	5,052	874	17.30%
	04	7,401	1,289	17.42%
	05	3,580	595	16.61%
	06	8,070	1,315	16.29%
	07	8,034	1,387	17.26%
	08	8,129	1,491	18.34%
	09	5,079	863	16.99%
	10	6,834	1,330	19.47%
	11	11,295	2,571	22.76%
	12	5,125	919	17.94%
	13	8,836	1,501	16.99%
	14	8,259	1,520	18.41%
	15	9,816	1,894	19.29%
	16	5,987	977	16.32%
	17	6,963	1,121	16.10%
	18	8,376	1,447	17.28%
	19	7,703	1,363	17.69%
Rhode Island	01	7,267	1,498	20.61%
	02	9,067	2,126	23.45%
South Carolina	01	16,401	2,892	17.63%*
	02	12,169	2,080	17.09%
	03	5,860	847	14.46%
	04	8,321	1,401	16.83%
	05	7,294	1,220	16.73%
	06	6,968	1,234	17.71%
South Dakota	00	3,505	503	14.35%
Tennessee	01	5,972	870	14.56%
	02	8,734	1,392	15.93%
	03	8,693	1,574	18.11%
	04	6,106	1,010	16.54%
	05	12,653	2,042	16.14%
	06	10,089	1,723	17.07%
	07	11,883	2,094	17.62%
	08	8,122	1,732	21.33%
	09	15,837	3,923	24.77%
Texas	01	5,318	565	10.63%
	02	15,268	2,259	14.80%
	03	13,982	1,594	11.40%
	04	11,611	1,383	11.91%
	05	11,169	1,494	13.37%
	06	14,352	1,983	13.82%
	07	13,066	1,521	11.64%
	08	10,785	1,348	12.50%
	09	15,203	2,094	13.77%
	10	18,637	2,504	13.43%
	11	5,472	450	8.22%
	12	13,779	1,672	12.13%

Enclosure VI

State	Congressional district	Estimated number of active loans	Estimated number of seriously delinquent loans	Estimated percentage of seriously delinquent loans
	13	4,554	468	10.29%
	14	11,070	1,537	13.88%
	15	8,246	1,002	12.16%
	16	8,392	785	9.35%
	17	8,071	855	10.59%
	18	14,554	2,175	14.95%
	19	5,106	463	9.06%
	20	10,036	1,205	12.00%
	21	13,993	1,480	10.57%
	22	18,852	2,743	14.55%
	23	11,230	1,367	12.18%
	24	14,862	2,029	13.65%
	25	10,872	1,015	9.33%
	26	17,265	2,109	12.21%
	27	9,244	1,039	11.24%
	28	9,775	1,232	12.60%
	29	11,207	1,472	13.14%
	30	14,193	2,326	16.39%
	31	10,650	1,064	9.99%
	32	8,257	894	10.82%
Utah	01	12,831	1,733	13.51%
	02	14,794	2,493	16.85%
	03	14,745	2,406	16.32%
Vermont	00	4,721	878	18.60%
Virginia	01	14,898	2,941	19.74%
	02	11,582	1,535	13.25%
	03	12,125	2,023	16.68%
	04	11,878	1,985	16.71%
	05	6,234	764	12.26%
	06	5,922	788	13.30%
	07	11,408	1,838	16.11%
	08	12,230	1,869	15.28%
	09	3,058	358	11.69%
	10	21,147	4,282	20.25%
	11	19,809	4,351	21.96%
Washington	01	13,812	2,017	14.61%
	02	15,324	2,467	16.10%
	03	15,426	2,811	18.22%
	04	8,885	953	10.72%
	05	8,316	1,014	12.20%
	06	15,119	2,594	17.16%
	07	11,318	1,372	12.12%
	08	17,651	2,966	16.80%
	09	16,478	3,101	18.82%
West Virginia	01	2,310	343	14.86%
	02	4,329	899	20.77%
	03	2,286	345	15.09%
Wisconsin	01	7,233	1,758	24.30%
	02	4,740	1,046	22.07%
	03	4,097	958	23.39%
	04	11,517	3,299	28.65%
	05	5,498	1,245	22.65%
	06	4,459	1,010	22.64%
	07	4,024	863	21.46%
	08	4,375	984	22.48%
Wyoming	00	4,823	432	8.96%

Source: GAO analysis of LP data.

Enclosure VII

GAO Contact and Staff Acknowledgments

GAO Contact: William B. Shear, (202) 512-8678 or shearw@gao.gov

Staff Acknowledgments: In addition to the individual named above, Steve Westley (Assistant Director), William Bates, Emily Chalmers, DuEwa Kamara, Jamila Kennedy, John McGrail, John Mingus, Colleen Moffatt, Marc Molino, and Bob Pollard made key contributions to this report.

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday afternoon, GAO posts on its Web site newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to www.gao.gov and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's Web site, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Ralph Dawn, Managing Director, dawnr@gao.gov, (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548