
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

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Fannie Mae and Freddie Mac Loan Modification and Refinancing Volumes Increased Substantially in Fourth Quarter 2009

Washington, DC – Fannie Mae’s and Freddie Mac’s trial and permanent loan modifications under the Administration’s Home Affordable Modification Program (HAMP) increased by nearly 75 percent during the fourth quarter of 2009. Trial and permanent modifications increased to more than 485,000 at the end of the fourth quarter of 2009, up from 278,000 in the third quarter. The data were released by Edward J. DeMarco, Acting Director of the Federal Housing Finance Agency, as part of the agency’s *Foreclosure Prevention and Refinance Report* which is also submitted to Congress as the [Federal Property Manager’s Report](#) in accordance with Section 110 of the Emergency Economic Stabilization Act of 2008 (EESA).

The report, which details the actions Fannie Mae and Freddie Mac have taken to prevent foreclosures and keep people in their homes, also shows a 63 percent increase in refinancings through the Home Affordable Refinance Program (HARP) in the fourth quarter. In addition, the report shows that for loan modifications in the fourth quarter of 2009, the proportion of borrowers receiving payment reductions greater than 20 percent was the highest in two years.

Highlights of the report include the following:

- HAMP trial and permanent modifications increased 75 percent during the fourth quarter to more than 485,400. The volume increased further to approximately 572,700 through February 2010, of which nearly 103,700 were permanent modifications.
- HARP refinance volume increased 63 percent during the fourth quarter to approximately 190,200. The number increased to nearly 257,100 through February 2010.
- Completed foreclosure prevention activity increased 38 percent in the fourth quarter to approximately 145,400, driven by increases in all forms of home retention activities and short sales.
- Completed loan modifications increased 57 percent to nearly 57,600 in the fourth quarter. The majority of borrowers received a combination of rate reductions and term extensions.
- Approximately 60 percent of loan modifications completed in the fourth quarter lowered borrowers’ monthly payments by over 20 percent.

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$6.3 trillion in funding for the U.S. mortgage markets and financial institutions.



Federal Housing Finance Agency

Foreclosure Prevention & Refinance Report Fourth Quarter 2009 / February 2010

FHFA's Federal Property Manager's Report

This report contains data on foreclosure prevention activity through the fourth quarter of 2009 and on refinance and MHA program activity through February 2010.

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Fourth Quarter Highlights

Making Home Affordable Program

- HAMP trial and permanent modifications increased 75 percent during the fourth quarter to more than 485,400. The number increased to approximately 572,700 through February 2010 (of which nearly 103,700 were permanent modifications).
- HARP refinance volume increased 63 percent during the fourth quarter to approximately 190,200. The number increased to nearly 257,100 through February 2010.

Completed Foreclosure Prevention Actions:

- Completed foreclosure prevention activity increased 38 percent in the fourth quarter to approximately 145,400, driven by increases in all forms of home retention activity and short sales.
- Completed loan modifications increased 57 percent to nearly 57,600 in the fourth quarter. The majority of borrowers received a combination of rate reductions and term extensions.
- Approximately 60 percent of loan modifications completed in the fourth quarter lowered borrowers' monthly payments by over 20 percent.
- The Enterprises completed approximately 46,400 and 18,200 repayment plans and forbearance plans, respectively, during the quarter.
- More than 19,800 short sales and deeds-in-lieu were completed during the fourth quarter, an increase of 14 percent over the prior quarter.

Mortgage Performance:

- Loans that are only one month delinquent decreased by 9,200 loans or nearly 1.3 percent during the fourth quarter to approximately 724,600.
- Loans 60-plus-days delinquent increased by nearly 182,400 loans or 11.5 percent during the fourth quarter to approximately 1.8 million.

Foreclosures:

- Foreclosure starts declined 4 percent to approximately 243,500, while completed foreclosure sales and third-party sales increased 12 percent to nearly 77,900 in the fourth quarter.

Foreclosure Prevention & Refinance Activities

	3Q09	4Q09
HAMP Trials & Permanent - Cumulative	278,139	485,418
HARP - Cumulative	116,676	190,180
Completed Foreclosure Prevention Actions		
Loan Modifications *	36,722	57,569
Repayment Plans	38,939	46,406
Forbearance Plans	7,262	18,229
Charge-offs In Lieu	810	653
HomeSaver Advance (<i>Fannie</i>)	4,347	2,759
Home Retention Actions	88,080	125,616
Short Sales	16,586	19,102
Deeds-in-lieu	843	715
Home Forfeiture Actions	17,429	19,817
TOTAL	105,509	145,433

* Includes HAMP permanent modifications

Enterprises' Mortgage Portfolio Characteristics

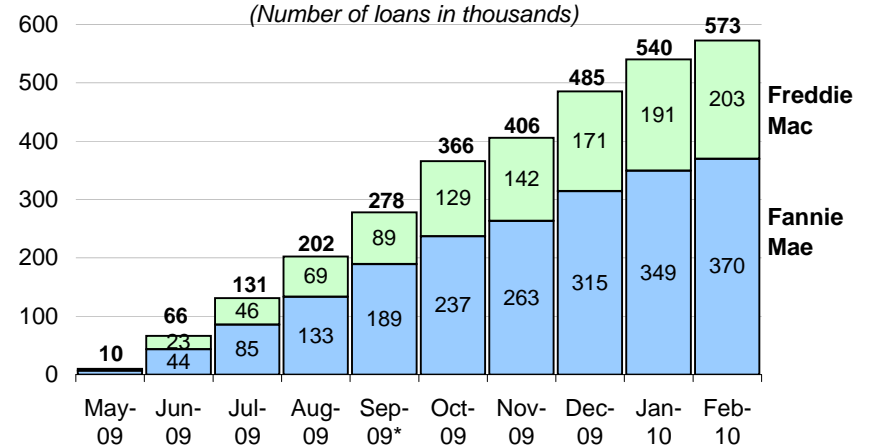
	<i>As of the End of</i>	
	3Q09	4Q09
Number of loans serviced (millions)	30.6	30.5
Original credit score >= 660	26.0	26.0
Original credit score < 660	4.6	4.5
Loans Serviced (\$ in billions)	\$4,640	\$4,639
Original Weighted Average Credit Score	729	730
Original Weighted Average Loan-to-Value	71%	71%
Current Weighted Average Loan-to-Value	75%	76%

Making Home Affordable Program - Status Update

Home Affordable Modification Program (HAMP)

- Announced March 4, 2009.
- Allows a borrower's payment to be reduced to an affordable amount through an interest rate reduction (down to 2 percent), a term extension (up to 480 months), or principal forbearance. Incentives are being offered to borrowers, servicers, and investors for program participation and a successful payment history.
- The Enterprises reported approximately 572,700 active trial and permanent modifications through February 2010 (of which nearly 103,700 were permanent modifications).

HAMP Active Trial and Permanent Modifications - Cumulative
(Number of loans in thousands)

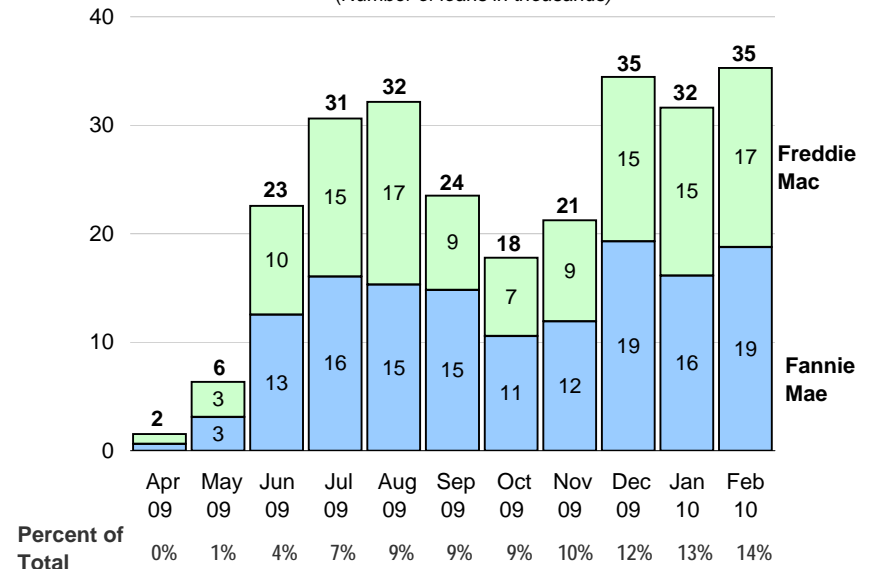


Source: Weekly Servicer Survey through September. IR2 (Making Home Affordable system of records) starting in October.

Home Affordable Refinance Program (HARP)

- Announced March 4, 2009.
- Allows existing Enterprise borrowers who are current on their mortgage payments to refinance and reduce their monthly mortgage payments at loan-to-value ratios up to 125 percent without new mortgage insurance.
- HARP loan volume grew to 13.9% of the Enterprises' total loans refinanced in February 2010.

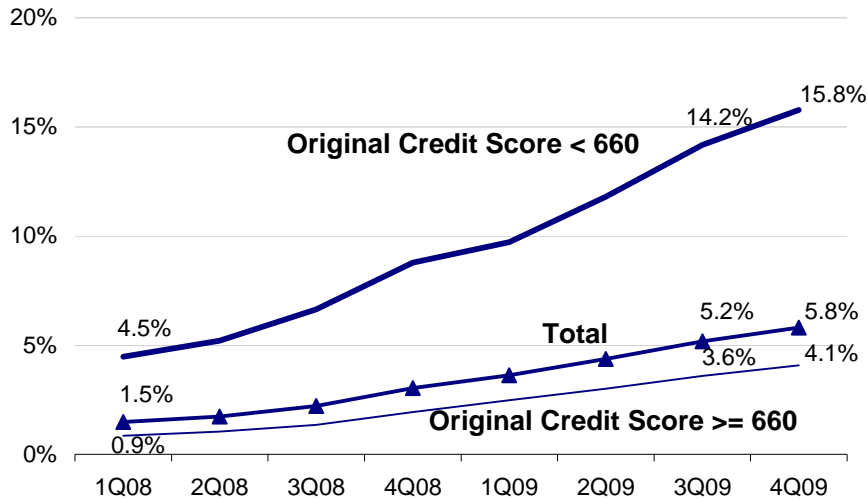
HARP Refinance, Monthly Volume
(Number of loans in thousands)



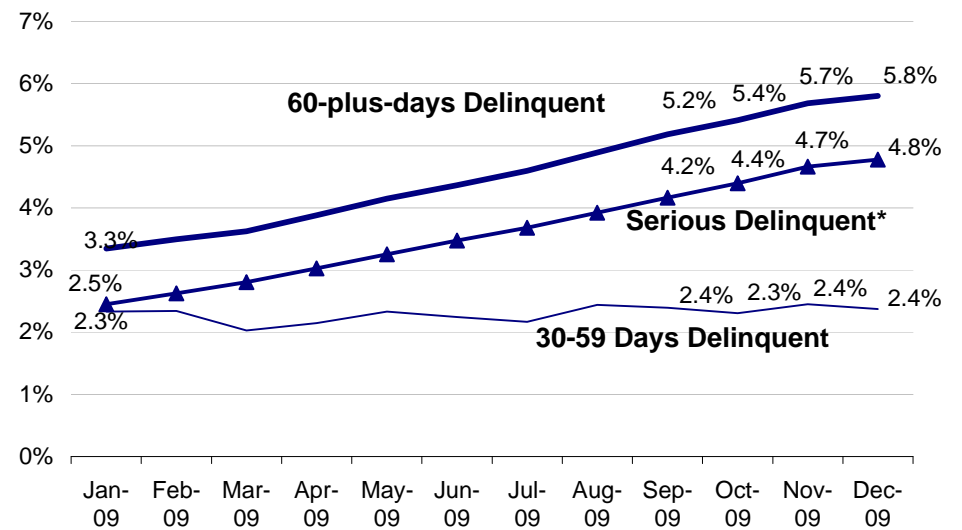
* The number of loans in HAMP trial period for September has been revised to tie to the Enterprises' financial statements.

Mortgage Performance

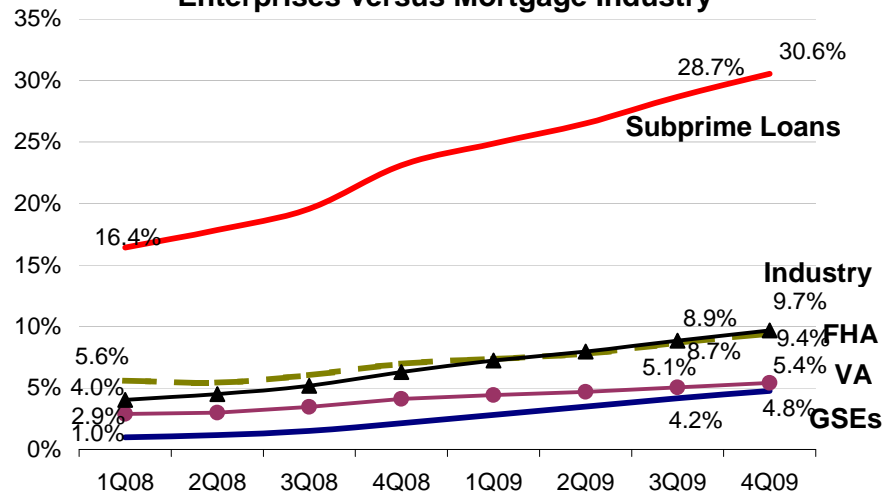
Enterprises' 60-plus-days Delinquency Rates by Original Credit Score



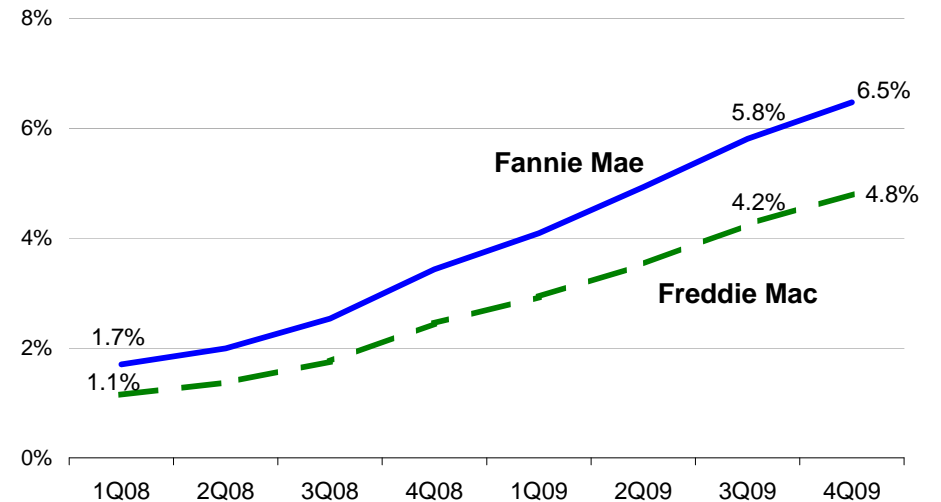
Enterprises' Mortgage Delinquency Rates



Serious Delinquency Rates* Enterprises versus Mortgage Industry



60-plus-days Delinquency Rates

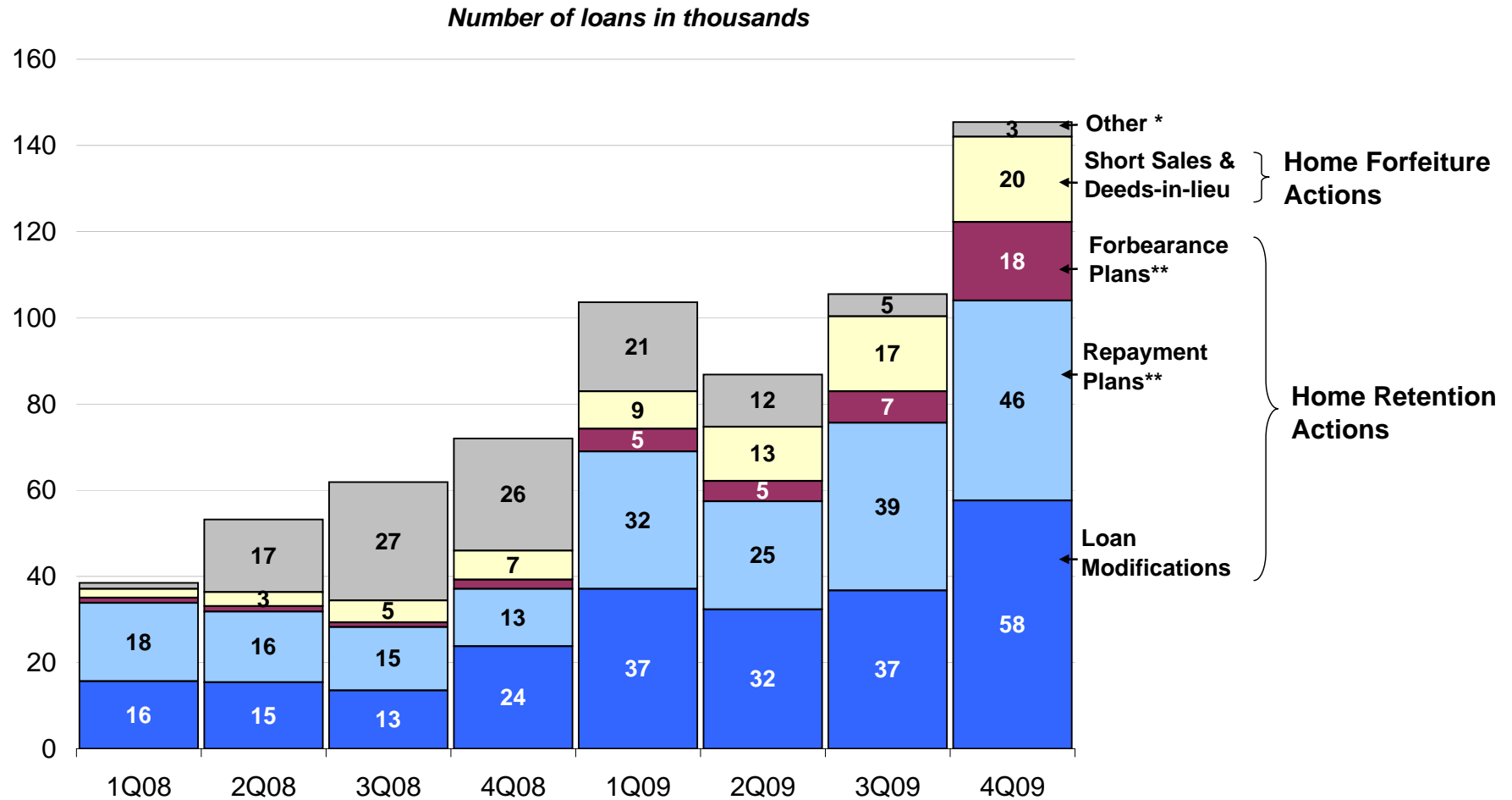


Source: Fannie Mae and Freddie Mac; National Delinquency Survey from Mortgage Bankers Association - Fourth Quarter 2009

* 90 days or more delinquent, or in the process of foreclosure.

Foreclosure Prevention Activity: All Actions Completed

Completed foreclosure prevention activity increased in the fourth quarter driven by increases in all forms of home retention activity and short sales.

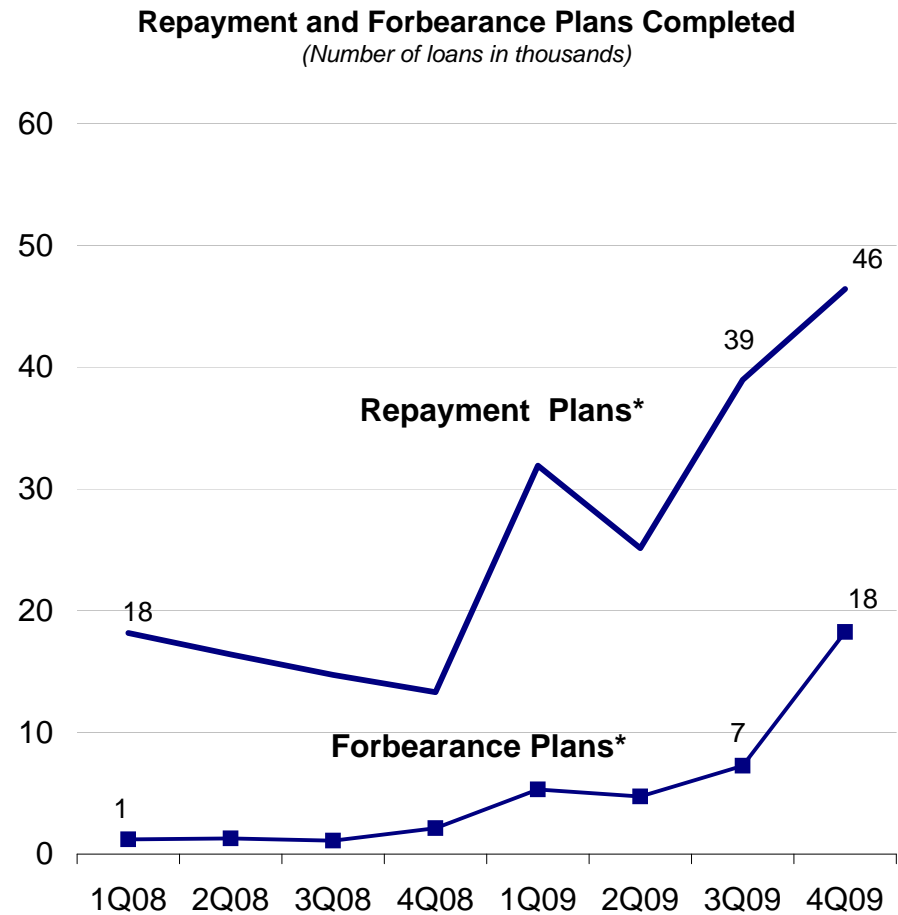
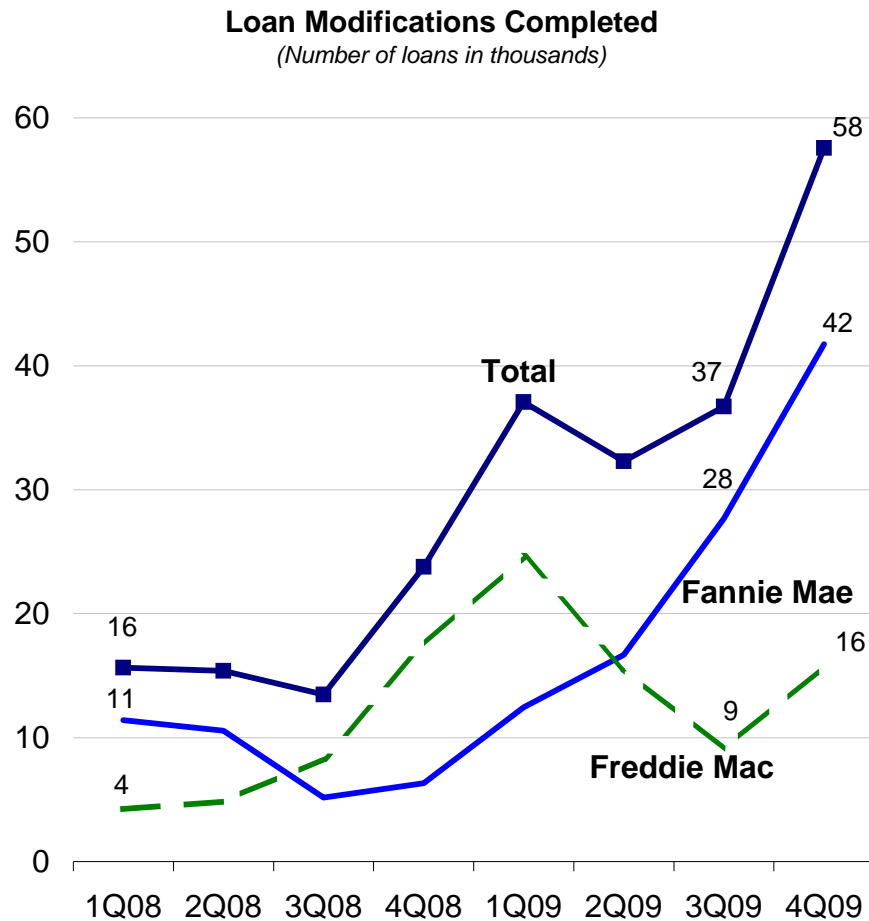


* Consists of HomeSaver Advance (Fannie Mae) and Charge-offs in lieu.

** In July 2009, Fannie Mae changed the definition of completed repayment and forbearance plans to include loans that were 30 to 59 days delinquent at initiation of the plan, consistent with the definition used by Freddie Mac for these items. Previously Fannie Mae's definition of completed repayment and forbearance plans included only repayment plans for loans that were 60 days or more delinquent at initiation and forbearance plans for loans that were 90 days or more delinquent at initiation. Fannie Mae's 2009 data has been revised accordingly.

Foreclosure Prevention Activity: Home Retention Actions

The volume of completed loan modifications increased 57 percent to nearly 57,600 during the fourth quarter with a sizeable number of modifications completed through HAMP. In addition, repayment plans and forbearance plans increased substantially during the quarter to approximately 46,400 and 18,200 respectively.

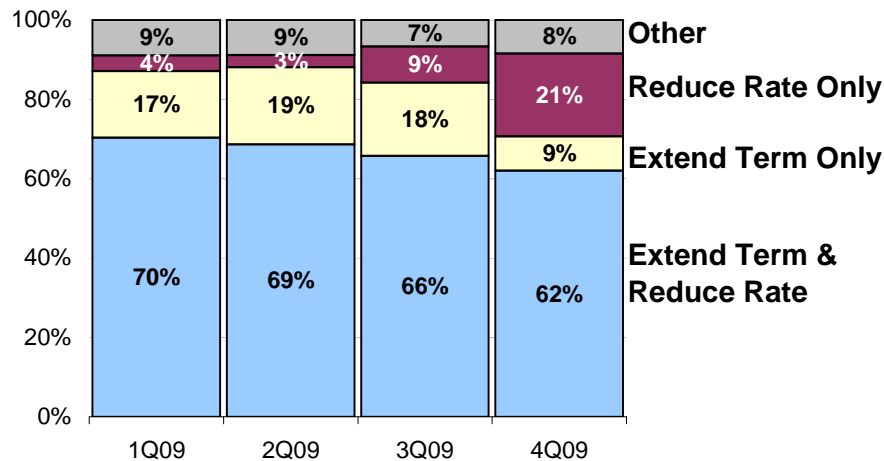


* 2009 data on repayment and forbearance plans has been revised (see footnote ** on page 5).

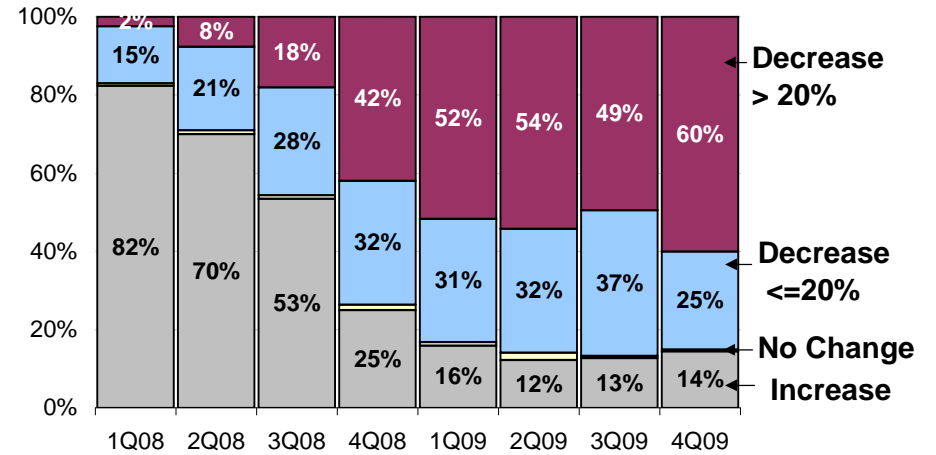
Enterprises' Loan Modifications

An increasing proportion of loan modifications involve only rate reductions because rate reduction is the first step of the HAMP waterfall. The majority of loan modifications in the fourth quarter involved both rate reductions and term extensions. The proportion of borrowers receiving payment reductions greater than 20 percent in the fourth quarter was the highest in two years.

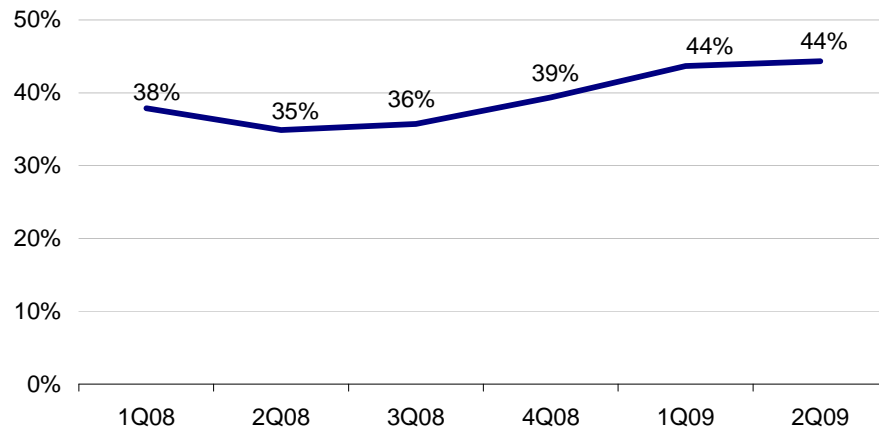
Type of Modification



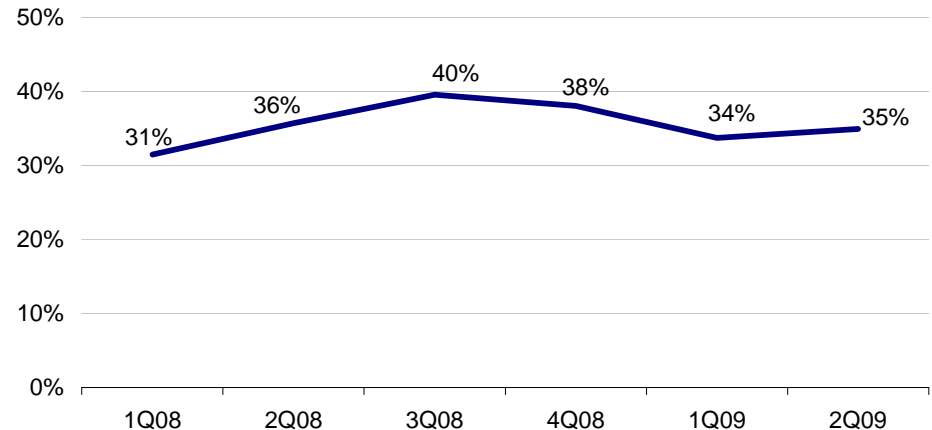
Size of Payment Change



Modified Loans - Current Six Months After Modification

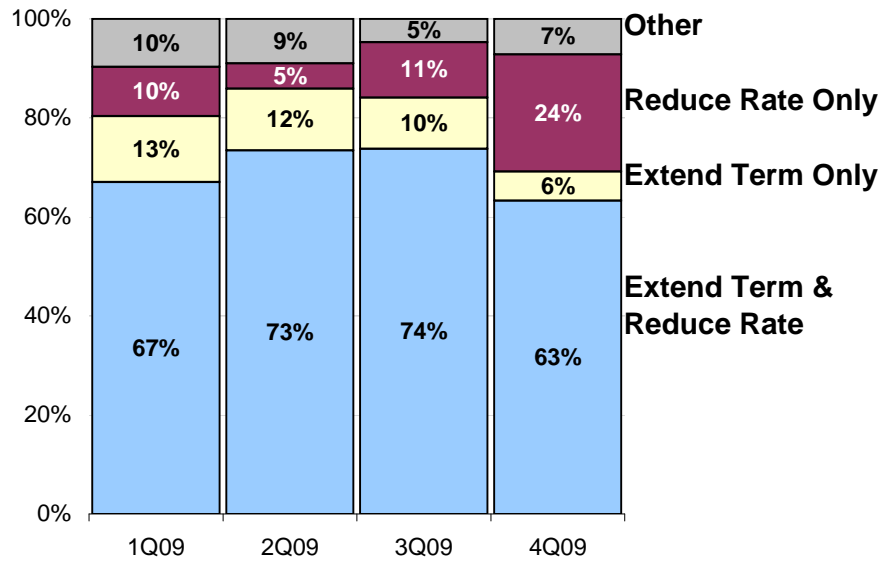


Modified Loans - 60-plus-days Re-Delinquency Rates Six Months After Modification

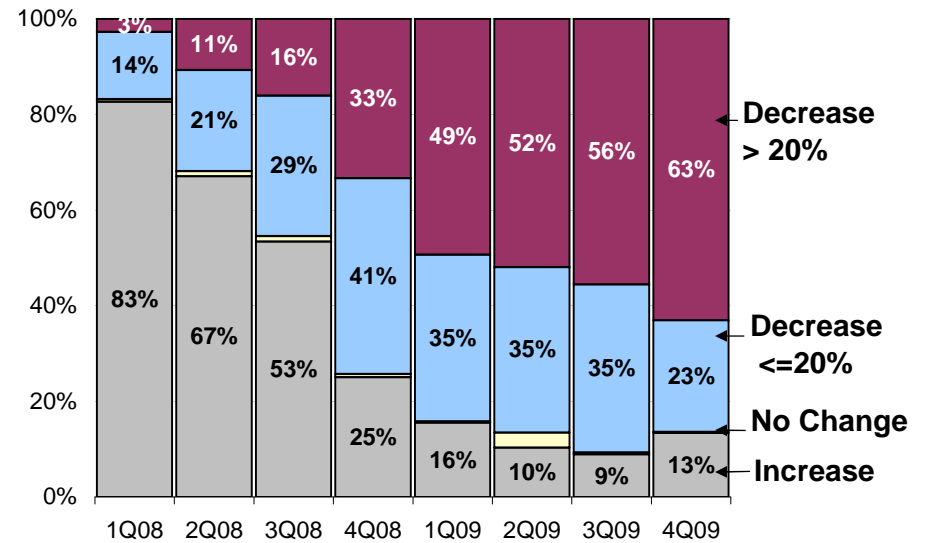


Fannie Mae's Loan Modifications

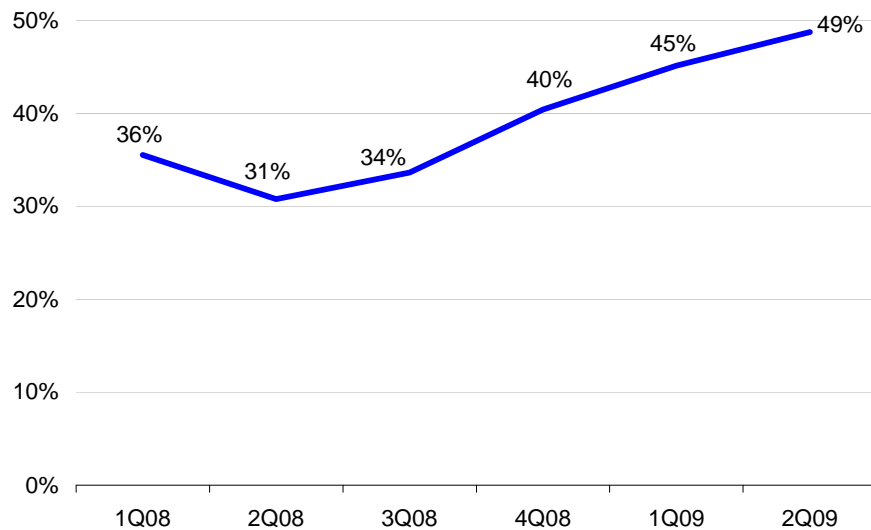
Type of Modification



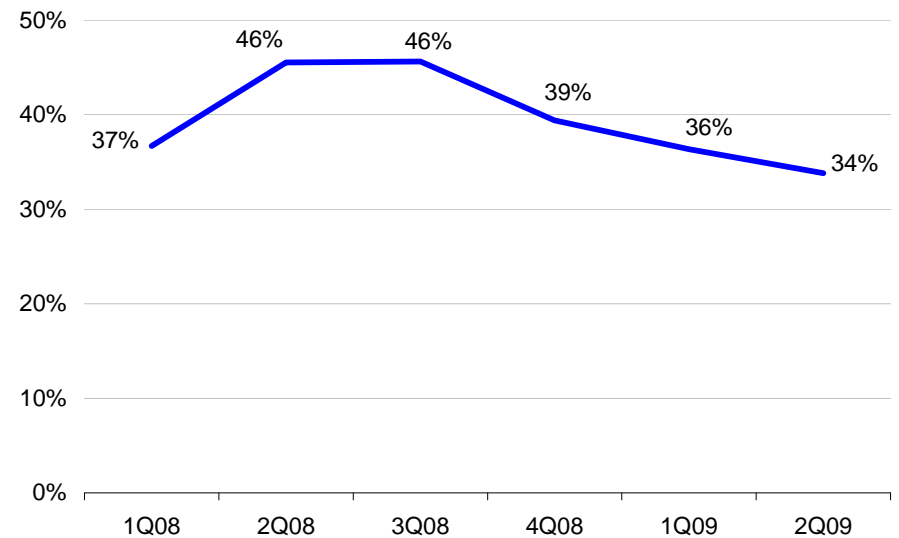
Size of Payment Change



Modified Loans - Current Six Months After Modification

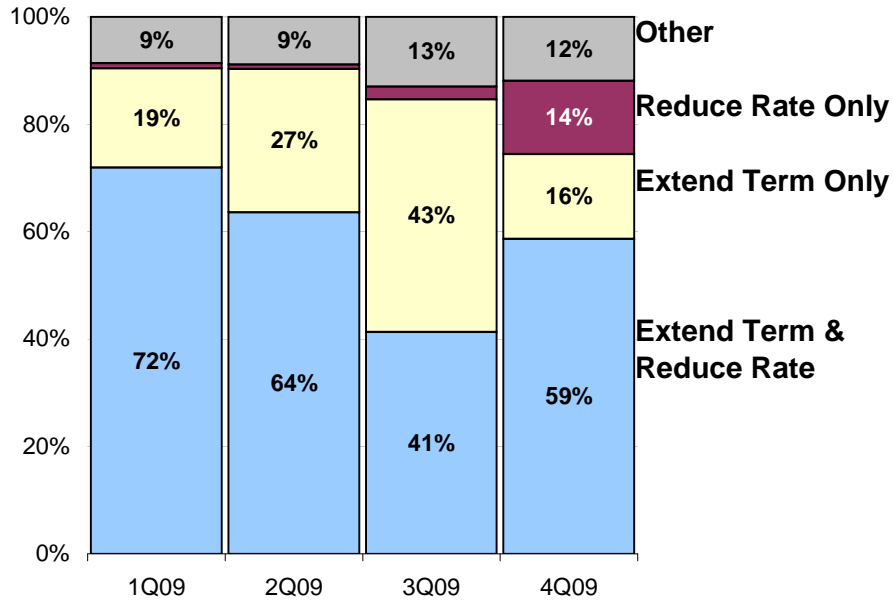


Modified Loans - 60-plus-days Re-Delinquency Rates Six Months After Modification

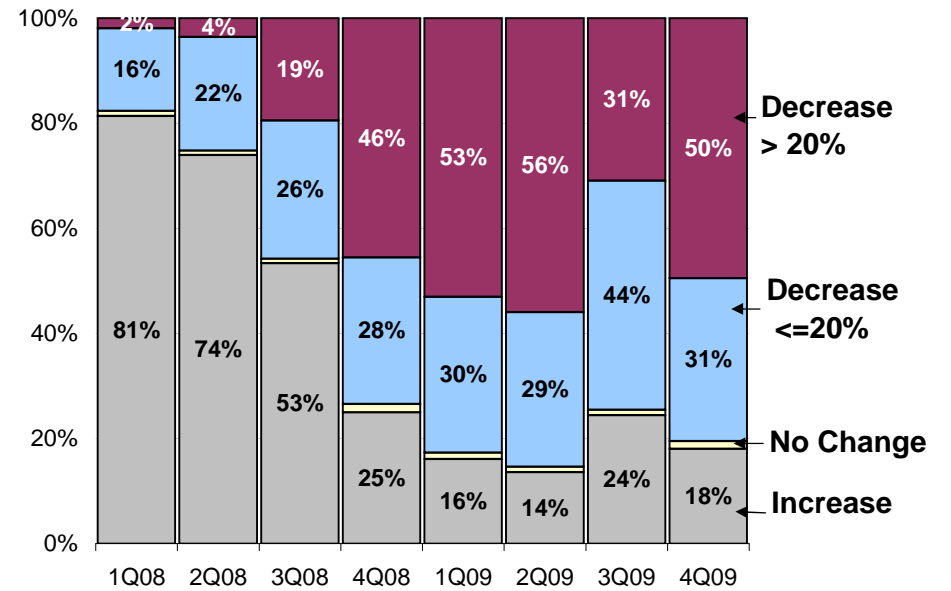


Freddie Mac's Loan Modifications

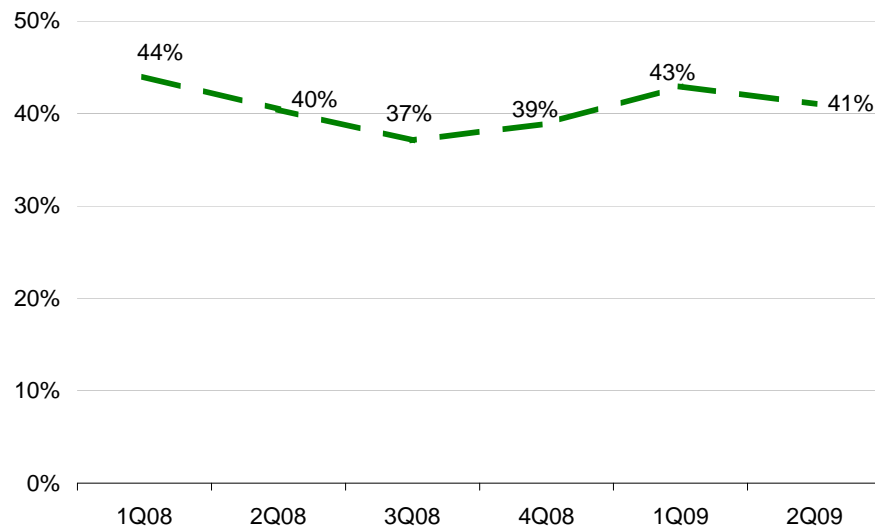
Type of Modification



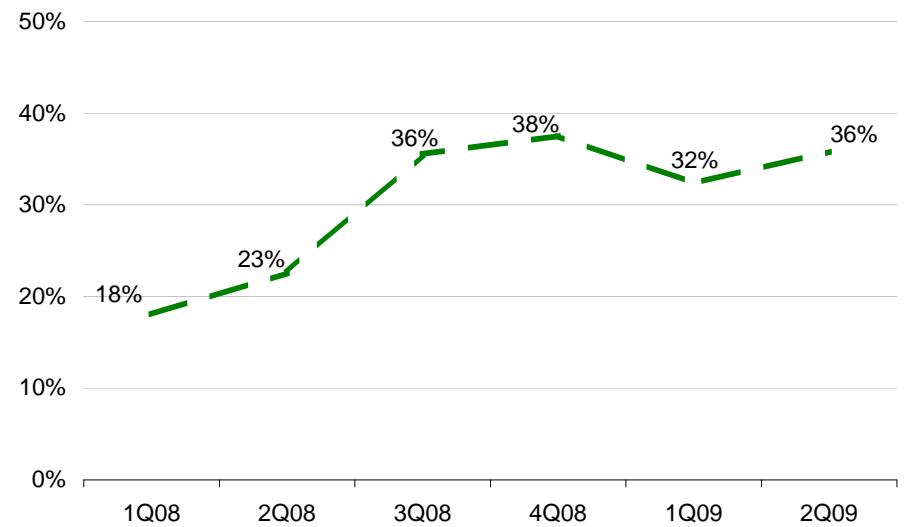
Size of Payment Change



Modified Loans - Current Six Months After Modification

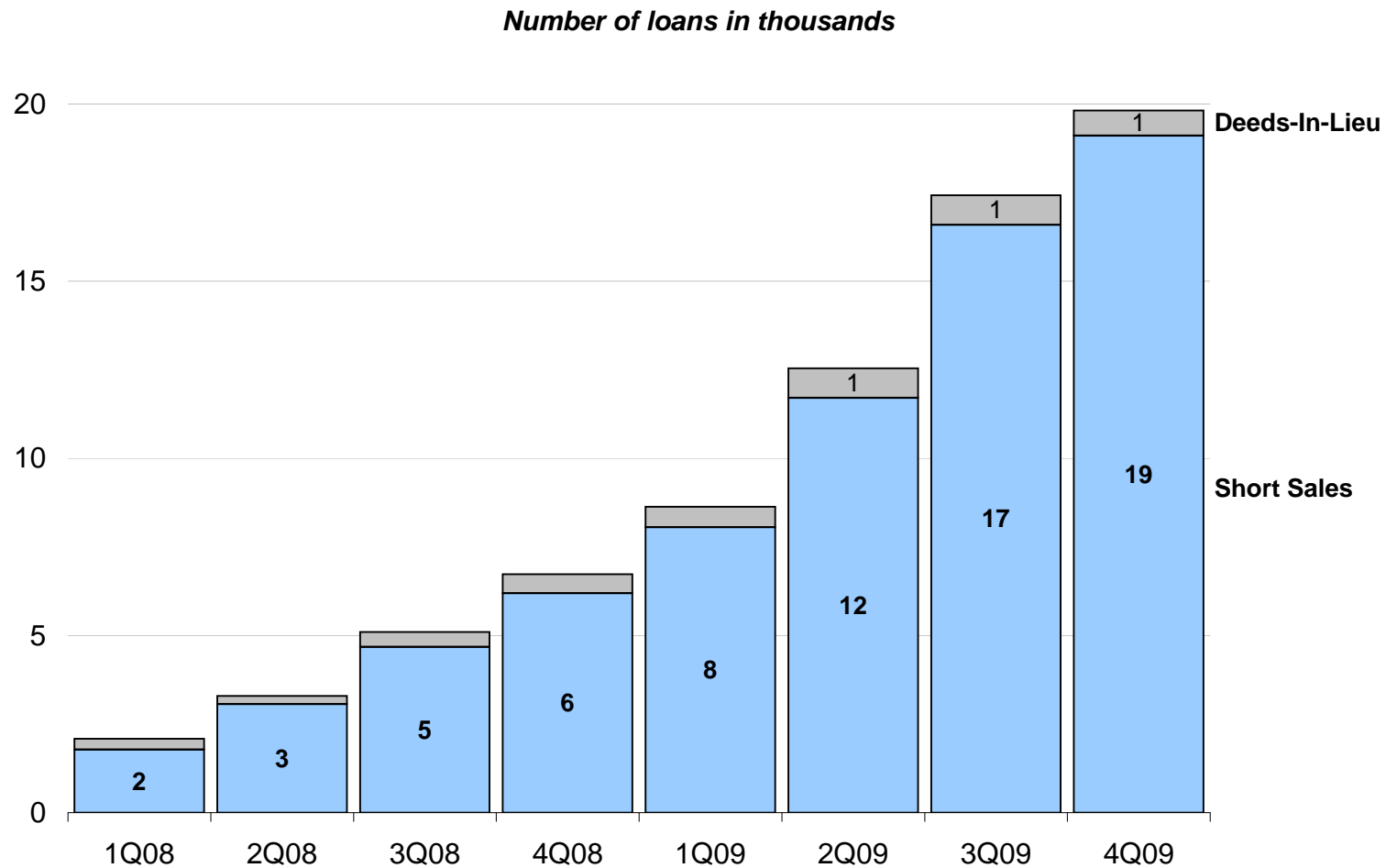


Modified Loans - 60-plus-days Re-Delinquency Rates Six Months After Modification



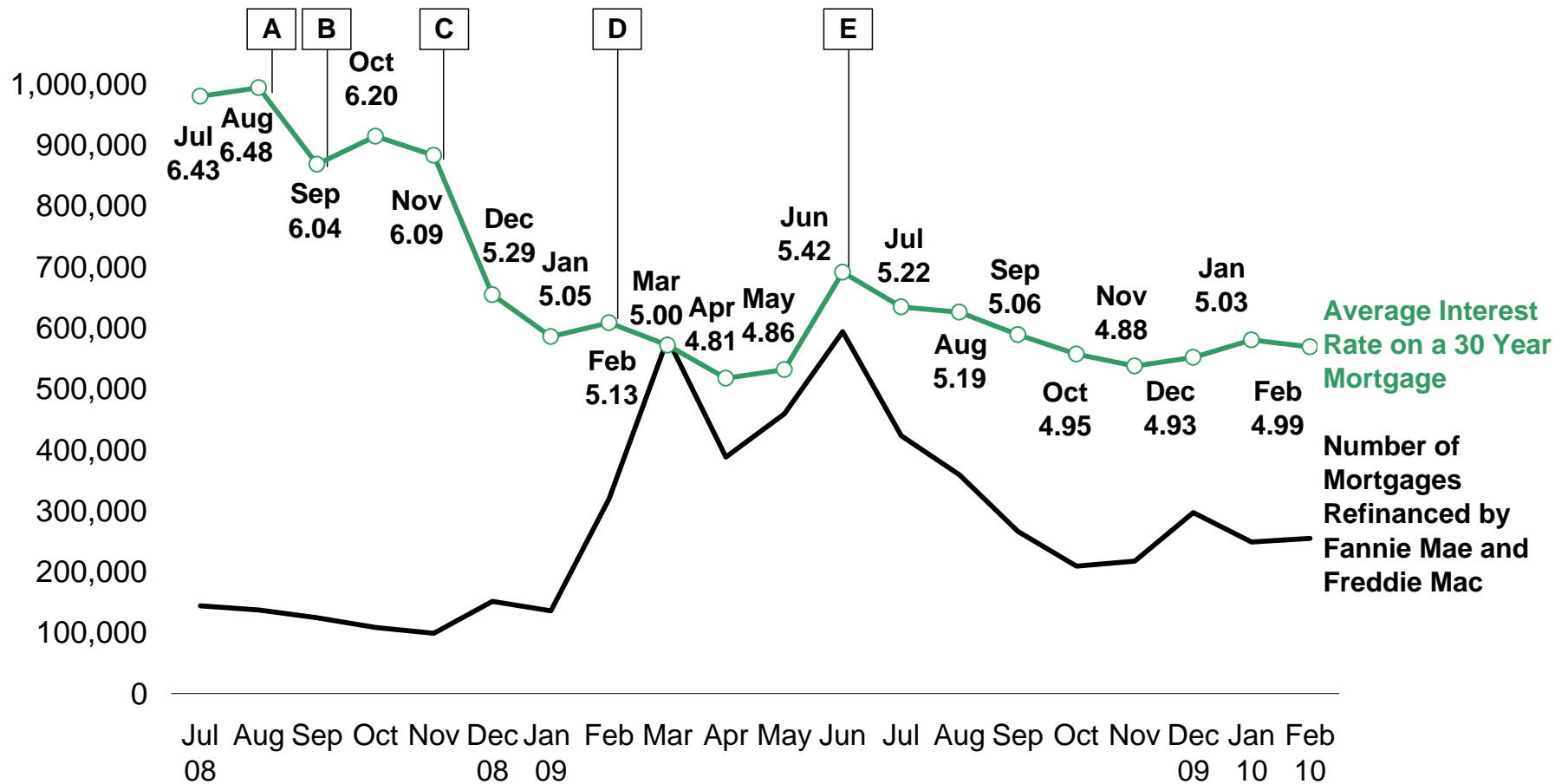
Foreclosure Prevention Activity: Home Forfeiture Actions

Short sales and deeds-in-lieu of foreclosure increased during the fourth quarter as the Enterprises continue to utilize these strategies to reduce foreclosure-related costs and to minimize the impact of foreclosures on borrowers, communities and neighborhoods.



Refinance Activity

Refinance volume increased only slightly in February as the rate for a thirty year mortgage fluctuated in a narrow range over the prior months.



- A - Highest rate in 2008 for a 30 year mortgage
- B - GSEs placed into conservatorship on 09/07/08
- C - Fed announces MBS purchase program on 11/25/08

- D - Obama Administration's Making Homes Affordable announcement 02/20/09
- E - Treasury rates sharply rose and reached a 2009 high on a better than expected unemployment report in June.

Refinance Activity

Fannie Mae and Freddie Mac refinanced 257,079 loans through the HARP program through February 2010.

	February 2010	Year to Date	Inception to Date ¹
Total Refinances			
Fannie Mae	146,955	288,180	2,175,665
Freddie Mac	<u>107,438</u>	<u>215,028</u>	<u>1,538,791</u>
Total	254,393	503,208	3,714,456
HARP LTV >80% -105%			
Fannie Mae	18,067	33,585	136,732
Freddie Mac	<u>15,670</u>	<u>30,420</u>	<u>115,530</u>
Total	33,737	64,005	252,262
HARP LTV >105% -125%			
Fannie Mae	683	1,309	2,279
Freddie Mac	<u>868</u>	<u>1,585</u>	<u>2,538</u>
Total	1,551	2,894	4,817
All Other Streamlined Refis			
Fannie Mae	32,092	58,750	283,668
Freddie Mac	<u>22,330</u>	<u>43,584</u>	<u>126,739</u>
Total	54,422	102,334	410,407

HARP Refinance Loans are defined as Fannie Mae to Fannie Mae and Freddie Mac to Freddie Mac first lien refinance loans with limited and no cash out that are owner occupied with LTV's over 80 to 125.

All Other Streamlined Refis are streamlined refinances that do not qualify as HARP >80% - 125% refinances. Fannie Mae implements streamlined refinances through the Refi Plus product for manual underwriting and DU Refi Plus product for loans underwritten through Desktop Underwriter. The product is available for refinances of existing Fannie Mae loans only. Freddie Mac implements streamlined refinances through the Relief Refinance Mortgage product. Loans may be originated by any Freddie Mac approved servicer.

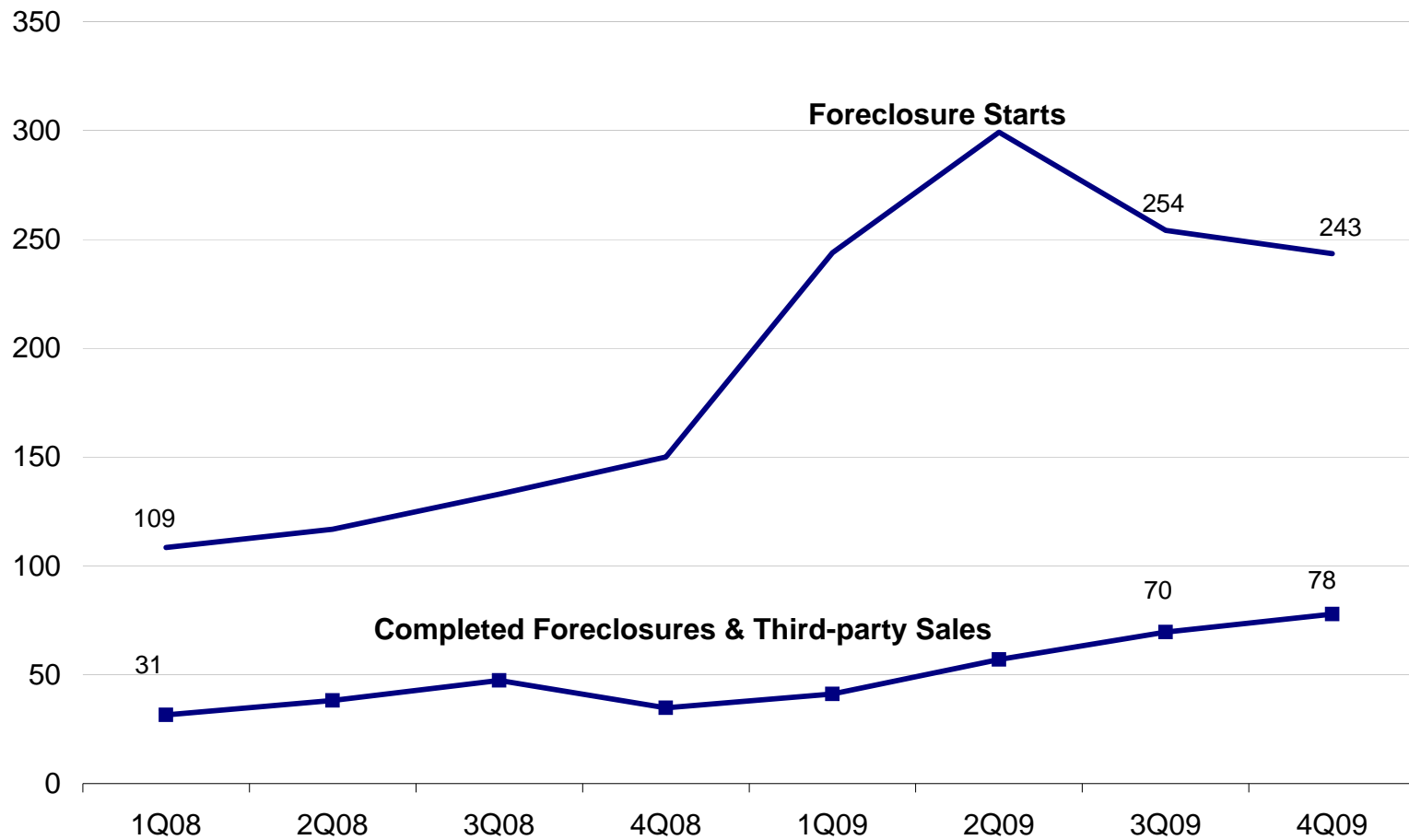
¹Inception to Date - Since April 1, 2009

Monthly totals may change due to ongoing reconciliation.

Foreclosures

Foreclosure starts declined, while completed foreclosure sales and third-party sales increased during the fourth quarter.

Number of loans in thousands



Appendix: Data Tables

1(i) Enterprises Combined - Mortgage Performance (at period end)

(# of loans in thousands)	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	2008	2009
Total Loans Serviced	30,190	30,459	30,626	30,536	30,353	30,411	30,629	30,509	30,536	30,509
Original Credit Score >= 660	25,036	25,369	25,608	25,657	25,578	25,722	26,044	26,022	25,657	26,022
Original Credit Score < 660	5,153	5,090	5,018	4,879	4,775	4,689	4,586	4,487	4,879	4,487
Total Delinquent Loans					1,715	2,009	2,321	2,494		2,494
Original Credit Score >= 660					952	1,126	1,341	1,468		1,468
Original Credit Score < 660					763	882	980	1,026		1,026
30 - 59 Days Delinquent					615	682	734	725		725
Original Credit Score >= 660					316	353	404	406		406
Original Credit Score < 660					299	329	330	318		318
60 - 89 Days Delinquent					254	269	310	310		310
Original Credit Score >= 660					137	140	171	176		176
Original Credit Score < 660					117	129	139	135		135
60-plus-days Delinquent	445	529	678	926	1,100	1,327	1,587	1,769	926	1,769
Original Credit Score >= 660	214	264	345	497	636	774	937	1,061	497	1,061
Original Credit Score < 660	231	265	333	429	464	553	650	708	429	708
Percent of Total Loans Serviced										
Total Delinquent Loans					5.65%	6.61%	7.58%	8.17%		8.17%
Original Credit Score >= 660					3.72%	4.38%	5.15%	5.64%		5.64%
Original Credit Score < 660					15.98%	18.82%	21.37%	22.87%		22.87%
30 - 59 Days Delinquent					2.03%	2.24%	2.40%	2.38%		2.38%
Original Credit Score >= 660					1.24%	1.37%	1.55%	1.56%		1.56%
Original Credit Score < 660					6.27%	7.02%	7.20%	7.09%		7.09%
60 - 89 Days Delinquent					0.84%	0.88%	1.01%	1.02%		1.02%
Original Credit Score >= 660					0.54%	0.55%	0.66%	0.68%		0.68%
Original Credit Score < 660					2.46%	2.75%	3.04%	3.00%		3.00%
60-plus-days Delinquent	1.47%	1.74%	2.22%	3.03%	3.62%	4.36%	5.18%	5.80%	3.03%	5.80%
Original Credit Score >= 660	0.86%	1.04%	1.35%	1.94%	2.48%	3.01%	3.60%	4.08%	1.94%	4.08%
Original Credit Score < 660	4.48%	5.21%	6.64%	8.79%	9.71%	11.80%	14.17%	15.78%	8.79%	15.78%
Serious Delinquency Rate	0.99%	1.18%	1.52%	2.14%	2.80%	3.48%	4.16%	4.77%	2.14%	4.77%
In Bankruptcy					0.29%	0.33%	0.36%	0.37%		0.37%

Appendix: Data Tables

1(ii) Fannie Mae - Mortgage Performance (at period end)

(# of loans in thousands)	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	<u>2008</u>	<u>2009</u>
Total Loans Serviced	17,793	18,041	18,167	18,220	18,131	18,221	18,360	18,284	18,220	18,284
Original Credit Score >= 660	14,601	14,884	15,055	15,164	15,144	15,274	15,480	15,469	15,164	15,469
Original Credit Score < 660	3,192	3,157	3,112	3,056	2,987	2,947	2,879	2,816	3,056	2,816
Total Delinquent Loans					1,139	1,335	1,518	1,636		1,636
Original Credit Score >= 660					632	747	870	957		957
Original Credit Score < 660					507	588	648	679		679
30 - 59 Days Delinquent					397	438	452	453		453
Original Credit Score >= 660					203	225	242	250		250
Original Credit Score < 660					195	213	210	203		203
60 - 89 Days Delinquent					170	177	197	196		196
Original Credit Score >= 660					91	92	107	110		110
Original Credit Score < 660					79	85	90	86		86
60-plus-days Delinquent	303	359	460	625	742	897	1,066	1,183	625	1,183
Original Credit Score >= 660	146	180	236	336	429	522	628	707	336	707
Original Credit Score < 660	156	179	224	289	313	375	439	476	289	476
Percent of Total Loans Serviced										
Total Delinquent Loans					6.28%	7.33%	8.27%	8.95%		8.95%
Original Credit Score >= 660					4.17%	4.89%	5.62%	6.19%		6.19%
Original Credit Score < 660					16.98%	19.96%	22.51%	24.12%		24.12%
30 - 59 Days Delinquent					2.19%	2.40%	2.46%	2.48%		2.48%
Original Credit Score >= 660					1.34%	1.47%	1.57%	1.61%		1.61%
Original Credit Score < 660					6.51%	7.24%	7.28%	7.22%		7.22%
60 - 89 Days Delinquent					0.94%	0.97%	1.07%	1.07%		1.07%
Original Credit Score >= 660					0.60%	0.60%	0.69%	0.71%		0.71%
Original Credit Score < 660					2.66%	2.90%	3.11%	3.06%		3.06%
60-plus-days Delinquent	1.70%	1.99%	2.53%	3.43%	4.09%	4.92%	5.81%	6.47%	3.43%	6.47%
Original Credit Score >= 660	1.00%	1.21%	1.57%	2.22%	2.83%	3.42%	4.05%	4.57%	2.22%	4.57%
Original Credit Score < 660	4.90%	5.66%	7.20%	9.44%	10.47%	12.72%	15.23%	16.90%	9.44%	16.90%
Serious Delinquency Rate	1.15%	1.36%	1.72%	2.42%	3.15%	3.94%	4.72%	5.38%	2.42%	5.38%
In Bankruptcy					0.33%	0.38%	0.40%	0.41%		0.41%

Appendix: Data Tables

1(iii) Freddie Mac - Mortgage Performance (at period end)

(# of loans in thousands)	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	<u>2008</u>	<u>2009</u>
Total Loans Serviced	12,397	12,418	12,458	12,316	12,222	12,191	12,269	12,225	12,316	12,225
Original Credit Score >= 660	10,436	10,484	10,553	10,494	10,434	10,448	10,563	10,553	10,494	10,553
Original Credit Score < 660	1,961	1,933	1,906	1,822	1,788	1,742	1,706	1,672	1,822	1,672
Total Delinquent Loans					576	674	803	858		858
Original Credit Score >= 660					320	379	471	511		511
Original Credit Score < 660					256	294	332	347		347
30 - 59 Days Delinquent					218	244	282	272		272
Original Credit Score >= 660					113	128	161	157		157
Original Credit Score < 660					105	116	120	115		115
60 - 89 Days Delinquent					84	92	114	114		114
Original Credit Score >= 660					46	49	64	66		66
Original Credit Score < 660					38	43	50	48		48
60-plus-days Delinquent	142	170	219	301	358	430	521	586	301	586
Original Credit Score >= 660	68	84	110	161	207	251	310	354	161	354
Original Credit Score < 660	74	87	109	140	151	178	211	232	140	232
Percent of Total Loans Serviced										
Total Delinquent Loans					4.71%	5.53%	6.54%	7.02%		7.02%
Original Credit Score >= 660					3.07%	3.63%	4.46%	4.84%		4.84%
Original Credit Score < 660					14.31%	16.90%	19.44%	20.77%		20.77%
30 - 59 Days Delinquent					1.78%	2.00%	2.30%	2.22%		2.22%
Original Credit Score >= 660					1.09%	1.23%	1.53%	1.48%		1.48%
Original Credit Score < 660					5.86%	6.65%	7.06%	6.87%		6.87%
60 - 89 Days Delinquent					0.69%	0.76%	0.93%	0.93%		0.93%
Original Credit Score >= 660					0.44%	0.47%	0.61%	0.62%		0.62%
Original Credit Score < 660					2.14%	2.48%	2.91%	2.89%		2.89%
60-plus-days Delinquent	1.15%	1.37%	1.75%	2.44%	2.93%	3.52%	4.24%	4.80%	2.44%	4.80%
Original Credit Score >= 660	0.65%	0.80%	1.04%	1.53%	1.98%	2.40%	2.93%	3.35%	1.53%	3.35%
Original Credit Score < 660	3.79%	4.48%	5.71%	7.69%	8.46%	10.24%	12.38%	13.90%	7.69%	13.90%
Serious Delinquency Rate	0.77%	0.93%	1.22%	1.72%	2.29%	2.78%	3.33%	3.87%	1.72%	3.87%
In Bankruptcy					0.22%	0.26%	0.30%	0.33%		0.33%

Appendix: Data Tables

2 Enterprises Combined - Foreclosure Prevention Actions (# of loans)*

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	<u>2008</u>	<u>2009</u>
Starts **										
HAMP Trial & Permanent Modifications- Cumulative						66,200	278,139	485,418		485,418
Repayment Plans	63,756	66,443	85,771	84,876	100,917	140,641	182,720	170,109	300,846	594,387
Forbearance Plans					49,369	121,496	291,825	335,090		797,780
Completed										
Repayment Plans ***	18,148	16,393	14,710	13,309	31,901	25,114	38,939	46,406	62,560	142,360
Forbearance Plans ***	1,198	1,279	1,099	2,116	5,304	4,727	7,262	18,229	5,692	35,522
Charge-offs in Lieu	168	156	202	273	288	496	810	653	799	2,247
HomeSaver Advance (<i>Fannie</i>)	1,244	16,658	27,277	25,788	20,431	11,662	4,347	2,759	70,967	39,199
Loan Modifications	15,655	15,387	13,488	23,777	37,069	32,287	36,722	57,569	68,307	163,647
Home Retention Actions	36,413	49,873	56,776	65,263	94,993	74,286	88,080	125,616	208,325	382,975
Short Sales	1,776	3,062	4,674	6,192	8,054	11,705	16,586	19,102	15,704	55,447
Deeds-in-lieu	308	236	427	540	578	835	843	715	1,511	2,971
Nonforeclosure - Home Forfeiture Actions	2,084	3,298	5,101	6,732	8,632	12,540	17,429	19,817	17,215	58,418
Total Foreclosure Prevention Actions	38,497	53,171	61,877	71,995	103,625	86,826	105,509	145,433	225,540	441,393

Percent of Total Foreclosure Prevention Actions

Repayment Plans	47%	31%	24%	18%	31%	29%	37%	32%	28%	32%
Forbearance Plans	3%	2%	2%	3%	5%	5%	7%	13%	3%	8%
Charge-offs in Lieu	0%	0%	0%	0%	0%	1%	1%	0%	0%	1%
HomeSaver Advance (<i>Fannie</i>)	3%	31%	44%	36%	20%	13%	4%	2%	31%	9%
Loan Modifications	41%	29%	22%	33%	36%	37%	35%	40%	30%	37%
Home Retention Actions	95%	94%	92%	91%	92%	86%	83%	86%	92%	87%
Short Sales	5%	6%	8%	9%	8%	13%	16%	13%	7%	13%
Deeds-in-lieu	1%	0%	1%	1%	1%	1%	1%	0%	1%	1%
Nonforeclosure - Home Forfeiture Actions	5%	6%	8%	9%	8%	14%	17%	14%	8%	13%

*The number of foreclosure prevention actions reported in this table may not tie to the Enterprises' financial statements due to timing differences in reporting systems.

** Forbearance plans initiated include HAMP trials initiated by servicers under the MHA program. In addition, starting in August, forbearance plans initiated include Fannie Mae's HomeSaver forbearance plans. The number of loans in HAMP trial period at the end of third quarter has been revised to tie to the Enterprises' financial statements.

*** In July 2009, Fannie Mae changed their definition of completed repayment and forbearance plans to include loans that were 30 to 59 days delinquent at initiation of the plan, consistent with the definition used by Freddie Mac for these items. Previously Fannie Mae's definition of completed repayment and forbearance plans included only repayment plans that were 60 days or more delinquent at initiation and forbearance plans for loans that were 90 days or more delinquent at initiation. Fannie Mae's 2009 data has been revised accordingly.

Appendix: Data Tables**3(i) Enterprises Combined - Loan Modifications**

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	<u>2008</u>	<u>2009</u>
Loan Modifications (# of loans)	15,655	15,387	13,488	23,777	37,069	32,287	36,722	57,569	68,307	163,647
Principal and Interest Change (%)										
Increase	82%	70%	53%	25%	16%	12%	13%	14%	54%	14%
No Change	1%	1%	1%	1%	1%	2%	1%	0%	1%	1%
Decrease <= 20%	15%	21%	28%	32%	31%	32%	37%	25%	25%	31%
Decrease > 20%	2%	8%	18%	42%	52%	54%	49%	60%	21%	55%
Type of Modifications (%)										
Extend Term Only					17%	19%	18%	9%		15%
Reduce Rate Only					4%	3%	9%	21%		11%
Extend Term and Reduce Rate					70%	69%	66%	62%		66%
Other					9%	9%	7%	8%		8%
60+ Days Re-Delinquency (%)										
3 Months after Modification	18%	20%	26%	29%	21%	24%	21%			
6 Months after Modification	31%	36%	40%	38%	34%	35%				
9 Months after Modification	40%	43%	44%	43%	41%					

Appendix: Data Tables**3(ii) Fannie Mae - Loan Modifications**

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	<u>2008</u>	<u>2009</u>
Loan Modifications (# of loans)	11,409	10,560	5,173	6,314	12,446	16,684	27,686	41,753	33,456	98,569
Principal and Interest Change (%)										
Increase	83%	67%	53%	25%	16%	10%	9%	13%	61%	12%
No Change	1%	1%	1%	1%	0%	3%	0%	0%	1%	1%
Decrease <= 20%	14%	21%	29%	41%	35%	35%	35%	23%	24%	30%
Decrease > 20%	3%	11%	16%	33%	49%	52%	56%	63%	14%	58%
Type of Modifications (%)										
Extend Term Only					13%	12%	10%	6%		9%
Reduce Rate Only					10%	5%	11%	24%		15%
Extend Term and Reduce Rate					67%	73%	74%	63%		68%
Other					10%	9%	5%	7%		7%
60+ Days Re-Delinquency (%)										
3 Months after Modification	21%	28%	32%	25%	19%	19%	23%			
6 Months after Modification	37%	46%	46%	39%	36%	34%				
9 Months after Modification	47%	52%	54%	51%	47%					

Appendix: Data Tables**3(iii) Freddie Mac - Loan Modifications**

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	<u>2008</u>	<u>2009</u>
Loan Modifications (# of loans)	4,246	4,827	8,315	17,463	24,623	15,603	9,036	15,816	34,851	65,078
Principal and Interest Change (%)										
Increase	81%	74%	53%	25%	16%	14%	24%	18%	47%	17%
No Change	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%
Decrease <= 20%	16%	22%	26%	28%	30%	29%	44%	31%	25%	32%
Decrease > 20%	2%	4%	19%	46%	53%	56%	31%	50%	27%	50%
Type of Modifications (%)										
Extend Term Only					19%	27%	43%	16%		23%
Reduce Rate Only					1%	1%	2%	14%		4%
Extend Term and Reduce Rate					72%	64%	41%	59%		62%
Other					9%	9%	13%	12%		10%
60+ Days Re-Delinquency (%)										
3 Months after Modification	7%	11%	22%	30%	23%	28%	14%			
6 Months after Modification	18%	23%	36%	38%	32%	36%				
9 Months after Modification	21%	29%	38%	40%	37%					

Appendix: Data Tables**4 Enterprises Combined - Home Forfeiture Actions (# of loans)**

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	<u>2008</u>	<u>2009</u>
Short Sales	1,776	3,062	4,674	6,192	8,054	11,705	16,586	19,102	15,704	55,447
Deeds-in-lieu	308	236	427	540	578	835	843	715	1,511	2,971
Nonforeclosure Home Forfeiture Actions *	2,084	3,298	5,101	6,732	8,632	12,540	17,429	19,817	17,215	58,418
Third-party Sales	1,939	2,052	2,170	1,571	1,467	2,789	4,263	4,908	7,732	13,427
Foreclosure Sales	29,548	36,093	45,277	33,233	39,733	54,236	65,375	72,989	144,151	232,333
Third-party & Foreclosure Sales	31,487	38,145	47,447	34,804	41,200	57,025	69,638	77,897	151,883	245,760
Foreclosure Starts	108,520	116,843	132,909	149,981	243,824	299,208	254,168	243,485	508,253	1,040,685
Top Five Reasons for Delinquency										
Curtailment of Income					35%	40%	40%	41%		
Excessive obligations					19%	18%	16%	13%		
Unemployment					8%	9%	8%	8%		
Illness of principal mortgagor or family member					6%	6%	5%	5%		
Marital Difficulties					3%	3%	3%	3%		

* Short sales and deeds in lieu of foreclosure completed.

Appendix: Data Tables

5 Fannie Mae and Freddie Mac - Refinance Volume (# of loans)

	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10
Total Refinances													
Fannie Mae	188,886	343,751	213,110	273,621	356,927	264,802	193,814	167,958	121,997	124,644	170,612	141,225	146,955
Freddie Mac	130,885	238,144	175,069	185,343	236,818	158,182	164,875	98,048	86,796	92,498	126,134	107,590	107,438
Total	319,771	581,895	388,179	458,964	593,745	422,984	358,689	266,006	208,793	217,142	296,746	248,815	254,393
HARP LTV >80% -105%													
Fannie Mae			605	3,084	12,531	16,032	15,295	14,781	10,425	11,623	18,771	15,518	18,067
Freddie Mac			915	3,263	10,026	14,577	16,846	8,684	7,136	9,087	14,576	14,750	15,670
Total			1,520	6,347	22,557	30,609	32,141	23,465	17,561	20,710	33,347	30,268	33,737
HARP LTV >105% -125%													
Fannie Mae						1		36	129	283	521	626	683
Freddie Mac									106	257	590	717	868
Total						1		36	235	540	1,111	1,343	1,551
All Other Streamlined Refis													
Fannie Mae			7,904	18,572	41,757	38,627	27,857	23,420	16,539	19,342	30,900	26,658	32,092
Freddie Mac			1,172	3,812	9,343	9,543	11,927	7,563	7,965	12,214	19,616	21,254	22,330
Total			9,076	22,384	51,100	48,170	39,784	30,983	24,504	31,556	50,516	47,912	54,422

FHFA produces monthly and quarterly versions of the Foreclosure Prevention and Refinance Report. In addition to the data provided in the monthly reports, the quarterly narrative reports includes the following information: MHA program updates; benchmarking of the Enterprises' delinquency rates; the type and depth of loan modifications; and the performance of modified loans.

Glossary

Data and definitions in this report have been revised relative to prior versions of the report. FHFA continues to work with the Enterprises to improve the comparability of reported data.

Section 1: Mortgage Performance

Total Loans Serviced - Total conventional active book of business, excluding loans that were liquidated during the month.

Current and Performing - Loans that are making timely payments and are 0 months delinquent as of the reporting month.

Total Delinquent Loans - Loans that are at least one payment past due, i.e., total servicing *minus* current and performing.

30-59 Days Delinquent - Includes loans that are only one payment delinquent.

60-89 Days Delinquent - Includes loans that are only two payments delinquent.

60-plus-days Delinquent - Loans that are two or more payments delinquent, including loans in relief, in the process of foreclosure, or in the process of bankruptcy, i.e., total servicing *minus* current and performing, and 30 to 59 days delinquent loans. Our calculation may exclude loans in bankruptcy process that are less than 60 days delinquent.

Serious Delinquency - All loans in the process of foreclosure *plus* loans that are three or more payments delinquent (including loans in the process of bankruptcy).

In Bankruptcy - Loans in the process of bankruptcy; includes all delinquency status.

Section 2: Completed Foreclosure Prevention Actions

Home Retention Actions - Repayment plans, forbearance plans, charge-offs in lieu of foreclosure, Home Saver Advances, and loan modifications. Home retention actions allow borrowers to retain ownership/occupancy of their homes while attempting to return loans to current and performing status.

Repayment Plans - An agreement between the servicer and a borrower that gives the borrower a defined period of time to reinstate the mortgage by paying normal regular payments plus an additional agreed upon amount in repayment of the delinquency.

Forbearance Plans - An agreement between the servicer and the borrower (or estate) to reduce or suspend monthly payments for a defined period of time after which borrower resumes regular monthly payments and pays additional money toward the delinquency to bring the account current or works with the servicer to identify a permanent solution, such as loan modification or short sale, to address the delinquency.

Charge-offs in Lieu of Foreclosure - A delinquent loan for which collection efforts or legal actions against the borrower are agreed to be not in the Enterprises' best interests (because of reduced property value, a low outstanding mortgage balance, or presence of certain environmental hazards). The servicer charges off the mortgage debt rather than completing foreclosure and taking the property title. The borrower retains the property. The unpaid mortgage balance becomes a lien on the borrower's property, which must be satisfied when the borrower transfers ownership.

Home Saver Advance (Fannie Mae) - An unsecured personal loan to a qualified borrower to cure his or her payment defaults under a mortgage loan the Enterprises own or guarantee. The borrower must be able to resume regular monthly payments on his or her mortgage.

Loan Modifications - Number of modified, renegotiated, or restructured loans, regardless of performance-to-date under the plan during the month. Terms of the contract between the borrower and the lender are altered with the aim of curing the delinquency (30 days or more past due).

Nonforeclosure Home Forfeiture Actions- Short sales and deeds-in-lieu of foreclosure. These actions require borrowers to give up their homes. Although homes are forfeited, foreclosure alternatives generally have less adverse impact on borrowers and their credit reports than foreclosure.

Short Sales - A short sale (also called a preforeclosure sale) is the sale of a mortgaged property at a price that nets less than the total amount due on the mortgage (e.g., the sum of the unpaid principal balance, accrued interest, advanced escrows, late fees, and delinquency charges.) The servicer and borrower negotiate payment of the difference between the net sales price and the total amount due on the mortgage.

Deed(s)-in-lieu of Foreclosure - A loan for which the borrower voluntarily conveys the property to the lender to avoid a foreclosure proceeding.

Section 3: Loan Modifications

Increase - Principal and interest after modification is higher than before the modification.

No Increase - Original principal and interest is unchanged after the modifications.

Decrease <=20% - Original principal and interest is decreased by 20 percent or less after modification.

Decrease >20% - Original principal and interest is decreased by more than 20 percent after modification.

Extend Term Only - Remaining term of the loan is longer after modification.

Reduce Rate Only - Loan's rate is lower after modification.

Extend Term and Reduce Rate - Loan's rate reduced and term extended.

Extend Term, Rate Reduction, and Forbear Principal - Modification includes term extension, rate reduction, and forbearance of principal.

Other - A modification that does not fit in any of the above categories. The majority of these loans are capitalized modifications.

Section 4: Third-party Sales and Foreclosures

Third-party Sales - A third party entity purchases the property at the foreclosure sale/auction above the initial bid set forth by Fannie Mae or Freddie Mac.

Foreclosure Starts - The total number of loans referred to an attorney to initiate the legal process of foreclosure during the month. These are loans measured as not being in foreclosure in the previous month but referred to foreclosure in the current month.

Foreclosure Sales - The number of loans that went to foreclosure (sheriff's) sale during the month.