



# Federal Housing Finance Agency

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## Foreclosure Prevention & Refinance Report Fourth Quarter 2010

### FHFA Federal Property Manager's Report

This report contains data on foreclosure prevention activity, refinance and MHA program activity of Fannie Mae and Freddie Mac (the Enterprises) through December 2010.

# Contents

<b>HIGHLIGHTS.....</b>	<b>2</b>
<b>MAKING HOME AFFORDABLE PROGRAM - STATUS UPDATE.....</b>	<b>3</b>
Home Affordable Modification Program (HAMP).....	3
Home Affordable Refinance Program (HARP).....	3
<b>MORTGAGE PERFORMANCE.....</b>	<b>4</b>
<b>FORECLOSURE PREVENTION ACTIONS: All Actions Completed.....</b>	<b>5</b>
Home Retention Actions.....	7
Enterprises' Loan Modifications.....	8
Fannie Mae's Loan Modifications.....	9
Freddie Mac's Loan Modifications.....	10
Home Forfeiture Actions.....	11
<b>REFINANCE ACTIVITY.....</b>	<b>12</b>
Total Refinance Volume.....	12
HARP Refinance Volume.....	13
<b>FORECLOSURES.....</b>	<b>14</b>
<b>APPENDIX: DATA TABLES.....</b>	<b>15</b>
<b>GLOSSARY.....</b>	<b>24</b>

## Fourth Quarter Highlights

### Making Home Affordable Program (The Enterprises):

- The total number of HAMP modifications (trial and permanent) stabilized in the fourth quarter after declining steeply in the second and third quarters of 2010. The requirement to verify income at the beginning of the trial process has limited intake into new trials but has reduced the number of trial cancellations.
- The Enterprises' cumulative HARP refinancings increased 30 percent during the fourth quarter to just over 621,800 loans.

### The Enterprises' Completed Foreclosure Prevention Actions:

- Completed foreclosure prevention actions decreased for the second consecutive quarter, driven primarily by decreases in loan modifications.
- Loan modifications declined during the quarter with the majority of modifications completed through non-HAMP programs.
- Nearly half of completed loan modifications in the fourth quarter lowered borrowers' monthly payments by over 30 percent.
- Loans modified in the first three quarters of 2010 are performing substantially better compared to loans modified in earlier periods, as loan modifications in 2010 resulted in lower payments for a greater proportion of borrowers.
- Since the first full quarter in conservatorship (4Q08), combined completed foreclosure prevention actions total 1,449,398.

### The Enterprises' Mortgage Performance:

- Delinquency rates (60-plus-days and serious delinquency) have been on the decline since the first quarter of 2010.
- The Enterprises' delinquency rates remain below industry levels.

### The Enterprises' Foreclosures:

- In the fourth quarter, foreclosure starts, and completed third-party and foreclosure sales declined as some servicers imposed a moratorium on foreclosures to investigate foreclosure processing issues.

## Foreclosure Prevention & Refinance Activities

	3Q10	4Q10
HAMP Active Trials	88,197	77,396
HAMP Permanent - Cumulative	259,974	284,114
HARP - Cumulative	479,894	621,803
<b>Completed Foreclosure Prevention Actions</b>		
Loan Modifications *	146,507	119,778
Repayment Plans	33,964	49,753
Forbearance Plans	13,863	10,585
Charge-offs In Lieu	992	665
HomeSaver Advance ( <i>Fannie</i> )	794	26
<b>Home Retention Actions</b>	<b>196,120</b>	<b>180,807</b>
Short Sales	29,465	25,734
Deeds-in-lieu	1,728	1,875
<b>Home Forfeiture Actions</b>	<b>31,193</b>	<b>27,609</b>
<b>TOTAL</b>	<b>227,313</b>	<b>208,416</b>

\* Includes HAMP permanent modifications

## Mortgage Performance (at period end)

(# of loans in thousands)	3Q10	4Q10
30-59 Days Delinquent	682	659
60-plus-days Delinquent	1,514	1,488
Serious Delinquent*	1,272	1,256
Foreclosure Starts	339	310
Third-party & Foreclosure Sales	138	77
<b>(Percent of total loans serviced)</b>		
30-59 Days Delinquent	2.28%	2.22%
60-plus-days Delinquent	5.06%	5.01%
Serious Delinquent*	4.26%	4.23%

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

# 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.
- Approximately 24,100 HAMP trials transitioned to permanent modifications during the fourth quarter, bringing the total number of active HAMP permanent modifications to more than 284,100.
- Nearly 77,400 borrowers were in a HAMP trial period at the end of the quarter, down from 88,200 at the end of the third quarter. The decline was due to conversions to permanent modifications, and declining intake into trial modifications due to the new income documentation requirements. Starting in June 2010, the HAMP eligibility requirements were changed to include verification of income documentation at the beginning of the process.

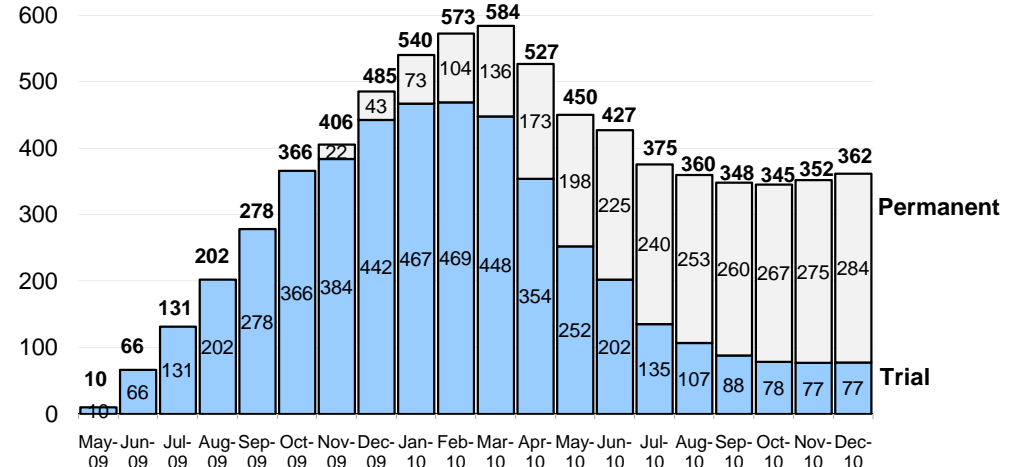
## Home Affordable Refinance Program (HARP)

- 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.
- The monthly HARP volume grew sharply in December, however only 11 percent of all refinancings occurred through HARP.

\* HAMP trial modifications are based on the first trial payment posted date. HAMP permanent modifications are based on the effective date of modification.

**HAMP Active Trial and Permanent - Cumulative\***

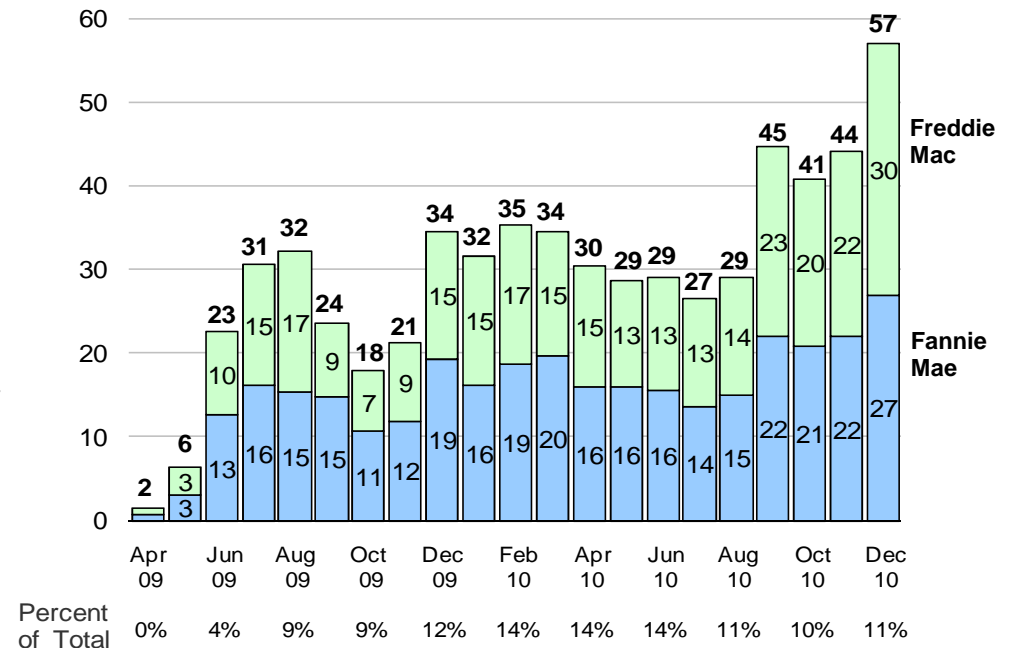
(Number of loans in thousands)



Source: Weekly Servicer Survey through September 2009. IR2 (Making Home Affordable system of records) starting in October 2009.

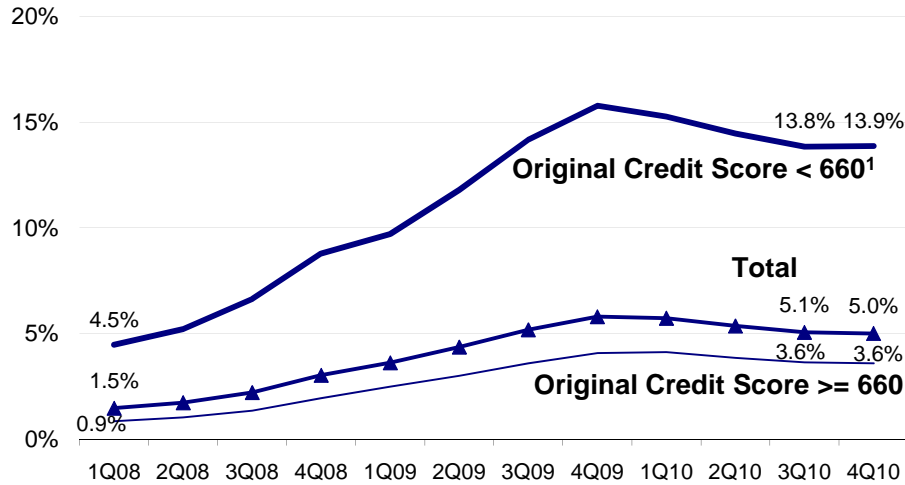
**HARP Refinance, Monthly Volume**

(Number of loans in thousands)

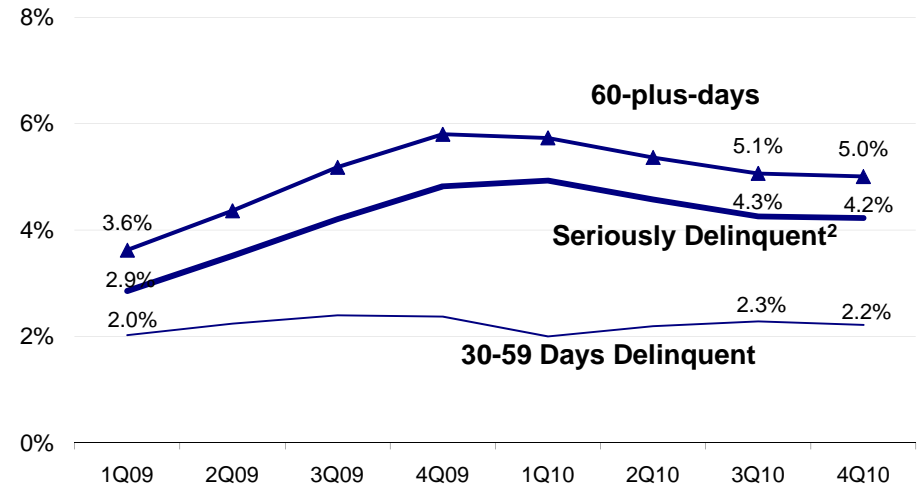


# Mortgage Performance

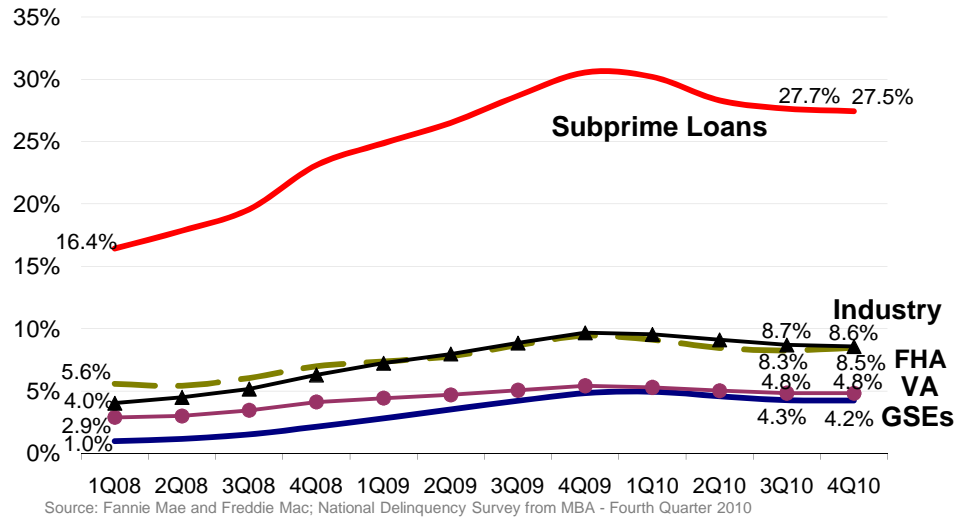
**Enterprises' 60-plus-days Delinquency Rates by Original Credit Score**



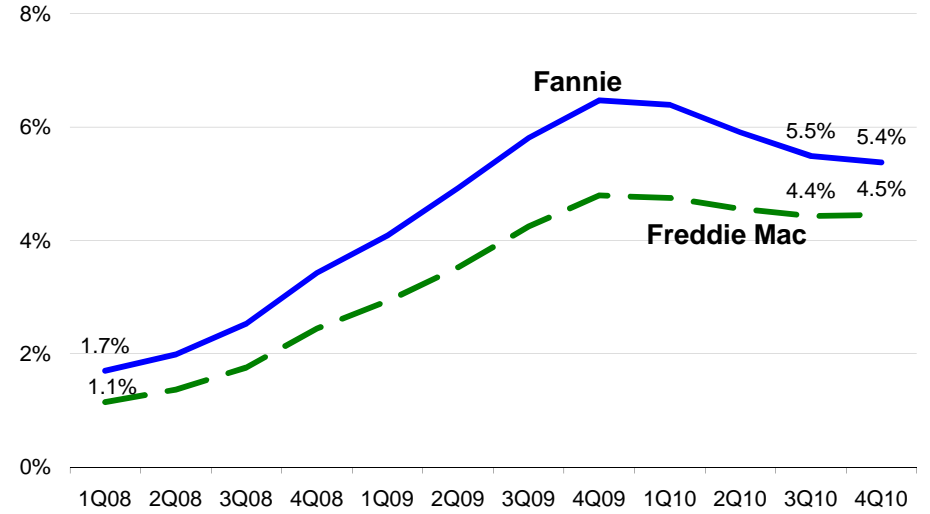
**Enterprises' Mortgage Delinquency Rates**



**Serious Delinquency Rates<sup>2</sup> Enterprises versus Mortgage Industry**



**60-plus-days Delinquency Rates**



<sup>1</sup> Includes loans with missing original credit score.  
<sup>2</sup> 90 days or more delinquent, or in the process of foreclosure.

## Foreclosure Prevention Activity: All Actions Completed

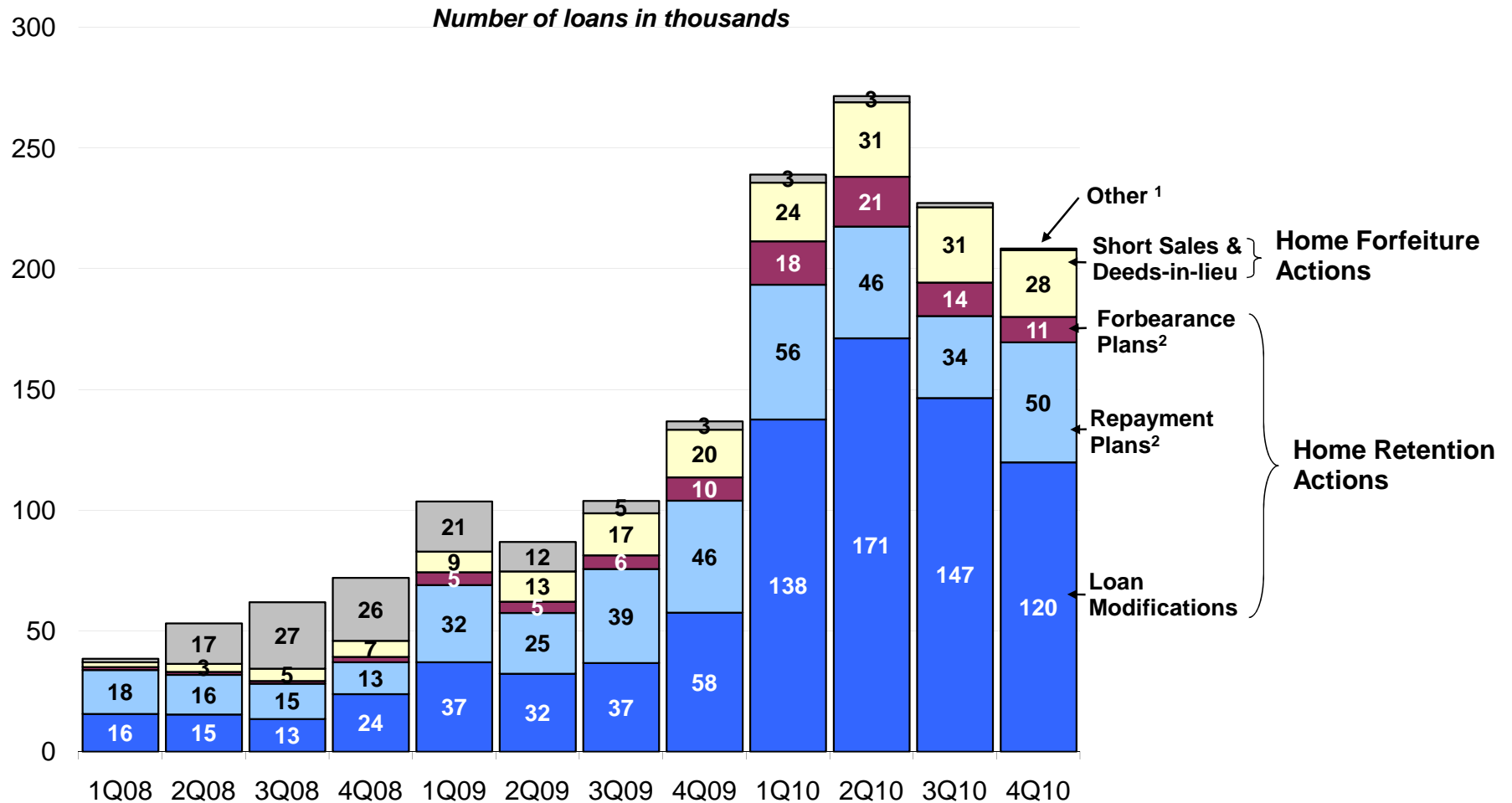
Since the fourth quarter of 2008, the first full quarter in which the Enterprises were in conservatorship, completed foreclosure prevention actions total 1,449,398. The majority of the actions were completed in 2010.

<i>(Completed Actions)</i>	Full Year 2008	Full Year 2009	Full Year 2010	Conservatorship to Date <sup>1</sup>
<b>Home Retention Actions</b>				
Repayment Plans	62,560	142,360	185,954	341,623
Forbearance Plans	5,692	25,227	63,024	90,367
Charge-offs in Lieu	799	2,247	3,118	5,638
HomeSaver Advance ( <i>Fannie</i> )	70,967	39,199	5,191	70,178
Loan Modifications	<u>68,307</u>	<u>163,647</u>	<u>575,022</u>	<u>762,446</u>
<b>Total</b>	<b>208,325</b>	<b>372,680</b>	<b>832,309</b>	<b>1,270,252</b>
<b>Nonforeclosure - Home Forfeiture Actions</b>				
Short Sales	15,704	55,447	107,953	169,592
Deeds-in-lieu	<u>1,511</u>	<u>2,971</u>	<u>6,043</u>	<u>9,554</u>
<b>Total</b>	<b><u>17,215</u></b>	<b><u>58,418</u></b>	<b><u>113,996</u></b>	<b><u>179,146</u></b>
<b>Total Foreclosure Prevention Actions</b>	<b><u>225,540</u></b>	<b><u>431,098</u></b>	<b><u>946,305</u></b>	<b><u>1,449,398</u></b>

<sup>1</sup> Since the first full quarter in conservatorship (4Q08).

## Foreclosure Prevention Activity: All Actions Completed

The Enterprises' completed foreclosure prevention activity decreased 8 percent in the fourth quarter driven primarily by decreases in loan modifications. Loan modifications accounted for the majority of foreclosure prevention actions completed during the quarter. Since the fourth quarter of 2008, the first full quarter in which the Enterprises were in conservatorship, completed foreclosure prevention actions total 1,449,398.



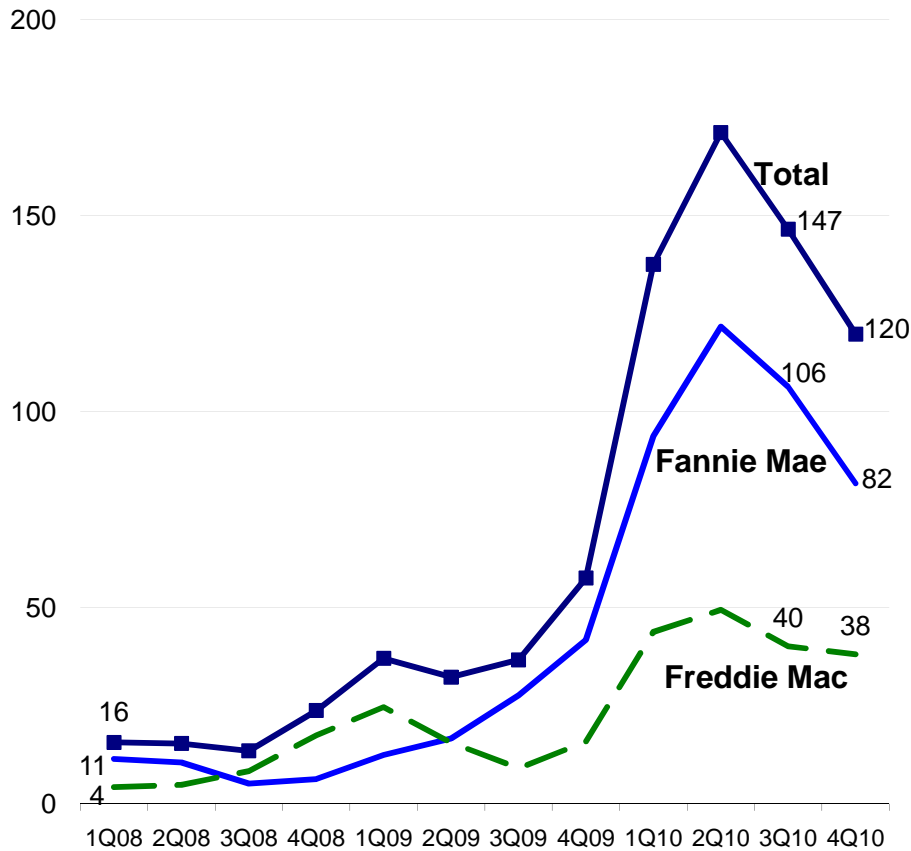
<sup>1</sup> Consists of HomeSaver Advance (Fannie Mae) and Charge-offs in lieu.

<sup>2</sup> Include loans that were 30+ days delinquent at initiation of the plan. In addition, the completed forbearance plans data has been revised to exclude HAMP.

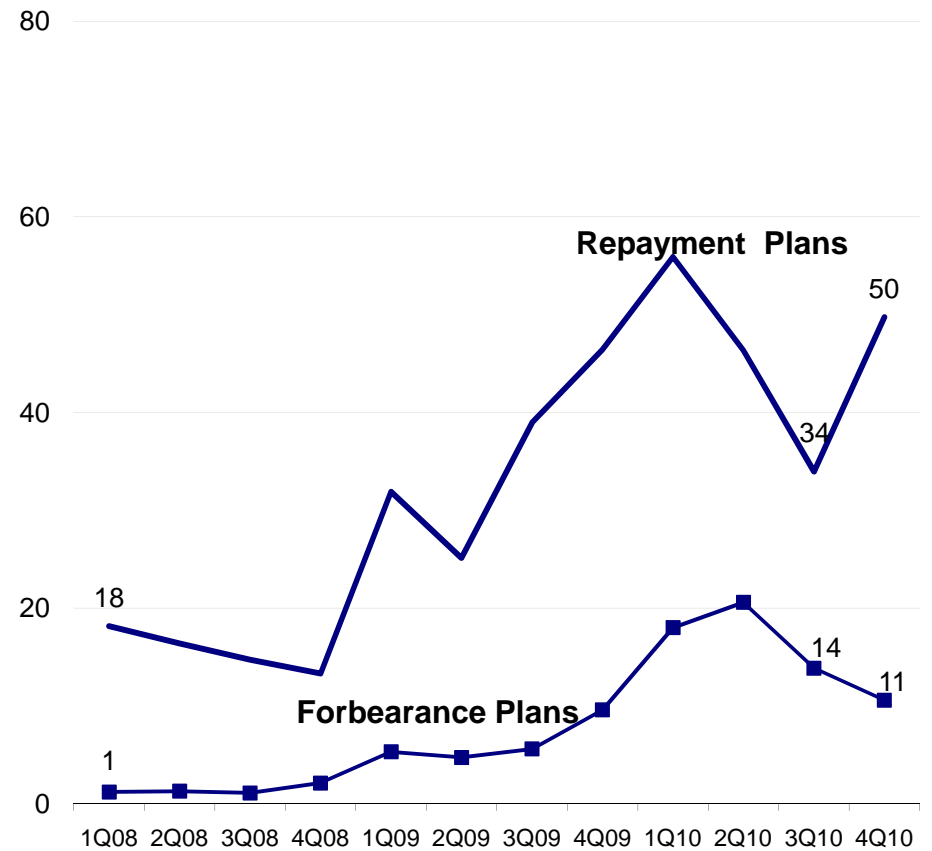
# Foreclosure Prevention Activity: Home Retention Actions

The Enterprises' completed loan modifications decreased 18 percent to nearly 119,800 during the fourth quarter with the majority of modifications completed through non-HAMP programs. In addition, the Enterprises completed nearly 49,800 and 10,600 repayment plans and forbearance plans respectively.

**Loan Modifications Completed**  
(Number of loans in thousands)



**Repayment and Forbearance Plans Completed**  
(Number of loans in thousands)

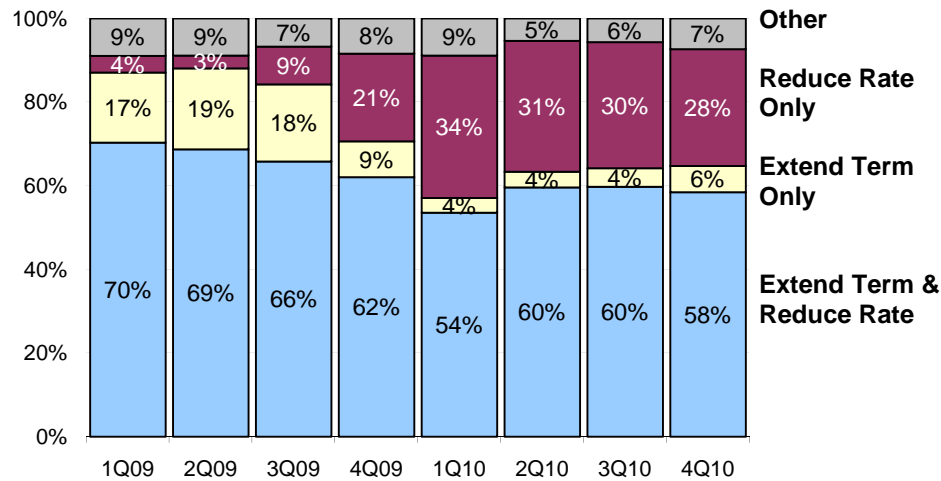




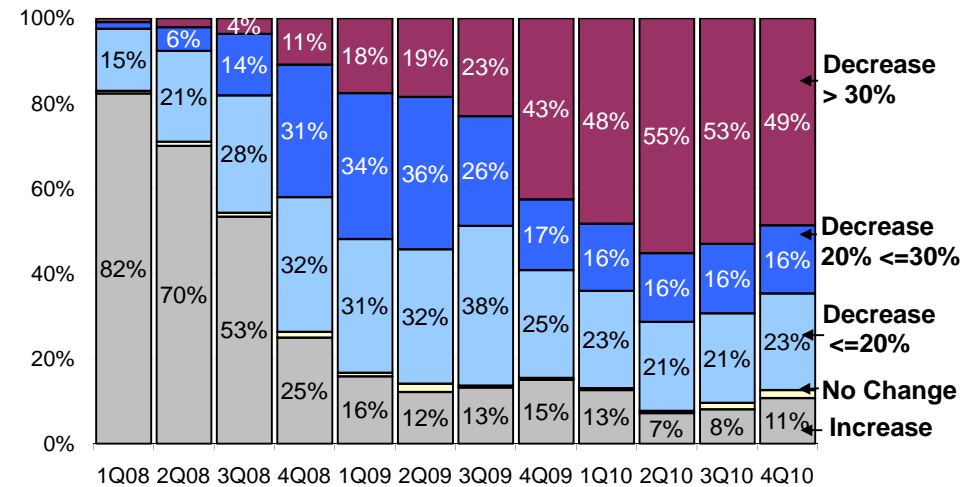
# Enterprises' Loan Modifications

The performance of loans modified in the first three quarters of 2010 improved relative to loans modified in earlier periods. As loan modifications in 2010 provided lower payments for a greater proportion of borrowers, these loans are performing substantially better after modification compared to loans modified in the earlier periods. Approximately 80 percent of loans modified in 2010 are current and performing, and less than 10 percent are 60-plus-days delinquent three months after modifications.

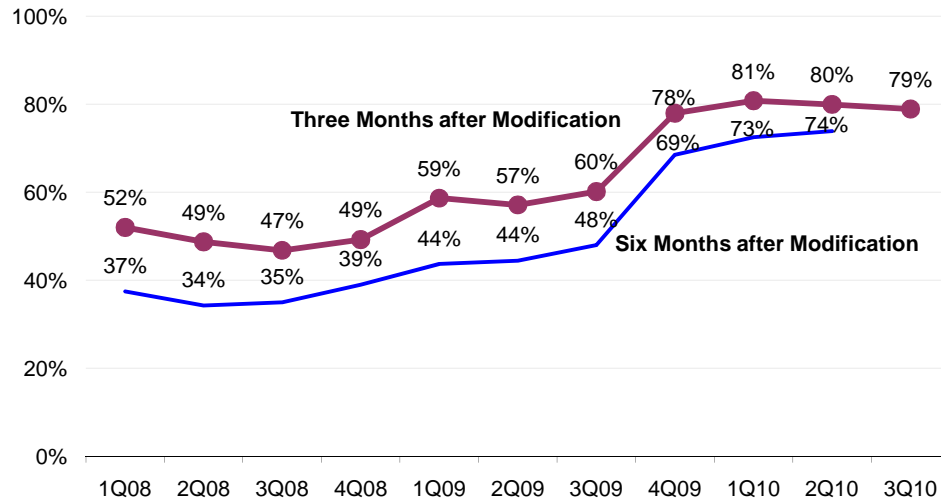
Type of Modification



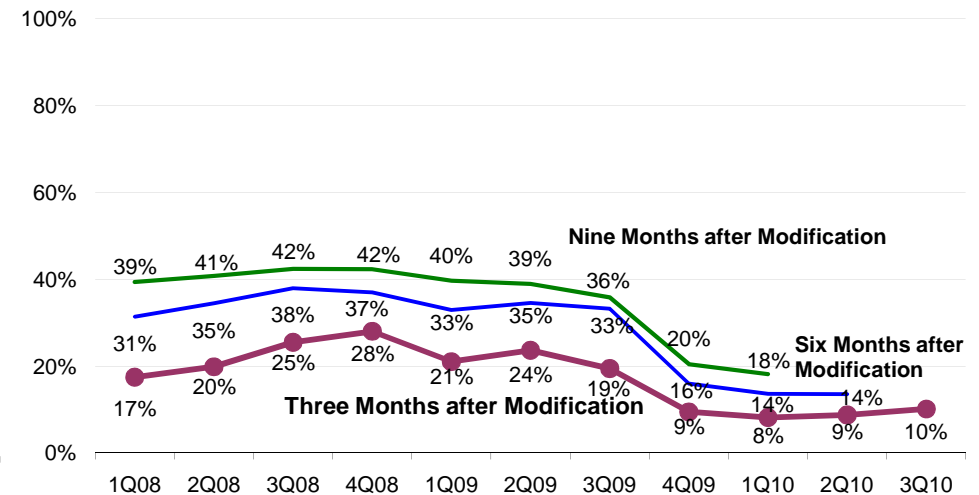
Size of Payment Change



Modified Loans - Current and Performing

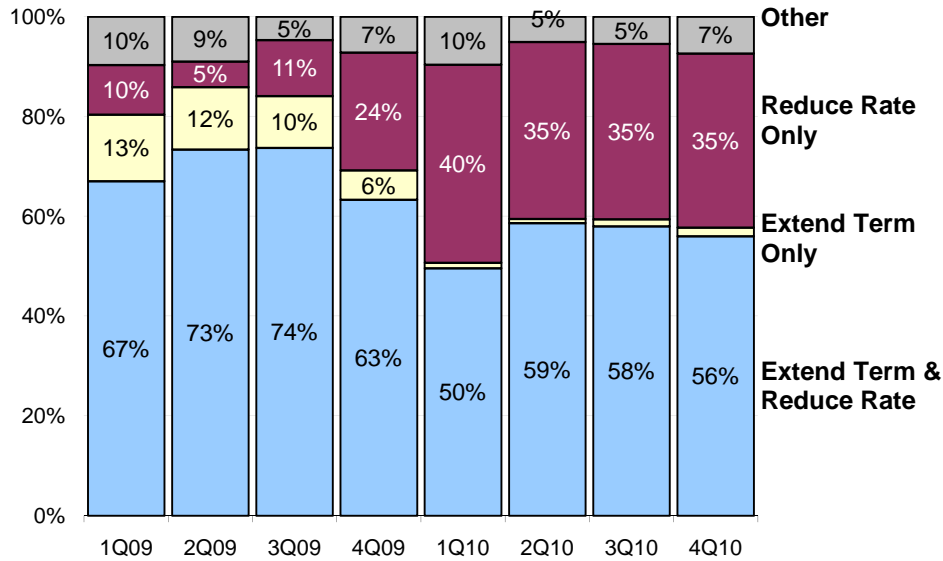


Modified Loans - 60-plus-days Re-Delinquency Rates

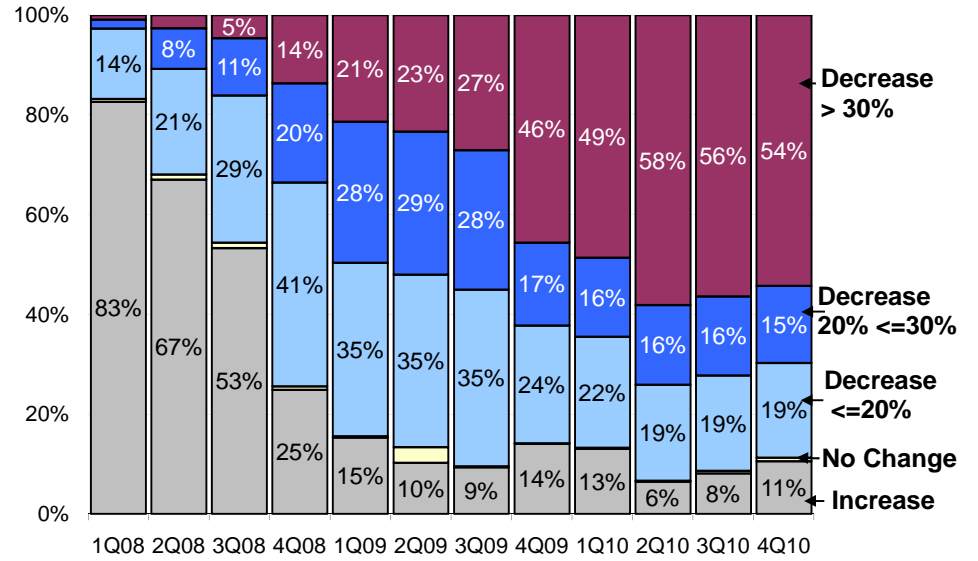


# Fannie Mae's Loan Modifications\*

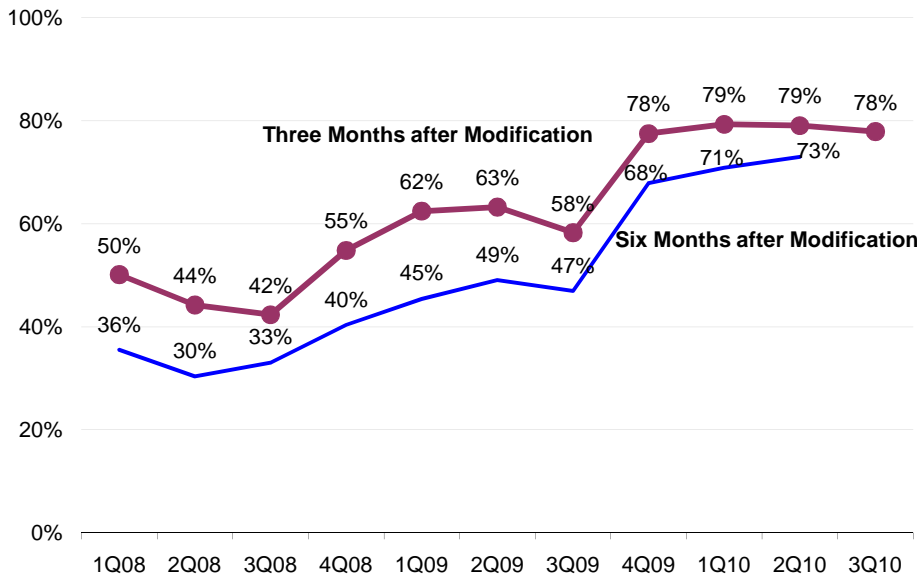
**Type of Modification**



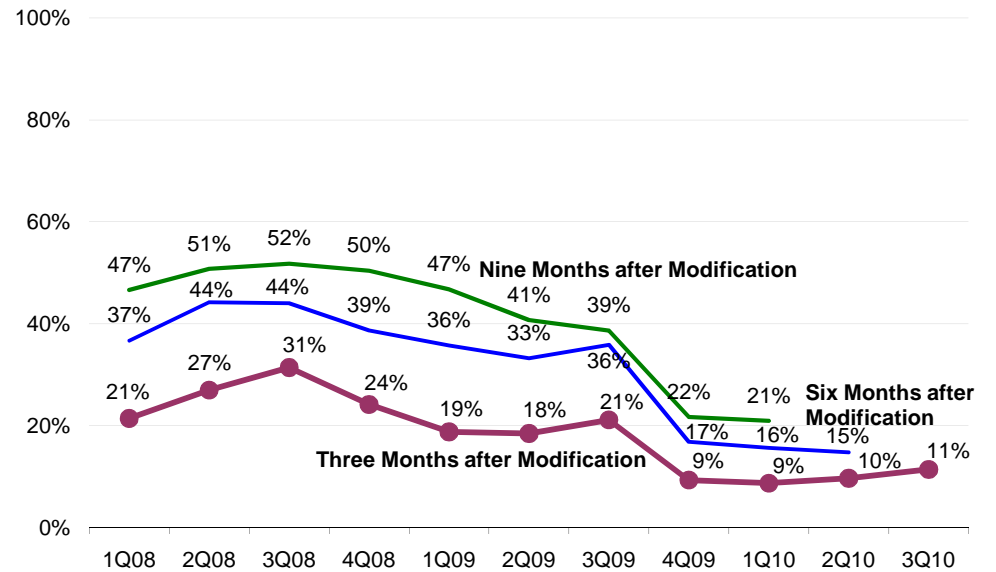
**Size of Payment Change**



**Modified Loans - Current and Performing**



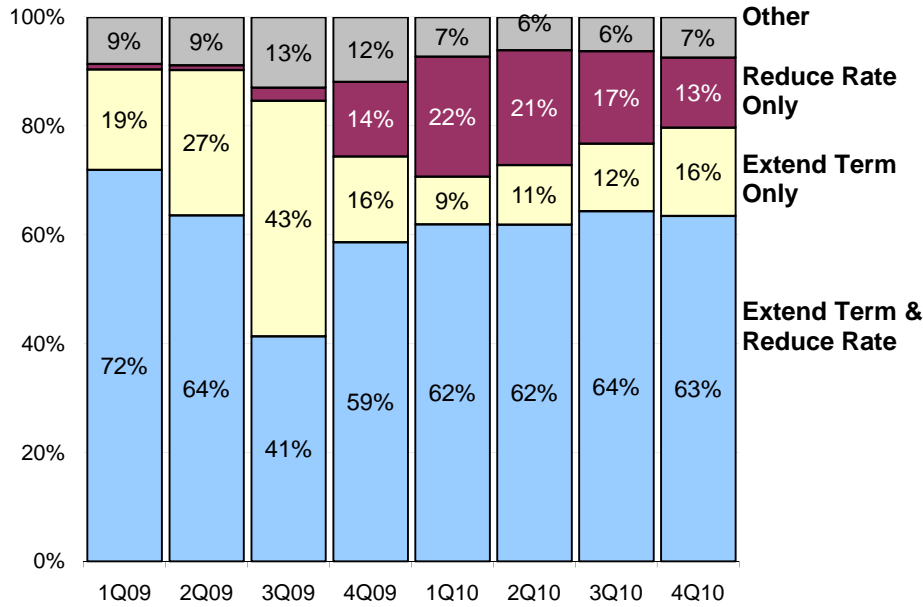
**Modified Loans - 60-plus-days Re-Delinquency Rates**



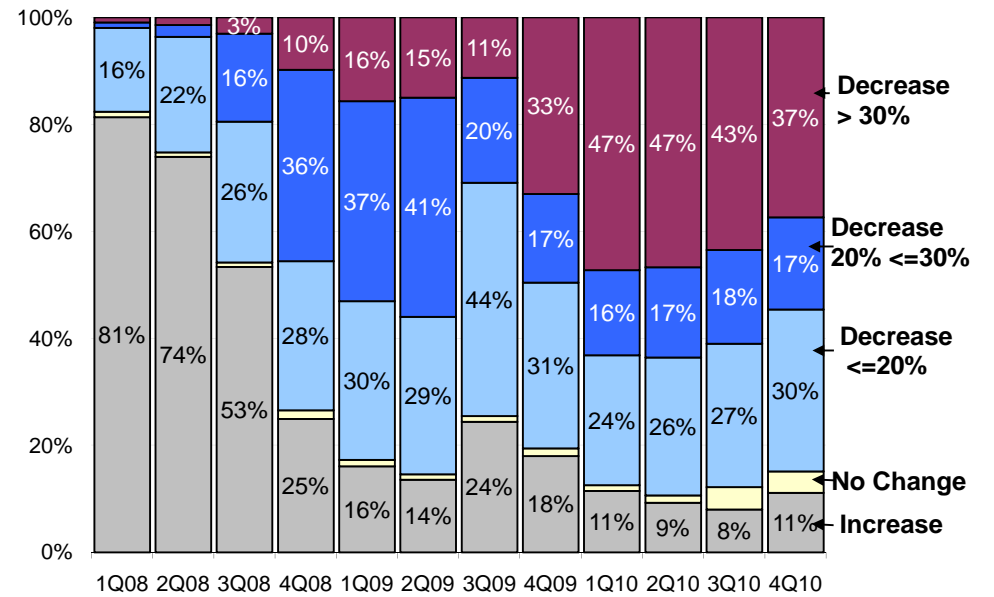
\* Modified loans data may not tie to Fannie Mae's financial statements due to timing differences in reporting systems.

# Freddie Mac's Loan Modifications\*

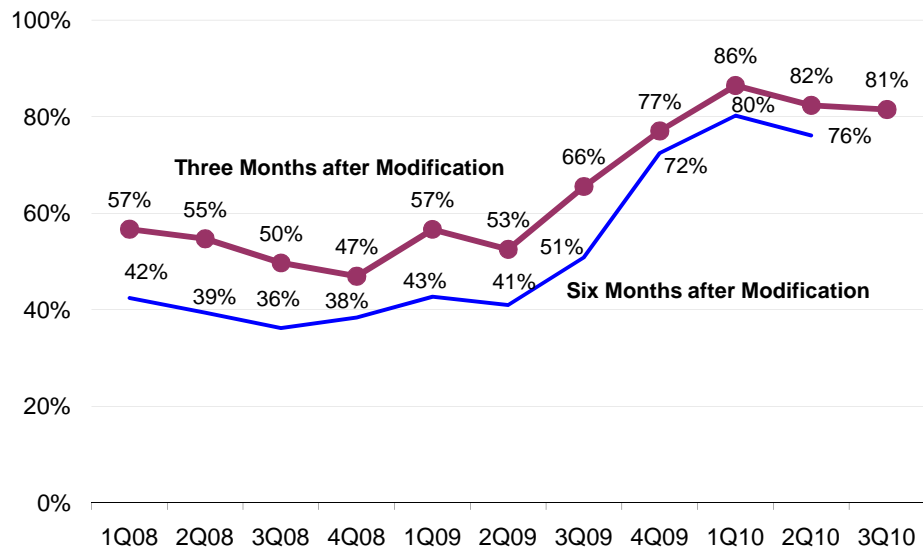
**Type of Modification**



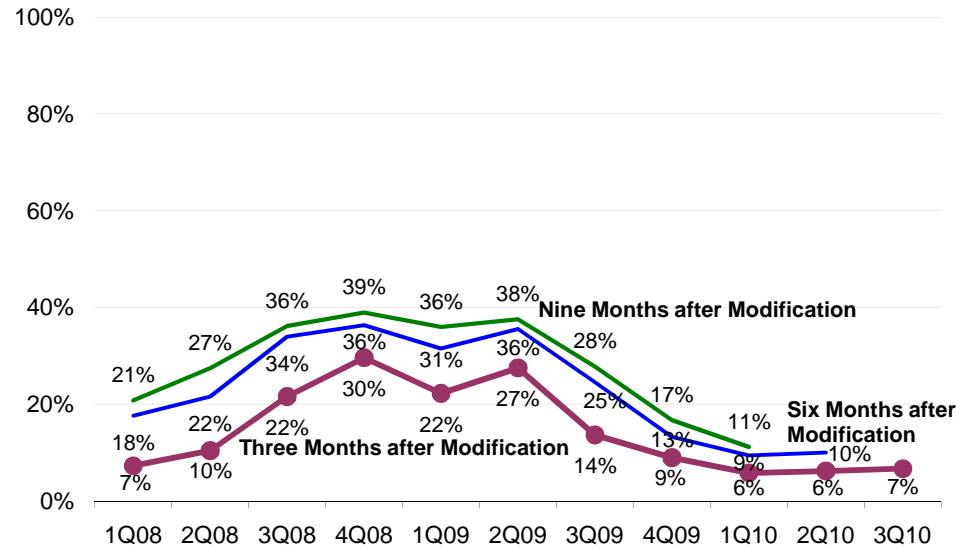
**Size of Payment Change**



**Modified Loans - Current and Performing**



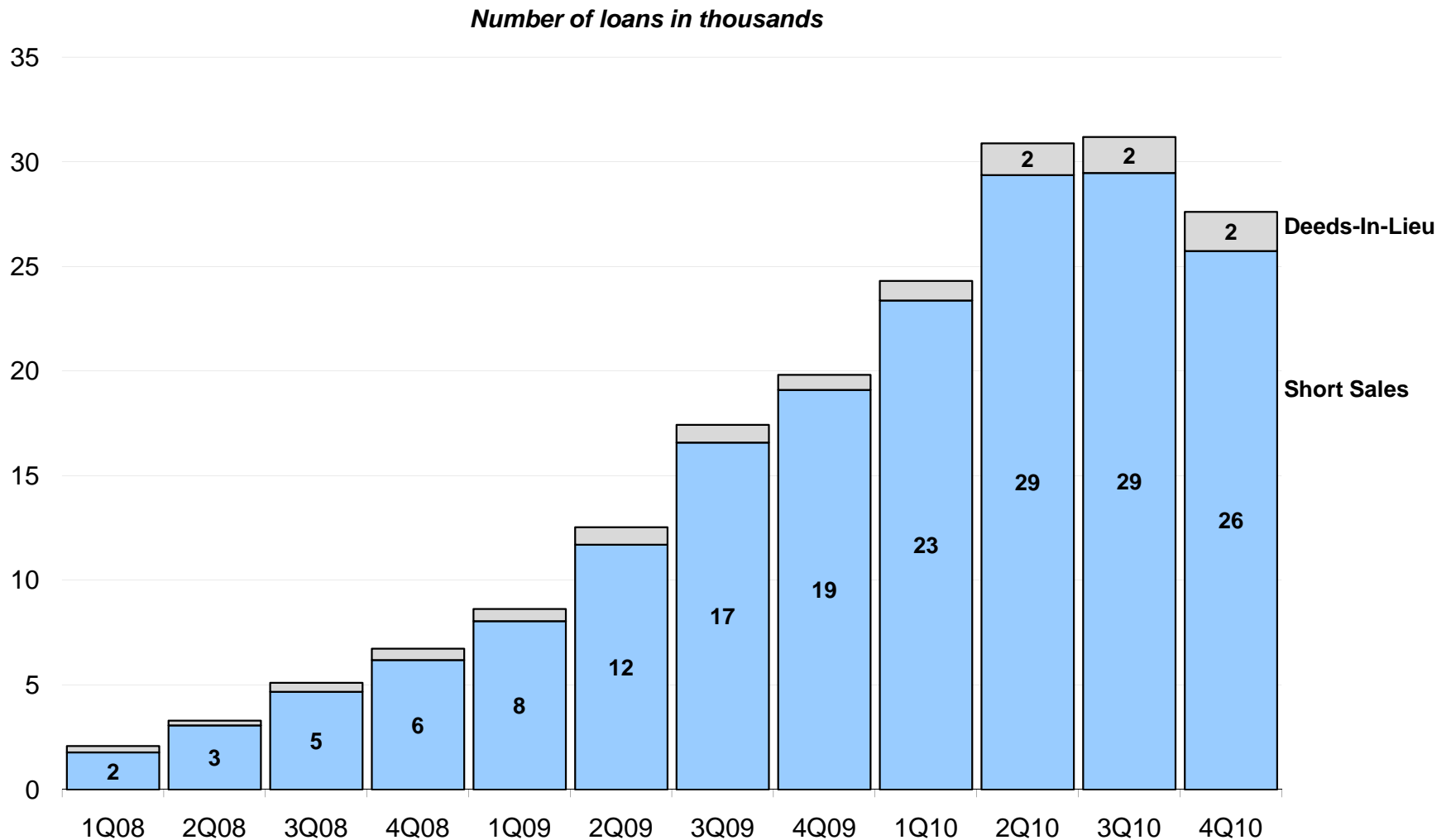
**Modified Loans - 60-plus-days Re-Delinquency Rates**



\* Modified loans data may not tie to Freddie Mac's financial statements due to timing differences in reporting systems.

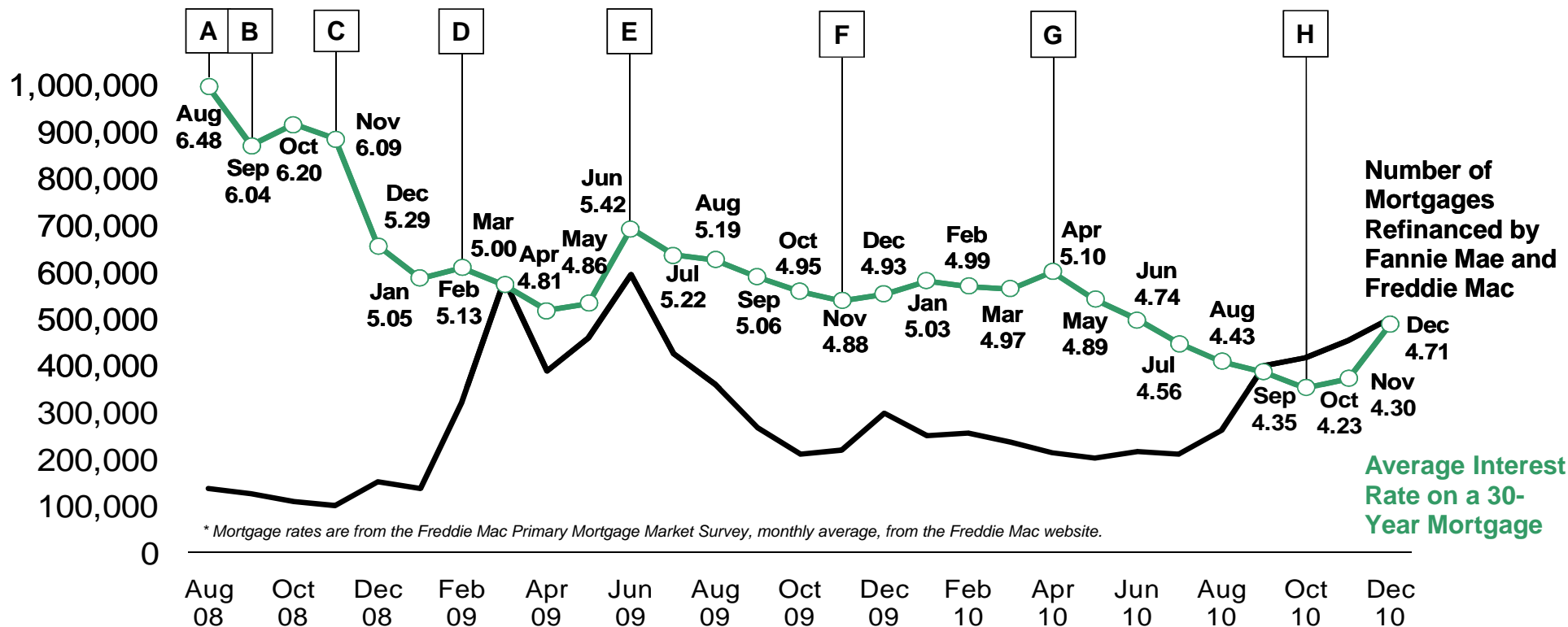
## Foreclosure Prevention Activity: Home Forfeiture Actions

Short sales decreased during the fourth quarter. This is the first quarter that the volume of completed short sales has declined since 2008. The Enterprises use short sales and deeds-in-lieu of foreclosure to reduce the severity of losses resulting from a borrower’s default while minimizing the impact of foreclosures on borrowers, communities, and neighborhoods.



# Refinance Activity

Refinance volume continued to increase through December as mortgage rates remained at historic low levels through November. Refinance volume lags mortgage rates by one to two months with consumers locking in rates at the beginning of the refinance process.



- A - Highest rate in 2008 for a 30-year mortgage.
- B - GSEs placed into conservatorship on 09/06/08.
- C - Fed announces MBS purchase program on 11/25/08.
- D - Obama Administration's Making Home Affordable announcement 02/20/09.
- E - Treasury rates sharply rose and reached a 2009 high on a better than expected unemployment report in June.

- F - Treasury rates fell sharply after Dubai sought to delay sovereign debt payments.
- G - Treasury rates rose on optimism of a recovering U.S. economy and a temporary lull in news of a developing debt crisis in Europe.
- H - 30-year mortgage rates reached 4.17% in early November, marking the lowest level observed since Freddie Mac began tracking rates in 1971.

## Refinance Activity

Fannie Mae and Freddie Mac refinanced over 621,800 loans through the HARP program through December 2010.

	December 2010	Year to Date	Inception to Date <sup>1</sup>
<b>Total Refinances</b>			
Fannie Mae	306,970	2,133,868	4,016,215
Freddie Mac	<u>194,252</u>	<u>1,470,786</u>	<u>2,794,549</u>
Total	501,222	3,604,654	6,810,764
<b>HARP LTV &gt;80% -105%</b>			
Fannie Mae	25,182	210,274	313,421
Freddie Mac	<u>26,421</u>	<u>192,650</u>	<u>277,760</u>
Total	51,603	402,924	591,181
<b>HARP LTV &gt;105% -125%</b>			
Fannie Mae	1,760	12,032	13,002
Freddie Mac	<u>3,611</u>	<u>16,667</u>	<u>17,620</u>
Total	5,371	28,699	30,622
<b>All Other Streamlined Refis</b>			
Fannie Mae	62,511	439,504	664,371
Freddie Mac	<u>50,576</u>	<u>323,851</u>	<u>407,006</u>
Total	113,087	763,355	1,071,377

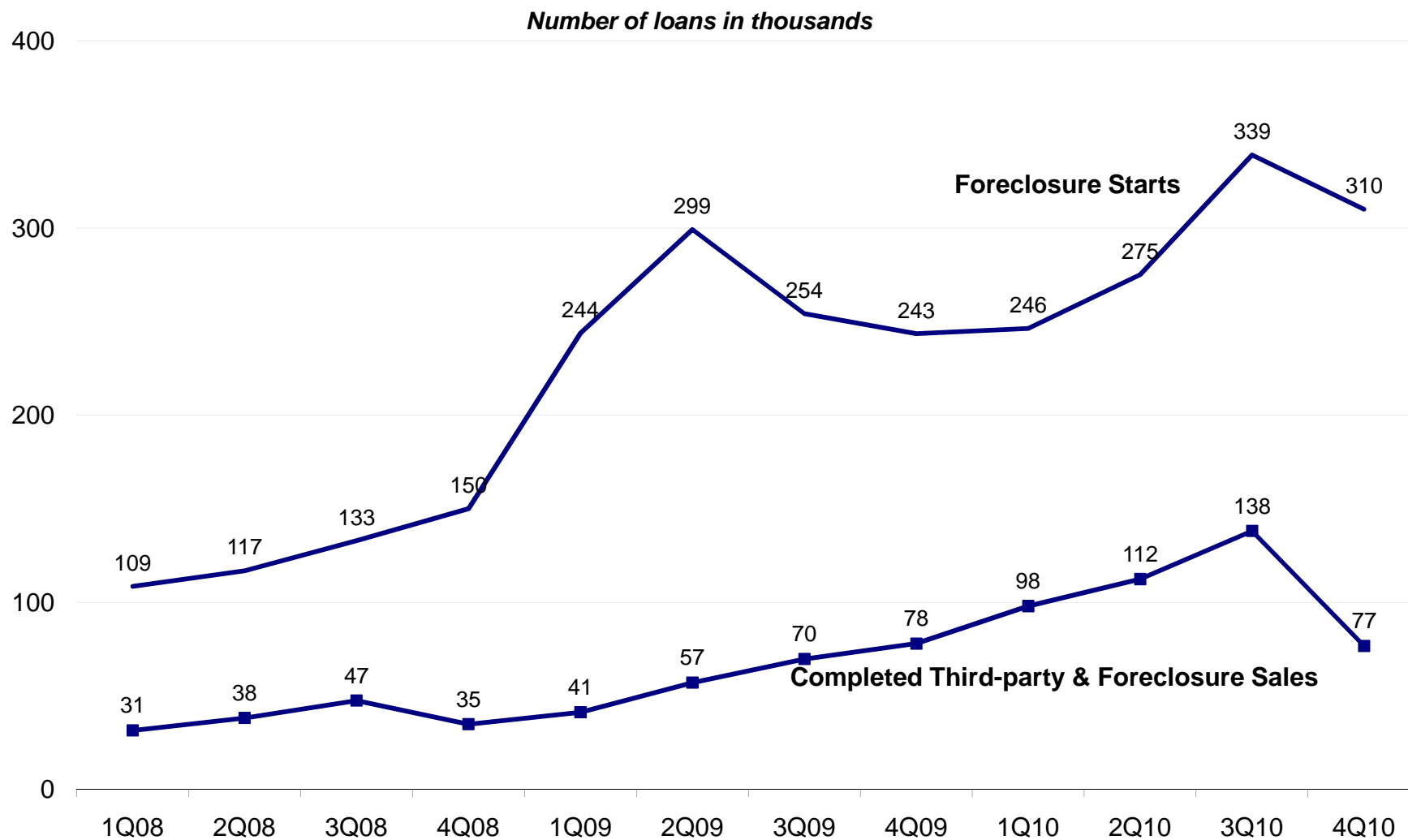
**HARP Refinance Loans** are defined as Fannie Mae to Fannie Mae and Freddie Mac to Freddie Mac first lien refinance loans with limited and no cash out that are owner occupied with LTV's over 80 to 125.

**All Other Streamlined Refis** are streamlined refinances that do not qualify as HARP 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.

<sup>1</sup>Inception to Date - Since April 1, 2009

# Foreclosures

The Enterprises' foreclosure starts, and completed third-party and foreclosure sales decreased during the fourth quarter. The sharp decline in completed third-party and foreclosure sales was largely due to the moratorium on foreclosures initiated during the 'robo-signing' issue.



## Appendix: Data Tables

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

(# of loans in thousands)	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
<b>Total Loans Serviced</b>	30,190	30,459	30,626	30,536	30,353	30,411	30,629	30,509	30,454	30,265	29,896	29,717
Original Credit Score >= 660	25,036	25,369	25,608	25,657	25,578	25,722	26,044	26,022	26,052	25,963	25,711	25,641
Original Credit Score < 660	5,153	5,090	5,018	4,879	4,775	4,689	4,586	4,487	4,401	4,302	4,185	4,076
<b>Total Delinquent Loans</b>					1,715	2,009	2,321	2,494	2,355	2,288	2,196	2,148
Original Credit Score >= 660					952	1,126	1,341	1,468	1,419	1,372	1,313	1,284
Original Credit Score < 660					763	882	980	1,026	936	916	882	863
<b>30 - 59 Days Delinquent</b>					615	682	734	725	609	664	682	659
Original Credit Score >= 660					316	353	404	406	345	370	378	362
Original Credit Score < 660					299	329	330	318	264	294	303	298
<b>60 - 89 Days Delinquent</b>					254	269	310	310	259	255	258	247
Original Credit Score >= 660					137	140	171	176	154	145	144	136
Original Credit Score < 660					117	129	139	135	105	110	114	111
<b>60-plus-days Delinquent</b>	445	529	678	926	1,100	1,327	1,587	1,769	1,746	1,624	1,514	1,488
Original Credit Score >= 660	214	264	345	497	636	774	937	1,061	1,074	1,001	935	923
Original Credit Score < 660	231	265	333	429	464	553	650	708	672	622	579	565

## Percent of Total Loans Serviced

<b>Total Delinquent Loans</b>					5.65%	6.61%	7.58%	8.17%	7.73%	7.56%	7.34%	7.23%
Original Credit Score >= 660					3.72%	4.38%	5.15%	5.64%	5.45%	5.28%	5.11%	5.01%
Original Credit Score < 660					15.98%	18.82%	21.37%	22.87%	21.26%	21.30%	21.09%	21.18%
<b>30 - 59 Days Delinquent</b>					2.03%	2.24%	2.40%	2.38%	2.00%	2.19%	2.28%	2.22%
Original Credit Score >= 660					1.24%	1.37%	1.55%	1.56%	1.32%	1.43%	1.47%	1.41%
Original Credit Score < 660					6.27%	7.02%	7.20%	7.09%	6.00%	6.84%	7.25%	7.31%
<b>60 - 89 Days Delinquent</b>					0.84%	0.88%	1.01%	1.02%	0.85%	0.84%	0.86%	0.83%
Original Credit Score >= 660					0.54%	0.55%	0.66%	0.68%	0.59%	0.56%	0.56%	0.53%
Original Credit Score < 660					2.46%	2.75%	3.04%	3.00%	2.39%	2.55%	2.73%	2.72%
<b>60-plus-days Delinquent</b>	1.47%	1.74%	2.22%	3.03%	3.62%	4.36%	5.18%	5.80%	5.73%	5.36%	5.06%	5.01%
Original Credit Score >= 660	0.86%	1.04%	1.35%	1.94%	2.48%	3.01%	3.60%	4.08%	4.12%	3.86%	3.64%	3.60%
Original Credit Score < 660	4.48%	5.21%	6.64%	8.79%	9.71%	11.80%	14.17%	15.78%	15.26%	14.46%	13.83%	13.87%
<b>Serious Delinquency Rate</b>	0.99%	1.18%	1.52%	2.14%	2.85%	3.52%	4.20%	4.82%	4.93%	4.58%	4.26%	4.23%
<b>In Bankruptcy</b>					0.29%	0.33%	0.36%	0.37%	0.39%	0.42%	0.47%	0.50%



## Appendix: Data Tables

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

(# of loans in thousands)	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
<b>Total Loans Serviced</b>	17,793	18,041	18,167	18,220	18,131	18,221	18,360	18,284	18,234	18,109	17,946	17,933
Original Credit Score >= 660	14,601	14,884	15,055	15,164	15,144	15,274	15,480	15,469	15,475	15,419	15,331	15,383
Original Credit Score < 660	3,192	3,157	3,112	3,056	2,987	2,947	2,879	2,816	2,759	2,691	2,615	2,550
<b>Total Delinquent Loans</b>					1,139	1,335	1,518	1,636	1,549	1,493	1,419	1,382
Original Credit Score >= 660					632	747	870	957	930	892	844	822
Original Credit Score < 660					507	588	648	679	620	602	575	560
<b>30 - 59 Days Delinquent</b>					397	438	452	453	384	424	434	419
Original Credit Score >= 660					203	225	242	250	214	233	237	225
Original Credit Score < 660					195	213	210	203	170	191	197	194
<b>60 - 89 Days Delinquent</b>					170	177	197	196	166	164	165	158
Original Credit Score >= 660					91	92	107	110	98	93	91	86
Original Credit Score < 660					79	85	90	86	68	71	74	72
<b>60-plus-days Delinquent</b>	303	359	460	625	742	897	1,066	1,183	1,166	1,070	985	964
Original Credit Score >= 660	146	180	236	336	429	522	628	707	715	659	607	597
Original Credit Score < 660	156	179	224	289	313	375	439	476	450	411	377	367

## Percent of Total Loans Serviced

<b>Total Delinquent Loans</b>					6.28%	7.33%	8.27%	8.95%	8.50%	8.25%	7.91%	7.71%
Original Credit Score >= 660					4.17%	4.89%	5.62%	6.19%	6.01%	5.78%	5.51%	5.34%
Original Credit Score < 660					16.98%	19.96%	22.51%	24.12%	22.47%	22.36%	21.97%	21.97%
<b>30 - 59 Days Delinquent</b>					2.19%	2.40%	2.46%	2.48%	2.10%	2.34%	2.42%	2.34%
Original Credit Score >= 660					1.34%	1.47%	1.57%	1.61%	1.38%	1.51%	1.54%	1.46%
Original Credit Score < 660					6.51%	7.24%	7.28%	7.22%	6.15%	7.09%	7.54%	7.59%
<b>60 - 89 Days Delinquent</b>					0.94%	0.97%	1.07%	1.07%	0.91%	0.91%	0.92%	0.88%
Original Credit Score >= 660					0.60%	0.60%	0.69%	0.71%	0.63%	0.60%	0.60%	0.56%
Original Credit Score < 660					2.66%	2.90%	3.11%	3.06%	2.47%	2.66%	2.82%	2.82%
<b>60-plus-days Delinquent</b>	1.70%	1.99%	2.53%	3.43%	4.09%	4.92%	5.81%	6.47%	6.39%	5.91%	5.49%	5.37%
Original Credit Score >= 660	1.00%	1.21%	1.57%	2.22%	2.83%	3.42%	4.05%	4.57%	4.62%	4.27%	3.96%	3.88%
Original Credit Score < 660	4.90%	5.66%	7.20%	9.44%	10.47%	12.72%	15.23%	16.90%	16.32%	15.27%	14.43%	14.38%
<b>Serious Delinquency Rate</b>	1.15%	1.36%	1.72%	2.42%	3.15%	3.94%	4.72%	5.38%	5.47%	4.99%	4.56%	4.48%
<b>In Bankruptcy</b>					0.33%	0.38%	0.40%	0.41%	0.42%	0.46%	0.51%	0.54%

## Appendix: Data Tables

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

(# of loans in thousands)	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
<b>Total Loans Serviced</b>	12,397	12,418	12,458	12,316	12,222	12,191	12,269	12,225	12,220	12,156	11,950	11,784
Original Credit Score >= 660	10,436	10,484	10,553	10,494	10,434	10,448	10,563	10,553	10,577	10,544	10,381	10,258
Original Credit Score < 660	1,961	1,933	1,906	1,822	1,788	1,742	1,706	1,672	1,642	1,612	1,569	1,526
<b>Total Delinquent Loans</b>					576	674	803	858	805	795	777	765
Original Credit Score >= 660					320	379	471	511	489	480	469	462
Original Credit Score < 660					256	294	332	347	316	315	308	303
<b>30 - 59 Days Delinquent</b>					218	244	282	272	225	241	248	240
Original Credit Score >= 660					113	128	161	157	131	138	142	136
Original Credit Score < 660					105	116	120	115	94	103	106	104
<b>60 - 89 Days Delinquent</b>					84	92	114	114	93	90	93	90
Original Credit Score >= 660					46	49	64	66	56	52	53	51
Original Credit Score < 660					38	43	50	48	37	38	40	39
<b>60-plus-days Delinquent</b>	142	170	219	301	358	430	521	586	580	554	529	525
Original Credit Score >= 660	68	84	110	161	207	251	310	354	358	343	327	326
Original Credit Score < 660	74	87	109	140	151	178	211	232	222	211	201	199

## Percent of Total Loans Serviced

<b>Total Delinquent Loans</b>					4.71%	5.53%	6.54%	7.02%	6.59%	6.54%	6.50%	6.49%
Original Credit Score >= 660					3.07%	3.63%	4.46%	4.84%	4.63%	4.55%	4.52%	4.51%
Original Credit Score < 660					14.31%	16.90%	19.44%	20.77%	19.24%	19.52%	19.61%	19.85%
<b>30 - 59 Days Delinquent</b>					1.78%	2.00%	2.30%	2.22%	1.84%	1.98%	2.08%	2.04%
Original Credit Score >= 660					1.09%	1.23%	1.53%	1.48%	1.24%	1.30%	1.37%	1.33%
Original Credit Score < 660					5.86%	6.65%	7.06%	6.87%	5.75%	6.40%	6.78%	6.83%
<b>60 - 89 Days Delinquent</b>					0.69%	0.76%	0.93%	0.93%	0.76%	0.74%	0.78%	0.76%
Original Credit Score >= 660					0.44%	0.47%	0.61%	0.62%	0.53%	0.49%	0.51%	0.49%
Original Credit Score < 660					2.14%	2.48%	2.91%	2.89%	2.27%	2.38%	2.58%	2.56%
<b>60-plus-days Delinquent</b>	1.15%	1.37%	1.75%	2.44%	2.93%	3.52%	4.24%	4.80%	4.75%	4.56%	4.43%	4.45%
Original Credit Score >= 660	0.65%	0.80%	1.04%	1.53%	1.98%	2.40%	2.93%	3.35%	3.39%	3.25%	3.15%	3.18%
Original Credit Score < 660	3.79%	4.48%	5.71%	7.69%	8.46%	10.24%	12.38%	13.90%	13.49%	13.12%	12.83%	13.02%
<b>Serious Delinquency Rate</b>	0.77%	0.93%	1.22%	1.72%	2.41%	2.89%	3.43%	3.98%	4.13%	3.96%	3.80%	3.84%
<b>In Bankruptcy</b>					0.22%	0.26%	0.30%	0.33%	0.33%	0.36%	0.41%	0.44%

## Appendix: Data Tables

2 Enterprises Combined - Foreclosure Prevention Actions (# of loans)<sup>1</sup>

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	YTD 2010
<b>Starts<sup>2</sup></b>													
HAMP Active Trial & Perm. - Cum.						66,200	278,139	485,418	584,086	426,978	348,171	361,510	361,510
Repayment Plans	63,756	66,443	85,771	84,876	100,917	140,641	182,720	170,109	159,073	121,253	159,238	152,371	591,935
Forbearance Plans					49,369	121,496	291,825	335,090	221,592	110,771	77,344	92,627	502,334
<b>Completed</b>													
Repayment Plans <sup>3</sup>	18,148	16,393	14,710	13,309	31,901	25,114	38,939	46,406	55,884	46,353	33,964	49,753	185,954
Forbearance Plans <sup>3</sup>	1,198	1,279	1,099	2,116	5,304	4,727	5,607	9,589	17,991	20,585	13,863	10,585	63,024
Charge-offs in Lieu	168	156	202	273	288	496	810	653	705	756	992	665	3,118
HomeSaver Advance ( <i>Fannie</i> )	1,244	16,658	27,277	25,788	20,431	11,662	4,347	2,759	2,588	1,783	794	26	5,191
Loan Modifications	15,655	15,387	13,488	23,777	37,069	32,287	36,722	57,569	137,561	171,176	146,507	119,778	575,022
<b>Home Retention Actions</b>	<b>36,413</b>	<b>49,873</b>	<b>56,776</b>	<b>65,263</b>	<b>94,993</b>	<b>74,286</b>	<b>86,425</b>	<b>116,976</b>	<b>214,729</b>	<b>240,653</b>	<b>196,120</b>	<b>180,807</b>	<b>832,309</b>
Short Sales	1,776	3,062	4,674	6,192	8,054	11,705	16,586	19,102	23,379	29,375	29,465	25,734	107,953
Deeds-in-lieu	308	236	427	540	578	835	843	715	934	1,506	1,728	1,875	6,043
<b>Nonforeclosure - Home Forfeiture Actions</b>	<b>2,084</b>	<b>3,298</b>	<b>5,101</b>	<b>6,732</b>	<b>8,632</b>	<b>12,540</b>	<b>17,429</b>	<b>19,817</b>	<b>24,313</b>	<b>30,881</b>	<b>31,193</b>	<b>27,609</b>	<b>113,996</b>
<b>Total Foreclosure Prevention Actions</b>	<b>38,497</b>	<b>53,171</b>	<b>61,877</b>	<b>71,995</b>	<b>103,625</b>	<b>86,826</b>	<b>103,854</b>	<b>136,793</b>	<b>239,042</b>	<b>271,534</b>	<b>227,313</b>	<b>208,416</b>	<b>946,305</b>

## Percent of Total Foreclosure Prevention Actions

Repayment Plans	47%	31%	24%	18%	31%	29%	37%	34%	23%	17%	15%	24%	20%
Forbearance Plans	3%	2%	2%	3%	5%	5%	5%	7%	8%	8%	6%	5%	7%
Charge-offs in Lieu	0%	0%	0%	0%	0%	1%	1%	0%	0%	0%	0%	0%	0%
HomeSaver Advance ( <i>Fannie</i> )	3%	31%	44%	36%	20%	13%	4%	2%	1%	1%	0%	0%	1%
Loan Modifications	41%	29%	22%	33%	36%	37%	35%	42%	58%	63%	64%	57%	61%
<b>Home Retention Actions</b>	<b>95%</b>	<b>94%</b>	<b>92%</b>	<b>91%</b>	<b>92%</b>	<b>86%</b>	<b>83%</b>	<b>86%</b>	<b>90%</b>	<b>89%</b>	<b>86%</b>	<b>87%</b>	<b>88%</b>
Short Sales	5%	6%	8%	9%	8%	13%	16%	14%	10%	11%	13%	12%	11%
Deeds-in-lieu	1%	0%	1%	1%	1%	1%	1%	1%	0%	1%	1%	1%	1%
<b>Nonforeclosure - Home Forfeiture Actions</b>	<b>5%</b>	<b>6%</b>	<b>8%</b>	<b>9%</b>	<b>8%</b>	<b>14%</b>	<b>17%</b>	<b>14%</b>	<b>10%</b>	<b>11%</b>	<b>14%</b>	<b>13%</b>	<b>12%</b>

<sup>1</sup> 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.<sup>2</sup> 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. HAMP trial modifications are based on the first trial payment posted date. HAMP permanent modifications are based on the effective date of modification. As of December 31, 2010, Fannie Mae had completed approximately 174,600 HAMP permanent modifications and Freddie Mac had completed nearly 109,500 HAMP permanent modifications.<sup>3</sup> Includes loans that were 30+ days delinquent at initiation of the plan. In addition, the completed forbearance plans data have been revised to exclude HAMP.

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

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	YTD 2010
<b>Loan Modifications (# of loans)</b>	15,655	15,387	13,488	23,777	37,069	32,287	36,722	57,569	137,561	171,176	146,507	119,778	575,022
<b>Principal and Interest Change (%)</b>													
Increase	82%	70%	53%	25%	16%	12%	13%	15%	13%	7%	8%	11%	9%
No Change	1%	1%	1%	1%	1%	2%	0%	0%	0%	1%	1%	2%	1%
Decrease <=20%	15%	21%	28%	32%	31%	32%	38%	25%	23%	21%	21%	23%	22%
Decrease 20% <=30%	2%	6%	14%	31%	34%	36%	26%	17%	16%	16%	16%	16%	16%
Decrease > 30%	1%	2%	4%	11%	18%	19%	23%	43%	48%	55%	53%	49%	52%
<b>Type of Modifications (%)</b>													
Extend Term Only					17%	19%	18%	9%	4%	4%	4%	6%	4%
Reduce Rate Only					4%	3%	9%	21%	34%	31%	30%	28%	31%
Extend Term and Reduce Rate*					70%	69%	66%	62%	54%	60%	60%	58%	58%
Other					9%	9%	7%	8%	9%	5%	6%	7%	7%
<b>60+ Days Re-Delinquency (%)</b>													
3 Months after Modification	17%	20%	25%	28%	21%	24%	19%	9%	8%	9%	10%		
6 Months after Modification	31%	35%	38%	37%	33%	35%	33%	16%	14%	14%			
9 Months after Modification	39%	41%	42%	42%	40%	39%	36%	20%	18%				

\* Includes extend term, reduce rate and forbear principal.

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

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	YTD 2010
<b>Loan Modifications (# of loans)</b>	11,409	10,560	5,173	6,314	12,446	16,684	27,686	41,753	93,756	121,693	106,365	81,692	403,506
<b>Principal and Interest Change (%)</b>													
Increase	83%	67%	53%	25%	15%	10%	9%	14%	13%	6%	8%	11%	9%
No Change	1%	1%	1%	1%	0%	3%	0%	0%	0%	0%	1%	1%	0%
Decrease <=20%	14%	21%	29%	41%	35%	35%	35%	24%	22%	19%	19%	19%	20%
Decrease 20% <=30%	2%	8%	11%	20%	28%	29%	28%	17%	16%	16%	16%	15%	16%
Decrease > 30%	1%	3%	5%	14%	21%	23%	27%	46%	49%	58%	56%	54%	55%
<b>Type of Modifications (%)</b>													
Extend Term Only					13%	12%	10%	6%	1%	1%	1%	2%	1%
Reduce Rate Only					10%	5%	11%	24%	40%	35%	35%	35%	36%
Extend Term and Reduce Rate*					67%	73%	74%	63%	50%	59%	58%	56%	56%
Other					10%	9%	5%	7%	10%	5%	5%	7%	7%
<b>60+ Days Re-Delinquency (%)</b>													
3 Months after Modification	21%	27%	31%	24%	19%	18%	21%	9%	9%	10%	11%		
6 Months after Modification	37%	44%	44%	39%	36%	33%	36%	17%	16%	15%			
9 Months after Modification	47%	51%	52%	50%	47%	41%	39%	22%	21%				

\* Includes extend term, reduce rate and forbear principal.

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

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	YTD 2010
<b>Loan Modifications (# of loans)</b>	4,246	4,827	8,315	17,463	24,623	15,603	9,036	15,816	43,805	49,483	40,142	38,086	171,516
<b>Principal and Interest Change (%)</b>													
Increase	81%	74%	53%	25%	16%	14%	24%	18%	11%	9%	8%	11%	10%
No Change	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	4%	4%	3%
Decrease <=20%	16%	22%	26%	28%	30%	29%	44%	31%	24%	26%	27%	30%	27%
Decrease 20% <=30%	1%	2%	16%	36%	37%	41%	20%	17%	16%	17%	18%	17%	17%
Decrease > 30%	1%	1%	3%	10%	16%	15%	11%	33%	47%	47%	43%	37%	43%
<b>Type of Modifications (%)</b>													
Extend Term Only					19%	27%	43%	16%	9%	11%	12%	16%	12%
Reduce Rate Only					1%	1%	2%	14%	22%	21%	17%	13%	19%
Extend Term and Reduce Rate*					72%	64%	41%	59%	62%	62%	64%	63%	63%
Other					9%	9%	13%	12%	7%	6%	6%	7%	7%
<b>60+ Days Re-Delinquency (%)</b>													
3 Months after Modification	7%	10%	22%	30%	22%	27%	14%	9%	6%	6%	7%		
6 Months after Modification	18%	22%	34%	36%	31%	36%	25%	13%	9%	10%			
9 Months after Modification	21%	27%	36%	39%	36%	38%	28%	17%	11%				

\* Includes extend term, reduce rate and forbear principal.

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

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	YTD 2010
Short Sales	1,776	3,062	4,674	6,192	8,054	11,705	16,586	19,102	23,379	29,375	29,465	25,734	107,953
Deeds-in-lieu	308	236	427	540	578	835	843	715	934	1,506	1,728	1,875	6,043
Nonforeclosure - Home Forfeiture Actions*	2,084	3,298	5,101	6,732	8,632	12,540	17,429	19,817	24,313	30,881	31,193	27,609	113,996
Third-party Sales	1,939	2,052	2,170	1,571	1,467	2,789	4,263	4,908	5,171	7,856	11,999	7,886	32,912
Foreclosure Sales	29,548	36,093	45,277	33,233	39,733	54,236	65,375	72,989	92,760	104,497	126,058	68,759	392,074
Third-party & Foreclosure Sales	31,487	38,145	47,447	34,804	41,200	57,025	69,638	77,897	97,931	112,353	138,057	76,645	424,986
Foreclosure Starts	108,520	116,843	132,909	149,981	243,824	299,208	254,168	243,485	246,273	275,095	338,957	309,976	1,170,301
<b>Top Five Reasons for Delinquency</b>													
Curtailment of Income					35%	40%	40%	41%	47%	48%	48%	46%	
Excessive obligations					19%	18%	16%	13%	13%	14%	14%	14%	
Unemployment					8%	9%	8%	8%	8%	8%	8%	8%	
Illness of principal mortgagor or family member					6%	6%	5%	5%	5%	5%	5%	5%	
Marital Difficulties					3%	3%	3%	3%	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)**

	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
<b>Total Refinances</b>															
Fannie Mae	121,997	124,644	170,612	141,199	146,908	128,923	121,994	118,631	115,955	123,948	156,736	248,579	255,027	268,998	306,970
Freddie Mac	86,796	92,498	126,134	107,589	107,436	106,861	89,651	82,228	98,167	86,925	105,079	150,536	159,872	182,190	194,252
Total	208,793	217,142	296,746	248,788	254,344	235,784	211,645	200,859	214,122	210,873	261,815	399,115	414,899	451,188	501,222
<b>HARP LTV &gt;80% -105%</b>															
Fannie Mae	10,425	11,623	18,771	15,520	18,070	18,751	15,136	15,060	14,787	12,773	14,145	20,665	19,636	20,549	25,182
Freddie Mac	7,136	9,087	14,576	14,751	15,666	14,030	13,396	11,721	12,336	11,859	12,670	20,447	18,552	20,801	26,421
Total	17,561	20,710	33,347	30,271	33,736	32,781	28,532	26,781	27,123	24,632	26,815	41,112	38,188	41,350	51,603
<b>HARP LTV &gt;105% -125%</b>															
Fannie Mae	129	283	521	626	685	794	809	892	780	799	891	1,326	1,266	1,404	1,760
Freddie Mac	106	257	590	716	868	924	1,117	989	1,122	1,143	1,222	2,232	1,388	1,335	3,611
Total	235	540	1,111	1,342	1,553	1,718	1,926	1,881	1,902	1,942	2,113	3,558	2,654	2,739	5,371
<b>All Other Streamlined Refis</b>															
Fannie Mae	16,539	19,342	30,900	26,664	32,092	29,134	26,164	27,010	24,930	25,458	31,367	51,604	49,220	53,350	62,511
Freddie Mac	7,965	12,214	19,616	21,253	22,333	17,060	18,989	16,280	14,716	19,713	22,805	38,139	38,214	43,773	50,576
Total	24,504	31,556	50,516	47,917	54,425	46,194	45,153	43,290	39,646	45,171	54,172	89,743	87,434	97,123	113,087

## Notes:

**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 LTVs between 80% and 125%.

**All Other Streamlined Refis** are streamlined refinances that do not qualify as HARP (LTVs between 80% and 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.



FHFA produces monthly and quarterly versions of the Foreclosure Prevention & Refinance Report. In addition to the data provided in the monthly reports, the quarterly reports include 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.

**HomeSaver 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.