



Comptroller of the Currency
Administrator of National Banks
US Department of the Treasury

ENSURING A SAFE AND SOUND
NATIONAL BANKING SYSTEM
FOR ALL AMERICANS

OCC Mortgage Metrics Report

Analysis and Disclosure of
National Bank Mortgage Loan Data

October 2007 – March 2008

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EXECUTIVE SUMMARY

The **OCC Mortgage Metrics Report** presents key performance data on first residential mortgages serviced by national banks, focusing on delinquencies, loss mitigation actions, and foreclosures.

The Office of the Comptroller of the Currency (OCC) collects this data from the nine national banks¹ that have the largest mortgage servicing portfolios among all national banks. These nine banks combine to service more than 23 million first mortgage loans, totaling \$3.8 trillion. Their combined servicing portfolio constitutes more than 90 percent of all mortgages serviced by national banks, and approximately 40 percent of all mortgages outstanding. Approximately 90 percent of the mortgages in the total servicing portfolio are held by third parties via securitization by government-sponsored enterprises and other financial institutions.

This first **OCC Mortgage Metrics Report** provides monthly mortgage performance data for two calendar quarters, from October 1, 2007, to March 31, 2008. Future reports will be issued quarterly.

There are at least three key differences between this report and other reports and data collections that provide information about mortgage performance:

First, the data contained in the **OCC Mortgage Metrics Report** are comprehensive. The report reflects the activities of many of the industry's largest mortgage servicers, and incorporates information on all mortgages serviced, not just subprime.

Second, the **OCC Mortgage Metrics Report** reflects loan-level data rather than aggregated data: information was collected for each of the more than 23 million individual loans in the total portfolio.

Third, the **OCC Mortgage Metrics Report** uses terms and definitions that are standardized. In particular, the report establishes standard definitions for prime, Alt-A, and subprime mortgages using credit score ranges reported by the Fair Isaac Corporation (FICO). It also standardizes the terms used for delinquencies and for loss mitigation actions such as loan modifications and payment plans. With such standardized definitions and data elements, the OCC can compare data in a consistent way, month to month, across a large segment of the industry.

Among the key findings of this first report are the following:

- The proportion of mortgages in the total portfolio that was current and performing remained relatively constant during the reporting period at approximately 94 percent.
- Serious delinquencies, defined as bankrupt borrowers who are 30 days delinquent and all delinquencies greater than 60 days, increased just one-tenth of a percentage point during the period, from 2.1 percent to about 2.2 percent.
- As in other studies, the report confirms that foreclosures in process are plainly on the rise, with the total number increasing steadily and significantly through the reporting period from 0.9 percent of the portfolio to 1.23 percent. Interestingly, the number of new foreclosures has been quite variable. While one month does not make a trend, new foreclosures in March declined to 45,696, down 21 percent from January's high and down about 4.5 percent from the start of the reporting period last October.
- The majority of serious delinquencies was concentrated in the highest risk segment – subprime mortgages. Though these mortgages constituted less than 9 percent of the total portfolio, they sustained twice as many delinquencies as either prime or Alt-A mortgages.
- Consistent with other reports, payment plans predominated, outnumbering loan modifications in March by more than four to one. But loan modifications increased at a much faster rate during the period.
- Although subprime mortgages constituted less than 9 percent of the total portfolio, subprime loss mitigation actions constituted 43 percent of all loss mitigation actions in March.
- The emphasis on loss mitigation for subprime mortgages corresponds to the nationwide focus on this higher risk sector. Total loss mitigation actions exceeded newly initiated foreclosure proceedings by a margin of nearly 2 to 1.

¹ The nine banks are Bank of America, Citibank, First Horizon, HSBC, JPMorgan Chase, National City, USBank, Wachovia, and Wells Fargo.

OVERVIEW

The **OCC Mortgage Metrics Report** presents key performance data on first residential mortgages serviced by national banks, focusing on delinquencies, loss mitigation actions, and foreclosures. The OCC collects this data from the nine national banks that have the largest mortgage servicing portfolios among all national banks, representing more than 90 percent of all mortgages serviced by national banks, and approximately 40 percent of all mortgages outstanding. Approximately 90 percent of the mortgages in the total servicing portfolio are held by third parties via securitization by government-sponsored enterprises and other financial institutions. These nine banks service more than 23 million first mortgage loans, totaling \$3.8 trillion.

The OCC Mortgage Metrics Report is based on a data collection process covering 64 data elements for each of more than 23 million mortgages held or serviced by the nine participating national banks from October 2007 through March 2008. This is the first report to gather and analyze systematic information on this scale and in this detail about mortgage delinquencies, loss mitigation actions, and foreclosures. The OCC uses a data vendor to aggregate, validate, store, and generate reports, but retains ownership and control of the data. The OCC has shared its standard data elements and definitions with the Office of Thrift Supervision (OTS), the Federal Reserve Board (FRB), the Department of the Treasury, and the Hope Now Alliance to promote standard data collection and analysis industry wide.

In addition to providing important information to the public, the data gathering for the **OCC Mortgage Metrics Report** supports the OCC's supervision of national bank mortgage practices. It provides an additional tool to help examiners assess emerging trends, identify anomalies, compare national banks to the rest of the industry, evaluate asset quality and loan-loss reserve needs, and evaluate the effectiveness of loss mitigation actions. Over time, the OCC expects to use this information to assess performance by origination channel, state and geographic region, and key credit characteristics.

Despite its relatively comprehensive coverage, it would be inappropriate to extrapolate from the sample covered by the **OCC Mortgage Metrics Report** to draw conclusions about overall conditions in mortgage lending. The portfolio of loans serviced by these nine national banks does not represent a statistically random sample of all mortgage loans; its characteristics differ in notable ways from the overall population of mortgages. For example, the subprime mortgages serviced by these national banks comprise just 25 percent of all subprime mortgages, whereas these banks service about 40 percent of mortgages as a whole. Similarly, the prime mortgages serviced by national banks include a disproportionately high percentage of conforming loans sold to the GSEs – about 66 percent, compared to 43 percent for the industry overall.

The OCC and the nine participating banks devoted significant resources to validating the data to ensure that the information was reliable, accurate, and consistent with similar information presented elsewhere. Steps to ensure the validity of the data included comparisons to banks' quarterly Call Reports, and internal quality reviews conducted by the banks and by the external vendor that compiled the data for the OCC. However, data sets of this size and scope inevitably suffer from a degree of inconsistency, missing data, and other imperfections. For this report, the historical data for October 2007 through February 2008 was provided by the banks on a "best-efforts" basis, and some requested data elements were not readily available. The OCC is working with reporting banks to further refine the data collection process, and over time this will improve the accuracy and completeness of the reported data. The OCC expects future data submissions to be adjusted as errors and omissions are detected; the agency will identify any significant discrepancies that surface through these ongoing efforts in future reports.

DEFINITIONS AND METHODS

The **OCC Mortgage Metrics Report** uses standardized definitions for three categories of mortgage creditworthiness: prime, Alt-A, and subprime. These are defined using ranges of FICO credit scores at the time of origination, as follows: prime – 660 and above; Alt-A – 620 to 659; and subprime – below 620.

Roughly 20 percent of loans in the data were not accompanied by FICO credit scores, and are classified in the report as “Other.” This group of loans includes a mix of prime, Alt-A, and subprime loans, and is in large part the result of bank acquisitions of mortgage portfolios from third parties where scores were not readily available, as well as the fact that the retroactive data collection was provided on a “best-efforts” basis. The OCC is working with the participating banks to obtain and include credit scores with future submissions to reduce the percentage of loans in this category going forward.

Other standard definitions in the report include:

- “Seriously delinquent loans” – all mortgages that were 60 or more days past due and all mortgages held by bankrupt borrowers who were 30 or more days past due. Loan delinquencies were reported following the Mortgage Bankers Association (MBA) convention that a loan is “past due” when a scheduled payment is unpaid for 30 days or more.²
- “Loss mitigation action” – loan modification or payment plan.³
- “Loan modification” – mortgage where terms of the loan were contractually changed, usually with respect to interest rates or term of the loan.
- “Payment plan” – mortgage where the servicer and a borrower have agreed to a short-to-medium term change in scheduled terms and payments to return the mortgage to a current and performing status.
- “New foreclosure” – mortgage where the servicer commenced a formal foreclosure proceeding during the month (e.g., public notice, judicial filing).⁴

The statistics and calculated ratios in this report are based on the number of loans rather than the dollar balance outstanding. Some percentage totals in the charts do not add up to 100 percent because of rounding.

² The Office of Thrift Supervision (OTS) method is another reporting convention used by some institutions. Under the OTS method, a loan is “past due” when the borrower fails to make a second consecutive scheduled payment. For general regulatory reporting (Call Reports), institutions may use either method; generally, the MBA method results in higher reported delinquencies than the OTS method.

³ In addition to the two loss mitigation actions captured in this report – payment plans and loan modifications – mortgage servicers reported several alternative loss mitigation actions, including HomeSaver Advance, FHA Secure, partial claims, new subsidy programs, and refinances with principal forgiveness. The OCC plans to include a broader range of loss mitigation actions in future reports.

⁴ Many new foreclosures never result in the ultimate foreclosure sale or loss of the borrower’s home because banks simultaneously pursue other loss mitigation actions and borrowers may act to return their mortgages to current and performing status.

Overall Mortgage Portfolio

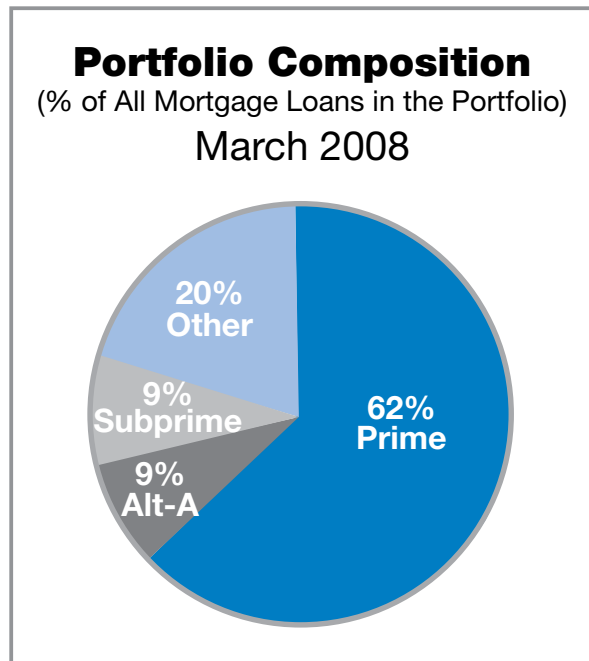
The size of the portfolio remained relatively unchanged during the reporting period: approximately 23 million loans totaling \$3.8 trillion.

Likewise, the percentage of loans in each risk category remained constant: prime (62 percent); Alt-A

(9 percent); subprime (9 percent); and other (20 percent).

As previously noted, the “other” category consists of loans for which credit scores were unavailable and is a mix of prime, Alt-A, and subprime loans.

Overall Mortgage Portfolio						
	October 2007	November 2007	December 2007	January 2008	February 2008	March 2008
Total Servicing (\$ Millions)	\$3,721,902	\$3,754,424	\$3,776,403	\$3,802,446	\$3,794,229	\$3,811,548
Total Servicing (# of Loans)	22,870,228	23,009,739	23,088,628	23,188,685	23,107,715	23,144,866
Composition (% of All Mortgage Loans in the Portfolio)						
Prime	62%	62%	62%	62%	62%	62%
Alt-A	9%	9%	9%	9%	9%	9%
Subprime	9%	9%	9%	9%	9%	9%
Other	20%	20%	20%	20%	20%	20%
Composition (Actual Number of Mortgage Loans in the Portfolio)						
Prime	14,207,088	14,287,358	14,393,519	14,492,456	14,397,503	14,468,184
Alt-A	2,095,576	2,105,708	2,117,682	2,129,575	2,114,584	2,119,065
Subprime	2,006,596	2,009,563	2,012,224	2,014,811	1,998,721	1,998,435
Other	4,560,968	4,607,110	4,565,203	4,551,843	4,596,907	4,559,182



Overall Mortgage Performance

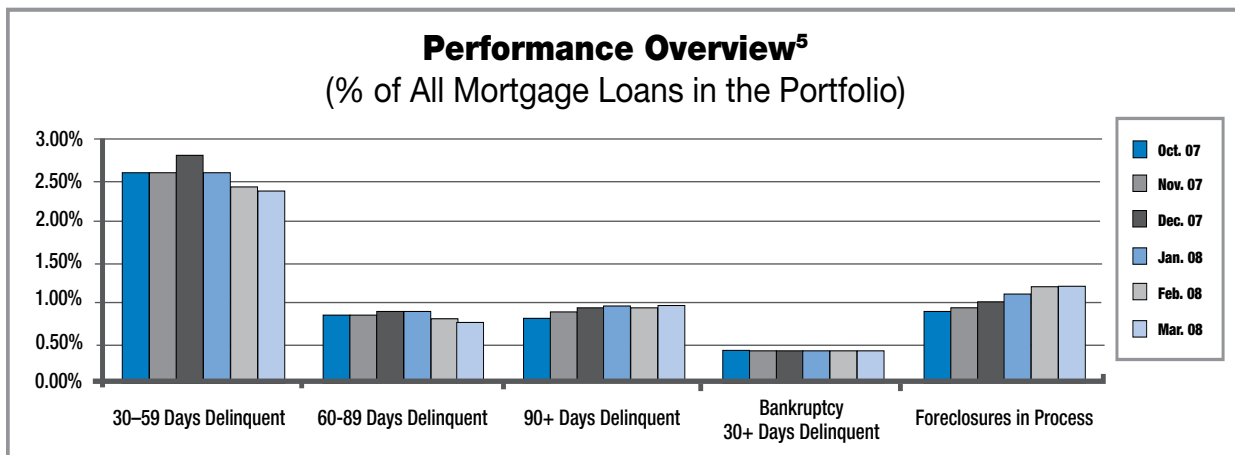
The proportion of mortgages in the total portfolio that was current and performing also remained relatively constant during the reporting period at approximately 94 percent.

Delinquencies were concentrated among loans that were 30-59 days delinquent. But as a percentage of the total portfolio, they declined from 2.61 percent in October, to 2.37 percent at the end of March.

Delinquencies of 90 days or more increased from 0.82 percent in October to 0.97 percent in December. They remained just less than 1 percent of the total portfolio for the balance of the reporting period.

Foreclosures in process increased from the October total of 205,248, or 0.90 percent of the total servicing portfolio, to the March total of 283,988, or 1.23 percent.

Total Mortgage Portfolio (% of All Mortgage Loans in the Portfolio)						
	October 2007	November 2007	December 2007	January 2008	February 2008	March 2008
Current and Performing	94.38%	94.26%	93.82%	93.93%	94.18%	94.19%
30-59 Days Delinquent	2.61%	2.59%	2.83%	2.62%	2.41%	2.37%
The Following Three Categories Are Classified as Seriously Delinquent						
60-89 Days Delinquent	0.85%	0.86%	0.91%	0.91%	0.80%	0.79%
90+ Days Delinquent	0.82%	0.90%	0.97%	0.98%	0.97%	0.98%
Bankruptcy 30+ Days Delinquent	0.44%	0.45%	0.45%	0.44%	0.44%	0.44%
Foreclosures in Process	0.90%	0.95%	1.03%	1.12%	1.19%	1.23%
Total Mortgage Portfolio (Actual Number of Mortgage Loans in the Portfolio)						
Current and Performing	21,585,331	21,689,954	21,662,775	21,780,770	21,763,626	21,800,965
30-59 Days Delinquent	596,772	595,330	652,541	607,254	557,923	548,715
The Following Three Categories Are Classified As Seriously Delinquent						
60-89 Days Delinquent	193,533	197,037	210,886	209,873	184,888	183,195
90+ Days Delinquent	188,356	207,107	222,907	228,310	223,994	226,500
Bankruptcy 30+ Days Delinquent	100,988	102,406	102,771	102,259	101,616	101,503
Foreclosures in Process	205,248	217,905	236,748	260,219	275,668	283,988



⁵ The report presents similar data on a similar scale to allow easier comparison from one chart to the next.

Seriously Delinquent Mortgages

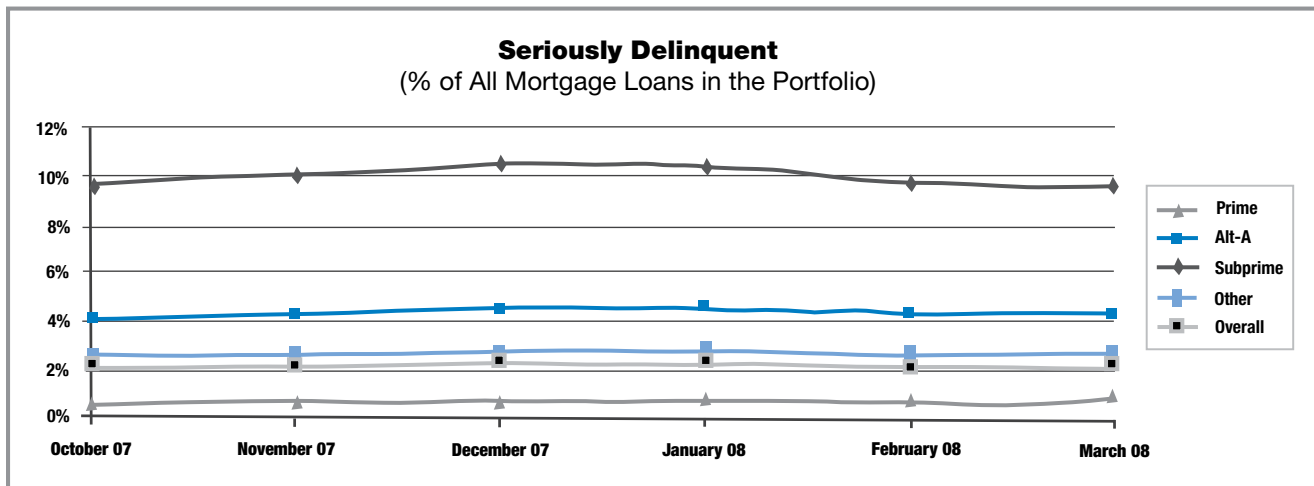
Seriously delinquent mortgages are defined as mortgages that were 60 or more days past due and those held by bankrupt borrowers that were 30 or more days past due.

As a percentage of the total portfolio, during the reporting period seriously delinquent mortgages ranged between 2.11 and 2.33 percent. Total serious delinquencies at the end of March were about 5.9 percent higher than the total at the end of October.

Seriously delinquent mortgages were lowest among prime mortgages and highest among subprime mortgages, reflecting the relative risk of these classes of borrowers.

At the end of March, the seriously delinquent rate for subprime mortgages was more than four times the rate for the total portfolio, and 13 times the rate for prime mortgages.

						0.74%
						4.38%
						9.64%
						2.60%
Overall	2.11%	2.20%	2.32%	2.33%	2.21%	2.21%
	84,682	92,316	101,198	103,995	102,064	107,031
	85,439	90,358	96,823	98,157	92,589	92,890
	194,123	202,172	212,700	211,159	194,369	192,653
	118,633	121,704	125,843	127,131	121,476	118,624
Overall	482,877	506,550	536,564	540,442	510,498	511,198



Total End-of-Month Loss Mitigation Actions

The report includes data on only the two most common types of loss mitigation actions: loan modifications and payment plans. In addition, a loan modification or payment plan is not counted until it is actually implemented. We plan to include data on other types of loss mitigation, such as HomeSaver Advance, FHA Secure, partial claims, new subsidy programs, and refinances with principal forgiveness in future reports.

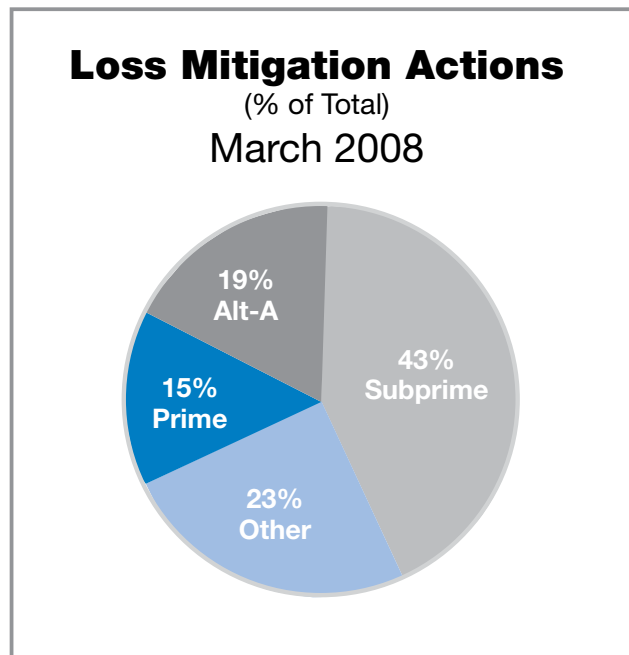
Loss mitigation actions totaled 166,879 at the end of March. Payment plans outnumbered loan modifications by more than four to one.

The greatest number of loss mitigation actions occurred with respect to subprime and Alt-A mortgages.

Although subprime mortgages constituted less than 9 percent of the total portfolio, subprime loss mitigation actions constituted 43 percent of all loss mitigation actions.

Similarly, while Alt-A mortgages comprised about 9 percent of the total portfolio, Alt-A loss mitigation actions constituted 19 percent of all loss mitigation actions.

	March 2008		% of Total Loss Servicing Portfolio
	30,906		
	135,973		
	166,879		
By Group			
	25,265		62%
	32,001		9%
	71,682		9%
	37,931		20%



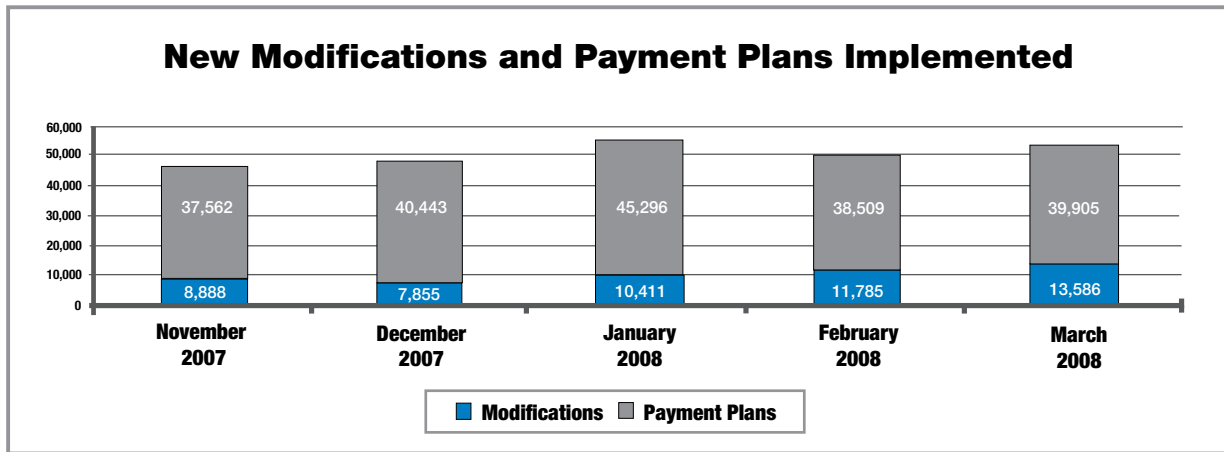
New Loan Modifications and Payment Plans Implemented

The pace of new loss mitigation actions generally increased from November through March.

While there were substantially more payment plans than loan modifications, the latter increased at a faster

rate than payment plans. That is, loan modifications as a percentage of total loss mitigation actions increased from 19 percent in November to more than 25 percent by the end of March.

New Modifications and Payment Plans Implemented ⁶					
	November 2007	December 2007	January 2008	February 2008	March 2008
Modifications	8,888	7,855	10,411	11,785	13,586
Payment Plans	37,562	40,443	45,296	38,509	39,905
Total Loss Mitigation Actions	46,450	48,298	55,707	50,294	53,491



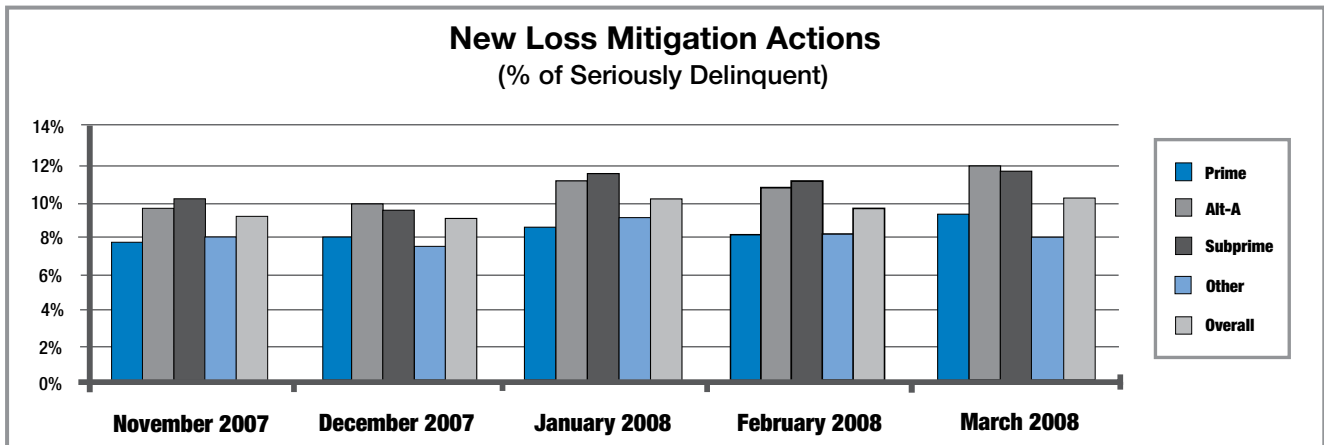
⁶ New loss mitigation actions are presented from November through March because the reporting method used to calculate new actions requires data from the previous month-end. Because October was the first month with reported data, new loss mitigation actions could not be determined for that month.

New Loss Mitigation Actions Relative to Seriously Delinquent Mortgages

The following data show new loss mitigation actions for each month as a percentage of seriously delinquent loans in each risk category. For instance, in March, the number of new loss mitigation actions for prime mortgages equaled 9.4 percent of the prime mortgages that were seriously delinquent.

In each month, among seriously delinquent loans, either subprime or Alt-A mortgages had the highest percentage of new loss mitigation actions relative to the other risk segments. Conversely, seriously delinquent prime loans consistently had the lowest relative percentage of new loss mitigation actions.

New Loss Mitigation Actions (% of Seriously Delinquent)					
	November 2007	December 2007	January 2008	February 2008	March 2008
Composition					
Prime	7.78%	8.03%	8.74%	8.27%	9.40%
Alt-A	9.96%	10.06%	11.14%	10.78%	12.08%
Subprime	10.15%	9.81%	11.45%	11.20%	11.65%
Other	8.01%	7.59%	9.05%	8.32%	8.24%
Overall	9.17%	9.00%	10.31%	9.85%	10.46%



New Loss Mitigation Actions Relative to New Foreclosures

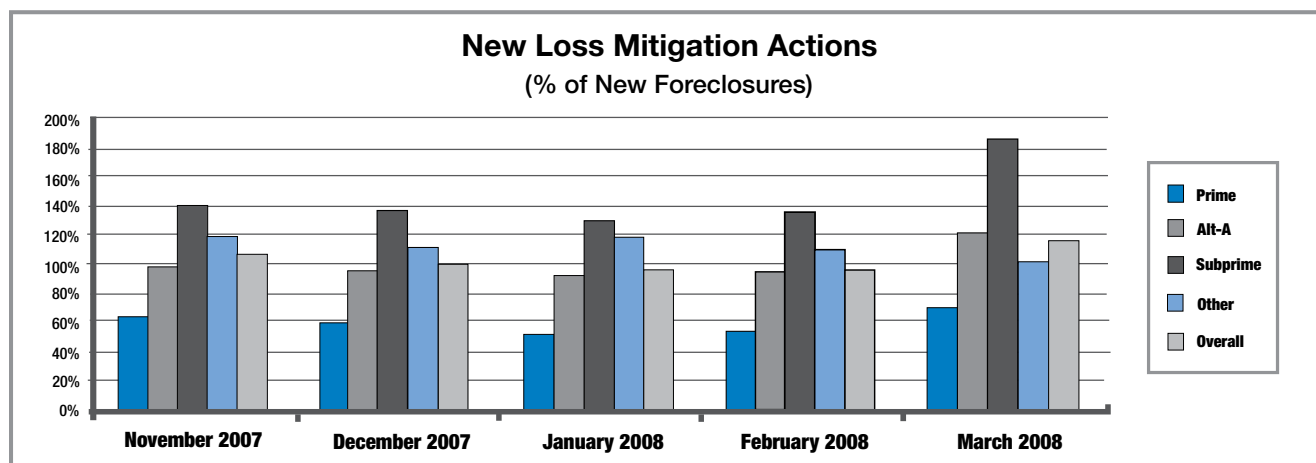
For a given month, “new foreclosures” consisted of all mortgages on which servicers commenced formal foreclosure proceedings (e.g., public notice, judicial filing). New foreclosures often do not result in a foreclosure sale or loss of the borrower’s home because banks simultaneously pursue other loss mitigation strategies or borrowers take action to return their mortgages to a current and performing status.

For each month, the following data show new loss mitigation actions as a percentage of new foreclosures. Thus, for a given category like subprime, a percentage exceeding 100 percent means that there were more new loss mitigation actions than new foreclosures.

Subprime mortgages consistently had the highest ratio of new loss mitigation actions to new foreclosures; prime mortgages consistently had the lowest. In fact, the total number of new loss mitigation actions for subprime mortgages consistently exceeded the number of new foreclosures. The opposite was true for prime mortgages, where new foreclosures exceeded new loss mitigation actions each month.

The emphasis on loss mitigation for subprime mortgages corresponds to the nationwide focus on this higher risk sector. Indeed, for such mortgages in March, new loss mitigation actions were nearly twice as frequent as new foreclosures (i.e., 86 percent greater).

New Loss Mitigation Actions (% of New Foreclosures)					
	November 2007	December 2007	January 2008	February 2008	March 2008
Composition					
Prime	63.06%	58.15%	51.05%	51.91%	67.54%
Alt-A	99.79%	96.65%	91.01%	95.28%	122.48%
Subprime	140.77%	136.24%	129.64%	138.26%	185.68%
Other	118.62%	111.79%	118.73%	110.23%	102.26%
Overall	107.52%	100.77%	95.78%	97.38%	117.06%

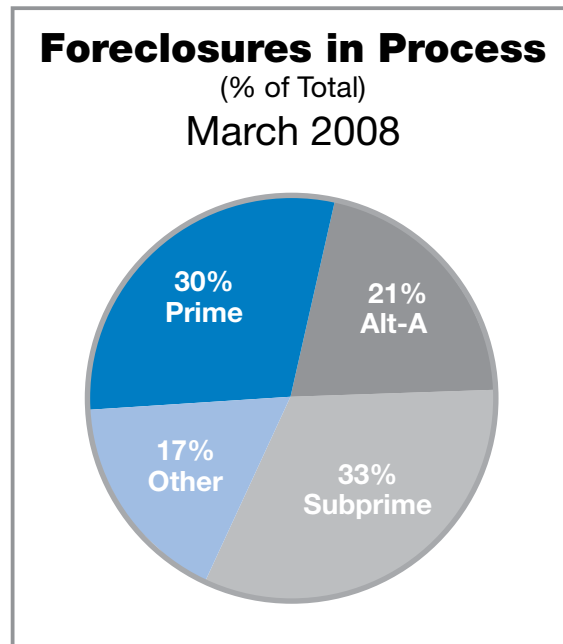


Total End-of-Month Foreclosures in Process

Foreclosures in process totaled 283,988 at the end of March. Subprime mortgages comprised almost 33 percent of total foreclosures in process, while representing less than 9 percent of the total number of mortgages.

Conversely, prime mortgages comprised 30 percent of all foreclosures, while representing 62 percent of the total servicing portfolio.

Total Foreclosures in Process		March 2008		
Total		283,988		
Composition	By Group	% of Total Foreclosures in Process	% of Total Servicing Portfolio	
		Prime	84,559	30%
	Alt-A	59,160	21%	9%
	Subprime	93,159	33%	9%
	Other	47,110	17%	20%



Numbers of New Foreclosures

New foreclosures ranged from a low of 43,201 in November to a high of 58,163 in January.

The total decreased in the past two months. By the end of March, new foreclosures numbered 45,696, down more than 21 percent from January's high and down about 4.5 percent from October.

Sixty-two percent of all mortgages in the total portfolio were prime mortgages; so it is not surprising that in

February and March, prime mortgages saw more new foreclosures than the other categories.

Subprime mortgages, which constituted just 9 percent of the total portfolio, had a disproportionately large share of new foreclosures, leading that category in four of the six months reported.

Newly Initiated Foreclosures	October 2007	November 2007	December 2007	January 2008	February 2008	March 2008
Composition						
Prime	12,838	11,387	13,982	17,808	16,258	14,894
Alt-A	10,267	9,017	10,078	12,020	10,476	9,160
Subprime	15,998	14,578	15,322	18,646	15,744	12,084
Other	8,733	8,219	8,546	9,689	9,167	9,558
Overall	47,836	43,201	47,928	58,163	51,645	45,696

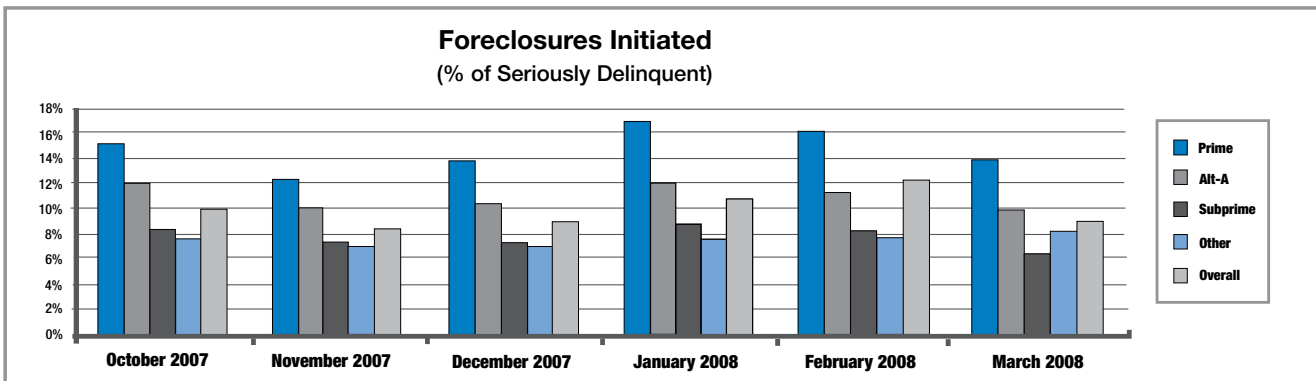
New Foreclosures Relative to Seriously Delinquent Mortgages

New foreclosures as a percentage of seriously delinquent mortgages varied from a low of 8.53 percent in November to a high of 10.76 percent in January.

The ratio was consistently highest for prime mortgages and consistently lowest for subprime mortgages. The

lower ratio for subprime borrowers corresponds with the nationwide emphasis on loss mitigation and foreclosure prevention for these higher risk borrowers.

Foreclosures Initiated (% of Seriously Delinquent)						
	October 2007	November 2007	December 2007	January 2008	February 2008	March 2008
Composition						
Prime	15.16%	12.33%	13.82%	17.12%	15.93%	13.92%
Alt-A	12.02%	9.98%	10.41%	12.25%	11.31%	9.86%
Subprime	8.24%	7.21%	7.20%	8.83%	8.10%	6.27%
Other	7.36%	6.75%	6.79%	7.62%	7.55%	8.06%
Overall	9.91%	8.53%	8.93%	10.76%	10.12%	8.94%



APPENDIX A – LOAN MODIFICATIONS

Overview

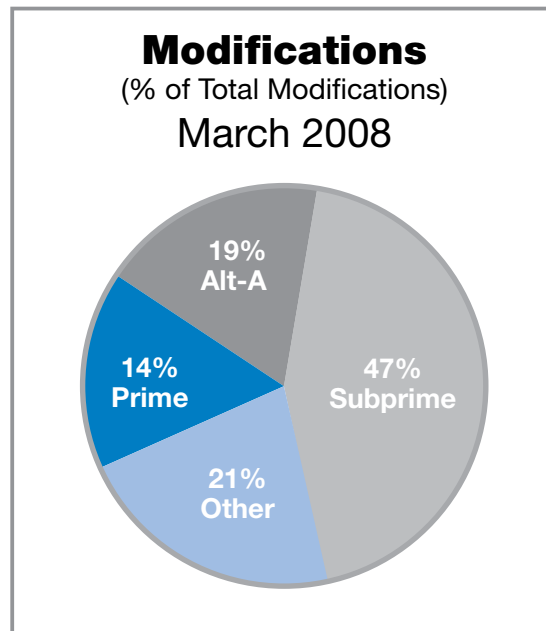
Loan modifications are defined as mortgages for which terms of the loan were contractually changed.

Loan modifications were predominantly offered on subprime mortgages. Although subprime mortgages constituted less than 9 percent of the total portfolio,

modifications of subprime mortgages comprised nearly 50 percent of all modified loans.

Conversely, prime mortgages, which constituted over 62 percent of the total portfolio, comprised only 14 percent of all modified mortgages.

Loan Modification Actions	March 2008	
Total Loan Modifications	30,906	
Composition	By Group	% of Total Modified Loans
Prime	4,174	14%
Alt-A	5,905	19%
Subprime	14,420	47%
Other	6,407	21%



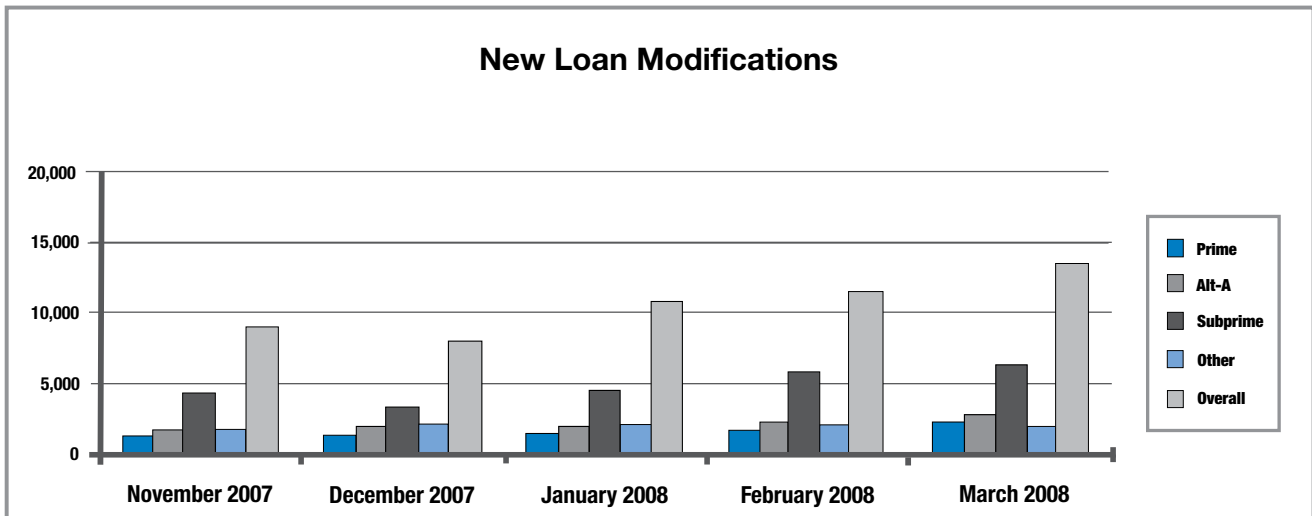
New Loan Modifications

The number of new loan modifications decreased from November to December, then increased steadily from December through March.

Prime mortgages consistently had the lowest number of new loan modifications among the defined loan categories.

The largest number of new loan modifications each month was in subprime mortgages, with more than twice that of any other category.

New Loan Modifications	November 2007	December 2007	January 2008	February 2008	March 2008
Composition					
Prime	1,331	1,157	1,493	1,635	2,397
Alt-A	1,700	1,492	1,997	2,274	2,873
Subprime	4,125	3,683	4,956	5,655	6,297
Other	1,732	1,523	1,965	2,221	2,019
Overall	8,888	7,855	10,411	11,785	13,586



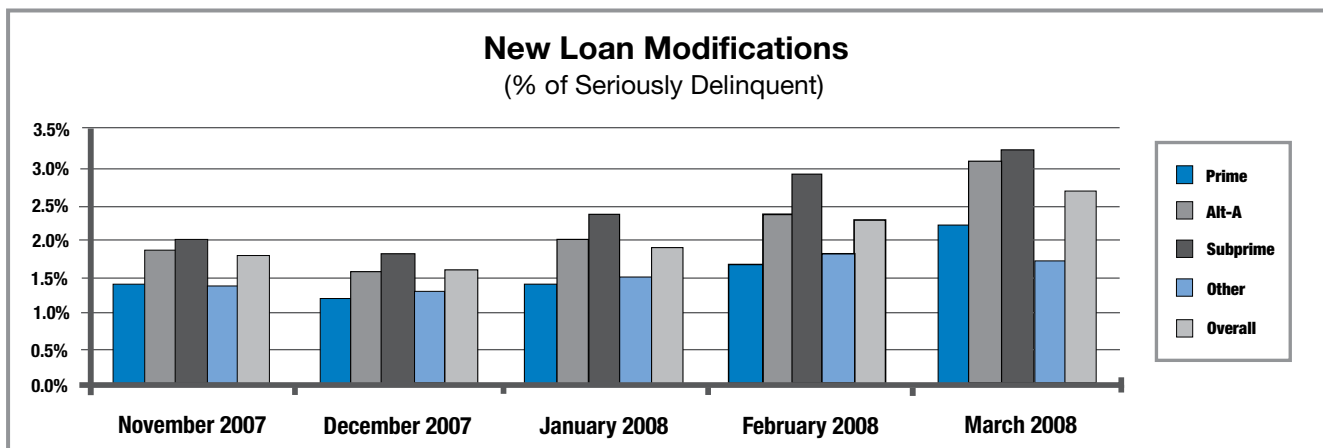
New Loan Modifications Relative to Seriously Delinquent Mortgages

Over the full reporting period, there was an increase in overall new loan modifications as a percentage of seriously delinquent loans.

The largest percentages of new loan modifications relative to seriously delinquent loans were in the highest risk segments of the portfolio – subprime and Alt-A.

While the ratio declined in every category from November to December, it thereafter increased in every category in each succeeding month.

New Loan Modifications (% of Seriously Delinquent)					
	November 2007	December 2007	January 2008	February 2008	March 2008
Composition					
Prime	1.44%	1.14%	1.44%	1.60%	2.24%
Alt-A	1.88%	1.54%	2.03%	2.46%	3.09%
Subprime	2.04%	1.73%	2.35%	2.91%	3.27%
Other	1.42%	1.21%	1.55%	1.83%	1.70%
Overall	1.75%	1.46%	1.93%	2.31%	2.66%



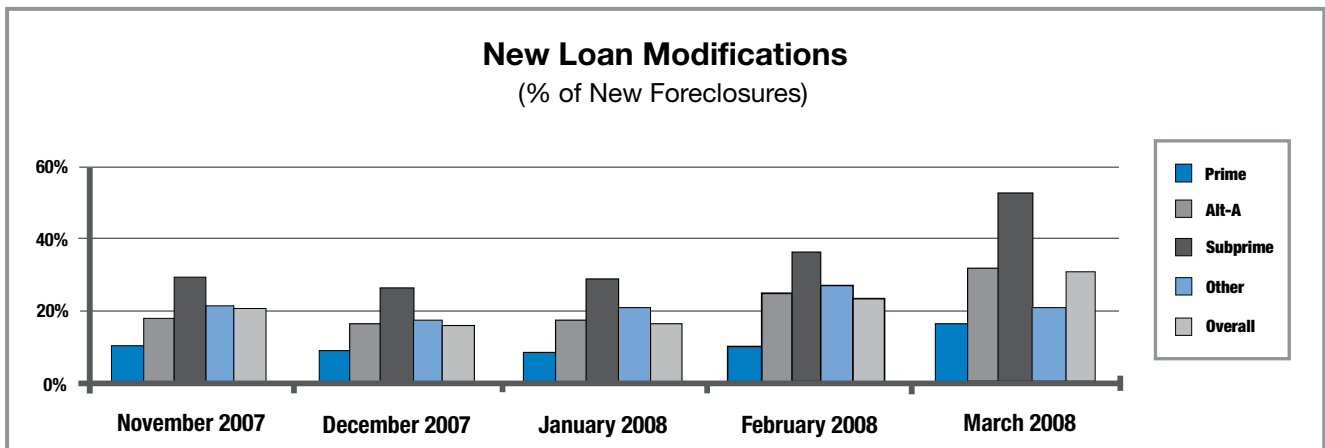
New Loan Modifications Relative to New Foreclosures

New loan modifications as a percentage of new foreclosures increased in all categories between November and March.

The ratio was also higher the greater the risk of the loan category. Prime mortgages received the fewest

loan modifications relative to new foreclosure actions. Conversely, subprime mortgages had the highest ratios, and in March, they had just over half as many new loan modifications as new foreclosures.

New Loan Modifications					
(% of New Foreclosures)	November 2007	December 2007	January 2008	February 2008	March 2008
Composition					
Prime	11.69%	8.27%	8.38%	10.06%	16.09%
Alt-A	18.85%	14.80%	16.61%	21.71%	31.36%
Subprime	28.30%	24.04%	26.58%	35.92%	52.11%
Other	21.07%	17.82%	20.28%	24.23%	21.12%
Overall	20.57%	16.39%	17.90%	22.82%	29.73%



APPENDIX B – PAYMENT PLANS

Overview

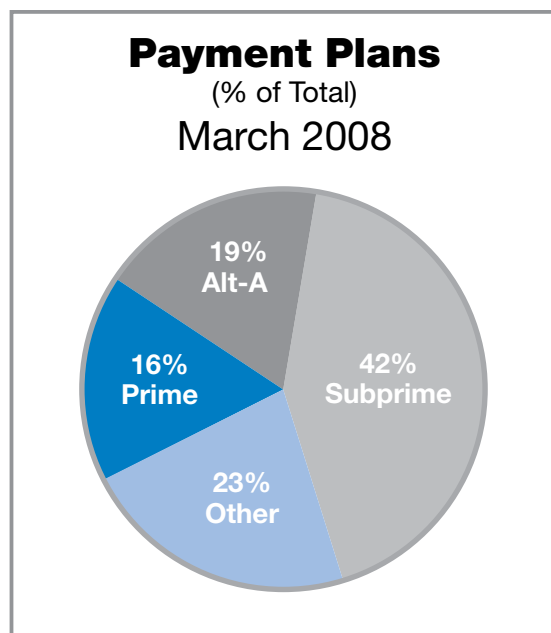
Payment plans included those mortgages where the servicer and a borrower have agreed to a short-to-medium-term change in scheduled terms and payments in order to return a mortgage to a current and performing status.

At the end of March, 42 percent of all payment plans

were implemented for subprime mortgages, even though such loans comprised less than 9 percent of the total portfolio.

In contrast, prime mortgages accounted for only 16 percent of payment plans, while comprising more than 62 percent of the total portfolio.

Payment Plans	March 2008	
Total Payment Plans	135,973	
Composition	By Group	% of Total Payment Plans
Prime	21,091	16%
Alt-A	26,096	19%
Subprime	57,262	42%
Other	31,524	23%

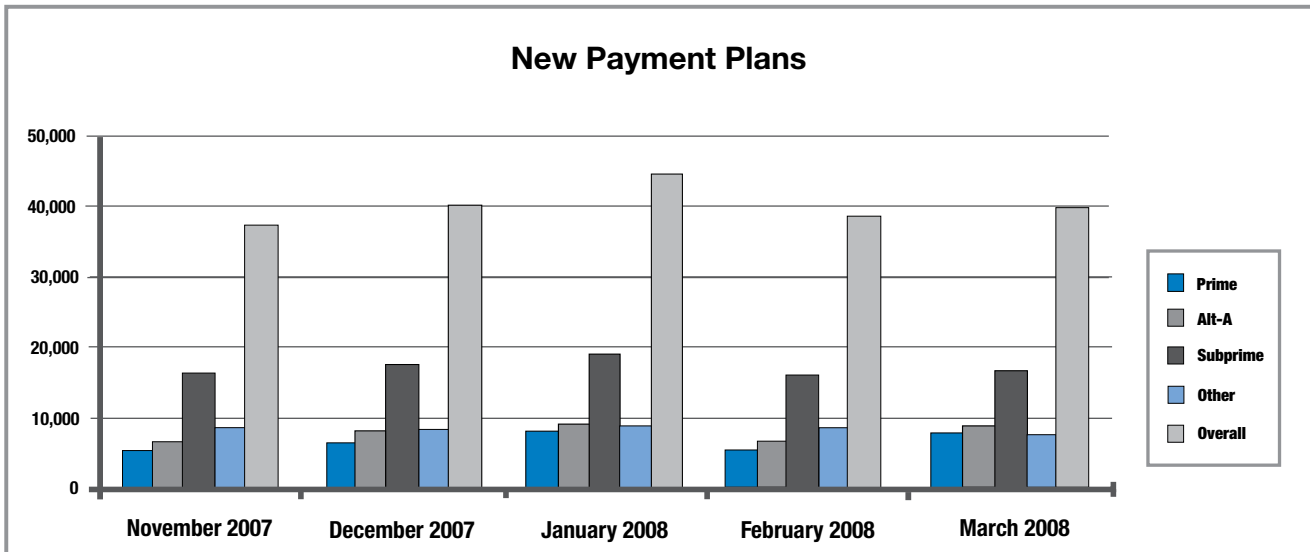


New Payment Plans

New payment plans declined in February after consistently increasing over the prior three months but increased again in March.

In each month, subprime mortgages received the largest number of new payment plans, with nearly twice as many in March as any other category of loans.

New Payment Plans	November 2007	December 2007	January 2008	February 2008	March 2008
Composition					
Prime	5,850	6,973	7,598	6,805	7,663
Alt-A	7,298	8,248	8,942	7,708	8,346
Subprime	16,397	17,191	19,217	16,112	16,141
Other	8,017	8,031	9,539	7,884	7,755
Overall	37,562	40,443	45,296	38,509	39,905

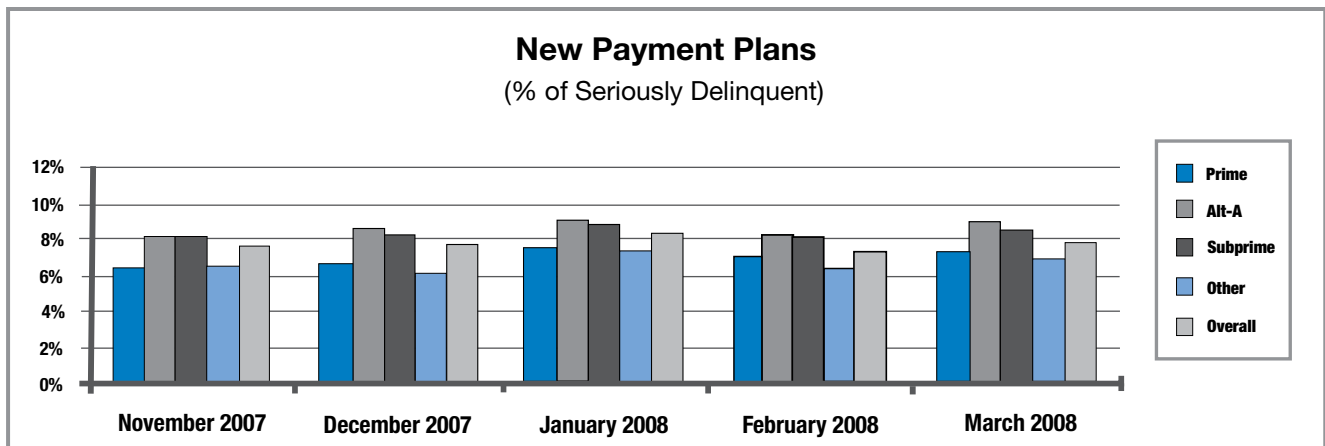


New Payment Plans Relative to Seriously Delinquent Mortgages

Overall, new payment plans as a percentage of seriously delinquent loans varied from a low in November of 7.42 percent to a high of 8.38 percent in January.

In March, 7.81 percent of seriously delinquent loans received payment plans, up slightly from the beginning of the reporting period.

New Payment Plans					
(% of Seriously Delinquent)	November 2007	December 2007	January 2008	February 2008	March 2008
Composition					
Prime	6.34%	6.89%	7.31%	6.67%	7.16%
Alt-A	8.08%	8.52%	9.11%	8.32%	8.98%
Subprime	8.11%	8.08%	9.10%	8.29%	8.38%
Other	6.59%	6.38%	7.50%	6.49%	6.54%
Overall	7.42%	7.54%	8.38%	7.54%	7.81%



New Payment Plans Relative to New Foreclosures

From November through February, new payment plans as a percentage of new foreclosures gradually declined across all portfolio risk segments as new foreclosure actions increased at a faster pace. There was, however, a significant increase in March, where new payment plans constituted 87.33 percent of new foreclosures.

Subprime mortgages had the highest ratio of new payment plans to new foreclosures. In March, such loans had over 33 percent more payment plans than new foreclosures.

New Payment Plans (% of New Foreclosures)					
	November 2007	December 2007	January 2008	February 2008	March 2008
Composition					
Prime	51.37%	49.87%	42.67%	41.86%	51.45%
Alt-A	80.94%	81.84%	74.39%	73.58%	91.11%
Subprime	112.48%	112.20%	103.06%	102.34%	133.57%
Other	97.54%	93.97%	98.45%	86.00%	81.14%
Overall	86.95%	84.38%	77.88%	74.56%	87.33%

