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HOPE NOW: Mortgage Industry Achieves 24 Million Non-Foreclosure Solutions & 6 Million Proprietary Loan Mods

411,000 Non-Foreclosure Solutions for Homeowners during Q2 2015

(WASHINGTON, DC) – HOPE NOW, the voluntary, private sector alliance of mortgage servicers, investors, mortgage insurers and non-profit counselors, released its Q2 2015 data, which shows that since 2007 the mortgage industry has completed a total of 24 million workout plans and six million proprietary loan modifications for homeowners - reaching another milestone in its efforts to assist families with troubled mortgages. This compares to just over six million foreclosure sales completed in the same time period.

In Q2 2015, approximately 411,000 homeowners received non-foreclosure solutions from mortgage servicers.

From April through June 2015, non-foreclosure solutions outpaced completed foreclosure sales by a margin of more than four to one (411,000 solutions, vs. 89,000 foreclosure sales). For every one foreclosure sale, mortgage servicers offered 4.6 solutions. This is due to the fact that there are several long term and short term solutions available to at-risk homeowners when facing delinquency or foreclosure.

Permanent loan modifications in Q2 2015 totaled approximately 113,000 and short sales totaled 24,000. Other non-foreclosure solutions (including repayment plans, deeds in lieu, other retention plans and liquidation plans) made up the rest of the total number. When homeowners do not qualify for long term permanent loan modifications, mortgage servicers continue to look for short term options that, in many cases, lead to a permanent solution.

Of the 113,000 loan modifications completed for the second quarter of 2015, about 78,000 homeowners received proprietary loan modifications and 35,738 homeowners received loan modifications completed under the Home Affordable Modification Program (HAMP).

Q2 2015 vs. Q1 2015 – Loan Mods Decrease 2%, Serious Delinquencies Decrease 6%, Foreclosure Sales Decrease 7%

- During the second quarter of 2015, there were an estimated 113,000 loan modifications completed, compared to 116,000 during the previous quarter – a slight decrease of 2%.
- Serious delinquencies of 60 days or more declined from 1.85 million in Q1 2015 to 1.74 million in Q2 2015 – a 6% decline. (Delinquency data is extrapolated from data received by the Mortgage Bankers Association for the Q2 2015)
- Foreclosure sales also decreased from the previous quarter – 89,000 in Q2 2015 vs. 96,000 in Q1 2015, a decrease of 7%.

Here are some other key metrics for Q2 2015 vs. Q1 2015:

- Total non-foreclosure solutions were approximately 411,000 in Q2 2015, compared to 444,000 in Q1 2015 – a decrease of 7%.
- Foreclosure starts were approximately 176,000 in Q2 2015, compared to 212,000 in Q1 2015, a decrease of approximately 17%.

Q2 2015 vs. Q2 2014 – Foreclosure Sales Down 24%

The 89,000 foreclosure sales in the second quarter of 2015 compares to an estimated 117,000 completed during the second quarter of 2014, representing a significant decline year over year.

Here are some other key metrics for Q2 2015 vs. Q2 2014:

- Total solutions for Q2 2015 were approximately 411,000 vs. 456,000 for Q2 2014 - a decline of 10%.
- Loan mods for Q2 2015 were approximately 113,000 vs. 125,000 for Q2 2014 – a decline of 10%.
- Foreclosure starts for Q2 2015 were approximately 176,000 vs. 203,000 for Q2 2014 – a decrease of 13%.
- Short sales completed for Q2 2015 were approximately 24,000 vs. 35,000 for Q2 2014 – a decrease of 31%.
- Deeds in lieu for Q2 2015 were approximately 5,400 – a decrease of 28% from Q2 2014 (7,500).
- Delinquencies of 60+ days were approximately 1.74 million for Q2 2015, compared to 1.98 million for Q2 2014 – a decline of 12%.

June 2015 Key Data Points

For the month of June, mortgage servicers offered approximately 128,000 total solutions. There were an estimated 34,000 permanent loan modifications completed. Of that total, approximately 25,000 were proprietary loan modifications and 9,741 were completed under HAMP. Total modifications for the month were virtually unchanged from the previous month.

Of the proprietary loan modifications completed in June 2015, approximately 67% (17,000) had reduced monthly principal and interest payments of more than 10%.

Other key metrics for the month of June 2015 compared to May 2015:

- Foreclosure sales were estimated at 30,000 in June vs. 29,000 in May – an increase of 3%.
- Foreclosure starts were estimated at 58,000 in June vs. 59,000 in May – a slight decrease of 2%.
- Short sales completed were approximately 8,200 in June vs. 7,600 in May – an increase of 8%.

The full data set for Q2 2015 can be found at www.hopenow.com

Eric Selk, Executive Director, issued this statement:

“Our data continues to show a consistent trend of non-foreclosure solutions outpacing completed foreclosure sales, which means that millions of families are receiving the help they need to avoid foreclosure. The picture shows that more homeowners have been helped by the industry than have gone through a completed foreclosure. Completed foreclosures since 2007 are approximately 6.1 million compared to 24 million non-foreclosure solutions. Within the 24 million helped are some who fell out of previous solutions and were offered a secondary alternative by a mortgage servicer. This highlights the industry’s commitment to assisting families and contributing to the overall economic recovery from the foreclosure crisis. As the overall housing market improves each quarter, HOPE NOW is focusing its efforts on the markets that have been slower to recover.

While home retention options are the desired outcome for most homeowners, there is an impressive number of solutions at the industry’s disposal for handling cases in which a HAMP modification or proprietary modification is not viable. Often these short term alternatives and liquidation options are in the best interest of the homeowner and many times at their request in the case of short sales and deeds in lieu. HOPE NOW’s members have always taken a collaborative approach to assisting families and this coalition of partnerships has led to a significant nationwide housing recovery.

On outreach front, HOPE NOW has held borrower events in Oakland, San Bernardino, Chicago, St. Louis and Cleveland already in 2015, with Milwaukee scheduled for August 27th. For the balance of the year, events will be held in Los Angeles, Ft. Lauderdale and New York City. Additionally, HOPE NOW is co-hosting community housing roundtables in these markets, along with RealtyTrac and local partners.

As the housing market has shifted its focus back to increasing homeownership, we are also actively engaged in front-end mortgage originations events, with several of our lending members, designed to educate potential homeowners on down payment assistance programs and other incentives available to first time

home buyers. We see education as a key component in shaping the new housing market.”



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Snapshot Industry Extrapolations and HAMP Metrics

						Three Month		
	Q2-2014	Q3-2014	Q4-2014	Q1-2015	Q2-2015	Apr-15	May-15	Jun-15
Total Completed Modifications	125,055	113,103	108,475	115,977	113,369	43,971	34,961	34,437
HAMP Permanent Modifications ¹	34,400	29,384	31,751	29,101	35,738	15,425	10,572	9,741
Proprietary Modifications Completed ²	90,655	83,719	76,724	86,876	77,631	28,546	24,389	24,696
Reduced P&I Modifications (10% or greater)	62,329	49,925	46,920	57,504	52,232	19,394	16,176	16,662
<i>% of Proprietary Modifications</i>	69%	60%	61%	66%	67%	68%	66%	67%
Completed Short Sale	34,604	31,006	29,102	23,532	23,930	8,116	7,597	8,216
Deed-In-Lieu	7,465	7,017	6,167	6,018	5,362	1,942	1,662	1,758
Foreclosure Starts	203,384	214,706	205,039	211,863	175,874	58,276	59,190	58,408
Foreclosure Sales	117,837	109,829	96,178	95,790	89,378	31,062	28,532	29,784
60+ Days Delinquency	1,973,598	1,950,698	1,932,568	1,854,615	1,736,133	1,752,772	1,740,593	1,715,033

¹Source - Making Home Affordable. Estimated.

²Extrapolated. Modifications Completed was revised in December 2009 to include Current Modifications and specifically exclude HAMP.

*Survey data may be restated from time to time based on servicers' collection and reporting. HOPE NOW reports and extrapolates data. Any data changes will be reflected in monthly reporting.

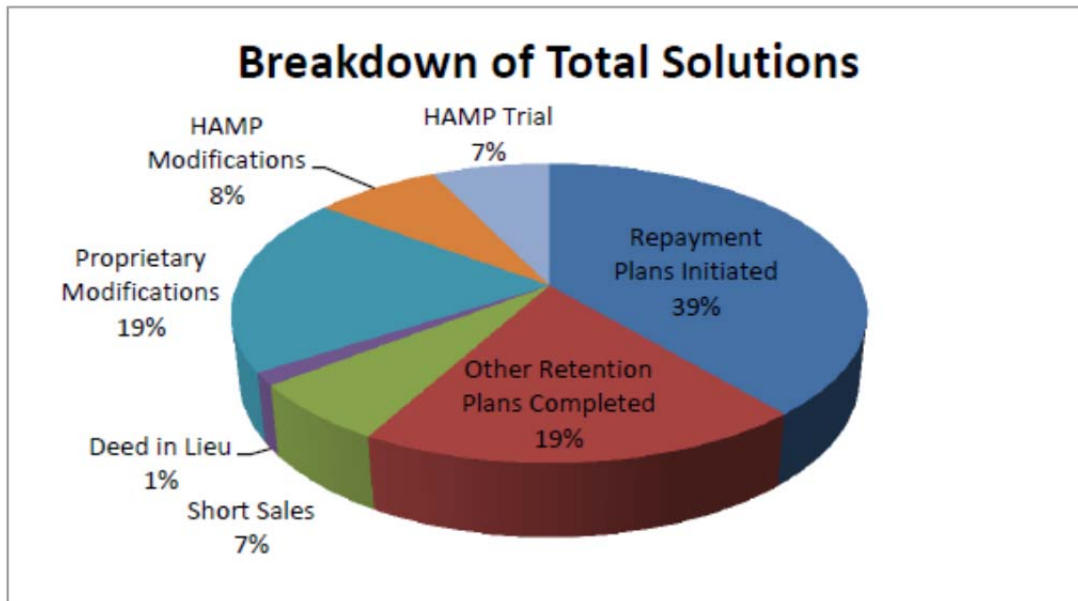
"LIFE TO DATE" TOTAL SOLUTIONS

	Q3-Q4 2007	2008	2009	2010	2011	2012	2013	2014	Apr-15	May-15	Jun-15	"Life to Date" Total
Total Solutions	912,671	2,258,603	4,252,078	4,579,587	3,640,540	3,056,234	2,649,630	1,881,515	151,092	131,722	127,799	24,083,516
HAMP Permanent Modifications ¹	N/A	N/A	66,938	512,712	353,677	203,155	175,076	136,898	15,425	10,572	9,741	1,513,295
HAMP Trial Modifications ¹	N/A	N/A	955,000	526,000	293,595	201,054	176,064	127,694	10,642	11,172	9,187	2,343,069
Proprietary Modifications Completed ²	206,240	961,355	1,172,490	1,245,095	692,385	660,642	592,382	352,134	28,546	24,389	24,696	6,047,232
Other Workout Plans Completed (Non-HAMP) ³	706,431	1,297,248	2,057,649	2,295,780	2,300,883	1,991,383	1,706,108	1,264,789	96,479	85,588	84,175	14,179,920

¹Source - Making Home Affordable. Estimated. Trial modifications that become permanent may be double counted

²HOPE NOW data is extrapolated based on the "MBA Delinquency Survey" for Q2-2015. MBA estimates that its survey covers approximately 88% of the total industry. HOPE NOW data estimates for June 2015 may increase or decrease slightly when the MBA releases its Delinquency Survey data for Q2-2015.

³Extrapolated. Other Workout Plans Completed is comprised of Repayment Plans Initiated (tracked from Q3-2007), Other Retention Plans Completed and Liquidation Plans (tracked from December 2009).



HOPE NOW is the industry-created alliance of mortgage servicers, investors, counselors, and other mortgage market participants, brought together by the Financial Services Roundtable, Housing Policy Council and Mortgage Bankers Association, that has developed and is implementing a coordinated plan to help as many homeowners as possible prevent foreclosure and stay in their homes. For more information, please visit www.HopeNow.com.

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