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HOPE NOW Reports Proprietary Loan Modifications for Homeowners Continued at Steady Pace in August

Industry has Completed 4.86 Million Total Mods Since 2007

(WASHINGTON, DC) – HOPE NOW, the voluntary, private sector alliance of mortgage servicers, investors, mortgage insurers and non-profit counselors, released its August 2011 data showing proprietary loan modifications continued at a steady pace compared with the previous month.

Faith Schwartz, Executive Director, reports, “HOPE NOW’s servicing partners continue to complete permanent loan modifications at a rate consistent with past months – in spite of tremendous negative impact of the continued housing and unemployment crisis. And, in cases where modifications are not possible, the industry is working hard to educate at-risk homeowners about the options available to them.

Data showed that proprietary loan modifications have characteristics consistent with loans that support greater affordability and sustainability as the majority of these modifications have lower principal and interest payments and fixed interest rates of more than five years.

Schwartz further stated, “The industry, and its non-profit and government partners, remains committed to using all of the tools available to assist families, whether they are home retention solutions, short term alternatives or other alternatives to foreclosure.”

Total Loan Modifications Since 2007 at 4.86 Million

Permanent proprietary loan modifications for August 2011 were approximately 56,000. Since HOPE NOW began reporting data in 2007, the mortgage industry has completed 4.86 million loan modifications for homeowners. This includes more than 4.06 million proprietary modifications and 791,399 completed under the Home Affordable Modification Program (HAMP) through July 2011.

60+ Days Delinquencies Remained Flat

According to the survey data, the inventory of 60 day plus delinquencies is 2.80 million for August 2011, virtually unchanged from the 2.81 million reported in July.

Foreclosure Sales and Starts Increased Since July

Completed foreclosure sales for August 2011 increased 5% from the previous month (68,000 compared to 65,000). Foreclosure starts increased by 18% for the month (218,000 compared to 185,000).

“We understand that unemployment, medical hardships and other financial issues have deeply affected the nation’s homeowners, said Schwartz. “Many people have fallen behind on their mortgage payments. But it is important to continue to convey the message that mortgage servicers are working tirelessly with their customers. Whether it is through localized outreach events or regional bricks and mortar centers, there are opportunities for homeowners to get one on one mortgage assistance.”

We also continue to encourage the use of non-profit housing counselors in all 50 states, who are using new technology such as HOPE LoanPort® to help homeowners reach faster, more efficient decisions from mortgage servicers.”

Key data points for August 2011:

- Loan modifications:
 - Proprietary modifications were approximately 56,000 – unchanged from the July data.
 - Total permanent loan modifications for homeowners in 2011 are approximately 690,000:
 - An estimated 478,000 are proprietary.
 - 211,749 have been completed under HAMP (through July 2011 - August TBD).
- Foreclosures:
 - Completed foreclosure sales were approximately 68,000, up from 65,000 – an increase of 5%.
 - Foreclosure starts were 218,000, up from 185,000 – an increase of 18%.

- Delinquencies:
 - 60+ days delinquencies were 2.80 million, virtually unchanged from 2.81 million.

Data on proprietary loan modification characteristics (August 2011):

- Loan modifications with reduced principal and interest payments accounted for approximately 83% (46,000) of all proprietary modifications.
- Loan modifications with reduced principal and interest payments by 10% or greater accounted for approximately 68% (38,000) of all proprietary modifications.
- Fixed-rate modifications (initial fixed period of 5 years or more) accounted for approximately 83% (47,000) of all proprietary modifications.

The full data will be available at www.hopenow.com after August HAMP data is made available.



Snapshot
Industry Extrapolations and HAMP Metrics

	Q4-2010	Q1-2011	Q2-2011	Jun-2011	Jul-2011	Aug-2011
Total Completed Modifications	345,197	298,449	251,424	81,903	84,015	55,828
HAMP Permanent Modifications ¹	83,752	90,536	92,885	31,620	28,328	N/A
Proprietary Modifications Completed ²	261,445	207,913	158,539	50,283	55,687	55,828

Proprietary Modifications Completed

Reduced P&I Modifications	217,700	167,786	127,585	41,421	44,413	46,314
<i>% of Proprietary Modifications</i>	83%	81%	80%	82%	80%	83%
Fixed Rate Modifications (initial fixed period of 5 years or more)	236,519	168,343	134,887	43,647	42,402	46,608
<i>% of Proprietary Modifications</i>	90%	81%	85%	87%	76%	83%
Reduced P&I Modifications (10% or greater)	177,976	119,422	92,126	31,608	33,302	37,730
<i>% of Proprietary Modifications</i>	68%	57%	58%	63%	60%	68%

Foreclosure Starts	656,904	591,159	534,207	194,310	185,076	217,955
Foreclosure Sales	180,818	222,691	216,073	72,570	64,578	67,663
60+ Days Delinquency	3,019,282	2,858,461	2,785,156	2,752,961	2,810,511	2,797,573

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 as provided by servicers to a third-party data aggregation vendor. Any data changes will be reflected in monthly reporting.

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 go to www.HopeNow.com or call the free Homeowner's HOPE™ Hotline at (888) 995-HOPE™.

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