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**For Immediate Release**

**HOPE NOW REPORTS 25 PERCENT SURGE IN LOAN  
WORKOUTS DURING JUNE**

**Washington, D.C. (July 29, 2009)** - HOPE NOW, the private sector alliance of mortgage servicers, investors, mortgage insurers and non-profit counselors, announced today that in June the mortgage lending industry helped 310,000 homeowners complete workout solutions to stay in their homes – a 25 percent increase over May.

In June, HOPE NOW members and the mortgage lending industry modified 96,000 mortgages compared to 101,000 in May, a 5.1 percent drop and initiated 214,000 repayment plans up from 148,000 in May, a 44.9 percent increase. Since January, 2009, more than 1.5 million homeowners have been helped through mortgage workout plans.

For a second straight month, HOPE NOW's participating servicers in June reported a slight drop in modifications and a significant increase (over 40%) in repayment plans. This increase is primarily attributed to servicer participation in the Obama administration's Home Affordable Modification program (HAMP).

"I am proud of the continued progress made by HOPE NOW Servicers and am confident that they are aggressively and proactively using HAMP, as well as other successful foreclosure prevention programs, to help as many homeowners as possible," said Faith Schwartz, Executive Director of HOPE NOW Alliance. "We continue to work with the administration on the successful implementation and outcome of HAMP for at-risk homeowners. These efforts are in the best interest of consumers as well as the U.S. economy overall."

There were 93,924 foreclosure sales in June, an increase of more than 13% from the prior month. For the first time since HOPE NOW began collecting data, prime foreclosure sales in June outpaced subprime sales by two-to-one. HOPE NOW survey data suggests a peak in subprime foreclosure sales occurred a year ago, Q2-2008. The largest gain in reported prime loan foreclosure sales occurred in the recently ended second quarter of 2009 at 154,108.

As HOPE NOW reported last month, the drop in the number of modifications and increase in repayment plans from May is largely attributed to the industry's implementation of the Obama administration's home retention program. Under the government requirements for the Home Affordable Modification program (HAMP), loans are subject to a three month trial period before a modification can be completed. Therefore, a number of workouts that will end up being modifications can currently only be reported as repayment plans or trial modifications. Many of these trial modifications will result in formal reporting of modifications after 90 days.

"The unique partnership between the mortgage servicing industry, investors, mortgage insurers, non-profit groups and the administration is productive and offers a great deal of hope and promise for the growing number of borrowers facing hardship," said Schwartz. "As we all work together to help Making Home Affordable a success, servicers are using new technologies and partnerships to better streamline the process.

The HOPE NOW June data shows:

- 1.5 million homeowners have been helped with workouts since January, 2009
- Modification and repayment plans increased to 310,000
- 60 day plus delinquencies increased from about 3.0 to almost 3.1 million.
- Foreclosure starts decreased slightly from 257,000 in May to 254,000 in June.
- Completed foreclosure sales increased from 83,000 in May to 94,000 in June.

HOPE NOW consumer outreach events have helped over 15,000 consumers since January 2009. Last week, HOPE NOW and its partners hosted an outreach event with administration and local officials in Las Vegas to help more than 1,500 at-risk homeowners meet directly with lenders and non-profit counselors to identify programs to address each homeowner's unique situation. The next outreach event will take place in Phoenix July 31 and August 1.

**HOPE NOW** is the industry-created alliance of mortgage servicers, investors, counselors, and other mortgage market participants 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](http://www.HopeNow.com).

**The Homeownership Preservation Foundation**, a HOPE NOW member, created and operates the Homeowner's HOPE™ Hotline, which is available 24 hours a day, 7 days a week, and 365 days a year. The Homeowner's HOPE™ Hotline received 1.1 million calls in 2008. There is no cost to homeowners for contacting a nonprofit counselor by calling 888-995-HOPE.

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**BORROWER LOAN WORKOUT PLANS**

	2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	Jun-09	Jul 2007-Jun 2009 ("Life to Date") Totals
<b>Repayment Plans</b>	357,900	348,531	314,453	302,565	335,152	345,078	340,384	502,595	214,756	<b>2,846,658</b>
<b>Prime</b>	154,383	160,127	148,814	141,840	179,864	203,752	215,778	342,534	143,587	1,547,091
<b>Subprime</b>	203,517	188,404	165,639	160,725	155,288	141,327	124,606	160,061	71,170	1,299,567
<b>Modifications</b>	72,773	133,467	170,216	220,349	256,188	314,602	370,436	318,044	96,046	<b>1,856,076</b>
<b>Prime</b>	29,714	36,634	48,148	56,202	70,503	92,125	121,011	128,093	40,316	582,429
<b>Subprime</b>	43,058	96,833	122,068	164,147	185,685	222,477	249,425	189,951	55,730	1,273,646
<b>Workout Plans</b>	430,673	481,998	484,669	522,914	591,340	659,680	710,820	820,639	310,803	<b>4,702,733</b>
<b>Prime</b>	184,097	196,761	196,961	198,042	250,367	295,877	336,788	470,627	183,903	2,129,521
<b>Subprime</b>	246,575	285,237	287,708	324,872	340,973	363,803	374,032	350,012	126,900	2,573,213

**FORECLOSURE SALES**

	2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	Jun-09	Jul 2007-Jun 2009 ("Life to Date") Totals
<b>Foreclosure Sales</b>	153,408	168,213	203,503	246,192	263,326	201,603	201,314	239,303	93,924	<b>1,676,862</b>
<b>Prime</b>	60,699	64,958	83,352	108,202	130,700	101,519	113,309	154,108	62,603	816,849
<b>Subprime</b>	92,709	103,255	120,151	137,990	132,626	100,084	88,005	85,196	31,321	860,014

(Workout Plans = Repayment Plans + Modifications)

**Repayment Plans:** A plan that allows the borrower to become current and catch up on missed payments that are appropriate to the borrower's circumstances, which involves deferring or rescheduling payments but the full amount of the loan is expected ultimately to be paid.

**Modifications:** A modification occurs any time any term of the original loan contract is permanently altered. This can involve a reduction in the interest rate, forgiveness of a portion of principal or extension of the maturity date of the loan.