

# Making Home Affordable

Program Performance Report Through October 2013

## Report Highlights

### More Than 1.8 Million Homeowner Assistance Actions Taken through Making Home Affordable

- More than 1.2 million homeowners have received a permanent modification through the Home Affordable Modification Program (HAMP). Homeowners have reduced their first lien mortgage payments by a median of approximately \$547 each month – almost 40% of their median before-modification payment – saving a total estimated \$23.5 billion to date in monthly mortgage payments.
- Homeowners currently in HAMP permanent modifications with some form of principal reduction have been granted an estimated \$12.4 billion in principal reduction. Of all non Government Sponsored Enterprise (GSE) loans eligible for principal reduction entering HAMP in October, 69% included a principal reduction feature.
- Nearly 238,000 homeowners have exited their homes through a short sale or deed-in-lieu of foreclosure with assistance from the Home Affordable Foreclosure Alternatives Program (HAFA).
- More than 121,000 second lien modifications have been completed through the Second Lien Modification Program (2MP).

### This Month: Q3 2013 Changes to Quarterly Servicer Assessment

- For the third quarter of 2013, the content of the Servicer Assessment has changed from previously published versions. The Servicer Assessment has been a valuable tool to report on servicer performance, as well as drive performance improvements. The Assessment has been enhanced to present new compliance metrics and related benchmarks. These changes will provide additional insight into the impact of servicer performance on the borrower's experience, allow for trending analysis of all compliance metrics and foster further improvement in servicer performance by tightening performance benchmarks.
- The changes include:
  - tightening the performance benchmarks for existing compliance metrics, in addition to expanding the coverage of certain existing metrics;
  - adding three new compliance metrics, such as servicer compliance with timely assignment of a single point of contact and;
  - removing three existing compliance metrics.
- For the third quarter of 2013, three servicers were found to need minor improvement, three servicers were found to need moderate improvement and one servicer was found to need substantial improvement. All servicers will need to continue to demonstrate progress in areas identified during program reviews. Although this quarter's results indicate one servicer needs substantial improvement, on average, servicer performance has improved since the inception of the Servicer Assessment reports. This is evidenced by an average income calculation error rate of 0.8% for this quarter.

Note: For information and quarterly updates about the Hardest Hit Fund, please visit the website for the [Hardest Hit Fund](#) or the [TARP Monthly Report to Congress](#).

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# Making Home Affordable: Summary Results

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## Making Home Affordable Program Activity

The Making Home Affordable Program was launched in March 2009 with the Home Affordable Modification Program (HAMP) which provides assistance to struggling homeowners by lowering monthly first lien mortgage payments to an affordable level. Additional programs were subsequently rolled out to expand the program reach.

**In total, the MHA program has completed more than 1.8 million first and second lien permanent modifications, HAFA transactions, and UP forbearance plans.**

	Program-to-Date	Reported Since Prior Period
MHA First Lien Permanent Modifications Started*	1,468,940	24,557
2MP Modifications Started	121,252	1,327
HAFA Transactions Completed	237,687	11,252
UP Forbearance Plans Started (through September 2013)	36,535	806
<b>Cumulative Activity<sup>1</sup></b>	<b>1,864,414</b>	<b>37,942</b>

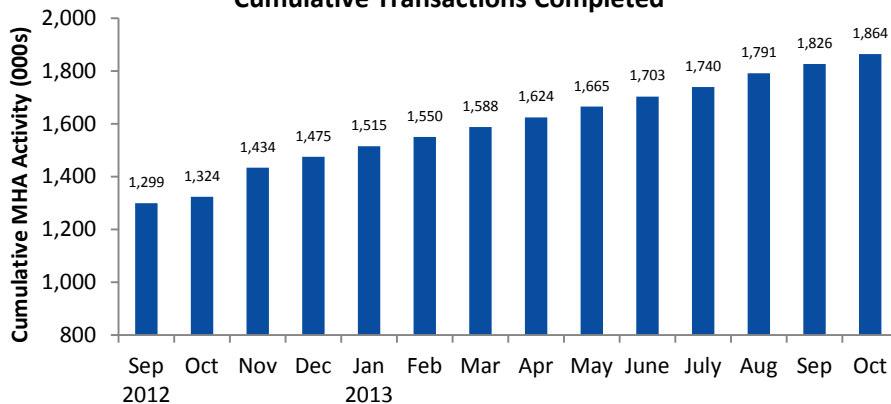
\*Program-to-Date Total Includes :

- 1,285,018 GSE and Non-GSE HAMP permanent modifications
- 20,793 FHA- and RD-HAMP modifications
- 163,129 GSE Standard Modifications since October 2011 under the GSEs' Servicer Alignment Initiative

Program	Purpose
MHA First Lien Modifications	The Home Affordable Modification Program (HAMP) provides eligible borrowers the opportunity to lower their first lien mortgage payment to affordable and sustainable levels through a uniform loan modification process. Effective June 2012, HAMP's eligibility requirements were expanded to include a "Tier 2" evaluation for non-GSE loans that is modeled after the GSE Standard Modification and includes properties that are currently occupied by a tenant as well as vacant properties the borrower intends to rent. FHA-HAMP and RD-HAMP provide first lien modifications for distressed borrowers in loans guaranteed through the Federal Housing Administration and Rural Housing Service.
Second Lien Modification Program (2MP)	Provides modifications and extinguishments on second liens when there has been an eligible first lien modification on the same property.
Home Affordable Foreclosure Alternatives (HAFA)	Provides transition alternatives to foreclosure in the form of a short sale or deed-in-lieu of foreclosure. Effective November 2012, the GSEs jointly streamlined their short sale and deed-in-lieu of foreclosure programs. The GSE Standard HAFA program is closely aligned with Treasury's MHA HAFA program. A short sale requires a third-party purchaser and cooperation of junior lienholders and mortgage insurers to complete the transaction.
Unemployment Program (UP)	Provides temporary forbearance of mortgage principal to enable unemployed borrowers to look for a new job without fear of foreclosure.

## MHA Program Activity

Cumulative Transactions Completed



Source: HAMP system of record for HAMP, 2MP, HAFA, FHA-HAMP, and RD-HAMP. UP participation is reported via servicer survey. GSE Standard Modification and GSE Standard HAFA data provided by Fannie Mae and Freddie Mac.

See Appendix for Terms and Methodology, Program Notes, End Notes and additional information on servicer participants in Making Home Affordable programs.

# Making Home Affordable: Summary Results

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## HAMP (First Lien) Modifications

HAMP Activity Through October 2013		Total
Trial Modifications	All Trials Started	2,122,785
	Tier 1	2,080,002
	Tier 2	42,783
	Trials Reported Since Last Report <sup>2</sup>	13,655
	Active Trials	56,969
Permanent Modifications	Trial Modifications Cancelled since Verified Income Requirement*	75,763
	All Permanent Modifications Started	1,285,018
	Tier 1	1,259,344
	Tier 2	25,674
	Permanent Modifications Reported Since Last Report	16,383
	Permanent Modifications Disqualified (Cumulative)**	345,925
	Active Permanent Modifications	917,138

\* When Treasury first launched HAMP in the spring of 2009, servicers were not required to verify a borrower's income prior to commencing a trial modification. This was the policy because of the severity of the crisis, the number of homeowners already in default, and the fact that servicers had not yet built the systems to fully implement the program. However, this resulted in many trials being cancelled once income was verified. Treasury required all servicers to verify a borrower's income as of June 10, 2010, which substantially lowered trial cancellations. Prior to that date, 705,035 trials were cancelled, for a cumulative of 780,798.

\*\* Does not include 21,955 loans paid off.

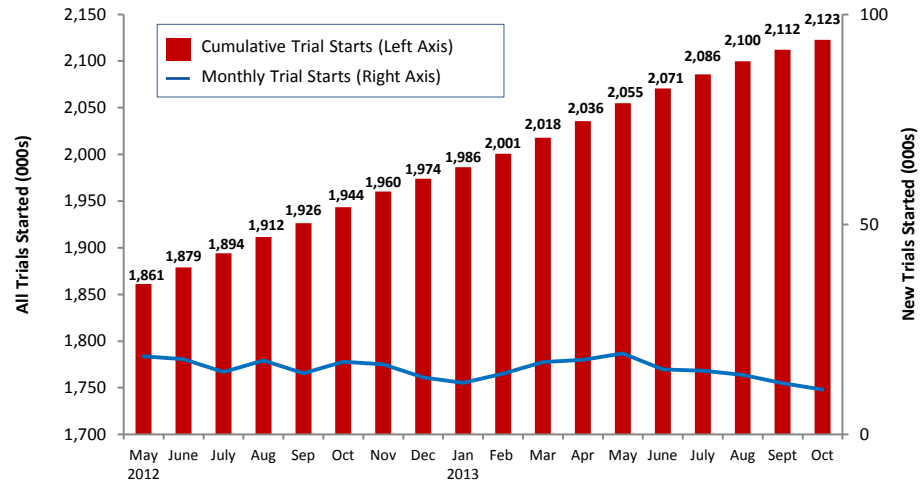
## Estimated Eligible Loans and Borrowers

Under the original HAMP program, launched in March 2009, now referred to as "Tier 1," eligible loans include conventional loans more than 60 days delinquent (unless the borrower is in imminent default), that originated on or before January 1, 2009 with a current unpaid principal balance below the maximum conforming loan limit and were owner-occupied at origination.

Homeowners who have HAMP-eligible loans may qualify for Tier 1 if they meet additional criteria including, but not limited to requiring: a debt-to-income ratio greater than 31%, occupancy, employment, and pooling and servicing agreement eligibility. Based on current estimates, of the 3.1 million homeowners who are currently 60+ days delinquent, an estimated 600,000 homeowners are potentially eligible for HAMP Tier 1.

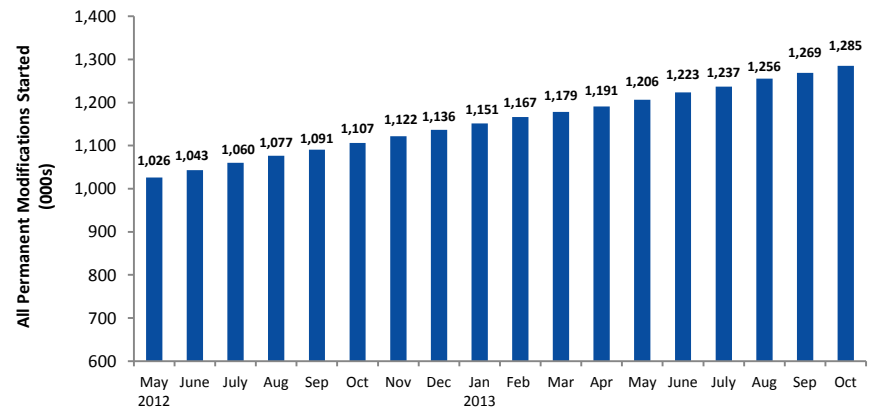
On January 27, 2012, Treasury announced an expansion of the eligibility for HAMP to reduce additional foreclosures and help stabilize neighborhoods. The eligibility was expanded for non-GSE loans to (1) allow for more flexible debt-to-income criteria and (2) include properties that are currently occupied by a tenant, as well as vacant properties which the borrower intends to rent. This expanded HAMP criteria, referred to as HAMP "Tier 2," became effective on June 1, 2012 (although not all servicers began offering Tier 2 modifications on that date).

## HAMP Trials Started



Servicers may enter new trial modifications into the HAMP system of record at any time. For example, 13,655 trials have entered the HAMP system of record since the prior report; 10,676 were trials with a first payment recorded in October 2013.

## HAMP Permanent Modifications Started (Cumulative)



# Making Home Affordable: Summary Results

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## Second Lien Modification Program (2MP) Activity

The Second Lien Modification Program (2MP) provides assistance to homeowners in a first lien permanent modification who have an eligible second lien with a participating HAMP servicer. This assistance can result in a modification of the second lien and even full or partial extinguishment of the second lien. Second lien modifications follow a series of steps and may include capitalization, interest rate reduction, term extension and principal forbearance or forgiveness. Effective September 2013, Treasury expanded the 2MP program eligibility to include second liens with a qualifying first lien modified under the GSE's Standard Modification program.

2MP modifications and partial extinguishments require that the qualifying first lien modification be permanent and active and that the second lien have an unpaid balance of \$5,000 or more and a monthly payment of at least \$100.

All Second Lien Modifications Started (Cumulative)	121,252
Second Lien Modifications Involving Full Lien Extinguishments	31,119
Second Lien Modifications Disqualified*	9,027
Active Second Lien Modifications**	77,713
Active Second Lien Modifications Involving Partial Lien Extinguishments	9,507

\* Does not include 3,393 loans paid off.

\*\* Includes 7,006 loans in active non-payment status whereby the 1MP has disqualified from HAMP. As a result, the servicer is no longer required to report payment activity on the 2MP modification.

## Second Lien Extinguishment Details

Median Amount of Full Extinguishment	\$61,242
Median Amount of Partial Extinguishment for Active Second Lien Modifications	\$10,116

## Unemployment Program (UP) Activity

The Treasury MHA Unemployment Program (UP) provides a temporary forbearance to homeowners who are unemployed. Under Treasury guidelines, unemployed homeowners must be considered for a minimum of 12 months' forbearance.

All UP Forbearance Plans Started	36,535
UP Forbearance Plans With Some Payment Required	31,071
UP Forbearance Plans With No Payment Required	5,464

## Home Affordable Foreclosure Alternatives (HAFA) Activity

The Home Affordable Foreclosure Alternatives Program (HAFA) offers incentives and a streamlined process for homeowners looking to exit their homes through a short sale or deed-in-lieu of foreclosure. HAFA has established important homeowner protections and an industry standard for streamlined transactions. Effective November 2012, the GSEs revised their short sale and deed-in-lieu programs. The GSE Standard HAFA program is closely aligned with Treasury's MHA HAFA program. In HAFA transactions, homeowners:

- Follow a streamlined process for short sales and deed-in-lieu transactions that requires no verification of income (unless as required by investors) and allows for pre-approved short sale terms;
- Receive a waiver of deficiency once the transaction is completed that releases the homeowner from remaining mortgage debt;
- Receive at least \$3,000 in relocation assistance at closing.

	Non-GSE Activity	GSE Activity	Total
Short Sale	134,601	87,285	221,886
Deed-in-Lieu	4,173	11,628	15,801
<b>Total Transactions Completed</b>	<b>138,774</b>	<b>98,913</b>	<b>237,687</b>

## Treasury FHA-HAMP Modification Activity

The Treasury FHA-HAMP Program provides assistance to eligible homeowners with FHA-insured mortgages.

All Treasury FHA-HAMP Trial Modifications Started	35,753
All Treasury FHA-HAMP Permanent Modifications Started	20,688

# Making Home Affordable: Program Results

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## HAMP Principal Reduction

Principal reduction may be offered to any non-GSE HAMP modifications, and servicers are required to evaluate the benefit of principal reduction for non-GSE mortgages with a loan-to-value ratio greater than 115% when evaluating a homeowner for a HAMP first lien modification. While servicers are required to evaluate homeowners for principal reduction, they are not required to reduce principal as part of the modification. The MHA Program allows servicers to provide principal reduction on HAMP modifications in two ways: 1) under HAMP Principal Reduction Alternative (PRA), principal is reduced to lower the LTV, the investor is eligible to receive an incentive on the amount of principal reduced, and the reduction vests over a 3-year period and 2) servicers can also offer principal reduction to homeowners on a HAMP modification outside the requirements of HAMP PRA. If they do, the investor receives no incentive payment for the principal reduction and the principal reduction can be recognized immediately.

To encourage servicers and investors to consider or expand the use of HAMP PRA, Treasury issued program guidance on February 16, 2012 tripling financial incentives under HAMP PRA for investors who agree to reduce principal for eligible underwater homeowners. The new program guidance applies to all permanent modifications of non-GSE loans under HAMP that include HAMP PRA and have a trial period plan effective date on or after March 1, 2012. HAMP PRA can be a feature of a HAMP trial or permanent modification.

### HAMP Principal Reduction Activity

	HAMP Modifications with Earned Principal Reduction Under PRA <sup>3</sup>	HAMP Modifications with Upfront Principal Reduction Outside of PRA	Total HAMP Modifications with Principal Reduction
All Trial Modifications Started	153,537	48,458	201,995
Trials Reported Since Last Report	3,005	857	3,862
Active Trial Modifications	13,778	3,446	17,224
All Permanent Modifications Started	127,776	41,450	169,226
Permanent Modifications Reported Since Last Report	3,683	976	4,659
Active Permanent Modifications	107,401	35,385	142,786
Median Principal Amount Reduced for Active Permanent Modifications <sup>4</sup>	\$72,485	\$57,027	\$67,524
Median Principal Amount Reduced for Active Permanent Modifications (%) <sup>5</sup>	32.2%	18.0%	30.1%
Total Outstanding Principal Balance Reduced on Active Permanent Modifications <sup>4</sup>	\$9,941,542,691	\$2,451,075,739	\$12,392,618,430

### Modification Characteristics

While the population of loan modifications with principal reduction is still relatively small, program data indicates that modifications with principal reduction are comprised of more homeowners seriously delinquent at the time of trial start than the overall population of HAMP homeowners. Overall, homeowners receiving permanent loan modifications with principal reduction also have a higher before-modification LTV ratio than those without it.

	All HAMP Modifications	Total HAMP Modifications with Principal Reduction
Of trials started, delinquency at trial start:		
- At least 60 days delinquent	80%	84%
- Up to 59 days delinquent or current and in imminent default	20%	16%

Top three States by Total Active, Percent of Total Activity:

- California	26%	33%
- Florida	12%	15%
- Illinois	5%	5%
Top Three States' Percent of Total	43%	54%

Active Permanent Modifications – Median Loan-to-Value (LTV) ratio:

- Before Modification	119%	149%
- After Modification*	115%	115%

Active Permanent Modifications – Median before Modification Debt-to-Income (DTI) ratio:

- Front-End DTI	45.4%	45.3%
- Back-End DTI	68.9%	58.5%

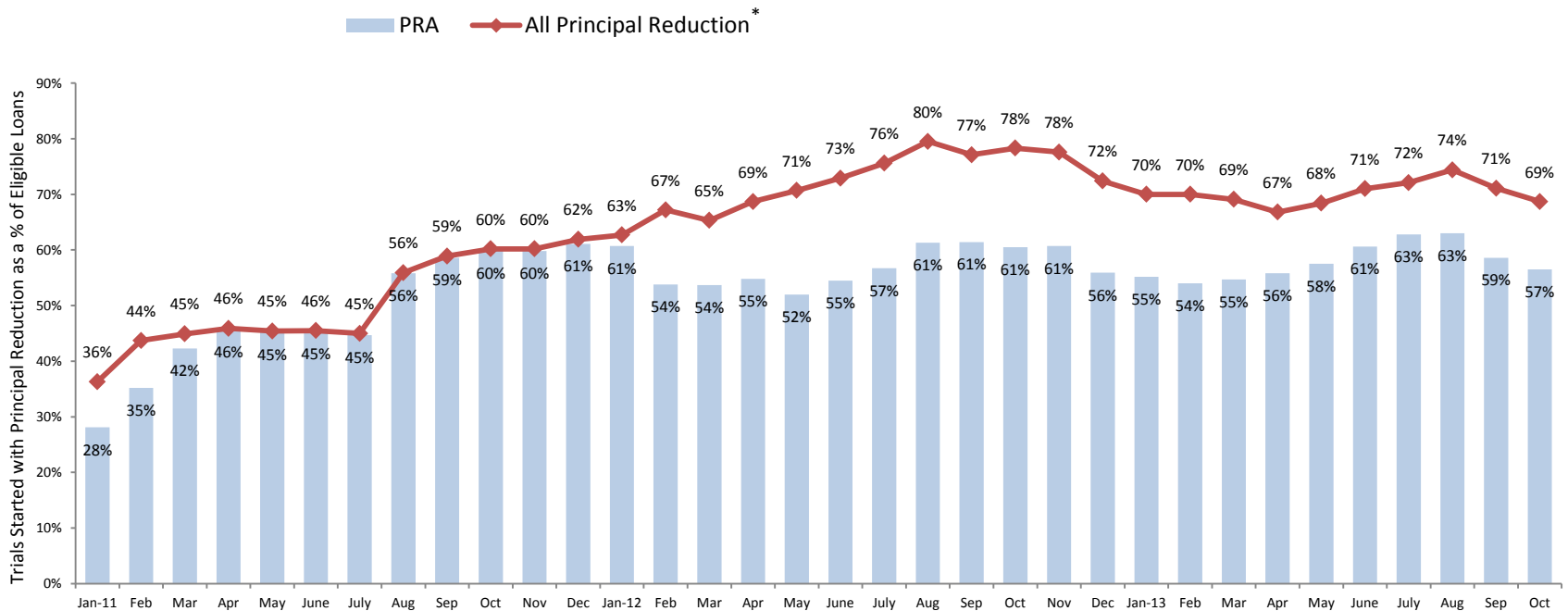
\*Because the first step of the standard HAMP waterfall includes the capitalization of accrued interest, out-of-pocket escrow advances to third parties, any escrow advances made to third parties during the trial period plan, and servicing advances that are made for costs and expenses incurred in performing servicing obligations, this can result in an increase in the principal balance after modification. As a result, the loan-to-value ratio can increase in the modification process.

# Making Home Affordable: Program Results

Program Performance Report Through October 2013

## HAMP Principal Reduction

The terms of the \$25 billion National Mortgage Settlement regarding mortgage servicing deficiencies between the five largest mortgage servicers, the Federal government, and 49 state attorneys general, has resulted in servicers granting more non-PRA principal reductions. Of non-GSE loans eligible for principal reduction that started a trial in October 2013, 69% included a principal reduction feature. 57% offered principal reduction through the HAMP PRA program. The remaining HAMP trial modifications with a principal reduction feature were granted outside the requirements of HAMP PRA, where the investor does not receive a financial incentive for the principal reduction. Principal reductions granted outside of the HAMP PRA program since February 2012 are likely attributable to the National Mortgage Settlement.



\*All Principal Reduction population consists of trials that have any principal reduction, including those with HAMP PRA.

# Making Home Affordable: Program Results

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## HAMP Homeowner Benefits and First Lien Modification Characteristics

Aggregate payment savings to homeowners who received HAMP first lien permanent modifications are estimated to total **approximately \$23.5 billion**, program to date, compared with unmodified mortgage obligations. The median monthly savings for homeowners in active permanent first lien modifications is \$546.65, or **39% of the median monthly payment** before modification.

### Modification Steps of Active Permanent Modifications

HAMP modifications follow a series of waterfall steps. The modification steps include interest rate adjustment, term extension and principal forbearance.

- Under Tier 1, servicers apply the modification steps in sequence until the homeowner's post modification front-end debt-to-income (DTI) ratio is 31%. The impact of each modification step can vary to achieve the target of 31%.
- Under Tier 2, servicers apply consistent modification terms resulting in the homeowner's post modification DTI falling within an allowable target range.<sup>6</sup>

Active permanent modifications reflect the following **modification steps**:

Modification Step	Tier 1	Tier 2
Interest Rate Reduction	96.2%	79.3%
Term Extension	63.2%	72.4%
Principal Forbearance	33.7%	28.0%

### Select Median Characteristics of Active Permanent Modifications

Loan Characteristic	Before Modification	After Modification	Median Decrease
<b>Front-End Debt-to-Income Ratio</b>			
Tier 1	45.6%	31.0%	-15.1 pct pts
Tier 2	30.2%	25.0%	-7.1 pct pts
<b>Back-End Debt-to-Income Ratio</b>			
Tier 1	69.5%	51.1%	-15.4 pct pts
Tier 2	46.2%	37.9%	-7.1 pct pts
<b>Median Monthly Housing Payment</b>			
Tier 1	\$1,414.72	\$795.33	(\$553.33)
Tier 2	\$1,142.97	\$749.66	(\$357.44)

## Homeowner Characteristics

- Tier 2 provides another modification opportunity for struggling homeowners who did not qualify for Tier 1 or received a Tier 1 trial or permanent modification but lost good standing. Of the Tier 2 trial modifications started:
  - 25% were previously in a Tier 1 trial or permanent modification.
  - 17% were previously evaluated for Tier 1 and did not meet eligibility requirements.

- Of the Tier 2 trial modifications started, **7% were for non owner-occupied properties.**

- The median gross monthly income of homeowners in the program is \$3,855.18.
- The median credit score of homeowners in the program is 575.

- The **primary hardship reasons** for homeowners in active permanent modifications are:
  - 68.4% experienced loss of income (curtailment of income or unemployment)
  - 10.3% reported excessive obligation
  - 3.5% reported an illness of the principal borrower

- Of all HAMP trial modifications started, **80% of homeowners were at least 60 days delinquent at trial start.** The rest were up to 59 days delinquent or current and in imminent default.



# Making Home Affordable: Program Results

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## HAMP Activity by State

State	Active Trials	Active Permanent Modifications	State Total Active	% of U.S. HAMP Activity	State	Active Trials	Active Permanent Modifications	State Total Active	% of U.S. HAMP Activity
AK	30	411	441	0.0%	MT	66	1,045	1,111	0.1%
AL	486	4,984	5,470	0.6%	NC	1,287	16,277	17,564	1.8%
AR	178	1,916	2,094	0.2%	ND	9	138	147	0.0%
AZ	989	34,100	35,089	3.6%	NE	103	1,197	1,300	0.1%
CA	10,171	238,971	249,142	25.6%	NH	237	3,983	4,220	0.4%
CO	684	12,878	13,562	1.4%	NJ	2,391	29,467	31,858	3.3%
CT	1,007	11,857	12,864	1.3%	NM	235	3,119	3,354	0.3%
DC	96	1,593	1,689	0.2%	NV	944	19,432	20,376	2.1%
DE	210	2,696	2,906	0.3%	NY	4,134	47,107	51,241	5.3%
FL	7,377	112,264	119,641	12.3%	OH	1,584	18,955	20,539	2.1%
GA	1,882	32,410	34,292	3.5%	OK	225	2,150	2,375	0.2%
HI	218	3,593	3,811	0.4%	OR	514	10,336	10,850	1.1%
IA	179	2,098	2,277	0.2%	PA	2,005	19,080	21,085	2.2%
ID	171	3,371	3,542	0.4%	RI	320	4,339	4,659	0.5%
IL	2,993	46,997	49,990	5.1%	SC	677	8,299	8,976	0.9%
IN	775	8,450	9,225	0.9%	SD	15	303	318	0.0%
KS	168	2,133	2,301	0.2%	TN	906	9,029	9,935	1.0%
KY	342	3,336	3,678	0.4%	TX	2,333	25,220	27,553	2.8%
LA	502	5,101	5,603	0.6%	UT	304	7,921	8,225	0.8%
MA	1,667	21,707	23,374	2.4%	VA	1,261	21,649	22,910	2.4%
MD	2,009	28,873	30,882	3.2%	VT	76	806	882	0.1%
ME	218	2,520	2,738	0.3%	WA	1,205	19,580	20,785	2.1%
MI	1,207	26,419	27,626	2.8%	WI	696	8,413	9,109	0.9%
MN	641	13,903	14,544	1.5%	WV	83	1,186	1,269	0.1%
MO	708	8,784	9,492	1.0%	WY	31	413	444	0.0%
MS	279	3,111	3,390	0.3%	Other*	141	3,218	3,359	0.3%

\* Other includes Guam, Puerto Rico and the U.S. Virgin Islands.

## 15 Metropolitan Areas With Highest HAMP Activity

Metropolitan Statistical Area	Active Trials	Active Permanent Mods	MSA Total Active	% of U.S. HAMP Activity	Median \$ Payment Reduction <sup>7</sup>	Median % Payment Reduction <sup>7</sup>
Los Angeles-Long Beach-Santa Ana, CA	3,577	77,402	80,979	8.3%	\$869.35	41%
New York-Northern New Jersey-Long Island, NY-NJ-PA	5,014	62,049	67,063	6.9%	\$889.70	43%
Miami-Fort Lauderdale-Pompano Beach, FL	3,352	49,984	53,336	5.5%	\$582.70	46%
Chicago-Joliet-Naperville, IL-IN-WI	2,894	45,664	48,558	5.0%	\$569.94	44%
Riverside-San Bernardino-Ontario, CA	1,703	45,140	46,843	4.8%	\$690.06	41%
Washington-Arlington-Alexandria, DC-VA-MD-WV	1,669	30,516	32,185	3.3%	\$699.51	39%
Phoenix-Mesa-Glendale, AZ	670	27,041	27,711	2.8%	\$503.48	41%
Atlanta-Sandy Springs-Marietta, GA	1,407	26,112	27,519	2.8%	\$414.09	40%
San Francisco-Oakland-Fremont, CA	884	21,549	22,433	2.3%	\$928.19	40%
San Diego-Carlsbad-San Marcos, CA	711	17,485	18,196	1.9%	\$810.29	39%
Orlando-Kissimmee-Sanford, FL	901	16,104	17,005	1.7%	\$495.45	42%
Boston-Cambridge-Quincy, MA-NH	1,136	15,609	16,745	1.7%	\$686.96	39%
Las Vegas-Paradise, NV	780	15,807	16,587	1.7%	\$573.42	42%
Detroit-Warren-Livonia, MI	643	15,829	16,472	1.7%	\$423.38	42%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1,388	14,599	15,987	1.6%	\$450.49	36%

A complete list of HAMP activity for all metropolitan areas is available at <http://www.treasury.gov/initiatives/financial-stability/results/MHA-Reports/>

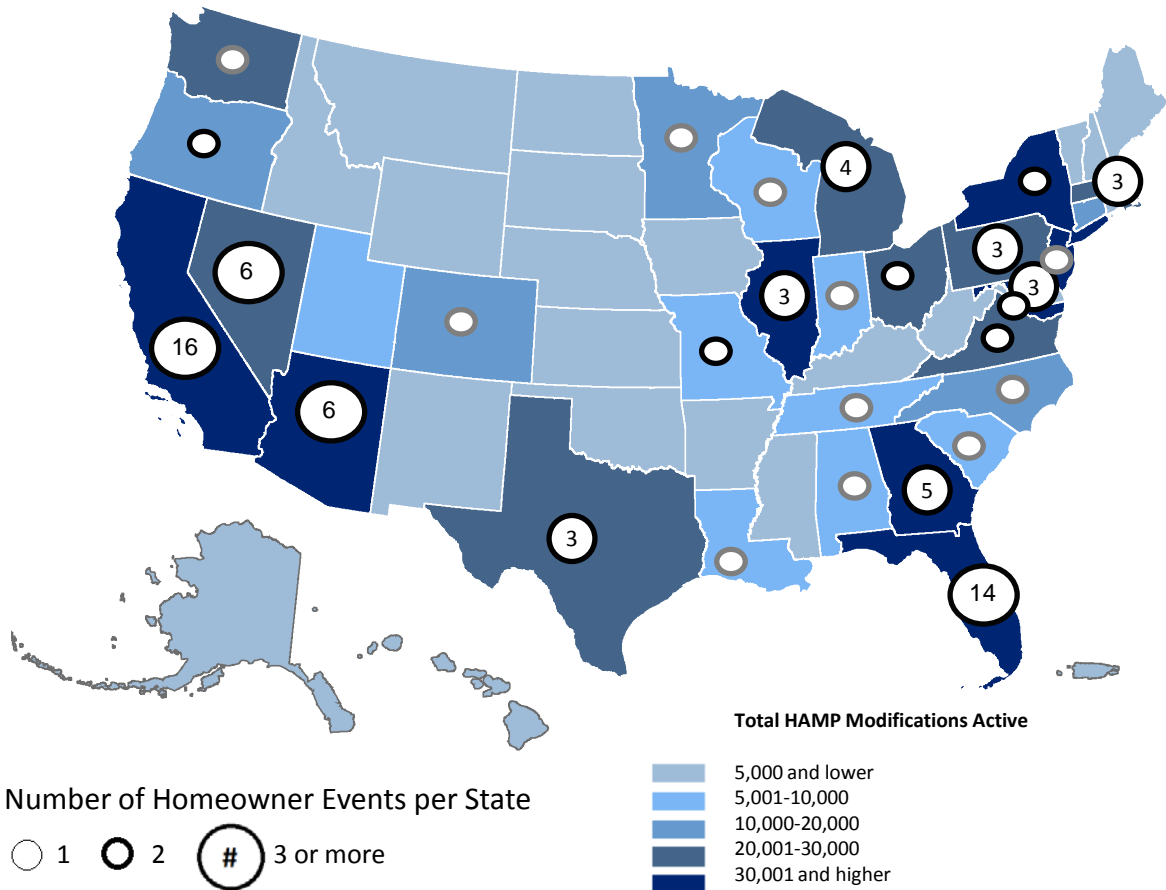


# Making Home Affordable: Program Results

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## Reaching Out to Homeowners

**89** Treasury-sponsored Outreach Events, through October 2013, covering **57** cities, giving nearly **76,000** homeowners the opportunity to meet face-to-face with their mortgage company and HUD-approved housing counselors. In addition, Treasury has partnered with the Ad Council on three different public service advertising campaigns featured in both English and Spanish, encouraging struggling homeowners nationwide to reach out for help with their mortgage.



**OVER  
2.2  
MILLION**

Homeowners referred to free housing counseling from a “HUD-approved” housing expert.

**OVER  
9.7  
MILLION**

Solicitations of homeowners by participating mortgage servicers.

**OVER  
4  
MILLION**

Calls taken at the Homeowner’s HOPE Hotline.

**OVER  
180  
MILLION**

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# Making Home Affordable: Servicer Results

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## Making Home Affordable Programs by Servicer

Servicer	HAMP First Lien Modifications		Principal Reduction Alternative (PRA) <sup>9</sup>		Second Lien Modification (2MP)	Home Affordable Foreclosure Alternatives (HAFA) <sup>10</sup>
	Trials Started <sup>8</sup>	Permanent Modifications Started <sup>8</sup>	Trials Started	Permanent Modifications Started	Second Lien Modifications Started	Non-GSE Transactions Completed
Bank of America, N.A.	250,278	114,531	9,920	8,337	35,285	43,212
CitiMortgage, Inc.	138,708	67,470	3,820	2,908	14,584	1,029
JPMorgan Chase Bank, N.A.	321,486	191,384	28,836	25,832	34,803	34,857
Nationstar Mortgage LLC	180,805	119,367	5,882	5,496	2,377	4,782
Ocwen Loan Servicing, LLC	336,184	236,828	55,558	43,666	N/A	12,960
OneWest Bank	43,848	28,527	7,934	7,009	3,782	5,632
Select Portfolio Servicing, Inc.	94,607	54,693	6,037	4,500	N/A	5,628
Wells Fargo Bank, N.A.	307,156	182,431	28,935	24,639	18,422	24,087
Other Servicers	449,713	289,787	6,615	5,389	11,999	6,587
<b>Total</b>	<b>2,122,785</b>	<b>1,285,018</b>	<b>153,537</b>	<b>127,776</b>	<b>121,252</b>	<b>138,774</b>

N/A - Servicer does not participate in the program.

See Appendix for Terms and Methodology, Program Notes, End Notes and additional information on servicer participants in Making Home Affordable programs.

# Making Home Affordable: Servicer Results

Program Performance Report Through October 2013

## HAMP Modification Activity by Servicer and Investor Type

Servicer	Trial Plan Offers Extended <sup>11</sup>	All HAMP Trials Started <sup>8</sup>	HAMP Permanent Modifications Started <sup>8</sup>	Active Trial Modifications <sup>12</sup>	Active Trial Modifications Lasting 6 Months or Longer <sup>12</sup>	Active Permanent Modifications	Total Active Modifications			
							GSE	Private	Portfolio	Total
Bank of America, N.A.	583,781	250,278	114,531	4,653	1,215	77,869	24,687	41,904	15,931	82,522
CitiMortgage, Inc.	222,827	138,708	67,470	3,020	985	49,576	32,438	6,053	14,105	52,596
JPMorgan Chase Bank, N.A.	436,026	321,486	191,384	4,941	904	145,493	66,896	52,825	30,713	150,434
Nationstar Mortgage LLC	74,325	180,805	119,367	5,332	1,221	87,652	57,165	33,789	2,030	92,984
Ocwen Loan Servicing, LLC	296,742	336,184	236,828	13,788	1,321	162,093	38,955	120,483	16,443	175,881
OneWest Bank*	102,032	43,848	28,527	1,192	72	21,488	0	19,717	2,963	22,680
Select Portfolio Servicing, Inc.	88,652	94,607	54,693	5,276	1,562	31,382	457	32,030	4,171	36,658
Wells Fargo Bank, N.A.	278,429	307,156	182,431	8,508	777	137,156	55,736	28,637	61,291	145,664
Other Servicers	273,125	449,713	289,787	10,259	2,001	204,429	170,176	17,779	26,733	214,688
<b>Total</b>	<b>2,355,939</b>	<b>2,122,785</b>	<b>1,285,018</b>	<b>56,969</b>	<b>10,058</b>	<b>917,138</b>	<b>446,510</b>	<b>353,217</b>	<b>174,380</b>	<b>974,107</b>

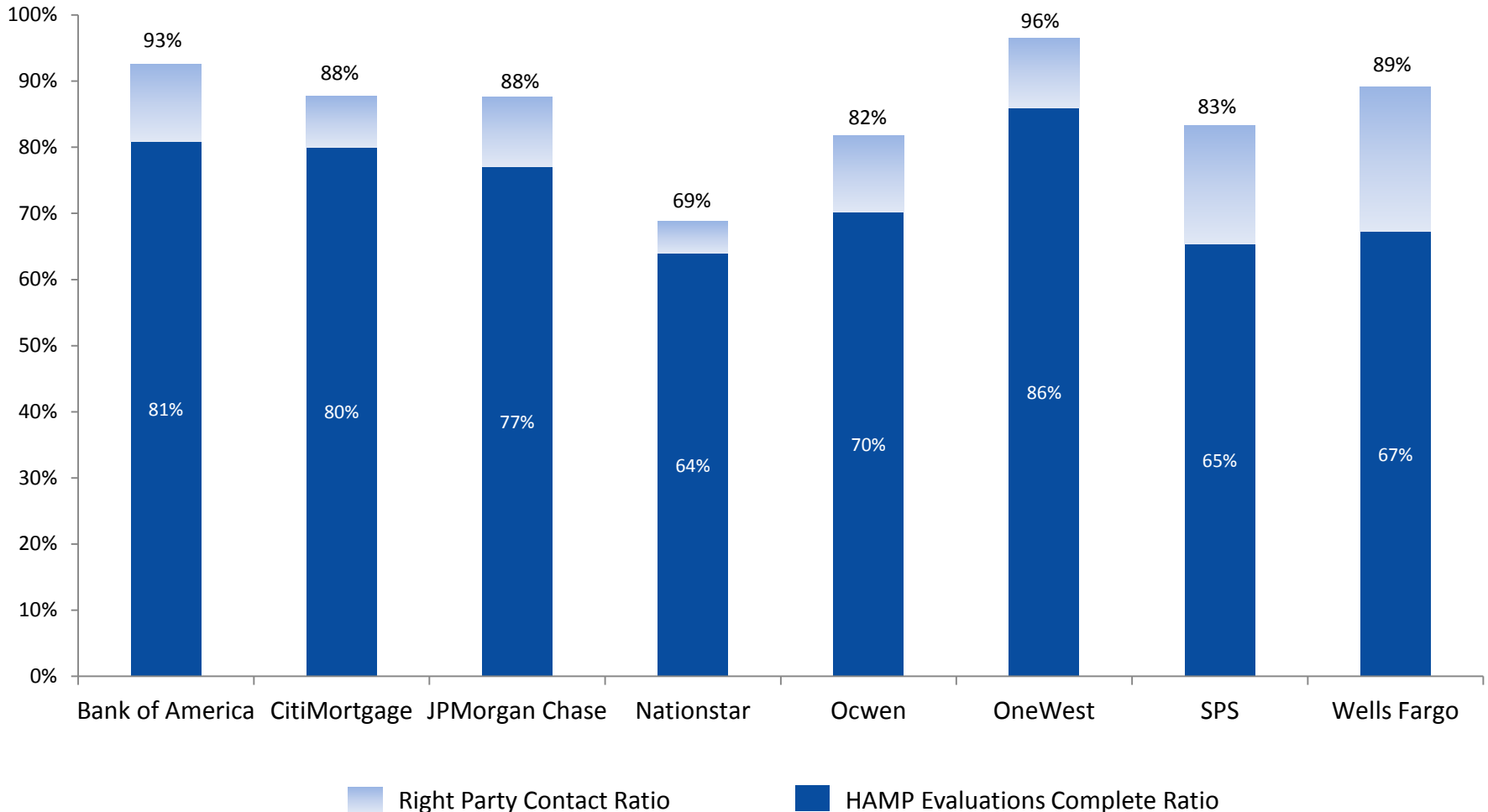
\*OneWest Bank recently sold mortgage servicing rights to Ocwen Loan Servicing, LLC. The transfer is expected to occur in stages during the second half of 2013. Therefore, Ocwen Loan Servicing, LLC includes a portion of the loans previously reported under OneWest Bank.

# Making Home Affordable: Servicer Results

Program Performance Report Through October 2013

## Servicer Outreach to HAMP Eligible 60+ Day Delinquent Homeowners: Cumulative Servicer Results, October 2012 – September 2013

Per program guidance, servicers are directed to establish Right Party Contact (RPC) with homeowners of delinquent HAMP eligible loans and then evaluate the homeowners' eligibility for HAMP. There is a range of performance results across top program servicers with respect to making RPC and completing the evaluations.



Source: Survey of largest participating servicers as of September 30, 2013.

# Making Home Affordable: Servicer Results

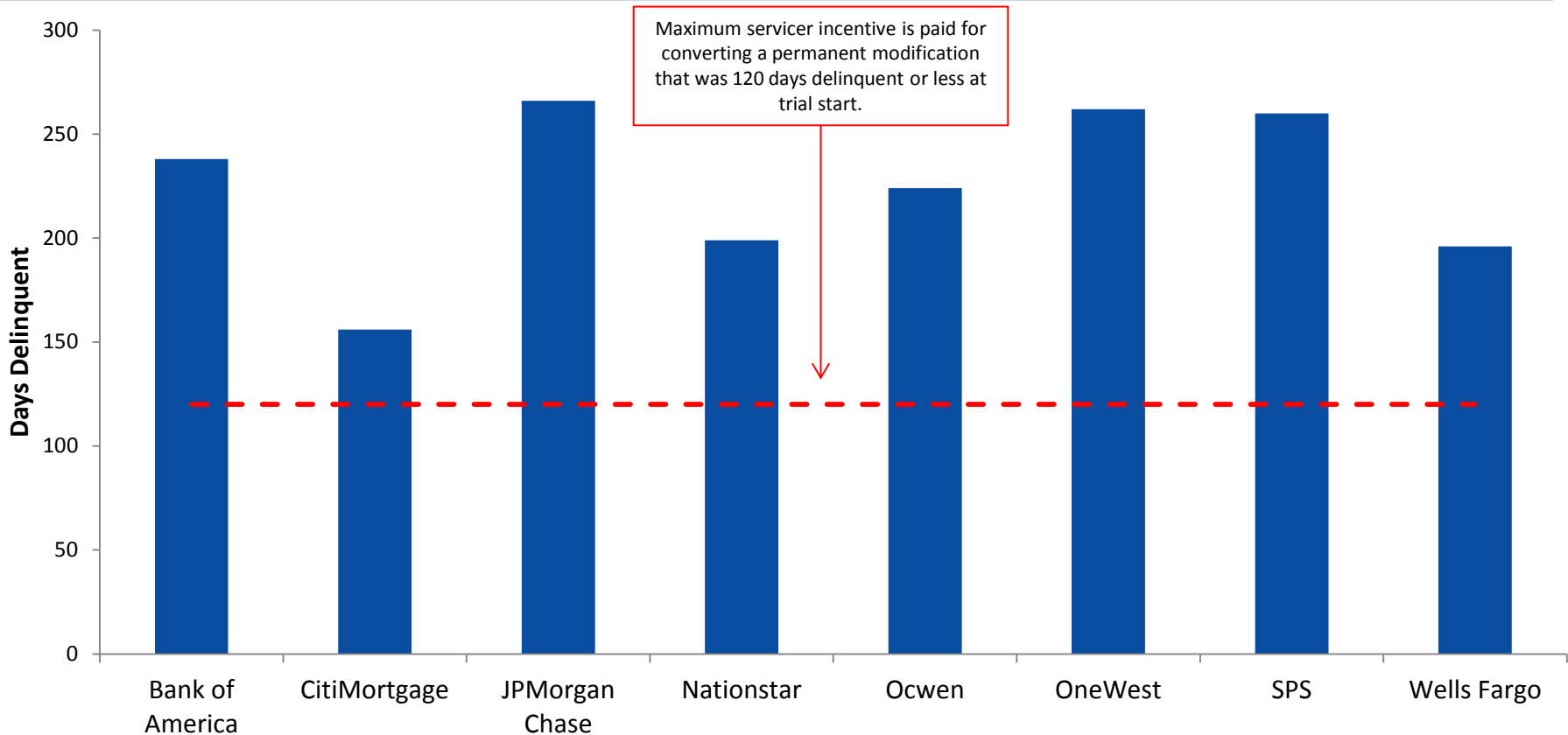
Program Performance Report Through October 2013

## HAMP Average Homeowner Delinquency at Trial Start

Servicers are instructed to follow a series of steps in order to evaluate homeowners for HAMP, including:

- Identifying and soliciting the homeowners in the early stages of delinquency;
- Making reasonable efforts to establish right party contact with the homeowners;
- Gathering required documentation once contact is established in order to evaluate the homeowners for a HAMP trial; and,
- Communicating decisions to the homeowners.

Effective October 1, 2011, a new servicer compensation structure exists to encourage servicers to work with struggling homeowners in the early stages of delinquency, with the highest incentives paid for permanent modifications completed when the homeowner is 120 days delinquent or less at the trial start.



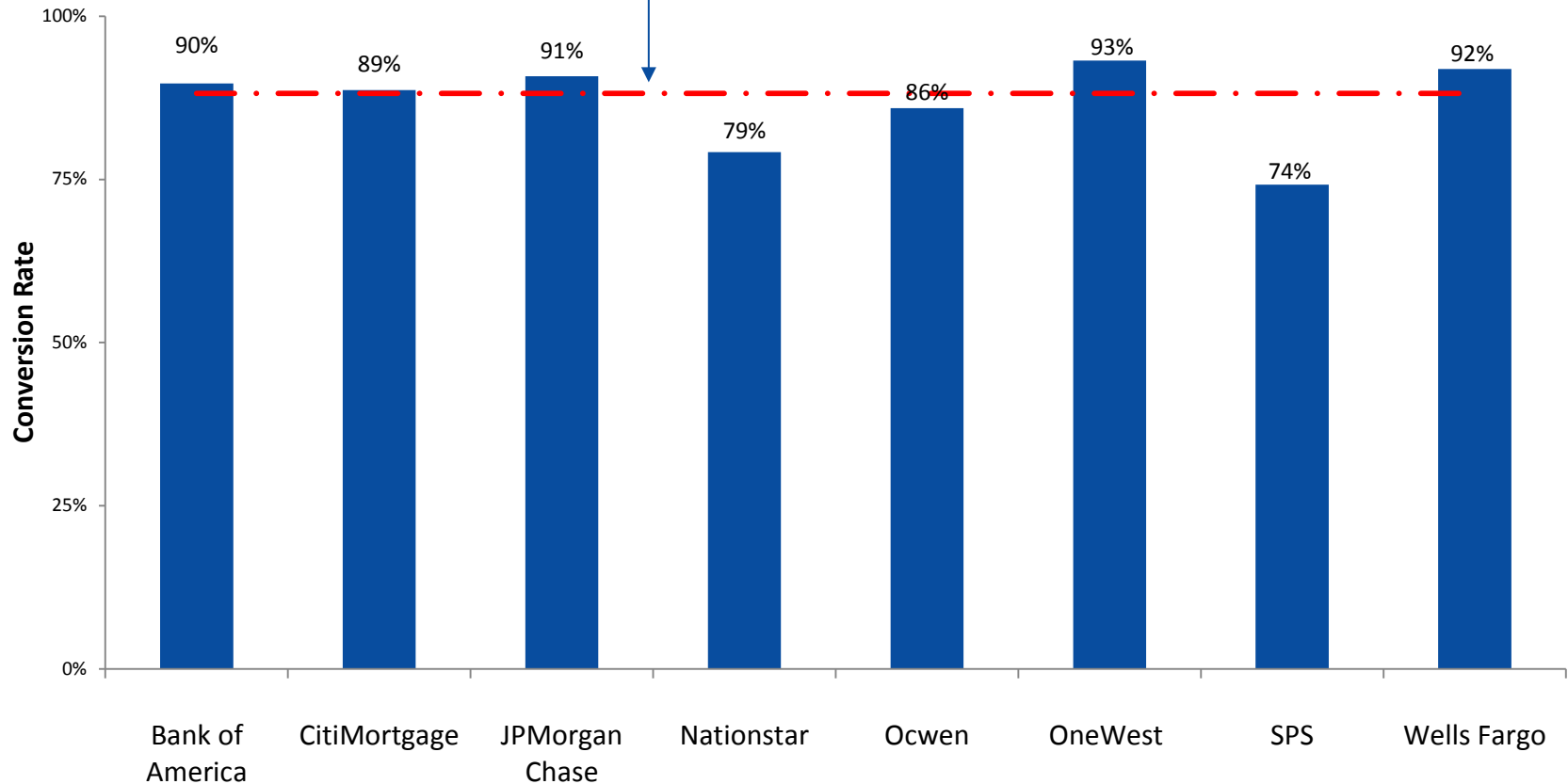
# Making Home Affordable: Servicer Results

Program Performance Report Through October 2013

## HAMP Conversion Rate

Per program guidelines, effective June 1, 2010, all trials must be started using verified income documentation. Servicers have converted a majority of eligible trials to permanent modifications. Prior to June 1, 2010, some servicers initiated trials using stated income information. Of trials started prior to June 1, 2010, 44% have converted to permanent modifications.

Of eligible trials started on or after June 1, 2010, **88% have converted to permanent modifications\*** as of October 2013.



For trials started on or after June 1, 2010 the average length of a trial is 3.5 months.

\* With another 3% pending processing or decision.

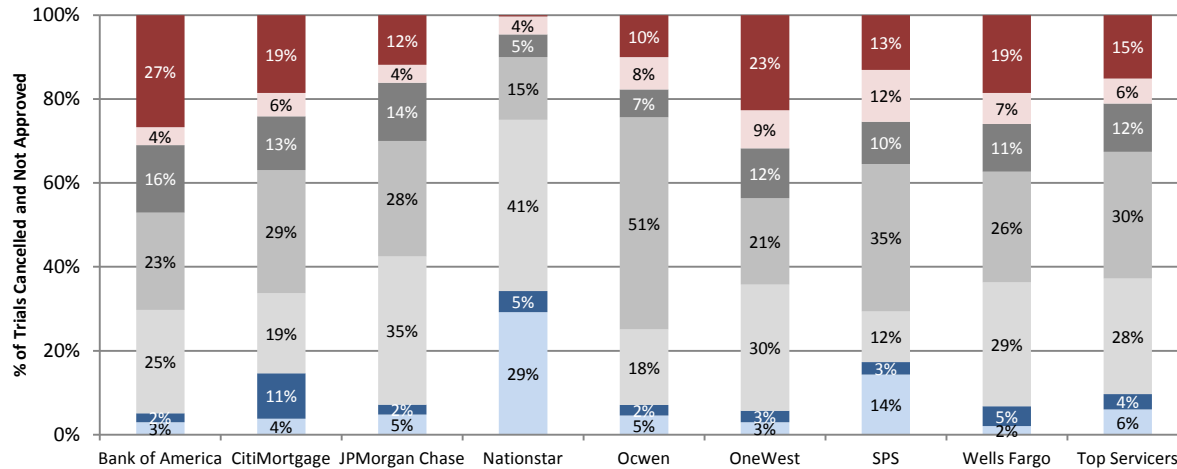
# Making Home Affordable: Servicer Results

Program Performance Report Through October 2013

## Disposition Path of Homeowners Not in HAMP Survey Data For Actions Completed Through September 2013<sup>13</sup> (Largest Servicers)

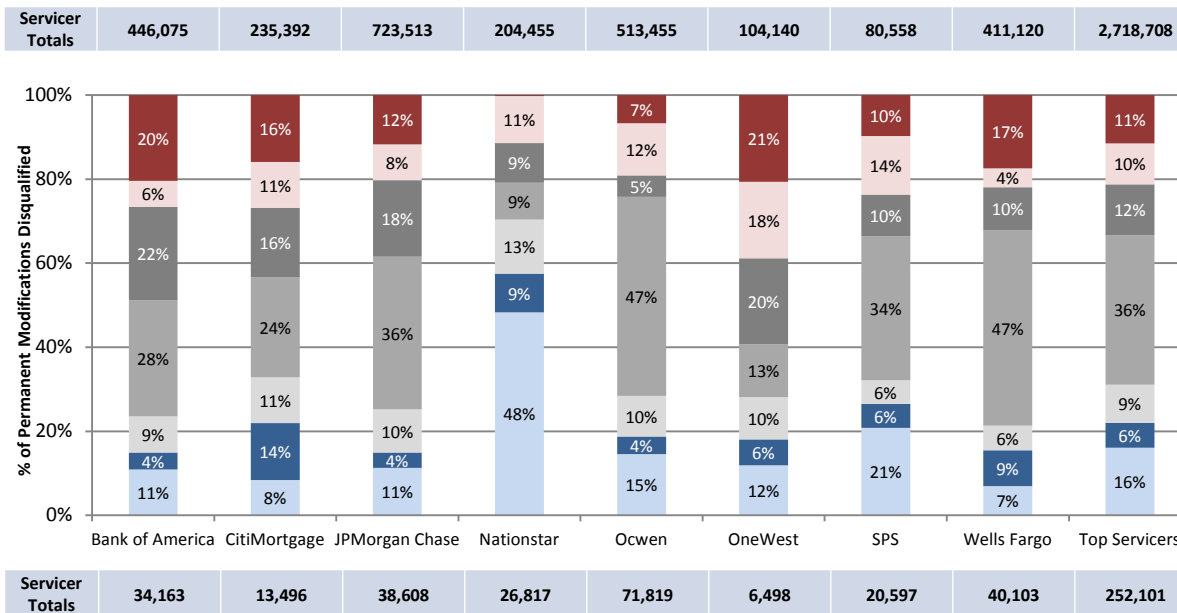
### Status of Homeowners Not Accepted for a HAMP Trial or Those Whose HAMP Trial was Cancelled

- HAMP guidance requires that servicers evaluate homeowners with eligible loans for HAMP, before considering other foreclosure alternatives.
- For those homeowners that did not qualify for HAMP or did not successfully complete the trial period, 58% received an alternative modification or resolved their delinquency.



### Status of Homeowners Whose HAMP Permanent Modification Disqualified

- HAMP guidance requires that a servicer work with a delinquent homeowner in a permanent modification to cure the delinquency.
- In the event the homeowner cannot bring a delinquent HAMP modification current without additional assistance, the servicer is prevented from commencing foreclosure proceedings until the borrower is evaluated for any other loss mitigation action.
- The majority of homeowners who disqualify from a HAMP permanent modification receive an alternative to foreclosure or resolve their delinquency.
- Less than a quarter of homeowners who have disqualified from HAMP have been referred to foreclosure.



Action Pending: Includes homeowners who were not approved for a HAMP trial modification, trial loans that have been cancelled or permanent modifications that have been disqualified, but further action has yet to be taken at this time.

Payment Plan: An arrangement with the borrower and servicer that does not involve a formal loan modification.



### Background

Since the Making Home Affordable Program's (MHA) inception in the spring of 2009, Treasury has monitored the performance of participating mortgage servicers. Treasury has been publicly reporting information about servicer performance through two types of data: compliance data, which reflects servicer compliance with specific MHA guidelines; and program results data, which reflects how timely and effectively servicers assist eligible homeowners and report program activity.

When MHA began, most servicers did not have the staff, procedures, or systems in place to respond to the volume of homeowners struggling to pay their mortgages, or to respond to the housing crisis generally. Very few mortgage modifications were even occurring. Treasury sought to get servicers to join MHA and to improve their operations quickly, so as to implement a national mortgage modification program.

Through ongoing compliance reviews, Treasury requires participating servicers to take specific actions to improve their servicing processes, as needed. In June of 2011, Treasury began publishing quarterly servicer assessments for the largest servicers participating in MHA to drive servicers to improve their performance. The assessments not only provide greater transparency to the public about servicer performance in the program, but also prompt servicers to correct identified instances of non-compliance.

Starting with the third quarter of 2013, the servicer assessments have been enhanced to, among other things, present new compliance metrics and related benchmarks. These changes will provide additional insight into the impact of servicer performance on the borrower's experience, allow for trending analysis of all compliance metrics and foster further improvement in servicer performance by tightening performance benchmarks.

The changes include:

- expanding the coverage of certain existing metrics to include other MHA components, such as HAMP Tier 2, and the Second Lien Modification Program;
- tightening the performance benchmark thresholds for existing metrics; and
- removing three existing metrics while adding three new metrics, such as servicer compliance with timely assignment of a single point of contact.

Servicer participation in MHA is voluntary, based on a contract with Fannie Mae as financial agent on behalf of Treasury. Although Treasury does not regulate these institutions and does not have the authority to impose fines or penalties, Treasury can, pursuant to the contract, take certain remedial actions against servicers not in compliance with MHA guidelines. Such remedial actions include

requiring servicers to correct identified instances of noncompliance, as noted above. In addition, Treasury can implement financial remedies such as withholding incentive payments owed to servicers. Such incentive payments, which are the only payments Treasury makes for the benefit of servicers under the program, include payments for every successful permanent modification under HAMP, and payments for completed short sale/deed-in-lieu transactions pursuant to HAFA.

It is important to note that Treasury's compliance work related to MHA applies only to those servicers that have agreed to participate in MHA for mortgage loans that are not owned or guaranteed by Fannie Mae or Freddie Mac (the GSEs). Treasury cannot and does not perform compliance reviews of (1) mortgage loans or activities that fall outside of MHA, (2) GSE loans or (3) those loans insured through the Federal Housing Administration. For each servicer, the loans that are eligible for MHA represent only a portion of that servicer's overall mortgage servicing operation.

Treasury's foremost goal is to assist struggling homeowners who may be eligible for MHA. These servicer assessments have set a benchmark for providing detailed information about how mortgage servicers are performing against specific metrics. But, in addition to this direct effect, MHA has had an important indirect effect on the market as well. MHA has established standards that have improved mortgage modifications across the industry, and has led to important changes in the way mortgage servicers assist struggling homeowners generally. These changes include standards for how mortgage modifications should be designed so that they are sustainable, standards for communications with homeowners so that the process is as efficient and as understandable as possible, and a variety of standards for protecting homeowners, such as prohibitions on "dual tracking" – simultaneously evaluating a homeowner for a modification while proceeding to foreclose. Treasury believes these assessments will continue to set the standard for transparency about mortgage servicer efforts to assist homeowners.

Below are general descriptions of the data, the evaluation process, and the consequences for servicers needing improvement.

*(Continued on next page)*

### **The Performance Data: Compliance and Program Results**

Freddie Mac, acting as Treasury’s compliance agent for MHA, has created a separate division known as Making Home Affordable—Compliance (MHA-C) to evaluate servicer performance through reviews of program compliance. MHA-C tests and evaluates a range of servicer activities for compliance with MHA guidelines. Once MHA-C’s reviews are complete, MHA-C shares its results with the servicers and identifies areas that need remediation. The compliance activities tested fall into one of three overall compliance categories – Identifying and Contacting Homeowners, Homeowner Evaluation and Assistance, and Program Management and Reporting. The compliance results shared with the servicers are then used to generate the servicer assessments.

The assessments highlight particular compliance activities tested by MHA-C and include for those highlighted activities a one-star, two-star, or three-star rating for the most recent evaluations. One star means the servicer did not meet Treasury’s benchmark required for that particular activity, and the servicer needs substantial improvement in its performance of that activity. Two stars mean the servicer did not meet Treasury’s benchmark required for that particular activity, and the servicer needs moderate improvement in its performance of that activity. Three stars mean the servicer met Treasury’s benchmark required for that particular activity, but the servicer may nonetheless need minor improvement in its performance of that activity.

Although the compliance reviews emphasize objective measurements and observed facts, compliance reviews still involve a certain level of judgment. Compliance reviews are also retrospective in nature – looking backward, not forward, which means that activities identified as needing improvement in a given quarter may already be under remediation by the servicer. In addition, the compliance reviews use “sampling” as a testing methodology. Sampling, an industry-accepted auditing technique, looks at a subset of a particular population of activity transactions, rather than the entirety of the population of activity transactions, to assess a servicer’s overall performance in that particular activity.

In addition to the ratings for compliance data, the assessments also include program results metrics. Fannie Mae, acting as Treasury’s program administrator for MHA, collects servicer data used to measure program results. These metrics are key indicators of how timely and effectively servicers assist eligible homeowners under MHA guidelines and report program data. Although the

servicers are not given an overall rating for this data, the results metrics nonetheless compare a servicer’s performance for a given quarter against the other largest servicers participating in the program.

### **The Determination Process: Results of the Data**

Treasury reviews the compliance data and ratings, the program results metrics, and other relevant factors affecting servicer performance (including, but not limited to, a servicer’s progress in implementing previously identified improvements) in determining whether a servicer needs substantial improvement, moderate improvement, or minor improvement to its overall performance under MHA guidelines. The assessments summarize the significant factors impacting those decisions. Based on those assessments, Treasury may take remedial action against servicers. Page 18 summarizes the overall level of improvement needed for each servicer.

### **Consequences for Servicers**

For servicers in need of substantial improvement, Treasury will, absent extenuating circumstances, withhold financial incentives owed to those servicers until they make certain identified improvements. In certain cases, particularly where there is a failure to correct identified problems within a reasonable time, Treasury may also permanently reduce the financial incentives. Servicers in need of moderate improvement may be subject to withholding in the future if they fail to make certain identified improvements. All withholdings apply only to incentives owed to servicers for their participation in MHA; these withholdings do not apply to incentives paid to servicers for the benefit of homeowners or investors.

### **Additional Information**

See the “Metrics Description” on page 29 for a description of each of the compliance metrics presented in the assessments.

For more information on the assessments, please visit: [www.FinancialStability.gov](http://www.FinancialStability.gov).

### 3<sup>rd</sup> Quarter 2013 Servicer Assessment Results

The following table details the results of the Servicer Assessments:

Improvement Needed	Servicer Name
<p style="text-align: center;"><b>Minor</b></p>	<p style="text-align: center;">Bank of America, N.A. JPMorgan Chase Bank, N.A. OneWest Bank</p>
<p style="text-align: center;"><b>Moderate</b></p>	<p style="text-align: center;">Ocwen Loan Servicing, LLC Select Portfolio Servicing, Inc. Wells Fargo Bank, N.A.</p>
<p style="text-align: center;"><b>Substantial</b></p>	<p style="text-align: center;">CitiMortgage, Inc.</p>

For the third quarter of 2013, Bank of America, N.A, JPMorgan Chase Bank, N.A and OneWest Bank were determined to need **minor improvement**.

Select Portfolio Servicing, Inc. was found to need **moderate improvement**, however, their compliance results approached the level required for a determination of minor improvement. Ocwen Loan Servicing, LLC and Wells Fargo Bank, N.A. were found to need **moderate improvement**.

CitiMortgage, Inc. was found to need **substantial improvement**. After considering all relevant factors, Treasury determined that withholding servicer incentives was not warranted for this quarter. However, Treasury will withhold servicer incentives in the future if CitiMortgage's performance does not improve.

Please refer to the following MHA Servicer Assessment pages for further detail on the Third Quarter 2013 servicer assessment results.

# MHA Servicer Assessment: Bank of America, N.A.

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of servicers' adherence to MHA Program Requirements.
- ❖ Servicer results reflect percentages of tests that did not have a desired outcome.

			Third Quarter 2013	
Performance Category	Metric	Benchmark	Servicer Result	Rating
<b>1</b> <b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	<b>Single Point of Contact Assignment % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur that the servicer had assigned a Single Point of Contact to a borrower in accordance with MHA guidelines	5.0%	1.3%	***
	<b>Second Look % Disagree</b> Percentage of loans reviewed where MHA-C did not concur with servicer's MHA determination for applicable programs	2.0%	0.0%	***
	<b>Second Look % Unable to Determine</b> Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination for applicable programs	2.0%	0.0%	***
<b>2</b> <b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs and accurately communicates decisions.	<b>Income Calculation Error %</b> Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5% for applicable programs	2.0%	1.0%	***
	<b>Non-Approval Notice % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur with completion and accuracy of the notices sent to borrowers communicating reasons for non-approval, in accordance with MHA guidelines	5.0%	0.2%	***
<b>3</b> <b>Program Management and Reporting</b> Assesses whether the servicer has effective program management and submits timely and accurate program reports and information.	<b>Incentive Payment Data Errors</b> Average percentage of differences in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record for applicable programs	2.0%	0.0%	***
	<b>Disqualified Modification % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur with servicer's processing of defaulted HAMP modifications, in accordance with MHA guidelines	5.0%	0.0%	***

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

### Q3 Results

- ❖ Bank of America, N.A. has areas requiring **minor** improvement.

# MHA Servicer Assessment: CitiMortgage, Inc.

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of servicers' adherence to MHA Program Requirements.
- ❖ Servicer results reflect percentages of tests that did not have a desired outcome.

		Third Quarter 2013		
Performance Category	Metric	Benchmark	Servicer Result	Rating
<b>1</b> <b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	<b>Single Point of Contact Assignment % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur that the servicer had assigned a Single Point of Contact to a borrower in accordance with MHA guidelines	5.0%	0.0%	***
	<b>Second Look % Disagree</b> Percentage of loans reviewed where MHA-C did not concur with servicer's MHA determination for applicable programs	2.0%	5.6%	*
	<b>Second Look % Unable to Determine</b> Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination for applicable programs	2.0%	0.0%	***
<b>2</b> <b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs and accurately communicates decisions.	<b>Income Calculation Error %</b> Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5% for applicable programs	2.0%	0.0%	***
	<b>Non-Approval Notice % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur with completion and accuracy of the notices sent to borrowers communicating reasons for non-approval, in accordance with MHA guidelines	5.0%	5.0%	***
<b>3</b> <b>Program Management and Reporting</b> Assesses whether the servicer has effective program management and submits timely and accurate program reports and information.	<b>Incentive Payment Data Errors</b> Average percentage of differences in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record for applicable programs	2.0%	1.7%	***
	<b>Disqualified Modification % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur with servicer's processing of defaulted HAMP modifications, in accordance with MHA guidelines	5.0%	10.0%	*

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

### Q3 Results

- ❖ CitiMortgage, Inc. has areas requiring **substantial** improvement.
- ❖ After considering all relevant factors, CitiMortgage, Inc. **servicer incentives will not be withheld** at this time.

# MHA Servicer Assessment: JPMorgan Chase Bank, N.A.

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of servicers' adherence to MHA Program Requirements.
- ❖ Servicer results reflect percentages of tests that did not have a desired outcome.

			Third Quarter 2013	
Performance Category	Metric	Benchmark	Servicer Result	Rating
<b>1</b> <b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	<b>Single Point of Contact Assignment % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur that the servicer had assigned a Single Point of Contact to a borrower in accordance with MHA guidelines	5.0%	2.6%	***
	<b>Second Look % Disagree</b> Percentage of loans reviewed where MHA-C did not concur with servicer's MHA determination for applicable programs	2.0%	1.0%	***
	<b>Second Look % Unable to Determine</b> Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination for applicable programs	2.0%	2.0%	***
<b>2</b> <b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs and accurately communicates decisions.	<b>Income Calculation Error %</b> Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5% for applicable programs	2.0%	0.0%	***
	<b>Non-Approval Notice % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur with completion and accuracy of the notices sent to borrowers communicating reasons for non-approval, in accordance with MHA guidelines	5.0%	1.1%	***
<b>3</b> <b>Program Management and Reporting</b> Assesses whether the servicer has effective program management and submits timely and accurate program reports and information.	<b>Incentive Payment Data Errors</b> Average percentage of differences in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record for applicable programs	2.0%	0.1%	***
	<b>Disqualified Modification % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur with servicer's processing of defaulted HAMP modifications, in accordance with MHA guidelines	5.0%	0.0%	***

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

### Q3 Results

- ❖ JPMorgan Chase Bank, N.A. has areas requiring **minor** improvement.

# MHA Servicer Assessment: Ocwen Loan Servicing, LLC

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of servicers' adherence to MHA Program Requirements.
- ❖ Servicer results reflect percentages of tests that did not have a desired outcome.

			Third Quarter 2013	
Performance Category	Metric	Benchmark	Servicer Result	Rating
<b>1</b> Identifying and Contacting Homeowners Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	■ Single Point of Contact Assignment % Noncompliance Percentage of loans reviewed where MHA-C did not concur that the servicer had assigned a Single Point of Contact to a borrower in accordance with MHA guidelines	5.0%	4.4%	***
	■ Second Look % Disagree Percentage of loans reviewed where MHA-C did not concur with servicer's MHA determination for applicable programs	2.0%	2.3%	**
	■ Second Look % Unable to Determine Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination for applicable programs	2.0%	0.0%	***
<b>2</b> Homeowner Evaluation and Assistance Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs and accurately communicates decisions.	■ Income Calculation Error % Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5% for applicable programs	2.0%	0.5%	***
	■ Non-Approval Notice % Noncompliance Percentage of loans reviewed where MHA-C did not concur with completion and accuracy of the notices sent to borrowers communicating reasons for non-approval, in accordance with MHA guidelines	5.0%	0.0%	***
<b>3</b> Program Management and Reporting Assesses whether the servicer has effective program management and submits timely and accurate program reports and information.	■ Incentive Payment Data Errors Average percentage of differences in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record for applicable programs	2.0%	0.5%	***
	■ Disqualified Modification % Noncompliance Percentage of loans reviewed where MHA-C did not concur with servicer's processing of defaulted HAMP modifications, in accordance with MHA guidelines	5.0%	3.3%	***

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

### Q3 Results

- ❖ Ocwen Loan Servicing, LLC has areas requiring **moderate** improvement.
- ❖ After considering all relevant factors, Ocwen Loan Servicing, LLC **servicer incentives will not be withheld** at this time.



# MHA Servicer Assessment: OneWest Bank

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of servicers' adherence to MHA Program Requirements.
- ❖ Servicer results reflect percentages of tests that did not have a desired outcome.

			Third Quarter 2013	
Performance Category	Metric	Benchmark	Servicer Result	Rating
<b>1</b> <b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	<b>Single Point of Contact Assignment % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur that the servicer had assigned a Single Point of Contact to a borrower in accordance with MHA guidelines	5.0%	0.0%	***
	<b>Second Look % Disagree</b> Percentage of loans reviewed where MHA-C did not concur with servicer's MHA determination for applicable programs	2.0%	1.0%	***
	<b>Second Look % Unable to Determine</b> Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination for applicable programs	2.0%	0.0%	***
<b>2</b> <b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs and accurately communicates decisions.	<b>Income Calculation Error %</b> Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5% for applicable programs	2.0%	1.0%	***
	<b>Non-Approval Notice % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur with completion and accuracy of the notices sent to borrowers communicating reasons for non-approval, in accordance with MHA guidelines	5.0%	1.6%	***
<b>3</b> <b>Program Management and Reporting</b> Assesses whether the servicer has effective program management and submits timely and accurate program reports and information.	<b>Incentive Payment Data Errors</b> Average percentage of differences in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record for applicable programs	2.0%	0.3%	***
	<b>Disqualified Modification % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur with servicer's processing of defaulted HAMP modifications, in accordance with MHA guidelines	5.0%	0.0%	***

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

### Q3 Results

- ❖ OneWest Bank has areas requiring **minor** improvement.

# MHA Servicer Assessment: Select Portfolio Servicing, Inc.

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of servicers' adherence to MHA Program Requirements.
- ❖ Servicer results reflect percentages of tests that did not have a desired outcome.

			Third Quarter 2013	
Performance Category	Metric	Benchmark	Servicer Result	Rating
<b>1</b> <b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	<b>Single Point of Contact Assignment % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur that the servicer had assigned a Single Point of Contact to a borrower in accordance with MHA guidelines	5.0%	1.8%	***
	<b>Second Look % Disagree</b> Percentage of loans reviewed where MHA-C did not concur with servicer's MHA determination for applicable programs	2.0%	1.7%	***
	<b>Second Look % Unable to Determine</b> Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination for applicable programs	2.0%	0.0%	***
<b>2</b> <b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs and accurately communicates decisions.	<b>Income Calculation Error %</b> Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5% for applicable programs	2.0%	2.1%	**
	<b>Non-Approval Notice % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur with completion and accuracy of the notices sent to borrowers communicating reasons for non-approval, in accordance with MHA guidelines	5.0%	0.0%	***
<b>3</b> <b>Program Management and Reporting</b> Assesses whether the servicer has effective program management and submits timely and accurate program reports and information.	<b>Incentive Payment Data Errors</b> Average percentage of differences in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record for applicable programs	2.0%	0.5%	***
	<b>Disqualified Modification % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur with servicer's processing of defaulted HAMP modifications, in accordance with MHA guidelines	5.0%	0.0%	***

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

### Q3 Results

- ❖ Select Portfolio Servicing, Inc. has areas requiring **moderate** improvement.
- ❖ After considering all relevant factors, Select Portfolio Servicing, Inc. **servicer incentives will not be withheld** at this time.

# MHA Servicer Assessment: Wells Fargo Bank, N.A.

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of servicers' adherence to MHA Program Requirements.
- ❖ Servicer results reflect percentages of tests that did not have a desired outcome.

			Third Quarter 2013	
Performance Category	Metric	Benchmark	Servicer Result	Rating
<b>1</b> <b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	<b>Single Point of Contact Assignment % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur that the servicer had assigned a Single Point of Contact to a borrower in accordance with MHA guidelines	5.0%	2.9%	***
	<b>Second Look % Disagree</b> Percentage of loans reviewed where MHA-C did not concur with servicer's MHA determination for applicable programs	2.0%	4.4%	**
	<b>Second Look % Unable to Determine</b> Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination for applicable programs	2.0%	0.0%	***
<b>2</b> <b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs and accurately communicates decisions.	<b>Income Calculation Error %</b> Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5% for applicable programs	2.0%	1.0%	***
	<b>Non-Approval Notice % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur with completion and accuracy of the notices sent to borrowers communicating reasons for non-approval, in accordance with MHA guidelines	5.0%	3.5%	***
<b>3</b> <b>Program Management and Reporting</b> Assesses whether the servicer has effective program management and submits timely and accurate program reports and information.	<b>Incentive Payment Data Errors</b> Average percentage of differences in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record for applicable programs	2.0%	1.5%	***
	<b>Disqualified Modification % Noncompliance</b> Percentage of loans reviewed where MHA-C did not concur with servicer's processing of defaulted HAMP modifications, in accordance with MHA guidelines	5.0%	6.7%	**

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

### Q3 Results

- ❖ Wells Fargo Bank, N.A. has areas requiring **moderate** improvement.
- ❖ After considering all relevant factors, Wells Fargo Bank, N.A. **servicer incentives will not be withheld** at this time.

# MHA Servicer Assessment:

## Compliance Results

### MHA Compliance Results, Loan File Review: 4<sup>th</sup> Quarter 2010–3<sup>rd</sup> Quarter 2013

Second Look % Disagree*												
Servicer	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Bank of America, N.A.	2.4%	1.5%	0.8%	1.0%	1.0%	2.0%	1.0%	1.2%	1.3%	0.0%	0.0%	0.0%
CitiMortgage, Inc.	4.0%	2.0%	0.5%	1.5%	1.0%	1.0%	1.0%	2.0%	6.7%	1.3%	4.7%	5.6%
JPMorgan Chase Bank, N.A.	3.9%	1.6%	1.2%	0.0%	0.7%	0.2%	0.0%	0.1%	0.2%	0.2%	0.7%	1.0%
Ocwen Loan Servicing, LLC	6.3%	6.7%	2.7%	0.0%	0.7%	1.0%	1.0%	0.0%	0.0%	0.7%	3.1%	2.3%
OneWest Bank	4.7%	6.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%
Select Portfolio Servicing, Inc.	2.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.5%	0.0%	2.0%	1.3%	2.0%	1.7%
Wells Fargo Bank, N.A.	1.7%	1.2%	0.4%	0.4%	0.0%	0.3%	1.0%	1.3%	3.0%	1.3%	3.0%	4.4%

Second Look % Unable to Determine**												
Servicer	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Bank of America, N.A.	19.6%	18.8%	8.2%	1.5%	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CitiMortgage, Inc.	12.3%	13.3%	5.5%	0.5%	1.0%	0.5%	1.0%	3.8%	6.0%	4.7%	0.0%	0.0%
JPMorgan Chase Bank, N.A.	16.0%	11.3%	3.2%	0.9%	1.0%	0.7%	1.7%	1.4%	3.8%	3.1%	2.7%	2.0%
Ocwen Loan Servicing, LLC	24.7%	10.3%	3.0%	2.4%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%	2.0%	0.0%
OneWest Bank	12.3%	3.7%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%	0.0%
Select Portfolio Servicing, Inc.	17.0%	2.3%	0.3%	0.8%	0.0%	3.0%	0.0%	0.7%	0.7%	0.7%	0.0%	0.0%
Wells Fargo Bank, N.A.	6.8%	6.0%	1.3%	1.3%	0.0%	0.0%	0.8%	1.0%	0.5%	0.3%	0.0%	0.0%

Income Calculation Error Rate***												
Servicer	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Bank of America, N.A.	22.0%	22.0%	13.2%	6.0%	6.0%	5.0%	2.0%	3.0%	1.0%	3.0%	3.0%	1.0%
CitiMortgage, Inc.	8.0%	10.0%	12.0%	6.0%	3.0%	4.0%	1.0%	3.1%	0.0%	1.0%	2.0%	0.0%
JPMorgan Chase Bank, N.A.	31.0%	31.0%	20.6%	6.0%	10.0%	9.0%	0.0%	2.0%	0.0%	1.0%	0.0%	0.0%
Ocwen Loan Servicing, LLC	18.0%	33.0%	2.0%	2.0%	2.0%	3.0%	3.0%	0.0%	0.0%	1.0%	1.3%	0.5%
OneWest Bank	11.0%	11.0%	2.0%	2.0%	0.0%	3.0%	1.0%	0.0%	1.0%	0.0%	0.0%	1.0%
Select Portfolio Servicing, Inc.	22.0%	15.0%	10.0%	3.2%	1.0%	3.0%	2.0%	3.0%	2.0%	0.0%	3.1%	2.1%
Wells Fargo Bank, N.A.	27.0%	27.0%	4.4%	5.5%	4.0%	2.0%	0.0%	1.0%	1.5%	1.0%	0.5%	1.0%

Starting with the third quarter of 2013, the Servicer Assessment has been enhanced to present new compliance metrics and related benchmarks, including a methodology change to the metrics on this page. The coverage of these metrics now includes additional MHA components and programs, such as HAMP Tier 2, and the Second Lien Modification Program. Thus, the results of these metrics starting in Q3 2013 are not entirely comparable to previous quarters.

\* Second Look % Disagree: Percentage of loans reviewed where MHA-C did not concur with the servicer's MHA determination.

\*\* Second Look % Unable to Determine: Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination.

\*\*\* Income Calculation Error %: Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5%.

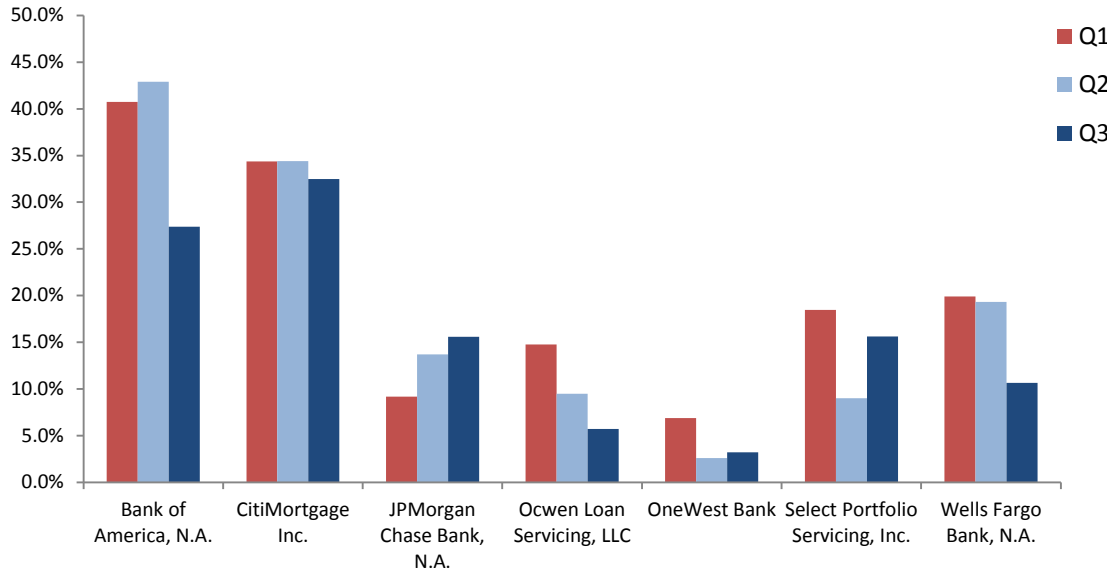
Note: Ocwen Loan Servicing, LLC includes loans previously reported under Litton Loan Servicing LP, Homeward Residential, Inc. and GMAC Mortgage, LLC.

# MHA Servicer Assessment:

## Program Results

### Quarterly Program Performance Metrics Q1-Q3 2013

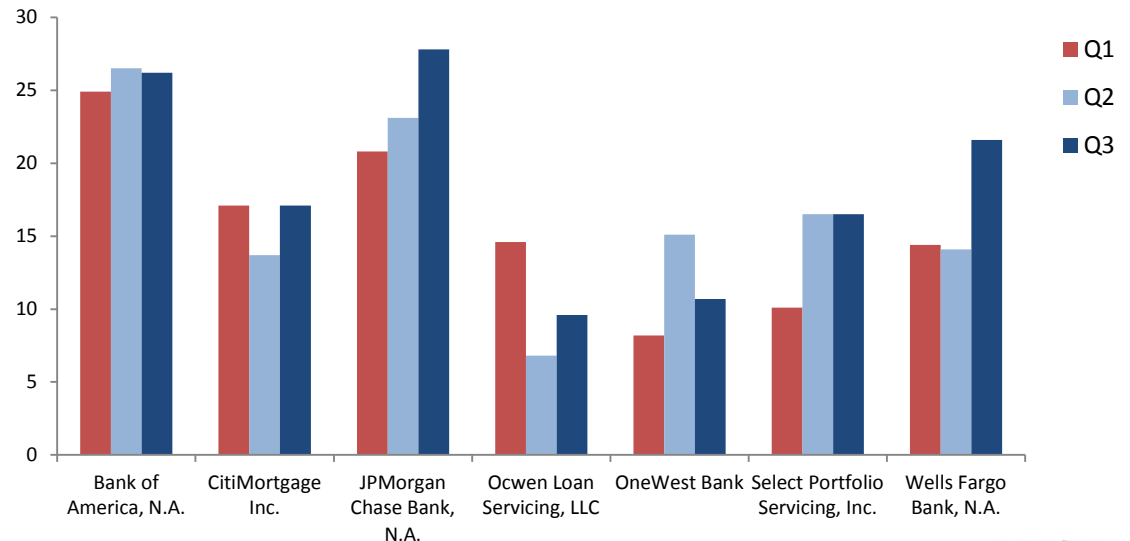
#### Trials Aged 6+ Months (% of Active Trials)



This quarterly metric measures trials lasting six months or longer as a share of all active trials. These figures include trial modifications that have been cancelled or converted to permanent modifications by the servicer and are pending reporting to the program system of record. Additionally, servicers may process cancellations of permanent modifications for reasons, including but not limited to, data corrections, loan repurchase agreements, etc. This process requires reverting the impacted permanent modifications to trials in the HAMP system of record with re-boarding of some of these permanent modifications in subsequent reporting periods.

This quarterly metric measures servicer response time for homeowner inquiries escalated to MHA Support Centers. Effective February 1, 2011, a target of 30 calendar days was established for non-GSE escalation cases, including an estimated 5 days processing by the MHA Support Centers. The methodology for calculating average days to respond to escalated cases includes non-GSE cases escalated on or after February 1, 2011. Investor denial cases escalated prior to November 1, 2011, cases involving bankruptcy and those that did not require servicer actions are not included in the calculation of servicer time to resolve escalations.

#### Average Calendar Days to Resolve Escalated Cases

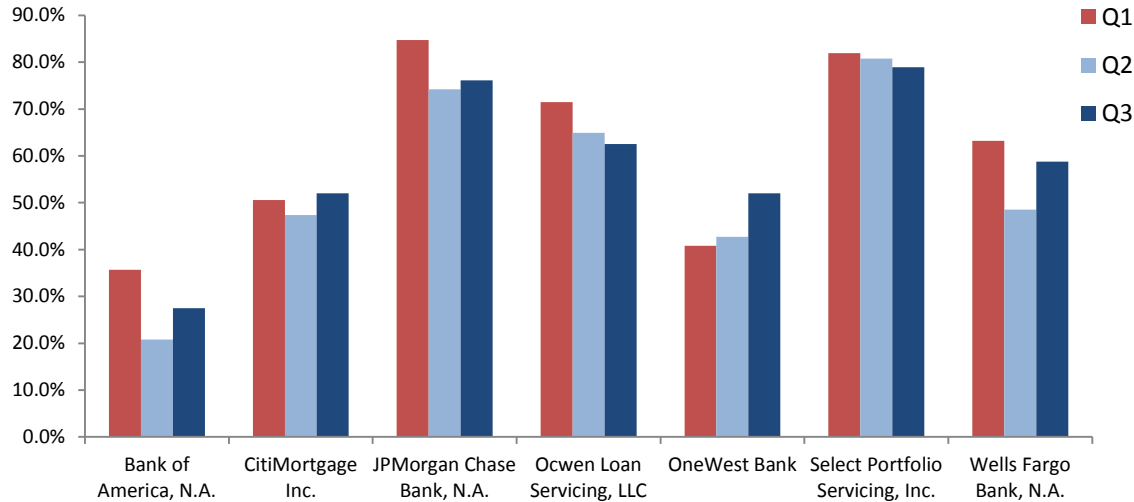


# MHA Servicer Assessment:

## Program Results

### Quarterly Program Performance Metrics Q1-Q3 2013

#### Timely Reporting of Permanent Modifications (% Reported within the Month of Conversion)

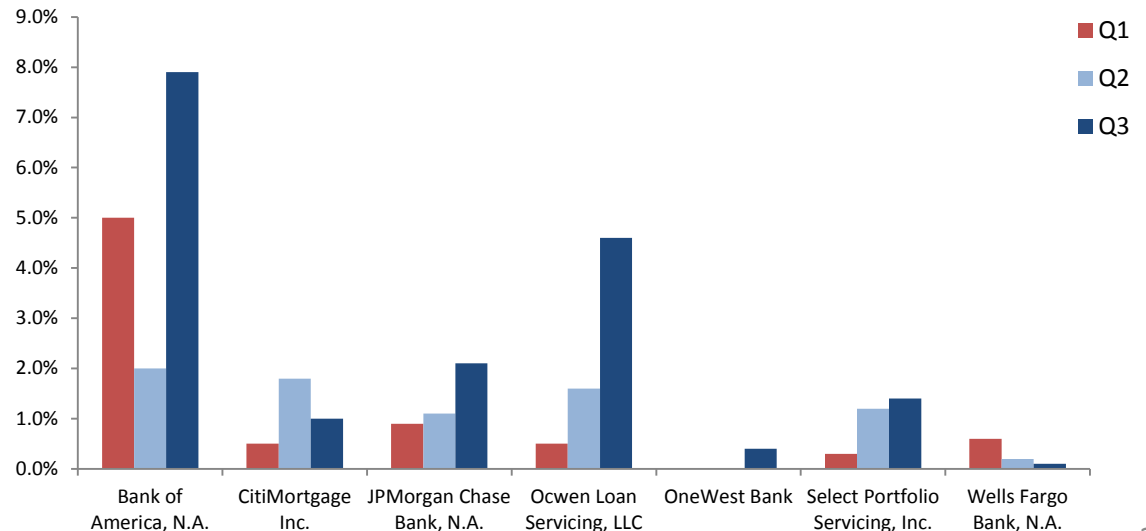


This quarterly metric measures the servicer's ability to promptly report the conversion from a trial to a permanent modification. Untimely reporting of permanent modification conversions impacts incentive compensation, including the possible delay of borrower incentives. In addition, it hinders the effectiveness of program monitoring and transparency.

This quarterly metric measures the servicer's ability to promptly report on the current status of permanent modifications. Inconsistent and untimely reporting of modification status reports may impact incentive compensation and loan performance analysis.

Treasury revised its Federally Declared Disaster (FDD) guidance, allowing servicers to suspend the reporting of permanent modification status for loans where the homeowner was impacted by Hurricane Sandy or any other FDD. This revised guidance may impact missing permanent modification status reporting.

#### Missing Permanent Modification Status Reports (%)



# MHA Servicer Assessment

## Description of Metrics

### Compliance Metrics

#### Single Point of Contact Assignment % Noncompliance:

Servicers are required to assign certain delinquent borrowers to a Single Point of Contact (SPOC). This metric measures the percentage of loans reviewed where MHA-C did not concur that the servicer had assigned a SPOC to a borrower in a timely fashion and otherwise in accordance with MHA guidelines.

For SPOC Assignment Noncompliance results, remedial actions Treasury requires servicers to take include, but are not limited to: assigning a SPOC to the borrower, and correcting system and operational processes such that SPOCs are properly assigned to borrowers in a timely fashion.

#### Second Look % Disagree:

Second Look is a process in which MHA-C reviews loans not in a permanent modification, to assess the timeliness and accuracy of the servicer's borrower outreach and eligibility review in order to verify that the borrower was properly considered, denied or deemed ineligible for receiving a permanent modification. This metric measures the percentage of loans reviewed in Second Look where MHA-C did not concur with a servicer's solicitation efforts and/or eligibility review.

#### Second Look % Unable to Determine:

This metric measures the percentage of loans reviewed in Second Look for which MHA-C is not able to determine, based on the documentation provided, whether the borrower was properly considered, denied or deemed ineligible for receiving a permanent modification.

For both Second Look Disagree and Unable to Determine results, remedial actions Treasury requires servicers to take include, but are not limited to:

reconsidering borrowers for a modification if they were not properly solicited or incorrectly evaluated, retaining documentation to support solicitation efforts and eligibility determination, and, if applicable, engaging in systemic process remediation. All loans categorized as Disagree or Unable to Determine remain on foreclosure hold until the servicer completes the appropriate corrective actions.

#### Income Calculation Error %:

Correctly calculating homeowners' monthly income is a critical component of evaluating eligibility for MHA, as well as establishing an accurate modification payment. This metric measures how often MHA-C disagrees with a servicer's calculation of a borrower's Monthly Gross Income, allowing for up to a 5% differential from MHA-C's calculations.

For Income Calculation Errors, remedial actions Treasury requires servicers to take include, but are not limited to: correcting income errors, requiring the servicer to review their own income calculation accuracy, enhancing policies and procedures, and conducting staff training on income calculation.

#### Non-Approval Notice % Noncompliance:

Correctly communicating reasons for non-approval may affect borrowers' awareness of other foreclosure alternatives or the ability to challenge the non-approval. This metric measures the percentage of loans reviewed where MHA-C did not concur with the completion or accuracy of the notices sent to borrowers communicating reasons for non-approval, in accordance with MHA guidelines.

For Non-Approval Notice results, remedial actions Treasury requires servicers to take include, but are not limited to: correcting the non-approval letter template, and engaging in systemic process

remediation in order to deliver accurate non-approval notices.

#### Incentive Payment Data Errors:

Treasury provides incentives for servicers, investors, and homeowners for permanent modifications completed under MHA. Although intended for different recipients, all incentives are initially paid to servicers to distribute to the appropriate parties. Data that servicers report to the program system of record is used to calculate the incentives due to servicers, investors, and homeowners. This metric measures how data anomalies between servicer loan files and the reported information affect incentive payments.

For Incentive Payment Data Error results, remedial actions Treasury requires servicers to take include, but are not limited to: correcting the identified errors and correcting system and operational processes such that accurate data is mapped to its appropriate places in the program system of record.

#### Disqualified Modification % Noncompliance:

Permanent modifications on which borrowers lose good standing are subsequently disqualified from the program. This metric measures the percentage of loans reviewed where MHA-C did not concur with a servicer's processing of defaulted HAMP modifications, in accordance with MHA guidelines.

For Disqualified Modification results, remedial actions Treasury requires servicers to take include, but are not limited to: correcting the status of improperly disqualified modifications and reporting the corrected data to the program system of record.

For more information on the assessments, please visit: [www.FinancialStability.gov](http://www.FinancialStability.gov).



# Making Home Affordable

Program Performance Report Through October 2013

## Appendix A1: Terms and Methodology

### **HAMP Terms and Methodology:**

#### Average Delinquency at Trial Start:

For all permanent modifications started, the average number of days delinquent as of the trial plan start date. Delinquency is calculated as the number of days between the homeowner's last paid installment before the trial plan and the first payment due date of the trial plan.

#### Back-End Debt-to-Income Ratio:

Ratio of total monthly debt payments (including mortgage principal and interest, taxes, insurance, homeowners association and/or condo fees, plus payments on installment debts, junior liens, alimony, car lease payments and investment property payments) to monthly gross income. Homeowners who have a back-end debt-to-income ratio of greater than 55% are required to seek housing counseling under program guidelines.

#### Conversion Rate:

Ratio of permanent modifications to trials eligible to convert, defined as those three months in trial, or four months if the borrower was at risk of imminent default at trial modification start. Permanent modifications transferred among servicers are credited to the originating servicer. Trial modifications transferred are reflected in the current servicer's population.

#### Disqualification:

A permanent modification disqualifies from HAMP when the borrower has missed the equivalent of three

full monthly payments. Once disqualified, the borrower is no longer eligible to receive HAMP incentives. However, the terms of the permanent modification remain the same, and the servicer will continue to work with the borrower to cure the delinquency or identify other loss mitigation options.

#### Eligible Loans:

Homeowners with HAMP eligible loans, which include conventional loans that were originated on or before January 1, 2009; excludes loans with current unpaid principal balances greater than current conforming loan limits-current unpaid principal balance must be no greater than: \$729,750 for a single-unit property, 2 units: \$934,200, 3 Units: \$1,129,250, 4 Units: \$1,403,400; FHA and VA loans; loans where investor pooling and servicing agreements preclude modification; and manufactured housing loans with title/chattel issues that exclude them from HAMP.

#### Evaluation Complete:

HAMP evaluations complete ratio reflects the share of homeowners who have been evaluated for HAMP as a percent of HAMP eligible loans, excluding homeowners where RPC or HAMP evaluation is no longer needed. Evaluated homeowners include those offered a trial plan, those that are denied or did not accept a trial plan and homeowners that failed to submit a complete HAMP evaluation package by program-specified timelines.

#### Front-End Debt-to-Income Ratio:

Ratio of housing expenses (principal, interest, taxes,

insurance and homeowners association and/or condo fees) to monthly gross income.

#### Median Monthly Housing Payment:

Principal and interest payment. Before modification payment is homeowner's current payment at time of evaluation.

#### RPC:

Right Party Contact (RPC) is achieved when a servicer has successfully communicated directly with the homeowner obligated under the mortgage about resolution of their delinquency in accordance with program guidelines. The RPC ratio reflects the share of homeowners with which the servicer has established RPC as a percent of HAMP eligible loans, excluding homeowners where RPC or HAMP evaluation is no longer needed.

#### Total Active:

Reflects active HAMP trials and permanent modifications.

#### Trial Plan Offers Extended:

Includes all HAMP mortgage modification requests approved where trial plan offers were sent to the borrowers, including multiple offers made on a loan. All Trial Plan Offers Extended do not become HAMP Trials Started because some borrowers do not accept the trial or fail to make the first trial payment.

# Making Home Affordable

Program Performance Report Through October 2013

## Appendix A2: General Program Notes

### General MHA Program Notes:

#### MHA Program Effective Dates:

HAMP First Lien: April 6, 2009

PRA: October 1, 2010

2MP: August 13, 2009

HAFAs: April 5, 2010

1MP, PRA, Treasury FHA-HAMP, RD-HAMP, 2MP, and HAFAs Program Metrics: Data includes activity reported into the HAMP system of record through the end of cycle for the current reporting month, though the effective date may occur in the following month.

#### MHA First Lien Program Notes:

MHA First Lien Permanent Modifications Started includes: HAMP Tier 1, HAMP Tier 2, GSE Standard Modifications and both Treasury FHA- and RD-HAMP. HAMP Tier 1 includes both GSE and Non-GSE modifications. The GSEs do not participate in HAMP Tier 2, however the GSE Standard Modification is similar to HAMP Tier 2. FHA-HAMP and RD-HAMP are similar to HAMP Tier 1.

GSE Standard Modification data is provided by Fannie Mae and Freddie Mac as of October 2013. The GSEs undertake other foreclosure prevention activities beyond their participation in MHA which is not reflected in this report. Per the Federal Housing Finance Agency's Foreclosure Prevention Report for the Second Quarter of 2013, since 4Q 2008, the GSEs have completed more than 1.4 million permanent modifications, which includes their activity under MHA. Please visit [www.FHFA.gov](http://www.FHFA.gov) for the complete FHFA report.

#### Treasury FHA-HAMP Program Notes:

The FHA undertakes other foreclosure prevention activities beyond their participation in MHA which is not reflected in this report. As reported in the November 2013 edition of the Obama Administration's Housing Scorecard, FHA has offered more than 2 million loss mitigation and early delinquency interventions through October 31, 2013 since April 1, 2009, which includes their activity under MHA.

#### 2MP Program Notes:

Number of modifications started is net of cancellations, which are primarily due to servicer data corrections.

2MP loans previously reported under top servicers that were transferred to or acquired by non-participating 2MP servicers are reflected in "Other Servicers."

#### HAFAs Program Notes:

Unless otherwise noted, HAFAs Transactions Completed includes GSE activity under the MHA program in addition to the GSE Standard HAFAs program implemented in November 2012. GSE Standard HAFAs data provided by Fannie Mae and Freddie Mac as of October 2013. It does not include other GSE short sale and deed-in-lieu activity outside the HAFAs program. Per the Federal Housing Finance Agency's Foreclosure Prevention Report for the Second Quarter of 2013, since 4Q 2008 the GSEs have completed over 500,000 short sales and deed-in-lieu of foreclosure actions, which includes their activity under MHA. Please visit [www.FHFA.gov](http://www.FHFA.gov) for the complete FHFA report.

The debt relief represents the obligation relieved by the short sale or deed-in-lieu transaction and is calculated as the unpaid principal balance and allowable transactions costs less the property sales price. The allowable transaction costs may include release of any subordinate lien, borrower relocation assistance, sales commission, and closing costs for taxes, title, and attorney fees.

#### PRA Program Notes:

Eligible loans include those receiving evaluation under HAMP PRA guidelines plus loans that did not require an evaluation but received principal reduction on their modification.

#### UP Program Notes:

Data is as reported by servicers via survey for UP participation through September 30, 2013.

# Making Home Affordable

Program Performance Report Through October 2013

## Appendix A3: End Notes

### SUMMARY AND PROGRAM RESULTS:

1. This does not include trial modifications that have cancelled or not yet converted to permanent modifications, or HAFA transactions started but not yet completed.
2. Servicers may enter new trial modifications into the HAMP system of record at any time.
3. Includes some modifications with additional principal reduction outside of HAMP PRA.
4. Under HAMP PRA, principal reduction vests over a 3-year period. The amounts noted reflect the entire amount that may be forgiven.
5. Principal amount reduced as a percentage of before-modification UPB, excluding capitalization.
6. Subject to investor restrictions. Effective February 1, 2013, Supplemental Directive 12-09 expanded the acceptable DTI range for Tier 2 to 10-55%.
7. For active permanent modifications. Median % reflects percent of the median monthly payment before modification.

### SERVICER RESULTS:

8. As reported into the HAMP system of record by servicers. Excludes Treasury FHA-HAMP modifications. Totals reflect impact of servicing transfers. Servicers may enter new trial modifications into the HAMP system of record at any time.
9. While both GSE and non-GSE loans are eligible for HAMP, at the present time due to GSE policy, servicers can only offer PRA on non-GSE modifications under HAMP. Servicer volume can

vary based on the investor composition of the servicer's portfolio and respective policy with regards to PRA.

10. Includes Non-GSE activity under the MHA program only. Servicer GSE program data not available.
11. As reported in the monthly servicer survey of large SPA servicers through October 31, 2013. Figures do not reflect the impact of servicing transfers.
12. These figures include trial modifications that have been converted to permanent modifications, but not reported as such in the HAMP system of record. Additionally, servicers may process cancellations of permanent modifications for reasons, including but not limited to, data corrections, loan repurchase agreements, etc. This process requires reverting the impacted permanent modifications to trials in the HAMP system of record with re-boarding of some of these permanent modifications in subsequent reporting periods. Prior to being re-boarded as permanent modifications, these modifications are reported as Active Trials. These modifications may be 6 months or more beyond their first trial payment due date resulting in their classification as an Aged Trials. As a result, fluctuations are expected in this population.
13. Data is as reported by servicers for actions completed through September 30, 2013 and reflects the status of homeowners as of that date; a homeowner's status may change over time. Survey data is not subject to the same data quality checks as data uploaded into the HAMP system of record. Excludes cancellations and disqualifications pending data corrections and loans otherwise removed from servicing portfolios.

# Making Home Affordable

Program Performance Report Through October 2013

## Appendix A4: Non-GSE Participants in HAMP

Servicers participating in the HAMP First Lien Modification Program may also offer additional support for homeowners, including Home Affordable Foreclosure Alternatives (HAFA), a forbearance for unemployed borrowers through the Unemployment Program (UP), and Principal Reduction Alternative (PRA).

Effective October 3, 2010, the ability to make new financial commitments under the Troubled Asset Relief Program (TARP) terminated, and consequently no new Servicer Participation Agreements may be executed. In addition, effective June 25, 2010, no new housing programs may be created under TARP.

Allstate Mortgage Loans & Investments, Inc.	Hartford Savings Bank	PNC Bank, National Association	Yadkin Valley Bank
AMS Servicing, LLC	Hillsdale County National Bank	PNC Mortgage <sup>4</sup>	
Bank of America, N.A. <sup>1</sup>	HomEq Servicing	Purdue Employees Federal Credit Union	
Bank United	Horicon Bank	QLending, Inc.	
Bayview Loan Servicing, LLC	IC Federal Credit Union	Quantum Servicing Corporation	
Carrington Mortgage Services, LLC	Idaho Housing and Finance Association	Residential Credit Solutions	
CCO Mortgage	iServe Residential Lending LLC	RG Mortgage Corporation	
Central Florida Educators Federal Credit Union	iServe Servicing Inc.	RoundPoint Mortgage Servicing Corporation	
CitiMortgage, Inc.	JPMorgan Chase Bank, N.A. <sup>2</sup>	Schools Financial Credit Union	
Citizens 1st National Bank	Lake City Bank	Select Portfolio Servicing, Inc.	
Community Bank & Trust Company	Liberty Bank and Trust Co.	Servis One Inc., dba BSI Financial Services, Inc.	
CUC Mortgage Corporation	Los Alamos National Bank	Specialized Loan Servicing, LLC	
DuPage Credit Union	Magna Bank	Sterling Savings Bank	
Fay Servicing, LLC	Marix Servicing, LLC	Technology Credit Union	
Fidelity Homestead Savings Bank	Midland Mortgage Company	The Golden 1 Credit Union	
First Bank	Midwest Community Bank	U.S. Bank National Association	
First Financial Bank, N.A.	Mission Federal Credit Union	United Bank	
Franklin Credit Management Corporation	Mortgage Center, LLC	United Bank Mortgage Corporation	
Glass City Federal Credit Union	Nationstar Mortgage LLC	Vantium Capital, Inc.	
Great Lakes Credit Union	Navy Federal Credit Union	Vist Financial Corp.	
Greater Nevada Mortgage Services	Ocwen Loan Servicing, LLC <sup>3</sup>	Wealthbridge Mortgage Corp.	
Green Tree Servicing LLC	OneWest Bank	Wells Fargo Bank, N.A. <sup>5</sup>	
	ORNL Federal Credit Union		
	Pathfinder Bank		
	PennyMac Loan Services, LLC		

<sup>1</sup> Bank of America, N.A. includes all loans previously reported under BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>2</sup> JPMorgan Chase Bank, N.A. includes all loans previously reported under EMC Mortgage Corporation.

<sup>3</sup> Ocwen Loan Servicing, LLC includes loans previously reported under Litton Loan Servicing LP, Homeward Residential, Inc. and GMAC Mortgage, LLC.

<sup>4</sup> Formerly National City Bank.

<sup>5</sup> Wells Fargo Bank, N.A. includes all loans previously reported under Wachovia Mortgage, FSB.

# Making Home Affordable

Program Performance Report Through October 2013

## Appendix A5: Participants in Additional Making Home Affordable Programs

### Second Lien Modification Program (2MP)

Bank of America, N.A.<sup>1</sup>  
Bayview Loan Servicing, LLC  
CitiMortgage, Inc.  
Green Tree Servicing LLC  
iServe Residential Lending, LLC  
iServe Servicing, Inc.  
JPMorgan Chase Bank, N.A.<sup>2</sup>  
Nationstar Mortgage LLC  
OneWest Bank  
PennyMac Loan Services, LLC  
PNC Bank, National Association  
PNC Mortgage<sup>3</sup>  
Residential Credit Solutions  
Servis One Inc., dba BSI Financial Services, Inc.  
Wells Fargo Bank, N.A.<sup>4</sup>

### FHA First Lien Program (Treasury FHA-HAMP)

Amarillo National Bank  
American Financial Resources Inc.  
Aurora Financial Group, Inc.  
Banco Popular de Puerto Rico  
Bank of America, N.A.<sup>1</sup>  
Capital International Financial, Inc.  
CitiMortgage, Inc.  
CU Mortgage Services, Inc.  
First Federal Bank of Florida  
First Mortgage Corporation  
Gateway Mortgage Group, LLC  
Green Tree Servicing, LLC  
Guaranty Bank

iServe Residential Lending, LLC  
iServe Servicing, Inc.  
James B. Nutter & Company  
JPMorgan Chase Bank, N.A.<sup>2</sup>  
M&T Bank  
Marix Servicing, LLC  
Marsh Associates, Inc.  
Midland Mortgage Company  
Nationstar Mortgage LLC  
Ocwen Loan Servicing, LLC<sup>5</sup>  
PennyMac Loan Services, LLC  
PNC Mortgage<sup>3</sup>  
Residential Credit Solutions  
Schmidt Mortgage Company  
Select Portfolio Servicing, Inc.  
Servis One Inc., dba BSI Financial Services, Inc.  
Stockman Bank of Montana  
Wells Fargo Bank, N.A.<sup>4</sup>  
Weststar Mortgage, Inc.

### FHA Second Lien Program (FHA 2LP)

Bank of America, N.A.<sup>1</sup>  
Bayview Loan Servicing, LLC  
CitiMortgage, Inc.  
Flagstar Capital Markets Corporation  
Green Tree Servicing, LLC  
JPMorgan Chase Bank, N.A.<sup>2</sup>  
Nationstar Mortgage LLC  
PNC Bank, National Association  
PNC Mortgage<sup>3</sup>  
Residential Credit Solutions

Select Portfolio Servicing, Inc.  
Wells Fargo Bank, N.A.<sup>4</sup>

### Rural Housing Service Modification Program (RD-HAMP)

Banco Popular de Puerto Rico  
Bank of America, N.A.<sup>1</sup>  
Horicon Bank  
JPMorgan Chase Bank, N.A.<sup>2</sup>  
Magna Bank  
Marix Servicing, LLC  
Midland Mortgage Company  
Nationstar Mortgage LLC  
Wells Fargo Bank, N.A.<sup>4</sup>

<sup>1</sup> Bank of America, N.A. includes all loans previously reported under BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>2</sup> JPMorgan Chase Bank, N.A. includes all loans previously reported under EMC Mortgage Corporation.

<sup>3</sup> Formerly National City Bank.

<sup>4</sup> Wells Fargo Bank, N.A. includes all loans previously reported under Wachovia Mortgage FSB.

<sup>5</sup> Ocwen Loan Servicing, LLC includes loans previously reported under Litton Loan Servicing LP and GMAC Mortgage, LLC.