

# THE FINANCIAL SERVICES ROUNDTABLE



## *Financing America's Economy*

To: Representatives of the Financial Services Roundtable, GAC, Public Affairs Council

### **Fast Facts: HOUSING MARKET**

*The following data is taken from OCC and OTS Mortgage Metrics Report for First Quarter 2010; the Bureau of Economic Analysis; the Housing Policy Council and HOPE NOW.*

**MYTH: “The housing market has collapsed.”**

**FACT:** Spending on housing increased by 27.9% to \$358.5 billion in Q2 2010. This is the largest increase in residential investment in nearly 27 years and a boost from -12.3% in Q1 2010.

**FACT:** The percentage of current and performing mortgages increased in Q1 2010 for the first time since 2008. During that same period, delinquency rates dropped for all categories of mortgages (prime, Alt-A, and subprime), and modifications increased.

**FACT:** Many Americans still struggle with housing issues. 370,536 foreclosures were initiated in the first quarter of 2010. Additionally, homeownership rates dropped to 66.9% in Q2 2010 from a peak of 69.2% in 2004 — (the highest homeownership rate in 25 years).

**FACT:** From July 2007 to May 2010, the industry has offered 9,578,008 total workout solutions including over 3.2 permanent modifications. 87% of loan modifications reduce payments, and nearly 55% reduce payments by 20 percent or more.



**FACT:** After Mike lost his job, he and his wife fell three months behind on their mortgage, which prompted a call from their lender. They were approved for a trial loan modification at a [HOPE NOW event](#). Their monthly payment was reduced by 52%. **Henderson, NV**

**FACT:** After her husband was forced into an early retirement, Alice could not continue to pay her mortgage on just one income. Alice attended a [HOPE NOW event](#) and received a loan modification that cut her monthly mortgage payment in half. **Brooklyn, NY**



*For more stories about how homeowners have been helped through HOPE NOW, please visit <http://www.hopenow.com>. Additionally, if you or anyone you know is having difficulties paying their mortgage, please call the Homeowners HOPE™ Hotline - 888-995-HOPE™.*

Please note this report is also attached as a PDF. If you have questions or comments, contact Abby McCloskey, Director of Research at the Financial Services Roundtable, at [abbyresearch@fsround.org](mailto:abbyresearch@fsround.org).

August 4, 2010