

For Immediate Release

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HOPE NOW: Servicers Provided Nearly 1.2 million Loan Workouts Since July '07

309,000 loan workouts for first two months of 2008.

Washington, D.C. – April 10, 2008 – From July 2007 through February 2008, mortgage servicers have provided loan workouts that have enabled about 1.2 million homeowners to stay in their homes, according to the most recent study by HOPE NOW.

HOPE NOW servicers, covering almost two-thirds of the mortgage industry for both prime and subprime loans, provided the data. The study estimates that on an industry-wide basis:

- Servicers provided loan workouts for about 1,178,000 homeowners since July 2007.
- In January and February 2008, servicers provided approximately 309,700 prime and subprime loan workouts, including 196,200 repayment plans and 113,500 loan modifications.
- Loan modifications for 2008 have been 48% of all subprime loan workouts, which is more than double the 2007 rate.

“The industry is dedicated to minimizing foreclosures,” said Faith Schwartz, Executive Director of HOPE NOW. “While HOPE NOW is not the only answer to this issue, the alliance’s outreach efforts have had a significant impact on encouraging consumers to connect with their servicers. We are seeing real results.”

Please click [here](http://www.fsround.org/media/pdfs/febsummary.pdf) (<http://www.fsround.org/media/pdfs/febsummary.pdf>) for the summary table.

Hybrid ARM Resets

On December 6, the American Securitization Forum announced a plan to fast-track solutions for subprime ARM borrowers who could afford their starter rate but could not afford the reset rate. This plan has minimized foreclosures for

borrowers who could afford their starter rate. With recent reductions in short-term interest rates, the reset shock has become much smaller than it was in December, so far fewer homeowners need modifications to avoid unaffordable resets.

Preliminary results, representing 45% of the market, on subprime ARM workouts and foreclosures for loans resetting in January and February are as follows:

- There were 140,562 subprime 2/28 and 3/27 loans that were scheduled to reset in January or February 2008.
- Of the loans that were current at reset, only 60 have entered the foreclosure process.
- 5,607 of these loans have been modified and more than 60% were modified for 5 years or more.
- 60,000 of these loans (43%) were paid in full through refinancing or sale

“With short-term interest rates declining dramatically in the last few months, many homeowners are receiving new fixed rates much like the rates prior to any potential reset. These homeowners' monthly payments are holding steady and there is no payment shock. Any remaining loans are still eligible for a loan by loan review,” said Schwartz.

HOPE NOW urges homeowners facing challenges with the mortgage payments to call their servicer or the Homeowner's HOPE Hotline, 1.888.995.HOPE, immediately to explore what options are available. The 888-995-HOPE Hotline is provided by the Homeownership Preservation Foundation.

HOPE NOW efforts and the 1-888-995-HOPE Hotline come at no cost to the borrower. Borrowers should be wary of sources that offer help but require a fee, as there should never be a cost associated with putting the borrower in touch with HUD-approved counselors or their servicers.

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HOPE NOW is an alliance between counselors, mortgage market participants, and mortgage servicers to create a unified, coordinated plan to reach and help as many homeowners as possible. For more information on HOPE NOW, and to see the full membership of the Alliance, please visit www.HOPENOW.com.