



For Immediate Release

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HOPE NOW: Number of Homeowners Helped Rapidly Rising
370,000 homeowners assisted in second half of 2007.

Washington, D.C. – January 18, 2008 – A significantly higher percentage of homeowners are being helped than had been previously believed based on the preliminary data on repayment plans and loan modifications.

Nine of the largest servicers handling 4.1 million loans, or approximately 58% of the outstanding subprime loans as of September 2007 provided the data. This preliminary data on the subprime loan modifications and repayment plans indicates:

- The industry assisted 370,000 homeowners during the second half of 2007. This includes 250,000 formal repayment plans and 120,000 modifications.
- Mortgage servicers were modifying subprime loans during the fourth quarter at triple the rate of the third quarter.
- On an annualized basis, 10.4% of subprime borrowers were helped.
- 39% of delinquent borrowers were assisted in the second half of 2007.

“The number of borrowers being helped is accelerating rapidly,” said Faith Schwartz, Executive Director of HOPE NOW. “Our job is to get homeowners the help they need and we are doing that. HOPE NOW, which leverages the work already being done by servicers, is a program that yields significant results.”

The HOPE NOW study follows the previous report of the Mortgage Bankers Association (MBA), which released similar data for the third quarter. MBA concluded 148,000 subprime homeowners were helped, including 120,000 formal repayment plans and 28,000 modifications. Modifications made in the third quarter were double those made in the first quarter.

In addition, in November 2007, HOPE NOW sent out approximately 233,000 letters to at-risk homeowners asking them to call their servicer for assistance. As a result of these letters, more than 16% of borrowers responded by contacting their servicer, far more than the normal response rate of 2-3%:

- 21% of those who received a letter in November improved or maintained their delinquency status by making at least one payment

- 43% of those who responded to a letter by contacting their servicer engaged in active mitigation activity by the end of December and nearly half of these involved modifications.
- None of these borrowers had recently contacted their servicer prior to the HOPE NOW mailing.

Another 250,000 letters were mailed in December. This mailing included the Homeowner's HOPE™ Hotline, 888-995-HOPE, in addition to the servicer's hotline number. A third round of letters will be sent later this month.

“Loan modifications are just one option for distressed homeowners,” said Steve Bartlett, President and CEO of The Financial Services Roundtable. “If you are having difficulty paying your mortgage, call your servicer or the Homeowner's HOPE Hotline, 1.888.995.HOPE immediately to explore what options are available to you. The earlier you call the more options are available.”

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. The members of this alliance recognize that by working together, they will be more effective than by working independently. The Department of the Treasury and the Department of Housing and Urban Development encouraged these leaders to form this alliance, which includes, American Bankers Association, American Financial Services Association, American Securitization Forum, America's Community Bankers, Assurant, Inc., Aurora Loan Services/Lehman Brothers, Avelo Mortgage, LLC., Bank of America, CCCS Atlanta, Inc., Carrington Mortgage Services, Citigroup Inc., Consumer Bankers Association, Consumer Mortgage Coalition, Countrywide Financial Corporation, EMC Mortgage, Inc./Bear Stearns, Fannie Mae, The Financial Services Roundtable, First Horizon Home Loans and First Tennessee Home Loans, Freddie Mac, GMAC ResCap, Homeownership Preservation Foundation, HomEq Servicing, Housing Partnership Network, The Housing Policy Council, HSBC Finance, Indymac Bank, JPMorgan Chase & Co, Litton Loan Servicing, Merrill Lynch: Home Loan Services/Wilshire Credit Corporation, MERS, Morgan Stanley/Saxon, Mortgage Bankers Association, National City Mortgage Corporation, Nationstar Mortgage, LLC., NeighborWorks America, Ocwen Loan Servicing, Option One Mortgage Corporation, PMI Mortgage Insurance Co., Securities Industry and Financial Markets Association, Select Portfolio Servicing, Inc., State Farm Insurance Companies, SunTrust Mortgage, Inc., Washington Mutual, Inc., and Wells Fargo & Company.

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