

## HOPE NOW: Results in Helping Homeowners

*July 1, 2007-January 31, 2008*

### Loan Workout Data

- 1,035,000 million loan workouts
  - 758,000 repayment plans
  - 278,000 loan modifications
- 638,000 subprime loan workouts
  - 443,000 repayment plans
  - 195,000 loan modifications
- Subprime modifications increased to nearly 50% in January from 19% of total workouts in the 3<sup>rd</sup> quarter of 2007, 35% in 4<sup>th</sup> quarter.

**“Fast Track”** modifications for subprime loans whose rates are scheduled to reset, announced by Treasury Secretary Henry Paulson and HUD Secretary Alphonso Jackson on December 6, were operationally launched on January 1. Servicers have been working diligently to implement the “Fast Track” modifications during January and February.

Further, interest rates have declined dramatically in the last two months. Most “Fast Track” pre-reset rates now are not much higher than post-reset rates. Thus, because of declining rates many homeowners are receiving new rates that are not much different. HOPE NOW will have “Fast Track” data available in subsequent reports. **Please note: “Fast Track” modifications for January are included in the data above.** \*

- **Nearly three times as many homeowners received a loan workout compared to the number of completed foreclosure sales**
  - 1,035,000 million loan workouts
  - 350,000 completed foreclosure sales
- In January, for the first time, subprime modifications are almost the same amount as repayment plans.
  - Subprime: Modifications-45,320 vs. Repayment plans-48,155
- Delinquency Rates by category (60+ past due) from December 2007 to January 2008
  - Subprime loans: 13.5 to 14.1%
  - Prime loans: 1.5 to 1.7%
- 18 servicers provided data in January covering almost 2/3 of the industry

**Definitions:**

**Loan Workout**-Either a loan modification or a repayment plan

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

**Repayment plan**-a plan that allows the borrower to become current and catch up on missed payments that are appropriate to the borrower's circumstances.

\*The drop in the LIBOR rate of 200-250 basis points since the end of December has reduced the average payment shock on subprime loans. The average subprime ARM reset is 5.76% plus the 6-month LIBOR rate, which is currently 3%, thus the current subprime ARM reset is occurring at an average of 8.76%. This contrasts with an average reset of 11.25% in December. The subprime ARM resets are expected to decline further in the coming months.

**HOPE NOW: Results in Helping Homeowners**

*July 1, 2007-January 31, 2008*

**LOAN WORKOUT PLANS**

	2007 Q3	2007 Q4	2008 Q1 to Date	Total
<b>Repayment Plans</b>	319,793	331,746	106,136	<b>757,675</b>
Prime	119,808	136,567	57,982	314,357
Subprime	199,985	195,179	48,155	443,319
<b>Modifications</b>	75,646	141,437	60,714	<b>277,797</b>
Prime	30,084	37,174	15,394	82,652
Subprime	45,562	104,263	45,320	195,145
<b>Total Loan Workouts</b>	395,439	473,183	166,850	<b>1,035,472</b>
Prime	149,892	173,741	73,376	397,009
Subprime	245,547	299,442	93,475	638,464

**FORECLOSURE SALES**

	2007 Q3	2007 Q4	2008 Q1 to Date	Total
<b>Foreclosure Sales</b>	136,102	146,959	67,195	<b>350,256</b>
Prime	53,706	54,882	27,665	136,253
Subprime	82,396	92,077	39,530	214,003

**Summary Loss Mitigation Statistics for 2007/2008 - Industry Extrapolation (thousands of residential loans)**

Summary loss mitigation statistics aggregate the Hope Now Alliance data on a monthly basis and are extrapolated to an industry estimated aggregate.

	Dec-07	Jan-08	Pct. Change Dec. to Jan.
<b>Formal Repayment Plans Initiated</b>			
Total	99	106	7.2%
Prime	43	58	34.8%
Subprime	56	48	-14.0%
<b>Modifications Completed</b>			
Total	51	61	19.0%
Prime	12	15	28.3%
Subprime	39	45	16.2%
<b>Borrower Workout Plans (Repayment Plans Initiated + Modifications Completed)</b>			
Total	150	167	11.2%
Prime	55	73	33.4%
Subprime	95	93	-1.6%
<b>Modifications as a Percentage of Workout Plans</b>			
Total	34.0%	36.4%	
Prime	21.8%	21.0%	
Subprime	41.1%	48.5%	

