

Making Home Affordable

Program Performance Report Through May 2014

Report Highlights

More than 2 Million Homeowner Assistance Actions Taken through Making Home Affordable

- More than 1.3 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 \$540 each month – almost 40% of their median before-modification payment – saving a total estimated \$28.2 billion to date in monthly mortgage payments.
- Nearly 295,000 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).
- Homeowners currently in HAMP permanent modifications with some form of principal reduction have been granted an estimated \$14.2 billion in principal reduction. Of all non-Government Sponsored Enterprise (non-GSE) loans eligible for principal reduction entering HAMP in May, 66% included a principal reduction feature.

This Month's Feature: The Second Lien Modification Program (2MP)

- Nearly 136,000 second lien modifications have been started through the Second Lien Modification Program (2MP).
- Homeowners in 2MP with an active permanent modification save a median of \$154 per month on their second mortgage, resulting in a median total first and second lien monthly payment reduction of \$784, or 42% of their median before-modification payment. Homeowners who receive a full extinguishment of their second lien receive a median total first and second lien monthly payment reduction of \$1,040, or 53% of their before-modification payment.

Upcoming Publication Change:

- This MHA Program Performance Report will be the last monthly report published. Starting with the Second Quarter of 2014, this report will be published on a quarterly basis.

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's reach.

In total, the MHA program has completed more than 2 million first and second lien permanent modifications, HAFA transactions, and UP forbearance plans.

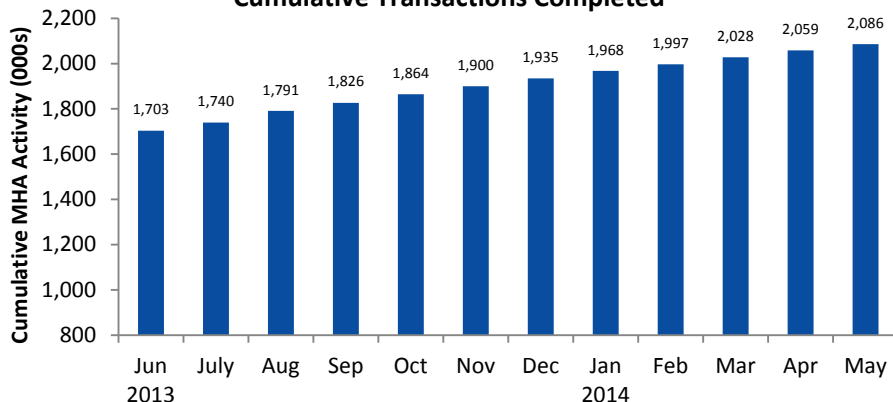
	Program-to-Date	Reported Since Prior Period
MHA First Lien Permanent Modifications Started*	1,615,764	18,916
2MP Modifications Started	135,760	2,055
HAFA Transactions Completed	294,598	5,999
UP Forbearance Plans Started (through April 2014)	39,887	353
Cumulative Activity¹	2,086,009	27,323

*Program-to-Date Total Includes :

- 1,376,508 GSE and Non-GSE HAMP permanent modifications
- 35,776 FHA- and RD-HAMP modifications
- 203,480 GSE Standard Modifications since October 2011 under the GSEs' Servicer Alignment Initiative

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.

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.

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

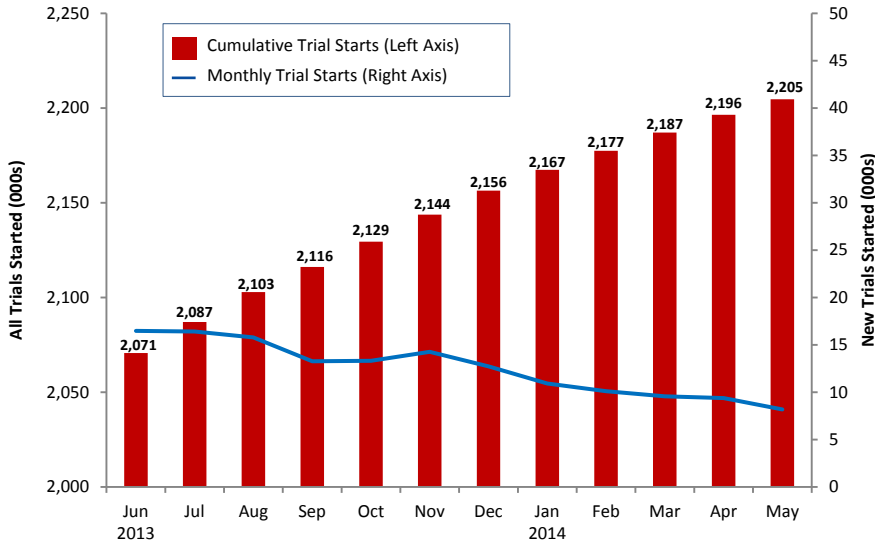
Trial Modifications	Total
All Trials Started	2,204,630
Tier 1	2,128,964
Tier 2	75,666
Trials Reported Since Last Report ²	10,152
Active Trials	42,573
Trial Modifications Cancelled since Verified Income Requirement*	83,602

Permanent Modifications	Total
All Permanent Modifications Started	1,376,508
Tier 1	1,319,403
Tier 2	57,105
Permanent Modifications Reported Since Last Report	11,774
Permanent Modifications Disqualified (Cumulative)**	392,513
Active Permanent Modifications	954,694

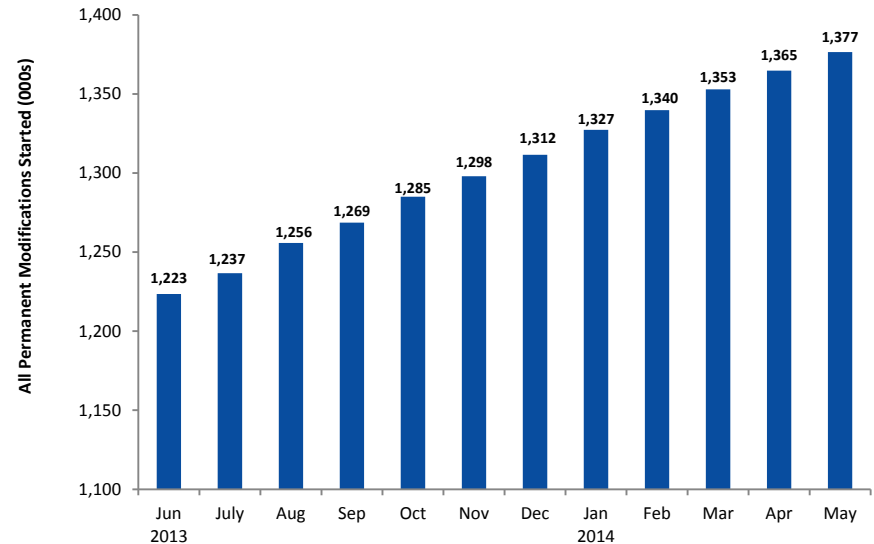
* When Treasury first launched HAMP in the spring of 2009, servicers were not required to verify a borrower's income prior to commencing a trial modification. This was the policy because of the severity of the crisis, the number of homeowners already in default, and the fact that servicers had not yet 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 2010, which substantially lowered trial cancellations. Prior to that date, 701,947 trials were cancelled, for a cumulative total of 785,549.

** Does not include 29,301 loans paid off.

HAMP Trials Started



HAMP Permanent Modifications Started (Cumulative)



Servicers may enter new trial modifications into the HAMP system of record at any time. For example, 10,152 trials have entered the HAMP system of record since the prior report; 8,183 were trials with a first payment recorded this month.

Making Home Affordable: Summary Results

Program Performance Report Through May 2014

HAMP Principal Reduction Activity

Servicers of non-GSE loans are required to evaluate the benefit of principal reduction under the HAMP Principal Reduction Alternative (PRA) for mortgages with a loan-to-value (LTV) 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:

- Under HAMP 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.
- 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.

Of all non-GSE loans eligible for principal reduction that started a trial in May, 66% included a principal reduction feature, including 61% through the HAMP PRA program.

	HAMP Modifications with Earned Principal Reduction Under PRA ³	HAMP Modifications with Upfront Principal Reduction Outside of PRA	Total HAMP Modifications with Principal Reduction
All Trial Modifications Started	177,032	51,770	228,802
Trials Reported Since Last Report	2,937	341	3,278
Active Trial Modifications	10,839	1,706	12,545
All Permanent Modifications Started	152,892	46,274	199,166
Permanent Modifications Reported Since Last Report	3,607	355	3,962
Active Permanent Modifications	124,773	38,223	162,996
Median Principal Amount Reduced for Active Permanent Modifications ⁴	\$71,943	\$56,270	\$67,220
Median Principal Amount Reduced for Active Permanent Modifications (%) ⁵	32.6%	18.0%	30.6%
Total Outstanding Principal Balance Reduced on Active Permanent Modifications ⁴	\$11,588,967,849	\$2,620,456,631	\$14,209,424,479

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	52,726
All Treasury FHA-HAMP Permanent Modifications Started	35,611

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	39,887
UP Forbearance Plans With Some Payment Required	33,904
UP Forbearance Plans With No Payment Required	5,983

Making Home Affordable: Summary Results

Program Performance Report Through May 2014

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 them from remaining mortgage debt;
- Receive at least \$3,000 in relocation assistance at closing.

	Non-GSE Activity	GSE Activity	Total
Short Sale	152,685	114,840	267,525
Deed-in-Lieu	5,607	21,466	27,073
Total Transactions Completed	158,292	136,306	294,598

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 2MP program eligibility to include second liens with a qualifying first lien modified under the GSEs' 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)*	135,760
Second Lien Modifications Involving Full Lien Extinguishments	36,493
Second Lien Modifications Disqualified**	11,670
Active Second Lien Modifications***	82,757
Active Second Lien Modifications Involving Partial Lien Extinguishments	10,459

* Includes 4,019 loans that have a qualifying first lien GSE Standard Modification.

**Does not include 4,840 loans paid off.

*** Includes 6,825 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	\$59,886
Median Amount of Partial Extinguishment for Active Second Lien Modifications	\$9,735

Making Home Affordable: Program Results

Program Performance Report Through May 2014

Featured Program Results: The Second Lien Modification Program (2MP)

Estimated Eligible 2nd Liens

- Based on survey data as reported by servicers through May 2014, approximately 24,000 second liens may be eligible to receive a 2MP modification. Many of these are in the evaluation process by the servicers, awaiting homeowner response to the 2MP offer, or awaiting conversion of the first lien HAMP trial to permanent modification.

- Important factors affecting the size of the population of second liens eligible for 2MP modifications include:

- Servicer participation in 2MP is voluntary; current 2MP servicers represent approximately 61% of the homeowners with active, permanent HAMP first lien modifications.

- Under 2MP, participating servicers are notified when a match is found between one of their second liens and a qualifying first lien modification. Survey data indicates that program to date, 363,613 qualifying first lien modifications have been matched with a second lien. Of these matched second liens, approximately 56% are found to be ineligible for a 2MP modification. The most common reasons for ineligibility are:

- Cancellation or failure of a trial or permanent first lien HAMP modification,
- Extinguishment of the second lien prior to evaluation for 2MP,
- Failure of a 2MP trial modification, and
- Some homeowners with eligible second liens decline to participate in 2MP.

2MP Participating Servicer	2MP Modifications Started	Current Estimated Eligible 2 nd Liens
Bank of America, N.A.	36,105	8,484
CitiMortgage, Inc.	16,929	3,621
JPMorgan Chase Bank, N.A.	38,470	3,168
Nationstar Mortgage, LLC	4,160	2,215
Wells Fargo Bank, N.A.	20,919	4,125
Other Servicers	19,177	2,112
Total	135,760	23,725

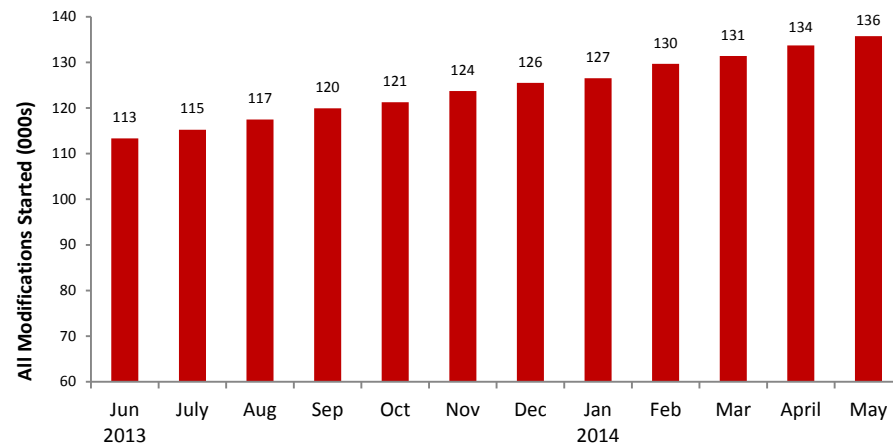
Modification Characteristics

HAMP borrowers with an active 2MP modification, including those with a partial extinguishment of their second lien, save a median \$784, or 42% of their combined total first and second lien monthly mortgage payment.

Those who received a full extinguishment of their second lien have reduced their total monthly mortgage payment by a median amount of \$1,040, or 53%.

Median Monthly Payment Reduction for Active 2MP Modifications	\$154
Total Outstanding Principal Balance Extinguished through partial or full extinguishment	\$2.8 Billion
Top three States by Activity, Percent of Total 2MP Modifications Started:	
• California	35%
• Florida	9%
• New York	7%

Cumulative 2MP Modifications Started



Note: Only five of the seven top SPA servicers participate in 2MP. See Appendix for servicer participants in 2MP and other programs.

Making Home Affordable: Program Results

Program Performance Report Through May 2014

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 \$28.2 billion**, program to date, compared with unmodified mortgage obligations. The median monthly savings for homeowners in active permanent first lien modifications is \$540, 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.⁶

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

Modification Step	Tier 1	Tier 2
Interest Rate Reduction	96.0%	75.2%
Term Extension	64.1%	69.8%
Principal Forbearance	34.4%	31.4%

Select Median Characteristics of Active Permanent Modifications

Loan Characteristic	Before Modification	After Modification	Median Decrease
Front-End Debt-to-Income Ratio			
Tier 1	45.6%	31.0%	-15.2 pct pts
Tier 2	28.6%	21.7%	-6.6 pct pts
Back-End Debt-to-Income Ratio			
Tier 1	68.9%	50.5%	-15.4 pct pts
Tier 2	45.2%	37.5%	-6.6 pct pts
Median Monthly Housing Payment			
Tier 1	\$1,408.76	\$788.34	(\$555.60)
Tier 2	\$1,094.21	\$720.94	(\$338.68)

Homeowner Characteristics

- The primary hardship reason for the majority of homeowners in active permanent modifications is loss of income (curtailment of income or unemployment).
- The median gross monthly income of homeowners in the program is \$3,881.
- The median credit score of homeowners in the program is 577.

- 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.

- 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:
 - 24% were previously in a Tier 1 trial or permanent modification.
 - 14% were previously evaluated for Tier 1 and did not meet eligibility requirements.

- Of the Tier 2 trial modifications started, **6% were for non owner-occupied properties**.

Making Home Affordable: Program Results

Program Performance Report Through May 2014

HAMP Activity by State

State	Active Trials	Active Permanent Modifications	Median \$ Payment Reduction ⁷	Median % Payment Reduction ⁷	State	Active Trials	Active Permanent Modifications	Median \$ Payment Reduction ⁷	Median % Payment Reduction ⁷
AK	18	425	\$494.85	33%	MT	28	1,062	\$437.83	36%
AL	390	5,328	\$287.83	35%	NC	971	17,177	\$332.32	36%
AR	158	2,044	\$279.91	35%	ND	12	144	\$290.55	33%
AZ	661	34,072	\$481.92	41%	NE	84	1,269	\$282.70	35%
CA	6,215	245,063	\$764.45	40%	NH	178	4,080	\$504.14	37%
CO	447	13,204	\$441.98	36%	NJ	2,051	31,205	\$693.60	41%
CT	734	12,624	\$582.27	41%	NM	169	3,245	\$388.30	37%
DC	68	1,633	\$600.19	35%	NV	621	20,005	\$567.24	42%
DE	197	2,793	\$449.68	35%	NY	3,264	50,395	\$860.29	42%
FL	5,576	118,905	\$505.55	43%	OH	1,341	20,045	\$310.99	38%
GA	1,543	33,470	\$395.12	40%	OK	178	2,294	\$269.52	36%
HI	175	3,737	\$860.84	36%	OR	374	10,616	\$496.15	38%
IA	160	2,202	\$275.00	36%	PA	1,657	20,684	\$378.68	36%
ID	110	3,467	\$410.40	37%	RI	250	4,537	\$576.40	42%
IL	2,244	48,933	\$553.69	44%	SC	547	8,748	\$327.79	35%
IN	673	9,023	\$282.52	36%	SD	13	320	\$285.43	32%
KS	148	2,235	\$311.91	35%	TN	751	9,697	\$312.58	37%
KY	297	3,558	\$287.09	36%	TX	1,729	26,859	\$303.99	36%
LA	398	5,424	\$306.76	35%	UT	199	7,996	\$476.22	35%
MA	1,325	22,269	\$640.66	39%	VA	905	22,281	\$540.61	35%
MD	1,614	30,372	\$625.37	38%	VT	49	862	\$414.07	37%
ME	169	2,643	\$423.99	38%	WA	837	20,407	\$550.80	37%
MI	1,078	26,992	\$378.04	40%	WI	530	8,770	\$375.46	39%
MN	442	14,045	\$463.05	38%	WV	58	1,257	\$333.44	32%
MO	570	9,275	\$323.27	38%	WY	17	423	\$402.58	32%
MS	204	3,296	\$274.53	36%	PR	144	3,270	\$301.25	39%

15 Metropolitan Areas With Highest HAMP Activity

Metropolitan Statistical Area	Active Trials	Active Permanent Mods	Median \$ Payment Reduction ⁷	Median % Payment Reduction ⁷
Los Angeles-Long Beach-Santa Ana, CA	2,088	79,767	\$860.10	41%
New York-Northern New Jersey-Long Island, NY-NJ-PA	3,923	66,087	\$883.75	43%
Miami-Fort Lauderdale-Pompano Beach, FL	2,580	53,405	\$574.39	45%
Chicago-Joliet-Naperville, IL-IN-WI	2,111	47,545	\$563.26	44%
Riverside-San Bernardino-Ontario, CA	1,046	45,845	\$684.47	41%
Washington-Arlington-Alexandria, DC-VA-MD-WV	1,227	31,585	\$693.69	38%
Atlanta-Sandy Springs-Marietta, GA	1,127	26,904	\$412.49	40%
Phoenix-Mesa-Glendale, AZ	454	26,877	\$501.73	41%
San Francisco-Oakland-Fremont, CA	536	22,044	\$921.84	40%
San Diego-Carlsbad-San Marcos, CA	437	17,856	\$805.00	38%
Orlando-Kissimmee-Sanford, FL	664	16,898	\$489.31	42%
Boston-Cambridge-Quincy, MA-NH	861	15,999	\$680.28	39%
Las Vegas-Paradise, NV	521	16,277	\$569.49	42%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1,199	15,547	\$443.90	37%
Detroit-Warren-Livonia, MI	581	16,072	\$423.25	42%

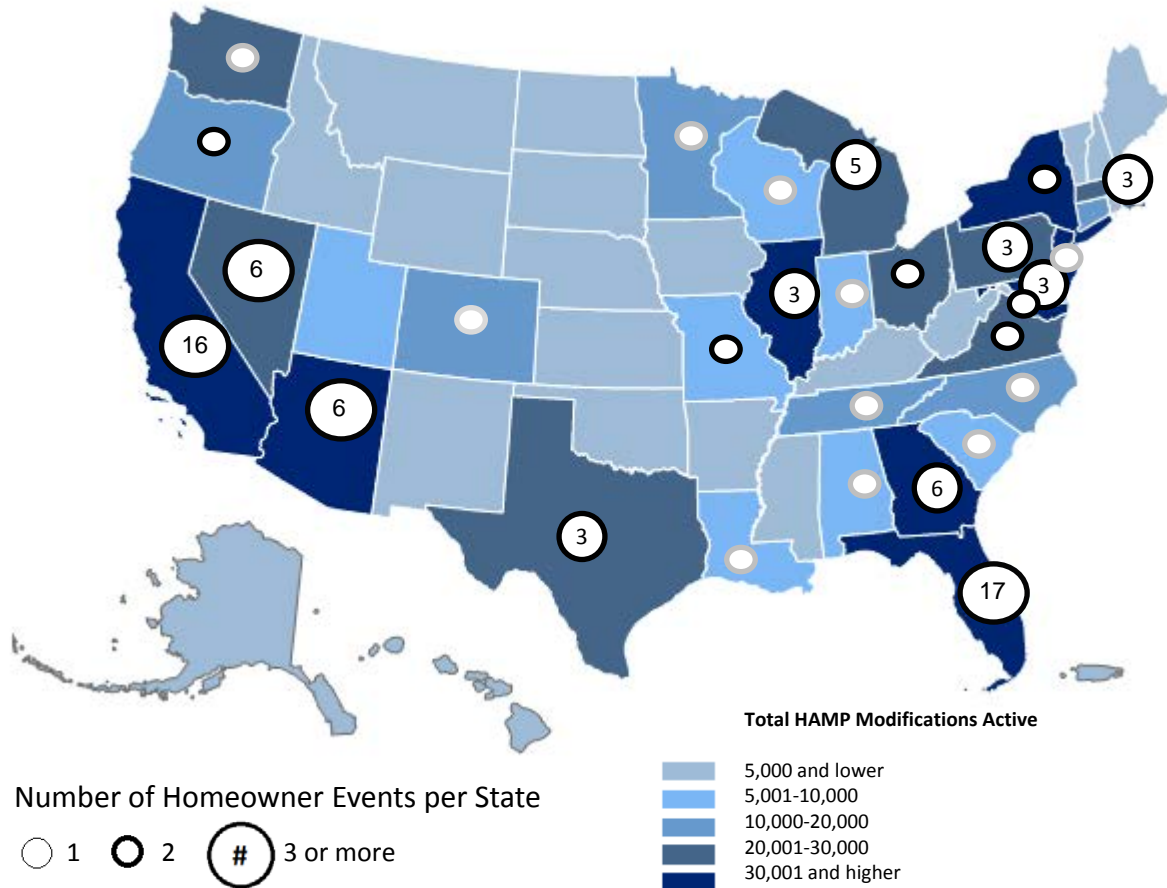
Note: A complete list of HAMP activity for all metropolitan areas is available at <http://www.treasury.gov/initiatives/financial-stability/reports/Pages/HAMP-Report.aspx>

Making Home Affordable: Program Results

Program Performance Report Through May 2014

Reaching Out to Homeowners

94 Treasury-sponsored Outreach Events, through May 2014, covering **57** cities, giving more than **77,000** 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 mortgages.



NEARLY
2.4
MILLION

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

OVER
10.7
MILLION

Solicitations of homeowners by participating mortgage servicers.

OVER
4.3
MILLION

Calls taken at the Homeowner's HOPE Hotline.

NEARLY
187
MILLION

Page views on MakingHomeAffordable.gov.

Making Home Affordable: Servicer Results

Program Performance Report Through May 2014

Making Home Affordable Programs by Servicer

Servicer	HAMP First Lien Modifications		Principal Reduction Alternative (PRA) ⁹		Second Lien Modification (2MP)	Home Affordable Foreclosure Alternatives (HAFA) ¹⁰
	Trials Started ⁸	Permanent Modifications Started ⁸	Trials Started	Permanent Modifications Started	Second Lien Modifications Started	Non-GSE Transactions Completed
Bank of America, N.A.	232,424	104,831	7,507	6,424	36,105	46,319
CitiMortgage, Inc.	130,370	65,434	4,606	3,873	16,929	1,069
JPMorgan Chase Bank, N.A.	314,365	189,378	27,827	25,354	38,470	36,073
Nationstar Mortgage LLC	198,164	135,227	7,630	7,239	4,160	6,365
Ocwen Loan Servicing, LLC	384,617	279,834	76,205	63,422	N/A	15,596
Select Portfolio Servicing, Inc.	113,637	72,133	9,574	8,342	N/A	9,776
Wells Fargo Bank, N.A.	316,691	195,267	31,393	27,896	20,919	27,379
Other Servicers	514,362	334,404	12,290	10,342	19,177	15,715
Total	2,204,630	1,376,508	177,032	152,892	135,760	158,292

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

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HAMP Modification Activity by Servicer and Investor Type

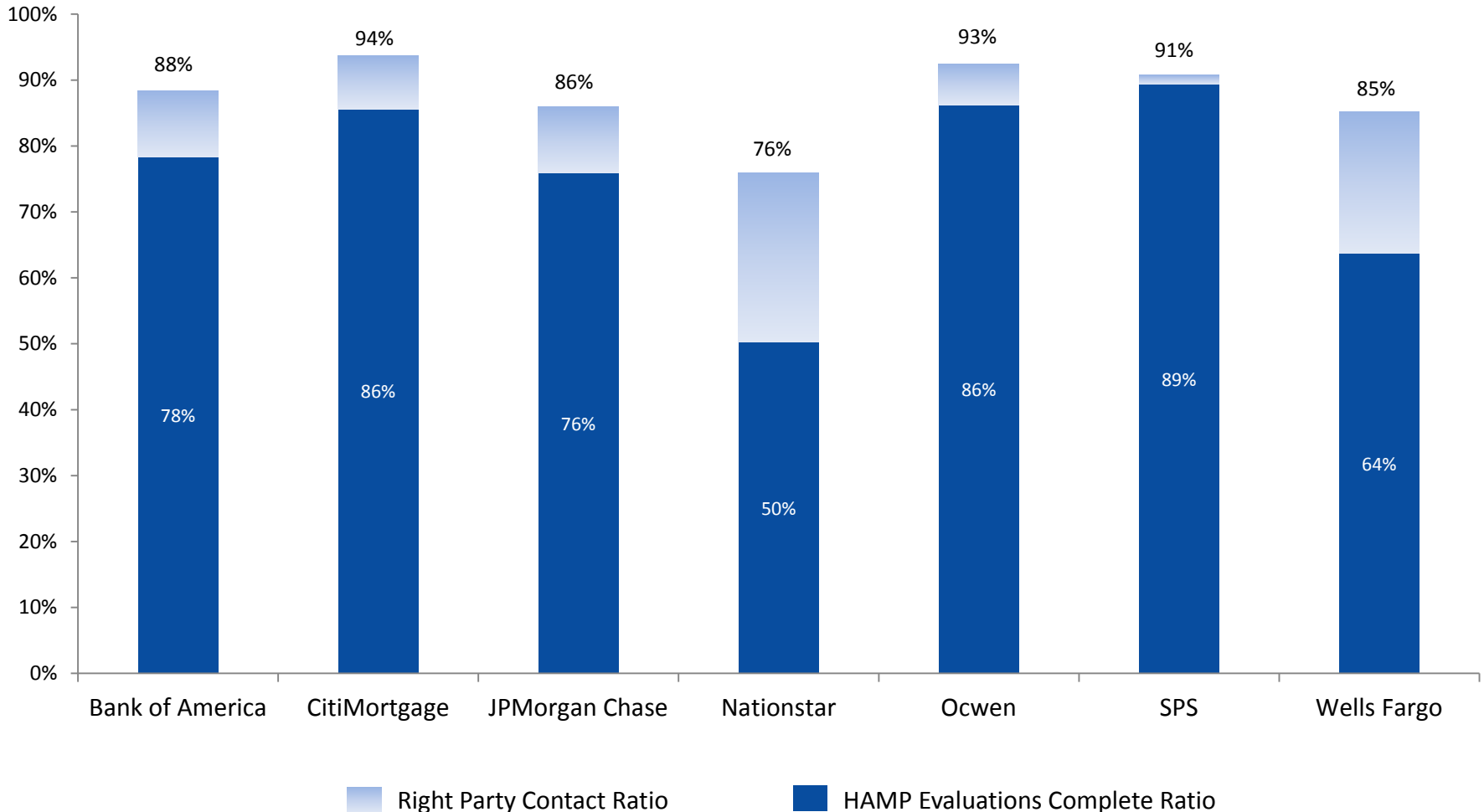
Servicer	All HAMP Trials Started ⁸	HAMP Permanent Modifications Started ⁸	Active Trial Modifications ¹¹	Active Permanent Modifications	Total Active Modifications			
					GSE	Private	Portfolio	Total
Bank of America, N.A.	232,424	104,831	3,376	69,798	23,928	33,759	15,487	73,174
CitiMortgage, Inc.	130,370	65,434	2,037	46,838	28,227	6,370	14,278	48,875
JPMorgan Chase Bank, N.A.	314,365	189,378	2,439	141,029	64,644	48,473	30,351	143,468
Nationstar Mortgage LLC	198,164	135,227	5,507	97,956	56,953	43,441	3,069	103,463
Ocwen Loan Servicing, LLC	384,617	279,834	12,301	189,279	37,986	149,964	13,630	201,580
Select Portfolio Servicing, Inc.	113,637	72,133	3,039	41,546	453	40,217	3,915	44,585
Wells Fargo Bank, N.A.	316,691	195,267	5,047	143,010	55,566	30,800	61,691	148,057
Other Servicers	514,362	334,404	8,827	225,238	171,611	27,752	34,702	234,065
Total	2,204,630	1,376,508	42,573	954,694	439,368	380,776	177,123	997,267

Making Home Affordable: Servicer Results

Program Performance Report Through May 2014

Servicer Outreach to HAMP Eligible 60+ Day Delinquent Homeowners: Cumulative Servicer Results, May 2013 – April 2014

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.



Making Home Affordable: Servicer Results

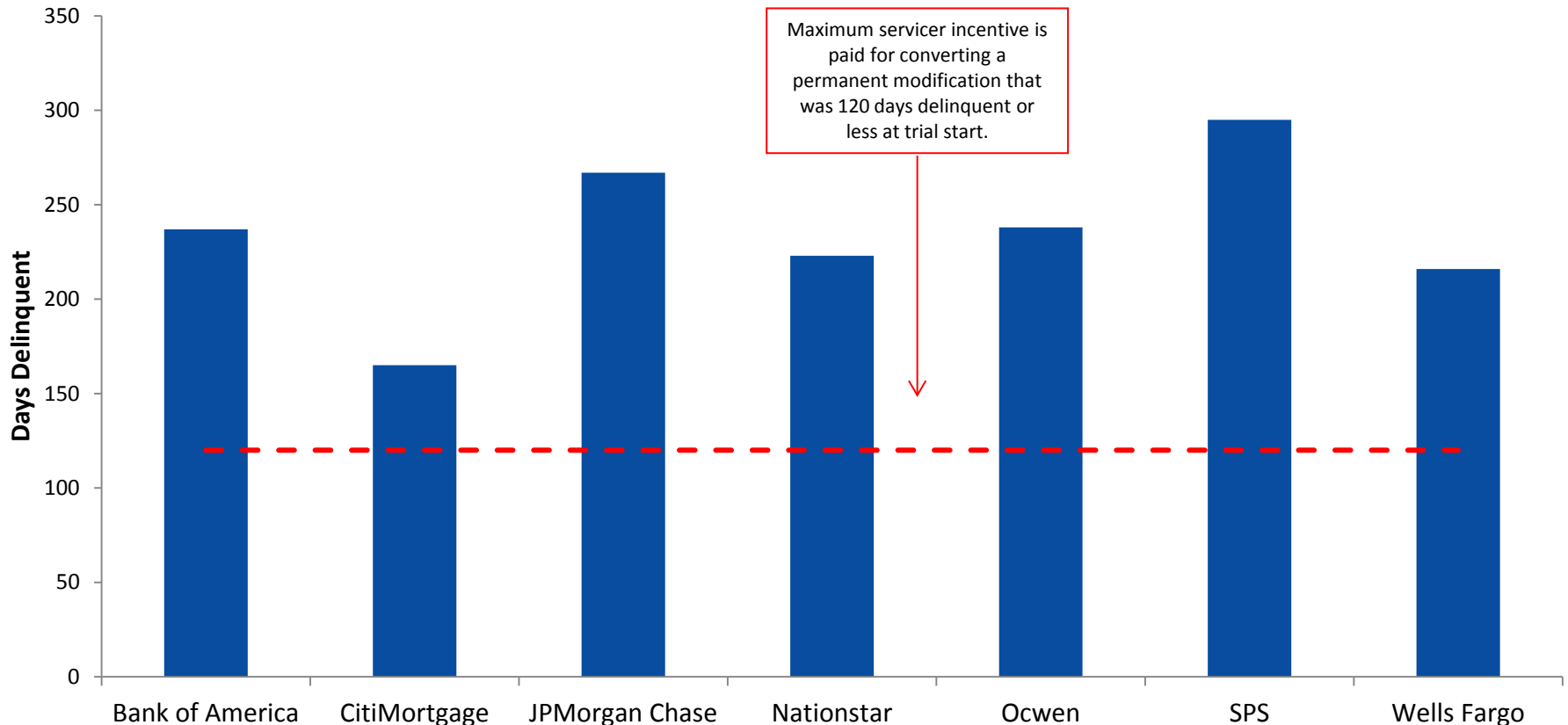
Program Performance Report Through May 2014

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 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 homeowner for a HAMP trial; and,
- Communicating decisions to the homeowner.

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.



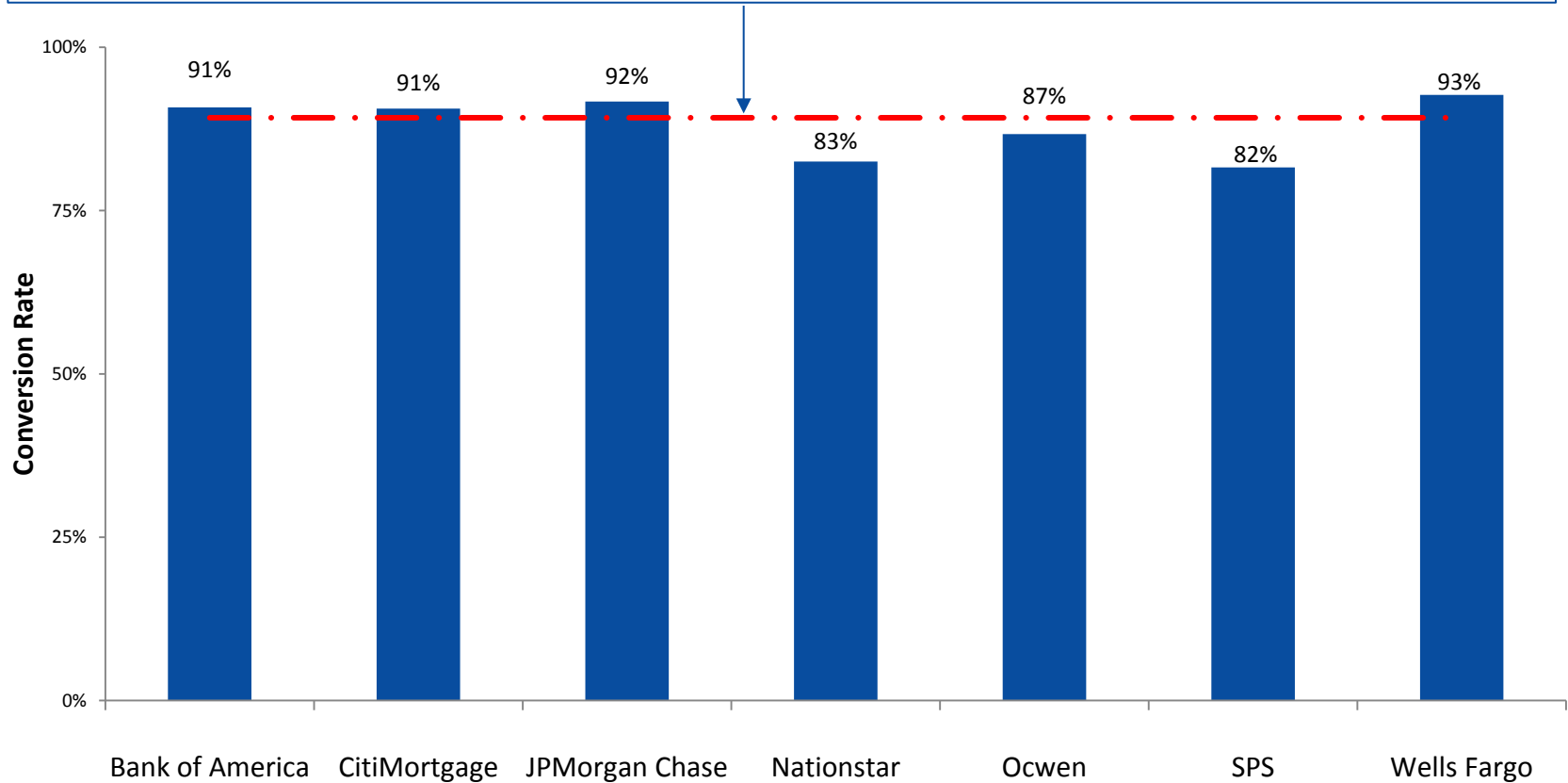
Making Home Affordable: Servicer Results

Program Performance Report Through May 2014

HAMP Conversion Rate

Per program guidelines, effective June 1, 2010, all trials must be started using verified income documentation. Servicers have converted most 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, **89% have converted to permanent modifications*** as of May 2014.



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

* With another 2% pending processing or decision.

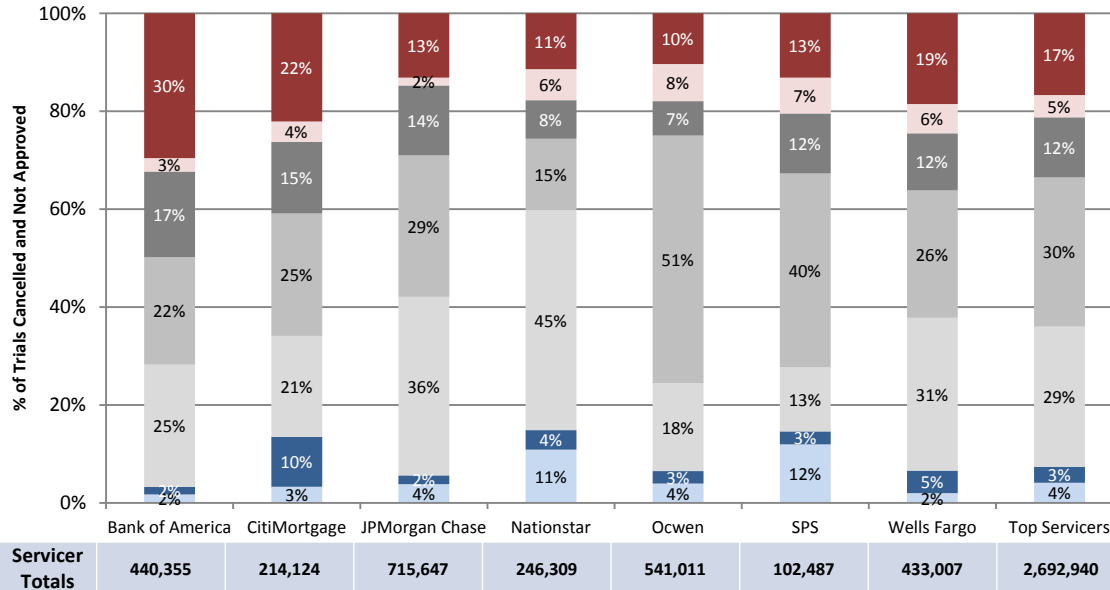
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Disposition Path of Homeowners Not in HAMP Survey Data For Actions Completed Through April 2014¹² (Top Servicers)

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

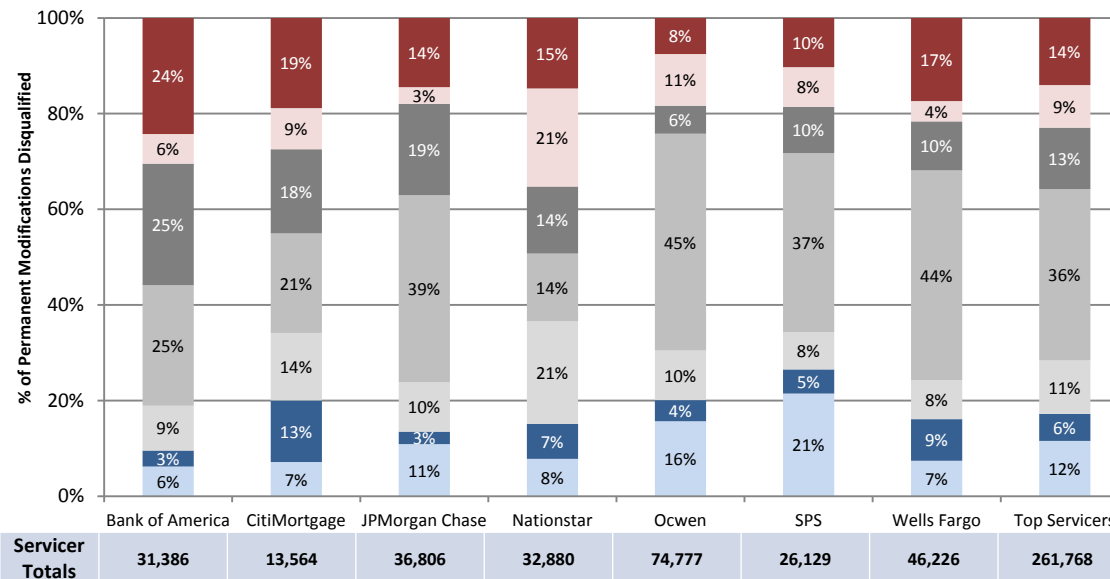
- HAMP guidance requires that servicers evaluate homeowners with eligible loans for HAMP, before considering other foreclosure alternatives.
- For those homeowners that did not qualify for HAMP or did not successfully complete the trial period, 59% received an alternative modification or resolved their delinquency.



- Foreclosure Completions
- Foreclosure Starts
- Short Sale/Deed in Lieu
- Alternative Modification/Payment Plan
- Borrower Current/Loan Payoff
- Action Not Allowed - Bankruptcy in Process
- Action Pending

Status of Homeowners with Disqualified HAMP Permanent Modification

- 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. Approximately one quarter have been referred to foreclosure.



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Appendix A1: Terms and Methodology

HAMP Terms and Methodology:

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.

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.

Payment Plan:

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

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.

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Program Performance Report Through May 2014

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
HAFA: April 5, 2010
- 1MP, PRA, Treasury FHA-HAMP, RD-HAMP, 2MP, and HAFA 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 May 2014. 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 First Quarter of 2014, since 4Q 2008, the GSEs have completed more than 1.6 million permanent modifications, which includes their activity under

MHA. Please visit 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 June 2014 edition of the Obama Administration's Housing Scorecard, FHA has offered more than 2.3 million loss mitigation and early delinquency interventions through May 2014 since April 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."
- Borrowers with an active 1MP permanent modification who have also received a 2MP modification realize a higher monthly payment reduction on their first lien compared to the overall population of 1MP borrowers as the median first lien unpaid principal balance is higher.

HAFA Program Notes:

- Unless otherwise noted, HAFA Transactions Completed includes GSE activity under the MHA program in addition to the GSE Standard HAFA

program implemented in November 2012. GSE Standard HAFA data provided by Fannie Mae and Freddie Mac as of May 2014. It does not include other GSE short sale and deed-in-lieu activity outside the HAFA program. Per the Federal Housing Finance Agency's Foreclosure Prevention Report for the First Quarter of 2014, since 4Q 2008 the GSEs have completed more than 565,000 short sales and deed-in-lieu of foreclosure actions, which includes their activity under MHA. Please visit 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 April 2014.

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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. These figures may 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.
12. Data is as reported by servicers for actions completed through April 2014 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.

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Program Performance Report Through May 2014

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

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

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

³ Ocwen Loan Servicing, LLC includes loans previously reported under Litton Loan Servicing LP, Homeward Residential, Inc., GMAC Mortgage, LLC and also reflects recent acquisitions from OneWest

Bank.

⁴ Formerly National City Bank.

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

Making Home Affordable

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Appendix A5: Participants in Additional Making Home Affordable Programs

Second Lien Modification Program (2MP)

Bank of America, N.A.¹
Bayview Loan Servicing, LLC
CitiMortgage, Inc.
Green Tree Servicing LLC
iServe Residential Lending, LLC
iServe Servicing, Inc.
JPMorgan Chase Bank, N.A.²
Nationstar Mortgage LLC
OneWest Bank
PennyMac Loan Services, LLC
PNC Bank, National Association
PNC Mortgage³
Residential Credit Solutions
Servis One Inc., dba BSI Financial Services, Inc.
Wells Fargo Bank, N.A.⁴

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.¹
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.²
M&T Bank
Marix Servicing, LLC
Marsh Associates, Inc.
Midland Mortgage Company
Nationstar Mortgage LLC
Ocwen Loan Servicing, LLC⁵
PennyMac Loan Services, LLC
PNC Mortgage³
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.⁴
Weststar Mortgage, Inc.

Rural Housing Service Modification Program (RD-HAMP)

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

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

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

³ Formerly National City Bank.

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

⁵ Ocwen Loan Servicing, LLC includes loans previously reported under Litton Loan Servicing LP and GMAC Mortgage, LLC and also reflects recent acquisitions from OneWest Bank.