

## FHFA Releases GSE Home Retention Metrics

By: Jann Swanson | Fri, Jun 15 2012, 1:11 PM

The two government sponsored enterprises (GSEs) Freddie Mac and Fannie Mae completed nearly twice as many foreclosure prevention actions in the first quarter outside of the Home Affordable Modification Program as they did through it. According to the Federal Housing Finance Agency's (FHFA) *Foreclosure Prevention Report* for the quarter, there were 111,739 home retention actions taken by the two companies including 60,348 loan modifications, 44,636 repayment plans, 6,245 forbearance plans and 507 charge-offs-in-lieu. The modification figure includes just over 31,000 transacted through HAMP.

Approximately half of the loan modifications resulted in a reduction in the borrower's monthly payment of 30 percent or more. FHFA has repeatedly stressed that the larger the payment reduction the greater the chance the modification will succeed. Nearly all of GSE modifications resulted in some combination of rate reduction, forbearance, and/or term extension. Servicers are not allowed to do principal reductions as part of modifications of GSE loans however FHFA said that nearly one-third of the loan modifications included principal forbearance.

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Home retention actions decreased in the first quarter of 2012 as compared to the fourth quarter of 2011 from 120,698 to 111,739 and modifications (including those done through HAMP) were down by almost 11,000.

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Total home forfeiture actions totaled 34,360 during the first quarter, down from 34,895 in the previous quarter. Of this number 30,601 were short sales (down from 31,785) and the remaining 3,759 were deeds-in-lieu of foreclosure, an increase from 3,110.

The performance of modified loans remains strong, especially among those modified after the first few years of the foreclosure prevention initiatives. Fewer than 15 percent of loans modified in the second quarter of 2011 had missed two or more payments nine months after modification.

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Delinquency rates for the GSEs continue their slow decline. Loans that are 30-59 days delinquent represent 1.7 percent of the portfolio down from 2.1 percent in the previous quarter. The 60+ day rate is 4.2 percent, down from 4.5 percent and serious delinquencies are at 3.6 percent compared to 3.8 percent.

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Delinquencies continue a wild state by state variation. Florida has by far the largest number of delinquencies - over 270,000 with California not even close at about 150,000. Florida is also notable for being the only state with a delinquency rate over 8 percent and for the number of delinquent loans - 160,000 - that have been delinquent for more than one year.

An interactive version of the map below is now available. The new [Borrower Assistance Map](#) allows state level access to information on delinquencies, foreclosure prevention activities, Real Estate Owned (REO) properties and refinances for GSE loans.

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