

HOPE NOW: Short Sales Top 1 Million

By: Jann Swanson | Mbn, Oct 15 2012, 1:49 PM

HOPE NOW, the voluntary, private sector alliance of mortgage servicers, investors, mortgage insurers and non-profit counselors, reported that its participants completed an estimated **75,968** permanent loan modifications during August. An additional 16,509 modifications were completed through the Home Affordable Modification Program (HAMP). So far this year 400,285 homeowners have received proprietary modifications and HOPE NOW has processed an additional 143,320 through HAMP.

Short sales, which were virtually non-existent in the early days of HOPE NOW, have grown steadily over the last 2-1/2 years and the program is now utilizing these sales at nearly three times the rate it is putting loans through HAMP modifications. There were **39,559** short sales completed in August, a total of over 1 million since December, 2009.

Since 2007 HOPE NOW has enabled 4,678,514 homeowners to obtain proprietary loan modifications and 1,076,747 to obtain relief through HAMP for a total of 5.75 million modifications.

HOPE NOW said modifications completed via proprietary programs continue to show characteristics of sustainability and affordability for homeowners. For the month of August:

- Proprietary loan modifications that included fixed interest rates of five years or more accounted for 93% (55,531) of the total.
- Proprietary loan modifications with reduced principal and interest monthly payments accounted for 82% (48,524) of the total.
- Proprietary loan modifications with reduced principal and interest payments of more than 10% accounted for 71% (42,388) of the total.

There were **71,149 foreclosure sales reported in August**, an increase of 12 percent from 65,527 in July and there were 187,941 foreclosure starts. This was an increase of 14 percent from 164,593 starts reported in July.

Serious delinquencies declined from 2.47 million in June to 2.42 million in July, a 2 percent decrease.

Faith Schwartz, Executive Director, said, "The cumulative efforts of many different parties have made a significant difference in **preventing foreclosures** where possible. Without the collaboration of industry, non-profits and our government, we would not have 5.75 million loan modifications for homeowners or over 115,000 total permanent solutions for the month of August. The increase of short sales has been significant and, for the first month since reporting on short sales, we estimate a high of 39,559. Short sales provide another tool to avoid the high cost of foreclosure for families, communities and investors.

"We are seeing improvement across the board in 'serious delinquencies', currently at 2.42 million homeowners. While this is almost 40% lower than the all-time high of 4 million homeowners seriously past due on their mortgage, we cannot forget there are many more who remain at risk of foreclosure."

View this Article: <https://www.mortgagenewsdaily.com/news/10152012-hope-now-loan-mods>