

# Making Home Affordable

Program Performance Report Through January 2012

## Report Highlights

### Over 950,000 Homeowners Granted Permanent Modifications

- Program to date, homeowners in permanent modifications have saved an estimated \$11 billion in monthly mortgage payments. Homeowners in active first lien permanent modifications are currently saving a median of \$533 per month – more than one-third of the median before-modification payment.
- 85% of eligible homeowners entering a HAMP trial modification since June 1, 2010 have received a permanent modification, with an average trial period of 3.5 months.
- For homeowners currently in HAMP permanent modifications with the Principal Reduction Alternative feature, the median amount of principal reduced is \$68,063. This amounts to over \$3.7 billion in principal reductions. These homeowners are further underwater and more seriously delinquent at trial start than the overall population of HAMP participants. 88% of homeowners in the PRA program are at least 60 days delinquent at trial start (compared to 80% of the overall HAMP portfolio) with a before-modification loan-to-value ratio of 159% (compared to 120% for the overall portfolio).

### This Month: Q4 2011 Servicer Assessment Results

- For the fourth quarter of 2011, no servicers were determined to need substantial improvement in their performance under MHA guidelines.
- Two servicers were found to need minor improvement on the areas reviewed for the fourth quarter, while seven servicers were found to need moderate improvement. Servicers will need to continue to demonstrate progress in areas identified in follow-up program reviews.

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# Making Home Affordable: Summary Results

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## HAMP Activity: First Lien Modifications

HAMP is designed to lower monthly mortgage payments to help struggling homeowners stay in their homes and prevent avoidable foreclosure.

		Total
<b>HAMP Eligibility</b> (As of Dec. 31, 2011)	Eligible Delinquent Loans <sup>1</sup>	2,520,402
	Eligible Delinquent Borrowers <sup>2</sup>	884,910
<b>Trial Modifications</b>	Trial Plan Offers Extended (Cumulative) <sup>3</sup>	1,971,644
	All Trials Started	1,791,354
	Trials Reported Since December 2011 Report <sup>4</sup>	16,759
	Trial Modifications Canceled (Cumulative) <sup>5</sup>	763,692
	Active Trials	76,343
<b>Permanent Modifications</b>	All Permanent Modifications Started	951,319
	Permanent Modifications Reported Since December 2011 Report	17,992
	Permanent Modifications Canceled (Cumulative) <sup>6</sup>	182,546
	Active Permanent Modifications	768,773

<sup>1</sup> Estimated eligible 60+ day delinquent loans as reported by servicers as of December 31, 2011, include conventional loans:

- in foreclosure and bankruptcy.
- with a current unpaid principal balance less than \$729,750 on a one-unit property, \$934,200 on a two-unit property, \$1,129,250 on a three-unit property and \$1,403,400 on a four-unit property.
- on a property that was owner-occupied at origination.
- originated on or before January 1, 2009.

Estimated eligible 60+ day delinquent loans exclude:

- FHA and VA loans.
- loans that are current or less than 60 days delinquent, which may be eligible for HAMP if a borrower is in imminent default.

<sup>2</sup> The estimated eligible 60+ day delinquent borrowers are those in HAMP-eligible loans, minus estimated exclusions of loans on vacant properties, loans with borrower debt-to-income ratio below 31%, loans that fail the NPV test, properties no longer owner-occupied, unemployed borrowers, manufactured housing loans with title/chattel issues that exclude them from HAMP, loans where the investor pooling and servicing agreements preclude modification, and trial and permanent modifications disqualified from HAMP. Exclusions for DTI and NPV results are estimated using market analytics.

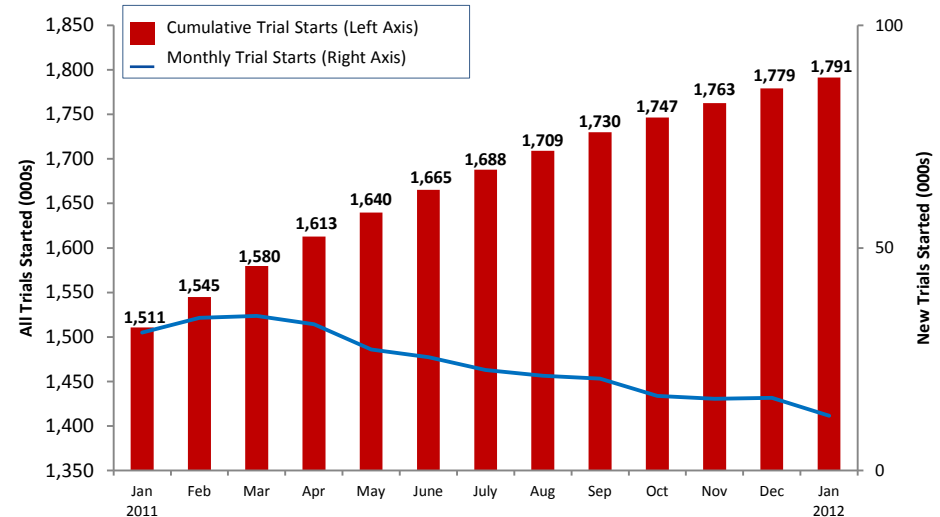
<sup>3</sup> As reported in the monthly servicer survey of large SPA servicers through January 31, 2012. The reduction is due to Wells Fargo Bank, NA restating the number of trial offers extended from the previous month.

<sup>4</sup> Servicers may enter new trial modifications into the HAMP system of record at anytime.

<sup>5</sup> 716,737 had trial start dates prior to June 1, 2010 when Treasury implemented a verified income requirement.

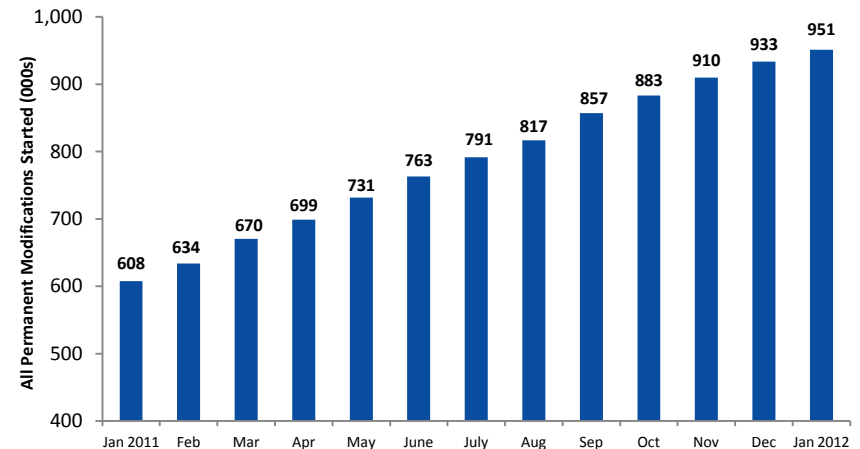
<sup>6</sup> A permanent modification is canceled when the borrower has missed three consecutive monthly payments. Includes 3,124 loans paid off.

## HAMP Trials Started



Source: HAMP system of record. Servicers may enter new trial modifications into the HAMP system of record at any time. For example, 16,759 trials have entered the HAMP system of record since the prior report; 12,335 were trials with a first payment recorded in January 2012.

## Permanent Modifications Started (Cumulative)



Source: HAMP system of record.

Note: Unless specified, exhibits in this report refer to HAMP first lien modification activity.

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## Homeowner Benefits and First Lien Modification Characteristics

- Aggregate savings to homeowners who received HAMP first lien permanent modifications are estimated to total **approximately \$11.0 billion**, program to date, compared with unmodified mortgage obligations.
- The median monthly savings for borrowers in active permanent first lien modifications is \$532.73, or **37% of the median monthly payment** before modification.

- Of 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.

- The **primary hardship reasons** for homeowners in active permanent modifications are:
  - 66.4% experienced loss of income (curtailment of income or unemployment)
  - 11.7% reported excessive obligation
  - 3.3% reported an illness of the principal borrower

- Active permanent modifications feature the following **modification steps**:
  - 97.9% feature interest rate reductions
  - 59.3% offer term extension
  - 30.7% include principal forbearance

### Modifications by Investor Type (Large Servicers)

Servicer	GSE	Private	Portfolio	Total Active Modifications
American Home Mortgage Servicing, Inc.	1,273	26,747	0	28,020
Bank of America, NA <sup>1</sup>	81,914	63,158	10,649	155,721
CitiMortgage, Inc.	31,977	5,632	17,073	54,682
GMAC Mortgage, LLC	25,086	5,919	11,783	42,788
JPMorgan Chase NA <sup>2</sup>	63,045	55,938	24,625	143,608
Ocwen Loan Servicing, LLC <sup>3</sup>	6,820	36,650	124	43,594
OneWest Bank	15,028	15,650	2,677	33,355
Saxon Mortgage Services, Inc.	1,407	10,008	1,941	13,356
Select Portfolio Servicing	520	15,947	2,518	18,985
Wells Fargo Bank, NA <sup>4</sup>	52,411	15,635	47,258	115,304
Other HAMP Servicers	157,184	23,221	15,298	195,703
<b>Total</b>	<b>436,665</b>	<b>274,505</b>	<b>133,946</b>	<b>845,116</b>

### Select Median Characteristics of Active Permanent Modifications

Loan Characteristic	Before Modification	After Modification	Median Decrease
Front-End Debt-to-Income Ratio <sup>1</sup>	45.3%	31.0%	-14.4 pct pts
Back-End Debt-to-Income Ratio <sup>2</sup>	76.8%	59.3%	-14.7 pct pts
Median Monthly Housing Payment <sup>3</sup>	\$1,431.54	\$828.62	-\$532.73

<sup>1</sup> Ratio of housing expenses (principal, interest, taxes, insurance and homeowners association and/or condo fees) to monthly gross income.

<sup>2</sup> 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. Borrowers who have a back-end debt-to-income ratio of greater than 55% are required to seek housing counseling under program guidelines.

<sup>3</sup> Principal and interest payment.

<sup>1</sup> Bank of America, NA includes all loans previously reported under BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>2</sup> JPMorgan Chase Bank, NA includes all loans previously reported under EMC Mortgage Corporation.

<sup>3</sup> Ocwen Loan Servicing, LLC includes Litton Loan Servicing LP.

<sup>4</sup> Wells Fargo Bank, NA includes all loans previously reported under Wachovia Mortgage, FSB.

Note: Figures reflect active trials and active permanent modifications.

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## Principal Reduction Alternative (PRA)

The Principal Reduction Alternative (PRA) was implemented in October 2010. PRA requires servicers of non-GSE loans to evaluate the benefit of principal reduction for mortgages with a loan-to-value (LTV) ratio greater than 115% or when evaluating a homeowner for a HAMP first lien modification. While servicers are required to evaluate homeowners for PRA, they are not required to offer principal reduction and generally may only do so when permitted by the mortgage investor.

PRA pays investors incentives for every dollar of principal forgiven, according to a sliding scale and depending on the degree to which the homeowner's unmodified balance is greater than the market value of the home. To encourage investors to consider or expand the use of principal reduction, Treasury issued program guidance on February 16, 2012 tripling financial incentives under PRA for investors who agree to reduce principal for eligible underwater homeowners. The new program guidance applies to all permanent modifications of non-GSE loans under HAMP that include PRA and have a trial period plan effective date on or after March 1, 2012.

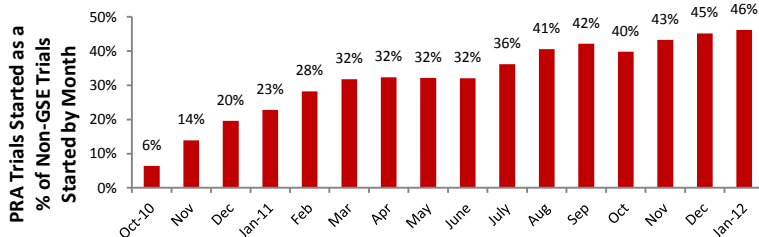
PRA can be a feature of a HAMP trial or permanent modification.

### PRA Activity

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. 46% of non-GSE trial starts that were reported in January 2012 included principal reduction.

To date, the 10 largest MHA servicers account for 98% of all trial modifications started with PRA, and the top three MHA servicers account for 68% of all PRA volume (and over 50% of overall HAMP volume). (See page 10 for additional servicer detail.)

All PRA Trial Modifications Started	67,835
PRA Trial Modifications Active	16,213
All PRA Permanent Modifications Started	47,114
PRA Permanent Modifications Active	44,058
Median Principal Amount Reduced for Active Permanent Modifications <sup>1</sup>	\$68,063
Median Principal Amount Reduced for Active Permanent Modifications (%) <sup>2</sup>	31.3%
Total Outstanding Principal Balance Reduced on Active Permanent Modifications under PRA	\$3,708,011,613



### Modification Characteristics

While the population of loan modifications with the PRA feature is still relatively small, the program data indicate that there are more homeowners seriously delinquent at the time of trial start than the overall population of HAMP homeowners.

Overall, homeowners receiving permanent loan modifications with the PRA feature also have a higher before-modification LTV ratio than those without the PRA feature.

Loan Characteristics	All 1MP <sup>3</sup>	1MP with PRA
Of trials started, delinquency at trial start:		
- At least 60 days delinquent	80%	88%
- Up to 59 days delinquent or current and in imminent default	20%	12%

Top three States by Activity<sup>4</sup>, Percent of Total Activity:

- California	25%	31%
- Florida	12%	17%
- Illinois	5%	6%
Top three States' Percent of Total	42%	54%

Active Permanent Modifications – Median Loan-to-Value (LTV) ratio:

- Before Modification	120%	159%
- After Modification <sup>5</sup>	122%	115%

Active Permanent Modifications – Median before Modification Debt-to-Income (DTI) ratio:

- Front-End DTI	45.3%	45.3%
- Back-End DTI	76.8%	67.9%

<sup>1</sup> Under the PRA program, principal is vested over a 3 year period. The amounts noted reflect the entire amount that may be forgiven.

<sup>2</sup> PRA amount as a percentage of before-modification UPB, excluding capitalization.

<sup>3</sup> Includes HAMP first lien modifications with and without the PRA feature.

<sup>4</sup> Figures reflect active trials and active permanent modifications.

<sup>5</sup> Because the first step of the standard HAMP waterfall includes the capitalization of accrued interest, out-of-pocket escrow advances to third parties, any escrow advances made to third parties during the trial period plan, and servicing advances that are made for costs and expenses incurred in performing servicing obligations, this can result in an increase in the principal balance after modification. As a result, the loan-to-value ratio can increase in the modification process.

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## 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. 2MP modifications and partial extinguishments require that the first lien HAMP 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) <sup>1</sup>	65,708
Second Lien Modifications Involving Full Lien Extinguishments	14,142
Second Lien Modifications Disqualified <sup>2</sup>	1,762
Active Second Lien Modifications <sup>3</sup>	49,804

Of the Active Second Lien Modifications:

Second Lien Partially Extinguished	2,160
Second Lien Loan Modifications <sup>4</sup>	47,644

## Second Lien Extinguishment Details

Median Amount of Full Extinguishment	\$61,850
Median Amount of Partial Extinguishment for Active Second Lien Modifications	\$6,694

<sup>1</sup> Includes second lien modifications reported into HAMP system of record through the end of cycle for January 2012 data, though the effective date may occur in February 2012. Number of modifications is net of cancellations, which are primarily due to servicer data corrections.

<sup>2</sup> Includes 96 loans paid off.

<sup>3</sup> Includes 2,144 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.

<sup>4</sup> Second lien modifications follow a series of steps and may include capitalization, interest rate reduction, term extension and principal forbearance or forgiveness.

## 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	8,441
All Treasury FHA-HAMP Permanent Modifications Started	5,159

## Home Affordable Foreclosure Alternatives (HAFA) Activity

The Home Affordable Foreclosure Alternatives Program (HAFA) offers incentives 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. In 20% of HAFA agreements started, the homeowner began a HAMP trial modification but later requested a HAFA agreement or was disqualified from HAMP.

All HAFA Agreements Started <sup>1</sup>	49,443
HAFA Agreements Active	9,822
HAFA Transactions Completed	31,426
Completed Transactions – Short Sale	30,583
Completed Transactions – Deed-in-Lieu	843

<sup>1</sup> Servicer agreement with homeowner for terms of potential short sale, which lasts at least 120 days; or agreement for a deed-in-lieu transaction. A short sale requires a third-party purchaser and cooperation of junior lienholders and mortgage insurers to complete the transaction. All HAFA Agreements Started include HAFA Agreements Active, HAFA Transactions Completed, and HAFA Transactions Canceled.

## 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 (through Dec. 2011)	18,403
UP Forbearance Plans With Some Payment Required	15,768
UP Forbearance Plans With No Payment Required	2,635

Note: Data is as reported by servicers via survey for UP participation through Dec. 31, 2011.

See Appendix A2 for servicer participants in additional Making Home Affordable programs.

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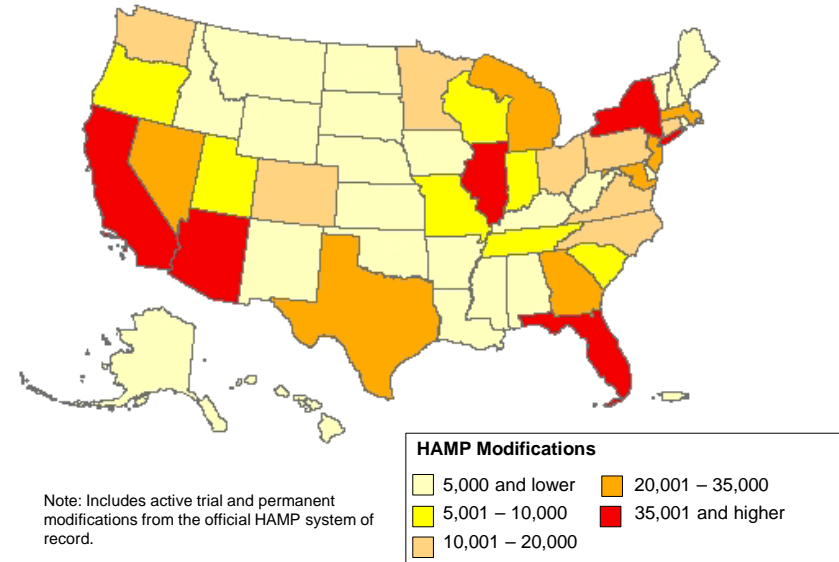
## HAMP Activity by State

State	Active Trials	Permanent Modifications	State Total <sup>1</sup>	% of U.S. HAMP Activity	State	Active Trials	Permanent Modifications	State Total <sup>1</sup>	% of U.S. HAMP Activity
AK	43	332	375	0.0%	MT	86	881	967	0.1%
AL	490	4,224	4,714	0.6%	NC	1,368	13,617	14,985	1.8%
AR	172	1,664	1,836	0.2%	ND	8	128	136	0.0%
AZ	2,334	32,858	35,192	4.2%	NE	103	1,006	1,109	0.1%
CA	18,138	193,910	212,048	25.1%	NH	337	3,479	3,816	0.5%
CO	975	10,642	11,617	1.4%	NJ	2,649	24,586	27,235	3.2%
CT	1,040	9,475	10,515	1.2%	NM	263	2,499	2,762	0.3%
DC	128	1,317	1,445	0.2%	NV	1,473	18,864	20,337	2.4%
DE	223	2,310	2,533	0.3%	NY	4,789	36,294	41,083	4.9%
FL	9,796	92,432	102,228	12.1%	OH	1,767	16,394	18,161	2.1%
GA	2,869	27,623	30,492	3.6%	OK	210	1,746	1,956	0.2%
HI	285	2,914	3,199	0.4%	OR	812	8,405	9,217	1.1%
IA	170	1,883	2,053	0.2%	PA	1,591	15,512	17,103	2.0%
ID	244	2,982	3,226	0.4%	RI	314	3,880	4,194	0.5%
IL	3,829	40,763	44,592	5.3%	SC	719	7,030	7,749	0.9%
IN	724	7,195	7,919	0.9%	SD	31	273	304	0.0%
KS	180	1,794	1,974	0.2%	TN	831	7,680	8,511	1.0%
KY	266	2,829	3,095	0.4%	TX	2,512	19,924	22,436	2.7%
LA	520	4,200	4,720	0.6%	UT	566	7,231	7,797	0.9%
MA	1,949	18,568	20,517	2.4%	VA	1,626	18,226	19,852	2.3%
MD	2,356	24,398	26,754	3.2%	VT	65	659	724	0.1%
ME	231	2,125	2,356	0.3%	WA	1,750	15,632	17,382	2.1%
MI	2,002	24,380	26,382	3.1%	WI	765	7,238	8,003	0.9%
MN	934	12,734	13,668	1.6%	WV	100	1,057	1,157	0.1%
MO	772	7,689	8,461	1.0%	WY	32	379	411	0.0%
MS	263	2,735	2,998	0.4%	Other <sup>2</sup>	643	2,177	2,820	0.3%

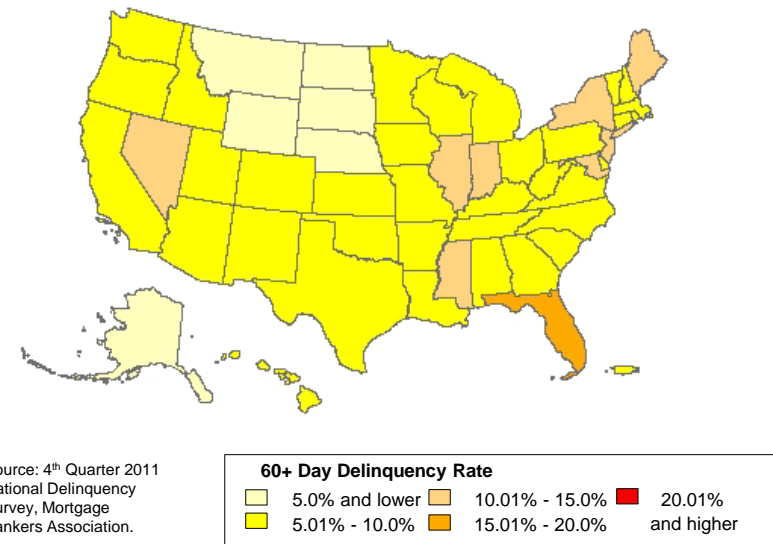
<sup>1</sup> Total reflects active trials and active permanent modifications.

<sup>2</sup> Includes Guam, Puerto Rico and the U.S. Virgin Islands.

## Modification Activity by State



## Mortgage Delinquency Rates by State





# Making Home Affordable: Summary Results

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## 15 Metropolitan Areas With Highest HAMP Activity

Metropolitan Statistical Area	Active Trials	Permanent Modifications	Total MSA HAMP Activity	% of U.S. HAMP Activity
Los Angeles-Long Beach-Santa Ana, CA	6,009	59,161	65,170	7.7%
New York-Northern New Jersey-Long Island, NY-NJ-PA	5,881	48,873	54,754	6.5%
Miami-Fort Lauderdale-Pompano Beach, FL	4,533	39,041	43,574	5.2%
Chicago-Joliet-Naperville, IL-IN-WI MSA	3,723	39,576	43,299	5.1%
Riverside-San Bernardino-Ontario, CA	3,207	40,067	43,274	5.1%
Washington-Arlington-Alexandria, DC-VA-MD-WV	2,264	26,049	28,313	3.4%
Phoenix-Mesa-Glendale, AZ MSA	1,716	26,585	28,301	3.3%
Atlanta-Sandy Springs-Marietta, GA	2,281	22,351	24,632	2.9%
San Francisco-Oakland-Fremont, CA	1,731	16,300	18,031	2.1%
Las Vegas-Paradise, NV	1,250	15,472	16,722	2.0%
Detroit-Warren-Livonia, MI	1,225	14,784	16,009	1.9%
Orlando-Kissimmee-Sanford, FL MSA	1,306	14,094	15,400	1.8%
San Diego-Carlsbad-San Marcos, CA	1,340	14,051	15,391	1.8%
Boston-Cambridge-Quincy, MA-NH	1,344	13,418	14,762	1.7%
Sacramento-Arden-Arcade-Roseville, CA	1,154	13,202	14,356	1.7%

Note: Total reflects active trials and active permanent modifications.

A complete list of HAMP activity for all metropolitan areas is available at <http://www.treasury.gov/initiatives/financial-stability/results/MHA-Reports/>

## Homeowner's HOPE™ Hotline Volume

	Program to Date	January
Total Number of Calls Taken at 1-888-995-HOPE	2,815,564	80,335
Borrowers Referred for Free Housing Counseling Assistance Through the Homeowner's HOPE™ Hotline	1,341,003	39,443

Source: Homeowner's HOPE™ Hotline. Numbers reflect calls that resulted in customer records.

## Selected Homeowner Outreach Measures

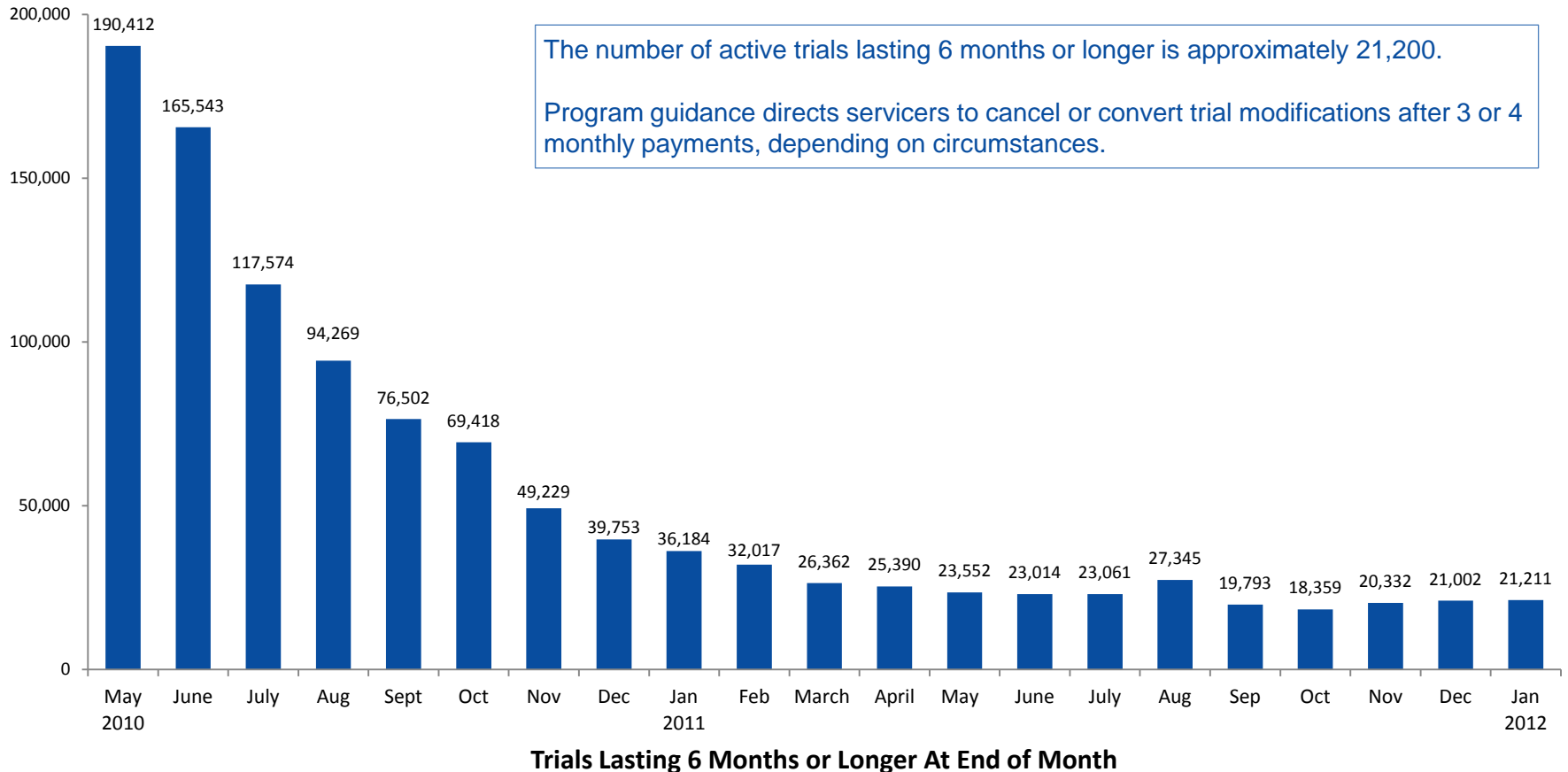
Homeowner Outreach Events Hosted Nationally by Treasury and Partners (cumulative)	63
Homeowners Attending Treasury-Sponsored Events (cumulative)	60,897
Servicer Solicitation of Borrowers (cumulative) <sup>1</sup>	8,212,279
Page views on <a href="http://MakingHomeAffordable.gov">MakingHomeAffordable.gov</a> (January 2012)	3,328,363
Page views on <a href="http://MakingHomeAffordable.gov">MakingHomeAffordable.gov</a> (cumulative)	137,406,910

<sup>1</sup> Source: Survey data provided by SPA servicers. Servicers are encouraged by HAMP to solicit information from borrowers 60+ days delinquent, regardless of eligibility for a HAMP modification. The reduction is due to Wells Fargo Bank, NA restating the number of solicitation numbers from the previous month.

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## Aged Trials<sup>1</sup>



<sup>1</sup> Active trials initiated at least six months ago. See page 9 for number of aged trials by servicer. These figures include trial modifications that have been converted to permanent modifications or cancelled by the servicer, but not reported as such to the HAMP system of record.



# Making Home Affordable: Servicer Results

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## HAMP Modification Activity by Servicer

Servicer	As of Dec. 31, 2011	Cumulative			As of Jan. 31, 2012		
	Estimated Eligible 60+ Day Delinquent Borrowers <sup>1</sup>	Trial Plan Offers Extended <sup>2</sup>	All HAMP Trials Started <sup>3</sup>	All HAMP Permanent Modifications Started <sup>3</sup>	Active Trial Modifications <sup>3</sup>	Active Trial Modifications Lasting 6 Months or Longer <sup>4</sup>	Active Permanent Modifications <sup>3</sup>
American Home Mortgage Servicing, Inc	35,016	43,309	39,432	31,777	2,751	189	25,269
Bank of America, NA <sup>5</sup>	165,223	531,361	380,925	174,624	16,936	12,443	138,785
CitiMortgage, Inc.	51,933	199,303	136,401	60,590	3,999	1,582	50,683
GMAC Mortgage, LLC	22,704	83,176	67,974	50,562	2,610	49	40,178
JPMorgan Chase Bank, NA <sup>6</sup>	133,076	350,910	307,072	155,666	17,970	2,339	125,638
Ocwen Loan Servicing, LLC <sup>7</sup>	67,803	95,889	90,152	53,785	5,145	1,213	38,449
OneWest Bank	31,551	76,397	59,132	35,004	3,587	224	29,768
Saxon Mortgage Services, Inc.	13,100	44,670	40,169	17,259	537	60	12,819
Select Portfolio Servicing	9,294	69,770	42,948	24,039	506	13	18,479
Wells Fargo Bank, NA <sup>8</sup>	108,668	290,479	254,281	126,432	10,202	1,263	105,102
Other SPA servicers <sup>9</sup>	83,259	186,380	190,380	107,539	4,721	584	88,119
Other GSE Servicers <sup>10</sup>	163,283	NA	182,488	114,042	7,379	1,252	95,484
<b>Total</b>	<b>884,910</b>	<b>1,971,644</b>	<b>1,791,354</b>	<b>951,319</b>	<b>76,343</b>	<b>21,211</b>	<b>768,773</b>

<sup>1</sup> Estimated eligible 60+ day delinquent borrowers as reported by servicers as of Dec. 31, 2011, include those in conventional loans:

- in foreclosure and bankruptcy.
- with a current unpaid principal balance less than \$729,750 on a one-unit property, \$934,200 on a two-unit property, \$1,129,250 on a three-unit property and \$1,403,400 on a four-unit property.
- on a property that was owner-occupied at origination.
- originated on or before January 1, 2009.

Estimated eligible 60+ day delinquent borrowers exclude:

- those in FHA and VA loans.
- those in loans that are current or less than 60 days delinquent, which may be eligible for HAMP if a borrower is in imminent default.
- those borrowers with debt-to-income ratios less than 31% or a negative NPV test.
- owners of vacant properties or properties otherwise excluded.
- HAMP Trials and Permanent Modifications disqualified from HAMP.
- unemployed borrowers.

Exclusions for DTI and NPV are estimated using market analytics.

<sup>2</sup> As reported in the monthly servicer survey of large SPA servicers through Jan. 31, 2012. The reduction is due to Wells Fargo Bank, NA restating the number of trial offers extended from the previous month.

<sup>3</sup> As reported into the HAMP system of record by servicers. Excludes FHA-HAMP modifications. Subject to adjustment based on servicer reconciliation of historic loan files. Totals reflect impact of servicing transfers. Servicers may enter new trial modifications into the HAMP system of record at any time.

<sup>4</sup> These figures include trial modifications that have been converted to permanent modifications or cancelled by the servicer, but not reported as such to the HAMP system of record

<sup>5</sup> Bank of America, NA includes all loans previously reported under BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>6</sup> JPMorgan Chase Bank, NA includes all loans previously reported under EMC Mortgage Corporation.

<sup>7</sup> Ocwen Loan Servicing, LLC includes Litton Loan Servicing LP.

<sup>8</sup> Wells Fargo Bank, NA includes all loans previously reported under Wachovia Mortgage, FSB.

<sup>9</sup> Other SPA servicers are entities excluding the 10 largest servicers that have signed participation agreements with Treasury and Fannie Mae. A full list of participating servicers is in Appendix A1.

<sup>10</sup> Includes servicers of loans owned or guaranteed by Fannie Mae and Freddie Mac. Includes GSE loans previously transferred from SPA servicers.

# Making Home Affordable: Servicer Results

Program Performance Report Through January 2012

## Making Home Affordable Programs by Servicer<sup>1</sup>

Servicer	HAMP First Lien Modifications		Principal Reduction Alternative (PRA) <sup>2</sup>		Second Lien Modification (ZMP)	Home Affordable Foreclosure Alternatives (HAFA)	
	Trials Started <sup>3</sup>	Permanent Modifications Started <sup>3</sup>	Trials Started <sup>3</sup>	Permanent Modifications Started <sup>3</sup>	Second Lien Modifications Started <sup>4</sup>	Agreements Started <sup>5</sup>	Agreements Completed
American Home Mortgage Servicing, Inc.	39,432	31,777	0	0	N/A	581	272
Bank of America, NA <sup>6</sup>	380,925	174,624	14,643	11,982	23,036	7,677	6,506
CitiMortgage, Inc.	136,401	60,590	2,184	1,610	8,767	149	110
GMAC Mortgage, LLC	67,974	50,562	1,195	665	3,822	1,882	1,252
JPMorgan Chase Bank, NA <sup>7</sup>	307,072	155,666	15,957	9,369	15,261	19,956	11,776
Ocwen Loan Servicing, LLC <sup>8</sup>	90,152	53,785	12,649	8,130	N/A	1,770	925
OneWest Bank	59,132	35,004	3,578	2,248	1,771	1,592	713
Saxon Mortgage Services, Inc.	40,169	17,259	576	514	N/A	366	109
Select Portfolio Servicing	42,948	24,039	2	2	N/A	2,004	1,272
Wells Fargo Bank, NA <sup>9</sup>	254,281	126,432	15,733	11,494	10,817	10,944	6,580
Other Servicers	372,868	221,581	1,318	1,100	2,234	2,522	1,911
<b>Total</b>	<b>1,791,354</b>	<b>951,319</b>	<b>67,835</b>	<b>47,114</b>	<b>65,708</b>	<b>49,443</b>	<b>31,426</b>

<sup>1</sup> MHA Program Effective Dates:  
HAMP First Lien: April 6, 2009  
PRA: October 1, 2010  
ZMP: August 13, 2009  
HAFA: April 5, 2010

<sup>2</sup> 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. See page 3 for additional servicer detail on HAMP activity by investor type.

<sup>3</sup> As reported into the HAMP system of record by servicers. Excludes FHA-HAMP modifications. Subject to adjustment based on servicer reconciliation of historic loan files. Totals reflect impact of servicing transfers. Servicers may enter new trial modifications into the HAMP system of record at any time.

<sup>4</sup> Number of second lien modifications started is net of cancellations, which are primarily due to servicer data corrections.

<sup>5</sup> Servicer agreement with homeowner for terms of potential short sale, which lasts at least 120 days; or agreement for a deed-in-lieu transaction. A short sale requires a third-party purchaser and cooperation of junior lienholders and mortgage insurers to complete the transaction.

<sup>6</sup> Bank of America, NA includes all loans previously reported under BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>7</sup> JPMorgan Chase Bank, NA includes all loans previously reported under EMC Mortgage Corporation.

<sup>8</sup> Ocwen Loan Servicing, LLC includes Litton Loan Servicing LP.

<sup>9</sup> Wells Fargo Bank, NA includes all loans previously reported under Wachovia Mortgage, FSB.

See Appendix A1 and A2 for servicer participants in Making Home Affordable programs.

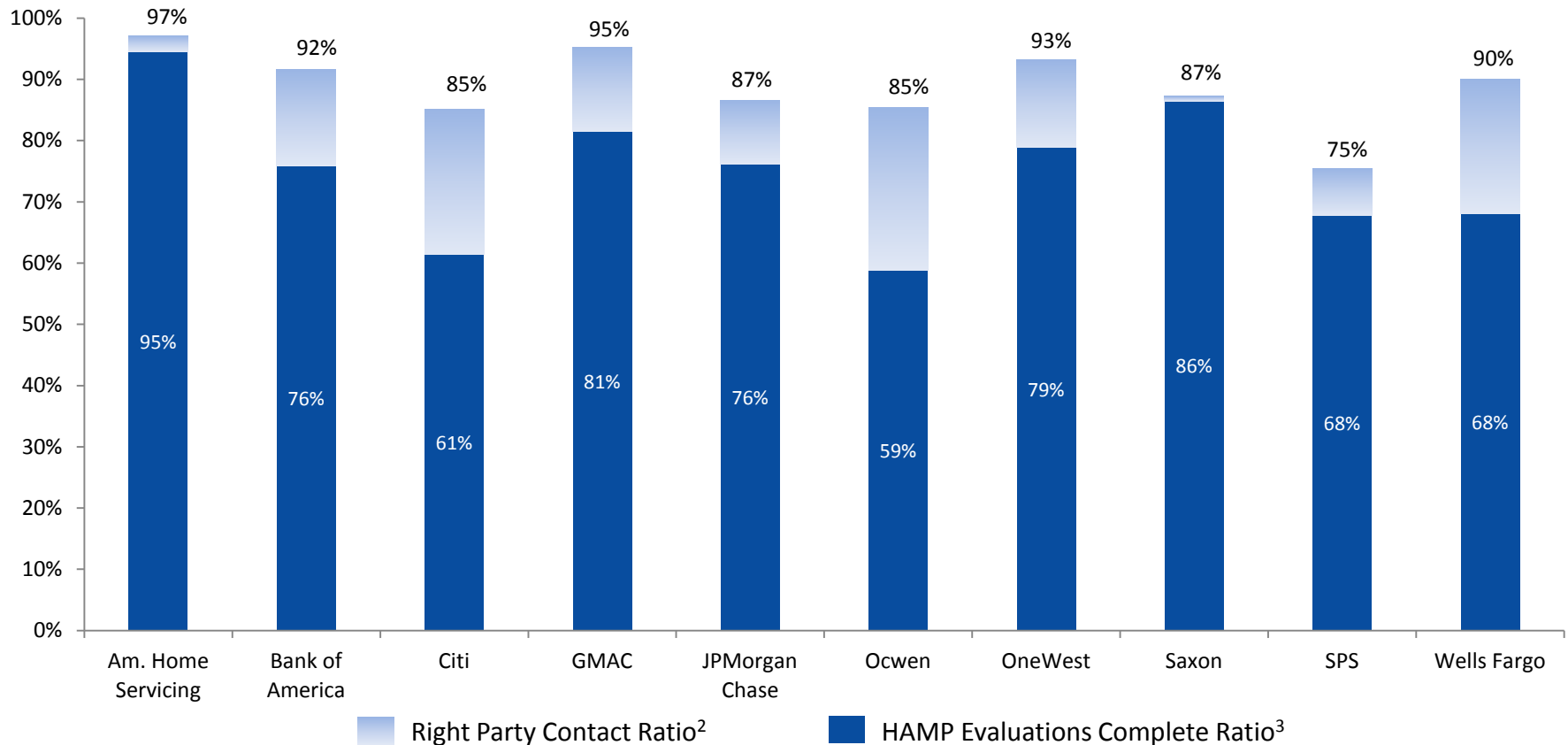
N/A – Servicer does not participate in the program.

# Making Home Affordable: Servicer Results

Program Performance Report Through January 2012

## Servicer Outreach to 60+ Day Delinquent Homeowners: Cumulative Servicer Results, Jan. 2011 – Dec. 2011

Per program guidance, servicers are directed to establish Right Party Contact (RPC) with homeowners of delinquent HAMP eligible loans<sup>1</sup> 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.



<sup>1</sup> Homeowners with HAMP eligible loans, which include conventional loans that were originated on or before Jan. 1, 2009 and were owner-occupied at origination; excludes 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

# Making Home Affordable: Servicer Results

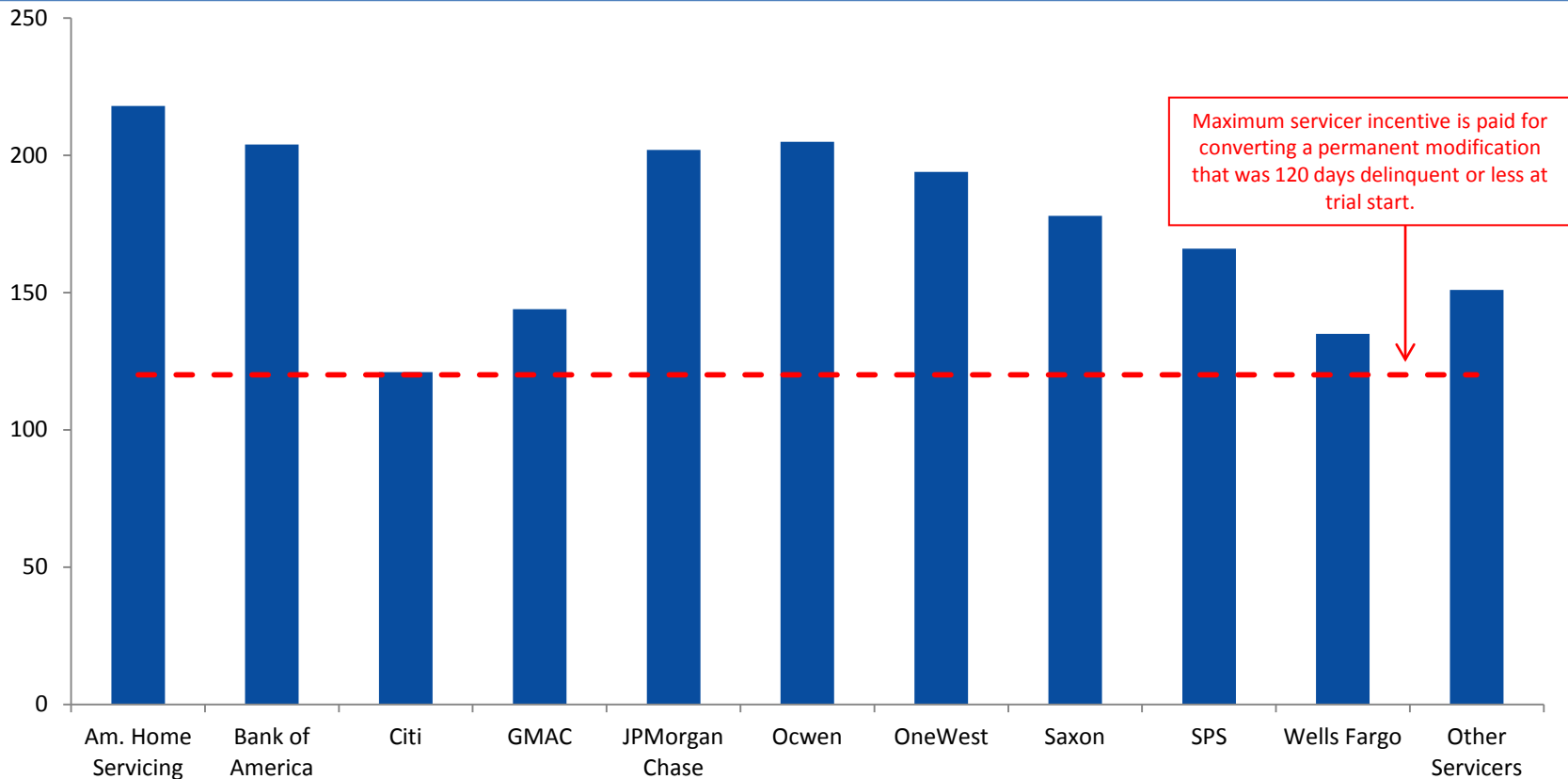
Program Performance Report Through January 2012

## Average Homeowner Delinquency at Trial Start<sup>1</sup>

Servicers are instructed to follow a series of steps in order to evaluate homeowners for HAMP, including:

- Identifying and soliciting the homeowners in the early stages of delinquency;
- Making reasonable efforts to establish contact with the homeowners;
- Gathering required documentation once contact is established in order to evaluate the homeowners for a HAMP trial; and,
- Communicating decisions to the homeowners.

Effective 10/1/11, 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.

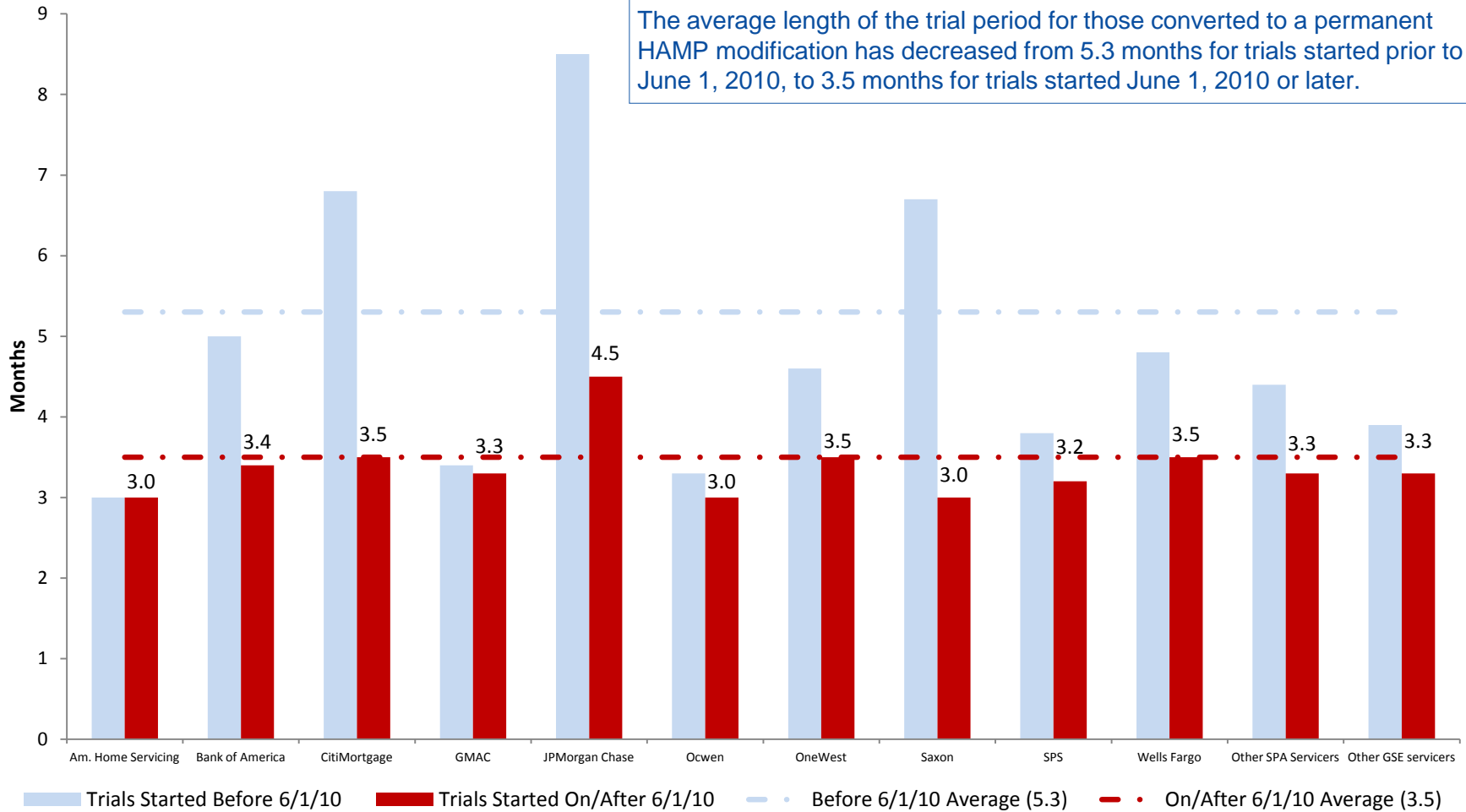


<sup>1</sup> For all permanent modifications started, the average number of days delinquent as of the trial plan start date. Delinquency is calculated as the number of days between the homeowner's last paid installment before the trial plan and the first payment due date of the trial plan.

# Making Home Affordable: Servicer Results

Program Performance Report Through January 2012

## Length of Trial Upon Conversion<sup>1</sup>



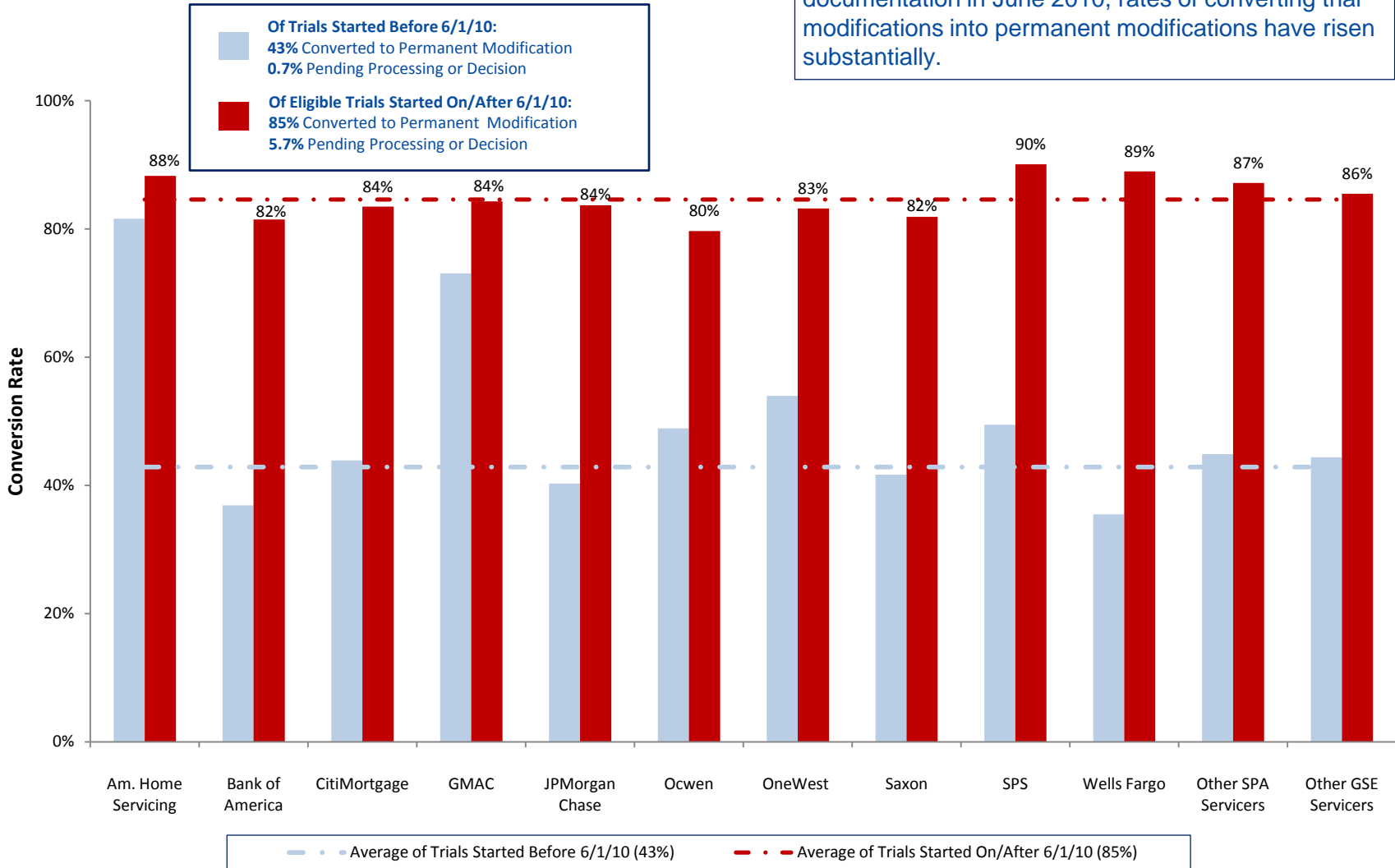
<sup>1</sup> For all permanent modifications started. Note: Per program guidelines, effective June 1, 2010 all trials must be started using verified income. Prior to June 1, 2010, some servicers initiated trials using stated income information.

# Making Home Affordable: Servicer Results

Program Performance Report Through January 2012

## Conversion Rate<sup>1</sup>

Following the implementation of verified income documentation in June 2010, rates of converting trial modifications into permanent modifications have risen substantially.



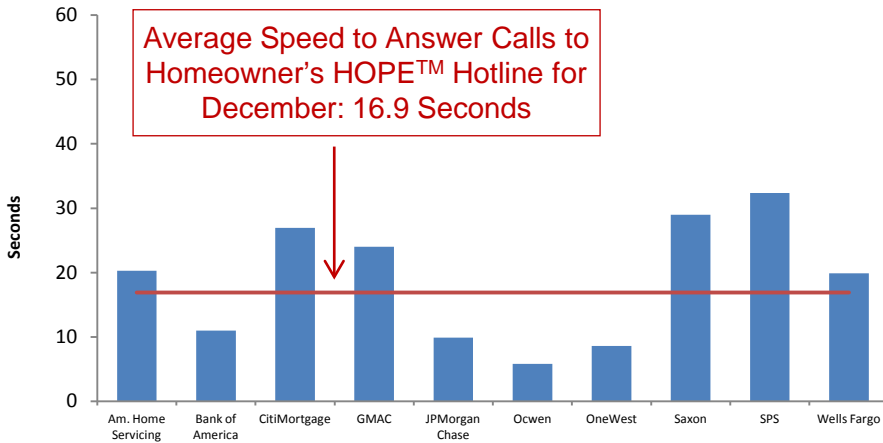
<sup>1</sup> Per program guidelines, effective June 1, 2010 all trials must be started using verified income. Before June 1, 2010, some servicers initiated trials using stated income information. Chart depicts conversion rates as measured against trials eligible to convert – those three months in trial, 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.

# Making Home Affordable: Servicer Results

Program Performance Report Through January 2012

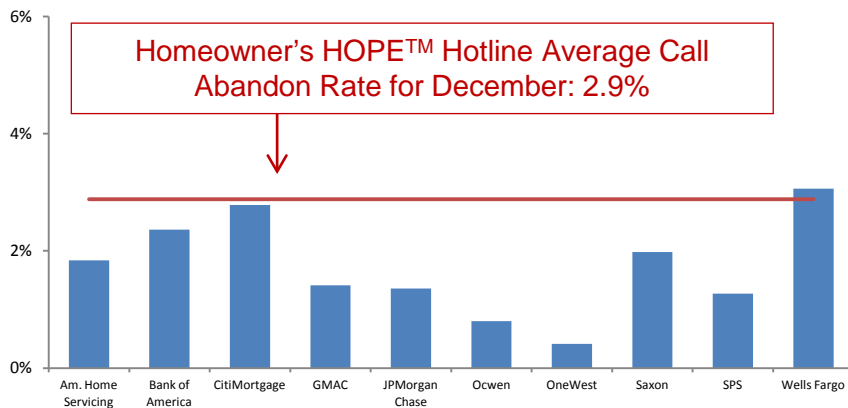
## Homeowner Experience (10 Largest Servicers)

### Average Speed to Answer Homeowner Calls (December 2011)



Source: Survey data through December 31, 2011, from servicers on call volume to loss mitigation lines; Homeowner's HOPE™ Hotline.

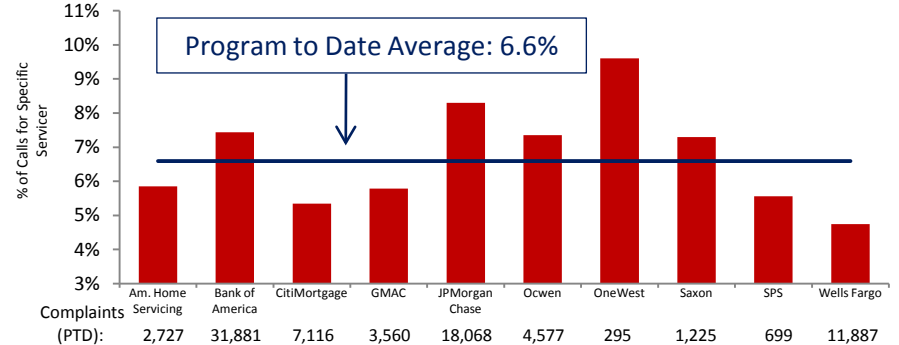
### Call Abandon Rate (December 2011)



Source: Survey data through December 31, 2011, from servicers on call volume to loss mitigation lines; Homeowner's HOPE™ Hotline.

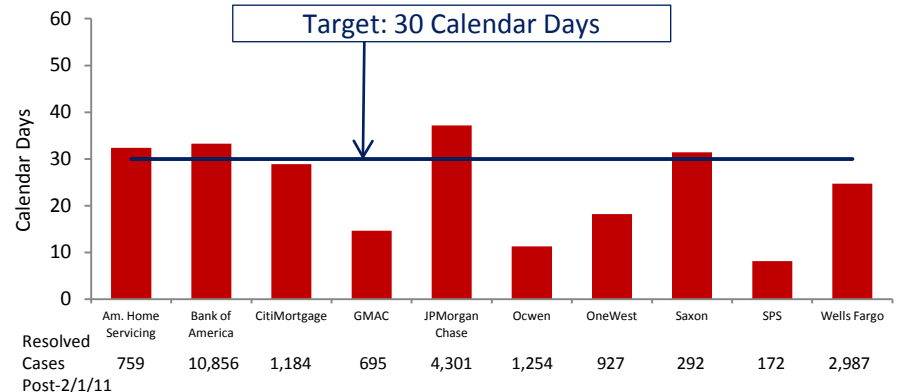
### Servicer Complaint Rate to Homeowner's HOPE™ Hotline (Program to Date, Through January)

Program to date, there have been 1,389,426 calls to the Homeowner's HOPE™ Hotline regarding a specific SPA servicer, of which 6.6% included complaints. Below shows specific complaint rates.



Complaints (PTD): 2,727 31,881 7,116 3,560 18,068 4,577 295 1,225 699 11,887  
 Source: Homeowner's HOPE™ Hotline. Numbers reflect calls that resulted in customer records.  
 Note: Complaint rate is the share of a specific servicer's call volume that are complaints (e.g., for all calls about OneWest, 9.6% included complaints.)

### Servicer Time to Resolve Third-Party Escalations (Cases Reported Feb. 1, 2011 – Jan. 31, 2012)



Source: MHA Support Centers. GSE and Non-GSE escalations escalated on or after Feb. 1, 2011. Investor denial cases escalated prior to Nov. 1, 2011, cases involving bankruptcy and those that did not require servicer actions are not included in calculation of servicer time to resolve escalations. Target of 30 calendar days, effective Feb. 1, 2011, includes an estimated 5 days of processing by MHA Support Centers.



# Making Home Affordable: Servicer Results

Program Performance Report Through January 2012

## Disposition Path Homeowners in Canceled HAMP Trial Modifications Survey Data Through December 2011 (10 Largest Servicers)

Homeowners Whose HAMP Trial Modification Was Canceled Who Are in the Process of:

Servicer	Action Pending <sup>1</sup>	Action Not Allowed – Bankruptcy in Process	Borrower Current	Alternative Modification	Payment Plan <sup>2</sup>	Loan Payoff	Short Sale/ Deed-in-Lieu	Foreclosure Starts	Foreclosure Completions	Total (As of December 2011)
American Home Mortgage Servicing, Inc.	179	88	178	2,609	56	288	349	674	182	4,603
Bank of America, NA <sup>3</sup>	14,273	7,087	18,943	69,752	1,787	5,025	17,453	25,501	23,791	183,612
CitiMortgage Inc.	1,660	5,922	6,235	29,792	2,011	4,773	5,541	5,599	9,574	71,107
GMAC Mortgage, LLC	1,944	423	969	5,484	101	542	1,156	1,715	1,981	14,315
JP Morgan Chase Bank NA <sup>4</sup>	7,036	3,022	21,299	45,635	288	1,451	11,962	19,820	10,867	121,380
Ocwen Loan Services LLC <sup>5</sup>	5,170	940	8,765	5,820	2,374	404	20	3,909	1,550	28,952
OneWest Bank	313	332	592	12,035	81	100	1,191	1,777	4,116	20,537
Saxon Mortgage Services, Inc.	2,146	923	3,071	2,362	360	476	871	4,190	3,926	18,325
Select Portfolio Servicing	1,120	371	1,224	5,551	277	449	1,314	1,389	3,659	15,354
Wells Fargo Bank NA <sup>6</sup>	3,168	822	11,217	51,336	878	24,070	2,681	16,715	7,014	117,901
<b>TOTAL (These 10 Largest Servicers)</b>	<b>37,009</b> <b>6.2%</b>	<b>19,930</b> <b>3.3%</b>	<b>72,493</b> <b>12.2%</b>	<b>230,376</b> <b>38.6%</b>	<b>8,213</b> <b>1.4%</b>	<b>37,578</b> <b>6.3%</b>	<b>42,538</b> <b>7.1%</b>	<b>81,289</b> <b>13.6%</b>	<b>66,660</b> <b>11.2%</b>	<b>596,086</b> <b>100.0%</b>

The most common causes of trial cancellations from all servicers are:

- Insufficient documentation
- Trial plan payment default
- Ineligible borrower: first lien housing expense is already below 31% of household income

Note: Data is as reported by servicers for actions completed through December 31, 2011. Survey data is not subject to the same data quality checks as data uploaded into the HAMP system of record.

<sup>1</sup> Trial loans that have been canceled, but no further action has yet been taken.

<sup>2</sup> An arrangement with the borrower and servicer that does not involve a formal loan modification.

<sup>3</sup> Bank of America, NA includes all loans previously reported under BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>4</sup> JPMorgan Chase Bank, NA includes all loans previously reported under EMC Mortgage Corporation.

<sup>5</sup> Ocwen Loan Servicing, LLC includes Litton Loan Servicing LP.

<sup>6</sup> Wells Fargo Bank, NA includes all loans previously reported under Wachovia Mortgage, FSB.

Note: Excludes cancellations pending data corrections and loans otherwise removed from servicing portfolios.

# Making Home Affordable: Servicer Results

Program Performance Report Through January 2012

## Disposition Path Homeowners Not Accepted for HAMP Trial Modifications Survey Data Through December 2011 (10 Largest Servicers)

Homeowners Not Accepted for a HAMP Trial Modification Who Are in the Process of:

Servicer	Action Pending <sup>1</sup>	Action Not Allowed – Bankruptcy in Process	Borrower Current	Alternative Modification	Payment Plan <sup>2</sup>	Loan Payoff	Short Sale/Deed-in-Lieu	Foreclosure Starts	Foreclosure Completions	Total (As of December 2011)
American Home Mortgage Servicing, Inc.	2,527	1,569	13,771	40,994	1,558	2,353	2,824	9,734	2,158	77,488
Bank of America, NA <sup>3</sup>	33,449	16,074	92,517	149,517	8,333	11,100	40,386	66,128	50,840	468,344
CitiMortgage Inc.	10,723	13,093	19,723	55,446	7,171	17,688	16,103	15,731	18,013	173,691
GMAC Mortgage, LLC	27,365	6,069	37,386	37,190	1,591	5,877	9,689	16,793	16,298	158,258
JP Morgan Chase Bank NA <sup>4</sup>	39,436	12,498	159,777	123,041	2,066	39,589	46,265	69,764	22,948	515,384
Ocwen Loan Services LLC <sup>5</sup>	23,807	5,040	29,960	54,104	9,748	4,816	163	15,403	8,265	151,306
OneWest Bank	5,835	2,594	25,978	27,774	1,079	2,149	5,096	8,583	11,293	90,381
Saxon Mortgage Services, Inc.	4,483	1,395	6,029	7,698	597	1,101	584	5,633	3,012	30,532
Select Portfolio Servicing	2,440	444	2,932	5,391	370	385	1,321	1,599	2,070	16,952
Wells Fargo Bank NA <sup>6</sup>	15,368	5,210	49,929	52,198	1,641	32,182	15,684	24,265	15,827	212,304
<b>TOTAL (These 10 Largest Servicers)</b>	<b>165,433</b> <b>8.7%</b>	<b>63,986</b> <b>3.4%</b>	<b>438,002</b> <b>23.1%</b>	<b>553,353</b> <b>29.2%</b>	<b>34,154</b> <b>1.8%</b>	<b>117,240</b> <b>6.2%</b>	<b>138,115</b> <b>7.3%</b>	<b>233,633</b> <b>12.3%</b>	<b>150,724</b> <b>8.0%</b>	<b>1,894,640</b> <b>100.0%</b>

The most common causes of trials not accepted from all servicers are:

- Insufficient documentation
- Ineligible borrower: first lien housing expense is already below 31% of household income
- Ineligible mortgage

Note: Data is as reported by servicers for actions completed through December 31, 2011. Survey data is not subject to the same data quality checks as data uploaded into the HAMP system of record.

<sup>1</sup> Homeowners who were not approved for a HAMP trial modification, but no further action has yet been taken.

<sup>2</sup> An arrangement with the borrower and servicer that does not involve a formal loan modification.

<sup>3</sup> Bank of America, NA includes all loans previously reported under BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>4</sup> JPMorgan Chase Bank, NA includes all loans previously reported under EMC Mortgage Corporation.

<sup>5</sup> Ocwen Loan Servicing, LLC includes Litton Loan Servicing LP.

<sup>6</sup> Wells Fargo Bank, NA includes all loans previously reported under Wachovia Mortgage, FSB.

Note: Excludes loans removed from servicing portfolios.

### Background

Since the Making Home Affordable Program's (MHA) inception in the spring of 2009, Treasury has monitored the performance of participating mortgage servicers. Treasury has been publicly reporting information about servicer performance through two types of data: compliance data, which reflects servicer compliance with specific MHA guidelines; and program results data, which reflects how timely and effectively servicers assist eligible homeowners and report program activity.

When MHA began, most servicers did not have the staff, procedures, or systems in place to respond to the volume of homeowners struggling to pay their mortgages, or to respond to the housing crisis generally. Very few mortgage modifications were even occurring. Treasury sought to get servicers to join MHA and to improve their operations quickly, so as to implement a national mortgage modification program.

Through ongoing compliance reviews, Treasury has required participating servicers to take specific actions to improve their servicing processes. While the servicers have improved their performance, they still have more progress to make. Toward that end, Treasury is publishing servicer assessments for the largest servicers participating in MHA. During the fourth quarter of 2011, Litton Loan Servicing, LP transferred its loan portfolio to Ocwen Loan Servicing, LLC. Therefore, there is no servicer assessment for Litton Loan Servicing, LP for this quarter nor will there be for future quarters. Subsequent servicer assessments will be published for the remaining largest servicers, who comprise the majority of MHA activity. Not only will the assessments provide more transparency to the public about servicer performance in the program, but the assessments are also intended to encourage servicers to correct identified instances of non-compliance.

Servicer participation in MHA is voluntary, based on a contract with Fannie Mae as financial agent on behalf of Treasury. Although Treasury does not regulate these institutions and does not have the authority to impose fines or penalties, Treasury can, pursuant to the contract, take certain remedial actions against servicers not in compliance with MHA guidelines. Such remedial actions include requiring servicers to correct identified instances of non-compliance, as noted above. In addition, Treasury can implement

financial remedies such as withholding incentive payments owed to servicers. Such incentive payments, which are the only payments Treasury makes for the benefit of servicers under the program, include payments for every successful permanent modification under the Home Affordable Modification Program, and payments for completed short sale/deed-in-lieu transactions pursuant to the Home Affordable Foreclosure Alternative Program.

It is important to note that Treasury's compliance work related to MHA applies only to those servicers that have agreed to participate in MHA for mortgage loans that are not owned or guaranteed by Fannie Mae or Freddie Mac (Government Sponsored Enterprises, or GSEs). Treasury cannot and does not perform compliance reviews of (1) mortgage loans or activities that fall outside of MHA, (2) GSE loans or (3) those loans insured through the Federal Housing Administration. For each servicer, the loans that are eligible for MHA represent only a portion of that servicer's overall mortgage servicing operation.

Treasury's foremost goal is to assist struggling homeowners who may be eligible for MHA. These servicer assessments set a new benchmark for providing detailed information about how mortgage servicers are performing against key metrics. But, in addition to this direct effect, MHA has had an important indirect effect on the market as well. MHA has established standards that have improved mortgage modifications across the industry, and has led to important changes in the way mortgage servicers assist struggling homeowners generally. These changes include standards for how mortgage modifications should be designed so that they are sustainable, standards for communications with homeowners so that the process is as efficient and as understandable as possible, and a variety of standards for protecting homeowners, such as prohibitions on "dual tracking" – simultaneously evaluating a homeowner for a modification while proceeding to foreclose. Going forward, Treasury hopes these assessments will also set the standard for transparency about mortgage servicer efforts to assist homeowners.

Below are general descriptions of the data, the evaluation process, and the consequences for servicers needing improvement.

*(Continued on next page)*

### **The Performance Data: Compliance and Program Results**

Freddie Mac, acting as Treasury’s compliance agent for MHA, has created a separate division known as Making Home Affordable–Compliance (MHA-C) to evaluate servicer performance through reviews of program compliance. MHA-C tests and evaluates a range of servicer activities for compliance with MHA guidelines. Once MHA-C’s reviews are complete, MHA-C shares its results with the servicers and identifies areas that need remediation. Each compliance activity tested falls into one of three overall compliance categories – Identifying and Contacting Homeowners, Homeowner Evaluation and Assistance, and Program Management, Reporting and Governance. The compliance results shared with the servicers are then used to generate the servicer assessments.

The assessments highlight particular compliance activities tested by MHA-C that had significant impact on homeowners and include for those highlighted activities a one-star, two-star, or three-star rating for the most recent evaluations. One star means the servicer did not meet Treasury’s benchmark required for that particular activity, and the servicer needs substantial improvement in its performance of that activity. Two stars mean the servicer did not meet Treasury’s benchmark required for that particular activity, and the servicer needs moderate improvement in its performance of that activity. Three stars mean the servicer met Treasury’s benchmark required for that particular activity, but the servicer may nonetheless need minor improvement in its performance of that activity.

Although the compliance reviews emphasize objective measurements and observed facts, compliance reviews still involve a certain level of judgment. Compliance reviews are also retrospective in nature – looking backward, not forward, which means that activities identified as needing improvement in a given quarter may already be under remediation by the servicer. In addition, not every compliance activity is evaluated every quarter, which means that a rating from one quarter might carry forward to the subsequent quarter’s assessment if that activity was not retested in that subsequent quarter. Finally, the compliance reviews use “sampling” as a testing methodology. Sampling, an industry-accepted auditing technique, looks at a subset of a particular population of activity transactions, rather than the entirety of the population of activity transactions, to extrapolate a servicer’s overall performance in that particular activity.

In addition to the ratings for compliance data, the assessments also include

program results metrics. Fannie Mae, acting as Treasury’s program administrator for MHA, collects servicer data used to measure program results. These metrics are key indicators of how timely and effectively servicers assist eligible homeowners under MHA guidelines and report program data. Although the servicers are not given an overall rating for this data, the results metrics nonetheless compare a servicer’s performance for a given quarter against the “best” and “worst” performing servicer of the largest servicers participating in the program. The results metrics provide a snapshot of how each of those servicers compares in specific areas under MHA.

### **The Determination Process: Results of the Data**

Treasury reviews the compliance data and ratings, the program results metrics, and other relevant factors affecting servicer performance (including, but not limited to, a servicer’s progress in implementing previously identified improvements) in determining whether a servicer needs substantial improvement, moderate improvement, or minor improvement to its performance under MHA guidelines. The assessments summarize the significant factors impacting those decisions. Based on those assessments, Treasury may take remedial action against servicers. Page 20 summarizes the overall level of improvement needed for each servicer.

### **Consequences for Servicers**

For servicers in need of substantial improvement, Treasury will, absent extenuating circumstances, withhold financial incentives owed to those servicers until they make certain identified improvements. In certain cases, particularly where there is a failure to correct identified problems within a reasonable time, Treasury may also permanently reduce the financial incentives. Servicers in need of moderate improvement may be subject to withholding in the future if they fail to make certain identified improvements. All withholdings apply only to incentives owed to servicers for their participation in MHA; these withholdings do not apply to incentives paid to servicers for the benefit of homeowners or investors.

### **Additional Information**

See the “Metrics Description” on page 39 for a description of each of the compliance and results metrics presented in the assessments. For more information on the assessments, please visit: [www.FinancialStability.gov](http://www.FinancialStability.gov).

### 4<sup>th</sup> Quarter 2011 Servicer Assessment Results

The following table details the results of the Servicer Assessments, based on compliance and program results:

Improvement Needed	Servicer Name
Substantial	
Moderate	American Home Mortgage Servicing, Inc. Bank of America, NA CitiMortgage, Inc. GMAC Mortgage, LLC JPMorgan Chase Bank, NA Ocwen Loan Servicing, LLC Wells Fargo Bank, NA
Minor	OneWest Bank Select Portfolio Servicing

For the fourth quarter of 2011, Select Portfolio Servicing and OneWest Bank were determined to need **minor improvement** in their performance under MHA guidelines.

American Home Mortgage Servicing, Inc., GMAC Mortgage, LLC, Ocwen Loan Servicing, LLC and Wells Fargo Bank, NA were determined to need **moderate improvement** and their performance for the fourth quarter approached the level required for a determination of minor improvement. CitiMortgage, Inc. was also found to need **moderate improvement**.

Bank of America, NA was found to need **moderate improvement** and was found to have substantially remediated previously identified items.

JPMorgan Chase Bank, NA was found to need **moderate improvement** for the fourth quarter and has made progress in remediating previously identified items.

Treasury has agreed to release all currently withheld incentives as part of the proposed \$25 billion settlement of mortgage servicing deficiencies between the five largest mortgage servicers, the Federal government, and 49 state attorneys general. Treasury continues to retain the right to withhold incentives in future periods.

Please refer to the following MHA Servicer Assessment pages for further detail on the Fourth Quarter 2011 servicer assessment results.

# MHA Servicer Assessment: American Home Mortgage Servicing, Inc.

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of the servicer's adherence to MHA Program Requirements.
- ❖ Quantitative results reflect percentages of tests that did not have a desired outcome.
- ❖ Servicers are rated qualitatively on the effectiveness of their internal control in the three Performance Categories as well as for each quantitative result.

Fourth Quarter 2011

Performance Category		Metric	Benchmark	Servicer Result	Rating
1	<b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	<ul style="list-style-type: none"> <li>Second Look % Disagree Percentage of loans reviewed where MHA-C did not concur with the servicer's MHA determination</li> </ul>	< 4%	1.5%	***
		<ul style="list-style-type: none"> <li>Second Look % Unable to Determine Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination</li> </ul>	< 10%	0.0%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Identifying and Contacting Homeowners MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	***
2	<b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs, communicates decisions in a timely manner, and accurately executes appropriate MHA activities.	<ul style="list-style-type: none"> <li>Income Calculation Error % Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5%</li> </ul>	< 5%	1.0%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Homeowner Evaluation and Assistance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	***
3	<b>Program Management, Reporting, and Governance</b> Assesses whether the servicer has effective program management, governance processes, and timely and correct submission of program reports and program information.	<ul style="list-style-type: none"> <li>Incentive Payment Data Errors Average percentage of difference in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record</li> </ul>	< 5%	3.0%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Program Management, Reporting, and Governance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	**

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

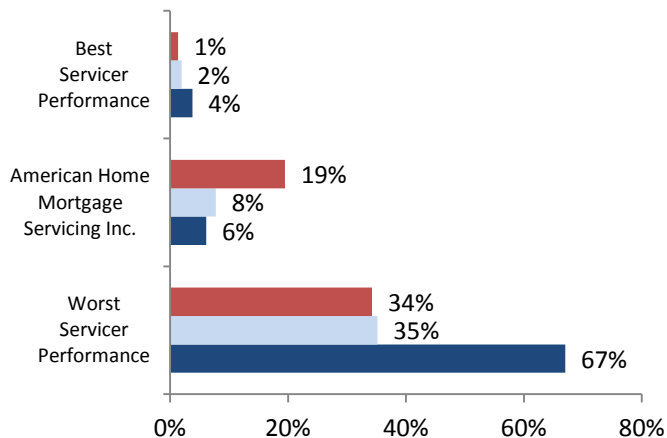
### Result

- ❖ **American Home Mortgage Servicing, Inc.** has areas requiring **moderate improvement**.
- ❖ After considering all relevant factors, American Home Mortgage Servicing, Inc. **servicer incentives will not be withheld** at this time.

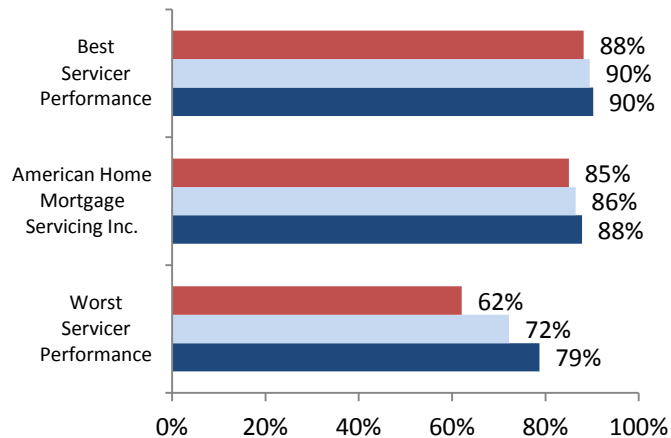
# MHA Servicer Assessment: American Home Mortgage Servicing, Inc.

## Program Results

### Aged Trials as a Percentage of Active Trials



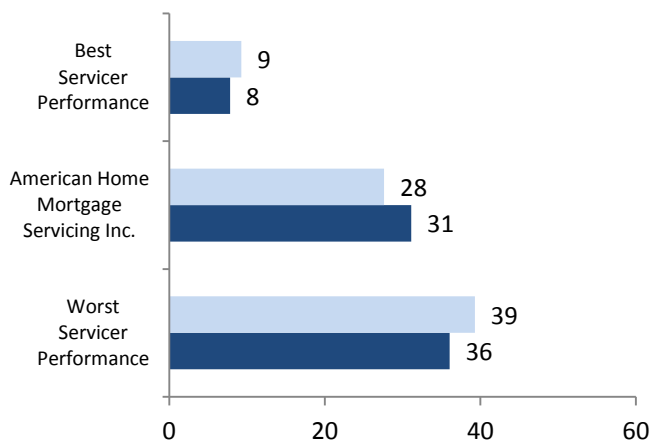
### Conversion Rate for Trials Started On or After 6/1/2010



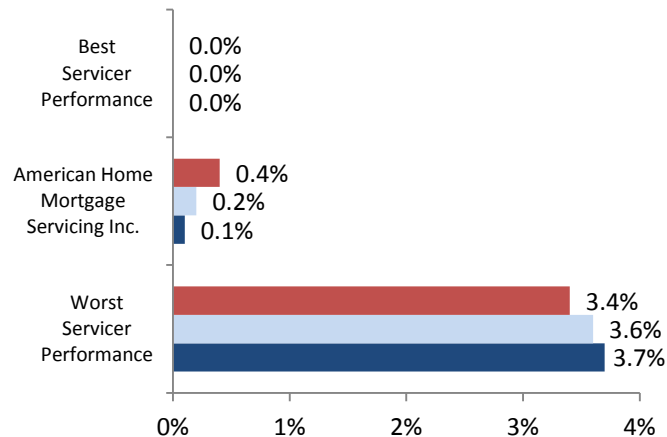
Results as of:

- June 2011
- Sep. 2011
- Dec. 2011

### Average Calendar Days to Resolve Escalated Cases<sup>1</sup>



### Missing Modification Status Reports (%)



Note: The best and worst performance reflect the best and worst result of the largest servicers for the period. See appendix for descriptions of the metrics.

<sup>1</sup>The population in Q3 and Q4 2011 only includes non-GSE cases escalated on or after 2/1/2011.



# MHA Servicer Assessment: Bank of America, NA

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of the servicer's adherence to MHA Program Requirements.
- ❖ Quantitative results reflect percentages of tests that did not have a desired outcome.
- ❖ Servicers are rated qualitatively on the effectiveness of their internal control in the three Performance Categories as well as for each quantitative result.

Fourth Quarter 2011

Performance Category		Metric	Benchmark	Servicer Result	Rating
1	<b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	<ul style="list-style-type: none"> <li>Second Look % Disagree Percentage of loans reviewed where MHA-C did not concur with the servicer's MHA determination</li> </ul>	< 4%	1.0%	***
		<ul style="list-style-type: none"> <li>Second Look % Unable to Determine Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination</li> </ul>	< 10%	1.0%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Identifying and Contacting Homeowners MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	**
2	<b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs, communicates decisions in a timely manner, and accurately executes appropriate MHA activities.	<ul style="list-style-type: none"> <li>Income Calculation Error % Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5%</li> </ul>	< 5%	6.0%	**
		<ul style="list-style-type: none"> <li>Internal Controls for Homeowner Evaluation and Assistance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	**
3	<b>Program Management, Reporting, and Governance</b> Assesses whether the servicer has effective program management, governance processes, and timely and correct submission of program reports and program information.	<ul style="list-style-type: none"> <li>Incentive Payment Data Errors Average percentage of difference in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record</li> </ul>	< 5%	1.3%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Program Management, Reporting, and Governance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	**

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

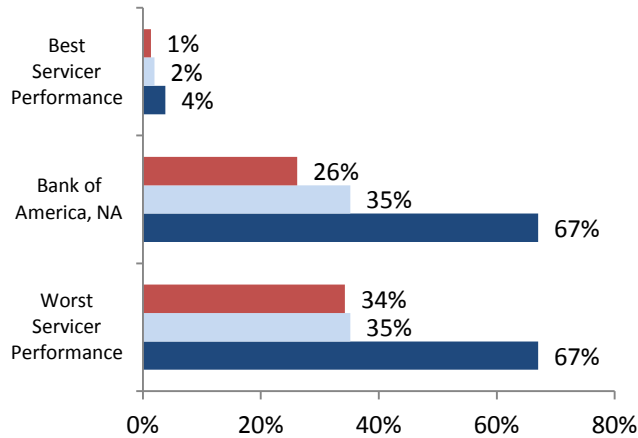
### Result

- ❖ **Bank of America, NA** has areas requiring moderate improvement.
- ❖ Treasury has agreed to release Bank of America, NA withheld servicer incentives in connection with the proposed mortgage servicer settlement.

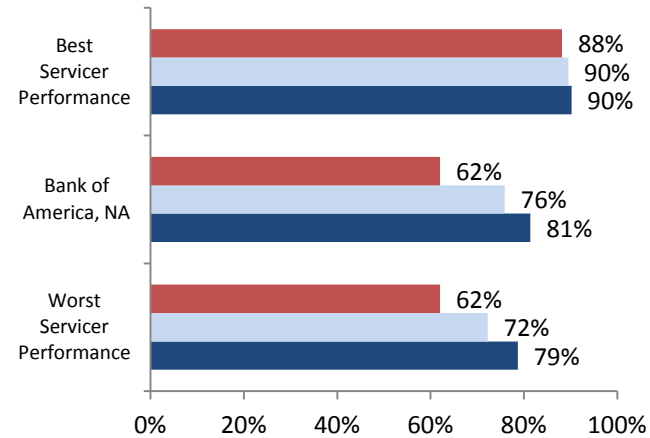
# MHA Servicer Assessment: Bank of America, NA

## Program Results

### Aged Trials as a Percentage of Active Trials



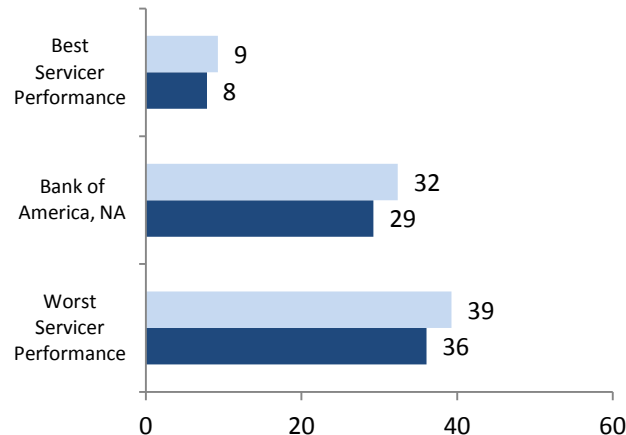
### Conversion Rate for Trials Started On or After 6/1/2010



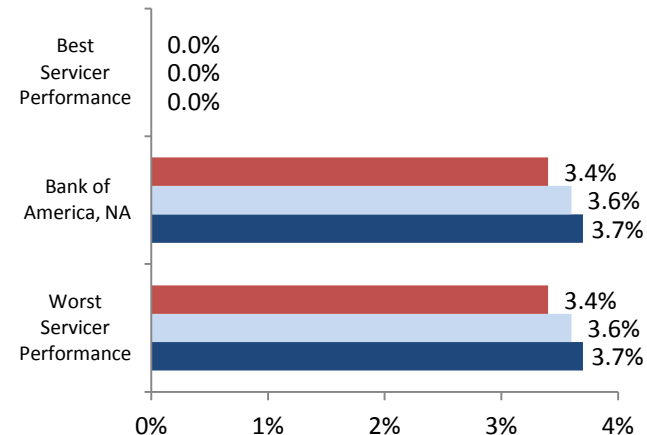
Results as of:

- June 2011
- Sep. 2011
- Dec. 2011

### Average Calendar Days to Resolve Escalated Cases<sup>1</sup>



### Missing Modification Status Reports (%)



Note: The best and worst performance reflect the best and worst result of the largest servicers for the period. See appendix for descriptions of the metrics.

<sup>1</sup>The population in Q3 and Q4 2011 only includes non-GSE cases escalated on or after 2/1/2011.

# MHA Servicer Assessment: CitiMortgage, Inc.

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of the servicer's adherence to MHA Program Requirements.
- ❖ Quantitative results reflect percentages of tests that did not have a desired outcome.
- ❖ Servicers are rated qualitatively on the effectiveness of their internal control in the three Performance Categories as well as for each quantitative result.

Fourth Quarter 2011

	Performance Category	Metric	Benchmark	Servicer Result	Rating
1	<b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	■ Second Look % Disagree Percentage of loans reviewed where MHA-C did not concur with the servicer's MHA determination	< 4%	1.0%	***
		■ Second Look % Unable to Determine Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination	< 10%	1.0%	***
		■ Internal Controls for Identifying and Contacting Homeowners MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines	***	-	***
2	<b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs, communicates decisions in a timely manner, and accurately executes appropriate MHA activities.	■ Income Calculation Error % Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5%	< 5%	3.0%	***
		■ Internal Controls for Homeowner Evaluation and Assistance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines	***	-	**
3	<b>Program Management, Reporting, and Governance</b> Assesses whether the servicer has effective program management, governance processes, and timely and correct submission of program reports and program information.	■ Incentive Payment Data Errors Average percentage of difference in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record	< 5%	6.8%	**
		■ Internal Controls for Program Management, Reporting, and Governance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines	***	-	**

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

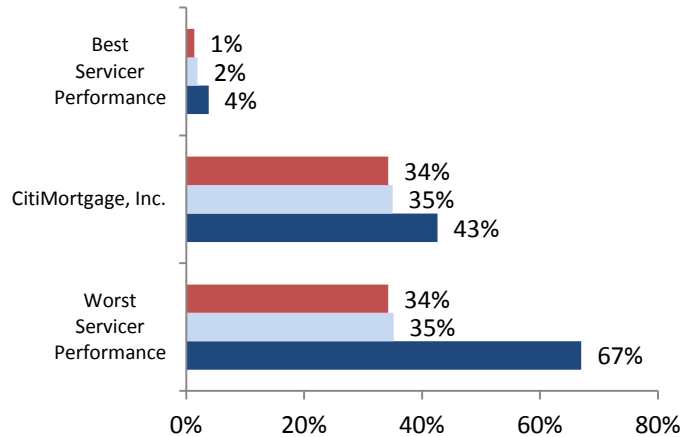
### Result

- ❖ **CitiMortgage, Inc.** has areas requiring **moderate improvement**.
- ❖ After considering all relevant factors, CitiMortgage, Inc. **servicer incentives will not be withheld** at this time.

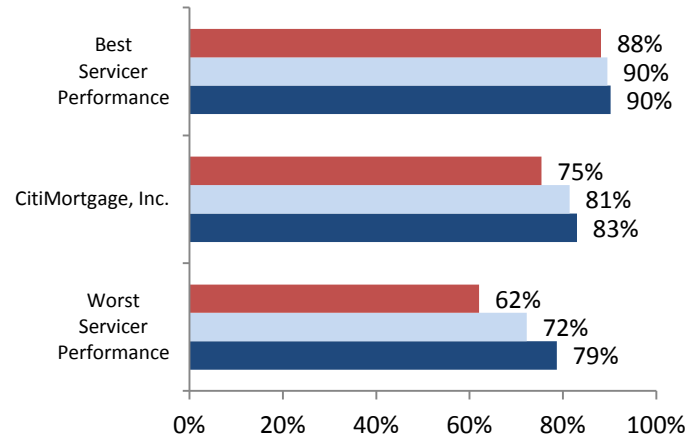
# MHA Servicer Assessment: CitiMortgage, Inc.

## Program Results

### Aged Trials as a Percentage of Active Trials



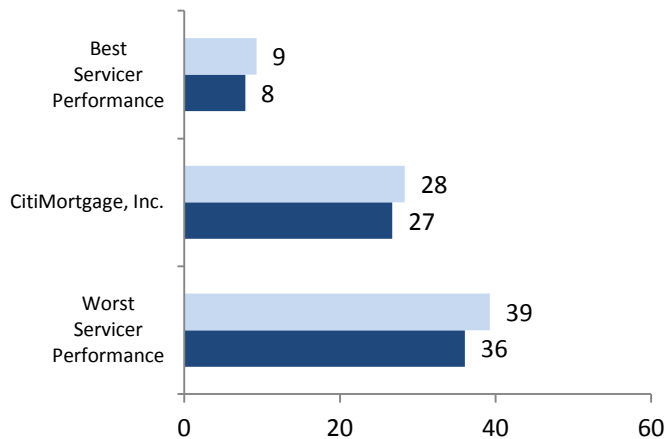
### Conversion Rate for Trials Started On or After 6/1/2010



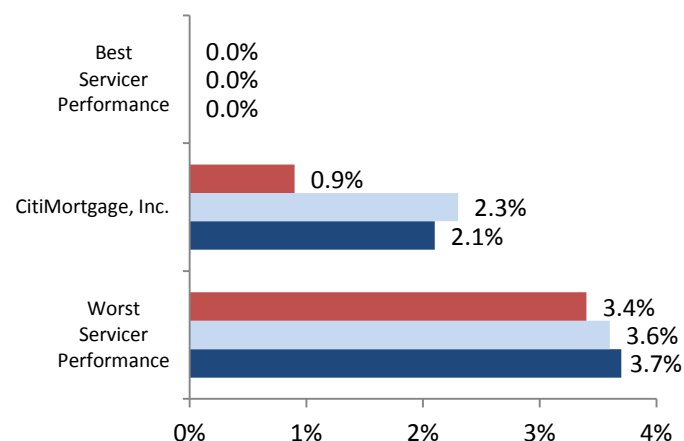
Results as of:

- June 2011
- Sep. 2011
- Dec. 2011

### Average Calendar Days to Resolve Escalated Cases<sup>1</sup>



### Missing Modification Status Reports (%)



Note: The best and worst performance reflect the best and worst result of the largest servicers for the period. See appendix for descriptions of the metrics.

<sup>1</sup>The population in Q3 and Q4 2011 only includes non-GSE cases escalated on or after 2/1/2011.

# MHA Servicer Assessment: GMAC Mortgage, LLC

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of the servicer's adherence to MHA Program Requirements.
- ❖ Quantitative results reflect percentages of tests that did not have a desired outcome.
- ❖ Servicers are rated qualitatively on the effectiveness of their internal control in the three Performance Categories as well as for each quantitative result.

Fourth Quarter 2011

Performance Category		Metric	Benchmark	Servicer Result	Rating
1	<b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	<ul style="list-style-type: none"> <li>Second Look % Disagree Percentage of loans reviewed where MHA-C did not concur with the servicer's MHA determination</li> </ul>	< 4%	0.5%	***
		<ul style="list-style-type: none"> <li>Second Look % Unable to Determine Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination</li> </ul>	< 10%	0.0%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Identifying and Contacting Homeowners MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	***
2	<b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs, communicates decisions in a timely manner, and accurately executes appropriate MHA activities.	<ul style="list-style-type: none"> <li>Income Calculation Error % Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5%</li> </ul>	< 5%	6.5%	**
		<ul style="list-style-type: none"> <li>Internal Controls for Homeowner Evaluation and Assistance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	***
3	<b>Program Management, Reporting, and Governance</b> Assesses whether the servicer has effective program management, governance processes, and timely and correct submission of program reports and program information.	<ul style="list-style-type: none"> <li>Incentive Payment Data Errors Average percentage of difference in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record</li> </ul>	< 5%	2.1%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Program Management, Reporting, and Governance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	***

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

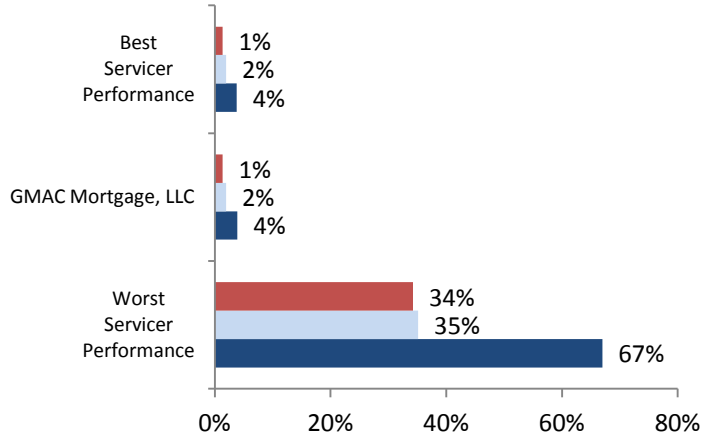
### Result

- ❖ **GMAC Mortgage, LLC** has areas requiring **moderate improvement**.
- ❖ After considering all relevant factors, **GMAC Mortgage, LLC servicer incentives will not be withheld** at this time.

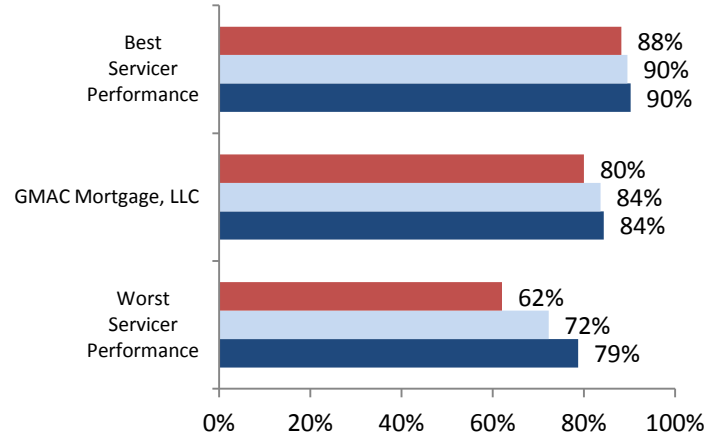
# MHA Servicer Assessment: GMAC Mortgage, LLC

## Program Results

### Aged Trials as a Percentage of Active Trials



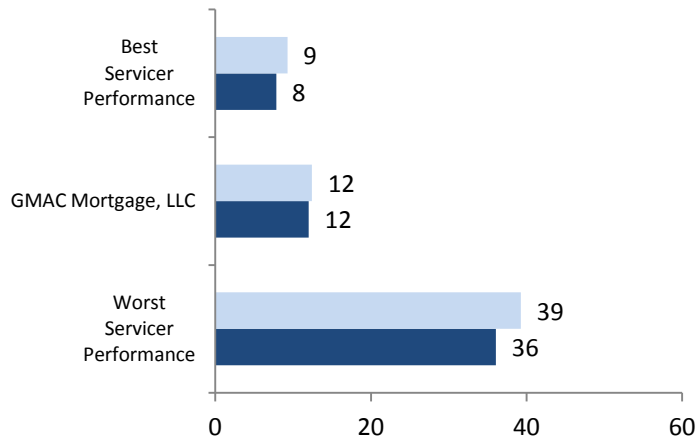
### Conversion Rate for Trials Started On or After 6/1/2010



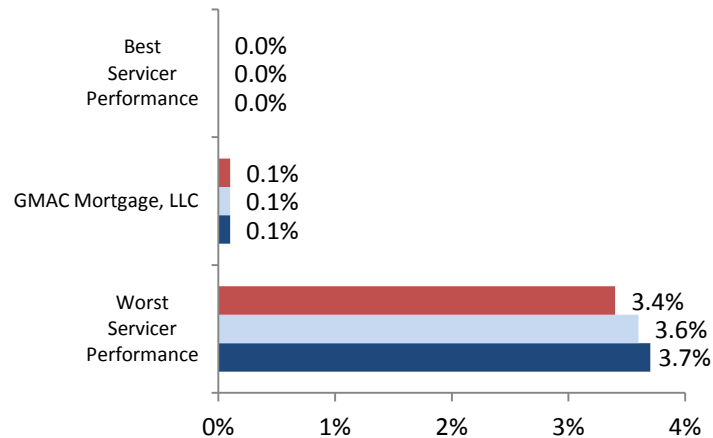
Results as of:

- June 2011
- Sep. 2011
- Dec. 2011

### Average Calendar Days to Resolve Escalated Cases<sup>1</sup>



### Missing Modification Status Reports (%)



Note: The best and worst performance reflect the best and worst result of the largest servicers for the period. See appendix for descriptions of the metrics.

<sup>1</sup>The population in Q3 and Q4 2011 only includes non-GSE cases escalated on or after 2/1/2011.

# MHA Servicer Assessment: JPMorgan Chase Bank, NA

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of the servicer's adherence to MHA Program Requirements.
- ❖ Quantitative results reflect percentages of tests that did not have a desired outcome.
- ❖ Servicers are rated qualitatively on the effectiveness of their internal control in the three Performance Categories as well as for each quantitative result.

Fourth Quarter 2011

Performance Category		Metric	Benchmark	Servicer Result	Rating
1	<b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	<ul style="list-style-type: none"> <li>Second Look % Disagree Percentage of loans reviewed where MHA-C did not concur with the servicer's MHA determination</li> </ul>	< 4%	0.7%	***
		<ul style="list-style-type: none"> <li>Second Look % Unable to Determine Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination</li> </ul>	< 10%	1.0%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Identifying and Contacting Homeowners MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	**
2	<b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs, communicates decisions in a timely manner, and accurately executes appropriate MHA activities.	<ul style="list-style-type: none"> <li>Income Calculation Error % Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5%</li> </ul>	< 5%	10.0%	**
		<ul style="list-style-type: none"> <li>Internal Controls for Homeowner Evaluation and Assistance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	**
3	<b>Program Management, Reporting, and Governance</b> Assesses whether the servicer has effective program management, governance processes, and timely and correct submission of program reports and program information.	<ul style="list-style-type: none"> <li>Incentive Payment Data Errors Average percentage of difference in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record</li> </ul>	< 5%	3.8%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Program Management, Reporting, and Governance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	**

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

### Result

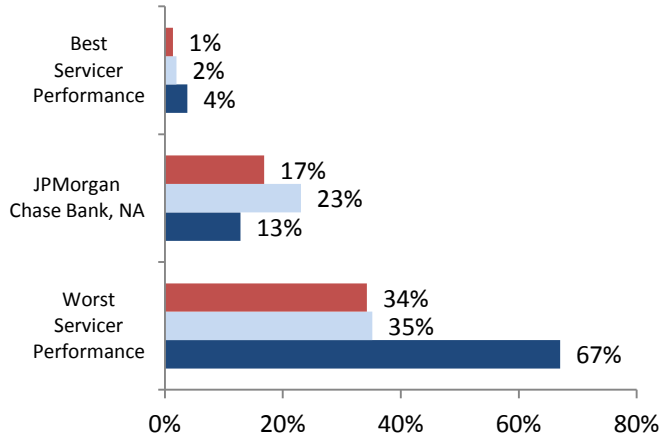
- ❖ **JPMorgan Chase Bank, NA** has areas requiring **moderate improvement**.
- ❖ Treasury has agreed to release JPMorgan Chase Bank, NA withheld servicer incentives in connection with the proposed mortgage servicer settlement.



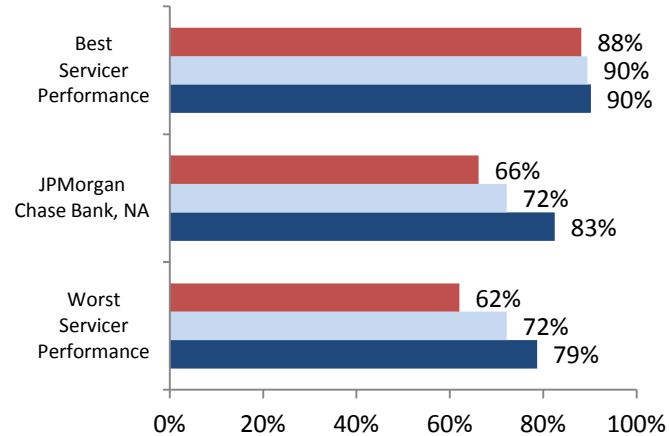
# MHA Servicer Assessment: JPMorgan Chase Bank, NA

## Program Results

### Aged Trials as a Percentage of Active Trials



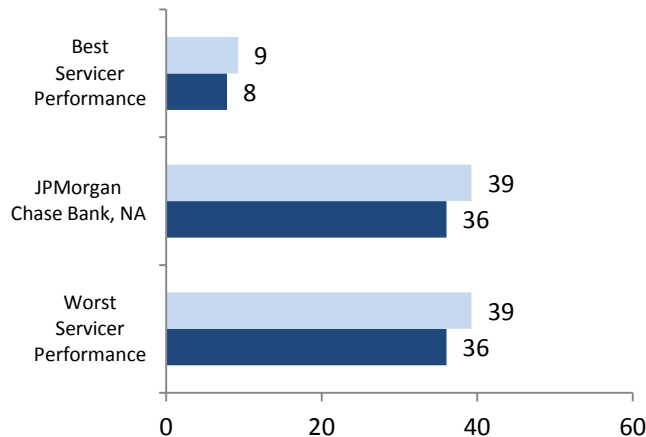
### Conversion Rate for Trials Started On or After 6/1/2010



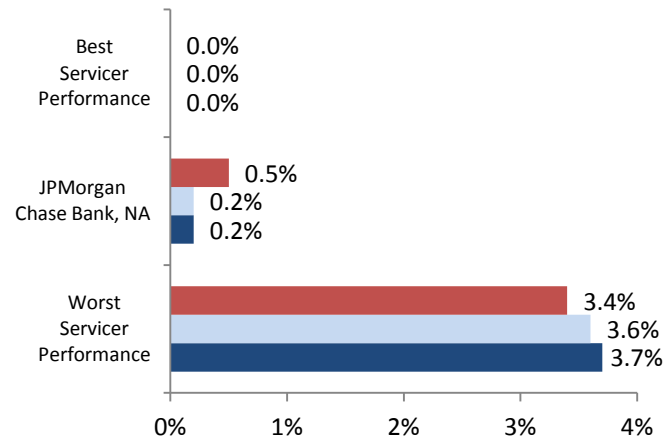
Results as of:



### Average Calendar Days to Resolve Escalated Cases<sup>1</sup>



### Missing Modification Status Reports (%)



Note: The best and worst performance reflect the best and worst result of the largest servicers for the period. See appendix for descriptions of the metrics.

<sup>1</sup>The population in Q3 and Q4 2011 only includes non-GSE cases escalated on or after 2/1/2011.

# MHA Servicer Assessment: Ocwen Loan Servicing, LLC

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of the servicer's adherence to MHA Program Requirements.
- ❖ Quantitative results reflect percentages of tests that did not have a desired outcome.
- ❖ Servicers are rated qualitatively on the effectiveness of their internal control in the three Performance Categories as well as for each quantitative result.

Fourth Quarter 2011

Performance Category		Metric	Benchmark	Servicer Result	Rating
1	<b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	<ul style="list-style-type: none"> <li>Second Look % Disagree Percentage of loans reviewed where MHA-C did not concur with the servicer's MHA determination</li> </ul>	< 4%	0.7%	***
		<ul style="list-style-type: none"> <li>Second Look % Unable to Determine Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination</li> </ul>	< 10%	0.0%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Identifying and Contacting Homeowners MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	***
2	<b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs, communicates decisions in a timely manner, and accurately executes appropriate MHA activities.	<ul style="list-style-type: none"> <li>Income Calculation Error % Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5%</li> </ul>	< 5%	2.0%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Homeowner Evaluation and Assistance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	***
3	<b>Program Management, Reporting, and Governance</b> Assesses whether the servicer has effective program management, governance processes, and timely and correct submission of program reports and program information.	<ul style="list-style-type: none"> <li>Incentive Payment Data Errors Average percentage of difference in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record</li> </ul>	< 5%	0.2%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Program Management, Reporting, and Governance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	**

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

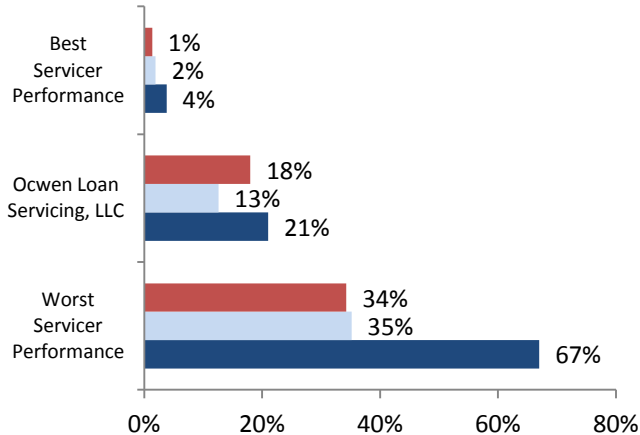
### Result

- ❖ **Ocwen Loan Servicing, LLC** has areas requiring **moderate improvement**.
- ❖ After considering all relevant factors, **Ocwen Loan Servicing, LLC servicer incentives will not be withheld** at this time.

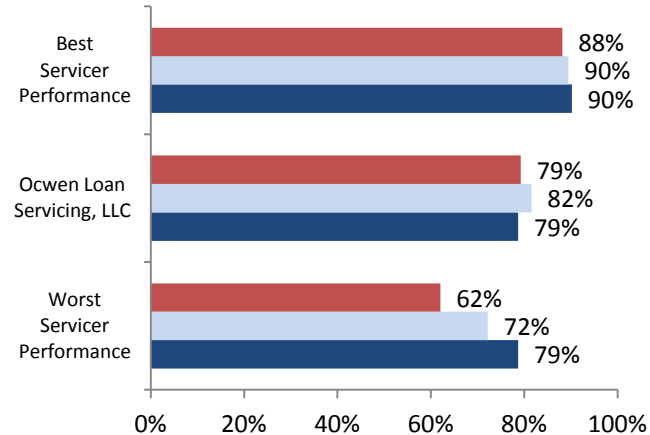
# MHA Servicer Assessment: Ocwen Loan Servicing, LLC<sup>1</sup>

## Program Results

### Aged Trials as a Percentage of Active Trials



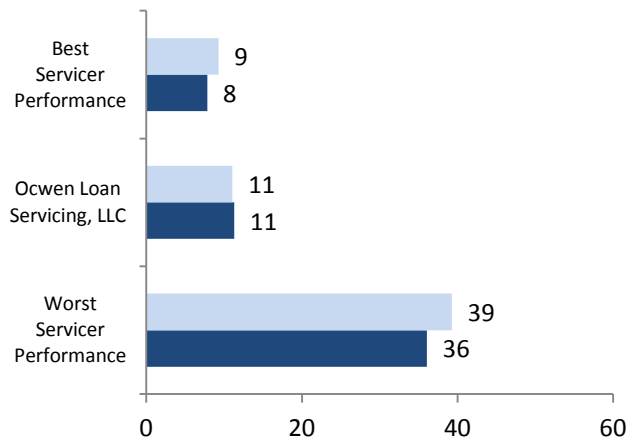
### Conversion Rate for Trials Started On or After 6/1/2010



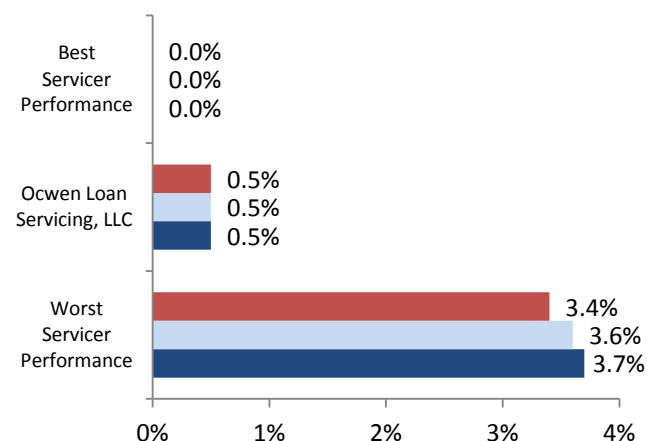
Results as of:



### Average Calendar Days to Resolve Escalated Cases<sup>2</sup>



### Missing Modification Status Reports (%)



Note: The best and worst performance reflect the best and worst result of the largest servicers for the period. See appendix for descriptions of the metrics.

<sup>1</sup>Beginning in Q4 2011, Litton Loan Servicing, LP is reported with Ocwen Loan Servicing, LLC on a consolidated basis.

<sup>2</sup>The population in Q3 and Q4 2011 only includes non-GSE cases escalated on or after 2/1/2011.

# MHA Servicer Assessment: OneWest Bank

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of the servicer's adherence to MHA Program Requirements.
- ❖ Quantitative results reflect percentages of tests that did not have a desired outcome.
- ❖ Servicers are rated qualitatively on the effectiveness of their internal control in the three Performance Categories as well as for each quantitative result.

Fourth Quarter 2011

Performance Category		Metric	Benchmark	Servicer Result	Rating
1	<b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	<ul style="list-style-type: none"> <li>Second Look % Disagree Percentage of loans reviewed where MHA-C did not concur with the servicer's MHA determination</li> </ul>	< 4%	0.0%	***
		<ul style="list-style-type: none"> <li>Second Look % Unable to Determine Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination</li> </ul>	< 10%	0.0%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Identifying and Contacting Homeowners MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	***
2	<b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs, communicates decisions in a timely manner, and accurately executes appropriate MHA activities.	<ul style="list-style-type: none"> <li>Income Calculation Error % Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5%</li> </ul>	< 5%	0.0%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Homeowner Evaluation and Assistance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	***
3	<b>Program Management, Reporting, and Governance</b> Assesses whether the servicer has effective program management, governance processes, and timely and correct submission of program reports and program information.	<ul style="list-style-type: none"> <li>Incentive Payment Data Errors Average percentage of difference in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record</li> </ul>	< 5%	0.0%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Program Management, Reporting, and Governance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	***

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

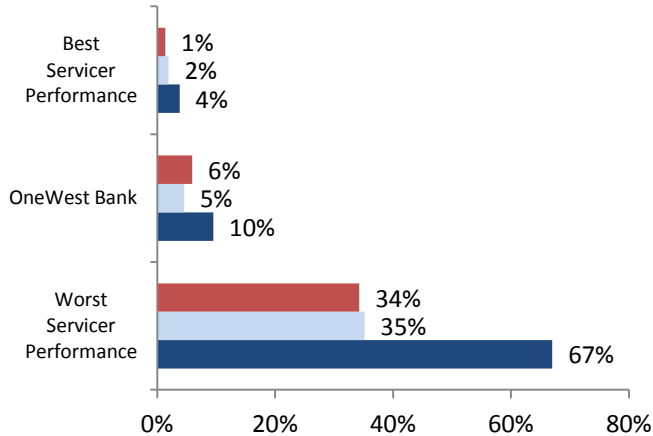
### Result

- ❖ **OneWest Bank** has areas requiring **minor improvement**.

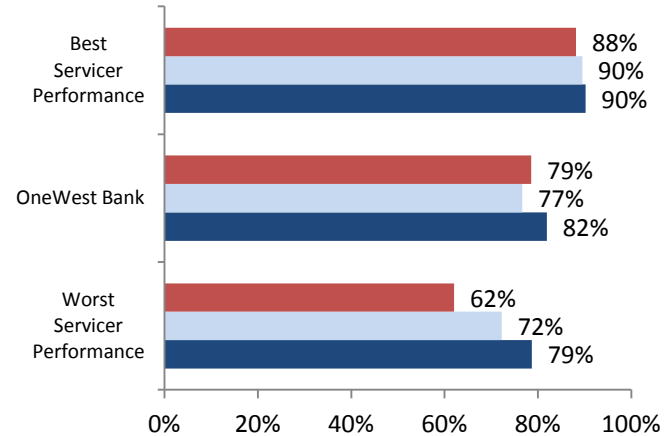
# MHA Servicer Assessment: OneWest Bank

## Program Results

### Aged Trials as a Percentage of Active Trials



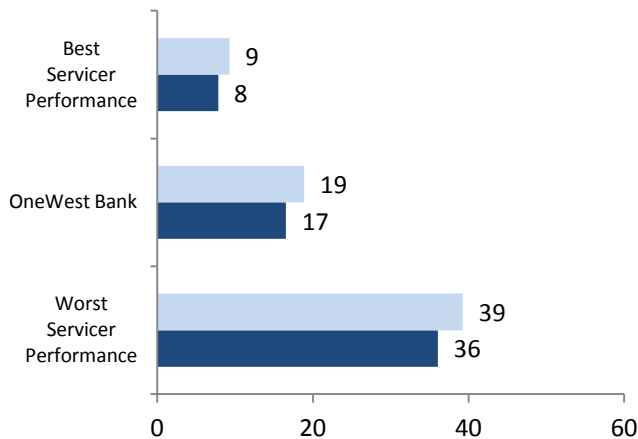
### Conversion Rate for Trials Started On or After 6/1/2010



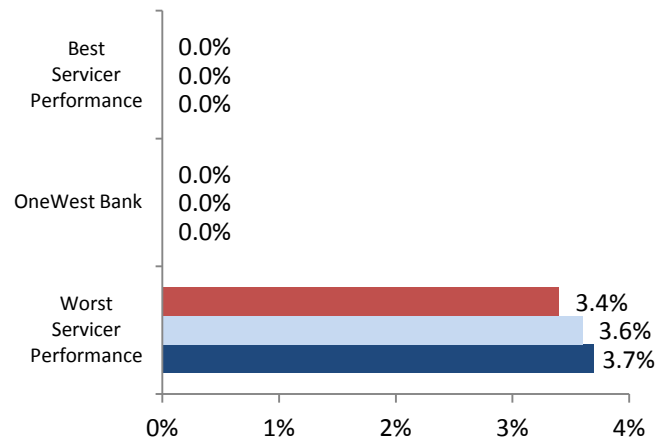
Results as of:

- June 2011
- Sep. 2011
- Dec. 2011

### Average Calendar Days to Resolve Escalated Cases<sup>1</sup>



### Missing Modification Status Reports (%)



Note: The best and worst performance reflect the best and worst result of the largest servicers for the period. See appendix for descriptions of the metrics.

<sup>1</sup>The population in Q3 and Q4 2011 only includes non-GSE cases escalated on or after 2/1/2011.

# MHA Servicer Assessment: Select Portfolio Servicing

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of the servicer's adherence to MHA Program Requirements.
- ❖ Quantitative results reflect percentages of tests that did not have a desired outcome.
- ❖ Servicers are rated qualitatively on the effectiveness of their internal control in the three Performance Categories as well as for each quantitative result.

Fourth Quarter 2011

Performance Category		Metric	Benchmark	Servicer Result	Rating
1	<b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	<ul style="list-style-type: none"> <li>Second Look % Disagree Percentage of loans reviewed where MHA-C did not concur with the servicer's MHA determination</li> </ul>	< 4%	0.0%	***
		<ul style="list-style-type: none"> <li>Second Look % Unable to Determine Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination</li> </ul>	< 10%	0.0%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Identifying and Contacting Homeowners MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	***
2	<b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs, communicates decisions in a timely manner, and accurately executes appropriate MHA activities.	<ul style="list-style-type: none"> <li>Income Calculation Error % Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5%</li> </ul>	< 5%	1.0%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Homeowner Evaluation and Assistance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	***
3	<b>Program Management, Reporting, and Governance</b> Assesses whether the servicer has effective program management, governance processes, and timely and correct submission of program reports and program information.	<ul style="list-style-type: none"> <li>Incentive Payment Data Errors Average percentage of difference in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record</li> </ul>	< 5%	0.2%	***
		<ul style="list-style-type: none"> <li>Internal Controls for Program Management, Reporting, and Governance MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines</li> </ul>	***	-	***

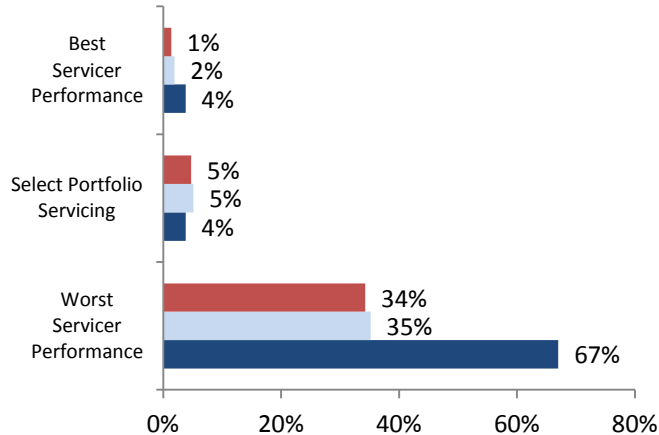
Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

Result
❖ <b>Select Portfolio Servicing</b> has areas requiring <b>minor improvement</b> .

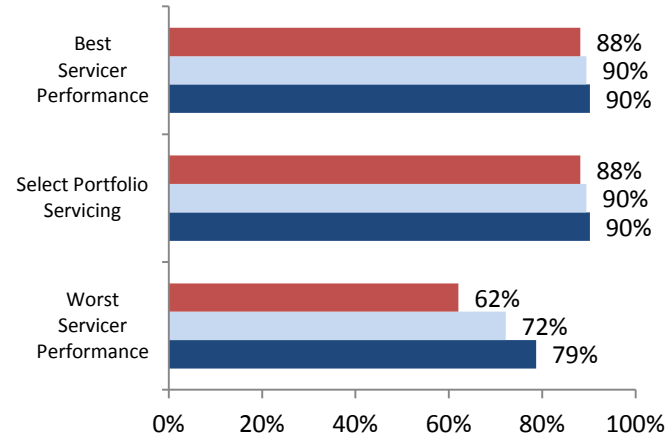
# MHA Servicer Assessment: Select Portfolio Servicing

## Program Results

### Aged Trials as a Percentage of Active Trials



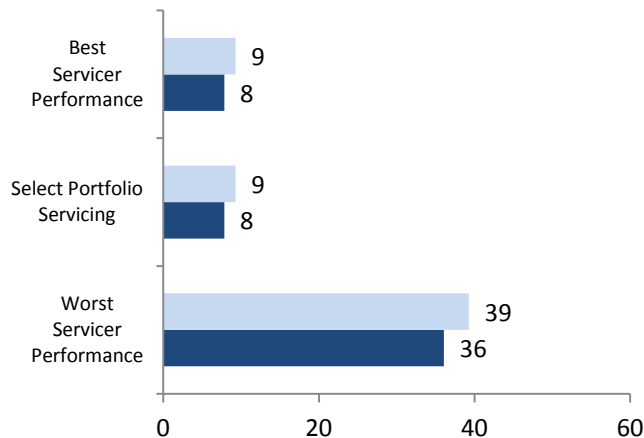
### Conversion Rate for Trials Started On or After 6/1/2010



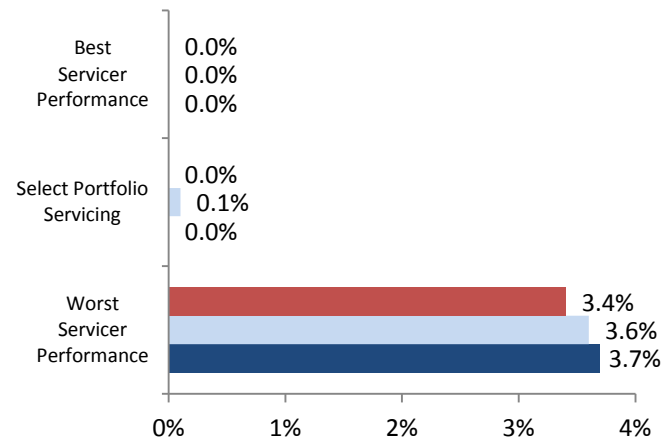
Results as of:

- June 2011
- Sep. 2011
- Dec. 2011

### Average Calendar Days to Resolve Escalated Cases<sup>1</sup>



### Missing Modification Status Reports (%)



Note: The best and worst performance reflect the best and worst result of the largest servicers for the period. See appendix for descriptions of the metrics.

<sup>1</sup>The population in Q3 and Q4 2011 only includes non-GSE cases escalated on or after 2/1/2011.



# MHA Servicer Assessment: Wells Fargo Bank, NA

## Compliance Results

### Overview

- ❖ These metrics reflect the results of compliance reviews of the servicer's adherence to MHA Program Requirements.
- ❖ Quantitative results reflect percentages of tests that did not have a desired outcome.
- ❖ Servicers are rated qualitatively on the effectiveness of their internal control in the three Performance Categories as well as for each quantitative result.

			Fourth Quarter 2011	
Performance Category	Metric	Benchmark	Servicer Result	Rating
<b>1</b> <b>Identifying and Contacting Homeowners</b> Assesses whether the servicer identifies and communicates appropriately with potentially eligible MHA homeowners.	■ <b>Second Look % Disagree</b> Percentage of loans reviewed where MHA-C did not concur with the servicer's MHA determination	< 4%	0.0%	***
	■ <b>Second Look % Unable to Determine</b> Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination	< 10%	0.0%	***
	■ <b>Internal Controls for Identifying and Contacting Homeowners</b> MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines	***	-	***
<b>2</b> <b>Homeowner Evaluation and Assistance</b> Assesses whether servicer correctly evaluates homeowners' eligibility for MHA programs, communicates decisions in a timely manner, and accurately executes appropriate MHA activities.	■ <b>Income Calculation Error %</b> Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5%	< 5%	4.0%	***
	■ <b>Internal Controls for Homeowner Evaluation and Assistance</b> MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines	***	-	***
<b>3</b> <b>Program Management, Reporting, and Governance</b> Assesses whether the servicer has effective program management, governance processes, and timely and correct submission of program reports and program information.	■ <b>Incentive Payment Data Errors</b> Average percentage of difference in calculated incentives resulting from data discrepancies between servicer files and the MHA system of record	< 5%	0.8%	***
	■ <b>Internal Controls for Program Management, Reporting, and Governance</b> MHA-C assesses whether servicer business processes are conducted effectively and in accordance with MHA guidelines	***	-	**

Rating Legend	
*	Did not meet benchmark; substantial improvement needed
**	Did not meet benchmark; moderate improvement needed
***	Met benchmark; minor improvement may be indicated

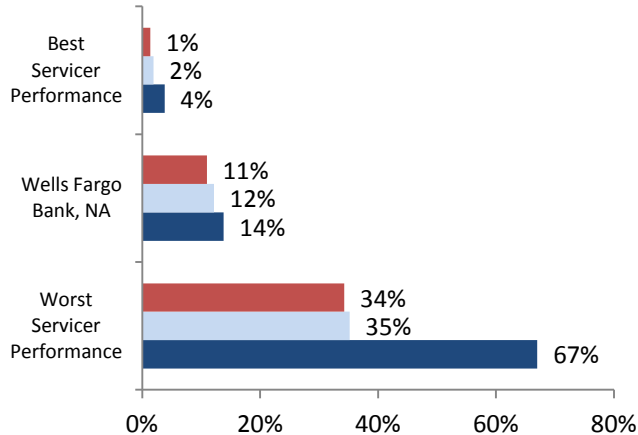
### Result

- ❖ **Wells Fargo Bank, NA** has areas requiring **moderate improvement**.
- ❖ After considering all relevant factors, **Wells Fargo Bank, NA servicer incentives will not be withheld at this time.**

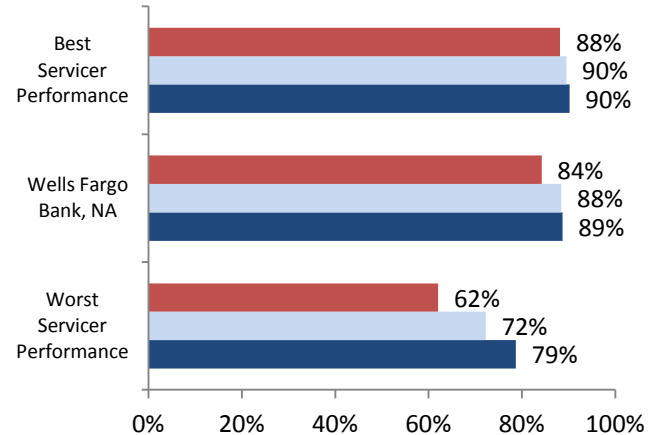
# MHA Servicer Assessment: Wells Fargo Bank, NA

## Program Results

### Aged Trials as a Percentage of Active Trials



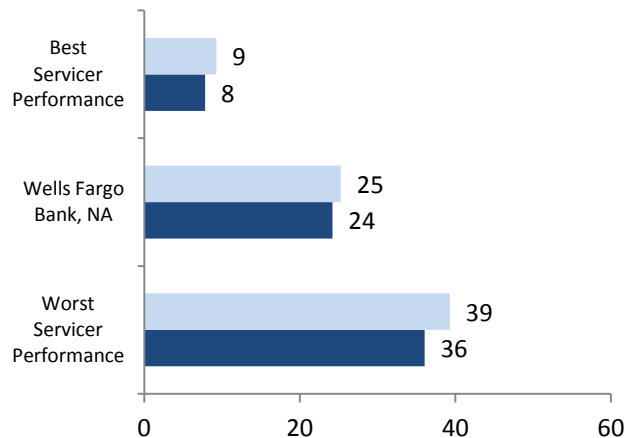
### Conversion Rate for Trials Started On or After 6/1/2010



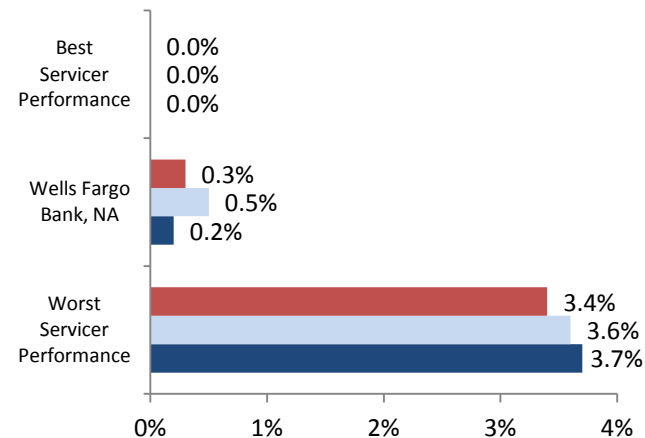
Results as of:

- June 2011
- Sep. 2011
- Dec. 2011

### Average Calendar Days to Resolve Escalated Cases<sup>1</sup>



### Missing Modification Status Reports (%)



Note: The best and worst performance reflect the best and worst result of the largest servicers for the period. See appendix for descriptions of the metrics.

<sup>1</sup>The population in Q3 and Q4 2011 only includes non-GSE cases escalated on or after 2/1/2011.

### Metrics Descriptions

#### Compliance Metrics (quantitative)

Second Look % Disagree: Second Look is a process in which MHA-C reviews loans not in a permanent modification, to assess the accuracy of the servicer's determination of whether the homeowner is eligible for a modification. This metric measures the percentage of loans reviewed in Second Look with which MHA-C disagrees with a servicer's determination.

Second Look % Unable to Determine: This metric measures the percentage of loans reviewed in Second Look for which MHA-C is not able to determine, based on the documentation provided, how the servicer reached its loan-modification decision.

For both Second Look Disagree and Unable to Determine results, remedial actions Treasury requires servicers to take include, but are not limited to: reevaluating loans not offered HAMP modifications, submitting additional documentation to support the initial reason for denial of the modification, clarifying loan status, and engaging in systemic process remediation. For such results, servicers are also reminded of their obligation to suspend foreclosure of the loan until the unresolved items are remediated.

Income Calculation Errors: Correctly calculating homeowner monthly income is a critical component of evaluating eligibility for MHA, as well as establishing an accurate modification payment. This metric measures how often MHA-C disagrees with a servicer's calculation of a borrower's Monthly Gross Income, allowing for up to a 5% differential from MHA-C's calculations. For Income Calculation Error results, remedial actions Treasury requires servicers to take include, but are not limited to: correcting income errors exceeding the 5% differential, requiring the servicer to review their own income calculation accuracy, enhancing policies and procedures, and

conducting staff training on income calculation.

Incentive Payment Data Errors: Treasury pays incentives to servicers, investors, and homeowners for permanent modifications completed under MHA. Although intended for different recipients, all incentives are paid through the servicer. Data that servicers upload to the program system of record is used to calculate the incentives paid to servicers, investors, and homeowners. This metric measures how data anomalies between servicer loan files and the reported information affect incentive payments. For Incentive Payment Data Error results, remedial actions Treasury requires servicers to take include, but are not limited to: correcting the identified errors and correcting system and operational processes such that accurate data is mapped to its appropriate places in the program system of record.

#### Compliance Metrics (qualitative)

Servicers establish processes and internal controls to help ensure their compliance with Program guidance. For each of the performance categories, Treasury performs a qualitative assessment of those internal controls based on MHA-C's compliance reviews. That assessment evaluates the nature, scope, and potential or actual impact on homeowners resulting from instances of servicer non-compliance with its own internal controls. For ineffective internal controls, remedial actions Treasury requires servicers to take include, but are not limited to: identifying and reevaluating any affected loans, enhancing the effectiveness of internal controls, and conducting staff training on servicer procedures.

#### Program Metrics

Conversion Rate: This cumulative metric looks at the rate of conversion to permanent modification for trials started on or after June 1, 2010, when all servicers were required to verify income documentation at trial start. Conversion rate is

measured against all trials eligible to convert – 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.

Aged Trials as % of Active Trials: This monthly metric measures trials lasting six months or longer as a share of all active trials. These figures include trial modifications that have been converted to permanent modifications by the servicer and are pending reporting to the program system of record, plus some portion which may be canceled.

Days to Resolve Escalated Cases: This cumulative metric measures servicer response time for homeowner inquiries escalated to MHA Support Centers. Effective Feb. 1, 2011, a target of 30 calendar days was established for non-GSE escalation cases, including an estimated 5 days processing by the MHA Support Centers. The methodology for calculating average days to respond to escalated cases was recently updated to only include non-GSE cases escalated on or after 2/1/2011. The Q4 2011 figures exclude investor denial cases escalated prior to 11/1/2011; Q3 figures exclude all investor denial cases. Cases involving bankruptcy and those that did not require servicer actions are not included in the calculation of servicer time to resolve escalations.

% of Missing Modification Status Reports: This monthly metric measures the servicer's ability to promptly report on modification status. Inconsistent and untimely reporting of modification status reports may impact incentive compensation and loan performance analysis.

For more information on the assessments, please visit: [www.FinancialStability.gov](http://www.FinancialStability.gov).

# Making Home Affordable

Program Performance Report Through January 2012

## Appendix A1: 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.	Franklin Savings	Marix Servicing, LLC	SEFCU
American Home Mortgage Servicing, Inc	Fresno County Federal Credit Union	Midland Mortgage Company	Select Portfolio Servicing
AMS Servicing, LLC	Glass City Federal Credit Union	Midwest Community Bank	Servis One Inc., dba BSI Financial Services, Inc.
Aurora Loan Services, LLC	GMAC Mortgage, LLC	Mission Federal Credit Union	ShoreBank
Bank of America, N.A. <sup>1</sup>	Great Lakes Credit Union	Mortgage Center, LLC	Silver State Schools Credit Union
Bank United	Greater Nevada Mortgage Services	Nationstar Mortgage LLC	Specialized Loan Servicing, LLC
Bayview Loan Servicing, LLC	Green Tree Servicing LLC	Navy Federal Credit Union	Sterling Savings Bank
Carrington Mortgage Services, LLC	Hartford Savings Bank	Ocwen Loan Servicing, LLC <sup>3</sup>	Suburban Mortgage Company of New Mexico
CCO Mortgage	Hillsdale County National Bank	OneWest Bank	Technology Credit Union
Central Florida Educators Federal Credit Union	HomEq Servicing	ORNL Federal Credit Union	The Golden 1 Credit Union
CitiMortgage, Inc.	HomeStar Bank & Financial Services	Park View Federal Savings Bank	U.S. Bank National Association
Citizens 1st National Bank	Horicon Bank	Pathfinder Bank	United Bank
Community Bank & Trust Company	Horizon Bank, NA	PennyMac Loan Services, LLC	United Bank Mortgage Corporation
Community Credit Union of Florida	IBM Southeast Employees' Federal Credit Union	PNC Bank, National Association	Vantium Capital, Inc.
CUC Mortgage Corporation	IC Federal Credit Union	PNC Mortgage <sup>4</sup>	Vist Financial Corp.
DuPage Credit Union	Idaho Housing and Finance Association	Purdue Employees Federal Credit Union	Wealthbridge Mortgage Corp.
Fay Servicing, LLC	iServe Residential Lending LLC	QLending, Inc.	Wells Fargo Bank, NA <sup>5</sup>
Fidelity Homestead Savings Bank	iServe Servicing Inc.	Quantum Servicing Corporation	Yadkin Valley Bank
First Bank	JPMorgan Chase Bank, NA <sup>2</sup>	Residential Credit Solutions	
First Financial Bank, N.A.	Lake City Bank	RG Mortgage Corporation	
Franklin Credit Management Corporation	Lake National Bank	RoundPoint Mortgage Servicing Corporation	
	Liberty Bank and Trust Co.	Saxon Mortgage Services, Inc.	
	Los Alamos National Bank	Schools Financial Credit Union	
	Magna Bank		

<sup>1</sup> Bank of America, NA includes all loans previously reported under BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>2</sup> JPMorgan Chase Bank, NA includes all loans previously reported under EMC Mortgage Corporation.

<sup>3</sup> Ocwen Loan Servicing, LLC includes Litton Loan Servicing LP.

<sup>4</sup> Formerly National City Bank.

<sup>5</sup> Wells Fargo Bank, NA includes all loans previously reported under Wachovia Mortgage, FSB.

# Making Home Affordable

Program Performance Report Through January 2012

## Appendix A2: Participants in Additional Making Home Affordable Programs

### Second Lien Modification Program (2MP)

Bank of America, NA<sup>1</sup>  
Bayview Loan Servicing, LLC  
CitiMortgage, Inc.  
Community Credit Union of Florida  
GMAC Mortgage, LLC  
Green Tree Servicing LLC  
iServe Residential Lending, LLC  
iServe Servicing, Inc.  
JPMorgan Chase Bank, NA<sup>2</sup>  
Nationstar Mortgage LLC  
OneWest Bank  
PennyMac Loan Services, LLC  
PNC Bank, National Association  
PNC Mortgage<sup>3</sup>  
Residential Credit Solutions  
Servis One Inc., dba BSI Financial Services, Inc.  
Wells Fargo Bank, NA<sup>4</sup>

### FHA First Lien Program (Treasury FHA-HAMP)

Amarillo National Bank  
American Financial Resources Inc.  
Aurora Financial Group, Inc.  
Aurora Loan Services, LLC  
Banco Popular de Puerto Rico  
Bank of America, NA<sup>1</sup>  
Capital International Financial, Inc.  
CitiMortgage, Inc.  
CU Mortgage Services, Inc.  
First Federal Bank of Florida  
First Mortgage Corporation

Franklin Savings  
Gateway Mortgage Group, LLC  
GMAC Mortgage, LLC.  
Green Tree Servicing LLC  
Guaranty Bank  
iServe Residential Lending, LLC  
iServe Servicing, Inc.  
James B. Nutter & Company  
JPMorgan Chase Bank, NA<sup>2</sup>  
M&T Bank  
Marix Servicing, LLC  
Marsh Associates, Inc.  
Midland Mortgage Company  
Nationstar Mortgage LLC  
Ocwen Loan Servicing, LLC  
PennyMac Loan Services, LLC  
PNC Mortgage<sup>3</sup>  
RBC Bank (USA)  
Residential Credit Solutions  
Saxon Mortgage Services, Inc.  
Schmidt Mortgage Company  
Select Portfolio Servicing  
Servis One Inc., dba BSI Financial Services, Inc.  
Stockman Bank of Montana  
Wells Fargo Bank, NA<sup>4</sup>  
Weststar Mortgage, Inc.

### FHA Second Lien Program (FHA 2LP)

Bank of America, NA<sup>1</sup>  
Bayview Loan Servicing, LLC  
CitiMortgage, Inc.  
Flagstar Capital Markets Corporation  
GMAC Mortgage, LLC.  
Green Tree Servicing LLC  
JPMorgan Chase Bank, NA<sup>2</sup>  
Nationstar Mortgage LLC  
PNC Bank, National Association  
PNC Mortgage<sup>3</sup>  
Residential Credit Solutions  
Saxon Mortgage Services, Inc.  
Select Portfolio Servicing  
Wells Fargo Bank, NA<sup>4</sup>

### Rural Housing Service Modification Program (RD-HAMP)

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

<sup>1</sup> Bank of America, NA includes all loans previously reported under BAC Home Loans Servicing LP, Home Loan Services and Wilshire Credit Corporation.

<sup>2</sup> JPMorgan Chase Bank, NA includes all loans previously reported under EMC Mortgage Corporation.

<sup>3</sup> Formerly National City Bank.

<sup>4</sup> Wells Fargo Bank, NA includes all loans previously reported under Wachovia Mortgage FSB.