

# The Obama Administration's Efforts To Stabilize The Housing Market and Help American Homeowners



March 2013

U.S. Department of Housing and Urban Development | U.S. Department of the Treasury

The Administration's goal is to stabilize the housing market and provide security for homeowners. To meet these objectives in the context of a very challenging market, the Administration developed a broad approach implementing state and local housing agency initiatives, tax credits for homebuyers, neighborhood stabilization and community development programs, mortgage modifications and refinancing, housing counseling, continued Federal Housing Administration (FHA) engagement, support for Fannie Mae and Freddie Mac and increased consumer protections. In addition, Federal Reserve and Treasury Mortgage-Backed Securities purchase programs have helped to keep mortgage interest rates at record lows over the past year. More detail on the Administration's efforts can be found in the Appendix.

## March 2013 Scorecard on Administration's Comprehensive Housing Initiative

The President's housing market recovery efforts began immediately after taking office in February 2009. The March 2013 housing scorecard includes the following key indicators of market health and results of the Administration's comprehensive response, as outlined above:

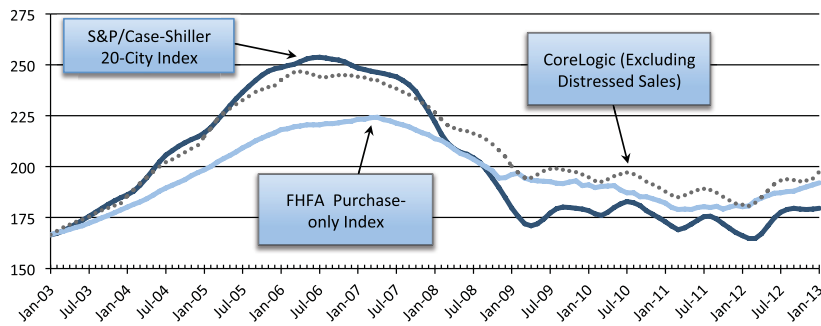
- **Home prices showed large annual gains for the 12 months ending January 2013 and purchases of new homes and sales of existing homes continued to strengthen.** The FHFA purchase-only index was up 6.5 percent from one year ago and the Case-Shiller 20-city index was up 8.1 percent over the same period. Purchases of new homes in February 2013 were up 12 percent from one year ago, the second highest level since April 2010. February sales of existing homes were up 10 percent over the same period, the highest since November 2009, when the First-Time Home Buyer Tax Credit was in effect.
- **The Administration's foreclosure mitigation programs are providing relief for millions of homeowners as we continue to recover from an unprecedented housing crisis.** More than 1.5 million homeowner assistance actions have taken place through the Making Home Affordable Program, including more than 1.1 million permanent modifications through the Home Affordable Modification Program (HAMP), while the Federal Housing Administration (FHA) has offered more than 1.7 million loss mitigation and early delinquency interventions. The Administration's programs continue to encourage improved standards and processes in the industry, with HOPE Now lenders offering families and individuals nearly 3.5 million proprietary mortgage modifications through January.
- **HAMP continues to offer homeowners affordable and sustainable relief to avoid foreclosure.** As of February, more than 1.1 million homeowners have received a permanent modification through HAMP saving approximately \$546 on their mortgage payments each month, and an estimated \$18.5 billion to date. In February, 70 percent of homeowners with eligible non-GSE mortgages benefitted from principal reduction with their HAMP modification. Homeowners currently in permanent HAMP modifications have been granted an estimated \$9.6 billion in total principal reduction.  
[View the Making Home Affordable Program Report with data through February 2013.](#)

Given the current fragility and recognizing that recovery will take place over time, the Administration remains committed to its efforts to prevent avoidable foreclosures and stabilize the housing market.



## The Obama Administration's Efforts To Stabilize The Housing Market and Help American Homeowners | March 2013

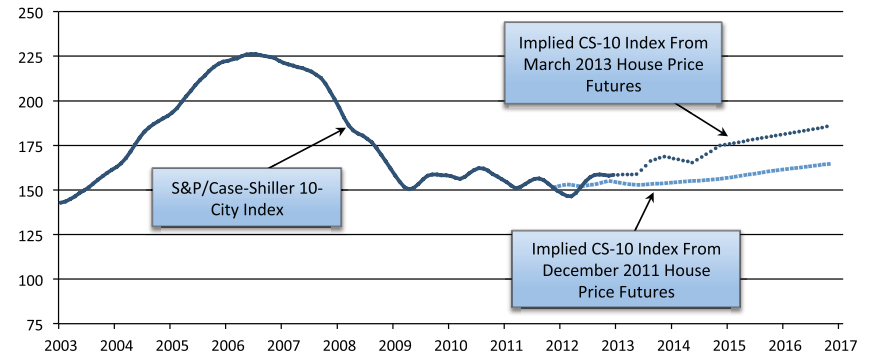
**House Prices Stable in January**  
**Distressed Sales Remain Key In Recovery**  
Monthly House Price Trends By Index (\$ Thousands)



Sources: Standard & Poor's, Federal Housing Finance Agency, CoreLogic, and HUD.  
See Note 1, Sources and Methodology.

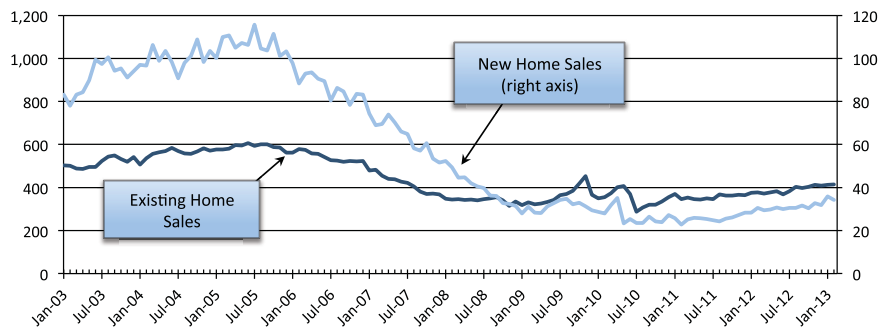
**Expectations On House Prices Above December 2011 Projections**

S&P/Case-Shiller 10-City Index (NSA, Jan 2000 = 100) And Implied Index Values Based Upon House Price Futures Market As Of Indicated Dates



Sources: Standard and Poor's and CME Group  
See Note 2, Sources and Methodology.

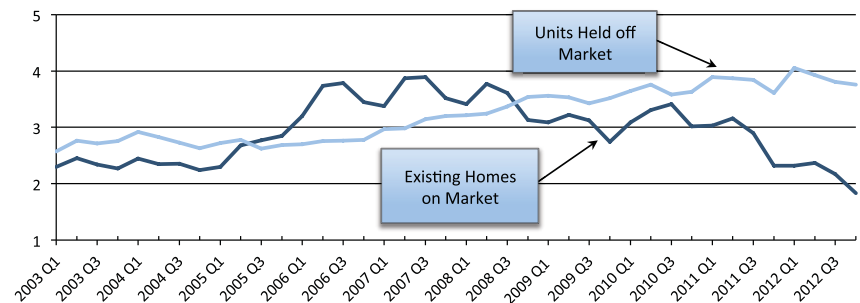
**Existing And New Home Sales**  
Monthly Sales (Thousands)



Seasonally Adjusted  
Sources: National Association of Realtors®, Census Bureau, and HUD.  
See Note 3, Sources and Methodology.

**Existing Homes On The Market At Low Level,**  
**Number Of Units Held Off The Market Remains High**

Existing Homes Available for Sale (End of Period)  
and Total Vacant Housing Units (Year Round) Off Market (Millions)

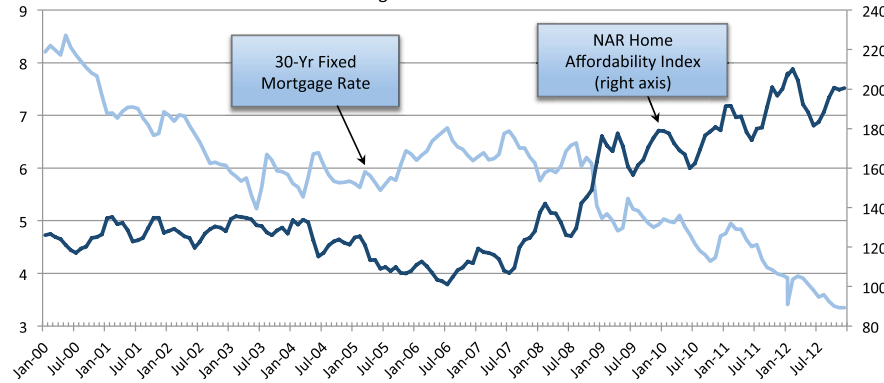


Sources: National Association of Realtors® and Census Bureau.



## The Obama Administration's Efforts To Stabilize The Housing Market and Help American Homeowners | March 2013

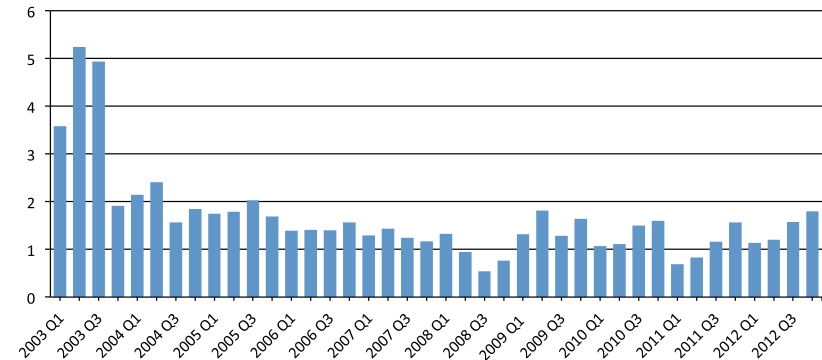
### Mortgage Rates At Record Lows, Homes Remain Highly Affordable



Sources: Freddie Mac and National Association of Realtors

### 20.0 Million Homeowners Have Refinanced Since April 1, 2009

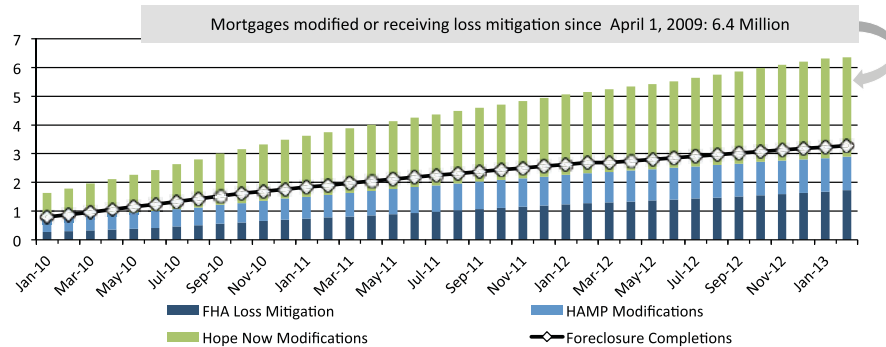
Quarterly Refinance Mortgage Originations (Millions)



Sources: Mortgage Bankers Association and HUD.  
See Note 4 and Additional Notes, Sources and Methodology.

### Mortgage Aid Extended Nearly 6.4 Million Times, Outpacing Foreclosures

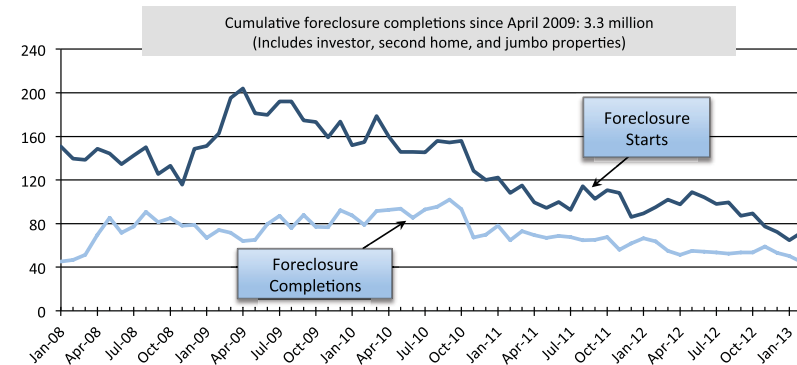
Cumulative Mortgages Receiving Aid and Mortgages Foreclosed Since April 1, 2009 (Millions)



Data exclude trial modifications. Hope Now data through January 2013, all other data through February 2013.  
Sources: HUD, Dept. of Treasury, Hope Now Alliance, and Realty Trac.  
See Note 5 and Additional Notes, Sources and Methodology.

### Mortgage Aid Helps Keep Foreclosure Filings Down

Monthly Foreclosure Actions (Thousands)

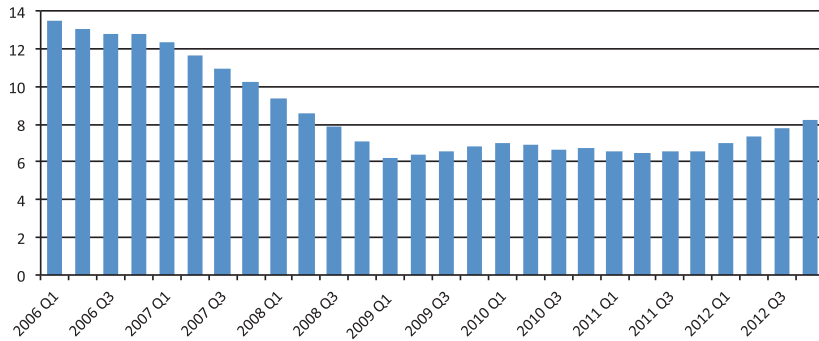


Foreclosure starts are default notices or scheduled foreclosure auctions, depending on the state. See Note 6, Sources and Methodology.  
Source: Realty Trac



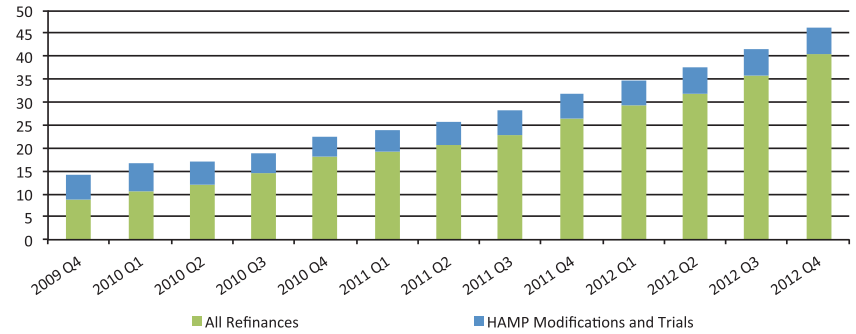
## The Obama Administration's Efforts To Stabilize The Housing Market and Help American Homeowners | March 2013

**Home Equity Has Another Sharp Gain in Fourth Quarter 2012**  
Owners' Equity In Household Real Estate At End Of Period (\$ Trillions)



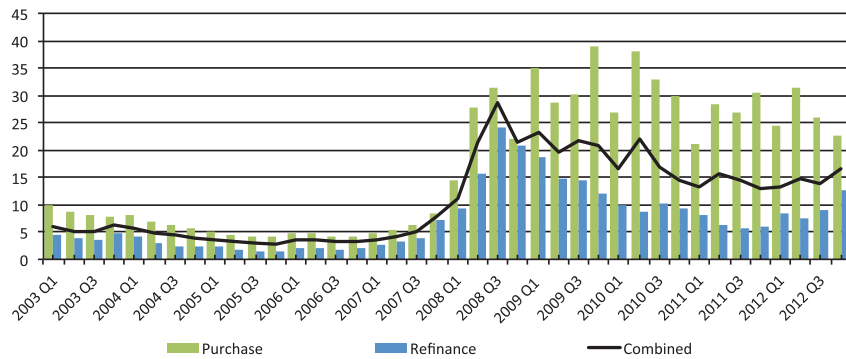
Source: Federal Reserve Board.

**Homeowners Save From Reduced Mortgage Payments**  
Annualized Savings From Payment Reductions (\$ Billions)



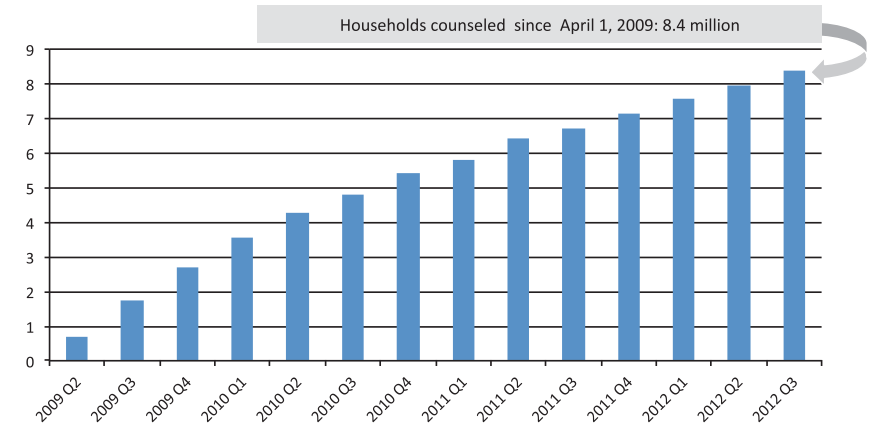
Aggregate annual reduction in mortgage payments on refinances since April 1, 2009 plus active trial and permanent HAMP modifications.  
Sources: MBA, Treasury, Freddie Mac, and HUD.  
See Note 7 and Additional Notes, Sources and Methodology.

**FHA Supports Mortgage Lending During Crisis**  
FHA As Share Of Quarterly Mortgage Originations By Type (Percent)



Sources: MBA and HUD.  
See Note 8, Sources and Methodology.

**Housing Counselors Serve Millions of Families**  
Cumulative Households Counseled Since April 1, 2009 (Millions)



Source: HUD.



The Obama Administration's Efforts To Stabilize The Housing Market and Help American Homeowners | March 2013

HOUSING ASSISTANCE AND STABILIZATION PERFORMANCE METRICS

Indicator	This Period	Last Period	Cumulative From April 1, 2009	Latest Release
Distressed Homeowners Assisted (thousands)				
HAMP Trial Modifications	12.9 (s)	11.7	2,000	February-13
HAMP Permanent Modifications	15.4 (s)	14.9	1,167	February-13
FHA Loss Mitigation Interventions	43.9	48.6	1,722	February-13
HOPE Now Modifications	63.5	65.9 (r)	3,464	January-13
HARP Refinances	76.5	129.7	2,165	December-12
Counseled Borrowers (thousands)	419.0	406.9 (r)	8,376	3rd Q 12
Borrower Annual Savings (\$ millions)				
HAMP Active Trial Modifications	-	-	365	4th Q 12
HAMP Active Permanent Modifications	-	-	5,578	4th Q 12
All Refinances	-	-	40,341	4th Q 12
Activities Completed Under NSP (housing units)				
New Construction or Residential Rehab	-	-	17,349 [57,976] (b)	3rd Q 12
Demolition or Clearance	-	-	18,923 [25,935] (b,s)	3rd Q 12
Direct Homeownership Assistance	-	-	9,084 [17,716] (b,s)	3rd Q 12
Change in Aggregate Home Equity (\$ billions)	452.8	398.6 (r)	1976.7	4th Q 12

HOUSING MARKET FACT SHEET

Indicator	This Period	Last Period	Year Ago	As of Dec 2008	Latest Release
Mortgage Rates (30-Yr FRM, percent)	3.57	3.54	3.99	5.10	28-Mar-13
Housing Affordability (index)	206.9	200.6	207.9	162.9	January-13
Home Prices (indices)					
Case Shiller (NSA)	146.1	146.0	135.2	150.5	January-13
FHFA (SA)	194.7	193.6 (r)	182.8	197.2 (r)	January-13
CoreLogic - Excluding Distressed Sales (NSA)	155.0	152.3 (r)	142.2	160.8	January-13
Home Sales (thousands, SA)					
New	34.3	35.9 (r)	30.5	31.4	February-13
Existing	415.0	411.7 (r)	376.7	334.2	February-13
First Time Buyers	175.2 (p)	174.6 (r)	158.8	149.9	February-13
Distressed Sales (percent, NSA)	26 (p)	25	30	32	January-13
Housing Supply					
Existing Homes for Sale (thousands, NSA)	1,940	1,770 (r)	2,400	3,130	February-13
Existing Homes - Months' Supply (months)	4.7	4.3 (r)	6.4	9.4	February-13
New Homes for Sale (thousands, SA)	152	150	146	353	February-13
New Homes for Sale - Months' Supply (months, SA)	4.4	4.2 (r)	4.8	11.2	February-13
Vacant Units Held Off Market (thousands)	3,756	3,807	3,607	3,542	4th Q 12
Mortgage Originations (thousands)					
Refinance Originations	1,799.2	1,574.9	1,568.9	767.2	4th Q 12
Purchase Originations	569.2	601.5	620.3	986.4	4th Q 12
FHA Originations (thousands)					
Refinance Originations	93.1 (p)	63.1 (r)	41.6	62.9	February-13
Purchase Originations	42.0 (p)	44.3 (r)	49.0	72.7	February-13
Purchases by First Time Buyers	32.5 (p)	31.5 (r)	38.1	56.2	February-13
Mortgage Delinquency Rates (percent)					
Prime	3.8	3.9	4.2	4.4	February-13
Subprime	29.4	30.3	29.9	34.3	February-13
FHA	11.8	11.7	12.8	14.3	November-12
Seriously Delinquent Mortgages (thousands)					
Prime	1,121	1,146	1,437	915	February-13
Subprime	1,487	1,509	1,642	1,632	February-13
FHA	735	734	689	333	November-12
Underwater Borrowers (thousands)	10,409	10,574 (r)	12,108	-	4th Q 12
Foreclosure Actions (thousands)					
Foreclosure Starts	71.5	64.8	95.2	148.6	February-13
Foreclosure Completions	45.0	50.5	63.8	78.9	February-13
Short Sales	20.5 (p)	31.0 (r)	23.4	14.0	January-13
REO Sales	29.6 (p)	38.5 (r)	50.9	74.7	January-13

SA = seasonally adjusted, NSA = not SA, p = preliminary, r = revised, b = brackets include units in process, s = see note Sources and Methodology page.



The Obama Administration's Efforts To Stabilize The Housing Market and Help American Homeowners | March 2013

SOURCES AND METHODOLOGY

**A. Items in Tables**

Description	Frequency	Sources	Notes on Methodology
Distressed Homeowners Assisted HAMP Trial Modifications HAMP Permanent Modifications HARP Refinances FHA Loss Mitigation Interventions HOPE Now Modifications	Monthly Monthly Monthly Monthly Monthly	Treasury Treasury Federal Housing Finance Agency HUD Hope Now Alliance	As reported. Also see additional note in Section C below on HAMP Tier 2. As reported. Also see additional note in Section C below on HAMP Tier 2. As reported. Also see additional note in Section C below on HARP. All FHA loss mitigation and early delinquency interventions. All proprietary modifications completed.
Counseled Borrowers (thousands)	Quarterly	HUD	Housing counseling activity reported by all HUD-approved housing counselors.
Borrower Annual Savings HAMP Active Trial Modifications HAMP Active Permanent Modifications All Refinances	Quarterly Quarterly Quarterly	HUD, Treasury, and Freddie Mac HUD and Treasury HUD, and MBA	HUD estimate of annualized savings based on Treasury reported active HAMP trial modifications and Freddie Mac monthly savings estimates. Also see additional note in Section C below on HAMP Tier 2. HUD estimate of annualized savings based on Treasury reported active HAMP permanent modifications and median monthly savings estimates. Also see additional note in Section C below on HAMP Tier 2. Refinance originations (see below) multiplied by HUD estimate of annualized savings per refinance.
Completed Activities Under NSP (housing units) New Construction or Residential Rehab Demolition or Clearance Direct Homeownership Assistance	Quarterly Quarterly Quarterly	HUD HUD HUD	Housing units constructed/rehabilitated using Neighborhood Stabilization Program. Bracketed numbers include units in process, to be completed by 3/2013. Housing units demolished/cleared using Neighborhood Stabilization Program. Bracketed numbers as above. Completed downpayment assistance or non-amortizing second mortgages by grantee to make purchase of NSP unit affordable. Bracketed numbers as above.
Change in Aggregate Home Equity	Quarterly	Federal Reserve Board	Difference in aggregate household owners' equity in real estate as reported in the Federal Reserve Board's Flow of Funds Accounts of the United States for stated time period.
Mortgage Rates (30-Yr FRM)	Weekly	Freddie Mac	Primary Mortgage Market Survey, as reported for 30-Year fixed rate mortgages (FRM).
Housing Affordability	Monthly	National Association of Realtors®	NAR's composite housing affordability index as reported. A value of 100 means that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home. An index above 100 signifies that family earning the median income has more than enough income to qualify.
Home Prices Case-Shiller (NSA)	Monthly	Standard and Poor's	Case-Shiller 20-metro composite index, January 2000 = 100. Standard and Poor's recommends use of not seasonally adjusted index when making monthly comparisons. FHFA monthly (purchase-only) index for US, January 1991 = 100. CoreLogic national combined index, distressed sales excluded, January 2000 = 100. (Only available as NSA).
FHFA (SA) CoreLogic - Excluding Distressed Sales (NSA)	Monthly Monthly	Federal Housing Finance Agency CoreLogic	
Home Sales (SA) New Existing First Time Buyers Distressed Sales (NSA)	Monthly Monthly Monthly Monthly	HUD and Census Bureau National Association of Realtors® NAR, Census Bureau, and HUD CoreLogic	Seasonally adjusted annual rates divided by 12. A newly constructed house is considered sold when either a sales contract has been signed or a deposit accepted, even if this occurs before construction has actually started. Seasonally adjusted annual rates divided by 12. Existing-home sales, which include single-family, townhomes, condominiums and co-ops, are based on transaction closings. This differs from the U.S. Census Bureau's series on new single-family home sales, which are based on contracts or the acceptance of a deposit. Sum of seasonally adjusted new and existing home sales (above) multiplied by National Association of Realtors® annual estimate of first time buyer share of existing home sales. Short sales and REO (Real Estate Owned) sales as a percent of total existing home sales (current month subject to revision).
Housing Supply Existing Homes for Sale (NSA) Existing Homes - Months' Supply New Homes for Sale (SA) New Homes for Sale - Months' Supply (SA) Vacant Units Held Off Market	Monthly Monthly Monthly Monthly Quarterly	National Association of Realtors National Association of Realtors HUD and Census Bureau HUD and Census Bureau Census Bureau	As reported. As reported. As reported. As reported. As reported in Census CPS/HPS Table 4. Estimates of Housing Inventory, line item "Year-round vacant, held off market for reasons other than occasional use or usually reside elsewhere." Vacant units can be held off the market for a variety of reasons.
Mortgage Originations Refinance Originations Purchase Originations	Quarterly Quarterly	Mortgage Bankers Association and HUD Mortgage Bankers Association and HUD	HUD estimate of refinance originations based on MBA estimate of dollar volume of refinance originations. HUD estimate of home purchase originations based on MBA estimate of dollar volume of home purchase originations.
FHA Originations Refinance Originations Purchase Originations Purchases by First Time Buyers	Monthly Monthly Monthly	HUD HUD HUD	FHA originations reported as of date of loan closing. Estimate for current month scaled upward due to normal reporting lag and shown as preliminary.
Mortgage Delinquency Rates (NSA) Prime Subprime FHA	Monthly Monthly Monthly	LPS Applied Analytics LPS Applied Analytics HUD	Total mortgages past due (30+ days) but not in foreclosure, divided by mortgages actively serviced. Total mortgages past due (30+ days) but not in foreclosure, divided by mortgages actively serviced. Total FHA mortgages past due (30+ days) but not in foreclosure, divided by FHA's insurance in force.
Seriously Delinquent Mortgages Prime Subprime FHA	Monthly Monthly Monthly	LPS Applied Analytics, MBA, and HUD LPS Applied Analytics, MBA, and HUD HUD	Mortgages 90+ days delinquent or in foreclosure, scaled up to market. Mortgages 90+ days delinquent or in foreclosure, scaled up to market. Mortgages 90+ days delinquent or in foreclosure.
Underwater Borrowers	Quarterly	CoreLogic	As reported.
Foreclosure Actions Foreclosure Starts Foreclosure Completions Short sales REO Sales	Monthly Monthly Monthly Monthly	Realty Trac Realty Trac CoreLogic CoreLogic	Foreclosure starts are reported counts of notice of default or scheduled foreclosure auction, depending on which action starts the foreclosure process in a state. Real Estate Owned (REO). Count of Short Sales for the month as reported (current month subject to revision). Count of REO (Real Estate Owned) Sales for the month as reported (current month subject to revision).



## SOURCES AND METHODOLOGY

### B. Notes on Charts.

1. Monthly house price trends shown as changes in respective house price indices applied to a common base price set equal to the median price of an existing home sold in January 2003 as reported by the National Association of Realtors. Indices shown: S&P/Case Shiller 20-metro composite index (NSA), January 2000 = 100, FHFA monthly (purchase-only) index for US (SA), January 1991 = 100, and CoreLogic-Distressed Sales Excluded (Monthly) for US (NSA), January 2000 = 100.
2. S&P/Case-Shiller 10 metro composite index (NSA) as reported monthly. Futures index figures report forward expectations for the level of the S&P/Case Shiller index as of the date indicated, estimated from prices of futures purchased on the Chicago Mercantile Exchange reported by CME Group. Also see additional note in Section C below.
3. Reported seasonally adjusted annual rates for new and existing home sales divided by 12.
4. HUD estimate of refinance originations based on MBA estimate of dollar volume of refinance originations.
5. Cumulative HAMP permanent modifications started, FHA loss mitigation and early delinquency interventions, plus proprietary modifications completed as reported by HOPE Now Alliance. Some homeowners may be counted in more than one category. Foreclosure completions are properties entering Real Estate Owned (REO) as reported by Realty Trac. Also see additional note in Section C below on HAMP Tier 2.
6. Beginning with the September 2012 release, filings of a notice of default or scheduled foreclosure auction, depending on which action starts the foreclosure process in a state, are reported for foreclosure starts. Foreclosure defaults previously had been reported as a proxy for foreclosure starts. Foreclosure completions are properties entering REO. Both as reported by Realty Trac.
7. See "Borrower Annual Savings" above.
8. FHA market shares as FHA purchase and refinance originations divided by HUD estimates of purchase and refinance mortgage originations as noted in "Mortgage Originations" above. Data for 2010 and 2011 have been revised.

### C. Additional Notes.

Beginning with the February 2013 release, the House Price Expectations Chart has been updated by replacing market expectations as they existed in January 2009 with expectations as of December 2011. Expectations in 2009 are no longer meaningful as they extended only through the end of 2013. In addition, prices of futures purchased for the S&P/Case-Shiller 10-metro composite index, available on the web from CME Group, are now being used to estimate expectations.

The Q1 2011 NSP counts for Direct Homeownership Assistance were revised with the Q2 2012 data. Also, the Q2 2012 NSP counts for Demolition were revised with the Q3 2012 data.

Beginning with the January 2013 release, mortgage aid under HAMP Tier 2 is included in the totals. Effective June 2012, HAMP Tier 2 expanded eligibility requirements to further reduce foreclosures and help stabilize neighborhoods. For non-GSE loans, eligibility was expanded to allow for more flexible debt-to-income criteria and to include properties currently occupied by a tenant, as well as vacant properties which a borrower intends to rent.

Beginning November 2012, the reporting of HARP by Fannie Mae was expanded to include second home and investment property refinances with LTVs greater than 80%, which added 160,280 loans to the HARP volume from the inception of the program through November 2012. That reporting is now consistent with the reporting of HARP by Freddie Mac.



## Appendix

The Administration has taken a broad set of actions to stabilize the housing market and help American homeowners. Three years ago, stress in the financial system had severely reduced the supply of mortgage credit, limiting the ability of Americans to buy homes or refinance mortgages. Millions of responsible families who had made their monthly payments and had fulfilled their obligations saw their property values fall. They also found themselves unable to refinance at lower mortgage rates.

In February 2009, less than one month after taking office, President Obama announced the Homeowner Affordability and Stability Plan. As part of this plan and through other housing initiatives, the Administration has taken the following actions to strengthen the housing market:

- Supported Fannie Mae and Freddie Mac to ensure continued access to affordable mortgage credit;
- The Federal Reserve and the U.S. Treasury purchased more than \$1.4 trillion in agency mortgage backed securities through independent MBS purchase programs, helping to keep mortgage rates at historic lows;
- Launched a modification initiative to help homeowners reduce mortgage payments to affordable levels and to prevent avoidable foreclosures;
- Launched a \$23.5 billion Housing Finance Agencies Initiative to increase sustainable homeownership and rental resources;
- Supported the First Time Homebuyer Tax Credit, which helped more than 2.5 million American families purchase homes;
- Provided more than \$5 billion in support for affordable rental housing through low income housing tax credit programs and \$6.92 billion in support for the Neighborhood Stabilization Program to restore neighborhoods hardest hit by the concentrated foreclosures;
- Created the \$7.6 billion HFA Hardest Hit Fund for innovative foreclosure prevention programs in the nation's hardest hit housing markets;
- Launched the \$1 billion Emergency Homeowners Loan Program, as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, to help unemployed and underemployed homeowners pay a portion of their monthly mortgage.
- Created an FHA Short Refinance Option that helps underwater borrowers refinance into a new, stable, FHA-insured mortgage that is more aligned with actual property values.
- Supported home purchase and refinance activity through the FHA to provide access to affordable mortgage capital and help homeowners prevent foreclosures.
- Implemented a series of changes to the Home Affordable Refinance Program (HARP) in an effort to attract more eligible borrowers who can benefit from refinancing their home mortgages during this time of historically low mortgage rates.

###