



**PROGRAM PERFORMANCE REPORT
THROUGH THE THIRD QUARTER OF 2017**

Making Home Affordable

Program Performance Report Third Quarter 2017

- The MHA Program closed to new applicants on December 31, 2016. As set forth in program guidelines, MHA servicers were required to evaluate applications submitted by the deadline and offer modifications to eligible applicants. Servicers were required to design policies and procedures to reasonably ensure that all MHA transactions were completed by December 1, 2017.
- Although the MHA Program is now closed, servicers will continue to perform certain functions. This includes, for example, receiving and disbursing financial incentive payments, processing interest rate step-ups, and reporting MHA data to Treasury's system of record.
- Treasury will continue to monitor these remaining activities, and publish relevant data about MHA on www.financialstability.gov. The content and format of such data is being revised to reflect the wind-down of MHA. See Appendix (page 10) for more details.

More than 2.9 million homeowner assistance actions¹ have taken place under MHA programs.

HAMP Activity

Trial Modifications	All Trials Started	2,536,766
	Tier 1	2,239,363
	Tier 2	237,295
	Streamline HAMP	60,108
	Active Trials	3,107
Permanent Modifications	All Permanent Modifications Started	1,732,490
	Tier 1	1,472,347
	Tier 2	216,889
	Streamline HAMP	43,254
	Active Permanent Modifications	908,972

Program Results

Median monthly housing payment savings on HAMP Mods ³	\$466.08
Estimated cumulative payment savings on HAMP mods	\$53.2 billion
Cumulative principal balance reduced on HAMP mods	\$24.5 billion
Cumulative principal balance extinguished under 2MP	\$3.7 billion
Cumulative homeowner debt relief through HAFA (non-GSE loans)	\$30.3 billion

Other MHA Program Activity

	Program-to-Date
FHA and RD-HAMP Permanent Modifications Started	141,510
2MP Modifications Started	166,057
HAFA Transactions Completed¹	472,904
UP Forbearance Plans Started²	46,485

For more information about Treasury's housing programs, please visit: <http://www.treasury.gov/initiatives/financial-stability/TARP-Programs/housing/Pages/default.aspx>.

¹Program Total Includes: Government Sponsored Enterprise (GSE) and Non-GSE HAMP permanent modifications; Treasury FHA- and RD-HAMP modifications; and GSE Standard Modifications since October 2011 under the GSEs' Servicer Alignment Initiative as reported by the GSEs to Treasury. HAFA Transactions Completed in the 'Other MHA Program Activity' table includes both GSE and Non-GSE HAFA transactions completed, including those completed by the GSEs since the GSEs jointly streamlined their short sale and deed-in-lieu of foreclosure programs in November 2012. The GSE Standard HAFA program is closely aligned with Treasury's MHA HAFA program. For details on all GSE programs, visit <http://www.FHFA.gov/>.

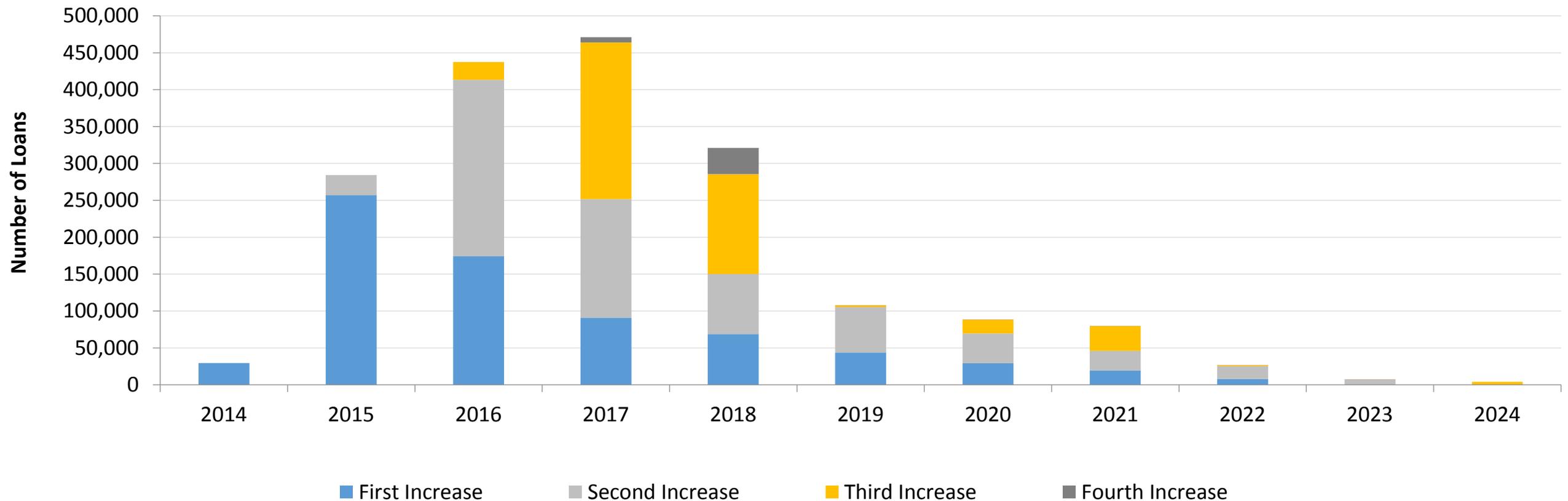
²The Unemployment Program total reflects activity through the program end date of 12/30/2016 as reported by servicers in the final monthly program survey.

³Excludes the impact of any interest rate increases.

HAMP Tier 1 Interest Rate Increases

- Approximately 80% of HAMP Tier 1 homeowners will experience an interest rate increase after five years.
 - The median amount of the first monthly payment increase is \$93, and the median monthly payment increase after the final interest rate increase is \$207.
- Through September 2017, more than 530,000 homeowners have experienced one interest rate step-up, approximately 394,000 have experienced a second rate step-up, and about 209,000 have experienced a third rate step-up.
 - Based on reported data, the rate increase does not appear to have an impact on the performance of these modifications. The percentage of modifications disqualifying in the month following the reset remains consistent with the months leading up to the reset, at less than or equal to 1%.
- To help mitigate the impact of interest rate step-ups, servicers can offer borrowers the opportunity to recast their HAMP modifications upon reaching their sixth-year anniversary. To date, approximately 61,900 loans have been recast, 90% of which experienced an interest rate step-up. Monthly payments for recast loans have been reduced by a median of \$56.

Number of Interest Rate Increases by Year¹



¹ As of September 2017. Assumes no future re-defaults of HAMP Tier 1 modifications.

Performance of HAMP Permanent Modifications

The tables below show the performance of HAMP permanent modifications at various seasoning points for those modifications that have aged to, or past, the number of months noted. Note that far fewer loans have reached these seasoning points for HAMP Tier 2, which was introduced in 2012.

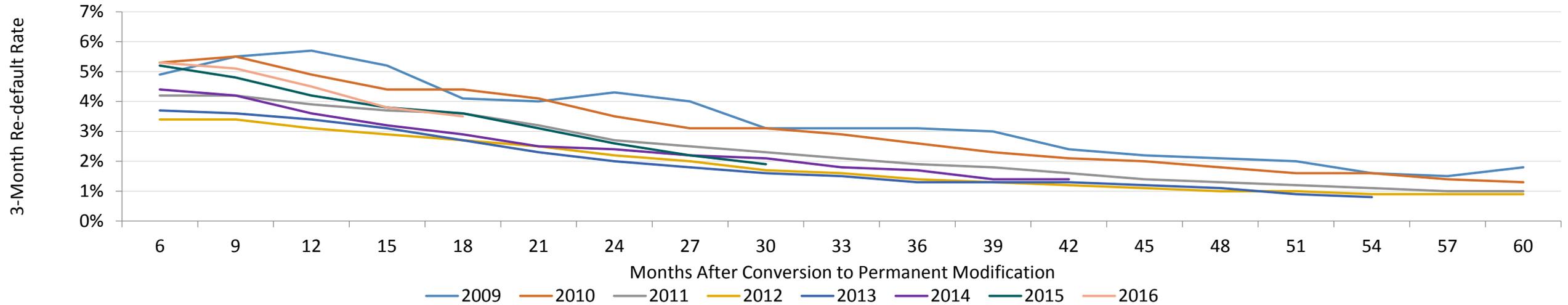
	# Months Post Modification	% of Disqualified Modifications: ¹											
		2009	2010	2011	2012	2013	2014	2015	2016	Q1 2017	Q2 2017	Q3 2017	All
HAMP Tier 1	3	2.1%	1.7%	1.2%	1.0%	0.8%	1.2%	1.3%	1.3%	1.2%	1.4%	1.3%	1.3%
	6	6.7%	6.8%	5.3%	4.3%	3.8%	4.7%	5.3%	5.6%	4.6%	6.2%		5.5%
	12	16.3%	15.6%	12.7%	10.3%	9.5%	10.6%	11.8%	12.8%				13.1%
	18	22.9%	22.7%	18.9%	15.3%	14.0%	15.3%	17.0%	18.2%				19.2%
	24	28.8%	28.1%	23.8%	19.1%	17.3%	18.8%	20.8%					23.9%
	30	33.3%	32.7%	27.3%	22.1%	19.9%	21.7%	23.4%					27.7%
	36	37.6%	36.6%	30.1%	24.6%	22.1%	24.3%						31.1%
	42	41.1%	39.4%	32.5%	26.7%	24.2%	26.1%						33.8%
	48	43.6%	41.7%	34.7%	28.6%	26.4%							36.4%
	54	46.0%	43.6%	36.5%	30.5%	28.7%							38.9%
60	47.9%	45.6%	38.5%	32.9%								41.7%	
HAMP Tier 2	3				1.3%	1.9%	1.7%	1.8%	1.7%	1.4%	1.5%	2.3%	1.7%
	6				5.4%	7.8%	7.1%	7.9%	7.5%	6.5%	7.6%		7.5%
	12				17.4%	17.3%	16.2%	17.6%	17.5%				17.2%
	18				23.2%	24.5%	22.6%	24.7%	24.5%				24.0%
	24				28.7%	29.0%	27.6%	30.0%					28.9%
	30				32.1%	32.4%	31.6%	34.0%					32.3%
	36				34.6%	34.9%	34.8%						34.9%
	42				37.7%	38.0%	38.3%						38.1%
	48				39.8%	41.2%							41.2%

¹ Servicers did not submit 11.0% of the total required OMRs for loans aged up to 60 months in the current reporting period. Several factors, including Federally Declared Disaster designations, contributed to the larger than normal number of missing reports. In addition, reported loan counts may shift from prior reports due to servicer data corrections. For example, if it was assumed that all unreported OMRs reflect either a current payment status or the maximum number of missed payments based on the most recently submitted OMR, the re-default rate for Tier 1 permanent modifications that have aged 60 months may range between 41.3% and 41.4%.

Incremental Performance of HAMP Modifications Over Time

The longer homeowners remain in HAMP without defaulting, the less likely they are to default on their mortgage in the future. For example, the percent of loans active in month 12 that disqualified by month 15 is lower than the percent of loans active in month 6 that disqualified by month 9. These rates assume no future re-defaults.

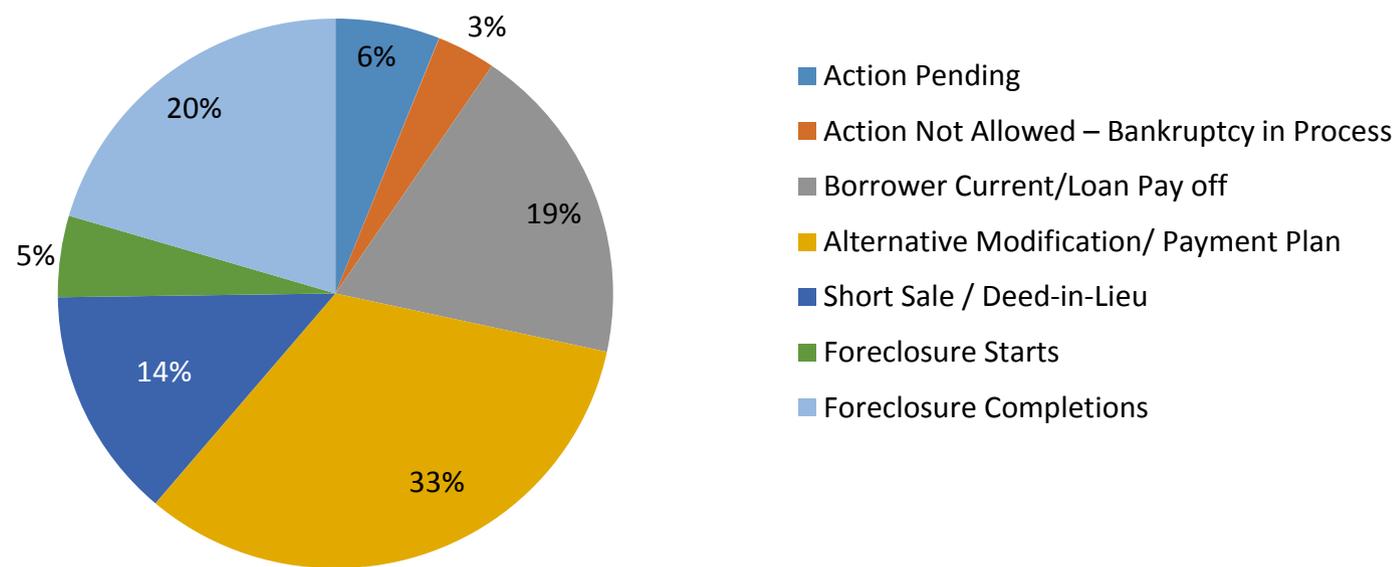
Conditional Re-default Rate for Tier 1 and Tier 2 Modifications by Modification Year (% of Active Loans)



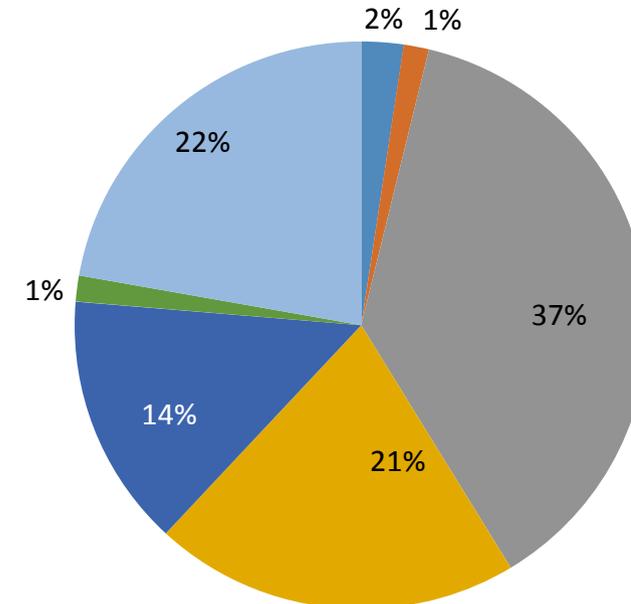
Homeowners with Disqualified HAMP Permanent Modifications or Those Who Did Not Receive a HAMP Modification¹

The majority of homeowners who disqualify from a HAMP permanent modification receive an alternative to foreclosure or resolve their delinquency. In addition, while not all homeowners qualified for HAMP, many have found alternative solutions to their delinquency.

Homeowners with Disqualified HAMP Permanent Modifications



Homeowners Who Did Not Receive a HAMP Modification



¹ Survey data from large servicers. Data is for actions completed through the end of the reporting period and reflects the status of homeowners as of that date; a homeowner's status may change over time. Survey data is not subject to the same data quality checks as data uploaded into the HAMP system of record. Excludes cancellations and disqualifications pending data corrections and loans otherwise removed from servicing portfolios.

Performance of HAMP Modifications by Vintage

HAMP Tier 1

Mod. Effective in:	Delinquency: Months After Conversion to Permanent Modification														
	3			6			12			18			24		
	#	60+ Days	90+ Days	#	60+ Days	90+ Days	#	60+ Days	90+ Days	#	60+ Days	90+ Days	#	60+ Days	90+ Days
2009Q3	3,565	10.7%	4.5%	4,386	15.8%	10.6%	4,585	25.8%	21.2%	4,919	32.2%	28.9%	5,020	36.8%	33.5%
2009Q4	43,336	5.7%	1.9%	47,133	10.2%	6.3%	50,984	20.4%	15.9%	54,155	25.5%	22.4%	55,101	31.6%	28.4%
2010Q1	123,494	4.3%	1.5%	149,705	10.4%	6.1%	160,499	20.4%	16.1%	165,508	26.0%	22.5%	167,329	31.9%	28.8%
2010Q2	147,040	5.3%	1.8%	156,650	12.3%	7.5%	172,951	19.6%	16.1%	170,181	27.8%	24.1%	178,313	31.1%	28.7%
2010Q3	85,925	5.1%	1.9%	95,584	11.1%	7.1%	103,859	18.3%	14.5%	105,822	25.3%	21.9%	105,867	29.5%	26.8%
2010Q4	57,823	4.6%	1.8%	62,275	8.9%	5.7%	64,901	18.4%	14.5%	66,432	24.0%	21.1%	66,200	29.6%	26.5%
2011Q1	70,572	2.9%	1.0%	75,538	8.3%	5.1%	79,250	17.1%	13.6%	80,835	22.3%	19.2%	80,506	27.6%	24.9%
2011Q2	79,592	3.7%	1.3%	88,847	9.4%	5.8%	92,353	16.2%	13.2%	91,652	23.1%	20.1%	91,259	27.3%	25.1%
2011Q3	80,623	3.7%	1.3%	85,680	8.8%	5.6%	86,668	15.5%	12.3%	86,431	21.8%	18.9%	84,910	25.8%	23.4%
2011Q4	64,722	3.4%	1.2%	67,235	6.9%	4.4%	67,588	14.7%	11.4%	67,751	19.3%	16.8%	67,466	23.4%	21.0%
2012Q1	49,171	2.5%	0.8%	50,605	6.7%	4.0%	50,638	14.1%	10.9%	50,031	18.5%	15.8%	50,536	22.5%	20.0%
2012Q2	43,824	3.0%	1.0%	44,802	7.7%	4.6%	45,075	13.6%	10.9%	44,572	18.9%	16.1%	44,775	22.1%	20.0%
2012Q3	47,129	3.1%	1.0%	48,819	7.4%	4.6%	49,543	13.0%	10.0%	50,042	17.9%	15.1%	50,293	20.9%	18.5%
2012Q4	39,176	3.2%	1.0%	41,095	6.3%	3.9%	42,307	12.3%	9.4%	42,554	16.3%	14.0%	42,682	19.9%	17.6%
2013Q1	39,142	2.2%	0.7%	40,796	6.0%	3.5%	41,918	12.6%	9.6%	42,285	16.6%	13.9%	42,068	19.9%	17.7%
2013Q2	31,444	2.6%	0.8%	32,921	6.5%	3.9%	33,629	11.8%	9.4%	33,915	16.6%	14.2%	34,055	19.2%	17.4%
2013Q3	31,827	2.9%	0.9%	33,300	7.0%	4.2%	34,699	12.2%	9.3%	34,508	16.5%	14.1%	34,660	18.9%	17.0%
2013Q4	27,217	3.0%	1.0%	28,536	6.3%	3.9%	29,818	12.3%	9.5%	29,835	16.2%	14.0%	29,825	19.3%	17.2%
2014Q1	23,618	2.5%	0.9%	25,516	6.9%	3.9%	26,365	13.2%	10.4%	26,299	16.7%	14.5%	26,388	19.9%	17.9%
2014Q2	18,979	3.7%	1.1%	19,785	7.8%	5.1%	20,405	13.1%	10.8%	20,365	18.0%	15.3%	20,469	20.4%	18.5%
2014Q3	16,947	3.6%	1.3%	17,788	8.1%	5.5%	18,360	13.5%	10.7%	18,412	18.5%	15.9%	18,362	21.6%	19.4%
2014Q4	15,077	3.9%	1.5%	16,842	7.2%	4.5%	17,276	14.1%	10.8%	17,482	18.2%	15.8%	17,266	22.1%	19.7%
2015Q1	14,769	2.9%	1.0%	15,743	7.3%	4.4%	16,155	14.1%	11.1%	16,154	18.6%	16.0%	16,170	22.8%	20.1%
2015Q2	14,234	4.0%	1.4%	14,781	9.1%	5.6%	15,074	15.1%	12.0%	15,067	20.0%	16.8%	15,120	22.9%	20.5%
2015Q3	12,611	3.9%	1.4%	13,051	8.9%	5.6%	13,320	15.3%	11.8%	13,268	21.0%	17.7%	13,279	23.9%	21.3%
2015Q4	10,446	4.2%	1.6%	10,908	8.6%	5.7%	11,152	15.9%	12.5%	11,118	20.8%	17.9%	3,654	26.0%	23.6%
2016Q1	9,614	3.3%	1.0%	10,002	8.4%	5.0%	10,195	16.2%	12.4%	10,163	20.6%	17.7%			
2016Q2	8,736	4.2%	1.6%	9,205	9.3%	5.8%	9,431	16.2%	12.8%	2,994	22.7%	19.9%			
2016Q3	7,969	4.4%	1.4%	8,398	9.6%	6.0%	8,586	16.6%	12.9%						
2016Q4	6,606	4.5%	1.3%	7,013	8.6%	5.5%	2,269	18.4%	14.5%						
2017Q1	5,779	3.5%	1.2%	6,031	7.8%	4.6%									
2017Q2	4,383	4.6%	1.4%	1,659	10.7%	6.2%									
2017Q3	635	4.1%	1.3%												
All	1,236,025	3.9%	1.3%	1,330,629	9.0%	5.5%	1,379,853	16.5%	13.1%	1,372,750	22.2%	19.2%	1,361,573	26.4%	23.9%

Performance of HAMP Modifications by Vintage

HAMP Tier 1

Mod. Effective in:	Delinquency: Months After Conversion to Permanent Modification														
	36			48			60			72			84		
	#	60+ Days	90+ Days	#	60+ Days	90+ Days	#	60+ Days	90+ Days	#	60+ Days	90+ Days	#	60+ Days	90+ Days
2009Q3	5,121	43.8%	41.7%	5,029	49.9%	48.3%	5,009	53.9%	52.4%	4,758	59.3%	58.6%	4,432	66.5%	65.7%
2009Q4	55,913	39.7%	37.2%	55,655	44.9%	43.1%	54,903	48.9%	47.5%	52,708	53.8%	52.8%	49,196	60.3%	59.5%
2010Q1	165,630	39.7%	37.5%	165,339	44.6%	43.0%	162,791	48.5%	47.2%	156,855	53.2%	52.2%	146,058	59.7%	58.8%
2010Q2	174,600	39.3%	37.5%	173,736	43.8%	42.6%	172,498	47.2%	46.2%	165,221	52.1%	51.3%	154,101	58.4%	57.8%
2010Q3	104,158	37.2%	35.3%	104,709	41.3%	39.8%	102,425	45.0%	44.0%	98,068	49.8%	48.9%	92,309	55.3%	54.6%
2010Q4	65,688	36.3%	34.3%	65,680	40.4%	38.8%	64,603	43.8%	42.6%	62,163	48.0%	47.2%	18,867	56.3%	55.6%
2011Q1	80,633	33.9%	31.9%	80,097	38.0%	36.6%	78,322	41.4%	40.4%	74,059	46.6%	45.6%			
2011Q2	91,263	33.2%	31.6%	90,757	37.2%	36.1%	88,364	40.8%	39.8%	83,669	45.8%	45.0%			
2011Q3	86,608	31.0%	29.3%	84,749	35.4%	34.2%	81,838	39.2%	38.2%	78,109	43.6%	42.7%			
2011Q4	67,547	28.5%	26.8%	66,469	32.3%	30.9%	64,668	35.7%	34.7%	21,176	42.3%	41.6%			
2012Q1	50,079	28.0%	26.0%	49,482	31.3%	30.1%	47,942	35.0%	33.8%						
2012Q2	44,696	27.0%	25.5%	43,674	30.7%	29.5%	42,164	34.2%	33.3%						
2012Q3	49,581	25.6%	24.1%	48,342	29.3%	28.1%	46,592	32.8%	31.7%						
2012Q4	42,067	24.2%	22.7%	40,924	28.0%	26.6%	12,026	33.7%	32.7%						
2013Q1	41,560	24.1%	22.4%	40,317	27.9%	26.5%									
2013Q2	33,906	23.4%	22.0%	32,962	27.4%	26.1%									
2013Q3	34,239	23.5%	21.9%	33,200	27.4%	26.1%									
2013Q4	29,479	23.6%	22.0%	9,087	29.1%	27.7%									
2014Q1	26,065	25.2%	23.4%												
2014Q2	20,315	25.5%	23.8%												
2014Q3	18,108	26.9%	25.2%												
2014Q4	5,074	29.3%	27.4%												
2015Q1															
2015Q2															
2015Q3															
2015Q4															
2016Q1															
2016Q2															
2016Q3															
2016Q4															
2017Q1															
2017Q2															
2017Q3															
All	1,292,330	32.9%	31.1%	1,190,208	37.8%	36.4%	1,024,145	42.8%	41.7%	796,786	49.6%	48.7%	464,963	58.4%	57.6%

Performance of HAMP Modifications by Vintage

HAMP Tier 2

Mod. Effective in:	Delinquency: Months After Conversion to Permanent Modification														
	3			6			12			18			24		
	#	60+ Days	90+ Days	#	60+ Days	90+ Days	#	60+ Days	90+ Days	#	60+ Days	90+ Days	#	60+ Days	90+ Days
2012Q3	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	1	100.0%	100.0%	1	100.0%	100.0%
2012Q4	946	5.3%	1.3%	1,116	9.9%	5.4%	1,187	23.6%	17.4%	1,244	28.1%	23.2%	1,257	33.4%	28.6%
2013Q1	2,476	4.3%	1.4%	2,710	12.5%	7.2%	2,871	24.9%	19.5%	2,975	31.1%	26.8%	3,009	35.9%	32.4%
2013Q2	4,100	5.4%	1.6%	4,450	13.9%	8.0%	5,053	22.0%	17.6%	5,156	29.3%	24.8%	5,194	32.5%	29.3%
2013Q3	11,198	6.0%	2.2%	13,195	14.0%	8.4%	13,620	22.4%	16.9%	13,526	29.2%	25.0%	13,831	32.3%	28.9%
2013Q4	11,200	5.9%	1.9%	11,784	11.9%	7.3%	12,597	22.3%	17.1%	12,500	26.9%	23.4%	12,642	31.6%	28.1%
2014Q1	10,494	4.1%	1.4%	11,601	12.2%	6.7%	12,009	21.7%	17.0%	11,793	26.8%	23.0%	12,009	30.9%	27.5%
2014Q2	10,872	5.5%	1.4%	11,182	13.0%	7.4%	11,290	20.0%	15.8%	11,200	26.7%	22.4%	10,993	31.0%	27.8%
2014Q3	9,158	5.8%	2.0%	9,463	12.8%	8.1%	9,936	20.3%	15.5%	9,826	26.7%	22.4%	9,824	30.4%	27.1%
2014Q4	11,041	5.8%	1.9%	12,679	11.3%	6.5%	12,897	21.6%	16.4%	13,251	26.8%	22.7%	13,145	31.6%	27.8%
2015Q1	13,063	4.6%	1.2%	14,040	12.1%	6.5%	14,211	22.3%	17.0%	14,135	27.7%	23.4%	14,194	33.4%	29.2%
2015Q2	13,937	6.0%	1.6%	14,243	14.2%	8.6%	14,310	23.1%	17.9%	14,355	29.9%	25.1%	14,443	33.5%	30.2%
2015Q3	14,262	6.8%	2.2%	14,691	14.8%	8.9%	14,936	22.7%	17.8%	14,815	30.1%	25.7%	14,863	33.8%	30.2%
2015Q4	11,818	6.6%	2.1%	12,070	12.6%	7.5%	12,519	22.6%	17.5%	12,539	28.4%	24.6%	4,091	34.5%	31.3%
2016Q1	12,581	4.7%	1.3%	13,087	12.0%	6.6%	13,298	23.0%	17.4%	13,292	28.5%	23.8%			
2016Q2	12,794	5.5%	1.6%	13,246	14.1%	8.0%	13,570	22.6%	17.7%	4,276	31.3%	26.8%			
2016Q3	12,455	6.3%	2.0%	12,969	14.2%	8.3%	13,185	22.7%	17.6%						
2016Q4	10,153	6.2%	1.9%	10,770	11.7%	6.9%	3,562	22.5%	17.3%						
2017Q1	8,971	4.4%	1.4%	9,236	11.5%	6.5%									
2017Q2	7,098	5.2%	1.5%	2,681	13.1%	7.6%									
2017Q3	984	5.7%	2.3%												
All	189,601	5.6%	1.7%	195,213	12.9%	7.5%	181,051	22.2%	17.2%	154,884	28.3%	24.0%	129,496	32.4%	28.9%

Performance of HAMP Modifications by Vintage

HAMP Tier 2						
Mod. Effective in:	Delinquency: Months After Conversion to Permanent Modification					
	36			48		
	#	60+ Days	90+ Days	#	60+ Days	90+ Days
2012Q3	1	100.0%	100.0%	1	100.0%	100.0%
2012Q4	1,283	39.0%	34.5%	1,250	42.0%	39.8%
2013Q1	3,232	38.9%	36.9%	3,133	43.9%	41.7%
2013Q2	5,257	37.3%	34.8%	5,112	42.4%	40.5%
2013Q3	14,012	37.3%	34.8%	13,569	42.8%	40.8%
2013Q4	12,708	37.2%	34.5%	4,353	45.1%	43.0%
2014Q1	11,876	37.3%	34.6%			
2014Q2	11,182	36.9%	34.3%			
2014Q3	9,641	37.7%	35.2%			
2014Q4	3,592	39.0%	36.4%			
2015Q1						
2015Q2						
2015Q3						
2015Q4						
2016Q1						
2016Q2						
2016Q3						
2016Q4						
2017Q1						
2017Q2						
2017Q3						
All	72,784	37.5%	34.9%	27,418	43.2%	41.2%

MHA Performance and Compliance Monitoring

Treasury Monitors Performance of Participating Mortgage Servicers

Treasury has monitored the performance of participating mortgage servicers since the MHA Program's inception in 2009. Freddie Mac, acting as Treasury's compliance agent, created a separate division known as Making Home Affordable–Compliance (MHA-C), which evaluates servicers' compliance with MHA guidelines through regular compliance reviews.

Over the years, these reviews have assessed servicers' compliance with MHA guidelines in many areas, such as:

- Identifying and contacting homeowners who are potentially eligible for MHA;
- Evaluating homeowners' eligibility for MHA programs and communicating decisions;
- Remitting or applying financial incentives for the benefit of eligible homeowners;
- Processing interest-rate step-ups, loan recasts and related notices to borrowers;
- Processing MHA-modified loans that have lost good standing or are included in a transfer of servicing; and
- Reporting MHA data to Treasury's system of record.

MHA-C reports the results of each compliance review to Treasury and the servicer. This approach provides Treasury with comprehensive insight into how each servicer is implementing MHA programs.

Consequences of Non-Compliance

Servicer participation in MHA is based on a contract with Fannie Mae, as financial agent on behalf of Treasury. It is important to note that 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. This includes requiring the servicer to correct identified instances of non-compliance, identify and re-evaluate affected loans, perform a retroactive analysis when an issue is potentially systemic, and enhance the effectiveness of the servicer's internal controls. In addition, Treasury can implement financial remedies, such as withholding financial incentive payments owed to servicers until non-compliance is corrected.

MHA Wind-Down

The Consolidated Appropriations Act, 2016, signed into law on December 18, 2015, provided that the MHA Program would terminate on December 31, 2016, except with respect to certain loan modification applications made before such date. As set forth in program guidelines, MHA servicers were required to evaluate applications submitted before the deadline and offer trial modifications to eligible applicants. All MHA transactions must be completed by December 1, 2017.

Following the completion of all MHA transactions on December 1, 2017, Treasury will continue to monitor servicer compliance with respect to those MHA guidelines that pertain to post-modification activities, and require remedial action as described above.