



## **Making Home Affordable Data File Summary**

January 31, 2011

### **Background**

In February of 2009, as part of a broader plan to stabilize the housing market and economy, President Obama announced the Making Home Affordable Program (MHA) to help families restructure or modify their mortgages to avoid foreclosure. As part of this plan, the U.S. Department of the Treasury (Treasury) and the Department of Housing and Urban Development (HUD) announced a national modification program for first-lien mortgages, the Home Affordable Modification Program (HAMP). HAMP is intended to help struggling homeowners avoid foreclosure by modifying first-lien mortgages to make mortgage payments more affordable and sustainable over time.

As part of our continued commitment to enhanced reporting and transparency, the Administration is making available loan-level records (referred to as the MHA Data File), which include data relating to applications and trial and permanent modifications under the MHA program. This data includes, for the first time, detailed information about HAMP program participants, including their race and ethnicity, and information about their credit quality as they obtained permanent modifications. Treasury compiled the MHA Data File from information provided by mortgage servicers participating in the program. In order to adhere to privacy laws designed to protect homeowners' privacy rights, certain information is not included. The MHA Data File will be updated monthly and will be expanded in the future to include newer MHA programs. It will be located online at [http://www.treasury.gov/initiatives/financial-stability/results/Pages/mha\\_publicfile.aspx](http://www.treasury.gov/initiatives/financial-stability/results/Pages/mha_publicfile.aspx).

Some key facts regarding the contents, formatting, accessibility, presentation and limitations of the MHA Data File are provided in Appendix 1 to this document. In addition, a user guide to the MHA Data File will also be posted at [http://www.treasury.gov/initiatives/financialstability/results/Pages/mha\\_publicfile.aspx](http://www.treasury.gov/initiatives/financialstability/results/Pages/mha_publicfile.aspx). This user guide describes the known data quality issues, limitations and variances in the MHA Data File. It also discusses other data interpretation issues, presents a data dictionary, and serves as an instructive reference tool for MHA Data File users. Treasury will update the MHA Data File user guide periodically as necessary.

In particular, as discussed in Appendix 1, readers should be aware that the data in the MHA Data File is not verified by Treasury or any other governmental agency. It is also not collected by Treasury; the data is collected by the servicers of mortgages from homeowners applying to the program. The data is also incomplete in some respects, as respondents may not have provided all information. In addition, the data relating to permanent modifications is generally more complete, and reliable, than the data relating to trial modifications.

### **Contents**

The data file provides information on many subjects including:

- gross income of homeowners who have applied for HAMP mortgage assistance;
- mortgage loan balances of homeowners after receiving a permanent modification;

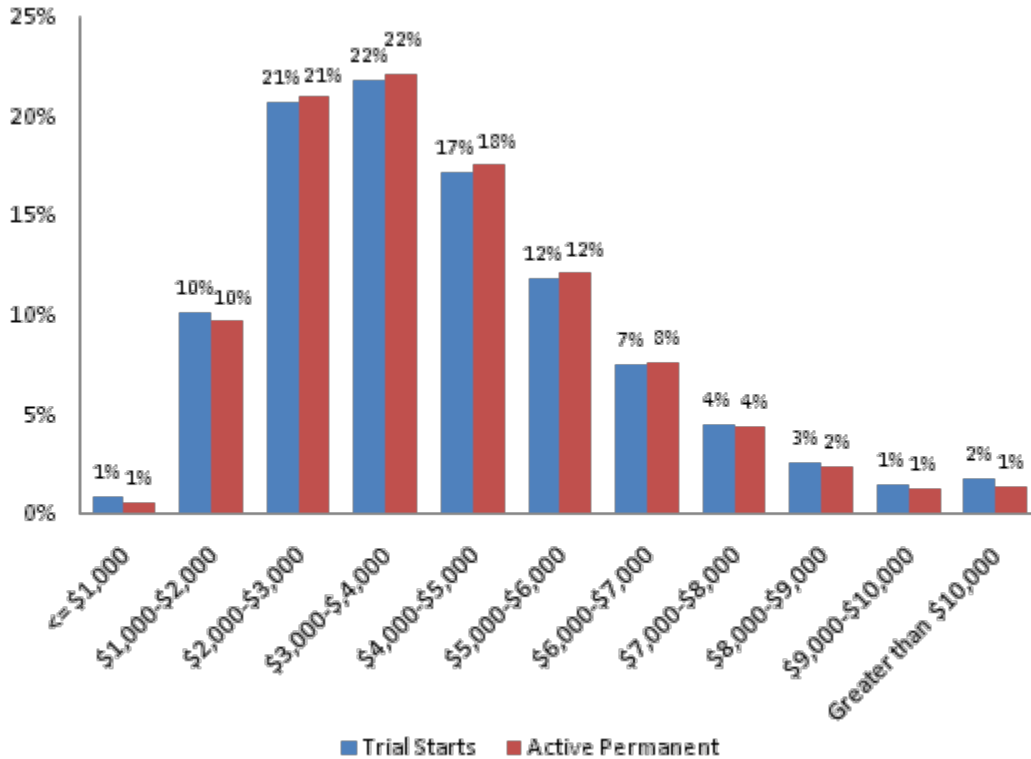
- monthly mortgage payment reductions of homeowners in permanent HAMP modifications;
- credit scores of homeowners in permanent modifications; and
- race and ethnicity information of homeowners in HAMP (to the extent respondents provided such information).

Treasury has provided certain summary information below on these topics. However, it should be noted that there are many ways to analyze the data in addition to the presentations below.

### Gross Income of Homeowners in the Program

The following chart sets forth the gross annual income of homeowners that have entered trial or permanent modifications since the program began, based on homeowner-provided information at the start of the modification. More than one-half of homeowners entering into HAMP trial modifications had a gross annual income at or below \$48,000. The median gross annual income for a homeowner entering into a trial modification is \$46,344 (\$3,862 each month), or \$46,196 (\$3,850 each month) for a homeowner in an active permanent HAMP modification.<sup>1</sup>

**Monthly Gross Income of Homeowners in HAMP Modifications**

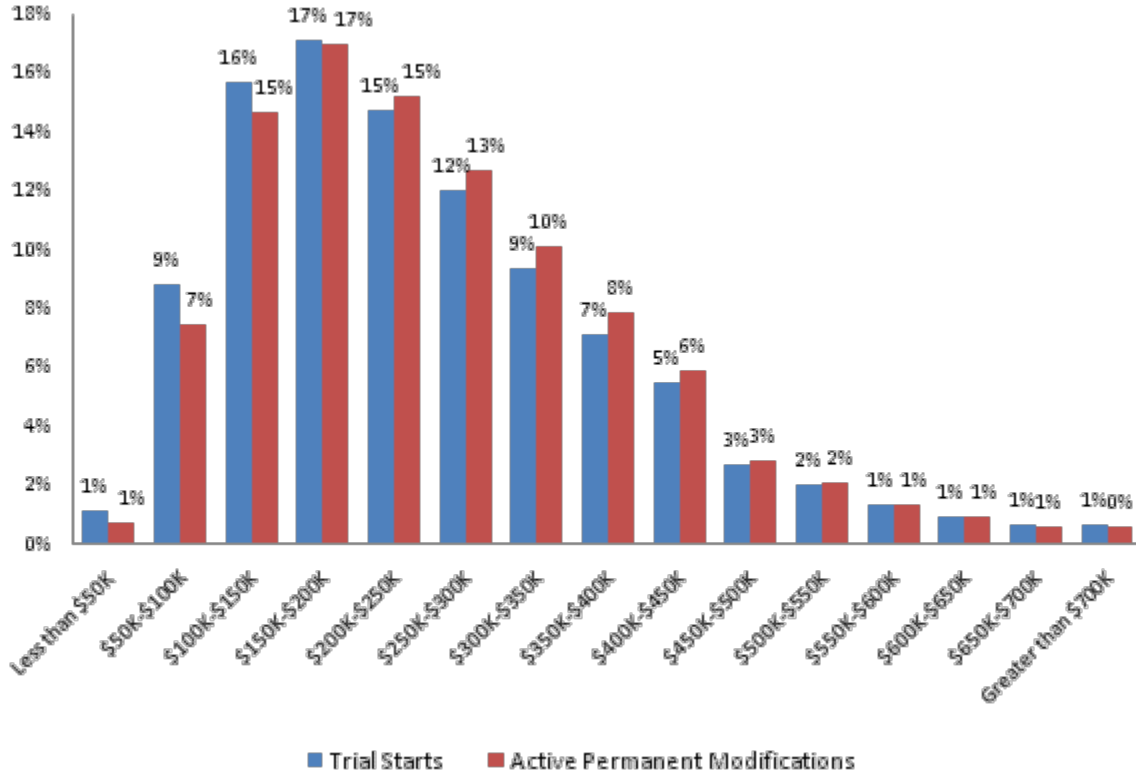


<sup>1</sup> Monthly gross income, credit score, post-modification unpaid principal balance (UPB), and loan-to-value (LTV) is sourced from unrounded NPV input data provided by servicers. Monthly gross income buckets are inclusive of the upper bound (i.e. <= \$1,000.00, \$1,000.01-\$2,000.00, etc.).

**Loan Balances of Homeowners in the Program**

The following chart shows the loan balances for those homeowners in permanent modifications as of November 30, 2010. Approximately 40 percent of homeowners that started a HAMP trial modification or that are in active permanent modifications have post-modification loan balances of up to \$200,000. The median loan balance for trial starts (\$223,283) is slightly lower than the median for active permanent modifications (\$232,196).<sup>2</sup>

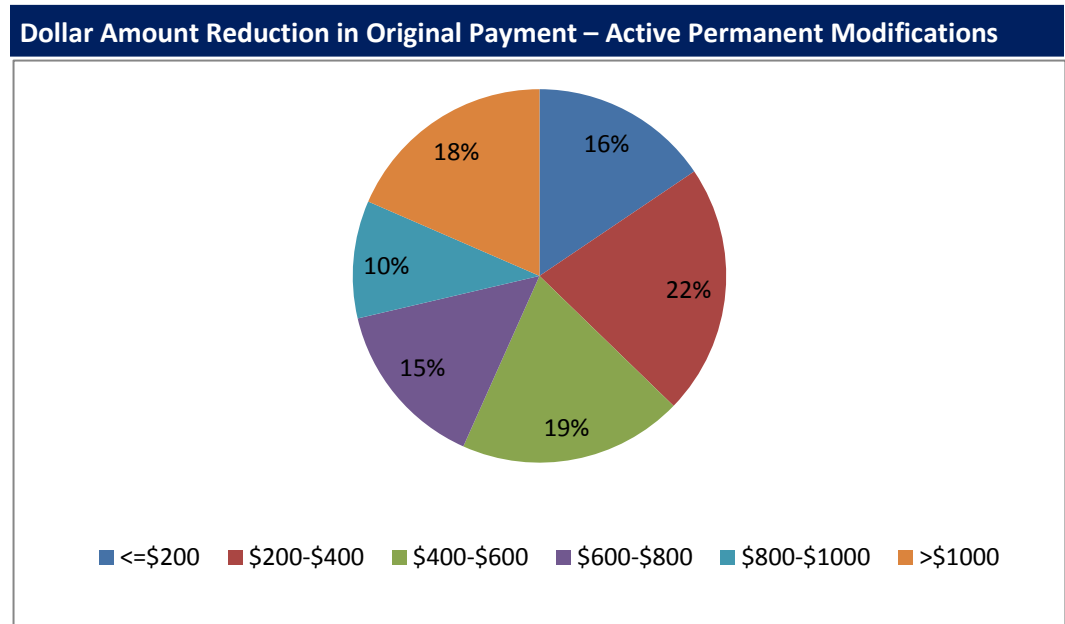
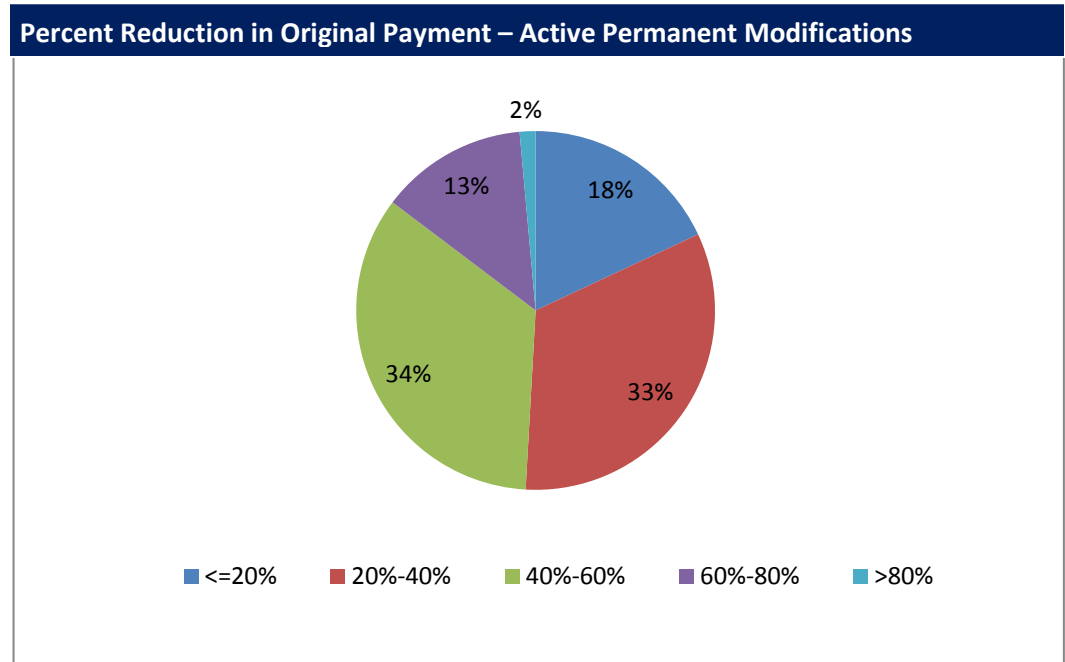
**Unpaid Principal Balance After Modification**



<sup>2</sup> Unpaid principal balance after modification is calculated by adding the post-modification amortizing loan balance to the dollar amount of forbearance. The population is restricted to loans with NPV data reported by the servicer. Calculations are based on unrounded data. UPB buckets are inclusive of the upper bound (i.e. <= \$50K, \$50,000.01-\$100,000, etc.).

**Monthly Payment Reductions**

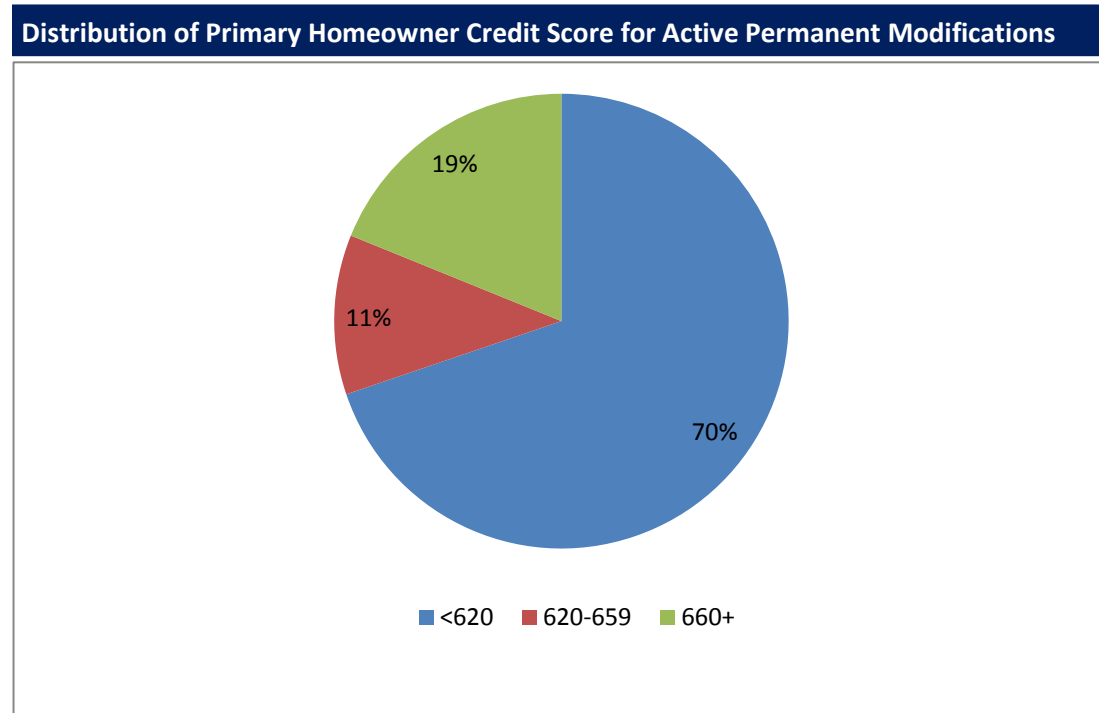
The following chart shows the reduction in monthly mortgage payments for those homeowners in permanent modifications as of November 30, 2010. The median reduction is 40 percent—more than \$520 each month—amounting to a total, program-wide savings for homeowners of an estimated \$4.5 billion.<sup>3</sup>



<sup>3</sup> Payment reduction buckets for dollars and percents are inclusive of the upper bound (i.e. <=20%, 20.01%-40%, etc).

### ***Credit Scores of Homeowners in Permanent Modifications***

The following chart shows the credit scores for homeowners in active permanent modifications as of November 30, 2010. The credit score is measured as of the date of conversion from trial modification to permanent modification. The median homeowner credit score is 570. Seventy percent of homeowners in active HAMP permanent modifications have a reported credit score at conversion of under 620, while 11 percent have a reported credit score between 620 and 659, and 19 percent have a reported credit score of 660 or above.<sup>4</sup>



<sup>4</sup> Monthly gross income, credit score, post-modification UPB, and mark-to-market LTV is sourced from unrounded, Net Present Value (NPV) data provided by servicers.

### Race and Ethnicity Information<sup>5</sup>

The following chart shows the race and ethnicity distribution of homeowners receiving trial and permanent modifications to the extent the data is available.<sup>6</sup>

Race and Ethnicity Distribution for MHA Activity								
Primary Borrower Race	Trial Starts after 12/1/2009		Active Permanents after 12/1/2009		Not Approved/ Not Accepted		Trial Cancels	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Hispanic or Latino	155,819	16.4%	83,660	17.7%	101,885	8.4%	48,836	16.2%
Black or African American	109,855	11.5%	57,274	12.1%	90,467	7.4%	32,753	10.9%
Asian	29,035	3.0%	14,762	3.1%	26,274	2.2%	9,650	3.2%
Native Hawaiian/Pacific Islander	7,197	0.8%	4,673	1.0%	18,659	1.5%	1,252	0.4%
American Indian/Alaskan	3,660	0.4%	1,970	0.4%	3,286	0.3%	1,072	0.4%
White	301,257	31.6%	155,538	32.9%	282,022	23.1%	95,072	31.5%
Two or More Races	1,263	0.1%	566	0.1%	1,557	0.1%	441	0.1%
Information Not Provided by Borrower	291,934	30.7%	136,622	28.9%	430,184	35.3%	106,143	35.2%
Not Applicable	1,593	0.2%	1,004	0.2%	467	0.0%	444	0.1%
Not Reported by Servicer	50,485	5.3%	16,550	3.5%	265,185	21.7%	5,990	2.0%
Overall Portfolio	952,098	100%	472,619	100%	1,219,986	100%	301,653	100%

The chart below provides the same data but limited to those persons reporting race and ethnicity.<sup>7</sup>

Distribution of Race and Ethnicity for Borrowers That Reported Race/Ethnicity				
Primary Borrower Race	Trial Starts after 12/1/2009	Active Permanents after 12/1/2009	Not Approved/ Not Accepted	Trial Cancels
Hispanic or Latino	25.6%	26.3%	19.4%	25.8%
Black or African American	18.1%	18.0%	17.3%	17.3%
Asian	4.8%	4.6%	5.0%	5.1%
Native Hawaiian/Pacific Islander	1.2%	1.5%	3.6%	0.7%
American Indian/Alaskan	0.6%	0.6%	0.6%	0.6%
White	49.5%	48.8%	53.8%	50.3%
Two or More Races	0.2%	0.2%	0.3%	0.2%
Grand Total	100%	100%	100%	100%

<sup>5</sup> Applicants and homeowners in the MHA program are requested, but not required, to provide race and ethnicity information in order to obtain a modification under the MHA program. However, as described below in Appendix 1, many homeowners chose not to provide race and ethnicity data. Also, Supplemental Directive 09-06 required servicers to collect race and ethnicity data only for modifications after December 1, 2009. Consequently, approximately 33% of total HAMP trial starts and 6% of active permanent modifications that started before December 1, 2009, have little or no race and ethnicity data.

<sup>6</sup> Supplemental Directive 09-06 required reporting on race and ethnicity, NPV Inputs, and Trial Denial Reason Codes for trial set-ups and permanent modifications after December 1, 2009. For the purposes of this analysis, this is the population under consideration.

<sup>7</sup> See footnote 6 above.

The following chart provides information on minority homeowner participation in Metropolitan Statistical Areas (MSAs) that have the highest HAMP volume.

<b>Top 10 MHA Volume Metropolitan Statistical Areas for Active Permanent Modifications</b>									
<b>MSA Name</b>	<b>HAMP Volume (%)</b>	<b>Hispanic or Latino</b>	<b>Black or African American</b>	<b>Asian</b>	<b>Native Hawaiian/ Pacific Islander</b>	<b>American Indian/ Alaska Native</b>	<b>White</b>	<b>Two or More Races</b>	<b>Grand Total</b>
Los Angeles-Long Beach-Santa Ana, CA	6.9%	55.7%	12.5%	8.1%	1.7%	0.5%	21.4%	0.1%	100%
New York-Northern New Jersey-Long Island, NY-NJ-PA	6.1%	25.0%	23.9%	6.7%	1.9%	0.5%	41.9%	0.1%	100%
Riverside-San Bernardino-Ontario, CA	5.4%	52.2%	10.0%	4.9%	1.4%	0.6%	30.8%	0.2%	100%
Chicago-Naperville-Joliet, IL-IN-WI	5.3%	33.8%	18.6%	3.9%	1.3%	0.3%	41.9%	0.2%	100%
Miami-Fort Lauderdale-Pompano Beach, FL	4.6%	45.4%	26.1%	1.9%	1.3%	0.2%	25.1%	0.1%	100%
Phoenix-Mesa-Glendale, AZ	4.1%	38.4%	5.7%	3.2%	1.2%	0.6%	50.7%	0.1%	100%
Washington-Arlington-Alexandria, DC-VA-MD-WV	3.5%	23.7%	42.8%	7.6%	0.9%	0.4%	24.4%	0.2%	100%
Atlanta-Sandy Springs-Marietta, GA	2.9%	12.0%	49.4%	4.5%	1.3%	0.5%	32.1%	0.1%	100%
Las Vegas-Paradise, NV	2.1%	35.9%	9.9%	10.5%	1.9%	0.6%	41.0%	0.3%	100%
Detroit-Warren-Livonia, MI	2.1%	3.3%	20.4%	2.8%	0.8%	0.8%	71.6%	0.2%	100%
OVERALL PORTFOLIO	100%	26.3%	18.0%	4.6%	1.5%	0.6%	48.8%	0.2%	100%

## APPENDIX 1

### DETAILS OF THE MHA DATA FILE

Treasury requires mortgage servicers participating in MHA to submit mortgage loan-level information to Treasury's data system of record for each trial and permanent modification. Servicers must submit this information even if the homeowner is not approved for a trial modification, fails to get a permanent modification, or otherwise cancels out of the program. Treasury's system of record captures and stores this loan-level information, resulting in an extensive record related to applying homeowners.

#### *What is included in the MHA Data File*

Currently, the MHA Data File contains approximately 2.5 million HAMP loan-level data records for trial and permanent modifications, as well as cancellations and evaluations that did not result in trial modifications. At this time, the MHA Data File initially contains information only on first-lien mortgage loans modified under Treasury's HAMP program and the HAMP programs of Fannie Mae and Freddie Mac (the Government-Sponsored Enterprises, or GSEs), but will be updated monthly with data on new activity and, when available, other MHA programs.

The MHA Data File contains demographic information such as race, ethnicity and gender. The file also contains modification payment information and Net Present Value (NPV) data. As described below, however, some data fields have been omitted or masked to protect the privacy of homeowners in the program.

#### *What is not included the MHA Data File*

The MHA Data File excludes loan-level homeowner information that could be used to identify a specific individual. All personally identifiable information – such as names, addresses, and social security numbers – has been removed. Treasury engaged an independent non-profit, non-partisan policy institute devoted to research, public education, and outreach on public and economic policy matters to perform a privacy analysis of the full MHA data. As a result of the analysis, the MHA Data File contains additional data that has been obscured, rounded or masked to protect homeowner privacy. Data rounded to protect homeowner privacy includes homeowner birth year; certain modification terms, including payment amount and interest rates; and property values.

In addition, the MHA Data File masks property location to protect homeowner privacy. Based on volume and distribution of the modification, the MHA Data File limits geographic information on the related mortgaged property to the Metropolitan Statistical Area (MSA) or, in circumstances where MSA-level information does not adequately protect homeowner privacy, to the related state. Additionally, where the mortgaged property does not reside in an MSA, or the property has not been geographically coded, the MHA Data File provides the state code instead of MSA. Due to privacy considerations, it is not possible to provide loan-level information by zip code or Congressional district.

The mortgage servicer for each loan is also not specified in the MHA Data File. The terms of the contracts with MHA-participating servicers, known as the servicer participation agreements (and which are posted online at <http://www.treasury.gov/initiatives/financial-stability/housing-programs/mha/Pages/default.aspx>) restrict disclosure of loan-level servicer information relative to race

and ethnicity. For this reason, the servicer names are not included in the MHA Data File. However, summary servicer performance information for the top eight servicers is provided in the monthly MHA Servicer Performance Report, posted at <http://www.treasury.gov/initiatives/financial-stability/results/MHA-Reports/Pages/default.aspx> and is updated monthly. In addition, comprehensive MHA data (including information by servicer) is provided to certain regulatory agencies responsible for overseeing fair lending laws. (See the section “Government Monitoring Information” below.)

There are inherent limitations and quality issues with respect to the MHA Data File. In particular, readers should be aware that the data in the MHA Data File is not verified by Treasury or any other governmental agency. It is also not collected by Treasury; the data is collected by the servicers of mortgages from homeowners applying to the program. The data is also incomplete in some respects, as respondents may not have provided all information. It is important to note that data quality for permanent HAMP modifications is much higher compared to that for trial modifications (many of which were never made permanent, which occurred most commonly because, among other reasons, the homeowner did not make the lower monthly payments during the trial plan period, because the homeowner did not meet the income eligibility requirements or because the homeowner did not provide the required documentation). Data quality continues to evolve as new system edits are introduced and data quality is monitored and remediated by Treasury and by Treasury’s program administrator for the MHA program. Although the ultimate responsibility for the quality of the data lies with the program servicers, Treasury and its program administrator continue to work with servicers on remediation of data quality issues.

The MHA Data File User Guide accompanying the file describes the known data quality issues and variances. It also discusses other data interpretation issues, presents a data dictionary, and serves as an instructive reference tool for MHA Data File users. Treasury will update the MHA Data File User Guide periodically as necessary.

#### *Format of the MHA Data File*

The MHA Data File is available as a comma-separated value or character-separated value (“.csv”) file. The CSV format is generally convertible into and readable by almost all spreadsheets and database management systems, including Microsoft Excel.

#### *How the MHA Data File is Organized*

The MHA Data File consists of two types of data files: a Loan Modification Data Set and a Net Present Value Data Set.

- **Loan Modification Data Set:** Each record in this data set represents the most current information, as reported to the Treasury system of record, on each loan as it progresses through the stages of the modification process. This data set includes requests for modification that were not approved by servicers or not accepted by homeowners, trial modification setups, trial modification fallout, permanent modification setups, and permanent modification fallout.
- **Net Present Value (NPV) Data Set:** Each record in this data set contains data inputs to, and results of, the NPV test performed by participating servicers at the point in time that the loan was evaluated for the HAMP program. It is important to note that loans might not be evaluated for an

NPV analysis if the loan fails to qualify for the program because of other reasons, such as an ineligible date of origination or the property is not owner-occupied. Each record in the Net Present Value Data Set can be associated with a record in the Loan Modification Data Set. For those servicers that use Treasury's NPV portal, we have assumed the last run on a related mortgage loan in the NPV portal is the one used in the evaluation.

Both the Loan Modification Data Set and the Net Present Value Data Set are further segregated into files sorted into 10 geographical regions (Property Region Codes), which are described in the MHA Data File User Guide. An additional file is available for those loans that do not have a value for Property Region Code, making a total of 22 files that comprise the MHA Data File. Treasury believes the distribution of data across a number of files may make the MHA Data File easier to use, given the large number of records and information available.

### **GOVERNMENT MONITORING INFORMATION**

Applicants and homeowners in the MHA program are requested, but not required, to provide race and ethnicity information as part of obtaining a modification under the MHA program. Many homeowners chose not to provide race and ethnicity data. Also, Treasury guidelines required servicers to collect race and ethnicity data only for modifications after December 1, 2009. Consequently, a substantial portion of the entries in the MHA Data File have little or no race or ethnicity data, particularly for modifications completed before December 1, 2009.

However, for the race and ethnicity data that exists, Treasury intends to engage one or more independent, third-party research firms to conduct a more detailed analysis of fair lending in MHA. This research firm (or firms) will be required to maintain the privacy of the data of MHA homeowners. The results from this analysis will be made available to the public.

It is important to note that the government agencies with oversight and enforcement authority – which include the Office of the Comptroller of the Currency (OCC), the Department of Justice, and the Department of Housing and Urban Development (HUD) – receive a more detailed monthly loan-level file that identifies specific information by servicer, which these agencies can use in connection with their fair lending enforcement activities.