

# **EXHIBIT 3**

*Supplemental Directive 09-08*

*November 3, 2009*

## *Home Affordable Modification Program – Borrower Notices*

### **Background**

In Supplemental Directive 09-01, the Treasury Department (Treasury) announced the eligibility, underwriting and servicing requirements for the Home Affordable Modification Program (HAMP). Under HAMP, servicers apply a uniform loan modification process to provide eligible borrowers with sustainable monthly payments for their first lien mortgage loans. While HAMP program guidelines are intended to reach a broad range of at-risk borrowers, there will be loans that cannot be approved for a HAMP Trial Period Plan (Trial Period Plan) or official HAMP modification, and there will be borrowers who choose not to accept a Trial Period Plan or official HAMP modification offer. In such cases, borrowers must be informed in writing of the reasoning for servicer determinations regarding program eligibility.

This Supplemental Directive provides guidance to servicers of first lien mortgage loans that are not owned or guaranteed by Fannie Mae or Freddie Mac (Non-GSE Mortgages). Servicers of mortgage loans that are owned or guaranteed by Fannie Mae or Freddie Mac should refer to the related HAMP guidelines issued by the applicable GSE.

Servicers participating in HAMP with respect to Non-GSE Mortgages are required to execute a Servicer Participation Agreement, through which they are contractually obligated to “perform the services required under the Program Documentation and the Agreement in accordance with the practices, high professional standards of care, and degree of attention used in a well managed [servicing] operation”. That high standard of care is considered to include providing borrowers with timely and accurate written communication about the modification process, including but not limited to, notice that a borrower will not be offered a HAMP modification. This Supplemental Directive provides servicers with additional guidance related to the format, content and timing of notices that must be provided to borrowers requesting consideration for a HAMP modification (Borrower Notices). This Supplemental Directive is effective January 1, 2010; however, servicers are encouraged to implement this guidance as soon as possible.

### **Borrower Notices**

A servicer must send a Borrower Notice to every borrower that has been evaluated for HAMP but is not offered a Trial Period Plan, is not offered an official HAMP modification, or is at risk of losing eligibility for HAMP because they have failed to provide required financial documentation. The written notices must comply with all laws, rules and regulations including but not limited to, the Equal Credit Opportunity Act, when applicable to the transaction.

**Evaluation for HAMP.** Supplemental Directive 09-06 announced additional data reporting requirements that are triggered when a mortgage loan is evaluated for HAMP. It provided that a mortgage is evaluated for HAMP when one of the following events has occurred:

- A borrower has submitted a written request (either hardcopy or electronic submission) for consideration for a HAMP modification that includes, at a minimum, current borrower income and a reason for default or explanation of hardship, as applicable; or
- A borrower has verbally provided sufficient financial and other data to allow the servicer to complete a Net Present Value (NPV) analysis; or
- A borrower has been offered a Trial Period Plan.

When a borrower is evaluated for HAMP and the borrower is not offered a Trial Period Plan or official HAMP modification, servicers are required to provide data specified in *Schedule IV* of Supplemental Directive 09-06 (Schedule IV) to Fannie Mae as Treasury's program administrator. The data reporting requirements in Schedule IV are designed to document the disposition of borrowers evaluated for HAMP.

Whenever a servicer is required to provide data specified in Schedule IV, the servicer must also comply with the requirements in this Supplemental Directive and send the appropriate Borrower Notice. With the exception of the Notice of Incomplete Information, all Borrower Notices must be mailed no later than 10 business days following the date of the servicer's determination that a Trial Period Plan or official HAMP modification will not be offered. Borrower Notices may be sent electronically only if the borrower has previously agreed to exchange correspondence relating to the modification with the Servicer electronically.

**Content of Borrower Notices.** The content of the Borrower Notices will vary depending on the information intended to be conveyed or the determination made by the servicer. All Borrower Notices must be written in clear, non-technical language, with acronyms and industry terms such as "NPV" explained in a manner that is easily understandable. The explanation(s) should relate to one or more of the Not Approved/Not Accepted reason codes specified in Schedule IV. Model clauses for reasons that relate to the codes in Schedule IV are attached as Exhibit A. Use of the model clauses is optional; however, they illustrate a level of specificity that is deemed to be in compliance with the language requirements of this Supplemental Directive.

- *Non-Approval* – for borrowers not approved for a Trial Period Plan or official HAMP modification, this notice must provide the primary reason or reasons for the non-approval. The notice must also describe other foreclosure alternatives for which the borrower may be eligible, if any, including but not limited to other modification programs, short sale and/or deed in lieu or forbearance, and identify the steps the borrower must take in order to be considered for those options. If the servicer has already approved the borrower for another foreclosure alternative, information necessary to participate in or complete the alternative should be included. Whenever a non-government foreclosure prevention option is discussed, the notice should be clear that the borrower was considered for but is not eligible for HAMP.

When the borrower is not approved for a HAMP modification because the transaction is NPV negative, the notice must, in addition to an explanation of NPV, include a list of certain input fields that are considered in the NPV decision and a statement that the borrower may, within 30 calendar days of the date of the notice, request the date the NPV calculation was completed and the values used to populate the NPV input fields defined in Exhibit A. The purpose of providing this information is to allow the borrower the opportunity to correct values that may impact the analysis of the borrower's eligibility.

If the borrower, or the borrower's authorized representative, requests the specific NPV values orally or in writing within 30 calendar days from the date of the notice, the servicer must provide them to the borrower within 10 calendar days of the request. If the loan is scheduled for foreclosure sale when the borrower requests the NPV values, the servicer may not complete the foreclosure sale until 30 calendar days after the servicer delivers the NPV values to the borrower. This will allow the borrower time to make a request to correct any values that may have been inaccurate.

Upon written receipt from the borrower of evidence that one or more of the NPV values is inaccurate, the servicer must verify the evidence and if accurate must re-run the NPV calculation if the correction is material and is likely to change the NPV outcome. Other values not affected by the correction do not need to be changed from the first NPV calculation. If the borrower identifies inaccuracies in the NPV values, the servicer must suspend the foreclosure sale until the inaccuracies are reconciled. Servicers are not required to provide the numeric NPV results or NPV input values not enumerated in Exhibit A.

- *Payment Default During the Trial Period Plan* – this notice informs the borrower that the borrower failed to make all the trial period payments by the end of the Trial Period Plan and is in default. The notice must also describe other foreclosure alternatives for which the borrower may be eligible, if any, including but not limited to other modification programs, short sale and/or deed in lieu or forbearance and identify the steps the borrower must take in order to be considered for these options. If the servicer has already approved the borrower for another foreclosure alternative, information necessary to participate in or complete the alternative should be included. Whenever a non-government foreclosure prevention option is discussed, the notice should be clear that the borrower was considered for but is not eligible for HAMP.
- *Loan Paid Off or Reinstated* - this notice confirms that the subject loan was paid off or reinstated and must provide the payoff or reinstatement date. If the loan was reinstated this notice must include a statement that the borrower may contact the servicer to request reconsideration under HAMP if they experience a subsequent financial hardship.
- *Withdrawal of Request or Non-Acceptance of Offer* - this notice confirms that the borrower withdrew the request for consideration for either a Trial Period Plan or HAMP modification or did not accept a either a Trial Period Plan or a HAMP modification offer. Failure to make the first trial period payment in a timely manner is considered non-acceptance of the Trial Period Plan.

- *Incomplete Information* – this notice provides a list of the financial verification documents the servicer previously requested from the borrower but has not received. Servicers must develop and implement outreach procedures to obtain financial information from borrowers who do not provide verification documentation in a timely manner. As part of these procedures, the servicer must mail the borrower a notice listing all documents needed to complete the evaluation and a date by which the information must be received before the borrower becomes ineligible for HAMP. If the borrower fails to provide all required verification documents by the date provided, the servicer will declare the borrower ineligible for a modification and send the borrower a Non-Approval Notice.

When used to determine if a borrower is qualified for a verified income Trial Period Plan, the servicer must send the notice to the borrower no earlier than 30 days after the date of the first written request for documentation and not less than 30 days before the servicer discontinues its evaluation for HAMP. When used in conjunction with a Trial Period Plan based on stated income, the servicer must send the notice not less than 30 calendar days prior to the expiration of a Trial Period Plan.

As provided in Supplemental Directive 09-01, a servicer that offers a Trial Period Plan to a borrower based on stated income must obtain financial documentation in order to verify the borrower's eligibility for a HAMP modification. Supplemental Directive 09-01 provides that the servicer may, in its discretion, consider the offer of a Trial Period Plan to have expired at the end of 60 days if the borrower has not submitted the required documentation. The servicer must consider the Trial Period Plan to have expired if the borrower has not submitted the required documentation by the end of the trial period.

All Borrower Notices must also include the following:

- A toll-free number through which the borrower can reach a servicer representative capable of providing specific details about the contents of the Borrower Notice and reasons for a non-approval determination.
- The HOPE Hotline Number (888-995-HOPE), with an explanation that the borrower can seek assistance at no charge from HUD-approved housing counselors and can request assistance in understanding the Borrower Notice by asking for MHA HELP.
- Any information, disclosures or notices required by the borrower's mortgage documents and applicable federal, state and local law.

## **Compliance**

Treasury has selected Freddie Mac to serve as its compliance agent for HAMP. Supplemental Directive 09-01 describes the overall roles and responsibilities of servicers and the compliance agent in performing servicer reviews and oversight, which are unchanged by this Supplemental Directive. As compliance agent, Freddie Mac will examine the expanded reporting codes provided to Treasury, the content and distribution of Borrower Notices sent to borrowers, and the responsiveness of the servicer's customer service hotline for borrowers seeking additional detail about the information contained in the Borrower Notice. Servicers are expected to retain in the

borrower file a copy of the Borrower Notice(s) sent to the borrower. The review will also confirm the existence and evaluate the effectiveness of the servicer's quality assurance program as it relates to the notification process and customer service hotline. Such evaluation will include, without limitation, the timing and size of the sample selection, the scope of the quality assurance reviews, and the reporting and remediation process.

## Exhibit A

### Model Clauses for Borrower Notices

The model clauses in this exhibit provide sample language that may be used to communicate the status of a borrower's request for a Home Affordable Modification. The model clauses relate to the Not Approved/Not Accepted reason codes in *Schedule IV* of Supplemental directive 09-06. Use of the model clauses is optional, however, they illustrate a level of specificity that is deemed to be in compliance with language requirements of the program.

#### Non Approval Notice

1. **Ineligible Mortgage.** We are unable to offer you a Home Affordable Modification because your loan did not meet one or more of the basic eligibility criteria of the Home Affordable Modification Program.

You did not obtain your loan on or before January 1, 2009.

Your loan with us is not a first lien mortgage.

The current unpaid principal balance on your loan is higher than the program limit. (\$729,750 for a one unit property, \$934,200 for a two unit property, \$1,129,250 for a three unit property and \$1,403,400 for a four unit property).

2. **Ineligible Borrower.** We are unable to offer you a Home Affordable Modification because your current monthly housing expense, which includes the monthly principal and interest payment on your first lien mortgage loan plus property taxes, hazard insurance and homeowner's dues (if any) is less than or equal to 31% of your gross monthly income (your income before taxes and other deductions) which, (*select one*) [you told us is \$\_\_\_\_\_] OR [we verified as \$\_\_\_\_\_]. Your housing expense must be greater than 31% of your gross monthly income to be eligible for a Home Affordable Modification. If you believe this verified income is incorrect, please contact us at the number provided below.
3. **Property Not Owner Occupied.** We are unable to offer you a Home Affordable Modification because you do not live in the property as your primary residence.
4. **Ineligible Property.** We are unable to offer a Home Affordable Modification because your property:
  - Is vacant
  - Has been condemned.
  - Has more than four dwelling units.

5. **Investor Guarantor Not Participating.** We are unable to offer you a Home Affordable Modification because:

We service your loan on behalf of an investor or group of investors that has not given us the contractual authority to modify your loan under the Home Affordable Modification Program.

Your loan is insured by a private mortgage insurance company that has not approved a modification under the Home Affordable Modification Program.

Your loan is guaranteed and the guarantor has not approved a modification under the Home Affordable Modification Program.

6. **Bankruptcy Court Declined.** We are unable to offer you a Home Affordable Modification because you have filed for bankruptcy protection and the proposed modified loan terms were not approved by the Bankruptcy Court. You may wish to contact your bankruptcy counsel or trustee to discuss this decision.

7. **Negative NPV.** The Home Affordable Modification Program requires a calculation of the net present value (NPV) of a modification using a formula developed by the Department of the Treasury. The NPV calculation requires us to input certain financial information about your income and your loan including the factors listed below. When combined with other data in the Treasury model, these inputs estimate the cash flow the investor (owner) of your loan is likely to receive if the loan is modified and the investor's cash flow if the loan is not modified. Based on the NPV results the owner of your loan has not approved a modification.

If we receive a request from you within 30 calendar days from the date of this letter, we will provide you with the date the NPV calculation was completed and the input values noted below. If, within 30 calendar days of receiving this information you provide us with evidence that any of these input values are inaccurate, and those inaccuracies are material, for example a significant difference in your gross monthly income or an inaccurate zip code, we will conduct a new NPV evaluation. While there is no guarantee that a new NPV evaluation will result in the owner of your loan approving a modification, we want to ensure that the NPV evaluation is based on accurate information.

Available NPV Inputs

- a. Unpaid balance on the original loan as of [Data Collection Date]
- b. Interest rate before modification as of [Data Collection Date].
- c. Months delinquent as of [Data Collection Date]
- d. Next ARM reset date (if applicable)
- e. Next ARM reset rate (if applicable)
- f. Principal and interest payment before modification
- g. Monthly insurance payment
- h. Monthly real estate taxes
- i. Monthly HOA fees (if applicable)
- j. Monthly gross income
- k. Borrower's Total Monthly Obligations
- l. Borrower FICO



- m. Co-borrower FICO (if applicable)
- n. Zip Code
- o. State

8. **Default Not Imminent.** We are unable to offer you a Home Affordable Modification because you are current on your mortgage loan and after reviewing the financial information you provided us we have determined that you are not at risk of default because:

You have not documented a financial hardship that has reduced your income or increased your expenses, thereby impacting your ability to pay your mortgage as agreed.

You have sufficient net income to pay your current mortgage payment.

You have the ability to pay your current mortgage payment using cash reserves or other assets.

9. **Excessive Forbearance.** We are unable to offer you a Home Affordable Modification because we are unable to create an affordable payment equal to 31% of your reported monthly gross income without changing the terms of your loan beyond the requirements of the program.

10. **Previous HAMP Modification.** We are unable to offer you a Home Affordable Modification because your loan was previously modified under the Home Affordable Modification Program. The program does not allow more than one modification.

11. **Request Incomplete.** We are unable to offer you a Home Affordable Modification because you did not provide us with the documents we requested. A notice which listed the specific documents we needed and the time frame required to provide them was sent to you more than 30 days ago.

12. **Trial Plan Default.** We are unable to offer you a Home Affordable Modification because you did not make all of the required Trial Period Plan payments by the end of the trial period.

**Loan Paid Off or Reinstated.** We are not considering your request for a modification because:

Your loan was paid in full on \_\_\_\_\_.

Your loan was reinstated on \_\_\_\_\_ and you no longer appear to be in need of modification. If you feel that you are at risk of default please contact us to discuss your eligibility and qualification for a Home Affordable Modification.

**Offer Not Accepted by Borrower / Request Withdrawn.** We are not considering your request for a modification because:

After being offered a Trial Period Plan or Home Affordable Modification you notified us on \_\_\_\_\_ that you did not wish to accept the offer.

After initially asking to be considered for a Home Affordable Modification you withdrew that request on \_\_\_\_\_.

**Incomplete Information Notice.** We cannot continue to review your request for a Home Affordable Modification because:

You are currently in a Trial Period Plan, however you have not provided all of the documentation we previously requested. If we do not receive the required documents by [insert expiration date of Trial Period Plan but no less than 30 days from the date of the letter] we will terminate your Trial Period Plan and may resume other means to collect any amounts due on your account. The documents we need are: [Insert list of required documents]

You have requested consideration for a Trial Period Plan, however, you have not provided all of the documentation we previously requested. If we do not receive the required documents by [insert date no less than 30 days from the date of the letter] we will consider that you have withdrawn your request for a modification and may resume other means to collect any amounts due on your account. The documents we need are: [Insert list of required documents.]

# **EXHIBIT 4**

# Making Home Affordable Program

Servicer Performance Report Through January 2010

## Report Highlights

### Number of Permanent Modifications Nearly Doubles Over Previous Month

- In addition to the 116,000 permanent modifications, an additional 76,000 permanent modifications have been approved by servicers and are pending borrower acceptance.
- The median savings to borrowers in permanent modifications is more than \$500 each month.

### Over One Million Borrowers Have Had the Opportunity to Modify Mortgages

- Nearly 1.3 million homeowners have received offers for trial modifications.
- More than 940,000 borrowers are in active modifications; 116,000 of those are permanent modifications.
- These homeowners' lower monthly mortgage payments represent a cumulative savings of \$2.2 billion.
- New streamlined documentation requirements will make it easier for borrowers to apply for a HAMP modification and receive permanent relief.

### Permanent Modifications Are Helping Borrowers Who Have Experienced a Loss of Income

- The majority of permanent modifications – 57.4% – are helping people who are coping with unemployment or who have seen a reduction in hours or wages.

### National Participation by Mortgage Lenders and Coverage of Outstanding Mortgage Debt Is Extensive

- 110 servicers have signed servicer participation agreements to modify loans under HAMP, and new servicers continue to join the program each week. In addition, approximately 2,300 lenders service loans owned or guaranteed by Fannie Mae or Freddie Mac; these GSE loans are automatically eligible for HAMP.
- Approximately 89% of eligible mortgage debt outstanding is covered by HAMP participating servicers.

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# Making Home Affordable Program

Service Performance Report Through January 2010

## Overview of Administration Housing Stability Initiatives

### Initiatives to Support Access to Affordable Mortgage Credit and Housing

#### Lower Mortgage Rates and Access to Credit:

- Continued financial support to maintain affordable mortgage rates through the Government Sponsored Enterprises (GSEs)
- Interest rates down a full percentage point over the past year. Every 1% reduction in interest rate saves a new borrower a median of \$1500 annually in mortgage payments.
- Access to sustainable mortgages through the Federal Housing Administration (FHA).

#### State and Local Housing Initiatives:

- Access for Housing Finance Agencies to provide mortgages to first-time homebuyers, refinance opportunities for at-risk borrowers, and affordable rental housing.

#### Tax Credits for Housing:

- Homebuyer credit to help homebuyers buy new homes.
- Low-Income Housing Tax Credit (LIHTC) programs to support affordable rental housing.

### Initiatives to Prevent Avoidable Foreclosures and Stabilize Neighborhoods

#### Making Home Affordable – Modifications:

- Goal of offering 3-4 million homeowners lower mortgage payments through a modification through 2012.
- Over 1 million homeowners have started trial modifications and nearly 1.3 million offers for trial modifications have been extended to borrowers.
- Homeowners in permanent modifications are saving a median of over \$500 per month on mortgage payments. In aggregate, homeowners have saved over \$2.2 billion through trial and permanent modifications.

#### Making Home Affordable – Refinancing:

- Refinancing flexibility and low mortgage rates, which have allowed over 4 million borrowers to refinance, saving an estimated \$150 per month on average and more than \$6.8 billion in total over the first year.

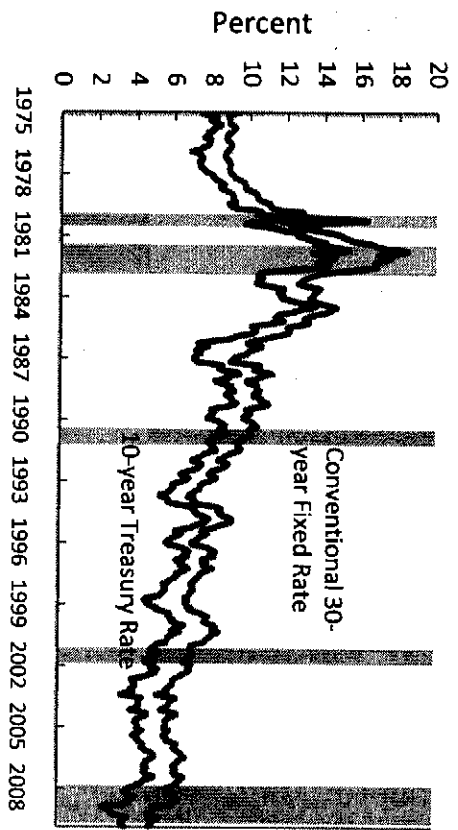
#### Neighborhood Stabilization and Community Development Programs:

- Support for the hardest hit communities to help stabilize neighborhoods.

# Making Home Affordable Program

## Service Performance Report Through January 2010

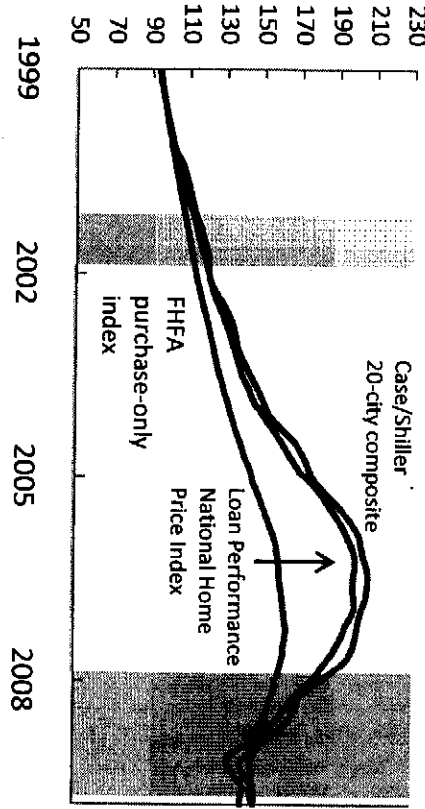
### Mortgage Rates



Source: Federal Reserve.

### Home Prices

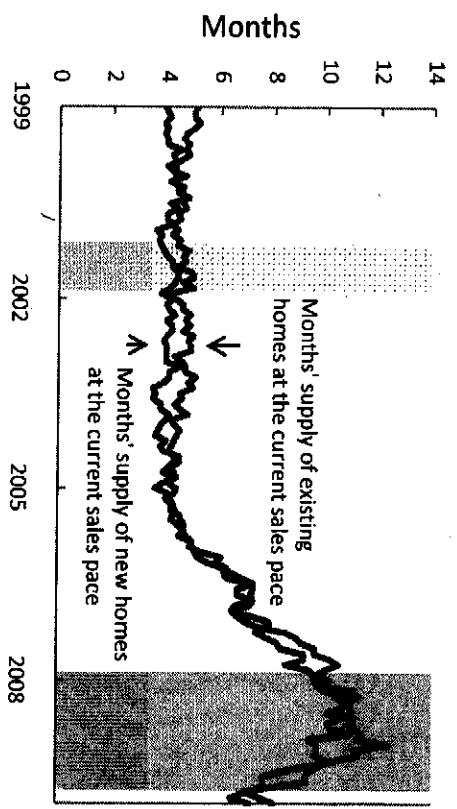
Index: Jan 2000 = 100



Sources: S&P/Case-Shiller Home Price Index; L/P/Haver Analytics; FHFA.

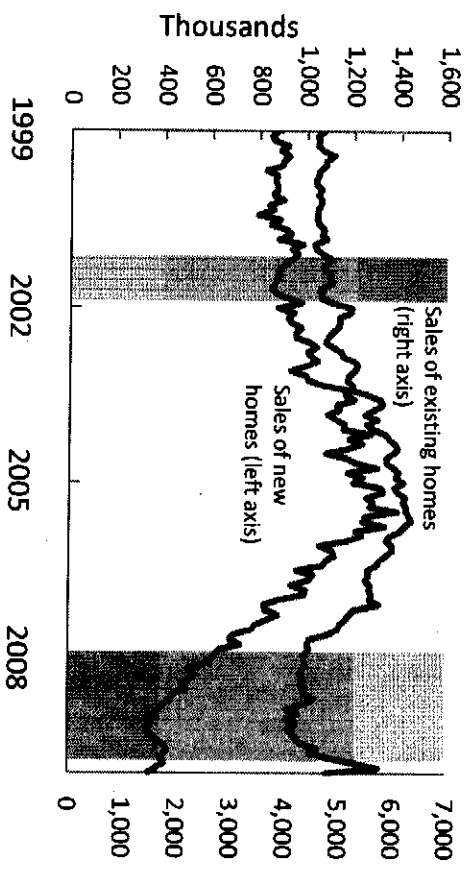
Note: Shaded areas indicate recessions.

### Housing Inventory



Source: National Association of Realtors.

### New and Existing Home Sales



Source: National Association of Realtors, Census Bureau.

# Making Home Affordable Program

## Service Performance Report Through January 2010

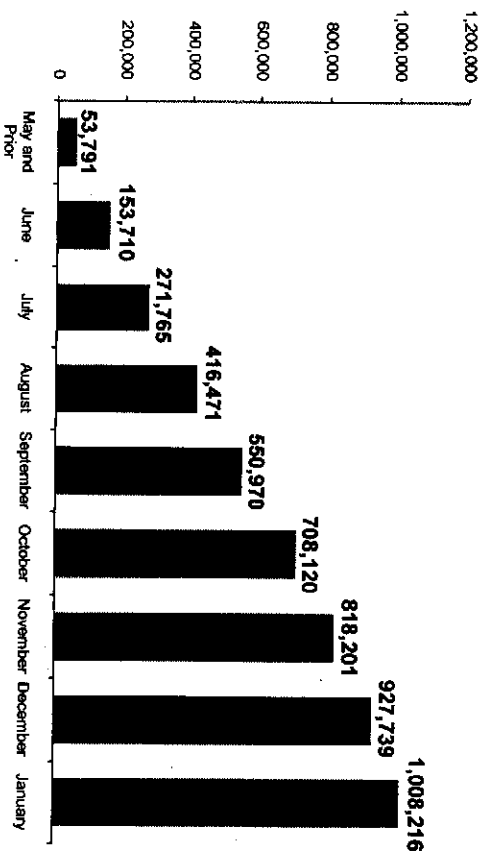
### Home Affordable Modification Program (HAMP) Snapshot through January 2010<sup>1</sup>

Number of Trial Period Plan Offers Extended to Borrowers (Cumulative) <sup>2</sup>	1,269,937
All HAMP Trials Started Since Program Inception	1,008,216
All Active Modifications (Trial and Permanent)	946,735
Active Trial Modifications	830,438
Trial Modifications Canceled	60,476
All Permanent Modifications Started	117,302
Permanent Modifications Canceled	1,005
Active Permanent Modifications	116,297

<sup>1</sup>As reported by the HAMP system of record except where noted.  
<sup>2</sup>Source: Survey data provided by servicers.

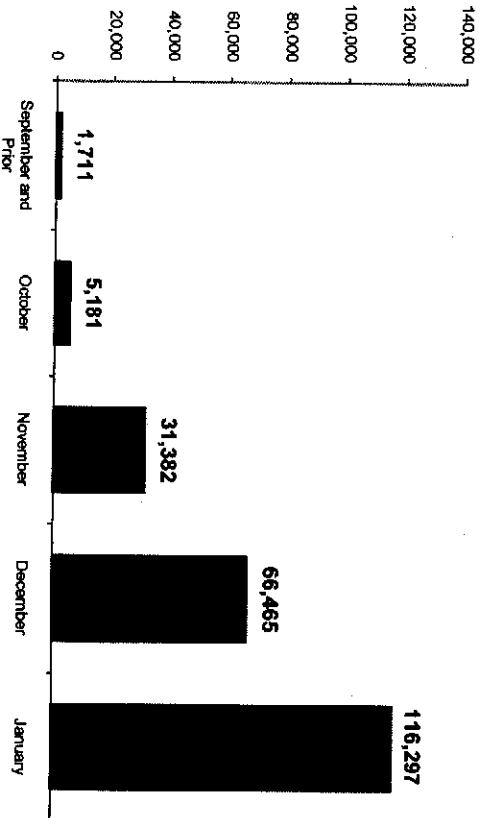
Additional information on HAMP can be found on [MakingHomeAffordable.gov](http://MakingHomeAffordable.gov) or by calling the Homeowner's HOPE Hotline at 1-888-995-HOPE (4673).

### HAMP Trials Started (Cumulative, by Month)



Source: All trial modifications started by month first payment posted; based on numbers reported by servicers to the HAMP system of record.

### Active Permanent Modifications



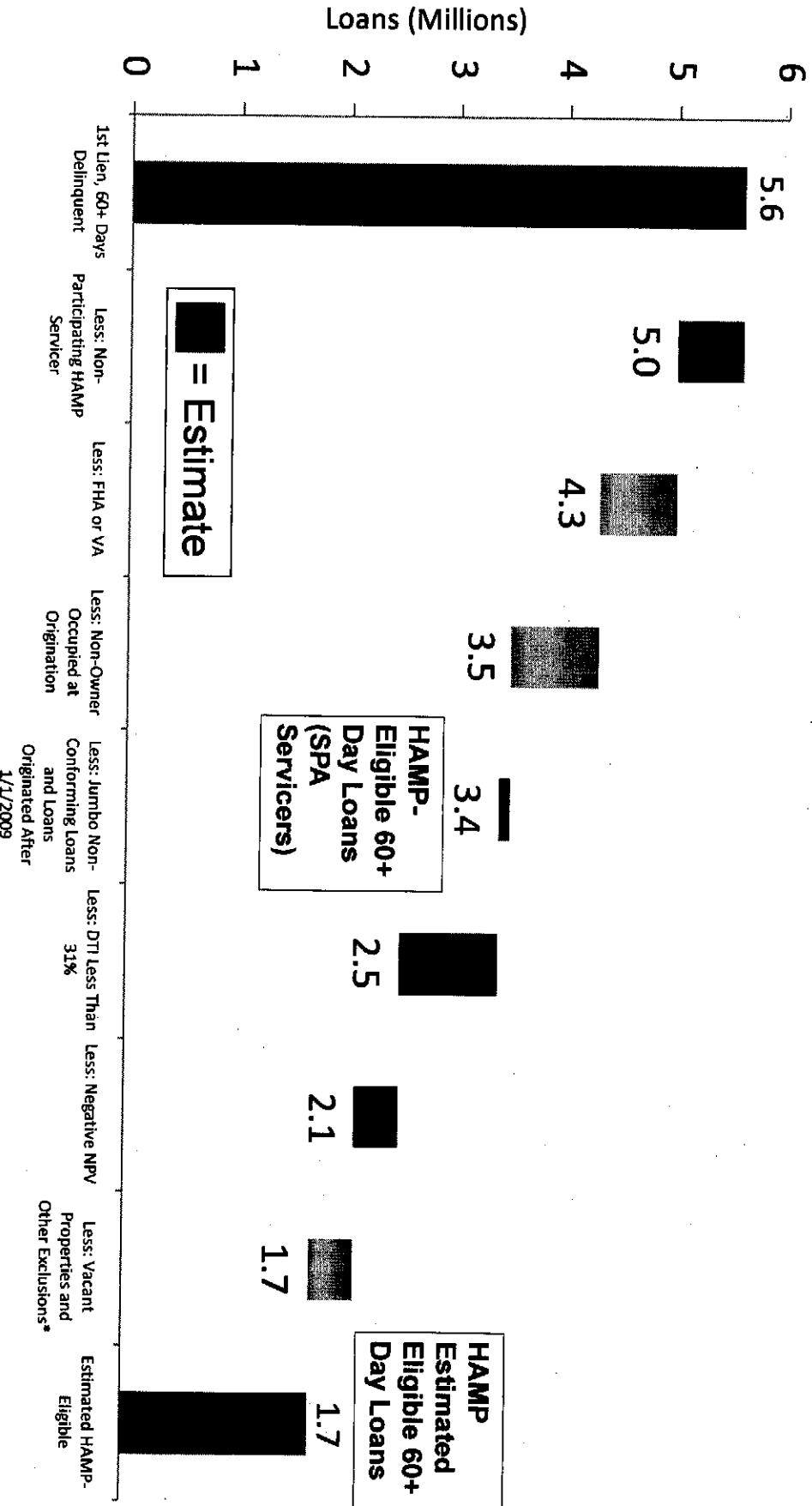
Source: HAMP system of record.

# Making Home Affordable Program

## Service Performance Report Through January 2010

### Waterfall of HAMP-Eligible Borrowers

Not all 60-day delinquent loans are eligible for HAMP. Other characteristics may preclude borrower eligibility. Based on the estimates, of the 5.6 million borrowers who are currently 60 days delinquent, 1.7 million borrowers are eligible for HAMP. As this represents a point-in-time snapshot of the delinquency population and estimated HAMP eligibility, we expect that more borrowers will become eligible for HAMP from now through 2012.



\*Other exclusions include: no longer owner-occupied; investor's pooling and servicing agreement precludes modification; and manufactured housing loans with titling/chattel issues that exclude them from HAMP.

Sources: Fannie Mae; monthly survey of participating servicers for December 31, 2009. Total 60+ figure from 3rd quarter MBS delinquency survey, Q3 2009. Excluded loans are as reported by servicers by survey who have signed a servicer participation agreement for HAMP.



# Making Home Affordable Program

## Servicer Performance Report Through January 2010

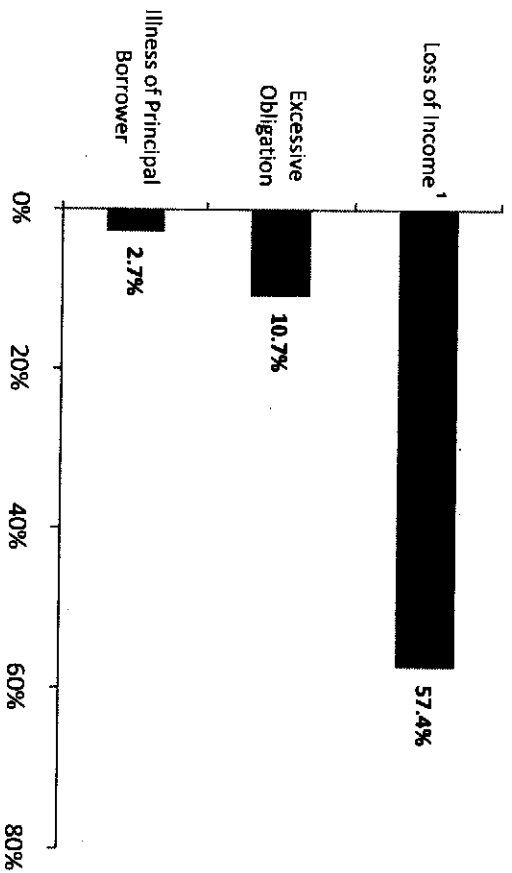
### Modification Characteristics

- Borrowers in active trial and permanent modifications have saved more than \$2.2 billion through HAMP modifications.
- Loss of income is the primary borrower hardship for borrowers in permanent modifications.

### Permanent Modifications by Modification Steps:

Interest Rate Reduction	100%
Term Extension	41.7%
Principal Forbearance	27.4%

### Predominant Hardship Reasons for Permanent Modifications



### Select Median Characteristics of Permanent Modifications

Loan Characteristic	Before Modification	After Modification	Median Decrease
Front-End Debt-to-Income Ratio <sup>1</sup>	45.1%	31.0%	-14.2 pct pts
Back-End Debt-to-Income Ratio <sup>2</sup>	76.1%	59.7%	-14.7 pct pts
Median Monthly Payment	\$1,431.30	\$885.33	-\$521.85

<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>1</sup> Includes borrowers who are employed but have faced a reduction in hours and/or wages as well as those who have lost their jobs.  
Note: Does not include 21.0% of permanent modifications reported as Other.

# Making Home Affordable Program

## Service Performance Report Through January 2010

### HAMP Modification Activity by Servicer

Servicer	Estimated Eligible 60+ Day Delinquency <sup>1</sup>	Trial Plan Offers Extended <sup>2</sup>	All HAMP Trials Started	Active Trial Modifications <sup>3</sup>	Permanent Modifications <sup>3</sup>	Pending Permanent Modifications <sup>4</sup>	Active Trials + Permanent as Share of Eligible 60+ Day Delinquencies
American Home Mortgage Servicing Inc.	127,921	19,137	12,142	11,784	833	2,171	9%
Aurora Loan Services, LLC	77,985	43,695	38,187	21,289	8,654	2,236	30%
Bank of America, NA <sup>5</sup>	1,068,026	329,745	237,706	221,306	12,781	13,701	22%
Bank United	5,267	1,211	644	616	128	629	18%
Bayview Loan Servicing, LLC	10,413	4,603	3,860	3,564	249	48	37%
Cambridge Mortgage Services LLC	18,823	2,781	1,511	883	811	33	8%
CCO Mortgage	6,387	1,168	1,132	1,103	29	311	21%
Chickadee, Inc.	248,036	148,200	130,817	111,287	10,929	7,299	50%
Franklin Credit Management Corp.	8,527	76	8	8	0	NA	0%
GMAC Mortgage, Inc.	65,731	45,890	34,466	21,330	11,484	1,352	50%
Green Tree Servicing LLC	11,260	5,604	4,056	3,728	227	389	35%
Hanley Servicing	41,513	3,260	2,020	1,333	588	16	5%
J.P. Morgan Chase Bank, NA <sup>6</sup>	432,416	222,192	170,028	150,802	11,581	17,959	38%
Litton Loan Servicing LP	110,795	30,114	22,782	18,454	2,568	942	19%
Nationstar Mortgage LLC	48,656	24,369	17,427	12,953	2,271	966	31%
Owens Financial Corporation, Inc.	65,609	18,938	14,217	7,052	6,930	4,830	21%
OneWest Bank	112,200	48,548	30,509	24,741	3,087	5,849	25%
PNC Mortgage <sup>7</sup>	41,965	20,472	15,523	13,141	77	932	32%
Saxon Mortgage Services, Inc.	71,429	40,376	36,964	28,685	5,312	4,909	46%
Select Portfolio Servicing	62,041	80,149	31,630	17,915	6,761	1,482	40%
US Bank, NA	28,983	10,628	7,799	6,673	1,128	2,366	27%
Wachovia Mortgage, FSB <sup>8</sup>	86,461	11,418	2,834	2,443	330	873	3%
Wells Fargo Bank, NA	337,483	188,749	144,904	119,476	17,652	7,554	38%
Other SFA servicers <sup>9</sup>	22,981	2,935	1,921	1,131	750	NA	8%
Other GSE Servicers <sup>10</sup>	277,253	NA	44,690	28,812	13,741	NA	15%
<b>Total</b>	<b>3,406,601</b>	<b>1,259,937</b>	<b>1,008,216</b>	<b>830,438</b>	<b>116,297</b>	<b>76,482</b>	<b>25%</b>

<sup>1</sup> Estimated eligible 60+ day delinquent mortgages as reported by servicers as of December 31, 2009 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 prior to January 1, 2009.

Estimated eligible 60+ day delinquent loans excludes:

- 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;
- for servicers enrolling after December 1 that did not participate in the 60+ day delinquency survey; the delinquency count is from the servicer registration form.

<sup>2</sup> As reported in the weekly servicer survey through January 28, 2010.

<sup>3</sup> Active trial and permanent modifications as reported into the HAMP system of record by servicers.

<sup>4</sup> As reported by servicers. Pending permanent modifications have been approved by the servicer but have not yet been accepted by the borrower. While pending, modifications are reflected in the count of active trials.

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

<sup>6</sup> J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.

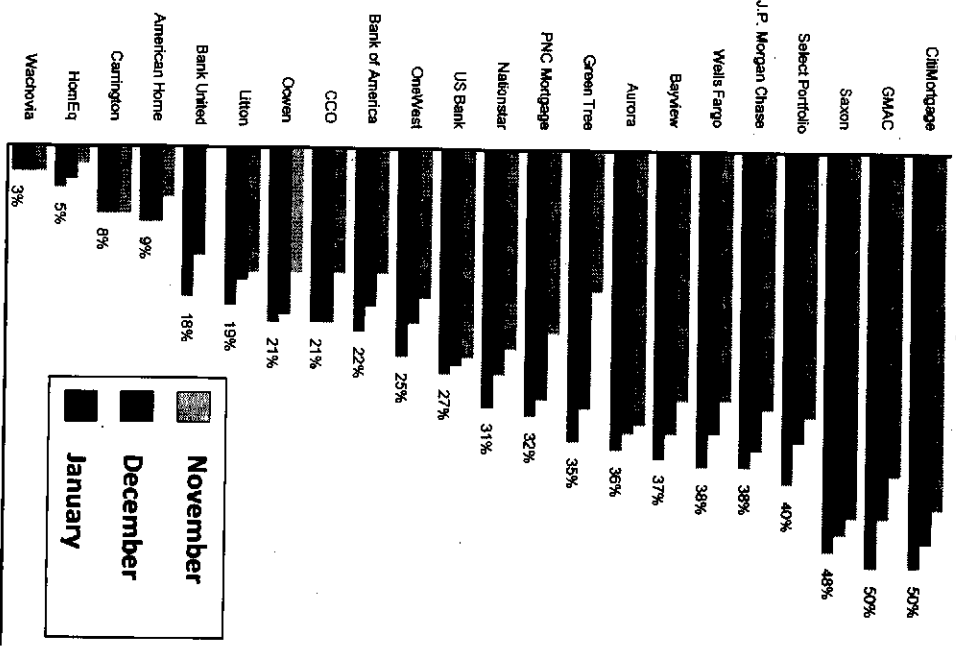
<sup>7</sup> Formerly National City Bank.

<sup>8</sup> Wachovia Mortgage FSB includes Wachovia Bank, NA.

<sup>9</sup> Other SFA servicers are entities with less than 5,000 estimated eligible 60+ day delinquencies that have signed participation agreements with Treasury and Fannie Mae. A full list of participating servicers is in the Appendix.

<sup>10</sup> Includes servicers of loans owned or guaranteed by Fannie Mae and Freddie Mac.

### Active Modifications as a Share of Estimated Eligible 60+ Day Delinquencies



% of Eligible 60+ Day Loans in Active Trial

Note: Includes active trial and permanent modifications. Servicer combinations are the same as the table at left.

November trials as a share of 60+ day delinquencies on October 31, 2009.

December trials as a share of 60+ day delinquencies on November 30, 2009.

January trials as a share of 60+ day delinquencies on December 31, 2009.

# Making Home Affordable Program

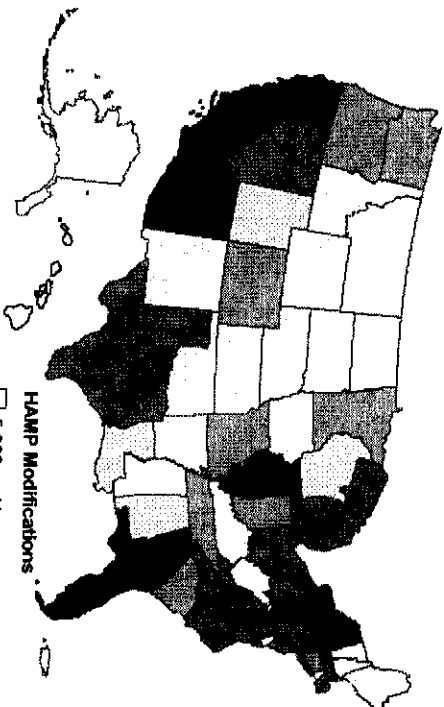
## Servicer Performance Report Through January 2010

### HAMP Activity by State

State	Active Trials	Permanent Modifications	Total
AK	488	56	589
AL	5,907	723	6,630
AR	2,355	337	2,692
AZ	40,438	7,000	47,438
CA	167,399	24,242	191,641
CO	11,708	1,797	13,505
CT	10,655	1,465	12,120
DC	1,538	191	1,729
DE	2,667	428	3,095
FL	101,971	14,598	116,569
GA	33,059	4,508	37,567
HI	2,891	436	3,327
IA	2,743	322	3,065
ID	3,335	508	3,843
IL	44,281	5,592	49,873
IN	9,255	1,216	10,471
KS	2,599	325	2,924
KY	3,647	463	4,100
LA	5,309	516	5,825
MA	18,647	2,788	21,435
MD	27,183	4,003	31,186
ME	2,201	337	2,538
MI	28,062	3,936	32,000
MN	15,359	2,584	17,943
MO	10,573	1,294	11,807
MS	3,413	474	3,887
MT	1,140	138	1,278
NC	17,531	2,510	20,041
ND	215	22	237
NE	1,367	186	1,553
NH	3,620	612	4,232
NJ	27,905	3,710	31,615
NM	3,012	390	3,402
NV	21,568	3,484	25,052
NY	36,706	3,777	42,483
OH	18,451	2,529	20,980
OK	2,713	298	3,011
OR	9,416	1,469	10,885
PA	19,494	2,416	21,910
RI	3,845	599	4,444
SC	9,178	1,209	10,387
SD	405	43	448
TN	9,452	1,338	10,790
TX	29,351	2,481	31,832
UT	7,029	1,105	8,134
VA	20,542	3,377	23,919
VT	598	93	691
WA	16,255	2,580	18,835
WI	8,364	1,243	9,587
WV	1,466	199	1,665
WY	440	73	513
Other*	717	345	1,062

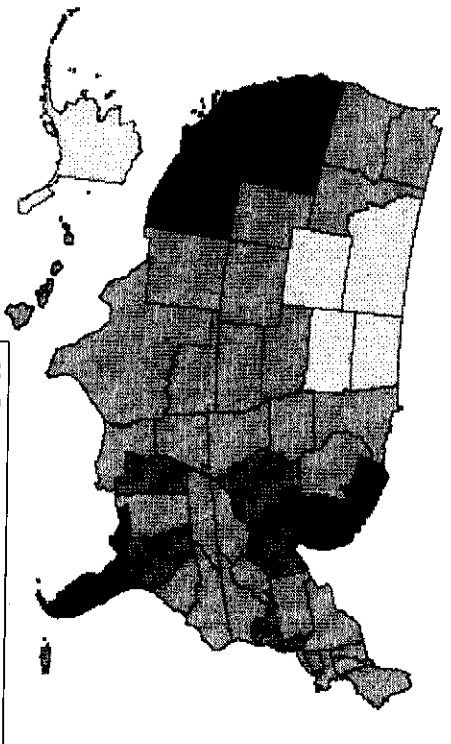
\* Includes Guam, Puerto Rico and the U.S. Virgin Islands.

### HAMP Activity by State



Note: Includes active trial and permanent modifications from the official HAMP system of record.

### Mortgage Delinquency Rates by State



Source: Mortgage Bankers Association. Data is latest available and is as of 3rd Quarter 2009.

# Making Home Affordable Program

## Service Performance Report Through January 2010

### 15 Metropolitan Areas With Highest HAMP Activity

Metropolitan Statistical Area	Active Trials	Permanent Modifications	Total HAMP Activity	% of All HAMP Activity
New York-Northern New Jersey-Long Island, NY-NJ-PA	51,613	5,743	57,356	6.1%
Los Angeles-Long Beach-Santa Ana, CA	48,778	6,383	55,161	5.8%
Chicago-Naperville-Joliet, IL-IN-WI	42,683	5,381	48,064	5.1%
Miami-Fort Lauderdale-Pompano Beach, FL	39,356	5,143	44,499	4.7%
Riverside-San Bernardino-Ontario, CA	38,040	6,139	44,179	4.7%
Phoenix-Mesa-Scottsdale, AZ	33,157	5,834	38,991	4.1%
Washington-Arlington-Alexandria, DC-VA-MD-WV	28,520	4,330	32,850	3.5%
Atlanta-Sandy Springs-Marietta, GA	26,593	3,692	30,285	3.2%
Las Vegas-Paradise, NV	18,000	2,757	20,757	2.2%
Detroit-Warren-Livonia, MI	17,580	2,274	19,854	2.1%
Orlando-Kissimmee, FL	16,265	2,468	18,733	2.0%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	14,807	1,961	16,768	1.8%
Boston-Cambridge-Quincy, MA-NH	13,147	2,014	15,161	1.6%
Tampa-St. Petersburg-Clearwater, FL	12,752	1,943	14,695	1.6%
Minneapolis-St. Paul-Bloomington, MN-WI	12,517	2,123	14,640	1.5%

A complete list of HAMP activity for all MSAs is available at <http://www.financialstability.gov/docs/MMSA%20Data%20Jan%202010.pdf>

### HAMP Modifications by Investor Type (20 Largest Servicers)

Servicer	GSE	Private	Portfolio	Total
Bank of America, NA <sup>1</sup>	149,464	73,282	11,410	234,156
JP Morgan Chase NA <sup>2</sup>	74,390	65,579	22,514	162,483
Wells Fargo Bank, NA	100,361	31,497	5,270	137,128
CitiMortgage, Inc.	80,917	7,967	33,292	122,176
Saxon Mortgage Services Inc.	1,264	32,403	330	33,997
GMAC Mortgage, Inc.	18,085	14,739	0	32,824
Aurora Loan Services, LLC	16,087	11,437	329	27,853
OneWest Bank	15,580	10,514	1,734	27,828
Select Portfolio Servicing	567	21,219	2,890	24,676
Litton Loan Servicing LP	2,369	18,653	0	21,022
Nationstar Mortgage LLC	10,248	4,870	106	15,224
Owen Financial Corporation, Inc.	3,066	10,857	39	13,962
PNC Mortgage <sup>3</sup>	11,765	19	1,434	13,218
American Home Mortgage Servicing Inc	816	11,281	0	12,097
US Bank NA	6,107	9	1,683	7,799
Green Tree Servicing LLC	3,756	190	9	3,955
Bayview Loan Servicing, LLC	1	3,772	40	3,813
Wachovia Mortgage, FSB <sup>4</sup>	1,500	132	1,141	2,773
HomeEq	0	1,898	31	1,929
Carrington Mortgage Services LLC	0	1,504	0	1,504
Remainder of HAMP Servicers	44,040	29	2,249	46,318
<b>Total</b>	<b>540,383</b>	<b>321,851</b>	<b>94,501</b>	<b>946,735</b>

<sup>1</sup> Bank of America, NA includes Bank of America, NA, BAC Home Loans Servicing LP, Home Loans Services and Wachive Credit Corporation.  
<sup>2</sup> J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.  
<sup>3</sup> Formerly National City Bank.  
<sup>4</sup> Wachovia Mortgage FSB includes Wachovia Bank NA.

Note: Figures reflect active trials and permanent modifications.

# Making Home Affordable Program

Service Performance Report Through January 2010

## Appendix: Non-GSE Participants in HAMP

Allstate Mortgage Loans & Investments, Inc.	Grafton Suburban Credit Union	PennyMac Loan Services, LLC
American Eagle Federal Credit Union	Great Lakes Credit Union	PNC Bank, National Association
American Home Mortgage Servicing, Inc	Greater Nevada Mortgage Services	Purdue Employees Federal Credit Union
AMS Servicing, LLC	Green Tree Servicing LLC	Qlending, Inc.
Aurora Loan Services, LLC	Harleysville National Bank & Trust Company	Quantum Servicing Corporation
Bank of America, N.A. <sup>1</sup>	Hartford Savings Bank	Residential Credit Solutions
Bank United	Hillsdale County National Bank	RG Mortgage Corporation
Bay Federal Credit Union	Home Financing Center, Inc	Roebling Bank
Bay Gulf Credit Union	HomeEq Servicing	RoundPoint Mortgage Servicing Corporation
Bayview Loan Servicing, LLC	HomeStar Bank & Financial Services	Saxon Mortgage Services, Inc.
Carrington Mortgage Services, LLC	Horicon Bank	Schools Financial Credit Union
CCO Mortgage	Horizon Bank, NA	SEFCU
Central Florida Educators Federal Credit Union	Iberiabank	Select Portfolio Servicing
Central Jersey Federal Credit Union	IBM Southeast Employees' Federal Credit Union	Servis One Inc., dba BSI Financial Services, Inc.
Chase Home Finance, LLC	IC Federal Credit Union	ShoreBank
CitiMortgage, Inc.	Idaho Housing and Finance Association	Silver State Schools Credit Union
Citizens 1st National Bank	IServe Residential Lending LLC	Sound Community Bank
Citizens First Wholesale Mortgage Company	J.P. Morgan Chase Bank, NA <sup>2</sup>	Specialized Loan Servicing, LLC
Community Bank & Trust Company	Lake City Bank	Spirit of Alaska Federal Credit Union
CUC Mortgage Corporation	Lake National Bank	Stanford Federal Credit Union
Digital Federal Credit Union	Litton Loan Servicing	Sterling Savings Bank
DuPage Credit Union	Los Alamos National Bank	Technology Credit Union
Eaton National Bank & Trust Co	Marix Servicing, LLC	Tempe Schools Credit Union
Farmers State Bank	Members Mortgage Company, Inc	The Bryn Mawr Trust Co.
Fidelity Homestead Savings Bank	Metropolitan National Bank	The Golden 1 Credit Union
First Bank	Mission Federal Credit Union	U.S. Bank National Association
First Federal Savings and Loan	MortEquity, Inc.	United Bank of Georgia
First Federal Savings and Loan Assn. of Lakewood	Mortgage Center, LLC	United Bank Mortgage Corporation
First Keystone Bank	Mortgage Clearing Corporation	Vantium Capital, Inc.
First National Bank of Grant Park	National City Bank	Verity Credit Union
Franklin Credit Management Corporation	Nationstar Mortgage LLC	Wachovia Mortgage, FSB <sup>3</sup>
Fresno County Federal Credit Union	Oakland Municipal Credit Union	Wells Fargo Bank, NA
Glass City Federal Credit Union	Ocwen Financial Corporation, Inc.	Wescam Central Credit Union
Glenview State Bank	OneWest Bank	Yadkin Valley Bank
GMAC Mortgage, Inc.	ORNL Federal Credit Union	
Golden Plains Credit Union	Park View Federal Savings Bank	

<sup>1</sup> Bank of America, NA includes Bank of America, NA, BAC Home Loans Servicing LP, Home Loan Services and Wishfire Credit Corporation.

<sup>2</sup> J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.

<sup>3</sup> Wachovia Mortgage FSB includes Wachovia Bank NA.