

AN EXAMINATION OF MORTGAGE FORECLOSURES,
MODIFICATIONS, REPAYMENT PLANS
AND OTHER LOSS MITIGATION ACTIVITIES
IN THE THIRD QUARTER OF 2007

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The rate of mortgage foreclosures started in the United States set another in a series of record highs in the Third Quarter of 2007. The increases for prime adjustable rate mortgages (ARMs) and subprime ARMS were particularly alarming. The *increase* for prime ARMs between the second and third quarters was larger than the *level* of foreclosure starts just a year earlier. Similarly, the increase for subprime ARMs was only slightly below the level of foreclosure starts only a few years ago. While fixed rate prime and subprime loans also had increases in their rates of foreclosure started, the increases were not of the same magnitude as those seen for ARMs. While ARMs historically perform worse than fixed-rate loans, even when interest rates are falling,¹ the magnitude of the rapid increase of foreclosure rates in the third quarter for ARMs relative to fixed-rate loans points to the role being played by rate resets. This has led to calls by various regulators, elected officials and industry observers for a freeze on ARM payments until the current situation with mortgage defaults, home price declines and high level of unsold home inventories begin to subside.

This paper is a snapshot of the actions lenders took to assist borrowers in the third quarter of 2007, including loan modifications, repayment plans, deed in lieu transactions and short sales. More importantly, however, it examines the extent of these other circumstances so as to put the degree of assistance to borrowers into some sort of context. It looks at the number of foreclosures attributable to borrowers who do not occupy the properties, borrowers who cannot be located or won't respond to lenders and borrowers who have already failed a previous repayment plan. It finds that, during the third quarter the approximately 54 thousand loan modifications done and 183 thousand repayment plans put into place exceeded the number of foreclosures started, excluding those cases where the borrower was an investor/speculator, where the borrower could not be located or would not respond to mortgage servicers, and when the borrower failed to perform under a plan or modification already in place.

1 Among the possible reasons are that borrowers are attracted to the loan with the lowest initial payments and do not sufficiently plan for higher payments, and that the choice of an ARM is correlated with risk-taking behavior or other credit risks that are not revealed in normal credit evaluations.

Introduction

Two types of loans have received broad discussion as their rates reset, subprime “2/28” and “3/27” loans. While the features of these loans varied from lender to lender, a typical “2/28” loan gave the borrower a low introductory teaser rate for a few months,² when the rate would rise to a fixed rate for the balance of the two-year period. At the end of the two-year period the rate would increase to a fixed spread over a short-term rate index like LIBOR, usually resulting in a large increase in the required monthly payment. In addition, some of these loans were interest-only during the initial two year period, meaning that at the end of the two-year period the monthly payment increased not only due to the increase in the interest rate but because loan principal payments kicked in also.

Traditionally, typical borrower outcomes ranged from refinancing into a prime loan, refinancing into another subprime loan, making the higher payments or selling or losing the house. If the borrower had made most, if not all, of the payments on time during the two year period, the borrower could refinance into a prime loan, particularly if the home had increased in value, thus lowering the loan-to-value ratio. Borrowers with spotty payment records but who were generally current could refinance into another subprime loan, and borrowers who had made payments on time but who wanted to take extra cash out of the house such that they could not meet prime underwriting standards would also refinance with a subprime loan. If the borrower had a poor payment history and was in default, the borrower would usually seek to sell the house, particularly in markets that had seen home price appreciation, or face foreclosure action.

The big increases in the inventories of homes for sale, due to wide-scale overbuilding and the population and job declines in the Midwest, have led to home price declines that have upset these potential outcomes. First, general credit conditions tightened and borrowers found they may no longer be eligible to refinance. For example, borrowers who had made all of their payments found that they could not refinance due to increases in their loan to value ratios caused by falling home prices, and even if they had made their payments on

2 These offers are similar to the initial zero-percent interest offers on credit cards or large purchases made on credit.



time, their total debt to income ratios might preclude them from refinancing with a prime mortgage. Borrowers with spotty credit records found that they did not have home price appreciation to fall back on if they wanted to sell the house and there were no longer lenders willing to make a loan to them because there were no longer investors willing to purchase loans from individuals with their level of risk, or the lenders simply were no longer in business.³ This was particularly true for subprime borrowers who had relied on repeated cash-out refinancings to support lifestyles they otherwise could not afford or to pay off credit cards. This quandary has led to the many calls for the mortgage industry and investors in these mortgages to modify them until the current situation has stabilized.

The mortgage industry has historically used modifications sparingly⁴ due to the degree to which they can quickly destroy borrower discipline and result in some combination of higher borrowing costs for all borrowers and tighter credit standards for granting loans. Even in the current environment, loan modification of ARMs in the form of freezing interest rates can be seen as rewarding borrowers who decided to take a risk and take out loans with lower initial payments than what they would have been required to make with fixed rate, fully amortizing loans

The Current Situation and the Measurement of the Level of Loan Modifications

The current environment of rapidly declining home prices due to an over-supply of homes in some areas, particularly in states like California and Florida that have large numbers of the subprime ARM loans in the country, have changed the calculation for investors of wholesale modification of adjustable rate loans. Given that foreclosing on these loans in the adverse home price environment where they are located would greatly increase losses to the investors in those loans and to lenders who hold those loans in portfolio,⁵ mortgage

- 3 It is important to remember that the default rate among subprime lenders has been far greater than the default rate among subprime borrowers.
- 4 The one possible exception is with subprime fixed mortgages where it is common to add missed payments to the end of the mortgage. In addition, in the wake of Hurricane Katrina, numerous mortgages were modified.
- 5 The fundamental problem is that the supply of homes is relatively inelastic, that is, the supply of homes does not respond quickly to changes in home prices. This leads to rapid home price increases when demand increases and rapid home price declines when demand falls. On the demand side, household formation is relatively inelastic to changes in home prices so

servicers are attempting to maintain the cash flows on those loans through more extensive use of modifications. In addition, a number of policy makers, regulators and others have concluded that the broader public purpose of slowing the cycle of home price declines and foreclosures outweighs the long-term costs of wholesale modifications.

Given the investor, public, regulatory, and political interest in the degree of loan modifications being done on subprime ARM loans, much attention has been given to the level of modifications, but there has been little information against which to judge the number of modifications being done. For example, Moody's issued a report in September 2007⁶ that effectively called the industry to task for modifying only 1 percent of the subprime ARM loans that are resetting. Although subsequent reports by Moody's have given a more complete picture, this type of analysis tends to minimize the amount of help being given borrowers because it limits the numerator to loan modifications and excludes other types of assistance offered to borrowers to either keep them in their homes or relieve them of the financial burden if they decide to move out. Borrower assistance can come in the form of loan modifications or repayment plans that are traditionally more common, particularly with FHA loans. In addition, deed in lieu transactions allow the borrower to turn the property over to the lender in exchange for complete extinguishment of the debt. In short sale transactions, the borrower is allowed to sell the home to a third party for less than the outstanding mortgage, usually with forgiveness of the remaining balance. In both cases the borrower is relieved of the loan without a foreclosure filing against their credit records.

The other problem with the Moody's analysis is that it uses at the denominator the complete universe of subprime ARMs whose rates are resetting in a particular period. Only a limited number of borrowers with subprime ARMs can be helped or need to be helped. A significant percentage refinance on their own prior to the rate reset. A significant percentage default before the rate reset for reasons completely unrelated to the rate reset. These reasons can include the loss of a job, health issues, a divorce, the death of one of the income earners in the household, or becoming overextended with other credit like credit cards or car pay-

price-influenced demand would come from attracting credit worthy buyers from rentals and buyers wanting to buy for investment purposes. Both are unlikely to come in the market in a big way until there are signs that the decline in home prices has ended.

6 Drucker, Michael P and Fricke, William 2007. "Moody's Subprime Mortgage Servicer Survey on Loan Modifications", Structured Finance, New York, NY: Moody's Investors Service.

ments. If they cannot make their current low payments, freezing payments at the pre-rate reset levels will not help those borrowers. A more appropriate measure is not to look the total number of borrowers helped versus all loans outstanding but the numbers helped relative to the number that go into foreclosure. But even looking at the foreclosure number by itself is not a good measure because a number of borrowers facing foreclosure cannot be helped by a payment modification plan. Among these are:

Investors — In a number of cases the borrower does not occupy the house but has bought it either to speculate on increasing home prices or as a business transaction hoping to make a profit on the combination of rental income and price appreciation. As has been seen in California, Florida, Nevada, Arizona and elsewhere, these investors are among the first to default if they see that home prices are falling and there is little chance of recouping their money, much less making a big profit. Rather than throwing good money after bad by continuing to make payments, these borrowers will stop making payments rather abruptly.

Borrowers who do not respond to lenders or who cannot be located — Some borrowers simply will not respond to repeated attempts by lenders to contact them to see if the situation can be resolved through loan modification or other means. Contact attempts include phone calls and letters, but some borrowers cannot be located at all, which happen when someone loses a job and moves to find employment elsewhere. It is not unusual for mortgage servicing representatives to find the house vacant, evidence that the borrower has already given up on the house and the loan.

Defaulted despite a previous loan modification or repayment plan — Many borrowers with whom lenders establish a loan repayment plan or modification cannot live up to the modified terms. Most such plans deal with borrowers who have had a short-term setback, such as being between jobs or dealing with a temporary disability. While these borrowers may be able to make their mortgage payments going forward, they are clearly not able to catch up with the missed payments. In a typical case, a borrower would agree to a plan whereby any delinquent payments will be spread over some period of time. The borrower is expected to remain current and make the additional required payments.

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This rest of this paper provides information on the actions lenders took to assist borrowers in the third quarter of 2007, including loan modifications, repayment plans, deed in lieu transactions and short sales. However, it first looks at the extent the other circumstances discussed above essentially eliminated a number of borrowers from possible loan modification. It looks at the number of foreclosures attributable to borrowers who do not occupy the properties, borrowers who cannot be located or won't respond to lenders and borrowers who have already failed a previous repayment plan, and then estimates the number of foreclosure actions started relative to the number of loan modifications, repayment plans and other actions taken by mortgage servicers.

Data

Mortgage servicers⁷ provided information to the Mortgage Bankers Association approximately 33 million loans serviced during the 3rd quarter of 2007 representing approximately 62 percent of the loans outstanding. The numbers are broken down as follows, with FHA loans included in the prime loan categories:

Subprime ARM loans	2.1 million
Subprime fixed-rate loans	2.1 million
Prime ARM loans	4.8 million
Prime fixed-rate loans	23.8 million

⁷ A mortgage servicer is a firm that collects payments from borrowers and passes on the payments to the investor in that mortgage. The mortgage servicer may or may not be part of the same institution that owns the mortgage. In addition to sending the payments to the investors, calculating the rate changes for adjustable-rate mortgages and handling other tasks like making tax and insurance payments out of escrow accounts and providing year-end tax statements for borrowers, servicers are responsible for all of the collection and foreclosure activities surrounding delinquent loans.

Mortgage servicers were asked to provide information on the number of formal, written repayment plans established, loan modifications put in place, deed in lieu transactions and short sales during the quarter.⁸ Mortgage servicers were also asked to provide information on foreclosure actions filed during the third quarter, as well as some of the circumstances surrounding those foreclosures. Servicers were asked to identify the number of foreclosures filed on investor-owned properties, that is, properties where the owner of the property did not live in it but bought it for speculative purposes or to rent it. Since some number of borrowers will falsely claim at the time the loan is originated that they will occupy the house in order to secure a lower interest rate, servicers were instead asked to use a metric that has proven to be a better measure of investor properties -- identify investors as those cases where the property address was not the same as the billing address. Servicers were also asked to identify those cases where borrowers either would not respond to repeated attempts by lenders to contact them, or who could not be located at all. It is not uncommon for borrowers to simply leave the house without notifying the lender. Finally, lenders were asked to provide information on the number of foreclosures where the borrower already had a repayment plan or loan modification in place but could not perform according to the agreed upon terms and defaulted again.

Since the data cover about 62% of the market, the numbers were adjusted to reflect the estimated level of industry activity. In order to be conservative with the estimates, servicers with particularly high levels of loan modifications or repayment plans were excluded from the industry averages and loan totals when the numbers were grossed up, with their numbers added separately to the industry count.. It is entirely possible that the actual numbers for the third quarter are higher than those reported here, but it is not likely that they are lower.

8 Such plans were counted only if a formal written agreement was executed with the borrower. Informal plans, such a verbal promise to bring the mortgage current over the next few months were not counted.

Results

Of the foreclosure actions started in the third quarter of 2007,⁹ 18 percent were on properties that were not occupied by the owners, 23 percent were in cases where the borrower did not respond or could not be located, and 29 percent were cases where the borrower defaulted despite already having a repayment plan or loan modification in place. Tables 1 through 5 give the percentages by loan type for all of the states and the US total. The results show, for example, that the degree to which invest investor-owned properties drove foreclosures in the third quarter differed widely by state and by loan type. They ranged from a high of 35 percent of prime ARM foreclosures in Montana to a low of 6 percent of prime fixed-rate foreclosures in South Dakota. For the nation, investor loans comprised 18 percent of subprime ARM foreclosures, 28 percent of subprime fixed-rate foreclosures, 18 percent of prime ARM foreclosures and 14 percent of prime fixed-rate foreclosures. Table 6 shows, for example, that while 11 percent of foreclosures on prime ARM and prime fixed-rate loans were on non-owner occupied properties, the percentages for subprime loans were almost double that — 19 percent for subprime ARMs and 20 percent for subprime fixed-rate. In Ohio, a state that has had some of the highest foreclosure rates in the nation, investor-owned properties accounted for 21 percent of subprime ARM foreclosures and 34 percent of subprime fixed-rate foreclosures, versus 18 percent of prime ARM and 14 percent of prime fixed-rate foreclosures. Nevada had among the highest investor-owned share of foreclosures, with investors accounting for 36 percent of subprime fixed-rate foreclosures, 18 percent of subprime ARM foreclosures, 24 percent of prime ARM foreclosures and 14 percent of prime fixed-rate foreclosures.

Borrowers who could not be located or who would not respond to repeated attempts by lenders to contact them accounted for 23 percent of all foreclosures in the third quarter, 21 percent of subprime ARM foreclosures, 21 percent of subprime ARM foreclosures, 17 percent of prime ARM foreclosures and 33 percent of prime fixed-rate foreclosures. Thus, as a percent of foreclosures, the inability to get a borrower to respond to a mortgage servicer

⁹ The actual number of foreclosures started was likely closer to 400,000 based on the MBA's National Delinquency Survey. However, these foreclosures were on loans that cannot be identified by type as to fixed or adjustable rate and are therefore excluded. In addition, VA loans were not included but FHA loans were lumped into the prime loan categories.

is a much bigger problem for prime-fixed rate borrowers than for subprime borrowers. Again the results differed widely by state and loan type. The highest was 69 percent for prime fixed-rate foreclosures in Oklahoma versus a low of 7 percent of prime ARM foreclosures in Wisconsin. Table 7 shows that in Ohio and Michigan, 25 and 26 percent respectively of all foreclosures started in those states were for borrowers who would not respond to repeated attempts to contact them or could not be located.

Borrowers who had worked with their lenders and established loan modification or formal repayment plans, and then failed to perform according to those plans, accounted for 29 percent of all foreclosures in the third quarter. The inability of borrowers to meet the terms of their repayment plans or loan modifications accounted for 40 percent of subprime ARM foreclosures, 37 percent of subprime fixed foreclosures, 17 percent of prime ARM foreclosures and 14 percent of prime fixed foreclosures. Table 8 shows that the states of Vermont, North Dakota, New Mexico and Arkansas, with little else in common, had the highest shares of foreclosures due to the inability of borrowers to live up to prior plans.

Tables 9 through 13 present the information on the number of loan modifications, repayment plans, deed in lieu transactions and short sales, and compare those numbers with the number of foreclosures started. During the third quarter, mortgage servicers put in place approximately 183 thousand repayment plans and modified the rates or terms on approximately 54 thousand loans. Lenders modified approximately 13 thousand subprime ARM loans, 15 thousand subprime fixed rate loans, 4 thousand prime ARM loans and 21 thousand prime fixed-rate loans. In addition, servicers negotiated formal repayment plans with approximately 91 thousand subprime ARM borrowers, 30 thousand subprime fixed-rate borrowers, 37 thousand prime ARM borrowers and 25 thousand prime fixed-rate borrowers. During this period the industry did approximately one thousand deed in lieu transactions and nine thousand short sales.



In an effort to put these numbers into context, Tables 9 through 13 also provide a comparison with the repayment plan and loan modification numbers. They show a breakdown of the number of foreclosures started net of those that clearly could not be helped due to reasons already discussed — investor-owned, borrower would not respond or could not be located, or borrower failed to live up to an agreement already in place. As previously discussed, the percentages were adjusted downward to eliminate double counting for those borrowers who fell into more than one category. Therefore, while an estimated 166 thousand subprime ARM foreclosures were started during the third quarter, only 50 thousand did not fall into one of those three categories. In comparison, about 90 thousand repayment plans were renegotiated and 13 thousand loan modifications were done, for a total of 103 thousand. Of the net 50 thousand foreclosures, many of these likely occurred due to the traditional reasons for default, loss of job, divorce, illness or excessive debt burden relative to income, not just the impact of rate resets, thus eliminating any possible benefit of a rate freeze.

For subprime fixed loans, only about 12 thousand foreclosures did not fall into one of the categories, versus about 30 thousand repayment plans and 15 thousand loan modifications. For the prime ARM loans, the net foreclosure number was about 41 thousand versus 37 thousand repayment plans and 4 thousand loan modifications. For prime fixed-rate loans, the net foreclosure number was about 46 thousand versus 25 thousand repayment plans and 21 thousand loan modifications.



Conclusion

The mortgage industry took major steps during the third quarter in helping those borrowers who could be helped. The numbers of loan modifications, negotiated repayment plans, short sales and deed in lieu transactions are large and compare favorably with the number of foreclosure actions started, particularly when those foreclosures are adjusted to remove the borrowers who clearly could not be helped. It is likely that the number of loan modifications for subprime ARMs will continue to grow as the number of subprime ARMs with rates resetting peak in the first half of 2008. More importantly, during the third and fourth quarters of 2007, several legal, accounting and regulatory impediments to more widespread modifications were removed, which should also lead more increases in the loan modification numbers going forward.

The current situation in the housing market is presenting major challenges to borrowers, mortgage servicers, investors in mortgages and regulators. In many ways, the way in which the industry and regulators respond will determine the viability of the mortgage finance system for years to come. It appears that, based on these numbers, the mortgage industry is doing its part to help those borrowers who can be helped.

**TABLE 1- Factors Impacting Foreclosure Starts
All Loan Types - 2007 3rd Quarter**

	Not Occupied by Owner	Borrower Would Not Respond	Borrower Defaulted Despite Previous Plan	Total*
Alabama	18%	23%	27%	60%
Alaska	14%	36%	27%	73%
Arizona	22%	23%	23%	59%
Arkansas	18%	24%	41%	75%
California	16%	20%	29%	57%
Colorado	20%	25%	27%	63%
Connecticut	13%	19%	34%	61%
Delaware	16%	21%	31%	60%
District of Columbia	16%	27%	34%	70%
Florida	22%	24%	27%	65%
Georgia	19%	26%	28%	65%
Hawaii	18%	16%	29%	57%
Idaho	17%	30%	28%	67%
Illinois	18%	25%	21%	56%
Indiana	19%	23%	32%	67%
Iowa	18%	26%	34%	72%
Kansas	19%	26%	24%	62%
Kentucky	16%	23%	29%	63%
Louisiana	16%	26%	30%	65%
Maine	13%	19%	42%	70%
Maryland	14%	24%	33%	65%
Massachusetts	16%	22%	29%	60%
Michigan	21%	26%	29%	66%
Minnesota	19%	25%	26%	60%
Mississippi	14%	25%	37%	70%
Missouri	19%	24%	29%	63%
Montana	17%	19%	20%	52%
Nebraska	14%	33%	34%	76%
Nevada	22%	19%	21%	53%
New Hampshire	12%	27%	33%	67%
New Jersey	18%	21%	22%	53%
New Mexico	12%	31%	44%	83%
New York	20%	20%	27%	59%
North Carolina	16%	19%	34%	64%
North Dakota	13%	23%	47%	80%
Ohio	22%	25%	28%	65%
Oklahoma	18%	47%	24%	80%
Oregon	19%	25%	32%	68%
Pennsylvania	15%	21%	31%	60%
Rhode Island	16%	19%	39%	69%
South Carolina	16%	24%	29%	64%
South Dakota	11%	24%	19%	49%
Tennessee	16%	23%	32%	65%
Texas	18%	27%	31%	68%
Utah	17%	21%	30%	61%
Vermont	10%	19%	54%	80%
Virginia	15%	22%	24%	53%
Washington	16%	22%	34%	65%
West Virginia	15%	29%	34%	72%
Wisconsin	18%	21%	23%	56%
Wyoming	18%	30%	31%	72%
Total USA	18%	23%	29%	63%

*Columns do not add to the total because some borrowers fell into more than one category. For example, some borrowers were both investors and would not respond to mortgage servicers.

**TABLE 2- Factors Impacting Foreclosure Starts
Subprime ARMs - 2007 3rd Quarter**

	Not Occupied by Owner	Borrower Would Not Respond	Borrower Defaulted Despite Previous Plan	Total*
Alabama	13%	18%	41%	66%
Alaska	14%	22%	45%	77%
Arizona	21%	23%	30%	63%
Arkansas	14%	13%	58%	80%
California	19%	22%	36%	67%
Colorado	22%	25%	37%	71%
Connecticut	12%	17%	42%	64%
Delaware	9%	14%	43%	62%
District of Columbia	15%	23%	45%	75%
Florida	21%	22%	39%	72%
Georgia	18%	18%	43%	71%
Hawaii	19%	17%	41%	70%
Idaho	19%	29%	32%	70%
Illinois	19%	26%	26%	61%
Indiana	17%	18%	44%	73%
Iowa	13%	22%	50%	80%
Kansas	19%	24%	34%	68%
Kentucky	14%	17%	43%	69%
Louisiana	11%	19%	42%	66%
Maine	13%	13%	57%	78%
Maryland	13%	20%	44%	70%
Massachusetts	16%	24%	38%	69%
Michigan	18%	20%	43%	73%
Minnesota	19%	24%	37%	71%
Mississippi	14%	19%	50%	78%
Missouri	17%	24%	37%	68%
Montana	14%	24%	35%	66%
Nebraska	13%	19%	51%	78%
Nevada	20%	23%	30%	62%
New Hampshire	11%	23%	49%	77%
New Jersey	18%	28%	31%	67%
New Mexico	10%	12%	60%	80%
New York	17%	25%	34%	66%
North Carolina	14%	13%	52%	74%
North Dakota	11%	9%	65%	84%
Ohio	21%	22%	40%	74%
Oklahoma	13%	22%	37%	65%
Oregon	20%	17%	40%	69%
Pennsylvania	12%	20%	39%	66%
Rhode Island	16%	18%	49%	78%
South Carolina	13%	21%	41%	69%
South Dakota	10%	22%	35%	60%
Tennessee	16%	19%	45%	72%
Texas	16%	19%	43%	70%
Utah	15%	15%	43%	67%
Vermont	8%	9%	68%	83%
Virginia	14%	22%	34%	61%
Washington	17%	19%	44%	71%
West Virginia	12%	22%	44%	74%
Wisconsin	19%	25%	32%	67%
Wyoming	11%	26%	43%	72%
Total USA	18%	21%	40%	70%

*Columns do not add to the total because some borrowers fell into more than one category. For example, some borrowers were both investors and would not respond to mortgage servicers.

TABLE 3- Factors Impacting Foreclosure Starts
Subprime Fixed-Rate - 2007 3rd Quarter

	Not Occupied by Owner	Borrower Would Not Respond	Borrower Defaulted Despite Previous Plan	Total*
Alabama	28%	18%	40%	74%
Alaska	18%	26%	43%	83%
Arizona	28%	19%	33%	69%
Arkansas	27%	18%	35%	70%
California	20%	17%	38%	68%
Colorado	37%	21%	35%	81%
Connecticut	21%	19%	39%	73%
Delaware	33%	24%	38%	80%
District of Columbia	20%	16%	49%	78%
Florida	27%	22%	33%	73%
Georgia	32%	18%	40%	78%
Hawaii	13%	16%	38%	59%
Idaho	21%	22%	46%	76%
Illinois	33%	23%	24%	67%
Indiana	35%	23%	29%	74%
Iowa	24%	18%	43%	75%
Kansas	31%	23%	33%	74%
Kentucky	24%	19%	39%	73%
Louisiana	24%	23%	36%	73%
Maine	23%	9%	47%	74%
Maryland	24%	20%	39%	75%
Massachusetts	27%	22%	30%	69%
Michigan	36%	29%	31%	78%
Minnesota	29%	25%	33%	75%
Mississippi	19%	16%	51%	78%
Missouri	29%	20%	37%	75%
Montana	31%	17%	24%	65%
Nebraska	15%	8%	58%	77%
Nevada	33%	23%	24%	64%
New Hampshire	23%	20%	37%	72%
New Jersey	32%	20%	26%	68%
New Mexico	20%	26%	51%	88%
New York	32%	20%	35%	73%
North Carolina	32%	18%	40%	77%
North Dakota	12%	15%	66%	90%
Ohio	34%	26%	34%	78%
Oklahoma	29%	40%	32%	90%
Oregon	28%	26%	34%	76%
Pennsylvania	25%	18%	39%	72%
Rhode Island	16%	16%	46%	73%
South Carolina	24%	15%	43%	74%
South Dakota	37%	29%	23%	71%
Tennessee	18%	18%	49%	78%
Texas	25%	17%	42%	74%
Utah	37%	15%	31%	69%
Vermont	10%	12%	56%	74%
Virginia	25%	21%	40%	74%
Washington	25%	23%	34%	70%
West Virginia	25%	25%	44%	80%
Wisconsin	28%	22%	27%	67%
Wyoming	35%	16%	30%	73%
Total USA	28%	21%	37%	74%

*Columns do not add to the total because some borrowers fell into more than one category. For example,

TABLE 4 - Factors Impacting Foreclosure Starts
Prime ARMs - 2007 3rd Quarter

	Borrower			Total*
	Not Occupied by Owner	Borrower Would Not Respond	Defaulted Despite Previous Plan	
Alabama	27%	16%	16%	53%
Alaska	23%	38%	13%	58%
Arizona	26%	18%	16%	55%
Arkansas	25%	26%	35%	76%
California	11%	14%	17%	39%
Colorado	17%	20%	18%	50%
Connecticut	18%	16%	16%	46%
Delaware	24%	13%	18%	53%
District of Columbia	29%	20%	9%	51%
Florida	27%	20%	14%	54%
Georgia	22%	24%	14%	49%
Hawaii	22%	9%	16%	43%
Idaho	24%	26%	12%	50%
Illinois	15%	19%	16%	46%
Indiana	18%	21%	27%	60%
Iowa	21%	23%	26%	64%
Kansas	11%	20%	24%	47%
Kentucky	20%	20%	11%	47%
Louisiana	24%	24%	10%	53%
Maine	16%	20%	29%	60%
Maryland	12%	22%	17%	48%
Massachusetts	11%	12%	14%	34%
Michigan	18%	19%	20%	50%
Minnesota	20%	16%	17%	40%
Mississippi	17%	31%	23%	64%
Missouri	21%	14%	19%	44%
Montana	35%	22%	4%	52%
Nebraska	14%	46%	28%	83%
Nevada	24%	13%	13%	45%
New Hampshire	12%	25%	15%	47%
New Jersey	13%	15%	11%	36%
New Mexico	19%	28%	39%	78%
New York	15%	16%	13%	40%
North Carolina	19%	14%	25%	50%
North Dakota	21%	24%	34%	72%
Ohio	18%	18%	15%	45%
Oklahoma	31%	18%	14%	57%
Oregon	17%	24%	16%	45%
Pennsylvania	13%	22%	22%	49%
Rhode Island	18%	13%	10%	37%
South Carolina	20%	23%	16%	51%
South Dakota	14%	14%	14%	38%
Tennessee	20%	21%	14%	50%
Texas	28%	18%	27%	63%
Utah	23%	19%	18%	55%
Vermont	19%	25%	42%	80%
Virginia	14%	19%	8%	35%
Washington	13%	17%	21%	46%
West Virginia	18%	15%	29%	59%
Wisconsin	12%	7%	13%	31%
Wyoming	20%	20%	0%	40%
Total USA	18%	17%	17%	46%

*Columns do not add to the total because some borrowers fell into more than one category. For example, some borrowers were both investors and would not respond to mortgage servicers.

TABLE 5 - Factors Impacting Foreclosure Starts
Prime Fixed Rate - 2007 3rd Quarter

	Borrower			Total*
	Not Occupied by Owner	Borrower Would Not Respond	Defaulted Despite Previous Plan	
Alabama	13%	31%	8%	47%
Alaska	13%	44%	17%	70%
Arizona	16%	28%	13%	50%
Arkansas	17%	46%	14%	68%
California	11%	23%	15%	44%
Colorado	13%	29%	15%	52%
Connecticut	10%	25%	18%	50%
Delaware	13%	32%	10%	47%
District of Columbia	9%	44%	18%	67%
Florida	18%	33%	11%	54%
Georgia	15%	37%	14%	60%
Hawaii	15%	18%	8%	38%
Idaho	12%	35%	21%	64%
Illinois	9%	26%	11%	43%
Indiana	13%	31%	18%	56%
Iowa	18%	34%	17%	63%
Kansas	17%	29%	14%	56%
Kentucky	14%	30%	15%	54%
Louisiana	14%	34%	16%	59%
Maine	10%	33%	22%	60%
Maryland	11%	37%	14%	58%
Massachusetts	12%	25%	15%	46%
Michigan	17%	35%	13%	57%
Minnesota	13%	32%	14%	52%
Mississippi	11%	36%	14%	57%
Missouri	17%	30%	11%	51%
Montana	12%	17%	12%	40%
Nebraska	14%	48%	18%	73%
Nevada	14%	21%	8%	35%
New Hampshire	9%	36%	16%	58%
New Jersey	11%	13%	10%	31%
New Mexico	10%	55%	24%	85%
New York	12%	15%	10%	33%
North Carolina	10%	29%	12%	47%
North Dakota	13%	41%	24%	73%
Ohio	14%	28%	13%	49%
Oklahoma	12%	69%	10%	85%
Oregon	12%	41%	23%	71%
Pennsylvania	11%	24%	19%	50%
Rhode Island	16%	26%	17%	52%
South Carolina	12%	33%	13%	54%
South Dakota	6%	25%	13%	43%
Tennessee	15%	31%	11%	51%
Texas	14%	40%	17%	65%
Utah	10%	30%	20%	56%
Vermont	13%	45%	21%	74%
Virginia	11%	28%	9%	42%
Washington	11%	30%	21%	59%
West Virginia	14%	43%	16%	68%
Wisconsin	11%	20%	10%	38%
Wyoming	12%	48%	21%	76%
Total USA	14%	33%	14%	55%

*Columns do not add to the total because some borrowers fell into more than one category. For example, some borrowers were both investors and would not respond to mortgage servicers.

**TABLE 6 - Non-Owner Occupied Portion of Foreclosures Started
2007 Third Quarter**

	PRIME ARM	PRIME FIXED	SUBPRIME ARM	SUBPRIME FIXED	ALL LOANS
Alabama	27%	13%	13%	28%	18%
Alaska	23%	13%	14%	18%	14%
Arizona	26%	16%	21%	28%	22%
Arkansas	25%	17%	14%	27%	18%
California	11%	11%	19%	20%	16%
Colorado	17%	13%	22%	37%	20%
Connecticut	18%	10%	12%	21%	13%
Delaware	24%	13%	9%	33%	16%
District of Columbia	29%	9%	15%	20%	16%
Florida	27%	18%	21%	27%	22%
Georgia	22%	15%	18%	32%	19%
Hawaii	22%	15%	19%	13%	18%
Idaho	24%	12%	19%	21%	17%
Illinois	15%	9%	19%	33%	18%
Indiana	18%	13%	17%	35%	19%
Iowa	21%	18%	13%	24%	18%
Kansas	11%	17%	19%	31%	19%
Kentucky	20%	14%	14%	24%	16%
Louisiana	24%	14%	11%	24%	16%
Maine	16%	10%	13%	23%	13%
Maryland	12%	11%	13%	24%	14%
Massachusetts	11%	12%	16%	27%	16%
Michigan	18%	17%	18%	36%	21%
Minnesota	20%	13%	19%	29%	19%
Mississippi	17%	11%	14%	19%	14%
Missouri	21%	17%	17%	29%	19%
Montana	35%	12%	14%	31%	17%
Nebraska	14%	14%	13%	15%	14%
Nevada	24%	14%	20%	33%	22%
New Hampshire	12%	9%	11%	23%	12%
New Jersey	13%	11%	18%	32%	18%
New Mexico	19%	10%	10%	20%	12%
New York	15%	12%	17%	32%	20%
North Carolina	19%	10%	14%	32%	16%
North Dakota	21%	13%	11%	12%	13%
Ohio	18%	14%	21%	34%	22%
Oklahoma	31%	12%	13%	29%	18%
Oregon	17%	12%	20%	28%	19%
Pennsylvania	13%	11%	12%	25%	15%
Rhode Island	18%	16%	16%	16%	16%
South Carolina	20%	12%	13%	24%	16%
South Dakota	14%	6%	10%	37%	11%
Tennessee	20%	15%	16%	18%	16%
Texas	28%	14%	16%	25%	18%
Utah	23%	10%	15%	37%	17%
Vermont	19%	13%	8%	10%	10%
Virginia	14%	11%	14%	25%	15%
Washington	13%	11%	17%	25%	16%
West Virginia	18%	14%	12%	25%	15%
Wisconsin	12%	11%	19%	28%	18%
Wyoming	20%	12%	11%	35%	18%
USA	18%	14%	18%	28%	18%

**TABLE 7 - No Response from Borrower Portion of
Foreclosures Started - 2007 Third Quarter**

	PRIME ARM	PRIME FIXED	SUBPRIME ARM	SUBPRIME FIXED	ALL LOANS
Alabama	16%	17%	18%	18%	23%
Alaska	38%	31%	22%	26%	36%
Arizona	18%	44%	23%	19%	23%
Arkansas	26%	28%	13%	18%	24%
California	14%	46%	22%	17%	20%
Colorado	20%	23%	25%	21%	25%
Connecticut	16%	29%	17%	19%	19%
Delaware	13%	25%	14%	24%	21%
District of Columbia	20%	32%	23%	16%	27%
Florida	20%	44%	22%	22%	24%
Georgia	24%	33%	18%	18%	26%
Hawaii	9%	37%	17%	16%	16%
Idaho	26%	18%	29%	22%	30%
Illinois	19%	35%	26%	23%	25%
Indiana	21%	26%	18%	23%	23%
Iowa	23%	31%	22%	18%	26%
Kansas	20%	34%	24%	23%	26%
Kentucky	20%	29%	17%	19%	23%
Louisiana	24%	30%	19%	23%	26%
Maine	20%	34%	13%	9%	19%
Maryland	22%	33%	20%	20%	24%
Massachusetts	12%	37%	24%	22%	22%
Michigan	19%	25%	20%	29%	26%
Minnesota	16%	35%	24%	25%	25%
Mississippi	31%	32%	19%	16%	25%
Missouri	14%	36%	24%	20%	24%
Montana	22%	30%	24%	17%	19%
Nebraska	46%	17%	19%	8%	33%
Nevada	13%	48%	23%	23%	19%
New Hampshire	25%	21%	23%	20%	27%
New Jersey	15%	36%	28%	20%	21%
New Mexico	28%	13%	12%	26%	31%
New York	16%	55%	25%	20%	20%
North Carolina	14%	15%	13%	18%	19%
North Dakota	24%	29%	9%	15%	23%
Ohio	18%	41%	22%	26%	25%
Oklahoma	18%	28%	22%	40%	47%
Oregon	24%	69%	17%	26%	25%
Pennsylvania	22%	41%	20%	18%	21%
Rhode Island	13%	24%	18%	16%	19%
South Carolina	23%	26%	21%	15%	24%
South Dakota	14%	33%	22%	29%	24%
Tennessee	21%	25%	19%	18%	23%
Texas	18%	31%	19%	17%	27%
Utah	19%	40%	15%	15%	21%
Vermont	25%	30%	9%	12%	19%
Virginia	19%	45%	22%	21%	22%
Washington	17%	28%	19%	23%	22%
West Virginia	15%	30%	22%	25%	29%
Wisconsin	7%	43%	25%	22%	21%
Wyoming	20%	20%	26%	16%	30%
USA	17%	33%	21%	21%	23%

**TABLE 8 - Borrower Failed previous Plan Portion of
Foreclosures Started - 2007 Third Quarter**

	PRIME ARM	PRIME FIXED	SUBPRIME ARM	SUBPRIME FIXED	ALL LOANS
Alabama	16%	8%	41%	40%	27%
Alaska	13%	17%	45%	43%	27%
Arizona	16%	13%	30%	33%	23%
Arkansas	35%	14%	58%	35%	41%
California	17%	15%	36%	38%	29%
Colorado	18%	15%	37%	35%	27%
Connecticut	16%	18%	42%	39%	34%
Delaware	18%	10%	43%	38%	31%
District of Columbia	9%	18%	45%	49%	34%
Florida	14%	11%	39%	33%	27%
Georgia	14%	14%	43%	40%	28%
Hawaii	16%	8%	41%	38%	29%
Idaho	12%	21%	32%	46%	28%
Illinois	16%	11%	26%	24%	21%
Indiana	27%	18%	44%	29%	32%
Iowa	26%	17%	50%	43%	34%
Kansas	24%	14%	34%	33%	24%
Kentucky	11%	15%	43%	39%	29%
Louisiana	10%	16%	42%	36%	30%
Maine	29%	22%	57%	47%	42%
Maryland	17%	14%	44%	39%	33%
Massachusetts	14%	15%	38%	30%	29%
Michigan	20%	13%	43%	31%	29%
Minnesota	17%	14%	37%	33%	26%
Mississippi	23%	14%	50%	51%	37%
Missouri	19%	11%	37%	37%	29%
Montana	4%	12%	35%	24%	20%
Nebraska	28%	18%	51%	58%	34%
Nevada	13%	8%	30%	24%	21%
New Hampshire	15%	16%	49%	37%	33%
New Jersey	11%	10%	31%	26%	22%
New Mexico	39%	24%	60%	51%	44%
New York	13%	10%	34%	35%	27%
North Carolina	25%	12%	52%	40%	34%
North Dakota	34%	24%	65%	66%	47%
Ohio	15%	13%	40%	34%	28%
Oklahoma	14%	10%	37%	32%	24%
Oregon	16%	23%	40%	34%	32%
Pennsylvania	22%	19%	39%	39%	31%
Rhode Island	10%	17%	49%	46%	39%
South Carolina	16%	13%	41%	43%	29%
South Dakota	14%	13%	35%	23%	19%
Tennessee	14%	11%	45%	49%	32%
Texas	27%	17%	43%	42%	31%
Utah	18%	20%	43%	31%	30%
Vermont	42%	21%	68%	56%	54%
Virginia	8%	9%	34%	40%	24%
Washington	21%	21%	44%	34%	34%
West Virginia	29%	16%	44%	44%	34%
Wisconsin	13%	10%	32%	27%	23%
Wyoming	0%	21%	43%	30%	31%
USA	17%	14%	40%	37%	29%

TABLE 9 - Estimated Modifications and Foreclosures - All Loans

	Repayment Plans	Loan Modifications	Total	Deed in Lieu	Short Sales	Foreclosures Started*	Net Foreclosures started*
Alabama	1,785	742	2,527	6	39	3,960	1,655
Alaska	733	167	899	0	1	330	92
Arizona	4,326	900	5,226	41	288	10,222	4,092
Arkansas	2,348	269	2,617	3	25	1,478	388
California	23,579	4,450	28,030	155	1,729	63,877	27,679
Colorado	3,201	1,300	4,501	30	625	8,663	3,293
Connecticut	2,646	572	3,218	7	112	3,661	1,454
Delaware	459	122	580	0	23	1,103	470
DC	561	100	661	0	17	502	160
Florida	16,507	3,279	19,786	155	656	44,150	15,761
Georgia	8,142	3,122	11,264	25	260	15,887	5,684
Hawaii	444	65	509	2	22	732	304
Idaho	871	288	1,159	4	51	1,072	369
Illinois	5,362	1,786	7,148	50	367	17,076	7,810
Indiana	5,090	1,562	6,652	22	239	11,954	4,240
Iowa	1,915	830	2,745	21	80	2,376	710
Kansas	1,011	409	1,420	10	74	1,994	784
Kentucky	1,676	659	2,335	11	130	3,855	1,474
Louisiana	2,225	925	3,150	3	91	3,392	1,239
Maine	1,460	213	1,673	3	48	991	294
Maryland	4,933	838	5,771	5	105	6,274	2,260
Massachusetts	3,252	917	4,169	14	241	7,467	3,174
Michigan	7,379	3,244	10,623	153	388	22,806	8,186
Minnesota	3,036	943	3,978	23	295	8,627	3,508
Mississippi	2,220	682	2,901	3	57	2,400	721
Missouri	3,390	1,074	4,464	15	133	6,911	2,710
Montana	302	111	412	2	12	366	165
Nebraska	1,953	678	2,632	4	42	1,265	295
Nevada	2,336	666	3,002	26	202	7,424	3,337
New Hampshire	792	335	1,127	4	47	1,388	458
New Jersey	3,427	983	4,410	13	187	9,241	4,593
New Mexico	2,262	404	2,666	1	47	1,007	170
New York	6,075	1,481	7,556	18	241	14,531	6,595
North Carolina	4,730	1,403	6,133	19	206	8,366	3,263
North Dakota	3,006	401	3,407	0	5	141	26
Ohio	7,221	3,135	10,356	140	607	20,705	7,940
Oklahoma	1,375	602	1,977	8	91	2,604	604
Oregon	1,381	349	1,730	0	92	2,138	719
Pennsylvania	5,995	2,003	7,998	24	204	9,682	3,929
Rhode Island	886	142	1,028	0	51	1,600	523
South Carolina	2,976	1,048	4,024	2	100	4,888	1,836
South Dakota	131	60	191	0	13	312	154
Tennessee	3,603	1,475	5,078	3	124	6,422	2,311
Texas	12,233	5,555	17,788	50	708	20,392	6,499
Utah	1,083	330	1,413	5	107	1,863	705
Vermont	2,092	140	2,232	0	6	238	49
Virginia	4,366	1,212	5,578	14	194	7,451	3,469
Washington	2,792	710	3,502	8	181	4,432	1,617
West Virginia	1,171	256	1,426	2	39	908	269
Wisconsin	1,838	611	2,449	23	187	5,127	2,455
Wyoming	123	27	149	0	3	175	55
U.S.	182,702	53,573	236,275	1,050	9,004	384,388	148,785

* Net foreclosures excludes investor-owned properties, nonresponsive borrowers and borrowers who failed to perform under an existing plan. Foreclosures estimated based on MBA's National Delinquency Survey and are grossed up to reflect the estimated market coverage of that survey.

TABLE 10 - Estimated Subprime ARM Modifications and Foreclosures

	Repayment Plans	Loan Modifications	Total	Deed in Lieu	Short Sales	Foreclosures Started	Net Foreclosures started*
Alabama	803	151	953	6	17	1,234	415
Alaska	340	18	358	0	1	109	25
Arizona	2,604	348	2,952	26	170	5,670	2,096
Arkansas	920	63	983	2	10	532	105
California	12,099	1,972	14,071	97	1,024	35,567	11,720
Colorado	1,769	433	2,202	15	308	3,744	1,067
Connecticut	1,352	172	1,524	5	66	1,982	707
Delaware	233	39	272	0	8	367	138
DC	284	9	293	0	9	261	65
Florida	8,339	840	9,179	47	352	20,562	5,744
Georgia	3,958	645	4,603	5	108	5,871	1,698
Hawaii	184	17	201	0	13	378	115
Idaho	513	63	576	3	23	482	146
Illinois	3,156	462	3,618	18	214	7,518	2,917
Indiana	2,327	344	2,672	15	99	3,732	1,013
Iowa	820	113	933	2	21	701	139
Kansas	484	66	550	1	30	657	211
Kentucky	795	133	928	4	60	1,359	424
Louisiana	994	147	1,141	0	32	1,163	390
Maine	564	47	611	2	20	438	97
Maryland	2,636	256	2,892	2	54	3,136	954
Massachusetts	1,929	282	2,211	2	116	3,608	1,133
Michigan	4,142	719	4,860	85	170	9,158	2,514
Minnesota	1,672	311	1,983	11	177	3,989	1,173
Mississippi	1,034	132	1,167	2	16	881	198
Missouri	1,857	233	2,089	8	69	3,127	993
Montana	104	26	130	0	3	111	37
Nebraska	776	76	852	1	13	447	99
Nevada	1,494	264	1,758	15	124	4,239	1,592
New Hampshire	458	97	555	3	14	655	150
New Jersey	1,788	191	1,979	11	94	3,664	1,222
New Mexico	790	62	851	1	20	370	73
New York	2,801	243	3,045	9	128	5,549	1,868
North Carolina	2,087	275	2,361	5	79	2,604	666
North Dakota	941	28	969	0	2	66	10
Ohio	3,270	616	3,887	56	249	6,520	1,684
Oklahoma	599	94	693	1	33	866	305
Oregon	700	96	796	0	57	1,054	324
Pennsylvania	2,511	347	2,858	6	72	2,959	1,003
Rhode Island	470	48	518	0	21	906	197
South Carolina	1,270	173	1,443	2	42	1,449	447
South Dakota	49	8	57	0	1	95	38
Tennessee	1,521	278	1,799	0	36	2,450	690
Texas	5,706	868	6,574	7	263	7,005	2,097
Utah	553	83	636	3	66	874	292
Vermont	892	10	902	0	2	127	21
Virginia	2,629	402	3,031	3	100	3,692	1,432
Washington	1,549	235	1,784	2	121	2,073	598
West Virginia	607	47	654	1	9	228	60
Wisconsin	1,073	151	1,224	12	101	2,140	700
Wyoming	76	9	85	0	3	84	23
U.S.	90,522	12,741	103,263	418	4,053	166,415	50,063

* Net foreclosures excludes investor-owned properties, nonresponsive borrowers and borrowers who failed to perform under an existing plan. Foreclosures estimated based on MBA's National Delinquency Survey and are grossed up to reflect the estimated market coverage of that survey.

TABLE 11 - Estimated Subprime Fixed Modifications and Foreclosures

	Repayment Plans	Loan Modifications	Total	Deed in Lieu	Short Sales	Foreclosures Started	Net Foreclosures started*
Alabama	377	275	653	0	9	644	168
Alaska	124	13	136	0	0	49	8
Arizona	487	193	680	2	27	806	247
Arkansas	240	107	347	0	9	287	87
California	1,889	1,022	2,910	18	362	3,628	1,164
Colorado	344	318	663	3	88	653	126
Connecticut	383	202	585	0	20	491	135
Delaware	93	33	126	0	4	128	26
DC	64	31	94	0	2	48	11
Florida	2,205	1,057	3,262	20	96	4,441	1,212
Georgia	1,319	752	2,072	4	57	1,810	392
Hawaii	81	20	101	0	9	110	45
Idaho	122	82	204	1	15	125	30
Illinois	824	467	1,292	5	59	1,914	636
Indiana	900	443	1,343	1	50	1,782	465
Iowa	327	256	583	3	19	323	79
Kansas	231	117	348	4	14	237	62
Kentucky	328	207	535	3	30	658	181
Louisiana	542	262	804	0	30	628	169
Maine	198	87	284	1	20	162	42
Maryland	619	180	799	2	26	789	197
Massachusetts	550	280	830	2	37	922	283
Michigan	934	980	1,915	9	46	2,373	527
Minnesota	299	252	551	3	40	592	149
Mississippi	396	288	684	0	25	519	115
Missouri	680	404	1,085	2	20	841	206
Montana	56	20	75	0	3	45	16
Nebraska	313	219	532	1	15	182	41
Nevada	179	194	372	5	20	418	149
New Hampshire	138	78	217	0	17	193	53
New Jersey	594	220	814	2	28	1,095	356
New Mexico	290	89	379	0	17	183	21
New York	2,053	573	2,626	5	70	2,874	780
North Carolina	1,016	369	1,385	4	56	1,367	314
North Dakota	384	147	530	0	1	26	3
Ohio	1,658	976	2,633	17	114	3,607	778
Oklahoma	406	225	630	2	21	550	56
Oregon	188	78	267	0	28	287	70
Pennsylvania	1,722	713	2,435	5	88	2,037	576
Rhode Island	128	48	175	0	14	202	55
South Carolina	800	357	1,157	0	27	1,008	261
South Dakota	7	7	14	0	2	35	10
Tennessee	764	407	1,171	0	43	1,200	262
Texas	3,088	1,411	4,499	5	136	3,702	961
Utah	127	53	180	0	20	201	61
Vermont	219	3	222	0	2	42	11
Virginia	741	398	1,139	0	33	861	228
Washington	394	187	581	0	35	583	176
West Virginia	145	103	248	1	18	186	37
Wisconsin	278	195	474	0	29	568	190
Wyoming	17	9	27	0	0	25	7
U.S.	30,261	15,407	45,668	130	1,954	46,438	12,232

* Net foreclosures excludes investor-owned properties, nonresponsive borrowers and borrowers who failed to perform under an existing plan. Foreclosures estimated based on MBA's National Delinquency Survey and are grossed up to reflect the estimated market coverage of that survey.

TABLE 12 - Estimated Prime ARM Modifications and Foreclosures

	Repayment Plans	Loan Modifications	Total	Deed in Lieu	Short Sales	Foreclosures Started	Net Foreclosures started*
Alabama	67	21	88	0	0	414	193
Alaska	196	6	202	0	0	61	26
Arizona	850	123	973	5	67	2,320	1,035
Arkansas	954	2	955	0	0	179	44
California	7,869	1,079	8,948	36	289	20,258	12,330
Colorado	646	135	781	6	104	2,167	1,087
Connecticut	577	45	622	2	10	495	267
Delaware	56	7	63	0	7	318	151
DC	160	11	171	0	5	128	63
Florida	3,978	417	4,395	61	119	10,620	4,920
Georgia	1,442	179	1,621	0	27	2,724	1,398
Hawaii	108	5	112	0	0	135	76
Idaho	166	28	194	0	5	179	90
Illinois	521	159	680	18	30	3,184	1,709
Indiana	1,208	56	1,264	3	12	1,505	605
Iowa	478	44	522	0	5	428	154
Kansas	143	20	163	2	7	273	143
Kentucky	228	25	252	0	9	443	234
Louisiana	240	30	271	0	3	454	212
Maine	470	5	475	0	2	130	51
Maryland	1,147	96	1,243	2	18	1,214	629
Massachusetts	411	114	524	5	66	1,501	988
Michigan	1,308	279	1,587	32	61	3,938	1,985
Minnesota	648	84	732	8	42	1,961	1,183
Mississippi	611	18	629	0	1	294	106
Missouri	364	39	403	3	17	894	500
Montana	26	5	31	2	0	119	57
Nebraska	539	16	555	1	1	162	28
Nevada	521	134	655	4	43	1,995	1,098
New Hampshire	138	22	160	0	9	237	126
New Jersey	506	113	619	0	34	1,885	1,215
New Mexico	765	8	774	0	2	110	24
New York	464	64	528	0	6	1,936	1,154
North Carolina	665	69	734	2	14	1,100	549
North Dakota	1,042	2	1,043	0	0	20	6
Ohio	985	150	1,136	7	69	2,562	1,403
Oklahoma	141	16	157	0	6	237	102
Oregon	309	42	351	0	5	367	200
Pennsylvania	910	81	991	2	6	1,023	518
Rhode Island	168	1	169	0	4	246	154
South Carolina	342	41	383	0	7	618	301
South Dakota	40	6	46	0	2	50	31
Tennessee	588	67	655	0	4	748	372
Texas	1,659	158	1,816	2	33	1,954	719
Utah	242	47	288	0	7	289	129
Vermont	736	3	739	0	0	20	4
Virginia	526	116	642	11	39	1,741	1,140
Washington	574	67	640	2	13	863	467
West Virginia	347	4	350	0	2	140	57
Wisconsin	185	45	231	8	28	947	657
Wyoming	17	2	19	0	0	25	15
U.S.	37,279	4,307	41,585	223	1,235	75,608	40,706

* Net foreclosures excludes investor-owned properties, nonresponsive borrowers and borrowers who failed to perform under an existing plan. Foreclosures estimated based on MBA's National Delinquency Survey and are grossed up to reflect the estimated market coverage of that survey.

TABLE 13 - Estimated Prime Fixed Modifications and Foreclosures

	Repayment Plans	Loan Modifications	Total	Deed in Lieu	Short Sales	Foreclosures Started	Net Foreclosures started*
Alabama	538	295	833	0	13	1,669	880
Alaska	73	130	203	0	0	110	33
Arizona	385	236	621	8	24	1,426	714
Arkansas	235	98	333	1	6	480	152
California	1,723	377	2,101	4	54	4,424	2,465
Colorado	441	414	855	5	125	2,099	1,013
Connecticut	334	153	486	0	16	692	345
Delaware	76	43	119	0	4	290	155
DC	53	50	103	0	1	64	21
Florida	1,986	963	2,949	27	88	8,527	3,884
Georgia	1,423	1,546	2,968	15	69	5,482	2,196
Hawaii	72	24	95	2	0	109	68
Idaho	71	115	185	0	8	287	104
Illinois	861	697	1,558	9	64	4,461	2,548
Indiana	655	719	1,374	4	78	4,936	2,157
Iowa	290	417	708	16	35	924	337
Kansas	154	205	358	3	22	827	367
Kentucky	326	294	620	3	32	1,394	635
Louisiana	449	486	935	3	25	1,147	468
Maine	228	74	303	0	6	262	104
Maryland	530	307	837	0	8	1,135	480
Massachusetts	363	241	604	5	22	1,436	769
Michigan	995	1,266	2,261	27	111	7,338	3,159
Minnesota	416	296	712	2	36	2,085	1,002
Mississippi	178	244	421	1	16	705	302
Missouri	490	397	887	2	26	2,048	1,010
Montana	116	61	176	0	6	91	55
Nebraska	326	367	693	1	13	473	126
Nevada	142	75	216	2	15	773	498
New Hampshire	58	138	196	1	8	304	129
New Jersey	538	459	997	0	31	2,597	1,800
New Mexico	416	246	662	0	7	344	51
New York	756	601	1,357	5	36	4,171	2,794
North Carolina	962	691	1,653	9	56	3,296	1,735
North Dakota	640	224	864	0	1	29	8
Ohio	1,308	1,392	2,700	60	175	8,017	4,076
Oklahoma	229	267	497	6	32	951	142
Oregon	184	132	316	0	3	430	125
Pennsylvania	852	861	1,714	10	38	3,663	1,832
Rhode Island	120	45	165	0	12	246	117
South Carolina	564	477	1,041	0	24	1,813	827
South Dakota	34	39	73	0	9	132	76
Tennessee	730	723	1,453	3	42	2,025	988
Texas	1,780	3,118	4,899	36	276	7,730	2,722
Utah	161	148	309	1	13	499	222
Vermont	245	124	369	0	1	49	13
Virginia	470	296	766	0	23	1,157	669
Washington	275	221	496	4	11	913	377
West Virginia	73	102	175	0	9	354	115
Wisconsin	302	219	521	2	30	1,472	908
Wyoming	12	6	19	0	0	42	10
U.S.	24,640	21,118	45,758	279	1,762	95,927	45,783

* Net foreclosures excludes investor-owned properties, nonresponsive borrowers and borrowers who failed to perform under an existing plan. Foreclosures estimated based on MBA's National Delinquency Survey and are grossed up to reflect the estimated market coverage of that survey.





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