

Help for America's Homeowners

MAKING HOME AFFORDABLE

Making Home Affordable
Working Together to Help Homeowners

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The Crisis Continues

Foreclosures continue to devastate families and communities across the country.

Source: RealtyTrac

Foreclosure Rate Heat Map
What are the foreclosure rates as a percentage of the housing market? (Feb 2011)
1 in every 277 housing units received a foreclosure filing in February 2011

Foreclosure Actions to Housing Units
1 in 139 Housing Units (High) | 1 in 61,849 Housing Units (Low)

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MHA Programs Offer Help

MHA and related programs work together to help homeowners avoid foreclosure.

- MHA programs help homeowners; from taking advantage of today's historically-low interest rates to exiting gracefully when homeownership is no longer affordable or desirable.
- MHA and related programs provide relief to unemployed, those who owe more than homes are worth, and those with second liens causing strain on affordability.
- Home Affordable Modification Program (HAMP) lowers mortgage payments, creating more affordable homeownership for struggling homeowners.

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HAMP Provides Relief to Struggling Homeowners

More than 600,000 homeowners permanently modified their mortgages under HAMP.

Month	All Permanent Modifications Started (000)
Dec '09	67
Jan '10	117
Feb	170
Mar	231
Apr	289
May	347
June	399
July	435
Aug	468
Sept	496
Oct	520
Nov	550
Dec	580
Jan '11	608

Source: HAMP system of record

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HAMP Boosts Affordability for Homeowners

Homeowners in HAMP permanent modifications realize real savings.

Loan Characteristic	Before Modification	After Modification	Median Decrease
Median Monthly Housing Payment ³	\$1,436.82	\$836.48	-\$527.68
Front-End Debt-to-Income Ratio ¹	45.3%	31.0%	-14.3 pct pts
Back-End Debt-to-Income Ratio ²	79.2%	62.4%	-14.8 pct pts

Source: MHA Program Servicer Performance Report Through January 2011

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HAMP Modifications Are Sustainable

HAMP permanent modifications are outperforming the industry.

	(60 or More Days Delinquent)		
	Number of Modifications	3 Months After Modification	6 Months After Modification
HAMP Fourth Quarter 2009	21,878	7.7%	10.6%
Other Fourth Quarter 2009	102,820	12.0%	22.2%
HAMP First Quarter 2010	100,301	10.6%	12.6%
Other First Quarter 2010	129,572	11.6%	24.1%
HAMP Second Quarter 2010	106,257	8.1%	--
Other Second Quarter 2010	159,073	12.1%	--

*Data include all modifications that have had time to age the indicated number of months.

Source: OCC and OTS Mortgage Metrics Report Third Quarter 2010

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Unemployment is the #1 Hardship

Unemployment Program (UP) gives homeowners some breathing room with lowered or suspended payments.

Reason	Percentage
Loss of Income ¹	60.4%
Excessive Obligation	11.5%
Illness of Principal Borrower	2.8%

¹ 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 17.0% of permanent modifications reported as category "Other".

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Proactive Homeowners Can Exit Gracefully

If the weight of homeownership becomes too much to bear, there are still options to avoid foreclosure.

- Home Affordable Foreclosure Alternatives (HAFA) offers alternatives when other home retention options are exhausted:
 - Short Sale (SS)
 - Deed-in-Lieu of foreclosure (DIL)
- HAFA's standardized process offers graceful exit to proactive homeowners:
 - Releases homeowner from future liability.
 - Provides \$3,000 relocation assistance.

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Homeowners React Differently to Hardship

Feelings of emotional attachment to home span the spectrum.

Frozen in Place		Fighting for Home
Passively awaiting fate	↔	Approaching servicers, others
Listening for ideas	↔	Seeking solutions
Considering themselves victims	↔	Accepting mortgage as responsibility
Blaming others for problems	↔	Focusing on solutions

Source: MHA Marketing Program and Social Media Research Conducted by MDB, Crestwood Associates, and Cymfony, January 2011.

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Homeowners Need Guidance

Lack of knowledge impedes progress.

- Awareness of MHA programs remains low.
- Resources perceived as for less advantaged.
- There's a universal mistrust of servicers.
- Distressed homeowners turn to the Internet for answers.
- Scam artists and unscrupulous lenders victimize homeowners who don't know where to turn.

Source: MHA Marketing Program and Social Media Research Conducted by MDB, Creswood Associates, and Cymfony, January 2011.

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Homeowners Access Program Information

Homeowners have easy access to MHA information and tools.

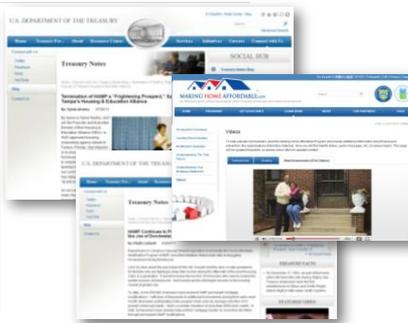


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Homeowners Share Success Stories

We want to inspire others to seek help.



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What You Can Do

Integrate MHA into your existing activities, or create new ways to spread the word.

- Offer presentation to homeowners.
- Distribute program collateral.
- Loop PSAs.

Feature MHA at event/s.

- Spotlight foreclosure prevention on web pages and in e-newsletter.
- Link to makinghomeaffordable.gov.
- Post statement of program support.
- Feature MHA on "Handling Foreclosure" web page.

Give MHA a presence online.

- Run articles in member publications.
- Insert messages in correspondence.
- Add alerts to employees' paystubs.

Include MHA in targeted communication.

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Discussion/Questions

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