



Statement of
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Deputy Director, HOPE NOW Alliance

Before the
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
United States House of Representatives

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Hearing on
“Subprime Mortgage Crisis and America’s Veterans”
334 Cannon House Office Building

Madam Chairwoman, Ranking Member Boozman and Members of the Subcommittee, I am Larry Gilmore, Deputy Director of the HOPE NOW Alliance. I appreciate the opportunity to appear before you today on behalf of HOPE NOW to talk about the efforts to help veterans and all at-risk homeowners stay in their homes during this time of serious challenges in the housing market.

The HOPE NOW Alliance is a broad-based collaboration between credit and homeownership counselors, lenders, investors, mortgage market participants and trade associations. Since last October, the HOPE NOW Alliance has worked to dramatically expand and coordinate the efforts that individual companies and non-profits are making to help homeowners in difficulty. HOPE NOW has been strongly encouraged by Treasury Secretary Paulson and Housing & Urban Development Secretary Jackson and by Members of Congress and other leaders. HOPE NOW has established and is expanding a coordinated, national approach among servicers, investors¹, non-profit housing counselors and other industry participants to enhance our ability to reach out to borrowers who may have or expect to have difficulty making their mortgage payments and to offer them workable options to avoid foreclosure. The HOPE NOW Alliance is achieving real results in reaching more at-risk borrowers and in providing positive solutions that avoid foreclosure.

Progress in Helping Struggling Homeowners

The members of the HOPE NOW Alliance recognize the urgency of this issue, and we are working to reach new milestones on a weekly basis. I am pleased to have the opportunity to share our progress with you, including our most recent data results.

First, the Alliance is continuing to expand and add companies and organizations who commit to specific efforts to reach and assist borrowers. As of February 25th, we have 27 loan servicers in the Alliance who represent over 90 percent of the subprime market. In addition, we have strong participation from respected non-profits, led by NeighborWorks America, the Homeownership Preservation Foundation, and the Housing Partnership Network, with their networks of trained counselors. We are continuing to expand our network of non-profits.

One of the Alliance's first steps was to demonstrate our commitment to results by adopting a Statement of Principles on helping distressed homeowners stay in their homes. These principles are helping ensure that all borrowers receive quality service and assistance when they contact their lender/servicer in the Alliance.

The following are the principles embraced by HOPE NOW servicers, which are consistent with calls for the industry to expedite solutions for borrower:

- HOPE NOW members agree to attempt to contact at-risk borrowers 120 days, at a minimum, prior to the initial Adjustable Rate Mortgage (ARM) reset on all 2/28 and 3/27 ARM loan products;
- HOPE NOW members agree to inform borrowers of the potential increase in payment and terms of the loan, in an effort to determine if the borrower may face financial difficulty in keeping their mortgage current;

¹ After a mortgage is made, the lender will often sell the loan to investors. A loan servicer acts as the intermediary between the borrower and the investor. The servicer's role is to collect payments, handle escrow accounts, forward principal and interest payments to the investor and deal with issues that arise from delinquency and foreclosure. A servicer is typically compensated 25 basis points (0.25%) of the loan balance for performing this service, or \$250 on a \$100,000 loan balance.

- HOPE NOW members agree to establish a single port of entry for all participating counselors to use; and
- HOPE NOW members agree to make available dedicated e-mail and fax connections to support counselor and consumer contacts.

By establishing these principles, HOPE NOW members are improving the infrastructure needed to help more borrowers on a much larger scale. In addition to improving lender/servicer systems for working with counselors and borrowers, we are redoubling our efforts to reach out to at-risk borrowers.

One of the most significant on-going challenges we face in helping consumers is a persistent reluctance of struggling borrowers to contact their servicer for help. Historically, evidence has shown that about half of borrowers who go into foreclosure never contacted their servicer for help. Freddie Mac reported at the end of January that 57 percent of the nation's late-paying borrowers still don't know that their lenders may offer alternatives to help avoid foreclosure.² We are working to drastically reduce that number and help as many troubled homeowners as possible avoid foreclosure.

In November, HOPE NOW servicer participants began a monthly direct mail outreach campaign to at-risk borrowers. This direct mail effort --on the HOPE NOW letterhead-- is in addition to the thousands of letters and telephone contacts made by individual servicers to their own customers.

In our first direct mail effort in November, HOPE NOW members sent 232,850 letters to borrowers who are behind on their mortgage payments and who have not had contact with their servicer. The November letter provided a dedicated phone number for the individual borrower to use to call their own servicer for help. As a result of these letters, more than 16 percent of borrowers contacted their servicer, far more than the typical 2-3 percent response rate to a letter.

In December, HOPE NOW sent a second wave of direct mail outreach letters to 259,633 at-risk homeowners, providing individual servicer hotlines as well as the 888-995-HOPE Hotline provided by the Homeownership Preservation Foundation. As a result of these letters, more than 21 percent of borrowers contacted their servicer. The monthly direct mail efforts continued in January and February of this year, and to date, over one million letters have been sent to at-risk borrowers. We will report more results as data are compiled.

The Homeowner's HOPE Hotline is a key component of the outreach and assistance effort for at-risk homeowners. The hotline directly connects homeowners with trained counselors at non-profit counseling agencies that have been certified by the Department of Housing and Urban Development (HUD). This counseling service is completely free to borrowers and is offered in English and Spanish. The counselors have direct access to the lender/servicers through improved single points of entry that all HOPE NOW Alliance members have agreed to create.

The Homeowner's HOPE Hotline is having a dramatic and positive impact for at-risk homeowners. The HOPE NOW Alliance will continue to expand the Hotline's capacity and promote it to reach more at-risk borrowers.

² http://www.freddie.mac.com/news/archives/corporate/2008/20080131_07ropersurvey.html

- To date, the Homeownership Preservation Foundation Homeowner's HOPE Hotline has received 456,243 calls, with over 245,000 calls in 2007 alone;
- Calls are increasing monthly. In December 2007, there were 93,794 calls to the Hotline that produced 15,462 counseling sessions;
- 165,755 homeowners received counseling after calling the Hotline, 83,000 of which occurred in 2007;
- In January 2008, there were 82,569 calls that produced 19,558 counseling sessions.
- The Counseling sessions produce results. Through October 26, 2007, more than half of all homeowners counseled have been connected with their lender for assistance, and one quarter of all homeowners counseled in the fourth quarter of 2007 were referred to their lender for a recommended workout;
- Counseling sessions are rapidly increasing. Call volume has increased nearly 10-fold between first quarter 2007 and fourth quarter 2007;
- Lender/servicers are urging borrowers to call for counseling. Homeowners primarily hear about the Homeowner's HOPE hotline from their lender;
- More homeowners with ARMs are calling – 49 percent of callers in the fourth quarter of 2007 were ARM borrowers, up from 34 percent in the first quarter.

Publicity for the Homeowner's HOPE Hotline continues to increase and we hope more homeowners will learn about it. We are proud that the Homeowner's HOPE Hotline provides a resource for free, non-profit counseling to any homeowner, anywhere in the country. President Bush, Treasury Secretary Paulson and HUD Secretary Jackson have mentioned the Homeowner's HOPE Hotline several times and they have urged homeowners in trouble to seek help. Members of Congress have also highlighted the hotline. Thirty-eight mayors from across the country recently created public service announcements for their local media markets urging borrowers to use the hotline. Anytime the Homeowner's HOPE Hotline is mentioned by public officials or on television, calls to the hotline increase dramatically. We welcome that support and are continuing to work to expand the counseling network for the hotline.

Members of Congress, in an effort to help their constituents avoid foreclosure, have asked us on many occasions what they could do to help. The single most important thing Members and other community leaders can do to help people stay out of foreclosure is to urge homeowners to seek help and publicize HOPE NOW efforts, particularly the Homeowner's HOPE Hotline, 888-995-HOPE. We would like to work with the Veterans Affairs Committee to ensure that more veterans are aware of the HOPE hotline and other assistance from the HOPE NOW Alliance.

The Homeownership Preservation Foundation, the HOPE NOW Alliance member managing the telephone network, is continuing to add trained, experienced counselors to the program to handle the increasing call volume from concerned homeowners. Tremendous progress has been made in just the last few months. The hotline now has 400 trained counselors assisting borrowers, up from 64 at the beginning of 2007. The agencies providing counseling include Auriton Solutions, CCCS Atlanta, CCCS San Francisco, Novadebt, Springboard and Money Management International.

NeighborWorks America, known formally as the Neighborhood Reinvestment Corporation, is a Congressionally-chartered non-profit organization with a national network of more than 240 community-based organizations in 50 states. NeighborWorks is a leader in the HOPE NOW Alliance, and with its partners, is actively providing in-person counseling services to consumers

across the country. NeighborWorks has also been the leader in working with the Ad Council on the national advertising campaign for the Homeowners' HOPE hotline, which includes television, radio and print materials.

HOPE NOW is working to add more non-profit agencies to the effort. HOPE NOW is working with HUD and HUD counseling intermediaries to review ways to include additional grass-roots counseling groups. We are working to broaden the HOPE NOW effort to ensure it is a model that works broadly for industry, non-profits and consumers to maximize the ability to reach troubled borrowers.

Servicers' ability to reach borrowers, either directly or through an intermediary is the key to helping them stay in their homes. The solutions will vary with the circumstances of the borrower. Prudent and responsible loan modifications, repayment plans and other types of workout options are solutions that can both help borrowers keep their homes and minimize losses to investors. The HOPE NOW Alliance is committed to pursuing all viable solutions to help people stay in their homes.

HOPE NOW Multi-City Outreach Events

In addition to the direct mail campaign and promotion of the HOPE hotline to reach at-risk borrowers, HOPE NOW is initiating a series of events across the country to reach more at-risk borrowers and provide them with an opportunity to meet with their loan servicer and find solutions. The first HOPE NOW outreach events are next week in California: March 3 in Riverside, March 5 in Anaheim, and March 7 in Stockton. The purpose of these events is to enable more borrowers to meet with their servicer or a certified homeownership counselor face-to-face to develop a workout solution that helps the borrowers stay in their home.

Tools for Helping Struggling Borrowers

The HOPE NOW mortgage servicers recognize that it makes good economic sense to help borrowers who are in trouble. Borrowers who are not able to stay current on their loans are very costly to the servicer, who must forward principal and interest payments to investors as well as remit taxes and insurance payments, even if borrowers are not paying them. In addition, significant staff resources must be employed to contact the borrower, assess the situation, work on repayment plans and other loss mitigation solutions, and if these efforts do not resolve the situation, initiate and manage the foreclosure process.

Informal forbearance and repayment plans are generally the first tool servicers employ to help borrowers. Servicers allow mortgagors to miss a payment, with the explicit understanding the payment(s) will be made up some time soon. If the situation is more involved than a short-term cash crunch due to temporary unemployment or illness, a servicer may turn to a special forbearance plan, which will typically combine a period of postponed or reduced payments followed by repayment of the arrearage over an extended time frame, but within the original term of the loan.

Loan modifications are the next level of loss mitigation options. A loan modification is a change in the underlying loan document. It might extend the term of the loan, change the interest rate, change repayment terms or make other alterations. Similarly, a servicer may attempt to refinance the delinquent borrower into a new loan. Loan modifications are one solution for borrowers who have an ability to repay a loan, and have the desire to keep their

home, but may need some help in meeting this goal because the current loan terms are not sustainable for that borrower.

HOPE NOW members have worked aggressively to make all of the available tools as efficient as possible. The American Securitization Forum (ASF) has created a framework that allows servicers to more readily modify certain at-risk loans that are securitized in the secondary market. This effort has received the backing of the Departments of the Treasury and HUD, many Members of Congress, the federal banking agencies and state and local officials.

The focus of the ASF framework is to identify categories of current subprime hybrid ARM borrowers who can be streamlined into refinance or modifications. We believe that the ASF-established framework will add to existing efforts to assist distressed borrowers. The key is to find solutions which help borrowers but do not violate the agreements with investors who now own the securities containing these loans.

The ASF has worked with servicers and investors to create and implement a process which identifies, in advance of loan resets, borrowers who would qualify for refinancing, loan modifications or other workout options. To ensure that investors accept and support far-reaching loan modification and other workout solutions, this process cannot violate pooling and servicing agreements with investors. The goal is to minimize the risk of legal action by investors against servicers who help borrowers.

The ASF framework covers securitized subprime adjustable rate mortgage loans, the so-called 2/28's and 3/27's that were originated between January 1, 2005 and July 31 2007 with an initial interest rate that resets between January 1, 2008 and July 31, 2010. In other words, the framework is for loans that have just begun to adjust. The ASF framework will help provide solutions for homeowners with these subprime hybrid ARMs who qualify for three different types of help: refinancing, modification and other loss mitigation efforts.

- *Refinancing:* One segment of borrowers is comprised of those who are current, likely to remain current even after reset, or likely to be able to refinance into available mortgage products, including the Federal Housing Administration (FHA), FHA Secure or industry products. Generally, the servicer will determine whether loans may be eligible for refinancing into various available products based on readily available data such as LTV, loan amount, FICO and payment history. The servicer will facilitate a refinance in a manner that avoids the imposition of prepayment penalties whenever feasible. HOPE NOW will continue to work with the alliance to ensure that all servicers have access to products and programs generally available in the market to refinance eligible borrowers.
- *Loan Modifications:* A second segment of borrowers is comprised of those with good payment records who will not qualify for refinancing for any variety of reasons, such as a drop in home equity or insufficient credit score. These borrowers will be targeted for streamlined loan modifications if the loan is a primary residence (i.e., not an investment or vacation property) and meets additional criteria. Borrowers in this category will be offered a loan modification under which the interest rate will be kept at the existing rate of the loan for five years. This fast track option does not in any way preclude a servicer from conducting a more individual in-depth review, analysis and unique modification for a borrower to determine if a longer term modification would be appropriate.

The fast track framework allows the servicer to make these decisions:

- Whether the borrower is unable to pay under the original loan terms after the upcoming reset and default is reasonably foreseeable, based on the size of the payment increase, and the current income if the borrower did not pass the FICO improvement test;
 - Whether the borrower will be able to pay a modified loan based on payment history prior to the reset date;
 - Whether the borrower is willing to pay a modified loan; and
 - Whether the modification will maximize the net present value of recoveries to the securitization trust and is in the best interests of investors in the aggregate, because refinancing opportunities are not available and the borrower is able and willing to pay under the modified terms.
- *Loss Mitigation:* This third segment of borrowers is comprised of those for whom the loan is not current and who will not be able to refinance into any available product. These borrowers are significantly behind in their payments before the loan resets and their situations need to be evaluated individually. It is especially important for us to reach this group of borrowers through efforts such as the HOPE NOW direct mail campaign and through the national advertising campaign for the Homeowner's HOPE hotline. For loans in this category, the servicer will determine the appropriate workout and loss mitigation approach on a loan-by-loan basis. Referrals from counselors if the borrowers contact the Homeowners' HOPE hotline will also be important. Approaches for these borrowers may include loan modification (including longer-term rate reductions, capitalization of arrearages and term extensions), forbearance, short sale, deeds in lieu of foreclosure or foreclosure. Because these borrowers are already behind in their payments, and may face challenges such as a loss of income or other issues, they require a more intensive analysis, including current debt and income analysis, to determine the appropriate loss mitigation approach.

Servicers, however, can only help borrowers who come forward for help. Borrowers must respond to servicers' notices and phone calls. That is why the outreach effort is so important. If borrowers do not respond, at some point the servicer has to assume the homeowner has no intention of paying off the obligation. It is also important to note that the options for helping borrowers who purchased homes as investments are limited. During the housing boom of the last several years, there were many speculators and investors looking to profit from price appreciation. The strength of our economy relies on the willingness of people to take risks, but risk means that you do not always win. During this time, a majority of these properties were purchased to try to capitalize on appreciating home values or to use rents as a source of investment income, or some combination of both. With the downturn in the housing market, a number of these investors are walking away from their properties and defaulting on their loans. According to data by the Mortgage Bankers Association, in the third quarter of 2007, 18 percent of foreclosure actions started was on non-owner occupied properties. Foreclosure starts for the same period for non-owner occupied properties in Arizona, Florida, Nevada and Ohio were at 22 percent.

HOPE NOW is seeking to help all borrowers at risk, not just subprime ARM borrowers eligible for fast track refinance or modifications. The ASF framework for a streamlined, scalable solution for current borrowers facing a reset allows servicers to give more detailed attention to

at-risk, hard-to-reach, delinquent borrowers. Servicers will be able to work closely with credit counselors and/or homeowners to ensure all options are explored to avoid foreclosures. The scalable outreach and modification effort in no way precludes on-going workout solutions for the highest risk delinquent borrowers. By having this framework in place, human capital and other resources are able to focus on the cases that require the most attention.

Project Lifeline

HOPE NOW members are continuing to work to develop new methods and programs to assist at-risk homeowners. Project Lifeline is the latest effort to help the most at-risk borrowers – those borrowers who are 90 days or more late on their mortgage and face the greatest risk of losing their home. No later than March 31, all HOPE NOW servicers will adopt the principles of this effort to reach most at risk borrowers (90-day plus delinquent), work with agreed upon steps with borrowers and if appropriate, put a 30-day “pause” on foreclosures. The program will begin by servicers sending a letter to seriously delinquent homeowners. This program reaches most loans, Prime, Alt-A, Subprime, and second liens. The servicers will reach out to homeowners with the following straightforward steps that may qualify them for a loan modification:

1. Call your mortgage servicer
2. Tell the servicer you received a letter, you want to stay in your home and you are willing to seek counseling, if necessary.
3. Provide updated financial information so the servicer can explore a suitable solution.
4. If appropriate, any pending foreclosure will be ‘paused’ for up to 30 days during the review process until a formal decision is made and a plan is created.
5. If a workout plan is established and the homeowner follows the plan for three consecutive months, their loan will be formally modified as they have demonstrated their ability to meet their requirements.

Measuring Our Results

The members of HOPE NOW recognize that results are the key to this national effort to assist at-risk homeowners. I am pleased to share with you the latest results from HOPE NOW servicers on their efforts in the second half of 2007. This latest HOPE NOW data, released on February 6th, shows that significantly more homeowners received assistance than previously estimated.

Fourteen HOPE NOW servicers responsible for more than 33.3 millions home loans (about 62 percent of both prime and subprime loans outstanding nationwide), as of September 2007, provided the data. The latest report shows that an estimated 869,000 homeowners were helped in the second half of 2007 through either a formal repayment plan (652,000) or a loan modification (217,000).

During the same period, 283,000 foreclosure sales were completed. Based on 1,446,000 average monthly delinquencies of 60 days or more past due during the second half of 2007, 45.3 percent received a formal repayment plan, 14.8 percent received a modification and 19.7 percent resulted in a completed foreclosure sale.

The data for the second half of 2007 reveal 324,000 prime borrowers and 545,000 subprime borrowers were helped:

- 20.7 percent of prime borrowers helped received a modification;
- 27.5 percent of subprime borrowers helped received a modification; and
- 34.8 percent of subprime borrowers helped during the fourth quarter received a modification and
- 49.8% of those helped in January 2008 received a loan modification indicating a rapid increase in the use of modifications as a loss mitigation solution.

In addition, the study also collected information on foreclosure activity and trends. These data are revealing. While there appears to be a large number of foreclosures initiated by servicers, less than half of those initiated actually result in a completed sale. Frequently borrowers do not respond to their servicer's attempts to contact them until they receive their first legal action notice. HOPE NOW's borrower outreach initiatives are already increasing the number of borrowers who respond before a foreclosure action is initiated.

In addition to aggregate nationwide data, the report includes quarterly data for the 50 states and the District of Columbia.

The latest state level data from HOPE NOW servicers show that efforts to help borrowers are rapidly increasing. The trend in formal repayment plans is up in all states but more so in the states that experienced rapid and substantial increases in home prices. That is to be expected because of the more rapid increase in delinquencies in the states that experienced a rapid increase and then decline in housing prices. However, it is clear in all states that the upward trend in loan modifications completed is much greater than the upward trends in delinquencies and in formal repayment plans, which clearly indicates that servicers increasingly are working with borrowers to modify the terms of their loans. The upward trend in loan modifications is much more pronounced in the states that had substantial increases in home prices.

We believe the upward trend in loan modifications and repayment plans will continue and more homeowners will receive the help they need to stay in their homes.

We are tracking and measuring outcomes through HOPE NOW and other efforts. In addition to the data reported here, we are measuring trends in delinquencies and resolution outcomes (i.e. reinstatement, repayment plans, modifications, short sales, deeds in lieu of foreclosure, partial claims and foreclosure). We want to provide consistent and informative data reports based on common definitions and to provide information that provides insights into the nature and extent of the current mortgage crisis that will help in the development of workable solutions that avoid foreclosure whenever possible.

As we promised at the start of HOPE NOW, as our data collection initiatives mature and the data are validated, we are providing more detailed information nationally and on a state by state basis. As I noted, our alliance is growing weekly. Our participating servicers have been engaged in developing standard definitions for key loss mitigation data. The data collection effort is an enormous undertaking, which will take time to develop fully and perfectly. We are confident, however, that we will be able to deliver systematic information at the state level that will help measure what servicers are doing to resolve difficult situations and to assist homeowners.

Assisting Veterans and Military Personnel

HOPE NOW members are committed to assisting all homeowners in need. Any homeowner who is concerned about their mortgage situation can call the national HOPE hotline to speak to a non-profit counselor. We also urge homeowners to call their servicer directly and ask for assistance. In addition to the HOPE hotline, we are publicizing the 800-numbers for the customers of all our servicers.

HOPE NOW member organizations and companies are also involved in other specific programs to assist veterans and active duty military personnel.

The Homeownership Preservation Foundation, which manages the HOPE hotline, has supported USA Cares in assisting 154 families of active duty military personnel. They have made back mortgage payments to avoid foreclosure, and 130 loans have been reinstated and 24 are in repayment plans. For example, through this partnership, a member of the National Guard who went onto active duty in November and whose wife and father both fell ill within two months of each other leading to becoming 6 months behind in his mortgage payments, was able to secure funds from USA Cares and has fully reinstated his mortgage. Similarly, a retired Army veteran who suffered from post traumatic stress disorder had difficulties finding a job after returning home and who has a wife and a very young child, received assistance from USA Cares to become current on his mortgage and Veterans' Affairs was also able to help him secure a job.

Countrywide Financial is a corporate founding sponsor of Serving Those Who Serve. Working with Rebuilding Together, they rehabilitate homes for injured Iraq War veterans to make them more accessible for their particular disability. Their work focuses on helping veterans who suffer from one or any combination of four injuries including: loss of sight, loss of hearing, mobility impairments, and traumatic brain injury.

Conclusion

The HOPE NOW Alliance and those working with it are committed to enhanced and on-going efforts to contact at-risk homeowners and to offer workable solutions. Our top priority is to keep people in their homes and to avoid foreclosures whenever possible. As I reported today, 869,000 homeowners were helped through modifications or work-outs in the second half of 2007 and the rate of loan modifications continues to increase. We are working to help many more at-risk homeowners.

We need the active involvement of all Members of Congress to alert constituents that help is available when they contact either their lender/servicers or a non-profit counselor through the Homeowner's HOPE Hotline.

The HOPE NOW Alliance will continue its work until the problems in the housing and mortgage markets abate. My testimony today includes initial, but real and significant results on the number of homeowners who have been helped. We will provide updates on our progress to Congress and other concerned policymakers in the coming weeks.

We want to work with the Committee and the Department of Veterans Affairs to ensure that veterans are aware of and can take advantage of the assistance offered by HOPE NOW.

Thank you for this opportunity to share this information on our efforts with the Subcommittee.

HOPE NOW Membership

Counselors

- ACORN Housing Corporation
- Catholic Charities USA
- Citizens' Housing and Planning Association, Inc.
- Consumer Credit Counseling Service of Atlanta
- HomeFree- USA
- Homeownership Preservation Foundation
- Housing Partnership Network
- Mission of Peace
- Mississippi Homebuyer Education Center- Initiative
- Mon Valley Initiative
- Money Management International, Inc.
- National Association of Real Estate Brokers- Investment Division, Inc.
- National Council of La Raza
- National Credit Union Foundation
- National Foundation for Credit Counseling, Inc.
- National Urban League
- NeighborWorks America
- Rural Community Assistance Co.
- Structured Employment Economic Development Co.
- West Tennessee Legal Services, Inc.

- Fannie Mae
- First Horizon Home Loans and First Tennessee Home Loans
- Freddie Mac
- GMAC ResCap
- Home Loan Services, Inc. (d/b/a First Franklin Loan Services & NationPoint Loan Services)
- HomEq Servicing
- HSBC Finance
- Indymac Bank
- Litton Loan Servicing
- LoanCare Servicing Center, Inc.
- MERS
- National City Mortgage Corporation
- Nationstar Mortgage, LLC.
- Ocwen Loan Servicing, LLC.
- Option One Mortgage Corporation
- PMI Mortgage Insurance Co.
- Saxon Mortgage Services
- Select Portfolio Servicing, Inc.
- State Farm Insurance Companies
- Strategic Recovery Group, LLC.
- SunTrust Mortgage, Inc.
- Washington Mutual, Inc.
- Wells Fargo & Company
- Wilshire Credit Corporation

Servicers/Lenders/Mortgage Market Participants

- Assurant, Inc.
- Aurora Loan Services
- Avelo Mortgage, LLC.
- Bank of America
- Carrington Mortgage Services
- Chase
- Citigroup, Inc.
- Countrywide Financial Corporation
- EMC Mortgage, Inc.

Trade Associations

- American Bankers Association
- American Financial Services Association
- American Securitization Forum
- Consumer Bankers Association
- Consumer Mortgage Coalition
- The Financial Services Roundtable
- The Housing Policy Council
- Mortgage Bankers Association
- Securities Industry and Financial Markets Association

HOMEOWNER'S HOPE
HOTLINE:

888-995-HOPE



Servicer Contact Numbers for Homeowners

Below are the customer contact telephone numbers of HOPE NOW servicer members. If you are a homeowner having trouble with your mortgage, please call your servicer's hotline for assistance (please have your account number ready when calling).

If you would like to talk to a HUD-approved homeownership counselor, please call the Homeowner's HOPE Hotline, 888-995-HOPE, operated by the Homeownership Preservation Foundation. Free counseling is available 24 hours a day, 7 days a week. You can also visit www.995hope.com for more assistance.

<u>Servicer</u>	<u>Hotline</u>
Aurora Loan Services	800-550-0509
Avelo Mortgage, LLC.	866-992-8356
Bank of America	800-846-2222
Carrington Mortgage Services	800-790-9502
CitiFinancial/Citi Trust Bank	800-422-1498
CitiMortgage/ Loss Mitigation	866-272-4749
CitiResidential Customer Care	800-430-5262
Countrywide Home Loans	800-669-6650
EMC Mortgage, Inc.	877-362-6631
First Horizon Home Loans	800-364-7662
GMAC/Homecomings/ResCap	800-799-9250
Home Loan Services, Inc. (d/b/a First Franklin Loan Services and NationPoint Loan Services)	800-500-5022
HomEq Servicing	888-270-6663
HSBC Consumer Lending	800-333-5848
HSBC Mortgage Services	800-365-6730
HSBC Mortgage Corporation	888-648-3124
Indymac Bank	800-880-6848
JPMorgan Chase Prime Loans	800-446-8939
JPMorgan Chase Non-Prime	877-838-1882
JPMorgan Chase Home Equity	866-582-5208
JPMorgan Chase Default HPO Help Line	866-345-4676
Litton Loan Servicing	800-999-8501
National City Mortgage Corporation	800-523-8654

Servicer**Hotline**

Nationstar Mortgage, LLC.	888-480-2432
Ocwen Loan Servicing, LLC.	877-596-8580
Option One Mortgage Corporation	888-275-2648
Saxon Mortgage Services	888-325-3502
Select Portfolio Servicing	888-818-6032
SunTrust Mortgage, Inc.	800-443-1032
Washington Mutual, Inc.	866-926-8937
Wells Fargo Home Mortgage	877-216-8448
Wells Fargo Financial	800-275-9254
Wilshire Credit Corporation	888-917-1050



HOPE NOW: Results in Helping Homeowners

As of February 25, 2008

- **An estimated 869,000 homeowners were helped to avoid foreclosure in 3rd and 4th quarters of 2007.**
 - This includes an estimated 652,000 formal repayment plans and an estimated 217,000 modifications.
- **Subprime modifications doubled in 4th quarter 2007 from 3rd quarter 2007.**
- **Since November 2007, HOPE NOW servicers have sent over one million outreach letters to at-risk borrowers who have not previously been in contact with their servicer.**
 - 16% responded in November.
 - 21% responded in December.
 - When servicers send similar letters to their borrowers, the normal response rate is 2-3%.
 - Prior to these letters, these borrowers had not responded to any outreach efforts.
- **27 servicers part of HOPE NOW as of February 2008.**
- **American Securitization Forum (ASF) guidance – member companies are adopting and implementing the ASF framework for loan modifications.**
- **Project Lifeline – Member companies are adopting the principles of this effort to reach most at risk borrowers (90-day plus delinquent), work with agreed upon steps with borrower and if appropriate, put a 30-day “pause” on foreclosures.**
- **Homeowner calls have increased to 4,500 per day through the Homeownership Preservation Foundation’s Homeowner’s HOPE Hotline.**
- **Over 37,000 counseling sessions completed through the Homeowner’s HOPE Hotline in 4th quarter 2007.**
 - To date, the HOPE Hotline has received 456,243 calls with led to counseling for 165,755 homeowners. Nearly half of those counseled have avoided foreclosure by working out new loan terms or by selling their home.
- **As of February 2008, increased response capacity to 400 homeownership counselors through the Homeownership Preservation Foundation and intermediaries, 24 hours a day, 7 days a week.**