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Press Only Contacts: Kara Ross 202.683.3117
 Kate McGann 202.683.3143
 Aleis Stokes 202.557.2741

**Mortgage Servicers Set Monthly, Quarterly Records
For Helping Homeowners Avoid Foreclosure**

Estimated 1.9 Million Foreclosures Prevented Since July 2007

Washington, D.C. (July 30, 2008) – HOPE NOW, the private sector alliance of mortgage servicers, counselors, and investors that is working to help prevent foreclosures in the midst of the current mortgage crisis, announced today that mortgage servicers helped a record number of homeowners avoid foreclosure and stay in their homes in June 2008 and the second quarter of 2008.

In June 2008, mortgage servicers completed more than 181,000 mortgage workouts for home loans that otherwise would have gone into foreclosure. In the second quarter of 2008, mortgage servicers completed more than 522,000 workouts.

Both of these numbers exceeded previous estimates and are the largest number of mortgage workouts in any month and quarter since HOPE NOW began compiling data in July 2007.

Workouts include both modifications to the terms of existing mortgages and repayments plans. Subprime modifications exceeded 50 percent of all subprime workouts for the first time in both June and the second quarter of 2008.

All workouts are intended to be permanent changes that, barring a life-changing event such as a job loss, death, or illness, will allow a homeowner to stay in the home as long as he or she wishes to do so.

“The industry continues to accelerate the pace at which it is helping homeowners and expects this positive trend to continue,” said HOPE NOW’s Executive Director Faith Schwartz. “HOPE NOW has already reached out to millions of homeowners through mailings, local events, and the HOPE Hotline and is enabling homeowners to find solutions that will allow them to stay in their homes.”

The HOPE NOW report estimates that on an industry-wide basis:

- The total number of foreclosures prevented by mortgage servicers since July 2007 has risen to approximately 1.9 million.
- Mortgage servicers provided workouts for approximately 181,000 borrowers in June, an increase of 14,000 over May.
- Approximately 105,000 of the homeowners with prime and subprime mortgages who were helped by servicers in June received repayment plans; approximately 76,000 received loan modifications.
- Approximately 51 percent of all subprime workouts were modifications.

A summary table of monthly and quarterly results is attached and can be found at http://www.hopenow.com/media/press_release.php.

Because of several factors, the numbers reported by HOPE NOW differ from those reported by the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), and other regulators. For example, OCC collects information from 9 nationally chartered banks, OTS collects information from 5 federally chartered thrifts, and HOPE NOW collects data from 22 companies with a variety of charters and regulators. HOPE NOW members report approximately 38 million loans, substantially more than the number included in either the OCC or OTS reports.

The HOPE NOW survey estimates the effort by the total mortgage lending industry to help homeowners avoid foreclosure. That is why HOPE NOW extrapolates its results to estimates of total industry activity. By contrast, OCC and OTS only provide data from the largest chartered institutions within their respective jurisdictions.

Such differences do not invalidate the information in any of the reports.

SURVEY OF HYBRID ADJUSTABLE RATE MORTGAGE RESETS

HOPE NOW also announced today the results of a separate survey of subprime adjustable-rate mortgages with rates resetting in 2008. The results, reported by 9 companies representing approximately 60 percent of subprime loans, are as follows:

- Approximately 928,000 subprime loans were scheduled to reset between January and June 2008.

- Since rates began to reset on these loans in January 2008, those loans that were current at reset and have subsequently started the foreclosure process account for less than 1 percent.
- More than 57,000 of these loans have already been modified. Nearly 72 percent of these modifications are for 5 years or longer.
- 382,000 (41 percent) of the subprime adjustable rate loans that were originally scheduled to reset during this period were paid in full when the homeowner refinanced the loan or sold the property.

ABOUT HOPE NOW

HOPE NOW is an alliance between counselors, mortgage market participants, and mortgage servicers to create a unified, coordinated plan to reach and help as many homeowners as possible.

The Homeownership Preservation Foundation's HOPE Hotline (1-888-995-HOPE), which is available 24 hours a day, 7 days a week, and 365 days a year, receives an average of more than 4,000 calls a day. There is no cost to homeowners for using HOPE NOW and the HOPE Hotline.

In addition to the HOPE Hotline, HOPE NOW coordinates a nationwide campaign to reach homeowners who may be at risk of losing their homes. So far, HOPE NOW has sent almost 1.9 million letters. About 18 percent of homeowners receiving the HOPE NOW-coordinated letters have contacted their servicer, 6 times more than the routine 2-3 percent response rate servicers receive when they send their own mailings.

In the past 6 months, HOPE NOW has connected thousands of homeowners with their lender and/or a HUD-certified housing counselor at workshops in 16 different cities in California, Georgia, Illinois, Pennsylvania, Ohio, Nevada, New Jersey, Texas, Wisconsin, Tennessee, Florida and Indiana. Additional workshops are being scheduled so that more troubled borrowers can be helped.

In addition, HOPE NOW members recently agreed to proactively make substantial additional efforts to contact homeowners whose mortgages will reset in the coming months and to further expedite the process used to determine how best to keep them in their homes.

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WORKOUT PLANS (Repayment Plans + Modifications) and FORECLOSURE SALES

July 2007 - June 2008

BORROWER LOAN WORKOUT PLANS

		2007 Q3	2007 Q4	2008 Q1	2008 Q2	Total
Repayment Plans		322,909	333,393	312,225	301,894	1,270,421
	Prime	120,254	136,364	146,586	141,126	544,330
	Subprime	202,656	197,029	165,639	160,768	726,091
Modifications		75,326	140,401	170,090	220,100	605,917
	Prime	29,999	37,162	48,022	55,907	171,089
	Subprime	45,327	103,239	122,068	164,193	434,828
Workout Plans		398,236	473,794	482,315	521,994	1,876,338
	Prime	150,253	173,526	194,607	197,033	715,419
	Subprime	247,983	300,268	287,708	324,961	1,160,919

FORECLOSURE SALES

		2007 Q3	2007 Q4	2008 Q1	2008 Q2	Total
Foreclosure Sales		135,330	151,403	202,970	245,688	735,390
	Prime	53,760	59,750	82,819	107,661	303,989
	Subprime	81,570	91,653	120,151	138,027	431,401

Workout Plans = Repayment Plans + Modifications

Repayment Plans:

A plan that allows the borrower to become current and catch up on missed payments that are appropriate to the borrower's circumstances, which involves deferring or rescheduling payments but the full amount of the loan is expected ultimately to be paid and within the original contractual maturity of the loan.

Modifications:

A modification occurs any time any term of the original loan contract is permanently altered. This can involve a reduction in the interest rate, forgiveness of a portion of principal or extension of the maturity date of the loan.