TABLE 1
Affordability of Modified Loans
(2008–2011)

Between 2008 and 2011, the impact of loan modifications on a typical homeowner's monthly payment changed dramatically. Instead of the modification leaving the borrower's payment the same or increasing it, most modifications after 2009 decreased the borrower's monthly principal and interest (P&I) payment by at least twenty percent.

	Mortgage modified in:			
Impact on P&I payment	April–June 2008	April–June 2009	April–June 2010	April–June 2011
20% reduction	18.1%	38.6%	56.4%	53.8%
Some reduction	40.9%	78.2%	90.1%	89.4%
Payment same or increased	59.1%	21.8%	9.9%	10.6%

TABLE 2
Modified Loans Default Rate
(2008–2010)*

Modified loans were also more sustainable. After 2008, the one-year post modification default rate for modified loans dropped by over one-half.

Redefault rate (percentage of loans over sixty days behind) at twelve months after modification:

When Modified	Redefault Rate One Year Later
Second Quarter 2008	56.2%
Second Quarter 2009	43.2%
Second Quarter 2010	25.7%

**This is the most current data available. 2011 data will be available after June 2012.*

TABLE 3
HAMP vs. Other Loan Modification
Redefault Rates

Loans modified under the Home Affordable Modification Program (HAMP) were the most sustainable of all, as shown in this comparison of redefault rates for HAMP modifications and all modifications.[16]

Twelve month redefault rate (over sixty days):

Quarter of Origination	HAMP	All loan modifications
4th Quarter 2009	17.7	35.5
1st Quarter 2010	19.4	31.2
2nd Quarter 2011	17.3	31.4

TABLE 4
The Impact of One Servicer on HAMP's Implementation: Bank of America

The Treasury Department estimated that as of March 2010 Bank of America had a pool of 1,085,894 loans eligible for HAMP.[37] Below are the numbers Treasury provided eighteen months later, summarizing Bank of America's cumulative performance under HAMP as of September 2011[38]:

- 505,416 trial plan offers made
- 413,450 trial plans started
- 91,966 borrowers declined trial plan offers
- 238,839 trial plans canceled
- 174,611 permanent modifications begun

TABLE 5
Taking Stock: How Mediation Programs Reduce Home Foreclosures

Foreclosure mediation and conference programs serve as effective controls to help reduce improper foreclosures. This table documents how programs can resolve some of the most common problems homeowners encounter when applying for loan modification programs, as successfully used in select states.

Servicer Problems	Foreclosure Mediation Solutions
Lost documents	Rules/orders specify documents needed and time lines for exchanges
Failure to follow time frames for reviewing applications	Set time frames and penalties for failing to adhere to deadlines
Failure to comply with notice requirements	Servicer must document all decisions in accordance with mediation rules
Inconsistent or invalid denial of loan modifications	Servicer must document basis for decisions, including calculations and borrower data used
Ineffective reviews	Servicer complies with program rules or risks ability to foreclose and penalties
Foreclosing while reviewing application (dual track)	Foreclosure is barred while negotiations are active

TABLE 6
Foreclosure Mediation Fees, Selected States

State	Filing Fee Surcharge	Other Charges
District of Columbia	$300	$50 borrower fee upon election
Florida	$400	$350 by lender if mediation conducted
Hawaii	$350	$600 split by borrower and lender
Indiana	$50	no charge
Maine	$200	no charge
Maryland	$300	$50 by borrower upon election
Nevada	$200	$400 split by parties upon election
Vermont	None	Lender pays mediator
Washington	$250	$400 split by parties upon election