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Obama Administration Releases March Housing Scorecard

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WASHINGTON - The U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of the Treasury today released the March edition of the Obama Administration's Housing Scorecard – a comprehensive report on the nation's housing market. Data in the March Housing Scorecard show some promising signs of stability, though the overall outlook remains mixed. Mortgage delinquencies continued a downward trend and were substantially below year ago levels, while sales of existing homes in January and February marked the strongest start to a year since 2007. However, data on home prices changed little from the previous month – marking a fifth month of seasonal lows. The full report is available online at www.hud.gov/scorecard.

"The data this month show that we're making important progress in providing relief to homeowners under the Obama Administration's programs. With fewer borrowers falling behind on their mortgages and some 425,000 families taking advantage of our enhanced Home Affordable Refinance Program – standing to save on average \$2,500 per year – it's clear that the Administration's efforts continue to provide significant positive benefits," said HUD Assistant Secretary Raphael Bostic. "But 1 in 5 Americans still owes more than their home is worth. That's why the Administration's recent proposals are critical to promoting healing in the market.

Our efforts to ramp up economic development in fragile neighborhoods and to expand homeowner access to low-interest refinance options reflect our commitment to turning these markets towards growth. That is why we are asking the Congress to approve the President's housing proposals so that more homeowners can receive assistance."

"The Administration's programs have helped millions of homeowners while establishing standards for better outcomes across the mortgage industry," said Treasury Assistant Secretary for Financial Stability Tim Massad. "Recent expansions of our efforts and the historic mortgage settlement will bring substantial relief to even more homeowners as our nation continues to heal from an unprecedented foreclosure crisis."

The March Housing Scorecard features key data on the health of the housing market and the impact of the Administration's foreclosure prevention programs, including:

- * Market data show progress on home sales and mortgage delinquencies, but continued fragility overall. Sales of existing homes remained high in February and – with newly revised data on January sales – mark the strongest start to a year since 2007. Mortgage delinquency rates continued a downward trend and are substantially below year ago levels. In addition, foreclosure completions ticked downward last month, although increased activity is expected in the coming months as firms lift processing delays following the landmark mortgage servicing settlement reached with the five largest banks in early February.

- * The Administration's recovery efforts continue to help millions of families deal with the worst economic crisis since the Great Depression. More than 5.8 million modification arrangements were started between April 2009 and the end of February 2012 – including more than 1.8 million HAMP trial modification starts and nearly 1.3 million FHA loss mitigation and early delinquency interventions. The Administration's programs continue to encourage improved standards and processes in the industry, with HOPE Now lenders offering families and individuals nearly 2.8 million proprietary mortgage modifications through January.
- * Over 1.1 Million Homeowner Assistance Actions Granted through Making Home Affordable. Eligible homeowners entering HAMP continue to demonstrate a high likelihood of long-term success in the program. As of February, more than 970,000 homeowners received a permanent HAMP modification, saving more than \$530 on their mortgage payments each month. Eighty-five percent of homeowners entering the program in the last 20 months have received a permanent modification, with an average trial period of 3.5 months. Homeowners in HAMP permanent modifications have saved an estimated \$11.6 billion to date. View the February MHA Servicer Performance Report

Also featured this month is the Administration's Housing Scorecard Regional Spotlight on market strength in Chicago, Illinois and surrounding communities. The Chicago metro area was one of the hardest hit areas in the nation following the housing market downturn and an area where the Administration's broad approach to stabilizing the housing market has been very active.

"The challenges that the national data show for the broader housing market are even more complex in the Chicago market," said HUD Assistant Secretary Raphael Bostic. "The Administration is working hard to help all homeowners who have been hit hard during the crisis and, as this Regional Spotlight shows, our efforts have helped more than 220,000 families in Chicago avoid foreclosure. But we have much more to do to reach the many households who still face trouble and to help the local market recover."

The bi-monthly Housing Scorecard Regional Spotlight features data on the health of the Chicago housing market and impact of efforts to help homeowners at the local level including:

- * The challenges in the far-spanning Chicago housing market have been more severe than those in most areas of the nation, as a high percentage of distressed mortgages, high vacancy rates, a surge in suburban poverty, and many severely underwater mortgages contribute to continued fragility. Sales of bank-owned properties and short sales

remain high at 35 percent of existing home sales in the Chicago market compared to 29 percent nationally, which contributes to continued weakness in local home prices. Moreover, foreclosure processing in Illinois takes an average of 575 days which means distressed mortgages in Chicago remain unresolved in the foreclosure pipeline 50% longer on average than in other cities.

- * More than 220,000 Chicago households have received mortgage modifications, many directly through Administration programs. Since April 1, 2009 approximately 220,500 mortgage assistance interventions have been offered to homeowners in the Chicago metropolitan area. More than 132,500 interventions were offered through HAMP and the FHA loss mitigation and early delinquency intervention programs. An estimated additional 88,000 proprietary modifications have been offered through HOPE Now Alliance servicers. While some homeowners may have received help from more than one program, the number of times assistance has been offered in the Chicago MSA is nearly double the number of foreclosures completed during this period (111,900).
- * The Administration's Hardest Hit Fund and Neighborhood Stabilization Programs have fueled local foreclosure prevention efforts and market stability. Illinois has received more than \$400 million through the Hardest Hit Fund to implement local solutions to mitigate borrower mortgage defaults and address the range of factors that contribute to a family's financial problems. Moreover, approximately \$264.9 million has been awarded to 12 jurisdictions through the Neighborhood Stabilization Program to help purchase or redevelop residential properties and address the effects of abandoned and foreclosed housing. Both programs have helped provide stability to the Chicago housing market.

