



## Rising Redefaults of HAMP Mortgage Modifications Hurt Homeowners, Communities, and Taxpayers

Special Inspector General for the Troubled Asset Relief Program

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## INTRODUCTION<sup>i</sup>

More than four years ago, in April 2009, the Administration launched its program to support homeowners under TARP, the Home Affordable Modification Program (“HAMP”).<sup>ii</sup> HAMP has been the centerpiece in Treasury’s efforts as outlined by Congress through the TARP legislation to “[protect] the interests of taxpayers” and “help families keep their homes.”<sup>iii</sup> While HAMP has helped about 865,000 homeowners avoid foreclosure through permanent mortgage modifications, more than 306,000 homeowners have redefaulted out of the program—often into a less advantageous private sector modification or even worse, into foreclosure. Also, of homeowners still in an active HAMP permanent modification, more than 88,000 have missed one to two monthly mortgage payments and thus are at risk of redefaulting out of the program.<sup>2, iii</sup>

Twenty-two percent of homeowners who have redefaulted on their HAMP permanent mortgage modifications have moved into the foreclosure process. The Administration’s stated goal for the housing initiative was “to help as many as three to four million financially struggling homeowners avoid foreclosure by modifying loans to a level that is affordable for borrowers now and sustainable over the long term.”<sup>3</sup> However, since 2009, during each year of the program, an increased number of homeowners redefaulted on HAMP permanent mortgage modifications. Redefault rates of the oldest 2009 HAMP permanent mortgage modifications have continued to increase as they age at a redefault rate of 46%. The 2010 HAMP permanent mortgage modifications are redefaulting at a rate of 38%.<sup>4</sup> Treasury’s data continue to demonstrate that the longer homeowners remain in HAMP, the greater the chance that they will redefault on their permanent modification and fall out of the TARP program. For the substantial number of homeowners who redefault, their modification was not sustainable. It is crucial that Treasury recognize this problem and take proactive steps to ensure that HAMP lives up to its promise and potential.

In addition to the hardship placed on families and communities, HAMP redefaults cost taxpayers money. As of April 30, 2013, \$815 million (18% of TARP funds spent for all HAMP permanent modifications) has been spent on the more than 163,000<sup>iv</sup> HAMP permanent modifications that redefaulted, according to Treasury.<sup>5</sup> Homeowners who receive a HAMP permanent modification but end up losing their home to foreclosure or fall out of the TARP program are not being helped to keep their homes as TARP intended, and taxpayers lose the positive impact these funds were to provide for the individual family and the community at large.

*For more on SIGTARP’s recommendations to Treasury on HAMP redefaults, see SIGTARP’s July 2013 Quarterly Report, page 203, and SIGTARP’s April 2013 Quarterly Report, pages 10-11, 179-182, and 251-252.*

<sup>i</sup> SIGTARP is issuing this report under the Emergency Economic Stabilization Act. It is not an audit or evaluation under the Inspector General Act of 1978 as amended.

<sup>ii</sup> In this report, “HAMP” refers to the original HAMP First Lien Modification Program, which Treasury later renamed HAMP Tier 1.

<sup>iii</sup> In its “Mortgage Metrics Report, First Quarter 2013,” OCC compared a snapshot of HAMP permanent modifications and private modifications, from 2011 and 2012, between three and 15 months after the modifications became effective, and 60 or more days late on payments.

<sup>iv</sup> HAMP also covers loans owned by the two Government-sponsored entities (“GSEs”), Fannie Mae and Freddie Mac. TARP funds are used to pay incentives for non-GSE, HAMP permanent modifications. The GSEs pay for GSE-HAMP modifications; 142,727 homeowners have redefaulted on GSE-HAMP permanent modifications. Table 3.1 provides additional information on the annual and cumulative activity of non-GSE HAMP permanent modifications and GSE-HAMP permanent modifications.

The Administration's recent announcement that the HAMP application period will be continued for an additional two years to December 31, 2015, gives Treasury an opportunity to bring more struggling homeowners into the program, and reduce the number of homeowners who fall out of the program. Homeowners now have an additional two years to apply to HAMP, and payments on modified loans will be disbursed until 2021. That means that Treasury still has time to improve the program to help homeowners.

SIGTARP has made four recommendations to Treasury on how to improve the efficiency and effectiveness of the HAMP program by curbing HAMP redefaults, including conducting further research into the causes of redefault; requiring servicers to develop and use an "early warning system" to actively reach out to homeowners who may be at risk of redefaulting; and providing help and information to homeowners who have redefaulted. Treasury recently agreed to implement SIGTARP's recommendations to minimize redefaults.<sup>6</sup> Once fully implemented, these recommendations would help ensure that homeowners who receive HAMP permanent mortgage modifications have affordable and sustainable mortgages and remain in their homes.

While it is Treasury's responsibility to conduct this research based on existing data as well as new research that Treasury should undertake, SIGTARP conducted a review of Treasury's existing data on HAMP permanent mortgage modifications to homeowners who have redefaulted. This data shows some clear patterns. Homeowners who are most likely to redefault: (1) received the least reduction in their monthly mortgage payment and overall debt, (2) are still underwater on their mortgage, and (3) have subprime credit scores at the time of modification as well as a high overall debt burdens. Treasury should use these observations and augment them with its own analysis, as SIGTARP has recommended.

As our review indicates, with each day that passes, more and more homeowners fall out of the HAMP program. To protect the interests of both homeowners and taxpayers, Treasury should take action so that as many homeowners as possible can be helped to keep their homes – particularly those who have redefaulted, are redefaulting, or are at risk of redefault – and can permanently sustain their mortgages. It is crucial that HAMP fulfill its intent to help homeowners.

## TARP AND LOAN MODIFICATIONS

In the midst of the 2008 financial crisis, Congress authorized TARP, directing Treasury to create foreclosure mitigation efforts that would maximize assistance for homeowners, minimize foreclosures, and facilitate loan modifications to prevent avoidable foreclosures.<sup>7</sup> Some Members of Congress would not authorize TARP until they were assured that Treasury was required to use some TARP funds to directly help homeowners avoid foreclosure.<sup>8</sup>

In 2009, Treasury launched its signature mortgage modification program, HAMP. Under this program, homeowners who are in default on their non-GSE mortgages or at imminent risk of default can apply to their mortgage servicer

*For more information on HAMP mortgage modifications, see SIGTARP's July 2013 Quarterly Report, pages 55-81.*

for a loan modification that should make the loan more affordable by reducing monthly payments. Under HAMP, the mortgage servicer, mortgage investors, and homeowner are all eligible for incentive payments that are paid from TARP funds. (Homeowner incentives are paid to servicers that, in turn, apply the payment to a homeowner's mortgage).<sup>9</sup> Treasury obligated \$19.1 billion for the HAMP First-Lien Modification Program. As of April 30, 2013, Treasury has expended only \$4.4 billion of the \$19.1 billion (23%) on HAMP permanent modifications.<sup>10</sup>

Homeowners participating in HAMP are supposed to first receive a trial mortgage modification for three to four months and they may or may not subsequently receive a permanent mortgage modification. A trial modification will not help a homeowner avoid foreclosure in the long run, only a permanent modification can help do that. Once a homeowner secures a HAMP permanent modification, TARP-funded incentive payments can be disbursed. Homeowners have until December 31, 2015, to apply for a HAMP modification; TARP incentive payments can last for five years, until as late as 2021.<sup>11</sup>

### **Redefaults on Permanent Modifications Are Increasing**

According to Treasury, as of April 30, 2013, of the approximately 1.2 million homeowners (TARP and GSE HAMP combined) who received a HAMP permanent modification, 306,538 homeowners (26%) fell three months behind in payments and, thus, redefaulted.<sup>12</sup> However, this percentage includes all HAMP modifications since the start of the program. The longer a homeowner remains in HAMP, the more likely he or she is to redefault out of the program. Redefaults of the oldest HAMP modifications are at a 46% redefault rate, a rate that continues to increase as the modifications age. These homeowners fell out of the HAMP program, and their HAMP permanent modification was not sustainable. Once again, they risked losing their homes and some may have lost their homes.

For the more than 306,000 homeowners who have redefaulted on permanent mortgage modifications since HAMP began, the modification they received was not sustainable. Since HAMP's inception in 2009, the cumulative number of homeowners who have received permanent modifications and subsequently redefaulted has increased each year.<sup>13</sup> The percentage of the total, cumulative number of homeowners who redefaulted also has risen every year—from 1% at the end of 2009 to 26% in the first four months of 2013.<sup>14</sup> Table 3.1 provides detail on the annual and cumulative number and percentage of homeowners in HAMP permanent modifications who have redefaulted over the life of HAMP.

TABLE 3.1

ANNUAL AND CUMULATIVE HAMP PERMANENT MODIFICATION ACTIVITY, AS OF 4/30/2013									
	Permanent Modifications		Active Modifications				Redeclared Modifications		
	Annual	Cumulative	Annual	Cumulative	As Percent Of Permanents Cumulative	Annual	Cumulative	Redeclared Rate as Percentage of Permanents Cumulative	
TARP	2009	23,633	23,633	23,502	23,502	99%	129	129	1%
	2010	243,262	266,895	214,014	237,516	89%	29,015	29,144	11%
	2011	185,254	452,149	125,515	363,031	80%	59,080	88,224	20%
	2012	114,745	566,894	54,388	417,419	74%	58,860	147,084	26%
	2013	33,258	600,152	15,638	433,057	72%	16,727	163,811	27%
	<b>Total</b>	<b>600,152</b>		<b>433,057</b>			<b>163,811</b>		
GSE	2009	43,305	43,305	42,963	42,963	99%	339	339	1%
	2010	269,450	312,755	241,151	284,114	91%	27,730	28,069	9%
	2011	168,423	481,178	115,694	399,808	83%	51,287	79,356	16%
	2012	87,280	568,458	32,780	432,588	76%	49,229	128,585	23%
	2013	16,976	585,434	(545) <sup>a</sup>	432,043	74%	14,142	142,727	24%
	<b>Total</b>	<b>585,434</b>		<b>432,043</b>			<b>142,727</b>		
Total	2009	66,938	66,938	66,465	66,465	99%	468	468	1%
	2010	512,712	579,650	455,165	521,630	90%	56,745	57,213	10%
	2011	353,677	933,327	241,209	762,839	82%	110,367	167,580	18%
	2012	202,025	1,135,352	87,168	850,007	75%	108,089	275,669	24%
	2013	50,234	1,185,586	15,093	865,100	73%	30,869	306,538	26%
	<b>Total</b>	<b>1,185,586</b>		<b>865,100</b>			<b>306,538</b>		

Notes: Data is as of December 31, 2009; December 31, 2010; December 31, 2011; December 31, 2012; and April 30, 2013; as of April 30, 2013, of all permanent modifications, 13,948 loans have been paid off and thus are not counted as redeclared or active.

<sup>a</sup> This number is negative due to change in status from GSE to non-GSE TARP of some mortgages with HAMP permanent modifications.

Sources: Treasury, responses to SIGTARP data calls, 1/21/2011, 1/20/2012, 1/22/2013, 2/28/2013, 4/19/2013, 5/23/2013, and 7/10/2013; Fannie Mae, responses to SIGTARP data calls, 4/19/2013, 5/22/2013, and 7/9/2013; SIGTARP, Quarterly Report to Congress, 1/30/2010; SIGTARP Quarterly Report to Congress, 1/26/2011; SIGTARP Quarterly Report to Congress, 1/26/2012; SIGTARP Quarterly Report to Congress, 1/30/2013.

The longer a homeowner stays in a HAMP permanent modification, the more likely he or she is to redefault, with homeowners redefaulting on the oldest HAMP permanent modifications at a rate of 46%. Of homeowners with the newest modifications, those made permanent in early 2013, less than 1% had redefaulted.<sup>15</sup> Treasury's data shows that after homeowners' modifications made in 2009, 2010, or 2011 had aged one year, between 11% and 21% had redefaulted.<sup>16</sup> Approximately half of all homeowners with HAMP permanent modifications received them in 2009 and 2010; at three years, between 37% and 42% of those homeowners had redefaulted, with the lower rates for more recent modifications.<sup>17</sup> However, for the oldest of the HAMP permanent modifications, those that had aged 3.5 years, the redefault rate was as high as 46%.<sup>18</sup> Appendix F, Table F.2 provides detail on homeowners with HAMP permanent modifications who redefaulted, by official quarter the permanent modification began and length of time since the modification.



## Thousands of Homeowners Are at Risk of Redefault

In addition to the homeowners who already have redefaulted out of HAMP, thousands of more homeowners have fallen behind on payments following a HAMP permanent mortgage modification and, thus, are at risk of redefaulting. As of April 30, 2013, 865,100 homeowners were in an active HAMP permanent mortgage modification.<sup>19</sup> Of these homeowners, 88,813 (more than 10%) have missed one or two payments but have not yet redefaulted.<sup>20</sup>

On April 1, 2013, SIGTARP issued four recommendations to Treasury addressing HAMP redefaults. One recommendation addressed these at risk loans:

“Treasury should require servicers to develop and use an ‘early warning system’ to identify and reach out to homeowners that may be at risk of redefaulting on a HAMP mortgage modification, including providing or recommending counseling and other assistance and directing them to other TARP housing programs.”

Treasury has recently agreed to implement this recommendation and can take the first step of many by requiring servicers to flag homeowners with HAMP permanent mortgage modifications who miss one to two payments.<sup>21</sup> Treasury can then require servicers to reach out to these borrowers in an effort to prevent redefaults.

## REDEFAULT: IMPACT ON STATES AND COMMUNITIES

Homeowners are redefaulting in communities throughout the nation. While the cumulative number of HAMP permanent modifications in certain states may not be high, some states with a relatively small number of modifications have redefault rates of 30% or more.<sup>22</sup> For example, only 4,511 homeowners from Mississippi received HAMP permanent modifications, but these homeowners are redefaulting at a rate of 35%. Meanwhile, some states with the highest number of homeowners who have redefaulted have the lowest redefault rates. For example, California, which has the most homeowners in permanent modifications, has the highest number of homeowners who redefaulted on HAMP permanent modifications, more than 56,000, but has one of the lowest redefault rates, 20%. (Only Puerto Rico and the Virgin Islands have lower rates.) Florida, Illinois, and Arizona have the next highest number of homeowners who redefaulted, at 38,435, 17,897, and 14,392, respectively. After Mississippi, Alabama has a redefault rate of 33% for homeowners in HAMP permanent modifications, followed by Tennessee, Delaware, Louisiana, and Missouri, where homeowners are redefaulting at a rate of 32%. Tables 3.2-3.8 show regional and state breakdowns of the number of homeowners with HAMP permanent modifications, the number of homeowners

with active permanent modifications, the number who have redefaulted on modifications, and the redefault rates.

Tables F.3 and F.4 in Appendix F shows the number of homeowners with HAMP permanent modifications, the number of homeowners with active permanent modifications, the number who have redefaulted on modifications, and the redefault rates by Metropolitan Statistical Area.

TABLE 3.2

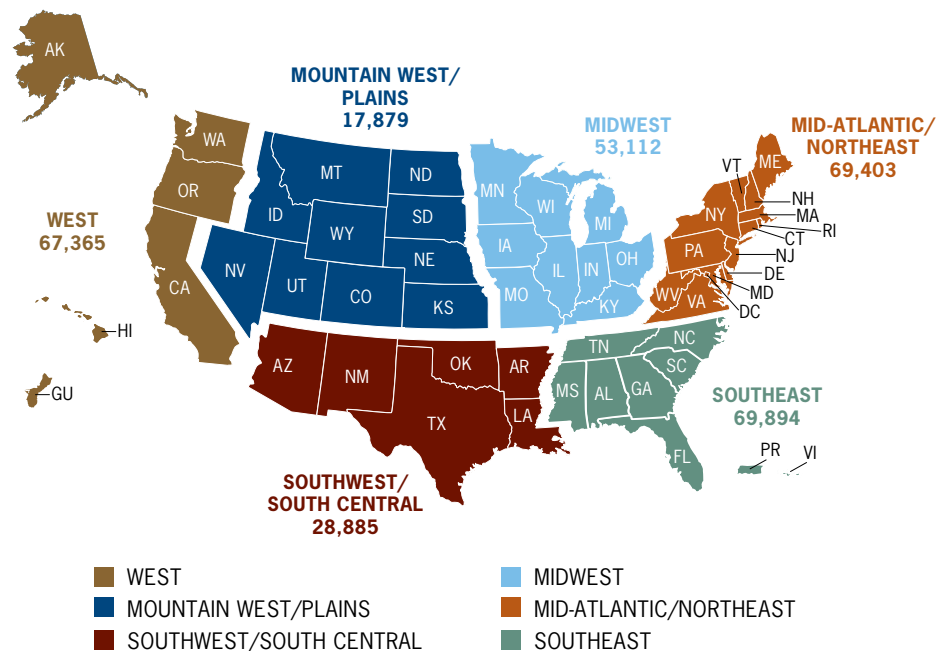
<b>REDEFAULTED HAMP PERMANENT MODIFICATIONS, BY REGION, CUMULATIVE AS OF 4/30/2013</b>				
	<b>Permanent Modifications</b>	<b>Active Modifications</b>	<b>Redeclared Modifications</b>	<b>Redeclared Rate</b>
West	327,139	256,809	67,365	21%
Mountain West/ Plains	66,097	47,039	17,879	27%
Southwest/ South Central	98,647	68,174	28,885	29%
Midwest	186,770	131,182	53,112	28%
Mid-Atlantic/ Northeast	256,384	184,110	69,403	27%
Southeast	250,549	177,786	69,894	28%
<b>Total</b>	<b>1,185,586</b>	<b>865,100</b>	<b>306,538</b>	<b>26%</b>

Notes: Includes GSE and non-GSE modifications. Of all permanent modifications, 13,948 loans have been paid off.

Source: Treasury, response to SIGTARP data call, 6/13/2013.

FIGURE 3.1

REDEFAULTED HAMP PERMANENT MODIFICATIONS, BY REGION, CUMULATIVE AS OF 4/30/2013





## West

TABLE 3.3

### REDEFAULTED HAMP PERMANENT MODIFICATIONS, BY STATE, CUMULATIVE AS OF 4/30/2013



**WEST**  
Percentage of Redefaults on HAMP Permanent Modifications

- >27%
- 25-27%
- <25%

	Permanent Modifications	Active Modifications	Redefaulted Modifications	Redefault Rate
<b>AK</b>	566	405	135	24%
<b>CA</b>	284,031	225,023	56,634	20%
<b>GU</b>	9	6	2	22%
<b>HI</b>	4,399	3,356	964	22%
<b>OR</b>	13,089	9,732	3,172	24%
<b>WA</b>	25,045	18,287	6,458	26%
<b>Total</b>	<b>327,139</b>	<b>256,809</b>	<b>67,365</b>	<b>21%</b>

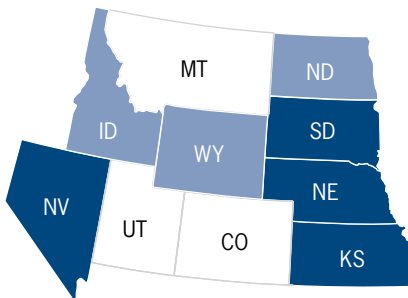
Notes: Includes GSE and non-GSE modifications, excludes permanent modifications paid off.

Source: Treasury, response to SIGTARP data call, 6/13/2013.

## Mountain West/Plains

TABLE 3.4

### REDEFAULTED HAMP PERMANENT MODIFICATIONS, BY STATE, CUMULATIVE AS OF 4/30/2013



**MOUNTAIN WEST/  
PLAINS**  
Percentage of Redefaults on HAMP Permanent Modifications

- >27%
- 25-27%
- <25%

	Permanent Modifications	Active Modifications	Redefaulted Modifications	Redefault Rate
<b>CO</b>	16,135	12,227	3,560	22%
<b>ID</b>	4,512	3,247	1,189	26%
<b>KS</b>	2,947	1,991	885	30%
<b>MT</b>	1,335	992	296	22%
<b>ND</b>	190	130	47	25%
<b>NE</b>	1,716	1,133	528	31%
<b>NV</b>	27,747	18,938	8,533	31%
<b>SD</b>	450	297	128	28%
<b>UT</b>	10,486	7,683	2,562	24%
<b>WY</b>	579	401	151	26%
<b>Total</b>	<b>66,097</b>	<b>47,039</b>	<b>17,879</b>	<b>27%</b>

Notes: Includes GSE and non-GSE modifications, excludes permanent modifications paid off.

Source: Treasury, response to SIGTARP data call, 6/13/2013.

## Southwest/South Central

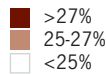
TABLE 3.5

### REDEFAULTED HAMP PERMANENT MODIFICATIONS, BY STATE, CUMULATIVE AS OF 4/30/2013

	Permanent Modifications	Active Modifications	Redeclared Modifications	Redefault Rate
AR	2,715	1,811	829	31%
AZ	48,811	33,728	14,392	29%
LA	7,210	4,761	2,334	32%
NM	3,971	2,867	1,032	26%
OK	2,959	1,951	921	31%
TX	32,981	23,056	9,377	28%
<b>Total</b>	<b>98,647</b>	<b>68,174</b>	<b>28,885</b>	<b>29%</b>

#### SOUTHWEST/ SOUTH CENTRAL

Percentage of Redeclareds  
on HAMP Permanent  
Modifications



Notes: Includes GSE and non-GSE modifications, excludes permanent modifications paid off.

Source: Treasury, response to SIGTARP data call, 6/13/2013.

## Midwest

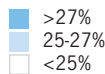
TABLE 3.6

### REDEFAULTED HAMP PERMANENT MODIFICATIONS, BY STATE, CUMULATIVE AS OF 4/30/2013

	Permanent Modifications	Active Modifications	Redeclared Modifications	Redefault Rate
IA	3,043	2,002	946	31%
IL	62,999	44,622	17,897	28%
IN	11,583	7,954	3,439	30%
KY	4,616	3,103	1,409	31%
MI	35,503	25,751	9,194	26%
MN	19,240	13,565	5,396	28%
MO	12,491	8,288	3,973	32%
OH	25,446	17,894	7,216	28%
WI	11,849	8,003	3,642	31%
<b>Total</b>	<b>186,770</b>	<b>131,182</b>	<b>53,112</b>	<b>28%</b>

#### MIDWEST

Percentage of Redeclareds  
on HAMP Permanent  
Modifications



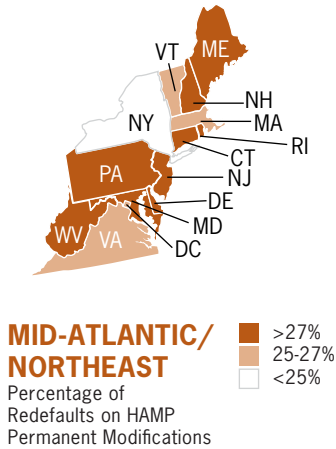
Notes: Includes GSE and non-GSE modifications, excludes permanent modifications paid off.

Source: Treasury, response to SIGTARP data call, 6/13/2013.

### Mid-Atlantic/Northeast

TABLE 3.7

**REDEFAULTED HAMP PERMANENT MODIFICATIONS, BY STATE, CUMULATIVE AS OF 4/30/2013**



	Permanent Modifications	Active Modifications	Redefaulted Modifications	Redefault Rate
CT	15,586	10,974	4,470	29%
DC	2,056	1,526	506	25%
DE	3,802	2,534	1,232	32%
MA	28,526	20,628	7,557	26%
MD	38,194	27,121	10,678	28%
ME	3,507	2,370	1,080	31%
NH	5,490	3,808	1,591	29%
NJ	40,030	27,684	11,960	30%
NY	57,271	43,624	13,154	23%
PA	25,746	17,436	7,945	31%
RI	5,884	4,138	1,693	29%
VA	27,588	20,402	6,767	25%
VT	1,034	732	273	26%
WV	1,670	1,133	497	30%
<b>Total</b>	<b>256,384</b>	<b>184,110</b>	<b>69,403</b>	<b>27%</b>

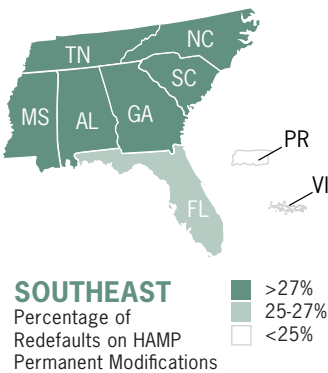
Notes: Includes GSE and non-GSE modifications, excludes permanent modifications paid off.

Source: Treasury, response to SIGTARP data call, 6/13/2013.

### Southeast

TABLE 3.8

**REDEFAULTED HAMP PERMANENT MODIFICATIONS, BY STATE, CUMULATIVE AS OF 4/30/2013**



	Permanent Modifications	Active Modifications	Redefaulted Modifications	Redefault Rate
AL	7,142	4,657	2,341	33%
FL	144,777	104,959	38,435	27%
GA	43,947	30,812	12,700	29%
MS	4,511	2,866	1,574	35%
NC	22,232	15,259	6,617	30%
PR	3,773	3,114	597	16%
SC	11,334	7,678	3,464	31%
TN	12,827	8,435	4,166	32%
VI	6	6	0	0%
<b>Total</b>	<b>250,549</b>	<b>177,786</b>	<b>69,894</b>	<b>28%</b>

Notes: Includes GSE and non-GSE modifications, excludes permanent modifications paid off.

Source: Treasury, response to SIGTARP data call, 6/13/2013.

## REDEFAULT: IMPACT ON TAXPAYERS FUNDING TARP

Taxpayers have lost \$815 million in TARP funds paid as incentives for HAMP permanent mortgage modifications for 163,811 homeowners who later redefaulted.<sup>23</sup> As of April 30, 2013, Treasury has distributed \$4.4 billion in TARP funds for 600,152 homeowners' HAMP permanent modifications.<sup>24</sup> According to Treasury, \$2.2 billion of that was designated for investor incentives, \$1.5 billion for servicer incentives, and \$770 million for homeowner incentives.<sup>25</sup> (Homeowner incentives are paid to servicers that, in turn, apply the payment to a homeowner's mortgage).<sup>26</sup> According to Treasury, 18% of those funds were paid for incentives on HAMP permanent modifications held by homeowners who later redefaulted.<sup>27</sup>

More than half of TARP funds that Treasury spent for HAMP permanent modifications that redefaulted were for mortgages currently serviced by three servicers, Ocwen Loan Servicing, LLC, J.P. Morgan Chase Bank, NA, and Bank of America, N.A. (listed in Table 3.9<sup>v</sup>).<sup>28</sup> Almost all (91%) of TARP funds Treasury spent for HAMP permanent modifications that redefaulted were for mortgages currently serviced by 10 servicers (listed in Table 3.9).<sup>29</sup> Table 3.9 shows payments by HAMP permanent modifications currently within servicers' portfolios for active, redefaulted, and paid off loans.

<sup>v</sup> Total incentive payments by the current status of the permanent modification (active, redefaulted, or paid off) is broken out in the table by the current servicer of the loan. The incentive payment totals may not tie to the actual amount paid to the servicer as servicing transfers are not taken into account when the current servicer on the loan is used.

TABLE 3.9

<b>TARP INCENTIVE PAYMENTS ON HOMEOWNERS' HAMP PERMANENT MODIFICATIONS CURRENTLY WITHIN SERVICERS' PORTFOLIOS, AS OF 4/30/2013</b>					
<b>Servicer Name</b>	<b>TARP Incentive Payments for Permanents Active</b>	<b>TARP Incentive Payments for Permanents Redefaulted</b>	<b>TARP Incentive Payments for Permanents Paid Off</b>	<b>Total TARP Incentive Payments for Permanents All</b>	<b>Percentage of Total TARP Incentive Payments for Permanents Redefaulted</b>
Ocwen Loan Servicing, LLC	\$717,012,471	\$193,448,229	\$2,783,080	\$913,243,780	21%
JPMorgan Chase Bank, NA	610,180,075	138,039,418	2,184,054	750,403,546	18%
Bank of America, N.A.	541,463,146	102,348,226	1,771,097	645,582,468	16%
Wells Fargo Bank, N.A.	556,799,469	99,746,001	2,363,712	658,909,182	15%
Select Portfolio Servicing, Inc.	232,357,874	66,032,543	1,179,550	299,569,967	22%
GMAC Mortgage, LLC	162,351,234	38,087,369	1,535,568	201,974,171	19%
CitiMortgage Inc	220,396,014	32,212,389	1,557,153	254,165,556	13%
Nationstar Mortgage LLC	158,077,382	31,631,671	928,588	190,637,641	17%
OneWest Bank	198,871,236	30,471,998	378,627	229,721,860	13%
Carrington Mortgage Services, LLC.	33,540,072	13,302,807	291,268	47,134,147	28%
Other	176,226,136	69,612,295	5,324,529	251,162,960	28%
<b>Total</b>	<b>3,607,275,109</b>	<b>814,932,943</b>	<b>20,297,226</b>	<b>4,442,505,278</b>	<b>18%</b>

Note: Total incentive payments by the current status of the permanent modification (active, redefaulted, or paid off) is broken out in the table by the current servicer of the loan. The incentive payment totals may not tie to the actual amount paid to the servicer as servicing transfers are not taken into account when the current servicer on the loan is used. Totals shown here include payments under the Home Price Decline Protection ("HPDP") and Principal Reduction Alternative ("PRA") programs tied to these loans.

Sources: Treasury, response to SIGTARP data call, 6/5/2013; Treasury, responses to SIGTARP vetting draft, 7/12/2013 and 7/16/2013; Fannie Mae, responses to SIGTARP vetting draft, 7/11/2013 and 7/16/2013.

## REDEFAULTS HURT HOMEOWNERS

Redefaults hurt homeowners. Homeowners who have redefaulted on a HAMP permanent modification must seek alternatives to losing their home to foreclosure, short sale, or deed-in-lieu of foreclosure, with limited options. The homeowner could seek assistance through another TARP housing program such as the Hardest Hit Fund ("HHF") program if the homeowner lives in a participating state and SIGTARP recommended that Treasury require servicers to inform homeowners of this in writing. The homeowner may enter into a private modification offered by his or her servicer, but as the Office of the Comptroller of the Currency ("OCC") has reported, private modifications are typically not as advantageous to the homeowner as a HAMP modification.<sup>30, vi</sup> In the worst case scenario, the homeowner can lose the home to foreclosure, as well as losing any accrued equity. According to Treasury, Treasury does not require servicers to ask why a homeowner redefaults on a HAMP permanent modification.<sup>31</sup> Treasury does track whether all homeowners who

vi In its "Mortgage Metrics Report, First Quarter 2013," the OCC compared a snapshot of HAMP permanent modifications and private modifications, from 2011 and 2012, between three and 15 months after the modifications became effective, and 60 or more days late on payments.

redefault in a HAMP permanent modification end up in foreclosure or in another modification. However, Treasury reported that of the redefaulted loans reported by the eight largest servicers, as of April 30, 2013, 31% of homeowners who redefault receive an alternative modification, usually a private sector modification, 22% of homeowners move into the foreclosure process, and 12% of homeowners lose their home via a short sale or deed-in-lieu of foreclosure.<sup>32</sup>

### **What Homeowners Say**

Anecdotal evidence suggests that poor service by mortgage servicers contributes to homeowners redefaulting on HAMP permanent modifications. Through its Hotline, SIGTARP has received thousands of calls from the public regarding HAMP, many of them alleging mortgage servicer error and lack of communication or miscommunication. In these cases, SIGTARP contacted the homeowner. SIGTARP may have also used Hotline information to make recommendations to Treasury to improve HAMP and may have referred the homeowner to Treasury and any other applicable agency. SIGTARP also spoke with several attorneys at nonprofit organizations across the country who represent HAMP homeowners who have redefaulted and who allege servicer errors regarding HAMP modifications. The circumstances homeowners allege include (1) servicer payment calculation or payment credit errors, (2) problems following a transfer of mortgage ownership or servicing rights, (3) lost paperwork, (4) dual tracking—when a servicer moves ahead on foreclosure even while a homeowner is in the HAMP modification process, a procedure prohibited under HAMP guidelines, (5) a servicer not honoring a HAMP permanent modification, or (6) homeowners with a change in circumstance. Often there is some combination of these issues. Anecdotal evidence suggests servicers need more improvement. The following are some instances where homeowners allege servicer-caused permanent modification redefaults.

#### **Servicer payment calculation or payment credit errors**

- In February 2011, a couple from Paso Robles, California, contacted the SIGTARP Hotline to say that they had received a HAMP permanent modification in March 2010 and made on time mortgage payments. However, the homeowners told SIGTARP that, in January 2011, they received a letter from their servicer saying that they were late on their mortgage payments and that the servicer had started foreclosure proceedings against the property. According to the homeowners, “Each time we have contacted [our servicer] via the phone numbers they have given us. Each time the representative answering the phone has stated that we were delinquent; however, after stating that we have a loan modification agreement and we are actually current, they replied that the computer agrees with us; they stated that they will research the bank’s error; and that someone will get back in touch with us. [Our servicer] has never returned any of our numerous calls or answered our inquiries.” Despite being given assurances of a current status, the servicer considered the homeowners redefaulted and moved to foreclose on the property.<sup>33</sup>

- In May 2013, a husband and wife in San Jose, California, both police officers, redefaulted on their HAMP permanent modification, an attorney reported to SIGTARP. Because of health problems and an income reduction, the couple fell behind on mortgage payments and applied for and received a HAMP modification, which included a \$50,000 principal reduction; the modification was made permanent in January 2013. However, the HAMP permanent modification agreement did not specify the required mortgage payment amount, so the couple made mortgage payments in the amount required by their trial modification. From February through April 2013, the couple continued to make these payments but received notices that they were late on their mortgage payments. The couple contacted the bank and visited a branch office to try to determine the amount of their required payment, but they were unable to resolve the situation. In May 2013, the servicer considered their HAMP modification to have redefaulted. In July 2013, the attorney reported to SIGTARP that the couple's loan modification had been reinstated and they are no longer facing foreclosure.<sup>34</sup>
- In Connecticut, an attorney from a nonprofit organization described to SIGTARP a variety of scenarios that he had encountered where homeowners had difficulties with their servicer following a HAMP permanent modification, and in the worst-case scenarios, servicers claimed that homeowners redefaulted and recommenced judicial foreclosure proceedings. Some servicers had miscalculated the required payments for a HAMP permanent modification and informed homeowners that they would need to agree to a new modification resulting in higher payments than those required by the original HAMP permanent modification. Other servicers did not recognize that a loan had undergone a HAMP permanent modification and treated the homeowners' payments as insufficient. In some cases, the servicer backdated the due date for the homeowner's first mortgage payment to a date prior to the effective date of the HAMP permanent modification and charged the homeowner new late fees even though the homeowner made the payments under the modification agreement.<sup>35</sup>

### **Problems following a transfer of mortgage ownership or servicing rights**

- A woman from San Jose received a HAMP permanent modification in 2012, but redefaulted in 2013 after a transfer of servicing rights from one servicer to another servicer, an attorney recounted to SIGTARP. The homeowner's second servicer refused to honor a HAMP modification arranged by the previous servicer. After the new servicer began servicing the mortgage, it stopped crediting her mortgage payments and instead held the payments in a suspense account. The new servicer told the homeowner that she would have to apply for a new mortgage modification. Although the homeowner was eventually able to obtain a HAMP modification from the new servicer, she decided the mortgage was not affordable and opted to sell her home in a short sale.<sup>36</sup>



- In July 2013, the SIGTARP Hotline was contacted by an attorney representing a Riverside, California, homeowner who received a HAMP permanent modification in February 2011. According to the attorney, the homeowner's mortgage was then transferred to a new servicer, which claimed that it had no knowledge of the modification. In February 2011, the first servicer's employees verbally approved her for a HAMP permanent modification, described the terms of the modification, and said they would send her the paperwork. The servicer never sent her the paperwork. Then her loan was transferred to a new servicer. The homeowner contacted her new servicer and was referred, back-and-forth, between her new servicer and previous servicer, both of whom claimed that the other had the homeowner's modification paperwork. The homeowner's previous servicer went so far as to send a letter to the homeowner stating that her modification paperwork was transferred to her new servicer. Even with this letter, the new servicer continued to claim that it had no such paperwork, and, at the request of the new servicer, the homeowner filled out a new mortgage modification application. In March 2013, the new servicer denied her a mortgage modification, noting that it does "not participate in any government programs."<sup>37</sup>

### Lost paperwork

- In September 2010, the SIGTARP Hotline was contacted by Hudson, Florida, homeowners who were under the impression that they had received a HAMP permanent modification in July 2010. However, according to the servicer, they were mistaken and, thus, had redefaulted sometime between July and August of 2010. The homeowners stated that between 2009 and 2010, they had submitted each piece of paperwork as requested by the servicer -- sometimes the same paperwork multiple times. The homeowners also stated that following the trial modification, they made their new mortgage payments, but the servicer refused to apply them to their mortgage. According to the homeowners, the servicer notified them that it never received their signed, permanent modification papers; the homeowners said the servicer never sent them modification papers to sign. The homeowners were not able to resolve the paperwork issue with the servicer and the servicer instead offered a short sale or foreclosure alternative. One of the homeowners recently reported to SIGTARP that they eventually received a HAMP permanent mortgage modification, but said that she believes that it happened only after she had told a top executive at the servicer that they planned to go public with their case.<sup>38</sup>
- In May 2010, a Jackson, Mississippi homeowner received a HAMP permanent modification, according to an attorney. The homeowner originally applied for a HAMP modification because he had a back injury and lost his job. According to the attorney, the servicer sent a notary to deliver the HAMP permanent modification agreement to the homeowner, witness the homeowner's signature, and return the agreement to the servicer. The homeowner kept a copy. The homeowner made his new, lower mortgage payments for around a year and

a half, at which point the servicer returned his December 2011 mortgage payment and requested that the homeowner make a mortgage payment in the amount that he had been paying before he had received a HAMP permanent modification. After the homeowner contacted the servicer and, in February 2012, retained an attorney, the servicer claimed that it had no record of the HAMP permanent modification or the notary, and it also informed the homeowner that he was delinquent on his mortgage payments. In April 2013, the homeowner sued his servicer. The case is pending.<sup>39</sup>

### **Dual tracked HAMP permanent modification and foreclosure**

- An attorney from California described to SIGTARP that, during the past couple of years, her nonprofit organization has had ten cases involving redefaulted HAMP permanent modifications. Of the homeowners they represented, most applied for a HAMP modification due to a job loss, reduced income, or recently incurred disability. After receiving a HAMP permanent modification, the homeowners made their new mortgage payments, but each of their servicers responded by sending notices about late payments and to inform them that the servicer had started foreclosure proceedings. For some homeowners, the servicer also would not recognize the permanent modification. In all of the cases, the servicer did not provide a “single point of contact,” and homeowners were bounced among several departments without any explanation. Some servicers offered homeowners alternative, non-HAMP modifications that were unaffordable as compared to the homeowners’ HAMP permanent modification.<sup>40</sup>
- In February 2013, the SIGTARP Hotline was contacted by a Walnut Creek, California, homeowner who after a self-described nearly four-year struggle to be approved for a HAMP permanent modification finally received one in September 2012, only to redefault two months later due to what the homeowner described as retaliation. As of January 2013, the homeowner was in suspended foreclosure status. The homeowner’s income decreased between 2008 and 2009 and, several times, the homeowner applied for a modification but was denied each time. Later in 2009, the homeowner’s mortgage was transferred to a new servicer. Again, several times, the homeowner applied for a mortgage modification, but was denied each time. The homeowner said that each denial was due to different servicer underwriting error. Finally, in September 2012, while the homeowner’s mortgage remained “under suspended foreclosure status,” the homeowner received a HAMP permanent modification. However, two months later, the homeowner’s servicer cancelled his modification due to what the homeowner called a “technicality.” After requesting that the servicer reinstate the HAMP permanent modification, the servicer informed the homeowner that a new contract would be mailed to the homeowner to sign. Since then, the homeowner has had to submit a new application for a mortgage modification.<sup>41</sup>

### **HAMP permanent modification not honored by servicer**

- According to an attorney representing homeowners from Hampton, Connecticut, the homeowners redefaulted on their HAMP permanent modification about eight months after accepting and paying on it due to a servicer error. The couple had applied for a HAMP modification because the husband became disabled and they were without an income while he waited for disability checks to arrive. In March 2010, the couple received a HAMP permanent mortgage modification. However, in the fall of 2010, the servicer notified the homeowners that it had miscalculated their required mortgage payments, told the homeowners to execute a new agreement calling for higher monthly payments and, after they refused, the servicer cancelled their HAMP permanent modification. The higher, previous interest rate was reinstated and the couple was required to reapply for a new HAMP modification.<sup>42</sup>
- Lancaster, Texas, homeowners contacted the SIGTARP Hotline in October 2010 to relate problems with a HAMP permanent modification they had received in December 2009. The homeowners made their new mortgage payments on time, but in 2010, “field inspectors” started showing up at their home. After the homeowners contacted their servicer multiple times about the inspectors, the servicer at first said that the homeowners were current on their account, and it would call off the inspectors. However, when the inspectors continued to show up, the homeowners called their servicer in September 2010, only to learn that their HAMP permanent modification had been cancelled in August 2010 due to a mistake the servicer made related to the principal balance of the mortgage. According to the homeowners, at that time they had received no written notice that their servicer had cancelled their modification. The servicer informed the homeowners that they would need to reapply for a HAMP modification. The homeowners expressed to SIGTARP their anxiety over reapplying for a HAMP modification, given that to receive their HAMP permanent modification, they had spent much of a year calling, faxing, mailing, refaxing, and remailing paperwork to the servicer.<sup>43</sup>
- An attorney described to SIGTARP that a man from Mississippi who he represented lost his construction job in 2012, applied for a HAMP modification, and received a HAMP permanent modification in September 2012. He made his new mortgage payments on time, but in February 2013, his servicer returned his most recent mortgage payment and notified the homeowner that a foreclosure sale was scheduled for March. The servicer explained that it had cancelled the homeowner’s permanent modification because at the time of the modification, the homeowner had been in bankruptcy proceedings, which was not the case. The homeowner retained an attorney, which resulted in the foreclosure sale being cancelled, and the servicer sending the homeowner a copy of the original, HAMP permanent mortgage modification agreement that he had signed. The homeowner proceeded to make mortgage payments, but his servicer returned his April and May 2013 mortgage payments and informed

the homeowner that his loan had been sold and would be transferred to a new servicer.<sup>44</sup>

### **Homeowner change in circumstance following HAMP permanent modification**

- A North Carolina woman received a HAMP permanent modification in May 2011 with a modified payment of 45% of her gross income, according to her attorney. Although the new monthly payment was never affordable, she did make on time payments for six months, between late summer of 2011 and early 2012. After that time, her income was reduced further and she could no longer pay her monthly mortgage payment. In March 2012, she requested a remediation from her servicer. Her servicer told her that she was not eligible for a remediation until May 2012, one year after she had received her HAMP permanent modification. While she was in the midst of working out a remediation with her servicer, in June 2012, the homeowner's home was sold at a foreclosure sale. In August 2012, she sued her servicer, alleging bad faith, unfair and deceptive trade practices, and gross negligence. The homeowner alleged that the servicer offered the homeowner a HAMP permanent mortgage modification in May 2011 that did not comply with HAMP and that the servicer falsely represented to the borrower that it was considering her application for a remediation while simultaneously proceeding to a foreclosure sale. The case is pending.<sup>45</sup>

## **WHY HOMEOWNERS REDEFAULT**

While the overall U.S. foreclosure rate has begun to improve with the economy, the redefault rate on HAMP-modified loans shows that problems remain.<sup>46</sup> SIGTARP made a recommendation that Treasury conduct independent research and analysis to determine the causes of redefaults and the characteristics of loans or homeowners that may be more at risk for redefault. While SIGTARP has performed a preliminary analysis of Treasury's HAMP data for some characteristics, it is Treasury's responsibility to conduct in-depth research and analysis of Treasury's HAMP data, as well as other information that Treasury needs to obtain. SIGTARP is sharing this analysis of Treasury's own HAMP database so that Treasury can develop an early warning system of those homeowners likely to redefault and have servicers reach out to them. SIGTARP analyzed Treasury's HAMP data and identified permanent modifications that were effective as of April 30, 2013.<sup>47</sup> That analysis shows some clear patterns among homeowners who have redefaulted. Homeowners who are most likely to redefault: (1) received the least reduction in their mortgage payment and overall debt, (2) are still underwater on their mortgage, and (3) have subprime credit scores at the time of modification as well as high overall debt burdens.

## Characteristics of HAMP Permanent Modifications Can Signal Redefault

Not surprisingly, homeowners who received the worst deal on a HAMP modification were the most likely to redefault. According to Treasury's database of HAMP records for permanent modifications that were effective as of April 30, 2013, the smaller the reduction in a homeowner's mortgage payments and overall debt, the more likely the homeowner was to redefault.<sup>48</sup> Specifically, homeowners who had the highest redefault rates had high overall debt post-modification, had subprime credit scores, or owed significantly more on their home than it was worth. Homeowners whose mortgage was less than five years old when it was permanently modified were more likely to redefault than those whose mortgage was five years old or older.

### Debt-to-income Ratios

The reduction in a homeowner's monthly debt payments is a factor in the success of a HAMP modification.<sup>49</sup> Homeowner debt is measured in two ways, called debt-to-income ("DTI") ratios. The "front-end DTI" measures monthly housing-related expenses including principal, interest, taxes, and insurance as a percentage of gross income. The "back-end DTI" measures all debt, which may also include, for example, medical bills or credit card debt.

HAMP modifications are structured to reduce a homeowner's front-end DTI to 31% so that monthly mortgage payments are no more than 31% of gross income.<sup>50</sup> Treasury set a goal of reducing total debt to less than 55% of income as measured by back-end DTI.<sup>51</sup> If a homeowner receives a HAMP permanent modification where the total debt is not reduced to less than 55%, the HAMP servicer is required to send a letter to the homeowner about housing counseling.<sup>52</sup> The homeowner is required to verify in writing that he or she will secure HUD-approved housing counseling and "develop a plan to reduce [his or her]...total indebtedness below 55%."<sup>53</sup> Treasury requires no further action on the part of the servicer or homeowner to validate that the homeowner, in fact, received housing counseling and developed a debt reduction plan.

### Monthly Housing-Related Expenses

Homeowners with a larger reduction in their monthly housing expenses after receiving a HAMP permanent modification fared better than those with a smaller reduction.<sup>54</sup> Of homeowners who received a HAMP permanent modification, about 39% of homeowners whose housing expenses (measured by front-end DTI) were cut by less than 5 percentage points redefaulted. About 32% whose housing expenses were cut more than 5 percentage points but less than 10 percentage points redefaulted. However, of those whose housing expenses were cut by 10 percentage points or more—say, from 41% of income to 31%—just 21% redefaulted. Table 3.10 shows changes in housing expenses and redefault rates.

TABLE 3.10

<b>CHANGE IN HOUSING EXPENSES AND REDEFAULT RATE FOR HAMP PERMANENT MODIFICATIONS, CUMULATIVE AS OF 4/30/2013</b>	
<b>Change in Housing Expenses</b>	<b>Redeault Rate</b>
Cut by less than 5 percentage points	39%
Cut by 5 to less than 10 percentage points	32%
Cut by 10 or more percentage points	21%

Note: Housing debt is "front-end debt-to-income ratio."

Source: SIGTARP analysis of Treasury HAMP data.

### Total Monthly Expenses

Homeowners who were still carrying heavy overall debt loads after a mortgage modification were the most likely to redefault.<sup>55</sup> The amount of reduction in overall debt as measured by back-end DTI also affects how likely a homeowner is to redefault.

A little less than half of homeowners had overall debt loads after permanent modification of 55% or more of gross income, the threshold at which housing counseling is required. Table 3.11 shows a homeowner's total debt after HAMP permanent modification, as measured by back-end DTI and redefault rate.

TABLE 3.11

<b>POST-MODIFICATION TOTAL DEBT EXPENSE AND REDEFAULT RATE FOR HAMP PERMANENT MODIFICATIONS, CUMULATIVE AS OF 4/30/2013</b>	
<b>Total Debt After Modification</b>	<b>Redeault Rate</b>
55% or more	28%
Less than 55%	24%

Note: Total debt is measured by "back-end debt-to-income ratio."

Source: SIGTARP analysis of Treasury HAMP data.

Even more indicative was the *amount* of reduction in total debt (back-end-DTI) that a homeowner received as a result of the HAMP modification. According to SIGTARP's analysis of Treasury's HAMP data, the homeowners whose total debt (back-end DTI) was cut by fewer than 5 percentage points were most likely to redefault.<sup>56</sup> Table 3.12 shows changes in total debt (back-end DTI) and redefault rates.

TABLE 3.12

**CHANGE IN TOTAL DEBT AND REDEFAULT RATE FOR HAMP PERMANENT MODIFICATIONS, CUMULATIVE AS OF 4/30/2013**

<b>Change in Total Debt</b>	<b>Redeault Rate</b>
Back-end-DTI cut by less than 5 percentage points	38%
Back-end-DTI cut by 5 to less than 10 percentage points	31%
Back-end-DTI cut by 10 or more percentage points	21%

Note: Total debt is "back-end debt-to-income ratio."

Source: SIGTARP analysis of Treasury HAMP data.

**Total Equity in Home and Unpaid Principal Balance**

Homeowners who owe more than their home is worth, even after receiving a HAMP permanent mortgage modification, are more likely to redefault than homeowners who owe less following a modification.<sup>57</sup> How much equity a homeowner has is measured by the loan-to-value ("LTV") ratio. A homeowner with an 80% LTV ratio owns 20% of the house—a traditional stake for a buyer. A homeowner with LTV above 100% owes more than the home is worth, known as being underwater.

Treasury should better coordinate the HAMP program with the other significant TARP housing program, the Hardest Hit Fund ("HHF"). Treasury should coordinate with state housing finance agency ("HFA") HHF programs to help homeowners further decrease their LTVs in conjunction with a HAMP permanent modification, thereby, reducing the probability the homeowners will will redefault. In April 2013, SIGTARP recommended to Treasury that in the letter that servicers are required to send to homeowners who redefaulted, it include for borrowers living in the 19 states where HFAs participate in the HHF program information about HHF as a possible foreclosure prevention option. Some HHF states have programs that, in conjunction with HAMP, can help homeowners reduce their principal balance and pay past-due amounts on their mortgages.<sup>58</sup> Treasury recently agreed to implement this recommendation.<sup>59</sup>

Of homeowners who received a HAMP permanent modification, approximately 70% were underwater when they applied, with an LTV above 100%. After receiving a HAMP permanent modification, 73% were underwater, which may have been caused by servicers tacking onto the mortgage balance any missed payments, accrued interest, or escrow advances or out-of-pocket expenses to third parties that the homeowner owed prior to receiving a HAMP permanent modification.<sup>60</sup> Many homeowners who received HAMP permanent modifications were deeply underwater and remained underwater even with the HAMP modification. Both before and after receiving a HAMP permanent modification, almost 20% of homeowners had an LTV at or above 170%. Of homeowners who were underwater even after receiving a HAMP modification, around 28% redefaulted, compared with 21% of those not underwater.<sup>61</sup>

For 87% of homeowners, a HAMP modification resulted in no decrease in their LTV ratio; this may have been caused by servicers tacking onto the mortgage balance any missed payments, accrued interest, or escrow advances or

*For additional information concerning HHF, see SIGTARP's July 2013 Quarterly Report, see pages 75-79.*



out-of-pocket expenses to third parties that the homeowner owed prior to receiving a HAMP permanent modification. The relatively small group of homeowners for whom the modification decreased their LTV—13% of those who received permanent modifications—were the least likely to redefault.<sup>62</sup> Table 3.13 shows the amount a homeowner’s LTV changed and redefault rates.

TABLE 3.13

**CHANGE IN LOAN-TO-VALUE RATIO AND REDEFAULT RATE FOR HAMP PERMANENT MODIFICATIONS, CUMULATIVE AS OF 4/30/2013**

<b>Change in Loan-to-Value Ratio</b>	<b>Redeault Rate</b>
Increased by 25 or more percentage points	38%
Increased by 10 to less than 25 percentage points	36%
Increased by 0 to less than 10 percentage points	25%
Decreased	14%

Note: A “change” that results in “increased” LTV for homeowners may have been caused by servicers adding missed payments, accrued interest, or escrow advances or out-of-pocket expenses to third parties to the homeowners mortgage balance as part of a HAMP permanent modification.

Source: SIGTARP analysis of Treasury HAMP data.

Principal reduction is not mandatory for HAMP. Homeowners whose unpaid principal balance did not decrease or actually increased as a result of a HAMP modification—for instance, missed payments, accrued interest, or escrow advances or out-of-pocket expenses to third parties were added to the balance—were more likely to redefault than those whose principal balance was cut.<sup>63</sup> Of homeowners who received a HAMP permanent modification, 87% did not see their unpaid mortgage balance decrease or saw it increase; between 26% and 35% of these homeowners redefaulted. Table 3.14 shows principal balance changes and redefault rates.

TABLE 3.14

**CHANGE IN PRINCIPAL BALANCE OWED AND REDEFAULT RATE FOR HAMP PERMANENT MODIFICATIONS, CUMULATIVE AS OF 4/30/2013**

<b>Change in Principal Balance Owed</b>	<b>Redeault Rate</b>
Increased by 25 or more percentage points	35%
Increased by 10 to less than 25 percentage points	36%
Increased by 0 to less than 10 percentage points	26%
Decreased	14%

Note: A “change” that results in “increased” unpaid principal balance for homeowners may have been caused by servicers adding missed payments, accrued interest, or escrow advances or out-of-pocket expenses to third parties to the homeowners mortgage balance as part of a HAMP permanent modification.

Source: SIGTARP analysis of Treasury HAMP data.

### Credit Score

Homeowners who received a HAMP permanent modification were more than twice as likely to redefault if they had a subprime credit score.<sup>64</sup> A credit score usually ranges from 300 to 850 and reflects an individual's credit risk based on his or her credit history and credit performance. Among other uses, it can help predict how an individual will likely perform on existing or new credit, such as a mortgage. It also can help lenders determine, based on risk, the cost of extending credit, such as a mortgage, to a homeowner. Mortgage lenders generally consider scores of 620 or more as prime, and those below 620 as subprime.

Homeowners with a HAMP permanent modification who had a higher credit score were more likely to stay in a HAMP modification than those with a low credit score. Of all homeowners who received a HAMP permanent modification, 71% had a credit score below 620 (subprime) and 29% had a credit score of 620 or higher (prime). HAMP was structured to help homeowners who were already in default or in imminent danger of default, so their credit scores were unlikely to be strong because missing a mortgage payment damages a credit score. Of homeowners with credit scores below 620, 31% redefaulted on their HAMP permanent modification. Of homeowners with credit scores of 620 or above, 15% redefaulted. Table 3.15 shows credit scores and redefault rates.

TABLE 3.15

#### CREDIT SCORE AND REDEFAULT RATE FOR HAMP PERMANENT MODIFICATIONS, CUMULATIVE AS OF 4/30/2013

Credit Score	Redeault Rate
Less than 620 (subprime)	31%
620 or greater (prime)	15%

Note: Analysis based on records where credit score was available.

Source: SIGTARP analysis of Treasury HAMP data.

### How Many Years the Homeowner Had the Mortgage

For the most part, the fewer years homeowners had their mortgage prior to receiving a HAMP permanent modification, the more likely they were to redefault.<sup>65</sup> Of homeowners who received a HAMP permanent modification, 61% had their mortgage for less than five years before HAMP, and 39% had their mortgage for five or more years before HAMP. Of homeowners who had their mortgage for less than five years before HAMP, 30% redefaulted on their HAMP permanent modification. Of homeowners who had their mortgage for five years or more before HAMP, 16% redefaulted on their HAMP permanent modification. Table 3.16 shows how long a homeowner had his or her mortgage before receiving a HAMP permanent modification and the redefault rate.

TABLE 3.16

HOW MANY YEARS THE HOMEOWNER HAD THE MORTGAGE BEFORE MODIFICATION AND REDEFAULT RATE FOR HAMP PERMANENT MODIFICATIONS, CUMULATIVE AS OF 4/30/2013	
Years Homeowner Had Mortgage	Redeault Rate
Fewer than 5 years	30%
5 or more years	16%

Note: Analysis based on records where mortgage data was available.

Source: SIGTARP analysis of Treasury HAMP data.

## SIGTARP RECOMMENDATIONS ON HAMP REDEFAULTS

Almost since the beginning of HAMP, SIGTARP has recognized and has warned about the danger of redefaults, urging Treasury to change the program to ensure that modifications are sustainable. Now that there are more than two years left for homeowners to apply for HAMP modifications, opportunities remain for Treasury to improve HAMP. Following the issuance of our April 2013 recommendations, Federal lawmakers including U.S. Senator Elizabeth Warren, U.S. Representative Elijah J. Cummings, and U.S. Representative Robin Kelly have written to Treasury supporting SIGTARP’s recommendations.<sup>66</sup>

In March 2010, SIGTARP issued an audit report on HAMP that included specific warnings to Treasury about the potential for HAMP redefaults. The report included a formal recommendation that Treasury “re-examine the program’s structure to ensure that the program is adequately minimizing the risk of re-default.” To date, Treasury has only partially implemented SIGTARP’s March 2010 recommendation, by adopting some programs that address concerns about negative equity, a factor in some redefaults, but has not addressed other factors.

SIGTARP is concerned that homeowners are redefaulting on HAMP permanent modifications at an alarming rate. On April 1, 2013, SIGTARP made four new, specific recommendations to curb redefaults and protect homeowners from losing their homes. Treasury recently agreed to implement SIGTARP’s recommendations regarding redefaults.<sup>67</sup>

These are SIGTARP’s April 2013 recommendations to Treasury regarding HAMP redefaults:

- Treasury should conduct in-depth research and analysis to determine the causes of redefaults of HAMP permanent mortgage modifications and the characteristics of loans or the homeowner that may be more at risk for redefault. Treasury should require servicers to submit any additional information that Treasury needs to conduct this research and analysis.

For more on SIGTARP’s 2010 recommendations on redefaults, see:

- SIGTARP’s audit report, “Factors Affecting Implementation of the Home Affordable Modification Program,” March 25, 2010.
- SIGTARP Quarterly Report, April 2010, pages 134-135.
- SIGTARP Quarterly Report, July 2010, pages 171-180.

Treasury should make the results of this analysis public and issue findings based on this analysis, so that others can examine, build on, and learn from this research.

- As a result of the findings of Treasury's research and analysis into the causes of HAMP redefaults, and characteristics of redefaults, Treasury should modify aspects of HAMP and the other TARP housing programs in ways to reduce the number of redefaults.
- Treasury should require servicers to develop and use an "early warning system" to identify and reach out to homeowners that may be at risk of redefaulting on a HAMP mortgage modification, including providing or recommending counseling and other assistance and directing them to other TARP housing programs.
- In the letter Treasury already requires servicers to send to homeowners who have redefaulted on a HAMP modification about possible options to foreclosure, Treasury should require the servicers to include other available alternative assistance options under TARP such as the Hardest Hit Fund and HAMP Tier 2, so that homeowners can move forward with other alternatives, if appropriate, in a timely and fully informed manner. To the extent that a servicer does not follow Treasury's rules in this area, Treasury should permanently withhold incentives from that servicer.

Once fully implemented by Treasury, these recommendations would help ensure that homeowners who receive HAMP permanent mortgage modifications have affordable and sustainable mortgages and remain in their homes.

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TABLE F.2

**REDEFAULTED HAMP PERMANENT MODIFICATIONS, AS THEY AGED, AS OF 4/30/2013**

Modification Year	3 Months After Modification			12 Months (1 Year) After Modification			24 Months (2 Years) After Modification			36 Months (3 Years) After Modification			42 Months (3.5 Years) After Modification		
	Permanent Modifications	Redefaulted Modifications	Redefault Rate	Permanent Modifications	Redefaulted Modifications	Redefault Rate	Permanent Modifications	Redefaulted Modifications	Redefault Rate	Permanent Modifications	Redefaulted Modifications	Redefault Rate	Permanent Modifications	Redefaulted Modifications	Redefault Rate
2009Q3	3,567	112	3.1%	4,654	952	20.5%	5,101	1,698	33.3%	5,207	2,163	41.5%	5,086	2,345	46.1%
2009Q4	44,018	632	1.4%	51,784	7,881	15.2%	56,108	15,805	28.2%	56,974	21,062	37.0%	30,126	12,489	41.5%
2010Q1	1,24,541	1,167	0.9%	1,62,777	25,907	15.9%	1,70,143	49,277	29.0%	168,312	63,501	37.7%			
2010Q2	1,48,880	2,050	1.4%	1,75,409	27,947	15.9%	181,263	52,404	28.9%	129,829	49,471	38.1%			
2010Q3	86,420	1,203	1.4%	1,04,636	14,811	14.2%	106,999	28,619	26.7%						
2010Q4	58,074	815	1.4%	65,107	9,240	14.2%	66,524	17,589	26.4%						
2011Q1	71,202	573	0.8%	79,982	10,703	13.4%	81,334	20,183	24.8%						
2011Q2	80,255	819	1.0%	93,167	12,227	13.1%	99,532	15,026	25.2%						
2011Q3	81,207	913	1.1%	87,351	10,747	12.3%									
2011Q4	65,130	697	1.1%	68,025	7,705	11.3%									
2012Q1	49,543	367	0.7%	51,007	5,472	10.7%									
2012Q2	44,061	361	0.8%	28,473	3,198	11.2%									
2012Q3	47,446	454	1.0%												
2012Q4	39,524	340	0.9%												
2013Q1	26,002	179	0.7%												
<b>Total Permanent Modifications with Valid Records</b>	<b>969,870</b>	<b>10,682</b>		<b>972,372</b>	<b>136,790</b>		<b>727,004</b>	<b>200,601</b>		<b>360,322</b>	<b>136,197</b>		<b>35,212</b>	<b>14,834</b>	
<b>Total Permanent Modifications Missing/Invalid Records</b>	<b>185,027</b>			<b>44,090</b>			<b>12,512</b>			<b>6,147</b>			<b>507</b>		
<b>Total Permanent Modifications Paid Off</b>	<b>453</b>			<b>2,365</b>			<b>4,756</b>			<b>5,419</b>			<b>686</b>		
<b>Total Permanent Modifications</b>	<b>1,155,350</b>			<b>1,018,827</b>			<b>744,272</b>			<b>371,888</b>			<b>36,405</b>		

Note: Treasury reports redefault data on HAMP permanent modifications that have aged at least three months, hence, this table does not include data on around 30,236 modifications made during the months of February, March, and April of 2013; Treasury calculates the percentage of HAMP permanent modifications that redefaulted by dividing the number of redefaulted permanent modifications by the total number of permanent modifications with valid records.

Source: Treasury, "HAMP Redefault Tables 1-16 - May 2013," accessed 6/27/2013.



TABLE F.3

<b>REDEFAULTED HAMP PERMANENT MODIFICATIONS, ALPHABETICALLY BY METROPOLITAN STATISTICAL AREA, CUMULATIVE AS OF 4/30/2013</b>				
<b>MSA Name</b>	<b>Permanent Modifications</b>	<b>Active Modifications</b>	<b>Redefaulted Modifications</b>	<b>Redefault Rate</b>
Abilene, TX MSA	47	29	15	32%
Aguadilla-Isabela-San Sebastian, PR MSA	139	113	20	14%
Akron, OH MSA	1,961	1,447	484	25%
Albany, GA MSA	201	122	77	38%
Albany-Schenectady-Troy, NY MSA	1,276	872	389	30%
Albuquerque, NM MSA	2,622	1,865	720	27%
Alexandria, LA MSA	115	68	43	37%
Allentown-Bethlehem-Easton, PA-NJ MSA	3,051	2,026	991	32%
Altoona, PA MSA	104	66	36	35%
Amarillo, TX MSA	96	60	29	30%
Ames, IA MSA	42	24	15	36%
Anchorage, AK MSA	445	322	106	24%
Anderson, IN MSA	236	158	77	33%
Anderson, SC MSA	414	271	128	31%
Ann Arbor, MI MSA	990	755	216	22%
Anniston-Oxford, AL MSA	125	74	44	35%
Appleton, WI MSA	288	199	81	28%
Asheville, NC MSA	1,064	740	302	28%
Athens-Clarke County, GA MSA	455	328	123	27%
Atlanta-Sandy Springs-Marietta, GA MSA	35,363	24,914	10,132	29%
Atlantic City-Hammonton, NJ MSA	1,883	1,217	645	34%
Auburn-Opelika, AL MSA	177	120	53	30%
Augusta-Richmond County, GA-SC MSA	710	511	186	26%
Austin-Round Rock-San Marcos, TX MSA	2,234	1,604	581	26%
Bakersfield-Delano, CA MSA	6,871	5,186	1,624	24%
Baltimore-Towson, MD MSA	12,514	8,629	3,741	30%
Bangor, ME MSA	277	169	105	38%
Barnstable Town, MA MSA	1,484	1,077	386	26%
Baton Rouge, LA MSA	1,679	1,092	569	34%
Battle Creek, MI MSA	339	233	103	30%
Bay City, MI MSA	220	162	55	25%
Beaumont-Port Arthur, TX MSA	205	140	62	30%
Bellingham, WA MSA	501	379	113	23%
Bend, OR MSA	1,092	789	286	26%
Billings, MT MSA	119	79	33	28%
Binghamton, NY MSA	167	120	45	27%
Birmingham-Hoover, AL MSA	2,665	1,740	875	33%
Bismarck, ND MSA	41	26	12	29%
Blacksburg-Christiansburg-Radford, VA MSA	117	80	31	26%
Bloomington, IN MSA	190	143	39	21%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS, ALPHABETICALLY BY METROPOLITAN STATISTICAL AREA, CUMULATIVE AS OF 4/30/2013** (CONTINUED)

<b>MSA Name</b>	<b>Permanent Modifications</b>	<b>Active Modifications</b>	<b>Redefaulted Modifications</b>	<b>Redefault Rate</b>
Bloomington-Normal, IL MSA	151	106	39	26%
Boise City-Nampa, ID MSA	2,633	1,932	667	25%
Boston-Cambridge-Quincy, MA-NH MSA	20,231	14,882	5,083	25%
Boulder, CO MSA	530	433	85	16%
Bowling Green, KY MSA	116	78	35	30%
Bremerton-Silverdale, WA MSA	733	521	206	28%
Bridgeport-Stamford-Norwalk, CT MSA	4,877	3,656	1,189	24%
Brownsville-Harlingen, TX MSA	377	271	102	27%
Brunswick, GA MSA	194	137	55	28%
Buffalo-Niagara Falls, NY MSA	1,045	730	298	29%
Burlington, NC MSA	312	222	80	26%
Burlington-South Burlington, VT MSA	337	257	70	21%
Canton-Massillon, OH MSA	964	699	253	26%
Cape Coral-Fort Myers, FL MSA	4,387	3,095	1,236	28%
Cape Girardeau-Jackson, MO MSA	85	63	20	24%
Carson City, NV MSA	336	234	96	29%
Casper, WY MSA	108	80	25	23%
Cedar Rapids, IA MSA	262	158	98	37%
Champaign-Urbana, IL MSA	151	95	50	33%
Charleston, WV MSA	162	115	44	27%
Charleston-North Charleston-Summerville, SC MSA	2,394	1,653	699	29%
Charlotte-Gastonia-Rock Hill, NC-SC MSA	6,878	4,776	2,007	29%
Charlottesville, VA MSA	482	346	128	27%
Chattanooga, TN-GA MSA	1,034	692	316	31%
Cheyenne, WY MSA	108	75	30	28%
Chicago-Joliet-Naperville, IL-IN-WI MSA	60,874	43,345	17,100	28%
Chico, CA MSA	928	709	211	23%
Cincinnati-Middletown, OH-KY-IN MSA	4,523	3,103	1,364	30%
Clarksville, TN-KY MSA	179	110	62	35%
Cleveland, TN MSA	183	119	57	31%
Cleveland-Elyria-Mentor, OH MSA	6,492	4,627	1,797	28%
Coeur d'Alene, ID MSA	541	397	134	25%
College Station-Bryan, TX MSA	98	63	28	29%
Colorado Springs, CO MSA	1,676	1,252	385	23%
Columbia, MO MSA	127	79	45	35%
Columbia, SC MSA	1,883	1,255	600	32%
Columbus, GA-AL MSA	537	369	161	30%
Columbus, IN MSA	86	52	29	34%
Columbus, OH MSA	4,049	2,823	1,170	29%
Corpus Christi, TX MSA	274	186	81	30%
Corvallis, OR MSA	82	65	15	18%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS, ALPHABETICALLY BY METROPOLITAN STATISTICAL AREA, CUMULATIVE AS OF 4/30/2013** (CONTINUED)

MSA Name	Permanent Modifications	Active Modifications	Redefaulted Modifications	Redefault Rate
Crestview-Fort Walton Beach-Destin, FL MSA	511	345	158	31%
Cumberland, MD-WV MSA	108	79	28	26%
Dallas-Fort Worth-Arlington, TX MSA	11,112	7,671	3,250	29%
Dalton, GA MSA	408	284	122	30%
Danville, IL MSA	34	17	17	50%
Danville, VA MSA	112	78	33	29%
Davenport-Moline-Rock Island, IA-IL MSA	419	275	133	32%
Dayton, OH MSA	1,609	1,114	484	30%
Decatur, AL MSA	137	98	37	27%
Decatur, IL MSA	58	37	21	36%
Deltona-Daytona Beach-Ormond Beach, FL MSA	3,911	2,658	1,222	31%
Denver-Aurora, CO MSA	9,974	7,572	2,186	22%
Des Moines-West Des Moines, IA MSA	1,154	768	359	31%
Detroit-Warren-Livonia, MI MSA	21,372	15,525	5,512	26%
Dothan, AL MSA	132	92	39	30%
Dover, DE MSA	694	434	253	36%
Dubuque, IA MSA	83	51	26	31%
Duluth, MN-WI MSA	534	375	151	28%
Durham, NC MSA	1,002	708	282	28%
Eau Claire, WI MSA	196	127	61	31%
El Centro, CA MSA	1,218	900	307	25%
Elizabethtown, KY MSA	74	55	16	22%
Elkhart-Goshen, IN MSA	499	361	130	26%
Elmira, NY MSA	73	47	26	36%
El Paso, TX MSA	964	707	240	25%
Erie, PA MSA	230	158	68	30%
Eugene-Springfield, OR MSA	948	700	227	24%
Evansville, IN-KY MSA	343	233	100	29%
Fairbanks, AK MSA	47	27	15	32%
Fajardo, PR MSA	65	53	11	17%
Fargo, ND-MN MSA	137	95	35	26%
Farmington, NM MSA	90	62	25	28%
Fayetteville, NC MSA	427	284	135	32%
Fayetteville-Springdale-Rogers, AR-MO MSA	1,035	707	300	29%
Flagstaff, AZ MSA	282	184	93	33%
Flint, MI MSA	1,483	1,056	406	27%
Florence, SC MSA	338	214	120	36%
Florence-Muscle Shoals, AL MSA	118	76	36	31%
Fond du Lac, WI MSA	124	83	38	31%
Fort Collins-Loveland, CO MSA	681	521	139	20%
Fort Smith, AR-OK MSA	175	128	40	23%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS, ALPHABETICALLY BY METROPOLITAN STATISTICAL AREA, CUMULATIVE AS OF 4/30/2013** (CONTINUED)

MSA Name	Permanent Modifications	Active Modifications	Redefaulted Modifications	Redefault Rate
Fort Wayne, IN MSA	650	464	173	27%
Fresno, CA MSA	7,238	5,421	1,754	24%
Gadsden, AL MSA	125	88	35	28%
Gainesville, FL MSA	518	372	145	28%
Gainesville, GA MSA	959	711	241	25%
Glens Falls, NY MSA	251	170	73	29%
Goldsboro, NC MSA	116	72	43	37%
Grand Forks, ND-MN MSA	49	35	10	20%
Grand Junction, CO MSA	464	333	124	27%
Grand Rapids-Wyoming, MI MSA	2,168	1,578	560	26%
Great Falls, MT MSA	59	41	17	29%
Greeley, CO MSA	924	700	205	22%
Green Bay, WI MSA	473	325	141	30%
Greensboro-High Point, NC MSA	1,877	1,275	579	31%
Greenville, NC MSA	276	179	94	34%
Greenville-Mauldin-Easley, SC MSA	1,418	982	410	29%
Guayama, PR MSA	34	28	6	18%
Gulfport-Biloxi, MS MSA	439	263	167	38%
Hagerstown-Martinsburg, MD-WV MSA	1,368	910	443	32%
Hanford-Corcoran, CA MSA	750	557	181	24%
Harrisburg-Carlisle, PA MSA	762	520	231	30%
Harrisonburg, VA MSA	192	138	50	26%
Hartford-West Hartford-East Hartford, CT MSA	4,142	2,874	1,213	29%
Hattiesburg, MS MSA	180	122	54	30%
Hickory-Lenoir-Morganton, NC MSA	802	556	224	28%
Hinesville-Fort Stewart, GA MSA	74	49	25	34%
Holland-Grand Haven, MI MSA	605	440	152	25%
Honolulu, HI MSA	2,126	1,587	482	23%
Hot Springs, AR MSA	114	76	34	30%
Houma-Bayou Cane-Thibodaux, LA MSA	196	138	53	27%
Houston-Sugar Land-Baytown, TX MSA	11,846	8,325	3,376	28%
Huntington-Ashland, WV-KY-OH MSA	186	125	56	30%
Huntsville, AL MSA	474	302	165	35%
Idaho Falls, ID MSA	240	161	73	30%
Indianapolis-Carmel, IN MSA	3,936	2,685	1,187	30%
Iowa City, IA MSA	85	62	19	22%
Ithaca, NY MSA	35	26	9	26%
Jackson, MI MSA	496	358	125	25%
Jackson, MS MSA	1,250	761	472	38%
Jackson, TN MSA	201	130	70	35%
Jacksonville, FL MSA	7,784	5,199	2,509	32%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS, ALPHABETICALLY BY METROPOLITAN STATISTICAL AREA, CUMULATIVE AS OF 4/30/2013 (CONTINUED)**

<b>MSA Name</b>	<b>Permanent Modifications</b>	<b>Active Modifications</b>	<b>Redefaulted Modifications</b>	<b>Redefault Rate</b>
Jacksonville, NC MSA	121	82	37	31%
Janesville, WI MSA	474	301	165	35%
Jefferson City, MO MSA	136	87	44	32%
Johnson City, TN MSA	194	129	63	32%
Johnstown, PA MSA	67	41	25	37%
Jonesboro, AR MSA	56	38	15	27%
Joplin, MO MSA	169	103	54	32%
Kalamazoo-Portage, MI MSA	682	481	195	29%
Kankakee-Bradley, IL MSA	335	211	119	36%
Kansas City, MO-KS MSA	4,439	2,998	1,357	31%
Kennewick-Pasco-Richland, WA MSA	257	205	44	17%
Killeen-Temple-Fort Hood, TX MSA	165	120	45	27%
Kingsport-Bristol-Bristol, TN-VA MSA	255	189	62	24%
Kingston, NY MSA	692	505	182	26%
Knoxville, TN MSA	1,235	827	377	31%
Kokomo, IN MSA	184	131	48	26%
La Crosse, WHMN MSA	118	73	39	33%
Lafayette, IN MSA	183	139	39	21%
Lafayette, LA MSA	337	215	112	33%
Lake Charles, LA MSA	191	134	56	29%
Lake Havasu City-Kingman, AZ MSA	1,121	794	309	28%
Lakeland-Winter Haven, FL MSA	3,511	2,371	1,110	32%
Lancaster, PA MSA	807	536	249	31%
Lansing-East Lansing, MI MSA	1,202	841	350	29%
Laredo, TX MSA	381	271	106	28%
Las Cruces, NM MSA	268	198	63	24%
Las Vegas-Paradise, NV MSA	22,760	15,451	7,102	31%
Lawrence, KS MSA	124	87	33	27%
Lawton, OK MSA	68	45	23	34%
Lebanon, PA MSA	181	113	61	34%
Lewiston, ID-WA MSA	73	53	16	22%
Lewiston-Auburn, ME MSA	250	172	75	30%
Lexington-Fayette, KY MSA	587	408	168	29%
Lima, OH MSA	148	101	45	30%
Lincoln, NE MSA	289	193	86	30%
Little Rock-North Little Rock-Conway, AR MSA	785	505	264	34%
Logan, UT-ID MSA	169	120	43	25%
Longview, TX MSA	93	58	31	33%
Longview, WA MSA	343	242	94	27%
Los Angeles-Long Beach-Santa Ana, CA MSA	87,612	71,973	14,997	17%
Louisville/Jefferson County, KY-IN MSA	2,410	1,597	770	32%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS, ALPHABETICALLY BY METROPOLITAN STATISTICAL AREA, CUMULATIVE AS OF 4/30/2013** (CONTINUED)

MSA Name	Permanent Modifications	Active Modifications	Redefaulted Modifications	Redefault Rate
Lubbock, TX MSA	116	79	35	30%
Lynchburg, VA MSA	320	235	81	25%
Macon, GA MSA	605	405	194	32%
Madera, CA MSA	1,421	1,070	331	23%
Madison, WI MSA	907	619	264	29%
Manchester-Nashua, NH MSA	1,725	1,216	484	28%
Manhattan, KS MSA	60	42	13	22%
Mankato-North Mankato, MN MSA	131	87	41	31%
Mansfield, OH MSA	229	156	65	28%
Mayaguez, PR MSA	68	54	12	18%
McAllen-Edinburg-Mission, TX MSA	854	615	232	27%
Medford, OR MSA	1,029	752	266	26%
Memphis, TN-MS-AR MSA	5,009	3,217	1,739	35%
Merced, CA MSA	2,109	1,597	497	24%
Miami-Fort Lauderdale-Pompano Beach, FL MSA	60,308	46,314	13,521	22%
Michigan City-La Porte, IN MSA	261	184	73	28%
Midland, TX MSA	54	39	11	20%
Milwaukee-Waukesha-West Allis, WI MSA	4,401	2,975	1,372	31%
Minneapolis-St. Paul-Bloomington, MN-WI MSA	15,758	11,179	4,377	28%
Missoula, MT MSA	196	149	43	22%
Mobile, AL MSA	872	558	304	35%
Modesto, CA MSA	5,771	4,359	1,362	24%
Monroe, LA MSA	165	110	53	32%
Monroe, MI MSA	643	472	158	25%
Montgomery, AL MSA	617	389	216	35%
Morgantown, WV MSA	39	29	6	15%
Morristown, TN MSA	228	162	63	28%
Mount Vernon-Anacortes, WA MSA	401	283	112	28%
Muncie, IN MSA	126	88	36	29%
Muskegon-Norton Shores, MI MSA	483	339	133	28%
Myrtle Beach-North Myrtle Beach-Conway, SC MSA	1,197	834	353	29%
Napa, CA MSA	908	745	158	17%
Naples-Marco Island, FL MSA	2,097	1,517	549	26%
Nashville-Davidson-Murfreesboro-Franklin, TN MSA	3,780	2,508	1,198	32%
New Haven-Milford, CT MSA	4,018	2,729	1,259	31%
New Orleans-Metairie-Kenner, LA MSA	3,167	2,117	1,003	32%
New York-Northern New Jersey-Long Island, NY-NJ-PA MSA	76,922	57,834	18,445	24%
Niles-Benton Harbor, MI MSA	373	265	99	27%
North Port-Bradenton-Sarasota, FL MSA	4,305	3,077	1,196	28%
Norwich-New London, CT MSA	1,064	725	333	31%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS, ALPHABETICALLY BY METROPOLITAN STATISTICAL AREA, CUMULATIVE AS OF 4/30/2013 (CONTINUED)**

<b>MSA Name</b>	<b>Permanent Modifications</b>	<b>Active Modifications</b>	<b>Redefaulted Modifications</b>	<b>Redefault Rate</b>
Ocala, FL MSA	1,939	1,341	579	30%
Ocean City, NJ MSA	425	282	139	33%
Odessa, TX MSA	41	28	12	29%
Ogden-Clearfield, UT MSA	1,474	1,008	420	28%
Oklahoma City, OK MSA	1,297	866	397	31%
Olympia, WA MSA	805	564	230	29%
Omaha-Council Bluffs, NE-IA MSA	1,316	861	412	31%
Orlando-Kissimmee-Sanford, FL MSA	21,781	15,306	6,259	29%
Oshkosh-Neenah, WI MSA	214	135	72	34%
Owensboro, KY MSA	79	51	23	29%
Oxnard-Thousand Oaks-Ventura, CA MSA	5,994	5,027	917	15%
Palm Bay-Melbourne-Titusville, FL MSA	3,604	2,506	1,056	29%
Palm Coast, FL MSA	968	693	263	27%
Panama City-Lynn Haven, FL MSA	477	311	158	33%
Parkersburg-Marietta-Vienna, WV-OH MSA	111	77	30	27%
Pascagoula, MS MSA	281	170	104	37%
Pensacola-Ferry Pass-Brent, FL MSA	1,256	856	386	31%
Peoria, IL MSA	329	212	108	33%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	20,227	13,467	6,524	32%
Phoenix-Mesa-Glendale, AZ MSA	39,049	26,866	11,612	30%
Pine Bluff, AR MSA	42	31	11	26%
Pittsburgh, PA MSA	2,740	1,938	750	27%
Pittsfield, MA MSA	181	127	51	28%
Pocatello, ID MSA	137	91	45	33%
Ponce, PR MSA	122	104	17	14%
Portland-South Portland-Biddeford, ME MSA	1,991	1,349	608	31%
Portland-Vancouver-Hillsboro, OR-WA MSA	9,163	6,923	2,119	23%
Port St. Lucie, FL MSA	4,215	2,966	1,200	28%
Poughkeepsie-Newburgh-Middletown, NY MSA	3,350	2,264	1,052	31%
Prescott, AZ MSA	1,185	852	315	27%
Providence-New Bedford-Fall River, RI-MA MSA	8,536	6,027	2,428	28%
Provo-Orem, UT MSA	2,269	1,699	516	23%
Pueblo, CO MSA	432	314	110	25%
Punta Gorda, FL MSA	1,004	711	277	28%
Racine, WI MSA	574	398	171	30%
Raleigh-Cary, NC MSA	2,678	1,814	802	30%
Rapid City, SD MSA	110	73	34	31%
Reading, PA MSA	970	674	282	29%
Redding, CA MSA	951	728	215	23%
Reno-Sparks, NV MSA	3,411	2,386	980	29%
Richmond, VA MSA	4,533	3,190	1,293	29%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS, ALPHABETICALLY BY METROPOLITAN STATISTICAL AREA, CUMULATIVE AS OF 4/30/2013** (CONTINUED)

<b>MSA Name</b>	<b>Permanent Modifications</b>	<b>Active Modifications</b>	<b>Redefaulted Modifications</b>	<b>Redefault Rate</b>
Riverside-San Bernardino-Ontario, CA MSA	57,658	43,316	13,830	24%
Roanoke, VA MSA	535	362	161	30%
Rochester, MN MSA	329	224	102	31%
Rochester, NY MSA	1,102	745	335	30%
Rockford, IL MSA	1,110	707	392	35%
Rocky Mount, NC MSA	257	152	104	40%
Rome, GA MSA	148	106	41	28%
Sacramento-Arden-Arcade-Roseville, CA MSA	19,479	14,617	4,625	24%
Saginaw-Saginaw Township North, MI MSA	354	265	84	24%
St. Cloud, MN MSA	422	281	127	30%
St. George, UT MSA	936	691	232	25%
St. Joseph, MO-KS MSA	124	82	41	33%
St. Louis, MO-IL MSA	8,445	5,579	2,736	32%
Salem, OR MSA	1,290	942	337	26%
Salinas, CA MSA	2,716	2,250	451	17%
Salisbury, MD MSA	403	260	138	34%
Salt Lake City, UT MSA	4,990	3,690	1,194	24%
San Angelo, TX MSA	41	26	12	29%
San Antonio-New Braunfels, TX MSA	2,439	1,695	700	29%
San Diego-Carlsbad-San Marcos, CA MSA	20,084	16,471	3,438	17%
Sandusky, OH MSA	173	120	51	29%
San Francisco-Oakland-Fremont, CA MSA	24,319	20,047	4,103	17%
San German-Cabo Rojo, PR MSA	63	55	8	13%
San Jose-Sunnyvale-Santa Clara, CA MSA	7,881	6,731	1,078	14%
San Juan-Caguas-Guaynabo, PR MSA	3,180	2,617	511	16%
San Luis Obispo-Paso Robles, CA MSA	1,301	1,084	203	16%
Santa Barbara-Santa Maria-Goleta, CA MSA	2,178	1,764	398	18%
Santa Cruz-Watsonville, CA MSA	1,151	1,013	133	12%
Santa Fe, NM MSA	475	362	105	22%
Santa Rosa-Petaluma, CA MSA	3,411	2,831	556	16%
Savannah, GA MSA	949	637	300	32%
Scranton-Wilkes-Barre, PA MSA	932	643	276	30%
Seattle-Tacoma-Bellevue, WA MSA	16,203	11,861	4,177	26%
Sebastian-Vero Beach, FL MSA	934	634	292	31%
Sheboygan, WI MSA	173	116	54	31%
Sherman-Denison, TX MSA	126	95	29	23%
Shreveport-Bossier City, LA MSA	507	317	180	36%
Sioux City, IA-NE-SD MSA	120	82	34	28%
Sioux Falls, SD MSA	201	130	58	29%
South Bend-Mishawaka, IN-MI MSA	733	524	200	27%
Spartanburg, SC MSA	627	422	192	31%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS, ALPHABETICALLY BY METROPOLITAN STATISTICAL AREA, CUMULATIVE AS OF 4/30/2013 (CONTINUED)**

MSA Name	Permanent Modifications	Active Modifications	Redefaulted Modifications	Redefault Rate
Spokane, WA MSA	1,169	838	309	26%
Springfield, IL MSA	143	96	43	30%
Springfield, MA MSA	2,081	1,372	686	33%
Springfield, MO MSA	614	405	193	31%
Springfield, OH MSA	252	186	66	26%
State College, PA MSA	108	80	25	23%
Steubenville-Weirton, OH-WV MSA	101	72	29	29%
Stockton, CA MSA	8,196	6,114	2,016	25%
Sumter, SC MSA	149	81	66	44%
Syracuse, NY MSA	516	354	152	29%
Tallahassee, FL MSA	964	650	300	31%
Tampa-St. Petersburg-Clearwater, FL MSA	17,561	12,147	5,203	30%
Terre Haute, IN MSA	127	88	38	30%
Texarkana, TX-Texarkana, AR MSA	56	41	14	25%
Toledo, OH MSA	1,804	1,217	564	31%
Topeka, KS MSA	204	133	65	32%
Trenton-Ewing, NJ MSA	1,185	772	400	34%
Tucson, AZ MSA	5,149	3,602	1,492	29%
Tulsa, OK MSA	1,037	680	329	32%
Tuscaloosa, AL MSA	248	166	75	30%
Tyler, TX MSA	166	101	57	34%
Utica-Rome, NY MSA	235	147	84	36%
Valdosta, GA MSA	144	92	51	35%
Vallejo-Fairfield, CA MSA	5,332	4,087	1,207	23%
Victoria, TX MSA	28	21	6	21%
Vineland-Millville-Bridgeton, NJ MSA	502	312	188	37%
Virginia Beach-Norfolk-Newport News, VA-NC MSA	5,275	3,590	1,608	30%
Visalia-Porterville, CA MSA	3,189	2,396	766	24%
Waco, TX MSA	126	79	44	35%
Warner Robins, GA MSA	192	132	56	29%
Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	38,549	28,853	9,240	24%
Waterloo-Cedar Falls, IA MSA	154	111	40	26%
Wausau, WI MSA	157	109	47	30%
Wenatchee, WA MSA	222	150	69	31%
Wheeling, WV-OH MSA	85	57	27	32%
Wichita, KS MSA	567	359	190	34%
Wichita Falls, TX MSA	43	27	15	35%
Williamsport, PA MSA	100	71	24	24%
Wilmington, NC MSA	1,094	765	317	29%
Winchester, VA-WV MSA	701	495	196	28%
Winston-Salem, NC MSA	1,073	710	345	32%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS, ALPHABETICALLY BY METROPOLITAN STATISTICAL AREA, CUMULATIVE AS OF 4/30/2013** (CONTINUED)

<b>MSA Name</b>	<b>Permanent Modifications</b>	<b>Active Modifications</b>	<b>Redefaulted Modifications</b>	<b>Redefault Rate</b>
Worcester, MA MSA	3,926	2,687	1,201	31%
Yakima, WA MSA	278	206	70	25%
Yauco, PR MSA	30	29	1	3%
York-Hanover, PA MSA	1,275	828	435	34%
Youngstown-Warren-Boardman, OH-PA MSA	935	673	247	26%
Yuba City, CA MSA	1,236	900	322	26%
Yuma, AZ MSA	987	709	269	27%
Property is determined to be in a location that is not in any MSA	69,559	48,304	19,957	29%
No Match Found	9	6	3	33%
To Be Determined	53	0	53	100%
<b>Total</b>	<b>1,185,586</b>	<b>865,100</b>	<b>306,538</b>	<b>26%</b>

Notes: Includes GSE and non-GSE modifications. Of permanent modifications started, 13,948 loans have been paid off.

Source: Treasury, response to SIGTARP data call, 6/13/2013.

TABLE F.4

**REDEFAULTED HAMP PERMANENT MODIFICATIONS FOR METROPOLITAN STATISTICAL AREAS, BY REDEFAULT RATE, CUMULATIVE AS OF 4/30/2013**

<b>MSA Name</b>	<b>Permanent Modifications</b>	<b>Active Modifications</b>	<b>Redefaulted Modifications</b>	<b>Redefault Rate</b>
Danville, IL MSA	34	17	17	50%
Sumter, SC MSA	149	81	66	44%
Rocky Mount, NC MSA	257	152	104	40%
Albany, GA MSA	201	122	77	38%
Gulfport-Biloxi, MS MSA	439	263	167	38%
Bangor, ME MSA	277	169	105	38%
Jackson, MS MSA	1,250	761	472	38%
Vineland-Millville-Bridgeton, NJ MSA	502	312	188	37%
Cedar Rapids, IA MSA	262	158	98	37%
Alexandria, LA MSA	115	68	43	37%
Johnstown, PA MSA	67	41	25	37%
Goldsboro, NC MSA	116	72	43	37%
Pascagoula, MS MSA	281	170	104	37%
Dover, DE MSA	694	434	253	36%
Decatur, IL MSA	58	37	21	36%
Utica-Rome, NY MSA	235	147	84	36%
Ames, IA MSA	42	24	15	36%
Elmira, NY MSA	73	47	26	36%
Kankakee-Bradley, IL MSA	335	211	119	36%
Florence, SC MSA	338	214	120	36%
Shreveport-Bossier City, LA MSA	507	317	180	36%
Columbia, MO MSA	127	79	45	35%
Valdosta, GA MSA	144	92	51	35%
Rockford, IL MSA	1,110	707	392	35%
Anniston-Oxford, AL MSA	125	74	44	35%
Montgomery, AL MSA	617	389	216	35%
Waco, TX MSA	126	79	44	35%
Wichita Falls, TX MSA	43	27	15	35%
Mobile, AL MSA	872	558	304	35%
Jackson, TN MSA	201	130	70	35%
Huntsville, AL MSA	474	302	165	35%
Janesville, WI MSA	474	301	165	35%
Memphis, TN-MS-AR MSA	5,009	3,217	1,739	35%
Clarksville, TN-KY MSA	179	110	62	35%
Altoona, PA MSA	104	66	36	35%
Tyler, TX MSA	166	101	57	34%
Atlantic City-Hammonton, NJ MSA	1,883	1,217	645	34%
Salisbury, MD MSA	403	260	138	34%
York-Hanover, PA MSA	1,275	828	435	34%
Greenville, NC MSA	276	179	94	34%

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<b>REDEFAULTED HAMP PERMANENT MODIFICATIONS FOR METROPOLITAN STATISTICAL AREAS, BY REDEFAULT RATE, CUMULATIVE AS OF 4/30/2013 (CONTINUED)</b>				
<b>MSA Name</b>	<b>Permanent Modifications</b>	<b>Active Modifications</b>	<b>Redefaulted Modifications</b>	<b>Redefault Rate</b>
Baton Rouge, LA MSA	1,679	1,092	569	34%
Lawton, OK MSA	68	45	23	34%
Hinesville-Fort Stewart, GA MSA	74	49	25	34%
Trenton-Ewing, NJ MSA	1,185	772	400	34%
Columbus, IN MSA	86	52	29	34%
Lebanon, PA MSA	181	113	61	34%
Oshkosh-Neenah, WI MSA	214	135	72	34%
Little Rock-North Little Rock-Conway, AR MSA	785	505	264	34%
Wichita, KS MSA	567	359	190	34%
Longview, TX MSA	93	58	31	33%
Lafayette, LA MSA	337	215	112	33%
Panama City-Lynn Haven, FL MSA	477	311	158	33%
Champaign-Urbana, IL MSA	151	95	50	33%
St. Joseph, MO-KS MSA	124	82	41	33%
La Crosse, WI-MN MSA	118	73	39	33%
Flagstaff, AZ MSA	282	184	93	33%
Springfield, MA MSA	2,081	1,372	686	33%
Pocatello, ID MSA	137	91	45	33%
Birmingham-Hoover, AL MSA	2,665	1,740	875	33%
Peoria, IL MSA	329	212	108	33%
Ocean City, NJ MSA	425	282	139	33%
Anderson, IN MSA	236	158	77	33%
Allentown-Bethlehem-Easton, PA-NJ MSA	3,051	2,026	991	32%
Johnson City, TN MSA	194	129	63	32%
St. Louis, MO-IL MSA	8,445	5,579	2,736	32%
Hagerstown-Martinsburg, MD-WV MSA	1,368	910	443	32%
Jefferson City, MO MSA	136	87	44	32%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	20,227	13,467	6,524	32%
Jacksonville, FL MSA	7,784	5,199	2,509	32%
Winston-Salem, NC MSA	1,073	710	345	32%
Monroe, LA MSA	165	110	53	32%
Macon, GA MSA	605	405	194	32%
Joplin, MO MSA	169	103	54	32%
Louisville/Jefferson County, KY-IN MSA	2,410	1,597	770	32%
Abilene, TX MSA	47	29	15	32%
Fairbanks, AK MSA	47	27	15	32%
Columbia, SC MSA	1,883	1,255	600	32%
Topeka, KS MSA	204	133	65	32%
Wheeling, WV-OH MSA	85	57	27	32%
Davenport-Moline-Rock Island, IA-IL MSA	419	275	133	32%
Tulsa, OK MSA	1,037	680	329	32%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS FOR METROPOLITAN STATISTICAL AREAS, BY REDEFAULT RATE, CUMULATIVE AS OF 4/30/2013 (CONTINUED)**

MSA Name	Permanent Modifications	Active Modifications	Redefaulted Modifications	Redefault Rate
Nashville-Davidson-Murfreesboro-Franklin, TN MSA	3,780	2,508	1,198	32%
New Orleans-Metairie-Kenner, LA MSA	3,167	2,117	1,003	32%
Fayetteville, NC MSA	427	284	135	32%
Lakeland-Winter Haven, FL MSA	3,511	2,371	1,110	32%
Savannah, GA MSA	949	637	300	32%
Springfield, MO MSA	614	405	193	31%
Poughkeepsie-Newburgh-Middletown, NY MSA	3,350	2,264	1,052	31%
New Haven-Milford, CT MSA	4,018	2,729	1,259	31%
Dubuque, IA MSA	83	51	26	31%
Omaha-Council Bluffs, NE-IA MSA	1,316	861	412	31%
Mankato-North Mankato, MN MSA	131	87	41	31%
Norwich-New London, CT MSA	1,064	725	333	31%
Toledo, OH MSA	1,804	1,217	564	31%
Sebastian-Vero Beach, FL MSA	934	634	292	31%
Deltona-Daytona Beach-Ormond Beach, FL MSA	3,911	2,658	1,222	31%
Sheboygan, WI MSA	173	116	54	31%
Las Vegas-Paradise, NV MSA	22,760	15,451	7,102	31%
Milwaukee-Waukesha-West Allis, WI MSA	4,401	2,975	1,372	31%
Cleveland, TN MSA	183	119	57	31%
Eau Claire, WI MSA	196	127	61	31%
Tallahassee, FL MSA	964	650	300	31%
Des Moines-West Des Moines, IA MSA	1,154	768	359	31%
Wenatchee, WA MSA	222	150	69	31%
Rochester, MN MSA	329	224	102	31%
Crestview-Fort Walton Beach-Destin, FL MSA	511	345	158	31%
Anderson, SC MSA	414	271	128	31%
Rapid City, SD MSA	110	73	34	31%
Lancaster, PA MSA	807	536	249	31%
Greensboro-High Point, NC MSA	1,877	1,275	579	31%
Pensacola-Ferry Pass-Brent, FL MSA	1,256	856	386	31%
Fond du Lac, WI MSA	124	83	38	31%
Spartanburg, SC MSA	627	422	192	31%
Oklahoma City, OK MSA	1,297	866	397	31%
Worcester, MA MSA	3,926	2,687	1,201	31%
Jacksonville, NC MSA	121	82	37	31%
Kansas City, MO-KS MSA	4,439	2,998	1,357	31%
Chattanooga, TN-GA MSA	1,034	692	316	31%
Portland-South Portland-Biddeford, ME MSA	1,991	1,349	608	31%
Knoxville, TN MSA	1,235	827	377	31%
Florence-Muscle Shoals, AL MSA	118	76	36	31%
Albany-Schenectady-Troy, NY MSA	1,276	872	389	30%

Continued on next page

**REDEFAULTED HAMP PERMANENT MODIFICATIONS FOR METROPOLITAN STATISTICAL AREAS, BY REDEFAULT RATE, CUMULATIVE AS OF 4/30/2013 (CONTINUED)**

MSA Name	Permanent Modifications	Active Modifications	Redefaulted Modifications	Redefault Rate
Virginia Beach-Norfolk-Newport News, VA-NC MSA	5,275	3,590	1,608	30%
Idaho Falls, ID MSA	240	161	73	30%
Lima, OH MSA	148	101	45	30%
Rochester, NY MSA	1,102	745	335	30%
Battle Creek, MI MSA	339	233	103	30%
Harrisburg-Carlisle, PA MSA	762	520	231	30%
Beaumont-Port Arthur, TX MSA	205	140	62	30%
Tuscaloosa, AL MSA	248	166	75	30%
Amarillo, TX MSA	96	60	29	30%
Bowling Green, KY MSA	116	78	35	30%
Lubbock, TX MSA	116	79	35	30%
Indianapolis-Carmel, IN MSA	3,936	2,685	1,187	30%
Cincinnati-Middletown, OH-KY-IN MSA	4,523	3,103	1,364	30%
Huntington-Ashland, WV-KY-OH MSA	186	125	56	30%
St. Cloud, MN MSA	422	281	127	30%
Roanoke, VA MSA	535	362	161	30%
Dayton, OH MSA	1,609	1,114	484	30%
Springfield, IL MSA	143	96	43	30%
Hattiesburg, MS MSA	180	122	54	30%
Lewiston-Auburn, ME MSA	250	172	75	30%
Columbus, GA-AL MSA	537	369	161	30%
Raleigh-Cary, NC MSA	2,678	1,814	802	30%
Auburn-Opelika, AL MSA	177	120	53	30%
Wausau, WI MSA	157	109	47	30%
Terre Haute, IN MSA	127	88	38	30%
Dalton, GA MSA	408	284	122	30%
Baltimore-Towson, MD MSA	12,514	8,629	3,741	30%
Ocala, FL MSA	1,939	1,341	579	30%
Hot Springs, AR MSA	114	76	34	30%
Green Bay, WI MSA	473	325	141	30%
Racine, WI MSA	574	398	171	30%
Lincoln, NE MSA	289	193	86	30%
Phoenix-Mesa-Glendale, AZ MSA	39,049	26,866	11,612	30%
Tampa-St. Petersburg-Clearwater, FL MSA	17,561	12,147	5,203	30%
Scranton-Wilkes-Barre, PA MSA	932	643	276	30%
Erie, PA MSA	230	158	68	30%
Corpus Christi, TX MSA	274	186	81	30%
Dothan, AL MSA	132	92	39	30%
Myrtle Beach-North Myrtle Beach-Conway, SC MSA	1,197	834	353	29%
Sandusky, OH MSA	173	120	51	29%
Danville, VA MSA	112	78	33	29%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS FOR METROPOLITAN STATISTICAL AREAS, BY REDEFAULT RATE, CUMULATIVE AS OF 4/30/2013 (CONTINUED)**

MSA Name	Permanent Modifications	Active Modifications	Redefaulted Modifications	Redefault Rate
Syracuse, NY MSA	516	354	152	29%
Lake Charles, LA MSA	191	134	56	29%
Palm Bay-Melbourne-Titusville, FL MSA	3,604	2,506	1,056	29%
Hartford-West Hartford-East Hartford, CT MSA	4,142	2,874	1,213	29%
Bismarck, ND MSA	41	26	12	29%
Odessa, TX MSA	41	28	12	29%
San Angelo, TX MSA	41	26	12	29%
Dallas-Fort Worth-Arlington, TX MSA	11,112	7,671	3,250	29%
Charleston-North Charleston-Summerville, SC MSA	2,394	1,653	699	29%
Charlotte-Gastonia-Rock Hill, NC-SC MSA	6,878	4,776	2,007	29%
Warner Robins, GA MSA	192	132	56	29%
Evansville, IN-KY MSA	343	233	100	29%
Lansing-East Lansing, MI MSA	1,202	841	350	29%
Owensboro, KY MSA	79	51	23	29%
Madison, WI MSA	907	619	264	29%
Glens Falls, NY MSA	251	170	73	29%
Reading, PA MSA	970	674	282	29%
Fayetteville-Springdale-Rogers, AR-MO MSA	1,035	707	300	29%
Tucson, AZ MSA	5,149	3,602	1,492	29%
Wilmington, NC MSA	1,094	765	317	29%
Greenville-Mauldin-Easley, SC MSA	1,418	982	410	29%
Columbus, OH MSA	4,049	2,823	1,170	29%
Sioux Falls, SD MSA	201	130	58	29%
Great Falls, MT MSA	59	41	17	29%
Orlando-Kissimmee-Sanford, FL MSA	21,781	15,306	6,259	29%
Reno-Sparks, NV MSA	3,411	2,386	980	29%
Steubenville-Weirton, OH-WV MSA	101	72	29	29%
San Antonio-New Braunfels, TX MSA	2,439	1,695	700	29%
Atlanta-Sandy Springs-Marietta, GA MSA	35,363	24,914	10,132	29%
Lexington-Fayette, KY MSA	587	408	168	29%
Kalamazoo-Portage, MI MSA	682	481	195	29%
Carson City, NV MSA	336	234	96	29%
College Station-Bryan, TX MSA	98	63	28	29%
Muncie, IN MSA	126	88	36	29%
Olympia, WA MSA	805	564	230	29%
Richmond, VA MSA	4,533	3,190	1,293	29%
Buffalo-Niagara Falls, NY MSA	1,045	730	298	29%
Houston-Sugar Land-Baytown, TX MSA	11,846	8,325	3,376	28%
Ogden-Clearfield, UT MSA	1,474	1,008	420	28%
Port St. Lucie, FL MSA	4,215	2,966	1,200	28%
Providence-New Bedford-Fall River, RI-MA MSA	8,536	6,027	2,428	28%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS FOR METROPOLITAN STATISTICAL AREAS, BY REDEFAULT RATE, CUMULATIVE AS OF 4/30/2013 (CONTINUED)**

<b>MSA Name</b>	<b>Permanent Modifications</b>	<b>Active Modifications</b>	<b>Redefaulted Modifications</b>	<b>Redefault Rate</b>
Mansfield, OH MSA	229	156	65	28%
Asheville, NC MSA	1,064	740	302	28%
Brunswick, GA MSA	194	137	55	28%
Sioux City, IA-NE-SD MSA	120	82	34	28%
Duluth, MN-WI MSA	534	375	151	28%
Pittsfield, MA MSA	181	127	51	28%
Cape Coral-Fort Myers, FL MSA	4,387	3,095	1,236	28%
Durham, NC MSA	1,002	708	282	28%
Appleton, WI MSA	288	199	81	28%
Bremerton-Silverdale, WA MSA	733	521	206	28%
Chicago-Joliet-Naperville, IL-IN-WI MSA	60,874	43,345	17,100	28%
Manchester-Nashua, NH MSA	1,725	1,216	484	28%
Gadsden, AL MSA	125	88	35	28%
Gainesville, FL MSA	518	372	145	28%
Michigan City-La Porte, IN MSA	261	184	73	28%
Winchester, VA-WV MSA	701	495	196	28%
Hickory-Lenoir-Morganton, NC MSA	802	556	224	28%
Mount Vernon-Anacortes, WA MSA	401	283	112	28%
Laredo, TX MSA	381	271	106	28%
North Port-Bradenton-Sarasota, FL MSA	4,305	3,077	1,196	28%
Cheyenne, WY MSA	108	75	30	28%
Farmington, NM MSA	90	62	25	28%
Minneapolis-St. Paul-Bloomington, MN-WI MSA	15,758	11,179	4,377	28%
Billings, MT MSA	119	79	33	28%
Rome, GA MSA	148	106	41	28%
Cleveland-Elyria-Mentor, OH MSA	6,492	4,627	1,797	28%
Morristown, TN MSA	228	162	63	28%
Punta Gorda, FL MSA	1,004	711	277	28%
Lake Havasu City-Kingman, AZ MSA	1,121	794	309	28%
Muskegon-Norton Shores, MI MSA	483	339	133	28%
Albuquerque, NM MSA	2,622	1,865	720	27%
Longview, WA MSA	343	242	94	27%
Flint, MI MSA	1,483	1,056	406	27%
Pittsburgh, PA MSA	2,740	1,938	750	27%
South Bend-Mishawaka, IN-MI MSA	733	524	200	27%
Killeen-Temple-Fort Hood, TX MSA	165	120	45	27%
Yuma, AZ MSA	987	709	269	27%
Palm Coast, FL MSA	968	693	263	27%
McAllen-Edinburg-Mission, TX MSA	854	615	232	27%
Charleston, WV MSA	162	115	44	27%
Brownsville-Harlingen, TX MSA	377	271	102	27%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS FOR METROPOLITAN STATISTICAL AREAS, BY REDEFAULT RATE, CUMULATIVE AS OF 4/30/2013 (CONTINUED)**

MSA Name	Permanent Modifications	Active Modifications	Redefaulted Modifications	Redefault Rate
Houma-Bayou Cane-Thibodaux, LA MSA	196	138	53	27%
Athens-Clarke County, GA MSA	455	328	123	27%
Parkersburg-Marietta-Vienna, WV-OH MSA	111	77	30	27%
Decatur, AL MSA	137	98	37	27%
Binghamton, NY MSA	167	120	45	27%
Jonesboro, AR MSA	56	38	15	27%
Grand Junction, CO MSA	464	333	124	27%
Fort Wayne, IN MSA	650	464	173	27%
Lawrence, KS MSA	124	87	33	27%
Prescott, AZ MSA	1,185	852	315	27%
Charlottesville, VA MSA	482	346	128	27%
Niles-Benton Harbor, MI MSA	373	265	99	27%
Blacksburg-Christiansburg-Radford, VA MSA	117	80	31	26%
Spokane, WA MSA	1,169	838	309	26%
Youngstown-Warren-Boardman, OH-PA MSA	935	673	247	26%
Kingston, NY MSA	692	505	182	26%
Canton-Massillon, OH MSA	964	699	253	26%
Augusta-Richmond County, GA-SC MSA	710	511	186	26%
Bend, OR MSA	1,092	789	286	26%
Pine Bluff, AR MSA	42	31	11	26%
Springfield, OH MSA	252	186	66	26%
Naples-Marco Island, FL MSA	2,097	1,517	549	26%
Salem, OR MSA	1,290	942	337	26%
Kokomo, IN MSA	184	131	48	26%
Elkhart-Goshen, IN MSA	499	361	130	26%
Yuba City, CA MSA	1,236	900	322	26%
Harrisonburg, VA MSA	192	138	50	26%
Barnstable Town, MA MSA	1,484	1,077	386	26%
Austin-Round Rock-San Marcos, TX MSA	2,234	1,604	581	26%
Waterloo-Cedar Falls, IA MSA	154	111	40	26%
Cumberland, MD-WV MSA	108	79	28	26%
Medford, OR MSA	1,029	752	266	26%
Grand Rapids-Wyoming, MI MSA	2,168	1,578	560	26%
Bloomington-Normal, IL MSA	151	106	39	26%
Detroit-Warren-Livonia, MI MSA	21,372	15,525	5,512	26%
Seattle-Tacoma-Bellevue, WA MSA	16,203	11,861	4,177	26%
Ithaca, NY MSA	35	26	9	26%
Burlington, NC MSA	312	222	80	26%
Fargo, ND-MN MSA	137	95	35	26%
Pueblo, CO MSA	432	314	110	25%
Logan, UT-ID MSA	169	120	43	25%

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<b>REDEFAULTED HAMP PERMANENT MODIFICATIONS FOR METROPOLITAN STATISTICAL AREAS, BY REDEFAULT RATE, CUMULATIVE AS OF 4/30/2013 (CONTINUED)</b>				
<b>MSA Name</b>	<b>Permanent Modifications</b>	<b>Active Modifications</b>	<b>Redefaulted Modifications</b>	<b>Redefault Rate</b>
Boise City-Nampa, ID MSA	2,633	1,932	667	25%
Lynchburg, VA MSA	320	235	81	25%
El Centro, CA MSA	1,218	900	307	25%
Jackson, MI MSA	496	358	125	25%
Yakima, WA MSA	278	206	70	25%
Gainesville, GA MSA	959	711	241	25%
Boston-Cambridge-Quincy, MA-NH MSA	20,231	14,882	5,083	25%
Holland-Grand Haven, MI MSA	605	440	152	25%
Bay City, MI MSA	220	162	55	25%
Texarkana, TX-Texarkana, AR MSA	56	41	14	25%
El Paso, TX MSA	964	707	240	25%
St. George, UT MSA	936	691	232	25%
Coeur d'Alene, ID MSA	541	397	134	25%
Akron, OH MSA	1,961	1,447	484	25%
Stockton, CA MSA	8,196	6,114	2,016	25%
Monroe, MI MSA	643	472	158	25%
Bridgeport-Stamford-Norwalk, CT MSA	4,877	3,656	1,189	24%
Kingsport-Bristol-Bristol, TN-VA MSA	255	189	62	24%
Fresno, CA MSA	7,238	5,421	1,754	24%
Hanford-Corcoran, CA MSA	750	557	181	24%
Visalia-Porterville, CA MSA	3,189	2,396	766	24%
Williamsport, PA MSA	100	71	24	24%
Riverside-San Bernardino-Ontario, CA MSA	57,658	43,316	13,830	24%
New York-Northern New Jersey-Long Island, NY-NJ-PA MSA	76,922	57,834	18,445	24%
Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	38,549	28,853	9,240	24%
Eugene-Springfield, OR MSA	948	700	227	24%
Salt Lake City, UT MSA	4,990	3,690	1,194	24%
Anchorage, AK MSA	445	322	106	24%
Sacramento-Arden-Arcade-Roseville, CA MSA	19,479	14,617	4,625	24%
Saginaw-Saginaw Township North, MI MSA	354	265	84	24%
Bakersfield-Delano, CA MSA	6,871	5,186	1,624	24%
Modesto, CA MSA	5,771	4,359	1,362	24%
Merced, CA MSA	2,109	1,597	497	24%
Cape Girardeau-Jackson, MO MSA	85	63	20	24%
Las Cruces, NM MSA	268	198	63	24%
Madera, CA MSA	1,421	1,070	331	23%
Casper, WY MSA	108	80	25	23%
State College, PA MSA	108	80	25	23%
Portland-Vancouver-Hillsboro, OR-WA MSA	9,163	6,923	2,119	23%
Sherman-Denison, TX MSA	126	95	29	23%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS FOR METROPOLITAN STATISTICAL AREAS, BY REDEFAULT RATE, CUMULATIVE AS OF 4/30/2013 (CONTINUED)**

MSA Name	Permanent Modifications	Active Modifications	Redefaulted Modifications	Redefault Rate
Colorado Springs, CO MSA	1,676	1,252	385	23%
Fort Smith, AR-OK MSA	175	128	40	23%
Provo-Orem, UT MSA	2,269	1,699	516	23%
Chico, CA MSA	928	709	211	23%
Honolulu, HI MSA	2,126	1,587	482	23%
Vallejo-Fairfield, CA MSA	5,332	4,087	1,207	23%
Redding, CA MSA	951	728	215	23%
Bellingham, WA MSA	501	379	113	23%
Miami-Fort Lauderdale-Pompano Beach, FL MSA	60,308	46,314	13,521	22%
Iowa City, IA MSA	85	62	19	22%
Greeley, CO MSA	924	700	205	22%
Santa Fe, NM MSA	475	362	105	22%
Missoula, MT MSA	196	149	43	22%
Lewiston, ID-WA MSA	73	53	16	22%
Denver-Aurora, CO MSA	9,974	7,572	2,186	22%
Ann Arbor, MI MSA	990	755	216	22%
Manhattan, KS MSA	60	42	13	22%
Elizabethtown, KY MSA	74	55	16	22%
Victoria, TX MSA	28	21	6	21%
Lafayette, IN MSA	183	139	39	21%
Burlington-South Burlington, VT MSA	337	257	70	21%
Bloomington, IN MSA	190	143	39	21%
Fort Collins-Loveland, CO MSA	681	521	139	20%
Grand Forks, ND-MN MSA	49	35	10	20%
Midland, TX MSA	54	39	11	20%
Corvallis, OR MSA	82	65	15	18%
Santa Barbara-Santa Maria-Goleta, CA MSA	2,178	1,764	398	18%
Guayama, PR MSA	34	28	6	18%
Mayaguez, PR MSA	68	54	12	18%
Napa, CA MSA	908	745	158	17%
Kennewick-Pasco-Richland, WA MSA	257	205	44	17%
San Diego-Carlsbad-San Marcos, CA MSA	20,084	16,471	3,438	17%
Los Angeles-Long Beach-Santa Ana, CA MSA	87,612	71,973	14,997	17%
Fajardo, PR MSA	65	53	11	17%
San Francisco-Oakland-Fremont, CA MSA	24,319	20,047	4,103	17%
Salinas, CA MSA	2,716	2,250	451	17%
Santa Rosa-Petaluma, CA MSA	3,411	2,831	556	16%
San Juan-Caguas-Guaynabo, PR MSA	3,180	2,617	511	16%
Boulder, CO MSA	530	433	85	16%
San Luis Obispo-Paso Robles, CA MSA	1,301	1,084	203	16%
Morgantown, WV MSA	39	29	6	15%

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**REDEFAULTED HAMP PERMANENT MODIFICATIONS FOR METROPOLITAN STATISTICAL AREAS, BY REDEFAULT RATE, CUMULATIVE AS OF 4/30/2013 (CONTINUED)**

<b>MSA Name</b>	<b>Permanent Modifications</b>	<b>Active Modifications</b>	<b>Redefaulted Modifications</b>	<b>Redefault Rate</b>
Oxnard-Thousand Oaks-Ventura, CA MSA	5,994	5,027	917	15%
Aguadilla-Isabela-San Sebastian, PR MSA	139	113	20	14%
Ponce, PR MSA	122	104	17	14%
San Jose-Sunnyvale-Santa Clara, CA MSA	7,881	6,731	1,078	14%
San German-Cabo Rojo, PR MSA	63	55	8	13%
Santa Cruz-Watsonville, CA MSA	1,151	1,013	133	12%
Yauco, PR MSA	30	29	1	3%
Property is determined to be in a location that is not in any MSA	69,559	48,304	19,957	29%
No Match Found	9	6	3	33%
To Be Determined	53	0	53	100%
<b>Total</b>	<b>1,185,586</b>	<b>865,100</b>	<b>306,538</b>	<b>26%</b>

Notes: Includes GSE and non-GSE modifications. Of permanent modifications started, 13,948 loans have been paid off.

Source: Treasury, response to SIGTARP data call, 6/13/2013.









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If you are aware of fraud, waste, abuse, mismanagement, or misrepresentations associated with the Troubled Asset Relief Program, please contact the SIGTARP Hotline.

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for the Troubled Asset Relief Program  
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