Fact Sheet: Final Progress Report

“This is the fifth and final progress report I will release to share the banks’ self-reported consumer relief activities with the public,” said Smith. “Over the past year, we have seen the amount of relief and number of borrowers it helped steadily increase. As the banks begin to reach their total consumer relief obligations, I am encouraged to see that the Settlement has had a measurable impact on hundreds of thousands of borrowers and their communities across the nation.”

Background

Last week, as part of the National Mortgage Settlement (NMS), the five banks party to the agreement were required to provide the states and Monitor with consumer relief data on activities conducted from March 1, 2012 to June 30, 2013. This data has not yet been confirmed or approved by the Monitor. However, the ResCap Parties asserted that it met its consumer relief requirements and the Monitor credited such relief in a report to the United States District Court for the District of Columbia on Feb. 14, 2013.

In May, Bank of America and Chase both joined the ResCap Parties in asserting that they have fulfilled their consumer relief obligations. The amount of consumer relief activity in the second quarter of 2013 declined relative to earlier quarters because the banks are asserting that they have satisfied or soon will satisfy their consumer relief obligations under the NMS.

The numbers below represent gross dollar relief. Under the NMS, different types of relief receive different amounts of credit, and much of the relief, including short sales, will not be credited dollar for dollar. As such, and because the Monitor has not credited all consumer relief activities yet, the numbers reported here cannot be used to measure progress toward the banks’ $20 billion requirement, except for the ResCap Parties. The public will be informed about the other banks’ crediting progress relative to their obligations as soon as the Monitor completes his review of their 2012 efforts in mid-September.

Consumer Relief Highlights

Program to Date: March 1, 2012 – June 30, 2013

The program-to-date state-level data is available here. A map with state relief totals can be viewed here.

- 643,726 borrowers benefited from some type of Consumer Relief totaling $51.332 billion, which, on average, represents about $79,742 per borrower. This figure includes both completed Consumer Relief and active first lien trial modifications as of June 30, 2013.
- 393,742 borrowers received some type of Consumer Relief (a permanent or trial modification, an extinguishment, or refinancing assistance) to help them retain their homes, which amounts to $28.801 billion, averaging approximately $73,148 per borrower.
- 95,582 borrowers successfully completed a first lien modification and received $10.399 billion in loan principal forgiveness, averaging approximately $108,795 per borrower.
- 1,595 borrowers are in active first lien trial modifications as of June 30, 2013, the total principal value of which is $151.69 million. This represents potential relief of about $95,104 per borrower if the trials are completed.
- Second lien modifications and extinguishments were provided to 223,168 borrowers, representing approximately $15.312 billion in total relief. The average amount of relief for borrowers whose second liens were modified or extinguished was approximately $68,611.
- Banks refinanced 73,397 home loans with an average unpaid principal balance of $226,285, reducing the average annual interest rate by approximately 2.25 percent. The total estimated benefit to borrowers from
refinancing over the average life of the loan is approximately $2.939 billion. On average, each borrower will save approximately $425 in interest payments each month.

- 184,397 borrowers had either a short sale completed during this period or the lender accepted a deed in lieu of foreclosure, waiving any unpaid principal balance in either case. The total amount of this type of relief was approximately $20.902 billion, or about $113,354 per borrower.
- Through the various other Consumer Relief programs outlined in the Settlement documents, the banks provided $1.628 billion in relief to 65,587 borrowers. The average relief of these other programs amounts to approximately $24,828 per borrower.


The Q2 2013 state-level data is available here.

- 37,133 borrowers benefited from some type of Consumer Relief totaling $2.657 billion, which, on average, represents about $71,552 per borrower. This figure includes both completed Consumer Relief and active first lien trial modifications as of the end of the quarter.
- 21,417 borrowers received some type of Consumer Relief (a permanent or trial modification or an extinguishment) to help them retain their homes, which amounts to $1.529 billion, averaging approximately $71,402 per borrower.
- 2,759 borrowers successfully completed a first lien modification and received $244.33 million in loan principal forgiveness, averaging approximately $88,558 per borrower.
- 1,595 borrowers are in active first lien trial modifications as of June 30, 2013, the total principal value of which is $151.69 million. This represents potential relief of about $95,104 per borrower if the trials are completed.
- Second lien modifications and extinguishments were provided to 17,063 borrowers, representing approximately $1.133 billion in total relief. The average amount of relief for borrowers whose second liens were modified or extinguished was approximately $66,412.
- 9,211 borrowers had either a short sale completed during this period, or the lender accepted a deed in lieu of foreclosure, waiving any unpaid principal balance in either case. The total amount of this type of relief was approximately $825.73 million, or about $89,646 per borrower.
- Through the various other Consumer Relief programs outlined in the Settlement documents, the banks provided $302 million in relief to 6,505 borrowers. The average relief of these other programs amounts to approximately $46,426 per borrower.

1 The estimated benefit to borrowers from refinancing is the estimated annual benefit multiplied by 7.85, which represents the banks’ weighted multiplier under the Settlement per Exhibit D, ¶ 9.e.i.1, and is consistent with what some of the banks are reporting in their filings with the U.S. Securities and Exchange Commission. The estimated annual benefit to borrowers is the product of the average annual interest rate reduction, the average unpaid principal loan balance and the number of borrowers.

2 The other Consumer Relief programs can include enhanced borrower transitional funds paid by Servicer, Servicer payments to unrelated second lienholder for release of second lien, forbearance for unemployed borrowers, deficiency waivers, forgiveness of principal associated with a property in connection with a decision not to pursue foreclosure, cash costs paid by Servicer for demolition of property, and real-estate owned (“REO”) properties donated.

3 See footnote 2.