HOPE NOW Alliance  
Coalition for Excellence in Homeowner Education (CXHE)  
Faith Schwartz, Executive Director of HOPE NOW
Outreach
- Localized assistance
- Hundreds of partners
- Base site support for military
  - Real solutions
  - Continued demand

Issues
- Mediation
- HAMP/HARP
- Foreclosure Scams
- REO Space
- Servicemembers Affairs

Government/Housing
- GSE, HUD, Treasury
- QM – QRM updates
- CFPB scam requests
  - Refinance
  - SCRA requirements
  - AG Settlement

Data
- Outreach borrower demographics
- High Level market analysis
  - Monthly mod overview
  - Quarterly hill updates
Current State

• 48.3 mm first liens being serviced
  – 2.47 mm seriously delinquent borrowers
  – Avg. 3 foreclosure starts to 1 foreclosure sale in 2012
  – Delinquencies continue to decline

• 2012 HopeNow – MHA events have drawn over 12,000 participants, the Brooklyn event had almost 600.
  – In NYC 49% of the attendees were first time applicants; 31% previously denied
  – In 2012 – 62% of homeowners were delinquent or in imminent default, while 20% were current borrowers

• In 2012, 84% of outreach borrowers were employed, although national rates remain elevated at 8.2%

• Mods are more aggressive and re-default rates have declined to 8.9%

• HAMP has been broadened and extended through 2013
  – Military personnel given broader coverage, including PCS and Short sales
  – Increase of foreclosure prevention tools available in the marketplace

• HARP continues to be effective, with 519,339 refinances year to date (July figure)
Current & Future Policy Questions

• **CFPB (January 21, 2013)**
  – Final Rule: Appraisals (TILA – FIRREA)
  – Final Rule: High Cost Mortgages (HOEPA)
  – Final Rule: Mortgage Standards (TILA-Reg Z) (RESPA-RegX)
  – Final Rule: Copies of Appraisals or other Valuations
  – Final Rule: Ability to Repay (ATR) Rule – QM –QRM

• **After January 21, 2013**
  – TILA/RESPA disclosure integration

• **GSE**
  – The Future of GSE’s?
  – Increased G-fees – 15 to 30 bps increase up front for NY
  – Reps and Warrants
  – Single Securitization Platform
  – Reigning in Private Capital

• **OCC**
  – OCC Consent Orders (Mortgage Servicing Standards)
  – OCC Independent Foreclosure Review

• **AG Settlement**
  – Consumer Relief
  – SCRA
  – Mortgage Servicing Standards

• **Basel III**

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## GSE G-fee State Level Adjustments

<table>
<thead>
<tr>
<th>State</th>
<th>Foreclosure Timeline in Days</th>
<th>Estimated Avg &quot;Unable to Market&quot; Time in Days</th>
<th>Total Time to Obtain Marketable Title in Days</th>
<th>Cost per Day Relative to National Average</th>
<th>Rank (Total Time*Cost)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NY</td>
<td>820</td>
<td>0</td>
<td>820</td>
<td>112%</td>
<td>54</td>
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<tr>
<td>NJ</td>
<td>750</td>
<td>0</td>
<td>750</td>
<td>113%</td>
<td>53</td>
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<tr>
<td>CT</td>
<td>690</td>
<td>0</td>
<td>690</td>
<td>109%</td>
<td>52</td>
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<tr>
<td>FL</td>
<td>660</td>
<td>0</td>
<td>660</td>
<td>111%</td>
<td>51</td>
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<tr>
<td>IL</td>
<td>480</td>
<td>60</td>
<td>540</td>
<td>118%</td>
<td>50</td>
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Source: FHFA Notice No. 2012-N-13
# Modifications Life to Date

<table>
<thead>
<tr>
<th></th>
<th>Q3-Q4 2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>H1-2012</th>
<th>Apr-12</th>
<th>May-12</th>
<th>Jun-12</th>
<th>Jul-12</th>
<th>&quot;Life to Date&quot; Total</th>
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<tbody>
<tr>
<td>Total Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td>Modifications</td>
</tr>
<tr>
<td>Modifications</td>
<td>206,240</td>
<td>961,355</td>
<td>1,239,428</td>
<td>1,758,469</td>
<td>1,047,922</td>
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<td>63,400</td>
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<td>HAMP Permanent</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td>Modifications</td>
</tr>
<tr>
<td>Modifications¹</td>
<td>N/A</td>
<td>N/A</td>
<td>66,938</td>
<td>512,712</td>
<td>353,677</td>
<td>110,144</td>
<td>15,167</td>
<td>17,590</td>
<td>17,192</td>
<td>16,767</td>
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<tr>
<td>Proprietary</td>
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<td></td>
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<td></td>
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<td>Modifications Completed²</td>
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<tr>
<td>Modifications</td>
<td>206,240</td>
<td>961,355</td>
<td>1,172,490</td>
<td>1,245,757</td>
<td>692,385</td>
<td>274,824</td>
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<td>43,731</td>
<td>46,208</td>
<td>66,002</td>
<td>4,619,054</td>
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</table>

¹ Source - Making Home Affordable. Estimated.
² Extrapolated. Modifications Completed was revised in December 2009 to include Current Modifications and specifically exclude HAMP.
Modifications Completed vs. 60+ Day Delinquency Rate
(thousands of loans)

Modifications Completed (000's)

% of 60+ Day Delinquent Loans

Proprietary
HAMP
60+ Day DQ
Proprietary Modifications

More Aggressive Year over Year
A Case Example
Foreclosure Starts v Foreclosure Sales
(New York)

NY Foreclosure Fraud Prevention Act – Pending
- Class A misdemeanor – deception by authorizing, executing, offering or presenting material false statements
- In Q2 2012 New York had 35 foreclosure starts to every one foreclosure sale and timelines exceeded 1,000 days
- In Q2 2012 the entire state had 447 foreclosure sales

Data Source: HOPE NOW Alliance Survey data, estimated to cover 70% of the market
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Down 29% since peak in Q1-2010 of 124,000 60+ day delinquencies (excludes loans where foreclosure has been initiated)
Other State and Local Jurisdictional Measures

- NV – Oct. 2011 passed AB 284
  - Foreclosure filings require: deed-of-trust, the mortgage note, assignment of the note and amount outstanding
    - Possible felony charges for violation
  - Foreclosure starts declined 51% form Q3-2011 to Q4-2011

  - Opinion similar to NV AB 284, where courts require proof from ‘note-owner’ to invoke power of sale
    - Prospective application, will create complexities of foreclosing

  - Mandatory modification review prior to foreclosure

- CA – Signed July 11, 2012, Homeowners Bill of Rights
  - No duel tracking (mod – foreclosure), extensive proof of ability to foreclose: chain of title, designates SPOC, allows borrowers private right of action, robo-signed document at county recorder will have penalties.

- CA – San Bernardino -- Eminent Domain – Pending
  - Repurchase notes under eminent domain as a blight-prevention mechanism and public good.
    - San Bernardino files Chapter 9 bankruptcy protection on 07/11/2012

- Mediation
  - Programs have been adopted in 25 states, and California, Michigan and Oregon have initiatives that require further documentation or discussion prior to foreclosure, but do not meet the definition of mediation, as no neutral third party presence is required.

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Government REO Inventory Outlook

GSE & FHA Combined Single Family REO's
(Property Count)

- Fannie Inventory
- Freddie Inventory
- FHA Inventory

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Refinance HARP 2.0 Streamline Re-fi

Forbearance Repayment Plan
HAMP UP\(^1\) HHF\(^2\)

FHA Loss Mit

Fannie/freddie HHF\(^2\)

PRA\(^*\)

HAMP Tier 1

HAMP Tier 2

If non-MHA participant

PLS Mod
Balance Sheet Mod
Freddie Mod
Fannie Mod

Fannie/freddie HHF\(^2\)

Mediation
Rental Option
Note Sale

Proprietary Short Sale\(^4\) DIL
Auction Sheriff's Sale

HAMA Short Sale\(^4\) DIL

We encourage homeowner's to utilize mediation and/or Hardest Hit Funds, contingent on state participation.

9/21/2012
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# Hope Now Partnerships

**A Model for Leveraging Local support (Las Vegas, NV)**

<table>
<thead>
<tr>
<th>Federal</th>
<th>Military</th>
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<tbody>
<tr>
<td>Department of Housing and Urban Development (HUD)</td>
<td>Nellis Air Force Base</td>
</tr>
<tr>
<td>Making Home Affordable (MHA)</td>
<td>Creech Air Force Base</td>
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<tr>
<td>Veterans Administration (VA)</td>
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</table>

<table>
<thead>
<tr>
<th>Non-Profit</th>
<th>State/Local</th>
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<tbody>
<tr>
<td>Community Development Program center of Nevada</td>
<td>Nevada Foreclosure Mediation Program</td>
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<tr>
<td>Consumer Services of NV</td>
<td>City of Las Vegas</td>
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<td>Consumer Credit Counseling Services</td>
<td>Governor Brian Sandoval</td>
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<tr>
<td>Fight Fraud Taskforce</td>
<td>State of Nevada</td>
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<tr>
<td>Financial Guidance Center-First Time</td>
<td>Division of Insurance</td>
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<td>Homebuyers Program</td>
<td>Financial Institutions Division</td>
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<td>Housing for Nevada</td>
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<td>Legal Aid of Southern Nevada</td>
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<td>Counseling</td>
<td>Real Estate Division</td>
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<td>Neighborhood Housing Services of Southern Nevada</td>
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<td>Women's Development Center</td>
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<td>Greater Las Vegas Association of Realtors</td>
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