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FOR IMMEDIATE RELEASE

**MORTGAGE LENDING INDUSTRY
PREVENTED ALMOST 240,000 FORECLOSURES
IN DECEMBER**

First time foreclosure preventions exceeded 200,000 in 4 consecutive months, modifications were more than half of all workouts

Washington, D.C. (January 29, 2009) – HOPE NOW, the private sector alliance of mortgage servicers, counselors, and investors that has been working aggressively to prevent foreclosures and keep homeowners in their homes, today announced that its members and the larger mortgage lending industry completed a record-high 239,000 foreclosure prevention workouts in December 2008. This is the first time since HOPE NOW began to compile data in July 2007 that the number of workouts exceeded 200,000 in 4 consecutive months and is the latest indication that the mortgage lending industry is continuing to increase its foreclosure prevention efforts.

The new monthly record number of workouts exceeds the previous high set in October 2008 by more than 5 percent. The 671,000 workouts completed in the last quarter of 2008 were the most in any three-month period since July 2007.

Including the December results, almost 2.3 million foreclosure prevention workouts were completed by the mortgage lending industry in 2008. Almost 3.2 million were completed between July 2007 and December 31, 2008.

The December 2008 results also show that the mortgage lending industry is continuing to shift its efforts to help homeowners from repayment plans to loan modifications. For the first time since July 2007, the number of loan modifications was more than half of all workouts completed in a single month. The 122,000 modifications completed in December 2008 are 19 percent higher than the previous record set in October 2008. HOPE NOW expects that the increasing reliance on loan modifications rather than payment plans will continue as economic conditions warrant.

HOPE NOW defines workouts in its data as both modifications to the terms of existing mortgages and repayment plans. Barring a life event such as a job loss, death, or illness, repayment plans and loan modifications are intended to enable a homeowner who has the financial capacity to make monthly payments to remain in his or her home as long as he or she wishes to do so.

According to Faith Schwartz, HOPE NOW's executive director, the December results show that the industry is continuing to focus on the pace of help for homeowners. "HOPE NOW members know they have to keep doing more to keep up with the growing needs of homeowners at risk of losing their homes," she said. "The December results demonstrate that HOPE NOW members are moving aggressively to do what's needed to avoid preventable foreclosures."

According to Steve Bartlett, president and CEO of The Financial Services Roundtable, a HOPE NOW founding member, the December results are a ray of good news for homeowners. "When coupled with the report from the National Association of Realtors earlier this week that existing home sales in December were higher than expected, HOPE NOW's record-high number of foreclosure prevention workouts should provide some optimism for homeowners about the future."

The HOPE NOW December data also shows:

- 37% of homeowners with prime loans who received workouts in December received modifications.
- 85% of homeowners with subprime loans who received workouts in December received modifications.
- For the seventh consecutive month, the number of foreclosure starts for prime loans exceeded those for subprime.
- The number of foreclosures started in December increased by 34,000 over the previous month. More than 75% of this increase was in prime loans.

A summary table of the results is attached and can be found at http://www.hopenow.com/media/press_release.php.

ABOUT HOPE NOW

HOPE NOW is the alliance of mortgage market participants, mortgage servicers, and counselors that is working to help as many homeowners as possible avoid foreclosure and stay in their homes. For more information, including a full list of members, go to www.hopenow.com

HOPE NOW coordinates a nationwide campaign to reach homeowners who may be at

risk of losing their homes. HOPE NOW members have agreed to make substantial additional efforts to contact homeowners whose mortgages will reset in the coming months and to further expedite the process used to determine how best to keep them in their homes.

The Homeownership Preservation Foundation, a HOPE NOW member, created and operates the Homeowner's HOPE™ Hotline, which is available 24 hours a day, 7 days a week, and 365 days a year. The Homeowner's HOPE™ Hotline received more than 1 million calls in 2008. There is no cost to homeowners for contacting a nonprofit counselor by calling 1-888-995-HOPE™.

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WORKOUT PLANS (Repayment Plans + Modifications) and FORECLOSURE SALES

July 2007 - November 2008

BORROWER LOAN WORKOUT PLANS

		2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	Dec-08	2008 Year End Totals	July 2007-Dec 2008 ("Life to Date") Totals
Repayment Plans		357,900	348,531	314,453	302,565	335,152	349,622	116,911	1,301,792	2,008,223
	Prime	154,383	160,127	148,814	141,840	179,864	203,171	72,151	673,689	988,199
	Subprime	203,517	188,404	165,639	160,725	155,288	146,451	44,760	628,103	1,020,024
Modifications		72,773	133,467	170,216	220,349	256,188	322,105	121,876	968,859	1,175,099
	Prime	29,714	36,634	48,148	56,202	70,503	91,880	36,939	266,733	333,081
	Subprime	43,058	96,833	122,068	164,147	185,685	230,225	84,937	702,126	842,018
Workout Plans		430,673	481,998	484,669	522,914	591,340	671,728	238,787	2,270,651	3,183,322
	Prime	184,097	196,761	196,961	198,042	250,367	295,051	109,090	940,422	1,321,280
	Subprime	246,575	285,237	287,708	324,872	340,973	376,677	129,697	1,330,229	1,862,042

FORECLOSURE SALES

		2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	Dec-08	2008 Year End Totals	July 2007-Dec 2008 ("Life to Date") Totals
Foreclosure Sales		153,408	168,213	203,503	246,192	263,326	204,943	55,608	917,964	1,239,585
	Prime	60,699	64,958	83,352	108,202	130,700	101,230	24,525	423,485	549,142
	Subprime	92,709	103,255	120,151	137,990	132,626	103,713	31,083	494,479	690,443

(Workout Plans = Repayment Plans + Modifications)

Repayment Plans: A plan that allows the borrower to become current and catch up on missed payments that are appropriate to the borrower's circumstances, which involves deferring or rescheduling payments but the full amount of the loan is expected ultimately to be paid and within the original contractual maturity of the loan.

Modifications: A modification occurs any time any term of the original loan contract is permanently altered. This can involve a reduction in the interest rate, forgiveness of a portion of principal or extension of the maturity date of the loan.