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Obama Administration Releases August Housing Scorecard

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Administration's efforts to speed the housing recovery continue to show progress in latest housing data

WASHINGTON - The U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of the Treasury today released the August edition of the Obama Administration's Housing Scorecard – a comprehensive report on the nation's housing market. The latest data show important progress across many key indicators—as home prices, purchases of new homes, and sales of existing homes continue to show strong annual gains—although officials caution that the overall recovery remains fragile. The full Housing Scorecard is available online at www.hud.gov/scorecard.

"As indicated in the August housing scorecard, the Administration continues to work to stabilize the housing market and help responsible homeowners get back on their feet," said HUD Deputy Assistant Secretary for Economic Affairs Kurt Usowski. "With the number of underwater homeowners decreasing by more than 40%, it is clear that we are moving in the right direction. As we regain stability in our housing markets, it is important to remember that we still have a long way to go in making sure that our housing finance system is strong for future generations."

"The standards set by the Making Home Affordable program have changed the mortgage servicing industry, as have our quarterly assessments of servicer performance" said Treasury Assistant Secretary for Financial Stability Tim Massad. "While there has been significant progress, there is still more improvement needed in servicer behavior. And while the housing market has recovered substantially, there are still homeowners struggling to avoid foreclosure and it is vital that we continue to try to help them."

Since inception of the Making Home Affordable Program, Treasury has required participating servicers to take specific actions to improve their processes through ongoing program reviews. The quarterly Servicer Assessments summarize performance in three categories of program implementation: identifying and contacting homeowners; homeowner evaluation and assistance; and program reporting, management and governance. Results for the second quarter of 2013 show that, although servicer performance can fluctuate from quarter to quarter, in general, servicers are demonstrating sustained performance in program implementation. While servicer's execution of MHA has improved over time, there are still areas where servicer performance requires improvement, and Treasury will continue to apply pressure on the mortgage servicing industry to sustain these improvements.

- Mortgage servicers continue to appropriately calculate homeowner income, which is used to determine a homeowner's eligibility and modified payment amount under the program. In Q2 2013, the majority of servicers have income calculation error rates below the benchmark established by Treasury (with two servicers at zero percent error rates).
- Servicers continue to effectively evaluate homeowners under program eligibility criteria as evidenced in the "second look disagree" category, which reflects the rate at which Treasury's program reviews disagree with the servicer's decision not to

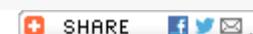
assist a homeowner. In Q2 2013, the average second look disagree percentage for the top servicers was less than 2 percent, less than half of Treasury's established benchmark.

All servicers will need to continue to demonstrate progress in any areas identified in subsequent program reviews. Servicers have been directed to enhance their execution in key areas that include timely solicitation of homeowners for participation in MHA; timely, accurate and detailed communications with homeowners; and ensuring the integrity and proper use of the Net Present Value (NPV) model during the evaluation process.

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

- **Home prices continued to show strong annual gains.** As of June 2013, the FHFA purchase-only index rose 7.7 percent from last year, and was up on a seasonally adjusted basis by 0.7 percent from May. The FHFA seasonally adjusted purchase-only index for the U.S. has increased for the last 17 consecutive months. The S&P/Case-Shiller 20-City Home Price Index posted returns of 2.2% for June (not seasonally adjusted) and 12.1% over the past 12 months.
- **Millions of underwater homeowners are getting relief due to improvements in home prices.** The number of underwater homeowners has fallen by 42% since the beginning of 2012 - from 12.1 million to 7.1 million as of the second quarter of 2013 - lifting 5.0 million homeowners who owed more on their mortgages than they were worth above water. In the first half of 2013, nearly 3.5 million homeowners have returned to positive equity. CoreLogic credits the decrease in underwater borrowers largely to the improvement in home prices.
- **The Administration's foreclosure mitigation programs continue to provide relief for millions of homeowners as the recovery from the housing crisis continues.** Over 1.7 million homeowner assistance actions have taken place through the Making Home Affordable Program, including more than 1.2 million permanent modifications through the Home Affordable Modification Program (HAMP), while the Federal Housing Administration (FHA) has offered nearly 1.9 million loss mitigation and early delinquency interventions. The Administration's programs continue to encourage improved standards and processes in the industry, with HOPE Now lenders offering families and individuals more than 3.7 million proprietary modifications through June.
- **The Neighborhood Stabilization Program continues to help communities across all 50 states to address foreclosed and abandoned homes.** During the Second Quarter of 2013, grantees report cumulative completions of newly constructed or rehabilitated housing units under NSP topping 25,000 units, while direct assistance to homeowners reached the 10,000 mark, signaling strong progress toward achieving projected activity under the NSP1, NSP2, and NSP3 programs.
- **Homeowners in HAMP continue to benefit from meaningful payment relief, increasing their long-term likelihood of avoiding foreclosure.** As of July, more than 1.2 million homeowners have received a permanent modification through HAMP, saving approximately \$547 on their mortgage payments each month- a 39 percent savings from their previous payment—saving a total estimated \$21.6 billion in monthly mortgage payments. In July, 73 percent of eligible non-GSE mortgages benefitted from principal reduction with their HAMP modification. Homeowners currently in HAMP permanent modifications with some form of principal reduction have been granted an estimated \$11.1 billion in principal reduction. View the Making Home Affordable Program Report with data through July 2013.

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Initiatives

Financial Stability
Housing Finance Reform
Making Home Affordable
Recovery
U.S. China Strategic and Economic Dialogue
Wall Street Reform

Bureaus

The Alcohol and Tobacco Tax and Trade Bureau
Bureau of Engraving & Printing
Bureau of the Fiscal Service
Community Development Financial Institutions Fund
Financial Crimes Enforcement Network (FinCEN)
Internal Revenue Service
Office of The Comptroller of The Currency
U.S. Mint

Inspector General Sites

Office of Inspector General (OIG)
Treasury Inspector General for Tax Administration (TIGTA)
Special Inspector General, Troubled Asset Relief Program (SIGTARP)
Report, Fraud Waste & Abuse

Additional Resources

Privacy Act
Small Business Contacts
Budget and Performance
TreasuryDirect.gov Securities/Bonds
Freedom of Information Act (FOIA)
No FEAR Act Data

U.S. Government Shared Services

HR Connect Program Office
Administrative Resource Center (ARC)-Bureau of the Public Debt
Treasury Direct Services for Governments

Other Government Sites

USA.gov
USAJOBS.gov
OPM.gov
MyMoney.gov
Data.gov
Forms.gov
Regulations.gov
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