

**DEPARTMENT OF CORPORATIONS***Business Services and Consumer and Investor Protection*

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**California Corporations Commissioner**  
**Sacramento, California**

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As part of an effort to monitor reactions to the serious decline in the California housing market, the Department of Corporations began, in 2007, to collect and publish mortgage data from a voluntary survey of major mortgage lenders and servicers doing business in California.

The mortgage servicer survey results for the first quarter of 2009 have been posted on the [accompanying table](#). (The data has been revised from an earlier posting due to one firm misreporting their Subprime and HELOC loans in the first quarter with loan amounts in thousands instead of millions of dollars.)

The first quarter results indicate continuing success of the Governor's Subprime Mortgage Agreement, first announced in Fresno on November 20, 2007. The survey now includes reports from more than the ten parties to the Governor's agreement and provides a broad account of the progress made by servicers in implementing loan modification programs to avoid foreclosures and help keep families in their homes.

The first quarter results show that both the total number of loan workouts initiated and the number of loan workouts closed have increased. Especially important is that the total number of monthly loan modifications – the type of workout most beneficial to consumers – rose significantly to more than 20,000 per month, exceeding the levels reported in 2008. Modifications as a share of total workouts now exceed 60%.

When the monthly numbers are combined, the count of loan modifications in the first quarter 2009 is 63,127, a significant increase over the 46,377 reported in the fourth quarter of 2008. The 2009 first quarter results also are three times that for first quarter 2008 (20,567).

In a recent development, the "California Foreclosure Prevention Act" (CFPA), signed into law by Governor Schwarzenegger on February 20, 2009, became operative June 15, 2009. The CFPA modifies the foreclosure process to provide additional time for borrowers to work out loan modifications while providing an exemption for mortgage loan servicers that have implemented a comprehensive loan modification program. The new law requires an additional 90 day period beyond the period already provided before a Notice of Sale can be given in order to allow all parties to pursue a loan modification to prevent foreclosure of loans meeting certain criteria. Details of the CFPA may be viewed at <http://www.corp.ca.gov/FSD/CFP/default.asp>.

*For further information, please contact the Office of Public Affairs at the California Department of Corporations at (916) 322-7180.*