

DEPARTMENT OF CORPORATIONS
California's Investment and Financing Authority

Preston DuFauchard
California Corporations Commissioner
Sacramento, California

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The California Department of Corporations continues to collect and compile results of a survey of Mortgage Servicers operating in the state. Corporations Commissioner Preston DuFauchard began this effort in 2007. Survey results are posted on a monthly basis for all of 2007, and includes monthly 2008 data.

The survey was refined beginning in January of 2008 to reveal more detailed information about loan workouts at the servicers. The new detail, for example, breaks down loan modifications into sub-categories that indicate the characteristics of the modification of terms (freezing interest rate, reducing interest rate, reducing principal, etc.).

The mortgage servicer survey results for the third quarter of 2008 have been posted on the [accompanying table](#), through September 2008. The data show continued success for the Governor's Subprime Mortgage Agreement from November 20, 2007.

The third 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 loan modifications – the type of workout most beneficial to consumers – rose significantly to 14,060 in September, the highest monthly count since reporting began. Also important is that modifications as a share of total workouts passed 50% for the first time in September.

It should also be noted that when the monthly numbers are combined as quarterly figures, the count of loan modifications rose from 20,594 in first quarter 2008 to 30,151 in the second quarter, to 38,085 in the third quarter. This represents a 46.4% increase over the second quarter and a 84.9% increase since the first quarter of this year.

The number of foreclosures reported in September (13,186) dropped for the first month since April and is at the lowest level since then.

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

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SACRAMENTO 95814-4052
1515 K STREET, SUITE 200
(916) 445-7205

SAN FRANCISCO 94105-2980
71 STEVENSON STREET, SUITE 2100
(415) 972-8559

LOS ANGELES 90013-2344
320 WEST 4TH STREET, SUITE 750
(213) 576-7500

SAN DIEGO 92101-3697
1350 FRONT STREET, ROOM 2034
(619) 525-4233

1-866-ASK-CORP

www.corp.ca.gov

1-866-275-2677