

Non-traditional Mortgage Loan Survey Summary: Licensee Holdings and Cumulative Losses

August 2007



California Department of Financial Institutions

Non-Traditional Mortgage Holdings

Banks & Credit Unions

Non-Traditional Mortgage Products - Holdings								
Please show the dollar volume of loans, number of loans, and loan delinquencies as of August 31, 2007.	Balance \$	#	Delinquency					
			0 - 30 days		31 -89 days		90 + days	
			Balance \$	#	Balance \$	#	Balance \$	#
a. Interest-only Mortgage Loan*	3,329,979.8	9,823	43,805.0	180	29,216.4	114	24,730.5	67
b. Payment Option ARM *	102,406.8	265	168.8	1	2,713.0	6	219.0	1
c. Reduced Documentation*	2,389,114.2	9,235	157,359.0	615	123,384.0	476	287,108.7	1,448
d. Simultaneous Second-lien Loan*	445,680.3	5,033	28,574.1	428	19,083.5	235	127,134.4	1,546
e. Other*	851,475.5	3,354	240,508.8	723	142,692.5	420	201,424.2	523
TOTAL	7,118,656.6	27,710	470,415.7	1,947	317,089.4	1,251	640,616.8	3,585

Banks

Non-Traditional Mortgage Products - Holdings								
Please show the dollar volume of loans, number of loans, and loan delinquencies as of August 31, 2007.	Balance \$	#	Delinquency					
			0 - 30 days		31 -89 days		90 + days	
			Balance \$	#	Balance \$	#	Balance \$	#
a. Interest-only Mortgage Loan*	854,670.1	1,633	17,872.9	42	10,772.0	30	19,001.6	40
b. Payment Option ARM *	86,530.0	186	0.0	0	2,713.0	6	0.0	0
c. Reduced Documentation*	2,219,472.2	8,099	156,364.3	606	123,295.0	475	286,874.8	1,445
d. Simultaneous Second-lien Loan*	179,267.8	2,148	23,069.3	330	16,353.1	203	124,689.7	1,519
e. Other*	764,938.6	1,946	239,059.8	707	142,692.5	420	201,424.2	523
TOTAL	4,104,878.7	14,012	436,366.3	1,685	295,825.6	1,134	631,990.3	3,527

Credit Unions

Non-Traditional Mortgage Products - Holdings								
Please show the dollar volume of loans, number of loans, and loan delinquencies as of August 31, 2007.	Balance \$	#	Delinquency					
			0 - 30 days		31 -89 days		90 + days	
			Balance \$	#	Balance \$	#	Balance \$	#
a. Interest-only Mortgage Loan*	2,475,309.7	8,190	25,932.1	138	18,444.4	84	5,728.9	27
b. Payment Option ARM *	15,876.8	79	168.8	1	0.0	0	219.0	1
c. Reduced Documentation*	169,642.0	1,136	994.7	9	89.0	1	233.9	3
d. Simultaneous Second-lien Loan*	266,412.5	2,885	5,504.8	98	2,730.4	32	2,444.7	27
e. Other*	86,536.9	1,408	1,449.0	16	0.0	0	0.0	0
TOTAL	3,013,777.9	13,698	34,049.4	262	21,263.8	117	8,626.5	58

Cumulative Losses from Non-Traditional Mortgages

Banks & Credit Unions

Non-Traditional Mortgage Products - Foreclosures, short-sales, and workouts							
Please show the dollar volume and number of loans that have been subject to foreclosure*, short-sale, or have been subject to rewrite or workout from January 1, 2007 through August 31, 2007.	Foreclosures** or Short-Sales				Rewrites and Workouts***		
	Total		Cumulative Loss		Balance \$	Cumulative Loss \$	#
	Balance \$	#	Balance \$	#			
a. Interest-only Mortgage Loan*	35,483.5	113	4,614.7	58	76,776.1	0.0	358
b. Payment Option ARM*	0.0	0	0.0	0	0.0	0.0	0
c. Reduced Documentation*	39,969.4	144	8,893.2	109	288,045.7	0.0	1581
d. Simultaneous Second-lien Loan*	46,348.6	156	11,564.9	153	32,522.3	0.0	665
e. Other*	15,046.7	43	3,503.7	39	201,659.3	0.0	884
Total	136,848.2	456	28,576.5	359	599,003.4	0.0	3488

Banks

Non-Traditional Mortgage Products - Foreclosures, short-sales, and workouts							
Please show the dollar volume and number of loans that have been subject to foreclosure*, short-sale, or have been subject to rewrite or workout from January 1, 2007 through August 31, 2007.	Foreclosures** or Short-Sales				Rewrites and Workouts***		
	Total		Cumulative Loss		Balance \$	Cumulative Loss \$	#
	Balance \$	#	Balance \$	#			
a. Interest-only Mortgage Loan*	18,411.7	50	3,688.7	50	76,676.2	0.0	357
b. Payment Option ARM*	0.0	0	0.0	0	0.0	0.0	0
c. Reduced Documentation*	38,473.4	114	8,893.2	109	288,045.7	0.0	1581
d. Simultaneous Second-lien Loan*	44,313.4	133	10,144.6	133	32,522.3	0.0	665
e. Other*	14,700.5	41	3,503.7	39	201,448.5	0.0	883
Total	115,899.0	338	26,230.2	331	598,692.7	0.0	3486

Cumulative Losses from Non-Traditional Mortgages (Continued)

Credit Unions

Non-Traditional Mortgage Products - Foreclosures, short-sales, and workouts							
Please show the dollar volume and number of loans that have been subject to foreclosure*, short-sale, or have been subject to rewrite or workout from January 1, 2007 through August 31, 2007.	Foreclosures** or Short-Sales				Rewrites and Workouts***		
	Total		Cumulative Loss		Balance \$	Cumulative	#
	Balance \$	#	Balance \$	#		Loss \$	
a. Interest-only Mortgage Loan*	17,071.8	63	926.0	8	99.9	0.0	1
b. Payment Option ARM*	0.0	0	0.0	0	0.0	0.0	0
c. Reduced Documentation*	1,496.0	30	0.0	0	0.0	0.0	0
d. Simultaneous Second-lien Loan*	2,035.2	23	1,420.3	20	0.0	0.0	0
e. Other*	346.2	2	0.0	0	210.8	0.0	1
Total	20,949.2	118	2,346.3	28	310.7	0.0	2

*Mortgage Loan Definitions		
a.	Interest Only	A nontraditional mortgage on which, for a specified number of years (e.g., three or five years), the borrower is required to pay only the interest due on the loan during which time the rate may fluctuate or may be fixed. After the interest-only period, the rate may be fixed or fluctuate based on the prescribed index and payments include both principal and interest.
b.	Payment Option ARM	A nontraditional mortgage that allows the borrower to choose from a number of different payment options. For example, each month, the borrower may choose a minimum payment option based on a “start” or introductory interest rate, an interest-only payment option based on the fully indexed interest rate, or a fully amortizing principal and interest payment option based on a 15-year or 30-year loan term, plus any required escrow payments. The minimum payment option can be less than the interest accruing on the loan, resulting in negative amortization. The interest-only option avoids negative amortization but does not provide for principal amortization. After a specified number of years, or if the loan reaches a certain negative amortization cap, the required monthly payment amount is recast to require payments that will fully amortize the outstanding balance over the remaining loan term.
c.	Reduced Documentation	A loan feature that is commonly referred to as “low doc/no doc,” “no income/no asset,” “stated income” or “stated assets.” For mortgage loans with this feature, an institution sets reduced or minimal documentation standards to substantiate the borrower’s income and assets.
d.	Simultaneous-Second Lien	A lending arrangement where either a closed-end second-lien or a home equity line of credit (HELOC) is originated simultaneously with the first lien mortgage loan, typically in lieu of a higher down payment.
e.	Other	Non-traditional mortgage that does not conform to the definitions in categories (a) through (d). Please provide a brief description in the space provided.
** Include only those foreclosures that were subsequently sold and a gain/loss was recorded.		
*** Rewritten/workout options would include refinancing into a more affordable mortgage, loan modifications that change one or more of the loan terms, such as interest rate reduction, reduction of the outstanding principal balance, extension of the loan term or adding delinquent interest to the unpaid principal balance.		