

San Francisco Business Times - August 24, 2009
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Friday, August 21, 2009

Bankers see foreclosures still climbing

Program to modify loans slow, complex

San Francisco Business Times - by [Mark Calvey](#) and [Blanca Torres](#)

The Bay Area's surging loan delinquencies and receding home values are threatening to overwhelm a federal loan modification program that aims to stave off foreclosure for at least 500,000 homes nationwide by Nov. 1.

Bankers say, don't blame us. It's taken awhile for specifics of the government plan to emerge, which led most servicers to place their foreclosure efforts on hold for several months as they waited for details. The nation's largest servicers — **Wells Fargo**, **Bank of America** and **J.P. Morgan Chase** — now say they're making strenuous efforts to modify loans. But they've also lifted their self-imposed moratoriums on foreclosures.

Treasury officials say less than 10 percent of delinquent borrowers eligible for government help have received assistance. The government envisions helping 4 million U.S. home owners avoid foreclosure over the next three years at a cost to taxpayers of \$75 billion to successfully modify mortgages through its Home Affordable Modification Program. So far, 235,000 have been helped. (Neither the Treasury nor the banks said they can provide Bay Area or statewide figures.)

Few get help

The Treasury's first progress report, issued this month, indicated that few troubled home owners are getting assistance. But bankers dispute those findings, saying the government isn't counting thousands of troubled borrowers this year they've helped outside the Home Affordable Modification Program.



Spencer Brown

Mortgage bright spot: As a small home lender, Fremont Bank has been able to move quickly to aid customers, says exec Jan Ford.

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