

May 26, 2009 Wells Fargo Columbia Collateral File Summary

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This is a summary of the May 26 investor report and covers the 4/27/09 to 5/26/09 period. These statistics refer to a combined total of 3.2 million securitized subprime and alt-A mortgages.

Mortgage modifications were down again in May. The number of mortgage modifications fell to 19,041, an 11% decrease from 21,404 in April. There were 20,894 modifications in March and 23,749 in February. The Administration's plan to stimulate mortgage modifications does not seem to have had much effect yet, at least in this market segment.

Meanwhile there were 32,267 liquidations of foreclosed properties. The loan modifications involving write-offs of principal, interest, or fees declined from 15.1% of all mods in April to 12.3% in May (see data tables 3, 4, and 5). About 59% of modifications reduced monthly payments, compared with 12% that did not change the payment and 27% that increased the payment (table 6). This was not a significant change from the previous month.

The total inventory of foreclosures remained relatively stable. In the database of subprime and alt-A mortgages, there were 464,983 foreclosures, a negligible decrease from 466,311 in April.

Investors lost \$4.58 billion from foreclosures sales in May, which was a slight decrease compared with the \$5.61 billion in April. The average loss was \$141,953, representing a loss severity of 64.62% for the 32,267 foreclosures sales. Foreclosure losses were fairly comparable to the previous month as May's number of liquidated foreclosures only dipped by about 1%. However, write-offs in connection with mortgage modifications declined across the board. The total loss from write-offs for modifications was \$31 million, which is a decline of 52% when compared to April's \$64 million, representing a difference of \$33 million. Looking back further to March's \$107 million from loan modifications with write-offs, May's total losses represent a decrease of 71% which translates to a difference of \$76 million. The 2,343 mortgage modifications with write-offs had an average of \$13,077 per write-off, roughly a 34% decrease compared to April's average of \$19,714 and approximately a 51% decrease compared to March's average of \$26,941. The average write-off represented 5.9% of the original loan amount, while April's loss severity on a modified loan with a write-off was 10.6 %.

There were 13.8 times as many liquidated foreclosures as there were mortgage modifications with write-offs. The ratio of foreclosure losses to modification write-downs rose to 150:1, which is more than double than April's 73:1 ratio, and more than four times the 35:1 ratio in March. The total losses from liquidated foreclosures decreased less than 1%, roughly \$29 million less when compared with April. (table 7).

Delinquencies, foreclosures in process, and foreclosure loss severities all continued their upward trends from prior months. The ratio comparing the number of foreclosures to the number of modifications decreased for the first time in six months. As of May 26, 2009, 32% of the represented

mortgages were 30 days or more delinquent (table 2), with the number of mortgages 120 days or more delinquent continued its upward trend, reaching 610,334 in May. The volume of foreclosures in process increased slightly to 9%, while bankruptcy and REO remained about the same at 2% and 4% respectively (table 1).

1. Delinquent Descriptions

DelinquentDesc				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	44092	1.4	1.4	1.4
3rd party foreclosure	81	.0	.0	1.4
Bankruptcy	68778	2.1	2.1	3.5
Decision for foreclosure	277766	8.7	8.7	12.2
Foreclosure with claim	55	.0	.0	12.2
Loan paid in full	69190	2.2	2.2	14.3
Loss Mitigation	16759	.5	.5	14.9
No Action	2610467	81.4	81.4	96.3
Relief Provision	2	.0	.0	96.3
REO	118358	3.7	3.7	100.0
Repurchase	630	.0	.0	100.0
Total	3206178	100.0	100.0	

2. Days Past Due

DaysOverdo (Binned)					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Not	344203	10.7	11.1	11.1
	1 - 30	1754632	54.7	56.7	67.9
	31 - 60	203380	6.3	6.6	74.5
	61 - 90	107100	3.3	3.5	77.9
	91 - 120	72597	2.3	2.3	80.3

	121+	610334	19.0	19.7	100.0
	Total	3092246	96.4	100.0	
Missing	System	113932	3.6		
Total		3206178	100.0		

3. Frequency of write-offs by category

PrincipalForgivenessAmount (Binned)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0.01 - 20000	375	2.0	57.3	57.3
	20000 - 40000	111	.6	16.9	74.2
	40000 - 60000	47	.2	7.2	81.4
	60000 - 80000	31	.2	4.7	86.1
	80000 - 100000	38	.2	5.8	91.9
	100000+	53	.3	8.1	100.0
	Total	655	3.4	100.0	
Missing	System	18386	96.6		
Total		19041	100.0		

InterestForgivenessAmount (Binned)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0.01 - 5000	1591	8.4	85.2	85.2
	5000 - 10000	155	.8	8.3	93.5
	10000 - 15000	48	.3	2.6	96.1
	15000 - 20000	20	.1	1.1	97.2
	20000 - 25000	53	.3	2.8	100.0
	Total	1867	9.8	100.0	
Missing	System	17174	90.2		
Total		19041	100.0		

ExpenseForgivenessAmount (Binned)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0.01 - 2000	355	1.9	69.5	69.5
	2000 - 4000	59	.3	11.5	81.0
	4000 - 6000	37	.2	7.2	88.3
	6000 - 8000	11	.1	2.2	90.4
	8000 - 10000	5	.0	1.0	91.4
	10000+	44	.2	8.6	100.0
	Total	511	2.7	100.0	
Missing	System	18530	97.3		
Total		19041	100.0		

4. Write-off amounts on modified loans (Loss on Liquidated Property)

LossonLiquidatedProperty (Binned)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<= 0.00	11	.1	.5	.5
	0.01 - 10000	1811	9.5	77.3	77.8
	10000 - 20000	173	.9	7.4	85.1
	20000 - 30000	86	.5	3.7	88.8
	30000 - 40000	49	.3	2.1	90.9
	40000 - 50000	40	.2	1.7	92.6
	50000+	173	.9	7.4	100.0
Total	2343	12.3	100.0		
Missing	System	16698	87.7		
Total		19041	100.0		

5. Averages for the last four tables

Descriptive Statistics

	N	Minimum	Maximum	Sum	Mean
LossonLiquidatedProperty	2343	-117070.87	286208.77	30638804.72	13076.7412
InterestForgivenessAmount	1867	.01	115443.34	7134135.26	3821.1758
ExpenseForgivenessAmount	511	.01	58682.29	1514749.89	2964.2855
PrincipalForgivenessAmount	655	.01	253382.35	21531924.90	32873.1678

6. Frequency of payment increase or decrease

PandIChange (Binned)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Negative	10575	55.5	58.7	58.7
	Zero	2296	12.1	12.7	71.5
	Positive	5138	27.0	28.5	100.0
	Total	18009	94.6	100.0	
Missing	System	1032	5.4		
Total		19041	100.0		

7. Comparison of Foreclosure Losses and Modification Write-Downs:

April 27, 2009 Columbia Collateral file (subprime and alt-A)					
	Number	Avg Loss	Avg Original Balance	Loss severity	Total Losses
Liquidated Foreclosures	32,718	\$140,869	\$218,195	64.56%	\$4,608,959,534
Loan Modifications with write-offs	3,233	\$19,714	\$186,368	10.58%	\$63,733,779
Ratio of Foreclosure losses to Modifications write-downs:					72.32

May 26, 2009 Columbia Collateral file (subprime and alt-A)					
	Number	Avg Loss	Avg Original Balance	Loss severity	Total Losses
Liquidated Foreclosures	32,267	\$141,953	\$219,677	64.62%	\$4,580,416,861
Loan Modifications with write-offs	2,343	\$13,077	\$221,199	5.91%	\$30,638,804
Ratio of Foreclosure losses to Modifications write-downs:					149.50