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HUD/FHA-Insured Homeowners and Properties in End-Stage Default and Foreclosure: National Context and Experiences in Massachusetts

Introduction and Summary of the Series

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Series Introduction

By Erin M. Graves* and Chris Herbert**

This series of Issue Briefs was being finalized just as the coronavirus pandemic was beginning. Beyond our current and pressing concerns about health, mortality rates, personal financial distress, and impacts on businesses and the national economy, we will likely soon be facing an increase in loan defaults and foreclosures, as significant numbers of people are unable to make their mortgage payments.

Policy makers and financial institutions have taken several immediate steps to help homeowners who have lost income during this period. The Department of Housing and Urban Development (HUD) took action by placing a 60-day moratorium on foreclosures for loans insured by the Federal Housing Administration (FHA). In addition, the Federal Housing Finance Administration (FHFA) ordered Fannie Mae and Freddie Mac loan servicers to lower or suspend borrowers' mortgage payments for up to 12 months if homeowners have lost income because of the pandemic. Under the Coronavirus Aid, Relief, and Economic Security Act, borrowers can initiate a 180-day forbearance and foreclosure moratorium for any federally-backed mortgage loan. Private non-government-backed lenders and servicers also have volunteered mortgage relief.

These short-term actions may relieve some financial distress and forestall some foreclosures and, in the longer term, the economy hopefully will recover. However, that recovery will likely be uneven and the financial challenges for millions of families could continue as workers struggle to regain a foothold. In addition, those who contracted the virus may experience long-term effects that will impact their ability to work. Should these challenges come to pass, there likely will be a spike in foreclosure rates over the next several years. Other households, unable to afford their mortgage payments, may be able to avoid foreclosure, but they may find themselves forced into a rushed sale and a destabilizing move. And, as always, those who will be hit hardest will be households with less secure employment and fewer assets, a pattern that parallels the disproportionate impact of the disease itself. This situation will therefore likely have a disparate and more serious impact on households of color and on more fragile neighborhoods.

The Federal Reserve Bank of Boston and the Joint Center for Housing Studies of Harvard University are pleased to be presenting this Issue Brief series at a time when the insights drawn from this research may be of great value as policymakers look to craft a response to this latest economic crisis. Since the research and writing for this series of Briefs were done during a period of declining foreclosures for both FHA-insured and conventional loans, the author of the Briefs, Rachel Bratt, points out that this relatively calm stretch provided “a good time to explore the extent to which a number of HUD/FHA default and foreclosure policies and procedures are serving the public interest and to identify opportunities for improvement.”

These Issue Briefs offer a number of insights about HUD’s regulations and procedures concerning mortgages that are close to foreclosure, or end-stage default through the lens of mortgage market upheaval following the Great Recession. Also drawing on the experiences of local and state governments, as well as several nonprofit organizations, a number of thoughtful and innovative suggestions are offered for how homeowners in end-stage default can be assisted to retain their homes, thereby promoting family and neighborhood stability. Now is a good time to consider how to apply the lessons learned in order to safeguard the hardest-hit households and communities facing foreclosures in 2020 and beyond.

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Introduction

One of the most problematic outcomes of the Great Recession of the 2000s was a sharp increase in the rate of home foreclosures.[1] Foreclosure is a complex process whereby the lender assumes ownership of the property as a result of the borrower's inability to continue making payments on the mortgage loan from the lender. Foreclosure forces occupants out of their homes and results in additional negative impacts for them and for the neighborhoods and municipalities in which the homes are located. In all, some 7.8 million homes were foreclosed between 2007 and 2016. In 2011, the peak year of the crisis nationally, nearly 1.6 million homes were in the foreclosure inventory.[2]

The home foreclosure crisis prompted a number of federal policy interventions as well as precedent-setting legal actions, including the largest consumer financial protection settlement in U.S. history, and motivated a number of nonprofit organizations to develop their own programs to aid households facing foreclosure. This period also highlighted several shortcomings in foreclosure-related policies and procedures of the U.S. Department of Housing and Urban Development (HUD) and the Federal Housing Administration (FHA). HUD is the cabinet-level federal agency that is in charge of implementing and overseeing the mortgage insurance programs of the FHA.

A key part of HUD's mission, to address America's housing needs and improve and develop the nation's communities, is achieved by promoting and facilitating homeownership. The FHA-insured loan, which was created in 1934 as a stimulus to the economy during the Great Depression, continues to be an important vehicle to support homeownership. As of the second quarter of 2019, nearly 17 percent of all home loans originated in the United States were FHA insured.[3]

Although foreclosures are less common today than during the peak of the Recession, they are no less consequential for the people and places affected. Indeed, the possibility of foreclosure is still a major concern for hundreds of thousands of households across the country.[4] As of July 2018, among FHA-insured loans alone, there were about 300,000 in mortgage default, a number that is similar to the annual number of loans in default during 2010 through 2016.[5]

Even before the foreclosure crisis, researchers observed a troublesome pattern of foreclosure rates in Massachusetts, with the greatest increases in the poorest cities.[6] During and after the foreclosure crisis, from 2007 through 2014, about 65,000 homes in

Massachusetts were foreclosed and, in 2016 alone, 6,164 households in Massachusetts lost their homes due to foreclosure.[7]

Now is a good time, therefore, to explore how well a number of HUD/FHA default and foreclosure policies and procedures are serving the public interest and to identify opportunities for improvement, while also recognizing that options to help prevent foreclosure and ensuing negative impacts extend far beyond the practices and policies of HUD and the FHA. These include, for example, a number of regulatory and legal actions as well as initiatives of nonprofit organizations. A better understanding of the problems and options could lead to greater protections and relief for borrowers in serious mortgage default, thereby helping to stabilize families and neighborhoods. (See Table 1 for a summary of selected policy implications of the Issue Brief series.)

The following four Issue Briefs in this series explore different aspects of HUD's operations concerning FHA-insured mortgages that are close to foreclosure (end-stage default) and in the foreclosure process. While the context is national, there is a particular focus on experiences in Massachusetts. Issue Brief No. 2 presents the historical context for this inquiry by reviewing the record of HUD/FHA's past programs as they relate to protecting consumer needs while at the same time working with and encouraging the involvement of the private for-profit real estate and banking industries. Issue Brief No. 2 also explores a major strategy that HUD has utilized to deal with loans in end-stage default; namely, selling those loans to new investors who are then obligated to help the mortgagors cure the default, if possible.

Issue Brief No. 3 examines how foreclosures impact people, neighborhoods, and municipalities. The examination includes a literature review and draws on information gleaned from deed recordings in one mid-sized city in Massachusetts: Lowell. Issue Brief No. 4 continues the inquiry by exploring three of HUD/FHA's guidelines and policies concerning the end-stage of mortgage default. The last Issue Brief in this series describes a number of strategies for better assisting this group of homeowners, as well as tenants of foreclosed properties. The strategies include various legislative initiatives, litigation, regulatory oversight by the Federal Reserve Board and other governmental entities, and a range of efforts by nonprofit organizations. That issue brief also discusses the solvency of the fund that backs up FHA-insured mortgages (known as the Mutual Mortgage Insurance Fund, MMIF). FHA borrowers pay into the MMIF, and it is this fund that the FHA uses to compensate lenders and servicers for the outstanding principal balance due on the loan and other costs that result from a foreclosure.

This series of Issue Briefs focuses on the role of HUD/FHA in protecting consumers and neighborhoods. The goal is to promote a deeper and clearer understanding of how HUD has operated with respect to the foreclosure process. The Issue Briefs explore how the agency, going forward, could contribute to policies that would provide greater protections and opportunities to homeowners in serious mortgage default or who have recently lost their homes due to foreclosure, and to the neighborhoods and municipalities in which foreclosed homes are located.

FHA facilitates earlier entry points into homeownership for FTHBs [first-time home buyers] than conventional mortgage loans … Without FHA insurance, many … low- and moderate-income, minority, and FTHBs would lack access to affordable mortgage credit. The benchmark for success of FHA's programs should be ensuring that borrowers are receiving financing that is appropriate, sustainable, and optimized for long-term homeownership.

U.S. Department of Housing and Urban Development, 2019[8]

Issue Brief No. 2: The Role of HUD and the FHA: Conflicts in Mandate and Operations, Past and Present

A recurrent theme in HUD/FHA's history is the tension in their dual mandate: to be responsive both to the needs of homeowners and to the mortgage-lending industry. Conflicts between the priorities of private for-profit stakeholders who do business with the FHA and the homeowners whose mortgages the agency has insured have arisen repeatedly. Typically, federal agencies tend to be more attentive to the needs of the former than to the latter. This Issue Brief traces conflicts that occurred following the creation of the FHA in 1934 and in subsequent decades. Failure of mortgagees to adhere to FHA servicing guidelines and lax HUD/FHA oversight have been key problems.

In recent years, the conflict between HUD/FHA's need and desire to be responsive to the mortgage-lending industry and homeowners participating in their programs has been evident in the operation of HUD's program for disposing of nonperforming loans (loans in end-stage default), the Distressed Asset Stabilization Program (DASP). Most of the homeowners (64 percent) whose loans were sold through DASP are no longer living in their homes, and another 23 percent of homeowners whose loans were sold face the possibility of displacement.

The great majority of DASP loans have been sold to private for-profit investors. Only 2 percent have been sold to nonprofit organizations, whose missions are focused explicitly on homeowners and communities. The limited data reveal that nonprofit organizations have a better record of restabilizing homeowners in their homes with loan modifications.

Issue Brief No. 3: Outcomes of Foreclosure: Literature Review and Experiences in Lowell, Massachusetts

The literature on foreclosure is unequivocal: foreclosure is detrimental to households, to neighborhoods, and to the municipalities in which the homes are located. Not surprisingly, foreclosure creates a range of problems for owners and tenants of foreclosed homes, including adverse impacts on health and overall well-being, with children being particularly vulnerable. Foreclosed properties can remain vacant or abandoned for long periods of time, with negative consequences for the surrounding areas and for municipalities. In particular, foreclosed properties increase demands on public safety services, such as police and fire protection, and there are likely to be significant delays or losses in municipal property tax revenue collections. An increased demand for homelessness services may be another outcome of foreclosure. These adverse outcomes highlight the need for policy interventions to interrupt the train of events culminating in foreclosure.

Using data from deed recordings in Lowell, Massachusetts, an attempt was made to quantify several of the outcomes of foreclosure, particularly for municipalities. This analysis reveals that foreclosed properties in Lowell are staying vacant for about one year. And, although there were numerous police and fire calls to foreclosed properties—before, during, and after the period of foreclosure—this analysis's findings about the costs of foreclosure to the municipality were not conclusive.

The analysis also explored HUD/FHA's monetary losses (or gains) on each foreclosed property, since this is a critical piece of information in developing appropriate policy levers to prevent this undesirable outcome. HUD/FHA is likely losing about $46,853–$81,639 per FHA-insured foreclosed home. Difficulties in producing clearer findings about the outcomes of foreclosed FHA-insured loans were due to the limited scope of the research design and to insufficient data disclosure by HUD/FHA.

Issue Brief No. 4: HUD Regulations and Policies Concerning End-Stage Default

Lenders and servicers of FHA-insured single-family homes must follow HUD's rules governing mortgage lending, servicing, and default/foreclosure procedures. HUD/FHA's mortgage servicing, loss-mitigation, and property-conveyance rules, which are derived from federal regulations, carry the force of law, and a violation of HUD's rules can be grounds for legal action.

HUD initiatives related to at-risk borrowers aim both to help borrowers retain their homes and to reduce the losses the FHA's MMIF incurs as a result of foreclosure. To this end, HUD administers a loss mitigation program that gives borrowers who have missed mortgage payments an opportunity to work with lenders to resolve past-due balances. HUD's loss mitigation guidelines lay out specific steps that lenders/servicers must take to assure that every effort has been made to avoid foreclosure. While HUD makes clear, in bold and capital letters, that "PARTICIPATION IN THE LOSS MITIGATION PROGRAM IS NOT OPTIONAL," some servicers are falling short when it comes to helping borrowers through the loss mitigation process.

The DASP program (discussed in Issue Brief No. 2) is one tool to combat foreclosures, but HUD/FHA could also advance its goals and reduce the consequences of foreclosure through more consistent and better enforcement of other rules and policies already in place. Three specific aspects of HUD's regulations and policies pertaining to households facing end-stage default are examined. The first, the requirement that the lender offer a face-to-face interview to the mortgagor prior to foreclosure, represents a case of lender/servicer noncompliance and HUD enforcement failure. The second, which provides an option for foreclosed homes to be conveyed with occupants, has been permitted only infrequently. The third, which seems to be needlessly restrictive, limits the ability of a foreclosed homeowner to buy back their home from another entity, such as a nonprofit organization, that has purchased the home on their behalf with the explicit intention of enabling the household to retain ownership with a renegotiated mortgage. This Issue Brief identifies some of the reasons for these actions or inactions, considers what the consequences may be, and suggests ways to stimulate greater compliance with and utilization of the respective regulation.

Issue Brief No. 5: HUD and Beyond: Legislation, Litigation, and Innovative Local Efforts to Reduce Foreclosures

As the economic crisis of the late 2000s gained attention and concerns mounted, the federal government launched initiatives to reduce the number of foreclosures through counseling and loan modification programs. In general, these efforts did not assist nearly as many homeowners as had been predicted or hoped (see Issue Brief No. 2); one article described it as “too little, too late, and too timid.”[9]

Initiatives aimed at minimizing the likelihood of foreclosures and protecting homeowners and tenants have extended well beyond HUD. These include several noteworthy legislative and legal strategies, oversight by the Federal Reserve Board and other governmental entities, as well as efforts by nonprofit organizations. State and local legislative initiatives, for example, can set precedent or serve as a strategic option to help homeowners facing foreclosure. As a result of the foreclosure crisis, a number of states enacted laws protecting foreclosed tenants against eviction and providing various options to homeowners who had received unfair subprime mortgages and fallen into default or foreclosure.[10]

Regulatory agencies play a role in identifying and remediating abusive mortgage-lending practices, a role that will be critical in the event of a new wave of foreclosures. The Federal Reserve Board’s oversight of several large servicers found critical weaknesses in foreclosure processes that had “an adverse effect” on mortgage markets and were a threat to safe and sound banking practices.[11] This finding resulted in the creation of the Independent Foreclosure Review, which provided financial compensation for abusive mortgage lending and servicer practices pertaining to foreclosure. Although this effort had a mixed record of success, its creation and actions underscored both the potential power of regulatory intervention and also the importance of carefully structuring the compensatory mechanism.

Regulatory oversight also revealed the illegal practice known as “robo-signing,” which involved bank employees signing thousands of foreclosure affidavits without confirming the validity or accuracy of the information in those documents. Exposure of this widespread practice led to the “largest consumer financial protection settlement in U.S. history,” the National Mortgage Settlement, which has provided benefits to borrowers in nearly every state across the country.[12]

Legal action is another important way of holding mortgage servicers accountable for following prescribed and required foreclosure processes. An important court case, *U.S. National Bank Association v. Ibanez,* concerned the legal ownership of the mortgage note. It argued this simple point: the mortgagee must be the owner of record before it can foreclose. A judge in the case noted "the utter carelessness with which the plaintiff banks documented the titles to their assets."[13] For policymakers going forward, the case made clear that the burden of proof regarding the right to foreclose is placed upon the foreclosing party.

This Issue Brief then presents a short summary of innovative local efforts that provide homeowners and tenants in end-stage default and foreclosure with additional protections and opportunities, thereby helping them avoid displacement. Each program embraces a central assumption: that it is desirable for the existing owners to continue to occupy their homes, if possible, and that creative ways can be found to better protect homeowners in default and preserve the neighborhoods in which they live. That assumption was not central to either lender/servicers or to the federal agencies involved in the mortgage transaction. Notably, several programs operated by nonprofit organizations involve face-to-face encounters between the mortgagor and lender, along with a third-party counselor, again highlighting the importance of this mandated but inconsistently implemented HUD regulation. Overall, the locally created programs represent creative responses to a void in policy and practices and provide thoughtful examples for future policymakers.[14]

The Issue Brief concludes with information about the financial health of the MMIF. The viability of the MMIF is important because its solvency could affect HUD's ability to more creatively and proactively help homeowners in default remain in their homes and avoid foreclosure. Although the health of the MMIF was a considerable concern following the foreclosure crisis, the situation has improved markedly in recent years, with assets and reserves exceeding possible claims on the fund.[15] An actuarial review of the MMIF prepared for HUD in 2016 predicted that over the following seven years, the fund's financial strength would continue to improve.[16] In short, the financial health of the MMIF suggests that HUD/FHA has some leeway to assist homeowners more aggressively.

Conclusion

Home foreclosure is a devastating end result for homeowners and renters of foreclosed properties that comes at a high cost to themselves and their neighborhoods and municipalities. Sometimes, the cause of foreclosure is beyond the control of the mortgagor and not due to negligence on their part; tenants, too, are frequently without blame. The hope is that these Issue Briefs will help to clarify the various ways in which HUD has operated with respect to end-stage default and foreclosure and point to opportunities for greater consumer protections through various legal, regulatory, and policy interventions. There have been many encouraging initiatives, often through the efforts of local nonprofit organizations and legal-services lawyers, and there is good potential for better solutions to be found. At the same time, however, various Trump administration directives have seriously undermined a consumer-oriented agenda. Indeed, currently there is a lack of interest at the federal level in continuing the consumer protections pertaining to financial transactions initiated under the Obama administration, and the Trump administration has a broadly antiregulatory approach to government.[17] Also worrying is the fact that HUD itself has been proposing a number of new rules that would operate in direct opposition to consumer needs.[18] It remains to be seen how the next chapter of HUD/FHA's history will unfold with respect to its mission to promote homeownership and stabilize neighborhoods.

Table 1 | Selected Policy Implications of the Issue Brief Series*

Issue Brief No. 2 **The Role of HUD and the FHA: Conflicts in Mandate and Operations, Past and Present**
➢ In its capacity as the federal agency charged with implementing a large portion of the nation's housing agenda, HUD should play a stronger role in advocating for policies and programs that would explicitly focus on homeowner and tenant needs, while also exerting a strong regulatory presence. It could serve as a moral compass for directing private-sector actions and procedures to ensure that consumer needs are viewed as a priority, while also maintaining the viability of the MMIF, which backs FHA-insured loans. The Issue Briefs detail many specific ways that these goals could be accomplished.
➢ HUD should ensure that protections for homeowners whose loans have been sold are at least as strong as those prescribed for unsold FHA-insured loans. The purchasers of the loans and their servicers need to be monitored by HUD to ensure that they have fulfilled all the required steps to try to cure the default before starting a foreclosure procedure. HUD should carefully consider providing nonprofit organizations with more opportunities for participation when loans in end-stage default are sold to new investors. Overall, better record keeping and evaluations of loan sales are needed.
Issue Brief No. 3 **Outcomes of Foreclosure: Literature Review and Experiences in Lowell, Massachusetts**
➢ Based on an analysis of Lowell deed recording data, HUD/FHA is likely losing $46,853–$81,639 per FHA-insured foreclosed home. Insufficient data disclosure by HUD/FHA hampered deeper analysis of the Lowell data. In order to make informed policy choices, more precise information, such as the cost to the agency of each foreclosure, should be available from HUD/FHA through Freedom of Information Act requests or other transparent reporting mechanisms.
➢ The Lowell data also reveals that foreclosed properties are likely staying vacant for about one year. In view of the undesirable effects vacant properties have on neighborhoods and municipalities, reducing the amount of time that foreclosed properties are vacant should be an important priority for HUD. In order to get a more complete understanding of the costs of foreclosure to municipalities, HUD could encourage cities and towns to make a full accounting of the many costs associated with foreclosed, vacant properties. Regardless of which level of government pays, it is important to fully understand the costs to the public associated with foreclosure, as a further way to encourage actions to prevent this outcome.

Issue Brief No. 4
HUD Regulations and Policies Concerning End-Stage Default

- Several HUD rules concerning end-stage default have been only minimally utilized or weakly enforced. HUD/FHA should fully assess outcomes related to those rules, specifically: (1) homeowners having a face-to-face interview with the lender/servicer; (2) conveyance of foreclosed properties with occupants; and (3) foreclosed households buying back their homes either directly or through a third party intermediary, at current market value. A key component of the third policy is the prevention of sham transactions and "strategic defaults" by mortgagors who are not in financial distress. More reliance on nonprofit organizations to mediate such transactions could help minimize these undesirable outcomes. HUD should consider making policy changes so that all three approaches will be better utilized.

- HUD should assess whether it can and should change its statute to allow lenders/servicers of FHA-insured loans to offer principal debt reduction, or forgiveness—a loan modification option they are currently not permitted to use. For example, a certified nonprofit intermediary or HUD-approved counseling agency could be involved in approving requests for principal debt reduction to certify the legitimacy of the purported financial distress. Another option would be to expand the partial-payment option, which involves HUD paying the mortgagee a portion of the principal owed, thereby allowing the homeowner to catch up on their overdue payments. The amount of the claim is treated as an interest-free loan that does not have to be repaid until the first mortgage is paid off or until the borrower no longer owns the property. Ideally, this sum would be repayable only if the house appreciates in value, taking into account major home improvement expenditures.

Issue Brief No. 5
HUD and Beyond: Legislation, Litigation, and Innovative Local Efforts to Reduce Foreclosures

- State legislation, legal actions, regulatory oversight, and innovative local programs, often operated by nonprofit organizations, have all played important roles in devising strategies and interventions to support homeowners in default. These efforts have helped to fill the policy void and serve as important examples for HUD and others to consider.

- Foreclosure requires HUD to use funds in the MMIF to pay off the outstanding principal balance on FHA-insured loans, as well as other fees, and the MMIF also "takes a hit" when nonperforming loans are sold to investors. Thus, HUD could view the certainty of losses due to foreclosure as a strong motivation to reduce foreclosures. HUD may have considerable leeway to provide significant assistance to homeowners in default. This is particularly relevant in view of the current financial health of the MMIF. Going forward, the fund must continue to function in a financially sound manner, but HUD also should be willing to draw on the fund to help homeowners remain in their homes.

**The full set of policy implications of each Issue Brief, along with key observations and suggestions for further research and evaluation, appear at the end of each of the Issue Briefs.*

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Endnotes

[1] This series of Issue Briefs does not focus on the host of factors that contributed to the foreclosure crisis associated with the Great Recession. That subject has been thoroughly covered in numerous books and articles in the academic and popular press.

[2] CoreLogic, "United States Residential Foreclosure Crisis: Ten Years Later," March 2017, retrieved from http://www.corelogic.com/research/foreclosure-report/national-foreclosure-report-10-year.pdf.

[3] U.S. Department of Housing and Urban Development, "U.S. Housing Market Conditions, National Housing Market Quarterly Key Indicators, 2019 Q2," 2019, retrieved from https://www.huduser.gov/portal/ushmc/quarterly_commentary.html.

The 2019 second-quarter figure presented in the text is very similar to the FHA's market share during 2013–2017. During the peak of the Great Recession and the foreclosure crisis, 2009–2012, the FHA's share was never less than 21.5 percent, with a high of 31.6 percent in 2010. As private mortgage insurers retreated from doing business, and with lenders generally wary, the FHA played an important role in stabilizing the mortgage market. Between 2001 and 2007, FHA's market share was in the single digits, with a low of 2.5 percent in 2005 and 2006. This decline was due in part to the dramatic increase in subprime mortgage market activity. Pinnacle Actuarial Resources, Inc., "Fiscal Year 2018 Independent Actuarial Review of the Mutual Mortgage Insurance Fund: Cash Flow NPV from Forward Mortgage Insurance-in-Force," November 15, 2018, 26, retrieved from https://www.hud.gov/sites/dfiles/Housing/documents/ActuarialMMIFForward2018.pdf.

[4] RealtyTrac, "U.S. Real Estate Trends & Market Info; Foreclosure Trends," April 2018, retrieved from https://www.realtytrac.com/statsandtrends/foreclosuretrends/ and https://www.realtytrac.com/statsandtrends/foreclosuretrends/MA. Note: only current information may be available through these links, rather than data from April 2018.

[5] United States Government Accountability Office Report to the Chairwoman, Committee on Financial Services, House of Representatives, "Federal Housing Administration: Opportunities Exist to Improve Defaulted Single-Family Loan Sales," *GAO Highlights,* July 2019, 29, retrieved from https://www.gao.gov/assets/710/700131.pdf.

[6] Ricardo Borgos, Prabal Chakrabarti, and Julia Reade, "Understanding Foreclosures in Massachusetts," Federal Reserve Bank of Boston Discussion Paper 07-01, March 2007, 5, retrieved November 19, 2017, from fhttps://www.bostonfed.org/publications/community-development-discussion-paper/2007/understanding-foreclosures-in-massachusetts.aspx.

[7] CoreLogic, "National Foreclosure Report," November 2016, retrieved from https://therealdeal.com/wp-content/uploads/2017/01/national-foreclosure-report-november-2016.pdf; see also CoreLogic, "United States Residential Foreclosure Crisis: Ten Years Later."

[8] U.S. Department of Housing and Urban Development, "Housing Finance Reform Plan: Pursuant to the Presidential Memorandum Issued March 27, 2019," September 2019, 8, retrieved from https://home.treasury.gov/system/files/136/HUD-Housing-Finance-Reform-Plan-September-2019.pdf.

[9] Dan Immergluck, "Too Little, Too Late, and Too Timid: The Federal Response to the Foreclosure Crisis at the Five-Year Mark," *Housing Policy Debate* 23, no. 1 (February 2013), 199–232. See also Dan Immergluck, *Preventing the Next Mortgage Crisis* (Lanham, MD: Rowman & Littlefield, 2015).

[10] Office of the Attorney General of Massachusetts, "AG Healey Secures Millions in Relief for Massachusetts Residents Faced With Unfair Foreclosure and Loan Servicing Practices," news release, January 30 2018, retrieved from https://www.mass.gov/news/ag-healey-secures-millions-in-relief-for-massachusetts-residents-faced-with-unfair-foreclosure.

[11] Federal Reserve System, Office of the Comptroller of the Currency, and Office of Thrift Supervision, "Review of Foreclosure Policies and Practices," April 2011, 7, retrieved from https://www.federalreserve.gov/boarddocs/rptcongress/interagency_review_foreclosures_20110413.pdf.

[12] Oklahoma was the only state that did not participate in the settlement. As a consequence of its nonparticipation, borrowers in that state were not eligible for funds through the settlement. Joint State-Federal National Mortgage Servicing Settlements, "About the Settlement," retrieved from http://www.nationalmortgagesettlement.com/about.

[13] N. Martin and M. Weinstein, "Addressing the Foreclosure Crisis Through Law School Clinics," *Georgetown Journal on Poverty Law & Policy* 20, no. 3 (2013), 531.

[14] Specifically omitted from this discussion are various HUD programs that have focused on the reuse of foreclosed properties without involvement of the original owners, such as the Neighborhood Stabilization Program (whose last round of grants was made in 2010) and the Good Neighbor Next Door Program.

[15] See U.S. Department of Housing and Urban Development, “Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund,” 2018, retrieved from https://www.hud.gov/sites/dfiles/Housing/documents/2018fhaannualreportMMIFund.pdf. Also see Integrated Financial Engineering, “Actuarial Review of the Federal Housing Administration Mutual Mortgage Insurance Fund Forward Loans for Fiscal Year 2016,” November 15, 2016, retrieved from https://cdn2.hubspot.net/hubfs/355318/FCMF_Knowledge_Base/2016_ACTUARIALMMIF_FORWARD-2.pdf?t=1518534326259.

[16] Integrated Financial Engineering, Inc., 2016, 73.

[17] See Issue Brief No. 5 for examples.

[18] See Issue Brief No. 5 for examples.