DEPARTMENT OF CORPORATIONS
California's Investment and Financing Authority

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MEDIA RELEASE

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STATE DATA SHOWS PROGRESS IN PREVENTING FORECLOSURES

Governor's Subprime Mortgage Agreement Succeeds in Preserving More Than 100,000 Homes

Sacramento, CA, March 9, 2009 – As highlighted in Governor Arnold Schwarzenegger's weekly radio address, the Department of Corporations today released new mortgage data that shows 136,785 mortgage loan modifications occurred in California in 2008. The data demonstrates that the state has met the goal of preventing 100,000 foreclosures for the year that Governor Schwarzenegger announced in his 2008 State of the State address.

"Last January, the Governor highlighted the Subprime Mortgage Agreement we crafted with major lenders to freeze interest rates for families at risk of losing their home to foreclosure," said Corporations Commissioner Preston DuFauchard. "We pledged to keep more than 100,000 Californians in their homes. Today, through the innovative agreement adopted in November of 2007, it is clear that we have met that goal."

"Loan Modifications are the best outcome for homeowners seeking to make their mortgage payments affordable," added Commissioner DuFauchard. "There have been other resolutions to mortgage issues, but the modification of terms that result in affordable, sustainable payments is the outcome most likely to prevent foreclosure and preserve home ownership for tens of thousands of families in California."

The Department of Corporations' Mortgage Servicer Survey reports the characteristics of the loan portfolios of participating servicers and quantifies the success of the Governor's Subprime Mortgage Agreement to promote efforts at loan modifications for homeowners facing difficulties in paying their mortgage. Many of the largest state-licensed mortgage lenders and servicers, including the ten who signed onto the Governor's Agreement, now participate in the survey representing more than half of the home mortgage market in California.

To view the latest loan modification survey results or find more information on the Governor's Subprime Mortgage Agreement, visit http://www.corp.ca.gov/press/news/SubprimeLending.asp.

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