PRESS RELEASE

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FDIC Announces Availability of IndyMac Loan Modification Model

"Mod in a Box" Road Map Now Available to Institutions

The Federal Deposit Insurance Corporation (FDIC) announces the availability of a comprehensive package of information to give servicers and financial institutions all of the tools necessary to implement a systematic and streamlined approach to modifying loans based on the FDIC Loan Modification Program initiated at IndyMac Federal Bank (IndyMac). The Program is designed to achieve affordable and sustainable mortgage payments for borrowers and increase the value of distressed mortgages by rehabilitating them into performing loans. Under the terms of the Program, borrowers receive a loan modification with a maximum 38% down to 31% housing-to-income ratio through the use of interest rate reduction, amortization term extension, and in some cases, principal deferment. This loan modification process improves the value of the troubled mortgages for investors while helping many borrowers experiencing financial difficulties remain in their homes.

The FDIC implemented this approach to loan modifications on August 20th after IndyMac Bank, FSB failed on July 11, 2008. As of November 20th, 2008 IndyMac has sent out more than 23,000 modification letters to eligible borrowers and has completed more than 5,300 modifications after verifying the borrowers' income. Thousands more are in the pipeline.

Although foreclosures are costly to lenders, borrowers and communities, the number of foreclosures continues to rise while the pace of modifications remains too slow. Currently, 1.6 million total loans are over 60 days delinquent. Through the end of 2009, the FDIC estimates that there will an additional 3.8 million new loans over 60 days past due. Today's release of the FDIC's "Mod in a Box" guide will provide the industry with the necessary tools to facilitate streamlined and systematic loan modifications to help stem foreclosures, halt the decline in home prices and provide needed stability to the broader economy.

FDIC Chairman Sheila C. Bair said, "The IndyMac loan modification framework is an effective loss mitigation strategy for both portfolio and securitized mortgages. I have long supported a systematic and streamlined approach to loan modifications to put borrowers into long-term, sustainable mortgages—achieving an improved return for bankers and investors compared to foreclosure. Implementing widespread loan modifications based on the Program used at IndyMac will strengthen local neighborhoods where foreclosures are driving down property values and will help stabilize the broader economy. I would encourage all industry participants to adopt the FDIC Loan Modification Program as the standard approach in dealing with the grave problems facing us with continued mounting foreclosures."

The FDIC Loan Modification Program guide is available at:
http://www.fdic.gov/consumers/loans/loanmod/loanmodguide.html