

Going through my real-time proprietary resi and non-resi default, foreclosure and cancelled foreclosure data this morning, as I do daily looking for fun stuff to bring to your attention, I noticed Chase was a stand-out in a particular foreclosure category. And yes, I did say "June" real-time bank-originator and servicer specific default and foreclosure data.

Chase has been the absolute leader in resi can-kicking for a long time running now. In fact, I brought it to your attention last week in the HAMP report..they are the worst at converting trials into perm mods.

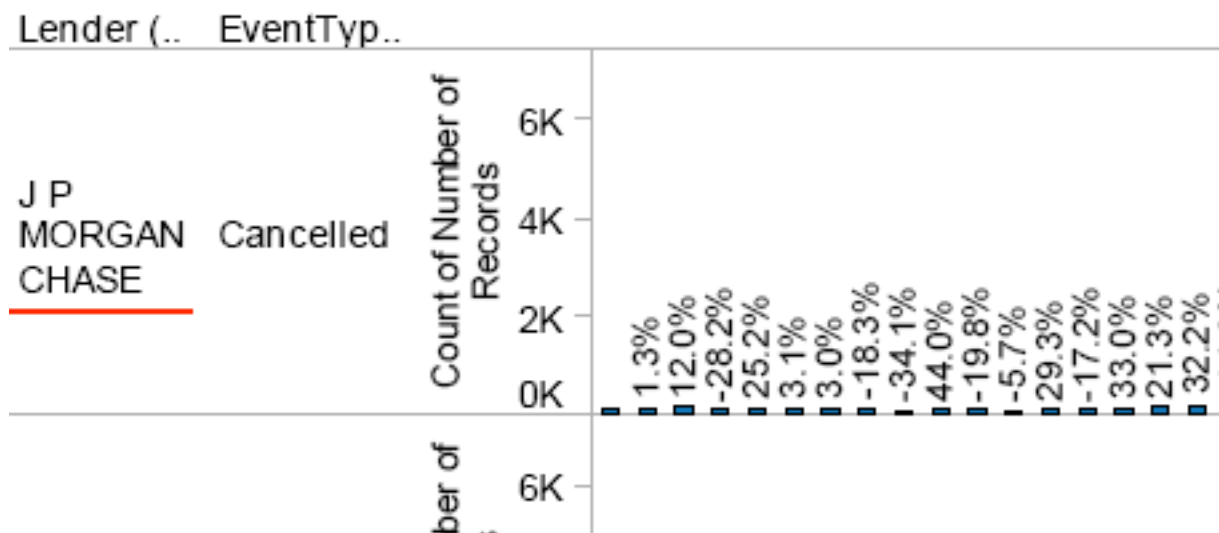
But in June, Chase cried "uncle" and took foreclosure avoidance to the next level with a **106% increase in Cancelled foreclosures**, indicative of loan mods or just being so overwhelmed they seized up, through June 28th. **Bottom line:** If you have a Chase or WaMu loan and don't want to make a payment, just don't. You have little risk of being foreclosed upon. I have no idea what Treasury has over Jamie's head, but this is not done out of the kindness of his heart. And before you speculate about the jump in Cancelled foreclosures, I do not track the gulf states in this detail.

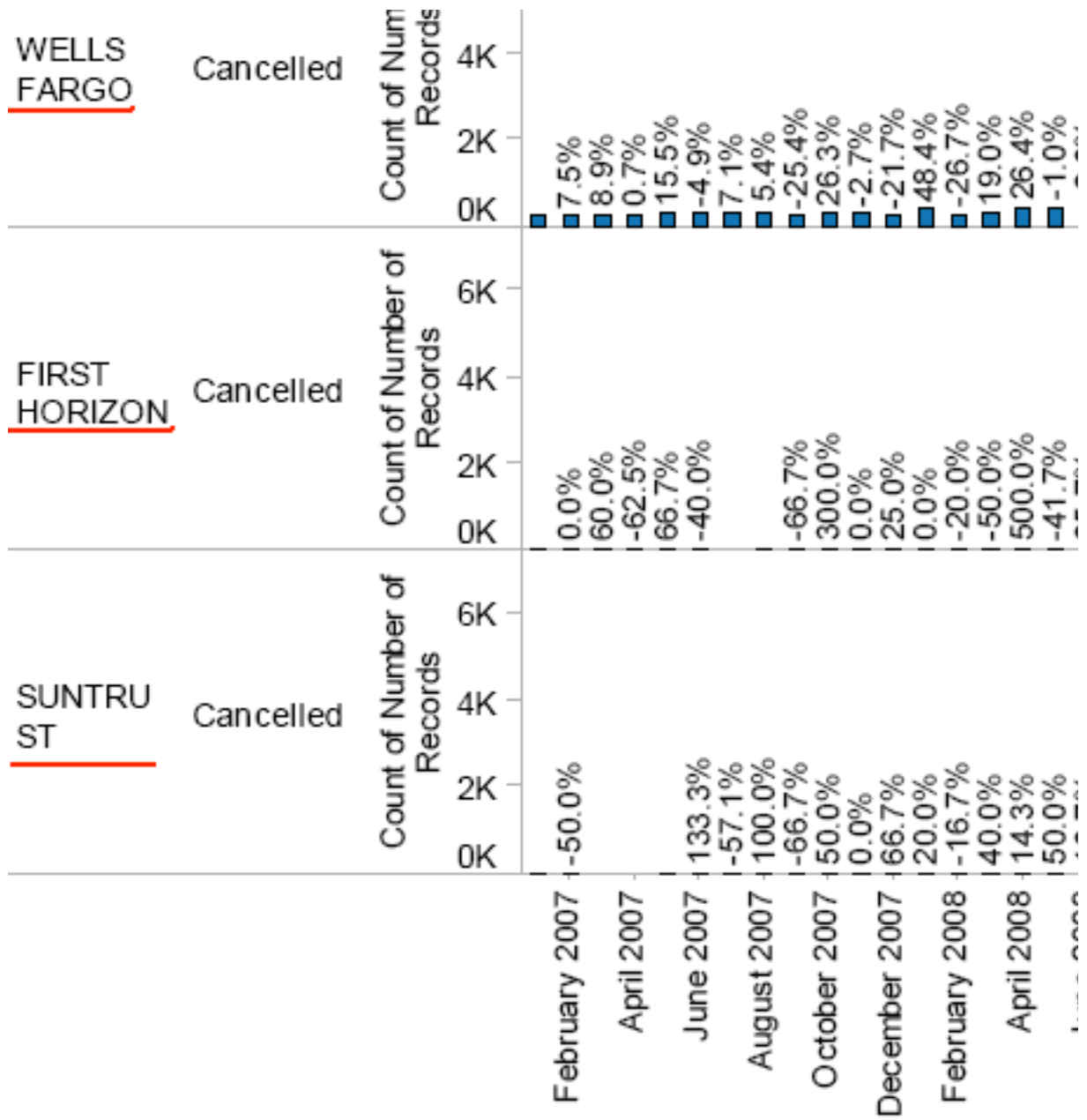
Also listed below as a reference competitor is Wells Fargo, which also saw a rise in Cancelled foreclosures in June but nowhere near Chase. First Horizon and SunTrust, also shown below, are near the top of the chart along with Chase but because they are such smaller servicers and loan owners, their monthly results are much more volatile.

To see Chase, a top-four bank, do this is unbelievable. **This unilateral move once again will impact mortgage "credit" in the near term.** Perhaps this is all a big plan to once again save housing and the other top servicers will follow suit in July. Remember, record foreclosures and short sales entering the supply chain at the same time house volume plummets post tax-credit is a major house price negative.

But at the end of the long day, action like this insures the housing and credit will remain disrupted indefinitely. To think that **New Century collapsed almost THREE AND A HALF YEARS AGO** and banks are still playing games underscores just how distressed all loan books, balance sheets, and the housing market at large remain today.

Can-Kicker Leads





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