Relief for Homeowners Is Given to a Relative Few

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The Bush administration, releasing new data on Monday, said that mortgage companies were showing more willingness to relax the loan terms for subprime borrowers who are in danger of losing their houses.

But while the data showed an increase in forbearance, it also showed that only a tiny fraction of troubled borrowers are getting either a reduction in their interest rate or in their loan amount.

Of about six million people who have subprime mortgages, about 16.7 percent are behind in their payments and 6.8 percent are in foreclosure. Industry analysts predict that as many as three million subprime mortgages could end up in foreclosure over the next several years.

Hope Now, an industry alliance created last fall in response to the mortgage crisis, reported that almost 150,000 subprime borrowers have received some kind of ''loan modification'' since September and that the number of modifications jumped 16 percent in January, to 45,320 loans.

''I am encouraged that the number of borrowers receiving help is faster than the number entering foreclosure,'' Henry M. Paulson Jr., the Treasury secretary, said in a speech on Monday.

Despite the increased willingness of mortgage companies to give troubled homeowners a break, only a tiny share of the subprime borrowers received any help and more than half of those who did get help received only a ''repayment plan'' to catch up on their missed payments.

When Mr. Paulson and President Bush announced an agreement with lenders in December on a voluntary framework to help homeowners, one idea was to freeze the interest rates for many of the 1.5 million people whose introductory teaser rates were about to expire.

Since then, the danger from abrupt rate increases has receded because short-term interest rates have declined. But analysts recognize that expiring teaser rates are only part of a much broader problem. Many buyers borrowed more than they could afford to repay, often putting no money down.

With housing prices falling, analysts estimate that about 30 percent of all subprime loans written in 2005 and 2006 are for more than the current sales value of the homes that secure them.

According to the data from Hope Now, lenders completed ''loan workouts'' for 638,000 troubled subprime borrowers from July through the end of January. But about two-thirds of the people who received any help were put on repayment plans that simply allowed them to catch up on missed payments and back interest.

In January, as lenders and mortgage-servicing companies began to ramp up efforts to modify loans, about half of the 93,000 workouts for subprime borrowers involved actual modifications.

But while loan modifications can entail reductions in a homeowner's interest rate or in the principal amount, industry executives acknowledged that many and perhaps most of the loan modifications so far simply stretched out the original repayment terms. Such extensions can reduce a borrower's monthly payment, but the interest rate and loan amount remain unchanged and the borrower incurs more interest costs by taking longer to repay.

In an interview, Mr. Paulson, said the big news was that the Federal Reserve's push to reduce interest rates had reduced the payment shock that subprime borrowers were likely to face as their teaser rates expired.

''Many of these borrowers won't have to make any adjustment to their loans,'' he said. ''This low interest-rate environment has made the rate resets less likely to create an affordability problem.''

Mr. Paulson reiterated his opposition to proposals for a government bailout of subprime borrowers, which would also bail out many lenders. But he acknowledged that mortgage lenders and mortgage-servicing companies were not moving as rapidly on loan modifications as he would have liked.

Am I satisfied? No,'' he said. ''Am I surprised? Not really.