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Light at the end of the subprime crisis tunnel?

Ocwen Financial Corp. (OCN), one of the nation's leading subprime mortgage providers, has reported that delinquencies have decreased throughout the summer on the subprime mortgages it handles. The decrease seems to be as a result of the company's technology enhanced loan modification program.

Such reports reflect a light at the end of the tunnel in the middle of the subprime crisis and reveal a potential sensible approach to keeping homeowners in their homes while protecting both lenders' and investors' income.

OCN reports that delinquency rates in the 60, 90, and 90+ categories have either decreased or remained level over the last three months. The last three months have been the first sign of steadiness in Ocwen serviced loans since the beginning of the subprime calamity in 2007.

OCN services roughly 350,000 loans through its subsidiary, Ocwen Loan Servicing, LLC; about 85% of those loans are subprime.

"While it's still too early to signal an end to the subprime mortgage crisis," says Ocwen's president Ronald M. Faris, "this represents a welcome reversal of spiking delinquencies."