Consumer, excluding credit card

Portfolio analysis

Loan balances increased from December 31, 2020 driven by higher loans in auto and other reflecting PPP loan originations, partially offset by lower residential real estate loans.

Residential real estate: The residential real estate portfolio, including loans held-for-sale and loans at fair value, predominantly consists of prime mortgage loans and home equity lines of credit.

The retained loan portfolio declined from December 31, 2020 due to paydowns predominantly in Home Lending which were largely offset by originations of prime mortgage loans in Home Lending and AWM. Retained nonaccrual loans were relatively flat from December 31, 2020. Net recoveries for the three months ended March 31, 2021 were lower when compared with the same period in the prior year as the prior year benefited from a recovery on a loan sale in Home Lending.

The loans held-for-sale and loans at fair value portfolio increased from December 31, 2020 largely driven by warehouse loans in Home Lending. Nonaccrual loans at fair value decreased from December 31, 2020 largely due to sales in CIB.

The carrying value of home equity lines of credit outstanding was $22.2 billion at March 31, 2021. This amount included $8.6 billion of HELOCs that have recast from interest-only to fully amortizing payments or have been modified and $7.3 billion of interest-only balloon HELOCs, which primarily mature after 2030. The Firm manages the risk of HELOCs during their revolving period by closing or reducing the undrawn line to the extent permitted by law when borrowers are exhibiting a material deterioration in their credit risk profile.

At March 31, 2021 and December 31, 2020, the carrying value of interest-only residential mortgage loans were $25.9 billion and $25.6 billion, respectively. These loans have an interest-only payment period generally followed by an adjustable-rate or fixed-rate fully amortizing payment period to maturity and are typically originated as higher-balance loans to higher-income borrowers, predominantly in AWM. Charge-offs for the three months ended March 31, 2021 were consistent with the broader residential mortgage portfolio as the performance of this portfolio is generally in line with the performance of the broader residential mortgage portfolio.

The following table provides a summary of the Firm's residential mortgage portfolio insured and/or guaranteed by U.S. government agencies, including loans held-for-sale and loans at fair value. The Firm monitors its exposure to certain potential unrecoverable claim payments related to government-insured loans and considers this exposure in estimating the allowance for loan losses.

(in millions)		March 31, 2021		December 31, 2020
Current	$	775	$	669
30-89 days past due		146		235
90 or more days past due		798		874
Total government guaranteed loans	$	1,719	$	1,778

Geographic composition and current estimated loan-to-value ratio of residential real estate loans

Refer to Note 11 for information on the geographic composition and current estimated LTVs of the Firm's residential real estate loans.

Modified residential real estate loans

The following table presents information relating to modified retained residential real estate loans for which concessions have been granted to borrowers experiencing financial difficulty, which include both TDRs and modified PCD loans not accounted for as TDRs. The following table does not include loans with short-term or other insignificant modifications that are not considered concessions and, therefore, are not TDRs, or loans for which the Firm has elected to apply the option to suspend the application of accounting guidance for TDRs as provided by the CARES Act and extended by the Consolidated Appropriations Act. Refer to Note 11 for further information on modifications for the three months ended and March 31, 2021 and 2020.

(in millions)		March 31, 2021		December 31, 2020
Retained loans[(a)]	$	14,943	$	15,406
Nonaccrual retained loans[(b)]	$	3,907	$	3,899

(a) At March 31, 2021 and December 31, 2020, $9 million and $7 million, respectively, of loans modified subsequent to repurchase from Ginnie Mae in accordance with the standards of the appropriate government agency (i.e., Federal Housing Administration ("FHA"), U.S. Department of Veterans Affairs ("VA"), Rural Housing Service of the U.S. Department of Agriculture ("RHS")) are not included in the table above. When such loans perform subsequent to modification in accordance with Ginnie Mae guidelines, they are generally sold back into Ginnie Mae loan pools. Modified loans that do not re-perform become subject to foreclosure. Refer to Note 13 for additional information about sales of loans in securitization transactions with Ginnie Mae.

(b) At both March 31, 2021 and December 31, 2020, nonaccrual loans included $3.0 billion of TDRs for which the borrowers were less than 90 days past due. Refer to Note 11 for additional information about loans modified in a TDR that are on nonaccrual status.