



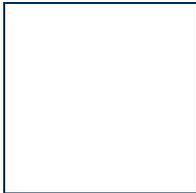
Foreclosure Field Work

Federal Reserve Bank of Richmond
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THE FEDERAL RESERVE BANK OF RICHMOND

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The views and opinions expressed in this presentation are solely those of the presenters and do not necessarily reflect those of the Federal Reserve Bank of Richmond or the Federal Reserve System.





Prince William County and Manassas City

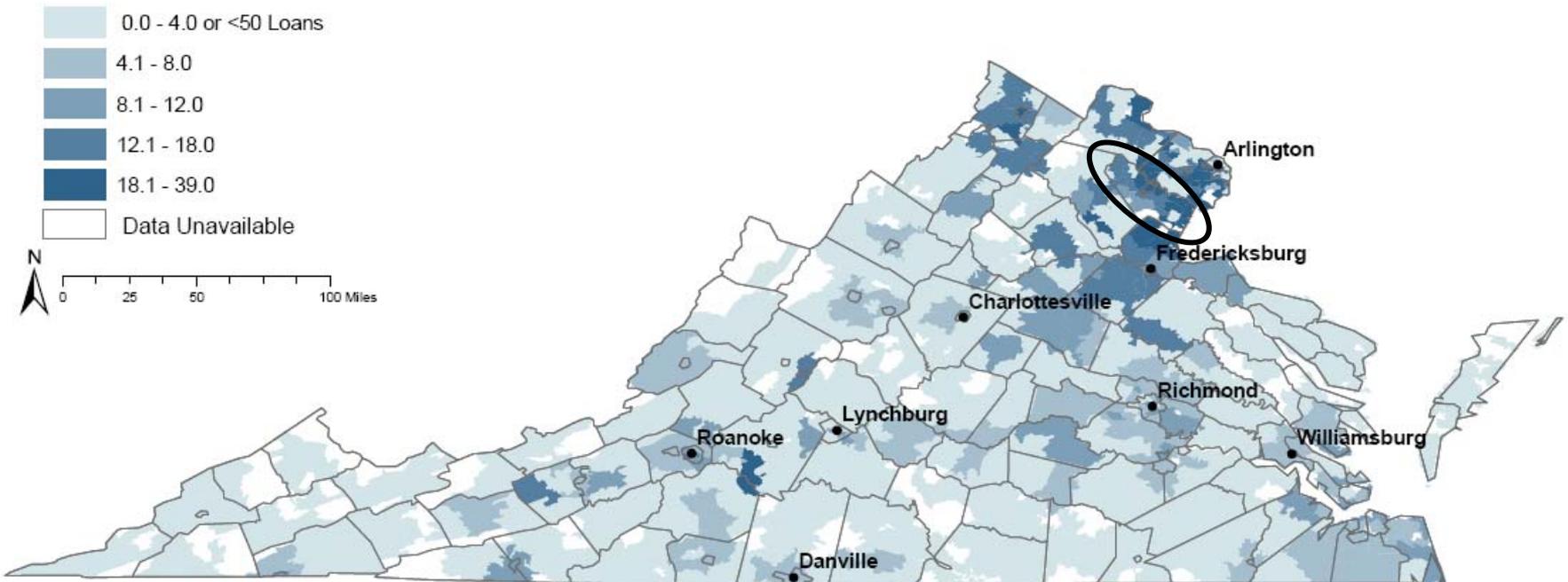
Snap Shot

- Three independent jurisdictions
 - Prince William County
 - Manassas City
 - Manassas Park City
- Outer ring suburb/exurb of Washington, DC
- Lower grassroots community development capacity
- Foreclosures concentrated in “hotspots”



% Of Owner-Occupied Homes with Subprime Mortgages that are in Foreclosure or REO*

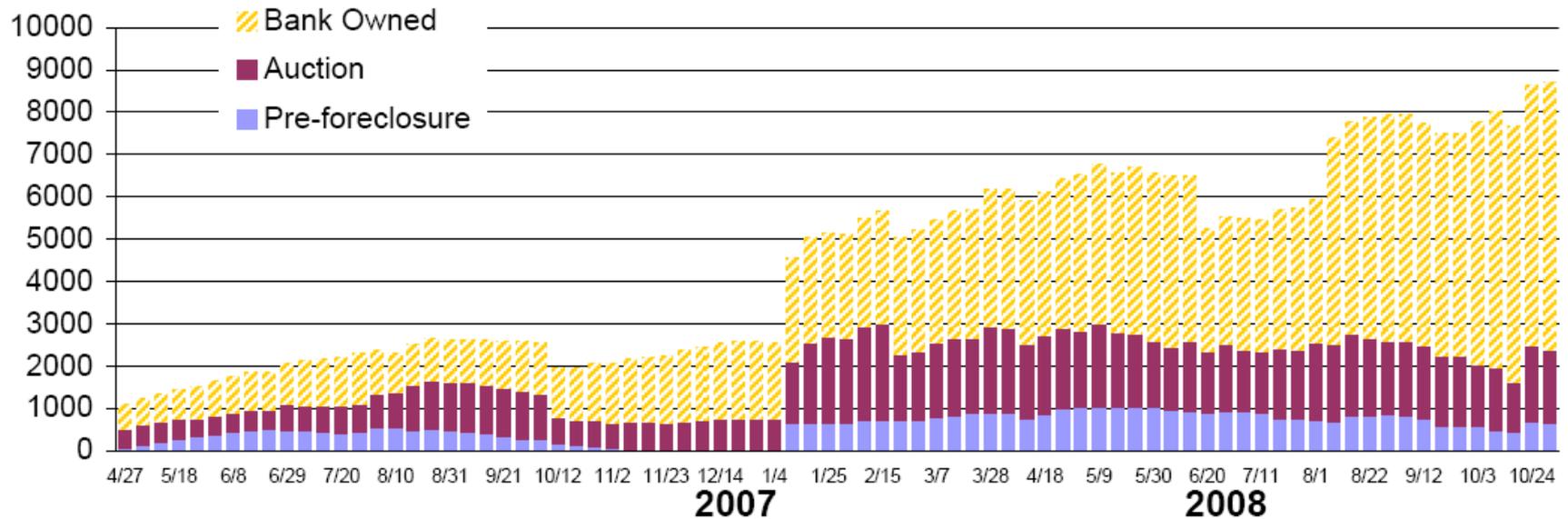
Percent in Foreclosure or REO by Zip Code



*REO defined as real estate owned by the lender. Subprime mortgage numbers are based on Federal Reserve Board estimates from First American LoanPerformance data (April 2008). Uncategorized zip codes have fewer than four owner-occupied subprime mortgages or have no available data.



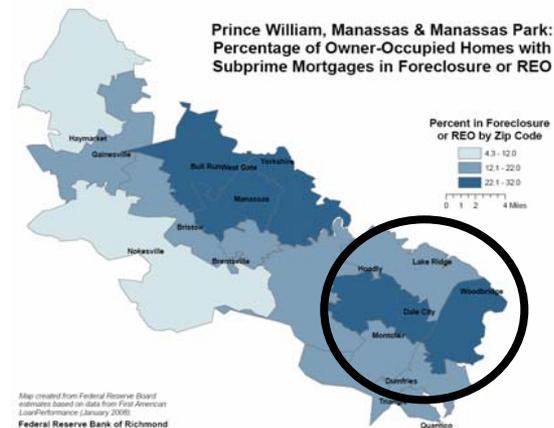
Prince William County Distressed Properties



Note: Compiled by Prince William County, Virginia, Department of Finance.

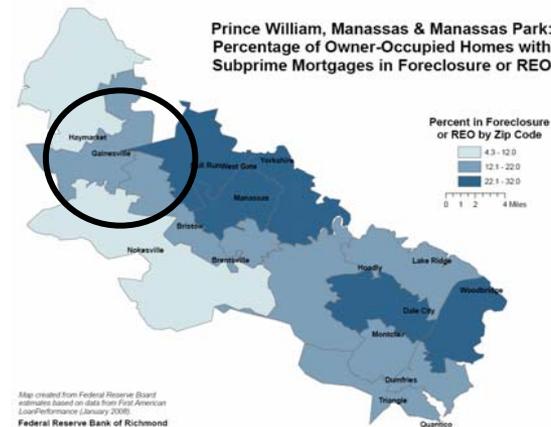


Dale City/Woodbridge Neighborhoods



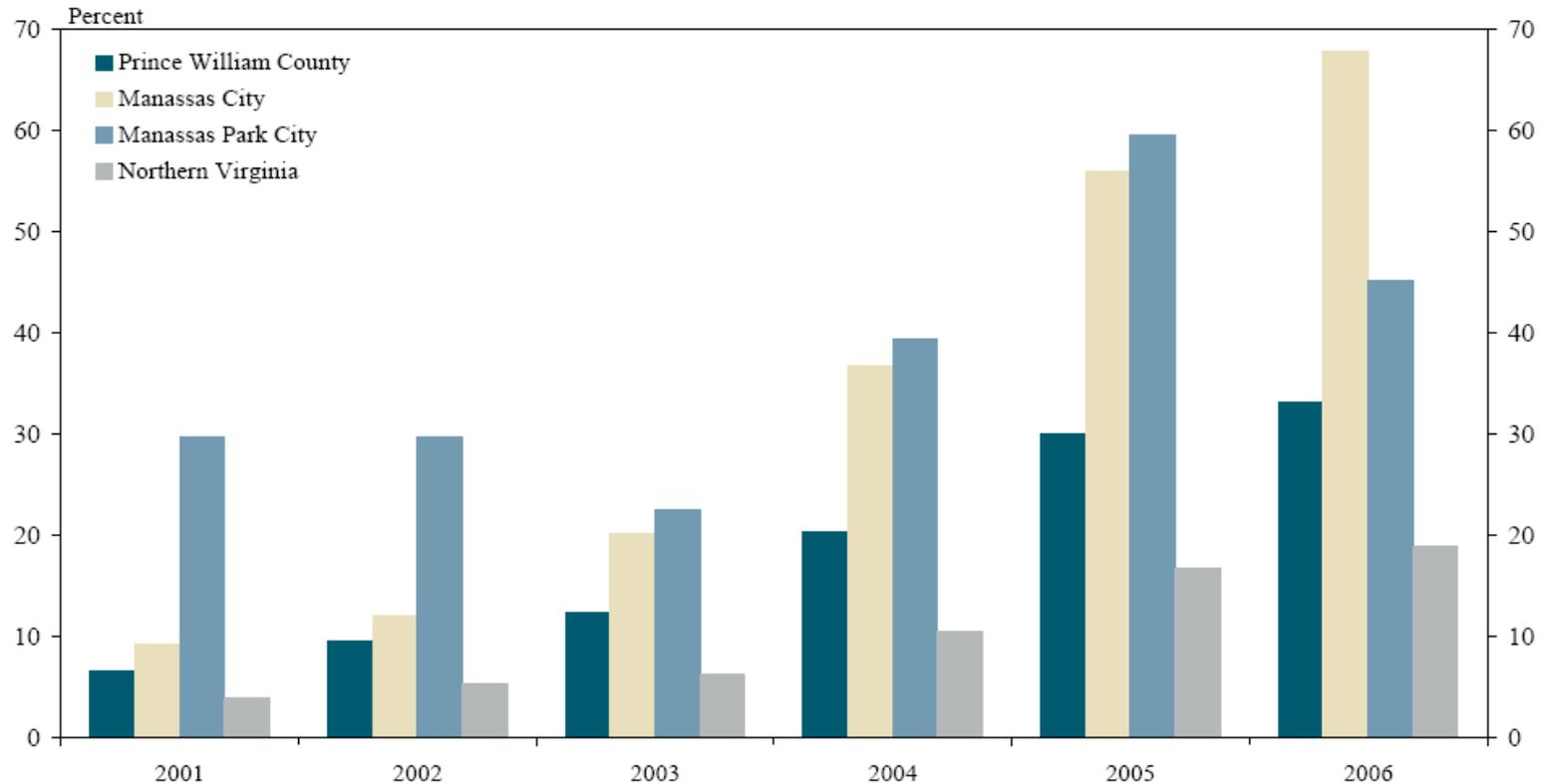


Gainesville/Haymarket Neighborhoods





Northern Virginia Loan Originations Percent of Home Purchase Originations to Hispanic Borrowers



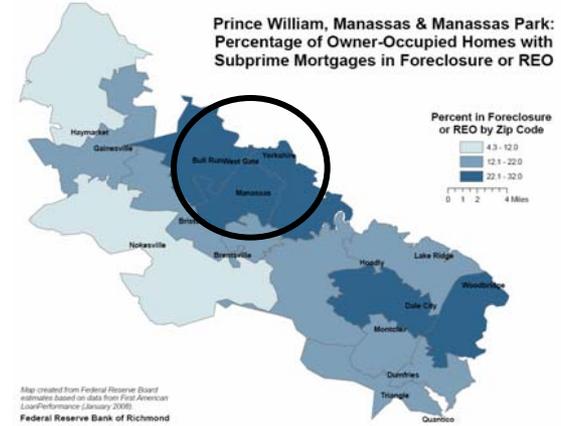
Note: New classifications for race and ethnicity began with 2004 data. Northern Virginia excludes all Prince William localities.

Source: Federal Reserve Bank of Richmond's calculations using Home Mortgage Disclosure Act's Loan Application Register data.





Georgetown South/Sudley Neighborhoods





Possible Reasons for Foreclosures in Prince William and Manassas

- Suburbanization trends
- House prices
 - Median sale price doubled from 2002 to 2007 and peaked in 2006
 - House prices then dropped due to decreased demand
- Negative shocks to housing demand
 - Job losses in construction
 - Perceptions about local immigration policies
 - Recent increase in gasoline prices
- Lending
 - Roughly 10 percent of owner-occupied households had subprime or Alt-A mortgages
 - Often highly leveraged
 - Overall decline in underwriting standards





Northern Virginia Foreclosure Initiatives

Northern Virginia Foreclosure Initiative Opportunities for Banks

	Downpayment assistance loan pool capitalization	SPARC first time home owner mortgages	Home improvement loan pool capitalization	Preferred lender for homeownership counseling program	Seeking REO properties for buyers to purchase	Seeking REO properties for local government/nonprofit to purchase	Loan work-outs at borrower clinics	NeighborWorks mortgage refinancing	Incentives to reduce mortgage rates to qualified buyers
Alexandria City	x	x	x		x	x	x		
Arlington County	x	x	x	x	x	x		x	
Fairfax County	x	x	x		x	x			
Loudoun County	x	x	x						
Manassas City	x	x		x	x				
Manassas Park City				x			x		
Prince William County	x			x					x

Proposed
In-place

Source: Federal Reserve Bank of Richmond, September 2008.



Federal Reserve Bank of Richmond in NoVa

- Partnered with VHDA for housing counseling trainings – Spring and Fall 2008
- Field Research – June 2008
- Report outs – July 2008
 - Manassas City Manager
 - Prince William Foreclosure Task Force
- Banker Roundtable: Investing in Local Foreclosure Initiatives – September 2008
- Report out to Prince William department officials – November 2008



Additional Resources

- Federal Reserve bank of Richmond Mortgage Foreclosure Resource Center - www.richmondfed.org/community_development/foreclosure_resource_center
- Federal Reserve Consumer Help Center
 - www.federalreserveconsumerhelp.gov
 - A spanish-language version is now available
- HUD Neighborhood Stabilization Program - www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg
- HUD Hope for Homeowners - www.hud.gov/hopeforhomeowners





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