

The Widespread Impacts of Mortgage Foreclosures:
From Credit Markets to Local Communities

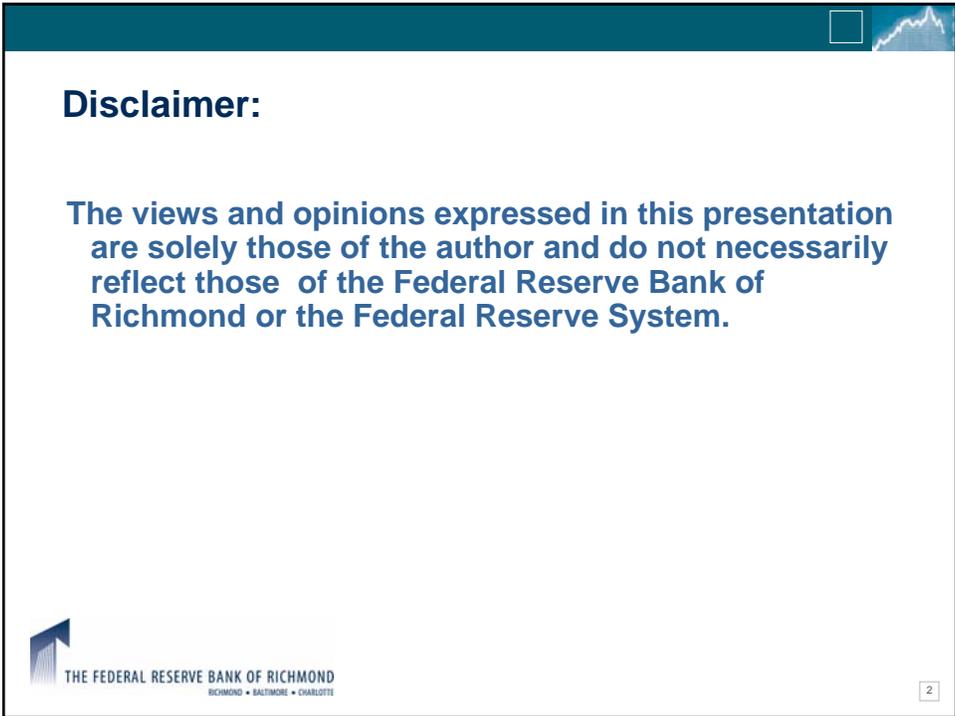
Longwood University

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[] [Line Graph]

Fifth District

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5th District: Percentage of Owner-Occupied Homes that have Subprime Mortgages

Percent Subprime by Zip Code

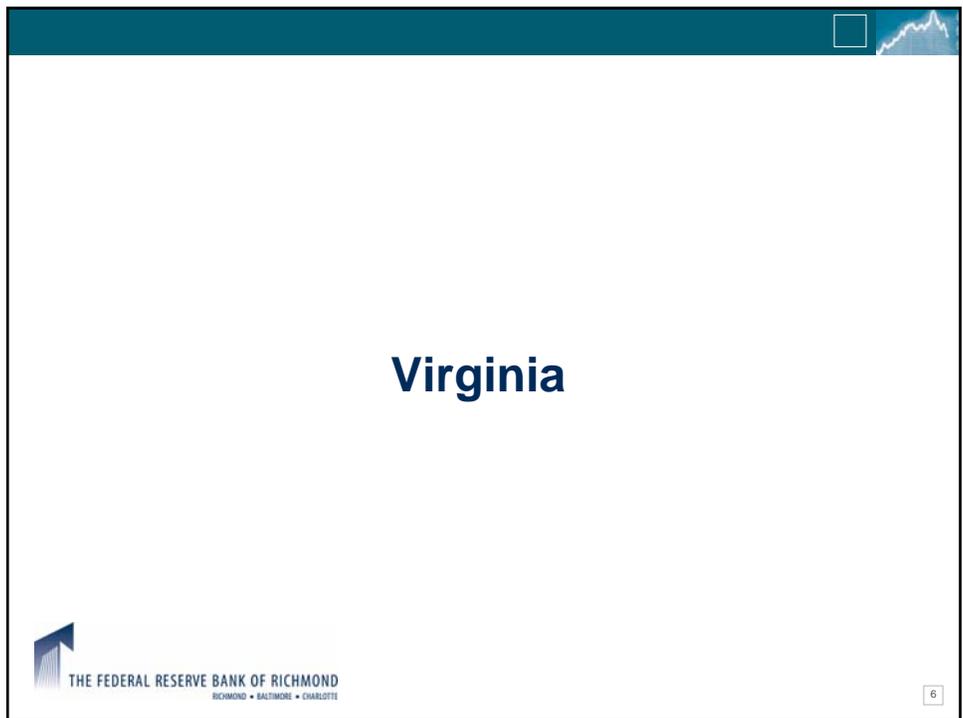
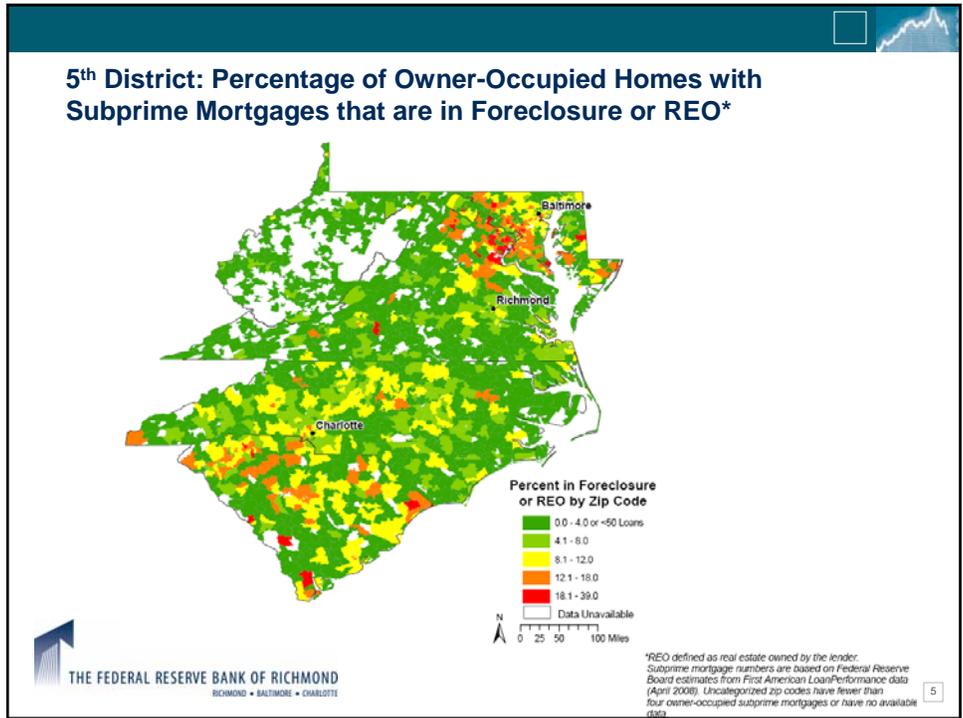
- 0.0 - 2.0 or <50 Loans
- 2.1 - 4.0
- 4.1 - 8.0
- 8.1 - 12.0
- 12.1 - 22.0
- Data Unavailable

N
0 25 50 100 Miles

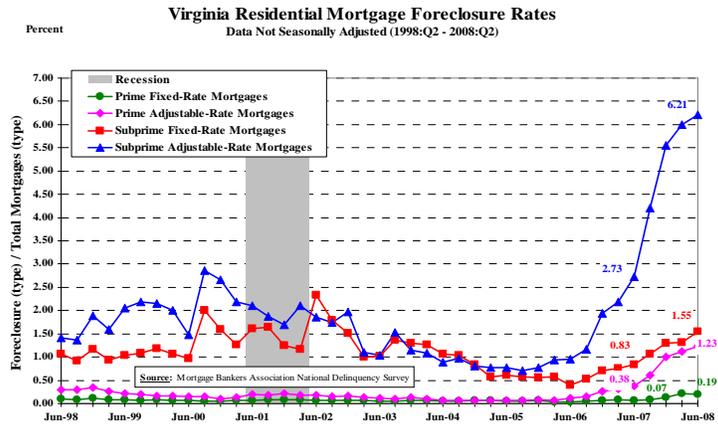
*Subprime mortgage numbers are based on Federal Reserve Board estimates from First American Loan Performance data (April 2009). Uncategorized zip codes have fewer than four owner-occupied subprime mortgages or have no available data.

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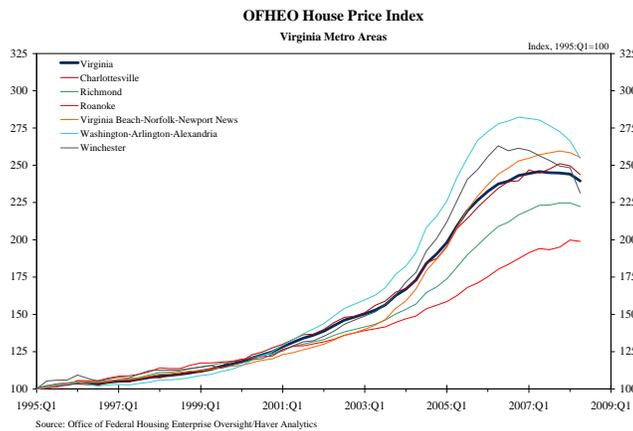


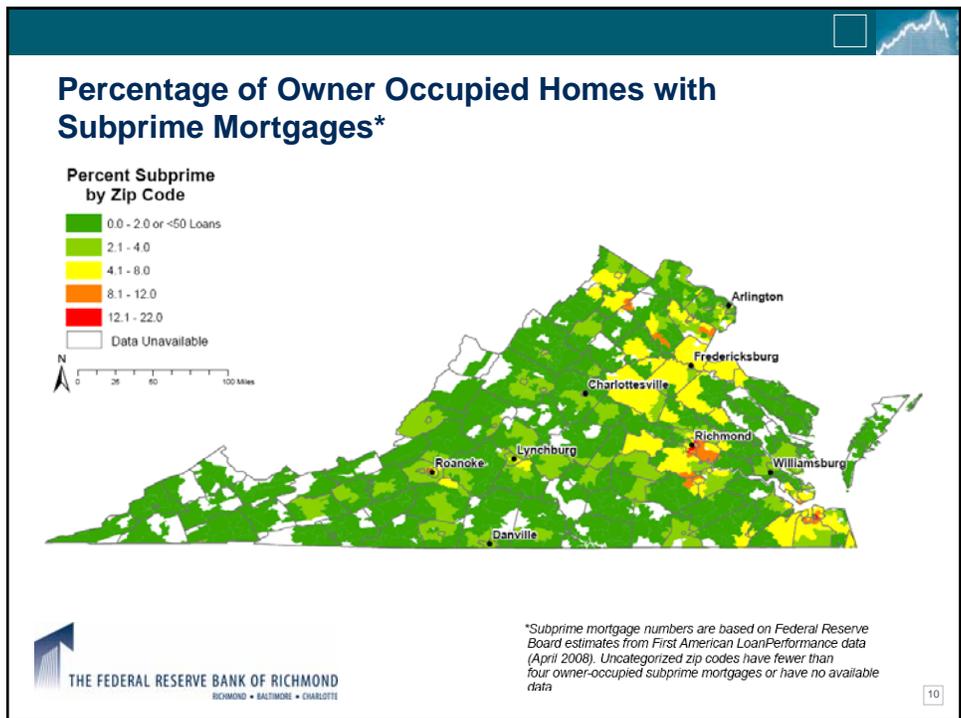
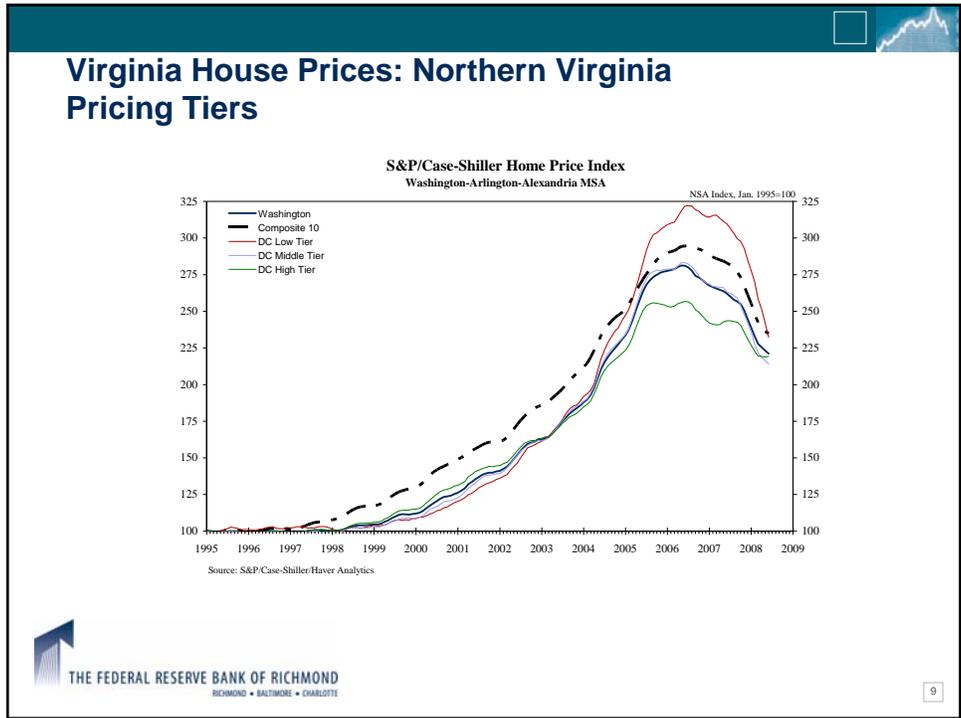
Virginia Mortgage Credit Quality: Foreclosures

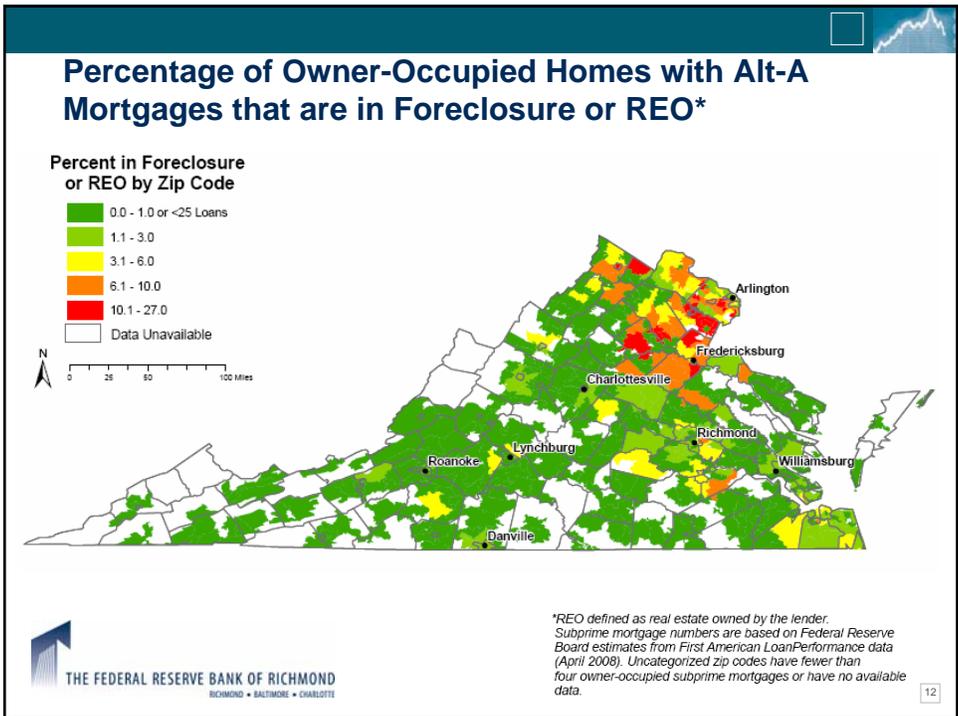
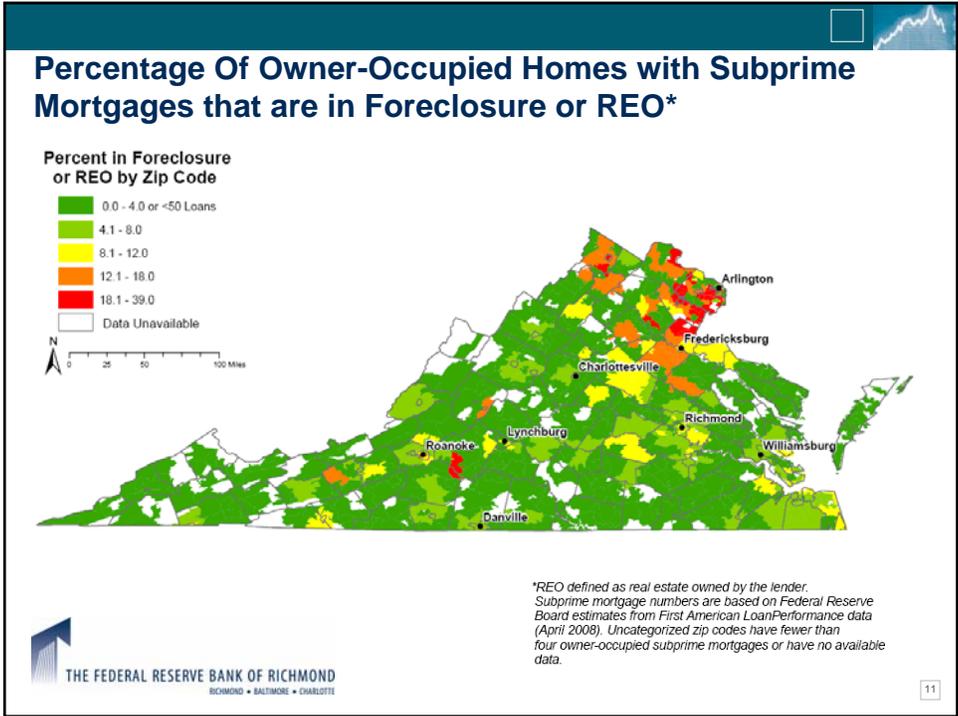


Rapidly rising foreclosures, but still better than the nation as a whole.

Virginia House Prices







Research and Analysis

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graph LR; A[Lead With Data] --> B[Communicate Findings]; B --> C[Inform Policy and Initiatives]
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Lead With Data

The Federal Reserve conducts and analyzes research while utilizing qualitative and anecdotal information to help explain the most important analytical gaps.

Communicate Findings

The Federal Reserve provides detailed analyses to various entities

Identifying neighborhoods at high risk of foreclosure.

Inform Policy and Initiatives

Community leaders can better target their scarce resources by understanding those areas with concentrations of subprime mortgages, delinquencies and foreclosures.

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Data, Anecdotal Learnings, and Questions

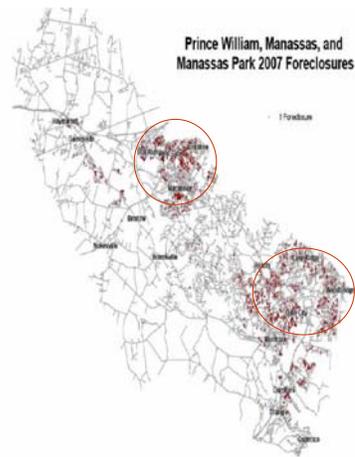
- Data for the research trips
 - LP
 - HMDA
 - McDash
 - MLS
 - Realty Trac
- Anecdotal learnings
- Issues for further research
 - Impact of refinancing
 - Affinity lending
 - Subprime lending concentrations and demographics
 - Market impact
- HMDA – more in depth data mining and analysis

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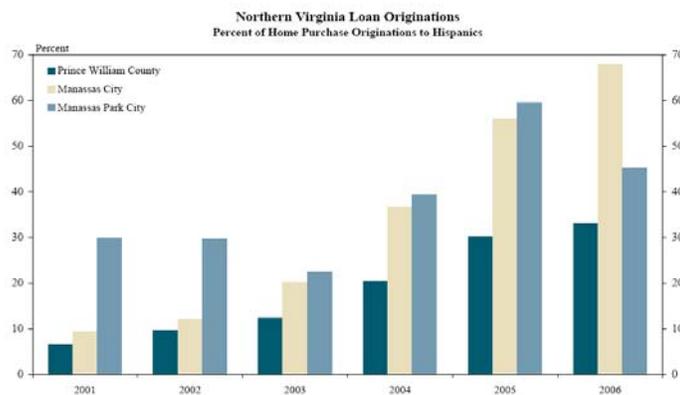
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Prince William County and Manassas City, VA

- Three independent jurisdictions
 - Prince William County
 - Manassas City
 - Manassas Park City
- Outer ring suburb of Washington, DC
- Influx of Spanish-speaking immigrants during residential construction boom years
- Very low community development capacity in County

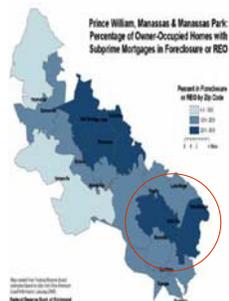


HMDA Data



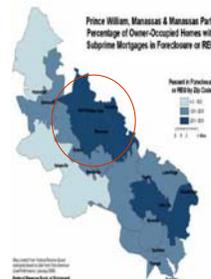
Note: New classifications for race and ethnicity began with 2004 data.
Source: Federal Reserve Bank of Richmond's calculations using Home Mortgage Disclosure Act's Loan Application Register data.

Dale City / Woodbridge



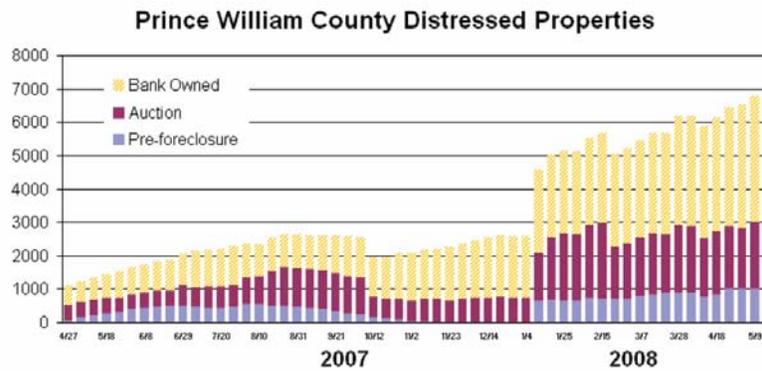
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Manassas



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Foreclosure Inventory



Source: Realtytrac.com

Going Forward

- Keep learning
- Keep disseminating information and providing data to localities to help identify next areas of concern



The Federal Reserve Home Mortgage Initiative

Outreach

- The Federal Reserve views the high rate of mortgage foreclosures as an urgent problem. We are collaborating with other regulators, community groups, policy organizations, financial institutions and public officials to identify solutions to prevent unnecessary foreclosures and their negative effects.

Regulation

- The Federal Reserve is committed to fostering an environment that supports the homeownership goals of credit-worthy borrowers with appropriate consumer protection and responsible lending practices.

Research and Analysis

- The Federal Reserve is using its considerable research resources to provide community groups, counseling agencies, regulators, financial institutions and others with detailed analysis to support efforts to help troubled borrowers and communities.

Financial Education

- The Federal Reserve will continue its long history of providing educational resources to help consumers make informed personal financial decisions, including those about home ownership.



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Questions?

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