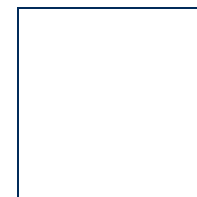


# The Widespread Impacts of Mortgage Foreclosures: From Credit Markets to Local Communities

Hampton University  
November 14, 2008



**Steve Sanderford**  
Senior Retail Lending Specialist  
Community Affairs

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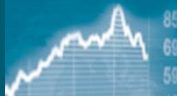
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## Disclaimer:

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

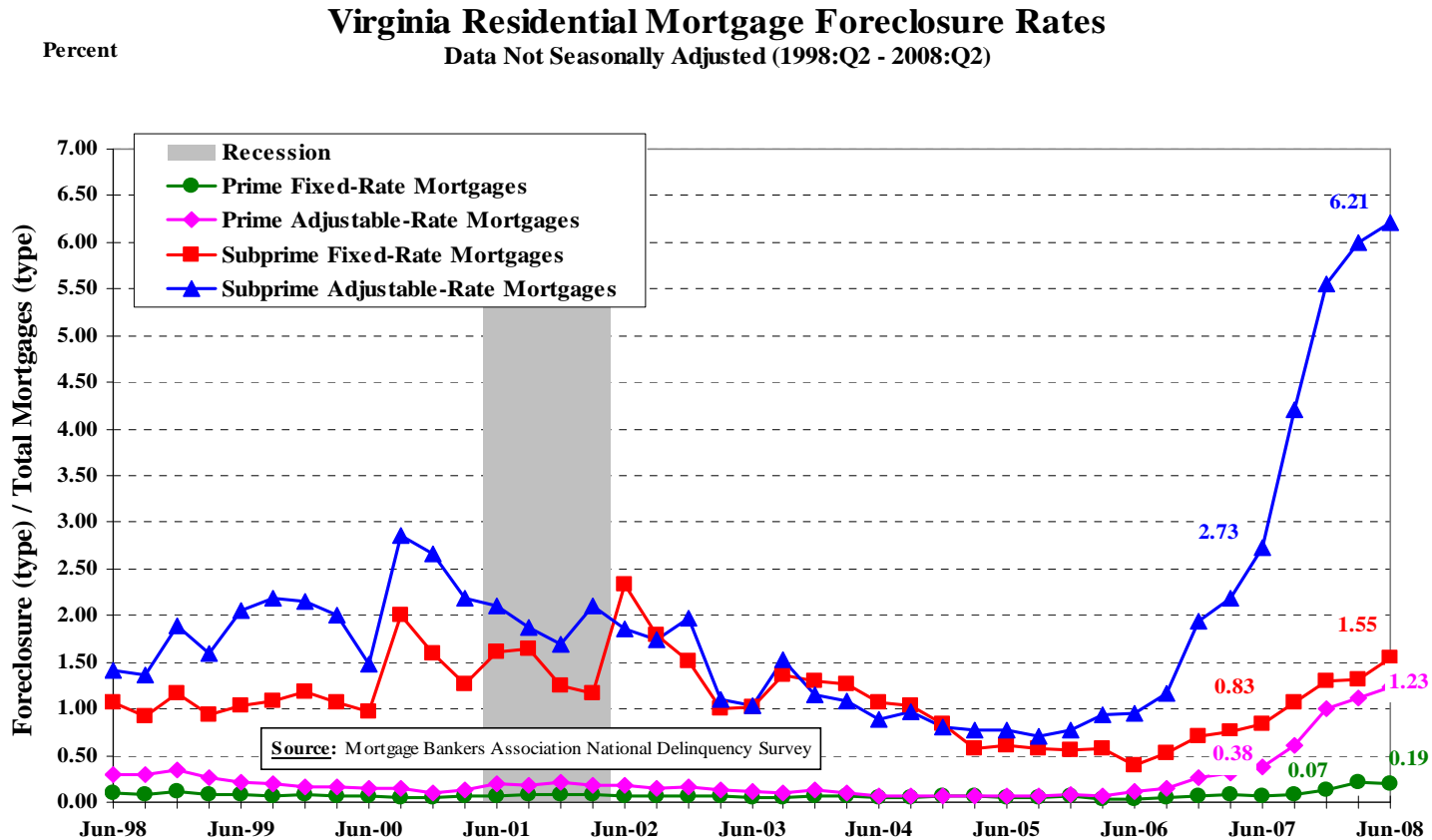




# Virginia



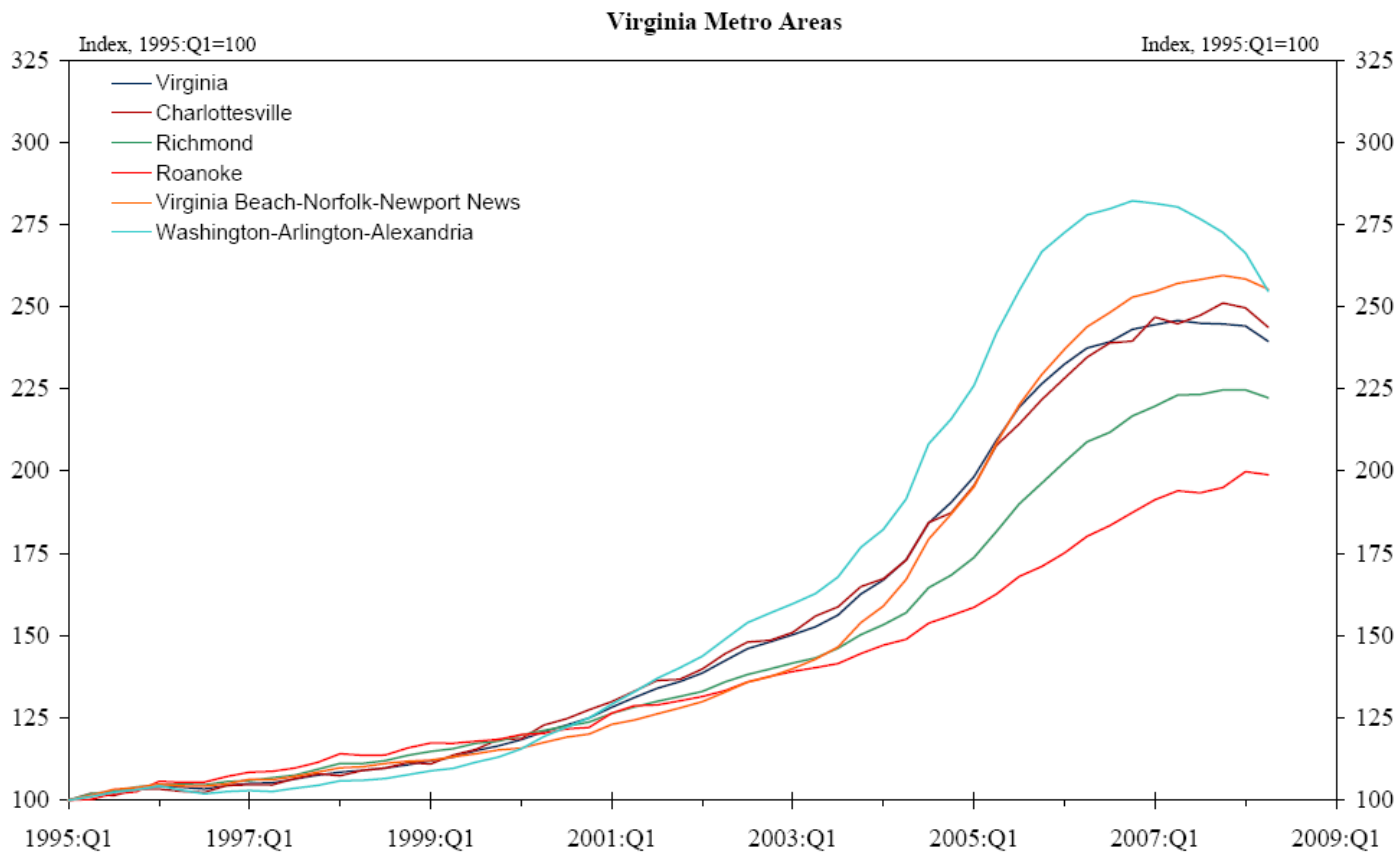
# Virginia Mortgage Credit Quality: Foreclosures



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



# OFHEO House Price Index



Source: OFHEO/Haver Analytics



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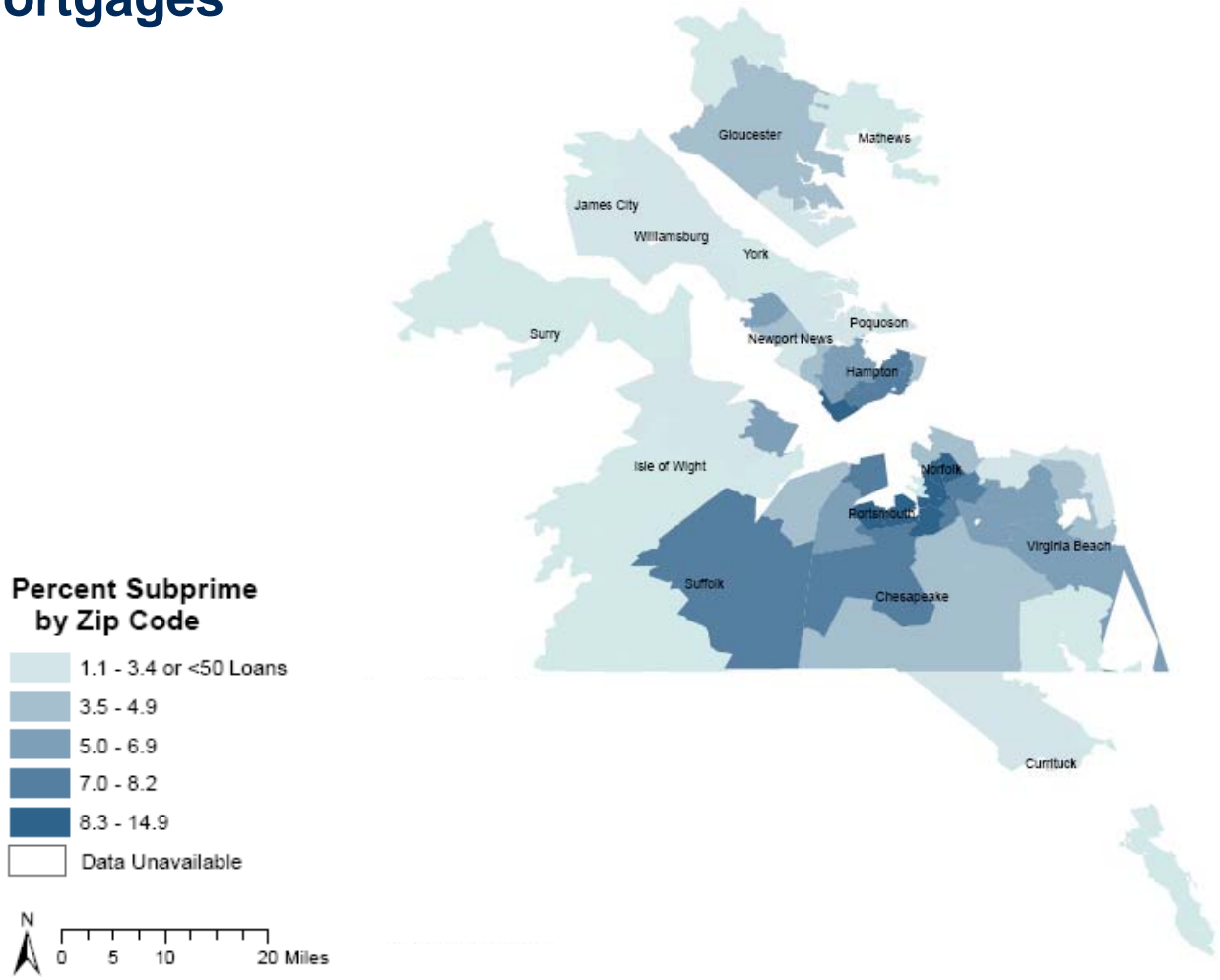




# Virginia Beach, Norfolk, Newport News Metropolitan Area

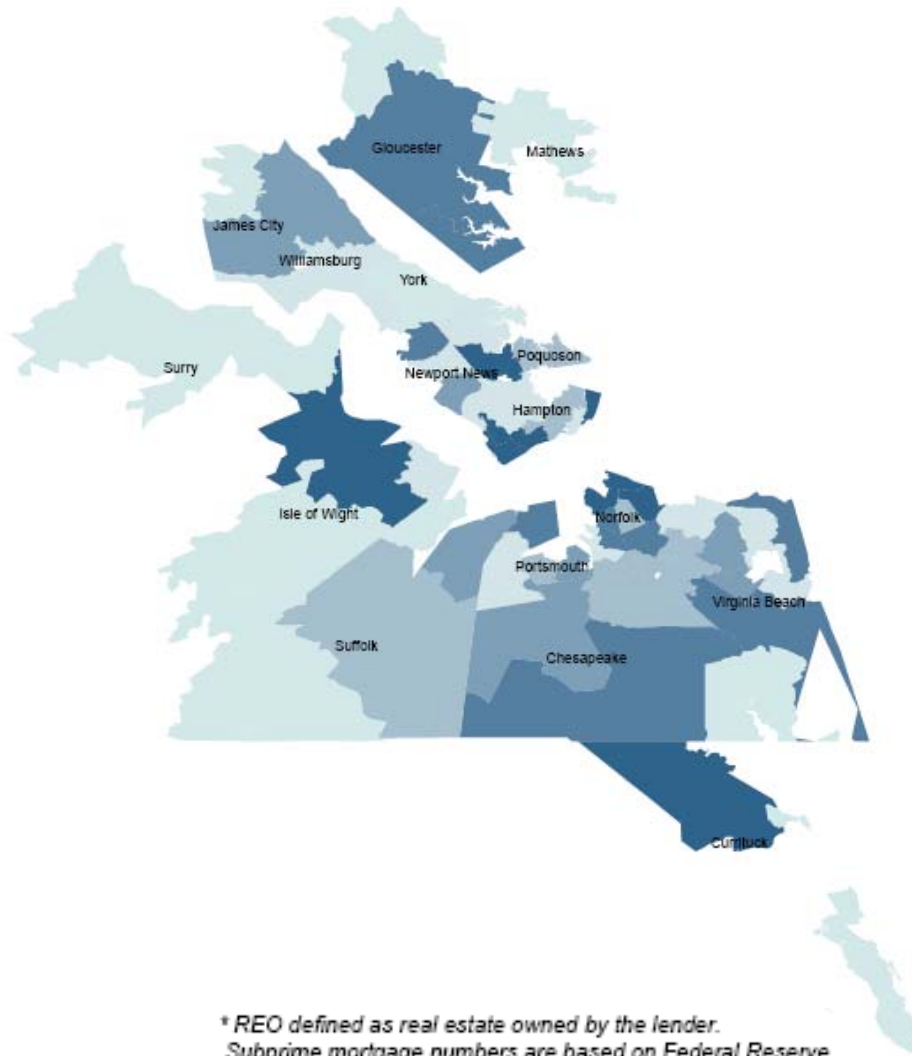


# Percentage of Owner Occupied Homes with Subprime Mortgages\*



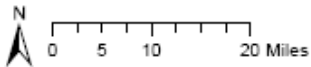
\*Subprime mortgage numbers are based on Federal Reserve Board estimates from First American LoanPerformance data (April 2008). Uncategorized zip codes have fewer than four owner-occupied subprime mortgages or have no available data

# Percentage Of Owner-Occupied Homes with Subprime Mortgages that are in Foreclosure or REO\*



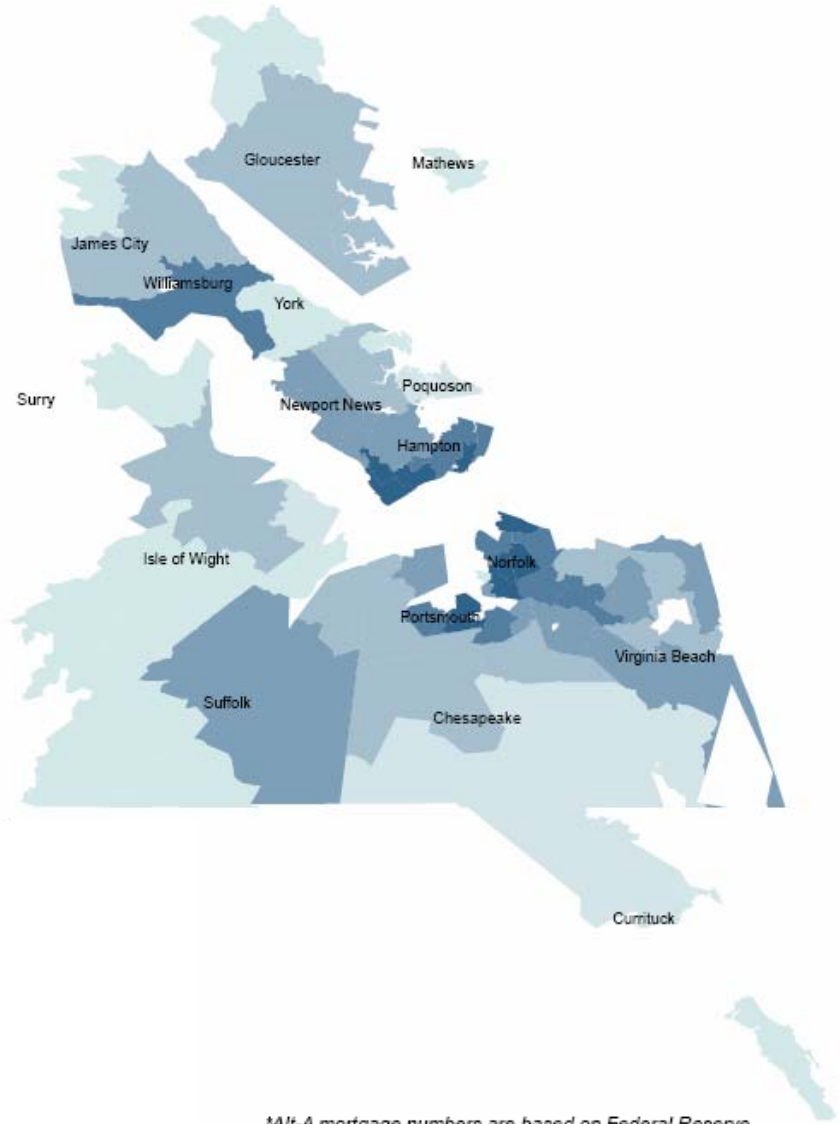
**Percent in Foreclosure or REO by Zip Code**

- 2.1 - 5.4 or <50 Loans
- 5.5 - 6.5
- 6.6 - 7.3
- 7.4 - 8.6
- 8.7 - 11.3
- Data Unavailable



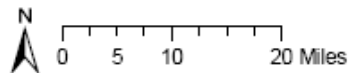
\* REO defined as real estate owned by the lender. Subprime mortgage numbers are based on Federal Reserve Board estimates from First American Loan Performance data (April 2008). Uncategorized zip codes have fewer than four owner-occupied subprime mortgages or have no available data.

# Percentage of Non-Owner Occupied Homes with ALT A Mortgages\*



**Percent Non-Owner-Occupied by Zip Code**

- 4.8 - 20.0 or <25 Loans
- 20.1 - 30.0
- 30.1 - 40.0
- 40.1 - 55.0
- 55.1 - 77.7
- Data Unavailable



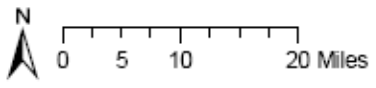
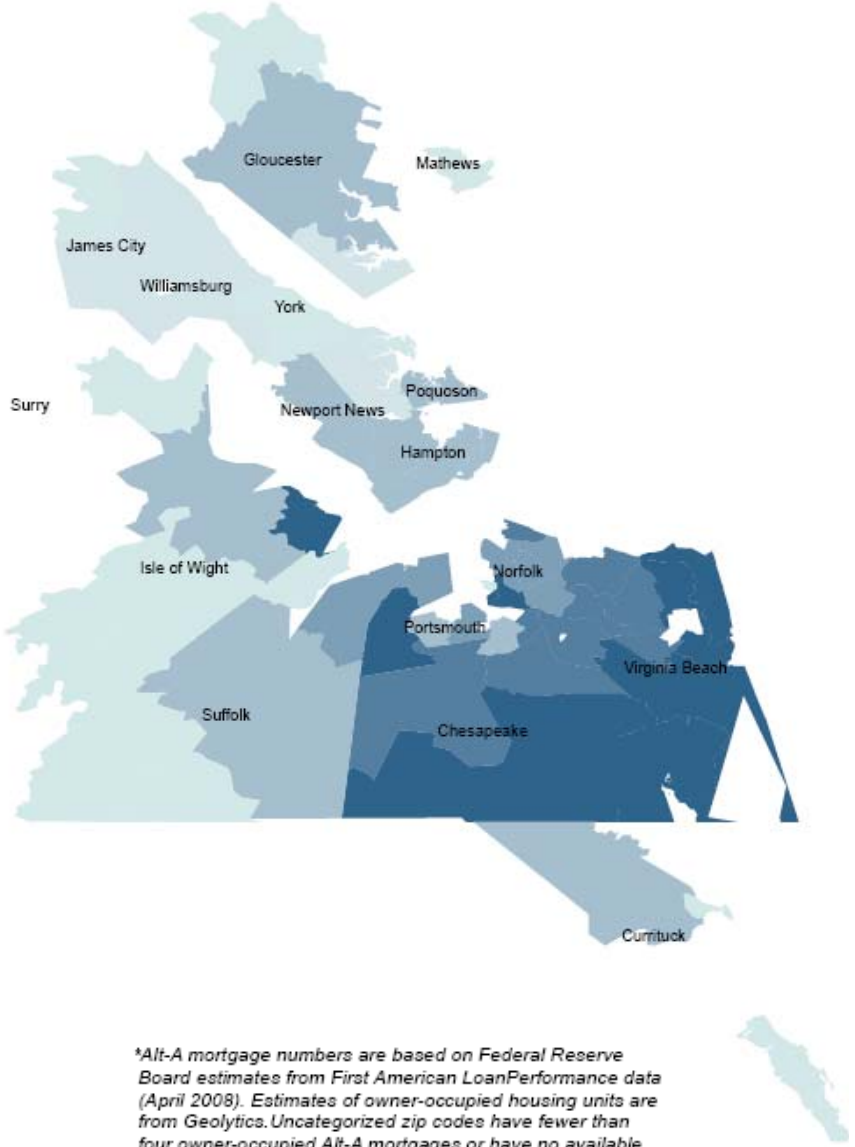
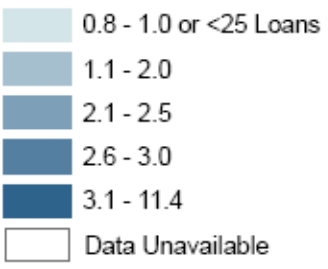
*\*Alt-A mortgage numbers are based on Federal Reserve Board estimates from First American LoanPerformance data (April 2008). Uncategorized zip codes have fewer than four owner-occupied Alt-A mortgages or have no available data.*





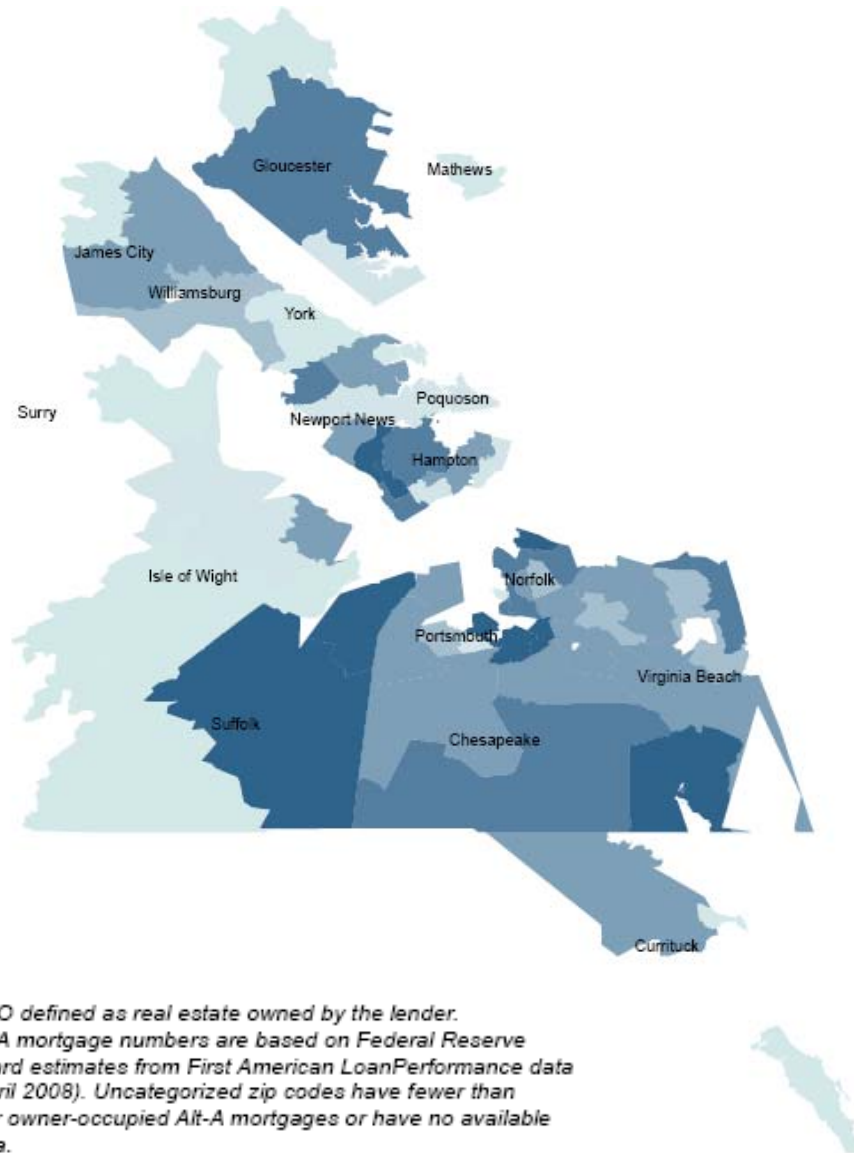
# Percentage of Owner-Occupied Homes with Alt-A Mortgages\*

## Percent by Zip Code



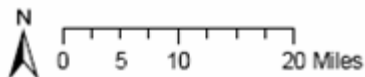
*\*Alt-A mortgage numbers are based on Federal Reserve Board estimates from First American Loan Performance data (April 2008). Estimates of owner-occupied housing units are from Geolytics. Uncategorized zip codes have fewer than four owner-occupied Alt-A mortgages or have no available data.*

# Percentage of Owner-Occupied Homes with Alt-A Mortgages that are in Foreclosure or REO\*



**Percent in Foreclosure or REO by Zip Code**

- 0.0 or <25 Loans
- 0.1 - 1.1
- 1.2 - 2.3
- 2.4 - 3.8
- 3.9 - 9.4
- Data Unavailable



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



# Case Study





# 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.

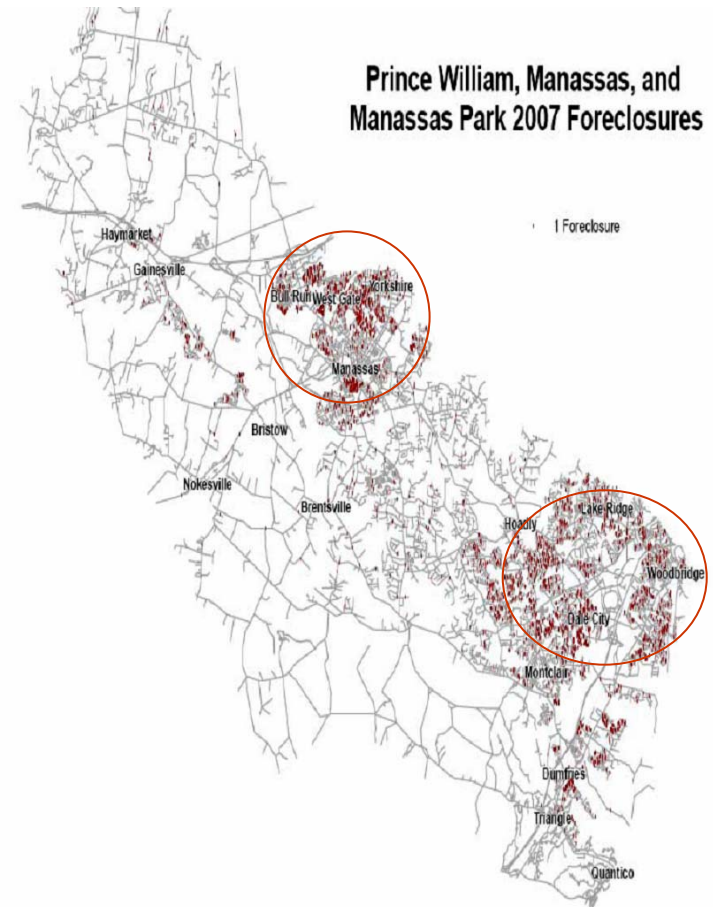
## Financial Education

- 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.



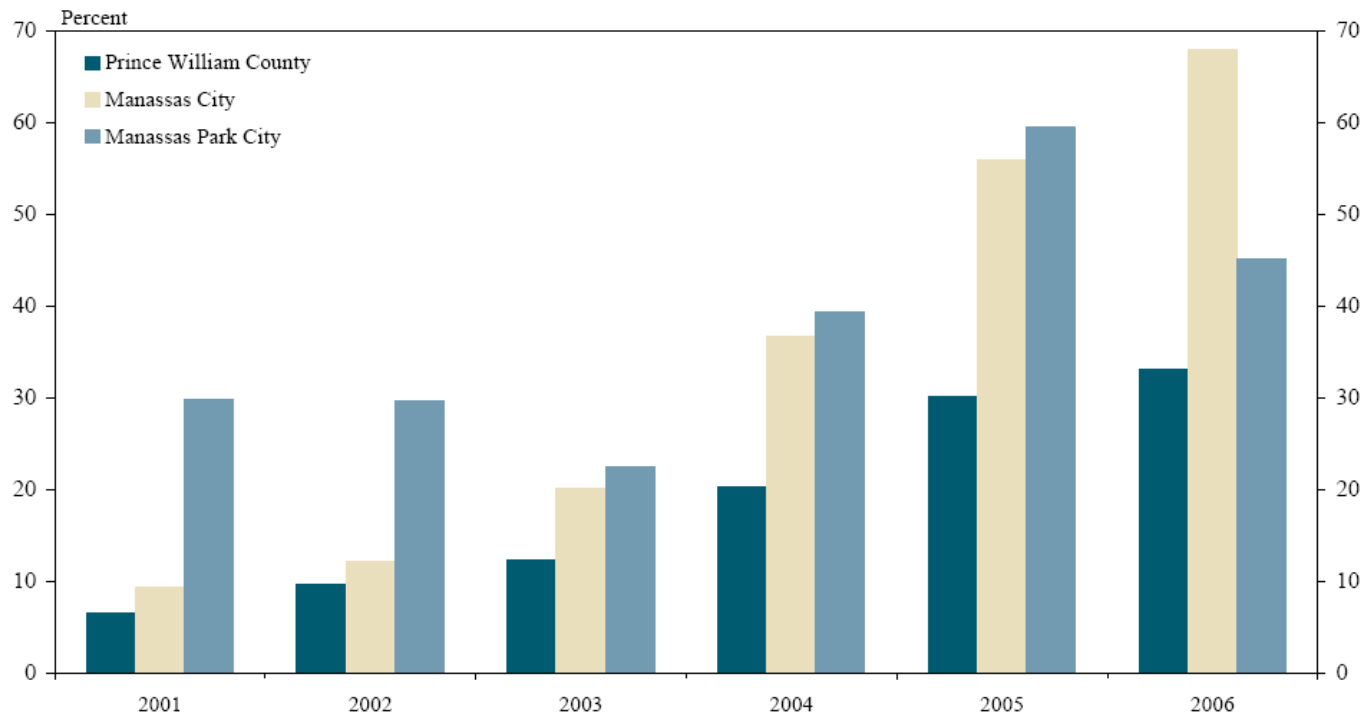
# Prince William County and Manassas City, VA

- 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

**Northern Virginia Loan Originations**  
Percent of Home Purchase Originations to Hispanics



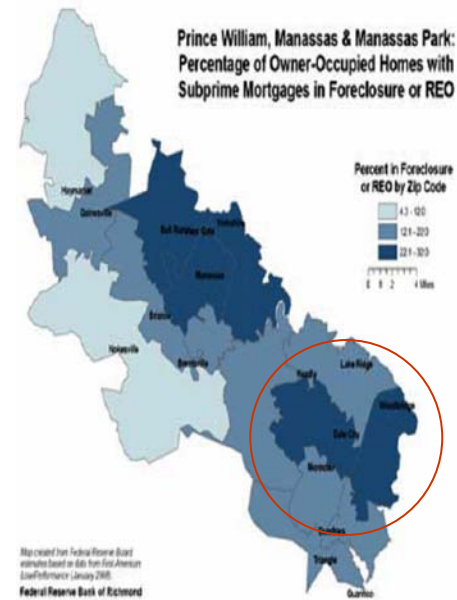
Note: New classifications for race and ethnicity began with 2004 data.

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

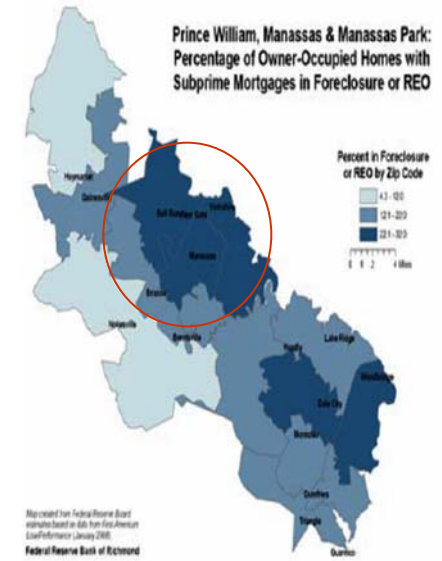




# Dale City / Woodbridge



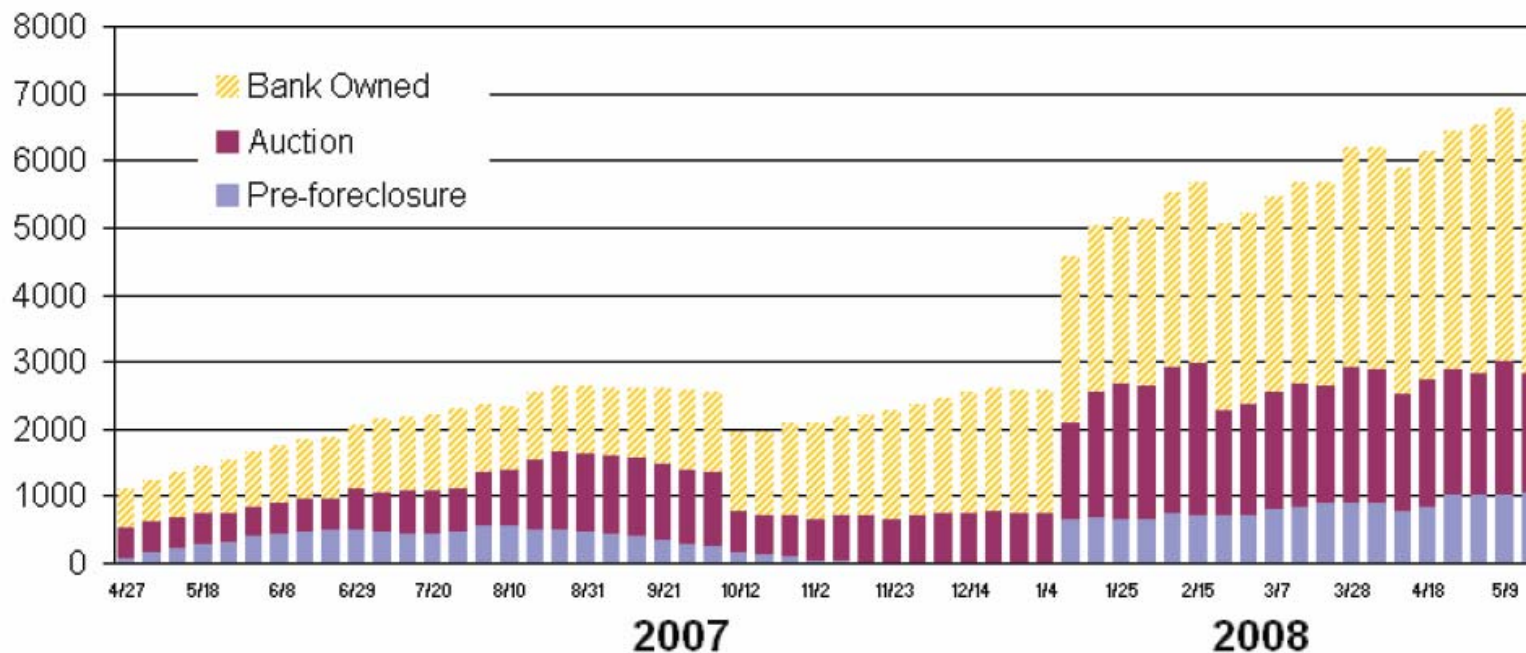
# Manassas



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# Foreclosure Inventory

## Prince William County Distressed Properties



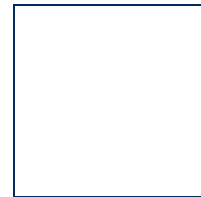
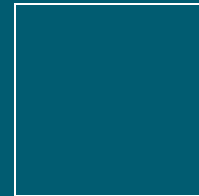
Source: Realtytrac.com



# Questions?

**Steve Sanderford**

**[steve.sanderford@rich.frb.org](mailto:steve.sanderford@rich.frb.org)**



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