

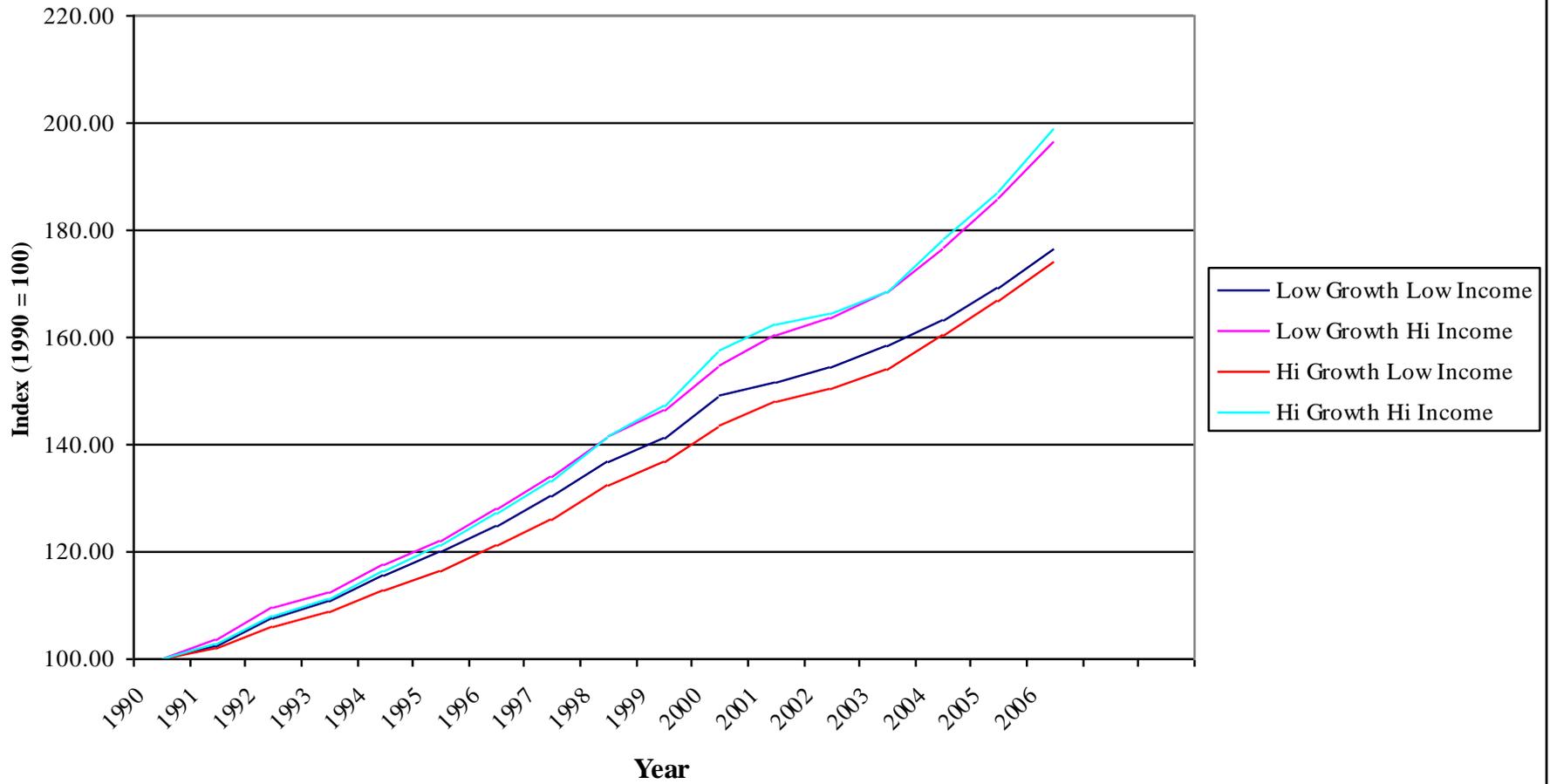
Housing Markets and Foreclosure Response

**Presentation to the
Cleveland Federal Reserve Conference
Pittsburgh, PA
May 15, 2009**

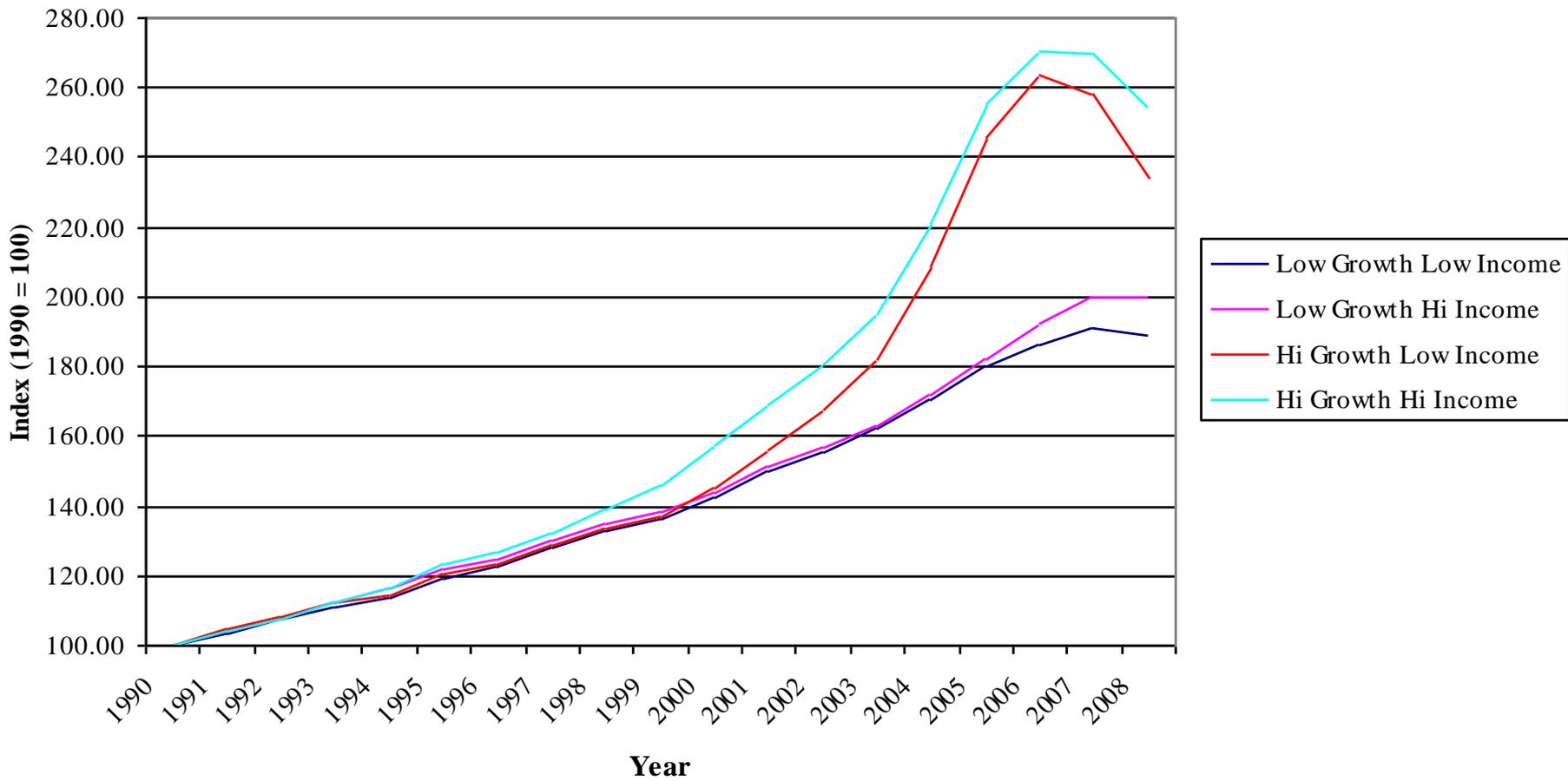
Chris Walker
Director of Research & Assessment
Local Initiatives Support Corporation



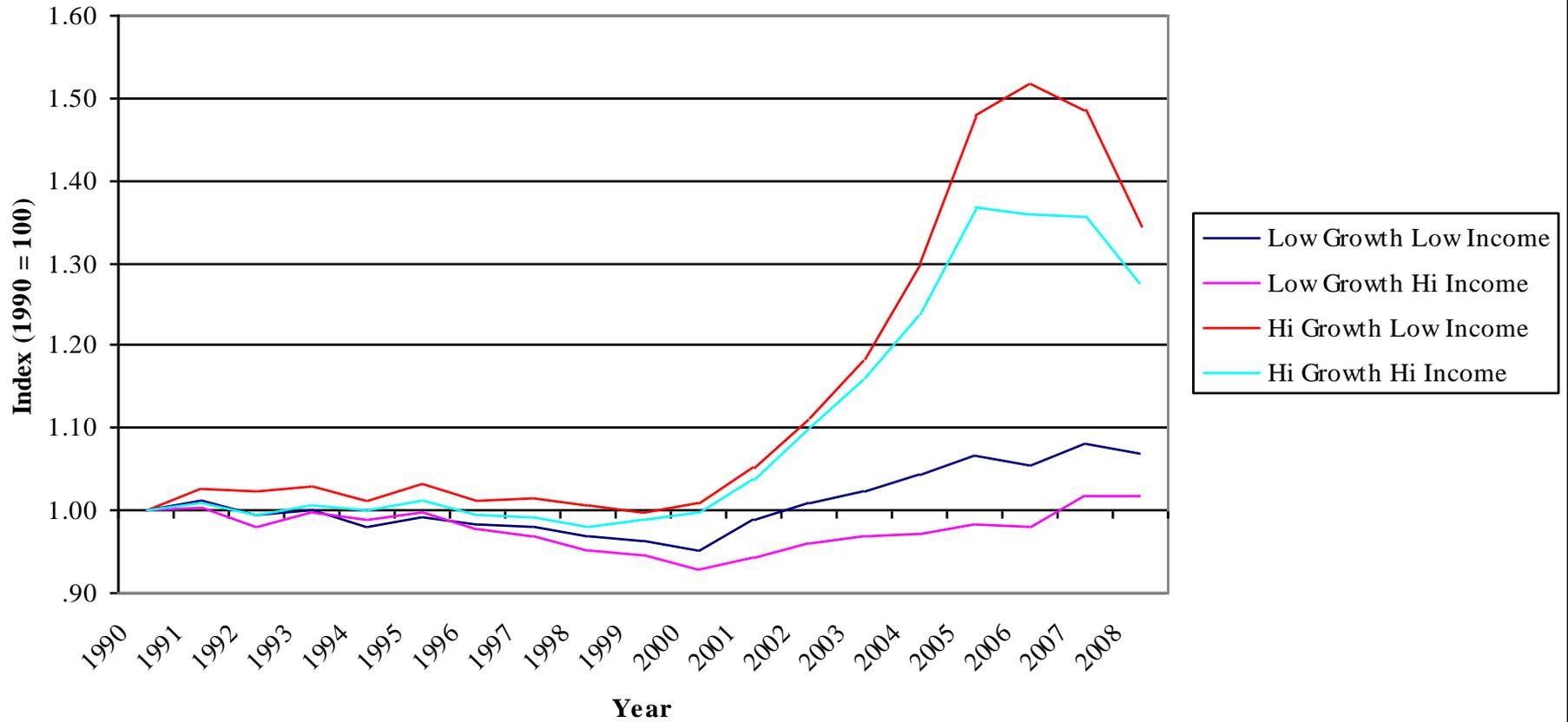
Change in Per Capita Income Index by Price-Income Group, 1990 - 2008



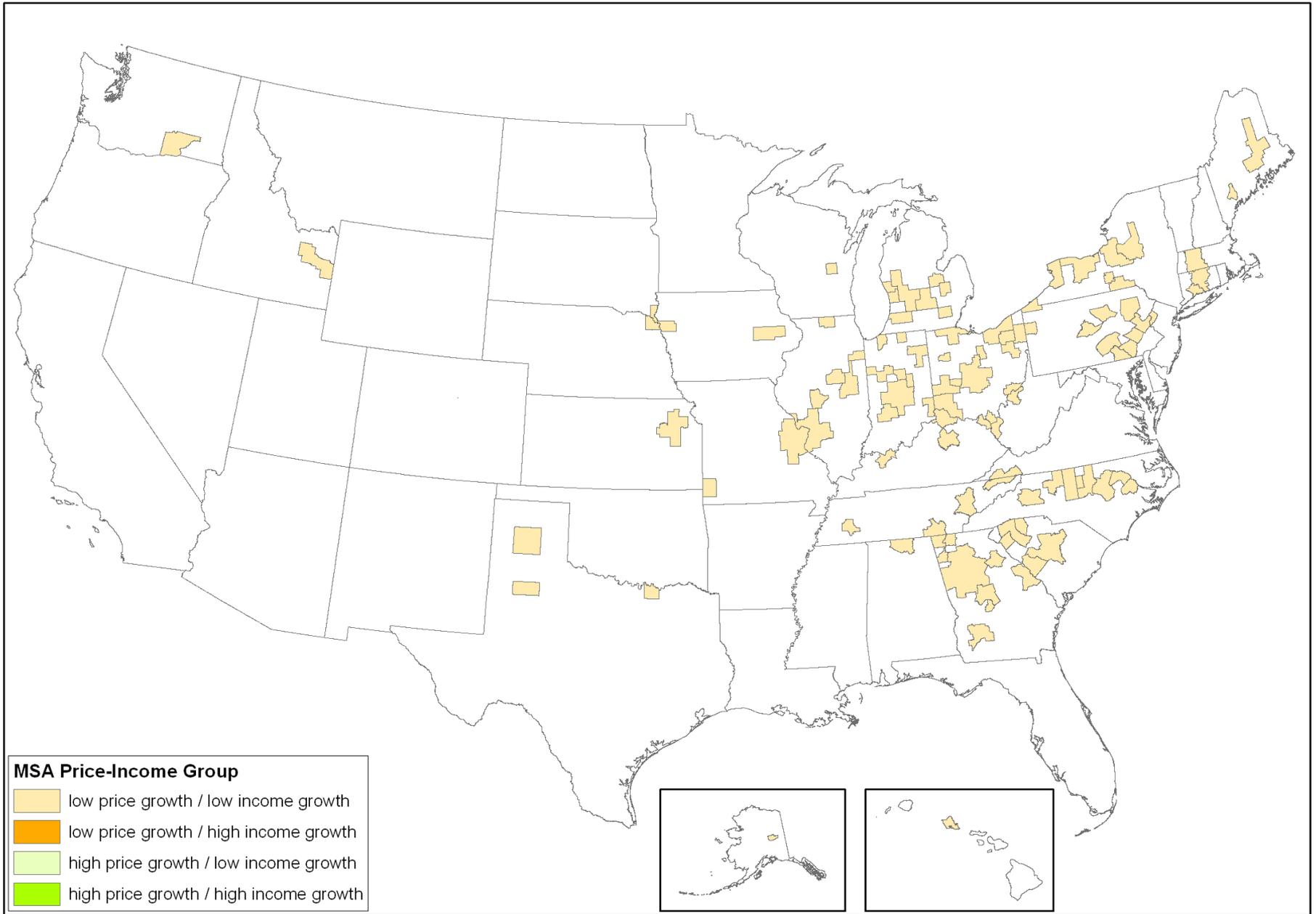
Change in House Price Index by Price-Income Group, 1990 - 2008



Change in House Price Index by Price-Income Group, 1990 - 2008



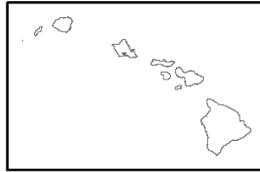
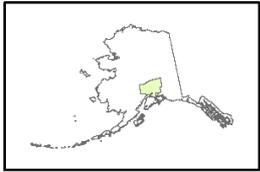
Metropolitan Area House Price - Per Capita Income Change Groups, 1990 - 2008



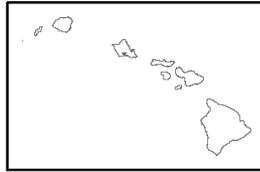
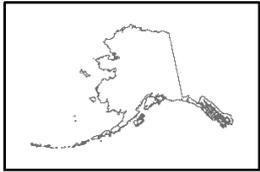
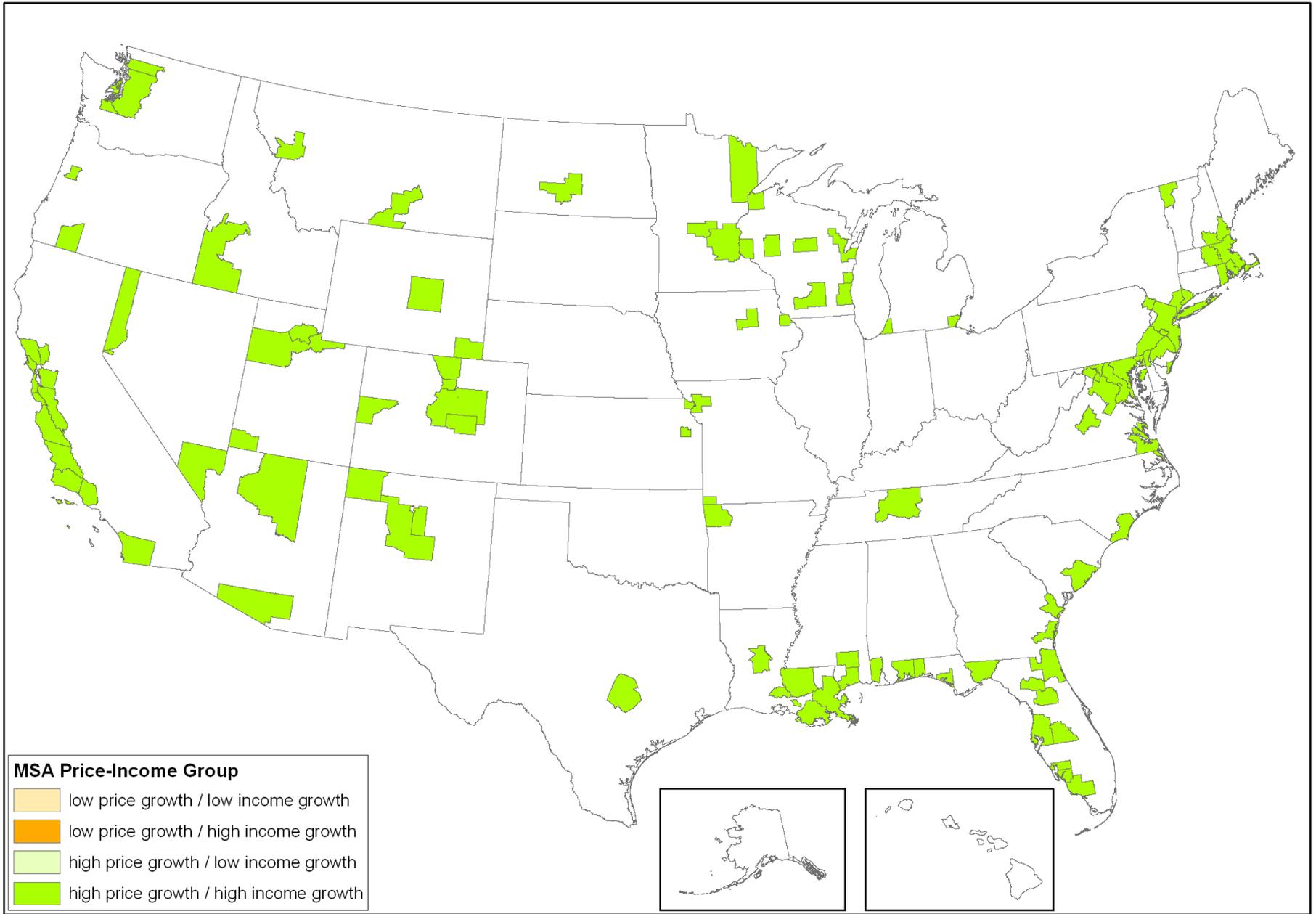
Metropolitan Area House Price - Per Capita Income Change Groups, 1990 - 2008



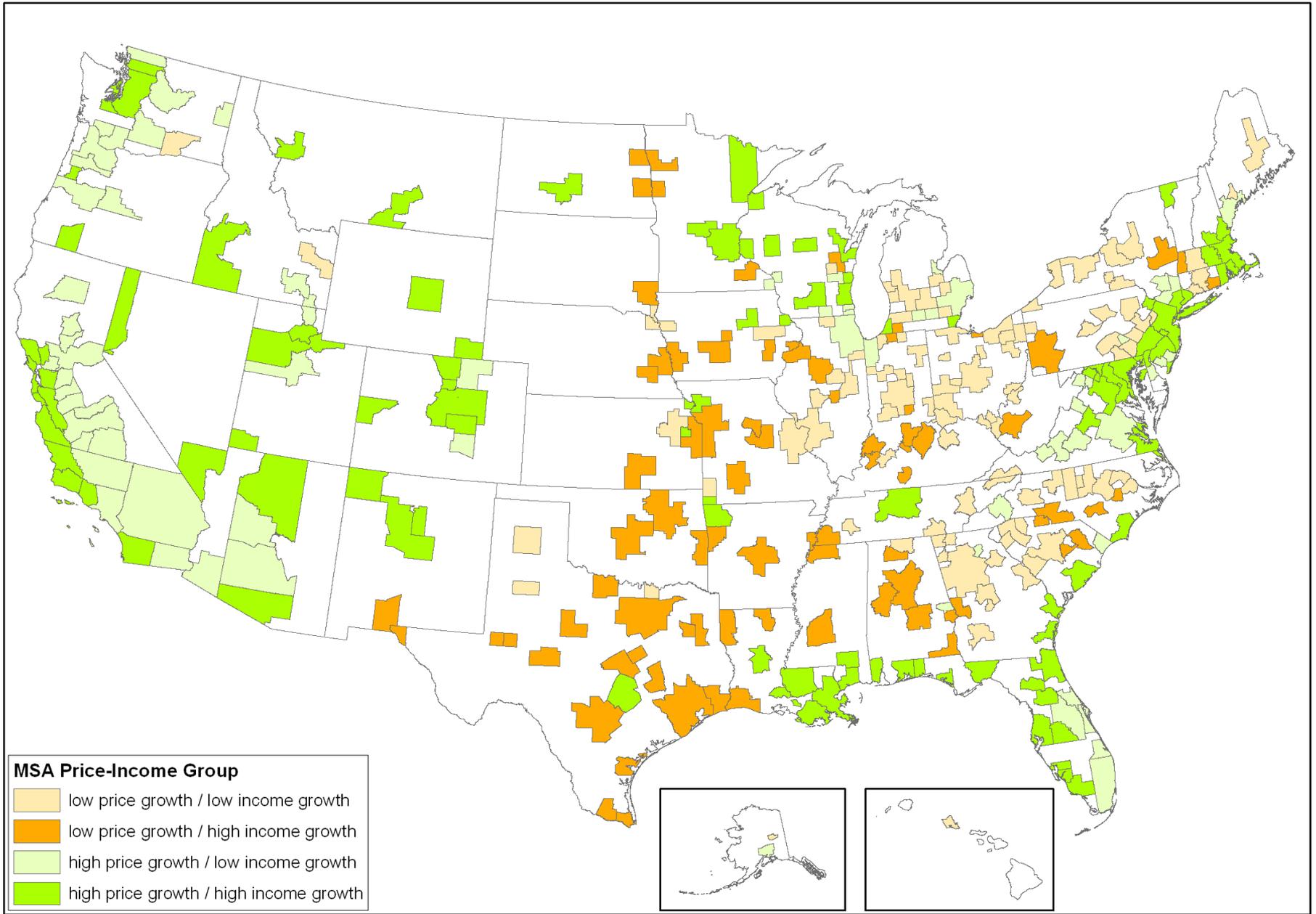
Metropolitan Area House Price - Per Capita Income Change Groups, 1990 - 2008



Metropolitan Area House Price - Per Capita Income Change Groups, 1990 - 2008



Metropolitan Area House Price - Per Capita Income Change Groups, 1990 - 2008



Ten Most-Populous Metro Areas in Each Price-Income Group

Low Price Growth / Low Income Growth

Atlanta-Sandy Springs-Marietta,

St. Louis, MO-IL (MSA)

Cleveland-Elyria-Mentor, OH

Cincinnati-Middletown, OH-KY-IN

Columbus, OH (MSA)

Indianapolis-Carmel, IN (MSA)

Buffalo-Niagara Falls, NY (MSA)

Hartford-West Hartford-East Hartford

Rochester, NY (MSA)

Honolulu, HI (MSA)

High Price Growth / Low Income Growth

Los Angeles-Long Beach-Santa An

Chicago-Naperville-Joliet, IL-I

Miami-Fort Lauderdale-Pompano B

Detroit-Warren-Livonia, MI (MSA)

Riverside-San Bernardino-Ontario

Phoenix-Mesa-Scottsdale, AZ (MS

Portland-Vancouver-Beaverton, O

Sacramento-Arden-Arcade-Roseville

Orlando-Kissimmee, FL (MSA)

Richmond, VA (MSA)

Low Price Growth / High Income Growth

Dallas-Fort Worth-Arlington, TX

Houston-Sugar Land-Baytown, TX

Pittsburgh, PA (MSA)

Kansas City, MO-KS (MSA)

San Antonio, TX (MSA)

Charlotte-Gastonia-Concord, NC-

Memphis, TN-MS-AR (MSA)

Louisville-Jefferson County, KY

Oklahoma City, OK (MSA)

Birmingham-Hoover, AL (MSA)

High Price Growth / High Income Growth

New York-Northern New Jersey-Lo

Philadelphia-Camden-Wilmington,

Washington-Arlington-Alexandria

Boston-Cambridge-Quincy, MA-NH

San Francisco-Oakland-Fremont,

Seattle-Tacoma-Bellevue, WA (MS

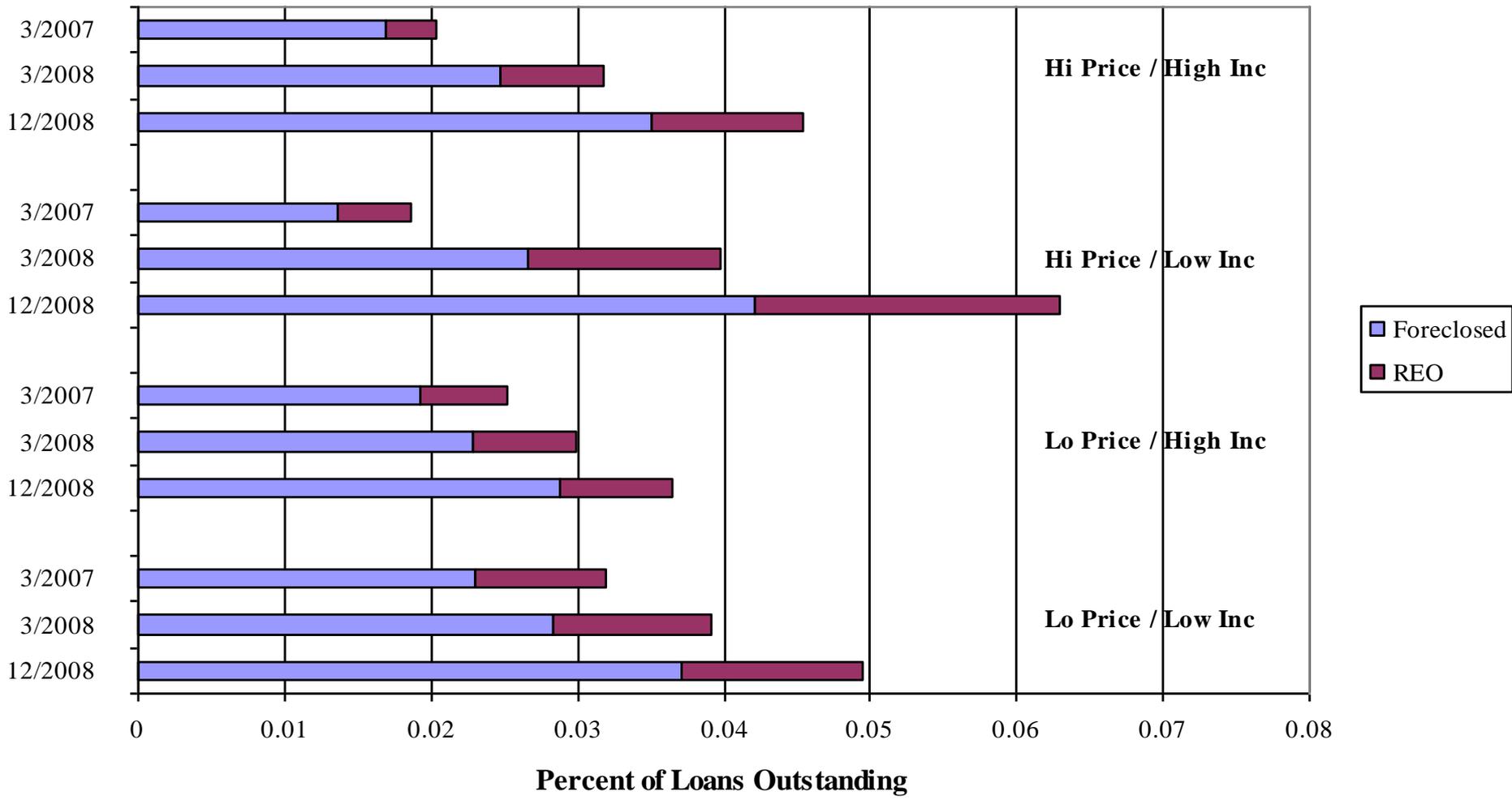
Minneapolis-St. Paul-Bloominto

San Diego-Carlsbad-San Marcos,

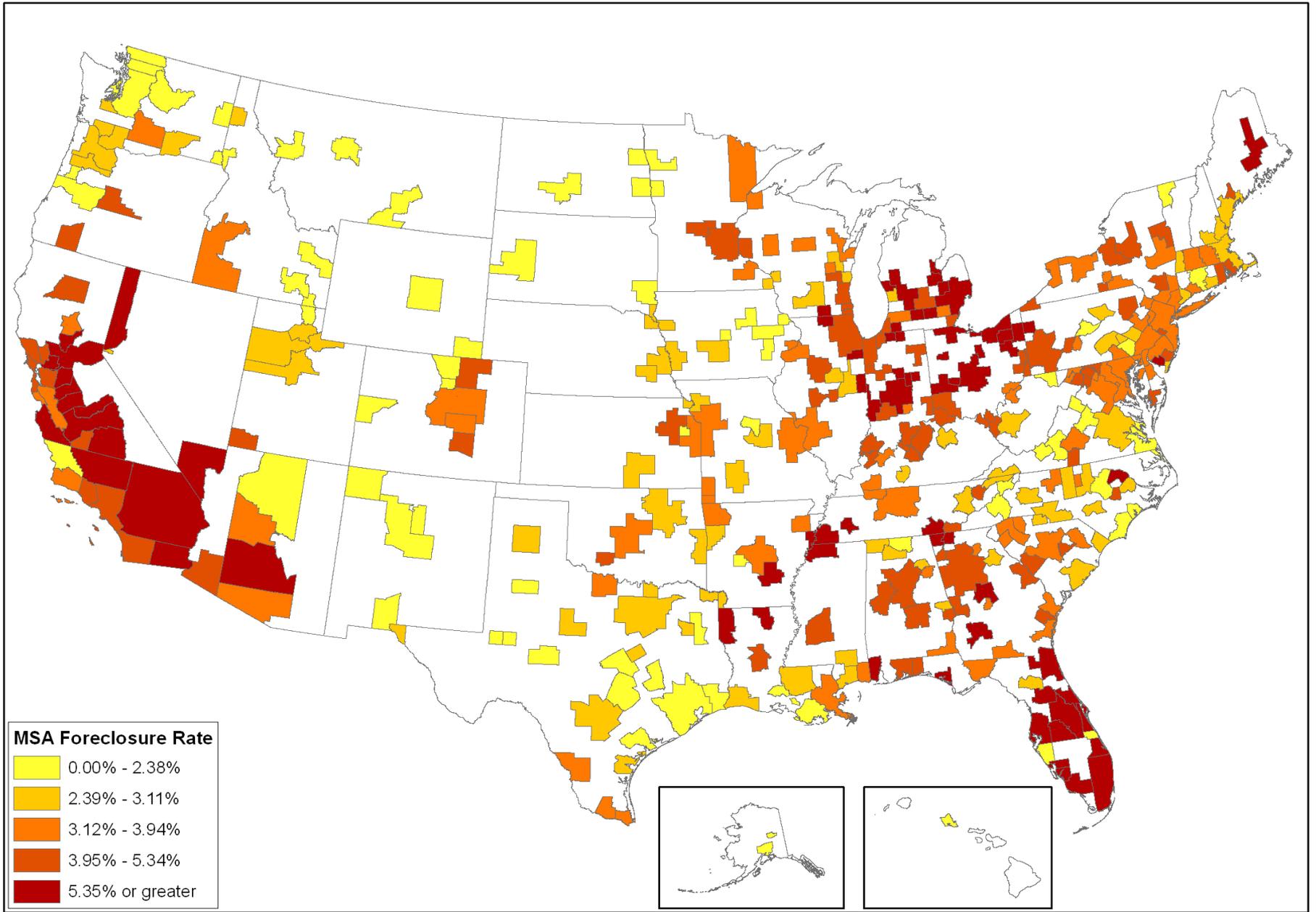
Baltimore-Towson, MD (MSA)

Tampa-St. Petersburg-Clearwater

Percent of Loans Foreclosed or Real-Estate-Owned by Metro Area Price-Income Group, 2007, 2008 (March), 2008 (Dec)



Metropolitan Area Percentage of Foreclosed & Real Estate Owned Properties, December 2008



0 100 200 400 Miles

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Getting Started

Q&As on Foreclosure Prevention and Neighborhood Stabilization



Policy Guide

How to Prevent Foreclosures and Stabilize Families and Communities



Maps & Data

Access Key Data and Create Customized Maps & Reports for Your Community



Forum

Discuss Foreclosure Prevention and Neighborhood Stabilization Initiatives, Policy, and Program Implementation

Welcome to Foreclosure-Response.org!

Welcome to Foreclosure-Response.org, a new website offering resources intended to help states and localities respond to the foreclosure crisis. This site is maintained by the Center for Housing Policy, KnowledgePlex, Local Initiatives Support Corporation (LISC), and the Urban Institute.

Featured Resources:

- View [Action Plans](#) prepared by states and localities for the Neighborhood Stabilization Program
- Read a [commentary](#) by the Urban Institute's Mary Cunningham, on the importance of protecting renters against the impacts of foreclosures [PDF]

Looking for Foreclosure Response in Kent County, Michigan?

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Maps and Data



Maps & Data

This section provides access to maps and data that help communities target their efforts to prevent foreclosures and stabilize communities.

Click on the box on the left to learn where foreclosure needs are concentrated in your community.

Click on the box on the right for more specialized market information that can help you craft an appropriate policy solution.

What neighborhoods have high foreclosure needs?



Create a map showing the level of foreclosure need in your community. This section features LISC's Foreclosure Needs Scores – a composite measure combining data on subprime lending, foreclosures, and mortgage delinquencies. It also provides access to HMDA data on high-cost loans.

What market data can help inform our policy response?



Access data about your local housing market that can help you craft appropriate policy solutions for neighborhoods with high foreclosure rates (or with a high risk of instability).

[Click here](#) to learn how the data indicators provided on Foreclosure-Response.org were selected, or go directly to a [complete list of available maps and data](#).

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What Neighborhoods Have High Foreclosure Needs?

Many communities want to know where to target their efforts to prevent foreclosures and stabilize neighborhoods. The ideal data to answer this question would be generated by analyzing foreclosure filings, property tax delinquencies, and other local data sources. Where available, communities will want to tap those resources first. Valuable data also can be purchased from national vendors who specialize in information on mortgage delinquencies and foreclosures.

For areas without extensive local data capacity, the data on Foreclosure-Response.org provide a useful starting point for identifying the areas in need of priority attention within your community. Two types of data are available: LISC Foreclosure Needs Scores, which provide a useful index of local need, and Home Mortgage Disclosure Act (HMDA) data on high-cost loans.

LISC Foreclosure Needs Scores

LISC's Foreclosure Needs Scores identify the relative need for foreclosure prevention and neighborhood stabilization for each ZIP code within a state. Data for the three individual components included in the Scores (subprime lending, mortgage delinquencies, and foreclosures) may also be viewed separately. *Please note: These data are available for ZIP codes only. See the HMDA indicators below to access data for other geographies. [Learn more](#)*

LISC Foreclosure Needs Scores



This composite measure combines data elements that are predictive of foreclosures or neighborhood destabilization.

Enter Zip Code:

Maps & Data > Report

[Print Report](#) | [Download](#) and [Learn more](#) about this data.

Report Indicator: LISC Composite Foreclosure Needs Score, June 2008
Location: 20010

The LISC Composite Foreclosure Needs Score is a good starting point to find out which areas are hardest hit by the foreclosure crisis, and where you might want to target your programs and resources. The score is based on multiple risk factors (subprime lending, mortgage delinquencies, foreclosures, and vacancies) -- you can explore these more detailed indicators through the drop-down box on the right. This score is based on data by McDash Analytics and measures the relative conditions in ZIP codes within a state as of June 2008. Scores for ZIP codes should not be compared across states.

[See an example](#) of how to use the LISC Composite Foreclosure Needs Score, June 2008.

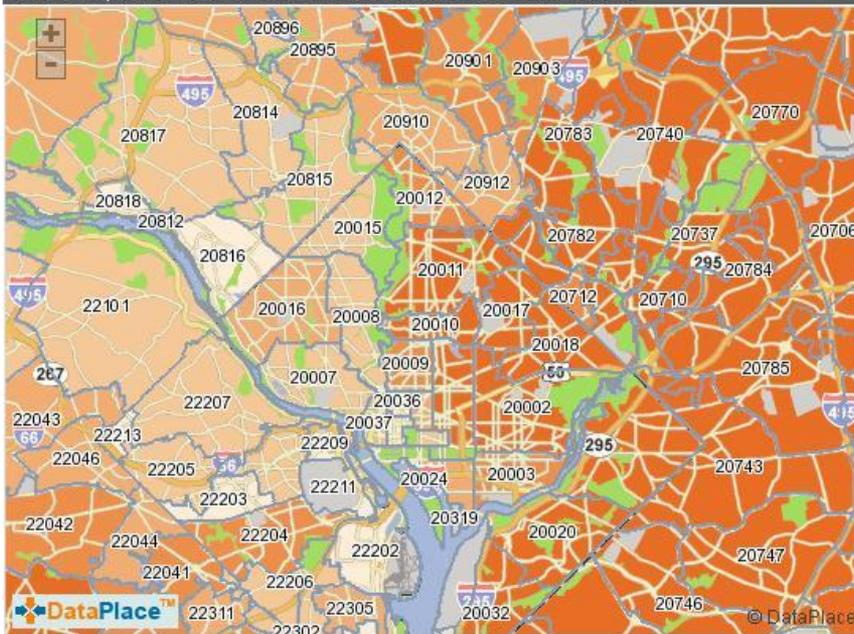
Select Indicator:

Composite Foreclosure Needs Score

Select Location:

Where e.g., San Jose

LISC Composite Foreclosure Needs Score, June 2008 in 20010



Click on the map to see the value for a particular area.

Resolution: Zip Codes

To edit this map on DataPlace [click here](#).

How To Read This Map

- The Needs score provides an overall measure of how each ZIP code is affected by the foreclosure crisis relative to all other ZIP codes within the same state.
- ZIP code 20010 has a score of 8.95. This means that 20010 has 8.95 percent of the overall foreclosure need of the ZIP code with the highest score in District of Columbia (20019).

LISC Composite Foreclosure Needs Score

N/A
0.00 - <0.25
0.25 - <0.74
0.74 - <1.86
1.86 - <5.48
5.48 - 100.00

Source: [LISC Foreclosure Analysis](#)

What Next?

- [Learn about developing a local action strategy.](#)

Histogram Chart of Zip Codes in District of Columbia



How To Read This Chart

- The chart to the left displays the distribution of the foreclosure needs scores within the state. It shows how many ZIP codes have low scores and less need and how many ZIP codes have high scores and greater need.
- The median score in District of Columbia is 3.24. ZIP code 20010 has the 9th highest foreclosure needs score out of 24 ZIP codes in District of Columbia.

See Top and Bottom Locations

Rank	Place	Score
1	20019	100.00
2	20011	49.47
3	20020	49.41
4	20032	41.11
5	20002	41.07
6	20018	22.15
7	20001	17.50
8	20017	12.87
9	20010	8.95
10	20012	5.19

Visit [DataPlace](#) to see the complete set of rankings.

What Next?

- [Learn about the public sector costs of foreclosures.](#)



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LISC Needs Scores Data

To help states and communities make informed decisions about how to allocate and spend their resources for foreclosure prevention and neighborhood stabilization, the [Local Initiatives Support Corporation](#) (LISC) has developed datasets with foreclosure "needs scores" for Community Development Block Grant jurisdictions and at the ZIP Code level within each state. These scores incorporate measures of subprime lending, foreclosures, delinquency, and vacancies.

State and local elected officials, government agency staff, and community leaders can use these needs scores to quickly assess relative needs within states and localities and allocate resources accordingly. Further, policy analysts can adapt the LISC methods to local circumstances by assigning different weights to the individual factors provided or by adding additional needs criteria from outside data sources.

Two datasets are available:

- **CDBG Jurisdictions:** One dataset shows the relative foreclosure needs of CDBG jurisdictions within each state, along with the relative share of need held by areas that fall outside formal CDBG jurisdictions. This file will be most useful for assessing need and allocating assistance at the state level.
- **ZIP Code Level:** A second dataset shows the relative foreclosure needs at the ZIP Code level. These data will be useful in assessing need and allocating assistance at either the state or the local level.

Related resources:

- See a case study example of how LISC Needs Scores can be applied to better understand foreclosure needs and patterns [PDF]
- View Action Plans developed by states and localities for the Neighborhood Stabilization Program
- Download a LISC report on loan performance by loan type and community poverty status [PDF]

ZIP Code Level Data

Table 1 in the ZIP Code level Excel workbooks provides the foreclosure needs score for ZIP Codes by state; this score allows states and localities to look at the relative need of all areas in a state and not just those in CDBG jurisdictions. The neediest ZIP Code in the state is assigned a score of 100 and all other ZIP Codes are assigned a score relative to the neediest ZIP Code.

LISC cannot provide loan and foreclosure counts at this level of geography because these estimates are based on proprietary data. Therefore, in addition to the foreclosure needs scores, the table contains summary scores for each of the subprime, foreclosure, and delinquent loan components. The scores indicate relative need of ZIP Codes on each component individually. For example, the subprime component score is only based on the number of subprime loans and percentage of all loans that are subprime. The neediest ZIP Code in terms of subprime loans in each state receives a score of 100 and a ZIP Code with a score of 50 is estimated to be about half as needy.

Because of the large file size, ZIP Code level data has been divided into four separate files. Click on the links below to download the appropriate file:

[Alabama to Indiana](#) • [Iowa to Montana](#) • [Nebraska to Oregon](#) • [Pennsylvania to Wyoming](#)

Each spreadsheet has two tabs:

- **Table 1.** LISC's Foreclosure Needs Scores at the ZIP Code level within each state, along with data on individual components that make up the score.
- **Data Definitions.** Descriptions of the data shown in each column of Table 1.

[ZIP Code Methodology](#) [PDF] - A detailed description of the methodology used to calculate the LISC Foreclosure Needs Scores at the ZIP Code level.

***Users are advised NOT to compare foreclosure needs scores at the ZIP Code level with CDBG Jurisdiction needs scores, as each set of scores is based on an independent ranking system.*

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[In Danger of Losing Your Home to Foreclosure?](#) | [Contact Us](#)

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Name Box	B	C	D	E	F	G	H	I	J	
1	Table 1: Foreclosure Needs Scores within States by ZIP Code -- November 4, 2008									
2	<i>Source: Analysis by the Local Initiative Support Corporation provided by the Foreclosure Response project</i>									
3	For definitions and detailed documentation, see http://www.housingpolicy.org/assets/foreclosure-response/zipmethodology.pdf									
4										
5	To view data for one state at a time, click on the arrow and pick your state from the dropdown menu.									
6	State	ZIP Code	Preferred Place Name for the ZIP Code	County of ZIP Code	Intrastate Foreclosure Needs Score	Ratio of Local Vacancy Rate to State Ra	Capped Vacancy Ratio	Intrastate Subprime Component Score	Intrastate Foreclosure Component Score	Intrastate Delinquency Component Score
7	ALABAMA									
8		35215	BIRMINGHAM	JEFFERSON	100.0	0.60	0.90	100.0	100.0	100.0
9		35208	BIRMINGHAM	JEFFERSON	63.1	1.51	1.10	60.6	60.2	44.4
10		35020	BESSEMER	JEFFERSON	55.8	1.43	1.10	61.2	52.9	36.6
11		35206	BIRMINGHAM	JEFFERSON	49.2	1.53	1.10	49.5	43.0	35.6
12		36605	MOBILE	MOBILE	44.7	0.78	0.90	45.2	65.1	35.5
13		36116	MONTGOMERY	MONTGOMERY	44.7		0.90	41.6	37.7	49.1
14		35211	BIRMINGHAM	JEFFERSON	44.4	1.27	1.10	53.1	46.1	25.7
15		35228	BIRMINGHAM	JEFFERSON	36.5	1.08	1.08	35.6	25.1	30.6
16		35214	BIRMINGHAM	JEFFERSON	35.0	0.85	0.90	42.3	30.6	34.3
17		36618	MOBILE	MOBILE	30.2	0.28	0.90	26.3	41.3	26.6
18		35217	BIRMINGHAM	JEFFERSON	28.9	1.09	1.09	27.1	29.1	20.4
19		35810	HUNTSVILLE	MADISON	25.8		0.90	28.2	27.9	24.1
20		35235	BIRMINGHAM	JEFFERSON	24.3		0.90	24.1	26.0	23.6
21		35404	TUSCALOOSA	TUSCALOOSA	19.1		0.90	10.9	36.5	14.4
22		36108	MONTGOMERY	MONTGOMERY	18.1	1.03	1.03	23.7	16.6	12.6
23		35218	BIRMINGHAM	JEFFERSON	17.7	1.43	1.10	19.6	15.4	12.2
24		36617	MOBILE	MOBILE	17.4	1.04	1.04	26.3	21.5	8.1
25		36111	MONTGOMERY	MONTGOMERY	17.3		0.90	12.9	23.2	16.2
26		36613	EIGHT MILE	MOBILE	17.1	0.31	0.90	17.1	29.4	11.5
27		36701	SELMA	DALLAS	16.9		0.90	19.7	20.9	14.1
28		36110	MONTGOMERY	MONTGOMERY	16.8	0.92	0.92	14.5	24.5	13.5
29		36869	PHENIX CITY	RUSSELL	16.5		0.90	14.0	21.5	15.2
30		35405	TUSCALOOSA	TUSCALOOSA	16.3		0.90	8.3	23.7	16.0
31		35023	BESSEMER	JEFFERSON	16.3		0.90	20.1	9.1	18.0
32		36606	MOBILE	MOBILE	15.9		0.90	14.6	23.8	12.9
33		36105	MONTGOMERY	MONTGOMERY	15.6	1.80	1.10	10.1	18.7	11.1
34		35064	FAIRFIELD	JEFFERSON	15.3	0.97	0.97	19.7	18.6	10.3
35		35160	TALLADEGA	TALLADEGA	14.4		0.90	13.8	23.0	10.7
36		36582	THEODORE	MOBILE	14.1		0.90	11.1	18.8	13.2
37		35224	BIRMINGHAM	JEFFERSON	13.8	1.10	1.10	15.5	13.1	9.0

Intrastate Foreclosure Needs Score

Scores each zipcode relative to worst-off within each State

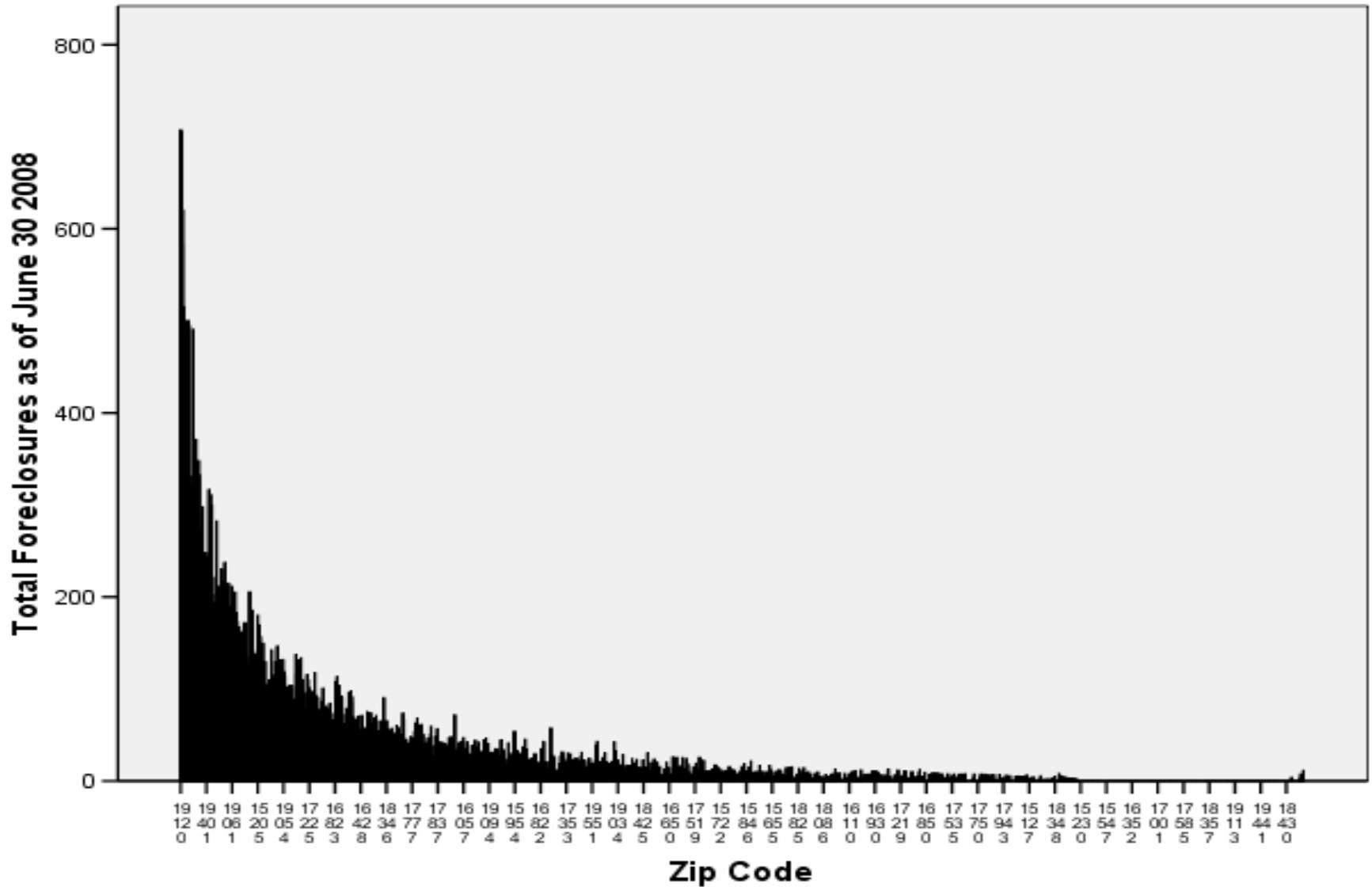
---- Percent of Subprime Loans * Number of Subprime Loans

---- Percent of 30+ Day Delinquencies * Number of 30+ Delinquencies

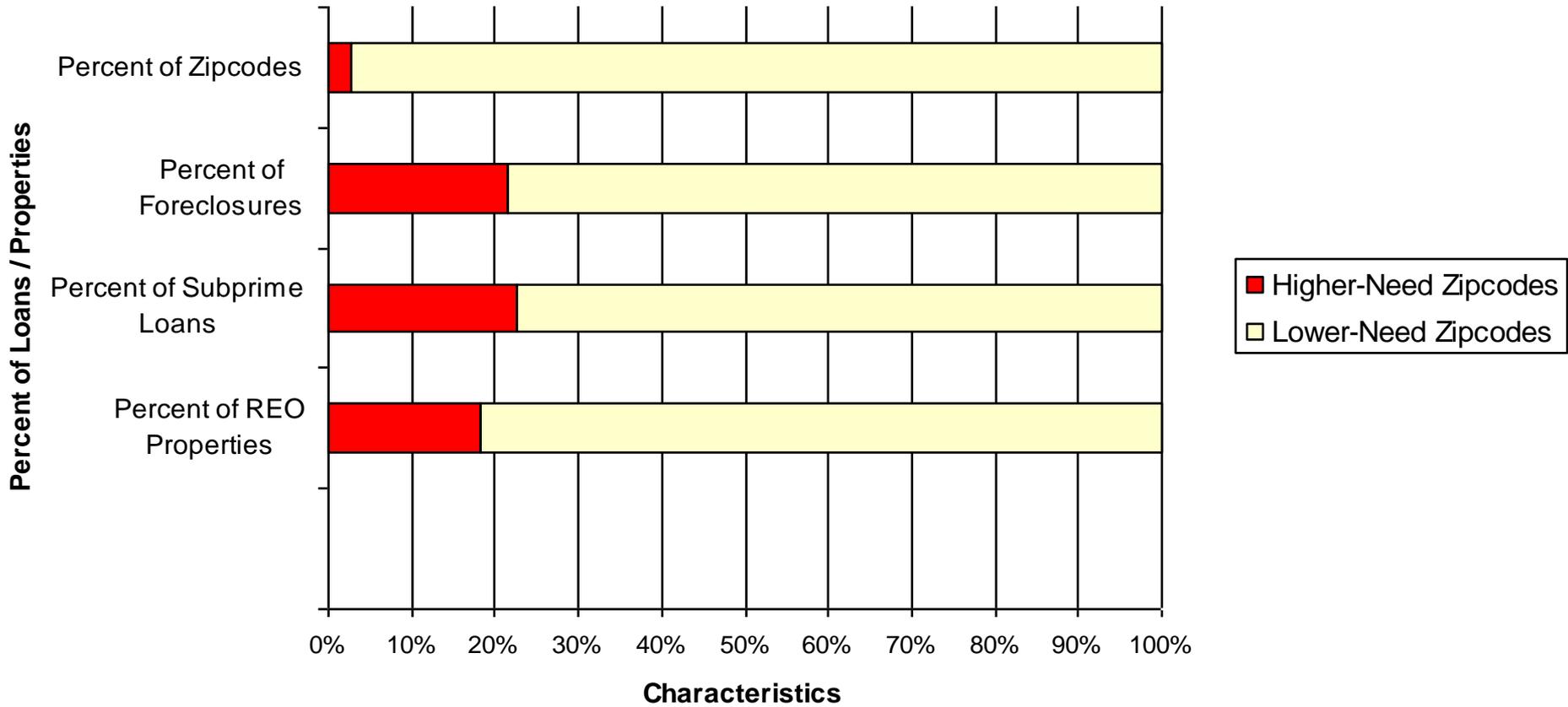
---- Percent of Foreclosures * Number of Foreclosures

Initial score adjusted up or down a maximum of 10 percent based on the Zipcode vacancy rate relative to the Statewide vacancy rate

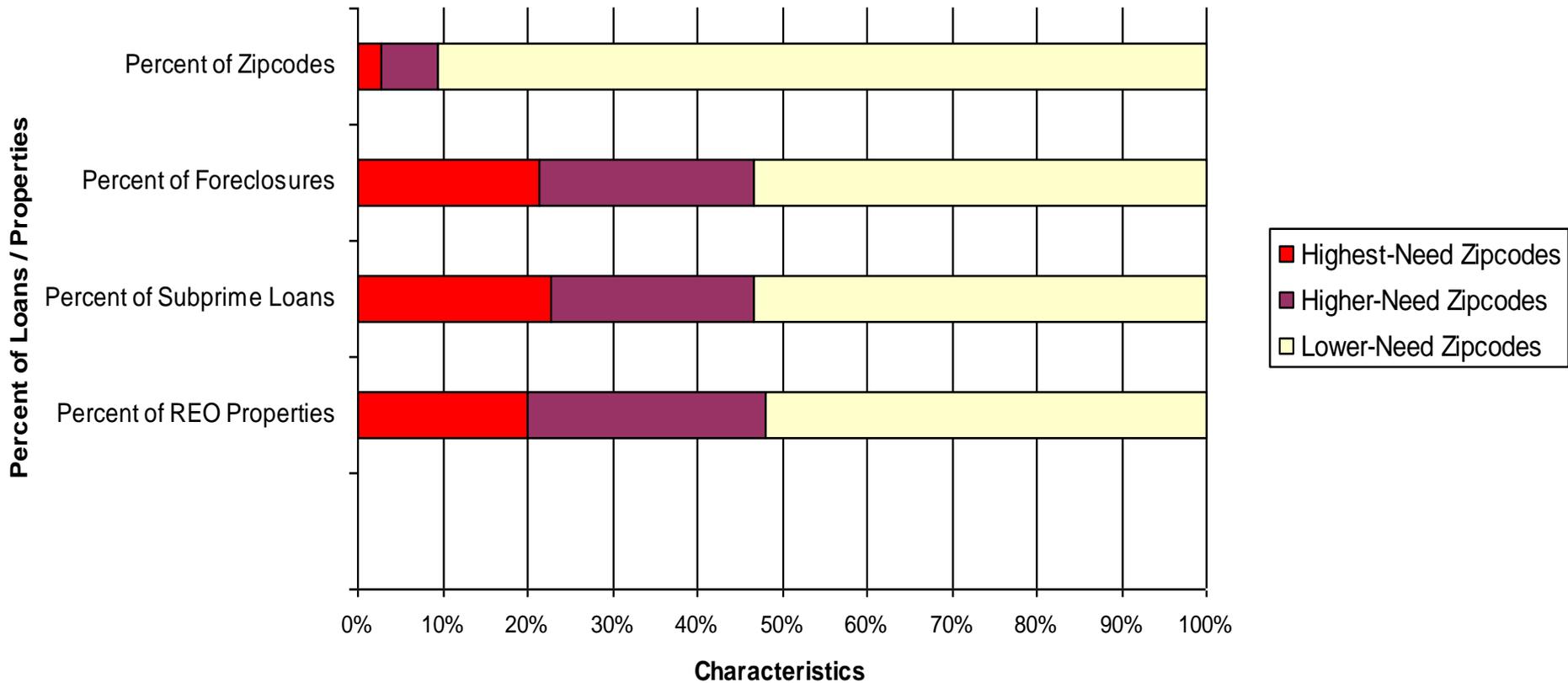
Total Properties in Foreclosure Across Pennsylvania ZipCodes, June 2008



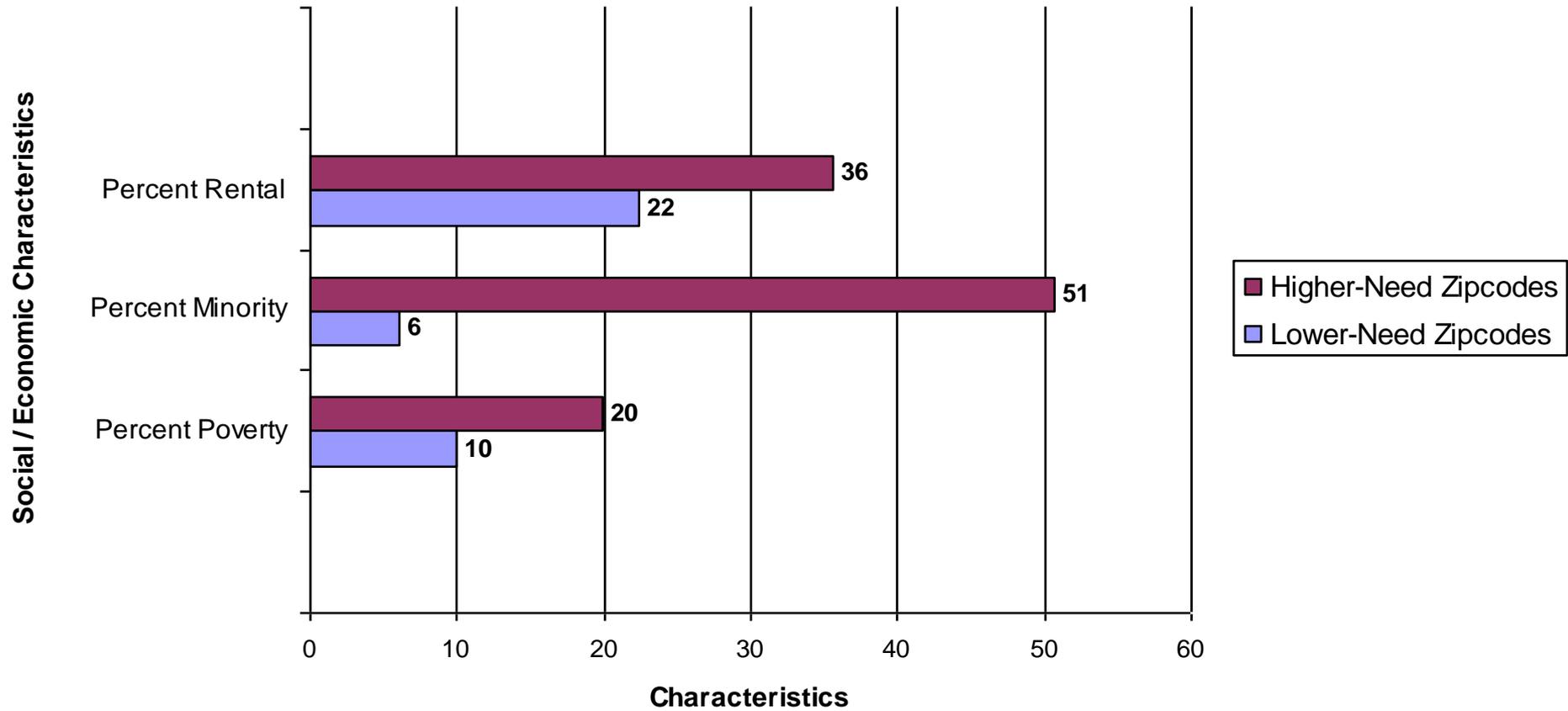
Percent of Problem Loans and Properties in Highest-Need Zipcodes in Pennsylvania, June 2008



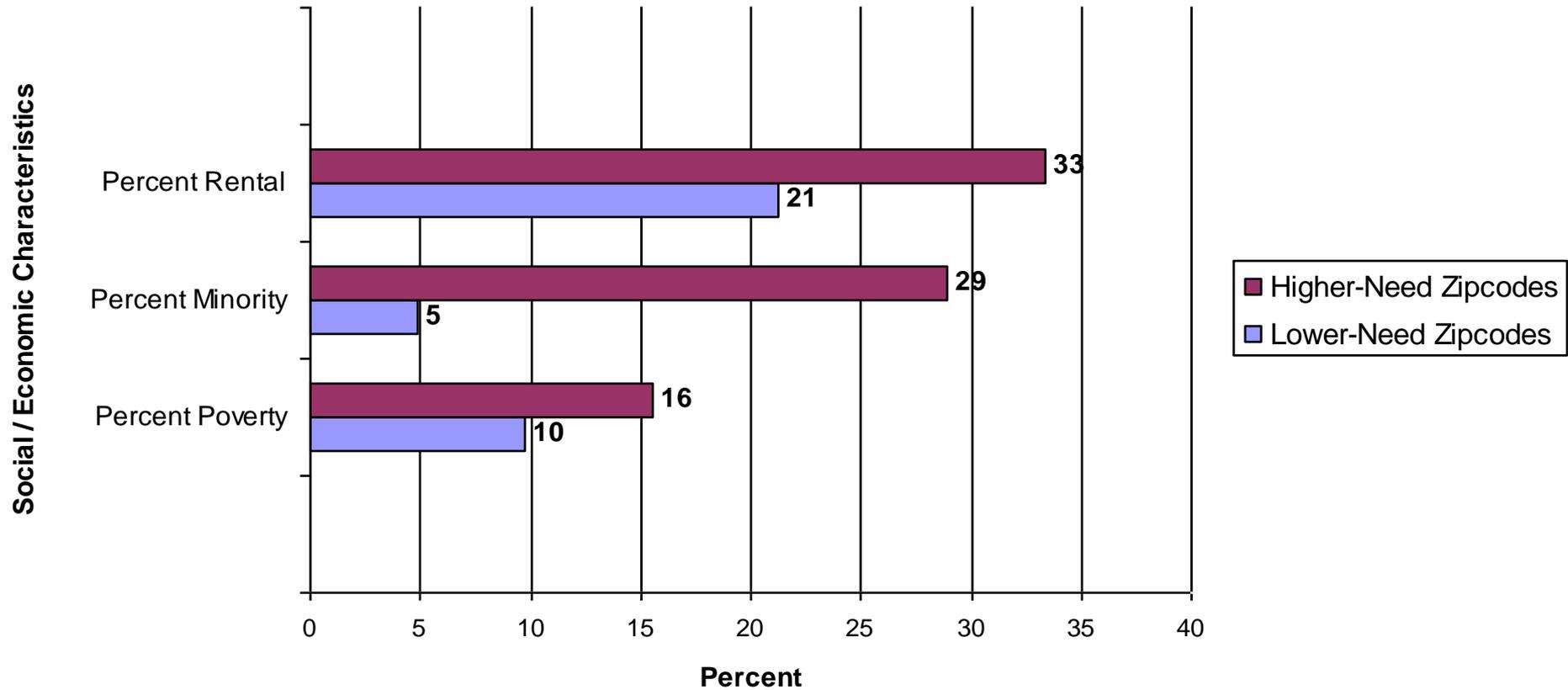
Percent of Problem Loans and Properties in Highest and High-Need Zipcodes in Pennsylvania, June 2008



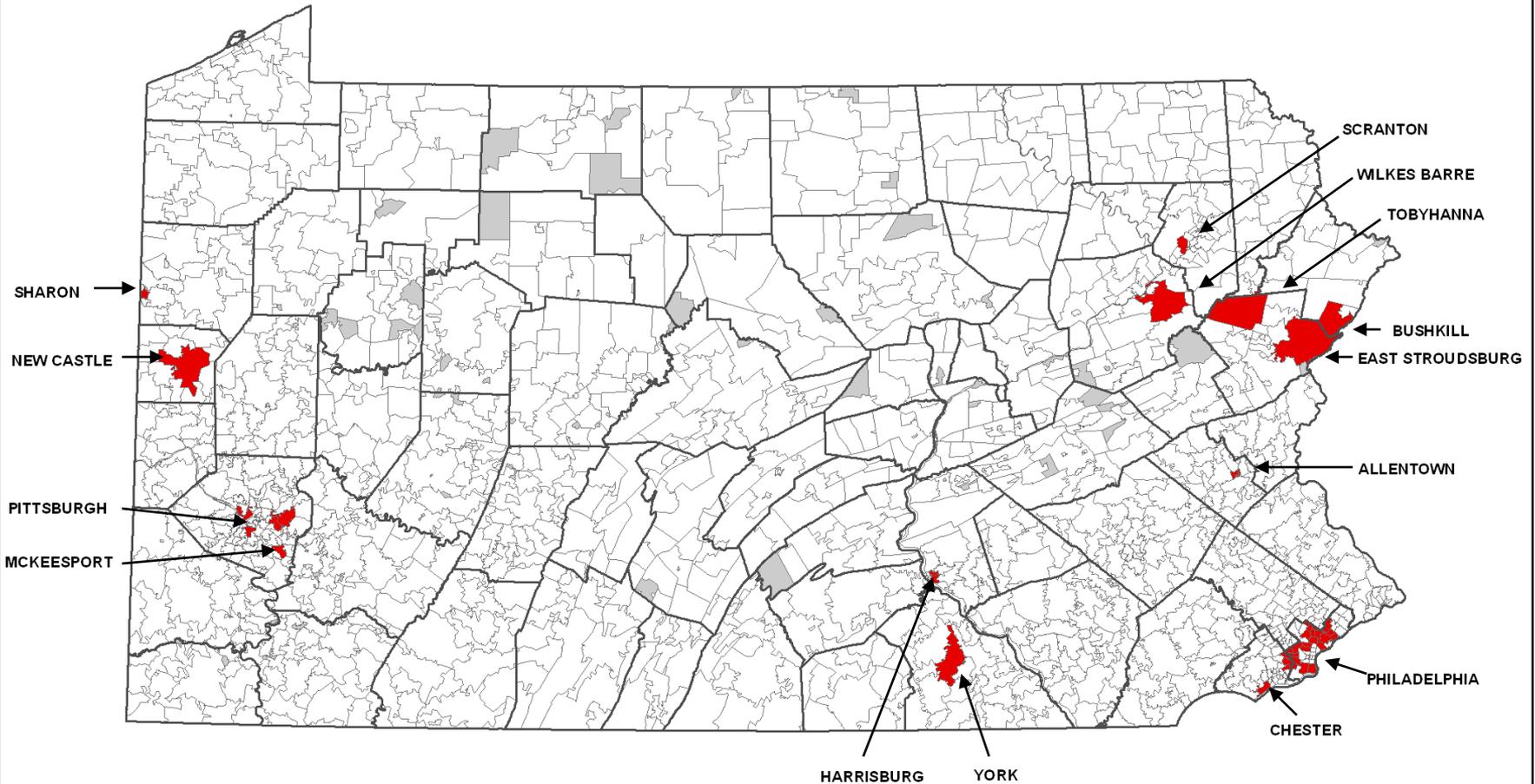
Characteristics of Highest-Foreclosure-Need Zipcodes Pennsylvania, June 2008



Characteristics of High-Foreclosure-Need Zipcodes Pennsylvania, June 2008

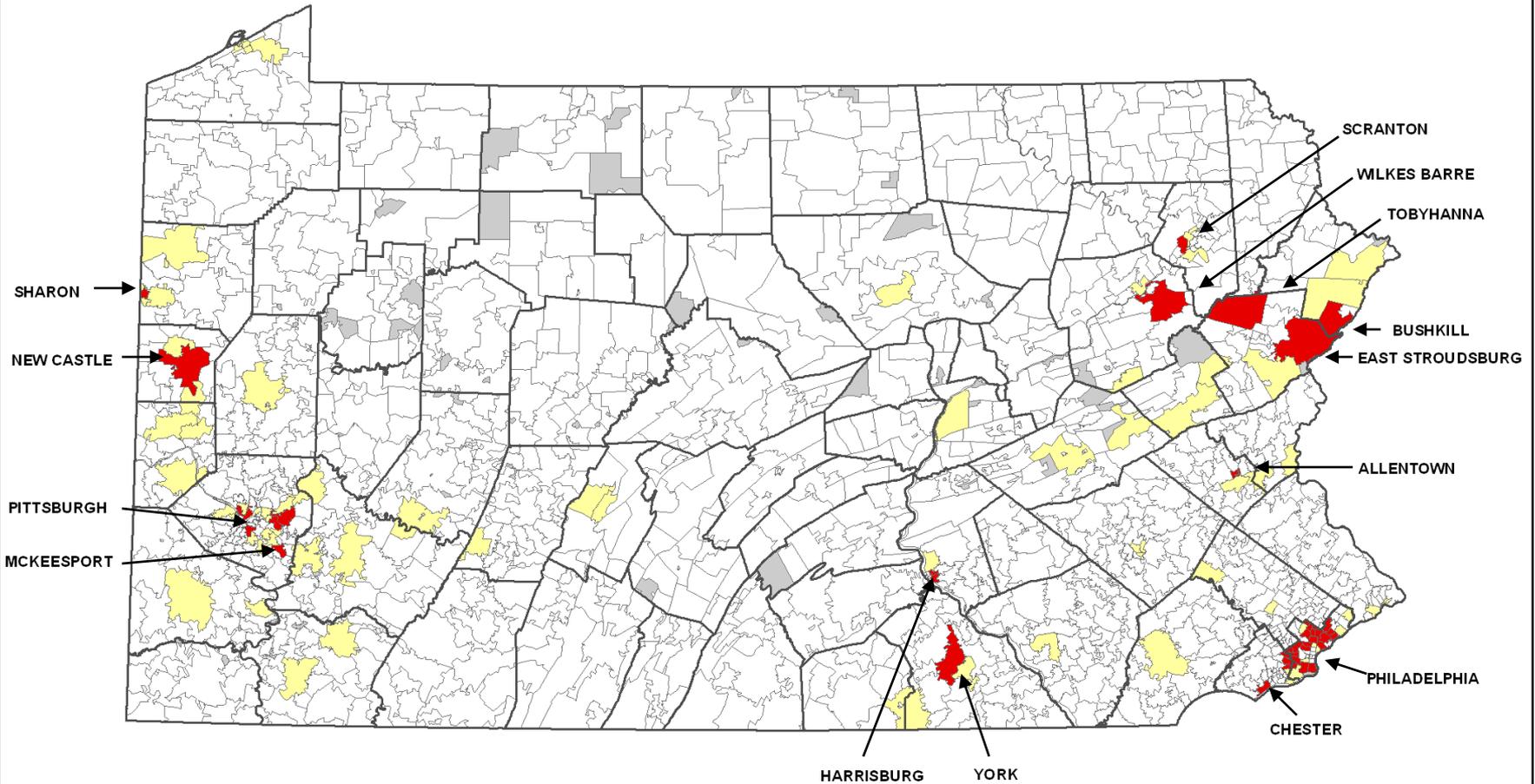


Location of Highest Ranked ZIP Codes on Foreclosure Needs Score Commonwealth of Pennsylvania June 2008



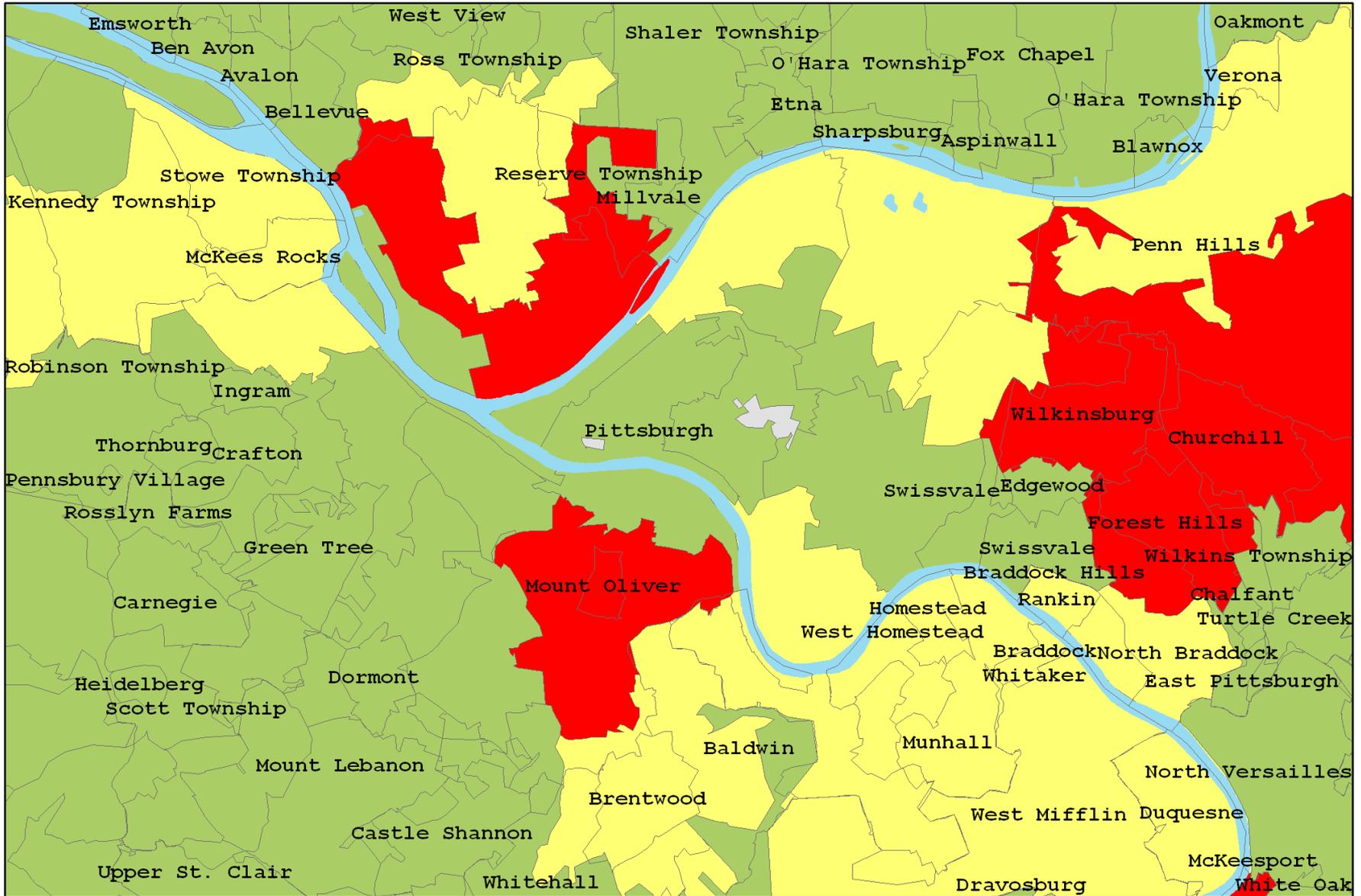
Shown are ZIP codes scoring 20-100 where 100 is most severe ZIP code in the state.
Source: Compiled by LISC based on data supplied by McDash Analytics.
For methodology, see <http://www.housingpolicy.org/foreclosure-response.html>

Location of Highest Ranked ZIP Codes on Foreclosure Needs Score Commonwealth of Pennsylvania June 2008



Shown are ZIP codes scoring 20-100 where 100 is most severe ZIP code in the state.
Source: Compiled by LISC based on data supplied by McDash Analytics.
For methodology, see <http://www.housingpolicy.org/foreclosure-response.html>

Distribution of Foreclosure Scores: Pittsburgh Metro



ZIP codes in red score 20-100 where 100 is most severe ZIP code in the state.

Yellow ZIP codes score 8-19 and green ZIP codes score 0-7.

Source: Compiled by LISC based on data supplied by McDash Analytics.

For methodology, see <http://www.housingpolicy.org/foreclosure-response.html>

Factors Used to Create Housing Market Index

Number Home Purchase Transactions / Single Family Units (1999, 2000)

Percent of Units that are Owner-Occupied (2000)

Median Loan Amount for Home Purchases
/ Median Metro Area Amount (1999, 2000)

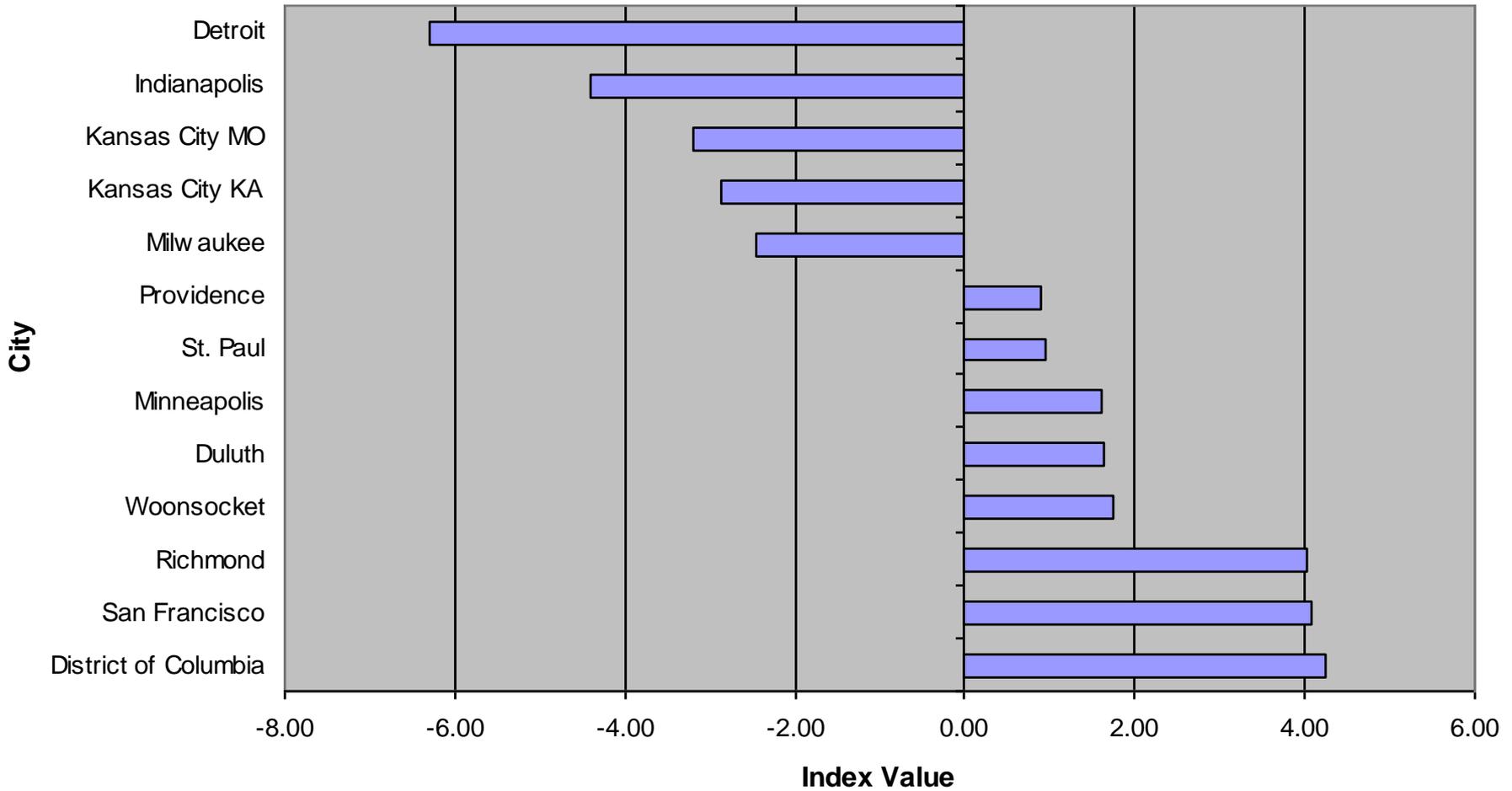
Change in Number of Owner-Occupied Purchases 1999-2000 to 2006-07

Change in Number of Investor Purchases, 1999-2000 to 2006-07
(Negative Sign)

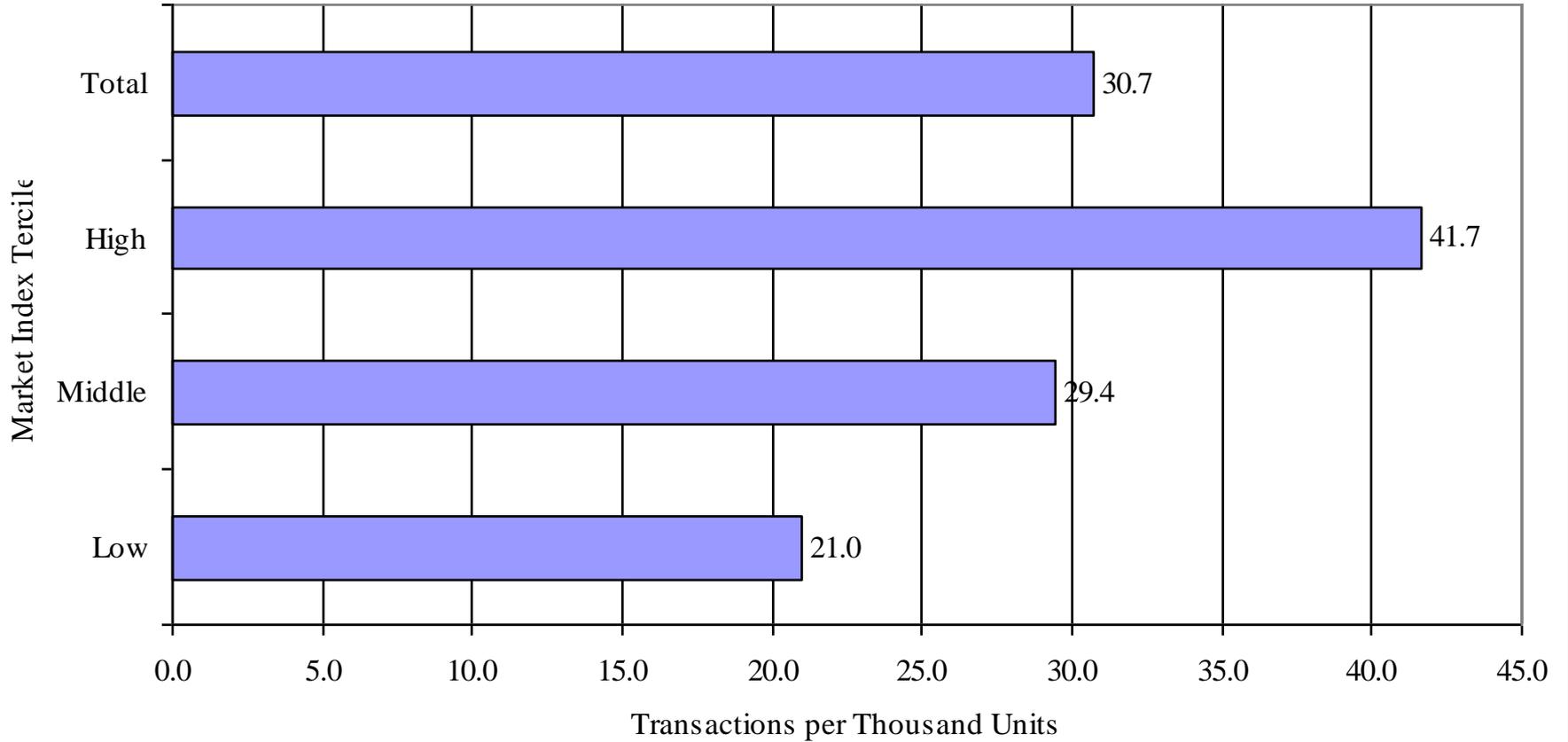
Change in Median Loan Amount 1999-2000 to 2006-07

Percent of Home Purchase Loans that are High Cost 2006-07 (Negative Sign)

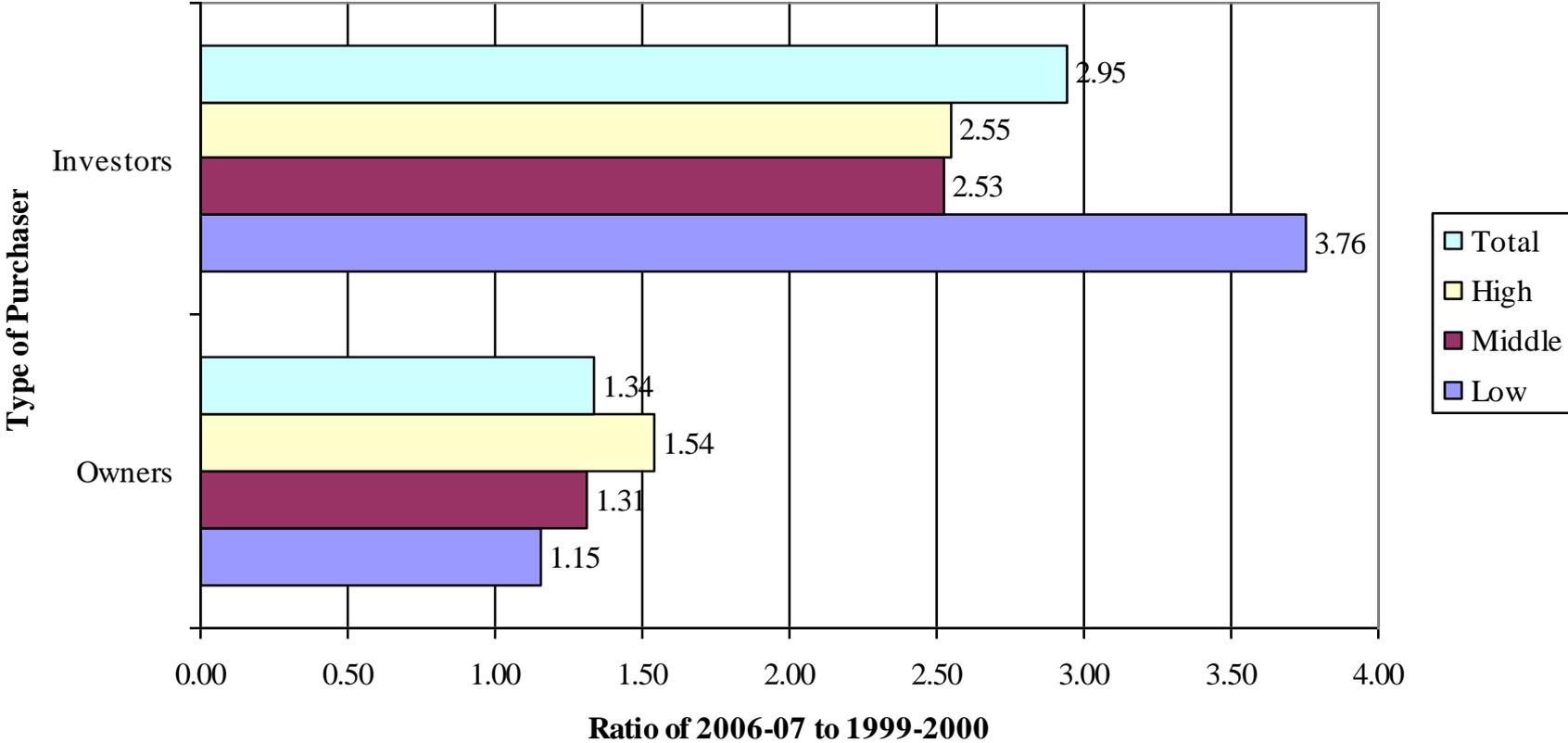
City Performance on Housing Market Index



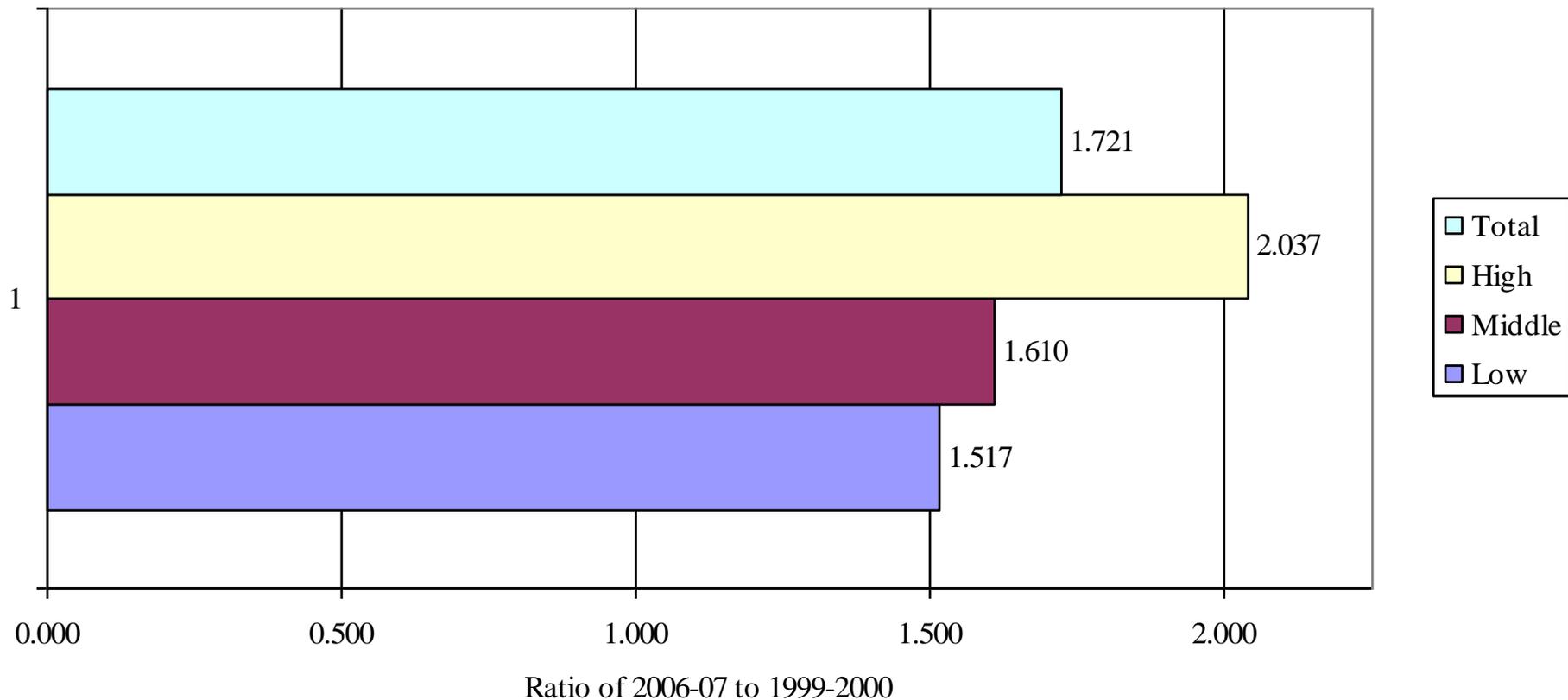
Home Purchase Mortgage Transactions Per Thousand Single-Family Units, 1999-2000
By Low- and Moderate-Housing Market Category



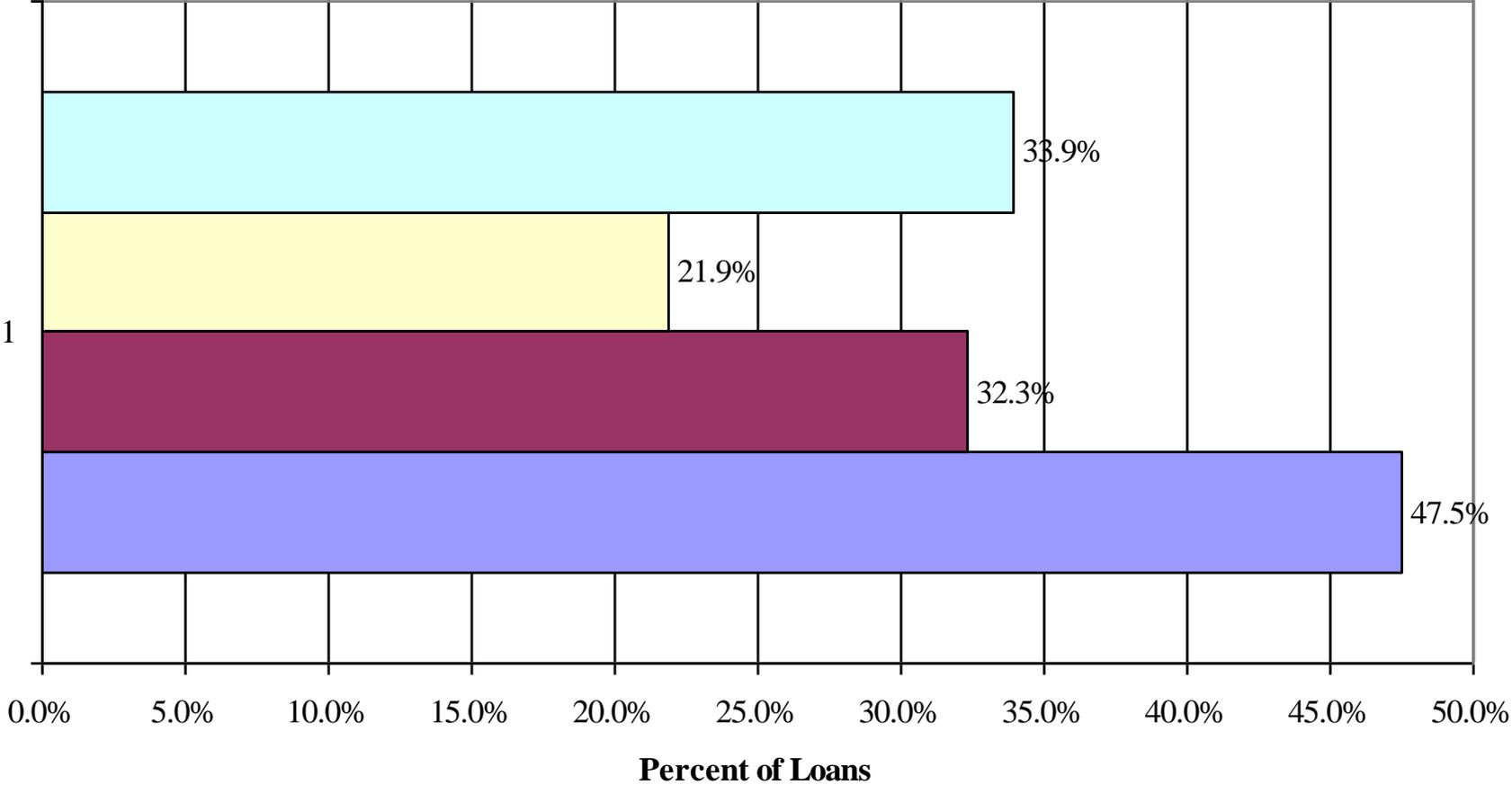
**Change in Number of Owner and Investor Transactions , 199-2000 to 2006-07
By Low- and Moderate-Income Housing Market Category**



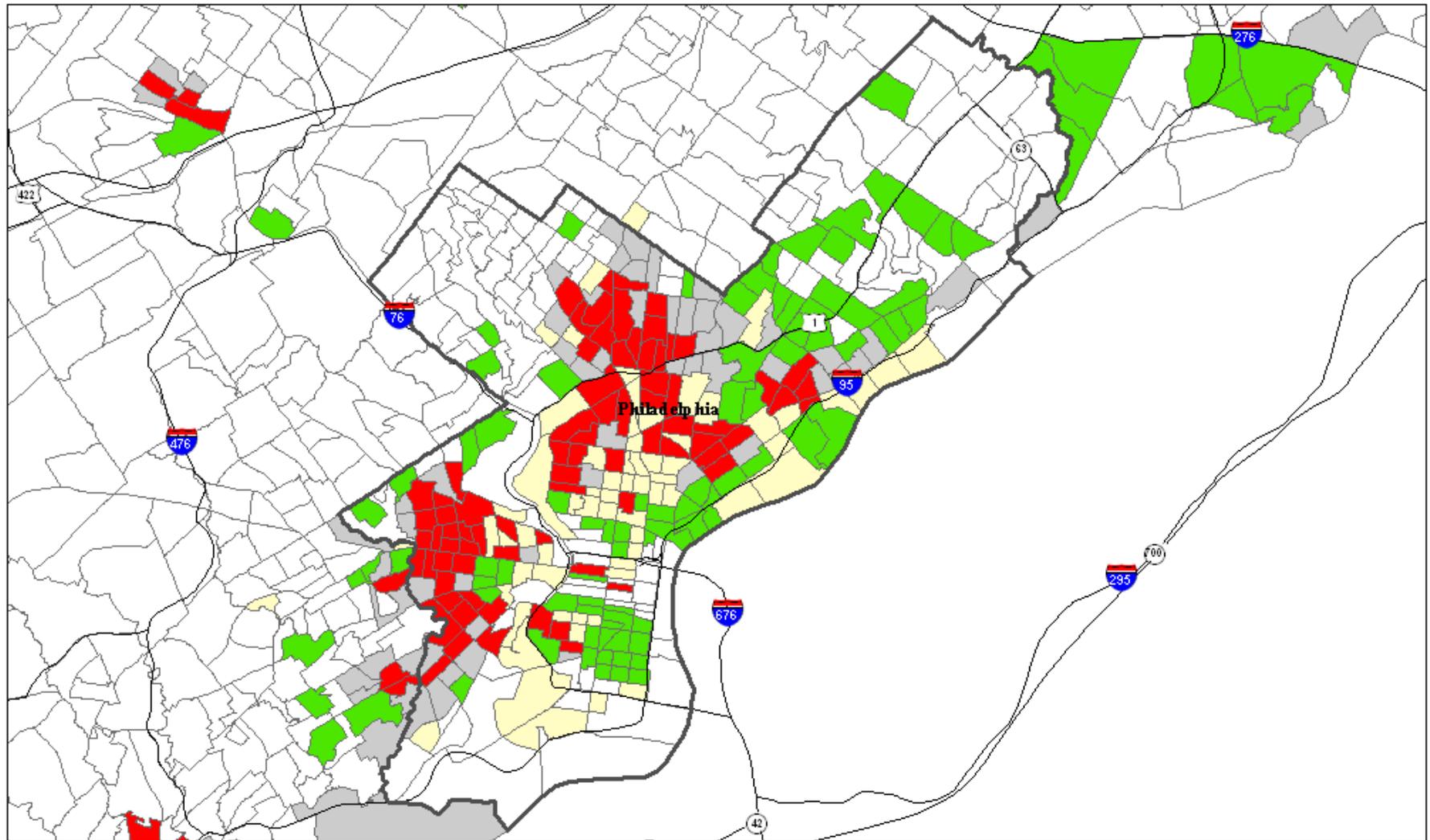
**Change in Median Mortgage Amount 1999-2000 to 2006-07
by Low- and Moderate-Income Housing Market Category**



**Percent of Loans That Were High Cost in 2006-07
By Low- and Moderate-Income Housing Market Category**

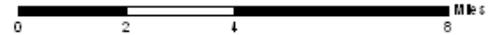


Housing Market Strength Philadelphia Neighborhoods



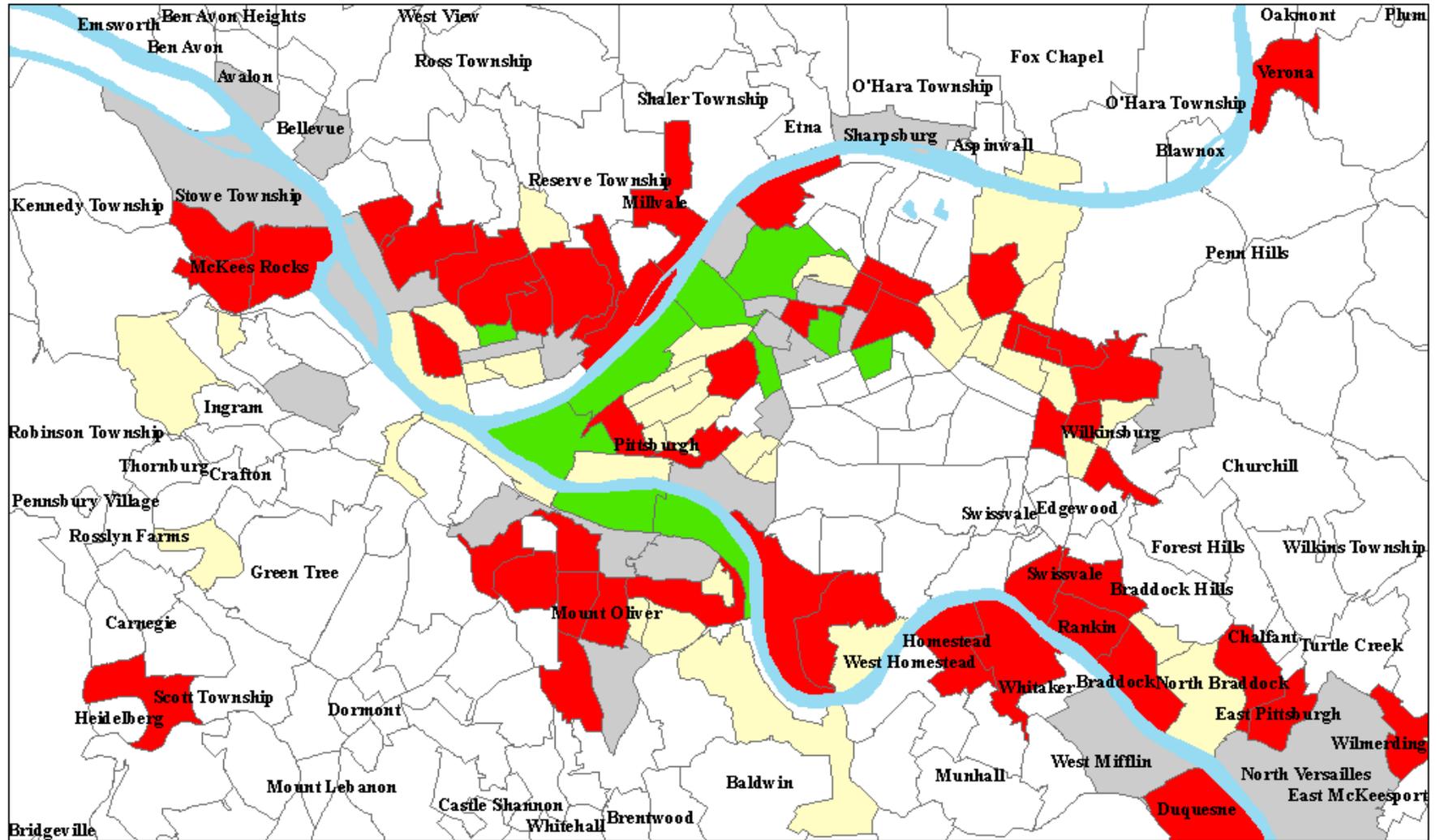
State Tertiles of Metro Tract Market Strength Index

- Lowest Tercile
- Middle Tercile
- Highest Tercile
- Tracts with less than 10 loans in 2000



Source: Home Mortgage Disclosure Act data, analyzed by LISC Research and Assessment

Housing Market Strength Pittsburgh Neighborhoods



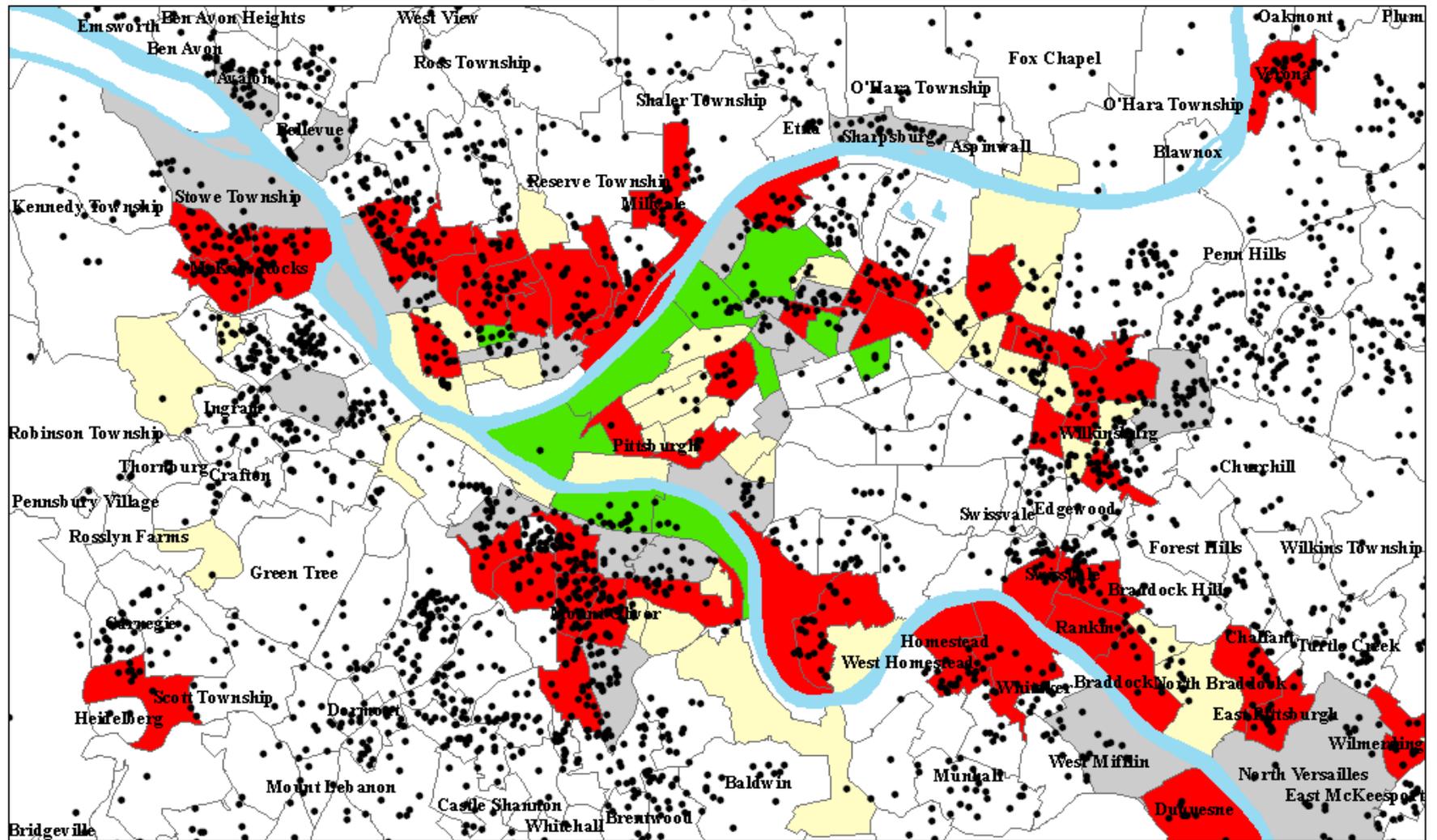
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Housing Market Strength Pittsburgh Neighborhoods



State Tertiles of Metro Tract Market Strength Index

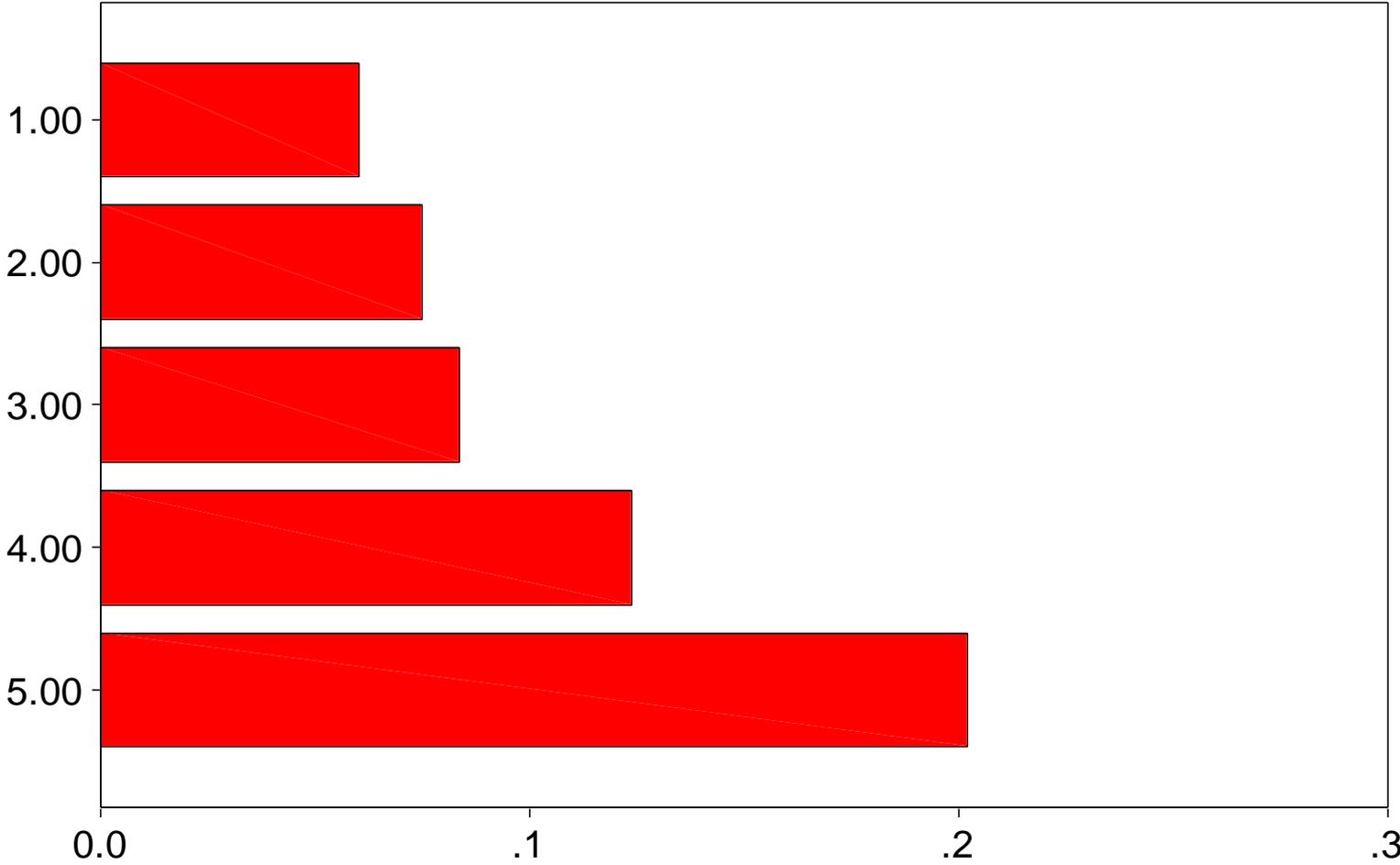
- Lowest Tertile
- Middle Tertile
- Highest Tertile
- Tracts with less than 10 loans in 2000



Source: Home Mortgage Disclosure Act data, analyzed by LISC Research and Assessment

Transaction Velocity by Housing Market Group

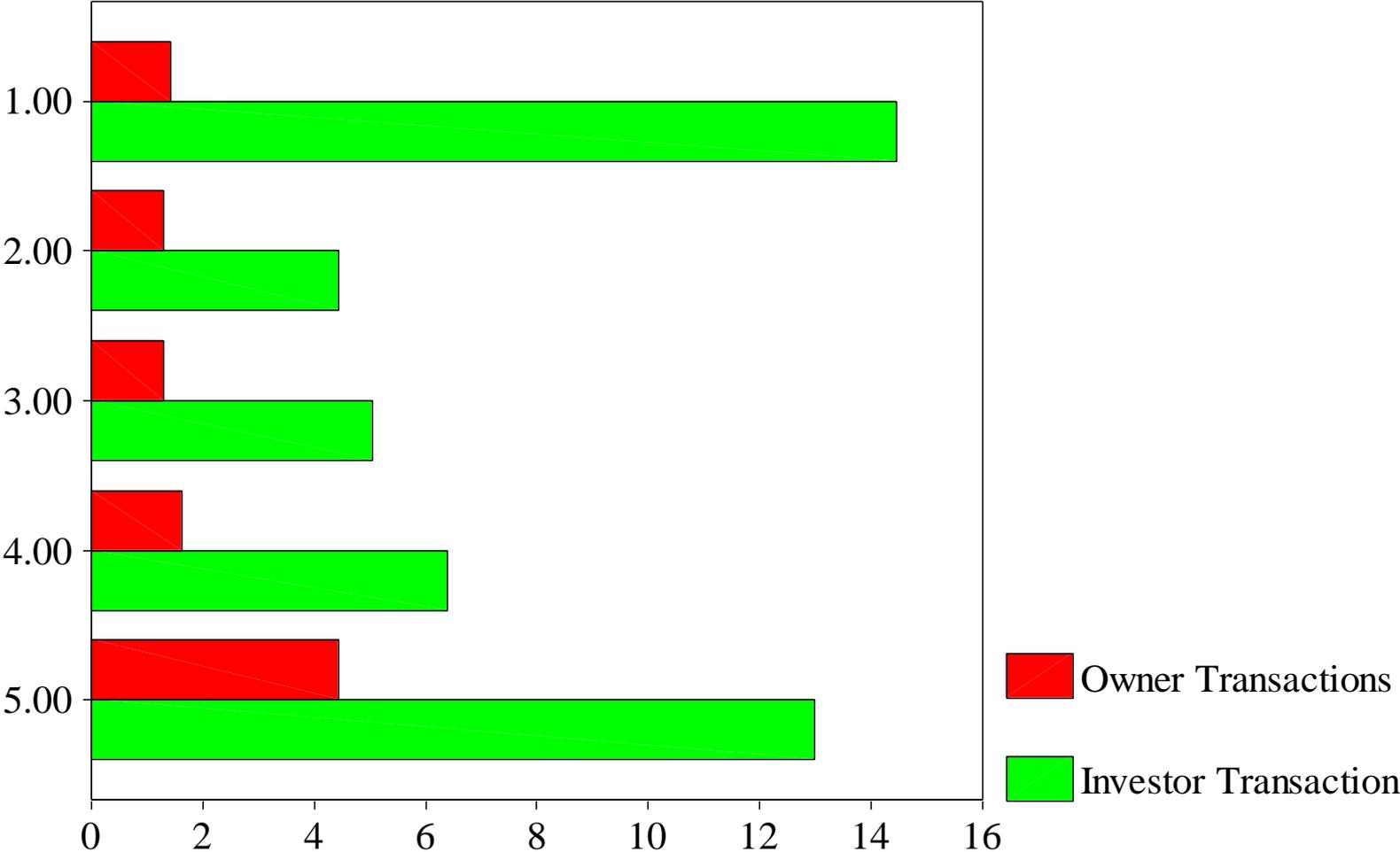
Phoenix Metropolitan Area Zip Codes



Mortgage Transactions Per Single Family Unit

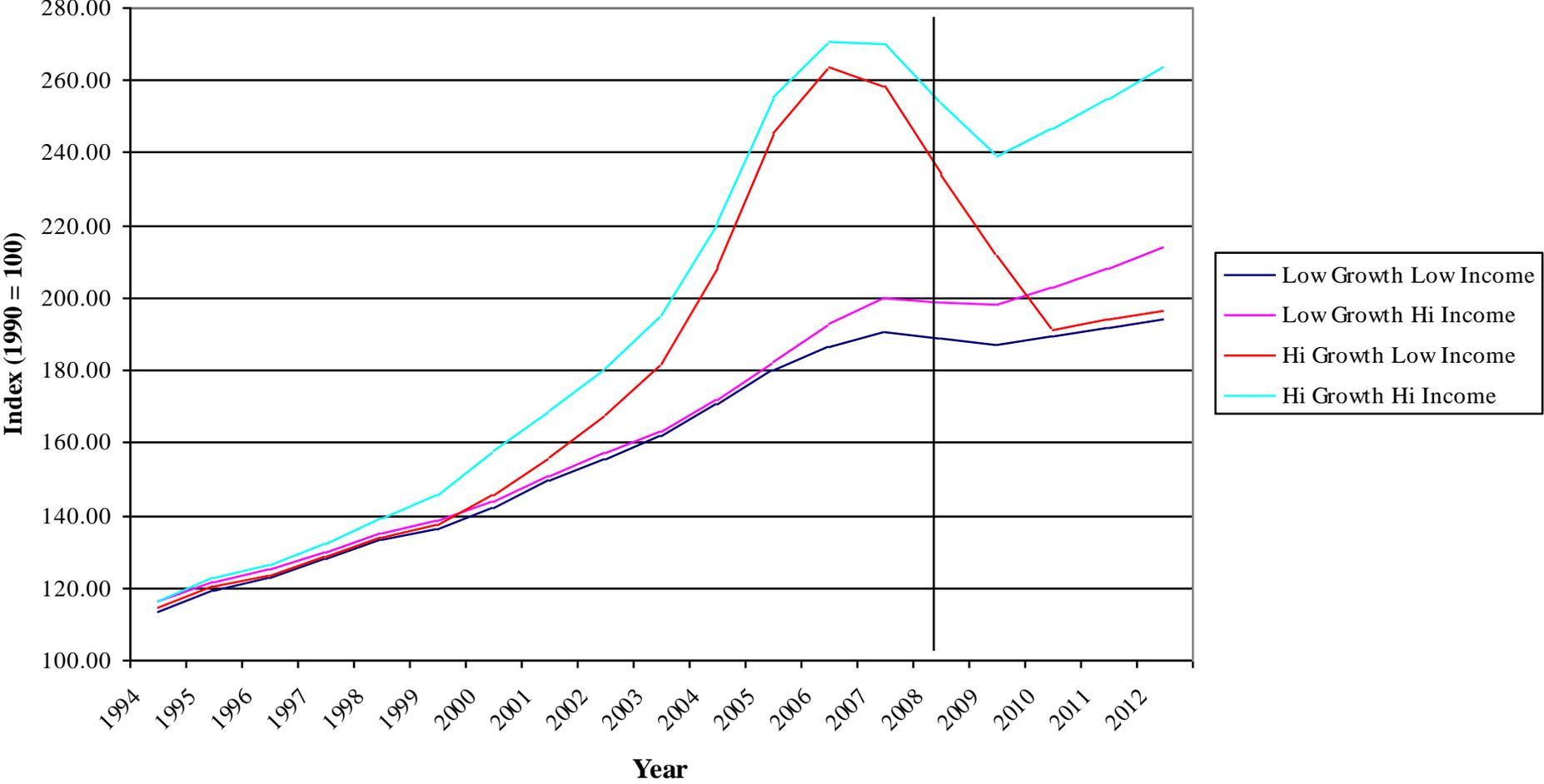
Change in Velocity 1999/00 - 2004/5

By Housing Market Group

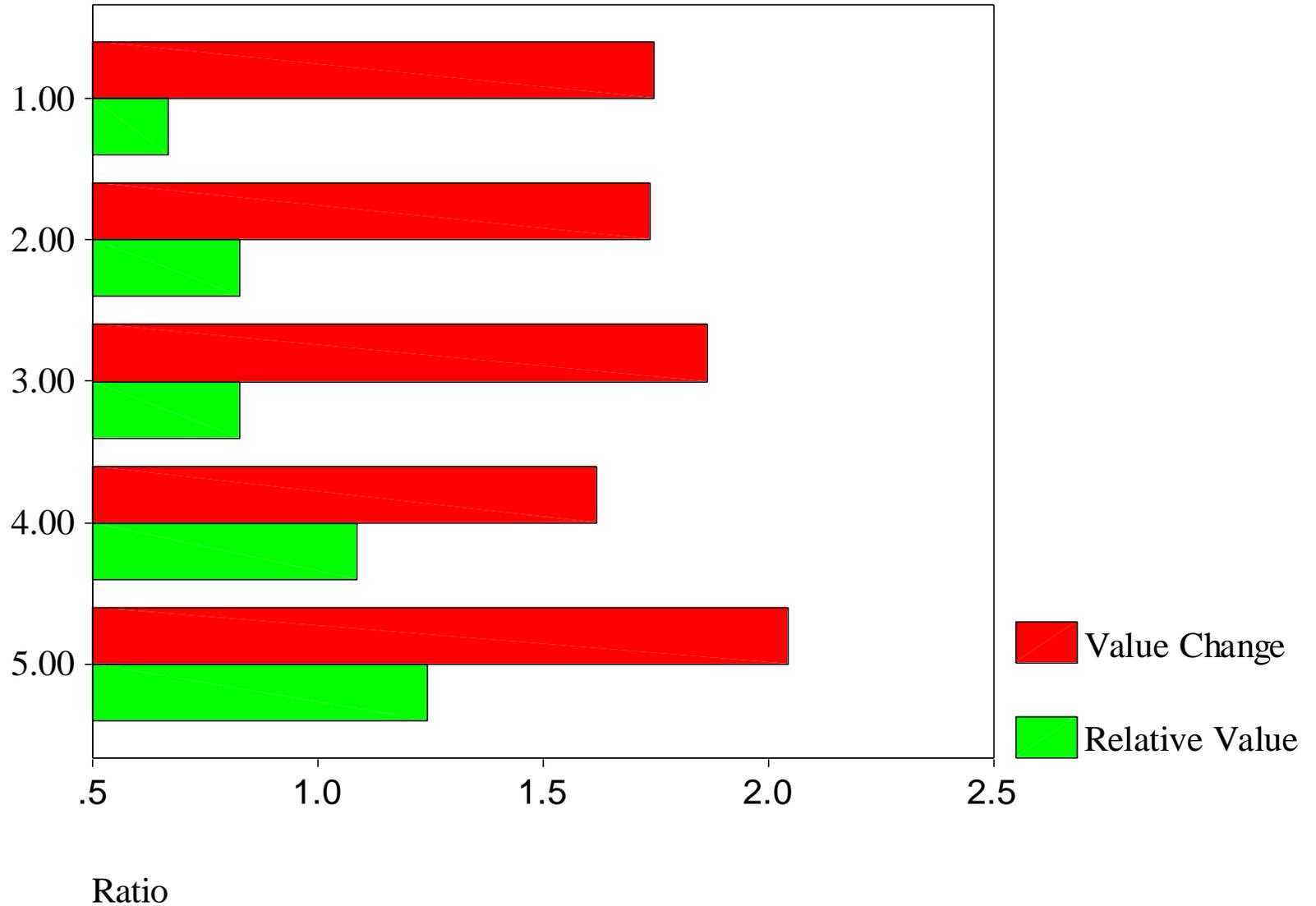


Percent Change in Transactions

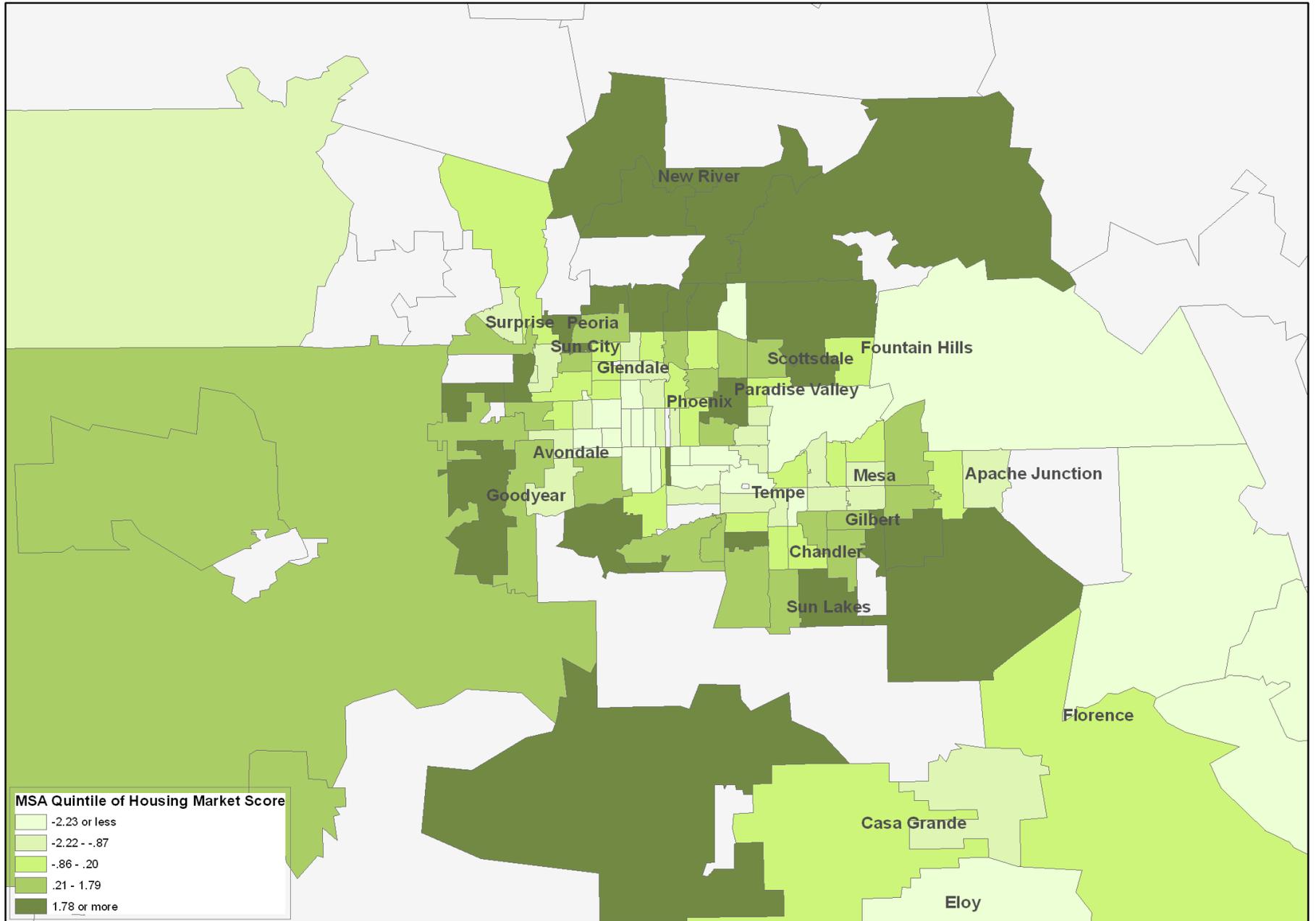
Projected Change in House Price Index by Price-Income Group, 1990 - 2012



Value Relative to MSA Median and Change in Value 99/00 to 05/06



Phoenix MSA Zip Codes by Housing Market Group

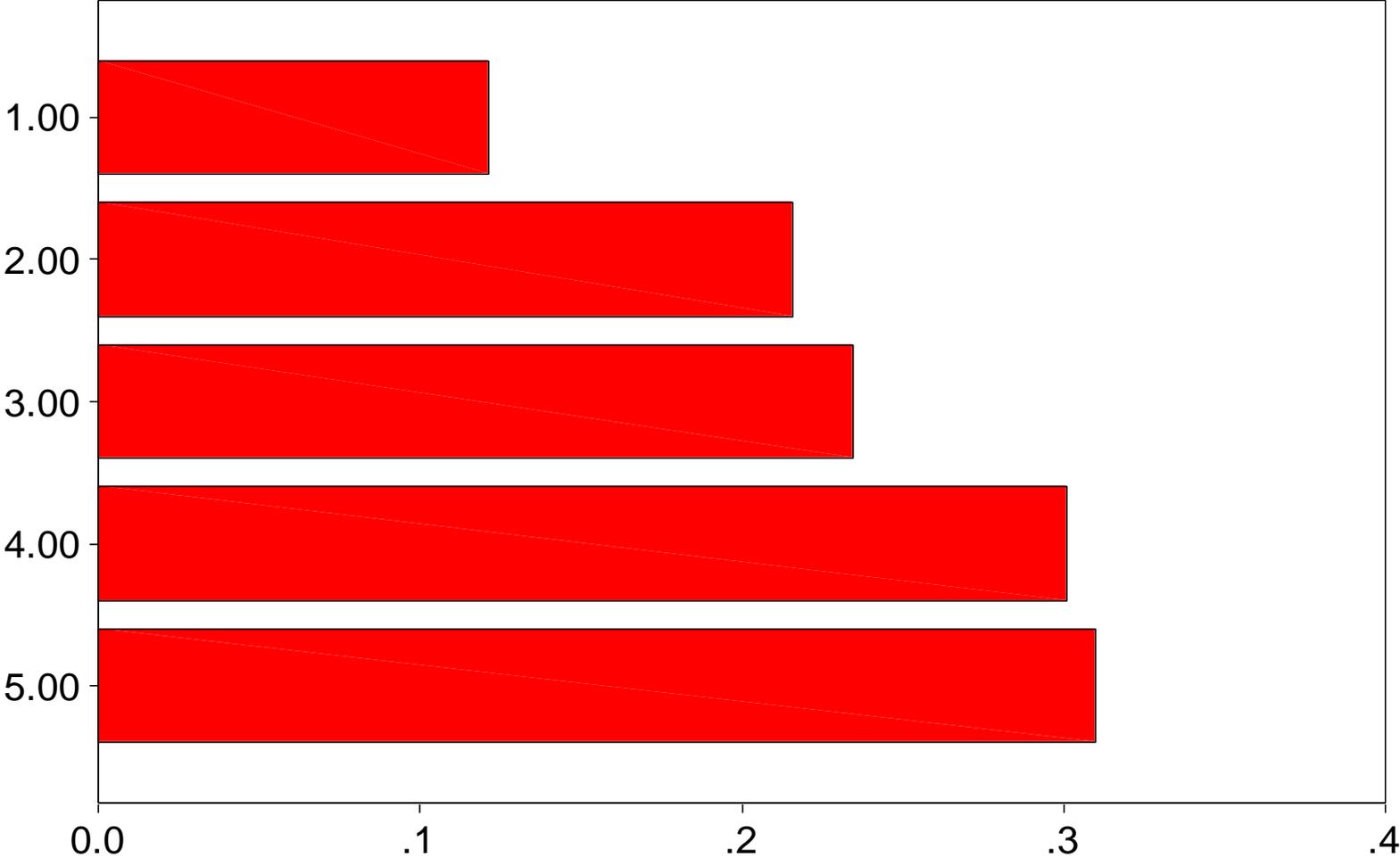


Source: Local Initiatives Support Corporation Research and Assessment

0 5 10 20 Miles

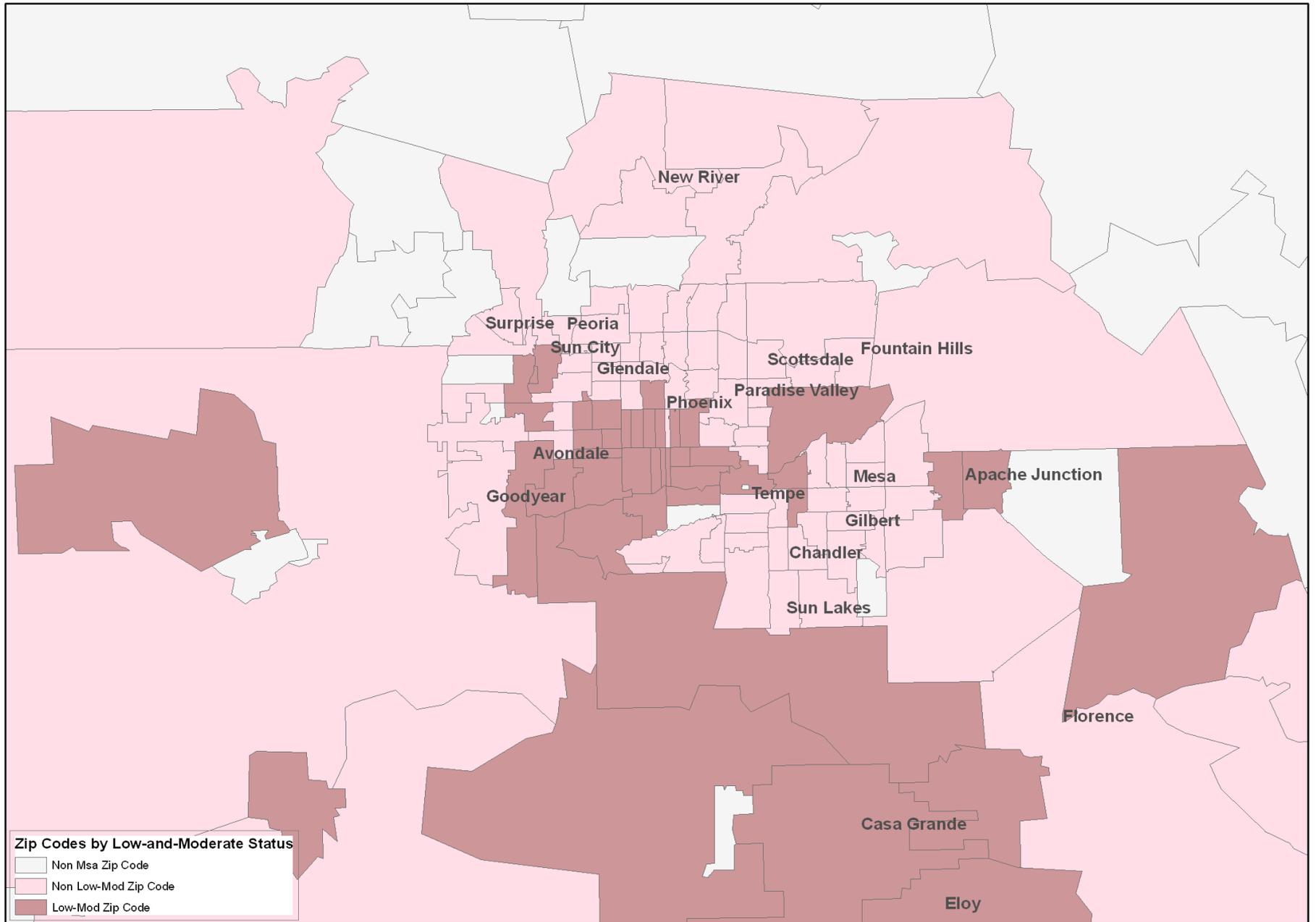
Education Level by Housing Market Group

Phoenix Metro Area Zipcodes



Average Percent with College Degree

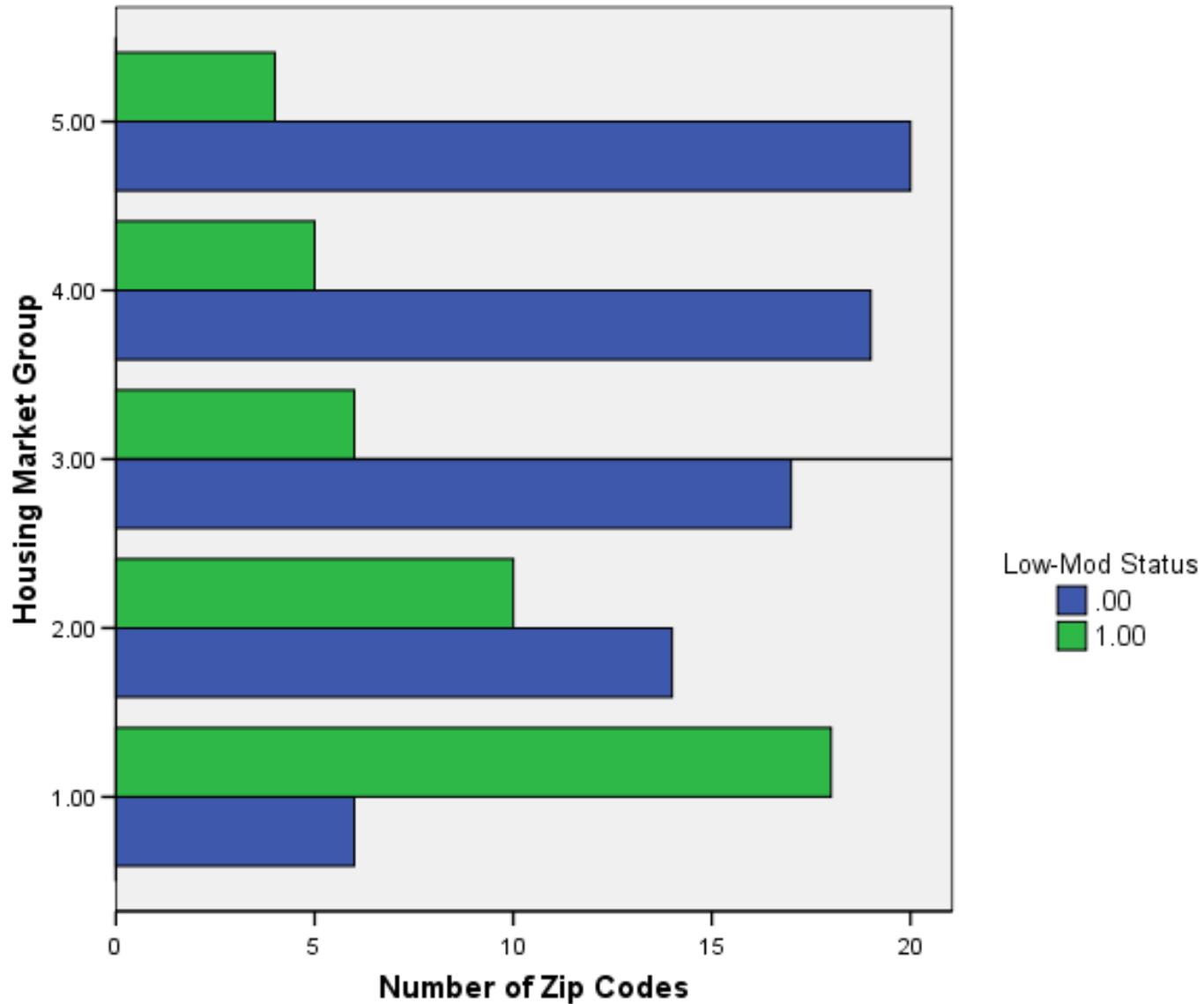
Phoenix MSA Zip Codes by Low-and-Moderate Income Status



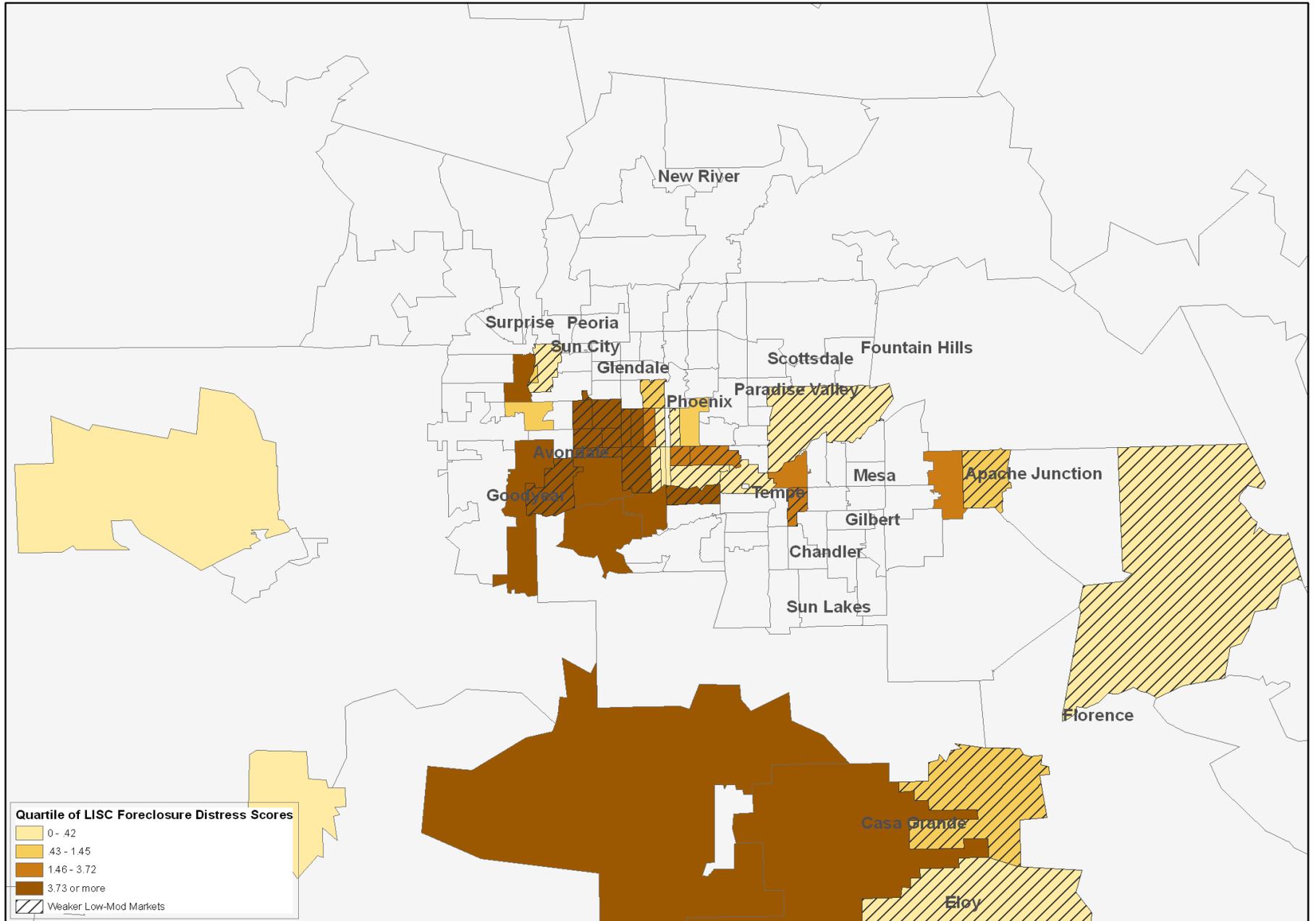
Source: Local Initiatives Support Corporation Research and Assessment

0 5 10 20 Miles

Number of Zip Codes in Phoenix Housing Market Group by Low-Mod Status



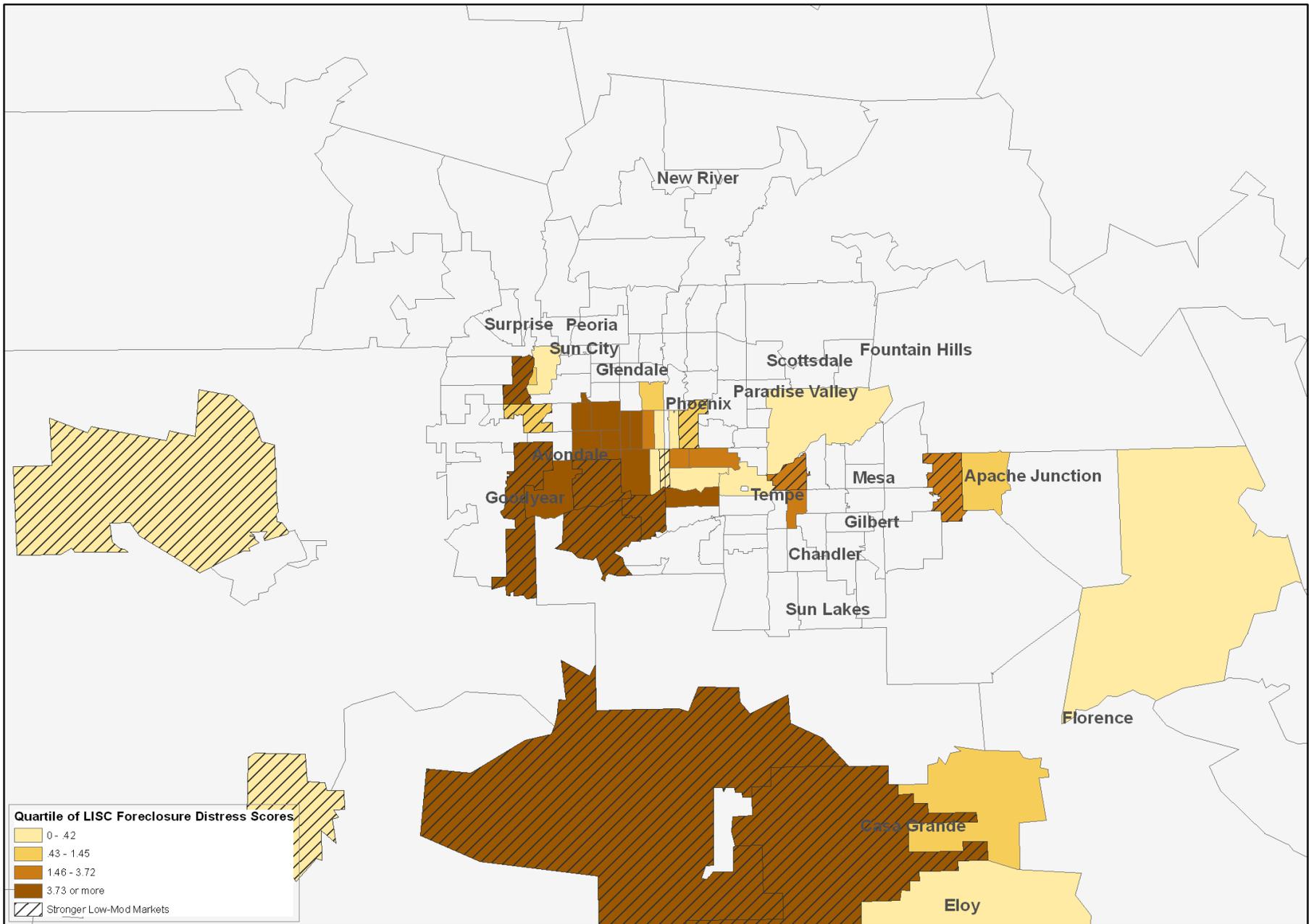
Foreclosure Distress Groups with Weaker Housing Markets in Low-Mod Zip Codes



Source: Local Initiatives Support Corporation Research and Assessment

0 5 10 20 Miles

Foreclosure Distress Groups with Stronger Housing Markets in Low-Mod Zip Codes



Source: Local Initiatives Support Corporation Research and Assessment

0 5 10 20 Miles