

TRENDS IN DELINQUENCIES AND FORECLOSURES IN NEVADA

April 2011

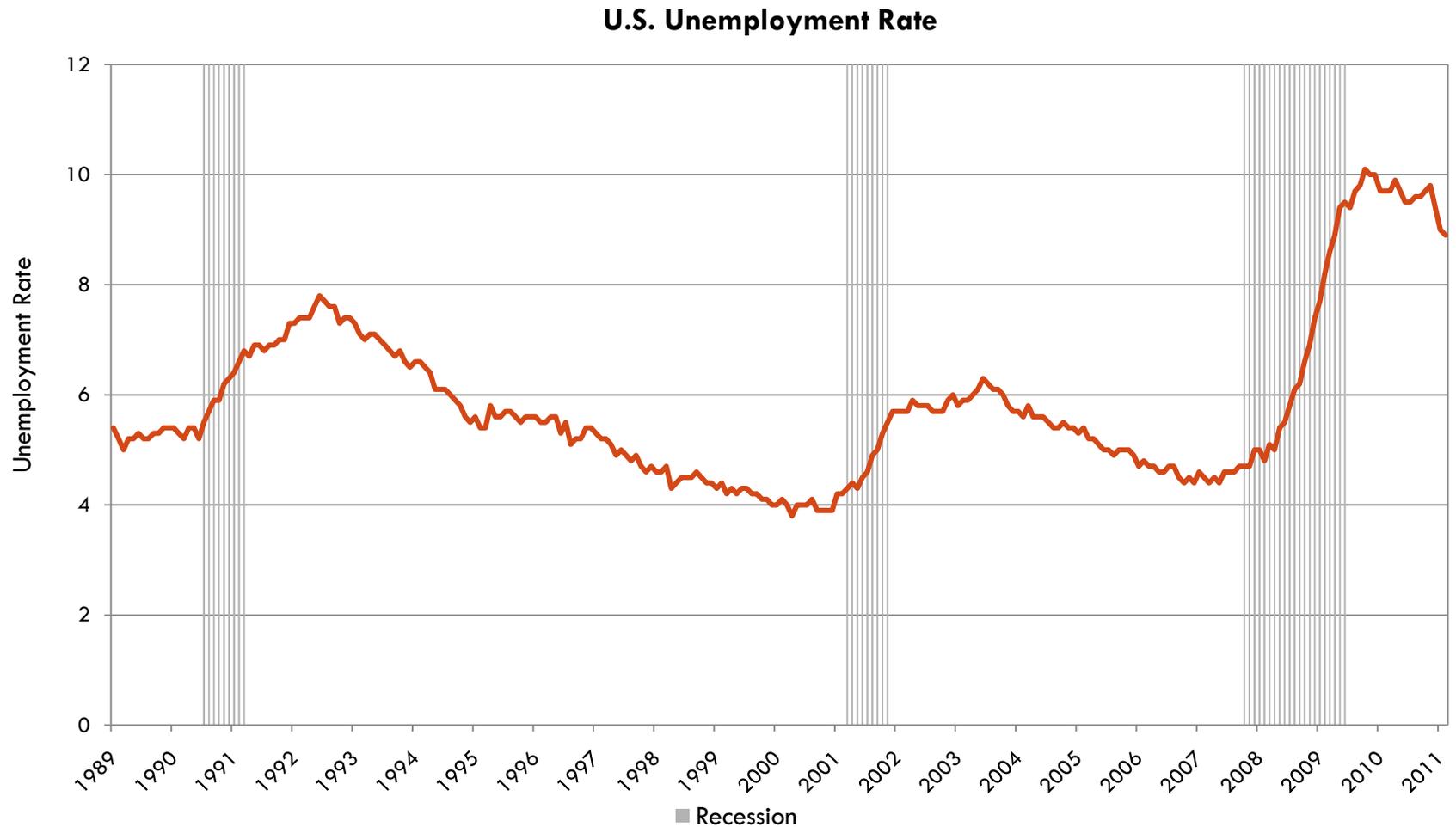
Community Development Research
Federal Reserve Bank of San Francisco

National Trends

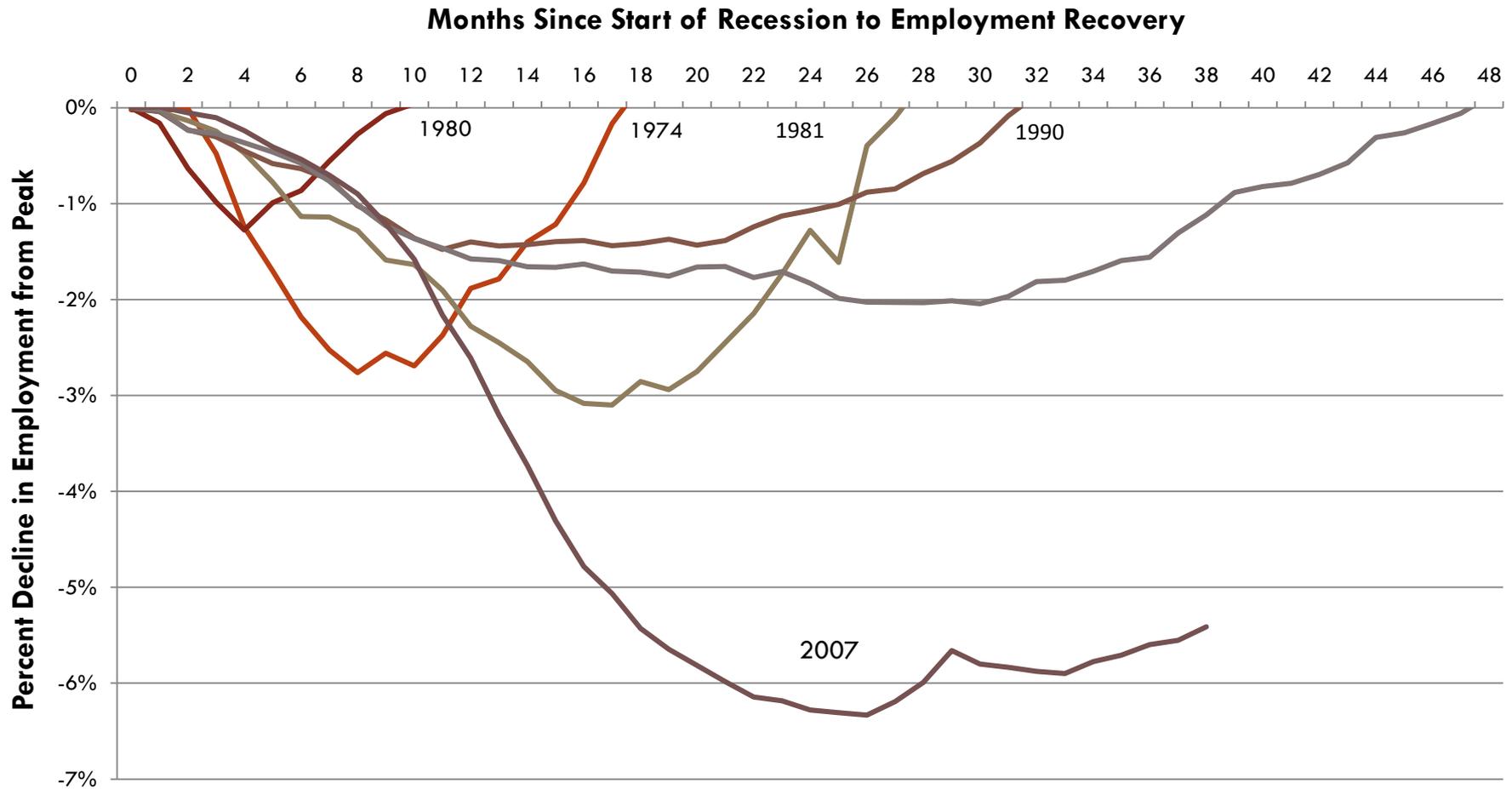
- Even though NBER officially announced the recession's end in June of 2009, pace of recovery remains slow
 - In February 2011, unemployment rate fell below 9% for the first time since April 2009
 - The private sector has been adding jobs at an average of 106,000 each month since February 2010
 - Housing is the one major sector of the economy where we still do not see signs of recovery
 - New and existing home sales remain near historic lows, and inventories of foreclosed homes remain very high
 - Public sector budget crisis in many states is of major concern, and threatens viability of services to LMI communities

National Trends

Unemployment dips below 9%

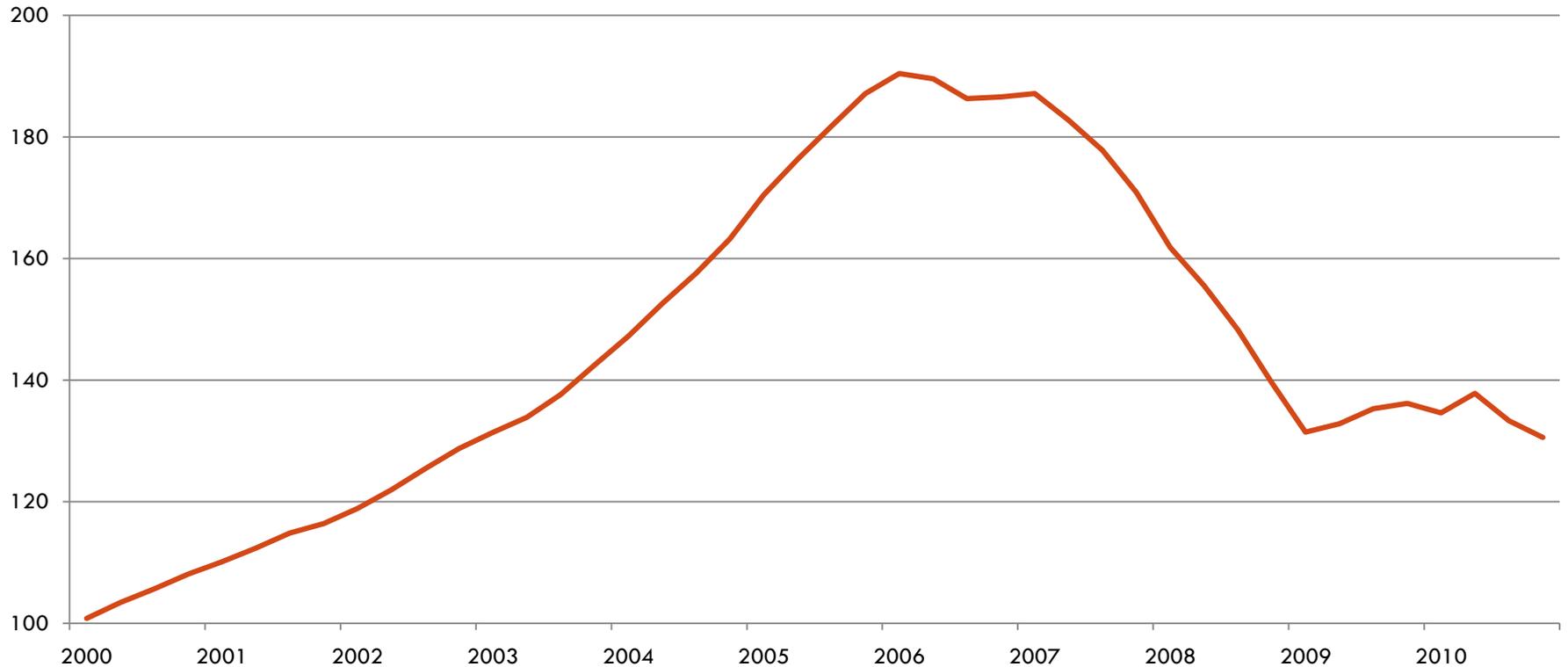


Recovery, particularly in labor market, remains elusive

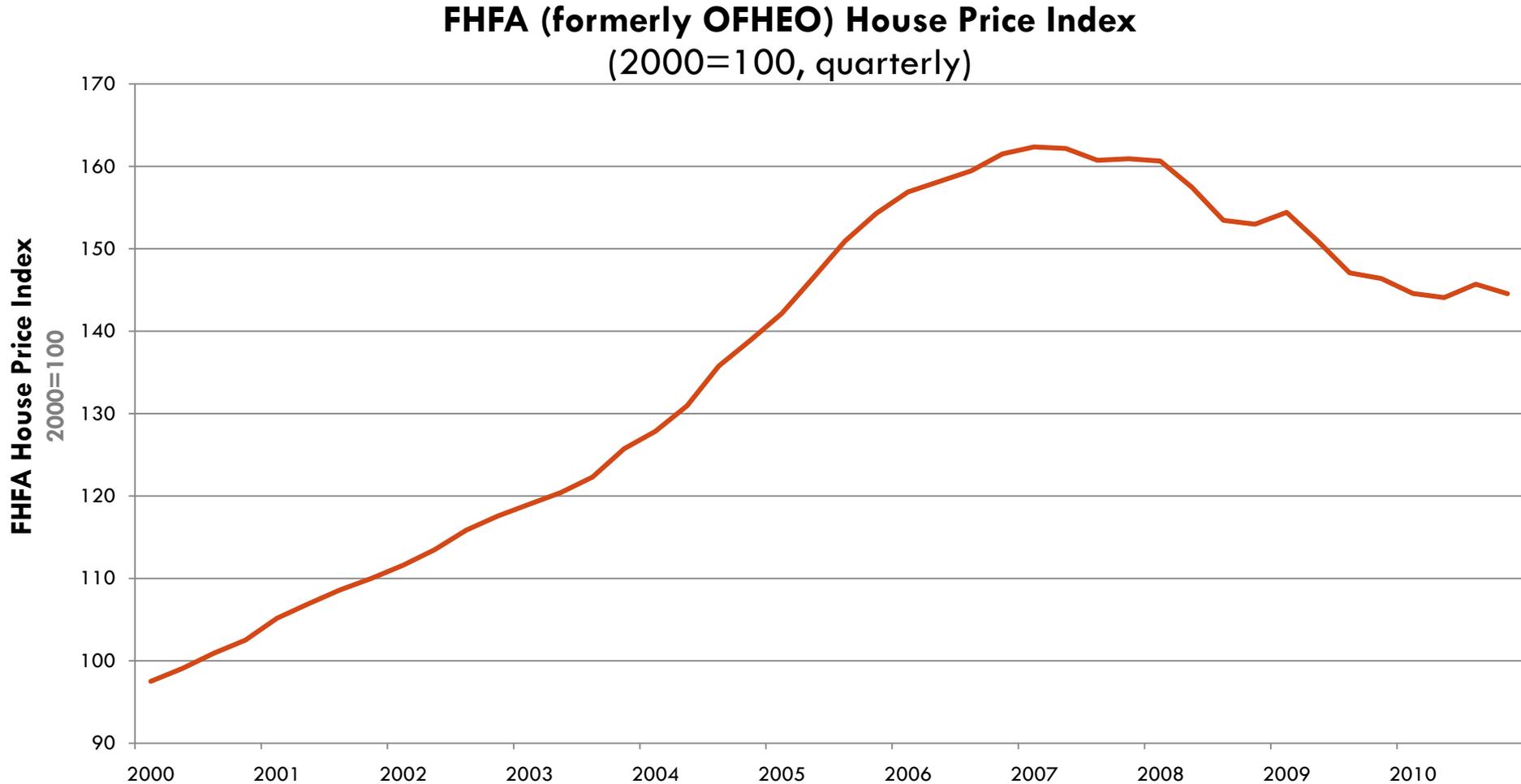


Case-Shiller Index shows continued softness in housing market

Case-Shiller National House Price Index
(2000 = 100, Quarterly)



FHFA House Price Index Dips Again at End of 2010

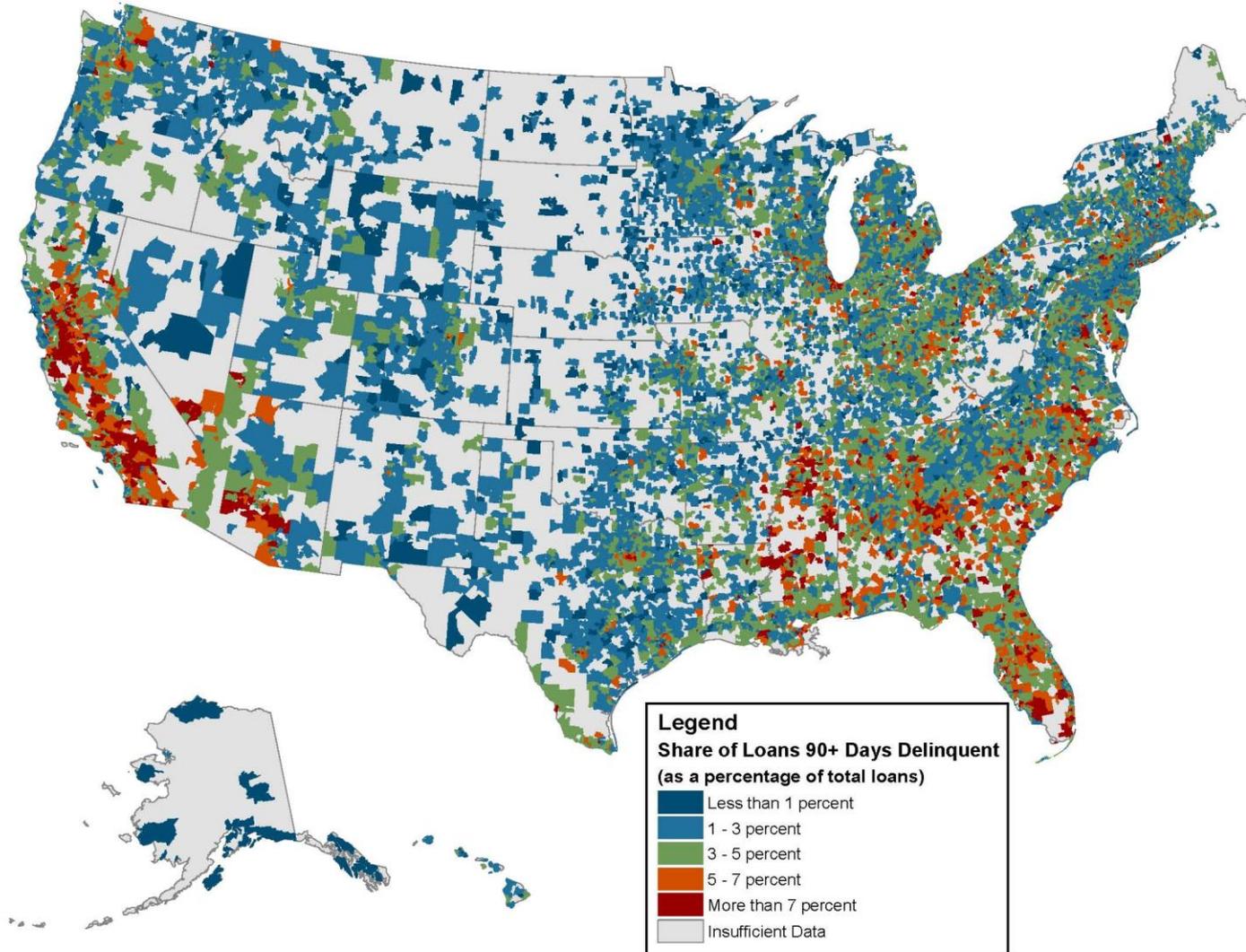


Source: Federal Housing Finance Agency (formerly OFHEO), includes refinancing and is not seasonally adjusted

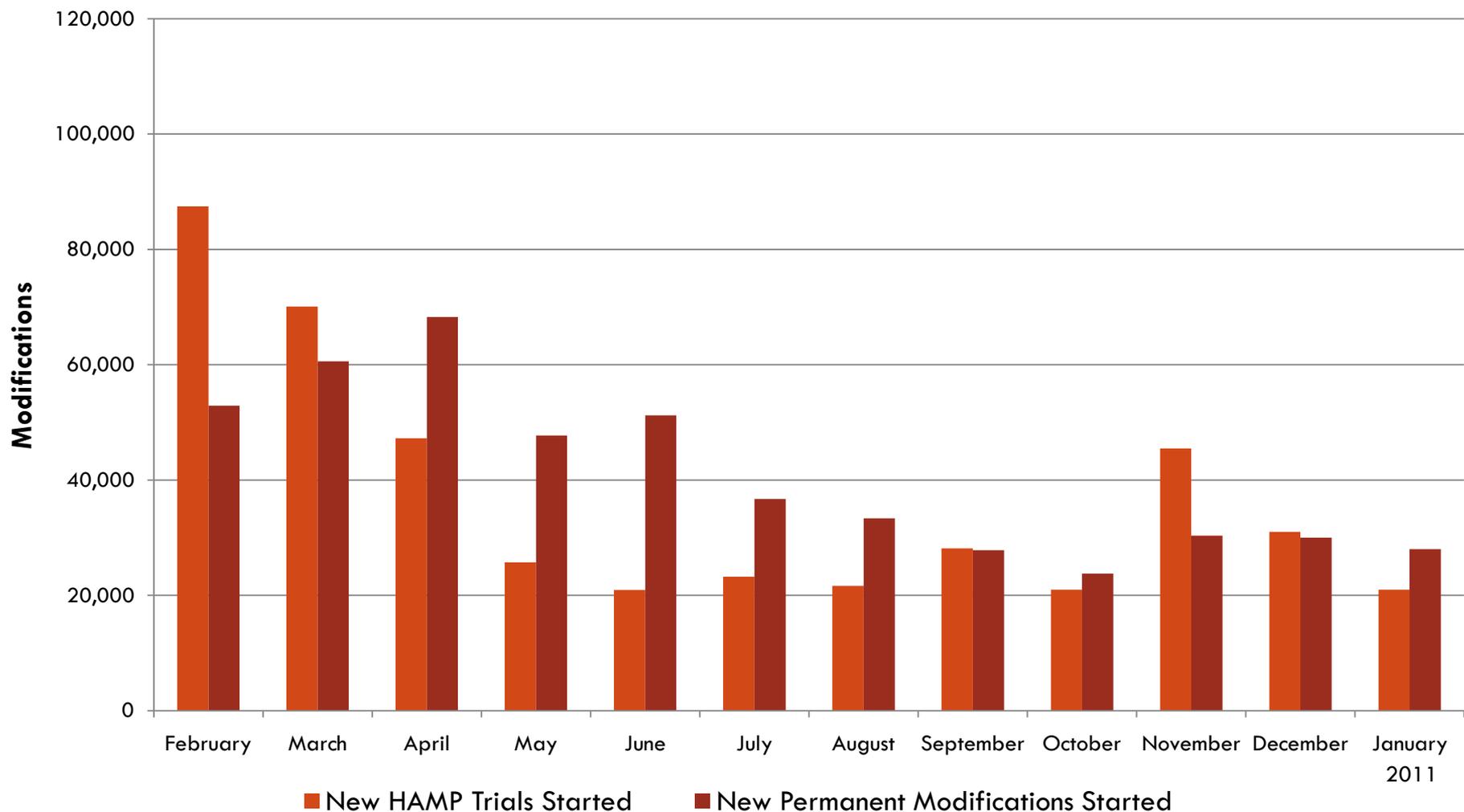
Nationally, delinquencies drop in 2010, but still more than 4.5 million homes in distress



Despite improvement, high rates of delinquency remain concentrated in western and southern states

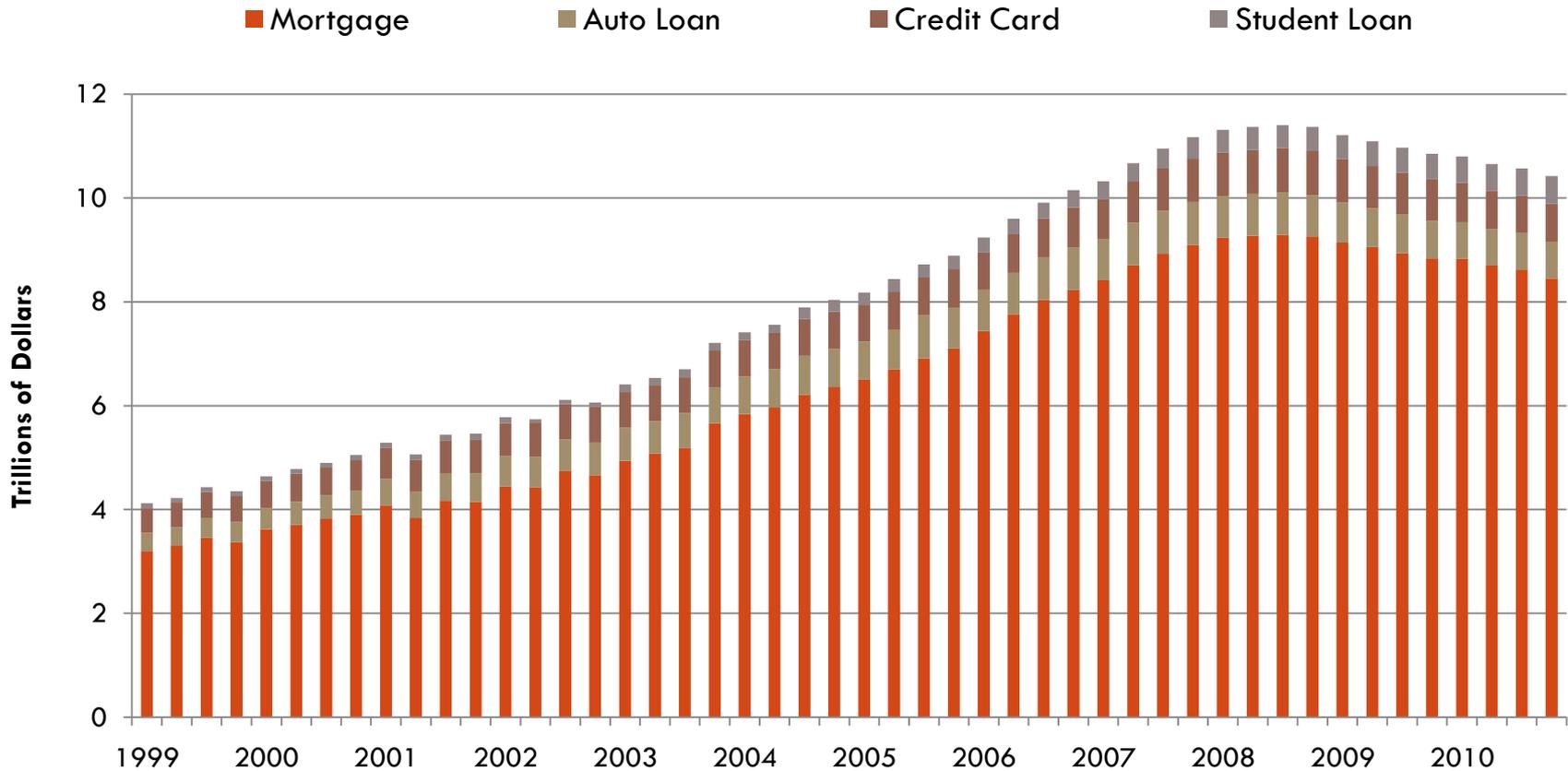


HAMP modifications down; borrowers still face challenges in obtaining permanent modifications

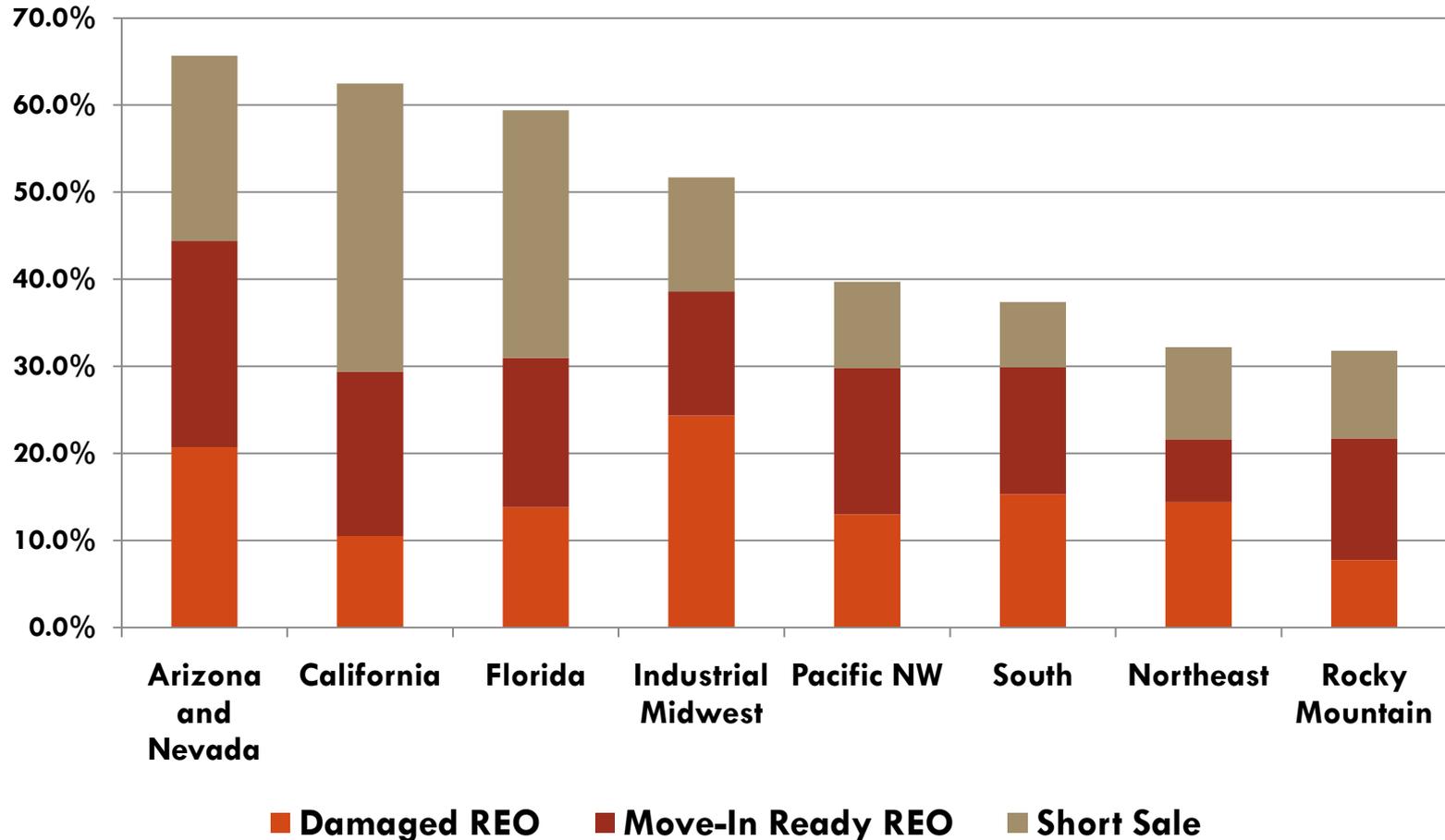


Household debt falling from 2008 peak

Total Debt Balance and Composition

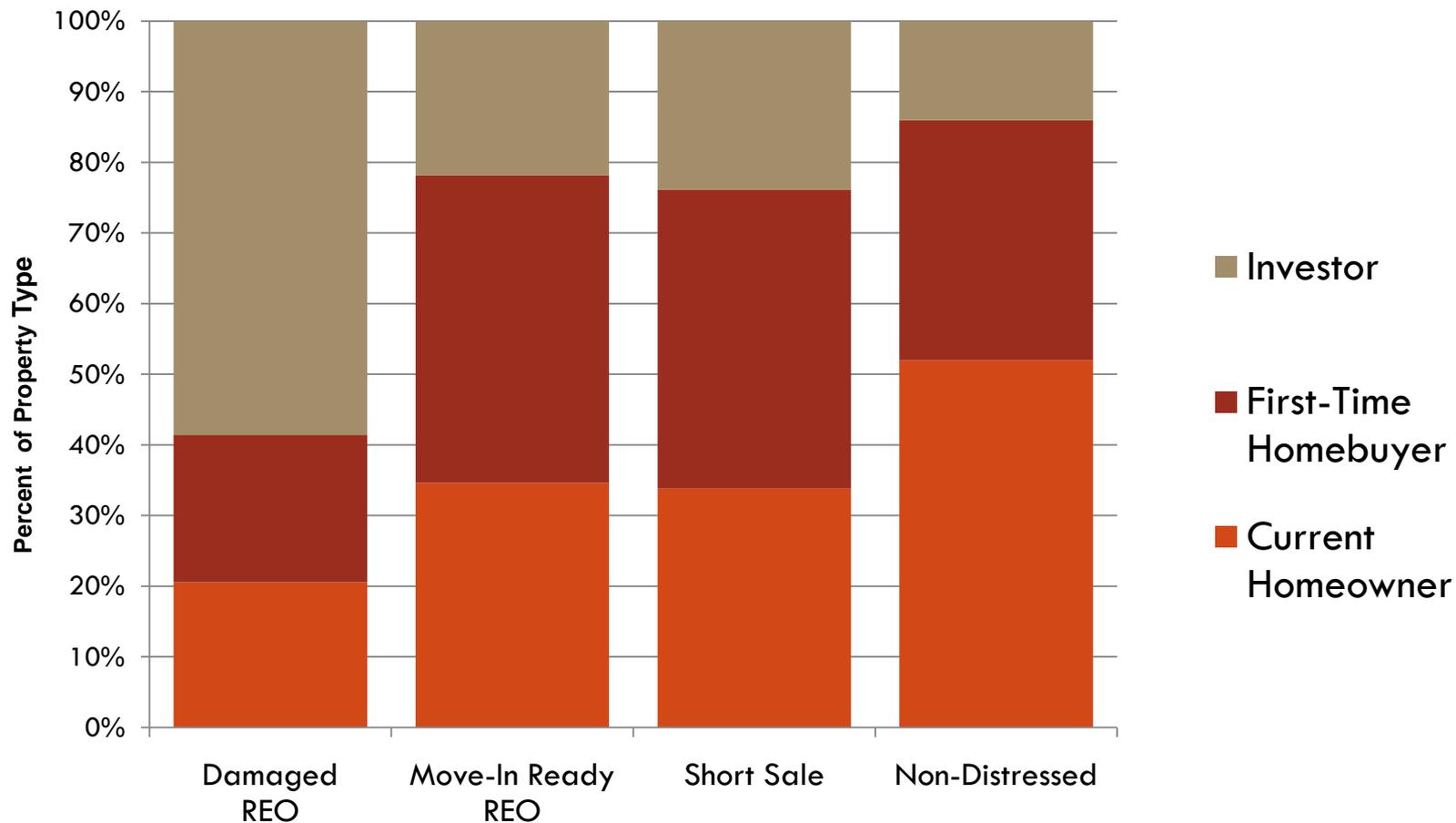


Composition of distressed sales



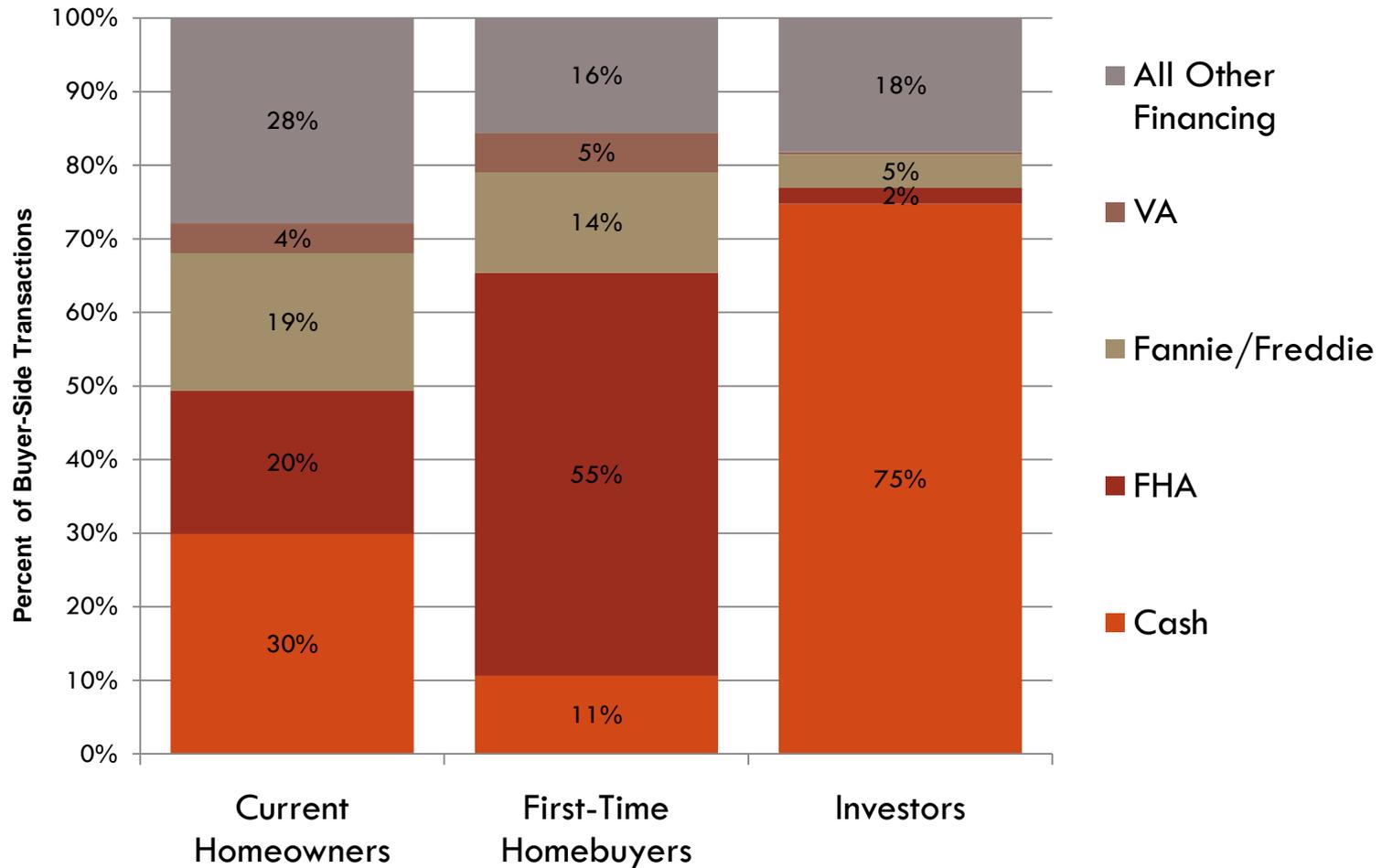
Neighborhood stabilization: concerns over investor purchases of distressed properties

Who Is Buying Properties?—February 2011



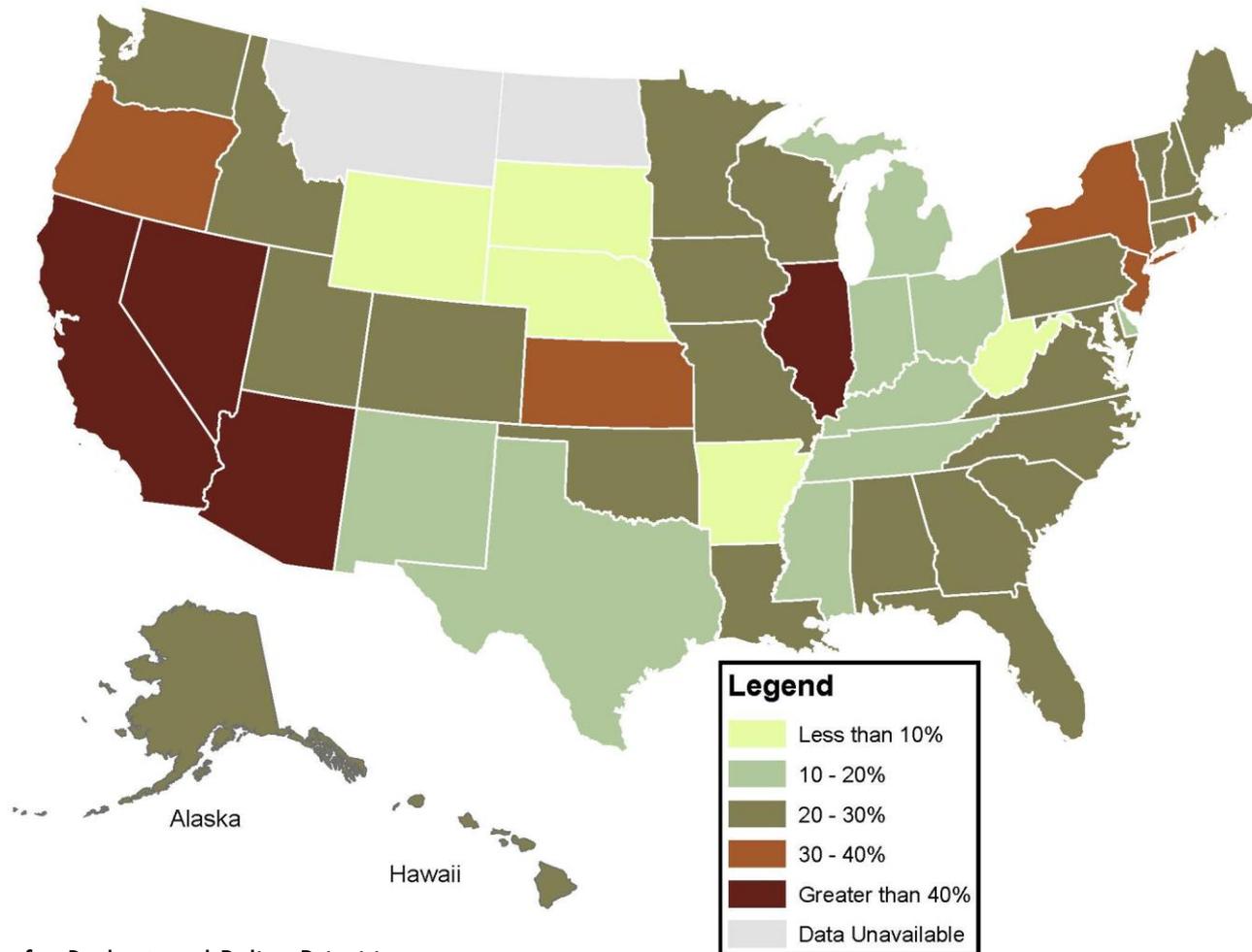
Source: Campbell/Inside Mortgage Finance *HousingPulse* Monthly Survey of Real Estate Market Conditions, Feb 2011

Financing for home purchases



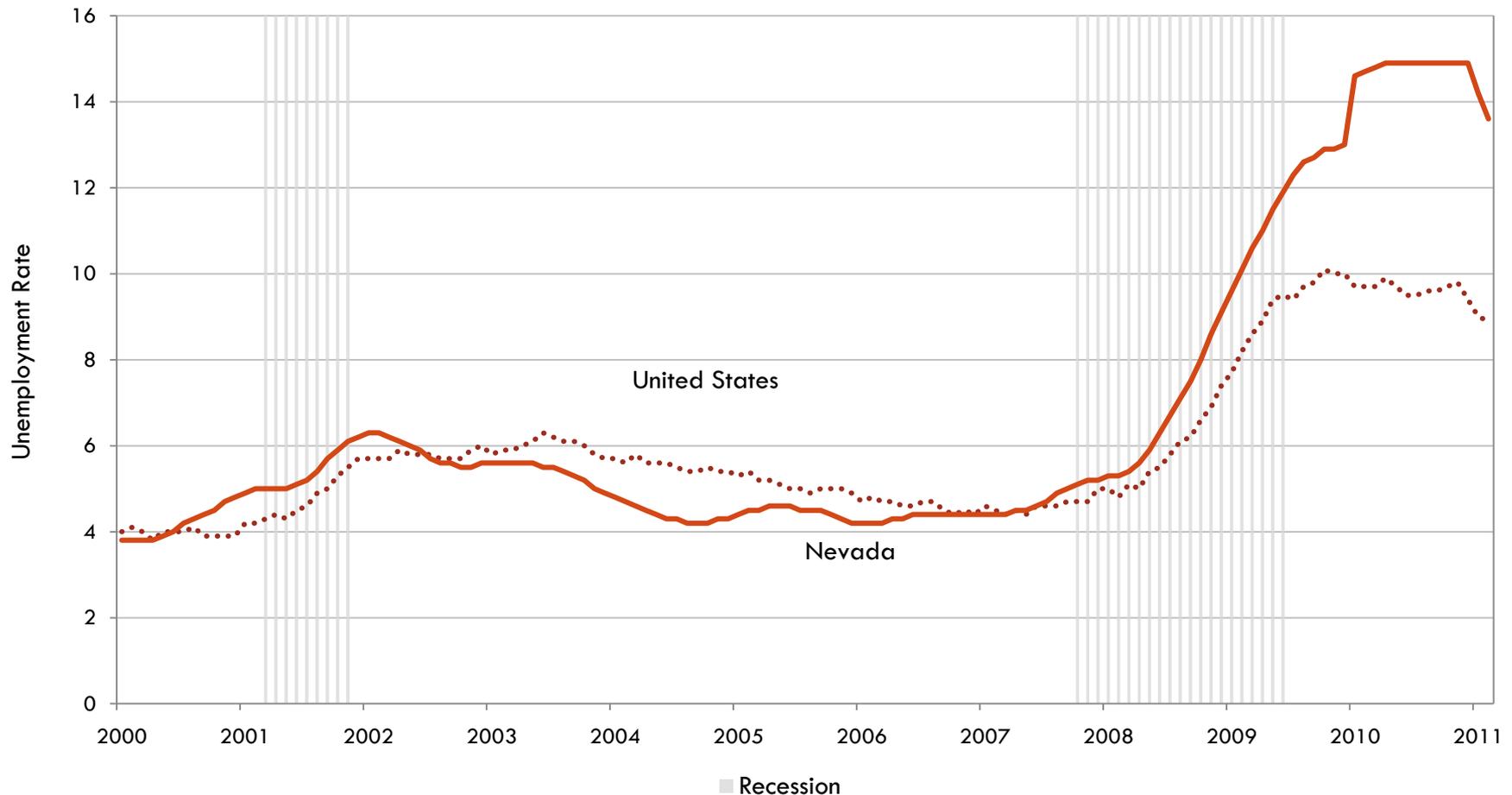
Many states within 12th District face severe budget shortfalls

Total End-of-Year Shortfall as Percentage of 2010 Budget

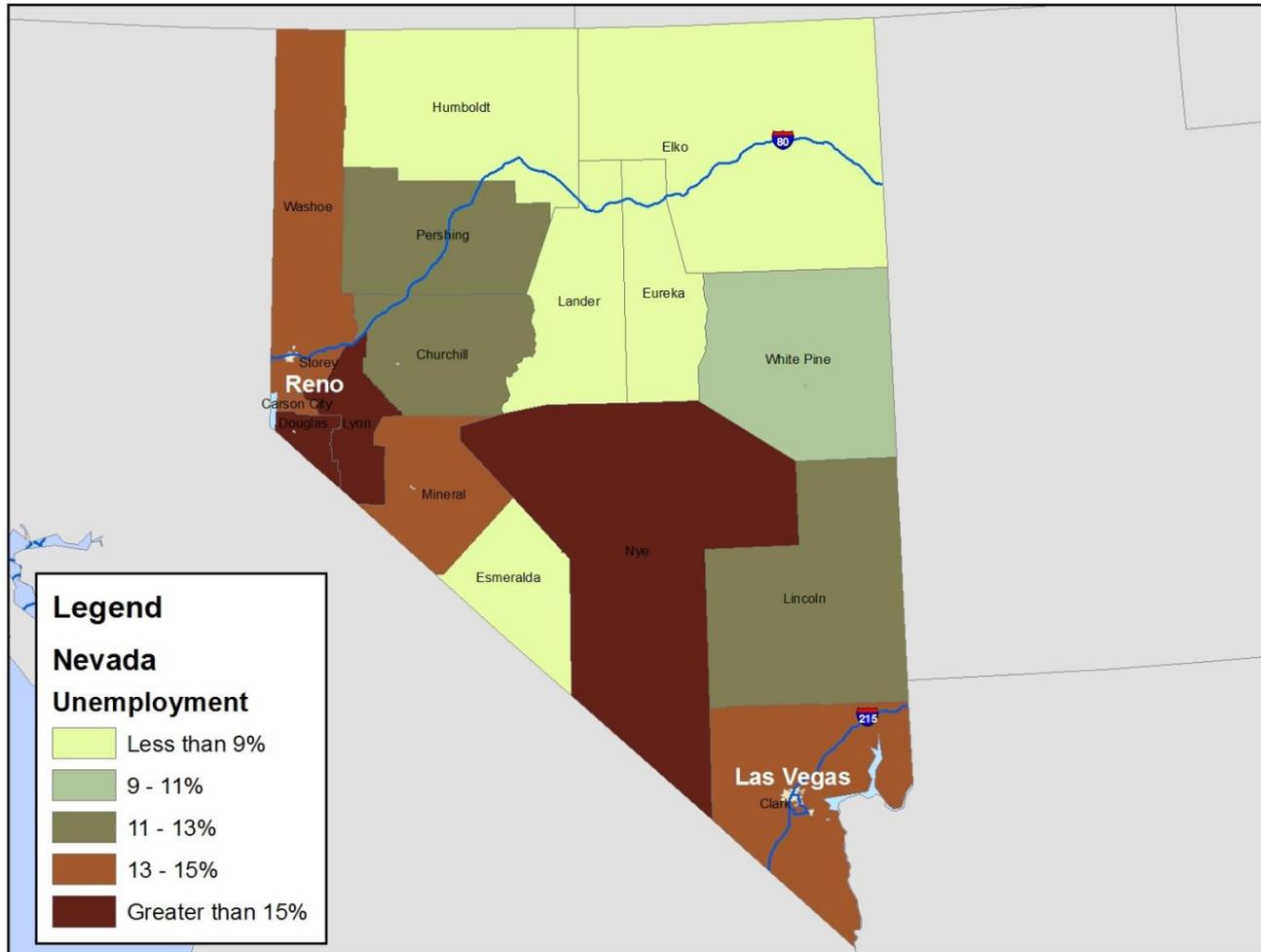


Nevada Trends

Unemployment rate in Nevada falls below 14%, still highest in country



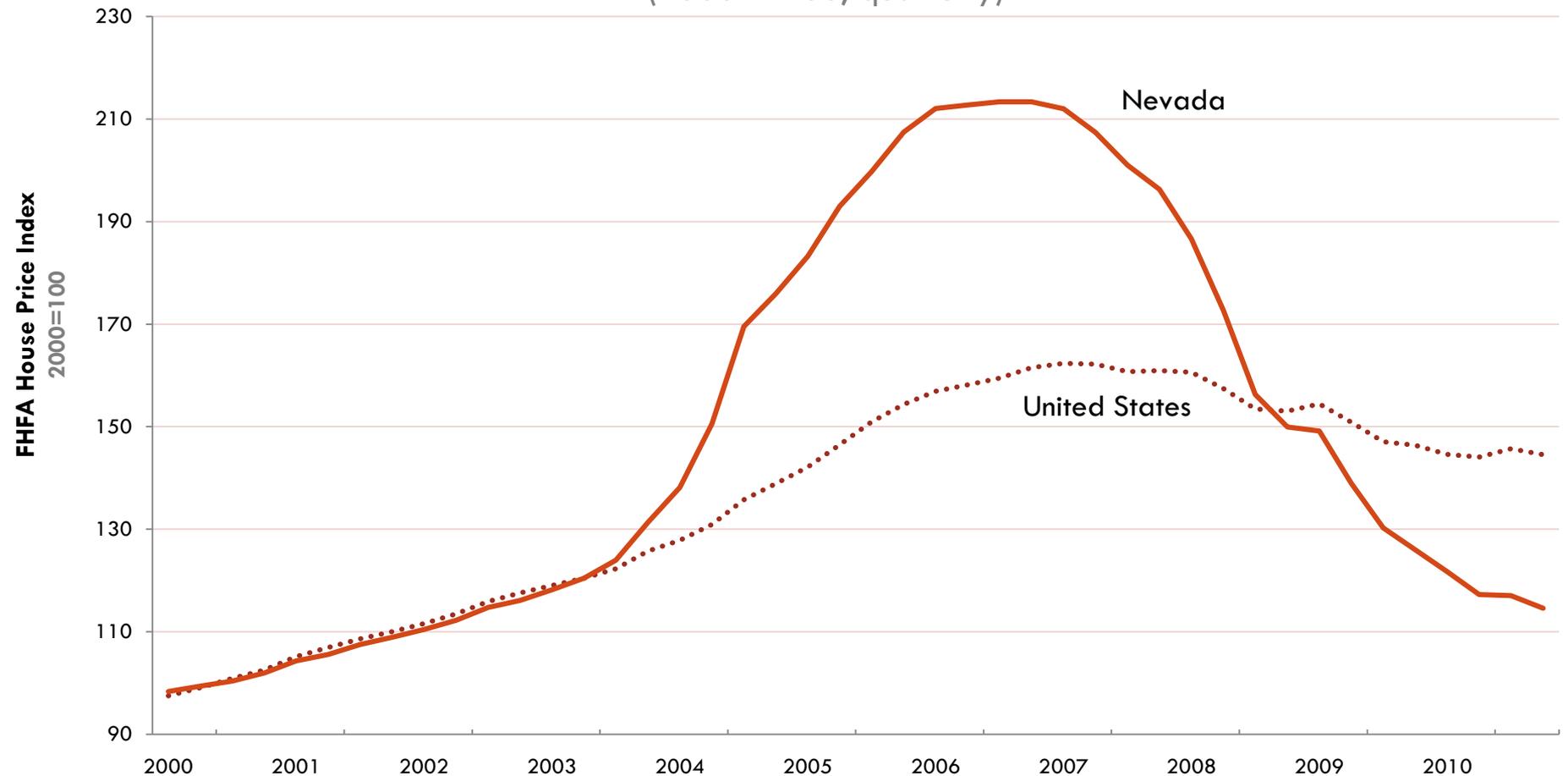
Unemployment in Nevada by county



Nevada house prices falling to 2003 levels

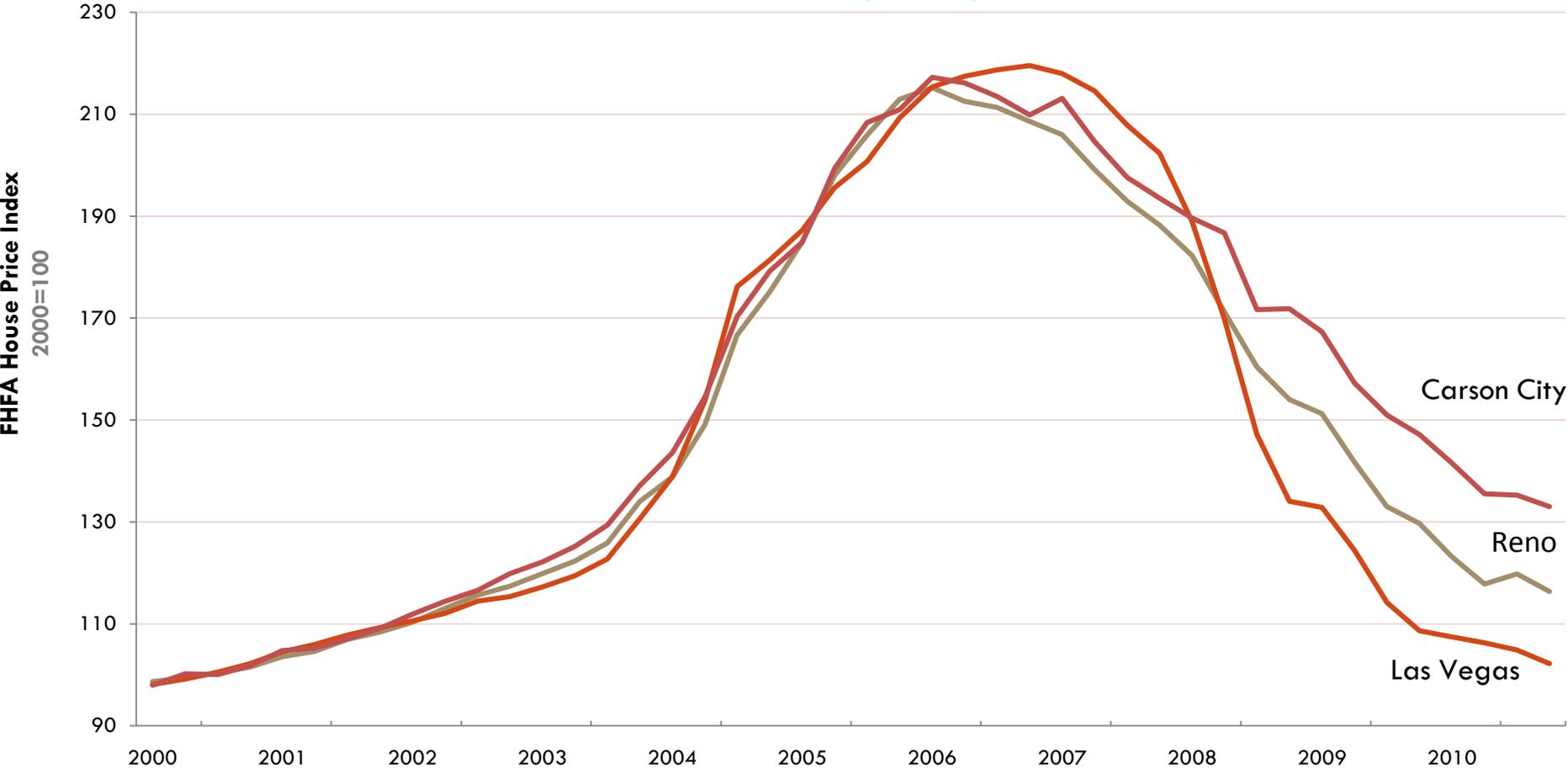
FHFA House Price Index (formerly OFHEO)

(2000 = 100, quarterly)



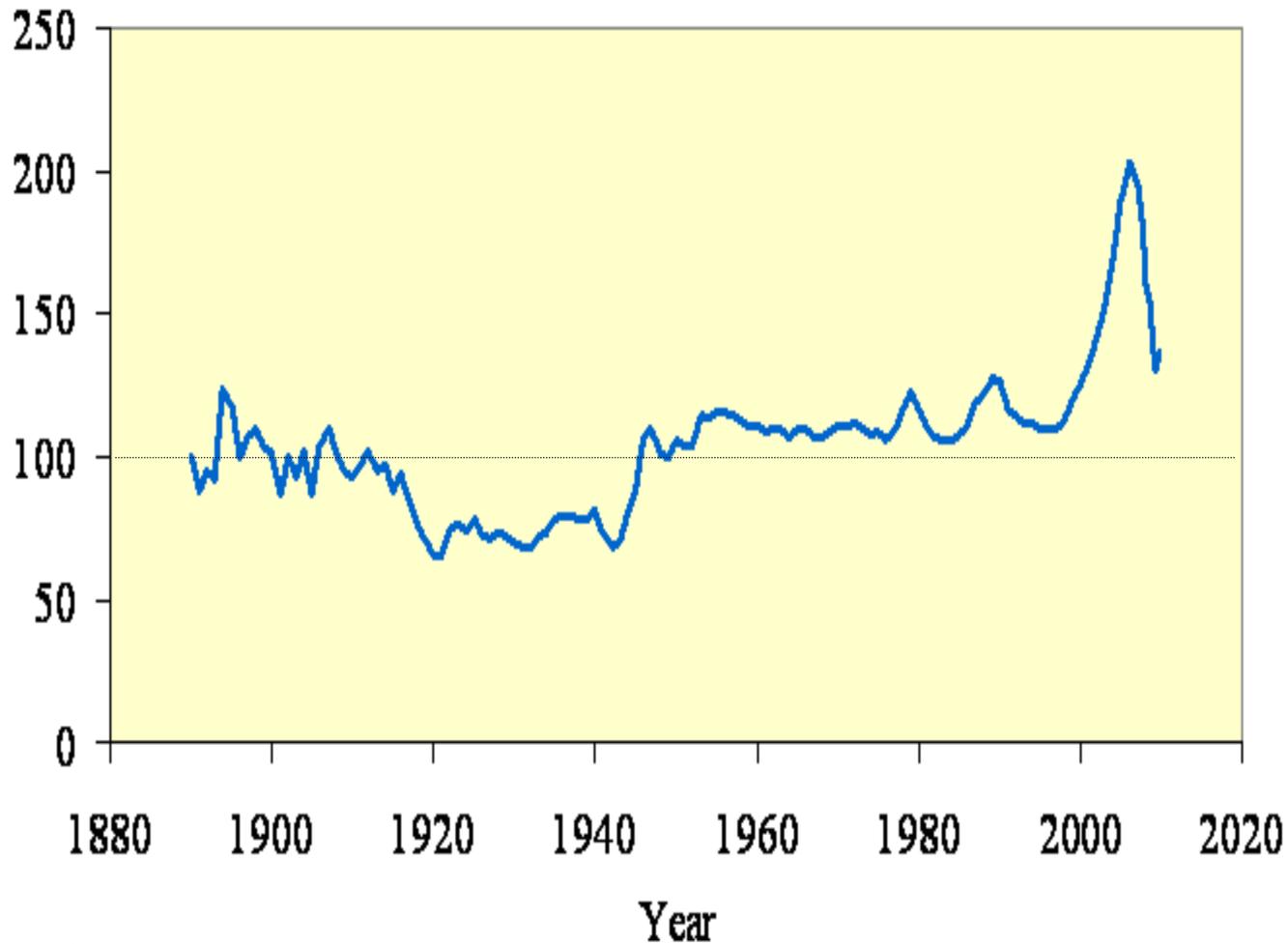
Las Vegas house price index down to 2001 levels

FHFA House Price Index (formerly OFHEO)
(2000 = 100, quarterly)



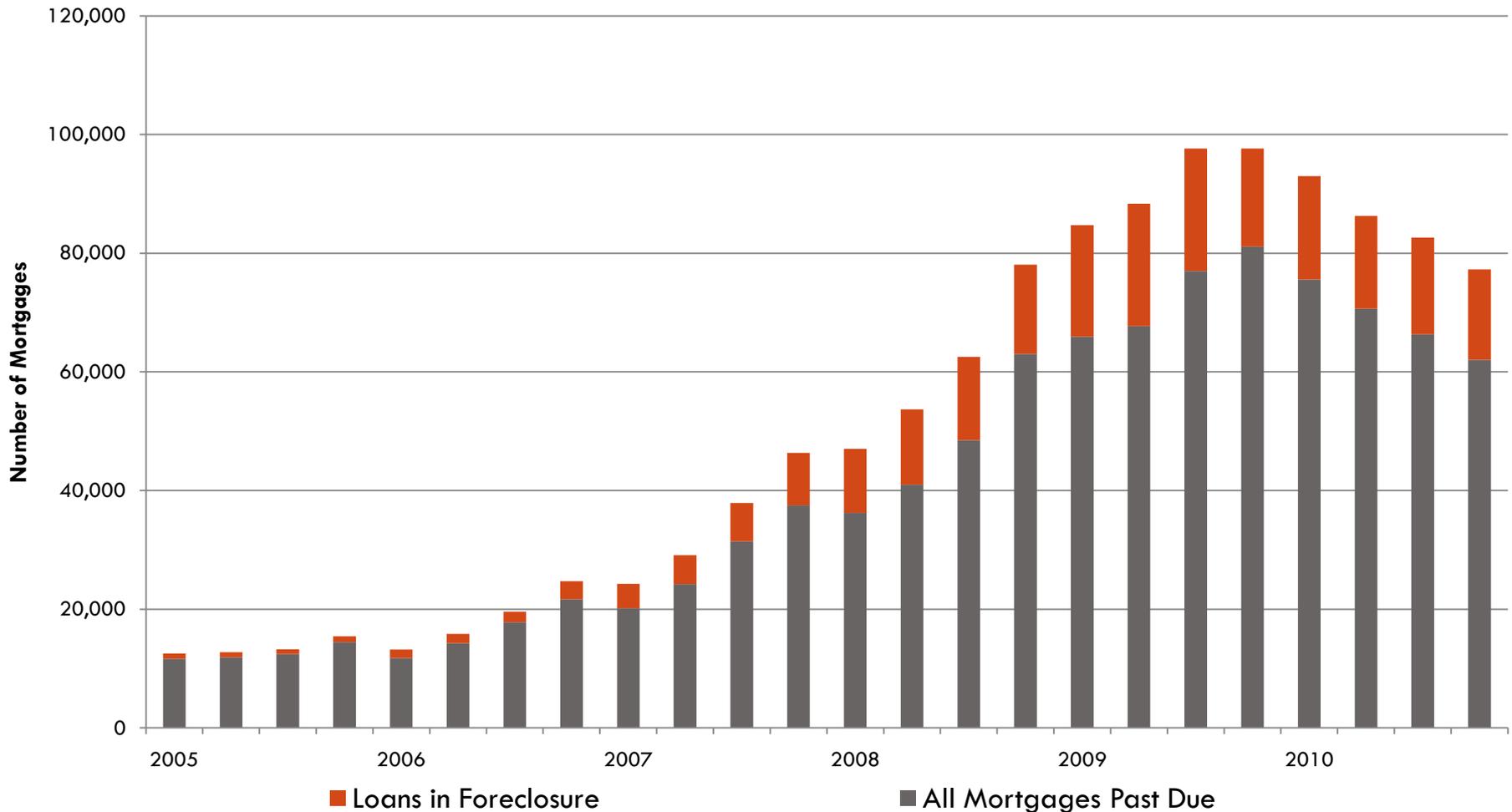
Source: Federal Housing Finance Agency (formerly OFHEO)

Housing boom was one for the ages



Source: Shiller, Irrational Exuberance

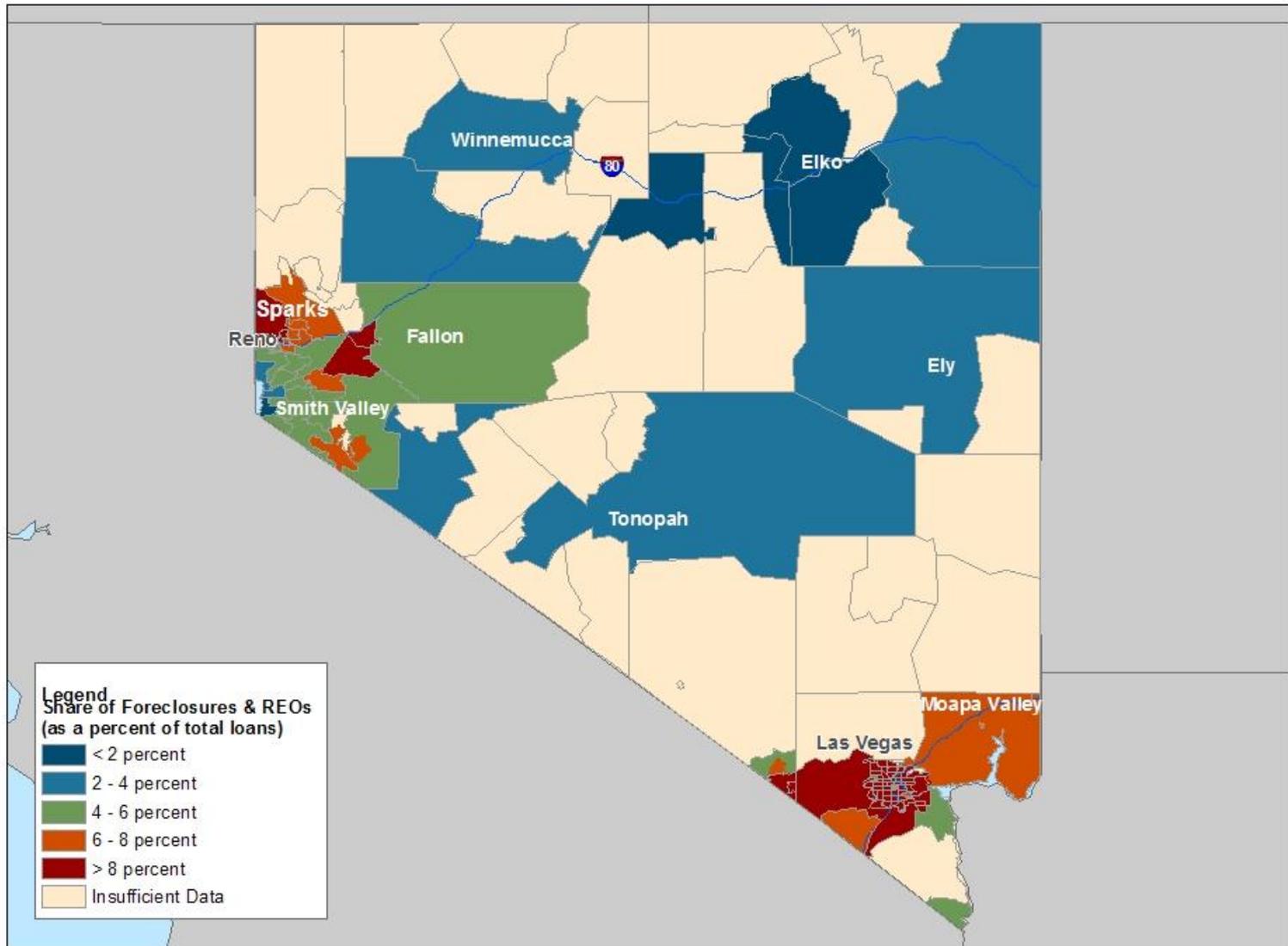
The number of distressed properties – delinquent and in foreclosure – continues downward trend



Nevada Foreclosure Data Maps

Areas Affected by Concentrated Foreclosures

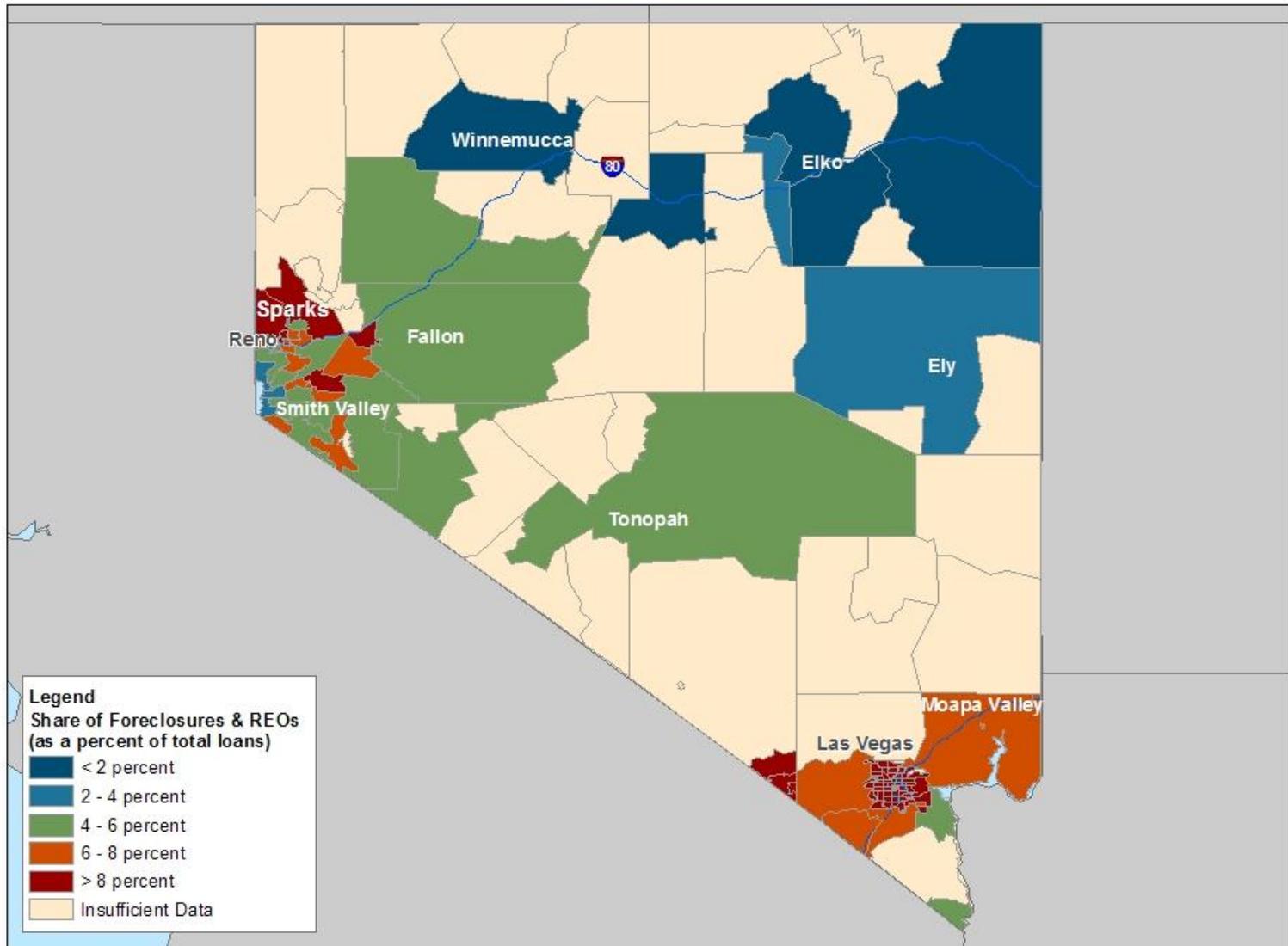
July 2010



Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations

Areas Affected by Concentrated Foreclosures

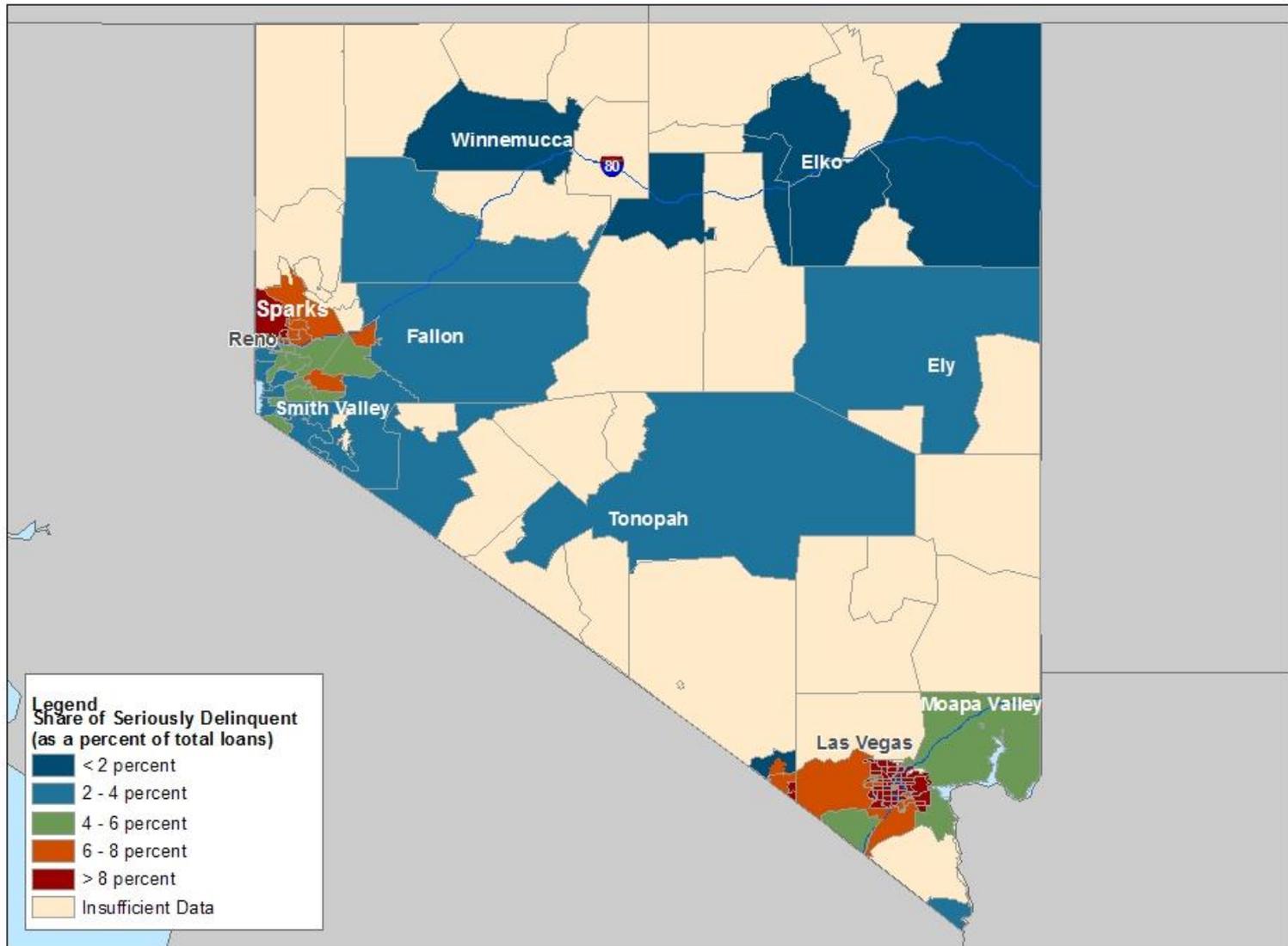
November 2010



Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations

Areas at Risk of Additional Foreclosures

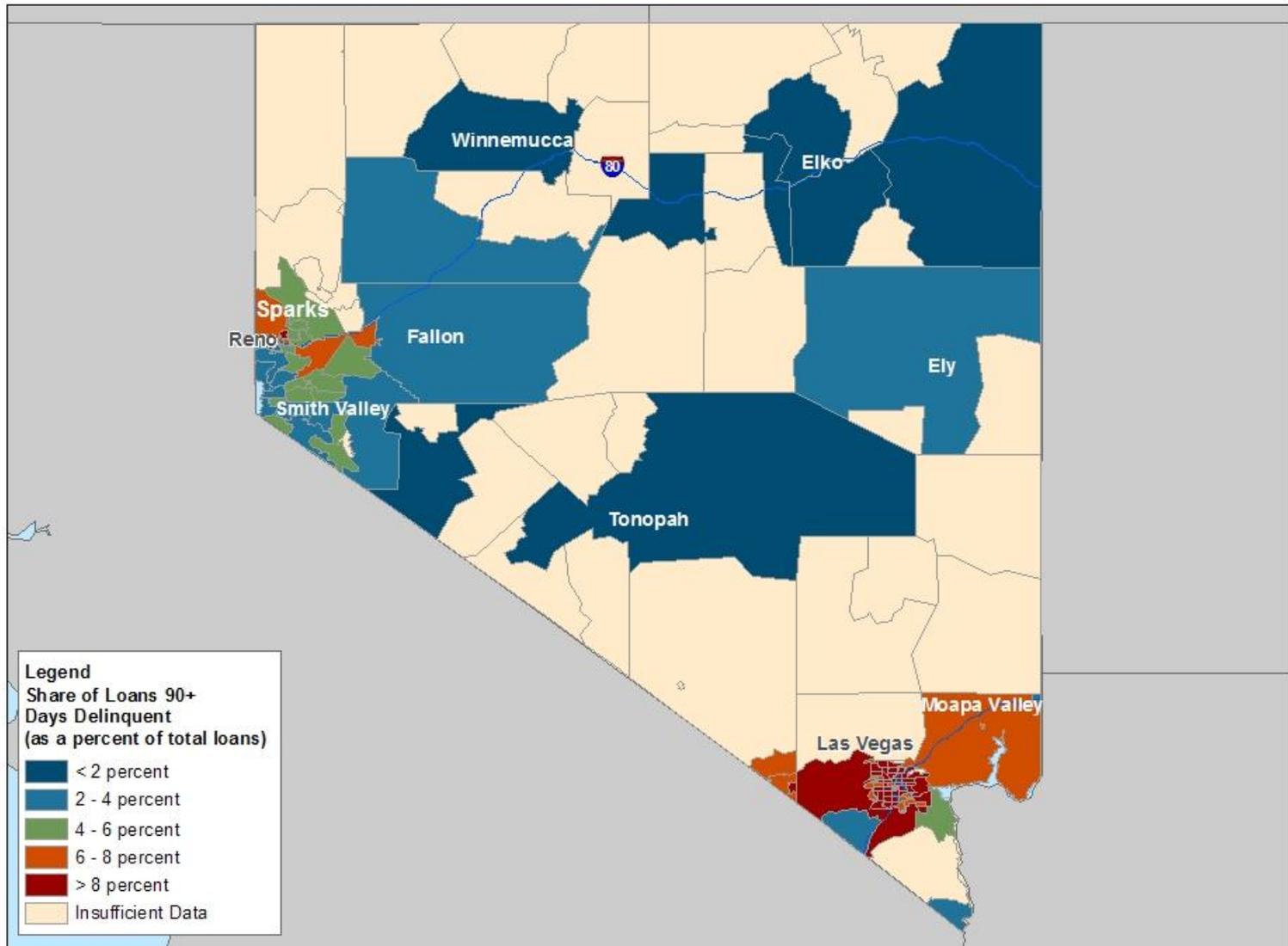
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Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations

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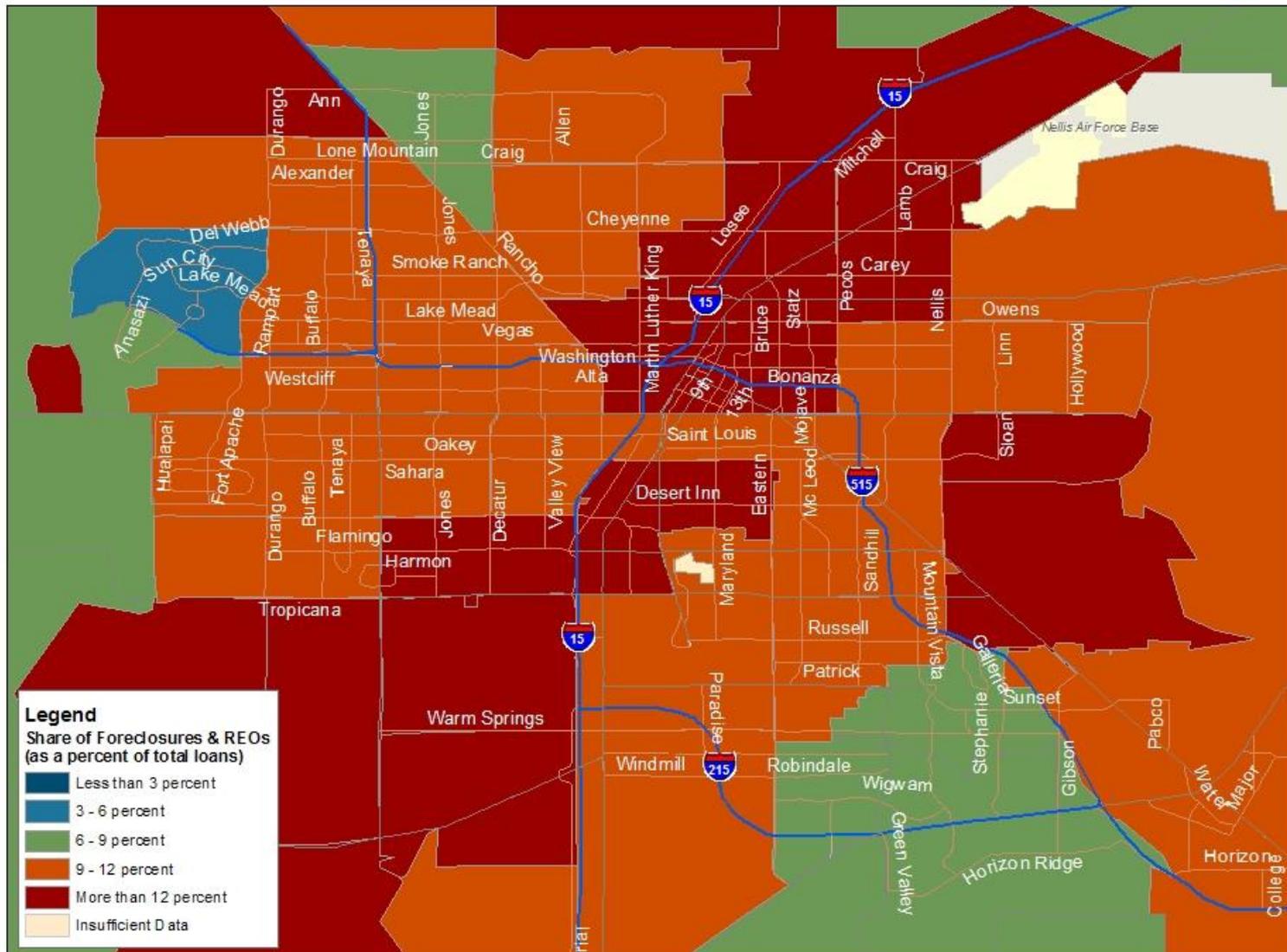
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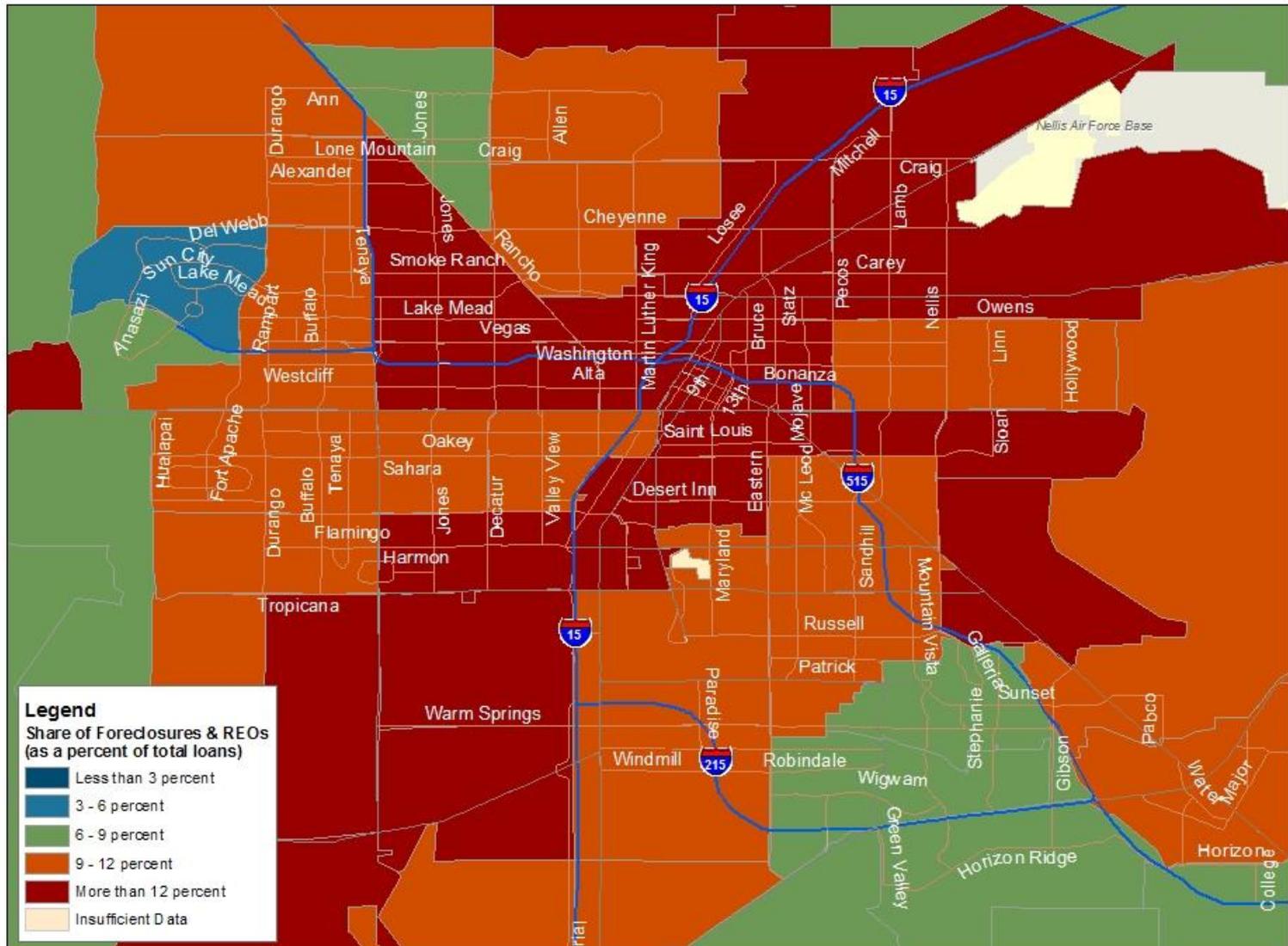
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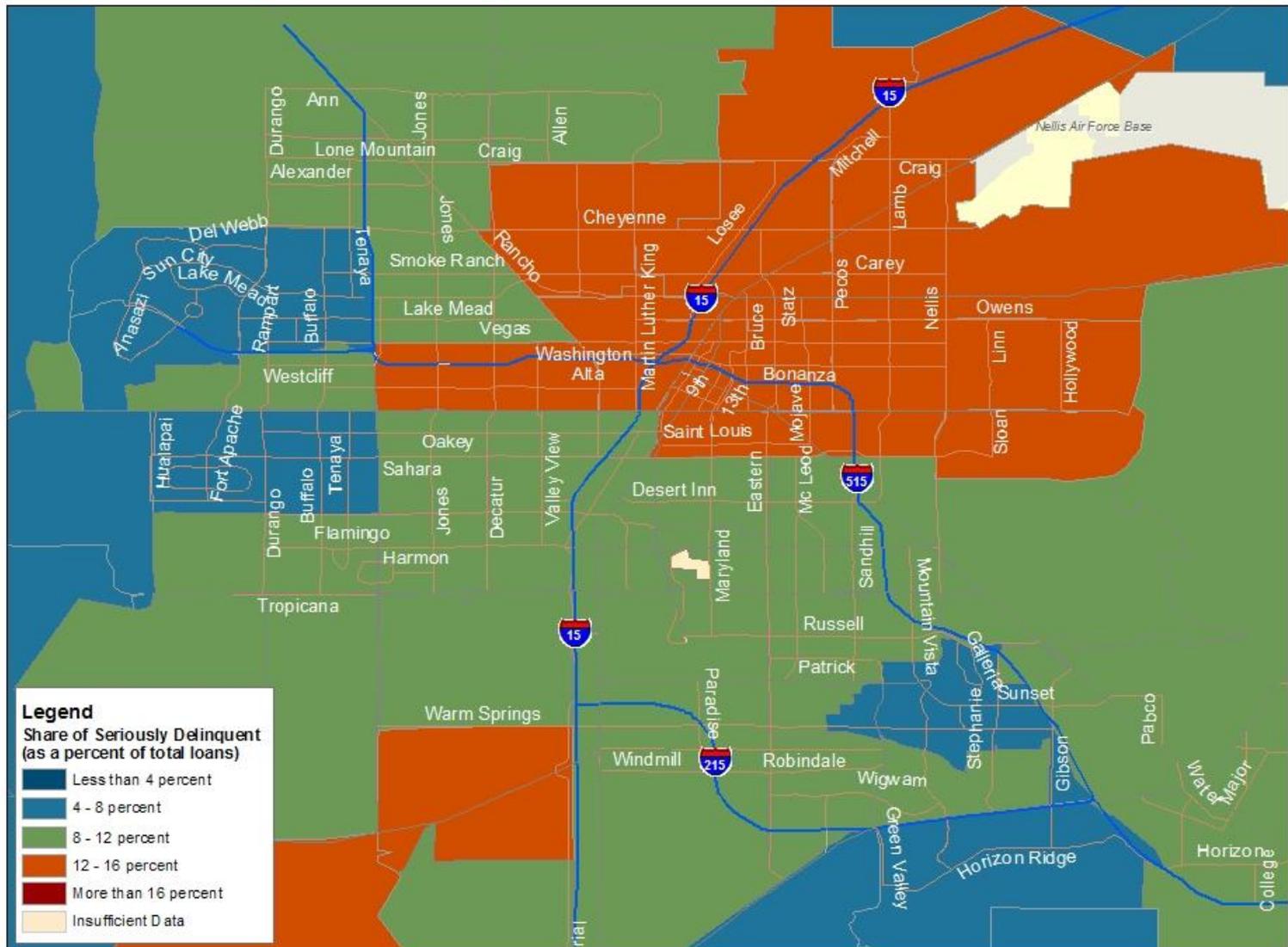
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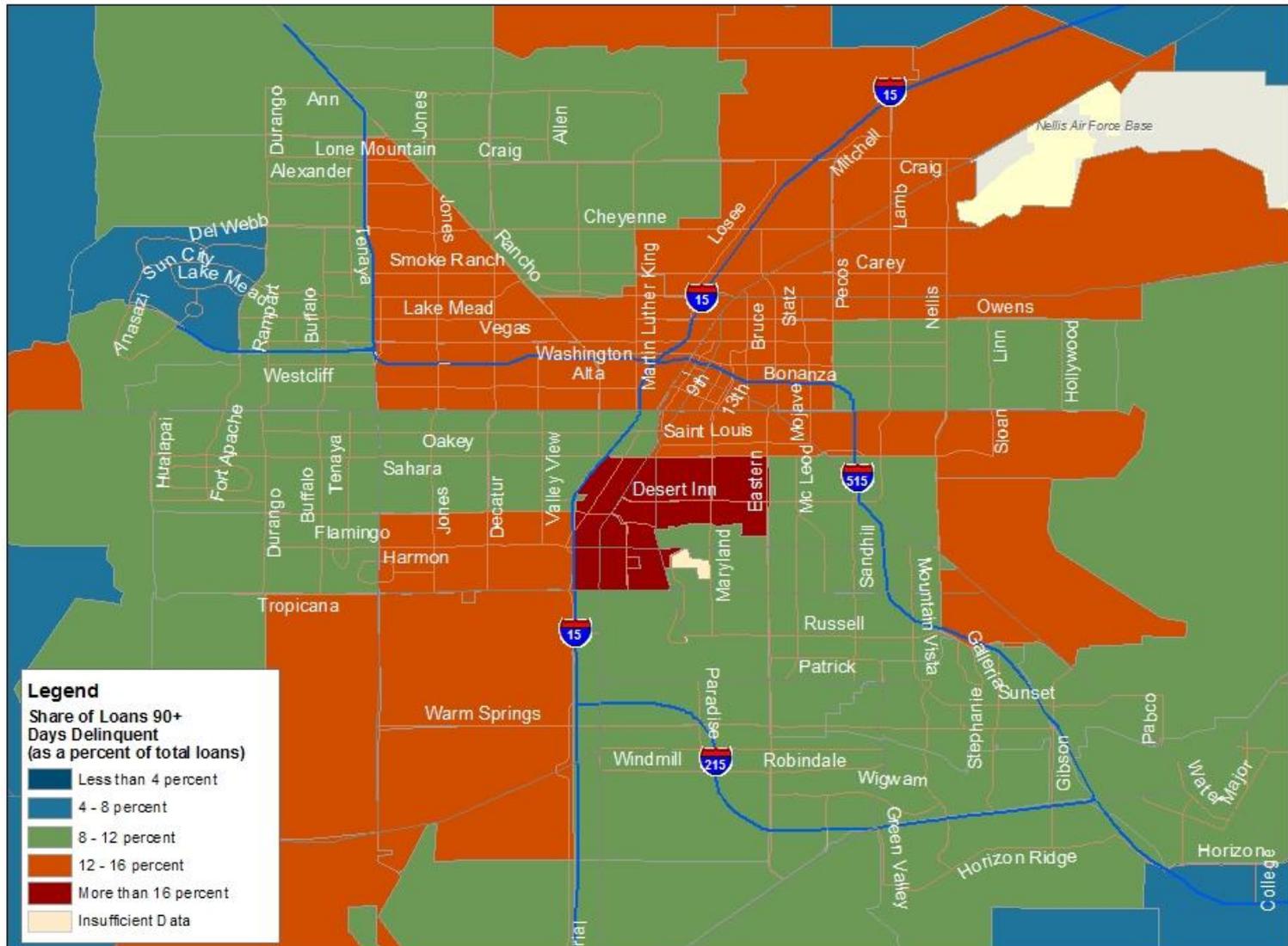
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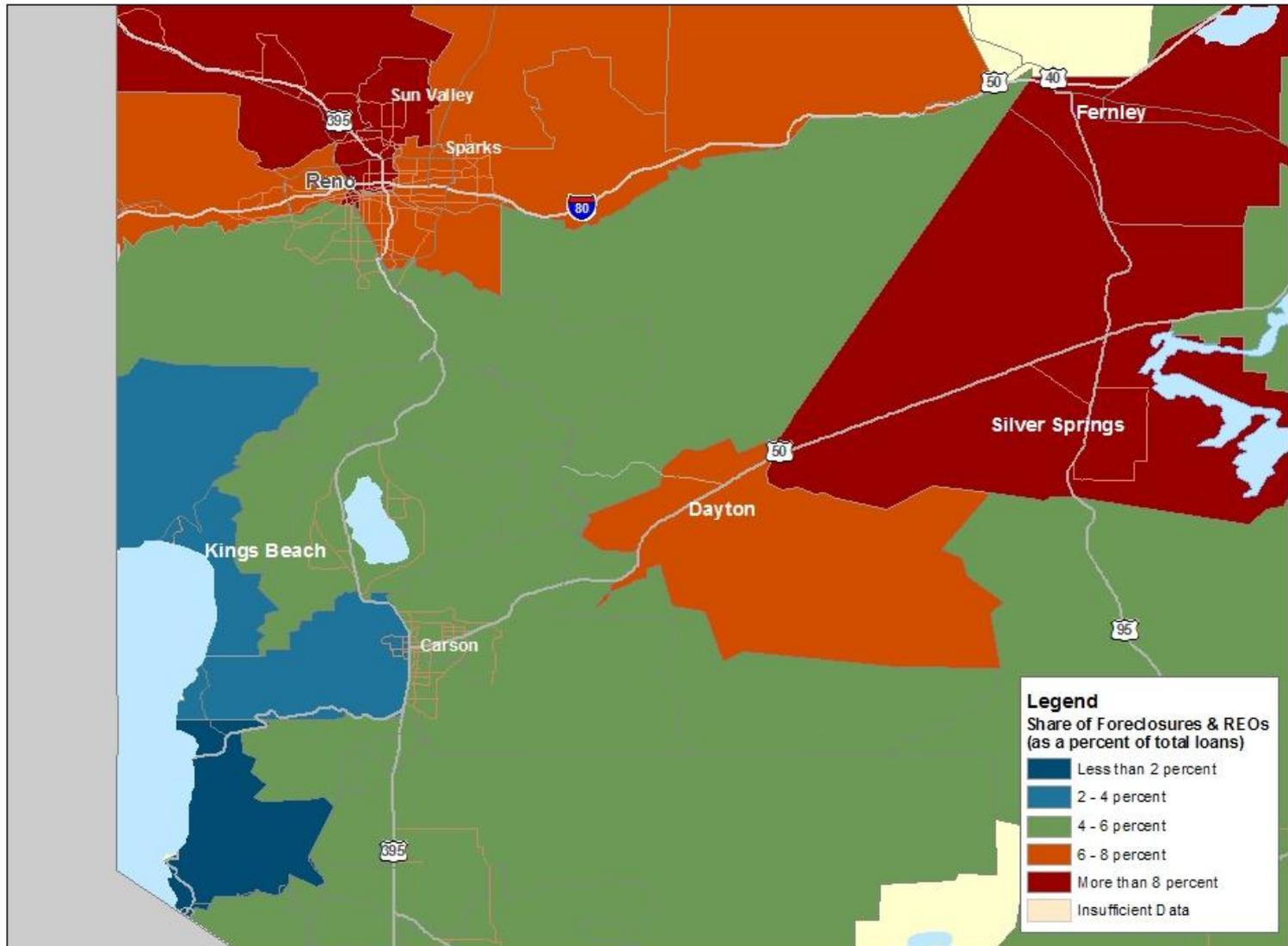
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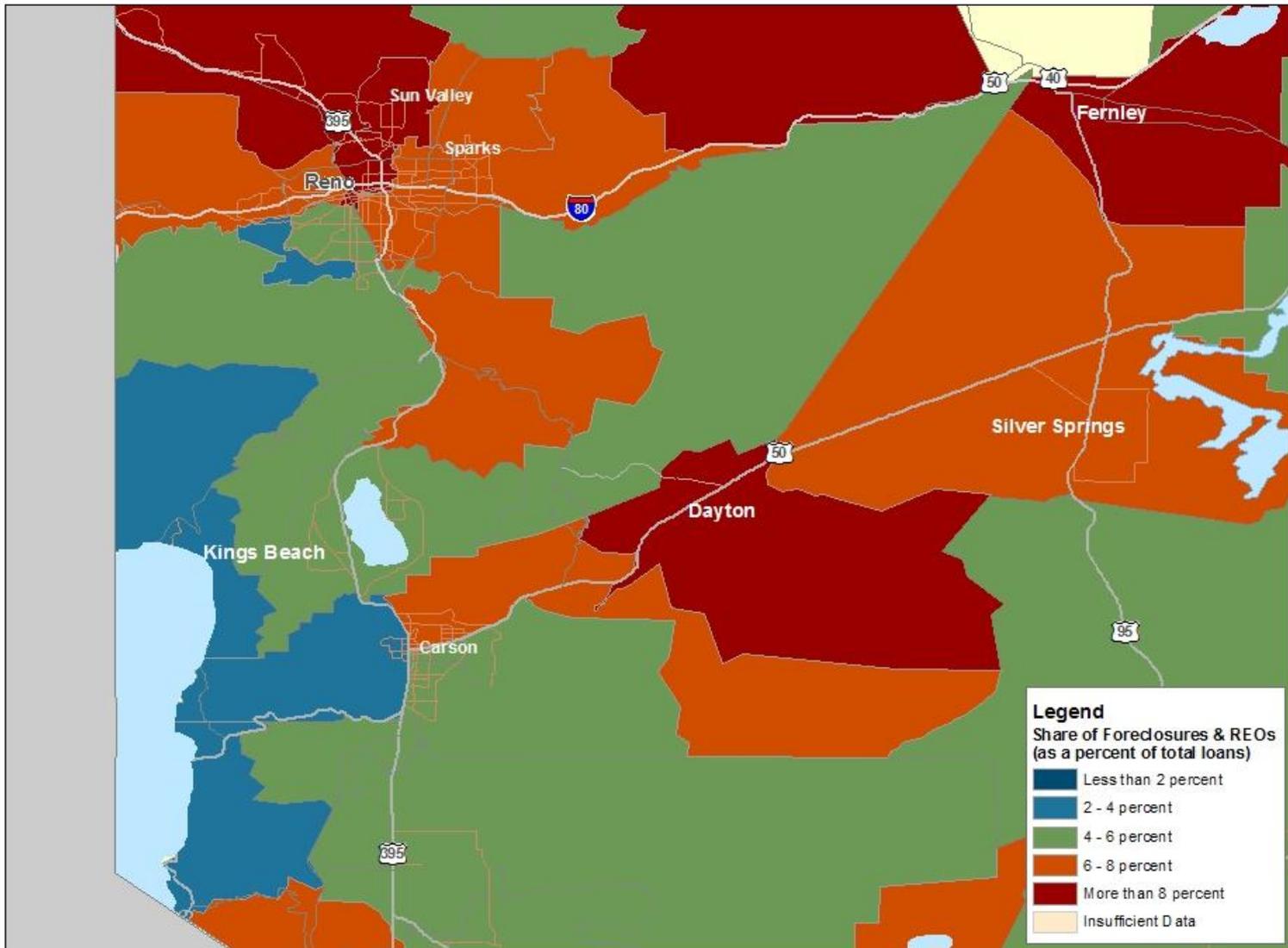
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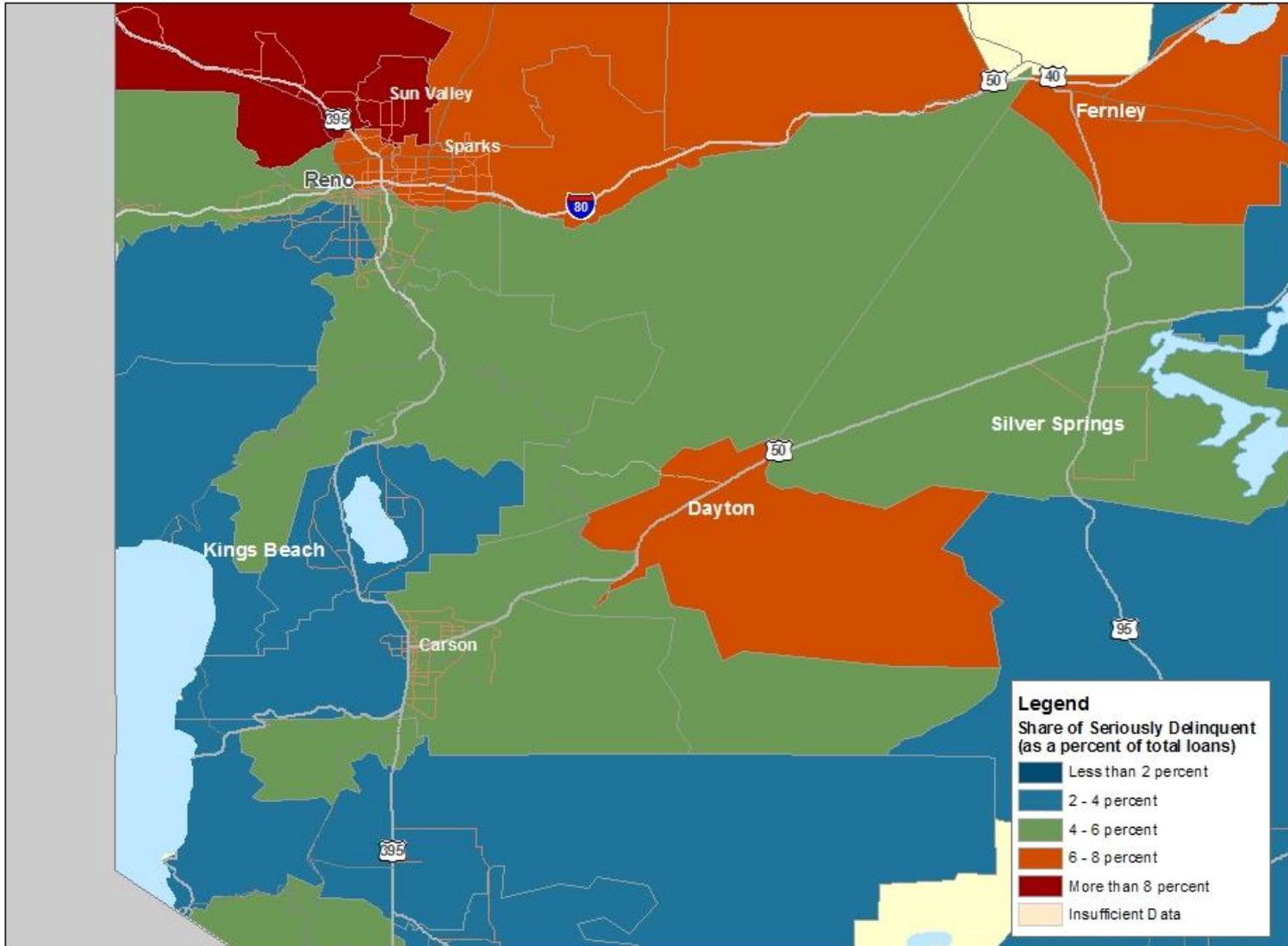
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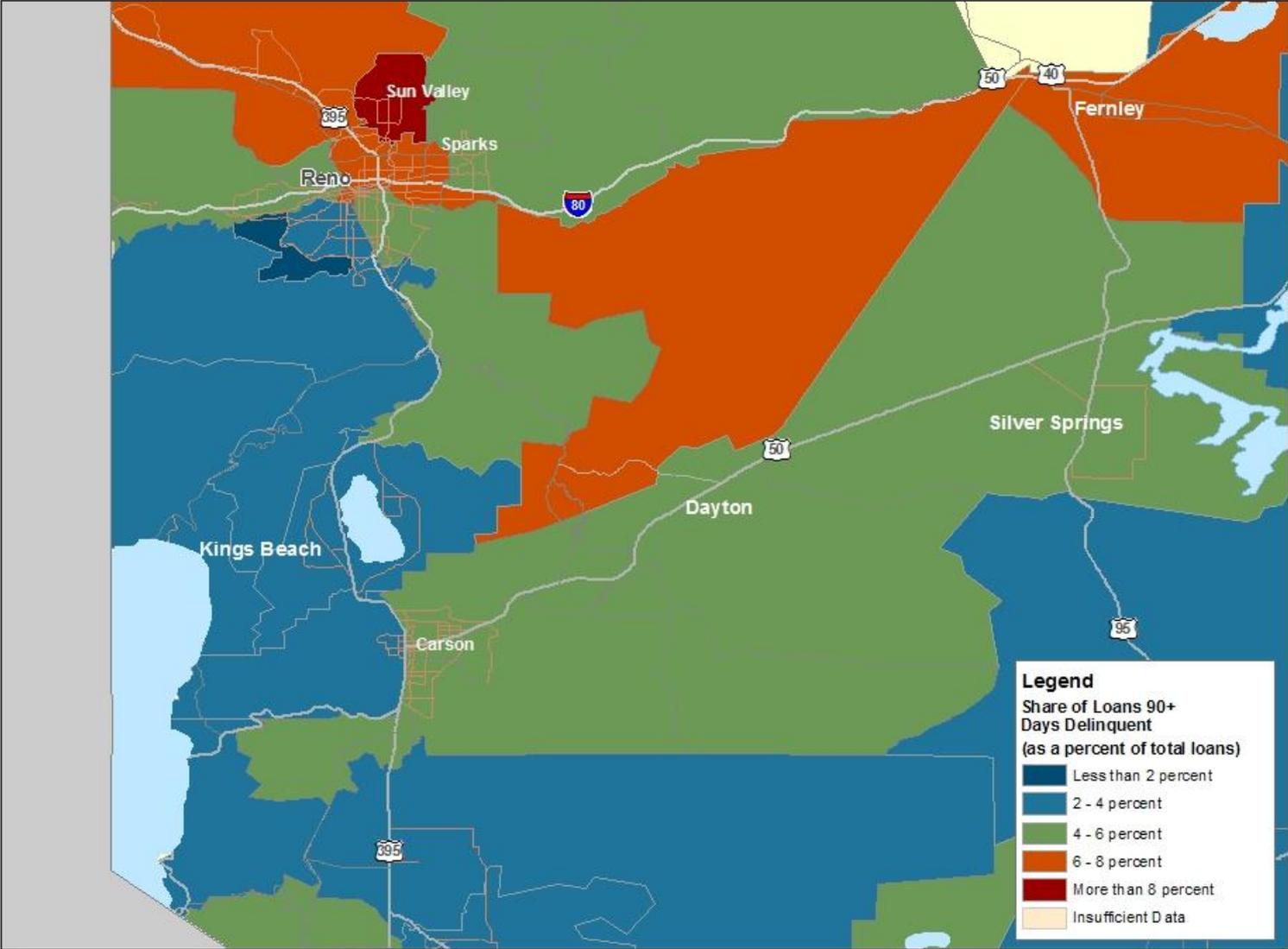
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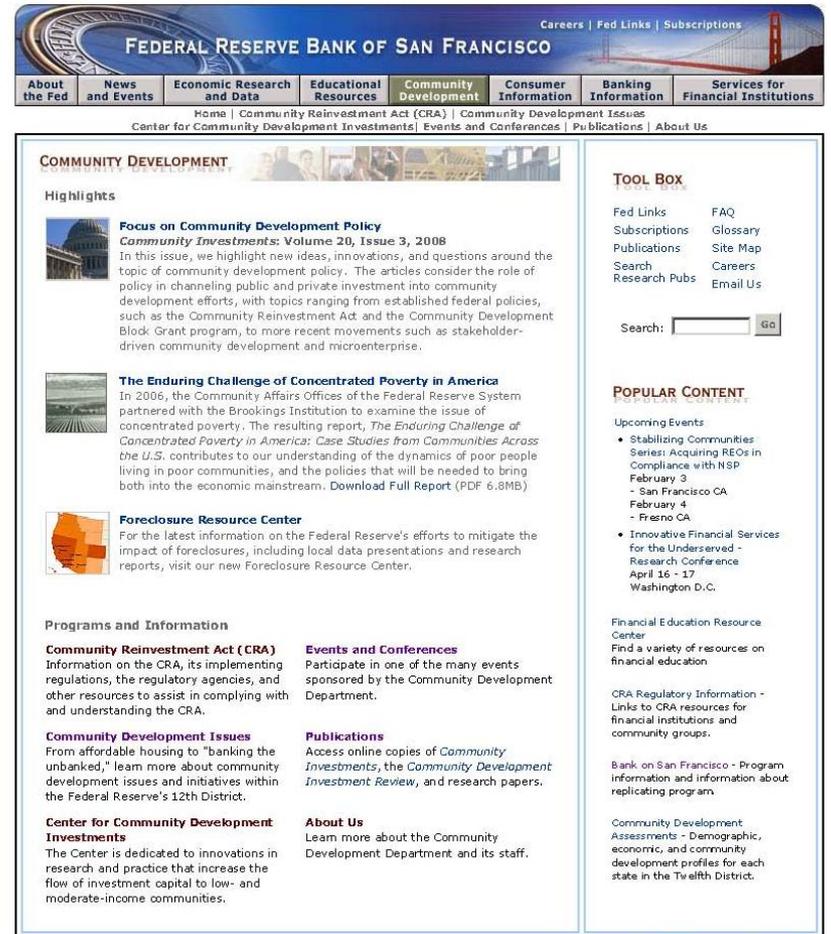


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Conclusions

For More Information: FRBSF Community Development Website

- Links to other resources and research on foreclosure trends and mitigation strategies
- All publications, presentations available on our website
- Conference materials also posted shortly after events



The screenshot shows the website for the Federal Reserve Bank of San Francisco's Community Development Department. The header includes the bank's name and navigation links for Careers, Fed Links, and Subscriptions. A secondary navigation bar lists various sections: About the Fed, News and Events, Economic Research and Data, Educational Resources, Community Development, Consumer Information, Banking Information, and Services for Financial Institutions. Below this, there are links for Home, Community Reinvestment Act (CRA), Community Development Issues, Center for Community Development Investments, Events and Conferences, Publications, and About Us.

The main content area is titled "COMMUNITY DEVELOPMENT" and features a "Highlights" section with three items:

- Focus on Community Development Policy**
Community Investments: Volume 20, Issue 3, 2008
In this issue, we highlight new ideas, innovations, and questions around the topic of community development policy. The articles consider the role of policy in channeling public and private investment into community development efforts, with topics ranging from established federal policies, such as the Community Reinvestment Act and the Community Development Block Grant program, to more recent movements such as stakeholder-driven community development and microenterprise.
- The Enduring Challenge of Concentrated Poverty in America**
In 2006, the Community Affairs Offices of the Federal Reserve System partnered with the Brookings Institution to examine the issue of concentrated poverty. The resulting report, *The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S.* contributes to our understanding of the dynamics of poor people living in poor communities, and the policies that will be needed to bring both into the economic mainstream. [Download Full Report \(PDF 6.8MB\)](#)
- Foreclosure Resource Center**
For the latest information on the Federal Reserve's efforts to mitigate the impact of foreclosures, including local data presentations and research reports, visit our new Foreclosure Resource Center.

Below the highlights is a "Programs and Information" section with four sub-sections:

- Community Reinvestment Act (CRA)**
Information on the CRA, its implementing regulations, the regulatory agencies, and other resources to assist in complying with and understanding the CRA.
- Community Development Issues**
From affordable housing to "banking the unbanked," learn more about community development issues and initiatives within the Federal Reserve's 12th District.
- Center for Community Development Investments**
The Center is dedicated to innovations in research and practice that increase the flow of investment capital to low- and moderate-income communities.
- Events and Conferences**
Participate in one of the many events sponsored by the Community Development Department.
- Publications**
Access online copies of *Community Investments*, the *Community Development Investment Review*, and research papers.
- About Us**
Learn more about the Community Development Department and its staff.

On the right side of the page, there is a "TOOL BOX" with links for Fed Links, Subscriptions, Publications, Search, Research Pubs, FAQ, Glossary, Site Map, Careers, and Email Us. Below this is a search bar with a "go" button. Further down is a "POPULAR CONTENT" section listing "Upcoming Events":

- Stabilizing Communities Series: Acquiring REOs in Compliance with NSP
February 3
- San Francisco CA
February 4
- Fresno CA
- Innovative Financial Services for the Underserved - Research Conference
April 16 - 17
Washington D.C.

At the bottom of the right sidebar, there are links for "Financial Education Resource Center" (Find a variety of resources on financial education), "CRA Regulatory Information - Links to CRA resources for financial institutions and community groups", and "Bank on San Francisco - Program information and information about replicating program".

<http://www.frbsf.org/community/>