

TRENDS IN DELINQUENCIES AND FORECLOSURES IN CENTRAL CALIFORNIA

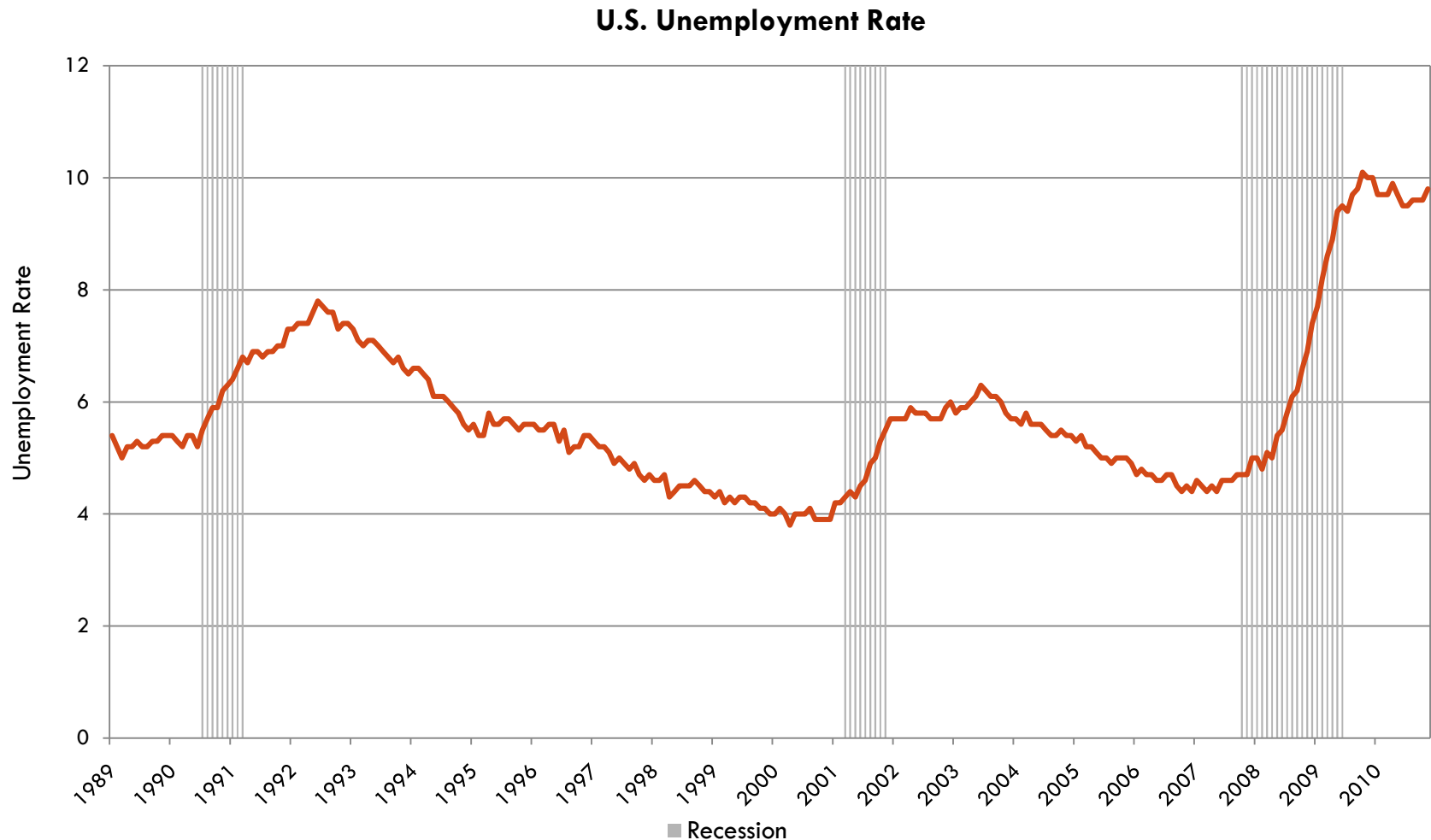
January 2011

National Trends

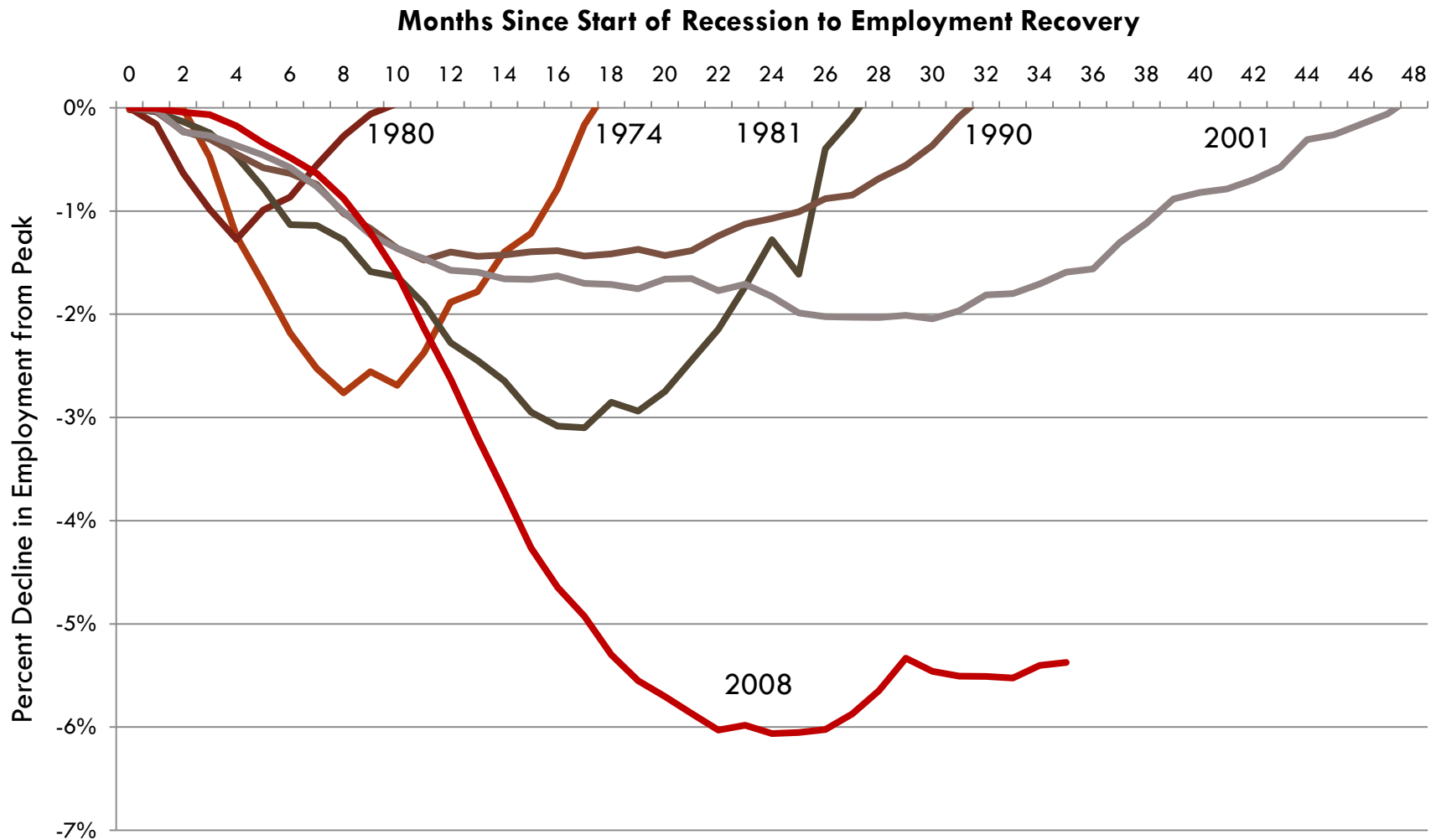
- Even though NBER officially announced the recession's end in June of 2009, pace of recovery remains slow
 - Unemployment rate in November rose to 9.8% from 9.6%, demonstrating continued weakness in the labor market
 - On the more positive side, the private sector has been adding jobs each month, and part of the rise in unemployment is due to an increase in the labor force-that is, the number of people who started looking for work
- 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 continues to hover around 10%

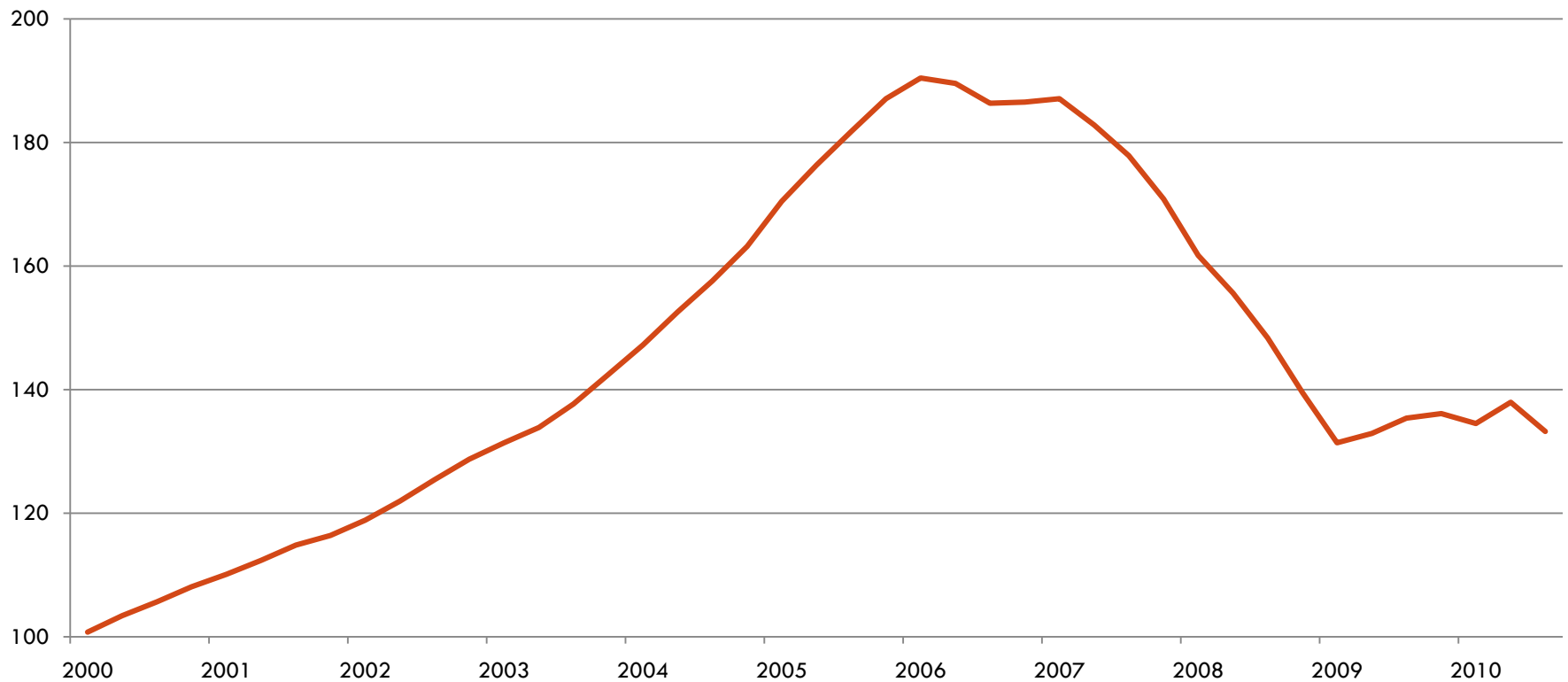


Recovery, particularly in labor market, remains elusive

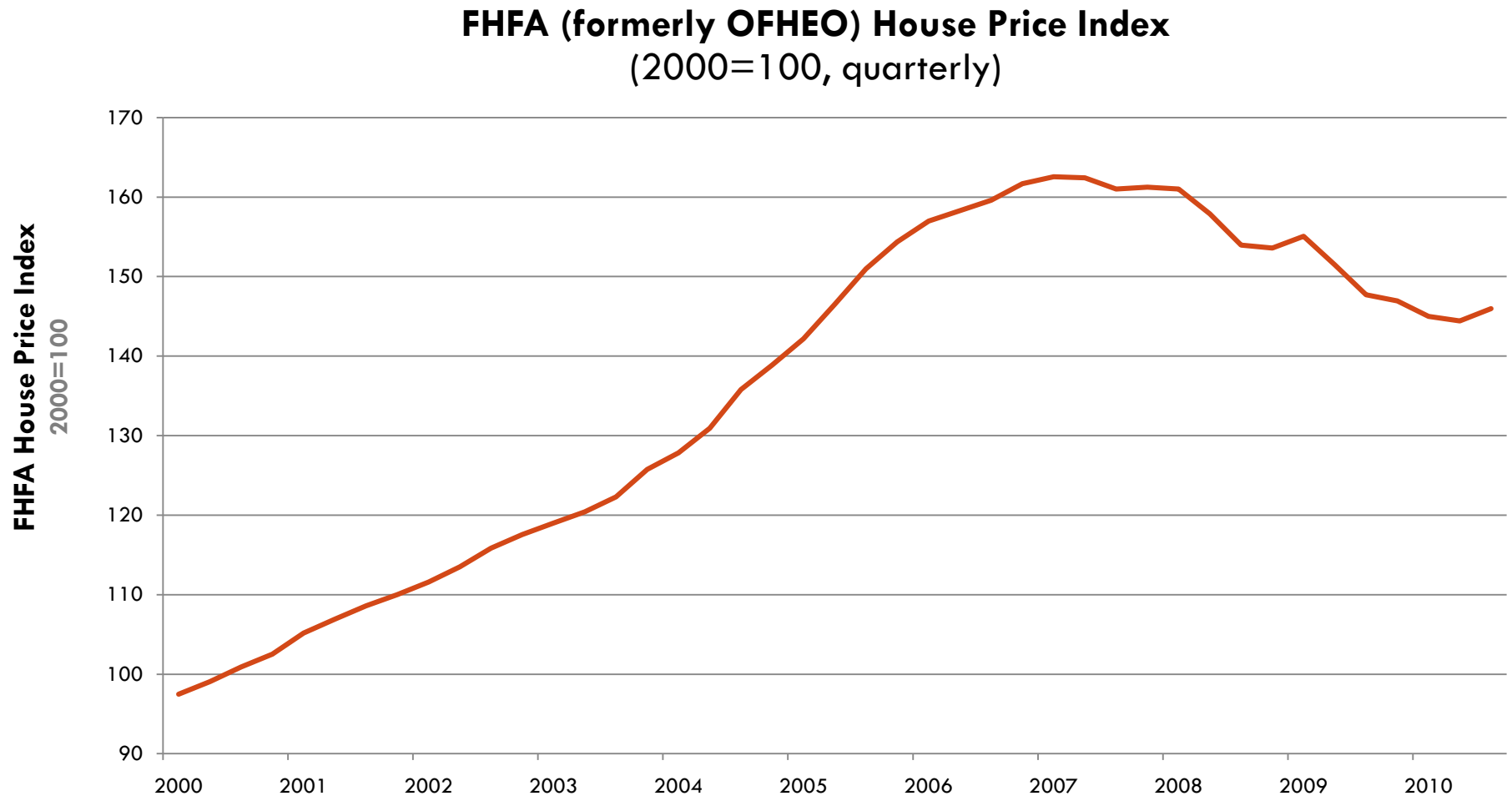


Case-Shiller Index shows continued softness in housing market

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

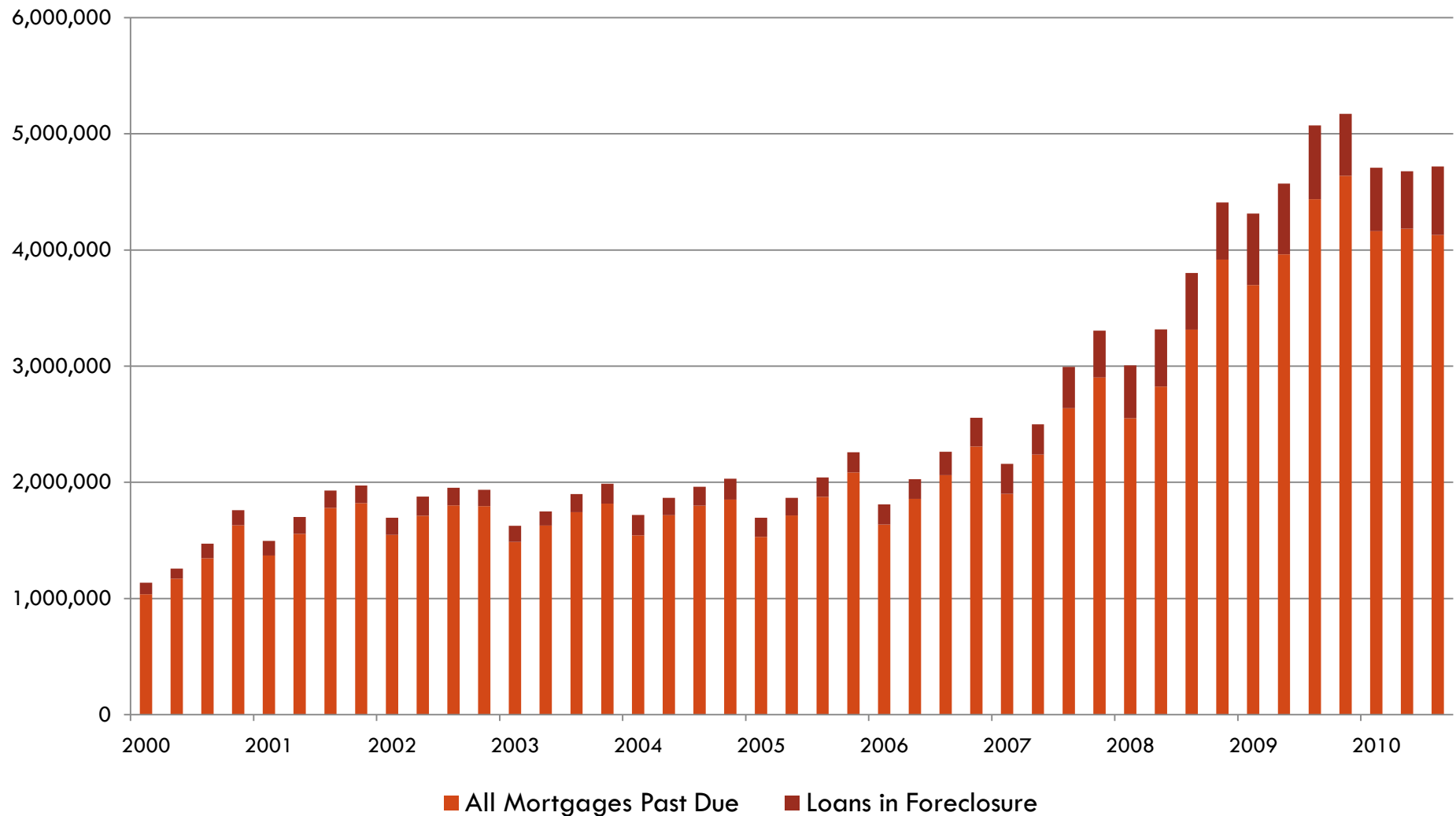


FHFA House Price Index rises slightly in 3rd Qtr of 2010



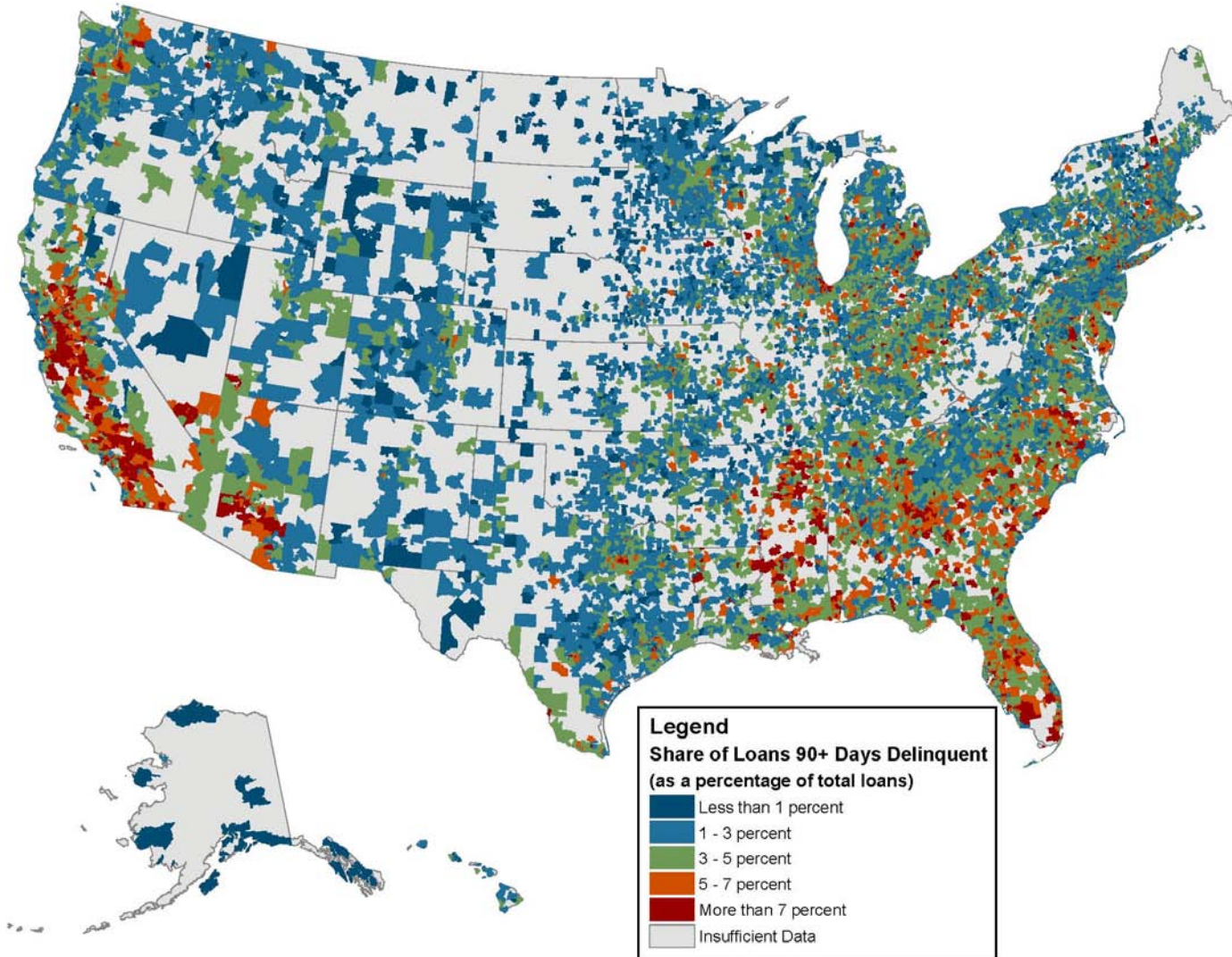
Source: Federal Housing Finance Agency (formerly OFHEO), includes refinancing and is not seasonally adjusted

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

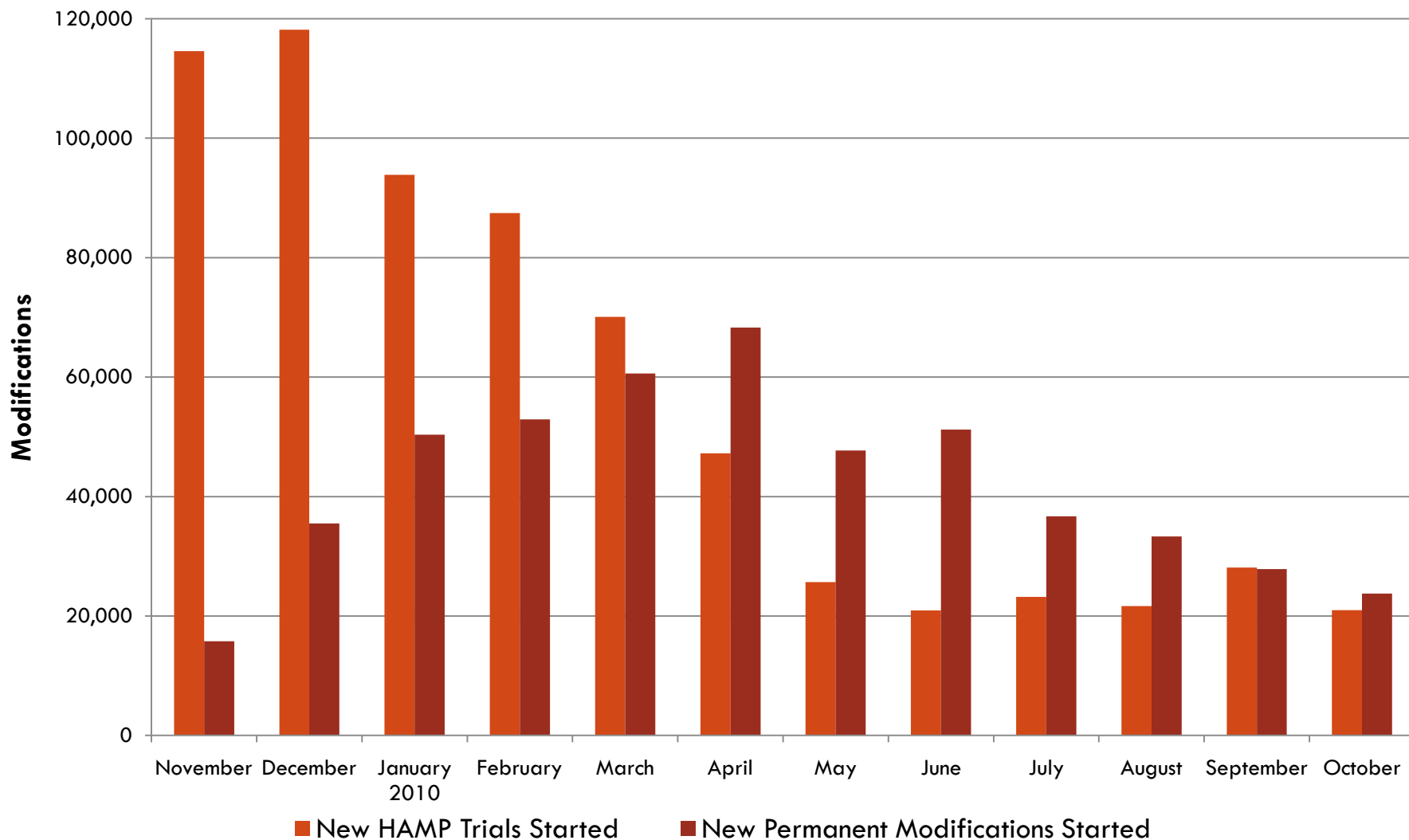


Source: Mortgage Bankers Association, National Delinquency Survey

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



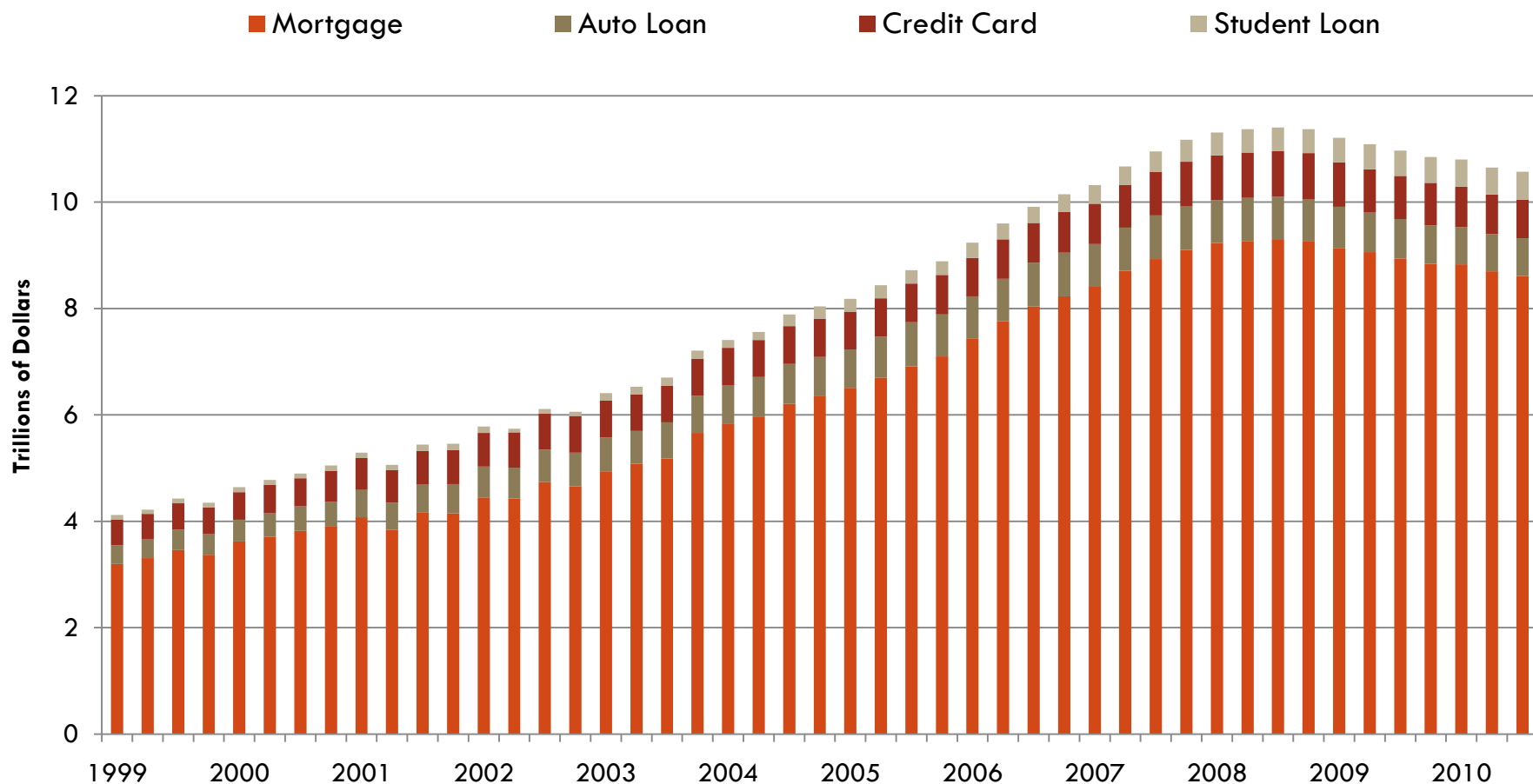
HAMP modifications down; borrowers still face challenges in obtaining permanent modifications



Source: HAMP Service Performance Report Through October 2010

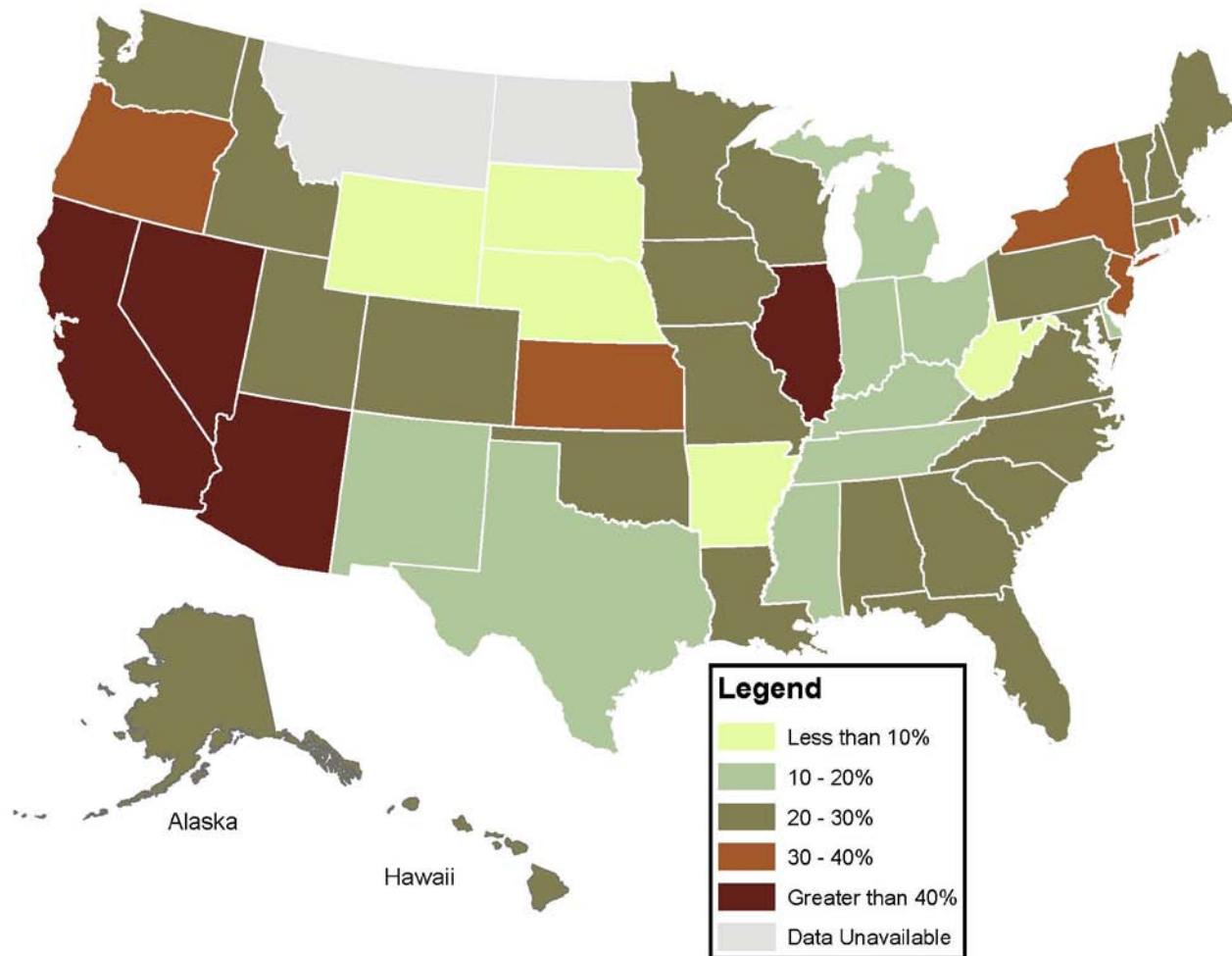
Household debt falling from 2008 peak

Total Debt Balance and Composition



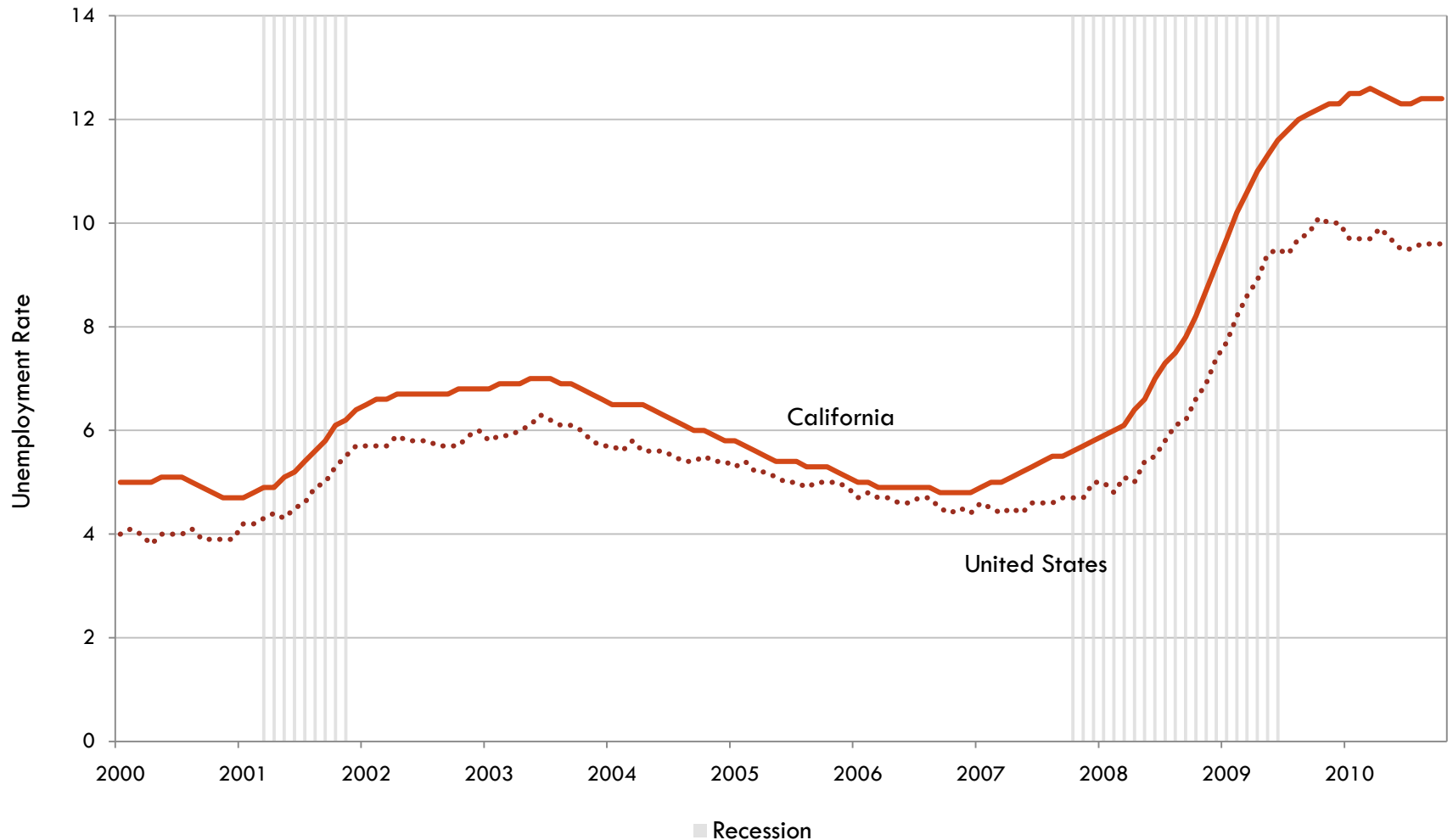
Many states within 12th District face severe budget shortfalls

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



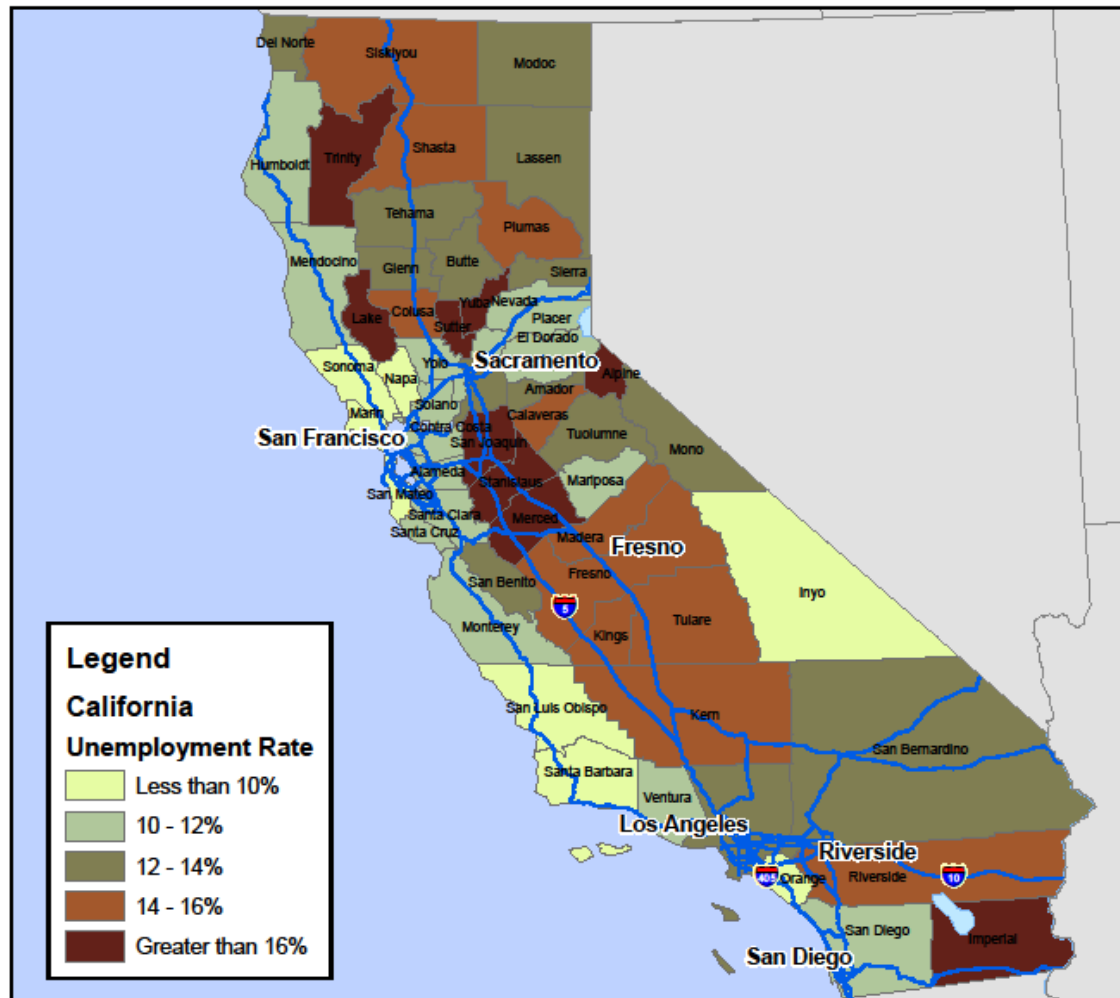
California Trends

California's unemployment still well above national average



Source: Bureau of Labor Statistics

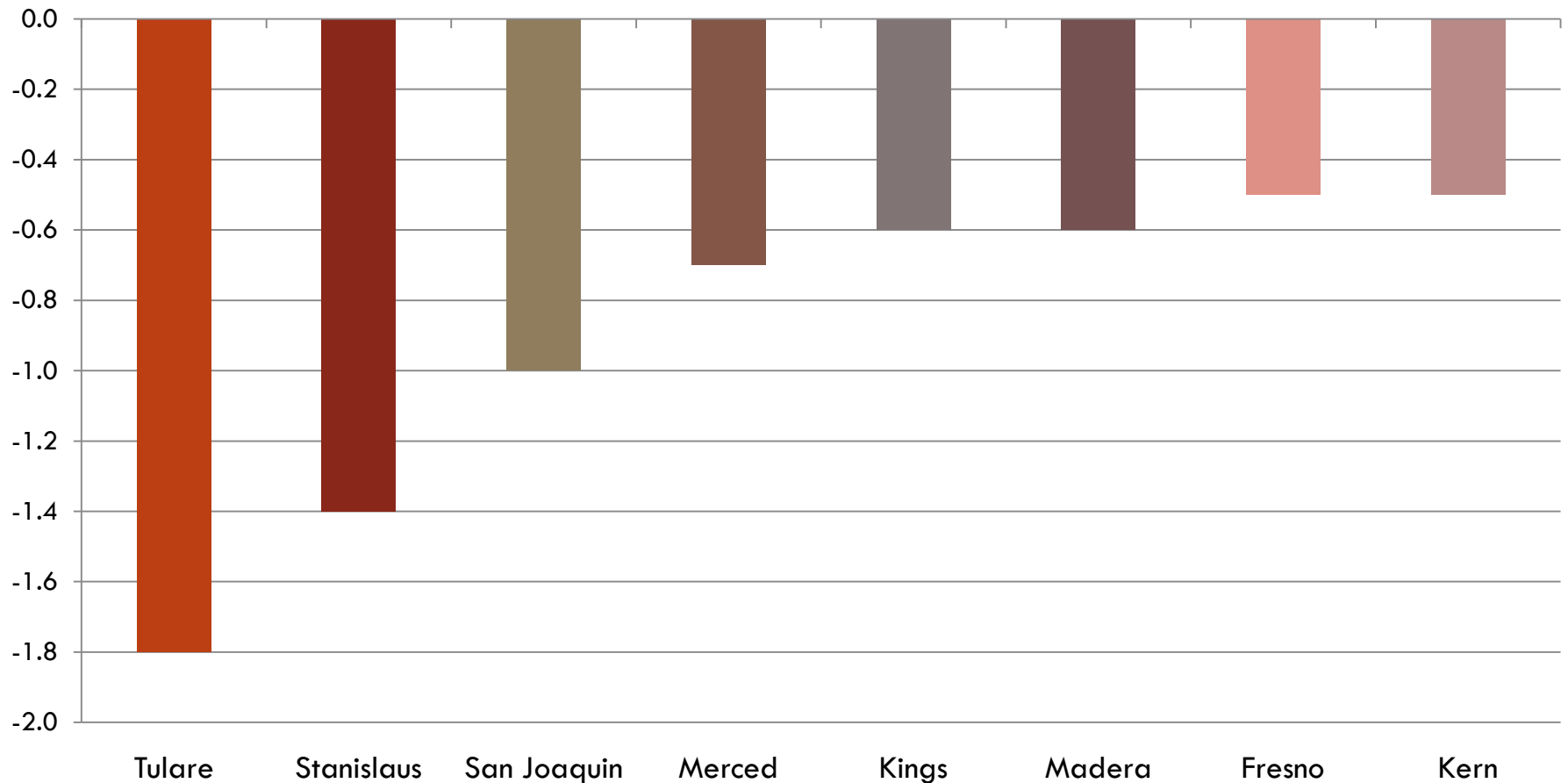
Unemployment rates particularly high in Central Valley and Inland Empire



Unemployment in Central Valley still high, but improving

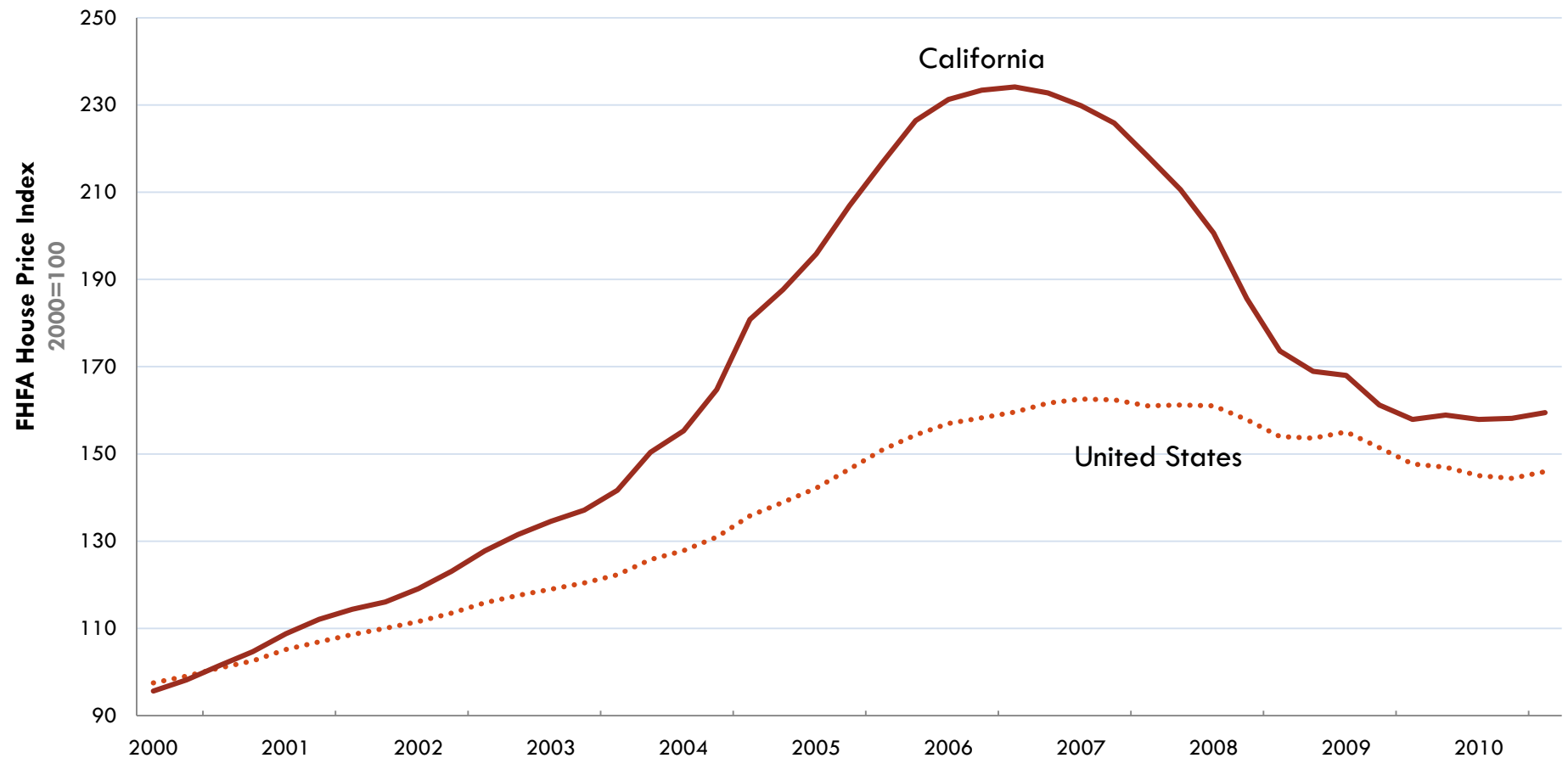
Unemployment Rate Percentage Point Change

July - October 2010



California house prices appear to be stabilizing

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

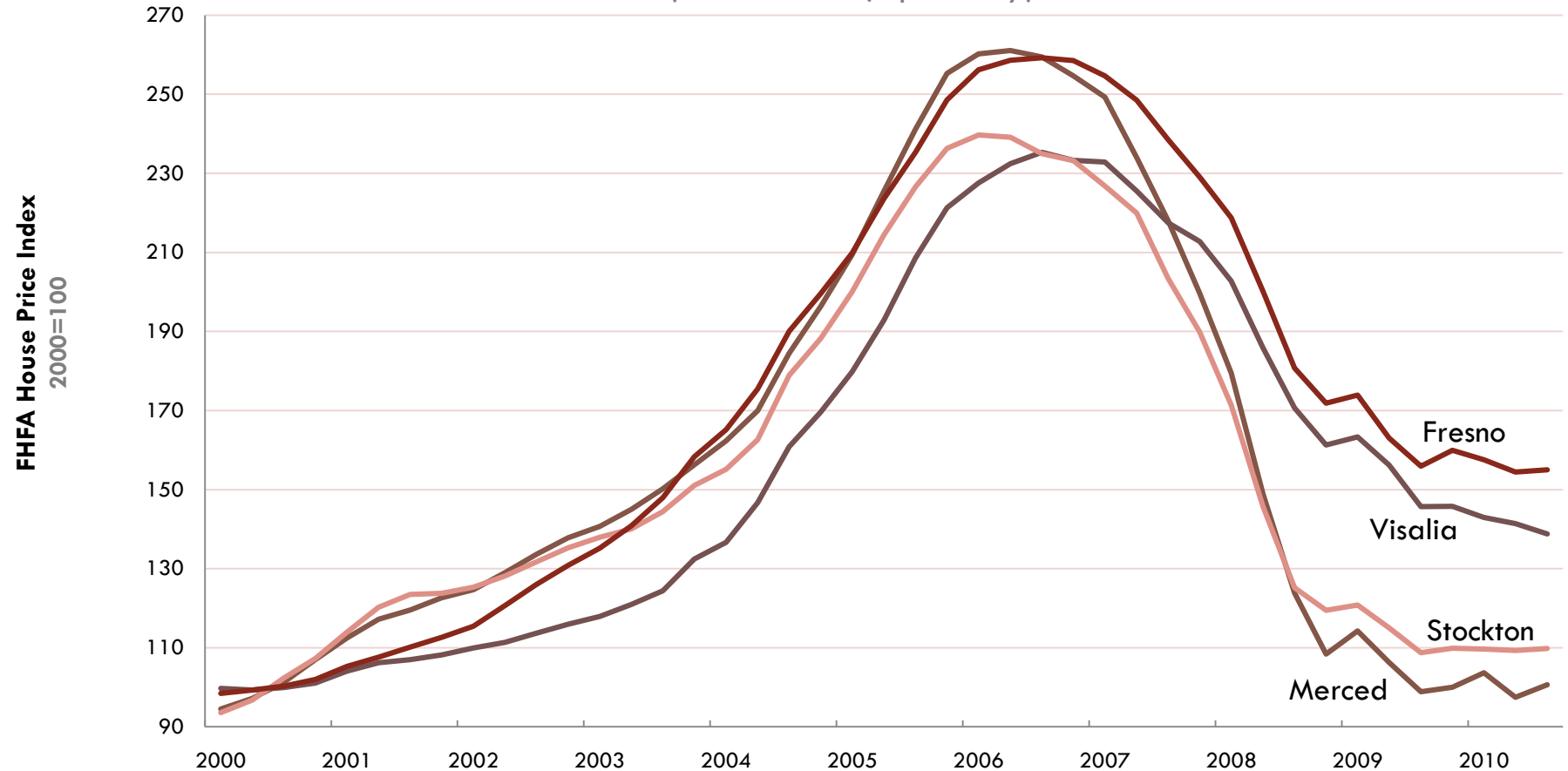


Source: Federal Housing Finance Agency (formerly OFHEO)

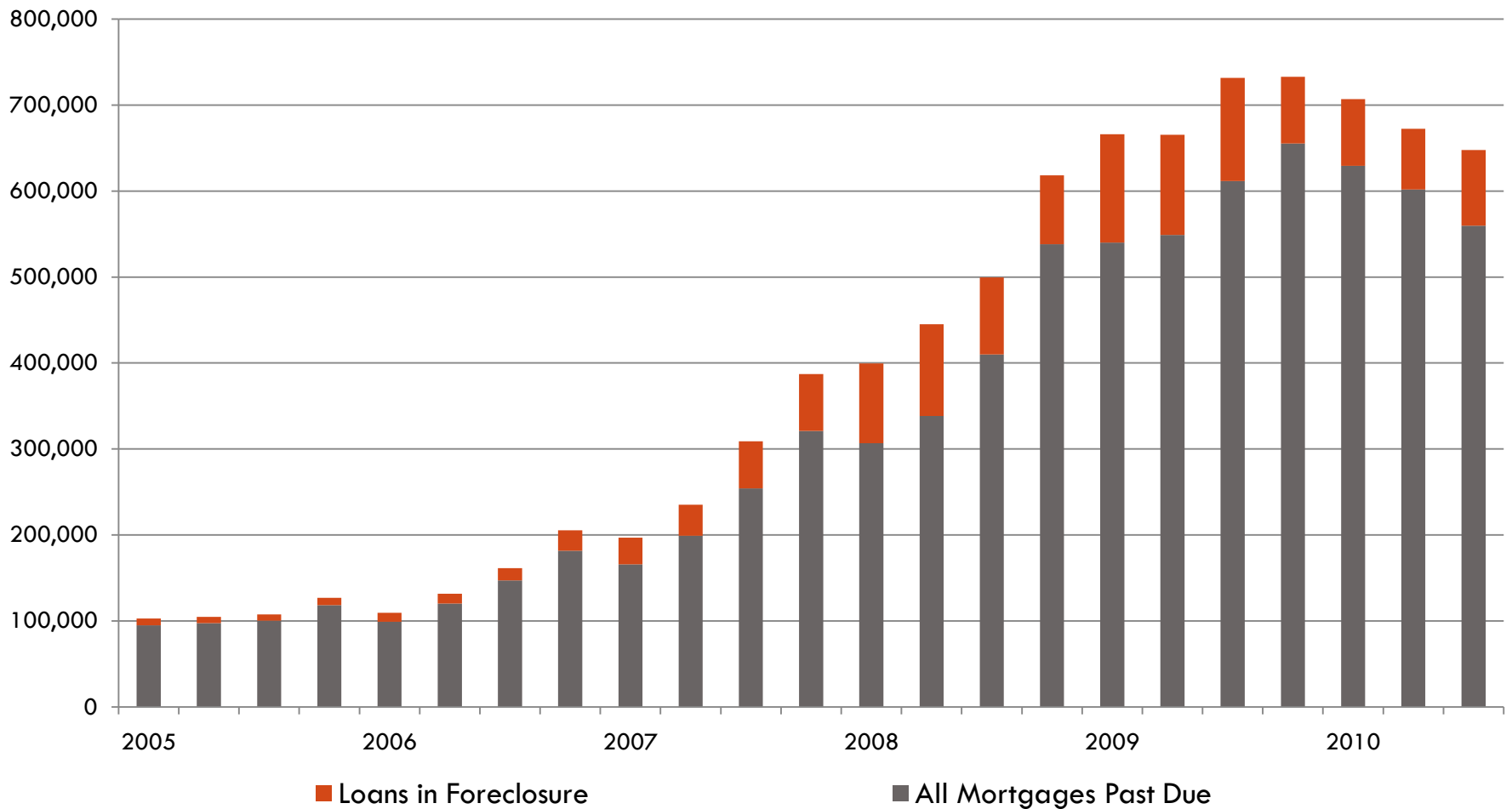
Housing markets in the Central Valley saw greatest declines, but also starting to stabilize

FHFA (formerly OFHEO) House Price Index: Central California

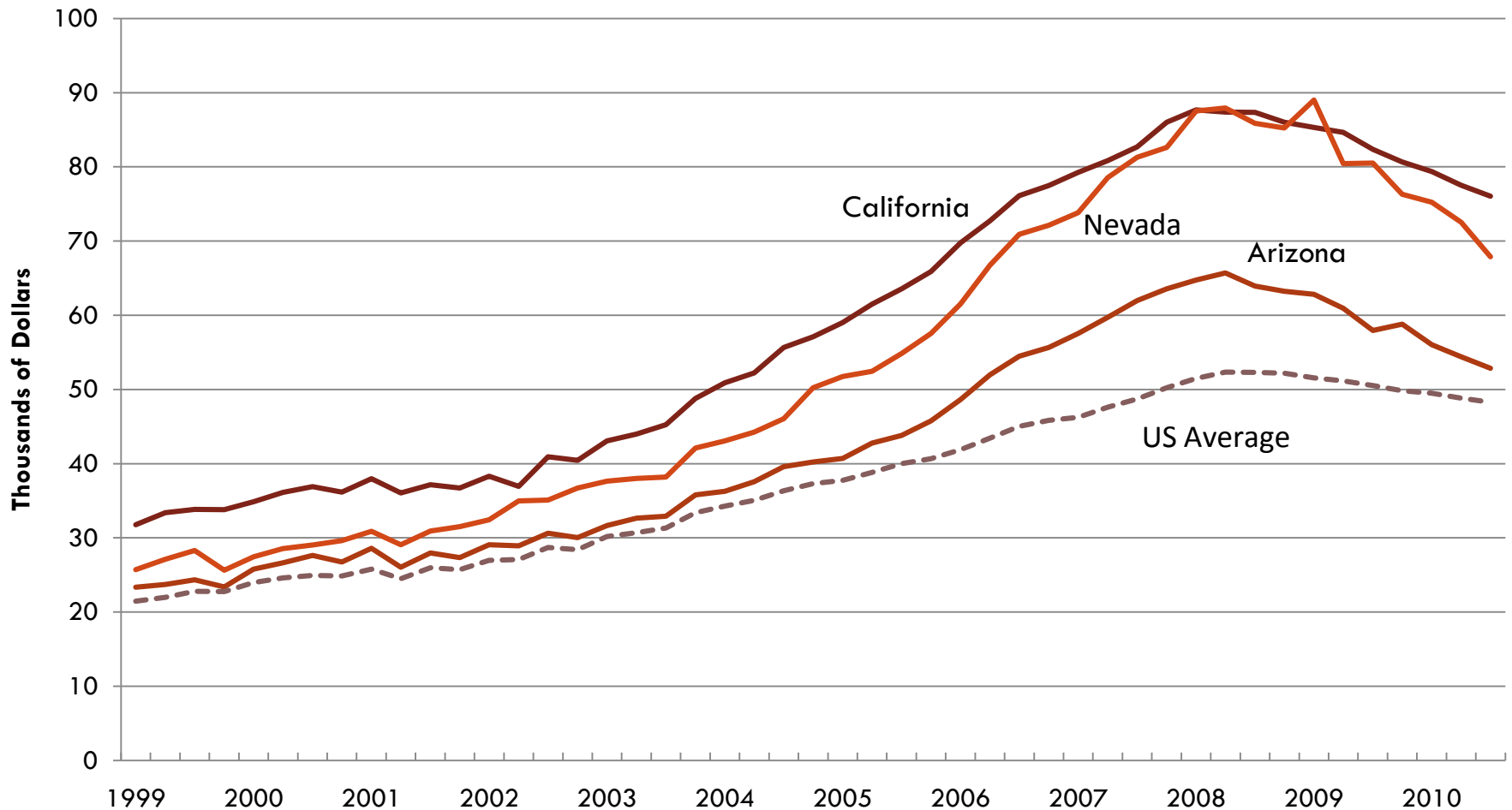
(2000 = 100, quarterly)



Number of delinquent mortgages seems to be stabilizing, but number of properties in foreclosure process rises



Average household debt falling from 2008 national peak



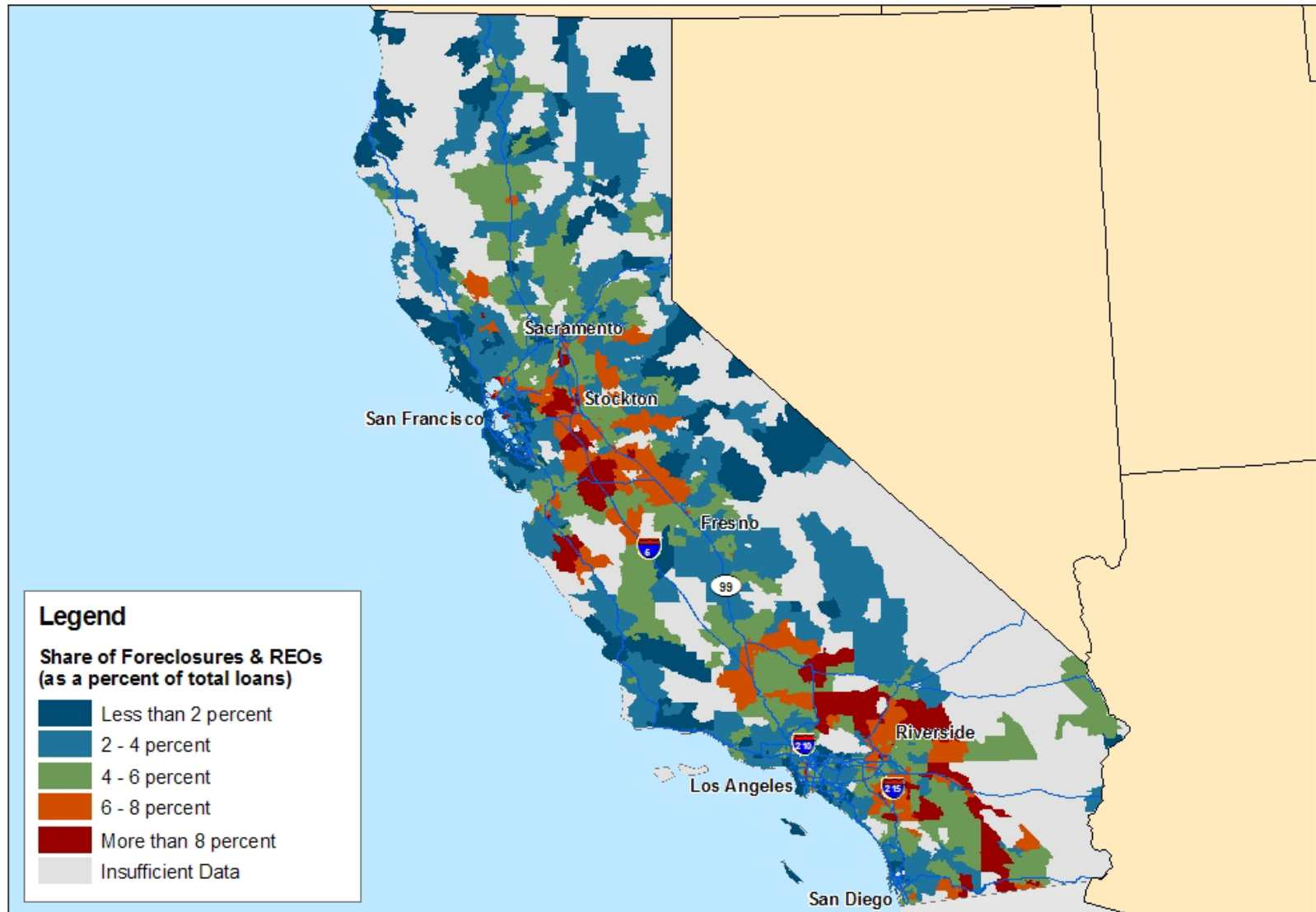
Source: Federal Reserve Bank of NY

Household debt includes: mortgage accounts, HE revolving accounts, auto loans, credit cards, and student loans

State & Local Data Maps

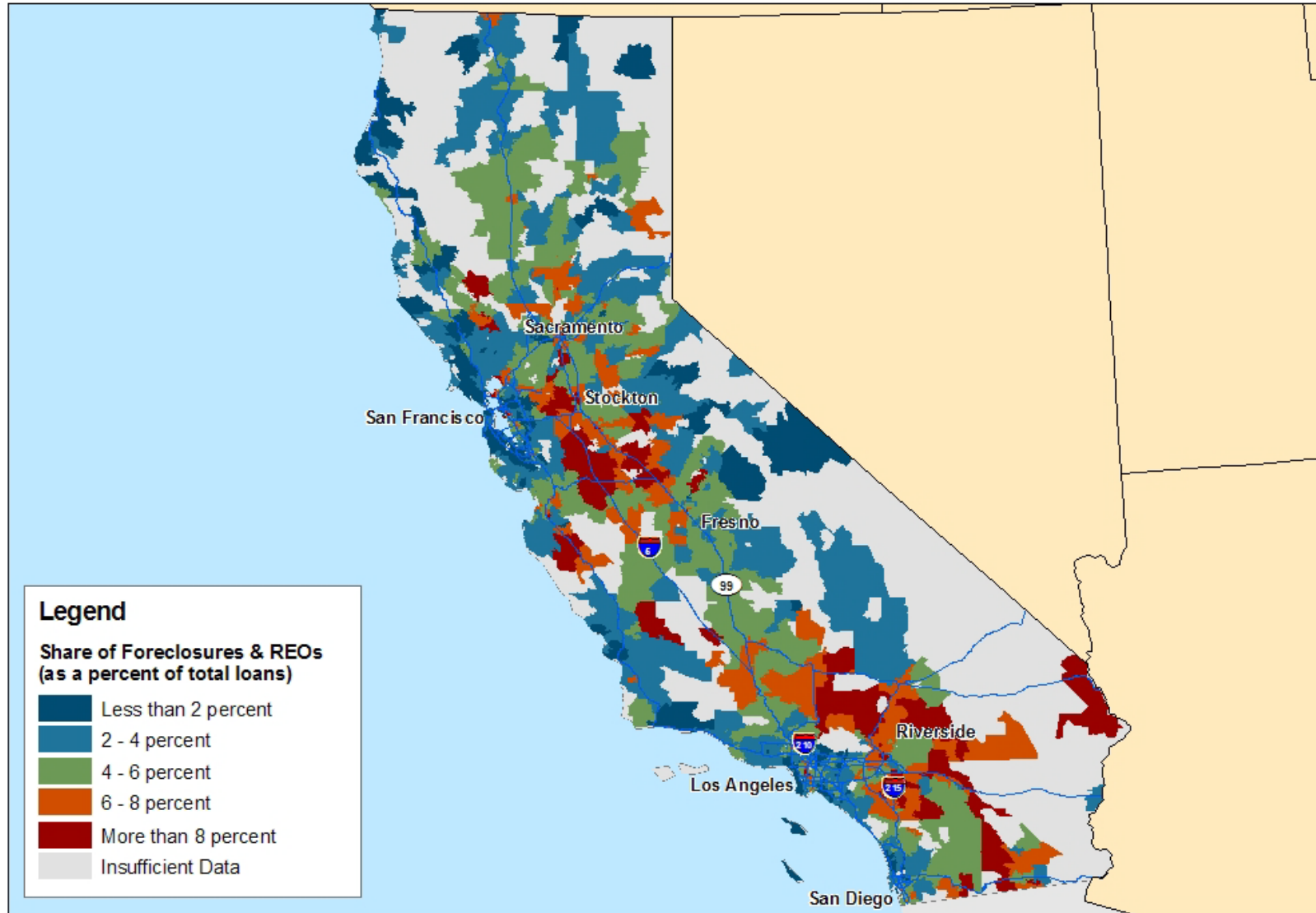
Areas Affected by Concentrated Foreclosures

July 2010



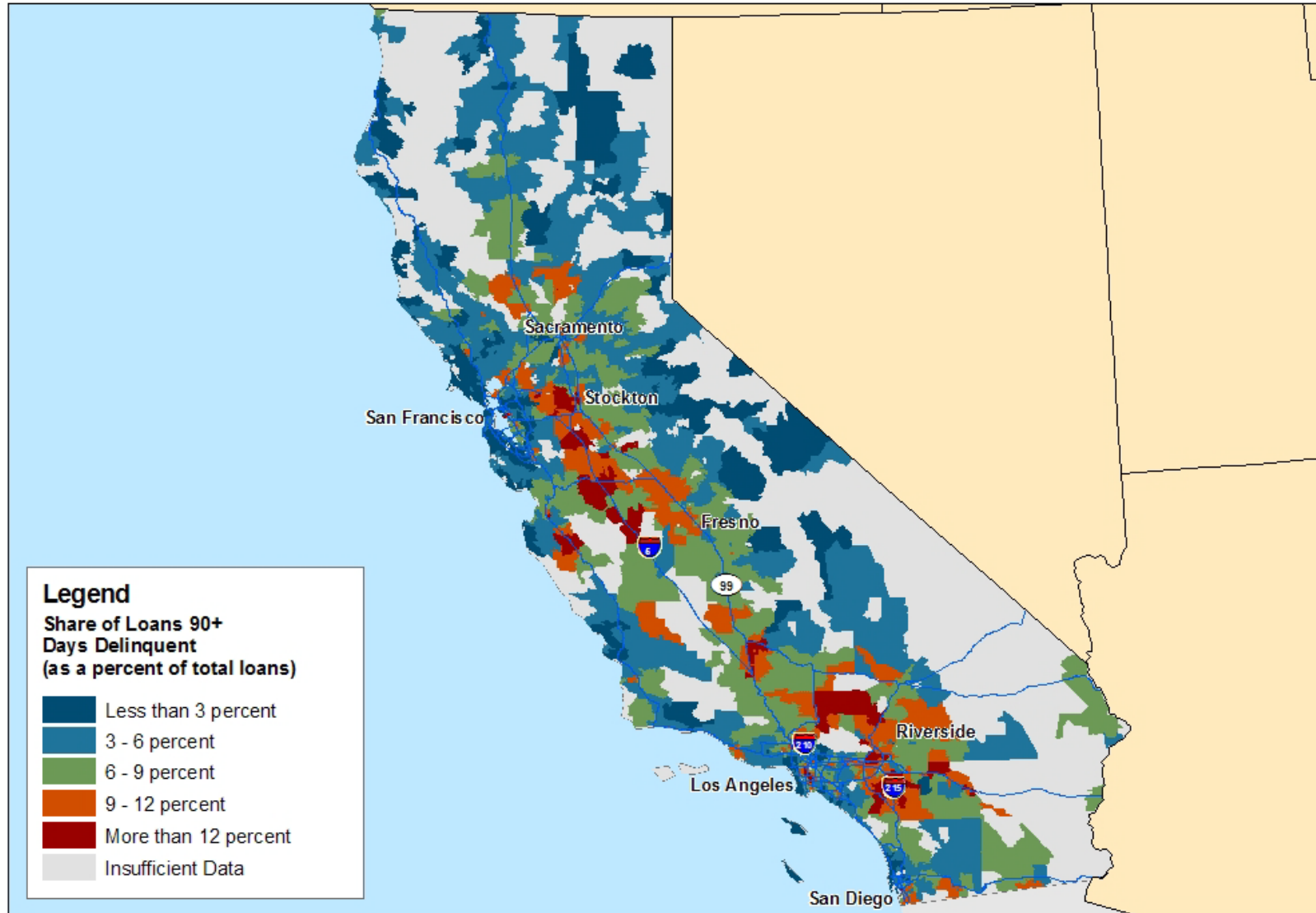
Areas Affected by Concentrated Foreclosures

November 2010



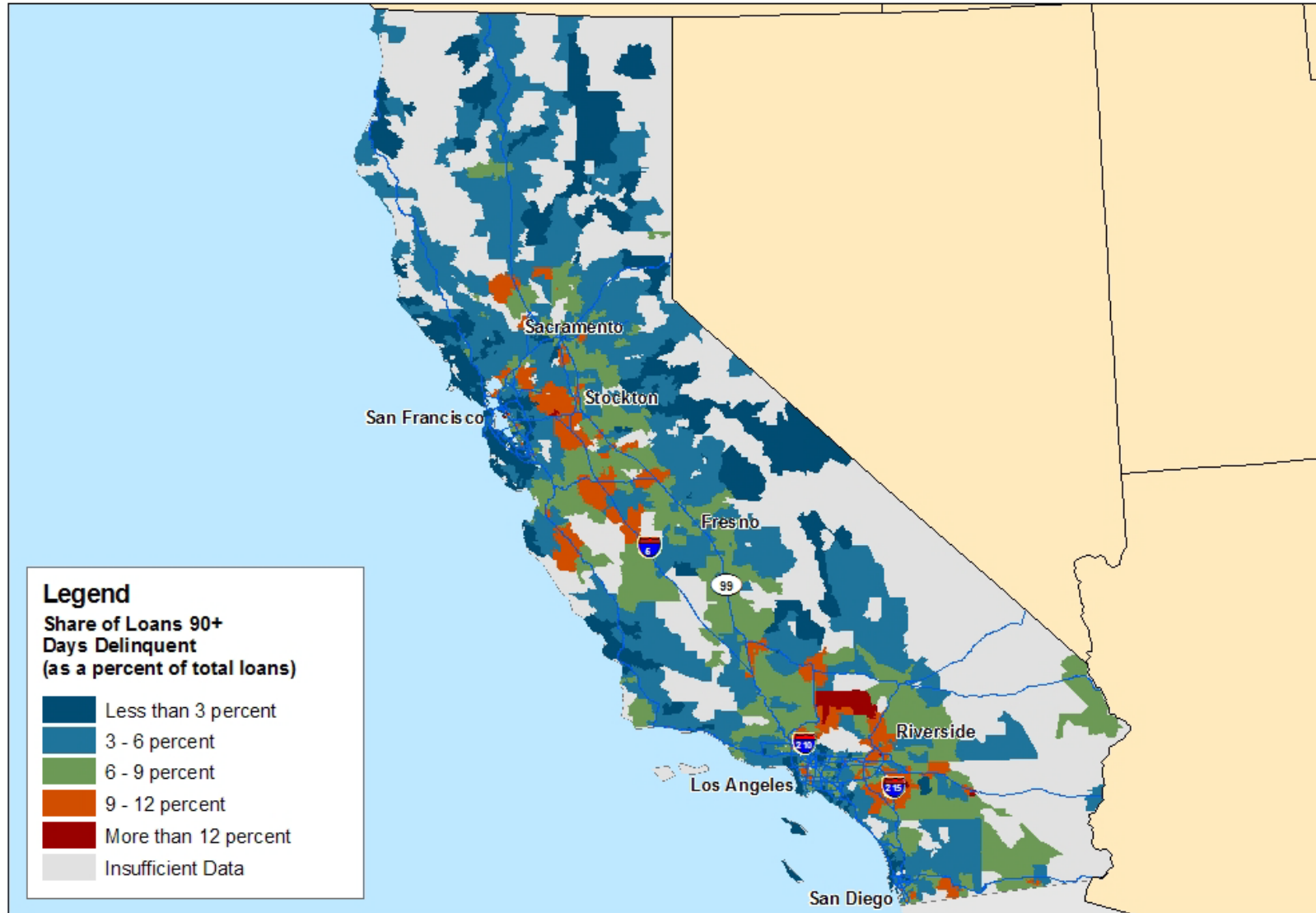
Areas at Risk of Additional Foreclosures

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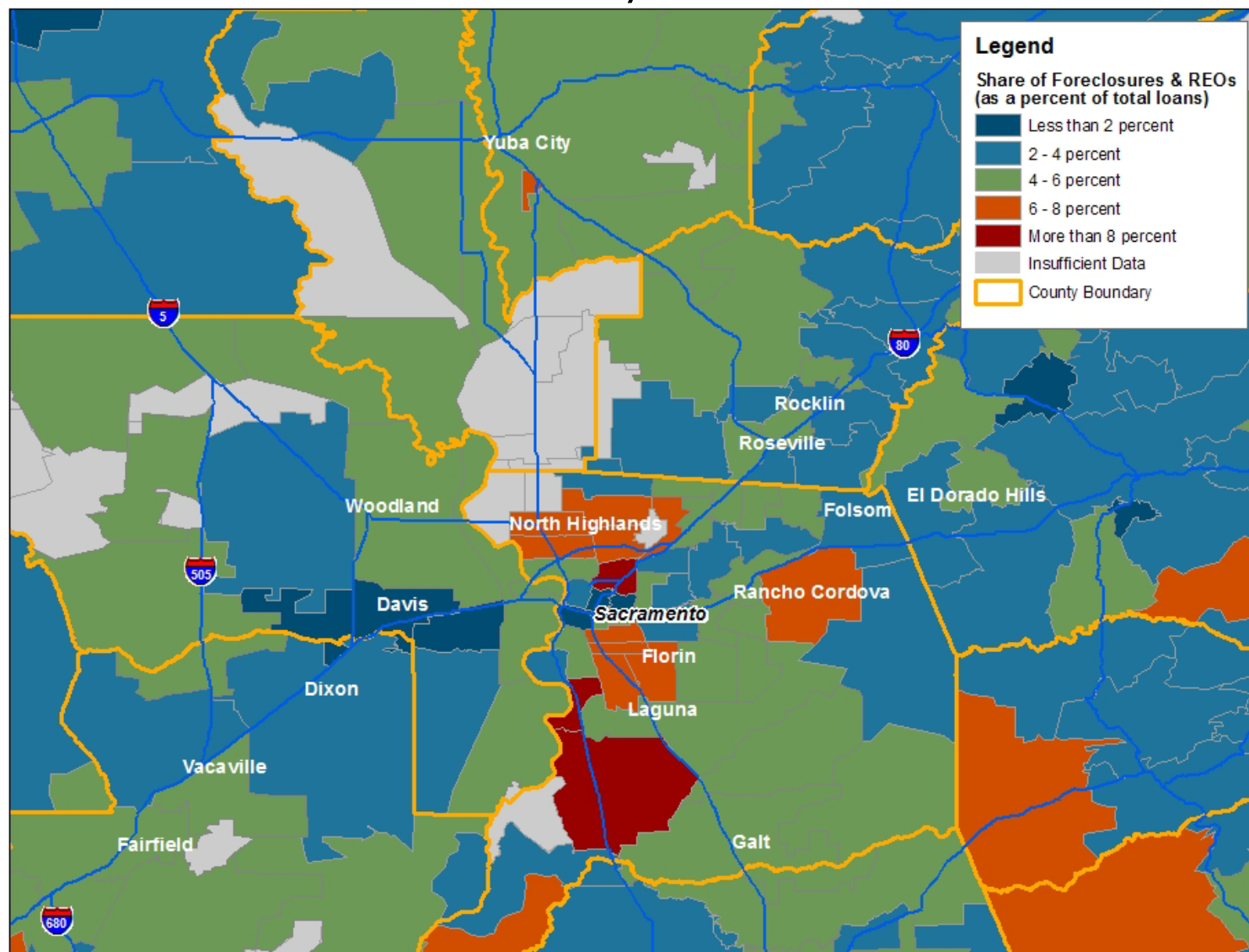


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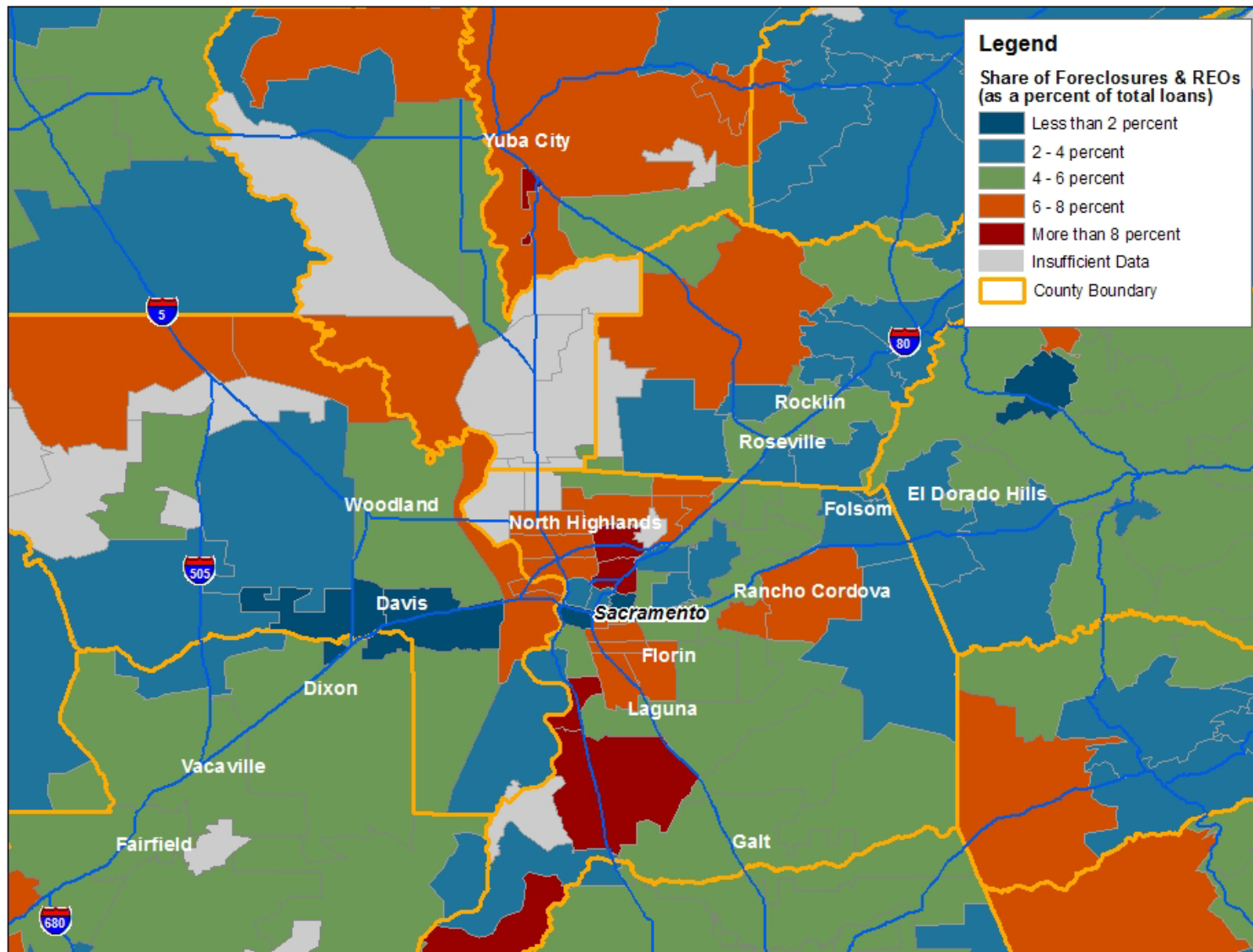


Areas Affected by Concentrated Foreclosures July 2010



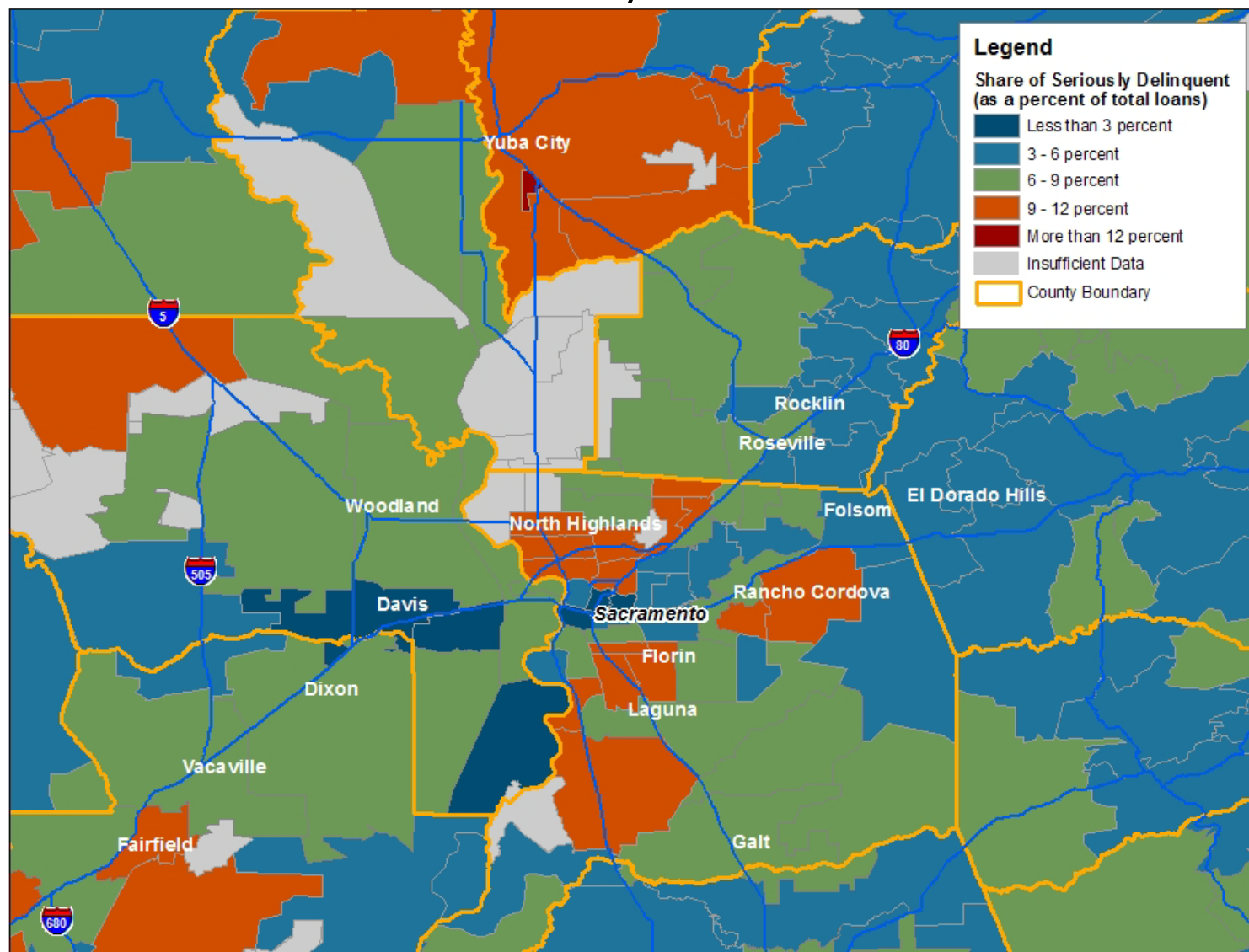
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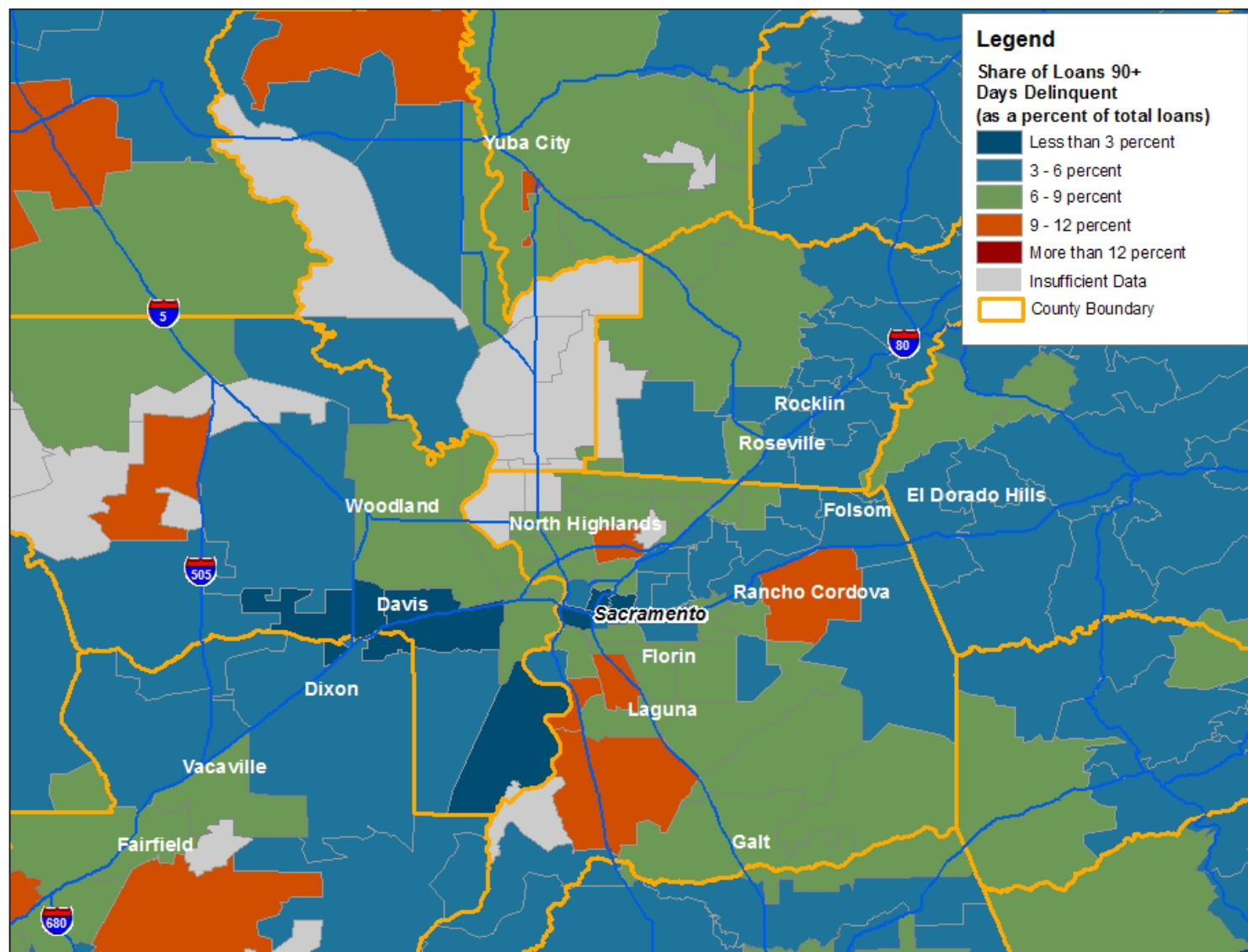
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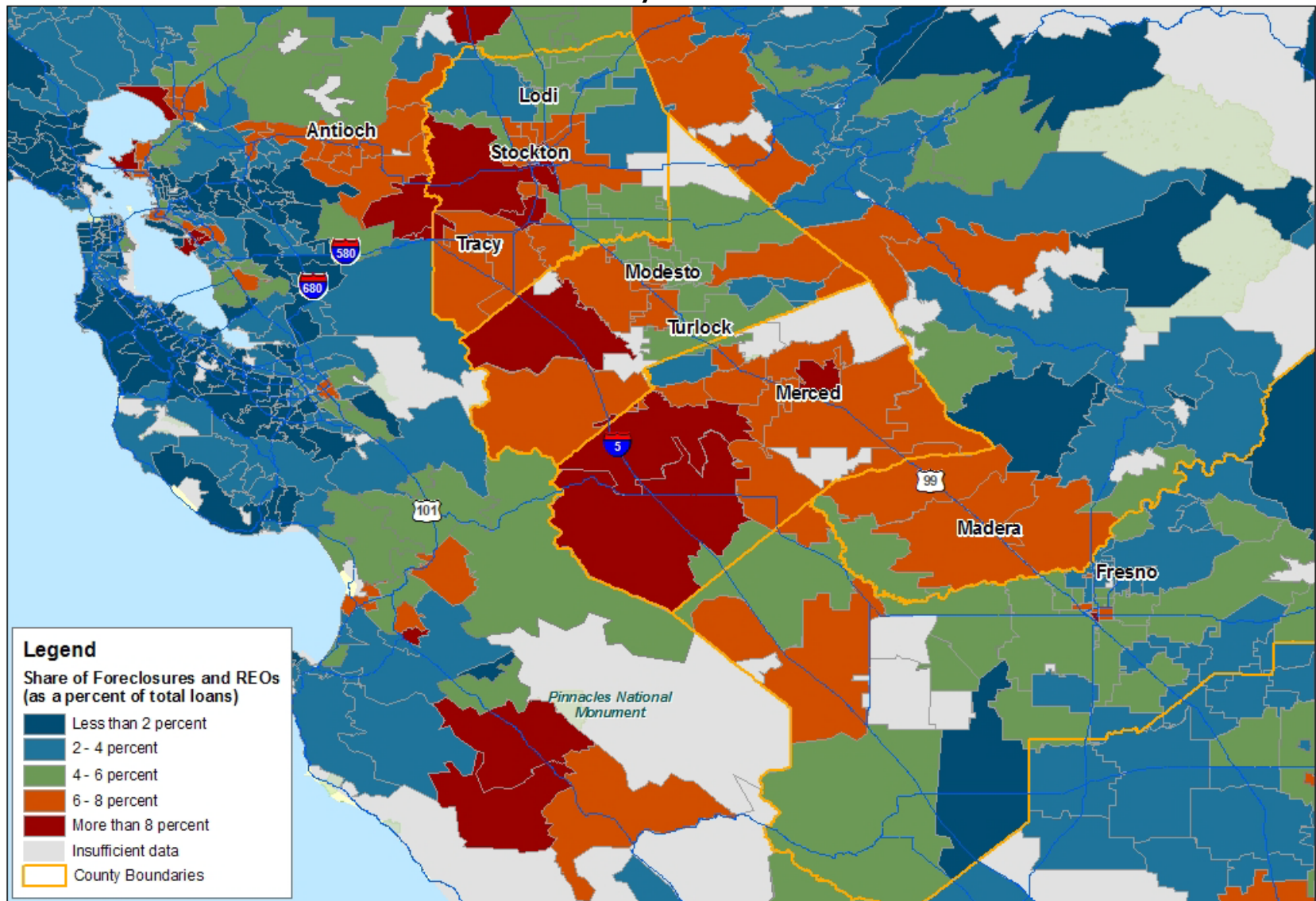
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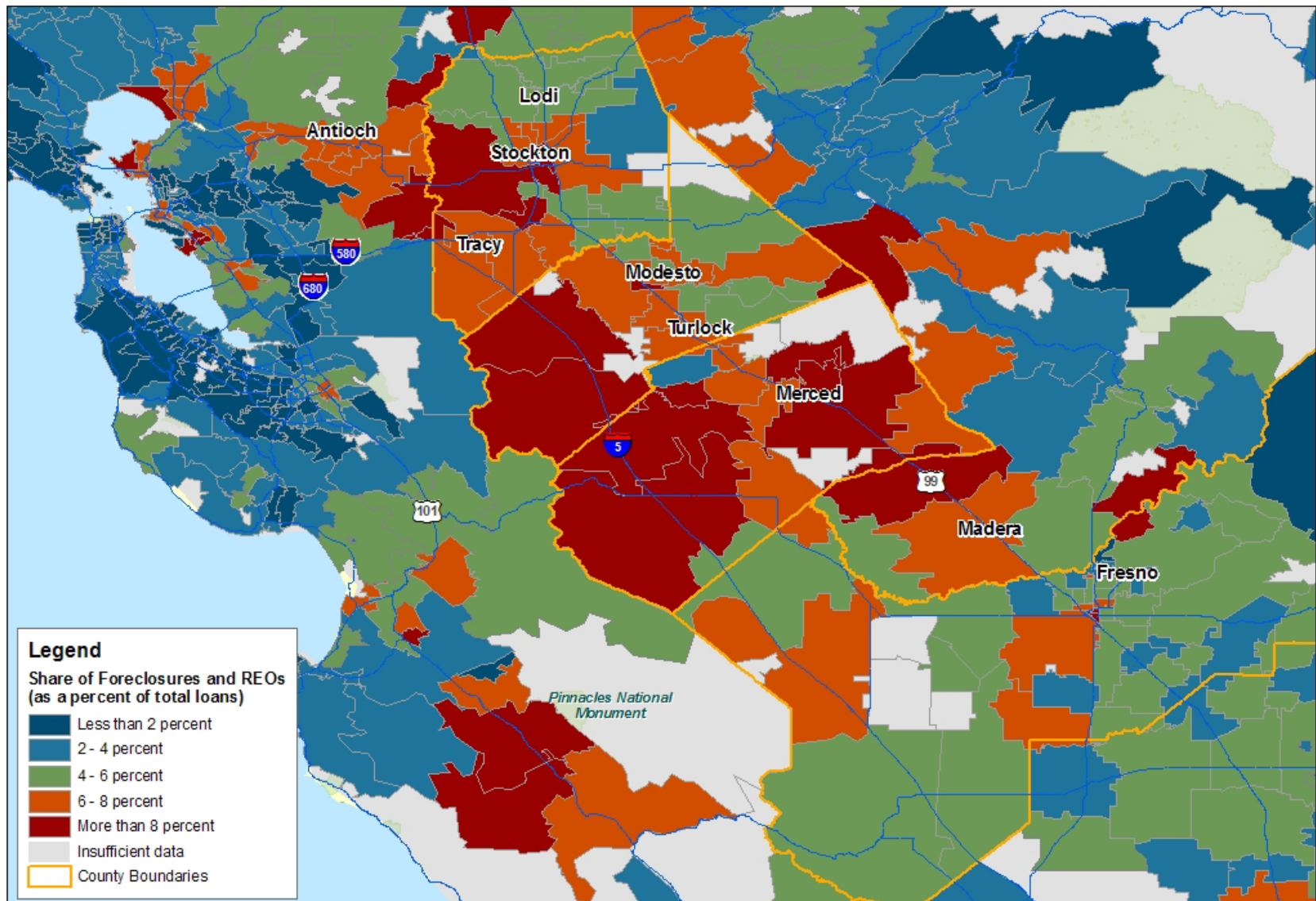
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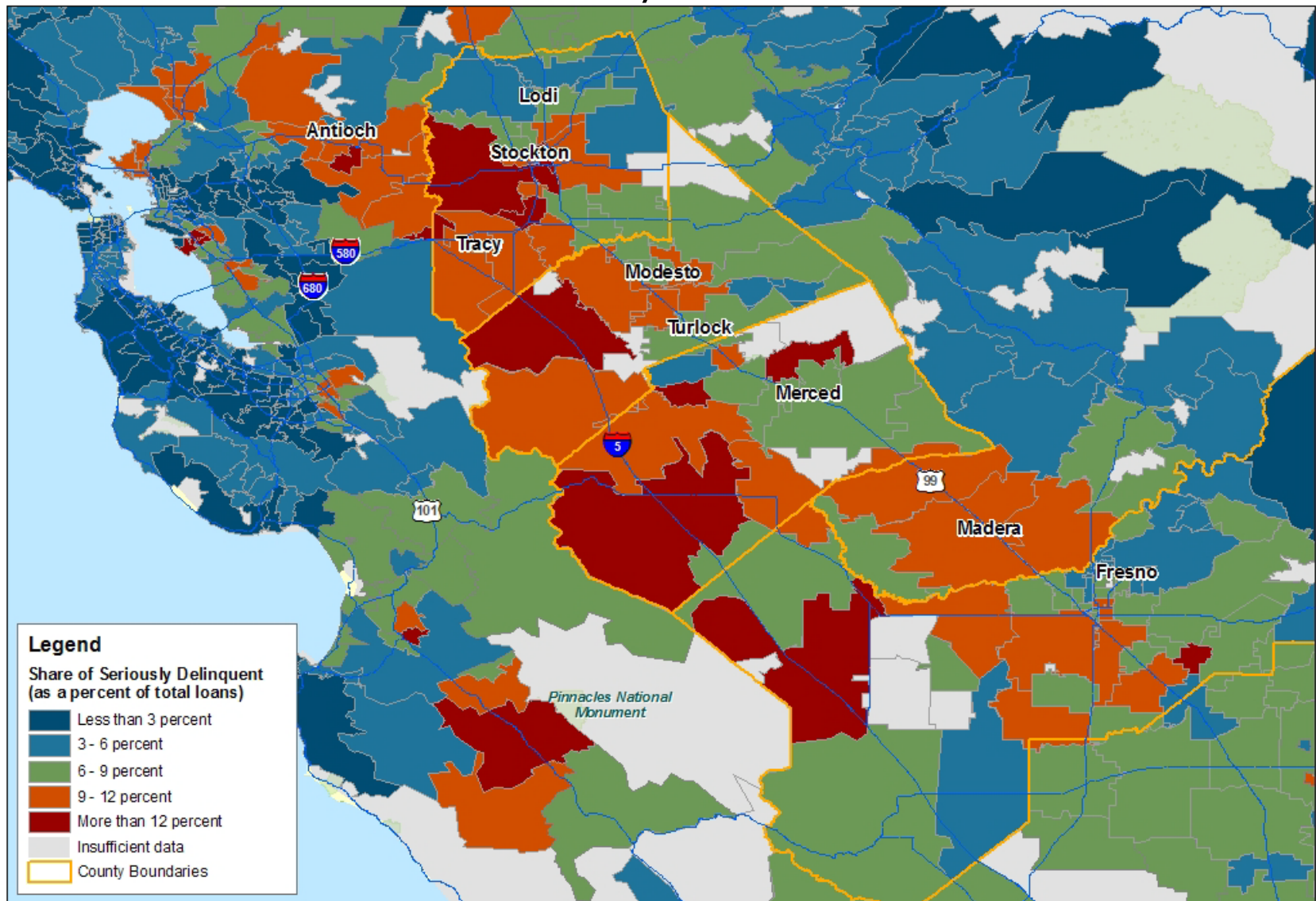
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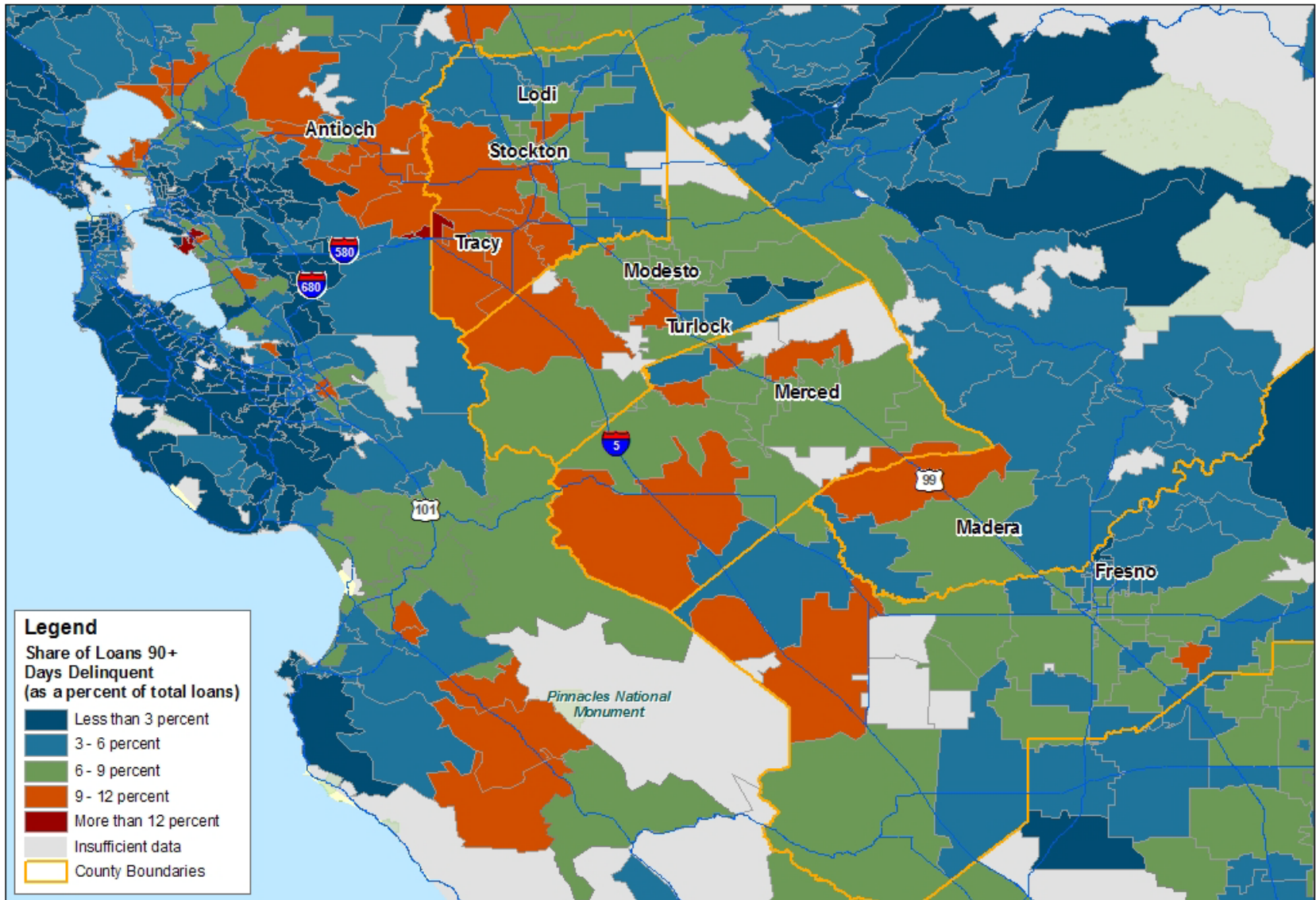
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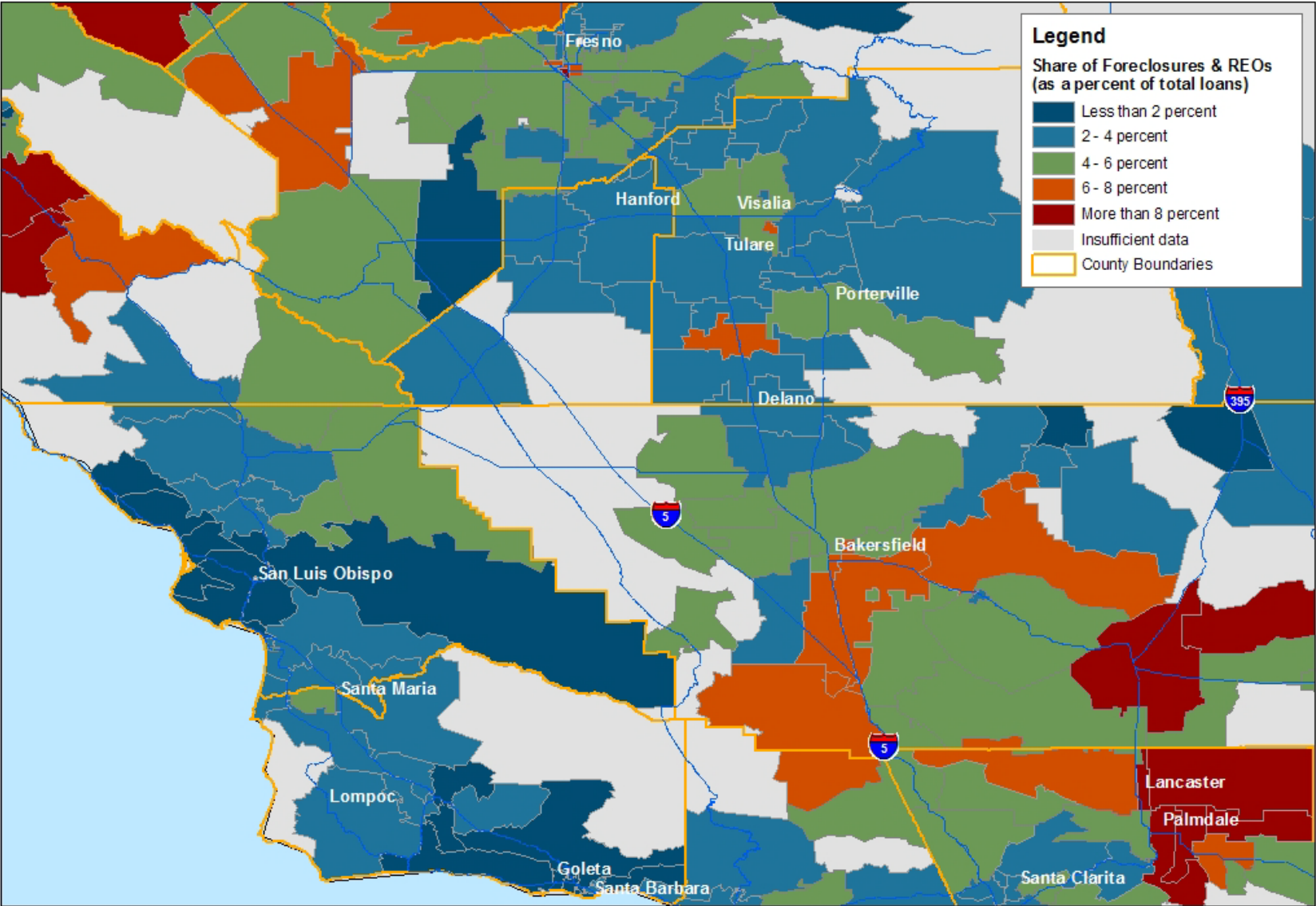
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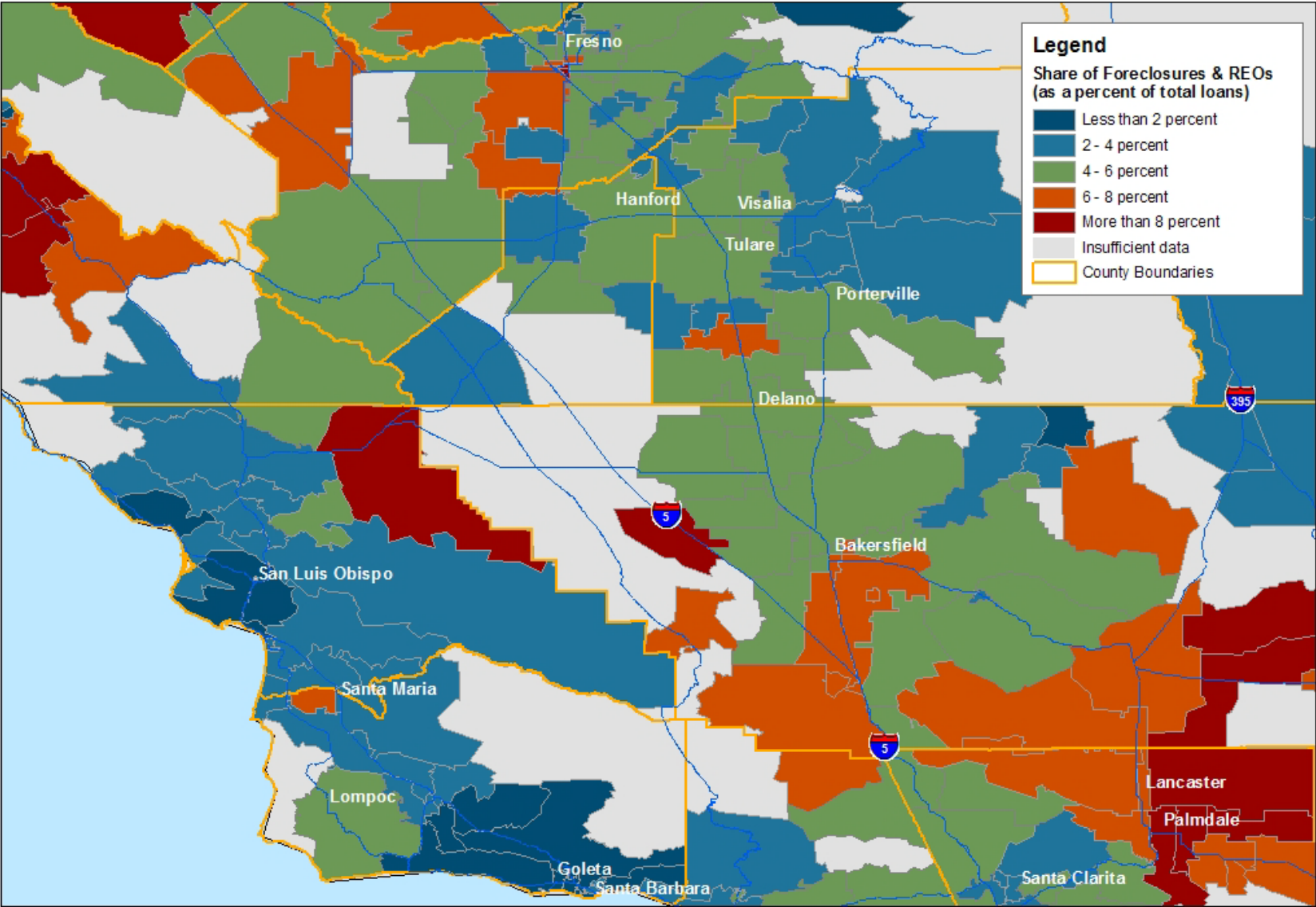
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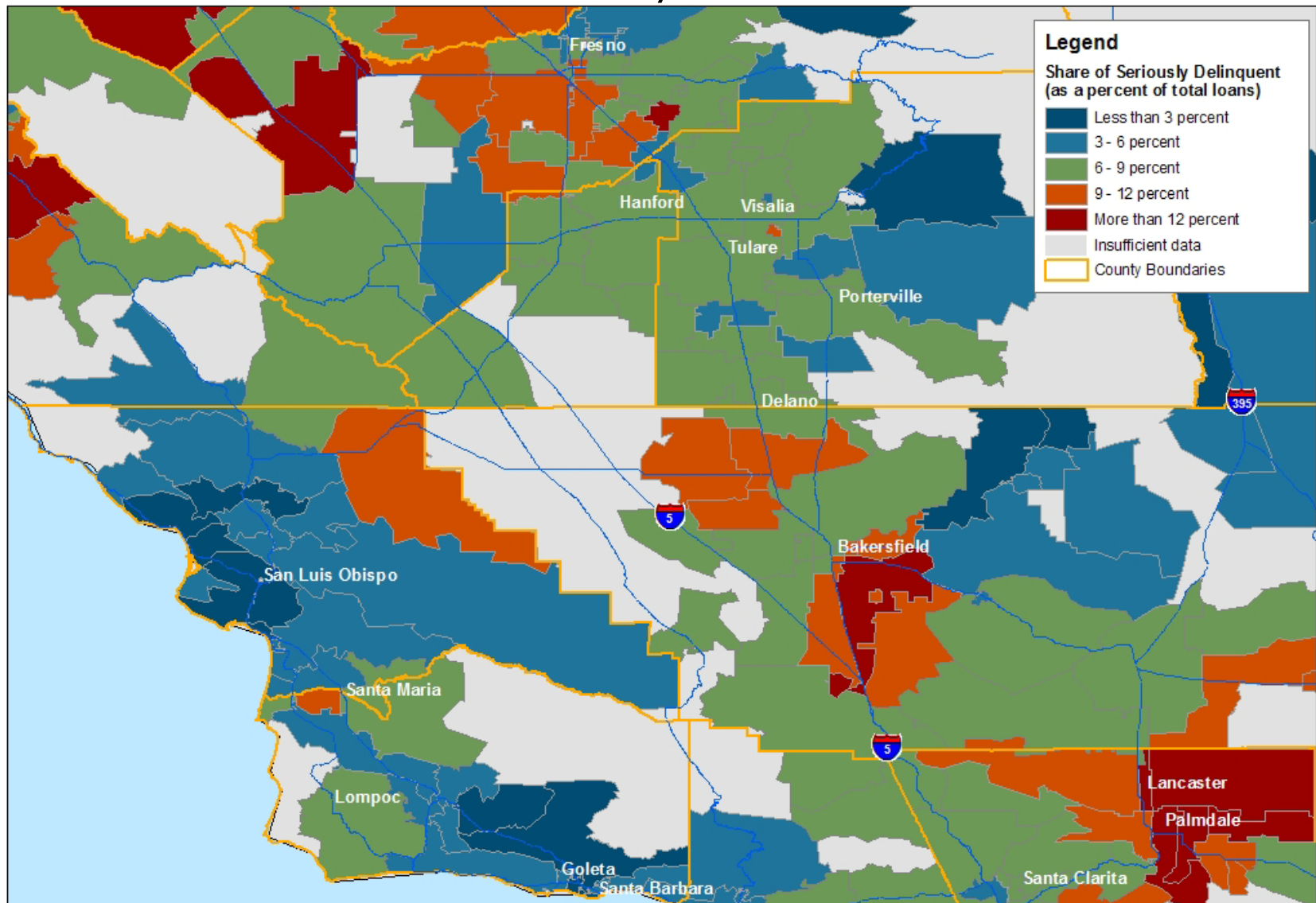
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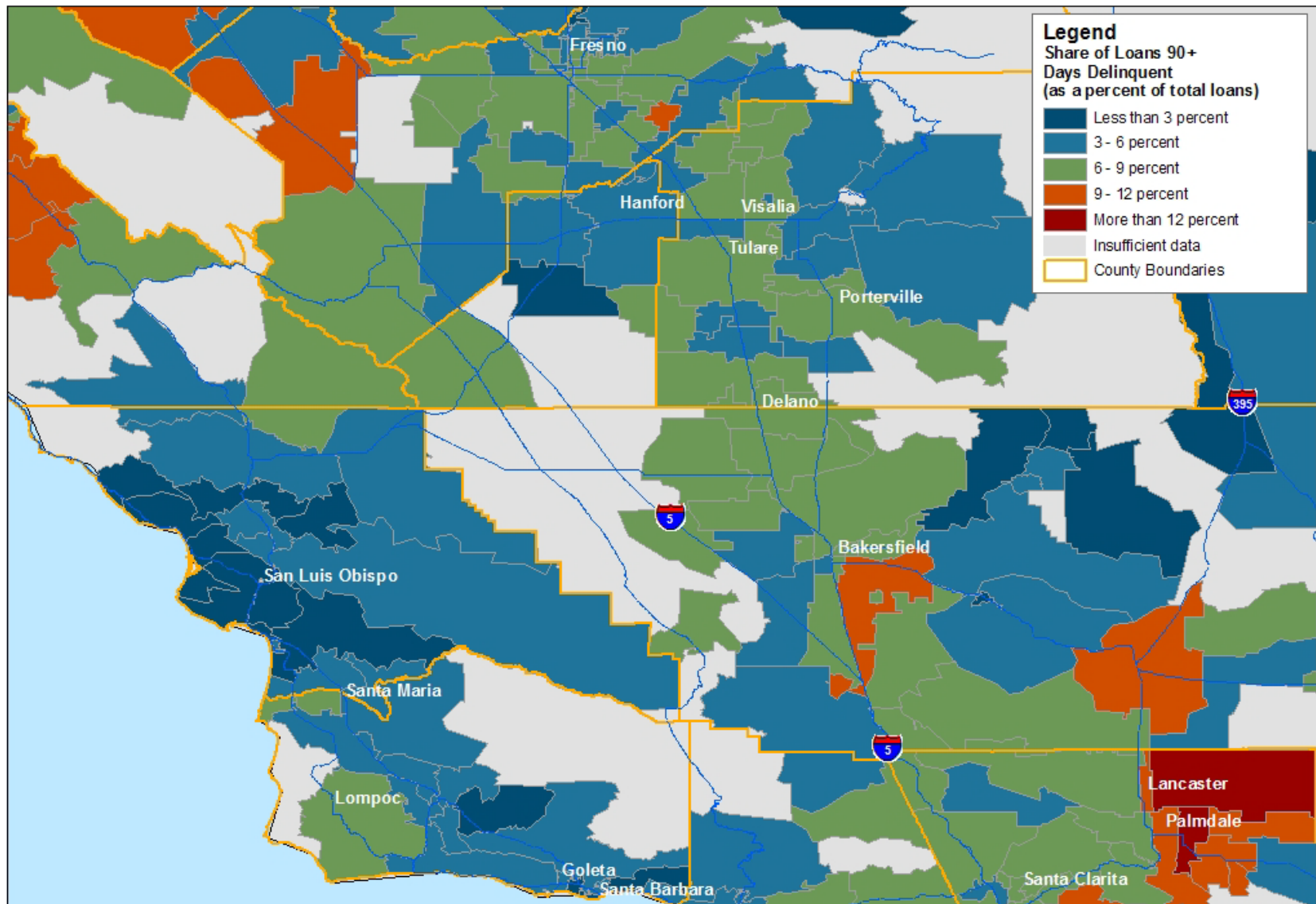
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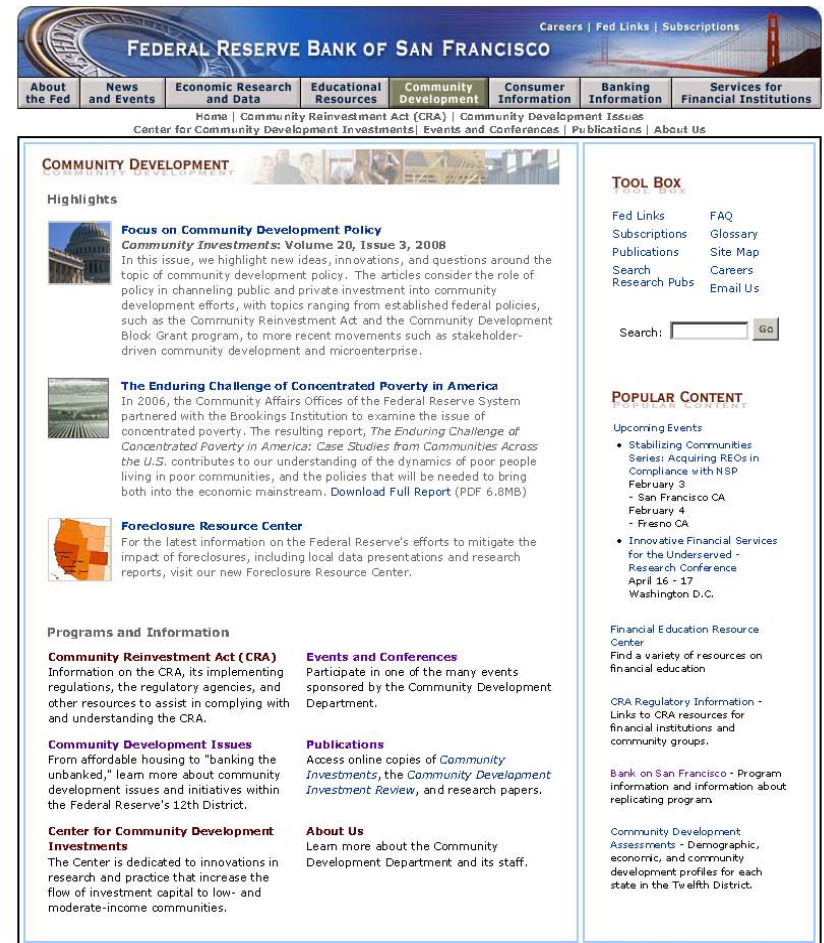
November 2010



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



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