

TRENDS IN DELINQUENCIES AND FORECLOSURES IN IDAHO

September 2010

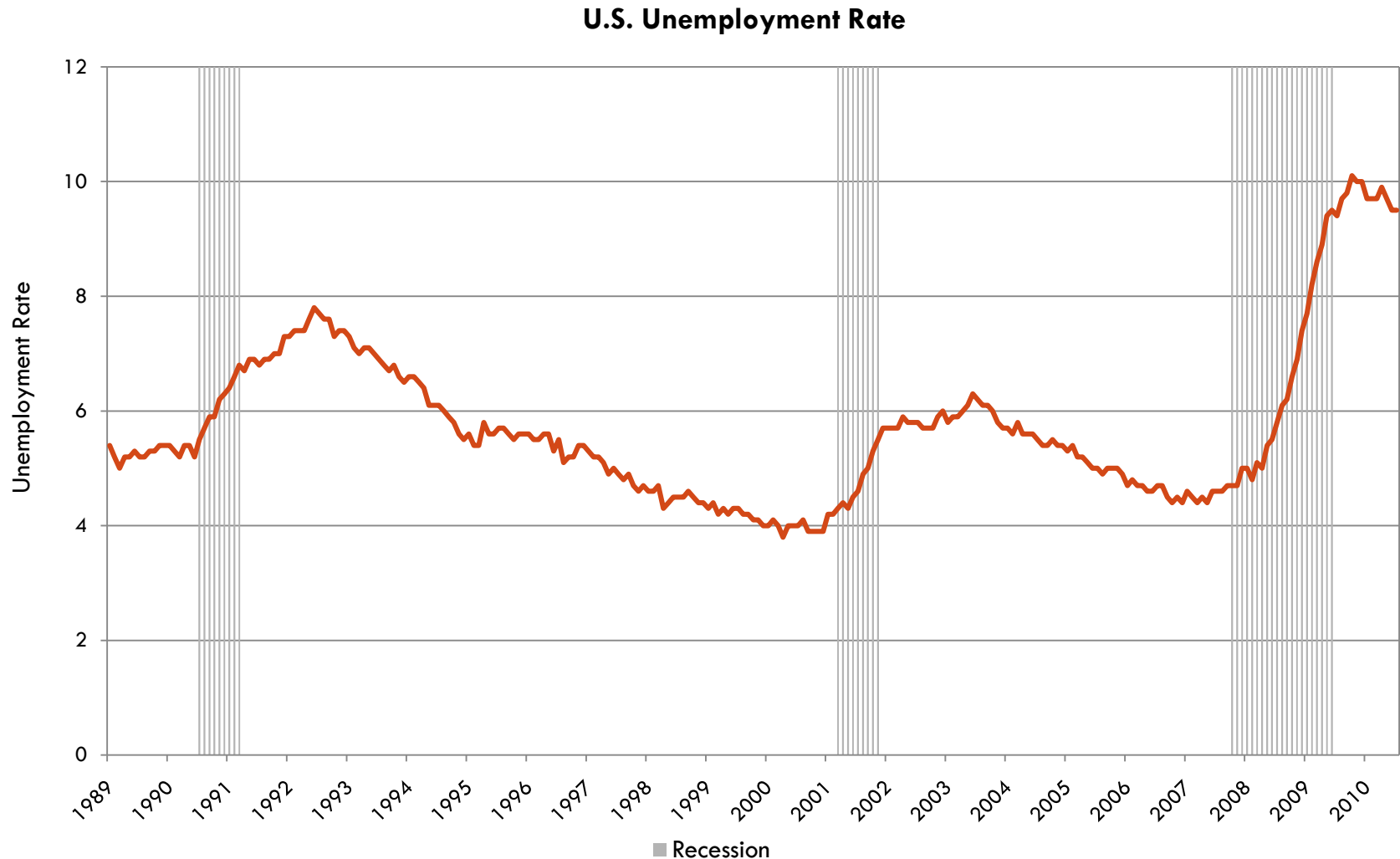
Community Development Research
Federal Reserve Bank of San Francisco

National Trends

- According to John Williams, Director of Research at the FRBSF, the economic outlook is for a slow and modest recovery
 - ▣ Unemployment still a major concern, and unlikely to see significant drops in the unemployment rate in the next year
 - ▣ While the housing market appears to be stabilizing, recovery is muted, and construction starts and home sales are both down in the most recent period
 - ▣ Growth of real gross domestic product (GDP), the broadest measure of the strength of the economy, is hovering around 2 percent in the current quarter
- Large “shadow” inventory of properties in delinquency or some stage of the foreclosure process also remains a concern

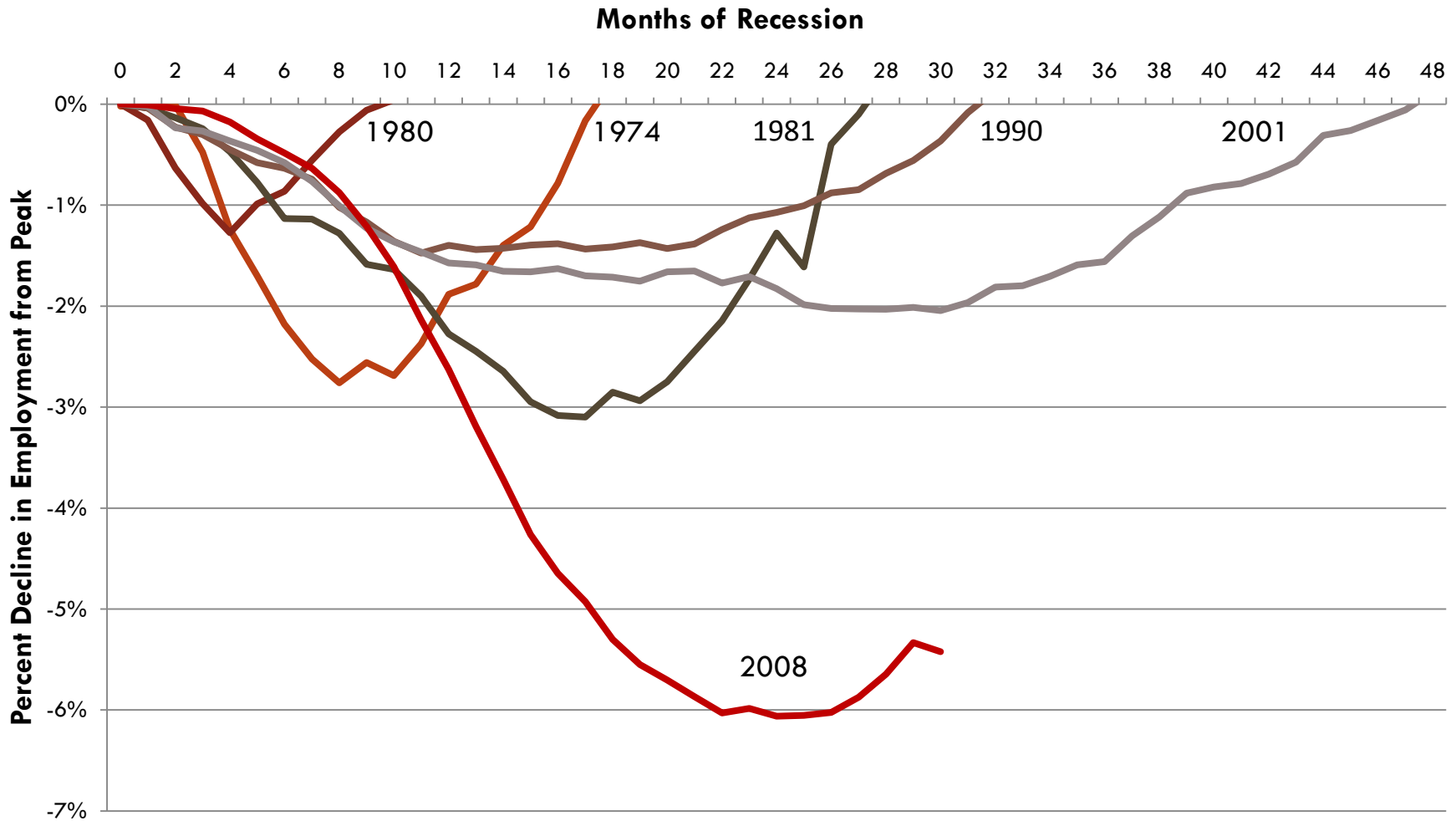
National Trends

Unemployment continues to hover around 10%



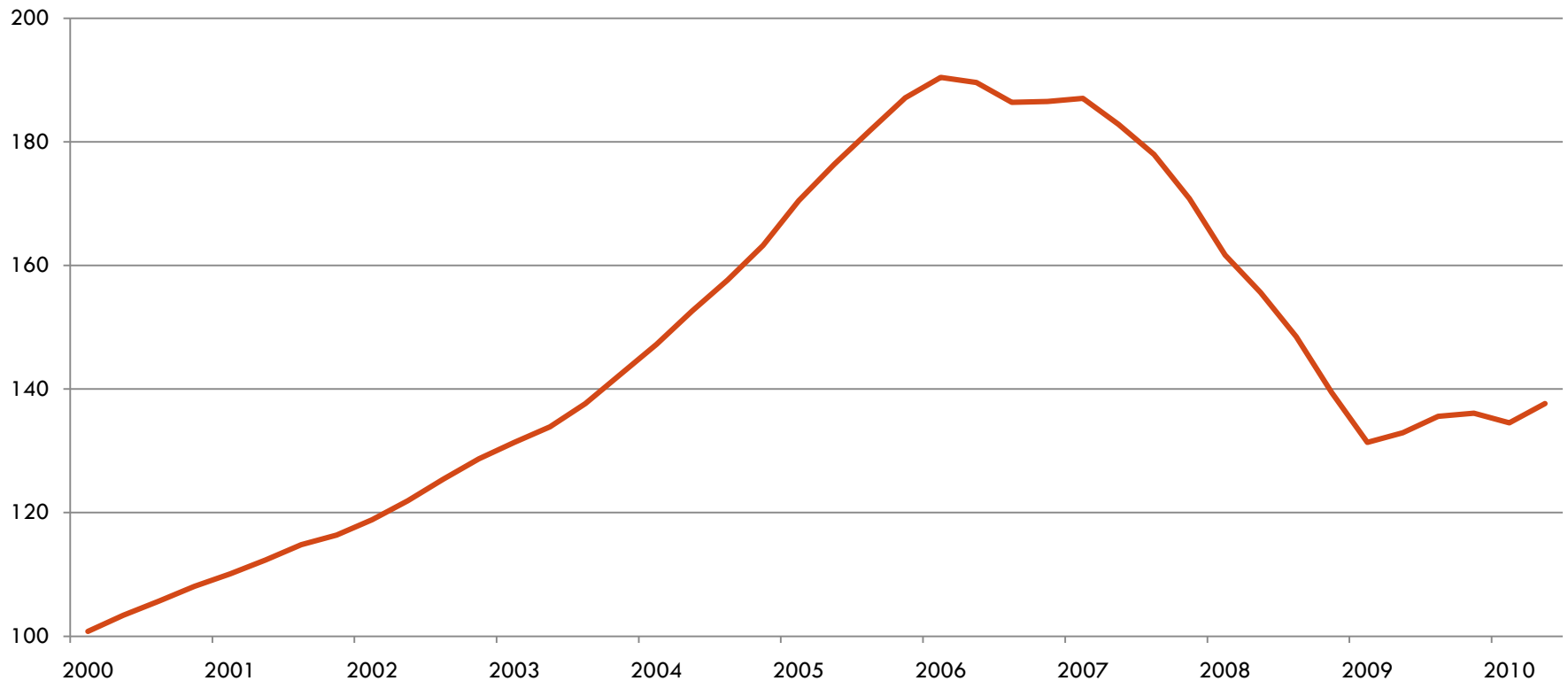
Source: Bureau of Labor Statistics, September 2010

Depth of this economic downturn eclipses past recessions



Case-Shiller shows tepid housing recovery

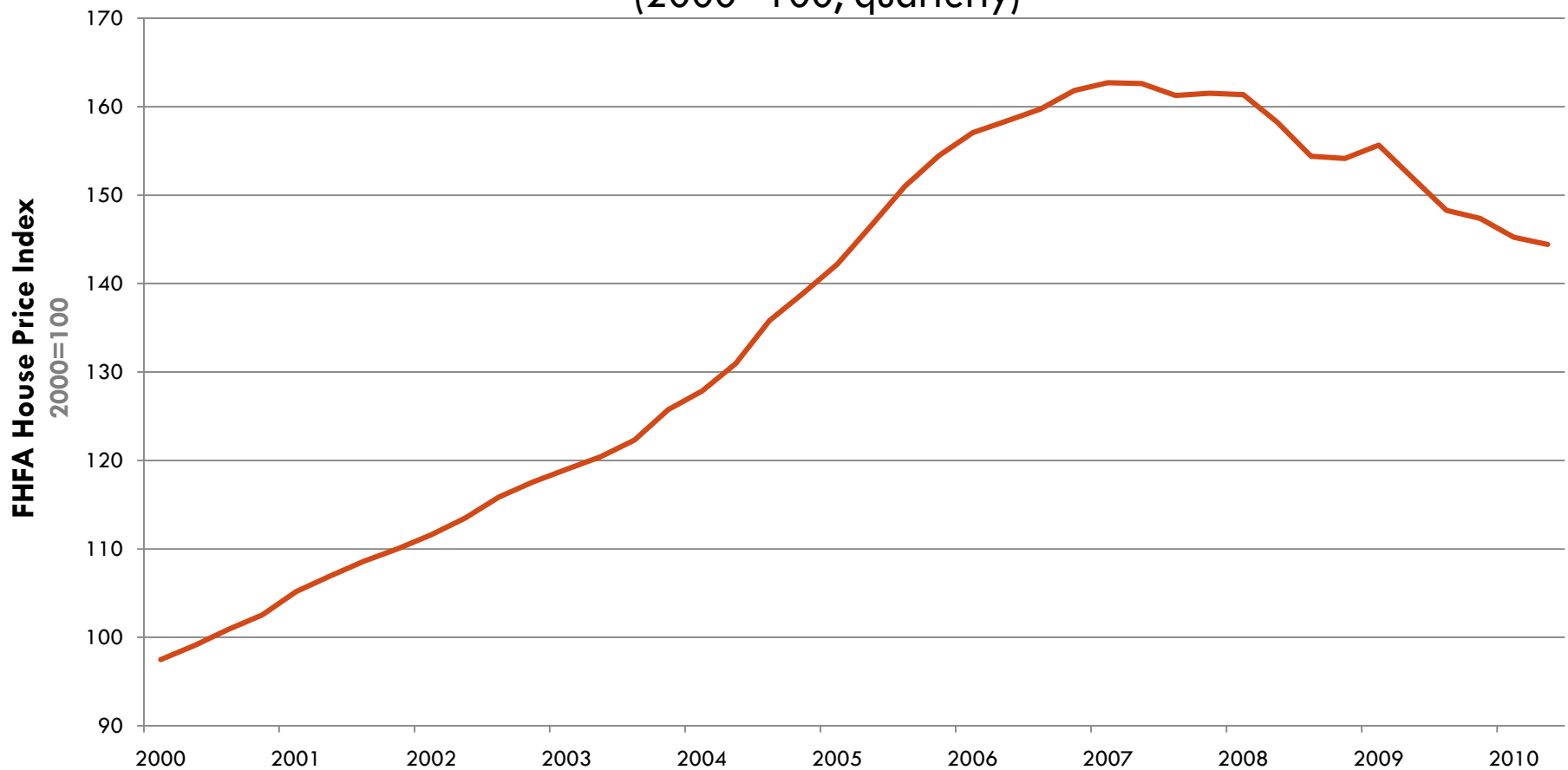
Case-Shiller National House Price Index
(2000 = 100, Quarterly)



Source: Case - Shiller Home Price Index

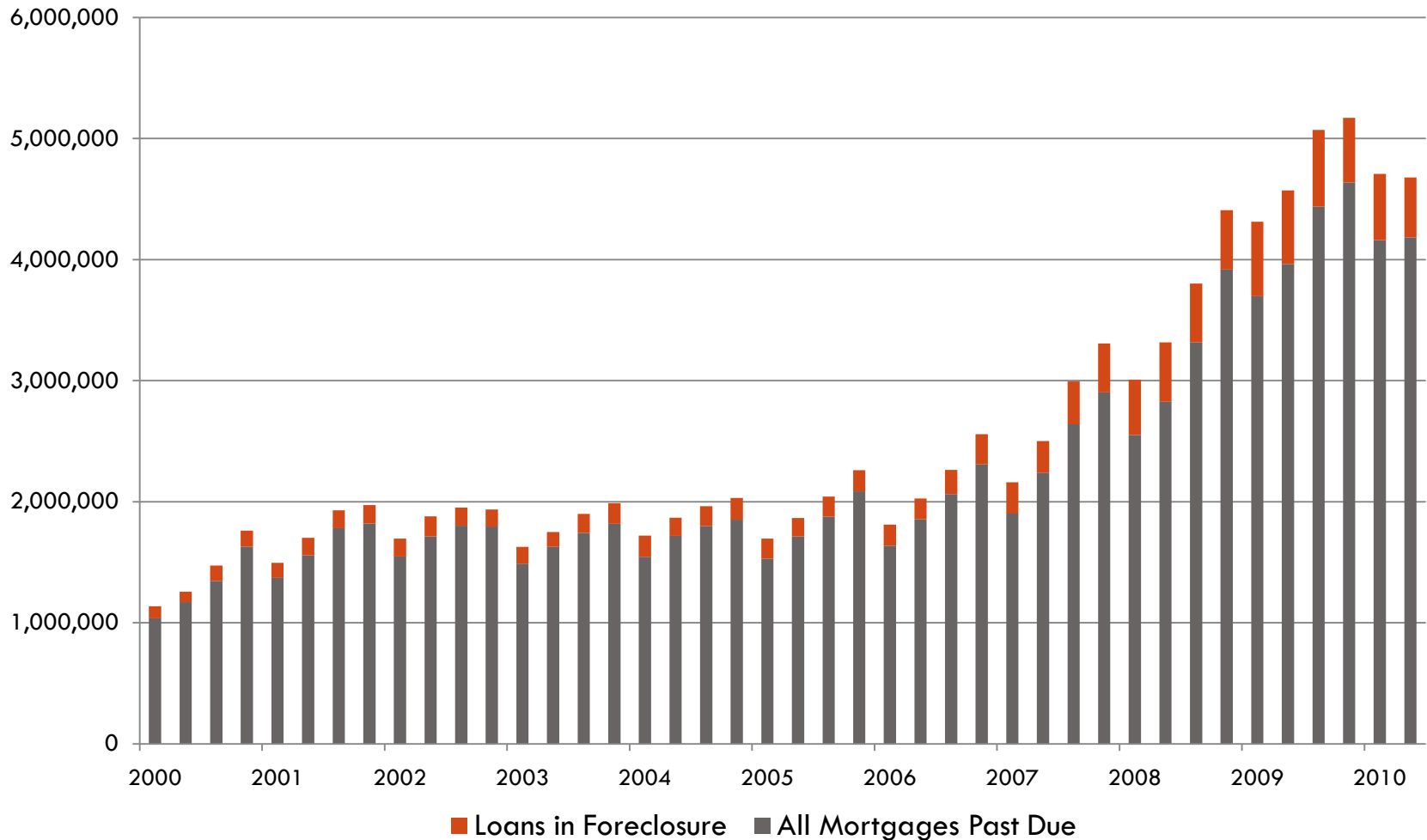
FHFA House Price Index continues to fall, reflecting activity at lower end of market

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



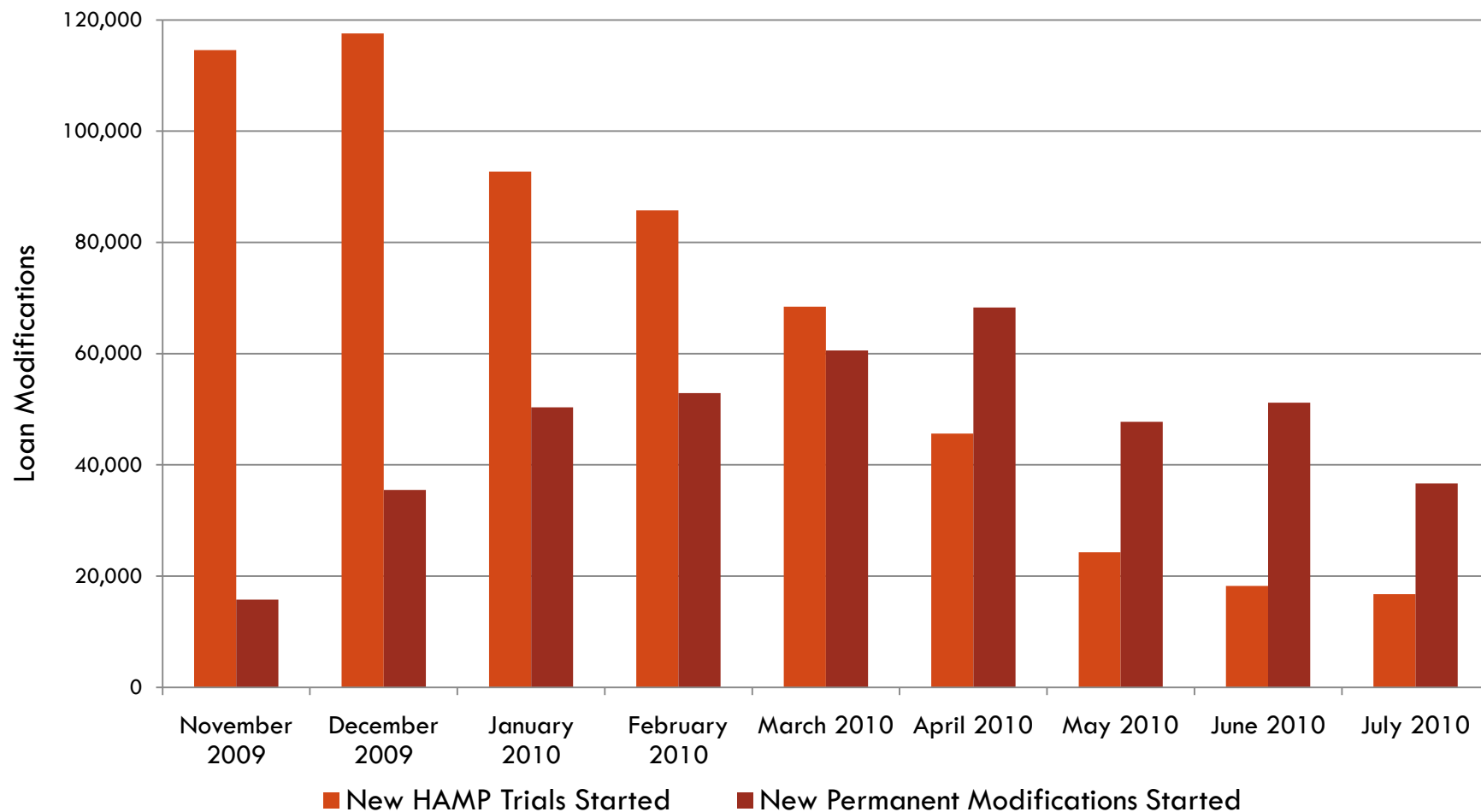
Source: Federal Housing Finance Agency (formerly OFHEO)

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



Source: Mortgage Bankers Association, National Delinquency Survey

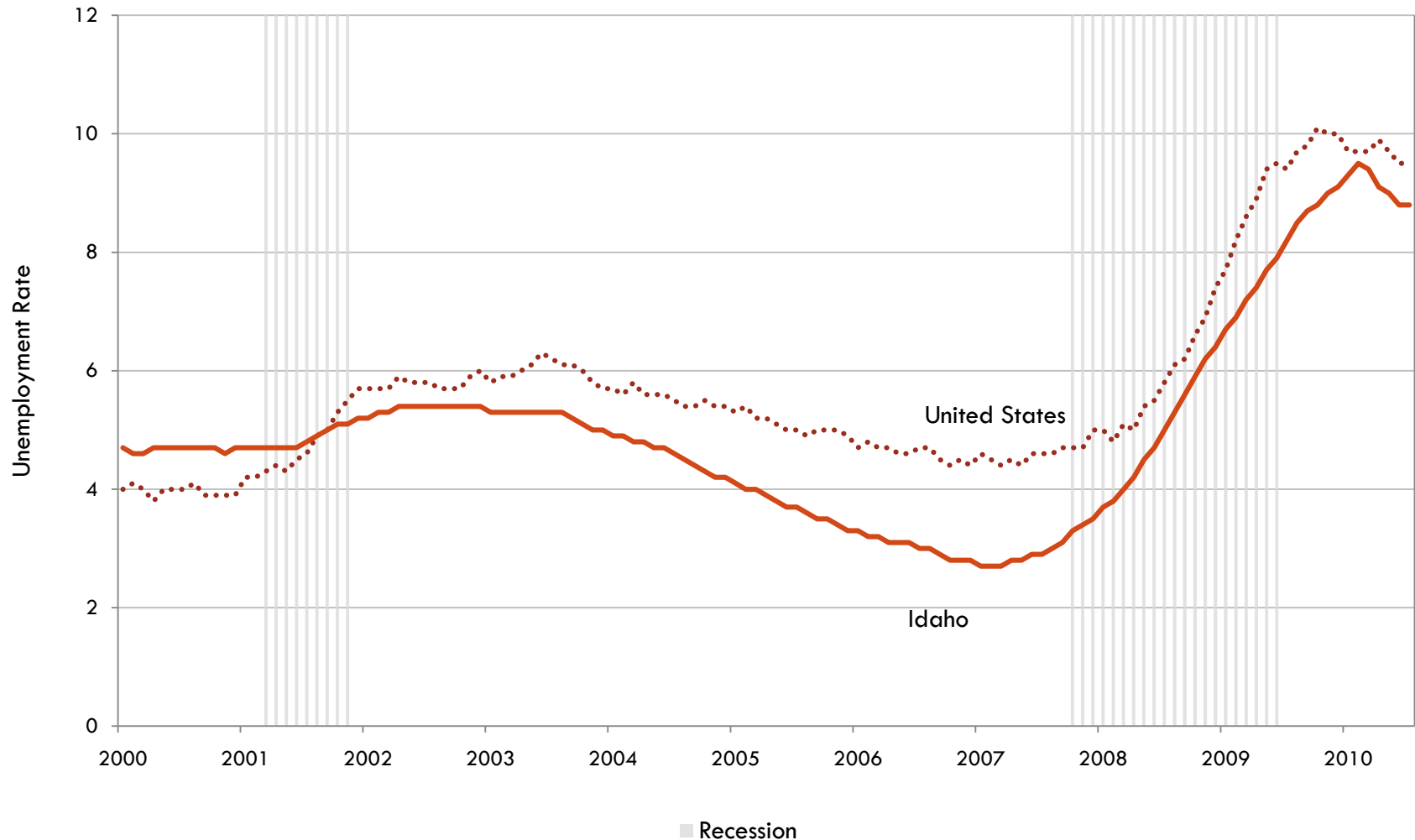
HAMP modifications down slightly in July; borrowers still face challenges in obtaining permanent modifications



Source: HAMP Service Performance Report Through July 2010

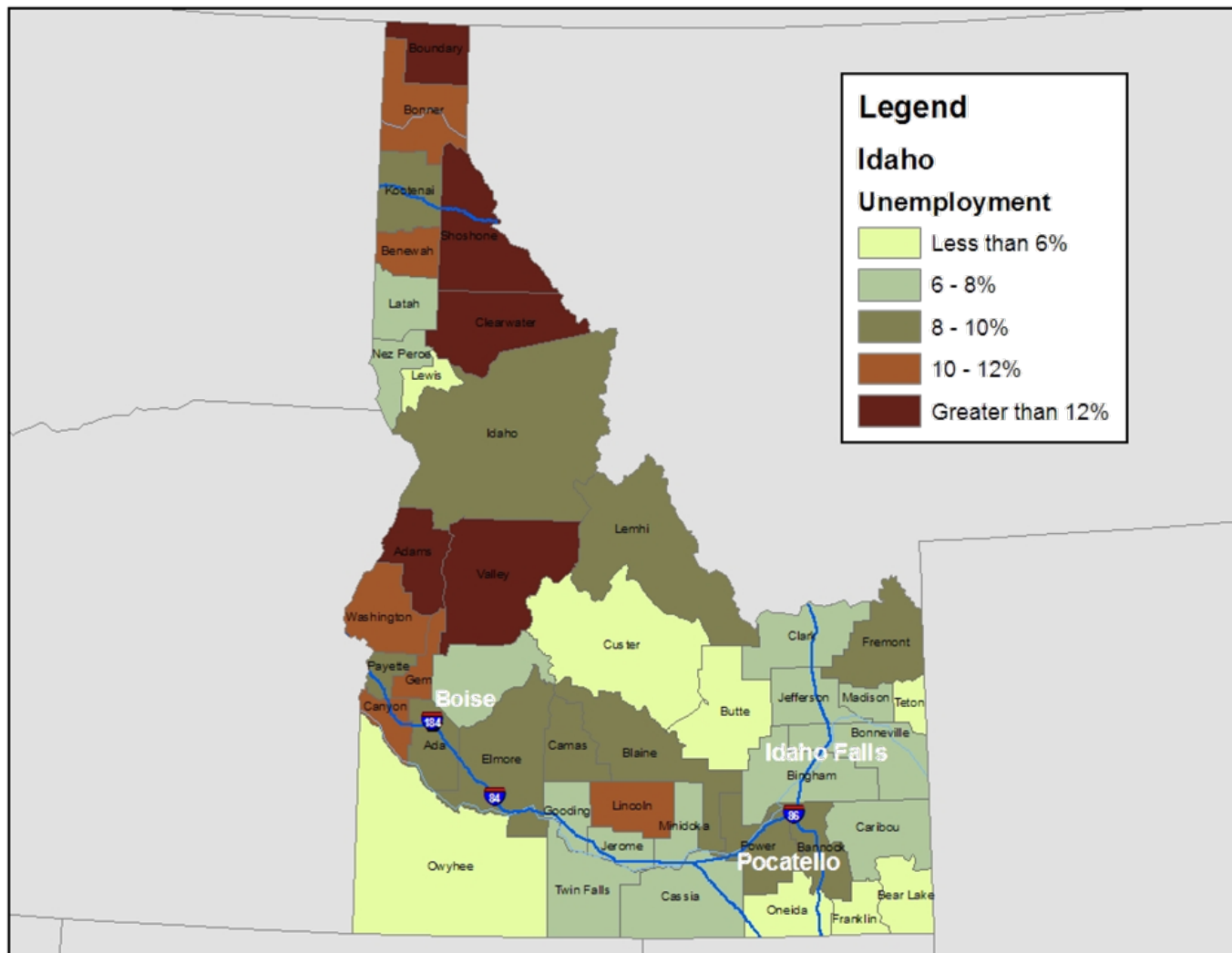
Idaho Trends

Idaho's unemployment rate has fallen slightly in 2010



Source: Bureau of Labor Statistics

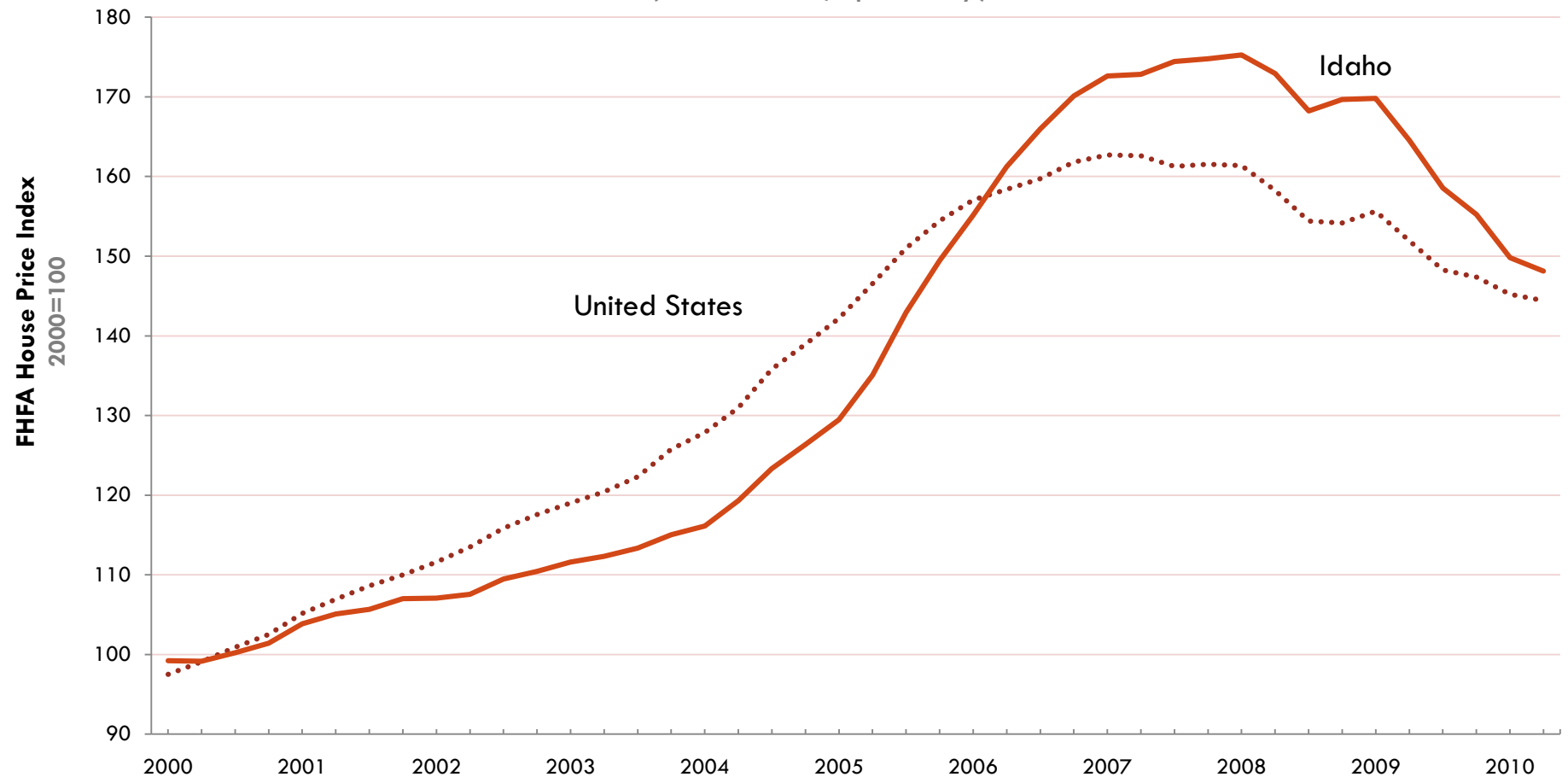
Unemployment rates in Idaho vary by county



Source: Bureau of Labor Statistics, July 2010

Idaho seeing continued softening of real estate market

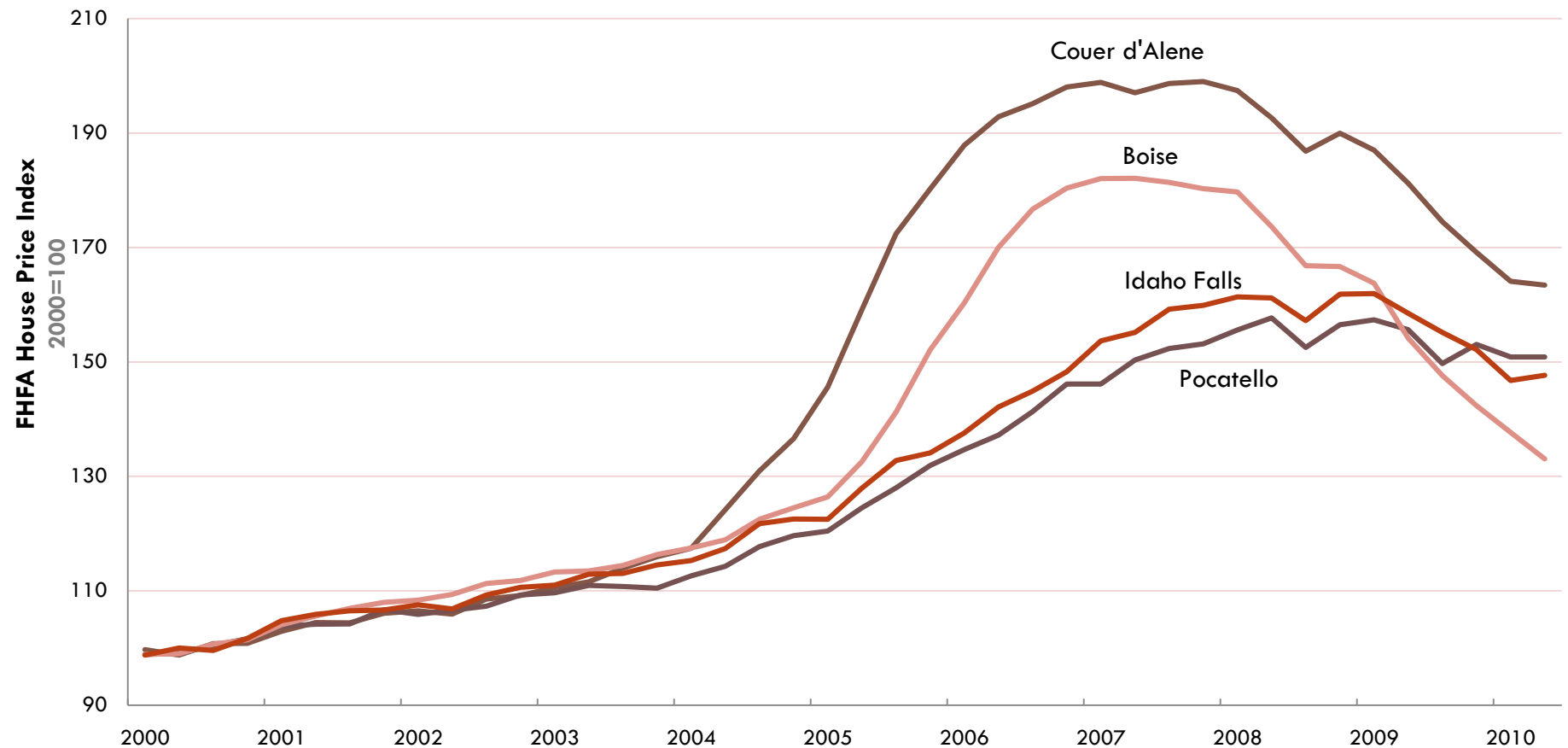
FHFA House Price Index (formerly OFHEO)
(2000=100, quarterly)



Source: Federal Housing Finance Agency (formerly OFHEO)

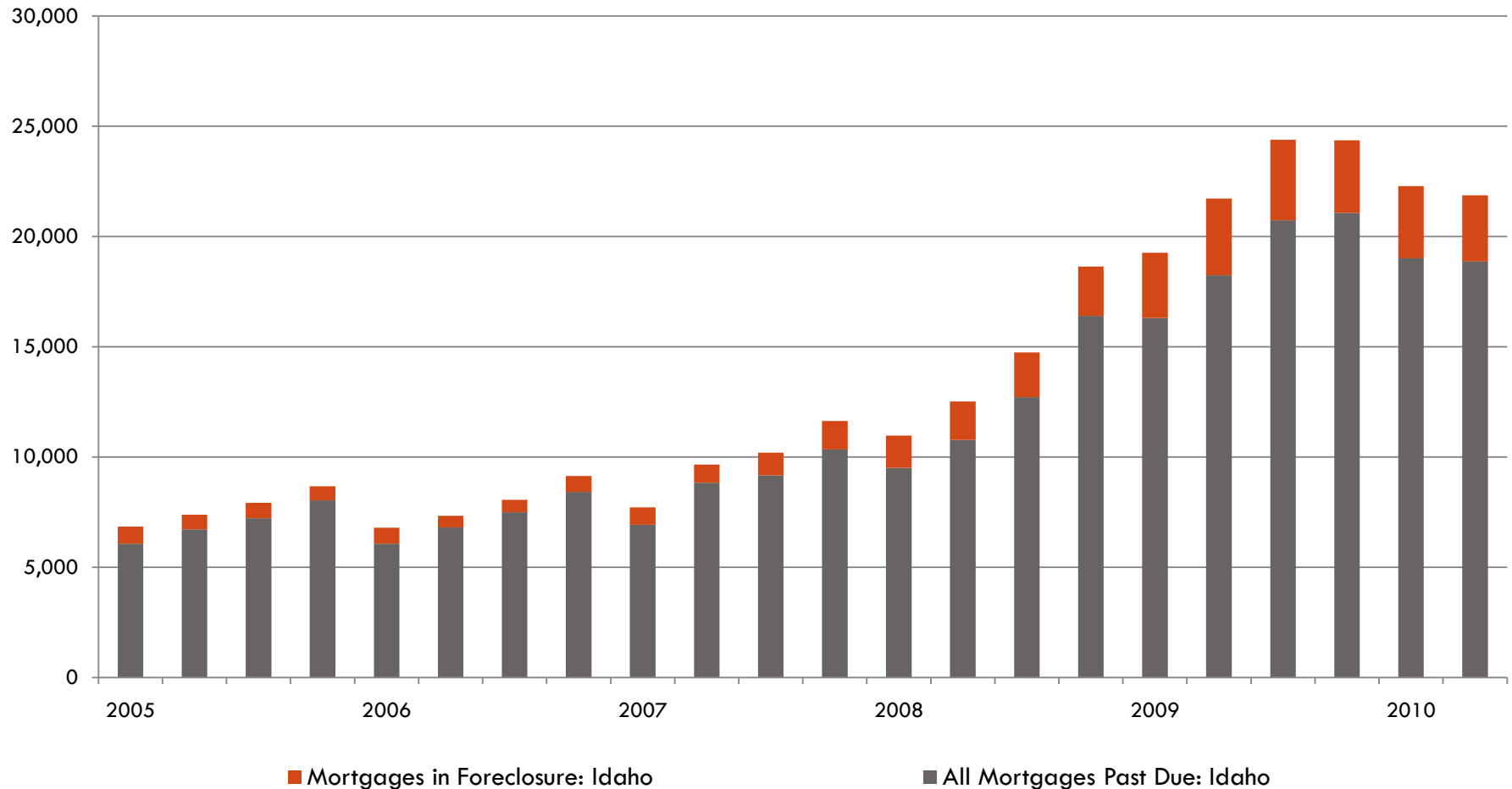
House Prices in Boise Continue to Decline Quickly

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



Source: Federal Housing Finance Agency (formerly OFHEO)

The number of distressed properties in Idaho – delinquent and in foreclosure – seems to be stabilizing

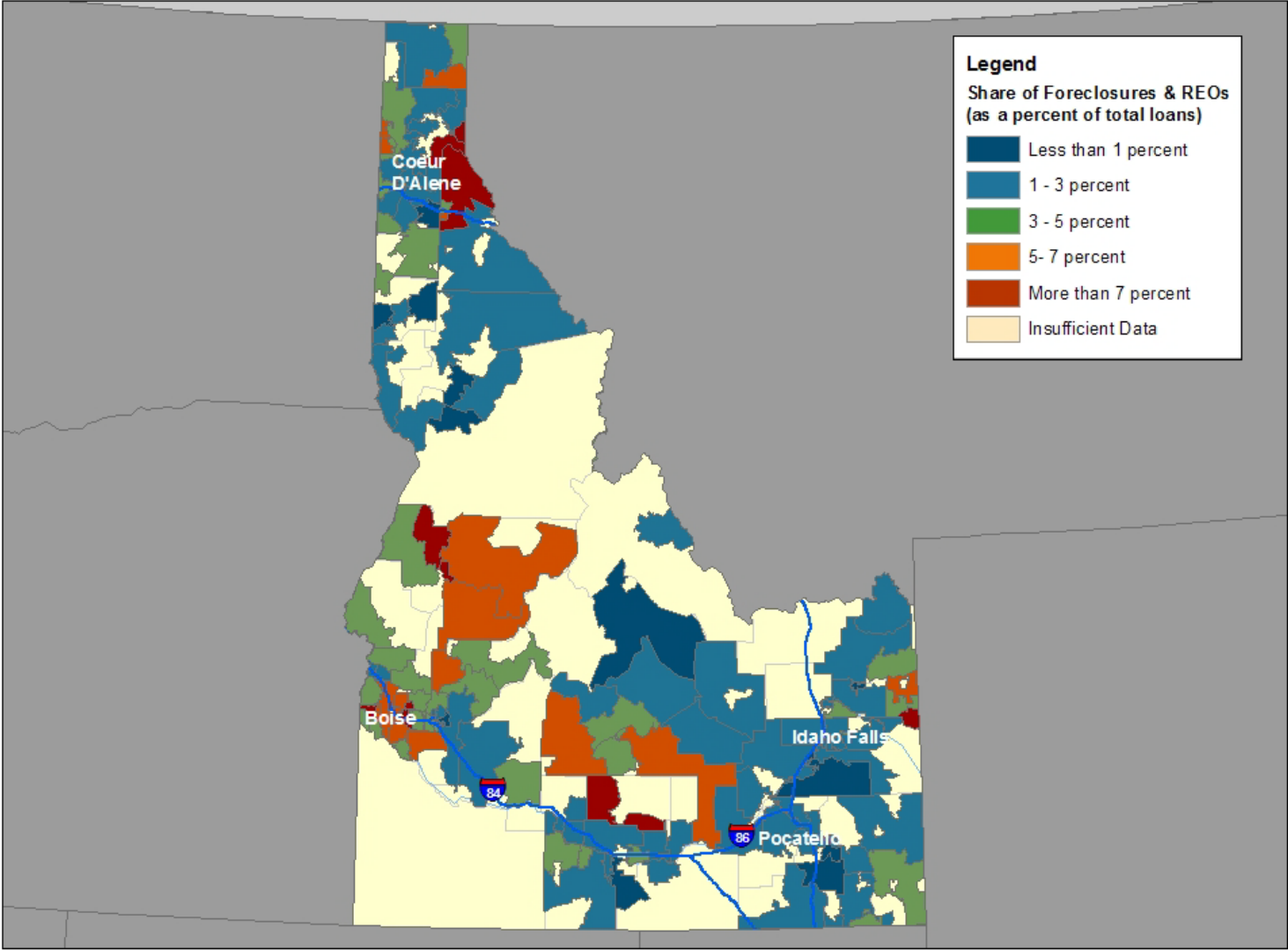


Source: Mortgage Bankers Association, National Delinquency Survey

Idaho Foreclosure Data Maps

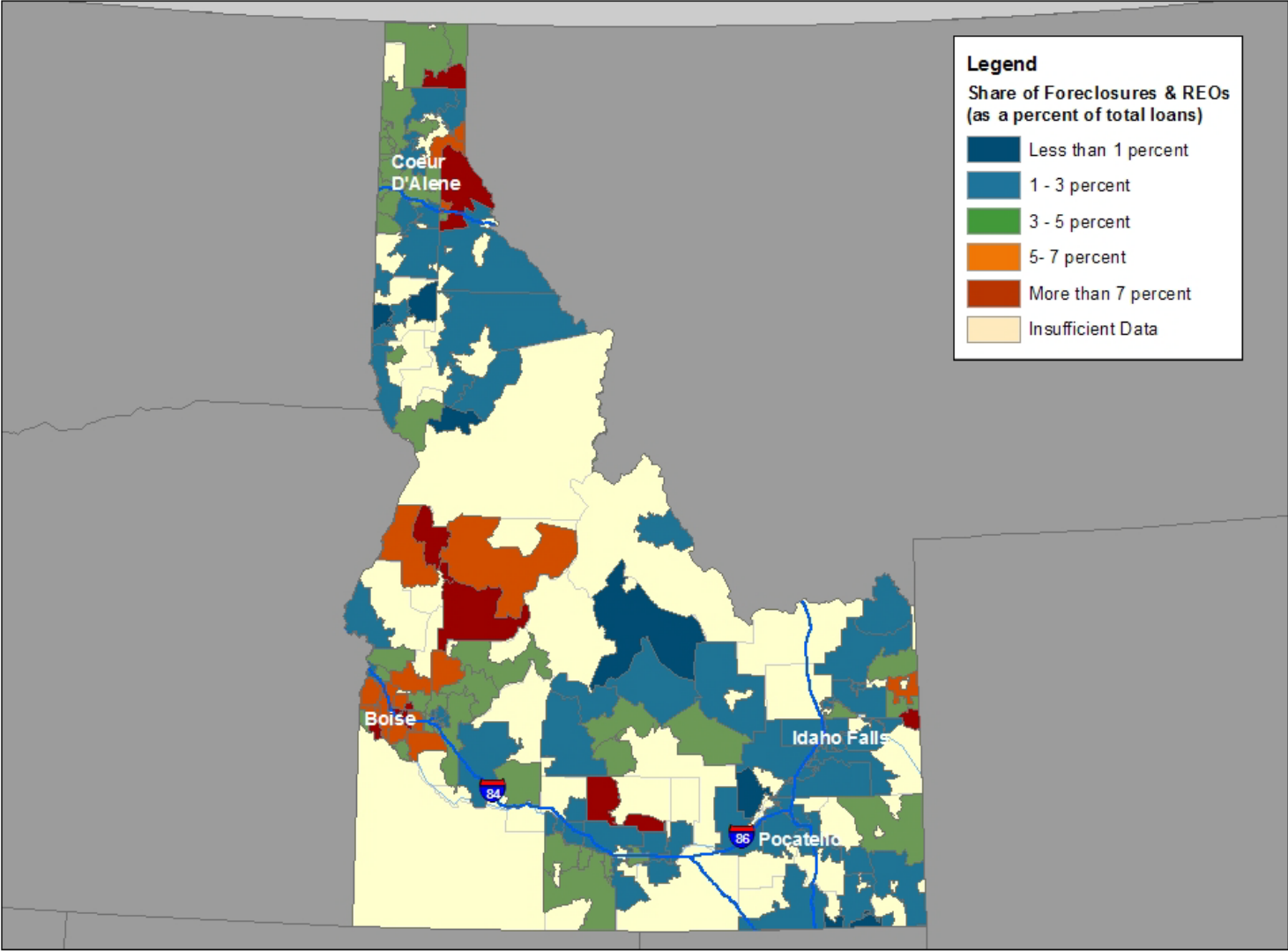
Areas Affected by Concentrated Foreclosures

February 2010



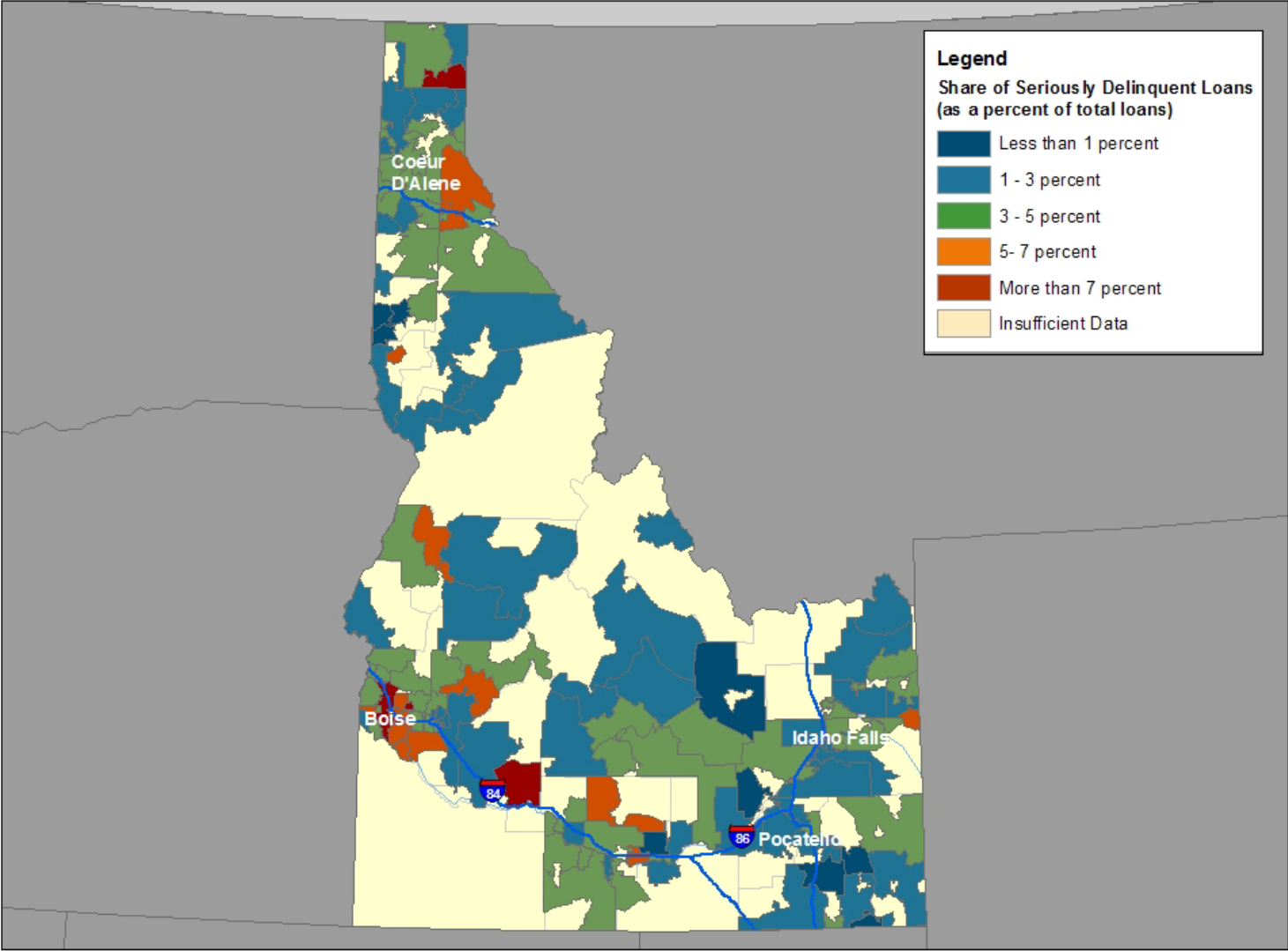
Areas Affected by Concentrated Foreclosures

July 2010



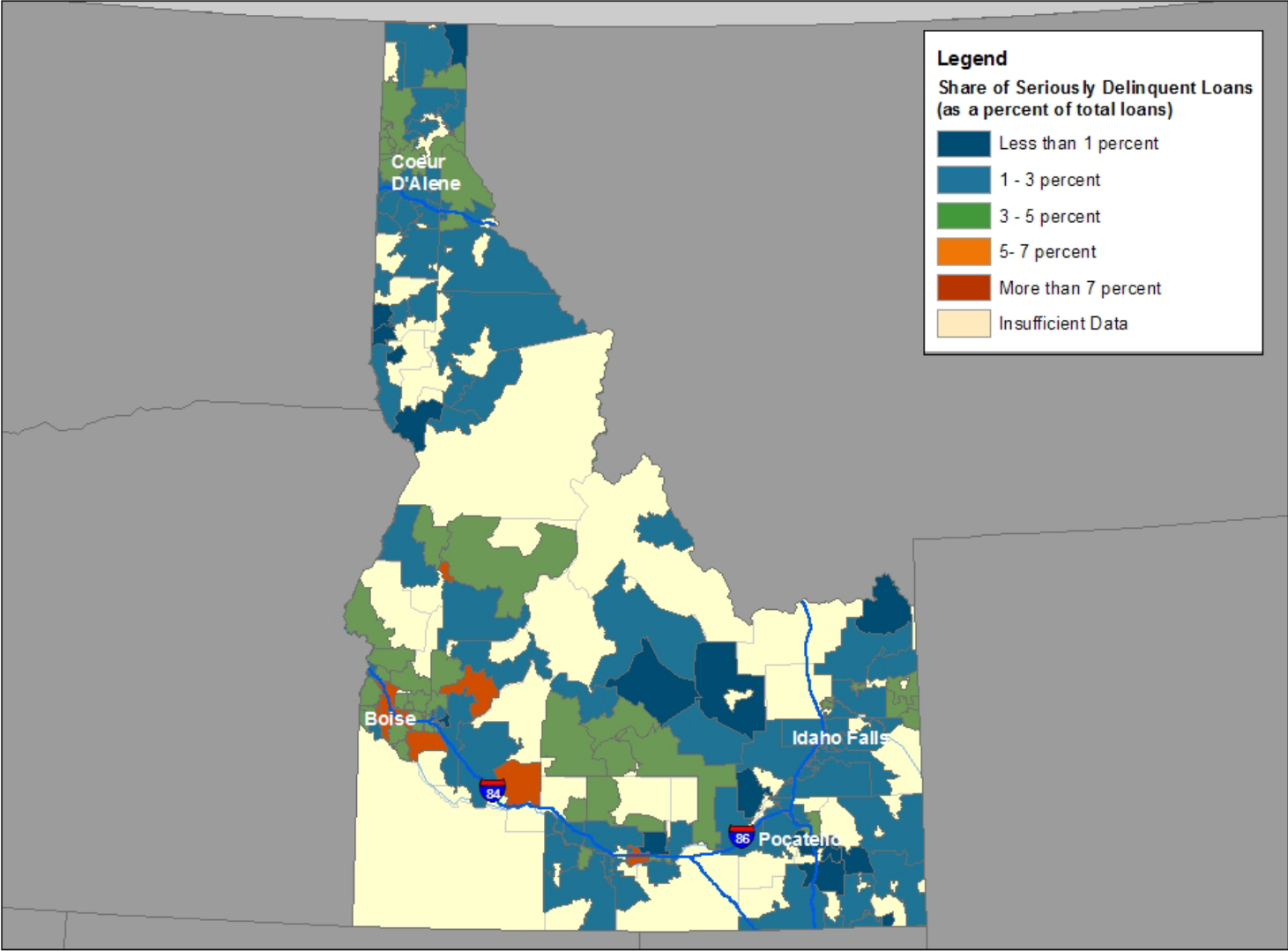
Areas at Risk of Additional Foreclosures

February 2010



Areas at Risk of Additional Foreclosures

July 2010



Conclusions

Continued Need for Foreclosure Prevention

- Important to reach borrowers with ‘preventable’ foreclosures
 - ▣ Borrower Outreach Events
 - Create a foreclosure prevention workbook (for an example of Arizona’s http://www.pima.gov/current/2008_November%20English%20Workbook.pdf
 - ▣ Making Homes Affordable
 - Federal program provides both loan modification and refinance options
 - Online form available that allows borrowers to assess if they qualify for the program
 - <http://makinghomeaffordable.gov/eligibility.html>

Preventing Foreclosure Scams

- Foreclosure scams are proliferating, especially in markets with investor interest
 - ▣ Some counties are sending notices to all delinquent borrowers to warn them about foreclosure scams
 - ▣ Free media kit available from the Federal Reserve which includes a PSA and other resources:
<http://www.federalreserveeducation.org/pfed/mediakit.cfm>
 - ▣ NeighborWorks PSA: <http://www.youtube.com/nwpad>
- Other 5 Tip brochures and resources available from the Federal Reserve
<http://www.federalreserve.gov/consumerinfo/fivetips.htm>

Stabilizing Communities and Helping Families After Foreclosure

- Develop service delivery and resources for families who go through foreclosure
 - ▣ Rental housing assistance
 - ▣ Credit repair
 - ▣ Minimizing disruption for children (e.g. allowing them to finish the school year in their old school)
- Minimize negative spillover effects of vacant properties on surrounding neighborhood
 - ▣ Ensure servicer maintenance of REOs
 - ▣ Work with lenders/servicers to acquire and rehab foreclosures for affordable housing

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 section. The header includes the bank's name and a navigation bar with links like 'About the Fed', 'News and Events', 'Economic Research and Data', 'Educational Resources', 'Community Development', 'Consumer Information', 'Banking Information', and 'Services for Financial Institutions'. Below the header, there's a 'COMMUNITY DEVELOPMENT' banner with a 'Highlights' section. The highlights include 'Focus on Community Development Policy' (Community Investments: Volume 20, Issue 3, 2008), 'The Enduring Challenge of Concentrated Poverty in America' (2006 report), and 'Foreclosure Resource Center'. To the right is a 'TOOL BOX' with links for 'Fed Links', 'FAQ', 'Subscriptions', 'Glossary', 'Publications', 'Site Map', 'Search', 'Careers', 'Research Pubs', and 'Email Us'. Below the tool box is a 'POPULAR CONTENT' section with 'Upcoming Events' and 'Financial Education Resource Center'. The bottom of the page features a 'Programs and Information' section with links to 'Community Reinvestment Act (CRA)', 'Events and Conferences', 'Publications', 'About Us', 'Center for Community Development Investments', and 'Bank on San Francisco'.

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