TRENDS IN DELINQUENCIES AND FORECLOSURES IN UTAH

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%

Source: Bureau of Labor Statistics, November 2010
Recovery, particularly in labor market, remains elusive

Source: Bureau of Labor Statistics, November 2010
Case-Shiller Index shows continued softness in housing market

Source: Case-Shiller Home Price Index
FHFA House Price Index rises slightly in 3\textsuperscript{rd} 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

Source: Lender Processing Service Inc. Applied Analytics, November 2010
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

- Mortgage
- Auto Loan
- Credit Card
- Student Loan

Source: Federal Reserve Bank of New York
Many states within 12th District face severe budget shortfalls

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

Legend
- Less than 10%
- 10 - 20%
- 20 - 30%
- 30 - 40%
- Greater than 40%
- Data Unavailable

Source: Data from Center for Budget and Policy Priorities
Utah Trends
Unemployment rate in Utah rising, though below US average

Source: Bureau of Labor Statistics
Unemployment rates in Utah by county

Source: Bureau of Labor Statistics, October 2010
Utah seeing stabilization in house prices

Source: Federal Housing Finance Agency (formerly OFHEO)
House prices continue to decline in St. George

Source: Federal Housing Finance Agency (formerly OFHEO)
Number of foreclosures rising; mortgages past due holding steady

Source: Mortgage Bankers Association, National Delinquency Survey
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
July 2010

Legend
Share of Seriously Delinquent Loans (as a percent of total loans)
- Less than 1 percent
- 1-3 percent
- 3-6 percent
- 5-7 percent
- More than 7 percent
- Insufficient Data

Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations
Areas at Risk of Additional Foreclosures
November 2010

Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations
Neighborhoods Affected by Concentrated Foreclosures

November 2010

Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations
Neighborhoods at Risk for Additional Foreclosures
November 2010

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