National Trends

- Continued signs that economy is on the rebound
  - GDP positive for three consecutive quarters
- Unemployment still a major concern; House prices continue to decline or stagnate
- Percent of loans entering foreclosure dropped in 4th Quarter of 2009
  - HAMP is initiating fewer trial modifications per month but increasing the number of permanent modifications reached each month
    - As of April 2010, HAMP has resulted in 295,348 active permanent modifications
  - 50.4% of NSP funding committed as of April 2010
National Trends
GDP Shows Growth for Third Consecutive Quarter in Q1 2010

Real Gross Domestic Product
(percent change at seasonally adjusted annual rate)

Source: Bureau of Economic Analysis
Unemployment Continues to Hover Around 10%
Case-Shiller Shows Slowed Increase in House Prices in Q4 2009

Case-Shiller National House Price Index
(2000 = 100, quarterly)
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)
FHFA Four-Quarter Price Change Shows Significant Depreciation in 12th District

Source: Federal Housing Finance Agency (formerly OFHEO) Four-Quarter Price Change by State: Purchase-Only Index (Seasonally Adjusted), 2008Q4—2009Q4
Modest Drop in Foreclosure Starts in the Fourth Quarter of 2009

National Foreclosures Starts
Percent of All Loans

Source: Mortgage Bankers Association, National Delinquency Survey
Concern that Upcoming Resets will Continue to Drive New Foreclosures

Monthly Mortgage Rate Resets
(first reset in billions of US dollars)

Loan Modifications:
Home Affordable Modification Program

Source: HAMP Service Performance Report Through April 2010:
http://www.financialstability.gov/docs/April%20MHA%20Public%20051710%20FINAL.pdf
Utah Trends
Unemployment Rate in Utah Rising, Though Below US Average

Source: Bureau of Labor Statistics
Utah Seeing Fall in House Prices

Source: Federal Housing Finance Agency (formerly OFHEO)
St. George Experiencing Greatest Decline in House Values

Source: Federal Housing Finance Agency (formerly OFHEO)
Utah Foreclosure Starts Appear to be Stabilizing

Source: Mortgage Bankers Association, National Delinquency Survey

Utah: Foreclosure Starts

Percent of All Loans

Source: Mortgage Bankers Association, National Delinquency Survey
Utah Less at Risk of Additional Foreclosures Related to Loans with Payment Options (in subprime, prime and Alt-A markets)

Characteristics of Remaining "Current" Loans

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>United States</th>
<th>Utah</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Only</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Jumbo</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Option ARMs</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Percent of Total Current Loans
Neighborhood Stabilization Program

US Program Nationwide

- $1,945 M Committed as of April 2010
- $1,975 M

Utah Program Statewide

- $19.3 M
- $0.3 M Still to be committed

Source: HUD NSP Snapshots
Utah Foreclosure Data Maps
Areas Affected by Concentrated Foreclosures

November 2009

Legend
Share of Foreclosures & REOs (as a percent of total loans)
- Less than 0.5 percent
- 0.5 - 1.4 percent
- 1.4 - 2.8 percent
- 2.8 - 4.2 percent
- More than 4.2 percent
- Insufficient Data

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

Areas Affected by Concentrated Foreclosures
February 2010

Legend
Share of Foreclosures & REOs (as a percent of total loans)

- Less than 0.5 percent
- 0.5 - 1.4 percent
- 1.4 - 2.8 percent
- 2.5 - 4.2 percent
- More than 4.2 percent
- Insufficient Data

Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations
Salt Lake City Data Maps

Neighborhoods at Risk for Additional Foreclosures
February 2010

Legend
Share of Seriously Delinquent (as a percent of total loans)
- Less than 2 percent
- 2 - 4 percent
- 4 - 6 percent
- 6 - 8 percent
- More than 8 percent
- Insufficient Data

Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations
Conclusions
Continued Need for Foreclosure Prevention

- Important to reach borrowers with ‘preventable’ foreclosures
  - **Borrower Outreach Events**
    - Expand use of foreclosure prevention workbook
  - **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](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

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