

# TRENDS IN DELINQUENCIES AND FORECLOSURES IN WASHINGTON

January 2011

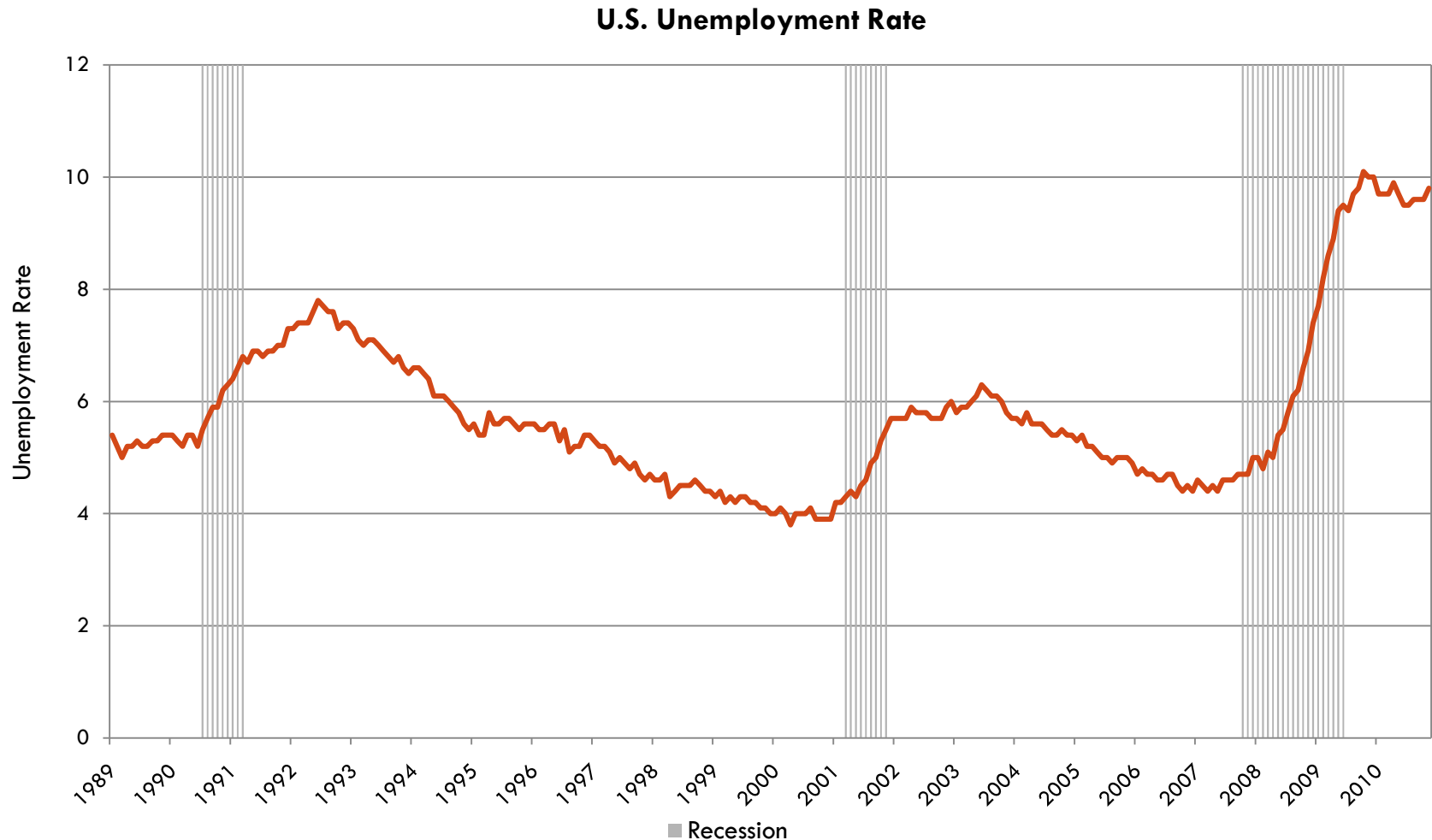
Community Development Research  
Federal Reserve Bank of San Francisco

# National Trends

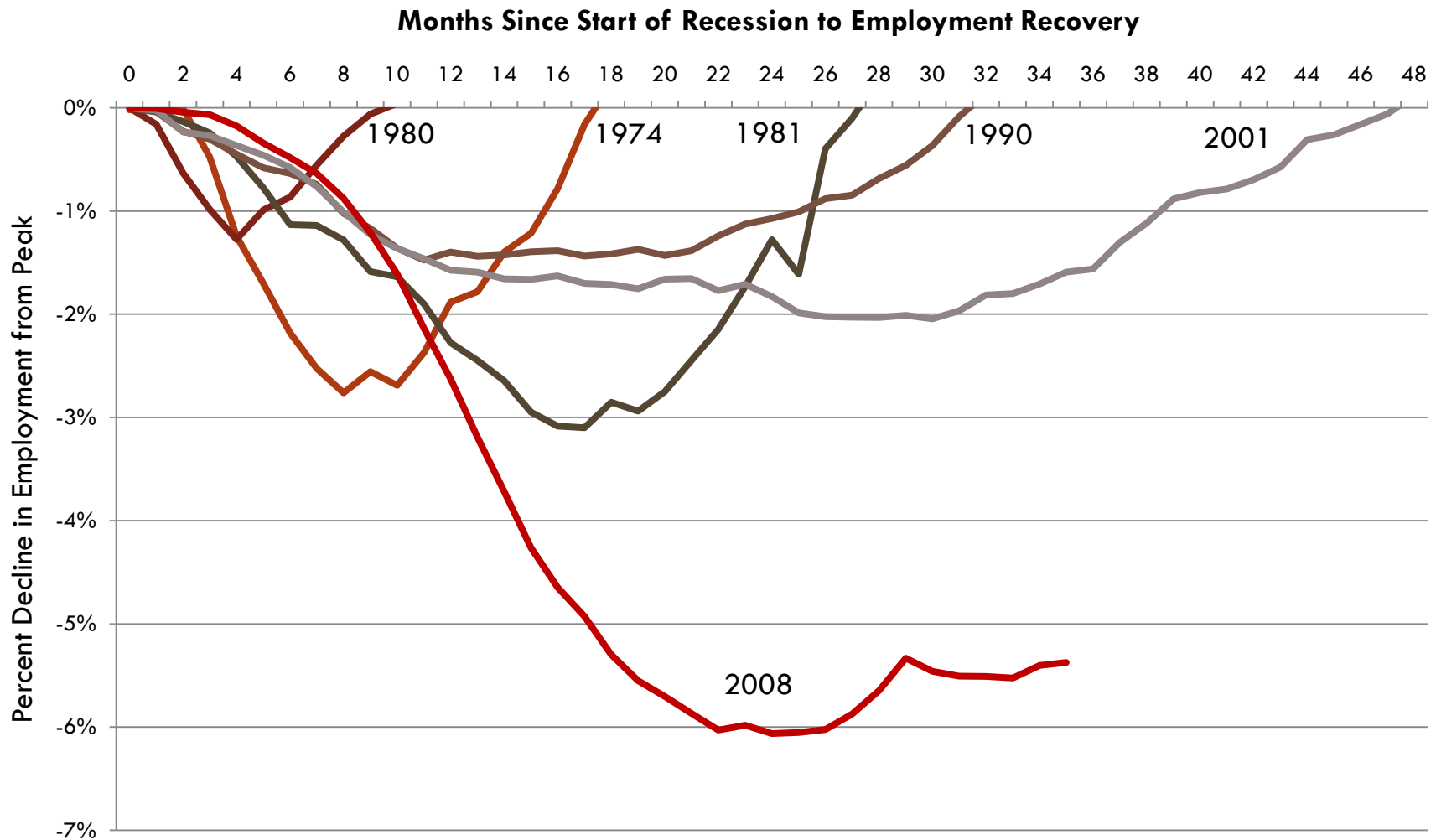
- Even though NBER officially announced the recession's end in June of 2009, pace of recovery remains slow
  - Unemployment rate in November rose to 9.8% from 9.6%, demonstrating continued weakness in the labor market
    - On the more positive side, the private sector has been adding jobs each month, 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%

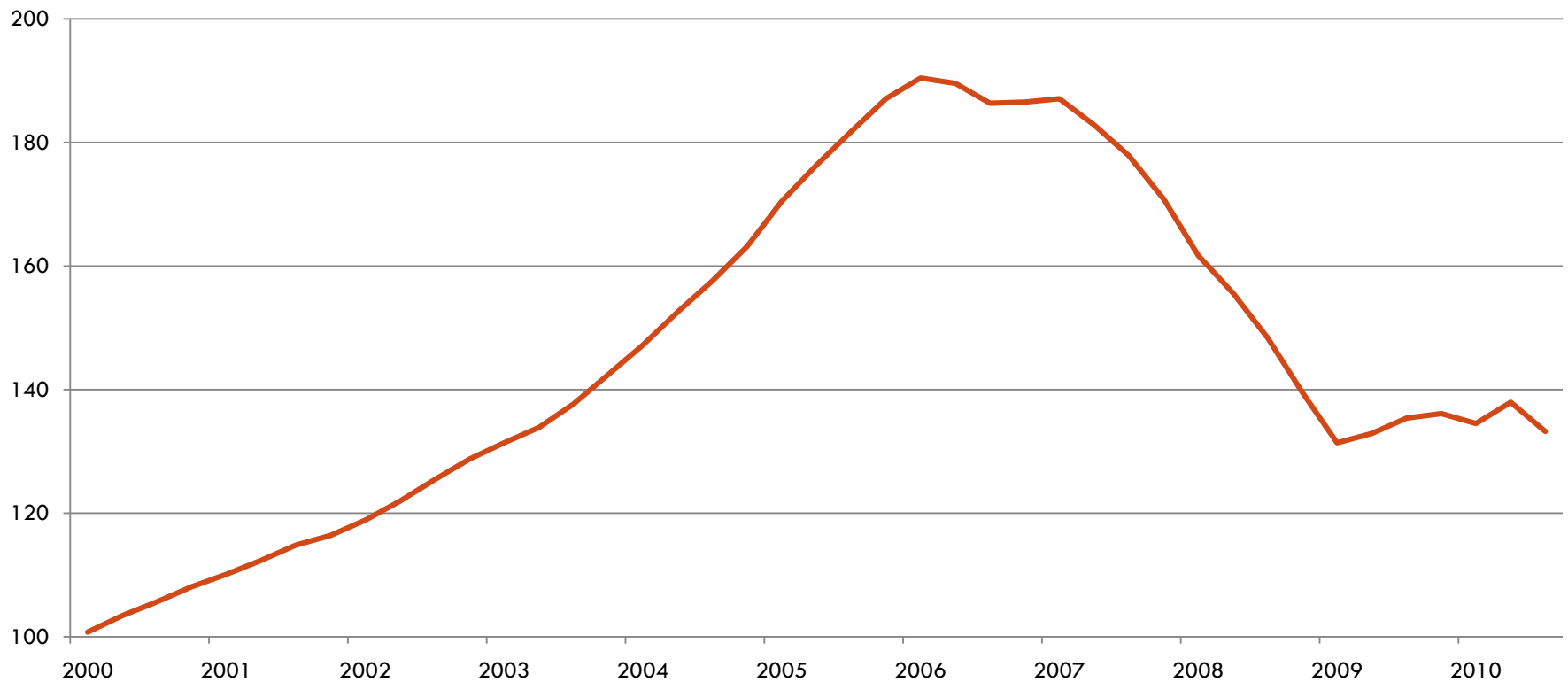


# Recovery, particularly in labor market, remains elusive

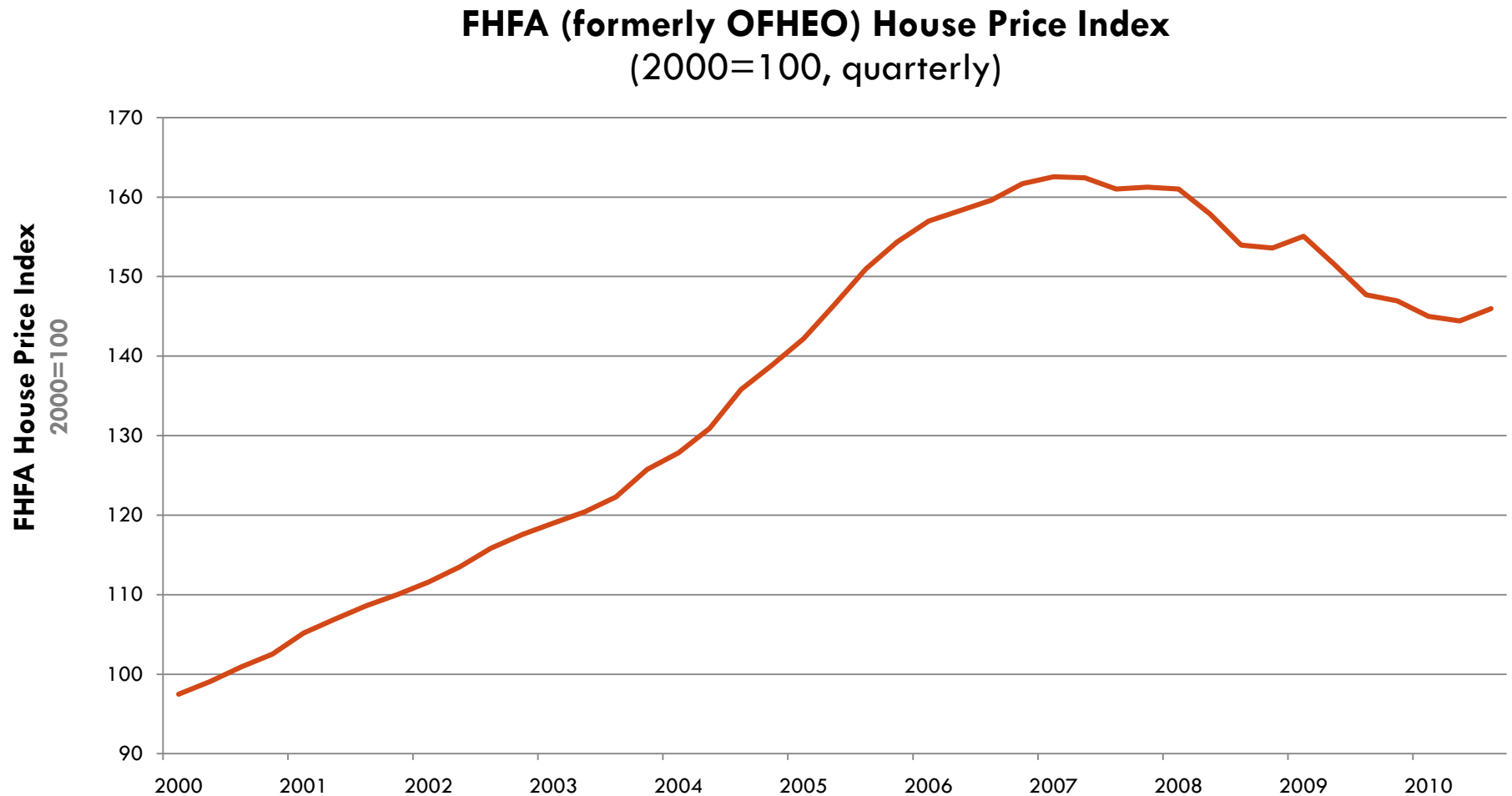


# Case-Shiller Index shows continued softness in housing market

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

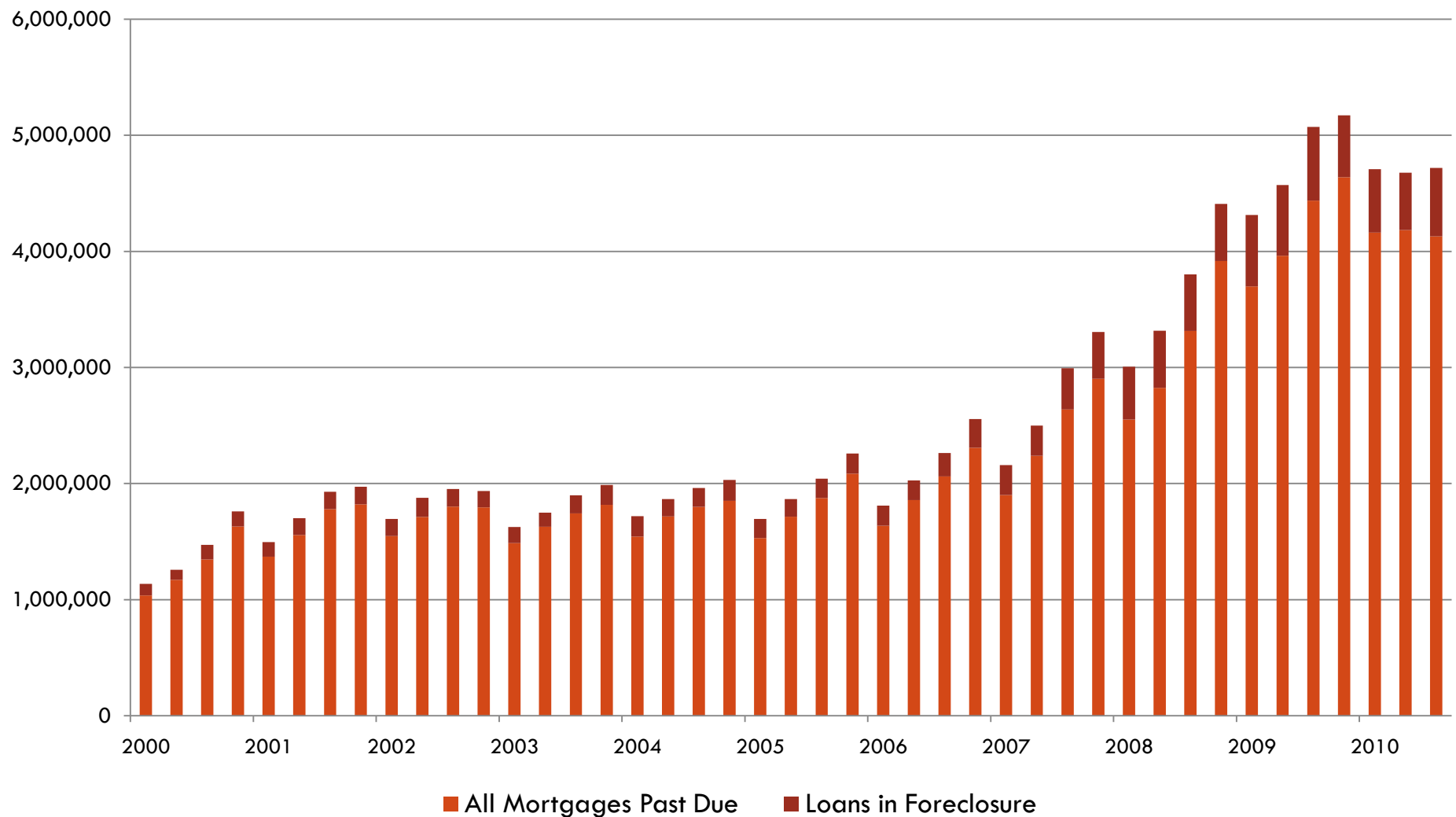


# FHFA House Price Index rises slightly in 3<sup>rd</sup> Qtr of 2010



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

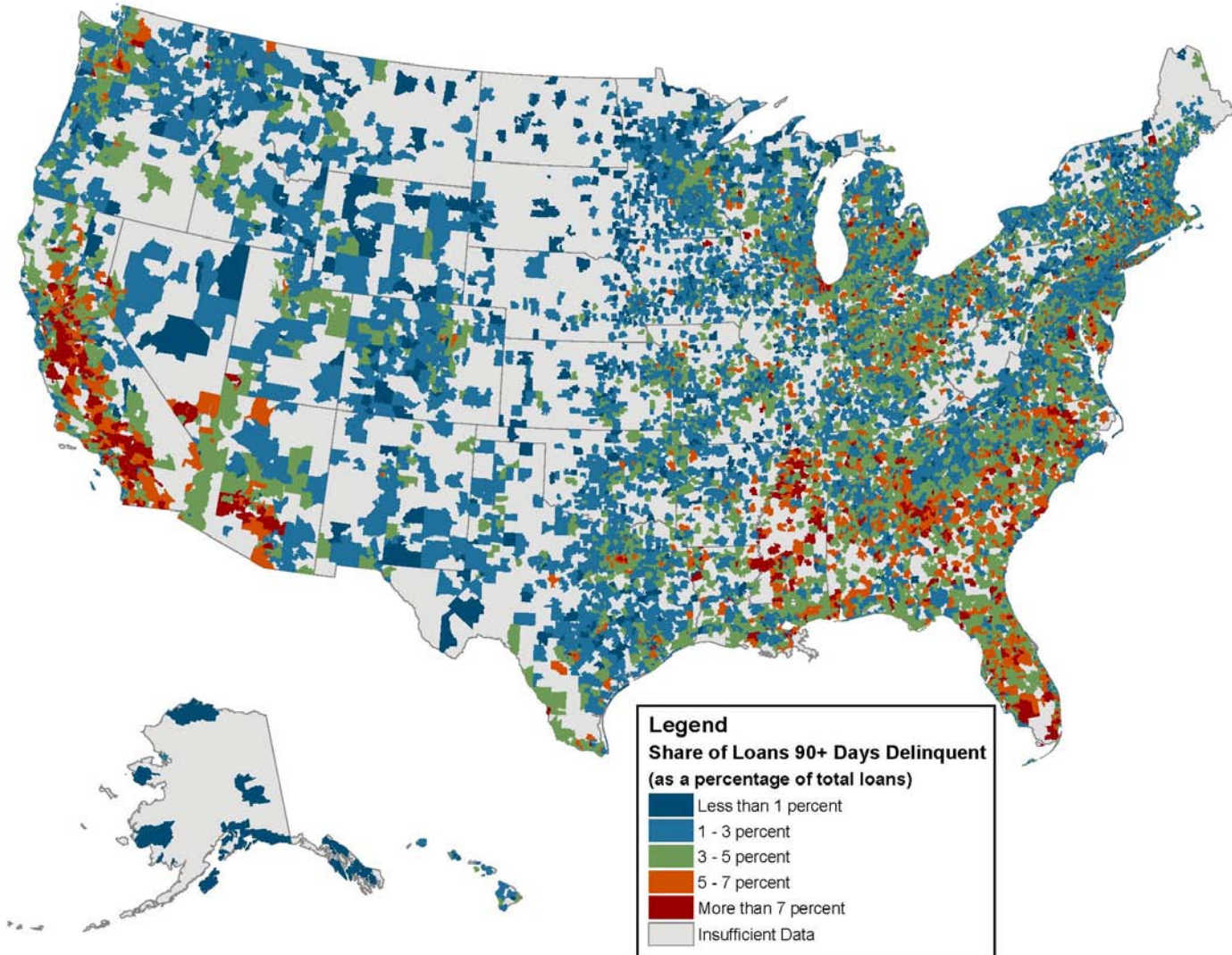
# Nationally, delinquencies drop in 2010, but still more than 4.5 million homes in distress



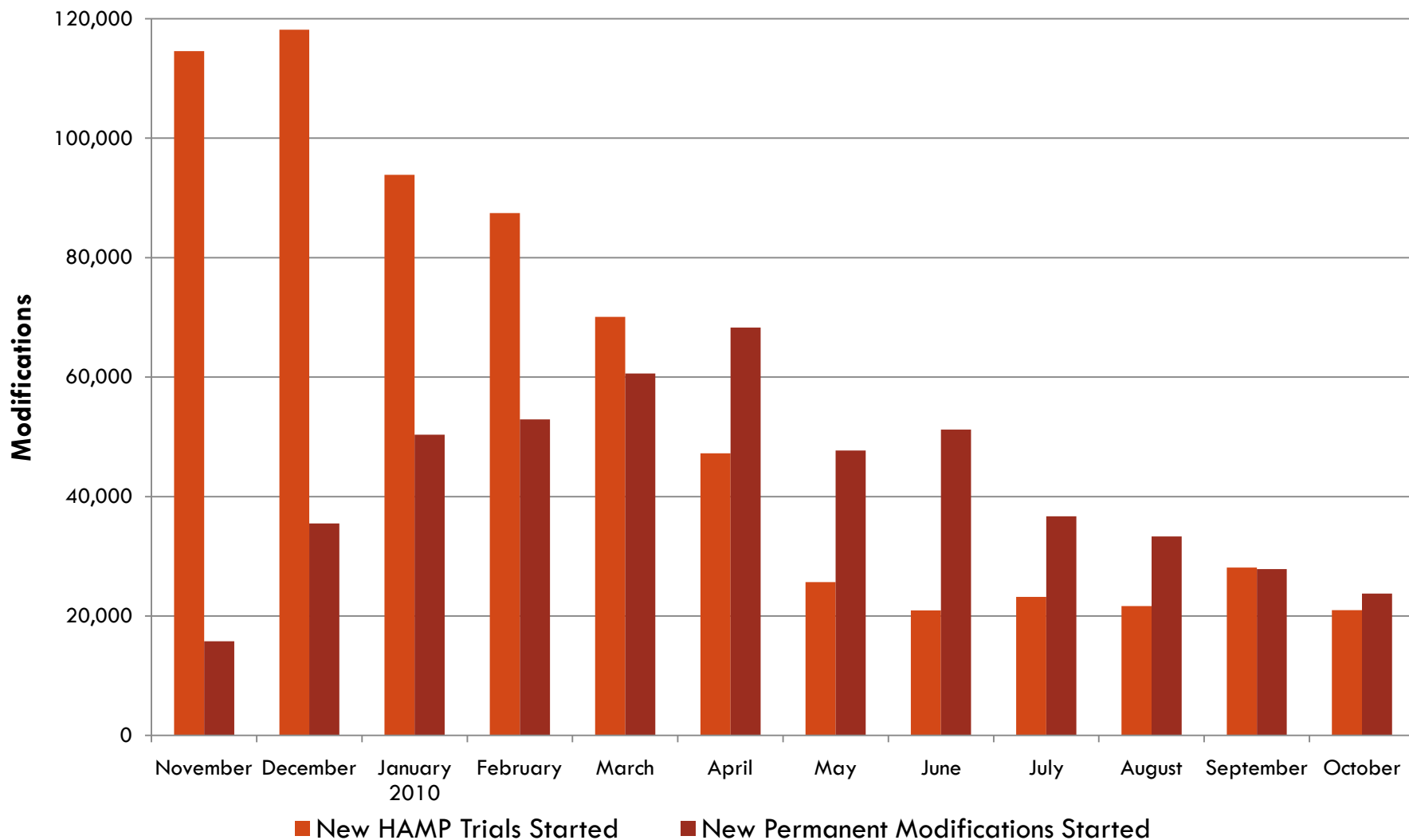
Source: Mortgage Bankers Association, National Delinquency Survey



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



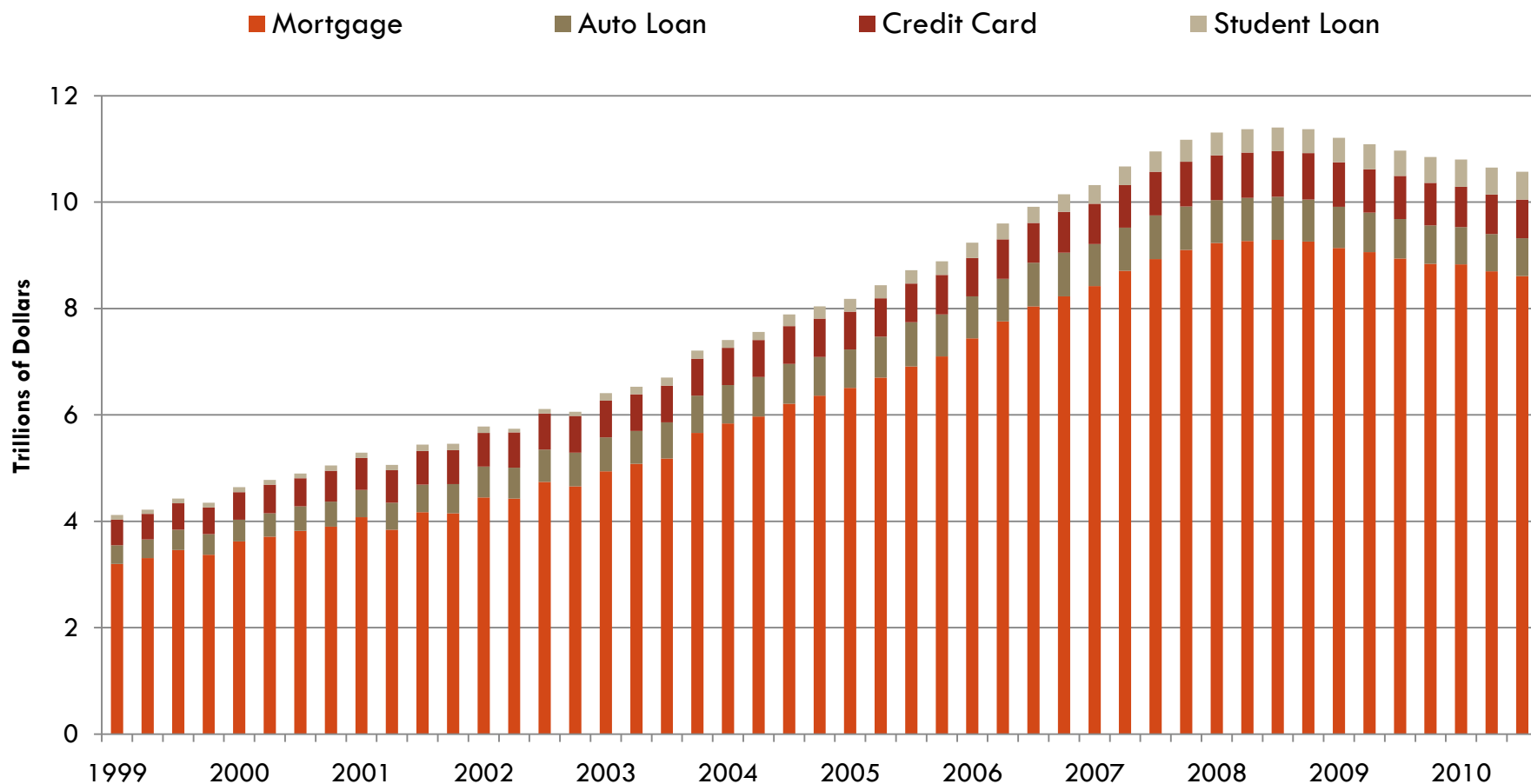
# HAMP modifications down; borrowers still face challenges in obtaining permanent modifications



Source: HAMP Service Performance Report Through October 2010

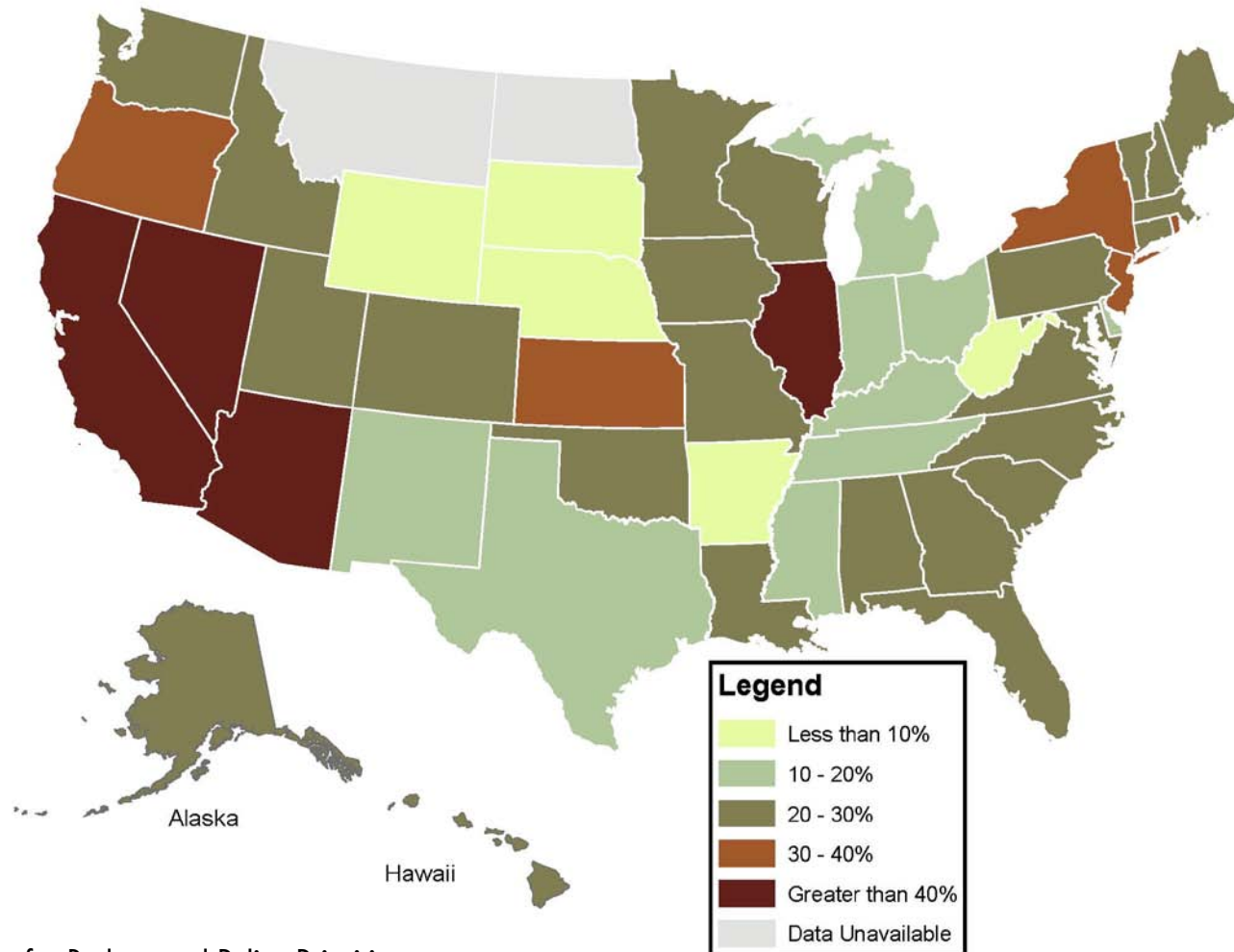
# Household debt falling from 2008 peak

**Total Debt Balance and Composition**



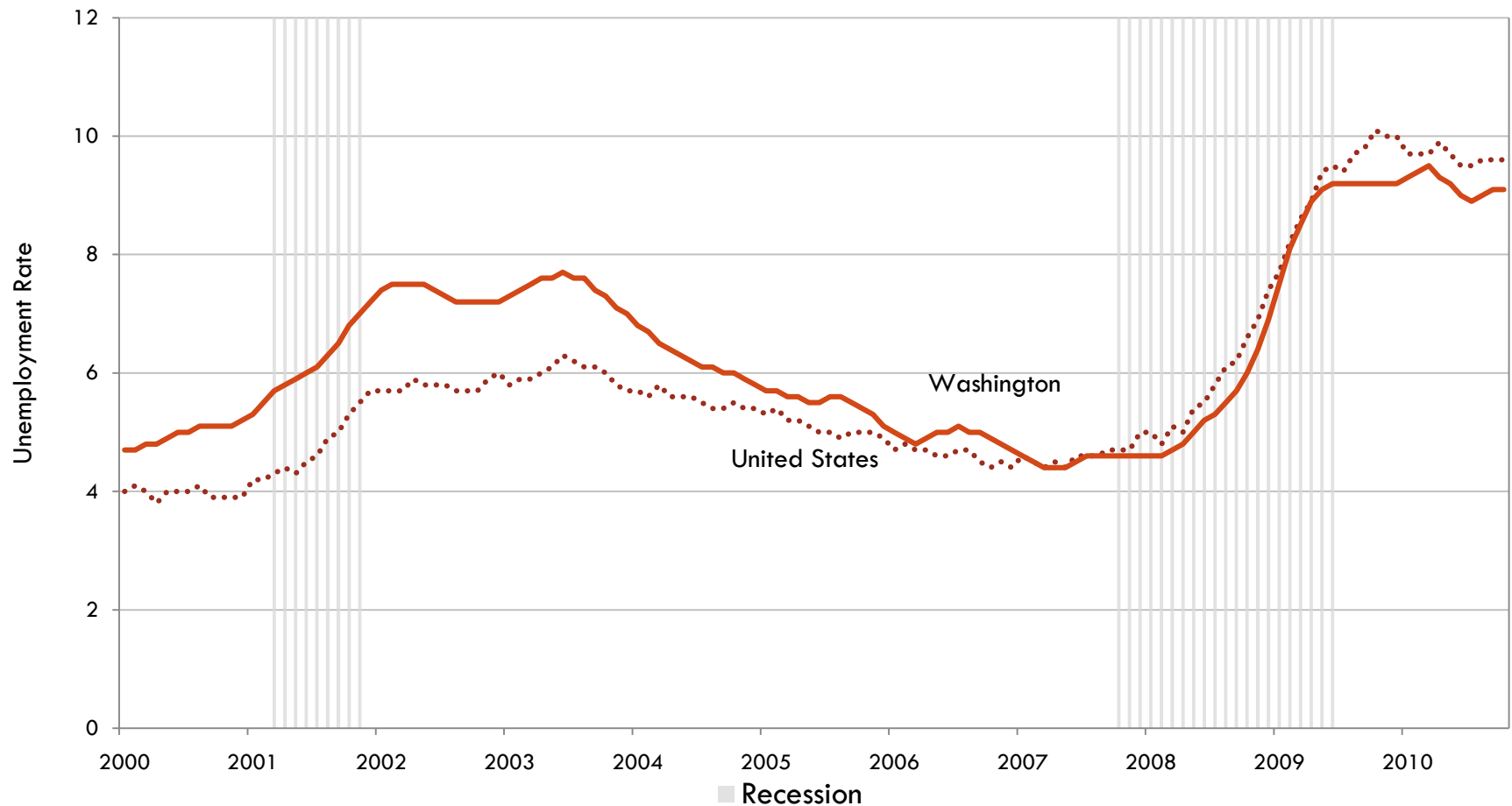
# Many states within 12<sup>th</sup> District face severe budget shortfalls

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

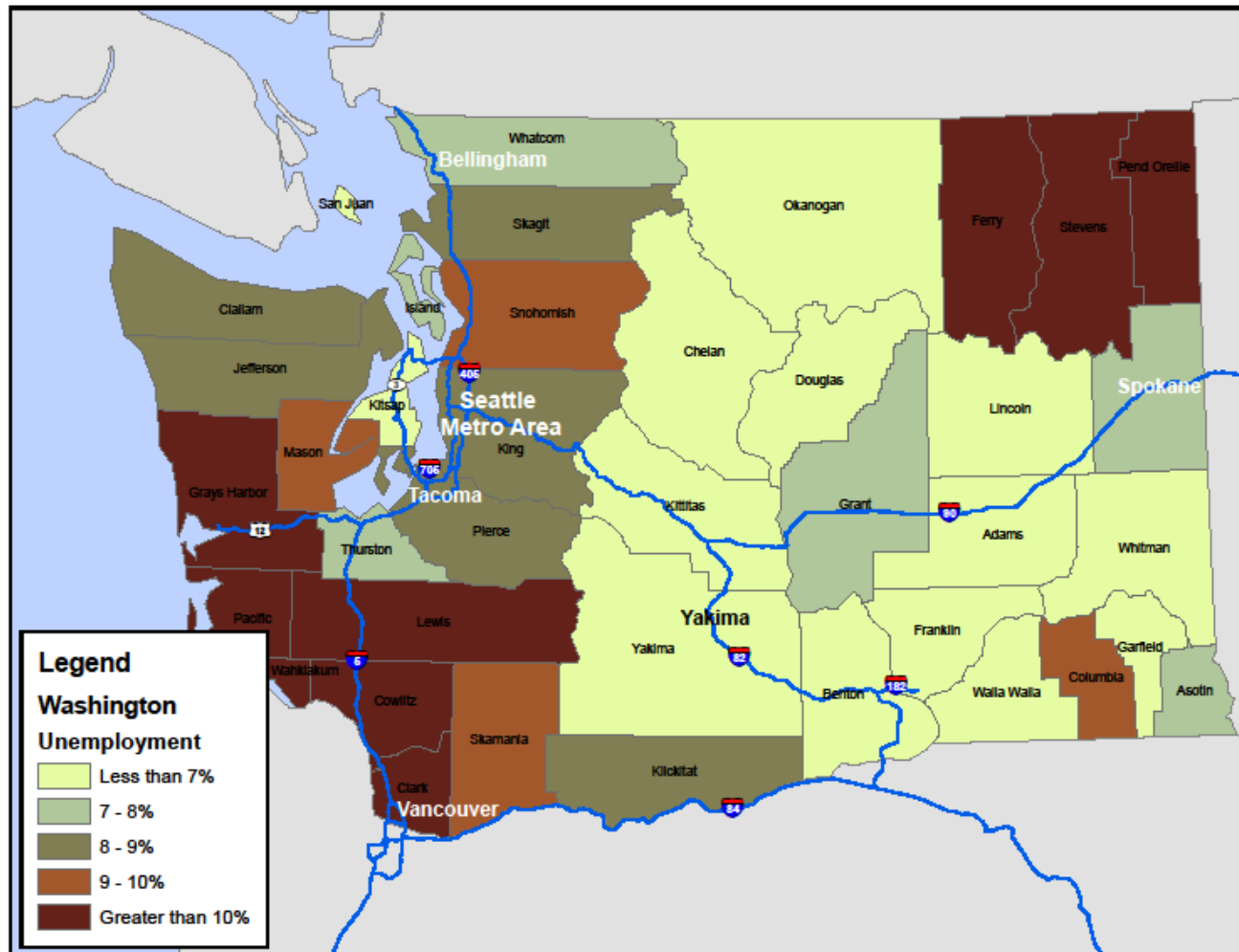


# Washington Trends

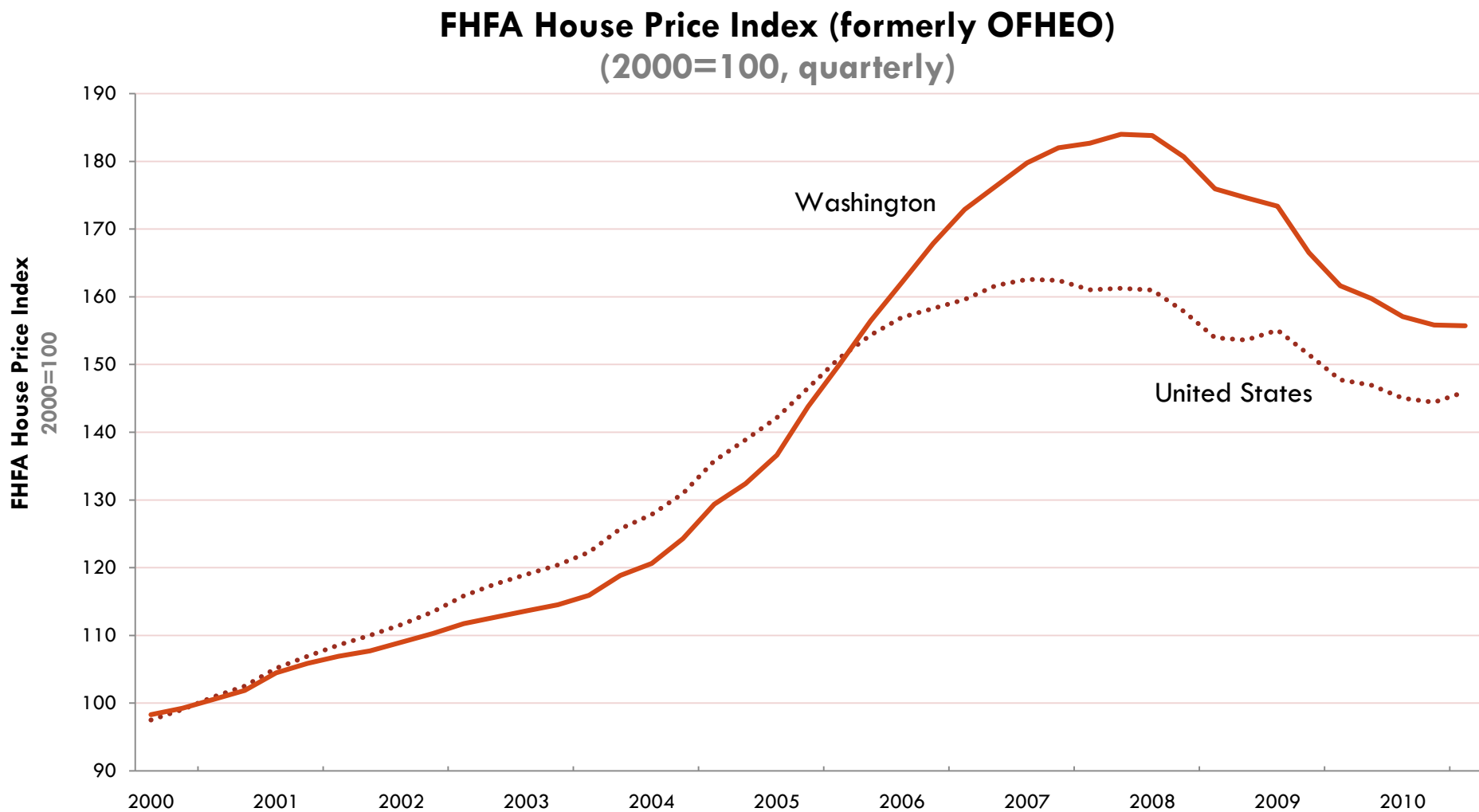
# Unemployment rate in Washington has mirrored national trends



# Unemployment rates in Washington vary by county



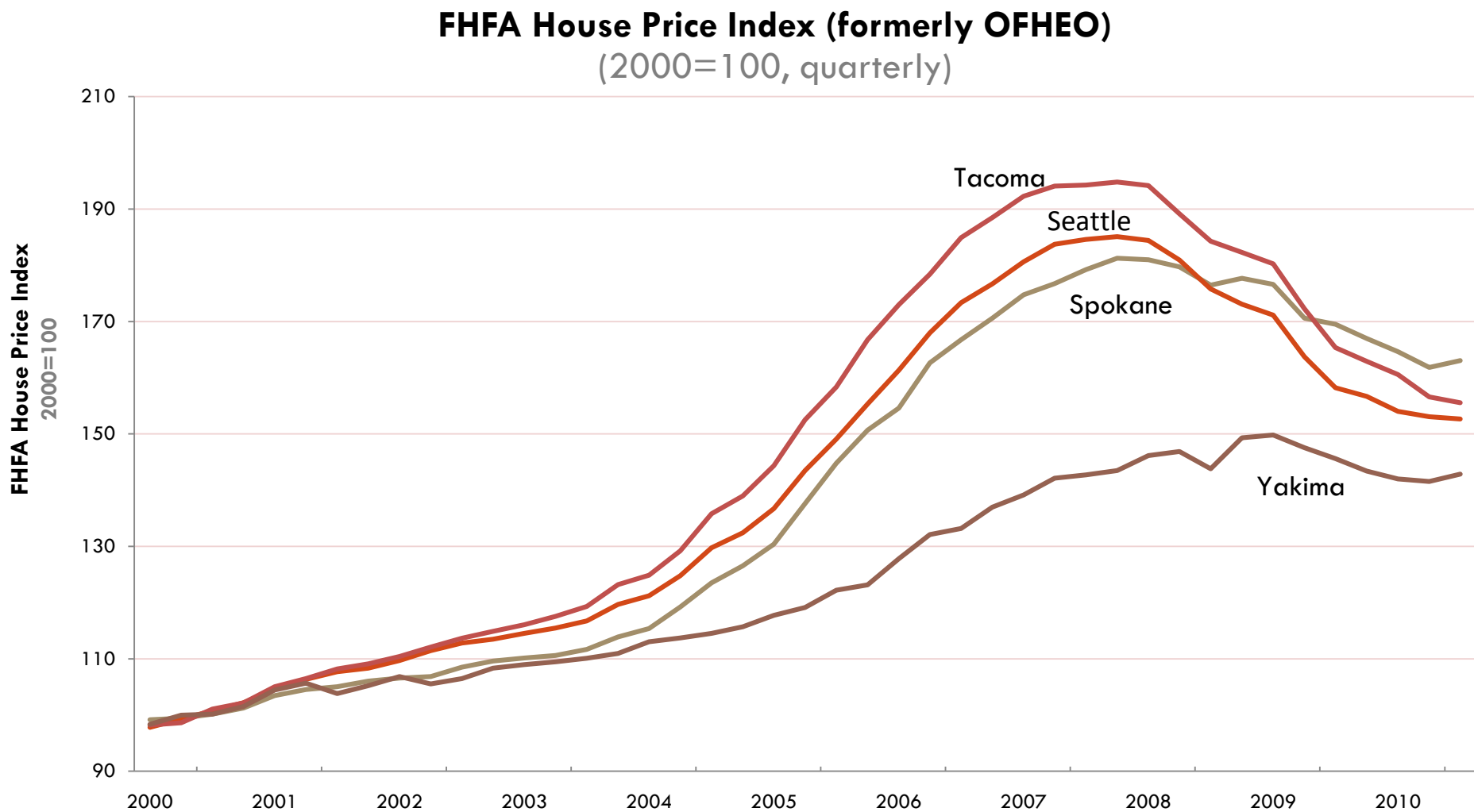
# Washington's house values begin to stabilize



Source: Federal Housing Finance Agency (formerly OFHEO)

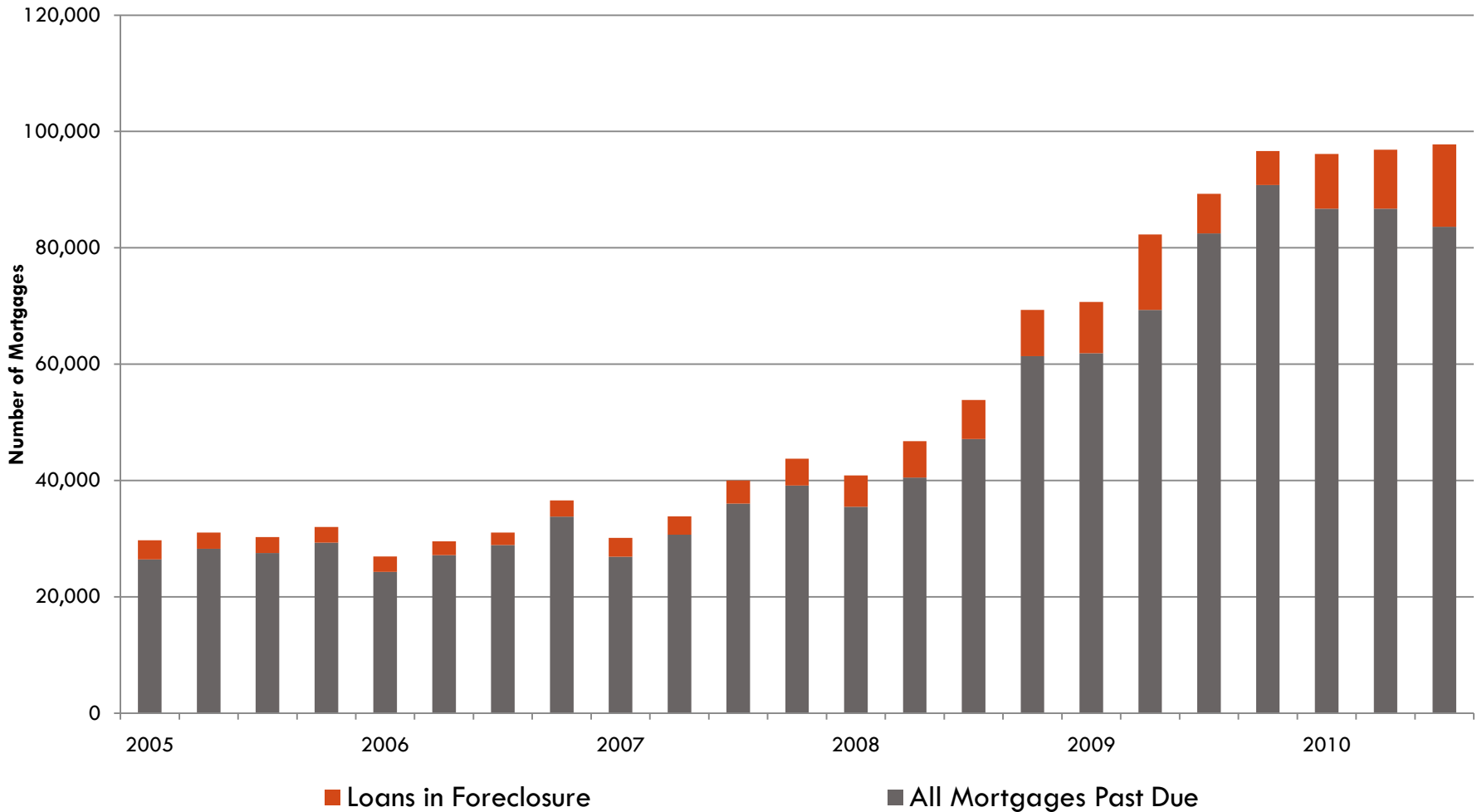


# Tacoma has seen the largest swing in house prices



Source: Federal Housing Finance Agency (formerly OFHEO)

# Number of foreclosures rising; mortgages past due holding steady

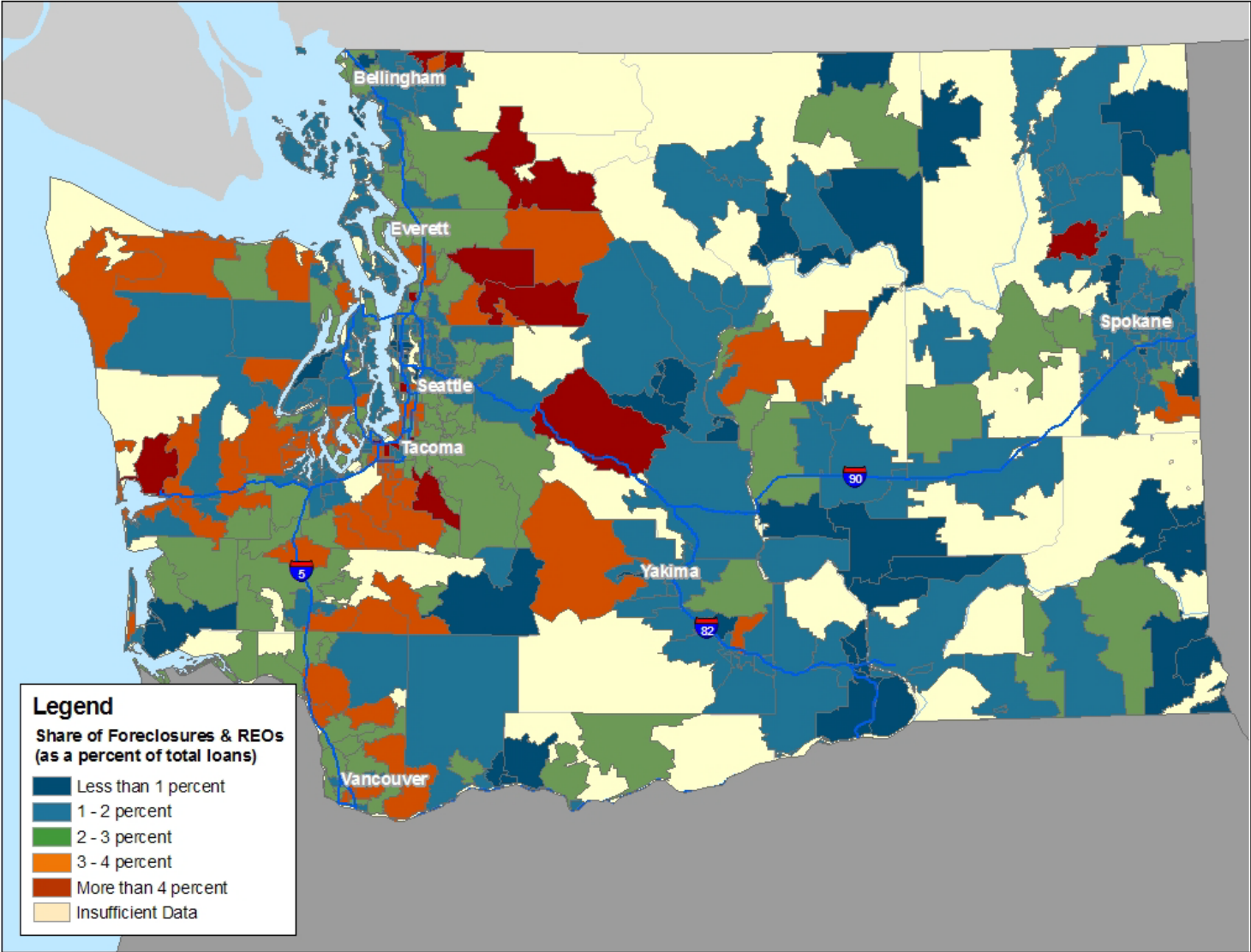


Source: Mortgage Bankers Association, National Delinquency Survey

# Washington Foreclosure Data Maps

# Areas Affected by Concentrated Foreclosures

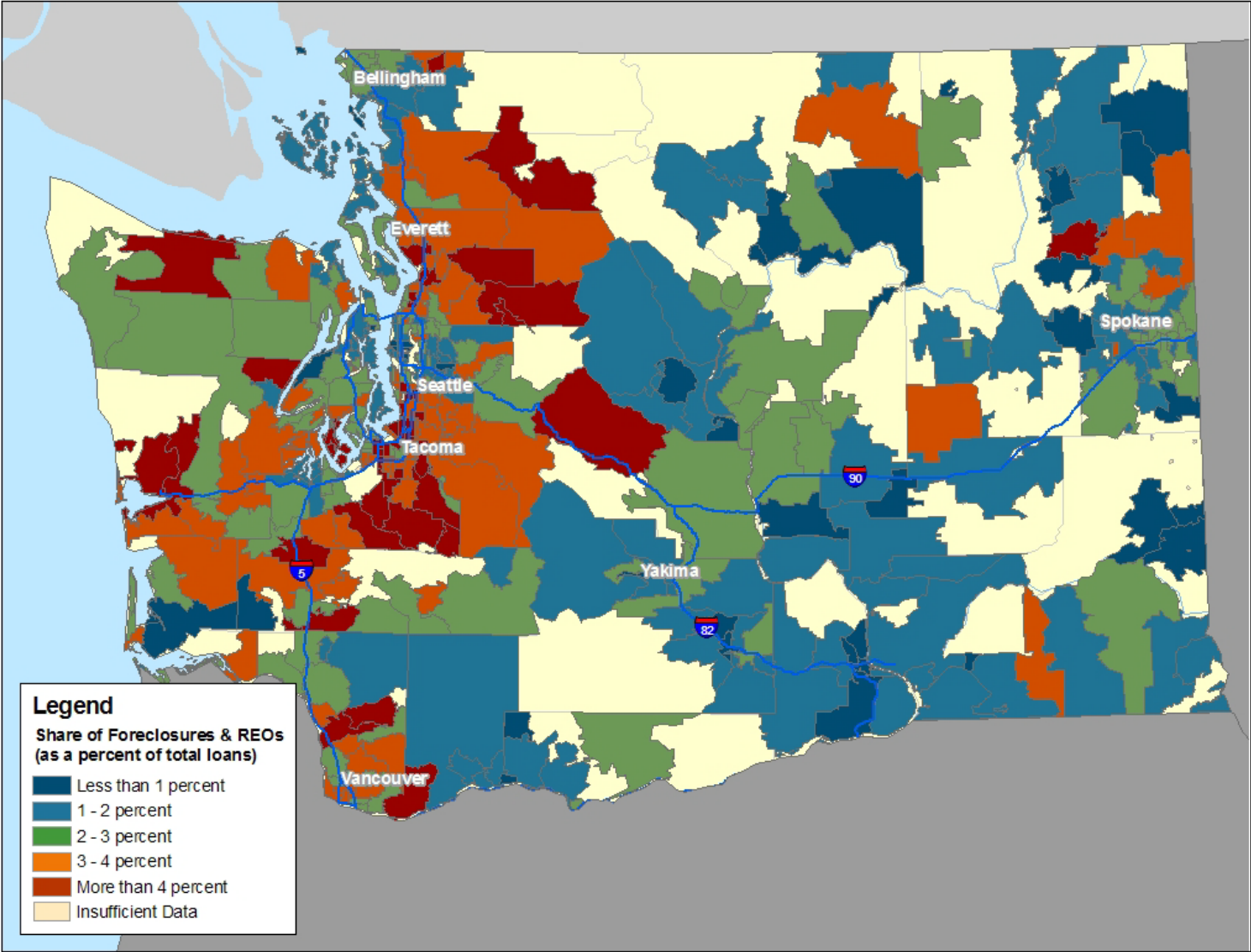
July 2010



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

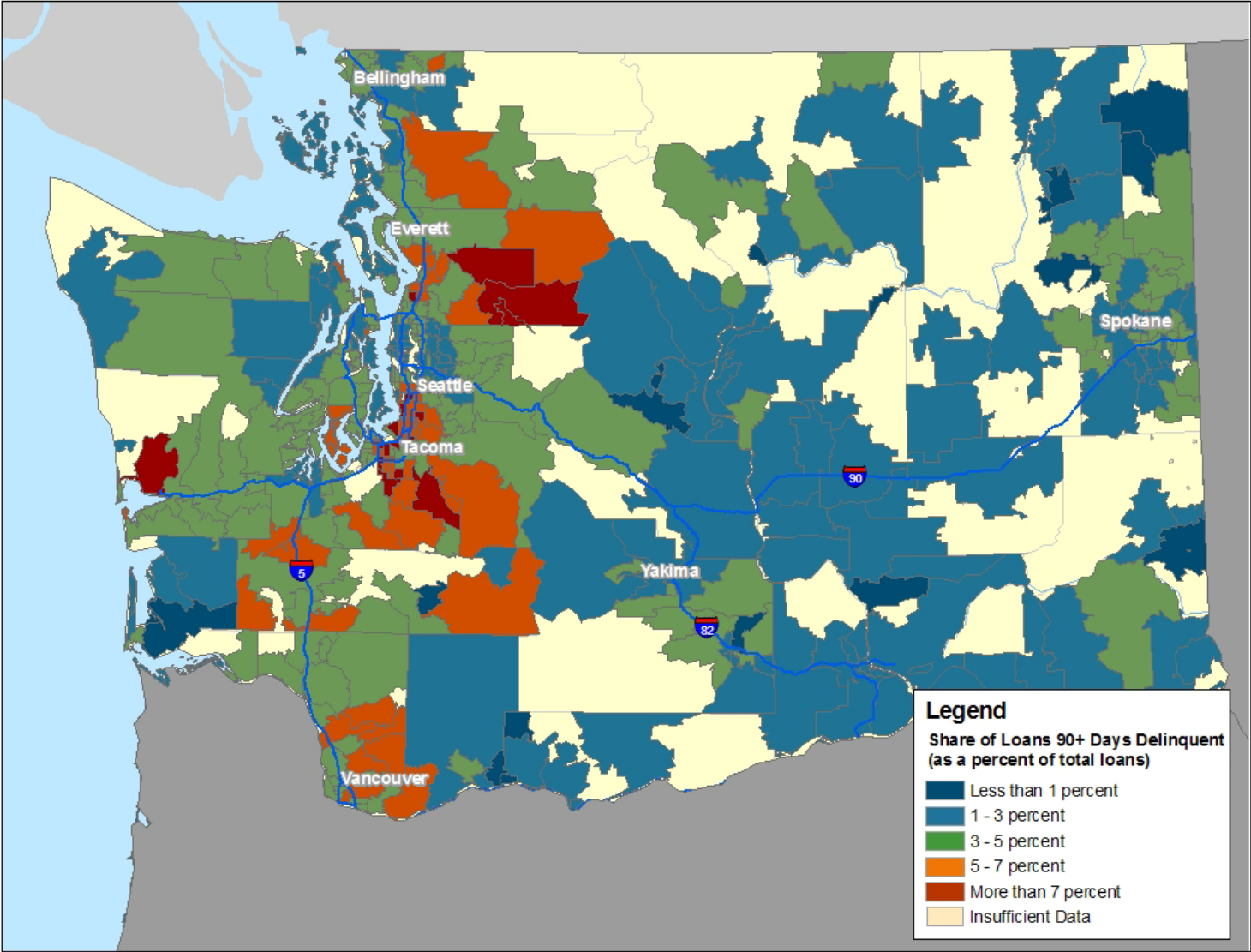
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November 2010



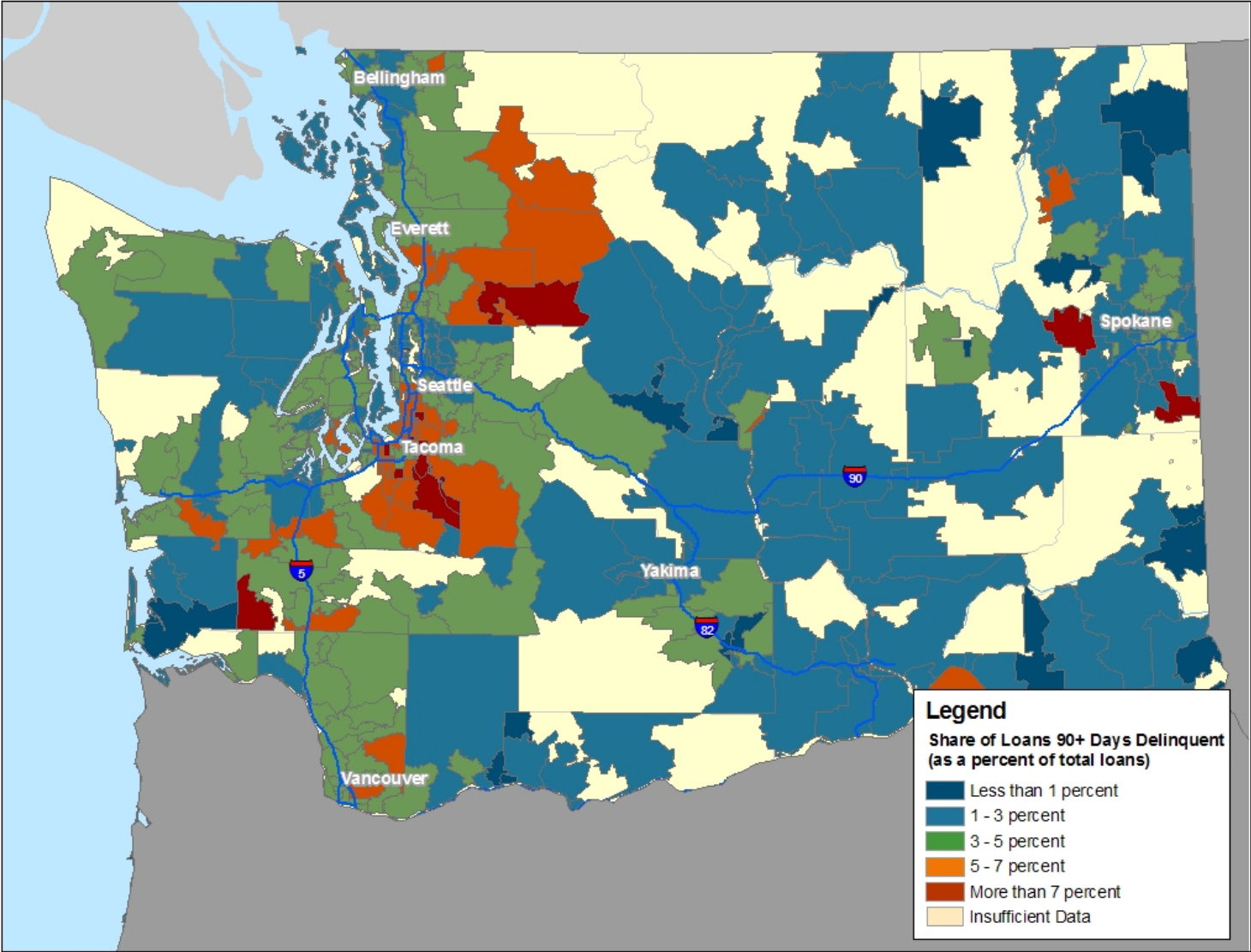
# Areas at Risk of Additional Foreclosures

July 2010



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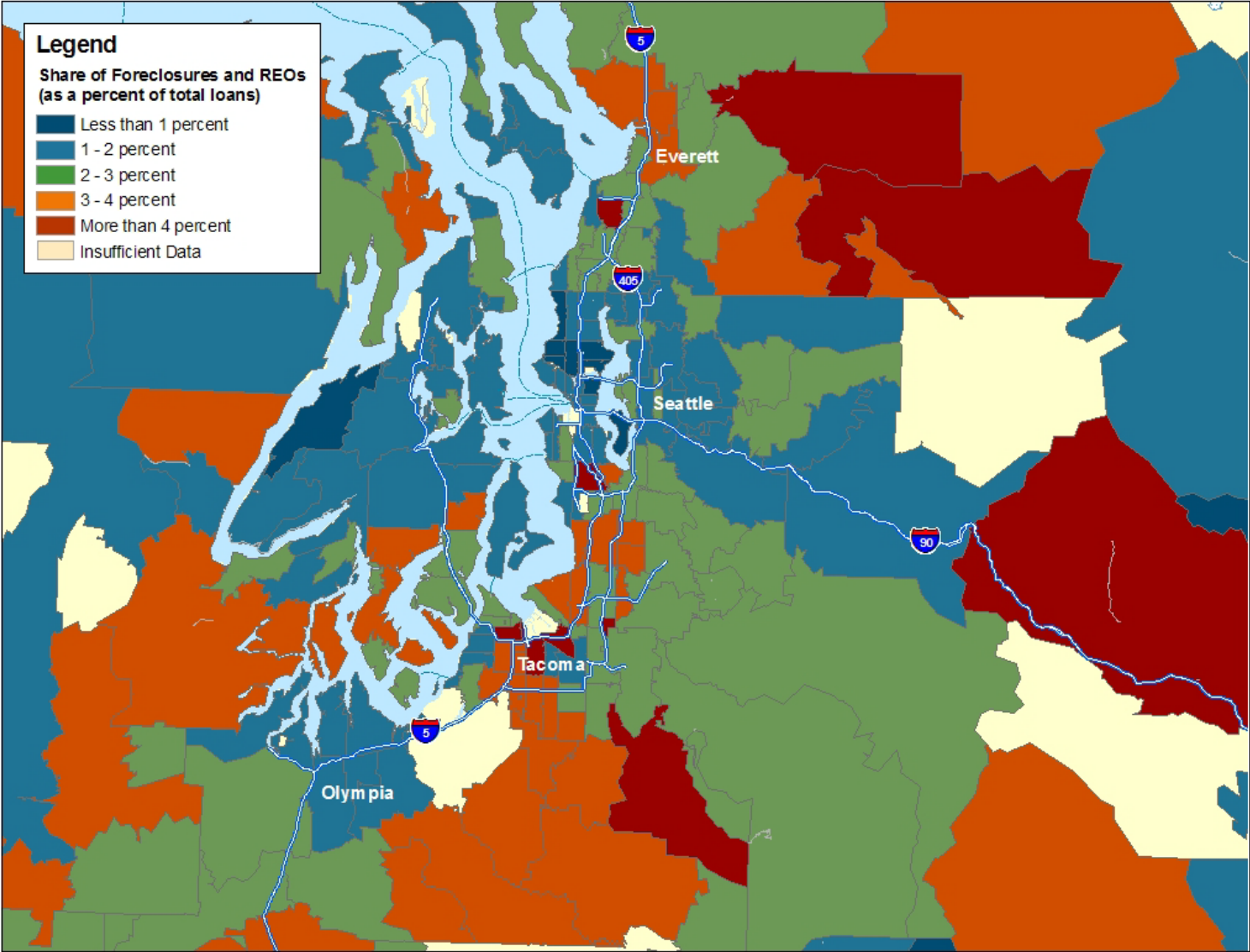
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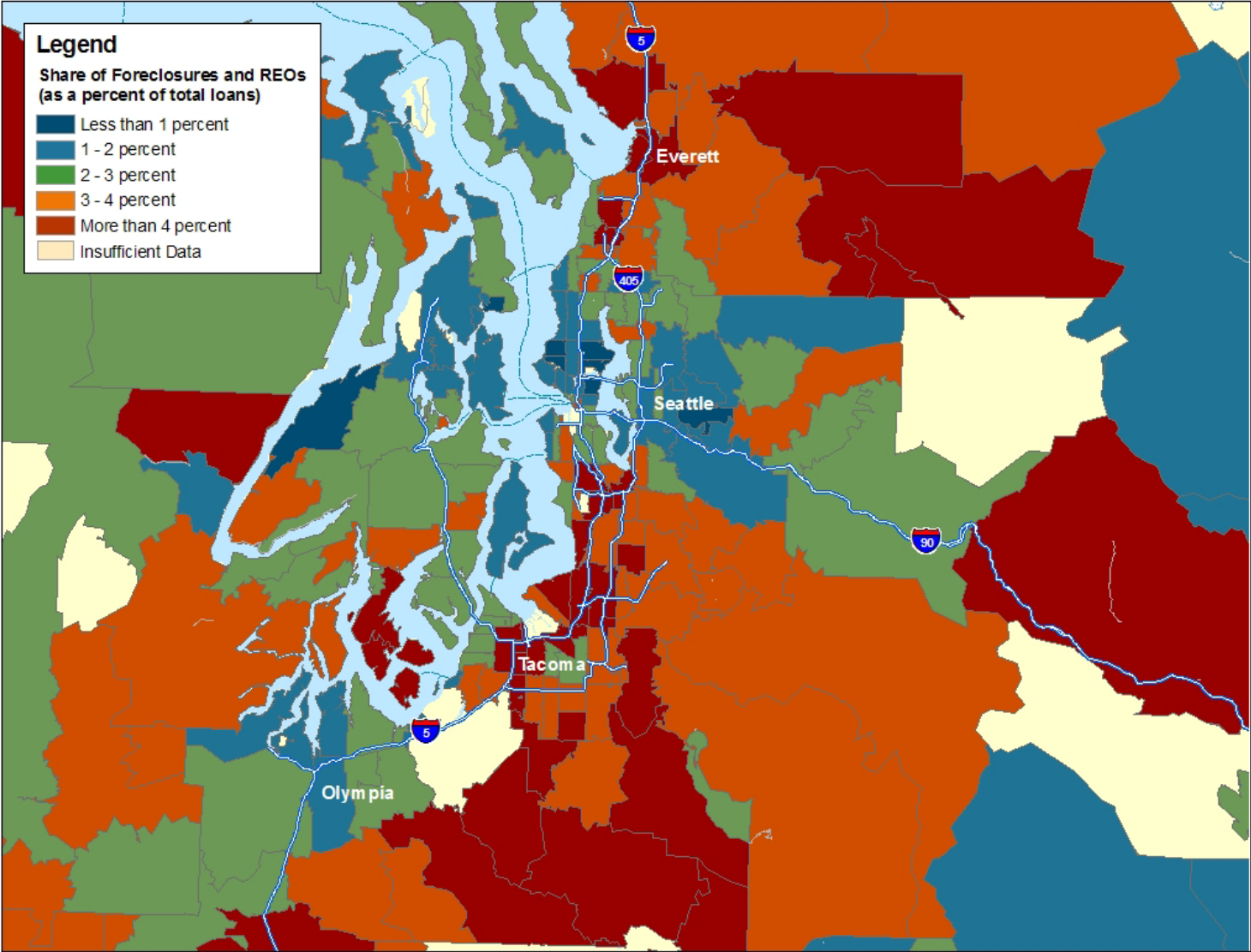
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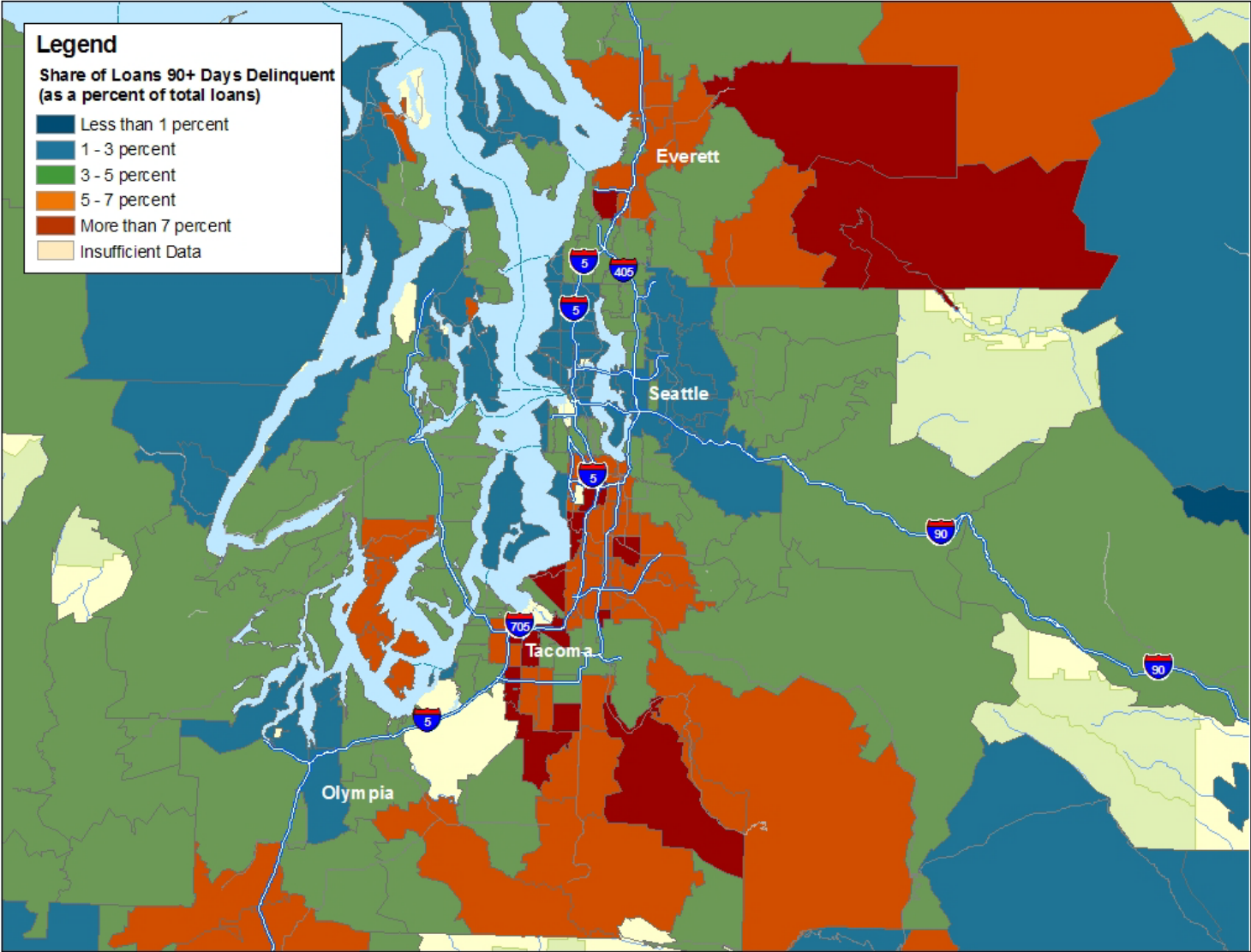
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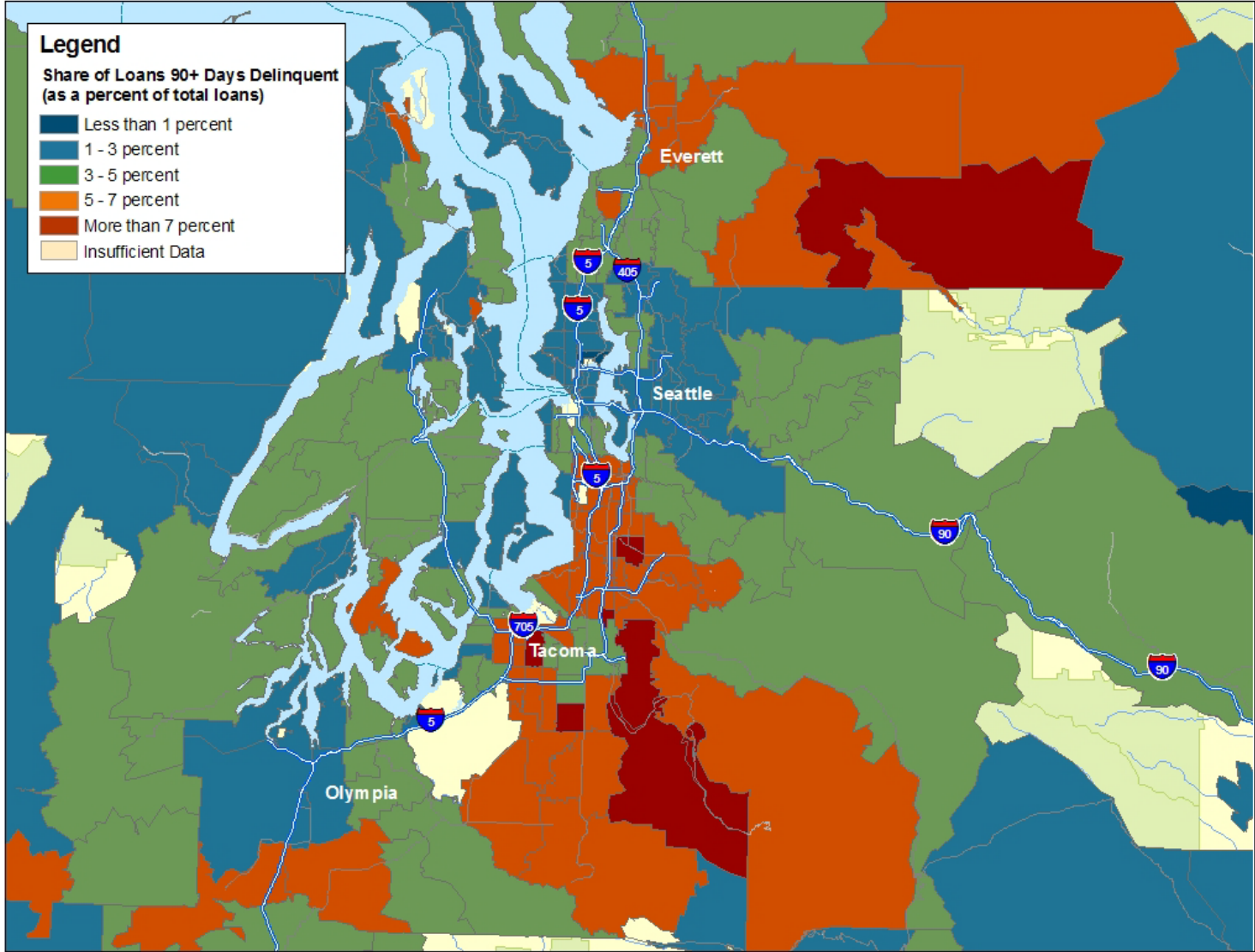
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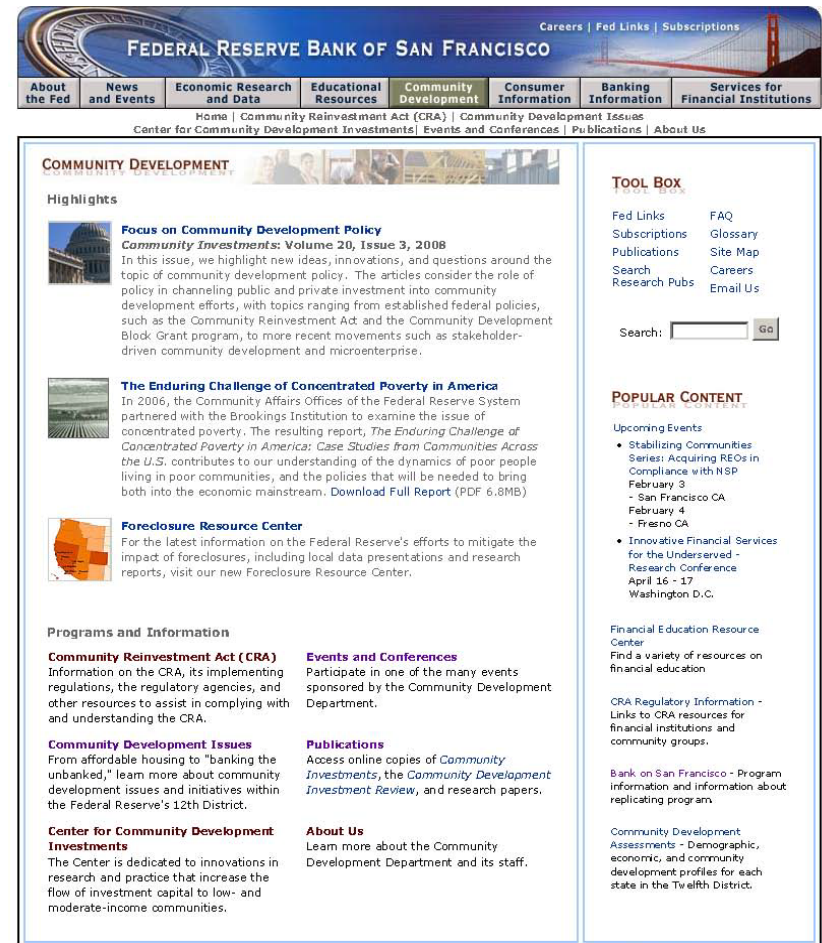


Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations

# 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/>