

# TRENDS IN DELINQUENCIES AND FORECLOSURES IN UTAH

January 2011

Community Development Research  
Federal Reserve Bank of San Francisco

# National Trends

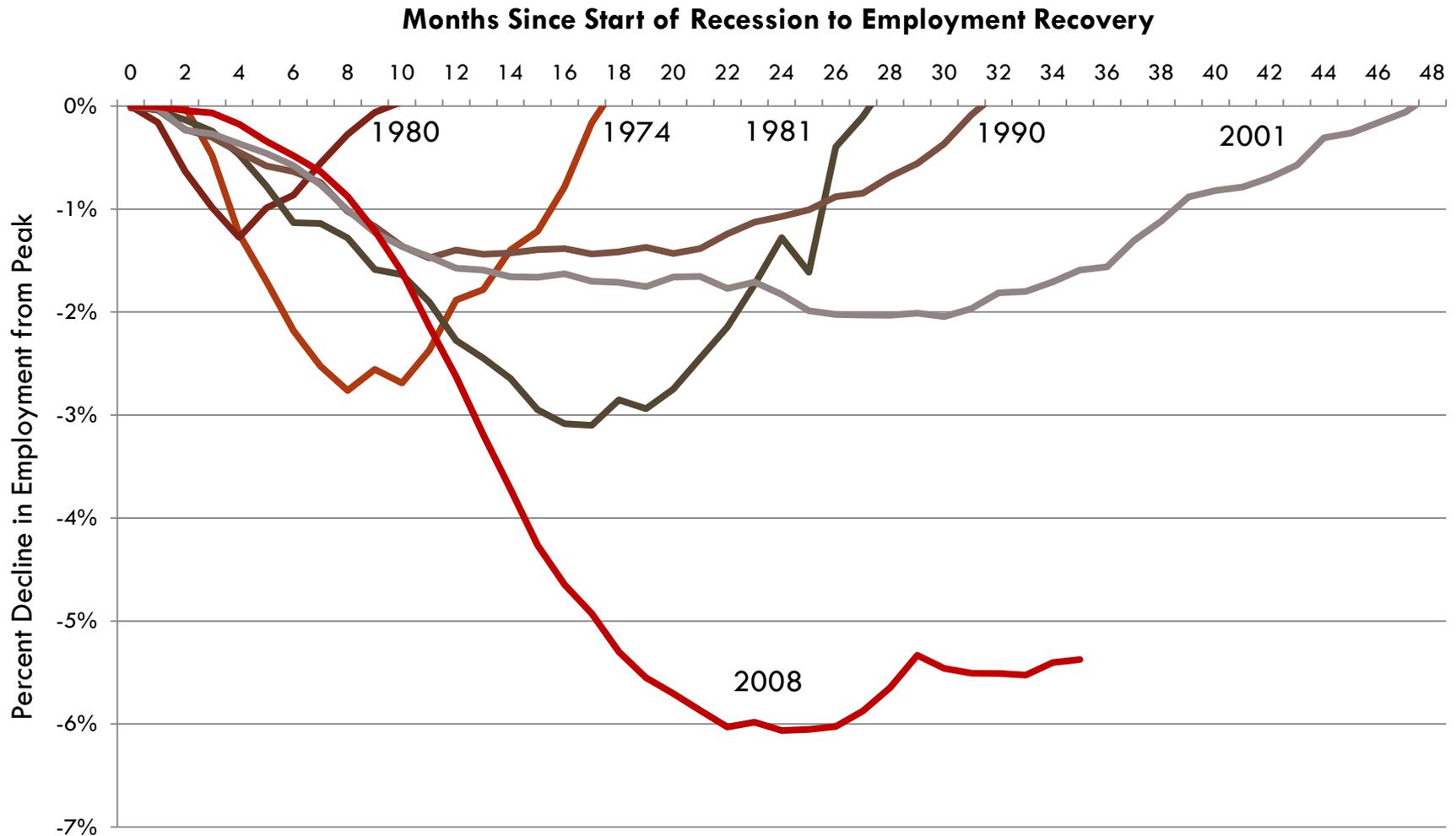
- Even though NBER officially announced the recession's end in June of 2009, pace of recovery remains slow
  - Unemployment rate in November rose to 9.8% from 9.6%, demonstrating continued weakness in the labor market
    - On the more positive side, the private sector has been adding jobs each month,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

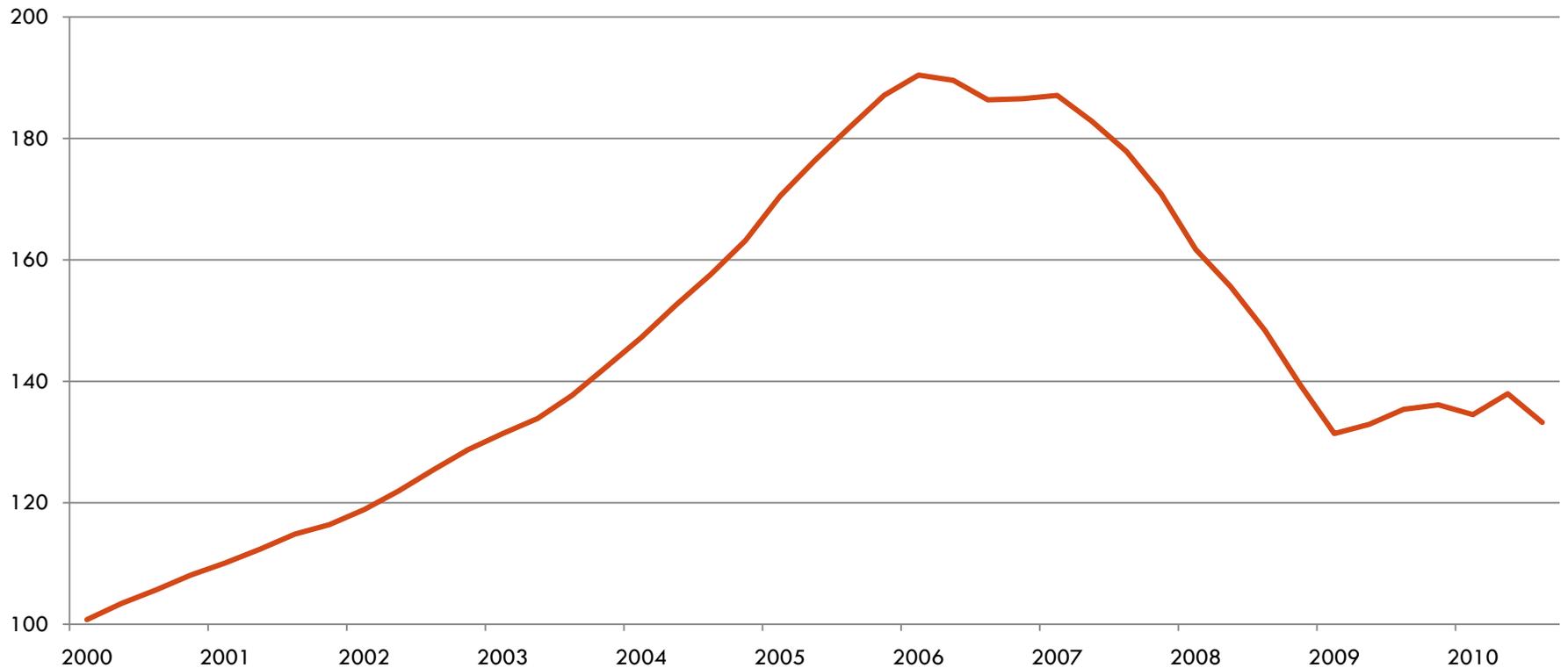


# Recovery, particularly in labor market, remains elusive



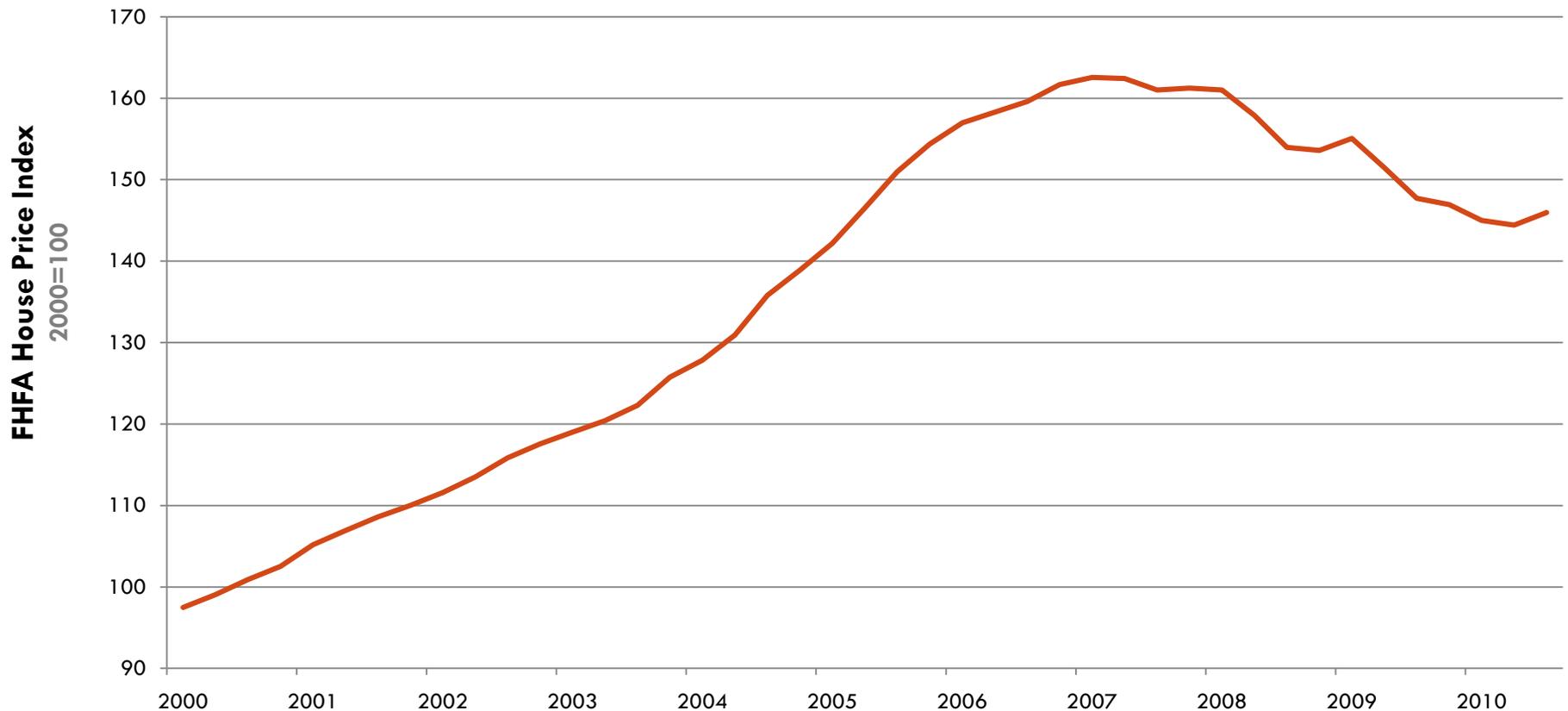
# Case-Shiller Index shows continued softness in housing market

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



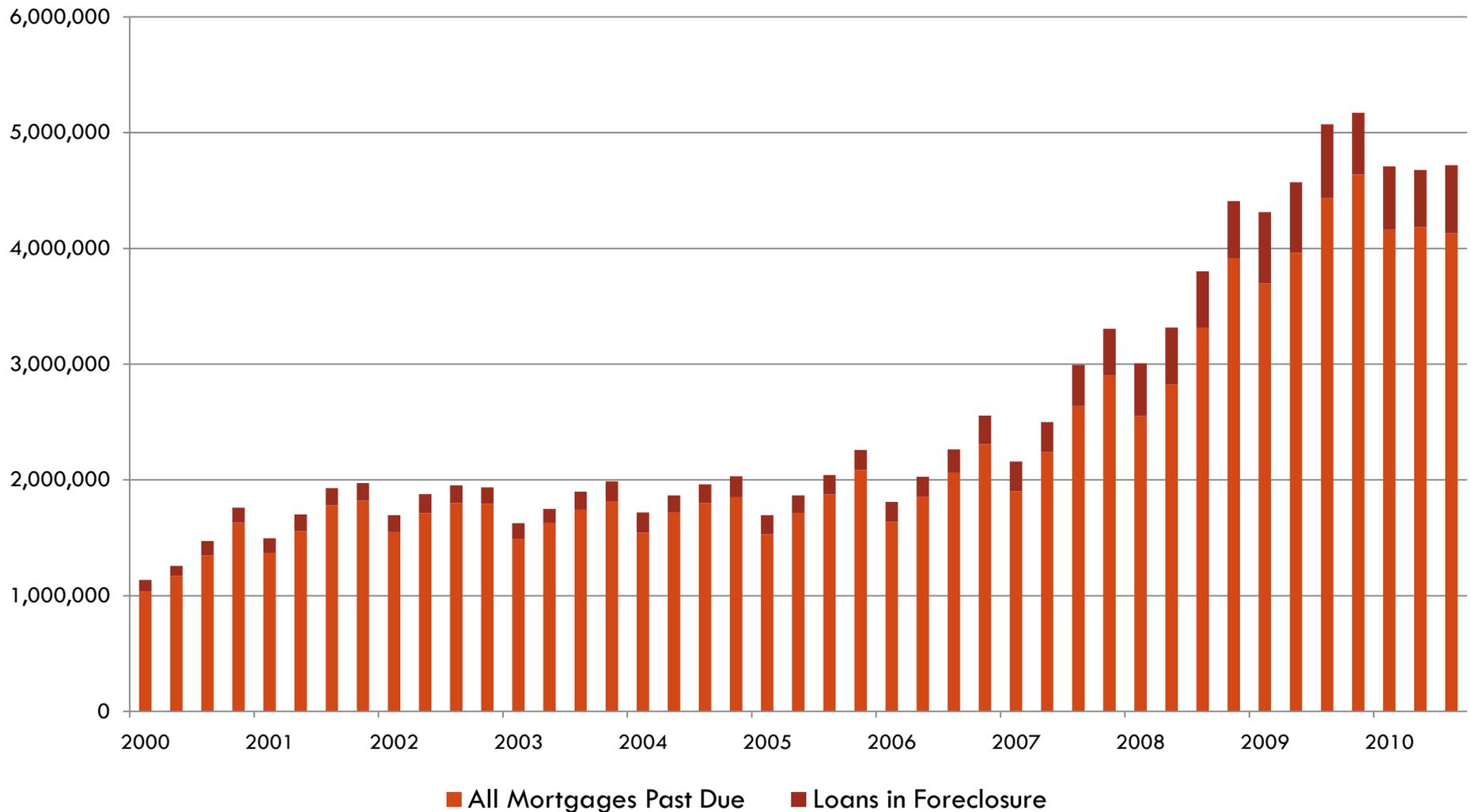
# FHFA House Price Index rises slightly in 3<sup>rd</sup> Qtr of 2010

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



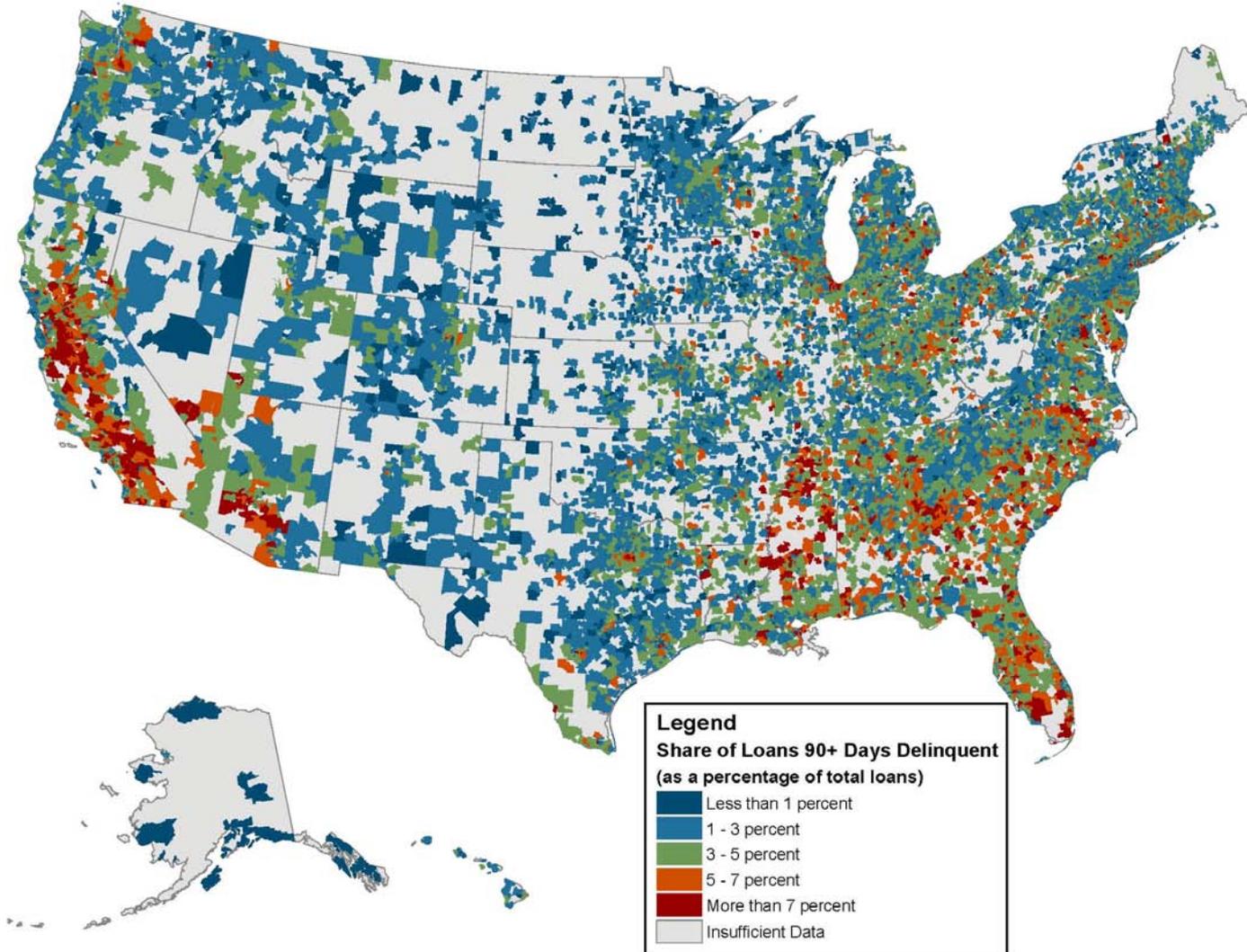
Source: Federal Housing Finance Agency (formerly OFHEO), includes refinancing and is not seasonally adjusted

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

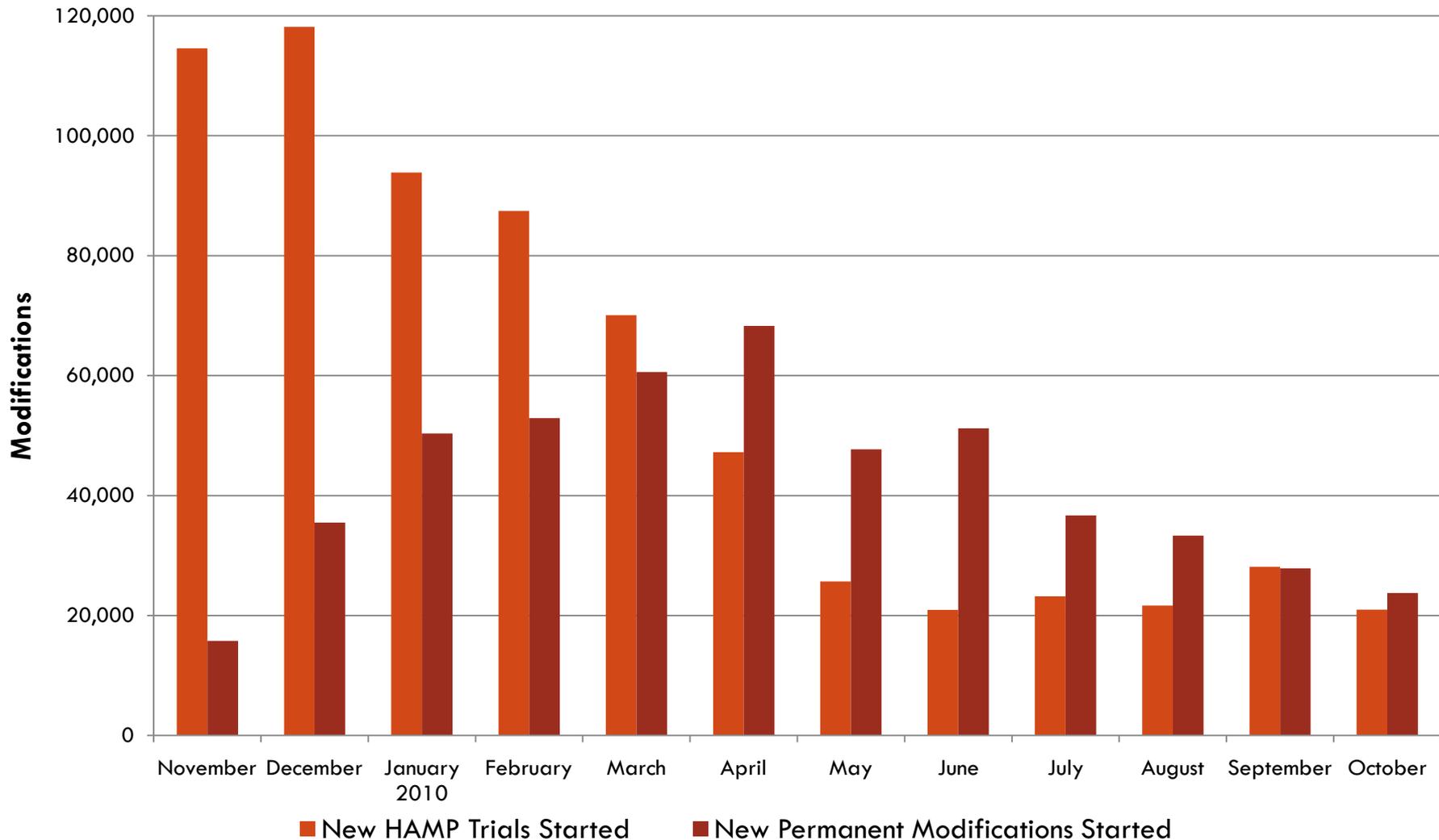


Source: Mortgage Bankers Association, National Delinquency Survey

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

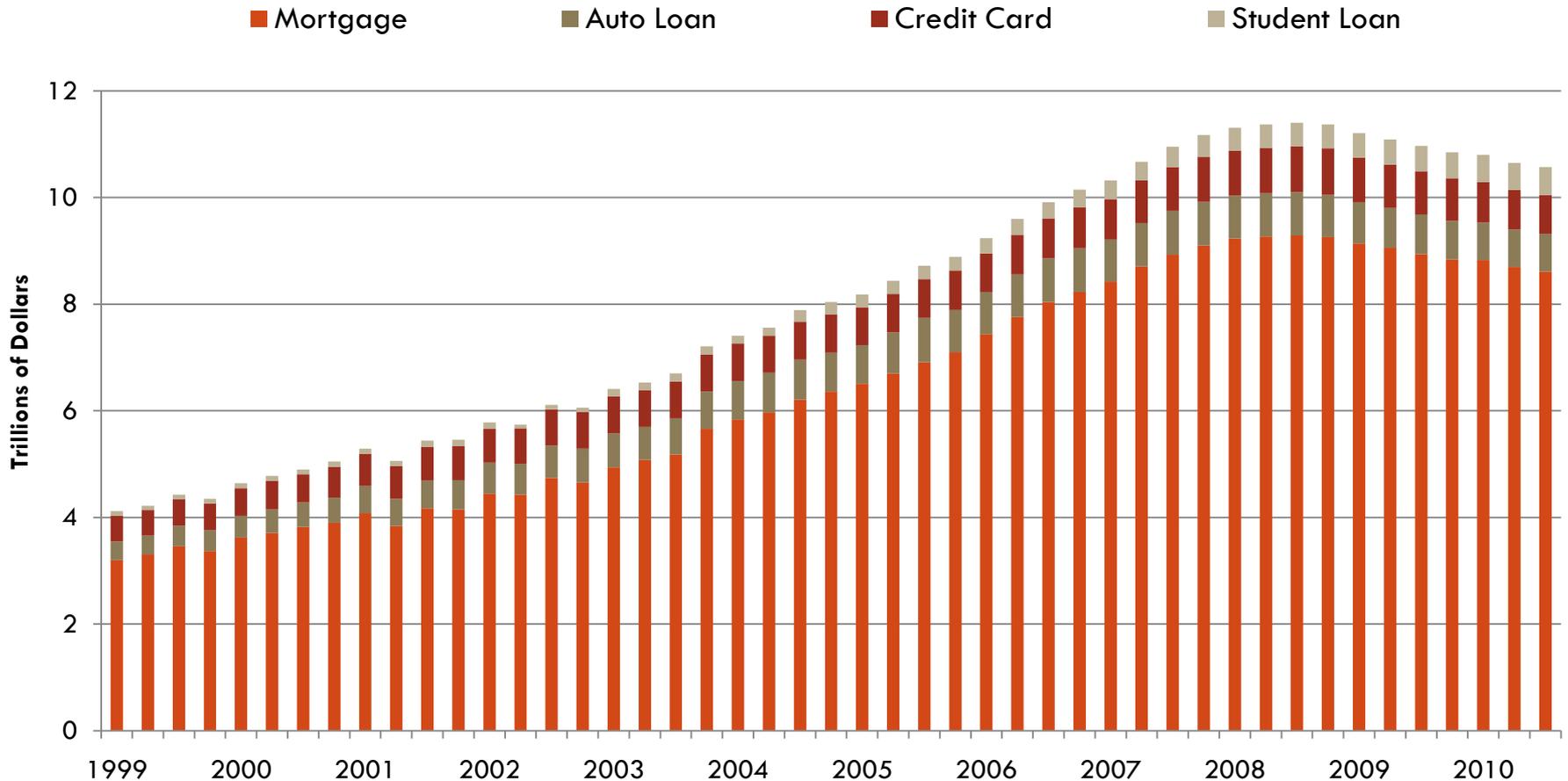


# HAMP modifications down; borrowers still face challenges in obtaining permanent modifications



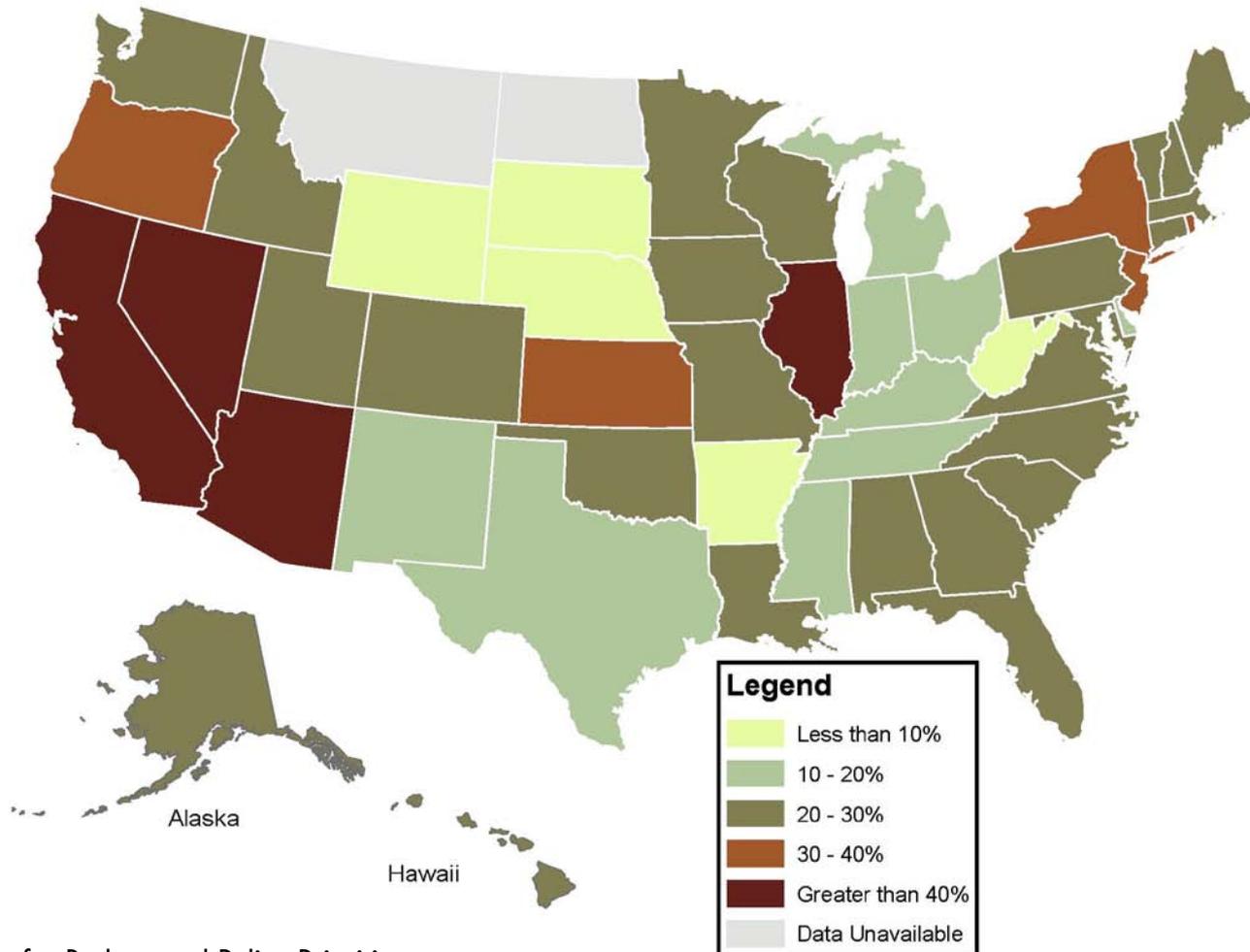
# Household debt falling from 2008 peak

## Total Debt Balance and Composition



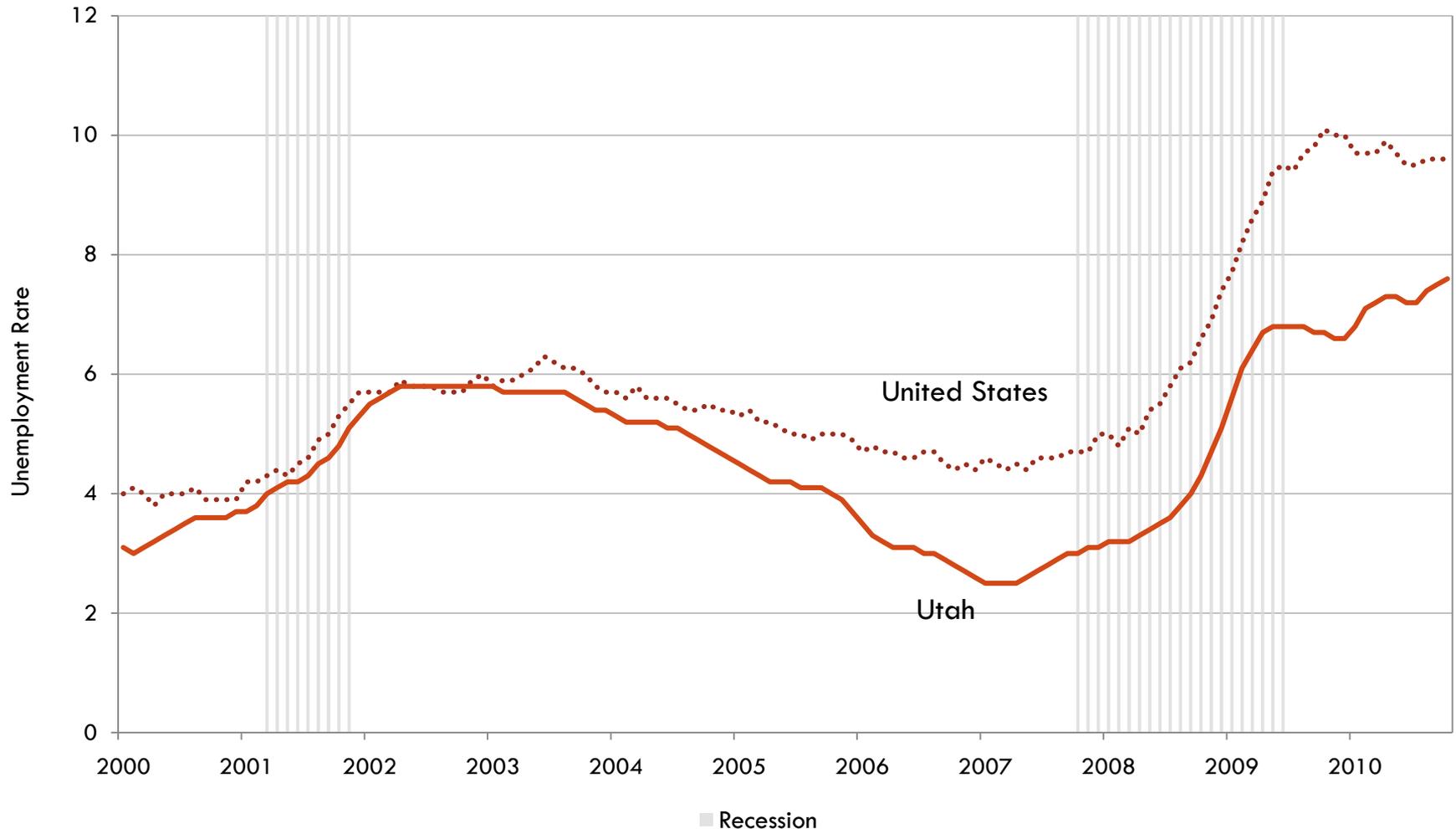
# Many states within 12<sup>th</sup> District face severe budget shortfalls

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

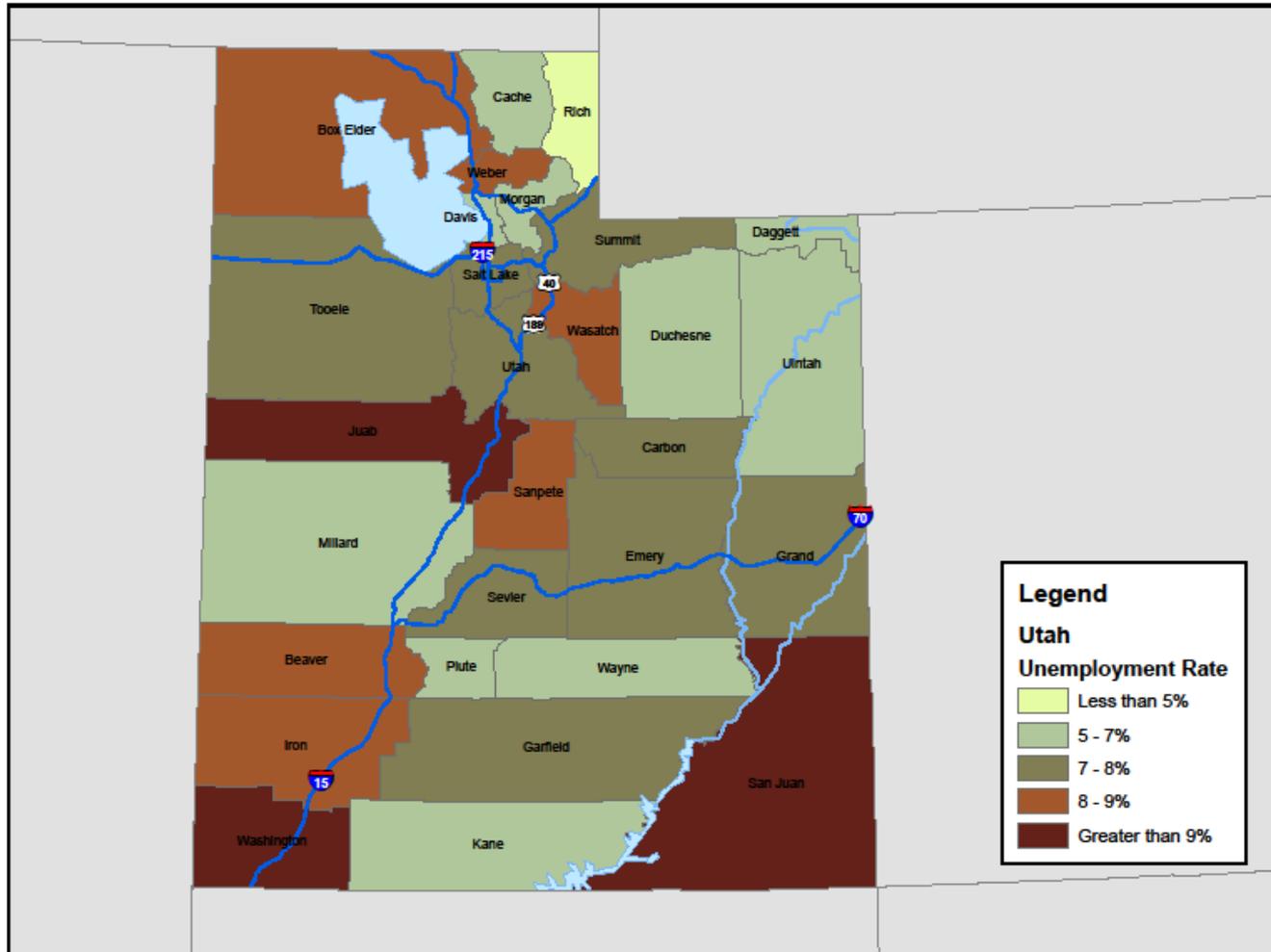


# Utah Trends

# Unemployment rate in Utah rising, though below US average



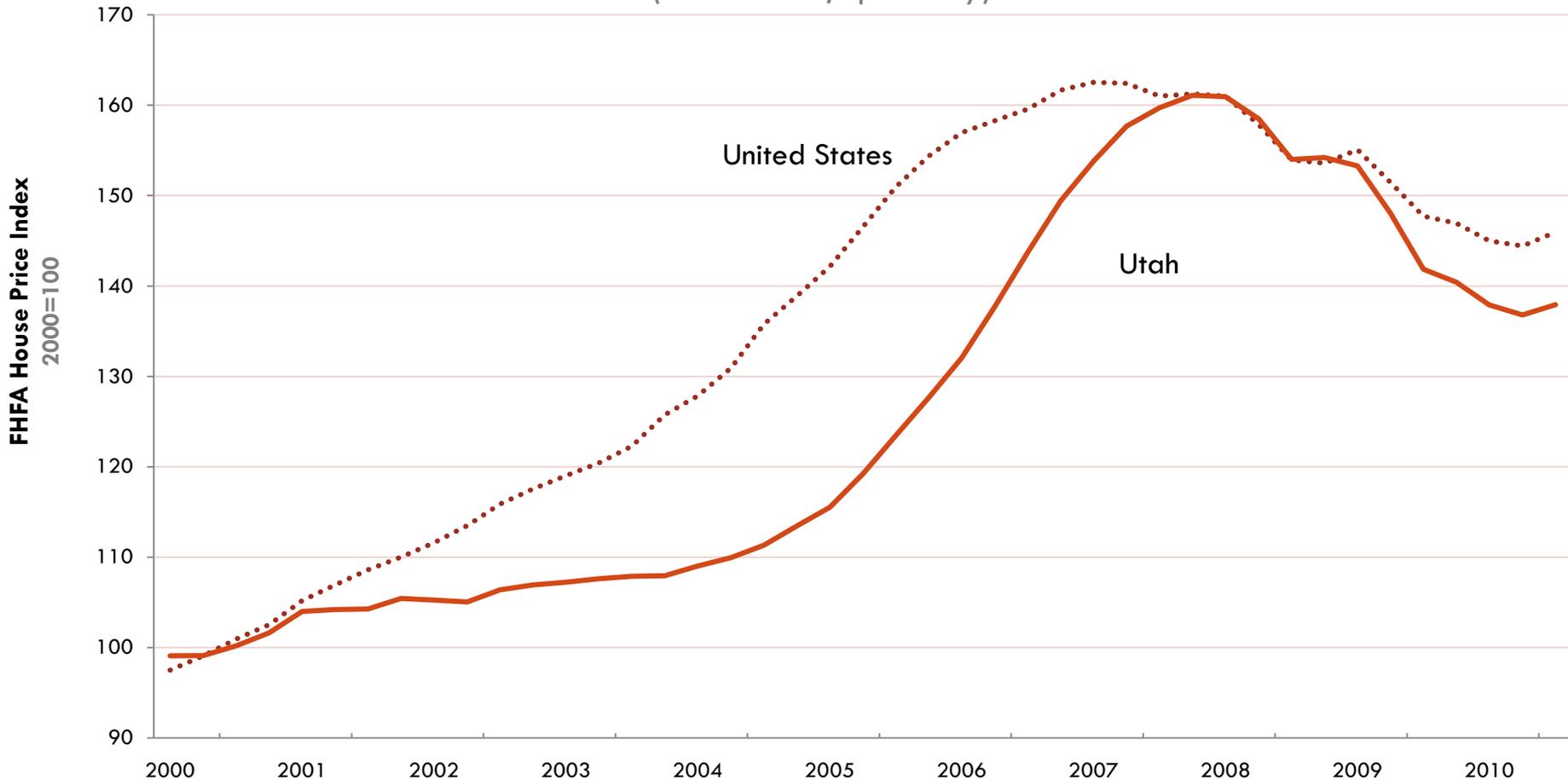
# Unemployment rates in Utah by county



# Utah seeing stabilization in house prices

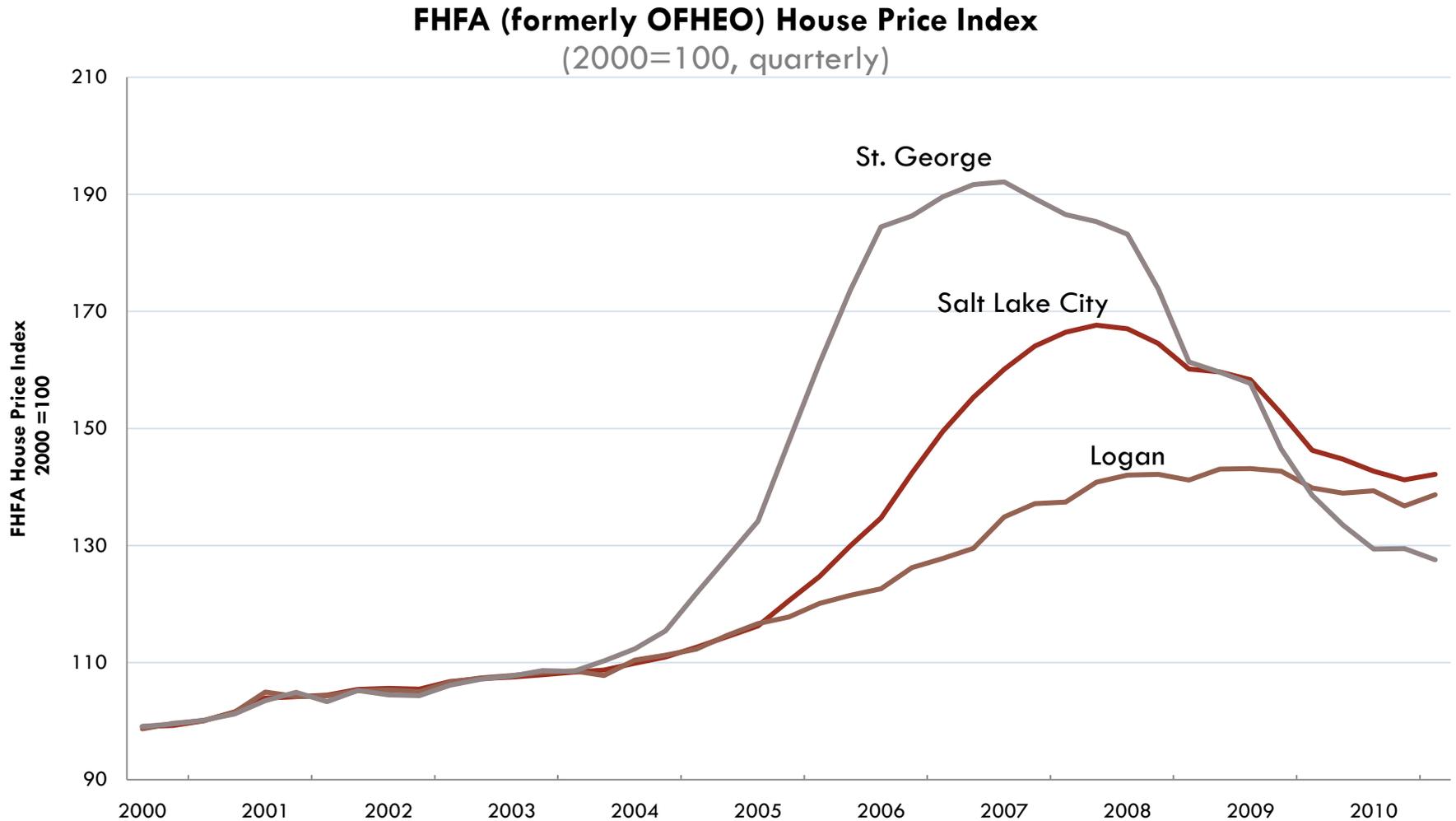
## FHFA House Price Index (formerly OFHEO)

(2000=100, quarterly)

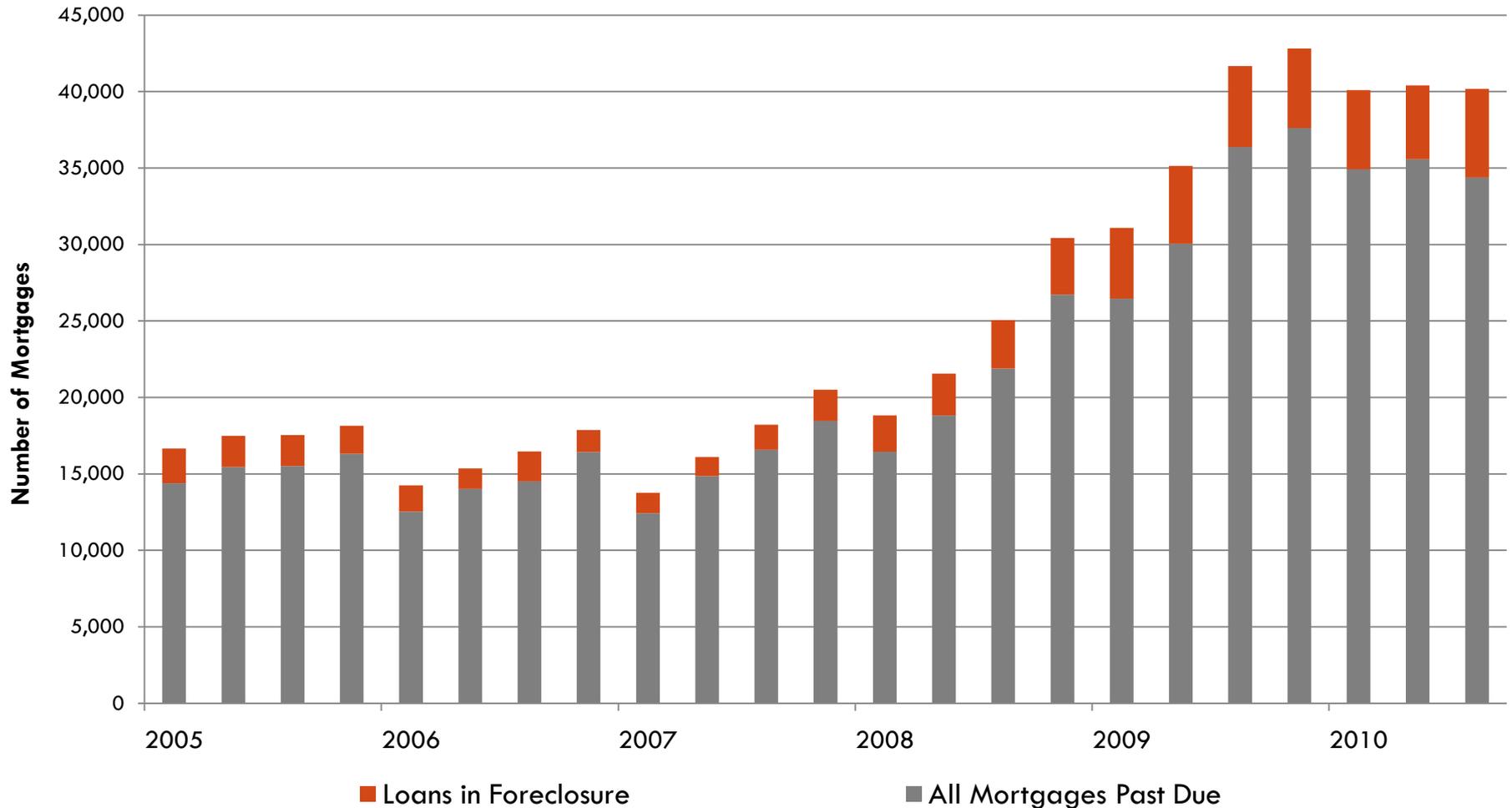


Source: Federal Housing Finance Agency (formerly OFHEO)

# House prices continue to decline in St. George



# Number of foreclosures rising; mortgages past due holding steady

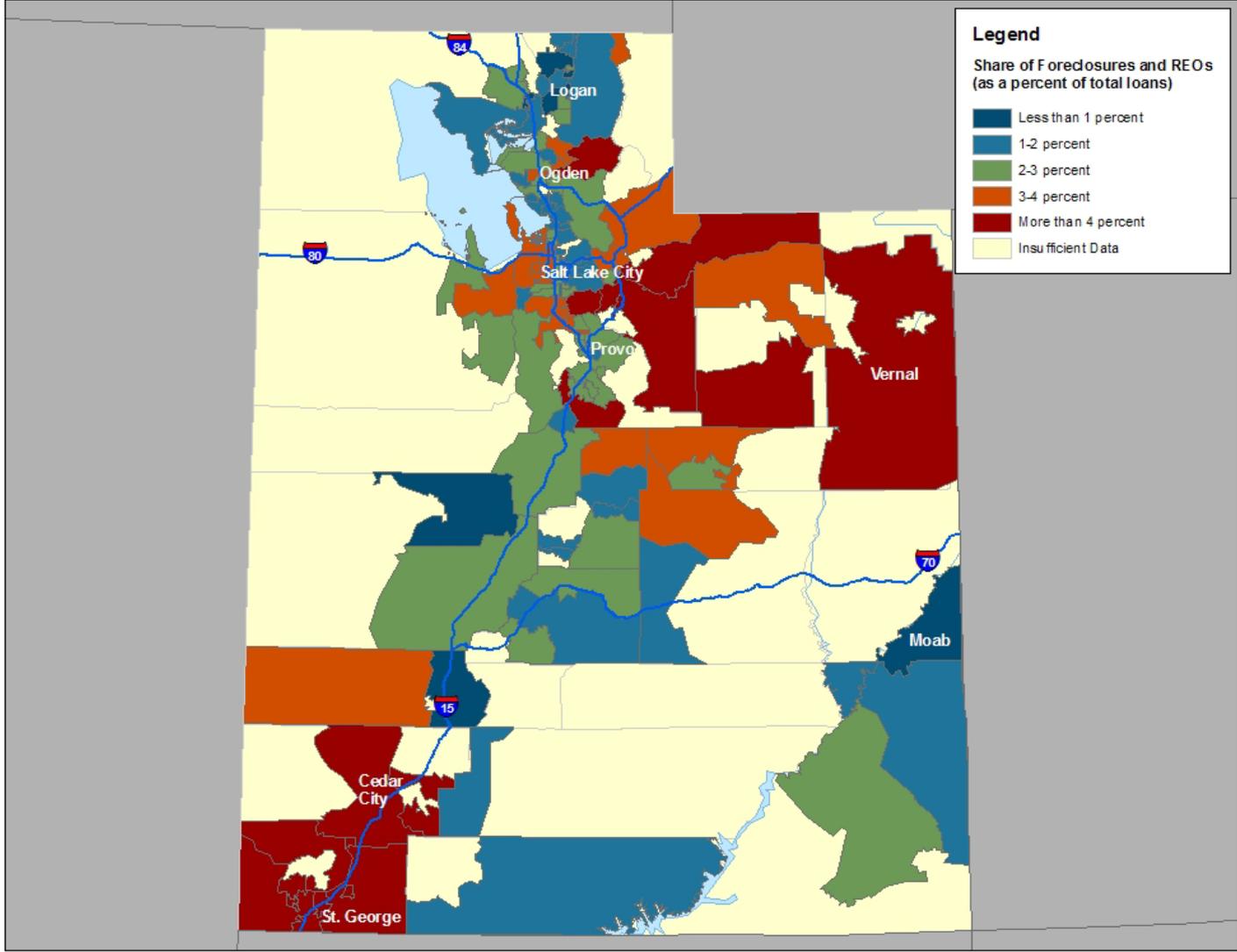


Source: Mortgage Bankers Association, National Delinquency Survey

# Utah Foreclosure Data Maps

# Areas Affected by Concentrated Foreclosures

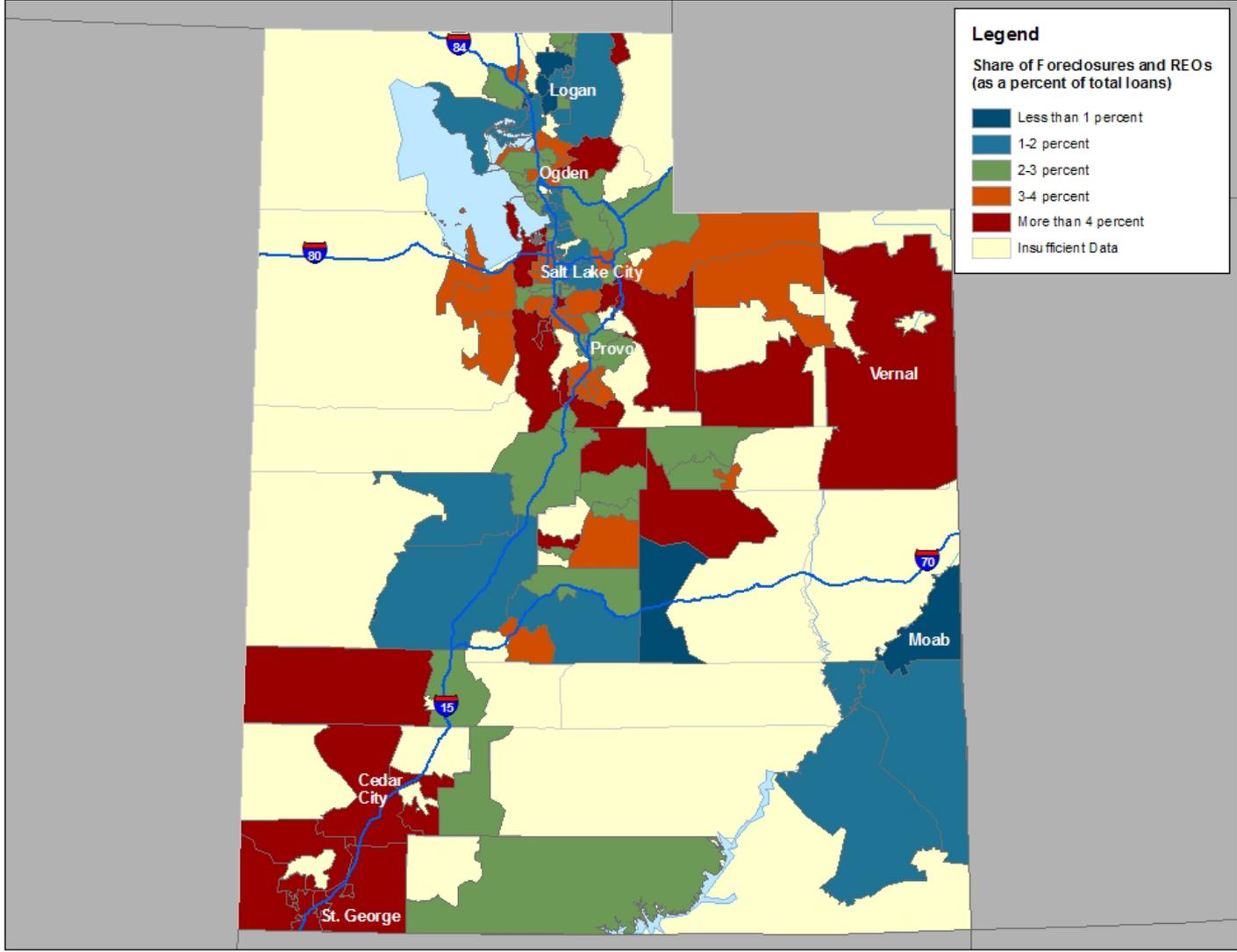
July 2010



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

# Areas Affected by Concentrated Foreclosures

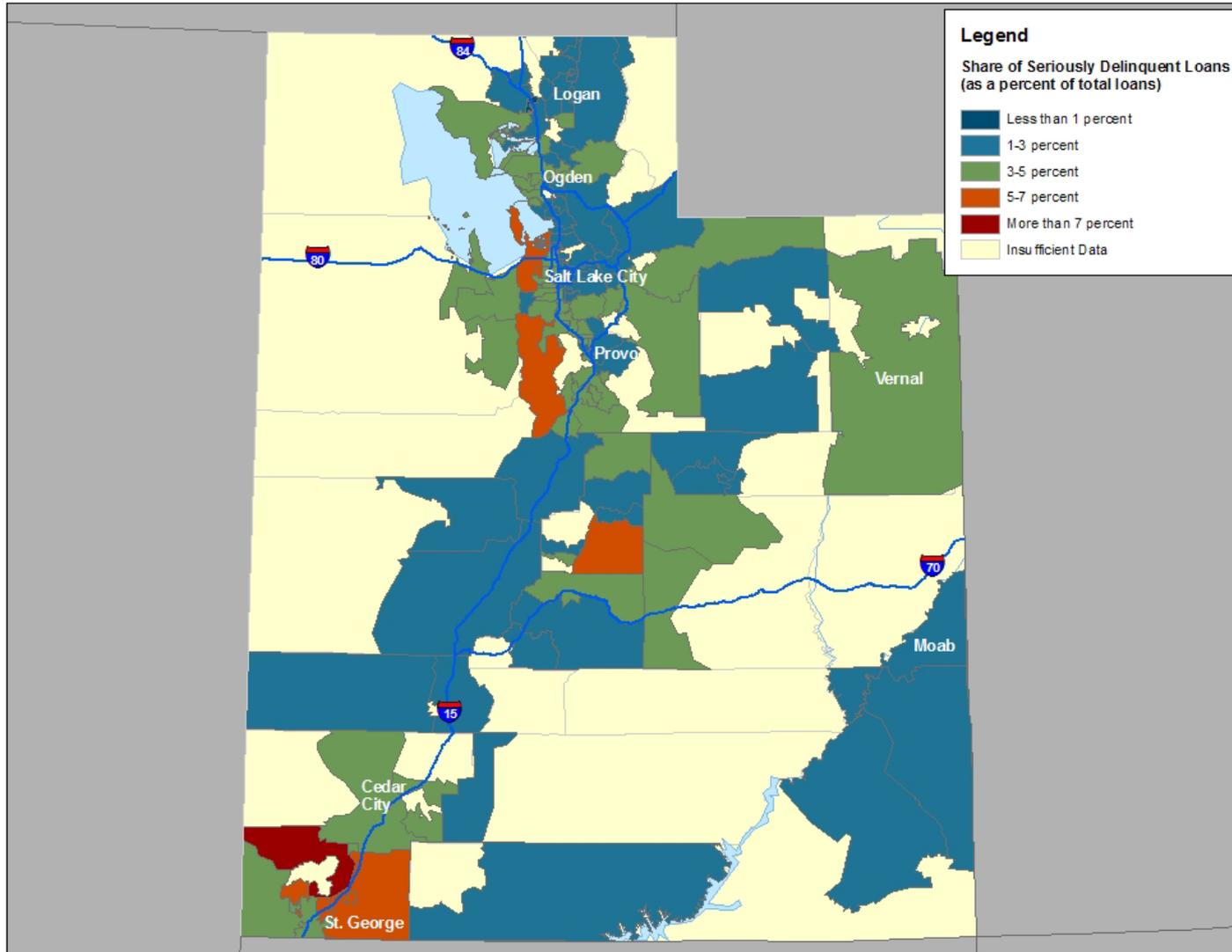
November 2010



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

# Areas at Risk of Additional Foreclosures

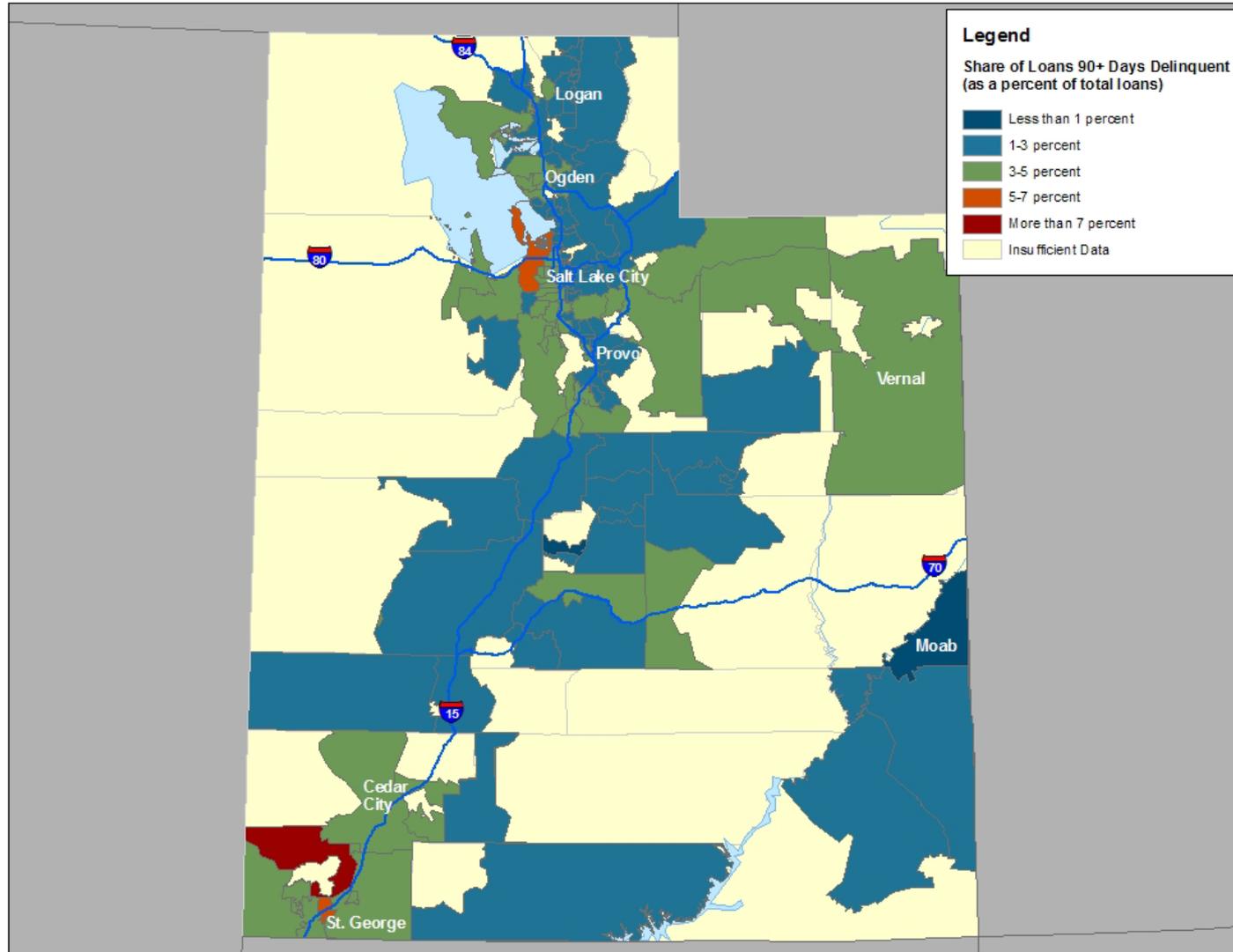
## July 2010



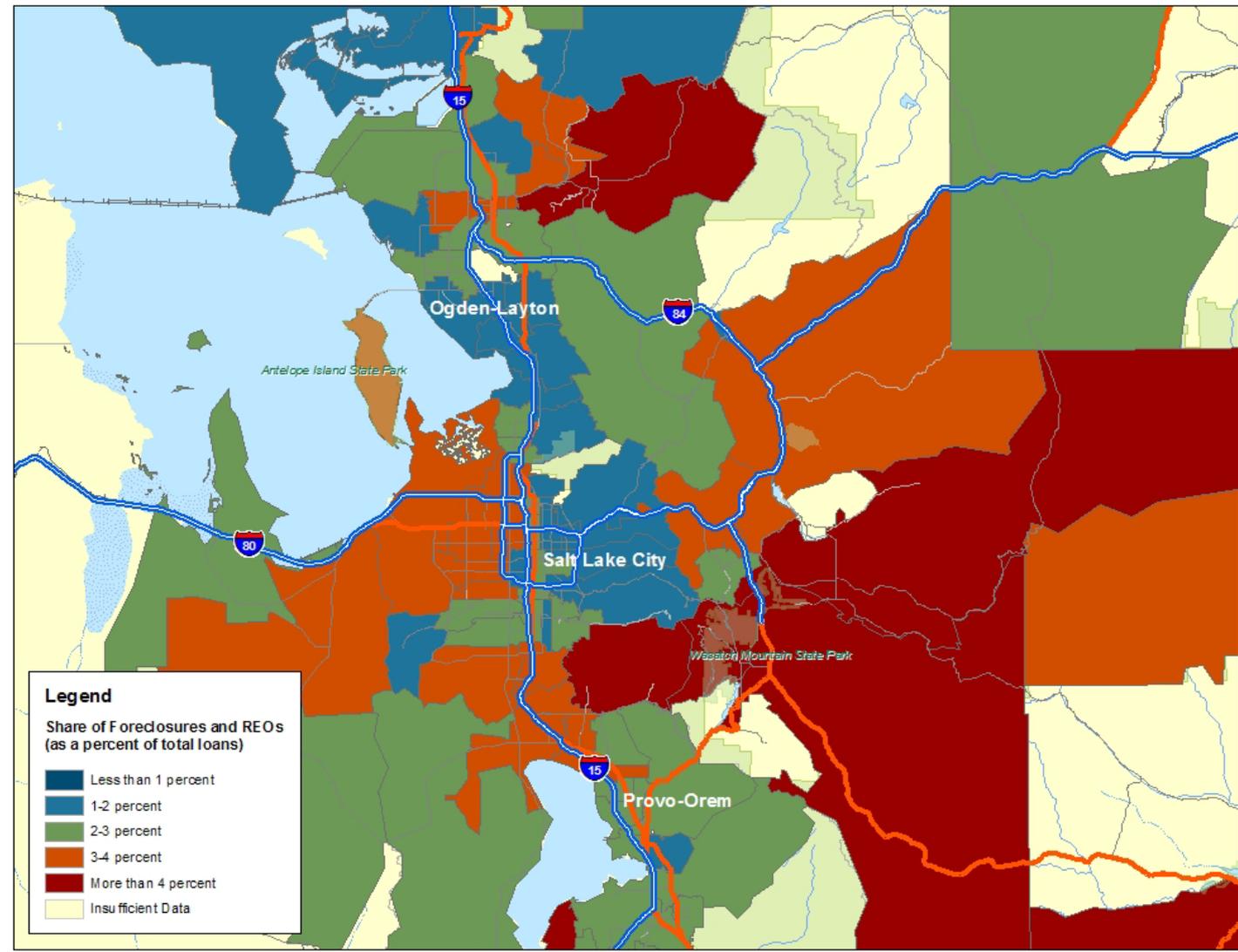
Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations

# Areas at Risk of Additional Foreclosures

## November 2010



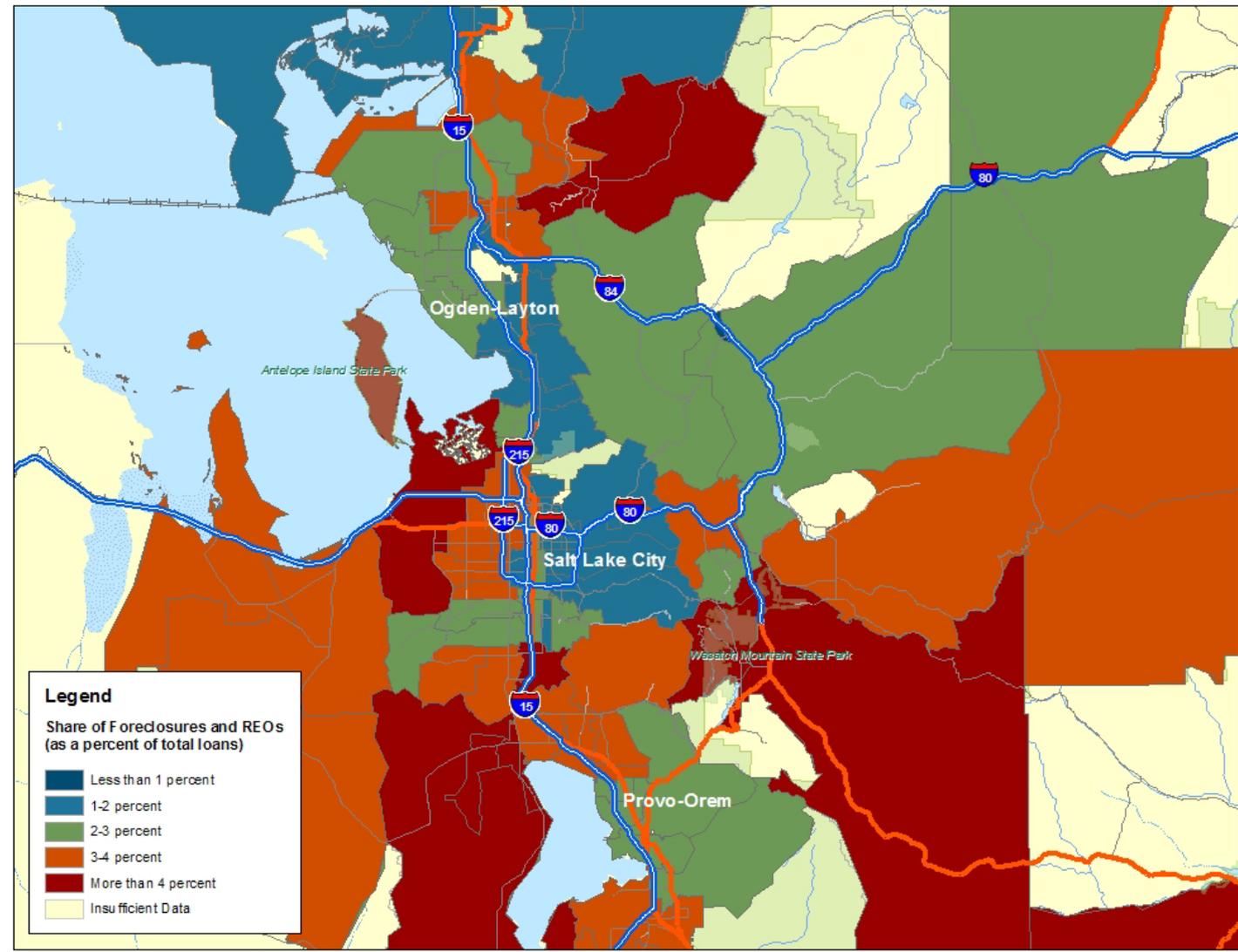
## Neighborhoods Affected by Concentrated Foreclosures July 2010



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

## Neighborhoods Affected by Concentrated Foreclosures

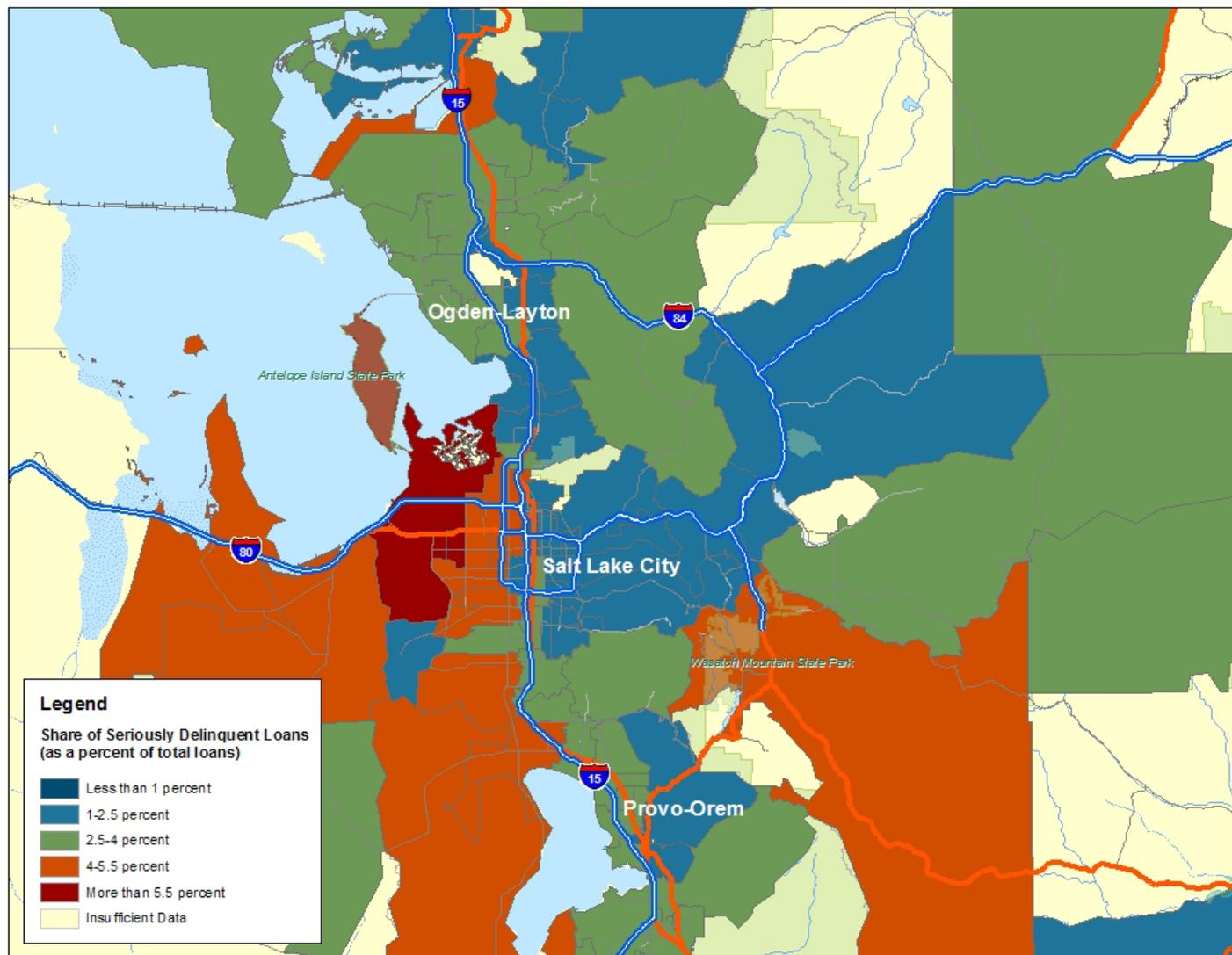
November 2010



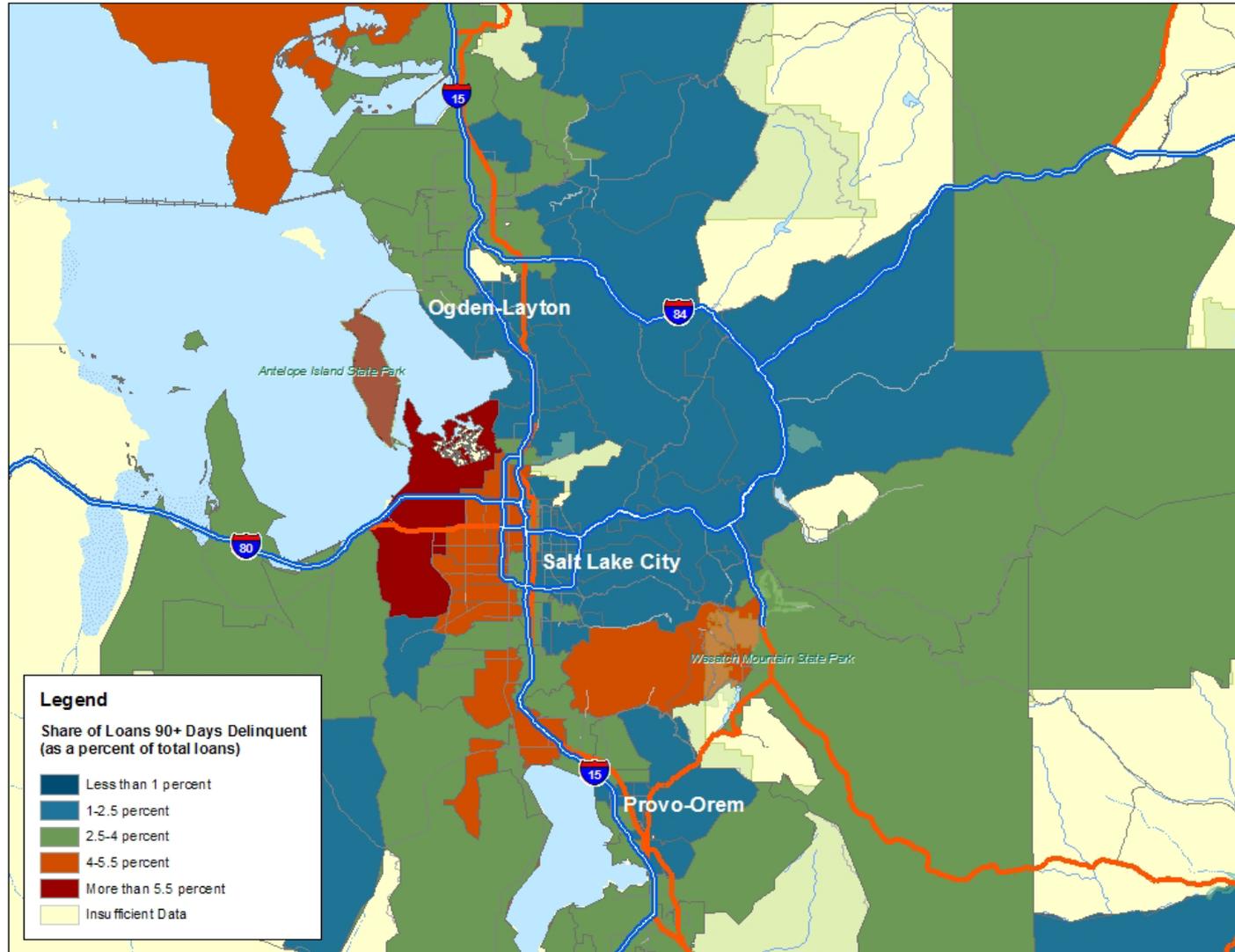
Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations

## Neighborhoods at Risk for Additional Foreclosures

July 2010



## 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

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### COMMUNITY DEVELOPMENT

**Highlights**

**Focus on Community Development Policy**  
*Community Investments: Volume 20, Issue 3, 2008*  
In this issue, we highlight new ideas, innovations, and questions around the topic of community development policy. The articles consider the role of policy in channeling public and private investment into community development efforts, with topics ranging from established federal policies, such as the Community Reinvestment Act and the Community Development Block Grant program, to more recent movements such as stakeholder-driven community development and microenterprise.

**The Enduring Challenge of Concentrated Poverty in America**  
In 2006, the Community Affairs Offices of the Federal Reserve System partnered with the Brookings Institution to examine the issue of concentrated poverty. The resulting report, *The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S.* contributes to our understanding of the dynamics of poor people living in poor communities, and the policies that will be needed to bring both into the economic mainstream. [Download Full Report \(PDF 6.8MB\)](#)

**Foreclosure Resource Center**  
For the latest information on the Federal Reserve's efforts to mitigate the impact of foreclosures, including local data presentations and research reports, visit our new Foreclosure Resource Center.

**Programs and Information**

**Community Reinvestment Act (CRA)**  
Information on the CRA, its implementing regulations, the regulatory agencies, and other resources to assist in complying with and understanding the CRA.

**Events and Conferences**  
Participate in one of the many events sponsored by the Community Development Department.

**Publications**  
Access online copies of *Community Investments*, the *Community Development Investment Review*, and research papers.

**Center for Community Development Investments**  
The Center is dedicated to innovations in research and practice that increase the flow of investment capital to low- and moderate-income communities.

**About Us**  
Learn more about the Community Development Department and its staff.

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**POPULAR CONTENT**

**Upcoming Events**

- Stabilizing Communities Series: Acquiring REOs in Compliance with NSP  
February 3  
- San Francisco CA  
February 4  
- Fresno CA
- Innovative Financial Services for the Underserved - Research Conference  
April 16 - 17  
Washington D.C.

Financial Education Resource Center  
Find a variety of resources on financial education

CRA Regulatory Information - Links to CRA resources for financial institutions and community groups.

Bank on San Francisco - Program information and information about replicating program

Community Development Assessments - Demographic, economic, and community development profiles for each state in the Twelfth District.

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