

# HOMES FOR ALL: ENSURING A FAIR RECOVERY

November 8, 2010

# Overview



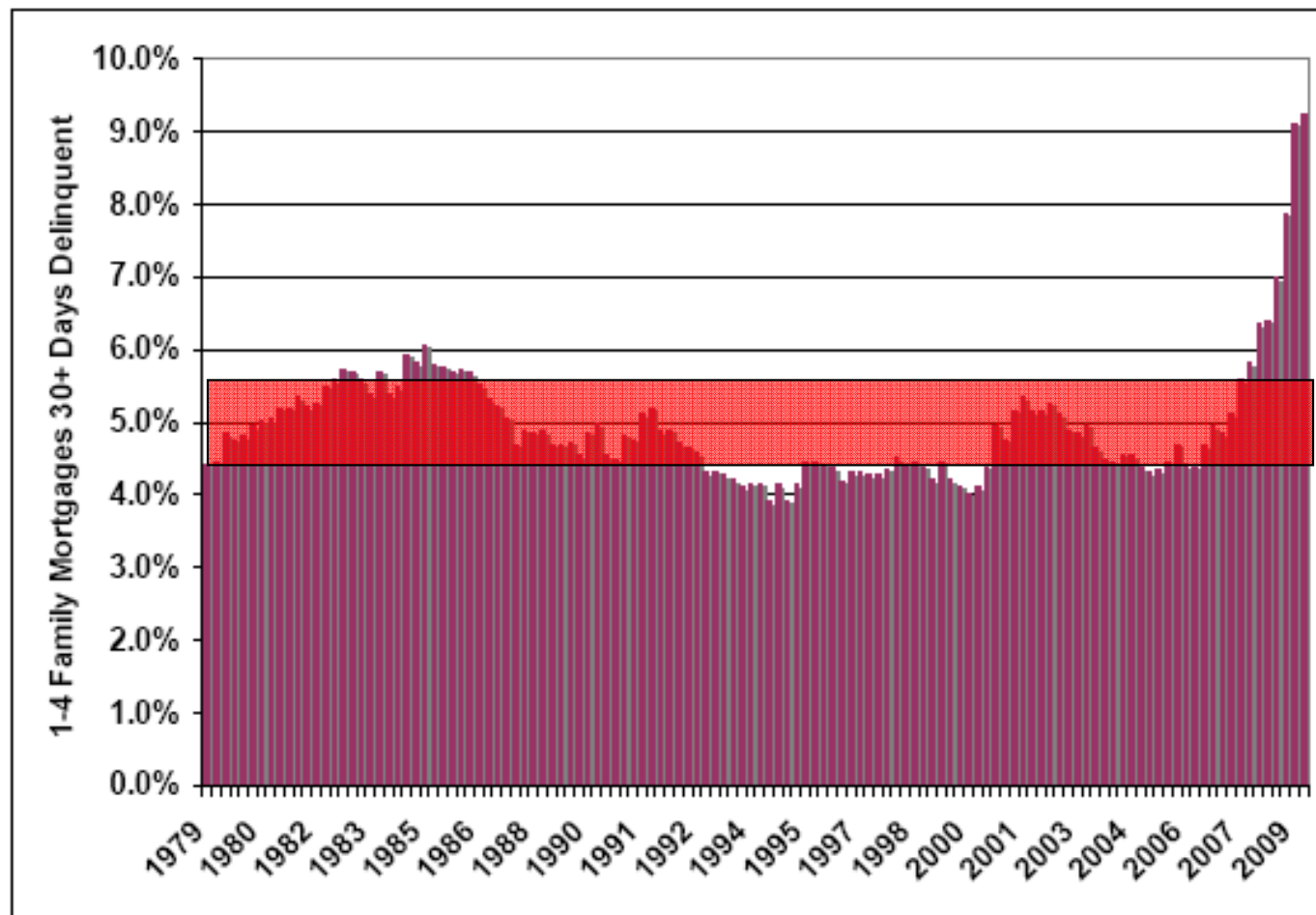
- Introduction of Panelists
- Agenda
- Overview of Fair Recovery Concepts



Where are we economically?

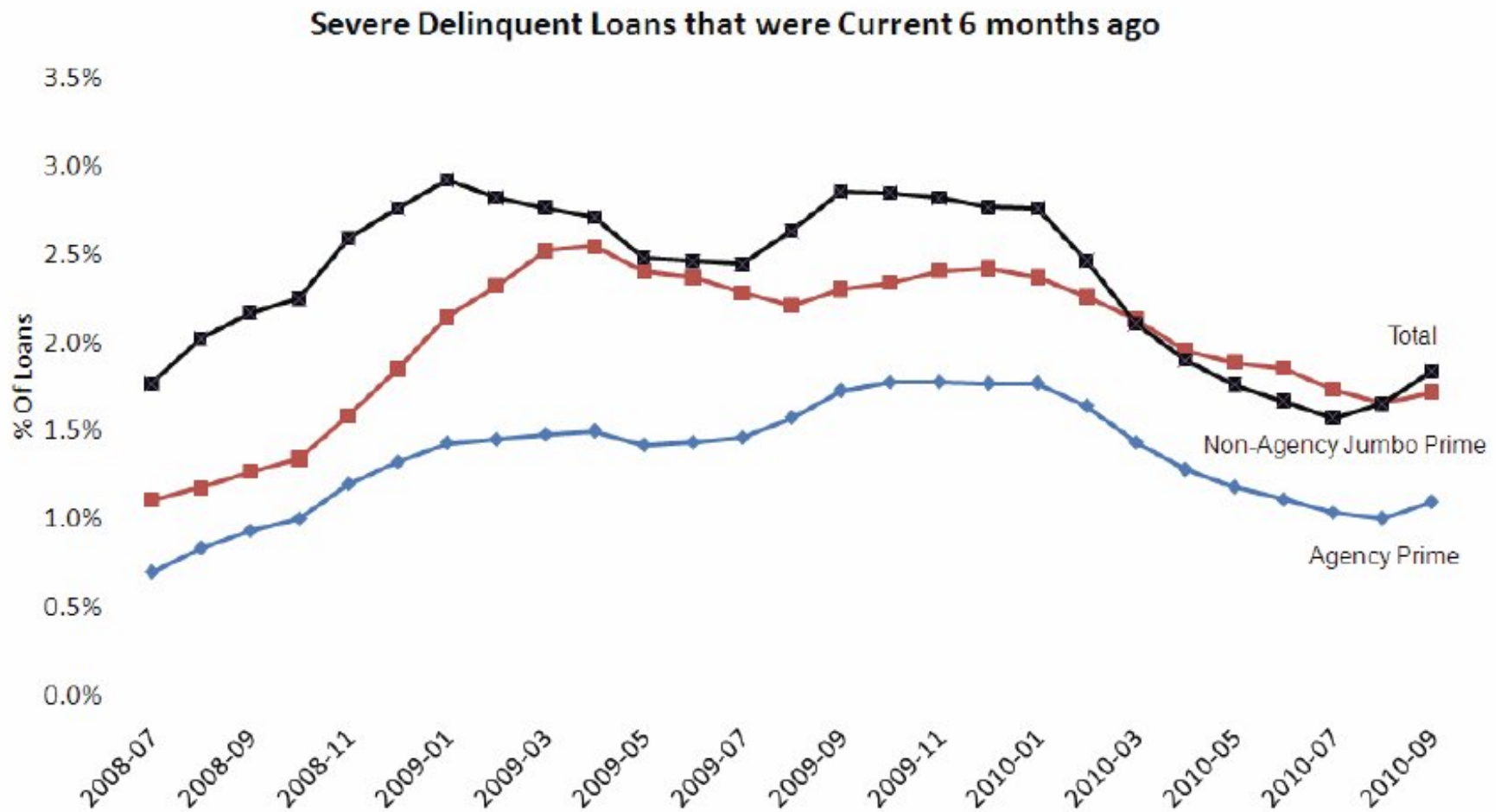
# National Mortgage Delinquency Rates

Figure 1: Percentage of Single Family Residential Mortgages Delinquent<sup>12</sup>



# Recent Data on Delinquency Rates

*New problem loans (60 or more days delinquent or in foreclosure) are back on the rise.*



Source: LPS Mortgage Monitor, October 2010 Mortgage Performance Observations

# Delinquency and Foreclosure Rate, Minnesota ranks 42nd in the nation

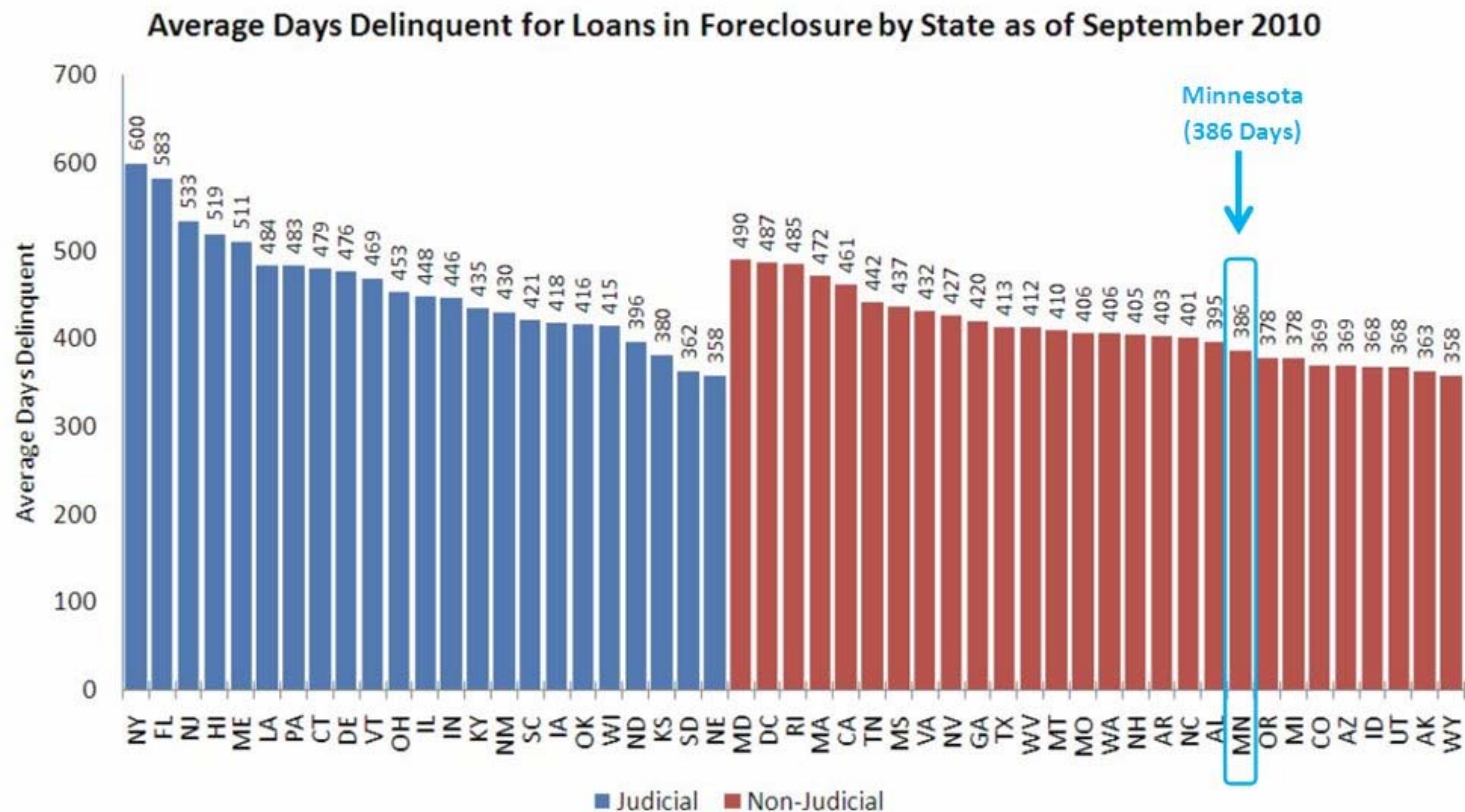
**Delinquency and Foreclosure Rate Table  
Ranked based on Non-Current %**

State	Delinquency %	Foreclosure Inventory %	Non-Current %	6 Month Change in Non-Current %
National	9.27%	3.84%	13.11%	-2.52%
FL	10.7%	12.8%	23.5%	-3.6%
NV	12.7%	8.4%	21.1%	-7.8%
MS	15.8%	3.1%	19.0%	5.4%
GA	12.6%	3.0%	15.6%	-1.4%
LA	11.2%	3.3%	14.5%	2.4%
NJ	8.4%	6.1%	14.5%	2.3%
IL	9.2%	5.3%	14.5%	-1.0%
OH	10.3%	4.2%	14.4%	1.4%
IN	10.4%	4.0%	14.4%	2.5%
AZ	10.1%	4.1%	14.3%	-9.7%
RI	10.4%	3.6%	14.0%	-1.2%
MI	10.9%	3.0%	13.9%	-3.7%
TN	11.5%	1.9%	13.4%	2.0%
CA	9.8%	3.5%	13.3%	-11.0%
MD	10.5%	2.7%	13.2%	-1.2%
SC	9.7%	3.3%	13.1%	1.9%
AL	11.4%	1.7%	13.1%	3.0%
WV	10.8%	2.3%	13.0%	0.5%
NY	8.6%	4.3%	12.9%	1.3%
DE	8.3%	3.7%	12.0%	2.1%
NC	9.8%	2.2%	12.0%	1.4%
CT	8.2%	3.7%	11.9%	-1.4%
ME	7.7%	4.2%	11.9%	1.9%
HI	7.1%	4.7%	11.8%	-7.5%
PA	8.9%	2.8%	11.6%	3.3%
KY	8.6%	2.9%	11.5%	4.9%
WI	7.6%	3.5%	11.2%	2.3%
AR	9.3%	1.7%	11.0%	6.1%
TX	9.4%	1.6%	11.0%	3.3%
MO	9.0%	1.7%	10.7%	1.7%
MA	8.0%	2.6%	10.6%	-4.3%
OK	8.0%	2.6%	10.6%	4.7%
NM	7.2%	2.9%	10.1%	0.8%
UT	7.5%	2.6%	10.1%	-1.0%
DC	7.7%	2.4%	10.1%	0.1%
ID	6.8%	2.9%	9.7%	-4.1%
NH	7.7%	1.9%	9.6%	-3.4%
KS	7.6%	1.9%	9.5%	5.8%
WA	7.1%	2.3%	9.4%	2.9%
VA	7.4%	1.7%	9.1%	-4.5%
IA	6.3%	2.7%	8.9%	5.3%
OR	5.9%	2.6%	8.5%	-4.4%
MN	6.1%	2.0%	8.1%	-4.7%
VT	5.2%	2.7%	7.9%	3.2%
CO	5.8%	1.9%	7.7%	-4.9%
NE	6.2%	1.4%	7.6%	6.5%
MT	5.0%	2.0%	6.9%	-1.7%
WY	5.3%	1.3%	6.6%	1.0%
AK	5.2%	1.2%	6.4%	1.6%
SD	4.2%	1.3%	5.4%	3.6%
ND	3.6%	1.0%	4.5%	-1.0%

Source: LPS Mortgage Monitor, October 2010 Mortgage Performance Observations

Average number of days delinquent for loans that are in foreclosure (time delinquent before foreclosure sale) has increased 85% since 2008, and now averages over a year (386 days)

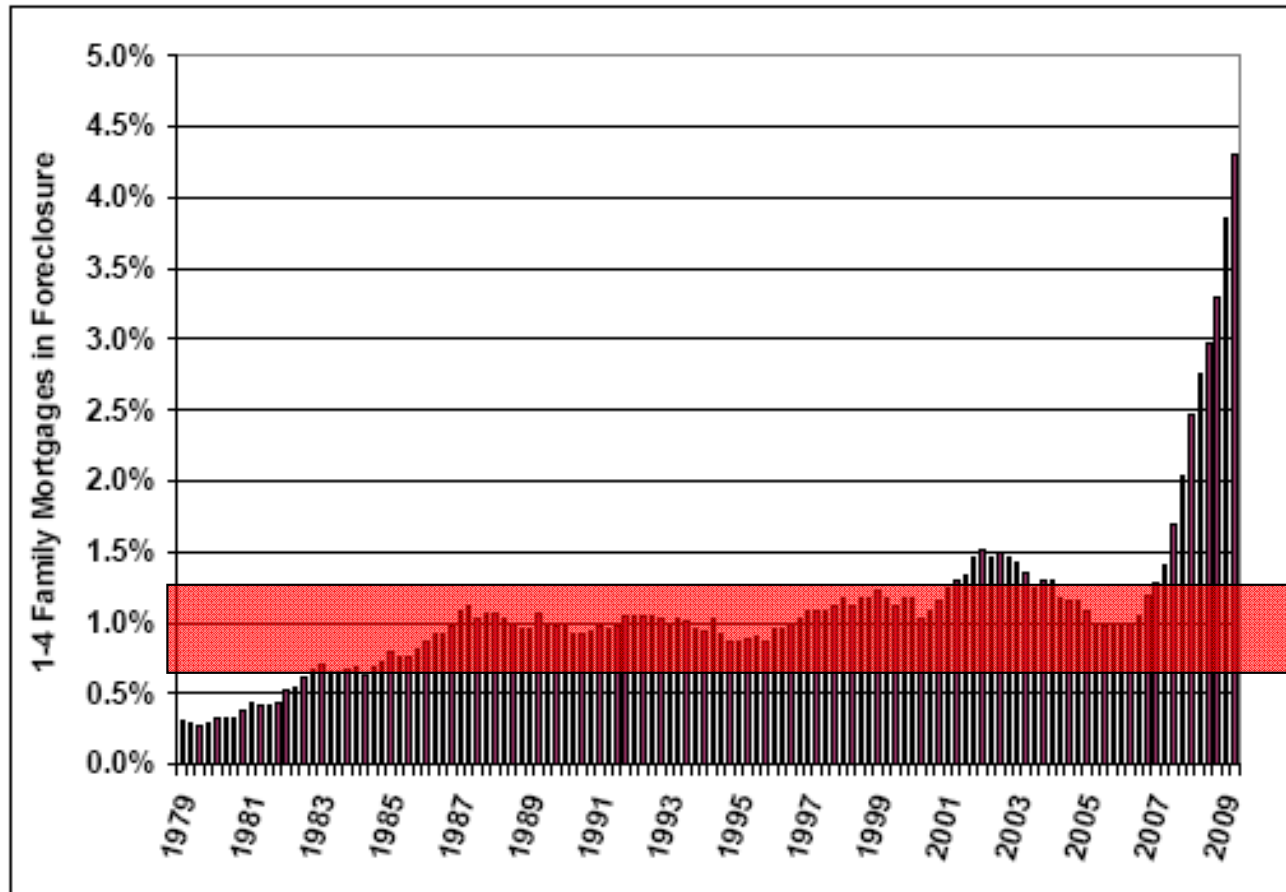
*The average number of days delinquent for loans in foreclosure exceeds 500 days in five states (all judicial).*



Source: LPS Mortgage Monitor, October 2010 Mortgage Performance Observations

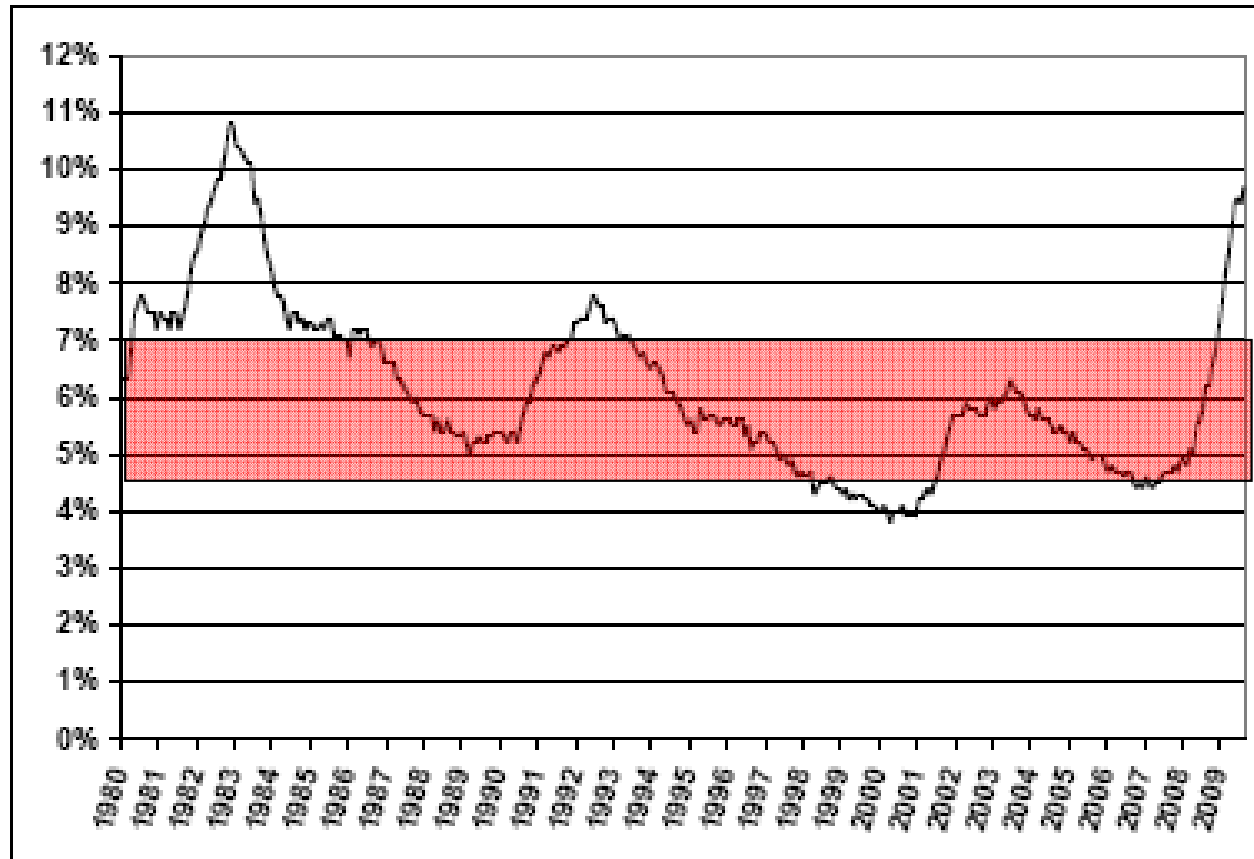
# National Foreclosure Rates

Figure 2: Percentage of Single Family Residential Mortgages in Foreclosure<sup>13</sup>



# Unemployment Rate

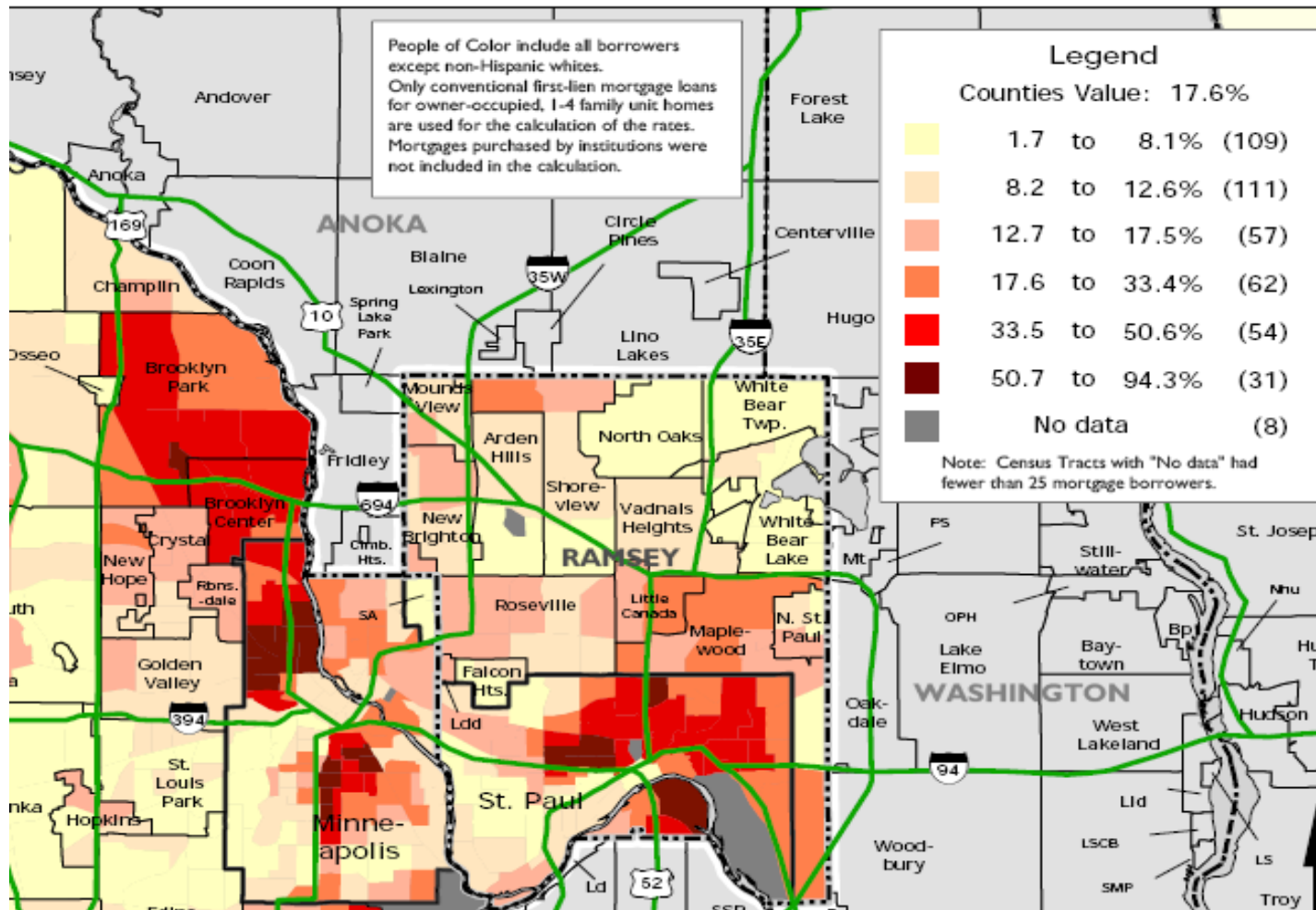
Figure 8: United States Unemployment Rate (1980-present)<sup>48</sup>





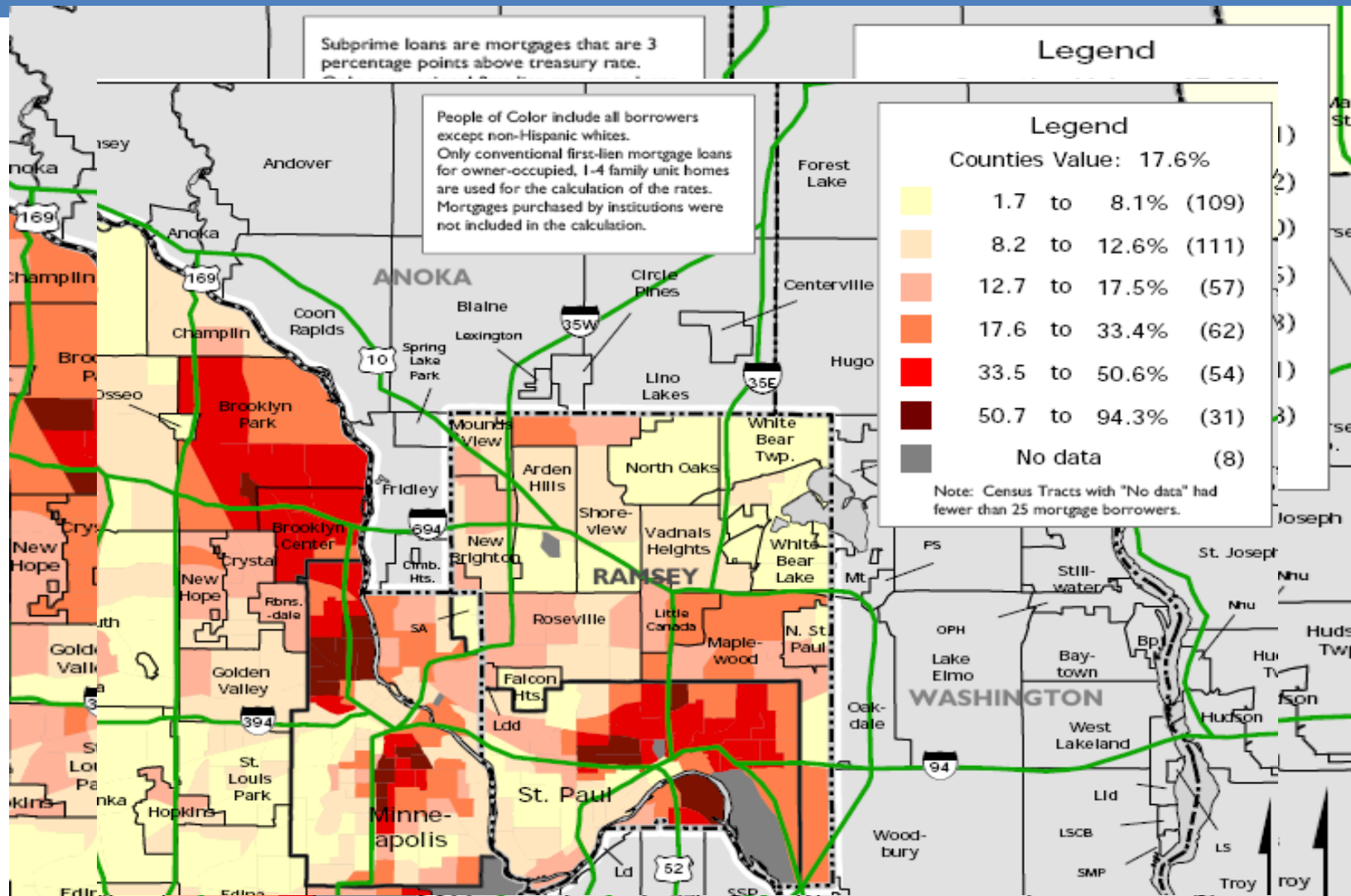
# Impact on Communities of Color

# Race by census tract



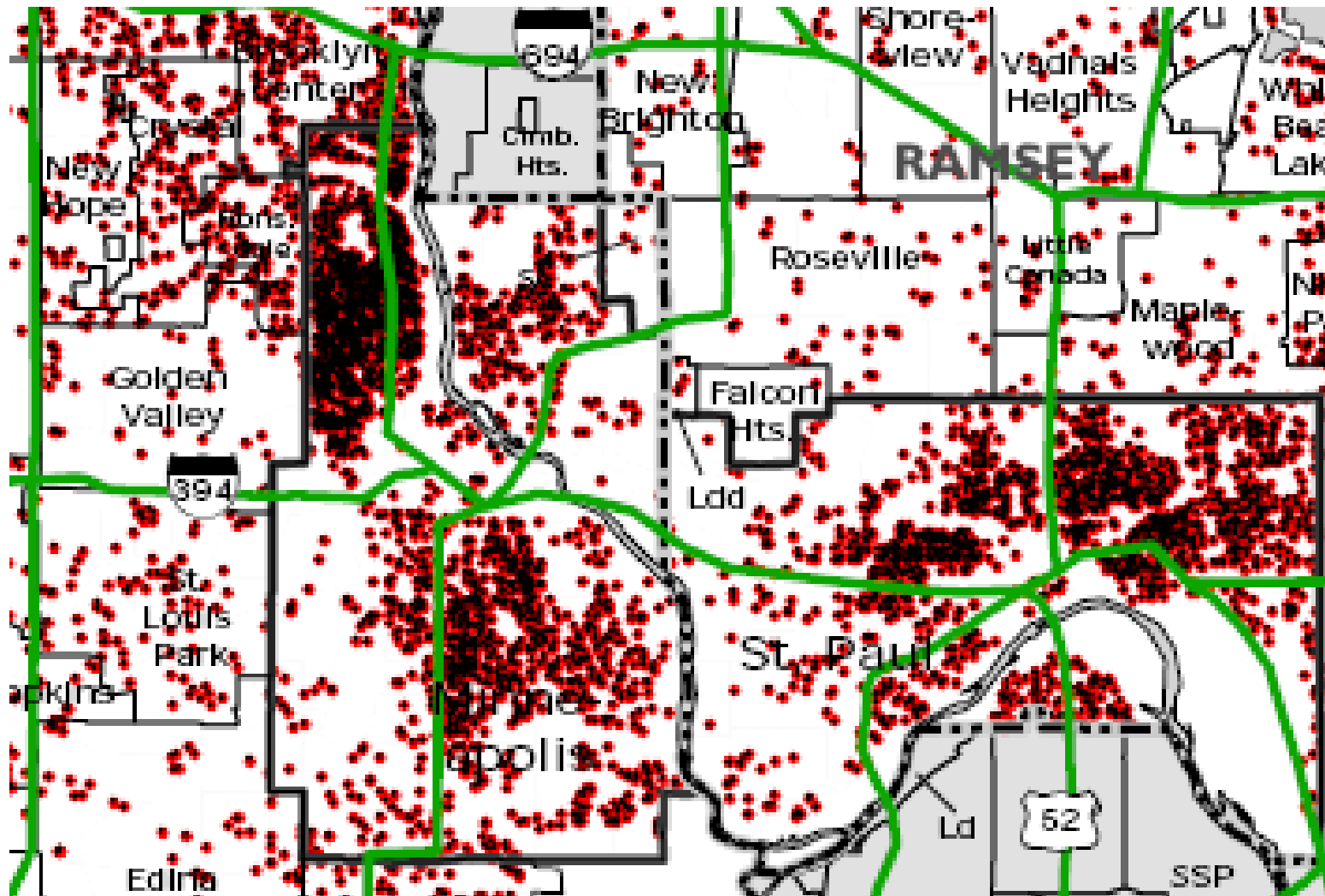
Institute on Race and Poverty, *Communities in Crisis: Race and Mortgage Lending In The Twin Cities* at p. 31 (February 2009)

# Subprime lending by census tract



Institute on Race and Poverty, *Communities in Crisis: Race and Mortgage Lending In The Twin Cities* at p. 32 (February 2009)

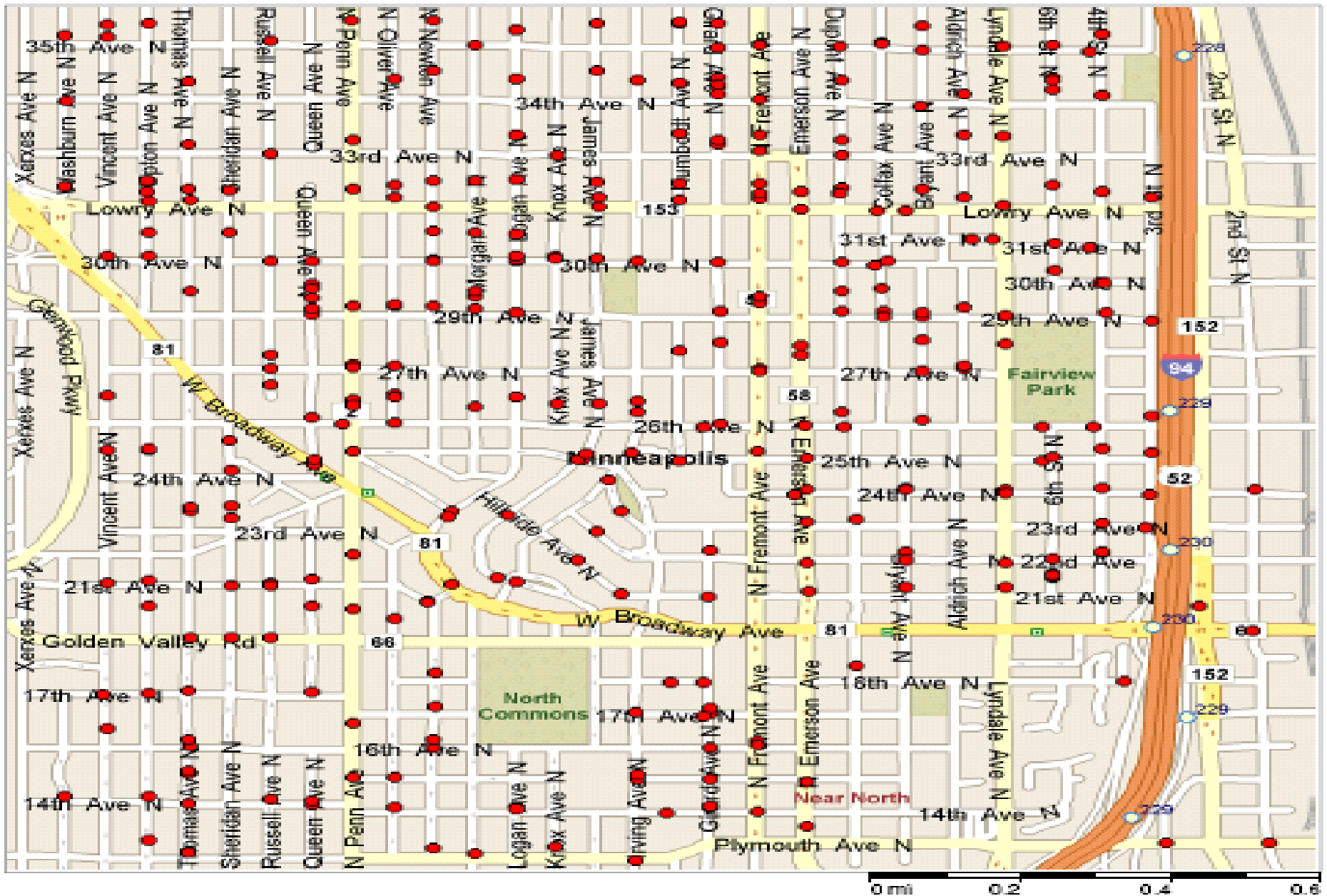
# Foreclosures by census tract



Institute on Race and Poverty, *Communities in Crisis: Race and Mortgage Lending In The Twin Cities* at p. 30 (February 2009)

# A CONCENTRATION OF FORECLOSURES

Homes Currently in Foreclosure As Of December 2006 in North Minneapolis



# DEFINING “FAIR RECOVERY”

- Recovery fund investments must be marked by full transparency and accountability
- Families and communities hit hardest by the economic crisis merit focused attention in the recovery process
- Investments must promote equity and expand opportunity for all

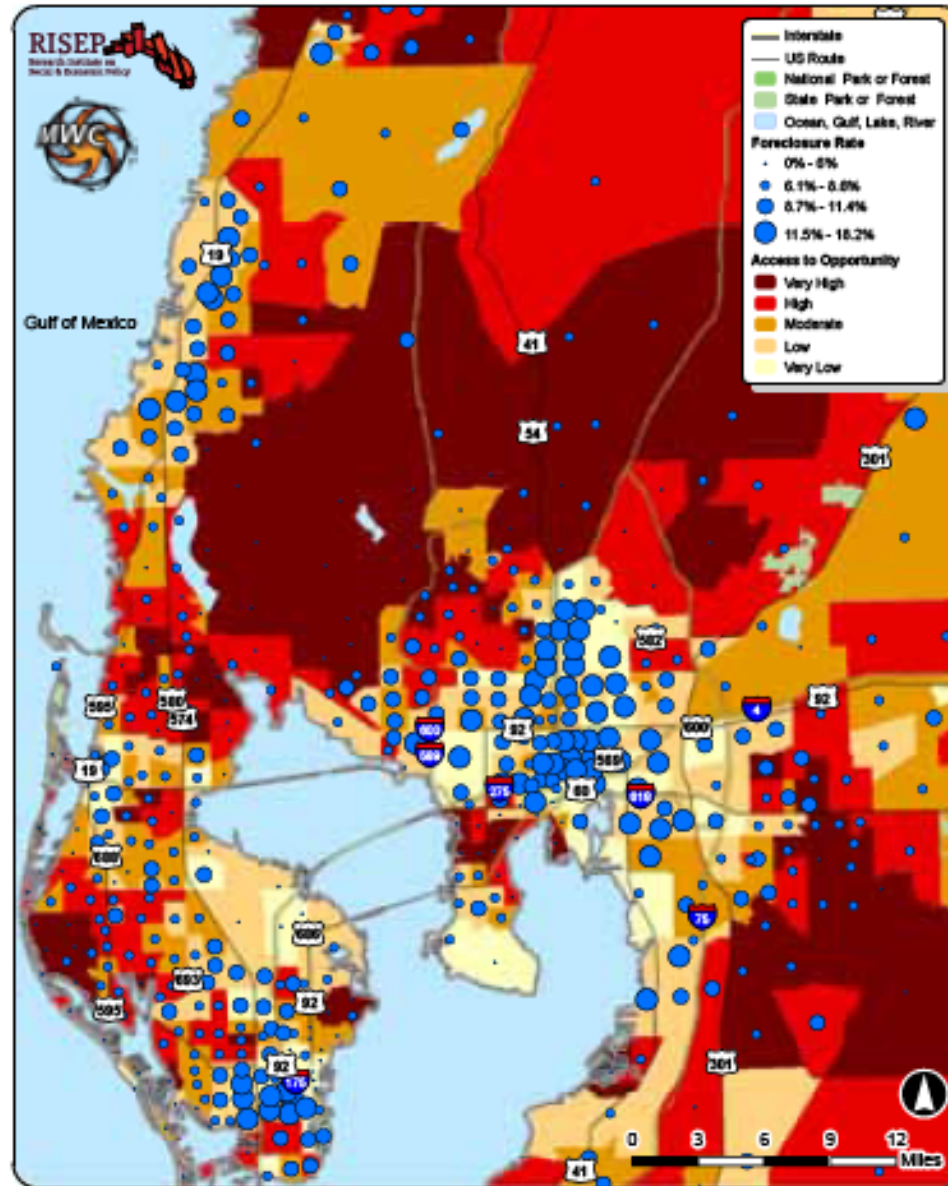
# TRANSPARENCY AND TRACKING



# Tampa Foreclosure and Opportunity



Sources: U.S. Census Bureau, HUD User, Florida Dept. of Education, Environmental Protection Agency



# FOCUS AND ATTENTION



- Community Organizing
- Leveraging Opportunities and Funds
- Awareness within government agencies at various levels

# Promoting Equality



- Understanding the concept of equality as an organizational mission

# Thanks/Citations

- University of Minnesota, Institute on Race and Poverty
- Kirwin Institute for Study of Race and Ethnicity
- HousingLink
- Minnesota Foreclosure Partner's Council

# HOMES FOR ALL: ENSURING A FAIR RECOVERY

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# Adopt a “Fair Recovery Mission Statement” For The State of Minnesota

Economic recovery can serve all Americans fairly and effectively, or it can create and perpetuate unfairness and inequality based on race, gender, or other aspects of who we are. Minnesota economic recovery efforts shall be guided by three principles:

- Recovery fund investments must be marked by full transparency and accountability
- Families and communities hit hardest by the economic crisis merit focused attention in the recovery process
- Investments must promote equity and expand opportunity for all



# **Create Benchmarks For A Fair Minnesota Recovery**



# **Issue Quarterly Reports Related To Minnesota's Fair Recovery**