

# FINDINGS: LOST WEALTH DUE TO FORECLOSURES IN 2012

## FORECLOSURES DRIVE WIDENING WEALTH GAP, DETERIORATION OF COMMUNITIES

With so much personal wealth tied up in property values, people of color are disproportionately impacted in a foreclosure crisis. A Center for Responsible Lending study found that, over the course of the Great Recession, Black borrowers were 76% more likely and Latino borrowers 71% more likely to have lost their homes to foreclosure than White borrowers.<sup>38</sup> Per 10,000 loans, 790 resulted in foreclosures for Black families and 769 for Latino families, compared to 452 for White families. Racial disparities hold even when controlling for income.<sup>39</sup>

Disparate racial impacts of foreclosures manifest in different ways. Repossessed properties are more heavily concentrated in neighborhoods with higher shares of residents of color, for example.<sup>40</sup> And there are wide disparities in how foreclosed homes are maintained, impacting home values for entire neighborhoods. For instance, one investigation found bank-owned, foreclosed properties in communities of color were 42% more likely to have more than 15 maintenance problems than properties in White communities, 34% more likely to be found with trash and debris on the property, and 82% more likely to have broken or boarded windows.<sup>41</sup>

## WASTED WEALTH: 2012 NATIONAL FINDINGS

TOTAL LOST WEALTH, UNITED STATES, 2012

# \$192.6 BILLION

### LOST WEALTH, PER HOUSEHOLD, UNITED STATES, 2012

All Communities	Majority Communities of Color	Above Average % People of Color	Segregated White Communities
\$1,700	\$2,200	\$2,000	\$1,300

The inequitable impacts described above drain wealth from communities. Wasted Wealth uses the following formula to calculate this lost wealth:

$$\begin{aligned} & \text{DECLINE IN PROPERTY VALUES OF FORECLOSED HOMES} \\ & \text{DECLINE IN PROPERTY VALUES OF NEIGHBORING HOMES} \\ + & \text{COST TO TAXPAYERS} \\ \hline = & \text{TOTAL LOST WEALTH} \end{aligned}$$

For more information on how these were calculated, please reference the "Methodology" section on Page 14.

FOR A STATE-BY-STATE BREAKDOWN OF LOST WEALTH, SEE **APPENDIX A.**

FOR A STATE-BY-STATE  
BREAKDOWN OF  
FORECLOSURES  
PER 1,000  
HOUSEHOLDS,  
SEE **APPENDIX B.**

## **FORECLOSURE IMPACTS ACROSS ALL COMMUNITIES**

There is compelling evidence that the foreclosure crisis has not abated, according to 2012 post-recession data from RealtyTrac. Indeed, the foreclosure crisis continued to destroy wealth on a large scale in 2012, with \$192.6 billion in wealth lost due to foreclosures across the country. Lost wealth per each foreclosure nationally was \$131,200.

But the impact of foreclosures isn't isolated to the homeowner; it is felt across the community in the form of depressed property values and costs to taxpayers, including the municipal cost of maintaining foreclosed homes and total impact on property taxes. In 2012, each of the country's 114.7 million households averaged \$1,700 in lost wealth.

## **FORECLOSURE IMPACTS IN COMMUNITIES WITH ABOVE AVERAGE POPULATIONS OF PEOPLE OF COLOR**

A disproportionate share of the damage from foreclosures in 2012 occurred in communities with above average populations of people of color. In ZIP codes with above average people of color populations (greater than the national average of 16%) there was an average of 15 foreclosures per thousand households, 1.6 times the foreclosure rate for ZIP codes with segregated White populations (those in which greater than 84% of residents identify as "White, Non Hispanic"). The average lost wealth per household in above average percentage people of color ZIP codes was \$2,000 — 59% more than the average lost wealth of \$1,300 in segregated White ZIP codes.

## **FORECLOSURE IMPACTS IN MAJORITY COMMUNITIES OF COLOR**

The most devastating impacts of the ongoing foreclosure crisis were in communities where more than 50% of the population is people of color. ZIP codes with majority people of color populations saw 17 foreclosures per thousand households. The average lost wealth per household in majority people of color ZIP codes was \$2,200. This is over 1.7 times the average lost wealth of \$1,300 in segregated White ZIP codes.

While this study focuses on the economic impacts of foreclosures, it is important to note that there are other ways families and communities suffer from foreclosures, including displacement and housing instability, financial insecurity, personal and family stress, ill health, and the deterioration of local public services.<sup>42</sup>

### **FORECLOSURE RATE, PER 1,000 HOUSEHOLDS, UNITED STATES, 2012**

All Communities	Majority Communities of Color	Above Average % People of Color	Segregated White Communities
13	17	15	10

---

# FINDINGS: FORECLOSURES-IN-WAITING POSE A CONTINUING THREAT

## FORECLOSURES-IN-WAITING: NATIONAL FINDINGS

While the foreclosure crisis has already caused great harm to communities, there is evidence that more is to come. Looking back at data starting in 2004, a 2011 Center for Responsible Lending report found that the country was not even halfway through the foreclosure crisis.<sup>43</sup>

In all ZIP codes where data is available, there are currently at least 13.2 million underwater mortgages.<sup>44</sup> There is a strong connection between underwater mortgages and foreclosures — a CBO study found homeowners with underwater mortgages owned or guaranteed by Fannie Mae and Freddie Mac are six times as likely to be “seriously delinquent” than Fannie and Freddie homeowners who are not underwater.<sup>47</sup> These underwater homeowners are on the path toward foreclosure.

The same CBO study estimates that 13% of underwater borrowers with Fannie Mae and Freddie Mac loans are already “seriously delinquent.” Applying that estimate to the 13.2 million underwater mortgages, we are able to approximate the number of foreclosures-in-waiting.<sup>46</sup> Employing the lost wealth methodology to these foreclosures-in-waiting, we find that Americans overall stand to lose nearly \$221 billion in wealth just from underwater mortgages already well along the path toward foreclosure.

TOTAL LOST WEALTH, FORECLOSURES IN WAITING, UNITED STATES, 2012

---

# \$220.7 BILLION

# APPENDIX A: LOST WEALTH

TOTAL LOST WEALTH, UNITED STATES, 2012

# \$192.6 BILLION

## LOST WEALTH, PER HOUSEHOLD, UNITED STATES, 2012

All Communities	Majority Communities of Color	Above Avg % People of Color	Segregated White Communities
\$1,700	\$2,200	\$2,000	\$1,300

STATE	TOTAL LOST WEALTH		LOST WEALTH PER HOUSEHOLD		
	All Communities	All Communities	Majority Communities of Color	Above Avg. % People of Color	Segregated White Communities
ALABAMA	\$2,351,000,000	\$1,300	\$1,800	\$1,400	\$1,200
ALASKA	\$212,400,000	\$850	\$120	\$830	\$910
ARIZONA	\$9,710,000,000	\$4,100	\$380	\$4,500	\$3,600
ARKANSAS	\$597,400,000	\$530	\$690	\$550	\$520
CALIFORNIA	\$37,110,000,000	\$3,000	\$2,900	\$3,000	\$2,800
COLORADO	\$4,740,000,000	\$2,400	\$4,700	\$2,900	\$2,200
CONNECTICUT	\$722,800,000	\$530	\$730	\$650	\$440
DELAWARE	\$498,000,000	\$1,500	\$2,200	\$1,600	\$1,000
DIST. OF COLUMBIA	\$20,340,000	\$80	\$120	\$80	\$10
FLORIDA	\$21,250,000,000	\$3,000	\$3,400	\$3,200	\$2,600
GEORGIA	\$13,830,000,000	\$4,000	\$5,300	\$4,000	\$3,600
HAWAII	\$173,900,000	\$390	\$390	\$390	—
IDAHO	\$834,200,000	\$1,500	\$150	\$630	\$1,500
ILLINOIS	\$12,690,000,000	\$2,700	\$4,400	\$3,400	\$1,700
INDIANA	\$4,340,000,000	\$1,800	\$3,100	\$2,500	\$1,500
IOWA	\$1,130,000,000	\$930	\$2,400	\$1,600	\$830
KANSAS	\$1,090,000,000	\$980	\$2,100	\$1,400	\$770
KENTUCKY	\$1,150,000,000	\$680	\$2,900	\$1,600	\$450
LOUISIANA	\$1,760,000,000	\$1,000	\$1,400	\$1,000	\$1,100
MAINE	\$195,200,000	\$360	—	\$110	\$360
MARYLAND	\$1,550,000,000	\$730	\$1,100	\$800	\$470
MASSACHUSETTS	\$1,890,000,000	\$750	\$1,100	\$770	\$740
MICHIGAN	\$10,110,000,000	\$2,600	\$4,200	\$3,200	\$2,300
MINNESOTA	\$3,270,000,000	\$1,600	\$3,600	\$2,200	\$1,300
MISSISSIPPI	\$459,700,000	\$420	\$400	\$420	\$470

STATE	TOTAL LOST WEALTH		LOST WEALTH PER HOUSEHOLD		
	All Communities	All Communities	Majority Communities of Color	Above Avg. % People of Color	Segregated White Communities
MISSOURI	\$3,090,000,000	\$1,300	\$3,400	\$2,300	\$930
MONTANA	\$185,000,000	\$460	\$50	\$230	\$480
NEBRASKA	\$318,500,000	\$450	\$1,000	\$800	\$370
NEVADA	\$3,730,000,000	\$3,800	\$4,300	\$4,100	\$2,500
NEW HAMPSHIRE	\$915,800,000	\$1,800	—	\$1,900	\$1,800
NEW JERSEY *	\$1,190,000,000	\$380	\$530	\$390	\$350
NEW MEXICO	\$359,900,000	\$470	\$90	\$490	\$410
NEW YORK *	\$780,500,000	\$110	\$110	\$110	\$100
NORTH CAROLINA	\$4,280,000,000	\$1,200	\$2,000	\$1,300	\$890
NORTH DAKOTA	—	\$40	—	—	\$50
OHIO	\$9,550,000,000	\$2,100	\$3,400	\$2,900	\$1,700
OKLAHOMA	\$1,140,000,000	\$800	\$1,300	\$830	\$640
OREGON	\$1,710,000,000	\$1,100	—	\$1,300	\$1,100
PENNSYLVANIA	\$3,850,000,000	\$780	\$1,600	\$1,300	\$580
RHODE ISLAND	\$515,100,000	\$1,300	\$2,700	\$1,600	\$1,000
SOUTH CAROLINA	\$2,620,000,000	\$1,500	\$1,100	\$1,400	\$1,800
SOUTH DAKOTA	\$115,800,000	\$370	—	\$360	\$370
TENNESSEE	\$3,330,000,000	\$1,400	\$2,100	\$1,700	\$1,100
TEXAS	\$10,620,000,000	\$1,200	\$2,000	\$1,400	\$860
UTAH	\$1,010,000,000	\$1,200	—	\$1,700	\$1,100
VERMONT	\$40,190,000	\$160	—	\$480	\$160
VIRGINIA	\$3,530,000,000	\$1,200	\$1,800	\$1,300	\$740
WASHINGTON	\$3,920,000,000	\$1,500	\$1,200	\$1,600	\$1,400
WEST VIRGINIA	\$176,300,000	\$240	\$0	\$380	\$230
WISCONSIN	\$3,760,000,000	\$1,700	\$2,900	\$2,300	\$1,500
WYOMING	\$121,800,000	\$560	—	\$480	\$570

## NOTES

\* The 2012 RealtyTrac dataset from which these findings were derived was compiled through locally kept data sources. Data can be difficult to obtain in less-populated areas where there is a lack of centralized services. A few outlier states — including Idaho, Maine and Montana — recorded a small number of areas with above average people of color percentages, creating small samples that contribute to less-than-expected disparities in those areas. (Inversely, some areas, like Hawaii and the District of Columbia, showed no or few Segregated White Communities.)

In our study, we define a foreclosed home as one that has received a Notice of Trustee's Sale or Notice of Foreclosure Sale, or is in Real Estate Owned (REO) status. At least 17 states report significant numbers of properties (nearly half a million) for which foreclosures have commenced but are not yet properties that are at the stage of sale through foreclosure. Those properties, as well as properties that are delinquent but not yet in foreclosure, will significantly exacerbate the lost wealth of communities of color. In particular, foreclosures in New Jersey and New York appear to have been significantly undercounted. (Additionally for New York, because foreclosure proceedings take more than 1,000 days, the counts reported here represent just a fraction of the number of the state's cases pending in foreclosure. A 2013 Empire Justice Center report found that, in the first half of 2012 alone, 159,357 90-day preforeclosure filing notices were sent in New York State.<sup>59</sup>) Given the lack of uniformity of the data reported by RealtyTrac for those states, we present wealth-impact estimates for New York state and New Jersey for methodological consistency, but stress that these numbers are severely understated.

Also, highly populated states tend to show lower-than-average lost wealth per household, partly because lost wealth is absorbed by areas with higher household density levels. Based on state and national patterns, foreclosures tend to concentrate in urban and higher populated areas.

# APPENDIX B: FORECLOSURES

TOTAL LOST WEALTH, FORECLOSURES IN WAITING, UNITED STATES, 2012

# \$220.7 BILLION

## FORECLOSURE RATE, PER 1,000 HOUSEHOLDS, UNITED STATES, 2012

All Communities	Majority Communities of Color	Above Avg % People of Color	Segregated White Communities
13	17	15	10

## FORECLOSURE RATE, PER 1,000 HOUSEHOLDS

STATE	All Communities	Majority Communities of Color	Above Avg. % People of Color	Segregated White Communities
ALABAMA	10	13	10	9
ALASKA	7	1	6	7
ARIZONA	32	3	34	28
ARKANSAS	4	5	4	4
CALIFORNIA	23	23	23	22
COLORADO	19	36	22	17
CONNECTICUT	4	5	5	3
DELAWARE	11	17	12	8
DIST. OF COLUMBIA	1	1	1	0
FLORIDA	23	26	25	20
GEORGIA	30	40	31	27
HAWAII	3	3	3	—
IDAHO	11	1	5	11
ILLINOIS	20	34	26	13
INDIANA	13	24	19	11
IOWA	7	18	12	6
KANSAS	7	16	11	6
KENTUCKY	5	22	12	3
LOUISIANA	8	11	8	9
MAINE	3	0	1	3

## FORECLOSURE RATE, PER 1,000 HOUSEHOLDS

STATE	All Communities	Majority Communities of Color	Above Avg. % People of Color	Segregated White Communities
MARYLAND	6	9	6	4
MASSACHUSETTS	6	9	6	6
MICHIGAN	20	32	24	17
MINNESOTA	12	27	17	10
MISSISSIPPI	3	3	3	4
MISSOURI	10	26	18	7
MONTANA	3	0	2	4
NEBRASKA	3	8	6	3
NEVADA	29	33	31	19
NEW HAMPSHIRE	14	—	14	14
NEW JERSEY	3	4	3	3
NEW MEXICO	4	1	4	3
NEW YORK	1	1	1	1
NORTH CAROLINA	9	15	10	7
NORTH DAKOTA	—	—	—	—
OHIO	16	26	22	13
OKLAHOMA	6	10	6	5
OREGON	9	0	10	8
PENNSYLVANIA	6	13	10	4
RHODE ISLAND	10	20	12	8
SOUTH CAROLINA	11	8	11	14
SOUTH DAKOTA	3	0	3	3
TENNESSEE	10	16	13	9
TEXAS	9	15	10	7
UTAH	9	0	13	8
VERMONT	1	—	4	1
VIRGINIA	9	14	10	6
WASHINGTON	12	9	12	11
WEST VIRGINIA	2	0	3	2
WISCONSIN	13	22	17	11
WYOMING	4	0	4	4

Foreclosures were undercounted in some states in the RealtyTrac dataset. The undercounts are reported here for methodological consistency. See Page 22.

# APPENDIX C: ECONOMIC STIMULUS

ANNUAL STIMULUS WITH PRINCIPAL REDUCTION IN THE U.S.

JOBS CREATED

**\$101.7 BILLION**      **1.5 Million**

TOTAL UNDERWATER HOMES

AVERAGE ANNUAL SAVINGS PER HOMEOWNER

United States . . . . . 13,200,000

United States . . . . . \$7,700

STATE	Total Underwater Homes	Average Monthly Savings per Homeowner	Average Annual Savings per Homeowner	Total Annual Stimulus	Jobs Created
ALABAMA	48,900	\$560	\$6,700	\$326,800,000	4,800
ALASKA	27,500	\$660	\$7,900	\$216,800,000	3,200
ARIZONA	479,000	\$620	\$7,500	\$3,575,100,000	52,800
ARKANSAS	17,700	\$540	\$6,400	\$114,000,000	1,700
CALIFORNIA	1,860,000	\$820	\$9,800	\$18,307,700,000	270,600
COLORADO	332,000	\$660	\$8,000	\$2,638,500,000	39,000
CONNECTICUT	174,000	\$690	\$8,300	\$1,436,400,000	21,200
DELAWARE	45,100	\$630	\$7,600	\$343,100,000	5,100
FLORIDA	1,680,000	\$610	\$7,300	\$12,288,900,000	181,600
GEORGIA	372,000	\$600	\$7,200	\$2,665,900,000	39,400
HAWAII	28,300	\$820	\$9,900	\$279,000,000	4,100
IDAHO	33,700	\$580	\$6,900	\$232,700,000	3,400
ILLINOIS	786,000	\$620	\$7,400	\$5,819,600,000	86,000
INDIANA	95,900	\$520	\$6,200	\$593,900,000	8,800
IOWA	34,900	\$510	\$6,200	\$215,200,000	3,200
KANSAS	420	\$550	\$6,600	\$2,700,000	40
KENTUCKY	16,700	\$530	\$6,400	\$106,500,000	1,600
LOUISIANA	28,900	—	—	—	—
MAINE	—	—	—	—	—
MARYLAND	454,000	\$710	\$8,500	\$3,859,300,000	57,000
MASSACHUSETTS	304,000	\$710	\$8,500	\$2,590,800,000	38,300
MICHIGAN	437,000	\$540	\$6,500	\$2,822,600,000	41,700
MINNESOTA	160,000	\$590	\$7,100	\$1,129,900,000	16,700
MISSISSIPPI	210	—	—	—	—



STATE	Total Underwater Homes	Average Monthly Savings per Homeowner	Average Annual Savings per Homeowner	Total Annual Stimulus	Jobs Created
MISSOURI	275,000	\$550	\$6,600	\$1,810,000,000	26,800
MONTANA	15,700	\$590	\$7,100	\$111,300,000	1,600
NEBRASKA	52,900	\$530	\$6,400	\$338,700,000	5,000
NEVADA	221,000	\$660	\$7,900	\$1,744,500,000	25,800
NEW HAMPSHIRE	—	—	—	—	—
NEW JERSEY	417,000	\$710	\$8,600	\$3,564,600,000	52,700
NEW MEXICO	29,700	\$590	\$7,100	\$211,600,000	3,100
NEW YORK	211,000	\$700	\$8,400	\$1,774,600,000	26,200
NORTH CAROLINA	289,000	\$590	\$7,000	\$2,028,600,000	30,000
NORTH DAKOTA	1,800	\$530	\$6,300	\$11,300,000	200
OHIO	732,000	\$520	\$6,200	\$4,558,000,000	67,400
OKLAHOMA	67,700	\$520	\$6,200	\$418,900,000	6,200
OREGON	234,000	\$630	\$7,600	\$1,780,400,000	26,300
PENNSYLVANIA	395,000	\$560	\$6,700	\$2,667,900,000	39,400
RHODE ISLAND	59,000	\$630	\$7,600	\$445,900,000	6,600
SOUTH CAROLINA	164,000	\$590	\$7,100	\$1,167,000,000	17,200
SOUTH DAKOTA	—	—	—	—	—
TENNESSEE	300,000	\$550	\$6,600	\$1,972,600,000	29,200
TEXAS	1,330,000	\$550	\$6,600	\$8,812,600,000	130,300
UTAH	152,000	\$630	\$7,600	\$1,156,800,000	17,100
VERMONT	—	—	—	—	—
VIRGINIA	225,000	\$730	\$8,800	\$1,976,600,000	29,200
WASHINGTON	478,000	\$690	\$8,200	\$3,933,100,000	58,100
WEST VIRGINIA	930	—	—	—	—
WISCONSIN	101,000	\$560	\$6,700	\$671,100,000	9,900
WYOMING	6,200	—	—	—	—

## NOTES

These projections were based on a Catalist dataset of underwater homes. Some states show some clustering of missing data values that could potentially influence the analysis. While data for states with large/dense urban cores is commonly available, data for lower-density areas is less available. After reviewing the results on a community-by-community basis, it is evident that data for areas with lower household densities show smaller numbers or no foreclosures. Some states, such as Maine, New Hampshire, South Dakota and Wyoming, showed abnormally low numbers. These limitations result in conservative projections and understate the potential economic impact of principal reduction.

# REFERENCES

- 1 Original analysis based on a model for underwater homeowners developed by Catalist, based on data from July 20, 2012.
- 2 Congressional Budget Office, "Modifying Mortgages Involving Fannie Mae and Freddie Mac: Options for Principal Forgiveness" (2013) p. 2 available at: [http://www.cbo.gov/sites/default/files/cbofiles/attachments/44115\\_PrincipalForgiveness\\_onecolumn.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/44115_PrincipalForgiveness_onecolumn.pdf)
- 3 In all, nearly 5 million properties remain on the "non-current" inventory that includes foreclosures and delinquencies according to Lender Processing Services, Inc., See NYE:LPS, "First Look Mortgage Report: March Month-End Data Shows Continued Decline in Delinquency Rate, Slight Drop in Foreclosure Inventory" (April 23, 2013) available at: <http://www.lpsvcs.com/LPSCorporateInformation/NewsRoom/Pages/20130423.aspx>
- 4 Debbie Gruenstein Bocian, Wei Li, and Keith Ernst, "Foreclosures by Race and Ethnicity: The Demographics of a Crisis" Center for Responsible Lending (June 18, 2010) p. 7 available at: <http://www.responsiblelending.org/mortgage-lending/research-analysis/foreclosures-by-race-and-ethnicity.pdf>
- 5 Federal Reserve Board, "The U.S. Housing Market: Current Conditions and Policy Considerations" (2012) available at: <http://federalreserve.gov/publications/other-reports/files/housing-white-paper-20120104.pdf>
- 6 Robert Avery, Glenn Canner, et. al., "New Information Reported Under HMDA and Its Application in Fair Lending Enforcement" Federal Reserve Bulletin (Summer 2005) available at: <http://www.federalreserve.gov/pubs/bulletin/2005/3-05hmda.pdf>
- 7 Mortimer Zuckerman, "Mortimer Zuckerman: The Great Recession has been Followed by the Grand Illusion" The Wall Street Journal (March 25, 2013) available at: <http://online.wsj.com/article/SB10001424127887323393304578364670697613576.html>
- 8 Anthony Giancatarino, "2011 Recession Impact Index: How States Continue to be Burdened by the Recession" Center for Social Inclusion (April 2011) p.4 available at: [http://www.centerforsocialinclusion.org/wp-content/uploads/2012/07/Recession\\_Redux\\_2011\\_FINAL.pdf](http://www.centerforsocialinclusion.org/wp-content/uploads/2012/07/Recession_Redux_2011_FINAL.pdf)
- 9 United States Department of Labor, "The Recession of 2007- 2009" Bureau of Labor Statistics (February 2012) available at: <http://www.bls.gov/spotlight/2012/recession/>
- 10 Christian Weller, Julie Ajinkya, and Jane Farrell, "The State of Communities of Color in the U.S. Economy: Still Feeling the Pain Three Years Into the Recovery" Center for American Progress (April 2012) p. 2 available at: [http://www.americanprogress.org/wp-content/uploads/issues/2012/04/pdf/comm\\_of\\_color.pdf](http://www.americanprogress.org/wp-content/uploads/issues/2012/04/pdf/comm_of_color.pdf)
- 11 Ibid
- 12 Pew Research Center, "Race Gaps Rise to Record Highs Between Whites, Blacks, and Hispanics" Pew Social and Demographic Trends (July 26, 2011) p. 3 available at: [http://www.pewsocialtrends.org/files/2011/07/SDT-Wealth-Report\\_7-26-11\\_FINAL.pdf](http://www.pewsocialtrends.org/files/2011/07/SDT-Wealth-Report_7-26-11_FINAL.pdf)
- 13 Ibid, p. 1.
- 14 Center for Responsible Lending, "Lost Ground, 2011: Disparities in Mortgage Lending and Foreclosures" (November 17, 2011) available at: <http://www.responsiblelending.org/mortgage-lending/research-analysis/lost-ground-2011.html>
- 15 Michael Powel, "Bank Accused of Pushing Mortgage Deals on Blacks" New York Times (June 6, 2009) available at: <http://www.nytimes.com/2009/06/07/us/07baltimore.html>
- 16 Andrew Jakobovics and Jeff Chapman, "Unequal Opportunity Lenders? Analyzing Racial Disparities in Big Banks" Center for American Progress (September 2009) p. 1 available at: [http://www.americanprogress.org/issues/2009/09/pdf/tarp\\_report.pdf](http://www.americanprogress.org/issues/2009/09/pdf/tarp_report.pdf)
- 17 Tamara Jayasundera, Joshua Silver, et al., "Foreclosure in the Nation's Capital: How Unfair and Reckless Lending Undermines Homeownership" National Community Reinvestment Coalition (April 2010) p. 3 available at: [http://www.ncrc.org/images/stories/pdf/research/ncrc\\_foreclosure\\_paper\\_final.pdf](http://www.ncrc.org/images/stories/pdf/research/ncrc_foreclosure_paper_final.pdf)
- 18 Manny Fernandez, "Study Finds Disparities in Mortgages by Race" New York Times (October 15, 2007) available at: <http://www.nytimes.com/2007/10/15/nyregion/15subprime.html>
- 19 Ibid
- 20 H.R. 1424 p. 25 available at: [http://www.house.gov/apps/list/press/financialsvcs\\_dem/essabill.pdf](http://www.house.gov/apps/list/press/financialsvcs_dem/essabill.pdf)
- 21 Christopher Solomon, "Critics Say Bailout Offers Little Help for Homeowners" MSN Real Estate (October 2008) available at: <http://realestate.msn.com/article.aspx?cp-documentid=13107767>
- 22 Neil Barofsky, "Geithner Said Housing Policies Were Foaming the Runway for the Banks" Morning Joe Interview, posted (July 20, 2012) available at: <http://youtu.be/g5uMtZg1As>
- 23 Mark Gongloff, "Timothy Geithner's Treasury Department Ignored Warnings of Mortgage Fraud: Book" The Huffington Post (July 20, 2012) available at: [http://www.huffingtonpost.com/2012/07/20/timothy-geithner-neil-barofsky\\_n\\_1686693.html](http://www.huffingtonpost.com/2012/07/20/timothy-geithner-neil-barofsky_n_1686693.html)
- 24 Annie Lowrey, "Treasury Faulted in Effort to Relieve Homeowners" The New York Times (April 12, 2012) available at: <http://www.nytimes.com/2012/04/12/business/economy/treasury-department-faulted-in-effort-to-relieve-homeowners.html>
- 25 Loren Berlin, "TARP Bailout Money Fails to Reach Neediest Homeowners After Two Years: Report" The Huffington Post (April 12, 2012) available at: [http://www.huffingtonpost.com/2012/04/12/tarp-bailout-money-report\\_n\\_1418420.html](http://www.huffingtonpost.com/2012/04/12/tarp-bailout-money-report_n_1418420.html)
- 26 Bob Ivry, Bradley Keoun, and Phil Kuntz, "Secret Fed Loans Gave Banks \$13 Billion Undisclosed to Congress" Bloomberg (November 27, 2011) available at: <http://www.bloomberg.com/news/2011-11-28/secret-fed-loans-undisclosed-to-congress-gave-banks-13-billion-in-income.html>
- 27 Congressional Budget Office, "Modifying Mortgages Involving Fannie Mae and Freddie Mac: Options for Principal Forgiveness" (2013) p. 2 available at: [http://www.cbo.gov/sites/default/files/cbofiles/attachments/44115\\_PrincipalForgiveness\\_onecolumn.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/44115_PrincipalForgiveness_onecolumn.pdf)
- 28 Christopher Matthews, "Why is Ed DeMarco Blocking a Win-Win Housing Program?" Time (August 1, 2012) available at: <http://business.time.com/2012/08/01/why-is-ed-demarco-blocking-a-win-win-housing-program/>
- 29 Board of Governors of the Federal Reserve System, "Flow of Funds Accounts of the United States" Federal Reserve Statistical Release (March 7, 2013) available at: <http://www.federalreserve.gov/releases/z1/Current/z1.pdf>
- 30 Chris Rugaber, "U.S. Net worth Back to Pre-Recession Level" USA Today (March 7, 2013) available at: <http://www.usatoday.com/story/money/business/2013/03/07/fed-household-net-worth/1970873/>
- 31 Rick Newman, "As the Economy Recovers, the Wealth Gap Widens"

- US News (April 11, 2012) available at: <http://www.usnews.com/news/blogs/rick-newman/2013/03/11/as-the-economy-recovers-the-wealth-gap-widens>
- 32 Tim Sullivan Maz Ali, Carlos Perez, et al., "State of the Dream 2013: A Long Way Home" United for a Fair Economy (2013) p. 2 available at: <http://faireconomy.org/sites/default/files/SOD2013.pdf>
- 33 G. William Domhoff, "Who Rules America" University of California at Santa Cruz (September 2005) at Financial (Non-Home)Table available at: <http://www2.ucsc.edu/whorulesamerica/power/wealth.html>
- 34 Chris Rugaber, "U.S. Net worth Back to Pre-Recession Level" USA Today (March 7, 2013) available at: <http://www.usatoday.com/story/money/business/2013/03/07/fed-household-net-worth/1970873/>
- 35 Emily Jane Fox, "Another Record Close for DOW and S&P 500" CNN Money (April 11, 2013) available at: <http://www.money.cnn.com/2013/04/11/investing/stocks-markets/>
- 36 Federal Reserve Economic Data, "Graph: Personal Consumption Expenditures (PCE)/Gross Domestic Product, 1 Decimal (GDP)" Federal Reserve Bank of St. Louis (2013) available at: <http://research.stlouisfed.org/fred2/graph/?g=hh3>
- 37 Richard Fry and Paul Taylor, "A Rise in Wealth for the Wealthy; Declines for the Lower 93%, An Uneven recovery, 2009-2011" Pew Research Social and Demographic Trends (April 23, 2013) available at: <http://www.pewsocialtrends.org/2013/04/23/a-rise-in-wealth-for-the-wealthydeclines-for-the-lower-93/>
- 38 Debbie Gruentstein Bocian, Wei Li, and Keith Ernst, "Foreclosures By Race and Ethnicity: The Demographics of a Crisis" Center for Responsible Lending (June 18, 2010) p. 8 available at: <http://www.responsiblelending.org/mortgage-lending/research-analysis/foreclosures-by-race-and-ethnicity.pdf>
- 39 Ibid, p. 2
- 40 Ingrid Ellen, Josiah Madar, and Mary Weselcouch, "What's Really Happening to the REO Stock? An Analysis of Three Cities: New York, Atlanta, and Miami" Furman Center for Real Estate and Urban Policy and Wagner School New York University (May 25, 2012) available at: [http://www.pewstates.org/uploadedFiles/PCS\\_Assets/2012/Real\\_Estate\\_Owned\\_Properties.pdf](http://www.pewstates.org/uploadedFiles/PCS_Assets/2012/Real_Estate_Owned_Properties.pdf)
- 41 National Fair Housing Alliance, "The Banks are Back- Our Neighborhoods Are Not: Discrimination in the Maintenance and Marketing of REO Properties" (2012) pp. 2-3 available at: [http://www.nationalfairhousing.org/Portals/33/the\\_banks\\_are\\_back\\_web.pdf](http://www.nationalfairhousing.org/Portals/33/the_banks_are_back_web.pdf)
- 42 G. Thomas Kingsley, Robin Smith, David Price, "The Impacts of Foreclosures on Families and Communities" The Urban Institute (May 2009) pp. 3-4 available at: [http://www.urban.org/UploadedPDF/411909\\_impact\\_of\\_forclosures.pdf](http://www.urban.org/UploadedPDF/411909_impact_of_forclosures.pdf)
- 43 Gruenstein Bocian, Wei Li, et. al., "Lost Ground, 2011: Disparities in Mortgage Lending and Foreclosures" Center for Responsible Lending and Center for Community Capital, University of North Carolina Chapel Hill (November 2011) p. 3 available at: <http://www.responsiblelending.org/mortgage-lending/research-analysis/Lost-Ground-2011.pdf>
- 44 Original analysis based on a model for underwater homeowners developed by Catalist, current as of July 20, 2012.
- 45 Mitchell Rey and Damien Moore, "Modifying Mortgages Involving Fannie Mae and Freddie Mac: Options for Principal Forgiveness" Congressional Budget Office (May 2013) p. 2 available at: [http://www.cbo.gov/sites/default/files/cbofiles/attachments/44115\\_PrincipalForgiveness\\_onecolumn.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/44115_PrincipalForgiveness_onecolumn.pdf)
- 46 Original analysis based on a model for underwater homeowners developed by Catalist, current as of July 20, 2012.
- 47 Desiree Hatcher, "Foreclosure Alternatives: A Case for Preserving Homeownership" Profitwise News and Views (February 2006) p.2 available at: [http://qa.chicagofed.org/digital\\_assets/publications/profitwise\\_news\\_and\\_views/2006/02\\_2006\\_foreclosure\\_alt.pdf](http://qa.chicagofed.org/digital_assets/publications/profitwise_news_and_views/2006/02_2006_foreclosure_alt.pdf)
- 48 Joint Economic Committee, "Economic Fact Sheet: Sheltering Neighborhoods from the Subprime Foreclosure Storm" (June 22, 2007) available at: [http://www.jec.senate.gov/public/?a=Files.Serve&File\\_id=389d9fc3-d503-4168-9b11-2d73f3757ca8](http://www.jec.senate.gov/public/?a=Files.Serve&File_id=389d9fc3-d503-4168-9b11-2d73f3757ca8)
- 49 Taken from the American Community Survey 2005-2007 3-year estimate, prior to the Great Recession.
- 50 The Value of Foreclosed Property, Anthony Pennington-Cross, Marquette University, <http://alturl.com/v6bfz>.
- 51 The External Costs of Foreclosure: The Impact of Single-Family Mortgage Foreclosures on Property Values. Dan Immergluck, Georgia Institute of Technology and Geoff Smith, Woodstock Institute.
- 52 Property tax rates: U.S. Census Bureau; Tax Foundation calculations.
- 53 William Apgar, Mark Duda, Rochelle Gorey, "The Municipal Cost of Foreclosures: A Chicago Case Study" Homeownership Preservation Foundation (February 27, 2005) available at: [http://www.995Shope.org/wp-content/uploads/2011/07/Apgar\\_Duda\\_Study\\_Full\\_Version.pdf](http://www.995Shope.org/wp-content/uploads/2011/07/Apgar_Duda_Study_Full_Version.pdf)
- 54 Mitchell Rey and Damien Moore, "Modifying Mortgages Involving Fannie Mae and Freddie Mac: Options for Principal Forgiveness" Congressional Budget Office (May 2013) p. 2 available at: [http://www.cbo.gov/sites/default/files/cbofiles/attachments/44115\\_PrincipalForgiveness\\_onecolumn.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/44115_PrincipalForgiveness_onecolumn.pdf)
- 55 Zillow (2013). Nearly 2 million American homeowners freed from negative equity in 2012. <http://www.zillowblog.com/research/2013/02/20/nearly-2-million-american-homeowners-freed-from-negative-equity-in-2012/>
- 56 CoreLogic (2013). CoreLogic reports 1.4 million borrowers returned to "positive equity" year to date through the end of the third quarter 2012.
- 57 The New Bottom Line (2011). The win/win solution: How fixing the housing crisis will create one million jobs. [http://www.newbottomline.com/download\\_report\\_the\\_win\\_win\\_solution](http://www.newbottomline.com/download_report_the_win_win_solution)
- 58 Ibid.
- 59 Michael L. Hanley, Ruhi Maker, Barbara Van Kerkhove, "The Long Island Foreclosure Crisis: Stabilizing the communities most impacted by foreclosures in Nassau and Suffolk Counties," Empire Justice Center p. 2 available at: <http://www.empirejustice.org/assets/pdf/publications/reports/li-foreclosure-report-42013/li-foreclosure-report-exec.pdf>

