

Snapshot of a Foreclosure Crisis – 15 Fast Facts (August 2009)

1. Number of loans already lost to foreclosure	1.5 million
2. Projected foreclosures on all types of loans during the next 5 years	13 million
3. Portion of all homeowners late on their mortgage	1 in 10
4. Portion of homes where owners owe more than property value	Nearly 1 in 5
5. Drop in residential lending from 2008 compared to 2007	Over a trillion
6. Between 2006 and 2008, % decline in existing home sales	24%
7. Between 2006 and 2008, % decline in new home sales	54%
8. Between 2006 and 2008, % decline in new construction	58%
9. In 2009, number of neighboring homes that will lose property value because of nearby foreclosures	69+ million
10. Average price decline per home ('09)	\$7,200
11. Total property value lost because of nearby foreclosures ('09)	\$502 billion
12. % of 2006 subprime loans that went to people who could have qualified for prime loans with better terms	61%
13. Typical rate difference between a 30-year, fixed mortgage and the initial rate of aggressively marketed ARM loans	half to 8/10%
14. Cumulative default rate for recent subprime borrowers with a similar risk profile to borrowers with lower-rate loans	More than 3x higher
15. During first four years of a loan, the typical extra cost paid by subprime borrowers who get a loan from a mortgage broker, compared to other borrowers with similar characteristics	\$5,222

Sources

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5. *National Mortgage News* (March 9, 2009).
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7. US Census Bureau, note 6.
8. US Census Bureau, note 6.
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11. CRL, Credit Suisse, Moody's Economy.com, MBA; note 9.
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