



# The Impact of Court-Supervised Modifications on Subprime Foreclosures VERMONT

## Projected Foreclosure Impact in Vermont

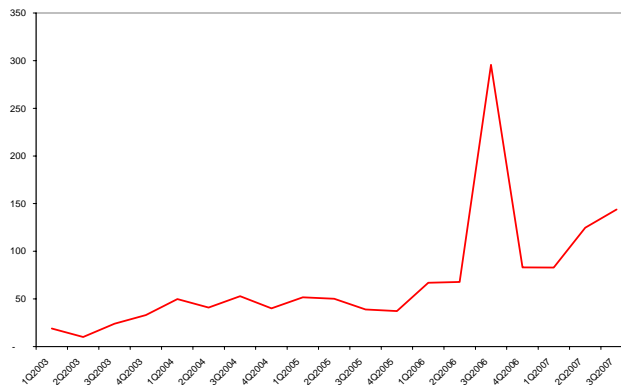
Foreclosures expected to occur (primarily 2008-2009)	2,122 homes lost
Spillover impact:	
Surrounding homes suffering price declines caused by nearby foreclosures	6,460 homes
Decrease in home values/tax base	\$22 million
Average decrease in home value per unit affected	\$3,364

## Expected benefit of court-supervised modifications for Vermont families

Reduced foreclosures	531 <b>fewer</b> homes lost
Savings in home values/tax base	\$5 million <b>saved</b>

## Need to act now because the problem is worsening

State Subprime Foreclosure Starts (2003-2007)



**Note:** Original CRL projections of subprime foreclosures and spillover impact updated to reflect newer estimates of subprime defaults as reported by Merrill Lynch (The Market Economist, December 14, 2007) and Moody's Economy.com (<http://judiciary.house.gov/media/pdfs/Zandi080129.pdf>). Additionally, foreclosure estimates calculated using outstanding subprime loans reported by the MBA in its 3Q 2007 National Delinquency Survey; latter is also the source for the subprime foreclosure starts. Spillover results do not include areas outside of metropolitan statistical areas. CRL reports on subprime foreclosures and spillover impact available at <http://www.responsiblelending.org/issues/mortgage/research/page.jsp?itemID=31217189> and <http://www.responsiblelending.org/issues/mortgage/research/subprime-spillover.html>