



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

## Projected Foreclosure Impact in Virginia

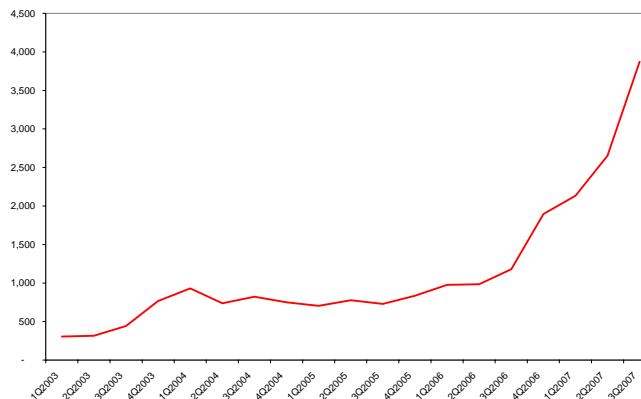
Foreclosures expected to occur (primarily 2008-2009)	62,174 homes lost
Spillover impact:	
Surrounding homes suffering price declines caused by nearby foreclosures	1,035,979 homes
Decrease in home values/tax base	\$7 billion
Average decrease in home value per unit affected	\$6,712

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

Reduced foreclosures	15,543 <b>fewer</b> homes lost
Savings in home values/tax base	\$1.7 billion <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 Moody's Economy.com (Testimony of Mark Zandi, Chief Economist, before the House Subcommittee on Commercial and Administrative Law Hearing on "The Growing Mortgage Foreclosure Crisis: Identifying Solutions and Dispelling Myths" January 29, 2008) and Merrill Lynch (The Market Economist, December 14, 2007). 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/>