



# The Impact of Court-Supervised Modifications on Subprime Foreclosures NORTH CAROLINA

## Projected Foreclosure Impact in North Carolina

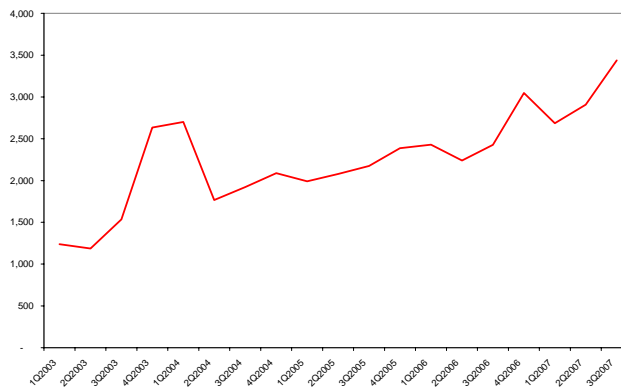
Foreclosures expected to occur (primarily 2008-2009)	53,254 homes lost
Spillover impact:	
Surrounding homes suffering price declines caused by nearby foreclosures	332,375 homes
Decrease in home values/tax base	\$861 million
Average decrease in home value per unit affected	\$2,592

## Expected benefit of court-supervised modifications for North Carolina families

Reduced foreclosures	13,314 <b>fewer</b> homes lost
Savings in home values/tax base	\$215 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/>