Foreclosure Counseling: Areas of Greatest Need

CRL Research Brief
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Five years into the foreclosure crisis, borrowers across the country are still struggling with their mortgage payments, and are seeking out the help of housing counselors to help them manage their finances and guide them through the loan modification process. Between 2008 and 2011, the National Foreclosure Mitigation Counseling Program assisted nearly 1.2 million homeowners with foreclosure counseling, and provided mortgage-related legal assistance to more than 32,000 homeowners.[1] Below, we provide an analysis of "Areas of Greatest Need," based on the methodology used in previous rounds of the National Foreclosure Mitigation Counseling Program.[2] The goal of this analysis is to help identify which metropolitan and rural areas have been hardest hit by the foreclosure crisis and remain areas of greatest need for additional foreclosure counseling resources.

Determination of Areas of Greatest Need

The following criteria were used to determine areas of greatest need:

Non-Prime, Owner Occupied Loans	Prime, Owner Occupied Loans
Number of non-prime loans that are 30-90 days delinquent	Number of prime loans that are 30-90 days delinquent
Percent of non-prime loans that are 30-90 days delinquent	Percent of prime loans that are 30-90 days delinquent
Percent of non-prime loans that are in the foreclosure process or REO	Percent of prime loans that are in the foreclosure process or REO
Percent of loans originated between 2004 and 2006 that were higher-priced (subprime)	

Metropolitan and micropolitan areas were separately ranked in each category. In the first part of the analysis, every metropolitan area that was in the top quintile for at least one of the criteria was considered an area of greatest need. For rural areas, states where half or more of the micropolitan areas met at least one criterion were considered areas of greatest need. In the second part of the analysis, we limit areas of greatest need as follows: every metropolitan area that was in the top quintile for at least two of the criteria, and for rural areas, states where half or more of the micropolitan areas met at least two criteria.

The percent of higher-priced loans comes from the Home Mortgage Disclosure Act (HMDA), and reflect the percent of owner-occupied loans originated between 2004 and 2006 that were higher-priced, a proxy for subprime. Higher-priced loans are defined as those with rates three or more percentage points higher than the comparable Treasury rate.

Data for non-prime loans comes from BlackBox, which covers over 90% of non-agency pools, including jumbo, subprime and Alt-A mortgages. BlackBox coverage of the U.S. market includes nearly 7,600 deals, over 5,700 of which are active. Loan performance was measured in February of 2011.[3] Data for prime loans comes from Lender Processing Services Analytics Inc. (LPS), which collects loan-level data from servicers. Estimates suggest that LPS has extensive coverage, equal to 66 percent of the first-lien mortgages reported to federal regulators in HMDA data from 2005 through 2008. Non-prime loans in LPS were removed from the analysis. Loan performance was measured in September of 2011.

Overall, data was analyzed for 366 metropolitan and 577 micropolitan areas.[4]

Metropolitan Areas Defined as Areas of Greatest Need

Metropolitan Statistical Area	State	Worst Quintile for at least 1 Measure	Worst Quintile for at least 2 Measures
Anniston-Oxford	AL	X	X
Birmingham-Hoover	AL	X	X
Decatur	AL	X	X
Dothan	AL	X	X
Gadsden	AL	X	X
Mobile	AL	X	X
Montgomery	AL	X	X
Tuscaloosa	AL	X	
Fort Smith	AR-OK	X	
Jonesboro	AR	X	X
Little Rock-North Little Rock-Conway	AR	X	
Pine Bluff	AR	X	X
Lake Havasu City-Kingman	AZ	X	
Phoenix-Mesa-Glendale	AZ	X	X
Prescott	AZ	X	
Tucson	AZ	X	X
Bakersfield-Delano	CA	X	X
El Centro	CA	X	X
Fresno	CA	X	X
Hanford-Corcoran	CA	X	
Los Angeles-Long Beach-Santa Ana	CA	X	X
Madera-Chowchilla	CA	X	
Merced	CA	X	
Modesto	CA	X	X
Oxnard-Thousand Oaks-Ventura	CA	X	X
Riverside-San Bernardino-Ontario	CA	X	X
Sacramento--Arden-Arcade--Roseville	CA	X	X
Salinas	CA	X	X
San Diego-Carlsbad-San Marcos	CA	X	X
San Francisco-Oakland-Fremont	CA	X	X
San Jose-Sunnyvale-Santa Clara	CA	X	X

Metropolitan Statistical Area	State	Worst Quintile for at least 1 Measure	Worst Quintile for at least 2 Measures
Santa Rosa-Petaluma	CA	X	
Stockton	CA	X	X
Vallejo-Fairfield	CA	X	X
Visalia-Porterville	CA	X	X
Yuba City	CA	X	X
Denver-Aurora-Broomfield	CO	X	X
Pueblo	CO	X	
Bridgeport-Stamford-Norwalk	CT	X	X
Hartford-West Hartford-East Hartford	CT	X	X
New Haven-Milford	CT	X	X
Norwich-New London	CT	X	
Washington-Arlington-Alexandria	DC-VA-MD-WV	X	X
Dover	DE	X	
Cape Coral-Fort Myers	FL	X	X
Crestview-Fort Walton Beach-Destin	FL	X	X
Deltona-Daytona Beach-Ormond Beach	FL	X	X
Gainesville	FL	X	X
Jacksonville	FL	X	X
Lakeland-Winter Haven	FL	X	X
Miami-Fort Lauderdale-Pompano Beach	FL	X	X
Naples-Marco Island	FL	X	X
North Port-Bradenton-Sarasota	FL	X	X
Ocala	FL	X	X
Orlando-Kissimmee-Sanford	FL	X	X
Palm Bay-Melbourne-Titusville	FL	X	X
Palm Coast	FL	X	X
Panama City-Lynn Haven-Panama City Beach	FL	X	X
Pensacola-Ferry Pass-Brent	FL	X	X
Port St. Lucie	FL	X	X
Punta Gorda	FL	X	X
Sebastian-Vero Beach	FL	X	X
Tallahassee	FL	X	X
Tampa-St. Petersburg-Clearwater	FL	X	X
Albany	GA	X	X
Atlanta-Sandy Springs-Marietta	GA	X	X
Columbus	GA-AL	X	X
Dalton	GA	X	X
Gainesville	GA	X	X
Hinesville-Fort Stewart	GA	X	X
Macon	GA	X	X
Rome	GA	X	X
Savannah	GA	X	
Valdosta	GA	X	
Warner Robins	GA	X	
Ames	IA	X	
Chicago-Joliet-Naperville	IL-IN-WI	X	X
Danville	IL	X	X
Decatur	IL	X	
Kankakee-Bradley	IL	X	X

Metropolitan Statistical Area	State	Worst Quintile for at least 1 Measure	Worst Quintile for at least 2 Measures
Rockford	IL	X	X
Anderson	IN	X	X
Elkhart-Goshen	IN	X	X
Indianapolis-Carmel	IN	X	X
Kokomo	IN	X	X
Michigan City-La Porte	IN	X	X
Muncie	IN	X	X
South Bend-Mishawaka	IN-MI	X	X
Terre Haute	IN	X	X
Elizabethtown	KY	X	
Louisville/Jefferson County	KY-IN	X	X
Owensboro	KY	X	
Alexandria	LA	X	
Baton Rouge	LA	X	X
Houma-Bayou Cane-Thibodaux	LA	X	X
Lake Charles	LA	X	
Monroe	LA	X	X
New Orleans-Metairie-Kenner	LA	X	X
Shreveport-Bossier City	LA	X	
Boston-Cambridge-Quincy	MA-NH	X	X
Pittsfield	MA	X	
Springfield	MA	X	X
Worcester	MA	X	X
Baltimore-Towson	MD	X	X
Cumberland	MD-WV	X	
Hagerstown-Martinsburg	MD-WV	X	
Salisbury	MD	X	
Bangor	ME	X	
Lewiston-Auburn	ME	X	
Portland-South Portland-Biddeford	ME	X	
Battle Creek	MI	X	X
Bay City	MI	X	
Detroit-Warren-Livonia	MI	X	X
Flint	MI	X	X
Grand Rapids-Wyoming	MI	X	
Jackson	MI	X	X
Lansing-East Lansing	MI	X	
Monroe	MI	X	
Muskegon-Norton Shores	MI	X	X
Saginaw-Saginaw Township North	MI	X	X
Minneapolis-St. Paul-Bloomington	MN-WI	X	X
Joplin	MO	X	
Kansas City	MO-KS	X	X
St. Joseph	MO-KS	X	
St. Louis	MO-IL	X	X
Gulfport-Biloxi	MS	X	X
Hattiesburg	MS	X	X
Jackson	MS	X	X
Pascagoula	MS	X	X

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Metropolitan Statistical Area	State	Worst Quintile for at least 1 Measure	Worst Quintile for at least 2 Measures
Burlington	NC	X	
Charlotte-Gastonia-Rock Hill	NC-SC	X	X
Fayetteville	NC	X	X
Goldsboro	NC	X	
Greenville	NC	X	
Raleigh-Cary	NC	X	X
Rocky Mount	NC	X	X
Atlantic City-Hammonton	NJ	X	X
Ocean City	NJ	X	X
Trenton-Ewing	NJ	X	
Vineland-Millville-Bridgeton	NJ	X	X
Albuquerque	NM	X	
Carson City	NV	X	X
Las Vegas-Paradise	NV	X	X
Reno-Sparks	NV	X	X
Albany-Schenectady-Troy	NY	X	
Binghamton	NY	X	X
Buffalo-Niagara Falls	NY	X	
Elmira	NY	X	X
Glens Falls	NY	X	X
Kingston	NY	X	X
New York-Northern New Jersey-Long Island	NY-NJ-PA	X	X
Poughkeepsie-Newburgh-Middletown	NY	X	X
Rochester	NY	X	
Syracuse	NY	X	X
Utica-Rome	NY	X	X
Akron	OH	X	
Cincinnati-Middletown	OH-KY-IN	X	X
Cleveland-Elyria-Mentor	OH	X	X
Columbus	OH	X	X
Dayton	OH	X	
Lima	OH	X	X
Mansfield	OH	X	X
Sandusky	OH	X	X
Springfield	OH	X	
Steubenville-Weirton	OH -WV	X	X
Toledo	OH	X	X
Youngstown-Warren-Boardman	OH-PA	X	X
Lawton	OK	X	
Oklahoma City	OK	X	X
Tulsa	OK	X	
Bend	OR	X	X
Medford	OR	X	X
Portland-Vancouver-Hillsboro	OR-WA	X	X
Allentown-Bethlehem-Easton	PA-NJ	X	X
Erie	PA	X	
Johnstown	PA	X	
Philadelphia-Camden-Wilmington	PA-NJ-DE-MD	X	X
Pittsburgh	PA	X	X

Metropolitan Statistical Area	State	Worst Quintile for at least 1 Measure	Worst Quintile for at least 2 Measures
Scranton--Wilkes-Barre	PA	X	X
York-Hanover	PA	X	
Providence-New Bedford-Fall River	RI-MA	X	X
Charleston-North Charleston-Summerville	SC	X	
Columbia	SC	X	
Florence	SC	X	X
Myrtle Beach-North Myrtle Beach-Conway	SC	X	X
Sumter	SC	X	X
Chattanooga	TN-GA	X	
Clarksville	TN	X	
Cleveland	TN	X	
Jackson	TN	X	X
Memphis	TN-MS-AR	X	X
Morristown	TN	X	
Nashville-Davidson--Murfreesboro--Franklin	TN	X	X
Abilene	TX	X	
Austin-Round Rock-San Marcos	TX	X	X
Beaumont-Port Arthur	TX	X	X
Brownsville-Harlingen	TX	X	X
Corpus Christi	TX	X	X
Dallas-Fort Worth-Arlington	TX	X	X
El Paso	TX	X	X
Houston-Sugar Land-Baytown	TX	X	X
Killeen-Temple-Fort Hood	TX	X	X
Laredo	TX	X	X
Longview	TX	X	X
McAllen-Edinburg-Mission	TX	X	X
Midland	TX	X	
Odessa	TX	X	X
San Angelo	TX	X	
San Antonio-New Braunfels	TX	X	X
Sherman-Denison	TX	X	X
Texarkana	TX	X	X
Tyler	TX	X	
Victoria	TX	X	
Waco	TX	X	X
Wichita Falls	TX	X	
Salt Lake City	UT	X	X
Danville	VA	X	X
Richmond	VA	X	X
Virginia Beach-Norfolk-Newport News	VA-NC	X	X
Seattle-Tacoma-Bellevue	WA	X	X
Janesville	WI	X	
Milwaukee-Waukesha-West Allis	WI	X	X
Racine	WI	X	
Charleston	WV	X	
Huntington-Ashland	WV-KY-OH	X	X
Wheeling	WV	X	X

Rural Areas of Greatest Need

State	Half or more of Micropolitan Areas in Worst Quintile for at least 1 Measure	Half or more of Micropolitan Areas in Worst Quintile for at least 2 Measures
Alabama	X	
Arizona	X	X
Arkansas	X	
California	X	X
Colorado	X	
Connecticut	X	X
Delaware	X	X
Florida	X	X
Georgia	X	X
Hawaii	X	X
Illinois	X	
Indiana	X	X
Kentucky	X	
Louisiana	X	
Maine	X	
Maryland	X	X
Michigan	X	X
Mississippi	X	X
Nevada	X	
New Hampshire	X	X
New York	X	X
North Carolina	X	X
Ohio	X	X
Oregon	X	
Pennsylvania	X	X
South Carolina	X	X
Tennessee	X	
Texas	X	
Vermont	X	
Virginia	X	X
Washington	X	X
West Virginia	X	
Wisconsin	X	

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[1] National Foreclosure Mitigation Counseling Program (NFMC). Sixth Congressional Report, September 13, 2011. Available online at http://www.nw.org/network/foreclosure/nfmcp/congressional_reports.asp.

[2] For details on the previous methodology, see the National Foreclosure Mitigation Counseling Program (NFMC) website's details on previous rounds of funding. The methodology for Round 5 is available online at http://www.nw.org/network/nfmcp/documents/AreasofGreatestNeed_000.pdf.

[3] For more information on BlackBox, see the providers website at http://www.bbxlogic.com/bbx-logic-RMBS-expertise.php.

[4] Metropolitan and micropolitan statistical areas and components were defined using the December 2009 file from the US Census, available online at http://www.census.gov/population/metro/data/def.html. To convert the zip code data to counties,

we used the 2010 ZIP Code Tabulation Area (ZCTA) Relationship File, (http://www.census.gov/geo/www/2010census/zcta_rel/zcta_rel_overview.html). Loans were weighted based on the percentage of the housing units within a zip code that falls within the country boundaries. For example, if 20% of a zip code's housing units fall in County A, and 80% in County B, 20% of the loans in that zip code were assigned to County A and 80% to County B.