



Snapshot of a Foreclosure Crisis

15 Fast Facts

1 in 9
homeowners:
at least two
payments
behind on
their
mortgage.

61% of
borrowers
receiving
subprime
loans in 2006
could have
qualified for
better loans.

Total property
value lost in
2009 because
of nearby
foreclosures:
\$502 billion.

1. Number of foreclosures initiated since 2007: **6.6 million**
2. Projected foreclosures during next 5 years: **Up to 12 million**
3. Portion of all homeowners seriously delinquent on their mortgage: **1 in 9**
4. Portion of homes where owners owe more than property value: **Nearly 1 in 4**
5. Drop in residential lending in 2008 from 2007: **Over a trillion dollars**
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 home construction: **58%**
9. In 2009, number of neighboring homes estimated to have lost property value because of nearby foreclosures: **69+ million**
10. Average price decline per home (2009): **\$7,200**
11. Estimated property value lost because of nearby foreclosures (2009): **\$502 billion**
12. Share of 2006 subprime loans that went to people who could have qualified for loans with better terms: **61%**
13. Typical rate difference between a 30-year, fixed mortgage and the initial rate of a subprime adjustable-rate mortgage: **less than 1%**
14. Cumulative default rate for subprime borrowers with a similar risk profile to borrowers with lower-rate loans: **More than 3x higher**
15. During first 4 years, typical extra cost paid by subprime borrowers who got a loan from a mortgage broker, compared to other similar borrowers: **\$5,222**

Sources

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About the Center for Responsible Lending

The Center for Responsible Lending is a non-profit, non-partisan research and policy organization dedicated to protecting homeownership and family wealth by working to eliminate abusive financial practices. CRL is affiliated with Self-Help, one of the nation's largest community development financial institutions.

For additional information, please visit our website at www.responsiblelending.org.