



Defaulting on the Dream:
States Respond to America's Foreclosure Crisis

Idaho

ONE IN 39 IDAHO HOMEOWNERS is likely to experience foreclosure, primarily in the next two years, due to a high-cost loan—just slightly better than the U.S. average of one in 33 homeowners. Twenty two percent of mortgages issued to Idaho homeowners in 2005 and 2006 were a high-cost loan, and these mortgages have led to the subprime foreclosure problems the state faces today. These likely challenges will require Idaho to contend with problems for years to come, as almost one third of all homeowners are projected to have their property values affected by the state's foreclosures.



ASSESSMENT: Idaho faces a subprime foreclosure crisis on par with the average U.S. state, but it has not responded in kind to the challenge. It is one of just nine states that had not responded to the foreclosure crisis by the end of 2007. The state's current predatory mortgage lending law contains only moderate restrictions on prepayment penalties. Lawmakers have not proposed or passed more recent legislation to further pre-empt high-cost lending or to aid homeowners currently facing foreclosure.

THE FACTS: The ripple effects of the foreclosure crisis

- **1 in 39** homeowners is projected to experience foreclosure on their home as a result of their high cost-loan
- **22 percent** of all loans made in 2005-2006 were subprime
- **31 percent** of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose **\$3,136** on average from property values
- **\$304 million** is projected to be lost from the combined state and local tax base

How severe is the state's challenge?

Four filled houses represent the most severe challenge.



THE RESPONSE: Preserving a piece of the dream

GOALS	ACTIONS	STATUS*
Avoiding foreclosure	State-funded refinance program	<input type="checkbox"/>
	Loan modification	<input type="checkbox"/>
	Preventing rescue scams	<input type="checkbox"/>
	Counseling available	<input type="checkbox"/>
Using all your tools	Task force	<input type="checkbox"/>
Pre-empting high-cost lending	High-cost lending laws	<input type="checkbox"/>
	Aligns mortgage broker to consumer interests	<input type="checkbox"/>

■ = action taken □ = no action taken

How responsive has the state been?

Four filled houses represent the most responsive.



*As of January 31, 2008

THE FORECLOSURE NUMBERS:

The projections above are from the Center for Responsible Lending's subprime spillover research. These estimates focus on foreclosures resulting from subprime loans made to owner-occupants in 2005 and 2006. For a full description of the methodology, please see *Defaulting on the Dream: States Respond to America's Foreclosure Crisis*.



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