



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

Kansas

KANSAS FACES CHALLENGES related to the slowing housing market and subprime mortgage defaults. One in 53 Kansas homeowners is estimated to face foreclosure, primarily in the next two years, because of subprime loans. That is better than the U.S. average of one in 33 homeowners. Still, nearly one third of the state's home values are threatened by projected neighboring foreclosures, and property values may drop by an estimated \$1,900 on average.



ASSESSMENT: Kansas had not moved to help its residents by the end of 2007, more than 9,600 of whom will likely face foreclosure. A comprehensive high-cost lending law provides some protection for borrowers, but the state has failed to take action against the current foreclosure trend, whether through communication with homeowners, new legislation or partnerships with the private sector.

THE FACTS: The ripple effects of the foreclosure crisis

- **1 in 53** homeowners is projected to experience foreclosure on their home as a result of their high-cost loan
- **24 percent** of all loans made in 2005-2006 were subprime
- **30 percent** of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose **\$1,908** on average from property values
- **\$382 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 checked="" 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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