



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

Missouri

ONE IN 38 MISSOURI HOMEOWNERS is likely to experience foreclosure on their home as a result of subprime loans made in 2005 and 2006. Although that statistic places Missouri in the middle of the pack in terms of foreclosure rates—the U.S. average is one in 33 homeowners—the ripple effects from the state's foreclosures will likely cause a decrease in the property values of two in five Missouri homeowners.



ASSESSMENT: While the state passed a 2007 law against foreclosure rescue fraud—a step in the right direction—it has done little to directly assist families at risk of defaulting on their home loans. Missouri had not acted to prevent future high-cost lending by the end of 2007.

THE FACTS: The ripple effects of the foreclosure crisis

- **1 in 38** homeowners is projected to experience foreclosure on their home as a result of their high-cost loan
- **30 percent** of all loans made in 2005-2006 were subprime
- **41 percent** of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose **\$2,540** on average from property values
- **\$1.8 billion** 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 checked="" 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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