



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

North Dakota

NORTH DAKOTA IS PROJECTED TO HAVE THE LOWEST RATE OF FORECLOSURES from subprime loans of any state in the country. It is one of just five states that did not experience an increase in its foreclosure inventory and loans 90 days past due in the 12 months prior to the end of 2007, along with Delaware, Nebraska, South Dakota and Vermont, according to data from the Mortgage Bankers Association. The subprime-related foreclosures it may experience, primarily over the next two years, however, could negatively affect as many as one fifth of the state's homeowners.



ASSESSMENT: Although North Dakota's foreclosure problems are much less severe than those happening in other states, the state could benefit from considering high-cost loan laws and other assistance programs aimed at helping homeowners who are threatened by foreclosure. As of the end of 2007, North Dakota had not taken any action to address foreclosures.

THE FACTS: The ripple effects of the foreclosure crisis

- **1 in 165** homeowners is projected to experience foreclosure on their home as a result of their high-cost loan
- **18 percent** of all loans made in 2005-2006 were subprime
- **20 percent** of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose **\$2,165** on average in property values
- **\$51 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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