



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

New Hampshire

CLOSE TO 20 PERCENT of all loans made in New Hampshire in 2005 and 2006 were subprime. As a result, an estimated one in 49 homeowners in the state will face foreclosure, primarily in the next two years. That is better than the U.S. average of one in 33 homeowners. Still, New Hampshire residents will feel significant ripple effects of their foreclosure challenges. Almost one in five homes in the state is projected to depreciate in value by an average of about \$3,500 as a result of nearby foreclosures.



ASSESSMENT: New Hampshire policy makers have begun to turn their attention to the foreclosure problems facing their state. Last year, the state established the Foreclosure Consultant Practices Act to protect homeowners against rescue fraud, the only action the state had taken by the end of 2007. State officials should continue to consider options that could prevent future high-cost lending abuses and protect homeowners in danger of default.

THE FACTS: The ripple effects of the foreclosure crisis

- **1 in 49** homeowners is projected to experience foreclosure on their home as a result of their high-cost loan
- **19 percent** of all loans made in 2005-2006 were subprime
- **19 percent** of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose **\$3,524** on average in property values
- **\$203 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 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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