



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

Oregon

OREGON CAN EXPECT FORECLOSURE CHALLENGES

AHEAD—one in 34 Oregon homeowners is projected to face foreclosure, primarily over the next two years, as a result of their high-cost loan. According to the Mortgage Bankers Association's *National Delinquency Survey*, an estimated 8,578 homeowners—a little less than one in 100 in the state—at the end of 2007 were in the foreclosure process or 90 days past due on their loans. Unfortunately, the number of subprime mortgages issued in the state in 2005 and 2006 makes it likely that Oregon's foreclosure rate will increase substantially in the next two years.



ASSESSMENT: Although Oregon faces a foreclosure rate that is expected to increase over the next two years, the state is one of just nine nationwide that had not taken any foreclosure-related action by the end of 2007. Other states have adopted high-cost lending laws or are negotiating agreements with lenders to work with distressed homeowners, among other measures, in an effort to stem their foreclosure challenges.

THE FACTS: The ripple effects of the foreclosure crisis

- **1 in 34** homeowners is projected to experience foreclosure on their home as a result of their high-cost loan
- **20 percent** of all loans made in 2005-2006 were subprime
- **43 percent** of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose **\$5,459** on average in property values
- **\$2.5 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 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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