



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

Utah

WITH ONE IN 25 HOMEOWNERS PROJECTED TO ENTER FORECLOSURE, primarily in the next two years—exceeding the U.S. average of one in 33 homeowners—Utah's challenges are immediate. The projection ranks Utah among the top five states with the greatest rates of anticipated subprime foreclosures per homeowner. Such defaults could drive down the property values of 47 percent of the state's homeowners.



ASSESSMENT: Utah implemented its High-Cost Home Loan Act in 2004 to help curb high-cost lending. At the end of 2007, the state had not implemented other programs or laws to address its expected high foreclosure rate. Utah lags behind other states that have taken steps to help homeowners who have already entered the foreclosure process.

THE FACTS: The ripple effects of the foreclosure crisis

- **1 in 25** 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
- **47 percent** of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose **\$4,243** on average in property values
- **\$1.3 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 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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