



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

Wisconsin

WISCONSIN'S FORECLOSURE CHALLENGES, although less severe than those in many other states, are likely to worsen in the next two years as a result of subprime loans made in 2005 and 2006. One in 60 Wisconsin homeowners is estimated to be in foreclosure, primarily over the next two years. That is better than the projected U.S. average of one in 33 homeowners. Still, Wisconsin's anticipated foreclosures are expected to negatively affect more than one third of the state's homeowners and their property values.



ASSESSMENT: Wisconsin has taken action to address some of its problems. The state has both high-cost lending laws, to help prevent risky loans from being made, and a consumer hotline, to work with owners who have already entered the foreclosure process. But it lags behind other states in providing homeowners with assistance at different stages of the foreclosure process.

THE FACTS: The ripple effects of the foreclosure crisis

- **1 in 60** homeowners is projected to experience foreclosure on their home as a result of their high-cost loan
- **23 percent** of all loans made in 2005-2006 were subprime
- **35 percent** of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose **\$3,410** on average in property values
- **\$1.9 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 checked="" 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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1025 F Street NW | Washington, DC 20004 | www.pewtrusts.org