



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

# Wyoming

**WYOMING'S FORECLOSURE PROBLEMS ARE NOT ESPECIALLY SEVERE** but do threaten to have a ripple effect on a significant proportion of the state's homeowners. The state had among the 10 lowest rates of loans in the foreclosure process and 90 days past due at the end of 2007, according to the Mortgage Bankers Association's *National Delinquency Survey*. However, about a third of Wyoming's homeowners could be negatively affected by nearby foreclosures projected to occur in the next two years, including average property value declines of almost \$2,500 each.



**ASSESSMENT:** Wyoming had not implemented any programs by the end of 2007 to address high-cost lending or to help its homeowners in the foreclosure process. Although its projected foreclosure rate of one in 64 homeowners is lower than the U.S. average of one in 33, many residents could be negatively affected by foreclosure. Wyoming lags behind other states that have taken steps to protect future borrowers and current homeowners.

## THE FACTS: The ripple effects of the foreclosure crisis

- **1 in 64** 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
- **29 percent** of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose **\$2,470** on average in property values
- **\$46 million** is projected 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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