# *HALT*

# THE GOVERNOR'S INTERAGENCY TASK FORCE
## TO HALT ABUSIVE LENDING TRANSACTIONS

REPORT AS OF APRIL 30, 2008

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# I. EXECUTIVE SUMMARY

This report is to update the Governor and Executive Chamber on the progress made by the Governor's Interagency Task Force to Halt Abusive Lending Transactions (HALT), since the last periodic report in July of 2007.

Events in the intervening months have further highlighted the critical mission of the Task Force. Formed in March 2007, during the early stages of the subprime crisis, the Task Force is charged with providing a coordinated state government response to the turmoil in the mortgage market. The subprime crisis has further expanded to impact the broader economy, which stands on the brink of recession.

In response to this escalating uncertainty for homeowners and the nation's economy, the Task Force has taken proactive steps to present a coordinated state government response.

Recent accomplishments include:

1. Mortgage Data- A comprehensive analysis of the mortgage market in New York has been performed.

- For New York, there were over 57,000 filings in 2007 on almost 39,000 homes, which is a 10% increase over 2006, and a 55% increase over two years.
- This means that approximately 1 in 200 New York households were in the foreclosure process in 2007, placing New York 27$^{th}$ among the states.
- The rate of foreclosures continues to increase, with results for the first quarter of 2008 showing a 14% increase over the prior quarter.
- New York has jurisdiction over 30% of the mortgage lenders active in the state.

2. Loan Programs and Servicing- New programs to provide options for subprime borrowers and prevent unnecessary foreclosures have been developed.

- The State of New York Mortgage Agency (SONYMA) expanded the parameters for the "Keep the Dream" refinance program.
- The Banking Department is part of the State Foreclosure Prevention Working Group, a multi-state initiative which is holding the top servicers in the country accountable for their loss mitigation efforts.
- Substantial new grant programs to fund homeowner counseling include $2 million from the Banking Department, almost $850,000 from SONYMA through the National Foreclosure Mitigation Counseling Program, which is funded by Congress, and $25 million from the state budget, to be administered by the Division of Housing and Community Renewal (DHCR) with Banking Department support.

3. Consumer Outreach- Regional events and coordinated efforts have been held to mobilize the community.

- The Banking Department and state legislators launched Operation Protect Your Home, a series of foreclosure prevention forums in which borrowers meet face-to-face with servicers to arrange loan modifications; five day-long forums have been held already in the Bronx, Brooklyn, Queens, Staten Island, and Westchester, with the next planned for May 10 in Buffalo and June 7 on Long Island.
- Since the last report to the Governor in July of 2007, an additional HALT Summit was held in Long Island to bring together consumer groups, industry, and government, with more events being planned.
- The Banking Department will be participating in the FDIC's Alliance for Economic Inclusion for Rochester, a campaign to reach underserved communities and promote affordable financial services.
- The Consumer Protection Board continues to collaborate with the nonprofit NeighborWorks in consumer outreach, building on the success of the joint public service ad campaign.

4. <u>Legislation</u>- Initial proposals for legislative action have been recommended.

- The Task Force provided substantial input in developing Governor's Program Bill 44, a comprehensive foreclosure prevention and anti-predatory lending reform effort.
- Task Force members have testified at state and federal hearings on the need for heightened consumer protection standards.
- Assessment of the need for regulatory and legislative changes is ongoing.

5. <u>Enforcement</u>- Supervisory standards and enforcement efforts have been heightened.

- New York was one of the first states to launch the National Mortgage Licensing System (NMLS) in January 2008. The new system will curb mortgage fraud through review of fingerprints, background checks, and an education requirement for over 20,000 originators in the state.
- The Banking Department's Mortgage Fraud Bureau is actively working with local, state, and federal law enforcement officials to prosecute mortgage fraud. In addition, the Bureau has been conducting coordinated reviews with the Department of State to uncover abusive lending practices at one-stop-shops, such as inflated appraisals.

While serious challenges for mortgage consumers and the market remain, the coordinated efforts of the Task Force have already made significant strides in developing effective solutions.

# II. INTRODUCTION

*The Economic Dimensions of the Subprime Problem*

The prior HALT report detailed the origins of the subprime problem, from increased investor appetite for higher-yielding securities to lax underwriting standards. Due to the poor performance of this portfolio, investor interest in private-label securitization of subprime mortgages has cooled and the origination of new subprime mortgages appears to have tapered off. While these trends may be reducing the number of new subprime borrowers at risk, the impact of undisciplined lending practices continues to impact the broader markets.

The "subprime signature" is lurking behind many of the new, negative financial reports in the press, which occur on nearly a daily basis. What began as a collapse in the subprime sector has expanded; negative economic effects are being felt throughout the entire financial services market, even in seemingly unrelated business lines such as commercial real estate and student loans. The high delinquency and foreclosure rates on residential properties also contribute to recessionary pressures.

The HALT Task Force has been actively monitoring this spillover effect, as part of the "second wave" of the subprime crisis. Supportive governmental action needs to take account of the broader economic dimensions of the crisis, as well as respond to individual homeowners in financial distress. The Center for Responsible Lending, in its updated January 2008 study *Subprime Spillover,* highlighted this community impact and the potential for lost neighborhood equity resulting from proximity to foreclosed properties.

The Center's projections for subprime loans originated during 2005-2006 are sobering. For New York, they estimate a 1 in 5 foreclosure rate. This could result in a loss of over $36 billion in the tax base, due to devaluation of properties in proximity to a foreclosure. The October 2007 report from the Congressional Joint Economic Committee makes a more conservative, but still troubling, projection of over $9 billion in total economic loss for New York.

If even a fraction of the losses forecast in these projections occur, it would put a severe strain on the state's resources and ability to stem the housing crisis. The deteriorating national economy may also increase consumer need for related government services and public benefits. In this economic climate, the efficient leveraging of state resources through the inter-agency cooperation of the HALT Task Force is crucial.

*Task Force Organization and Goals*

The Task Force unites all of the state agencies and departments that relate to the mortgage market. In addition to members of the Governor's Executive Chamber, the Task Force consists of the following:

The New York State Banking Department
The Department of State
The State of New York Mortgage Agency
The Division of Human Rights
The Consumer Protection Board
The Division of Housing and Community Renewal
The Governor's Office of Regulatory Reform

Given the Banking Department's lead role in the mortgage market through chartering, licensing, and supervising the state's financial institutions, Superintendent Richard H. Neiman serves as the Task Force chairman.

In order to channel the efforts of these diverse agencies into their most appropriate area of contribution, a set of six concrete and unified priorities for the Task Force was developed:

1. Analyzing foreclosure and lending data to identify the borrowers and communities most at-risk;
2. Developing loan and refinance programs to help certain homeowners whose current loans are inappropriate for their financial circumstances;
3. Creating statewide outreach and educational campaigns to assist the state's most vulnerable borrowers;
4. Proposing legislative and regulatory changes that enhance statewide consumer protection;
5. Identifying lenders, industry participants and others who benefit from steering minorities, recent immigrants, senior citizens, members of low income communities or military families into inappropriate loan products; and
6. Pursuing enforcement actions against those engaging in wrongful conduct and, where appropriate, coordinating these actions with other federal, state and local law enforcement agencies.

Identification of these six core priorities further led to the formation of five key objectives and focus areas, which form the main body of this report:

I. Data Analysis
II. Loan Programs
III. Consumer Outreach
IV. Enforcement
V. Legislative Reform

## III. DATA ANALYSIS

As noted in the prior HALT report, the initial challenge facing the Task Force was obtaining data for analysis and assessing borrowers and communities most at-risk. The type of public data required to be reported under the federal Home Mortgage Disclosure Act (HMDA) was insufficient to evaluate a mortgage crisis of this magnitude.

HMDA data only includes basic information on new originations; for example, whether the purpose of the loan is for home purchase or refinance, and whether the loan was conventional or government-insured. Critical information, such as whether the product was fixed or adjustable rate, reset dates, the annual percentage rate, and borrower credit characteristics are not part of this public data set. HMDA data also does not provide performance information on outstanding loans, to identify delinquencies and other trends. Additional data procurement was therefore a top priority.

### *Data Procurement*

The Task Force was able to obtain much of the needed information, through expanded access to three additional sources of mortgage data:

1. <u>The RealtyTrac foreclosure database</u>. This is a primary data source for mortgage foreclosure filings. Other sources typically are samples or surveys, or do not cover every county in the state. In addition, the Department is collaborating with RealtyTrac to issue joint press releases on foreclosure trends for New York, and the first release was just issued on April 29th.
2. <u>The LoanPerformance database</u>. This is a primary data source for delinquent subprime and alt-a loans. While it includes foreclosure information, the database is a sample and therefore does not replace the need for RealtyTrac in the collection of complete foreclosure statistics. The Banking Department explored the purchase of this dataset, but it was extremely cost prohibitive. Through partnerships with the Conference of State Bank Supervisors and the Federal Reserve, the Task Force provided input on the Federal Reserve's decision to post a summary of this data on its website for public use. The Task Force offers thanks to the Federal Reserve for this breakthrough in data access.
3. <u>The Volume of Operation Reports (VOOR)</u>. The Banking Department also collects annual business volume reports from licensed mortgage bankers and brokers. The Task Force worked with the Department's Mortgage Banking Division to revise the VOOR template to collect additional data on loan products and reset dates. This enhancement will contribute to the Banking Department's role as repository for mortgage data.

Having secured access to the primary data sources currently available to researchers, the Task Force proceeded with additional analysis. Data is typically reported and compiled on a quarterly basis, with a rolling lag of up to one quarter before it is received from a given vendor. Therefore, in most instances the data for the fourth quarter of 2007 is the most recent time period available. Analysis for the fourth quarter is especially useful for this report, as it provides the full year results as a baseline for comparison of future trends.

*Mortgage Market Overview*

The Task Force began by estimating the size of the mortgage market. It should be noted that there is no universal definition of subprime; different data sources may use different proxies for identification of subprime loans.

**According to the Mortgage Bankers Association (MBA) National Delinquency Survey, there are over 2 million mortgages outstanding in New York, of which more than 280,000 or 13.7% are subprime.** Subprime loans were identified based on the lenders' self-reporting in the survey response. The subprime share for New York is in line with the national composition of the market.

| Market size | New York | | US | |
|---|---|---|---|---|
| | Number | Percent | Number | Percent |
| Total loans | 2,052,243 | n/a | 45,987,858 | n/a |
| Subprime | 280,767 | 13.7% | 5,849,012 | 12.7% |

*Data from the Mortgage Bankers Association National Delinquency Survey 4th Quarter 2007*

The LoanPerformance dataset also provides a sample stratification of the nonprime mortgage market in New York. Loans are identified in this data set as subprime because they are held in private-label mortgage-backed securities of that investment grade. While it is a different sample set than the MBA survey, the total results for market size are similar. But the LoanPerformance data reveals additional details on loan balance and occupancy type, summarized below.

**Loan Performance: New York Subprime Mortgages**

| | Total Number of Loans | Number of Non-Owner Occupied Loans | Number of Owner Occupied Loans | Percent Owner Occupied | Average Balance of Owner Occupied Mortgages |
|---|---|---|---|---|---|
| Subprime | 153,597 | 12,481 | 141,116 | 91.87% | 193,749 |
| ALT-A | 95,166 | 17,416 | 77,750 | 81.70% | 286,720 |
| Total | 248,763 | 29,897 | 218,866 | 87.98% | 240,235 |

*FRB LoanPerformance Data, October 2007*

*State Supervisory Market Share*

A follow-up issue to the size of the mortgage market relates to the scope of state supervision. With the aggressive assertion of preemption by federal regulators, the market share subject to state supervision and state consumer protection laws is contracting.

An analysis was conducted to determine what portion of the subprime market in New York is under the state's jurisdiction. This figure is an important reference point, when considering the impact that any new state subprime legislation would have on the market.

**The table below indicates that New York supervises 66% of independent mortgage bankers but only <u>30% of all lenders originating mortgages within the state</u>. These NYSBD-supervised lenders originated 41.6% of mortgages made within the state.**

| Institution Type | <u>Number</u> All Lenders Active in NY | <u>Number</u> NYSBD-Supervised | <u>Percent</u> NYSBD-Supervised |
|---|---|---|---|
| Banks and Subsidiaries | 446 | 75 | 16.8% |
| Credit Unions | 204 | 7 | 3.4% |
| Mortgage Bankers | 317 | 210 | 66.2% |
| | | | |
| TOTAL | 967 | 292 | 30.2% |

*Data from HMDA 2006*

The Task Force also calculated New York's supervisory share of the subprime sector. Here the higher-cost status of the loan under the HMDA reporting standards was used as a proxy for subprime. A "higher-cost" loan under HMDA is one where the annual percentage rate exceeds the yield on a treasury security of corresponding maturity by more than 3% for a first lien and 5% for a subordinate lien.

According to this method, NYSBD supervised institutions originated 58.6% of the subprime loans made in 2006, the most recent HMDA data available.

| Institution Type: All | Number of Higher-Cost Loans | Percent of Higher-Cost Loans |
|---|---|---|
| NYSBD-Supervised | 83,288 | 58.6% |
| Other Agency | 58,837 | 41.4% |
| TOTAL | 142,125 | 100.0% |

*Data from HMDA 2006*

*Targeting and Steering*

A key concern is that minority neighborhoods may have been targeted for these subprime loans. Further, overqualified borrowers, particularly minorities or residents of minority neighborhoods, may have been steered into loans that were unaffordable or predatory. The charts below display the geographic distribution of higher-cost loans, a common proxy for subprime. Again, a "higher-cost" loan under HMDA is one where the annual percentage rate exceeds the yield on a treasury security of corresponding maturity by more than 3% for a first lien and 5% for a subordinate lien. These results are for conventional, 1-4 family, owner-occupied mortgage loans made in 2006, the most recent year for which this HMDA data is available.

In terms of the size of the subprime market in New York, the results indicate that **more than a quarter of all new originations made in the state are higher cost, rising to almost a third in New York City.**

| Location | Higher-cost loans as a percent of new originations |
|---|---|
| Northeast Region[1] | 26.24% |
| New York State | 28.27% |
| New York City | 31.36% |

*Data from HMDA 2006*

In terms of targeting, multiple external studies have made similar findings, which our internal research confirms: **minority communities receive these higher-cost loans at a disproportionate rate of 2 to 1 statewide, and 3 to 1 in New York City, compared to neighborhoods with few minority residents**.

| Location | Number of higher-cost loans made in Minority census tracts (for every one loan made in non-Minority tracts)[2] |
|---|---|
| Northeast Region | 2.34 |
| New York State | 2.11 |
| New York City | 3.22 |

*Data from HMDA 2006*

Compensating credit information may exist to explain this disproportionate incidence of higher-cost loans; the question is whether such factors would fully explain the disparity and, if not, whether overqualified minority borrowers are being discriminated against and steered into higher-priced loan products.

Therefore, a preliminary steering analysis was performed, using the LoanPerformance dataset, which claims to track the payment history of about 80% of subprime loans that have been packaged into mortgage-backed securities. The LoanPerformance data set is a premier tool for a steering analysis, since it provides basic information on borrower credit profiles.

A total of 154,571 subprime loans were originated in New York State from 2004 through 2007 based on information from the Federal Reserve's LoanPerformance dataset. **Among these subprime loans, 51.2% were reported to have had full documentation.** While this factor alone does not ensure that the borrower's would have qualified for prime, the

[1] Northeast region = CT, DE, DC, ME, MD, MA. NH, NJ. NY, PA, RI, VT
[2] target= 80-100% minority population; control= 0-19% minority population

ability to document income and assets is a major hurdle that would otherwise place a borrower in the subprime category.

The LoanPerformance data also includes credit (FICO) score and loan-to-value (LTV), although the ability to cross-compare this with documentation type is not available.

**A consideration of these other two underwriting factors indicates that a full 10% of subprime loans had a FICO score and LTV combination typical of a prime loan.**

| Loans placed in Subprime 2004-2007 | | | | |
|---|---|---|---|---|
| Total Number of loans (originated from 2004 through 2007) | Number of loans with full documentation | Loans with a low LTV and FICO>=620 | Loans with full documentation as a % of total | Loans with a low LTV and FICO>=620 as a % of total loans |
| 154,571 | 79,198 | 15,543 | 51.2% | 10.1% |

*FRB LoanPerformance Data, December 2007*

Other explanatory credit factors may exist, but a working hypothesis is that there may be a relative lack of traditional credit choices in certain neighborhoods, with the result that these apparently over-qualified borrowers may have gravitated to more expensive alternative financial services providers. The Task Force plans additional analyses, including an evaluation of bank branching locations relative to the neighborhoods with higher concentrations of subprime lending activity.

*Delinquencies*

The following chart highlights the number and percent of loans seriously delinquent, at 90 or more days past due. National figures are provided for comparison. Subprime is defined based on lender self-identification in the Mortgage Bankers Association survey.

| | **All Loans 90+ days past due** | | **Prime 90+ days past due** | | **Subprime 90+ days past due** | |
|---|---|---|---|---|---|---|
| | # | % | # | % | # | % |
| New York | 61,978 | 3.02 | 19,531 | 1.20 | 35,292 | 12.57 |
| US | 1,664,760 | 3.62 | 598,945 | 1.67 | 844,597 | 14.44 |

*Data from the Mortgage Bankers Association National Delinquency Survey 4th Quarter 2007*

The Task Force probed these results for the subprime category. Adjustable rate mortgages (ARMs) are the primary driver of delinquency. **Note that subprime ARMs in New York are seriously delinquent at a rate that exceeds the national average.**

| | **Subprime-Fixed 90+ days past due** | | **Subprime-ARMs 90+ days past due** | |
|---|---|---|---|---|
| | # | % | # | % |
| New York | 13,993 | 7.56 | 21,387 | 22.17 |
| US | 226,493 | 8.18 | 577,282 | 20.43 |

*Data from the Mortgage Bankers Association National Delinquency Survey 4th Quarter 2007*

*Foreclosures- Summary for Year-End 2007*

The chart below summarizes the number and percent of loans in the foreclosure process. Again, subprime is defined based on lender self-identification in the Mortgage Bankers Association survey.

| | All Loans In Foreclosure | | Prime In Foreclosure | | Subprime In Foreclosure | |
|---|---|---|---|---|---|---|
| | # | % | # | % | # | % |
| New York | 39,403 | 1.92 | 12,207 | 0.75 | 23,669 | 8.43 |
| US | 938,152 | 2.04 | 344,304 | 0.96 | 505,940 | 8.65 |

*Data from the Mortgage Bankers Association National Delinquency Survey 4th Quarter 2007*

| | Subprime-Fixed In Foreclosure | | Subprime-ARMs In Foreclosure | |
|---|---|---|---|---|
| | # | % | # | % |
| New York | 7,575 | 4.11 | 16,110 | 16.70 |
| US | 104,386 | 3.77 | 379,486 | 13.43 |

*Data from the Mortgage Bankers Association National Delinquency Survey 4th Quarter 2007*

The RealtyTrac dataset provides another window on state foreclosure trends. The results from RealtyTrac may be more comprehensive, when compared to the MBA National Delinquency Survey.

The MBA survey is a sample, and covers 1-4 family properties; RealtyTrac attempts to capture every foreclosure filing. In addition, the MBA survey aggregates the data at the state level, whereas with the RealtyTrac data it is possible to evaluate trends for local geographies.

**<u>The first chart below from RealtyTrac indicates that there were over 57,000 filings in 2007, on almost 39,000 properties; that translates into 1 in every 200 homes in the foreclosure process</u>. This represents only a 10% increase from 2006, but a sharp increase of almost 55% since 2005.**

| | Total Foreclosure Filings in 2007 | % Change from 2006 | % Change from 2005 | Total Properties with Filings | % Households in Foreclosure |
|---|---|---|---|---|---|
| New York | 57,350 | 10.19 | 54.72 | 38,688 | 0.493 |
| US | 2,203,295 | 74.99 | 148.83 | 1,285.873 | 1.033 |

*Data from RealtyTrac, 12-31-07, US Census*

Despite these increases, trends for New York still compare favorably to the national average, and New York is in the middle of the pack compared to the other states.

**When ranked by RealtyTrac's website, New York is #27 for foreclosure filings.** This rank is based on the actual number of foreclosures for all property/occupancy types in the state, compared to the total number of housing units in the state. These percentages can be converted into an estimate that 1 out of every 200 households in New York are in the foreclosure process. This estimate is a useful tool, used with the understanding that the data sources do not have the capability to sort by a finer match of property and occupancy types.

Please refer to the full chart on the following page.

**State Foreclosure Rankings as of 12-31-07**

| | Rank per RealtyTrac | |
|---|---|---|
| | State | % households in foreclosure |
| 1 | Nevada | 3.376 |
| 2 | Florida | 2.002 |
| 3 | Michigan | 1.947 |
| 4 | California | 1.921 |
| 5 | Colorado | 1.919 |
| 6 | Ohio | 1.797 |
| 7 | Georgia | 1.566 |
| 8 | Arizona | 1.516 |
| 9 | Illinois | 1.250 |
| 10 | Indiana | 1.027 |
| 11 | Tennessee | 0.983 |
| 12 | Texas | 0.936 |
| 13 | Missouri | 0.906 |
| 14 | New Jersey | 0.902 |
| 15 | Utah | 0.852 |
| 16 | Connecticut | 0.833 |
| 17 | Maryland | 0.830 |
| 18 | North Carolina | 0.739 |
| 19 | Massachusetts | 0.660 |
| 20 | Idaho | 0.611 |
| 21 | Washington | 0.573 |
| 22 | Oregon | 0.543 |
| 23 | Oklahoma | 0.520 |
| 24 | Virginia | 0.514 |
| 25 | Minnesota | 0.513 |
| 26 | Arkansas | 0.513 |
| 27 | ***New York*** | ***0.493*** |
| 28 | Alaska | 0.486 |
| 29 | Wisconsin | 0.486 |
| 30 | Nebraska | 0.474 |
| 31 | Rhode Island | 0.410 |
| 32 | New Mexico | 0.357 |
| 33 | Iowa | 0.314 |
| 34 | Pennsylvania | 0.302 |
| 35 | Kentucky | 0.274 |
| 36 | Montana | 0.268 |
| 37 | Alabama | 0.268 |
| 38 | Delaware | 0.266 |
| 39 | South Carolina | 0.220 |
| 40 | New Hampshire | 0.212 |
| 41 | Louisiana | 0.204 |
| 42 | Kansas | 0.203 |
| 43 | Hawaii | 0.197 |
| 44 | Wyoming | 0.151 |
| 45 | Mississippi | 0.114 |
| 46 | North Dakota | 0.082 |
| 47 | West Virginia | 0.053 |
| 48 | Maine | 0.042 |
| 49 | Vermont | 0.009 |
| 50 | South Dakota | 0.007 |

*Data from RealtyTrac and the MBA National Delinquency Survey*

*Foreclosures- Summary for First Quarter 2008*

Since year-end, the rate of foreclosures continues to rise, with results for the first quarter of 2008 showing a 14% increase over the prior quarter. While this compares favorably to the national trend which shows a 23% increase over the same period, areas of the state are being disproportionately affected.

The chart below identifies the top ten counties with the highest number of foreclosure filings for the first quarter of 2008.

**New York Foreclosure Snapshot: 1Q 2008**

| | Lis Pendens | Notice of Sale | Real Estate Owned | Total | Percent of Filings | % Change vs. First Quarter 2007 |
|---|---|---|---|---|---|---|
| Queens | 2,110 | 358 | 215 | 2,683 | 19.2% | 83.3% |
| Suffolk | 1,865 | 89 | 125 | 2,079 | 14.8% | 2.2% |
| Brooklyn | 1,603 | 168 | 61 | 1,832 | 13.1% | 66.5% |
| Nassau | 1,082 | 44 | 150 | 1,276 | 9.1% | 33.6% |
| Monroe | 665 | 12 | 138 | 815 | 5.8% | -3.7% |
| Westchester | 619 | 65 | 50 | 734 | 5.2% | 72.7% |
| Staten Island | 536 | 157 | 36 | 729 | 5.2% | 110.1% |
| Bronx | 534 | 107 | 35 | 676 | 4.8% | 62.9% |
| Erie | 5 | 330 | 86 | 421 | 3.0% | 8.5% |
| Albany | 186 | 61 | 74 | 321 | 2.3% | 401.6% |
| Subtotal | 9,205 | 1,391 | 970 | 11,566 | 82.6% | 43.9% |
| Other 52counties * | 947 | 755 | 734 | 2,436 | 17.4% | 70.9% |
| Total | 10,152 | 2,146 | 1,704 | 14,002 | 100.0% | 48.0% |

*Data from RealtyTrac as of 3-31-08*

* A full list of counties is available as an Appendix on page 26.

For example, Queens and Brooklyn alone account for approximately 32% of the total foreclosure filings in the state. And Nassau and Suffolk are also heavily impacted, with approximately 24% the state's foreclosure filings.

Knowledge of this geographic concentration of foreclosure activity is critical in designing foreclosure prevention programs and other forms of community outreach. To explore these findings more fully, zip code level analyses of heavily impacted counties are in progress.

## IV. LOAN PROGRAMS AND SERVICING

HALT goals in this area include: 1) developing affordable loans programs, 2) encouraging the private sector to offer loan modifications and other forms of sustainable workout arrangements to prevent unnecessary foreclosures, and 3) supporting nonprofits groups with their homeowner counseling programs.

*Products for Existing Borrowers*

As noted in the prior HALT report, SONYMA has made a substantial commitment to assist existing homeowners. For example, a forty-year fixed rate product was developed, to offer borrowers the low payments of the longer term with the safety of a fixed rate. This was designed as an alternative to the nontraditional or "exotic" products that had flooded the market, and were popular due to an artificially low initial monthly payment. Many consumers became trapped with unaffordable payments once the nontraditional loan began to amortize.

SONYMA also developed the "Keep the Dream" refinance program, for at-risk borrowers in the early stage of delinquency. This was the first time SONYMA had ever offered a refinancing product.  In order to increase the reach of the program, SONYMA adopted the following program changes, which were announced in December:

- Expanded eligibility to include owners of two-, three- and four-family homes in addition to single-family homes, condos and co-ops;
- Expanded eligibility to allow lower FICO credit scores (575 for single family homes, coops and condos);
- Increased the number of participating lenders by adding CitiMortgage Inc., Countrywide Home Loans Inc. and JPMorgan Chase to the program's lending network;
- Worked with HOPE Now to establish a pipeline for distressed New York borrowers to contact a Keep the Dream approved counselor; and,
- Initiated a direct mail campaign to potential borrowers with assistance from the largest servicers.
- The Consumer Protection Board also advertised the program in their newsletter and on their agency website.

The Task Force has also been vocal in its support of expanding the role of the Federal Housing Administration (FHA) and broadening the scope of the FHA Secure product.

*Servicing and Modifications*

Innovative government programs, however, do not obviate the need for aggressive private sector loss mitigation efforts. An ideal solution that also minimizes the business loss to industry is to modify the loan terms in order to keep the borrower in the home.

However, modifying loans on an individual basis is a time-consuming process. And thousands of adjustable rate subprime loans will reset in waves over the coming months and even for the next few years. Leaving that bulk of potentially unaffordable loans unresolved is a recipe for additional consumer harm, and it prolongs market uncertainty. In addition, timely intervention is needed for consumers before they lose their home or destroy their credit rating.

The Banking Department has been participating in a multi-state effort to hold the servicing industry accountable for offering sustainable workout arrangements to prevent unnecessary foreclosure. The State Foreclosure Prevention Working Group is composed of state attorneys general and state bank supervisors. This group has been meeting with the top twenty servicing companies in the nation to discuss their loss mitigation efforts.

The servicers assert that they are being proactive, but the Working Group has demanded data to substantiate this claim. Several servicers associated with national banks declined to provide data, on the grounds of preemption. The Working Group has expressed its concern to the national bank regulator, the Office of the Comptroller of the Currency (OCC). The Chairman of the FDIC, Sheila Bair, has already issued guidance supporting participation by insured institutions, and the Working Group is looking for a similar affirmation from the OCC in support of this public purpose.

From the data that was received, however, a clear picture has emerged. The complete April 2008 Working Group report may be found on the Banking Department's website. Highlights include the following facts:

- **Seven out of ten seriously delinquent borrowers are <u>still</u> not on track for any loss-mitigation outcome.** The number of borrowers in loss mitigation has increased, but it has been matched by an increasing level of delinquent loans; thus, the relative percentage has remained about the same. Since creative servicer outreach efforts and increased public awareness of the HOPE Hotline have occurred in recent months, this large gap suggests a more systemic failure of servicer capacity to work out loans.

- **Data suggests that servicers' loss-mitigation departments are severely strained in managing the current workload.** The report noted that almost two-thirds of all loss-mitigation efforts started are not completed in the following month. There is a concern that servicers overall are not able to manage the sheer numbers of delinquent loans. Data suggests that the burgeoning numbers of delinquent loans that do not receive loss-mitigation attention are clogging up the system on their way to foreclosure. This could translate to increased levels of vacant foreclosed homes, further depressing property values and increasing burdens on government services.

- **Homeowners who do receive loss-mitigation help are most likely to receive some form of loan modification.** The Group stated that modifications are a solution that seems to offer better long-term prospects for successful resolution of problem loans. Many servicers are replacing their use of repayment plans in favor of loan modifications.

The Task Force has an innovative campaign with state legislators to connect at-risk borrowers with their loan servicers in time, referred to as Operation Protect Your Home. This campaign is discussed in detail in the section on Consumer Outreach.

*Grants for Homeowner Counseling*

With escalating foreclosure rates, caseloads for nonprofit agencies that assist borrowers have grown. The sustained ability of counseling groups and legal aid societies to respond to the increasing need is a critical issue. The Task Force is involved in funding and administering state grants that will help to ensure that community groups have the right tools and training to respond.

The Task Force agencies already dedicated over $600,000 to nonprofits, through grants from DCHR and through grants made by SONYMA in connection with the launch of "Keep the Dream." Fannie Mae also contributed $108,000 in additional support for Keep the Dream. In November 2007, an additional $2 million in grants was announced, using funds recouped from prior Banking Department enforcement actions. The Banking Department received 59 bids as of the closing date of the RFP on April 2, 2008 and is in the process of reviewing the proposals.

In addition, in March SONYMA announced that it had received a $747,718 Federal grant to expand foreclosure prevention counseling efforts across New York State. The funds will be used to help 20 counseling organizations provide additional counseling to homeowners in danger of foreclosure. In addition, SONYMA will provide a matching grant of over $100,000so that a total of over $800,000 in new funds will be distributed. The first $300,000 was recently sent out to the 20 counseling groups.

The 2008-09 state budget also includes $25 million to help homeowners in New York who entered into a subprime or unconventional mortgage, by providing counseling and legal services. The Subprime Foreclosure Prevention Services Program is being developed and administered by the NYS Housing Trust Fund Corporation (HTF), in consultation with the Banking Department and the Office of Court Administration (OCA).

The Program will make grants available to non-profits to provide financial counseling, mediation, legal representation, negotiation, and other support services to borrowers who face default or foreclosure. Funding will also be available to provide credit counseling and homeownership assistance training and support for housing counselors, mediators and lawyers who are assisting residents with subprime or unconventional mortgages.

HTF, with the assistance of the Banking Department, OCA, and SONYMA, is currently developing an open window RFP for non profits seeking funds under the Program. Release of the RFP is anticipated within 60 days. Proposals for funding will be accepted until all Program funds have been disbursed.

HTF, in consultation with its partner agencies, is also developing a two year plan for training that includes opportunities for housing counseling agencies, mediators, and legal service providers. In addition to HTF sponsored trainings, non-profits will be able to apply for training funds under the Program RFP.

A detailed report on the Subprime Foreclosure Prevention Program must be submitted to the Governor and the NYS legislature by December 31, 2008 to identify the foreclosure prevention activities completed by those non-profits who have receive funding under the Program. Additionally, the report will assess the rates, causes and remaining unmet needs that exist in the State at year end.

## V. CONSUMER OUTREACH

*HALT Summits*

The Task Force and the Banking Department's Consumer Services Division have been holding day-long HALT summits across the state. These events reach out to the grassroots level, to identify the regional challenges facing New Yorkers in the mortgage crisis and develop targeted solutions. These unique events are creating a venue for open and constructive dialogue among community groups, industry, and other regulators.

The first of the HALT Summits was held in Manhattan in April 2007, with summits in Buffalo and Long Island in June 2007 and October 2007, respectively. Feedback from these HALT summits has been extremely positive, and future events are anticipated. The HALT summits are one example of the ongoing dialogue with local community groups. The Consumer Protection Board also maintains educational materials on their website, and participates in public service ad campaigns, to further spread the HALT message.

*Operation Protect Your Home*

The current outreach priority, however, is the Operation Protect Your Home campaign in conjunction with state legislators. These events are foreclosure prevention forums, at which borrowers have the opportunity to meet face-to-face with their servicer to arrange a loan modification or other workout agreement. Information booths from government agencies and nonprofits also provide financial education and general assistance.

Thus far, five foreclosure forums have been held in 2008: the Bronx, Staten Island, Queens, Brooklyn, and Westchester. The next forums are scheduled for May 10 in Buffalo and June 7 in Long Island. The Banking Superintendent has followed-up with the participating servicers to collect information on the number of consumers helped and types of modifications efforts. Receipt of this data is ongoing and analysis is in process.

*The Alliance for Economic Inclusion*

The Alliance for Economic Inclusion (AEI) is the FDIC's national initiative to establish broad coalitions, designed to bring underserved populations into the financial mainstream and increase access to affordable products and services.

The Banking Department will be participating in the AEI pilot campaign for Rochester. There is the potential for Task Force involvement in the AEI, through the promotion of programs that would offer refinances, modifications, or other foreclosure prevention options. A Banking Department representative joined the FDIC in preplanning meetings held in Rochester with industry, community groups, and city government.

A kickoff event for the Rochester campaign is planned for Thursday, May 15. Full details on the AEI program can be found at:

http://www.fdic.gov/consumers/community/AEI/index.html.

# VI. ENFORCEMENT

In the area of enforcement, the Task Force is working to identify lenders and mortgage service providers that are engaged in predatory, discriminatory, or deceptive practices. In addition, the Division of Human Rights is evaluating racial disparities in high-cost lending on a county-by-county basis in an effort to identify specific lenders that may have engaged or may be engaging in discriminatory practices.

As noted in the prior HALT report, the standards for licensed mortgage bankers and brokers have also been strengthened, through the new industry guidance issued by the Banking Department last May. These new standards are being supported by the establishment of a National Mortgage Licensing System (NMLS), organized by the states in conjunction with the Conference for State Bank Supervisors.

*National Mortgage Licensing System*

The NMLS is a major new initiative for 2008 in the area of mortgage industry supervision. On January 1, 2008, the system began enrolling individual mortgage originators, and not just the firms where they are employed. It is anticipated that over 20,000 originators will be processed, and review of fingerprints and related documentation is in process. This system will help to curb mortgage abuse by making it more difficult for bad actors to evade enforcement and reopen shop simply by migrating across state lines. Components of the plan include authorization by the states, fingerprinting, background checks, and an education requirement. The administrative and technology system requirements for enrolling and monitoring tens of thousands of originators necessitate a large-scale mobilization of the Department's resources.

*Mortgage Fraud Unit*

The dedicated Mortgage Fraud Unit formed within the Banking Department last year has already had an impact in fraud prevention, and is actively working with local, state, and federal law enforcement officials to prosecute mortgage fraud. The Unit has already been recognized by law enforcement as a resource for expertise in this specialty. The Unit has spoken at national conferences and to gatherings of District Attorneys, and will provide training at a seminar for judges in Brooklyn later this year. The Unit has also created a special liaison with the New York City Police Department.

# VII. LEGISLATIVE REFORM

The Task Force has been active in proposing legislation at the state level, as well as in advising federal lawmakers. A particular priority has been updating Banking Law Section 6-l, the state's anti-predatory lending statute. One of the first laws of its kind in the nation, Section 6-l needed revisions to keep pace with evolutions in the lending marketplace.

As noted in the prior HALT report, the Task Force successfully recommended that Banking Law 6-l be amended, to raise the dollar limits for loan amounts subject to the high-cost restrictions of Section 6-l. The previous maximum loan amount of $300,000 severely limited the applicability of the state's anti-predatory lending statute, especially in the downstate market where typical home prices exceed this threshold. In addition, the prior limit did not account for inflation since the law was enacted. To remedy this, the dollar amount was indexed to the Fannie Mae conforming loan limits.

Given the scope of the developing foreclosure crisis, however, more sweeping reform was advocated. The Task Force provided substantial input for this reform, which resulted in the release of Governor's Program Bill 44 (A.10817/S.8143).

*Governor's Program Bill 44*

This bill targets the subprime lending crisis in two ways: (1) by providing assistance to homeowners currently at risk of losing their homes; and (2) by establishing further protections in the law to mitigate the possibility of similar crises in the future. A number of provisions apply to foreclosure and other real property laws, areas that may not be subject to preemption and so are especially suited to state intervention.

Described below in brief are the significant provisions of the bill. The first four elements address the needs of existing borrowers.

1. ***Pre-foreclosure notice*.** This provision offers relief for borrowers in default, before foreclosure proceedings are initiated. Many borrowers have no personal contact with their lender during the foreclosure process, and this solution would require that the lender send a pre-foreclosure notice, with the names of housing counselors, 60 days prior to the initiation of foreclosure proceedings. If the borrower reaches out to the lender within 30 days of receiving the notice, the lender will be precluded from initiating a foreclosure action for a period of 60 days. This requirement would apply to high-cost and other subprime loans. Those subprime borrowers have more limited financing options, and are especially in need of early intervention.
2. ***Mandatory Settlement Conference*.** Once foreclosure proceedings have been initiated, it is still not too late to find another solution. The bill would create additional space for a resolution through a mandatory settlement conference. This relief is available whenever the home is occupied by the owner or a family

member. The court has to hold a settlement conference within 60 days of the answer date. If the homeowner appears without counsel, the court will assume that he or she wants to proceed as a poor person and the court will decide whether to appoint counsel.

3. ***Affirmative Allegation of Ownership*.** The third element concerns proof of the legal standing to initiate foreclosure. With the complex contractual relationships involved in mortgage securitization, an affirmative allegation that the plaintiff is the owner or authorized designee of the note and mortgage holder would be required. This applies to subprime loans, and would also include affirmation that the loan was made in compliance with the state's anti-predatory lending statute.

4. ***Rescue Scams*.** And finally, this provision addresses foreclosure rescue scams, an unfortunate outgrowth of equity scams, which take advantage of borrowers at their most vulnerable time. New York already prohibits equity stripping scams, but the ingenuity of crooks has outstripped that law. The bill would protect homeowners from being further victimized, by prohibiting upfront fees and requiring a written contract for services from so-called "distressed property consultants."

The remaining six sections of the bill are designed to help prevent future crises.

1. ***Expansion of a covered transaction under 6-l*.** This provision would expand the definition of a covered transaction under the state's anti-predatory lending law to include loan amounts up to $750,000. This change is especially critical for protecting borrowers in downstate, where home prices are typically higher than the state average. The proposal would also create a new class of nonconventional loans- those with annual percentage rates that are 3% or 5% above the corresponding Treasury, for first and second liens respectively. These standards are identical to the thresholds for identifying a "higher-cost" loan under the Home Mortgage Disclosure Act (HMDA), as well as many Congressional and Federal Reserve Board proposals.

2. ***Additional standards and prohibitions under 6-l*.** In addition to expanding the scope of coverage, amendments to the anti-predatory lending statute would also provide additional standards and prohibitions. The five requirements for this expanded category of loans would do the following:

    a. prohibit prepayment penalties;
    b. prohibit yield spread premiums;
    c. prohibit option ARMs, when there is the possibility for negative amortization;
    d. require escrow for taxes and insurance, with the ability to opt out after the first year, and;
    e. require special disclosure about taxes and insurance to first-time home buyers.

    The goal with provisions such as a ban on yield spread premiums is to prevent steering. If the broker's compensation varies depending upon the rate the borrower receives, there is a potential conflict of interest between the broker’s profit motive and the customer’s desire for the best deal. This prohibition is intended to address this misaligned incentive.

3. ***Duty of care***. To further address the potential for conflicts of interest to arise, the Bill would establish a general duty of care on the part of mortgage brokers to their customers. Among other things, this would require brokers to act in the borrower's interest; act with reasonable care, skill and diligence; act with good faith and fair dealing; and present the loans most appropriate for the borrower.
4. ***Ability to pay standard***. Ascertaining ability to pay is a basic tenet of prudent lending, but this fundamental principle was not always followed, to the long-term detriment of consumers, lenders, and investors alike. This bill would establish such an ability to pay standard, regardless of the principal amount. Lenders would have to make a reasonable and good faith determination of whether the borrower has the ability to repay the loan, including the principal, interest, taxes, insurance, assessments, points and fees. For nonconventional loans, the borrower's ability to pay would require verification by detailed documentation of all sources of income.
5. ***Registration of servicers***. This provision would require mortgage servicers in New York to be registered with the Banking Department. A key goal here is to have access to data for the purpose of monitoring industry loss mitigation efforts. Such information would aid the state in quantifying the extent of the foreclosure problem, as well as in identifying areas where state support is most needed.
6. ***Mortgage Fraud***. And finally, the bill would criminalize the act of mortgage fraud, making it easier for prosecutors to pursue these cases. While prosecutors even today may bring these cases under various theories such as criminal enterprise, scheme to defraud and larceny, this provision would make it easier for prosecutors to target these particular forms of abuse. And as the magnitude of the fraud increases, so would the criminal penalty.

*Hearings and Testimony*

The Task Force agencies also provide input on proposed regulatory and legislative action at the state and federal levels, and have been active in testifying at hearings related to the subprime mortgage issue.

| Event | Date | Representative |
|---|---|---|
| US Treasury Department, Meeting of State Housing Finance Agencies, *“Overview of the ‘Keep the Dream’ Program”* | 9/25/07 | Michael Esposito, SONYMA |
| New York City Council, Committees on Housing and Buildings and Community Affairs, *“Scope of Subprime Lending and Mortgage Foreclosure Crisis in New York City”* | 11/20/07 | Richard H. Neiman, NYSBD |

| Event | Date | Representative |
|---|---|---|
| US Treasury Department, Meeting of State Housing Finance Agencies, *"Overview of the 'Keep the Dream' Program"* | 9/25/07 | Michael Esposito, SONYMA |
| New York City Council, Committees on Housing and Buildings and Community Affairs, *"Scope of Subprime Lending and Mortgage Foreclosure Crisis in New York City"* | 11/20/07 | Richard H. Neiman, NYSBD |
| US House of Representatives, Financial Services Committee, Subcommittee on Financial Institutions and Consumer Credit, *"The Financial Hotline Act of 2007"* | 12/12/07 | Richard H. Neiman, NYSBD |
| New York State Senate, Committee on Banks, *"Subprime Mortgages and Foreclosures in New York"* | 12/13/07 | Richard H. Neiman, NYSBD |
| US House of Representatives, Financial Services Committee, Subcommittee on Financial Institutions and Consumer Credit, *"Effects of the Subprime Mortgage Crisis in New York City"* | 2/11/08 | Jane Azia, NYSBD |
| New York State Commission of Investigation, *"The Subprime Mortgage Crisis in New York State"* | 4/9/08 | Jane Azia, NYSBD |

# CONCLUSION

The subprime mortgage crisis continues to expand, leading to a spike in foreclosures and challenging economic conditions overall. The vision of the Task Force is to pool the resources and expertise of diverse agencies into one coordinated response to this complex problem. While much work remains to be done, the Task Force is proactive and adopts a flexible approach in order to keep pace with evolving trends.

Particular near-term goals for the Task Force include:

- Continuing "Operation Protect Your Home" foreclosure prevention forums across the state;
- Launch of the Alliance for Economic Inclusion campaign in Rochester;
- Further analysis at the zip code level of communities most at-risk; and
- Administration of grant programs for counseling and other consumer services.

Regular periodic reports will continue to be produced, to advise of the group's progress on initiatives to help New York consumers, industry, and the state economy successfully navigate the current turmoil in the mortgage market.

## FORECLOSURE FILINGS BY COUNTY (Ranked by % Share of State)

**RealtyTrac data as of March 31, 2008, 1-4 family**

| Rank | 1Q2008 | 1Q2008 Total Filings | Percent of Total State Filings | 4Q2007 Total Filings | % change from 4Q2007 to 1Q2008 | 1Q2007 Total Filings | % change from 1Q2007 to 1Q2008 |
|---|---|---|---|---|---|---|---|
| 1 | Queens | 2683 | 19.2% | 1995 | 34.5% | 1464 | 83.3% |
| 2 | Suffolk | 2079 | 14.8% | 1609 | 29.2% | 2034 | 2.2% |
| 3 | Kings | 1832 | 13.1% | 1601 | 14.4% | 1100 | 66.5% |
| 4 | Nassau | 1276 | 9.1% | 1047 | 21.9% | 955 | 33.6% |
| 5 | Monroe | 815 | 5.8% | 962 | -15.3% | 846 | -3.7% |
| 6 | Westchester | 732 | 5.2% | 585 | 25.1% | 425 | 72.2% |
| 7 | Richmond | 729 | 5.2% | 509 | 43.2% | 347 | 110.1% |
| 8 | Bronx | 676 | 4.8% | 676 | 0.0% | 415 | 62.9% |
| 9 | Erie | 421 | 3.0% | 574 | -26.7% | 388 | 8.5% |
| 10 | Albany | 321 | 2.3% | 55 | 483.6% | 64 | 401.6% |
| 11 | Rockland | 284 | 2.0% | 219 | 29.7% | 144 | 97.2% |
| 12 | New York | 209 | 1.5% | 201 | 4.0% | 128 | 63.3% |
| 13 | Orange | 205 | 1.5% | 198 | 3.5% | 89 | 130.3% |
| 14 | Niagara | 201 | 1.4% | 226 | -11.1% | 337 | -40.4% |
| 15 | Onondaga | 194 | 1.4% | 127 | 52.8% | 134 | 44.8% |
| 16 | Putnam | 143 | 1.0% | 154 | -7.1% | 130 | 10.0% |
| 17 | Saratoga | 131 | 0.9% | 82 | 59.8% | 7 | 1771.4% |
| 18 | Ulster | 114 | 0.8% | 74 | 54.1% | 83 | 37.3% |
| 19 | Oswego | 107 | 0.8% | 44 | 143.2% | 7 | 1428.6% |
| 20 | Schenectady | 104 | 0.7% | 188 | -44.7% | 26 | 300.0% |
| 21 | Dutchess | 98 | 0.7% | 119 | -17.6% | 119 | -17.6% |
| 22 | Wayne | 73 | 0.5% | 25 | 192.0% | 4 | 1725.0% |
| 23 | Broome | 70 | 0.5% | 68 | 2.9% | 24 | 191.7% |
| 24 | Rensselaer | 64 | 0.5% | 55 | 16.4% | 54 | 18.5% |
| 25 | Sullivan | 56 | 0.4% | 36 | 55.6% | 17 | 229.4% |
| 26 | Genesee | 42 | 0.3% | 69 | -39.1% | 4 | 950.0% |
| 27 | Orleans | 41 | 0.3% | 33 | 24.2% | 1 | 4000.0% |
| 28 | Cayuga | 24 | 0.2% | 13 | 84.6% | 5 | 380.0% |
| 29 | Chautauqua | 23 | 0.2% | 8 | 187.5% | 4 | 475.0% |
| 30 | Montgomery | 22 | 0.2% | 17 | 29.4% | 6 | 266.7% |
| 31 | Washington | 19 | 0.1% | 26 | -26.9% | 9 | 111.1% |
| 32 | Cattaraugus | 16 | 0.1% | 24 | -33.3% | 7 | 128.6% |
| 33 | Warren | 16 | 0.1% | 13 | 23.1% | 9 | 77.8% |
| 34 | Oneida | 15 | 0.1% | 23 | -34.8% | 10 | 50.0% |
| 35 | Fulton | 14 | 0.1% | 17 | -17.6% | 3 | 366.7% |
| 36 | Ontario | 12 | 0.1% | 3 | 300.0% | 6 | 100.0% |
| 37 | Steuben | 11 | 0.1% | 13 | -15.4% | 3 | 266.7% |
| 38 | Cortland | 10 | 0.1% | 7 | 42.9% | 0 | * |
| 39 | Chemung | 9 | 0.1% | 10 | -10.0% | 2 | 350.0% |
| 40 | Otsego | 9 | 0.1% | 3 | 200.0% | 1 | 800.0% |
| 41 | Clinton | 8 | 0.1% | 10 | -20.0% | 1 | 700.0% |
| 42 | Madison | 8 | 0.1% | 5 | 60.0% | 2 | 300.0% |
| 43 | Allegany | 7 | ** | 12 | -41.7% | 8 | -12.5% |
| 44 | Franklin | 7 | ** | 3 | 133.3% | 1 | 600.0% |
| 45 | Saint Lawrence | 7 | ** | 10 | -30.0% | 2 | 250.0% |
| 46 | Tompkins | 7 | ** | 2 | 250.0% | 0 | * |
| 47 | Chenango | 6 | ** | 2 | 200.0% | 2 | 200.0% |
| 48 | Columbia | 6 | ** | 12 | -50.0% | 5 | 20.0% |
| 49 | Tioga | 6 | ** | 14 | -57.1% | 2 | 200.0% |
| 50 | Wyoming | 6 | ** | 24 | -75.0% | 1 | 500.0% |
| 51 | Herkimer | 5 | ** | 5 | 0.0% | 2 | 150.0% |
| 52 | Livingston | 5 | ** | 6 | -16.7% | 3 | 66.7% |
| 53 | Yates | 4 | ** | 3 | 33.3% | 1 | 300.0% |
| 54 | Essex | 3 | ** | 1 | 200.0% | 1 | 200.0% |
| 55 | Greene | 3 | ** | 4 | -25.0% | 15 | -80.0% |
| 56 | Jefferson | 3 | ** | 5 | -40.0% | 0 | * |
| 57 | Schuyler | 3 | ** | 0 | * | 4 | -25.0% |
| 58 | Seneca | 3 | ** | 0 | * | 0 | * |
| 59 | Schoharie | 2 | ** | 4 | -50.0% | 0 | * |
| 60 | Delaware | 1 | ** | 1 | 0.0% | 1 | 0.0% |
| 61 | Hamilton | 1 | ** | 0 | * | 0 | * |
| 62 | Lewis | 1 | ** | 1 | 0.0% | 1 | 0.0% |
| | Grand Total | **14002** | **100.0%** | **11832** | **18.3%** | **9463** | **48.0%** |

* Percent change not calculable because the prior time period for comparison had zero filings

** Less than 0.1%

# FORECLOSURE FILINGS BY COUNTY (ALPHABETICAL LISTING)

**RealtyTrac data as of March 31, 2008, 1-4 Family**

| 1Q2008 | 1Q2008 Total Filings | Percent of Total State Filings | 4Q2007 Total Filings | % change from 4Q2007 to 1Q2008 | 1Q2007 Total Filings | % Change from 1Q2007 to 1Q2008 |
|---|---|---|---|---|---|---|
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| Allegany | 7 | ** | 12 | -41.7% | 8 | -12.5% |
| Bronx | 676 | 4.8% | 676 | 0.0% | 415 | 62.9% |
| Broome | 70 | 0.5% | 68 | 2.9% | 24 | 191.7% |
| Cattaraugus | 16 | 0.1% | 24 | -33.3% | 7 | 128.6% |
| Cayuga | 24 | 0.2% | 13 | 84.6% | 5 | 380.0% |
| Chautauqua | 23 | 0.2% | 8 | 187.5% | 4 | 475.0% |
| Chemung | 9 | 0.1% | 10 | -10.0% | 2 | 350.0% |
| Chenango | 6 | ** | 2 | 200.0% | 2 | 200.0% |
| Clinton | 8 | 0.1% | 10 | -20.0% | 1 | 700.0% |
| Columbia | 6 | ** | 12 | -50.0% | 5 | 20.0% |
| Cortland | 10 | 0.1% | 7 | 42.9% | 0 | * |
| Delaware | 1 | ** | 1 | 0.0% | 1 | 0.0% |
| Dutchess | 98 | 0.7% | 119 | -17.6% | 119 | -17.6% |
| Erie | 421 | 3.0% | 574 | -26.7% | 388 | 8.5% |
| Essex | 3 | ** | 1 | 200.0% | 1 | 200.0% |
| Franklin | 7 | ** | 3 | 133.3% | 1 | 600.0% |
| Fulton | 14 | 0.1% | 17 | -17.6% | 3 | 366.7% |
| Genesee | 42 | 0.3% | 69 | -39.1% | 4 | 950.0% |
| Greene | 3 | ** | 4 | -25.0% | 15 | -80.0% |
| Hamilton | 1 | ** | 0 | * | 0 | * |
| Herkimer | 5 | ** | 5 | 0.0% | 2 | 150.0% |
| Jefferson | 3 | ** | 5 | -40.0% | 0 | * |
| Kings | 1832 | 13.1% | 1601 | 14.4% | 1100 | 66.5% |
| Lewis | 1 | ** | 1 | 0.0% | 1 | 0.0% |
| Livingston | 5 | ** | 6 | -16.7% | 3 | 66.7% |
| Madison | 8 | 0.1% | 5 | 60.0% | 2 | 300.0% |
| Monroe | 815 | 5.8% | 962 | -15.3% | 846 | -3.7% |
| Montgomery | 22 | 0.2% | 17 | 29.4% | 6 | 266.7% |
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| Onondaga | 194 | 1.4% | 127 | 52.8% | 134 | 44.8% |
| Ontario | 12 | 0.1% | 3 | 300.0% | 6 | 100.0% |
| Orange | 205 | 1.5% | 198 | 3.5% | 89 | 130.3% |
| Orleans | 41 | 0.3% | 33 | 24.2% | 1 | 4000.0% |
| Oswego | 107 | 0.8% | 44 | 143.2% | 7 | 1428.6% |
| Otsego | 9 | 0.1% | 3 | 200.0% | 1 | 800.0% |
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| Queens | 2683 | 19.2% | 1995 | 34.5% | 1464 | 83.3% |
| Rensselaer | 64 | 0.5% | 55 | 16.4% | 54 | 18.5% |
| Richmond | 729 | 5.2% | 509 | 43.2% | 347 | 110.1% |
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| Schenectady | 104 | 0.7% | 188 | -44.7% | 26 | 300.0% |
| Schoharie | 2 | ** | 4 | -50.0% | 0 | * |
| Schuyler | 3 | ** | 0 | * | 4 | -25.0% |
| Seneca | 3 | ** | 0 | * | 0 | * |
| Steuben | 11 | 0.1% | 13 | -15.4% | 3 | 266.7% |
| Suffolk | 2079 | 14.8% | 1609 | 29.2% | 2034 | 2.2% |
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| Tompkins | 7 | ** | 2 | 250.0% | 0 | * |
| Ulster | 114 | 0.8% | 74 | 54.1% | 83 | 37.3% |
| Warren | 16 | 0.1% | 13 | 23.1% | 9 | 77.8% |
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| Wayne | 73 | 0.5% | 25 | 192.0% | 4 | 1725.0% |
| Westchester | 732 | 5.2% | 585 | 25.1% | 425 | 72.2% |
| Wyoming | 6 | ** | 24 | -75.0% | 1 | 500.0% |
| Yates | 4 | ** | 3 | 33.3% | 1 | 300.0% |
| **Grand Total** | **14002** | **100.0%** | **11832** | **18.3%** | **9463** | **48.0%** |

* Percent change not calculable because the prior time period for comparison had zero filings

** Less than 0.1%

## FORECLOSURE FILINGS BY COUNTY (Ranked by Ratio of Filings to Mortgages)

**RealtyTrac data as of March 31, 2008, 1-4 family**

| 1Q2008 | Lis Pendens | Notice of Sale | Bank-Owned Real Estate | Notice of Default | Total Filings | Filings as % of Total Filings | Total Owner Occupied Units in 2006 | Filings as % of Owner Occupied Units | Total Owner Occupied Units w/ Mortgage (2007**) | Filings as % of Owner Occupied Units w/ Mortgage | Ratio of Filings to Mortages |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Queens | 2110 | 358 | 215 | 0 | 2683 | 19.20% | 364,610 | 0.74% | 231,940 | 1.20% | 1 in 83 |
| Bronx | 534 | 107 | 35 | 0 | 676 | 4.80% | 101,099 | 0.67% | 62,926 | 1.10% | 1 in 91 |
| Kings | 1603 | 168 | 61 | 0 | 1832 | 13.10% | 281,343 | 0.65% | 184,413 | 1.00% | 1 in 100 |
| Richmond | 536 | 157 | 36 | 0 | 729 | 5.20% | 119,816 | 0.61% | 91,332 | 0.80% | 1 in 125 |
| Albany | 186 | 61 | 74 | 0 | 321 | 2.30% | 71,815 | 0.45% | 47,769 | 0.70% | 1 in 143 |
| Suffolk | 1865 | 89 | 125 | 0 | 2079 | 14.80% | 392,132 | 0.53% | 285,541 | 0.70% | 1 in 143 |
| Monroe | 665 | 12 | 138 | 0 | 815 | 5.80% | 192,199 | 0.42% | 137,997 | 0.60% | 1 in 167 |
| Putnam | 110 | 22 | 11 | 0 | 143 | 1.00% | 28,129 | 0.51% | 22,539 | 0.60% | 1 in 167 |
| Rockland | 241 | 34 | 9 | 0 | 284 | 2.00% | 67,952 | 0.42% | 50,373 | 0.60% | 1 in 167 |
| Nassau | 1082 | 44 | 150 | 0 | 1276 | 9.10% | 356,561 | 0.36% | 238,745 | 0.50% | 1 in 200 |
| Niagara | 176 | 6 | 19 | 0 | 201 | 1.40% | 60,416 | 0.33% | 39,207 | 0.50% | 1 in 200 |
| Oswego | 84 | | 23 | 0 | 107 | 0.80% | 32,764 | 0.33% | 19,683 | 0.50% | 1 in 200 |
| Sullivan | 3 | 45 | 8 | 0 | 56 | 0.40% | 20,095 | 0.28% | 12,302 | 0.50% | 1 in 200 |
| Westchester | 619 | 63 | 50 | 0 | 732 | 5.20% | 213,214 | 0.34% | 144,084 | 0.50% | 1 in 200 |
| Schenectady | 10 | 41 | 53 | 0 | 104 | 0.70% | 39,549 | 0.26% | 26,181 | 0.40% | 1 in 250 |
| Ulster | 2 | 81 | 31 | 0 | 114 | 0.80% | 47,444 | 0.24% | 30,222 | 0.40% | 1 in 250 |
| Wayne | 2 | 56 | 15 | 0 | 73 | 0.50% | 26,387 | 0.28% | 16,849 | 0.40% | 1 in 250 |
| Erie | 5 | 330 | 86 | 0 | 421 | 3.00% | 246,619 | 0.17% | 158,524 | 0.30% | 1 in 333 |
| Orange | 19 | 110 | 76 | 0 | 205 | 1.50% | 85,306 | 0.24% | 64,699 | 0.30% | 1 in 333 |
| Saratoga | 57 | 48 | 26 | 0 | 131 | 0.90% | 59,487 | 0.22% | 42,163 | 0.30% | 1 in 333 |
| Broome | 2 | 34 | 34 | 0 | 70 | 0.50% | 55,036 | 0.13% | 31,644 | 0.20% | 1 in 500 |
| Cayuga | 2 | | 22 | 0 | 24 | 0.20% | 23,012 | 0.10% | 13,007 | 0.20% | 1 in 500 |
| Dutchess | 5 | 30 | 63 | 0 | 98 | 0.70% | 74,384 | 0.13% | 53,917 | 0.20% | 1 in 500 |
| New York | 175 | 30 | 4 | 0 | 209 | 1.50% | 173,169 | 0.12% | 111,991 | 0.20% | 1 in 500 |
| Onondaga | 4 | 125 | 65 | 0 | 194 | 1.40% | 120,923 | 0.16% | 81,723 | 0.20% | 1 in 500 |
| Rensselaer | 2 | 42 | 20 | 0 | 64 | 0.50% | 40,276 | 0.16% | 27,303 | 0.20% | 1 in 500 |
| Cattaraugus | 1 | 1 | 14 | 0 | 16 | 0.10% | 23,962 | 0.07% | 13,811 | 0.10% | 1 in 1000 |
| Chautauqua | 2 | 4 | 17 | 0 | 23 | 0.20% | 37,632 | 0.06% | 21,838 | 0.10% | 1 in 1000 |
| Chemung | | | 9 | 0 | 9 | 0.10% | 23,336 | 0.04% | 14,203 | 0.10% | 1 in 1000 |
| Clinton | | | 8 | 0 | 8 | 0.10% | 20,783 | 0.04% | 13,642 | 0.10% | 1 in 1000 |
| Madison | | | 8 | 0 | 8 | 0.10% | 20,012 | 0.04% | 12,525 | 0.10% | 1 in 1000 |
| Ontario | | 1 | 11 | 0 | 12 | 0.10% | 30,367 | 0.04% | 20,634 | 0.10% | 1 in 1000 |
| Steuben | 1 | | 10 | 0 | 11 | 0.10% | 28,546 | 0.04% | 17,277 | 0.10% | 1 in 1000 |
| Warren | | 6 | 10 | 0 | 16 | 0.10% | 18,501 | 0.09% | 12,382 | 0.10% | 1 in 1000 |
| Tompkins | | | 7 | 0 | 7 | 0.00% | 19,073 | 0.04% | 12,490 | 0.10% | 1 in 1000 |
| Oneida | 2 | | 13 | 0 | 15 | 0.10% | 60,884 | 0.02% | 35,459 | 0.00% | n/a |
| Jefferson | | | 3 | 0 | 3 | 0.00% | 24,522 | 0.01% | 14,207 | 0.00% | n/a |
| Saint Lawrence | | | 7 | 0 | 7 | 0.00% | 29,350 | 0.02% | 17,649 | 0.00% | n/a |
| Allegany | | | 7 | 0 | 7 | 0.00% | * | * | * | * | * |
| Chenango | 1 | | 5 | 0 | 6 | 0.00% | * | * | * | * | * |
| Columbia | | 5 | 1 | 0 | 6 | 0.00% | * | * | * | * | * |
| Cortland | | | 10 | 0 | 10 | 0.10% | * | * | * | * | * |
| Delaware | | | 1 | 0 | 1 | 0.00% | * | * | * | * | * |
| Essex | | | 3 | 0 | 3 | 0.00% | * | * | * | * | * |
| Franklin | | | 7 | 0 | 7 | 0.00% | * | * | * | * | * |
| Fulton | 1 | | 13 | 0 | 14 | 0.10% | * | * | * | * | * |
| Genesee | 19 | 18 | 5 | 0 | 42 | 0.30% | * | * | * | * | * |
| Greene | 1 | 2 | | 0 | 3 | 0.00% | * | * | * | * | * |
| Hamilton | | | 1 | 0 | 1 | 0.00% | * | * | * | * | * |
| Herkimer | | 1 | 4 | 0 | 5 | 0.00% | * | * | * | * | * |
| Lewis | 0 | 0 | 1 | 0 | 1 | 0.00% | * | * | * | * | * |
| Livingston | | | 5 | 0 | 5 | 0.00% | * | * | * | * | * |
| Montgomery | | | 22 | 0 | 22 | 0.20% | * | * | * | * | * |
| Orleans | 21 | 3 | 17 | 0 | 41 | 0.30% | * | * | * | * | * |
| Otsego | | | 9 | 0 | 9 | 0.10% | * | * | * | * | * |
| Schoharie | | | 2 | 0 | 2 | 0.00% | * | * | * | * | * |
| Schuyler | | 3 | | 0 | 3 | 0.00% | * | * | * | * | * |
| Seneca | | | 3 | 0 | 3 | 0.00% | * | * | * | * | * |
| Tioga | 1 | | 5 | 0 | 6 | 0.00% | * | * | * | * | * |
| Washington | 3 | 2 | 14 | 0 | 19 | 0.10% | * | * | * | * | * |
| Wyoming | | 6 | | 0 | 6 | 0.00% | * | * | * | * | * |
| Yates | | 1 | 3 | 0 | 4 | 0.00% | | * | * | * | * |
| **Grand Total** | 10152 | 2146 | 1704 | 0 | 14002 | 100.00% | 3,630,705 | 0.39% | 2,433,193 | 0.60% | 1 in 167 |

* Household survey results from the US Census Bureau are not available for all counties

** Derived from 2006 Census Bureau data