



Foreclosure Trends 2012

CITY OF BOSTON/THOMAS M. MENINO, MAYOR

DEPARTMENT OF NEIGHBORHOOD DEVELOPMENT SHEILA A. DILLON, CHIEF AND DIRECTOR

INTRODUCTION

This *Foreclosure Trends* report covers changes in Boston's residential foreclosures from 2005 to 2012. While it is not over, the worst of the current foreclosure crisis seems to have passed. This foreclosure crisis, however, was neither Boston's first nor its worst. Brought on by the recession of the early 1990s, Boston also experienced a foreclosure crisis that peaked in 1992 with 1,679 foreclosures. By 1997, foreclosures returned to their pre-recession levels and remained low through 2005. In 2005, which was also when Boston housing prices peaked, foreclosures started to rise again and continued to do so through 2008, when they reached 1,215. Foreclosure deeds since have declined to 308, which is 75% below 2008's peak (Chart 1).

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Foreclosure Petition: A lender must file a petition in land court to begin the foreclosure process.

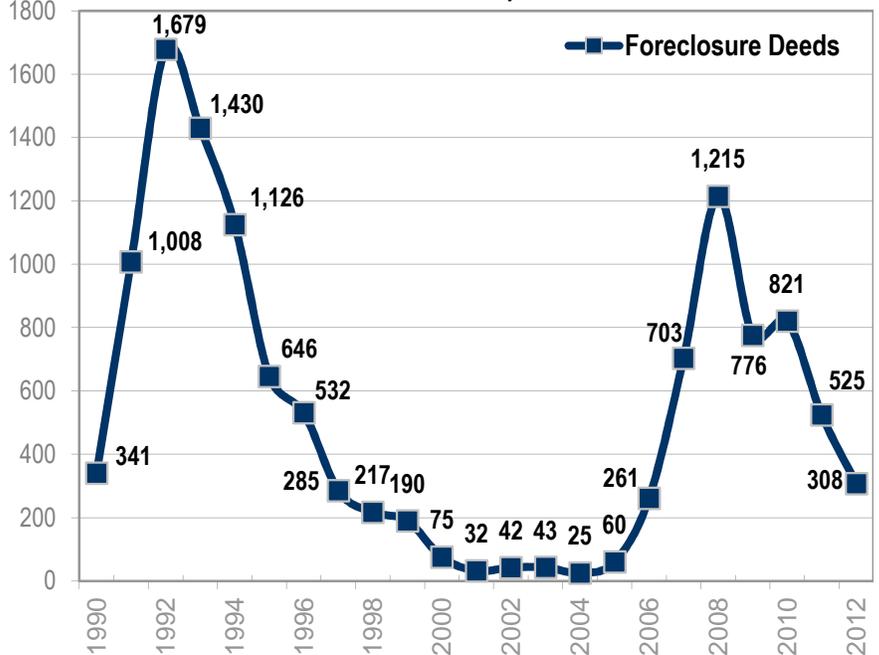
Foreclosure Deed: The same as a foreclosure sale, the foreclosure deed is the completion of the foreclosure process, including the auction.

Residential Property: Includes one-, two-, and three-family properties and condominiums based on data from the City of Boston Assessing Department.

2012 FORECLOSURE OVERVIEW

- There were 308 foreclosure deeds recorded in 2012, a 41% decrease compared to the 525 foreclosure deeds recorded in 2011.
- There were 890 properties petitioned in 2012, a 22% increase compared to the 732 properties petitioned in 2011.
- Only 33% of foreclosure deeds recorded in 2012 were for owner-occupied properties, down from 37% in 2011.
- Adjustable-rate mortgages were responsible for 31% of foreclosures in 2012, and only 15% foreclosed before their first reset date.
- In 2012, 68% of petitioned properties and 70% of foreclosure deeds were located in five neighborhoods: Dorchester, East Boston, Hyde Park, Mattapan, and Roxbury.
- The percentage of foreclosed properties that were bought back by foreclosing entities at auction sales (Real Estate Owned properties) decreased from 78% in 2011 to 75% in 2012.
- The inventory of Real Estate Owned properties at the end of 2012 declined to 364 from 549 at the end of 2011.

Chart 1: Foreclosure Deeds, 1990-2012, City of Boston





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FORECLOSURE PETITIONS

In 2012, foreclosure petitions increased for all property types and in all neighborhoods except Fenway/Kenmore (Table 1 and Map 1). A foreclosure petition is the first step in the foreclosure process, however, not all petitions result in foreclosure deeds. Sometimes, homeowners are able to resolve the problem before a foreclosure auction occurs, such as through a mortgage modification, a mortgage write-down, refinancing, or selling the property. In 2012, for every three foreclosure petitions filed, only one foreclosure deed was recorded.

Dorchester, East Boston, Hyde Park, Mattapan, and Roxbury comprised 68% of foreclosure petitions; yet, these neighborhoods comprise only 35% of small residential properties. The greatest percentage increase in foreclosure petitions was in the South End (50%), and Hyde Park had the largest increase in volume (33).

Single-family homes and condominiums accounted for the majority of foreclosure petitions (63%). Condominiums had the greatest percentage increase (37%) as well as the greatest increase in volume (76).

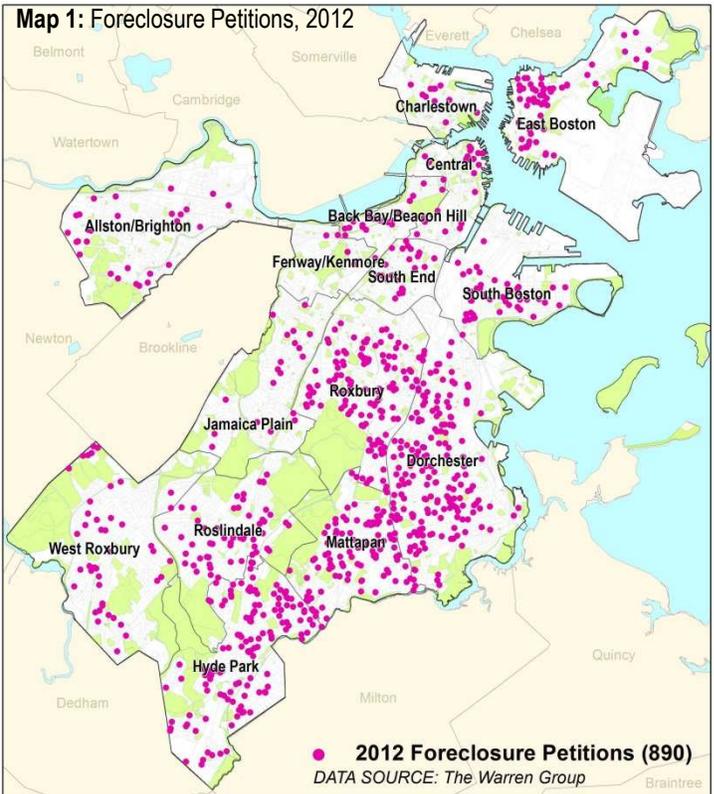


Table 1: Foreclosure Petitions by Neighborhood & Property Type

	FORECLOSURE PETITIONS - 2011					FORECLOSURE PETITIONS - 2012					% CHANGE				
	TOTAL	CONDO	1-FAM	2-FAM	3-FAM	TOTAL	CONDO	1-FAM	2-FAM	3-FAM	ALL	CONDO	1-FAM	2-FAM	3-FAM
ALLSTON-BRIGHTON	29	12	5	7	5	31	17	8	5	1	7%	42%	**	**	**
BACK BAY BEACON HILL	6	6	0	0	0	22	21	1	0	0	**	**	**	**	**
CENTRAL	18	17	0	1	0	24	24	0	0	0	33%	41%	**	**	**
CHARLESTOWN	10	6	3	1	0	11	6	2	2	1	10%	**	**	**	**
DORCHESTER	158	32	44	39	43	185	45	56	40	44	17%	41%	27%	3%	2%
EAST BOSTON	53	16	5	9	23	61	17	11	15	18	15%	6%	**	**	-22%
FENWAY/KENMORE	7	7	0	0	0	4	3	0	0	1	**	**	**	**	**
HYDE PARK	97	11	56	27	3	130	11	80	35	4	34%	0%	43%	30%	**
JAMAICA PLAIN	16	9	4	0	3	18	7	5	2	4	13%	**	**	**	**
MATTAPAN	90	7	38	26	19	100	17	36	32	15	11%	**	-5%	23%	-21%
ROSLINDALE	51	15	23	10	3	56	12	25	13	6	10%	-20%	9%	30%	**
ROXBURY	111	20	21	44	26	129	32	23	36	38	16%	60%	10%	-18%	46%
SOUTH BOSTON	34	21	9	2	2	45	27	9	5	4	32%	29%	**	**	**
SOUTH END	16	13	2	1	0	24	22	1	0	1	50%	69%	**	**	**
WEST ROXBURY	36	11	20	2	3	50	18	29	2	1	39%	64%	45%	**	**
CITYWIDE	732	203	230	169	130	890	279	286	187	138	22%	37%	24%	11%	6%

*No percent change is calculated for neighborhoods with fewer than 10 petitions.



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The citywide rate of foreclosure petition filings was 0.75% in 2012, up from 0.61% in 2011. There were eleven census tracts located in Hyde Park, Mattapan, Roslindale, Roxbury, and South Boston that had petition rates greater than three times the citywide rate (Map 2). Of those, all but Hyde Park and Mattapan also had sections that were below the citywide rate.

The petition rate is calculated as the number of petitioned small residential properties (i.e., one-, two-, and three-family properties and condominiums) per all small residential properties in each census tract. This analysis both normalizes the data and shows concentrations within larger neighborhoods. In addition to the five neighborhoods with census tracts that were three times the citywide rate, portions of Dorchester and East Boston had census tracts with petition rates greater than twice the citywide rate. Meanwhile, all census tracts in Allston/Brighton, Back Bay/Beacon Hill, Central, Charlestown, and the South End had petition rates below the citywide rate.

In March of 2009, in the Massachusetts Land Court case of U.S. Bank v. Ibanez, Judge Keith C. Long invalidated two foreclosure sales because the foreclosing lenders failed to show proof that they held ownership of the mortgages through assignments. This ruling ultimately affected thousands of foreclosures with securitized mortgages across the state. Because of this decision, any pending or completed foreclosures for which the lender did not physically hold the assignment to the property at the time of auction were brought into question, and lenders since have been “re-foreclosing” on properties. This impacts foreclosure numbers because multiple petitions and foreclosure deeds are filed for the same property.

A review of foreclosure petitions and deeds going back to 2005 shows that approximately 4% (12) of 2012 foreclosure deeds and 1% (5) of 2012 foreclosure petitions were “re-foreclosures” (Table 2). These petitions were filed on properties for which a foreclosure deed had been recorded previously for the same property and borrower. Both the volume and the percentage of foreclosure petitions and deeds affected by a re-foreclosure process in 2012 are down from 2011.

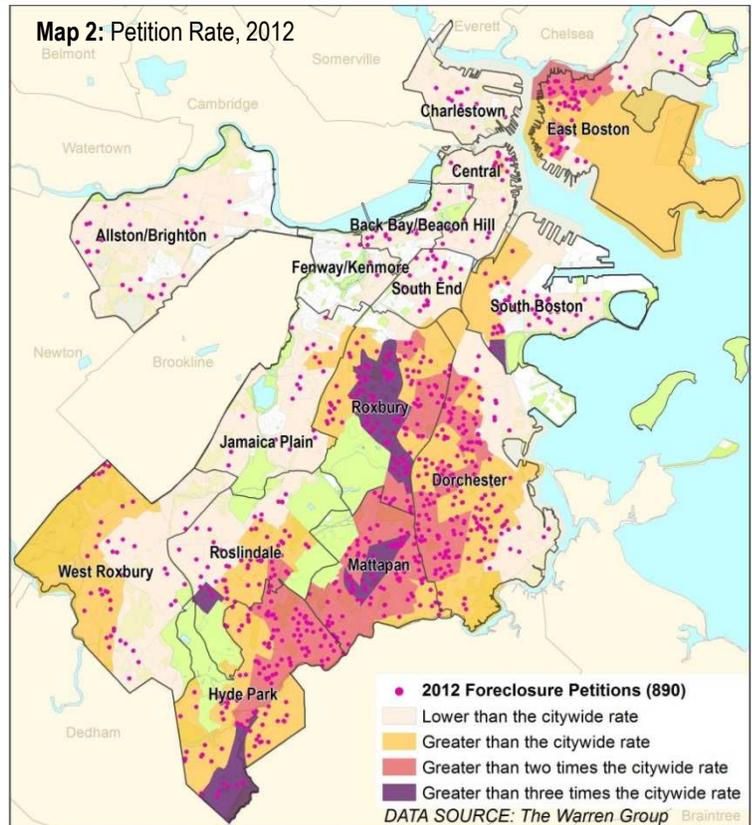


Table 2: US Bank vs. Ibanez Analysis, 2012 Foreclosure Deeds and Petitions

2012 FORECLOSURE DEEDS	COUNT	%
"Re-foreclosure" on Property	12	4%
New Foreclosure Deed	296	96%
Total	308	100%

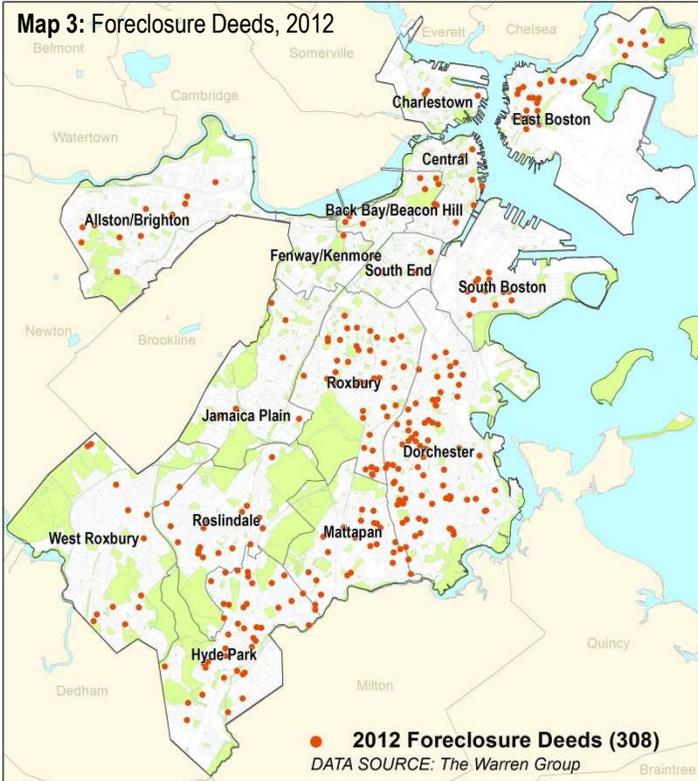
2012 PETITIONS	COUNT	%
Petition on Foreclosed Property	5	1%
New Foreclosure Petition	885	99%
Total	890	100%



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FORECLOSURE DEEDS

Foreclosure deeds declined 41% in 2012 compared to 2011. This is the second year in a row that foreclosure deeds declined, and, at 308, they are 75% below their 2008 peak of 1,215. This most recent decline began when major U.S. mortgage lenders suspended foreclosures in the fall of 2010 to deal with claims that “robo-signers” improperly signed foreclosure documents.

Table 3 shows the number of foreclosure deeds by neighborhood and property type for 2011 and 2012. Similar to foreclosure petitions, 70% of 2012 foreclosure deeds were concentrated in Dorchester, East Boston, Hyde Park, Mattapan, and Roxbury. Central Boston is the only neighborhood that experienced a slight increase of five foreclosure deeds. Jamaica Plain experienced the greatest percentage decrease (-70%), and Dorchester had the greatest decrease in volume (-70).

In 2012, foreclosure deeds decreased for all property types. For condominiums, foreclosures can be more detrimental to small associations than large ones, so it is positive that the percentage of foreclosed condominiums in small residential properties with three or fewer units declined to 32% in 2012 from 37% in 2011.

Table 3: Foreclosure Deeds by Neighborhood & Property Type

	FORECLOSURE DEEDS - 2011					FORECLOSURE DEEDS - 2012					% CHANGE				
	TOTAL	CONDO	1-FAM	2-FAM	3-FAM	TOTAL	CONDO	1-FAM	2-FAM	3-FAM	ALL	CONDO	1-FAM	2-FAM	3-FAM
ALLSTON-BRIGHTON	26	22	3	1	0	11	5	1	4	1	-58%	-77%	**	**	**
BACK BAY BEACON HILL	9	9	0	0	0	9	9	0	0	0	**	**	**	**	**
CENTRAL	9	9	0	0	0	14	14	0	0	0	**	**	**	**	**
CHARLESTOWN	9	9	0	0	0	3	3	0	0	0	**	**	**	**	**
DORCHESTER	149	77	18	21	33	79	22	24	13	20	-47%	-71%	33%	-38%	-39%
EAST BOSTON	35	14	5	7	9	30	11	7	4	8	-14%	-21%	**	**	**
FENWAY/KENMORE	4	4	0	0	0	1	1	0	0	0	**	**	**	**	**
HYDE PARK	51	10	21	16	4	43	10	19	12	2	-16%	0%	-10%	-25%	**
JAMAICA PLAIN	20	12	1	1	6	6	4	2	0	0	-70%	-67%	**	**	**
MATTAPAN	52	11	16	17	8	23	2	7	9	5	-56%	-82%	-56%	-47%	**
ROSLINDALE	29	13	12	2	2	18	8	6	3	1	-38%	-38%	-50%	**	**
ROXBURY	79	23	13	21	22	41	8	6	18	9	-48%	-65%	-54%	-14%	-59%
SOUTH BOSTON	27	21	4	1	1	12	8	3	0	1	-56%	-62%	**	**	**
SOUTH END	8	8	0	0	0	4	3	0	1	0	**	**	**	**	**
WEST ROXBURY	18	4	12	2	0	14	9	3	2	0	-22%	**	-75%	**	**
CITYWIDE	525	246	105	89	85	308	117	78	66	47	-41%	-52%	-26%	-26%	-45%

*No percent change is calculated for neighborhoods with fewer than 10 deeds.



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REAL ESTATE OWNED PROPERTIES

A property becomes Real Estate Owned (REO), or bank-owned, when it goes to foreclosure auction and, instead of being purchased by a third party investor, it is bought back by the bank. Of the 308 properties that were foreclosed on in 2012, banks bought back 75%, down from 78% in 2011 (Table 4). This decline in the percentage of properties that became REO in 2012 along with the decline in all foreclosure deeds resulted in a 44% decrease in the overall number of properties that became REO during the year, from 408 in 2011 to 230 in 2012.

Over the course of a year, the REO inventory is constantly in flux as some properties become REO at foreclosure auction and others are sold by a bank or lender to a buyer in the private market. Chart 2 shows a point-in-time count of REOs at the end of each year. As of December 31, 2012, there were 364 existing residential REO properties in the city, down 34% (-185) from 2011 (Map 4)

Vacant REO properties can pose a significant risk to neighborhoods by attracting crime and lowering local property values. Over time, REO properties can begin to deteriorate and show signs of physical distress, adding to the city's abandoned building inventory and ultimately destabilizing communities. For these reasons, properties that remain REO for long periods of time are of greater concern than properties that are resold quickly. Properties that were actively REO as of December 31, 2012 were bank-owned for a median of 501 days, up from 347 days in 2011.

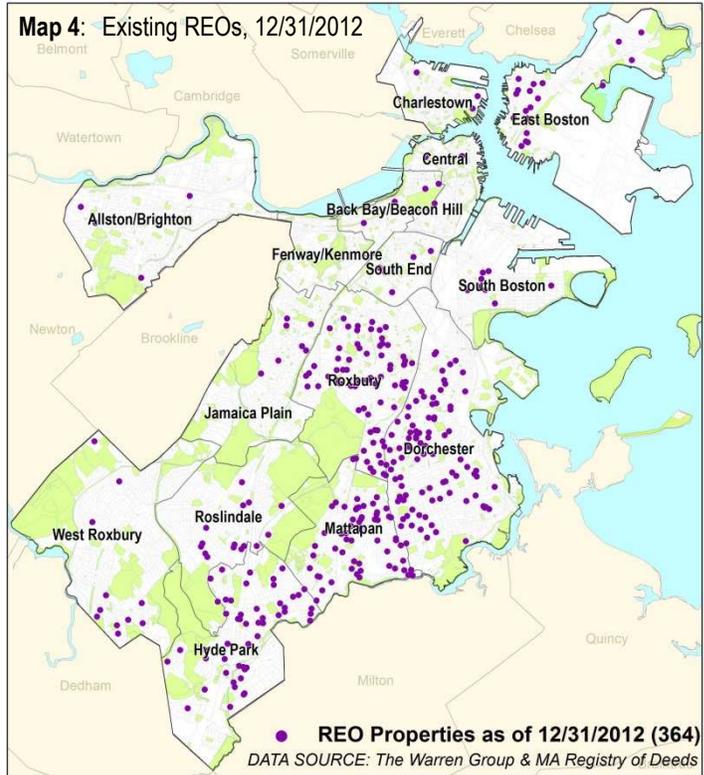


Chart 2: Existing Residential REO Properties 2005-2012

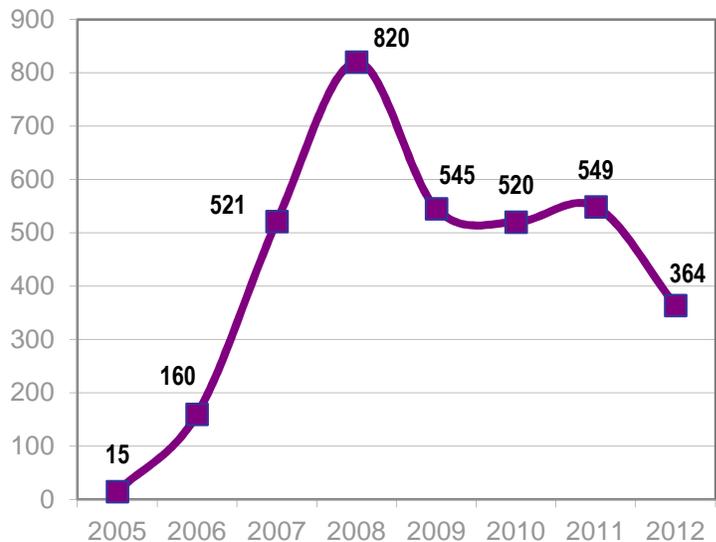


Table 4: Percentage of Properties that Become REO, 2005-2012

YEAR	TOTAL FORECLOSURES	PRIVATE BUYER	REO
2005	60	31	29 (48%)
2006	261	50	211 (81%)
2007	703	60	651 (93%)
2008	1,215	67	1,148 (95%)
2009	776	140	636 (82%)
2010	821	188	633 (77%)
2011	525	117	408 (78%)
2012	308	78	230 (75%)



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AGE OF MORTGAGE

Homeowner economic distress can be measured by the “age” of a mortgage (the length of time between the mortgage origination and the foreclosure petition). Table 5 reveals that the median number of years between the mortgage and the foreclosure petition increased to 6.1 years in 2012 from 5.1 years in 2011. The median time between mortgage origination and foreclosure petition has been increasing steadily since 2005, when the average time was only 1.3 years. From 2007 onward, the average petitioned mortgage was originated in 2005 or 2006, when interest rates were high and the housing market had not yet crashed.

YEARS PROPERTY OWNED

Similar to the median age of mortgages, the median number of years between the initial purchase of the property and the filing of a foreclosure petition increased from a low of 2.2 years in 2007 to 8.7 years in 2012 (Table 6). The percentage of petitioned properties owned for less than two years has decreased from 47% in 2007 to 0% in 2012, and 91% of petitioned properties were owned for over five years.

Analyzing the age of the mortgage and number of years the property was owned provides a better understanding of real estate conditions at the time that the mortgage was originated. In 2012, 46% of foreclosed properties had mortgages that were originated during the peak of the real estate market in 2005 and 2006 (Table 7). Even though market values have been increasing since 2009 and median sales price was only 2% below the 2005 peak in 2012 (Chart 3, page 7), the tightened credit market has made it difficult for borrowers to refinance if they cannot afford their mortgage payments. In addition, another 22% of mortgages were originated in 2007 just before Boston’s unemployment rate began to rise and the U.S. entered an economic recession, thereby leaving many without jobs and means to pay their mortgages.

Table 5: Time between Mortgage and Foreclosure Petition, 2005-2012

AGE OF MORTGAGE	2005	2006	2007	2008	2009	2010	2011	2012
% Less than 1 year	34%	31%	30%	10%	2%	1%	0%	0%
% 1 to 2 years	36%	37%	36%	36%	16%	5%	2%	1%
% 2 to 3 years	15%	18%	17%	30%	33%	16%	3%	3%
% 3 to 5 years	7%	8%	11%	20%	37%	48%	42%	19%
% Greater than 5 years	8%	6%	6%	4%	12%	31%	53%	77%
Median Years	1.3	1.4	1.4	2.1	3.0	4.2	5.1	6.1

Table 6: Number of Years Property Owned at Time of Foreclosure Petition Filing, 2005-2012

YEARS OWNED	2005	2006	2007	2008	2009	2010	2011	2012
% Less than 1 year	21%	18%	22%	5%	1%	0%	1%	0%
% 1 to 2 years	17%	22%	25%	19%	8%	3%	1%	0%
% 2 to 3 years	7%	12%	12%	20%	16%	8%	2%	1%
% 3 to 5 years	12%	11%	11%	21%	28%	27%	17%	8%
% Greater than 5 years	43%	37%	30%	35%	47%	62%	79%	91%
Median Years	3.7	2.5	2.2	3.4	4.7	6.0	7.7	8.7

Table 7: Year Mortgage Originated, 2012 Foreclosure Deeds

YEAR ORIGINATED	TOTAL	%
pre-2005	74	24%
2005	65	21%
2006	76	25%
2007	69	22%
2008	16	5%
2009	5	2%
2010	2	1%
2011	1	0%
2012	0	0%



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LOAN ANALYSIS

Of the 308 foreclosure deeds recorded in 2012, 44% (134) resulted from home purchase loans, and 56% (174) resulted from refinances (Chart 4). This represents a slight shift up from 2011, when 42% of foreclosures were the result of home purchase loans. It is also the first time since 2008 that the share of foreclosures resulting from home purchases has increased.

In 2012, 31% (97) of foreclosure deeds were adjustable-rate mortgages (ARMs) while 69% (211) were fixed-rate mortgages (Chart 5). This is a decrease from 2011 when 41% (217) of foreclosure deeds were ARMs. Of the 97 ARMs in 2012, 15% (15) foreclosed before their first rate reset date and 85% (82) foreclosed after their first reset date (Chart 6). Since 2007, when DND began collecting ARM data, the percentage of mortgages that foreclosed after their reset dates has steadily increased each year from 28% in 2007 to 85% in 2012, which suggests that foreclosures are impacted more by the date of origination than by the reset date. For foreclosure deeds recorded in 2012, the median initial annual percentage rate (APR) of ARMs was 6.525% (APRs are not available from the Registry of Deeds for fixed-rate mortgages).

Chart 3: Citywide Residential Property Median Sale Price, 2002-2012

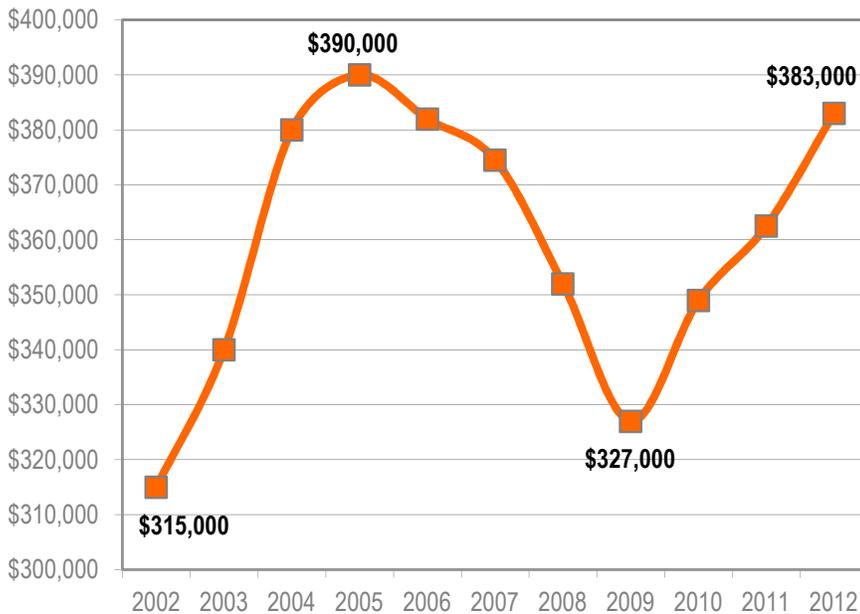
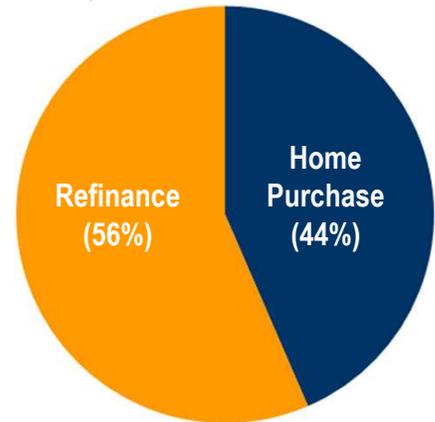
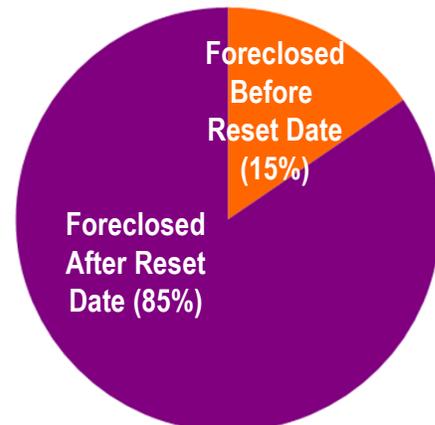
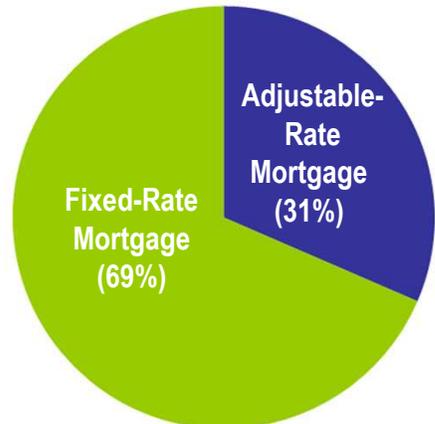


Chart 4: Purpose of Loan, Foreclosure Deeds, 2012



Charts 5 & 6: ARM Loans, Foreclosure Deeds, 2012





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TENANCY

In 2012, only one third of foreclosures were for owner-occupied properties (Table 9), down from 37% in 2011. The percentage of foreclosure petitions that were for owner-occupied properties increased, though, from 57% in 2011 to 58% in 2012 (Table 10). Table 8 shows that, since 2009, the percentage of foreclosure petitions that affect homeowners has been steadily increasing. While this trend is concerning, not all petitions lead to foreclosure, and homeowners in foreclosure have better access to foreclosure counseling and prevention resources than investors. Furthermore, investor-owned properties consistently have accounted for over 60% of foreclosure deeds since 2006.

To identify whether a foreclosed property is owner-occupied, the residential exemption status from the City's Assessing Department is used. To receive residential exemption from the City, an owner must live at a property on January 1st of the upcoming tax bill year and submit appropriate documentation to the Assessing Department. Owners of properties purchased after January 1st must wait until the following year to apply for an exemption, which is why it can take as long as two years for properties to receive residential exemption and for the change in status to be updated in Assessing data. Given that 1% of properties foreclosed in 2012 were purchased within the last two years and owner-occupiers do not always claim residential exemption, owner-occupied units likely are underestimated using this data source (Chart 7). Thus far, however, this is the most reliable and accessible source to identify owner-occupied properties.

Estimating the number of tenant-occupied properties also is challenging based on Assessing data. To estimate this, the profile of properties owned for more than two years is projected for the 1% owned for less than two years, and it is assumed that the owner-occupied two- and three-family homes have one and two rental units, respectively. Using this method it is estimated that about 78% (363 out of 466) of housing units displaced through foreclosure were tenant-occupied. That is over twice the number of homeowners displaced by foreclosure.

Chart 7: Residential Exemption for Foreclosure Deeds, 2012

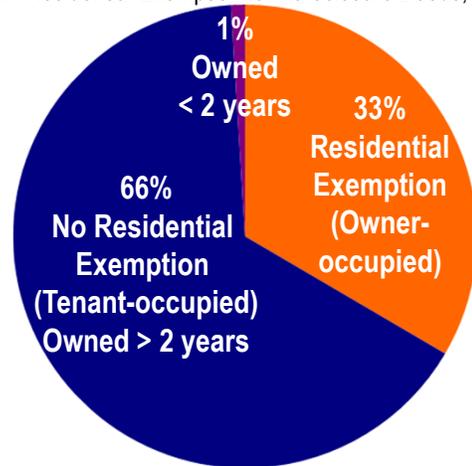


Table 8: Owner-occupancy for Foreclosure Petitions, 2006-2012

YEAR	OWNER-OCCUPIED	INVESTOR-OWNED	TOTAL	% OWNER-OCCUPIED
2006	692	893	1,585	44%
2007	975	1,457	2,432	40%
2008	722	1,178	1,900	38%
2009	968	1,232	2,200	44%
2010	748	793	1,541	49%
2011	418	314	732	57%
2012	520	370	890	58%

Table 9: Owner-occupancy for Foreclosure Deeds, 2006-2012

YEAR	OWNER-OCCUPIED	INVESTOR-OWNED	TOTAL	% OWNER-OCCUPIED
2006	83	178	261	32%
2007	202	501	703	29%
2008	296	919	1,215	24%
2009	185	591	776	24%
2010	242	579	821	29%
2011	196	329	525	37%
2012	103	205	308	33%



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NATIONAL AND REGIONAL CONTEXT

The foreclosure petition rate in Massachusetts increased from 0.27% in 2011 to 0.61% in 2012 (Table 10). Among the eight cities in Massachusetts with populations over ninety thousand, Boston maintained its 7th place rank. With a very low rate of 0.05%, Cambridge is the only large city in the state with a lower foreclosure rate than Boston. It is also the only large city in which the foreclosure rate dropped in 2012. Map 5 shows the 2012 petition rates of all cities and towns in Massachusetts.

The national foreclosure rate decreased from 1.45% in 2011 to 1.39% in 2012, but the foreclosure rate in Massachusetts increased from 0.83% in 2011 to 1.08% in 2012 (Table 11). Massachusetts also rose in rank from 27th to 22nd among the fifty states. Still, Massachusetts' rate remains below the national average and is approximately one third that of Florida's rate of 3.11%.

The rates in Table 10 and Map 5 vary slightly from the rates in Table 11 because they measure different foreclosure activity. To calculate the foreclosure rate, Table 11 divides properties entering any stage of foreclosure by total housing units, whereas Table 10 and Map 5 divide only foreclosure petitions by housing units.

Map 5: 2012 Foreclosure Petition Rates¹ in MA

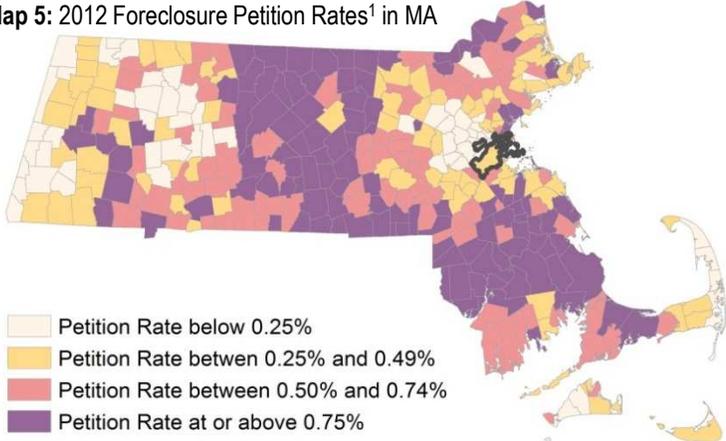


Table 10: 2012 Foreclosure Petition Rates¹ for large MA Cities

RATE RANK	MA CITIES (POP>90,000)	FORECLOSURE RATE
1	Brockton	1.64%
2	Springfield	1.17%
3	Worcester	0.92%
4	Lowell	0.85%
5	New Bedford	0.71%
--	Massachusetts	0.61%
6	Fall River	0.54%
7	Boston	0.35%
8	Cambridge	0.05%

Table 11: 2012 Foreclosure Activity² for U.S.

RATE RANK	U.S. STATES	FORECLOSURE RATE
1	Florida	3.11%
2	Nevada	2.70%
3	Arizona	2.69%
4	Georgia	2.58%
4	Illinois	2.58%
6	California	2.33%
7	Ohio	1.75%
8	Michigan	1.69%
9	South Carolina	1.66%
10	Colorado	1.64%
--	United States	1.39%
22	Massachusetts	1.08%

¹Source: The Warren Group and the 2010 U.S. Census.

²Source: www.realtytrac.com. "The household numbers are based on the U.S. Census Bureau's estimates of total housing units. Foreclosure filings include foreclosure-related documents in all three phases of foreclosure: Default – Notice of Default (NOD) and Lis Pendens (LIS); Auction – Notice of Trustee Sale and Notice of Foreclosure Sale (NTS and NFS); and Real Estate Owned (REO) properties (that have been foreclosed on and repurchased by a bank)."



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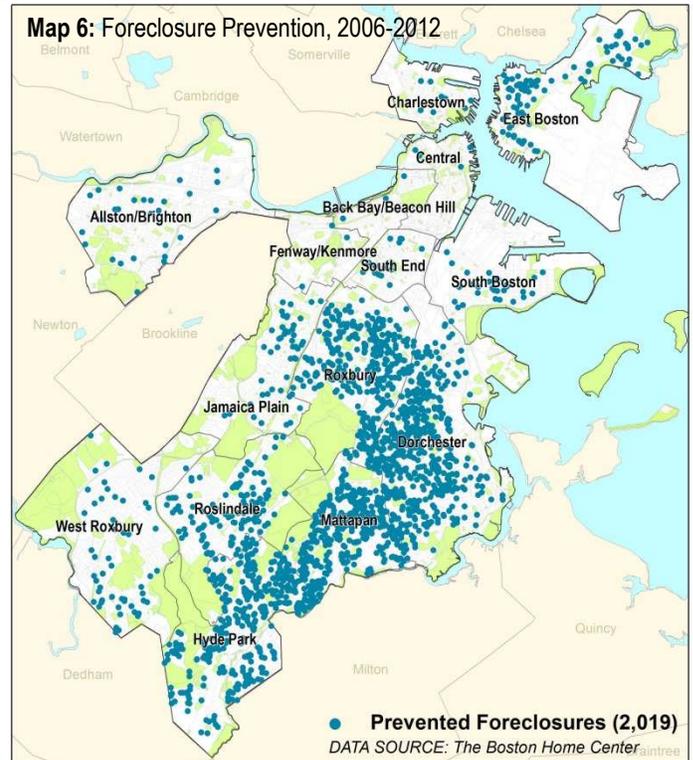
BOSTON'S ANTI-FORECLOSURE CAMPAIGN

The City of Boston's anti-foreclosure efforts date back to Mayor Thomas M. Menino's 1999 "Don't Borrow Trouble" campaign. Created to warn homebuyers about risky new mortgage products, it was so successful that Freddie Mac and fifty U.S. cities later adopted Boston's model. Foreclosures remained low through the early 2000s, but, when foreclosures began to rise in 2006, the City was prepared. The Boston Home Center (BHC) responded by ramping up its foreclosure prevention and intervention efforts and establishing the Foreclosure Prevention Counseling Network.

The BHC's foreclosure prevention efforts have helped homebuyers and homeowners make good financial decisions early on to prevent them from ever becoming at risk of foreclosure. For prevention, the BHC offers a variety of classes and workshops to help people learn about homeownership, meet and work with responsible lenders, purchase a home, and prevent foreclosure. In addition, the BHC does periodic outreach to all homeowners in neighborhoods with concentrated foreclosures, regardless of the foreclosure status of the homeowners.

For foreclosure intervention, the BHC partners with the Foreclosure Prevention Counseling Network, which consists of five community-based agencies that receive training from experts in the field. Together the BHC and the Foreclosure Prevention Counseling Network provide foreclosure intervention counseling in person and through Boston's foreclosure prevention hotline, 617-635-HOME. Some homeowners seek counseling on their own, but many come after they receive outreach from the BHC. Specifically, the BHC sends postcards with information on available services to each and every homeowner in the city who receives a foreclosure petition. The BHC then tracks all homeowners from this first point of referral through resolution.

Since the program's inception in October 2006, 2,019 homeowners have averted foreclosure with assistance from the Foreclosure Prevention Counseling Network (Map 6), preserving over \$620 million in home values. Had all of these homeowners gone into foreclosure, Boston's foreclosure rate would have been 46% higher.



Beginning in 2008, the City expanded its anti-foreclosure efforts beyond foreclosure prevention and intervention to address the inventory of bank-owned properties in Boston. Specifically, it aimed to alleviate the negative neighborhood effects of REOs, such as declining property values, public safety threats, and visual blight. In February of 2008, Mayor Thomas M. Menino established the Foreclosure Intervention Team (FIT) to comprehensively address the foreclosure crisis in targeted areas in Dorchester, Roxbury, and Mattapan. Among the many City departments that have been involved in FIT are the Mayor's Office, Boston Police, Inspectional Services, Neighborhood Development, Neighborhood Services, and Public Works. Collectively, the City provided foreclosure prevention and intervention assistance; purchased REO properties with the guidance of local community-based organizations; heightened police presence; made physical street improvements; and increased code enforcement.



DEPARTMENT OF NEIGHBORHOOD DEVELOPMENT SHEILA A. DILLON, CHIEF AND DIRECTOR

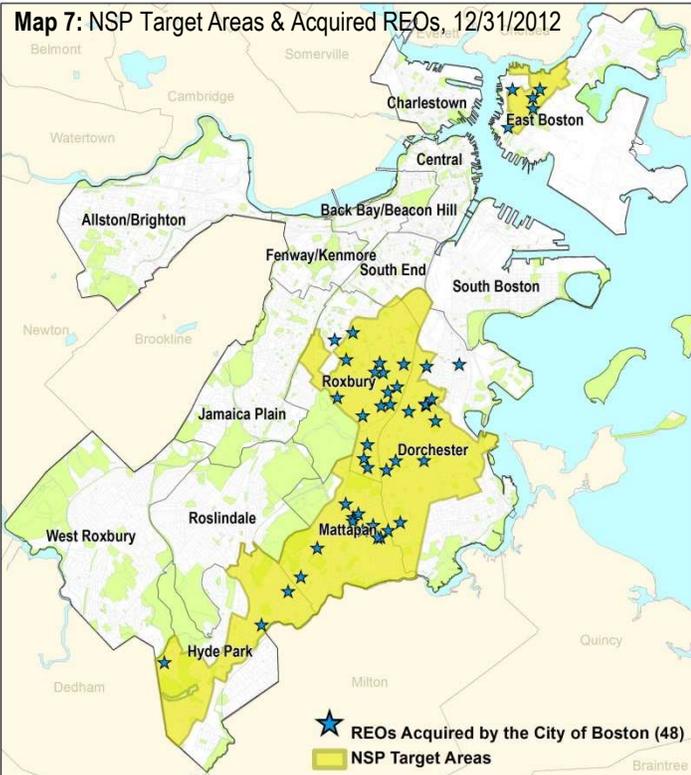


Table 12: REOs Reclaimed with City Assistance, 12/31/2012

METHOD OF RECLAMATION	REO UNITS
Reclaimed through City Acquisition	107
Reclaimed by Private Developers with City Assistance	64
Reclaimed by Homebuyers with City Assistance	201*
Renovated by Homeowners with City Assistance	101
Total	473

*Includes units in foreclosure purchased through a short sale.

acquire 48 REO properties with 107 units in total in the designated NSP area (Map 7). The City, along with non-profit and responsible for-profit developers, helped renovate and sell or rent these properties as affordable housing. Supplementing these efforts, the City has helped homebuyers purchase 201 REO or short sale units, homeowners renovate 101 formerly REO units, and developers purchase 64 REO units (Table 12).

The City expanded its anti-foreclosure initiatives between 2008 and 2012 in response to the growing foreclosure crisis, which was possible due to the one-time availability of NSP funding. Since 2009, when citywide home prices bottomed out, the median home sale price in the NSP area has risen 33% to \$245,000. As housing prices continue to rebound, foreclosures slow, and federal funding declines, the City's anti-foreclosure response, in turn, is shifting back to a focus on prevention and intervention.

Supplementing the City's efforts, the Boston City Council adopted An Ordinance Regulating the Maintenance of Vacant, Foreclosing Residential Properties in February 2008. The ordinance requires property owners to register vacant or foreclosing residential properties with the City and identify a local individual or company to maintain vacant properties. Additionally, DND staff began surveying REO properties to identify problem areas that require further attention from City departments and individual properties that should be added to the DND's annual Distressed Property Survey.

Between 2009 and 2012, the City received \$23.8 million from the U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program (NSP) I, II, and III, thereby allowing the City to expand its anti-foreclosure and neighborhood stabilization efforts. With NSP and the City's affordable housing programs, such as Leading the Way III, the City was able to

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For more information about this publication, contact Laura Delgado at (617) 635-0240 or ldelgado.dnd@cityofboston.gov

Note on Data Sources: Foreclosure deed data were obtained from The Warren Group (pre-2003 and 2008-2012) and the Suffolk County Registry of Deeds (2003-2007). Foreclosure petition data were obtained from The Warren Group (2005-2012). Owner-occupancy and property type data were obtained from City of Boston Assessing Department. Sales data were obtained from The Warren Group.