



Foreclosure Trends 2011

CITY OF BOSTON/TOMAS M. MENINO, MAYOR

DEPARTMENT OF NEIGHBORHOOD DEVELOPMENT EVELYN FRIEDMAN, CHIEF AND DIRECTOR

INTRODUCTION

This *Foreclosure Trends* report covers changes in Boston's residential foreclosures from 2005 to 2011. To give some historical context, the current foreclosure crisis is neither Boston's first nor its worst. Brought on by the recession of the early 1990s, Boston experienced a foreclosure crisis that peaked in 1992 with 1,679 foreclosure deeds recorded. 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 525, which is 43% below 2008's peak (see Chart 1).

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

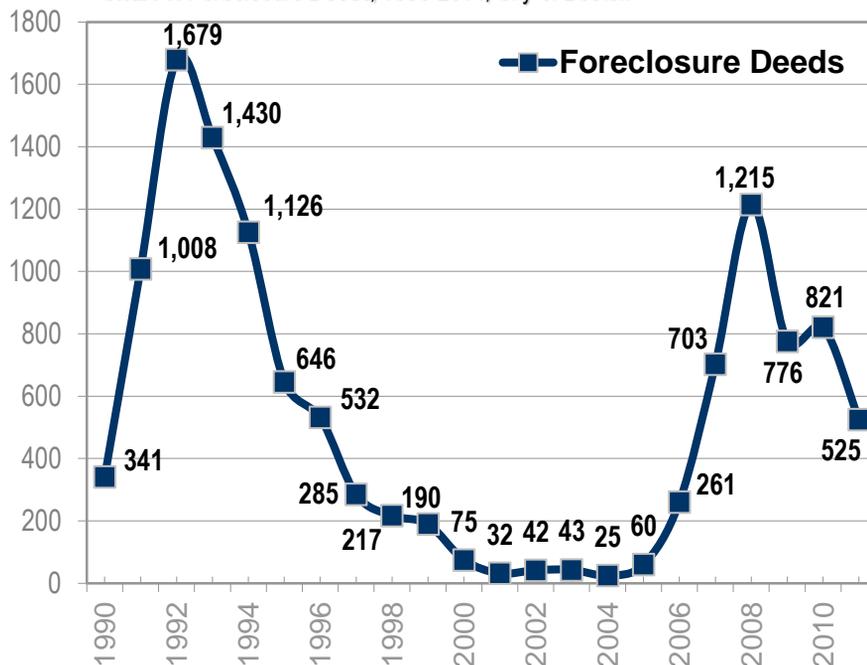
Foreclosure Deed: The same as a foreclosure sale, this is the completion of the foreclosure process, including the auction.

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

2011 FORECLOSURE OVERVIEW

- There were 525 foreclosure deeds recorded in 2011, a 36% decrease compared to the 821 foreclosure deeds recorded in 2010.
- There were 732 properties petitioned in 2011, a 52% decrease compared to the 1,541 properties petitioned in 2010.
- In 2011, the median age of a petitioned mortgage was 5.1 years, up from 4.2 years in 2010.
- In 2011, 41% of foreclosed mortgages were adjustable-rate mortgages (ARMs), 27% of which foreclosed before their first reset date.
- In 2011, 70% 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 the foreclosing entities at auction sales (Real Estate Owned properties) increased from 48% in 2005 to 78% in 2011.

Chart 1: Foreclosure Deeds, 1990-2011, City of Boston





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FORECLOSURE PETITIONS

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 is scheduled or the foreclosure is complete, e.g., through a mortgage modification, refinancing, or selling the property. In 2011, for every ten foreclosure petitions filed, seven foreclosure deeds were recorded.

Table 1 shows the number of petitioned properties in 2010 and 2011 by neighborhood and property type. Petitioned properties decreased in all neighborhoods and for all property types compared to 2010. Condominiums, which accounted for 28% of foreclosure petitions, experienced the greatest percentage decrease (-61%).

Similar to foreclosure deeds, the majority (70%) of petitioned properties were in Dorchester, East Boston, Hyde Park, Mattapan, and Roxbury. In addition to looking at the volume of foreclosure petitions, it is useful to analyze the rate of foreclosure petition filings. (continued on next page)

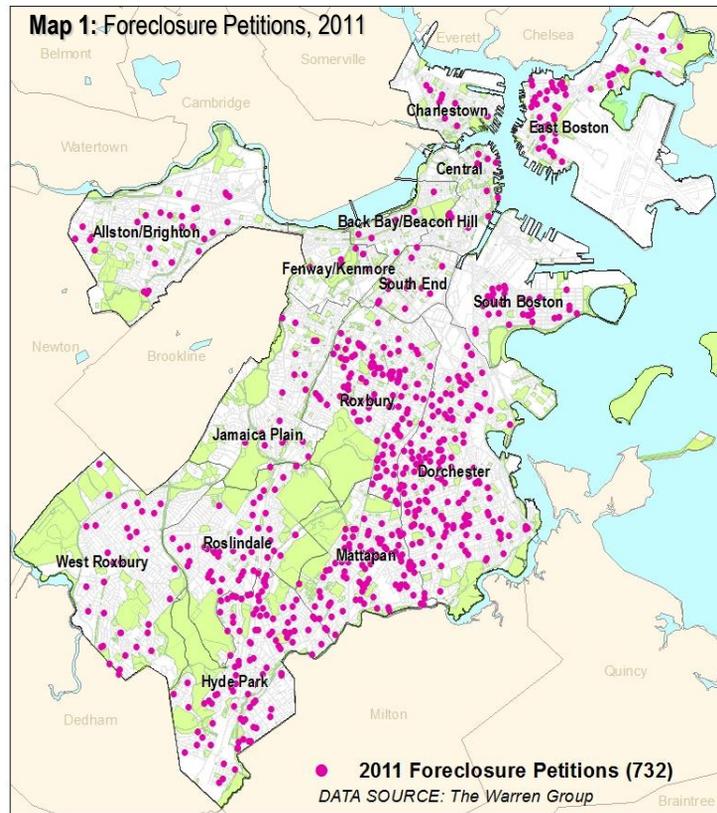


Table 1: Foreclosure Petitions by Neighborhood & Property Type

	FORECLOSURE PETITIONS - 2010					FORECLOSURE PETITIONS - 2011					% 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	67	40	9	13	5	29	12	5	7	5	-57%	-70%	**	-46%	**
BACK BAY BEACON HILL	34	33	0	0	1	6	6	0	0	0	-82%	-82%	**	**	**
CENTRAL	33	32	0	1	0	18	17	0	1	0	-45%	-47%	**	**	**
CHARLESTOWN	25	17	8	0	0	10	6	3	1	0	-60%	-65%	**	**	**
DORCHESTER	379	117	75	84	103	158	32	44	39	43	-58%	-73%	-41%	-54%	-58%
EAST BOSTON	113	25	23	19	46	53	16	5	9	23	-53%	-36%	-78%	-53%	-50%
FENWAY/KENMORE	12	11	0	0	1	7	7	0	0	0	-42%	-36%	**	**	**
HYDE PARK	183	20	101	52	10	97	11	56	27	3	-47%	-45%	-45%	-48%	-70%
JAMAICA PLAIN	58	30	8	8	12	16	9	4	0	3	-72%	-70%	**	**	-75%
MATTAPAN	145	24	48	40	33	90	7	38	26	19	-38%	-71%	-21%	-35%	-42%
ROSLINDALE	100	29	35	24	12	51	15	23	10	3	-49%	-48%	-34%	-58%	-75%
ROXBURY	201	43	35	59	64	111	20	21	44	26	-45%	-53%	-40%	-25%	-59%
SOUTH BOSTON	86	54	18	8	6	34	21	9	2	2	-60%	-61%	-50%	**	**
SOUTH END	40	34	4	1	1	16	13	2	1	0	-60%	-62%	**	**	**
WEST ROXBURY	65	15	43	5	2	36	11	20	2	3	-45%	-27%	-53%	**	**
CITYWIDE	1,541	524	407	314	296	732	203	230	169	130	-52%	-61%	-43%	-46%	-56%

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



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This analysis both normalizes the data and, by calculating the rate for census tracts, shows concentrations within larger neighborhoods. The petition rate in this report 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. In previous reports, the rate was calculated differently as petitioned small residential properties per all housing units, as defined by the U.S. Census, which included apartment buildings and other larger residential properties.

There were eleven census tracts located in Dorchester, Roxbury, Mattapan, and the South End that had petition rates greater than three times the citywide rate of 0.61% (See Map 2). Portions of Dorchester, East Boston, Hyde Park, Jamaica Plain, Mattapan, Roxbury, and the South End have census tracts with petition rates greater than twice the citywide rate. Meanwhile, Back Bay/Beacon Hill and Charlestown are the only two neighborhoods with all census tracts below the citywide petition 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 begun "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 3% (18) of 2011 foreclosure deeds and 1% (7) of 2011 foreclosure petitions were "re-foreclosures" (see Table 2). These petitions were filed on properties for which a foreclosure deed had been recorded previously for the same property and borrower.

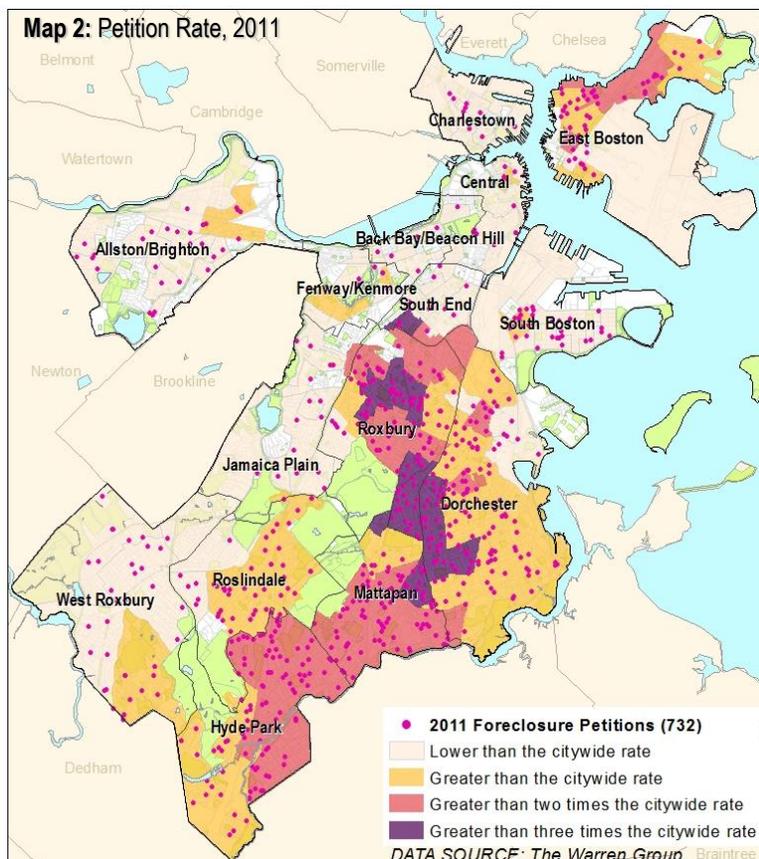


Table 2: US Bank vs. Ibanez Analysis, 2011 Foreclosure Deeds and Petitions

2011 FORECLOSURE DEEDS	COUNT	%
"Re-foreclosure" on Property	18	3%
New Foreclosure Deed	507	97%
Total	525	100%

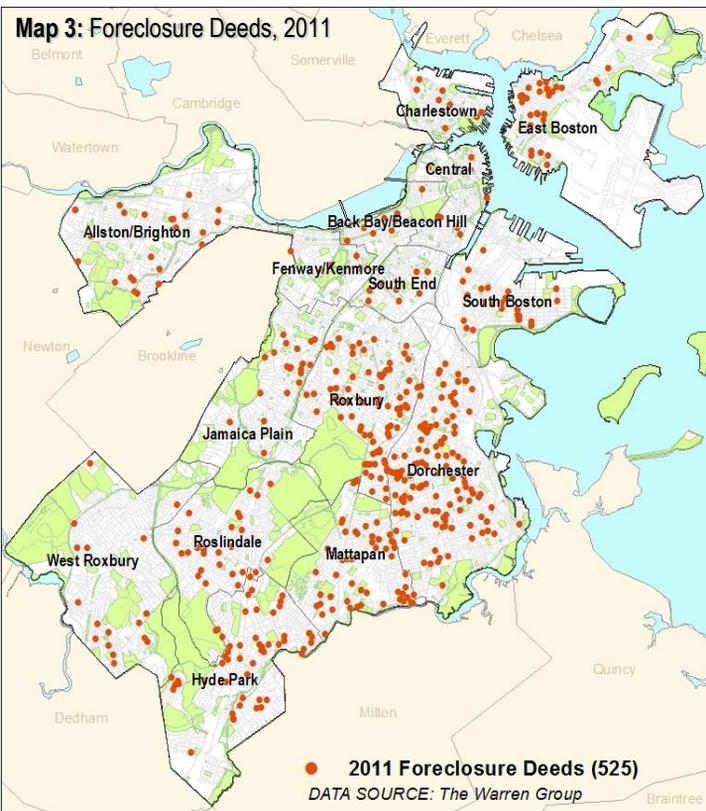
2011 PETITIONS	COUNT	%
Petition on Foreclosed Property	7	1%
New Foreclosure Petition	725	99%
Total	732	100%



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FORECLOSURE DEEDS

During the fall of 2010, major U.S. mortgage lenders suspended foreclosures to deal with claims that “robo-signers” improperly signed foreclosure documents. This slowed foreclosures throughout 2011 and led to a 36% decrease in foreclosure deeds.

The number of foreclosure deeds by neighborhood and property type are shown below in Table 3, as well as the percentage change between 2010 and 2011. Five neighborhoods – Dorchester, East Boston, Hyde Park, Mattapan, and Roxbury – comprised 70% of foreclosure deeds in 2011, down from 76% in 2010; yet, these neighborhoods comprise only 35% of small residential properties. Most neighborhoods experienced a decrease in foreclosure deeds, and none increased by more than 6 deeds. Roxbury experienced the greatest percentage decrease (-45%) and Dorchester the greatest decrease in volume (-101).

In 2011, foreclosure deeds decreased for all property types. This is a shift from 2010, when foreclosure deeds increased for all property types except three-family properties. Approximately 37% of foreclosed condominiums were in small residential properties with three or fewer units, significantly down from 58% in 2010.

Table 3: Foreclosure Deeds by Neighborhood & Property Type

	FORECLOSURE DEEDS - 2010					FORECLOSURE DEEDS - 2011					% 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	38	26	3	6	3	26	22	3	1	0	-32%	-15%	**	**	**
BACK BAY BEACON HILL	9	9	0	0	0	9	9	0	0	0	**	**	**	**	**
CENTRAL	9	9	0	0	0	9	9	0	0	0	**	**	**	**	**
CHARLESTOWN	11	8	2	0	1	9	9	0	0	0	-18%	**	**	**	**
DORCHESTER	250	122	29	48	51	149	77	18	21	33	-40%	-37%	-38%	-56%	-35%
EAST BOSTON	62	21	4	14	23	35	14	5	7	9	-44%	-33%	**	-50%	-61%
FENWAY/KENMORE	5	5	0	0	0	4	4	0	0	0	**	**	**	**	**
HYDE PARK	81	16	33	29	3	51	10	21	16	4	-37%	-38%	-36%	-45%	**
JAMAICA PLAIN	14	9	2	0	3	20	12	1	1	6	43%	**	**	**	**
MATTAPAN	90	27	29	14	20	52	11	16	17	8	-42%	-59%	-45%	21%	-60%
ROSLINDALE	52	27	17	8	0	29	13	12	2	2	-44%	-52%	-29%	**	**
ROXBURY	143	63	20	26	34	79	23	13	21	22	-45%	-63%	-35%	-19%	-35%
SOUTH BOSTON	34	29	4	1	0	27	21	4	1	1	-21%	-28%	**	**	**
SOUTH END	6	6	0	0	0	8	8	0	0	0	**	**	**	**	**
WEST ROXBURY	17	8	8	1	0	18	4	12	2	0	6%	**	**	**	**
CITYWIDE	821	385	151	147	138	525	246	105	89	85	-36%	-36%	-30%	-39%	-38%

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



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REAL ESTATE OWNED (REO) PROPERTIES

In order to foreclose on a property, a bank must advertise and hold an auction. At the foreclosure auction, the foreclosing entity seeks to recover the outstanding mortgage amount and any related costs. If the auction bids do not cover these costs, the entity will “buy back” the property and then hire a real estate agent to sell the property. If this occurs, the property may remain Real Estate Owned for up to a few years. Of the 525 properties that went to foreclosure auction in 2011, banks bought back 78% (408), up slightly from 77% in 2009 (see Table 4).

Over the course of a year, the REO inventory is constantly in flux as some properties become REO at auction and others are sold back to the private market. Chart 2 provides point-in-time counts of properties that are actively bank-owned at the end of each year. As of December 31, 2011, there were 549 existing residential REO properties in the city (see 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, 2011 have been bank-owned for a median of 347 days, up from 262 days in 2010 (see Table 5).

Chart 2: Existing Residential REO Properties 2005-2011

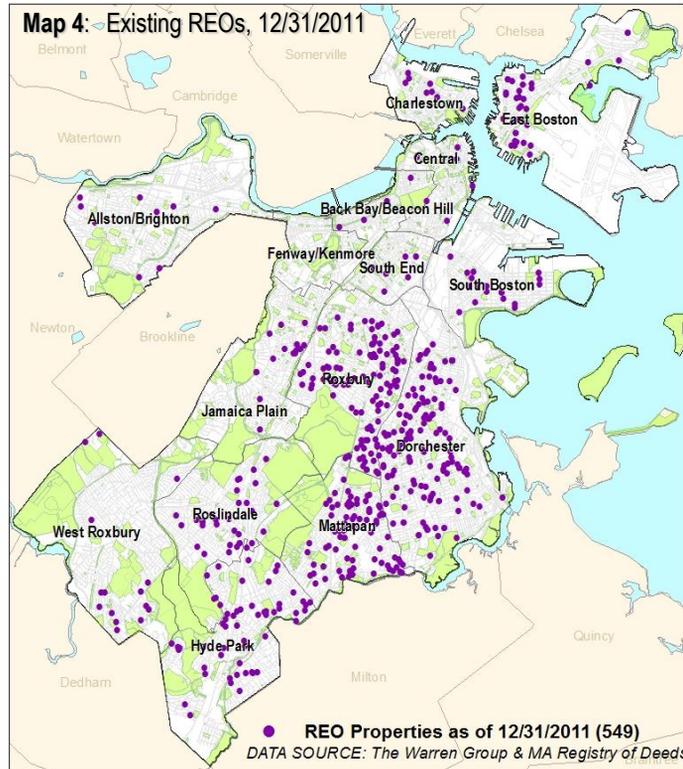
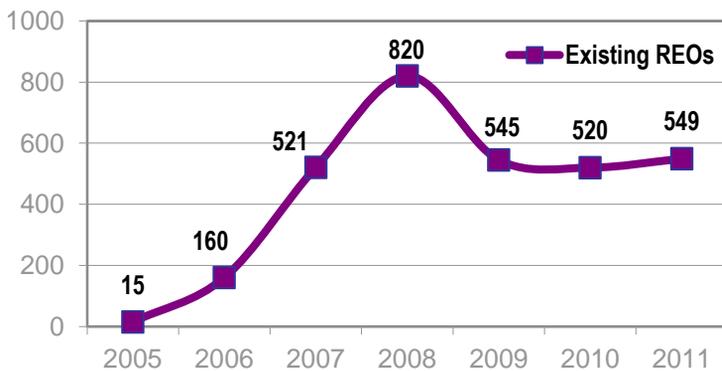


Table 4: Percentage of Properties that Become REO, 2005-2011

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%)

Table 5: Age of REOs, 12/31/2011

PROPERTY TYPE	REO PROPERTIES	MEDIAN DAYS REO
Condominium	223	319
One-Family	114	235
Two-Family	119	437
Three-Family	93	507
All	549	347



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AGE OF MORTGAGE

Homeowner economic distress also can be measured by the “age” of a mortgage (the length of time between the mortgage origination date and the foreclosure petition). Table 6 reveals that the median number of years between the mortgage and the foreclosure petition increased to 5.1 years in 2011 from 4.2 years in 2010. The median time between mortgage origination and foreclosure petition has been steadily increasing 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 age of mortgage trends, 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 7.7 years in 2011 (see Table 7). While the percentage of properties owned for less than two years increased between 2005 and 2007 to 47%, it since has decreased annually to only 2% of properties. In 2011, 79% of petitioned properties were owned for over five years and almost all (96%) properties were owned for over three 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 2011, 47% of foreclosed properties had mortgages that were originated during the peak of the real estate market in 2005 and 2006 (see Table 8). Market values have been increasing since 2009, but they remain 7% below the peak in 2005 (see Chart 3, page 7) and sales volumes are down. Along with a tightened credit market, the decrease in value and loss in equity make it increasingly challenging for homeowners to refinance or sell the property if they cannot afford their mortgage payments. Furthermore, 29% 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 a job and means to pay their mortgages.

Table 6: Time between Mortgage and Foreclosure Petition, 2011

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

Table 7: Number of Years Property Owned at Time of Foreclosure Petition Filing, 2005-2011

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

Table 8: Year Mortgage Originated, 2011 Foreclosure Deeds

YEAR ORIGINATED	TOTAL	%
pre-2005	85	16%
2005	103	20%
2006	140	27%
2007	152	29%
2008	38	7%
2009	4	1%
2010	3	1%
2011	0	0%



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LOAN ANALYSIS

DND expanded its foreclosure deed data collection in 2007 to achieve a better understanding of the types of mortgages that were being foreclosed. Data are limited to information available at the county registry, but they include information related to home purchases versus refinances and adjustable-rate mortgages (ARMs). Annual percentage rates (APRs) also are available for the majority of ARMs, but not for fixed-rate mortgages.

Of the 525 foreclosure deeds recorded in 2011, 42% (220) were home purchase loans, and 58% (305) were refinances (see Chart 4). This is the first year that the majority of foreclosure deeds were the result of refinanced mortgages. In 2010, 52% of foreclosure deeds were the result of home purchase loans.

In 2011, 41% (217) of foreclosure deeds were ARMs while 59% (308) were fixed-rate mortgages (see Chart 5). This is a decrease from 2010, when 44% (364) of foreclosure deeds were ARMs. Of the 217 ARMs in 2011, 27% (58) foreclosed before their first rate reset date, while 73% (159) 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 73% in 2011, suggesting that foreclosures are impacted more by the date of origination than by the reset date. For foreclosure deeds recorded in 2011, the median initial APR of ARMs was 6.950%.

Chart 3: Citywide Residential Property Median Prices, 2002-2011

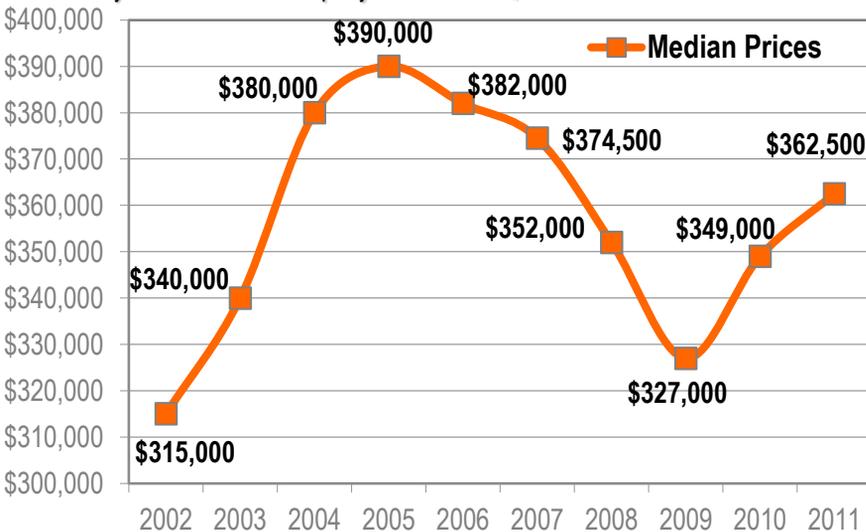
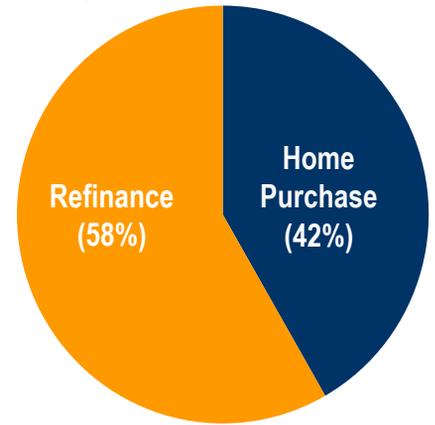
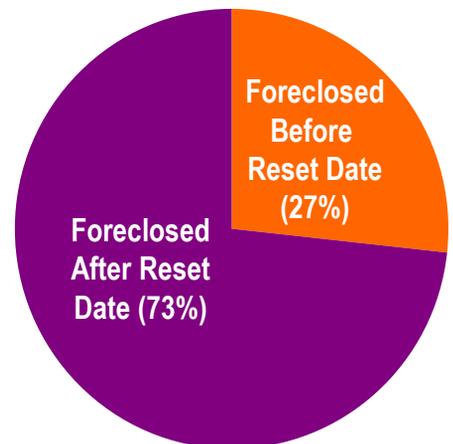
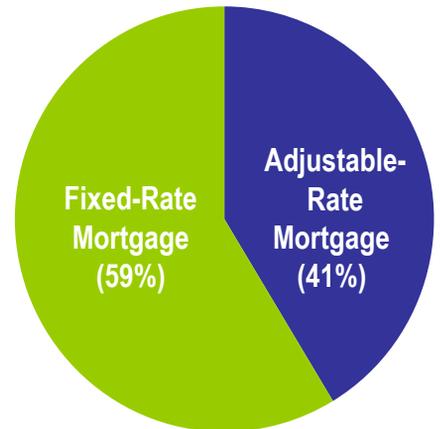


Chart 4: Purpose of Loan, Foreclosure Deeds, 2011



Charts 5 & 6: ARM Loans, Foreclosure Deeds, 2011





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TENANCY

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 2011 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 (see Chart 7). Thus far, however, this is the most reliable and accessible source to identify owner-occupied properties.

While overall petitions and foreclosure deeds were down in 2011, the rates of those affecting homeowners were at all-time highs. In 2011, 37% of foreclosure deeds and 57% of foreclosure petitions were for owner-occupied properties (see Tables 9 and 10). This is the first year that more petitions were filed for owner-occupied properties than investor-owned properties. The increase in owner-occupiers facing foreclosure is concerning and symptomatic of the shifting causes of foreclosure. Before, more investors were walking away from homes that lost value whereas now homeowners, who are both unemployed and cannot sell or refinance, have fewer avenues to avoid foreclosure.

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 70% (549 out of 780) 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, 2011

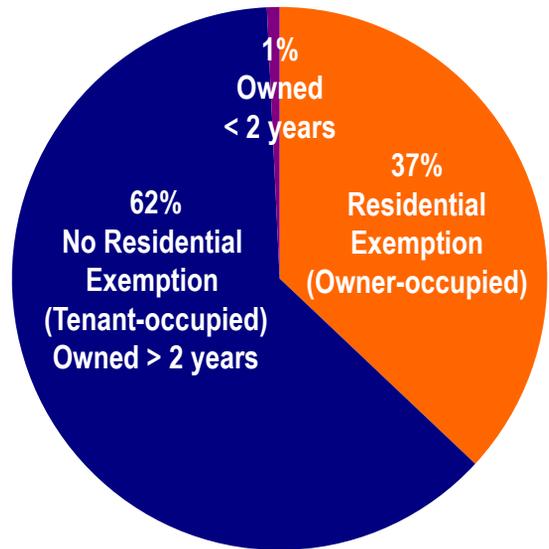


Table 9: Owner-occupancy for Foreclosure Deeds, 2006-2011

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%

Table 10: Owner-occupancy for Foreclosure Petitions, 2006-2011

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%



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NATIONAL AND REGIONAL CONTEXT

Tables 11 and 12 and Map 5 provide an overview of foreclosure activity at the state and national level. Each table provides a foreclosure rate and rank for comparison purposes. To calculate the foreclosure rate, Table 11 divides properties entering a stage of foreclosure by housing units, and Table 12 and Map 5 divide foreclosure petitions by housing units.

The national foreclosure rate decreased from 2.23% in 2010 to 1.45% in 2011, and the foreclosure rate in Massachusetts decreased from 1.32% in 2010 to 0.83% in 2011. It also dropped in rank from 25th to 27th among the fifty states. Nevada's rate of 6.40% is over seven times higher than Massachusetts' rate (see Table 11).

The foreclosure petition rate in Massachusetts dropped from 0.65% in 2010 to 0.27% in 2011, however, among the eight cities in Massachusetts with populations over ninety thousand, Boston maintained its 7th place rank (see Table 13). With a very low rate of 0.06%, Cambridge is the only large city in the state with a lower foreclosure rate than Boston. Map 5 shows the 2011 petition rates of all cities and towns in Massachusetts.

Map 5: 2011 Foreclosure Petition Rates² in MA

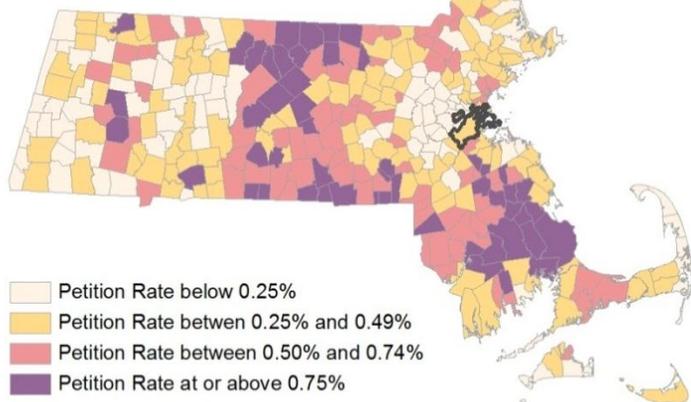


Table 11: 2011 Foreclosure Activity¹ for U.S.

RATE RANK	U.S. STATES	FORECLOSURE RATE
1	Nevada	6.40%
2	Arizona	4.14%
3	California	3.19%
4	Georgia	2.71%
5	Utah	2.32%
6	Michigan	2.21%
7	Florida	2.06%
8	Illinois	1.95%
9	Colorado	1.78%
10	Idaho	1.77%
--	United States	1.45%
27	Massachusetts	0.83%

Table 12: 2011 Foreclosure Petition Rates² for large MA Cities

RATE RANK	MA CITIES (POP>90,000)	FORECLOSURE RATE
1	Brockton	1.22%
2	Springfield	0.87%
3	Worcester	0.68%
4	Lowell	0.56%
5	New Bedford	0.52%
--	Massachusetts	0.45%
6	Fall River	0.39%
7	Boston	0.27%
8	Cambridge	0.06%

¹Source: 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)."

²Source: The Warren Group and the 2010 U.S. Census.



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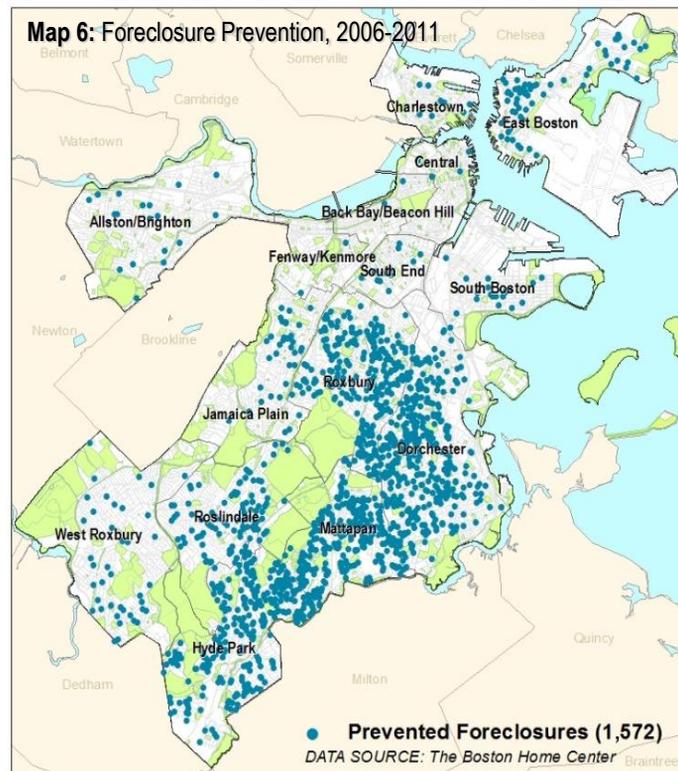
BOSTON'S ANTI-FORECLOSURE CAMPAIGN

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 seven 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, 1,572 homeowners have averted foreclosure with assistance from the Foreclosure Prevention Counseling Network (see Map 6), preserving over \$493 million in home values. Had all of these homeowners gone into foreclosure, Boston's foreclosure rate would have been 38% 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.



Foreclosure Trends 2011

CITY OF BOSTON/THOMAS M. MENINO, MAYOR

DEPARTMENT OF NEIGHBORHOOD DEVELOPMENT EVELYN FRIEDMAN, CHIEF AND DIRECTOR

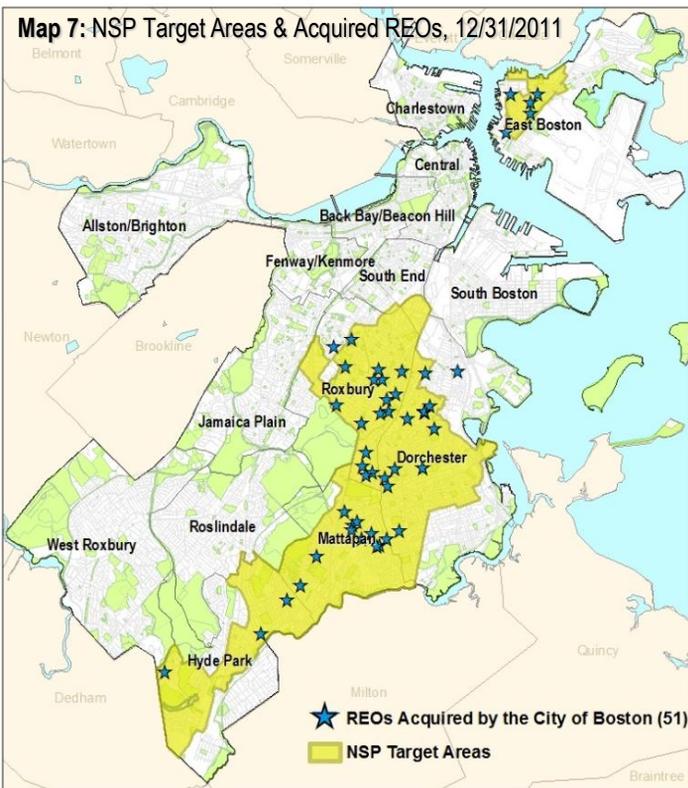


Table 13: REOs Reclaimed with City Assistance, 12/31/2011

METHOD OF RECLAMATION	REO UNITS
Reclaimed through City Acquisition	112
Reclaimed by Private Developers with City Assistance	50
Reclaimed by Homebuyers with City Assistance	147
Renovated by Homeowners with City Assistance	79
Total	388

acquire 51 REO properties with 112 units in total in the designated NSP area (see 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 147 REO units, homeowners renovate 79 formerly REO units, and developers purchase 50 REO units (see Table 13). In total, over \$179 million in City-led investments have been made in the NSP area over the last three years.

The City expanded its anti-foreclosure initiatives between 2008 and 2011 in response to the growing foreclosure crisis, which was possible due to the one-time availability of NSP funding. As housing prices 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 2011, 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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Note on Data Sources: Foreclosure deed data were obtained from The Warren Group (pre-2003 and 2008-2011) and the Suffolk County Registry of Deeds (2003-2007). Foreclosure petition data were obtained from The Warren Group (2005-2011). Owner-occupancy and property type data were obtained from City of Boston Assessing Department. Sales data were obtained from The Warren Group.