

Rising Foreclosures in Greater KCMO

Money Smart Day at the Fed

Kelly D. Edmiston

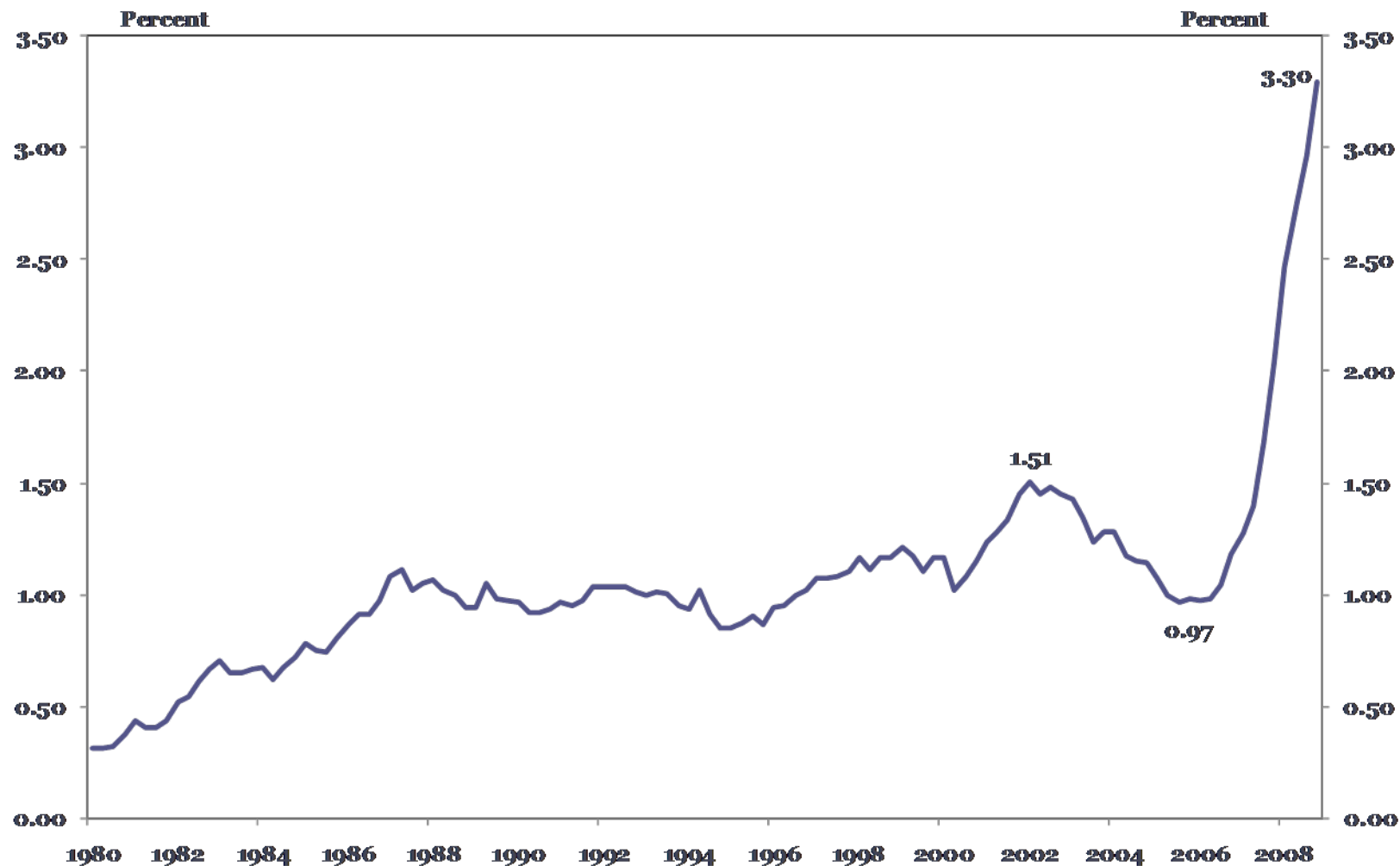
April 23, 2009



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U.S. Foreclosure Rate

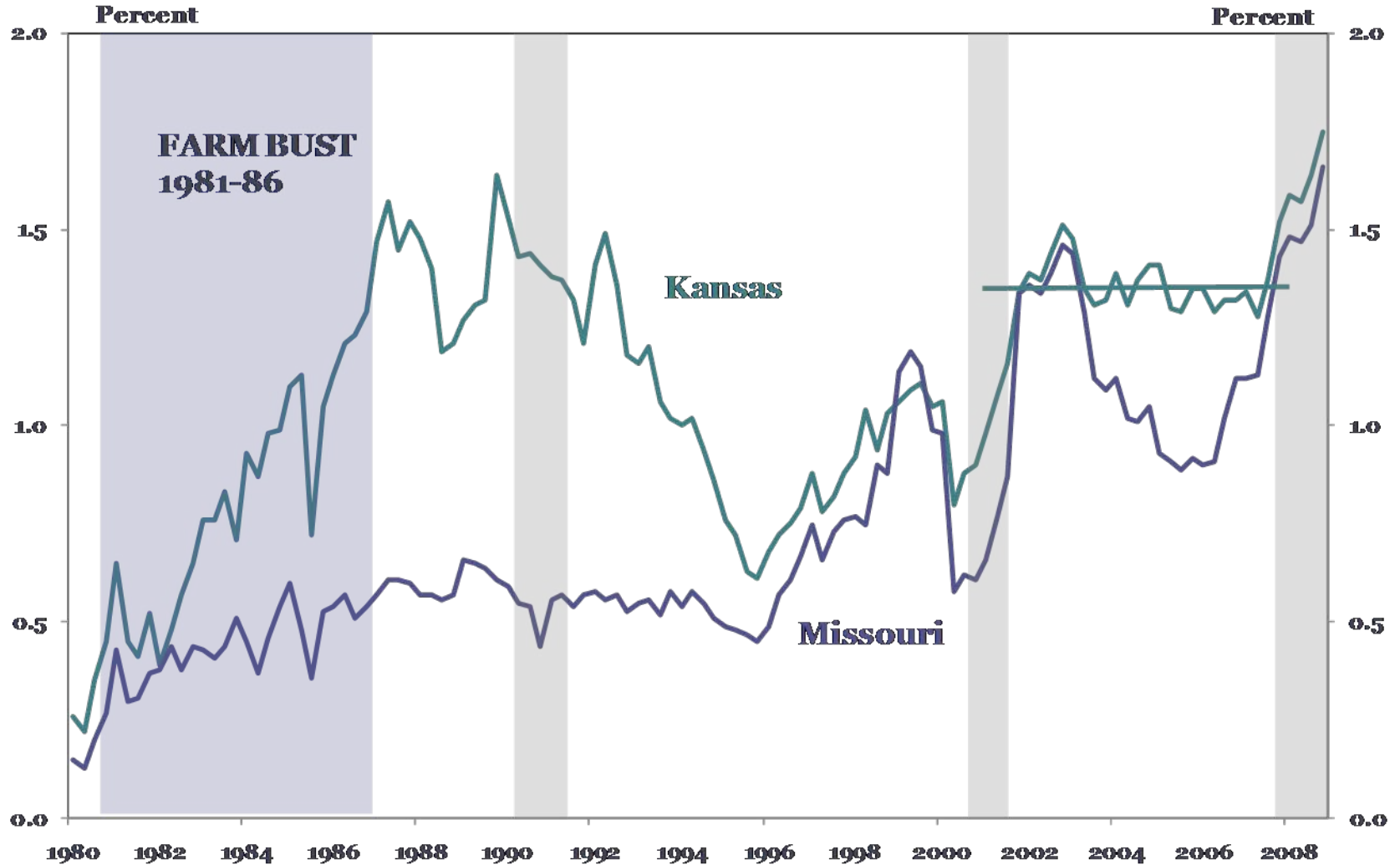
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Source: Mortgage Bankers Association

KS/MO Foreclosure Rates

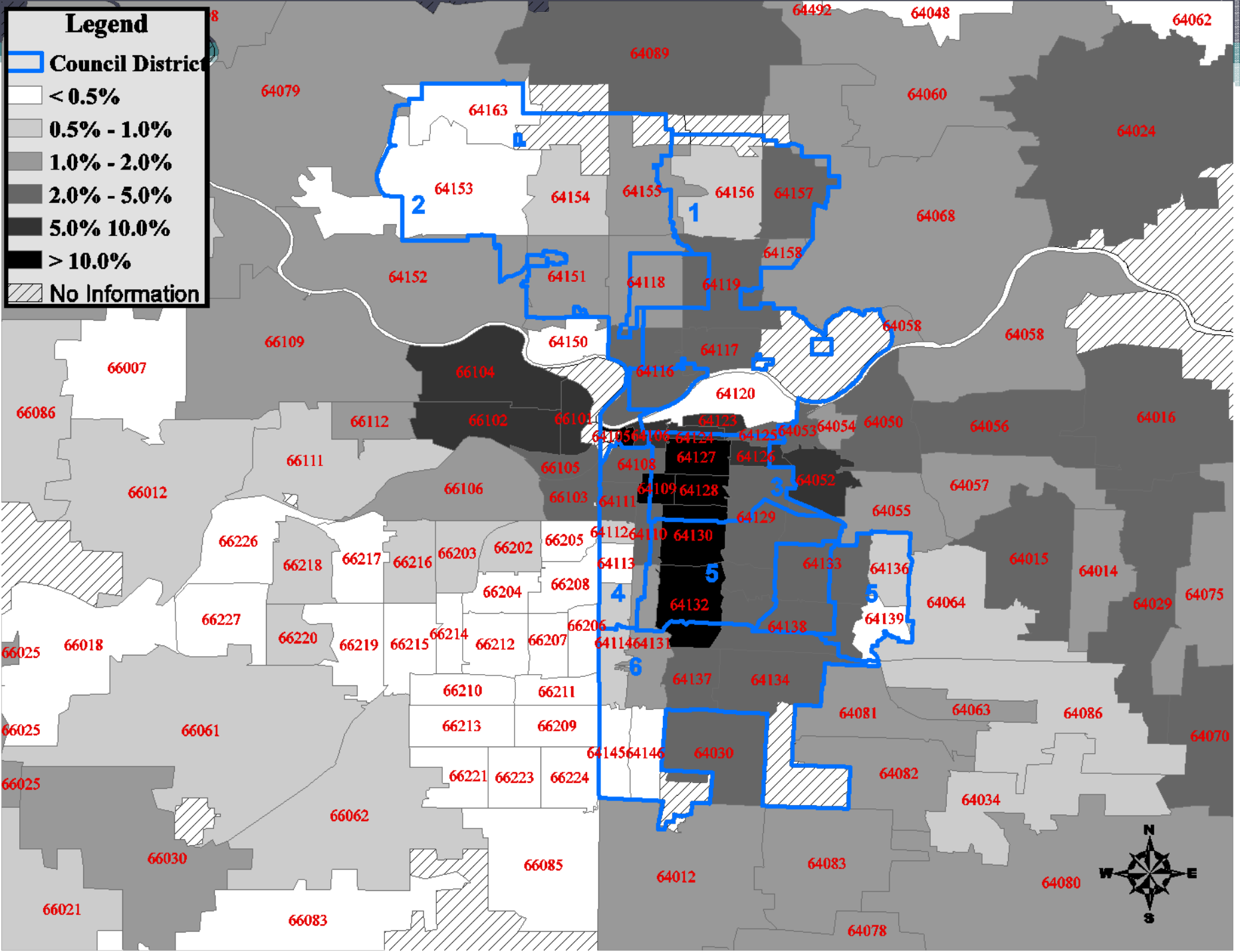
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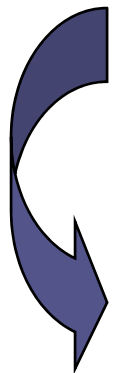
Source: Mortgage Bankers Association

Legend

- Council District
- < 0.5%
- 0.5% - 1.0%
- 1.0% - 2.0%
- 2.0% - 5.0%
- 5.0% - 10.0%
- > 10.0%
- No Information



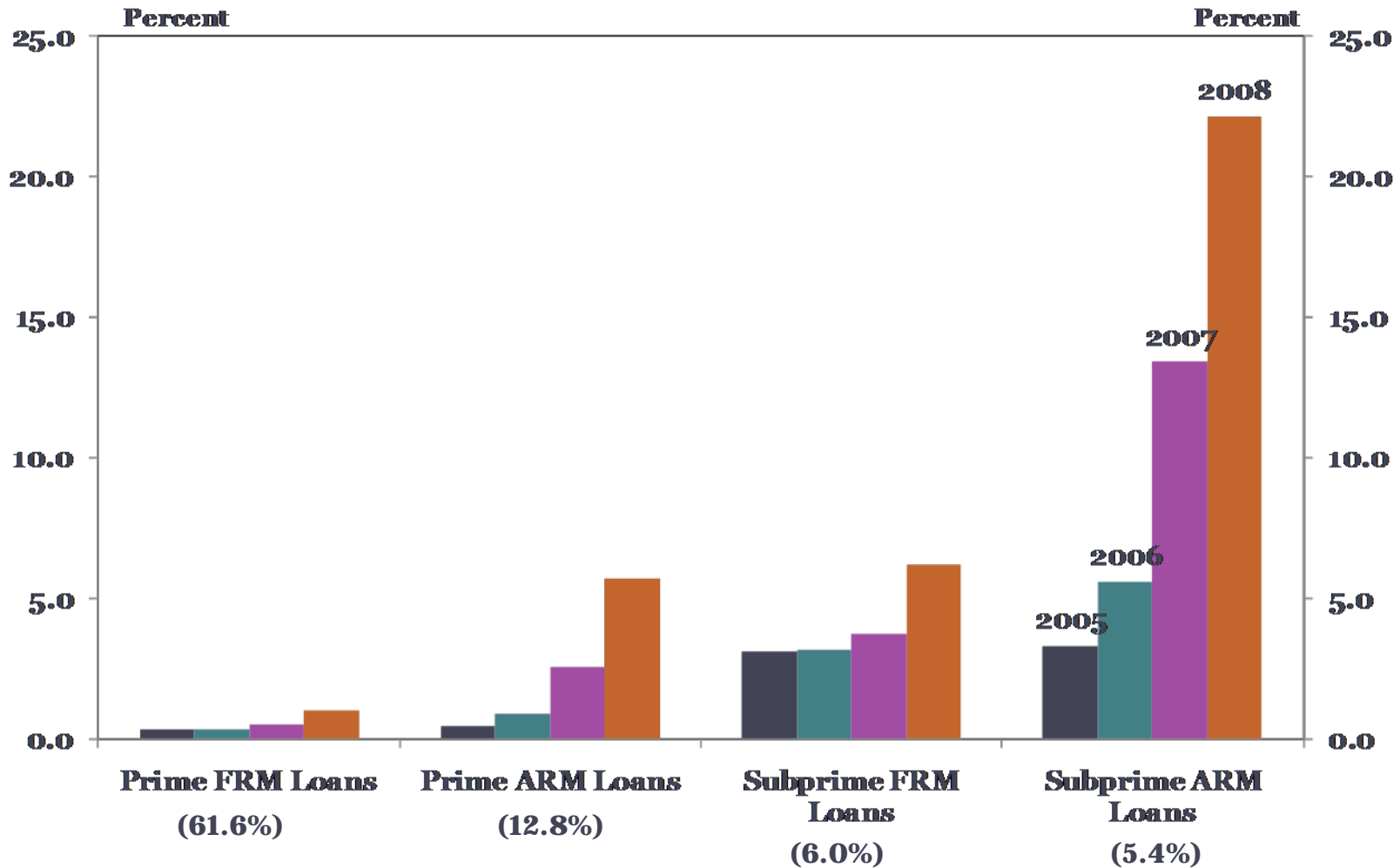
Defining the Problem



- “Nonprime” Mortgage Share
 - Subprime Mortgages
 - Alt-A Mortgages
- Payment Shock for Non-Traditional Mortgages
 - Adjustable-Rate Mortgages (ARMs)
 - Interest-Only Mortgages
 - Payment Option ARMs
- Adverse Equity Position
 - Declining Home Price Appreciation (or Depreciation)
 - High LTV originations
 - Cash-Out Refinancing

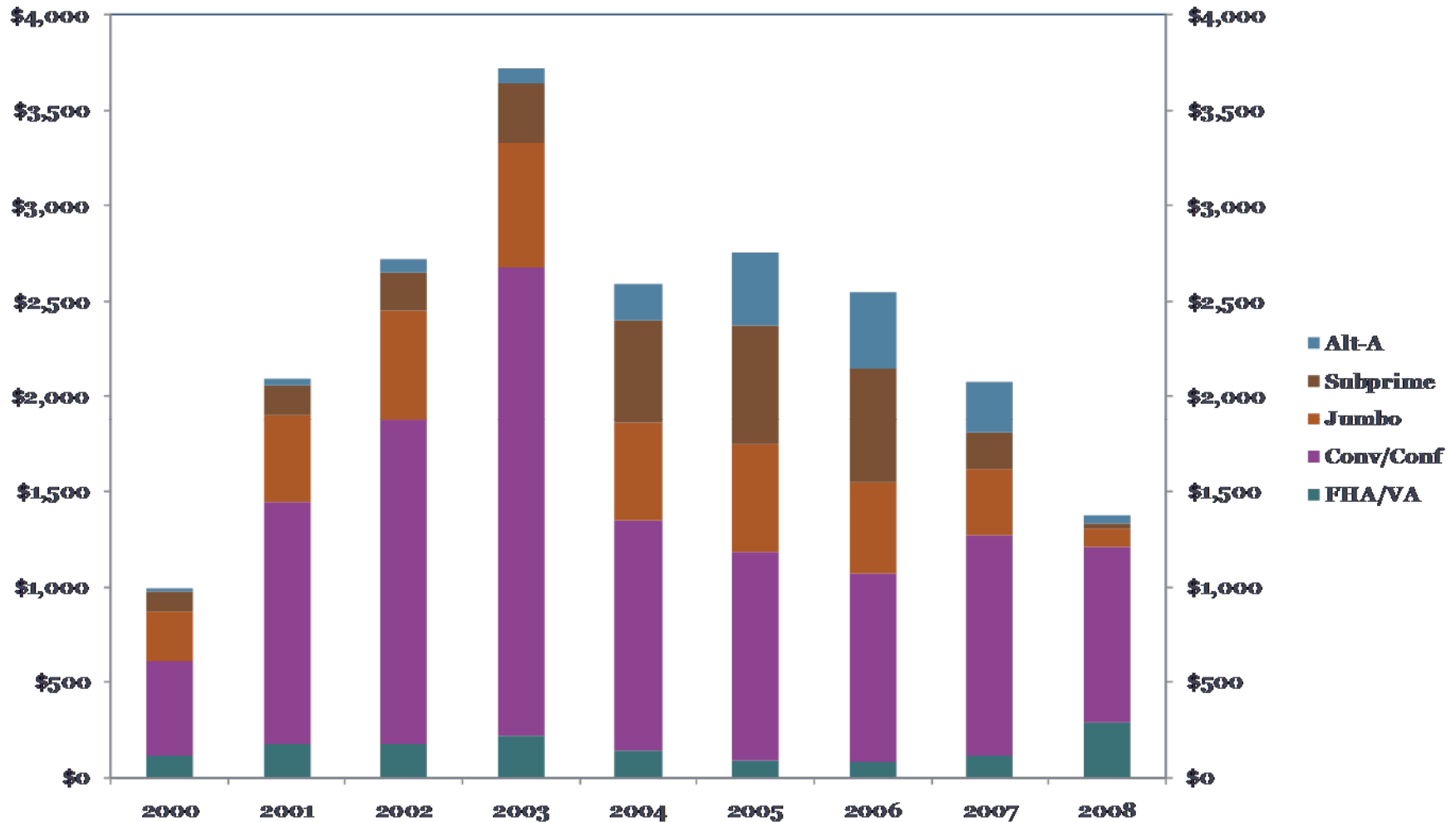
Foreclosure Rate by Mortgage Type

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Source: Mortgage Bankers Association

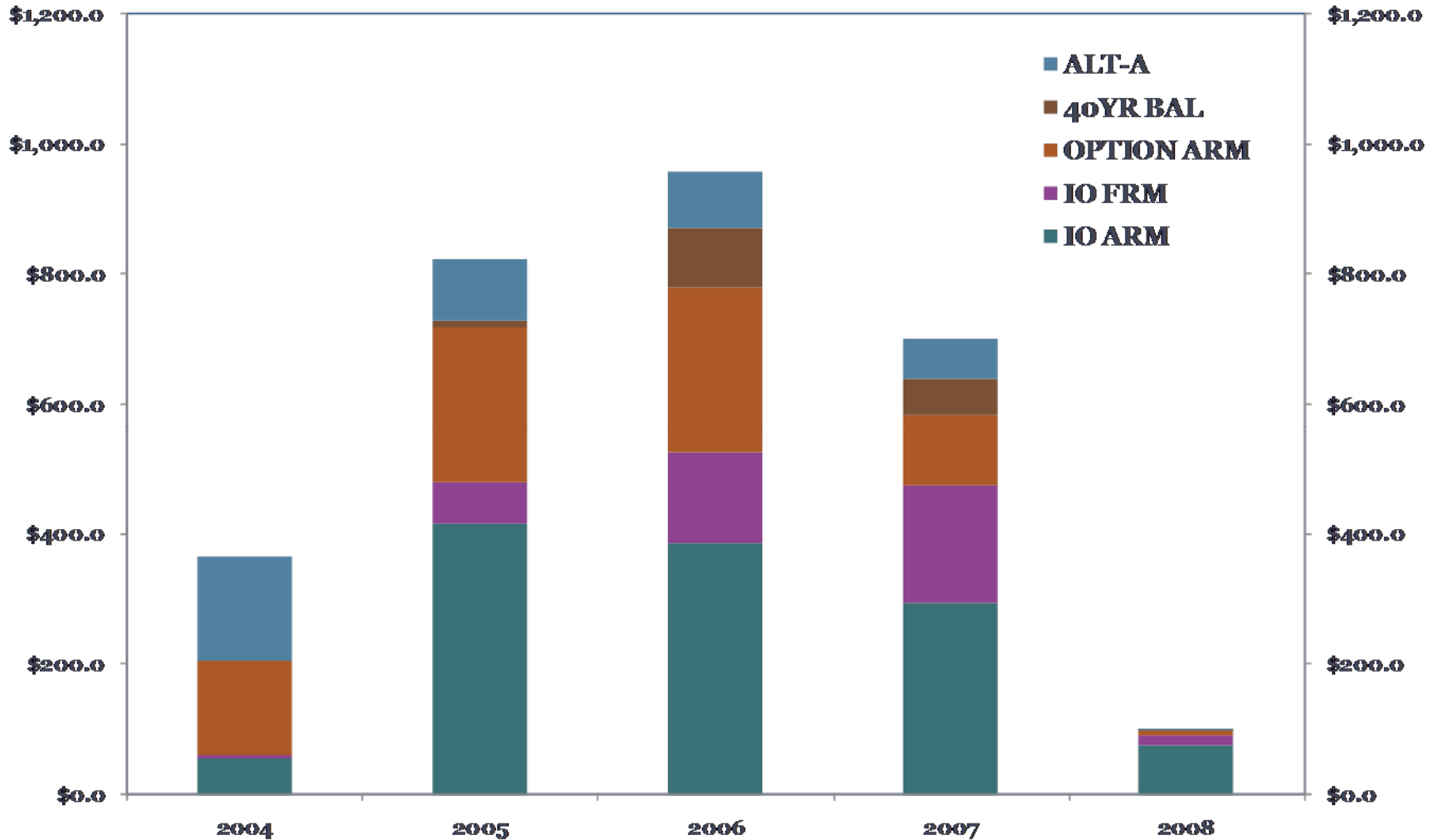
Originations by Type



Source: Inside Mortgage Finance

Non-Traditional Mortgage Originations

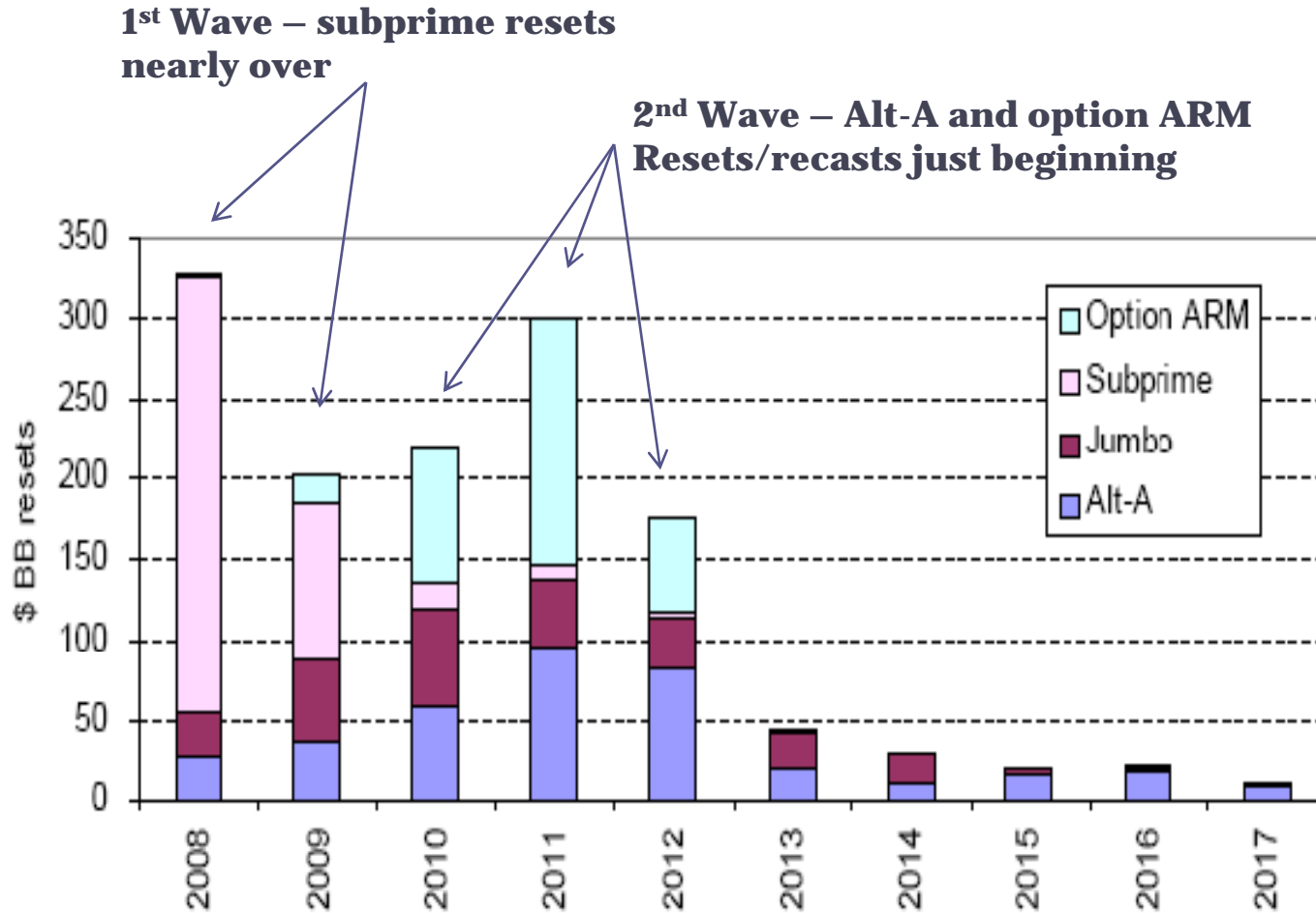
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Source: Inside Mortgage Finance

Mortgage Resets

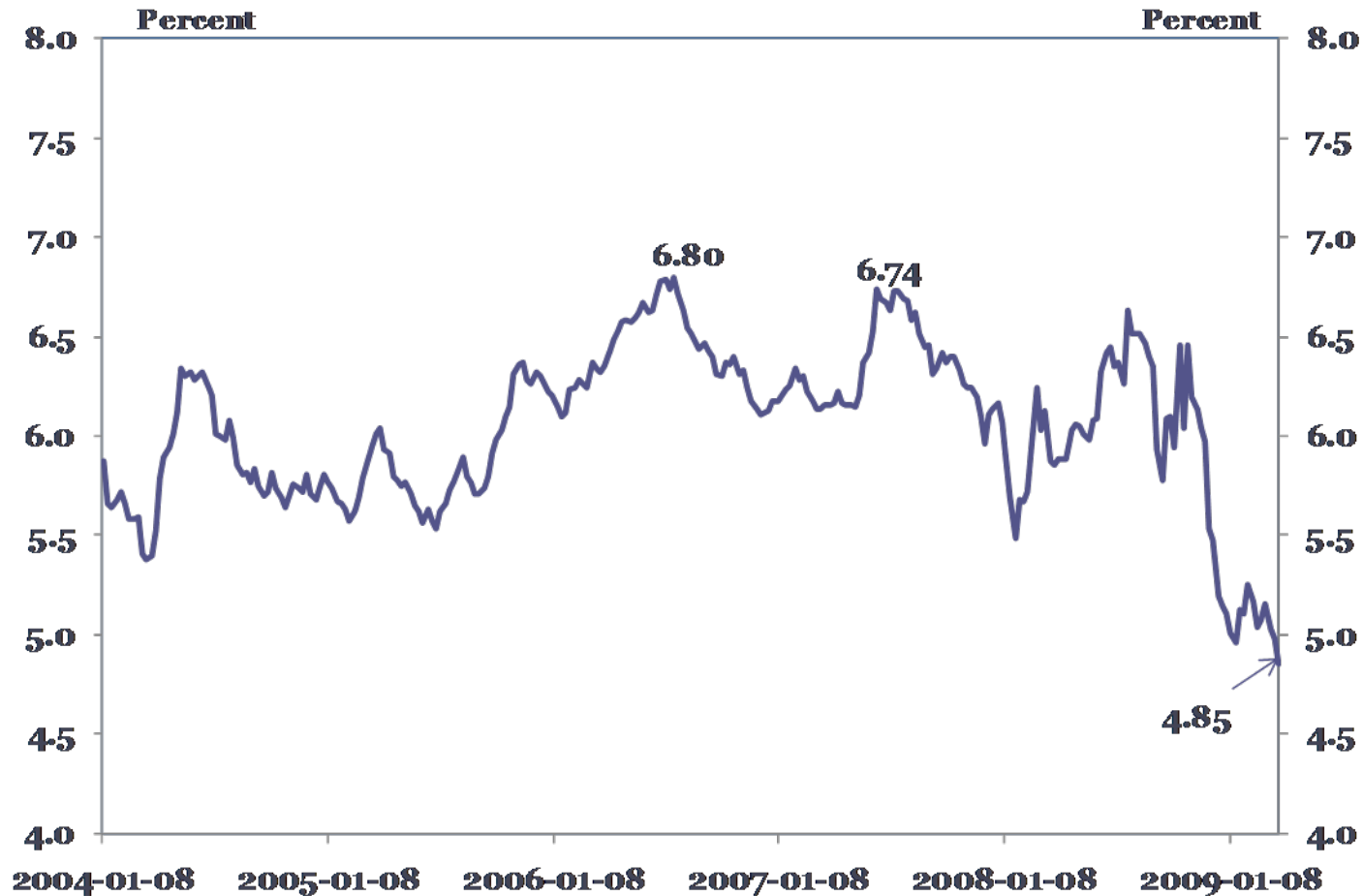
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Source: Loan Performance, UBS

Average Mortgage Interest Rates (30-Yr FRM)

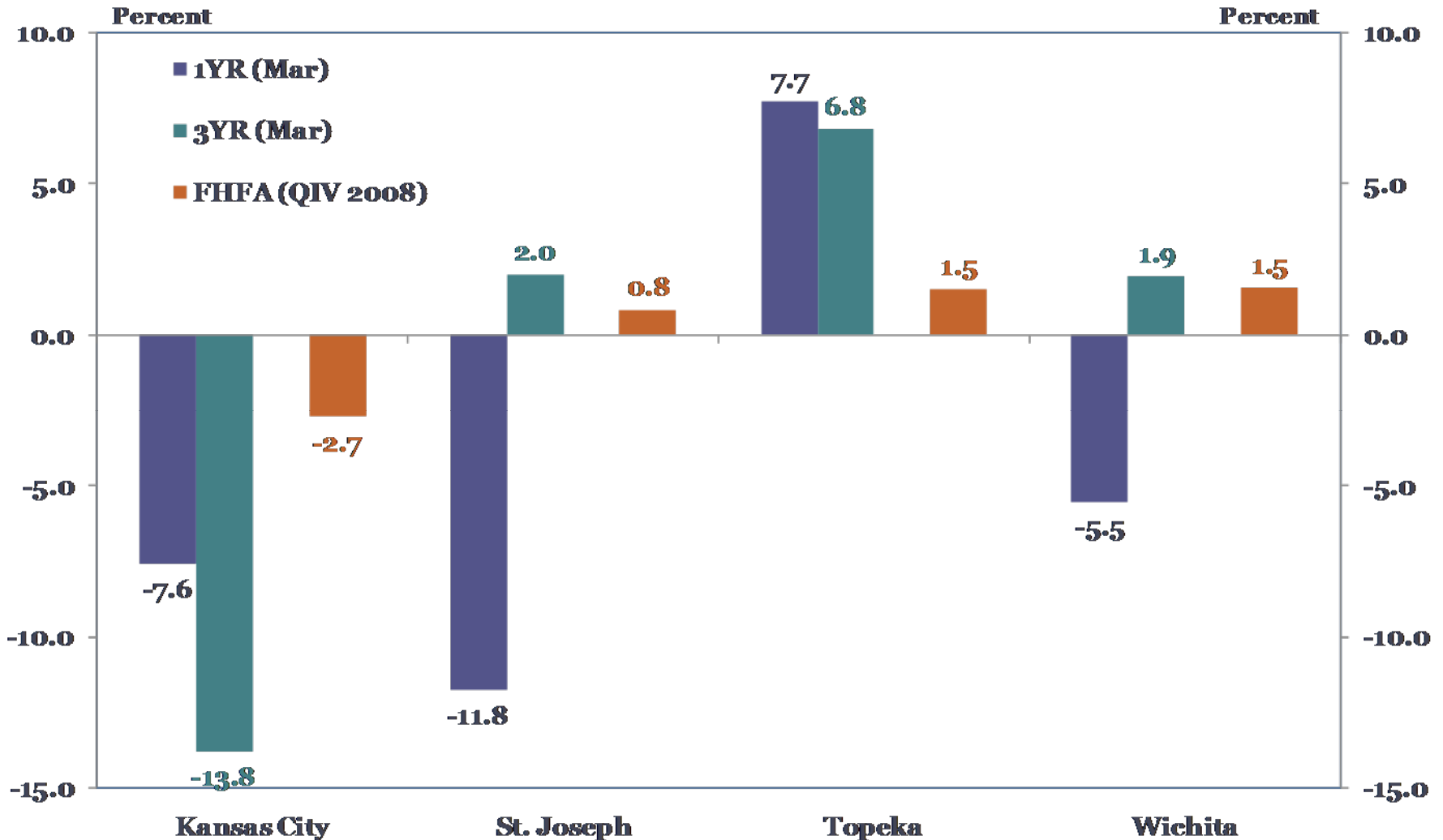
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Source: Federal Reserve Board of Governors

Property Values

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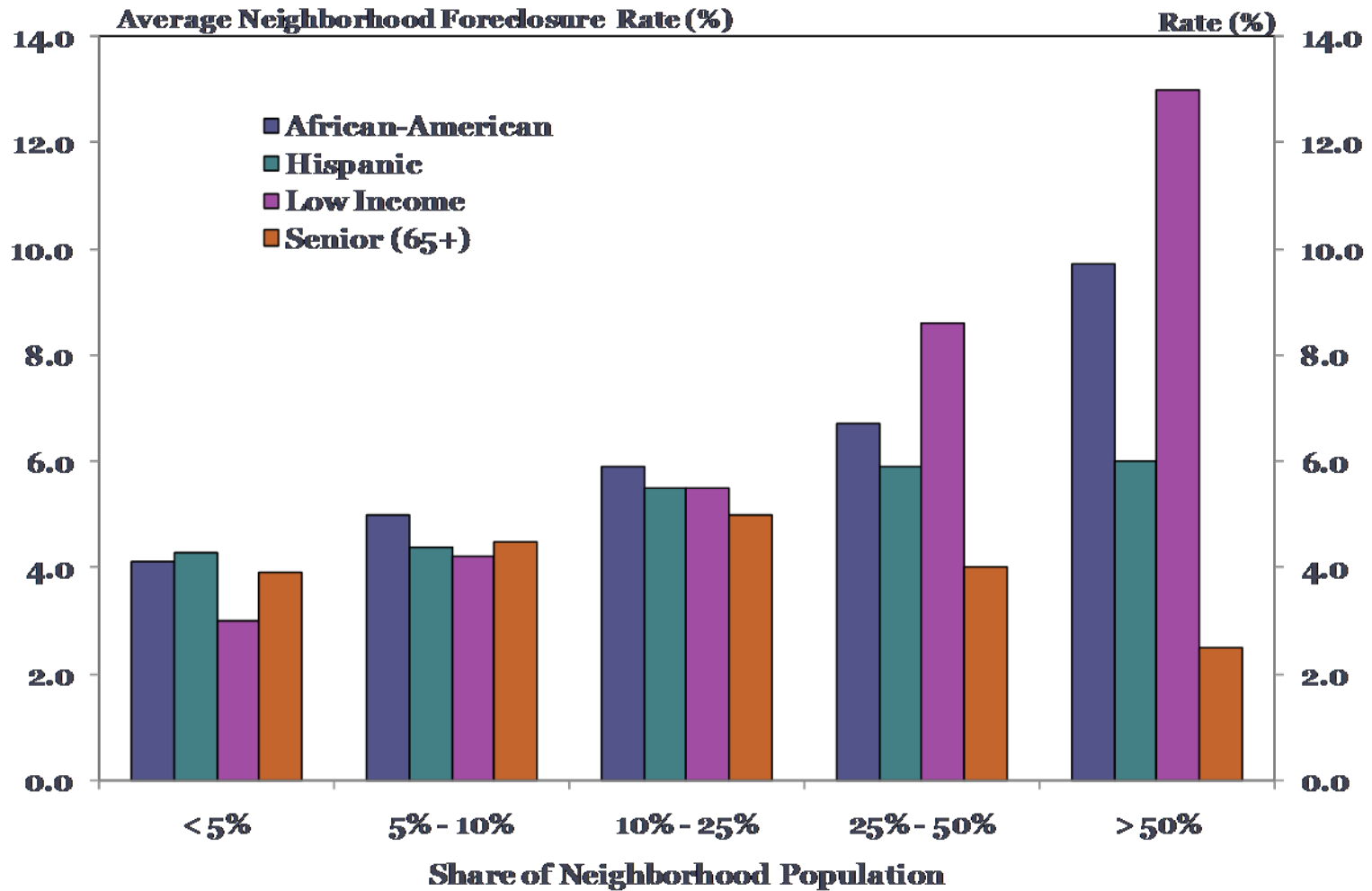
Sources: Residential REALTORS Associations;
Federal Housing Finance Authority

Characteristics of High Foreclosure Neighborhoods

- Income / Race / Ethnicity/Age
- Property Conditions
 - Home Value Appreciation
 - Vacancy Rates
 - Owner-Occupancy Rates
- Economic Conditions
 - Unemployment Rates
 - Self-Employment Rates

Characteristics of High Foreclosure Neighborhoods

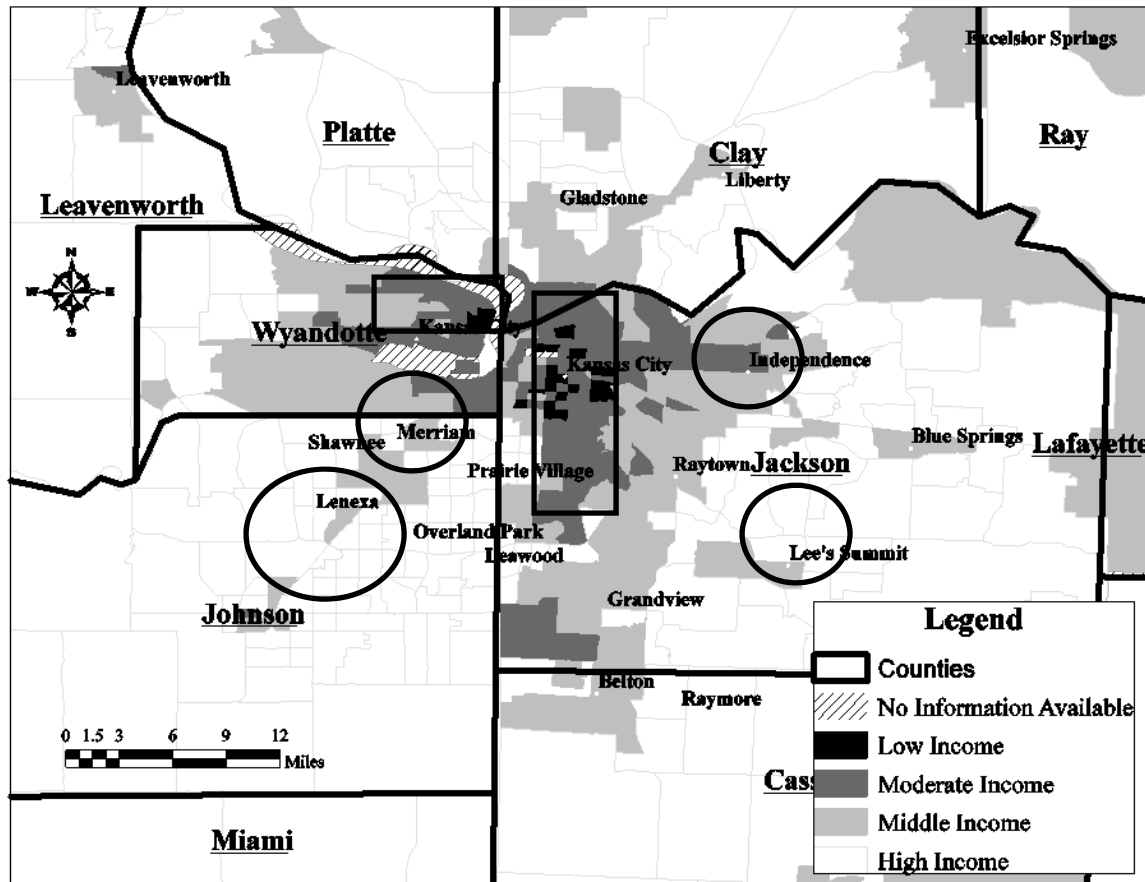
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Sources: U.S. Census Bureau; RealtyTrac

The Case of Kansas City

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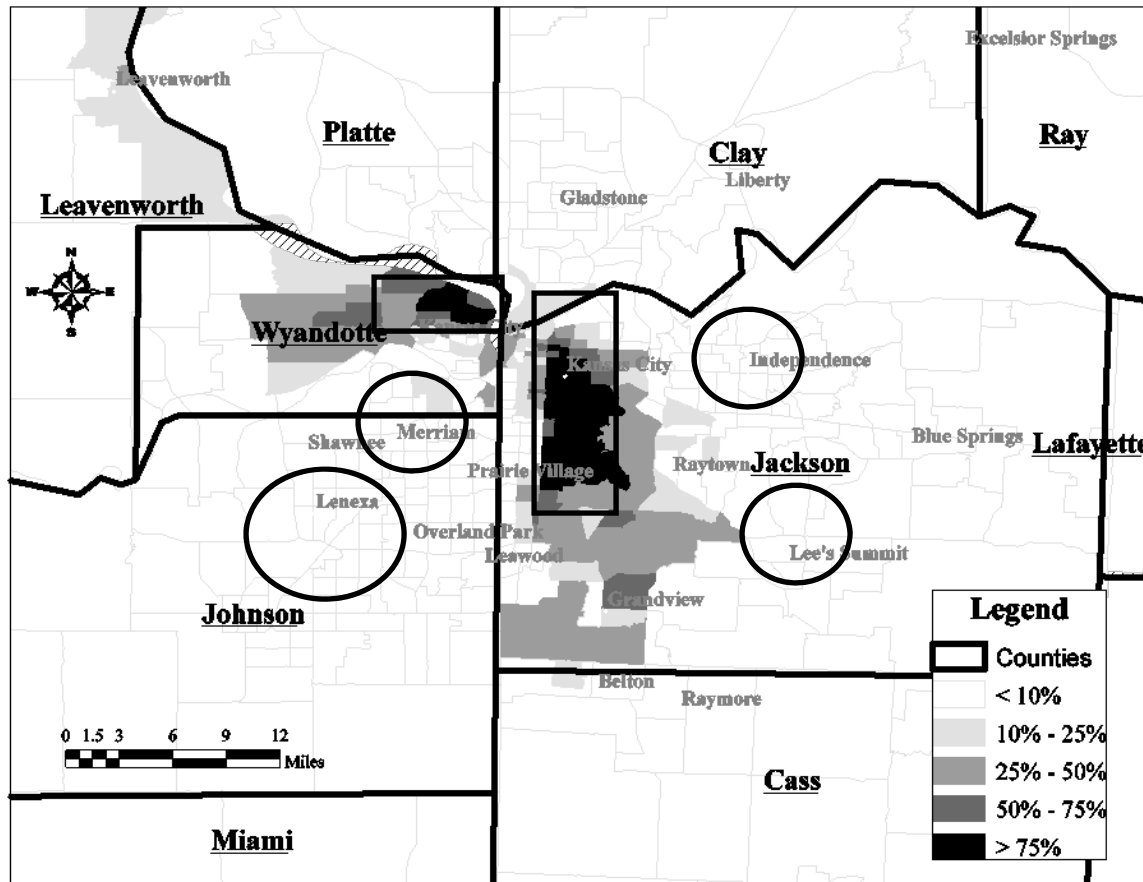


Income Distribution

Source: U.S. Census Bureau

The Case of Kansas City

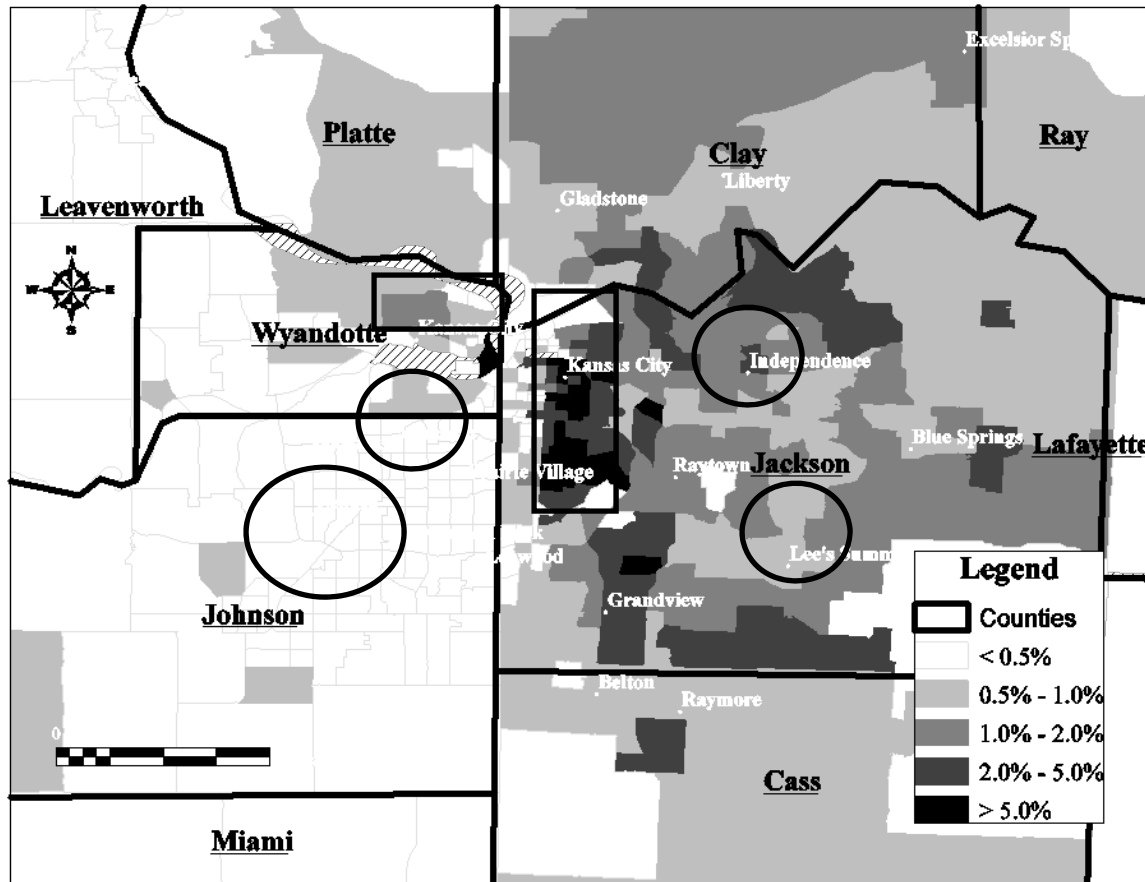
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Source: U.S. Census Bureau

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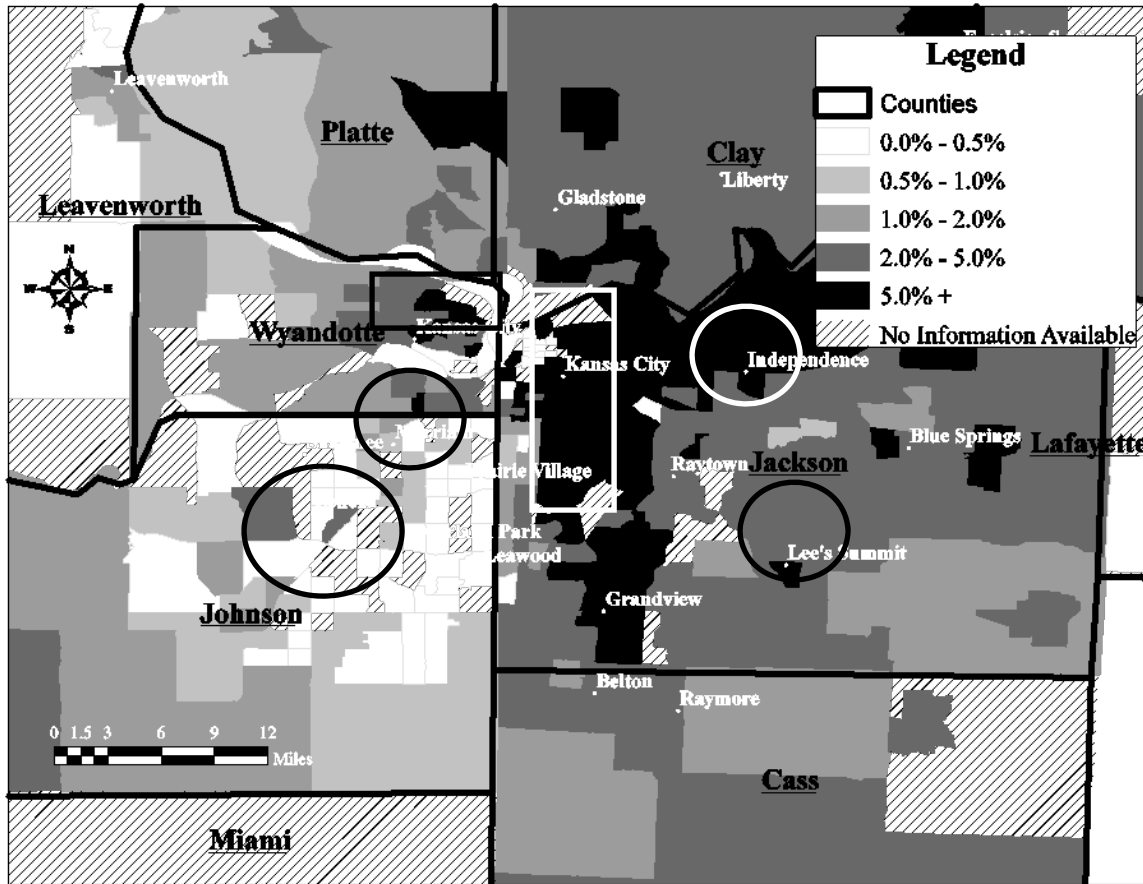


Foreclosure Rates 2006

Source: RealtyTrac

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Foreclosure Rates 2008

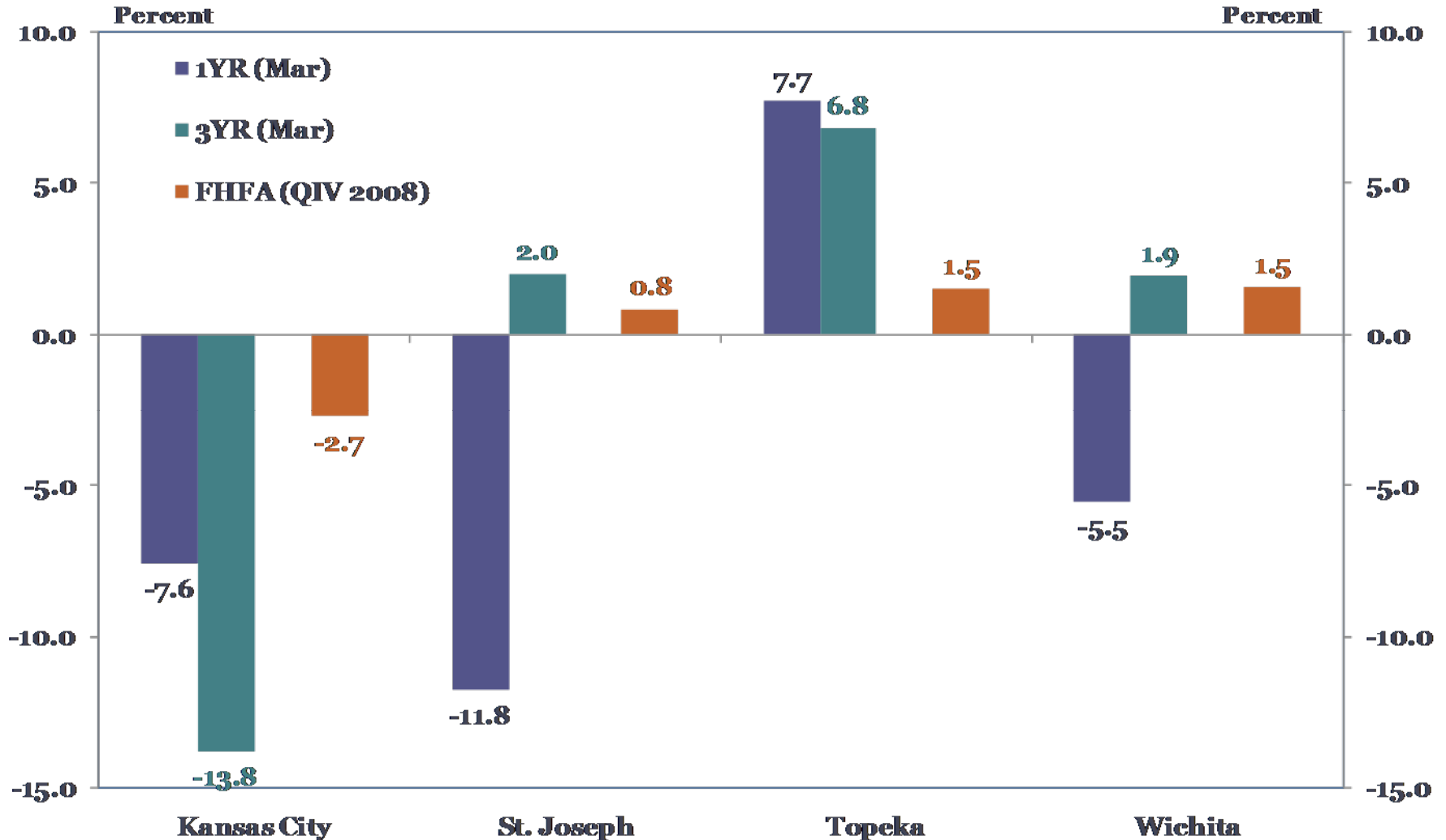
Source: RealtyTrac

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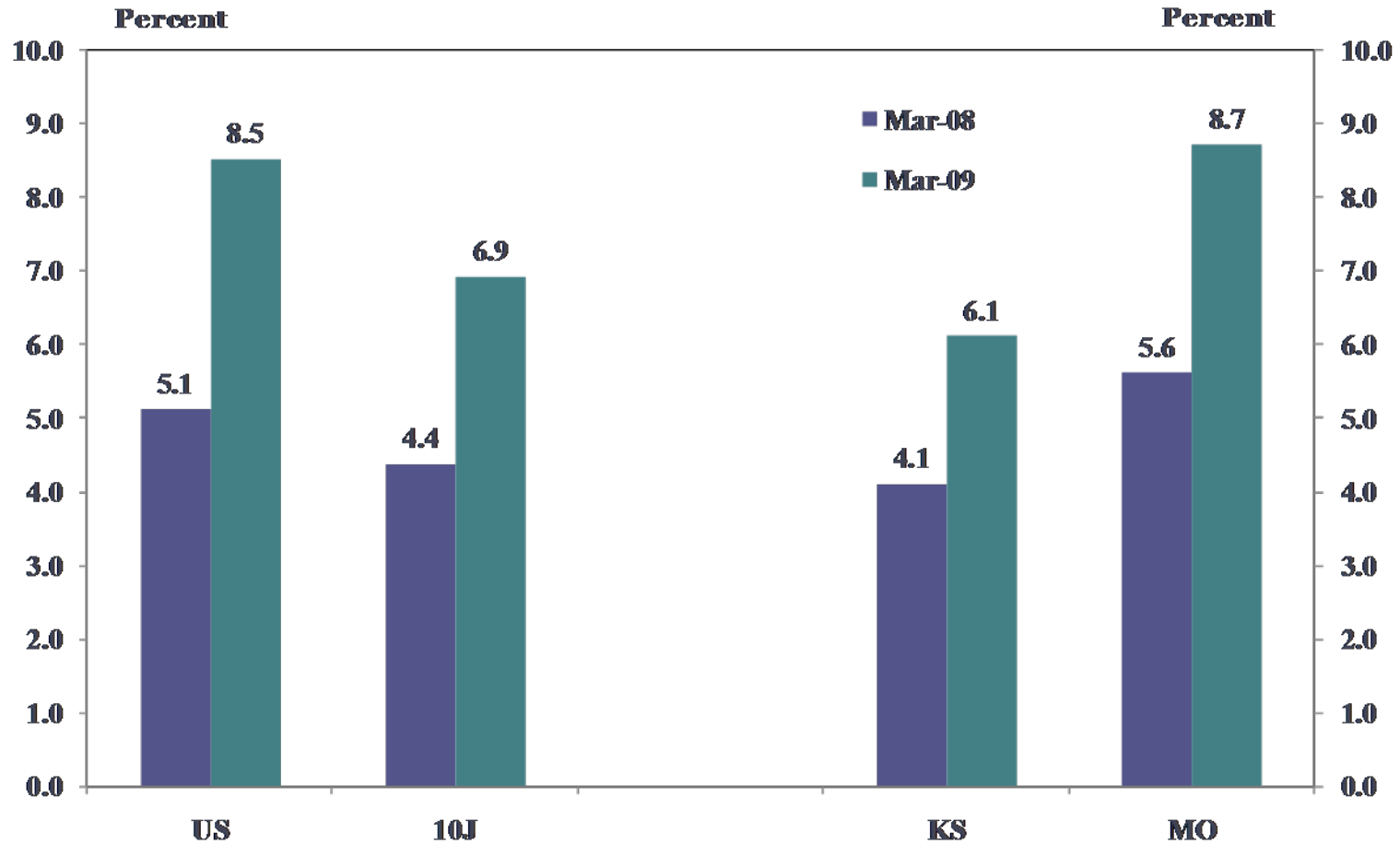
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Unemployment Rates

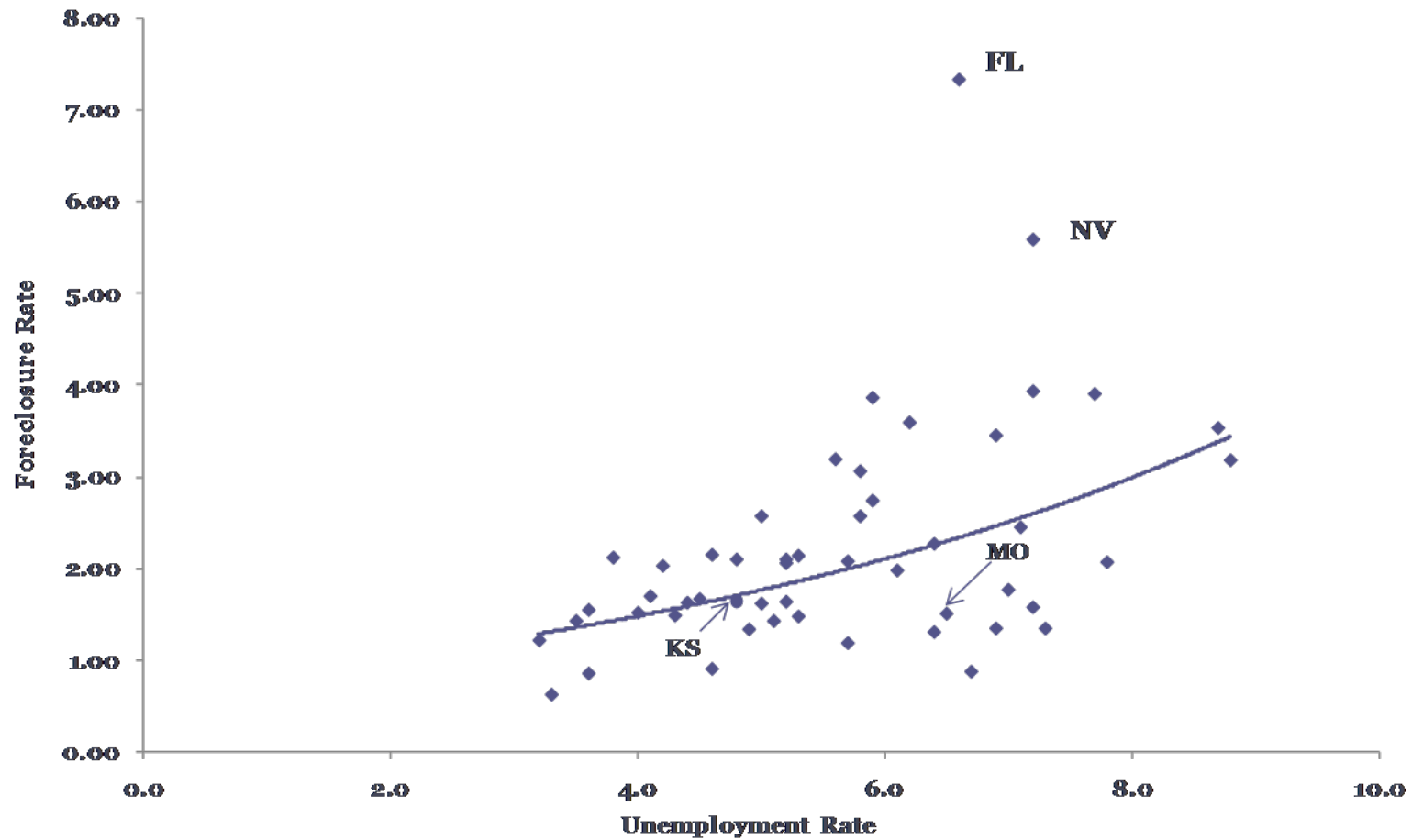
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Source: U.S. Bureau of Labor Statistics

Unemployment Rates and Foreclosures

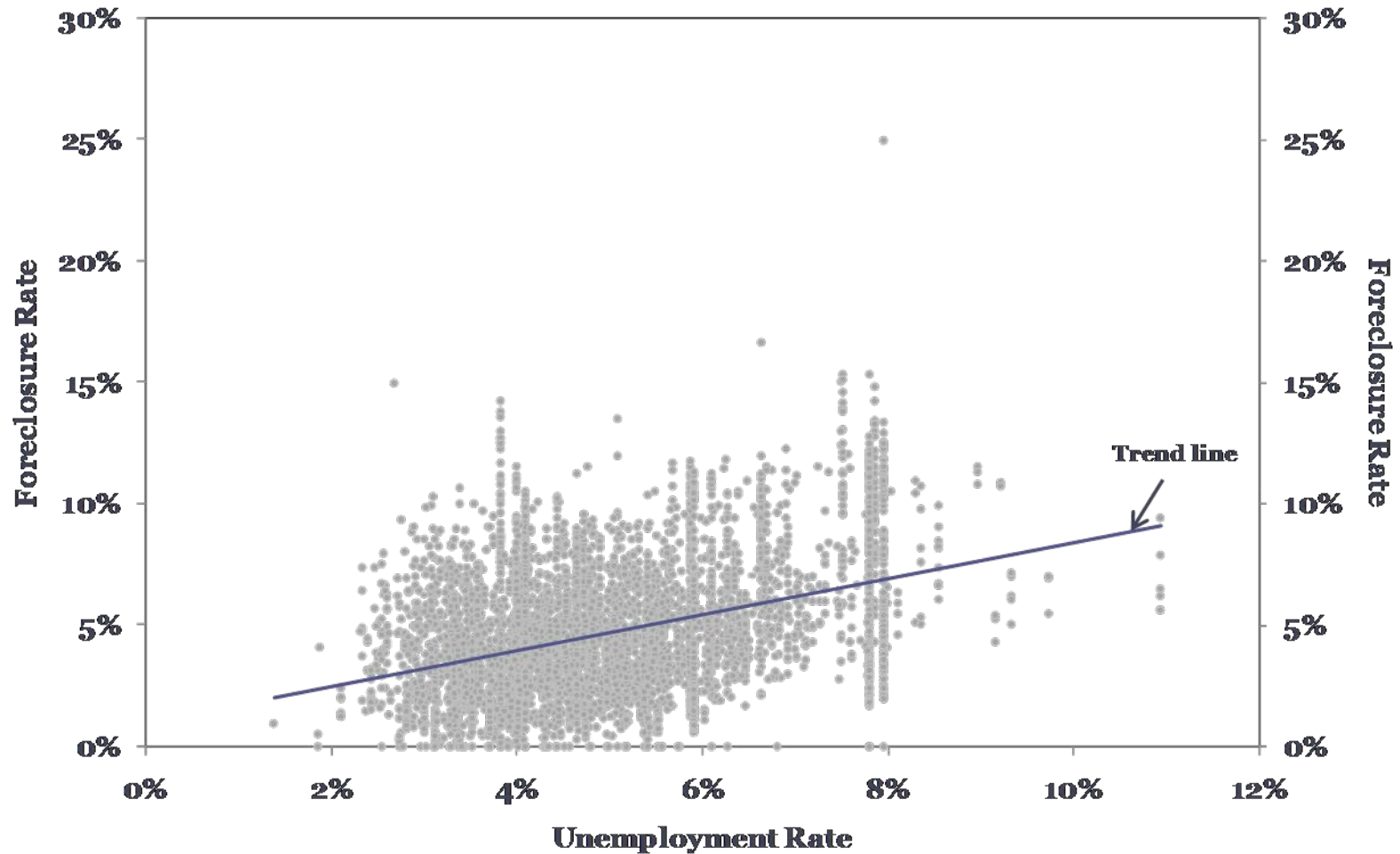
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Sources: U.S. Bureau of Labor Statistics; Mortgage Bankers Association

Unemployment Rates and Foreclosures

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Kelly D. Edmiston
Senior Economist
Regional, Public, and Community Affairs Division
1 Memorial Drive
Kansas City, MO 64198-0001
(816) 881-2004
Kelly.edmiston@kc.frb.org