

Home Insecurity 2014 Foreclosures and Housing in Ohio

Zach Schiller

Foreclosures in Ohio dropped last year by 25 percent to 53,163, the lowest number since 2002. Despite that welcome news, the number remains at highly elevated levels. During the 1990s, the number of filings averaged 21,075 a year. Policy Matters Ohio first began issuing annual reports on Ohio foreclosures in 2002. At that time, we analyzed the factors behind the dramatic growth in filings, which had reached 43,419 in 2001. In light of this history, last year's decline is positive news, but still leaves the state feeling the effects of a continued foreclosure crisis.

Foreclosures represent a major and ongoing blow against families' biggest source of savings and financial stability. This report analyzes the new foreclosure filing statistics, and makes recommendations to combat the foreclosure problem.

The number of filings fell in 84 of Ohio's 88 counties last year. A number of factors contribute to the decline, including a somewhat improved economy, counseling efforts that have warded off some foreclosures and the large number of vacant and abandoned properties from previous foreclosures. Despite the recent drop, since 1995 the number of filings has at least quadrupled in 39 counties and has more than tripled statewide. For the ninth year in a row, Cuyahoga County had the highest foreclosure rate, with nearly seven foreclosures per 1,000 people.

Though the foreclosure problem remains significant, the Ohio Housing Finance Agency on April 30 closed new applications to its Save the Dream program, ending the state's largest effort to help homeowners avoid foreclosure. This has been the primary source of funding for foreclosure counseling that has helped thousands of Ohioans stay in their homes.

The state also faces an enormous challenge in recovering from the damage of the foreclosure crisis. Ohio has tens of thousands of vacant homes, which would cost at least \$600 million and possibly closer to \$1 billion to demolish. And that doesn't include additional costs for needed rehabilitation. One source of support for needed demolition, rehabilitation and foreclosure counseling could be a plan with widespread support that would bring \$200 million to Ohio from JPMorgan Chase's settlement with the U.S. Justice Department. Whether or not that proposal is successful, there should be little question about the need for resources to stave off even more foreclosures and support communities as they combat the effects of this long-running crisis.

Key findings

- Foreclosure filings in Ohio fell 25 percent in 2013, to 53,163
- Foreclosures are still running at 2½ times 1990s levels
- Despite the continuing crisis, the state's foreclosure prevention program, Save the Dream, has stopped taking new applications for assistance
- Hundreds of millions of dollars, at least, are needed to fight the blight created by foreclosures