Home Insecurity 2015

Foreclosures and housing in Ohio

By Zach Schiller and Sam Whipple

Key findings

- Foreclosure filings in Ohio fell 18 percent in 2014, to 43,727.
- Foreclosures are still running at two times 1990s levels.
- These numbers exclude another 3,000 tax foreclosure cases involving vacant properties handled through county boards of revision.
- Resources to prevent foreclosures have dwindled, including the phase-down of the state's foreclosure prevention program, Save the Dream.
- Hundreds of millions of dollars, at least, are needed to fight the blight created by foreclosures.

Foreclosures in Ohio dropped last year by nearly 18 percent to 43,727, according to the Ohio Supreme Court. That is the lowest number since 2001, the first year that Policy Matters Ohio began tracking foreclosure filings because they had risen dramatically. Foreclosure filings remain at levels far higher than before the rise in predatory lending made Ohio a leader in foreclosures starting more than a decade ago. During the 1990s, the number of filings averaged 21,075 a year, or less than half those in 2014. Last year's decline is good news, but still leaves the state feeling the effects of elevated foreclosure levels.

These numbers include tax foreclosure cases filed in the courts, but exclude more than 3,000 tax foreclosure filings in 2014 of vacant abandoned properties being handled through county boards of revision. This is generally a positive step for these properties, but the growth in such cases handled outside the court process means that total foreclosure cases have not declined quite as much.

Foreclosures represent a major and ongoing blow against families' biggest source of savings and financial stability. This report analyzes the latest foreclosure filing statistics in Ohio, and makes recommendations to combat the blight that it has generated. While significant efforts have been made to cope with the proliferation of vacant properties, this legacy of the foreclosure crisis remains a difficult challenge.

Data analysis

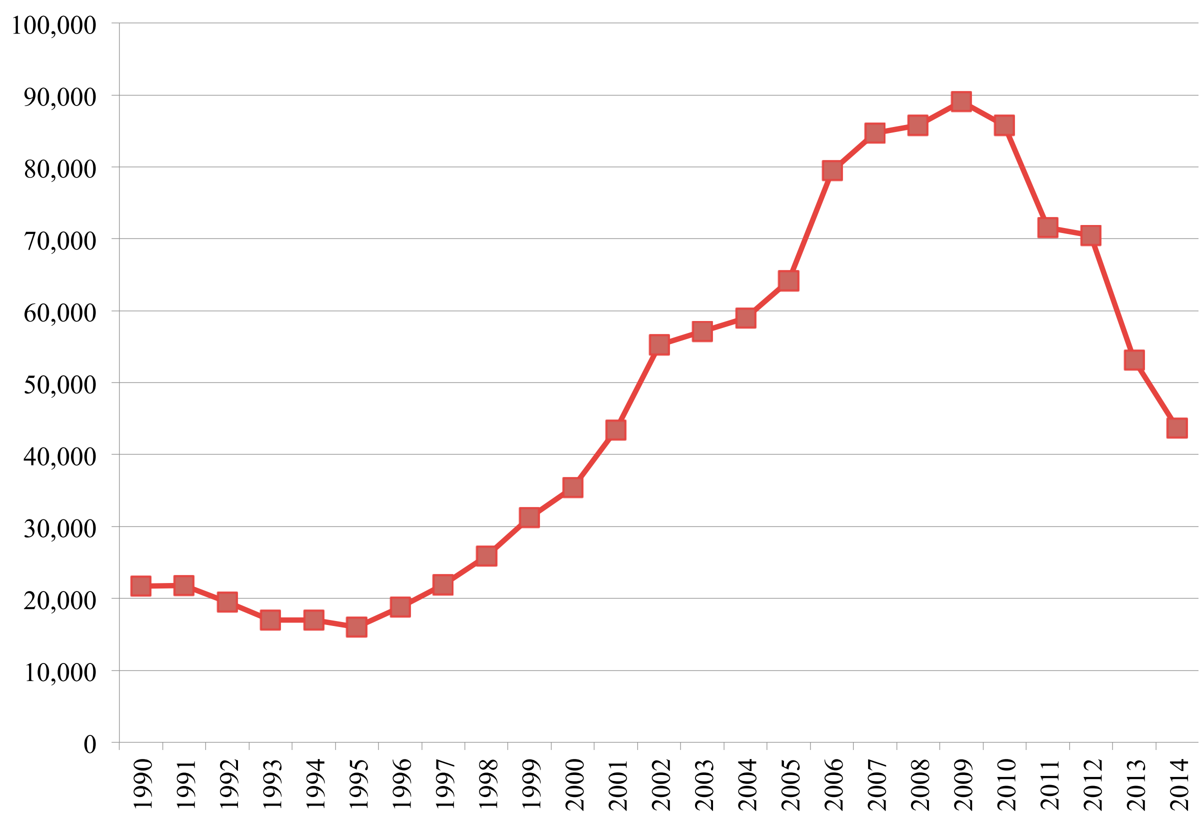
Ohio foreclosure filings fell to 43,727, compared to 53,163 filings in 2013, according to the Ohio Supreme Court.[1] The number of filings fell in 80 of the state's 88 counties (in one county, Logan, they remained the same).[2] The drop continued a downward trend since the peak of more than 89,000 in 2009. While it was lower than in any year in the past decade, last year's number was at least double the annual total of every year between 1990 and 1996 (See Figure 1). Despite

[1] See below for further explanation and note on data at end of the report. The Board of Revision cases cited above are not included in these totals, which are principally mortgage foreclosures.
[2] The 7 counties that saw increases were Hardin, Lawrence, Madison, Meigs, Richland, Shelby and Williams.

the recent drop, since 1995 the number of filings has at least tripled in 52 counties and is up 174 percent statewide. There was one foreclosure filing for every 117 housing units in the state in 2014.[3]

Figure 1

Ohio foreclosure filings, 1990 to 2014



Source: Ohio Supreme Court, Policy Matters Ohio review of filings in U.S. District courts. Data include federal filings beginning in 2004 and ending in 2008.

Richland County had the highest foreclosure filing rate of any county in the state in 2014, with 6.32 foreclosures per thousand people (see Table 1). It replaces Cuyahoga County, which had that dubious distinction for nine years in a row before last year and fell to second place. Richland had ranked No. 4 in 2013, but was one of just seven counties that saw an increase in filings last year. Prior to that it had not been on that list in the previous decade. Five of the counties on the top ten list – Richland, Cuyahoga, Erie, Mahoning and Brown – were on that list last year, including all of the top four.

[3] Based on U.S. Census Bureau data on the number of housing units in 2013, the most recent figure available. See http://factfinder.census.gov/bkmk/table/1.0/en/ACS/13_5YR/DP04/0400000US39

New to the top 10 from a year ago were Coshocton, Ashtabula, Franklin, Summit and Trumbull counties. With the exception of Trumbull County, the other new additions are all familiar to the top ten list (See http://www.policymattersohio.org/foreclosure-table-4-may2015 for the top 10 counties for each year since 2006)

But some others that had ranked higher in years past saw declines that pushed them out of the ranks of those with the highest foreclosure filing rates. Preble County, No. 3 in 2013 and one of the top 10 every year since 2007, saw a 32 percent decline in 2014 from a year earlier and dropped to 16th. A 26 percent decline in Lake County pushed it down to No. 12 from No. 6 the year before. Clinton County appeared in the top ten in 2012 and 2013, ranking as high as No. 3 in 2012. After a 28 percent decline in 2014, Clinton County now ranks at No. 17.

Table 1

Foreclosures per thousand population, top 10 counties, 2014

County	2014 population	2014 filings	2014 filings per 1,000 population
Richland	121,942	771	6.32
Cuyahoga	1,259,828	7,041	5.59
Erie	75,828	378	4.98
Mahoning	233,204	1,153	4.94
Coshocton	36,516	175	4.79
Ashtabula	99,175	473	4.77
Franklin	1,231,393	5,480	4.45
Summit	541,943	2,388	4.41
Trumbull	205,175	874	4.26
Brown	44,116	187	4.24

Source: Ohio Supreme Court. The population data are from 2014 annual estimates by the U.S Census Bureau, Population Division

The largest decreases occurred in Van Wert and Holmes counties, each of which saw a drop of more than 40 percent in 2014 from a year earlier. Another nine counties (Ross, Harrison, Fayette, Morgan, Wyandot, Morrow, Clark, Paulding and Preble) saw drops of at least 30 percent. Of these, only Van Wert had seen a drop the previous year that was bigger than the statewide average decline. Another 34 counties saw declines in 2014 of 20 percent or more from the year before.

Apart from Franklin, which moved from No. 23 to No. 7 and saw the smallest decrease among the big urban counties, most of these counties did not show major moves in the rankings. Overall, the 10 largest counties saw nearly the same decline – 16.7 percent – as the 17.7 percent drop statewide. However, most large counties continued to have rates above the state average. The exceptions were Stark, Lorain and Lucas counties. Table 2 shows foreclosure filings in Ohio's ten largest counties in 2000 and 2014.

A number of factors have contributed to the declines in foreclosure filing (See http://www.policymattersohio.org/foreclosure-tables-5-6-may2015 for complete listings of all

Ohio counties). The wave of predatory lending that sent foreclosure rates climbing starting in the late 1990s crested and fell with the financial crisis. Ohio's economy, though still not robust, has improved since the recession, causing fewer homeowners to fall behind on their mortgage payments. Efforts to prevent foreclosures have kept many thousands from losing their homes (see below). In some instances, banks may not foreclose on properties because they don't see enough value in them to do so. And of course, the thousands of vacant and abandoned properties from earlier foreclosures leave fewer candidates for mortgage foreclosure now. There are fewer homeowners now in many of the neighborhoods that have been hardest hit with foreclosures, and many of those who previously experienced foreclosures have credit score and employment issues that will make it tough for them to buy again in the near future. The result of these factors and others taken together has been a substantial reduction in the number of foreclosure filings from peak levels.

Table 2

Foreclosure filings in largest Ohio counties, 2000 and 2014

	2014 Population	2000 filings	2014 filings	% change in filings, 2000-14	% change in filings, 2013-14	2014 Filings per 1,000 population
Cuyahoga	1,259,828	5,900	7,041	19%	-20%	5.59
Franklin	1,231,393	3,832	5,480	43%	-4%	4.45
Hamilton	806,631	2,770	3,349	21%	-22%	4.15
Summit	541,943	1,851	2,388	29%	-16%	4.41
Montgomery	533,116	2,457	2,090	-15%	-21%	3.92
Lucas	435,286	1,883	1,617	-14%	-25%	3.71
Stark	375,736	1,247	1,234	-1%	-16%	3.28
Butler	374,158	1,193	1,482	24%	-16%	3.96
Lorain	304,216	938	1,079	15%	-19%	3.55
Mahoning	233,204	925	1,153	25%	-12%	4.94
Totals	6,095,511	22,996	26,913	17%	-17%	4.42

Source: Ohio Supreme Court. The population data are from 2014 annual estimates by the U.S Census Bureau, Population Division

The number of foreclosure filings has dropped by more than half since the peak in 2009. However, this does not mean we have returned to "normal" levels of the 1990s, when foreclosure filings fell below 20,000 a year for five years. Hamilton County, the third largest in Ohio, reflects recent trends across the state. In 2014, Hamilton County had 4.15 foreclosure filings per 1,000 people, a 22 percent reduction from the previous year. Yet, even with the recent decline, foreclosure filing rates have not returned to earlier levels. Hamilton County's 3,349 filings in 2014 represent a 124 percent increase over 1995, when there were just 1,490 filings. Other parts of the state have experienced even faster growth rates. In fact, 71 counties outpaced Hamilton over that same period.

Board of Revision foreclosures

The numbers described above were released by the Supreme Court of Ohio based on reports from common pleas courts across the state on cases that are filed.[4] However, they do not include another method that a number of counties are increasingly using for certain tax foreclosures. Under a state law approved in 2006, county boards of revision – the bodies that hear property valuation cases – can also hear tax foreclosure cases involving abandoned property.[5] With the proliferation of county land banks, now established in 24 counties, this has become a way for counties to move property more quickly into their hands and thus reutilize it. In some counties, this is used in particular so that owners of adjacent homes can purchase vacant lots. The number of expedited foreclosures, as such board of revision cases are called, is growing rapidly.

Policy Matters Ohio obtained information on the number of board of revision foreclosure cases for this report with the aid of the Thriving Communities Institute (TCI). TCI queried county treasurers across the state, and found that of the 25 that responded, six were using board of revision tax foreclosures (a seventh, Champaign County, had done so earlier in very small numbers but is not now). The author also called four other counties, so in total, we found that 3,188 such cases were filed in eight counties last year. Another 21 counties (including Champaign) reported they were not using this means of tax foreclosure. Altogether, the 29 counties include 9 of the 10 most populous in the state and account for two-thirds of Ohio's population. Table 3 shows the counties among the 29 that have been using the board of revision and how many foreclosure filings have taken place.

Data from the Supreme Court include tax foreclosures that are filed through the usual judicial process, though such numbers are not reported separately. However, in Cuyahoga County, which accounted for half of the board of revision foreclosure filings last year, the rising number has been accompanied by a drop-off in judicial tax foreclosures filed by the county prosecutor's office.[6] This report counts board of revision foreclosures separately because they cover only abandoned properties and unlike with judicial foreclosures, generally signal that a positive step is being taken to dispose of them. In addition, we do not have a complete accounting of board of revision foreclosures for all Ohio counties.

However, if the board of revision filing data we compiled is included in foreclosure totals, the overall drop-off in foreclosures from the 2009 peak would not be quite as great. Cuyahoga County would have retained the top ranking among counties of foreclosure filings per person, displacing Richland County. And Lucas and Montgomery counties would both rank in the top six.

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[4] See http://www.supremecourt.ohio.gov/JCS/casemng/statisticalReporting/PrepInstruct_CP.pdf

[5] Ohio Revised Code Sections 323.65 to 323.78. See also County Commissioners Association of Ohio, Ohio County Commissioners Handbook, Chapter 14, pp. 58-59, at http://www.ccao.org/userfiles/HBKCHAP014%2010-2-14.pdf

[6] Vacant and Abandoned Property Action Council, "Property Tax Delinquency and Tax Lien Sales in Cuyahoga County, Ohio," March 2, 2015, pp. 16-17, at http://www.wrlandconservancy.org/pdf/CuyahogaTaxLiensSales3-1-15.pdf

Table 3									
Foreclosure cases filed at Boards of Revision									
County	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Allen	-	-	-	-	-	9	22	12	13
Cuyahoga	250	764	945	616	950	1,624	1,132	1,542	1,680
Hamilton	-	-	-	-	-	-	-	-	22
Lucas	-	-	-	-	2	162	290	443	550
Montgomery	-	-	-	-	-	52	167	255	540
Stark	-	-	49	56	47	35	68	31	248
Summit	-	-	-	-	-	-	-	-	24
Trumbull	-	-	-	-	-	-	-	94	111
TOTAL	250	764	994	672	999	1,882	1,679	2,377	3,188
Source: County Treasurers, Prosecutors and Boards of Revision.									

Housing markets in Ohio have improved,[7] but recovery across the state is not complete. According to the Ohio Mortgage Bankers Association, 18 percent of Ohio mortgage-holders owe more on their homes than they are worth.[8] In the summary to their report last August on the Cuyahoga County foreclosure-prevention program, Kathryn Hexter and Molly Schnoke of Cleveland State University concluded, "With an estimated 26,000 vacant parcels countywide, (15,718 of them in the city), and thousands of homeowners still facing foreclosure, the County's housing markets remain weak and values have not recovered. The result is an estimated 9-13% decrease in County property tax base and associated tax revenue receipts. Property tax foreclosure is becoming an increasing concern."[9] As of February, the county had a staggering $214.66 million in delinquent taxes from 37,434 residential properties, according to a report by the Vacant and Abandoned Property Action Council.[10] The Ohio Office of Budget and Management forecast last fall that the value of property across the state will not quite return to 2008 levels by 2017.[11]

What to do now

The foreclosure problem has many facets, including the failure of regulatory authorities to force the banking industry to write down most of the principal on failed mortgages, and it is beyond

[7] For instance, *The Columbus Dispatch* recently reported on high demand for homes in the Central Ohio. See Jim Weiker, "Central Ohio home-buyers encounter bidding wars," *The Columbus Dispatch*, May http://www.dispatch.com/content/stories/local/2015/05/24/bidding-wars.html
[8] Collins, Marianne, Executive Director, Ohio Mortgage Bankers Association, Testimony to House Financial Institutions, Housing and Urban Development Committee, Feb. 17, 2015, p. 2, at http://www.ohiohouse.gov/committee/financial-institutions-housing-and-urban-development
[9] Hexter, Kathryn and Molly Schnoke, Maxine Goodman Levin College of Urban Affairs, Cleveland State University, "Responding to Foreclosures in Cuyahoga County: 2013 Evaluation Report," at http://engagedscholarship.csuohio.edu/urban_facpub/1181/
[10] Vacant and Abandoned Property Action Council, op. cit., p. 12
[11] Patton, Wendy and Zach Schiller, "Hard Times at City Halls: Local Governments Struggle with Damaged Tax Base, State Cuts," Policy Matters Ohio, Jan. 7, 2015, p. 4, at http://www.policymattersohio.org/hard-times-jan2015

the scope of this report to map a comprehensive solution.[12] A full solution to the foreclosure issue goes beyond housing policy and requires a stronger labor market and widespread growth in real wages. However, action is needed both to avoid future foreclosures, and to cope with the massive blight that the hundreds of thousands of Ohio foreclosures have left in their path.

Foreclosure counseling has been shown to be an effective tool for curing delinquency and reducing foreclosures.[13] The Montgomery County treasurer's office has been funding foreclosure counseling there for four years. That effort has kept a total of about 1,000 families in their homes over that period, says Treasurer Carolyn Rice, or maybe 5 to 10 percent of the foreclosures that occurred.[14] Between 2008 and 2013, agencies in the Cuyahoga County Foreclosure Prevention Program were able to successfully help 5,670 or half of all the homeowners with some outcome.[15]

However, a year ago, the Ohio Housing Finance Agency (OHFA) closed new applications to its Save the Dream program, ending the state's largest effort to help homeowners avoid foreclosure. Under Save the Dream, borrowers had been eligible for up to $35,000 in assistance, which went toward bringing overdue mortgage payments up to date, making mortgage payments for up to 18 months, reducing the principal or paying delinquent property taxes. Applicants were referred to housing counselors around the state, who worked with them to obtain assistance. Altogether, between Sept. 27, 2010, and the end of December 2014, the program helped 24,214 Ohio homeowners, with under 100 others who registered before the cut-off expected to receive aid.[16] Money for Save the Dream came from Ohio's $570 million share of the Hardest Hit Fund, a U.S. Treasury Department program.[17] OHFA closed off new applications in order to be able to fund all of those who were still in the pipeline. Those who registered prior to April 30 had to complete their applications by Aug. 31, 2014.

Save the Dream was the primary source of funding for foreclosure counseling that has helped thousands of Ohioans stay in their homes. Altogether, only about 500 of the more than 24,000 homeowners assisted by Save the Dream subsequently have been foreclosed on.[18] As it turned out, Save the Dream had to spend more to assist individual homeowners than it originally anticipated, in part because servicers and mortgage companies would not easily accept partial

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[12] Just one of the elements needed is renewing the Mortgage Debt Relief Act and making it permanent. This federal law, which expired at the end of 2014 after previous renewals, ensured that homeowners were not taxed on the phantom income they receive when mortgage debt is forgiven on their principal residence.

[13] Temkin, Kenneth M., Neil S. Mayer, Charles A. Calhoun and Peter A. Tatian, with Taz George, "National Foreclosure Mitigation Counseling Program Evaluation, Final Report, Rounds 3 Through 5," Urban Institute, Prepared for NeighborWorks America, September, 2014, at http://www.neighborworks.org/Homes-Finances/Foreclosure/Foreclosure-Counseling-(NFMC)/Urban-Institute-Evaluation

[14] Conversation with Carolyn Rice, Montgomery County treasurer, Apr. 9, 2015

[15] Hexter and Schnoke, op. cit., p. 25-26.This includes some who sold their homes.

[16] Conversation with Jeremy Myers, director of homeownership preservation, Ohio Housing Finance Agency, April 2015 See ss drive for date

[17] See http://www.treasury.gov/initiatives/financial-stability/TARP-Programs/housing/hhf/Pages/Program-Purpose-and-Overview.aspx

[18] Conversation with Jeremy Myers, director of homeownership preservation, Ohio Housing Finance Agency, May 1, 2015. As of early May, about 5,000 people were still receiving aid under the program.

payments. The poor economy didn't help, either. Mortgage relief was vital, but it couldn't solve the larger issue of a weak labor market.

Only a small share of the Save the Dream funds has gone for counseling; altogether, the housing counseling agencies that work with homeowners under the program received $25.5 million since the start-up in September 2010. Another key source of funding, the federal National Foreclosure Mitigation Counseling Program, provided $2.1 million to Ohio agencies in its most recent round, but it is unstable, too, with uncertainty whether it will continue.[19] OHFA continues to operate a hotline, referring homeowners who are seeking help to counseling agencies that will accept referrals. It receives about 100 calls a week from people not in the Save the Dream program seeking some kind of foreclosure mitigation assistance. However, counseling efforts have been slashed around the state.

With foreclosures still running at double or more the levels of most of the 1990s, foreclosure counseling needs continued support. If federal and private sources are not available, the state should come forward with funding to continue the counseling effort.[20] Keeping people in their homes is the best outcome for everyone involved, including the lender.

The other feature of the foreclosure wave, of course, is the vast damage to communities that was left in its wake. Attorney General Mike DeWine designated $75 million from a 2012 national mortgage settlement for demolition of blighted and abandoned homes. Altogether, 14,600 structures were demolished under the Moving Ohio Forward program, which ended last December and also brought additional matching funds.[21] Another $66 million from Ohio's share of the Hardest Hit Fund has been pledged by the Ohio Housing Finance Agency (OHFA) to reimburse county land banks for buying and removing blighted and vacant residential properties across the state under the Neighborhood Initiative Program.[22] "At the current funding levels, OHFA expects to eliminate 5,500 vacant and blighted units by October 2016," the agency said in a news release. And Cuyahoga County recently approved more than $10 million in funds to 20 communities to demolish 619 structures.[23] The distribution was the first of what is expected to be a $50 million effort to demolish abandoned structures.[24]

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[19] National Foreclosure Mitigation Counseling Program, Round 9 State Profile Summary Report, Ohio. These funds cover services from Oct. 1, 2014, to Dec. 31, 2015. Some of these funds are being spent by intermediaries that may serve areas in other states.

[20] A resolution introduced in the state House of Representatives calls on Congress to renew funding for the Save the Dream program. See House Resolution No. 2017, at http://www.gongwer-oh.com/programming/legislation_billdetail.cfm?billid=2015HR10702

[21] Mike DeWine, Ohio Attorney General, "Attorney General DeWine Announces More Than 14,000 Structures Razed as Demolition Grant Program Concludes," Feb. 27, 2015, at http://www.ohioattorneygeneral.gov/Media/News-Releases/February-2015/Attorney-General-DeWine-Announces-More-Than-14-000

[22] Ohio Housing Finance Agency, "OHFA expands efforts to tackle blight and fight foreclosure, awards $6.8 million to 7 counties," May 5, 2015, at http://ohiohome.org/newsreleases/rlsNIPannouncement3.aspx An additional $8.5 million is expected to be added, OHFA estimated recently. Email from Arlyne Alston, OHFA director of communications and marketing, May 11, 2015

[23] Cuyahoga County, Office of the Executive, "County Announces First Round of Recommended Awards for Property Demolition Program," Apr. 10, 2015, at http://executive.cuyahogacounty.us/en-US/Awards-Demolition-Program.aspx

[24] Tobias, Andrew J., "County details anti-blight funding," *The Plain Dealer*, Apr. 11, 2015

Such support is vital:

- In Cleveland, the city's Department of Building and Housing estimated in 2013 that 8,300 homes were fit to be condemned, though some think the actual number is thousands higher. The Thriving Communities Institute is doing a survey that should provide more concrete details later this year. A previous survey found another 1,030 properties in East Cleveland that were vacant and in such poor condition that they are targets for demolition.[25]
- A survey in Toledo found that 2,700 properties presented such nuisance conditions they almost have to be demolished right away. Another 1,500 were found to be heading in that direction in next five years, if not sooner. Thousands more need additional investment.[26] The land bank expects to tear down 950 through the end of 2016 with funds it is receiving from the Neighborhood Initiative Program. However, David Mann, president of the Lucas County Land Bank, sees between $25 million and $40 million that is unfunded.
- Some 2,000 homes have been demolished in Dayton since 2009, and with the increasing pace of expedited foreclosures, more properties are going to the county land bank. However, city officials roughly estimate that there are 6,000 to 7,000 vacant and abandoned residential structures in need of demolition.[27]
- In Mahoning County, 308 structures in 11 communities were torn down with money from the Attorney General's Moving Ohio Forward program and more will be demolished with Neighborhood Initiative Program funds. However, the head of the land bank estimated a year ago that a minimum of $20 million would be needed to demolish the thousands of abandoned homes there.[28]
- Available funds allowed for tearing down a considerable number of properties in Mansfield even before that city approved an income-tax levy that helps support demolition. Still, Richland County Treasurer Bart Hamilton figures that there probably are a minimum of 1,000 houses that need to be demolished.[29] That will take roughly 10 years, based on existing resources.

As these examples from around the state demonstrate, significant efforts have been made to reduce the blight of abandoned housing.[30] However, there are still tens of thousands of vacant

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[25] Western Reserve Land Conservancy, Thriving Communities Institute, "East Cleveland Property Inventory Report," October 2014, pp. 11-12, at http://www.wrlandconservancy.org/pdf/FINAL_WRLC_TCI_FOR_DISTRIBUTION_East_Cleveland_Property_Inventory_20141110.pdf. Previous surveys rated the condition of 774 homes in Akron, 266 in Lorain and 190 in Sandusky as deteriorated (a "D" rating) or unsafe (an "F") and thus likely candidates to consider for demolition.
[26] Conversation with David Mann, president, Lucas County Land Bank, Apr. 28, 2015
[27] Frolik, Cornelius, "Money for Demolition Harder to Find," *The Dayton Daily News*, May 10, 2015, at http://www.mydaytondailynews.com/news/news/money-for-demolition-harder-to-find/nmCTP/#3aada43b.3618614.735729
[28] Conversation with Debora Flora, executive director, Mahoning County Lank Bank, Apr. 10, 2015
[29] Conversation with Bart Hamilton, Richland County treasurer, Apr. 9, 2015. Mansfield voters in 2013 approved an income-tax levy to support police and fire, parks and street lighting along with demolition, which receives 20 percent of the levy. Together with money from the delinquent tax collection fund, that adds up to about $900,000 a year in continuing funding.
[30] "Taking Stock of Ohio County Land Banks," a recent study by the Greater Ohio Policy Center, details a number of the other efforts land banks are undertaking around the state. See http://greaterohio.org/publications/taking-stock-of-ohio-land-banks

properties that need to be torn down. At a cost of roughly $12,000 per house,[31] that adds up to hundreds of millions of dollars. More than that still would be needed to repair those properties that can be rehabilitated.

A wide variety of public officials, local governments, non-profits, land banks, housing counseling agencies and others supported an effort to win a portion of consumer relief funds available because of legal settlements between the U.S. Department of Justice and major banks such as JPMorgan Chase & Co. The plan calls for:

- $144 million in cash for demolition of dilapidated properties;
- Capitalization of a $16 million fund for counseling to prevent foreclosure and abandonment;
- Capitalization of a $35 million fund to renovate blighted homes; and,
- Capitalization of a $5 million fund to re-purpose vacant land resulting from demolition.[32]

Despite significant public support, the plan did not secure any funding from the JPMorgan Chase settlement. Justice Department settlements with Citigroup and Bank of America included $25 million and $50 million, respectively, that are supposed to be earmarked for community development funds or financial institutions, or land banks.[33] However, it's unclear how much if any of that will wind up going to land banks for demolition or other purposes, and that's a small fraction of what's needed nationally, in any event.

Some cities such as Youngstown, Warren and Canton also have passed ordinances requiring banks to post a $10,000 bond when they file for foreclosure on vacant homes, or homes that become vacant during the foreclosure process.[34] This can help pay some of the ongoing expenses cities face if bank owners don't keep properties up, as well as the potential costs of demolition in the future. As Youngstown notes in a description of its ordinance, "A common scenario is that the foreclosing entity drives away the responsible party who was maintaining the home but then

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[31] The Cuyahoga County land bank has estimated at $12,500 the cost to demolish a 1-2 unit property, including an asbestos survey and remediation if necessary, payment if needed to haul out trash, and the demolition itself. Email from Bill Whitney, chief operating officer, Cuyahoga County Land Reutilization Corp, Apr. 30, 2015. The cost so far under OHFA's program has been about $11.500, but that will likely increase to $12,000.

[32] Ford, Frank and Jim Rokakis, Thriving Communities Institute, Ohio Plan for Application of Bank Settlement Funds, August 2014, p.1

[33] Department of Justice, Office of Public Affairs, "Justice Department, Federal and State Partners Secure Record $7 Billion Global Settlement with Citigroup for Misleading Investors About Securities Containing Toxic Mortgages," Annex 2, p. 11, July 14, 2014, at http://www.justice.gov/opa/pr/justice-department-federal-and-state-partners-secure-record-7-billion-global-settlement and Department of Justice, Office of Public Affairs, "Bank of America to Pay $16.65 Billion in Historic Justice Department Settlement for Financial Fraud Leading up to and During the Financial Crisis," Annex 2, Consumer Relief, p. 7, Aug. 21, 2014, at http://www.justice.gov/opa/pr/bank-america-pay-1665-billion-historic-justice-department-settlement-financial-fraud-leading

[34] See City of Youngstown, Ohio, Property Registration, Vacant Foreclosure Property FAQ, at http://www.cityofyoungstownoh.com/city_hall/departments/property_registration/property_registration.aspx#foreclose and Peter H. Milliken, "Foreclosure Bond Fights Blight in Youngstown," *vindy.com*, Oct. 19, 2013, at http://www.vindy.com/news/2013/oct/19/official-foreclosure-bond-law-is-effecti/; Matthew Rink, "Canton City Amends Foreclosure Law, to Begin Enforcement," *The Canton Repository*, Oct. 13, 2013, at http://www.cantonrep.com/article/20131003/NEWS/310039858#310039858/?Start=1&_suid=143197219598108491589284586463, and Codified Ordinances of Warren, Ohio, Section 1338.02, at http://whdrane.conwaygreene.com/NXT/gateway.dll?f=templates&fn=default.htm&vid=whdrane:OHWarren

fails to assume responsibility for the property itself. They have created an abandoned property which swiftly falls into disrepair which the City is then forced to suffer costs to address. It is this particularly harmful practice that the City was entitled, nay obligated, to respond to by requiring the foreclosing entity to post a cash bond." Youngstown has collected $2.2 million in such bonds since the program begin in 2013, and recently held $1.6 million on 160 such properties.[35] If well enforced, such a policy gives cities some leverage and provides for some of their future costs. However, it doesn't clean up any of the properties previously foreclosed and abandoned.

As indicated in the application for the bank settlements with the U.S. Justice Department, the state's vacant property problem is far more substantial than what can be handled with the monies allocated to date. Even that plan would only have gone part way toward meeting the problem. Local efforts, while notable, are insufficient. There should be little question about the need for resources to stave off even more foreclosures and to support communities as they combat the blighted housing.

A note on the data

There is no perfect measure of foreclosures; the filing data in this report capture the process at one stage, but do not exactly measure the number of families that lose their homes to foreclosure. This report uses data from the Ohio Supreme Court, statistics on county Board of Revision tax foreclosure filings gathered by Policy Matters Ohio and information compiled in earlier years by Policy Matters Ohio from the two federal district courts in Ohio. The Supreme Court data are filed by county common pleas courts. They are consistent from year to year, allowing a comparison over time and between Ohio's counties (common pleas courts do sometimes amend the data they have previously filed, so totals reported here for earlier years may differ from those cited in prior Policy Matters Ohio reports). As described below, while previous years' data include federal filings, there are none included after 2008.

As noted above, we have obtained information with the assistance of the Thriving Communities Institute on 29 counties and whether they use their Boards of Revision for tax foreclosure filings. These counties account for most of the state's population and probably the vast bulk of such activity, but boards in other counties may also utilize this procedure.

The Ohio Supreme Court's reporting of foreclosure filings includes an unspecified number of non-mortgage foreclosure cases, including delinquent tax foreclosures and others. It also includes double filings that occur if bankruptcy interrupts the process, or if a lender uses the threat of foreclosure as a collection mechanism several times against one borrower. Non-mortgage filings and double filings have not been eliminated from the data. All foreclosure data in this report are for filings. Not all filings lead to actual foreclosures, in which borrowers lose title to their property. On the other hand, filing statistics do not cover all cases in which homeowners lose their property, such as cases in which they give the title back to the lender and walk away from the home.

Policy Matters began compiling federal filings made as of 2004; such cases were not filed in as large numbers prior to that point. After growing significantly, in late 2007 the flow of such cases slowed to a trickle, and the number has not picked up again since. The small remainder included commercial disputes such as alleged non-payment to contractors, filings by the U.S. government

[35] Information provided by Frank Ford, Thriving Communities Institute, April 14, 2015.

for payment in cases of deceased homeowners and a handful of cases by borrowers claiming mistreatment, but virtually no standard filings involving residential properties. Thus, we do not have any federal filings in this report after 2008. As noted in our 2008 report, there is some duplication between state and federal court cases.

In some past reports, the previous year's population data was used because Census estimates were not available for the current foreclosure year. Census population estimates for July 1, 2014, were available and used in this report to calculate foreclosures per 1,000 people.

Acknowledgements

We are extremely grateful to the Saint Luke's and George Gund Foundations for flexible support that enables us to explore economic challenges facing communities and to other funders for support in other areas of work. Frank Ford, Robin Darden Thomas and others at the Thriving Communities Institute provided invaluable aid for this report. Policy Matters Ohio intern Andrew Slivka helped significantly, and David Rothstein of Neighborhood Housing Services also reviewed the report. The opinions expressed in it are strictly the authors', however.