

## Consumer Protection

# LINGERING IMPACT: REPORT ON 2016 FORECLOSURE TRENDS

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The number of foreclosure filings in Ohio peaked following the 2008-2009 financial crisis. The number has since dropped significantly but remains almost 2.5 times higher than it was in the mid-1990s, prior to the explosion of subprime lending. In 2016, there were 38,963 new foreclosure filings in Ohio, amounting to one foreclosure filing for every 132.5 housing units. After falling by more than half since the worst of the crisis, the decline in filings is tapering off, with just a 3.75 percent fall-off last year.

Ohio's 10 largest counties accounted for 60 percent of foreclosure filings last year. Among those counties, the majority saw increases since 2015. The increases are often concentrated in urban centers, while suburban areas have seen stabilization and even growth in the housing market. Mahoning County had the highest foreclosure density in the state, up from No. 7 the previous year.

Foreclosure filings are a signal of distress for both individuals and a community. To return to rates we saw in the mid-1990s, Ohio needs significant investments in foreclosure prevention and housing stabilization. Despite progress, Ohio has a long way to go.

### Recommendations

- **Increase federal and state support for foreclosure prevention and housing stability programs:** Boost support for federal housing and community development programs, as well as Ohio-specific programs such as the Ohio Housing Trust Fund.
- **Restore local government funding:** Loss of the Estate Tax and the diminishing Local Government Fund further limit city unrestricted dollars that could be used for foreclosure counseling, vacant property maintenance and other services for people at risk of losing their homes.
- **Increase support for consumer protection and legal aid:** The federal Consumer Financial Protection Bureau has enacted a number of helpful initiatives to protect borrowers, but faces an uncertain future under new leadership. It should remain a strong, independent defender of consumer rights. Legal Aid services in Ohio, which have helped keep many families in their homes, have not fully recovered from earlier funding cuts and need greater continuous financial support from the state.