

Consumer Protections

OHIO FORECLOSURES FALL IN 2018

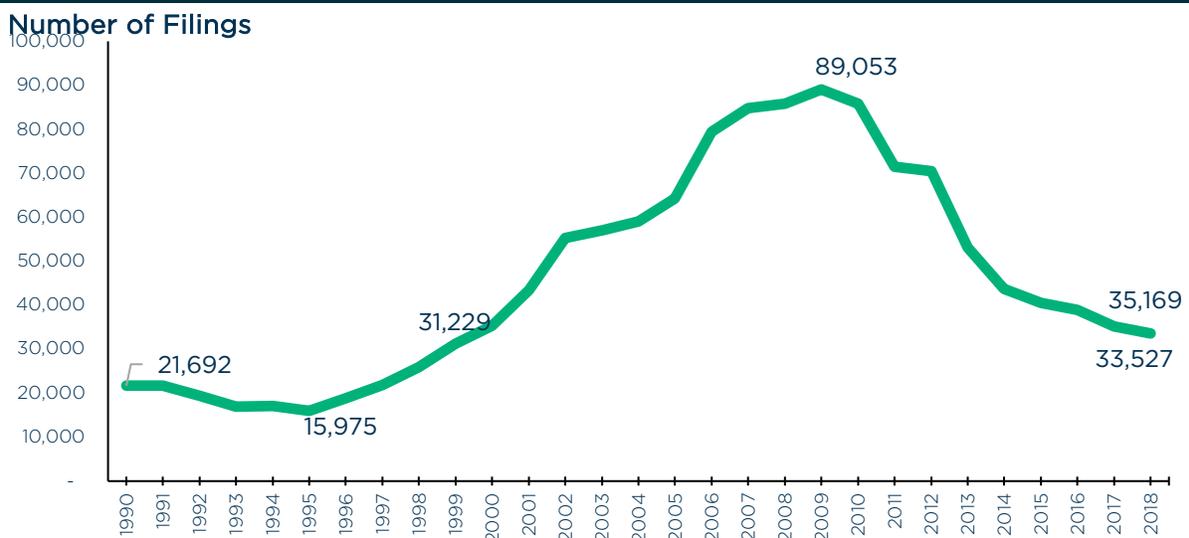
AYAME WHITFIELD

Having a safe place to live is a fundamental need for all people. Insecure housing can lead to job loss, poor school performance, health problems, shorter life expectancy and other problems. Not only do houses provide shelter, they are often a long-term investment and source of financial security. When families lose homes to foreclosure, their lives are dramatically disrupted. When it happens in large numbers across a community, foreclosure has devastating effects on the entire economy. Ohio is well acquainted with how damaging foreclosures can be. The Buckeye State was considered ground zero in the foreclosure crisis that began in the early 2000s and reached its apex in 2009. Today far fewer Ohioans are losing their homes to foreclosure. Nevertheless, according to some studies, Ohio remains among the 10 states with the highest foreclosure rates.

A total of 33,527 foreclosure cases were filed in Ohio county courts in 2018, according to data from the Ohio Supreme Court. That amounted to approximately one filing for every 156 housing units in the state. Though this continues the downward trend in total filings since 2009 and is 4.6 percent lower (1,642) than the total for 2017, 2018's rate still remains close to double rates in in the mid-1990s. Additionally, 28 Ohio counties experienced an increase in foreclosure filing rates from 2017 to 2018.

Figure 1

Ohio foreclosures 1990-2018



Source: Ohio Supreme Court, Policy Matters Ohio, Review of filings in U.S. district courts. Data includes federal filings beginning in 2004 and ending in 2008.



About 58% of all foreclosure filings in Ohio in 2018 occurred in the 10 most populous counties, a total of 19,306 filings. For the state of Ohio overall, there were a little less than three (2.87) foreclosures per 1,000 people in 2018, down from 3.02 in 2017. Twenty-seven counties had rates higher than the overall per capita filings. Guernsey County, located in Southeast Ohio had the highest filing rate, at seven foreclosures per 1,000 people. Holmes County, which is about 80 miles south of Cleveland, had the lowest filing rate, at 0.71 foreclosures per 1,000 people. Both counties maintained their respective positions as highest or lowest from 2017 to 2018, despite a decrease from 7.57 filings per 1,000 people in Guernsey County a year earlier.

Conclusion and recommendations

Though foreclosures are down compared to recent years, they are still a problem in Ohio. Ohio remains among the 10 worst states in the country in foreclosure rates and rates remain between one and a half and two times as high as they were in the early and mid 1990s.

We need strong policies to promote affordable housing and support homeowners. One route that the legislature has gotten behind is investment in the Ohio Housing Trust Fund, which directly helps low-income homeowners by improving conditions, expanding services, and making housing opportunities affordable. Ohio's legislature added between \$2.5 and \$3.5 million to the Housing Trust Fund in the just-passed budget and should continue to grow this fund in future years.

The other essential component is regulating predatory products. Legislators should support House Bill 103, which would better regulate land contracts by requiring inspections, appraisals, compliance with local building codes, and legal representation.

Ohioans need affordable, secure housing if they are to work, be healthy, and thrive. Better funding and regulation can ensure that this essential is more readily available to all of our neighbors.