A Report from

Policy Matters Ohio

Home Insecurity: Foreclosure Growth in Ohio

Kate Sopko
Amy Hanauer
Kent Smith
Abeera Riaz-Sheikh

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Executive Summary

Like the rest of the nation, Ohio has experienced a dramatic growth in both subprime and predatory lending since the early 1990's. Over this same period, the number of foreclosure filings has more than doubled and sheriff sales of foreclosed properties almost tripled throughout Ohio.

This brief reports on Ohio's rising rate of foreclosure filings and sheriff sales, and examines how predatory loans have contributed to destabilizing Ohio communities by encouraging debt that leads to home loss. Foreclosures usually occur when a borrower, unable to meet mortgage payments, defaults on a loan. Sheriff sales are the actual sales of foreclosed homes. In foreclosure cases due to loan defaults, proceeds go to the lender.

Our research finds:

- Overall in Ohio, foreclosure filings increased 155 percent between 1994 and 2001, and 23 percent between 2000 and 2001.
- Actual sheriff sales of foreclosed properties increased by 200 percent between the pooled years 1994-96 and 2001 in Ohio, and 17 percent between 2000 and 2001 alone.
- More than 43,000 foreclosure cases were filed in the year 2001.
- More than 24,000 Ohio families lost their homes to sheriff sales in the year 2001.
- One out of every 520 Ohio households lost its home to a sheriff sale in the year 1995. By 2001, one out of every 181 households lost its home to a sheriff sale.
- Though Ohio's eight metropolitan counties continue to generate over half the state's sheriff sales, rural counties emerged with the highest percentage increases in sheriff sales between 1994-2001, indicating that the problem is spreading past urban centers.

These consistent foreclosure increases beg for explanation. We can suggest several possible causes, including rising consumer debt, increased housing prices, increased spending, stagnant wages and changes in welfare policies, among others. Two factors that clearly help to explain a large subset of these foreclosures are subprime and predatory loans, which have grown over the same period of this foreclosure explosion. Nationwide, subprime lending grew by 900 percent between 1993 and 1998. In 1999, Ohio had the third highest volume of subprime refinance loans in the nation.

Predatory lending, a subset of the subprime lending industry that sets manipulative, sometimes fraudulent loan terms to strip equity from borrowers' homes, is a widely criticized and growing phenomenon. Predatory loans, which disproportionately victimize elderly, minority and low-income people, often result in foreclosure.

Unlike states like Georgia and North Carolina who have adopted strict legislation against predatory lenders, Ohio's HB386, passed February of 2002, outlawed legislative action against predatory lending until the summer of 2003 when the state completes a predatory lending study. We conclude with suggestions for regulatory reform to reduce predatory lending and thereby reduce foreclosures associated with loan default.

Among these suggestions:

- Cities and localities should be empowered to pursue actions against predatory lenders, to bar such lenders from doing business with local government agencies and to conduct consumer education on predatory lending.
- Ohio should adopt a comprehensive definition of predatory lending encompassing practices widely considered to be predatory.
- Ohio should adequately fund an enforcement agency that is accessible to consumers and charged with aggressively investigating and handling complaints against lenders. The state should stop exempting financial institutions from its Unfair and Deceptive Acts and Practices statute, which would allow more latitude for legal recourse against predatory lenders (UDAP). Under any state legislation adopted, consumers should be allowed private right of action, in order to directly sue predatory lenders.
- Better research is needed to understand Ohio's high foreclosure rates and to determine how best to prevent foreclosures. The state should require centralized reported of sheriff sales to better track foreclosures. Additionally, further research should be conducted to:
  - Document the race, gender, age and income of those most impacted by foreclosure.
  - Determine the extent to which foreclosures result from subprime loans.
  - Estimate the proportion of subprime loans that can be characterized as predatory.
  - Begin to determine the causes of foreclosures that do not result from predatory loans.

Introduction[1]

In 2001, 43,419 foreclosure cases were filed in Ohio, and 24,597 families across the state lost their homes due to sheriff sales. In most of these cases, homeowners had defaulted on home loans because they were unable to meet monthly mortgage payments. When properties went up for sheriff sale as a result of loan defaults, lenders received the proceeds.

Many more foreclosures were filed with the Ohio Supreme Court and actually sold in 2001 than six years or even one year earlier. The number of new foreclosures filed with the state grew by 155 percent between 1994 and 2001 and 23 percent between 2000 and 2001. Sheriff sales of foreclosed properties also increased, by 200 percent between the pooled years 1994-96 and 2001, and 17 percent between 2000 and 2001.

What explains this monumental growth in home losses, during a period that encompasses both an economic expansion and the beginning of a recession? A number of variables might contribute: increased consumer debt and spending, stagnant wages, increased housing costs and altered welfare policies likely play some role. However, the advent and rapid expansion of the subprime lending industry in Ohio since 1994, and its subset of predatory loans, clearly account for a good potion of these foreclosures. Recent research also shows that in several representative Ohio counties, subprime loans are a greater proportion of overall loans ending in foreclosure than they were in the mid-1990's.

This paper documents Ohio's growth in foreclosure filings and actual sheriff sales since 1994. It includes background on subprime and predatory lending, and concludes with recommendations to reduce predatory lending in Ohio and improve our understanding of causes and solutions to the foreclosure crisis.

Foreclosures in Ohio

To document foreclosure trends throughout Ohio between 1994 and 2001, Policy Matters tracked data on both foreclosure filings and sheriff sales in every Ohio county. Foreclosure filings initiate any given foreclosure process, and sheriff sales are one possible end result, after a plaintiff's legal options have been exhausted. Sheriff sales result in resident homeowners being put out of their homes.

We obtained the numbers of properties put up for sheriff sale auction between 1994 and 2001 from the sheriff's departments of 82 of 88 Ohio counties.[2] Foreclosure filing data was gathered from the Ohio State Supreme Court, which reports this annually.[3]

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[1] *Home Insecurity: Foreclosure Growth in Ohio* was written by Kate Sopko, Amy Hanauer and Kent Smith, with research assistance from Abeera Riaz-Sheikh.

[2] Because sheriffs are not required to track their sales of homes in any standard way, we found disparities between 2000 sheriff sale data given to Euclid Community Concerns (ECC) last year and data given to our researchers this year. Some counties reported higher numbers this year, and some lower. In some counties (denoted by * in Table 1), these disparities were larger than 20 percent. Overall, there was a -2.7 percent difference between the earlier edition's 2000 numbers and those reported this year. When asked directly about the disparities, sheriff's offices repeatedly said that they do not typically track this information, that they had gathered the data specifically in response to our request and that they could not explain the difference. Because this edition's information request clarified some earlier ambiguities, we opted to always go with the most recent number reported, and have calculated the difference between 1994-96 and 2000 with updated 2000 figures, not those included in the study's first edition.

Seventy-eight Ohio counties reported 8,192 total sheriff sales for the pooled years 1994-1996. By 2001, 82 counties reported a total of 24,597 sheriff sales, three times as many as in the mid-1990's. Of the 75 counties who reported data for *both* the mid-1990's and 2001, total sheriff sales grew from 7,884 in 1994-96 to 20,925 in 2001.[4]

Methodology

This study used 1994-2001 foreclosure filing data gathered and reported by the Ohio Supreme Court from every county's clerk of courts. Actual foreclosures, or sheriff sales, are carried out and documented by the sheriff's department in each Ohio county: Sheriffs do not report these sales to any state body. We contacted the sheriff's department in every Ohio county, by mail and by telephone, to request the number of properties put up for sale in the years 2000 and 2001. We requested property foreclosure data only (not tax foreclosures), and we requested all property put up for sheriff sale (not actually sold) in a given year. 82 out of 88 counties provided data for 2000-2001. This study updates previous research conducted in 2001 by Kent Smith for Euclid Community Concerns, reporting the same data for the years 1994 through 2000. These numbers are also recorded here. Because 29 counties were unable to provide numbers for all three of the years 1994, 1995, and 1996, we chose to average the reported data from those three years, in order to get an average foreclosure rate from the mid-1990's. Seventy-eight of the 88 counties were able to provide data for at least one of the three years 1994, 1995 and 1996. We also found some disparities between the sales reported last year to Mr. Smith for the year 2000 and the sales reported this year to us for the year 2000. Overall, there was a -2.7 percent difference between numbers reported for each edition of the study. For more details on those differences, see footnote 9. In all cases, we used the most recent number reported for the year 2000.

Growth by County

Sheriff sales increased by an average of 200 percent between the pooled years of 1994-96 and 2001. Sales grew in 74 out of 76 counties for which we had data. Between 1994-96 and 2000, sales increased by 157 percent. Sixty-nine out of 82 counties saw increases between 2000 and 2001, a statewide average of 17 percent. Half of Ohio's counties saw increases of 25 percent or more in the last year.

Between the pooled years 1994-96 and 2001, sheriff sales increased by 1000 percent or more in four Ohio counties (Union, Williams, Fayette and Hocking), by 250 percent or more in 37

The difference found in 2000 numbers, however, indicate that the 1994-1996 numbers used here (which were collected by ECC) likely have a similar degree of inaccuracy.

[3] The Ohio Supreme Court's reporting of foreclosures includes an unspecified number of non-mortgage foreclosure cases, including delinquent tax foreclosures, mechanics lien cases and litigation-related debt collection cases. They also include 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. The foreclosure filing data cited in this report is straight from the Supreme Court report, and non-mortgage filings and double-filings have not been eliminated. Bellamy in *The Expanding Role of Subprime Lending*… eliminates double-filings from foreclosure filing data, to clarify how many filings actually represent home loss due to mortgage foreclosures.

[4] Because four additional counties provided data by the end of the study than had in early years, the growth in sheriff sales in the state as a whole could be slightly overstated. Of the four counties for which we had data at the end but not the beginning, two had relatively small numbers of foreclosures, but one, Franklin county, had a very high number.

counties and by 100 percent or more in 62 counties. Only 2 counties (Gallia and Marion) had decreases in sales during this time period.

Between 2000 and 2001, sheriff sales in 6 counties (Champaign, Paulding, Carroll, Coshocton, Guernsey and Hocking) grew by 100 percent or more. Thirteen counties had decreases or stayed the same. Out of twelve counties that reported to date numbers for 2002, most reported mid-summer totals higher than or close to totals for all of 2001.

Indicated in Table 2, new foreclosure filings with the Ohio State Supreme Court grew by 155 percent between 1994 and 2001, from 17,026 to 43,419 in Ohio. Filings grew 23 percent between 2000 and 2001 alone, from 35,377 to 43,419. Only Holmes County saw a decrease in filings since 1994. Just five counties experienced a decline between 2000 and 2001.

Home Loss and Population Density

We define the sheriff sale rate (Table 3) as the number of sheriff sales compared to the number of households in each county. In Ohio, approximately one out of every 520 households lost its home to a sheriff sale in the year 1995. By the year 2001, one out of every 181 Ohio households lost its home to a sheriff sale. As shown in Table 4, the highest sheriff sale rate occurred in Pike County, where one out of 93 households was lost to a sheriff sale in 2001. The ten counties with the highest sheriff sale rates in Ohio were Pike, Perry, Hardin, Allen, Montgomery, Clark, Lucas, Madison, Brown and Logan, all of which had a sheriff sale rate of more than 1 out of every 134 households. Every Ohio county for which we have data, except Monroe, Putnam, Gallia and Wood, is now experiencing a higher rate of sheriff sales than the average for the whole state in 1995.

By 2001, all of the state's large metropolitan counties except Hamilton experienced a higher rate of sheriff sales than the state average. Sheriff sales in Ohio's eight metropolitan counties made up 57 percent of total sales in 1994-1996, and 58 percent of total sales in 2001. In the mid-1990's, there were nearly 5,000 sheriff sales per year in seven of eight metropolitan counties combined (data for Franklin county is not available for this time period.) By 2001, these seven counties totaled over 12,000 sheriff sales. Yet, Table 5 indicates that sheriff sale growth in metropolitan counties fell around or below the state average of 200 percent growth between 1994-96 and 2001 and 17 percent between 2000 and 2001. This data shows a spread of the previously urban problem of concentrated sheriff sale rates to less densely populated regions in Ohio.

Bob Cornwell, head of the Buckeye State Sheriff's Association, observed the link between overall foreclosure increases in Ohio sheriff sales and predatory lending: "This trend is problematic for homeowners in that I don't believe it's simply a sign of the economy slowing. It's due to a combination of predatory lenders and the economy slowing. It's really not just people being out of job. More predominant in my mind is predatory lending. Every day you get multiple solicitations for getting a new credit card. You may buy a home you can afford, but then have to put money that you thought could go toward the mortgage instead toward the credit card."

Subprime and Predatory Lending

The subprime lending industry issues loans to people considered credit risks by traditional lenders.[5] Since subprime lending made its entrance into the financial marketplace in the early 1990's, the industry has exploded: between 1993 and 1998, the subprime share of the nation's mortgage market grew from $20 to $150 billion.[6] In Ohio, subprime lending grew from 16 to 22 percent of total refinancing loans between 1998 and 1999 alone.[7] By 1999, Ohio had the third highest volume of subprime refinancing loan activity in the nation.[8] This growth has been spurred in part by a virtual lack of subprime regulation and in part by an open market of potential borrowers neglected by traditional lenders. Many of those drawn to and targeted by the industry are elderly, minority and low-income borrowers.

Alongside the subprime industry's monumental growth, an industry subset known as predatory loans, has wreaked financial havoc on many subprime borrowers. Predatory lending recently came to the political forefront, as consumer affairs advocates began citing increased foreclosure rates, limited financial options for minority, low-income and elderly borrowers, and a broad range of fraudulent and opportunistic predatory practices within the subprime lending market.

Subprime loans can open up credit to borrowers who may not otherwise qualify. Yet, subprime and predatory loans share two traits that can lead borrowers into downward debt spirals. First, both claim to compensate for the risk involved in lending to a borrower with a poor credit history by charging higher interest rates and extra fees—predatory loans charge far beyond what can be justified by this argument. Second, both often tie unsecured debt to a borrower's home equity. Many predatory lenders actually underwrite loans based on a borrower's home equity, rather than his/her ability to make scheduled loan payments.

Subprime lenders claim to compensate for the risks inherent in lending to riskier prospects by increasing interest rates of loans, ranging between one-half a percentage point to four percentage points above prime rates.[9] Borrowers for a majority of subprime loans use the money toward debt consolidation, medical and educational expenses—and a notable percentage goes toward the home improvement and home refinancing loans often associated with predatory lending.[10] These expenses typically represent serious financial needs. Yet subprime debtors borrow dangerously, often for unsecured debt, against the equity of their homes. For low-income buyers targeted by the subprime industry, home equity is a much larger percentage of their net wealth than higher-

[5] A 2001 *Consumer Reports* article looks at how new credit-scoring methods have allowed lenders to classify borderline borrowers who would previously been considered prime as subprime, steering them toward high-cost loans. Additionally, borrowers have little access to their credit reports to know if their rating is warranted. These industry practices have contributed to the high volume of subprime borrowes who could have qualified for prime loans.

[6] HUD. *Unequal Burden: Income and Racial Disparities in Subprime Lending in America*. April, 2000.

[7] Most subprime loans are for home refinancing, not for first mortgages. Home refinancing represented 74 percent of all subprime loans in 1996 and 65 percent in 2000, according to Home Mortgage Disclosure Act data, cited in *Older Subprime Refinance Mortgage Borrowers.*

[8] Metropolitan Strategy Group. *1999 Subprime Lending Trends in Ohio Cities.* January, 2001.

[9] US Department of Treasury & HUD. *Curbing Predatory Home Mortgage Lending: A Joint Report*. June, 2000.

[10] Ibid.

income buyers more likely to qualify for prime loans.[11] According to HUD, in 1998, 25 percent of homeowners with an income between $10,000 and $25,000 a year held debt secured by their homes.[12] In acquiring loans though equity rather than income, these borrowers risk losing their homes if they are not able to make loan payments.

Many of these borrowers are barred from traditional markets even though their credit rating does not warrant it: the HUD-Treasury Task Force concurs that a significant percentage of subprime lending goes to A- borrowers whose credit is just slightly marred, not those with severe or middling credit problems. Low-income housing access corporations Freddie Mac and Fannie Mae estimate that 35-50 percent of subprime loan recipients could have qualified for prime loans.[13]

While many victims of predatory loans forego basic necessities to meet excessive payments, a significant portion end up losing their homes to foreclosure. Nationally, the foreclosure rate grew by 384 percent between 1990 and 1998.[14] In Chicago, a 1998 study showed that 25 percent (up from 10 percent in 1993) of foreclosures that year involved borrowers in high-interest subprime loans, while in Atlanta, the amount of foreclosures associated with subprime loans grew by 232 percent between 1996 and 1999.[15] A HUD-Treasury Task Force set up to investigate predatory lending cited consistent findings of foreclosure increases in Baltimore, Atlanta and Chicago between 1995 and 1999—Baltimore's foreclosure petitions grew from 1,900 to 5,000 during that time period.[16] The Ohio findings cited above reflect a similar pattern.

Recent work from the Ohio Community Reinvestment Project (OCRP) found that a growing number of these foreclosures resulted from subprime loans. OCRP studied all foreclosures filed in Summit, Lorain and Montgomery counties in 1997, 1999 and 2001, finding a 333 percent increase in foreclosure filings resulting from subprime loans, compared to a 122 percent increase in foreclosure filings resulting from prime loans.[17] If these counties are representative of the state as a whole, subprime transactions account for a growing proportion of Ohio's rapidly increasing foreclosure rate.

The Subprime Lending Audience: Low-Income, Minority, Elderly

The subprime industry has clearly defined its market: elderly, minority, and low-income borrowers. In some cases, subprime lenders find willing borrowers through traditional advertising campaigns. In other cases, often considered predatory, consumers who are not actively seeking loans are aggressively targeted through personal solicitation.

[11] *The State of the Nations' Housing: 2000*, a study by the Harvard University Joint Center for Housing Studies found that home equity is two-thirds of the net wealth for families with yearly incomes below $20,000 and 50 percent for families with incomes between $20-50,000 a year. Cited in ACORN *Separate and Unequal*.
[12] US Department of Treasury & HUD. *Curbing Predatory Home Mortgage Lending.*
[13] Fannie May Foundation. *Financial Services in Distressed Communities*. August, 2001.
[14] United States Census Bureau. *Statistical Abstract of the United States Banking, Finance and Insurance*. 1999.
[15] NietoGomez, A. et. al. *Preying on Neighborhoods: Subprime Mortgage Lending and Chicagoland Foreclosures*. 1999. Gruenstein, D. & Herbert C. *Analyzing Trends in Subprime Originations and Foreclosures*. 2000. Cited in *Subprime Mortgage Lending and Older Borrowers*.
[16] US Department of Treasury & HUD. *Curbing Predatory Home Mortgage Lending: A Joint Report.* June, 2000.
[17] Bellamy, Paul. *The Expanding Role of Subprime Lending in Ohio's Burgeoning Foreclosure Problem A Three County Study of a Statewide Problem*. September, 2002.

Elderly borrowers are preferred customers in the subprime industry, since they have years of equity built into their home, and may be in need of loans for home repairs. The AARP cites that in 2000, borrowers 65 years and older were three times as likely as borrowers 35 or younger to hold subprime loans.[18]

Nationally, in mostly-black neighborhoods between 1993 and 1998, subprime loans grew from 8 to 51 percent of all loans, while in mostly white neighborhoods the subprime share grew from 1 to 9 percent.[19] In Ohio in 1998, Home Mortgage Disclosure Act data shows that subprime lenders made up two-thirds of the top 50 lenders of all refinancing loans in minority tracts.[20]

Although subprime lenders clearly target low-income neighborhoods (by 1998, subprime loans made up 44 percent of refinancing loans to neighborhoods where income levels were under half the nation's median income), racial disparities hold firm in higher-income brackets. Of upper-income households, subprime loans constituted 6 percent of the total in mostly white neighborhoods, but 39 percent in mostly black neighborhoods.[21] Ohio again mirrors this: in 1999, subprime refinancing loans made up 31 percent of refinancing loans to low-income whites, 50 percent to low-income Hispanics and 65 percent to low-income blacks. They were 8 percent of refinancing loans to upper income whites, 15 percent to upper-income Hispanics and 33 percent to upper income blacks. In 1999, Ohio ranked first in the nation for the percentage of subprime loans issued in metropolitan neighborhoods with a minority population of 75 percent or more.[22] According to a July 2002 *Wall Street Journal* article, between 1996 and 2001, an outsized proportion of African American subprime borrowers (36 percent) lost their homes to foreclosure, compared to 16 percent of subprime borrowers as a whole.[23]

The low-income, minority and elderly households who borrow from subprime lenders tend to have less access to traditional credit whether because of poor or unconventional financial history, the lack of nearby reputable financial institutions or limited mobility. The Association of Community Organizations for Reform Now (ACORN) found that nationally in 1999, half of all African American loan applicants and one-third of Latino applicants were rejected for conventional mortgages.[24] Nationally, 13 percent of households—most of these of low to moderate income—have no relationship with a bank.[25]

This void in conventional financing has been filled in many low-income communities with subprime or cash-and-carry operations. The Fannie Mae Foundation observes that "a community flush with 'fringe lenders'—check cashing outlets, pawnshops, rent-to-own stores, title lenders

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[18] AARP. *Subprime Mortgage Lending and Older Borrowers*. March, 2001.
[19] HUD. *Unequal Burden.*
[20] Metropolitan Strategy Group. *1999 Subprime Lending.*
[21] HUD. *Unequal Burden*.
[22] Metropolitan Strategy Group. *1999 Subprime Lending.*
[23] Spors, Kelly K. & John Harwood. "Seeking a Spotlight on Minority Borrowers." *Wall Street Journal*, July 18, 2002, p. A4.
[24] ACORN. *Home Equity and Inequity: An Analysis of Racial Disparities in Home Purchase Mortgage Lending in Fifty Metropolitan Areas*. September, 2000. "Conventional loans" in this study included subprime loans. Because minorities receive a disproportionate share of subprime loans, the rejection rate of minorities for traditional prime loans would be even higher.
[25] Engel, Kathleen & Patricia McCoy. *A Tale of Three Markets: The Law and Economics of Predatory Lending.* September 1, 2001.

and similar operations—as well as excessive subprime lending, is the environment in which predatory lending activities often flourish."[26] Interestingly, Engel and McCoy cite that even within this open market, legitimate subprime lenders are not pushing predatory lenders out of business, striking on an important distinction between subprime and predatory loans. While both thrive within the neighborhoods neglected by the larger financing industry, they attract different customers. Legitimate subprime lenders tend to use anonymous marketing techniques, much like the prime industry, to attract borrowers already looking for loans. Yet predatory lenders tend to directly solicit by phone or door-to-door visits, borrowers who are not actively looking for and who have little knowledge of credit. These lenders then have a significant upper-hand in loan transactions.[27]

Considering that subprime loans are marketed toward financially vulnerable borrowers with limited access to regulated financial markets, it is not surprising that an underworld of predatory lenders have chosen to manipulate these circumstances for profit.

Predators

Predatory lending is a collection of fraudulent and manipulative tactics used by lenders, brokers, and appraisers to extract exorbitant fees and interest from debtors' home equity. Though no standard legislative definition for predatory lending exists, it tends to be associated with one or more of the following tactics:

- Lending without regard to a borrower's capacity to repay a loan or deliberately overvaluing a property or loan in anticipation of default.
- Packing extra costs for associated services from mortgage brokers, home improvement contractors or other third parties without clear disclosure.
- Lumping single premium life insurance (which ensures loan repayment in the event of death or disability) into loan costs. This usually occurs without full or clear disclosure of the costs involved over the lifetime of the loan, and is sometimes a required condition of securing the loan.
- 'Flipping' loans, or repeatedly refinancing a loan to the detriment of the borrower, often when the borrower is already having difficulty making payments.
- Including prepayment penalties, which are fees required of a borrower who pays off loan terms early, and can be used as pressure to refinance a loan on worse terms.
- Including balloon payments—in which scheduled payment rates will not fully pay off the loan—meaning that the borrower will be required to pay a huge lump sum at some future date.
- Preventing a borrower from taking legal action against a lender through mandatory arbitration clauses.
- Engaging in outright fraud: doctoring documents, falsifying income, overvaluing properties, siphoning loan money directly to contractors who do not complete the contracted work, or similar practices.
- Using aggressive sales tactics, and high-pressure door-to-door or telephone solicitations, that are often targeted to financially underserved minority and low-income neighborhoods, and to elderly homeowners who have built up years of equity.

[26] Fannie May Foundation. *Financial Services.*
[27] *A Tale of Three Markets.*

The HUD-Treasury Task Force also argues that predatory lending is as much a function of the psychology and process of the sale, as the terms of the loan itself. Directing high-pressure loan sales at people in vulnerable financial situations and manipulating a borrowers' lack of information about the loan process or specific terms are predatory practices.

> *"Mr. and Mrs. Dawson had paid off their mortgage in full and owned their house outright. They had a personal loan with Conesco with a balance of $1,500, when Conesco contacted them about taking out another loan to consolidate their other bills and get money for home improvements. They received a $61,715 loan from Conesco which included $10,913 in credit life insurance, fees and closing costs—18% of the loan. $7,715 of this went for credit insurance to Green Tree Agency, which is owned by Conesco. The Conseco representative told Mr. and Mrs. Dawson that they had to buy the credit insurance in order to get the loan. The fees and closing costs were financed into their 12.7% interest loan, which means that $125 of their monthly payment is from these fees alone, and the $10,913 will actually cost them a total of $30,000 over the twenty year term of the loan. If they want to refinance in order to get a better interest rate, during the first three years of the loan, they will have to pay approximately $4,000 to Conesco for a pre-payment penalty. Conesco also referred them to Wright Siding company to do the work on their house. Conesco paid $14,800 directly to the siding company, which then did a shoddy job on the work, and having already been paid in full, refused to even talk to Mr and Mrs. Dawson about the problems."*
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> — ACORN. *Separate and Unequal.* October, 2000, p. 4.

The subprime market is characterized by an amalgam of actors, including brokers, appraisers and contractors. All of these intermediaries can exact their own fees during the process, many without full disclosure. Until recently, many of these fees were neither reported nor figured into the federal Home Ownership and Equity Protection Act (HOEPA) trigger calculations that determine if a high-cost loan qualifies for coverage by stricter oversight and penalties.[28] Combined, such fees can add up to significantly different terms than what were included in the original agreement.

In the end, many of these terms and methods place borrowers in inescapable debt. After numerous tries at refinancing, many lose their homes to foreclosure.

Regulating Ohio Lenders[29]

As of May 2002, approximately thirty states were considering bills to regulate the worst predatory practices, most commonly flipping, packing, and steering a borrower to default on a

[28] On December 12, 02 (effective October 1, 02), the federal Home Ownership and Equity Protection Act lowered the interest rate trigger of first-lien mortgages from 10 percent annual percentage points (APR) to 8 percent above the rate for comparable treasury securities. Trigger calculations for covered loans will also include closing payments for optional credit life insurance. Center for Community Change. "Federal Regulatory Changes: Recent Changes to the Home Ownership and Equity Protection Act."

[29] Engel and McCoy sum up legal recourse to predatory lending thus: "…[The] law does not afford adequate redress for predatory lending. Contract law, disclosure and consumer counseling fail because they place the onus on highly vulnerable victims to refrain from signing loans, rather than on lenders and brokers who perpetuate these loans. Fraud laws and anti-discrimination laws are more formidable, but their scope is too narrow and enforcement is sub-optimal. The other traditional response, price regulation, has adverse effects on the availability of credit." The authors stress that the following are essential to predatory lending remedies: 1. assignment of responsibility and penalties to lenders, 2. compensation for victims, 3. easily applicable and arguable prohibitions, 4. avoidance of price regulations that constrain legitimate subprime lending, 5. the right of private action and 6. a set of best practices for the mortgage industry.

loan. Some states, including Georgia and North Carolina, have outlawed terms like prepayment penalties and balloon payments, or have required home counseling for borrowers seeking high-cost loans.[30] At the state level, Ohio's efforts against predatory lending have fallen considerably short of such regulations.

In February of 2002, the Ohio General Assembly passed HB 386, which simply squared Ohio law with federal HOEPA triggers for stricter prohibitions and penalties on certain high-cost loans. Beyond that, the law barred Ohio cities and localities from passing regulations against predatory lenders, reserving such action for the state after receiving data from its Predatory Lending Study Committee. The Committee's study period is scheduled for completion by June 30, 2003—18 months after HB 386's passage. A new Consumer Affairs Office within the Department of Commerce's Division of Financial Affairs was allocated $800,000 over eighteen months for statewide enforcement and consumer education.[31]

The Ohio law passed seven months after the July passage of a Dayton anti-predatory lending ordinance and just as Cleveland was poised to pass a similar one. Both local ordinances have been challenged by the lending agency American Financial Services Association (AFSA). Dayton's ordinance was stayed by the Montgomery County Court of Common Pleas in August of 2001, and overturned by HB 386. In August 2002, Cleveland's ordinance withstood a request for a temporary injunction by AFSA, when the Cuyahoga County Court of common pleas denied the request. Hearings on the Cleveland law's constitutionality in light of HB386 are scheduled for September 2002.[32] In October, Toledo city council will vote on an ordinance banning "knowingly" adding hidden fees and balloon payments to loan terms.

Both the Cleveland and Dayton ordinances prohibit predatory loans involving fraudulent practices or sales, loan flipping, balloon payments, negative amortization, increased interest rates upon default, any prepayment penalties, the financing of single premium life insurance, lending without regard to a borrower's ability to make schedule payments, and paying home improvement loan money directly from lenders to contractors. Both ordinances ban predatory lenders from doing business with the city. The Cleveland ordinance, passed March 4, 2002, also requires home loan counseling for high-cost loans.

Recommendations and Future Research

The massive increase in foreclosures and sheriff sales documented throughout Ohio requires that we gain a better understanding of all of the factors contributing to high foreclosures, and that we deal swiftly, broadly and seriously with predatory lending:

[30] For state-by-state details on legislation against predatory lending, see the Mortgage Bankers Association of America's Predatory Lending ResourceCenter, at http://www.mbaa.org/resources/predlend/ and the National Conference of State Legislatures at http://www.ncsl.org/programs/banking/PredLend_2002.htm

[31] Ohio Legislative Service Commission. "Fiscal Note and Local Impact Statement: HB 386, as enacted." February 12, 2002. The city of Cleveland allocated half a million dollars for reinstating its Office of Consumer Affairs. The Office will handle a range of consumer issues, but is primarily charged to work against predatory lending.

[32] Butera & Williams. "2002 Detailed Status Summary Chart for State Predatory Lending Bills, ordinances and Regulations." September 6, 2002: http://www.buteraandrews.com/legislativeupdates/directory/State/Legislature/Bills/sbc/State%20Bill%20Chart%202002.pdf

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    - Document the race, gender, age and income of those most impacted by foreclosure.
    - Determine the extent to which foreclosures result from subprime loans.
    - Estimate the proportion of subprime loans that can be characterized as predatory.
    - Begin to determine the causes of foreclosures that do not result from predatory loans.

In less than a decade, the number of foreclosure filings has more than doubled and the number of sheriff sales has tripled in Ohio. More than 43,000 foreclosures were filed in Ohio, and more than 24,000 Ohio families lost their homes to a sheriff sale. The loss hit every Ohio county. Ohio's lawmakers must take immediate action to halt this devastating trend, before more communities are damaged even further.

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Table 1 **Sheriff Sales by Ohio County, 1994-1996**											
County	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**Rank in Growth**	**Change 1994-96 to 2001**	**Change 2000-2001**
Adams	19	24	45	20	49	48	37*	57	64/76	94%	54%
Allen	NA	222	NA	NA	NA	NA	296	390	66	76%	32%
Ashland	26	23	26	25	43	49	105	96	30	284%	-9%
Ashtabula	112	75	83	100	178	162	185	241	53	168%	30%
Athens	21	14	21	26	22	43	35*	54	50	189%	54%
Auglaize	21	14	30	22	38	49	69*	91	21	320%	32%
Belmont	89	54	68	82	58	72	83	112	69	59%	35%
Brown	NA	39	36	44	37	74	84	128	40	241%	52%
Butler	NA	213	212	308	364	493	NA	NA	NA	NA	NA
Carroll	17	10	9	21	16	15	27	61	13	408%	126%
Champaign	NA	NA	NA	NA	NA	NA	26	63	NA	NA	142%
Clark	NA	116	117	189	260	314	410	523	17	349%	28%
Clermont	NA	75	78	132	159	169	199	263	39	244%	32%
Clinton	12	11	12	18	30	41	59	89	7	663%	51%
Columbiana	178	169	215	252	239	152	106*	197	74	5%	86%
Coshocton	NA	NA	NA	NA	NA	NA	30	60	NA	NA	100%
Crawford	NA	18	34	40	40	79	77	101	28	288%	31%
Cuyahoga	2284	2172	1954	2381	2744	3022	3,328	3,624	68	70%	9%
Darke	26	22	26	29	35	46	64	82	41	232%	28%
Defiance	13	15	12	19	17	37	50	64	15	380%	28%
Delaware	77	73	54	68	67	80	86	99	73	46%	15%
Erie	55	43	72	58	40	86	104	133	57	135%	28%
Fairfield	51	46	65	67	98	123	190*	258	16	378%	36%
Fayette	11	3	2	12	10	15	50	59	**3**	**1006%**	**18%**
Franklin	NA	NA	NA	NA	NA	NA	2868	2875	NA	NA	0%
Fulton	6	4	8	9	13	20	32	35	11	483%	9%
Gallia	11	7	4	4	5	9	12	5	75	-32%	-58%
Geauga	57	48	48	45	57	64	79	110	61	116%	39%
Greene	89	72	105	120	140	204	239	266	47	200%	11%
Guernsey	32	27	29	26	24	44	54	108	34	268%	100%
Hamilton	649	550	691	846	970	1145	1,466	1,679	54	167%	15%
Hancock	NA	NA	NA	34	47	40	40*	65	NA	NA	63%
Hardin	29	42	29	36	65	66	85	117	37	251%	38%
Harrison**	8	10	9	7	11	15	18	23	56	142%	28%
Henry	14	5	10	6	24	27	20*	36	33	272%	80%
Highland	NA	NA	NA	NA	NA	51	83	101	NA	NA	22%
Hocking	10	4	4	14	21	37	33	66	**4**	**1000%**	**100%**
Holmes	3	6	1	3	5	14	25*	23	9	590%	-8%
Huron	40	19	23	34	68	58	86	97	35	255%	13%
Jackson	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Jefferson	13	24	27	28	36	58	81	92	19	331%	14%
Knox	23	26	30	47	65	96	64	99	32	276%	55%
Lake	NA	NA	NA	NA	NA	NA	420	444	NA	NA	6%
Lawrence	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Licking	50	47	26	70	101	123	178	297	8	624%	67%

County	1994	1995	1996	1997	1998	1999	2000	2001	Rank in Growth	Change 1994-96 to 2001	Change 2000-2001
Logan	40	26	65	32	66	87	136	135	46	209%	-1%
Lorain	NA	182	168	290	305	398	501	673	29	285%	34%
Lucas	NA	394	414	392	454	675	1233*	1654	24	309%	34%
Madison	44	103	84	77	89	126	109	114	71	48%	5%
Mahoning	NA	230	352	412	601	661	726	642	58	121%	-12%
Marion	NA	85	106	154	182	206	NA	NA	76	-100%	NA
Medina	72	62	83	111	138	153	188	254	36	251%	35%
Meigs	NA	NA	NA	NA	38	62	NA	NA	NA	NA	NA
Mercer	10	15	22	21	22	25	59*	63	26	302%	7%
Miami	NA	28	39	33	66	116	130	161	14	381%	24%
Monroe	1	3	4	12	9	16	17	11	23	313%	-35%
Montgomery	NA	NA	664	775	1076	1358	1913	2126	43	220%	11%
Morgan	1	4	8	6	3	11	17*	15	38	246%	-12%
Morrow	NA	17	52	25	88	41	45	76	59	120%	69%
Muskingham	NA	NA	64	71	149	132	173	203	44	217%	17%
Noble	3	3	4	1	7	10	11*	17	12	410%	55%
Ottawa	NA	25	36	29	26	37	43*	53	67	74%	23%
Paulding	6	1	9	10	21	19	21	49	**5**	**819%**	**133%**
Perry	NA	NA	30	65	92	95	106	130	18	333%	23%
Pickaway	22	21	19	27	43	57	55	79	31	282%	44%
Pike	11	15	18	8	23	18	111*	112	6	664%	1%
Portage	137	111	108	121	141	150	190	231	63	95%	22%
Preble	25	17	32	24	33	43	90	99	27	301%	10%
Putnam	10	7	2	12	12	13	24	20	45	216%	-17%
Richland	84	59	35	24	33	43	186*	242	25	308%	30%
Ross	NA	NA	20	60	72	100	NA	NA	NA	NA	NA
Sandusky	NA	NA	NA	NA	31	39	51	64	NA	NA	25%
Scioto	55	91	80	241	199	284	106*	119	70	58%	12%
Seneca	37	37	57	50	60	71	92	91	62	108%	-1%
Shelby	12	12	18	30	63	NA	55	82	10	486%	49%
Stark	NA	346	325	473	484	694	769	911	52	172%	18%
Summit	445	554	569	677	866	1182	1289	1487	51	185%	15%
Trumbull	NA	NA	168	433	509	569	359*	432	55	157%	20%
Tuscarawas	38	26	41	62	55	87	117	146	22	317%	25%
Union	NA	2	3	13	23	27	48	64	**1**	**2460%**	**33%**
Van Wert	17	7	22	23	17	28	48*	45	49	193%	-6%
Vinton	10	11	13	16	14	21	20	20	65	76%	0%
Warren	93	61	65	86	131	146	216	312	20	327%	44%
Washington	38	17	16	21	32	32	48	71	48	200%	48%
Wayne	28	22	35	54	62	72	91	92	42	255%	1%
Williams	6	5	1	9	20	24	28	45	**2**	**1025%**	**61%**
Wood	24	33	31	23	29	43	44	43	72	47%	-2%
Wyandot	14	14	15	14	15	39	21*	31	60	116%	48%
Ohio										**200%**	**17%**

* Reported 2000 sheriff sale number differed between 2000 edition and this edition by >20 percent. See footnote 2 in text.
** These counties provided estimates of actual sheriff sales.

Table 2 **New Foreclosure Filings by Ohio County, 1994-2001**										
County	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**Change 1994-2001**	**Change 2000-2001**
Adams	26	25	48	25	55	58	67	83	219%	24%
Allen	194	164	206	242	336	440	412	583	201%	42%
Ashland	30	30	29	43	47	66	96	104	247%	8%
Ashtabula	128	111	144	175	232	305	295	403	215%	37%
Athens	15	21	36	37	52	51	94	89	493%	-5%
Auglaize	51	34	45	35	69	109	105	124	143%	18%
Belmont	51	40	44	60	71	129	126	159	212%	26%
Brown	37	62	57	71	80	136	135	186	403%	38%
Butler	481	447	533	597	734	967	1,193	1,370	185%	15%
Carroll	25	35	42	43	40	50	62	82	228%	32%
Champaign	52	45	42	62	76	91	122	154	196%	26%
Clark	152	144	227	291	326	455	556	733	382%	32%
Clermont	259	182	209	272	359	399	443	581	124%	31%
Clinton	37	36	33	57	56	94	105	139	276%	32%
Columbiana	63	258	340	220	233	299	254	392	522%	54%
Coshocton	38	19	40	43	36	64	74	93	145%	26%
Crawford	34	31	52	57	79	96	142	182	435%	28%
Cuyahoga	4,335	3,345	3,645	3,989	4,925	5,387	5,900	6,959	61%	18%
Darke	50	45	45	47	48	75	84	148	196%	76%
Defiance	24	22	20	35	37	73	68	87	263%	28%
Delaware	138	130	142	101	140	143	198	215	56%	9%
Erie	64	75	82	94	128	147	220	215	236%	-2%
Fairfield	99	110	120	187	208	269	299	398	302%	33%
Fayette	23	16	41	41	43	83	84	103	348%	23%
Franklin	1,552	1,459	2,116	2,533	2,992	3,468	3,832	5,077	227%	32%
Fulton	9	17	51	37	47	52	68	89	889%	31%
Gallia	43	42	40	43	36	39	56	67	56%	20%
Geauga	72	81	94	117	115	143	194	180	150%	-7%
Greene	198	242	216	249	262	332	320	443	124%	38%
Guernsey	54	50	61	55	81	109	115	162	200%	41%
Hamilton	1,564	1,490	1,589	2,016	2,088	2,447	2,770	3,080	97%	11%
Hancock	38	84	66	69	87	131	137	162	326%	18%
Hardin	29	39	27	34	61	57	84	122	321%	45%
Harrison	45	11	15	12	40	31	28	58	29%	107%
Henry	23	7	11	17	37	50	17	71	209%	318%
Highland	40	31	51	87	57	116	123	198	395%	61%
Hocking	36	37	44	23	71	62	78	77	114%	-1%
Holmes	106	15	9	10	20	29	32	42	-60%	31%
Huron	43	30	49	77	79	111	103	175	307%	70%
Jackson	54	63	27	71	78	91	65	123	128%	89%
Jefferson	39	57	69	60	85	122	120	179	359%	49%
Knox	120	195	250	156	239	184	138	174	45%	26%
Lake	328	301	270	424	461	481	580	655	100%	13%
Lawrence	36	42	71	56	61	112	122	145	303%	19%

County	1994	1995	1996	1997	1998	1999	2000	2001	Change 1994-2001	Change 2000-2001
Licking	123	89	133	227	296	304	376	517	320%	38%
Logan	133	69	67	50	90	125	174	182	37%	5%
Lorain	475	413	533	604	685	811	938	1,111	134%	18%
Lucas	932	1,165	1,170	1,247	1,377	1,718	1,883	1,807	94%	-4%
Madison	30	96	43	55	65	94	109	111	270%	2%
Mahoning	327	321	437	614	658	745	925	1,012	209%	9%
Marion	80	92	115	152	192	205	241	340	325%	41%
Medina	112	140	179	206	209	326	340	402	259%	18%
Meigs	20	13	22	30	45	62	89	69	245%	-22%
Mercer	19	21	41	34	36	59	68	90	374%	32%
Miami	71	81	71	96	134	174	208	247	248%	19%
Monroe	5	12	6	14	20	20	19	10	100%	-47%
Montgomery	1,028	949	1,147	1,320	1,567	2,092	2,457	3,152	207%	28%
Morgan	14	8	29	20	19	33	41	26	86%	-37%
Morrow	114	54	51	108	81	162	142	129	13%	-9%
Muskingum	72	78	97	146	161	198	233	269	274%	15%
Noble	15	5	13	6	17	24	29	26	73%	-10%
Ottawa	52	42	49	45	72	61	80	96	85%	20%
Paulding	14	24	26	41	43	48	47	83	493%	77%
Perry	37	26	24	68	91	96	103	138	273%	34%
Pickaway	32	29	51	59	65	78	101	130	306%	29%
Pike	32	31	41	24	48	47	62	73	128%	18%
Portage	168	143	196	286	239	289	347	378	125%	9%
Preble	129	96	114	112	93	124	164	168	30%	2%
Putnam	27	16	30	24	24	29	37	44	63%	19%
Richland	129	128	136	167	200	278	399	479	271%	20%
Ross	65	74	73	119	157	194	182	226	248%	24%
Sandusky	42	42	48	56	59	69	113	130	210%	15%
Scioto	59	63	54	158	135	169	159	207	251%	30%
Seneca	21	79	88	49	106	103	102	162	671%	59%
Shelby	42	44	50	57	79	104	112	165	293%	47%
Stark	403	380	517	630	725	1,059	1,247	1,570	290%	26%
Summit	621	745	987	1,089	1,362	1,539	1,851	2,525	307%	36%
Trumbull	285	254	279	413	499	625	689	882	209%	28%
Tuscarawas	39	56	70	87	116	148	175	212	444%	21%
Union	40	26	49	41	53	66	95	129	223%	36%
Van Wert	18	18	28	38	38	49	63	99	450%	57%
Vinton	10	10	16	20	25	21	28	34	240%	21%
Warren	137	112	156	186	237	286	328	458	234%	40%
Washington	35	33	32	63	66	63	97	127	263%	31%
Wayne	62	41	73	64	110	122	152	184	197%	21%
Williams	8	17	24	33	29	60	72	87	988%	21%
Wood	99	106	90	72	117	160	152	227	129%	49%
Wyandot	15	14	15	14	15	37	32	45	200%	41%
Ohio	**17,026**	**15,975**	**18,818**	**21,914**	**25,862**	**31,229**	**35,377**	**43,419**	**155%**	**23%**

Table 3 **Sheriff Sale Rate per Household, by Ohio County, 1995 and 2000**[1]						
County	**Households, 1995**[2]	**Sheriff Sales (1994-96)**	**Households 1995/ Sheriff Sales 1995**	**Households 2000**[3]	**Sheriff Sales 2001**	**Households 2000/ Sheriff Sales 2001**
Adams	9,847	29.3	336	10,501	57	184
Allen	40,027	222.0	180	40,646	390	104
Ashland	18,313	25.0	733	19,524	96	203
Ashtabula	38,079	90.0	423	39,397	241	163
Athens	21,320	18.7	1142	22,501	54	417
Auglaize	16,676	21.7	770	17,376	91	191
Belmont	28,235	70.3	401	28,309	112	253
Brown	13,967	37.5	372	15,555	128	122
Butler	113,809	212.5	536	123,082	NA	NA
Carroll	10,397	12.0	866	11,126	61	182
Champaign	14,103	NA	NA	14,952	63	237
Clark	55,923	116.5	480	56,648	523	108
Clermont	59,370	76.5	776	66,013	263	251
Clinton	14,227	11.7	1219	15,416	89	173
Columbiana	41,874	187.3	224	42,973	197	218
Coshocton	13,895	NA	NA	14,356	60	239
Crawford	18,670	26.0	718	18,957	101	188
Cuyahoga	567,350	2136.7	266	571,457	3,624	158
Darke	19,939	24.7	808	20,419	82	249
Defiance	14,604	13.3	1095	15,138	64	237
Delaware	31,395	68.0	462	39,674	99	401
Erie	30,330	56.7	535	31,727	133	239
Fairfield	41,119	54.0	761	45,425	258	176
Fayette	10,638	5.3	1995	11,054	59	187
Franklin	408,751	NA	NA	438,778	2875	153
Fulton	14,492	6.0	2415	15,480	35	442
Gallia	11,714	7.3	1597	12,060	5	2412
Geauga	29,268	51.0	574	31,630	110	288
Greene	51,832	88.7	585	55,312	266	208
Guernsey	15,494	29.3	528	16,094	108	149
Hamilton	342,836	630.0	544	346,790	1,679	207
Hancock	26,270	NA	NA	27,898	65	429
Hardin	11,607	33.3	348	11,963	117	102
Harrison	6,255	9.0	695	6,398	23	278
Henry	10,668	9.7	1104	10,935	36	304
Highland	14,409	NA	NA	15,587	101	154
Hocking	10,097	6.0	1683	10,843	66	164
Holmes	10,326	3.3	3098	11,337	23	493
Huron	21,273	27.3	778	22,307	97	230
Jackson	11,940	NA	NA	12,619	NA	NA
Jefferson	30,864	21.3	1447	30,417	92	331
Lake	85,061	NA	NA	89,700	444	202
Lawrence	23,816	NA	NA	24,732	NA	NA
Licking	51,432	41.0	1254	55,609	297	187
Logan	16,954	43.7	388	17,956	135	133

County	Households 1995	Sheriff Sales, (1994-96)	Households 1995/ Sheriff Sales 1995	Households 2000	Sheriff Sales 2001	Households 2000/ Sheriff Sales 2001
Lorain	100,950	175.0	577	105,836	673	157
Lucas	180,174	404.0	446	182,847	1654	111
Madison	12,831	77.0	167	13,672	114	120
Mahoning	101,862	291.0	350	102,587	642	160
Marion	24,031	95.5	252	24,578	NA	NA
Medina	48,167	72.3	666	54,542	254	215
Meigs	8,948	NA	NA	9,234	NA	NA
Mercer	14,077	15.7	899	14,756	63	234
Miami	36,498	33.5	1089	38,437	161	239
Monroe	5,888	2.7	2208	6,021	11	547
Montgomery	227,711	664.0	343	229,229	2126	108
Morgan	5,530	4.3	1276	5,890	15	393
Morrow	10,578	34.5	307	11,499	76	151
Muskingum	31,636	64.0	494	32,518	203	160
Noble	4,342	3.3	1302	4,546	17	267
Ottawa	15,822	30.5	519	16,474	53	311
Paulding	7,513	5.3	1409	7,773	49	159
Perry	11,882	30.0	396	12,500	130	96
Pickaway	16,601	20.7	803	17,599	79	223
Pike	9,625	14.7	656	10,444	112	93
Portage	52,839	118.7	445	56,449	231	244
Preble	15,174	24.7	615	16,001	99	162
Putnam	11,641	6.3	1838	12,200	20	610
Richland	48,554	59.3	818	49,534	242	205
Ross	25,731	20.0	1287	27,136	NA	NA
Sandusky	23,091	NA	NA	23,717	64	371
Scioto	30,329	75.3	403	30,871	119	259
Seneca	21,785	43.7	499	22,292	91	245
Shelby	16,631	14.0	1188	17,636	82	215
Stark	143,945	335.5	429	148,316	911	163
Summit	208,893	522.7	400	217,788	1487	146
Trumbull	87,538	168.0	521	89,020	432	206
Tuscarawas	33,812	35.0	966	35,653	146	244
Union	12,692	2.5	5077	14,346	64	224
Van Wert	11,427	15.3	745	11,587	45	257
Vinton	4,481	11.3	395	4,892	20	245
Warren	47,558	73.0	651	55,966	312	179
Washington	24,387	23.7	1030	25,137	71	354
Wayne	38,032	28.3	1342	40,445	92	440
Williams	14,456	4.0	3614	15,105	45	336
Wood	42,425	29.3	1446	45,172	43	1051
Wyandot	8,525	14.3	595	8,882	31	287
Ohio	**4,266,660**	**8,212**	**520**	**4,445,773**	**24,597**	**181**

[1] We define sheriff sale rate as number of sheriff sales divided by number of households. In Guernsey County, for example, one out of every 149 households lost its home to sheriff sale in 2001. Households include rented residences. Sheriff sales divided by number of owner-occupied homes would be higher than these rates.
[2] Computed by averaging the number of households from the 1990 and 2000 Censuses.
[3] Census 2000.

Table 4
Ten Counties with Highest Foreclosures
Per Number of Households, 2000

County	Households, 2000	Sheriff Sales, 2001	Foreclosures 2001/ Households 2000
Pike	10,444	112	93
Perry	12,500	130	96
Hardin	11,963	117	102
Allen	40,646	390	104
Montgomery	229,229	2126	108
Clark	56,648	523	108
Lucas	182,847	1654	111
Madison	13,672	114	120
Brown	15,555	128	122
Logan	17,956	135	133

Table 5
Percent Change in Sheriff Sales and Foreclosure Filings in Ohio's Metropolitan Counties

County	Sheriff Sale Percent Change (1994-96) to 2001	Sheriff Sale Percent Change 2000 to 2001	Foreclosure Filing Percent Change 1994-2001	Foreclosure Filing Percent Change 2000-2001
Cuyahoga (Cleveland)	70%	9%	61%	18%
Franklin (Columbus)	NA	0%	227%	32%
Hamilton (Cincinnati)	167%	15%	97%	11%
Lucas (Toledo)	309%	34%	94%	-4%
Mahoning (Youngstown)	121%	-12%	209%	9%
Montgomery (Dayton)	220%	11%	207%	28%
Stark (Canton)	172%	18%	290%	26%
Summit (Akron)	185%	15%	307%	36%
Average Change for all Ohio Counties	**200%**	**17%**	**155%**	**23%**

Policy Matters Ohio is a non-profit research institute dedicated to bridging the gap between research and policy in Ohio. Policy Matters seeks to broaden debate about economic policy by providing quantitative and qualitative analysis of issues important to ohio's working people. Other areas of inquiry for Policy Matters includes work, wages, and benefits; education; privatization; economic development; and tax policy. Generous funding has been provided by the George Gund Foundation.

2912 Euclid Avenue • Cleveland, Ohio, 44115 • 216-931-9922
http://www.policymattersohio.org/