A Report from

Policy Matters Ohio

Home Insecurity 2004: Foreclosure Growth in Ohio

Zach Schiller
Whitney Meredith
Pam Rosado

August, 2004

AUTHORS

Zach Schiller is research director of Policy Matters Ohio. Before joining Policy Matters, he covered Ohio business for more than 20 years for *Business Week* magazine and *The Plain Dealer*. Pam Rosado is outreach coordinator at Policy Matters. Previously, she was political director and secretary-treasurer of SEIU Local 47, representing building service, public sector, and hospital workers in Cleveland. Whitney Meredith was a 2004 summer intern with Policy Matters. She is a student at Colgate University.

ACKNOWLEDGEMENTS

Most importantly, we would like to thank the 82 county sheriff departments in Ohio that took the time to answer our survey, providing the information that provided most of the basis for this report. Case Western Reserve University law students Tom Gaffney, Kunal Mishra and Scott Corl assisted in gathering the data. Gretchen Beam at the Supreme Court of Ohio also obliged by sending foreclosure statistics the court had collected. Jeff Miller of Policy Matters Ohio capably handled the task of formatting the report and making it electronically available to readers. Interns Rajeev Khurana and Philip Wallach contributed research. We also benefited from discussions with Chip Bromley, Bill Faith, Paul Bellamy, Tom Weeks, Andrea Price, Kent Smith and Mickey Kalavsky, among others.

POLICY MATTERS OHIO, the publisher of this study, is a nonprofit, nonpartisan research institute, dedicated to bridging the gap between research and policy in Ohio. Policy Matters seeks to broaden the debate about economic policy in Ohio by providing qualitative and quantitative analysis of important issues facing working people in the state. Other areas of inquiry have included unemployment compensation, workforce policy, wages, education, taxes and economic development.

TABLE OF CONTENTS

TABLE OF FIGURES AND TABLES

Executive Summary

The number of Ohioans who lost their homes to foreclosure and sheriff sales grew again in 2003. Foreclosure filings in Ohio were up, though not at the rapid pace of recent years. But sheriff sales of foreclosed properties continued to soar. Ohio ranks second in the country in new foreclosure rates, according to a recent survey by the Mortgage Bankers Association of America, and those remain far above historical levels.

Foreclosures usually occur when a borrower, unable to meet mortgage payments, defaults on a loan. Sheriff sales are the actual auctions of the foreclosed homes. Policy Matters Ohio analyzed foreclosure data from the Ohio Supreme Court and obtained data on sheriff sales by surveying the state's county sheriffs. Our research finds:

- During 2003, 57,083 new foreclosure filings were made in Ohio courts, up 3 percent from a year earlier, 31 percent from 2001 and more than double the number in 1998.
- County sheriff departments put more than 36,425 foreclosed properties up for sale, meaning in most instances that the families that once lived there no longer do now. That represents a 26 percent increase from 2002 and a 57 percent increase from just two years earlier.
- The number of properties put up for sale last year equated to about one in every 117 Ohio households. That compares to one out of every 185 households in 2001.
- The recent growth comes after a dramatic increase between the mid-1990s and 2001, as detailed in a previous Policy Matters Ohio study.
- The number of sheriff sales grew in 76 of the 81 counties for which we obtained data in both 2001 and 2003. Even fast-growing suburban counties such as Delaware, Warren and Medina saw big increases.
- About 63 percent of all 2003 sales occurred in the 10 most populous Ohio counties, in which about 58 percent of all households are located (these data reflect the 81 counties covered in the survey, out of the state's 88).

There are some signs of improvement. New foreclosure filings fell in 22 Ohio counties last year. A survey by the Mortgage Bankers Association of America found that the number of new foreclosures started as a share of all 1- to 4-unit residential mortgage loans in Ohio declined in the first quarter of 2004 from the previous quarter. However, the rate was still well above that of a year earlier and any other quarter since 1979. The leveling off of foreclosure growth probably will lead eventually to lower growth in sheriff sales as well, but such sales may well continue to increase this year, since they often come many months after foreclosure filings.

More than one factor has played a role in continued increases in foreclosures and sheriff sales. A weak economy and predatory lending clearly are major contributors. Among 57 sheriff departments that responded to survey questions asking about what was behind the foreclosures, 31 ranked predatory lending first, while 16 cited job loss or a weak economy.

Predatory lending covers an array of practices generally involving deceptive, high-cost loans with excessive interest rates, fees and penalties. Minority and elderly borrowers often have been targeted. Predatory lending has grown with subprime loans, which are offered at higher cost than conventional loans to customers who have had credit problems. Such loans have allowed some families to buy homes that otherwise would have been unable to do so, but they also figure prominently in Ohio's foreclosure problems. According to the MBA survey, more than one in every nine subprime loans in Ohio was in the process of foreclosure proceedings as of the first quarter of 2004.

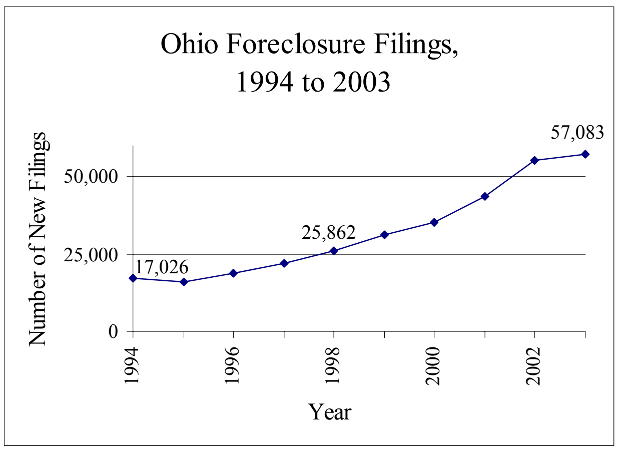
So far, however, the state of Ohio has not taken major steps to curb predatory lending practices. Two laws passed by the General Assembly took only modest steps, while restricting municipal authority and assigning a committee to examine the issue. A year after the Predatory Lending Study Committee issued its report, no bill has even received a hearing on the subject. Two bills, Senate Bill 205 and House Bill 482, have been introduced this year that would provide additional protection against abusive lending practices, and both deserve approval. The House bill would require licensing for appraisers, as well as other measures that the study committee said the General Assembly should seriously consider. It stands a better chance of passage than the Senate bill, but by itself, it does not go far enough. If legislators do not approve the Senate bill, which would provide broader protections, they should at least cover mortgage lending through the Consumer Sales Practices Act. This would prohibit unfair, deceptive and unconscionable acts between mortgage lenders and their customers and give consumers the right to bring private suits for lending fraud.

In the last two years, more than 112,000 foreclosures have been filed in Ohio. Sheriff sales have rocketed upward, claiming homes from Ohioans across the state. "It's amazing what we're seeing," said one sheriff department official. Ohio's lawmakers need to respond.

Introduction

The number of Ohioans who lost their homes to foreclosure and sheriff sales grew again in 2003. Foreclosure filings in Ohio were up, though not at the rapid pace of recent years. But sheriff sales of foreclosed properties continued to soar. According to a recent survey by the Mortgage Bankers Association of America, Ohio ranks second in the country in new foreclosure rates, and those remain far above historical levels. [1]

During 2003, 57,083 new foreclosure filings were made in Ohio courts, up 3 percent from a year earlier and more than double the number in 1998.[2] County sheriff departments put more than 36,425[3] foreclosed properties up for sale. That represents a 26 percent increase from 2002 and a 57 percent increase from just two years earlier, when 23,176 such properties were put up for sale. While these numbers don't capture the exact number of Ohio families that lost their homes last year, the number put up for sale equates to one in about every 117 Ohio households. That compares to one out of every 185 households in 2001.[4] And the growth comes after a dramatic increase between the mid-1990s and 2001.[5] Figure 1 illustrates the increase in foreclosure filings between 1994 and 2003:



Source: Ohio Supreme Court

[1] See below, regarding the Mortgage Bankers Association National Delinquency Survey.

[2] Ohio Supreme Court, The 2003 Ohio Courts Summary. The full summary was not available as of the publication of this report, but the court provided foreclosure statistics as will be published in the report. See Note 6 regarding these statistics. In 2002, new foreclosure filings grew 27 percent from a year earlier.

[3] Figures on sheriff sales in this paragraph and this report generally refer to the 81 counties in Ohio for which we have data for both 2001 and 2003. Jackson County reported putting 80 properties up for sale in 2003, but is not included among those 81 counties because it did not report data for 2001. Throughout this report "sheriff sale" refers to a property being put up for sale. It may or may not result in the actual sale of the property

[4] A small share of the foreclosures involves commercial properties. Thus, not every property sold involves a family losing their home. The Housing Research & Advocacy Center found that 41 of the 1,148 foreclosure filings from 1997, 1999 and 2001 that it randomly sampled in Cuyahoga County – 3.6 percent of the total – were not home foreclosures (Housing Research & Advocacy Center, *Foreclosure Identification and Prevention*, December 2003). Officials in other counties point to similarly low figures. The total number of residential properties put up for sale in the state also would include the six counties that did not respond to this survey, which represent 3.3 percent of Ohio households. More importantly, only 72.8 percent of Ohio households own their homes. (U.S. Census Bureau, Housing Vacancies and Homeownership Annual Statistics: 2003, http://www.census.gov/hhes/www/housing/hvs/annual03/ann03t13.html retrieved July 26, 2004) As a result, figures in this report that show sheriff sales per household understate the share of homeowners who are affected.

[5] See *Home Insecurity: Foreclosure Growth in Ohio*, by Kate Sopko, Amy Hanauer, Kent Smith & Abeera Riaz-Sheikh, Policy Matters Ohio, October 2002.

More than one factor played a role in continued increases in foreclosures and sheriff sales. A weak economy and predatory lending clearly are major contributors. So far, however, the state of Ohio has not taken major steps to curb predatory lending practices. We conclude the report with recommendations for actions the state should take to help remedy this problem.

The Survey

Policy Matters Ohio surveyed the state's 88 county sheriffs to collect data on the number of sheriff sales state-wide. The Ohio Supreme Court reports annually on foreclosures, and its data have been used here.[6] Foreclosure filings initiate any given foreclosure process, and sheriff sales are one possible end result. Sometimes, a home may be retained by its owner after a foreclosure, while in other instances, the owner may leave but the property is abandoned by the lender.[7] Sheriff sales, once complete, result in resident homeowners being put out of their homes if they have not left already.

We obtained the numbers of properties put up for sheriff sale auction in 2003 from 82 county sheriff departments. Altogether, they reported 36,505 properties put up for sale.[8] Sheriff sales are growing rapidly nearly all over the state. In all, the number of such sales grew in 76 of the 81 counties for which we obtained data in both 2001 and 2003. In some cases, sheriff departments have had trouble keeping up. Trumbull County reported a decline in properties put up for sale over the two-year period because layoffs there left employees in the sheriff's office with other work to do. In fact, as of mid-July, the county had a backlog of as many as 600 or 700 properties. Franklin County now has three employees doing move-outs of tenants after homes are sold.[9]

Suburban counties that are gaining population are not immune from the trend. Delaware County, the fastest-growing county in Ohio and the 16th fastest-growing in the country between 2000 and 2003, saw its number of sheriff sales more than double from 99 to 208 between 2001 and 2003. Warren County, the second-fastest growing, also showed substantial growth. And Medina County saw the number spike from 254 in 2001 to 421 last year. "This office has an increase of 277% (his emphasis) in the last 6 years in orders to sell properties," wrote a Medina County sergeant.

Sheriff sales grew at the same overall rate of 26 percent in both 2002 and 2003 for those 76 counties for which data are available. However, growth was not quite as pervasive in 2003: Such sales fell in 12 counties in 2003, compared to 8 in 2002. Ohio's three largest counties – Cuyahoga, Franklin and Hamilton – saw small declines in new foreclosure filings in 2003, and 22 counties in all saw decreases. Seasonally adjusted data from the Mortgage Bankers Association (MBA) show that delinquency rates nationally for 1- to 4-unit residential mortgage

---

[6] The Ohio Supreme Court's reporting of foreclosures includes an unspecified number of non-mortgage foreclosure cases, including delinquent tax foreclosures, mechanic's lien cases and litigation-related debt collection cases. 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. The foreclosure filing data cited in this report are straight from the Supreme Court report, and non-mortgage filings and double-filings have not been eliminated.
[7] In Cleveland, the problem of abandoned homes has reached crisis levels. See "Vacancies costly to Cleveland," by Olivera Perkins and Scott Hiaasen, *The Plain Dealer*, June 13, 2004
[8] This figure includes the 80 reported by Jackson County, which is generally excluded elsewhere in the report.
[9] Interviews with sheriff's department employees, July 2004

loans have fallen since reaching a peak in 2001, while rates of new foreclosures crested in the second quarter of 2002.[10]

Ohio is not doing well either compared to its own history or to the nation. The proportion of Ohio loans that is at least 30 days past due dropped in the first quarter from a year earlier, according to the MBA, making that the second quarter in a row that the rate declined from the same quarter a year earlier.[11] But the rate remains higher than in any other first quarter since the late 1980s and well above the U.S. average.[12] The MBA's survey provides only unclear evidence that foreclosure rates have peaked in Ohio. The number of new foreclosures started as a share of all loans declined in the first quarter of 2004 from the previous quarter, but was still well above the rate of a year earlier or any other quarter since 1979. More time will have to pass before it becomes clear if this is a quarterly blip or a meaningful improvement. As yet, the survey also shows there has been no reduction in the share of Ohio loans that are somewhere in the foreclosure process. A record 3.41 percent of all loans were in foreclosure as of the end of the first quarter.[13]

According to the MBA, Ohio is second only to Indiana among the states in new foreclosures as a share of loans. Ohio ranks first in the proportion of loans that are in the process of foreclosure.[14] In the first quarter of 2004, according to the MBA's National Delinquency Survey, 0.80 percent of all Ohio loans it tracks started into foreclosure, compared to the national average of 0.45 percent. Ohio ranked far above the U.S. average in the rate of foreclosure starts from each of the major types of loans, including those made to borrowers with different levels of creditworthiness. Figure 2 on the following page shows how Ohio compares with the United States in quarterly new foreclosures started.

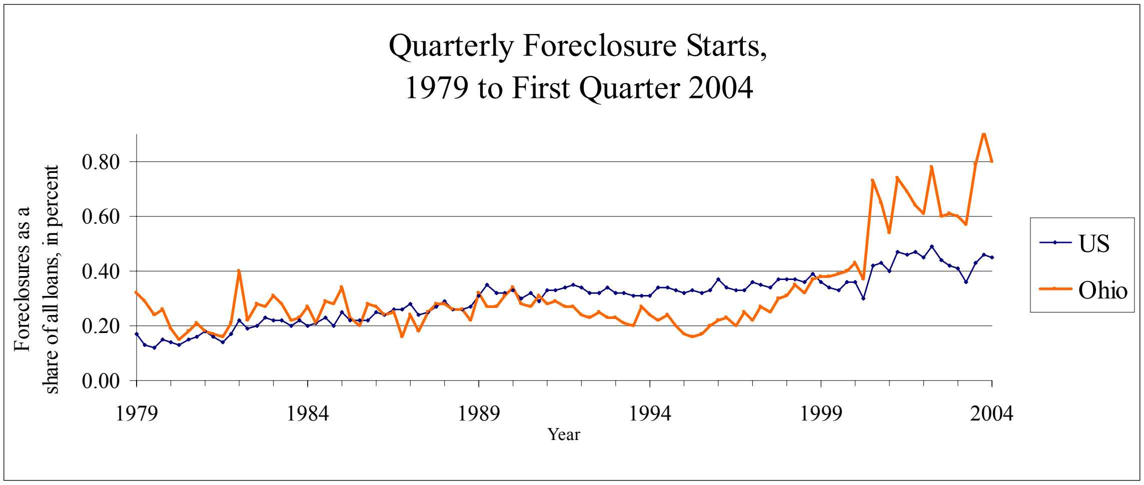
[10] Mortgage Bankers Association, "Residential Mortgage Delinquencies and Foreclosures Inventory Fall in 2004 Q1, According to MBA's National Delinquency Survey," June 14, 2004. http://www.mortgagebankers.org/news/2004/pr0614.html Retrieved July 27, 2004. See also the National Delinquency Survey for the 4th quarter of 2003, Addendum. The survey covers tens of millions of mortgage loans serviced by mortgage bankers, commercial banks, savings banks, savings and loan associations and insurance companies. According to the survey, national new-foreclosure rates have been higher again in the last few quarters, but have not risen to the levels reported in 2001 and 2002.

[11] Mortgage Bankers Association, National Delinquency Survey, 1979 to latest release. The quarterly survey data for each individual state are not seasonally adjusted, so changes from one quarter to the next may in part reflect seasonality. Each quarter is most meaningfully compared with the same quarter from previous years. All comparisons between Ohio and the U.S. made here rely on data that are not seasonally adjusted.

[12] The Ohio rate in the first quarter of 2004 was 4.93 percent, compared to the U.S. figure of 3.94 percent.

[13] The MBA distinguishes between foreclosures started each quarter (including those lenders have sent to attorneys to begin the foreclosure process and deeds in lieu of foreclosure) and the "inventory" of foreclosures at the end of each quarter (meaning all those foreclosures that were in process and had not been completed).

[14] Mortgage Bankers Association, National Delinquency Survey, Data as of March 31, 2004. This statistic can vary from one state to another based on state laws and regulations, and how quickly foreclosures are completed as a result.



Source: Mortgage Bankers Association National Delinquency Survey. Figures are not seasonally adjusted.

Thus, while last year's smaller growth in new foreclosure filings is an improvement from recent big increases, it still leaves Ohio with extremely high foreclosure levels. In Summit and Stark counties, foreclosure filings through June of this year were on track to equal last year's records, according to the *Akron Beacon Journal*.[15] The leveling off of foreclosures probably will lead eventually to lower growth in sheriff sales as well, but such sales may well continue to increase this year, since they often come many months after foreclosure filings. A number of sheriff departments indicated in recent interviews that this is indeed the case. "I don't expect it to slow down any time soon," said an official in Lucas County. In any event, the number would have to drop sharply to return to levels of a decade ago.

The counties with the largest number of sheriff sales in relation to the number of households include ones that are thinly populated, such as Morrow and Preble, and urban, such as Montgomery and Summit. In Marion County, ranked No. 1 in the state in households per sheriff sale, nearly 1 in 63 households saw their home put up in a sheriff sale in 2003. Those five counties, along with Highland County, were in the top 10 in Ohio both by that measure and in the number of foreclosures per household. Table 1 on the following page shows the 10 counties in Ohio with the greatest number of sheriff sales in relation to the number of households.

[15] Irwin, Gloria, "Area bankruptcy filings still rising," *The Akron Beacon Journal*, July 13, 2004.

Table 1

Ohio Counties with Highest Sheriff Sale Rates in 2003

County	Households in 2000	2003 Sales	Households/ 2003 Sales
Marion	24,578	390	63
Pike	10,444	156	67
Highland	15,587	208	75
Preble	16,001	212	75
Allen	40,646	493	82
Montgomery	229,229	2,766	83
Morrow	11,499	135	85
Union	14,346	168	85
Logan	17,956	210	86
Summit	217,788	2,469	88

Source: Policy Matters Ohio survey of county sheriff departments

Sheriff sales quadrupled between 2001 and 2003 in Putnam County. Four other counties in Northwest Ohio, Wood, Fulton, Ottawa and Van Wert, also ranked among the top ten in growth in sheriff sales over that two-year period. However, Jefferson and Wayne counties on the eastern side of the state also were among those that saw the largest growth.[16] Preble and Union counties have the dubious distinction of being both among the top 10 in households per sheriff sale and for largest increase between 2001 and 2003. Table 2 shows data for the 10 counties that experienced the greatest relative increase in properties put up for sale between 2001 and 2003:

Table 2

Ohio Counties with the Greatest Growth in Sheriff Sales, 2001-2003

County	2001 Sales	2003 Sales	Change 2001-2003
Putnam	12	48	300%
Wood	43	171	298%
Noble	5	17	240%
Preble	63	212	237%
Fulton	31	97	213%
Jefferson	54	158	193%
Union	64	168	163%
Wayne	92	235	155%
Ottawa	53	135	155%
Van Wert	45	108	140%

Source: Policy Matters Ohio survey of county sheriff departments

Big Counties

About 63 percent of all 2003 sales occurred in the 10 most populous Ohio counties, in which about 58 percent of all households are located (these data and those in the next paragraph reflect the 81 counties covered in the survey). While these urban counties account for a slightly larger

[16] Recent growth does not necessarily mean that these counties have relatively high rates of sheriff sales per household compared to others. Noble, Wood and Putnam, for instance, remain low on that list.

share of the total than they do of the state's households, sheriff sales have been growing there at about the same rate as the state as a whole. Between 2001 and 2003, they increased 56 percent in the 10 largest counties, compared to 57 percent for the 81 counties covered in the survey. Among the large counties, sheriff sales have grown the most in Cuyahoga and Lucas, where they doubled over two years' time, while growing the least in Lorain and Mahoning counties. Montgomery and Summit counties top the large-county list in properties put up for sale per household. Table 3 shows sheriff sales and new foreclosure filings in Ohio's 10 most populous counties:

Table 3

Sheriff Sales and Foreclosure Filings in Ohio's Largest Counties, 2001-2003

County	2003 Sales	2001-2003 Change	2003 Foreclosure Filings	2001-2003 Change	Households in 2000	Households/ 2003 Sheriff Sales	Households/ 2003 Foreclosure Filings
Butler (Hamilton)	1,365	47%	1,853	35%	123,082	90	66
Cuyahoga (Cleveland)	4,421	111%	8,686	25%	571,457	129	66
Franklin (Columbus)	4,476	29%	6,072	20%	438,778	98	72
Hamilton (Cincinnati)	3,041	79%	4,076	32%	346,790	114	85
Lorain (Lorain)	765	14%	1,465	32%	105,836	138	72
Lucas (Toledo)	1,585	107%	2,561	42%	182,847	115	71
Mahoning (Youngstown)	785	20%	1,443	43%	102,587	131	71
Montgomery (Dayton)	2,766	29%	4,220	34%	229,229	83	54
Stark (Canton)	1,218	56%	2,119	35%	148,316	122	70
Summit (Akron)	2,469	66%	3,352	33%	217,788	88	65
Ten-County Total	**22,891**	**56%**	**35,847**	**30%**	**2,466,710**	**108**	**69**

Source: Policy Matters Ohio survey of county sheriff departments, Ohio Supreme Court

Ohio's 40 metropolitan counties – those that are designated by the U.S. Office of Management and Budget as part of Metropolitan Statistical Areas based on commuting patterns – account for a slightly greater share of sheriff sales (86 percent) than they do of households (84 percent).[17] Here, too, the 57 percent growth between 2001 and 2003 has paralleled that in 81 Ohio counties for which data are available.

Sheriff sales in the 25 Appalachian counties covered by the survey grew by 45 percent over the past two years, below the state average. These counties, in fact, account for a somewhat smaller share of the properties put up for sale, 9 percent, than they do of the state's households, 11 percent.[18] Five Appalachian counties rank lowest in the state in number of sheriff sales per household.[19]

[17] These 40 counties include Ohio counties in the following metropolitan areas: Akron, Canton-Massillon, Cincinnati-Middletown, Cleveland-Elyria-Mentor, Columbus, Dayton, Huntington, W. Va.-Ashland, Ky., Lima, Mansfield, Parkersburg, W. Va.-Marietta, Sandusky, Springfield, Toledo, Steubenville-Weirton, W. Va., Wheeling, W. Va., and Youngstown-Warren-Boardman. Among those included are seven Appalachian counties.

[18] The three Appalachian counties that did not respond were Ross, Scioto and Gallia. As noted above, Jackson responded with 2003 data, but did not provide data from 2001.

[19] Monroe, Athens, Vinton, Belmont and Noble, in that order.

One reason for the lower level of sheriff sales in the Appalachian counties may be that a greater proportion of households live in mobile homes. When buyers fall behind on their payments, mobile homes are repossessed, not foreclosed. In the 25 Appalachian counties covered by the survey, mobile homes accounted for 14.5 percent of the housing units, compared to just 4.6 percent statewide.[20] Some observers have suggested that a greater number of land-contract deals, in which nonpayment most often results in eviction as opposed to foreclosure, also may contribute to the lower-than-average Appalachian numbers.

Reasons for the Growth

Tracing the exact reasons for the increase in Ohio foreclosures and sheriff sales is impossible. However, both the state's sluggish economy and predatory lending practices undoubtedly contribute importantly. Policy Matters Ohio's previous 2002 report showed that foreclosures and sheriff sales grew dramatically during the long economic expansion of the 1990s. According to that survey, the number of sheriff sales in the state tripled between the mid-1990s and 2001, with the vast bulk of that growth before the recession arrived.[21] The economic downturn and weak rebound in Ohio put new pressure on many families. Between the official beginning of the recession in March 2001 and December 2003, Ohio lost 236,700 jobs, about two-thirds of them in manufacturing. "We have had two manufacturing plants close in our area," said the respondent in the Putnam County Sheriff's office, "bring in more industry and stop closing manufacturers."

Sheriff departments were asked in the survey to rank factors contributing to foreclosures in their counties. The list included: Predatory lending, weak economy, job loss, divorce or family breakup, or other, and the departments were asked to cite other factors not mentioned. Of the 57 departments that answered that question, 31 ranked predatory lending first. Sixteen cited job loss or a weak economy as the top explanation, and five named divorce or family breakup. Nine added other reasons, including several who cited medical problems or who blamed easy credit and irresponsible conduct by borrowers.[22]

Sheriff departments commented that many inappropriate loans are being made. "I am finding more often than not, that houses are appraising at less than is owed, indicating that more was borrowed than the house was worth to begin with," said a deputy in Miami County. A clerk in Perry County wrote: "I'm not sure about policies, but I'm amazed at some of the loans that are granted to some of these homes that are foreclosed on. The loan well exceeds the value of the home." Some respondents said that borrowers should be more careful and not live beyond their means. "You can't regulate people's responsibility, that is a personal issue," said one. Others, however, called for consumer education, counseling or a crackdown on predatory practices. A Mercer County official said: "Loans are being given to people when they can't afford them at extremely high interest rates. Someone needs to protect the people from being taken advantage of."

---

[20] U.S. Census Bureau, DP-4. Profile of Selected Housing Characteristics: 2000. Census 2000 Summary File 3 (SF 3) - Sample Data.

[21] *Home Insecurity: Foreclosure Growth in Ohio.* As outlined in the Methodology section of the current report, the 2004 survey turned up a somewhat smaller number of sheriff sales in 2001 than the earlier Policy Matters Ohio survey. Because sheriffs are not required to track these sales in a standard fashion, mid-1990s data collected by Euclid Community Concerns and used above probably also had a small degree of inaccuracy. However, the increase between the mid-1990s and 2001 was clearly gigantic.

[22] Responses do not add to 57 because of those who gave multiple reasons.

Predatory lending covers an array of practices. In a report earlier this year, the Government Accountability Office said: "While there is no uniformly accepted definition of predatory lending, a number of practices are widely acknowledged to be predatory. These include, among other things, charging excessive fees and interest rates, lending without regard to borrowers' ability to repay, refinancing borrowers' loans repeatedly over a short period of time without any economic gain for the borrower (referred to as "loan flipping"), and committing outright fraud or deception--for example, falsifying documents or intentionally misinforming borrowers about the terms of a loan. These types of practices offer lenders that originate predatory loans potentially high returns even if borrowers default, because many of these loans require excessive up-front fees."[23]

Other specific practices that are often predatory include prepayment penalties if a borrower refinances or pays a loan off early; balloon payments; expensive single-premium credit insurance, which rolls the full cost of a multi-year insurance policy into a loan so that the borrower pays interest on it over the life of the loan; and preventing a borrower from taking legal action against a lender through mandatory arbitration clauses.

A study last year by the Housing Research & Advocacy Center in Cleveland found that foreclosures in that city and Cuyahoga County increasingly have predatory characteristics.[24] It found that more than 58 percent of foreclosed loans in Cuyahoga County displayed predatory characteristics in 2001, an increase from 42 percent in 1997. In the city of Cleveland in 2001, 67 percent of the foreclosures it sampled had at least one of five characteristics: they included a balloon payment, prepayment penalties, payment in full on demand, mandatory arbitration or credit insurance. Just four years earlier, in 1997, only 38 percent fit that same profile.

No comprehensive data are available on the incidence of predatory practices, the GAO noted in its report, "but banking regulators, consumer advocates, and industry participants generally agree that predatory loans are most likely to occur in the market for "subprime" loans."[25] Subprime loans, offered at higher cost than conventional loans to customers who have had credit problems, have allowed some families to buy homes that otherwise would have been unable to do so. However, they also figure prominently in Ohio's foreclosure problems.

Subprime lending has skyrocketed nationally since the early 1990s. One indicator is the volume of securities backed by such mortgages, which rose from $17 billion in 1995 to $195 billion in 2003.[26] Ohio has been no exception to the trend. And according to data from the Mortgage Bankers Association survey, more than one in every nine subprime 1- to 4-unit residential mortgage loans in Ohio was in the process of foreclosure proceedings as of the first quarter of

[23] *Consumer Protection: Federal and State Agencies Face Challenges in Combating Predatory Lending,* Government Accountability Office report number GAO-04-412T, released February 24, 2004
[24] The Housing Research & Advocacy Center, *Foreclosure Identification and Prevention*, December 2003.
[25] GAO report, op. cit.
[26] Andrews, Edmund L., "The Ever More Graspable, And Risky, American Dream," *The New York Times*, June 24, 2004. The story cited Inside Mortgage Finance, an industry research firm in Bethesda, Md., as its source for the data. Essentially, a buyer of these securities is investing in a pool of mortgage loans that has been packaged together for investment.

2004.[27] A 2002 report by the Ohio Community Reinvestment Project that examined foreclosures in three Ohio counties in detail found that, "Loan for loan, subprime lending generated more than three times as many home foreclosure filings as conforming, prime loans." The study, which examined foreclosure filings in Lorain, Montgomery and Summit counties in 1997, 1999 and 2001, found a 333 percent increase in foreclosure filings resulting from subprime loans during that time, compared to a 122 percent increase resulting from prime loans.[28] A recent study of the Chicago area published by the Woodstock Institute, a fair lending advocacy group there**,** found after controlling for neighborhood demographics and economic conditions that subprime loans lead to foreclosures at twenty or more times the rate than do prime loans. "Given the impact of foreclosures on neighborhood vitality and stability, especially in modest-income neighborhoods where foreclosures more often lead to abandonment and blight, this cost of high-risk lending should be given more weight in policy discussions."[29]

Several studies have found that African-American neighborhoods have much higher levels of subprime lending than white neighborhoods, even after controlling for residents' credit history or income.[30] Minority and elderly borrowers often have been targeted by predatory lenders. Consumer advocates have asked that the Ohio Civil Rights Commission undertake systemic investigations of predatory lending practices throughout the state of Ohio, the purpose of which would be to determine if minorities or women were targeted by subprime or predatory lenders. But so far, the commission has taken no action, according to Charles Bromley, director of the Housing Research and Advocacy Center.

The Policy Response

The Ohio General Assembly took a modest step in 2001 when it passed Senate Bill 76 covering mortgage brokers. The law required licensing and state background checks for loan officers, mandated testing and continuing education requirements for loan officers and operations managers, and created new standards of conduct as well as strengthened criminal penalties for violations.[31]

In 2002, the Ohio General Assembly passed House Bill 386, which simply squared Ohio law with triggers under the federal Home Ownership and Equity Protection Act for stricter prohibitions and penalties on certain high-cost loans. It provided little additional protection and restricted Ohio cities and localities from passing regulations against predatory lenders, while setting up a Predatory Lending Study Committee to report to the General Assembly. The bill also

---

[27] Mortgage Bankers Association, National Delinquency Survey, Data as of March 31, 2004. The MBA reported that 11.94 percent of the subprime loans were in the foreclosure process at the end of the first quarter, more than double the U.S. rate.

[28] Bellamy, Paul. *The Expanding Role of Subprime Lending in Ohio's Burgeoning Foreclosure Problem, A Three County Study of a Statewide Problem,* September 2002

[29] Immergluck, Dan and Geoff Smith, *Risky Business – An Econometric Analysis of the Relationship Between Subprime Lending and Neighborhood Foreclosures*, Woodstock Institute, March 2004, pp. 23-4.

[30] Ibid, p. 2. See also *Unequal Burden: Income & Racial Disparities in Subprime Lending in America*, Department of Housing & Urban Development, April 2000.

[31] Ohio Legislative Service Commission, Fiscal Note and Local Impact Statement, Am. Sub. S.B. 76, as enacted. June 13, 2001. http://www.lbo.state.oh.us/fiscal/fiscalnotes/124ga/SB0076EN.HTM, retrieved Aug. 4, 2004. See also the LSC's final bill analysis.

created a new Consumer Affairs Office within the Department of Commerce's Division of Financial Institutions and appropriated $800,000 over fiscal 2002-2003 to operate it.[32]

In June 2003, after hearing 63 witnesses and holding 13 meetings, the committee all agreed on just a single recommendation: Mandatory licensing for all appraisers.[33] Among others who cited the issue, the superintendent of the Ohio Department of Commerce's Real Estate Division told the committee that inflated appraisal values were an "insidious and growing problem" that played a key role in predatory lending. "Anne Moorhead-Petit told the Predatory Lending Study Committee that Ohio's voluntary appraiser licensing system provides "a window of opportunity" for fraud and abuse that is a common cause of mortgage foreclosure," reported *Gongwer News Service*.[34]

The committee also reported a "significant consensus" in four other areas, which it officially recommended the General Assembly take into serious consideration:

- National criminal background checks for appraisers
- Restrictions on "coercion" of appraisers by lenders
- National criminal background checks for brokers, and
- Increased enforcement of SB 76 and HB 386.

The committee said that other items that had not gotten consensus "should also be considered and debated thoroughly." Among other things, these included application of the Consumer Sales Practices Act to various segments of the lending community; lowering the trigger on points and fees where regulation under HB 386 would apply; prohibitions on encouraging default, flipping and mandatory arbitration; codifying in the law specific affirmative mortgage broker duties to their clients and other proposals backed by consumer advocates.[35]

In March 2004, Sen. Tom Roberts introduced a bill (Senate Bill 205) that would incorporate many of the recommendations that consumer advocates had called for, tightening up on predatory lenders and aiding its victims.[36] SB 205 would extend the prohibition on unfair and deceptive sales practices to non-bank lending and debt collection firms, give consumers more rights to sue when predatory practices take place, provide enhanced damages when the victim is elderly or has a disability, and ban loan flipping and other practices. However, Roberts's bill has not even received a hearing.

In May, Rep. Chuck Blasdel, who chaired the study committee, introduced a bill (House Bill 482) that would embody most of its consensus recommendations and require appraiser licensing

---

[32] Ohio Legislative Service Commission, Fiscal Note and Local Impact Statement, Sub. H.B. 386, As enacted. Feb. 12, 2002. http://www.lbo.state.oh.us/fiscal/fiscalnotes/124ga/HB0386EN.HTM, retrieved July 27, 2004 The office, which does consumer education, handles complaints and may help initiate enforcement actions involving lending laws, was budgeted to receive $518,000 in fiscal 2004 ended June 30 and $474,000 in fiscal 2005. Interview with Denise Lee, Ohio Department of Commerce, Aug. 4, 2004

[33] Predatory Lending Study Committee Report, June 24, 2003.

[34] Gongwer News Service Ohio Report, "Faulty appraisals play key role in predatory lending, witnesses say," Volume #72, Report #84 --Thursday, May 1, 2003

[35] Predatory Lending Study Committee Report

[36] Gongwer News Service Ohio Report, "Roberts calls for increased regulation of "predatory" lending practices," Volume #73, Report #53, March 18, 2004. See http://www.legislature.state.oh.us/bills.cfm?ID=125_SB_205 retrieved July 27, 2004

and national criminal background checks for mortgage brokers, loan officers and appraisers, as well as prohibit anyone from knowingly affecting the independent judgment of an appraiser on a dwelling's value.[37] It also would make instruction in personal economics a high-school graduation requirement. The bill was introduced not long before the summer recess, and has not yet advanced in the legislature.

Some Ohio cities have taken their own steps to try and combat predatory lending, or cope with the fallout from it. Cities including Dayton, Cleveland and Toledo, have passed their own ordinances to protect citizens from predatory lending. However, so far courts have struck down the Dayton and Toledo ordinances, citing HB 386, the state law.[38] In Cleveland, a district court similarly ruled against the city. However, an appeals court allowed the law to remain in force while the appeal is being considered.[39] Cleveland has devoted funds to foreclosure prevention assistance for city residents, and Summit County Council is considering the establishment of an office that would do so. Under a $4 million initiative in Dayton, victims of predatory lending may apply for lower-cost refinancing.[40] However, as the sheriffs' answers indicated, more action is needed. Ohio lawmakers "have done little to protect consumers," the *Dayton Daily News* editorialized recently. "Regulation is loose and little money is available for law enforcement."[41]

Recommendations

More than a year after the Predatory Lending Study Committee concluded its work, the Ohio General Assembly has yet to provide needed protection for consumers against abusive lending practices. Both SB 205 introduced by Sen. Roberts and HB 482 introduced by Rep. Blasdel would add needed safeguards for consumers, and deserve speedy legislative approval. The House bill stands a better chance of passage, but by itself, the bill does not go far enough. If legislators are reluctant to approve all of the broader protections that are provided in the Senate bill, they should at least cover mortgage lending through the Consumer Sales Practices Act, as the vast majority of states do. This would prohibit unfair, deceptive and unconscionable acts between mortgage lenders and their customers and give consumers the right to bring private suits for lending fraud.

In the last two years, more than 112,000 foreclosures have been filed in Ohio. Sheriff sales have rocketed upward, claiming homes from Ohioans across the state. "It's amazing what we're seeing," said one sheriff department official. Ohio's lawmakers need to respond.

[37] HB 482, http://www.legislature.state.oh.us/bills.cfm?ID=125_HB_482 retrieved July 26, 2004

[38] Reiter, Mark and Tom Troy, "Judge throws out Toledo's predatory lending law,", *The Toledo Blade*, July 22, 2004; Modic, Rob, "Dayton's predatory lending rule barred," *The Dayton Daily News*, June 19, 2004; Dayton v. State, 2004-Ohio-3141.

[39] Murray, Teresa Dixon. "Judge's ruling opens door to home lenders." *The Plain Dealer*, Oct. 3, 2003, and "Cleveland Can Renew High-Cost-Loan Law," Feb. 7, 2004.

[40] Bebbington, Jim, "Pool of $4 million to assist victims of predatory lending," *The Dayton Daily News*, June 30, 2004.

[41] "Banks deserve little credit for loan program," *Dayton Daily News*, July 10, 2004

Methodology

This study used 2001-2003 foreclosure filing data gathered and reported by the Ohio Supreme Court from every county's clerk of courts. Sheriff sales are carried out and documented by the sheriff's department in each Ohio county. These sales are not reported at the state level. 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 2001, 2002 and 2003. We requested property foreclosure data, not including tax foreclosures; the number of properties put up for sale each year; and the number actually sold. We also asked departments to rank factors they saw contributing to foreclosures in their counties, and suggest policy changes. Eighty-two counties provided data for 2003 on the number of properties put up for sale, representing 96.7 percent of the state's population. Data from the survey are included in Tables 4 and 6 in the Appendix.

This study updates a similar Policy Matters Ohio survey conducted in 2002. In the current survey, 71 counties provided data for 2001. In 10 counties that provided 2003 data but no or incomplete 2001 data, we have used numbers provided by those counties in the earlier Policy Matters survey.[42] Such counties are italicized in Table 4. In some instances, departments provided data in the 2004 survey that conflicted with what was provided in the earlier survey. In some counties the difference was substantial. In Table 4 we have identified with an asterisk those counties in which it was greater than 20 percent. Sheriffs are not required to track their sales of properties in any standard way, so some may have interpreted the survey differently than others or used different definitions in answering the two surveys. For instance, in a couple of cases, tax foreclosures were included in one year and not in another.

The two surveys both obtained 2001 data from 67 of the same counties. For these counties, the current survey found 20,381 properties put up for sale, compared to 22,694 in the 2002 survey, or a 10 percent difference. We checked again with many of those counties that showed the largest differences, and used the 2004 data they provided. These changes, along with a difference in which counties responded between the two surveys, explain why some numbers from the two reports differ. However, the increase in properties put up for sale is substantial, whichever set of 2001 data is used.

The Policy Matters Ohio studies update previous research conducted in 2001 by Kent Smith of Euclid Community Concerns, reporting data on properties put up for sale from 1994 through 2000. Because 29 counties were unable to provide numbers of all three of the years 1994, 1995 and 1996, we chose to average the reported data for those three years. Seventy-eight of the 88 counties were able to provide data for at least one of the three years 1994, 1995 and 1996.

[42] Jackson County reported 2003 data, but did not report 2001 data either in this survey or the previous Policy Matters Ohio survey.

References

Andrews, Edmund L.. "The Ever More Graspable, And Risky, American Dream." *The New York Times* 24 June 2004.

Bebbington, Jim. "Pool of $4 million to assist victims of predatory lending." *The Dayton Daily News* 30 June 2004.

Bellamy, Paul. *The Expanding Role of Subprime Lending in Ohio's Burgeoning Foreclosure Problem, A Three County Study of a Statewide Problem.* September 2002.

"Banks deserve little credit for loan program." *The Dayton Daily News* 10 July 2004.

Court of Appeals for Montgomery County Ohio. *Dayton v. State 2004-Ohio-3141*. 18 June 2004.

"Faulty appraisals play key role in predatory lending, witnesses say." 1 May 2003. Volume 72, Report 84. Gongwer News Service Ohio Report.

Foreclosure Identification and Prevention. Housing Research & Advocacy Center December 2003.

Immergluck, Dan and Geoff Smith. *Risky Business – An Econometric Analysis of the Relationship Between Subprime Lending and Neighborhood Foreclosures*. Woodstock Institute: March 2004.

Interviews with Ohio county sheriff department employees. July 2004.

Irwin, Gloria. "Area bankruptcy filings still rising." *The Akron Beacon Journal* 13 July 2004.

Lee, Denise, Ohio Department of Commerce. Interview. 4 Aug. 2004.

Modic, Rob. "Dayton's predatory lending rule barred." *The Dayton Daily News* 19 June 2004.

National Delinquency Survey, 1979 to first quarter 2004. Mortgage Bankers Association of America. June 2004.

Murray, Teresa Dixon. "Cleveland Can Renew High-Cost-Loan Law." *The Plain Dealer* 7 Feb. 2004.

Murray, Teresa Dixon. "Judge's ruling opens door to home lenders." *The Plain Dealer* 3 Oct. 2003.

Ohio 125th General Assembly. *Ohio House Bill No. 482*. 2003-2004. Retrieved 26 July 2004 from: <http://www.legislature.state.oh.us/bills.cfm?ID=125_HB_482>.

Ohio 125th General Assembly: *Predatory Lending Study Committee Report*. Columbus: 24 June 2003.

Ohio 125th General Assembly. *Ohio Senate Bill 205*. 2003-2004. Retrieved 27 July 2004 from: <http://www.legislature.state.oh.us/bills.cfm?ID=125_SB_205 >.

Ohio Legislative Service Commission: *Fiscal Note and Local Impact Statement Am. Sub. Senate Bill 76* 13 June 2001. Retrieved 4 August 2004 from: <http://www.lbo.state.oh.us/fiscal/fiscalnotes/124ga/SB0076EN.HTM>.

Ohio Legislative Service Commission: *Fiscal Note and Local Impact Statement, Sub. House Bill 386* 12 Feb. 2002. Retrieved 27 July 2004 from: <http://www.lbo.state.oh.us/fiscal/fiscalnotes/124ga/HB0386EN.HTM>.

Ohio Supreme Court: *The 2003 Ohio Courts Summary.* Columbus: 2004.

Perkins, Olivera and Scot Hiaasen. "Vacancies costly to Cleveland." *The Plain Dealer* 13 June 2004.

"Residential Mortgage Delinquencies and Foreclosures Inventory Fall in 2004 Q1." *Mortgage Bankers Association of America* 14 June 2004. Retrieved 6 Aug. 2004 from: <http://www.mortgagebankers.org/news/2004/pr0614.html>.

Reiter, Mark and Tom Troy. "Judge throws out Toledo's predatory lending law." *The Toledo Blade* 22 July 2004.

"Roberts calls for increased regulation of 'predatory' lending practices." 18 March, 2004. Volume 27, Report 53. Gongwer News Service Ohio Report.

Sopko, Kate, Amy Hanauer, Kent Smith and Abeera Riaz-Sheikh. *Home Insecurity: Foreclosure Growth in Ohio*. Policy Matters Ohio: October 2002.

United States. Government Accountability Office. *Consumer Protection: Federal and State Agencies Face Challenges in Combating Predatory Lending.* GAO-04-412T. Washington: 24 February 2004.

U.S. Census Bureau: *Housing Vacancies and Homeownership Annual Statistics, 2003*. Retrieved 26 July 2004 from: <http://www.census.gov/hhes/www/housing/hvs/annual03/ann03t13.html>.

U.S. Census Bureau: *DP-4. Profile of Selected Housing Characteristics: 2000*. Census 2000 Summary File 3 (SF 3) - Sample Data**.**

United States Government: Department of Housing & Urban Development. *Unequal Burden: Income & Racial Disparities in Subprime Lending in America.* April 2000.

Table 4

Sheriff Sales in Ohio Counties, 2001-2003

Counties	2001 Sales	2002 Sales	2003 Sales	2001-2002 Change	2002-2003 Change	2001-2003 Change	2001-2003 Rank in Growth
Adams	57	101	92	77%	-9%	61%	42
Allen*	234	424	493	81%	16%	111%	15
Ashland	108	86	135	-20%	57%	25%	66
Ashtabula	241	N/A	N/A	N/A	N/A	N/A	N/A
Athens	54	N/A	65	N/A	N/A	20%	69
Auglaize	91	121	127	33%	5%	40%	56
Belmont	133	107	99	-20%	-7%	-26%	81
Brown*	92	138	116	50%	-16%	26%	65
Butler	928	1163	1365	25%	17%	47%	48
Carroll	60	88	98	47%	11%	63%	41
Champaign	63	N/A	N/A	N/A	N/A	N/A	N/A
Clark	376	468	597	24%	28%	59%	43
Clermont	263	393	545	49%	39%	107%	17
Clinton	89	95	126	7%	33%	42%	55
Columbiana	197	171	229	-13%	34%	16%	72
Coshocton	60	105	106	75%	1%	77%	31
Crawford	101	172	187	70%	9%	85%	28
Cuyahoga*	2093	3673	4421	75%	20%	111%	14
Darke	67	90	114	34%	27%	70%	37
Defiance	64	74	101	16%	36%	58%	44
Delaware	99	146	208	47%	42%	110%	16
Erie	133	127	203	-5%	60%	53%	47
Fairfield*	166	187	237	13%	27%	43%	53
Fayette	59	94	103	59%	10%	75%	33
Franklin*	3469	2552	4476	-26%	75%	29%	63
Fulton	31	86	97	177%	13%	213%	5
Gallia	5	N/A	N/A	N/A	N/A	N/A	N/A
Geauga	110	109	159	-1%	46%	45%	51
Greene	266	394	390	48%	-1%	47%	49
Guernsey	108	116	120	7%	3%	11%	74
Hamilton	1695	2323	3041	37%	31%	79%	29
Hancock*	96	144	166	50%	15%	73%	35
Hardin	117	N/A	124	N/A	N/A	6%	75
Harrison	25	40	36	60%	-10%	44%	52
Henry*	27	56	53	107%	-5%	96%	23
Highland	112	144	208	29%	44%	86%	27
Hocking	54	55	70	2%	27%	30%	60
Holmes*	39	54	48	38%	-11%	23%	67
Huron	97	163	188	68%	15%	94%	24
Jackson	N/A	N/A	80	N/A	N/A	N/A	N/A
Jefferson*	54	73	158	35%	116%	193%	6
Knox	99	N/A	N/A	N/A	N/A	N/A	N/A
Lake*	161	308	357	91%	16%	122%	13
Lawrence	99	134	98	35%	-27%	-1%	77
Licking	323	473	623	46%	32%	93%	26
Logan	137	169	210	23%	24%	53%	46
Lorain	673	439	765	-35%	74%	14%	73
Lucas*	767	1357	1585	77%	17%	107%	18

Table 4

Sheriff Sales in Ohio Counties, 2001-2003

Counties	**2001 Sales**	**2002 Sales**	**2003 Sales**	**2001-2002 Change**	**2002-2003 Change**	**2001-2003 Change**	**2001-2003 Rank in Growth**
Madison	114	N/A	100	N/A	N/A	-12%	80
Mahoning	653	742	785	14%	6%	20%	70
Marion	299	345	390	15%	13%	30%	58
Medina	254	274	421	8%	54%	66%	40
Meigs	93	107	98	15%	-8%	5%	76
Mercer	64	69	91	8%	32%	42%	54
Miami	161	275	328	71%	19%	104%	19
Monroe	11	15	14	36%	-7%	27%	64
Montgomery	2138	2,630	2766	23%	5%	29%	61
Morgan	15	N/A	29	N/A	N/A	93%	25
Morrow	76	96	135	26%	41%	78%	30
Muskingum	203	256	264	26%	3%	30%	59
Noble*	5	8	17	60%	113%	240%	3
Ottawa	53	90	135	70%	50%	155%	9
Paulding	44	44	74	0%	68%	68%	38
Perry	130	101	125	-22%	24%	-4%	78
Pickaway	79	N/A	93	N/A	N/A	18%	71
Pike	112	154	156	38%	1%	39%	57
Portage	213	282	421	32%	49%	98%	22
Preble*	63	127	212	102%	67%	237%	4
Putnam*	12	35	48	192%	37%	300%	1
Richland*	310	319	378	3%	18%	22%	68
Ross	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sandusky	64	101	128	58%	27%	100%	20
Scioto	119	N/A	N/A	N/A	N/A	N/A	N/A
Seneca	94	124	163	32%	31%	73%	34
Shelby*	105	127	180	21%	42%	71%	36
Stark	781	922	1218	18%	32%	56%	45
Summit	1487	1859	2469	25%	33%	66%	39
Trumbull*	786	1,052	704	34%	-33%	-10%	79
Tuscarawas	146	192	255	32%	33%	75%	32
Union	64	103	168	61%	63%	163%	7
Van Wert	45	107	108	138%	1%	140%	10
Vinton*	11	22	16	100%	-27%	45%	50
Warren*	226	374	506	65%	35%	124%	12
Washington	70	81	139	16%	72%	99%	21
Wayne	92	174	235	89%	35%	155%	8
Williams	45	53	106	18%	100%	136%	11
Wood	43	151	171	251%	13%	298%	2
Wyandot	31	34	40	10%	18%	29%	62

*Reported 2001 sheriff sale number differed between 2002 survey and this survey by more than 20 percent.

Italicized counties did not report complete 2001 data in this survey, so data from the previous Policy Matters Ohio survey was used. In addition, five counties (Ashtabula, Champaign, Gallia, Knox, and Scioto) provided 2001 data in the previous survey, but did not provide information for this study.

Table 5

Foreclosure Filings in Ohio Counties, 2001-2003

Counties	2001 Filings	2002 Filings	2003 Filings	2001-2002 Change	2002-2003 Change	2001-2003 Change	Rank in Growth 2001-2003
Adams	83	113	110	36%	-3%	33%	53
Allen	583	678	551	16%	-19%	-5%	85
Ashland	104	149	176	43%	18%	69%	9
Ashtabula	403	531	587	32%	11%	46%	25
Athens	89	110	118	24%	7%	33%	52
Auglaize	124	159	153	28%	-4%	23%	70
Belmont	159	161	173	1%	7%	9%	81
Brown	186	213	246	15%	15%	32%	55
Butler	1,370	1,654	1853	21%	12%	35%	44
Carroll	82	120	137	46%	14%	67%	10
Champaign	154	219	221	42%	1%	44%	31
Clark	733	904	942	23%	4%	29%	58
Clermont	581	747	776	29%	4%	34%	48
Clinton	139	229	217	65%	-5%	56%	13
Columbiana	392	501	599	28%	20%	53%	16
Coshocton	93	150	143	61%	-5%	54%	14
Crawford	182	215	181	18%	-16%	-1%	84
Cuyahoga	6,959	8,987	8686	29%	-3%	25%	64
Darke	148	189	203	28%	7%	37%	42
Defiance	87	115	133	32%	16%	53%	15
Delaware	215	290	402	35%	39%	87%	3
Erie	215	286	306	33%	7%	42%	34
Fairfield	398	449	505	13%	12%	27%	61
Fayette	103	116	137	13%	18%	33%	49
Franklin	5,077	6,104	6072	20%	-1%	20%	74
Fulton	89	129	135	45%	5%	52%	17
Gallia	67	71	79	6%	11%	18%	78
Geauga	180	204	228	13%	12%	27%	62
Greene	443	513	549	16%	7%	24%	67
Guernsey	162	158	208	-2%	32%	28%	59
Hamilton	3,080	4,117	4076	34%	-1%	32%	54
Hancock	162	185	200	14%	8%	23%	69
Hardin	122	171	152	40%	-11%	25%	66
Harrison	58	57	53	-2%	-7%	-9%	87
Henry	71	76	79	7%	4%	11%	80
Highland	198	242	254	22%	5%	28%	60
Hocking	77	108	131	40%	21%	70%	8
Holmes	42	72	78	71%	8%	86%	4
Huron	175	204	248	17%	22%	42%	36
Jackson	123	183	185	49%	1%	50%	19
Jefferson	179	210	213	17%	1%	19%	76
Knox	174	222	235	28%	6%	35%	45
Lake	655	788	783	20%	-1%	20%	75
Lawrence	145	169	182	17%	8%	26%	63
Licking	517	674	781	30%	16%	51%	18
Logan	182	228	224	25%	-2%	23%	71
Lorain	1,111	1,442	1465	30%	2%	32%	56

Table 5

Foreclosure Filings in Ohio Counties, 2001-2003

Counties	2001 Filings	2002 Filings	2003 Filings	2001-2002 Change	2002-2003 Change	2001-2003 Change	Rank in Growth 2001-2003
Lucas	1,807	2,509	2561	39%	2%	42%	35
Madison	111	156	158	41%	1%	42%	33
Mahoning	1,012	1,301	1443	29%	11%	43%	32
Marion	340	399	414	17%	4%	22%	72
Medina	402	451	581	12%	29%	45%	29
Meigs	69	63	62	-9%	-2%	-10%	88
Mercer	90	115	96	28%	-17%	7%	82
Miami	247	402	423	63%	5%	71%	7
Monroe	10	23	27	130%	17%	170%	1
Montgomery	3,152	3881	4220	23%	9%	34%	47
Morgan	26	32	39	23%	22%	50%	20
Morrow	129	177	233	37%	32%	81%	5
Muskingum	269	369	371	37%	1%	38%	40
Noble	26	22	24	-15%	9%	-8%	86
Ottawa	96	145	139	51%	-4%	45%	27
Paulding	83	90	107	8%	19%	29%	57
Perry	138	159	192	15%	21%	39%	39
Pickaway	130	169	188	30%	11%	45%	28
Pike	73	84	103	15%	23%	41%	37
Portage	378	586	550	55%	-6%	46%	26
Preble	168	256	248	52%	-3%	48%	23
Putnam	44	67	84	52%	25%	91%	2
Richland	479	579	559	21%	-3%	17%	79
Ross	226	260	310	15%	19%	37%	41
Sandusky	130	181	193	39%	7%	48%	21
Scioto	207	288	289	39%	0%	40%	38
Seneca	162	194	221	20%	14%	36%	43
Shelby	165	175	219	6%	25%	33%	51
Stark	1,570	2,021	2119	29%	5%	35%	46
Summit	2,525	3,214	3352	27%	4%	33%	50
Trumbull	882	1,196	1092	36%	-9%	24%	68
Tuscarawas	212	284	252	34%	-11%	19%	77
Union	129	151	189	17%	25%	47%	24
Van Wert	99	122	120	23%	-2%	21%	73
Vinton	34	32	35	-6%	9%	3%	83
Warren	458	660	723	44%	10%	58%	12
Washington	127	161	209	27%	30%	65%	11
Wayne	184	254	272	38%	7%	48%	22
Williams	87	111	153	28%	38%	76%	6
Wood	227	270	283	19%	5%	25%	65
Wyandot	45	53	65	18%	23%	44%	30
Ohio	**43,419**	**55,274**	**57083**	**27%**	**3%**	**31%**	

Table 6

Sheriff Sales and Foreclosure Rates in 2003

Counties	**Households in 2000**	**2003 Sales**	**Households / 2003 Sales**	**2003 Sales Rate Rank**	**2003 Fore-closure Filings**	**Households/ 2003 Filings**	**2003 Filing Rate Rank**
Adams	10,501	92	114	26	110	95	47
Allen	40,646	493	82	5	551	74	24
Ashland	19,524	135	145	51	176	111	60
Ashtabula	39,397	N/A	N/A	N/A	587	67	12
Athens	22,501	65	346	81	118	191	87
Auglaize	17,376	127	137	46	153	114	61
Belmont	28,309	99	286	79	173	164	85
Brown	15,555	116	134	41	246	63	6
Butler	123,082	1,365	90	12	1,853	66	11
Carroll	11,126	98	114	24	137	81	32
Champaign	14,952	N/A	N/A	N/A	221	68	13
Clark	56,648	597	95	14	942	60	4
Clermont	66,013	545	121	30	776	85	36
Clinton	15,416	126	122	33	217	71	16
Columbiana	42,973	229	188	64	599	72	20
Coshocton	14,356	106	135	43	143	100	51
Crawford	18,957	187	101	19	181	105	58
Cuyahoga	571,457	4,421	129	36	8,686	66	10
Darke	20,419	114	179	61	203	101	52
Defiance	15,138	101	150	52	133	114	62
Delaware	39,674	208	191	66	402	99	49
Erie	31,727	203	156	54	306	104	57
Fairfield	45,425	237	192	67	505	90	43
Fayette	11,054	103	107	22	137	81	31
Franklin	438,778	4,476	98	17	6,072	72	22
Fulton	15,480	97	160	56	135	115	64
Gallia	12,060	N/A	N/A	N/A	79	153	82
Geauga	31,630	159	199	69	228	139	72
Greene	55,312	390	142	49	549	101	53
Guernsey	16,094	120	134	42	208	77	26
Hamilton	346,790	3,041	114	25	4,076	85	37
Hancock	27,898	166	168	58	200	139	73
Hardin	11,963	124	96	15	152	79	28
Harrison	6,398	36	178	60	53	121	67
Henry	10,935	53	206	71	79	138	71
Highland	15,587	208	75	3	254	61	5
Hocking	10,843	70	155	53	131	83	34
Holmes	11,337	48	236	73	78	145	78
Huron	22,307	188	119	29	248	90	42
Jackson	12,619	80	158	55	185	68	14
Jefferson	30,417	158	193	68	213	143	76
Knox	19,975	N/A	N/A	N/A	235	85	35
Lake	89,700	357	251	74	783	115	63
Lawrence	24,732	98	252	75	182	136	69
Licking	55,609	623	89	11	781	71	18
Logan	17,956	210	86	9	224	80	29
Lorain	105,836	765	138	47	1,465	72	21

Table 6

Sheriff Sales and Foreclosure Rates in 2003

Counties	Households in 2000	2003 Sales	Households / 2003 Sales	2003 Sales Rate Rank	2003 Fore-closure Filings	Households/ 2003 Filings	2003 Filing Rate Rank
Lucas	182,847	1,585	115	27	2,561	71	19
Madison	13,672	100	137	44	158	87	38
Mahoning	102,587	785	131	38	1,443	71	17
Marion	24,578	390	63	1	414	59	3
Medina	54,542	421	130	37	581	94	46
Meigs	9,234	98	94	13	62	149	80
Mercer	14,756	91	162	57	96	154	83
Miami	38,437	328	117	28	423	91	44
Monroe	6,021	14	430	82	27	223	88
Montgomery	229,229	2,766	83	6	4,220	54	2
Morgan	5,890	29	203	70	39	151	81
Morrow	11,499	135	85	7	233	49	1
Muskingum	32,518	264	123	34	371	88	40
Noble	4,546	17	267	78	24	189	86
Ottawa	16,474	135	122	32	139	119	65
Paulding	7,773	74	105	20	107	73	23
Perry	12,500	125	100	18	192	65	9
Pickaway	17,599	93	189	65	188	94	45
Pike	10,444	156	67	2	103	101	55
Portage	56,449	421	134	40	550	103	56
Preble	16,001	212	75	4	248	65	7
Putnam	12,200	48	254	76	84	145	77
Richland	49,534	378	131	39	559	89	41
Ross	27,136	N/A	N/A	N/A	310	88	39
Sandusky	23,717	128	185	63	193	123	68
Scioto	30,871	N/A	N/A	N/A	289	107	59
Seneca	22,292	163	137	45	221	101	54
Shelby	17,636	180	98	16	219	81	30
Stark	148,316	1,218	122	31	2,119	70	15
Summit	217,788	2,469	88	10	3,352	65	8
Trumbull	89,020	704	126	35	1,092	82	33
Tuscarawas	35,653	255	140	48	252	141	75
Union	14,346	168	85	8	189	76	25
Van Wert	11,587	108	107	21	120	97	48
Vinton	4,892	16	306	80	35	140	74
Warren	55,966	506	111	23	723	77	27
Washington	25,137	139	181	62	209	120	66
Wayne	40,445	235	172	59	272	149	79
Williams	15,105	106	143	50	153	99	50
Wood	45,172	171	264	77	283	160	84
Wyandot	8,882	40	222	72	65	137	70
Ohio	**4,435,272**	**36,505**	**118***		**57,083**	**78**	

* The Ohio sheriff sales rate was calculated using the number of households in the 82 counties that provided sheriff sale data for 2003 (4,290,881). This includes Jackson County, which is not included in the text of the report because it did not provide data for 2001.

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 include work, wages, and benefits; education; basic needs; privatization; economic development and tax policy. Generous funding has been provided by the George Gund Foundation, the St. Ann Foundation, the Nord Family Foundation, the Stern Family Fund, Greater Cleveland Community Shares and other sources.

2912 Euclid Avenue • Cleveland, Ohio, 44115 • 216-931-9922

http://www.policymattersohio.org/