

## Home Insecurity 2015 Foreclosures and housing in Ohio

Zach Schiller and Sam Whipple

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

These numbers include tax foreclosure cases filed in the courts, but exclude more than 3,000 tax foreclosure filings last year covering vacant abandoned properties being handled through county boards of revision. This type of foreclosure, which was permitted under state law starting in 2006, has become a way to move property more quickly into the hands of county land banks and thus reutilize it. This is generally a positive step for these properties, but the growth in such cases handled outside the court process means that total foreclosure cases have not declined quite as much as the Supreme Court numbers indicate.

Foreclosures represent a major and ongoing blow against families' biggest source of savings and financial stability. This report analyzes the latest foreclosure filing statistics in Ohio, and makes recommendations to combat the blight that it has generated.

The number of filings reported to the Supreme Court fell in 80 of the state's 88 counties in 2014 (in one county, Logan, they remained the same). The drop continued a downward trend since the peak of more than 89,000 in 2009. While it was lower than in any year in the past decade, last year's number was at least double the annual total of every year between 1990 and 1996. Richland County had the highest foreclosure court filing rate per person of any county in the state in 2014. It replaces Cuyahoga County, which had had that dubious distinction for nine years in a row before last year and fell to second place.

### Key findings

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

The Ohio Housing Finance Agency’s Save the Dream program, the state’s largest effort to help Ohioans avoid foreclosure, has assisted 24,000 homeowners, only about 500 of whom had subsequently been foreclosed upon as of early May. However, the program was closed to new applicants last year, ending the state’s largest effort to help homeowners avoid foreclosure. Though the foreclosure problem remains significant, this was the primary source of funding for foreclosure counseling that has helped thousands of Ohioans stay in their homes.

The wreckage from more than a decade of elevated foreclosure levels also poses a major challenge to neighborhoods across the state. Though significant efforts have been made to cope with the proliferation of vacant properties, including programs by Attorney General Mike DeWine, OHFA and local communities, Ohio has tens of thousands of vacant homes, which would cost hundreds of millions of dollars to demolish. And that doesn’t include additional costs for needed rehabilitation. More resources are needed to stave off even more foreclosures and support communities as they combat the blighted housing.

