

## Home Insecurity 2012 Foreclosures and housing in Ohio

David Rothstein

For the second year in a row, the number of foreclosure filings decreased in Ohio. New filings dropped to 71,556, a 16 percent decrease from last year. Filings are still remarkably higher than a decade ago and additional housing data point to a long, slow recovery.

### Foreclosures stabilize near peak

The number of foreclosures in the state remains at crisis levels, higher than in 11 of the last 16 years. Cuyahoga County again led the state, with 9 filings per 1,000 people and 11,544 foreclosures. The ten largest counties together accounted for more than 43,000 foreclosures. There was one foreclosure filing for every 71 housing units in the state in 2011.

### Ohio housing remains stressed

Indicators related to housing foreclosures and mortgage delinquencies remain grim. While new foreclosure filings declined, major factors that lead to foreclosure remain unchanged.

- **Eight percent of Ohio mortgages are 90 days past due or currently in foreclosure.** Despite record years of foreclosures, Ohio remains nearly unchanged in serious delinquency and foreclosure starts.
- **More than 30 percent of all Ohio mortgages, some 500,000, are ‘under water’ or worth less than is owed.** Ohio ranks eighth in the nation in this category.
- **The loan-to-value ratio for Ohio mortgages is 76 percent, meaning homeowners own less than 25 percent of their home mortgages.** Negative equity poses enormous problems for homeowners because they cannot refinance or sell their homes unless they take a financial loss. Ohio ranks sixth in the nation in this category.

Policy Matters recommends several federal and state policy solutions to reduce foreclosures and improve housing for Ohioans. At the federal level, we call for increased funding for housing modification programs, an extension of the Mortgage Debt Relief Act, and the creation of bonds for demolishing vacant and abandoned properties. State level solutions include legislation that regulates mortgage servicers, increases tenant protections during foreclosure, coordinates housing counseling and mediation programs, and bans foreclosure rescue scams.

### Key findings

- 71,556 new filings in 2011
- 30 percent of mortgages in state – more than 500,000 – are under water
- An estimated 100,000 vacant properties need to be razed
- Foreclosures are taking longer to process, an average of 674 days