



PIECE BY PIECE
A REGIONAL FORECLOSURE INITIATIVE

Housing Foreclosures in the Metro Atlanta Region



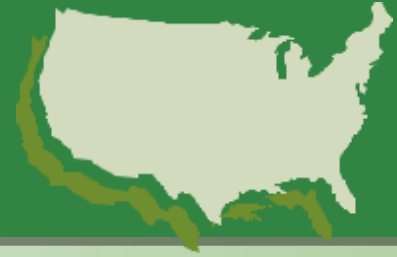
ATLANTA REGIONAL COMMISSION

Regional Leadership Institute
September 14, 2011

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Foreclosure



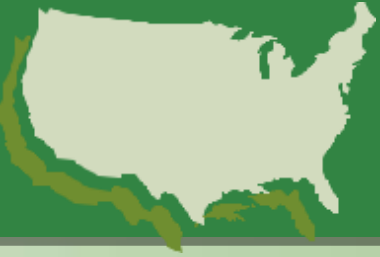
- Know someone or home in neighborhood?
- Home underwater?
- Toxic Asset?
- Secondary mortgage market/Fannie Mae?
- Collateralized debt obligation?

Two buckets

1. Real estate/construction/home ownership
2. Finance/banking (Layoffs BOA, U.S. files lawsuits)



Foreclosure Facts



2010

- 2,871,891 Properties with filings
- 1 in every 162 U.S. homes

2011 - Midyear

- 1,170,402 Properties w/ Filings
- -25% from Previous 6 months
- "Paperwork problems continue to cause delays"

Source: RealtyTrac.com



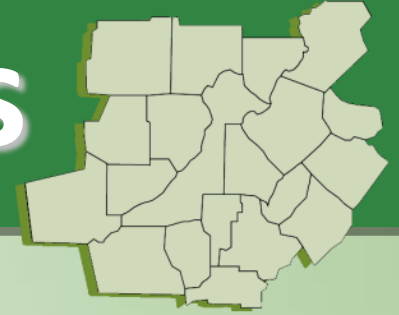
Foreclosure Facts



- **2010 – Georgia 6th in properties with foreclosure filings (RealtyTrac)**
- **2011 (Jan-Jun) – Georgia 5th in properties with foreclosure filings (RealtyTrac)**
- **July 2011 – Despite national 44 month low, Georgia has 18% increase, 3rd in nation (RealtyTrac)**
- **Georgia 2nd highest consumer financial distress: unemployment, housing, credit, managing household budgets, net worth. (CredAbility)**



Foreclosure Facts

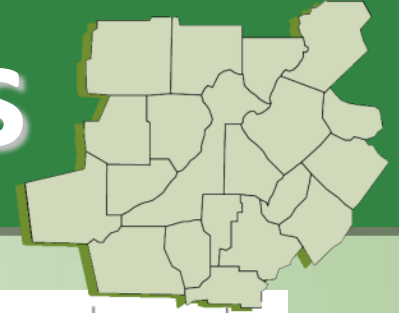


- **Atlanta 3rd in # of properties with filings** (RealtyTrac, Jan-Jun 2011)
- **Atlanta 1st in "Cheaper to buy than rent"** (Deutsche Bank, 2011)
- **Atlanta, Detroit, Cleveland and Vegas only cities with housing price indexes below 2000 levels** (Standard & Poor's/Case-Shiller Index)
- **Metro Atlanta 3rd Highest Increase in foreclosure activity among 20 largest metro areas** (RealtyTrac)

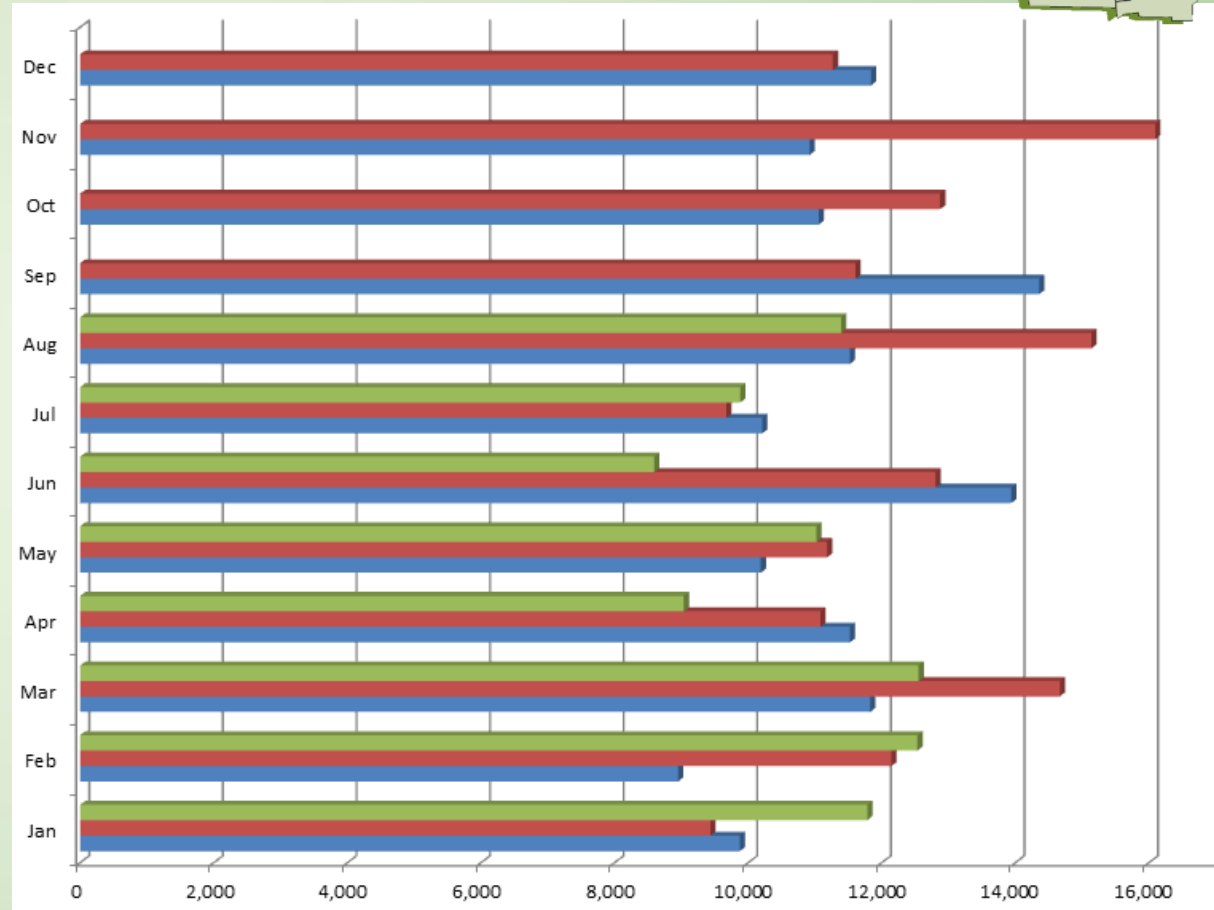


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Foreclosure Facts



20-County Foreclosure Filings



- 2011
- 2010
- 2009



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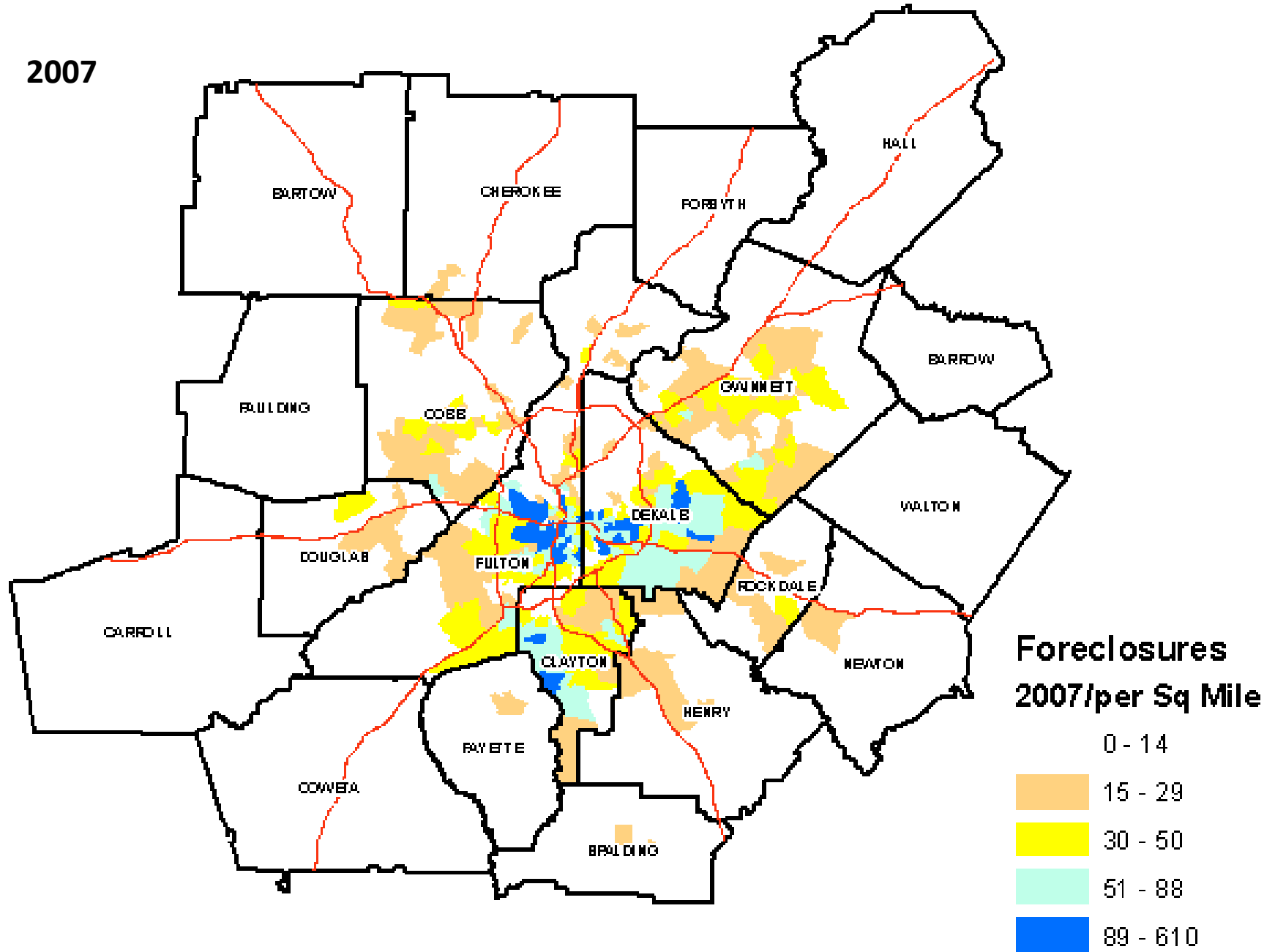
Fewer but ... Last Year Was a Record

	Jan	Feb	Mar	Apr	May	Jun	Jul	Total		Change
								2011 (Through July)	2010 (Through July)	
Barrow	208	207	180	116	159	158	152	1,180	1,320	-140
Bartow	162	198	148	140	149	124	155	1,076	1,256	-180
Carroll	216	220	238	136	199	148	179	1,336	1,566	-230
Cherokee	394	428	424	306	381	299	364	2,596	2,945	-349
Clayton	864	956	932	631	790	603	688	5,464	5,645	-181
Cobb	1,263	1,192	1,235	958	1,152	895	1,019	7,714	8,082	-368
Coweta	215	228	232	163	183	169	154	1,344	1,471	-127
DeKalb	1,572	1,621	1,683	1,240	1,472	1,164	1,332	10,084	10,558	-474
Douglas	360	402	384	262	323	240	265	2,236	2,403	-167
Fayette	162	199	170	151	157	123	148	1,110	1,081	29
Forsyth	292	339	312	223	252	222	245	1,885	2,058	-173
Fulton	1,871	1,946	1,929	1,463	1,804	1,363	1,581	11,957	13,689	-1732
Gwinnett	2,135	2,299	2,338	1,567	1,967	1,477	1,818	13,601	14,316	-715
Hall	291	295	318	230	322	235	268	1,959	2,094	-135
Henry	540	721	666	446	565	446	501	3,885	3,714	171
Newton	299	334	361	295	289	218	245	2,041	2,239	-198
Paulding	390	424	458	290	383	311	340	2,596	2,886	-290
Rockdale	249	252	233	189	190	183	212	1,508	1,611	-103
Spalding	134	119	133	84	104	85	82	741	740	1
Walton	168	155	180	148	184	133	134	1,102	1,321	-219
TOTAL	11,785	12,535	12,554	9,038	11,025	8,596	9,882	75,415	80,995	-5,580

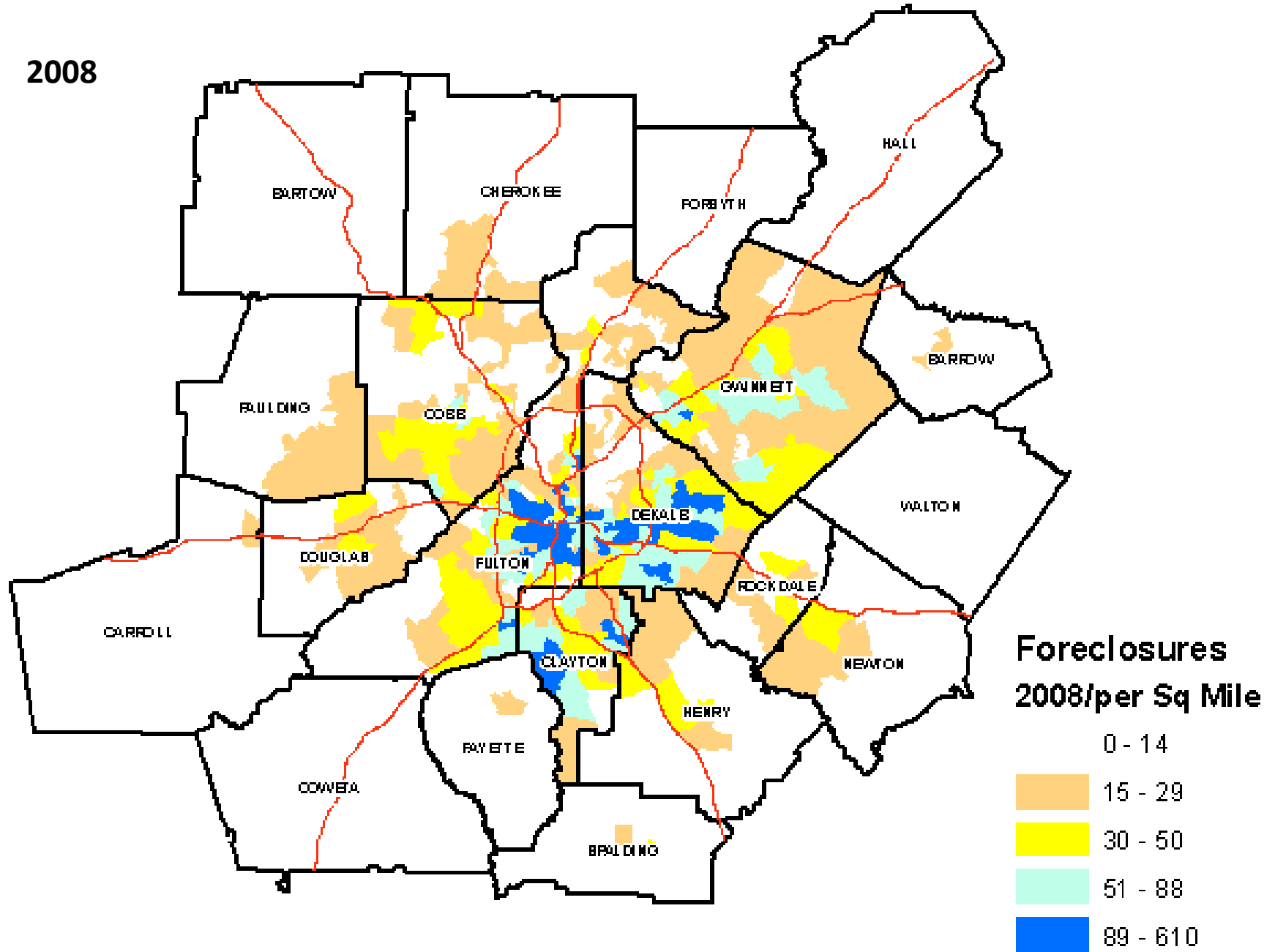


Source: Equity Depot

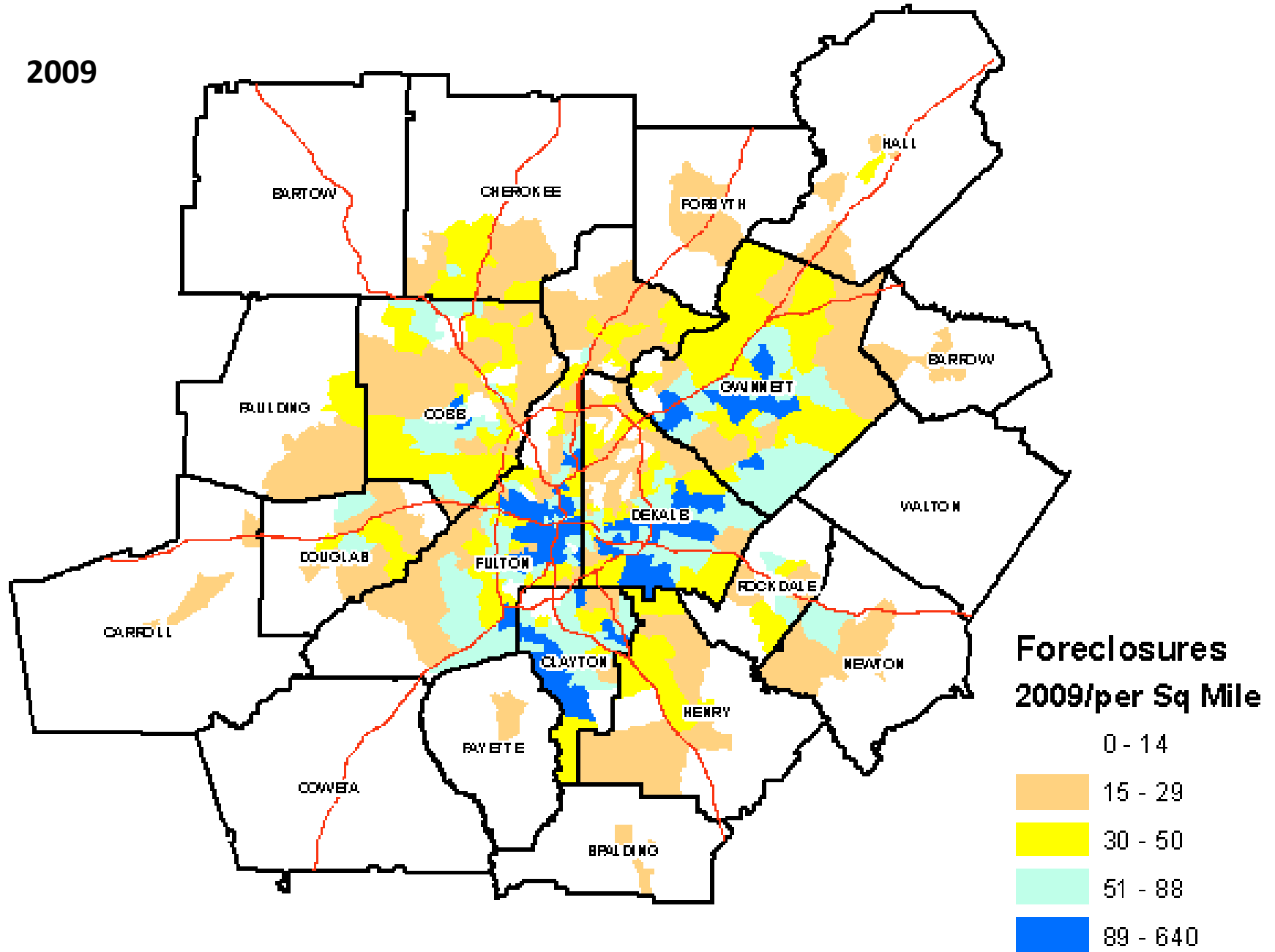
2007



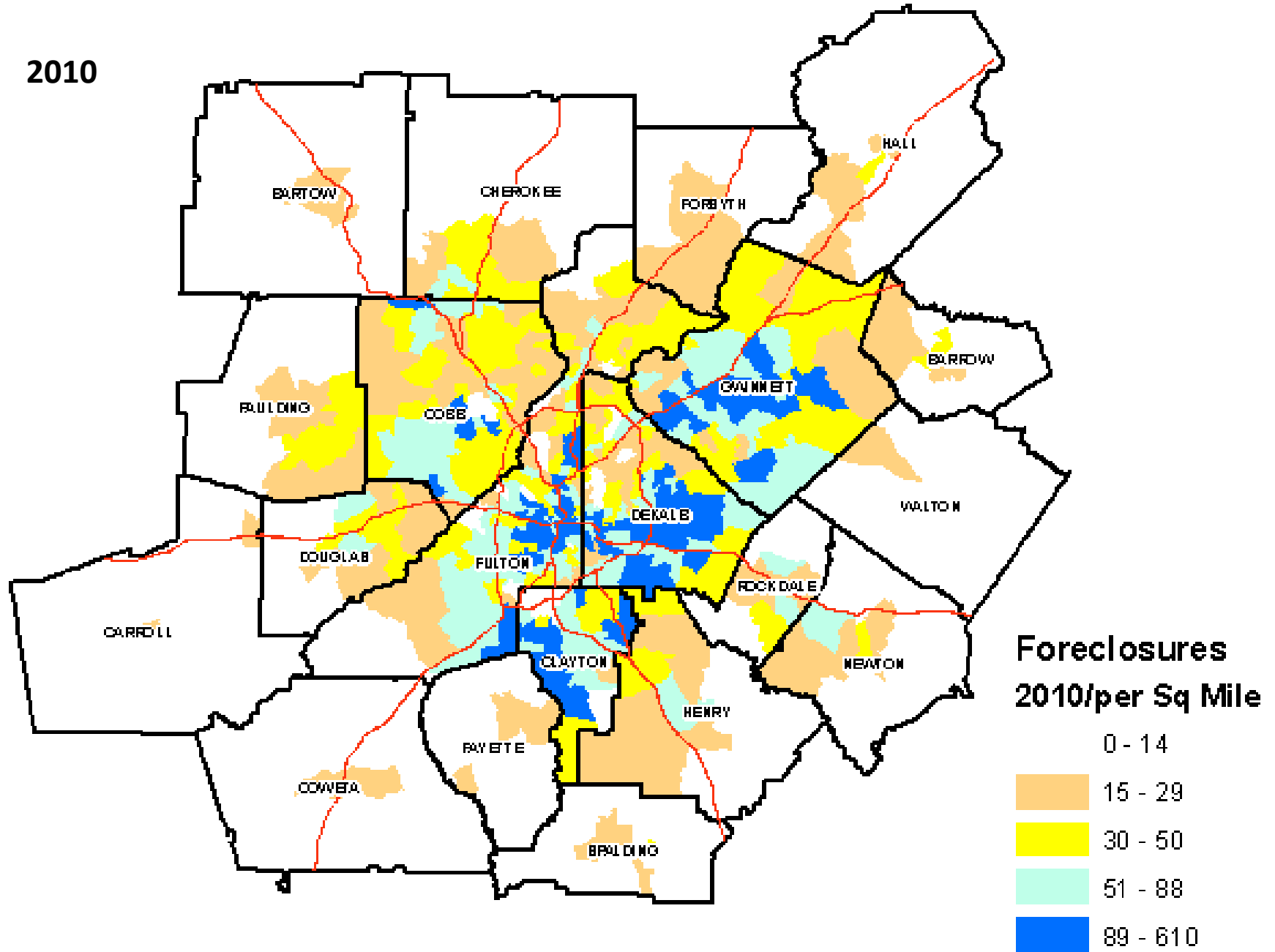
2008



2009

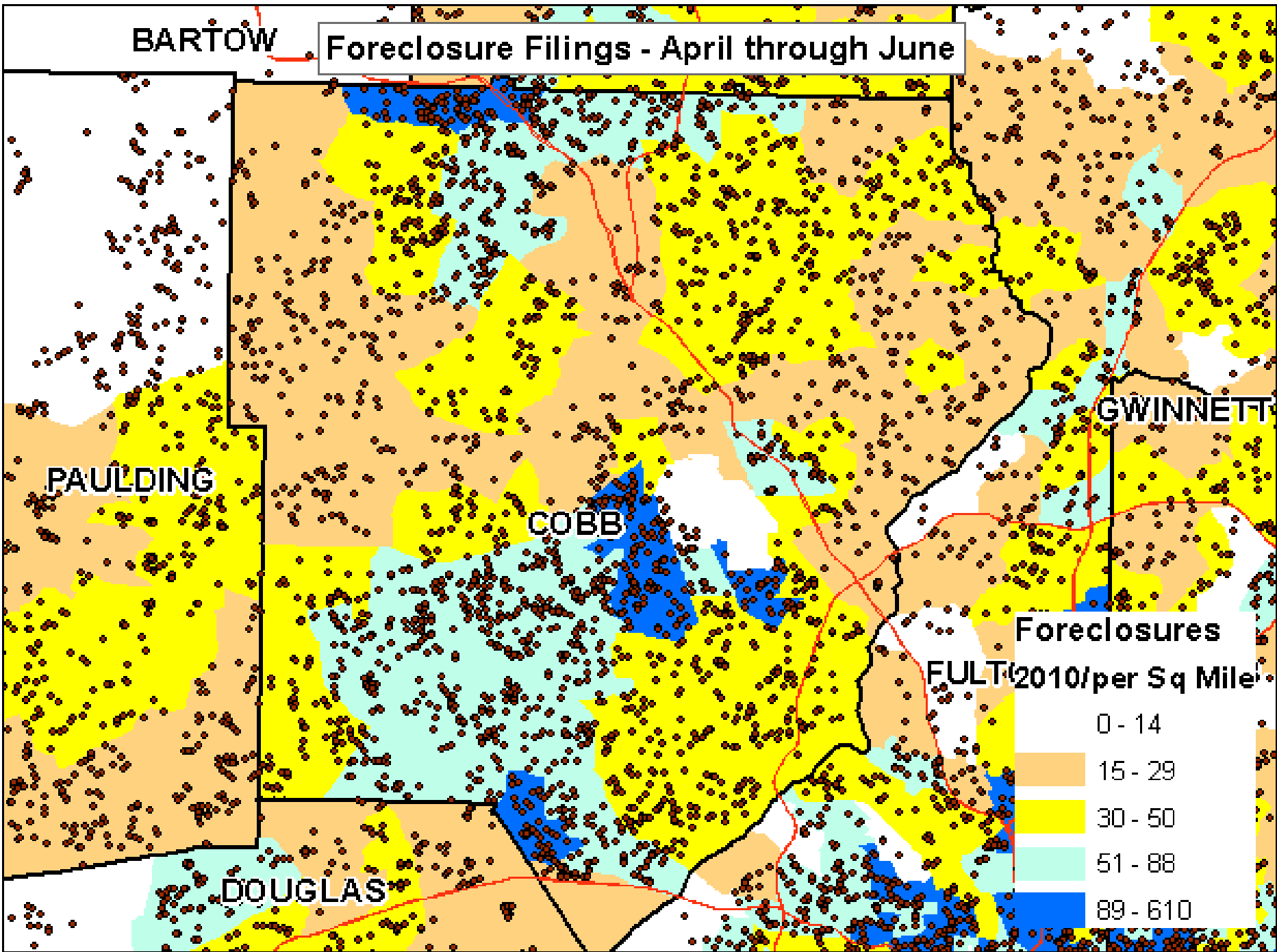


2010



BARTOW

Foreclosure Filings - April through June



PAULDING

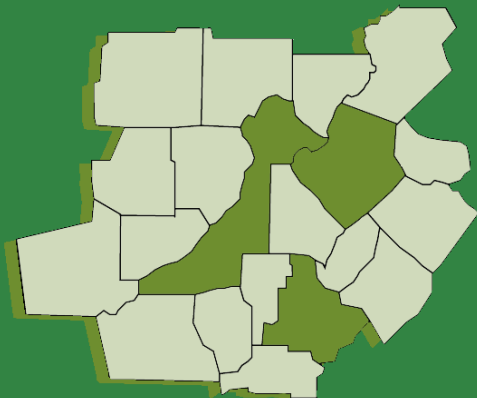
COBB

GWINNETT

DOUGLAS

Foreclosures
FULT 2010/per Sq Mile

- 0 - 14
- 15 - 29
- 30 - 50
- 51 - 88
- 89 - 610



A Closer Look

	Fulton	Gwinnett	Henry
Total Housing Units	425,921	279,851	70,180
2010 Filings* % of Total Units	24,449 5.7%	26,507 9.5%	6,984 9.9%
2011 Filings YTD* % of Total Units	13,729 3.2%	15,709 5.6%	4,469 6.3%
Foreclosures For Sale** % of Total Units	22,573 5.3%	16,807 6.0%	4,774 6.8%
Vacancy *** % of Total Units	70,469 16.5%	25,336 9.1%	7,524 10.7%

*Equity Depot, **RealtyTrac, ***Census Bureau



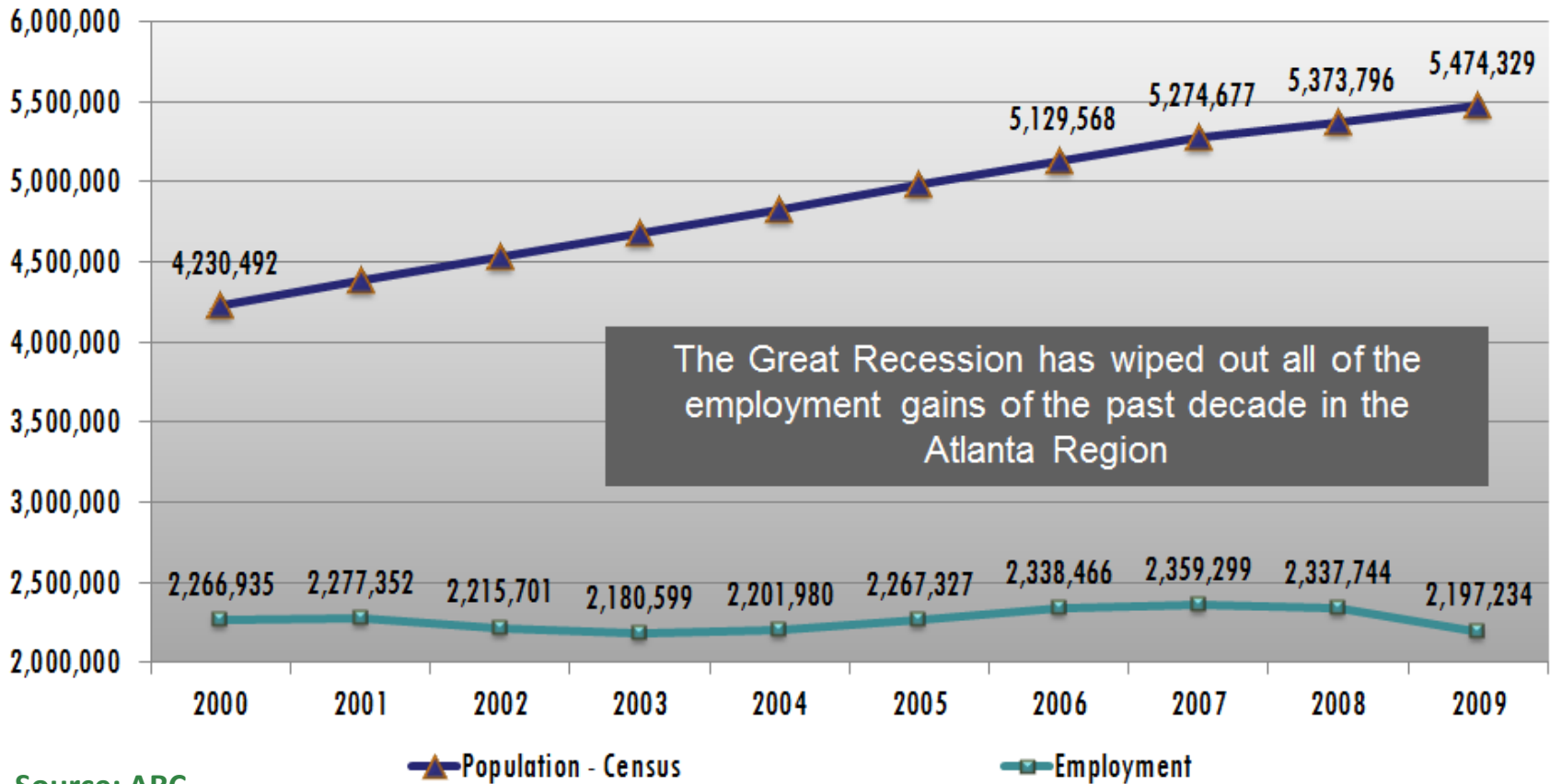
Causes

- Homeowner Speculation (Flip my house)
- Community Reinvestment Act
- Investor Speculation - Rating companies
- Supercharged Homebuilding
- Mortgage Fraud
- Predatory Lending - Sub-prime loans
- Job loss
- Values - Underwater loans



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Population/Employment

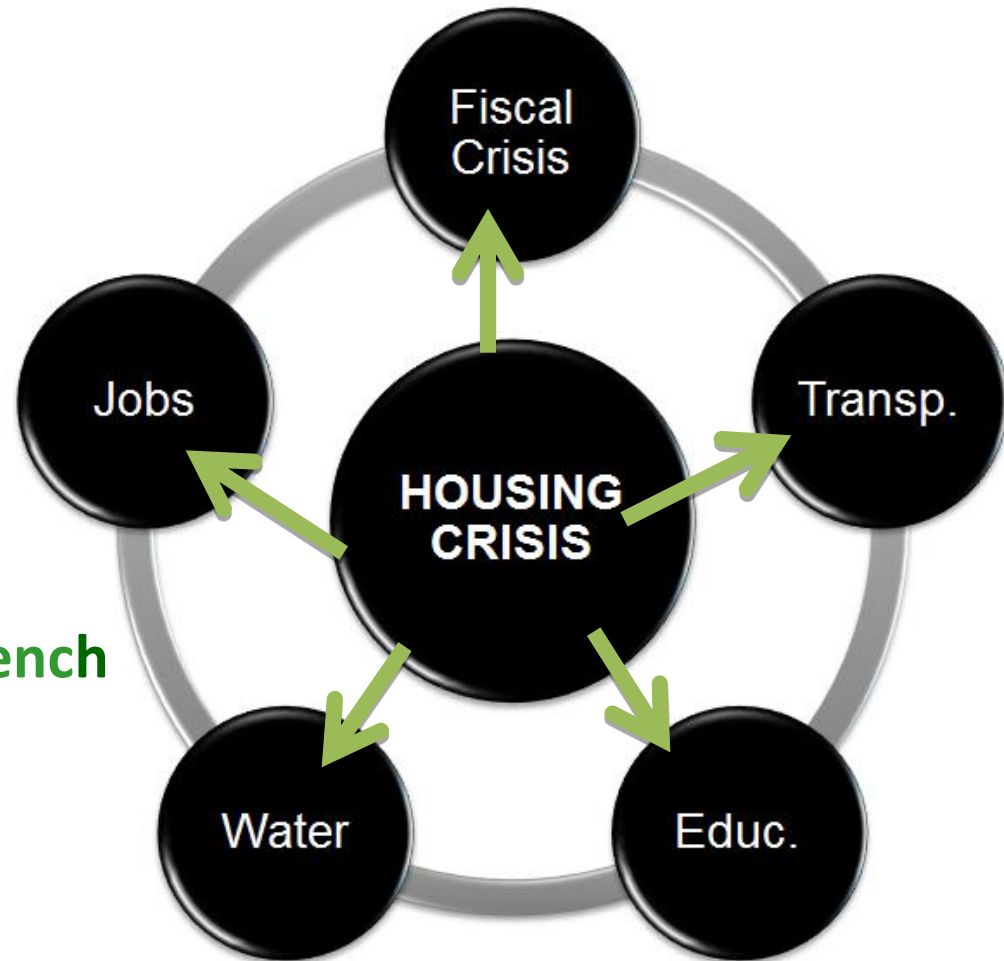


Source: ARC



Implications

- **Jobs lost - unemployment**
- **Loss of value**
- **Families displaced**
- **Local and state revenues**
- **Neighborhood impacts**
- **Need to retool, realign, retrench**





Going Global

Home market gets foreign aid

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By Christopher Quinn

The Atlanta Journal-Constitution

Foreign accents and real estate agents representing foreign buyers have become common at foreclosure auctions in metro Atlanta.

Enlarge photo



Elissa Eubanks, eeubanks@ajc.com

Low home prices and strong foreign currencies have made the Georgia even more attractive to investors.

Georgia has long been a top-10 state for foreign real estate investors, the National Association of Realtors says, but low home prices and strong foreign currencies have made the U.S. and Georgia even more attractive to investors. What is new in this round of buying is that individuals, not just investment firms, are getting involved, and they are dropping money into Atlanta houses, condos and apartments rather than stocks or bonds back home.

Foreign residential investments in the U.S. grew from \$66 billion to \$82 billion in the 12 months between March 2010 and 2011, the NAR says. Two percent of the \$82 billion came to Georgia, it says.

Related

In addition to Georgia and US investors in real estate...

- Global investing increasing
- \$66B to \$82B in last year
- 2% (\$1.6B) in Georgia
- NAR: Georgia a Top 10 state
- Prices attracting small investors



Implications

Absentee/Investor Ownership of Low-to-Moderate Income Neighborhoods

Pro's

- Increased Affordability
- Cash infusion into market

Concerns

- Homes left unoccupied
- Lack of tenant screening
- Poor property management
- Little rehab
- Code enforcement concerns
- Lack of accountability



Local Response

Local Governments

- NSP Program
- Property registries
- Land banking
- Code enforcement

Nonprofits

- Pittsburgh Community
- Habitat for Humanity
- ANDP

Housing Counseling Orgs.

- Foreclosure Prevention
- Pre-Purchase Counseling
- Post-Purchase Counseling

Others - Collaborations

- Douglas County PBP
- Clayton "Kitchen table"

Despite efforts – a better, coordinated response needed



Piece by Piece

- Initiative conceived in 2010 by nine local, regional , national organizations!
- More than 140 partner organizations including (counselors,governments, builders, lenders, neighborhood groups, nonprofits, researchers, funders and more!)
- Partners participating in dialogue and promoting best practices in foreclosure prevention, mitigation and response.



"The most exciting grassroots effort – You have inspired us all."

-Shaun Donovan, Secretary of U.S. Housing & Urban Development addresses Piece by Piece Midyear Update



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Convene, Connect, Act

Activity Highlights

CONVENE, CONNECT

- Initiative Launch – Nov 2010
- Research/Data – Dec 2010
- Public Policy – Mar 2011
- Midyear Update – May 2011
- HUD Counseling Orgs – June 2011
- Local Government – Monthly



Leaders from five counties discuss local government response to the foreclosure crisis in their communities



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PBP in Action

Douglas County PBP

"Save A Home" Task Force

Members: Clergy, Loan Officers, County, Realtors, Remodelers, Appraisers, Bankers

Education/Assistance: CredAbility, Local Businesses

Legal Support: Pro Bono Legal Task Force

Homeowner Options: Modification, Reverse Mortgage, Refinance, Hardest Hit Fund, Rental, Sale/Short Sale, Bankruptcy

Initiative Task Force

Westside HBA, West Georgia Board of Realtors
Douglas County Development Authority
Douglas County Government, City of Douglasville
Douglasville Development Authority
Douglas County Housing Authority
Greystone Power
First Methodist Church of Douglasville
Douglas County Chamber of Commerce



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PBP in Action

Iron Gate Neighborhood



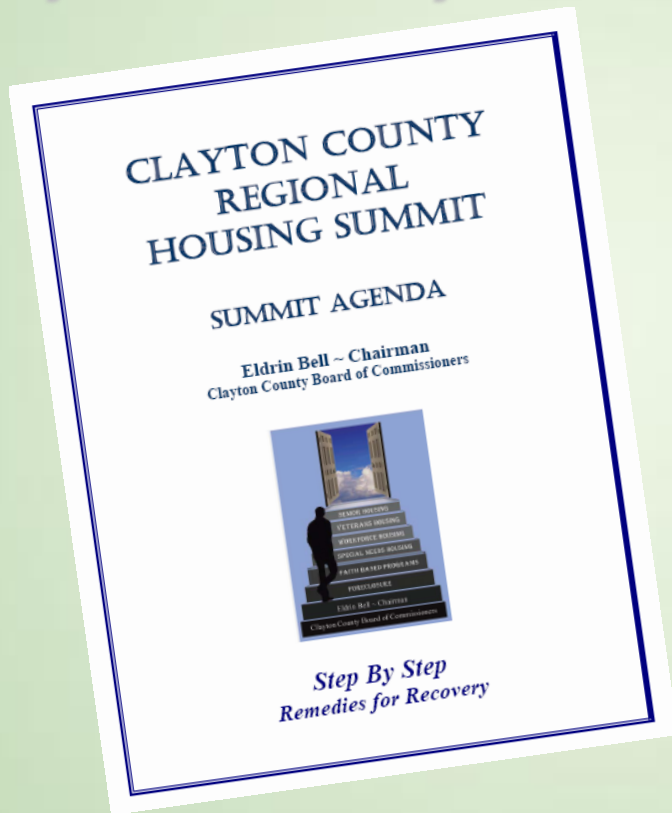
Southern Crescent's Neighborhood Reinvestment Initiative (NRI)

- 70 Homes rehabbed for low income families
- Buyers must complete training on home maintenance and financial education
- Homes have energy efficiency included in renovations



PBP in Action

Clayton County



Regional Housing Summit

- 2-day event featuring Senator Johnny Isakson, Ron Sims - Deputy Secretary of HUD, Eldrin Bell – Chairman, Clayton County Board of Commissioners
- Special presentations on: foreclosures, senior housing, special needs housing, Veterans housing, workforce housing
- Nearly 250 attendees



PBP in Action

Rehab Mortgage Training



Training for Realtors, Lenders & Housing Counselors

- Half-day session
- Rehab Mortgage Products
 - HUD: 203k, Streamline
 - Fannie Mae: HomePath, HomeStyle
- Training provided by HUD Atlanta Homeownership Center, Fannie Mae
- 150 attendees



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Best Practices



ATLANTA REGIONAL COMMISSION

- **NSP Program**
 - Convened NPO/Gov
 - Promoted Best Practices
- **Piece by Piece**
 - Founding Organizer
 - Convening Local Govts
- **Focus on Recovery/Growth**
 - Plan 2040
 - Regional Transportation



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What's Next?

*Are You A Part of the Solution?
Join Piece by Piece!*

*www.AtlantaRegionalHousing.org/pbp
(Coming Soon www.pbpinitiative.org)*

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