A profile of the mortgage crisis in an LMI community

Paul Willen, Federal Reserve Bank of Boston

Joint with Lynn Fisher (MIT and UNC) and Lauren Lambie-Hansen (MIT)

Reinventing Older Communities Conference
Philadelphia, PA, May 14, 2010

I am speaking today as a researcher and a concerned citizen and not as a representative of the FRB Boston or the Federal Reserve System.
...a cyclone has wheeled through.

- Purpose of this paper is to quantify the effects of the mortgage crisis on a community.
- How can we measure the effects of a crisis.
- Statistics give us.
  - Good news.
  - Bad news.
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- 12,798 housing units.
- 8,158 built before 1940.
- 4,609 owner occupied.
- 6,579 in 2-4 unit buildings.
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Foreclosures

- ≈4500 properties (1-3 family)
- 263 foreclosures since 2006 (6%)
- 357, if we include short sales (8%)
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Location of Foreclosures

- **REO Foreclosures**
  - 2007
  - 2008
  - 2009
  - Other Properties

- **Town Boundaries**
- **Mystic River and Chelsea River**
**REO not building up**

<table>
<thead>
<tr>
<th>Year</th>
<th>Troubled Properties</th>
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<th>Foreclosure Auction</th>
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### REO not building up

#### Flows into REO

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REO Inventory
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Willen (Boston Fed)
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- What about the owners with equity?
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