



Defaulting on the Dream:
States Respond to America's Foreclosure Crisis

Florida

ONE IN 26 FLORIDA HOMEOWNERS is estimated to be in foreclosure in the coming years as a result of subprime-related mortgages—exceeding the U.S. average of one in 33, and the state is one of six projected to experience the highest rates of foreclosures—primarily over the next two years. The state's coming challenges only exacerbate its existing struggles. At the end of 2007, Florida's foreclosure inventory was 1.6 times greater than the U.S. average, according to the Mortgage Bankers Association's *National Delinquency Survey*. Florida also had the second largest share of foreclosures and loans 90 days past due in the U.S. at 11.5 percent, close behind California's 14.2 percent.



ASSESSMENT: Florida has a high-cost lending law on the books to protect future borrowers, but it needs to do more to address its more immediate foreclosure problems. The state's share of foreclosures ranks among the highest in the U.S., but its response mimics the actions expected of a state with a less bleak prognosis.

THE FACTS: The ripple effects of the foreclosure crisis

- **1 in 26** homeowners is projected to experience foreclosure on their home as a result of their high-cost loan
- **32 percent** of all loans made in 2005-2006 were subprime
- **54 percent** of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose **\$9,777** on average in property value
- **\$35.9 billion** is projected to be lost from the combined state and local tax base

How severe is the state's challenge?

Four filled houses represent the most severe challenge.



THE RESPONSE: Preserving a piece of the dream

GOALS	ACTIONS	STATUS*
Avoiding foreclosure	State-funded refinance program	<input type="checkbox"/>
	Loan modification	<input type="checkbox"/>
	Preventing rescue scams	<input type="checkbox"/>
	Counseling available	<input checked="" type="checkbox"/>
Using all your tools	Task force	<input type="checkbox"/>
Pre-empting high-cost lending	High-cost lending laws	<input checked="" type="checkbox"/>
	Aligns mortgage broker to consumer interests	<input type="checkbox"/>

■ = action taken □ = no action taken

How responsive has the state been?

Four filled houses represent the most responsive.



*As of January 31, 2008

THE FORECLOSURE NUMBERS:

The projections above are from the Center for Responsible Lending's subprime spillover research. These estimates focus on foreclosures resulting from subprime loans made to owner-occupants in 2005 and 2006. For a full description of the methodology, please see *Defaulting on the Dream: States Respond to America's Foreclosure Crisis*.



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